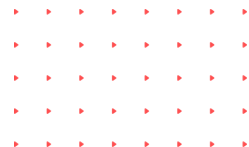
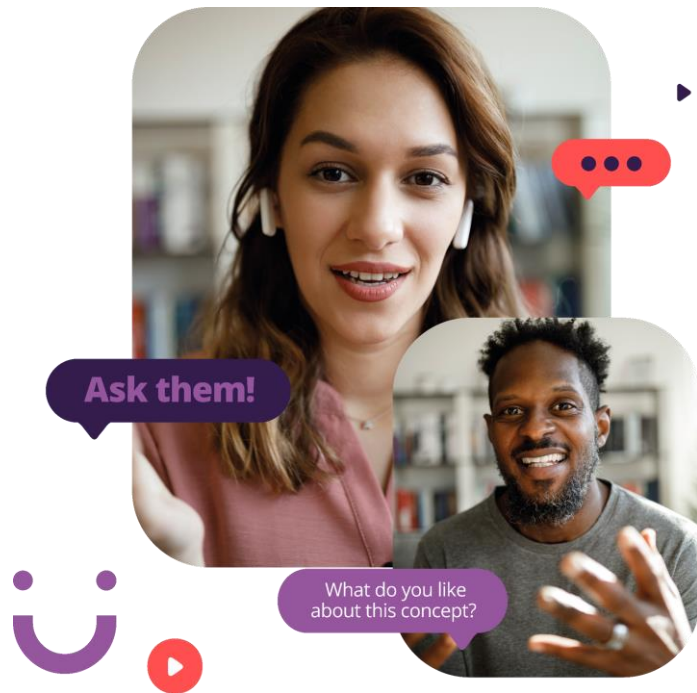




Rising costs and **shrinking** **wallets**

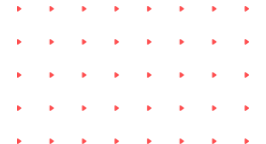
How shoppers are tackling inflation





Introduction our **speaker**

Jenn Mancusi Vogel





Current State of the Economy



Consumer Price Index (CPI) - February

| | Seasonally adjusted changes from preceding month | | | | | | | Un-adjusted 12-mos. ended Feb. 2023 |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | Aug. 2022 | Sep. 2022 | Oct. 2022 | Nov. 2022 | Dec. 2022 | Jan. 2023 | Feb. 2023 | |
| All items | 0.2 | 0.4 | 0.5 | 0.2 | 0.1 | 0.5 | 0.4 | 6.0 |
| Food | 0.8 | 0.8 | 0.7 | 0.6 | 0.4 | 0.5 | 0.4 | 9.5 |
| Food at home | 0.8 | 0.7 | 0.5 | 0.6 | 0.5 | 0.4 | 0.3 | 10.2 |
| Food away from home ⁽¹⁾ | 0.9 | 0.9 | 0.9 | 0.5 | 0.4 | 0.6 | 0.6 | 8.4 |
| Energy | -3.9 | -1.7 | 1.7 | -1.4 | -3.1 | 2.0 | -0.6 | 5.2 |
| Energy commodities | -8.0 | -4.1 | 3.7 | -2.1 | -7.2 | 1.9 | 0.5 | -1.4 |
| Gasoline (all types) | -8.4 | -4.2 | 3.4 | -2.3 | -7.0 | 2.4 | 1.0 | -2.0 |
| Fuel oil ⁽¹⁾ | -5.9 | -2.7 | 19.8 | 1.7 | -16.6 | -1.2 | -7.9 | 9.2 |
| Energy services | 1.8 | 1.2 | -0.7 | -0.6 | 1.9 | 2.1 | -1.7 | 13.3 |
| Electricity | 1.2 | 0.8 | 0.5 | 0.5 | 1.3 | 0.5 | 0.5 | 12.9 |
| Utility (piped) gas service | 3.5 | 2.2 | -3.7 | -3.4 | 3.5 | 6.7 | -8.0 | 14.3 |
| All items less food and energy | 0.6 | 0.6 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 5.5 |
| Commodities less food and energy commodities | 0.4 | 0.0 | -0.1 | -0.2 | -0.1 | 0.1 | 0.0 | 1.0 |
| New vehicles | 0.8 | 0.7 | 0.6 | 0.5 | 0.6 | 0.2 | 0.2 | 5.8 |
| Used cars and trucks | -0.2 | -1.1 | -1.7 | -2.0 | -2.0 | -1.9 | -2.8 | -13.6 |
| Apparel | 0.3 | 0.0 | -0.2 | 0.1 | 0.2 | 0.8 | 0.8 | 3.3 |
| Medical care commodities ⁽¹⁾ | 0.2 | -0.1 | 0.0 | 0.2 | 0.1 | 1.1 | 0.1 | 3.2 |
| Services less energy services | 0.6 | 0.8 | 0.5 | 0.5 | 0.6 | 0.5 | 0.6 | 7.3 |
| Shelter | 0.7 | 0.7 | 0.7 | 0.6 | 0.8 | 0.7 | 0.8 | 8.1 |
| Transportation services | 1.0 | 1.9 | 0.6 | 0.3 | 0.6 | 0.9 | 1.1 | 14.6 |
| Medical care services | 0.7 | 0.8 | -0.4 | -0.5 | 0.3 | -0.7 | -0.7 | 2.1 |

