

Marketing & Communications Watch

Tracking Changes in Shopping Behavior and Brand Equity in Times of COVID-19
June 18, 2020



Today's Presenters



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The Conference Board



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Marketing &
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The Conference Board



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HOW BRAND LOYALTY HAS SHIFTED DURING COVID-19



LESLIE WOOD
Chief Research Officer
NCSolutions



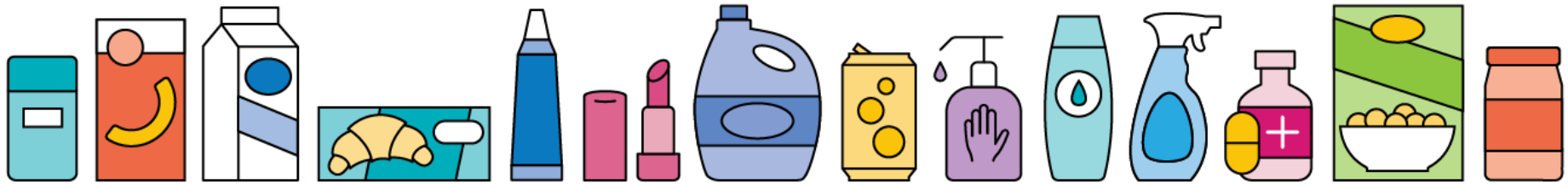
*Better advertising
begins here.*

WHAT WE'D LIKE YOU TO GET OUT OF THIS

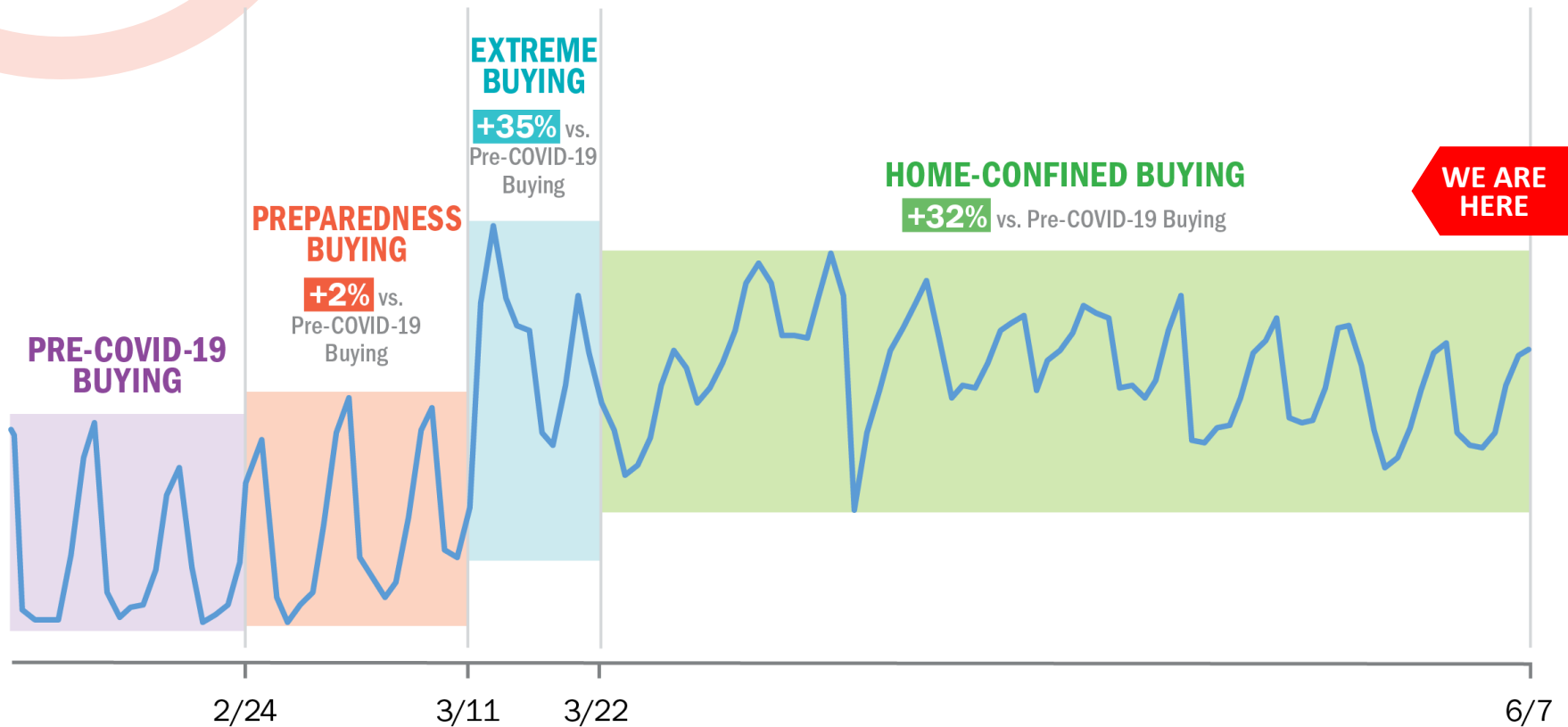
- Grocery Shopping Today: How Has It Changed in COVID Times?
- How Has This Crisis Impacted Brand Loyalty?
- What Can You Do Today and Into the Future to Support Your Brands?



CPG SHOPPING IN A TIME OF COVID



COVID-19-RELATED SHOPPING STAGES



HOW DID AMERICA PREPARE?

The Hand Sanitizer and Toilet Paper Race

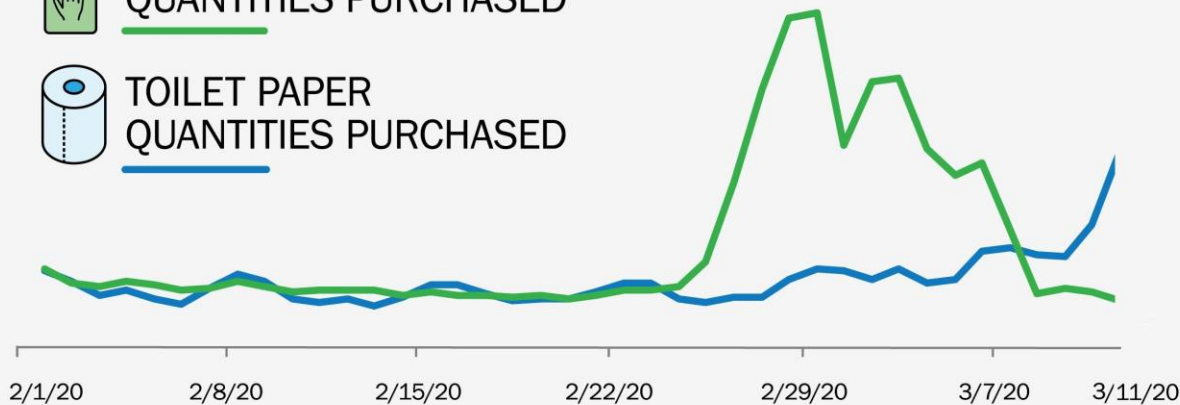
Hand Sanitizer Unit Sales Spiked Weeks Before Toilet Paper, as Consumers Prepared for the COVID-19 Virus



HAND SANITIZER
QUANTITIES PURCHASED



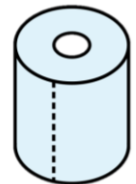
TOILET PAPER
QUANTITIES PURCHASED



PREPAREDNESS
BUYING



+211%

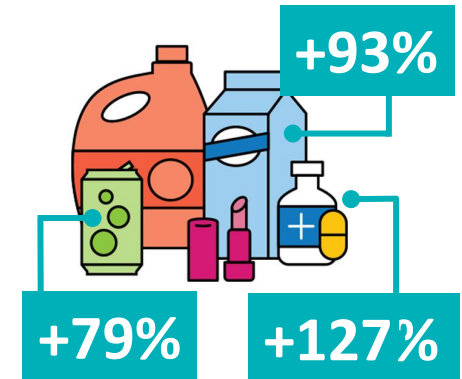
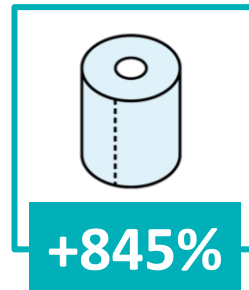
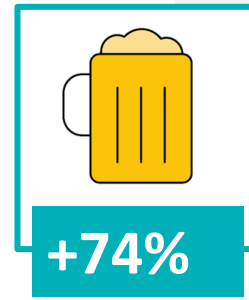
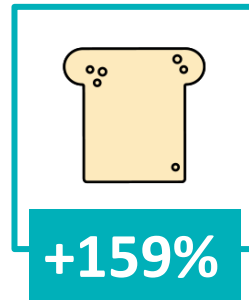


+36%

HOW DID AMERICA SHOP?

