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# INNOVATION BAROMETER by **BASES**

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.

Over the past 12 weeks we have seen a significant decline (-40%) in the number of total innovation launches across CPG industry in the US. Although Food showed the highest number of launches, 2276 out of 8294 total, only one super category, Alcoholic beverages, showed actual growth in terms of innovations launched.

## Total innovation launches



Source: BASES Innovation Measurement, United States past 12 weeks until May 21, 2022

## Most innovative category in # SKUs

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## Most innovative category in dollar value sales

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## Highest innovation sales contribution to total value sales

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While Food shows the highest number of innovation launches both in terms of new items and value sales, home care innovations are the ones that contributed the most to the total value sales in the US (14.10%).

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until May 21, 2022

When looking at the most innovation active brand owners, or the companies that launched the highest number of innovations, we can see a strong innovation pipeline among personal care brand owners. These 5 players combined contributed a total of 6% of innovation launches for this period.

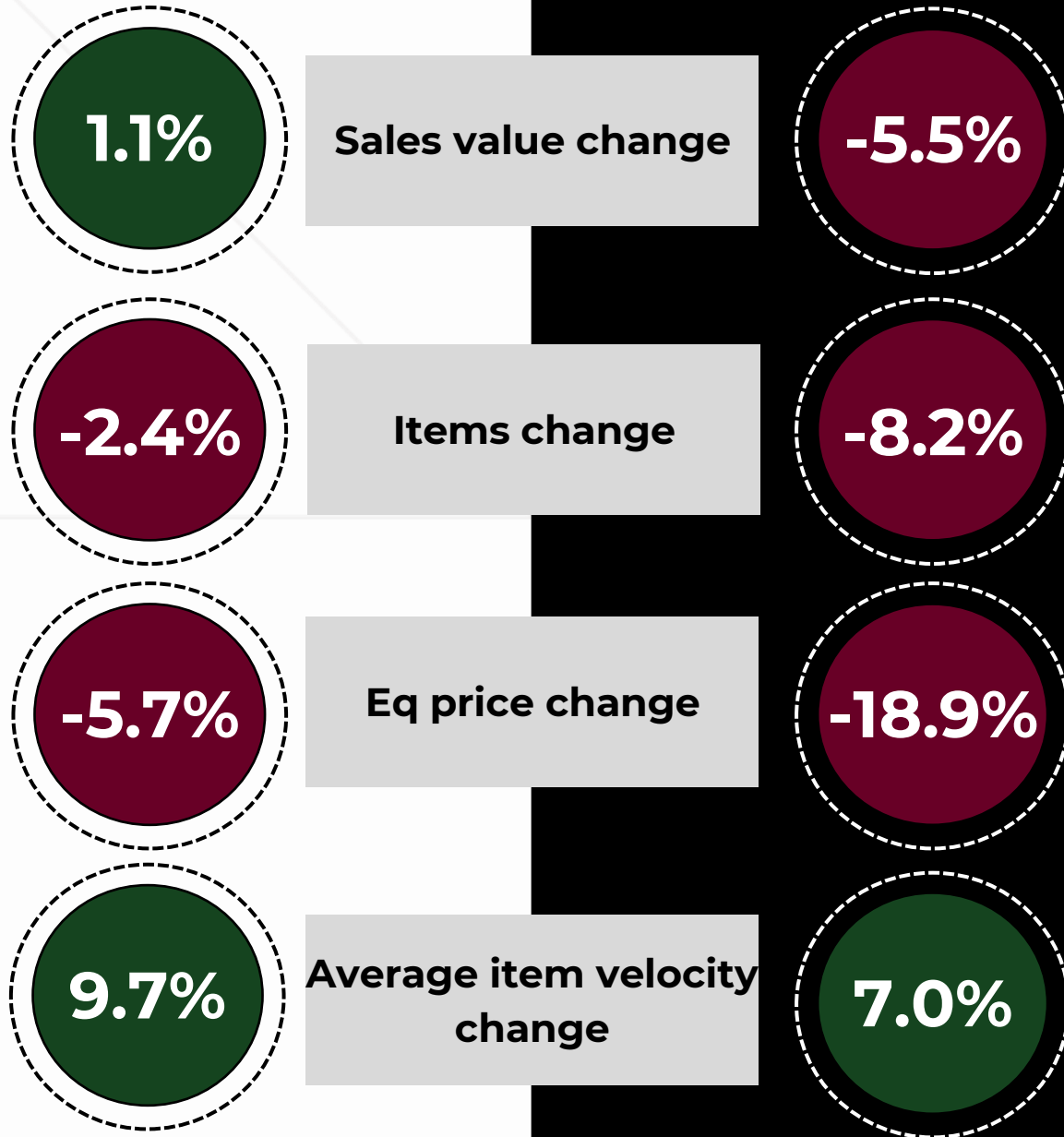
# 5 most innovation active brand owners



Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until May 21, 2022

# Total market

# Innovation



Overall, consumers are spending more on consumer-packaged goods, with the growth mostly coming from Beverages. However, when looking at innovation, consumers seem to be less interested in buying new products compared to 12 weeks ago. This drop is mostly driven by Confectionery & snacks, whose innovation sales dropped by 17.4% over the past 12 weeks.

With retailers actively reducing shelf space, it doesn't come as a surprise that the total number of products available in the market across 6 super categories has dropped by 2% over the past 12 weeks, with innovations following the trend.

Interestingly enough, even during these inflationary times, average price has dropped by 2% overall and 10.9% for innovations. The total price drop is mostly driven by a strong drop in alcohol beverage prices (-14.2%), whereas the drop in innovation prices is mostly led by food, confectionery & snacks.