Mid-Year Reflection 2017

Where's the (non-food) growth?

IRi
Growth delivered.

August 2017

Survey Methodology

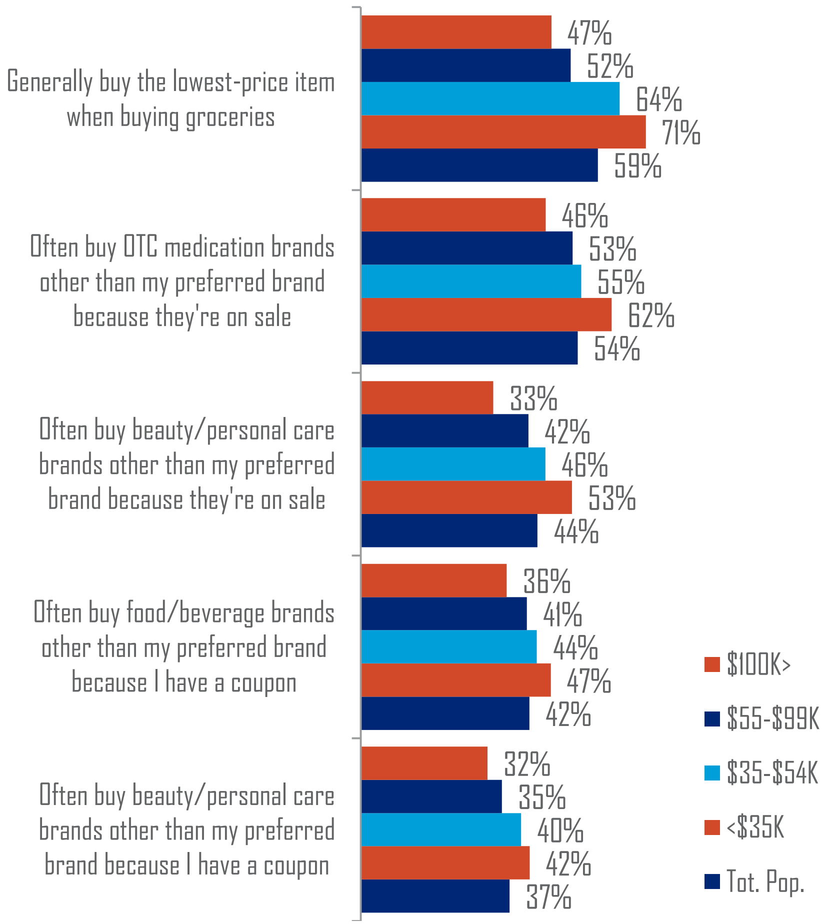
- IRI's Consumer Connect survey provides a quarterly snapshot of shoppers' behaviors and attitudes as they directly relate to their strategies for learning about, purchasing and utilizing CPG and health care products, as well as information regarding perceptions of economic conditions and their ability to provide for their families.
- Consumer Connect is an internet-based survey of more than 2,000 respondents from a nationally representative panel of participants.
- For more results, visit the IRI website.

Executive Summary

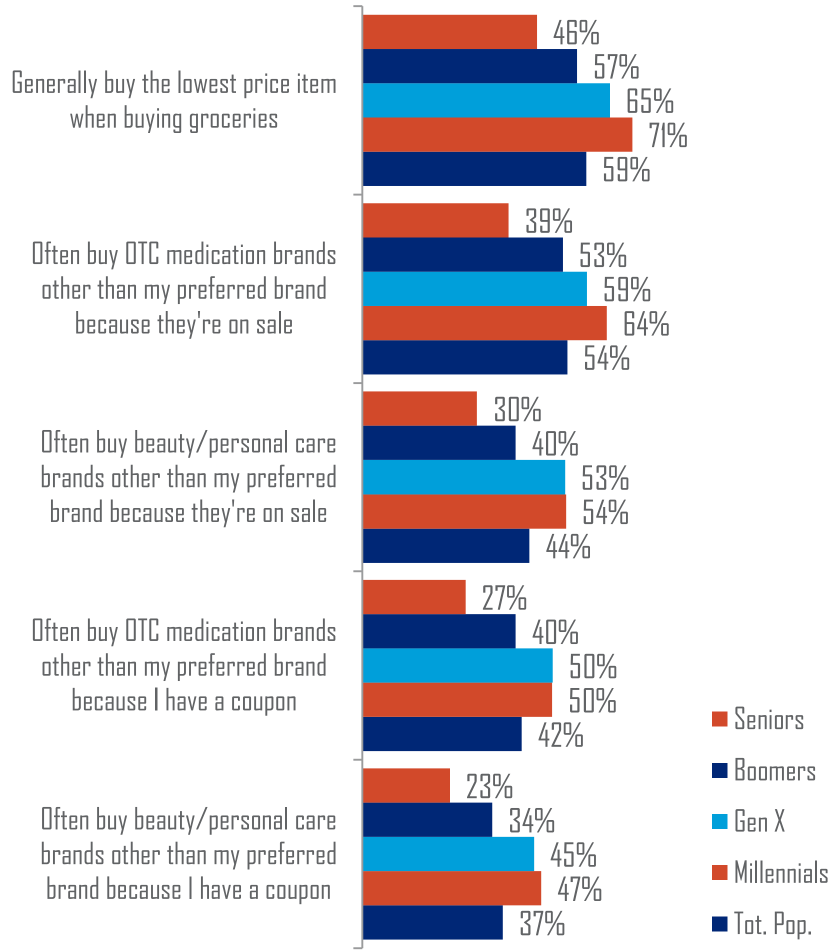
- Tweet this: Non-food CPG trends are being negatively influenced by a variety of factors, including a volatile economy and a changing marketplace.
- Tweet this: The non-food sector is lagging behind industry-wide trends.
- Tweet this: Weak growth transcends non-food departments; the health care department fared just slightly better.
- Tweet this: Value remains critical and is influencing store selection and private brand behaviors.
- Tweet this: CPGs should tap into growth opportunities around higher-end and highly targeted non-food solutions.

