

## Marketing & Communications Watch

Forecasting Packaged Goods Demand and Managing Supply in times of COVID-19

April 30, 2020



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## Today's Presenters

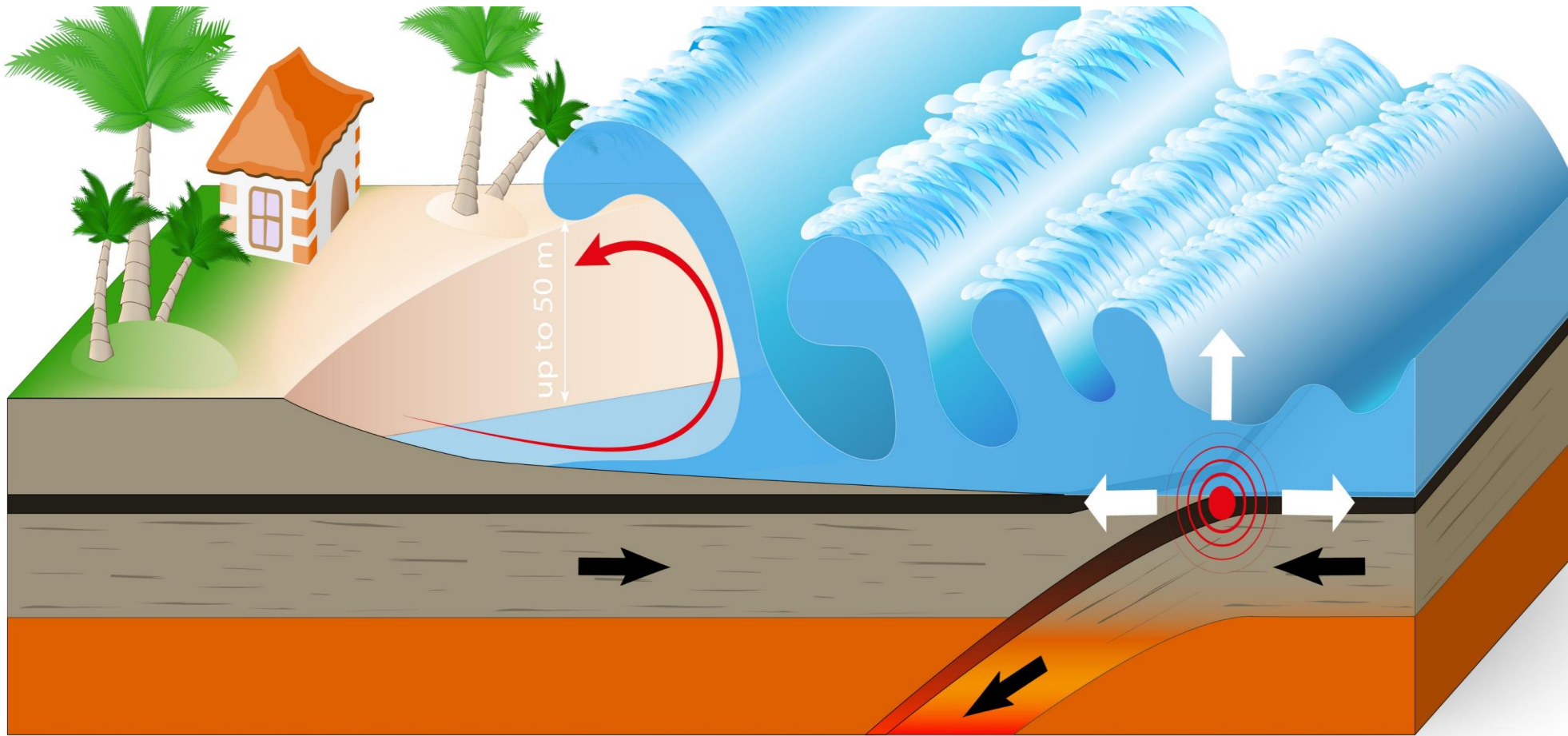


