



*What's Hot  
around the Globe:  
Insights on  
Household Products*

Executive  
News  
Reports

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A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray bottle with a trigger. To its right is another bottle. In the foreground, there is a white scrub brush with a black handle and a pair of white rubber gloves. A white circular callout is overlaid on the right side of the image, containing the title text. A blue circular callout is overlaid on the brush, containing the subtitle text.

*What's Hot  
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Household Products*

Executive  
Summary



## Executive Summary

Welcome to the **2007 What's Hot around the Globe—Insights on Growth in Household Products** report, designed to update clients on category trends around the world, and the underlying drivers propelling growth. Household products were selected as the focus of this report because these types of products serve as an excellent barometer of the overall standard of living within a market and a leading indicator of the changes that accompany improving economic conditions.

The reason household product consumption fluctuates with wealth is simple, and can be found in the psychological literature. According to Abraham Maslow's Hierarchy of Needs, physiological needs such as hunger and thirst are met first, then, as money and time permit, people begin to satisfy higher order needs including safety needs, social needs, esteem needs and self-actualization needs. Here is a real world example of the hierarchy in action: first people secure shelter, then they protect it, display it, enhance it, and use it to express their personal aesthetic. Along the way, they'll find a household product available that relates to each level of the hierarchy and corresponds to each incremental gain in financial standing.

The **2007 What's Hot around the Globe** report encompasses a global overview and insights, examines five geographic regions and covers 29 separate household product categories including: aluminum foil; brooms/ brushes/mops; cleaning cloths/sponges; cleaning systems; laundry stain removers/boosters; plastic storage bags; bleach/ammonia; toilet care; auto dish detergents; garbage bags; insect control; hand dish detergent; air fresheners; fabric softeners; household cleaners; kitchen paper/towels; batteries; and laundry detergents.

### **Overall Findings: Global growth up 6%**

In the aggregate, purchases of household products increased in value sales by six percent in mid-2007, an increase over findings from the prior 2005-2006 year-end report period. The growth rate was consistent with other global Nielsen "What's Hot" reports covering areas such as Food & Beverages and Personal Care products. As might be expected, less developed economies such as Latin America and Emerging Markets fueled growth, both recording double digit gains in household products dollar volume for the reporting period.



## **Executive Summary**

Other notable trends contributing to shifts in consumption include:

- **Innovation: Taking it to the Next Level.** Call it the “Martha Stewart effect”. With the proliferation of global lifestyle gurus and regional home experts like Japan’s Harumi Kurihara, consumers are looking to take mundane household tasks and materials to the next level. Consider the evolution of the humble air freshener category in response to the need for consumer expression at home. From hang tags, bricks and wicked bottles, air fresheners have blossomed into a portfolio of aromatherapy delivery systems. Flameless scented candles compete with fan-driven holders that deliver ceiling light shows, and an assortment of fragrances can be mixed and matched to one’s mood throughout the day.
- **Conservation: Caring about the Environment.** With practical matters well in hand, consumers seek out product attributes that address higher order needs like preserving the environment as well as performance issues. Examples would include eco-friendly laundry detergents that still get clothes clean, eliminate odor and preserve color intensity, but are packaged using minimal materials that are also recyclable or biodegradable.
- **Health and Safety: Redefining Wellbeing.** Some themes are universal and cut across economic, class, cultural and regional lines. Ask any parent to name a top concern, and it will be the physical health and safety of their family. Household products help achieve that goal by enabling safe food storage, eliminating insects and pests, disinfecting household surfaces, containing garbage in a hygienic manner and generally improving overall sanitary conditions.

### **Regional Findings: Velocity greater in emerging areas**

Size and Velocity. In keeping with conventional economic and consumer theory, more developed countries owned a larger value share of the household products pie, but consumption expanded at a much slower rate given market size and maturity. Europe experienced a five percent value expansion, with North America notching up value growth at a modest four percent rate. Together, these regions account for nearly three-fourths of the global household products market at 72%.



## Executive Summary

Conversely, rapidly-advancing, less developed regions posted more impressive growth rates, a function of smaller market shares. For example, although Latin America\* registered 12% growth from mid 2006 to mid 2007, that rate translated into annual sales of roughly \$5.6 billion. Conversely, while North America expanded at a below-average rate, the region accounted for more than \$30 billion in household product sales.

### Category and Segment Findings: Seven categories outpace average growth

Among the 29 categories reviewed, seven reported 2007 value growth rates exceeding the global average: Disinfectants (12%), Air Fresheners and Insect Control (11%), Aluminum Foil (10%), Laundry Stain Removers/Boosters (9%), Waste Pipe Openers and Floor Polish/Wax (7%). Five other categories – Toilet Care, Garbage Bags, Automatic Dish Detergent, Fabric Softener and Plastic Storage Bags – had value growth equal to the overall average of 6%.

While seven categories enjoyed above average value sales rates, Disinfectants displayed remarkably robust results, double the 2007 average growth rate of all product categories in the study. Impressive sales velocity was not limited to the expected smaller product categories, either. Air Fresheners, Insect Control, Aluminum Foil and Laundry Stain Remover/Booster all exceeded the average growth rate and also qualified as some of the largest in value sales.

### Private Label: Commodities keep pace with overall global growth

Private label household product performance paced that of all household product categories, with both recording a six percent annual average growth rate. Private label performed well on both the value sales and growth criteria, recording a 14% market share. Product categories that demonstrated little perceived product differentiation, or which consumers viewed as basic commodities, delivered the greatest gains and the largest shares.

These private label growth winners included aluminum foil, hand dish detergent, garbage bags, kitchen paper/towels and household cleaners. Aluminum foil was a two-time achiever, boasting one of the highest year-to-year sales rates (12%) and the largest market share at 44%.

*\*Note: this study does not include results from Brazil which were reported in prior studies. During the period of this study, Brazil was upgrading its measurement coverage, which means there was not enough comparable historical information to include Brazil in the study. Because it is the largest single market in Latin America, this fact should be taken into consideration when comparing regional results or year-to-year performance.*

A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray bottle with a trigger. To its right is another bottle. In the foreground, there is a white scrub brush with a black handle, a pair of white rubber gloves, and a rectangular sponge. Two circular callouts are overlaid on the image: a white one with blue text and a blue one with white text.

*What's Hot  
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Global  
Findings



## Global Findings

*Economic analysis: Worldwide financial markets climb by almost 12% in 2007*

Anyone who doubts whether the world has forged a truly global economy need only look to the financial markets for validation. An analysis of the Dow Jones Global Index of 2007 stock market performance underscores the point: overall world economic performance without the U.S. was 11.8%. Adding in the U.S., global results fall to a more reserved 8.4% for the year. This was the fifth year in a row where world markets outperformed those of the United States.

The big engines of growth included emerging markets such as China, a country whose economic progress *TIME* magazine described as “torrid” and “astonishing”. Commodity-rich exporters like Russia and Norway have benefited from the unprecedented climb in oil prices from \$10/barrel in 1998 to over \$90/barrel in 2007. The EU now represents the largest market in the world, and if further proof was needed of its standing as a global economic powerhouse, consider that supermodel Gisele Bundchen made headlines by demanding to be paid in Euros, not dollars, when she signed a contract to represent Procter & Gamble’s Pantene line.

Altogether, global household product sales measured in this report have passed the \$90 billion mark and are edging toward the \$100 billion neighborhood. The Latin America and EEMEA regions once again set the pace for global household product growth at 12% each. Asia Pacific financial markets were slow starters in 2007, but picked up speed in the home stretch, finishing the year with record highs. Household product sales tracked that trajectory, ending the year with a seven percent per annum growth rate, a bit higher than the global average. Europe (5%) and North America (4%) trailed the year-over-year value growth rate for household products.

Utilizing growth rates in isolation as a market measure can provide a distorted view of the household product sales dynamic, since regions with smaller market sizes will report disproportionately higher rates due to the smaller base. For example, one sales dollar in a ten dollar marketplace has a much higher percentage impact than one sales dollar in a thousand dollar marketplace. Market share information helps round out the picture.



## *Insights on Growth in Household Products*

### **Global Findings**

Europe comprises many of the most developed countries in the world, as well as the largest aggregate market with a 40% dollar value share of household products. North America follows a close second with a 32% share and retains the honor of the world's largest single market. Rounding out the global household products market share scorecard for 2007, Asia Pacific had a 15% share, EEMEA was at seven percent and Latin America made up six percent of the total value sales.

#### **Europe Economy**

With the formation of the European Union, the economies and political influence of Europe have enjoyed renewed vigor. Many view Brussels, the capital of Europe and home to the European Commission, European Council, European Parliament, European Economic and Social Committee, as well as home to 120 international government organizations, as the key to a check-and-balance system between the interests of the US and China.

What is most notable about the European region, in addition to its political and economic clout, is the widely divergent performance of its participating countries. On the one hand, there are countries like Finland and Germany with 2007 Dow Jones Global Index results of 39% and 30.5% respectively. On the other hand, countries like Sweden and Ireland were sluggish with -3.1% and -19.2% Dow Jones Global Index results for 2007.

#### **North America Economy**

For purposes of this report, Mexico is assigned to the Latin America region. The influence of market size/share can be seen in the overall North America region growth numbers. The regional household products growth rate was a sub-par four percent, closely tracking the 3.8% Dow Jones Global Index 2007 stock market performance results for the United States. Despite a heady 27% increase in the Dow Jones Global Index for Canada, the sheer size of the US market depleted overall regional results.



## *Insights on Growth in Household Products*

### **Global Findings**

#### **Asia Pacific Economy**

China continues to embrace free market principals. In late August, Beijing indicated that it would loosen the constraints prohibiting mainland Chinese investors from divesting beyond domestic borders, and that Hong Kong stocks soon would be approved vehicles. In the ten weeks following that announcement, the Hong Kong Hang Seng index jumped almost 60%.

