

Fonterra Director Planning & Insights

Dominic Quin



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Nutrient security the biggest issue of our time



Malnourishment and protein gap
in emerging markets

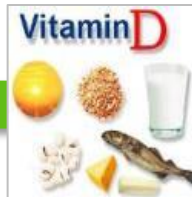
Bad food choices & "empty calories" in
emerging and developed economies

Exploding middle class (3 billion more by 2050)

High
Malnutrition



Increasing
diabetes



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A strong Co-operative ... getting stronger...



From

The **world's largest exporter of dairy**



To

A global dairy nutrition company – that makes a difference in the lives of 2 billion people by 2025



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4 Leadership markets



Chile

Malaysia

New Zealand

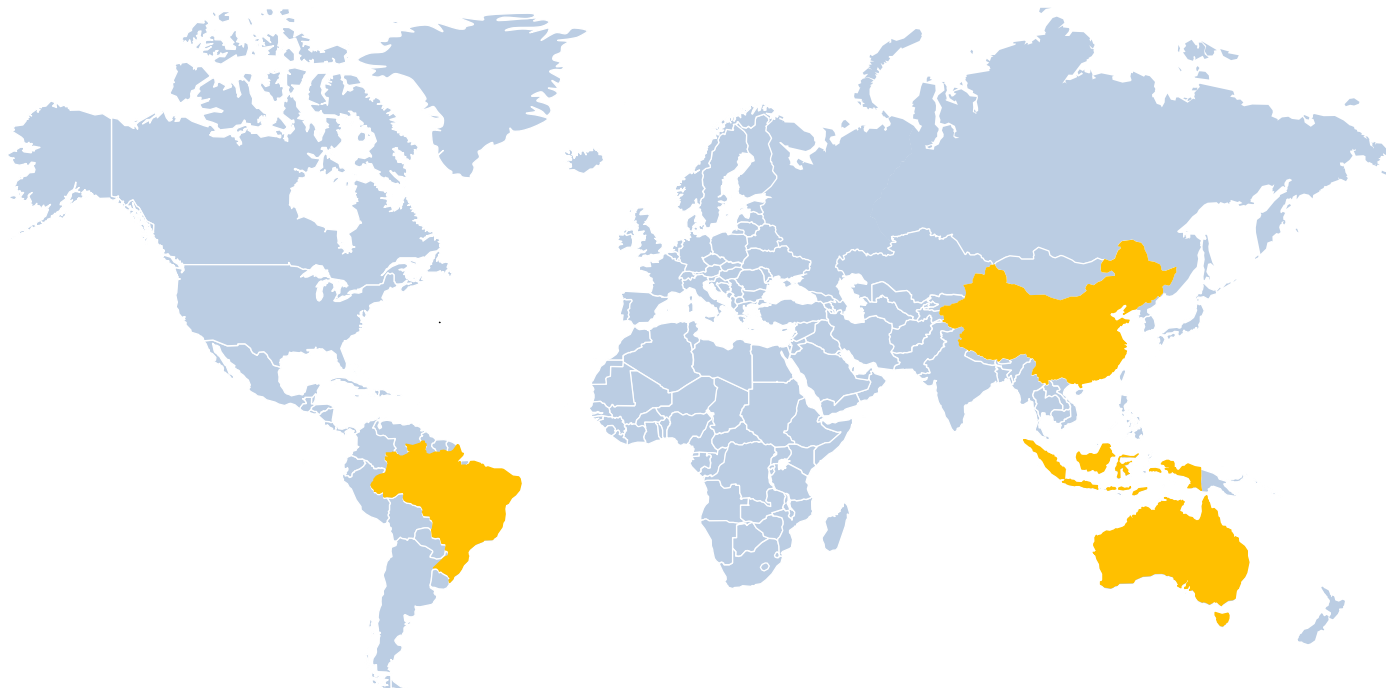
Sri Lanka



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4 Strategic markets



Australia

Brazil

China

Indonesia



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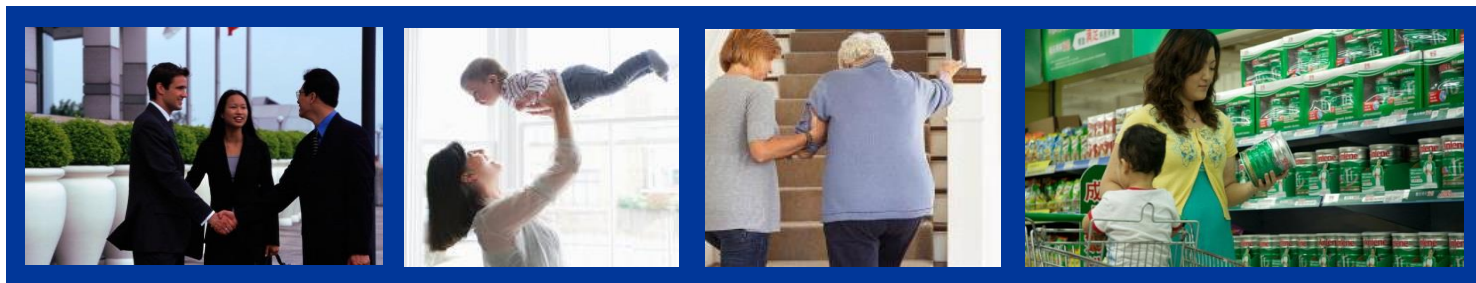