Footnotes

⁽¹⁾ Not seasonally adjusted.





US jobless claims remain historically low

Unemployment rate

3.6%

Updated Feb 2023

Total unemployed people

5.9M

Updated Feb 2023

Unemployment insurance claims

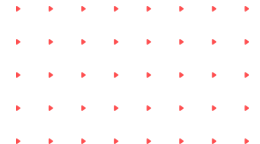
2.1M

Updated Mar 11, 2023

Unemployment rate | Total unemployed people | Unemployment insurance claims



Unemployment rate is collected once a month · Numbers are seasonally adjusted





Media Coverage



Inflation will be harder to bring down than markets think

Investors are betting on good times. The likelier prospect is turbulence



Feb 16th 2023

HOME > ECONOMY

Inflation is so bad people are buying groceries — and even holding off

Juliana Kaplan Jan 31, 2023, 5:00 AM



Feb 14, 2023 at 10:10 am ET

To Save Money, Maybe You Should Skip Breakfast

By Gabriel T. Rubin



A customer shops for eggs in Austin, Texas. BRANDON BELL/GETTY IMAGES

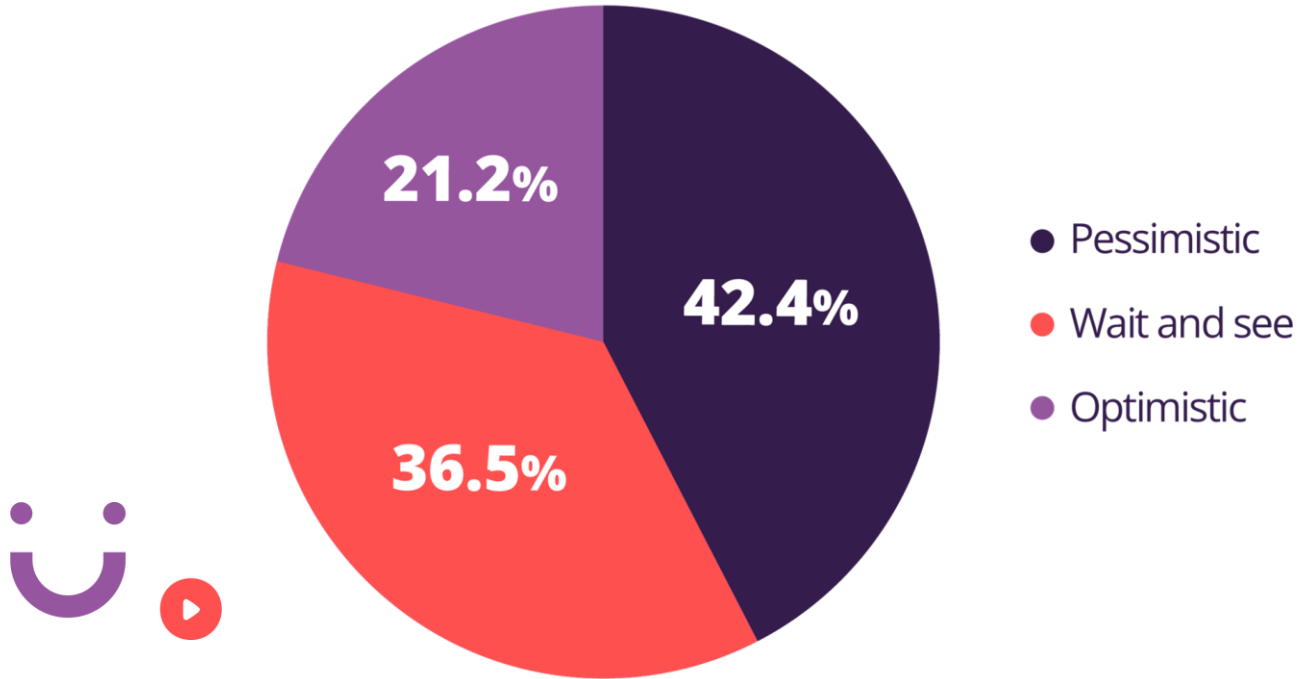




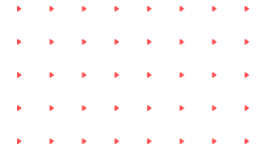
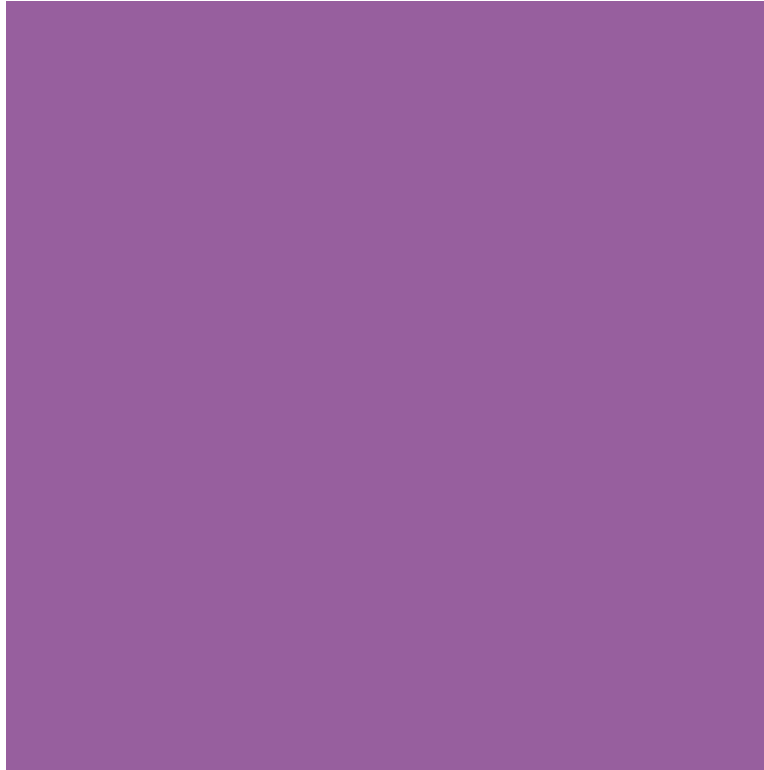
Consumer Perceptions



How do people FEEL about the economy?



How has the economy impacted real people?



