

The background features a dark blue field with a complex network of thin, curved lines in various colors (yellow, red, green, blue, purple) that create a sense of depth and movement. Several small, solid-colored dots (blue, green, red, yellow) are scattered across the upper portion of the image, some connected to the lines.

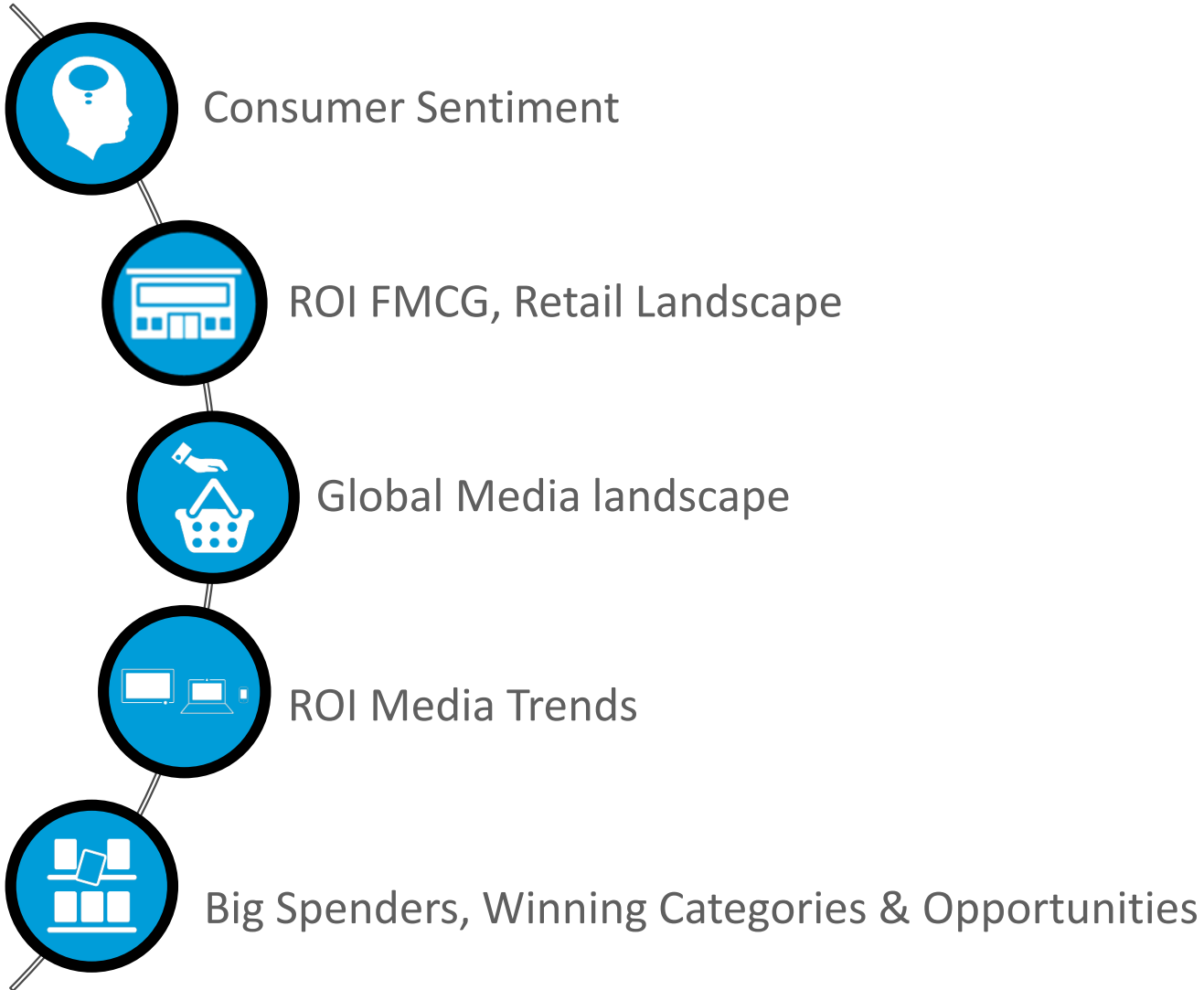
nielsen

# THE LATEST ADVERTISING TRENDS: MAXIMISING THE SALES OPPORTUNITIES

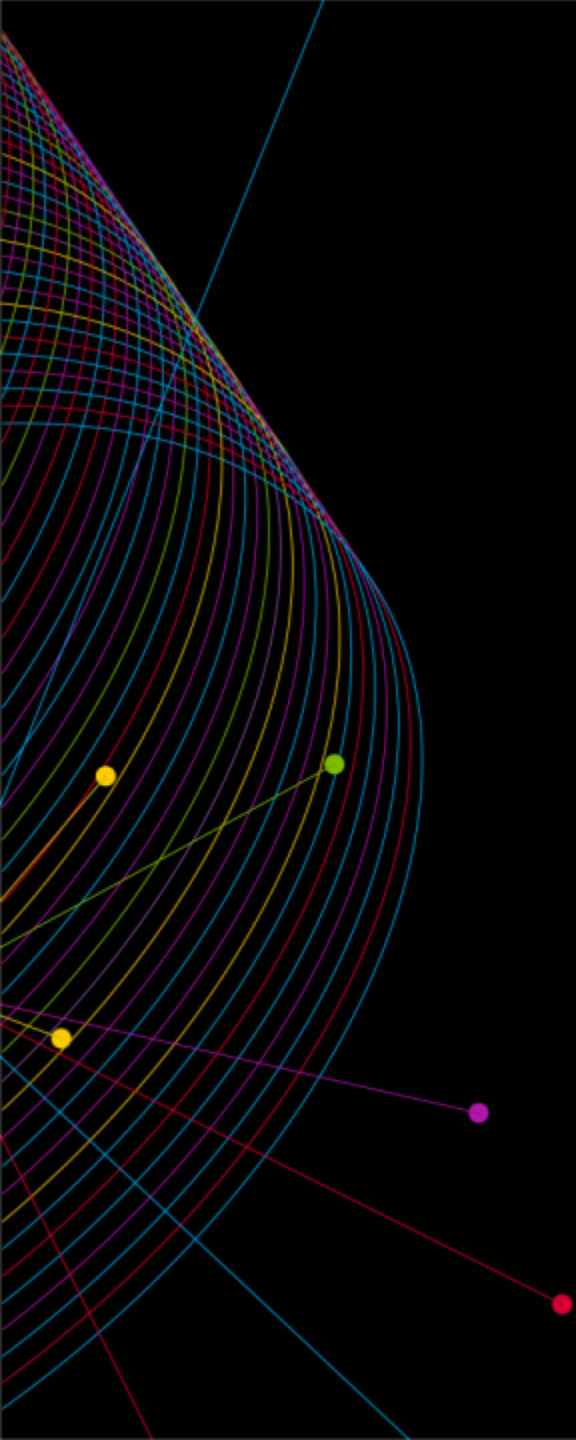
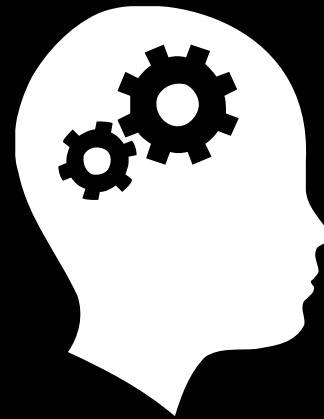
PREPARED FOR MAGAZINE IRELAND BY NIELSEN  
IRELAND

