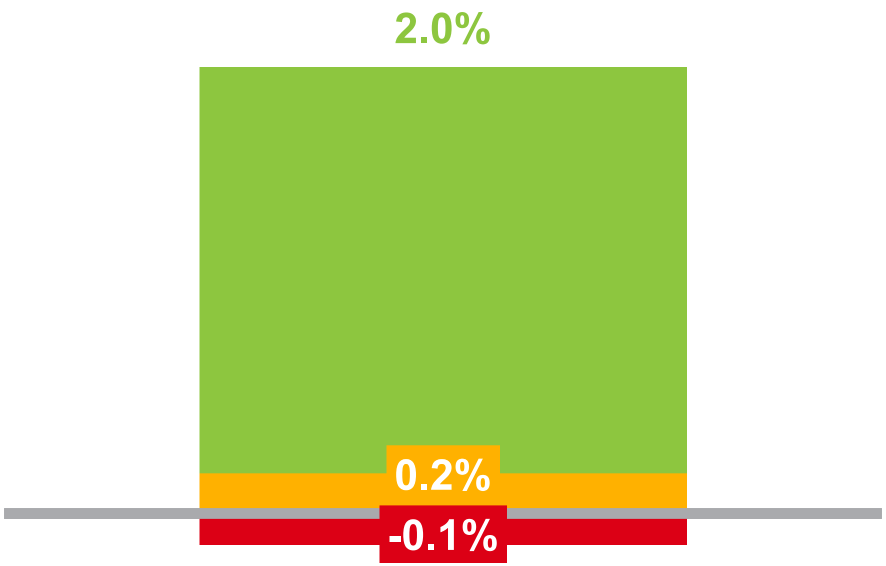
WHAT'S NEXT IN E-COMMERCE


APP
PRIVATE LABEL

THE GROWTH STORY IS CHANGING

TOTAL FMCG DOLLAR SALES GROWTH



	2016	2017
Traditional Brick & Mortar *UPC and Random Weight*	$772B	$771B
Emerging Retailers *Including Whole Foods, Costco, convenience and others*	$126B	$129B
Online *Including E-commerce, meal kits and grocery delivery*	$56B	$71B

Source: Nielsen Answers, 52 weeks ending May 27, 2017 vs year ago, 1010data credit card panel data, Nielsen data and analytics

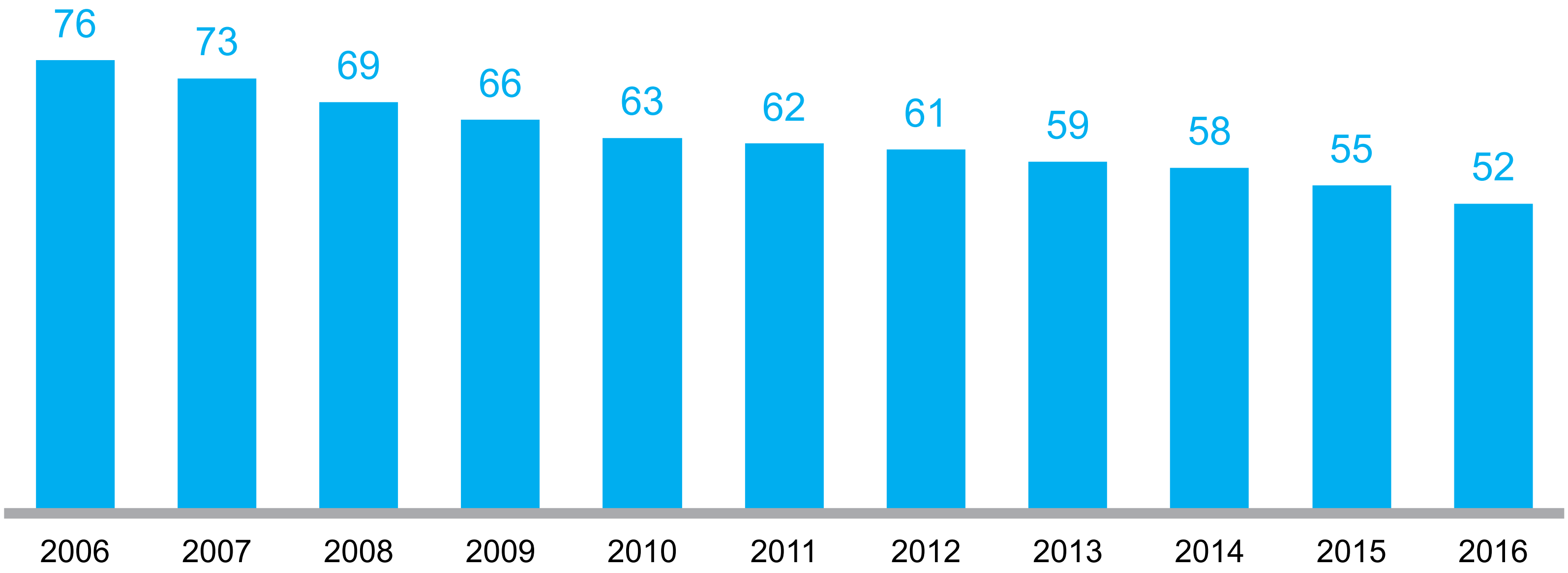
RECIPE FOR GROWTH HASN'T CHANGED

CONSUMERS + **BASKETS** + **PRICING**

GROWTH HAS BECOME MORE SELECTIVE

FMCG DOLLARS ARE GOING TO FEWER RETAILERS

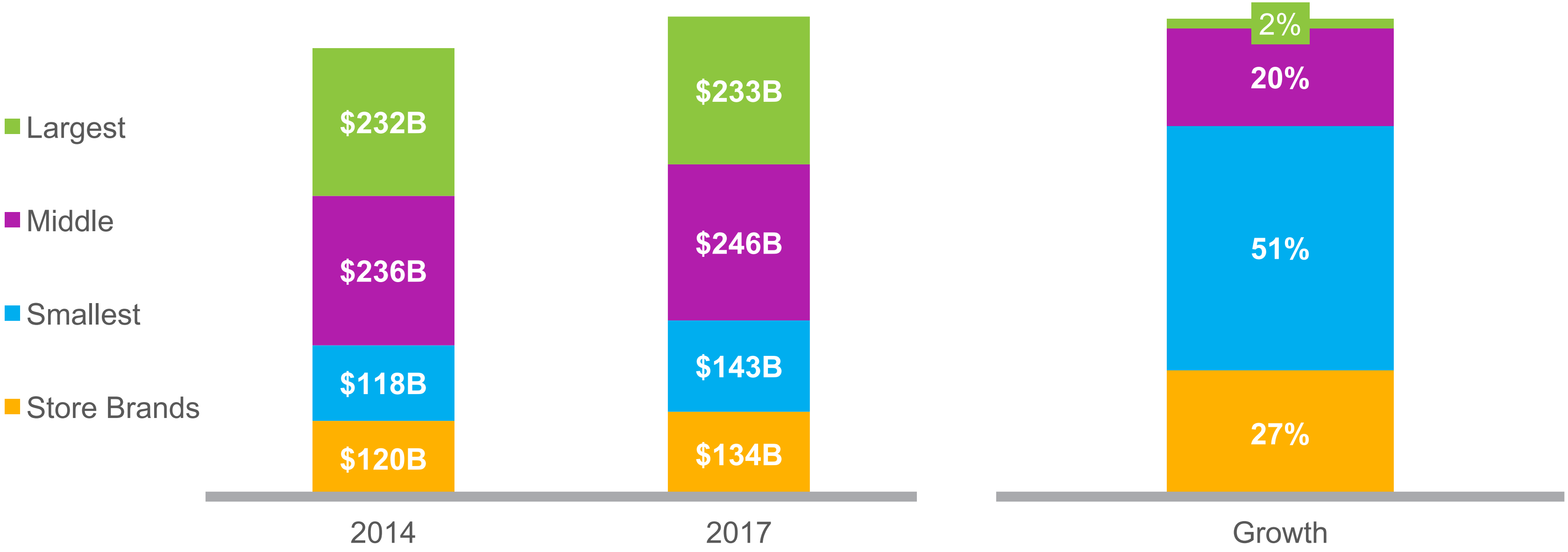
OF RETAILERS REPRESENTING 80% OF DOLLAR SALES



