

Activating Winning Merchandising Insights

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NIQ

Ferrara[®]

C360
Envision *what's possible*

Agenda

- 1 Introduction
- 2 A Point of Inflection in Confection
- 3 Getting the Store Right with SmartStore™
- 4 Winning the Trifecta (across the 3 C's)
- 5 Q&A



Sandi Santa Ana

Director

Category Leadership



Michael Pailas

Vice President

Consumer & Shopper Insights



Founded in **1908** by Italian immigrants in the U.S.
Today Ferrara is the **#1 selling sugar confectioner** in America



Ferrara by the numbers:

#1 in Sugar Confections

30+ brands

\$2.1B revenue

Enjoyed in **66M+** households

Top Ranked for Diversity



500M+
lbs. of candy
made annually

A Point of Inflection in Confection

Our Business Challenge



Confections increasingly difficult to navigate

Brands and SKUs proliferating,
Shorter time spent at shelf,
Most decisions made at shelf

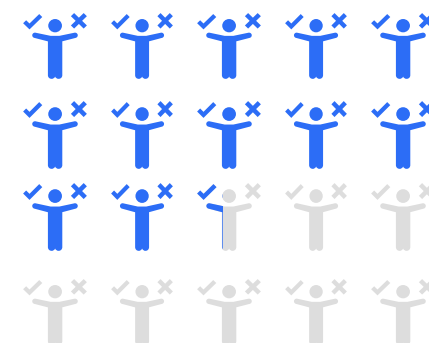
2X more difficult

to shop confections vs. other FMCG categories



Time at shelf:

<1 minute

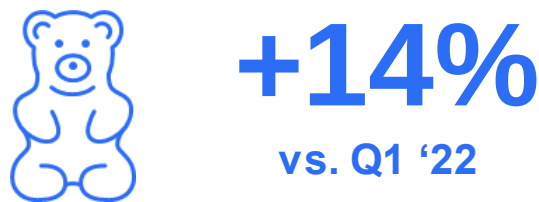
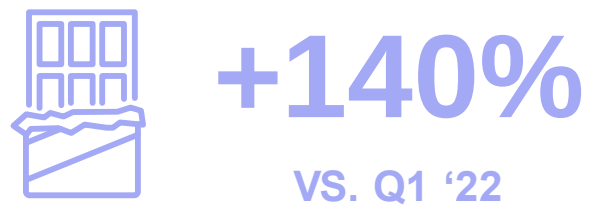


59%
decide at shelf

Source: 2019 Ferrara Aisle Merchandising Study, 2023 Ferrara Numerator Proprietary Shopper Journey Custom Research

Heavy pressure to optimize Confections space – as commodity prices escalate

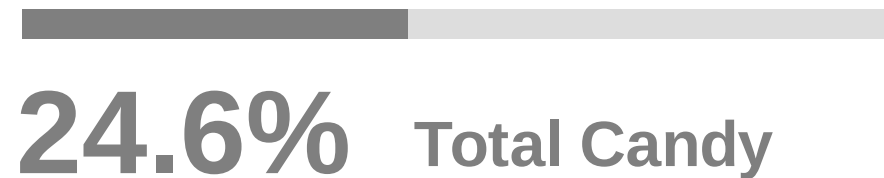
Inflationary pressures (cost)