KAREN MOONEY  
JUNE, 2015

# AGENDA

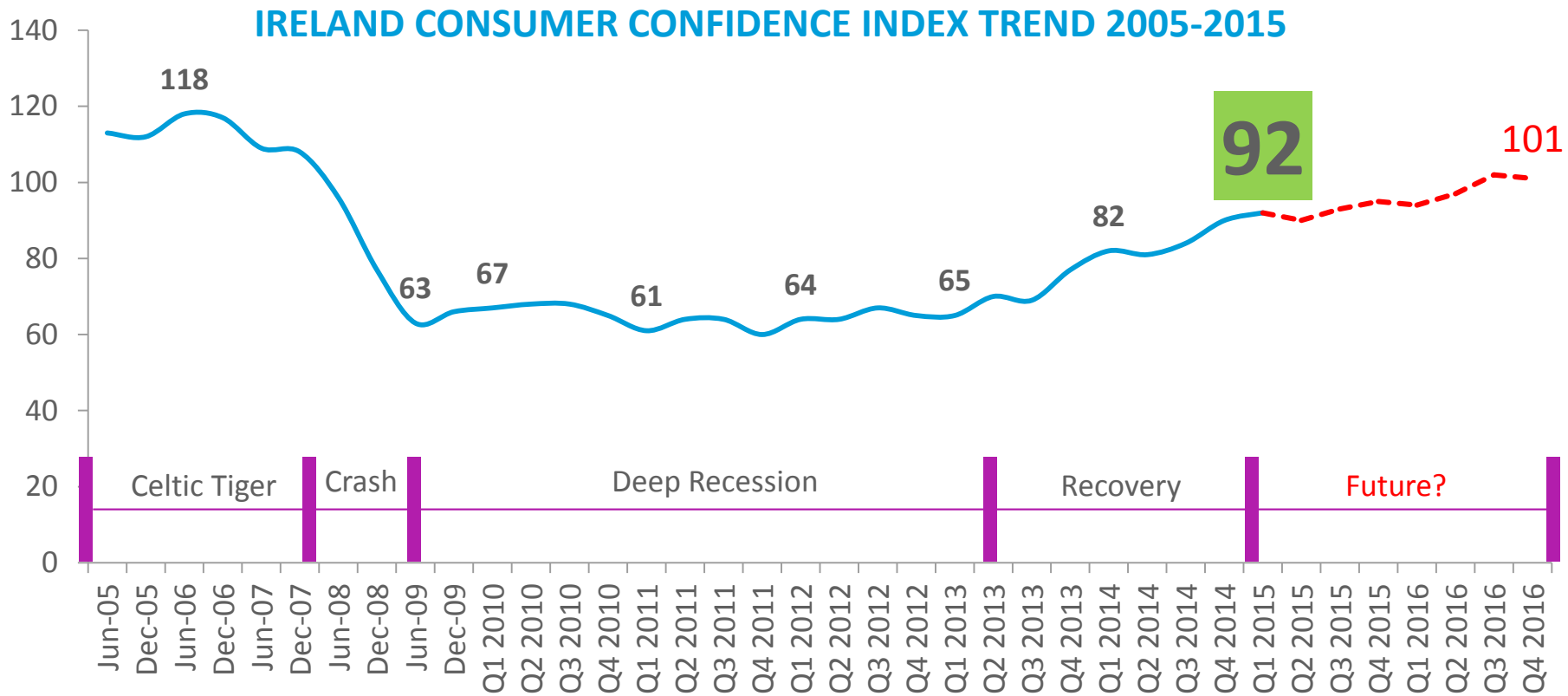


# CONSUMER SENTIMENT



# IRISH CONSUMER CONFIDENCE CONTINUES TO GROW

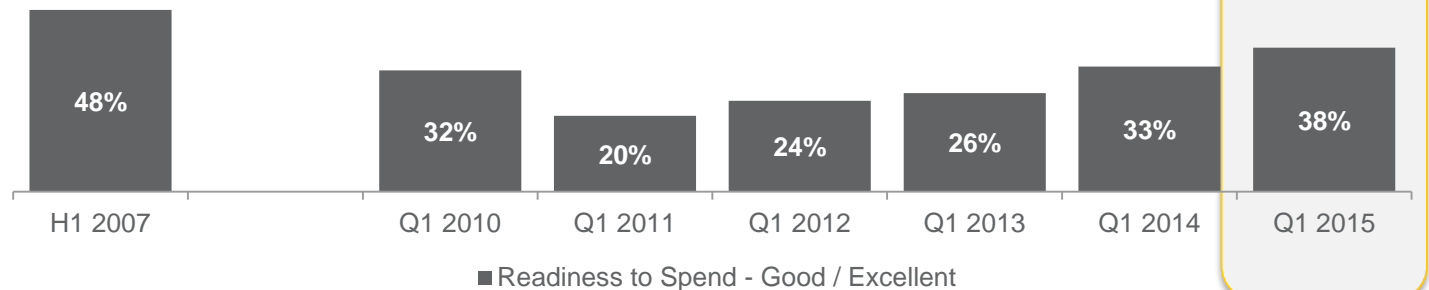
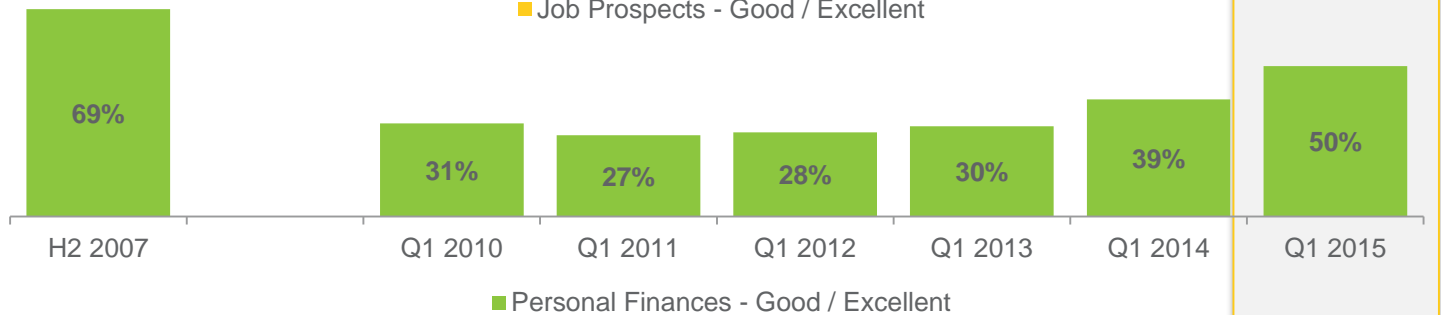
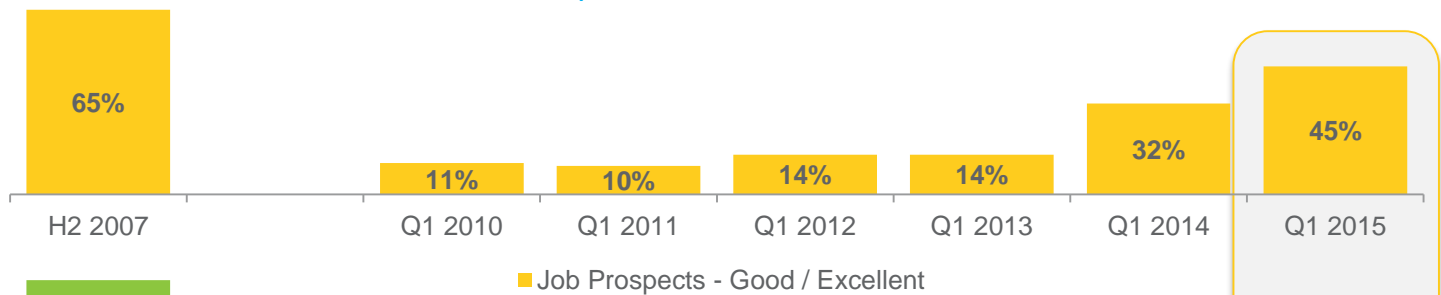
Future trends are looking up but it is more of a positive outlook than a return to Celtic Tiger times



# DRIVEN BY IMPROVEMENTS IN EMPLOYMENT AND PERSONAL FINANCES

Readiness to spend slower to recover

IRE - Percentages rating Job Prospects, Personal Finances and Readiness to Spend as Good / Excellent 2011 - 2015



## AND IMPROVING ECONOMIC INDICATORS

Consumer Price Index -0.3%  
(May 2015 vs LY)

ECB interest rates remain at  
a record low

The Irish unemployment rate  
is 9.8% (May '15) down  
1.9%pts on LY

Household  
wealth is at its  
highest level  
since 2008\*



Ireland's current economic  
growth rate is the fastest  
in Europe



Irish Business Sentiment is at an eight-year  
high with more firms expressing confidence in  
the future direction of the Irish economy\*\*

National  
residential  
property prices  
rose by 14.9% on  
last year



\*Source: Central Bank

\*\*Source: KBC Bank Ireland/Chartered Accountants Ireland

# CONSUMERS CONTINUE TO ADJUST BEHAVIOUR

37% putting spare cash into savings with 28% paying off debts/credit cards

30% are spending spare cash on holidays, 29% on new clothes and 25% on home improvements

38% say now is a good time to buy the things we want and need



60% of us have switched to cheaper grocery brands to save and 27% cut down on or buy cheaper brands of alcohol

69% of us have changed our spending habits to save on household expenses



23% of us have no spare cash once we've covered essential living expenses

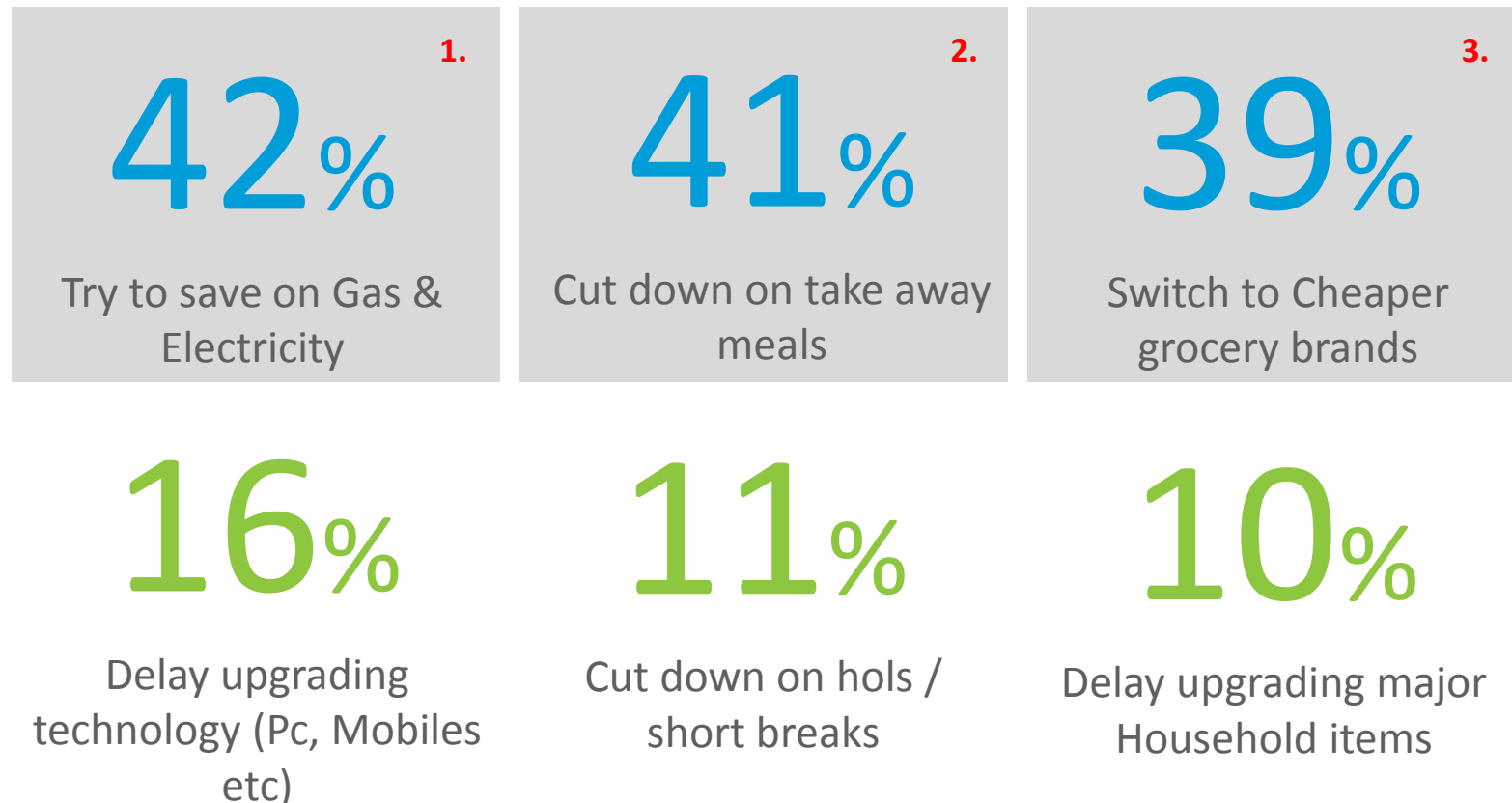


Job Security, Debt and Health are our main concerns

# AS A RESULT CONSUMERS WILL RETAIN BELT TIGHTENING STRATEGIES FOR THE FUTURE

Grocery will continue to be an area of focus for consumers going forward however behaviors are softening as pressures ease

## TOP 3 RETAINED BEHAVIOURS FOR THE FUTURE

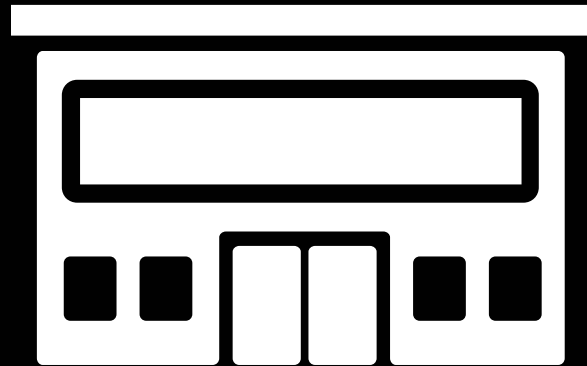


Source: Nielsen Global Online Survey - Ireland Results Q1 2015

"Q. When economic conditions do improve, which of these savings do you expect you will continue to do?"



# FMCG & RETAIL LANDSCAPE



# INCREASED CONSUMER CONFIDENCE NOT YET EVIDENT IN FMCG RETAIL SALES

Total FMCG

**€15.2 billion**

(including estimates for non  
Scantrack/MarketTrack categories)

Total FMCG  
MAT Feb 2015 vs 2014

Value **-0.1%** Units **-0.6%**

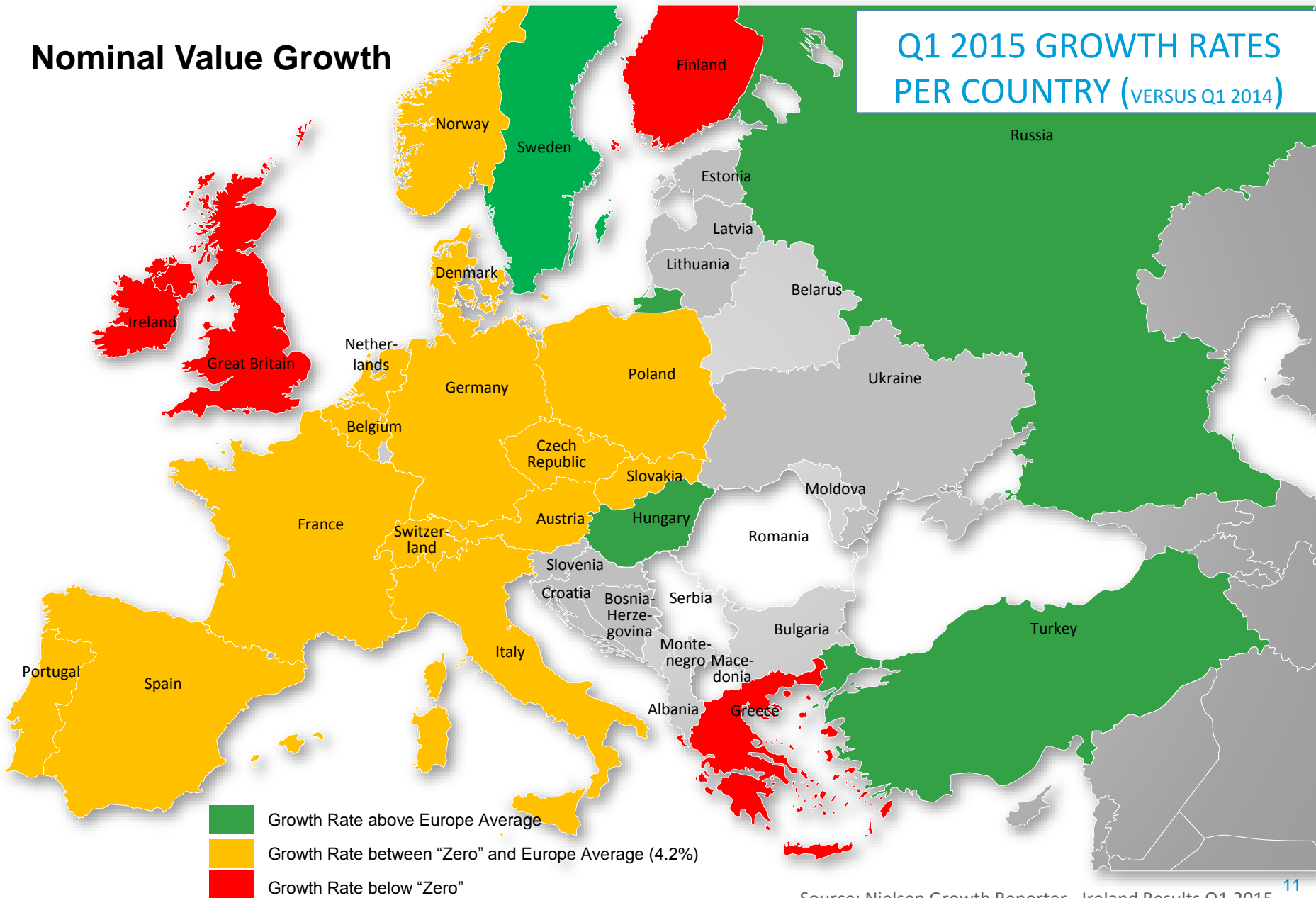
Total excl. Tobacco & Alcohol

Value **-0.8%** Units **-0.4%**

# NOMINAL GROWTH ACROSS MAINLAND EUROPE

## Nominal Value Growth

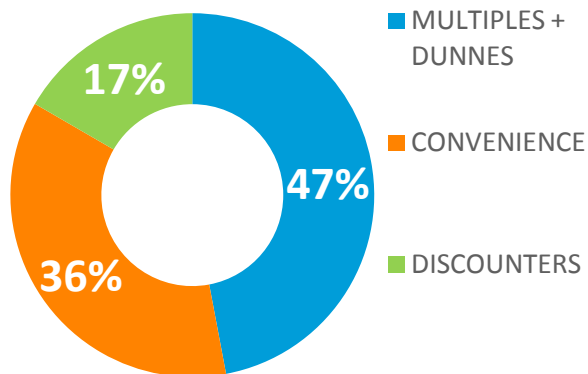
Q1 2015 GROWTH RATES  
PER COUNTRY (VERSUS Q1 2014)