James Richardson,  
Ph.D.  
Founder  
***Premium Growth  
Solutions***



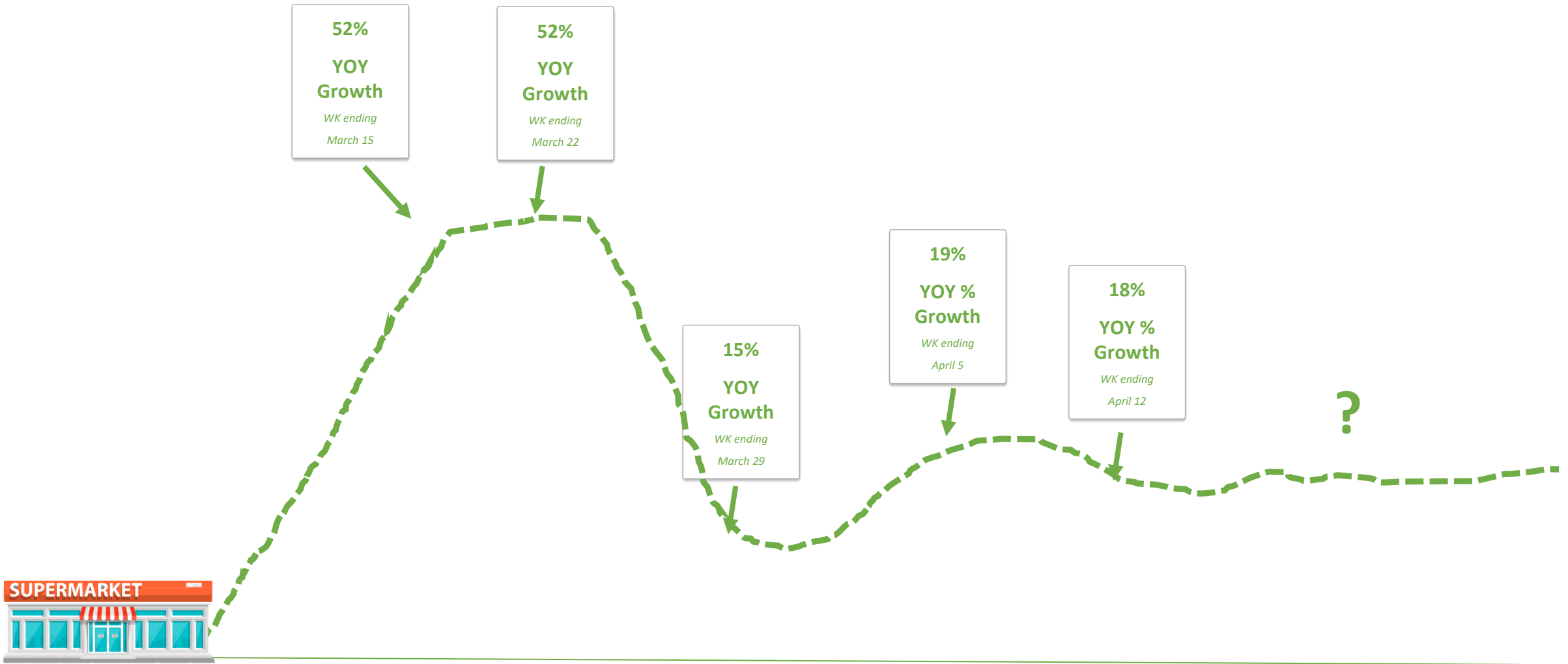
JP Kuehlwein  
(Moderator)  
Marketing Institute  
Leader  
***The Conference Board***  
Principal  
***Ueber-Brands***





