



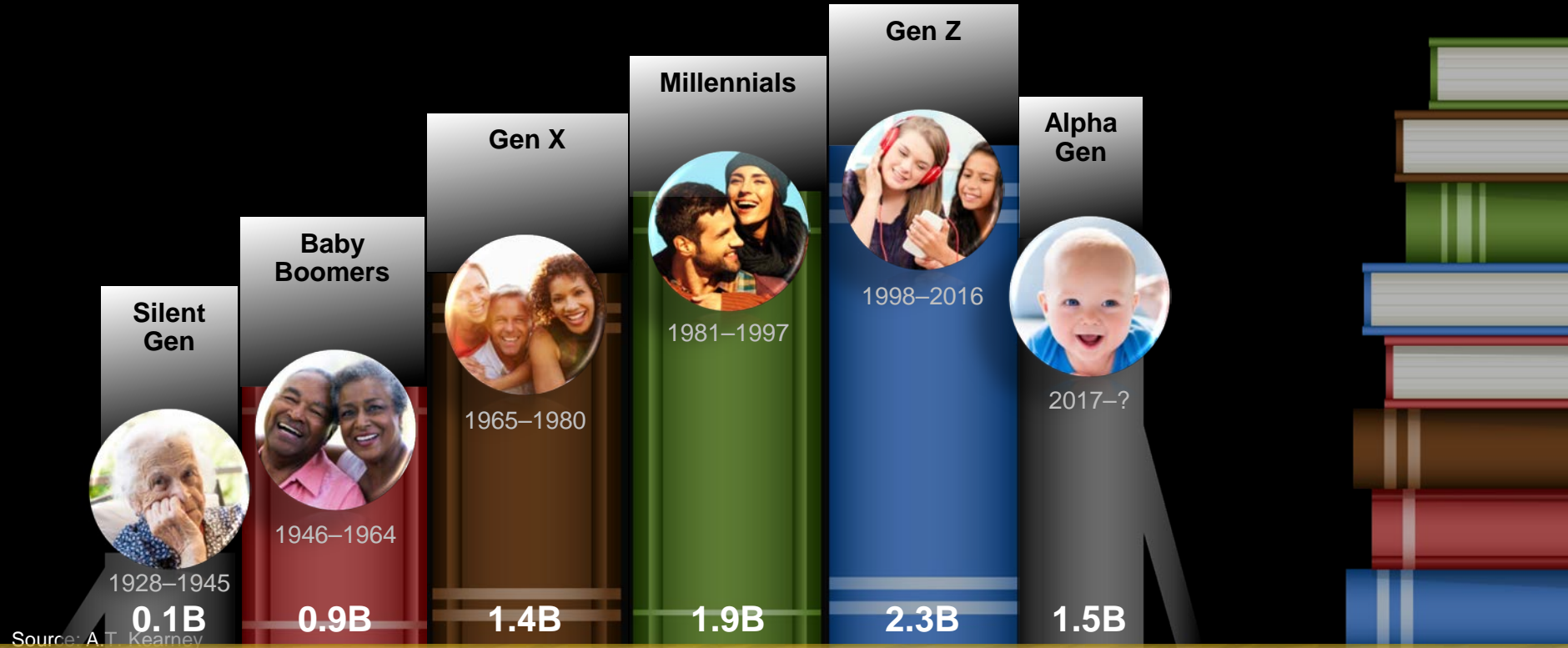
# Amazon, Alibaba and Millennials

January 2018

David Donnan – Senior Partner, A.T. Kearney

ValueValues

# A survey of 7,000 consumers in 7 countries . . .



# The mass market as we know it thrived for years on three key assumptions

affluence



