

PANDEMIC SNACKING

UNPRECEDENTED HABIT INTERRUPTION
CREATES VULNERABILITY AND OPPORTUNITY

March 2021 Report





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It has been a challenging year amidst the pandemic for consumers, brands and brick-and-mortar retail as the pandemic surged. To no surprise, e-commerce sales rapidly soared as the demand for household pantry staples, products with longer shelf lives, and healthy foods dramatically increased as shoppers made fewer trips to their local grocery store.

This change in consumer buying behavior impacted supply chains and shifted the ways in which brands were able to meet consumer needs. As a result, pantry staple categories saw exponential growth, while other categories, such as snack and confectionery, faced challenges due to a reduction in impulse purchases and consumers need for variety.

Online and D2C distribution channels are expected to see continual growth post-pandemic, categories have an opportunity to break through any barriers of purchase conversion by providing consumers with convenient solutions to try and purchase products by leveraging innovative technology.

As leaders in audience engagement solutions through Connected Sampling™ and Click2Cart® one-click conversion, we have joined forces to showcase how snack and confectionery brands can increase purchase conversion and capture market share when consumer online shopping is at an all-time high.

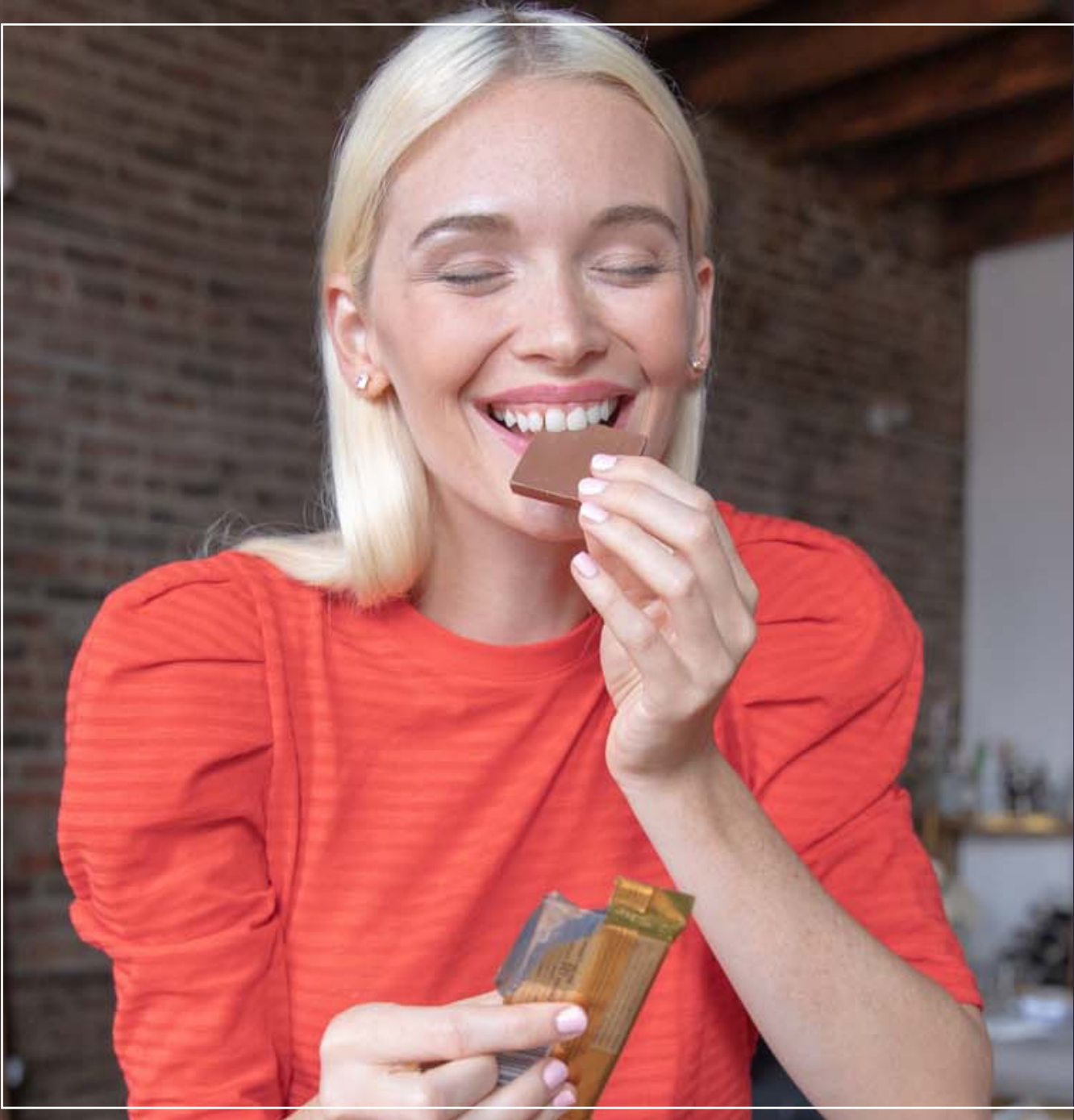


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Snacking Preferences

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SNACKING IS A LIFELINE

88%

of consumers say they
snacks more or the same
than before the pandemic

Source: Food Dive

CRAVING A SENSE OF NORMALCY

The pandemic has led to increased snack consumption as consumers eat their favorite snacks to:

85% feel normal

83% reminds them of good times

48% makes them feel happy

Source: National Confectioners Association





WHAT DRIVES SNACK SELECTION?

NOSTALGIA

Evokes joyful memories. A feeling that will continue as the desire for normalcy only grows stronger.

INDULGENCE

Foods that provide comfort and emotional support has been a driving factor for snack consumption.

FUNCTIONAL

Health is top of mind among consumers resulting in the consumption of more immunity-boosting foods.

SNACK PANTRY STOCKPILING

66%

of consumers say they **keep more snacks stocked at home** than before the coronavirus outbreak.

Source: Food Dive



ENTERTAINMENT IS THE HOT NEW CONQUEST CURRENCY FOR CPG

Brand loyalty shifts when boredom strike. Across categories, consumers report purchasing new products and brands.

In the past two months, have you bought new products or new brands of products because?



