IRI Australia Industry Insights

COVID-19: LEARNINGS FROM AUSTRALIAN & GLOBAL TRENDS

Daniel Bone, Insights Director

March 31, 2020
COVID-19 has brought into focus how the FMCG industry provides critical value on a daily basis for those in need of basic necessities. With the industry so intricately connected to the day-to-day lives of consumers, it is uniquely placed to play a leadership role in the two major ‘calls-to-action’ in this report. With over a third of the global population still figuring out their newfound at-home routines, the industry is aptly coming together to support those in need. In just a matter of weeks, countless examples have emerged of the local and global FMCG industry making a positive difference to a world engulfed in a global health and economic crisis.

Stakeholders should help consumers navigate newfound lifestyle realities at a time when they value (and need) support from the brands they appreciate. Getting close to customers at this unprecedented time will allow industry stakeholders to optimally respond to genuinely new and evolving consumer behaviours during the COVID-19 outbreak and beyond. When faced with unprecedented levels of disruption and uncertainty, leveraging advanced analytics to support decision-making becomes even more important. And that’s where IRI continues to be ‘part of the solution’, as we seek to help optimise the industry’s decision making going forward.

Source: IRI analysis; IRI MarketEdge; ABS
Ongoing uncertainty has fuelled unparalleled local grocery sales

$ growth recorded in 84% of categories

Nearly 100 categories recorded $ growth ≥20% vs YA

$ growth in >40 categories reached ≥50% vs YA

Total sales growth >5X higher vs. HY’20 industry averages

2 wks to March 10

$ growth recorded in 80% of categories

20% of store recorded ≥100% dollar growth vs YA

$ growth in >80 categories reached ≥50% vs YA

Total sales growth >12X higher vs. HY’20 industry averages

2 wks to March 24

Source: IRI analysis; IRI Australia MarketEdge Grocery, 2 wks to 10/03/2020 and 2 wks to 24/03/2020; IRI store visits
Focus on two major themes in becoming part of the ‘common good’

1. Strengthen the global response simply by being a ‘part of the solution’

Approaches to consider:
- Use reach and influence to support evolving public health messages
- Help to channel consumers to credible and trusted sources
- Redeploy and partner on resources to support infection control
- Show solidarity & support to your entire customer value chain
- Tell your stakeholders about being ‘part of the solution’
- Nurture impactful community outreach donations
- Ensure that your business leaders are at the forefront of CRM efforts
- Routinely express pride in accomplishments and team tenacity
- Implement ‘gratitude pay’ and good gesture donations
- Champion hard-pressed frontline workers and social challenges
- Generate new targeted promotions/benefits for vulnerable cohorts
- Continually review and enhance stakeholder safeguarding measures
- Move to reassure customers about (revised) safety protocol
- Use off-location displays to optimise shelf-space
2 Respond to new consumer behaviours during the outbreak and beyond

Approaches to consider:
Revisit and amend your existing marketing/advertising pipeline
Address COVID-19 in adjusted marketing campaigns
Shift branding focus to social and digital channels
Consider renaming, reframing and reappropriating products
Assess the opportune moment for brand gamification tactics
Reframe essential products & services as consumers reappraise
Help consumers navigate potential newfound (isolation) anguishes
Support the maintenance of continuity amid new lifestyle realities
Provide inspiration and enablement as people recalibrate at-home
Develop partnerships that expand brand and customer horizons
Support consumers in maintaining/reimagining (virtual) sociability
Consider cultivating, or aligning with, new online experiences
Know that keeping the spirits high can simply be quirky acts
Reappraise the activities that brands are aligned with (e.g. e-sports)
Determine how to establish/promote new brand consumption rituals
Find new ways to deliver superior value for a ‘recession mindset’
Help ‘stay-at-homers’ maintain their commitment to good health
Assess if this is a timely moment for co-creating with customers
Covid-19: Learnings from Australian & global FMCG

Part 1: COVID-19 INFLUENCED SALES TRENDS
First off, let’s pick up where we left off…
...as this is IRI Australia’s 2nd perspective on the impact of COVID-19

When released to our clients on March 19, the global COVID-19 case count had only just surpassed 200K. We have since observed cases approach 800K – nearly quadrupling in around 10 days. It proves that just 1 week, or even 1 day, is a very long time in a highly dynamic pandemic.

Source: IRI analysis; Johns Hopkins University Coronavirus Resource Center
The exponential spread of COVID-19 is more apparent each day

- To reach 100,000 cases: 67 days
- For the next 100,000 cases (total 200K): 11 days
- For the next 100,000 cases (total 300K): 4 days

Australia is still in the earlier stages of its outbreak...

...with cases doubling close to every 3 days

Source: IRI analysis; Johns Hopkins University Coronavirus Resource Center; World Health Organization

Mar. 01
27 cases

Mar. 31
4.3K cases
Australian’s peak interest in coronavirus* took longer to manifest

Coronavirus (search term): Interest over time

Source: IRI analysis; trends.google.com; *a value of 100 is the peak popularity for the term
The US has now emerged as the epicentre in the COVID-19 pandemic

Moved from the ‘China period’ to the ‘pandemic period’

- Global cases: 782,319
- Countries impacted: 178
- China cases: 82,198
- Non-China cases: 700,121
- China deaths: 3,308
- Non-China deaths: 34,274

<table>
<thead>
<tr>
<th>Country</th>
<th>Infections</th>
<th>Deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>161,807</td>
<td>2,978</td>
</tr>
<tr>
<td>Italy</td>
<td>101,739</td>
<td>11,591</td>
</tr>
<tr>
<td>Spain</td>
<td>87,956</td>
<td>7,716</td>
</tr>
<tr>
<td>China</td>
<td>82,198</td>
<td>3,308</td>
</tr>
<tr>
<td>Germany</td>
<td>66,885</td>
<td>645</td>
</tr>
<tr>
<td>France</td>
<td>45,170</td>
<td>3,030</td>
</tr>
<tr>
<td>Iran</td>
<td>41,495</td>
<td>2,757</td>
</tr>
<tr>
<td>UK</td>
<td>22,453</td>
<td>1,411</td>
</tr>
<tr>
<td>Switzerland</td>
<td>15,922</td>
<td>241</td>
</tr>
<tr>
<td>Belgium</td>
<td>11,899</td>
<td>359</td>
</tr>
<tr>
<td>Australia</td>
<td>4,361</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: IRI analysis; ft.com/Johns Hopkins University; Data as of 31/03/2020, 09:39am
Meanwhile, **NSW is the epicentre** in Australia's COVID-19 outbreak

- Only 25 total cases logged pre-March
- Median age of 48 among infected
- 67% of cases linked to travel
- NSW & VIC account for 65% of cases

COVID-19 cases by state

Source: IRI analysis; ft.com/Johns Hopkins University; Data as of 31/03/2020, 09:39am
It now seems **unfathomable** that these scenes occurred just over a week ago…

With so many **ignoring social distancing protocol** on Mar. 20, Australians were exhibiting similar ‘**herd mentality**’ traits evident in retail stockpiling behaviour (i.e. if others are doing it, it legitimates me doing so to)

- **One-third believed** there had been an **overreaction to the threat of the coronavirus***

- **Minority (42%) think an infection from the outbreak could have a ‘very’ to ‘extremely’ serious effect on their health**\