With the exception of Japan's six percent decline and New Zealand's lackluster two percent gain, the 2007 Dow Jones Growth Index results for Asia Pacific countries were in strong double-digit growth territory: Malaysia (44.6%), Thailand (39%), Phillipines (36.7%), Singapore (27.6%), and Australia (25.3%).

#### **Latin America Economy**

Mexico has an interlocking economy with the United States, with roughly three-quarters of Mexican exports shipping north to the US. The American market accounts for 23% of Mexico's gross domestic product. While free market governments like Mexico (10.8%) and Chile (23%), registered gains on the Dow Jones Growth Index, Venezuela financial markets fared poorly, despite the rapid rise in oil prices, a major export. The Caracas General Stock Index dropped 27% in 2007, possibly due to the economic policies of populist leader Hugo Chavez.

#### **EEMEA Economy**

According to analysts at the consulting firm Cap Gemini and financial giant Merrill Lynch, there are an estimated 88,000 millionaires in Russia today, and the country ranks second only to the US in the number of resident billionaires. Turkey remains a strong contributor, in part due to the continuing interest of European investors as the country courts the EU for official member status. Surprisingly, Greece enjoyed almost a 30% increase on the Dow Jones Growth Index benchmark. South Africa also enjoyed excellent DJGI results with a 12.6% year-to-year bump.



## Insights on Growth in Household Products

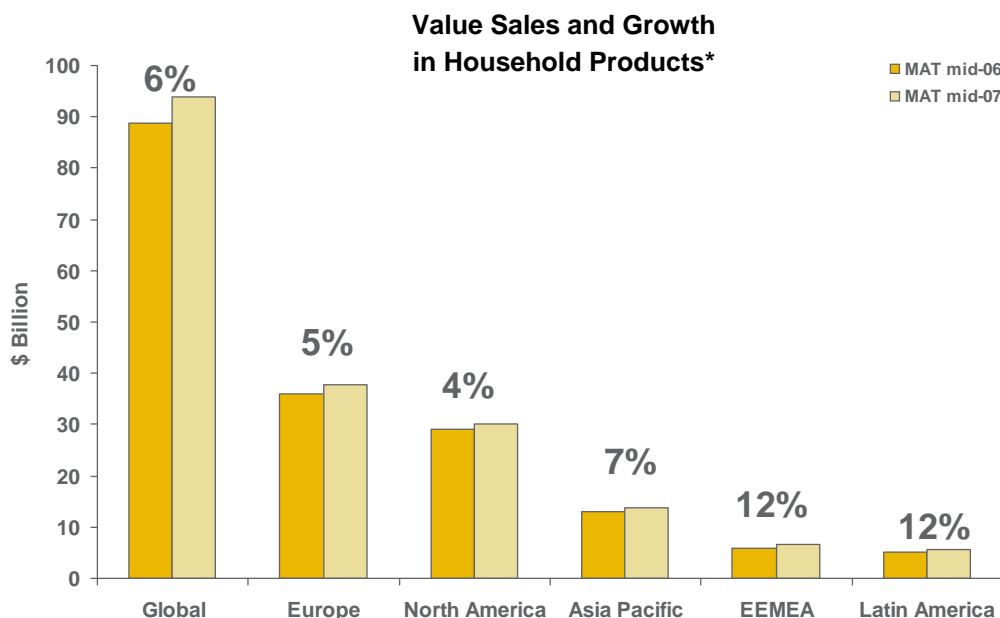
### Global Findings

Overall, Household Products grew globally by 6% through mid-2007

Across the markets included in the study, the aggregated sales of the 29 Household Product categories grew by six percent through mid-2007. This is a slightly higher rate than the previous time period in which this study was conducted (year ending 2005). However, it is still in a similar growth range globally compared to other “What’s Hot” studies, such as Food & Beverages and Personal Care.

Also similar to prior reports is the breakdown of value sales by market. Europe led the way again, with North America closely behind, fueled by the United States. Asia Pacific again was a region in the middle compared to the prior study, with EEMEA and Latin America showing smaller share.\*

The regions with smaller value share were showing a higher percentage of year-over-year growth. This might be expected, as a small actual-value increase within these regions will translate to a larger percentage increase than in other, larger regions. One surprise, however, was that Europe grew at five percent, when in the previous study period measured, its growth rate was flat.



\*Note: this study does not include results from Brazil which were reported in prior studies. During the period of this study, Brazil was upgrading its measurement coverage, which means there was not enough comparable historical information to include Brazil in the study. Because it is the largest single market in Latin America, this fact should be taken into consideration when comparing regional results or year-to-year performance.



## Global Findings

### Europe

Europe is a region with more developed countries than elsewhere around the world. Not surprisingly, growth in Europe was slightly behind the global average. However, when considering the overall share of total purchases of household items, Europe leads the way. Two categories in Europe that helped push the region's overall growth were Insect Control and Air Fresheners. These two categories were also among the fastest-growing globally.

Europe also saw slightly faster growth rates of private label compared to the total category average, also contributing to its size. Private label makes up almost one-fourth of value sales in Europe for Household products, which makes it a strong influencer of overall growth.

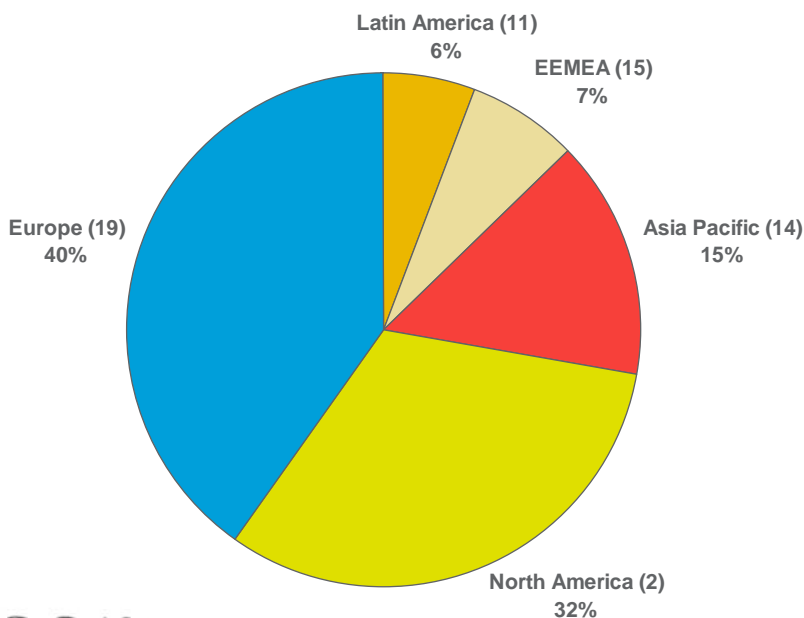
### North America

Performance in North America is primarily influenced by the US, the largest single consumer market in the world. Private label sales grew at an average of 6% in value sales, which is in line with global private label growth. However, manufacturer sales grew at only 4%, a signal that private label items may be gaining strength in the region. Although US numbers echoed the regional totals, Canada showed slower growth in private label goods, growing at only 4%.

### Latin America

Discounting Brazil, which was not included in this study, the fastest growing markets were Argentina and Venezuela. Interestingly, both markets showed a contradictory decline in Private Label, suggesting consumers may be making an active decision to switch to national and international brands.

Share of Value Sales by Region





## *Insights on Growth in Household Products*

### **Global Findings**

#### **Eastern Europe, Middle East, Africa (EEMEA)**

This region shows some typically high growth rates for smaller markets – Belarus (+51%), Pakistan (+35%), and Ukraine (+25%), for example. The rates are even higher for private label in some markets, as Latvia, Serbia & Montenegro and Romania each showed more than 100% increases in private label value sales. Some of the large growth in value sales was due to strong increases in inflation. This was noted especially in Ukraine.

Estonia, Slovenia and South Africa are three areas that are showing faster total category growth than private label. In particular, South Africa is showing significantly faster growth rate for the category (11%), while private label remains essentially flat.

#### **Asia Pacific**

Asia Pacific markets growing significantly faster included Malaysia, India and Vietnam. While the Philippines showed a slight decrease in overall category growth, Private Label sales showed double digit growth. Thailand also registered strong private label growth, outpacing total category growth 24% to 7%. The only place Private Label showed declines is in the Taiwan market, where a slight overall category decline is punctuated by a large (8%) decline in Private Label value sales.

Within Asia Pacific, it is interesting to note the disparity within markets in terms of growth. While regions like EEMEA and Latin America show generally high growth within all markets, and Europe and North America show generally moderate growth. In Asia Pacific, however, some countries are growing quickly, while others are showing a decline. Further, it is not a direct correlation to whether it is a developed market or not. India and Malaysia, for example, are both showing growth rates twice the global average, but Bangladesh and Taiwan actually showed declines. Japan, a developed market, was growing slightly faster than China, which has typically shown strong growth as a developing market.

A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray bottle with a trigger nozzle. To its right is another bottle with a cap. In the foreground, there is a large brush with many bristles and a pair of gloves. A sponge is visible at the bottom left. Two circular callouts are overlaid on the image: a white one with blue text and a blue one with white text.

