

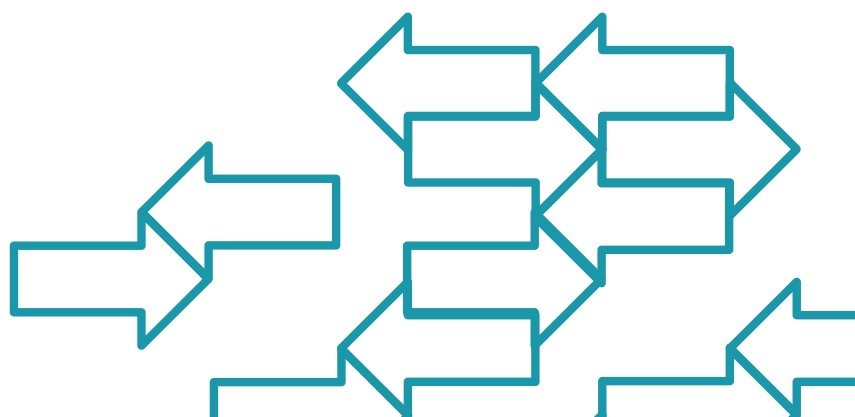
Cracking the code on consumers' health-and-wellness preferences

Consumers' desire to live a healthy lifestyle and demand for healthy products continues to soar around the world, driven by global health issues, food quality concerns, and environmental pressures. To better understand the nuances of health-and-wellness preferences, AlixPartners surveyed individuals in China, the United States, Germany, France, and the United Kingdom across consumer product segments.

AlixPartners' multidimensional analysis found that consumer preferences on different product attributes vary in very specific ways across product categories, stages of the value chain, geographic regions, and age groups.

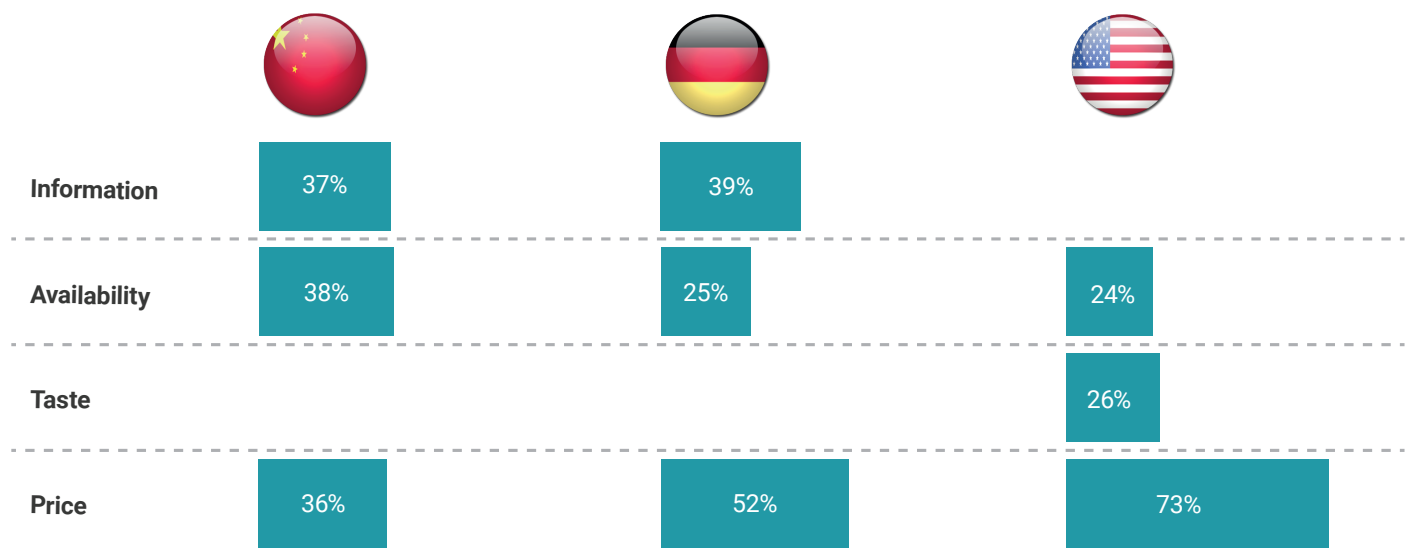
To capture—and defend—market share, it is critical that consumer products companies understand what consumers really want, which attributes they are willing to pay for, and how their preferences differ by country and other dimensions.