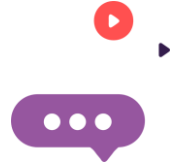


Rebellion on Brand Loyalty

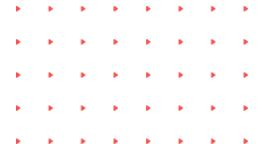
Private label brands' marketshare



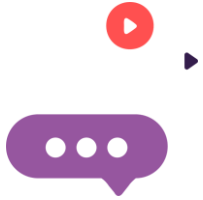
CPG
SALES
worldwide



BILLION
MARKET
in the US alone

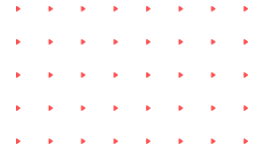
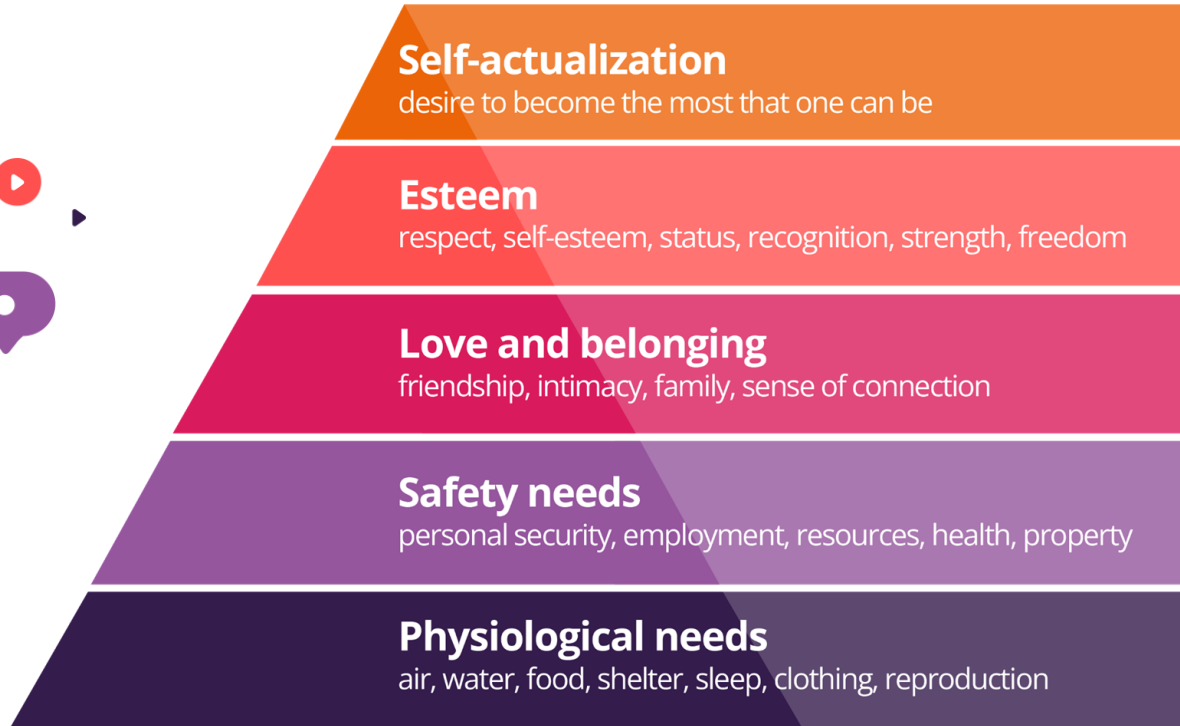
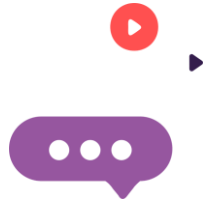


