Snackonomics 3.0

Part I: Snacklash – When Taste Meets Turmoil

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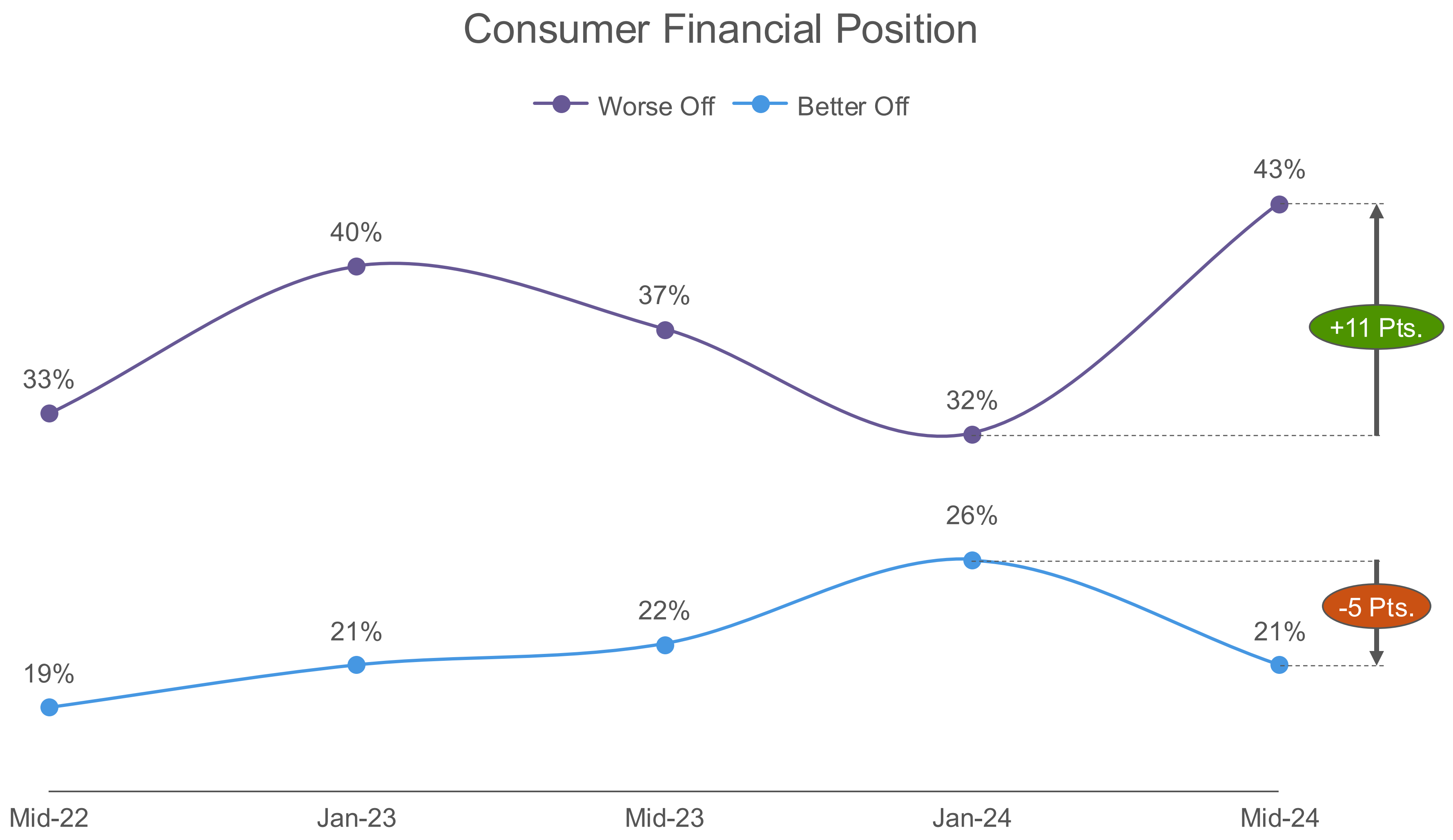
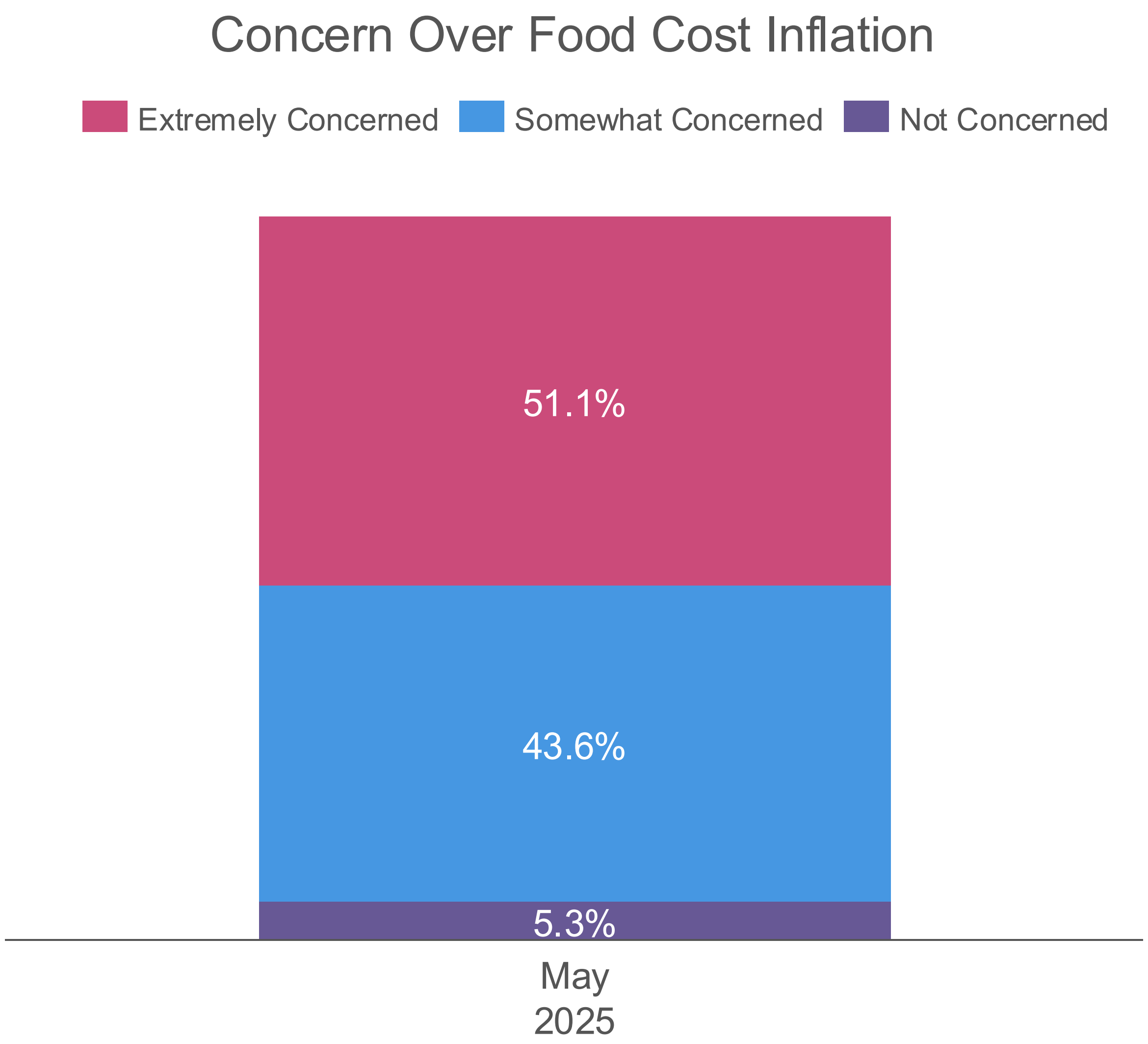
Financial sentiment deteriorated heading into 2025 as consumers faced a reality of unknowns



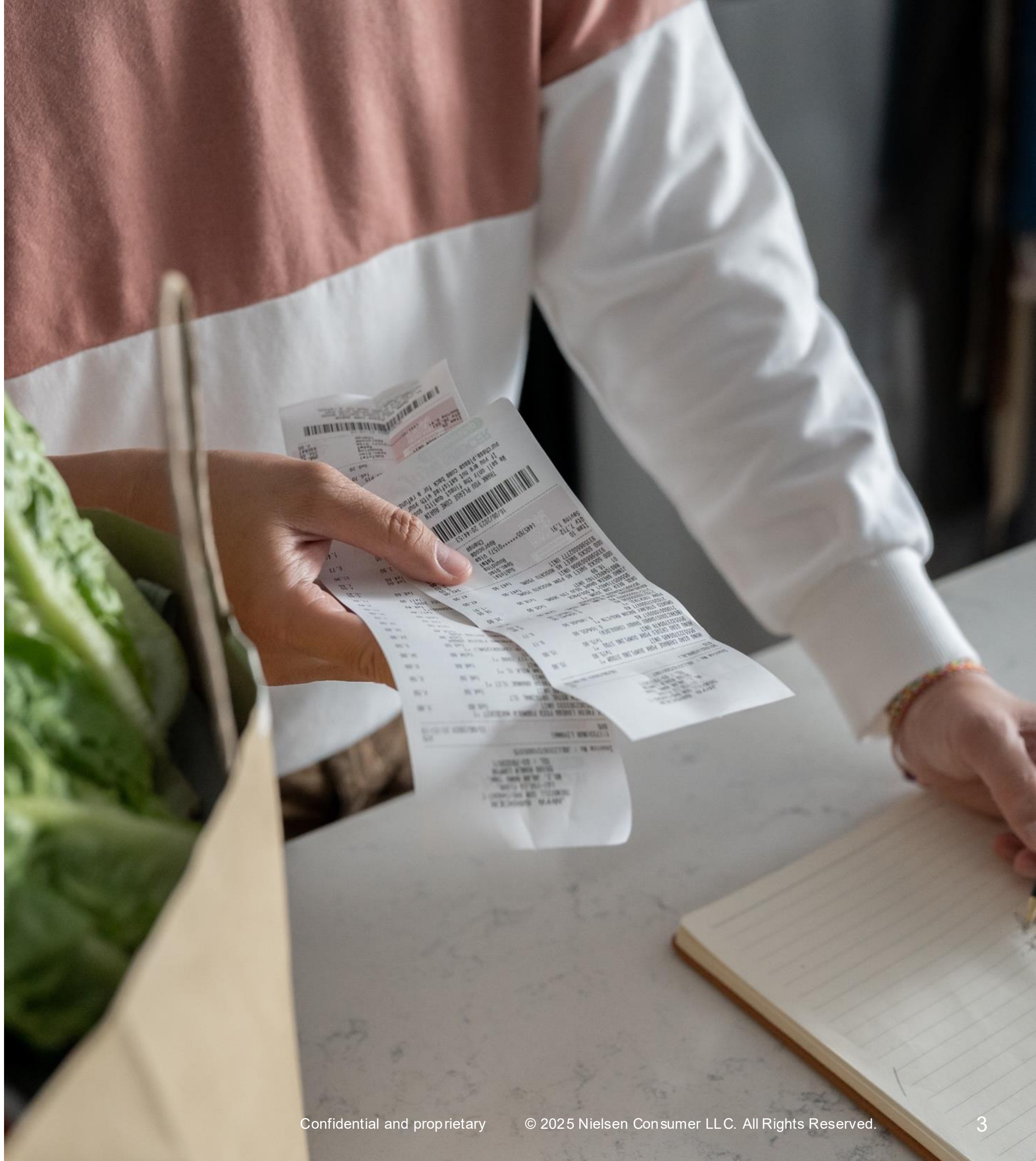
For those feeling worse…

Left Source: NIQ 2024 Mid-Year Consumer Outlook
Right Source: NIQ, BASES Quick Question Omnibus Survey, January 2025

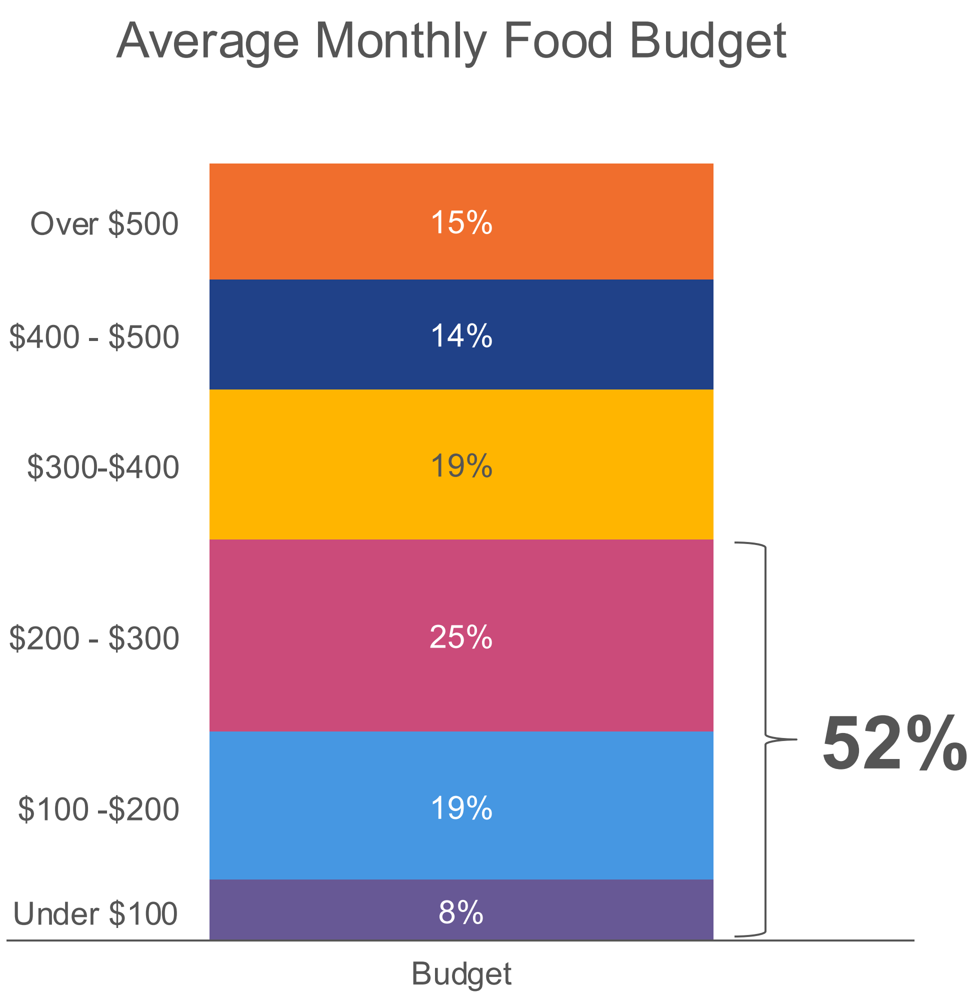
Concern over food price inflation is elevated



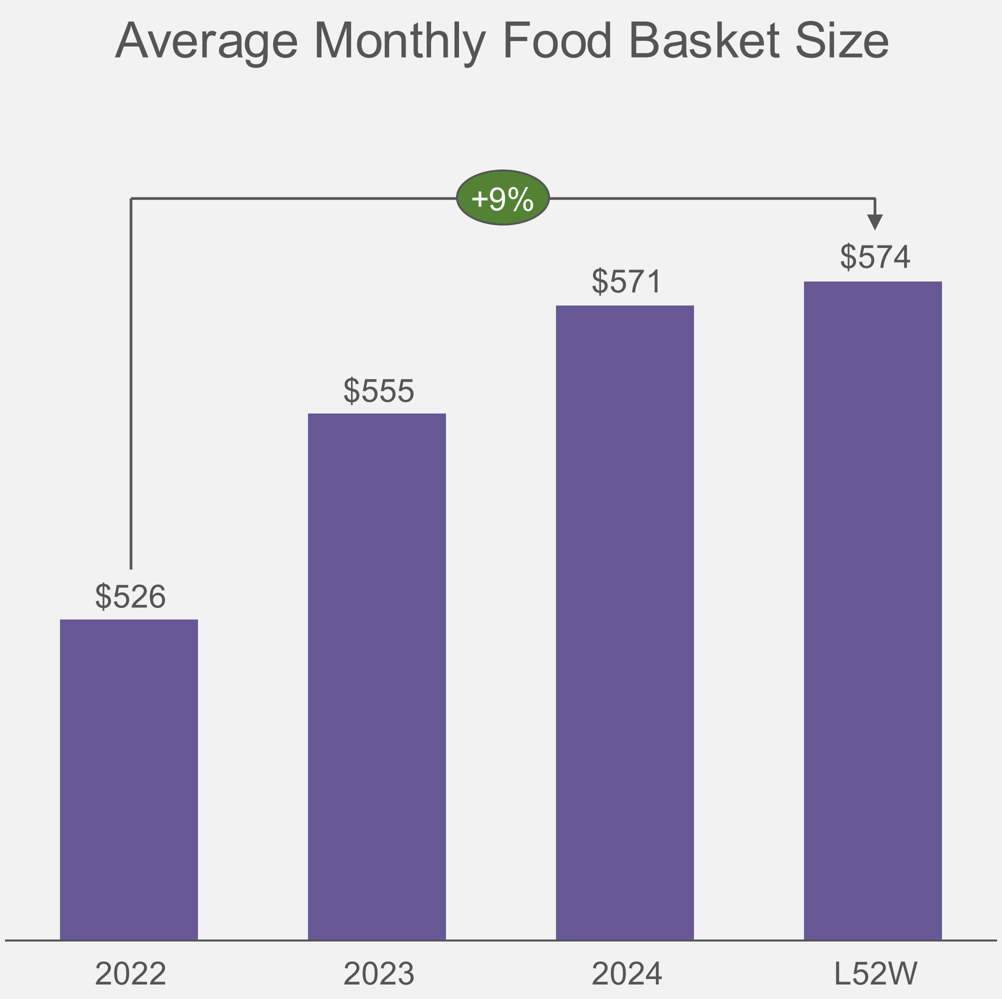
Source: NIQ, BASES Quick Question Omnibus Survey, May 2025 n=1,000



Most budget $300 or less each month…



…but average monthly spend is nearly $575



Left Source: NIQ, BASES Quick Question Snackonomics Survey, April 2025 n=3,123
Right Source: NIQ, Panel On Demand, Omnishopper, Total Full View, 52 Weeks Ending 2/22/2025

