

**COVID19: Impact
on CPG**



To add a historic perspective, we compared how COVID19 is impacting consumer behavior vs. another major shock: 2008 recession

	2008 GREAT RECESSION	2020 COVID19
CONSUMER ATTITUDES	<ul style="list-style-type: none"> •Economic fear and uncertainty •Anxiousness 	<ul style="list-style-type: none"> •Health safety fear, extreme and escalating uncertainty, worry about recession, lost wages •Anxiousness and confusion
CONSUMER BEHAVIOR	<ul style="list-style-type: none"> •“Cocooning” to save money: staying in, eating out less, cutting traveling and entertainment spend •Carpooling to work •Cooking more from scratch, with eating out less, replacing takeouts with RTE when strapped for time •Trading down to Private Label, substituting for less expensive 	<ul style="list-style-type: none"> •Social distancing to the point of isolation, huddling down at home, complete disruption of all routines and plans •Working from home, while taking care of kids •Stockpiling on multiple categories and building up a pantry to ride out epidemic •Trading up to trusted national brands
MACROECONOMIC BACKDROP	<ul style="list-style-type: none"> •Highly negative – unemployment, falling RE prices, foreclosures , high inflation and gas prices •Low Consumer Confidence 	<ul style="list-style-type: none"> •Rapidly deteriorating outlook, complete shutdown of many industries, high probability of recession, crushing financial markets •Rapidly falling Consumer Confidence
HIGHER DEMAND: PRODUCTS GETTING A LIFT	<p>Categories :</p> <ul style="list-style-type: none"> •Consumer Staples: flour, oil, sugar, eggs, milk.. •RTE meals •Beer, lower priced alcoholic bev • Less expensive proteins •Brands: PL and value brands across all categories 	<p>Categories :</p> <p>Increase in demand across majority of grocery and home staples categories, especially:</p> <ul style="list-style-type: none"> • sanitizer, antibacterial cleaning products , towels, bathroom tissue, OTC, remedies, – up to 1000% jump • Food staples: shelf-stable food staples, canned goods, water, flour, snacks • Baby care: diapers, formula, wipes <p>Brands: Trusted leading brands as consumers went for proven effectiveness and safety</p>
LOWER DEMAND PRODUCTS	<ul style="list-style-type: none"> •Most discretionary food categories, higher priced spirits and wines •Categories – bottled water switch to tap, ect •Premium products in all categories - Organics, Naturals, artisanal, pricier proteins 	<ul style="list-style-type: none"> •Natural and PL cleaning products -- perceived lower effectiveness •Fresh produce - perceived exposure to virus •Products from impacted countries