



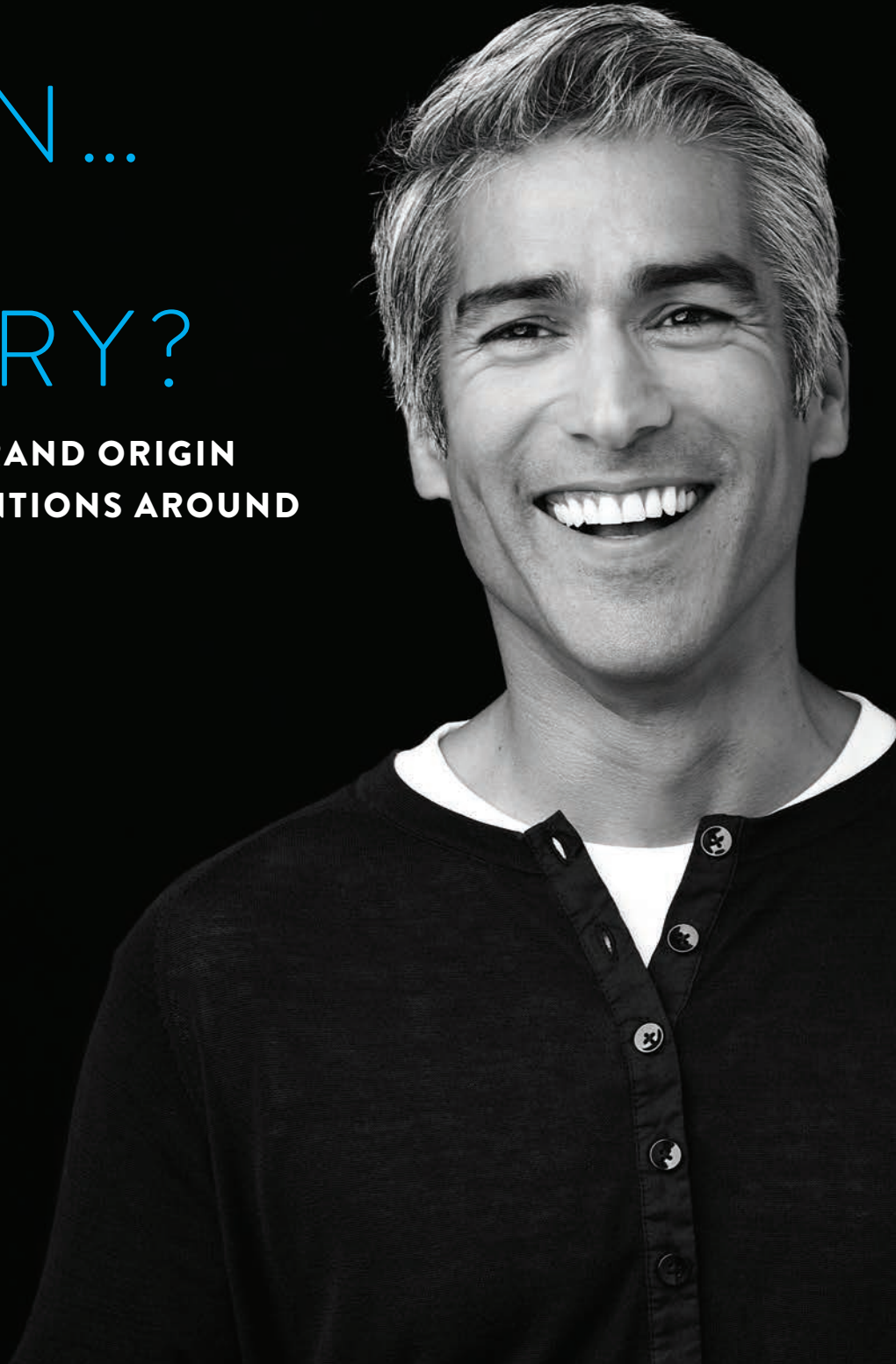
MADE IN... WHICH COUNTRY?

**PERCEPTIONS ABOUT BRAND ORIGIN
SHAPE PURCHASE INTENTIONS AROUND
THE WORLD**

APRIL 2016

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AN UNCOMMON SENSE
OF THE CONSUMER™



IN AN INCREASINGLY BORDERLESS WORLD, DOES THE “MADE IN” MONIKER STILL MATTER?

Around the world:

- Nearly three-quarters of global respondents, on average, say brand origin is as important as or more important than nine other purchasing drivers, including selection/choice, price, function and quality.
- There are exceptions to every category and in every country, but preferred brand origin for major product categories are generally grouped as follows:

GLOBAL

Baby diapers
Personal/beauty care
Carbonated beverages
Cars and electronics
Cigarettes

LOCAL

Fresh foods
Packaged foods/snacks
Coffee/tea
Juice/water/milk

MIXED

Baby food/formula
Home-cleaning supplies
Alcoholic beverages
Pet food

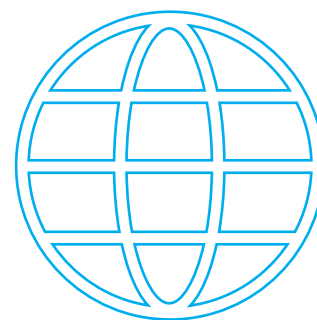
- The top reasons for choosing a brand are the same for both global and local brands: better price/value, positive experience with the brand, safer ingredients and processing, better product benefits, and sales/promotions.
- Nearly six in 10 global respondents (59%) say they buy local brands because they support local businesses, with sentiment highest in North America (65%). Developing-market respondents are more likely than their developed-market counterparts to say that local brands are more attuned to their personal needs/tastes and that global brands offer the latest product offerings/innovations and are of better quality.
- When it comes to online shopping, global respondents are more likely to seek out global brands for durable and electronic products and local brands for consumable products.

Over the past few decades, companies in search of new growth opportunities expanded beyond their borders to find a world of new consumers eager to try their brands. French retailer Carrefour, for example, started with a single storefront in 1958 and now operates stores in more than 30 countries, including Brazil, China and Indonesia. Likewise for U.S.-based Walmart, which now has stores in 27 countries. And some companies reach consumers in virtually every corner of the world: U.S.-based Procter & Gamble sells brands in more than 180 countries, and Japanese automaker Toyota sells vehicles in more than 170 countries.

The entry of multinational companies (MNCs) into new markets—while a boon for local consumers who gain access to a greater range of products—can sometimes cause the demise of local companies, which are suddenly faced with daunting foreign rivals that have an array of advantages, including vast financial resources, diverse talent pools and sophisticated technology infrastructures, supply chains and operating practices.

But just as David slew Goliath (not the other way around), many local companies have not only survived the multinational competition, but thrived. Indeed, some local companies' flexibility and agility, as well as their superior grasp of the domestic operating environment, have propelled them past their global rivals. For example, in the Philippines, Jollibee has a greater share of the fast-food market than McDonald's and has expanded to become a multinational company, operating restaurants throughout Southeast Asia, the Middle East and the U.S., while Mexico-based Bimbo not only edged out other on-the-ground rivals but expanded beyond their border to become the largest baking company in the world. And in China, whose Haier has long been the world's leading manufacturer of a range of large appliances, not only is Huawei gaining share in the country's midrange and high-end smartphone market, its telecommunication devices are gaining a stronger foothold in the global market.

All of this cross-border expansion, however, has greatly complicated traditional definitions of country of origin. Some iconic "local" brands are actually manufactured abroad, while some foreign brands have built a manufacturing presence in local markets. And some global brands have been in a market so long that many consumers actually perceive them to be local. Nonetheless, brand origin can be an extremely valuable asset for both global and local companies.



CROSS-BORDER
EXPANSION
HAS GREATLY
COMPLICATED
TRADITIONAL
DEFINITIONS OF
COUNTRY ORIGIN.

“One of the more surprising findings from the survey is that country of origin is as important as—or even more important than—other purchasing criteria such as price and quality,” said Patrick Dodd, president, Nielsen Growth Markets. “In a crowded retail environment, brand origin can be an important differentiator between brands, but sentiment varies by category and by country, and leveraging a powerful brand presence needs to be managed carefully regardless of whether it is global or local. Ultimately, the brands that deliver on a strong value proposition and connect personally to consumers’ needs will have the advantage in any given market.”

The Nielsen Global Brand-Origin Survey polled more than 30,000 online respondents in 61 countries to understand consumer sentiment about product origin across 40 categories, from consumables to durables. We examined whether consumers prefer goods produced by global/multinational brands (defined as those that operate in many markets) or by local players (those operating only in a single market—the respondent’s home country). While respondents were asked to consider these definitions in their selections, preexisting notions about brand origin could prevail—a global brand might be so pervasive in a local market that a respondent may think it is a dominant local brand. We also explored the factors driving brand preference and the role of the Internet in purchasing decisions for local and global companies. Finally, we examined what local and global players can learn from each other, so we can offer insights into how each can succeed in the changing retail landscape.

ABOUT THE SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access in 61 countries (unless otherwise noted). While an online survey methodology allows for tremendous scale and global reach, it provides a perspective on the habits of only existing Internet users, not total populations. In developing markets where online penetration is still growing, respondents may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behavior, rather than actual metered data. Cultural differences in reporting sentiment are likely factors in the outlook across countries. The reported results do not attempt to control or correct for these differences; therefore, caution should be exercised when comparing across countries and regions, particularly across regional boundaries.

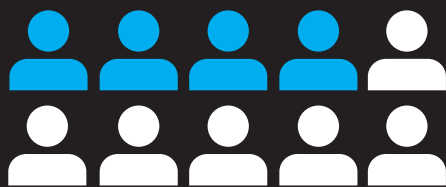
LOCATION, LOCATION, LOCATION: IT'S NOT JUST FOR REAL ESTATE

Many consumers appear to have strong preferences about the origin of the products they buy, but how important is this attribute really when they consider a purchase? How does it stack up against other selection factors?

The short answer: It matters—a lot.

More than four in 10 global respondents (46% on average) say brand origin is as important as nine other purchasing drivers, including selection/choice, price, function and quality. And more than one-quarter (28% on average) say brand origin is *more* important than other selection factors.

Respondents in Asia-Pacific and Africa/Middle East are likelier to say that origin is *more* important than the other selection factors (33% and 32% on average, respectively). European, North American and Latin American respondents, in contrast, are likelier to say brand origin is *less* important than the other selection factors (35%, 32% and 31% on average, respectively).

