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INNOVATION BAROMETER by **BASES**

Powered by BASES Innovation Measurement

December 2022 edition

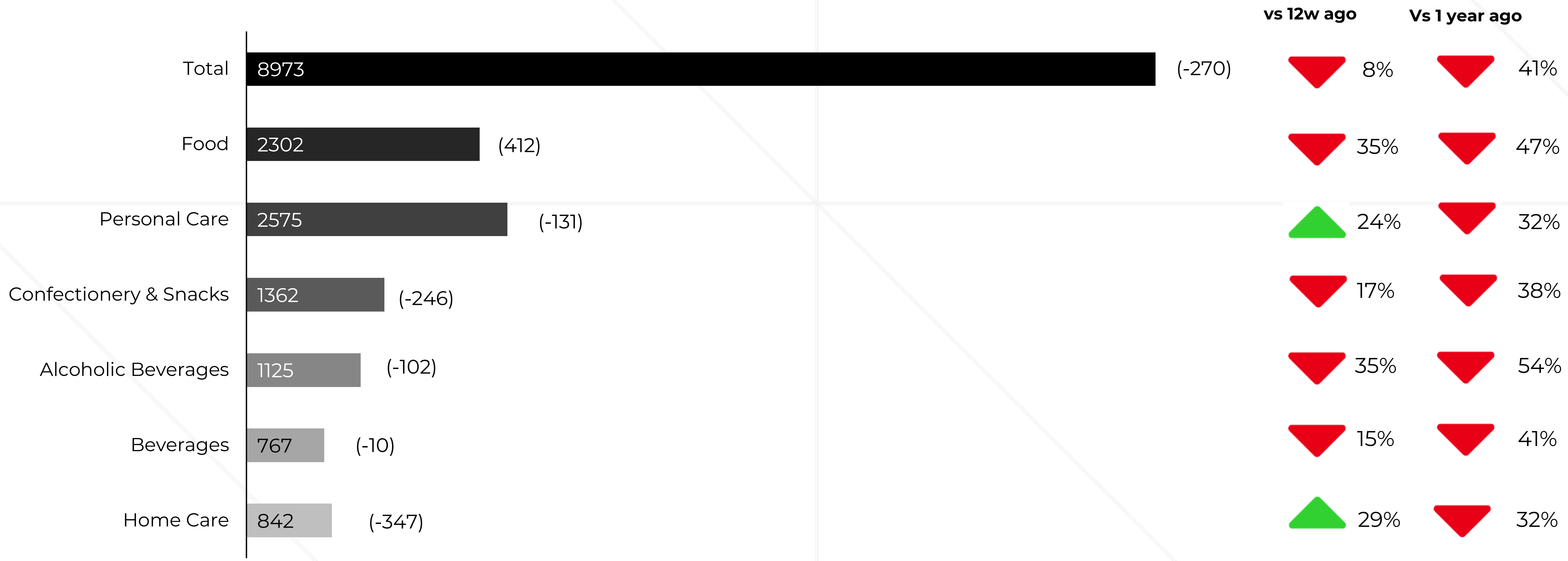
The Innovation Barometer, powered by BASES Innovation Measurement, quickly identifies, categorizes, and measures innovations, to bring you a monthly update on the most active players in CPG innovation, what's up, what's down, who's winning, who's losing and more.

What is the current state of innovation in the CPG industry?

BASES Innovation Barometer uses NielsenIQ sales data to give you an overview of innovation activity and performance across six key super-categories: food, confectionary and snacks, beverages, alcoholic beverages, home care and personal care.

In the final update of 2022, we see a decrease in total innovations launched in the US compared to last month's report. However, we do see that the Food segment saw a huge boost in total innovations compared to last month's update with 412 additional innovations launched to be exact. We also see that each segment continues to see drastically lower rates of innovations compared to last year.

Total innovation launches



Source: BASES Innovation Measurement, United States past 12 weeks until October 7th, 2022

Category where innovations have the highest increase in eq price

Alcoholic Beverages

Category where innovations have the highest average velocity

Personal Care

Highest innovation sales contribution to total value sales

Personal Care

Alcoholic Beverages has the highest increase in innovation eq prices in this month's update while also being the only segment to see a decrease in both average velocity and innovation contribution to total sales. Personal Care on the other hand has shown to have the highest averages in both of those categories this month.

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until October 7th, 2022

When looking at the most active brand owners in innovation and/or companies that launched the highest number of innovations, P&G ended the year strong with it's third consecutive month in a row holding the leadership position with 243 innovations. Mars and L'Oreal jump into the top 5 of active brand owners in this month's update.

5 most innovation active brand owners

- **243** Home Care + Personal Care — P&G
- **139** Confectionary — Hershey (The Hershey Company)
- **105** Personal Care — Unilever
- **97** Confectionary — Mars
- **97** Personal Care — L'Oréal

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until October 7th, 2022

	Total market	Innovation
Sales value change	2.4%	3.9%
Items change	-1.7%	-1.9%
Eq price change	6.2%	4.5%
Average item velocity change	4.1%	9.1%

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until October 7th, 2022

Overall, consumers are showing for the third month in a row that they are willing to spend on consumer-packaged goods with growth coming from every category outside of Alcoholic Beverages which saw a 4% decrease in total sales. This month’s update also shows that consumers are continuing to spend more on certain innovations which includes Non-Alcoholic Beverages, Confectionary, Food and Home Care products compared to 12 weeks ago.

The total number of products available in the market across the six categories continued to drop in this update at a rate of 1.7% with innovations following the trend at a rate of 1.9%.

The average eq price, for both total market and innovations, has seen an increase over the past 12 weeks, by 6.2% and 4.5% respectively. In overall price we see that each category has either maintained the same price or has seen an increase. While looking at innovation prices, the only category that showed decline is Personal Care which we see a decrease of 19% on average compared to 12 weeks ago.

Overall, average item velocities finished out the year strong with an increase of 4.1%. When it comes to innovations, we also see a large increase in velocity at 9.1%. This is mainly driven by Personal Care and Home Care, which has seen increases of 27% and 18% respectively.