seduction



scale



# The “mass market” of the future will thrive on three fundamentally different principles

**trust**



**influence**



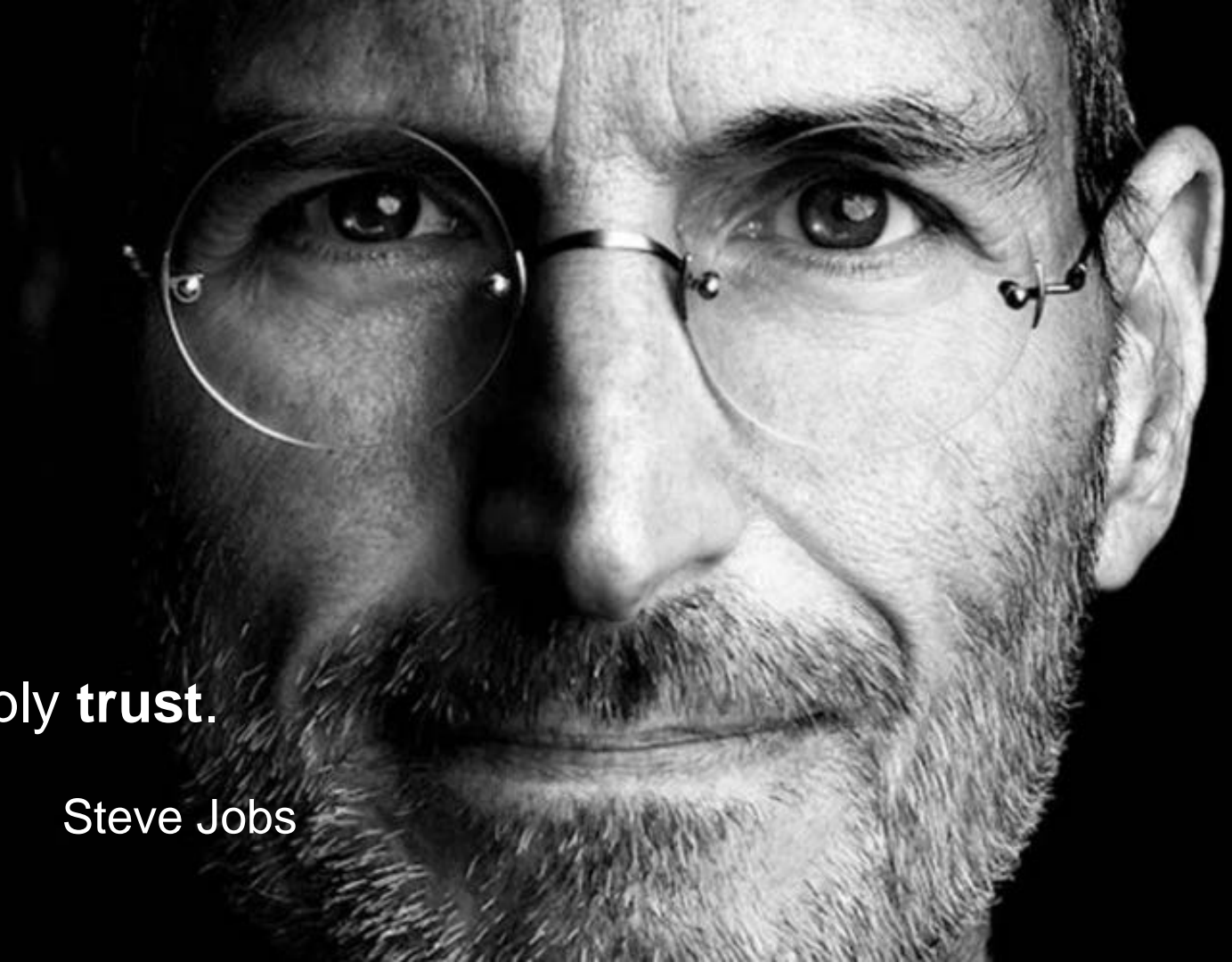
**personalization**



# Trust

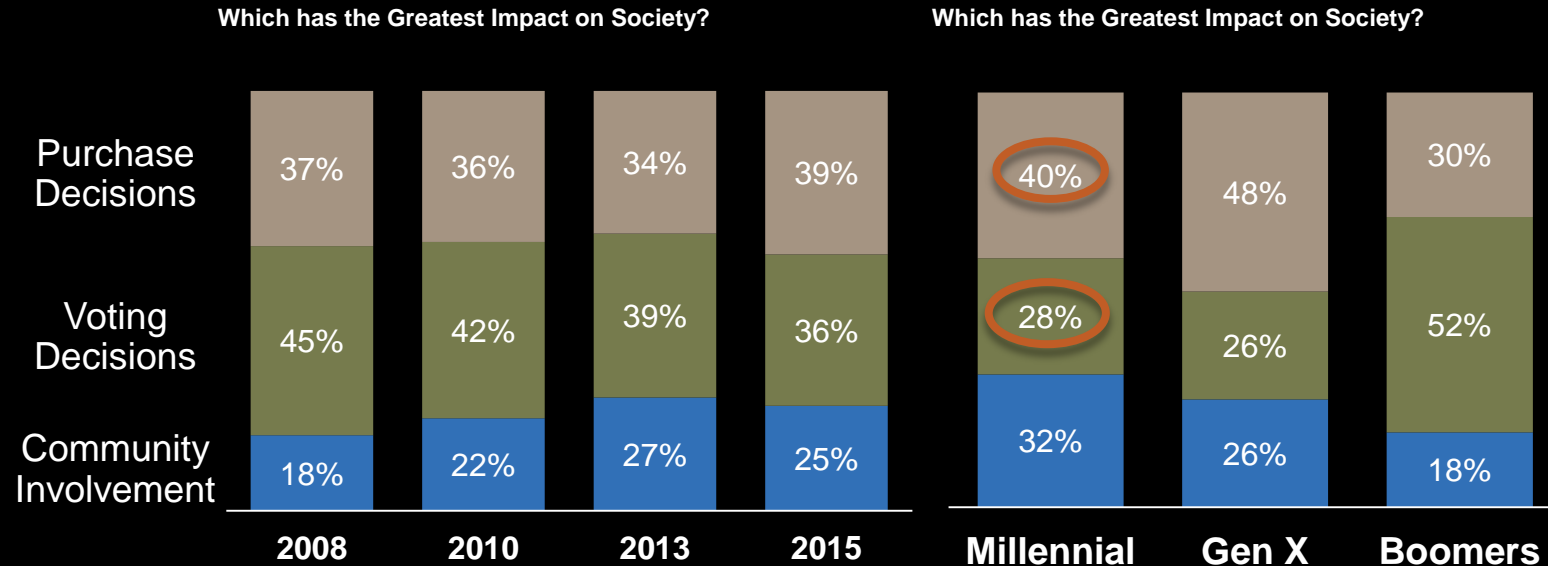
A brand is simply **trust**.

