Millennials maintain their 'amore' for big brands

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- IRI’s European Shopper Survey reveals younger generations of consumers prefer global brands to local when shopping for groceries
- Two-thirds of younger millennials use the internet for new grocery product research

Young millennials' love affair with big FMCG brands is blooming, while smaller niche brands are being overlooked. That’s according to the latest European Shopper Survey (https://www.iriworldwide.com/en-GB/insights/Publications/Shopper-Insights-Geocentric-Purchases-and-Millenials-Attitudes) published today by IRI (https://www.iriworldwide.com/en-GB/home) the big data and technology expert for consumer industries.

While there is an increasing demand for local or national manufactured products across the region, the latest IRI survey identifies an underlying contrast when segmenting shoppers by age. When it comes to purchasing groceries, 18 to 24-year-old shoppers (often referred to as millennials or Generation Z) would rather fill their cupboards with big brand names that are perceived as cool and more innovative, leaving local brands on the shelves.

While there’s more inclination among all age groups towards buying local fresh produce, younger shoppers are choosing bigger, international brands when purchasing across other categories. Personal and beauty care products were a particular favourite with 65% of young millennials compared to just 9% opting for local products.

Olly Abotorabi, Senior Regional Insights Manager at IRI, comments: “Big brands are alive and well among younger shoppers throughout Europe. Those that are using digital technology to reach their target audience resonate well with this younger, globally connected generation.

“Our research shows an increasing preference by European shoppers for locally supplied items. However, when we look more closely at the segmented age groups, we find that the youngest shoppers prefer bigger, more visible brands when purchasing groceries."

The recent opening of Starbucks in Milan last month is a good example of younger shoppers buying into a highly popular international brand. Acceptance of this global US coffee brand in Italy appears to be higher in this age group, in one of the most competitive coffee connoisseur regions in the world. Arguably, it’s the shopper’s wider in-store brand experience winning through, with the theatrical element of roasting, brewing and mixology of the coffee attracting younger consumers through the door.

Abotorabi adds: "What this doesn’t signal is the opportunity for large brand players to sit back. Niche players continue to emerge, gain traction and challenge for shelf space across large grocery retailers in Europe. This is often more visible to consumers in food and drink categories. The growing incursion of small micro-brewery players on the region’s beer categories is a perfect example."

IRI’s survey also reveals that 66% of young millennials use the internet to research information about new products compared to 45% of over 34s. YouTube is a consistently popular source of information with

24% opting for this channel compared to 18% of millennials and 11% of over 34s. Social media, blogs, apps, forums and reviews were also popular with 18 to 34-year-olds when searching for information about store promotions and specific product ratings.

Over 3,300 consumers from seven European countries were asked a range of questions relating to their buying habits, providing insight into the dynamic relationship between local, regional products and larger international brands.

Other topline trends from IRI's European Shopper Survey 2018 include:

· Millennial movers: Older generations show a propensity towards purchasing local products while, perhaps surprisingly, younger millennials appear marginally less concerned about product origin and environmental impact and are more inclined to buy established international brands which are perceived to be more innovative and offer a superior brand experience.

· Fresh is best: Shoppers have a much stronger connection with locally produced fresh food, with 29% preferring local national brands. This represents the highest preference across all five grocery categories, while packaged foods (14%) shows the most promise for future geocentric purchasing for local brands. Spain (40%) and Greece (36%) score the highest for their preference towards buying locally-produced fresh food, compared to an average of 32% across all countries.

· Geocentric purchasing: A win for fresh food but a challenge for other FMCG products. Buying local is becoming more relevant throughout Europe however, shoppers remain reluctant to change their purchasing habits on some macro-categories, particularly in personal and beauty care. Barriers to wider geocentric purchasing include; limited range, the journey to alternative stockists and higher prices compared to bigger brands.

· High expectations: Across all age groups, shoppers' top 3 future expectations for brick and mortar superstores, convenience stores and discounters showcase a clear consensus on delivering products with less plastic packaging (43%); more local brands instore (43%) and higher product quality (38%). While younger millennials (18-24 years), looked for improved in-store technology and more convenient, ready-to-eat food and drink options.

Notes for editors:

- Table showing percentage of European Young Millennials expressing a preference towards larger international brands versus local brands across all five grocery categories is available.

- To download the report, visit:
https://www.iriworldwide.com/en-GB/insights/Publications/Shopper-Insights-Geocentric-Purchases-and-Millenials-Attitudes

- To download the infographic, visit:
https://www.iriworldwide.com/IRI/media/IRI-Clients/International/millennial_shopper_habits.pdf

About the IRI European Shopper Survey

IRI interviewed 3,334 shoppers in Italy, Greece, Spain, Germany, France, the UK and the Netherlands about key shopper issues. The survey focused on five macro-categories – Packaged Food, Fresh Produce, Beverages, Frozen Food and Personal & Beauty Care. Shopper responses were divided into three age groups – young millennials (18-24 years), millennials (25-34 years) and Generation X (over 35 years).

About IRI

IRI is a leading provider of big data, predictive analytics and forward-looking insights that help CPG, OTC healthcare, retailers and media companies to grow. With the largest repository of purchase, media, social, causal and loyalty data, all integrated on an on-demand cloud-based technology platform, IRI guides over 5,000 clients globally in their quests to remain relentlessly relevant, capture market share, connect with consumers and deliver growth. www.IRIworldwide.com. Follow IRI on Twitter.

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