**Reponse**

The report you refer to was created and developed by AC Nielson. They use a combination of databases (grocery scan and homescan) to build these reports to help us understand buyers of different products and what might motivate them to purchase.

1. **Appendix 2 – Kraft Cheese Live Active and Philly duplication**

**Page 3 –** *please confirm, or otherwise that the figures provided below match those on the page referenced.*

Red left hand box

|  |
| --- |
| Kraft Live Active Mini Tub 160g |
| 1.6%  40.0%  34.1% |

* This box is specific to Kraft Liveactive Mini Tub consumers.
* It displays this product has 1.6% penetration (meaning 1.6% of Australian Households (HH)) purchase this product( both solus buyers (who do not purchase into Philadelphia cream Cheese) and duplicate buyers.
* The 40% represent the distribution of buyers (out of both Kraft Live active cream cheese and Philadelphia Cream Cheese mini tub). This says that 40% of these total buyers buy Kraft Liveactive Cream Cheese, specifically 34.1% only into Kraft Liveactive.
* The 34.1% represent the distribution of volume (out of both Kraft Live active cream cheese and Philadelphia Cream Cheese mini tub). This says that 34.1% of Kraft Liveactive Cream volume come from these buyers, specifically 23.7% only from solus Kraft Liveactive buyers.

Green right hand box

|  |
| --- |
| Philadelphia Cream Cheese Mini Tub 160g |
| 2.7%  65.9%  76.3% |

* This box is specific to Kraft Philadelphia Mini Tub consumers.
* It displays this product has 2.7% penetration (meaning 2.7% of Australian Households (HH)) purchase this product both solus buyers (who do not purchase into Liveactive cream Cheese) and duplicate buyers.
* The 65.9% represent the distribution of buyers (out of both Kraft Live active cream cheese and Philadelphia Cream Cheese mini tub). This says that 65.9% of these total buyers buy Kraft Philadelphia Cream Cheese, specifically 60% only into Kraft Philadelphia Cream Cheese.
* The 76.3% represent the distribution of volume (out of both Kraft Live active cream cheese and Philadelphia Cream Cheese mini tub). This says that 76.3% of Kraft Liveactive Cream volume come from these buyers, specifically 60% only from solus Kraft Philadelphia buyers

Bottom right black box

|  |
| --- |
| Penetration (%) 4.1  Dist.of Buyers (%) 100.0  Dist of volume (%) 100.0 |

This box sums up the total penetration (households that purchase into Kraft Liveactive and Kraft Philadelphia Cream Cheese and the total Buyers and Volume that add up to 100% as the data is specific to only these two products.

Overlapping circles

|  |  |  |
| --- | --- | --- |
| Left hand red circle | Over-lap section | Right hand circle |
| 1.4% - % of households that buy **only** Kraft Liveactive cream cheese  34.1% - Buyers that purchase **only** Kraft Liveactive cream cheese (out of total Kraft Liveactive and Philadelphia  23.7% - Volume that is **only** Kraft Liveactive attributed from the 34.1% solus buyers. (our of total Kraft Liveactive and Philadelphia) | .2% - % of households that buy **both** Kraft Liveactive Cream Cheese & Philadelphia Cream Cheese  5.9% - Buyers that purchase bothKraft Liveactive cream cheese and Kraft Philadelphia Cream Cheese  10.4% - Volume that is attributed by the 5.9% buyers who buy across both Liveactive and Philadelphia | 2.5% - % of households that buy **only** Kraft Philadelphia cream cheese  60.0% - Buyers that purchase **only** Kraft Philadelphia cream cheese (out of total Kraft Liveactive and Philadelphia)  65.9%- Volume that is **only** Kraft Philadelphia attributed from the 60% solus buyers. (our of total Kraft Liveactive and Philadelphia) |

Summary of the slide

This data shows the duplication across the two products (given they are the same format), which indicates that only 14% (.2/1.4) of households are duplicating across the two products. From this we can draw assumptions on a larger pack format there will be little duplication with Philadelphia as they are satisfying different occasions.

**Pages 4- 11 –** *please confirm, or otherwise the column headings and our understanding of what data they represent.*

Column titles, reading left to right:

Kraft Live Active Cheese Buyers (this is representative of the entire red circle on page 3 – both Liveactive solus buyers and those who duplicate across into Philadelphia)   
Solus Kraft Live Active Buyers (this is representing those in the red circle on page 3 without those in the middle (who are duplicate) = buying only live active cream cheese)  
PhiladelphiaCream Cheese Buyers (this is representative of the entire green circle on page 3 – both Philadelphia solus buyers and those who duplicate across into Kraft Live Active)  
without those in the middle (who are duplicate) buying only Philadelphia Cream Cheese)  
Solus Philadelphia Cream Cheese Buyers (this is representative of the red circle on page 3 without those in the middle (who are duplicate) = buying only Philadelphia Cream Cheese)  
Philadelphia cream cheese and live active (this is representative of the duplicate buyers only (the numbers in the middle surrounded by both the red and green circle)