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Category  
and Segment  
Growth



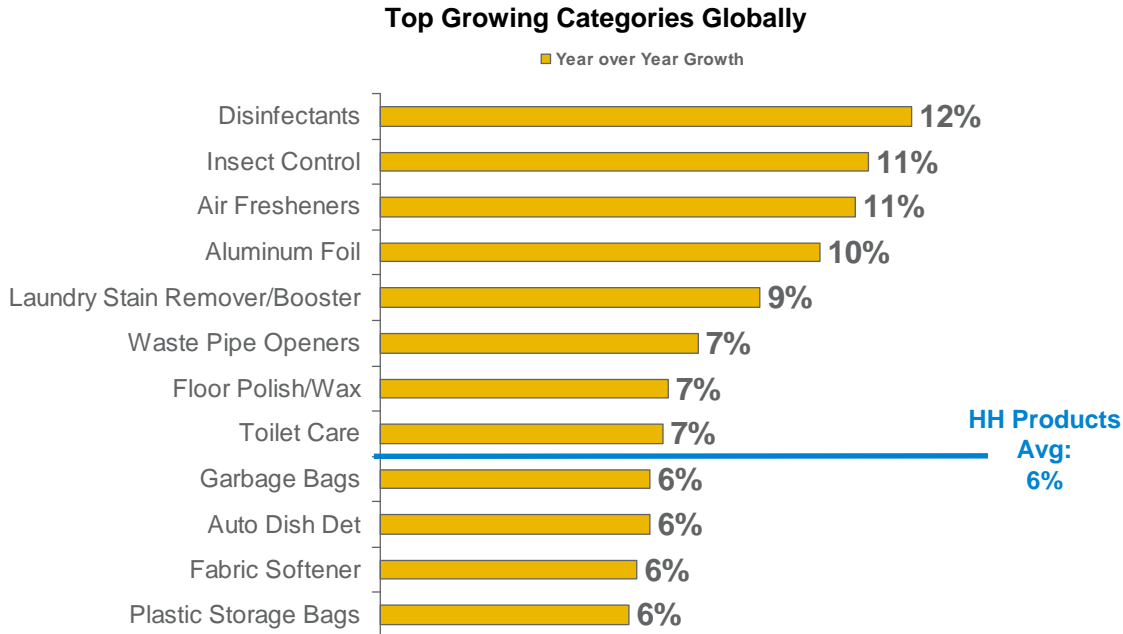
## Category and Segment Growth

### Top Growing Categories Globally

*A surprising number of \$1+ billion categories outpaced the average growth rate*

Household product sales for the mid-2006 to mid-2007 period expanded at a respectable six percent rate, an increase over findings from the prior 2005-2006 year-end report period. It is important to note that although both reports measure twelve month increments, making point-to-point comparisons is informative but not definitive, due to variances based on any differences in seasonality, the starting and ending months, or inclusions/exclusions of markets.

Twelve of the 29 product categories included in the study recorded growth rate increases greater than or equal to the six percent global average. For the second year running, many of the fastest-growing categories (air freshener, insect control, aluminum foil) also showed up on the largest (\$+1 billion) category chart. This runs counter to the previously established trend and indicates the likelihood of price increases or product innovations as growth drivers. Fully half of the \$1+ billion categories registered year-to-year growth rates greater than or equal to the six percent value growth average (see chart on page 16).





## *Insights on Growth in Household Products*

### **Top Growing Categories Globally**

Leading growth categories such as Disinfectants, Insect Control, Waste Pipe Openers and Toilet Care demonstrate a healthy market for consumers who want to keep their homes clean and functional. Innovations that focus on aesthetics, such as colored aluminum foil or air fresheners with unique dispensing systems and an entire portfolio of fragrances, speak to the desires of a growing middle class to improve the ambiance of their home environment while making a personal statement.

Meanwhile, the green movement began to establish a foothold on the household products front, demonstrating a concern for the environment by reducing the size and materials used in packaging and adjusting formulations of highly caustic or acidic cleaning products to gentler versions. Green issues, and effective cleaning power, are the magic combination that has made Oxi-based products so successful in the marketplace.

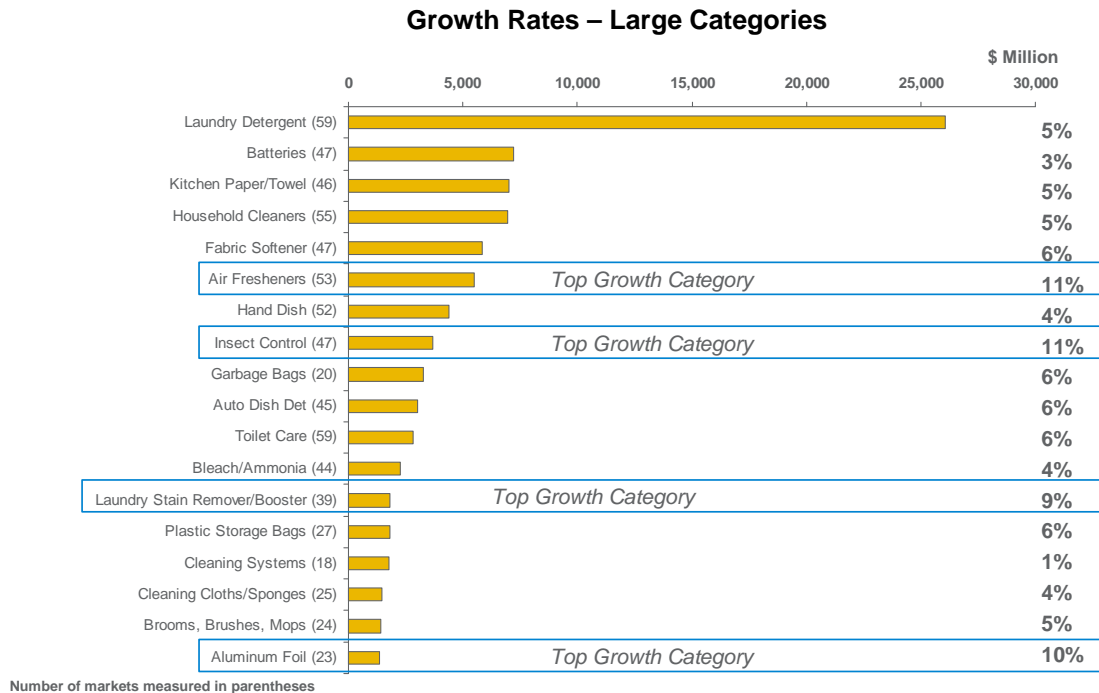
As consumers become more economically stable, their concerns begin to broaden from meeting immediate short-term needs such as basic home cleanliness, to considering the longer-term environmental impact of the materials used in their home. Experience in Europe and North America has shown that, all things being equal, consumers generally want to opt for the socially conscious solution that minimizes their carbon footprint, as long as it gets the job done.



## Largest Categories in Value Sales

Of the 29 categories included in the study, 18 had annual revenue of \$1 billion or more. Typically, one would not assume that the larger categories would exhibit high growth rates, given their size. However, of the 18, there were four that were growing faster than the total category average, and were considered to be a top-growing category for the year: Air Fresheners, Insect Control, Laundry Stain Remover/Booster and Aluminum Foil.

The reasons for growth are as varied as the categories themselves. For some, increases in material costs may have grown their value sales, while changes in the weather impacted others. Within each of the categories, however, innovations in product styles, scents, and colors were also factors.





## Regional Category Growth

A quick glance at the chart below underscores the similarities in consumer concerns such as clean clothes, a pleasant-smelling home and safe food storage, as well as the differences in general economic status and geophysical properties such as humidity, insect populations and water hardness. Although none of the fastest-growing global categories earned that honor in each and every region, air fresheners came close. It was the second fastest growing category in Europe at 13%, the fourth in North America at 8%, the fifth in Latin America at 29% and fourth in EEMEA at 22%. Disinfectants, laundry stain remover/booster and waste pipe openers each ranked among the top growth categories in three regions.

With the exception of North America, where the five percent annual growth rate for plastic storage bags, batteries, carpet/rug cleaner and laundry water softeners each underperformed the global growth rate by one percent, all other top growth categories in every region met or beat the six percent global growth average. In some of the less mature markets, double-digit growth patterns were the norm and quite impressive on a percentage basis, although total sales were a fraction of other regions. Examples include the floor polish/wax (31%), automatic dish additives and laundry stain remover/booster categories (30%) in Latin America and oven cleaners (47%) in EEMEA.

**Top 10 Categories and Growth Rate by Region**

| Europe<br>Overall Growth<br>5%         | North America<br>Overall Growth<br>4%   | Asia Pacific<br>Overall Growth<br>7% | Latin America<br>Overall Growth<br>12%  | EEMEA<br>Overall Growth<br>12% |
|--|---|--------------------------------------|---|--------------------------------|
| Insect Control<br>18%                  | Aluminum Foil<br>11%                    | Disinfectants<br>22%                 | Floor Polish/Wax<br>31%                 | Oven Cleaners<br>47%           |
| Air Fresheners<br>13%                  | Disinfectants<br>11%                    | Waste Pipe Openers<br>13%            | Auto Dish Additives<br>30%              | Waste Pipe Openers<br>29%      |
| Aluminum Foil<br>10%                   | Laundry Stain<br>Remover/Booster<br>10% | Auto Dish Detergent<br>13%           | Laundry Stain<br>Remover/Booster<br>30% | Auto Dish Additives<br>27%     |
| Laundry Stain<br>Remover/Booster<br>9% | Air Fresheners<br>8%                    | Fabric Fresheners<br>13%             | Abrasive Cleaning Pads<br>29%           | Air Fresheners<br>23%          |
| Waste Pipe Openers<br>7%               | Oven Cleaners<br>7%                     | Insect Control<br>13%                | Air Fresheners<br>29%                   | Auto Dish Detergent<br>20%     |
| Auto Dish Detergent<br>7%              | Garbage Bags<br>6%                      | Plastic Storage Bags<br>10%          | Cleaning Cloths/Sponges<br>28%          | Cleaning Cloths/Sponges<br>18% |
| Garbage Bags<br>7%                     | Plastic Storage Bags<br>5%              | Abrasive Cleaning Pads<br>10%        | Laundry Water Softeners<br>26%          | Fabric Softener<br>17%         |
| Toilet Care<br>7%                      | Batteries<br>5%                         | Household Cleaners<br>9%             | Plastic Storage Bags<br>24%             | Abrasive Cleaning Pads<br>17%  |
| Kitchen Paper/Towel<br>6%              | Carpet/Rug Cleaner<br>5%                | Floor Polish/Wax<br>9%               | Disinfectants<br>24%                    | Kitchen Paper/Towel<br>16%     |
| Brooms, Brushes, Mops<br>6%            | Laundry Water Softeners<br>5%           | Auto Dish Additives<br>9%            | Kitchen Paper/Towel<br>22%              | Brooms, Brushes, Mops<br>16%   |

A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray nozzle attached to a smaller bottle. To the right are two more bottles. In the foreground, there is a large brush with many bristles and a pair of gloves. A white circular callout is overlaid on the right side, and a blue circular callout is overlaid on the brush area.