Source: Nielsen Answers on Demand, Total U.S., 52 weeks ending December 31, 2016, UPC-coded

MAJORITY OF TRADITIONAL GROWTH GOING TO LONG TAIL & STORE BRANDS

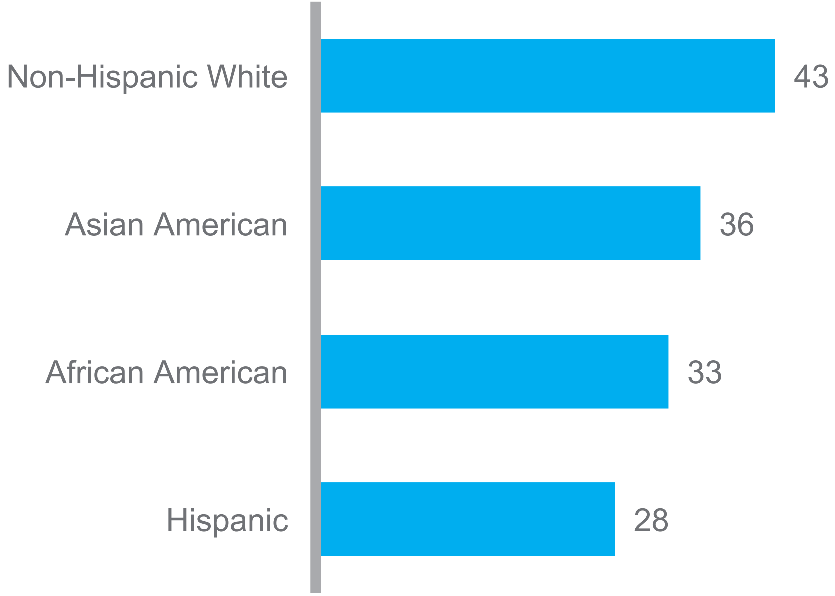
DOLLAR GROWTH VS. FOUR YEARS AGO



Source: Nielsen Answers, Total U.S., 52 weeks ending May 27 2017 vs. four years ago. UPC-coded, Includes estimates of Aldi, Costco and Trader Joe's store brand sales.

NEW GENERATION OF CONSUMERS

AVERAGE AGE

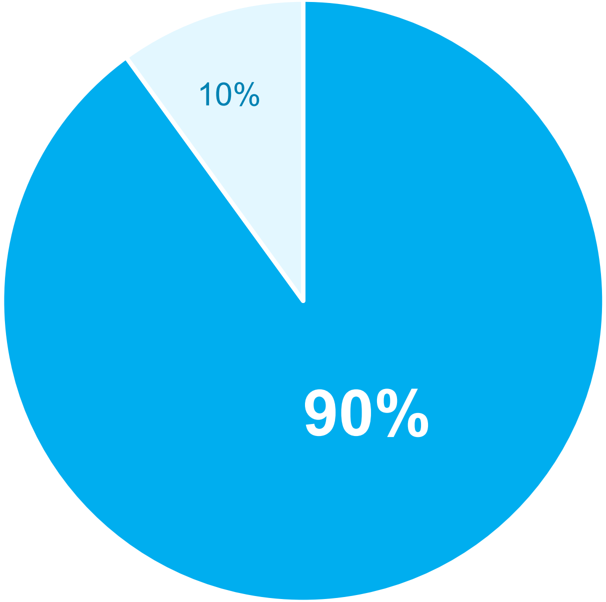


Source: Nielsen Pop Facts 2016.

FMCG GROWTH IS NEARLY ALL ONLINE

9 OUT OF 10

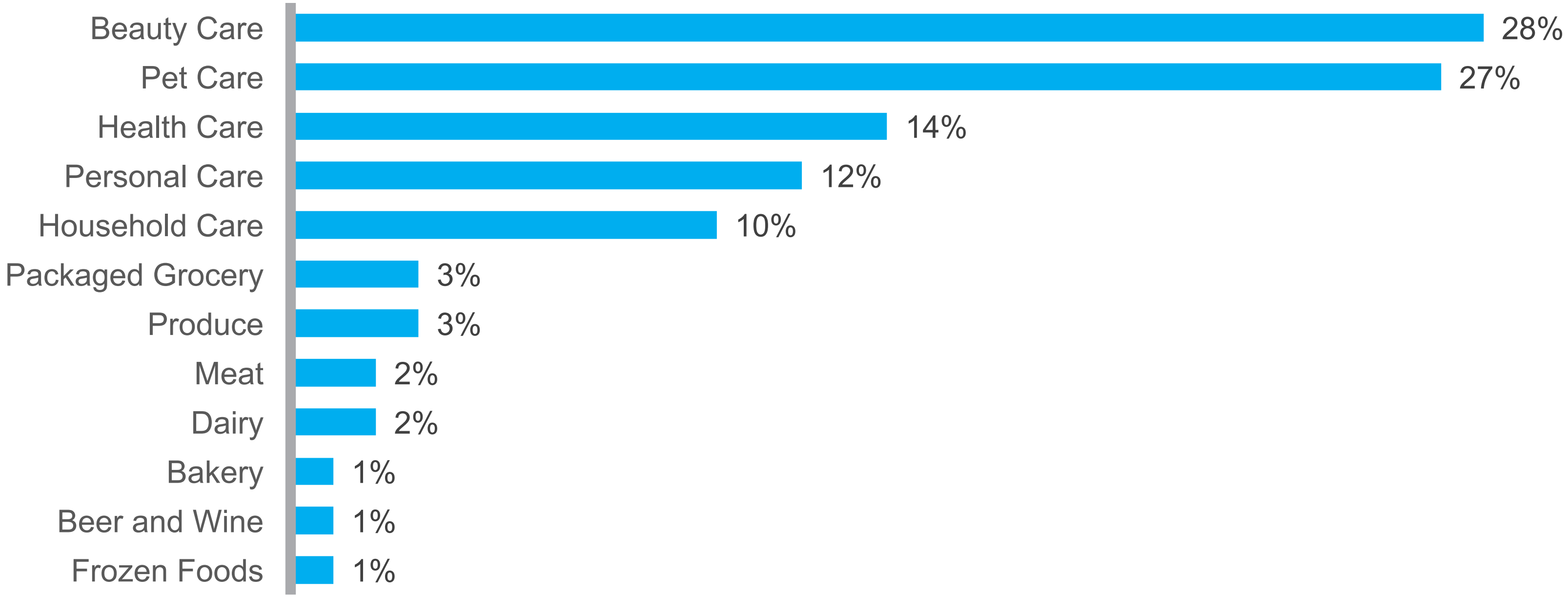
dollars of FMCG growth are digital



Source: Nielsen Answers, 52 weeks ending 5/27/2017 vs year ago, 1010data credit card panel data, Nielsen data and analytics