A brand new, **multidimensional model** delivers the **critical insights** that companies need in today's **marketplace**



Consumers' health-and-wellness priorities are distinct yet varied

TOP THREE BARRIERS WHEN PURCHASING HEALTHY BY COUNTRY

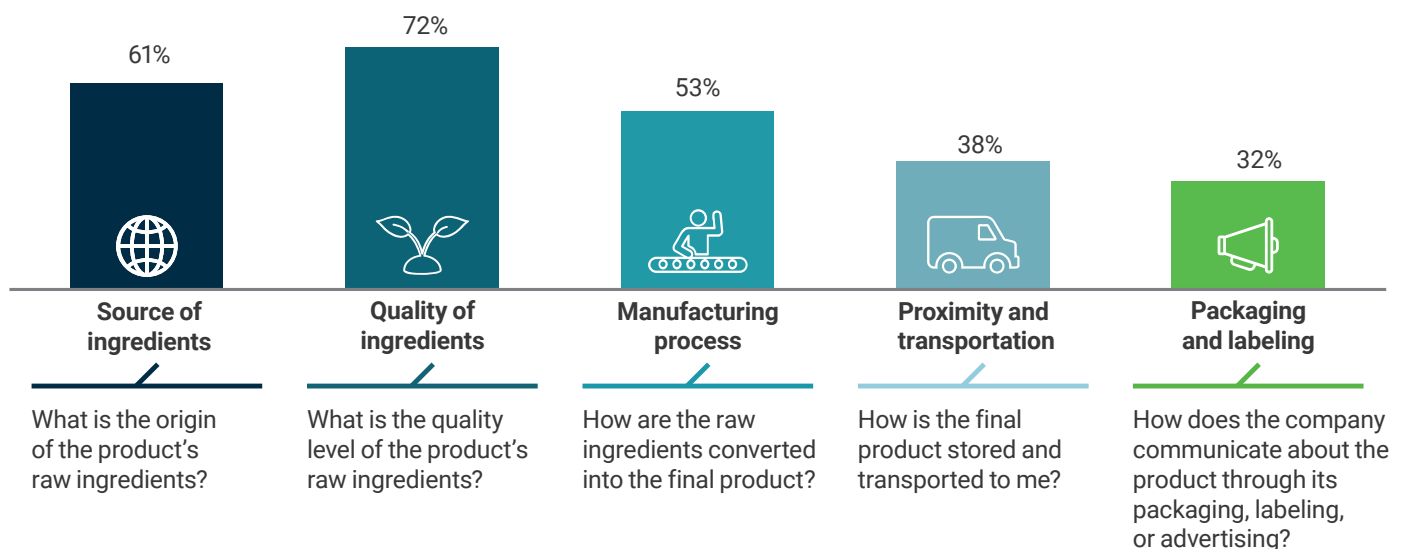


While demand for better-for-you products is high among consumers globally, priorities and barriers to purchasing healthy differ widely by geography. US consumers showed the greatest gap between the desire for healthy products and always or often purchasing these products, with 73% saying price is a big barrier. Chinese consumers were the most consistent in their behaviors and are willing to pay more for desirable attributes.

Consumers are confused when shopping for healthy products, with 31% across all five countries reporting difficulty in figuring out which products are good or bad for them, indicating a significant opportunity for companies to educate their consumers.

Consumer product preferences vary across stages of the value chain by geography and age group

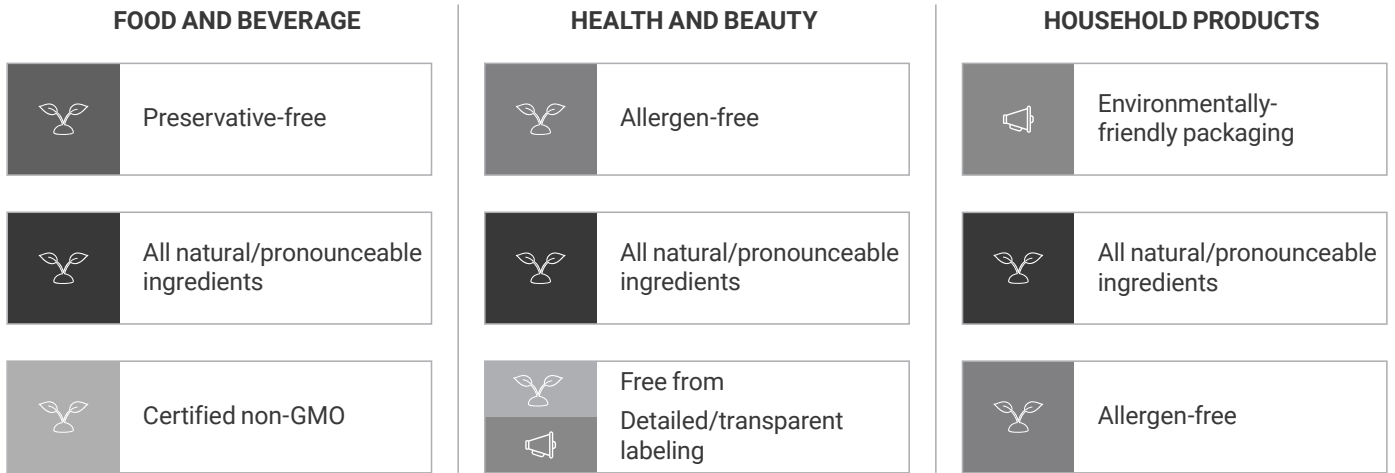
HIGH CONSIDERATION WHEN PURCHASING HEALTHY PRODUCTS








