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News Release

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FOR IMMEDIATE RELEASE

AUSSIE CONSUMERS SHOP AROUND IN SEARCH OF THE 'FRESH FACTOR'

Increase in number of consumers frequently shopping in specialty fresh food outlets

'Quality of fresh food offer' number one reason cited by consumers for shopping outside of supermarkets for fresh food

SYDNEY, 3 April 2007: Rising patronage of specialty and traditional fresh food outlets (green grocers, fish markets, butchers and bakeries) is threatening to eat away at supermarkets' *'share of stomach'* as consumers increasingly shop around in search of the freshest food offer, reveals a report released today by *The Nielsen Company*.

By combining data from its retail measurement service, Homescan consumer panel and Winning Brands Store Equity Model, the 2006 Nielsen ShopperTrends Report provides unique insight into the current Australian grocery retailing environment and shopper behaviour.

According to the report, supermarkets remain the dominant retail trade channel driven by frequent consumer patronage (*98% of survey respondents claimed to have visited a supermarket in the past seven days**). However, the supermarket channel could face some competitive pressure as the popularity of fresh food outlets rises. When respondents were asked what type of specialty food store they had visited in the past seven days, 34 percent said they had visited a fish shop and/or butcher (up 5 percentage points from 2005), half (50%) had visited a fruit and vegetable store (up 7 percentage points from 2005), and half had visited a bakery (also up 7 percentage points from 2005) – refer to *Chart 1*.

The vast majority of consumers said that they most frequently visited a supermarket when it came to purchasing categories such as ice cream (76%), biscuits (90%), shampoo (76%), laundry detergent (86%), snacks (80%), confectionery (77%) and cooking oil (93%) – refer to *Chart 2*.

However, when it came to purchasing fresh produce, supermarket loyalty was lower with around three in five consumers claiming to most frequently purchase their fresh fruit and vegetables (60%) and fresh meat, chicken, fish or seafood (63%) from a supermarket. While around a third of respondents said that they most frequently purchased their fruit and vegetables in a traditional green grocer (35%) and their fresh meat, chicken and seafood in a butcher or fish shop (32%).

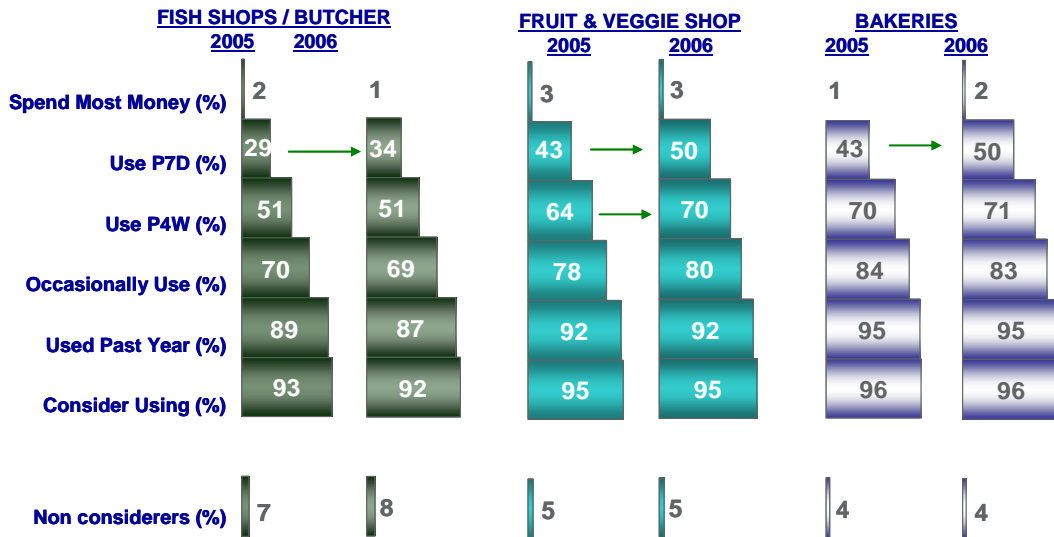
In a separate study conducted on Nielsen's Online Omnibus, consumers were asked why they chose to most frequently purchase their fresh produce outside of a supermarket, and overwhelmingly it was the perception of quality that was the driving factor – with 80 percent of these respondents citing quality as one of the reasons, followed by price (39%), location (39%), range/choice (35%) and service (12%).

“The modern Australian consumer wants a convenient and easy shopping experience, and is willing to shop around for high quality, fresh produce,” says Darin Williams, Director, Retailer Services, The Nielsen Company.

“Our research shows that irrespective of their absolute dollar spend, consumers are claiming to spend on average around 30 percent of their total monthly grocery bill on fresh produce (*refer to Chart 3*). This clearly underlines to retailers the importance of ensuring that customers are provided with access to a good selection of high quality fresh food in store – regardless of whether it is in a large supermarket chain or a traditional specialty food outlet.”