E-COMMERCE DRIVING MEANINGFUL SALES SHARE BEYOND FOOD & BEV

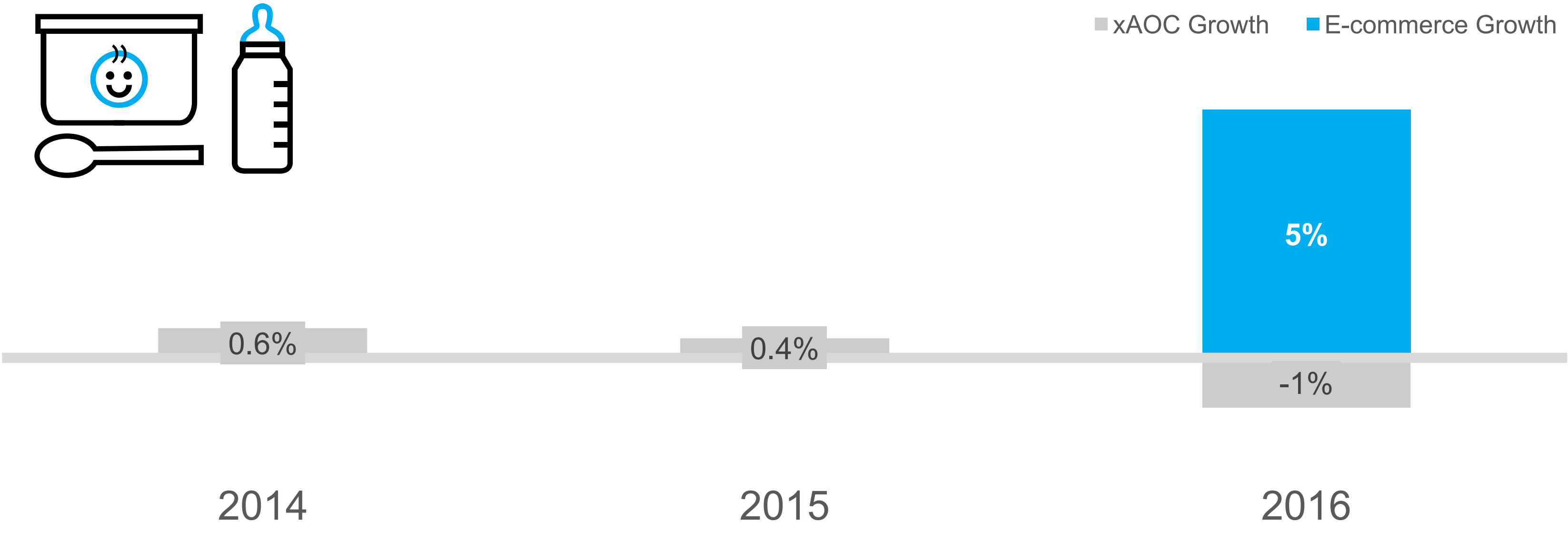
E-COMMERCE SHARE OF SALES



Source: Nielsen e-commerce measurement, 52 weeks ending April 29, 2017. Projected from ~1MM e-commerce FMCG consumers and cooperating ePOS retailers based on reported commodity groups that may not match prior custom or syndicated category definitions.

E-COMMERCE IS REVERSING NEGATIVE GROWTH IN SOME CATEGORIES

BABY FOOD DOLLAR SALES GROWTH VS. YAGO



Source: Nielsen Answers, Full Calendar Years 2014 - 2016, Total U.S. All Outlets Combined, UPC-coded items only and Nielsen *Total Store Report*, 52 w/e 12/31/2016

AdvertisingAge

Dollar Shave Club Claims to Top Schick As No. 2 Razor Cartridge

Upstart Has Doubled Business in 10 Months With Category's Biggest TV Budget

By Jack Neff. Published on September 08, 2015.

THE WALL STREET JOURNAL.

DIGITS

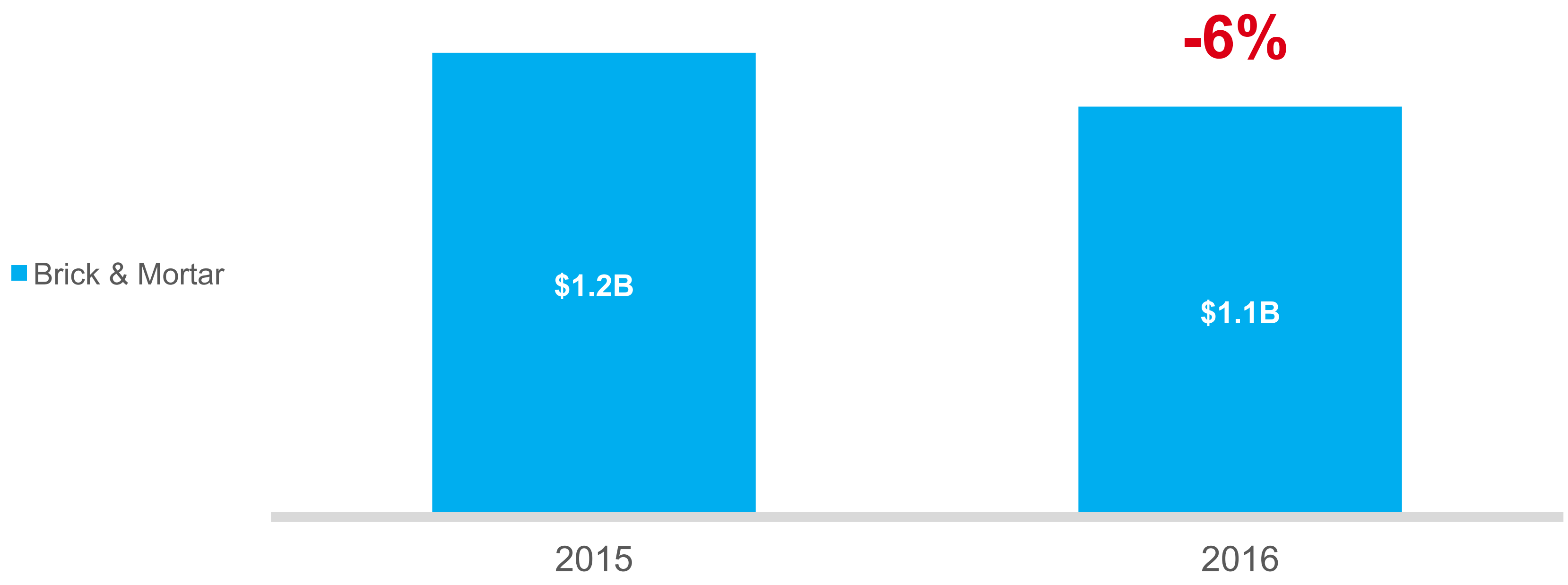
Dollar Shave Club Is Valued at $615 Million

By ROLFE WINKLER

Jun 21, 2015 10:41 pm ET

RAZORS & BLADES IN DECLINE?

