

Unleashing Growth Through Deep Product Attribution

Jason Lipsitz, Vice President of Sales, NIQ Product Insights
Stefanie McNansky, Head of Category Leadership, Kraft Heinz
Brian Donovan, Director of Strategy and Insights, Nestlé Purina

NIQ

C360
Envision *what's possible*

Speakers & Agenda



Jason Lipsitz

Vice President, NIQ Product Insights



Stefanie McNansky

Head of Category Leadership and Growth Strategy, The Kraft Heinz Company



Brian Donovan

Director of Strategy and Insights, Nestlé Purina



Critical Factors in Consumer Decision-Making

Identifying growth opportunities and consumer preferences has never been more complicated.



Re-engineer insights to action

Knowing what is driving consumer purchase behavior today and into the future is critical.

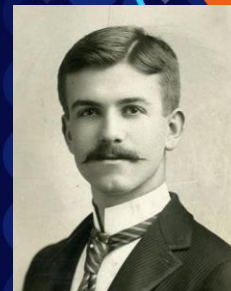
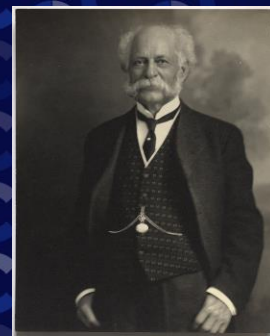
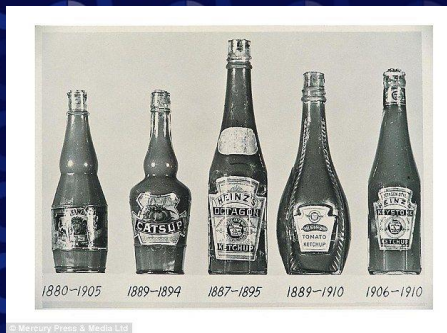


Address Pet Specific Needs

These challenges can only be solved when retailers and suppliers work together to meet consumer demand.

How many years of history do the iconic brands on stage have between them?

1. 50 years
2. 100 years
3. 300 years
4. 400 years



1884
Purina is founded in St. Louis, Missouri, USA



Consumer purchases & digital discovery is not brand centric, but rather attribute + need state centric

75%

of CPG shoppers use digital channels to become inspired, browse, research, or select a brand.

78%₁

of grocery searches on Amazon are unbranded

84%₂

of brands fail to claim 1 of their top 3 attributes

87%₃

of products qualify for an attribute but are not returned in the retailer's search results

How can you truly assess an opportunity without knowing all of the consumer **purchase drivers** and which **products fit / do not fit** those needs?

1. Motley Fool, 2021
2. Activating Attributes Report, Label Insight, May 2020.
3. The digital depth analysis: The e-commerce experience audit, NIQ, July 2022.
4. IBM and NRF Research Study, 2020.

The opportunity is large for the brands that can reach them in our omnichannel world

200M

shoppers adhere to a diet or health related eating program

\$400B

The projected value of Health & Wellness product sales by 2030

40%

more revenue driven by personalization

2.5x

Number of clicks products that include the right attribute in their title receive.

How can you **personalize** your messaging without knowing the attributes, ingredients, social causes, or sustainability attributes that matter to your consumers?

How did the Wall Street Journal recently describe the new CEO of Kraft Heinz?

1. A Titan of Operational Efficiency
2. A Health Nut
3. An AI Automation Machine
4. A Dependable Dividend Deliverer



Kraft Heinz Innovating to Grow Share and Bring New Consumers into the Categories

Did you know you may be
leaving out a whopping
+90% incremental
penetration opportunities?

* Percentage calculation varies by category.
Stat is based on plant-based category items.



Sauce That Moves at the Speed of Culture

FOOD&WINE

Heinz Teamed Up With Mattel to Bring Us the Mashup We Didn't Know We Needed: 'Barbiecuc' Sauce

Tomato Ketchup could potentially be on the way.



Barbie™, Ken™ and associated trademarks and trade dress are owned by, and used under license from, Mattel. ©2023 Mattel.

TODAY

Taylor Swift's 'seemingly ranch' moment causes Heinz to create custom sauce



USA TODAY

Heinz wants to convince Chicago that ketchup and hot dogs can co-exist. Will it succeed?

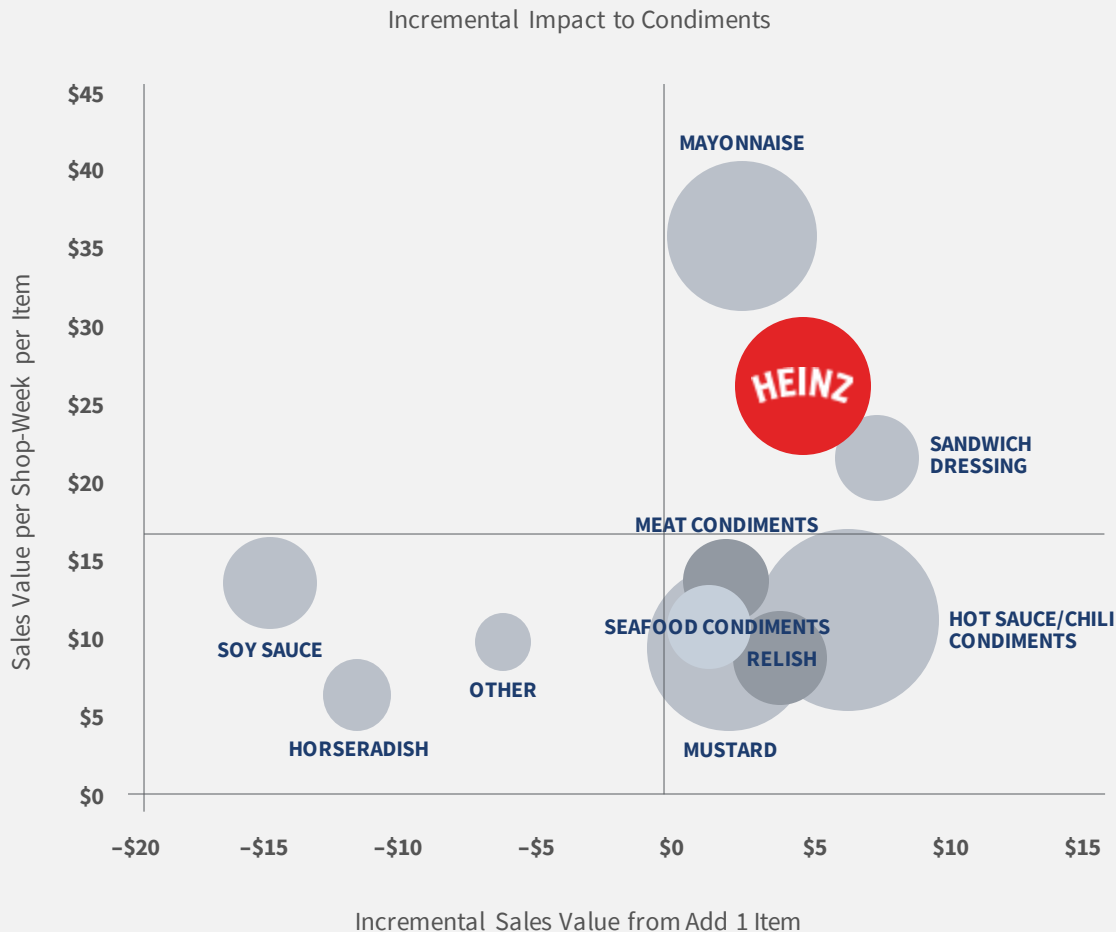


Consumer-Centric Innovation = 150 Years of GROWTH



Consumer-Centric Innovation = More People Shopping the Category

- Ketchup was ripe for innovation, offering both high velocities and incremental volume as the category expands its number of items.
- With the opportunity identified, the next question is what type of innovation will bring the most new shoppers?



Leveraging Attributes to Understand the Potential Size and Share of Growth Trends

		Proven Trends 			Growing Trends 			Developing Trends 		
		Contains HFCS	No Artificial Sweeteners	Organic	No Sugar Added	Added Vegetables	No Salt Added	Contains Mayo	Contains Honey	Contains Pickle
Dollars Share by Attribute		79%	21%	8.2%	5.3%	1.2%	0.6%	0.2%	0.1%	0.002%
Dollar Growth vs YA	+8%	+9%	+6%	+5%	+12%	+13%	+13%	+22%	+690%	+316%
										

Uncovering the Next Frontier in Ketchup

NIQ Trending Attributes eCommerce
Search Trends show increased demand
for Better For™ ketchups

“Organic” —————> **29M searches**
“Gluten Free” —————> **6M searches**
“Low/No Sugar” —————> **9M searches**