# The Great COVID CPG Tsunami of 2020

# The Structure is Emerging – We’re in the CPG Tsunami Wave Now





# Established CPG Brands Will win Most of the Surge \$

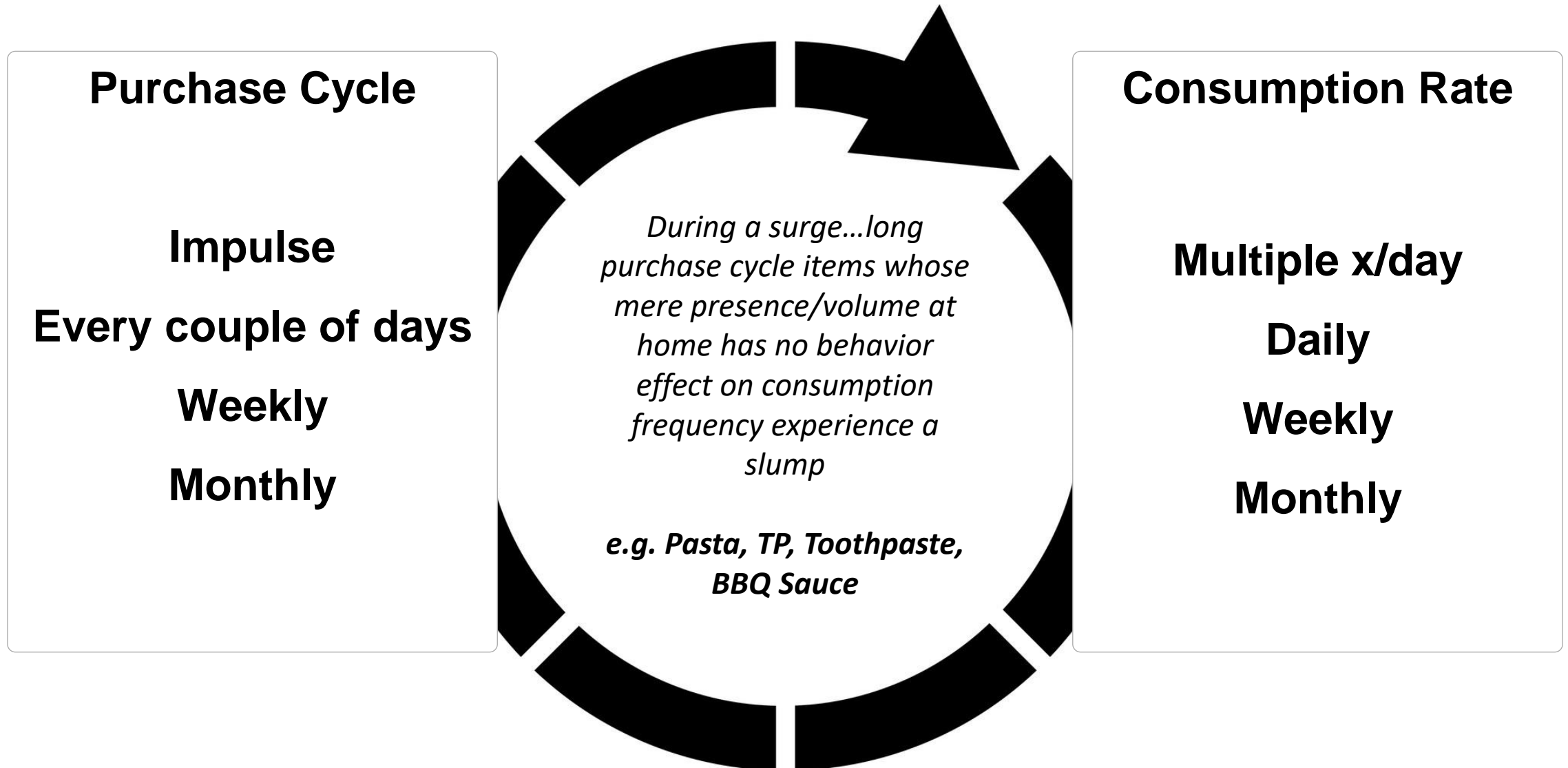
*Most 9-10 figure CPG brands due to high awareness, familiarity w/sensory experience and high, pre-crisis HH penetrations*



*Low HH penetration and early stage brands w/comparable pricing to market leaders AND/OR those w/high awareness and sizeable % of revenue from recently loyal, repeat buyers will benefit most now AND post-surge*