Companies must understand whether consumers care more about ingredients, the manufacturing process, packaging, or other stages in the value chain in order to make the right strategic investments. Globally, consumers valued upstream attributes the most with highest emphasis on the quality of ingredients. However, Chinese consumers place equal or more emphasis on source of ingredients for several product categories. In addition, younger Chinese consumers place higher importance on packaging and labeling.

The greatest insights occur at the intersection of dimensions, enabling companies to target precise consumer needs

MOST IMPORTANT ATTRIBUTES BY SEGMENT

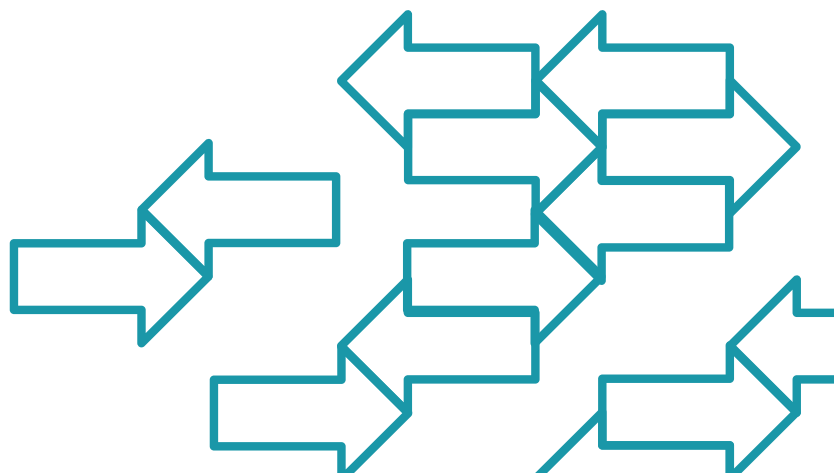


 Source of ingredients  Quality of ingredients  Manufacturing process  Proximity and transportation  Packaging and labeling

While consumers around the globe want better-quality ingredients across consumer product segments, delving into product attributes and categories reveals additional insights:

- In health and beauty products, consumers place an emphasis on products that have natural ingredients and are 'free from' preservatives and allergens.
- For household products, how the product is sourced and packaged is almost as important as the product itself in terms of health perceptions.
- Environmentally-friendly packaging is the top attribute in the United States, United Kingdom, and Germany, while France and China favor natural ingredients over packaging.

This multidimensional understanding of consumer health-and-wellness preferences enables companies to target precise consumer needs.



Implications

1

Health and wellness has gone from niche to mainstream in a dramatic way.

2

No one-size-fits-all – companies must tailor their approach.

3

Cracking the code requires demographic, geographic, segment, and value chain insights.

4

Our multidimensional model provides insights to see what is specifically relevant to a particular business along these dimensions.

5

Winning requires precision in investment and execution in the face of complexity.

CONTACT US FOR MORE INFORMATION ON THIS STUDY AND HOW WE CAN APPLY THIS MODEL TO YOUR BUSINESS:

ASIA

Michael McCool (mmccool@alixpartners.com)

EUROPE

Sanjay Bailur (sbailur@alixpartners.com)

Andrew Searle (asearle@alixpartners.com)

NORTH AMERICA

David Garfield (dgarfield@alixpartners.com)

Jitender Batra (jibatra@alixpartners.com)

Abigail Masory (amasory@alixpartners.com)