

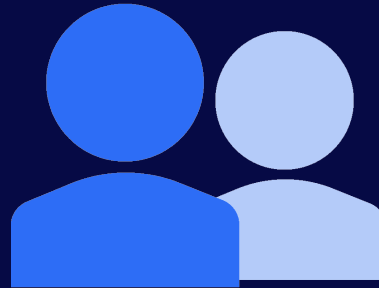
NIQ *FullView Coverage*



Retail

Expansive and granular retail coverage for the industry

Traditional B&M | DTC
Amazon | Social Selling



Consumer

Largest and most accurate consumer panel in the industry

100K+ omni panelists
Calibrated with truth sets



Product

Unparalleled item coding scale and granularity

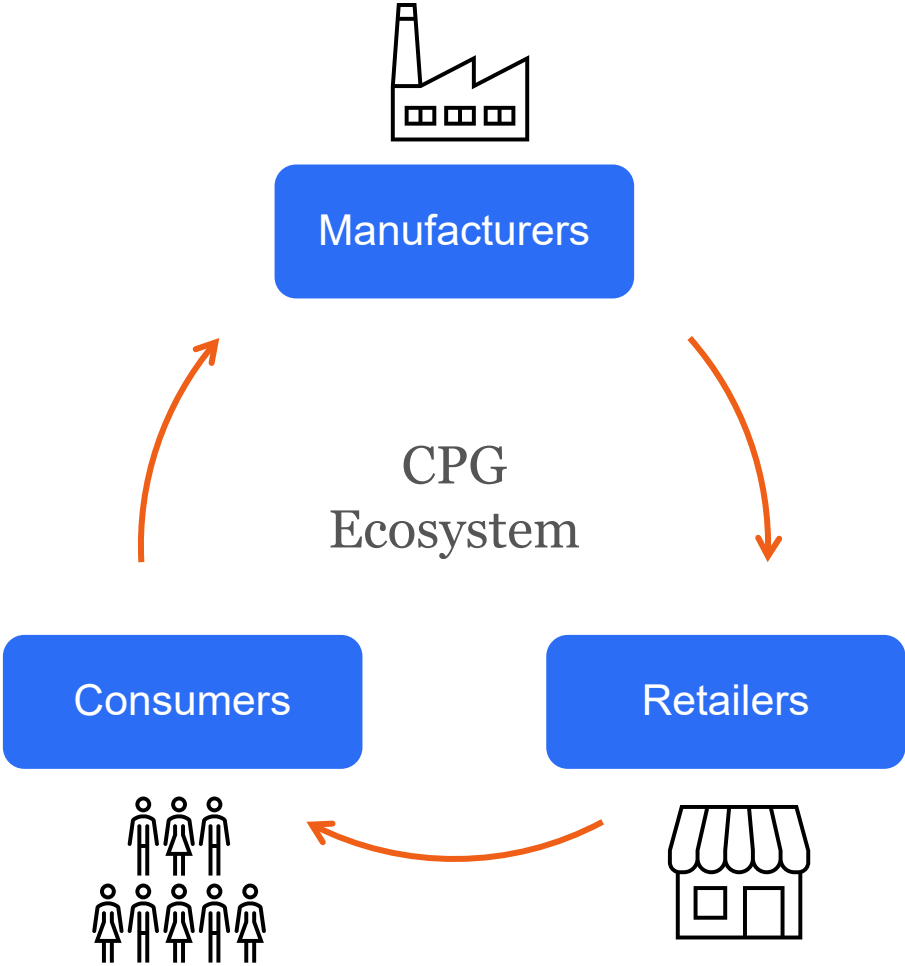
2.5T transactions a week
160M Items, +30M per year
3.5B Characteristics

State of The Market

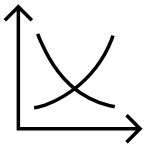
Kenny Juskowiak – Managing Director – Emerging Brands

June 2024

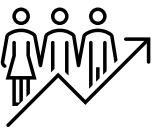
Pivotal Moment as the CPG Ecosystem Absorbs Multiple, Foundational Shocks



Shocks



Financial schizophrenia – booming markets, returning spending but lingering concern & struggle



Cultural transformation – Evolving consumer values, social & political fragmentation, COVID response and



Technological revolution – broad based Omni ecosystem development and the rise of AI

Consumers

The consumer environment has strong fundamentals but still faces trepidation

Economic Indicators are Strong...

...Yet Consumer Reality is Strained

Key takeaways from the blowout May jobs report

From CNN's Alicia Wallace, Krystal Hur and Bryan Mena
Updated 4:51

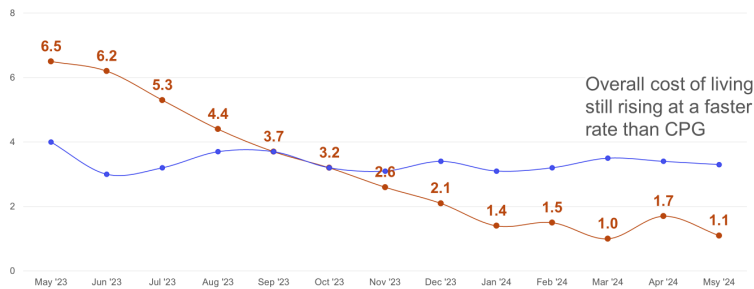
UPDATED THU, JUN 13 2024 - 5:14 PM EDT

SHARE

S&P 500 posts its fourth straight record close, buoyed by cooler inflation data: Live updates