...driving category unit declines



... and lower conversion of Sugar Confection



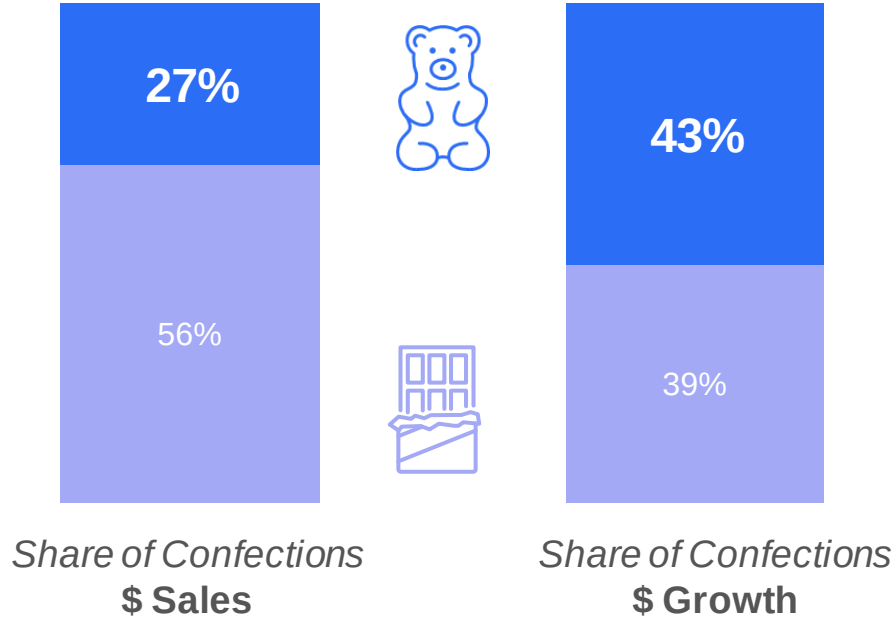
Source: Focus Economics, Q4 2023 vs. Q1 2022

Source: Nielsen IQ through 3/30/2024

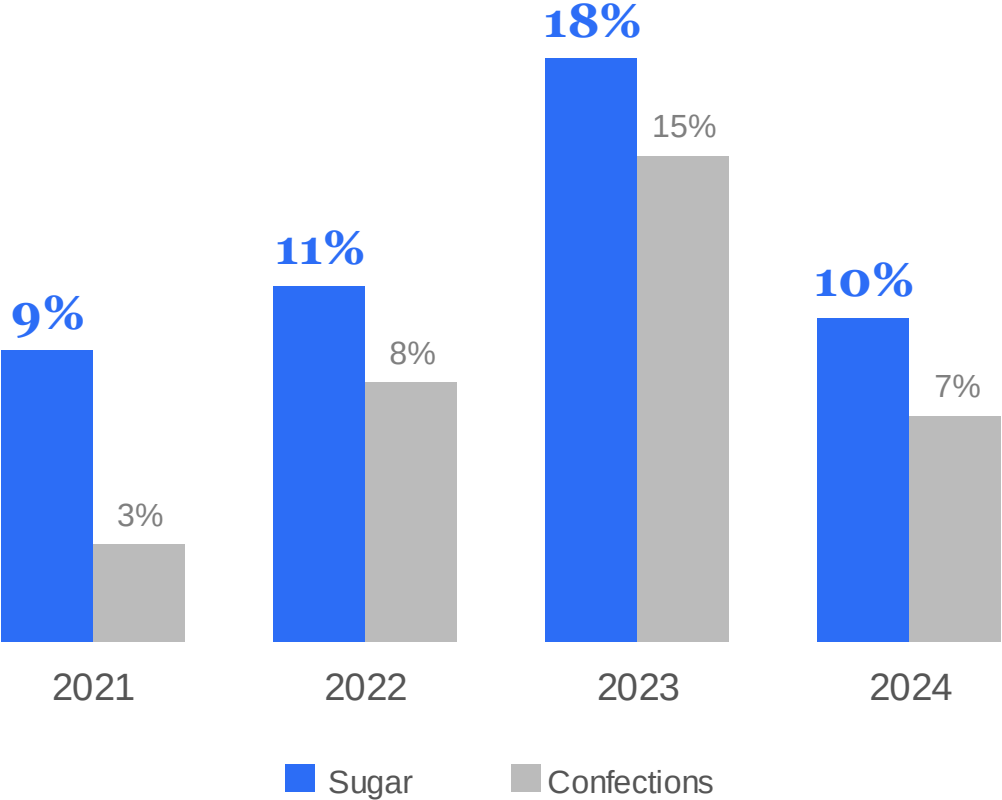
Source: Nielsen IQ, latest 52 weeks ending 3/30/24