**Page 4-5 -** *please confirm, or otherwise the column headings and our understanding of what data they represent.*

Key, reading left to right, or top to bottom of column:

* **Young transitionals:**
  + Adult households (no children <=17) Head of household <35
* **Small scale families:** 
  + Households with oldest child 6-11 years
* **Start-up families:** 
  + Households with young children only, oldest child < 6
* **Bustling families:**
  + Households with oldest child 12-17 years
* **Senior Couples:**
  + 2 or more adults (no children <=17), Head of household 60 or over
* **Independent singles:**
  + 1 person adult household (no children <=17), Head of household >=35
* **Established Couples**: 2 or more adults (no children <=17), Head of household 35-59

**Pages 6-7 –** *please confirm, or otherwise, our understanding:*

Key, reading left to right, or top to bottom of column:

PS Age 55+; = Primary Shopper is 55 years and older

PS Age 45-54:= Primary Shopper is between 45-54 years

PS Age <35 = Primary Shopper is below 35 years

**Pages 8-9 –** *please confirm, or otherwise, our understanding:*

Key, reading left to right, or top to bottom of column:

HH income high ($70,000+); = household income is above $70,000 which is classified as a ‘high income household’ – Nielson’s classification

HH income medium ($35,000-70,000); = household income is between $35,000 and $70,000 which is classified as a ‘medium income household’ – Nielson’s classification

HH income low ($0-35,000) = household income is below $35,000 which is classified as a ‘low income household’ – Nielson’s classification

**Pages 10-11 –** *please confirm, or otherwise, our understanding:*

Key, reading left to right, or top to bottom of column:

HH members 5+; Households that contain 5 or more people

HH members 3-4; Households that contain between 3 and 4 people

HH members 1-2 Households that contain no more than people in the household

\*\*not surprising the majority of buyers are 1-2 people households due to nature of the format – mini tub (portioned)

1. **Derivation of %’s relating to consumer information in the body of the Application:**

*Please confirm, or otherwise our understanding of the deviation of the following figures which appear in the body of the Application. –response in red*

**Page 7, para 2 -** 4/178 = 2.2% (reported as 2.3%) – confirm = 2.24%

**Page 7, para 3** – Fifty three percent (53%) – from Appendix 3, Performance of Liveactive (page 3), 2nd column of bar chart – This figure is saying that 53% of the volume of Kraft Liveactive (total) is from new/lost category buyers (category being cholesterol lowering food category). This shows that Kraft Liveactive has been successful is getting consumers to purchase into the cholesterol lowering food category as over half the volume is incremental to all other cholesterol lowering products.

32% - same page as above but 3rd column of bar chart – This figure is saying that 32% of the volume (total) is new/lost to the Kraft Brand meaning 32% of the volume is from consumers who are purchasing into both Kraft Liveactive and other cholesterol lowering foods.

**Page 7, para 4** – 77% of market share comes from Appendix 3, Sales data/usages/penetration (page 5), Market share line, first column; Philadelphia Cream Cheese Tub has 77% market share of the total Cream Cheese Tub market. 23% market penetration same page, Philadelphia Cream Cheese Tub has 23% penetration meaning 23% of Australian Households have purchased this product

Penetration line, first column; 89% market share, market share line, 2nd column; Philadelphia Cream Cheese MINI Tub has 89% market share of the total Cream Cheese MINI Tub market. 7% market penetration, top line, second column; Philadelphia Cream Cheese MINI Tub has 7% penetration meaning 7% of Australian Households have purchased this product

awareness 87% and 61%, first and second columns of Awareness line.

Philadelphia Cream Cheese Tub has 87% prompted awareness

Philadelphia Cream Cheese MINI Tub has 61% awareness

**Page 10, para 3** – 23% and 7% are the same 23% and 7% mentioned in the section above (market penetration). yes

**Page 18, para 1 –** 60.1% of volume of sales, comes from Appendix 2, page 7, top blue section of first column; 4.3% same column but lower yellow section; 35% of volume sales, from, third column, top blue section; 15 .7%, should this be 16.7% to match bottom yellow section of column 3? This figure is 16.7%, not sure what further clarification is required at this point.

**Page 18, para 1 -** 34.5% senior couples, from Appendix 2, page 5, first column, top blue section; 28.5% independent singles from first column pink section; 20.3%, established couples, from green section of first column on this same page; 3.1% and 2.1% are the lower blue and yellow section of this column. Yes that is correct

***Abbreviations used:***

*Please confirm, or otherwise our understanding of the abbreviations used in this Application and where “???” appear; advise what the abbreviation stands for.*

MAT = Moving annual target. Represents the year to the latest period of data e.g latest 52wks, latest 12mths  
HH/HHS = households  
PS = primary shoppers   
SKU = a product ie. Kraft Liveactive Cream Cheese mini tub 160g is 1 SKU and Kraft Liveactive Cheese Slices 205g is another SKU. There are 3 SKUS in the Kraft Liveactive Range – 160g, 205g, 410g  
RSV = Retail Sales Value – represents the sales going through the retailers (ie. Supermarkets etc)   
CC = Cream Cheese