High prices are causing shoppers to adapt

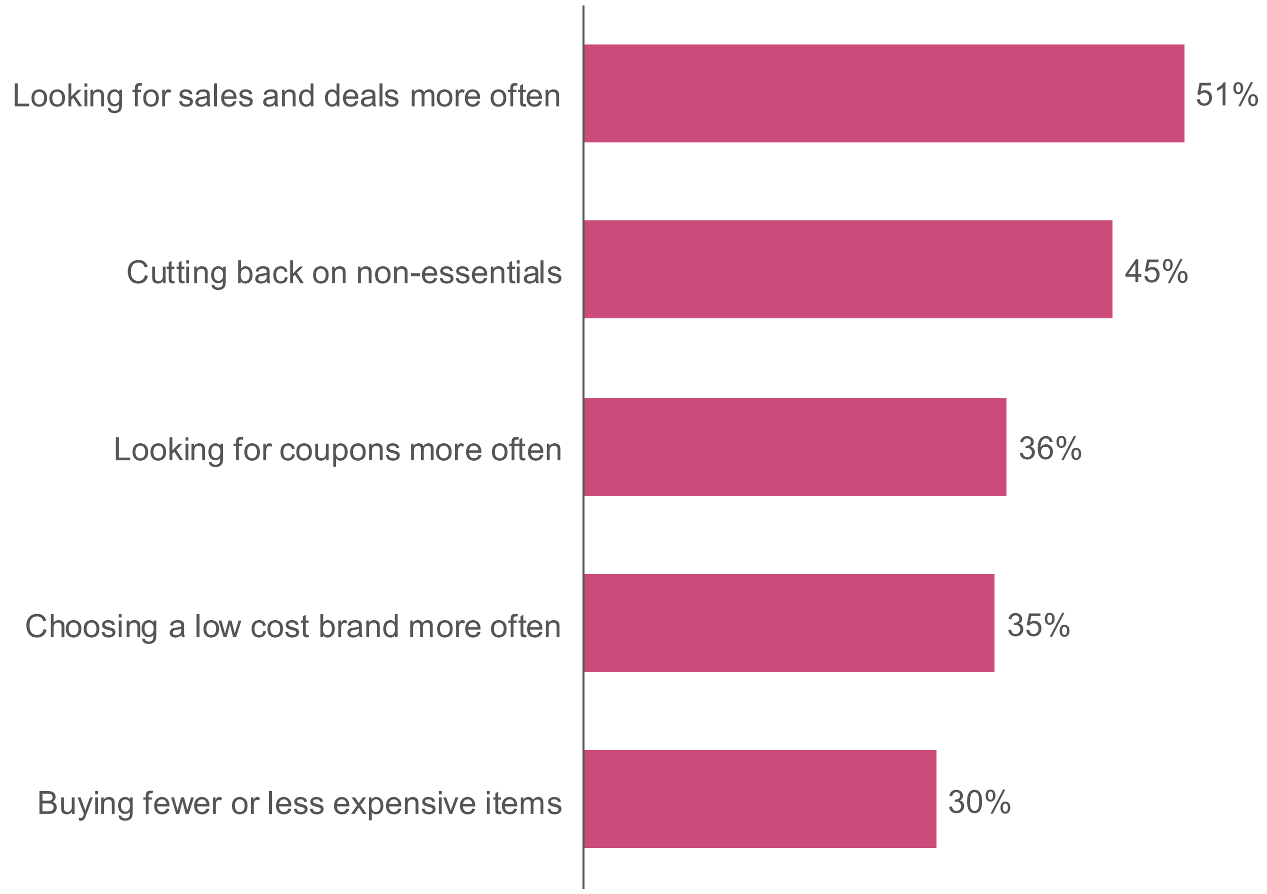
44%

*Believe prices are **much higher** than a year ago*

43%

*Believe prices are **slightly higher** than a year ago*

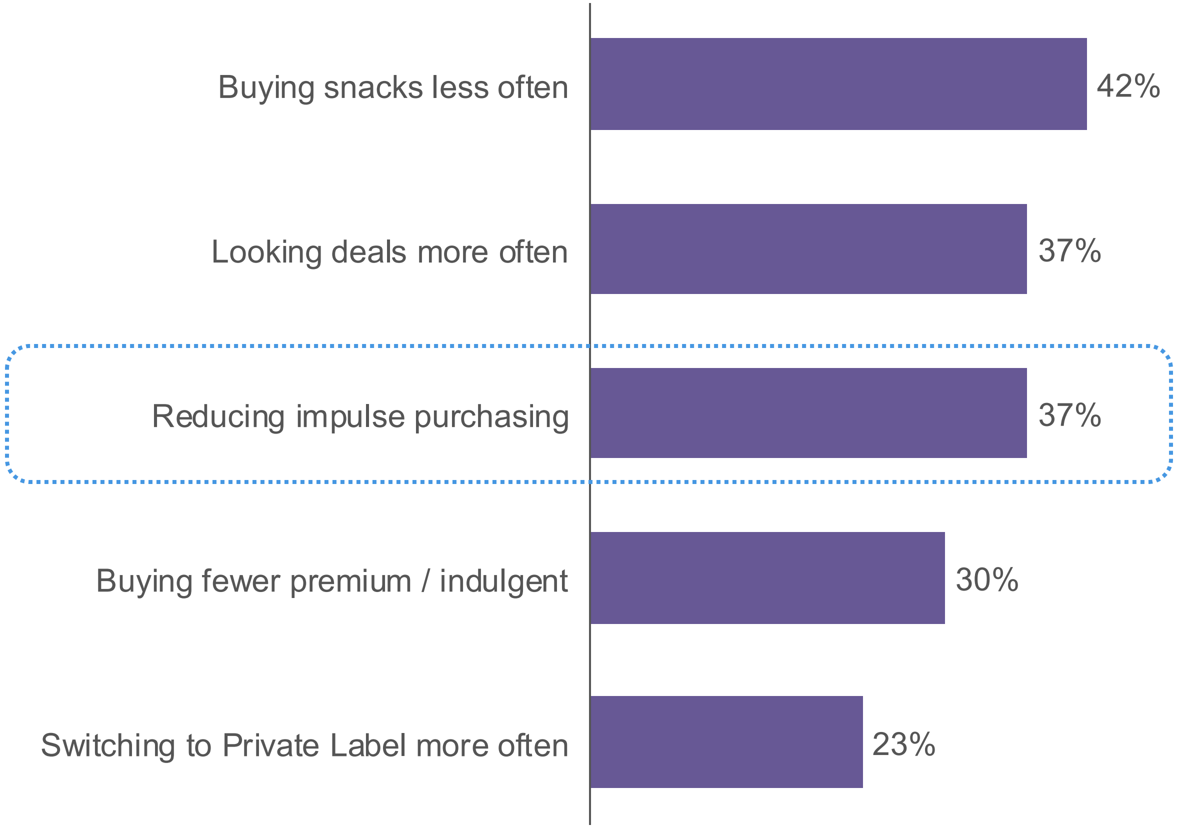
Top Cost-Saving Strategies



Source: NIQ, BASES Quick Question Omnibus Survey, May 2025, n=1,000

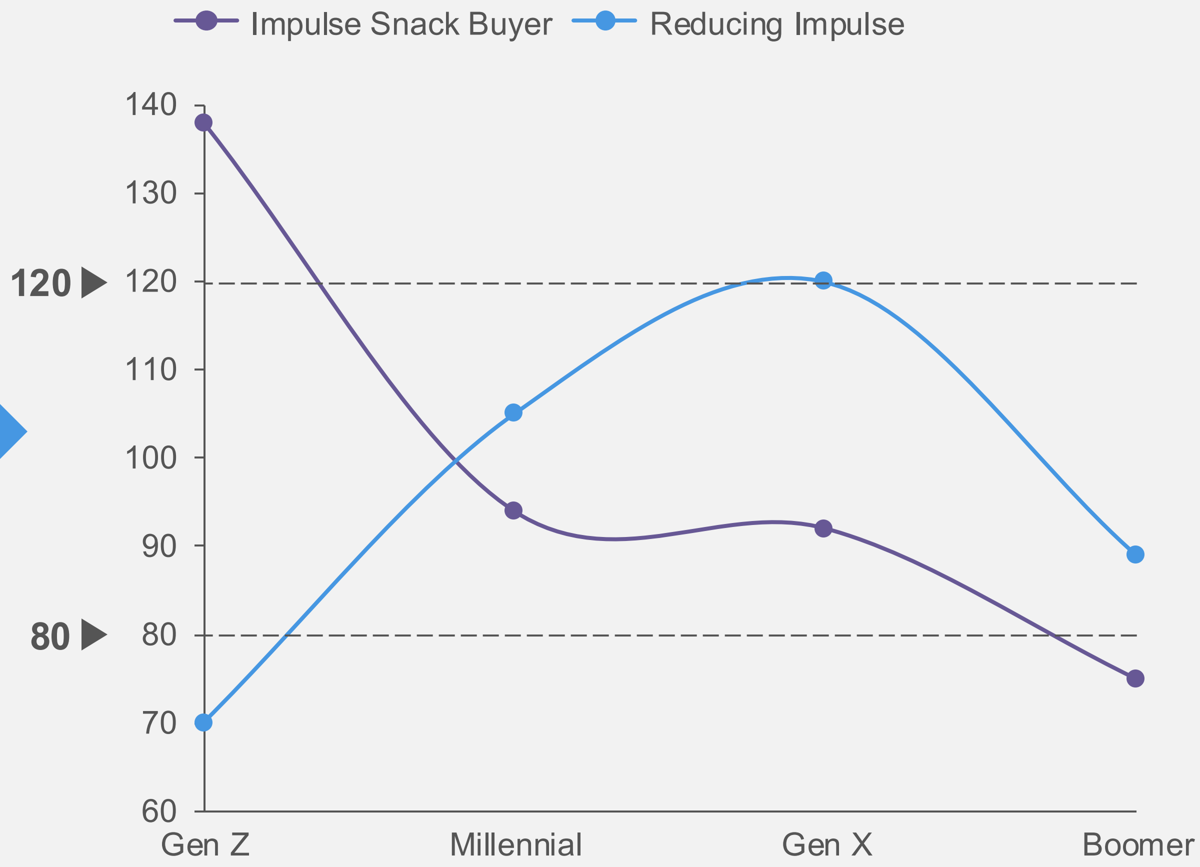
Snacking behavior is adapting too

Impact Of Inflation On Snacking Behavior



Protect Gen Z impulse snack buyers

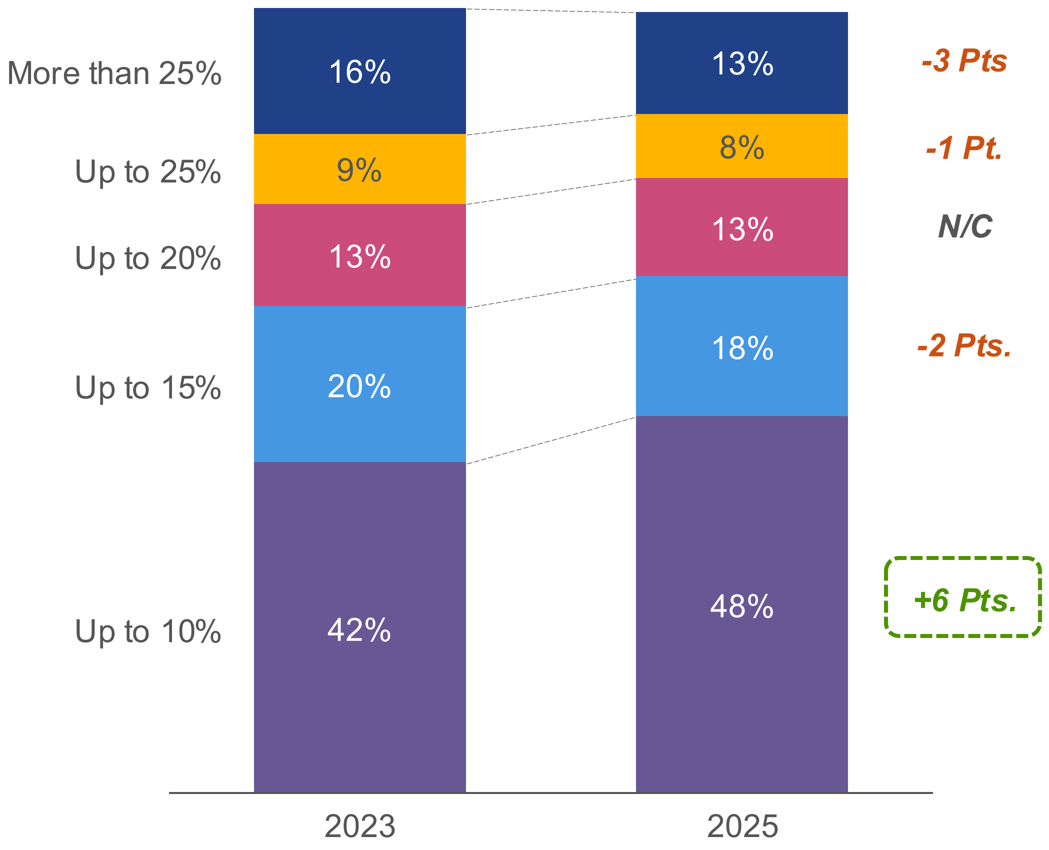
Impulse Snack Buying Trends By Generation



Left Source: NIQ, BASES Quick Question Omnibus Survey, May 2025 n=1,000
Right Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

Snacks are getting less of the budget now

Percent Of Monthly Food Budget Spent On Snacks



Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123 Vs. Snackonomics 1.0, June 2023 n=2,500

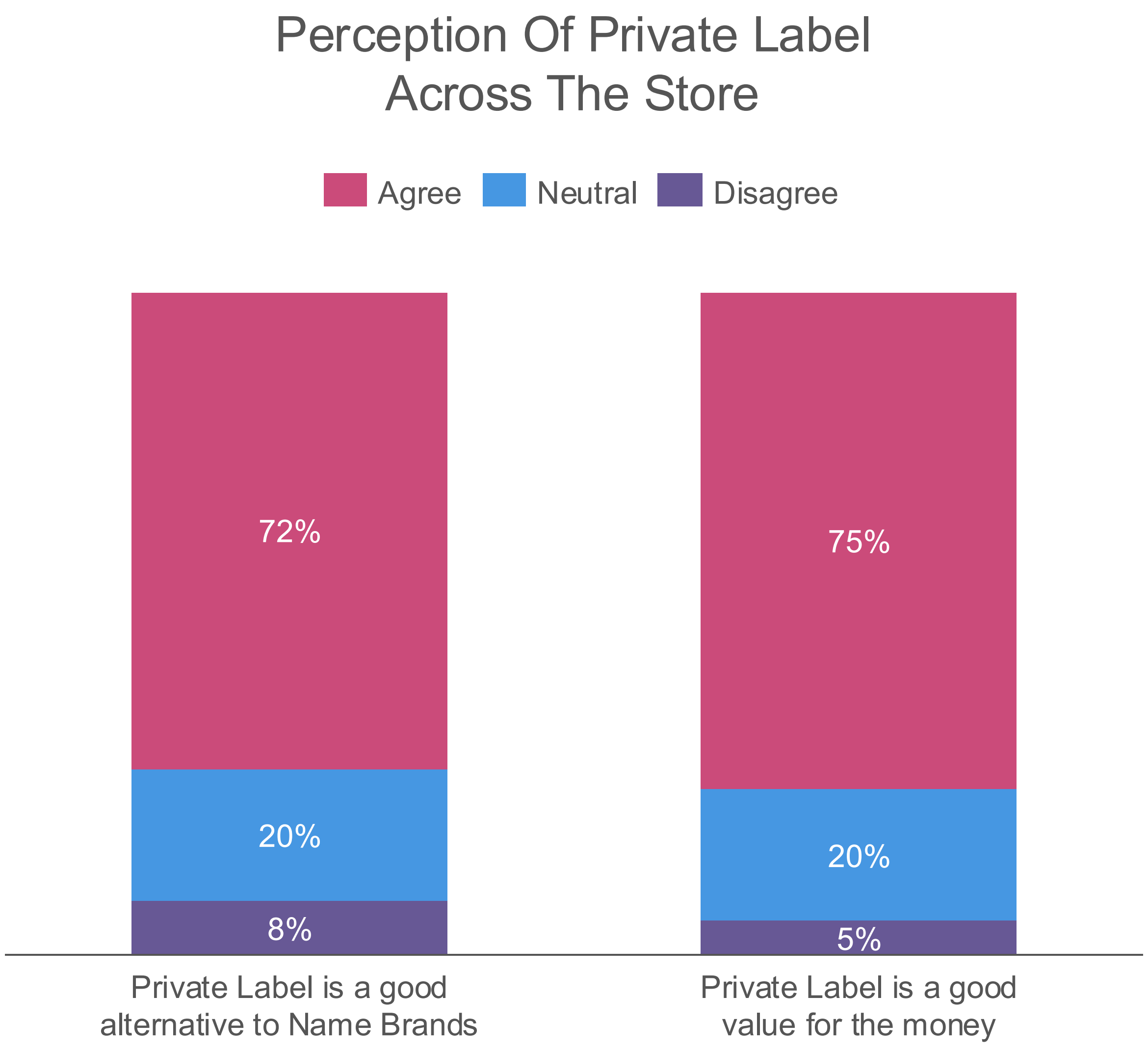
NIQ

Buying Private Label is a growing habit

Private Label Purchasing
Across The Store

Source: NIQ, *Finding Harmony On The Shelf*, US Data, March 2025, n=1,000

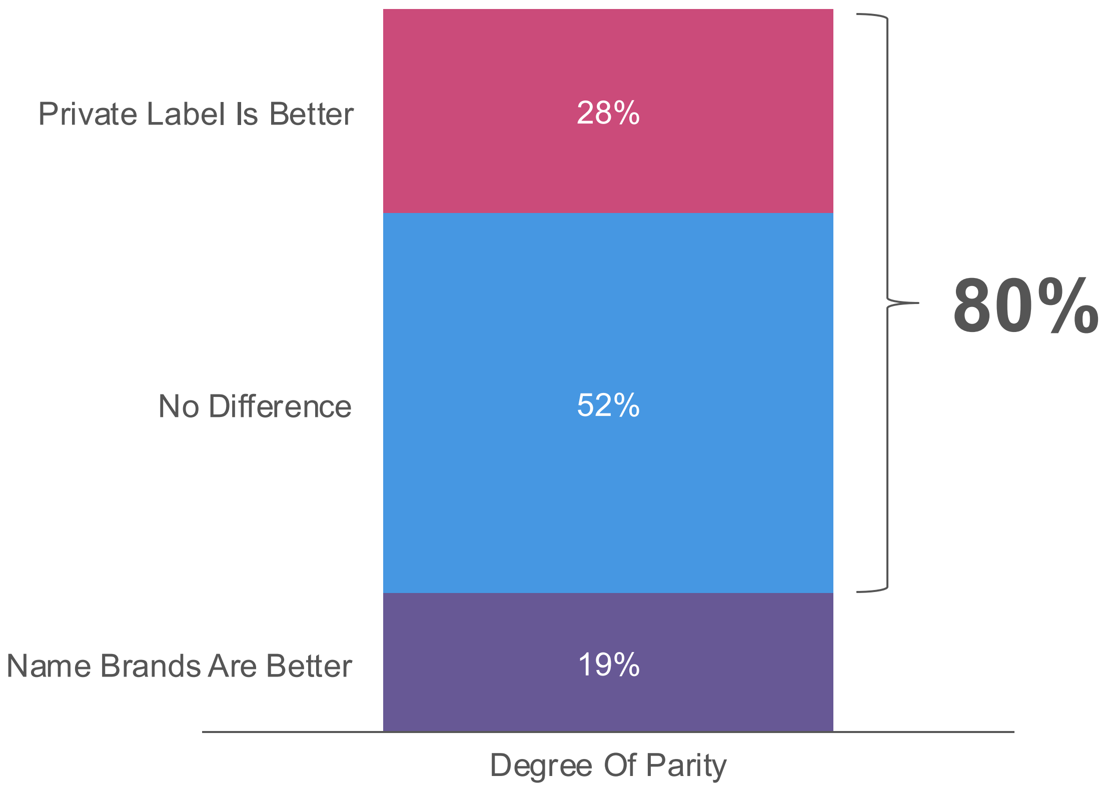
Private Label meets consumer expectations



Source: NIQ, *Finding Harmony On The Shelf*, US Data, March 2025, n=1,000

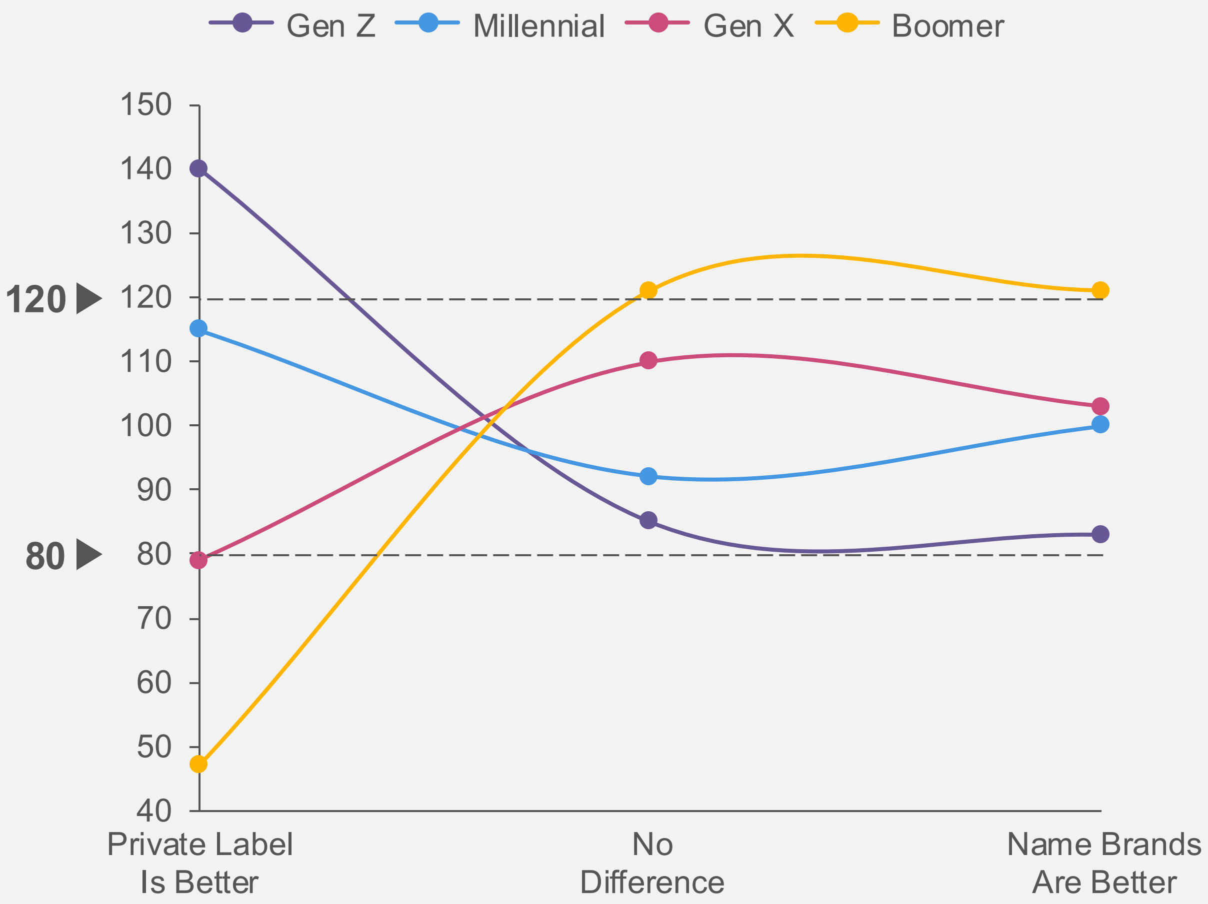
Private Label snack perception is positive…

Degree Of Parity Between Private Label And Name Brand Snacks



…especially with Gen Z

Perception Of Snack Brand Parity By Generation



Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance
Note: May not sum to 100 due to rounding

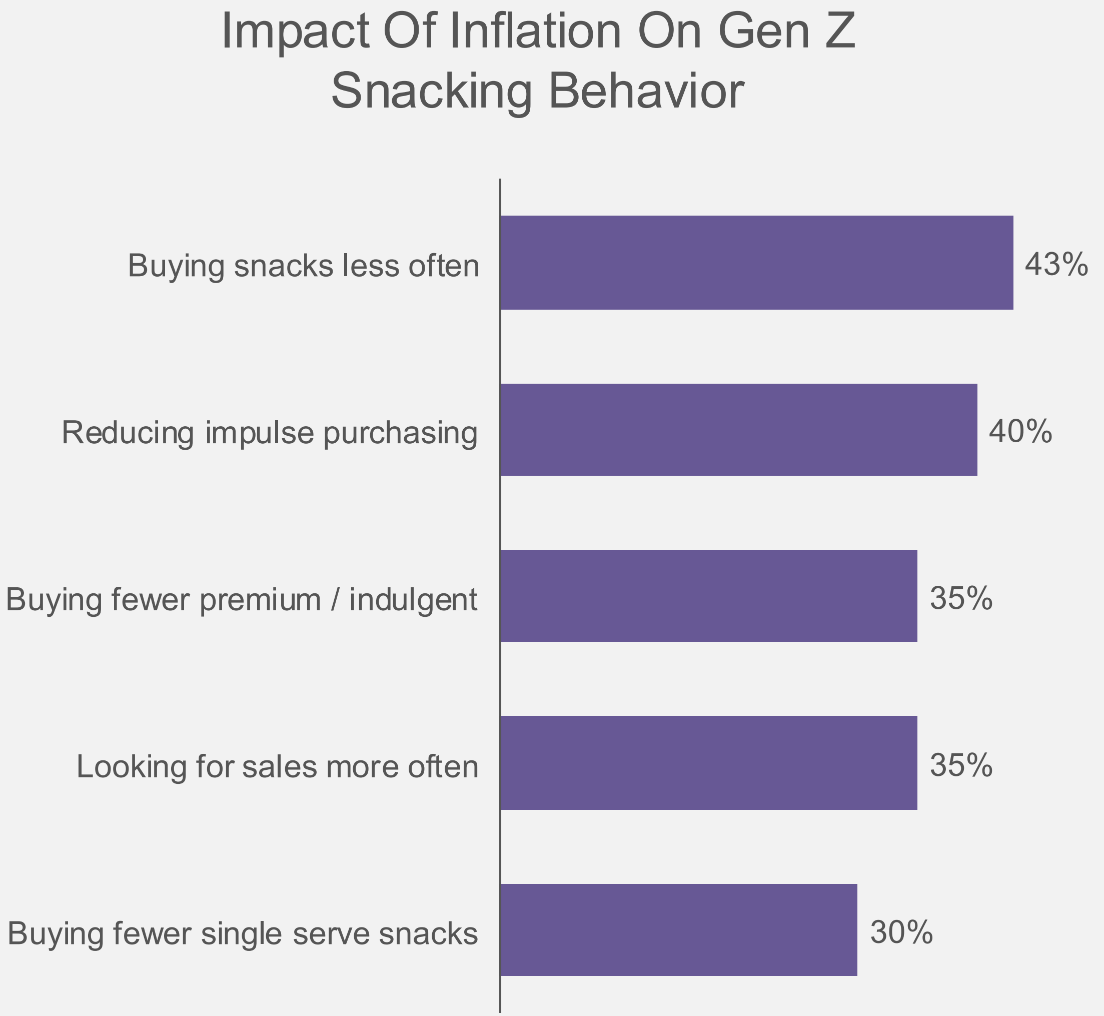
For Gen Z, snacking has changed…

87% of Gen Z respondents

have changed their snacking behavior

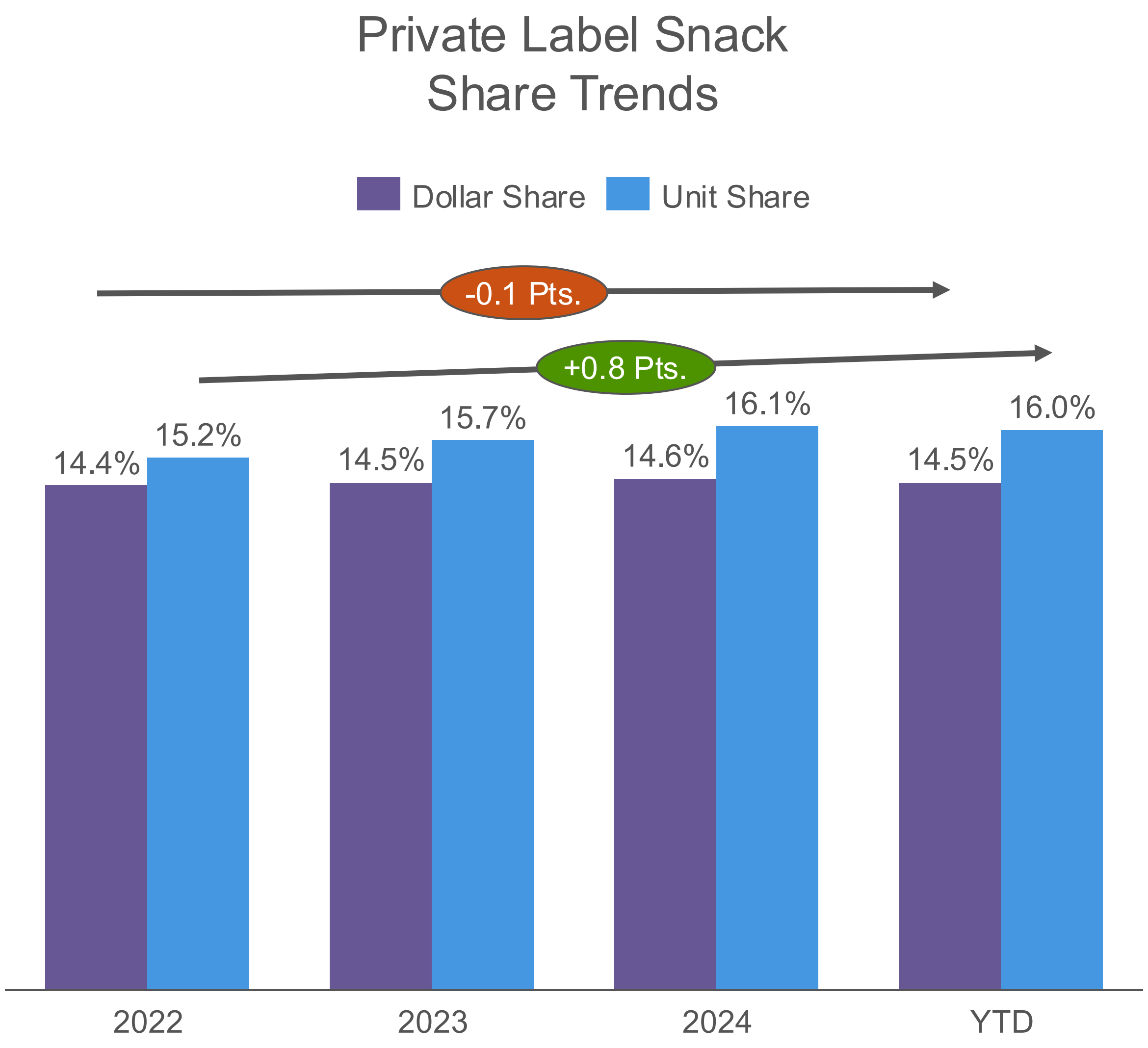
due to inflation

…and now includes more Private Label



Source: NIQ, BASES Quick Question Omnibus Survey, May 2025 n=1,000

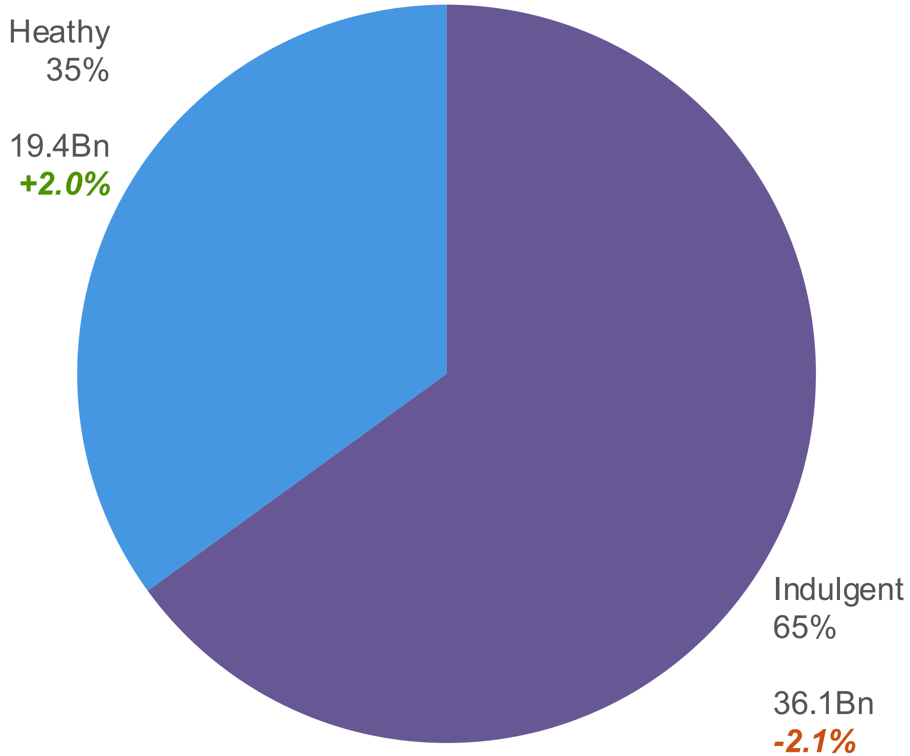
Private Label snack units are growing



Source: NIQ, Retail Measurement Service, Total US Full View + Conv., Year To Date Ending 4/12/2025