Sugar Candy Is Contributing More Than Its Fair Share of Category Growth

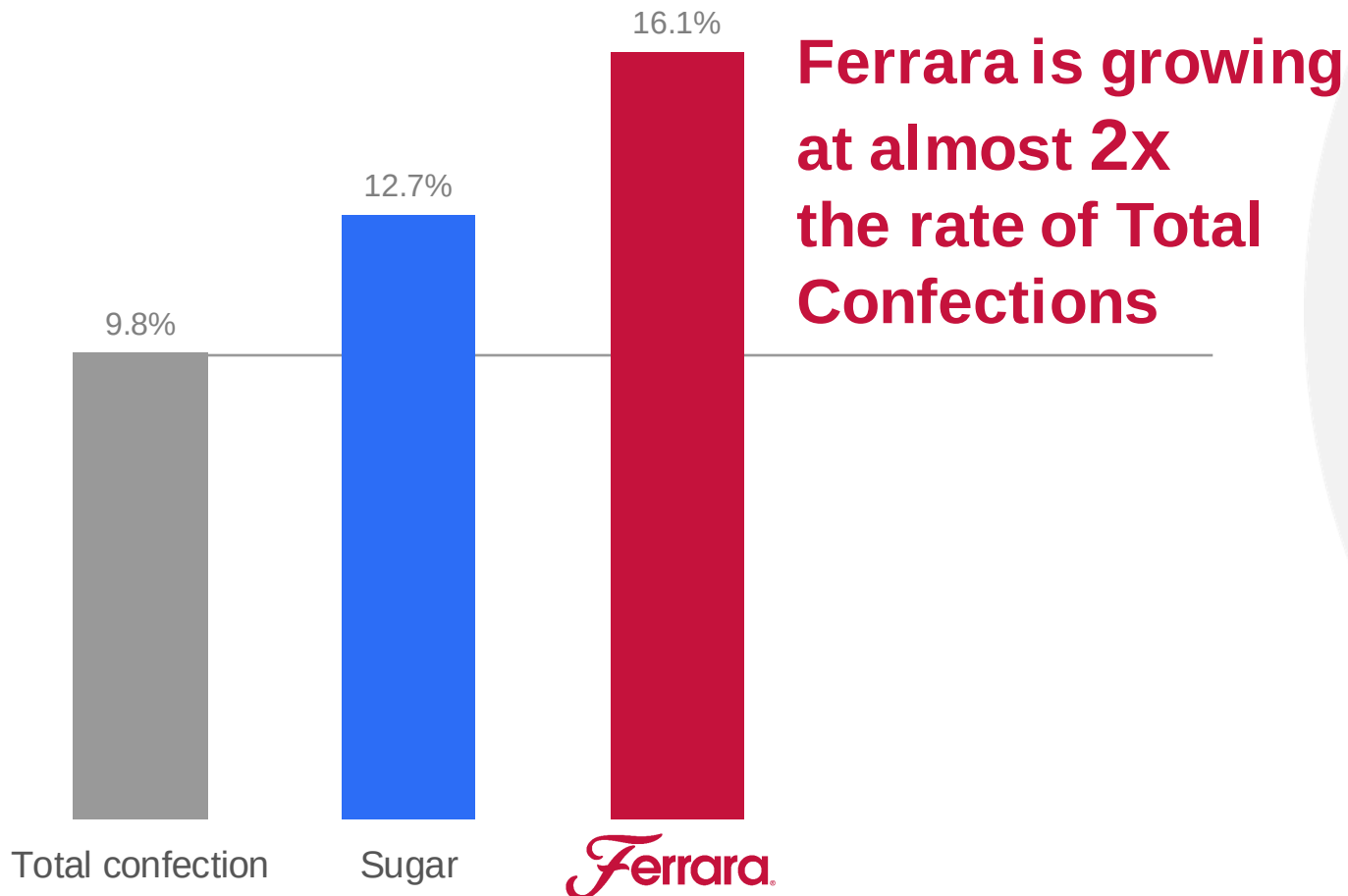
Sugar is driving **1.6x its fair share** of category growth