Steve Jobs





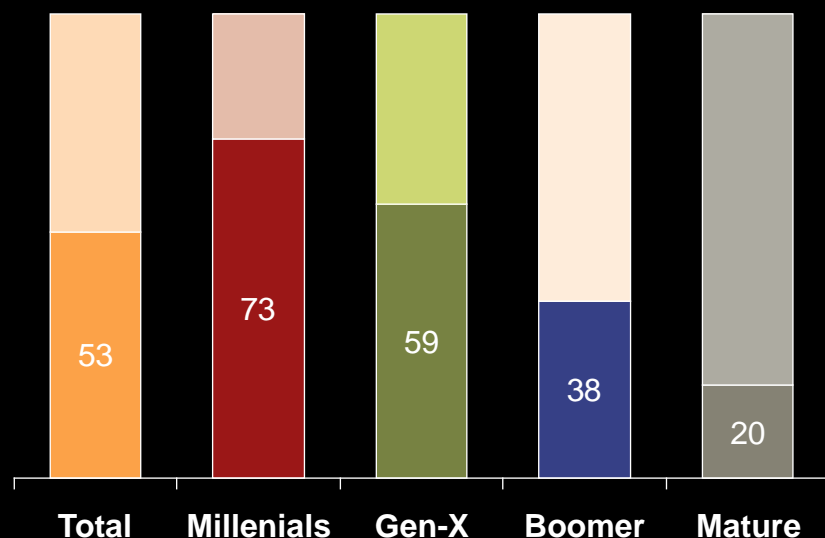
# Consumers now believe their purchasing decisions have a greater impact than their vote



1. Q8. In your opinion, which of the following has the greatest impact on society? Base: All Consumers. 2013 (n=1,841), 2015(n=1779) Core (N=243); IML (n=552); OML (n=490); Periphery (n=262). Millennials (n=480); Gen X (n=401) Boomers (n=898)

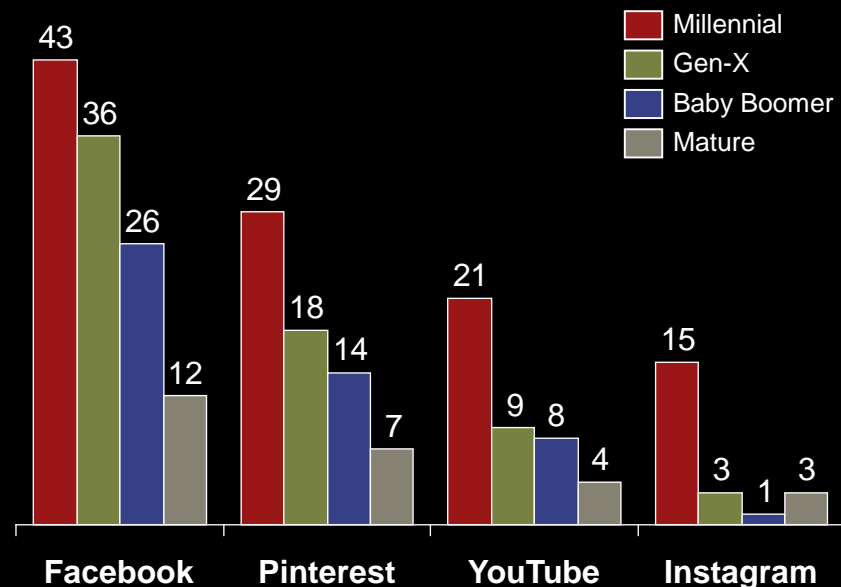
# Authority and nutritional advice does not come from traditional sources