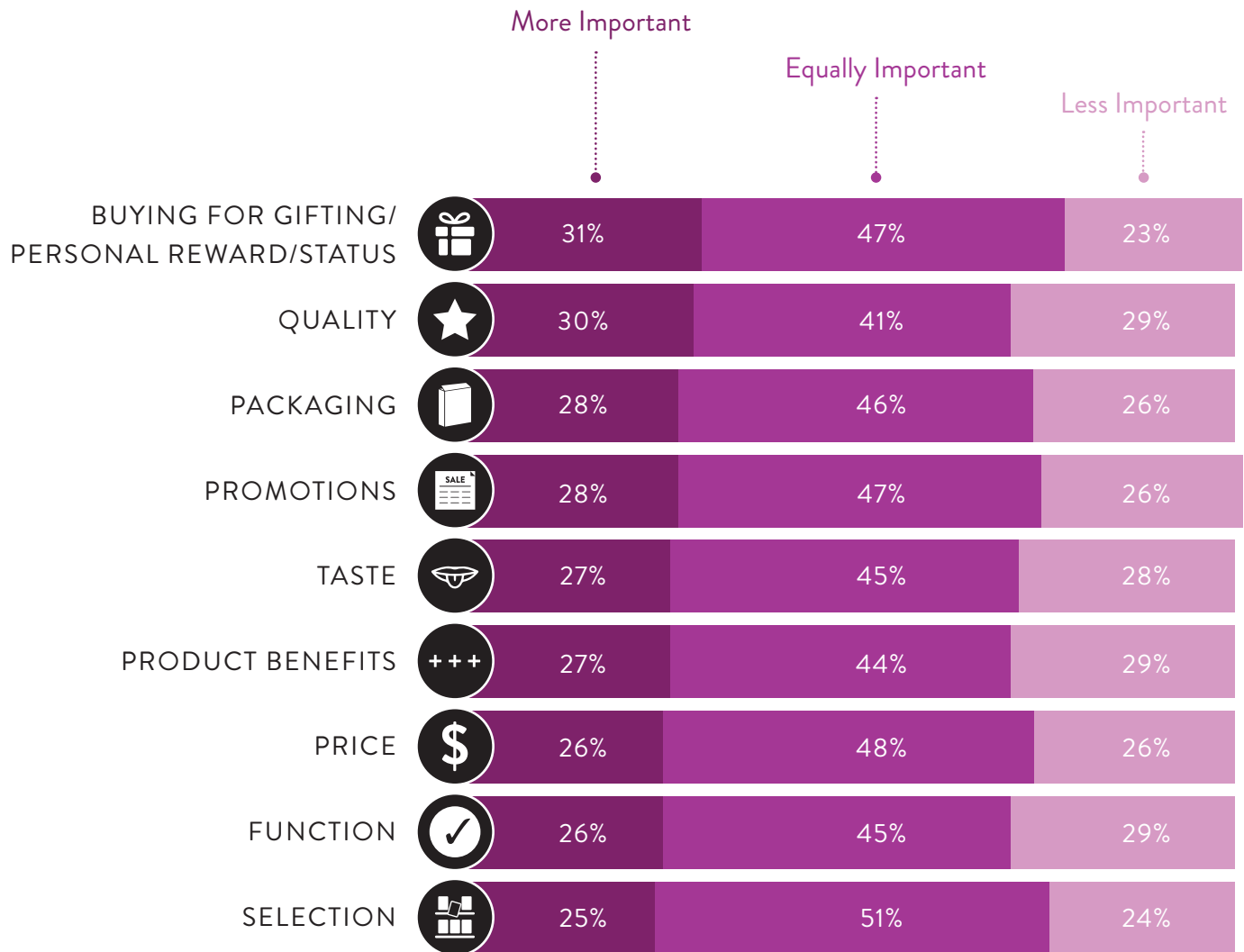


4 IN 10

MORE THAN FOUR IN 10
GLOBAL RESPONDENTS
SAY BRAND ORIGIN IS AS
IMPORTANT AS NINE OTHER
PURCHASING DRIVERS.

BRAND ORIGIN IS AN IMPORTANT FACTOR IN PURCHASING DECISIONS

GLOBAL AVERAGE: PERCENTAGE WHO SAY BRAND ORIGIN IS MORE, LESS OR EQUALLY AS IMPORTANT AS OTHER PURCHASING FACTORS

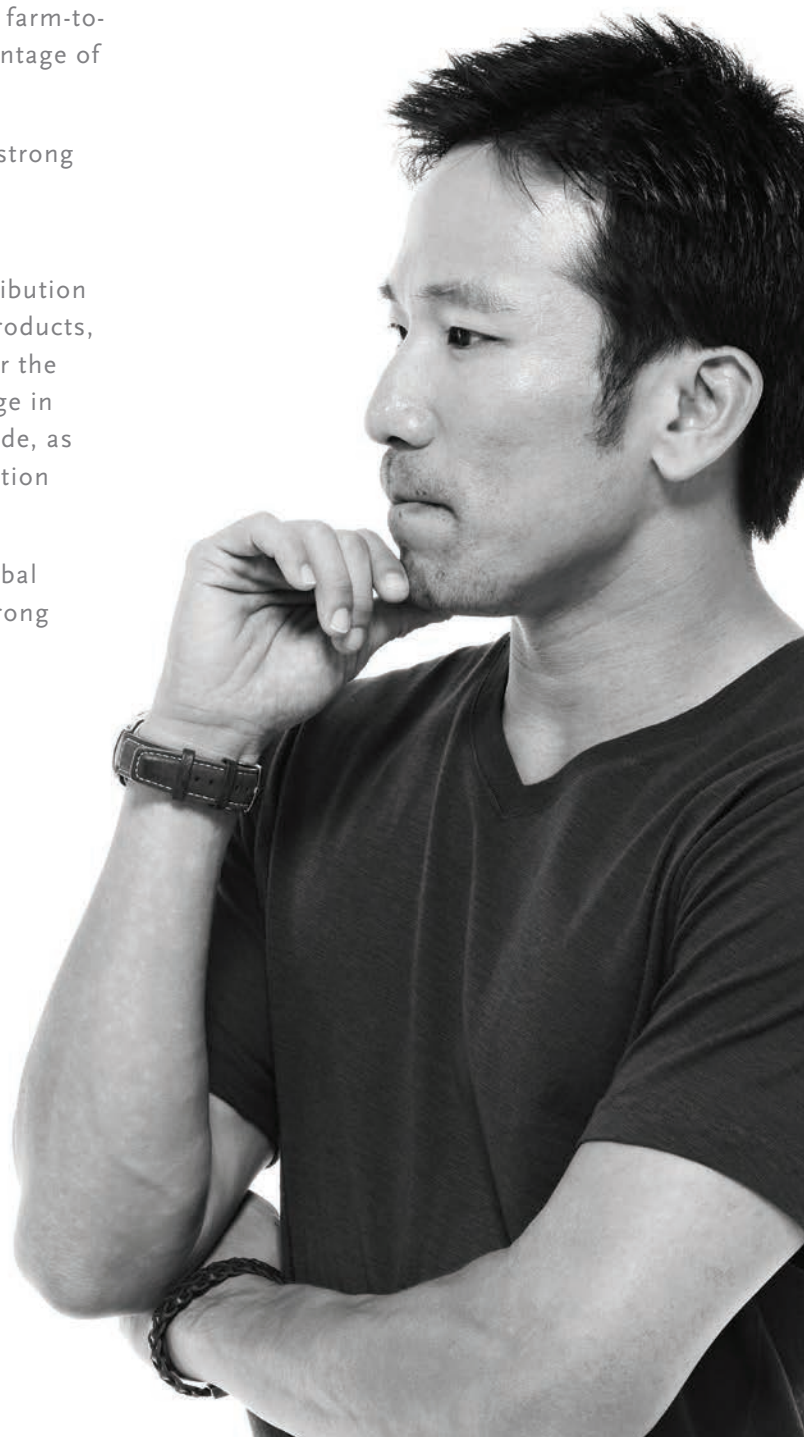


Source: Nielsen Global Brand-Origin Survey, Q3 2015

Note: Percentages may not add to 100% due to rounding.

While sentiment varies across product categories and by country, and there are exceptions to every rule, the findings show that a few factors generally hold true when it comes to brand origin:

- **Specialization.** Perceived specialization of a country favors local brand origin. Some product categories have become almost synonymous with certain countries: coffee and tea in Colombia, India and Vietnam; cars in Germany, Japan and Korea; yogurt in Bulgaria, Greece and Turkey; chocolate in Belgium and Switzerland.
- **Taste and perishability.** Local brands often cater best to local taste preferences. They are much more likely to provide farm-to-table freshness, and they may also have the added advantage of lower prices.
- **National pride.** Supporting the local economy can be a strong influencing factor for purchasing local brands.
- **Availability.** Global brands often have an advantage in countries with highly developed modern trade and distribution infrastructures, which can offer a greater selection of products, and in markets where there is little local competition for the category. Local brands, however, often have an advantage in markets dependent on highly-fragmented traditional trade, as they generally have superior knowledge of local distribution networks and established relationships with retailers.
- **Quality and prestige.** In many developing countries, global brands provide an assurance of quality and can have strong social cachet.



FOR THE FOODS WE EAT, SHOPPERS LOVE LOCAL

When it comes to choosing a product, do consumers prefer global brands or local ones? The answer depends primarily on the category, but there is a surprising amount of agreement across regions.

Fresh foods. For fresh foods, local brands are, not surprisingly, the clear preference. The majority of global respondents who have purchased the category say they prefer local brands to global ones for vegetables (68% vs. 11%), meat (66% vs. 13%), fruit (64% vs. 12%), seafood (57% vs. 18%) and yogurt (52% vs. 22%). The preference for local brands holds for every fresh category in the study and in every region, with only one exception: For yogurt, North American respondents show an equal one-third split between a preference for local and global brands. The remaining third say brand origin isn't important. And the yogurt category is not the only difference for North American respondents. While a preference for locally sourced fresh foods trumps a preference for globally sourced fresh foods in the region, the percentage of respondents who say they prefer local brands is below the global average for all five fresh-food categories, while the percentage who say they prefer global brands is higher than in any other region.

At the country level, several European countries stand out for having a notably strong preference for local brands. Greece, for example, has the highest percentage of respondents who say they prefer local products for all five fresh-food categories. With Greece's long coastline and ample resources for fresh food, it's no surprise that nearly nine in 10 Greek respondents say they prefer local fruit (89%), vegetables (89%), seafood (89%), meat (88%) and yogurt (88%). But this strong local orientation may also be a reflection of the country's economic situation, as Greece has the highest percentage of respondents who say they buy local brands because they help support the local economy (81%). Bulgaria, Croatia, Romania and Ukraine also have some of the strongest preferences for locally produced fresh foods.

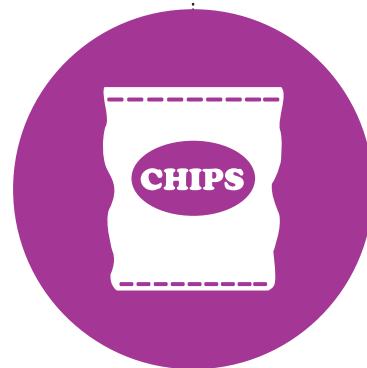
“Perishability is an obvious factor for purchasing locally sourced foods, but food safety concerns and cost are other important considerations for consumers,” said Dodd. “Additionally, buying local fresh products increases the likelihood that a product will be more flavorful and, in some cases, more nutritious than one transported from many miles away, as the nutritional value of some foods diminishes with time.”