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Fastest  
Growing  
Categories



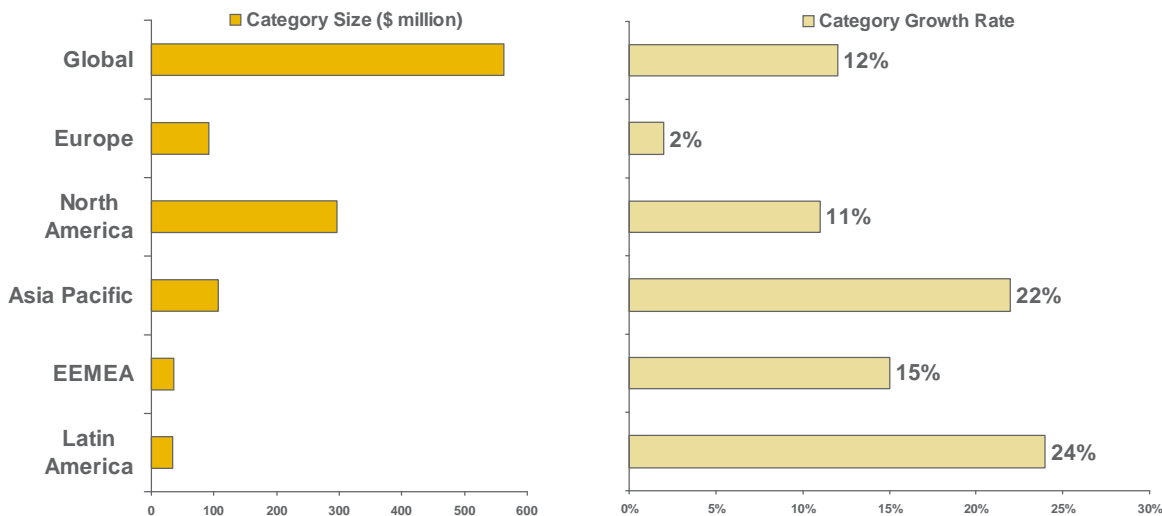
## Fastest Growing Categories

### 1. Disinfectants—Global Growth 12%

Disinfectants led all-category value sales growth for the 2006-2007 period with a global expansion rate of 12%, double the annual growth rate for all household products. Latin America led the charge with an impressive double digit increase of 24% (excluding Brazil), followed closely by the Asia Pacific region at 22%. While the strong performance of Latin America on a percentage basis could be attributed to the small size of the category in that region, roughly \$33.0 million, the opposite was true for Asia Pacific.

Although similar in size to the European region in this study, Asia Pacific logged ten times faster growth for household disinfectants, reaching nearly \$107.3 million in category dollar sales. In Europe, the modest increase could be attributed to the successful launch of a spray version of a popular brand and strong performance by a reduced-odor version of disinfectant.

In Eastern Europe, Middle East and Africa (EEMEA), results outpaced those of the overall category at 15%, with Slovenia reporting a strong showing by new market entrant Cif Power cream. Croatia, Greece and Turkey also contributed strongly to EEMEA growth. North America remained committed to cleanliness, showing an 11% increase in disinfectant sales on a volume base approaching three times the next largest region.



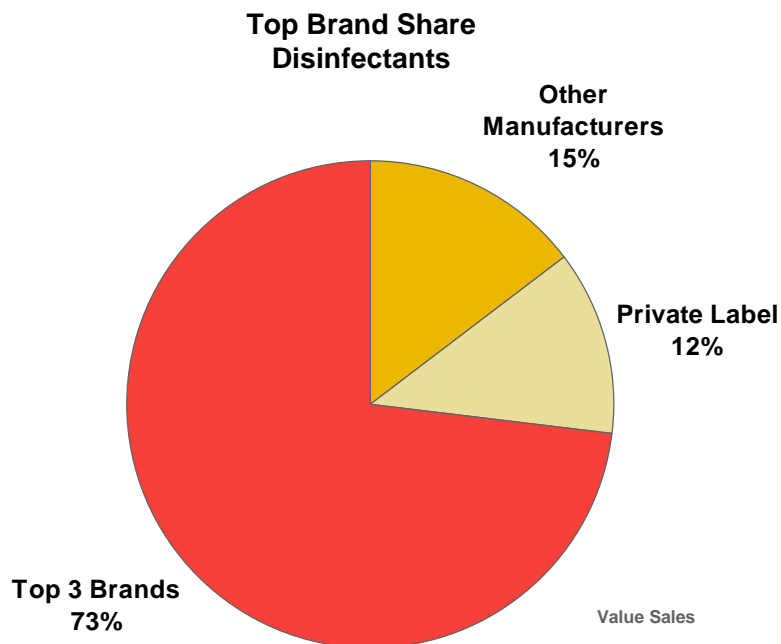


## Disinfectants—Global Growth 12% (cont.)

Countries of note for their rapid uptake of household products include Denmark, Japan, Chile, Ireland and Canada. Disinfectant liquids and convenient wipes were the two segments fueling sales growth.

Climate and a growing middle class may be contributing factors to the robust outcomes for Latin America and Asia Pacific. Regional heat and humidity create a “perfect storm” for bacteria that can threaten family health such as salmonella, staphylococcus and e-Coli to name a few. With increasing affluence, consumers are turning from multi-purpose chemical disinfectants like vinegar that require mixing and measuring, to application-specific, ready-to-use formulations and easy-to-handle and store wipes.

**Global Share:** the top three manufacturer brands accounted for nearly three-fourths of all disinfectant sales around the world. Private label products weighed in with a respectable 12% share.



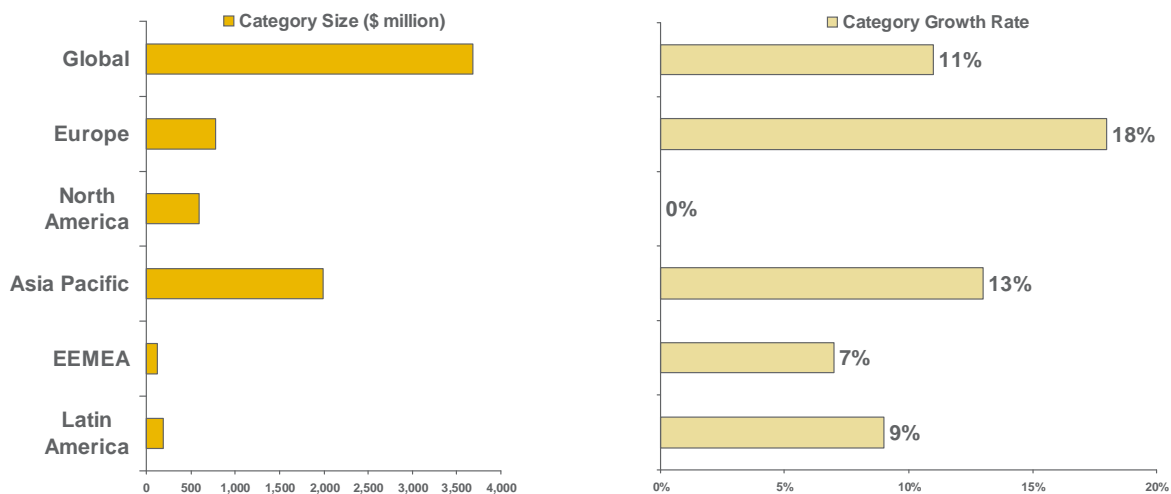


## 2. Insect Control—Global Growth 11%

Insect control products more than doubled their overall annual growth rate from the prior reporting period (11% vs. 5%). While insect control product sales are always brisk in countries where warmer temperatures and extended rainy seasons promote insect breeding, unusually warm temperatures in the past year may be altering conditions in a number of formerly temperate-climate countries, fostering an unusual infestation problem and boosting the need for control products.

Although insects are a nuisance, insect control speaks to an even more fundamental concern—health and wellbeing—since diseases ranging from malaria to dengue fever to West Nile virus to Lyme disease are carried by fleas, ticks, lice and mosquitoes.

Latin America's nine-percent category growth rate was highlighted by strong growth in Venezuela, which recorded impressive value sales in the study. An unseasonably warm European summer bumped year-to-year growth rates to 18%, whereas the insect product sales rate for the prior period had actually declined by one percent. Several European countries recorded growth rates greater than 20%, including Belgium, Denmark, Ireland and Italy, which contributed to Europe's domination in terms of category growth, accounting for almost 30% of value sales for the category in Europe.

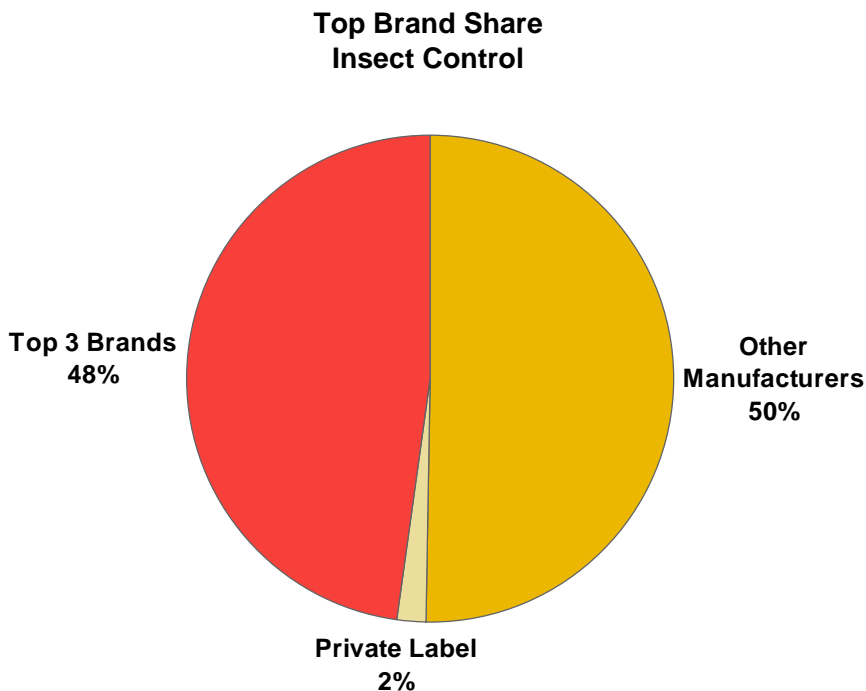




## 2. Insect Control—Global Growth 11% (cont.)

Asia Pacific category growth was almost twice that of the comparative year-earlier period at 13%, again reflecting unseasonable weather in India, China and Bangladesh. In fact, Asia Pacific insect problems are so severe that the region accounts for more than half of dollar sales and more than double the dollar value (almost \$2 billion) of the next largest regional share (Europe at \$782 million). Private label insect control products propelled category growth in excess of 20% in Slovenia, South Africa and other EEMEA countries, while North America reported virtually no change on a year-to-year basis.