## Shoppers who Plan, Shop and Explore Food Culture through Social Media, by Generation



Source: FM US Grocery Shopper – Trends 2016

## Forms of Social media regularly used to share food experience, by Generation



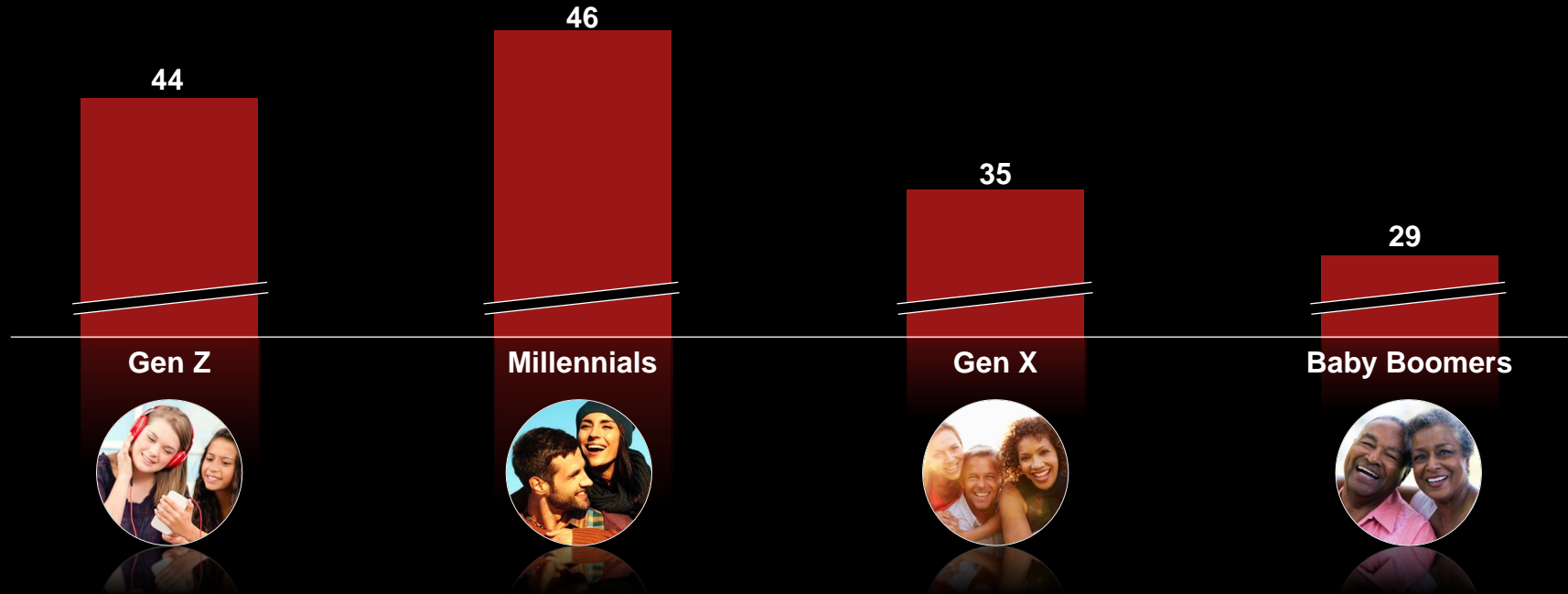




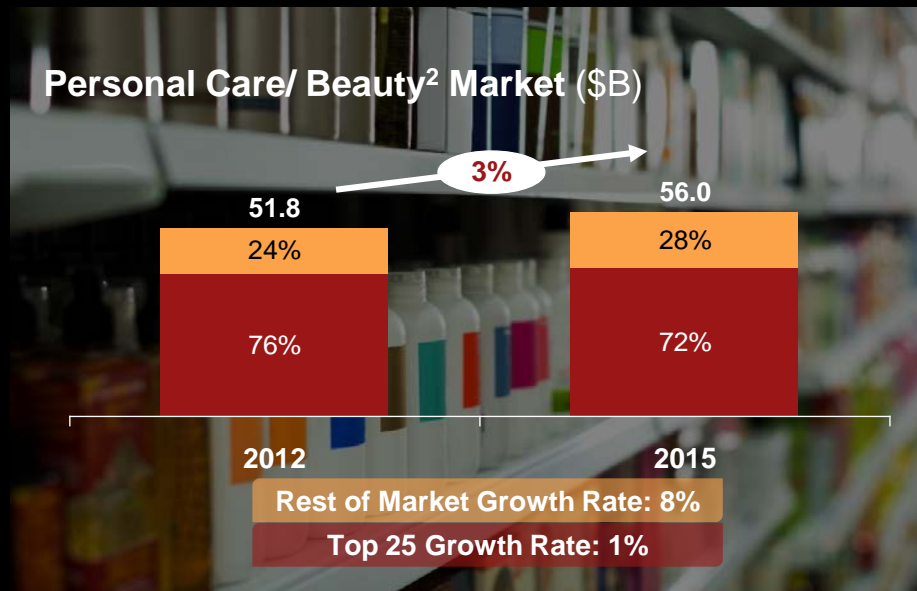
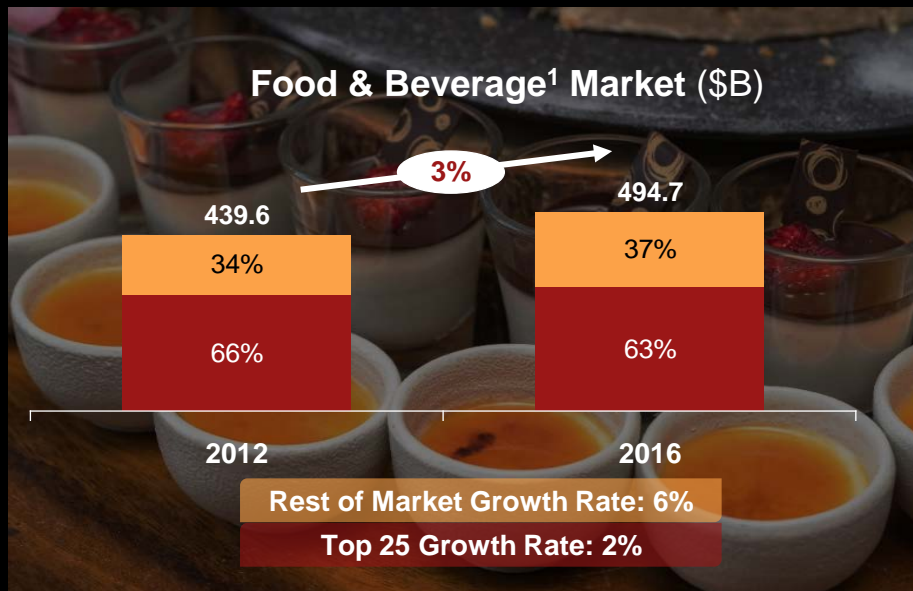
Food companies and grocery retailers leverage “free-from” brands to build trust