And consistently **outpaces** **total confections** dollar growth



3-year CAGR



Ferrara®
driving the Sugar Confections category

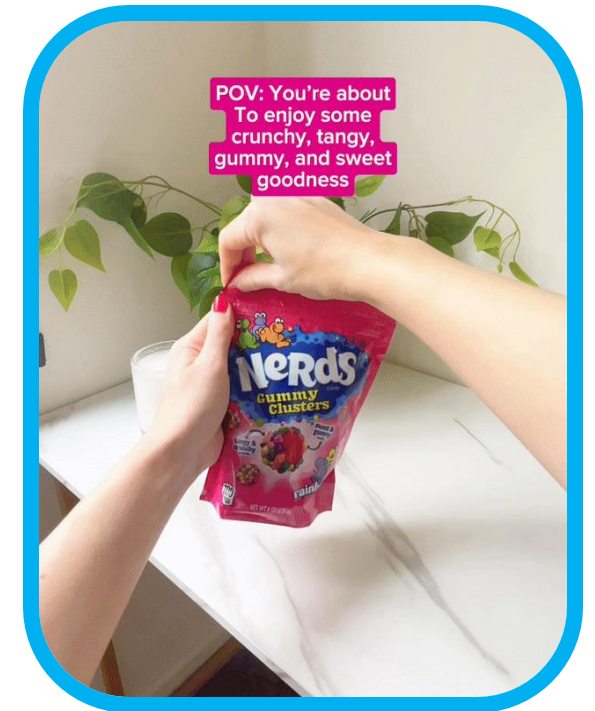
Ferrara.

is investing strategically to reach sugar category consumers

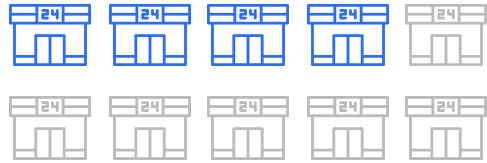




Ferrara has the #1 brand in the Sugar Category, growing sales from \$50MM to \$700MM!



Leading channel
for the category...