Consumers are making tradeoffs

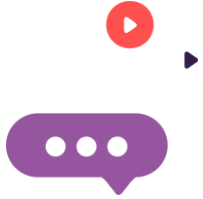
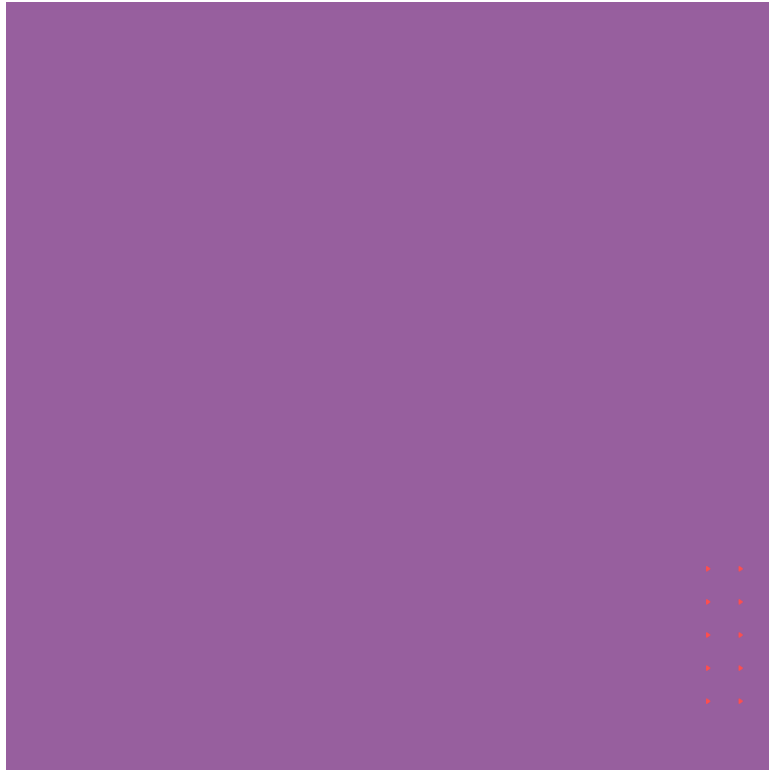




Maslow was on to something...



Consumers continue to pay more for some things...





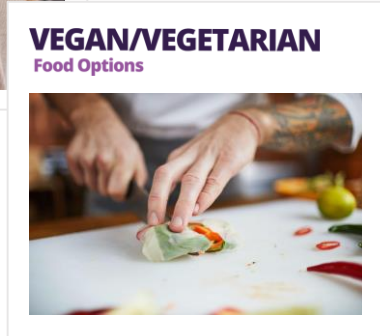
Certain categories retaining loyalty



41%
BEAUTY
& Personal Care



25%
FRESH FOODS
Meat/Seafood/Eggs



What we learned about parents





So what?

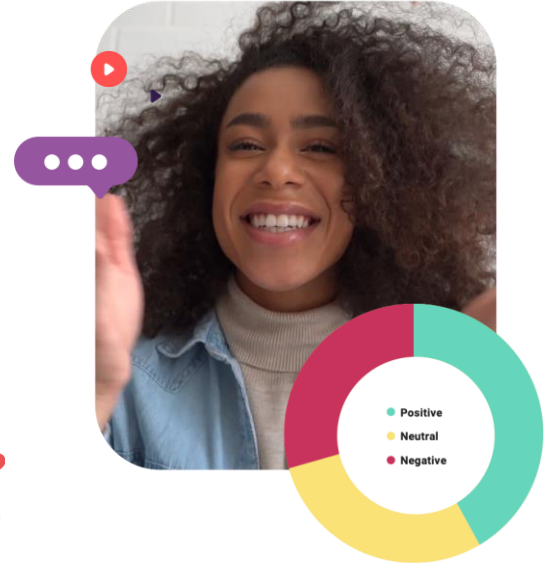
Data only tells part of the story



Understanding the “why”