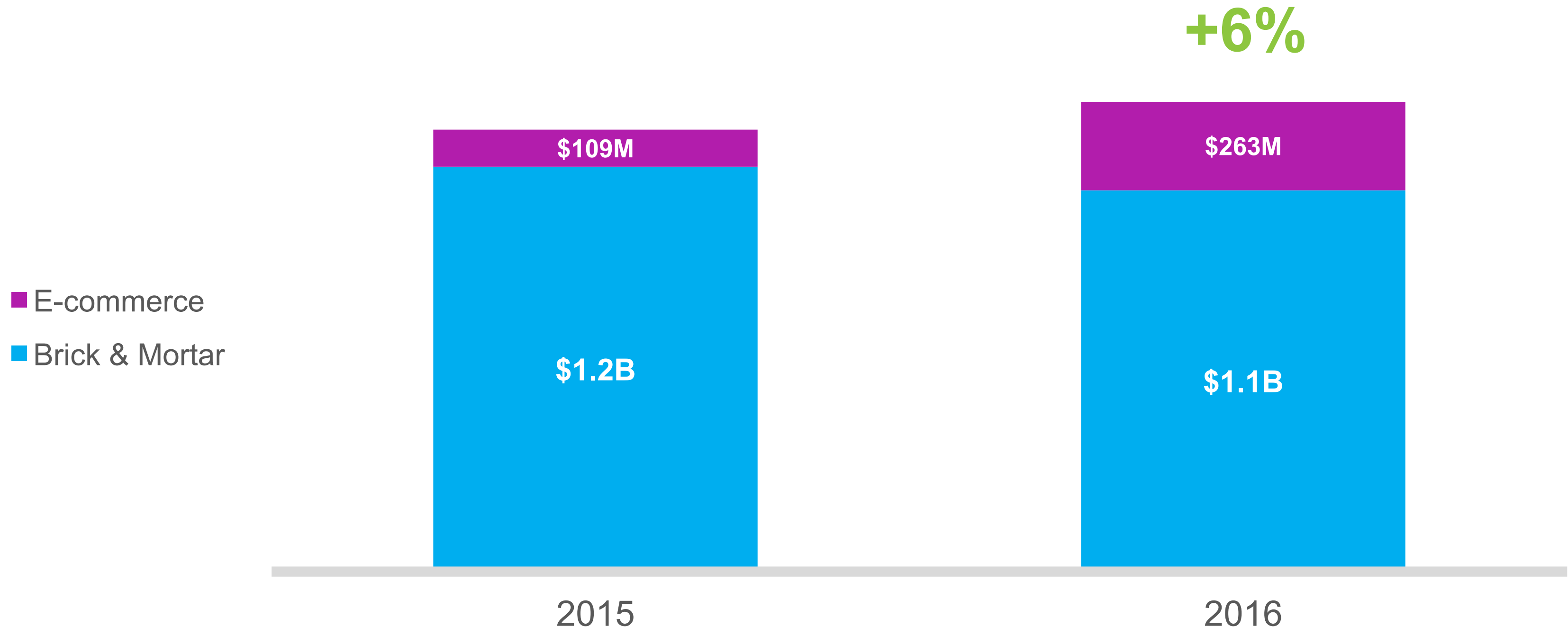
MEN'S RAZORS & BLADES SALES



Source: Nielsen Answers on Demand, Total U.S. All Outlets Combined, 52 weeks ending December 31, 2016 vs. year ago

ONLINE CHANNEL SHIFTS CREATE CATEGORY GROWTH

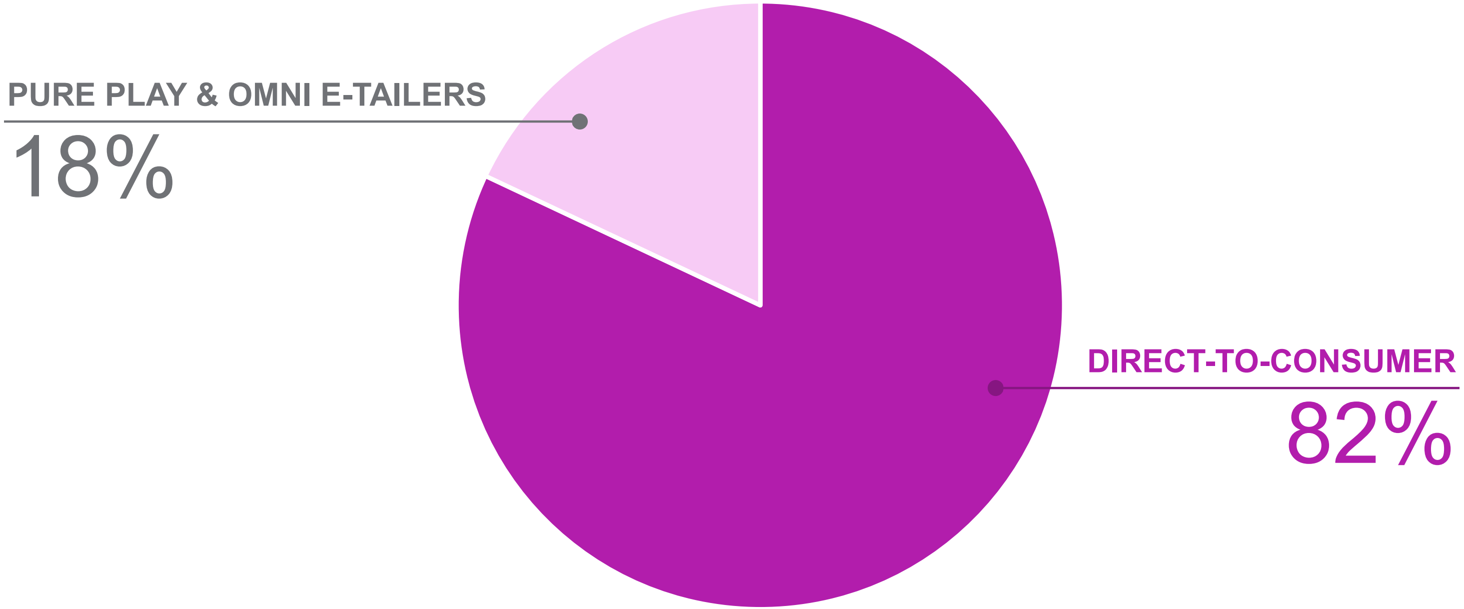
MEN'S RAZORS & BLADES SALES



Source: Nielsen Answers on Demand, Total U.S. All Outlets Combined and E-commerce measurement, 52 weeks ending December 31, 2016 vs. year ago

DIRECT TO CONSUMER RETAILERS DOMINATE ONLINE SALES

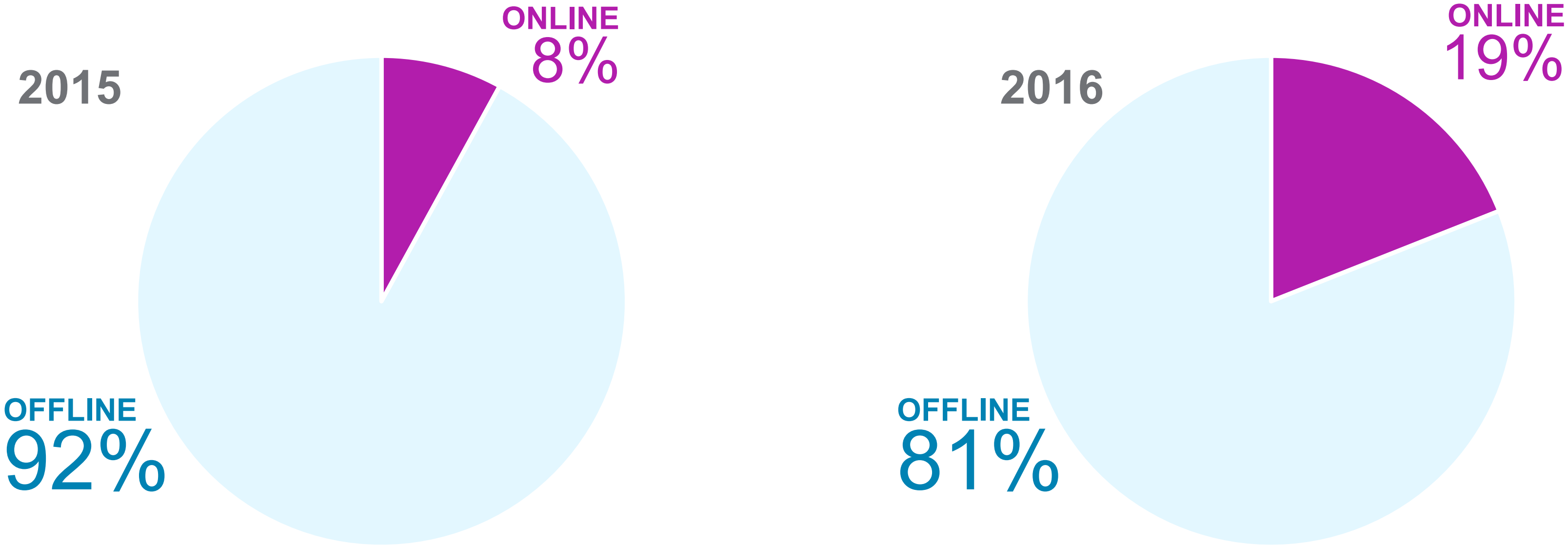
SHARE OF ONLINE MEN'S RAZORS & BLADES SALES



