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Fresh thinking. Clear advice.

2019

KEY RESULTS

Lactose intolerance
Quantitative estimation of market potential in Kazakhstan

Prepared for: GROUPE LACTALIS

SUMMARY

All data shown on Lactose free target	**KAZAKHSTAN**
SIZE OF	28% of urban population
LACTOSE FREE TARGET	Estimated at 2,6 mln people
	Most feel discomfort, very few identify as lactose intolerant- 5%
MILK CONSUMPTION	Consumption of milk is lower among lactose free target than population, but the share is still rather high as the majority inside Target audience are milk consumers (KAZ 76%).
	Most often consumed: equally throughout the day, with tea/coffee dominant
LACTOSE FREE TARGET PROFILE	Overall no difference vs Total population in socio-demographics
	Tend to care about the nutritive value and avoid certain ingredients in their diet
LACTOSE FREE AWARENESS	89% of the target aware of lactose, 52% aware of lactose free products
	Very basic knowledge about “lactose”: found in milk and milk products, some people have problems digesting it.
LACTOSE FREE CONSUMPTION	32% of the target has consumed some lactose free product (Oat products – 7%, Cottage cheese – 7%, UHT milk – 6%) and 36% are interested in trying in the future.
LACTOSE FREE DRIVERS & BARRIERS	Drivers: NA (low sample size)
	Barriers: 1) don’t have a need for it, 2) prefer usual milk products
	3) know little about the product,
LOW LACTOSE / LACTOSE FREE BRANDS	Spontaneous awareness: 1) Valio Eila (27%), 2) Lactel Easy Morning (23%), 3) Ajnalajyn (11%)
	Lactel Easy Morning: Prompted awareness 75% (no1), high conversion to purchase

STUDY DETAILS

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OBJECTIVES:

To quantify:

- % of milk consumers (which milk type)
- % of people who feel unpleasant sensations after drinking milk / intolerant people
- Reasons for not consuming milk - % of those who don’t drink milk because of: unpleasant sensations after drinking milk, having concerns related to milk consumption in adulthood…
- Low Lactose/ Lactose Free category awareness and % of buyers,
- Parmalat Low Lactose and Valio Eila awareness and % of buyers (for Russia)
- Awareness and understanding of lactose
- Category purchase reasons and barriers
- Category and brand habits

METHOD:

Data collection: Online via Internet panel

- Kazakhstan: OMI (32 000+ panelists)

Target group

- Urban population of Kazakhstan (all cities),
- Males & Females, 20-55
- 800 interview
- Nationally representative sample
- Quotas on region/gender/age in accordance with official statistics on the country's population
- Readings on Almaty & Nur-Sultan

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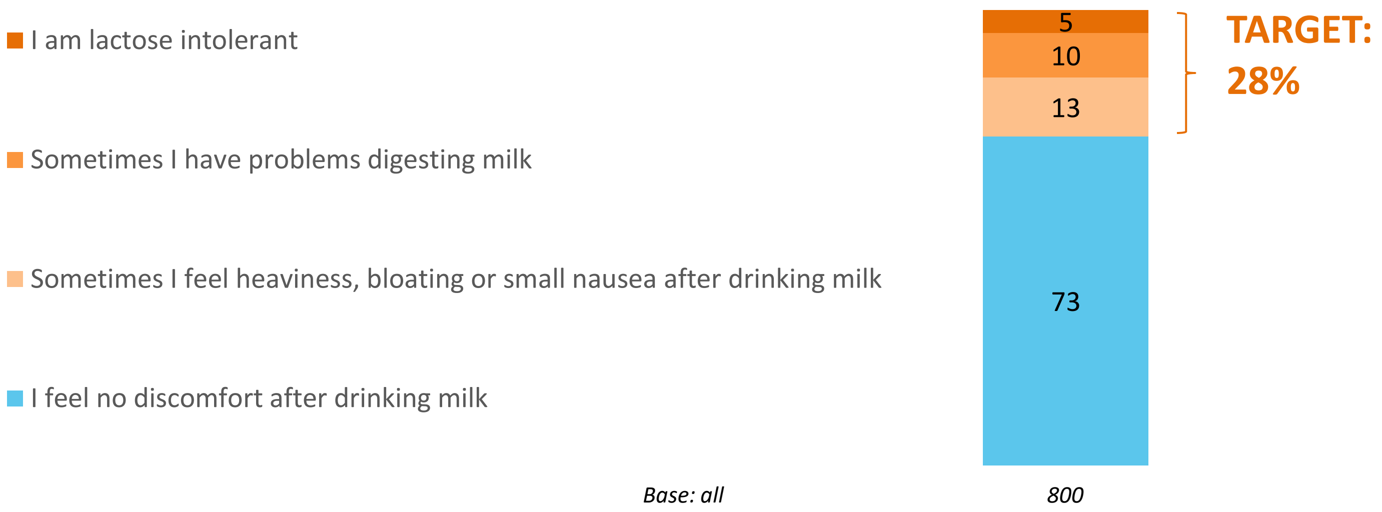
SIZE OF LACTOSE FREE TARGET AUDIENCE

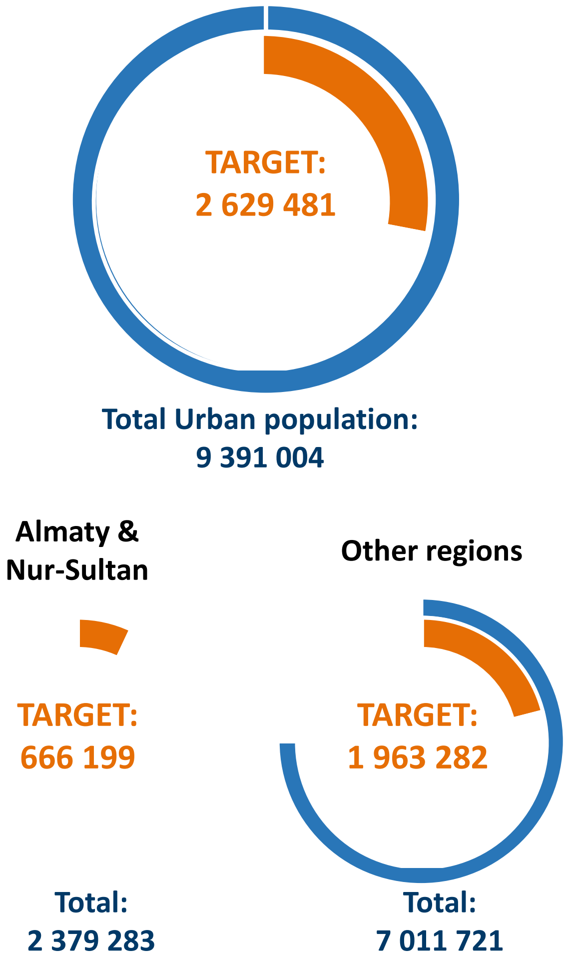
Lactose free target audience

Share of people who meet with milk digestion difficulties is estimated as high, reaching 28%.

%



People



Further we consider as Target group those who claim: I am lactose intolerant or Sometimes I have problems digesting milk or Sometimes I feel heaviness, bloating or small nausea after drinking milk.