Tweet this: Trade-offs are most prevalent among younger and less wealthy shoppers, least prevalent across seniors and the wealthiest households.

Consumer Buying Behaviors by Income

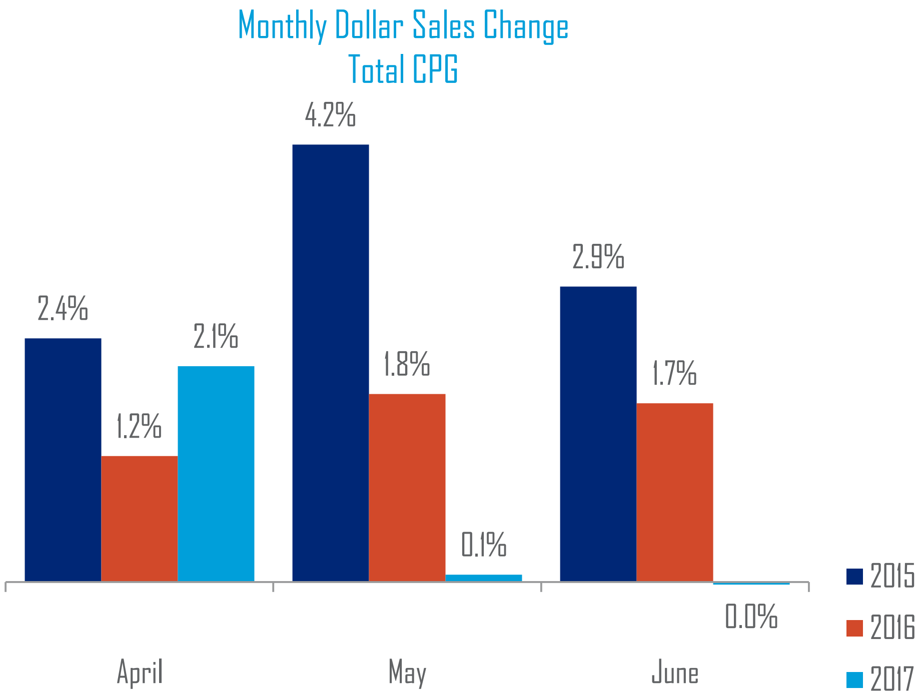


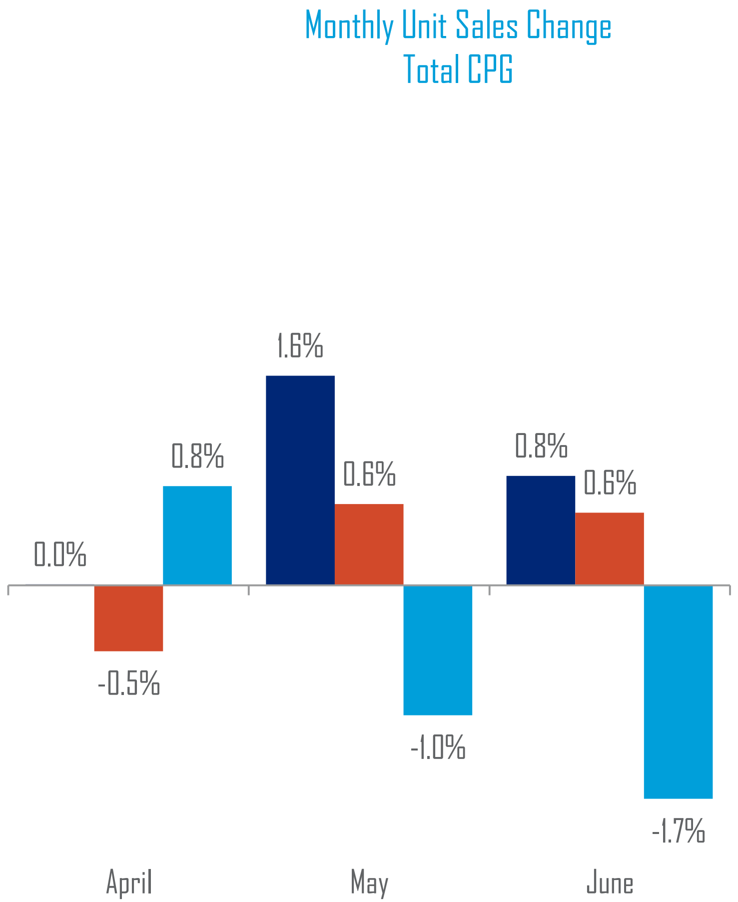