# Younger generations actively look for brands that do good ...

% of respondents actively looking for brands/retailers that do good for the world

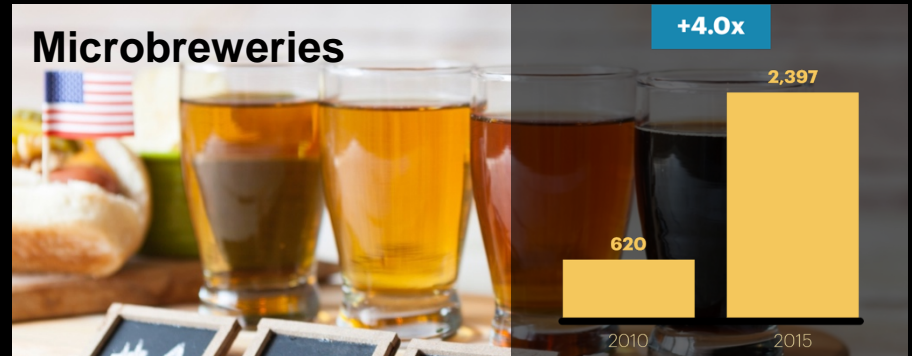
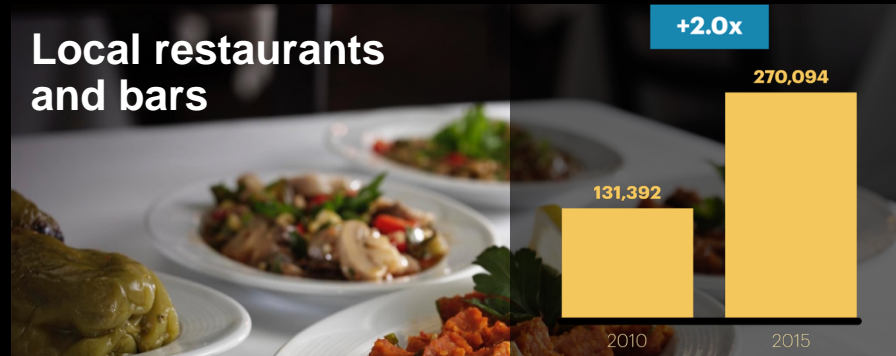


# Top players are losing market share to smaller companies and startups



Other Share Top 25 Share

# Community-based retailing is growing





# Influence

“If you make customers unhappy in the physical world, they might each tell six friends.

