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## ECONOMIC CONCERNS AND CONSUMER DEMAND REMAIN TOP PRIORITIES FOR CONSUMER GOODS INDUSTRY

*Companies continue to fight effects of financial crisis, yet refuse to put social and environmental responsibilities on the back burner*

The Consumer Goods Forum today released its latest **Top of Mind Survey**, which reveals the priorities of 345 key decision-makers in global retail and consumer goods companies across 46 countries. The survey, conducted twice annually, found that while the economic environment and consumer spending patterns remain the number one focus for over half of respondents, corporate responsibility has actually moved up the overall rankings from third to second place in 2010.

The competitive landscape also demonstrated an upward trajectory this year. Its third place position indicates an increased urgency among retail and consumer goods companies to compete and win in a spending landscape where frugality and restraint dominate. Food and product safety is another high priority for the industry in 2010, reflecting the importance placed on consumer confidence in this area.

Retail-supplier relations, covering issues including trade costs, pricing and collaboration, retains its fifth place position in the overall rankings. However there is a marked difference in the importance placed on this area by retailers and manufacturers, with retailers ranking it as eighth priority for the coming year while manufacturers rank it second. This disparity reflects the fact that pricing remains of the utmost importance to the industry players to remain competitive and to be able to continue to offer recession-friendly prices to the shopper. The fact that brand manufacturers and retailers have chosen precisely this time to unite in The Consumer Goods Forum, on an even-handed basis, puts even more emphasis on the opportunity to collaborate and work together on non-competitive industry issues and process improvements, which help all parties to meet consumer needs.

Reviewing the survey results, The Consumer Goods Forum's Managing Director Jean-Marc Saubade, commented: "These findings demonstrate that, faced with a discount mindset that may prevail beyond the recession, the consumer goods industry has recognised this prime opportunity to inspire consumers again. Consumers now expect high quality at low prices, and the drive to meet their needs is fostering tremendous innovation from brands and in retail formats. Meanwhile, it is encouraging to see that corporate responsibility has not only withstood the pressures of the economic crisis, but has even risen up the rankings this year – proof that its influence on the corporate agenda is here to stay."

Please see over for complete survey results.

## THE CONSUMER GOODS FORUM TOP OF MIND SURVEY – JANUARY 2010

ISSUE	% choosing issue	2010 RANKING	2009 RANKING
<b>The economy and consumer demand</b> (energy costs, demographic change, consumer trends)	50.4	1	1
<b>Corporate social responsibility</b> (sustainability, social standards, corporate governance)	38.1	2	3
<b>The competitive landscape</b> (consolidation, discount, new channels)	33.1	3	4
<b>Food and product safety</b> (standards, traceability, consumer confidence)	31.7	4	2
<b>Retailer-supplier relations</b> (trade costs, pricing, collaboration)	29.9	5	=5
<b>The retail/brand offer</b> (price points, assortment, format)	26.75	6	=5
<b>Consumer health &amp; nutrition</b> (product development, labelling, education)	22.3	7	7
<b>Consumer marketing</b> (advertising, loyalty programmes, promotions, customer service)	18.2	8	8
<b>Technology and supply chain</b> (logistics, out-of-stocks, in-store technology)	16.1	9	9
<b>Internationalisation</b> (international expansion, global sourcing)	13.8	10	11
<b>Human resources</b> (staff recruitment and retention, operational performance)	10.3	11	10
<b>Regulations</b> (store openings, pricing, labelling)	6.5	12	12

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### NOTES TO EDITORS

#### The Consumer Goods Forum

The Consumer Goods Forum is an independent global parity-based Consumer Goods network. It brings together the CEOs and senior management of around 650 retailers, manufacturers, service providers and other stakeholders across 70 countries.

The Forum was created in June 2009 by the merger of CIES - The Food Business Forum, the Global Commerce Initiative (GCI) and the Global CEO Forum. The Consumer Goods Forum is governed by its Board of Directors, which includes an equal number of manufacturer and retailer CEOs and chairpersons. Forum member companies have combined sales of EUR 2.1 trillion.

The Forum provides a unique global platform for thought leadership, knowledge exchange and networking between retailers, manufacturers and their partners on collaborative, non-competitive issues. Its strength lies in the privileged access it offers to the key players in the sector as well as in the development and implementation of best practices along the value chain.

It has a mandate from its members to develop common positions on key strategic and practical issues affecting the consumer goods business and to focus on non-competitive collaborative process improvement. With its headquarters in Paris and its regional offices in Washington, D.C., Singapore, Tokyo and Shanghai, The Consumer Goods Forum serves its members throughout the world.

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## The Consumer Goods Forum Top of Mind Survey methodology

This survey reflects the anonymous online responses of 345 CEOs and senior executives at retail and consumer goods companies, across 46 countries. From a list of 12 broad subjects, respondents were asked to choose their top three priorities for the coming year and rank them in order of importance. The Consumer Goods Forum has built a unique relationship of trust with its members. The organisation is able to tap the business intelligence of its membership by assuring respect and anonymity. By asking open questions The Consumer Goods Forum attracts rich data, opinion and experience. Our commentary synthesises these responses. Please cite "The Consumer Goods Forum Top of Mind Survey, January 2010" when quoting.

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