Consumer Buying Behaviors by Generation



Source: Consumer Connect™, Q2 2017

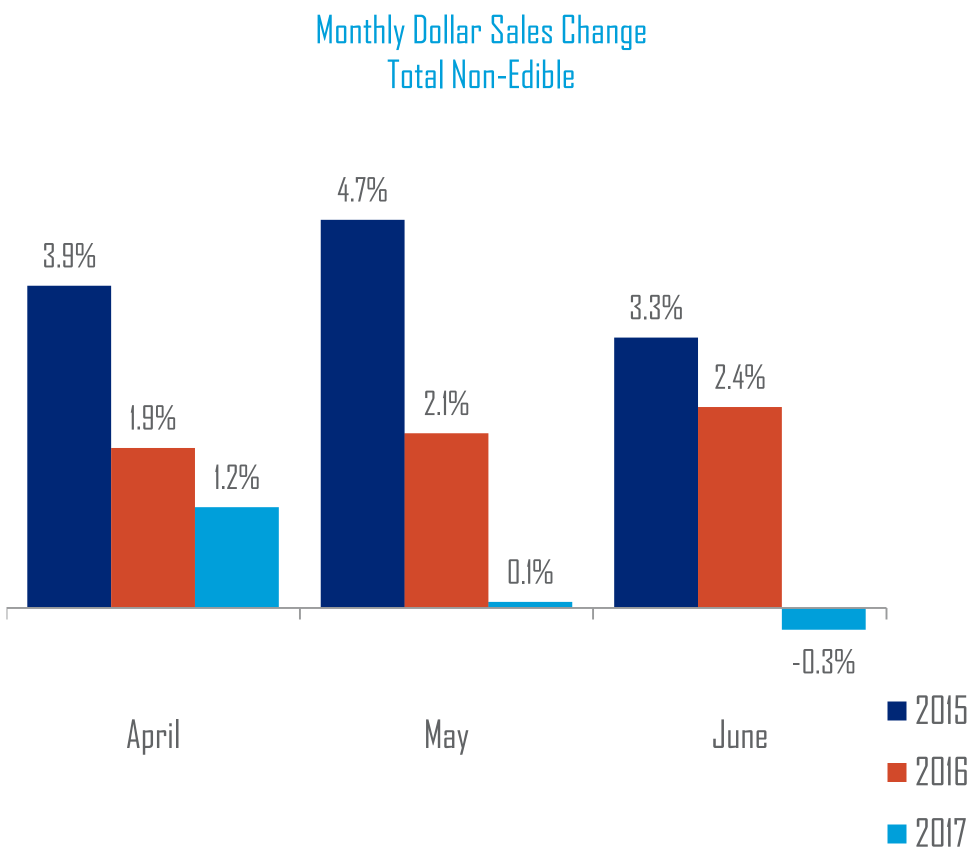
Tweet this: Q2 started off looking more positive than prior years, but May and June brought precipitous declines.