M0. Among the following sentences, which one apply to you currently?

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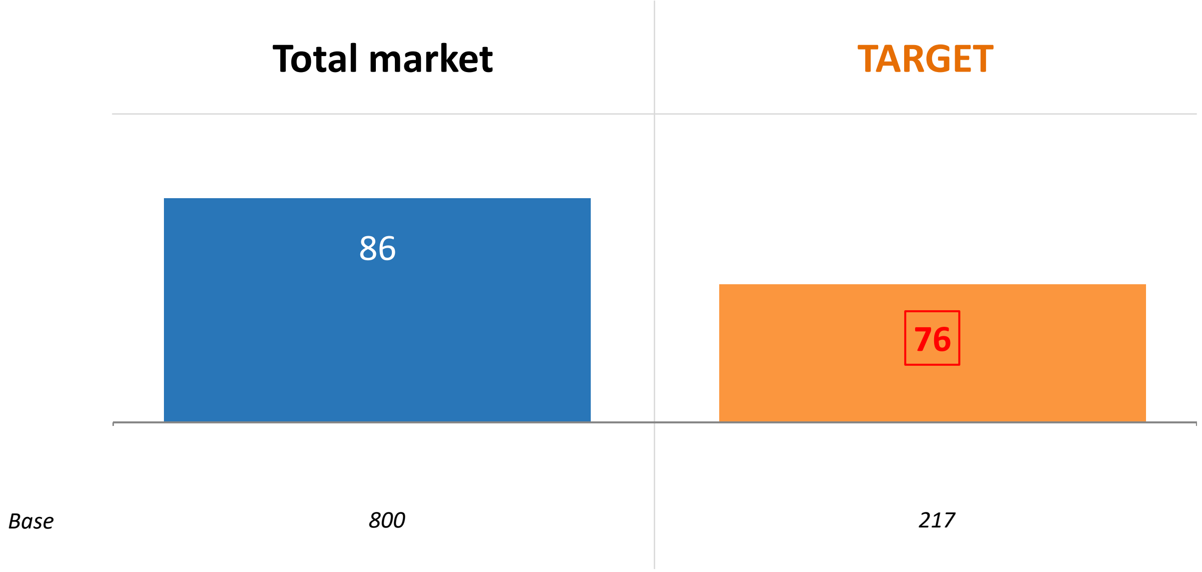
MILK CONSUMPTION

Share of milk consumers, %, past 12 months

Milk penetration among Target group is significantly lower vs. Total market.
But the share could be estimated as still high, as the majority inside Target audience are milk consumers.

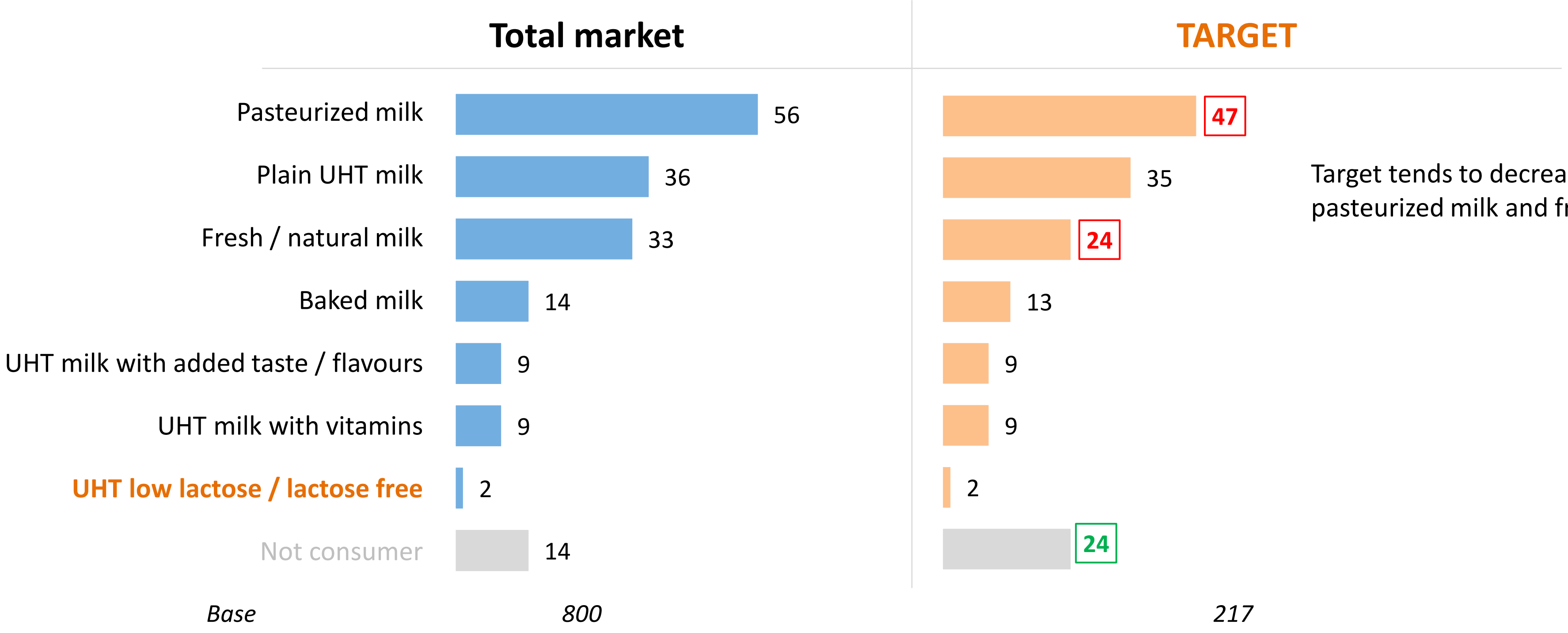


10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

M1. Have you consumed cow's milk in the last 12 months?

Types of milk consumption, %

Pasteurized milk leads by share among both groups. It is followed by UHT and fresh (and both UHT and fresh are about at the same stage of popularity). Share of UHT lactose free milk is currently low. No difference in consuming UHT lactose free milk among Target vs. Total market.