CPG price increases are now trending lower than CPI for the past 6 months

U.S. CPI Inflation Rate vs. CPG Unit Price % Change



NIQ Source: U.S. Bureau of Labor Statistics - Consumer Price Index

NielsenIQ, Total US xAOC, monthly periods ending May 25, 2024

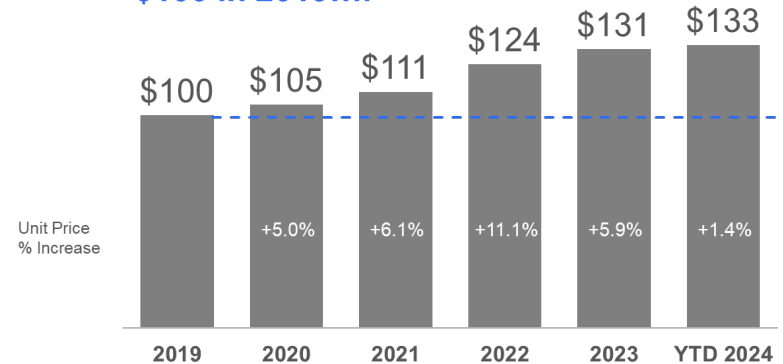
© 2024 Nielsen Consumer LLC. All Rights Reserved.

Top 10 concerns among U.S. consumers

Ranking change vs. Mid 2023

1	Rising food prices	36%	= same
2	Increased housing costs	15%	↑ was #4
3	Economic downturn	14%	↓ was #2
4	Global conflict / crisis escalation	14%	↑ was #11
5	Political unrest	13%	↑ was #8
6	Increasing utilities	13%	↓ was #3
7	Global warming / environment	10%	↑ was #10
8	Ability to provide basics for family	9%	↓ was #5
9	Rising fuel / transportation costs	9%	↓ was #7
10	Personal welfare / happiness	8%	↓ was #6

\$100 in 2019....



Consumers are spending 33% more in the past 4+ years

Pressured U.S. consumers have morphed their ways of working and living

Expect a year of redefined consumer *values*



Source: NIQ Consumer Outlook 2024, US Market

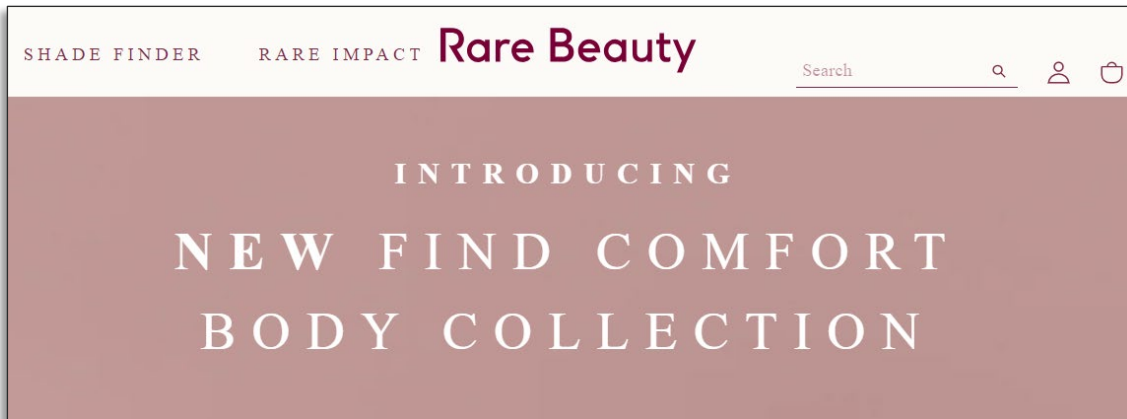
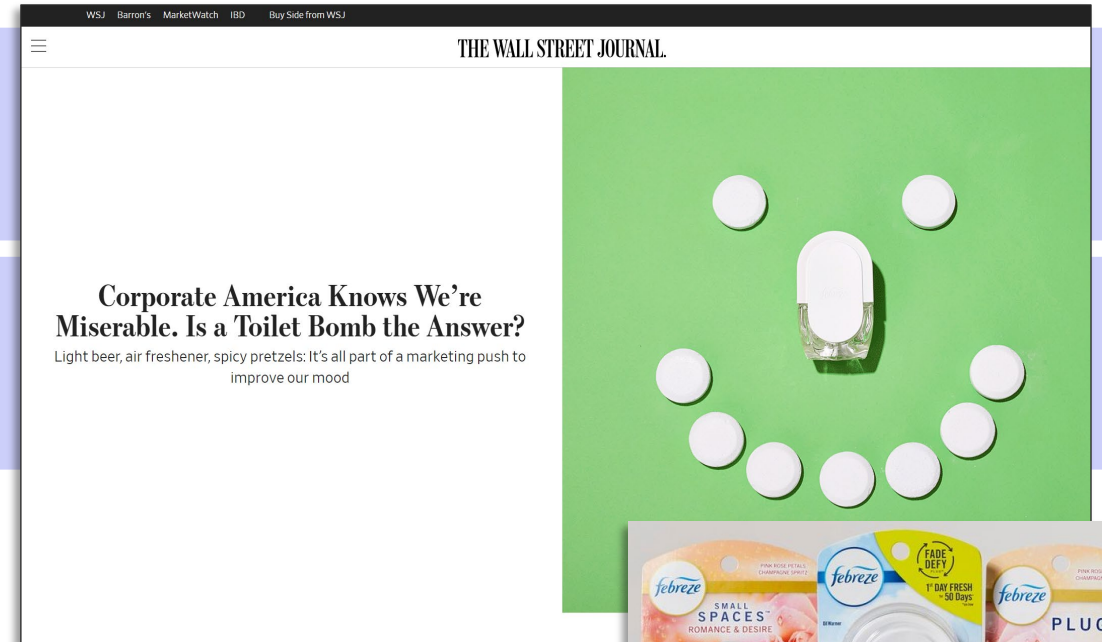
Mental health increasingly part of consumer wellness priorities

#23

According to the 2024 World Happiness Report, the US has dropped out of the **top 20** for the first time the report's history.

