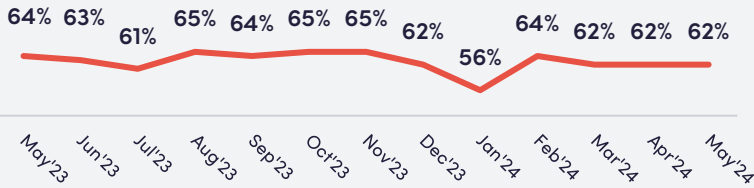


Consumer Digest – Snacks & Sweets Special Edition

Welcome to the May Consumer Digest! This month, we examine what snacks are being consumed, when and how often, as well as top reasons shoppers say they purchase snacks on impulse. We'll look at key drivers of snack purchases and the ingredients consumers try to avoid in snack foods. Finally, we find out what snacks consumers wish were available.

Trended: Shopper concern over inflation

Shopper concern over inflation – % of Households Extremely Concerned (Asked Monthly)



T2B – Top 2 boxes on 7-point scale



While shoppers' concern over inflation has flattened the past few months, consumers are still combatting high prices and are adjusting their shopping habits:

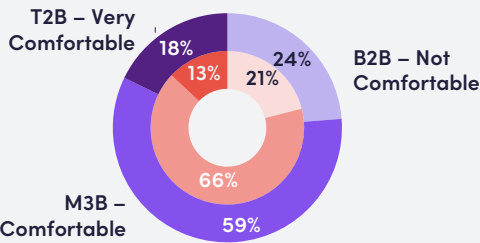
- 68%** are looking for sales / deals / coupons more often
- 55%** have been cutting back on non-essentials like snacks, candy, etc.
- 53%** have switched to lower cost brands more often
- 44%** are purchasing fewer items on their grocery trips



Trended: Shopper comfort over finances

Shopper comfort over finances – % of Household Comfort

● May 2024
● May 2023

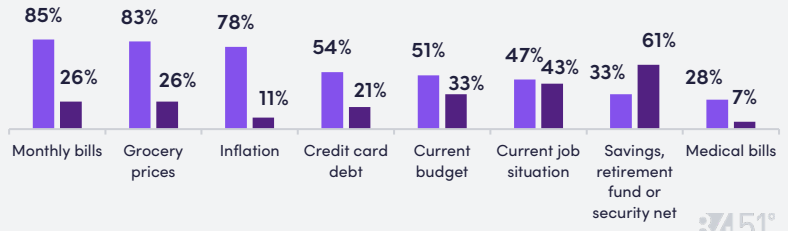


T2B – Top 2 boxes, M3B – Middle 3 boxes, B2B – Bottom 2 boxes on 7-point scale



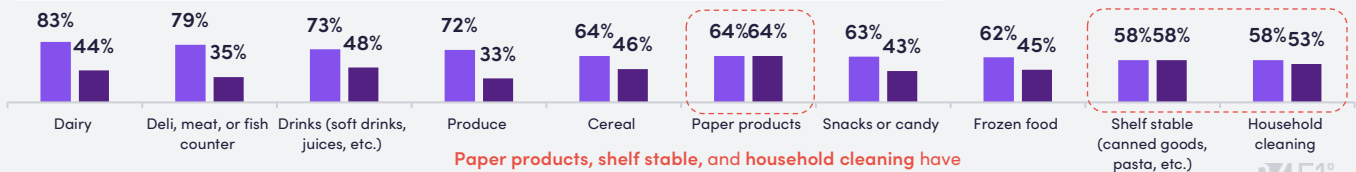
Financial comfort level drivers – Very Comfortable (T2B) and Not Comfortable (B2B) on financial comfort scale

● Not comfortable ● Very comfortable



Categories where shoppers notice prices increase and their willingness to switch to a lower cost brand

● Categories shoppers notice a price increase ● Shoppers willingness to switch to a lower cost brand



Paper products, shelf stable, and household cleaning have the highest willingness to switch to a lower cost brand



Trended: Grocery shopping behaviors for upcoming month

Omnichannel - How are shoppers planning to shop next month



98% Plan to shop in-store



33% Plan to shop online for delivery



32% Plan to shop online for pickup

Millennials are more likely to shop online next month compared to non-millennials

Why shoppers choose to shop in-store...