FRESH FOODS

- FRUIT
- VEGETABLES
- MEAT
- SEAFOOD
- YOGURT

PACKAGED FOODS/SNACKS

- SWEETS AND CHOCOLATES
- ICE CREAM
- COOKIES AND BISCUITS
- CRISPS AND CRACKERS
- BREAKFAST CEREAL
- INSTANT NOODLES
- CANNED VEGETABLES



SPOTLIGHT ON: FRESH FOODS

BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



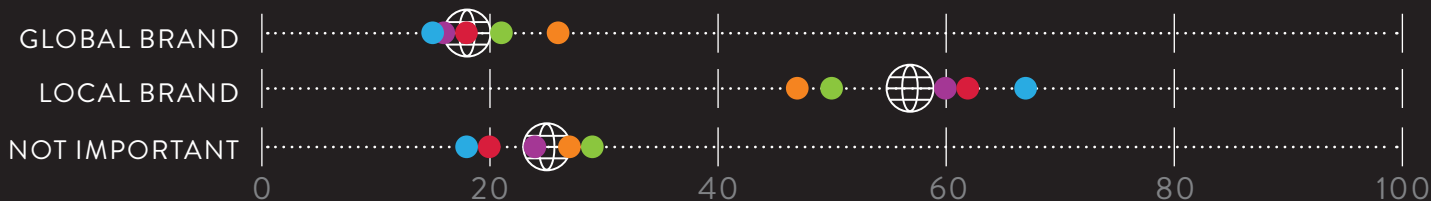
VEGETABLES



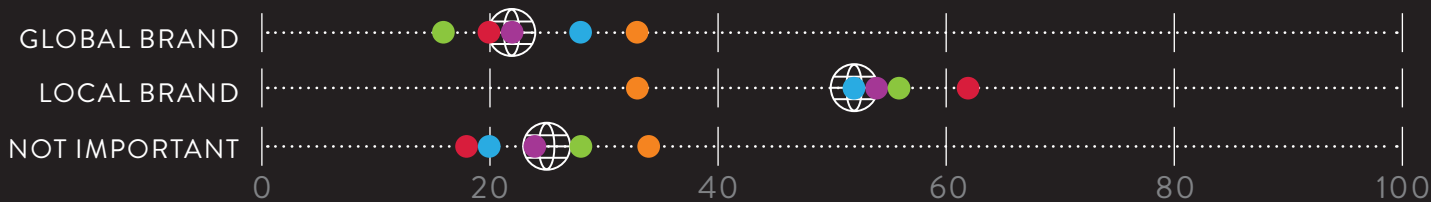
MEAT



SEAFOOD



YOGURT



Source: Nielsen Global Brand-Origin Survey, Q3 2015

Packaged foods/snacks. For packaged foods and snacks, the story is somewhat similar to that for fresh foods: Even though there is no “perishables” barrier impeding the growth of global brands in this case, local taste preferences dominate. Among global respondents who purchase the category, local brands are preferred to global brands for ice cream (44% vs. 27%, respectively), cookies and biscuits (40% vs. 28%), crisps and crackers (40% vs. 28%), breakfast cereal (44% vs. 29%), instant noodles (47% vs. 24%) and canned vegetables (53% vs. 20%). Sweets and chocolate is the only category of packaged-foods and snacks in the study where global brands are preferred to local ones (37% vs. 33%).

“Winning in packaged-food and snack categories is all about understanding and innovating around local tastes and eating habits,” said Dodd. “Local companies often have a deeper understanding of consumer tastes in their market and can respond more quickly to changing needs. Therefore, they are typically adept at developing products that appeal to these particular preferences. Global brands, in contrast, often capitalize on economies of scale and offer more homogeneous products across markets.”

At the regional level, preferences in Asia-Pacific and Africa/Middle East mirror the global results. Local brands are also preferred in Latin America for all of the packaged-food and snack categories in the study except sweets and breakfast cereal, and in Europe (although the largest percentage of respondents in Europe say brand origin is not important for sweets, crackers and instant noodles). In North America, preferences are split. More respondents say they prefer global brands to local ones for sweets/chocolates, breakfast cereal, crackers and instant noodles, but local brands are preferred for ice cream and canned vegetables. For most of these categories, however, the largest percentage of North American respondents say brand origin isn’t important to them.

COUNTRY-LEVEL CALLOUT: SWEETS & CHOCOLATES



OF GLOBAL RESPONDENTS SAY THEY PREFER **GLOBAL** BRANDS WHEN BUYING SWEETS/CHOCOLATES.

IN THE COUNTRIES WITH THE STRONGEST PREFERENCE FOR **GLOBAL** BRANDS, THE PERCENTAGE THAT PREFER **GLOBAL** CHOCOLATE AND SWEETS BRANDS IS NEARLY DOUBLE THE PERCENTAGE THAT PREFER LOCAL ONES.

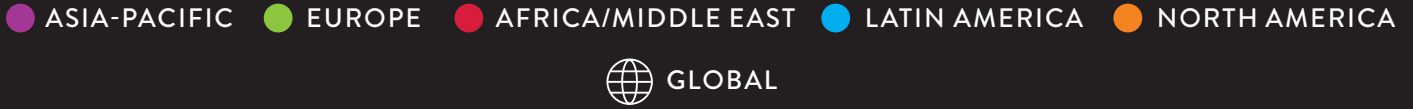
TOP 5 COUNTRIES THAT EXCEED THE GLOBAL AVERAGE FOR GLOBAL SWEETS/CHOCOLATE BRANDS

	GLOBAL BRAND	LOCAL BRAND	NO PREFERENCE
PHILIPPINES	67%	16%	17%
VIETNAM	60%	33%	8%
UNITED ARAB EMIRATES	57%	24%	19%
EGYPT	53%	35%	12%
SAUDI ARABIA	53%	30%	18%

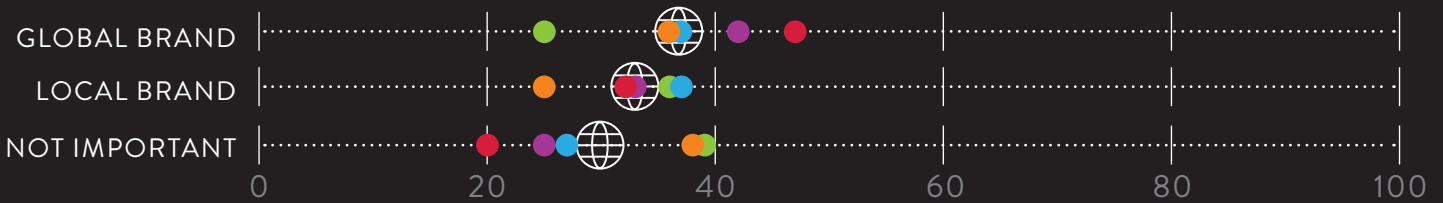
Source: Nielsen Global Brand-Origin Survey, Q3 2015
Note: Brand-origin preference among respondents who say they buy the category. Percentages may not add to 100% due to rounding.

SPOTLIGHT ON: PACKAGED FOODS

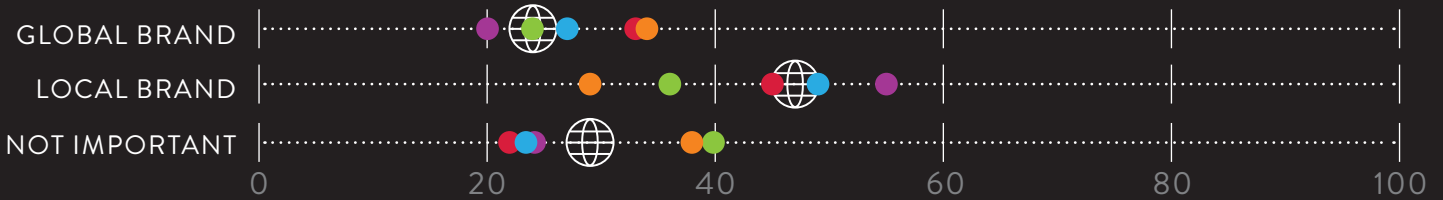
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



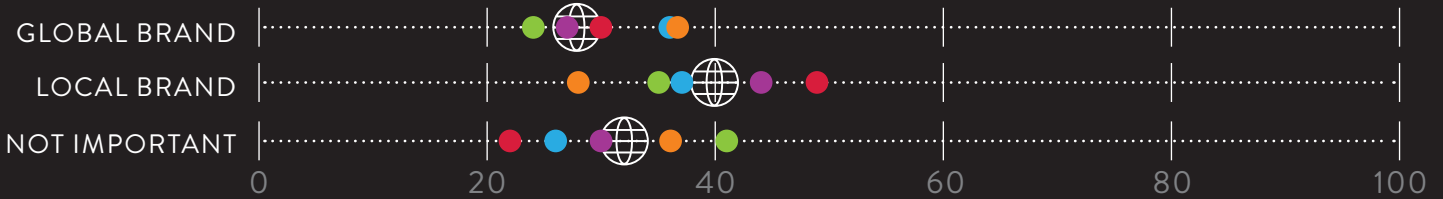
SWEETS & CHOCOLATES



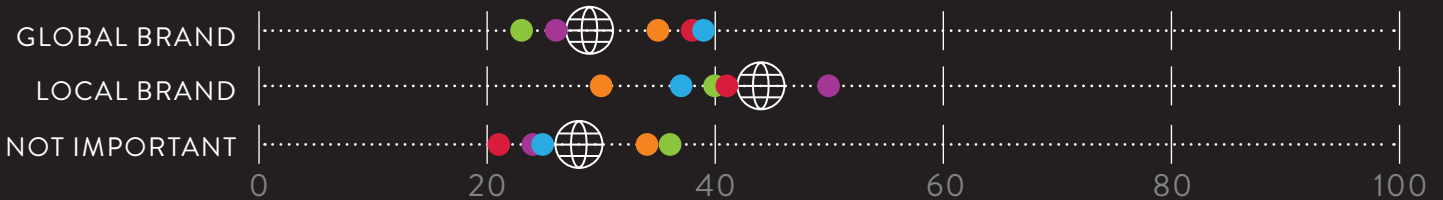
INSTANT NOODLES/RICE



CRISPS & CRACKERS



BREAKFAST CEREAL



Source: Nielsen Global Brand-Origin Survey, Q3 2015

PREFERENCES ARE MIXED FOR BEVERAGES THAT HAVE BUBBLES OR GIVE A BUZZ

Beverages. For several beverage categories where spoilage is a concern or flavor preferences differ by region, local brands are preferred over global ones. Respondents in every region prefer local brands for juice, water and milk. Opinions are split, however, when it comes to alcoholic beverages, carbonated soft drinks, coffee and tea.