**Global Share:** branded products dominate the insect control marketplace, although the distribution is much more balanced between the top three brands (48%) and offerings from second tier manufacturers (50%).



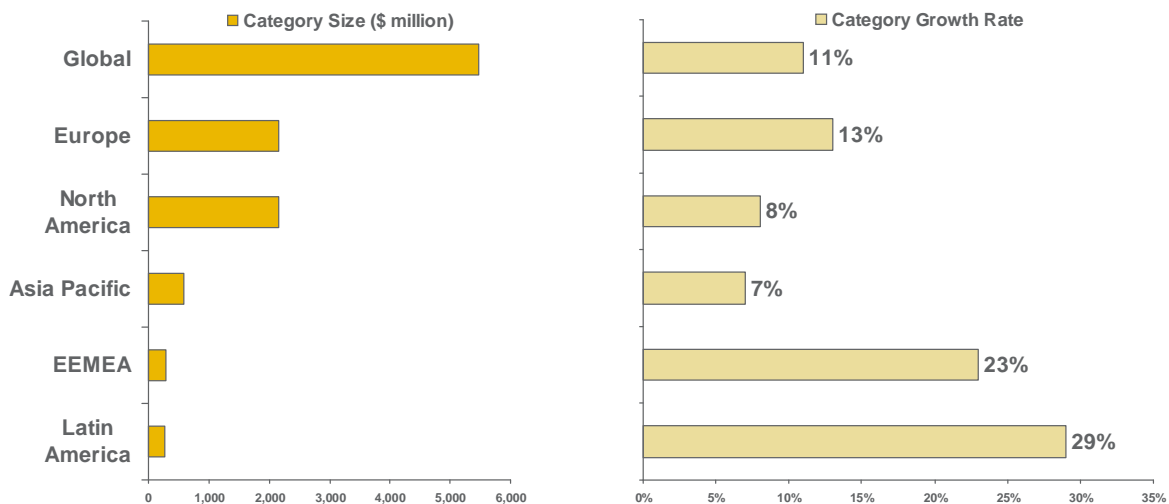


### 3. Air Fresheners—Global Growth 11%

Air Freshener category sales performance for the 2006-2007 period was a record characterized by twos: achieving double digit value sales growth and sharing the number-two spot with insect control products. Air Fresheners qualify as an “affordable luxury”, one of the small indulgences that enhance the quality of life at a relatively small cost on the splurge scale. Sales value was enhanced by items like electric air fresheners, which expanded into new markets (Croatia being a prime example) and demanded a higher price point as consumers purchased a base dispenser unit along with scented inserts.

Together, Europe and North America account for close to 80% of air freshener sales, with Europe outpacing the western continent at a 13% growth rate, making air fresheners the second fastest-growing household product category in Europe. One new product entry acting as a growth engine in Great Britain, Italy and Spain is the automatic air freshener segment that operates on a time-release method.

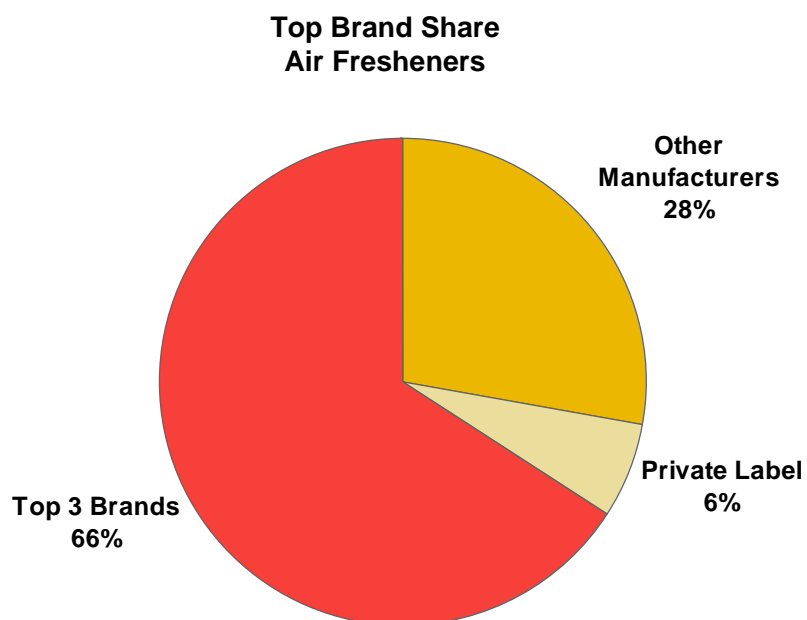
Latin America, particularly Argentina, Chile, Panama and Venezuela, and EEMEA achieved breezy regional results of 29% and 23% annual growth respectively. While the growth rates reflect the countries’ comparatively small value shares, the accelerated growth rates on a market level are undeniable, such as the 60% annual increase in Venezuela.





### 3. Air Fresheners—Global Growth 11% (cont.)

**Global Share:** the general distribution of air freshener brand share is similar to that of disinfectants, dominated by the top three brands, although “other” manufacturer brands weighed in with a stronger showing (28%). Private label underperformed its disinfectant category performance at six percent versus 11%.





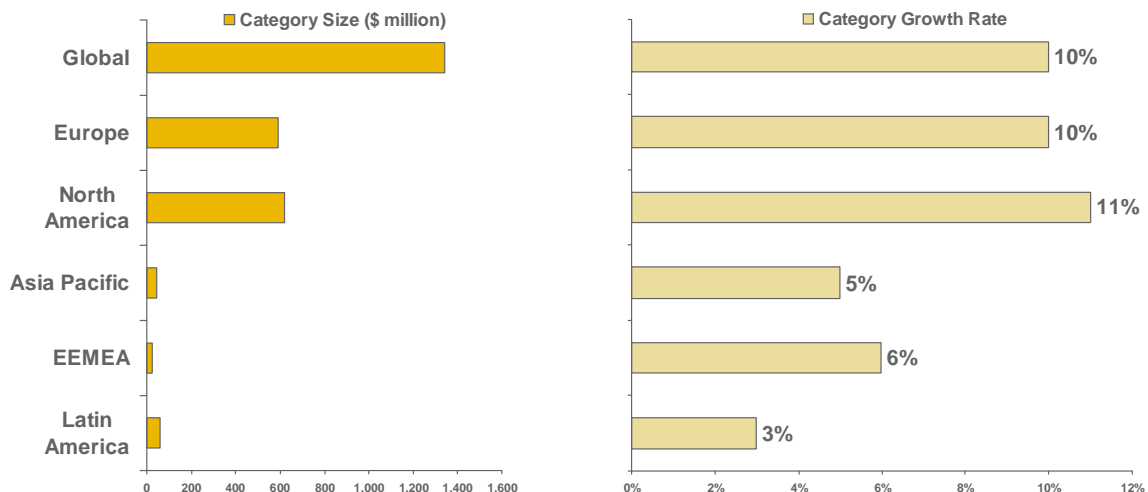
### 4. Aluminum Foil—Global Growth 10%

Aluminum Foil wrapped up its position on the fastest-growing category list compared to the prior year study. The category rocketed from 21<sup>st</sup> place among growing categories, to third place in 2007. North America and Europe accounted for the majority of gains on every measure, comprising 90% of category value sales and posting annual growth rates of 11% and 10% respectively.

Belgium and Great Britain led the sales charge in the European sector, attributable in large part to technological breakthroughs such as aluminum foil featuring a non-stick surface. Convenience and decorative attributes powered North American sales such as disposable foil bakeware, a popular option for preparing turkeys, red and green colored foil for the Christmas holidays and dispensers that accommodate both right- and left-handed cooks. The American penchant for grilling or barbecuing outdoors, a cooking technique that requires the liberal use of aluminum foil, also contributed to a sales spike.

Unlike plastics, aluminum is not a petrochemical-based product, a factor which may win over consumers concerned with their carbon footprint. Aluminum foil exhibits unusual properties including strength, formability, impermeability to moisture and gases, and complete barrier protection from ambient or UV light. Once criticized by environmentalists, aluminum foil is readily recyclable and acceptable by virtually all recycling facilities.