- 52% don't trust someone picking out their products
- 48% for sales and promotions
- 45% for the selection

Base n=390

Why shoppers choose to shop online for delivery...

- 77% for convenience
- 47% for ease of use of website or app
- 36% to reduce impulse purchases

Base n=133

Why shoppers choose to shop online for in-store pickup...

- 75% for convenience
- 46% to reduce impulse purchases
- 45% for ease of use of website or app

Base n=129



Snacking behavior: The cravings, what, when and how much?

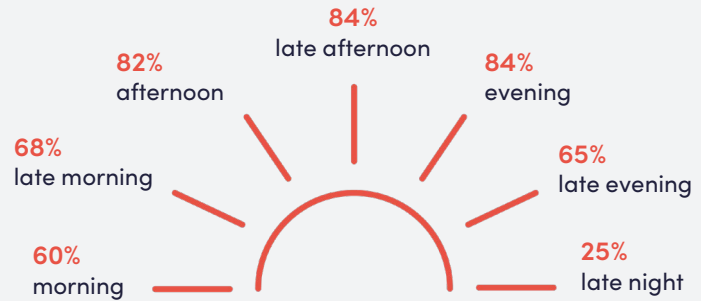
Shoppers are snacking **more frequently** than they did last year.

Shoppers claiming to snack multiple times a day:

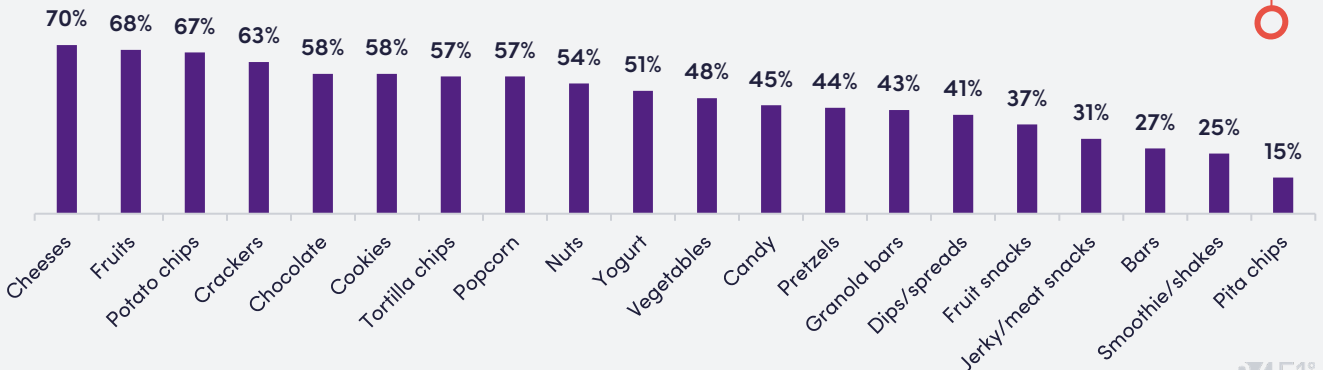
2023 **15%** 2024 **27%**



Snacking day & night... But mostly in the afternoon.



What types of snacks are shoppers eating?



The types of snacks shoppers are buying remain consistent vs. last year.

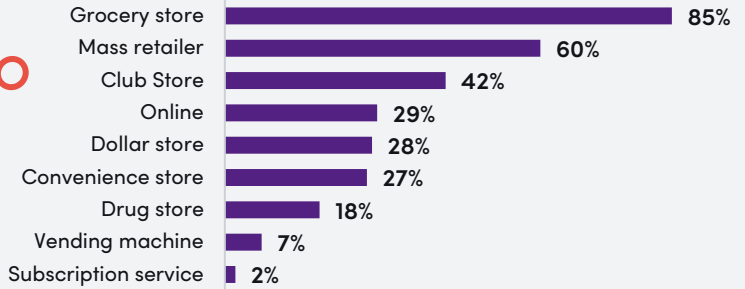


How are shoppers purchasing snacks?

Shoppers ages **35-44** are more likely than any other age group to purchase snacks **online**.



