COVID-19 VACCINE UPDATE: IMPACT ON CPG INDUSTRY
EXECUTIVE SUMMARY

COVID-19 vaccinations are underway in the U.S., but are largely distributed by the federal government. Planned administration through retail pharmacies is just getting underway.

Findings from IRI’s proprietary consumer survey conducted January 8–10, 2021, indicates 3% of the population have received the vaccine.

In this report, IRI compares findings from three surveys gauging consumer sentiment toward COVID-19 vaccinations.

We continue to anticipate that a significant portion of the population will get vaccinated by mid- to late 2021. IRI forecasts industry sales growth in our Harness Growth in 2021 report (value sales growth of -2.5% to -5% for food and beverages and -1% to -2% for total nonedible vs. year ago).

KEY FINDINGS

Interest in getting the vaccine is mixed, almost polarized, but there is an increase in the percentage of people who would like to get the vaccine as soon as it’s available. Respondents are also mixed on what it will take for them to feel comfortable resuming normal habits, with large percentages citing zero or close to zero reported infections and having 70% of the population vaccinated or with antibodies.

Among those not interested or unsure about getting the vaccine, approximately half will wait to see the safety and efficacy of others who have received the vaccine.

VACCINE ADOPTION IMPLICATIONS

Consumer acceptance of vaccines, as well as the potential for additional federal stimulus measures, will impact social mobility and economic recovery, respectively, and could affect industry growth.

Consumers report they plan to get the vaccine from a doctor’s office, hospital or other medical facility. Drug stores and other retail pharmacies need to promote the safety and convenience of getting vaccines at their stores.

Retail rollout remains slow, but retailers can act now to begin promoting and scheduling vaccines. Promotional efforts should also include “proof of vaccine” collateral and incentives for those who have received the vaccine.

Targeted media should be leveraged to address the disparity in attitudes toward the vaccine. High income, highly educated and older consumers are the most eager to receive the vaccination. Low income, less educated and younger consumers are less interested in the vaccination.
Consumers Are Increasingly Interested in Obtaining a COVID-19 Vaccine as Soon as It’s Available; Those Against the Vaccine Remain Steadfast

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers
More Than Half of Those Unsure or Not Interested in a Vaccine Could Be Swayed

What would make you more interested in getting the COVID-19 vaccine?

<table>
<thead>
<tr>
<th>Condition</th>
<th>Interest Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I felt it was <strong>SAFE</strong> after seeing many people get it successfully</td>
<td>32%</td>
</tr>
<tr>
<td>If I felt it was <strong>EFFECTIVE</strong> after seeing many people get it successfully</td>
<td>23%</td>
</tr>
<tr>
<td>If my personal health care provider recommended it for me</td>
<td>14%</td>
</tr>
<tr>
<td>If it was free for anyone to get</td>
<td>9%</td>
</tr>
<tr>
<td>If it is convenient / easy to get</td>
<td>5%</td>
</tr>
<tr>
<td>If my friends / family got the vaccine</td>
<td>5%</td>
</tr>
<tr>
<td>Nothing would make me more interested</td>
<td>48%</td>
</tr>
</tbody>
</table>

21% are not sure about getting the vaccine
23% do not plan to get the vaccine

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers
More Than Half of Males Plan to Get the COVID-19 Vaccine as Soon as It’s Available; Nearly Half of Females Show Resistance

<table>
<thead>
<tr>
<th></th>
<th>TOTAL base = 1,032</th>
<th>base = 306</th>
<th>base = 727</th>
</tr>
</thead>
<tbody>
<tr>
<td>I already received the vaccine</td>
<td>3%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>YES, I plan to get it as soon as it is available to me</td>
<td>39%</td>
<td>51%</td>
<td>34%</td>
</tr>
<tr>
<td>YES, but will likely wait a few months after it is available to me before I get it</td>
<td>9%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>YES, but will likely wait at least 6 mos. after it is available to me before I get it</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>NOT SURE YET</td>
<td>21%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>NO</td>
<td>23%</td>
<td>15%</td>
<td>26%</td>
</tr>
</tbody>
</table>

The number of women planning to get the vaccine right away has increased 20 ppts from 14% in November

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers / totals may not add to 100% due to rounding.
29% of Black Americans now plan to get the vaccine as soon as possible, up substantially from 18% the month prior.

The number of Hispanics not interested in getting the vaccine has increased 11 ppts from December.