# DISCOUNTERS DRIVE VALUE GROWTH AHEAD OF VOLUME - DESPITE VALUE PROPOSITION

Proximity, value and improved ranging helping conversion rates. Increasing store numbers, evolving range and innovative campaigns will secure further growth. Nielsen projection of 21% SOT by 2020

## CURRENT MAT



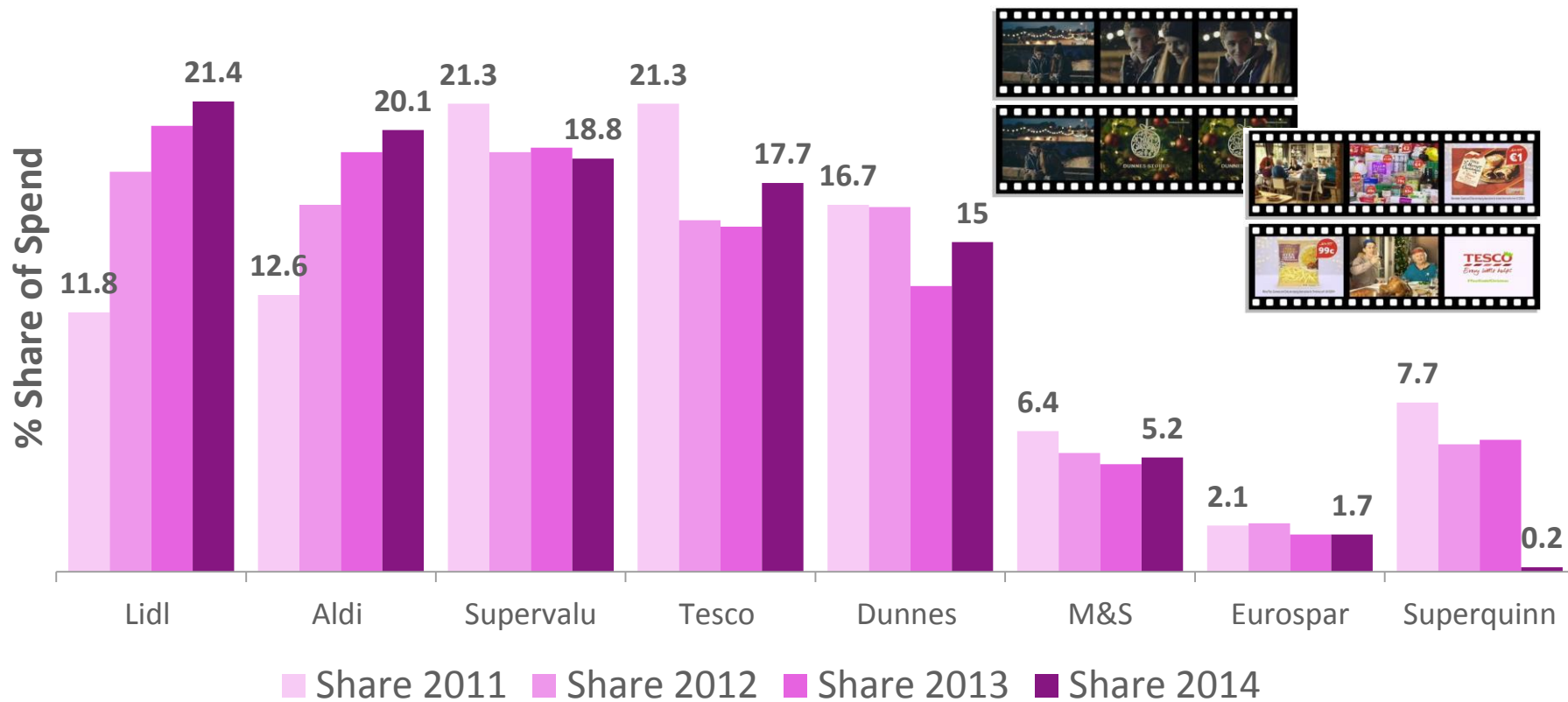
## FMCG channel value share of trade

MAT Feb '15 vs '14	% Value Growth	% Unit Growth
Mults incl Dunnes	-3.7%	-4.2%
Convenience	+0.1%	-1.7%
Discounters	+11.4%	+8.5%

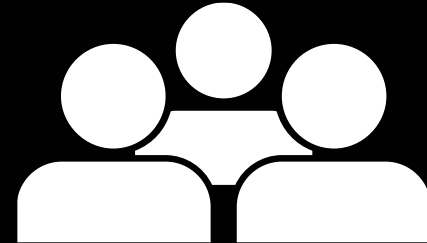
## IRISH CONSUMERS HAVE BOUGHT INTO DISCOUNTERS

<p><b>PRICING</b> ‘Cheapest priced store’ Aldi 39% Lidl 32%</p>	<p><b>RANGING</b> ‘Everything I need in one place’ Aldi 30% Lidl 23%</p>	<p><b>CONVERSION</b> New shoppers becoming regulars Aldi 60% Lidl 74%</p>	<p><b>STORES</b> Growth from store openings 15 new stores = 1 share point</p>
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# DISCOUNTERS DOMINATE SHARE OF AD SPEND TESCO AND DUNNES UP THEIR GAME AS MULTIPLES DRIVING HARD FOR FOOTFALL



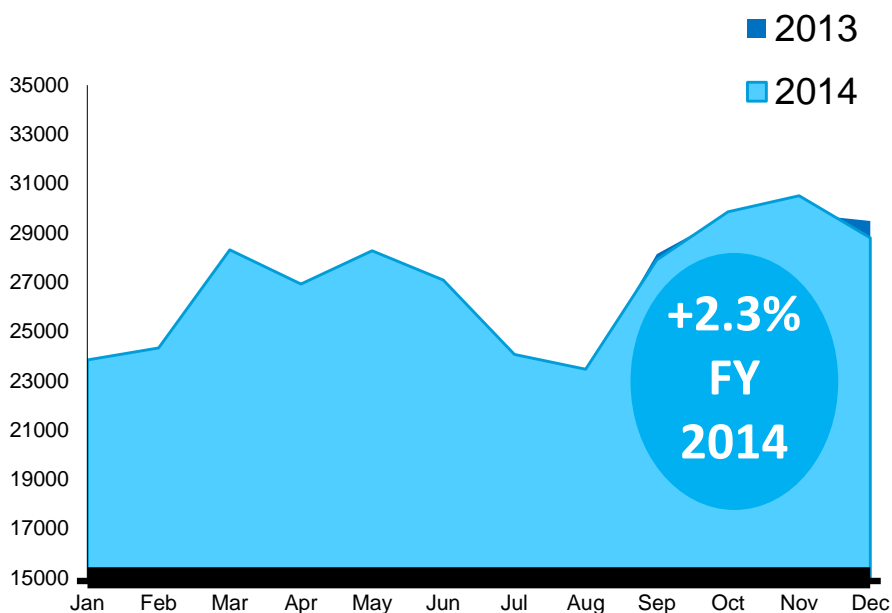
# GLOBAL MEDIA TRENDS



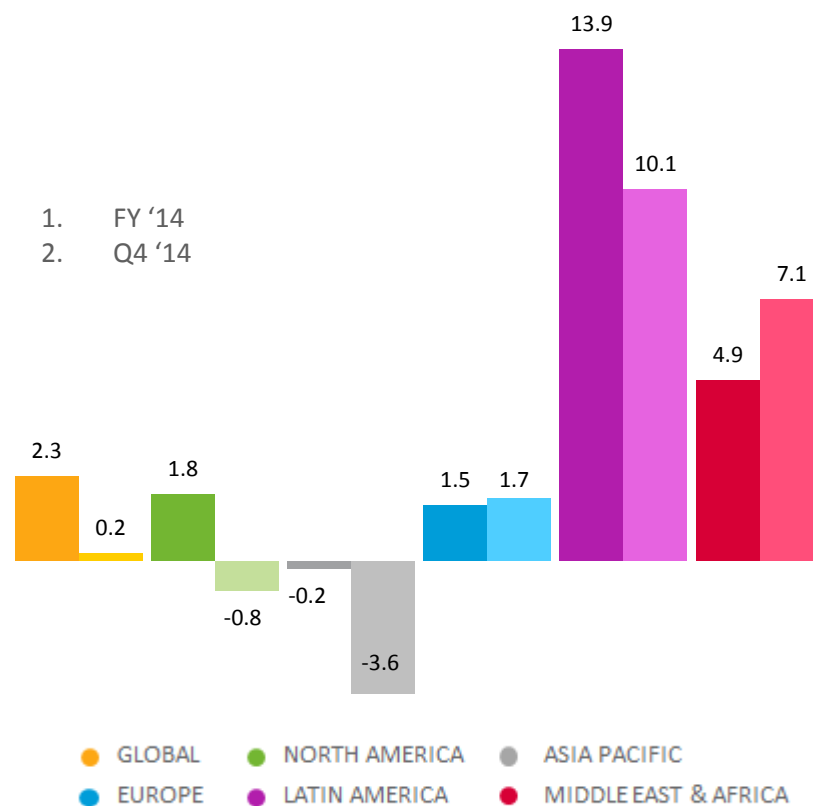
# GLOBAL AD MARKET GROWTH IN 2014

Ad Investment grew +0.2% in Q4, with growth of +2.3% for the full year 2014

Europe ended 2014 with growth, as market finally showed stable recovery



1. FY '14
2. Q4 '14



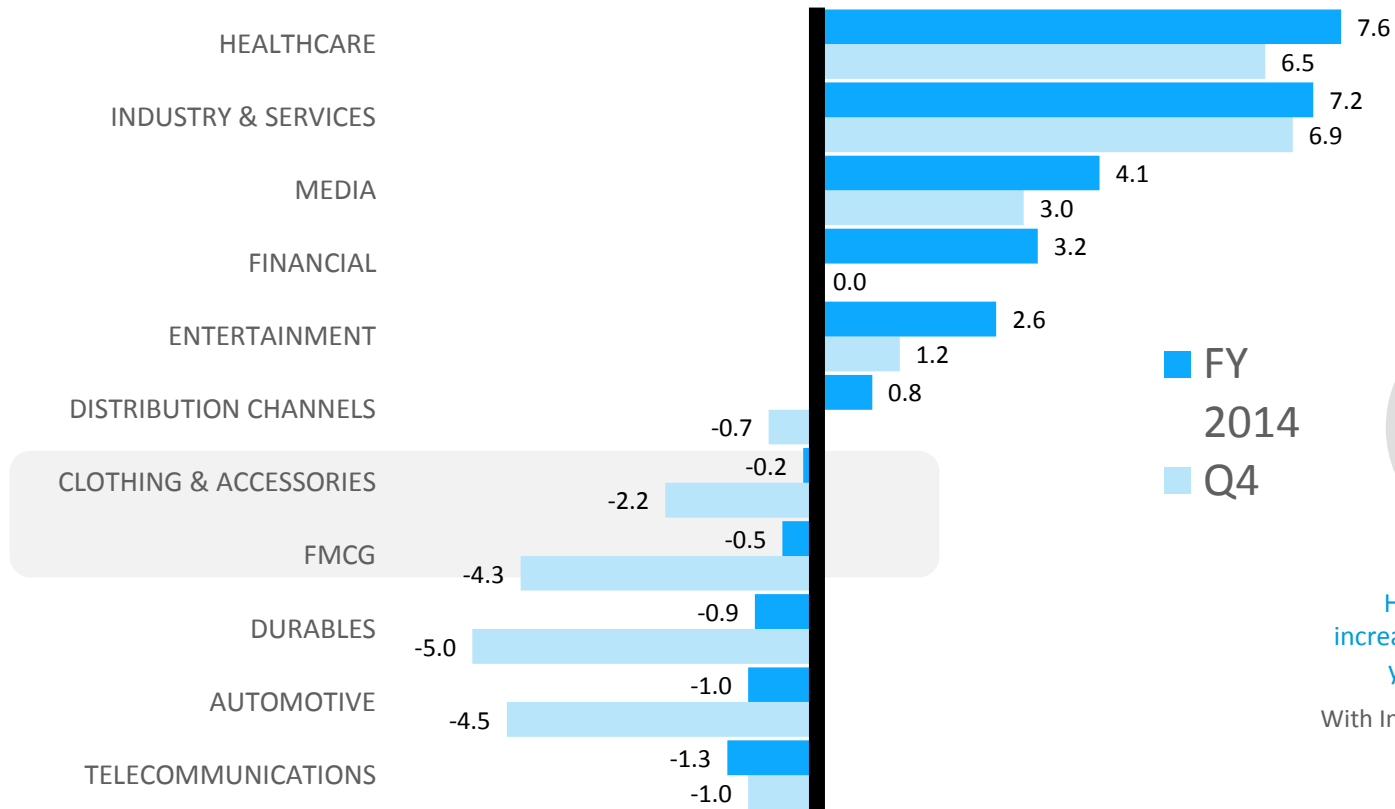
Source: Nielsen Global AdView Pulse Q4 2014