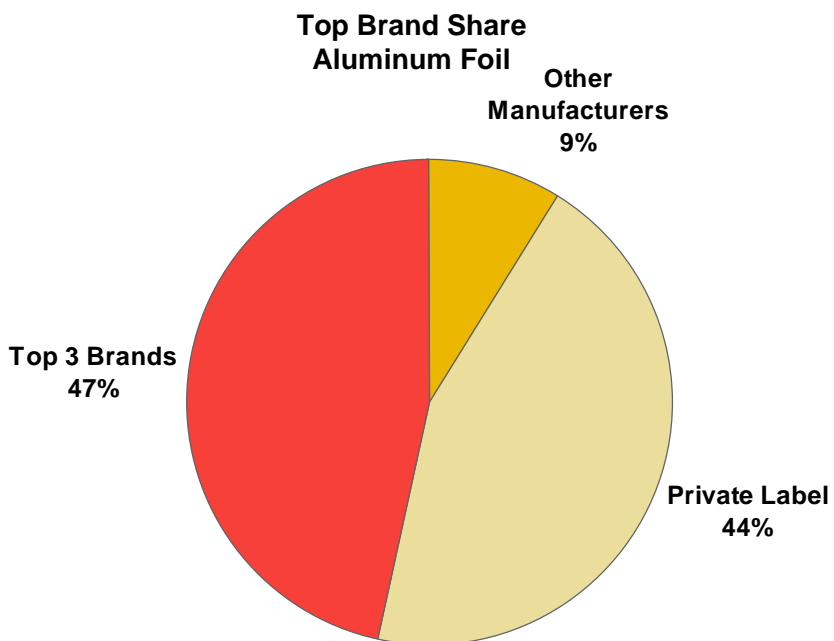
Latin America (5%), Asia Pacific (3%) and EEMEA (2%) each posted single digit gains.





#### 4. Aluminum Foil—Global Growth 10% (cont.)

**Global Share:** private label aluminum foil sales recorded the highest share of sales among these fast-growing product categories, garnering 44% of all sales, almost equal with the top three branded product sales combined. Other manufacturer brands made up the remainder at 9% of sales.





### 5. Laundry Stain Remover/Booster—Global Growth 9%

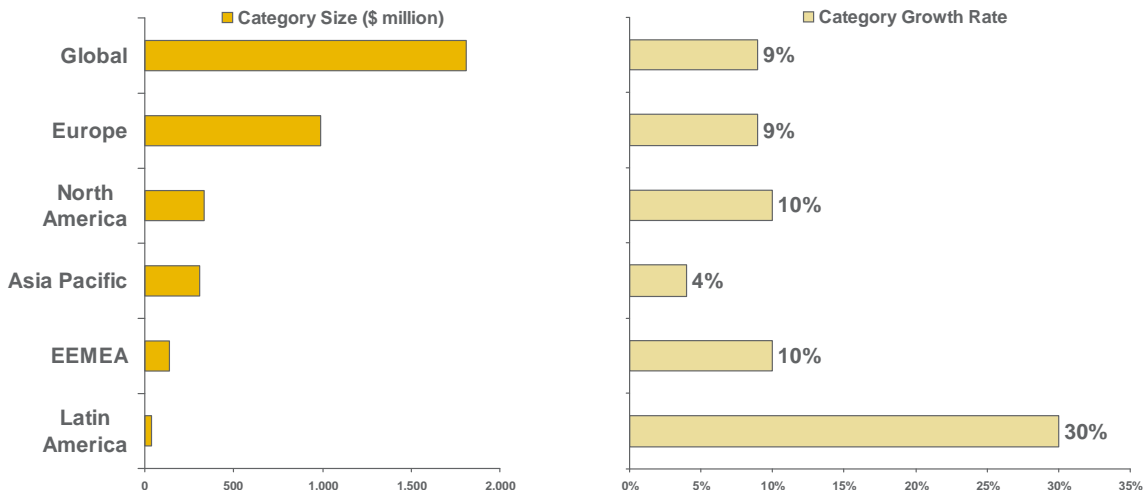
Laundry stain remover/booster products retained their fourth place position on the fastest-growing categories chart, despite picking up the sales pace from the six percent level of 2006. As Europe goes, so goes the category, because the European region commands 55% of global category sales. The results for 2007 could be called “Oxi-dental” in tribute to the impact of oxygen-based stain removers on category results for the second consecutive year. Other popular entries contributing to category increases include stain removal pens and the popularity of private label products in countries such as Italy.

This is one category where geography influences consumption on several levels. In tropical climates of Asia Pacific, cotton is the fabric of choice for its ability to wick heat away from the body and easy care qualities. Water used for fabric care in this region flows from naturally soft water sources. Soft water requires less soap to clean and leaves less residue or soap scum, extending fabric life. These factors may explain why, at four percent, Asia Pacific underperformed the global growth pace.

Conversely, colder weather in Europe calls for layering of synthetics and other engineered fabrics that require more fabric care to release stains and odors. Much of the UK water supply comes from aquifers replete with calcium carbonates and calcium sulfates that cause hard water.

Despite the impact of climate change on Latin American water supplies, and the effects of agricultural run-off and over-mining on the aquifers that supply the majority of water in South America and Mexico, this region’s growing middle class is hot on the trail of whiter whites and brighter colors in the laundry basket. The laundry stain remover/booster category posted a stunning 30% year-to-year growth rate, although that percentage is calculated based on only a few markets within region.

EEMEA countries reported a very respectable 10% increase, slightly above the category average, but in some cases, inflation accounts for the increase in large part.

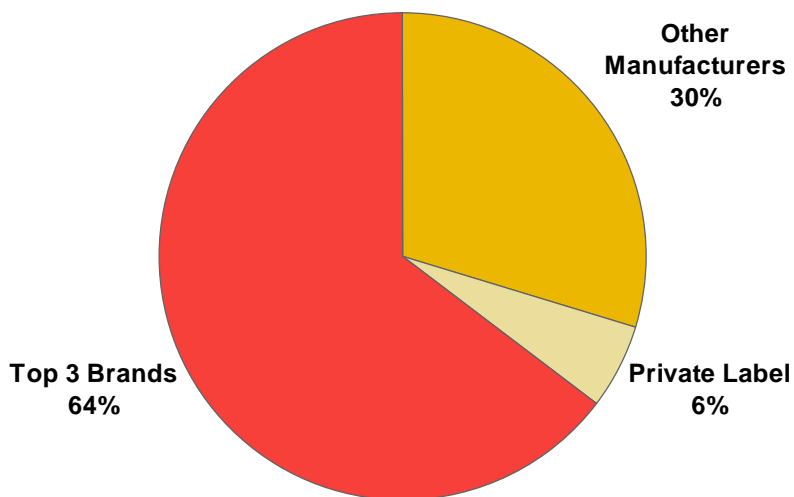




### 5. Laundry Stain Remover/Booster—Global Growth 9% (cont.)

**Global Share:** the private label laundry stain remover/booster market share remained constant at six percent. However, there was a significant shift in branded product share distribution. As “other” manufacturers got on the Oxi bandwagon and introduced their versions of products like stain remover pens, they had some success, growing to a larger overall portion of the market compared to the top 3 brands, which still comprise a commanding 64% of total value sales.

**Top Brand Share  
Laundry Stain Remover/Booster**



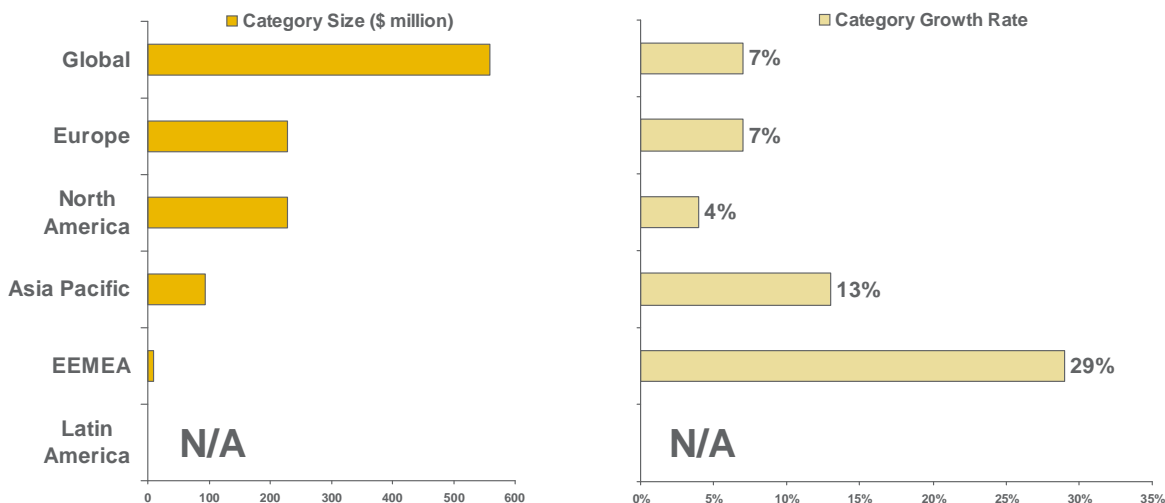


### 6. Waste Pipe Openers—Global Growth 7%

Waste Pipe Openers climbed from the number 20 spot on last year’s category roster to tie with floor polish/wax for the number five position in 2007. At seven percent, the waste pipe opener category results slightly outpaced the average six percent growth rate for all household products. Results are even more impressive considering that Latin American purchase results are not counted for this category in the 2007 analysis.

In a pattern similar to that observed in the air freshener category, North America and Europe commanded the majority of sales and boasted identical market shares of 41% each, with Asia Pacific a distant second with a 17% share. Although EEMEA garnered a nine percent dollar value share of the waste pipe opener category, its annual growth rate was a multiple of the larger countries’ at 29%.