*Source: IRI analysis; 7news.com.au; abc.net.au; *Guardian Essential Poll; **Ipsos
…because we are now acutely wary of a two-tier crisis/impact

WHO emphasised the need to “confront the defining global health crisis of our time,” while noting that we are at war with a virus that threatens to tear us apart - if we let it

Health
Risk of infection; silent killer; anguish of ambiguity; loneliness of isolation; new/disrupted regimes

Wealth
Job loss; job insecurity; investment losses; lost retirement funds; prospect of property crash

Around half of Australians think COVID-19 poses a threat to their job/business, up from <20% in mid-Feb. And 65% said it will have a financial impact on them and their family in mid-March

‘How to access super early’ has been a trending question on Google

Source: IRI analysis; World Health Organization; Ipsos; trends.google.com.au
…and our lives are governed by a new social order for the foreseeable future

Public gatherings limited to 2 people, or 1 household
Growing number of public spaces set for imminent closure
States and territories enacting criminal penalties for breaches

4 mitigating circumstances to leave home:

1 Buy essential groceries
2 Medical or compassionate visit
3 Exercise
4 Going to work/school in unable to WFH

53% “feel like things will never be the same again”*

Source: IRI analysis; IRI store visits; *Nature and The Lab
Few Australians appeared to share Donald Trump’s optimism last wk

As of Mar. 25., Donald Trump’s optimistic vision was for the US to return life to normal in less than three weeks for the April 12 Easter holiday. He has since adjusted his reference points.

A majority share of Australians anticipate longer-term disruption caused by the virus

Q: How long do you anticipate the disruption caused by the coronavirus situation will continue?

<table>
<thead>
<tr>
<th>Duration</th>
<th>Percentage</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longer than 6 months</td>
<td>47%</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>Five to six months</td>
<td>25%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Three to four months</td>
<td>21%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>One to two months</td>
<td>7%</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

Source: IRI analysis; IRI Shopper Panel Survey March 20-27; nypost.com
Expectation of longer-term disruption increases with age…

Q: How long do you anticipate the disruption caused by the coronavirus situation will continue?

*Those answering ‘5-6 months’ or ‘longer than 6 months’*

<table>
<thead>
<tr>
<th>Age</th>
<th>North American</th>
<th>Aboriginal</th>
<th>Australian-born</th>
<th>North West European</th>
<th>North East Asian</th>
<th>Southern and Central Asian</th>
<th>South East Asian</th>
<th>South &amp; East Europe</th>
<th>North African and Middle Eastern</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>55%</td>
<td>89%</td>
<td>86%</td>
<td>73%</td>
<td>69%</td>
<td>66%</td>
<td>63%</td>
<td>61%</td>
<td>58%</td>
</tr>
<tr>
<td>25-34</td>
<td>62%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-44</td>
<td>68%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45-54</td>
<td>72%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55-64</td>
<td>71%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td>74%</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: IRI analysis; IRI Shopper Panel Survey March 20-27
...although older Australians were less likely to report panic buying

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Purchase of health care essentials</th>
<th>Stockpile of daily essentials</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-29</td>
<td>62%</td>
<td>26%</td>
</tr>
<tr>
<td>30-39</td>
<td>53%</td>
<td>39%</td>
</tr>
<tr>
<td>40-49</td>
<td>49%</td>
<td>35%</td>
</tr>
<tr>
<td>50-59</td>
<td>46%</td>
<td>32%</td>
</tr>
<tr>
<td>60-69</td>
<td>48%</td>
<td>29%</td>
</tr>
<tr>
<td>70+</td>
<td>40%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: IRI Shopper Panel Survey, March 2-4 2020; asking how respondents would respond to a health crisis like the coronavirus
Residents of NSW appear most optimistic of normality resuming

Q: How long do you anticipate the disruption caused by the coronavirus situation will continue?
Those answering ‘5-6 months’ or ‘longer than 6 months’

Why social distancing matters
Social distancing of 1.5 metres decreases the exposure of coronavirus (COVID-19).

Source: IRI analysis; IRI Shopper Panel Survey March 20-27; qld.gov.au; Daily Telegraph; Reuters
Sentiment arguably reflects the **perceived futility of lifestyle restrictions**

<table>
<thead>
<tr>
<th>Country</th>
<th>Strongly or somewhat agree</th>
<th>Strongly or somewhat disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>55%</td>
<td>34%</td>
</tr>
<tr>
<td>Australia</td>
<td>52%</td>
<td>40%</td>
</tr>
<tr>
<td>US</td>
<td>46%</td>
<td>44%</td>
</tr>
<tr>
<td>UK</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Italy</td>
<td>37%</td>
<td>57%</td>
</tr>
<tr>
<td>France</td>
<td>36%</td>
<td>56%</td>
</tr>
<tr>
<td>Canada</td>
<td>34%</td>
<td>59%</td>
</tr>
</tbody>
</table>

More than half (52%) of Australians thought that “the restrictions on travel and mandates for self-isolation will not stop the spread of the coronavirus”

March 19-21

Source: IRI analysis; Ipsos Survey, Mar. 19-21
With the media often seen an echo-chamber of negative news

65% feel informed about the evolving health crisis and the impact on their family

but...

35% trust the media to provide honest and objective information about the outbreak

The Guardian

Think when coronavirus is over Australia’s economy will snap back into place? Good luck with that

Coronavirus gets personal: crying in the streets as Australian jobs vanish and lives change forever

After the coronavirus, Australia and the world can never be the same again

Coronavirus Australia: Woman shares warning after pneumonia left her healthy husband in a coma for weeks

ABC NEWS

China’s economic recovery from coronavirus could be ugly — and that’s bad news for the rest of the world

Family violence perpetrators using COVID-19 as ‘a form of abuse we have not experienced before’

Will the economic crisis caused by coronavirus reshape our idea of a depression?

It will be two weeks before we know if Australia’s coronavirus restrictions are working

Virus lockdown a danger to mental health

Coronavirus: Young Australians warned they are transmitters, risking other lives by not social distancing

Source: IRI analysis; theguardian.com; news.com.au; abc.net.au
But how are persistent in-store scenes like this shaping grocery sales performance – both locally and globally?