**If you make customers unhappy on the Internet, they can each tell 6,000.”**

Jeff Bezos

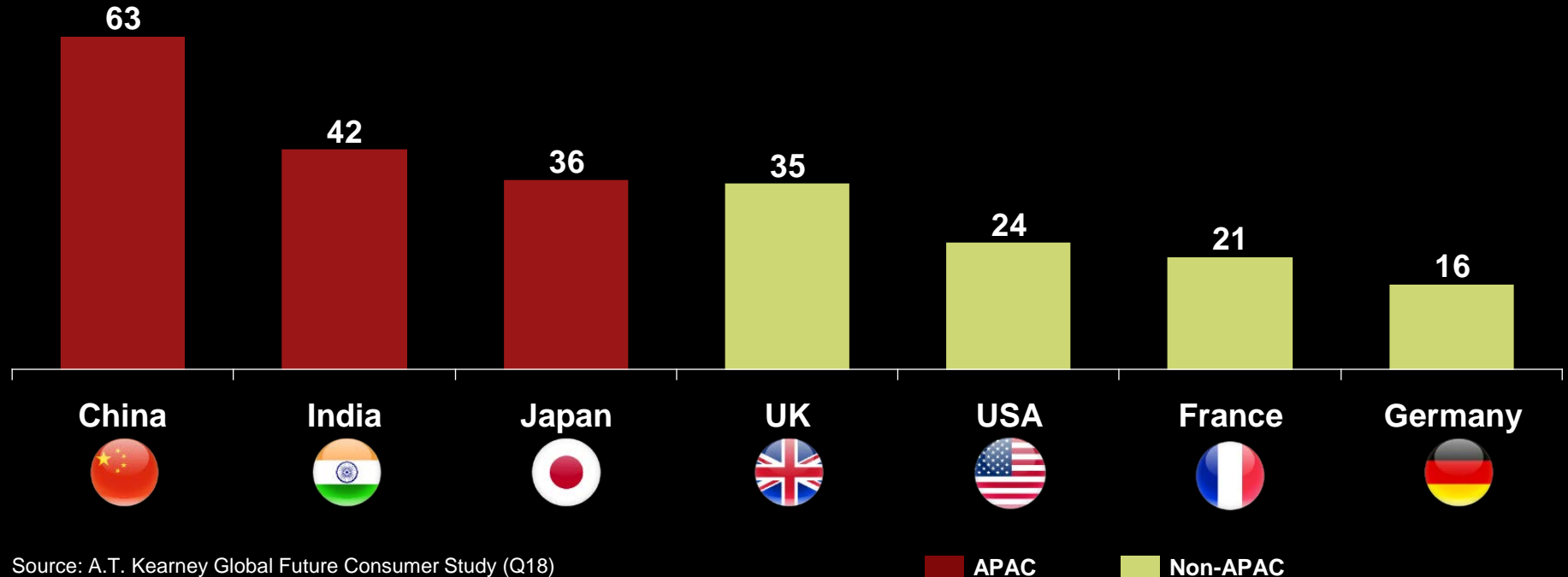




**The event that shocked the industry**

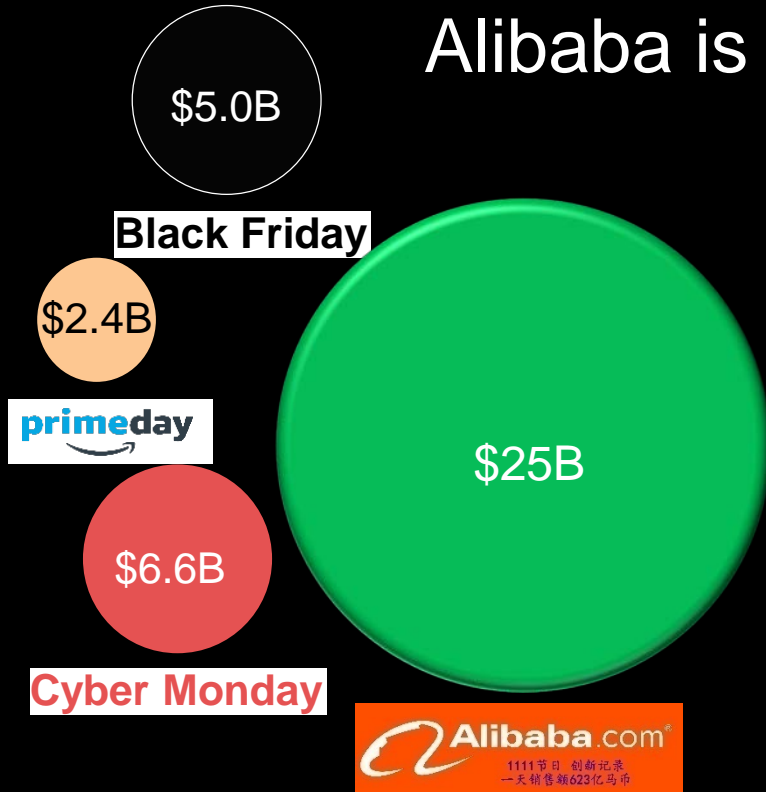
# Constant connectivity is lowering the barriers to online grocery

% of respondents buying groceries online





# While Amazon shocked the world, Alibaba is changing it.



- Predictive fulfillment analytics
- Machine learning
- Mobile order, payments
- Personalization
- Robotics and consumer technology
- Frictionless scale

# The food industry is shifting toward new influencer relationships



Laura Vitale

The **paradox of communication**  
in the Digital Age:

**3.8 M** visitor/month

**1.1M** Instagram followers

# The dynamics of consumer data access and media amplification

**FOOD BABE**  
HOT ON THE TRAIL TO INVESTIGATION

ANHEUSER-BUSCH and MillerCoors

**TELL US WHAT'S IN YOUR BEER!**  
We know what's in these

**Ingredients:** Water, Isopropyl Alcohol, 2-Hexoxyethanol, Videt EGM, Sodium C14-17 Sec-Alkyl Sulfonate, Ammonium Hydroxide, Propylene Glycol, Miso, Surf S-210, Fragrance from SC Johnson Fragrance Palette, Liquidist Sky Blue Dye

**Ingredients:** Carbonated Water, High Fructose Corn Syrup, Caramel Color, Phosphoric Acid, Natural Flavors, Caffeine

**Why not these?**

Ask Anheuser-Busch and Miller Coors to  
their ingredients online for all consumers

**SIGN THE PETITION:**  
[foodbabe.com/beer](http://foodbabe.com/beer)  
#MysteryBeer

**ANHEUSER-BUSCH** Like 725K INVESTORS · PRESS · CONTACT US

Our Company Our Responsibility Our Beers Our Heritage

**Our Heritage**

- Commitment to Quality
  - Quality Ingredients
  - Brewing Process
  - Inside the Research Pilot Brewery
  - Zythology
- History
- Budweiser Clydesdales
- Military Support

**Dedication to our craft**

Home · Our Heritage · Commitment to Quality · Quality Ingredients

"You can only make a good thing out of good products; therefore, stick to the motto that the best ingredient is not too good for our beer."

- Adolphus Busch; June 11, 1901

From selecting the finest ingredients, to tasting the packaged beer, a rigorous quality assurance program is followed by every brewmaster at every Anheuser-Busch brewery. This assures each bottle, can or keg is the highest-quality beer possible, with precise consistency from one batch to another.