Based on net figures estimated with Nielsen Global AdView weighting factors. Includes TV, Radio, Magazines, Newspapers, Outdoor and Cinema

# HEALTHCARE & POLITICS DRIVE MARKET GROWTH

Prescription/OTC brands and U.S. mid-term elections pump dollars into the market

## SECTORS - % INCREASE IN AD SPENDING YOY, 2014 vs 2013 AND Q4



**HEALTHCARE SECTOR**  
increases ad spending by 7.6%  
year-on-year in 2014  
With Industry & Services following  
closely at 7.2%

Source: Nielsen Global AdView Pulse Q4 2014

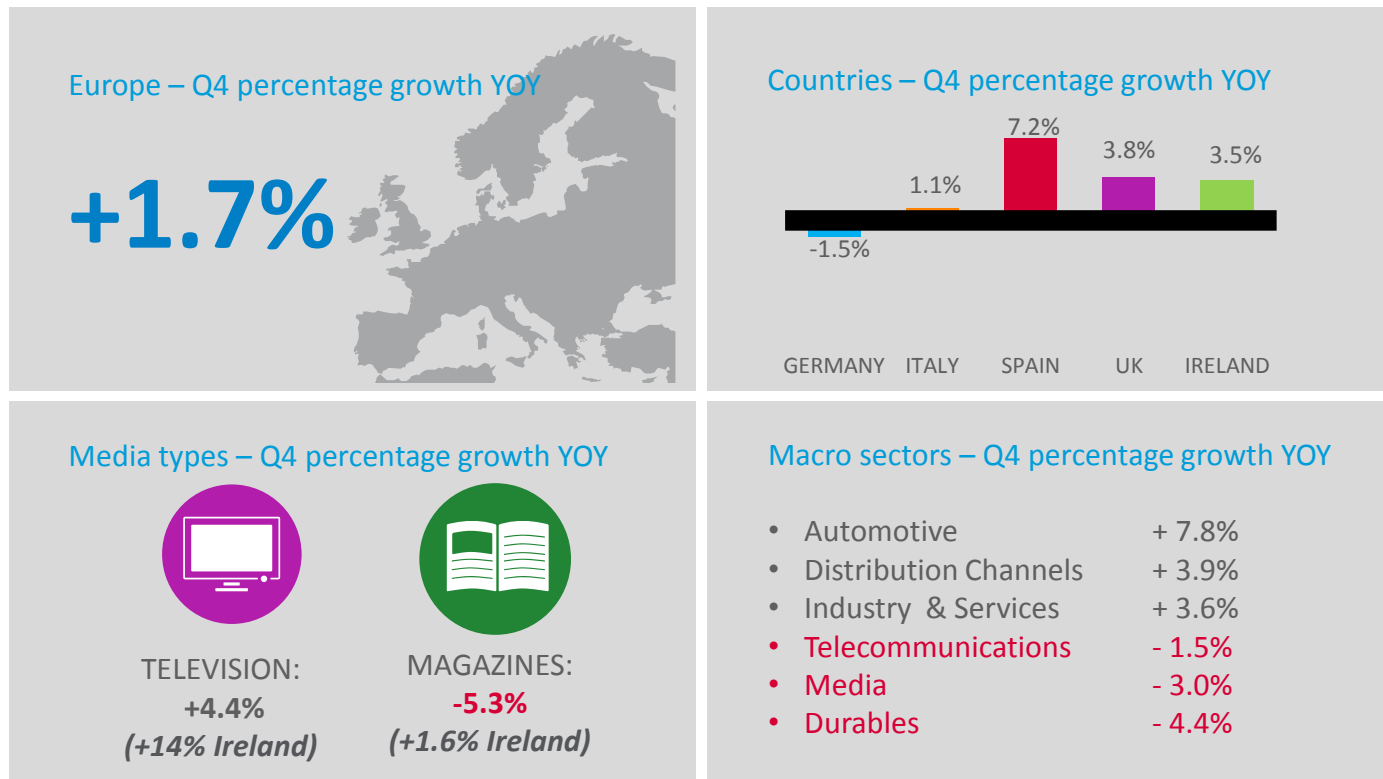
Based on net figures estimated with Nielsen Global AdView weighting factors. Includes TV, Radio, Magazines, Newspapers, Outdoor and Cinema



# WHAT HAPPENED IN EUROPE IN Q4?

## AUTOMOTIVE REVS ENGINES IN EUROPE

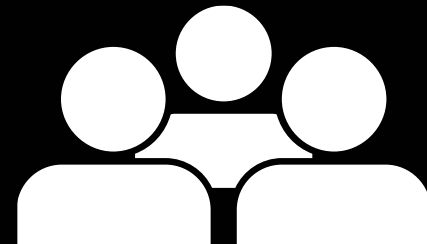
Europe one of the few regions to see increases in Automotive investments



Source: Nielsen Global AdView Pulse Q4 2014

Based on net figures estimated with Nielsen Global AdView weighting factors. Includes TV, Radio, Magazines, Newspapers, Outdoor and Cinema – excludes Digital\*

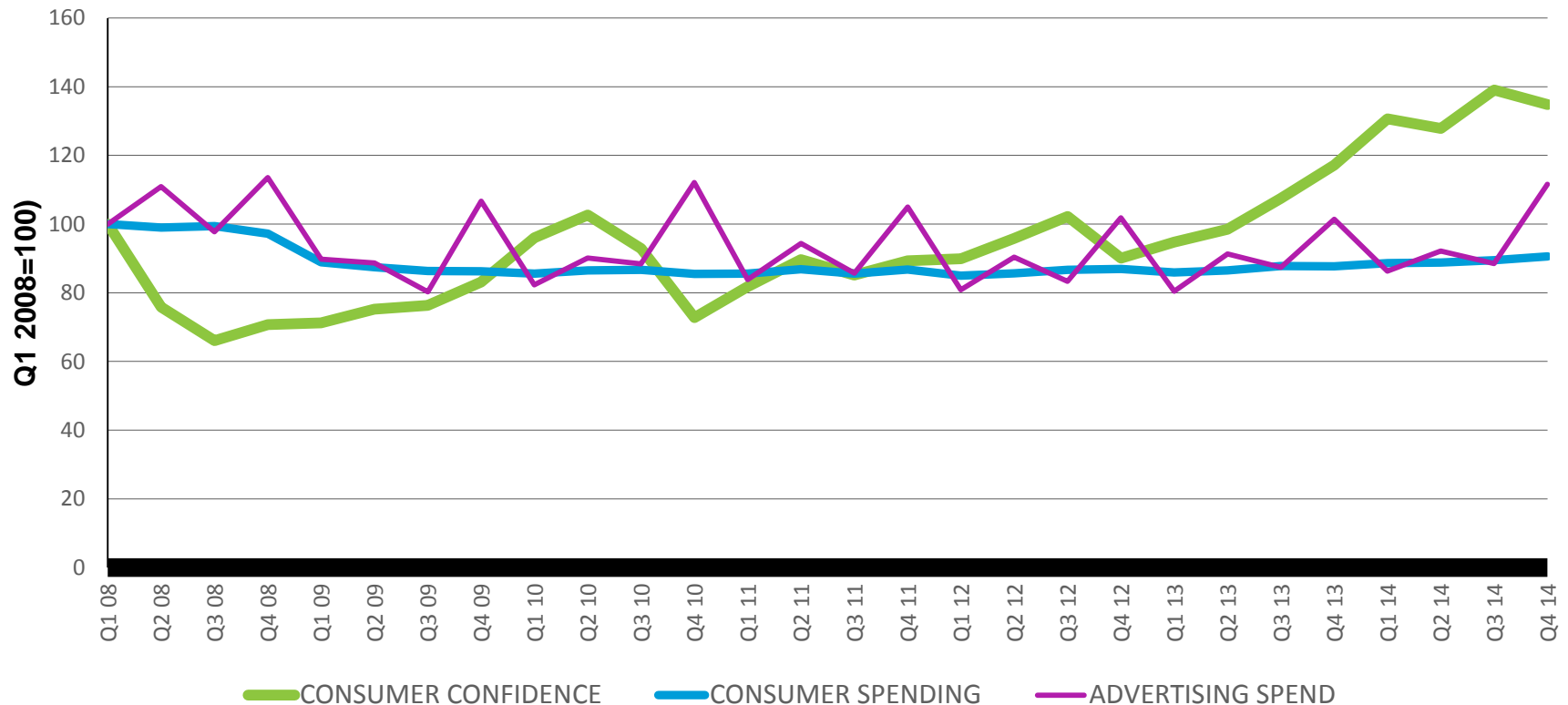
# OVERALL ROI MEDIA TRENDS



# LIGHT AT THE END OF THE TUNNEL

General health key economic variables which drive the advertising market all improved in 2014 as measured by; GDP, consumer expenditure, consumer confidence and business confidence – helping translate into a recovery in advertising expenditure as the year progressed.

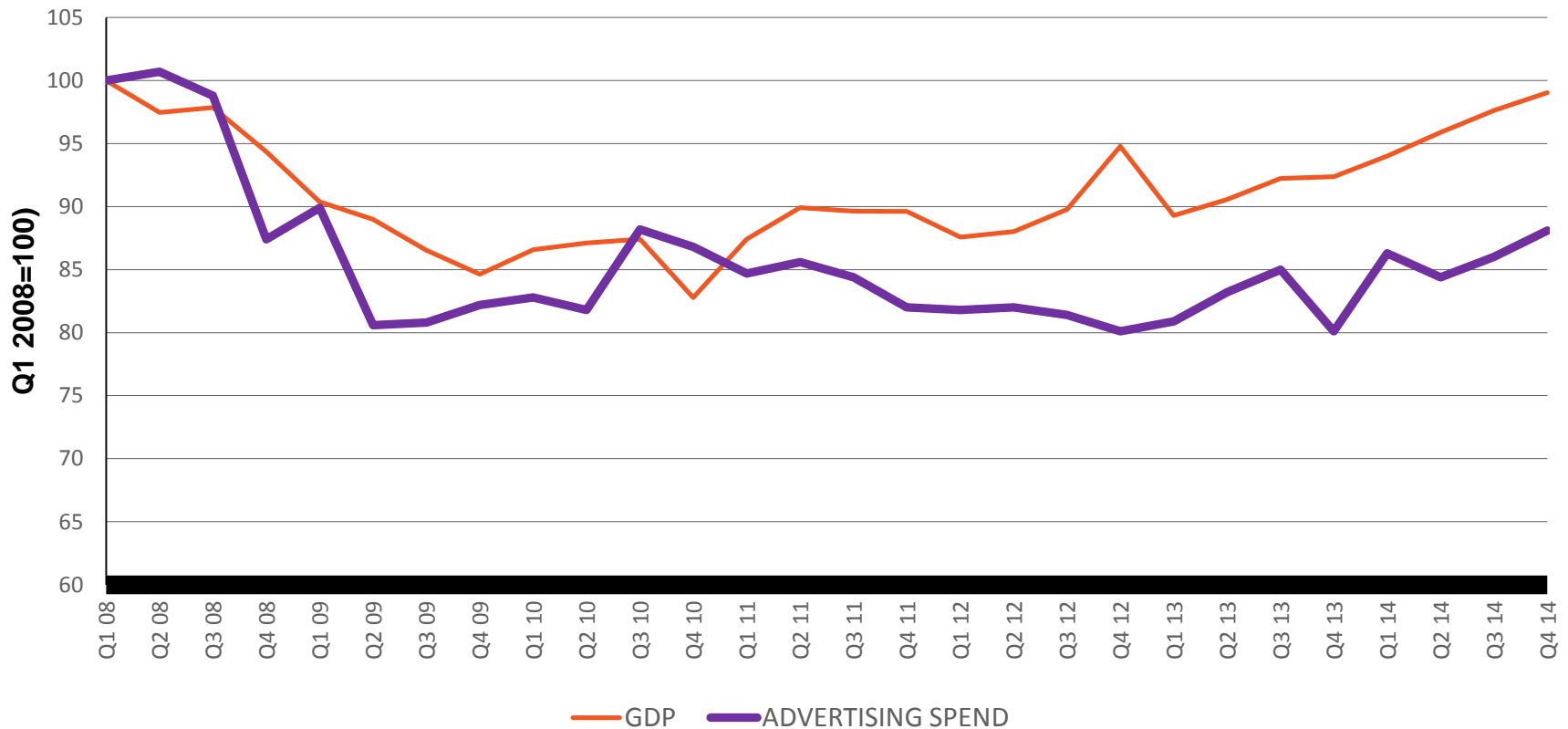
**Chart: Advertising Expenditure, Consumer Confidence and Consumer Spending**



# GDP GROWTH AT A REASONABLE PACE

Advertising fell more sharply than GDP on the way down after 2008 and is now lagging the economy on the path to recovery. However, it is clear that expenditure is now recovering in line with the overall economy. There is a strong correlation between GDP growth and advertising expenditure.