Among those who purchase carbonated soft drinks, global brands are preferred in every region except Europe, where the largest percentage says brand origin is not important to them. In many markets, MNCs were first to sell carbonated soft drinks, and they continue to dominate the category as a result.

Among those who purchase alcoholic beverages, global brands are preferred in North America, while local brands are preferred in Latin America. Interestingly, alcohol brand preference doesn't seem to be related to the strength of local production or product quality. In France, Spain and Italy—some of the world's largest wine and spirit producers—the largest percentage of consumers say brand origin isn't important to them (48%, 42% and 38%, respectively).

When it comes to coffee, however, brand preferences and local production are clearly aligned. Local brands are preferred in Latin America, Africa/Middle East and Asia-Pacific. The strongest preference for local brands is in Vietnam (77%) and Colombia (73%), which are both among the five largest coffee-producing countries in the world; Vietnam is also among the top 10 tea producers. Global brands, in contrast, are preferred in North America and Europe, regions where there is relatively little production of coffee and tea and where many consumers have the financial means to purchase imports.

BEVERAGES

ALCOHOL
CARBONATED SOFT DRINKS
COFFEE AND TEA
JUICE
WATER
MILK

SPOTLIGHT ON: BEVERAGES

BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



ALCOHOL*



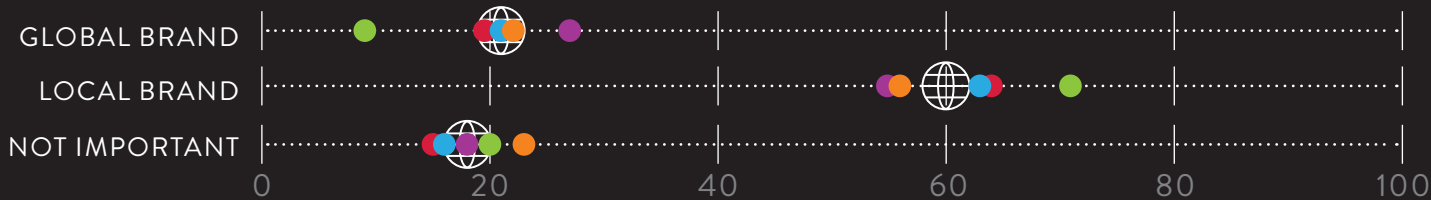
CARBONATED SOFT DRINKS



COFFEE & TEA



MILK



*Only Pakistan and South Africa are included for Middle East/Africa. The question was not asked in other countries in the region due to cultural sensitivities. Similarly, Israel was excluded from Europe.

Source: Nielsen Global Brand-Origin Survey, Q3 2015

Baby-care products. When it comes to baby care, global brands are clearly preferred for diapers in every region except Asia-Pacific, where preferences for local and global brands are evenly split. When it comes to food and formula, however, preferences are largely split along developed- and developing-market lines. Global food and formula brands are preferred in Asia-Pacific and Latin America, while local brands are preferred in Europe and North America. Not surprisingly, respondents in China and Hong Kong, which have experienced product-quality issues for local baby food and formula in recent years, have the strongest preference for global brands. In Africa/Middle East, global brands are just slightly preferred for formula, but local brands are more preferred for baby food.

“For many categories, a global brand name is an indicator of quality, safety and trustworthiness in developing markets,” said Dodd. “In North America and Europe, the baby-care product industry is highly regulated, and consumers may automatically expect that the baby foods they buy are safe and nutritious. For these consumers, local brands carry an assurance of quality.”

BABY CARE

DIAPERS
BABY FOOD
BABY FORMULA

COUNTRY-LEVEL CALLOUT: BABY FORMULA



OF GLOBAL RESPONDENTS SAY THEY PREFER **GLOBAL** BRANDS WHEN BUYING BABY FORMULA.

IN THE COUNTRIES WITH THE STRONGEST PREFERENCE FOR **GLOBAL** BRANDS, THE PERCENTAGE THAT PREFER **GLOBAL** FORMULA BRANDS IS NEARLY DOUBLE THE PERCENTAGE THAT PREFER LOCAL ONES.

TOP 5 COUNTRIES THAT EXCEED THE GLOBAL AVERAGE FOR GLOBAL BABY FORMULA BRANDS

	GLOBAL BRAND	LOCAL BRAND	NO PREFERENCE
HONG KONG	61%	19%	20%
CHINA	57%	25%	17%
VIETNAM	57%	37%	6%
MEXICO	55%	31%	14%
SINGAPORE	53%	27%	20%

Source: Nielsen Global Brand-Origin Survey, Q3 2015

Note: Brand-origin preference among respondents who say they buy the category. Percentages may not add to 100% due to rounding.

SPOTLIGHT ON: BABY CARE

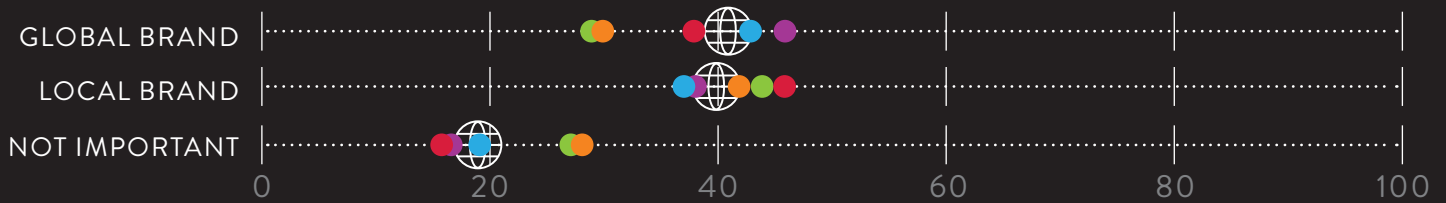
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



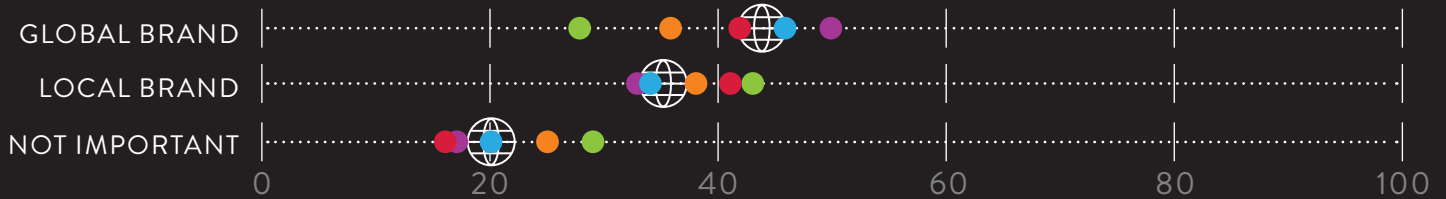
DIAPERS



BABY FOOD



BABY FORMULA



Source: Nielsen Global Brand-Origin Survey, Q3 2015

GLOBAL PREFERENCES DOMINATE FOR PERSONAL AND HOME CARE

When it comes to the products we use to clean our homes and our bodies, many consumers prefer global brands.

Home-cleaning products. For home-cleaning products, the largest percentage of respondents in Europe and North America say brand origin isn't important, but for those who do think it is important, more respondents in both regions say they prefer global brands than local ones.¹ Global brands are also preferred in Latin America, while local brands are preferred by a slim margin in Asia-Pacific. In Africa/Middle East, respondents prefer local brands for multipurpose cleaners and laundry detergent, while they prefer global brands for air fresheners.

Why do respondents in some regions prefer local brands? Local home-care brands in developing markets are often narrowly focused, specializing in a few subcategories that cater to the unique needs of their environments. In addition, local manufacturers often best understand how to navigate the complex retail distribution environment. Traditional trade outlets are pervasive in developing markets, and local companies establish close relationships with retailers that give them a distribution advantage.

HOUSEHOLD CLEANING

AIR FRESHENERS

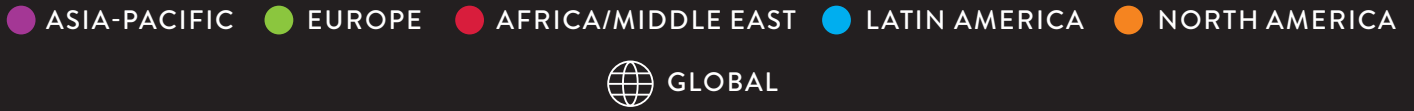
MULTIPURPOSE CLEANERS

LAUNDRY DETERGENT

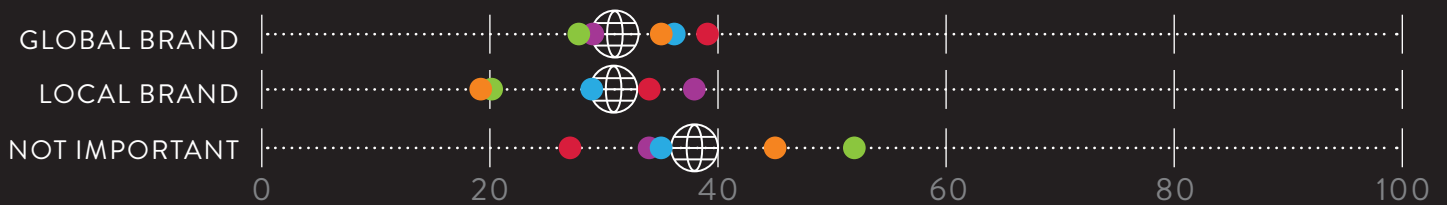
¹Here and in a small number of places, the data can be read in more than one way: An American buying a Procter & Gamble product is buying a global brand, but it's also an American brand, which has the effect of blurring the local/global distinction somewhat.

