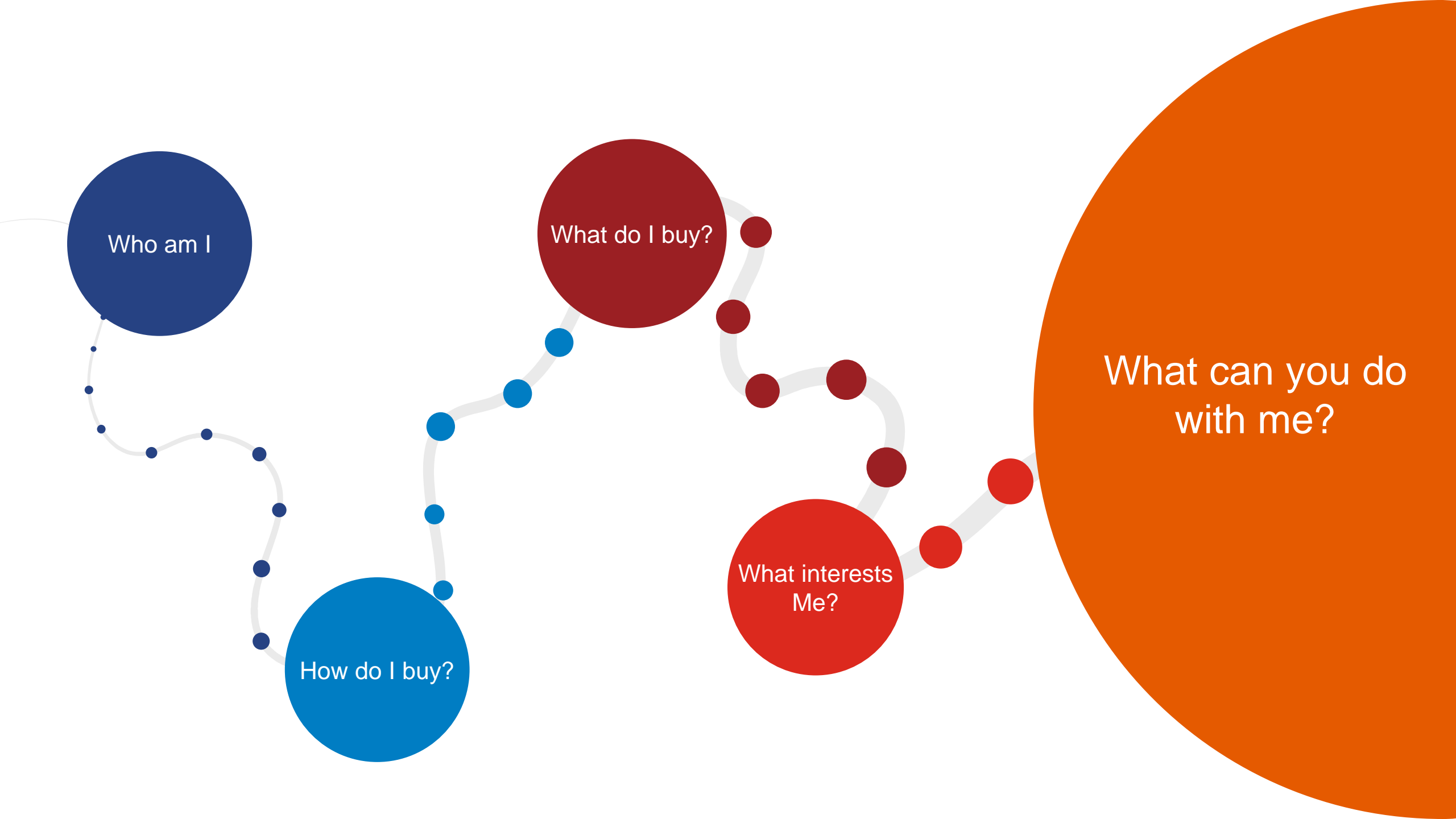
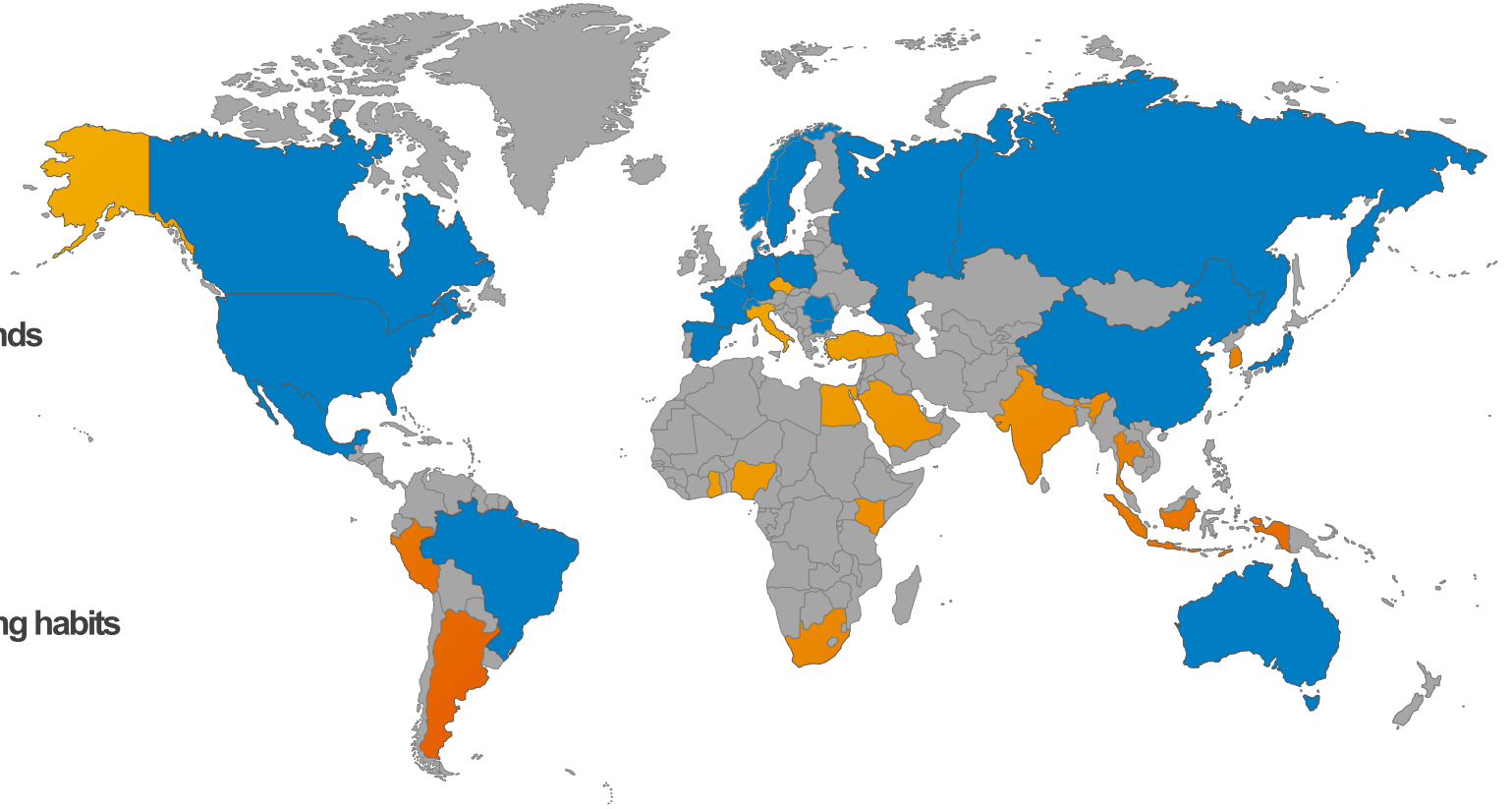


