

Welcome to your March Consumer Digest, where we highlight some recent customer trends and unpack the continued Covid impacts. 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!

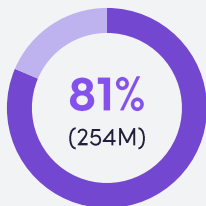
Included this month:

- **Fighting inflation** – how do consumers plan to cut back if money gets tight?
- What categories are consumers most likely to **switch brands** in?
- Sticker shock at the pump – how are consumers reacting to **rising gas prices**?
- **Climate Change and Sustainability** – are we voting with our dollars?
- What sweet treats are going in **Easter Baskets** this year?

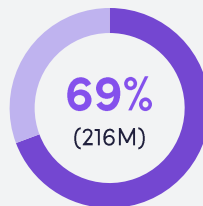
COVID Update based on People 5+¹

As of March 2nd, the 7-day moving average of daily new cases was 53K, down 29% from the prior week.

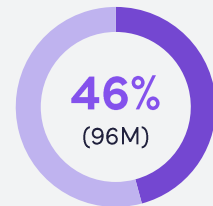
% of U.S. population with at least one vaccine dose



% of U.S. population that is fully vaccinated



% of U.S. population with a booster dose

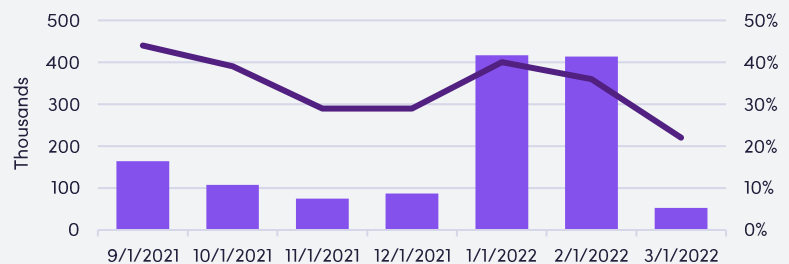


SOURCE: CDC, "COVID Data Tracker"

COVID concern is trending downward among shoppers as cases start to decline

- 22% of shoppers claim they are extremely concerned about COVID this month, down 14 percentage points from February.
- This is the lowest level of concern since we started measuring in spring of 2020.

How does shopper concern align with COVID case counts?



SOURCE: CDC, "COVID Data Tracker", 84.51° Real Time Insights Survey

Legend:
█ 7 Day Moving Avg Cases as of 1st of the month
— % of HHs Extremely Concerned (Top 2 Box %)

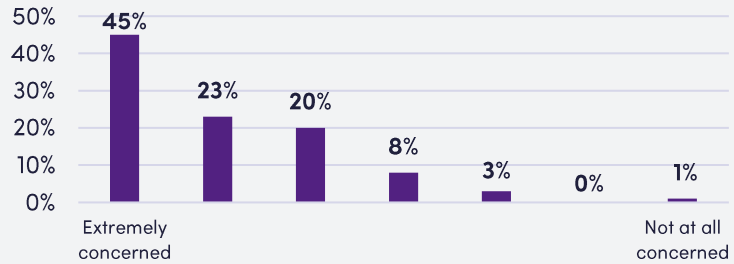
SOURCES: 1) CDC, "COVID Data Tracker"; 2) 84.51° Real Time Insights Survey, September 2021 – March 2022

Rising Prices And The Impact It's Having On Shoppers

Overall concern on inflation continues to grow

- 45% are extremely concerned with inflation vs. only 35% last month.
- Consumers are still noticing an increase in prices across categories such as Meat/Seafood (88%), Produce (80%) and Dairy (77%).
- 60% have been looking for sales, promotions, and coupons more often.
- 42% have been purchasing fewer items on their grocery trips and have switched to a lower cost brand on items they normally would purchase. Total Units/Trip have decreased ~9% in March '22 vs Jan '22.
- As consumers continue to watch their spending, they're likely to cut back in categories such as adult beverages (56%), snacks (55%) and beauty (49%).

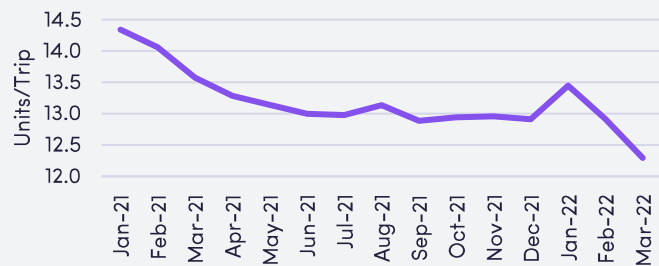
Level of concern over inflation



SOURCE: 84.51° Real Time Insights Survey, March 2022

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Purchase Behavior shows drop off in units/trip for Feb-March



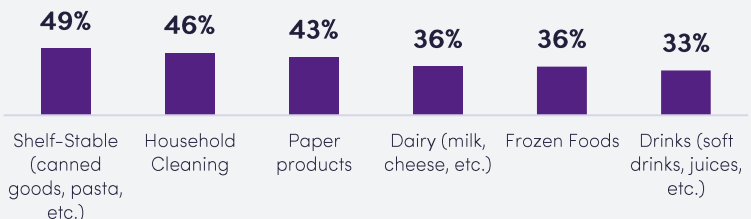
SOURCE: 84.51° Stratum - Total Units/Trip

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Making The Switch To A Different Brand

- In the last year, 52% of consumers have tried a new brand that they are now purchasing on a regular basis.
- Top categories where consumers say they are **willing to switch** to a new brand, private label or a more premium brand: paper products (59%), shelf-stable (55%), household cleaning (54%), dairy and frozen foods tie at 44%.
- If items are out of stock, 29% of consumers will look to buy a different brand.

