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INNOVATION BAROMETER by **BASES**

Powered by BASES Innovation Measurement

October 2022 edition

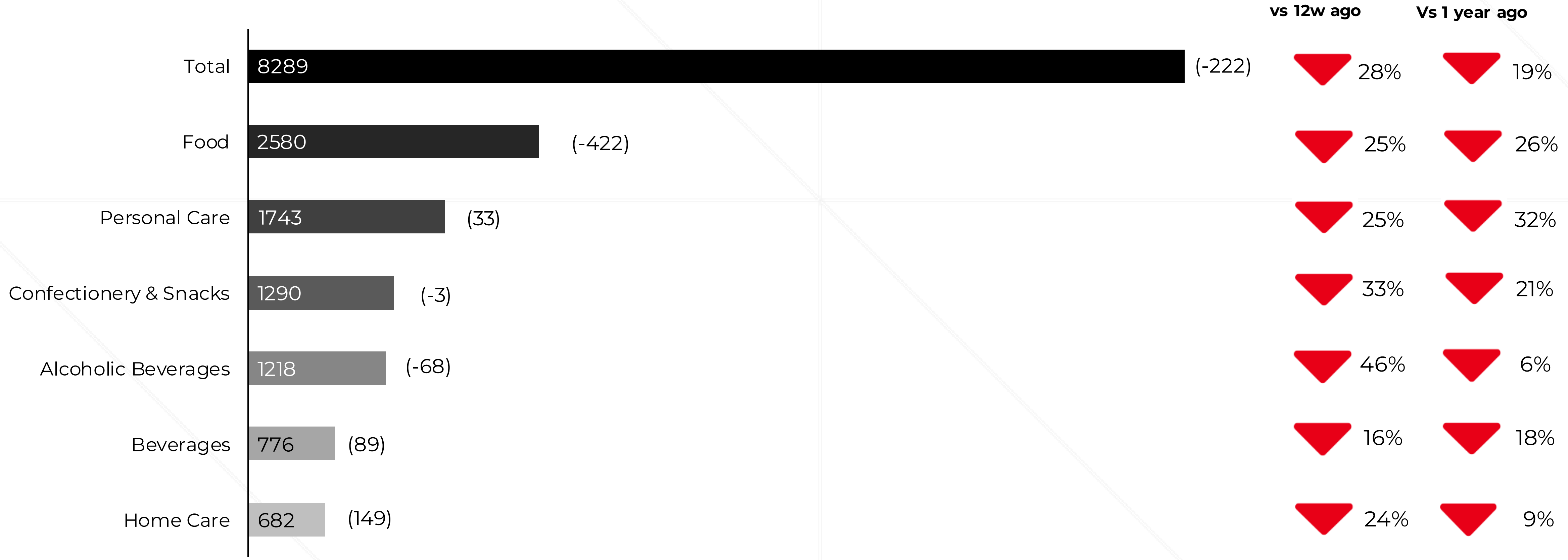
The Innovation Barometer, powered by BASES Innovation Measurement, quickly identifies, categorizes, and measures innovations, to bring you a monthly update on the most active players in CPG innovation, what's up, what's down, who's winning, who's losing and more.

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 fourth month in a row, we see a steady decline in the number of innovations launched in the US. The drop has been consistent across all categories when compared to the previous 12 weeks and a year ago.

Total innovation launches



Source: BASES Innovation Measurement, United States past 12 weeks until August 13th, 2022

Category where innovations have the highest increase in eq price

Beverages

Category where innovations have the highest average velocity

Personal Care

Highest innovation sales contribution to total value sales

Home care

Beverages is the only category showing an increase in innovation eq prices in this month's update, while also showing the lowest average velocities when it comes to innovations.

Personal care on the other hand is showing the highest average innovation velocities and highest drop in innovation eq prices.

The Home Care segment once again has the highest innovation contribution to total sales.

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until August 13th, 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 overtook Good Food Holdings for the leadership position with 168 innovations. The top brand owners did not change in this month's update.

5 most innovation active brand owners

168
Home Care + Personal Care
P&G

156
Multiple Categories
GoodFood Holdings

118
Multiple Categories
General Mills

114
Multiple categories
PEPSICO

111
Personal Care
L'ORÉAL

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until August 13th, 2022

Total market		Innovation
6.8%	Sales value change	-3.7%
-2.9%	Items change	-8.2%
-8.4%	Eq price change	-13.7%
13%	Average item velocity change	-12.7%

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until August 13th, 2022

Overall, consumers continue to spend more on consumer-packaged goods with growth mostly coming from all beverages (Alcohol and Non-Alcohol). Alcohol beverages and Home Care are the only two categories showing growth in terms of innovation sales with Confectionery & snacks being the biggest decelerator with a 19.4% drop in innovation sales 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 2.9%, with innovations following the trend at a higher rate of 8.2%.

The average price, both overall and for innovations, has decreased over the past 12 weeks, by 8.4% and 13.7% respectively. The overall price drop is mainly driven by a pricing decrease in Alcoholic beverages. When looking at innovation prices, the only category that showed growth is Non-Alcoholic Beverages, where innovation prices increased by 8% on average compared to 12 weeks ago.

Overall, average item velocities are showing a steady growth of 13%. On the flip side of this, innovations have shown a decrease of 13% of average item velocities, mainly driven by Non-Alcoholic Beverage innovation velocities.