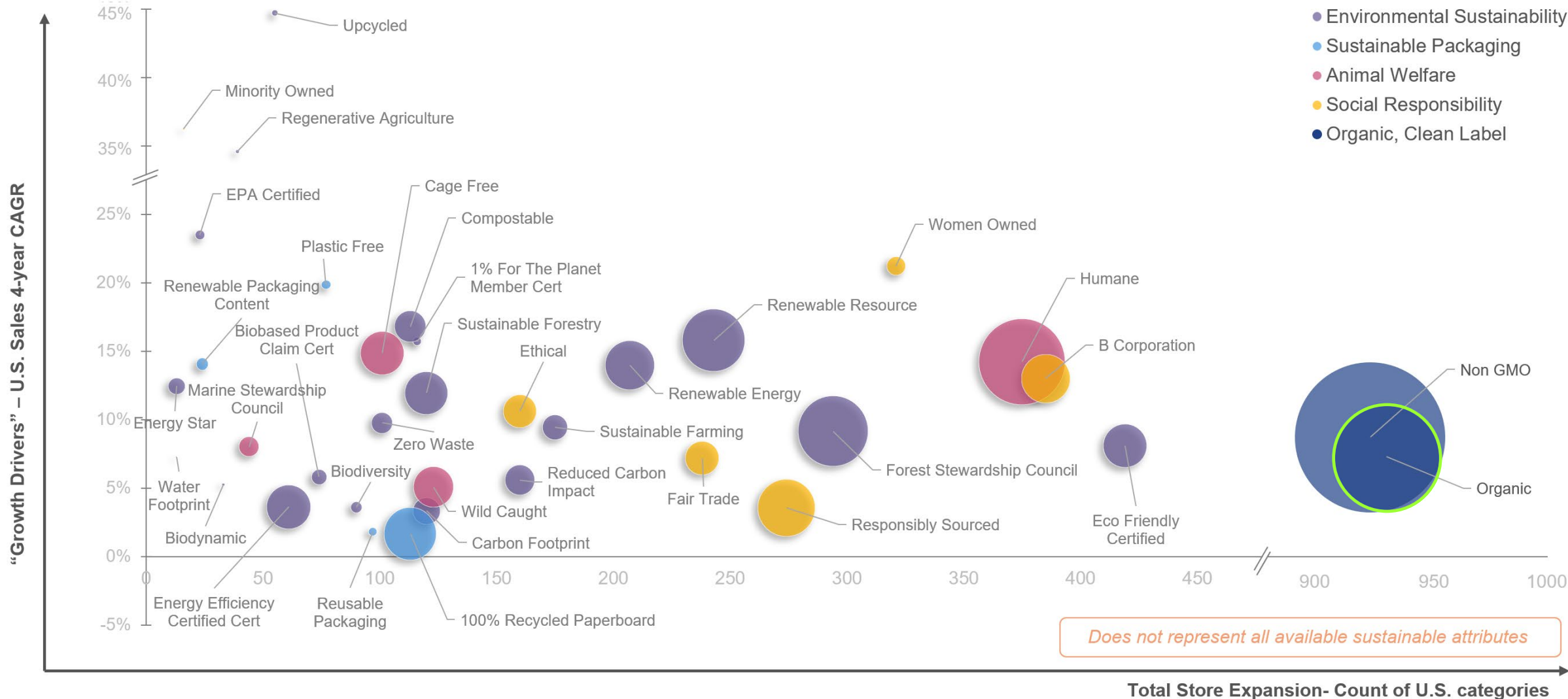
22%

NIQ Health Shopper Study households reporting depression or anxiety



SXSW Building Brands in the Unhappiness Era

Sustainability claims continue to grow across the store



Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol
 Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, Total US xAOC; Total Store; Count of categories, 4-year \$ CAGR; 52 weeks ending January 27, 2024

Digitization of Commerce will Create Totally New Consumption Patterns

Hyper-Personalization



Earth Fare and GenoPalate create genetically personalized nutrition grocery shopping

📧 📧 📧 📧 📧 📧 - A +

17 Jan 2024 --- Personalized nutrition pioneer GenoPalate has joined forces with Earth Fare, the clean grocery store, to spearhead a wellness movement in supermarkets that incorporates biomarkers, proprietary algorithms and databases to optimize nutrition for consumers.

"This collaboration enables us to provide customers with dietary choices tailored to their genetic makeup, integrating GenoPalate's insights with our quality ingredients for a unique wellness journey, enhancing wellness through informed food choices," says Henry Kugler, COO of Earth Fare.