The future of marketing – characterised by a constant reinvention of the ‘new normal’



Our consumer – global and highly connected



6 Global brands – the most trusted in dairy



Dairy for life

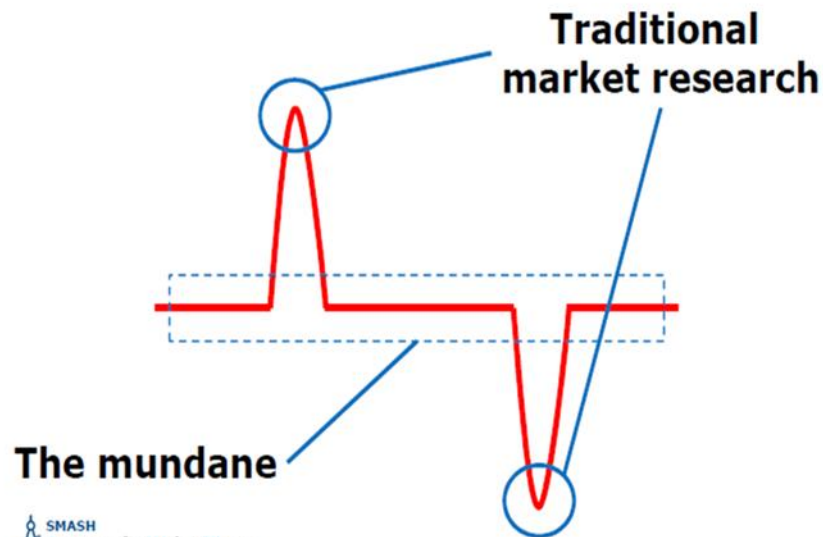
*The world's most trusted source of
dairy nutrition*



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Traditional research – not a good predictor



Respondents – don't always do what they say



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The power of observation – a big focus



Choice/voice

("what is inside the head")



Practice/usage

("what is the customer doing")



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Questions



ONE consumer segmentation which drives our strategic plans

FONTERRA GLOBAL CONSUMER SEGMENTATION

by NeedScope®



NZ\$650bn

global dairy market

20%

of total needs unmet

NZ\$130bn

opportunity



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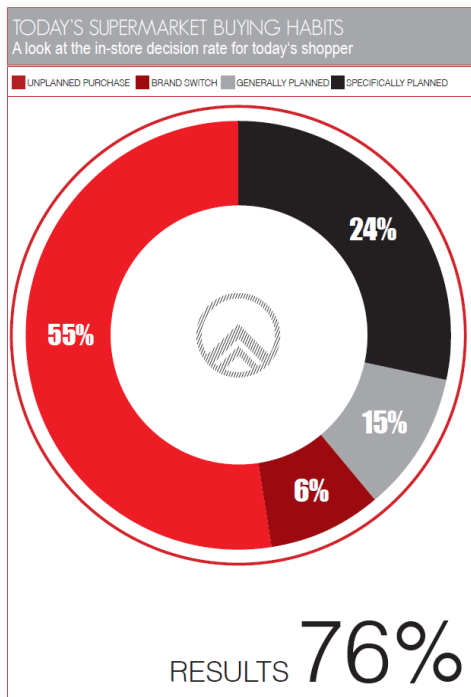




