

Welcome to your November Consumer Digest, where we unpack the continued return to normal and highlight some recent customer trends. We encourage you to treat this as you do your morning news: read it over coffee, discuss it with your teams, use it as a reference in your current work. Feel free to reach out to your 84.51° contact with questions or thoughts!

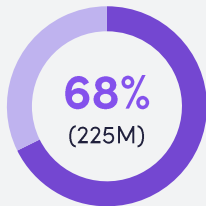
Included this month:

- What matters to shoppers regarding **sustainability**?
- How are people responding to **inflation** – are they really cutting back?
- Are consumers gift shopping early for the **holidays**?
- **Share of stomach** – where are we eating now?
- **Keto, clean or carbs** – which is most important?

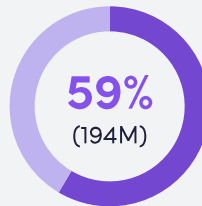
COVID Update based on People 12+¹

As of November 5th, the 7-day moving average of daily new cases was 70K, down 1.4% from the prior week.

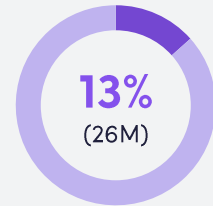
% of U.S. population with at least one vaccine dose



% of U.S. population that is fully vaccinated



% of U.S. population with a booster dose



SOURCE: CDC, "COVID Data Tracker"

COVID Concern Declining Among Shoppers²

- Only 29% of shoppers claim they are extremely concerned about COVID this month, compared to 39% expressing extreme concern in October.³
- With COVID cases declining in recent weeks, shoppers are more comfortable planning for the future. 37% of customers are extremely comfortable making plans this month, while only 20% felt extremely comfortable planning for the future in October.³
- Despite declining COVID concern, households shopping online still rank the ability to stay away from crowds as a top reason to use Pickup/Delivery.

SOURCES: 1) CDC, "COVID Data Tracker"; 2) 84.51° Consumer Pulse Survey, November 2021; 3) 84.51° Consumer Pulse Survey, October 2021

Sustainable Shopping Practices

How important are the following sustainable practices when grocery shopping?



SOURCE: 84.51° Consumer Pulse Survey, November 2021



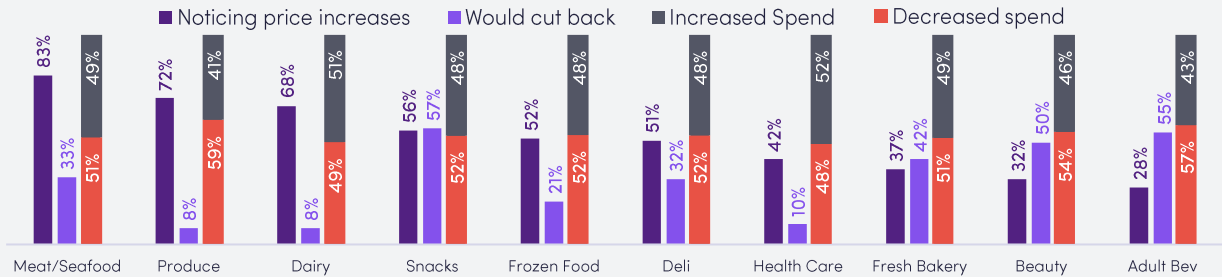
28% of consumers care about overall sustainability when grocery shopping.

Specifically, shoppers care most about avoiding food waste whenever possible, and over a third think it's important to use a reusable grocery bag. Cutting out single-use items and plastic packaging are both important to about a quarter of consumers.

Response to Price Increases – “Say vs. Do”

Customers continue to feel the effects of increasing price across categories, primarily in Meat/Seafood, Produce, and Dairy. Although shoppers claim they would cut back on certain categories as a result of increasing price, Sales in Dollars and Units per Household have remained flat across departments over the last 12 weeks ending 11/6/21.²

Where do you notice a price increase, and where would you cut cost if money was tight?³



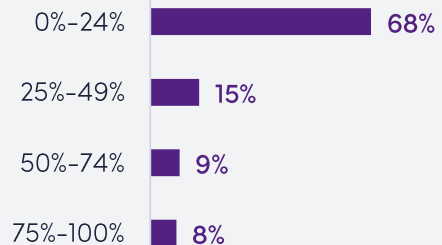
SOURCE: 84.51° Consumer Pulse Survey, November 2021 and 84.51° Custom Insights



Holiday Plans¹

- 95% and 92% of shoppers plan to celebrate Christmas and Thanksgiving this year, respectively.
- When it comes to shopping, over half will be using both in-store and online channels for their gatherings.
- 45% of consumers will be going to a celebration at a family member or friend's home.
- 66% say having more sales/promotions on seasonal items would make the grocery shopping experience better, while 50% would like to see more items in stock.

Gift shopping completed so far (as of November 8th)



SOURCE: 84.51° Consumer Pulse Survey, November 2021

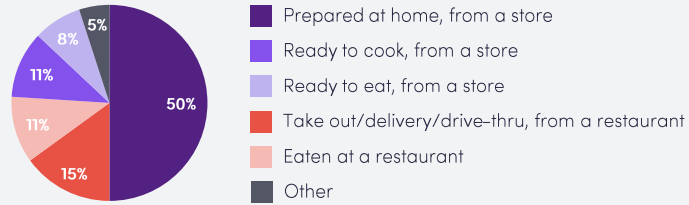


SOURCES: 1) 84.51° Consumer Pulse Survey, November 2021; 2) 84.51° Stratam 3) 84.51° Custom Insights – % who increased vs. decreased spend for last 12 weeks ending 11/6/21 compared to the prior 12 weeks

Cooking, Carryout & Curbside¹

- At 69%, grocery stores capture the majority “share of stomach.”
- Restaurants come in second at 26%, with slightly more households consuming via take out/delivery/drive-thru vs. at the restaurant.