Top 10 Grocery Subcategories Based on Household Spend on March 12, 2020

RANK	SUBCATEGORY	% INCREASE IN HH SPEND VS. PRIOR MONTH
1	TOILET PAPER	845%
2	FRESH VEGETABLES AND HERBS	124%
3	WHOLE FRESH FRUIT	72%
4	SUPPLEMENTS	127%
5	BREAD	159%
6	WATER	302%
7	SOFT DRINKS	79%
8	DOMESTIC BEER	74%
9	MILK	93%
10	PAPER TOWELS	536%



HOW IS AMERICA SHOPPING NOW?

May Top Ranked CPG Categories by Dollar Sales

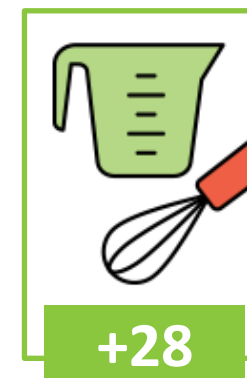
RANK	CATEGORY	CHANGE LY	CHANGE LM
1	VEGETABLES AND HERBS	▲ 1	—
2	SALTY SNACKS	▼ 1	—
3	SOFT DRINKS	—	—
4	FRUIT	—	▲ 1
5	CHEESE	▲ 1	▼ 1
6	BEER	▲ 1	▲ 1
7	BAKED BREAD	▼ 2	▼ 1
8	VITAMINS AND SUPPLEMENTS	—	—
9	MILK	—	—
10	WINE	▲ 1	▲ 1
11	FROZEN ENTREES	▲ 2	▲ 1
12	COFFEE	▲ 2	▲ 1
13	WATER	▼ 1	▲ 4
14	CHOCOLATE	▲ 3	▼ 4
15	ICE CREAM	▲ 4	—
16	UPPER RESPIRATORY MEDICINE	▼ 6	▼ 2
17	YOGURT	▼ 1	▲ 1
18	CEREAL	▲ 4	▼ 2
19	NEW AGE BEVERAGE	▼ 1	▲ 4
20	COSMETICS	▼ 5	▲ 7



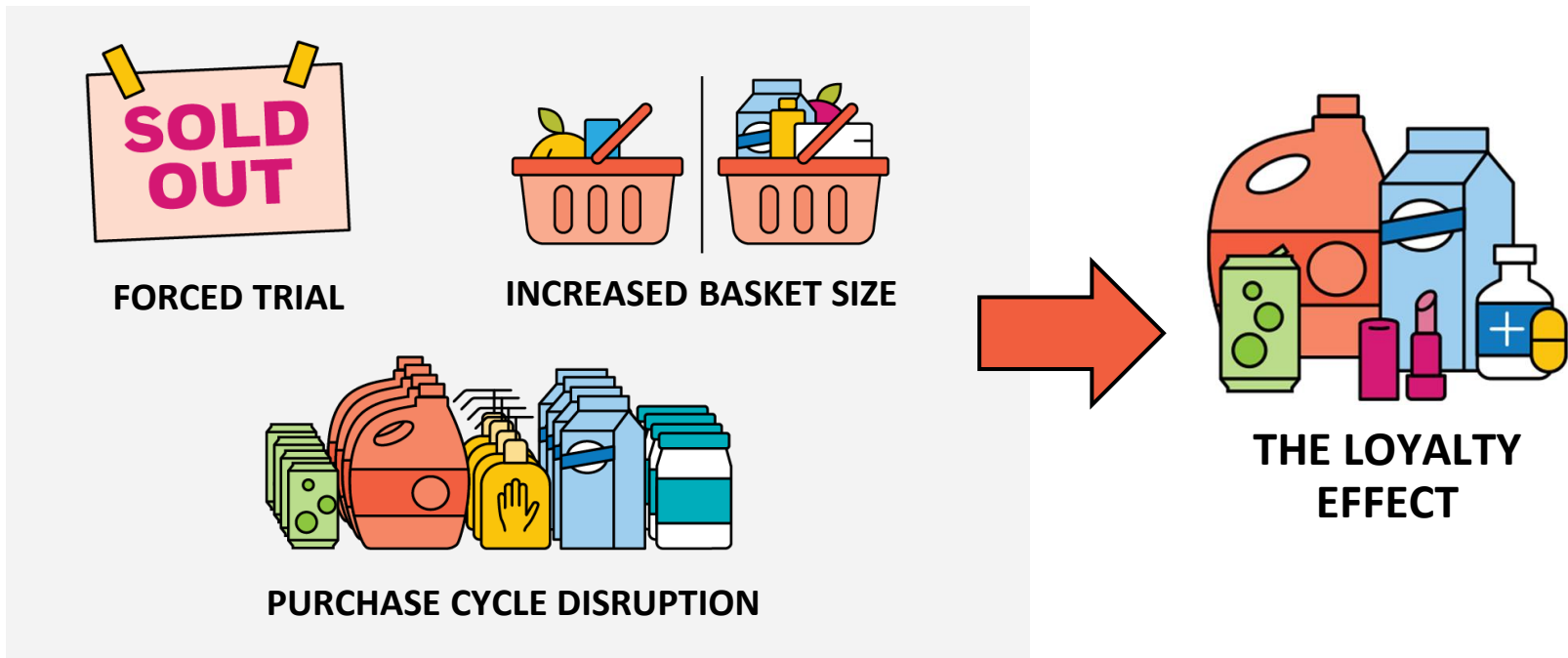
WHAT IS GROWING?

May Top-Growing CPG Categories,
by Dollar Sales

RANK	CATEGORY	CHANGE OVER PRIOR YEAR
130	HAND SANITIZER	125
176	PREMIXED ALCOHOL COCKTAIL	47
174	EXTRACTS	42
120	FROZEN POULTRY	40
81	REFRIGERATED BAKED GOODS	32
140	FLOUR AND MEAL	30
96	BAKING SUPPLIES	28
186	COCKTAIL MIXERS	28
75	FROZEN POTATOES AND ONION RINGS	24
183	SAUCE, GRAVY, AND SEASONING MIX	24
249	CANNING SUPPLIES	22
106	FROZEN MEAT	21
86	FROZEN APPETIZERS	20
102	BAKING MIXES	20
149	FROZEN BREADED CHICKEN	20
172	HONEY	20
185	ANTISEPTICS AND DISINFECTANTS	20
233	PIZZA SAUCE	20
162	ASIAN SAUCE	19
318	CANDY	19



IMPACT ON BRANDS IN THE SHORT- AND LONG-TERM?



LOYALTY IN THE TIME OF COVID



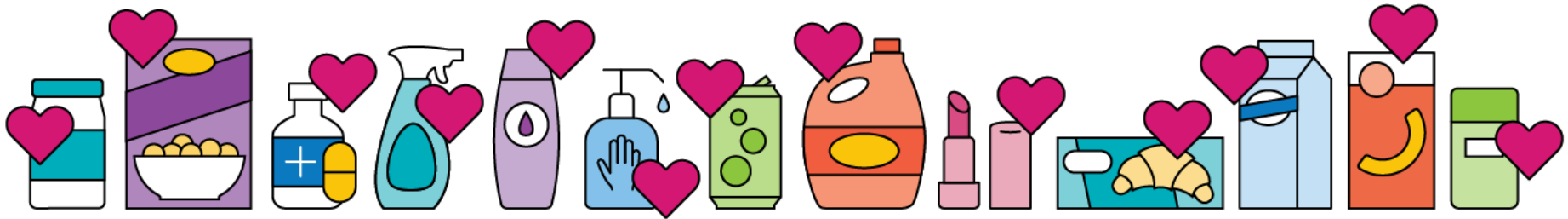
↑
970
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r/madmen · Posted by u/Aero06 1 month ago