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Decisions, Decisions – more decisions are made in store than ever before



Source: Point of Purchase Advertising International 2012 – Shopper Engagement Study



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Decisions, Decisions – in NZ price is a critical driver of behaviour



59%
spend on
promotion

Germany	17%
Spain	19%
France	17%
Italy	26%
United Kingdom	36%
Australia	40%

Source: Nielsen Homescan MAT to 20/4/2014 Total Category ex Fresh

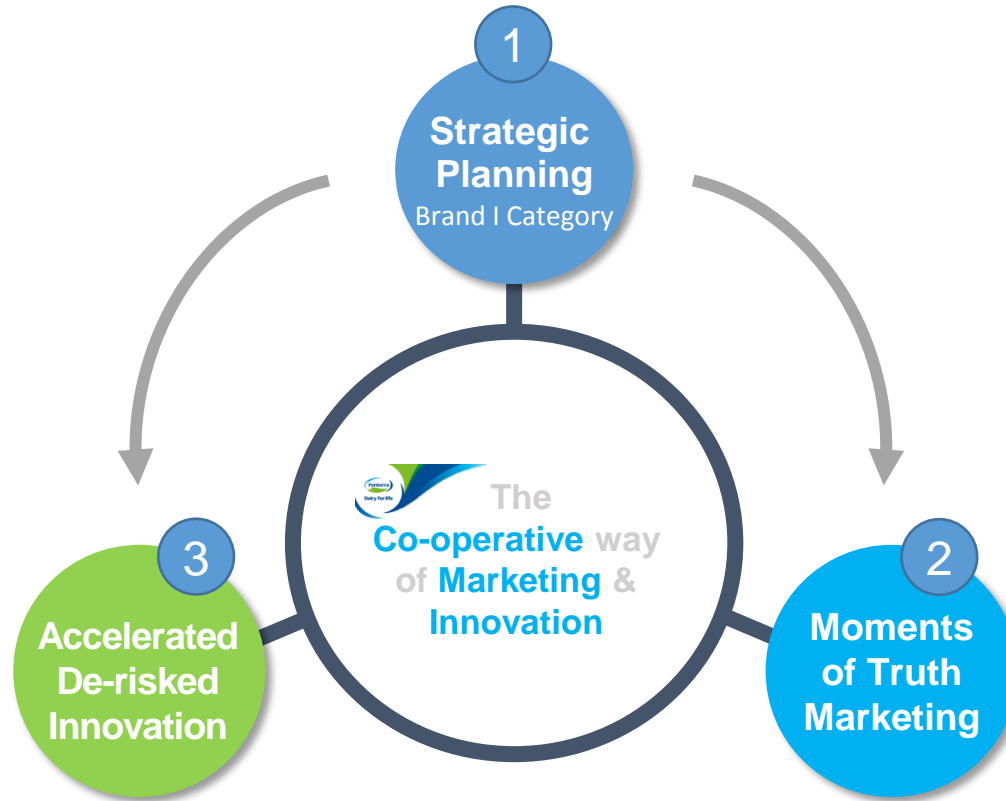


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Decisions, Decisions – understanding the shopper is a must





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Accelerated innovation – requires new tools

From

REACTIVE VALIDATION

- One-way evaluation
- Reactive
- Fixed
- Single use
- Validation
- Backward looking
- Intelligence



To

REAL TIME DIALOGUE

- Two-way dialogue
- Proactive
- Flexible
- Multiple-apps
- Co-creation
- Real-time forward
- Insights & innovation



Questions?



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