Source: Nielsen Answers on Demand, Total U.S. All Outlets Combined and E-commerce measurement, 52 weeks ending December 31, 2016
Direct-to-Consumer Retailers = Dollar Shave Club + Harry's. Pure Play & Omni Retailers = Amazon, Walmart.com, Jet.com, Target.com

ONLINE SHARE OF TOTAL SALES HAS MORE THAN DOUBLED

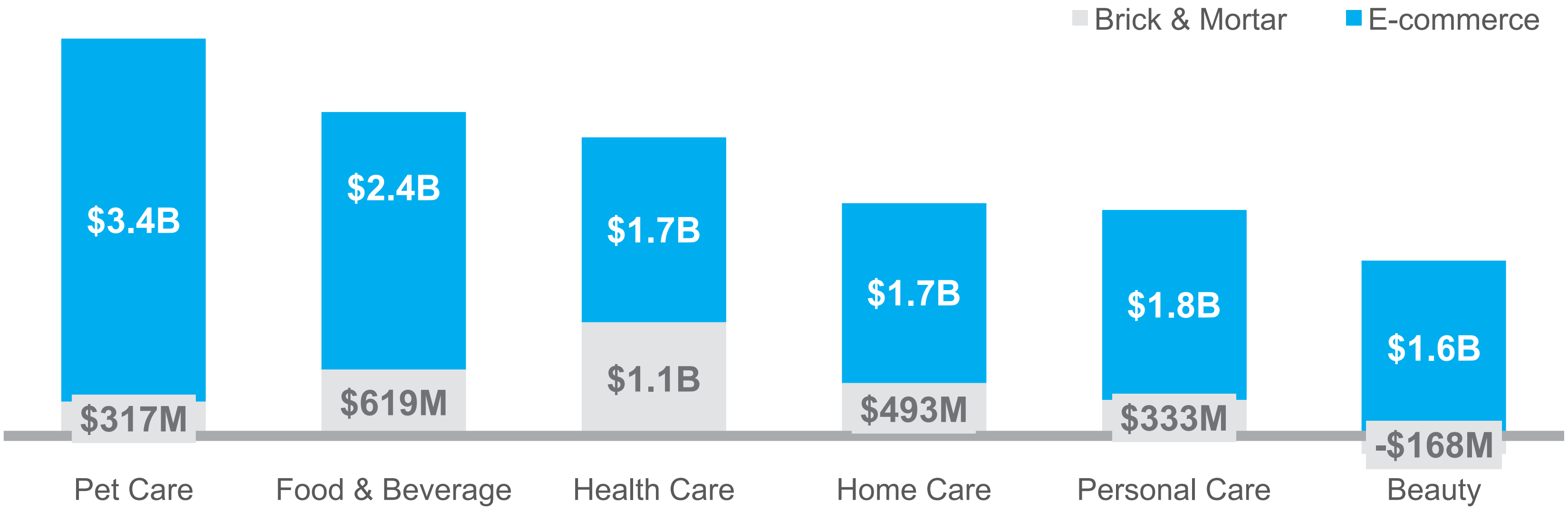
SHARE OF TOTAL MEN'S RAZORS & BLADES SALES



Source: Nielsen Answers on Demand, Total U.S. All Outlets Combined and E-commerce measurement, 52 weeks ending December 31, 2016
Direct-to-Consumer Retailers = Dollar Shave Club + Harry's. Pure Play & Omni Retailers = Amazon, Walmart.com, Jet.com, Target.com