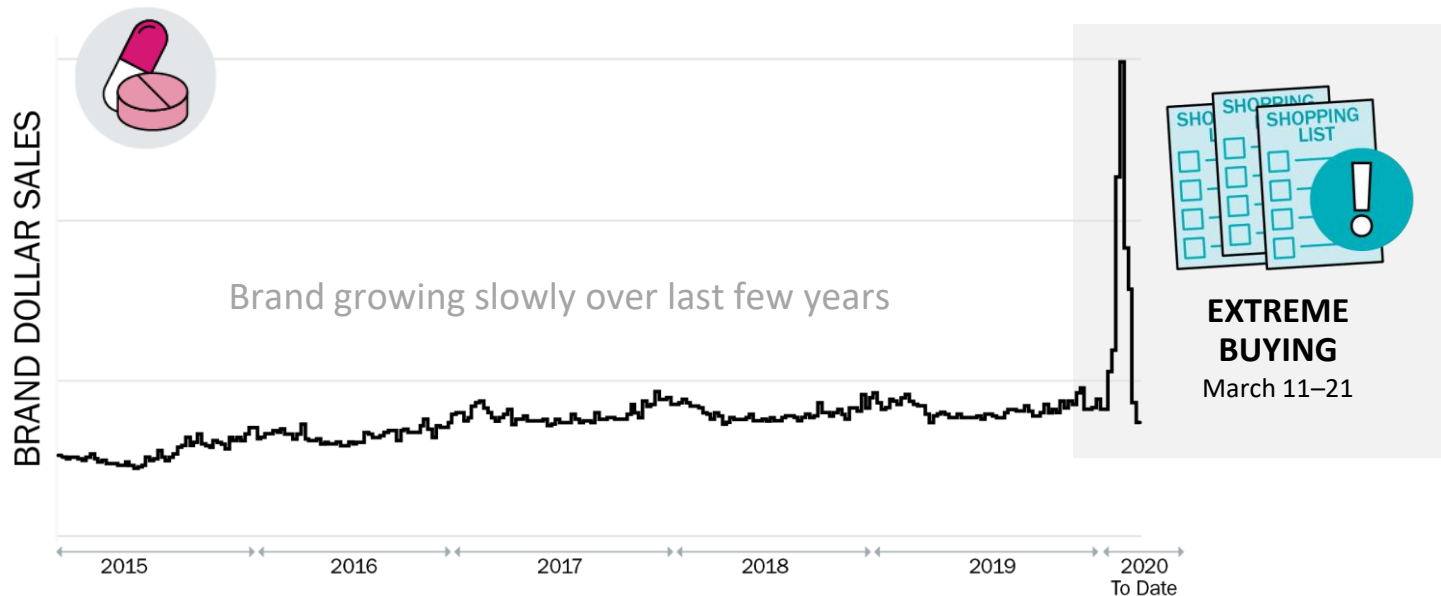
"We have an entire nation stuck at home consuming media, and a universal struggle we can appeal to..."



THE RESEARCH STUDY

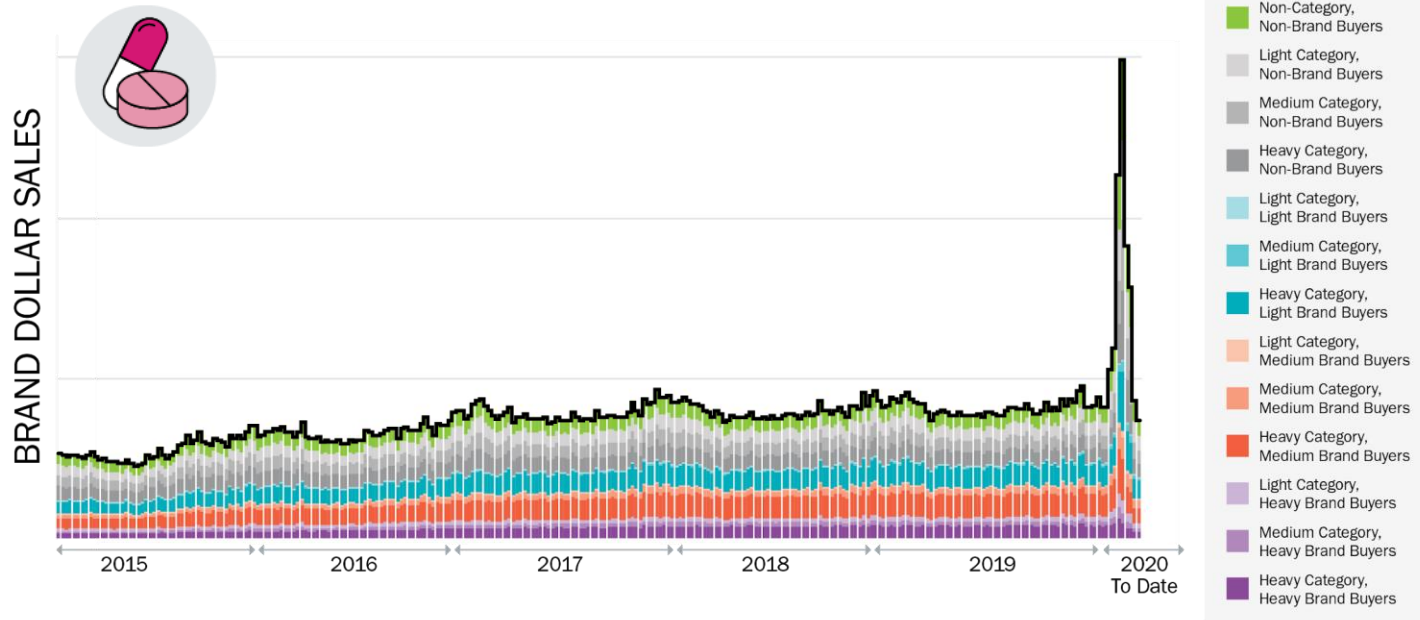


1. GROWING BRANDS CONTINUE TO GROW, WITH HIGHER SALES THAN PRE-COVID



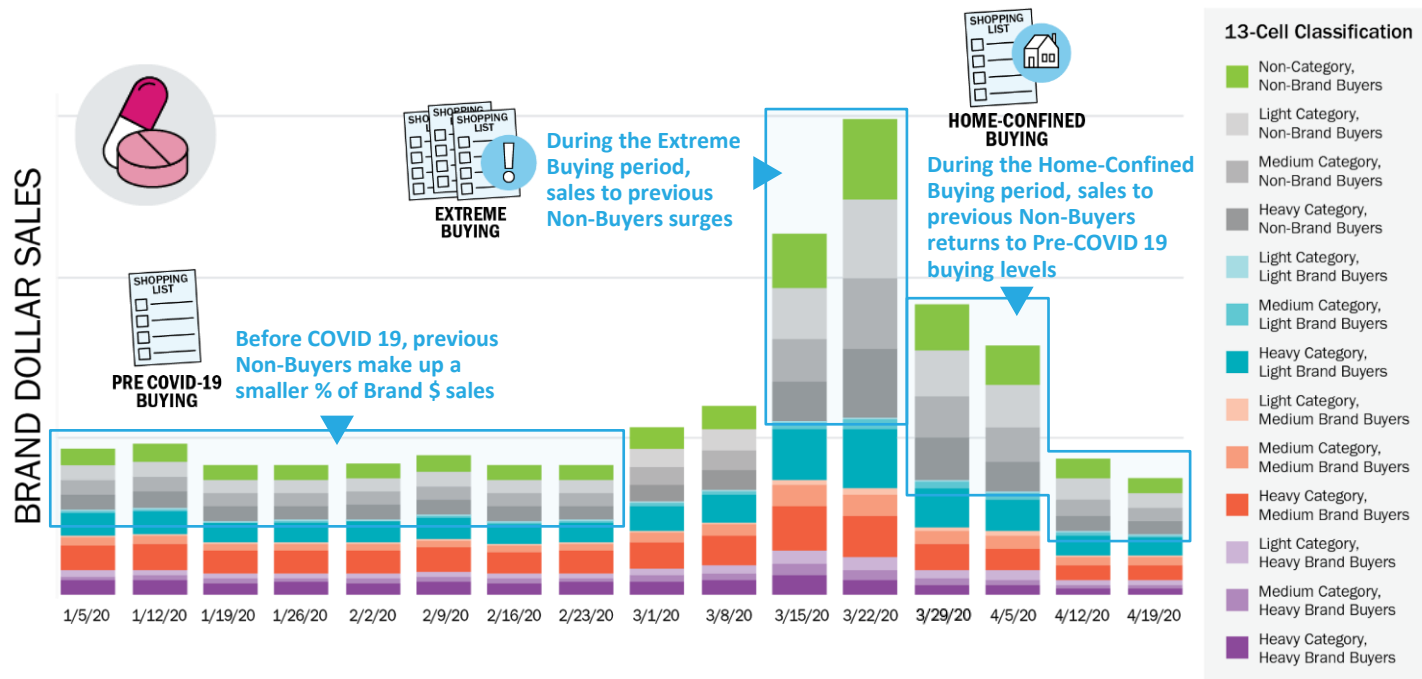
Source: NCSolutions Frequent Shopper Data, not projected to national