NO
ADDED
SUGAR



+30%

Keto Diet stated
claims sales
growth in ketchup

+23%

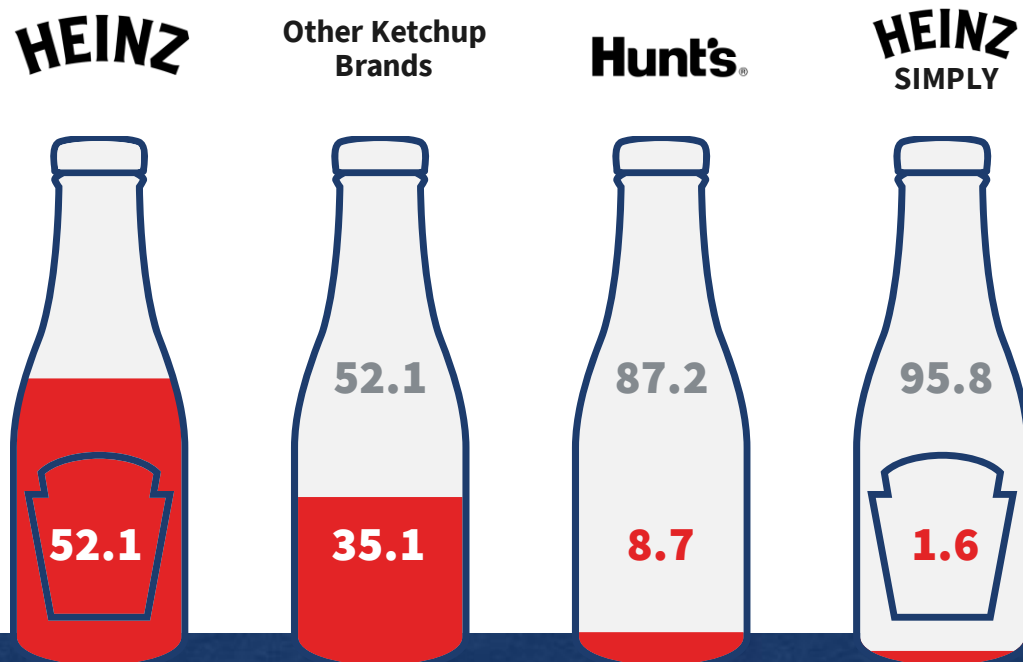
Paleo Diet stated
claims sales growth
in ketchup

+23%

Whole 30 Diet
stated sales growth
in ketchup

What Success Looks Like

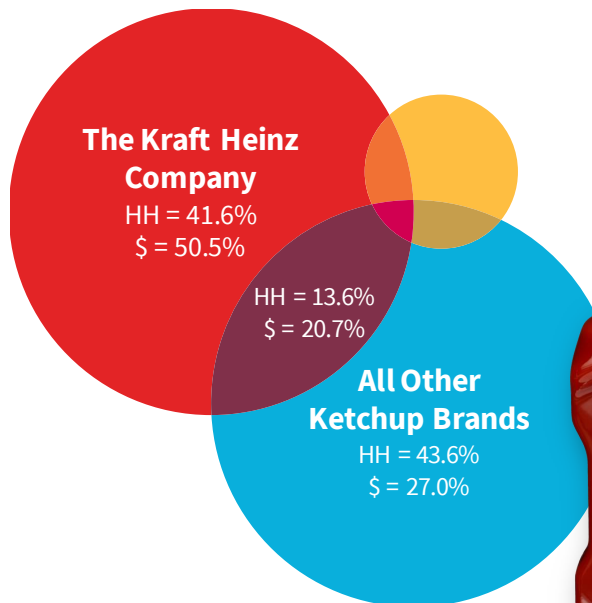
Capturing Incremental HH Penetration



0.8	97.5	Whataburger
0.6	98.3	Red Gold And Inc.
0.4	98.9	Primal Kitchen
0.3	99.3	Private Label
0.2	99.6	Heinz Jalapeño
0.1	99.8	A/O Heinz Flavors
0.1	99.9	Heinz: Extra Hot Habanero

-  Cumulative Penetration in the Category
-  Incremental Penetration in the Category

Leveraging Attributes to Drive Innovation Whitespace in the Ketchup Category



Primal Kitchen

HH = 0.6%

\$ = 0.6%

HH = 0.2%

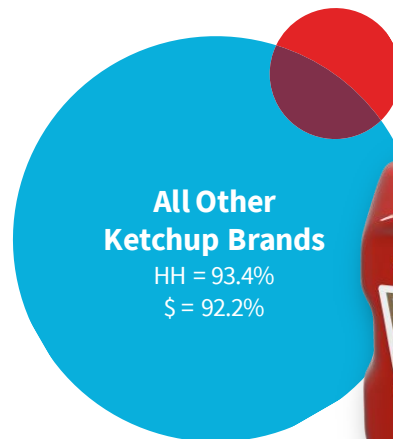
\$ = 0.3%

HH = 0.3%

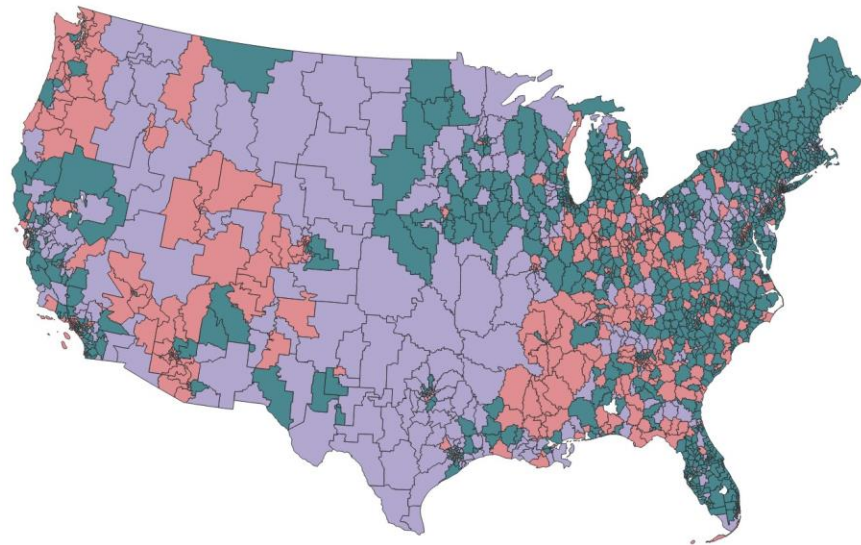
\$ = 0.6%

HH = 0.1%

\$ = 0.3%



Macro Trends vs. Local Dynamics: Navigating Diet Diversity in Today's Landscape



New Englanders and Floridians accelerating embrace of the low-carb lifestyle

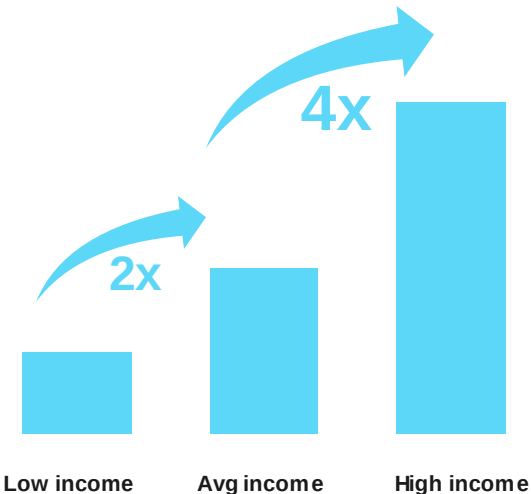


Paleo diet is a prevalent choice in Wheat Belt of the US



Whole 30 is dispersed across the entirety of the US

Share of products with Keto, Paleo, Whole30 claims increases dramatically by income level

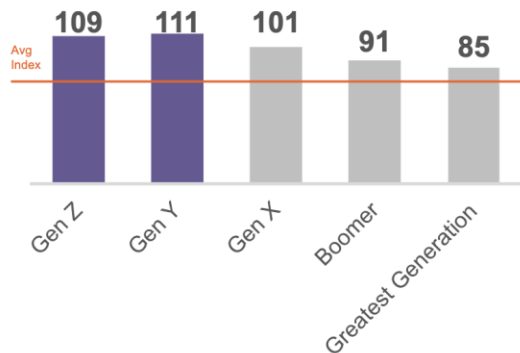
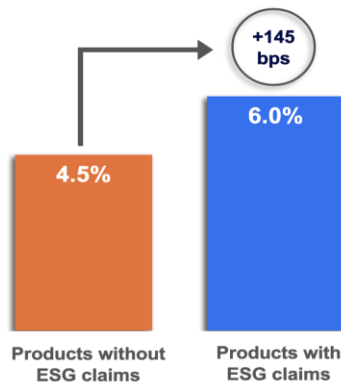


Better For You, Environment, Society Shopper is key to future growth and demands transparency in progress & reporting



Kraft Heinz Seeks to Reduce Carbon Emissions by Over 99% Across 10 U.S. Plants With Help from a \$170 Million Investment from U.S. Department of Energy. Mar 25, 2024

Retail Sales Growth Rate | % CAGR 2018-2022

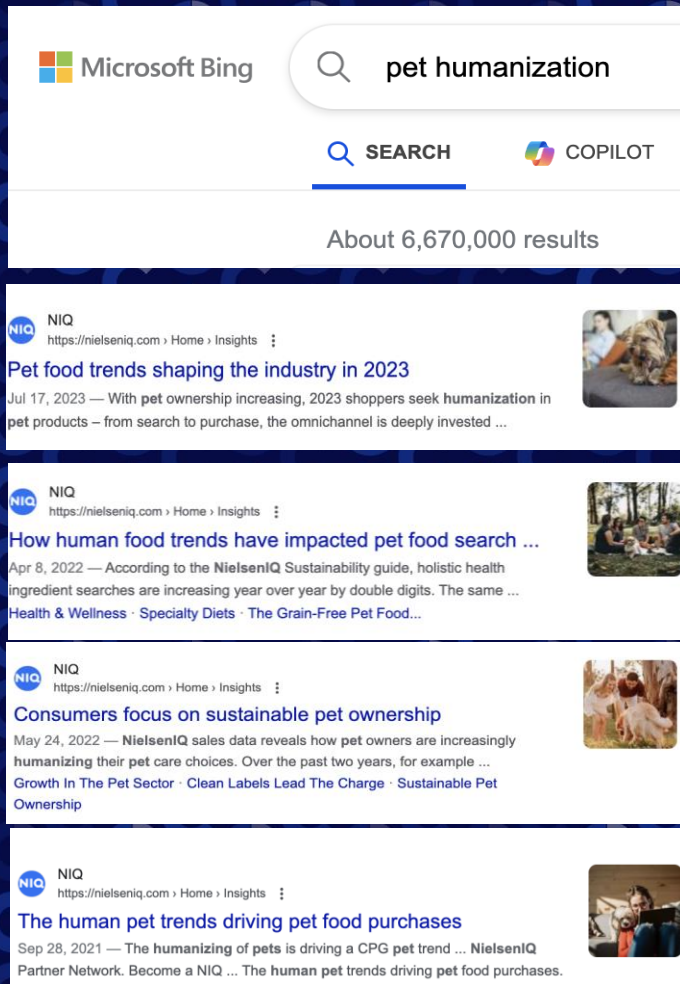




DARE TO Fly

How many search results for the humanization of pet trend?