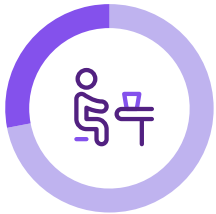
In the past month, what % of food eaten was...



SOURCE: 84.51° Consumer Pulse Survey, November 2021



Food Away From Home (FAFH)



28%

of consumers are eating out less often

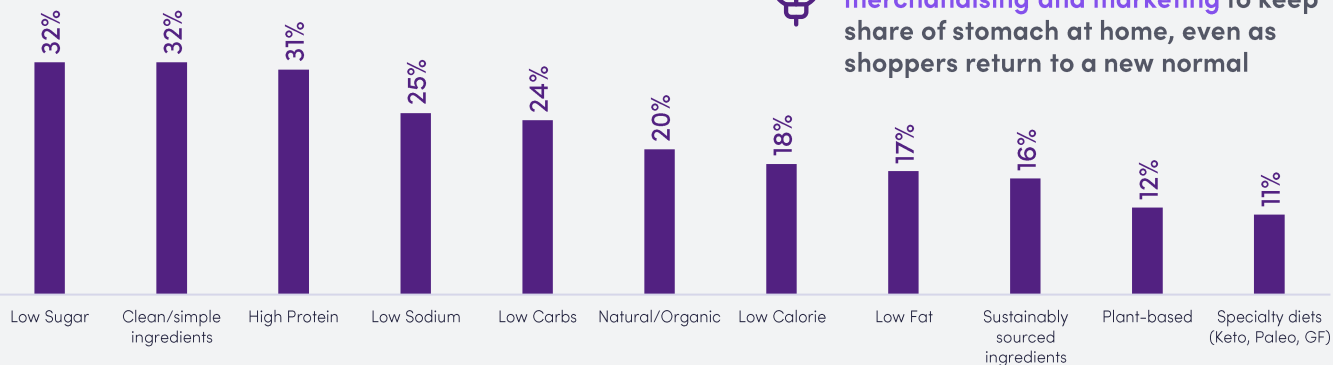
- 28% of consumers are going out to eat less often than last month, compared to only 12% eating out more often.
- Top reasons for lessening eating out: it's too expensive, it's healthier to eat at home, prefer cooking at home and COVID concerns.
- Nearly a quarter of consumers feel very uncomfortable going out to eat around other people, displaying a potential lasting impact of the pandemic.
- Some consumers are also noticing a drop in level of service, as a quarter say the service they are receiving when they go out to eat is worse than normal.

I'm really trying to eat healthier, and I think it's very hard to do when at a restaurant. I will probably continue my Friday night takeout meals, but other than that maybe an occasional stop with co-workers for a drink and snacks, but that's probably about it.²

The good part about it (cooking at home) was that we were sitting as a family more often and it's a nice way of catching up with what we've all been doing for the day.²

Healthy Food Trends

Which food trends are most important to you?



Leverage top food trends in merchandising and marketing to keep share of stomach at home, even as shoppers return to a new normal

SOURCE: 84.51° Consumer Pulse Survey, November 2021



Low sugar, clean/simple ingredients, and high protein food trends rank highest in terms of importance to shoppers, while food trends surrounding specific diets (e.g., plant-based, keto, paleo, gluten-free) all rank lower in importance, suggesting a potentially more niche market.

SOURCES: 1) 84.51° Consumer Pulse Survey, November 2021; 2) 84.51° Beyond the Table Community

Making Customers' Lives Easier



Provide opportunities for customers to help their local communities, the environment and each other. **Find ways to connect with customers on your social responsibility & sustainability efforts.**



Help people connect this holiday season through food. **Provide recipes and promotions for traditional entrees, while delivering a seamless experience for hybrid shoppers.**



Help price-sensitive shoppers by delivering value across promotions, packaging and education for existing products & innovation **as inflation and stress increase.**



Bring families together with at-home meals and on-the-go nourishment without the stress. **Provide easy meal options aligning with health trends to capture share of stomach.**

Custom or Out-of-the Box? Learn More.

84.51° Insights leverages first-party customer data from nearly 60M households to provide shopper science, analytics and strategy, giving you unparalleled business knowledge and customer intelligence. Our insights products will help you better understand the shopper's path to purchase, then empower you to build and execute the most comprehensive and personalized customer-centric strategies. Reach out to your [84.51° partner](#) or Insights@8451.com to see how we can help.



SUSTAINABILITY

Measure the growth of more sustainable items in your categories vs. less sustainable items and understand if HHs are switching spend to sustainable options with **84.51° Stratum**.

Understand how households enter the sustainable category with **Entry Points**. **Real-Time Insights** can help determine the sustainable attributes most important to your shoppers.



PRICE

Track the price sensitivity of shoppers and where spend may be declining with **84.51° Stratum**.

Understand the impact of price changes, optimize price and promotion strategies across brands, and determine which features of a product or promotion are most important to customers using the **Consumer Pricing Learning Plan**.



HOLIDAYS

Analyze holiday performance via reporting and Custom Segmentations in **84.51° Stratum** using the Holiday & Events time hierarchy.

Determine the impact of holiday campaigns by learning what resonates most with customers through **Recall & Perceptions**.

Know how shoppers navigate web/app during holiday with **Clickstream Insights**.



SHARE OF STOMACH

Determine if households are entering / leaving your category or Kroger through specific brands or items using **84.51° Stratum**.

Understand customer migration and motivations between shopping at grocery stores vs. eating out with **Real-Time Insights** surveys. Also includes specific category trends.