## Back to School on Demand Variables



## Inelastic Consumption Rate = Delayed Slump in Sales Despite ANY Surge

**Low Calorie Soft Drinks/Salty Snacks/Chocolate Are Elastic**

**Consumers drink them more frequently the more they have on hand**

***Personal health ideologies can limit effect***

**Shampoo/TP Are Very Inelastic**

**Consumers don't increase their rate of consumption based on how much they have on hand**



# Consumption Rate Elasticity Explained – Pack Size Patterns

## Ideal Surge Pack Types

### Single Serve Units



### Multi-Unit Single Serve Packs



### Multi-Serve Units



### Multi-Serve Unit Packs!



Retailers' Definition of Unit is *Rarely* the Consumer's Unit of Consumption



# Consumption Rate Elasticity Explained – Occasion Patterns

## *Elective*

*whatever works on an occasion with no strong brand habits/impulses exist*

**Primary Trial**

## *Habitual*

*Brand regularly consumed as part of an individual's daily/weekly routine*



## *Impulsive*

*Usage triggered by random sightings/cravings of well known items*



## *Ritualistic*

*Socially ordered and enforced group consumption – Family Dinner is the largest*

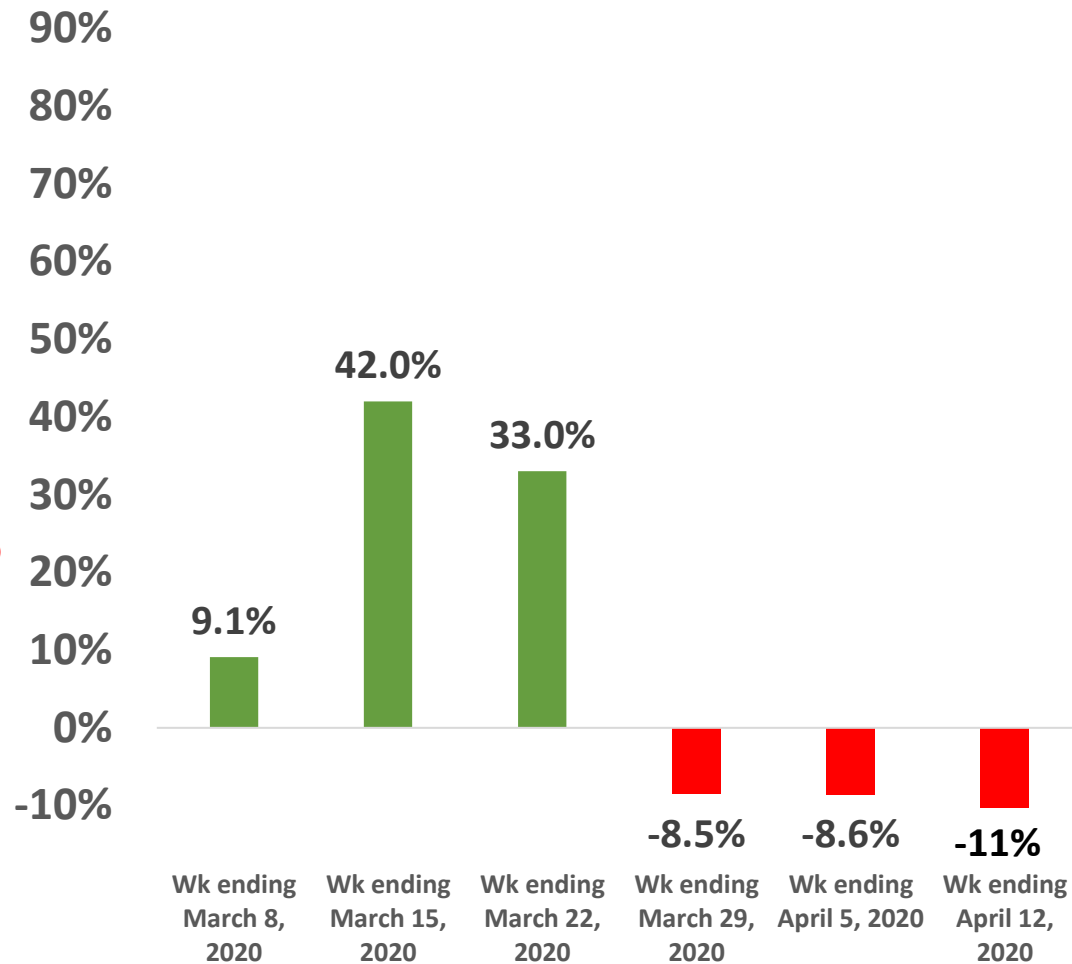


**Family dinner, bonus \$ for 'party' categories**  
(ice cream, baked goods, pizza, alcohol, soft drinks)

**Repeat Engine**

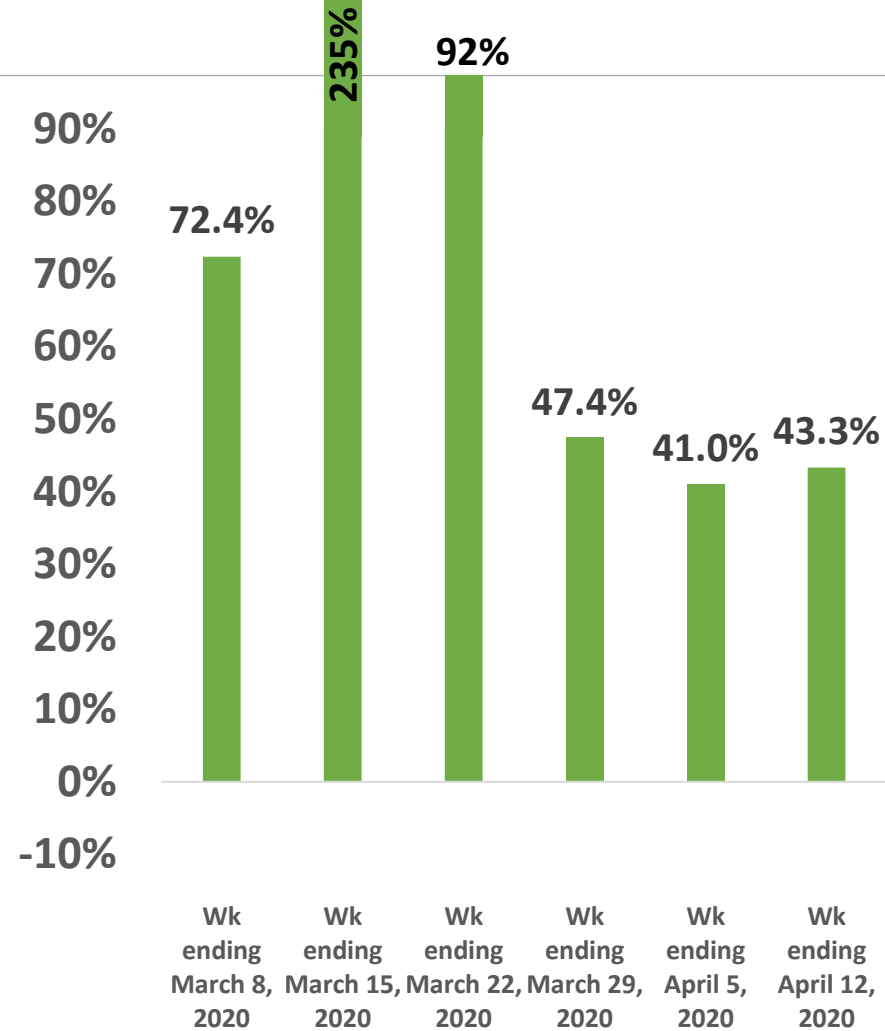
# Shampoo – Needless Spike and Inelastic Consumption

- **Very large Multi-Serve Units the Norm (~60-90 uses)**
- **Use is Habitual, yet brand-switching low annually**
- **100% inelastic consumption rate (and below average for those who went to gyms, outdoors, etc.)**
- **Greater usage due to lengthening hair?**



# Toilet Paper Tsunami Continues...Straining Supply Badly

- **Multi-serving unit packs are the category's dominant pack size**
- **Use is Habitual, brand-switching tough due to HH consensus**
- **Inelastic consumption in the category, except during COVID!!**
- **Highly sensitive to # of females living in the home (!!)**

