



BRAZIL

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RETAIL TRENDS

In 2015, it is important to highlight the opening of the first Eataly store in São Paulo. In addition, there has been an **expansion of small gourmet stores** such as Minuto Pão de Açúcar and **cash and carry stores**, which are known in Brazil as “atacarejo”, such as Assaí (from Grupo Pão de Açúcar) and Atacadão (from Carrefour) and others.

CONSUMER TRENDS

Consumers have become more rational because of the crisis in Brazil (inflation and rise in unemployment). Therefore, since last year, **consumers are focused on “grabbing” the best cost/benefit ratio offered by the market.** Thus, the focus is on basic and low price products and cash and carry stores have been quite visible. Furthermore, the consumers have been on the lookout for this solution because they want to cater to other demands as well such as **easy cooking, healthy, fresh and gourmet products.**

TREND 1: NATURAL, FRESH AND HEALTHY

The concept of “health food store” is expanding. In this kind of store, at least 50% of the sales area is dedicated to fresh food (vegetables and fruits). This strategy is in response to consumer needs. Supermarkets, at large, have tried to expand areas devoted to functional products and specific necessities. They have increased the offer of gluten, lactose and cholesterol free products.

TIROLEZ ZERO LACTOSE

Brand: Tirolez

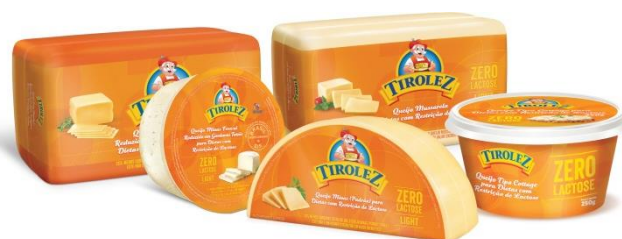
Launch date: 07/2015

Category: Fresh Products

Family: Cheeses



General description: The range of products is made up of several kinds of lactose free cheese including mozzarella, cottage cheese and Minas Frescal. Lactose is a disaccharide sugar derived from galactose and glucose that is found in milk. They are also trans-fat-free. Cheese without the lactose manufacturing process is very similar to traditional cheese. A natural enzyme is added to break two kinds of sugar. The taste is similar to the conventional version of cheese.



Why is this product a success? There is a substantial number of people with lactose intolerance in Brazil. According to the Brazilian Federation of Gastroenterology, 40% of the population has some restrictions. It is the single product line of cheese with this attribute in the country.



TREND 2: CONVENIENCE

A few years ago, the driver of consumption was convenience and it still is, and even more so. Big retail companies have been focusing on convenience stores or small gourmet stores. These kind of stores offer products to meet consumers' demands because they don't have any time to lose.

FRIBOI TODO DIA

Brand: JBS Group

Launch date: 01/2015

Category: Frozen products

Family: Savory Frozen products

General description: Convenience and variety: this is the concept behind the line of products Friboi Todo Dia (Friboi Everyday), made up of 14 chilled or frozen beef recipes ready for consumption. Beef stroganoff, rib with sauce, beef strips with onion are some of the options. You only need to put them in the microwave or oven. The recipes are roasted or grilled. The manufacturing involves a thermal process with high temperature to sterilize, preserve properties and guarantee a long shelf life (10 months) for the products



Why is this product a success? Time is precious and every minute counts. Friboi Todo Dia helps consumers with a very busy lifestyle to have a healthy dinner. It is a success because, after a test phase conducted in São Paulo, the line of products is now available for purchase at other locations.

TREND 3: PRICE WAR

The strategy used by cash and carry, "atacarejo", is remarkable. They offer low price and large economical packaging. Consumers at large (especially families) buy in this kind of stores. But these stores also sell to small businesses such as neighboring stores or restaurants and bars. Some cash and carry stores sell 20% more than other kinds of stores.

KELLOGG'S GRANOLA

Brand: Kellogg's

Launch date: 11/2015

Category: Grocery

Family: Cereals

General description: This product is an extension of traditional muesli in three options: vanilla, apple and chia, cocoa and chia. Salvia hispanica, commonly known as chia, is a species of flowering plants. Some researches indicate potential health benefits from consuming chia seeds including reducing weight. The most innovative aspect of this product is the packaging. The company replaced the cardboard box with a stand up pouch to reduce the price. The packaging is also bigger and there is a price indication.





Why is this product a success? In addition to being a functional and healthy food, the new packaging meets the demand for a lower price. The consumer can save 26% of money compared with four small packages, which contain the same amount of muesli. It's a good example of products sold in cash and carry stores.

NEW RETAIL CONCEPT

Eataly (Italian Brand) is a new concept introduced in Brazil. Brazilian retail had already been introduced to the concept of supermarkets with restaurants. However, the idea behind Eataly is very different. It is a brand-new concept for Brazilians consumers. At the same place, they can eat and buy products. This new concept provides an innovative experience.

OTHER MAJOR RETAILERS

The concept of "atacarejo" (cash and carry stores) is very interesting. Their product assortment focuses on food. They offer low prices and large economical packaging. Others kinds of retail highlights are "health food stores" and big "gourmet bakeries". This kind of retail offers everything from coffee, meals, wine, etc. They also offer frozen ready meals to be eaten at home.

DO NOT MISS

Verdemar Store from Minas Gerais, this concept blends a large gourmet store with a restaurant.

Assaí store (Grupo Pão de Açúcar's brand); **Atacadão store** (Carrefour's brand); **Maxxi store** (Walmart's brand), all of them are cash and carry stores or "atacarejos".

Natural da Terra, Hortifruti, Oba, Saúde store, all of them are specialized in fresh food and more than 50% of the sales area is dedicated to fresh food.