

Economic Concerns & Taking Action

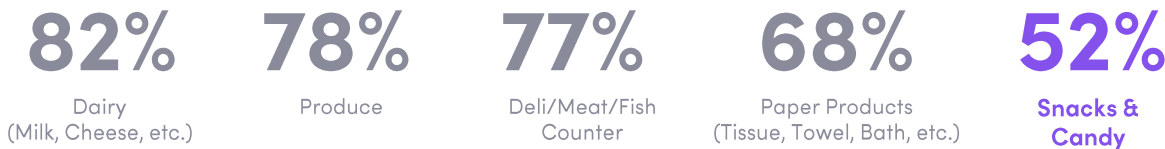
At the start of 2022, pandemic news largely made way for inflation headlines across media. With the Consumer Price Index hitting record highs since the early '80s, there has been increasing concern over personal finances. The 84.51° Insights team explored consumers' perception of rising food prices as well as anticipated spend on those items.

Snacks/Sweets (& Adult Beverage) have long been rumored to be recession-proof categories, maintaining consistent household spend through turbulent times. Powered by first party data we investigated whether consumers' survey responses truthfully mirrored their actual purchase behaviors.

Survey Says...

What commodities are you noticing price increases?

Response options included frequently shopped commodities at the 25+ Kroger banner stores (e.g., Dairy, Produce, Deli/Meat, Pet Food, Frozen Food, Cereal, Personal Care, Shelf-Stable Foods).



If Money Was Tight, What Would You Cut Back On?



...But in looking at the numbers

Leveraging 84.51° Stratum, we looked at the performance of popular snacks and sweets commodities with consistent shoppers since the start of 2022. Product groups include: Cookies, Crackers, Snacks, Chips, Pretzels, Popcorn, Fruit, Veggies, String Cheese, Ice Cream/Novelties, Yogurt, etc.



+9% Increase in Sales
in 2022 YTD.



+4% Increase in HHs
in 2022 YTD.

Potato Chips
+15% Sales

Berries
+18% Sales

Rice Cakes
+29% Sales

Better for You Snacks
+8% Sales

Multipack Snacks
+23% Sales

-8%

Decrease in Pickup
and Delivery sales

Pickup & Delivery Index vs Total Store

60 Stone Fruit

51 Packaged Candy

78 Ice Cream

63 Candy Bags –
Chocolate

More Actionable Survey Learnings

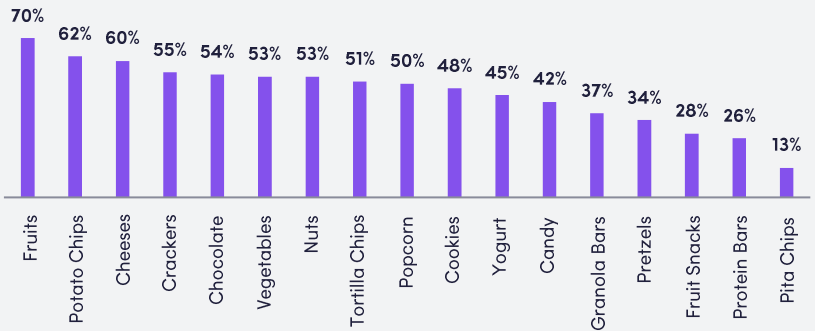


What's important to consumers when it comes to snacks?

1. Taste & Flavor (74%)
2. Fulfills a craving (63%)
3. Convenience (e.g., on the go, etc.) (51%)
4. Curbs my appetite (46%)
5. Boosts my energy (28%)
6. High protein (26%)

SOURCES: 84.51° Real Time Insights – May 2022; 84.51° Stratum Prod by Measure, Prod by Measure by Modality (Jan–May 2022 vs 2021)

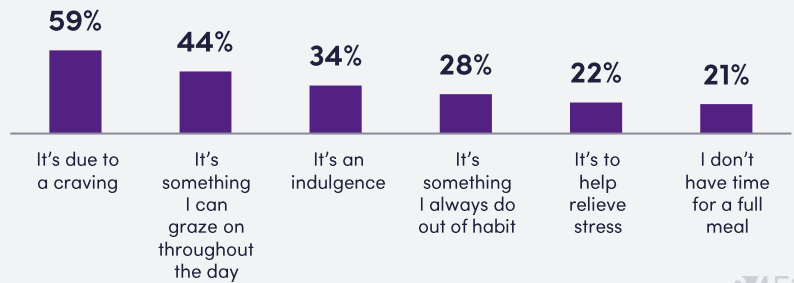
Types of snacks consumers are regularly consuming



SOURCE: 84.51° Real Time Insights Survey, May 2022

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What's driving consumers to snack?



SOURCE: 84.51° Real Time Insights Survey, May 2022

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So What?

At the current moment, snacks and sweets seem to be inflation proof. While shoppers say they will cut back, they are not. In defense of snacking, shoppers self-report needing tasty & flavorful treats to quell a craving or to graze on throughout the day. This is particularly strong with rice cakes, bagged snacks/potato chips, and fruit. Double clicking into the not-so-rosy picture, snacks & sweets have struggled with e-commerce growth or in more niche categories like pita chips & protein bars.

We can help you understand your customers and your product category, seasonality, and e-commerce affinity.



Dig into migration and switching behavior to identify opportunity areas through pack sizes, household segments engaged, and consumption trends with the **Inflation Learning Plan**.



Prioritize areas of your portfolio for e-commerce strategies in a proactive way with **Ecommerce Incrementality Measurement**.



Understand how different household groups are changing behavior over time and by category/brand/item through **84.51° Stratum**.



Loyal Customer Mailer (LCM): Remain top of mind by sustaining presence with current buyers, utilizing consideration and conversion tactics.

Reach out to your **84.51° partner** or Insights@8451.com to see how we can help.