



Emerging Markets at Home and Around the World

Presented by:

Jim Adams
Managing Partner
The Venture Catalysts



The U.S. Market

Plenty of Room to Grow Right Here at Home



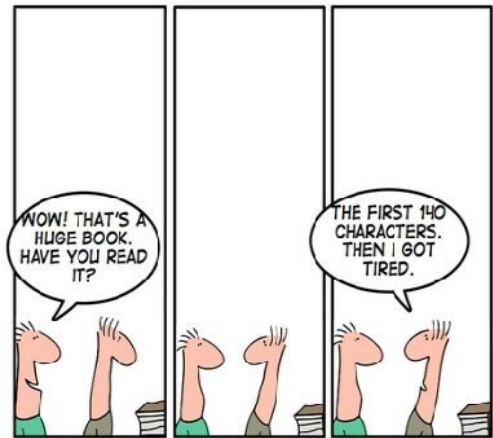
Population Perspective by Age

Total US Population	304,280,000
Existing Generations	
Pre Boomers	38,613,000
Boomers	57,255,000
Generation X	82,606,000
Emerging Generations	
Generation Y	63,693,000
Generation Z	40,000,000
New Americans	37,500,000



Emerging Markets

Almost 100 Million new consumers
1/3 of the U.S. Market



Generation Y

64 Million – 21% of US Population



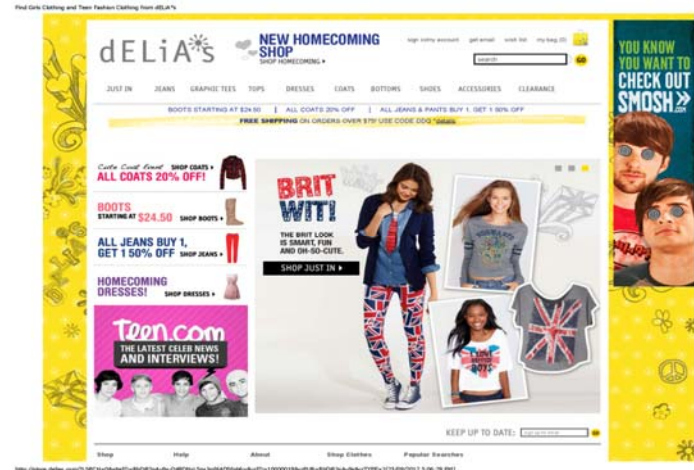
Attributes

- Are known as the Millennial Generation
- Born between 1984-1995
- Heavily influenced by advertisement
- Less religious than older generations
- Use technology at higher rates than other generations
- First generation to grow up with computers in their homes
- Much more accepting of different things than other generations



Reaching Them

- Online, Online, Online
 - Facebook
 - YouTube
 - Tmbler
- fone txt msgs :)





Generation Z

40 Million – 13 % of US Population



Attributes

- Born from the early-to-mid 1990s to the present
- Digital Natives – have always had internet
- Born completely into an era of postmodernism and globalization
- They have virtual friends and for them hanging out with friends means talking to them over the cell phones, emails and text messages.
- Considered to highly creative and collaborative and will have a significant impact on the way companies work when they join the workforce.
- Adept at multi-tasking. They can text, read, watch, talk and even eat simultaneously.



Reaching Them

- Make them a part of the ad
- Let them merge your brand with user-generated content
- Highly impactful due to short attention span

Doritos Brand Reveals Five Consumer-Created Commercials Vying for \$1 Million Payout and Once-In-A-Lifetime Opportunity to Work with the Lonely Island | Frito-Lay

A screenshot of the Doritos website. The page features a navigation bar with buttons for "OUR SNACKS", "RECIPES", "YOUR HEALTH", "OUR PLANET", and "ABOUT US". Below the navigation bar is a breadcrumb trail: "Home » About Us » News » Press Release Archive » 2012". The main content area is titled "ABOUT US" and features a press release titled "Doritos Brand Reveals Five Consumer-Created Commercials Vying for \$1 Million Payout and Once-In-A-Lifetime Opportunity to Work with the Lonely Island". The press release is dated "January 4, 2012" and includes a "Like" button with a count of 16 and a "SHARE THIS PAGE" button. The text of the press release describes a contest where consumers can win a \$1 million payout and a chance to work with the Lonely Island by creating commercials for Doritos.

