

*Amid the current economic uncertainty, several households are changing their shopping and consumption behavior due to limited budgets and shifted priorities.*

## INDUSTRY TRENDS



### Food Insecurity During COVID-19

More than one in six adults were food insecure two months into the COVID-19 recession. – Urban Institute Jul 2020

### Pricing Trends

Depending on the industry and customer segment, customer price sensitivity may change markedly. The most effective suppliers will show empathy and be able to explain how much value they provide compared to the next-best alternatives. – McKinsey & Company May 2020

**Quality** Pre-pandemic, consumers' top priority when purchasing products was quality, and since that has dropped to the 3<sup>rd</sup> highest priority. – MarketingWeek May 2020

## 84.51° INSIGHTS

### SNAP GROWTH

SNAP \$ Sales increased at a faster rate than Non-SNAP \$ Sales and SNAP tender spend increased by 78% YOY.

### PRICE SENSITIVITY

Across all Kroger households, price sensitivity peaked from late April to late June. Additionally, SNAP Pickup shoppers are very price sensitive compared to total Pickup and in-store HHs.

### QUALITY

From late February to mid-April, for 12 Million households – the importance they placed on purchasing high quality products decreased.

## WHY DO VALUE TRENDS MATTER TO YOUR BUSINESS?

*A better understanding of “value shoppers” is key to informing your strategies to meet their evolving short, medium, and long-term needs.*

*“Couponing and reducing non-essential purchases are the first changes grocery shoppers make.” – 84.51° Value & The Economy Consumer Research Report*

## OPPORTUNITY FOR LEARNING & APPLICATION

- Leverage the **84.51° COVID-19 SNAP Analysis** to understand different SNAP sales growth drivers and identify opportunities to continue driving momentum by meeting these shoppers' needs
- Utilize the **84.51° Value & The Economy Report** to dive deeper and investigate customers' perceptions of the economy and retailer value at this time, as well as specific behaviors they have engaged in since the pandemic onset
- Execute a **Real-Time Insights** project coupled with **Migration Analysis** to understand category or brand movement among households that have shifted price and/or quality importance
- Learn from **84.51° Price and Quality Importance COVID-19 Response Scores** – understand key KPIs and profiling information for your products / value households and utilize to drive customer-first strategy