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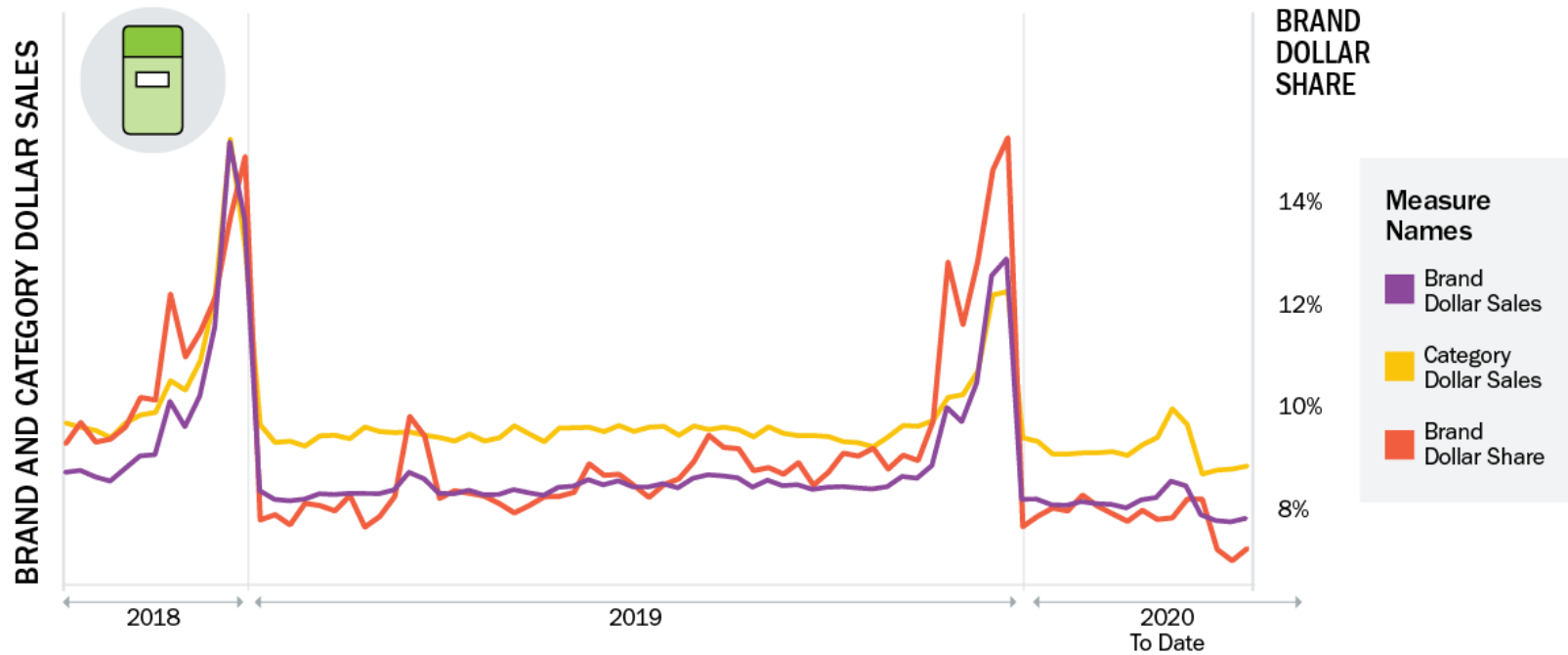
Source: NCSolutions Frequent Shopper Data, not projected to national

1. BRAND GROWTH DURING EXTREME BUYING FROM *NEW BUYERS*



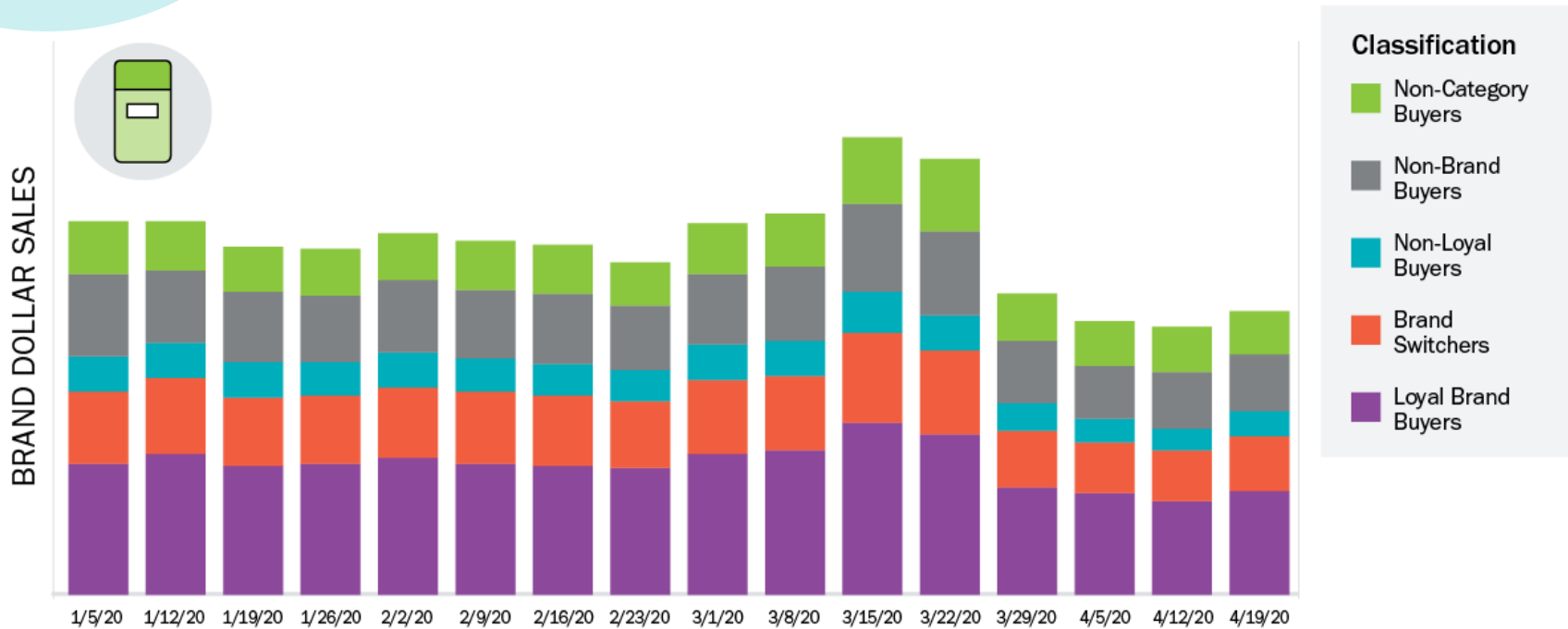
Source: NCSolutions Frequent Shopper Data, not projected to national