Here in Australia, being able to obtain sufficient groceries is the 5th most significant COVID-19 induced concern* (after health and economic related issues). IRI data reveals record breaking sales influence

Source: IRI analysis; IRI store visits; *Nature and The Lab
Ongoing uncertainty has fuelled unparalleled grocery sales

2 wks to March 10

$ growth recorded in 84% of categories

Nearly 100 categories recorded $ growth ≥20% vs YA

$ growth in >40 categories reached ≥50% vs YA

Total sales growth >5X higher vs. HY’20 industry averages

2 wks to March 24

$ growth recorded in 80% of categories

20% of store recorded ≥100% dollar growth vs YA

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Total sales growth >12X higher vs. HY’20 industry averages

Source: IRI analysis; IRI Australia MarketEdge Grocery, 2 wks to 10/03/2020 and 2 wks to 24/03/2020; IRI store visits
9 of the top 20 growth driving food fixtures saw >100% gains vs. YA

Top 20 growth driving food fixtures

1) MEAT
2) PET FOOD
3) CEREAL
4) CHEESE
5) CANNED FISH
6) VEG PACKS
7) MEALS
8) LONG LIFE MILK
9) BISCUITS
10) FROZEN VEG

11) CANNED MEALS
12) MEAL BASES
13) RICE
14) FROZEN SNACKS
15) COFFEE
16) CANNED VEG
17) SMALL GOODS
18) PASTA
19) OILS
20) SPREADS

Top 10 growth driving non-food fixtures

1) MEDICINAL PRODUCTS
2) CLEANING GOODS
3) TOILET PAPER
4) LAUNDRY
5) SOAP & BODY WASH
6) DISHWASHING
7) SANITARY PROTECTION
8) NAPPIES
9) ORAL CARE
10) KITCHEN/BAGS

Triple-digit growth is even more pronounced among the top $ growth driving non-food merchandise

Source: IRI analysis; IRI Australia MarketEdge Grocery, 2wks to 24/03/2020; NB all categories are ranked by actual dollar change vs. prior period

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Whereas many of the **growth detractors** reflect isolation protocol:

- **BBQ items** decreased by **-8%**
- **Cosmetics & Toiletries** decreased by **-13%**
- **Party goods** decreased by **-14%**
- **Chilled antipasto** decreased by **-10%**
- **Energy/sports drinks** decreased by **-4%**

- **Reduced entertaining**
- **More casual beauty regimes**
- **Cancelled social gatherings**
- **Stuttering/abandoned exercise/gym routines**

Source: IRI analysis; IRI Australia MarketEdge Grocery, 2wks to 24/03/2020
Global FMCG sales have also lifted dramatically in most categories

% change most recent wk vs. YA

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>% Chg</th>
<th>Subcategory</th>
<th>% Chg</th>
<th>Subcategory</th>
<th>% Chg</th>
<th>Subcategory</th>
<th>% Chg</th>
<th>Subcategory</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverages</td>
<td>17.5%</td>
<td>Beverages</td>
<td>24.2%</td>
<td>Beverages</td>
<td>15.9%</td>
<td>Beverages</td>
<td>39.6%</td>
<td>Beverages</td>
<td>4.4%</td>
</tr>
<tr>
<td>Paper Products</td>
<td>48.6%</td>
<td>Paper Products</td>
<td>133.8%</td>
<td>Paper Products</td>
<td>109.2%</td>
<td>Paper Products</td>
<td>212.3%</td>
<td>Paper Products</td>
<td>248.6%</td>
</tr>
<tr>
<td>Home Care</td>
<td>37.3%</td>
<td>Home Care</td>
<td>85.4%</td>
<td>Home Care</td>
<td>42.1%</td>
<td>Home Care</td>
<td>101.8%</td>
<td>Home Care</td>
<td>89.4%</td>
</tr>
<tr>
<td>Personal Care</td>
<td>6.0%</td>
<td>Personal Care</td>
<td>45.4%</td>
<td>Personal Care</td>
<td>18.4%</td>
<td>Personal Care</td>
<td>49.3%</td>
<td>Personal Care</td>
<td>29.3%</td>
</tr>
<tr>
<td>Pet Food + Care</td>
<td>20.7%</td>
<td>Pet Food + Care</td>
<td>27.9%</td>
<td>Pet Food + Care</td>
<td>13.5%</td>
<td>Pet Food + Care</td>
<td>38.7%</td>
<td>Pet Food + Care</td>
<td>48.3%</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>-35.1%</td>
<td>General Merchandise</td>
<td>-1.9%</td>
<td>General Merchandise</td>
<td>12.0%</td>
<td>General Merchandise</td>
<td>18.8%</td>
<td>General Merchandise</td>
<td>-9.1%</td>
</tr>
</tbody>
</table>

Top growing subcategories by country (latest wk)

OTC healthcare products are in peak demand across all countries. Products that help consumers clean their homes also remain in high demand. Frozen and packaged food purchases have increased as consumers continue stocking their homes with long-lasting foods.

Source: IRI analysis; IRI POS Data Week Ending March 15, 2020 vs YA; Note: Exact product categorization varies slightly by country.
N. Zealand grocery has seen **accelerated sales growth in March**

In the latest week we recorded a **67% dollar uplift in grocery sales vs. YA**

**Food:** +25.7%  
**Non-food:** +38.1%  

Led by toilet paper, 52 of the 164 $2m+ categories delivered over $1m growth

**Source:** IRI analysis; IRI MarketEdge New Zealand Pre Packaged Grocery to 22/03/20; categories values over NZ$2M
The US centre-store revival reflects buyers reacquainting with shelf-stable

Despite lagging behind Europe in the country’s COVID-19 response, sales trends indicate Americans are intent on hunkering down for the long haul, with center-store seeing unpresented gains

Many categories are enticing new buyers vs. YA

Source: IRI analysis; IRI Market Advantage TSV, Week To March 15, 2020; IRI National Consumer Network Product Trips Percent Change vs. Year Ago Through March 8, 2020
Consumers equate OSA* disruption as a stockpiling problem…

…rather than due to inherent supply chain failings

Well over 4-in-5 (86%) of Australians perceive stockpiling as more of a factor leading to product shortages,

Source: IRI analysis; Ipsos Survet Mar. 19-21; *OSA = On Shelf Availability

People stockpiling food and other products

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage Stockpiling</th>
<th>Percentage Disruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>France</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>Australia</td>
<td>86%</td>
<td>14%</td>
</tr>
<tr>
<td>US</td>
<td>81%</td>
<td>19%</td>
</tr>
<tr>
<td>Italy</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Germany</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Canada</td>
<td>75%</td>
<td>25%</td>
</tr>
</tbody>
</table>
In Australia, the growth from hoarding has slowed for many reasons

Scott Morrison urged Australians to cease panic buying following a record breaking week in supermarket sales. The Guardian described it as “frenzied displays of selfishness,” while the PM described it as “ridiculous” and “un-Australian.” Such comments reflect the broader social tensions of COVID-19.

Why the Slowdown?

- **On shelf availability**: Many of the top trending sellers have had ongoing shortages. Equally, as supply chains have adjusted we are assured by fuller shelves.

- **Less hysteria**: Perhaps heeding the PM’s advice, or the restrictive lack of pantry space at home from prior weeks.

- **Foodservice fightback**: Out-of-home eateries doing better job of remaining relevant in a ‘stay-at-home economy’.

- **Inevitable ‘cliff’**: Unprecedented sales were never sustainable. Now it is a question how steep and how quick the ‘cliff’ will be and IPI* length stretches.

Weekly sales growth was half the pace recorded in the prior week.

Source: IRI analysis; IRI MarketEdge 2wks to 24/03/2020; sbs.com.au; theguardian.com.au; *Inter-purchase interval
And we have observed grocery stores normalise in recent days…

**PRIOR WEEKS (March 2020)**

**CURRENT WEEK (w/c March 30)**

**Improved OSA for perishable products** was particularly noteworthy for the w’end of Mar 28 and 29. versus the prior 2 weeks

Source: IRI analysis; IRI store visits
…albeit with some clear OSA challenges persisting across banners

Flour
Pasta/Sauces
Kit. towels
Cleaning
Toilet paper

Source: IRI analysis; IRI store visits
The late Feb/early March sales **uplift is not apparent in P&C retail**...