1. 500 K
2. 1-5 M
3. 5-10 M
4. 10-15 M



The screenshot shows a Microsoft Bing search interface. At the top, the Microsoft Bing logo is on the left, and a search bar contains the text 'pet humanization'. Below the search bar, there are buttons for 'SEARCH' and 'COPILOT'. The search results section indicates 'About 6,670,000 results'. Below this, four search results are displayed, each with a blue 'NIQ' logo, a URL, a title, and a brief description. The first result is 'Pet food trends shaping the industry in 2023' dated Jul 17, 2023. The second is 'How human food trends have impacted pet food search ...' dated Apr 8, 2022. The third is 'Consumers focus on sustainable pet ownership' dated May 24, 2022. The fourth is 'The human pet trends driving pet food purchases' dated Sep 28, 2021. Each result includes a small thumbnail image on the right.

Microsoft Bing

pet humanization

SEARCH COPILOT

About 6,670,000 results

NIQ
<https://nielseniq.com> > Home > Insights > 

Pet food trends shaping the industry in 2023
Jul 17, 2023 — With pet ownership increasing, 2023 shoppers seek humanization in pet products — from search to purchase, the omnichannel is deeply invested ... 

NIQ
<https://nielseniq.com> > Home > Insights > 

How human food trends have impacted pet food search ...
Apr 8, 2022 — According to the NielsenIQ Sustainability guide, holistic health ingredient searches are increasing year over year by double digits. The same ...
Health & Wellness · Specialty Diets · The Grain-Free Pet Food... 

NIQ
<https://nielseniq.com> > Home > Insights > 

Consumers focus on sustainable pet ownership
May 24, 2022 — NielsenIQ sales data reveals how pet owners are increasingly humanizing their pet care choices. Over the past two years, for example ...
Growth In The Pet Sector · Clean Labels Lead The Charge · Sustainable Pet Ownership 

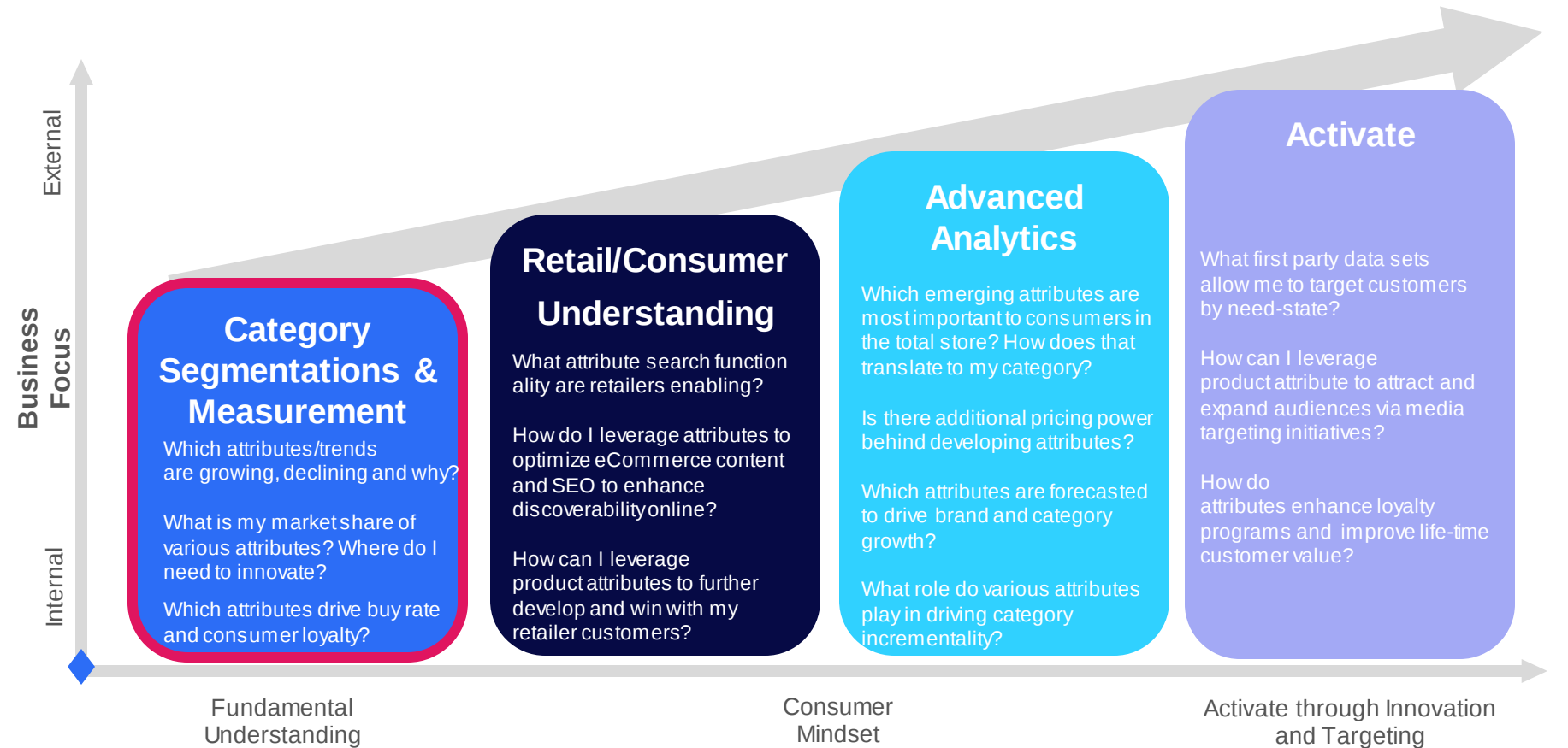
NIQ
<https://nielseniq.com> > Home > Insights > 

The human pet trends driving pet food purchases
Sep 28, 2021 — The humanizing of pets is driving a CPG pet trend ... NielsenIQ Partner Network. Become a NIQ ... The human pet trends driving pet food purchases. 

Nestle Purina Enhancing Loyalty with the Attributes that Matter to Pets & Owners at Every Life Stage



Nestle Purina is at the furthest end of the attribute maturity curve and always pushing the envelope



Health & Need States are top of mind for pet owners and Purina has tailored solutions to fit your pet's unique needs

Mental health

+101%

Mood and stress health



Proactive health

+9%

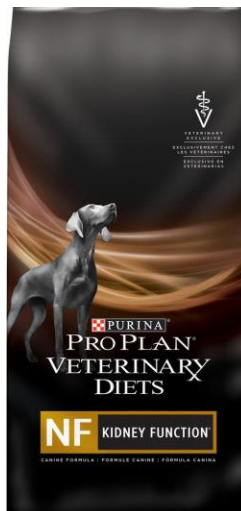
Urinary tract health



Ailment

+27%

Kidney function support



Physical

+40%

Performance support



Relief

+22%

Weight management

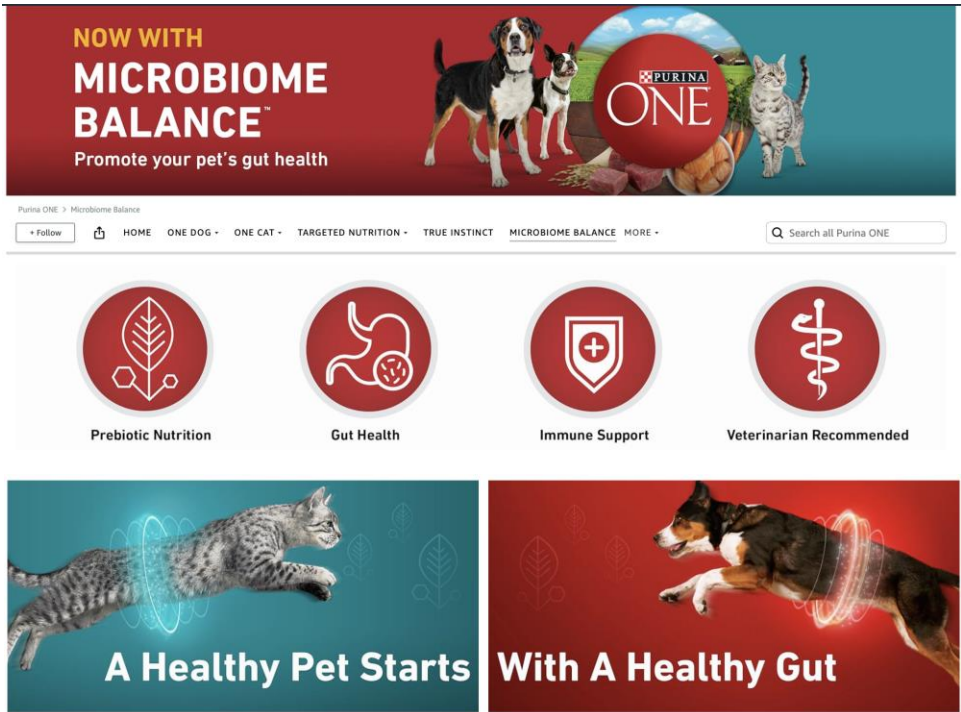


Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Pet Food; Total US xAOC + Pet Retailer; L52 weeks W/E 03/05/22 vs 2YA S = Stated, Q= Qualified

