Numerator

NEW FRONTIERS

The Future of At-Home Eating

Nearly everyone experienced a lifestyle change over the past 1.5 years....

Almost 1 in 5 health care workers quit their jobs during COVID-19: poll

One year later: 15 ways life has changed since the onset of the COVID pandemic

Mental Health

It's a New Era for Mental Health at Work

Business

Ford gives 30,000 employees the option to work from home forever, another sign of workforce transformation

Many workers will have a new 'hybrid option' to work both remotely and in-person, starting in July

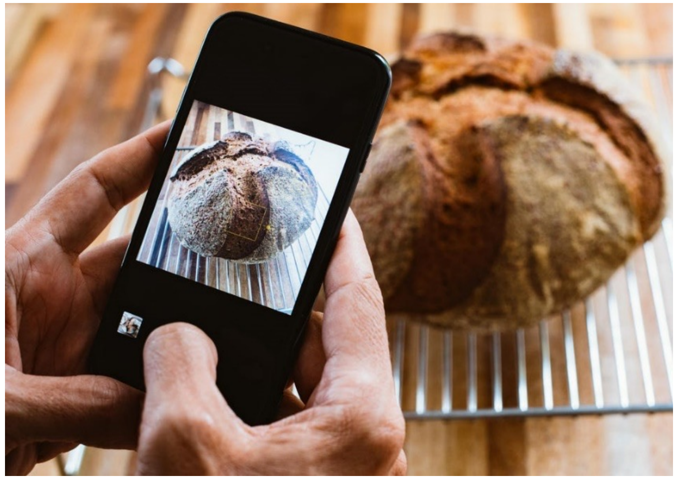
RETAIL

The pandemic's new chefs and foodies: How the health crisis shaped what we cook and crave

The 'Great Resignation' is altering the workforce dynamic — maybe for good

Source: CNBC, Washington Post, Cleveland Clinic, The Hill, HBR

Food shopping, cooking, and eating were no exception



Source: USA Today, Forbes, HuffPost, Williams Sonoma, KTLA, Grist

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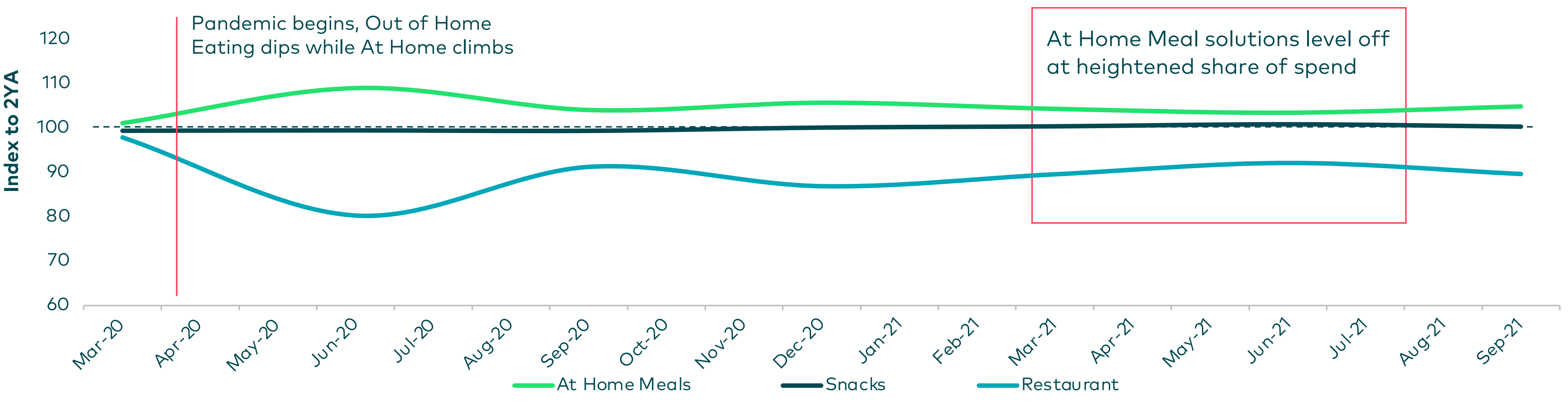
Eating at home became more important – and this shift appears to be sticky

Grocery categories commonly used for at-home meals continue to enjoy an elevated share of shopper spend

AT HOME MEALS, SNACKS, RESTAURANTS – % OF SPEND INDEX TO 2YA

Rolling Quarters by Quarter, 1/1/2019-9/30/2021



Source: Numerator Insights, Trended Metrics Scorecard, Total Meals, Total Snacks, QSR % of Spend, Rolling 1Q by Quarter, 1/1/2019-9/30/2021; Total Meals n=104,876, Total Snacks n=104,941, QSR n=93,594

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Having more time to plan, prep, & cook at home was a silver lining

When asked what made home meal planning easier within the last year….