Creating empathy





Brands Tackling Inflation



Size matters

Darn you, shrinkflation

Rather than hike prices, brands are reducing serving size



9.75 oz → 9.25 oz
5 fewer chips per bag



4.1 oz → 3.8 oz
15 fewer uses per tube



22.6 oz → 20 oz
70 fewer raisins per can

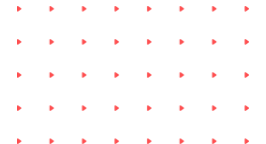
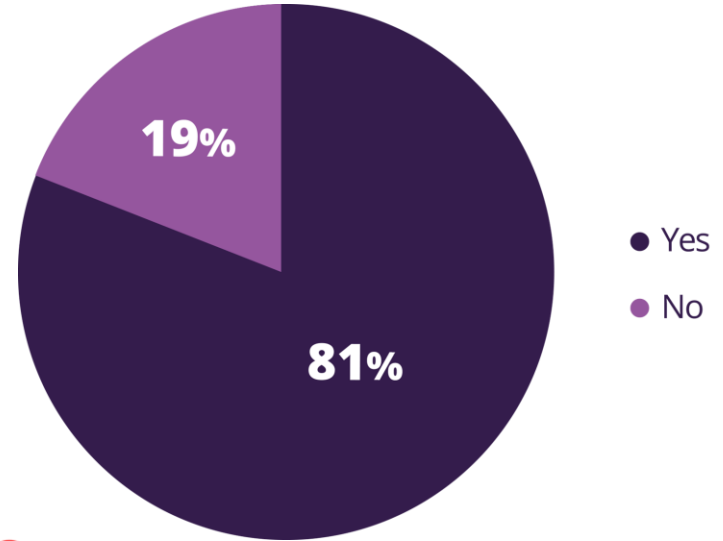


264 sheets → 244 sheets
20 fewer sheets per roll

DATA: Quartz, Mouse Print

the HUSTLE

Have you noticed 'shrinkflation' in the products you buy?





How are brands tackling inflation?