2. DECLINING BRANDS CONTINUE TO DECLINE INTO HOME-CONFINED BUYING



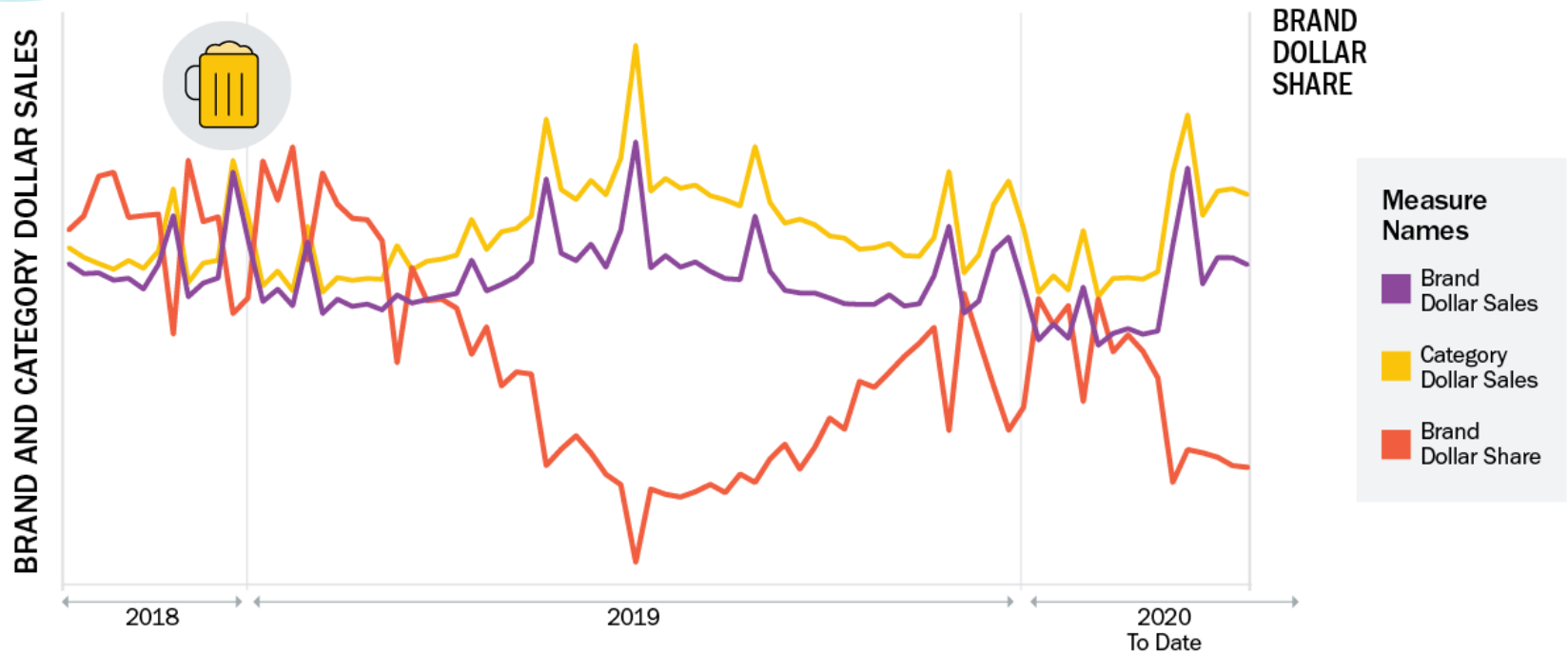
Source: NCSolutions Frequent Shopper Data, not projected to national

2. DECLINING BRANDS LOST SHARE FROM BRAND LOYALS AND SWITCHERS



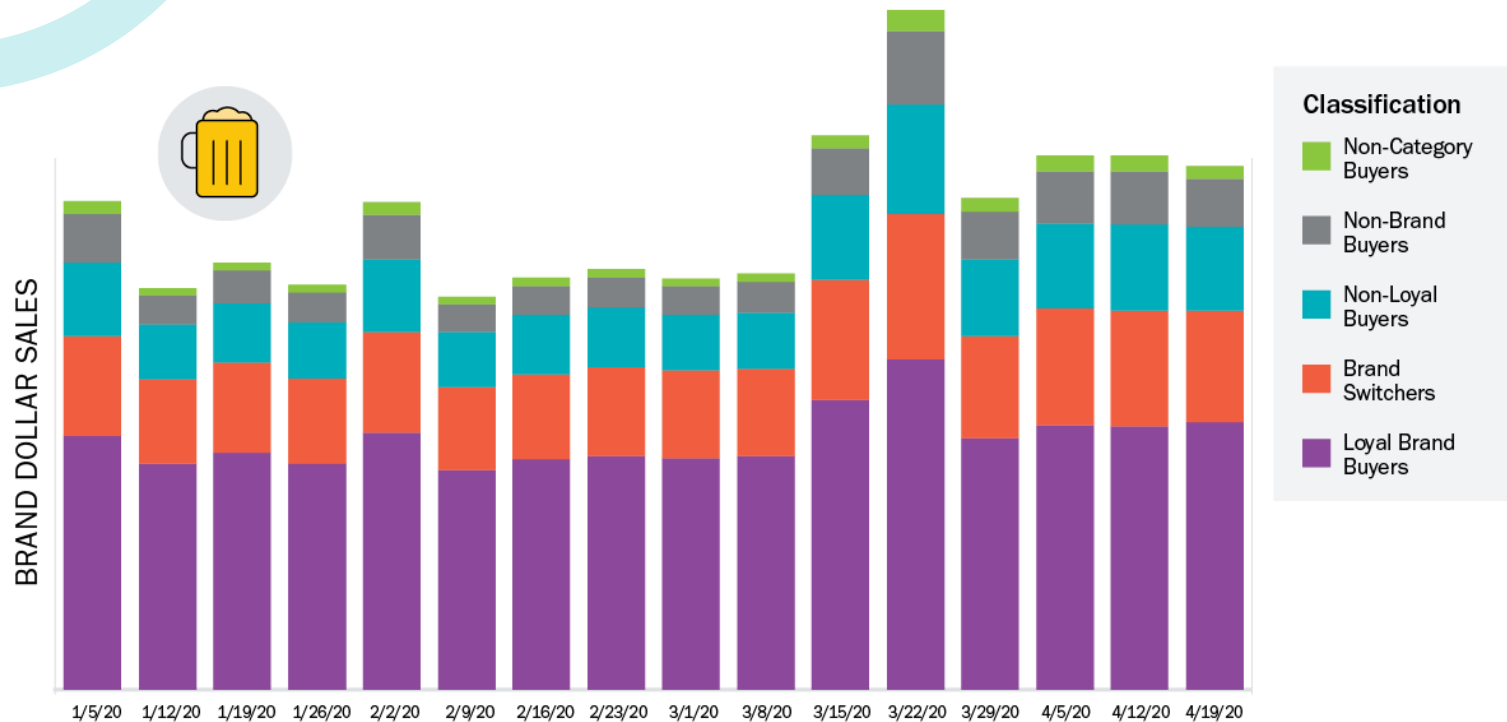
Source: NCSolutions Frequent Shopper Data, not projected to national