E-COMMERCE CONTRIBUTING MAJORITY OF FMCG GROWTH

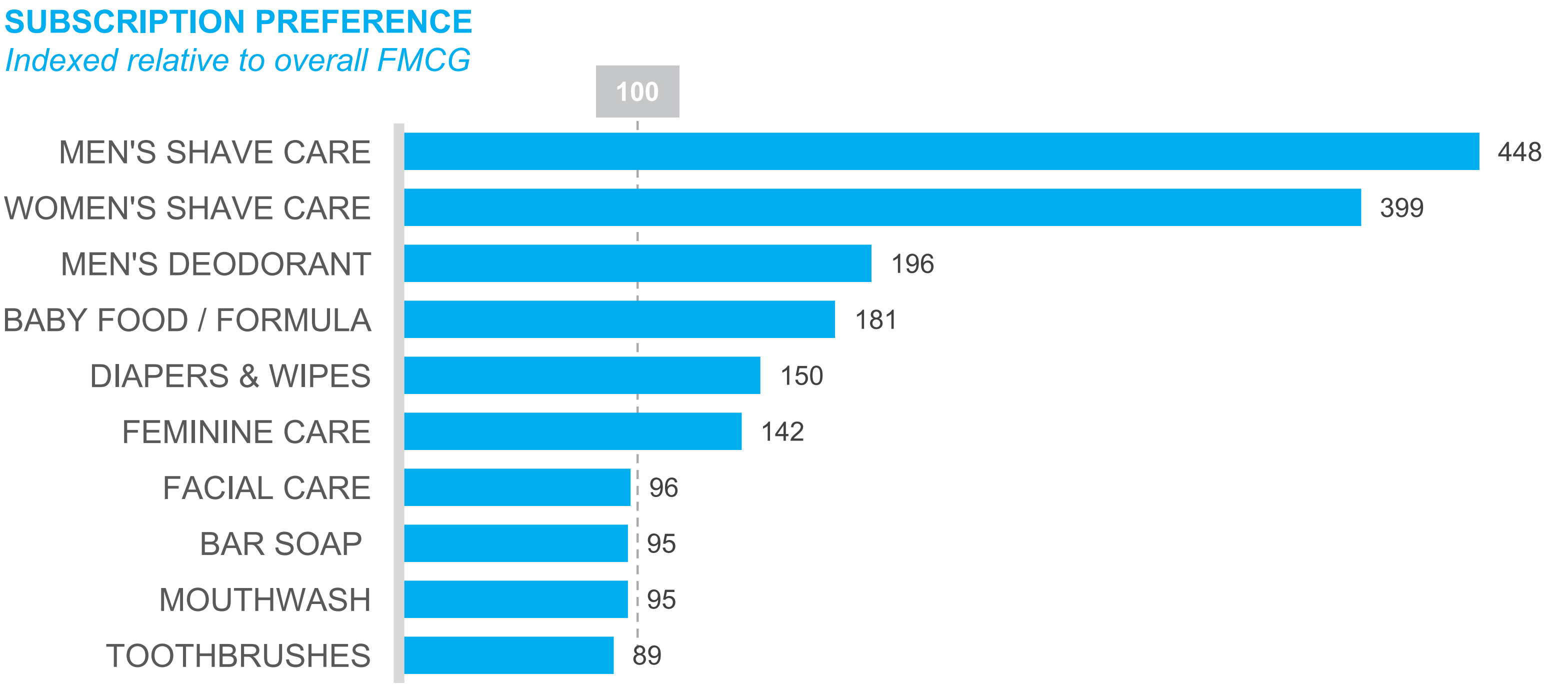
ABSOLUTE DOLLAR GROWTH VS. YEAR AGO



Source: Nielsen e-commerce measurement, 52 weeks ending April 29, 2017. Projected from ~1MM e-commerce FMCG consumers and cooperating ePOS retailers based on reported commodity groups that may not match prior custom or syndicated category definitions.


AVAILABLE
ACCESSIBLE
AUTOMATIC
webvan.com
smashbox
ESTĒE LAUDER
Advanced Night Repair

SUBSCRIPTIONS AUTOMATE CONVENIENCE



Source: Nielsen Digital Shopping Fundamantals. Read as *shoppers are 4.5x more likely to prefer buying men's shave care on subscription than the average FMCG category.*