A distortion of sales was already evident in Australian packaged grocery in the same timeframe, whereas P&C largely followed a pre-existing (downward) sales trajectory – at least until March 08

<table>
<thead>
<tr>
<th></th>
<th>Total P&amp;C</th>
<th>Total Food</th>
<th>Total Tobacco</th>
<th>Total Non-food</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAT To 08/03/20</td>
<td>+0.6%</td>
<td>+4.5%</td>
<td>-1.4%</td>
<td>-6.5%</td>
</tr>
<tr>
<td>4 WKS To 08/03/20</td>
<td>-0.8%</td>
<td>+1.4%</td>
<td>-0.9%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>1 WK To 08/03/20</td>
<td>-0.8%</td>
<td>+0.1%</td>
<td>-1.6%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

Source: IRI analysis; IRI Australia MarketEdge Petrol & Convenience, MAT, 4Wks & 1 wk to 08/03/2020
...which is **consistent with** IRI channel sales data in the US

While it’s early in the COVID-19 cycle, data already indicates that **traditional CPG retail stands to gain as more of the food dollar spend shifts away from foodservice.**

**US drug and convenience stores have not yet recorded the sales growth spike observed in food,** but do have an opportunity to **increase assortment of staple and fresh items** to accommodate consumers staying close to home. The **same applies for Australia.**

---

**Source:** IRI analysis; IRI Market Advantage TSV, Week To March 15, 2020; IRI National Consumer Network Product Trips Percent Change vs. Year Ago Through March 8, 2020
But Australians craving toilet paper has impacted the channel

**Total Household Products**

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAT To 08/03/20</td>
<td>+12.2%</td>
</tr>
<tr>
<td>4 WKS To 08/03/20</td>
<td>+81.5%</td>
</tr>
<tr>
<td>1 WK To 08/03/20</td>
<td>+250.4%</td>
</tr>
</tbody>
</table>

Household products is the #1 growth driving category in the P&C channel for the **latest week of data**, with >$1M in additional sales vs YA. **Paper products** account for 98.5% of the total household category dollar growth.

Source: IRI analysis; IRI Australia MarketEdge Petrol & Convenience, MAT, 4Wks & 1 wk to 08/03/2020; Image sourced from a 9news report
Liquor sales were not impacted by early stockpiling shifts…

...in fact, social distancing was evidently impeding Q1’20 sales

<table>
<thead>
<tr>
<th></th>
<th>Total Liquor</th>
<th>Total Beer</th>
<th>Total Spirits</th>
<th>Total Wine</th>
<th>Total RTD</th>
<th>Total Cider</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MAT To 01/03/20</strong></td>
<td>+3.4%</td>
<td>+1.2%</td>
<td>+9.4%</td>
<td>+2.3%</td>
<td>+3.3%</td>
<td>-2.7%</td>
</tr>
<tr>
<td><strong>4 WKS To 01/03/20</strong></td>
<td>-1.7%</td>
<td>-7.5%</td>
<td>+4.2%</td>
<td>+1.0%</td>
<td>+2.3%</td>
<td>-8.0%</td>
</tr>
<tr>
<td><strong>1 WK To 01/03/20</strong></td>
<td>-2.3%</td>
<td>-7.1%</td>
<td>+5.2%</td>
<td>-1.7%</td>
<td>+1.2%</td>
<td>-10.5%</td>
</tr>
</tbody>
</table>

Source: IRI analysis; IRI Australia MarketEdge Retail Liquor Weighted, MAT, 4Wks & 1 wk to 01/03/2020
...partly because liquor hoarding only kicked in after mid-March

Dan Murphy's and BWS were forced to partially mimic the enforced limits imposed on customers by supermarkets. Retail liquor supplies became highly coveted in the w/c March 23 after ambiguity around leadership statements concerning the shutdown of non-essential services

Source: IRI analysis; IRI store visits; twitter.com; au.news.yahoo.com
This has **coincided with a sales resurgence for Corona in Oceania**

Corona is the **top value growth generating alcohol brand** in NZ

- **Strong distribution and good value, easy drinking beer**
- **Taste profile: safe, trusted choice when stocking up**
- **Name aligns with pervasive social trend = boosts recall**

### $ change %

- **MAT To 08/03/20**
  - **-1.0%**

- **4 WKS To 22/03/20**
  - **+12.8%**

- **1 WK To 22/03/20**
  - **+54.2%**

Source: IRI analysis; IRI Australia MarketEdge Retail Liquor Weighted, MAT, 4 wks & 1 wk to 22/03/2020
Headline FMCG issues to consider moving forward...

Mitigate decrease in loyalty and/or encourage trial as consumers try new solutions/brands in a low-stock store environment

Help shoppers make the most of products as they are reacquainted with shelf-stable categories and brands amid stockpiling/hoarding

Capitalise on an accelerated shift to online as shoppers seek products they cannot find in store and/or in an effort to reduce contact with others

Be mindful of cost being valued more than convenience. Prepare for a possible migration to value brands as a ‘recession mindset’ take hold; premium brands will be even more valued as permissible luxuries

Navigate the likely increase in private label amid an ongoing increase in own label offerings across price tiers, as well as consumers searching for better deals

Shift to smaller, lower-priced packs to meet demand from lower-income consumers, and from manufacturers downsizing to improve margins

Source: IRI analysis
Covid-19: Learnings from Australian & global FMCG

Part 2:
THE RESPONSE FROM COMMERCE GLOBALLY
On Mar. 19, **IRI Australia offered some ‘thought-starters’**…

…because brands can harness a strong cultural reach in order to exert a positive influence

**Six specific ‘thought starters’:**

- Draw inspiration from the solidarity and resolve of the bushfire crisis
- Boost resource allocated to demand planning & supply chains
- Position everyday indulgences as ‘antidotes to reality’
- Help consumers reengage with the benefits of previously overlooked staples
- Act as a trusted and transparent ‘human-like’ brand
- Be prepared to adjust marketing messaging and channel focus

**Google Trends**

uplift in “how to help other during coronavirus”
(past week, Worldwide)

**80%** of Australians think that “care and consideration for others has never been more important”

But Australian COVID-19 themed research from Nature and The Lab found “a large majority of people were unable to single brands doing anything helpful”

Source: IRI analysis; Google Trends/Twitter; Nature & The Edge
First, consider the positive & negatives to avoid the CRM* pitfalls

<table>
<thead>
<tr>
<th>DRIVERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expectation vs. nice-to-have:</strong> consumers expect business to help combat societal challenges, especially amid waverling political and institutional trust. People are also aware of the reach and influence of brands with ‘cultural cachet’</td>
<td></td>
</tr>
<tr>
<td><strong>Unprecedented times:</strong> regardless of the source, we value shows of solidarity and a collective spirit in uncertain times. People are engulfed in the ‘anguish of ambiguity’ and will remember those that became part of the solution</td>
<td></td>
</tr>
<tr>
<td><strong>Showcase ingenuity &amp; innovation:</strong> innovation need not be bound to physical items, especially as people rely on digital/social content for entertainment/inspiration. Home-bound citizens need help being kept busy, optimistic and excited</td>
<td></td>
</tr>
<tr>
<td><strong>Merit in a commercial focus:</strong> given the widespread economic ramifications of COVID-19 (e.g. job losses), brands have more validation in bring commerciality into their attempts to be part of the solution</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INHIBITORS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perception of insincerity &amp; triviality:</strong> poorly executed/disingenuous CRM can be dismissed as irrelevant/superficial (at best) and damaging to brand reputation (at worst), especially as consumers are more cynical than ever</td>
<td></td>
</tr>
<tr>
<td><strong>Leave it to the experts:</strong> a notion that COVID-19 should be left to the professional experts rather than brands, and that a disproportionate focus on earnest comms risks impeding more substantive tactical efforts</td>
<td></td>
</tr>
<tr>
<td><strong>Appearing to profit from the crisis:</strong> while there has seemingly never been such a need for ‘acts of good’, brands must be wary of being seen as profiteering from people’s fears and/or further propelling the fearmongering</td>
<td></td>
</tr>
</tbody>
</table>