Snack Purchases by Channel



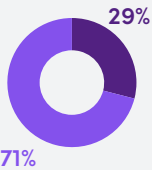
Source: 84.51° Real Time Insights Survey, May 2024. Sample n=400.



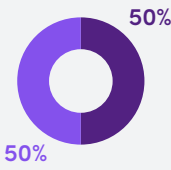
Shoppers decide on pack size and quantity on the fly

● Before shopping ● While shopping

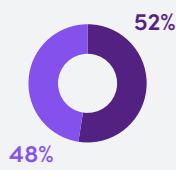
IF YOU WILL BUY SNACKS AT ALL



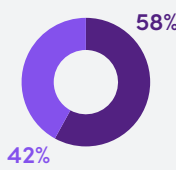
SPECIFIC VARIETY OR FLAVOR(S)



SPECIFIC AMOUNT



SPECIFIC SIZE(S)



Q. At what point do you typically know the following when purchasing snacks?



What is important when choosing the perfect snack?

- 75% Taste/Flavor
- 55% Fulfills a craving
- 46% Convenience
- 41% Curbs my appetite
- 39% Package size
- 29% High protein
- 28% Boosts my energy
- 24% Low sugar
- 20% Relieves stress

62% claimed to choose a snack to fulfill a craving in 2023.



Top snacks for each occasion!



Work

Fruits
Crackers / Nuts
Granola Bars



School

Fruit snacks
Cookies
Granola bars



In the car

Granola bars
Candy
Jerky



Party

Potato chips
Cheese
Crackers



Other Activities

Nuts
Candy
Fruits

Snacking is driven by cravings & "habits" like watching TV

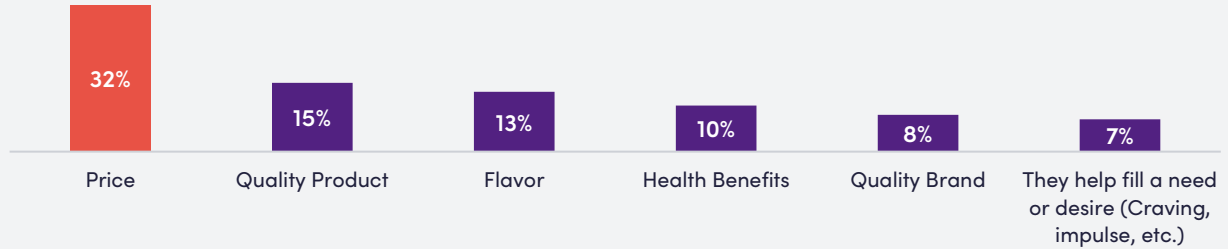
- 58% Due to a craving
- 42% To accompany an activity
- 38% It's an indulgence
- 38% To graze on throughout the day
- 29% I do it out of habit
- 26% To relieve stress
- 22% It's healthy for me
- 20% No time for a full meal



Households with kids are more likely to pack **granola bars**, **fruit snacks**, and **pretzels** to snack on at activities away from home.

Price Matters: Sales and coupons are primary drivers for snacks

Price, Quality Product, and Flavor are the three most important attributes shoppers look for in their snacks to ensure they're getting a *good value* – (Ranked 1st, <5% not shown)



The top reason for purchasing snacks *impulsively* is because the item was 'on sale'



Sales and discounts are also the primary drivers of shoppers trying *new snacks*

	The snack is on sale	I have a coupon for the snack	The flavor/texture of the snack is appealing	A friend/family member suggested I try it	Someone in my household asks for it
MAY 2024	59%	48%	46%	41%	40%
MAY 2023	59%	51%	58%	49%	29%

Someone in my household asks for it has grown as a driver for purchasing new snacks YoY (+11%)

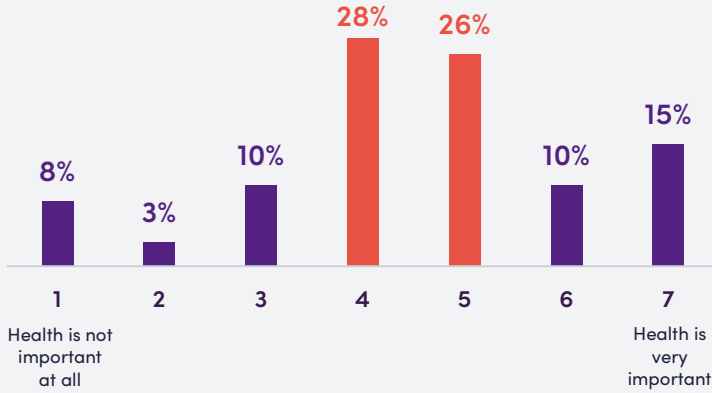
Compared to a year ago, I'm doing this behavior....