HOME
WHERE TO BUY

SEARCH

ABOUT US
FAQ NEWS

OUR SNACKS RECIPES YOUR HEALTH OUR PLANET ABOUT US

Home » About Us » News » Press Release Archive » 2012

ABOUT US

Current Features
How It All Began
Our Company Vision
Careers
Our Promise
Snack Chat™ Blog

News
Press Release Archive

Corporate Awards
Supplier Diversity
For Investors

Doritos Brand Reveals Five Consumer-Created Commercials Vying for \$1 Million Payout and Once-In-A-Lifetime Opportunity to Work with the Lonely Island

January 4, 2012

Unique Contest Twist Now Offers Two Would-Be Ad Makers the Chance to See Their Homemade Spots Air during the Super Bowl Broadcast

Like 16 SHARE THIS PAGE

PLANO, Texas - After a record-setting submission phase and review of more than 6,100 entries in this year's Crash the Super Bowl contest, the Doritos brand today revealed the five finalists that will now compete through consumer voting for the chance to have their ads aired during the Super Bowl XLVI broadcast on Feb. 5, 2012 on NBC. This marks the sixth year in a row consumers have created Super



New Americans



40 Million - 13 % of US Population



The U.S. Market in 2050

- One Third of the U.S. is non-European.
 - 36 million black,
 - 35 million Hispanic
 - 12 million Asian and
 - 18 million of other racial backgrounds
- The Hispanic population is projected by the Census Bureau to rise from 22.5 million in 1990 to just under 90 million by 2050,
- Asian and Pacific Islanders will rise from 7.6 million in the 1990 Census to 41 million by 2050.
- The Black population will grow from 30.6 million in 1990 to 62 million by mid-century.



Reaching Them

- Make them feel there are achieving the American Dream
 - But still connecting with their heritage
- Imagery
 - Important holidays

A screenshot of a TD Canada Trust advertisement. The main headline reads "Welcome to Canada. Welcome to TD Canada Trust" with the subtext "We're happy to help you." Below this are three buttons: "Just Arrived", "Settling In", and "Thinking Long Term". To the right is a photograph of a family (a man, a woman, and a child) sitting on a green armchair. Below the main text are three smaller promotional boxes. The first box on the left has a green background and white text: "Open Longer to serve you Better." and "Open later,". The middle box has white text: "As a new Canadian, my dad chose TD. And so did I." and "Sign up and get up to \$150". The right box has a small video player icon and text: "Experience comfortable banking" and "View video >".