Who @re the South African Millennials?





Sources of information



Consumer Life®

Macro research study of **global trends**
27 countries
Face to face in South Africa
1000 individuals in South Africa

Future Buy®

Macro research study of **purchasing habits**
25 countries
Online panel
1.000 individuals in South Africa

GfK Consumer Panel

Ongoing panel recording household purchases
Representative of SA demographics
Barcode Scanning
3000 households in South Africa
3 years history

Consumer Choice

Hi-Tech Consumer Goods Tracking
100+ Countries
12+ in South Africa
91 years history

GfK Shopper Monitor Electro

Research Study on Shopper
Preference & Behaviour of Consumer Tech Goods
16 Countries in 5 Continents
1003 Computer aided web-interview

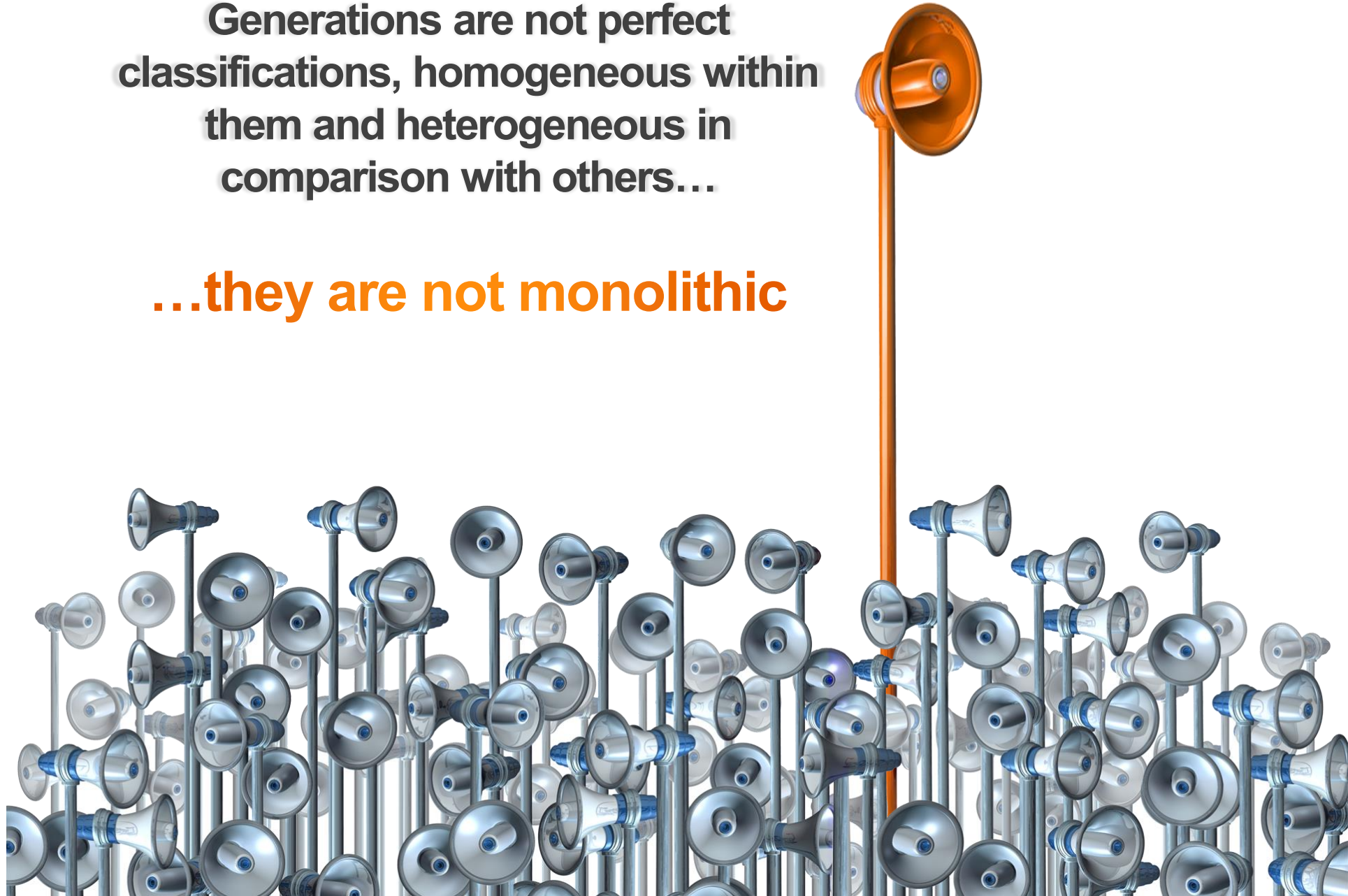
A photograph of three women of different ages (young, middle-aged, and older) shown in profile, looking towards the right. They are all wearing white tops. The background is plain white.