National coverage, sample size : n=1014 (random sampling), online using Nielsen's 'Your Voice' panel, target respondents: males/females aged 15-65 years, both main grocery buyers and influencers, fieldwork period: 16th – 23rd October 2006

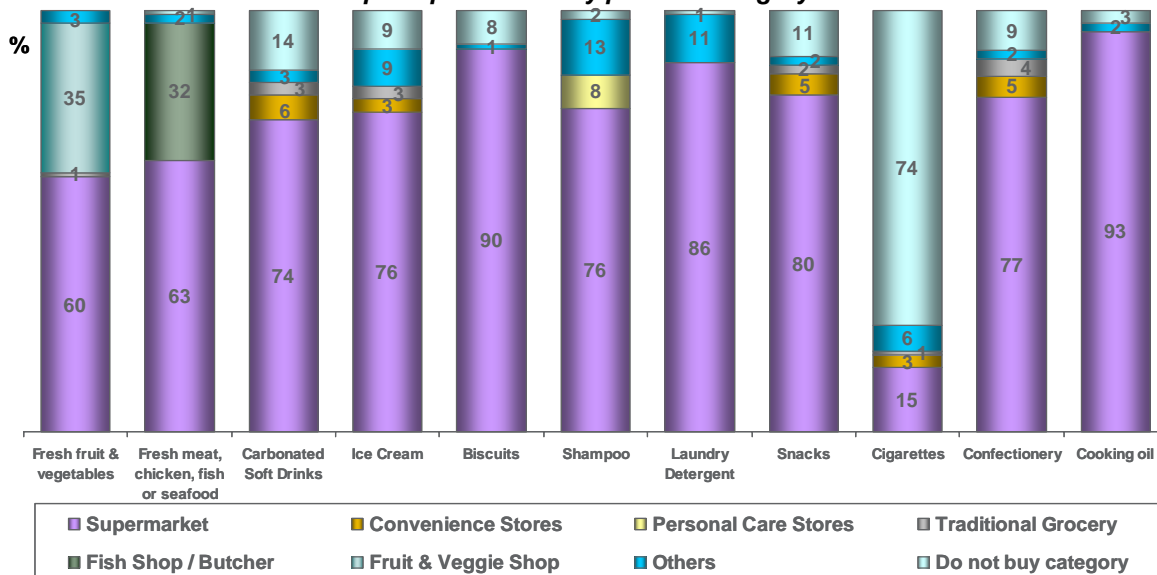
Chart 1: Trade sector leverage – specialist food outlets (2005 vs 2006)



Base: All respondents (2005 n=3020, 2006 n=1014)

Ref: Q6a-d, 8a-b

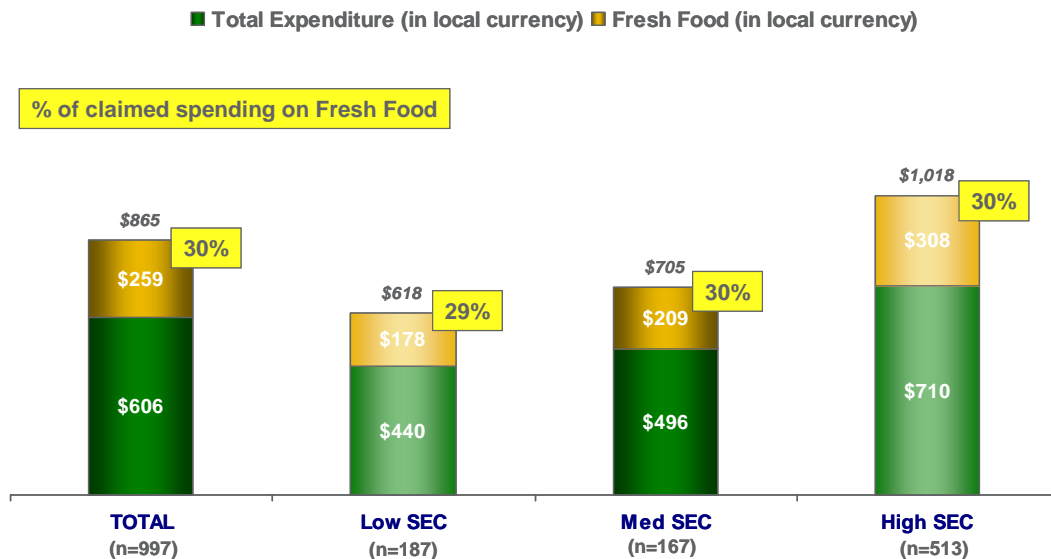
Chart 2: Place of most frequent purchase – by product category



Base: All respondents (n=1014), for Cigarettes: all respondents 18+ years

Ref: Q12_Q34, Q135

Chart 3: Average monthly grocery spend



About ShopperTrends

Conducted annually, ShopperTrends provides retailers with insights in consumer shopping behaviour, key retail trends and factors driving shopper satisfaction and loyalty. It allows key retailers to assess their performance relative to its competition and quantify the potential for areas of development. It also helps understand shoppers' awareness and usage of Private Label products.

About ACNielsen

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About The Nielsen Company

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