

RECENT IN RETAIL

HOW COVID19 HAS CHANGED SNACKING BEHAVIOR

With continued social distancing and shelter-in-place orders, consumers are seeking products that bring comfort and joy. Yes, that means snacking. It activates the reward centers in our brains and makes us feel good, plus they're relatively inexpensive. Read on to learn about recent trends in the snacking world and how this recession-resistant category is evolving.

Convenience stores are being hit hard



C-store is traditionally the fastest growing channel when it comes to snacking—mostly because 70% of in-store snack purchases are unplanned. However, due to COVID19, grocers are now experiencing more rapid growth while the convenience channel is seeing a -18.6 sales decline YOY.

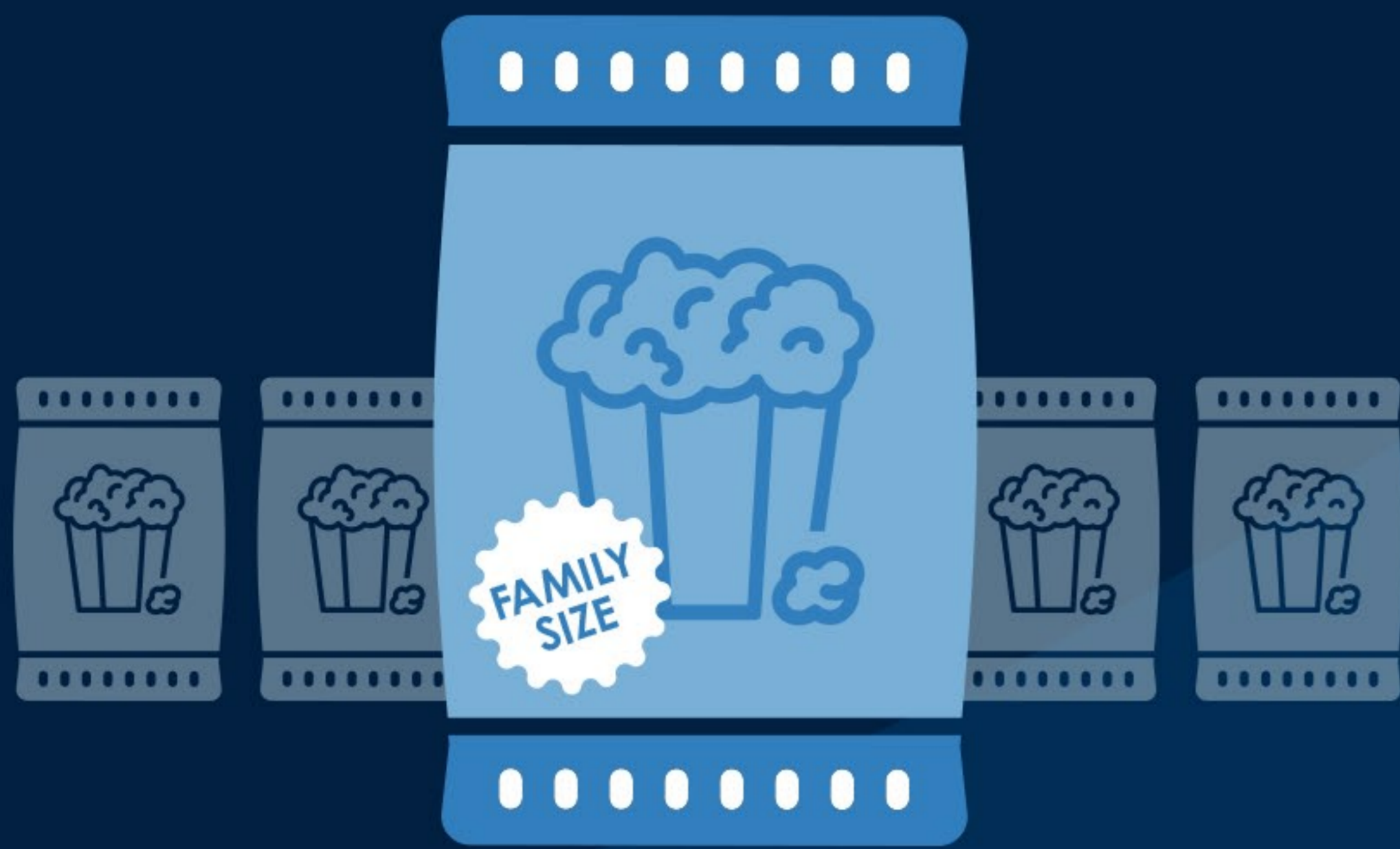
This trend is expected to reverse once movement restrictions lift, but shopping behaviors will likely change with the “new normal.” Brands that once thrived on impulse buys will need to adapt and become more creative to drive trial and gain loyalty.

Indulgent snacks are winning during COVID19



During the current COVID19 crisis, we've learned that 27% of survey goers admit to snacking more. But when it comes to what they're eating, healthier options like dried meats, granola bars and nuts are seeing a big decline. This is probably because better-for-you snacks aren't really seen as indulgent and that's exactly what consumers are craving.

Consumers are looking for larger snack sizes



With more people at home and less frequent trips to the store, shoppers are buying bigger quantities to stay stocked and satisfied.

This means larger, family-sized packages vs smaller, on-the-go options. (The most noticeable shifts have been with chips, cookies, pretzels and granola bars.)

How to keep customers satisfied



Explore Value Positioning

Product unavailability and decreased brand loyalty allow more room for trial & conversion—be ready



Invest in Innovation

Manufacturers should focus on balancing price and quality—along with healthier options



Capitalize on Convenience

C-stores and gas stations should improve their assortment and ability to provide pickup/delivery to benefit from locality



Enhance your E-Commerce

Create a stronger presence and build brand loyalty with social media, ads and improved online sales

Although snacking is quite recession proof, previous events indicate that customers may be looking for more affordable options. Seventy-two percent of consumers already consider price before purchasing while 86% still prioritize taste—making this category a tug o' war between flavor and fair prices. So, when it comes to attracting and maintaining customers it's important to adapt to shopper behavior, invest in brand innovation and elevate the customer experience.

How is your brand engaging with snack-seeking shoppers during this category expansion? We can help.

WEEKLY INSIGHTS

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<https://www.nosh.com/news/2020/iri-state-of-snacking-before-now-and-beyond-covid-19>
IRI2020 Snacking as a lifestyle webinar 4/14/20

IRI TOTAL MULO + CONVENIENCE: Latest 4 weeks ending 4.12.20 <https://foodinsight.org/wp-content/uploads/2020/04/COVID-19-Consumer-Research.April2020.pdf>

IRI TSV Model — Dollar Sales % Change — COVID 19 = Jan 20, 2020-April 5, 2020 vs YAGO

<https://www.snackandbakery.com/articles/94428-the-impact-of-covid-19-on-us-shopping-habits-and-the-snack-and-baking-industry>