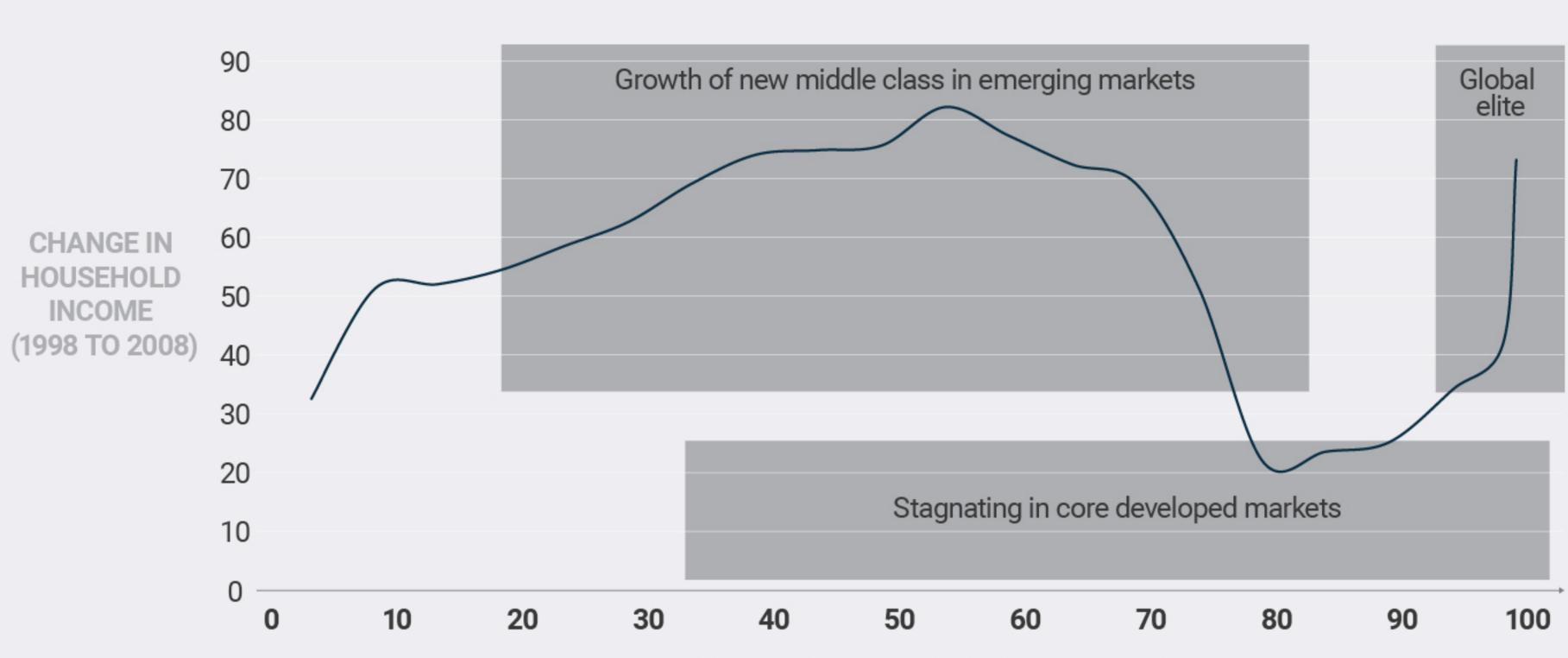


# Income inequality: an existential crisis in the consumer goods industry

#### GLOBAL INCOME INEQUALITY IS DRIVING STAGNATION IN CORE DEVELOPED MARKETS



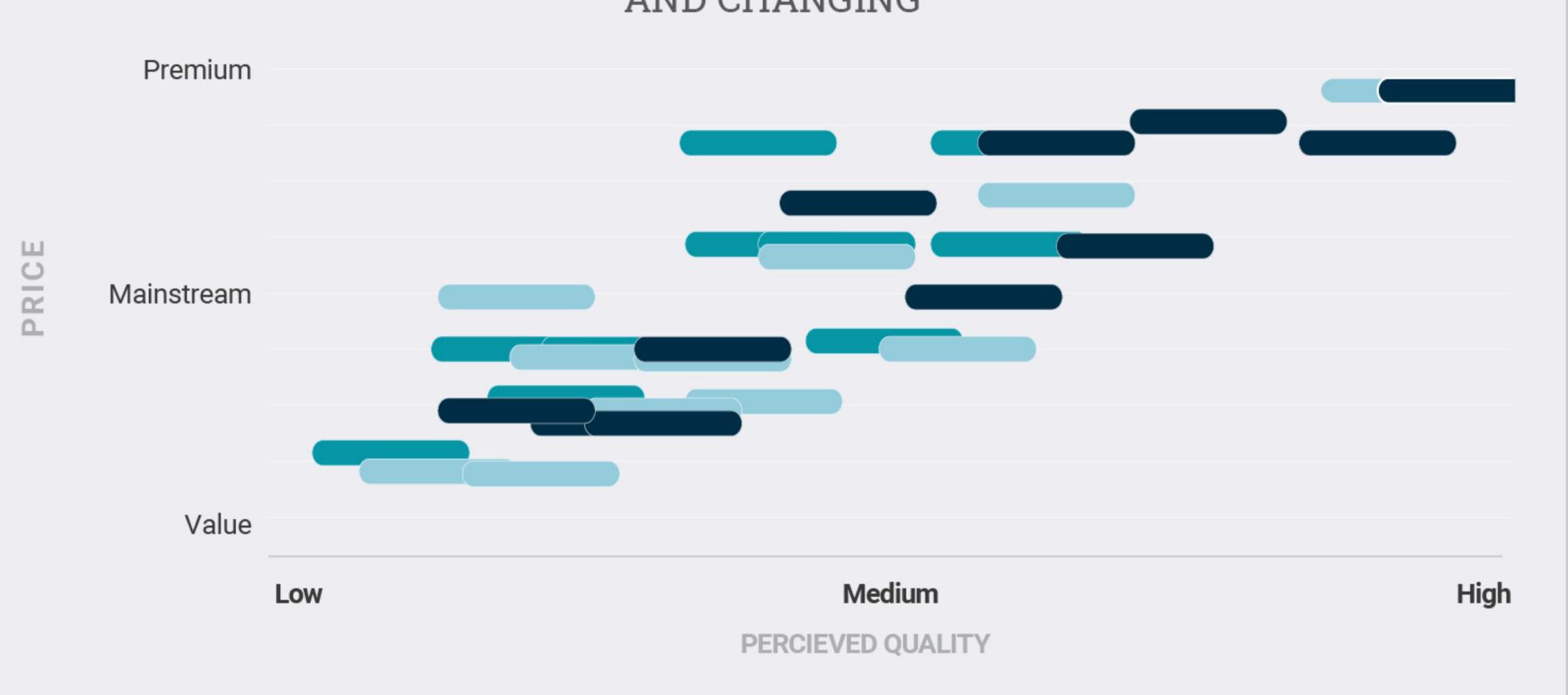
Source: Branko Milanovic, Global Inequality: A New Approach for the Age of Globalization, 2016