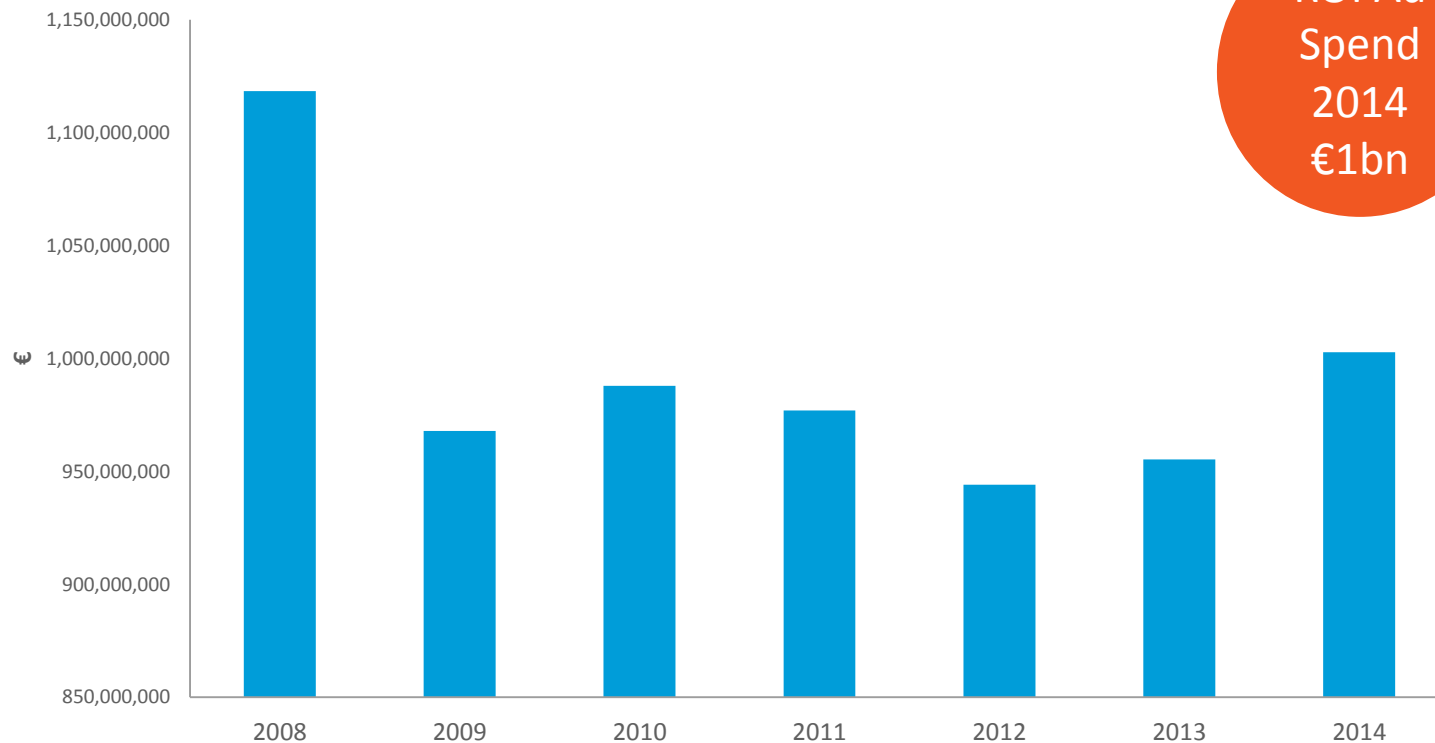
Chart: Advertising Expenditure & GDP (Seasonally Adjusted)



# OVERALL ROI AD MARKET IN RECOVERY MODE

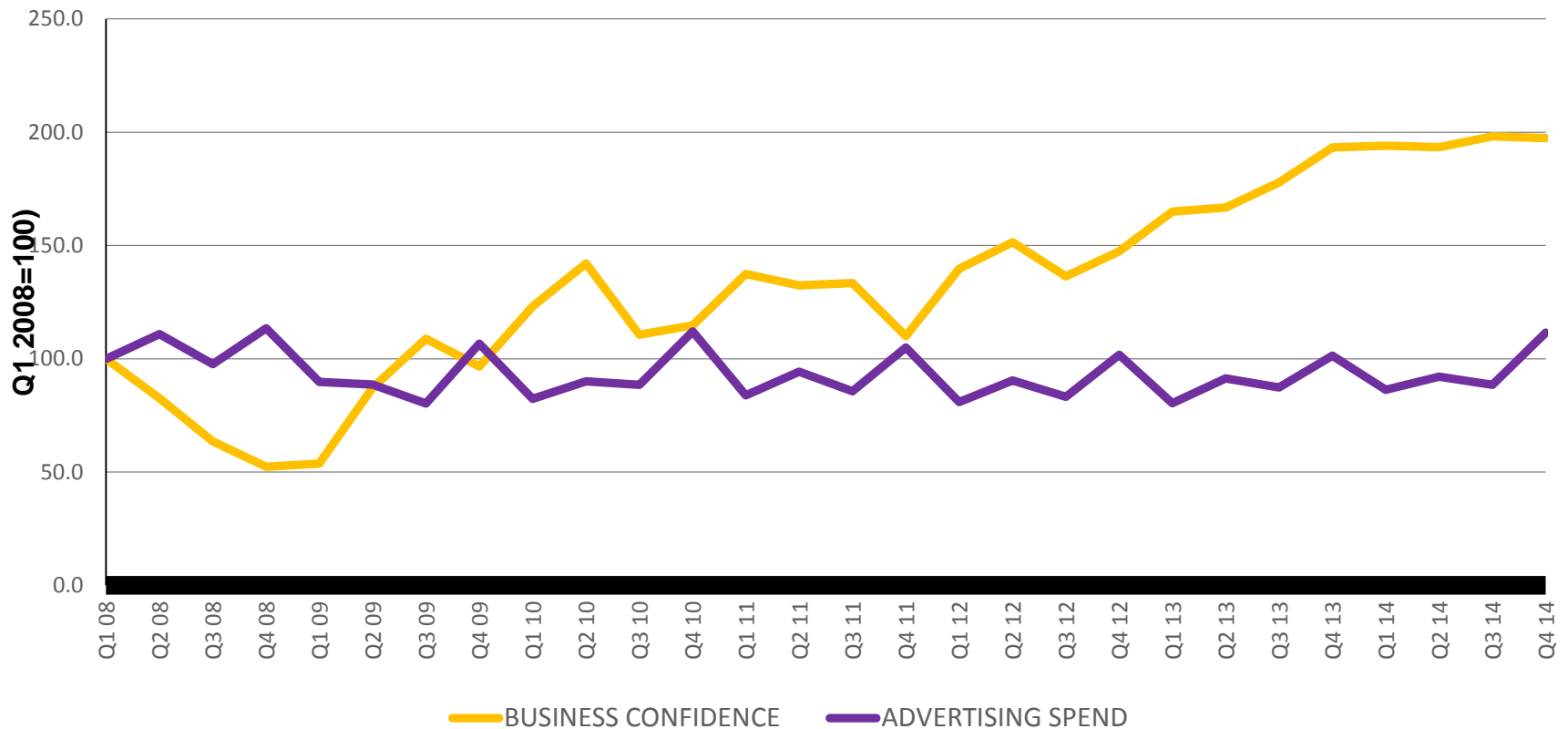
Total ROI advertising expenditure in 2014 was +5% higher vs. 2013, and +6.2% higher vs. 2012 (low point of expenditure cycle). Total advertising expenditure is still 10.3% below the 2008 level, *however now clearly in recovery mode*

Chart: Advertising Expenditure



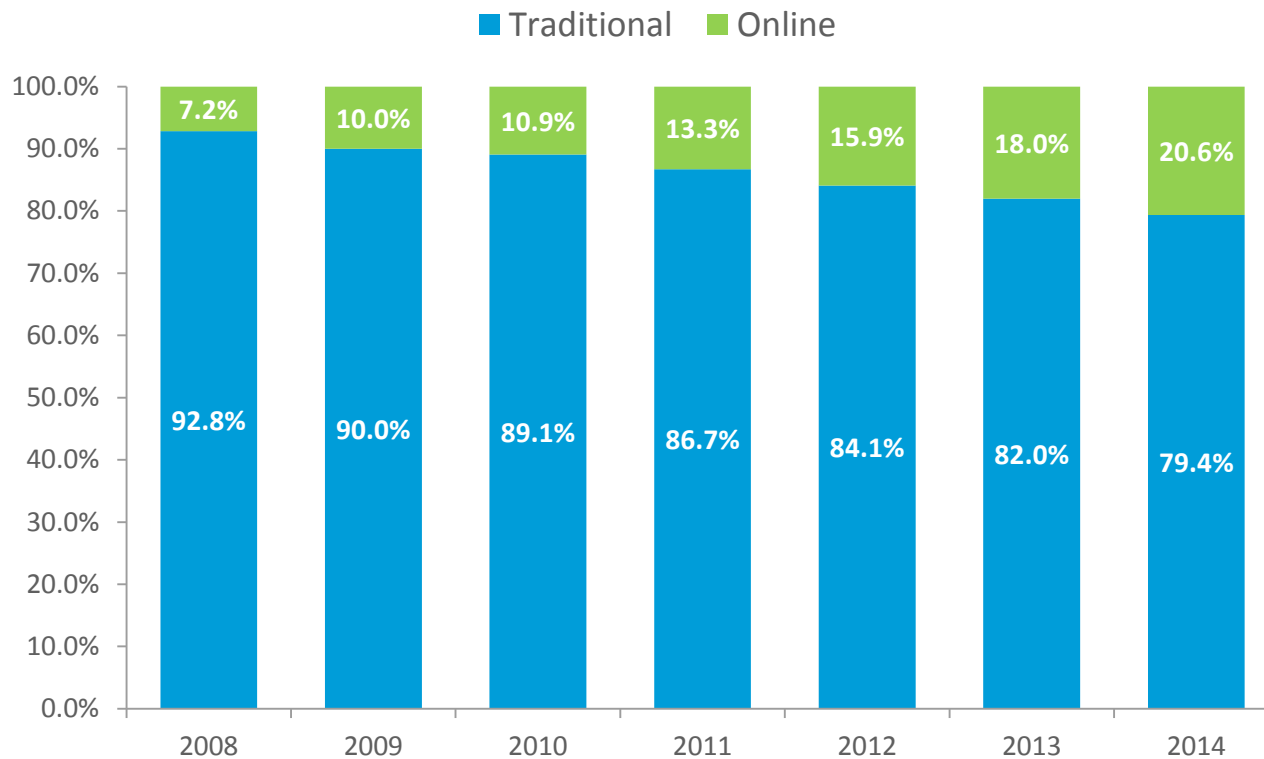
STRONG RECOVERY IN BUSINESS CONFIDENCE OVER PAST 2 YEARS  
HAS BEEN SLOW TO REFLECT ITSELF IN ADVERTISING EXPENDITURE,  
*HOWEVER SOME RECOVERY NOW STARTING TO BECOME APPARENT*

Chart: Tracks the relationship between Advertising Expenditure & Business Confidence



## A KEY FEATURE IN THE ADVERTISING MARKET IN 2014 WAS THE RECOVERY IN EXPENDITURE ON TRADITIONAL ADVERTISING MEDIA, ALONG WITH STRONG ONGOING GROWTH IN ONLINE - TRENDS WHICH LOOK SET TO CONTINUE IN 2015

Chart: Breakdown of Advertising Market Expenditure (%)



Despite the economic difficulties after 2008, online advertising has expanded every year and in 2014 was 159% higher than the 2008 level.

