

Consumer Digest – Snacks & Sweets Special Edition

Welcome to the May Consumer Digest. This month, we are focusing on consumer’s snacking habits. We’ll look at how often consumers are snacking, top occasions when snack types are being consumed and reasons consumers are reaching for a snack. From there, we’ll look at how snacking habits have changed compared to a year ago. Finally, we’ll wrap up with how consumers are buying new snacks. Reach out to your 84.51° contact with any questions.

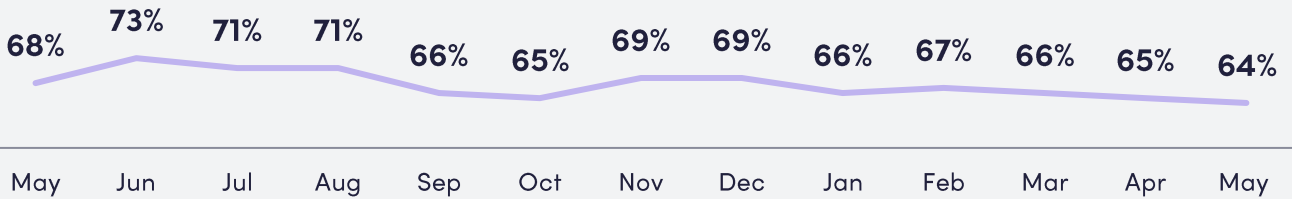
Included this month:

- Is **shopper concern** over inflation diminishing?
- **Sweet or Salty** – what’s being consumed, when and how often
- How have consumers’ snacking habits **changed compared to a year ago**?
- **What’s important** to consumers while snacking?
- How do consumers decide **what type of new snack to try**?

Is shopper concern over inflation diminishing?

- Inflation concern drops to the lowest we’ve seen to date this month with 64% of consumers claiming they are highly concerned with inflation and consumer prices.

Shopper concern over inflation - % of Households Extremely Concerned

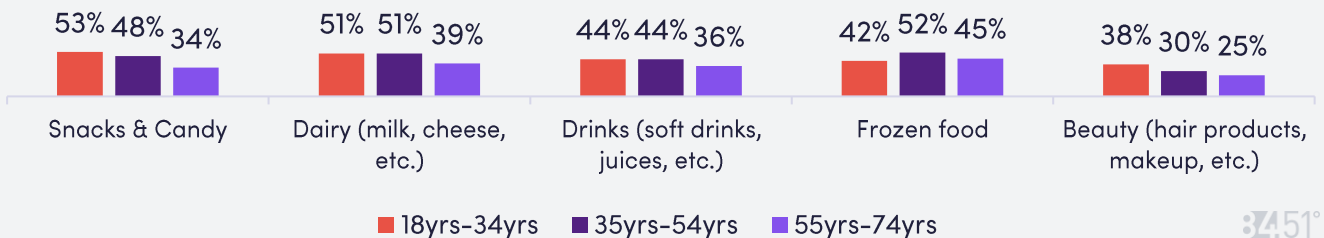


Top 2 box on 7-point scale



Younger shoppers are more likely to switch to lower cost brands across many commodities

In what categories are you willing to switch to a lower cost brand?



Source: Real-Insights Survey, May 2023. Sample sourced from consumers who shopped at Kroger in latest 3 months. N=400



How often do consumers snack?



Younger consumers snack the most frequently, with 74% of those under 35 years old snacking at least a few times per day (compared to ~50% for those 35yrs and older).

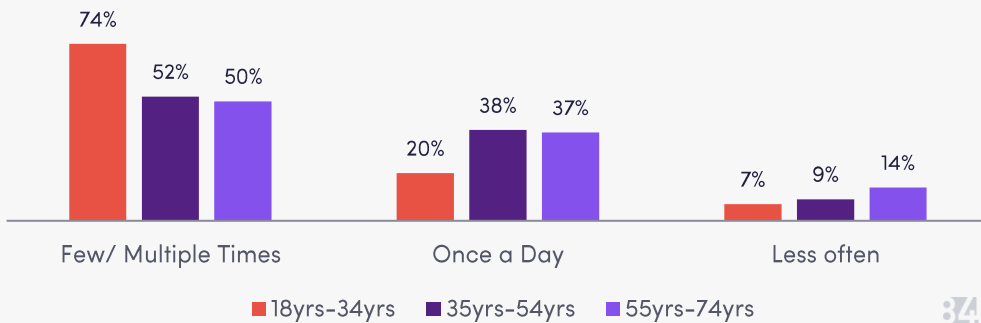


56% of consumers say they snack all year round, but colder months warrant the most snacking behavior with 34% of consumers saying they snack most during the Winter.