3. BRANDS WITH LOYAL FOLLOWINGS STAY STABLE



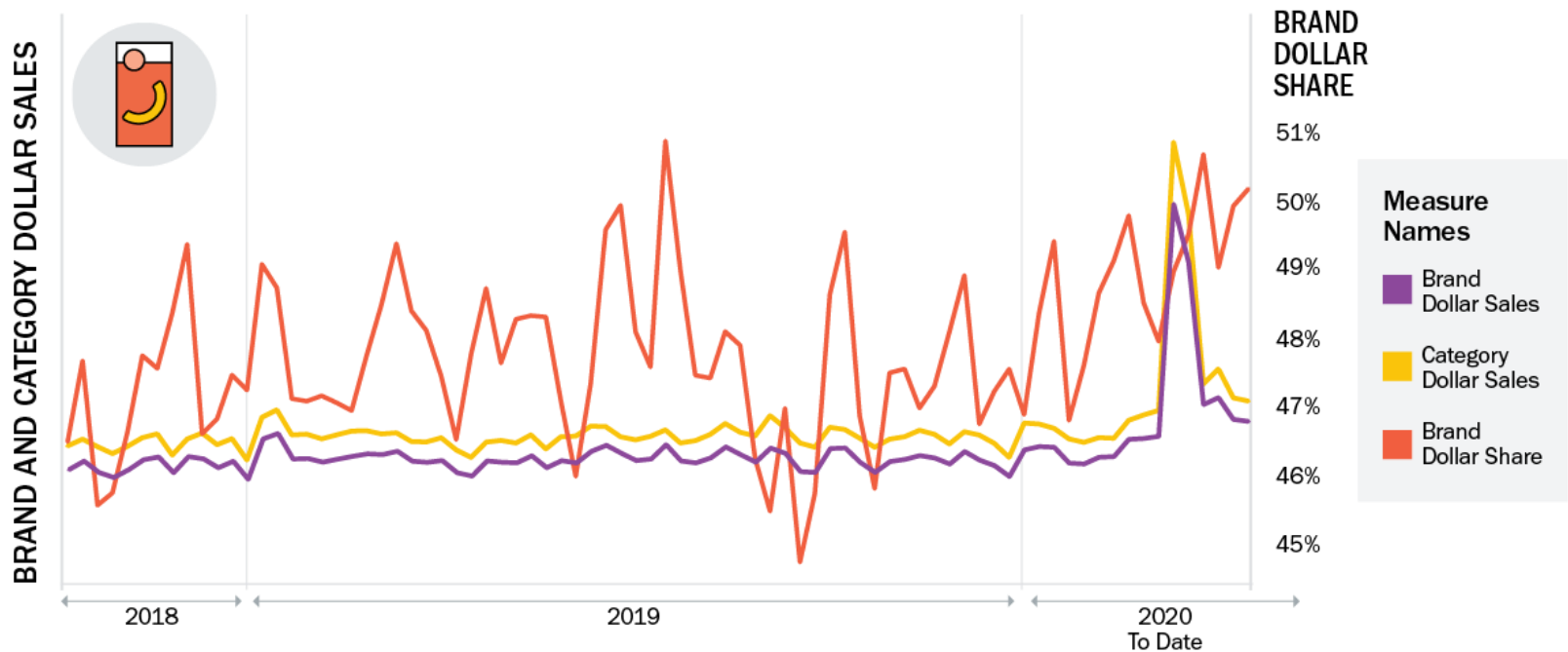
Source: NCSolutions Frequent Shopper Data, not projected to national

3. LOYALISTS STAY LOYAL DURING ROUGH TIMES



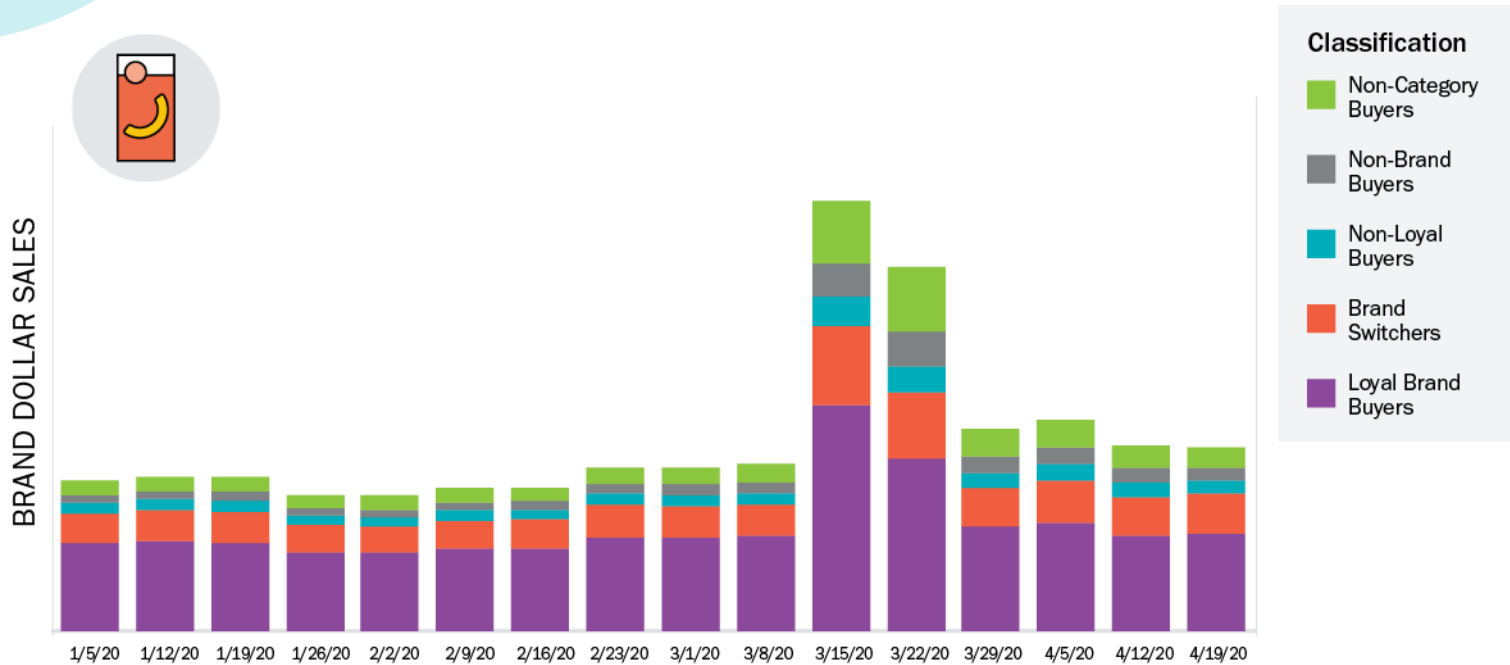
Source: NCSolutions Frequent Shopper Data, not projected to national

4. COMFORT CPG BRANDS SEE INCREASED SALES GROWTH DURING COVID



Source: NCSolutions Frequent Shopper Data, not projected to national

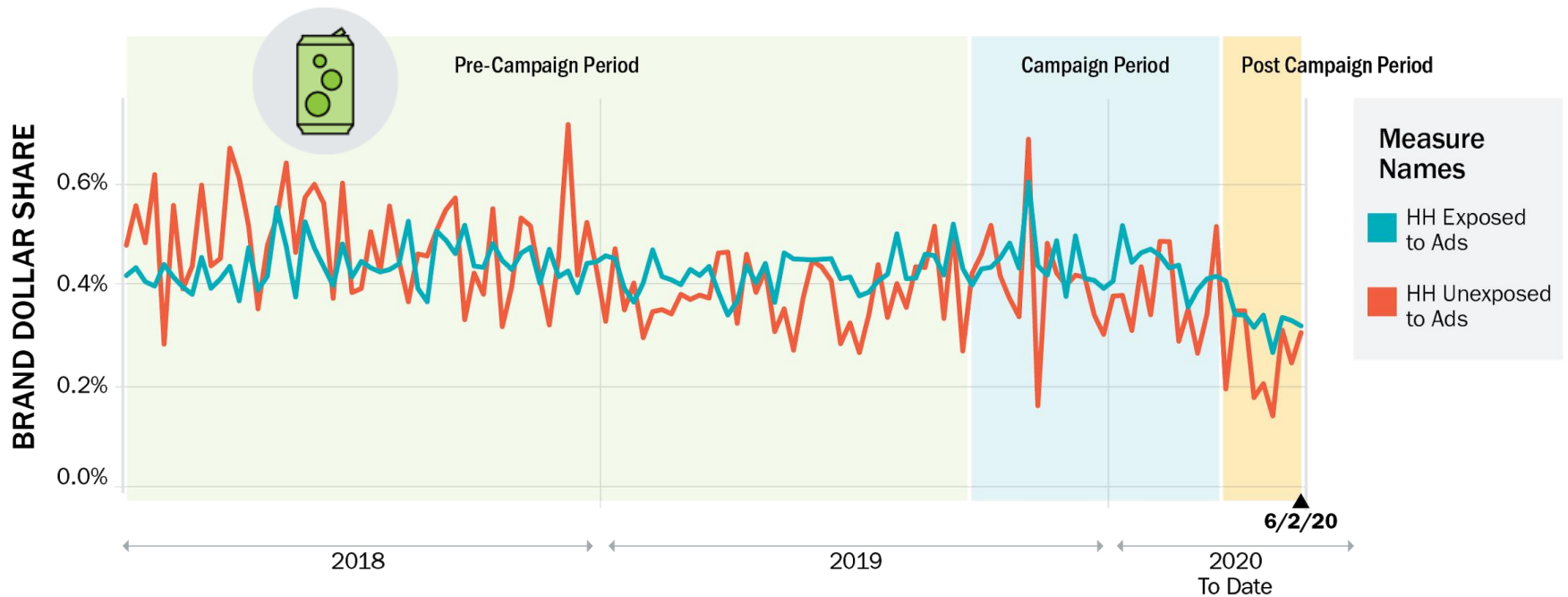
4. GROWTH STEMS FROM BOTH BRAND SWITCHERS AND NEW BUYERS