Source: IRI analysis; *Cause Related Marketing
And then consider two major themes to be part of the ‘common good’

1. Strengthen the global response by ‘being a part of the solution’

2. Respond to new consumer behaviours during the outbreak and beyond

Source: IRI analysis
Use reach and influence to support evolving public health messages

Using culturally connected brands to issue a ‘rallying call’, and to amplify health advice

Coca-Cola Times Square
Coca-Cola’s iconic billboard location featured the brand name with extended spaces between letters, thus symbolically adding weight to the wider messaging pleading for Americans to comply with social distancing instructions.

Nike ‘Now Is Your Chance’
Nike’s social campaign advocated social distancing while tapping into the broad reach of its sponsored athletes. It had a clear ‘call-to-action’ and tapped into the amplified reach of social during when people are quarantined.

Go Cheese
Go Cheese, a leading supplier of cheese to Indian retail and all foodservice, embedded its brand name into a campaign urging the 1.3B Indian population to remain safe and healthy at home.

Source: IRI analysis; instagram.com; businessinsider.com; gocheese.in; adweek.com; fastcompany.com
Help to **channel consumers to credible and trusted sources**

Driving awareness and action by informing with timely and relevant messages

**WhatsApp and WHO**
WhatsApp and WHO collaborated on a chatbot creation that dispenses accurate and timely information related to the COVID-19 outbreak. WhatsApp allows WHO to reach 2 billion people.

**Leverage influencer platforms**
Influencer marketing platforms Tribe and Takumi used their influencer networks to support the messaging being promoted by the WHO. Influencers submitted the content for free, with the platforms helping to increase the reach. It is symptomatic of how brands may be forced to rely on social influencers for content creation and relevance in the stay-at-home economy.

Source: IRI analysis; who.int; takumi.com; prweek.com; tribegroup.co
Redeploy and partner on resources to support infection control

Producing medical equipment
Ford and 3M  | H&M & EU  | Nike
Ford scaled production of Powered Air-Purifying Respirators with 3M. Meanwhile, H&M is distributing resources to European nations, including production of hygiene masks. And Nike has teamed up with Oregon Health & Science University to produce Nike face shields for medical professionals.

Producing daily essentials
Liquor producers  | Beiersdorf
Brewdog Punk Sanitiser is one of many brewer and distiller solutions addressing unprecedented sanitiser demand. Elsewhere, Beiersdorf has begun serial production of medical-grade disinfectants for clinics, hospitals, medical and nursing staff, and other public services.

People/logistical resourcing
Liverpool FC  | The AHLA
Liverpool FC’s CEO offered club stewards to assist with growing crowds at UK supermarkets. In the US, the AHLA identified over 6,500 hotel properties located near to healthcare facilities and available to house healthcare workers and other first responders.

Source: IRI analysis; trendhunter.com; thedrinksbusiness.com
Show **solidarity and support to your entire customer value chain**

**Target**
Target pledged a US$10M donation on Mar. 20, supporting efforts in four areas:
- **Team members** – assist team members who are most impacted
- **Local communities** – state & local community foundations supporting vulnerable populations
- **National organisations** – national non-profits such as Feeding America
- **Global response** – e.g. UNICEF in providing critical medical supplies

**Unilever**
Announced €100m to enable a wide-ranging 3 headlines sets of measures to support global and national efforts to tackle the coronavirus:
- **Consumers & communities** – donations of soap, sanitiser, bleach and food
- **Customers & suppliers** – cash flow relief to support livelihoods
- **Workforce** – protect workforce from sudden drops in pay for up to 3 months

**IKEA**
Action to support colleagues, communities IKEA operates in, and the society it is part of:
- **Helping communities in need** – €26M in relief in 30 countries for beds, furniture, and food aid
- **Caring for workers** – secure the livelihoods for as many co-workers as possible
- **Suppliers & tenants** – proactive measures including cash flow relief
- **Helping people enjoy a better life at home** – trying new thing such as drive-thru click & collect and contactless deliveries
Coca-Cola Philippines used social media to announce it is diverting around PhP150M in advertising budget to efforts in support of the COVID-19 response and relief work.

**Combining essential resources and stakeholder support**

We will never forget ... Thank you for helping our countrymen

Hydration needs for health workers

Protective personal equipment

Delivering food to vulnerable communities

Supporting small distribution partners

Thank you for your help to our Frontliners

“We’ll be off air for a while...”

These are challenging times for all of us, and we are fully committed to doing everything we can to help.

Starting today, commercial advertising of Coca-Cola and all our brands in the Philippines will be put on hold. All our committed advertising space and budgets will be redirected towards supporting COVID-19 relief and response efforts for the most affected communities.

Together, we can make a difference.

Source: IRI analysis; facebook.com; gmanetwork.com
Nurture impactful community outreach donations

Enabling & matching customer fundraising

**HyVee**

COVID-19 has resulted in low food bank supplies. In response, Iowa-based Hy-Vee launched a campaign to raise money and awareness for food banks across its 8-state region. Customers are encouraged to donate $5 or more at the checkout, with the retailer matching donations (up to $500K) until April 30. Customers can also make a donation in a pre-set increment during their Hy-Vee Aisles Online purchase.

**Kroger & Coles**

Kroger’s Zero Hunger | Zero Waste Foundation is investing US$3M (via Feeding America and No Kid Hungry) to deploy hunger-relief resources to communities more heavily impacted by the COVID-19 pandemic. The funding supports local food banks across the US; as well fund initiatives provide children access to nutritious meals amid widespread school closures.

**Coles**

Donation of AU$1M a week worth of food and groceries to Foodbank and SecondBite will reach up to 3,800 community food programs.

Source: IRI analysis; hy-vee.com; supermarketnews.com; twitter.com

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Ensure that your **business leaders are at the forefront of CRM efforts**

### Being at the forefront of brand ingenuity

**Dyson Ventilator**

Sir James Dyson was at the forefront of designing a ventilator – in just 10 days – to address the intensifying need for the lifesaving device among the growing number of COVID-19 patients. Scaled production has begun, with the ventilators expected to be available in early April.

### Championing company efforts (via social media)

**Amazon**

Jeff Bezos posted a 4-page Letter to Amazon staff onto Instagram in a call-to-action. His call-to-action outlined the need to optimise its “vital service” around the provision of daily essentials. Bezos also posted a picture to Instagram of a video call he partook in with the WHO – the agency at the forefront of international public health. Utilising Amazon’s logistics capabilities in distributing test kits was one such theme in how Amazon could strengthen the global response.