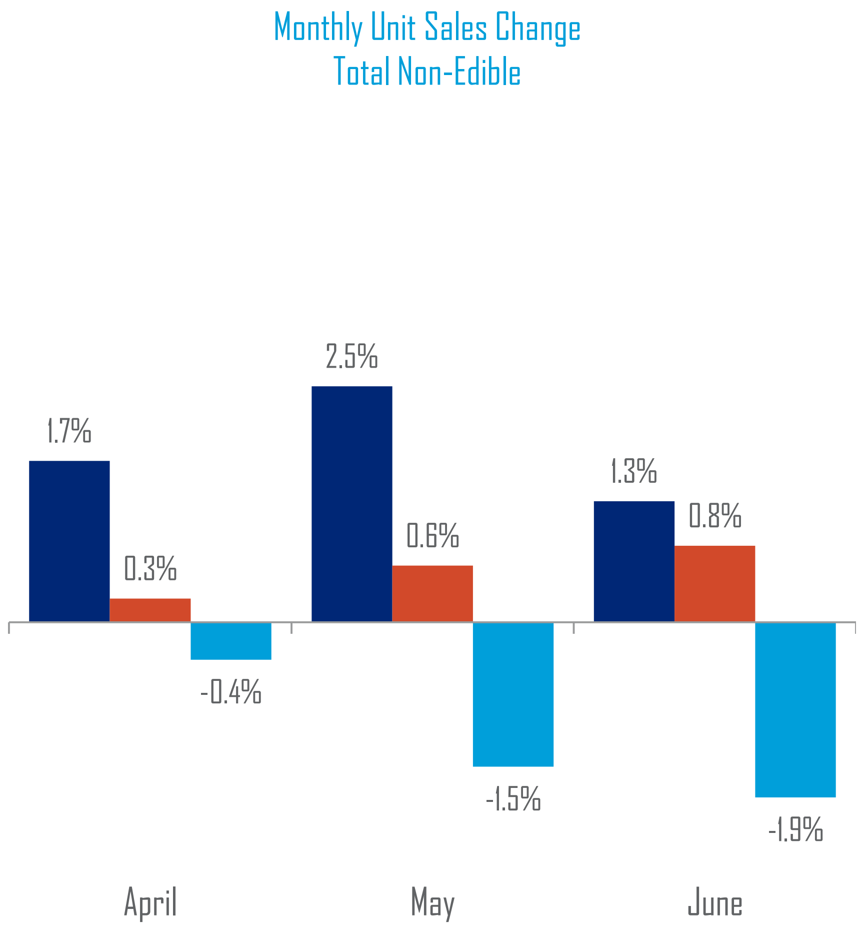




Source: IRI Market Advantage™, 4 weeks ended 6/11/2017, 5/14/2017, 4/16/2017 and same periods prior two years; MULOC.

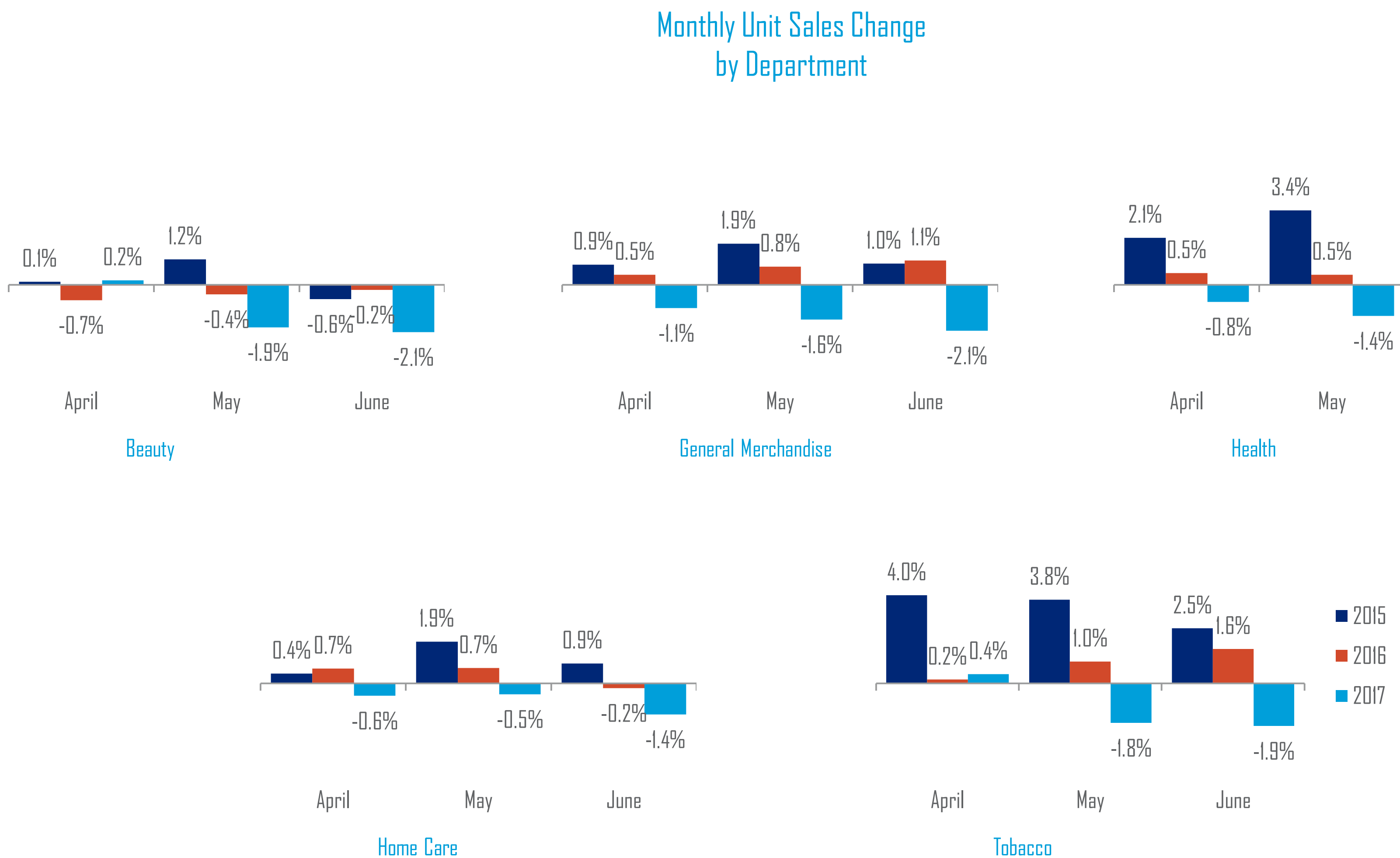
Tweet this: The non-food sector slid more sharply than industry average, particularly with respect to unit sales trends.