SPOTLIGHT ON: HOUSEHOLD PRODUCTS

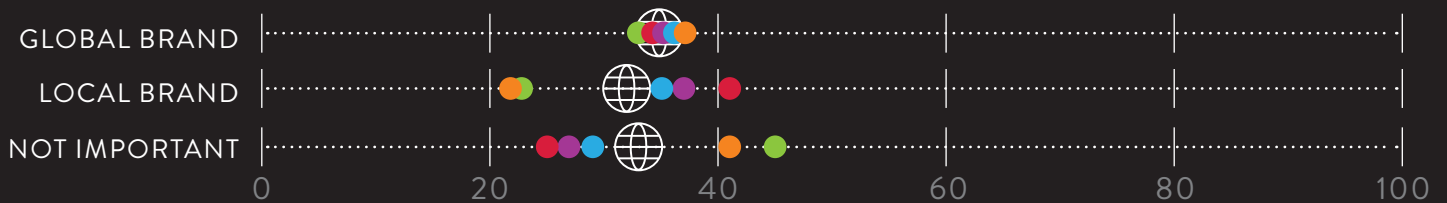
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



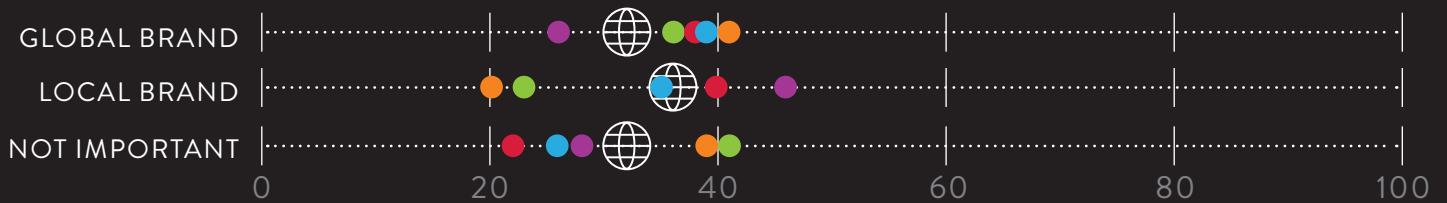
AIR FRESHENERS



MULTIPURPOSE CLEANERS



LAUNDRY DETERGENT



Source: Nielsen Global Brand-Origin Survey, Q3 2015

Personal-care/beauty products. For personal-care and beauty products, global brands are the clear favorite around the world. Respondents prefer global brands for razors, shampoo and conditioner, cosmetics and deodorant in every region. Respondents also prefer global brands for toothpaste, hand and body soap, and hand and body lotions in four of five regions (Asia-Pacific is the exception). In Europe, the largest percentage of respondents once again say brand origin isn't important for several categories, including razors, toothpaste and hand and body soaps and lotions.

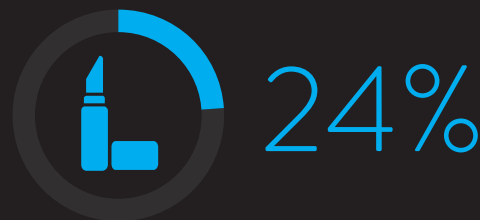
"Global brands are able to leverage their scale and expertise, research and development capabilities, and strong brand equity to provide high-quality and innovative personal-care products to local markets around the world," said Dodd. "In addition, in some markets, the number of local brands is limited for nonedible categories, so consumers naturally gravitate to offerings from global brands because they are widely available."

While most respondents around the world prefer global personal-care and beauty brands, preference for local brands is above average in several Asian markets, including Japan, Indonesia, Malaysia, South Korea, Thailand and Vietnam. In each of these countries, the percentage of respondents who prefer local brands exceeds the global average for all seven personal-care categories.

PERSONAL CARE/BEAUTY

COSMETICS
 RAZORS AND BLADES
 TOOTHPASTE
 SHAMPOO AND CONDITIONER
 HAND AND BODY SOAP
 HAND AND BODY LOTION
 DEODORANT

COUNTRY-LEVEL CALLOUT: COSMETICS



OF GLOBAL RESPONDENTS SAY THEY PREFER **LOCAL** BRANDS WHEN BUYING COSMETICS.

IN JAPAN AND SOUTH KOREA—THE COUNTRIES WITH THE STRONGEST PREFERENCE FOR **LOCAL** BRANDS—HOWEVER, THE PERCENTAGE THAT PREFER **LOCAL** BRANDS IS MORE THAN DOUBLE THE PERCENTAGE THAT PREFER GLOBAL ONES.

TOP 5 COUNTRIES THAT EXCEED THE GLOBAL AVERAGE FOR LOCAL COSMETICS BRANDS

	GLOBAL BRAND	LOCAL BRAND	NO PREFERENCE
JAPAN	7%	55%	39%
SOUTH KOREA	18%	43%	38%
INDONESIA	48%	36%	16%
THAILAND	41%	36%	23%
MALAYSIA	48%	30%	23%

Source: Nielsen Global Brand-Origin Survey, Q3 2015

Note: Brand-origin preference among respondents who say they buy the category. Percentages may not add to 100% due to rounding.

SPOTLIGHT ON: BEAUTY AND PERSONAL CARE

BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



COSMETICS



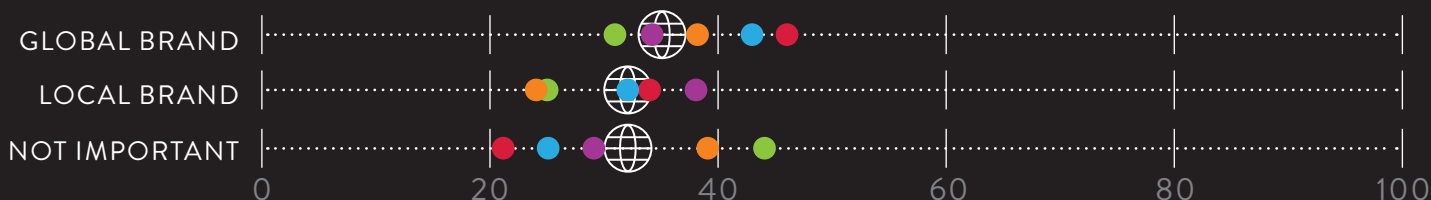
TOOTHPASTE



SHAMPOO & CONDITIONER



HAND & BODY SOAP



Source: Nielsen Global Brand-Origin Survey, Q3 2015

GLOBAL DOMINATES FOR DURABLES AND ELECTRONICS

With high product development costs for durable and electronic goods and the need for economies of scale, it's no surprise that there is a clear preference for global brands such as cars, computers and mobile phones—not many local firms can compete except in huge markets, such as China.

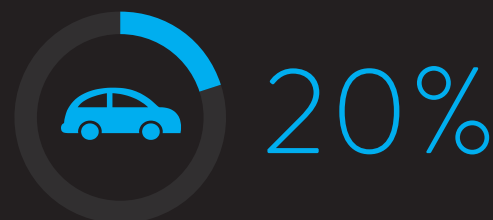
DURABLES/ELECTRONICS

- CARS
- CLOTHING AND SHOES
- JEWELRY
- CAMERAS AND VIDEO EQUIPMENT
- TVS
- COMPUTERS
- MOBILE PHONES

For cars, respondents prefer global brands in every region. Global brands are particularly popular in Africa/Middle East and Latin America (65% of respondents in each region say they prefer global brands). Preference for local brands is highest in the Asian countries with the most developed manufacturing industries: Japan (59%) and South Korea (38%).

Japanese and Korean respondents also express the strongest preference for local electronics, including TVs (62% and 65%, respectively), cameras and video equipment (62% and 39%), mobile phones (46% and 53%) and computers (42% and 48%). On a straight reading of the survey data, these countries are exceptions to the overall trend for electronics. Around the world, global brands are preferred in every region, with the strongest sentiment in Africa/Middle East and Latin America. That said, it's important to recognize that many Japanese and South Korean car and electronics

COUNTRY-LEVEL CALLOUT: CARS



OF GLOBAL RESPONDENTS SAY THEY PREFER LOCAL BRANDS WHEN BUYING CARS.

ONCE AGAIN, JAPAN AND SOUTH KOREA SHOW THE STRONGEST PREFERENCE FOR LOCAL BRANDS.

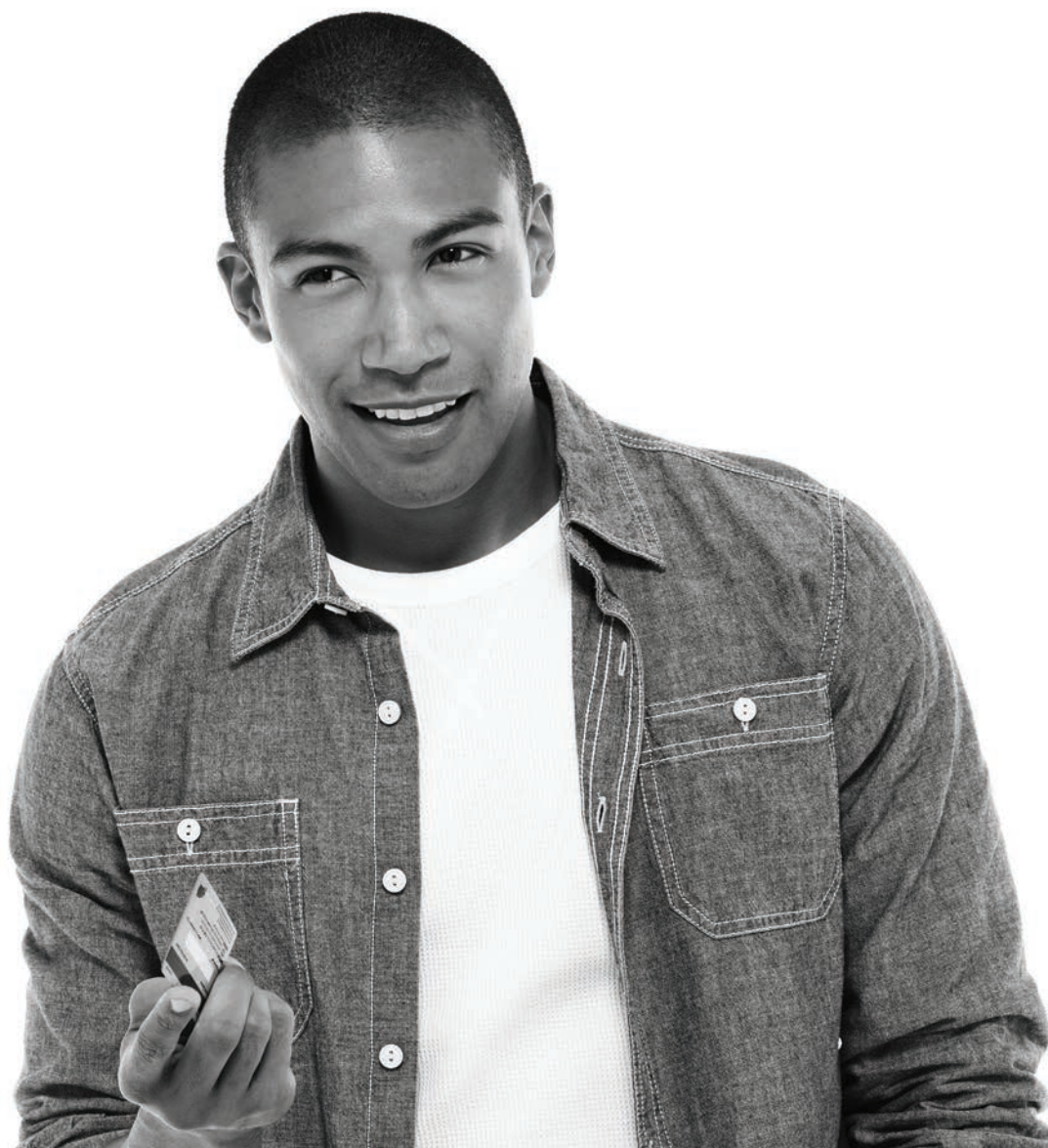
TOP 5 COUNTRIES THAT EXCEED THE GLOBAL AVERAGE FOR LOCAL CAR BRANDS

	GLOBAL BRAND	LOCAL BRAND	NO PREFERENCE
JAPAN	10%	59%	31%
SOUTH KOREA	25%	38%	37%
MALAYSIA	49%	31%	20%
PAKISTAN	58%	30%	12%
GERMANY	28%	28%	44%

Source: Nielsen Global Brand-Origin Survey, Q3 2015
 Note: Brand-origin preference among respondents who say they buy the category. Percentages may not add to 100% due to rounding.

brands are global. When 59% of Japanese respondents say they prefer local car brands, we may be certain most of them are thinking of iconic Japanese brands like Toyota and Honda—the numbers do not make sense any other way. It seems likely that national pride leads Japanese respondents to regard these brands as local, despite their global footprints.