Artificial Intelligence



"Most customers trust the company to select the majority of their weekly groceries for them
72% of all items purchased are chosen by the algorithm



Earth Fare and GenoPalate partnering to link nutrition to your genetic makeup

The emergence of algorithmic purchasing is immanent and requires a new strategic approach

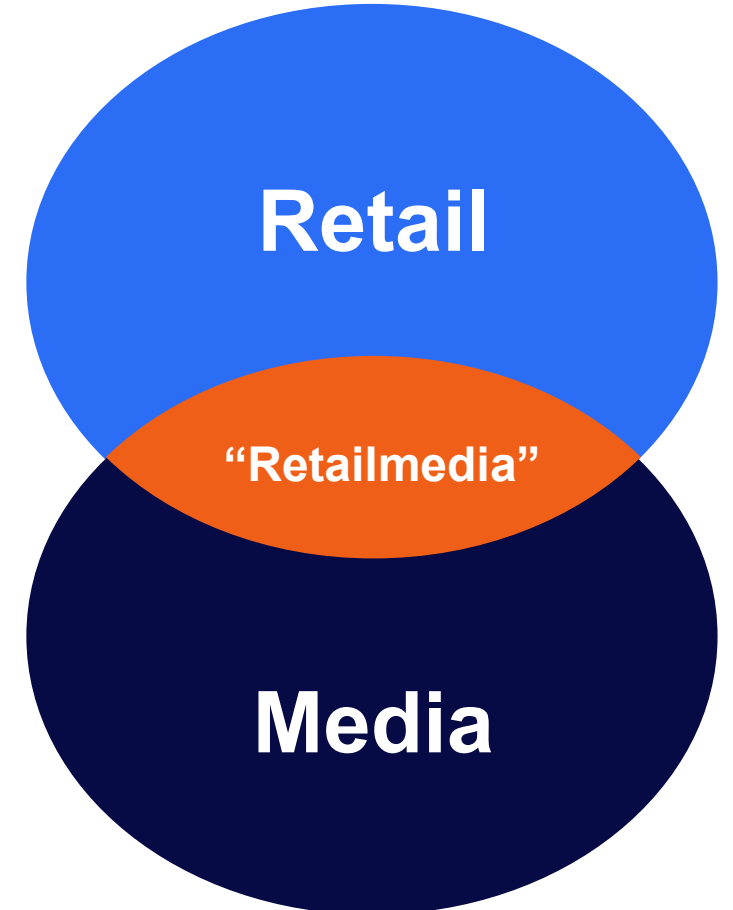
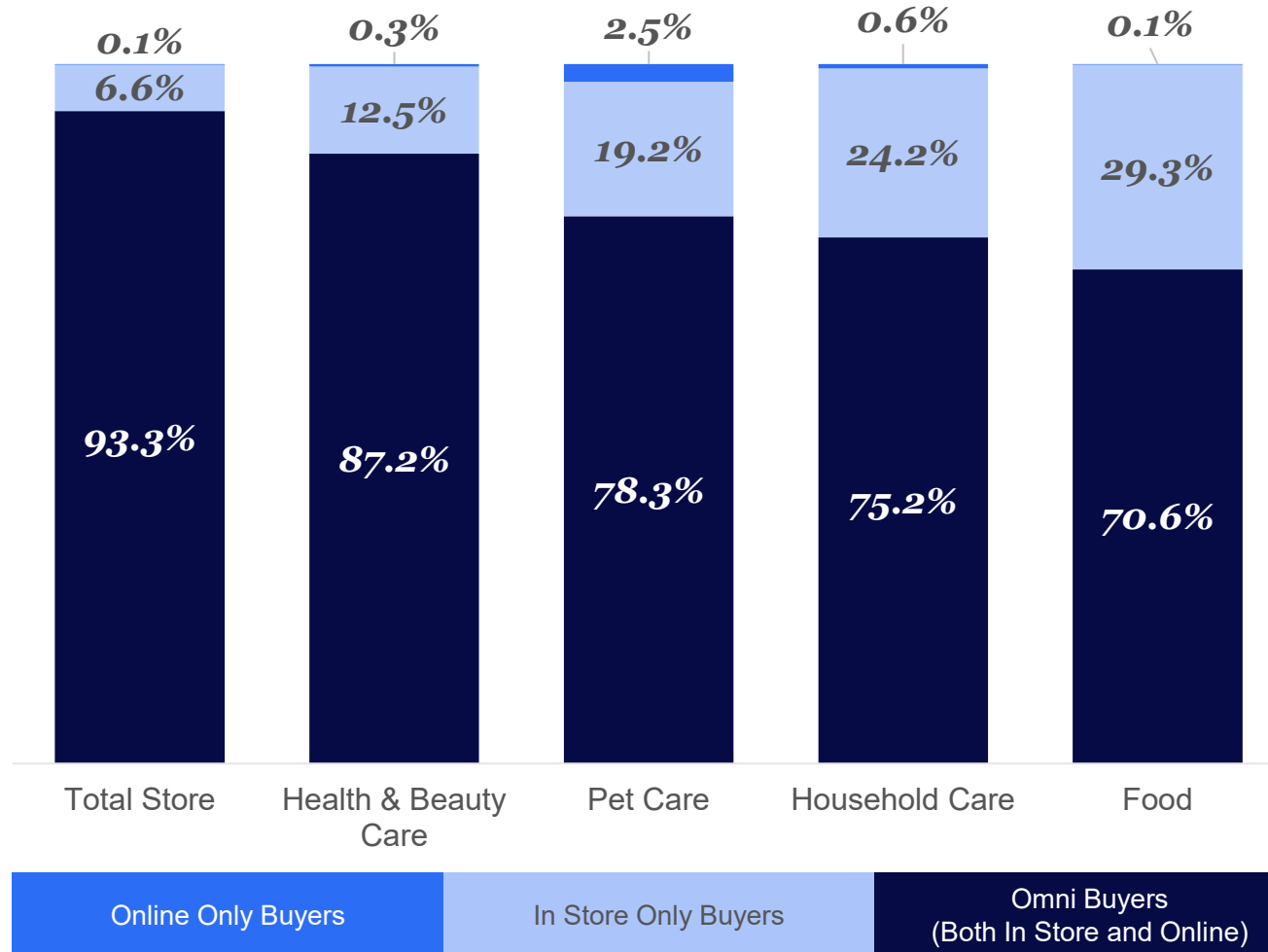
[Hungryroot's AI-Powered Personalized Grocery Service Reaches \\$750M Valuation \(forbes.com\)](https://www.forbes.com)