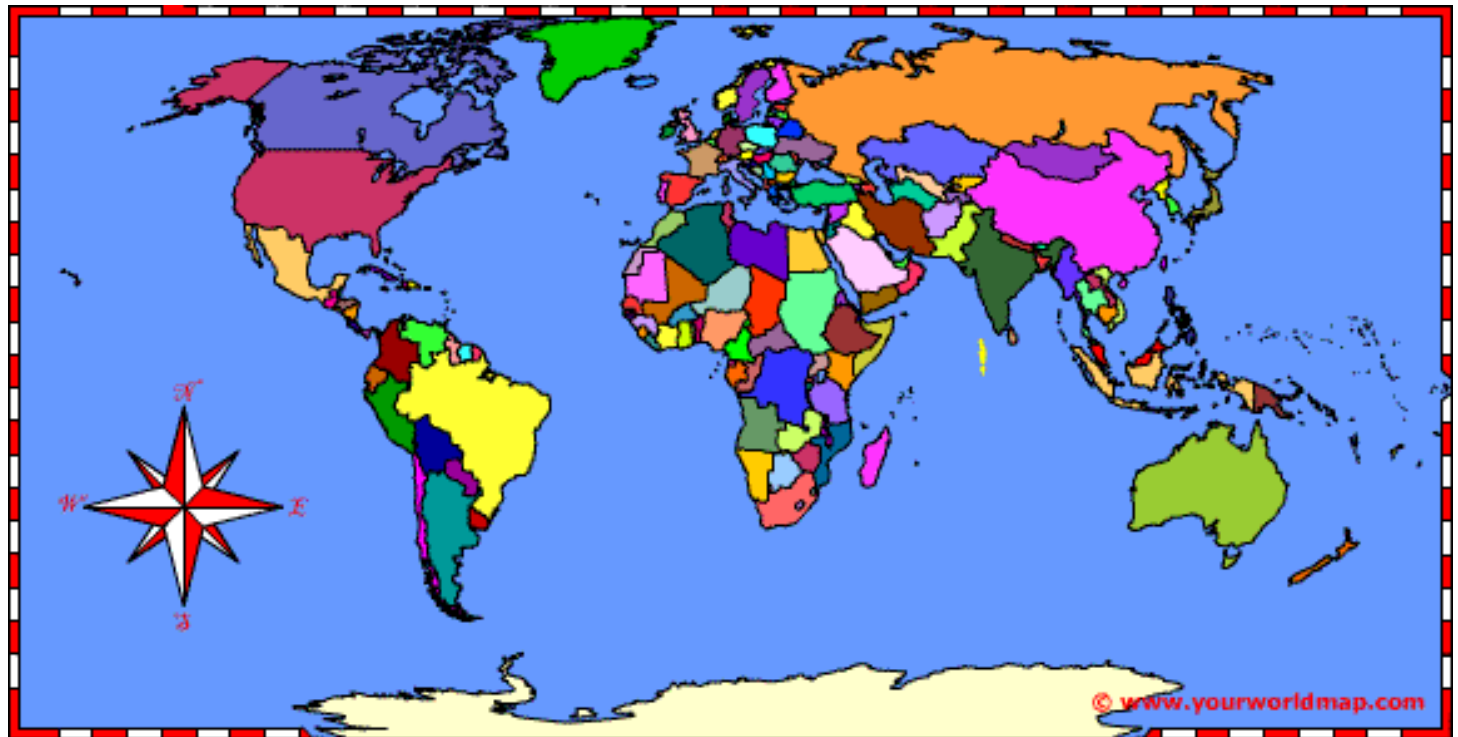
Added Bonus!

- The Recent waves of Immigrants are highly transient
 - Often staying in close contact with the home country OR
 - Moving between multiple countries
- Driving awareness and demand for adopted brands globally



BRIC & Beyond

Where will your product be sold next?





Middle Class Growth

- Almost two billion people around the world
- Spending \$6.9 trillion annually
 - Rising to \$20 trillion by 2025
 - Twice current consumption of the U.S.



Piensa en Español

- Besides the growing Hispanic Market in the U.S.:
 - Mexico
 - Peru
 - Columbia
 - Argentina