Before that, a prior reflection...

**Why speak of
generations?**

Generations are not perfect
classifications, homogeneous within
them and heterogeneous in
comparison with others...

...they are not monolithic



But important



Size of the segment
Historic moment
Attitudes
Economic context
Training

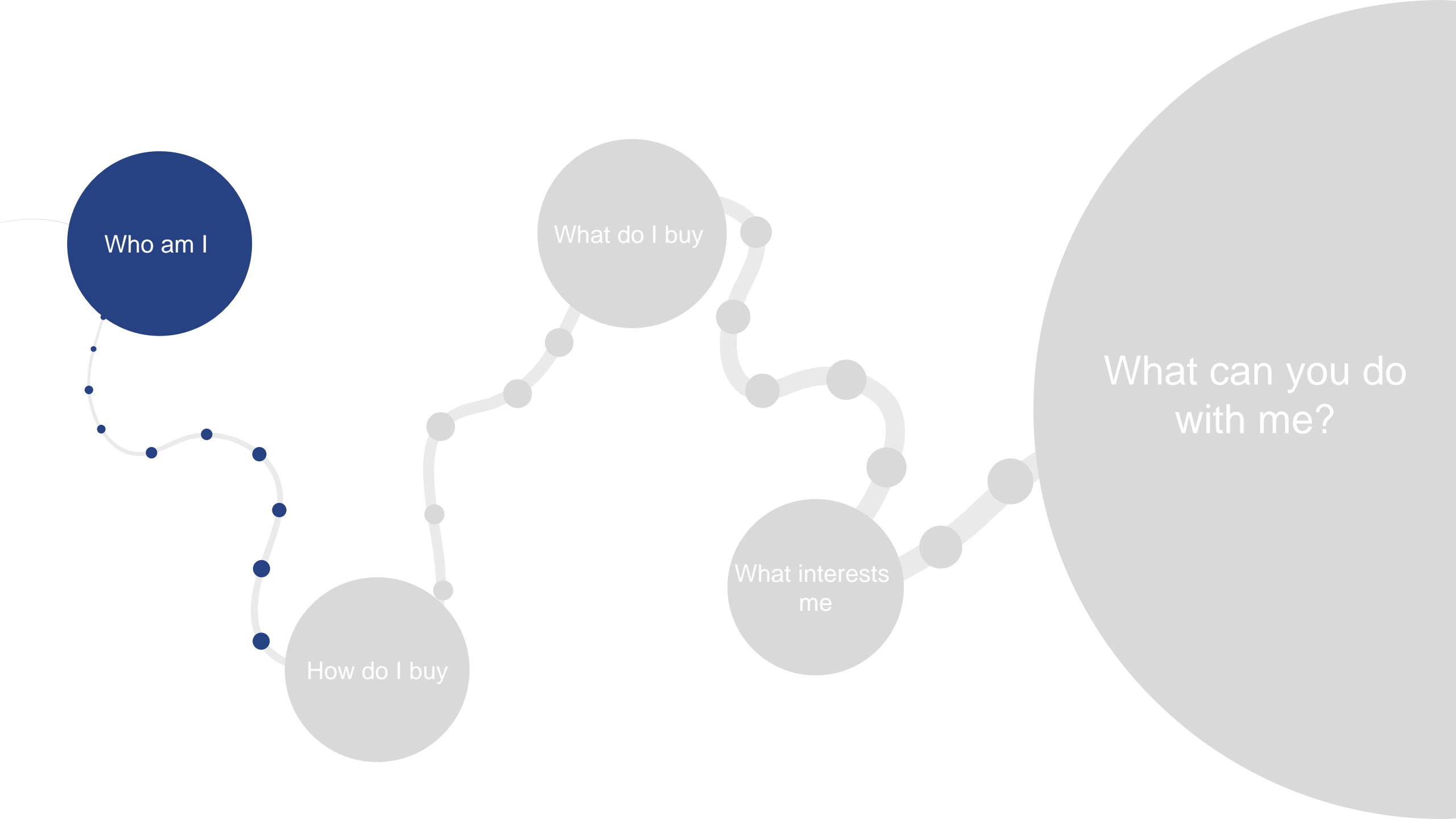
“As a social category, generations probably offer a more solid base to assume generalities than other social categories such as gender, ethnic origin, region or age... This bold statement from Strauss and Howe conserves all the value it had a generation ago”

*Elwood Carlson. 20th Century US Generations,
Population Reference Bureau*

And useful... Generations find their own identity through an exercise of “compare and contrast”