“For Japanese and South Korean consumers, national pride for local brands is a strong influencing factor for purchase,” said Dodd. “There is a well-established belief among these consumers that the quality, functionality and safety provided by locally produced goods make them among the best in the world. For these consumers, the ‘made in Japan’ or ‘made in Korea’ label guarantees an assurance of standards not available anywhere else. Consequently, many find it unnecessary to buy foreign brands when (what they perceive to be) best-in-class products are produced at home.”

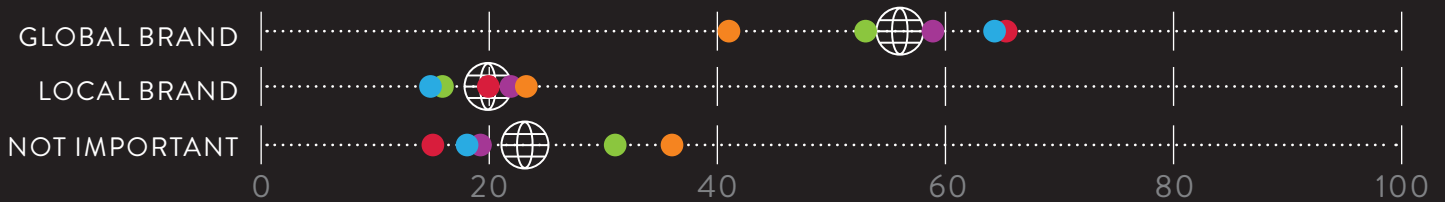


SPOTLIGHT ON: DURABLES

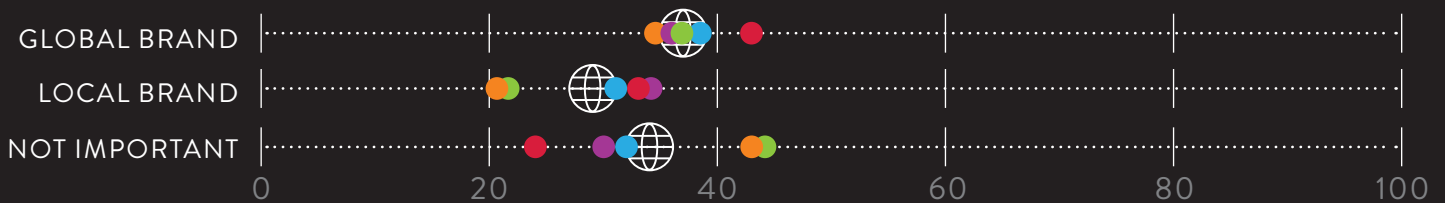
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



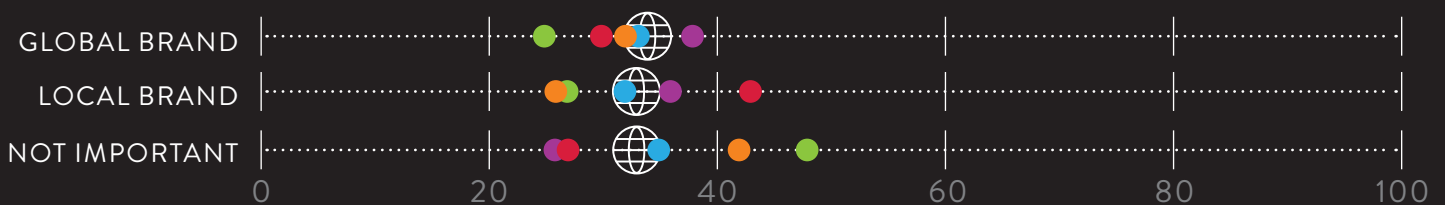
CARS



CLOTHING & SHOES



JEWELRY



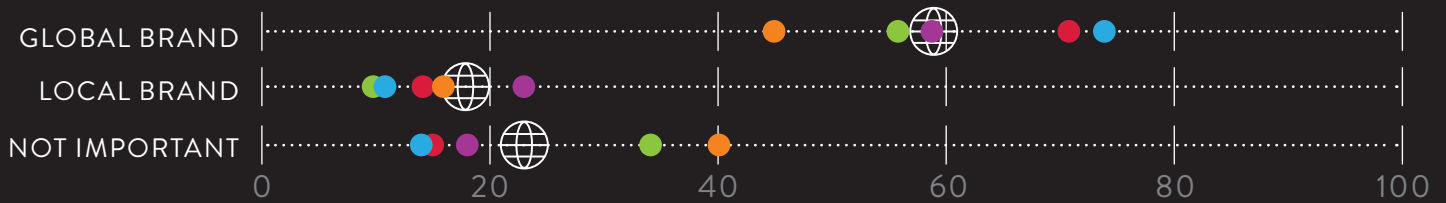
Source: Nielsen Global Brand-Origin Survey, Q3 2015

SPOTLIGHT ON: ELECTRONICS

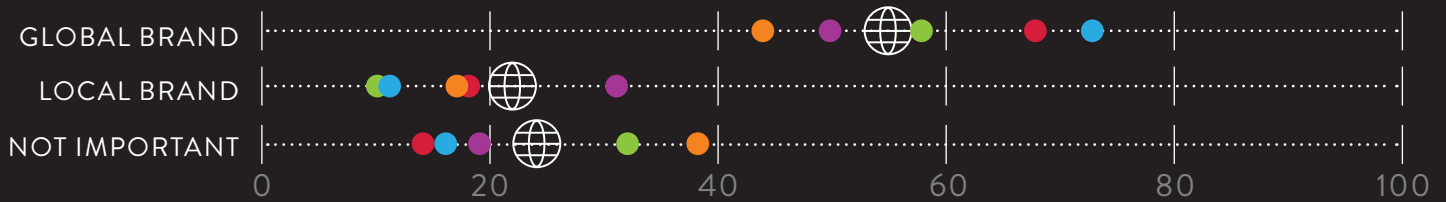
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



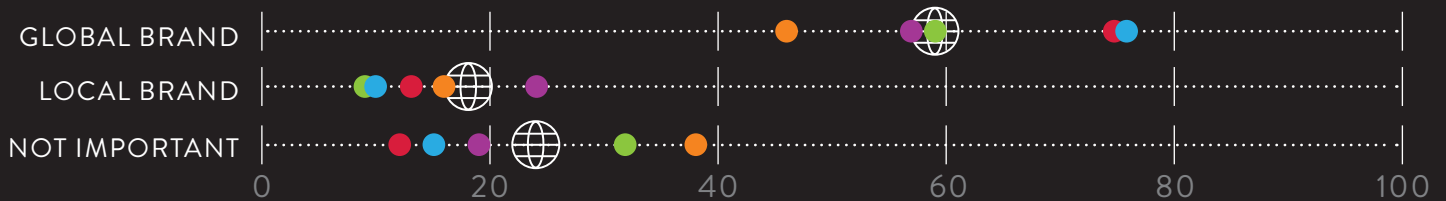
CAMERAS & VIDEO EQUIPMENT



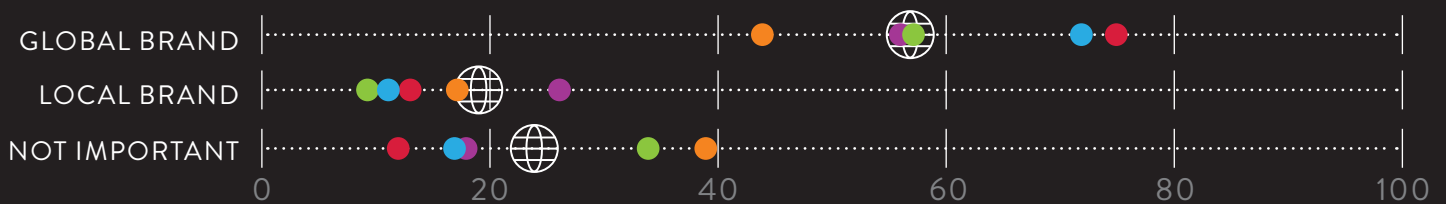
TELEVISIONS



COMPUTERS & LAPTOPS



MOBILE PHONES



Source: Nielsen Global Brand-Origin Survey, Q3 2015

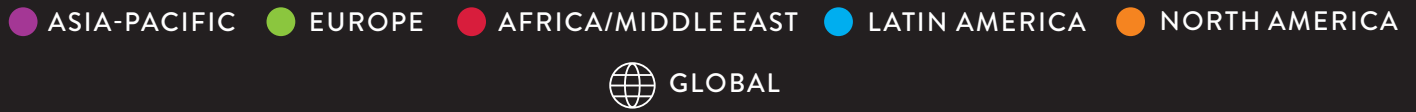
FOR PUPS AND PUFFS, BRAND PREFERENCES DIFFER ACROSS REGIONS

Pet food. Around the world, brand-origin preferences for pet food are mixed. Among those who purchase the category, global brands are slightly preferred in North America and Latin America (by two percentage points and one point, respectively), while local brands are preferred in Asia-Pacific and Africa/Middle East. In Europe, sentiment is equal for global and local brands, and the largest percentage of respondents say brand origin is not important.