Top behaviors reported compared to last year revolve around cost savings. Shoppers also report being more likely to purchase snacks in store than online.

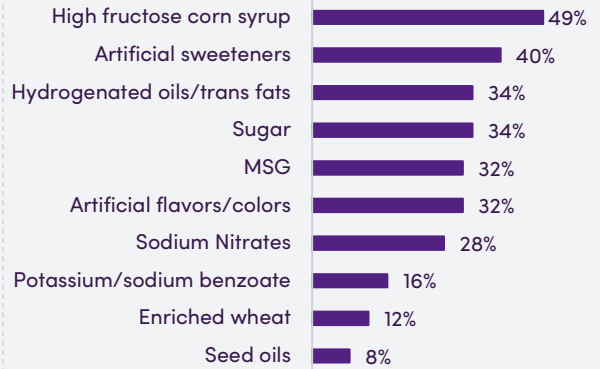
	Using Coupons for Snacks	Buying store brand/private label	Buying healthy/'better for you' snacks	Checking ingredients	Buying snacks in bulk	Purchasing snacks at multiple retailers	Packing 'to-go' snacks	Making my own snacks	Buying snacks in-store	Buying snacks online	Buying organic/natural snacks	Buying national/name brand snacks
MORE ↑	44%	38%	31%	27%	26%	25%	24%	21%	21%	13%	12%	7%
SAME ▬	42%	44%	47%	46%	42%	48%	47%	37%	64%	32%	39%	55%
LESS ↓	6%	11%	11%	8%	15%	14%	13%	11%	13%	16%	19%	33%
I DON'T DO THIS ⊘	8%	8%	12%	19%	17%	13%	17%	32%	2%	39%	31%	5%

Health and Snacking

Most shoppers care about health to some extent – but it’s not the only factor when it comes to snacking



What ingredients do you try to avoid or minimize when purchasing snacks?



28% of shoppers don't look at ingredients when considering snacks.

Consumers want both 'better for you' and delicious

What snack do you wish was available on the market?

'An increased variety of snacks that are healthy yet still taste amazing'



'High in protein, low in sugar, and delicious'

'More snacks that are affordable, healthier, and have fewer preservatives'

Shoppers mentioned snacks like...

- Plant-based Fig Cookies
- Low-fat chips
- Low-carb bars
- Grain-free crackers
- Monk fruit snacks
- Better quality grab n go fruit
- Butter Pecan Sandies
- Ham and cheese balls
- Trail mix
- Energy bars
- More unsalted snacks
- Wild nuts and jerky
- Pickled eggs
- Pudding pops
- Chocolate covered fruit
- Chips and dips
- Smoothies

When thinking about all the different types of flavors of snacks, what new flavors would you like to try or see?

Low sodium flavors and natural flavors like honey were also mentioned.

SWEET	SALTY	SAVORY	SPICY	FRUITY	CULTURAL
<ul style="list-style-type: none"> Caramel Cocoa/Chocolate Peanut Butter Peanut Butter & Jelly 	<ul style="list-style-type: none"> Sea Salt Dill Pickle Pistachio 	<ul style="list-style-type: none"> Cheese/ Nacho Cheese Meat Garlic Chipotle Ranch Taco Bacon Teriyaki 	<ul style="list-style-type: none"> Habanero Jalapeno Hot Honey Hot Cheese Cajun Nashville Hot Buffalo Flaming Hot Ginger 	<ul style="list-style-type: none"> Watermelon Kiwi Apple Blueberry Strawberry Lime Cherry Banana Lemon Coconut 	<ul style="list-style-type: none"> Mexican Spices Korean BBQ Indian flavors like Tikka Masala Asian inspired flavors Caribbean flavors like oxtails, rice & peas
Sweet AND Salty Combos		Savory AND Spicy Combos			

84.51° Innovation Suite – Where sweets come to fruition!