Microbiome health, an attribute so hot even Nestle's CEO took notice

+108%

Microbiome health

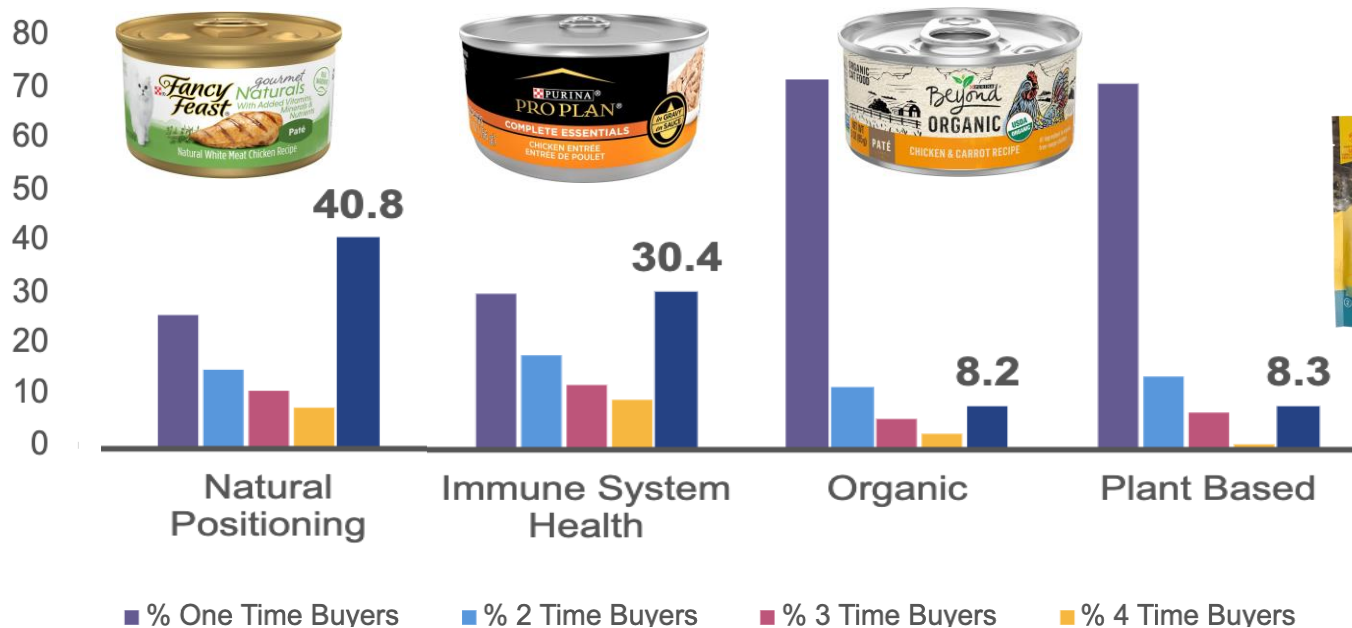


Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Pet Food; Total US xAOC + Pet Retailer; L52 weeks W/E 05/04/24 vs 4YA

Trial in pet is more complex than human, as switching foods requires a transition period. The flip side of higher barriers means products that satisfy drive lucrative repeat rates

41% of "Natural" Pet Food consumers make a purchase 5+ times a year

Repeat rates | **Total Pet Food – All Outlets**



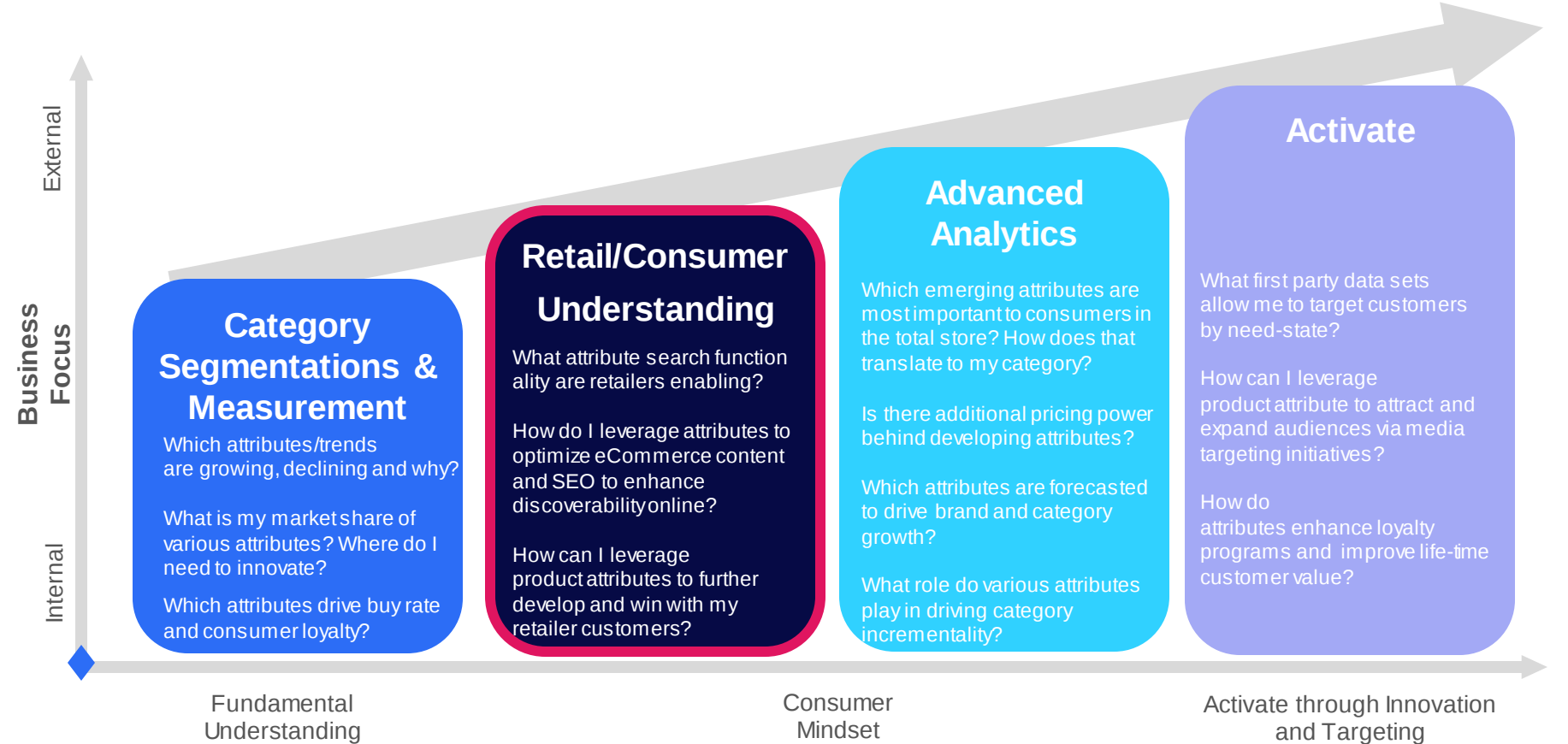
Role of pet treats
in driving trial



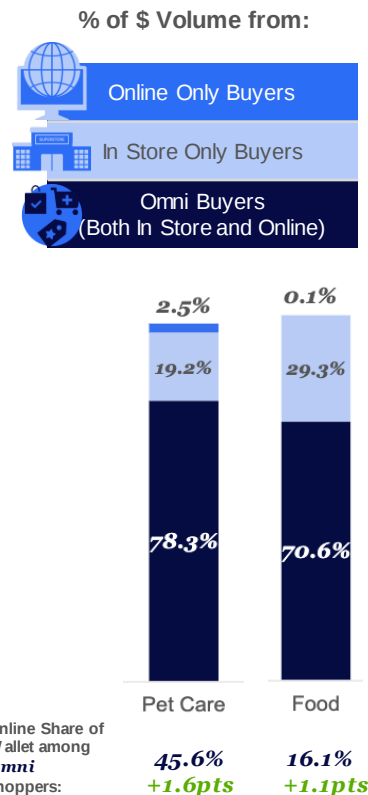
Of all households who purchased Pet Food products that claim "Natural", 26% purchased only one time, 41% purchased five or more times.