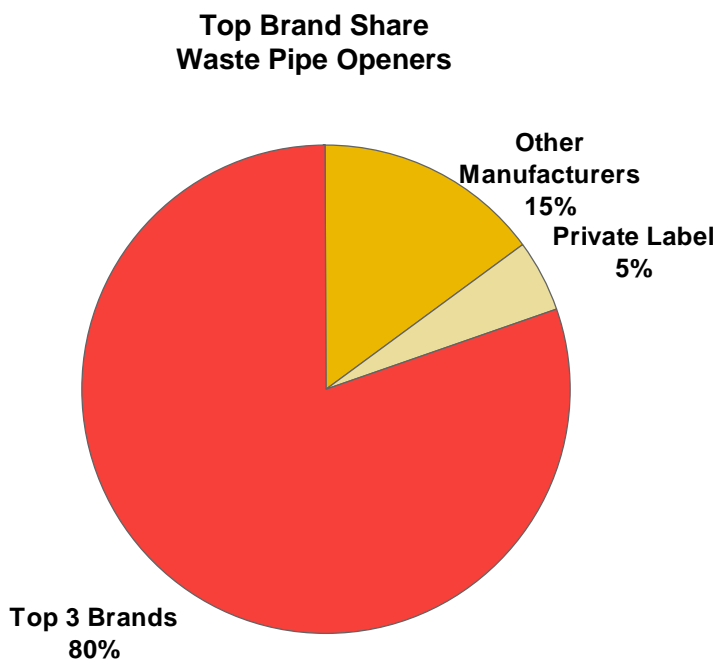
Waste pipe openers come in liquid, foam, crystal, enzyme, solid or air burst forms with frequent reformulations introduced to invigorate sales. Category sales growth drivers during the mid-2006 to mid-2007 study period included new product releases in Great Britain such as a new liquid drain opener which has posted sales increases since week one of its debut. Elsewhere in Europe, sales lift was provided by aggressive advertising in support of new products.





## 6. Waste Pipe Openers—Global Growth 7% (cont.)

**Global Share:** when a drain is clogged, consumers want immediate relief from a single application, and they're not willing to take a chance on an unknown brand. This might be the rationale that explains why the top three brands own 80% of the waste pipe opener market, while private label makes due with a small, five percent market share.





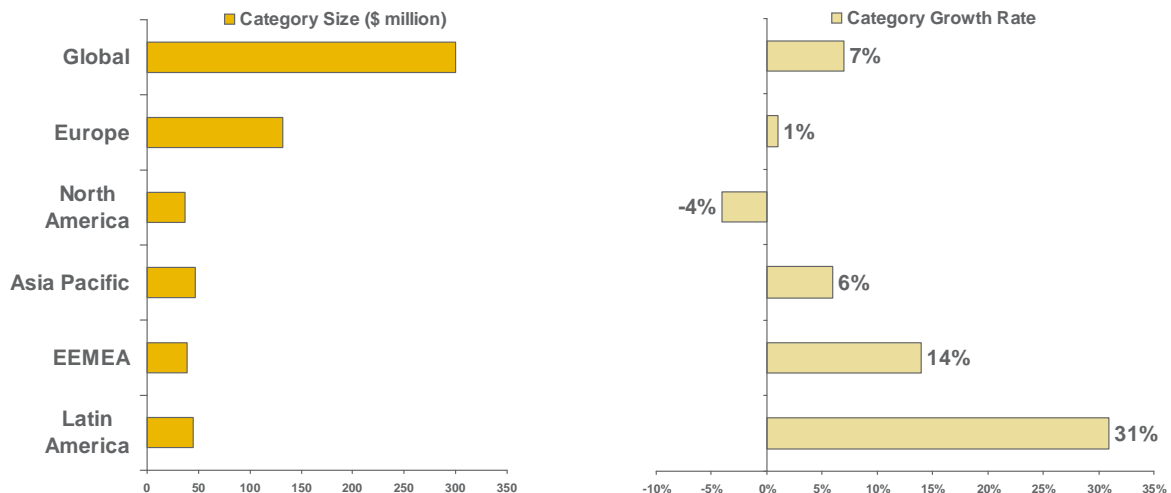
### 7. Floor Polish/Wax—Global Growth 7%

Floor polish/wax products were a strong newcomer to the rankings, moving from negative growth rates in the last report to one of the top growth categories in 2007. The global floor polish/wax growth rate was seven percent, above the global category average. Even though the time intervals measured in the two reports were asynchronous, both comprised a twelve month view of sales performance which would have a smoothing effect on the numbers, aiding a degree of comparability.

Sales distribution and the overall dynamic of the floor polish/wax category differ from most others. Although Europe owns a dominant market share (44% of sales), this market is essentially stagnant at one percent growth. North America is even less of a factor, accounting for a mere 12% of sales and registering negative growth with a four percent decline in sales velocity.

The remainder of the floor polish/wax category is relatively evenly divided between Asia Pacific with a 16% share, Latin America with a 15% share and EEMEA with a 13% share, all larger than the North American market share. Latin America is poised to become an even more significant player in the floor polish/wax category if it fulfills the promise suggested by a 31% annual growth rate, more than double the next fastest-growing region reported (EEMEA at 14%). It is worthy of note that the developing markets of EEMEA, with annual sales of \$39.2 million, represent a larger portion of global sales than North America.

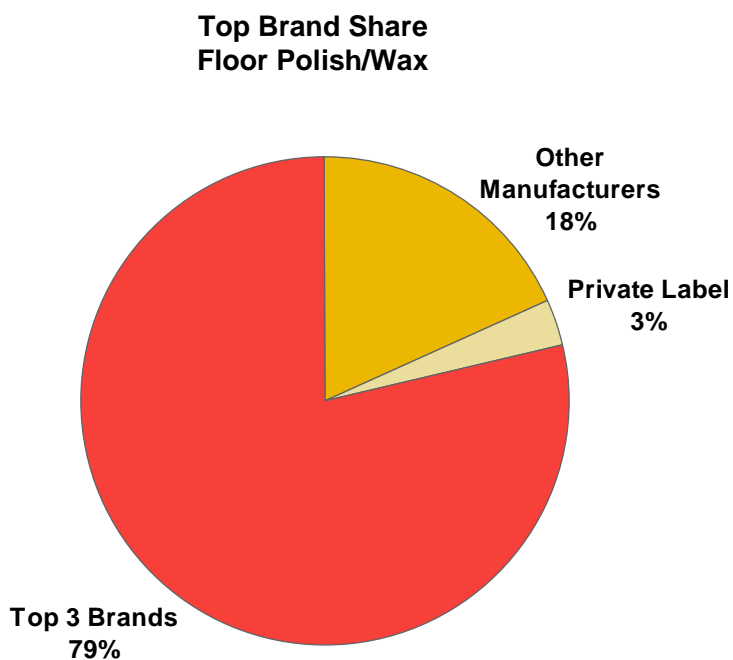
Rapid growth in lesser developed countries may signal the rise of a middle class ethic that can afford specific products to clean and polish the floor. One-step products are welcomed by consumers around the world for their convenience value, while creating a finish that serves as a visible symbol of the homemaker’s competency and concern for the family’s well-being.





## 7. Floor Polish/Wax—Global Growth 7% (cont.)

**Global Share:** more than three-quarters of floor polish/wax category sales resides in the top three brands, with 18% split among other manufacturer brands and an almost negligible three percent accruing to private label entries. One theory proposed to explain the dominant performance of major brands in this category holds that home image acts as a proxy for self-image, so it is important for homeowners to identify with a market leader known for quality.



A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray bottle with a trigger nozzle. To its right is another bottle with a cap. In the foreground, there is a white scrub brush with a wooden handle and a pair of white rubber gloves. A rectangular sponge is visible at the bottom left. Two overlapping circles are superimposed on the image: a white circle on the right containing the main title and a blue circle on the left containing the subtitle.

*What's Hot  
around the Globe:  
Insights on  
Household Products*

Private Label  
Trends



## Private Label Trends

Private label household products captured a 14% share of total global household product sales. The six percent total private label growth rate for 2007 was in line with the all-category household product growth rate which included branded goods.

Product categories exhibiting the highest share of private label products corresponded to products which many consumers likely viewed as a commodity with little difference in attributes or performance. These included Aluminum Foil (46%), Plastic Storage Bags (42%), Garbage Bags (41%) and Kitchen Paper/Towel (35%). Each of these categories also represents more than \$1 billion in annual sales. Together, these findings suggest that, as product categories grow and reach maturity, consumers better understand the benefits and uses of the product, and are both better able to make a brand vs. private label decision and confident enough to do so.

Interestingly, among these top private label-share categories, manufacturer brands outpaced the growth of private label in a few cases. The largest private label share category where this happened was Plastic Storage Bags. On the other hand, the most significant private label share gains were made within the Floor Polish/Wax category where private label growth was 19% but manufacturer brands only grew by 6%. The private label gains in this category, were most considerable in Europe and Latin America.

Examining the data from a growth *rate* perspective, the top private label categories in rank order were Aluminum Foil, a leader on both share and velocity measures, followed by Hand Dish Detergent, Garbage Bags, and Kitchen Paper/Towel. The table on the next page highlights these data points.

Who buys private label? Just about everyone. In a 2005 in-depth Private Label analysis across 38 markets via retail measurement sales information, Nielsen looked at who is buying Private Label via consumer panel information gathered from 14 markets across the globe. These household-focused insights revealed that nearly everyone buys Private Label goods. In fact, 100% of households in two-thirds of the markets reviewed had purchased Private Label goods during the past year, and even the “lowest” penetration level was a still strong 77% (Singapore).