The New Savers Menu

savers menu

Buy One, \$1
Get One for 1

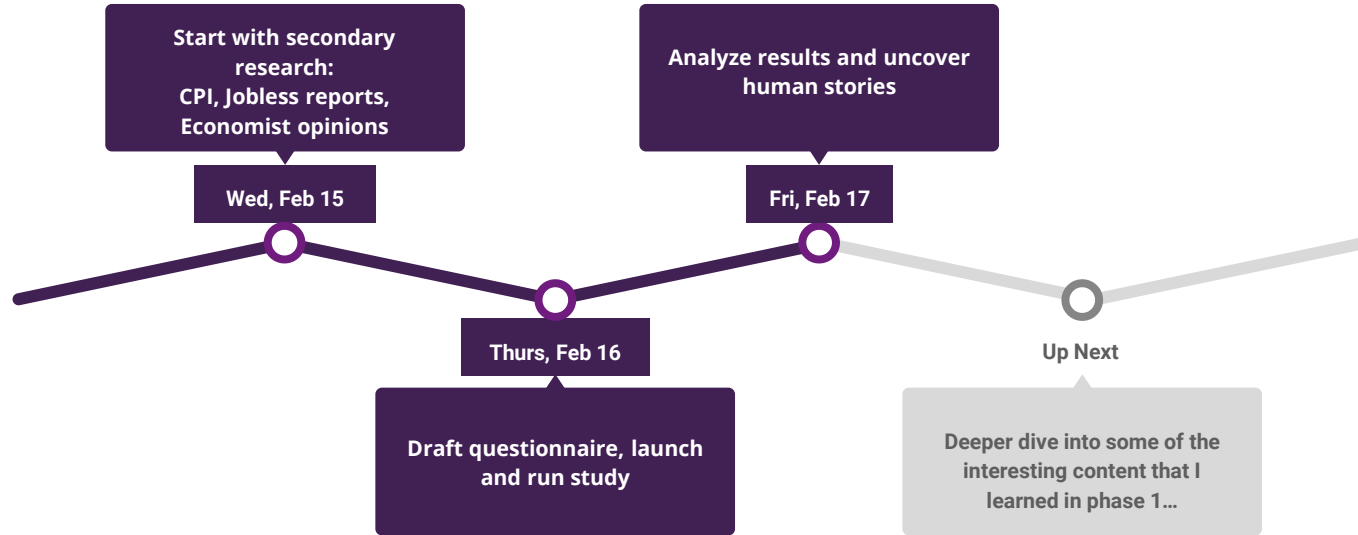




Creating your own Empathy Program



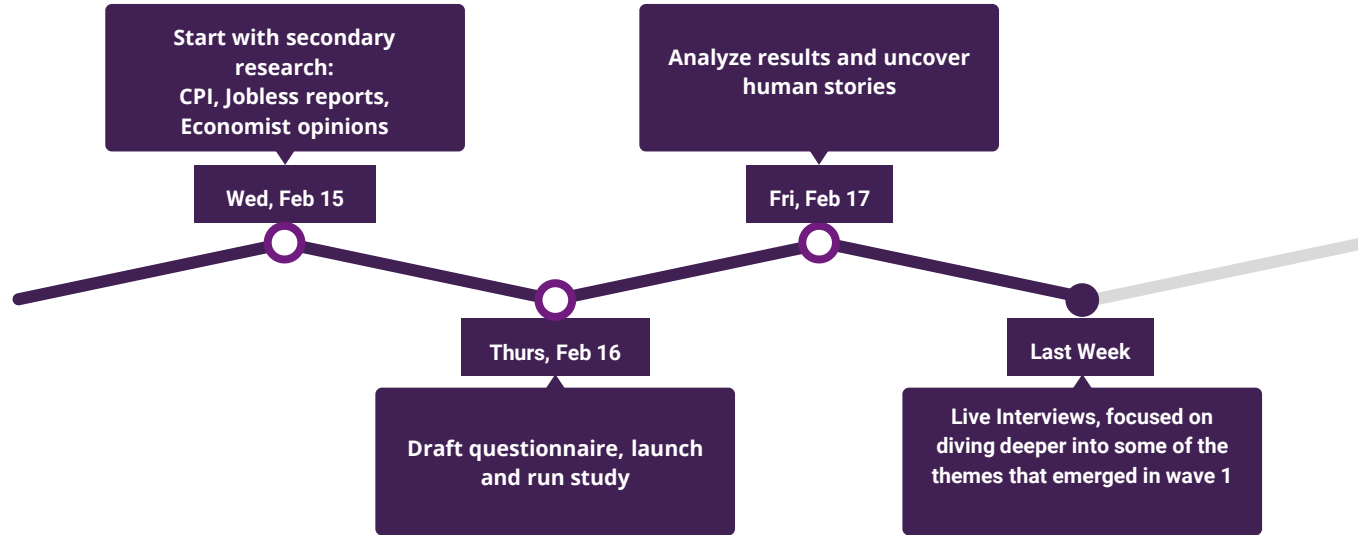