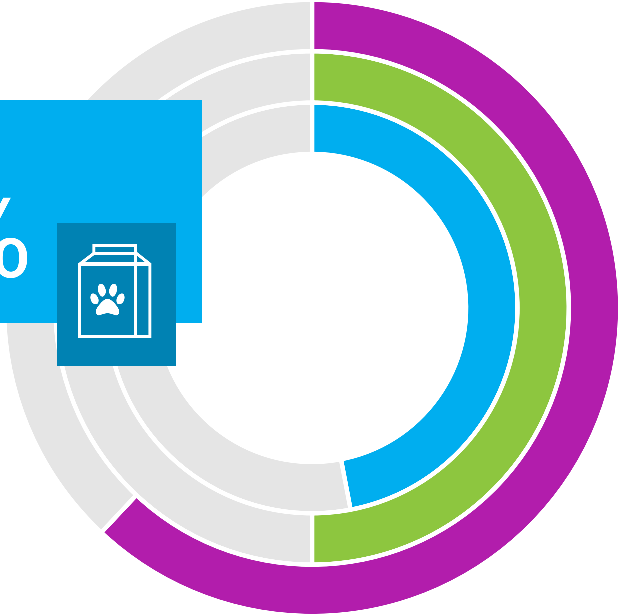
AMAZON IS WINNING REPLENISHMENT

AMAZON SHARE OF E-COMMERCE SALES

HOUSEHOLD CARE
62%

PERSONAL CARE
50%

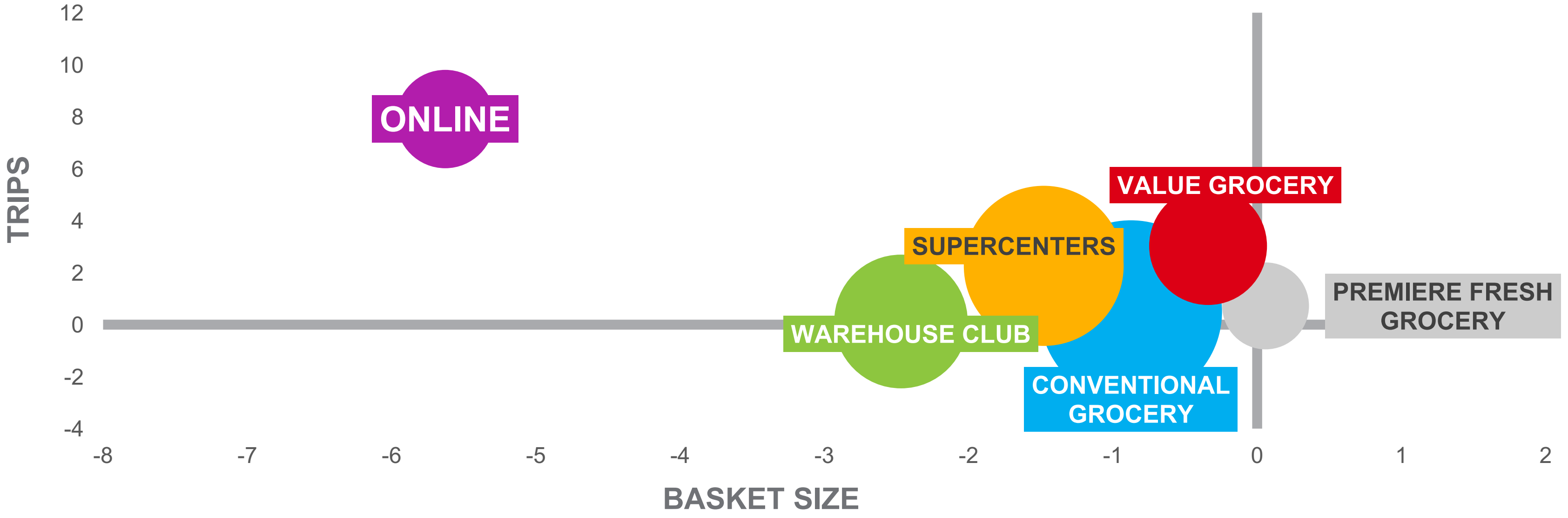
PET CARE
47%



Source: Nielsen *Total Store Report*, 52 weeks ending April 29, 2017

SHOPPERS ARE SPEARFISHING ACROSS CHANNELS

FMCG TRIP AND BASKET SIZE GROWTH VS. YAGO

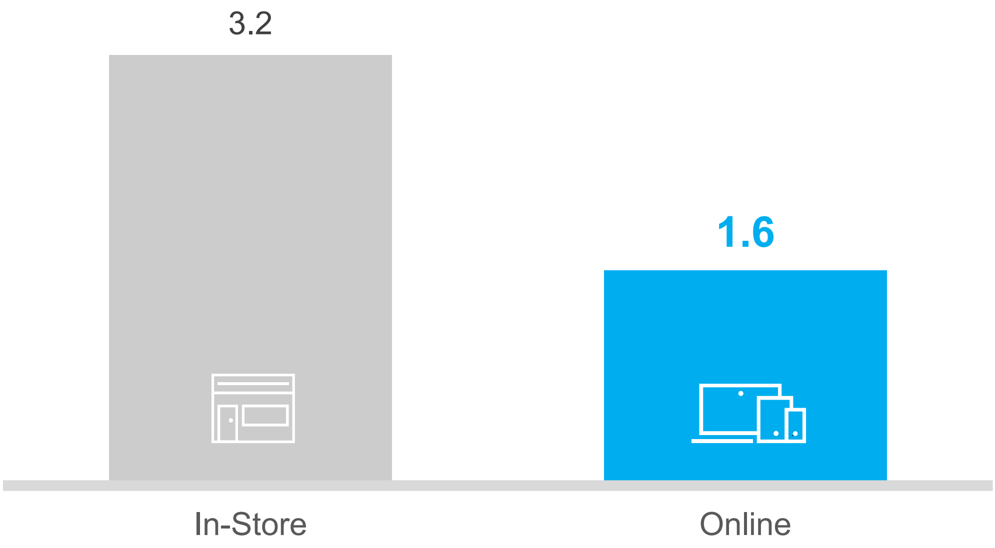


Source: Nielsen Homescan, 52 weeks ending May 29, 2017

Size of Bubble = % HH Purchasing

ONLINE SHOPPERS ARE MORE FOCUSED

NUMBER OF DEPARTMENTS SHOPPED



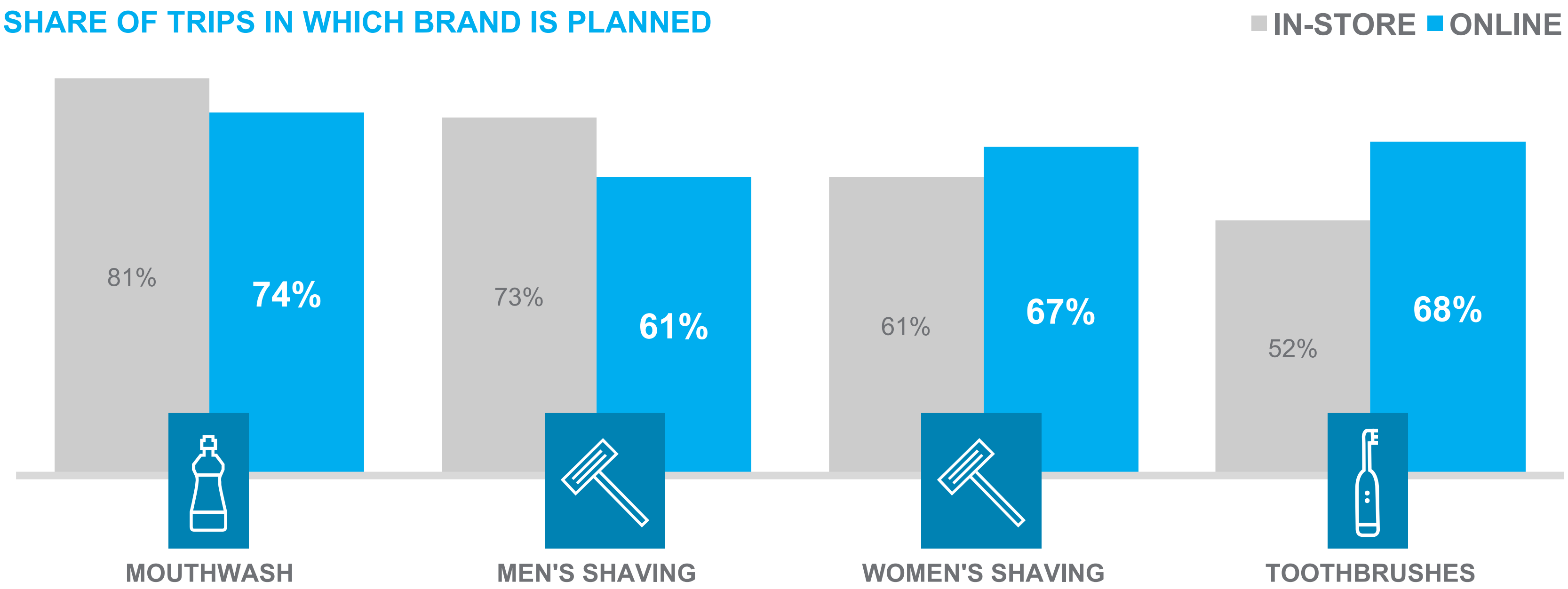
Consumers shop

HALF

the number of departments online vs. in-store

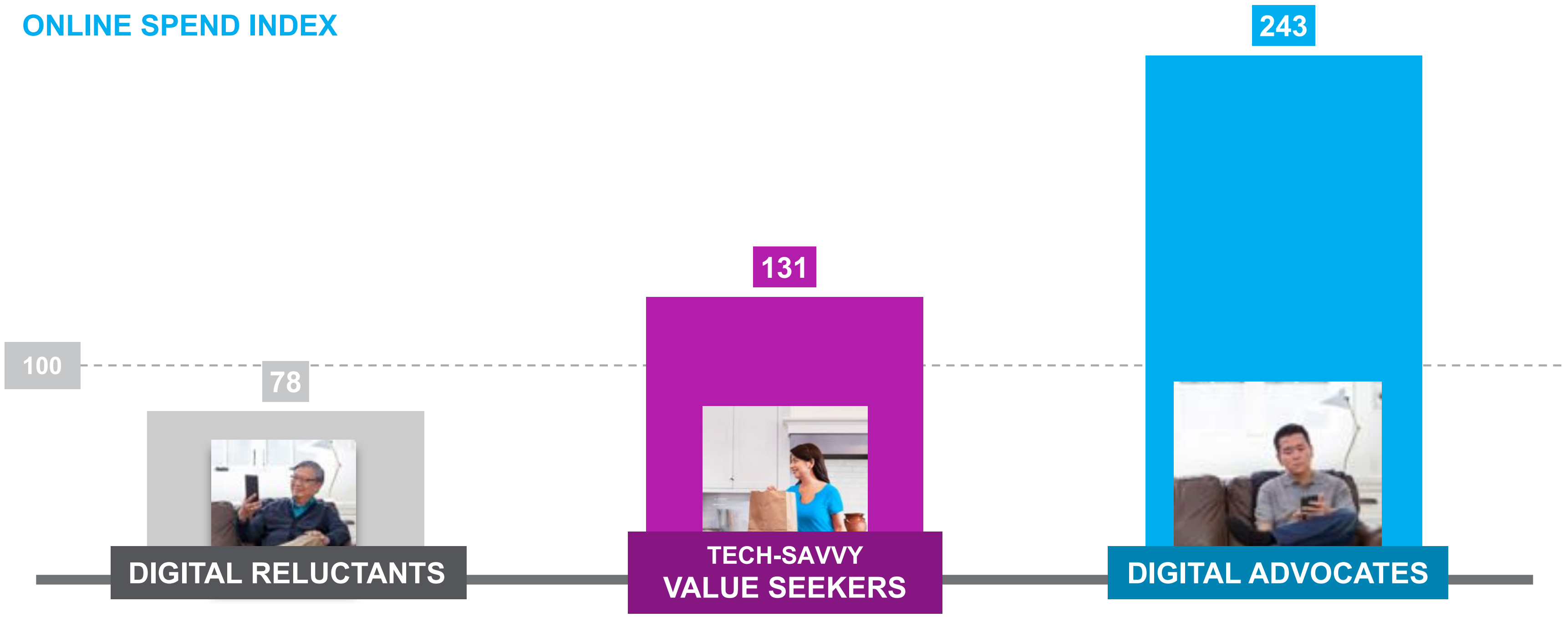
Source: Nielsen 2016 Digital Shopping Fundamentals Report

ONLINE BRAND LOYALTY VARIES BY CATEGORY AND SHOPPER



Source: Nielsen *Shopper Essentials Benchmark Study*, 2016. Read as *In 74% of online purchases of mouthwash, consumers planned which brand they were going to buy.*

WIN DIVERSE SHOPPERS IN A DIGITAL RETAIL WORLD



Source: 2017 Nielsen Digital Shopping Segments


HARRY'S
64

DIGITAL PLATFORMS BATTLE FOR DISCOVERY

PLATFORM USAGE BY SKIN CARE BUYERS

PINTEREST	INSTAGRAM	TWITTER	YOUTUBE	FACEBOOK
154	127	120	114	113

Source: Nielsen Scarborough USA+ 2016 Release 1 (Feb 2015 - Apr 2016)