40%

Convenience Stores

...yet with *suboptimal placement* of
top-selling brands



Critical Opportunity
to Win in C-Stores

#1 channel for Sugar
Confections

Ferrara's challenge

Demonstrate the benefits of optimized shelf and merchandising



Improved location of top-selling items



Better navigation, communication at shelf



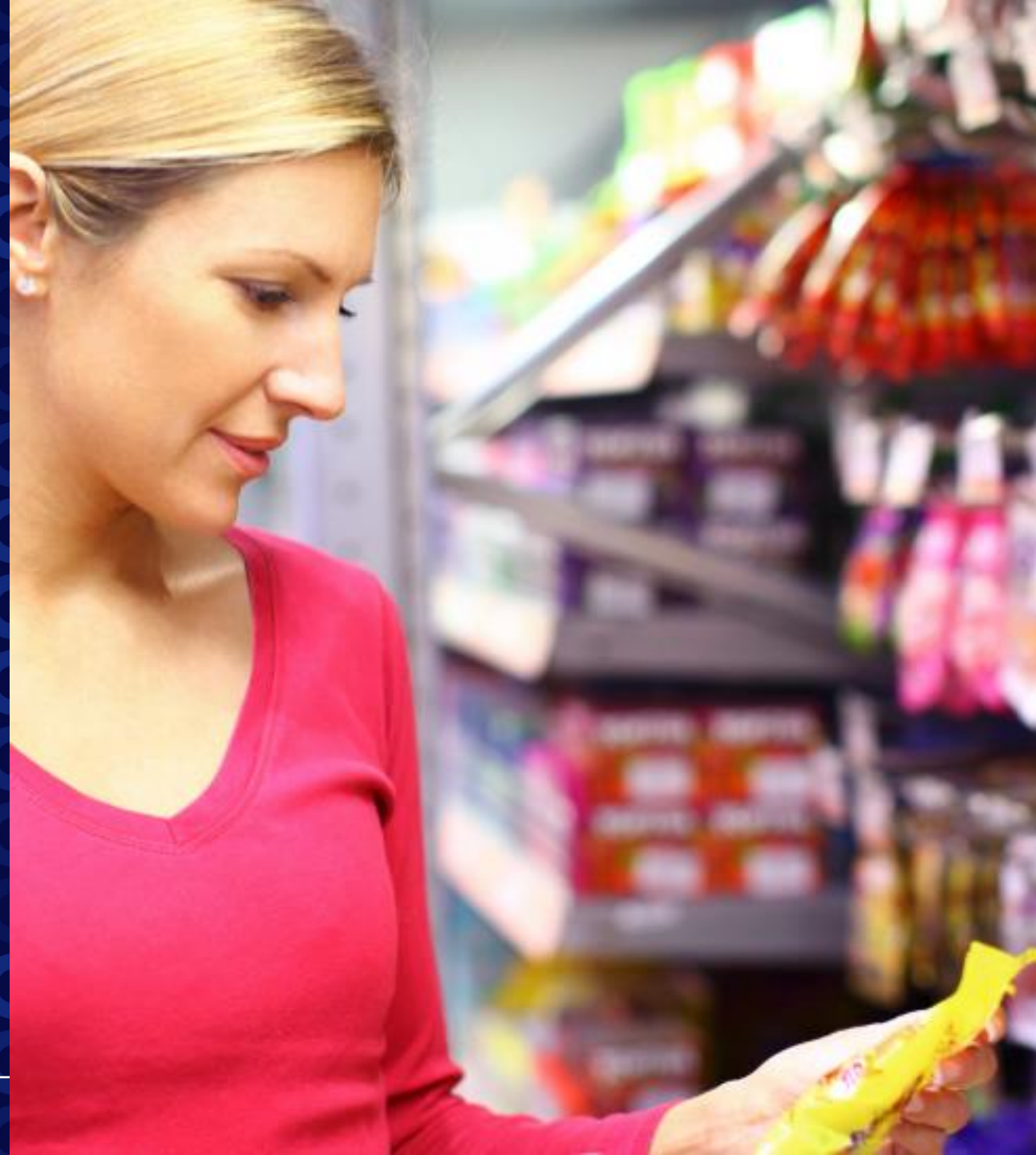
Quick turnaround to meet re-set windows



Cost effective approach



Getting the Store Right





How do we **better merchandise the category?**



What is the **optimal shelf layout?**



What **impact** will this have on category sales and the shopper experience?



Research Approaches Considered for Ferrara's Needs

“Real world”