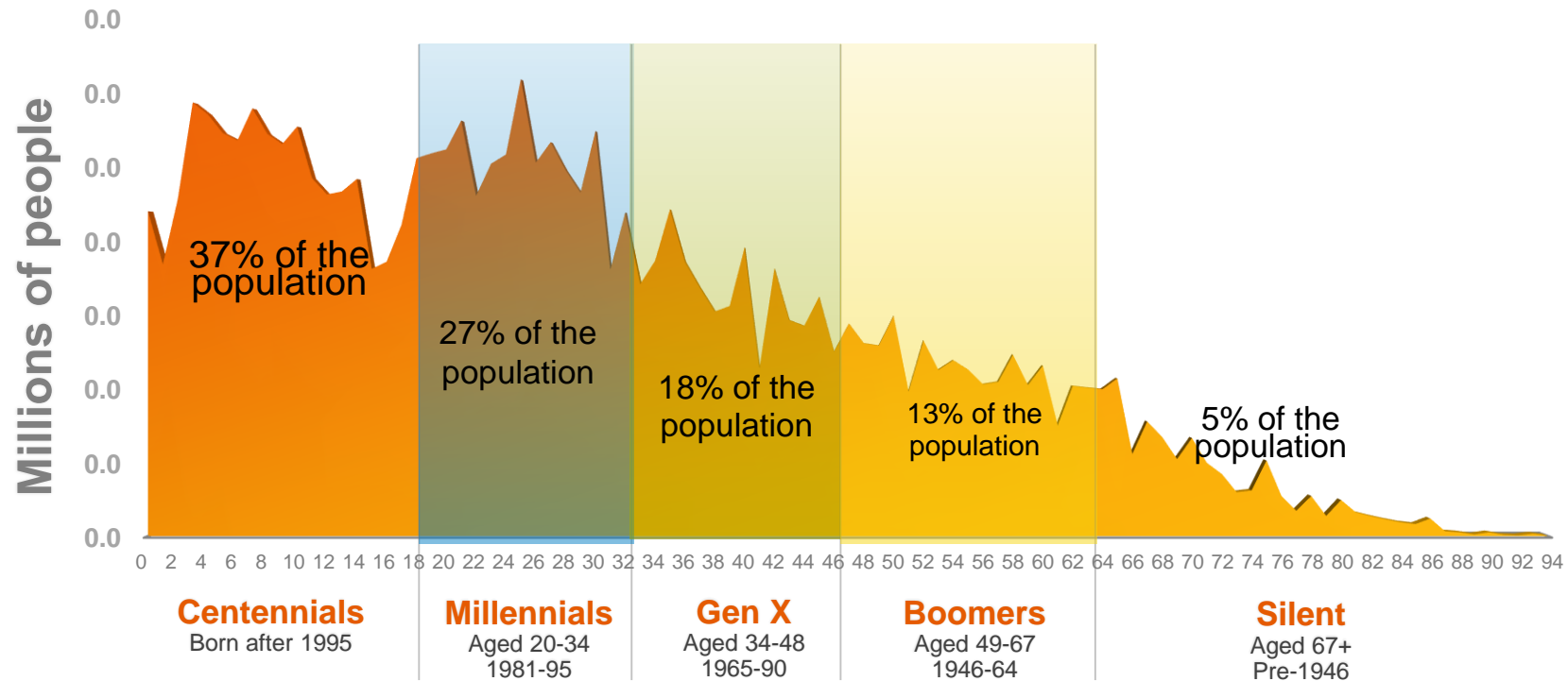


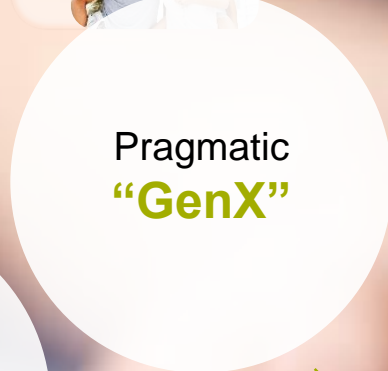
“It doesn’t matter how contrasts are generated between generations, a fundamental fact of life still applies: generations are important. To understand others, even to understand ourselves, we should consider generational identity in as much detail as any other social characteristic.” *Elwood Carlson*







Who are we talking about?

The Millennials, youngsters born between 1981 and 1995
Age in years 2016





The global definition of the generations

| Millennials | GEN X | Boomers | Silent |
|---|--|---|---|
| More qualifications | Support for qualifications, MBA's and PHD's | Access to education | Fragmented education |
| Digital, fluid and collective mentality Impatient | Confident, extrovert, competitive | Daily sacrifices | Being a good employee |
| The path is more important than the final destination | Mixture of personal and professional life, Workaholics | Discipline and honour at work = social status | Integrity |
| Grand aspirations | Want rapid growth | We have time to get there | We want to stay |
| I want to enjoy myself with them | I educate my children with rules | I provide an education to my children | "We do it like this because I say so" |
|  |  |  |  |

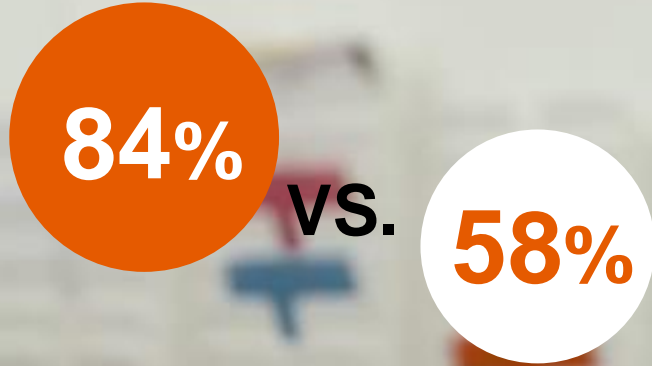
A white circular text overlay with a dark blue border is centered in the upper half of the image. It contains the main text and the source information.

In 2025 we will
represent **75% of
the international
labour force**

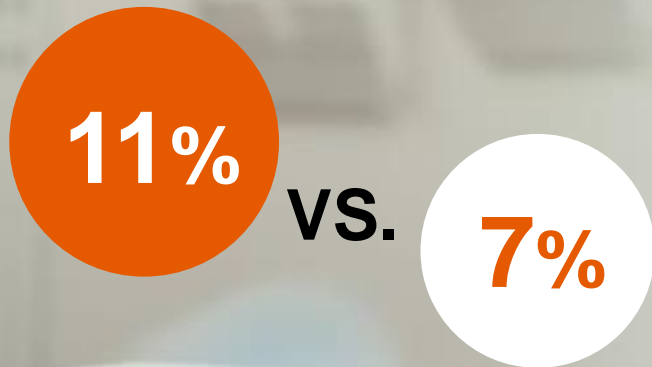
(Source: Deloitte
research)



We are **more educated** compared to past generations



Completed Matric and some tertiary education vs older generations



Completed University or past grad degree vs older generations

Above all I value....