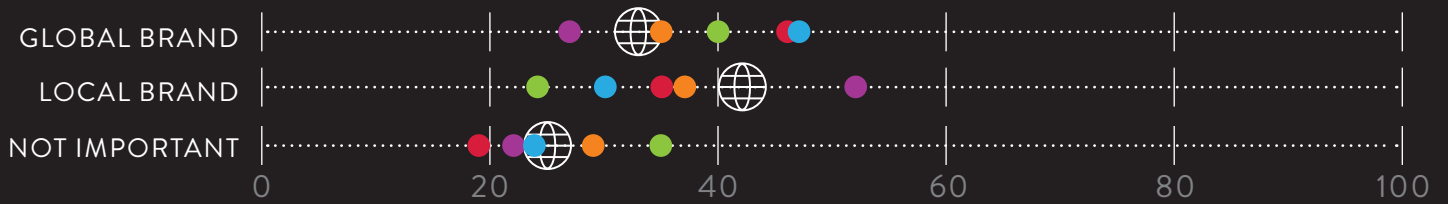
Cigarettes. Brand-origin preferences for cigarettes are similarly mixed among those who purchase the category. Global brands are preferred in Latin America, Africa/Middle East and Europe, while local brands are preferred in Asia-Pacific. In North America, respondents are almost equally split between a preference for local brands (37%) and global brands (35%). It should be noted again that an iconic brand may be perceived as local when it is indeed global.

SPOTLIGHT ON: CIGARETTES & PET FOOD

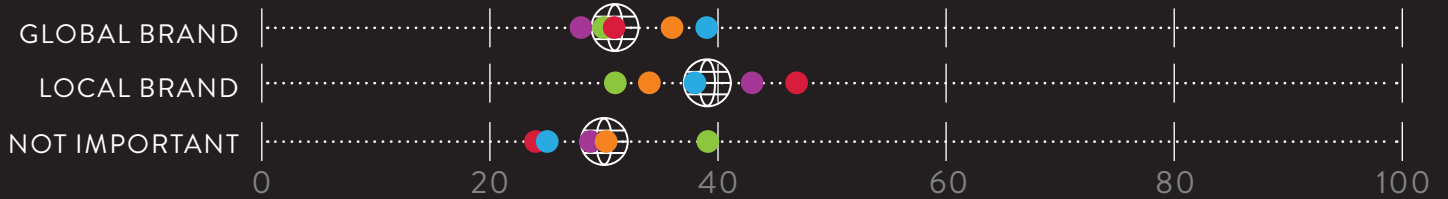
BRAND-ORIGIN PREFERENCE AMONG RESPONDENTS WHO SAY THEY BUY THE CATEGORY



CIGARETTES



PET FOOD



Source: Nielsen Global Brand-Origin Survey, Q3 2015

THE WHY BEHIND THE BUY

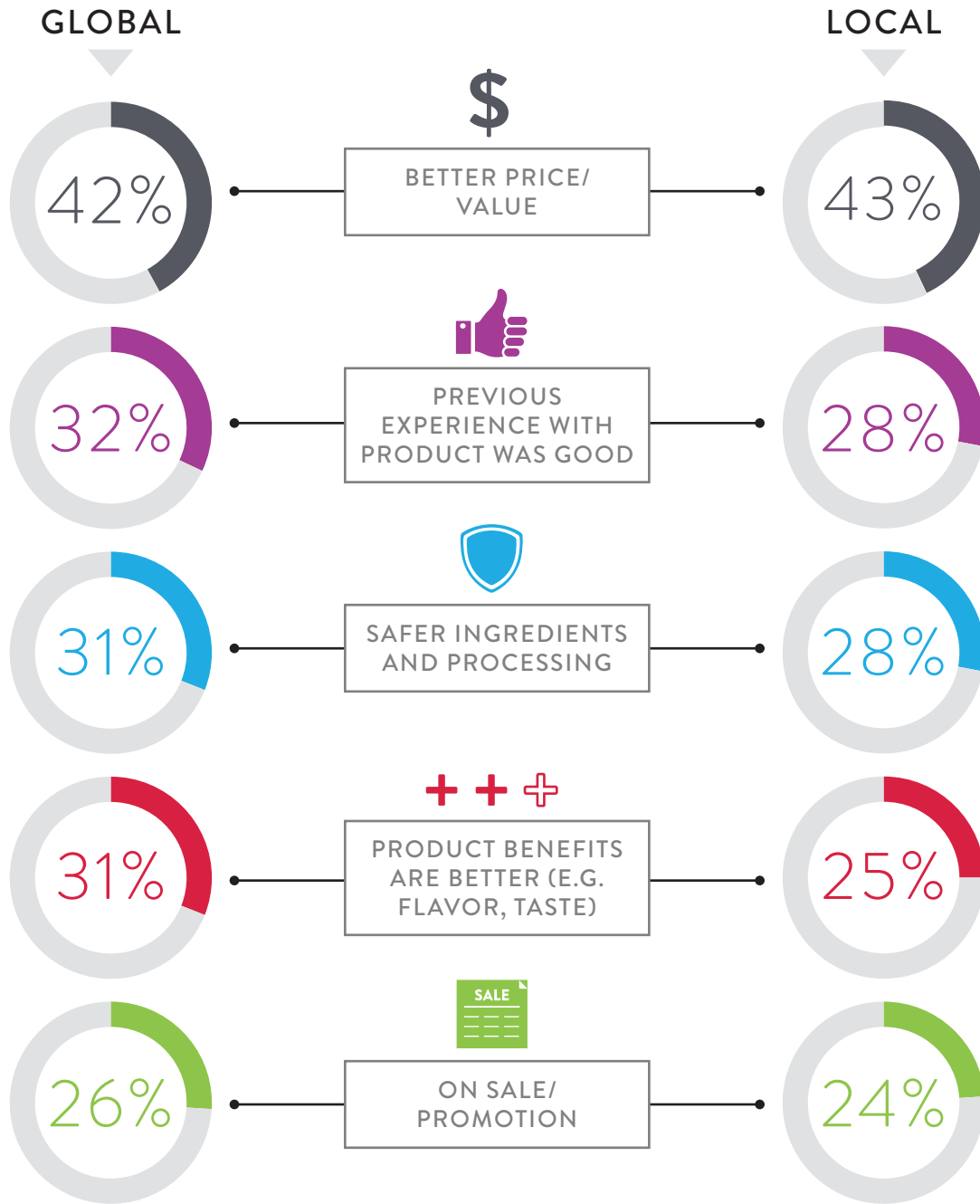
Clearly, consumers care about brand origin. But why do they choose local brands over global brands or vice versa?

When asked to select the top three decision factors for choosing a global brand and for choosing a local brand, responses were similar across all regions and reflect the factors that typically are top rated in consumer surveys. Globally, better price/value is the top-selected reason for choosing global (42%) and local (43%) brands. Positive experience with the brand (32% for global brands, 28% for local), safer ingredients and processing (31%, 28%), better product benefits (31%, 25%) and a sale or promotion on the brand (26%, 24%) also are among the top-selected reasons for selecting a product.

National pride is the only selection factor for which there is a notable difference between local and global brands, which is unsurprising, given that one would not buy a global product for reasons of national pride, unless it was a global product widely recognized as 'American,' such as Marlboro, or 'Japanese,' such as Toyota. One-fifth of global respondents (21%) say national pride is one of the most important reasons they buy local products, with sentiment highest in Africa/Middle East (25%), Asia-Pacific (24%) and Latin America (21%) and lower in Europe (16%) and North America (10%).

THE MOST IMPORTANT REASONS FOR CHOOSING A BRAND ARE SIMILAR FOR BOTH GLOBAL AND LOCAL BRANDS

GLOBAL AVERAGE: MOST IMPORTANT REASONS WHEN DECIDING TO BUY A GLOBAL OR A LOCAL BRAND



Note: Respondents could select three reasons they considered most important for selecting a global brand and three they considered most important for selecting a local brand.
 Source: Nielsen Global Brand-Origin Survey, Q3 2015

BRAND-ORIGIN SENTIMENT CAN BE DEEPLY PERSONAL AND EMOTIONAL

While the top reasons for choosing a global or a local brand are aligned, attitudinal statements about brand origin suggest regional differences.

Only 10% of North Americans say national pride is one of the most important reasons for choosing local brands, but nearly two-thirds (65%) strongly or somewhat agree they prefer buying local brands because they support local businesses—the highest percentage globally. Trust also is a compelling reason for purchasing local brands in this region. Fifty-four percent of North American respondents agree local brands are usually more trustworthy than global brands, compared with 45% globally. Agreement is higher in the U.S. (55%) than in Canada (46%).

Interestingly, while North America respondents are the likeliest to agree that local brands are more trustworthy than global brands and that these brands help support the local economy, they trail other regions in believing that local companies are most attuned to their needs. Rather, developing-market respondents have the highest levels of agreement with this statement. More than half of respondents in Asia-Pacific (56%), Africa/Middle East (56%) and Latin America (54%) say local brands are most attuned to their personal needs or tastes, compared with 47% in Europe and 46% in North America.

While sentiment that local brands have a better understanding of consumers' needs and preferences is highest in developing markets, these respondents also are likeliest to agree that global brands are more innovative and of better quality than local brands. More than seven in 10 respondents in Africa/Middle East (71%) and about two-thirds in Asia-Pacific (67%) and Latin America (65%) agree global brands offer the latest product offerings and innovations, compared with 48% in Europe and 47% in North America. Slightly fewer say global brands offer higher quality than local brands (69% in Africa/Middle East, 62% in Asia-Pacific and 59% in Latin America). Fewer than four in 10 North American (36%) and European respondents (34%) say global brands are of better quality than local ones.

While positive views about quality and innovation for global brands are widespread in developing markets, the prevailing perception is that cost also is high. More than seven in 10 respondents in Africa/Middle East (78%), Asia-Pacific (72%) and Latin America (71%) say global brands are more expensive than local brands.

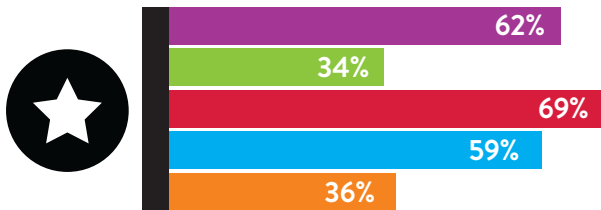
ATTITUDES ABOUT GLOBAL BRAND ORIGIN VARY WIDELY IN DEVELOPED AND DEVELOPING MARKETS

PERCENTAGE WHO STRONGLY/SOMEWHAT AGREE WITH STATEMENT

● ASIA-PACIFIC ● EUROPE ● AFRICA/MIDDLE EAST ● LATIN AMERICA ● NORTH AMERICA

BENEFITS OF GLOBAL BRANDS

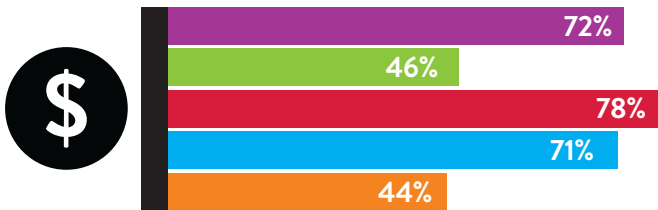
GLOBAL BRANDS OFFER HIGHER QUALITY THAN LOCAL BRANDS



GLOBAL BRANDS OFFER THE LATEST PRODUCT OFFERINGS/ INNOVATIONS COMPARED TO LOCAL BRANDS



GLOBAL BRANDS ARE USUALLY MORE EXPENSIVE THAN LOCAL BRANDS



BENEFITS OF LOCAL BRANDS

I PREFER BUYING LOCAL BRANDS BECAUSE THEY SUPPORT LOCAL BUSINESSES (WHICH CAN HELP THE ECONOMY)



LOCAL BRANDS ARE MOST ATTUNED TO MY PERSONAL NEEDS/TASTES



LOCAL BRANDS ARE USUALLY MORE TRUSTWORTHY THAN GLOBAL BRANDS



Source: Nielsen Global Brand-Origin Survey, Q3 2015

DIGITAL DRIVERS: A WORLD OF PRODUCTS AT YOUR DOOR

E-commerce has created an even more complex retail environment for brands. In a borderless online world, MNCs and local players are not only competing on the same turf, but also with companies that may be thousands of miles away.