Customer supported



“Live” environment

Quicker to execute

**Shopper
Lab**

**In-
market
testing**

Long lead times

Customer specific

External variables

High labor/investment



Geographically limited

Smaller sample sizes

Less real world

Still expensive

NIQ Smartstore™

Realistic

Strong diagnostics

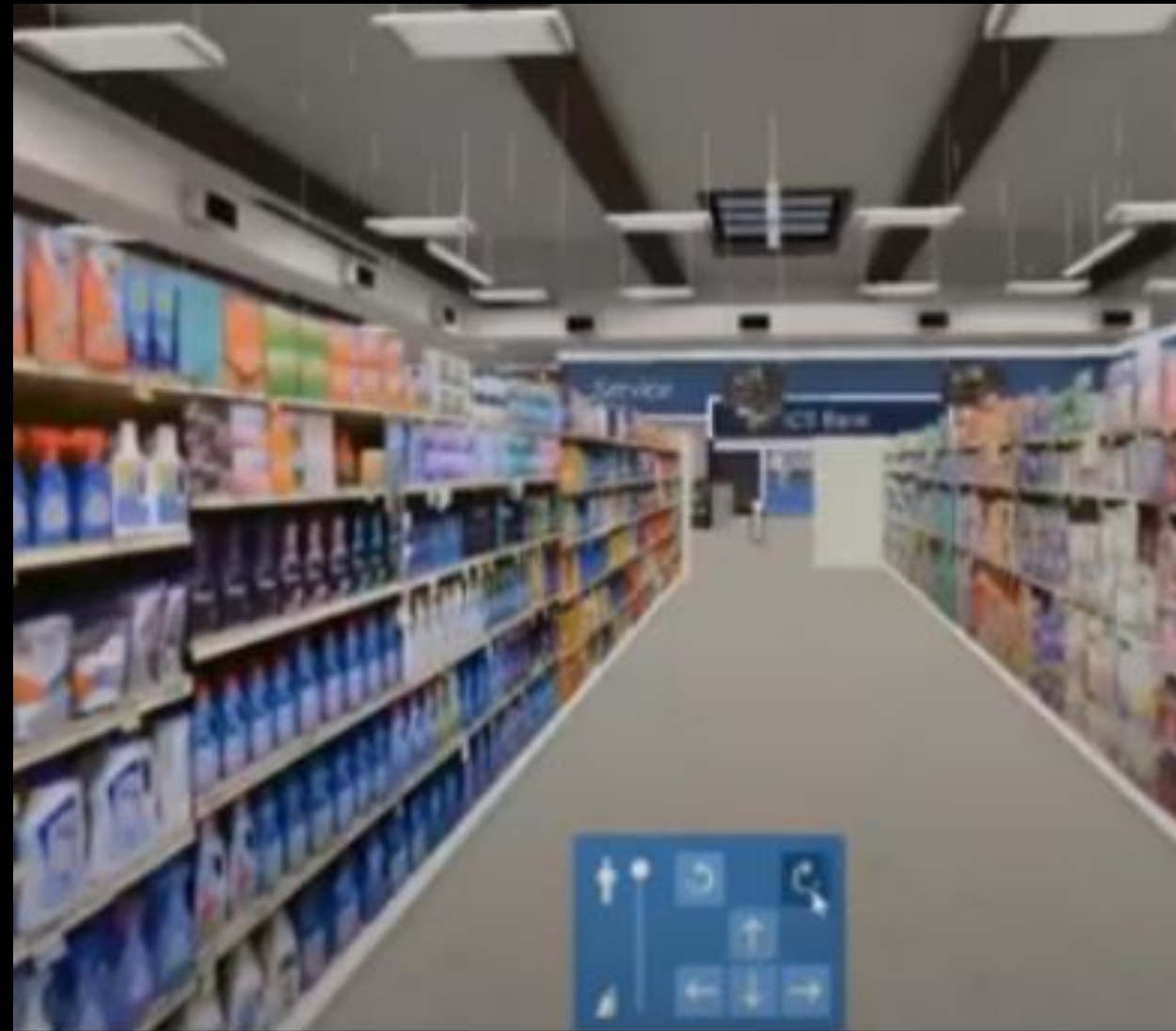