Source: IRI analysis; instagram.com; businessinsider.com; forbes.com
Routinely express pride in accomplishments and team tenacity

Building on the newfound respect and appreciation that comes from counting on frontline staff

Ensure that the full value chain is factored in: manufacturing plants; distribution centers; within stores
Implement ‘gratitude pay’ and good gesture donations

Giving bonuses of $150 to part-time workers and $300 for full-time workers hired before March 1.

Bought Donatos pizza for 12,000 workers at its Columbus, Ohio, stores on Mar. 22 – a single-order record for the regional chain.

In line with parent company Amazon, Whole Foods Market is giving hourly employees another $2 per hour for their extra efforts in serving customers during the COVID-19 crisis.

In the UK, Whole Foods staff will receive an extra £2 per hour over the same time period.

Recognising the essential work and societal contribution by rewarding permanent hourly paid staff and front line managers with a backdated 10% bonus (from Mar. 09 to early May), and improved colleague clubcard benefits.

Morrisons has introduced guarantees on sick pay – including to those staff who are self-isolating rather than ill.

Also created a colleague hardship fund - to support colleagues who are in financial difficulty as a result of the Coronavirus outbreak.

Source: IRI analysis; adage.com; morrisons-corporate.com; usdaw.org.uk; kroger.com
Champion hard-pressed frontline workers and social challenges

Championing those on the frontline – like healthcare workers and teachers

Pret a Manger
Offering UK NHS workers hot drinks for free, as well as offering a 50% discount on all other products. It was deemed a sincere message that quickly gained widespread public support.

L’Occitane
Sending hand creams to UK hospitals to help soothe their hands, and invite any NHS worker to obtain a 30ml hand cream. Also reassigning some production capacity to make hand sanitiser back at home in France.

Uber
Pledging free food for medical providers across North America. Also launched daily campaigns to promote delivery from 100,000 indie restaurants that are financially more at risk with stay-at-home customers.

Source: IRI analysis; marketingweek.com; thedrum.com; harpersbazaar.com
...Australian teachers are feeling neglected amid prolonged school opening

Australian brands seeking to champion the ‘frontline’ workers facing into the intensifying COVID-19 crisis would be tapping into a culturally relevant theme by showing empathy and appreciation for teachers (among other)

Defying policy

Coronavirus concerns in schools as teachers break ranks to ...
ABC News - 19 hours ago
Two teachers — one public, one private — have given two very different accounts of teaching amid coronavirus. They both say social ...

Fearful of safety

Coronavirus pandemic has school teachers questioning safety ...
ABC News - 24 Mar 2020
Public school teachers in South Australia say they have not been supplied with enough soap and do not have the facilities to safely teach ...

Taken for granted

‘I feel expendable’: Australian teachers sound alarm about ...
The Guardian - 20 Mar 2020
Coronavirus Australia: medical certificate needed for childcare subsidy if children kept home. Read more. Queensland Teachers Union president ...

Angry & frustrated

Teachers’ unions still angry after meeting with Scott Morrison ...
ABC Technology and Games - 24 Mar 2020
The NSW Teachers Federation, other states and the AEU see a more limited role for schools in the coronavirus era. This week they cited the ...

Vulnerable to infection

Sydney teacher shares coronavirus message after positive test
GNews - 13 hours ago
The teacher was the first of two coronavirus cases to emerge at Normanhurst West Public School in the city’s upper north shore. The first case ...

Mixed messaging

Teachers aged over 60 should not be in classrooms during ...
ABC Technology and Games - 23 Mar 2020
Teachers over the age of 60 have been advised to avoid classrooms. Government to keep schools open during the coronavirus pandemic.

In need of support

Teachers working through the coronavirus pandemic need our ...
ABC News - 22 Mar 2020
Teachers working through the coronavirus pandemic need our support more than ever. ABC Life / By Ginger Gorman. Two primary school age ...

Feeling like babysitters

‘I like expendable babysitters’: Teachers slap decision to leave ...
The New Daily - 19 Mar 2020
As more and more countries shut down schools to slow the spread of the coronavirus, anger is growing among Australian teachers over the ...

We are the sacrificial lambs’ Teachers plead for government
In-Depth - GNews - 18 Mar 2020

Source: IRI analysis; google.com
Generate new **targeted promotions/benefits for vulnerable cohorts**

**Daily discounts for seniors**

Brookshire Grocery Company
Offering a temporary 5% daily discount for senior citizens in all four banners it operates, initially through to May 05

**Reserved hours**

**Albertsons**
Reserving two hours every Tuesday and Thursday morning for vulnerable shoppers, including seniors, pregnant women or those with compromised immune systems

**Supporting impacted businesses**

**Bud Light ‘Open for Takeout’**
Aims to help consumers locate bars and restaurants across the US that are "open for takeout". The initiative hopes to support both business owners and employees

Source: IRI analysis; budlight.com; kwtx.com; komonews.com
Donations to industry funds/associations

**Pernod, Diageo and Tito’s**

Many liquor businesses have made financial pledges and supported fundraising initiatives in recognition of hospitality workers losing livelihoods. Jameson donated US$500K to the US Bartenders’ Guild, while Diageo donated $1.2M to UK bartender.

Tito’s Vodka is donating US$1M to four organizations that support the service industry, CORE, USBG Foundation, Southern Smoke, and World Central Kitchen, and is allocating another US$1M to other organisations in need.

Considering non-human vulnerabilities

**Busch beer**

US animal shelters are struggling to stay open and find homes for the pets in their care. Until April 22, Busch is offering a three-month supply of beer to anyone who fosters or adopts a dog from Minneapolis-based shelter MidWest Animal Rescue & Services (MARS). Busch is also making a $25,000 donation to MARS.

Source: IRI analysis; vinepair.com; busch.com; forbes.com; twitter.com
Continually review and **enhance stakeholder safeguarding measures**

### Protecting frontline retail staff

**Global grocers**

Grocers are at the forefront of installing plexiglass barriers in its checkout lanes to safeguard shoppers and cashiers. Across geographies more retailers have taken measures to safeguard their staff providing a vital community service.

### Enforcing social distancing

**Styleprint floor decals**

Citizens have proven they are ignorant, complacent and/or forgetful of required social distancing etiquette. It is important to visually re-enforce social distancing as supermarkets become even more important pillars of the community.

### Mitigating risk/addressing fears

**Global grocers & Uber Eats**

Instacart in the US has reported a 150% YOY sales increase in online orders in March, with the average basket size having grown by 15%. In recent weeks, around 40% of all orders used the new ‘Leave at My Door Delivery’ drop-off option. Elsewhere, Uber Eats has made notable changes to its app with new functionality allowing consumers to request a delivery at the doorstep rather than in person.

Source: IRI analysis; supermarketnews.com; insidefmcg.com.au
Move to **reassure customers about (revised) safety protocol**

**Food safety communications**

KFC
- Taken steps to reassure customers of its safety precautions in food delivery in line with the graphic above

**Tamper proof packaging**

Chipotle
- Using new tamper-evident packaging seals to reassure diners that food is untouched during delivery

**Hygiene-themed pack solutions**

Zyplus Potrapper
- New pack format to help people avoid getting their fingers dirty while eating snacks

Consumers will be seeking greater assurance that the products they buy are free of risk. Marketing teams must clearly communicate why their products and supply chains are trustworthy.