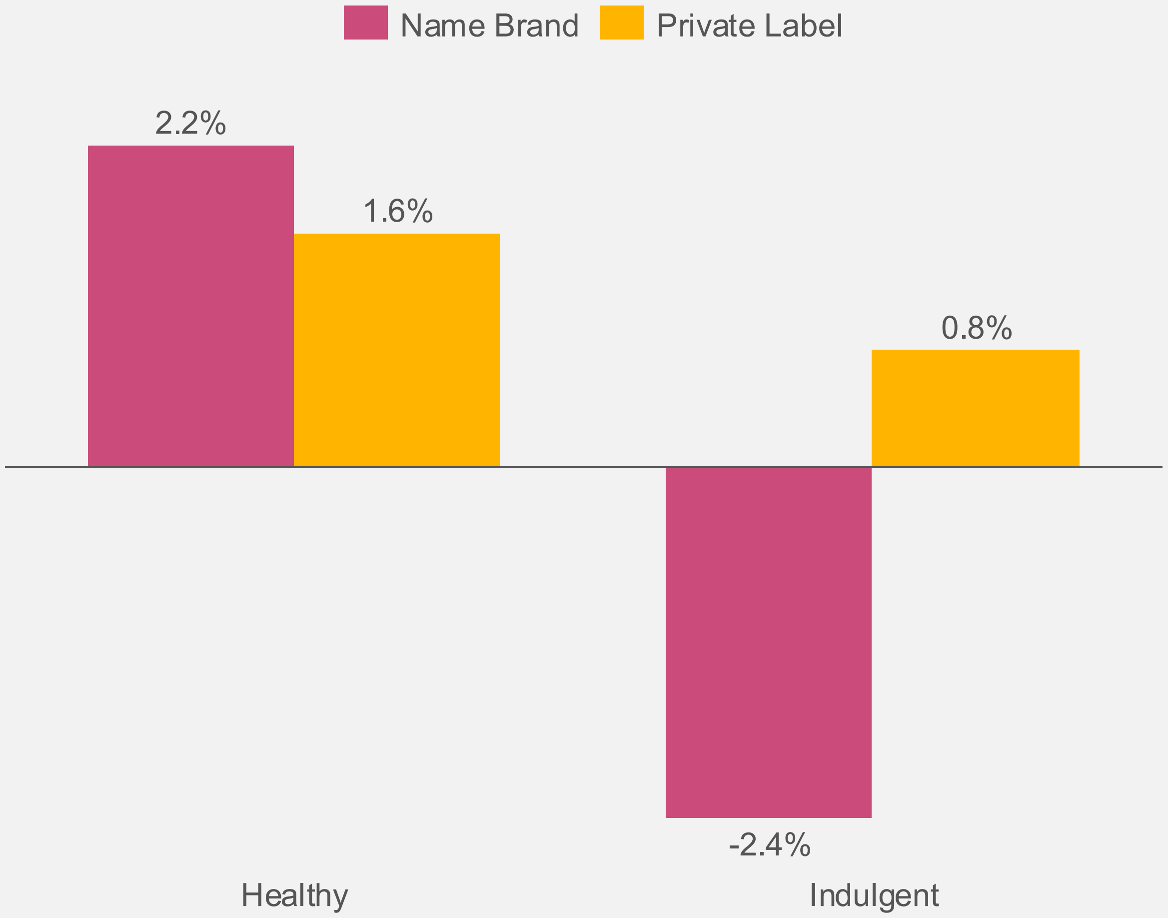
Indulgent snacks are in decline…

Heathy Vs. Indulgent Snack Unit Share



…but indulgent Private Label is growing

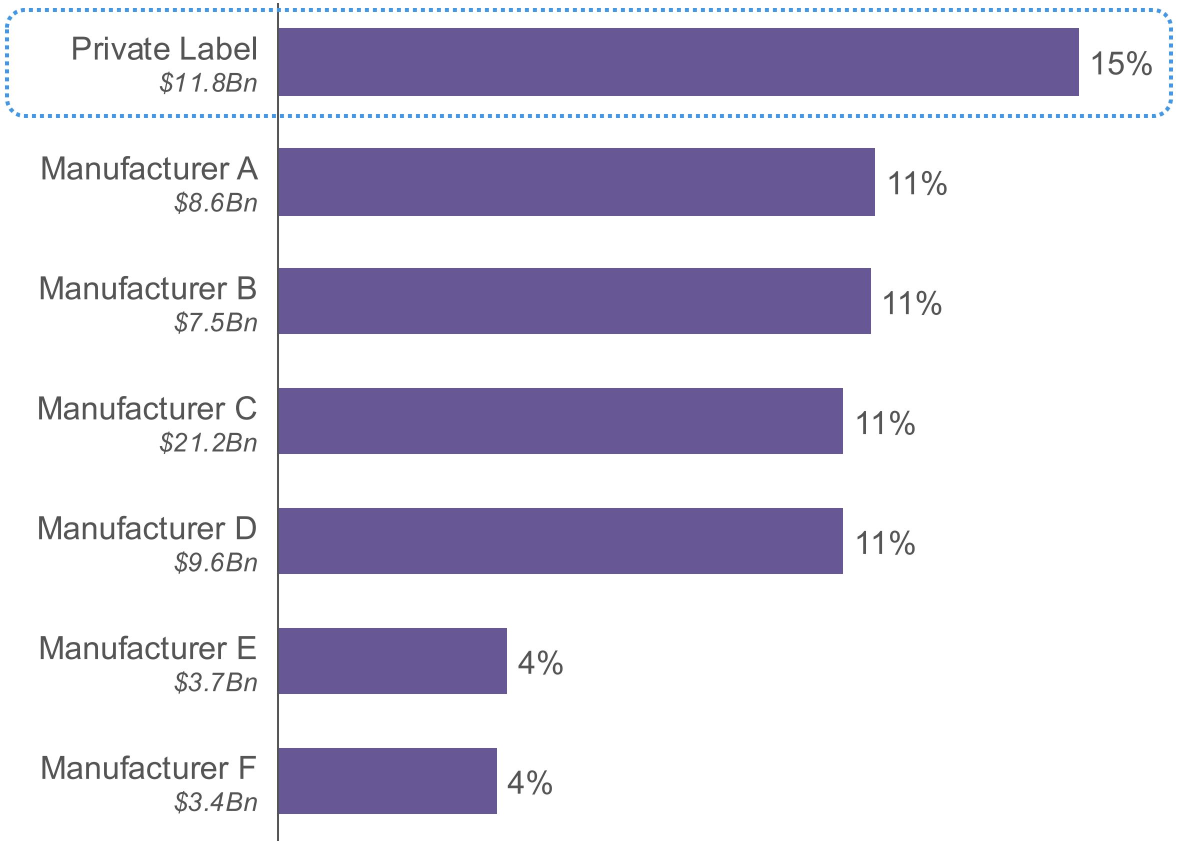
Branded Vs. Private Label Snack Segment Unit Sales Change



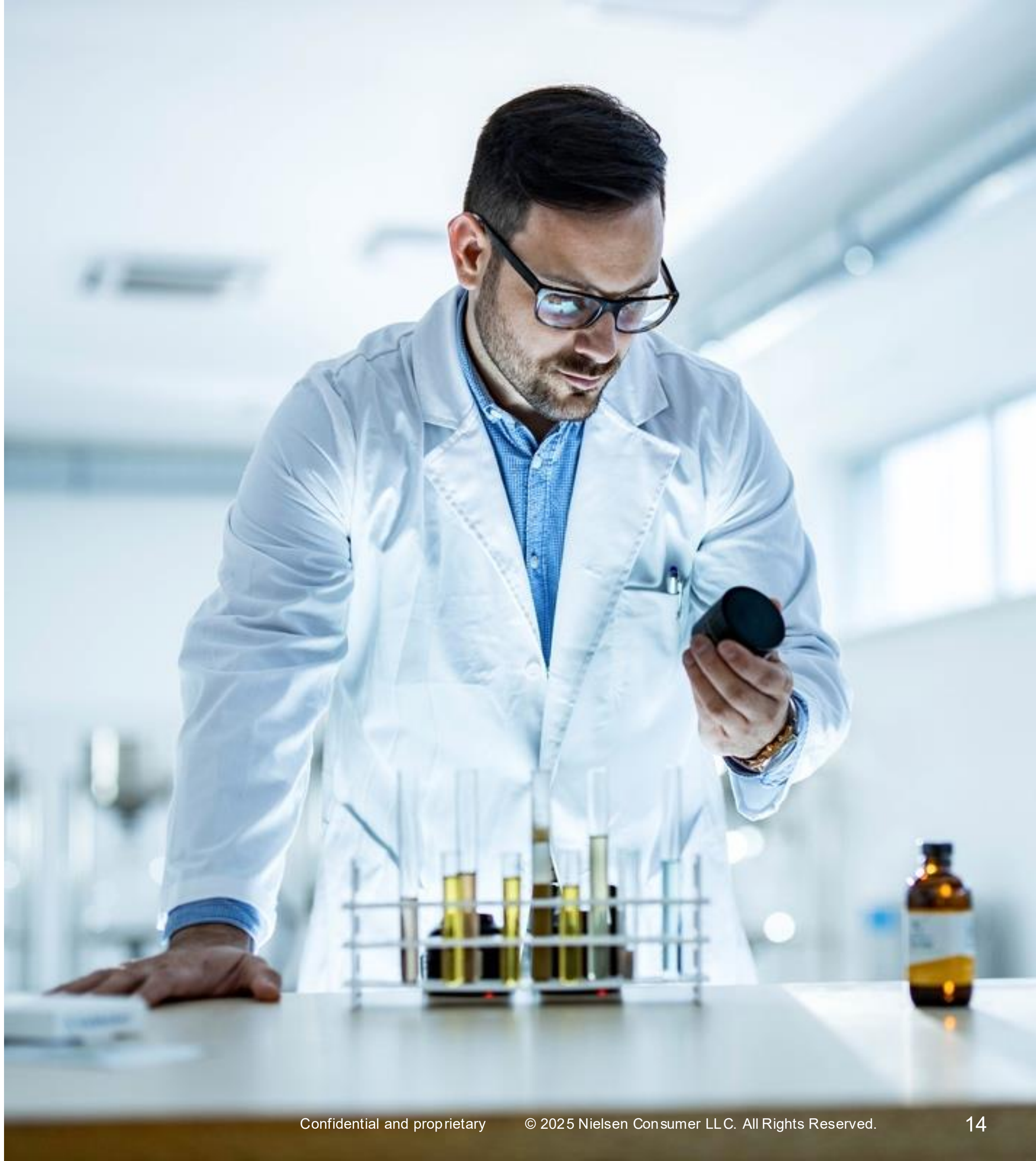
Source: NIQ, Retail Measurement Service, Total US Full View + Conv., Year To Date Ending 4/12/2025

Private Label innovation has played a role

Share Of Innovation Among
Leading Snack Manufacturers

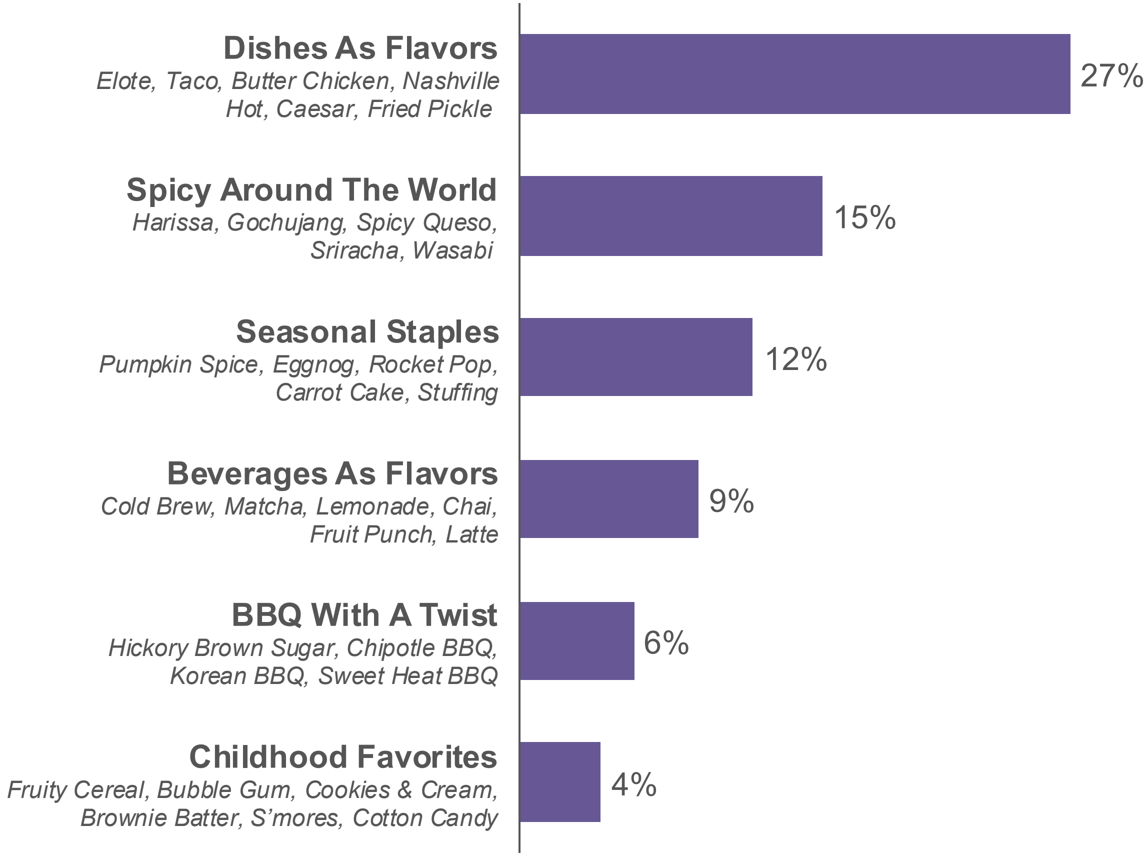


Source: NIQ, Innovation Measurement, 52 weeks ending 3/22/2025
Note: Masked Manufacturer dollar sales represent sales within snacking only



Flavor innovation has captured attention

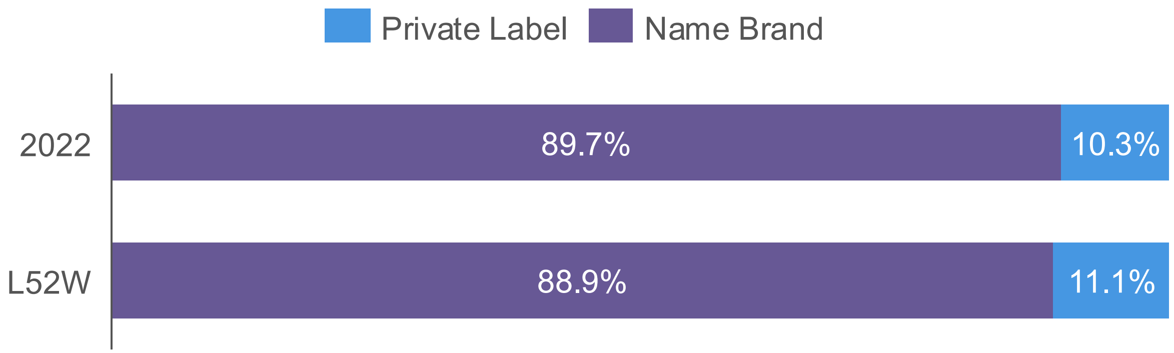
Total Snack Unit Growth Across Flavor Themes



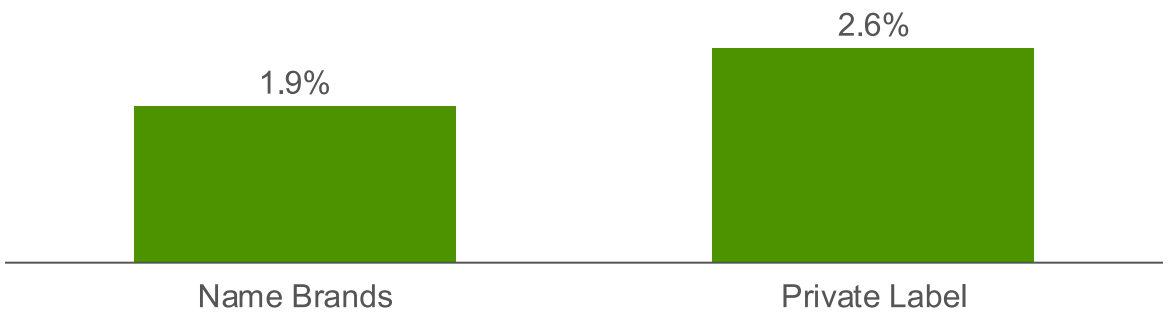
Source: NIQ, Retail Measurement Service, Total US Full View + Conv., 52 Weeks Ending 4/12/2025

Private Label gluten-free snacks are growing

Unit Share For Snacks With Gluten-Free Claims

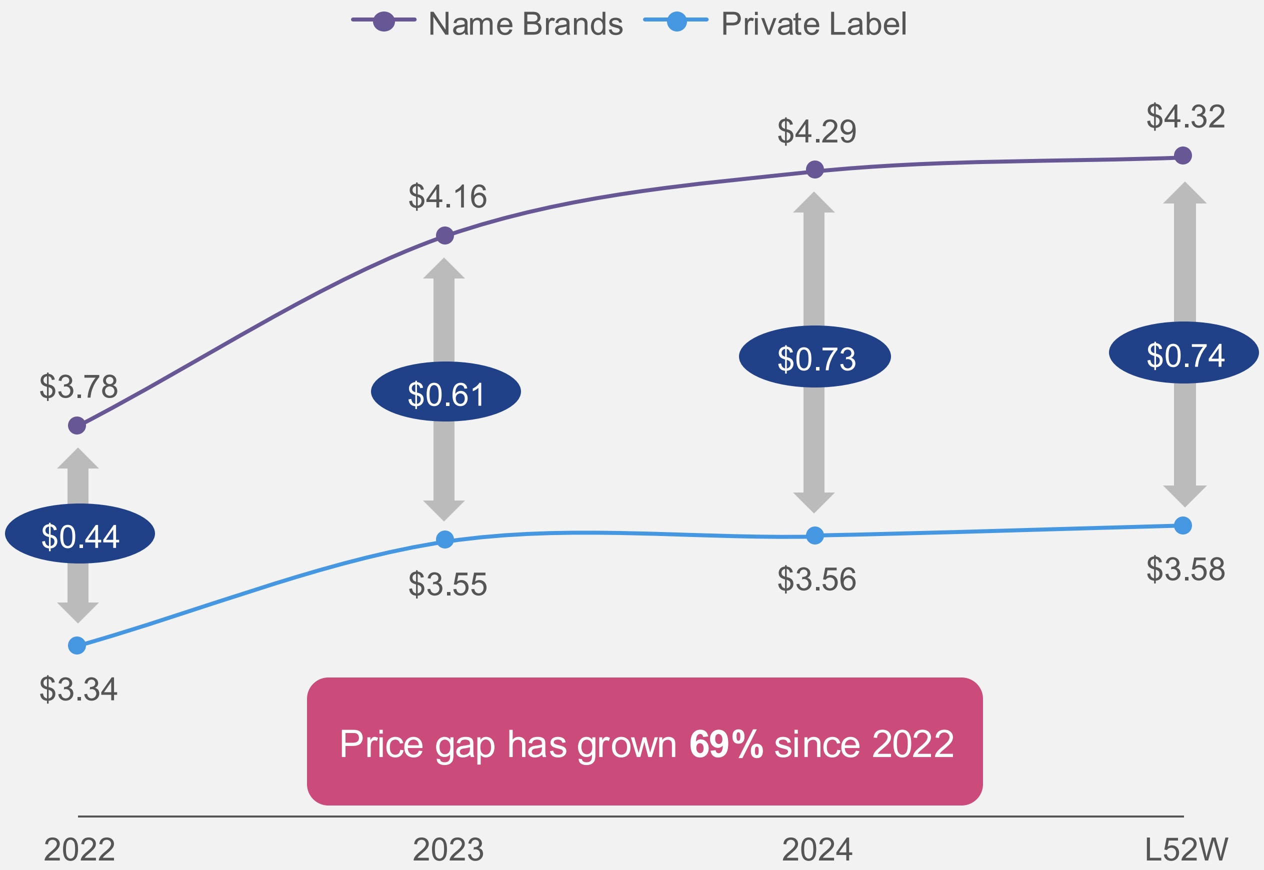


Unit Sales For Snacks With Gluten-Free Claims



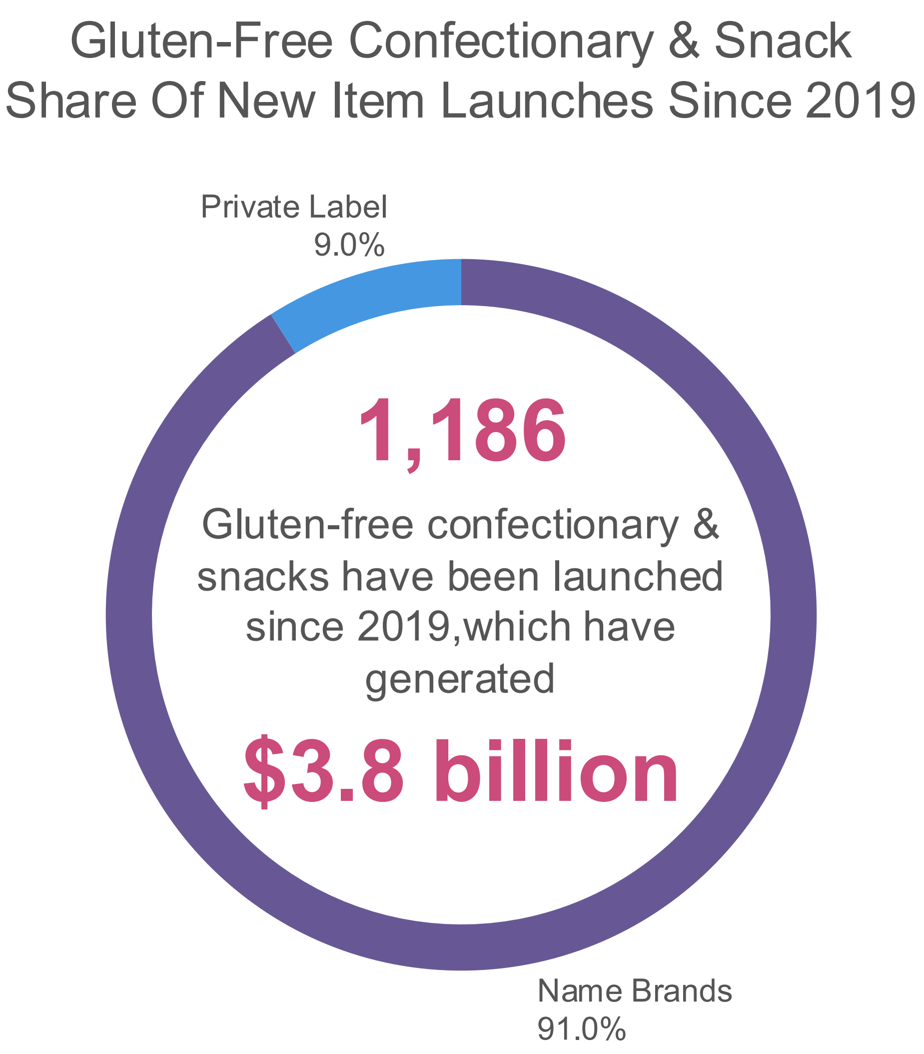
A widening price gap is fueling affordability