01 Protection



76%

02 Authenticity



75%

03 Working Hard



72%

When you **talk** to
me, **keep in mind:**



...but also what differentiates
me...

In a way,
I am the centre
of the world...
At least, of
MY world...



Individualism

Índex

110

Pleasure

Índex

108

Self interest

Índex

107

I'm young and
on the

PROWL

(driven by
females and
LSM 9/10)

| Sex | Being youthful | Romance |
|-------|----------------|---------|
| Index | Index | Index |
| 121 | 120 | 120 |



Please,
notice me

| Social Recognition |
|-----------------------|
| Índex |
| 115 |

| Status |
|--------|
| Índex |
| 110 |

(driven by males)

Unlike previous generations, I'm not into faith or being in tune with nature

Faith

Index

89

Being in tune with Nature

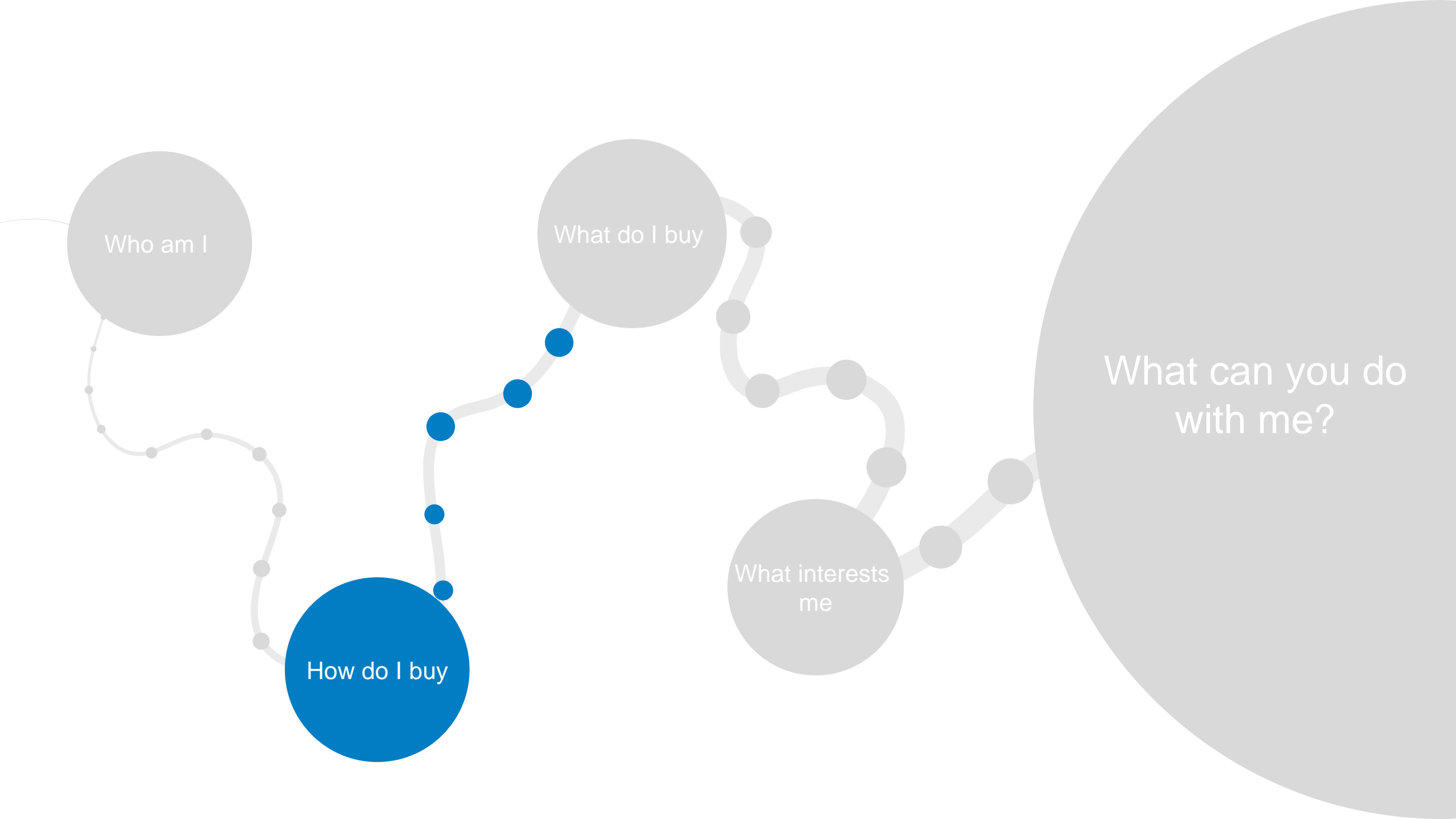
Index

87

I control my own destiny

Self reliance

70%



**If you want to influence my purchase
behaviour, you have to reach me on my cell or
tablet**

**My mobile device (smartphone and/or tablet)
is quickly becoming my most important
shopping tool**



The background of the entire slide is a photograph of a person in a supermarket. The person, seen from the side, is wearing a grey cardigan and holding two large bottles of orange juice. A shopping basket is visible in the foreground, containing several plastic bottles. The shelves in the background are stocked with various colorful products.