Traditional advertising expenditure in 2014 was 23.4% below the 2008 level

# ADVERTISING MARKET IN 2015?

“

*Looking ahead to 2015, all indicators are currently suggesting that GDP will expand at a reasonable pace; consumer spending likely to make an increased contribution to the growth recovery; and notwithstanding political and economic risk, business and consumer confidence look set to improve further.*

*Against this background it is likely that the advertising market will expand further in 2015.*

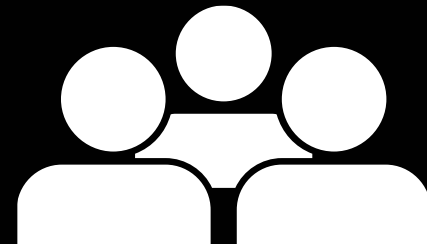
*For a sector that employs so many people, and a sector that is an important driver of business activity, this is a very positive development*

”

Jim Power, Economist

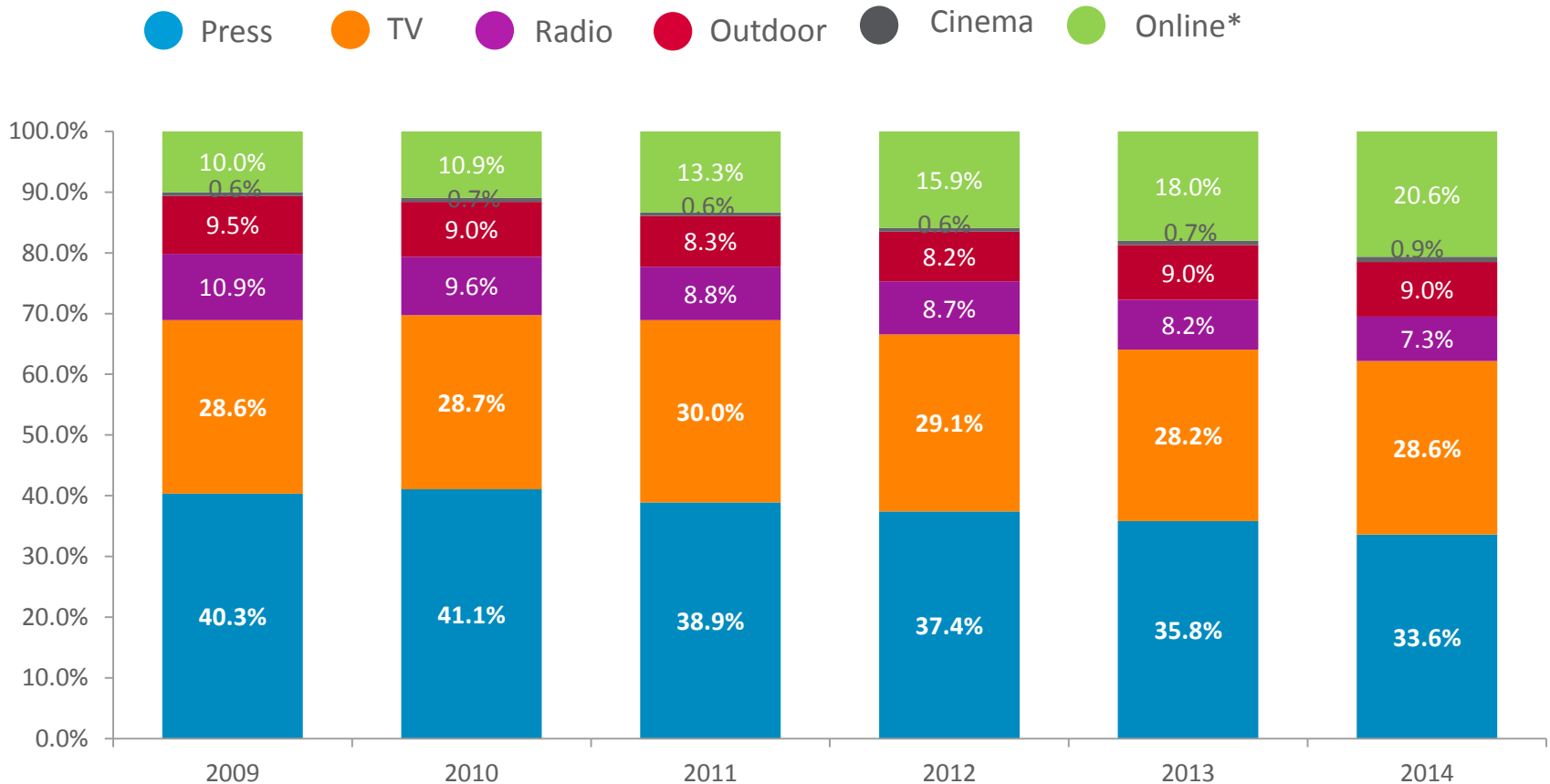


# ROI MEDIA TRENDS BY MEDIA TYPE



# OVERALL – ONLINE SQUEEZING ALL SHARE

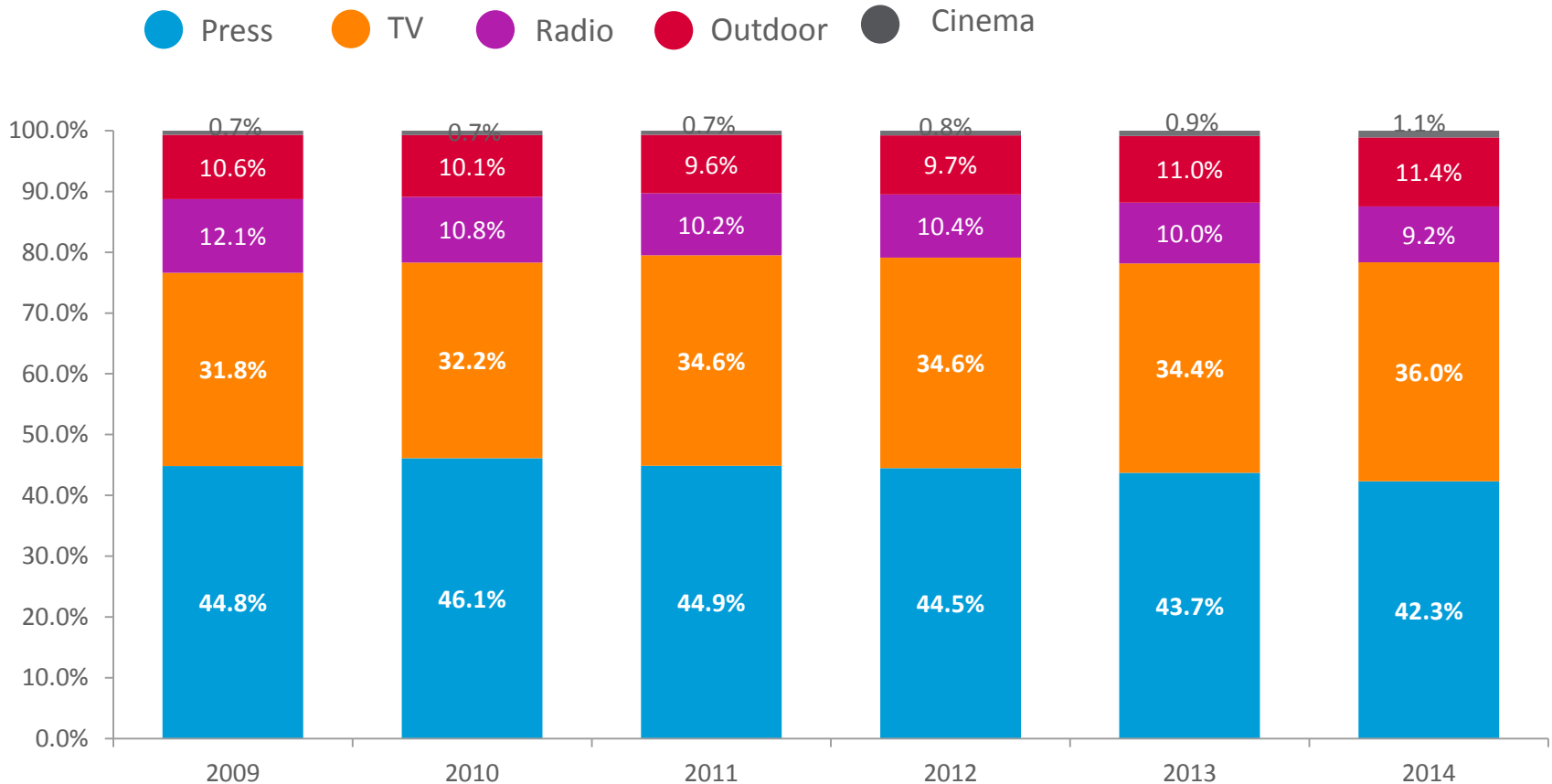
Chart: Breakdown of Overall Advertising Market (%) since 2009



\*Online is Core Media estimates

# TRADITIONAL ONLY – PRESS SQUEEZED AT EXPENSE OF TV AND OUTDOOR

Chart: Breakdown of Traditional Advertising Market (%) since 2009



# TV VIEWING IN IRELAND REMAINS STRONG

Even with availability of time shifted viewing devices, most TV (91%) is still viewed live.

**3hrs 14 min**

**average daily viewing 2014 for  
Individuals**

3hrs 28 min Adults 15+

2hrs 10 min Children

**91%**

**of content was viewed live**

6% of content was viewed same day as live

14% of content for Adults 15-34 was time-shifted

**73%**

**Housekeepers tuned to  
commercial channels daily in 2014**

7 new channels in 2014 showing Irish ads

**18%**

**homes claim to view TV content  
via laptop**

8% homes claim to view TV content via tablet

(TV & non-TV homes)

Source- Nielsen/TAM Ireland – Arianna – Total TV Avg Mins Pn , Individuals 000s by activity– Mon-Sun 0300-2659 - January to December 2014– Live, VOSDAL, Time-shift by Day, Consolidated

Source: Nielsen/TAM Ireland – Arianna – Commercial Channels Average Daily 1+ Reach – January to December 2014 - Consolidated

Source- Establishment Survey – May 2014 fieldwork, September 2014 universes

# SCREEN WARS

## HOW SCREENS ARE CAPTURING THE AUDIENCE

### IRELAND



70% enjoy the freedom of being connected anywhere, anytime



48% prefer to watch video programming live, at its regularly scheduled time



71% think face-to-face interactions are being replaced with electronic ones



44% say video programs are an important part of my life



50% believe bigger is better when it comes to screen size



Almost 1 in 2 say Mobile phones are the most commonly cited go-to device for on-the-go viewing



50% browse the Internet while watching video programming



Growing white-space digital opportunities include industries such as health care, education, grocery retailing and finance



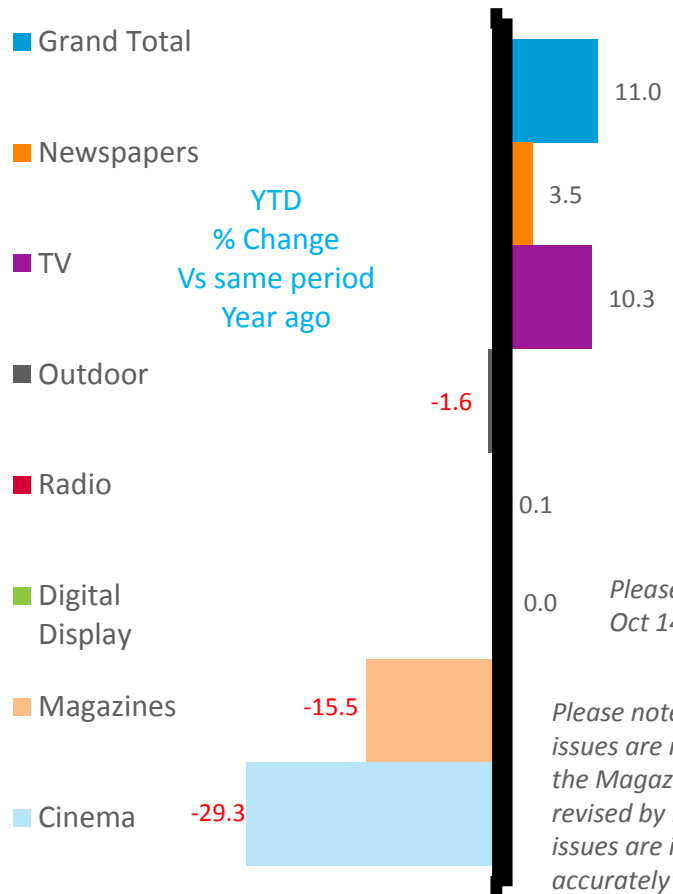
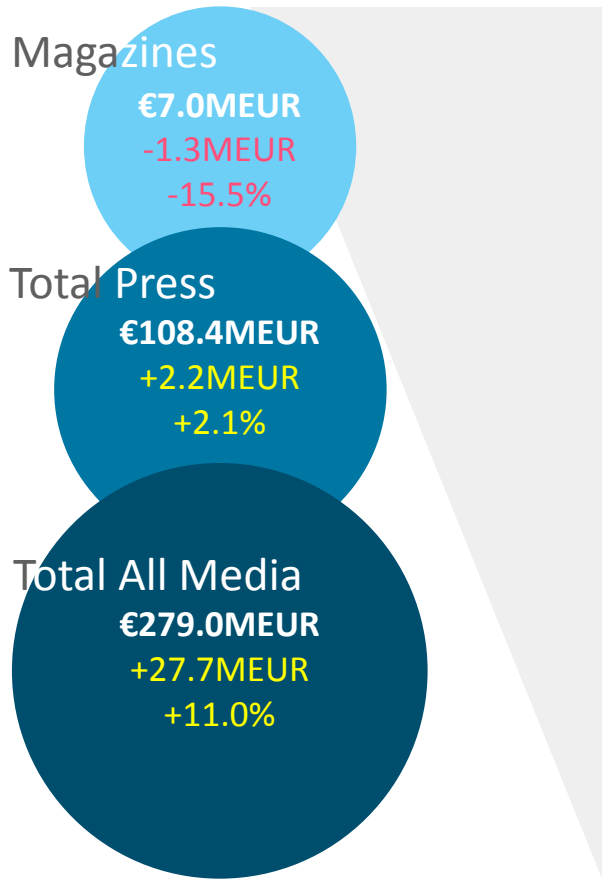
## ROI MEDIA TRENDS YTD

BIG SPENDERS,  
WINNING CATEGORIES  
&  
EMERGING TRENDS

# AD PRESSURE – YTD GROWTH IN ALL MEDIA

Total Press +2.1%, TV All Media (+11.0%).