While 60% of consumers claim they snack the same throughout the week, 28% claim they snack more on the weekend.

How often do different age groups snack?

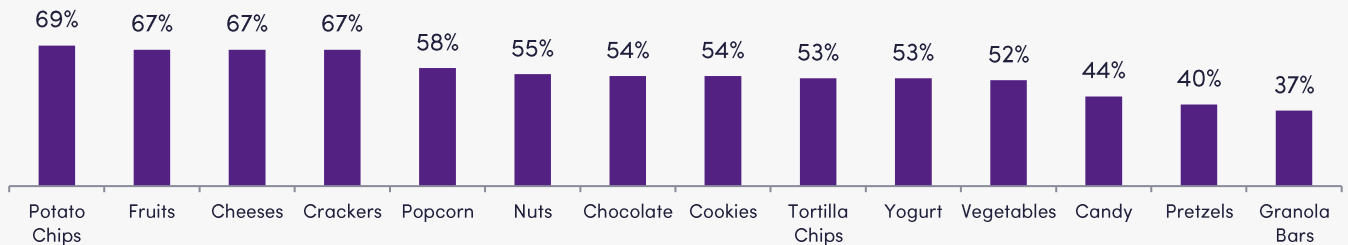


Younger consumers find more occasions to snack throughout the day.



What do consumers snack on?

What types of snacks do consumers regularly go to?



Fruits, Cookies, Yogurt, Vegetables and Granola Bars are especially popular with households with kids compared to those without kids.

Source: Real-Insights Survey, May 2023. Sample sourced from consumers who shopped at Kroger in latest 3 months. N=400.

When do consumers reach for different types of snacks?

Top occasions snack types are consumed

Chips, Cheese, Crackers, Nuts, Popcorn	Fruits	Yogurt, Granola Bars, Protein Bars
Between Meals	Between Meals	As a meal replacement
In the Afternoon	In the Morning	Between Meals
In the Evening	In the Afternoon	In the morning or afternoon



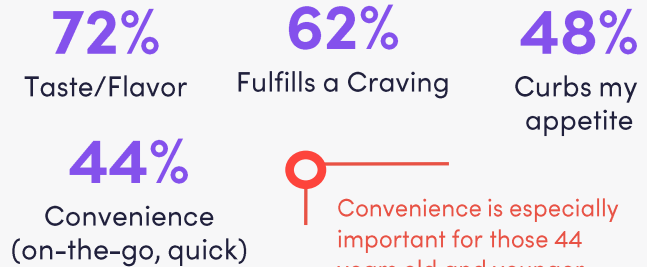
TAKING ACTION:
Offer snacking inspiration that aligns to when consumers are reaching for their go-to snacks.



Reasons for snacking...

- 62% of consumers reach for a snack to fulfill a craving, followed by 42% claiming to snack to accompany an activity like reading, watching TV or video games.
- 60% of consumers say they are snacking the same amount as a year ago. However, those who are under 35 years old are more likely than older consumers to say they are snacking more.

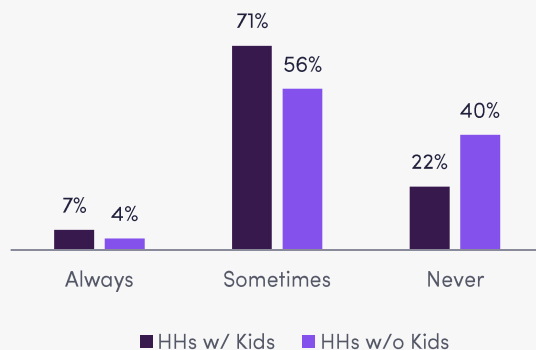
What's important to consumers when snacking?



How are consumers buying their snacks?

- 67% of consumers claim to sometimes/always buy larger snack sizes to be able to divide up into other containers later.
- This behavior is claimed even more among Households with Kids.
- 21% of consumers claim to always stock up on snacks, though the majority (69%) only claim to sometimes do this.
- Consumers under 35yrs are most likely to claim that they always stock up on snacks.

Do consumers buy larger portions of snacks to divide up into re-usable/sustainable containers?



Find ways to appeal to this sustainable behavior in marketing your snacking products.