Online shopping is changing my behaviour

59%

I look forward to shopping online and believe that shopping online saves money

51%

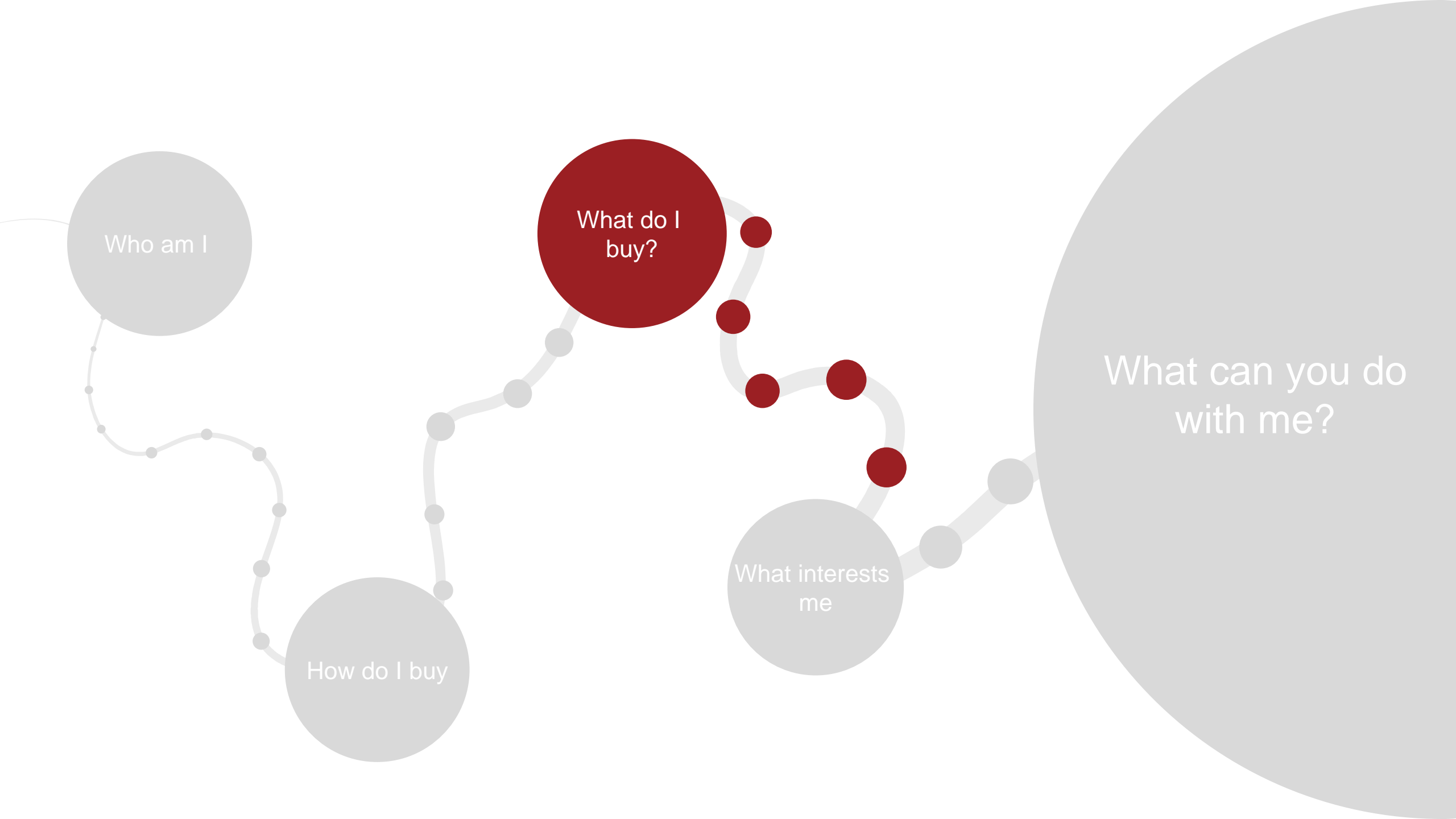
100% of what I want online



I believe that I control the shopping experience and that traditional stores are becoming less important

49.4%

Retailers and
advertisers have
less influence



Who am I

What do I
buy?

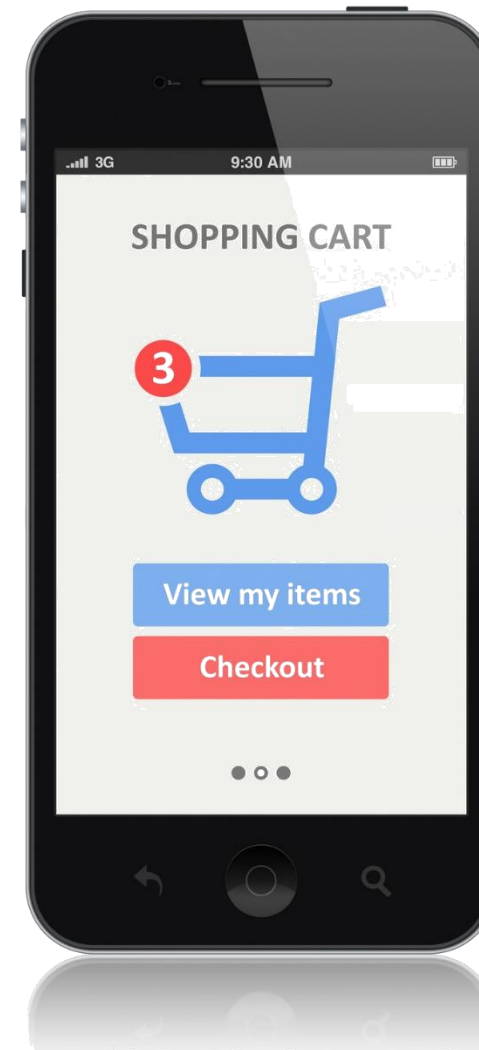
How do I buy

What interests
me

What can you do
with me?

I own a device that can access the internet

| | Millennials | Dif.vs Other |
|--------|-------------|--------------|
| Phone | 94% | +5pts |
| Tablet | 51% | -4pts |



Hair pieces
Index
195%

Body Care
Index
169%

Hair Treatment
Index
167%

Fem Care
Index
146%

Looking and
feeling
good is important
and I spend my
money accordingly

Stronger
presence of
female focused
and personal
appearance
categories

Powder
Milk

Grains

Wine

Hair Pieces &
Accessories

Millennials have to eat like
everyone else...