YTD 2015 Ad Spend



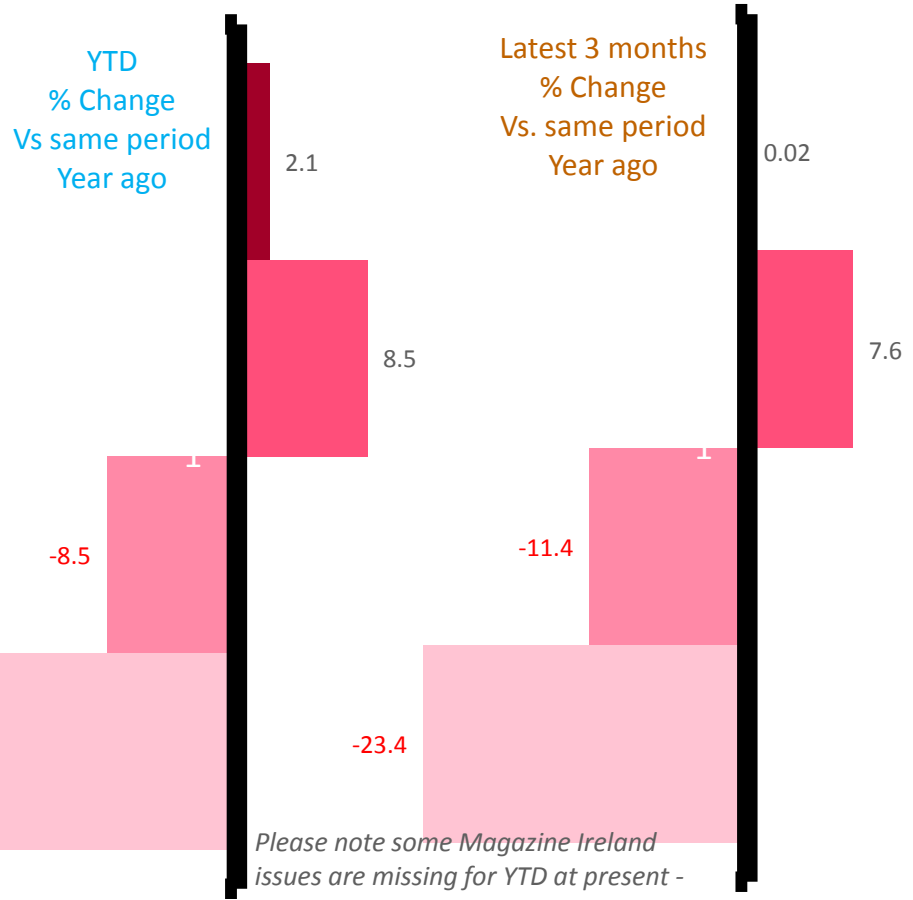
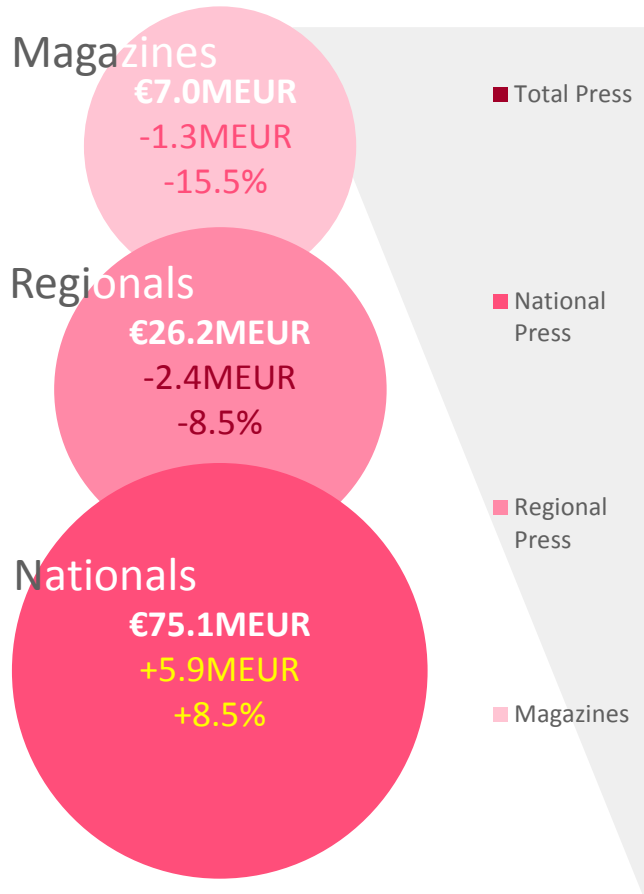
Please note Digital Display is only in from Oct 14 in the Nielsen data

Please note some Magazine Ireland issues are missing for YTD at present - the Magazine Ireland data will be revised by Nielsen once all missing YTD issues are in to reflect trends more accurately\*

# AD PRESSURE – TOTAL PRESS

Magazines YTD spend = €7.0m (Jan-Apr '15 Only)

YTD Ad Spend



Please note some Magazine Ireland issues are missing for YTD at present - the Magazine Ireland data will be revised by Nielsen once all missing YTD issues are in to reflect trends more accurately\*

Source: Nielsen Ad Spend data – YTD data to April 2015. Latest 3 months data includes Feb-Apr 2015