[Earth Fare and GenoPalate create genetically personalized nutrition grocery shopping \(nutritioninsight.com\)](https://www.nutritioninsight.com)

Retailers

Consumption is becoming ever more digitized

Digital Shopping Penetration

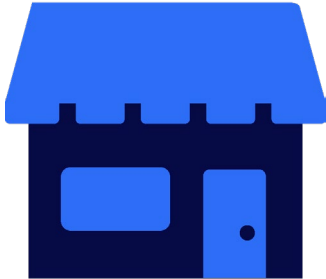


Source: NielsenIQ Omnishopper, Total Outlets, L52WE 1.27.24 vs PY. *FOOD includes total edibles (food and beverage), Total Store = Alcohol, Baby Care, Health & Beauty Care, General Merchandise, Household Care, Food, Pet Care, Departments

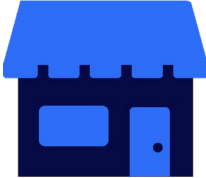
This transformation is shifting the role of the store

From

To



Traditional Retail



Traditional Retail

Incremental \$
Contribution



Consumer Attention

Audience
Engagement



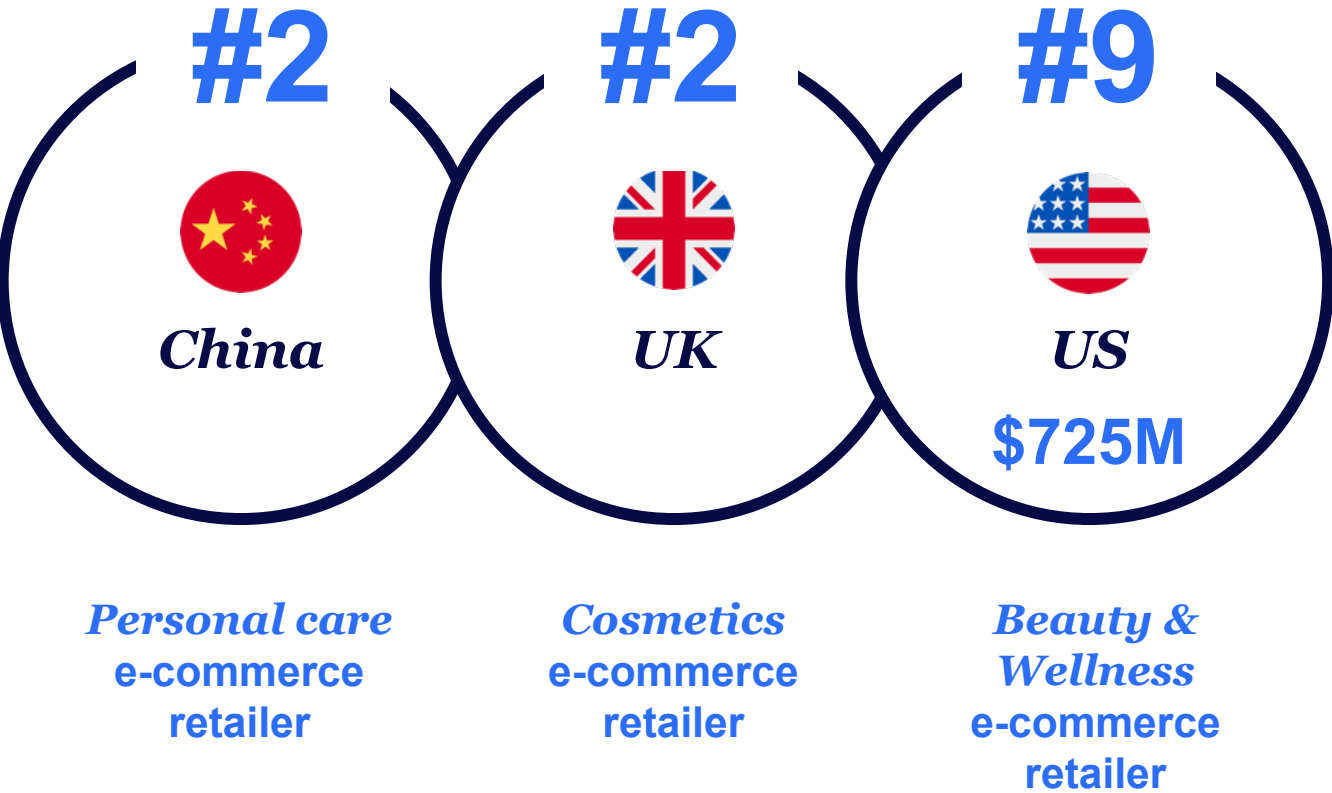
Fulfillment Center

Stable supply
Operational efficiency

Consumer Attention is the new Currency

Social Commerce Ascending

TikTok Shop



Celebrity Brand Takeover

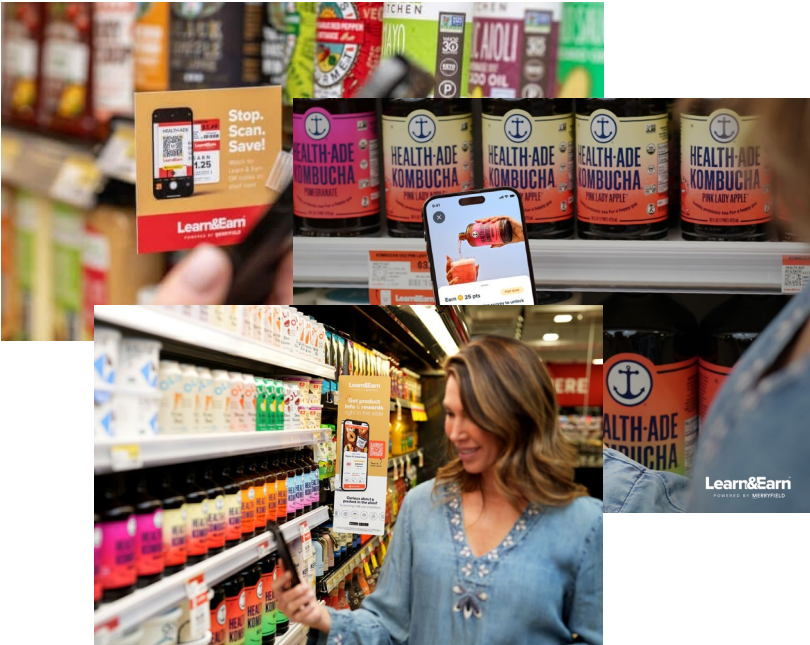


Audience Engagement takes many forms

In Store Experiences



Target partnering with Ulta to bring a premium beauty experience into their store footprint



Merryfield and Earth Fare partnering to “gamify” nutrition labels across the store



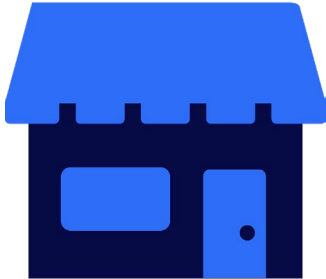
Deepening partnerships with media assets in hopes of finding and monetizing audiences

Ulta Beauty at Target Launches in August — Get *All* the Gorgeous Details
https://www.foodnavigator-usa.com/Article/2024/02/20/Earth-Fare-and-Merryfield-gamify-nutrition-labels-in-store?utm_source=newsletter_daily&utm_medium=email&utm_campaign=21-Feb-2024&cid=DM1120783&bid=330698976
Walmart Agrees To Acquire VIZIO HOLDING CORP. To Facilitate Accelerated Growth of Walmart Connect through VIZIO's SmartCast Operating System

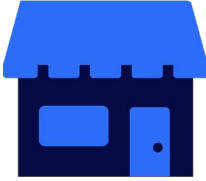
This transformation is shifting the role of the store