Source: NielsenIQ Product Insights Homescan panel; Total U.S. Panel, All Outlets, Category = Pet Food, 52 weeks W/E 02/26/22

Nestle Purina is at the furthest end of the attribute maturity curve and always pushing the envelope



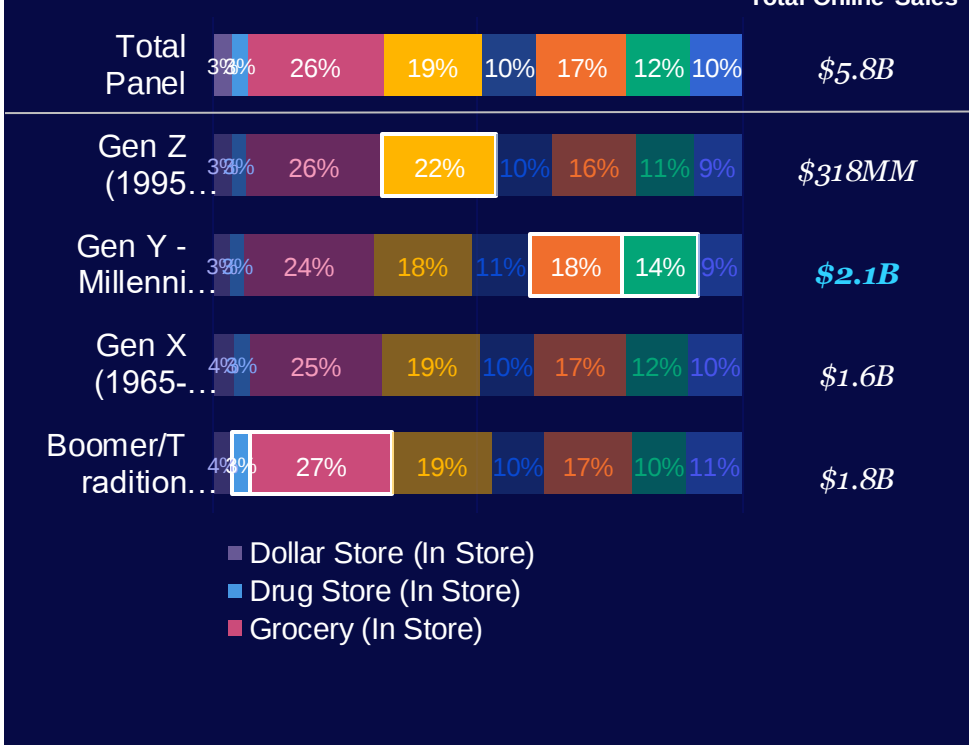
Pet was an early adopter of online and the online share of wallet reflects it



Millennials index highest for online

GenY have a higher share in all online

Share of Dollars



Millennials over index for Better For™ (You, Planet, Society) Product purchases

Gen Z

Animal welfare-related

- Cruelty Free, Humane

Social responsibility

- Ethical, B-Corp, fair trade

Clean label

- Free from aluminum, parabens, phthalates & sulfates, artificial fragrance
- Natural ingredients

Health needs

- Brain & eye health, hair/skin/nails, mood & stress
- Immune system health, microbiome

Gen Y / Millennials

All of Gen Z but to lesser degree

Highest indexing group for

- "Provides energy"
- Pregnancy and lactation support
- Reusable packaging

Highest indexing group for

- Consuming **Better For™** foods and organic overall

Retailer can be responded by influencing sophisticated attribute driven search, comparison, and recommendation features into their UX – a flywheel effect that further drives the importance of attributes to the pet food shopping experience



chewy Search USA 24/7 Help Sign In

This Item					
Purina ONE +Plus Adult Digestive Health Formula Dry Dog Food, 31-lb bag ★★★★★ 538 \$49.98 (\$1.61/lb) \$47.48 Autoship	Purina ONE +Plus Adult Joint Health Formula Dry Dog Food, 31-lb bag ★★★★★ 199 \$49.98 (\$1.61/lb) \$47.48 Autoship	Purina ONE +Plus Adult Skin & Coat Formula Dry Dog Food, 31-lb bag ★★★★★ 721 \$49.98 (\$1.61/lb) \$47.48 Autoship	Purina ONE +Plus Adult High-Protein Healthy Weight Formula Dry Dog Food, 31-lb bag ★★★★★ 1177 \$49.98 (\$1.61/lb) \$47.48 Autoship	Purina ONE Natural Large Breed +Plus Formula Dry Dog Food, 31-lb bag ★★★★★ 795 \$49.98 (\$1.61/lb) \$47.48 Autoship	
Add to Cart	Add to Cart	Add to Cart	Add to Cart	Add to Cart	

Health Feature

Digestive Health, Sensitive Digestion, Immune Support...	Immune Support, Hip & Joint Support, Muscle Care...	Digestive Health, Hairball Control, Circulatory Care	Appetite Stimulation, High-Energy, Muscle Care...	High-Energy, Immune Support, Muscle Care...
--	---	--	---	---

Special Diet

High-Protein, Sensitive Digestion, Natural, With Grain	High-Protein, Natural, With Grain	Sensitive Digestion, High Fiber, Natural	High-Protein, Weight Control, Natural, With Grain	High-Protein, Natural, With Grain
--	-----------------------------------	--	---	-----------------------------------

Lifestage

All Lifestages, Adult	All Lifestages, Adult	All Lifestages, Adult	All Lifestages, Adult	All Lifestages, Adult
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Form/Texture

What kind of food does Fido prefer?

Select all that apply

☐ Dry

☐ Wet

☐ Fresh, raw, freeze-dried, dehydrated and others

Diets & Lifestyles

Any care needs we should know about?

We've created options to address ongoing care needs. It's also ok if your pet has no consistent issues. In fact, that's great! Please consult with your veterinarian if you're unsure about your pet's specific needs.

No Specific Needs
Looks like your pet won't be needing any specialty formulas.

Weight Management
Change to formula that helps alleviate stress on bones & joints and address maintaining ideal weight.

Sensitive Stomach
Formulas that help soothe and repair your dog's system and help support digestive issues like diarrhea and gas.

Sensitive Skin & Coat
Formulas to help soothe and repair itchy scratching and skin sensitivities.

Springing/Rehoming
Formulas to help fuel performance, help increase energy and help keep strong, active dogs at their peak.

Unfamiliar Ingredient Diet
Formulas that may help address food sensitivities with unique proteins and base ingredients.

Nutrition/Ingredient Based

What's your wellness approach for Fido?

Every pet parent has their own style when it comes to what they look for in dog food. Each food has its own unique benefits so it's totally up to you what you prefer.

Natural or Holistic
Nutrition made with premium ingredients.

Science
A tailored diet backed by decades of industry leading research and veterinarian expertise.

No Preference
I don't have a preference for either.

Recommendation

2. Toppers
10% of your pet's kibble. For additional protein, moisture, and variety. The more frequently you can incorporate into your pet's meal, the better – value still balanced.

FRESH PROTEIN POUCHES
About 1/4 cup of Daily Clean Chicken & Salmon Wild Caught Dry Food
\$10.19 - \$13.99

[VIEW DETAILS >](#)

LIPOIC ACID AND HEALTH CARE
The Power Kibble Chelated Whole Grain Chicken Recipe Dry Food
\$10.19 - \$13.99

[VIEW DETAILS >](#)

WET
WhiskerTender Cuts for Chicks the Super Easy Protein Recipe Wet Topping
\$10.19 - \$13.99

[VIEW DETAILS >](#)



eCommerce search trends provide a total category trend identification signal and a content optimization opportunity for Purina brands

Retailer X Pet Wellness Icons Examples

Attribute Name	Search Volume	Volume % Change	% of Category UPCs Claimed	# of Purina UPCs Claimed
Grain Free	535,101	-24%	27%	262
Natural	284,464	-35%	36%	748
Organic	115,410	-26%	1%	13
Limited Ingredients	97,949	5%	5%	51
Non-GMO	405	-2%	3%	11

Retailer X Pet Flavor Examples

Attribute Name	Search Volume	Volume % Change	% of Category UPCs Claimed	# of Purina UPCs Claimed
Chicken	495,530	-45%	27%	761
Gravy	437,112	-56%	7%	270
Catnip	338,112	2%	<1%	4
Salmon	310,634	-23%	7%	257
Grilled	148,830	-63%	<1%	25
Beef	148,750	-47%	15%	363

Retailer X Pet Health Considerations Examples

Attribute Name	Search Volume	Volume % Change	% of Category UPCs Claimed	# of Purina UPCs Claimed
Dental & Breath Health	1,571,563	-3%	8%	84
For Pet Training	700,068	-18%	2%	38
Calming	373,124	-5%	<1%	0
Urinary Tract Health	187,067	-21%	<1%	43
Sensitive Stomach	184,007	-14%	1%	51
Healthy	165,036	-3%	22%	402

Retailer X Pet Food Form & Life Stage Examples

Attribute Name	Search Volume	Volume % Change	% of Category UPCs Claimed	# of Purina UPCs Claimed
Wet	6,119,496	-27%	25%	821
Dry	6,037,618	0%	26%	912
Chew (Form)	2,147,363	-13%	13%	92
Kitten Stage	1,378,711	-15%	4%	187
Puppy Stage	1,111,194	-25%	5%	130
Small Breed	966,462	-5%	5%	124

NielsenIQ eCommerce Search Insights, Latest year ending September 2023 – Aggregate search volume from Chewy, Amazon, Walmart, Petco, Shipt, Target, Kroger, Instacart, Costco, Sam's, CVS, Walgreens

Bringing the attributes retailers care about into category management discussions allows Purina to find mutually beneficial growth opportunities

	Free From Artificial Flavors Pet Food Sales
➡➡	Retailer X Total
	\$1.19B
	+5.3%
➡➡	Retailer xAOC REM
	\$16.7B
	+13.6%



Target Clean
Products with meat, poultry or seafood as first ingredient & formulated without artificial flavors, colors or preservatives.



Grain-Free
Products that have an unqualified on-pack marketing "grain-free" claim.



Meat, poultry, or seafood as first ingredient
Products that have an on-pack statement indicating that meat, poultry, or seafood is the first ingredient in the product.



Natural
Products that have an unqualified on-pack marketing "natural" claim.



No animal by-products
Products that have an unqualified on-pack marketing "no animal by-products" claim.



No artificial flavors, colors, or preservatives
Products that have an unqualified on-pack marketing claim about the absence of all three types of ingredients in the product.