Categories where consumers **have purchased** brands different from what they typically purchase in the past year



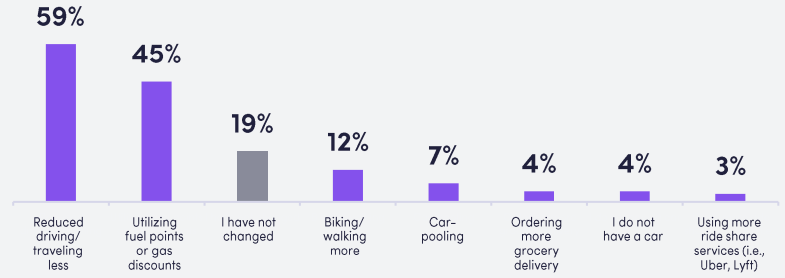
SOURCE: 84.51° Real Time Insights Survey, March 2022

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Rising Gas Prices Changing Habits



Changes consumers are making due to rising gas prices



SOURCE: 84.51° Real Time Insights Survey, March 2022



Climate Concern Does Not Always Tie to Grocery Decisions

For households concerned about sustainability, which categories matter the most

1. Household Cleaning (65%)
2. Paper Products (63%)
3. Shelf Stable Foods / Personal Care (tied at 61%)
4. Health Care (60%)
5. Frozen Food / Dairy (tied at 56%)

SOURCE: 84.51° Real Time Insights Survey, March 2022



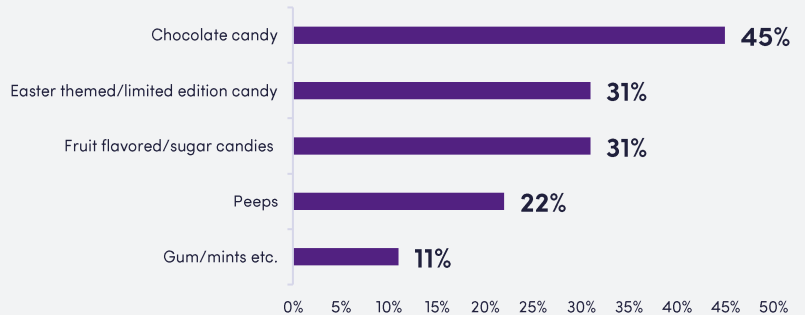
- Shoppers are generally more concerned about sustainability in non-food related categories, such as Household Cleaning, Paper Products and Personal Care.
- Categories with the lowest levels of concern include Cereal (38%), Snacks/Candy (35%) and Baby Care (24%).
- 32% of shoppers are extremely concerned about climate change, but only 21% of shoppers are extremely concerned about the overall sustainability of the grocery products they purchase. This means that there's a disconnect in how they think they can impact climate change with purchases.

Chocolate Is The Treat Of Choice For Easter Baskets



- For the 56% of shoppers who plan to make an Easter Basket this year, chocolate is the treat of choice.
- What else is in Easter shopping baskets: Toys (22%), Books (16%), Gift Cards (12%) and Money (11%).

What sweet treats are going in Easter Baskets this Year



SOURCE: 84.51° Real Time Insights Survey, March 2022



Making Customers' Lives Easier



Inflation, gas prices and continued strain from the pandemic are causing consumers to look for ways to save. Manufacturers can help by offering larger sizes and promotions to drive value.



While COVID concern is dropping, financial stress continues to escalate. Help shoppers save while they plan for at-home events with family and friends, as 35% of households plan to eat out less often.



Consumers state that their largest at home inventory is in Paper Products, Non-Perishable Foods, and Household Cleaning Supplies. Suggesting that consumers donate these items to charities can help to drive consumption for a good cause.



45% of consumers plan to rely more on utilizing fuel points or gas discounts to help offset rising prices. Manufacturers can help by ensuring they are building promotional strategies to align with these plans.

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.



CHANGING HABITS

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

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



BRAND SWITCHING

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

Run multiple distribution scenarios to forecast how removing UPCs and/or Brands could impact category performance with **Transferability of Demand**.



PULSE ON THE SHOPPER

Field surveys of fully custom questions. Results update in real-time within 3 days of project kick off. Prepare for upcoming meetings or as a fast-follow to keep momentum going through **Self-Serve Surveys**.

Understand and prioritize opportunities to win in eCommerce through **Clickstream Scorecard**



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.