Base Unit Price For Snacks With Gluten-Free Claims

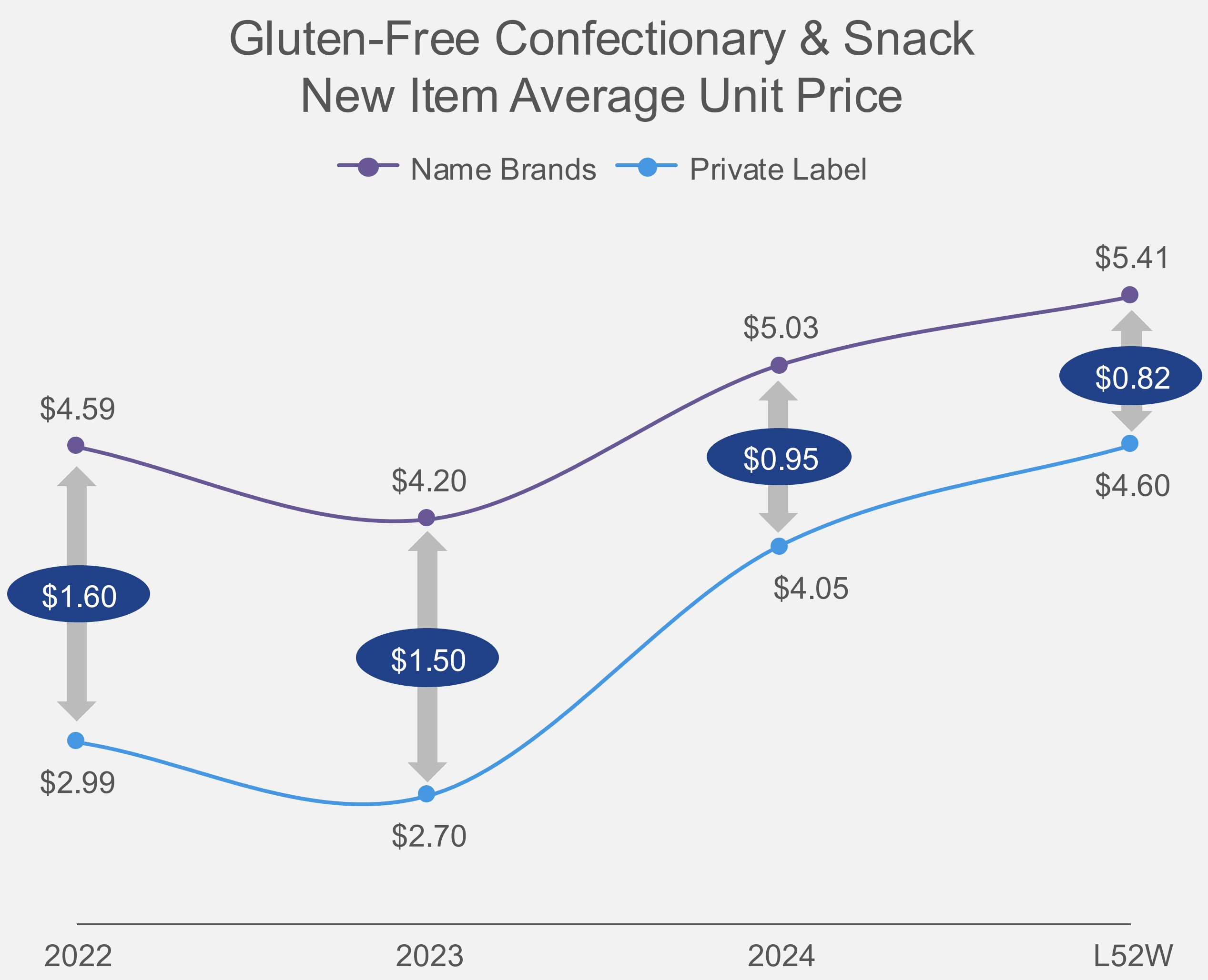


Source: NIQ, Retail Measurement Services, Powered By Label Insights, Total US Full View + Conv., Total Snacks, 52 Weeks Ending 4/12/2025

Gluten-free innovation has been a focus...

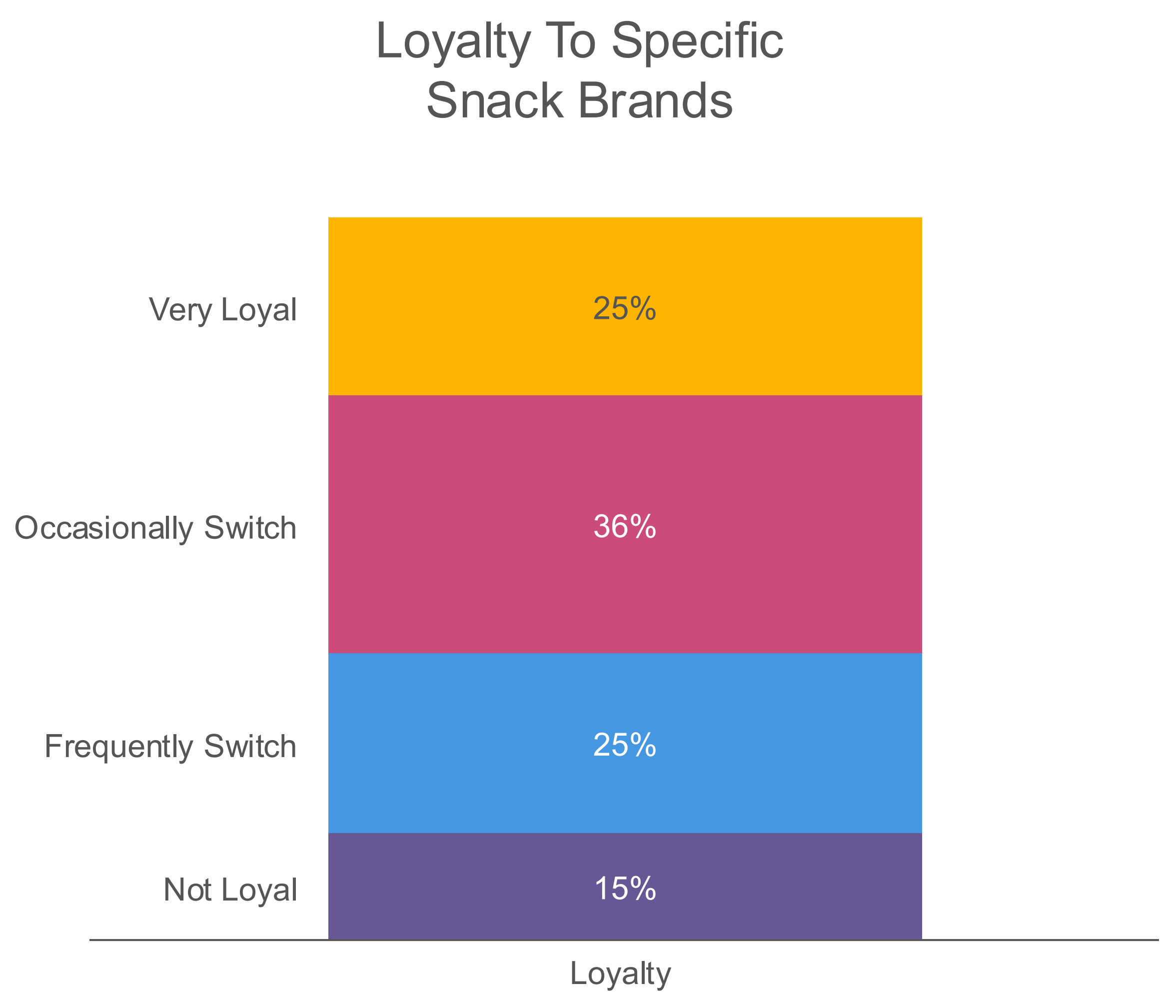


…but price gap in innovation is closing

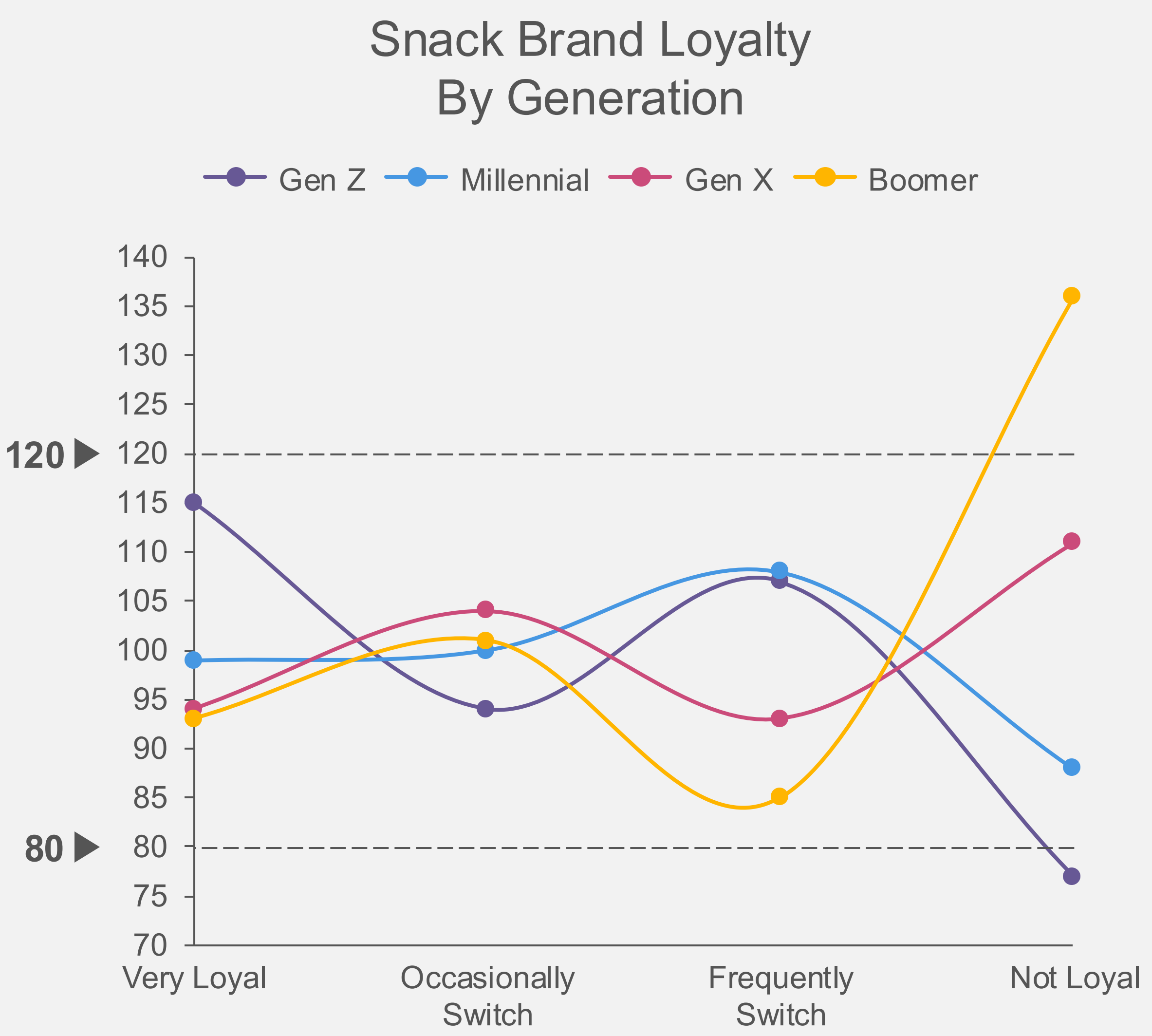


Source: NIQ, Innovation Measurement, Powered By Label Insights, Total US, Total Confectionary & Snacking

Only 1-in-4 snackers say they are very loyal



Price, availability, and promo sway Boomers



Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance
Note: May not sum to 100 due to rounding

Loyalty is more vulnerable than ever in today's market

The path to purchase has significantly evolved

90% of CPG searches on Amazon

are unbranded

focused on ingredients, attributes, benefits, & sourcing…

…because it's about

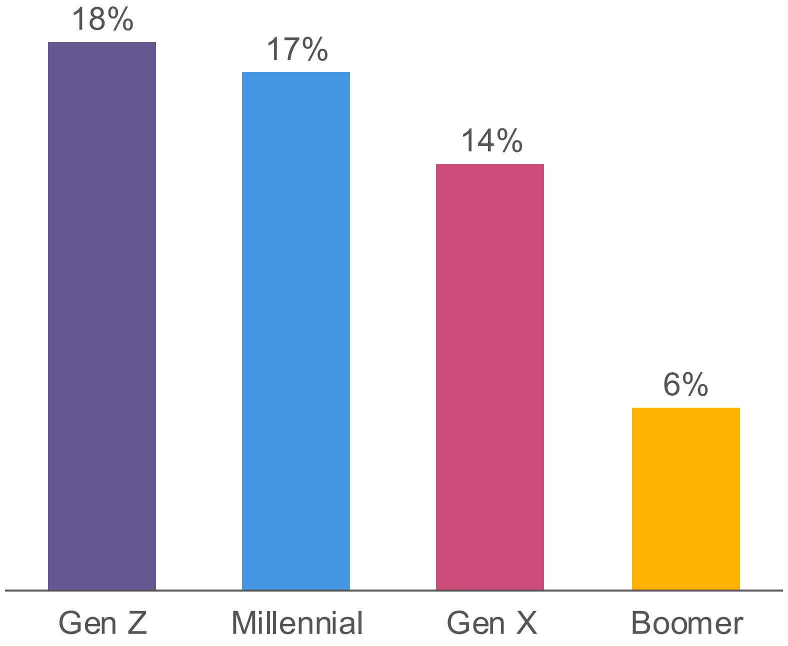
What's <u>IN</u> the box

Vs.

What's <u>ON</u> the box

Expectations of hyper personalization have led to diminishing relevancy

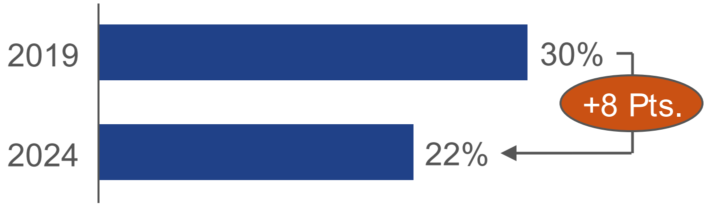
Struggle To Find Brands I Can Relate To
(i.e., brands for my age, size, appearance, lifestyle, etc.)



Consumers seek novelty – they are open to many viable alternatives

If Generic Brands Are On Sale, I Will Buy Them Over My Normal Name Brand

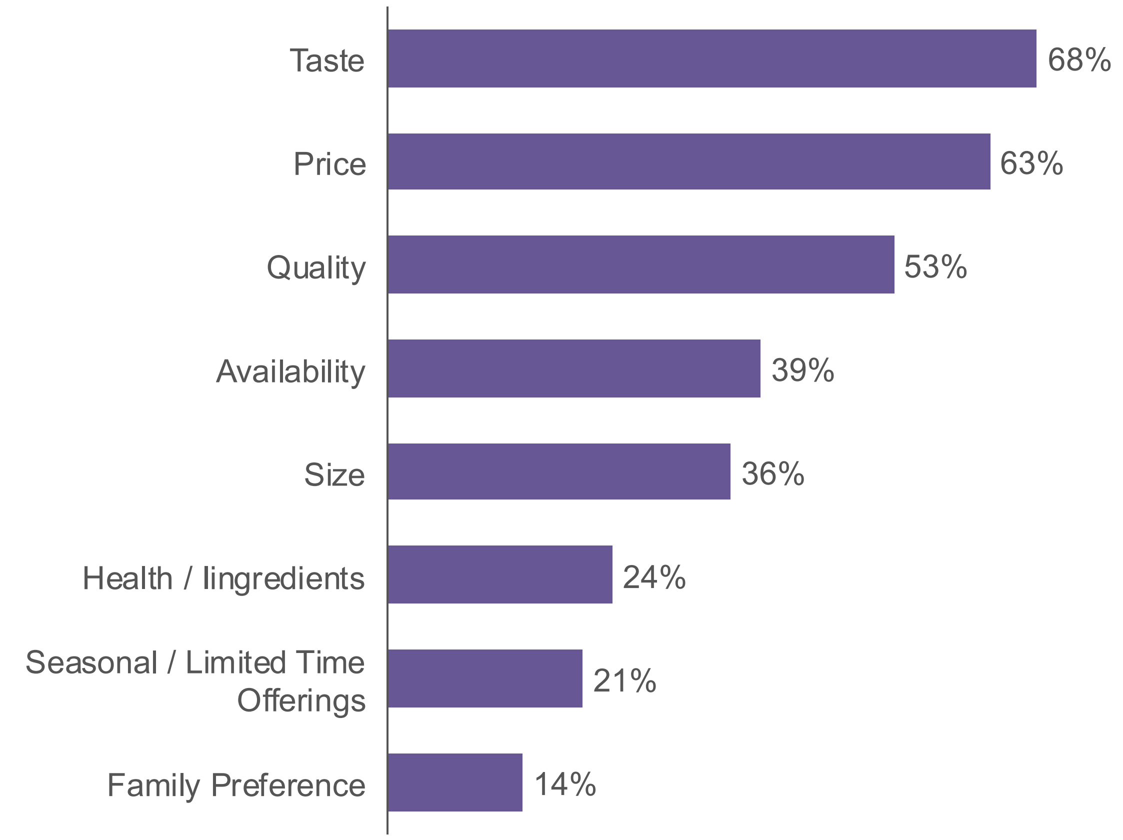
I Only Buy Food Items That Are Name Brand, Not Generic Brands



Source: NIQ, MRI-Simmons 2021-2014 Summer & 2019-2024 Fall; GFK, *How America Eats – NIQ Consumer Life 2025 Food & Diet Report; NIQ, Mid-Year Consumer Outlook, 2024*

Taste however is the ultimate authority…

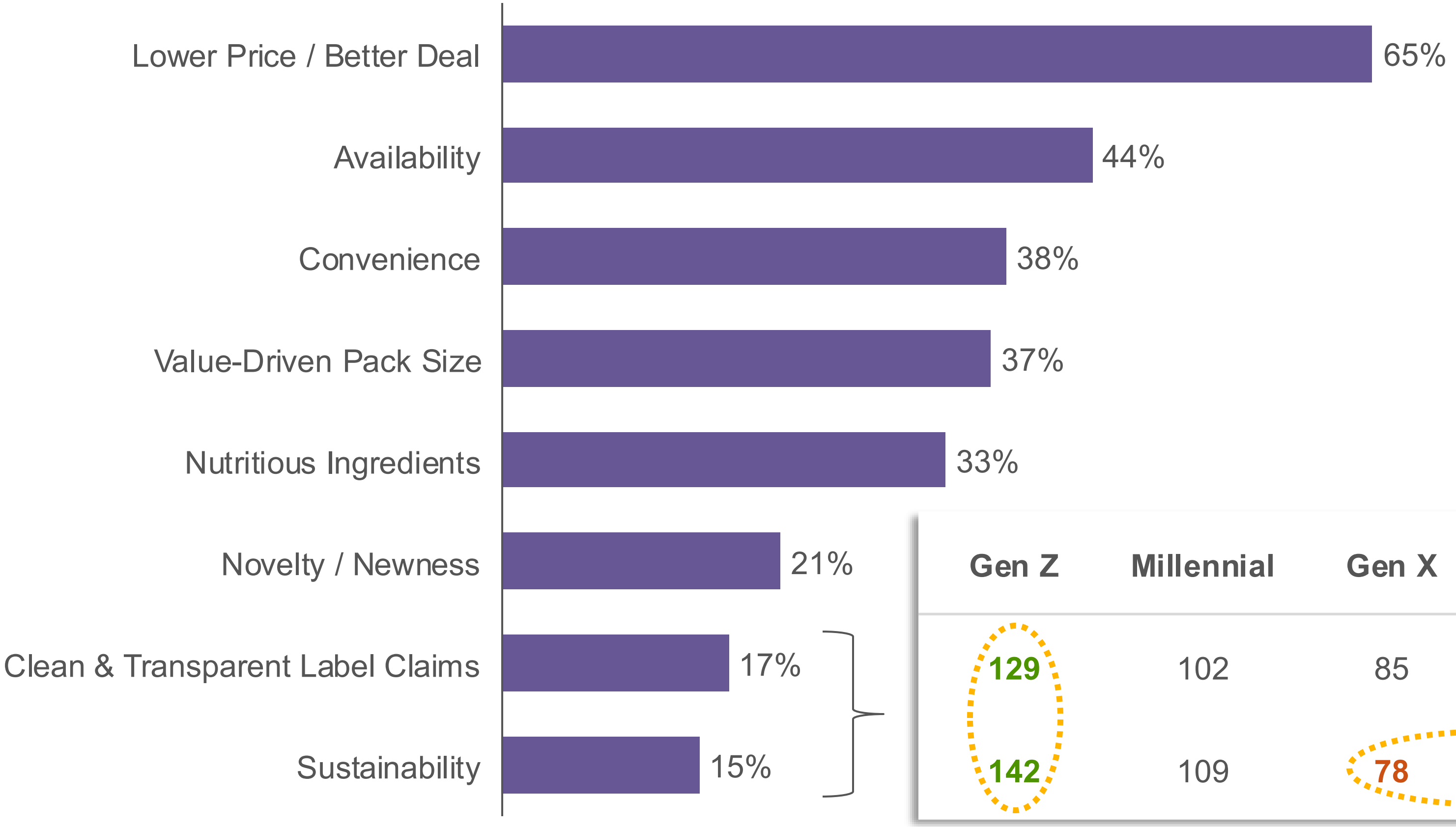
Motivators For Name Brand Snack Purchasing Over Private Label



Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,041

…but price and availability fuel shopper interest in Private Label and small, emerging brands

Motivators For Switching From A Name Brand Snack To A Private Label Or Emerging Brand

