

Welcome to your November Consumer Digest. This month, we're looking at growing inflation and financial concern ahead of the holiday season and how consumers are responding. We'll also look at how consumers are planning to get into the holiday spirit this year. As always, reach out to your 84.51° contact with questions or feedback.

Included This Month:

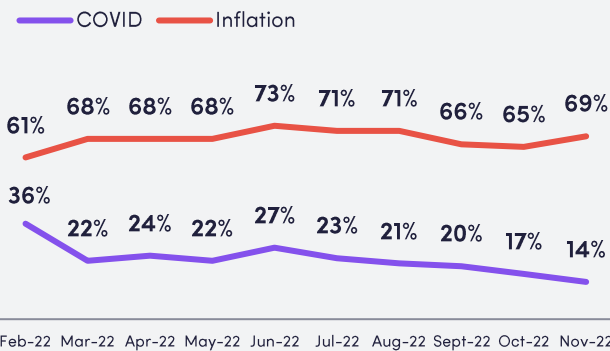
- **Inflation and financial concern** – are both back on the rise?
- **Brand switching** and how that differs across household income levels
- **Is a recession coming?** A closer look at consumer sentiment
- Are shoppers **splurging or saving** this season?
- End-of-year celebrations – **how consumers plan to get into the holiday spirit**

Is Shopper Concern Back On The Rise?

While shoppers' concern over COVID is at an all time low, inflation and financial concern are beginning to swell.

- Shopper discomfort over finances and their concern with inflation have increased from what we saw last month.¹
- Only 14% of shoppers reported being concerned over COVID this month – the lowest concern we have seen to date.¹
- According to the CDC, weekly average reported cases have slightly increased over the past 3 weeks.²

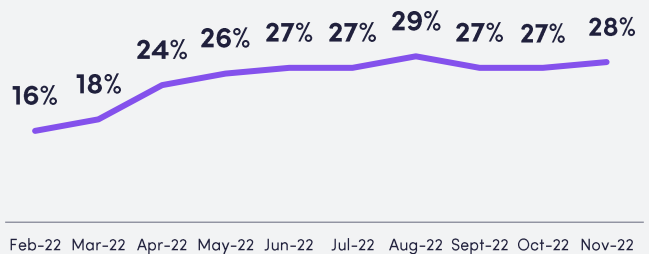
Shopper concern over COVID and inflation?
% of Households Extremely Concerned (T2B)



SOURCE: 84.51° Real Time Insights Surveys February 2022 – November 2022



Shoppers comfort with finances?
% of Households feeling uncomfortable with finances (T2B)



SOURCE: 84.51° Real Time Insights Surveys February 2022 – November 2022



SOURCES: 1) Real Time Insights Survey, November 2022 targeting n=400 of Gen Population who shopped Kroger in Latest 3 Months 2) Covid Data Tracker covid.cdc.gov Nov 22

Do Shoppers Feel A Recession Is Upon Us?

- While 85% of shoppers think a recession will happen in the near future, 48% feel a recession is happening now.
- With shoppers still seeing high prices at the shelf, 65% of them have been looking for sales/deals/coupons, 61% are cutting back on non-essentials like snacks and candy, and 39% are purchasing fewer items on their grocery trips.

In which categories are you **noticing a price increase**, and where are you **cutting back**?

To what extent are **Units declining at Kroger**?

Category	% of HHs Noticing Price Increases (Kroger Stores)	% of HHs Claiming to Cut Back (Kroger Stores)	Units per HH % Change vs. YA (L4 Weeks)
Dairy	86%	18%	-7%
Deli/Meat/Fish	80%	34%	-7%
Produce	78%	18%	-4%
Drinks	73%	42%	-8%
Frozen Food	72%	23%	-8%
Paper Products	72%	21%	-5%
Household Cleaners	66%	18%	-8%

■ Top 3 Response



Units per HH is declining for each category shoppers claim to be cutting back on.