Convenience and price are the main drivers for online shopping. More than half of global respondents say they use online sources to buy global or local brands because doing so is convenient or easy (55%) or because they can get better prices than in local stores (54%). These are the top reasons for shopping online in every region. Product assortment and availability are secondary drivers. Nearly four in 10 global respondents say they shop online because the assortment is better than in local stores (38%) or because the item isn't available locally (37%).

So what categories are consumers searching for and buying online, and are they different based on brand origin?

Overall, respondents' online shopping habits reflect their brand preferences. For durable categories, respondents are more likely to search for and buy global brands than local ones. For example, 51% of global respondents say they shop for global computer brands online, but only 22% say they shop for local computer brands.² The results are similar for other electronics, cars, personal-care and beauty products, clothing and even shoes. When it comes to products we put in our bodies, however, the trend is reversed. Just as consumers are more likely to prefer local food and beverage brands in general, they're also more likely to shop for local brands in these categories online than for global ones. Forty percent of global respondents say they search for and buy local food and beverages online, while only 20% say they shop for global food and beverage brands online.

²Given that global brands claim practically the entire computer market, we must assume, once again, that some respondents regard global brands as local ones.

ONLINE SHOPPING HABITS LARGELY MIRROR BRAND PREFERENCES FOR EACH CATEGORY

GLOBAL AVERAGE: PERCENTAGE WHO SEEK OUT ONLINE SOURCES TO SEARCH AND BUY GLOBAL BRANDS OR LOCAL BRANDS

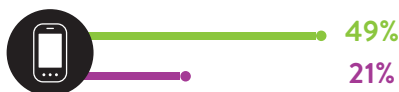
● GLOBAL ● LOCAL

HIGHER PERCENTAGES SHOP ONLINE FOR GLOBAL BRANDS

COMPUTERS/LAPTOPS



MOBILE PHONES



CLOTHING/SHOES



CAMERA/VIDEO EQUIPMENT



PERSONAL CARE/ BEAUTY PRODUCTS



TELEVISIONS



CARS



HIGHER PERCENTAGES SHOP ONLINE FOR LOCAL BRANDS

FOOD/DRINK PRODUCTS



HOME CLEANING PRODUCTS



MEDICATIONS



EQUAL PERCENTAGES SHOP ONLINE FOR GLOBAL AND LOCAL BRANDS

JEWELRY



BABY CARE PRODUCTS



Source: Nielsen Global Brand-Origin Survey, Q3 2015



WINNING HEARTS AND CARTS— GLOBALLY AND LOCALLY

In many markets, MNCs and local players are squaring off face-to-face in a battle for consumers' hearts and carts. And while both have strengths, neither has an automatic growth advantage.

For both local and global companies, success starts with creating a strong brand, and winning brands share a few common traits. First and foremost, they understand consumers' needs and preferences, their core values and beliefs, and they use these insights to innovate and drive more personalized interactions with consumers. Winning brands also have a clear brand purpose or position that enhances consumers' perceptions of the brand and differentiates it from its competitors. They use advertising and other brand communications that are transparent, authentic and relevant to amplify their message. Finally, winning brands strive to deliver an exceptional customer experience that builds trust in every interaction with consumers.

Successful brands also learn from the strengths of their competitors. So what can local and global companies learn from each other?

LESSONS FOR GLOBAL BRANDS:

- **Make local teams more autonomous.** Local companies are able to quickly respond to changing consumer needs more quickly than global companies that need to wait for approval from company headquarters. To increase flexibility and agility, MNCs should grant local teams greater decision-making and product-development authority.
- **Pursue partnerships with local-market experts.** Local companies often have superior on-the-ground market intelligence and experience with regulatory, infrastructure, supply and distribution challenges. They understand the unique challenges within the market and adapt to them more easily, leveraging strong retailer, supplier and distributor networks that could take years for MNCs to replicate. Global companies can increase their odds of success by forging relationships with local partners who understand and can help them navigate local market conditions.
- **Fully commit to new markets.** MNCs should also consider investing in strong local-market talent in critical functions—for example, marketing and sales and research and development—to help guide product development, production and marketing strategies and ensure they're aligned with consumer preferences and the local operating environment.
- **Be global, act local.** Local companies have a deep understanding of local tastes and preferences that global companies can't always match. Nonetheless, MNCs should look for opportunities to localize global products, leveraging the strength of their global brand but customizing it to local preferences. The key is adapting products enough to make a local connection but not so much as to dilute the brand name. In addition, marketers must develop a brand position that resonates with local buyers.
- **Embrace being global.** In many categories, such as cars, electronics and personal care, the prestige of a global name can be quite powerful, particularly in developing markets. Manufacturers should leverage this power and align positioning strategies with consumers' aspirational values and beliefs.

LESSONS FOR LOCAL BRANDS:

- **Standardize operations to improve efficiency.** Global brands often take a systematic approach to management that makes operations more efficient and predictable. Flexibility is a key strength for local brands, but it can lead to inefficiency. Therefore, local brands should look for ways to improve operational processes and provide a more seamless experience for their supply chain partners and employees. They must be careful, however, not to institute too many rules or risk becoming entangled in red tape; finding the proper balance can be extremely difficult.
- **Invest in talent.** Local brands may not have the same depth in their talent pool as global brands, but attracting skilled talent must be a priority. Mirroring the skills and expertise of key leadership roles requires significant investment in training in order to develop knowledge and skills. And it involves offering financial incentives on par with the market and opportunities for career advancement in order to keep employees satisfied.
- **Innovate, innovate, innovate.** While local companies might not have their global counterparts' vast resources for new-product development, they have a deep understanding of the needs of their consumers, and they often have a flagship brand built on relevance to the local shopper. Additionally, they maintain local decision-making authority, so the time from concept to creation can be shorter. Local brands should use these advantages to innovate in areas of unmet and emerging needs and get products to market ahead of the competition.
- **Embrace being local.** Global brands may have cachet, but consumers are diverse and brand preferences can be extremely specific and highly emotional. Local companies should emphasize homegrown benefits that enhance bonds with local consumers, such as the freshness of locally sourced ingredients or the pride of using a product made within their country.

COUNTRIES IN THE GLOBAL SURVEY

ASIA-PACIFIC

MARKET	INTERNET PENETRATION
Australia	93%
China	50%
Hong Kong	81%
India	30%
Indonesia	31%
Japan	91%
Malaysia	68%
New Zealand	94%
Philippines	43%
Singapore	82%
South Korea	92%
Taiwan	84%
Thailand	56%
Vietnam	50%

LATIN AMERICA

MARKET	INTERNET PENETRATION
Argentina	80%
Brazil	58%
Chile	72%
Colombia	59%
Mexico	49%
Peru	53%
Venezuela	62%

EUROPE

MARKET	INTERNET PENETRATION
Austria	83%
Belgium	85%
Bulgaria	57%
Croatia	75%
Czech Republic	80%
Denmark	96%
Estonia	84%
Finland	94%
France	84%
Germany	88%
Greece	63%
Hungary	76%
Ireland	83%
Israel	75%
Italy	62%
Latvia	82%
Lithuania	82%
Netherlands	96%
Norway	96%
Poland	68%
Portugal	68%
Romania	56%
Russia	71%
Serbia	66%
Slovakia	83%
Slovenia	73%
Spain	77%
Sweden	95%
Switzerland	87%
Turkey	60%
United Kingdom	92%
Ukraine	43%

AFRICA/MIDDLE EAST

MARKET	INTERNET PENETRATION
Egypt	55%
Morocco	61%
Pakistan	15%
Saudi Arabia	66%
South Africa	49%
United Arab Emirates	93%

NORTH AMERICA

MARKET	INTERNET PENETRATION
Canada	95%
United States	87%

Source: Miniwatts Marketing, *Internet World Stats*, Nov. 30, 2015, www.internetworldstats.com

ABOUT THE NIELSEN GLOBAL SURVEY

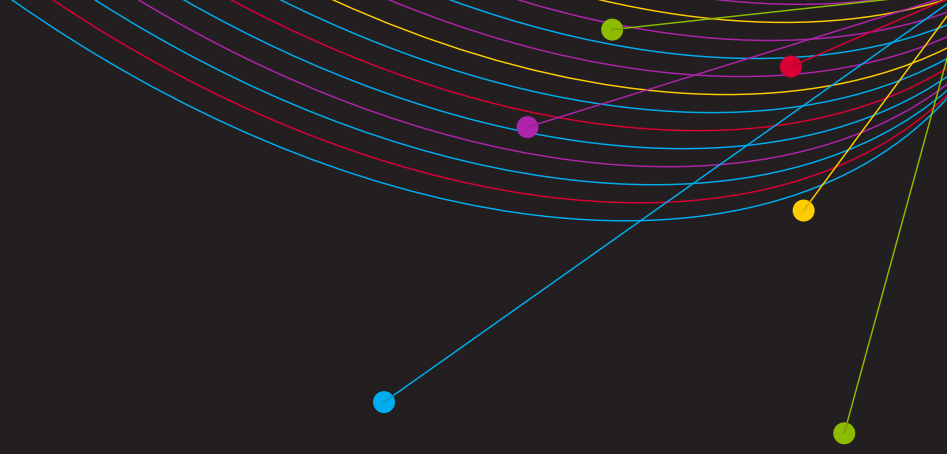
The Nielsen Global Brand-Origin Survey was conducted Aug. 10-Sep. 4, 2015, and polled more than 30,000 online consumers in 61 countries throughout Asia-Pacific, Europe, Latin America, the Middle East/Africa and North America. The sample includes Internet users who agreed to participate in this survey and has quotas based on age and sex for each country. It is weighted to be representative of Internet consumers by country. Because the sample is based on those who agreed to participate, no estimates of theoretical sampling error can be calculated. However, a probability sample of equivalent size would have a margin of error of $\pm 0.6\%$ at the global level. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60% Internet penetration or an online population of 10 million for survey inclusion.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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AN UNCOMMON SENSE
OF THE CONSUMER™