Source: IRI analysis; trendhunter.com; restaurantdive.com; qsmagazine.com; zyplus.co.jp
Use off-location displays to optimise shelf-space

Coles’ Edgecliff store in Sydney’s Eastern suburbs is using the vast retail estate left from ongoing toilet & kitchen paper unavailability to deliver off location displays for food items.

Woolworths in Double Bay, Sydney is beginning to optimise empty floor space by ranging snacks and laundry products in the currently redundant in-store café space.

Source: IRI analysis; IRI store visits
Moving on to **the second major ‘call-to-action’**…

1. **Strengthen the global response by being a ‘part of the solution’**

2. **Respond to new consumer behaviours during the outbreak and beyond**

Source: IRI analysis
Revisit and **amend existing marketing/advertising pipeline**…

### Pulling planned/existing ads

**KFC | Hershey | Cadbury**

COVID-19 has rendered lots of staple content themes in advertising irresponsible and/or irrelevant. Recognising this, KFC pulled a campaign in the UK that put a spotlight on the “finger-licking” consumption experience. Hershey (US) and Cadbury (UK) also pulled pre-existing ads celebrating human contact.

### Rapidly shifting sales channel mix

**Lin Qingxuan**

After closing 40% of stores, the Chinese cosmetics company rapidly redeployed sales efforts to new channels. Beauty advisors were asked to become online influencers and engage customers virtually (e.g. via WeChat) in order to drive online sales. Wuhan sales were reportedly up 200% vs. YA.

### Redirecting funds to donations

**AB InBev Bud Light**

The brewing giant redirected its US funding from sports and entertainment partnerships to better support the COVID-19 response with the American Red Cross. AB InBev released a 60-second video on Budweiser social channels to announce the partnership.

Source: IRI analysis; hbr.org; adweek.com; cnbc.com; adage.com
...and address COVID-19 in adjusted marketing campaigns

Championing enduring brands, while keeping spirits high by looking on the bright side

Guinness Today is committing $500,000 through our Guinness Gives Back Fund to help the communities where we live, work and celebrate.

Source: IRI analysis; adage.com; irishcentral.com
Promptly **shift branding focus to social and digital channels**

Designing virtual billboards to integrate into video conferencing

**Audi and Taco Bell**

In the w/c Mar. 23 an estimated one-third of the world population was under containment (after India went into lockdown). With a huge spike in time spent interacting via video conferences (both professionally and socially) we have observed more branded video call backgrounds. While mostly superficial, it highlights the need to redirect messaging to where consumers are spending their time. As such, we anticipate a huge increase in digital ad spend over the next few months.

Source: IRI analysis; adage.com; hbr.org
Consider renaming, reframing and reappropriating products…

**Virtual (in-home) engagement**

**NuFace**
Having seen many of its physical retail channel partners close stores, or adjust consultation approach, NuFace has stepped up its use of ‘virtual house calls’, whereby a brand tutorial is conducted through Zoom or FaceTime with one or more brand influencers.

**The (Virtual) Whiskey Show**
Complying with social distancing/quarantining protocol has meant that events are being postponed, or entirely cancelled. Virtual alternatives allow for continuity, as exemplified by The Virtual Whiskey Show which will substitute April’s planned physical experiential event in Melbourne.

**Beyond Sushi**
US-based Beyond Sushi introduced a Stay at Home catering menu that offers nourishing meals for a week that can be stored, frozen and reheated. It promises affordably priced, free no-contact delivery, no order minimums, of items that can be easily stored, frozen, and reheated.

**Source:** IRI analysis; glossy.co; beyondsushi.com; adnews.com.au; trendhuter.com
With a majority of global white collar workers now WFH, the lines will further blur between work and play, as business leaders pursue ways to boost morale and workers proactively seek momentary lighter notes (or ‘antidotes to reality’).

Snapchat’s Zenly

Snapchat’s location-sharing app gamified the challenge of maintaining quarantine by launching its ‘Stay At Home’ challenge. The new feature creates a leader-board based on percentage of time spent at home. It highlights how gamification mechanics have the potential to positively impact customer engagement by tapping into our innate sociability, competitiveness, and need for status and self-expression.

Source: IRI analysis; Screenshot of an IRI Australia MS Teams meeting; smartcompany.com.au
Reframe essential products & services as consumers reappraise

AGL – helping to keep the lights on

Australian utility providers are often bemoaned for constantly rising bills. But COVID-19, much like it has for retailers specialising in essentials, has highlighted the value in the provision of services that meet basic survivalist needs. The communication here does however feel a little stilted and formulaic, which makes it feel a little superficial

Helping consumers make the most of what they have bought

Consumers have purchased an abundance of shelf-stable items that they would not otherwise have done so. An opportunity to help shoppers make the most of these products – e.g. by encouraging social posts and “gamification.” Examples might include “the cheapest healthy meal you’ll eat all week”; “meals prepared from canned goods.” Or create a platform for customers to share their accomplishments

Source: IRI analysis; self.com
Help consumers navigate potential newfound (isolation) anguishes

Becoming a resource, or gateway to resources, that help citizens manage the emotional toll of COVID-19

Snapchat

COVID-19 has disrupted social lives, with distancing (‘physical’ & ‘social’) becoming the major watchword of the moment. Given that social connection bridges emotional and physical wellness (i.e. it is core to ‘holistic health’), the outbreak will once again put mental health in the spotlight.

Brands can play a role in remind consumers that social distancing need not equate to social isolation, but also play a role in curating/supporting consumers. Recognising this, Snapchat rolled-out its planned ‘Here For You’ feature ahead of time. The in-application mental health tools are designed to assist users in tackling anxiety and depression.

Source: IRI analysis; engadget.com; theverge.com; adweek.com
Support the **maintenance of continuity** amid new lifestyle realities

Democratising services to proactively respond to changing customer needs

**Telstra**
From Mar. 19 Telstra is providing broadband customers with unlimited data at no additional charge on their plan until Apr. 30 2020. It is designed to help facilitate the various connectivity tools when working from home, or in isolation.

**Amazon**
Offering free viewing of Prime Video content intended for kids to help parents entertain their children during COVID-19 induced isolation. Viewers require an account with Amazon to access

**Popeye/Netflix**
Although perhaps lacking an empathetic nuance, US QSR chain’s 'Fired Chicken and Chill' campaign gives away 1,000 Netflix accounts to the first 1,000 fans who post photos of themselves enjoying Popeyes and tagging #ThatPasswordFromPopeyes

Source: IRI analysis; telstra.com.au; fastcompany.com; trendhunter.com
Provide inspiration and enablement as people recalibrate at-home

Creating new platforms for leisure activity and all round positivity inspiration

Apple Get Up Mix
Launched new Apple Music AI-generated features aimed at helping users stay positive during the ongoing COVID-19 pandemic. The new "Get Up! Mix" and Home Office DJ plays upbeat tunes for those individuals who are quarantined, or working from home.

Pinterest’s today tab
The COVID-19 outbreak has led to record Pinterest usage as people searches for stay-at-home inspiration. In response, Pinterest created today tab designed to offer daily inspiration (and trending Pins) for topics like recipes, activities for children, and self-care.