#### CONSUMERS ARE COPING BY MAKING SPECIFIC, BUT NOT CONSISTENT, VALUE CHOICES

GLOBAL HOUSEHOLD INCOME PERCENTILES

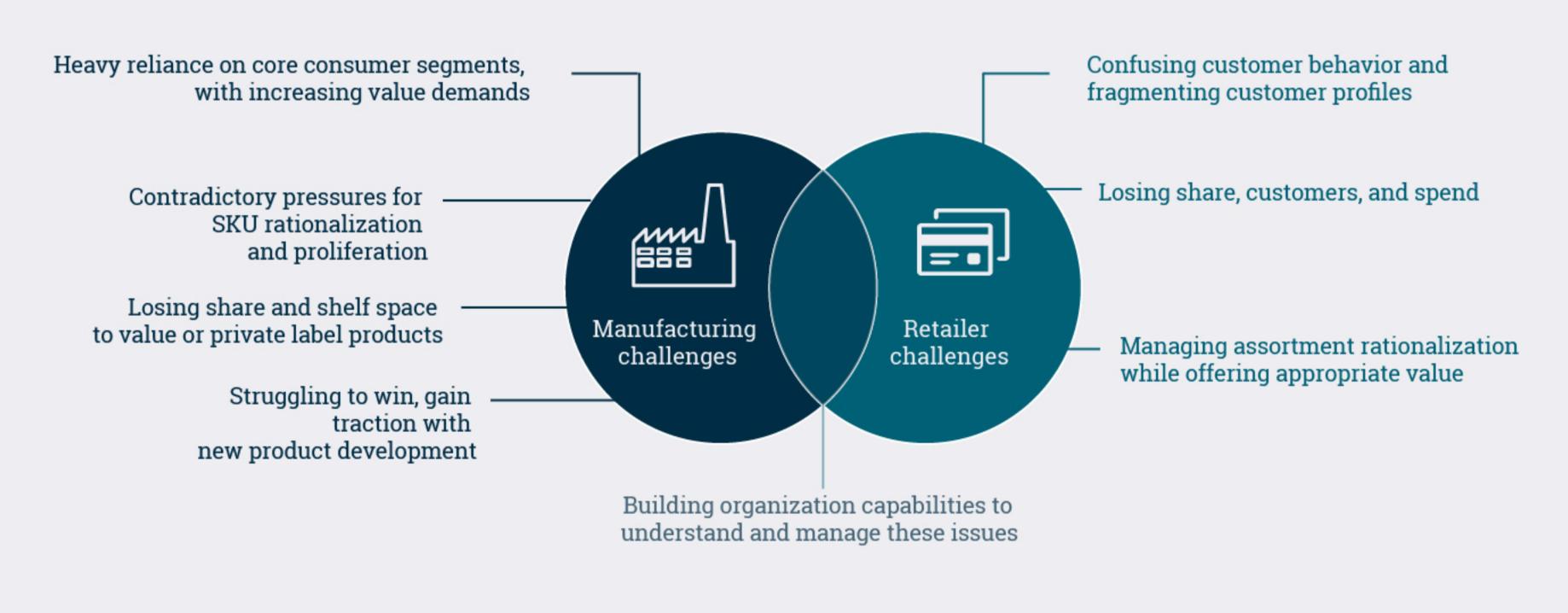


#### HOW PEOPLE DETERMINE QUALITY VERSUS PRICE IS COMPLEX AND CHANGING



Store brand Mainstream Niche

#### INCOME INEQUALITY PRESENTS MAJOR CHALLENGES TO THE MODERN CONSUMER GOODS INDUSTRY



### A FIELD STUDY: HOW RETAILERS STOCK SHELVES IN DIFFERENT INCOME ZONES



1. The visits took place in April 2017. 2. Examined all private label versus all national label SKUs in the stores.

## FIELD STUDY FINDINGS:

few stores rigorously tailored their assortments around local economic conditions.

#### A MISSED OPPORTUNITY: stores should gain a deep

understanding of consumers' spending habits in different neighborhoods and build a clear strategy for private label assortment.