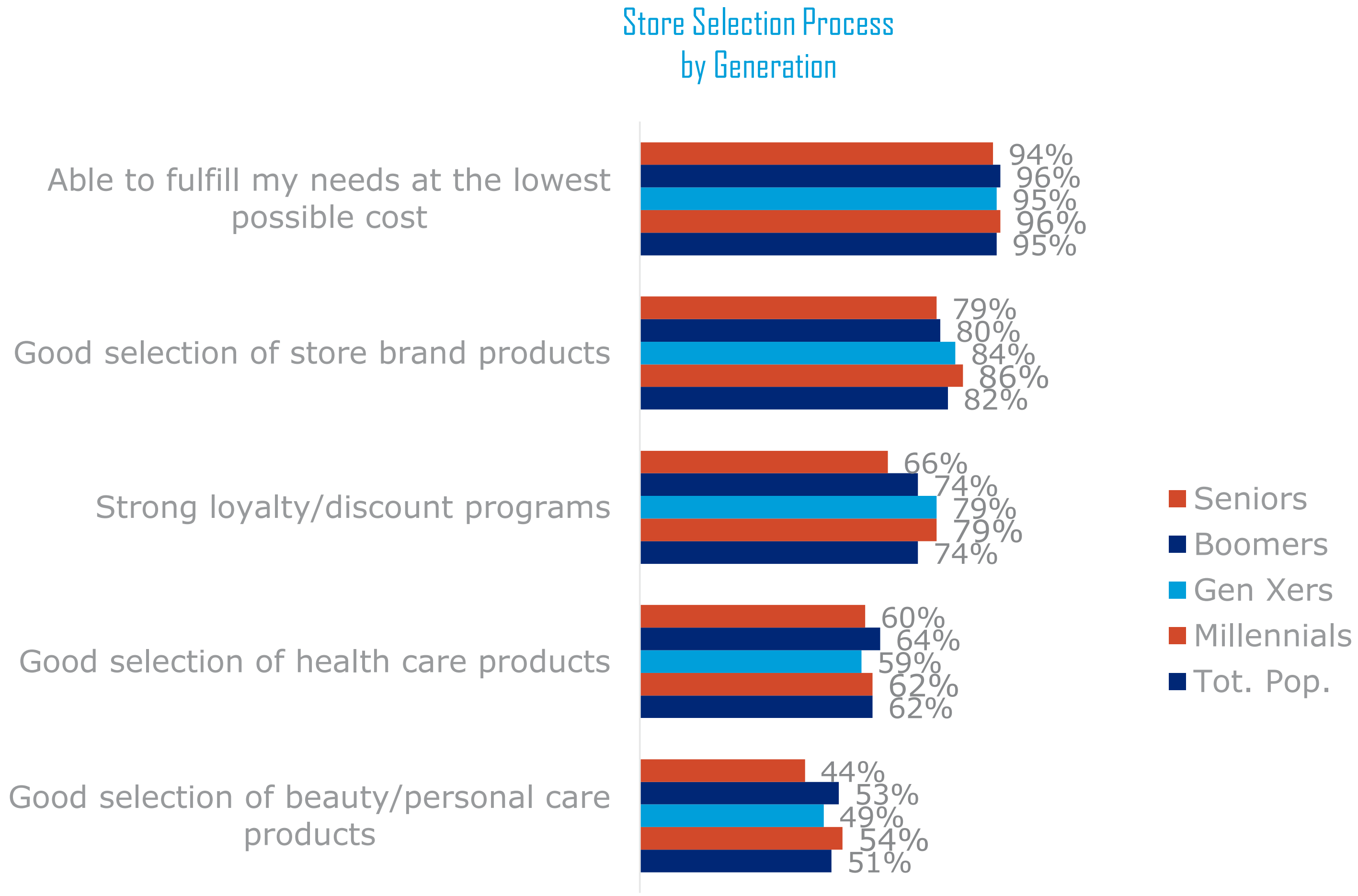
Source: IRI Market Advantage™, 4 weeks ended 6/11/2017, 5/14/2017, 4/16/2017 and same periods prior two years; MULOC.