Malt is known as the "soul" of beer. It is made by soaking barley kernels in water, germinating the seeds and then drying them in a

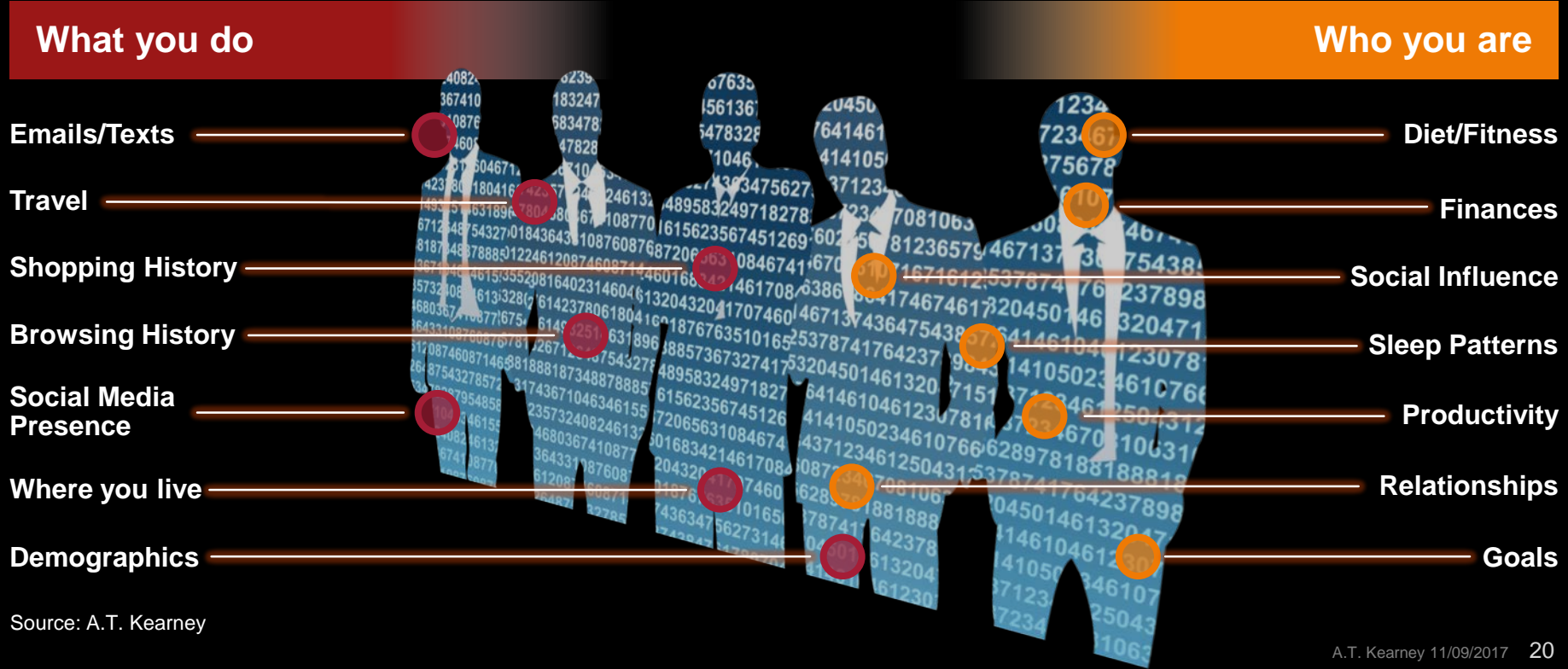
“To me, the  
future is  
***personalization***”