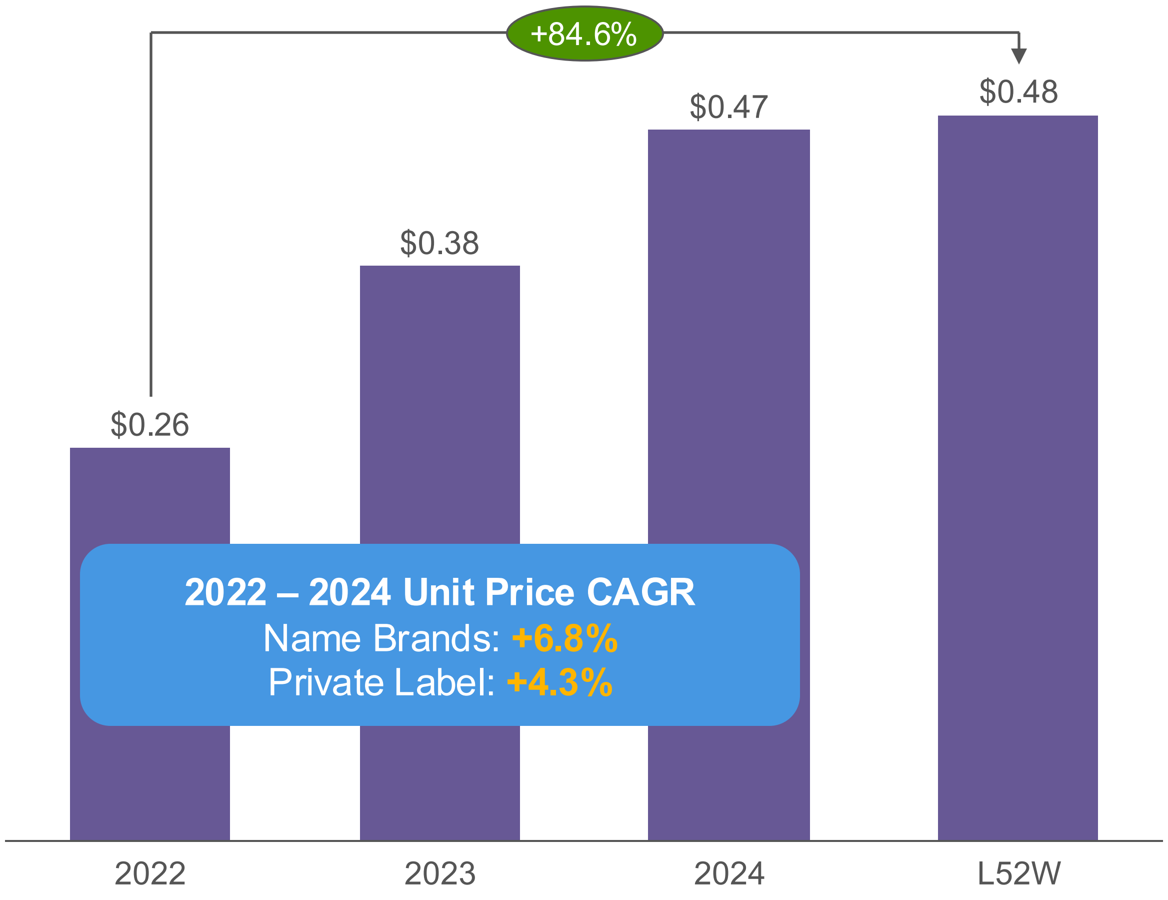


Gen Z	Millennial	Gen X	Boomer
129	102	85	83
142	109	78	65

Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

The price gap in snacking is widening…

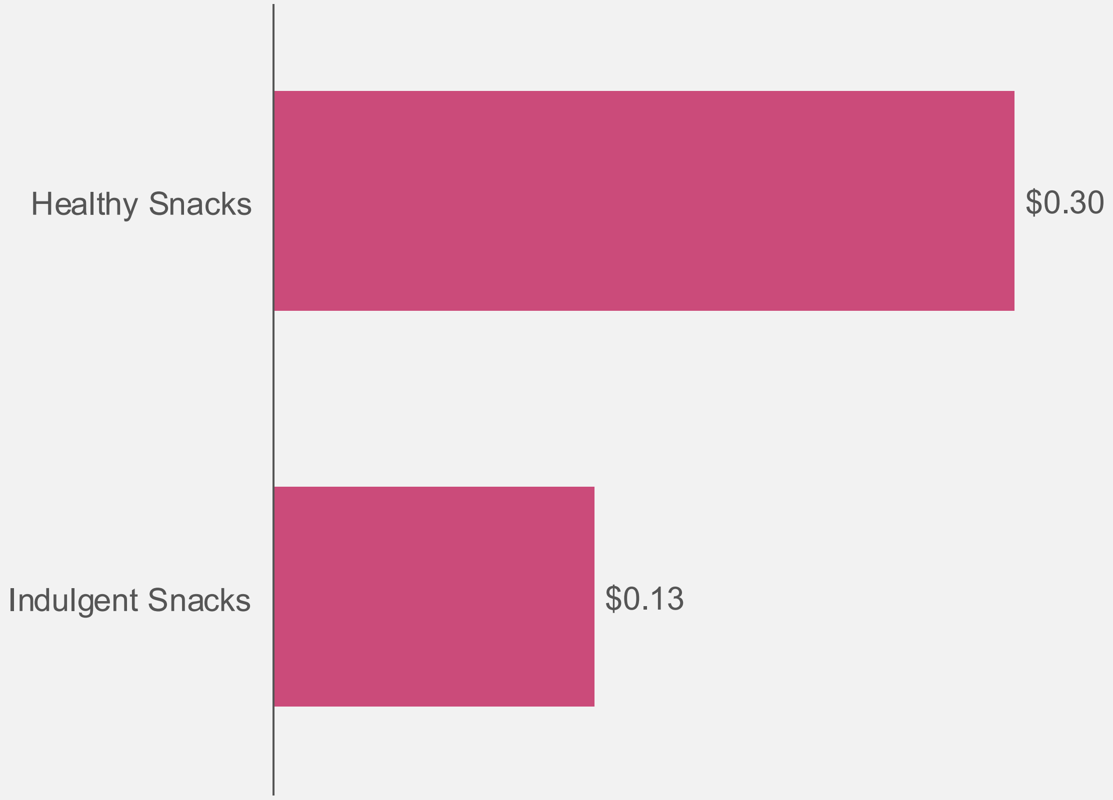
Snacking Base Unit Price Gap Trend From Private Label To Name Brand



Source: NIQ, Retail Measurement Services, Total US Full View + Conv, 52 Weeks Ending 4/12/2025

…especially within healthy snacks

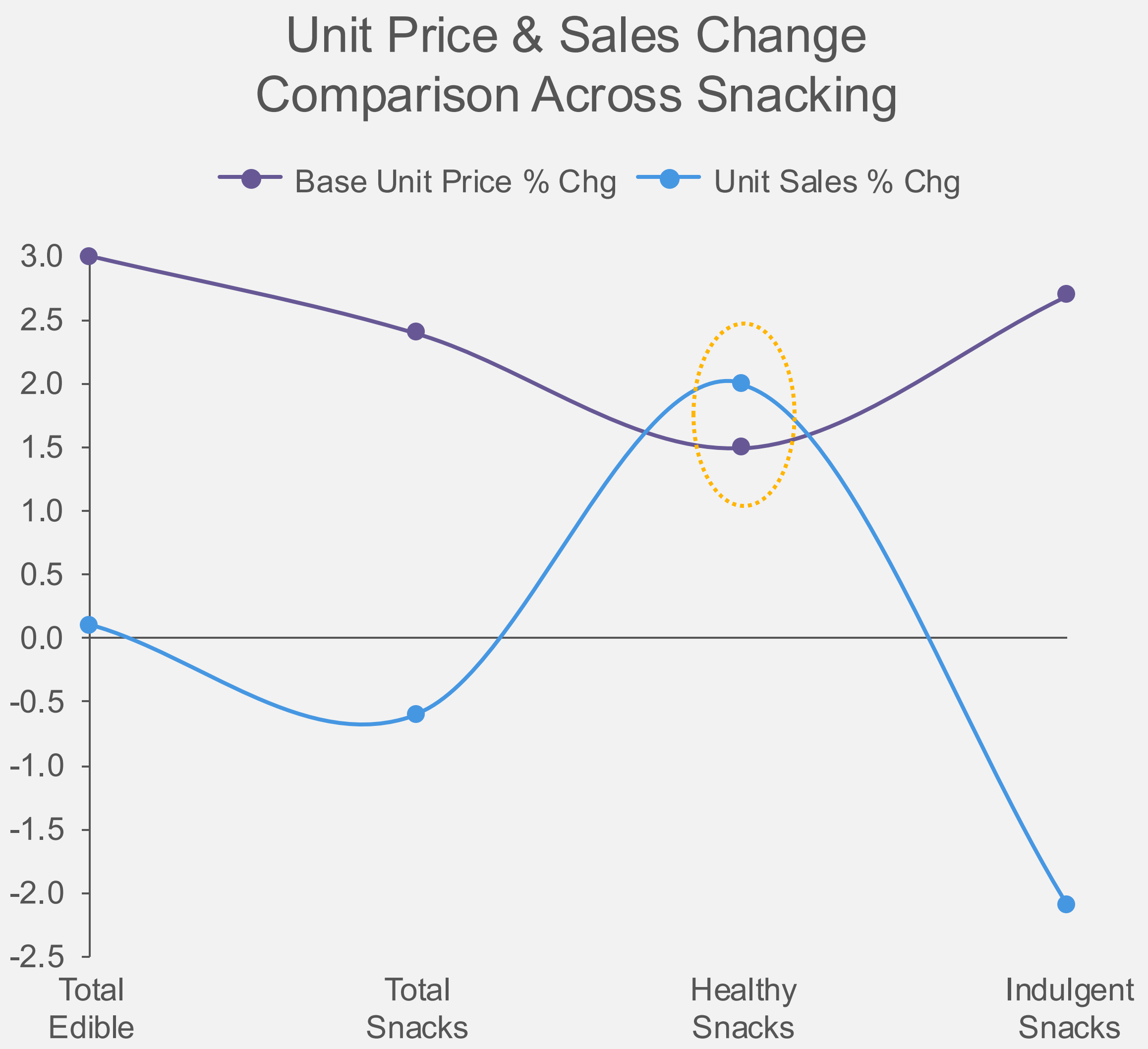
Snacking Base Unit Price Gap Increase 2022 Through L52W



Cost-effectiveness is a driver of snack choice

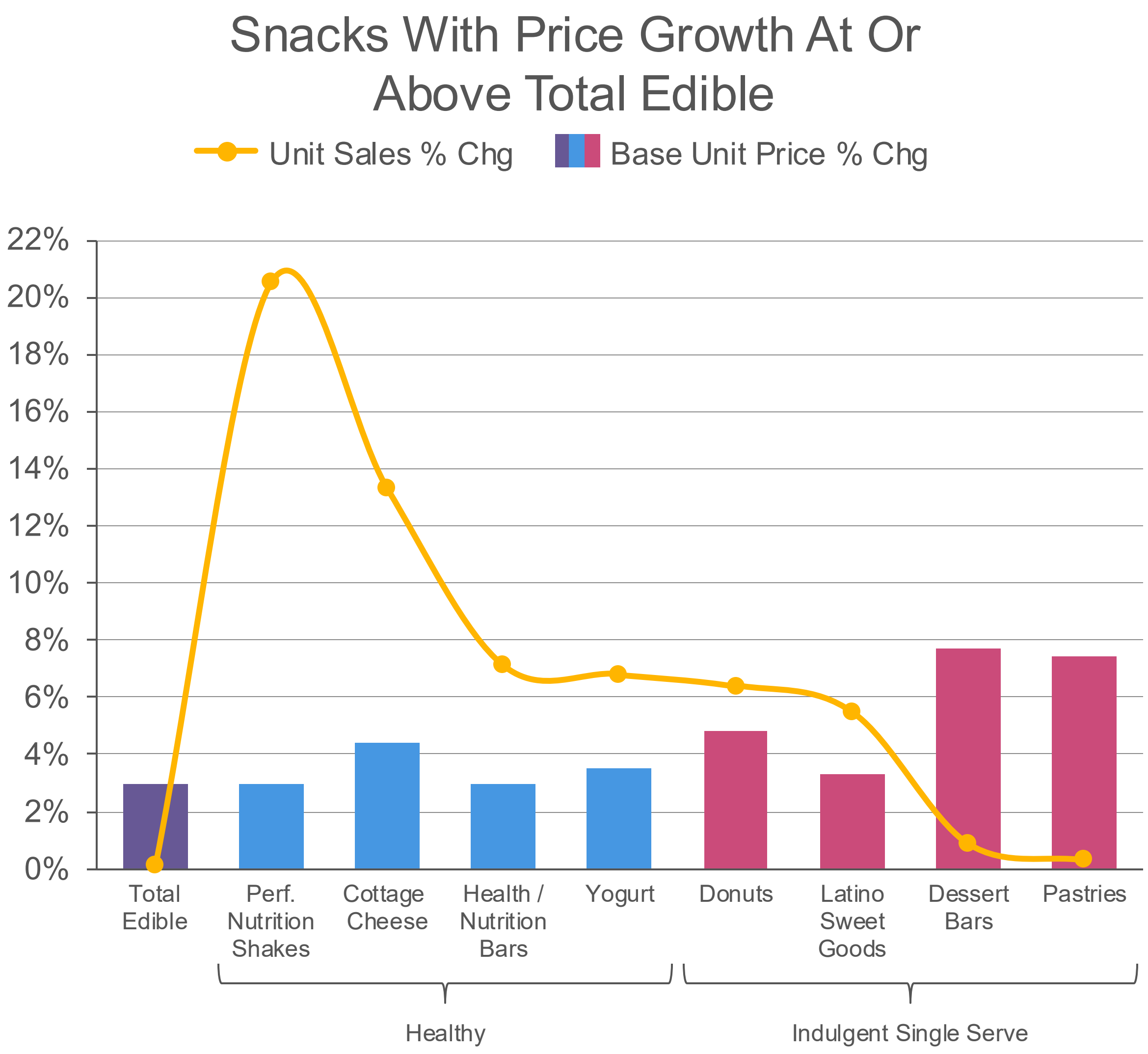
16% of snack buyers are switching to healthier snacks because they ***feel more filling and cost-effective***

Healthy snacks are a smart way to spend…



Left Source: NIQ, BASES Quick Question Omnibus Survey, May 2025 n=1,000
Right Source: NIQ, Retail Measurement Services, Total US Full View + Conv, 52 Weeks Ending 4/12/2025

…but snackers are willing to pay for value



Source: NIQ, Retail Measurement Services, Total US Full View + Conv, 52 Weeks Ending 4/12/2025

There are price limits shoppers won't exceed

$6.37

Maximum price paid for ***single-serve snacks***

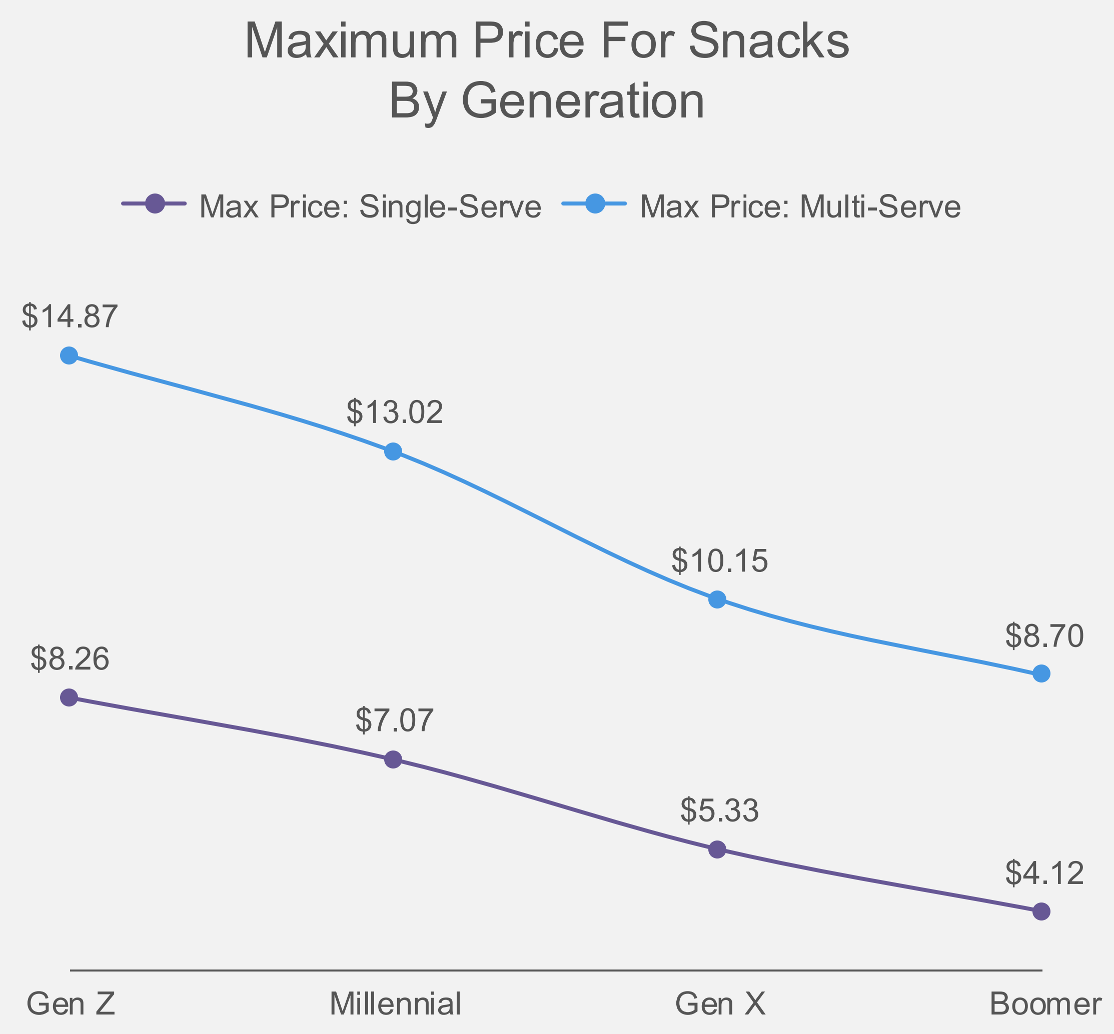
+6.5% Vs. year ago

$11.92

Maximum price paid for ***multi-serve snacks***

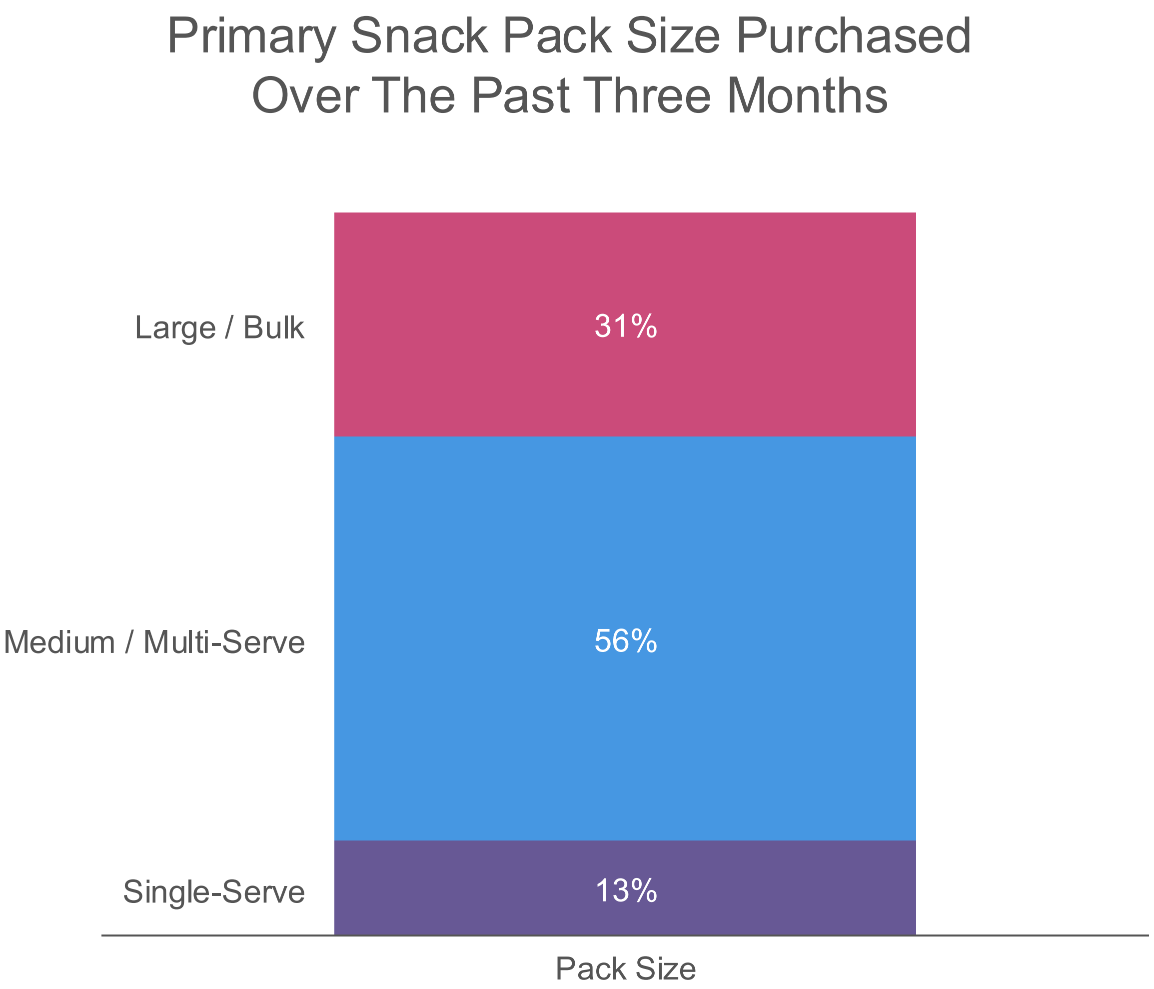
+5.2% Vs. year ago

Gen Z has the highest price thresholds

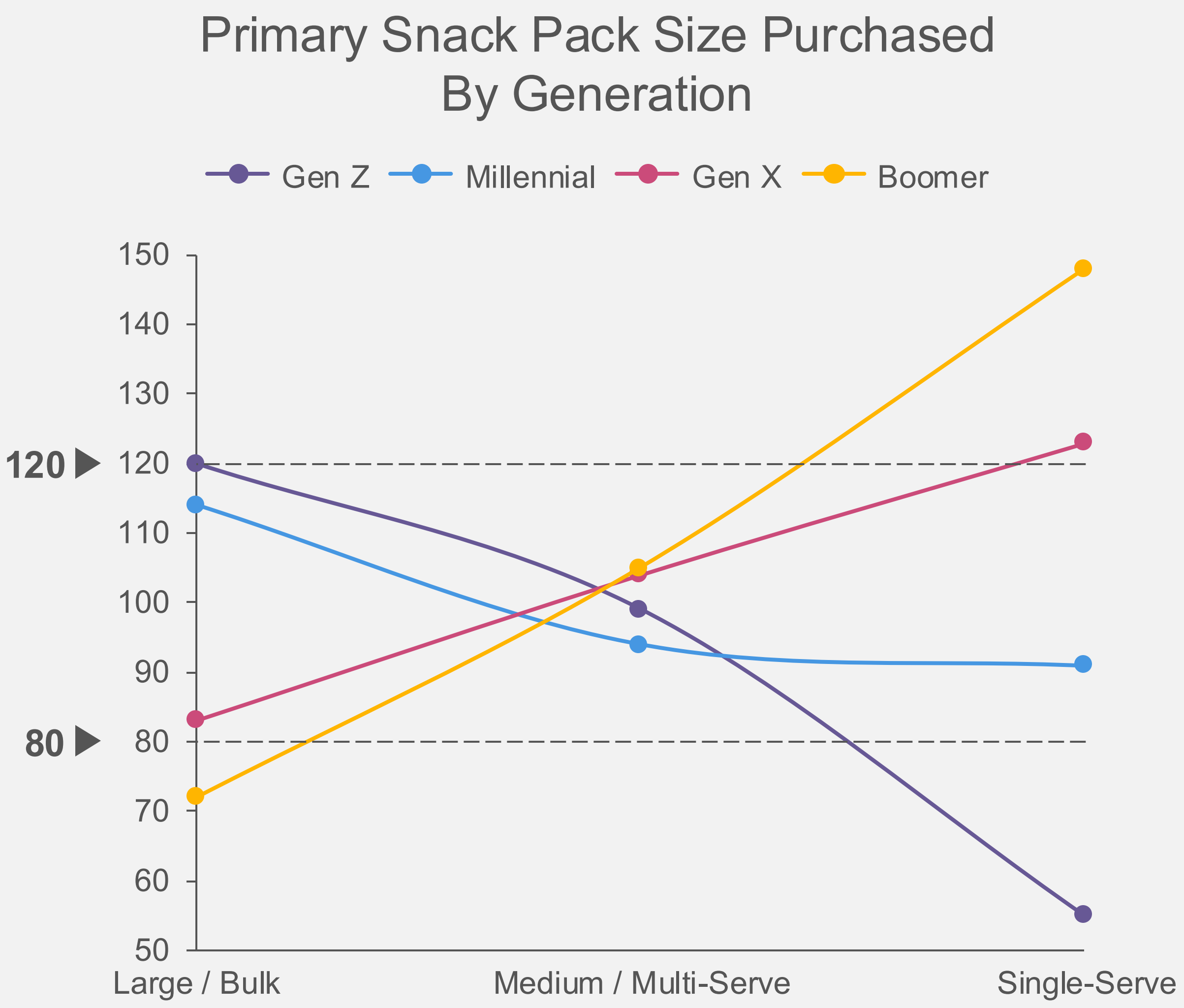


Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123

Larger snacks are commonly purchased…



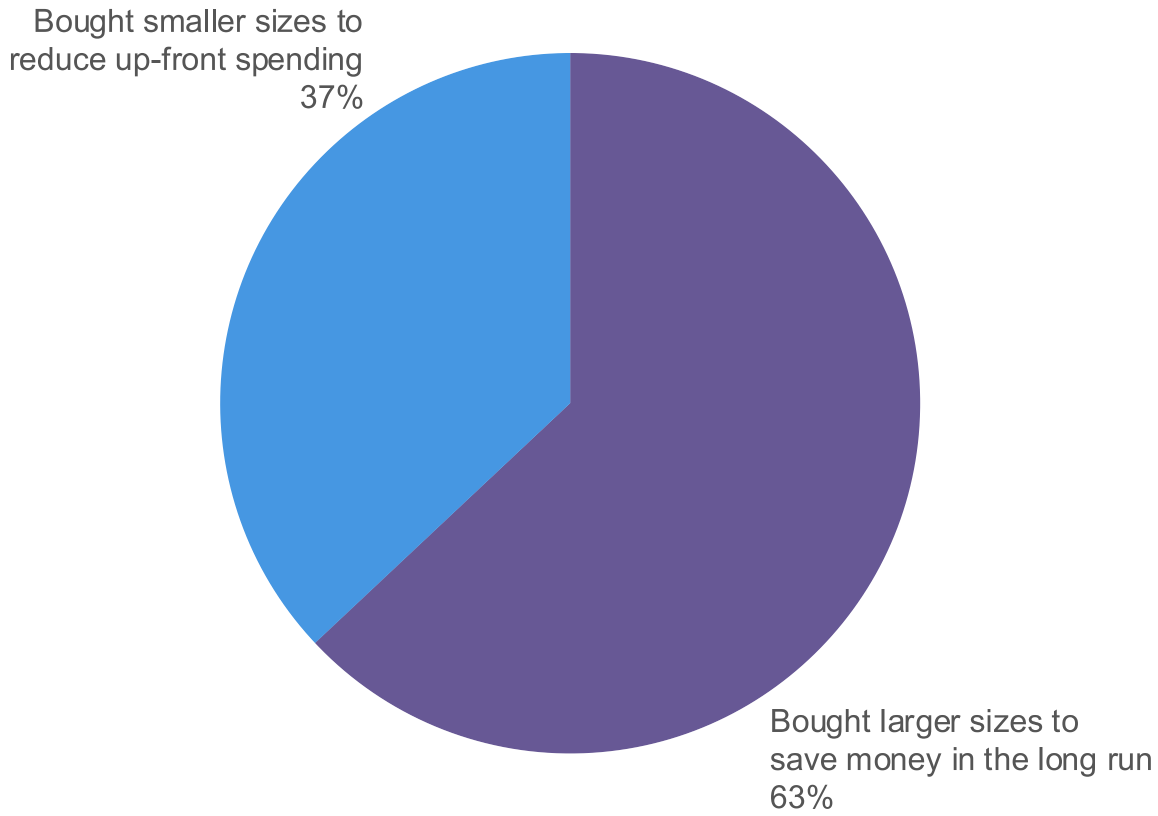
…especially by younger shoppers…



Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,041
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