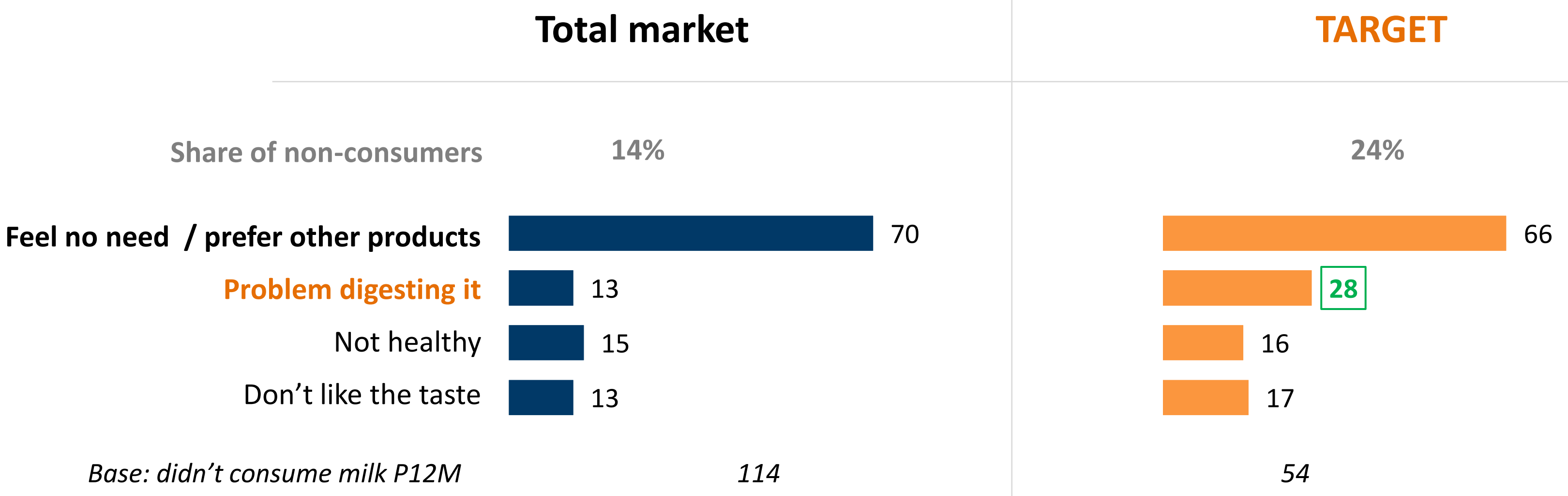


Target tends to decrease consumption of pasteurized milk and fresh milk

10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

M3. Which of these types of cow's milk have you consumed in the last 12 months?

Reasons for not consuming milk, %



Decryption:

Feel no need / prefer other products:
- Generally not interested
- Don't have a need for it
- I prefer other milk products
- I prefer some other drinks
- No habit of using it

Problem digesting it:
- Have unpleasant sensations
- Have problem digesting it
- I am lactose intolerant

Not healthy:
- Because of my diet
- Because of my allergies
- Non-natural product
- Because of cholesterol
- Milk is not healthy

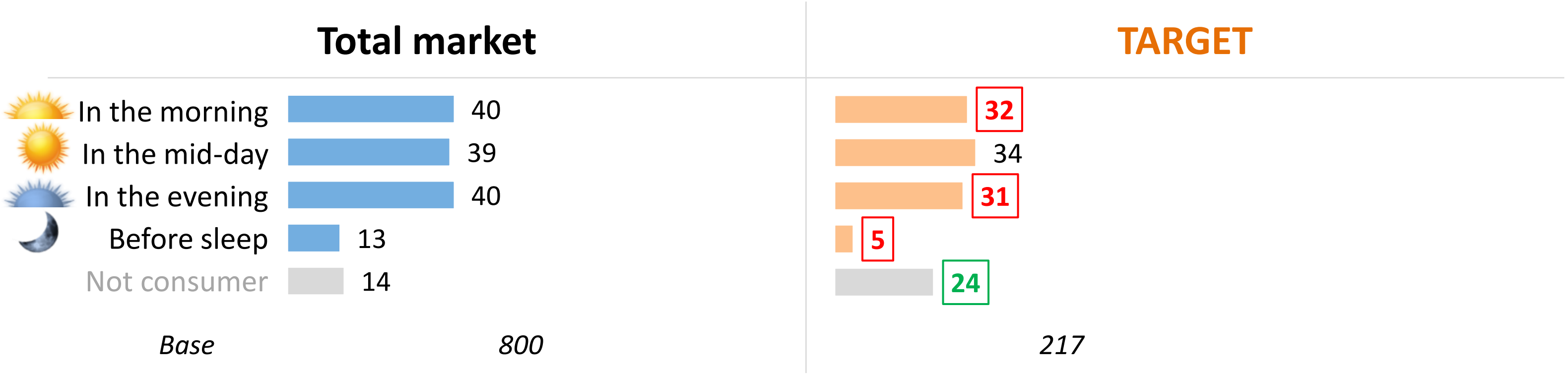
10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

M4_2. Why haven't you consumed cow's milk in the last 12 months?

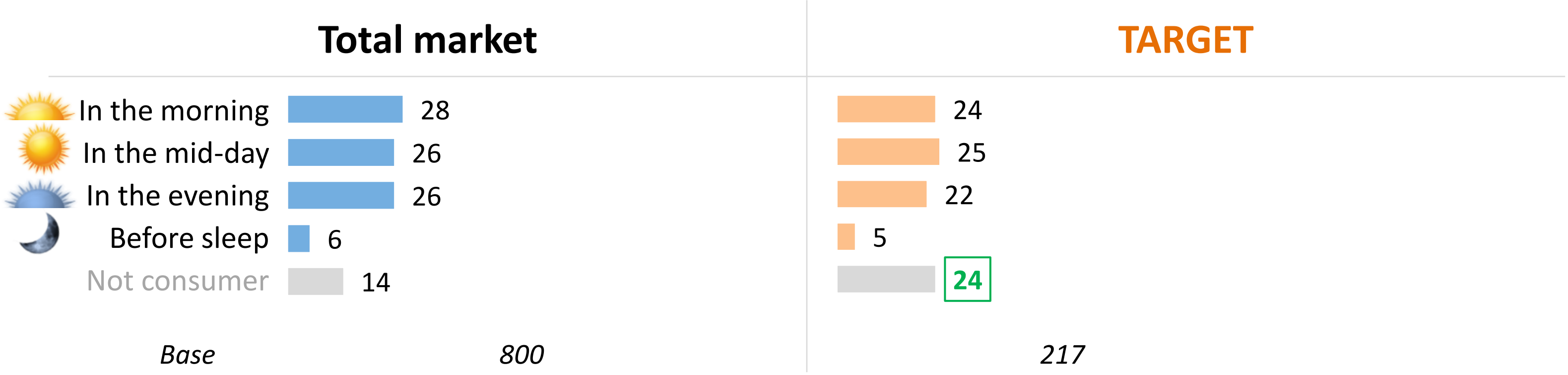
Milk consumption by day time, %

Milk consumption splits equally between day times (morning – mid-day – evening).
Drinking milk before sleep is the list popular.
Similar tendency among Target is observed, even though share of milk consumers is generally lower.

