

Returning to basics

A look at how Ingredient categories are winning amidst a decline in total Pantry

October 2024



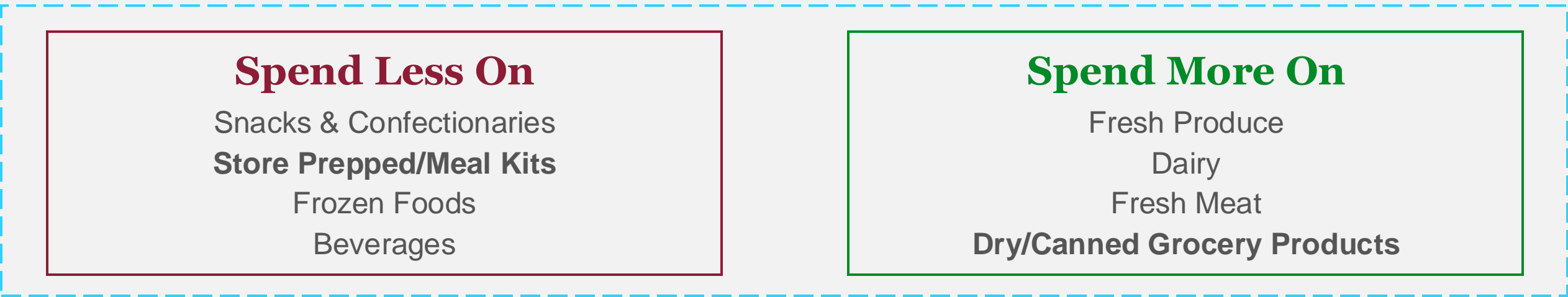
Build a strategy emulating leading Ingredients brands’ growth levers to win

	Distribution	Pricing	Quality Merchandising
Summary	As store sizes shrink, shelf space becomes more competitive. Despite this, Ingredients are gaining TDP share across the store.	Consumers are increasingly more sensitive to price, and switching to a lower priced option is their top saving strategy.	Brands that are driving growth in Ingredients are focusing on Quality Merchandising over Price Reduction
Action	Ingredients manufacturers must make sure they’re getting fair share of the shelf, stealing from Add-ons and Prepared categories as necessary	Future price increases must be precise and research-driven. When possible, manufacturers should explore other cost-saving options (downsizing/upsizing)	Avoid low quality merchandising tactics like price reduction and secure features and/or displays when able.

We expect this bifurcated volume trend to continue in the future

Consumers still have “fixed” life costs to consider, so discretionary spending is still scrutinized; Shoppers are buying less complete food items and more ingredient based.

