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## News Release

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**FOR IMMEDIATE RELEASE**

**NIELSEN PROJECTS OLDER, MULTI-CULTURAL, AND LOW-INCOME CONSUMERS DRIVING  
CONSUMER PACKAGED GOODS TRENDS IN 2020**

**New Research Presented at Nielsen's Consumer 360 Conference Indicates  
Product Categories Likely to Show Increased and Decreased Growth**

**ORLANDO, FL., May 12, 2009** – While the current economy has marketers working overtime to appeal to budget-conscious consumers, it's just the beginning of changes to come, according to new projections from The Nielsen Company. Nielsen's research shows that significant demographic and economic shifts over the next 10+ years will dramatically reshape the growth and decline of consumer packaged goods (CPG) products in the future. The analysis was presented today at Nielsen's Consumer 360 conference, the CPG industry's premier educational and networking event, attended by more than 700 industry professionals.

According to Nielsen's projections, the top CPG growth categories in 2020 will include ethnic health and beauty products, medications and remedies, health aids, vitamins and cooking essentials, such as flour, shortening, sugar, yeast and eggs. The slowest growing categories will include toys and sporting goods, breakfast foods, baby care products and pet products.

What's driving the changes? According to Nielsen, the category shifts are directly tied to the changing face of American consumers. For many years marketers have relied on middle class families as the primary target for many CPG products. By 2020, however, Nielsen predicts new challenges for CPG manufacturers and retailers due to fewer households with children, an aging population and the continued growth of lower-income consumers. While the aging population will be dominated by non-Hispanic white consumers, the majority of new families will be multi-cultural in less than two decades.



“The demographic shifts underway create both challenges and opportunities for CPG marketers, and companies that anticipate the shifts could have a competitive advantage,” said Doug Anderson, senior vice president, Global Research and Development, The Nielsen Company. “It will be absolutely critical for CPG companies to adapt in order to gain the attention and brand loyalty of the aging Baby Boomers, multi-cultural families and lower-income consumers of the future. Those who keep doing what they’re doing today will be left behind.”

### **An Aged Population**

One of the biggest changes taking place is the aging of the Baby Boom generation. With just over 78 million people born between 1946 and 1964, Baby Boomers have redefined every stage of life as they’ve moved through it. The same should be true for retirement and old age.

Running parallel to the aging of America is the shrinking of the typical American family. Nielsen projections indicate a continued decline of households with children and fewer children per household. By 2036, households with children will outnumber those 65 and older without children by just 5 million, compared to a 17 million difference in 2007.

“As our society grows older, American culture will move from being based on the interests and tastes of young people to being defined by the growing population of older people,” said Anderson.

“Companies catering to older consumers and providing goods and services to make them comfortable -- such as medication or vitamins -- will be positioned to do well, while companies exclusively focused on the youth market are going to see their ability to grow limited by slow overall market growth.”

### **More Multicultural Families**

While households with children will continue to decline, ethnic (non-white) families are expected to grow at a faster rate than the total population. According to Nielsen, *more than half* of families with children are expected to be multi-cultural by 2025. By 2050, that number is anticipated to be greater than 60 percent.

“While some companies have multi-cultural marketing initiatives in place today, by 2020, multi-cultural marketing will be a necessity -- rather than an option -- for doing business,” explained Anderson.

“This shift will impact product selections, product flavors, and the methods marketers use to reach



their new target audiences.”

### **More Low-Income Consumers**

According to Nielsen, household incomes are expected to stagnate or fall slightly over the next ten years. Based on these projections, household spending will grow at a very slow pace—especially when compared to the previous ten years. Nielsen data show the lowest income population segments growing the fastest (as much as 17.8 percent in some scenarios), with affluent and wealthy segments declining (9.2 percent and 5.5 percent respectively).

“As spending for consumer products falls, marketers will no longer be able to rely on an overall growing marketplace and taking their brands along with it,” said Anderson. “This means that every dollar in incremental sales in most CPG categories will have to be taken from a competitor rather than coming from a growing marketplace. The near future will bring a whole new relevance to the phrase ‘share wars’.”

### **About The Nielsen Company**

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, and Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit [www.nielsen.com](http://www.nielsen.com).

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