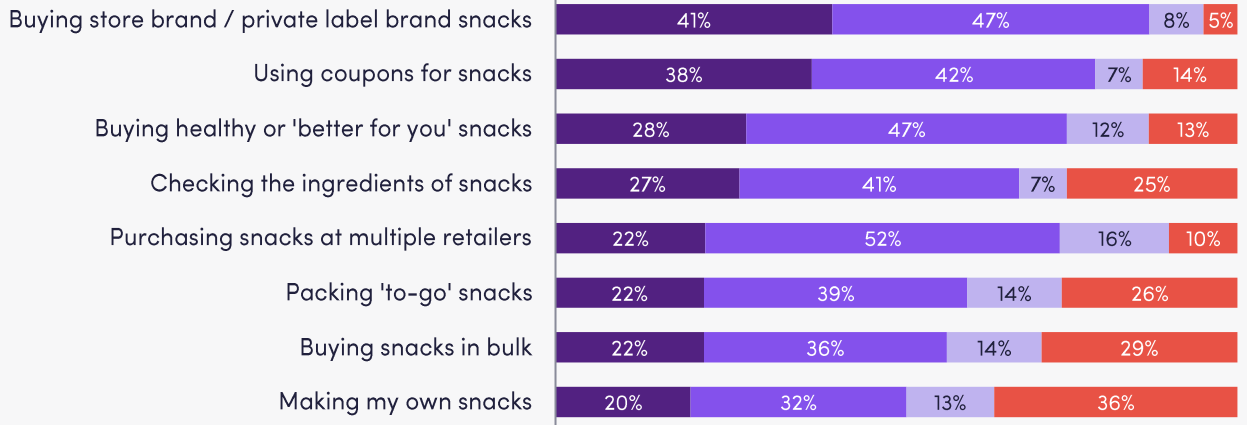


Source: Real-Insights Survey, May 2023. Sample sourced from consumers who shopped at Kroger in latest 3 months. N=400.

Consumers are looking for ways to save money when buying snacks

- Many consumers are trading down to less expensive snack options or searching for coupons to buy their snacks.

How have consumers' snacking habits changed compared to a year ago?



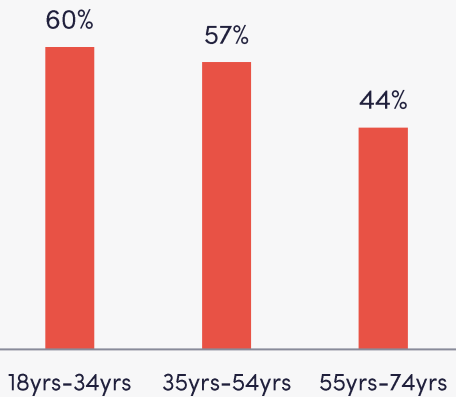
■ I'm doing more of this ■ I'm doing the same amount of this ■ I'm doing less of this ■ I don't do this at all



Sales, appealing flavors and coupons encourage trial of new snacks

How willing are consumers to try new snacks?

(Extremely willing - Top 2 Box)



How do consumers decide what type of new snack to try?



- 59%** The snack item is on sale
- 58%** The flavor/ texture of the snack is appealing
- 51%** I have a coupon for the snack item
- 49%** A friend/ family member suggested I try it

*Sample is consumers who are neutral/willing to try new snacks. N=356.



TAKING ACTION: Ensure flavors/textures of new flavors are highlighted in messaging to encourage trial.

Source: Real-Insights Survey, May 2023. Sample sourced from consumers who shopped at Kroger in latest 3 months. N=400.

Highlighted solutions

84.51° Insights

Move your business forward with **84.51° In-Queries** to execute high-quality custom research to understand shoppers' engagement with your products and categories. With this solution, you can:

- Reach actual shoppers that make up your key target groups, and ask them relevant, custom questions to understand their attitudes and perceptions.
- Seamlessly defines your sample group and gauge feasibility.
- Get results as fast as 1 day after kicking off research.

Connect with us at insights@8451.com



With 84.51° In-Queries, you can quickly create and launch research projects at the pace of your business needs

84.51° Loyalty Marketing

Engage customers with personalized offers and relevant product information through the Loyal Customer Mailer, MyMagazine, New at Kroger and Direct Mail Solos. These **Best Customer Communication (BCC)** core vehicles can:

- Drive incremental visits to participating brands.
- Deliver through direct mail and digitally, based on customer engagement.
- Keep customers engaged and away from switching products.

Connect with us at Loyalty@8451.com



MyMagazine
Retain & Acquire
Quarterly delivery cadence



Inspire consumers and enable a better shopping experience:

- **Drive discovery:** Use KPM social audiences to reach Millennial parents in your category. Snapchat reaches 75% of all 13- to 34-year-olds in the US.
- **Win new households:** 42% of the people who click on KPM product listing ads across Kroger sites are actually new or lapsed users of that brand.
- **Measure impact:** KPM's closed-loop sales reporting allows you to optimize media placements against household penetration and sales.

Connect with us at KPMinfo@8451.com



42% of the people who click on KPM product listing ads across Kroger sites are actually new or lapsed users of that brand