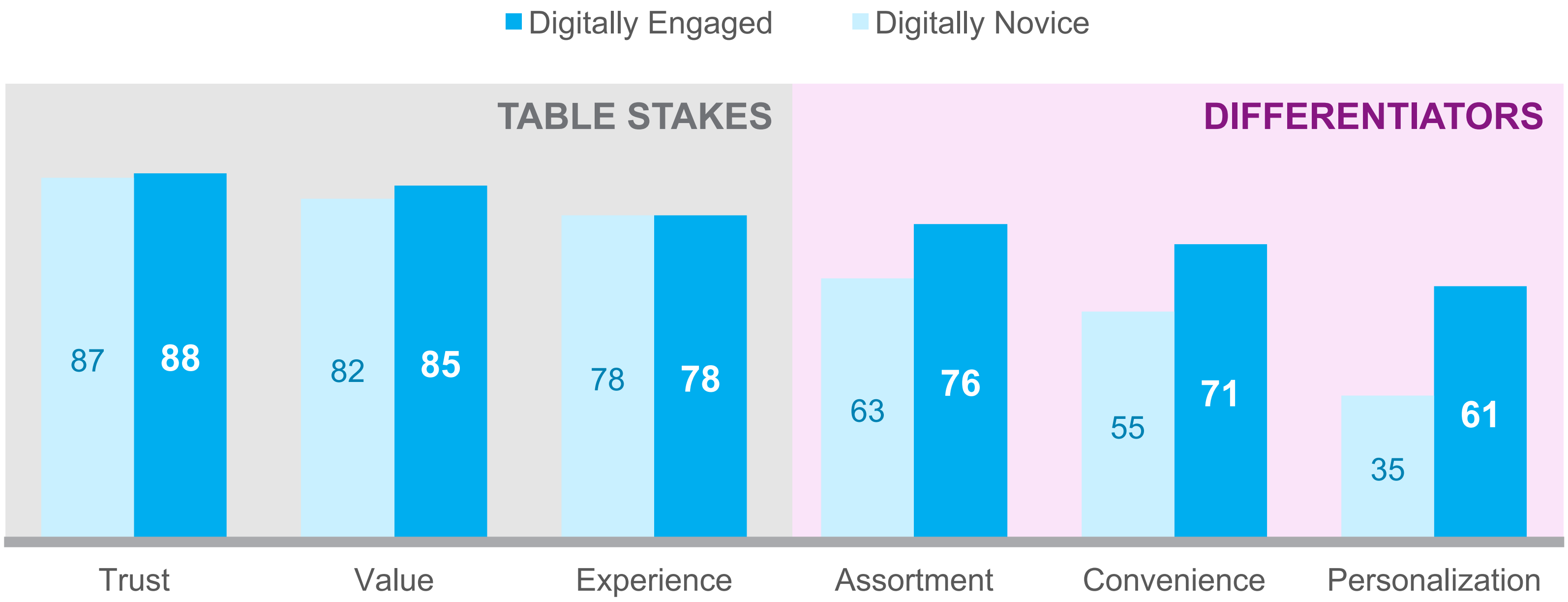
AND CONNECT DISCOVERY DIRECTLY TO PURCHASE

Source: Pinterest

WHAT’S NEXT?

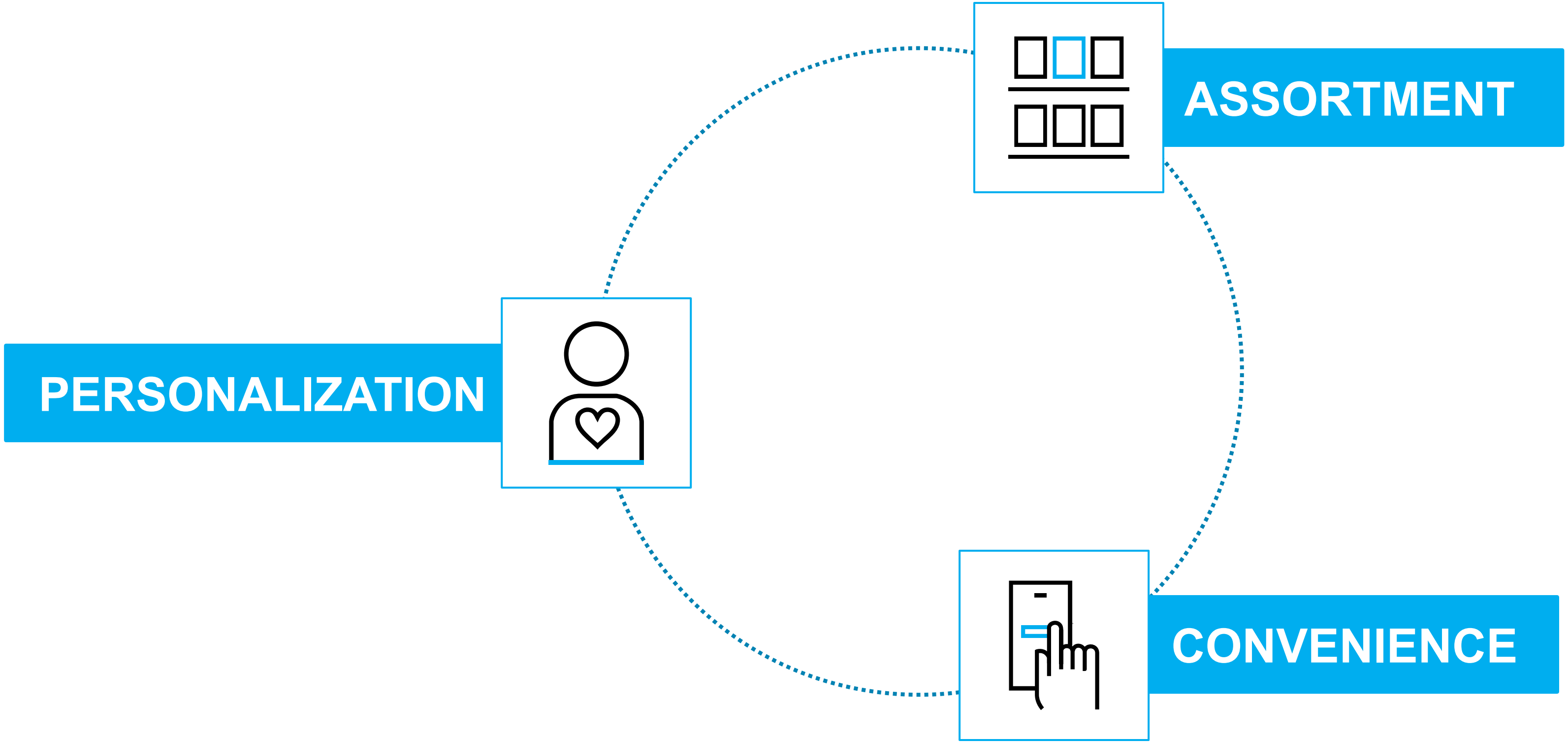
SIX FACTORS CORE TO DIGITAL STRATEGY

SHOPPER NEEDS BY DIGITAL ENGAGEMENT LEVEL



Source: 2017 Nielsen *Digitally Engaged Food Shopper* Study

WHAT ARE YOUR PLANS FOR DIGITAL DIFFERENTIATION?



WHAT'S NEXT IN E-COMMERCE

Totally understand the unique needs of your **consumer** across all channels and categories

Digital execution is a cross functional effort and requires full **company** support

FMCG companies need to be open to **collaboration** across the digital supply chain