Usually



Most often



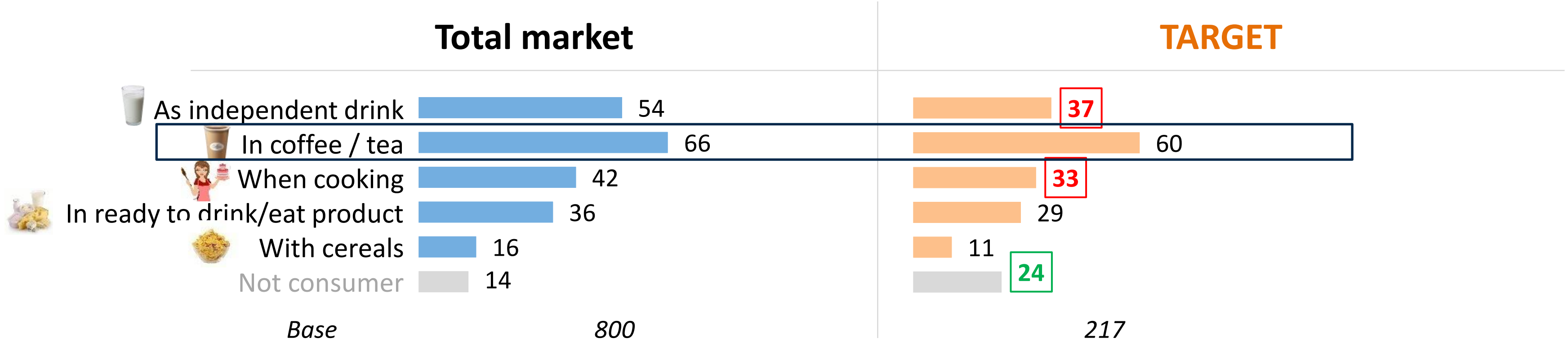
M1.1. When during the day do you usually consume milk?
M1.2. When during the day do you most often consume milk?

10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

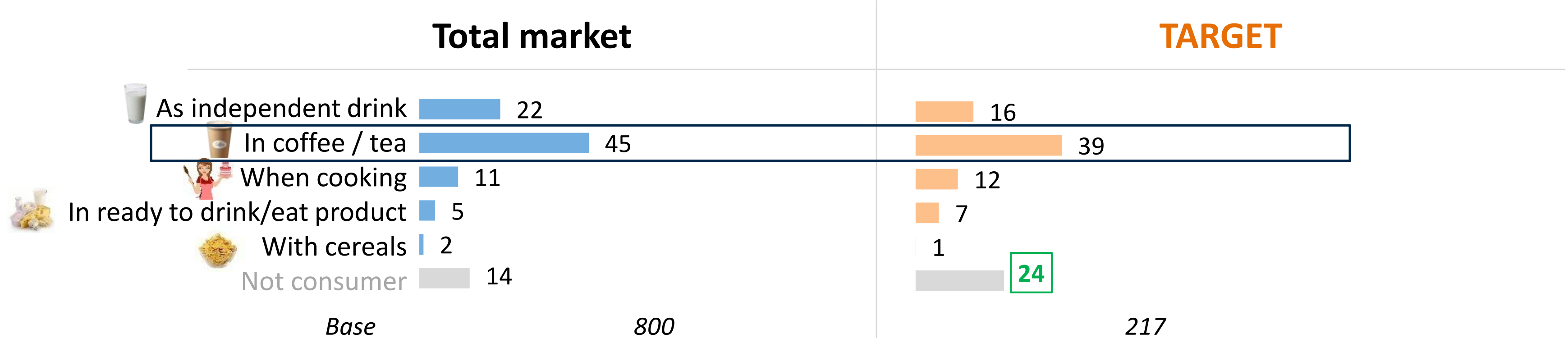
Ways of milk consumption, %, past 12 months

Drinking milk in coffee/tea leads in Kazakhstan.
Among Target, drinking milk independently is significantly less popular vs. Total market.

Usually



Most often

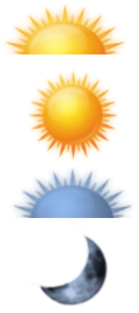


M2.1. How / In what ways have you consumed cow's milk in the last 12 months?
M2.2. How do you consume the milk most often?

10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

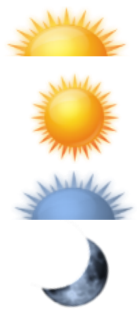
Most often Day time & Ways - overlap

Total market



6%	18%	6%	1%	1%
7%	16%	4%	3%	1%
9%	15%	3%	1%	1%
3%	3%	0%	0%	1%

TARGET



3%	22%	6%	1%	0%
6%	16%	5%	5%	1%
8%	14%	4%	2%	1%
3%	1%	0%	1%	0%

Base: all milk consumers *164*

M1.2. When during the day do you most often consume milk? M2.2. How do you consume the milk most often?

Conditional formatting to show the highest / lowest share

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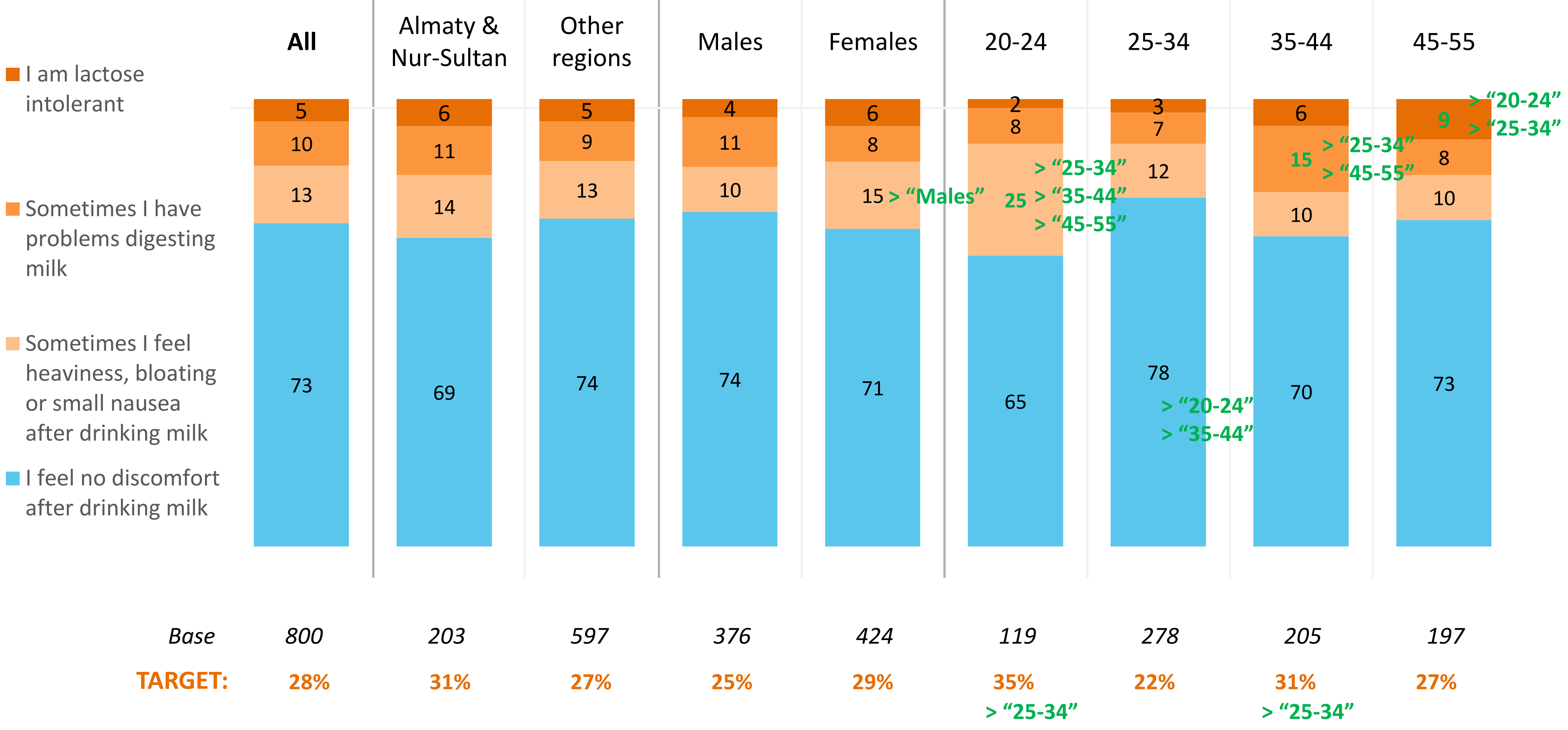
LACTOSE FREE TARGET AUDIENCE detailed, Profiles

Lactose free target audience, %, by groups

Higher share of Lactose free Target is defined among 20-24 and 35-44 y.o., share of Target among females is directionally higher.