Tweet this: Unit sales has been flat or negative throughout Q2 across non-food departments.



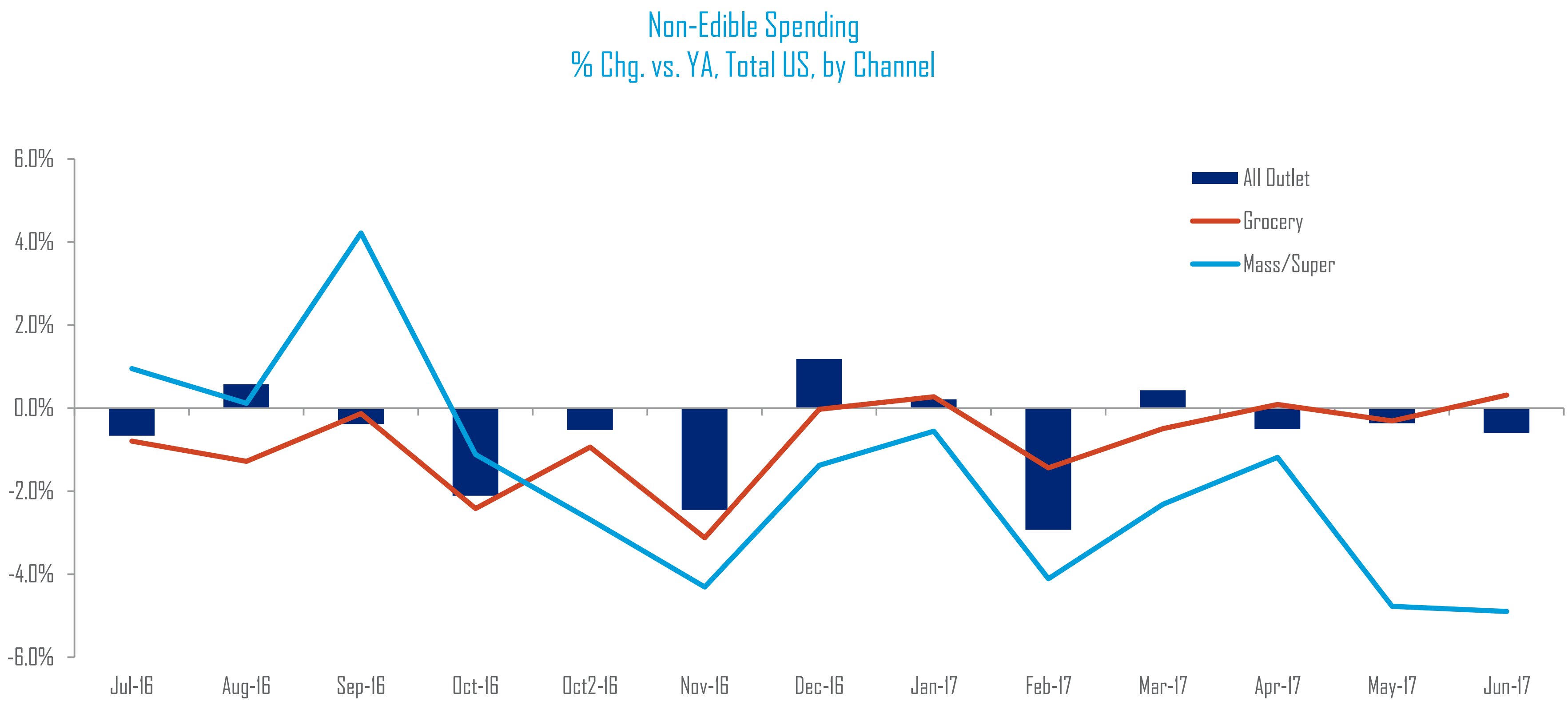
Source: IRI Market Advantage™, 4 weeks ended 6/11/2017, 5/14/2017, 4/16/2017 and same periods prior two years; MULOC.

Tweet this: Value is a huge influencer of store selection.