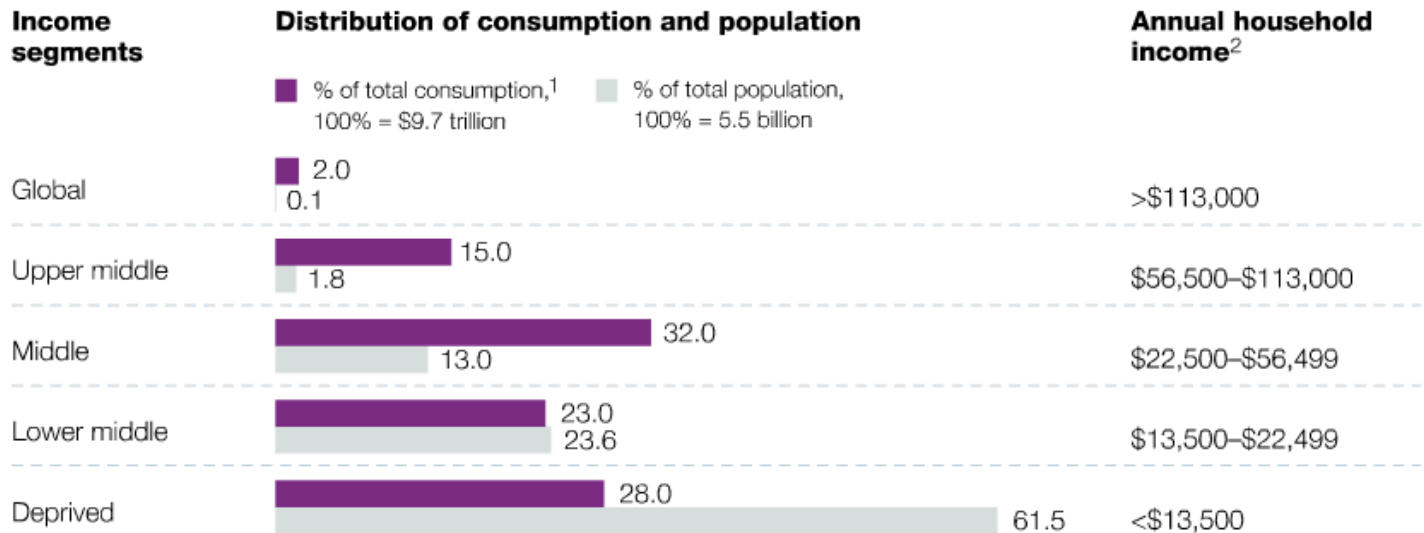


Latin American Middle Class Is Massive

- In the past decade, the middle class in Latin America grew 50%, and now represents 30% of the population.
- *That's 200 million people*



**In developing countries, the emerging middle class—
nearly two billion strong—spends a total of \$6.9 trillion annually.**





Issues

- Strong local competitors already in place:
 - Chinese beverage maker Hangzhou Wahaha, for example, has built a \$5.2 billion business against global competitors such as Coca-Cola and PepsiCo by targeting rural areas, filling product gaps that meet local needs, keeping costs low, and appealing to patriotism.



Different Decision Making Processes

Exhibit 1

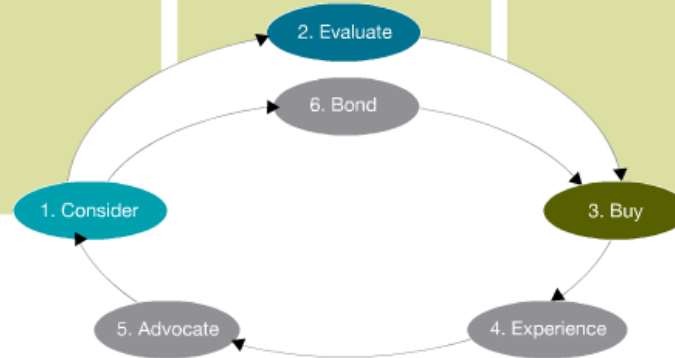
expand

Three factors in the consumer decision journey take on greater importance in emerging markets than in developed markets.

The initial brand-consideration set is likely to be much smaller initially; consumers are less likely to switch later to a brand that was not in their initial set.

Word of mouth plays a bigger role because of the higher mix of first-time buyers, a shorter history of familiarity with brands, a culture of societal validation, and a fragmented media landscape.

The in-store experience influences a higher portion of consumers' final decisions; consumers rarely skip the hands-on in-store experience when making their decisions.





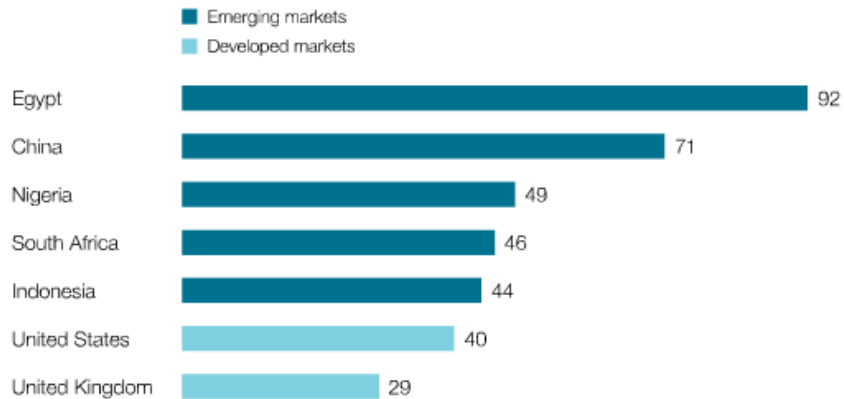
Heavy Reliance on Family & Friends

Exhibit 2

expand

Purchase decisions of emerging-market consumers are heavily influenced by recommendations from friends and family members.