91%

Regular brand was out of stock



73%

Seemed fun or entertaining



72%

To save money



48%

Current brand performance

SNACKS ARE THE NEW MEAL REPLACEMENT

4 in 10 replace meals by snacking

25% skip meals entirely

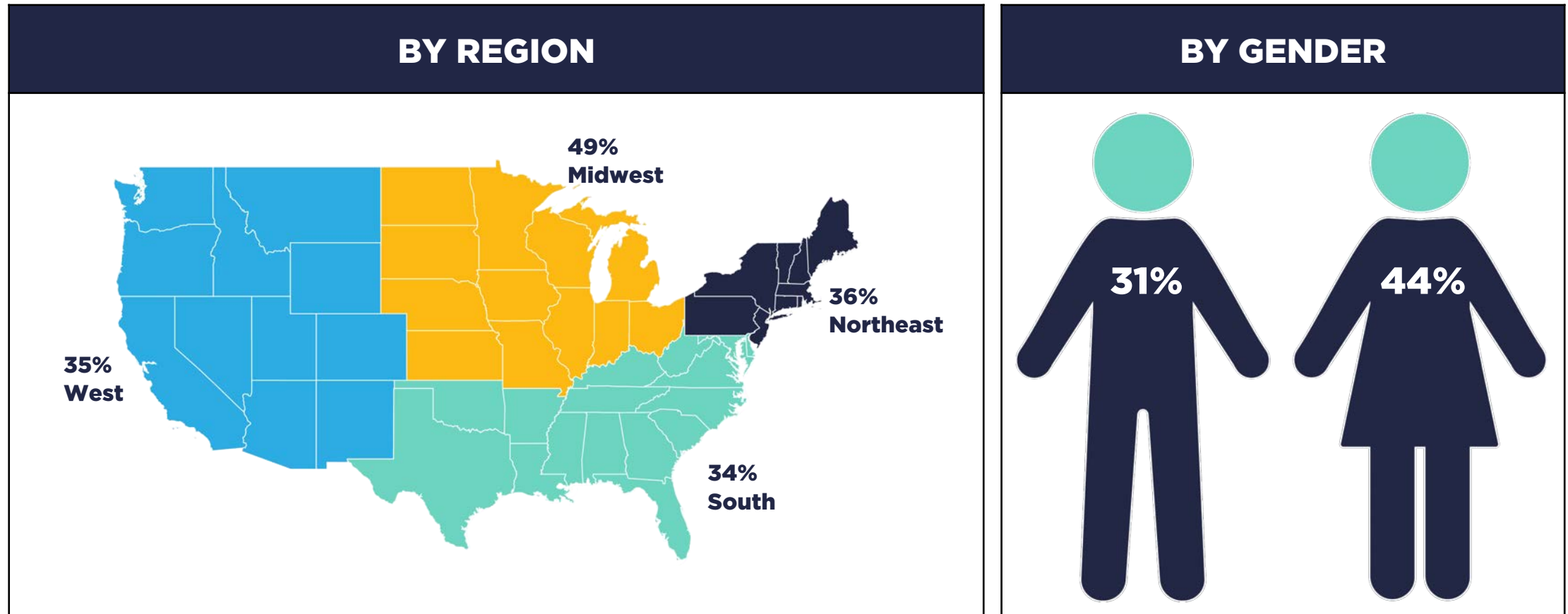
26% snack multiple times a day

70% of Millennials prefer snacks to meals



REPLACING MEALS WITH SNACKS

Percentage of consumers who indicate they regularly/occasionally replace meals with snacks



Source: Food Insights



Despite the pandemic, favorite snacks are a mainstay and are seeing higher demand. In fact, salty snacks have been the No. 1 food item that's contributed to sales growth at retailers as consumers were shifting purchasing priorities during quarantine.

Source: IRI

COOKING WITH SNACKS IS A FORM OF ENTERTAINMENT

83%

of consumers say they **have used or would try a snack food as an ingredient** in a recipe

Have used as an ingredient

Tortilla chips	32%
Potato chips	31%



SATISFYING THE SWEET TOOTH

Nearly **six in 10 shoppers** changed up their candy purchases amid the pandemic.