.... but that won't stop them from
having good time and looking good

Which
categories are
showing the highest
Rand
spend increase

The recession has hit Millennials harder than the more financially stable and older households



Millennials have a **lower share** of **consumer spend** vs last year

-7.1%pts



Older households shopped **more often** but Millennials made **fewer shopping** trips

-33.6%



These households bought **fewer items** than in the previous year

-5.7%

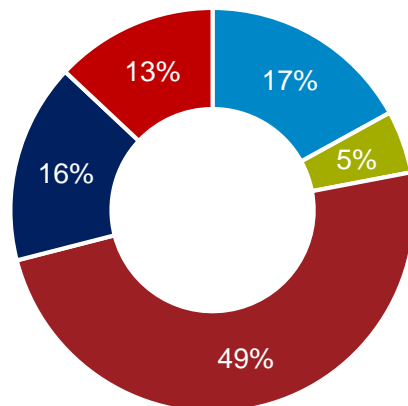
We see a slow
down in Tech
Sectors
Purchases due to
this recession but
one

ZA Local Tech Device Retail Market | Sales Revenue

GfK Panelmarket, Value Sales (ZAR), Total Goods, Jan-Sept-2016



Sector Value Share



■ MDA ■ SDA ■ Telecom ■ IT/Office ■ CE/Photo

Jan- Sept '16 Local Sector Performances (retail channels only of R46.2 bio.)

Small
Domestic
Appliances



R2.4 billion

-5% decline

Major
Domestic
Appliances



R8.0 billion

-8% decline

Telecom
(NSP value)



R22.4 billion

24% growth

Photo



R345 million

-17% decline

IT / Office



R7.2 billion

-11% decline

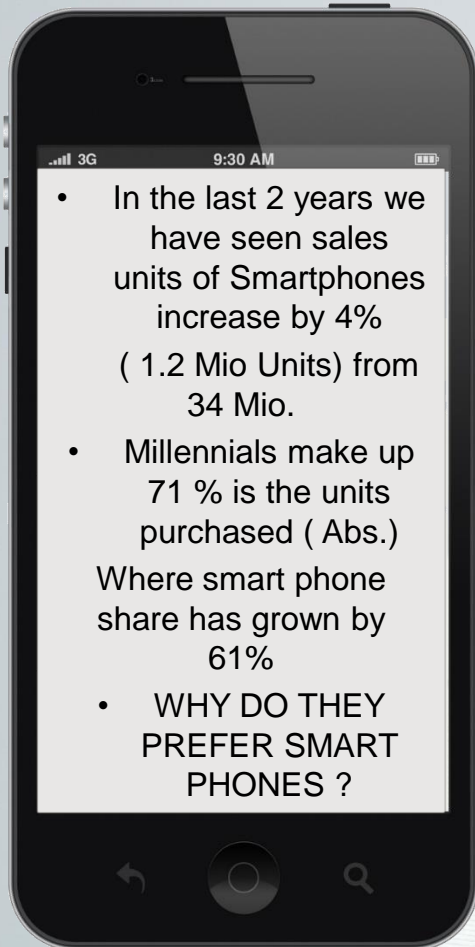
Consumer
Electronics



R5.7 billion

-14% decline

As aforementioned the millennial is self-indulgent and majority own a tablet or smartphone



- In the last 2 years we have seen sales units of Smartphones increase by 4% (1.2 Mio Units) from 34 Mio.
- Millennials make up 71 % is the units purchased (Abs.)
Where smart phone share has grown by 61%
- WHY DO THEY PREFER SMART PHONES ?

82%

Have made a purchase of a Telecom device with the last 2 years



Fundamental
shifts in
consumer
behaviour

Complex living,
mostly single sets
74% of fridge a 2
door top/bottom
freezers

Big fridge
unnecessary
for lifestyle

TV size
does
not matter
anymore
Everyone
has it

32% of the market is
32' TV's due to
market saturation of
B-Brands

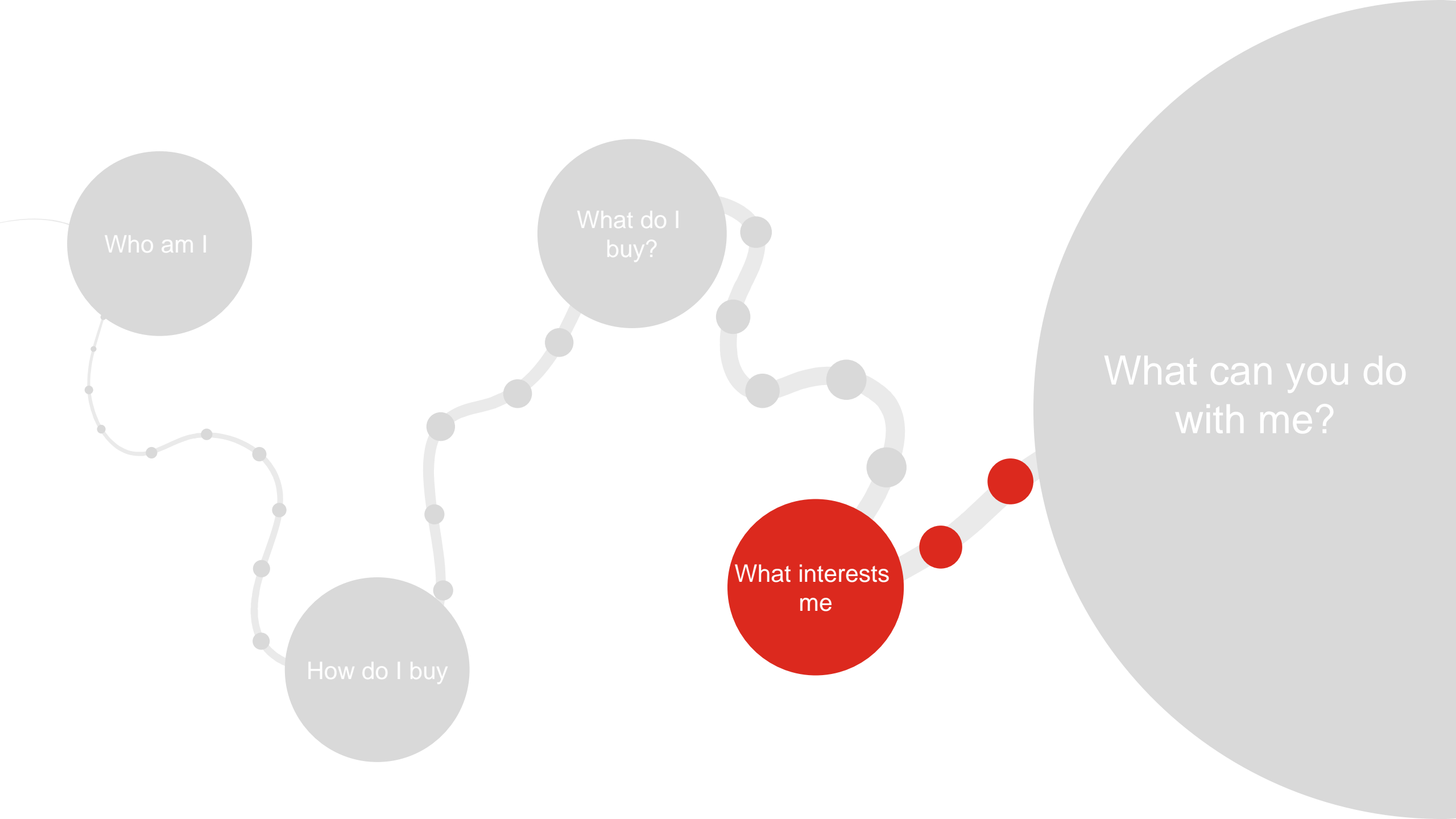
What is the
next best thing
for me,
millennial ?