…but purchase behavior is changing

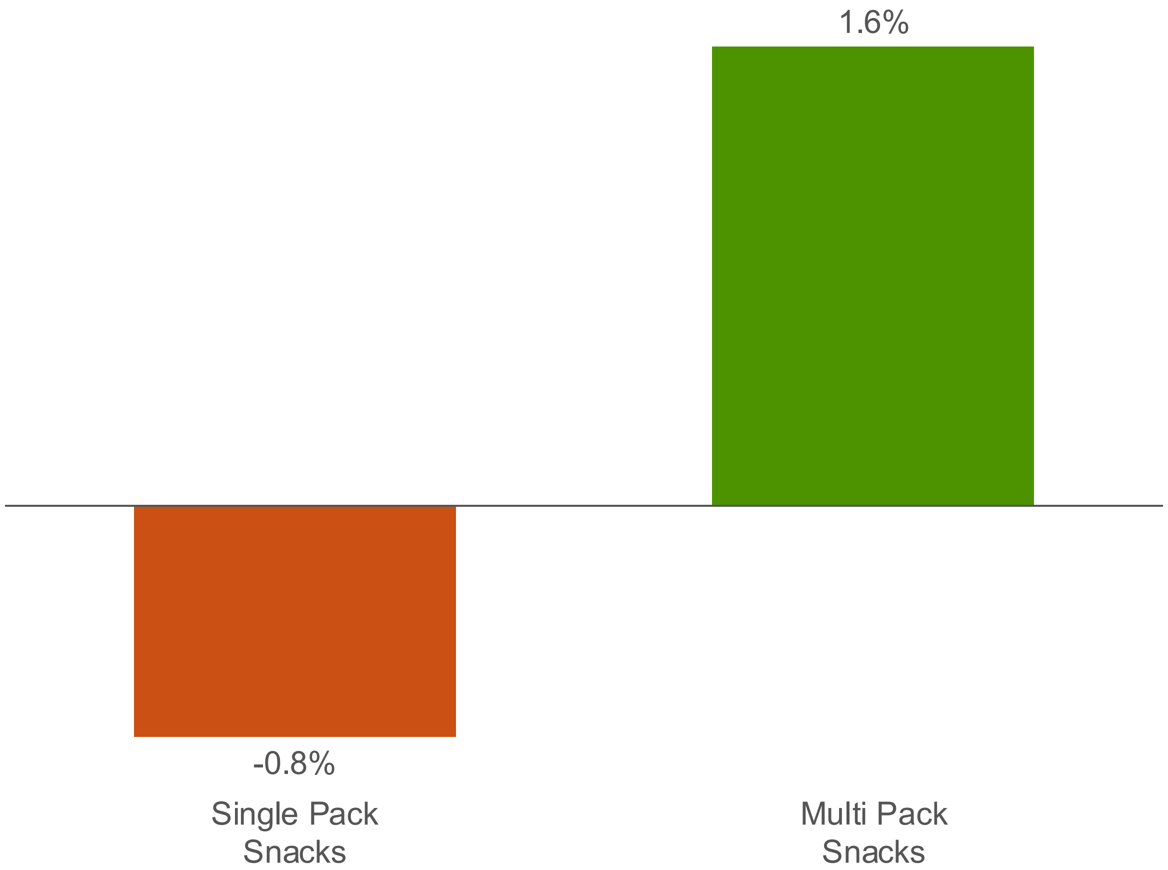
Among Those Who Made Changes To The Pack Sizes Purchased Across The Store



Source: NIQ, BASES Quick Question Omnibus Survey, March 2025 n=1,014

Multi pack snacks are growing

Snack Pack Size
Unit Sales % Chg



Source: NIQ, Retail Measurement Services, Total US Full View + Conv, 52 Weeks Ending 4/12/2025

Single serve can be an affordable indulgence

Cereal / Granola Bars

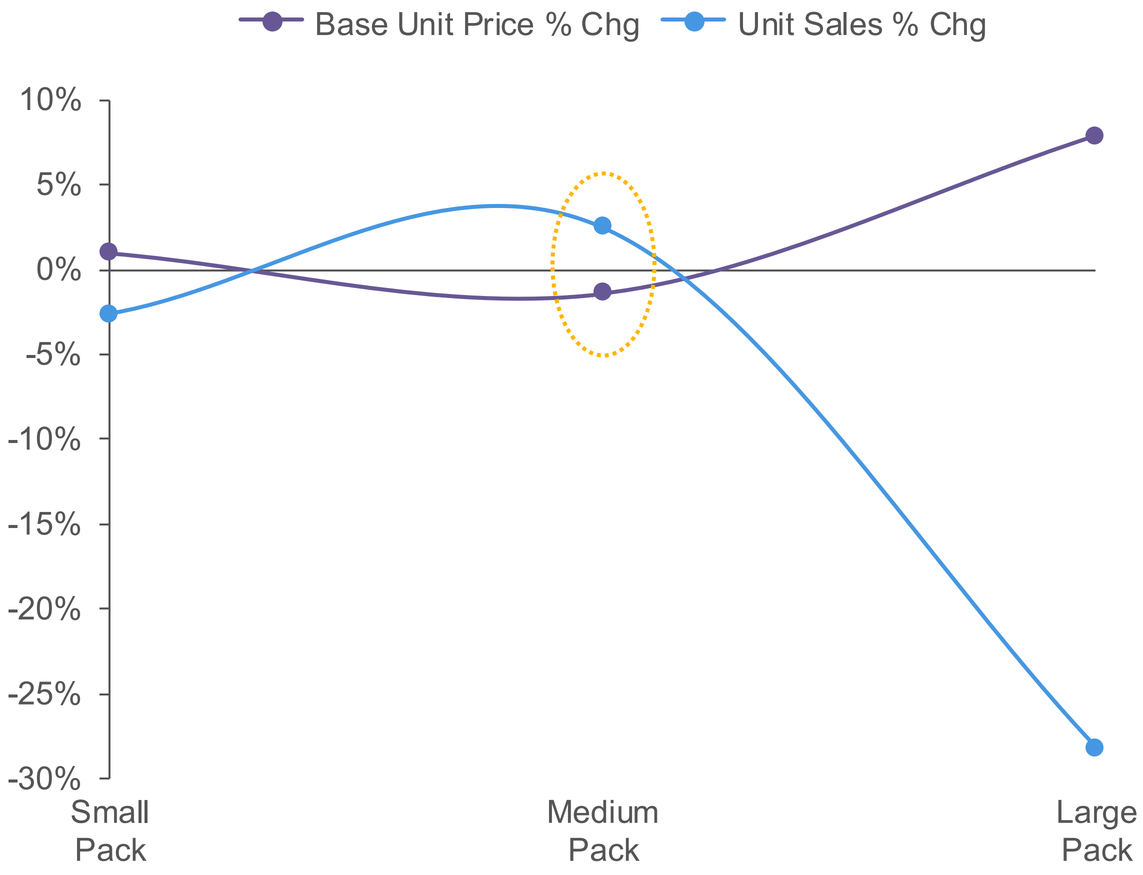
-3.7%	+12.9%
Single Serve Unit Sales % Chg	Multi Serve Unit Sales % Chg

Frozen Novelties

+3.1%	+1.5%
Single Serve Unit Sales % Chg	Multi Serve Unit Sales % Chg

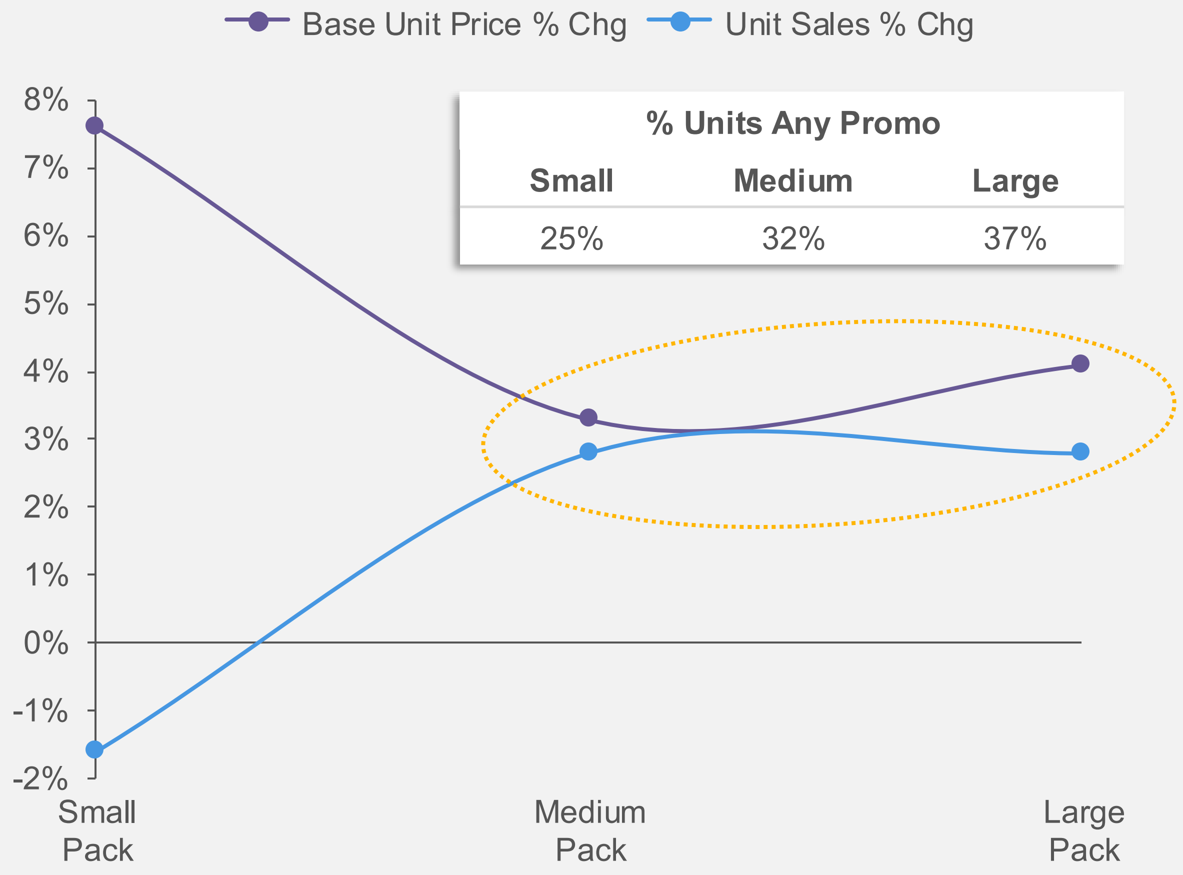
Price drove medium pack potato chip growth

Potato Chips Performance By Pack Size



Promo drove medium & large cookie growth

Cookies Performance By Pack Size

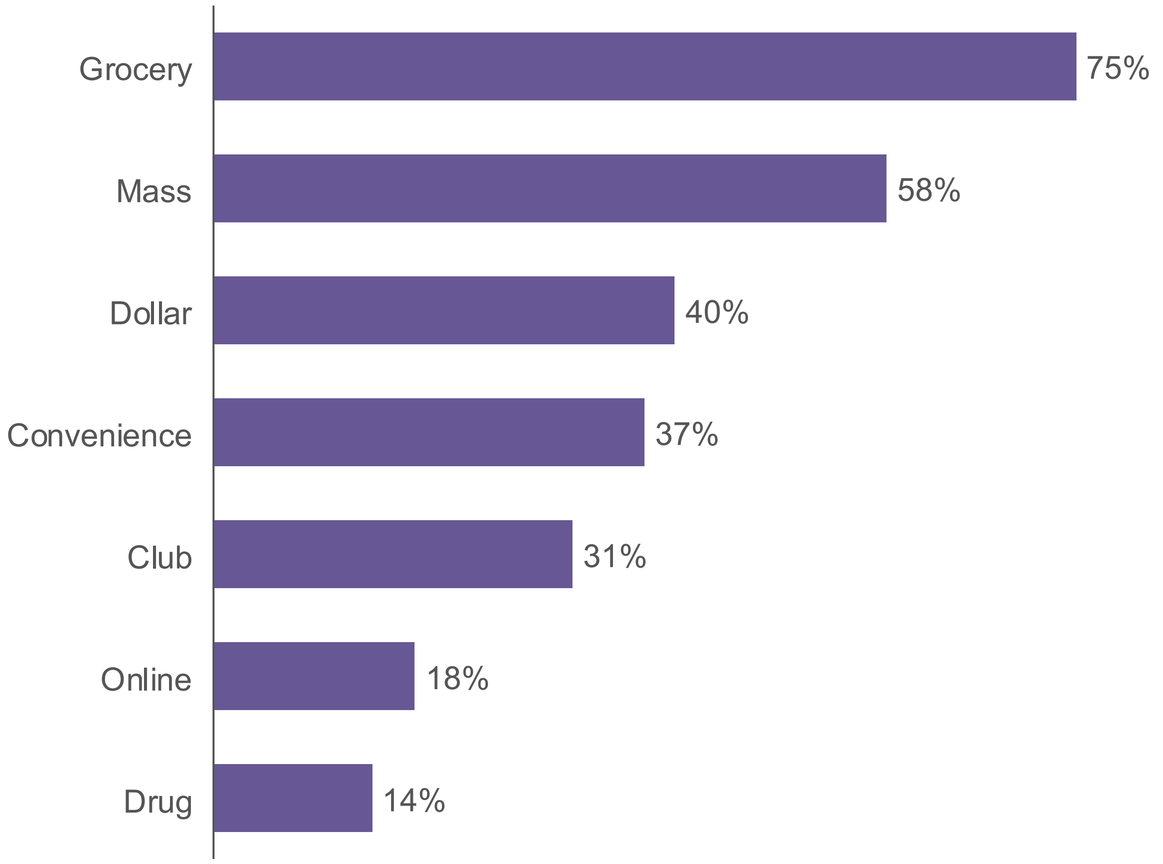


% Units Any Promo		
Small	**Medium**	**Large**
25%	32%	37%

Source: NIQ, Retail Measurement Services, Total US Full View + Conv, 52 Weeks Ending 4/12/2025
Note: Y-axis range is not equivalized on the left and right charts. Small = <3.5 oz, Medium =3.5-10 oz, Large = 10-12 oz

Grocery is the main channel for most, but…

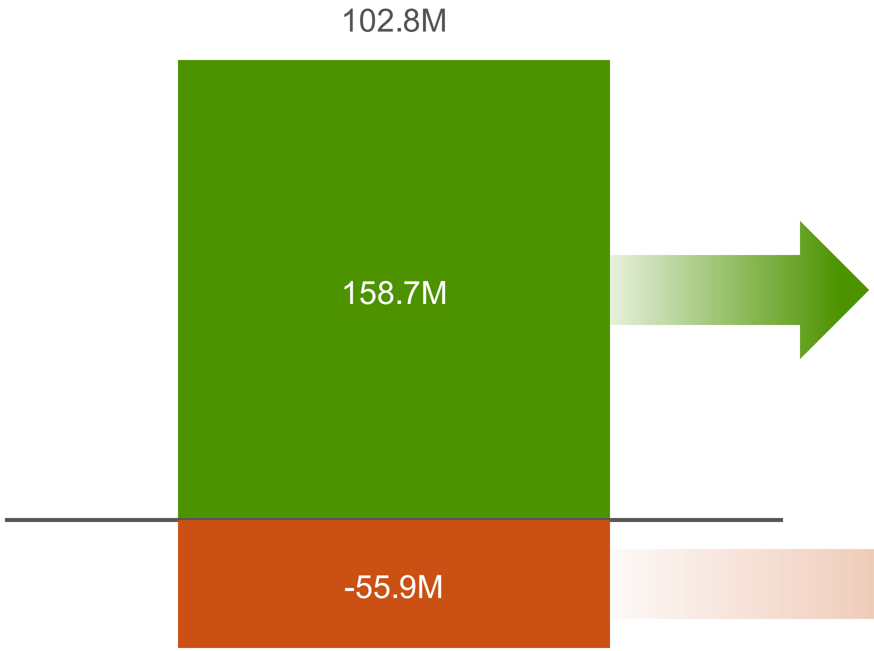
Where Snacks Are Purchased Most Often



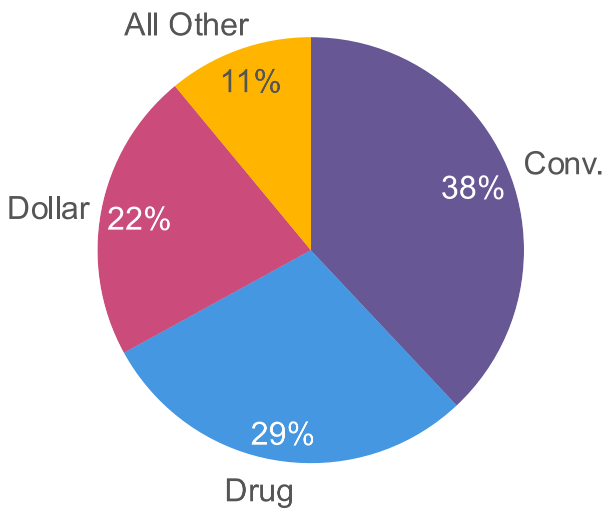
Source: NIQ, BASES Snackonomics 3.0 Survey, April 2025, n=3,123

…where snacks are bought is changing

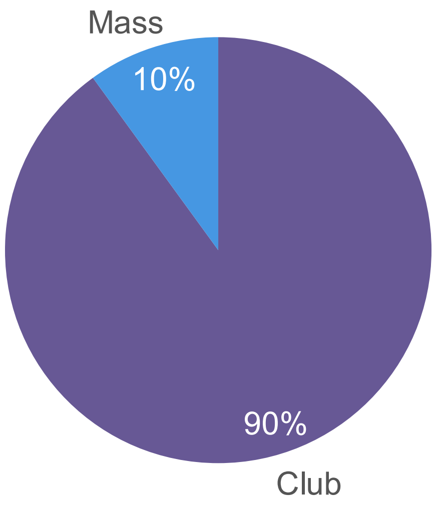
Grocery Retailer Snack Unit Shifting Change