From

To



Traditional Retail



Traditional Retail



Consumer Attention



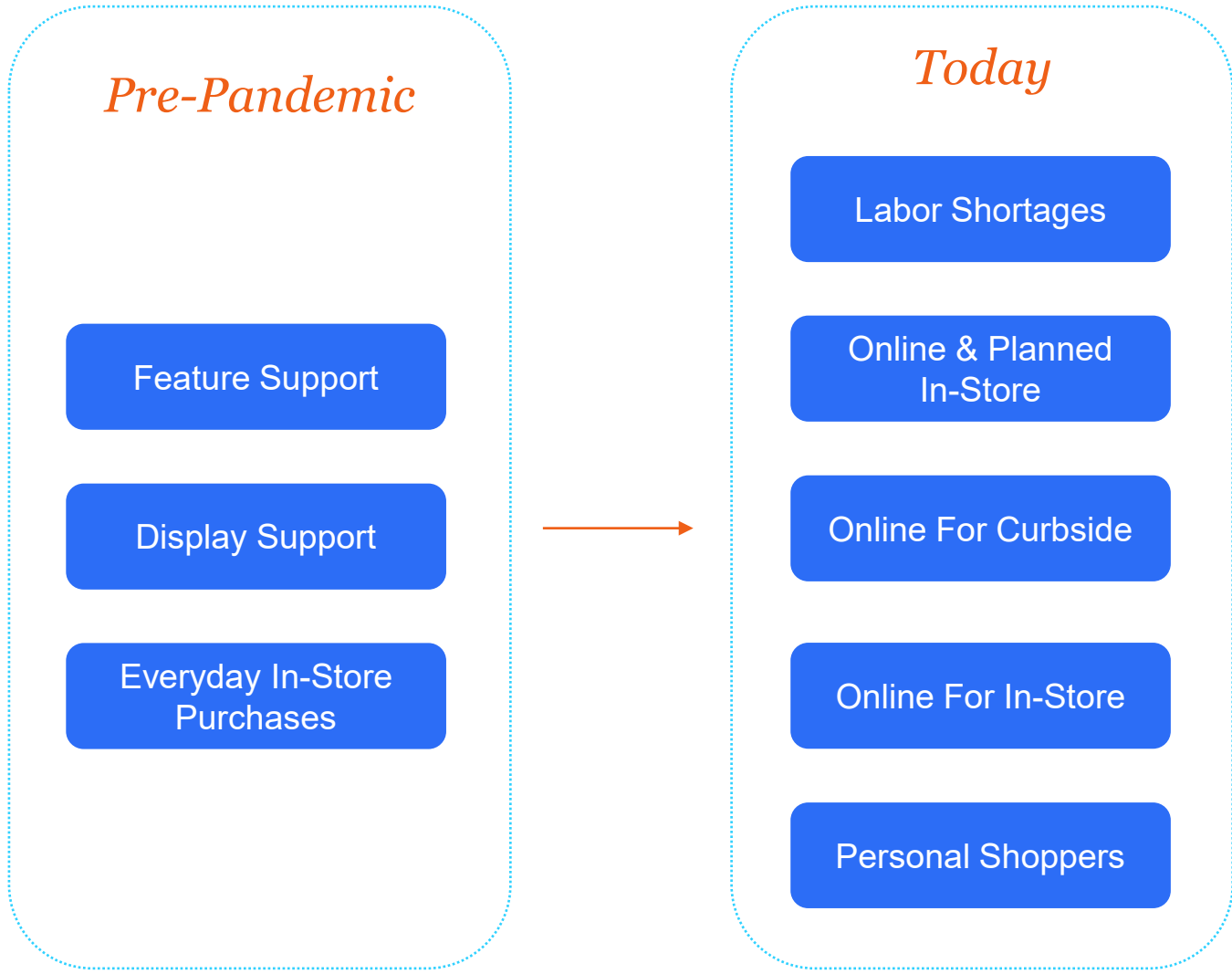
Fulfillment Center

Incremental \$
Contribution

Audience
Engagement

Stable supply
Operational efficiency

Pressure on the shelf is greater today than before the pandemic, with average items across the store declining.



88%

Offer Curbside Pick-up

81%

Sell Groceries Online

62%

*Offer Home Delivery
by 3rd Party*

85%

*Experimenting With
Customer Experience Tech*

Shelf simplification across the store has reduced the number of UPC's selling since 2020



By Department

		<u>vs. 4Y</u>
Baby Care	▼	-11.2%
Dairy	▼	-11.6%