Source: Consumer Connect™, Q2 2017

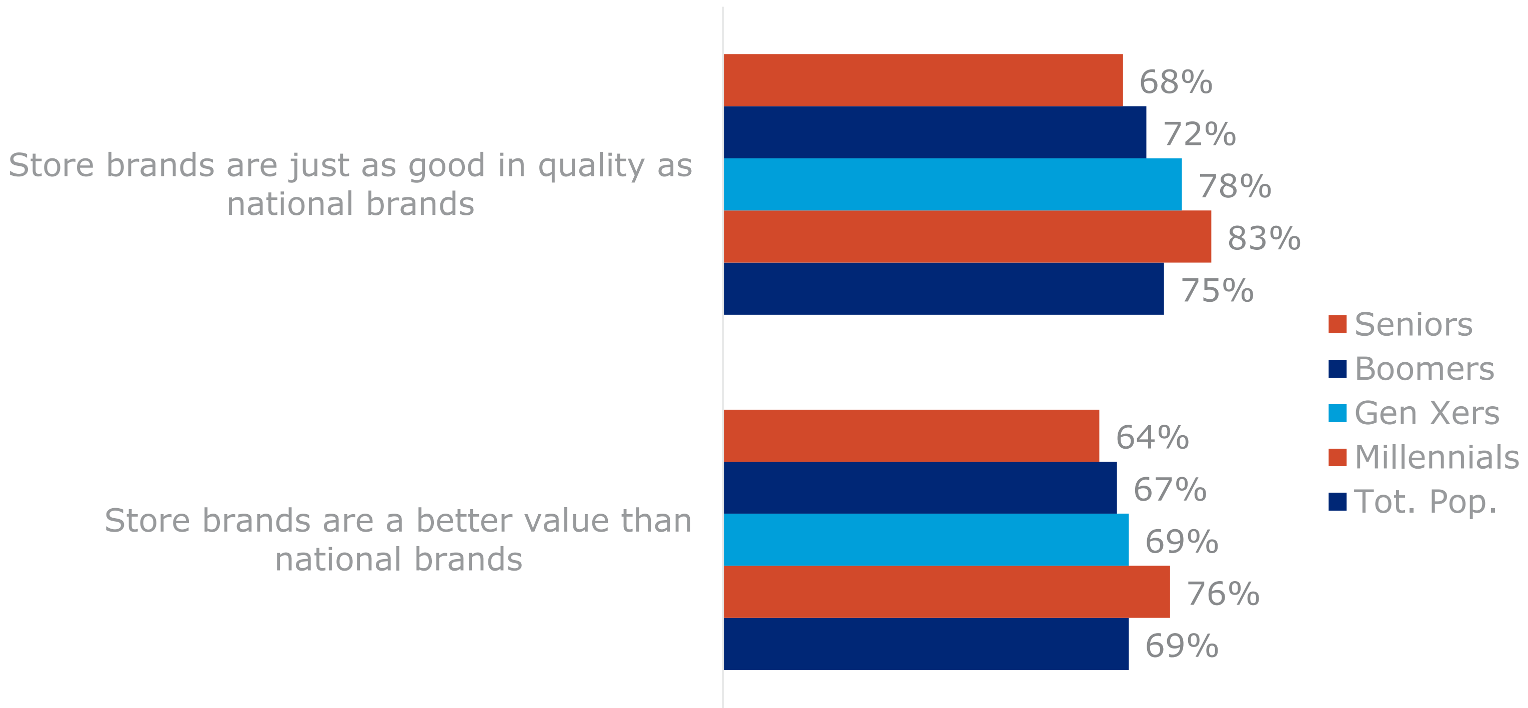
Tweet this: The grocery channel has outperformed mass/super in non-edibles throughout 2017; non-edible spending in grocery has outpaced industry average.



Source: IRI Consumer Network™, CSIA – Total US – All Outlets; Quad Week Data Ending 6-11-17 and preceding; NBD Aligned to Multi-Outlet, Grocery and Mass/Super exclude Walmart.

Tweet this: Consumers view store brands as a good money-saving opportunity; millennials show a particularly strong affinity toward store brand solutions.