Source: NCSolutions Frequent Shopper Data, not projected to national

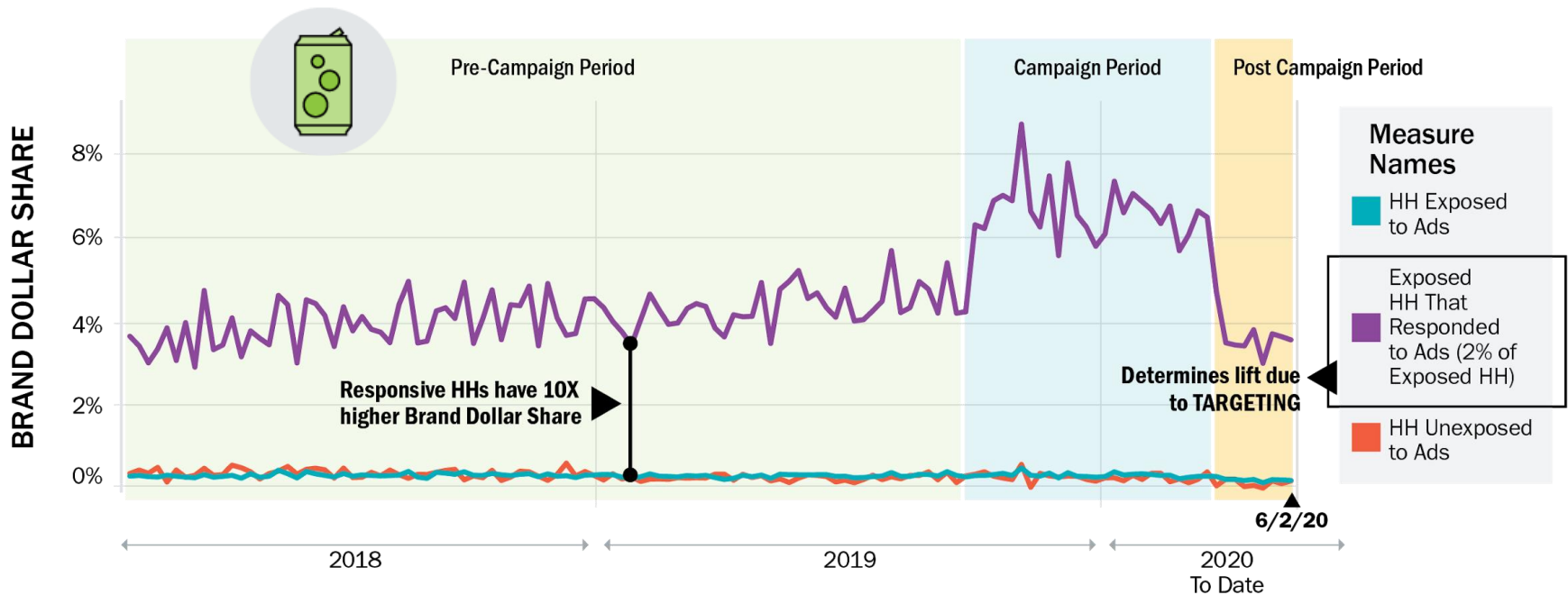
5. ADVERTISING WORKS

HHs EXPOSED TO CAMPAIGN DELIVER GREATER SALES THAN UNEXPOSED HHs



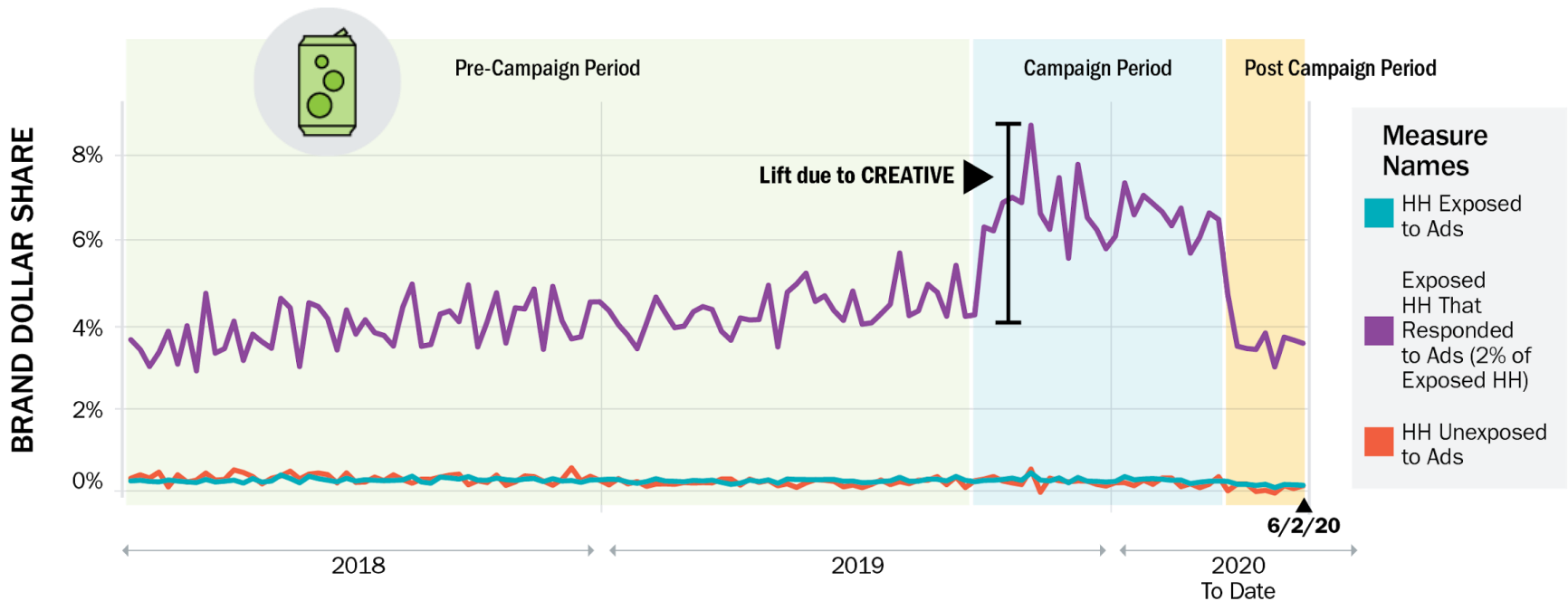
5. TARGETING DRIVES ADVERTISING RESPONSE

EXPOSED RESPONSIVE HHs HAVE 10X DOLLAR SHARE OF EXPOSED HHs



5. CREATIVE DRIVES ADVERTISING RESPONSE, TOO

CREATIVE DELIVERS 50% SALES LIFT FROM RESPONSIVE HHs, FROM PREVIOUS BRAND BUYERS



IDEAS FOR YOUR CONSIDERATION



GIVE LOYAL BUYERS LOVE

Tend to your garden. Hone in on your *most loyal* customers.



CONVERT BUYERS & TRIERS

Target new and lapsed buyers to convert them into repeat buyers. Target light buyers that increased usage in quarantine.



EMPHASIZE COMFORT

If you're a comfort brand, tap into a consumer's desire for security and the comfort your brand can provide in your creative.