Interest in Getting the COVID-19 Vaccine Varies by Race / Ethnicity

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>HISPANIC</th>
<th>CAUCASIAN</th>
<th>AFRICAN AMERICAN</th>
<th>ASIAN</th>
<th>OTHER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>base = 1,032</td>
<td>base = 148</td>
<td>base = 749</td>
<td>base = 131</td>
<td>base = 54</td>
<td>base = 98</td>
</tr>
<tr>
<td>I already got the COVID-19 vaccine</td>
<td>3%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>YES, I plan to get it as soon as it is available</td>
<td>39%</td>
<td>30%</td>
<td>42%</td>
<td>29%</td>
<td>45%</td>
<td>32%</td>
</tr>
<tr>
<td>YES, but will likely wait a few months after available</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
<td>13%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>YES, but will likely wait at least 6 months after available</td>
<td>5%</td>
<td>10%</td>
<td>4%</td>
<td>7%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>NOT SURE YET</td>
<td>21%</td>
<td>18%</td>
<td>20%</td>
<td>26%</td>
<td>11%</td>
<td>25%</td>
</tr>
<tr>
<td>NO</td>
<td>23%</td>
<td>28%</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers / totals may not add to 100% due to rounding.
Upper Income, Highly Educated & Older Consumers Express the Greatest Interest in Getting the COVID-19 Vaccine as Soon as Possible

50% of Upper Income

47% of Post-College Graduates

51% of Older Boomers (ages 64-73)

69% of Retirees / Seniors (ages 74+)

39% of the total population plans to get the vaccine as soon as it’s available

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers
Lower Income, Less Educated and Younger Consumers Are the Least Interested in Receiving the COVID-19 Vaccine

- **31%** of Lower Income
- **26%** of High School / Graduates
- **29%** of Those With Some College
- **32%** of Gen Z / Younger Millennials (ages 18-29)

23% of the total population does not plan to get the vaccine

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers
Medical Offices Are the Top Destination for the Vaccine, Followed by Pharmacies

Drug stores and other retail pharmacies can promote the convenience and safety of getting vaccines in their stores.

Where do you plan to get the COVID-19 vaccine once it becomes available?
Base = 551

<table>
<thead>
<tr>
<th>Destination</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor’s Office / Hospital / Healthcare Facility</td>
<td>30%</td>
</tr>
<tr>
<td>Chain Drug Stores</td>
<td>12%</td>
</tr>
<tr>
<td>Other Retail Pharmacies</td>
<td>5%</td>
</tr>
<tr>
<td>Other Provider</td>
<td>4%</td>
</tr>
<tr>
<td>Don’t Know Yet</td>
<td>49%</td>
</tr>
</tbody>
</table>

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers
Until Infections Stop or Herd Immunity Takes Hold, Consumers Will Keep Their Guard Up

Timing of Feeling Comfortable Returning to Your Normal Habits Without COVID-19-Related Precautions

<table>
<thead>
<tr>
<th>Event</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>When the rate of infection across the country is zero / close to zero</td>
<td>41%</td>
</tr>
<tr>
<td>When the rate of infection in my area is zero / close to zero</td>
<td>35%</td>
</tr>
<tr>
<td>When over 70% of the population in my area has been vaccinated</td>
<td>35%</td>
</tr>
<tr>
<td>When government lifts restrictions or COVID-19-related mandates in my area</td>
<td>22%</td>
</tr>
<tr>
<td>A few weeks after I’ve had the second vaccine shot (if two are recommended)</td>
<td>21%</td>
</tr>
<tr>
<td>When all / most seniors and other high-risk groups have been vaccinated</td>
<td>19%</td>
</tr>
<tr>
<td>When at least half of the population in my area has been vaccinated</td>
<td>9%</td>
</tr>
<tr>
<td>A few weeks after I’ve had the first vaccine shot</td>
<td>5%</td>
</tr>
<tr>
<td>Does not apply; I’m already comfortable doing all my usual activities without COVID-19-related precautions</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: IRI Survey Collected Jan. 8-10, 2021 among National Consumer Panel representing Total US Primary Grocery Shoppers

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Retailer Partnerships Not Moving at “Warp Speed”

As part of Operation Warp Speed, the U.S. Department of Health and Human Services announced in November it would leverage partnerships with pharmacies to get vaccines to the public. As of mid-January, vaccines are off to a slow start.

“The vast majority of Americans live within five miles of a pharmacy, and our new agreement with pharmacy partners across America is a critical step toward making sure all Americans have access to safe and effective COVID-19 vaccines when they are available.”

Alex Azar, Secretary
U.S. Department of Health & Human Services
November 12, 2020

The Centers for Disease Control and Prevention warns that the new, more transmissible variant of the virus, B117, could be the dominant strain by March, leading to a new surge in cases through the spring.

Retailer Vaccination Activity Remains Nominal

**Albertsons**
12/18/20 | Began Administering COVID-19 Vaccines in Alaska

**CVS Pharmacy**
12/21/20 | Started Vaccinating Those in Long-Term Care Facilities

**Walmart**
12/23/20 | Began Vaccinating Health Care Workers in New Mexico

**Publix**
Early January | Received 15,000 Doses; Offering to Those Aged 65+
Incentivizing Vaccines

Some retailers will offer gift cards to customers getting a COVID-19 vaccine.