Behavioral

Easy to execute

Flexible

Less expensive

Highly predictive





NIQ SmartStore™

An industry leading virtual shopping solution

NIQ

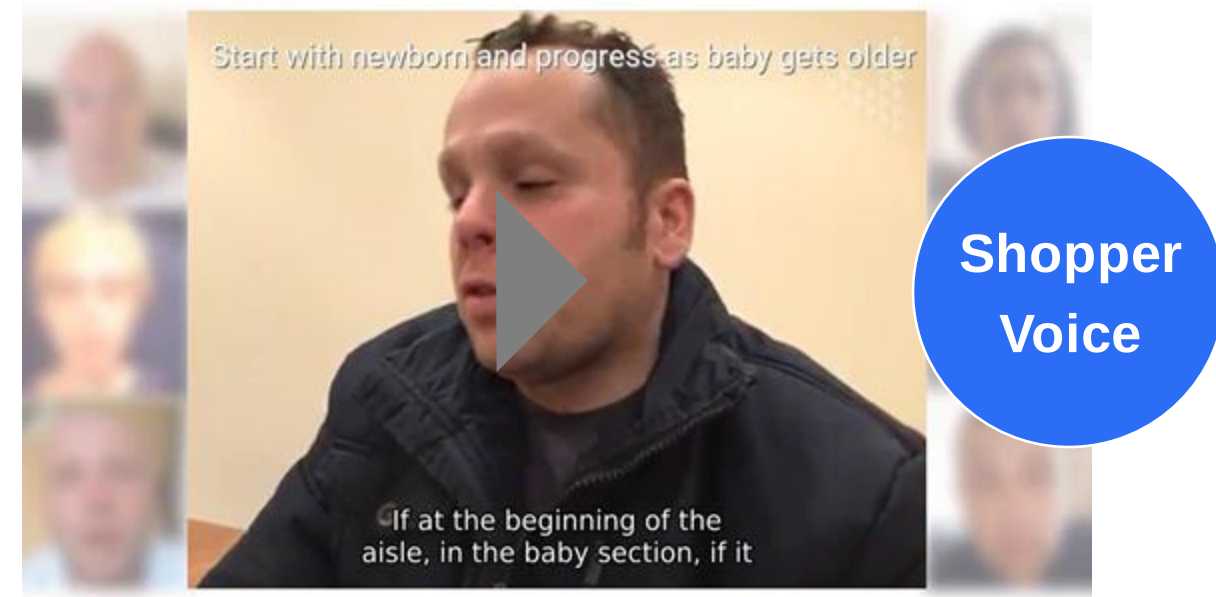
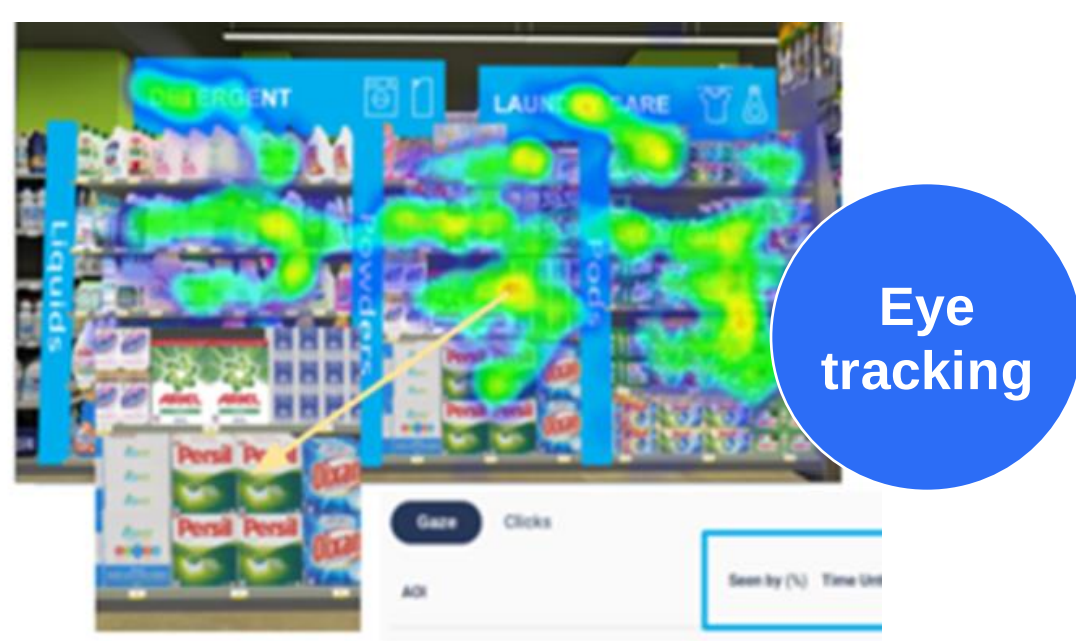
Highly predictive environment to assess shopper reactions to future store and shelf scenarios