Grocery Retailers Took Snack Units From…



Grocery Retailers Lost Snack Units To…



$247 million snacking dollars

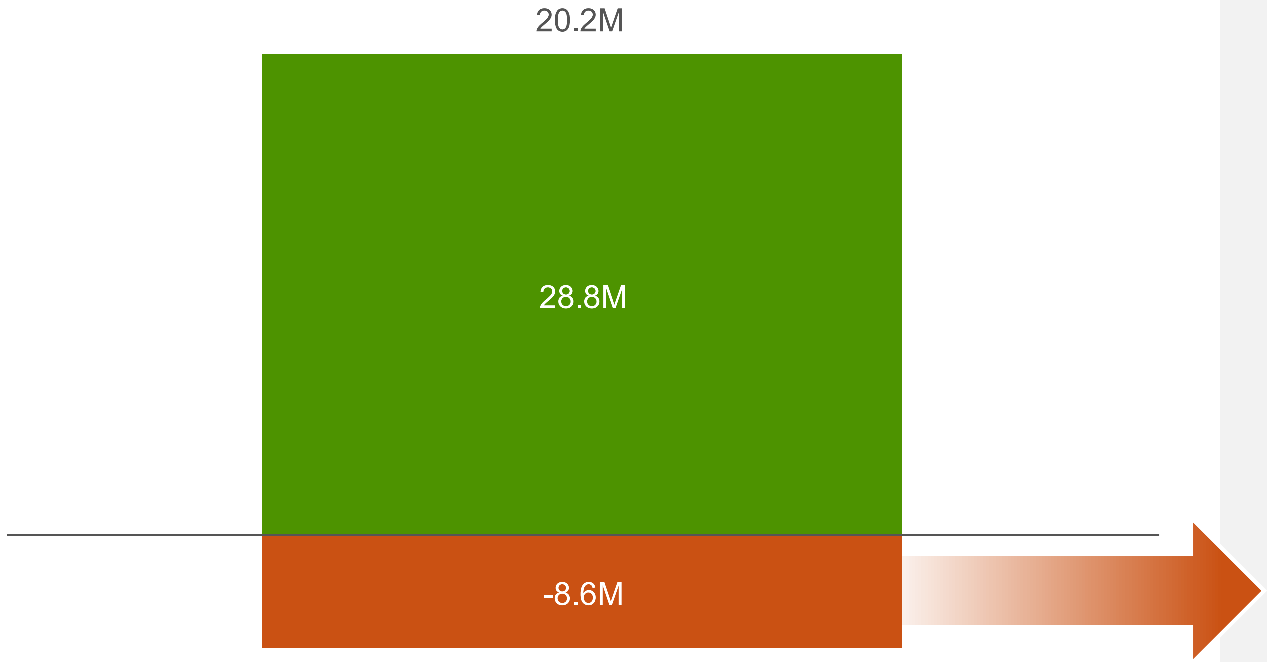
shifted from Grocery to Mass and Club

Source: NIQ, Omnishopper Panel On Demand, Total US, 52 Weeks Ending 3/22/2025

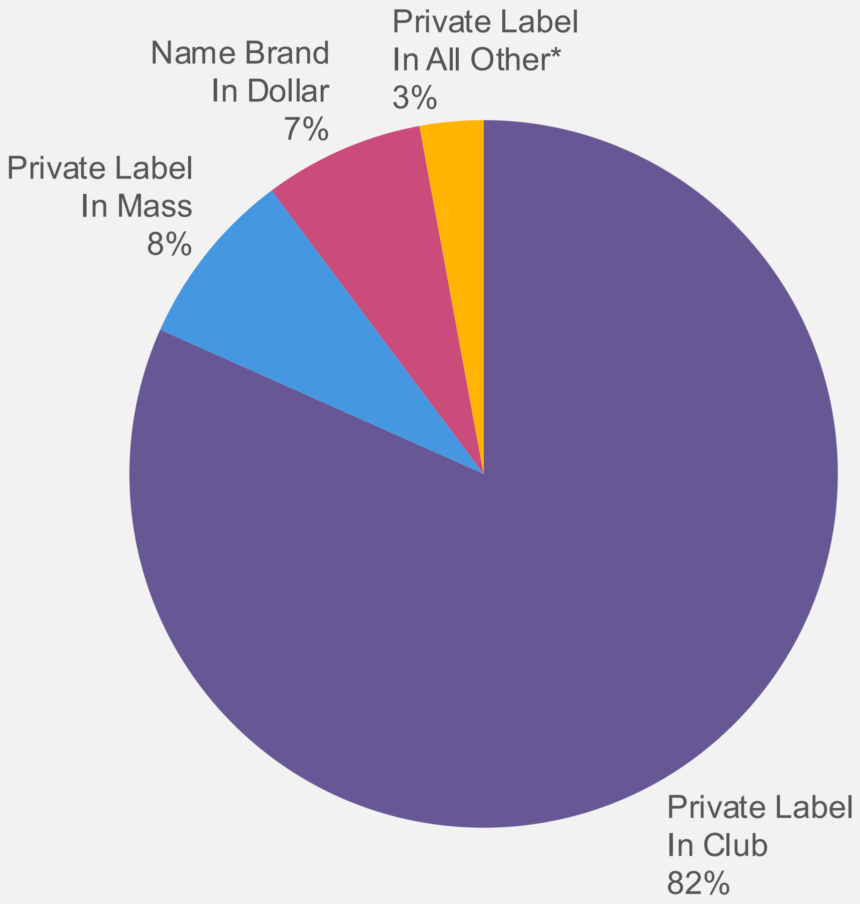
It’s more than just channel switching…

…it’s a combination of channel and brand

Grocery Retailer Name Brand Chocolate Unit Shifting Change



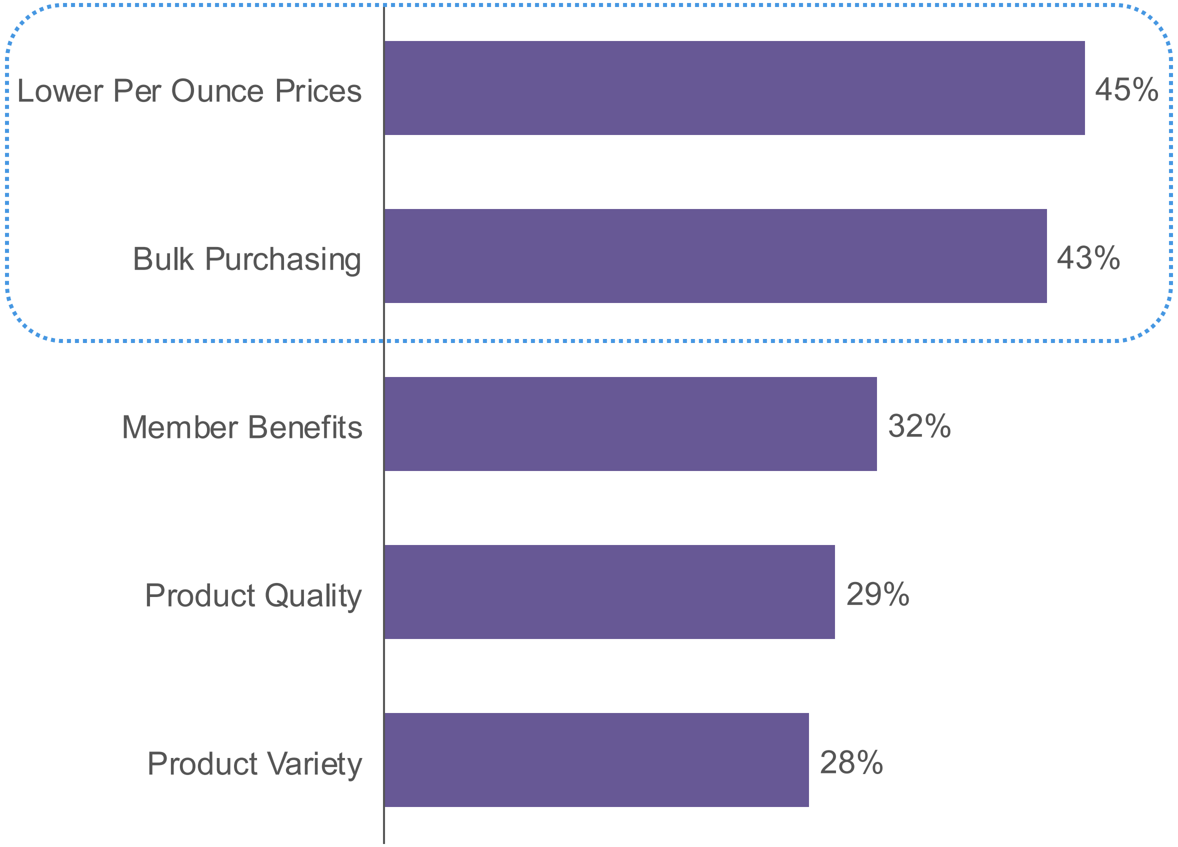
Grocery Retailers Lost Name Brand Chocolate Units To…



Source: NIQ, Omnishopper Panel On Demand, Total US, 52 Weeks Ending 3/22/2025
*Note: All Other includes channels other than Convenience, Dollar, Drug, Grocery, Mass, and Club.

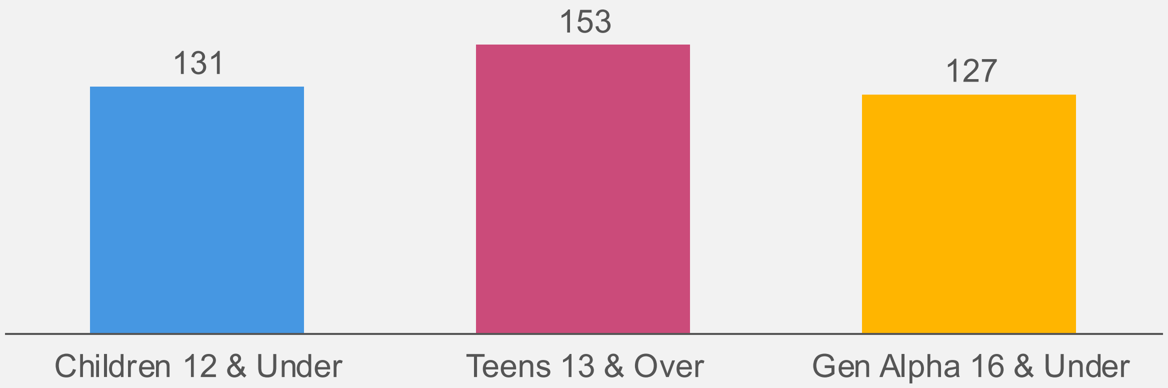
Value from volume drives shoppers to Club

Main Reasons For Shopping
At The Club Channel



Including snack buyers with children & teens

Buying Bulk Snacks Now Due To Inflation
Age Of Children Indexed To Total Population



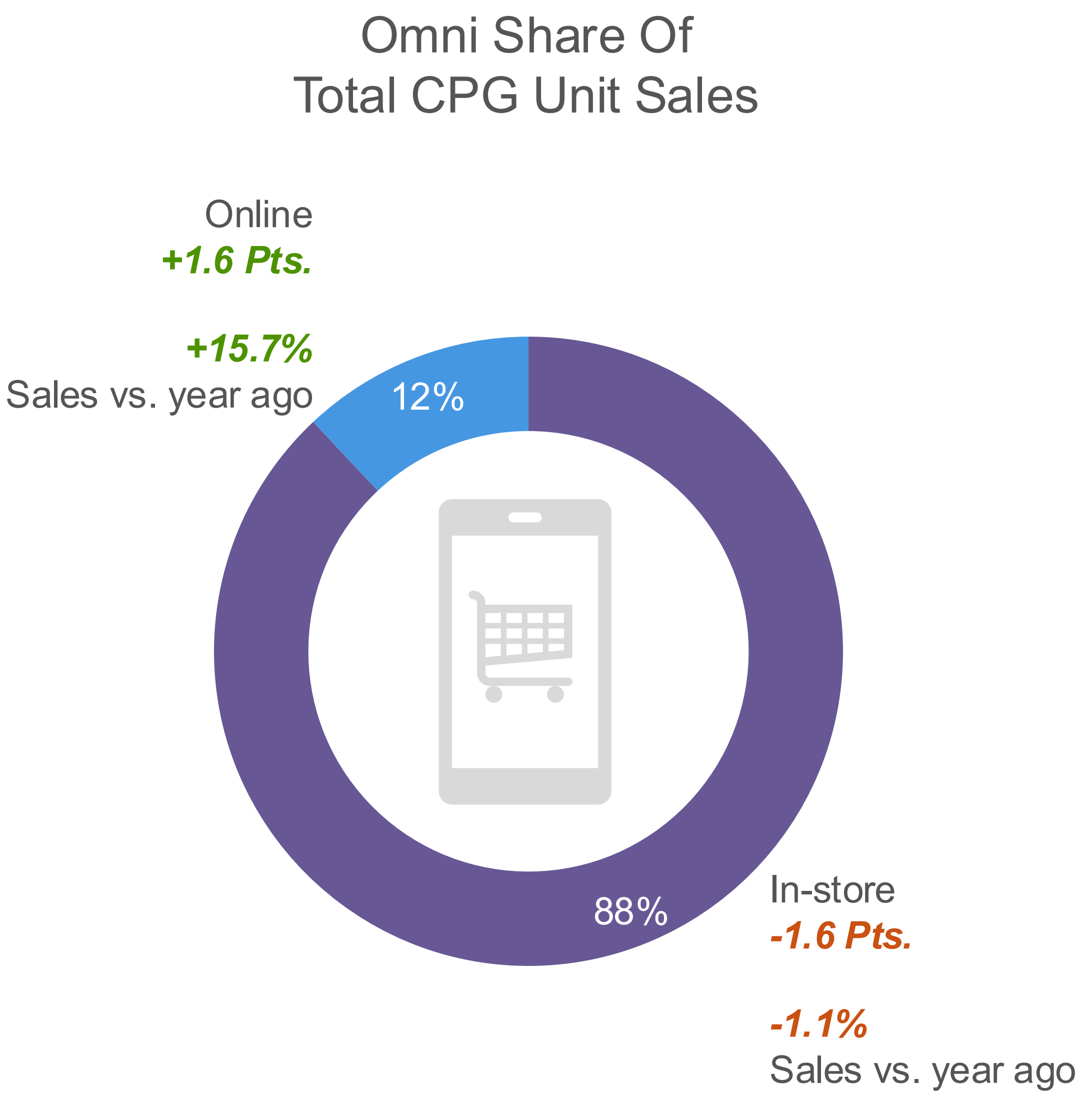
Shoppers with children say
they receive

good value

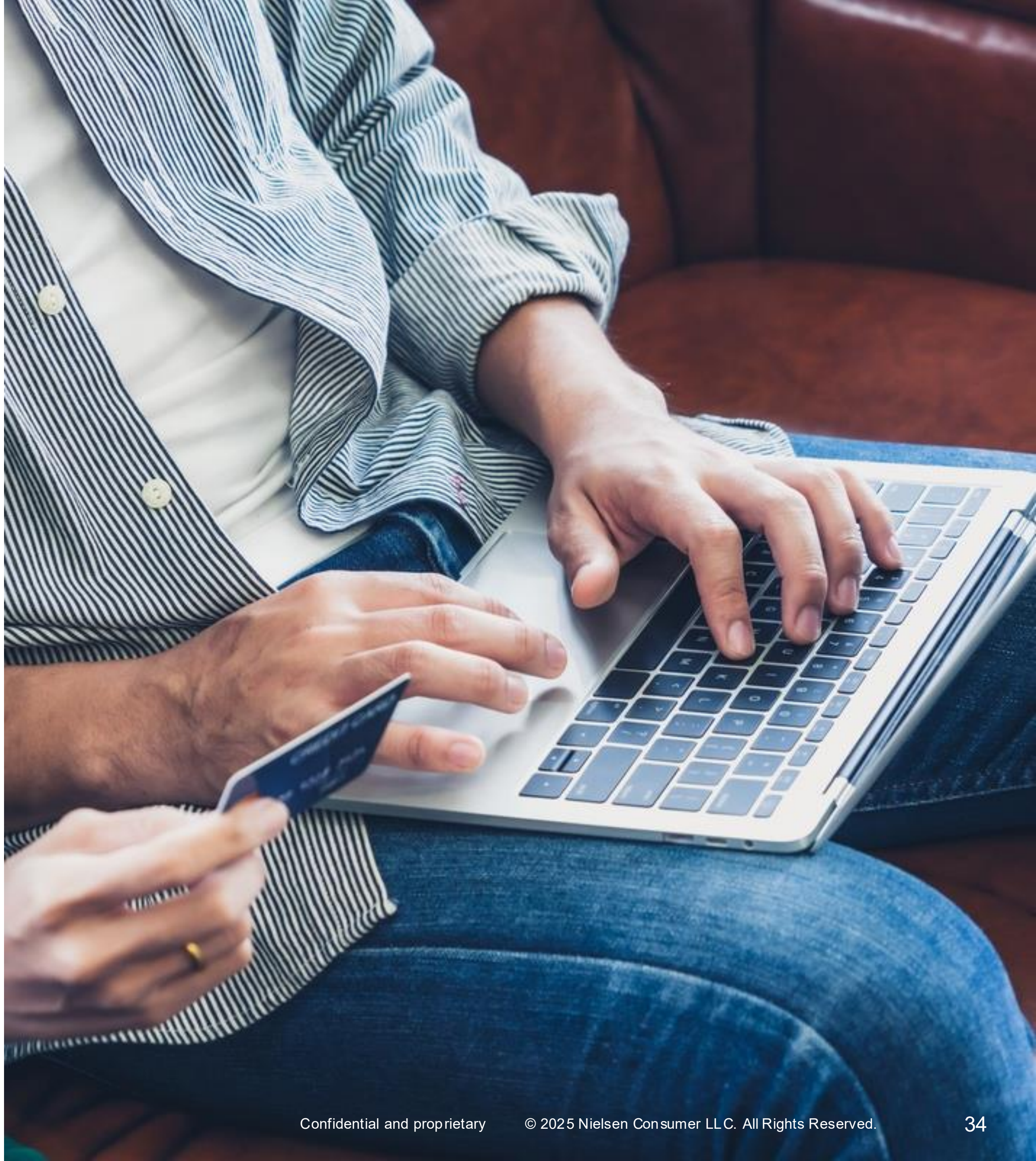
every time they shop the Club channel

Source: NIQ, BASES Quick Question Omnibus Survey, April 2025, n=1,005
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

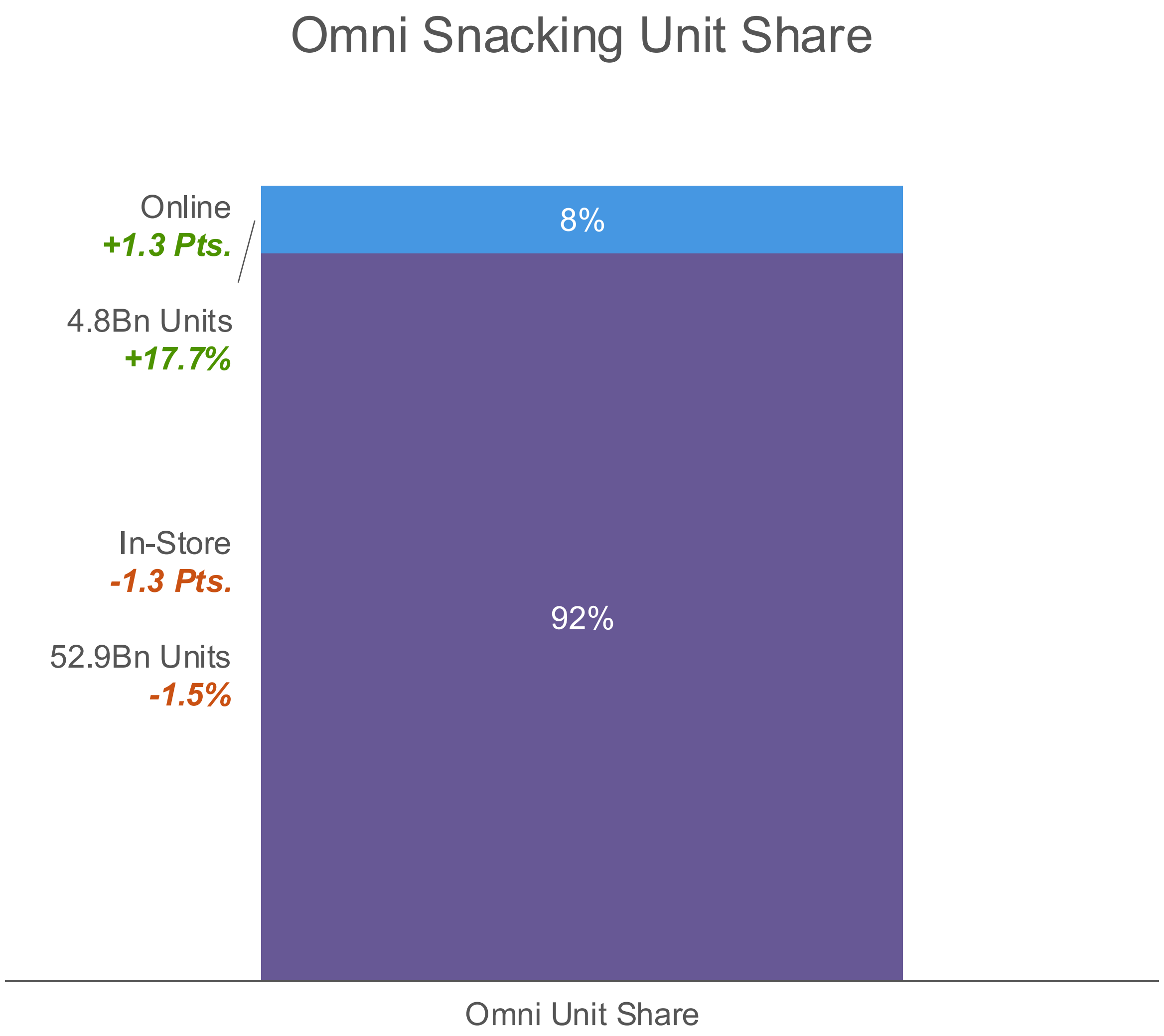
Online CPG sales are surging



Source: NIQ, Omnisales+, Total US Omni, Total Store, 52 Weeks Ending 3/29/2025



Online snack sales are surging too



Source: NIQ, OmniSales+, Total US, 52 Weeks Ending 10/26/2024

NIQ

Brick & mortar losing sales to eCommerce…

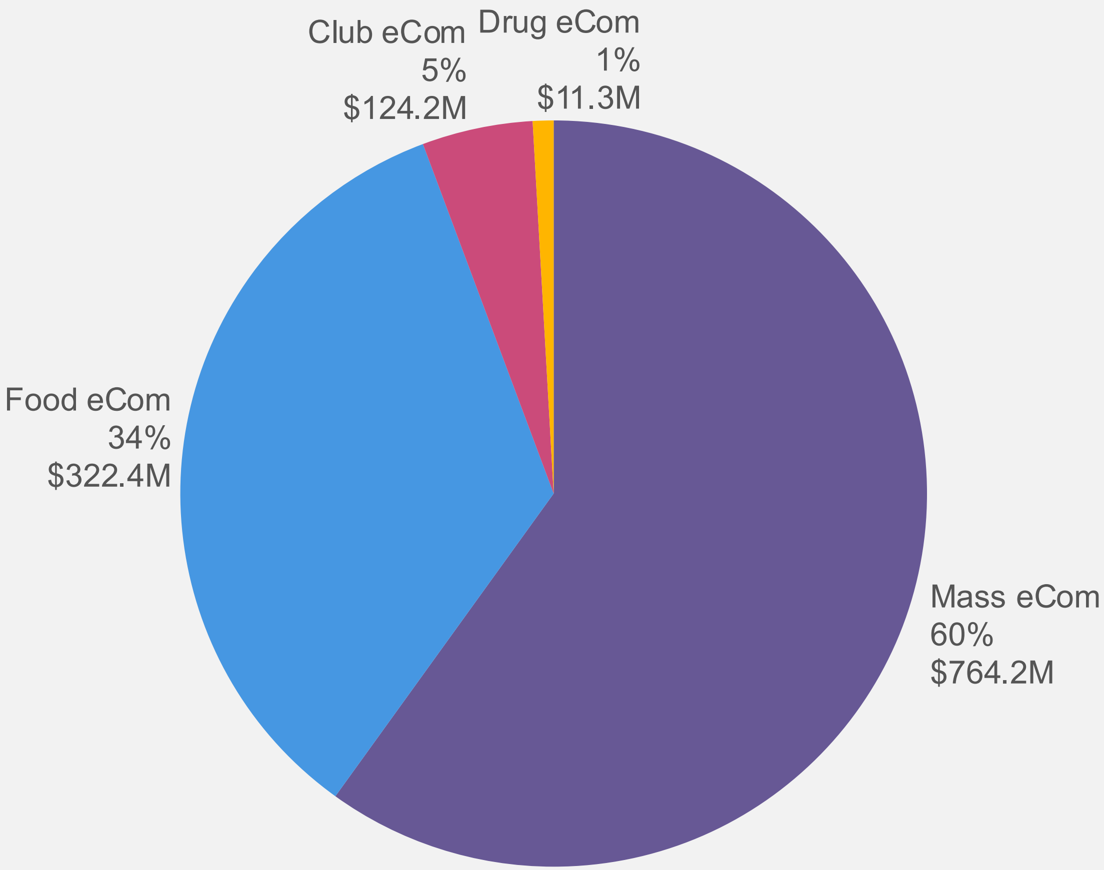
Brick & Mortar stores

lost 294M snack units

to eCommerce

…especially to online Mass, Food, and Club

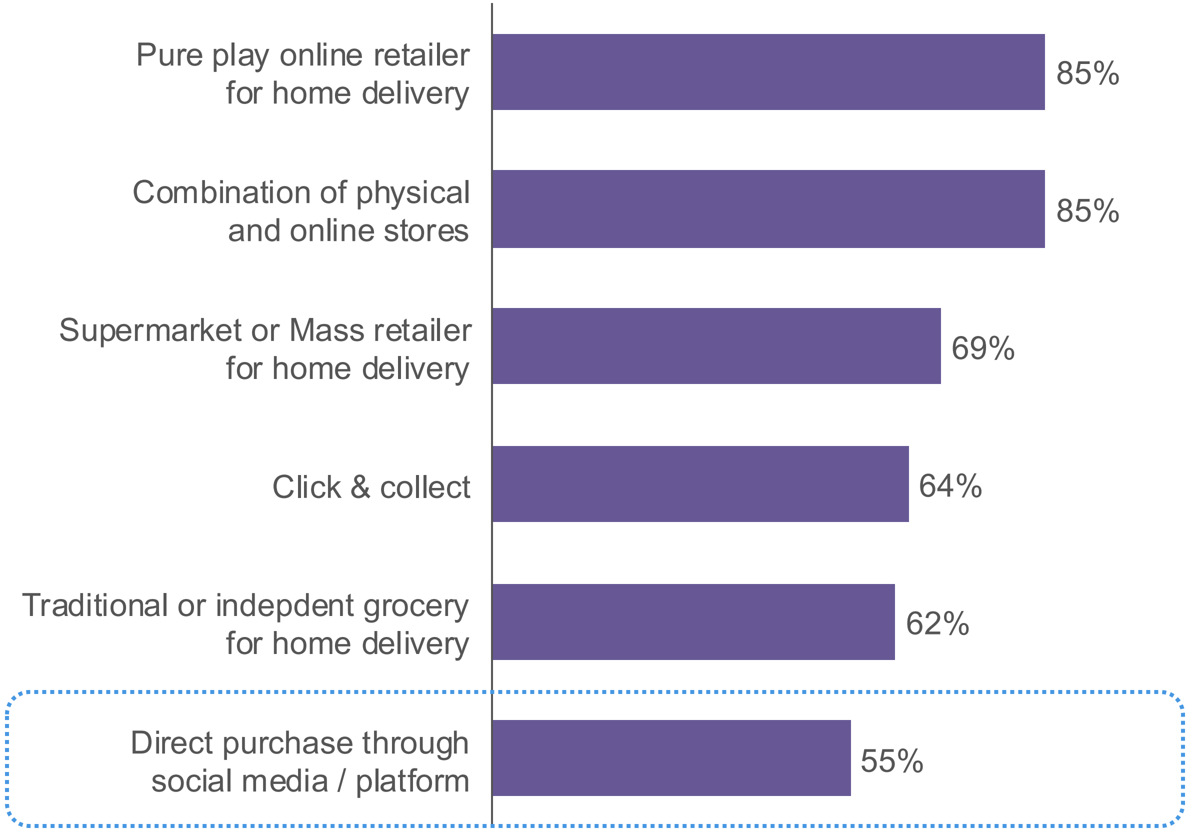
Share Of Snack Unit Shifting Gain Sourced From Brick & Mortar



Source: NIQ, Omnishopper Panel On Demand, Total US, 52 Weeks Ending 3/22/2025
Note: May not sum to 100% due to rounding

eCommerce continues to evolve

Where Shopping For Grocery & Household Items Normally Happens



Source: NIQ 2024 Consumer Outlook, U.S.
TikTok Shop sales, NIelsenIQ Omnisales 52wks ending 9/30/2024

NIQ

Social media is a search engine for some…

31%

Use social media as their ***primary source*** *to learn about new products and services*

28%

Search social media for product information ***before*** *using a traditional search engine*

Source: NIQ 2024 Consumer Outlook, U.S

…where influencers and viral marketing campaigns wield power over decision making

Freeze Dried Candy

Crookie

Baked Feta

Loaded Cereal

Whipped Coffee

Pickle Sandwiches

Stuffed Dates

We know social media is influential in CPG

35%

Sought out a new product in-store or online because of something ***seen on social media***

22%

Changed brands *based on the recommendation of a social influencer*

Source: NIQ 2024 Consumer Outlook, U.S

NIQ

Few leading manufacturers feel well prepared to respond quickly to emerging trends

MANUFACTURERS

"To what extent is your company **allocating funds** to capitalize on social trends?"