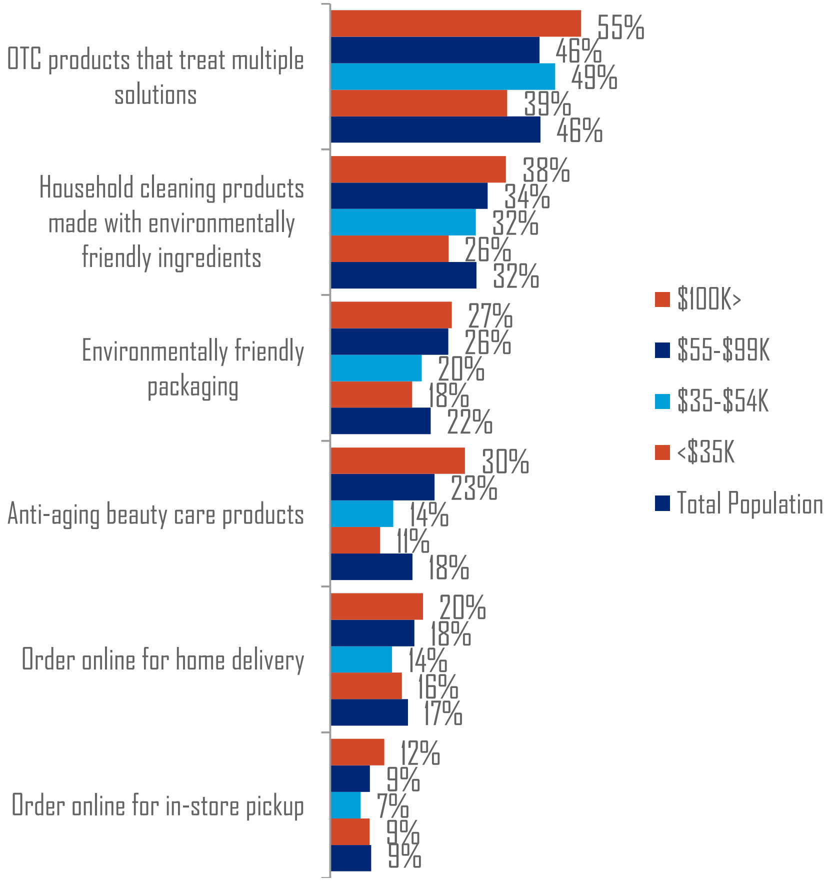
Store Brand Perceptions
by Generation



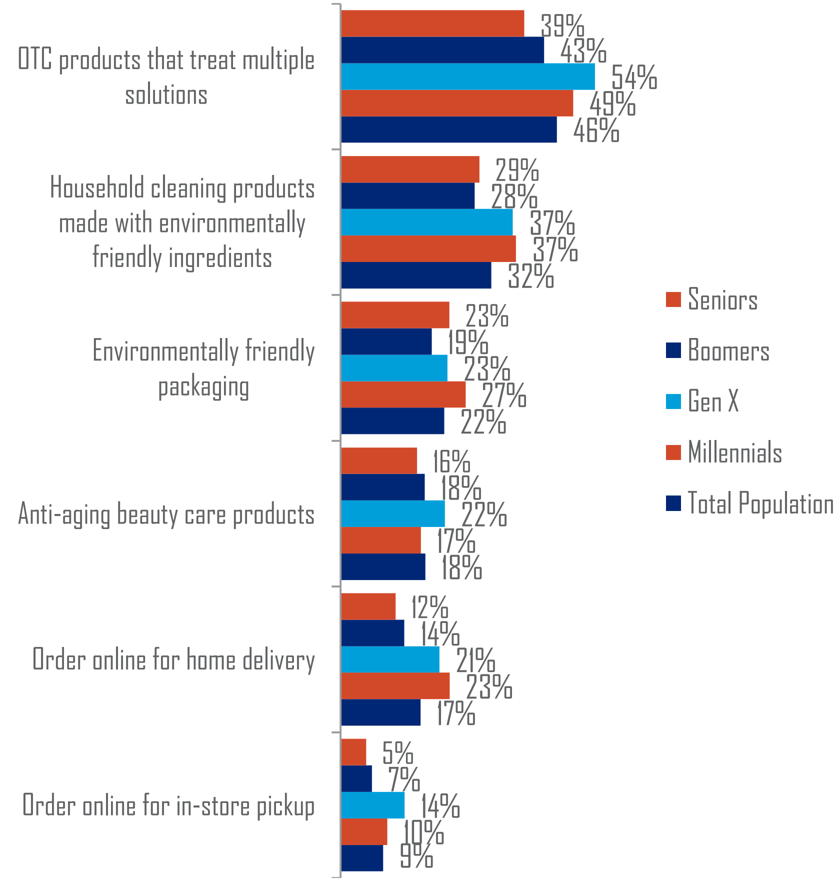
Source: Consumer Connect™, Q2 2017

Tweet this: Targeting against high-potential consumers is critical. For instance, millennials will pay more for online ordering with home delivery and wealthier shoppers will pay more for nutrition density and eco-friendliness.

Consumer Willingness to Pay a Premium for… by Income



Consumer Willingness to Pay a Premium for… by Generation



Source: Consumer Connect™, Q2 2017

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Tweet this: Shoppers Mid-Year Reflection for #NonFoods #IRIConsumerConnect @IRIworldwide