48%

**Different
pack sizes**

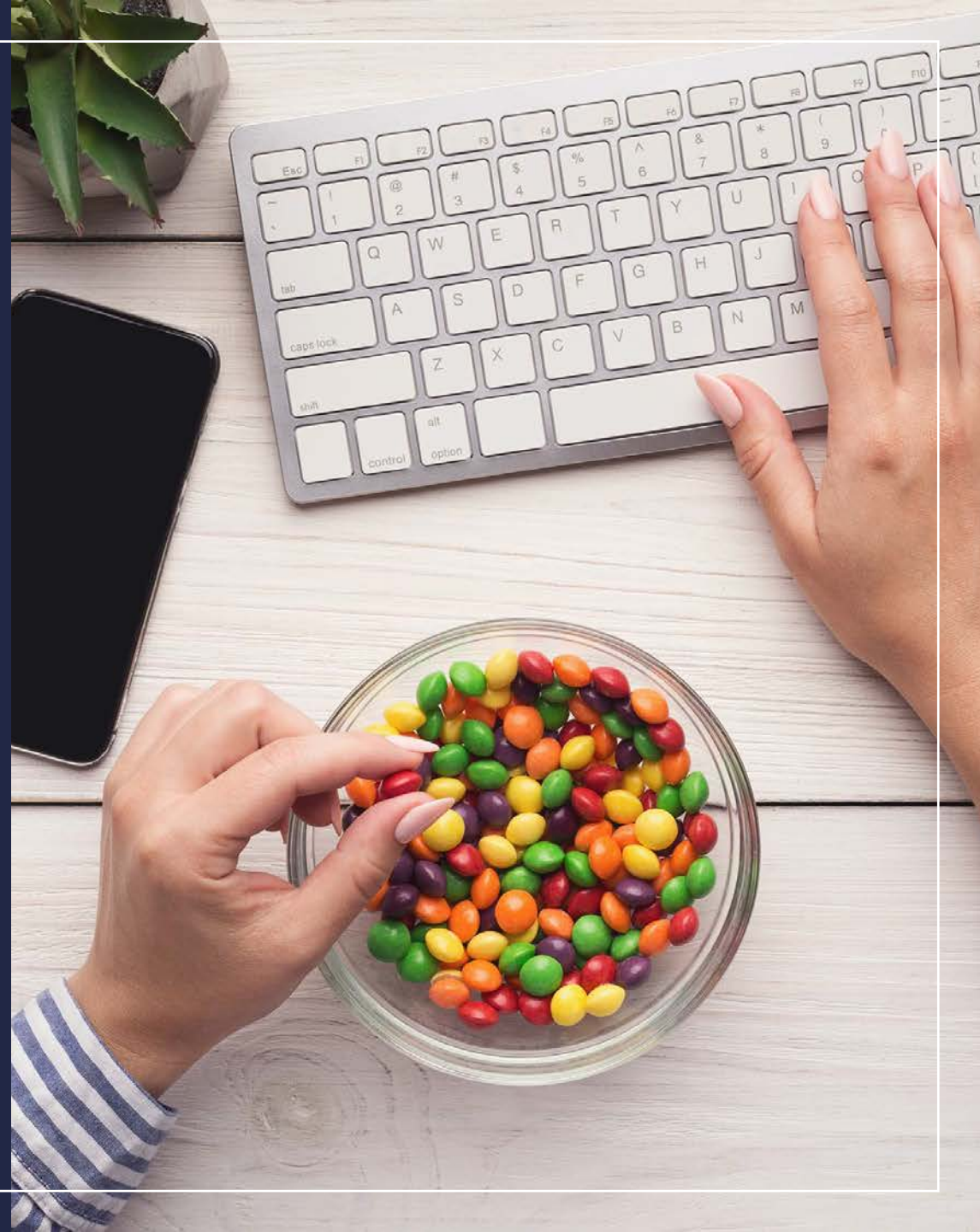
46%

**Different
types**

42%

**Different
brands**

This was driven by out-of-stock products and consumers looking for better value. Changed routines, such as working from home, as well as buying for different household members led to an increase in experimentation.





CHOCOLATE
CANDY
SNACKS

ECOMMERCE IMPACTS CONFECTIONERY SALES

While 61% of consumers are purchasing groceries online during the pandemic, only 26% having purchased confectionery online.

Nearly half (46%) of shoppers agree that they are more likely to purchase candy when in store.

UNPRECEDENTED HABIT INTERRUPTION

**WHEN VULNERABILITY
INTERSECTS WITH OPPORTUNITY**



THE TRIPLE THREAT IMPACTING THE SNACK AND CONFECTIONERY CATEGORY

ONLINE GROCERY SHOPPING

Fewer in-person trips to the grocery store resulted in less impulse purchases of snack and confectionery products.

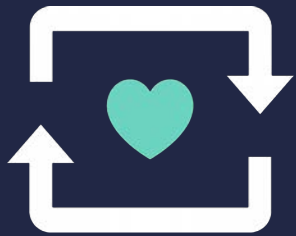
MORE SNACK OPTIONS

Flavor innovation and challenger brands pique the consumers' interest to try something new.

PRIVATE LABEL ON THE RISE

Shoppers have more options to choose at a better value without compromising quality.

PRIVATE LABEL BRANDS ARE SURGING IN POPULARITY



85%

Trust a private brand just as much as a national brand



81%

Purchase a private brand product during every shopping trip



53%

Are loyal to a specific store due to its private label



+4%

Private label brand sales in 2018, nearly 6x the growth of national brand sales

DELIVERING SNACKS TO THEIR DOOR

With a shift in consumer buying patterns, top CPG companies quickly pivoted to meet customers at home by offering a **seamless and convenient service** to pantry stock in an effort to minimize the risk of losing a customer due to out of stocks.