Been doing this for a while	**54%**
Just starting to earmark funds	**26%**
Not in our consideration set today	**15%**
Don't know	**6%**

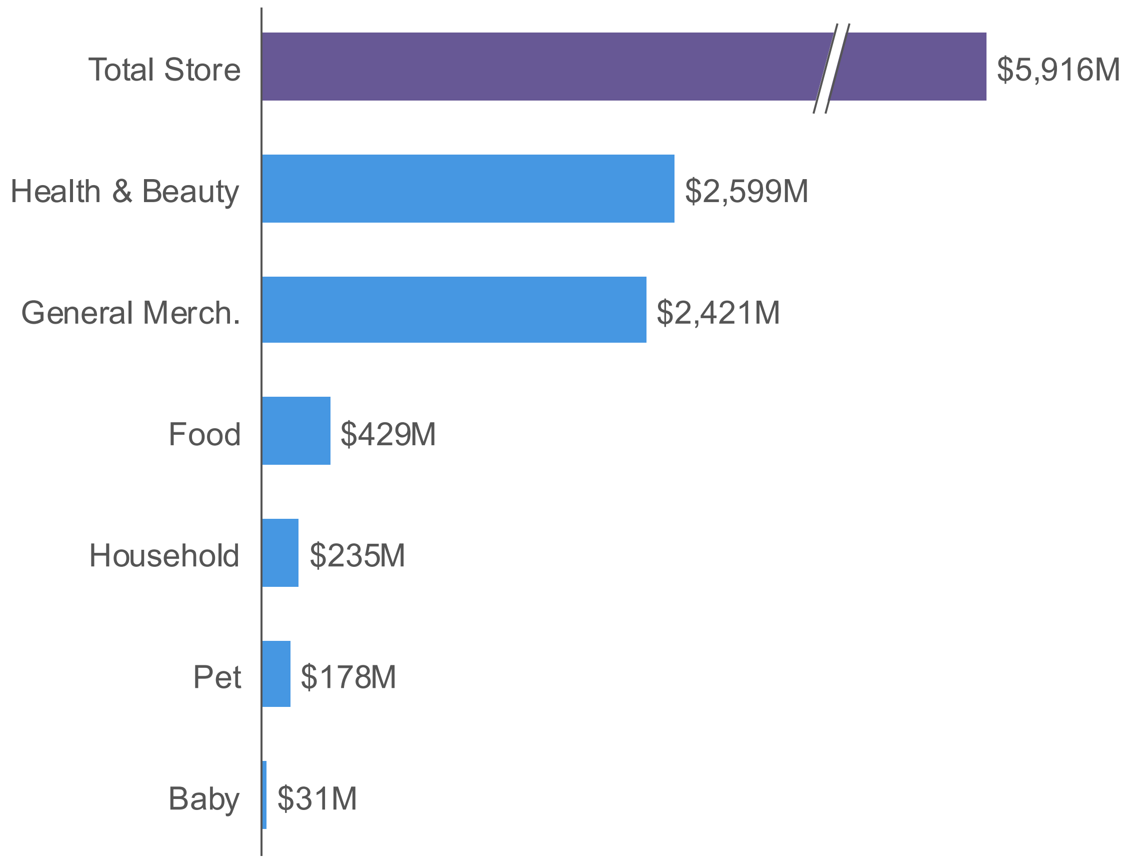
"To what extent is your company **able to quickly respond** to emerging social trends?"

Well prepared	**37%**
A little prepared	**52%**
Not prepared	**9%**
Don't know	**2%**

Source: Advantage Solutions, Sales Manufacturer Outlook Study, October 2024 (Base = 54)

Nearly $6 billion sold through TikTok Shop

TikTok Shop Sales By Department



Source: NIQ, Omnisales+, Total US Omni, Total Store, 52 Weeks Ending 3/29/2025

Snacks are among the top selling categories

Top Food Super Categories Selling On TikTok Shop

Health & Performance
$106M

Candy, Gum, & Mints
$77M

Beverages
$64M

Nutrition & Cereal Bars
$26M

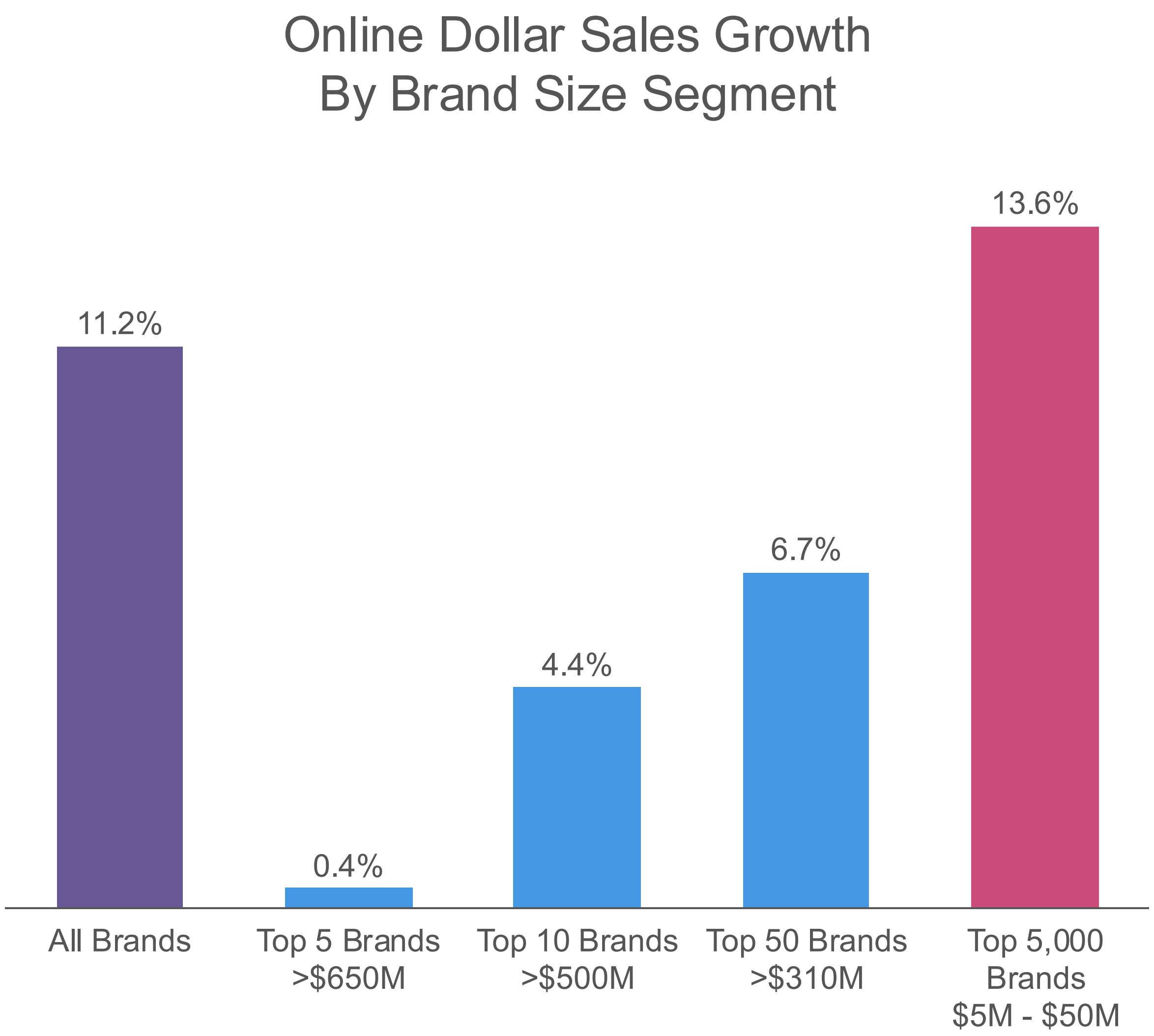
Salty Snacks
$24M

Social commerce gives small brands a voice

82% of TikTok Shop users say the platform ***introduced them to brands they did not know***

Source: TikTok Marketing Science Global Shopping Ad Products Study

Emerging brands are driving online sales



Source: NIQ, Omnisales, Calendar Year 2024
Note: Brand rank determined by size.

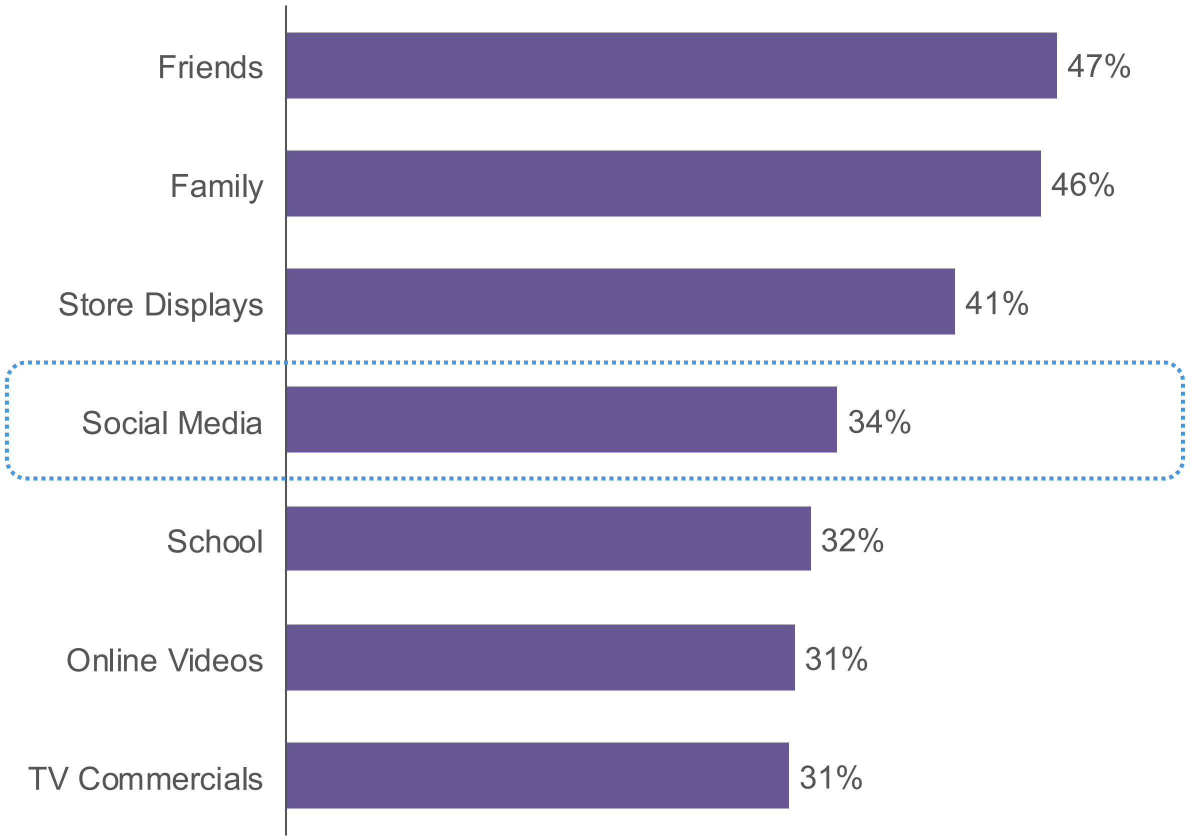
Overall, emerging brand online sales growth ***outpaced in-store sales growth by 10.8% in 2024***

21.1% of emerging brands saw ***over half*** of 2024 total sales from ***eCommerce***

48.9% of emerging brands saw ***online sales growth outpace in-store sales growth*** in 2024

Gen Alpha discovers snacks on social media

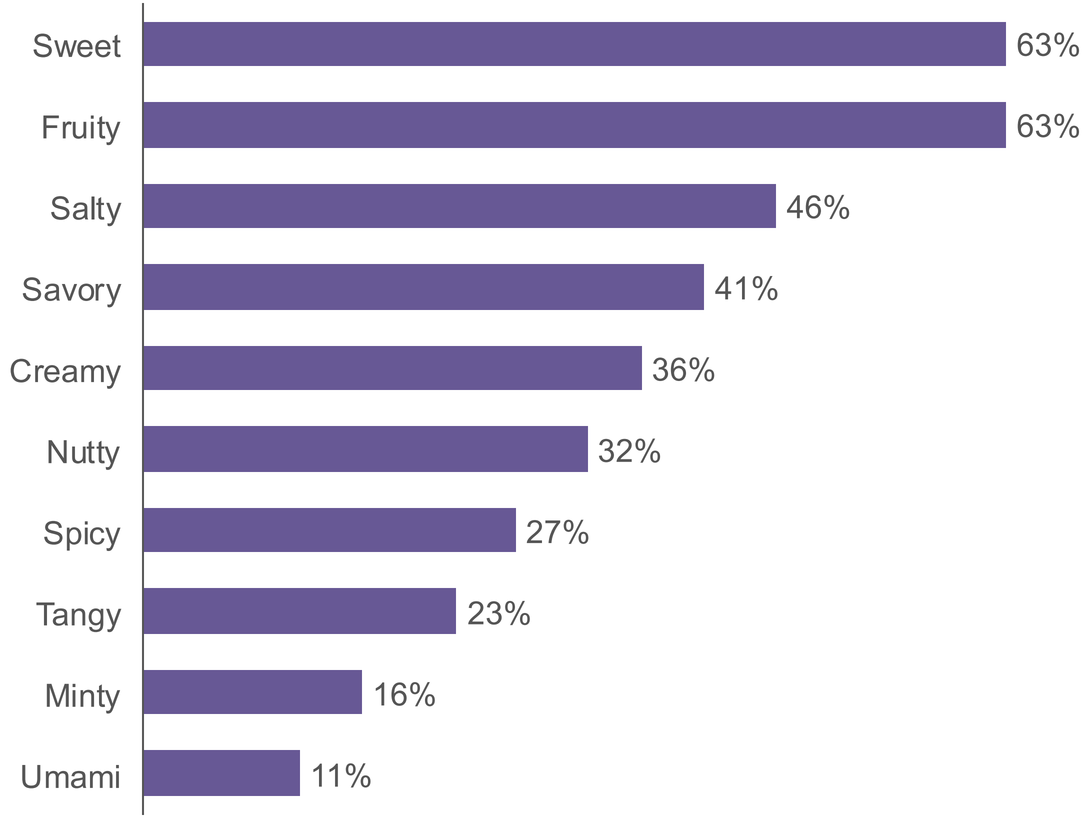
Where Gen Alpha Learns About New Snacks



Source: NIQ, BASES Quick Question Omnibus Survey, April 2025, n=305
Note: Asked to households with Gen Alpha children (under 16 years old)

Gen Alpha prefers sweet and fruity snacks

Snacks Flavors That Gen Alpha Prefer



Source: NIQ, BASES Quick Question Omnibus Survey, April 2025, n=305
Note: Asked to households with Gen Alpha children (under 16 years old)

Parents buys a mix of healthy and indulgent

Snacks Typically Purchased For Gen Alpha

Yogurt
56%

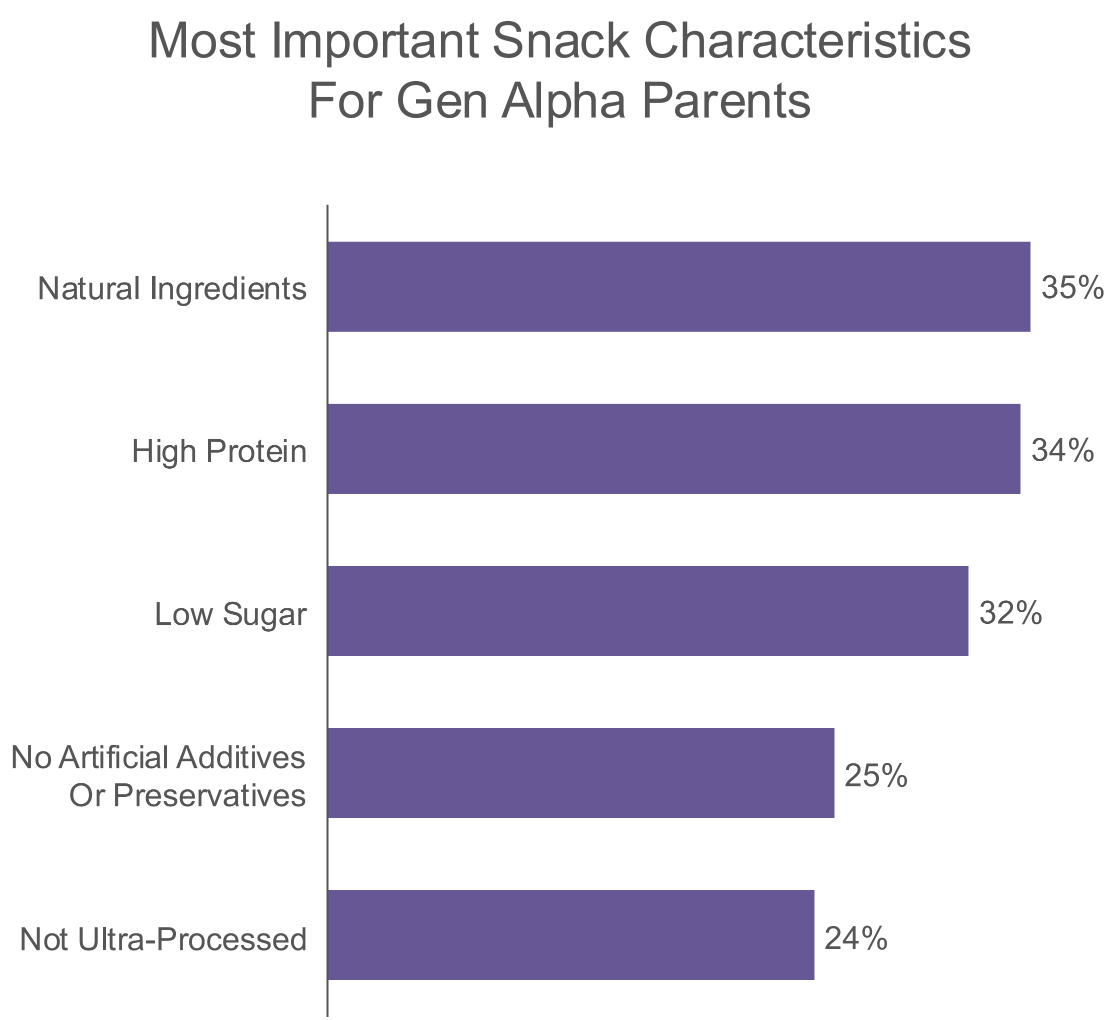
Chips
50%

Fruit Snacks
49%

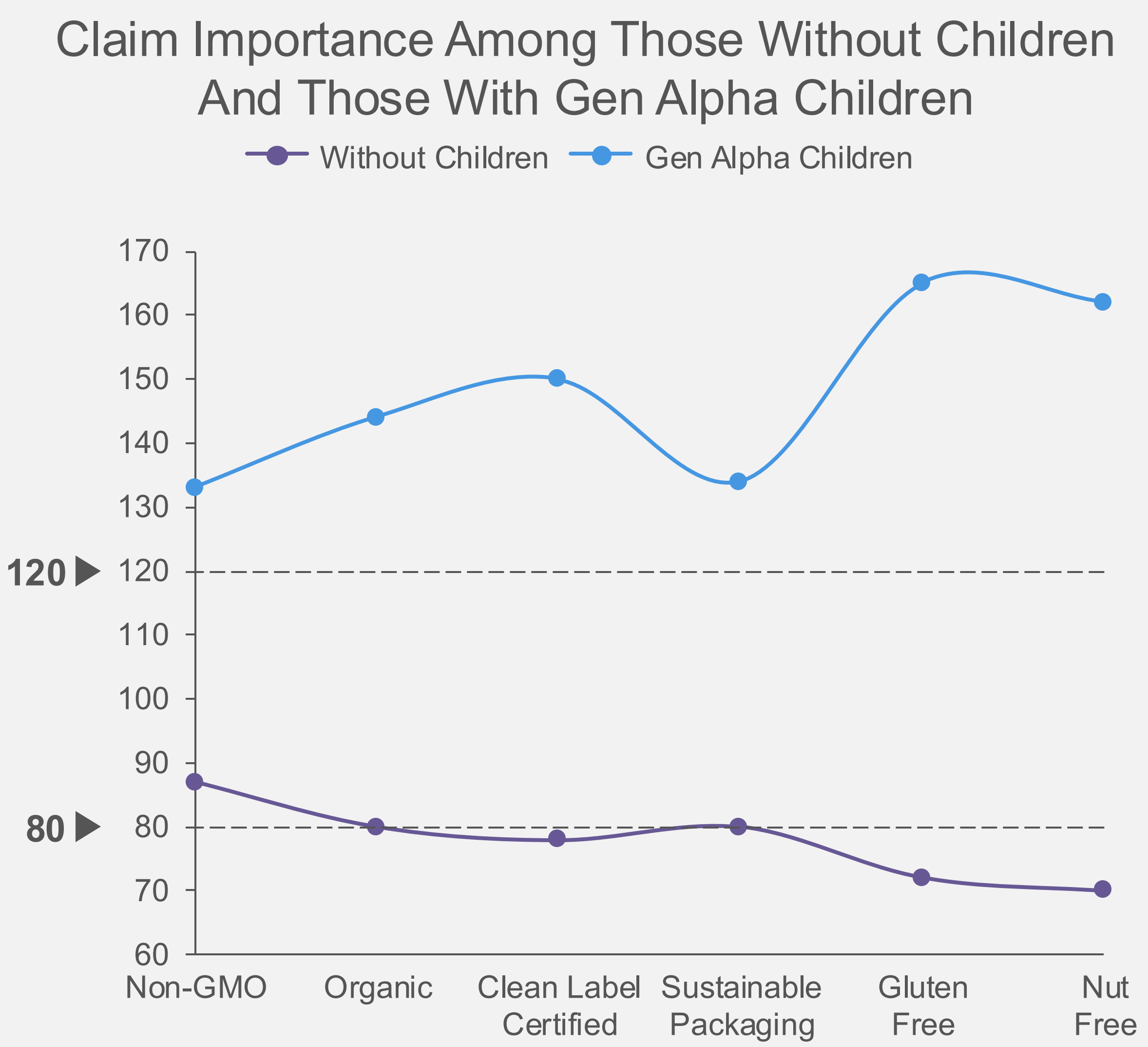
Cookies
47%

Cheese Sticks
40%

Ingredients are in focus for parents…



…who lean in on Better For™ claims



Source: NIQ, BASES Quick Question Omnibus Survey, April 2025, n=1,005
Note: Index value ≥120 indicates above average significance, <80 indicates below average significance

Future of snacking will be shaped by those who listen closely, act quickly, & lead with purpose

Economic pressure is reshaping consumer snacking behavior

- Redesign pack sizes for value flexibility
- Emphasize value beyond price

The snack path to purchase is shifting

- Expand across high-growth channels
- Activate and learn through social commerce

Gen Alpha is the future of snacking

- Design with a dual lens
- Start early, stay honest, & build trust with the next generation

NIQ Snackonomics 3.0 Series

Looking for more?

Scan the QR code to register for the upcoming webinar series!

Thank you

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