>"group" Significantly higher vs. another group, 95% confidence level
10 / 10 Significantly higher/lower vs. Total, 95% confidence level

M0. Among the following sentences, which one apply to you currently?

Lactose free target audience, %, demo profile (1)

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		Total market	TARGET
Gender	Male	47	44
	Female	53	56
Age	20-24 y.o.	15	19
	25-34 y.o.	35	28
	35-44 y.o.	26	28
	45-55 y.o.	25	25
Region	Capital (s)	25	29
	Other regions	75	71
Financial status	Buying clothes is a problem for us	23	20
	Difficult for us to buy big home appliances	38	43
	Difficult for us to buy a car	27	28
	We can afford buying everything except flat	9	7
Education	Secondary	9	6
	Secondary specialized	26	24
	Higher incomplete	9	8
	Higher (University, graduate diploma)	47	53 Tendency level
	Several higher graduate diplomas / scientific degree	8	8
	Base	*800*	*217*

M0. Among the following sentences, which one apply to you currently?

10 / 10 Significantly higher/lower vs. **another group**, 95% confidence level

Lactose free target audience, %, demo profile (2)

		Total market	TARGET
Occupation	Director/ Top-manager	4	4
	Mid-level manager	8	8
	Qualified specialist	15	15
	Specialist with higher education not on a leadership position	22	24
	Specialist without higher education, mainly working in office	5	4
	Specialist without higher education, working not in office	15	13
	Free-lancer	5	4
	Student	5	5
	Unemployed	15	16
	On maternity leave	3	2
Household size	1	4	2
	2	15	19
	3	23	19
	4 and more	58	60
	Average	*3,9*	*4*
Children	No children	31	33
	1 child	33	35
	2 children	25	22
	3 children and more	10	10
	Average	*1,7*	*1,7*
Marital status	Married / civil marriage	65	61
	Divorced / Widow/ widower	12	12
	Not married	23	27
	Base	*800*	*217*

M0. Among the following sentences, which one apply to you currently?

10 / 10 Significantly higher/lower vs. **another group**, 95% confidence level

Lactose free target audience, %, lifestyle (1)

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		Total market	TARGET
I make efforts to eat natural foods	TOP2	73	69
	Average	*4,1*	*4,0*
I choose type of foods that match my active lifestyle	TOP2	44	45
	Average	*3,3*	*3,4*
I feel guilty about the food I eat	TOP2	25	28
	Average	*2,4*	*2,5*
I don't care about the nutritive value	TOP2	**42**	**34**
	Average	***3,1***	***2,8***
I pay attention to nutritional labels on packed food	TOP2	35	36
	Average	*2,9*	*2,9*
I try to avoid certain ingredients in my diet	TOP2	45	48
	Average	*3,2*	*3,3*
Pleasure is my main motivation when choosing type of food	TOP2	57	52
	Average	*3,7*	*3,5*
	Base	*800*	*217*

M0. Among the following sentences, which one apply to you currently?

10 / **10** Significantly higher/lower vs. **another group**, 95% confidence level

Lactose free target audience, %, lifestyle (2)

		Total market	TARGET	
Do you pay attention to following nutritional ingredients in your diet?	Sugar	26	30	
	Fat	38	42	
	Carbohidrates	24	27	
	Salt	38	42	
	Protein	17	18	
	Nothing of the above	42	36	Tendency level
To which ingredient do you pay the most attention?	Sugar	7	10	
	Fat	18	19	
	Carbohidrates	8	9	
	Salt	18	20	
	Protein	6	6	
	Nothing of the above	43	36	Tendency level
	Base	*800*	*217*	

M0. Among the following sentences, which one apply to you currently?

10 / 10 Significantly higher/lower vs. **another group**, 95% confidence level

TARGET, most typical representative

SOCIO-DEMOGRAFIC PROFILE

Generally similar to the Total market,
No differences on financial status, marital status, children
Tendency: **more people with higher education**

LIFESTYLE

Typical representative **is tend to care about the nutritive value**
Tend to pay attention to **certain ingredients in their diet**

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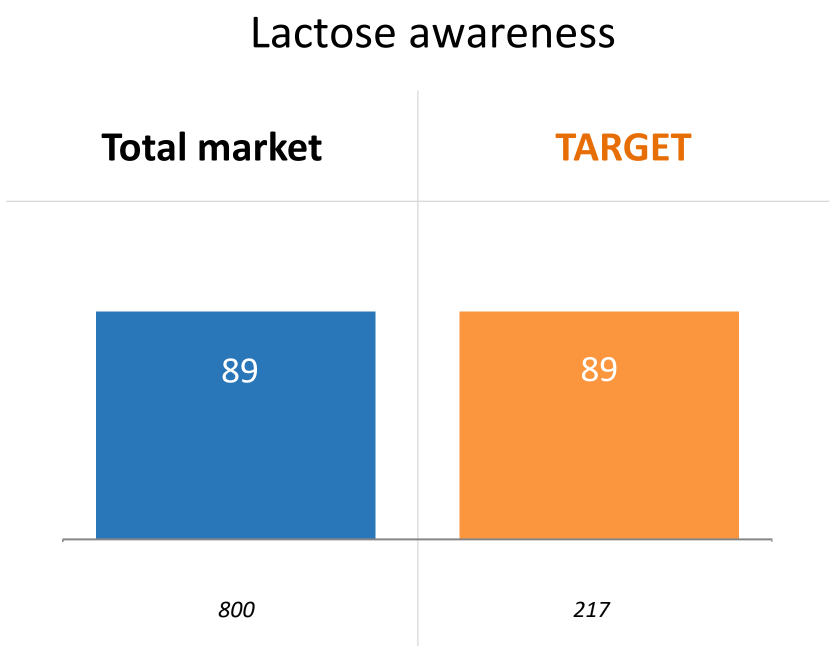
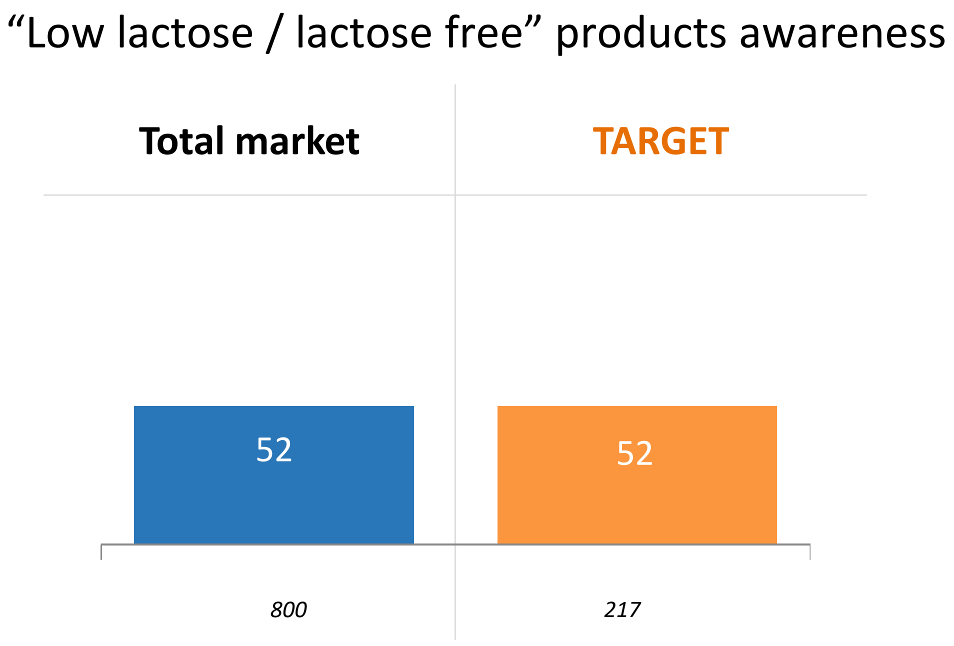
LACTOSE FREE AWARENESS