A bit about the research - first wave



24 hours = 3 hours
to complete of real human stories



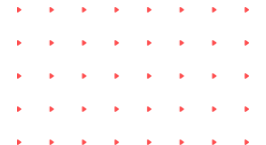
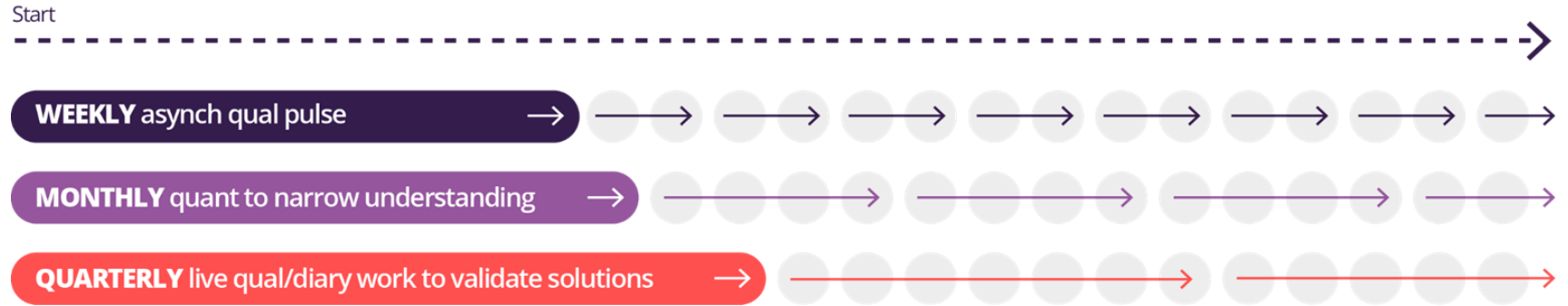
A bit about the research - second wave