### Private Label Growth by Category

|    |                                  | PL Share   | PL Category Growth Rate | MFR Category Growth Rate |
|----|----------------------------------|------------|-------------------------|--------------------------|
|    | <b>Category</b>                  | <b>14%</b> | <b>6%</b>               | <b>6%</b>                |
| 1  | Aluminum Foil **                 | 44%        | 12%                     | 8%                       |
| 2  | Plastic Storage Bags             | 42%        | 4%                      | 7%                       |
| 3  | Garbage Bags                     | 41%        | 10%                     | 4%                       |
| 4  | Kitchen Paper/Towel              | 35%        | 7%                      | 4%                       |
| 5  | Cleaning Cloths/Sponges          | 21%        | 13%                     | 2%                       |
| 6  | Plastic Wrap                     | 21%        | 2%                      | 1%                       |
| 7  | Bleach/Ammonia                   | 20%        | 5%                      | 4%                       |
| 8  | Auto Dish Additives              | 20%        | -5%                     | 3%                       |
| 9  | Auto Dish Detergent              | 17%        | 2%                      | 7%                       |
| 10 | Abrasive Cleaning Pads           | 16%        | 7%                      | 5%                       |
| 11 | Brooms, Brushes, Mops            | 16%        | 6%                      | 4%                       |
| 12 | Laundry Water Softeners          | 15%        | -0%                     | 5%                       |
| 13 | Toilet Care **                   | 14%        | 7%                      | 6%                       |
| 14 | Disinfectants **                 | 12%        | 17%                     | 12%                      |
| 15 | Hand Dish                        | 12%        | 11%                     | 3%                       |
| 16 | Fabric Softener                  | 12%        | -0%                     | 7%                       |
| 17 | Batteries                        | 11%        | 1%                      | 3%                       |
| 18 | Household Cleaners               | 10%        | 7%                      | 4%                       |
| 19 | Oven Cleaners                    | 7%         | 9%                      | 5%                       |
| 20 | Laundry Detergent                | 7%         | 5%                      | 5%                       |
| 21 | Laundry Starch                   | 7%         | -9%                     | -4%                      |
| 22 | Cleaning Systems                 | 6%         | 8%                      | 1%                       |
| 23 | Air Fresheners **                | 6%         | 13%                     | 11%                      |
| 24 | Furniture Polish                 | 6%         | 10%                     | 2%                       |
| 25 | Carpet/Rug Cleaner               | 6%         | -6%                     | 4%                       |
| 26 | Laundry Stain Remover/Booster ** | 6%         | 16%                     | 9%                       |
| 27 | Fabric Fresheners                | 5%         | -4%                     | -0%                      |
| 28 | Waste Pipe Openers **            | 5%         | 11%                     | 7%                       |
| 29 | Floor Polish/Wax **              | 3%         | 19%                     | 6%                       |
| 30 | Insect Control **                | 2%         | 5%                      | 11%                      |

\*\* Fastest growing categories  

 = Manufacturer brands growing faster than Private Label

A grayscale photograph of various household cleaning products. On the left is a large bottle with a cap. In the center is a spray bottle with a trigger. To its right is another bottle. In the foreground, there is a white scrub brush with a black handle, a pair of white rubber gloves, and a rectangular sponge. Two circular callouts are overlaid on the image: a white one with blue text and a blue one with white text.

*What's Hot  
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Methodology



## Methodology

### Markets

This Nielsen study focused on the following 61 markets across five regions. These markets account for 85% of the world's GDP and over 70% of the world's population.

|  |   |
|--|---|
| <p><b>Europe (19)</b><br/> Austria<br/> Belgium<br/> Czech Republic<br/> Denmark<br/> Finland<br/> France<br/> Germany<br/> Great Britain<br/> Hungary<br/> Ireland<br/> Italy<br/> Netherlands<br/> Norway<br/> Poland<br/> Portugal<br/> Slovakia<br/> Spain<br/> Sweden<br/> Switzerland</p> <p><b>Asia Pacific (14)</b><br/> Australia<br/> Bangladesh<br/> China<br/> Hong Kong<br/> India<br/> Japan<br/> Malaysia<br/> New Zealand<br/> Philippines<br/> Singapore<br/> Sri Lanka<br/> Thailand<br/> Taiwan<br/> Vietnam</p> <p><b>North America (2)</b><br/> Canada<br/> United States</p> | <p><b>Eastern Europe, Middle East, Africa (EEMEA) (15)</b><br/> Belarus<br/> Croatia<br/> Estonia<br/> Greece<br/> Kenya<br/> Latvia<br/> Lithuania<br/> Pakistan<br/> Romania<br/> Russia<br/> Serbia &amp; Montenegro<br/> Slovenia<br/> South Africa<br/> Turkey<br/> Ukraine</p> <p><b>Latin America (11)</b><br/> Argentina<br/> Chile<br/> Colombia<br/> Costa Rica<br/> El Salvador<br/> Guatemala<br/> Honduras<br/> Mexico<br/> Nicaragua<br/> Panama<br/> Venezuela</p> |
|--|---|



## Categories & Segments

To get a complete view of Household Products, Nielsen captured trends from the categories and sub-categories listed below.

### Auto Dish Detergent

- Auto Dish Det Tablets/Gel Capsules
- Auto Dish Det Liquid
- Auto Dish Det Powder
- Auto Dish Det - multifunction 2in1, 3in1

### Auto Dish Additives

#### Hand Dish

- Antibacterial Hand Dish
- Aromatherapy Hand Dish
- Hand Dish Wipes

#### Household Cleaners

- Antibacterial Household Cleaning
- Household Cleaning Wipes
- Household Cleaning Spray-Ons
- Eraser Pad/Sponge
- Power Cleaners

#### Oven Cleaners

#### Toilet Care

- Toilet Care Wipes

#### Bleach/Ammonia

- Bleach Pens

#### Disinfectants

- Disinfectant Wipes
- Disinfectant Sprays

#### Waste Pipe Openers

#### Furniture Polish

- Furniture Polish Wipes

#### Floor Polish/Wax

#### Carpet/Rug Cleaner

#### Air Fresheners

- Electric Air Fresheners
- Battery Air Fresheners
- Odor Eliminator/Air Sanitizer

#### Brooms, Brushes, Mops

### Cleaning Systems

- Floor Cleaning Systems
- Bathroom Cleaning Systems
- Toilet Cleaning Systems
- Dusting Systems

### Cleaning Cloths/Sponges

- Antibacterial Cleaning Cloths

### Abrasive Cleaning Pads

### Kitchen Paper/Towel

### Laundry Detergent

- Laundry Detergent Tablets/Gel Capsules
- Laundry Detergent Liquid
- Laundry Detergent Powder
- Dark Clothing Laundry Detergent

### Fabric Softener

- Fabric Softener Liq
- Fabric Softener Sheets
- Fabric Softener Tablets/Gel Capsules

### Laundry Starch

### Laundry Stain Remover/Booster

- Laundry Stain No-wash
- Laundry Stain Oxi products

### Laundry Water Softeners

### Fabric Fresheners

- Antibacterial Fabric Fresheners

### Aluminum Foil

### Plastic Wrap

### Plastic Storage Bags

### Garbage Bags

### Batteries

- Non-Rechargeable Batteries
- Rechargeable Batteries

### Insect Control



## **Coverage**

As with our other studies, this report is based on purchasing information from grocery and mass merchandise retailers and generally excludes such channels as department stores and home improvement centers. In some markets, sales from convenience stores, pharmacies, and specialty stores are also included. It is important to note that Nielsen consumer panel data has been included as the source for US Wal-Mart information, which is included in the totals for North America.

Since coverage can differ significantly across markets, we have cited in our findings the actual number of markets included in this study where relevant. In cases where products were segmented into different categories across markets, we have aligned the products and categories in order to provide the most consistent view available.

It should be noted that this study did not include Brazil, which was a part of previous studies. For the time period of this study, Brazil was upgrading their measurement coverage, which means there was not enough historical information to include this market in the study. As Brazil is the largest market in Latin America, this fact should be taken into consideration when comparing regions.

## **Time Period**

Information was collected for the consecutive 12-month periods ending May 2006 and 2007. Due to differences in timing of data collection in some locations around the world, the actual year-ending date could vary among different markets; however, each market compared consistent 12-month year-over-year figures.



## Insights on Growth in Household Products

### Exchange Rate (per US\$)

To obtain a global perspective, local currency was converted to US dollars using a constant exchange rate of May 2007 across the two years measured.

#### Europe

|                  |        |
|------------------|--------|
| Euro             | 1.3437 |
| British Pound    | 1.9774 |
| Czech Koruna     | 0.0474 |
| Danish Krone     | 0.1804 |
| Hungarian Forint | 0.0054 |
| Norwegian Krone  | 0.1654 |
| Polish Zloty     | 0.3513 |
| Slovakia Koruna  | 0.0395 |
| Swedish Krona    | 0.1444 |
| Swiss Franc      | 0.8152 |

#### Latin America

|                    |        |
|--------------------|--------|
| Argentine Peso     | 0.3248 |
| Chilean Peso       | 0.0019 |
| Colombian Peso     | 0.0005 |
| Costa Rica Colon   | 0.0020 |
| El Salvador Colon  | 0.1166 |
| Guatemala Quetzal  | 0.1332 |
| Honduras Lempira   | 0.0540 |
| Mexican Peso       | 0.0930 |
| Nicaragua Cordoba  | 0.0555 |
| Panamanian Balboa  | 1.0195 |
| Venezuelan Bolivar | 0.0005 |

#### North America

|                 |        |
|-----------------|--------|
| Canadian Dollar | 0.9334 |
|-----------------|--------|

#### Asia Pacific

|                    |        |
|--------------------|--------|
| Australian Dollar  | 0.8262 |
| Bangladesh Taka    | 0.0148 |
| China Renminbi     | 0.1305 |
| Hong Kong Dollar   | 0.1279 |
| Indian Rupee       | 0.0247 |
| Japanese Yen       | 0.0082 |
| Malaysian Ringgit  | 0.2940 |
| New Zealand Dollar | 0.7356 |
| Philippines Peso   | 0.0216 |
| Singapore Dollar   | 0.6525 |
| Sri Lanka Rupee    | 0.0090 |
| Taiwan Dollar      | 0.0302 |
| Thai Baht          | 0.0302 |
| Vietnam Dong       | 0.0001 |

#### Emerging Markets

|                    |        |
|--------------------|--------|
| Belarus Rouble     | 0.0005 |
| Croatian Kuna      | 0.1840 |
| Estonian Kroon     | 0.0859 |
| Kenyan Shilling    | 0.0150 |
| Latvian Lat        | 1.9331 |
| Lithuanian Lit     | 0.3892 |
| New Turkish Lira   | 0.7550 |
| Pakistani Rupee    | 0.0165 |
| Romanian Leu (new) | 0.4120 |
| Russian Ruble      | 0.0386 |
| Serbian Dinar      | 0.0168 |
| Slovenia Tolar     | 0.0056 |
| South African Rand | 0.1402 |
| Ukraine Hryvna     | 0.2026 |