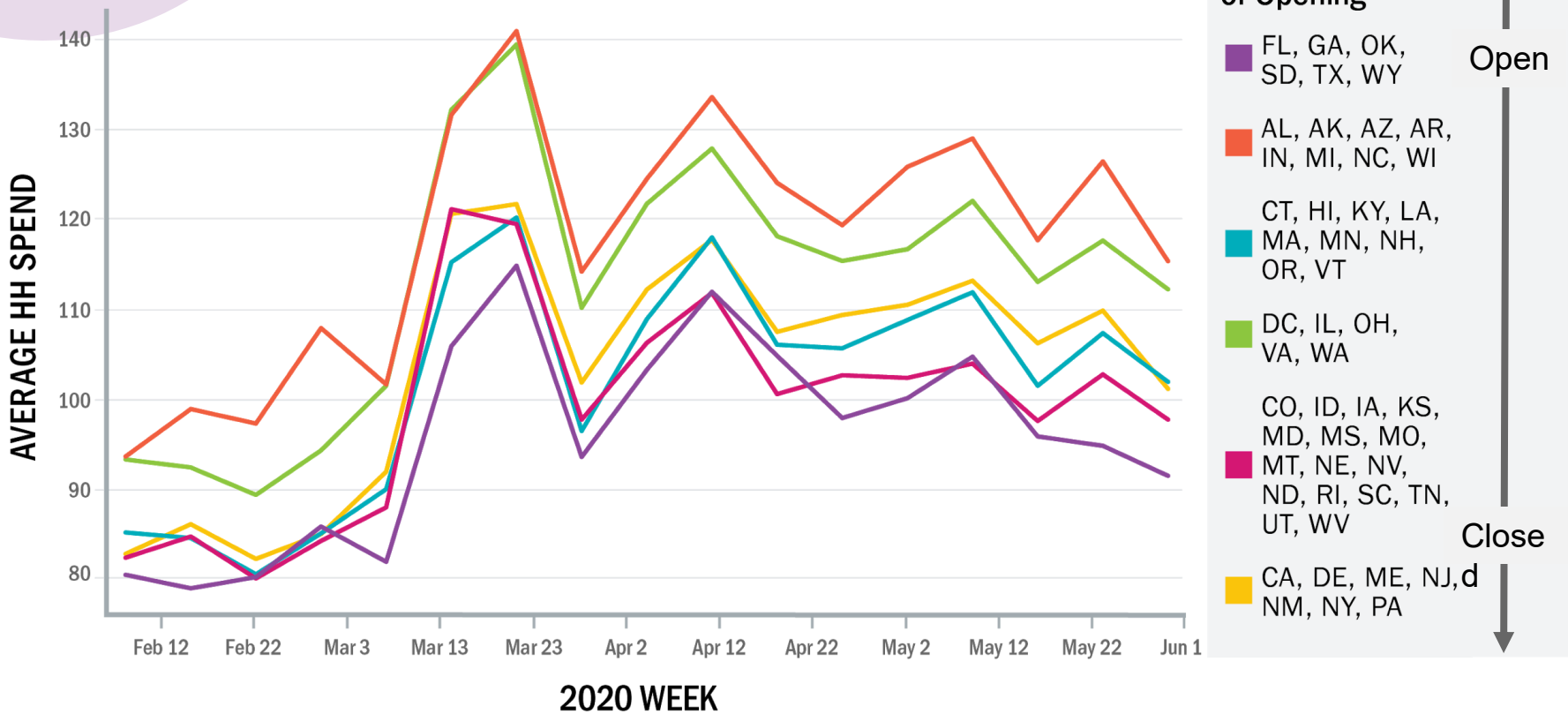
CONTINUE MARKETING

It's a buyer's market right now. Stay in the market during the downturn in media for higher share of voice and ROAS.

REGIONAL AND GEO-CLUSTER INSIGHTS

U.S. CONSUMERS SHOP SIMILARLY, REGARDLESS OF STATE OPENING PHASE

Weekly Average Household Spend by States, Grouped by COVID-19 Opening Phase



U.S. GROCERY SPEND BY GEO-CLUSTER

ASIAN GEO-CLUSTERS

Asian

Predominantly Asian Minority

BLACK GEO-CLUSTERS

Black (Inner City)

Black/Hispanic (Urban)

Predominantly Black

HISPANIC GEO-CLUSTERS

Hispanic, Large Families

Predominantly Hispanic

MIXED RACE GEO-CLUSTERS

Black/White

Black/White, Small HH
(Gentrifying Neighborhoods)

Predominantly White/Black

Hispanic/White,
Mixed-sized HH

White/Hispanic

Predominantly White/Hispanic

Melting Pot

Melting Pot, No Children
(Urban)

Native American

WHITE GEO-CLUSTERS

All White (Rural/Urban)

White, No Children (Urban)

White, No Children (Rural)

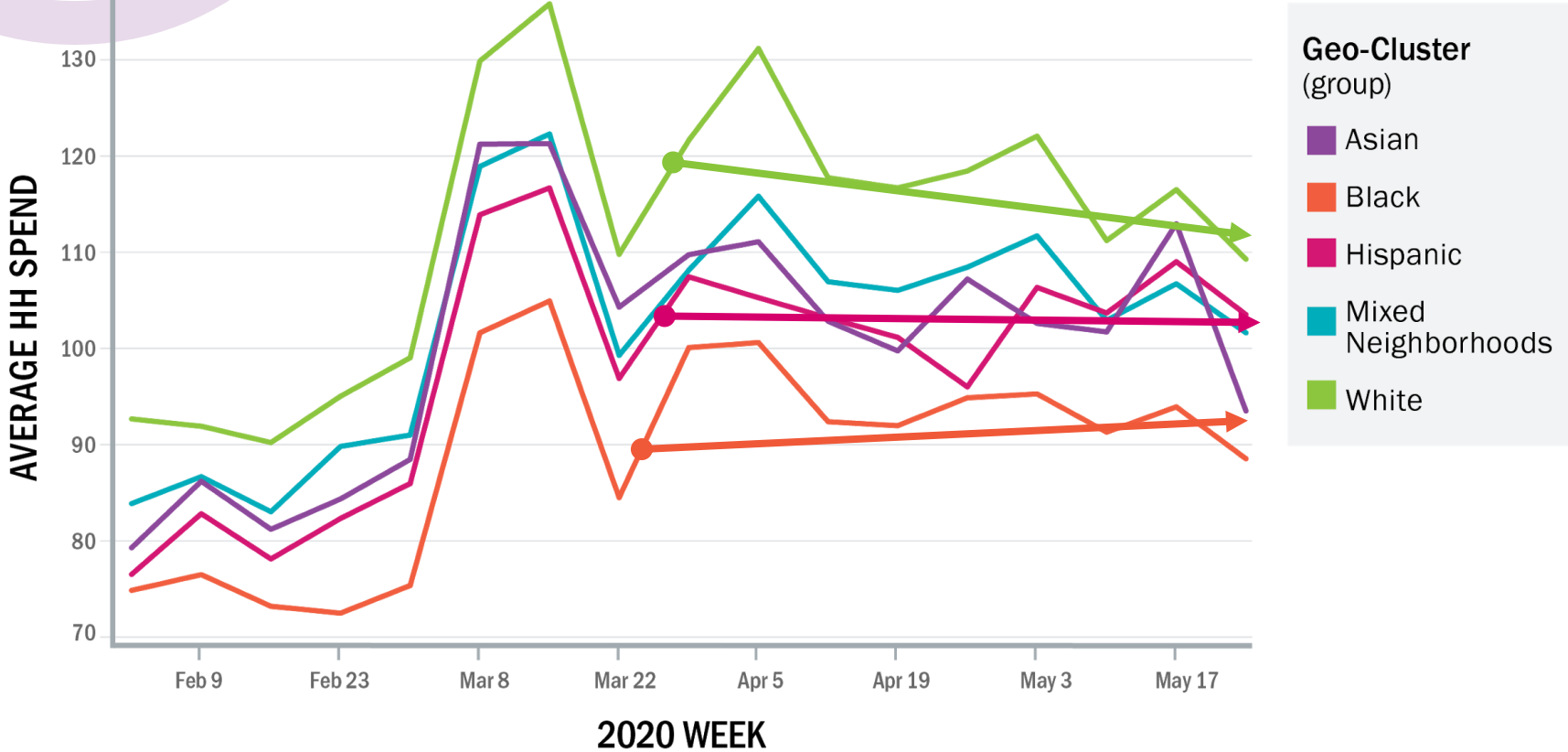
White, Families
(Suburban/Rural)

Predominantly White,
Mixed-size HH

Majority White (Suburbs)

BLACK AND HISPANIC AMERICAN GROCERY SPEND REMAINS ELEVATED

Weekly Average Household Spend by Grouped Geo-Cluster



Is Corporate America Ready for a Multicultural America?

- New book slated for Sept 2020
- Diverse landscape is redefining marketing in the U.S.
- New frameworks that help all brands become leaders of their categories



Join Our Next Marketing & Communications Webcast: Leading Through Crisis with Clorox CEO Benno Dorer

June 24 at 2:00 PM EST



- CEO of Clorox Company since 2015
- Discusses growth agenda and how Clorox maintains 90% HH penetration in the U.S.
- COVID-19 and lessons learned during periods of change and uncertainty

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