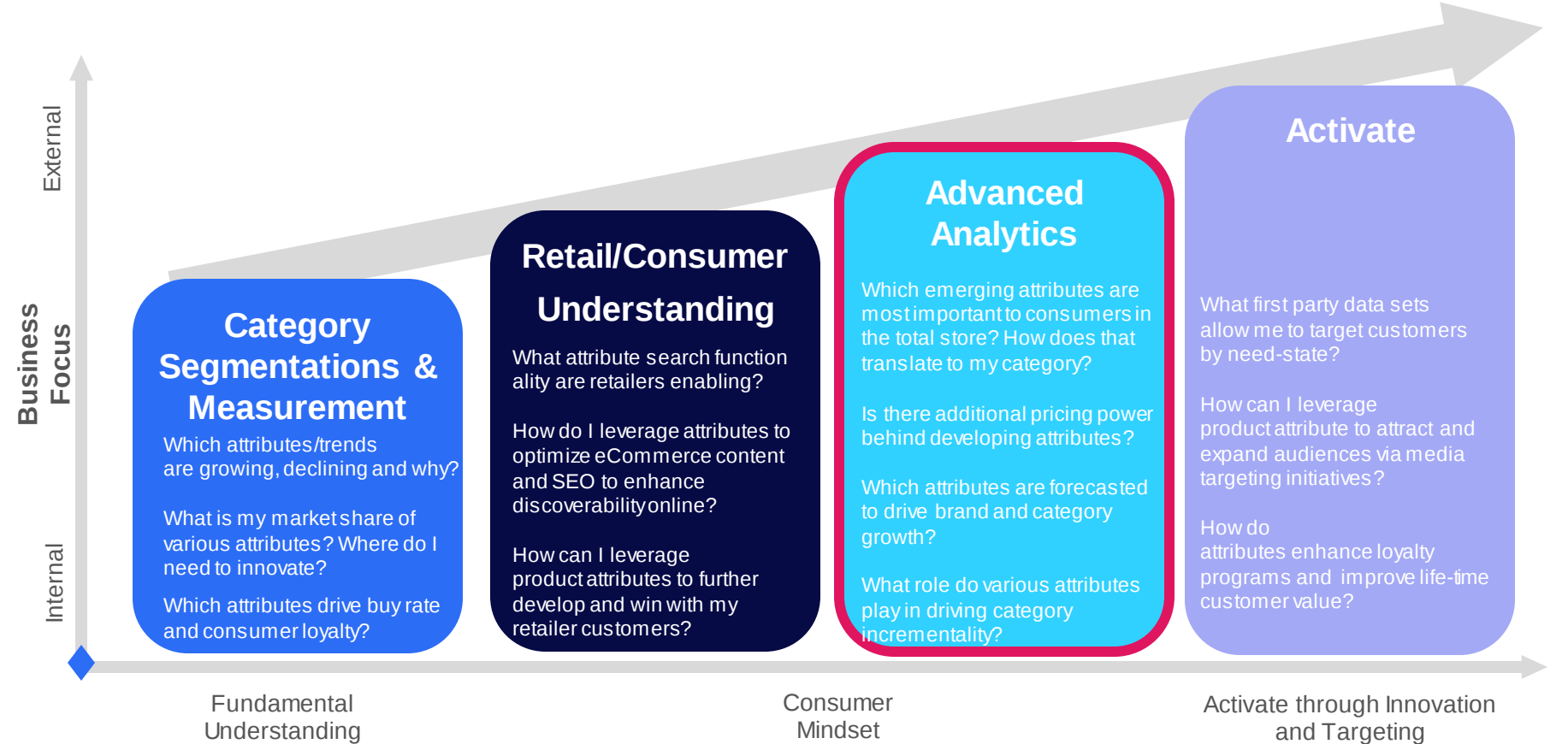
Non GMO
Products that have an independent third-party certification or unqualified on-pack marketing claim relating to the final product being made without genetically engineered ingredients.



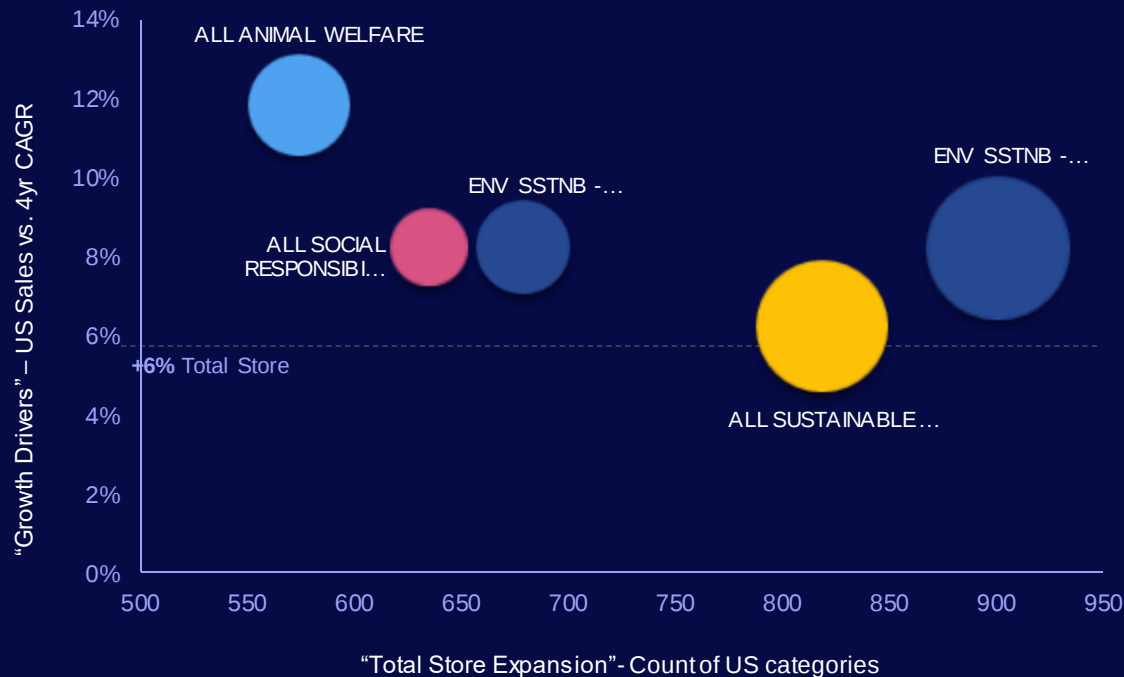
Organic
Products that carry the USDA Organic Certification on-pack, thereby meeting the National Organic Program's definition of "Certified Organic" or "100% Certified Organic."

Source: NielsenIQ Retail Measurement Services, NIQ Product Insider, L52W ending 12/02/23; Syndicated

Nestle Purina is at the furthest end of the attribute maturity curve and always pushing the envelope



The situation: Sustainability is outpacing store growth



+248

basis points

More growth in products with claims on **environmental, sustainable packaging, animal welfare, social responsibility** than on products without over the last four years

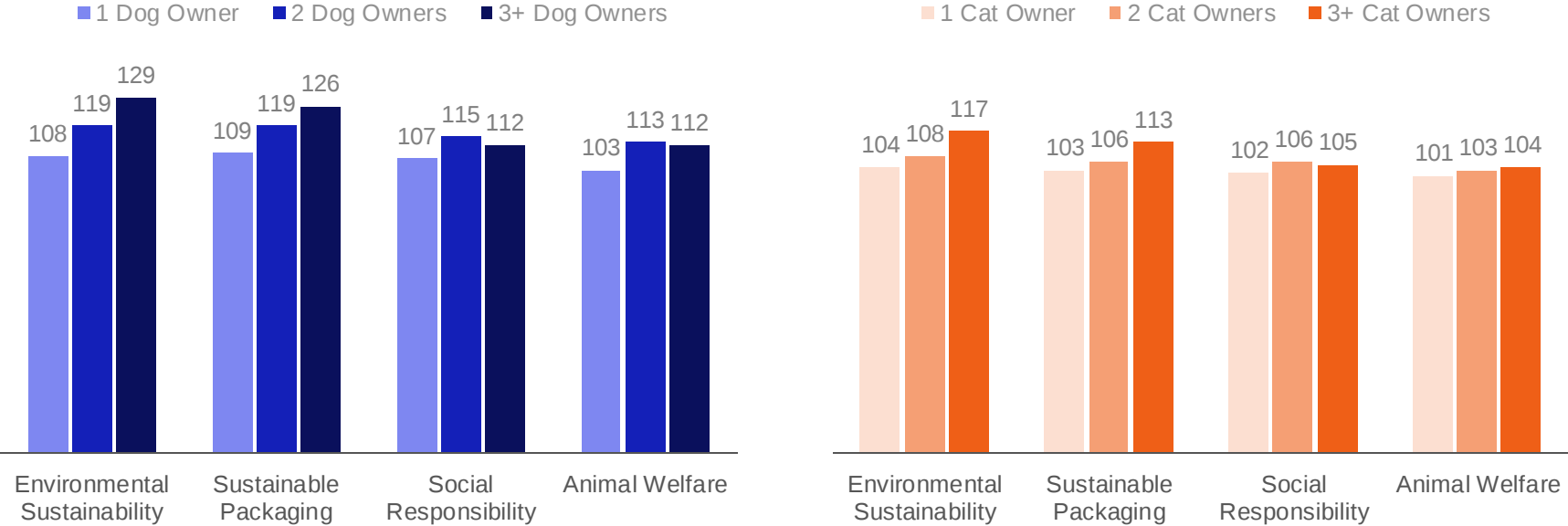
34%

Brands with >50% of sales from products with **sustainability-related claims** achieve repeat rates of up to 34%

Bubble size denotes total sales in L52 week. All attributes represent claims STATED on package unless indicated by an * symbol.
Source: NIQ, Retail Measurement Services, NIQ Product Insight, powered by Label Insight, Total US xAOC; Total Store; # of Categories selling, 4-yr CAGR (\$); 52 weeks ending December 30, 2023