**Dollar General** is among retailers that will compensate workers for the time they took to get a vaccine. **Lidl** will pay workers to get the vaccine.

One Chicago Bar Is Offering $10 Gift Cards to Those Who Present Proof of a COVID-19 Vaccine

“By getting vaccinated, you are showing you care about us and you are doing your part to help all of us move one step closer to normal.”

– Village Tap, Chicago*

*Source: Chicago Tribune Jan. 15, 2020*
President Biden Releases $1.9T “American Rescue Plan” for Administering Vaccines, Providing Economic Relief

This round is considered a “down payment.” Another major bill is planned for February to rebuild the economy.

- Administering 100 million vaccines by the 100th day of the Biden administration
- Mass vaccination centers and mobile units deployed to hard-to-reach areas, encouraging vaccinations
- $130B to reopen schools by spring 2021
- $1,400 stimulus checks for most Americans
- $400 weekly unemployment boost

Consumer Mobility, a Key Factor in At-Home vs. Away-From-Home Consumption, Will Likely Increase in Early to Mid-2021 as Vaccine Distribution Accelerates

52% of Total Food Spend Was Away From Home in 2019

Likely Vaccine Adoption Timeline

FEBRUARY – APRIL 2021
Case counts begin to decline
Phase 2 vaccine distribution

JUNE – SEPTEMBER 2021
Case counts decline
Vaccinated and younger consumers begin to resume ‘normal’ activities

JANUARY – FEB 2021
Case counts stabilize
$1.9T stimulus announced
Phase 1 vaccine distribution

APRIL – MAY 2021
Vaccine becomes available for everyone
Cases continue to decline

SEPTEMBER 2021+
Herd immunity begins
More consumers begin to resume ‘normalcy’
Certain habits are changed at least through the next year or two

Mobility Forecast Scenarios
Millennials and Higher Income Households Are Likely to Improve Mobility the Soonest

Source: CDC, RBC Capital Markets; Google Workplace Mobility, Mobility forecasts represent IRI Strategic Analytics POV.

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**RETAILER IMPLICATIONS**

- Retailers are off to a slow start in January and need to ramp up marketing efforts to promote vaccination availability, as well as promote the safety and convenience of getting a vaccine in-store. Remind consumers there is no out-of-pocket cost for the vaccine.

- Target messaging to those who are eager – higher income, more educated, older consumers – and less eager – lower income, less educated, younger.

- To drive store traffic, retailers should consider incentives, including gift cards and proof of vaccination collateral.

**IMPLICATIONS OF THE COVID-19 VACCINE**

**MANUFACTURER IMPLICATIONS**

- Despite not being a direct part of the solution, CPGs can be good citizens and offer incentives and support for those who seek a vaccine.

- Partner with retailers to promote vaccines; offer targeted products, messages and promotions on indulgent and wellness products while consumers are in the store.

- Use targeted media to speak to consumers’ level of interest in obtaining the vaccine.
IRI COVID-19 IMPACT ASSESSMENT REPORTS

COVID-19: THE CHANGING SHAPE OF THE CPG DEMAND CURVE

SPECIAL COVID-19 SERIES: RECESSION PROOF YOUR BUSINESS

COVID-19 EMERGING POINT OF VIEW

DISCOVERING POCKETS OF DEMAND
### CPG Economic Indicators

Access IRI’s industry-standard metrics for consumer product demand and supply during the pandemic, our CPG inflation tracker and the latest data on category trends, out-of-stock levels, consumer sentiment and more.

<table>
<thead>
<tr>
<th>Demand Index™</th>
<th>U.S. Demand Index™ Forecasts</th>
<th>Channel Shift Index™</th>
<th>E-Commerce Demand Index™</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation Tracker™</td>
<td>Supply Index™</td>
<td>Out-of-Stock Levels for Subcategories</td>
<td>U.S. Topics from IRI Social Pulse™</td>
</tr>
</tbody>
</table>

The IRI CPG Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods.

**U.S. Demand Index™ Forecasts** are delivered through a proprietary, fully automated forecasting solution that anticipates consumer demand.

Channel Shift Index™ provides a standard metric for tracking changes (migration) in spending on consumer packaged goods across select channels.

The IRI E-Commerce Demand Index™ provides a standard metric for tracking changes in spending on consumer packaged goods purchased online.

**Inflation Tracker™** provides the well-known price per unit metric for tracking changes in pricing of consumer packaged goods.

Supply Index™ provides a standard metric for tracking changes in product availability (i.e., in-stock rates) in stores for consumer packaged goods.

**Out-of-Stock Levels for Top-Selling Subcategories** by Market Area in the U.S.

**Top U.S. Topics from IRI Social Pulse™**
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Registered Users Get New Thought Leadership from IRI’s Research, Data & Analytics Experts