Active by Popsugar
Popsugar has made its monthly subscription online workout class platform Active for free in order to make social distancing/quarantining easier. Other digital wellness brands have done similar with in the aim of being helpful and recruiting future customers.

Source: IRI analysis; adage.com; trendhuter.com; appleinsider.com; techcrunch.com
Develop partnerships to expand brand and customer horizons...

Being an ongoing source of inspiration with an expandable (multi-brand) campaign

Bombay Sapphire ‘Create From Home’
The platform launched by the Bacardi-owned brand is designed to enable consumers to express their creativity when self-isolating. It is an extension of the aptly named an extension to the Bacardi 'Raise Your Spirits' campaign, which can be followed on Instagram using the hashtag #RaiseYourSpirits

#RAISEYOURSPIRITS

Source: IRI analysis; businesswire.com; trendhunter.com
…and focus on **supporting them in reimagining virtual sociability**

Facilitating virtual gatherings to bring people together

**Chipotle Together**
Chipotle’s series of daily "Chipotle Together" sessions on videoconferencing site Zoom features celebrity guests and up to 3,000 brand/celebrity enthusiasts. The social approach is consistent with pre COVID-19 marketing via other digital platforms such as Amazon Alexa, Instagram, Snapchat, TikTok, Twitter and Venmo. In the current climate, it enables some much needed positive vibes

**NBA and Club Quarantine**
DJ D-Nice’s Club Quarantine is a live-streamed set that has drawn in hundreds of thousands of viewers and has featured cameos from other big names in music and culture. Recognising that people are socially adjusting by virtual means, the NBA brought a Club Quarantine set to its official Instagram account on Mar. 27.
Consider cultivating, or aligning with, new online experiences

Cultivating, or aligning with, new online communities

**Brewdog**
Announced the opening of 102 new virtual bars due to open in Mar. 27 with each BrewDog bar in the UK, Germany, Australia and US reinvented with its own online alternative for locals and regulars to connect. BrewDog updates, a beer tasting with the BrewDog co-founders, guest breweries, a virtual pub quiz, live music, and the opportunity to enjoy banter with online beer enthusiasts.

**JD.com and Taihe Music Group**
JD.com and Chinese music label Taihe Music Group have collaborated to establish an online clubbing experience. Budweiser, Rémy Martin, Carlsberg and Pernod Ricard are part of the service, which JD.com has indicated that alcohol sales grew by significant double-digit uplifts during some shows. Online versions of other activities such as museum visits and theatre performances have also emerged in China.

Source: IRI analysis; jdcorporateblog.com; thedrum.com
But also know that keeping the spirits high can be quirky acts.
Reappraise the lifestyle activities that brands are aligned with

Starting with monitoring the virtual activities that are trending

FOX Sport and e-sports
The so-called “stay-at-home-economy” is likely to further accelerate the popularity of e-sports, which was already a key form of socialising for Gen Z and Millennials. It is therefore timely for FOX Sport to broadcast the eNASCAR Pro Invitational iRacing Series.

Source: IRI analysis; twitter.com; Google Trends

TRENDING VIRTUAL ACTIVITIES
past week, US

1. Winchester House virtual tour
2. Beyond Wonderland virtual
3. Virtual Disney World ride
4. NASCAR virtual race
5. Virtual birthday party ideas

And this kind of inspiration is where branded content can play an influential and affinity building role.
Aligning with e-sports warrants consideration in the current climate.

Explore opportunities to align with the ever-growing e-sports.

Formula 1 has launched a Virtual Grand Prix Series to replace the races that have been postponed due to the coronavirus. Similarly, the screenshot to the left shows a virtual fight organised by the World Boxing Super Series (WBSS) after the coronavirus forced the company to cancel all its real-life events.
Consider how to establish/promote new brand consumption rituals

Example of a new virtual consumption ritual among IRI employees…

Thanks Gabi & Geoffrey for your valuable feedback!

@Geoffrey I’ll see you for a WhatsAppero this afternoon 😊

$24M brand
+28% $ growth

Example of a leading liquor brand being able to reappropriate the consumption ritual – and the ‘call-to-action’ – surrounding it

IRi
Growth delivered.

WhatsApp
>7M users

#4 social brand

Source: IRI Liquor MarketEdge, MAT To 05/01/20; socialmedianews.com.au
Find **new ways to deliver superior value** for a ‘recession mindset’

**Wave fees/charges & free rewards**

**7 Eleven  I  Dunkin Donuts**

7-Eleven waived delivery charges on all orders made through its 7NOW delivery app to make it easy for them to access essential items when people are sheltering. And Dunkin Donuts gave loyalty members who use on-the-go ordering an extra 100 points in their DD Perks program.

**Affordable family friendly online takeout**

**Subway Family Takeout, US market**

The Subway Family Takeout Special was introduced with an amplified focus on providing US consumers with enhanced value and special promotions for takeout. When ordering two Footlongs from the Subway website or its mobile app, customers receive a free Footlong.

**Burger King**

BK offered two free kids meals with any purchase made on its app for takeout or drive-thru. The one time per guest per day offer runs through to Apr 6.

Source: IRI analysis; adage.com; subway.com
Help ‘stay-at-homers’ maintain their commitment to good health

Memes in social media highlight the concern and realisation that at-home quarantine has compromised healthy eating intentions for many. Feelings of boredom and frustration can be triggers for (over)eating.

% of Australians saying that their diet is important to them...

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>64%</td>
</tr>
<tr>
<td>2018</td>
<td>65%</td>
</tr>
<tr>
<td>2019</td>
<td>63%</td>
</tr>
</tbody>
</table>

BUT...
- Boredom
- Isolation
- Anxiety
- Storing more food

Day 5 in quarantine:

Source: IRI analysis; IRI Shopper Panel Psychographics Survey, 2017-19
Appraise if this is a timely moment for **co-creating with customers**

Giving consumers the chance to shape the direction of brands they care about

*Global impulse snack providers*

Flavour voting campaigns are nothing new in the realm of consumer engagement tactics. Nevertheless, the unique backdrop of isolated consumers who are likely to be snacking more frequently – and with more time on their hands – creates an opportune moment to elevate participation rates in a well-executed idea.

*Source:* IRI analysis' nestle.com.au; confectionerynews.com
COVID-19 has brought into focus how the FMCG industry provides critical value on a daily basis for those in need of basic necessities. With the industry so intricately connected to the day-to-day lives of consumers, it is uniquely placed to play a leadership role in the two major ‘calls-to-action’ in this report. With over a third of the global population still figuring out their newfound at-home routines, the industry is aptly coming together to support those in need. In just a matter of weeks, countless examples have emerged of the local and global FMCG industry making a positive difference to a world engulfed in a global health and economic crisis.

Stakeholders should help consumers navigate newfound lifestyle realities at a time when they value (and need) support from the brands they appreciate. Getting close to customers at this unprecedented time will allow industry stakeholders to optimally respond to genuinely new and evolving consumer behaviours during the COVID-19 outbreak and beyond. When faced with unprecedented levels of disruption and uncertainty, leveraging advanced analytics to support decision-making becomes even more important. And that’s where IRI continues to be ‘part of the solution’, as we seek to help optimise the industry’s decision making going forward.

Source: IRI analysis; IRI MarketEdge; ABS
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