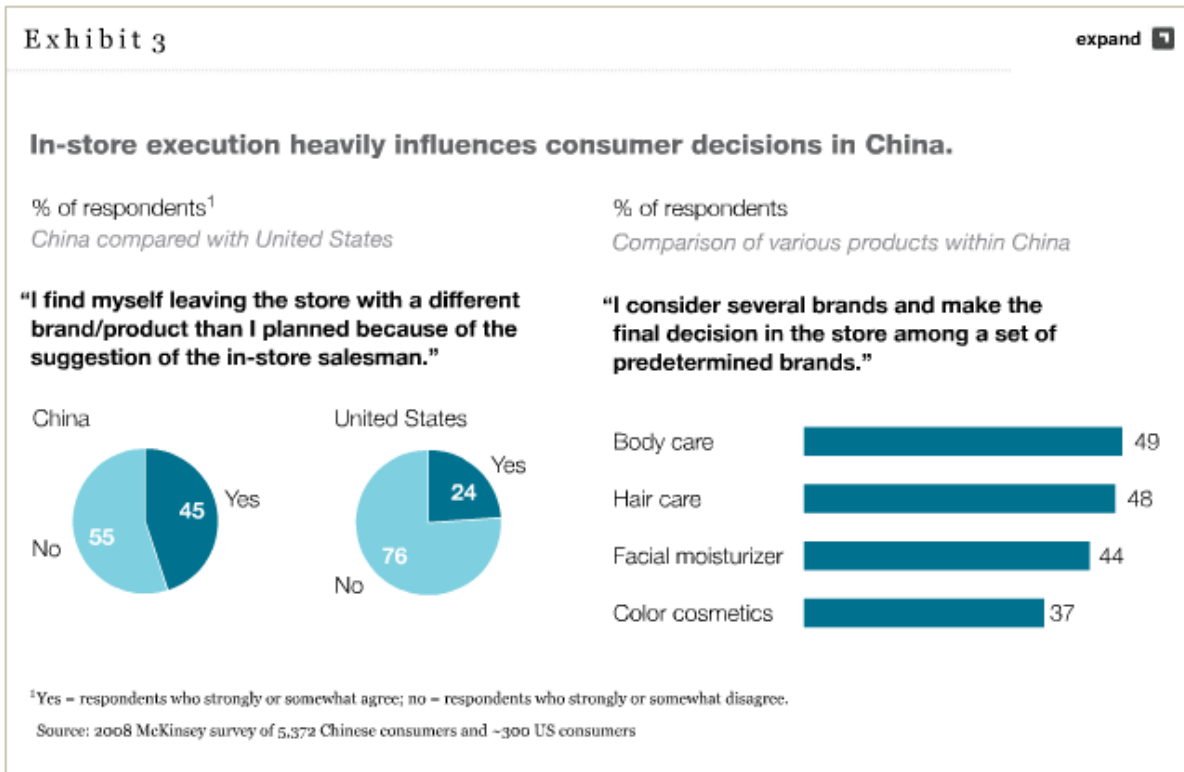
% of respondents who have received recommendations on food and beverage products from family and/or friends before purchasing



Source: McKinsey 2011 surveys of 512 South African, 4,244 Chinese, and 1,198 Indonesian consumers; McKinsey 2011 online benchmark survey of 150 UK and 250 US consumers



In-Store is Important too





Thank You

Jim Adams
The Venture Catalysts
www.jimadams.ca

Sparking Business
Growth for companies
around the world