**HOW CAN
BRANDS
EFFECTIVELY
ENGAGE
CONSUMERS
WHEN BUYING
GROCERIES
ONLINE IS THE
NEW NORM?**

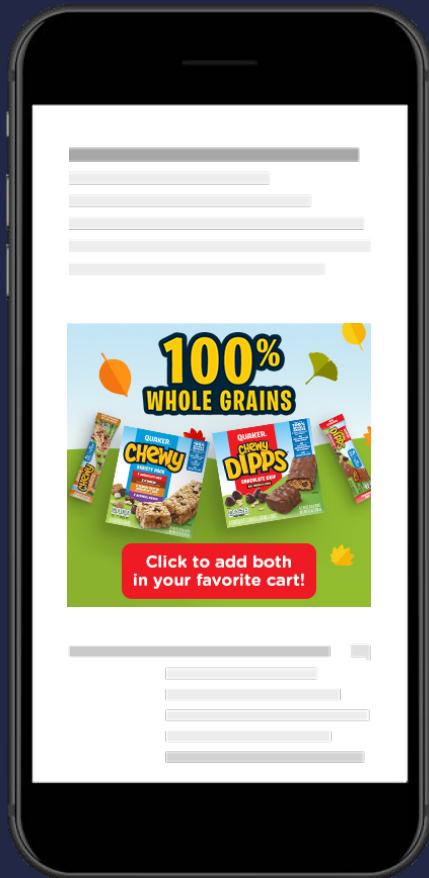


CONNECTED SAMPLING

SAFE IN-HOME SAMPLING VIA ECOMMERCE PACKAGES WITH DIGITAL CONNECTIVITY TO DEEPEN ENGAGEMENT AND ACCELERATE PURCHASE CONVERSION

RELEVANT CONTEXT AND CONVENIENCE DRIVES ACTION

Drive impulse purchase when the cart is just a click (or scan) away.



**CURATION
DRIVES
ACTION!**

Consumers cart
multi-product
bundles at
1.2 - 2x
the rate of single
products!*



CASE STUDIES

CONNECT TO CONVERT:
MOVING CONSUMERS DOWN
THE PURCHASE FUNNEL FASTER

CASE STUDY

SWEET RESULTS

Objective: Generate awareness and trial for a chocolate brand's U.S. product launch to drive sales

Solution: Connected Sampling campaign that distributed samples via meal kits included a conversational commerce chat via Facebook Messenger and drove purchase with one-click carting via Click2Cart®. Additional awareness was driven through a look-a-like digital media campaign.

CONVERSATIONAL COMMERCE	ADD-TO-CART CONNECTIVITY	LOOK-A-LIKE TARGETING
6% Engagement Rate	173,067 Total Products Carted	3.12% Click-Thru Rate
2 min Time spent in conversation	\$233,651 Total Product Value	1.8MM Video Plays



CASE STUDY

FUELING PERFORMANCE

Objective: Drive trial of a leading protein bar to convert health-minded consumers to purchase at its key retailers

Solution: A notable protein bar company engaged health-conscious consumers at home through Connected Sampling. Paired with custom branded inserts, the samples were distributed via healthy lifestyle e-commerce retailers. The campaign drove purchase with one-click carting via Click2Cart®.

ADD-TO-CART CONNECTIVITY

123,867
Total Products Carted

\$2,365,486
Total Product Value



CASE STUDY

SPOOKTACULAR SUCCESS

Objective: Encourage purchase of a well-known chocolate brand to drive seasonal sales

Solution: An iconic chocolate bar distributed samples via e-commerce to accelerate purchase conversion during the Halloween season. The Connected Sampling campaign provided a surprise and delight moment among recipients which in turn drove purchase with one-click carting via Click2Cart®.

ADD-TO-CART CONNECTIVITY	
121,024 Total Products Carted	\$2,318,597 Total Product Value