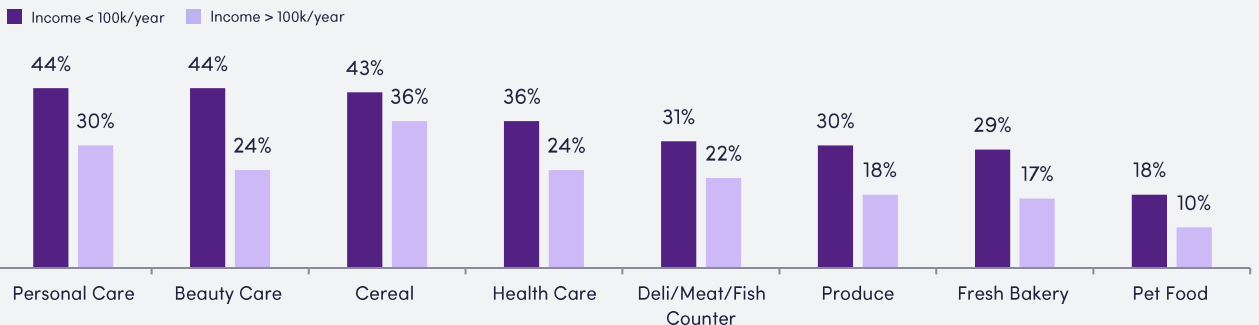


SOURCE: 84.51° Real Time Insights Survey, November 2022

Shopper's Willingness To Switch To Lower Cost Brands

- Only 10% of shoppers say they are not willing to switch to a lower cost brand in any category. – 52% claim they have switched to a lower cost brand more often than they normally do.

Where shoppers are **willing to switch to a lower cost brand** and how that differs across HH income levels...



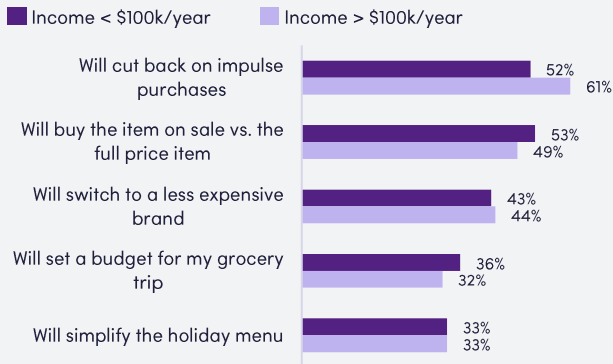
SOURCE: 84.51° Real Time Insights Survey, November 2022



Splurging vs. Saving This Holiday Season

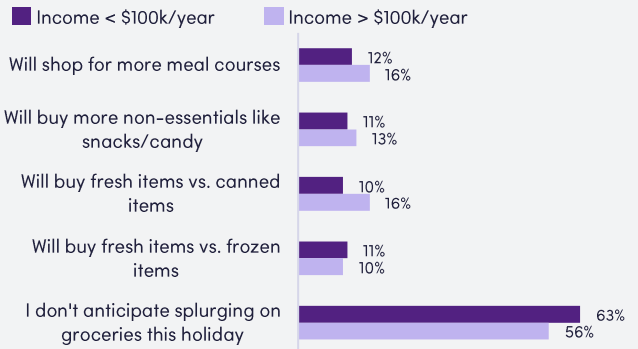
- Top behaviors to help save during the holidays include cutting back on impulse purchases, buying items on-sale vs. full price and switching to less expensive brands – these behaviors are relatively consistent across income groups.
- 62% of shoppers do not have plans to splurge on groceries this holiday, but for those who will splurge, they plan to do so via additional meal courses, non-essential items, and switching to fresh items.
- 79% of customers will use loyalty cards the same amount or more during the holiday season vs. other times of year, increasing in use more than membership cards or store/retailer credit cards.

