

Consumer Insight

29 June 2004



Safe Harbour Statement

Certain of the comments and materials in this presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Company. Actual results may differ materially from those included in these statements due to a variety of factors including, among others, those described in the company's filings with the Securities and Exchange Commission and in the transcript of this presentation, which will be accessible via our website at www.unilever.com.

All numbers in the presentation are in Euros translated at average 2003 exchange rates with the exception of balance sheet, cash flow and dividend numbers which are expressed at year end rates.

Introduction

- VP Unilever Insight - Chet Henderson
- Lead a network of some 400 Insight managers
- Who are based worldwide
 - alongside brand developers in our Innovation Centres
 - alongside marketeers as we go to market around the globe
 - alongside scientists in our Research laboratories and development centres



Contents

Unilever Insight

(Chet Henderson - VP Unilever insight)

- The end result we want
- How we seek insight
- Some examples

Trends & the consumer quest for Vitality

(Gerda Feunekes - Consumer Insight Vitality)

Insight behind science & products

(Sue Stanley - Head of HPC Consumer Science)

- What is Consumer Science?
- What is it used for
- 2 examples

Consumer Insight : Spend and People

E300m investment 400 Managers

0.7% of Unilever revenue
0.6% Industry benchmark



What we invest in

- Trends
- Habits and Attitudes
- Needs and Brand Segmentation
- Ideation and Concept development
- Product and Packaging development
- Advertising development and Tracking
- Shopper insight
- Retail and Consumer Panel
- Brand Health and Equity tracking

Our Vision

Growth for our leading brands driven by insightful people who have insightful ideas and are connected by powerful knowledge management and shared learnings.

Deeper strategic understanding

+

More direct contact

=

More insight and more intuitive decision making

▼

Less need for 'risk reduction' research

▼

Faster to market with more consumer relevant mixes

We seek consumer insight in all areas-from brands & R&D to Shopper Understanding



Insight Milestones

- 1997 Global Insight Board
Method harmonisation & guidelines
Partner Agency appointment
- 1999 Foresight - trend drivers to 2010
- 2002 Reconnect with Consumers initiative
- 2004 90 : 20 : 10 (Focus:Value:Savings)

Smart Scale

+50% market research spend with 5 partners



Global leadership teams

- innovation
- client service
- learning
- efficiencies

Axe Insights



Axe Mission

To improve men's performance in the Mating game.

Winner of multiple Cannes Advertising Awards



Insight Activator

Intimacy - 'I know it because she said it'

- Pause
- Rewind
- Forward
- Mix
- Play
- Record





Insight to enable brand focus
 Migration example of Cica to Knorr in Brazil

CICA migration to KNORR

A daring process to build
 KNORR faster

but there were some
 issues to address...

1 CICA was **twice** the size of Knorr
Cica 120 ml x Knorr 62 ml

2 To migrate not only
 the brand, but **consumers**
 and Cica's **values** to Knorr

Naturalness
Passion
Freshness

The initial consumer exploratory research showed complimentary brands..

Knorr

- Taste
- Practical
- Makes my life easier

CICA

- Freshness
- Naturalness
- Brazilian
- Home-made Taste
- Friendly
- Healthy
- Passionated

Intersection:

- Quality
- Traditional
- Daily
- Reliable

but...

...Some important points were raised by Cica users

Will the products change???

Are they going to put Knorr bouillon into my home-made taste Pomarola tomato sauce???

Are Cica products going to have all the same Knorr bouillon taste???

How come a smaller company (Knorr) buying a bigger company (Cica)?

...THE Elefante idea.

Since 1961 Elefante has been the icon of Cica tomato paste and, by consequence, of Cica. The slogan used to be "The most beloved elephant of Brazil". He is familiar, friendly, considered an ally of the household. Reminds us of childhood, affection. Transmits quality and reliability. High impact!

"Elefante is the one that can tell me news about Cica without hurting me!"

Jotalhão



Brand Image
improved considerably
mainly in **bonding**





The volume market share **increased...**



Conclusions

1. Insight is fundamental to our business
2. We are heavily invested in it
3. In all aspects of our business consumer intimacy is our collective mission

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Consumers are changing



Meal occasions are changing

then ...

... and now



Consumers are more individual

then ...

... and now



Media is more fragmented

then ...

... and now



Foresight Consumer Trends

Getting Connected



Instant Availability



Transform Traditional Structures



Solutions for Individuals



Better Health



Bruising the Planet

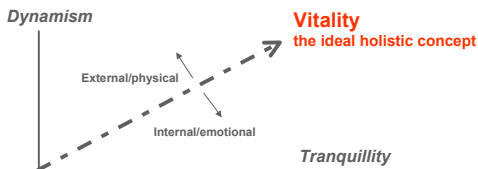
What is Vitality?