Deli	▼	-6.6%
Frozen	▼	-11.5%
Grocery	▼	-10.8%
HBC	▼	-4.9%
Household Care	▼	-12.4%
Pet	▼	-2.3%

Almost 40% of retailers plan to reduce SKUs in the next 12 months. Of them, nearly half say they'll do so to simplify shelves.

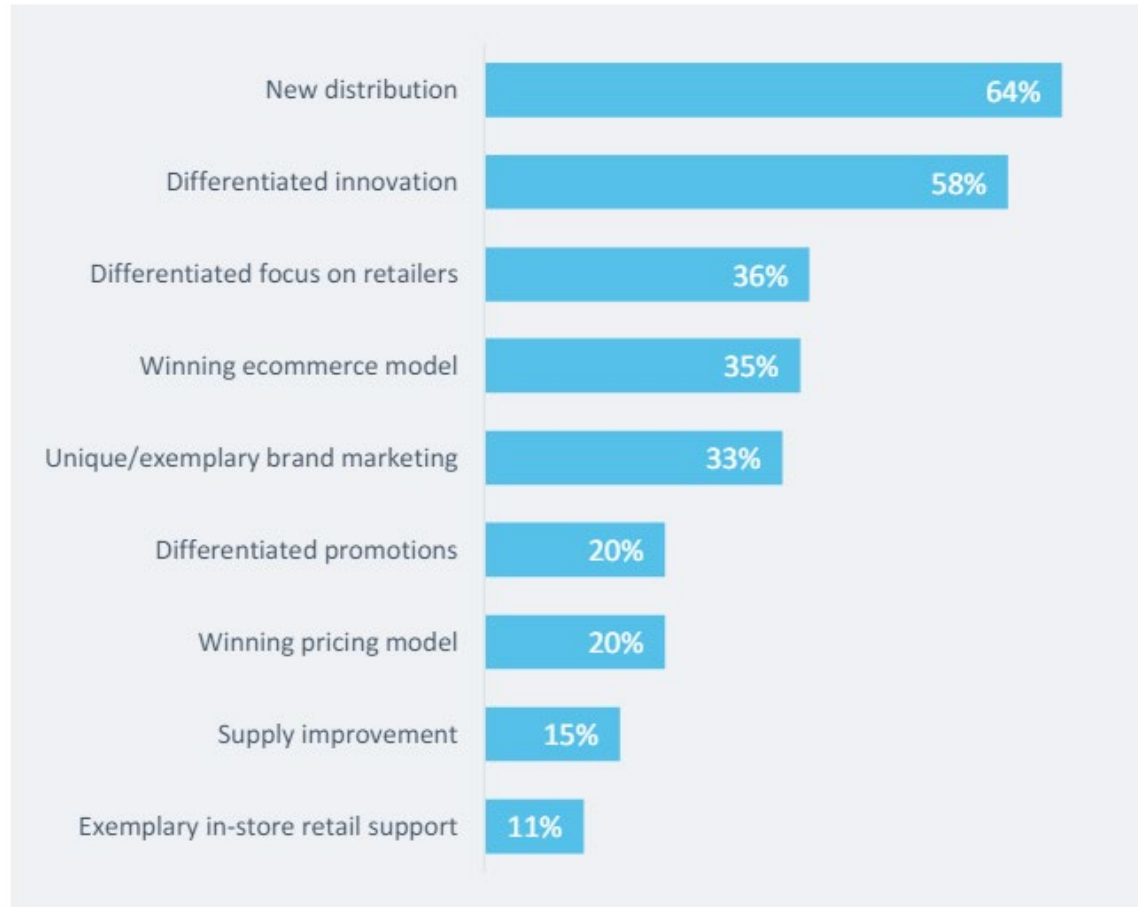


Retailers: "Will you be reducing branded SKUs over the next 12 months? Please select top 2 choices that apply."

Manufacturers

Innovation is a key pillar of planned growth

“What are your top 3 strategies to differentiate to win?”



Source: Advantage Sales Manufacturer Outlook Study April 2024

Manufacturers with growing innovation sales are *2x more likely* to grow total sales...