Lactose awareness, %
“Low lactose / lactose free” products awareness, %

The majority of consumers claim they’ve heard of lactose previously.
Half of surveyed consumers claim they’ve heard of “low lactose / lactose free” products previously.



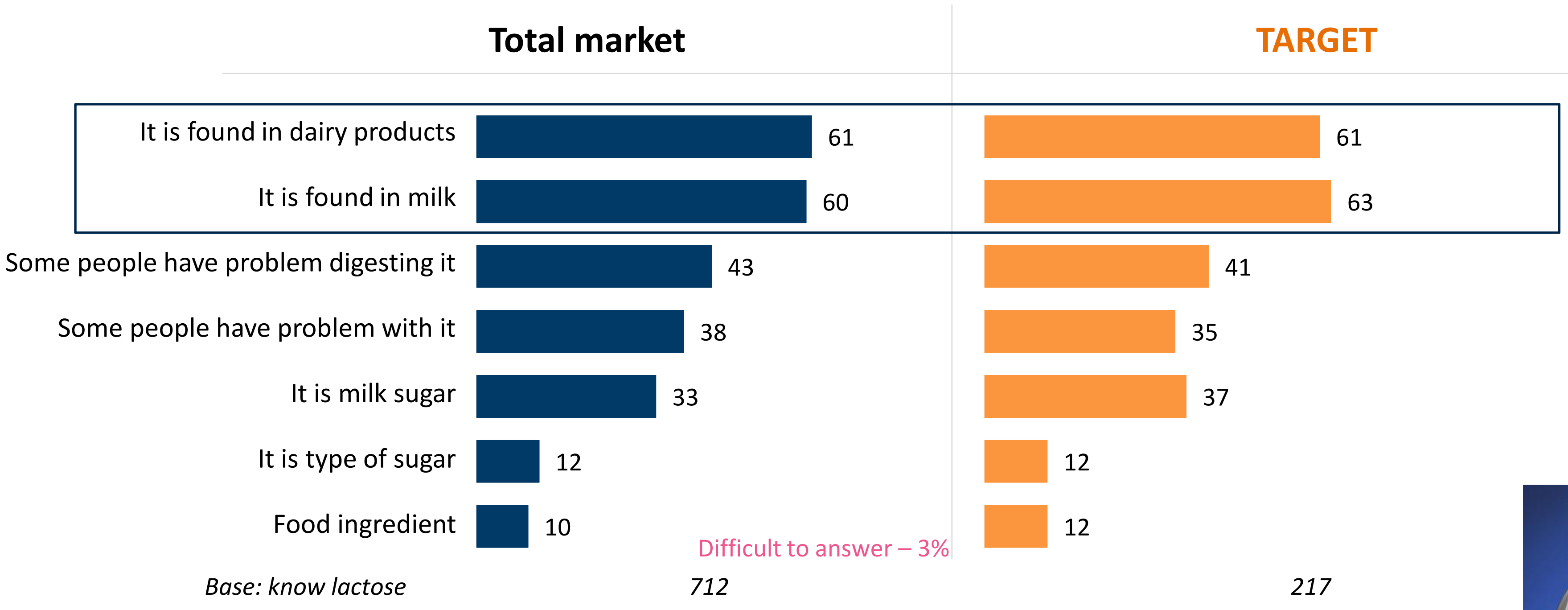


10 / **10** Significantly higher/lower vs. **Total market**, 95% confidence level

Q1. Have you ever heard of “lactose”? P1. Have you ever heard of “low lactose / lactose free” products?

Lactose understanding, %

Respondents in general show quite common perception of “lactose” meaning: it is found in milk and milk products, some people have problems digesting it. Share of those who difficult to answer is marginal.



10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

Q2. Could you please describe what “lactose” means?

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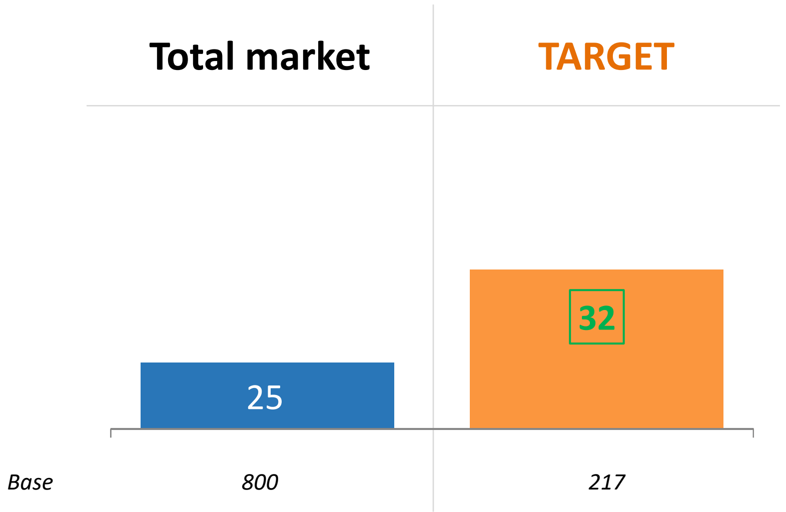
LACTOSE FREE CONSUMPTION