How will you stretch the dollar on groceries this holiday?



SOURCE: 84.51° Real Time Insights Survey, November 2022

How will you splurge on groceries this holiday?

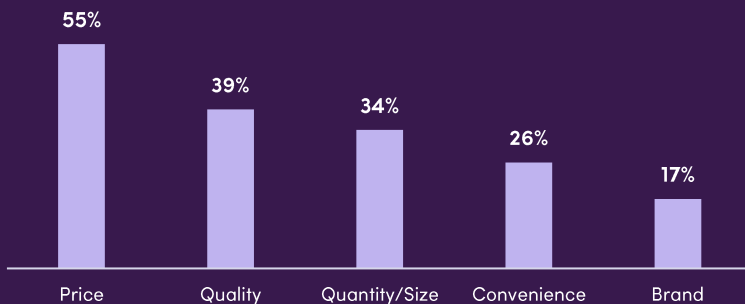


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Holiday Grocery Shopping Considerations

Which of the following are more important to you when doing holiday shopping vs. normal grocery shopping?

% of HHs that find this attribute more important during holiday grocery shopping vs. normal grocery shopping



Price is the top product attribute that raises in importance during holiday grocery shopping vs. normal grocery shopping

SOURCE: 84.51° Real Time Insights Survey, November 2022

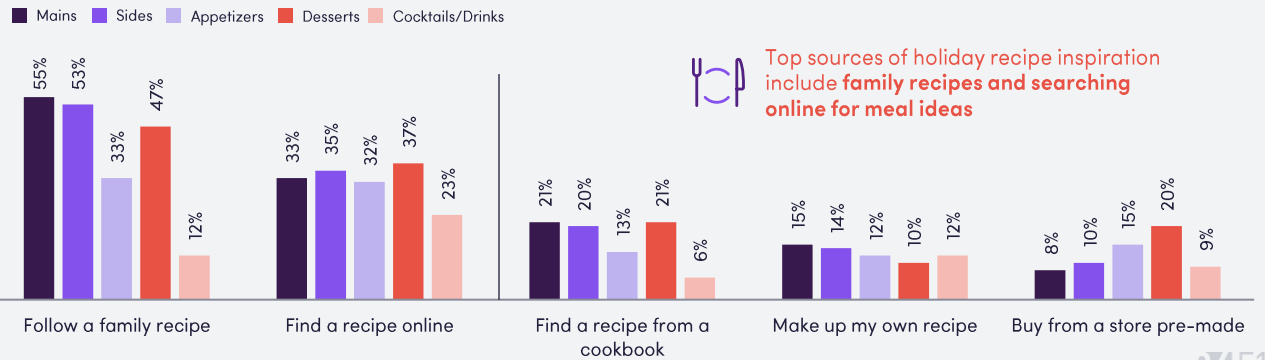
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- When shopping for holiday groceries, product attributes such as Quality and Quantity/Size become more important to shoppers, as well as Price which leads as the most important.
- On the other hand, 31% of customers claim they make the same considerations as usual when holiday shopping, so attribute importance doesn't change.
- Shoppers plan to use a similar mix of modalities (in-store vs. online) when holiday grocery shopping and shopping for standard grocery items this season.
- As of 11/8, only 4% of shoppers have completed holiday shopping and 60% have not yet started holiday shopping at all.

Crafting The Holiday Menu

- 42% say their **cooking enjoyment increases** during the holiday season, while 34% report their **grocery shopping enjoyment decreasing** during holidays – find ways to make grocery shopping easier since this becomes more stressful for customers.
- 72% of shoppers will serve/eat Turkey as their main course this Thanksgiving, while 12% plan to use Ham as their main course and 6% use Chicken.
- After holiday meals, 78% of shoppers plan to eat leftovers immediately, and 41% use them to make other types of meals.

How will you prep the following dishes for the holidays?



