Bonding with Consumers – Insights

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<th><strong>Personal Introduction</strong></th>
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| **Education**           | EMBA, China Europe International Business School (CEIBS)  
                          Master of Product Management, National University of Singapore  
                          Bachelor of Civil Engineering, National University of Singapore |
| **Hire date**           | 20 Jan. 2014 |
| **Working Location**    | Shanghai |
| **Position**            | Marketing VP |
| **Career Path**         | 2014 – present: Marketing VP, ABI APAC  
                          2006 – 2014: Marketing Director of Ice-cream, Foods, and Hair, Unilever China  
                          Trade Marketing Director, Ice-cream, Tea and Foods, Unilever China |
Beer has **90% PENETRATION** among alcohol drinkers.

9 out of 10 people who consumed alcohol in the past 4 weeks, have consumed beer.

Beer has **70% SHARE OF THROAT** is beer (out of all alcohol).

7 out of 10 liters of alcoholic beverages are beer.

Total market volume growth slowing down, but value still increasing.

**PREMIUM AND ABOVE** industry growing **DOUBLE DIGITS**

**RELAXATION AND BONDING**

**SERVING UP A GREAT NIGHT OUT**

**2 GDPs** account for most of the demand in the beer category.

Sources: United Nations; ABI Equity Tracker; ABI Category Tracker; ABI Data
Our consumers are changing
Our consumers are changing – the demand for premiumness

**PREMIUMIZATION**

1. **Rapid Rise of Chinese Middle Class**
   - Household monthly income (RMB 000’s)
     - Affluent: >23
     - Upper middle: 12-23
     - Middle Class: 8-12
     - Emerging Middle: 5-8
     - Aspirant: 2.8-5
     - Poor: <2.8
     - Average: 8.0

2. **International Brands are Perceived as Premium**
   - 49% of beer drinkers associate “international brand” with premium
   - 40% of beer drinkers say they are willing to try more premium beer products

3. **Personalized/ Limited Edition Means Exclusivity**
   - Budweiser World Cup package

4. **Lifestyle and Experiences Matter to Consumers**
   - Budweiser’s Vibe Run Event combines the fashion, healthy concept and EDM, offering consumers a whole new experience

Sources: McKinsey Quarterly; Mintel Report; Starcom MediaVest Group Report
Our consumers are changing – young adults are the future
Our consumers are changing – young adults are the future

1. Much More Independent-Minded and Selective

Raised with the support of devoted parents, the one child generation are much more **globally-minded**, **informed** and **critically selective** in their views and consumption behavior.

They are **accustomed to choices, options and diversification**.

2. Passions and Experiences are Social Currency

**Eager for new experiences. Early adopters** of new products, services and niche brands.

The ‘Like’ generation on social media **enjoy sharing and broadcasting**, using it as social currency to share and impress.

**Social media** allows them to amplify.

3. Online/Offline Blurring, Helping ‘Maximize Moments’ and Multi-Task

**Nike** launched their “Lunar Runs.”

Runners meet offline and stay connected online through Nike Wechat community and social networks.

Sources: ABI Global LDA Report
Our consumers are changing – passion for variety

1 Eager to Explore more
Consumers want to explore new experiences, including new flavors, colors and packaging
One type of consumers is driving this trend, and it represents 35% of beer volume
increase in # of alcoholic categories consumed in past 12 months

2 the Sweet Palate
The sweet drinks are easier for female consumers, young consumers and non-drinkers to accept.
Sweet palate is an emerging trend among young consumers:
• bottles and sweet mixers
• Fresh fruit juices and sweetened green teas

Sources: ABI Category Tracker; Mintel Report; Seema Data; Starcom MediaVest Group Report
Our consumers are changing – the era of mobile/ content/ E-commerce
Our consumers are changing – the era of mobile/content/E-commerce

1. Mobile already the 1st Screen
   - Laptop: 161 minutes
   - Smartphone: 170 minutes
   - TV: 89 minutes
   - Tablet: 59 minutes

2. Content is King
   - 60% of consumers do something related to the program they are viewing via a second screen.

3. China, the World’s No.1 E-Commerce Market
   - In 2015 WeChat partnered with China’s CCTV to give away $80M during the Spring Festival Gala Program. Tencent reports viewers shook their phones 11B times throughout the broadcast, to win the cash.
   - In 2014 Alibaba’s Singles Day Sales hits a record of $9.3B

Sources: Millard Brown; eMarketer; CNNIC; inmobi; GfK; eMarketer; paymentweek.com; Reuters; Starcom MediaVest Group Report
Our consumers are changing – the era of mobile/content/E-commerce

PREMIUMIZATION  YOUNG ADULTS  BEYOND BEER  DIGITAL

Budweiser strategic EDM content platform partnership with Tencent

Harbin Strategic Cross-promotion with Ele.Me

China's biggest & fastest-growing O2O (Online to Offline) food delivery company
Our portfolio addresses our consumers’ needs
Our portfolio addresses our consumers’ needs

- International brands = premium image
- More than a beer. It’s a brand of lifestyle
- Not just sell beer but bring the experience
- Aluminum bottle (limited edition) shows exclusivity
Our portfolio addresses our consumers’ needs

- Use young adults’ language to talk about our brand
- Digital is the key channel to find them
Our portfolio addresses our consumers’ needs

✓ More choices
✓ More flavors
✓ More fun
✓ More experiences

Serving a Great Night Out

Relaxation & Bonding
Our portfolio addresses our consumers’ needs

✓ Mobile can’t be missed out
✓ Design right content on right touch point
✓ Ride on the trend of E-commerce for home consumption
Our portfolio addresses our consumers’ needs

PREMIUMIZATION

Serving a Great Night Out

Relaxation & Bonding

Changing the Mood

Food & Savoring

YOUNG ADULTS

BEYOND BEER

DIGITAL

Serving a Great Night Out

Relaxation & Bonding

Bring the Home the Best