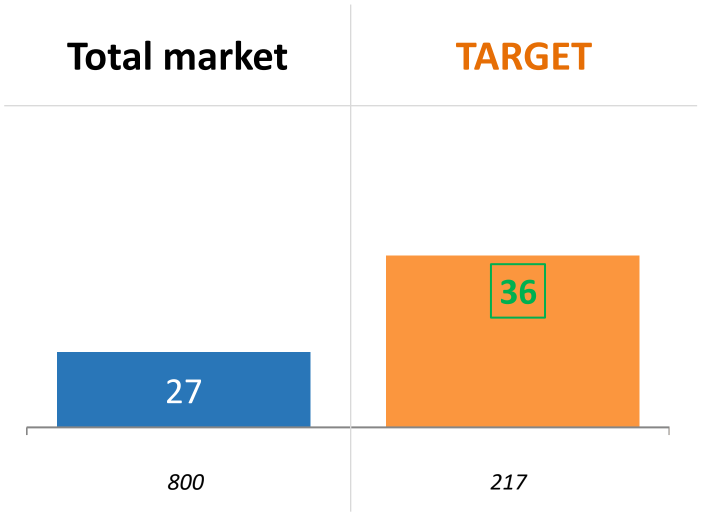
"Low lactose / lactose free" category consumption (ever), %
"Low lactose / lactose free" category consumption intent, %

Claimed level of consumption lactose free category is high. The share is even higher among Target group.
Level of claimed purchase intent is also high. The share is even higher among Target group.

"Low lactose / lactose free" category consumption



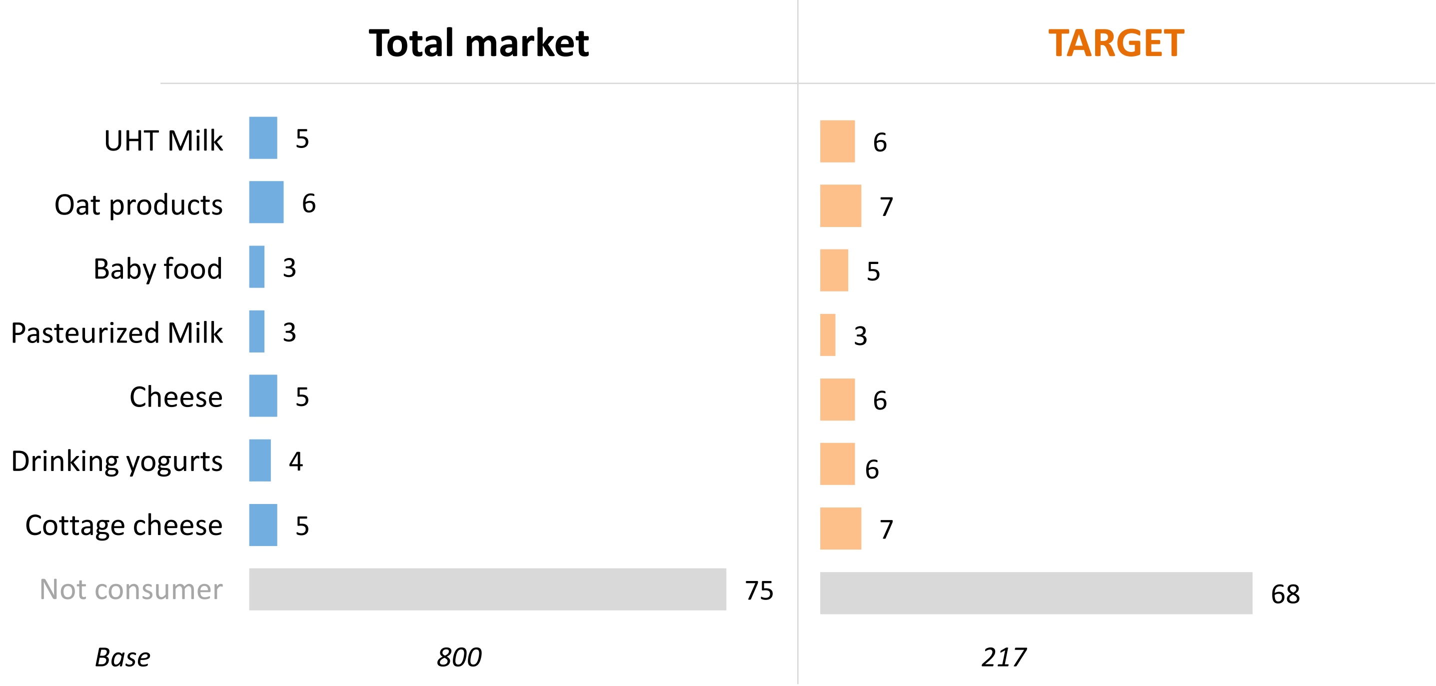
"Low lactose / lactose free" category consumption intent



10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

P2_2. Which "low lactose / lactose free" products have you ever consumed? P2_3. Which "low lactose / lactose free" products are you considering / interesting to consume in future?

“Low lactose / lactose free” products consumption (ever), %



10 / 10 Significantly higher/lower vs. **Total market**, 95% confidence level

P2_2. Which “low lactose / lactose free” products have you ever consumed?

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LACTOSE FREE DRIVERS & BARRIES

"Low lactose / lactose free" milk
DRIVERS AND BARRIERS

	Total market	TARGET
Drivers	**I love the taste** It is easy to digest, It is more healthy **Special driver for country**: There was no other milk in store	Low base to analyze
Barriers among "never" consumers	**Key barrier**: **Don't have a need for it** I prefer usual milk products Know little about the product	**Distinctive barrier**: **Generally not interested** Don't have a need for it I prefer usual milk products Know little about the product
Barriers among not interested in consuming	**Key barrier**: **Don't have a need for it** **Key barrier**: **I prefer usual milk products**	Don't have a need for it I prefer usual milk products Know little about the product