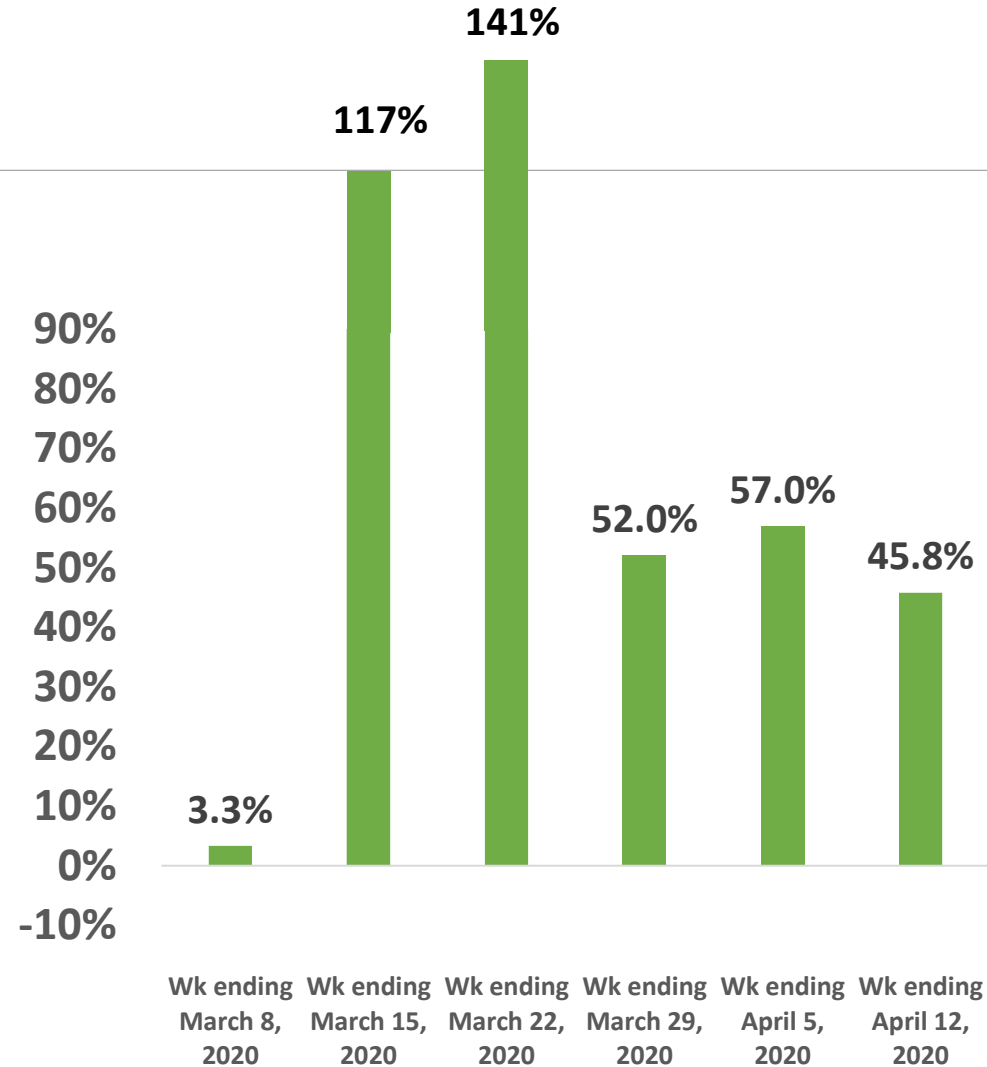


# Convenience Indulgence Foods Surge the Most– PIZZA!!!!!!!!!!!!



## COVID-19 Winner!

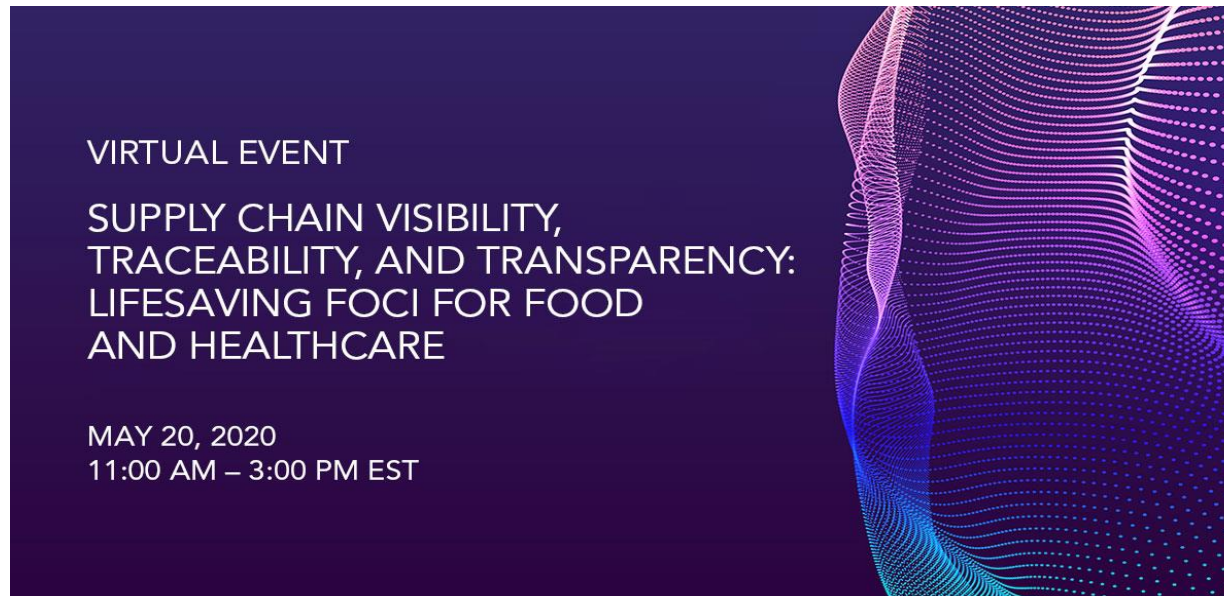
- Small multi-serving unit packs are the category’s dominant pack size
- Use is Habitual, Ritualistic and Impulsive! Boom!
- Moderately elastic consumption
- Can be used as left-overs
- Can be eaten cold, hot, whatever
- Emotional eating more relevant now than weight management