In the next 12 months, consumers plan to

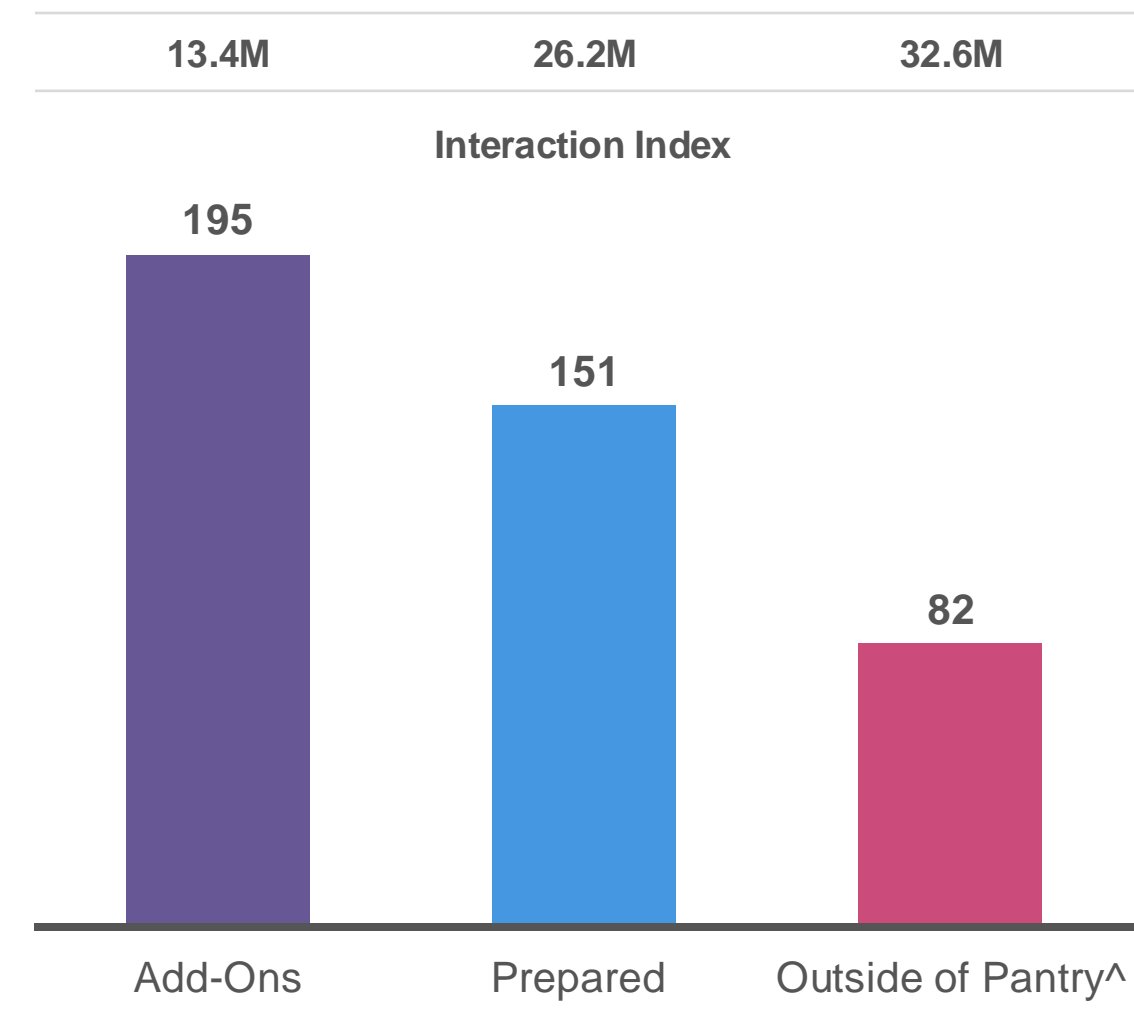


Buying Less (Units)	Buying More (Units)																				
<table><tr><th>Prepared</th><th>-2.5%</th></tr><tr><td>Prepared Foods</td><td>-1.5%</td></tr><tr><td>Cereal and Granola</td><td>-4.4%</td></tr><tr><td>Frozen Vegetables</td><td>-3.5%</td></tr><tr><td>Pizza</td><td>-0.5%</td></tr></table>	Prepared	-2.5%	Prepared Foods	-1.5%	Cereal and Granola	-4.4%	Frozen Vegetables	-3.5%	Pizza	-0.5%	<table><tr><th>Ingredients</th><th>+2.5%</th></tr><tr><td>Pasta, Rice, Dry Beans & Grains</td><td>+3.9%</td></tr><tr><td>Condiments</td><td>+3.4%</td></tr><tr><td>Baking Staples</td><td>+2.5%</td></tr><tr><td>Wraps & Tortilla Shells</td><td>+2.3%</td></tr></table>	Ingredients	+2.5%	Pasta, Rice, Dry Beans & Grains	+3.9%	Condiments	+3.4%	Baking Staples	+2.5%	Wraps & Tortilla Shells	+2.3%
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Source: (Left) NIQ 2024 Mid-Year Consumer Outlook, US; (Right): NIQ RMS, Total Store Inc Fresh, L52W w/e 9/28/23

Consumers are shifting to Ingredient-based categories at the shelf

Units Shifting to Ingredients:

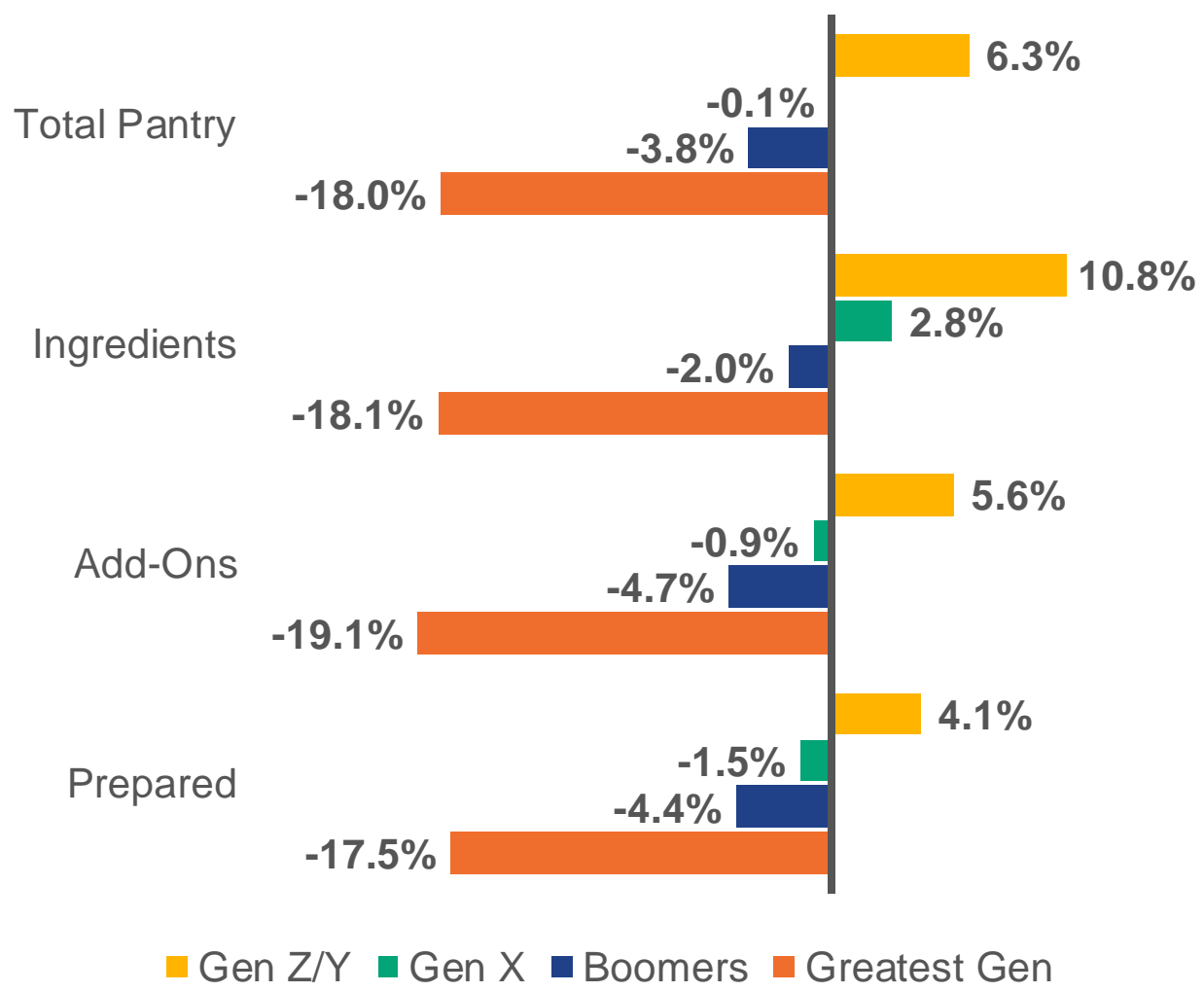


*Pantry Definitions
^Outside of Pantry defined as all Food (excluding bulk bin) not in Pantry definition
Source: NIQ POD Homescan; Latest 52 w/e 8/24/24 vs YA

Growth driven by younger generations

% Change in Units By Generation

Total US - Latest 52 Weeks



Cooking content on social media inspires consumers to recreate recipes and *buy* the necessary ingredients

Consumers still have “fixed” life costs to consider, so discretionary spending is still scrutinized; Shoppers are buying less complete food items and more ingredient based.

Watch → Shop → Buy



#*cookingathome*

5.1M Posts



#*cookingathome*

1.3B Total Views



Top 5 Cooking focused accounts

have 46.5M Subscribers

Source: Social Media search; Oct 2024

Tailwinds of cooking at home

Social media factors continuing to drive cooking at home

Most internet users tried recipes because they saw them online inspiring ingredient purchases



Cooking at home amplified by at-home behavioral shifts because of the pandemic



Gen Z engaging in recreating popular restaurant meals / food items



Source: Social Media search; Oct 2024

DIVE BRIEF

Viral recipes are becoming kitchen mainstays, Instacart says

Research also shows growing numbers of people use smartphones to grow produce at home

Published Dec. 10, 2021

By Catherine Douglas-Moran, Editor

More than 70% of adults use social media for recipes instead of cookbooks, survey finds

Research also shows growing numbers of people use smartphones to grow produce at home

By Lucy Brindley • Wednesday 28 October 2020 10:00 EDT • 13 Comments

How social media has influenced the way we cook

FEATURES

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Food & drinks trends: Are influencers setting the agenda?

By Denna Eastlake
13-Mar-2024 • Last updated on 15-Mar-2024 at 08:59 GMT

Food & drinks trends: Are influencers setting the agenda? Gettyimages/Marco_Piatti

Everyone's a Chef Thanks to Social Media

When was the last time you cooked using a printed recipe card or opened a recipe book for instructions? Think about it. If you're a budding person, it's not that you reached for your phone or computer for that recipe. Social media and its easy-to-navigate content at hand has changed the format of the family recipe box. "A study of 2,000 adults found that 71 per cent of people have 'gone digital' in the kitchen with 23 per cent getting their cooking ideas from Facebook and 21 per cent from Instagram," says Lucy Brindley in her article from Independent.co.uk.

Recipes can be found on all sorts of social media platforms including Facebook, Instagram, TikTok and even links provided on the limited characters Twitter allows for its posts. View the informative video below included in this post that states, "More than half of people have tried a recipe they saw on social media."

A third of people order food they don't eat just to post it on social media

27% admit their diet has changed because they order more food that will look good when they post it on social media

Watch on

And when it comes to promoting a recipe, photos and videos are key influencers. "It's no surprise that when it comes to recipe content, video content is the most popular and most shared."

Contributors

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Your feedback is greatly appreciated!

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