Sources: Brandshare first-party data; SmartCommerce



LOOKING AHEAD

THE FUTURE OF SNACKING

TURN INSIGHTS INTO ACTION

1. Connect to Convert

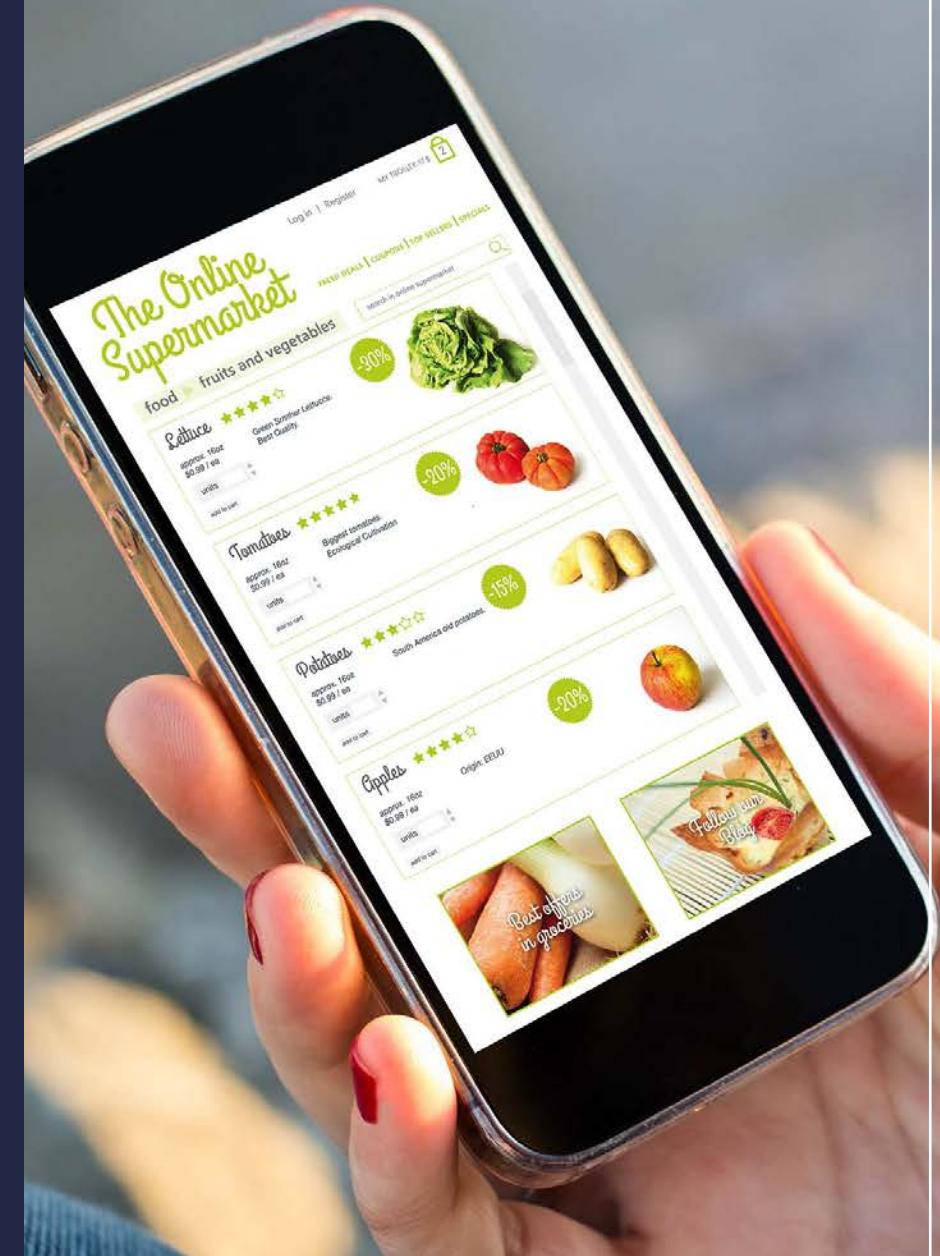
As boredom is a sentiment felt across all age groups, connect with consumers through emotion. Your brand ad creative can communicate nostalgia, indulgence, or a health-minded message – all relatable to the consumers' mindset.

2. Turn vulnerability into a conversion opportunity.

Brands who incorporate digital and add-to-cart technologies into their media mix will increase purchase conversion faster than those who do not.

3. Invest heavily while others pull back.

With consumer brand loyalty up for grabs, CPG brands who invest in "conquest" media can reach an audience that's shopping online more than ever before.



SOURCES

Brandshare Survey Data 2020

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Convenience Store News, November 23, 2020

Food Business News, January 5, 2021

Food Dive, August 2020

Food Navigator, January 2021

International Food Information Council, 2020 Food and Health Survey
IRI, 2020

National Confectioners Association 'Confectionery Sales Amid COVID-19', November 2020

SmartCommerce 'Behavior Analysis: Passive Shoppers', March 2020

SmartCommerce Consumer Insight Survey, May 2020



Brandshare®, the leader in connected sampling, creates omnichannel brand experiences to accelerate purchase conversion. Through curated subscription boxes, loyalty programs and e-commerce sampling with digital connectivity, Brandshare engage millions of consumers monthly - connecting brands to their target consumer. Partnering with the world's leading CPG brands and retailers, Brandshare offers sampling at scale and digital solutions with multi-touch attribution. Brandshare is an omnichannel audience engagement solution.

brandshare.us



SmartCommerce™ helps CPG companies sell more online by replacing old-school “where to buy” with a single click to send products into retailer carts. Built for the unique needs of CPG brands and their consumers, SmartCommerce intelligently eliminates both the friction and PDP cross-selling that has limited the potential for CPG digital purchases, by enabling simple one-click conversions of one or many products from any digital impulse point, into virtually any retailer cart.

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