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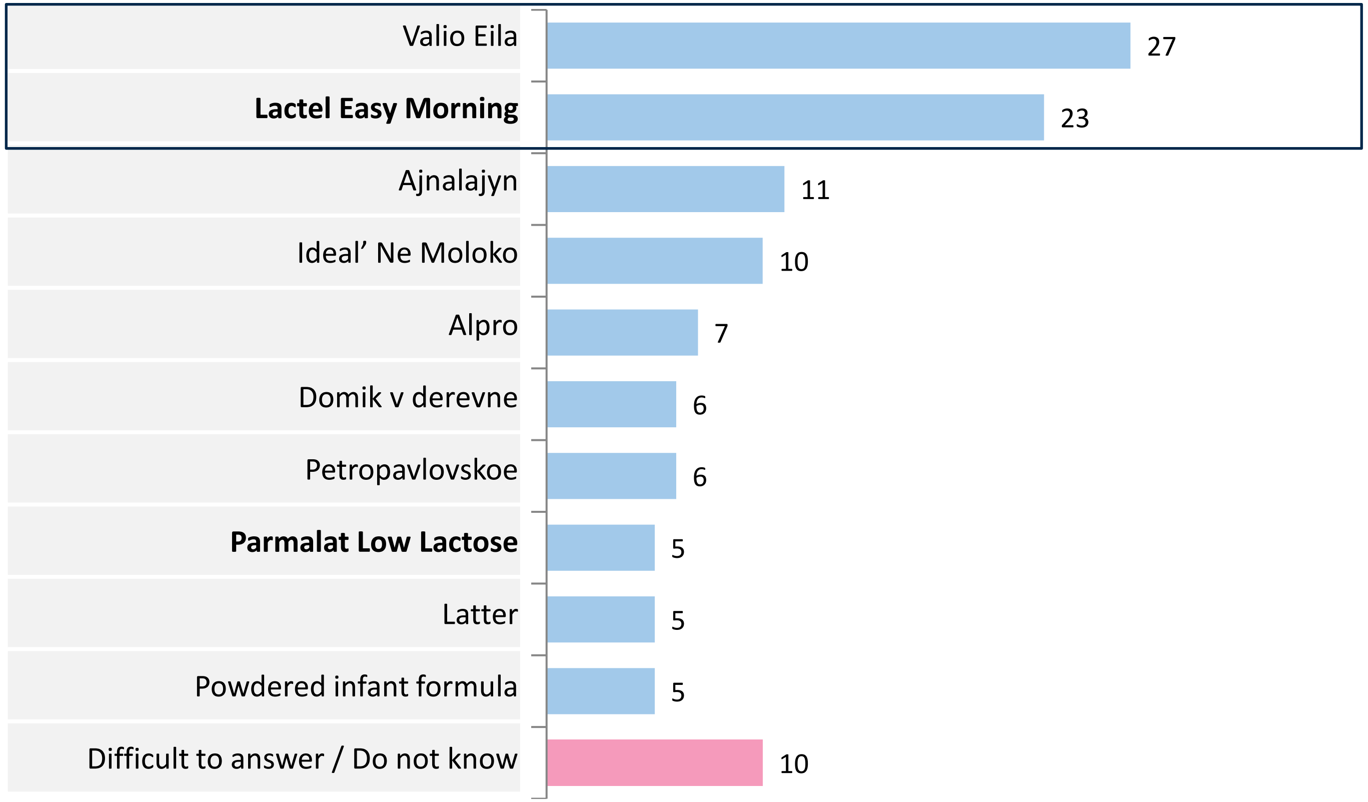
BRAND HEALTH

“Low lactose / lactose free” milk

“Low lactose / lactose free” brands
Spontaneous awareness

Lactel shows high level of spontaneous awareness, losing to Valio insignificantly.



Base: “low lactose / lactose free” milk consumers

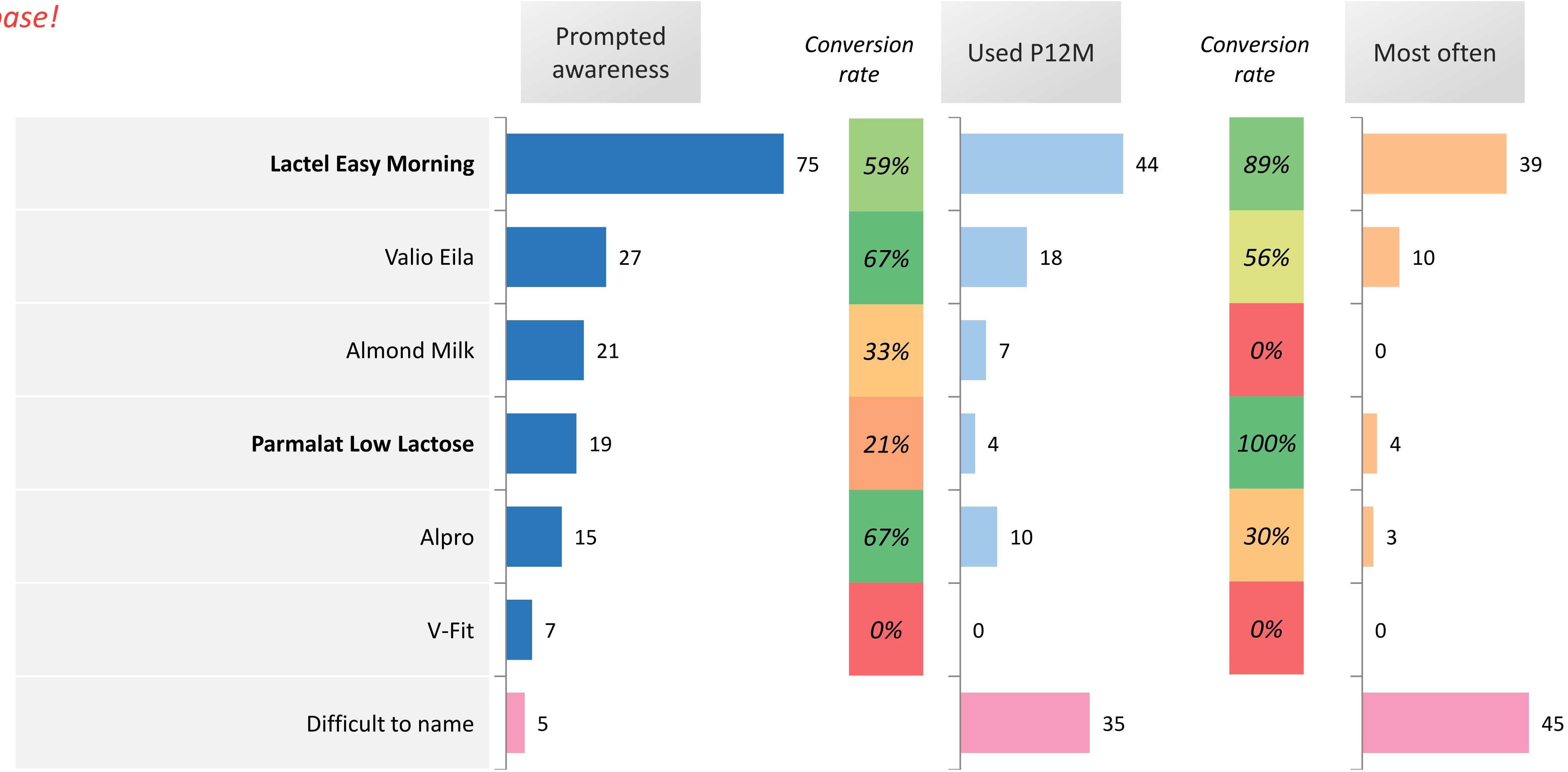
41 – Low base

B1. Please name all brands of “low lactose / lactose free” milk that you know (if only by name)?

“Low lactose / lactose free” brands
Brand health funnel

Lactel demonstrates strong Brand Healthy pyramid.
The main bottleneck for Parmalat is conversion from awareness to usage.
Note extremely high share of those who difficult to name brand P12M and most often brand.

Low base!



B2. Please look at the list below and name all brands of “low lactose / lactose free” milk that you know? B3. Please name all brands of “low lactose / lactose free” milk that you have consumed in the last 12 months? B4. What brand of “low lactose / lactose free” milk do you consume most often (what is your regular brand)?

Base: “low lactose / lactose free” milk consumers 41