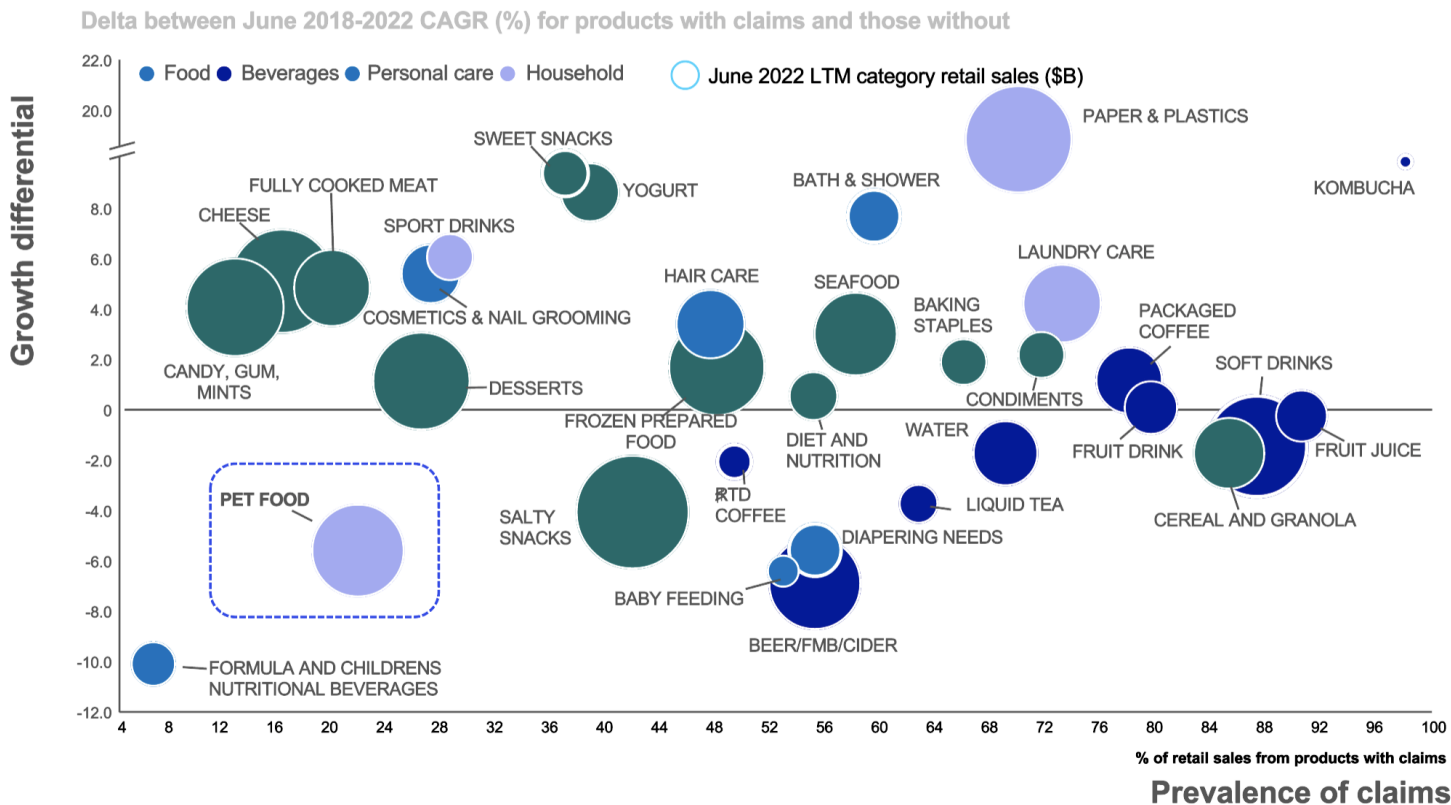
Situation Continued: And Households with more pets show higher interest in sustainability

Households with Pets | Purchase Index vs Heavy Sustainable buyers

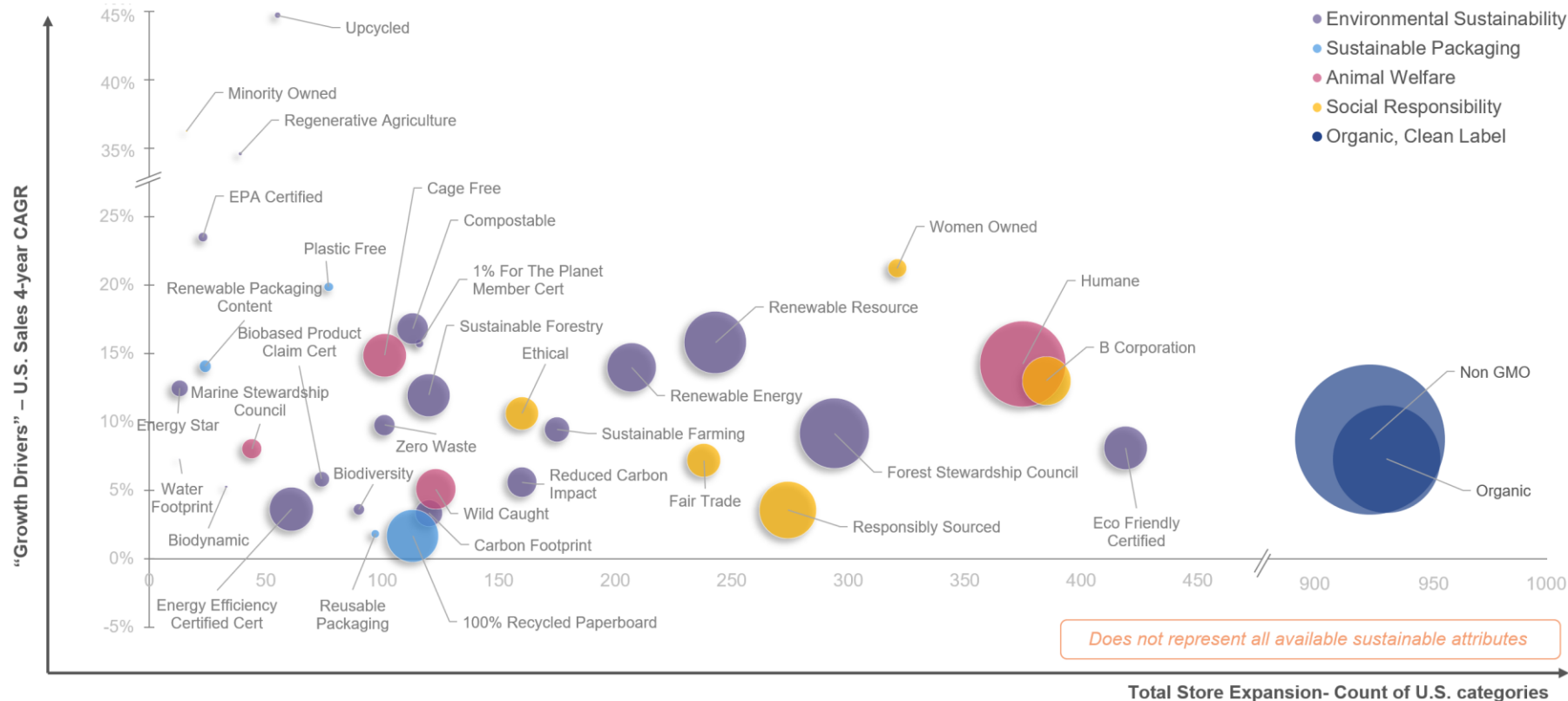


Source: NielsenIQ Spectra Panel; Best Products; MRI+Simmons survey : Households with pets; Total US; 2022 YTD Sales and 2021 Census

The Conundrum: Pet food has one of the lowest prevalence of ESG claims, making identifying trends within the category a challenge



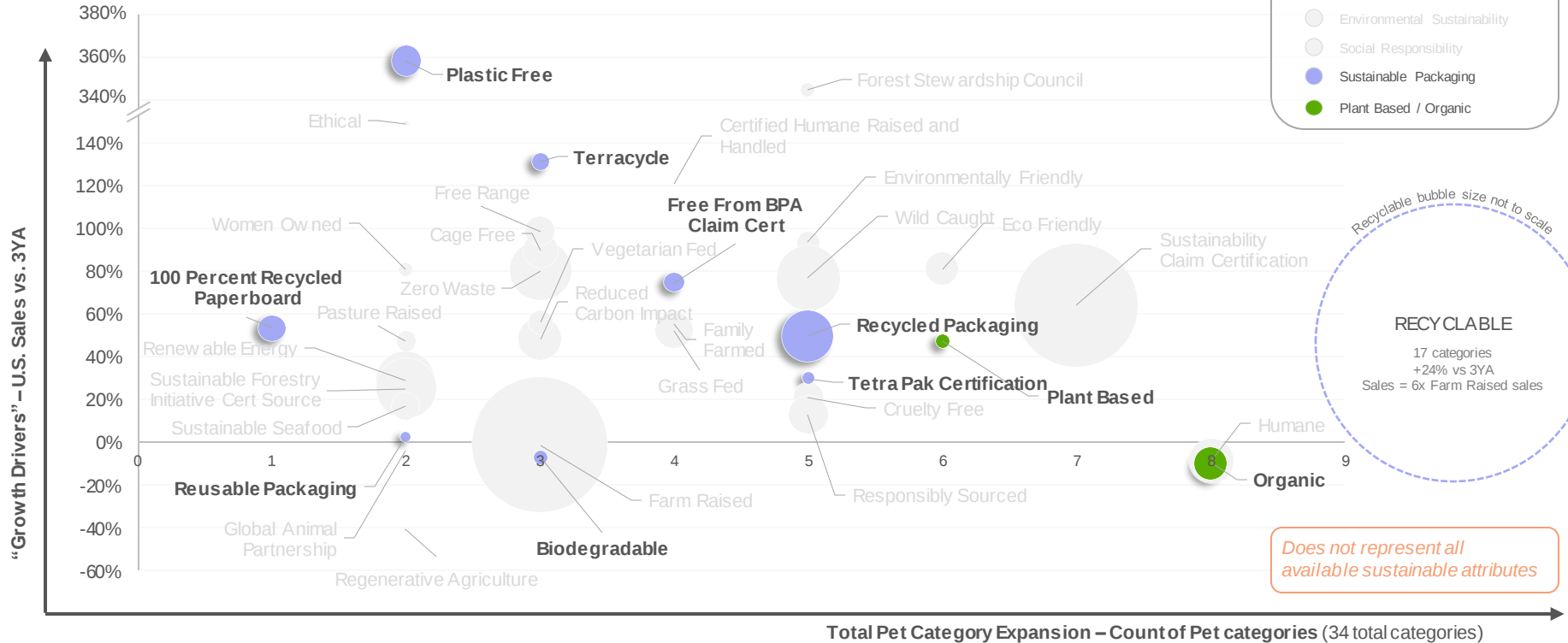
Solution: Expanding to a total store view enables Purina to identify humanization ESG trends early that will influence pet owner buying behavior



Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol
Source: NIQ Retail Measurement Services, NIQ Product Insight—powered by Label Insight, Total US xAOC ; Total Store; Count of categories, 4-year \$ CAGR; 52 weeks ending January 27, 2024

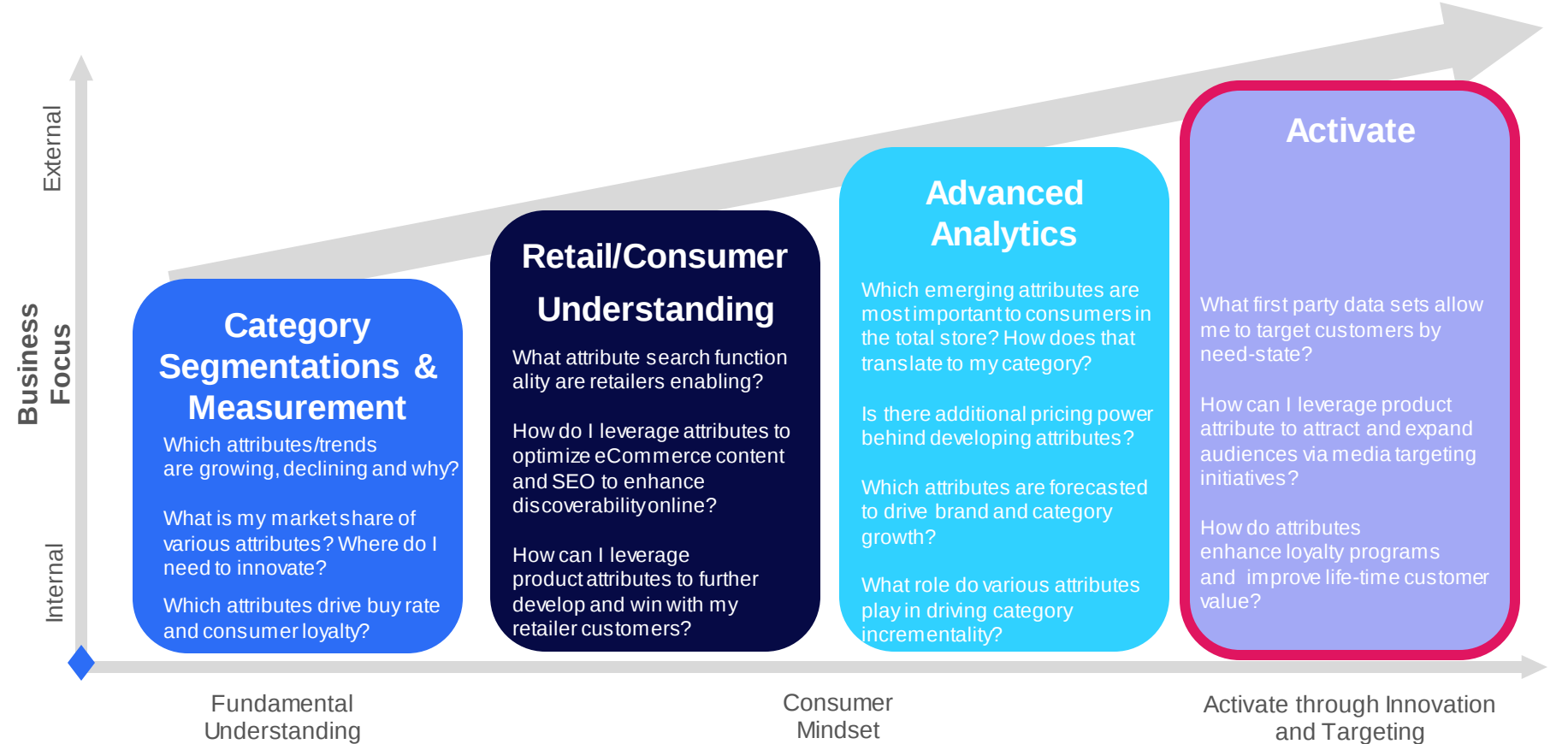
Then with an understanding of total store ESG trends, lead on the growth driving elements of sustainability that are true to Purina's brand and feasible to be applied to the pet category

Total Pet Care



Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol
Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Pet Care; Total US xAOC; 52 weeks W/E 02/25/23 vs 3YA

Nestle Purina is at the furthest end of the attribute maturity curve and always pushing the envelope



A Treasure Trove of Loyalty Data Sources + the Product Attributes Households Purchase - Personalize Offers Based on our Shopper's Pets Need States & Diet Preferences

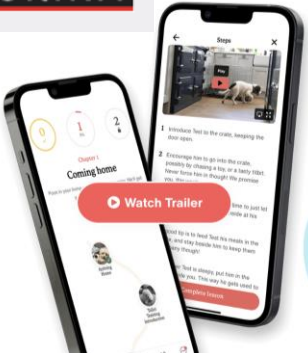
ZigZag Puppy Training App

[Download now](#)

POWERED BY  **PURINA®**

Puppyhood, made easy

- ✓ Zigzag is the app 100% dedicated to puppyhood training
- ✓ Simple bitesize lessons, tailored to your pup's breed & age
- ✓ Unlimited 24/7 instant chat with our puppy training experts
- ✓ Packed with videos, tips, tools & community for peace of mind



Retail Loyalty Data









MyPurina Loyalty App

Dogs ▾ Cats ▾ Why Purina ▾ Purina Perks ▾ Products ▾ Search

Introducing the myPurina App



Your Pet. Our Passion. One App.

The myPurina app rewards you for being a great pet parent. Earn points on your pet's favorite Purina products and easily redeem them in the rewards catalog. Plus, build your pet's profile, get personalized product recommendations, and enjoy exclusive offers.

[Download For iOS](#) [Download For Android](#)



Rewards

Earn, track, and redeem points for shopping your pet's favorite Purina products.



Personalized for Your Pet

Build your pet's profile and use the Pet Food Finder to get expert-backed product recommendations.



Train + Play

Discover new ways to bond with your pet through a library of games, enrichment activities, and training exercises.

Product attributes enrich multiple elements of loyalty – rewards, recommendations, engagement



Purina's **enterprise loyalty program**, enabling shoppers to earn points for Purina purchases and redeem in-app for products and rewards.



Personalized pet food recommendation engine, using AI to match shoppers with wet and dry products across brands based on their pet's unique needs.



Library of **on-demand training and enrichment content** – including articles and videos – that deepens the pet/owner relationship.



YOUR PET. OUR PASSION. ONE APP.



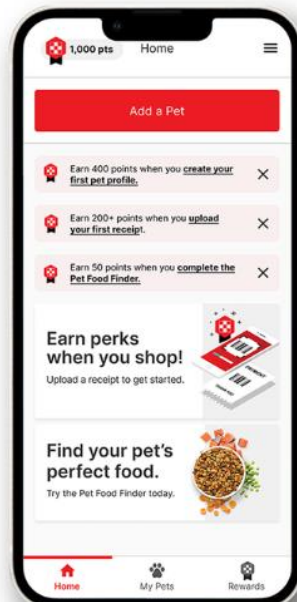
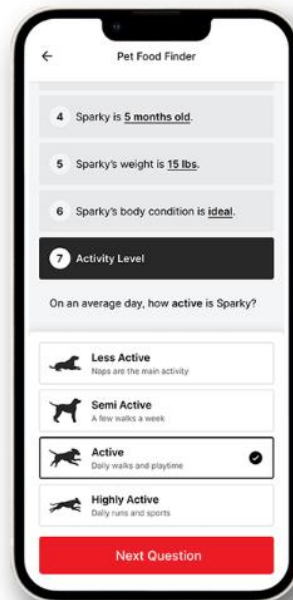
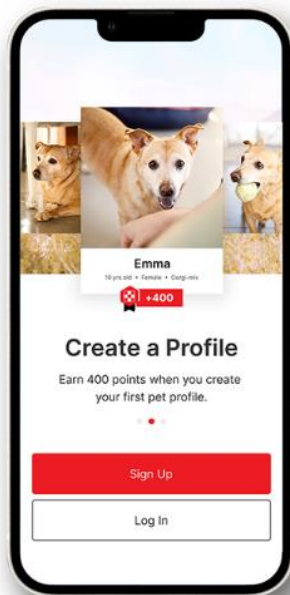
Scan to download.



Download on the
App Store



GET IT ON
Google Play



Thank you!

Who wants to see this
mash-up come to life?

Jason Lipsitz
Jason.lipsitz@nielseniq.com

NIQ

© 2024 Nielsen Consumer LLC. All Rights Reserved.

KraftHeinz



PURINA



Beggin' Dog Ketchup



C360

Envision *what's possible*