But only 7% of manufacturers grew innovation sales in the past year!

Flavor, ingredients, collaborations, emerging need consumer needs and behaviors



Stretching innovations into new categories



1 out of 4

of all new brand launches in the US in the past year were brand extensions

and

23%

higher sales for brand extensions than completely new brands in their first year in the market

<https://nielseniq.com/global/en/insights/education/2023/say-yes-to-the-stretch-unlock-cpg-growth-potential-through-category-expansion/>

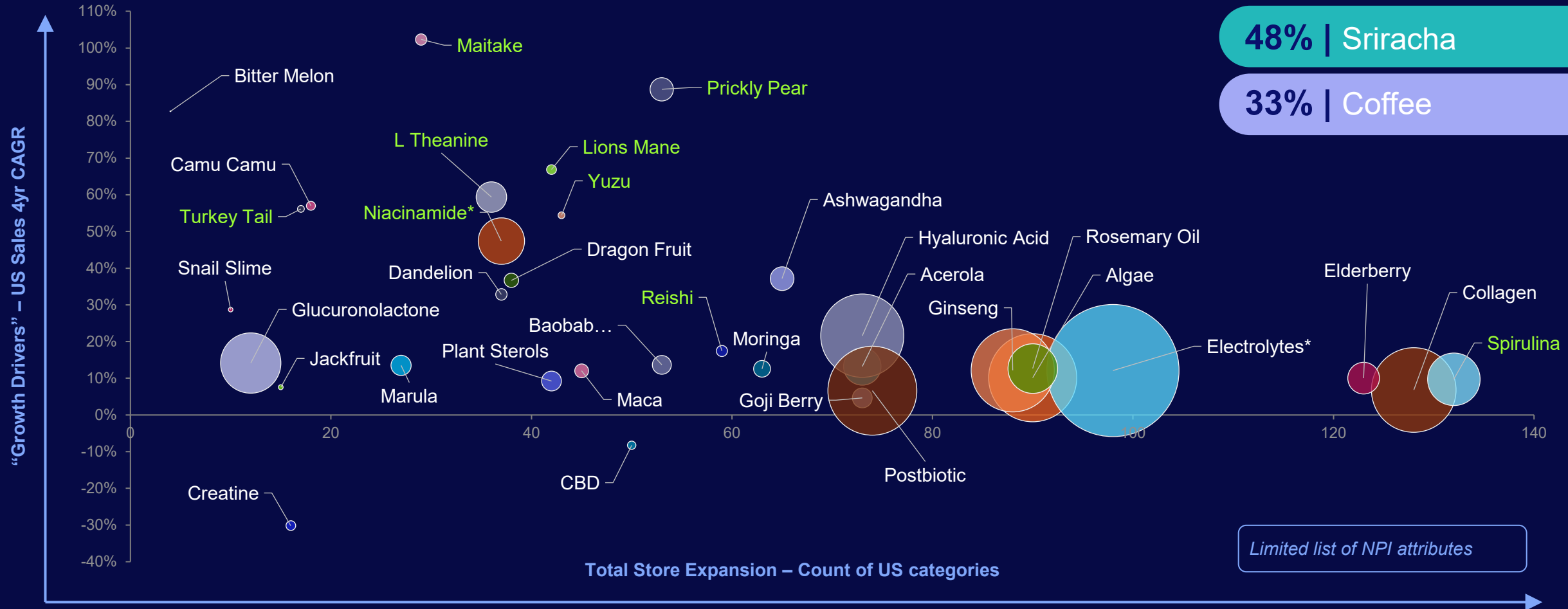
Tracking ingredient and search trends across categories provides inspiration

Search growth in *F&B* and *Beauty*

33% | High Protein

48% | Sriracha

33% | Coffee



Bubble size denotes total sales in L52 week. All attributes represent QUALIFIED ingredients on package—those indicated by an * symbol represent STATED claims on package. Source: NIQ, Retail Measurement Services, NIQ Product Insight, powered by Label Insight, Total US xAOC; Total Store; # of Categories selling, 4-yr CAGR (\$); 52 weeks ending April 20, 2024

Mushrooms, fungi, mycelium, mycoprotein growing

+29.3% | All Mushrooms

\$ % change vs 4 years ago

Macro Trends

Body health

(nootropics/adaptogens, protein, fiber, antioxidant, anti-inflammatory)

Plant-based

Flavor / Umami

Cultural fascination



Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; 52 weeks ending April 20, 2024

Sea vegetables growing in sales across the store

+32.6% | Sea Vegetables

\$ % change vs 4 years ago

Macro Trends

Sustainability

Globalizing palate

Plant-based

Clean label ingredient

Health

vitamins, minerals, phytonutrients



Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; 52 weeks ending April 20, 2024

It all comes back to delivering on relevant consumer needs

Expect a year of redefined consumer *values*



Source: NIQ Consumer Outlook 2024, US Market

Key Themes of the Consumer Landscape

Evolving Consumer Needs

Understand the unique and specific circumstances of struggle that are emerging for consumers as they face an increasingly stressful environment with new platforms to engage with

Retailmedia

Be interesting. Demonstrate an ability to engage an audience and deliver entertainment while also fulfilling on the basics.

Space is under constraint...be prepared to justify your role.

Innovate to Win

Innovation is one of the few levers brands have to win beyond actions on price or promotion which have been largely tapped out. Find creative expansions to deliver unique and enduring consumer value.

No matter your
brand size, you
deserve the Full
View™

*Download this
presentation*

*Unlock 3 free
Byzzer reports*

*Get a free
consultation*