Marissa Mayer

**Personalization**

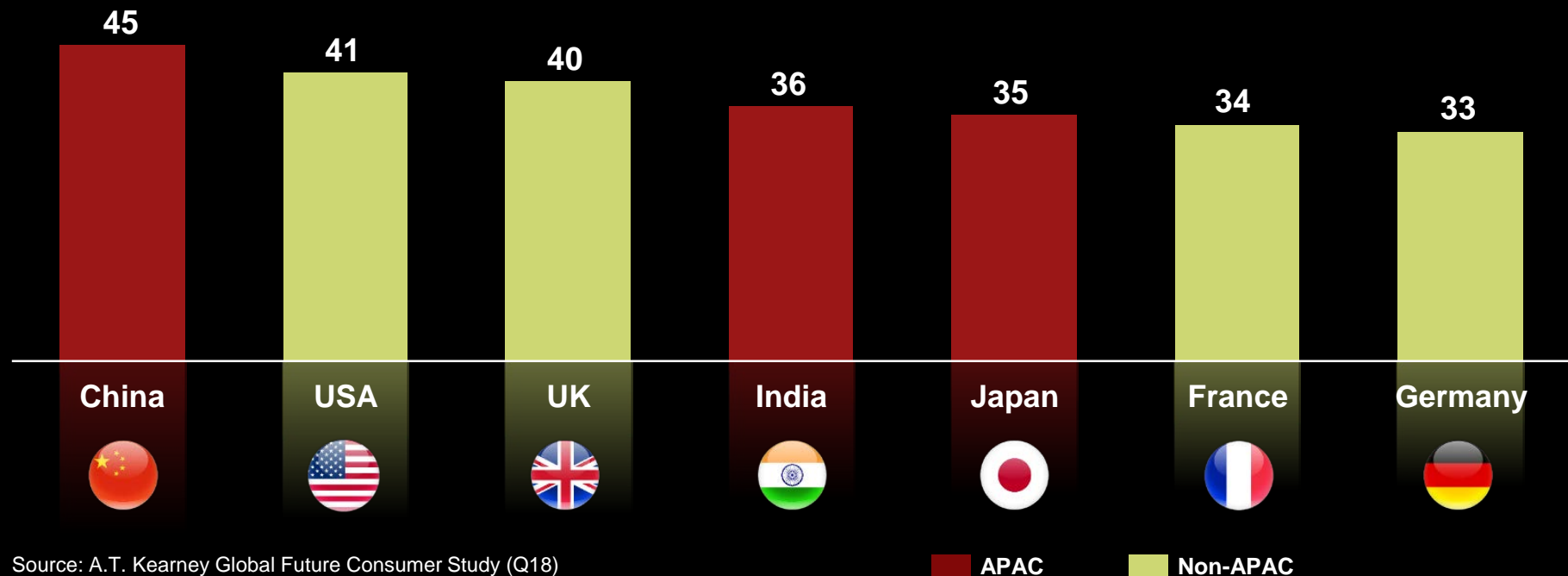


# Personalization will require companies to act on the notion of “consumers as data feed”



# Consumers are willing to provide data for “value-add” personalization

% of respondents willing to share data if they get something in return





# More consumers than ever are tracking caloric intake and diet through apps

>165M users

myfitnesspal

>45M users

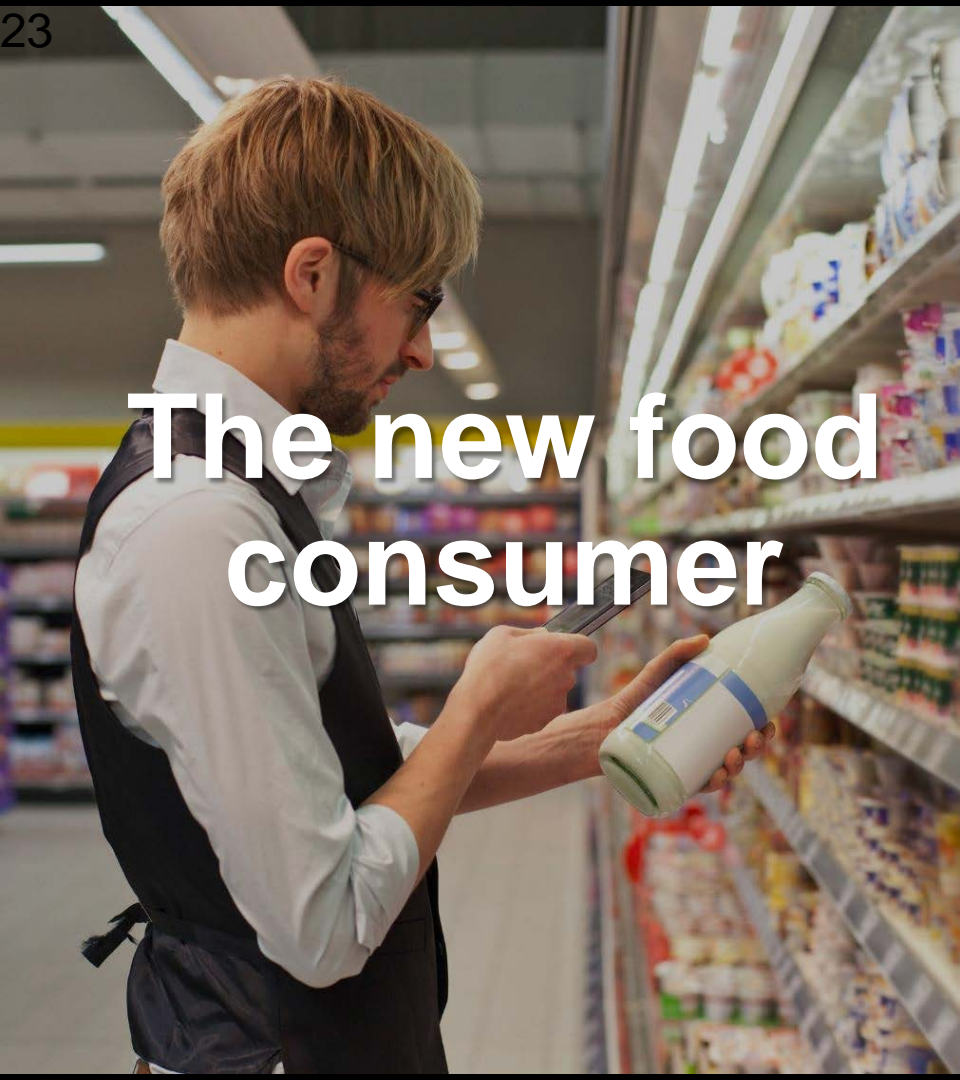


fatsecret

>30M users







# The new food consumer

- Explores by grazing and snacking
- Actively seeks information
- Trust their friends more than ads
- Want healthy, . . .
- But also **indulgent**
- Unsure of Big Ag/ Big Food

# Product With Purpose

# Stories With Stories



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January 2018

David Donnan – Senior Partner, A.T. Kearney

A.T. Kearney is a leading global management consulting firm with offices in 40 countries.

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