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INNOVATION BAROMETER by **BASES**

Powered by BASES Innovation Measurement

February 2023 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 first update of 2023, we see a decrease in total innovations launched in the US compared to our last report. Confectionary & Snacks is the only category to see an increase since our last update. We also see that each category continues to see drastic drops in innovations launched compared to last year.

Total innovation launches

			vs 12w ago	Vs 1 year ago
Total	7152	(-1134)	▼ 26%	▼ 54%
Personal Care	2562	(-13)	▼ 9%	▼ 39%
Food	1744	(-558)	▼ 33%	▼ 57%
Confectionary & Snacks	1422	(60)	▼ 1%	▼ 48%
Alcoholic Beverages	584	(-541)	▼ 54%	▼ 77%
Beverages	427	(-340)	▼ 44%	▼ 61%
Home Care	413	(-429)	▼ 51%	▼ 53%

Source: BASES Innovation Measurement, United States past 12 weeks until December 31st, 2022

Category where innovations have the highest increase in eq price

Alcoholic Beverages

Category where innovations have the highest average velocity

Confectionery and Snacks

Highest innovation sales contribution to total value sales

Home Care

When looking at innovation eq pricing, Alcoholic Beverages are showing the highest increase in this month's update. Confectionery and Snacks slightly edges out Personal Care in showing the highest innovation average in velocity. Home Care shows the highest innovation contribution in total sales between all the categories.

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until December 31st, 2022

When looking at the most active brand owners in innovation over the past 12 weeks, P&G continues to lead the industry with 273 innovations. Lindt & Sprüngli and Markwins enter the top 5 of active brand owners in this month's update.

5 most innovation active brand owners

273	**209**	**143**	**117**	**97**
Home Care + Personal Care	Personal Care	Personal Care	Confectionary	Personal Care
P&G	L'ORÉAL	Unilever	LINDT & SPRÜNGLI	MARKWINS BEAUTY BRANDS

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until December 31st, 2022

Total market

Innovation

Total market		Innovation
4.4%	Sales value change	14.3%
-0.4%	Items change	2.8%
17%	Eq price change	8.7%
-1.2%	Average item velocity change	2.9%

Source: BASES Innovation Measurement, total innovations launched by brand owner. United States past 12 weeks until December 31st, 2022

Overall, consumers are showing for the fourth month in a row that they are willing to spend on consumer-packaged goods with growth coming from every category outside of Non-Alcoholic Beverages, which saw a 4% decrease in total sales. We also see an increase in every category from an innovation sales standpoint outside of Alcoholic Beverages, which saw a drastic 22% decrease compared to 12 weeks ago.

The total number of products available in the market across all categories dropped slightly in this updateat a rate of 0.4%, while innovations saw a 2.8% increase in product availability.

The average eq price, in both total market and innovations, has seen an increase over the past 12 weeks by a staggering 17% and 8.7% respectively. In overall price we see that each category has either maintained the same price or has seen an increase. While looking at innovation pricing, the only category that showed decline is Personal Care which we see a decrease of 3% compared to 12 weeks ago.

Overall, average item velocity starts the year out with a decrease of 1.2%. On the other hand, innovation items saw an increase in velocity at 2.9% This is mainly driven by Confectionary and Snacks as well as Personal Care, which have seen increases of 21% and 20% respectively.