Top sources of holiday recipe inspiration include **family recipes** and **searching online for meal ideas**

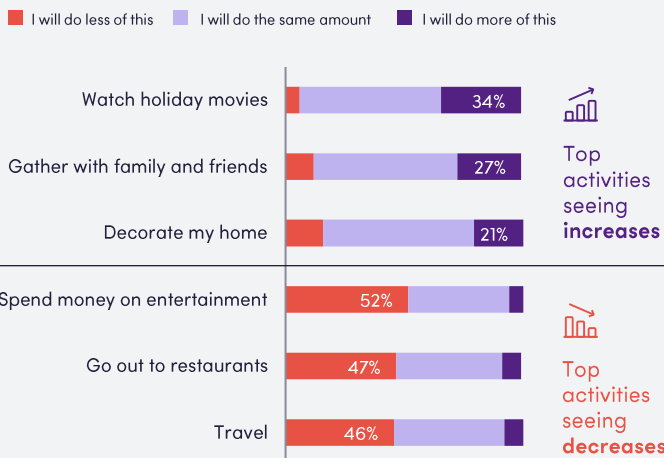
SOURCE: 84.51° Real Time Insights Survey, November 2022



Getting Into The Holiday Spirit

- Most gatherings are staying the same or growing this holiday – 24% of shoppers plan to gather with more people this upcoming holiday season, while 59% will gather with the same amount as last year.
- Shoppers are shifting activities this season, and planning to do less activities that are perceived as costly.

What activities do you plan to do differently this upcoming holiday season vs. last year?



SOURCE: 84.51° Real Time Insights Survey, November 2022



A Glimpse into the New Year: What are you planning to set as your New Year's Resolution in 2023?



- 45% Plan to save more money
- 35% Plan to eat a healthier diet
- 31% Plan to reduce/eliminate debt
- 27% Plan to spend more time with friends/family/partner
- 26% Plan to improve their sleep

SOURCE: 84.51° Real Time Insights Survey, November 2022



Making Customers' Lives Easier



Financial discomfort is back on the rise ahead of the holiday season. Continue supporting shoppers through budgetary challenges with ways to save, rewards, and simply being available on shelf to diminish shopper stress.



Help people connect this holiday season through food. Provide recipes and promotions for creative entrees to help customers stretch their budget farther in high-priced commodities like meat.



Over half of shoppers have claimed that they have switched to a lower cost brand more often than they normally do. Deliver personalized offers to your most loyal brand buyers to drive retention and help protect against trade down.



Consumers are already starting to think about goals for the New Year, with 35% planning to eat healthier. Meet consumers where they are in what health means to them with messaging that communicates the benefits of your product.

Custom or Out-Of-The Box? Learn More.

84.51° Insights leverages **first-party customer transaction data from nearly 60M households** to provide shopper science, analytics and strategy, giving you unparalleled business knowledge and customer intelligence. Our insights and research solutions will help you better understand the shopper's path to purchase and empower you to build and execute comprehensive and personalized customer-centric strategies.



PULSE ON THE SHOPPER

Identify opportunities to improve your shopper's in-store experience through understanding of reaction to changes made to their shopping experience with **Mobile Missions**.

Utilize **84.51° In-Queries** to ask verified purchasers what you want and get results in as little as 24 hours.



THE SEASON OF SAVE

Deliver data-driven insights to support your pricing strategy at retail with the **Price & Promotion Tactic Predictions** solution. This capability will provide the lift expected at different price points by tactic.

Understand which brands are gaining or losing different types of household segmentations through **84.51° Stratum**.



BRAND MIGRATION

Track household behavior and forecast trends through an encrypted but persistent household ID through **84.51° Collaborative Cloud**.

Gain an in-depth understanding of migration trends for your brand or category with a **Migration Analysis**.



Connect with us

Have a specific question that isn't answered by one of our standard solutions? Reach out to your **84.51°** partner or Insights@8451.com to see how we can help.