1 week = **5 hours**
to complete of real human stories



Ongoing quick pulse + iterative insights

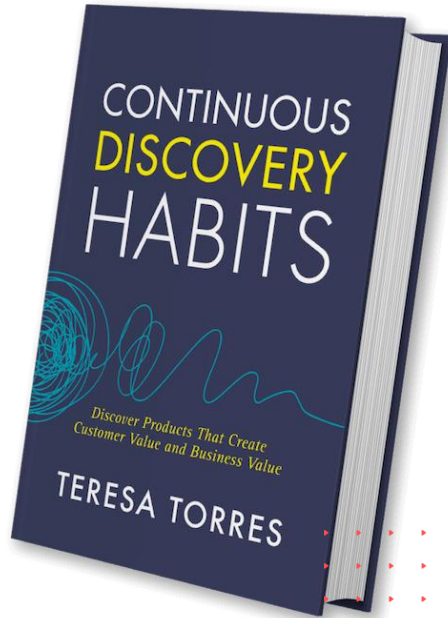


Blending data sources

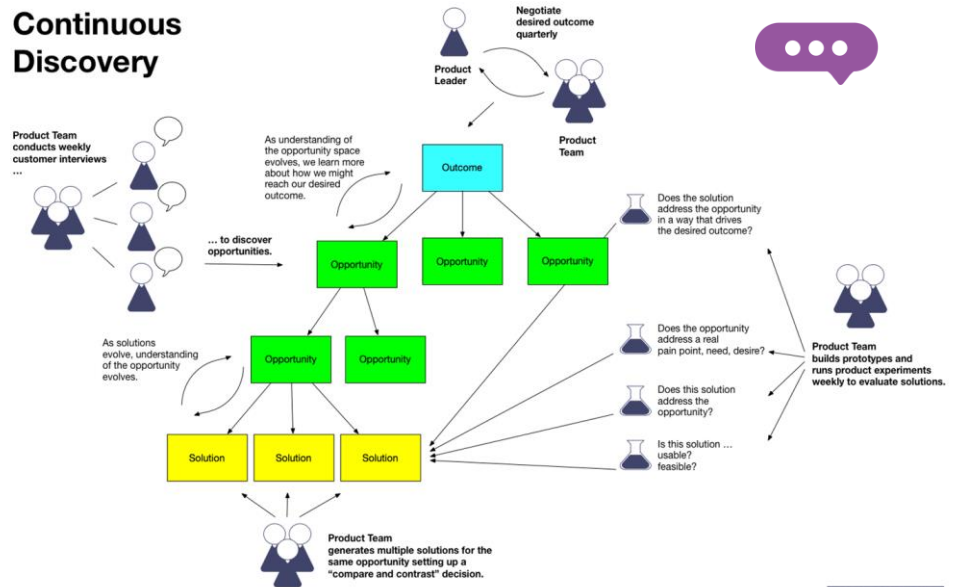




Add this ↓ to your reading list!



Continuous Discovery



PRODUCT TALK

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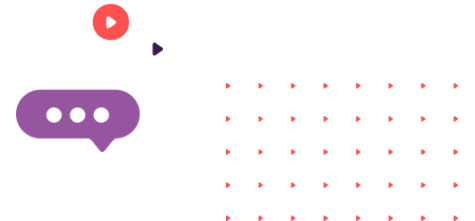
Turn
consumer
empathy
into a **habit**





What I hope you take away

1. Today's conversation was more about **empathy** than the economy.
1. There are **real people** out there buying (and not buying) our products and services, seeing our advertising, making decisions every day. Let's meet them!
1. Insights is at the heart of **creating connections** between our teams and the communities we serve.





That's a wrap!

I would love to answer
any questions.