# Join us again on May 20<sup>th</sup> for a free virtual event – Supply Chain Visibility, Traceability and Transparency

Join us to learn from leading experts in food and healthcare supply chains who will share best-in-class traceability and transparency practices as well as process. Walk away with a clearer picture of how your organization is doing, as well as actionable next steps for enhancing your end-to-end supply chain visibility.



Register @ [www.conferenceboard.org/supply-chain](http://www.conferenceboard.org/supply-chain)





# Influencers

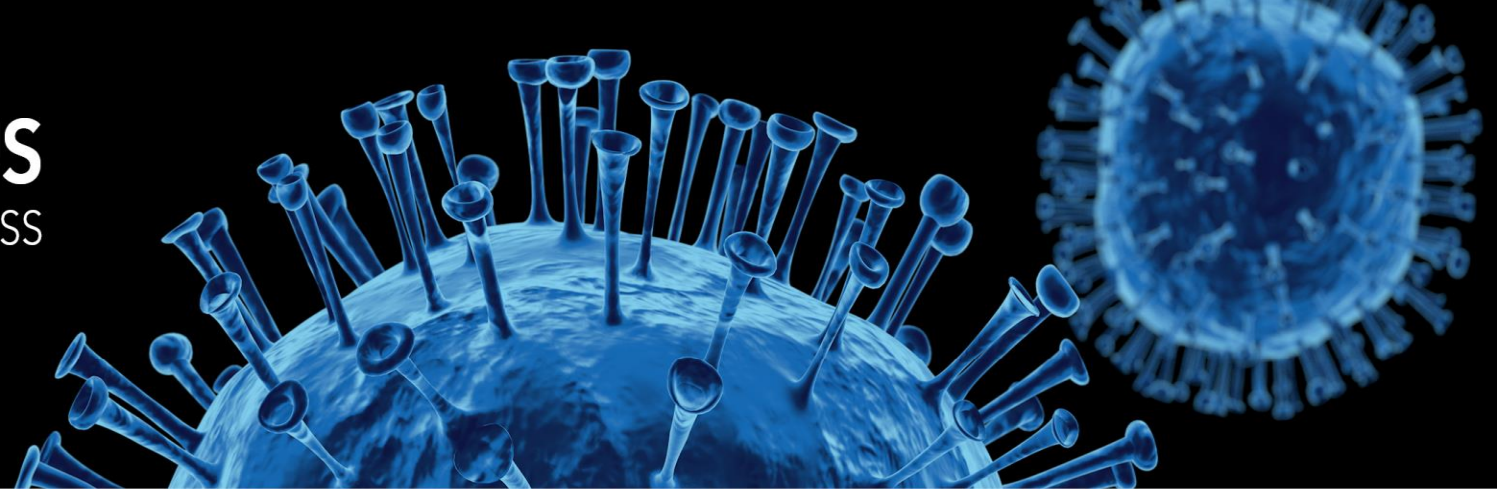
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COVID-19  
**CORONAVIRUS**  
IMPLICATIONS FOR BUSINESS



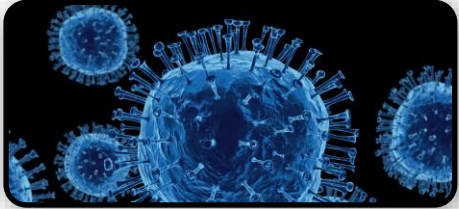
## Want to hear more about this topic and how the spread of COVID-19 will impact business and the global economy?

The Conference Board has gathered insights and learnings from our thought leaders and member network which we hope will be helpful as you formulate, implement and manage your own crisis response.

Explore all of these resources on our website at <https://www.conference-board.org/COVID-19>.



# Related Resources from The Conference Board



## Publications

[COVID-19: Insights for Communications Leaders](#)



[How Sustainability Features Influence Consumers' Choices](#)



## Webcasts On-Demand

[How Confident is the Global Consumer Amid COVID-19?](#)



[How COVID-19 Might Impact Consumers' Attitudes about Sustainability](#)