The Smartphone is a multi-tool that has cannibalised other categories, a single multifunction device & they are becoming more affordable every passing month





Are **automotive**
Leading Edge
Consumers

18%

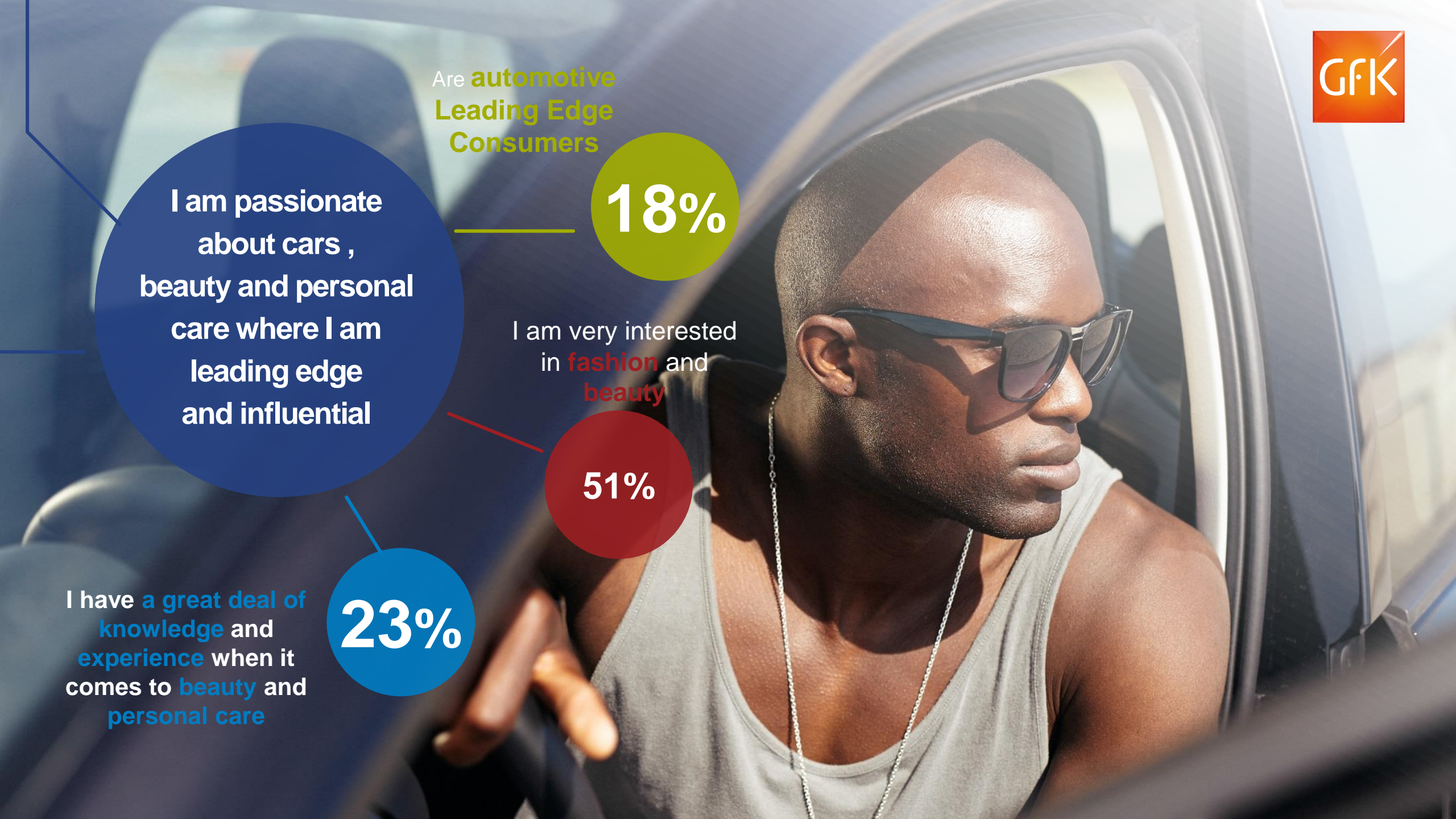
I am passionate
about cars ,
beauty and personal
care where I am
leading edge
and influential

I am very interested
in **fashion** and
beauty

51%

I have a great deal of
knowledge and
experience when it
comes to **beauty** and
personal care

23%





| Make me part of it | Be transparent | Make my life easier | Give me experiences | Be relevant to me |
|---|--|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
|  |  |  |  |  |
| Let's innovate together | Give me authentic and honest values | My life is too complicated <i>Simplicity is the ultimate sophistication</i> | The important thing is to enjoy the journey | I'm interested in adventure, personal interests and enjoyment |

Thank you