https://nielseniq.com/global/en/landing-page/bases-barometer/

INNOVATION BAROMETER by **BASES**

Powered by BASES Innovation Measurement

November 2022 edition

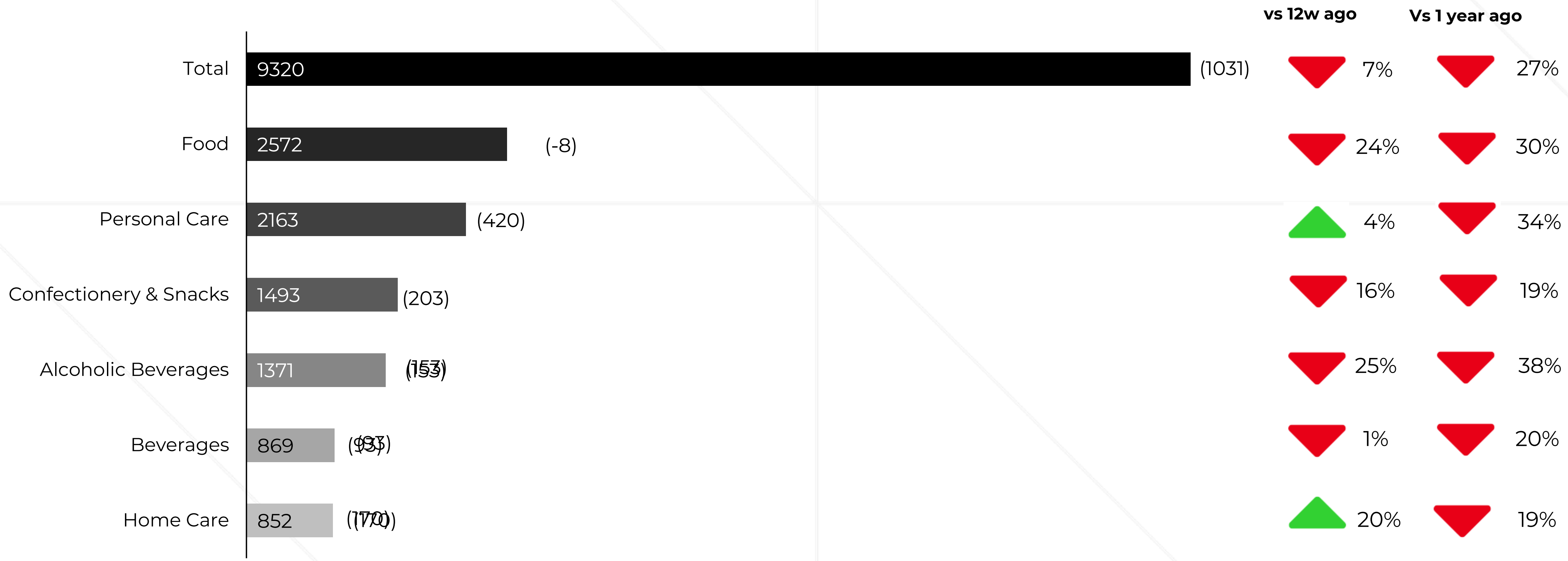
The Innovation Barometer, powered by BASES Innovation Measurement, quickly identifies, categorizes, and measures innovations, to bring you a monthly update on the most active players in CPG innovation, what's up, what's down, who's winning, who's losing and more.

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.

For the first time in four months, we see an increase in total innovations launched in the US. However, looking deeper into the data, only Personal Care and Home Care actually saw an increase in innovations compared to 12 weeks ago. We also see that each segment still has a drastically lower rate of innovations compared to last year.

Total innovation launches



Source: BASES Innovation Measurement, United States past 12 weeks until September 10th, 2022

Category where innovations have the highest increase in eq price

Beverages

Category where innovations have the highest average velocity

Beverages

Highest innovation sales contribution to total value sales

Home care

Beverages is the only category showing an increase in innovation eq prices for this month's update while also showing the highest average innovation velocities. Alcoholic Beverages and Confectionary were the only two segments who did not see an increase in average innovation velocities.

The Home Care segment for the third-month in a row has the highest innovation contribution to total sales.

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until September 10th, 2022

When looking at the most active brand owners in innovation and/or companies that launched the highest number of innovations, this month P&G holds the leadership position for the second month in a row with 248 innovations – which is a 48% increase from last month's report. The Hershey Company and Unilever jump back into the top 5 of active brand owners in this month's update.

5 most innovation active brand owners

248 Home Care + Personal Care	**156** Multiple Categories	**109** Confectionary	**100** Multiple categories	**77** Personal Care
P&G	GoodFood Holdings	Hershey – The Hershey Company	PepsiCo	Unilever

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until September 10th, 2022

Total market		Innovation
3.7%	Sales value change	1.7%
-2.7%	Items change	-4.5%
-1.7%	Eq price change	-4.3%
10.9%	Average item velocity change	11.7%

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until September 10th, 2022

Overall, consumers continue to spend more on consumer-packaged goods with growth coming from every category outside of confectionary which saw a 1% decrease in total sales. This month's update also shows that consumers are spending more on certain innovations which includes Alcoholic and Non-Alcoholic beverages as well as Home Care products compared to 12 weeks ago.

The total number of products available in the market across the six super categories continues to drop at a rate of 2.7% with innovations following the trend at a rate of 4.5%.

The average eq price, for both overall and innovations, has decreased over the past 12 weeks, by 1.7% and 4.3% respectively. The overall price drop is mainly driven by a pricing decrease in alcoholic beverages which sits at 11%. When looking at innovation prices, the only category that showed growth is Non-Alcoholic Beverages where we saw an increase of 15% on average compared to 12 weeks ago. This percentage has practically doubled since our last update.

Overall, average item velocities continue to show growth with an increase of 10.9%. When it comes to innovations, we have seen the script flip from last month's update as we now see an increase in average item velocities. This is mainly driven by Non-Alcoholic Beverages and Personal Care, which has seen increases of 26% and 16.8% respectively.