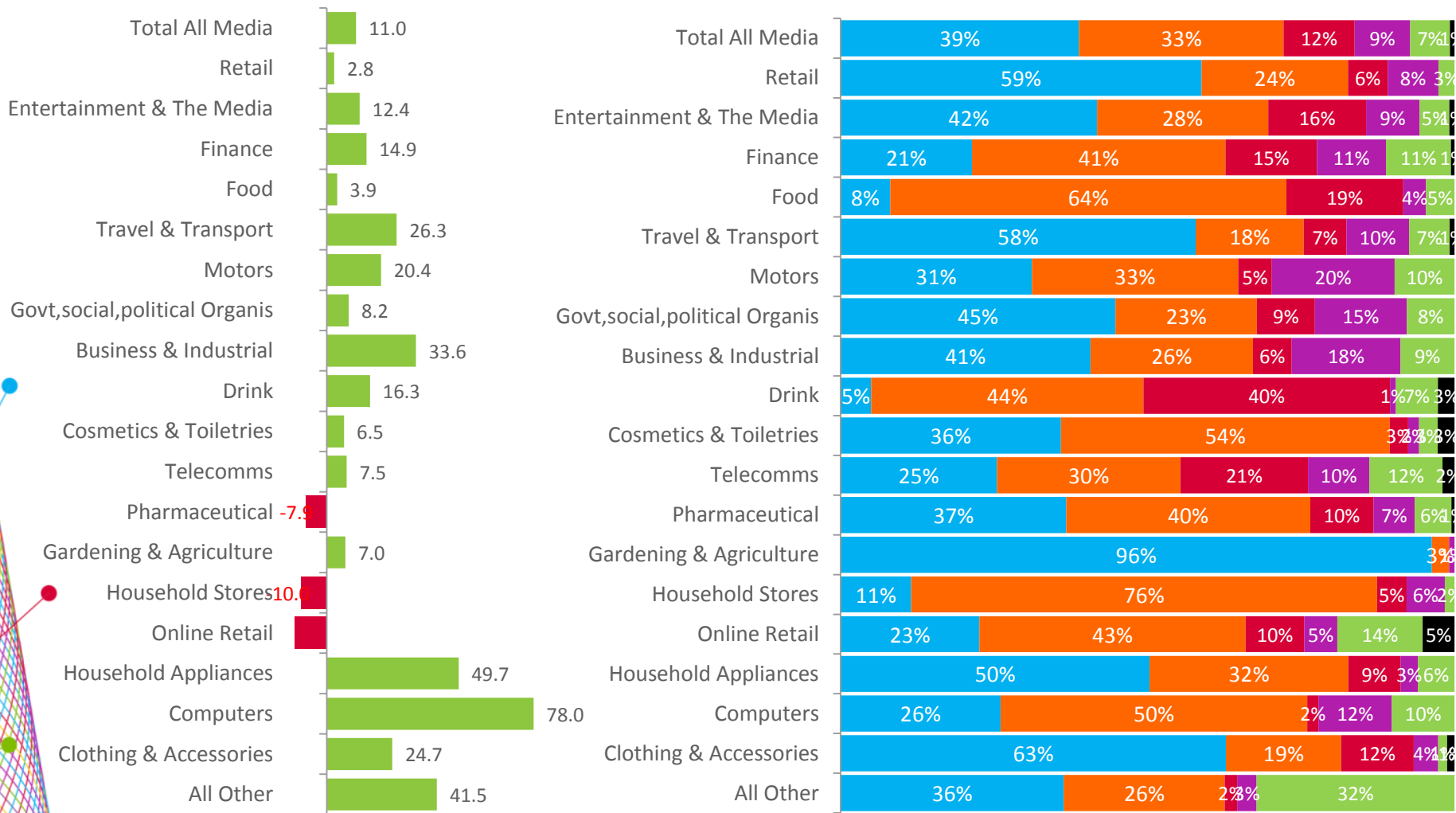


# YTD TOP SPENDING CATEGORIES – SHARE OF SPEND

A general positive trend ...top 5 categories comprise almost 60% of spend

YTD 2015 Ad Spend – ranked by top spending categories

■ Press ■ TV ■ Outdoor ■ Radio ■ Digital Display ■ Cinema



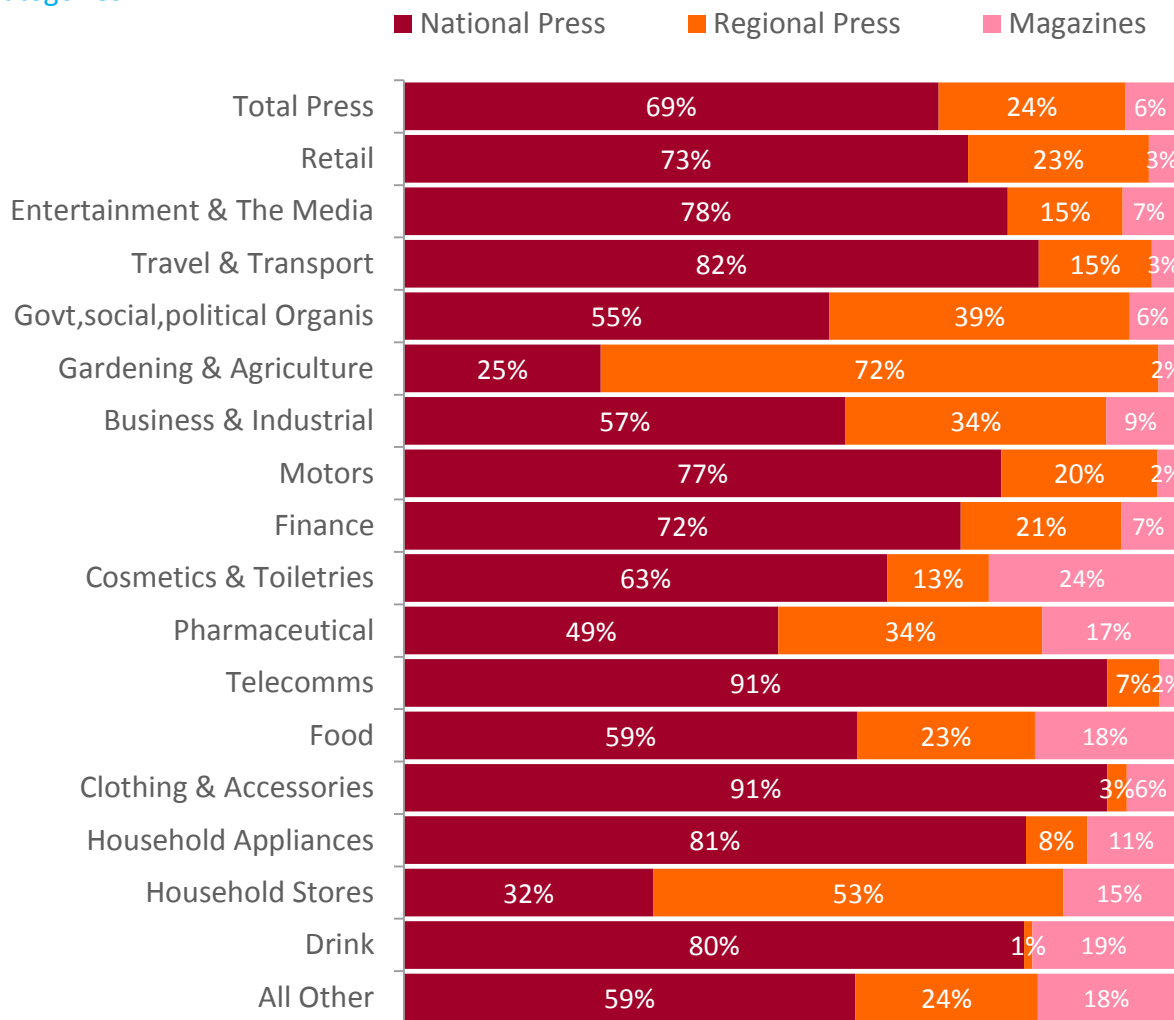
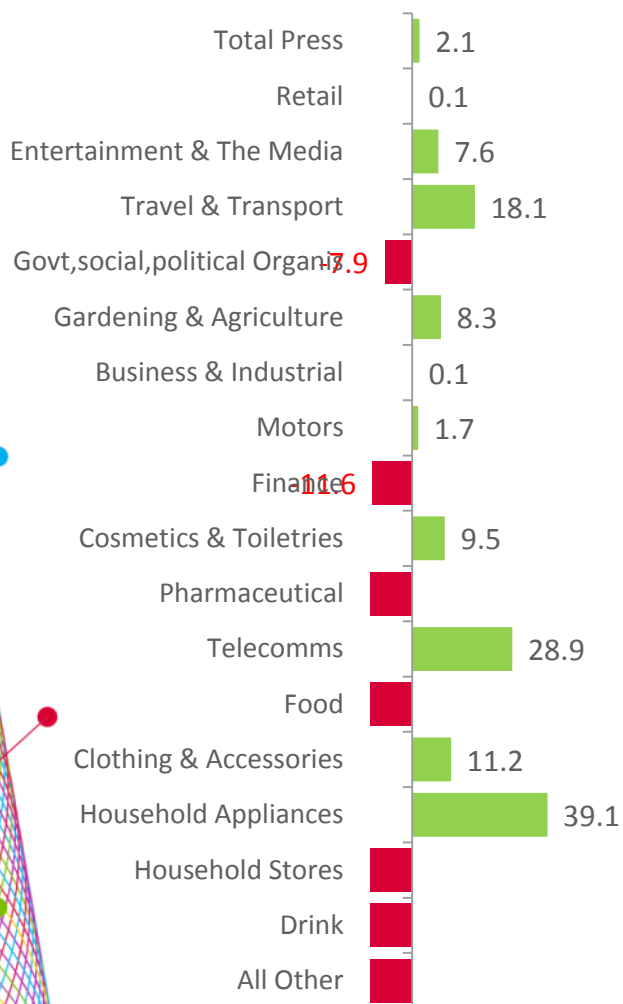
Source: Nielsen AdDynamix YTD Jan-April 2015 data

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# YTD TOP SPENDING CATEGORIES – SHARE OF PRESS

Travel/Transport and Ent&Media driving increases in Press spend

YTD 2015 Ad Spend – ranked by top spending categories



Source: Nielsen AdDynamix YTD Jan-April 2015 data

# TOP SPENDERS YTD 2015

Top 20 spenders make up on average one quarter of total spend

## Top 20 All Media Spenders

- 1 Bskyb Ltd
- 2 Diageo
- 3 Unilever
- 4 Lidl Ireland Gmbh
- 5 Aldi Stores Ltd
- 6 Procter & Gamble Ireland
- 7 Upc
- 8 Supervalu
- 9 Vodafone Ireland
- 10 Tesco Ireland
- 11 Loreal
- 12 Vhi Healthcare
- 13 Mcdonalds Restaurant
- 14 Eircom
- 15 National Lottery
- 16 Bank Of Ireland
- 17 Three
- 18 Henry Ford & Son Ltd
- 19 Dunnes Stores Ltd
- 20 Reckitt Benckiser

## Top 20 Press Spenders

- 1 Bskyb Ltd
- 2 Aldi Stores Ltd
- 3 Supervalu
- 4 Lidl Ireland Gmbh
- 5 Tesco Ireland
- 6 Dunnes Stores Ltd
- 7 Bargaintown
- 8 Harvey Norman
- 9 Henry Ford & Son Ltd
- 10 Loreal
- 11 Three
- 12 Vodafone Ireland
- 13 Power City
- 14 Topflight Travel
- 15 Procter & Gamble Ireland
- 16 Boylesports
- 17 Specsavers Optical
- 18 Ez Living
- 19 Prepay Power
- 20 Travel Department

## Top 20 Magazine Spenders

- 1 Procter & Gamble Ireland
- 2 Loreal
- 3 Naturalife
- 4 Aldi Stores Ltd
- 5 Bskyb Ltd
- 6 Clonmedica
- 7 98 Fm
- 8 Newbridge Silverware
- 9 Pharma Nord
- 10 Lidl Ireland Gmbh
- 11 Radio Nova
- 12 Rte
- 13 Vitabiotics Ltd
- 14 Unilever
- 15 Allied Irish Banks
- 16 Pigsback.com
- 17 Dylan Bradshaw Hair Salon
- 18 Daa
- 19 Weight Watchers Roi
- 20 Convertibill Financial Services

# FMCG SALES VERSUS AD SPEND BY CATEGORY

Price inflation masks declining volumes (Duty rises mostly for any inflation)

	VALUE		UNITS	PRICE	Ad Spend
	MAT VALUE	MAT % CHG	MAT % CHG	MAT % CHG	Mat % CHG
GROCERY	€2,745m	-0.4	-0.2	-0.2	+8.3%
CONFECTIONERY	€2,296m	+0.1	-0.8	+0.9	-1.7%
ALCOHOL	€1,901m	+3.2	-1.6	+4.8	+12.7%
TOBACCO & SUNDRIES	€1,504m	-0.8	-3.4	+2.6	-33.1%
HOUSEHOLD	€577m	-0.4	-1.0	+0.6	-4.9%
BAKERY	€557m	-3.7	-0.7	-3.0	+65.8%
HEALTH & BEAUTY	€472m	-2.0	-0.3	-1.7	+3.2%
FROZEN FOOD	€349m	-1.5	+0.4	-1.9	-23%

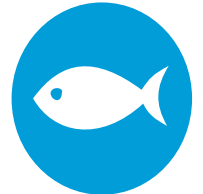


**Total Sales value -0.1% Total Sales units -0.6%**  
**Total FMG Ad Spend +5.6% (+3.7 excl Digital)**

# FMCG TOP SPENDERS YTD: TOP 20 SPENDERS

Top 3 spenders make up 25% of total spend, Top 10 Spenders 50%

	Food & Drink & Conf	€ All Media	% Change	Press	% Change
	<b>Total</b>	<b>€34.3m</b>	<b>7.9</b>	<b>€2393k</b>	<b>-26.4</b>
1	Diageo	€4.4m	30.0	€146k	-61.6
2	Unilever	€2.3m	-25.3	€18k	-97.6
3	Coca Cola Ireland	€1.7m	14.7	€31k	45.0
4	Cadbury	€1.7m	11.3	€56k	45.6
5	Mars Ireland	€1.4m	30.5	€21k	-61.2
6	Heineken Ireland	€1.4m	-13.4	€2k	-82.0
7	Nestle	€1.4m	9.9	€0k	-100.0
8	Ferrero	€1.3m	163.0	€209k	9,875.2
9	Glanbia	€1.3m	53.4	€110k	-44.3
10	Kerry Foods	€1.1m	4.3	€40k	1,549.0
11	Kelloggs	€1.0m	-12.2	€7k	-94.7
12	Danone Baby	€0.9m	67.5	€32k	648.7
13	Bulmers Ltd	€0.8m	319.8	€12k	106.9
14	Mondelez International	€0.8m	-27.1	€43k	-18.8
15	Yoplait Ireland Ltd	€0.7m	93.2	€0k	0.0
16	Lucozade Ribena Suntory	€0.7m	-41.1	€4k	-12.6
17	Britvic Ireland	€0.6m	134.6	€141k	837.6
18	Danone Ireland	€0.6m	-30.9	€2k	-89.9
19	Valeo Foods	€0.5m	100.0	€5k	0.2
20	Muller	€0.5m	55.4	€20k	0.8



# COSMETIC & TOILETRIES YTD: TOP 20 SPENDERS

Top 3 spenders make up 53% of total spend, Top 10 Spenders 75%

	Cosmetics & Toiletries	€ All Media	% Change	Press	% Change
	<b>Total</b>	<b>€11.4m</b>	<b>6.5</b>	<b>€4100k</b>	<b>9.5</b>
1	Loreal	€2.8m	23.2	€1052k	51.6
2	Procter & Gamble Ireland	€2.3m	-5.9	€564k	-13.2
3	Unilever	€1.1m	-16.0	€141k	126.1
4	Johnson & Johnson	€0.5m	9.6	€27k	990.1
5	Estee Lauder Companies	€0.4m	23.4	€222k	45.1
6	Therapie Clinic	€0.4m	-4.3	€257k	-5.0
7	Glaxosmithkline Ireland	€0.4m	-2.8	€15k	-70.8
8	Colgate Palmolive	€0.3m	86.4	€75k	139.3
9	Beiersdorf	€0.2m	64.0	€26k	-58.2
10	Peter Mark	€0.2m	179.8	€128k	129.1
11	Coty	€0.2m	-46.1	€82k	-56.2
12	Vichy	€0.2m	22.8	€118k	16.6
13	Chanel	€0.2m	2.8	€69k	-46.3
14	Clarins	€0.2m	-24.2	€56k	-25.4
15	Wilkinson Sword	€0.1m	0.0	€0k	0.0
16	Godrej Consumer Products	€0.1m	33.4	€7k	0.0
17	Radiancy	€0.1m	520.3	€0k	0.0
18	Alpecin	€0.1m	0.0	€0k	0.0
19	Tropical Popical	€0.1m	0.0	€66k	0.0
20	All Others	€1.6m	216.0	€1193k	-2.2



# MAGAZINE YTD TOP SPENDERS & FAIR SHARE OPPORTUNITIES

Top 3 spenders make up  
7% of total spend

Top 10 Spenders 11%

Top 30 Spenders 26%

	Magazines only	€ All Media	Share of YTD spend	% Change
	<b>Total</b>	<b>€7024.3k</b>		<b>-15.5</b>
1	Procter & Gamble Ireland	€355.9k	5.1%	-2.0
2	Loreal	€347.5k	4.9%	66.4
3	Naturalife	€89.2k	1.3%	298.4
4	Aldi Stores Ltd	€78.6k	1.1%	-9.9
5	Bskyb Ltd	€74.2k	1.1%	-2.9
6	Clonmedica	€69.8k	1.0%	163.8
7	98 Fm	€58.8k	0.8%	5.0
8	Newbridge Silverware	€56.2k	0.8%	82.9
9	Pharma Nord	€53.4k	0.8%	17.1
10	Lidl Ireland Gmbh	€47.7k	0.7%	-27.8
11	Radio Nova	€46.4k	0.7%	-47.4
12	Rte	€45.3k	0.6%	148.0
13	Vitabiotics Ltd	€44.6k	0.6%	266.1
14	Mcd Productions	€43.9k	0.6%	385.6
15	Unilever	€40.5k	0.6%	-79.4
16	Allied Irish Banks	€38.3k	0.5%	41.8
17	Pigsback.com	€37.9k	0.5%	211.5
18	Dylan Bradshaw Hair Salon	€37.2k	0.5%	-37.2
19	Daa	€30.4k	0.4%	1,522.0
20	Weight Watchers Roi	€30.1k	0.4%	97.0
21	Convertibill Financial Service	€29.1k	0.4%	0.0
22	Next	€29.1k	0.4%	291.6
23	Glanbia	€29.0k	0.4%	16.8
24	Specsavers Optical	€26.0k	0.4%	76.9
25	Weir & Sons	€25.5k	0.4%	1,283.5
26	Investec Bank	€25.1k	0.4%	45.0
27	Lifes2good	€24.9k	0.4%	30.9
28	Iradio	€24.4k	0.3%	-19.0
29	Thomas Sabo	€24.2k	0.3%	-34.3
30	Kerry Foods	€23.6k	0.3%	931.6





# Thank you

Any queries

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