Develop and launch new products with best-in-class innovation solutions by leveraging 84.51°'s Innovation Suite, comprised of behaviorally-verified households based on actual purchase behavior.

1. OPPORTUNITY ASSESSMENT

Unmet Needs

Uncover needs-based whitespace opportunities to serve customers as well as prioritize opportunities.

2. CONCEPT EVALUATION

Concept Test

Identify top performing concepts based on core consumer attitudes, and opportunities to optimize for commercialization.

Idea Screen

Prioritize across ideas (claims, products, flavors, etc.), and understand how they resonate across shopper groups.

3. PRE-LAUNCH

At Home Product Use Test

Understand how category buyers react to trying and using your new items.

New Item Concept Screener (NICS)

Leverage within KOMPASS to gauge interest in concepts vs competitors and gain perspective for item sell-in.

4. LAUNCH

Mobile Store Missions

Leverage AI-powered technology to seamlessly analyze consumer experiences to uncover opportunities in-store.

5. POST-LAUNCH & MANAGEMENT

84.51° Stratum New Item Suite

Understand real-time performance of new items including incrementality and compare against relevant benchmarks.

New Product Trier Survey

Understand how well a new item resonates with shoppers by measuring perceptions across key metrics.

ALL PHASES OF INNOVATION

84.51° In-Queries (DIY) OR Real-Time Insights Surveys (Full-Service)

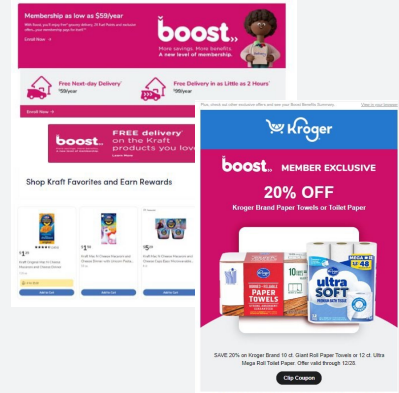
Collaborate with 84.51°'s consumer research team or use our DIY platform to design and execute best-in-class surveys. Embed shopper attitudes and perceptions across the innovation pipeline to identify opportunities before or after launch.



84.51° Loyalty Marketing

Directly engage with Boost members through Boost-Exclusive offers via digital LCM and Kroger Enterprise emails..

- Kroger Boost members account for >50% of all Kroger Delivery orders.
- Boost members spend 3x more at Kroger than non-members.
- Over 50% did not use delivery prior to enrollment.
- 80% tried new products in most recent 52wks.
- Boost LCM Exclusives provide Boost members with additional Boost-exclusive offers as part of their digital LCM; driving brand retention for value-seeking HHs.
- Monthly Boost and Quarterly Boost emails reach much of the Boost universe and entice trial with Boost members, who have a high propensity to try new things.



Acquire new HHs with the Boost program

Connect with us at Loyalty@8451.com



“Top picks for you” is a new opportunity to reach shoppers as they’re building their carts via Product Listing Ad Basket Builder placements. A new cart-building carousel discovery feature for shoppers as they’re searching for products to add to their carts; driven by the “Did You Forget” science which includes Your Next Basket minus what’s already in the shopper’s basket.

- This carousel reaches a large audience: With 3 out of every 5 visits using internal search, “Top Picks for You” reaches over 60% of Total Site Visitors Weekly.
- Increase your share of wallet with Kroger loyalists: 10% more Kroger loyal shoppers engage with “Top Picks for You” carousel than with Start My Cart. Since launch, the “Top Picks for You” carousel has helped our Basket Builder placement drive click-through rates and customer engagement.
- High Performing Space that’s making a positive impact on the Placement: Since March ‘24, our Basket Builder placement averaged a \$6.77 ROAS per week, exceeded by our predictive space (Top Picks for You), which has averaged a \$8.30 ROAS over the last 4 weeks!

Connect with us at KPMinfo@8451.com



“Top Picks For You” Basket Builder Carousel

Submit potential topics for future Consumer Digest editions by emailing consumerdigest@8451.com