Combines strengths of our unique **3D** technology platform with NielsenIQ research

Virtually tests scenarios and measures impact on sales and shopper perceptions

Evaluates non-conscious behavior with eye tracking

Flexible environment, with no store disruption





Let's take a closer look...

Ferrara®

Optimizing the shelf with SmartStore™

NIQ



Meeting Ferrara's challenge

The SmartStore™ difference



Improved location of top-selling items



Better navigation, communication at shelf



Quick turnaround to meet re-set windows

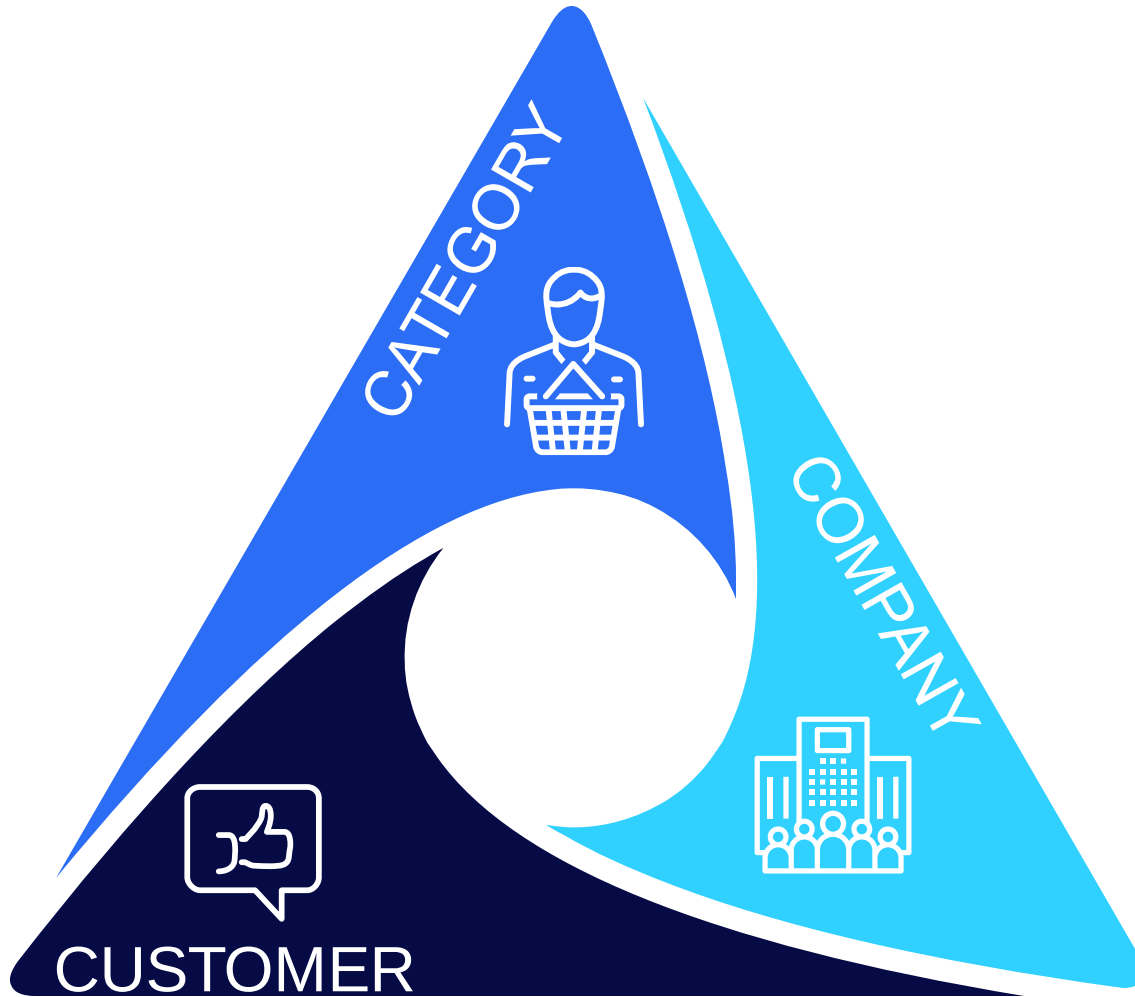


Cost effective approach



Winning the Trifecta (across the 3 C's)





Driving meaningful
wins for each of the
3 C's

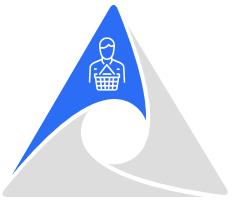
NIQ SmartStore™

+/- 1.6 %

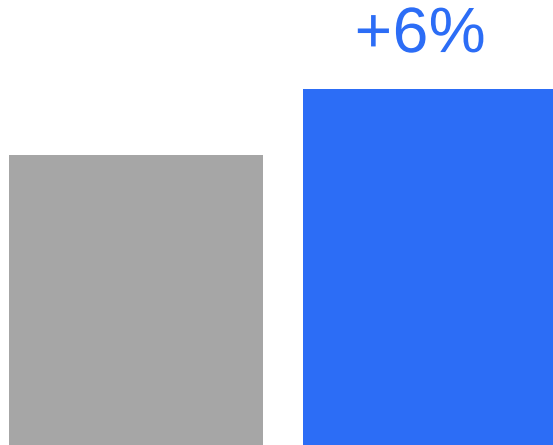
vs. Ferrara's own in-store research



Envision *what's possible*



Higher Category Lifts in Optimized Planogram



Significant lift in
overall \$ sales
(and units)



Trade up
to larger sizes



High
shopper
satisfaction



Strong buy-in from top c-store customers

“ Big kudos to the Ferrara team. In the past we’ve heavily relied on 1 partner, but because of how you showed up— in both your brands, insights & best in class merchandising— you've heavily influenced our reset. **You’re the captains of Sugar within our 4 walls.**

- Leading C-store Buyer

“ **Great looking set-up** from a guest perspective.

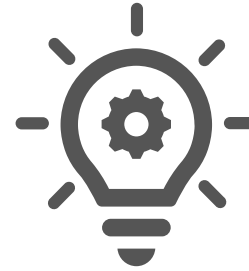
- Store Manager



Ferrara Wins When Its Consumers and Customers Win



Double-digit lifts for top Ferrara brands



Thought leadership with our customers and broker partners



Higher **shopper awareness** and engagement



Leadership insights

Integrated solutions

Efficient, flexible approach

Demonstrated results



Q & A



Contact information for today's speakers



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