Source: Project Foresight Follow up -
Qualitative research in India, Brazil, USA, France

Vitality is a holistic concept for the consumer

- Holistic Vitality
 - Not absence of illness but wellness for body and soul
 - Link between physical and mental health
- To achieve Vitality two things must be balanced:
 - 'Dynamism'
 - 'Tranquillity'

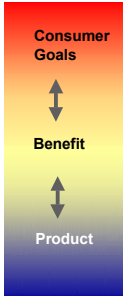


Vitality Life Goal Model



Vitality Life Goals

help our brands to deliver functional and emotional benefits



- The aim of the Vitality Life Goals model is to help brands to better
 - Anticipate consumer needs regarding Vitality
 - Validate/update their positioning regarding Vitality
 - Optimise brand communication
 - Manage their portfolio & innovation

Unilever successes: Bertolli & Becel/Flora

Implicit communication of vitality benefits

Goal: Healthy for Longer

Benefit: Goodness of Mediterranean living

Olive oil (as ingredient)

Goal: Healthy for Longer

Benefit: Healthy heart

Clinically proven to lower cholesterol

Plant sterols

Explicit communication of vitality benefits

Bertolli Institute
ENJOY HEALTHY LIVING

WORLD HEART FEDERATION

Wrap up - the Holistic consumer



- Consumer Reality
 - More roles, more tasks, more individual
- Vitality is Feel good, Look good, Get more out of life
 - balance of dynamism and tranquillity
 - Combining physical and emotional needs
 - Vitality Needs synthesised in our Vitality Life Goal model
- Unilever provides holistic Vitality solutions
 - No quick fixes but solutions that fit in peoples every day life
 - Delivering both functional and emotional benefits
- Vitality in products
 - No Compromise Consumer: convenience, pleasure/taste, etc. !

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What is Consumer Science?

- Understanding 'below the surface'
 - things that people cannot tell you



What is Consumer Science?

- Attitudes, Perceptions and Behaviours



want...



sense...



do...

What is Consumer Science?

- Drawing on the behavioural and sensory sciences

Behavioural & Sensory Sciences : some partners



Department of Experimental Psychology



WAGENINGEN UNIVERSITEIT
WAGENINGEN UR



The UNIVERSITY of NORTH CAROLINA at CHAPEL HILL



UC DAVIS
University of California, Davis



Monell Chemical Senses Center

What is Consumer Science used for?

- link between consumers and technology
- to design improved products
- to meet *functional* and *emotional* needs



Two examples :

- 1) Products for different segments
- 2) Functional + Emotional needs



1) Products for different segments

- Why do people buy particular types of product?



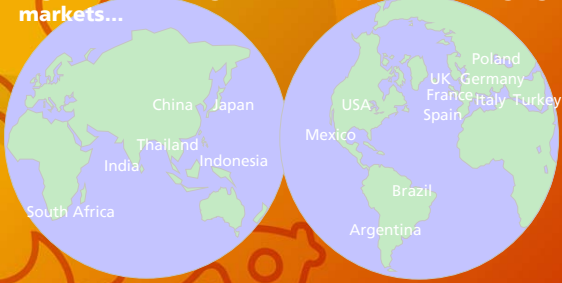
A new approach

- Hypothesis : 'You buy what you are'
- Your choice of products depends on how you view the world : your values



Unilever Global Values List

Data from 17 countries, representing nearly all regions -- including both developed and emerging markets...



Linked to purchasing

VALUES

- Social approval
- Reward
- Put family first
- Respect

BRANDS / PRODUCTS



Two global segments

'Love to cook, but don't have the time...'



'Heat & eat'



'help people feel good.....and get more out of life'

Hellmann's : new products

- For people who 'love to cook but don't have the time...'



2) Functional + Emotional needs

- Question :What makes a better antiperspirant?

- Answer : one which gives you **less underarm wetness** when you get **hot** ?



Traditional way to test products



UK

US

Philippines



But it's not just heat that makes you sweat!



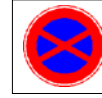
There are many other occasions.....!!



Emotional sweat : part of fight / flight response



Comes when you least expect it



Comes in sudden bursts



5X more sweat
in given time



2 types of sweat gland

Eccrine Gland

- All over body
- Keep you cool
- Heat + emotional sweat



Apocrine Gland

- Underarm, groin, nipple
- Emotional sweat

How odour is produced

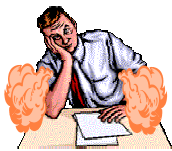
New sweat doesn't smell



However, bacteria feed on the sweat and produce odour



Emotional sweat leads to more odour



More body odour is produced due to emotional sweat because the apocrine glands are active.



Emotional sweat : new way to test products

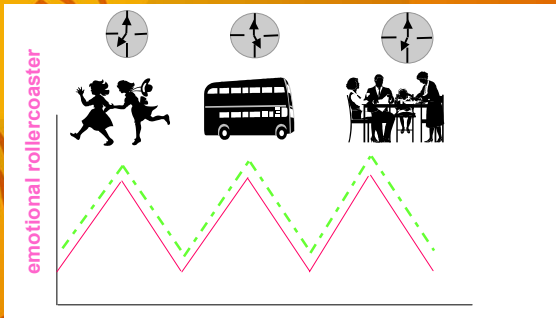
- word association
- mental arithmetic
- spelling
- anagrams
- memory/recall





Contains a reserve of ingredients which kick in extra odour protection when you need it most.

Freshness boost is released during the day



New range for Sure/Rexona



'help people feel good....and get more out of life'

Sure/Rexona : European advertising



Thank you