37% mentioned having **more time** and helping hands at home

" **Time and help** from everyone in the family.

" Having the **time to plan** so I can 'revisit' favorites.

" **Planning ahead for the week** and going to the grocery store once instead of making multiple trips.

" **Being organized** and knowing what I have and what I need to make my money go as far as possible.

Source: Numerator Survey, Q17_What's one thing that has made home meal planning and preparation easier within the last year?
Base: Total (n=2657)

As life continues to change, what's next for at-home meal prep and eating habits?

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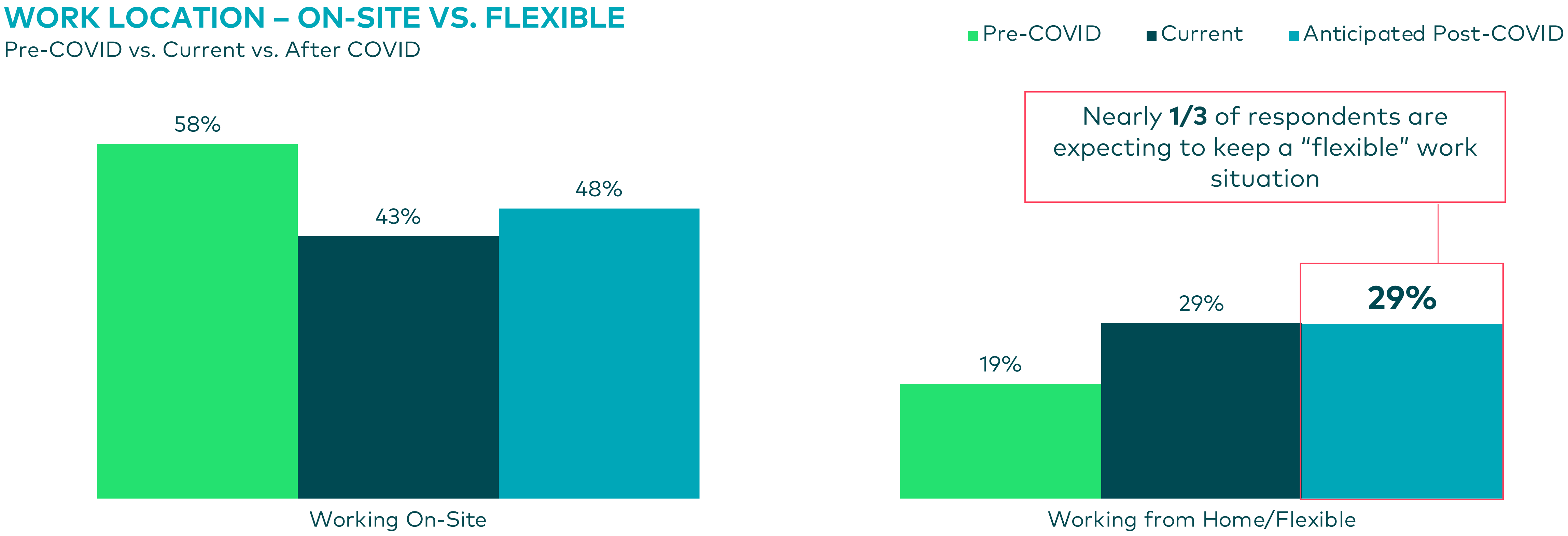
Flexible working is here to stay

When asked about work situations pre-COVID, currently, and anticipated post-COVID….



Note: Remainder of respondents fell into "Other" category (retired, homemaker, unemployed, etc.)

Source: Numerator Survey, Q3_Thinking about a typical week before the COVID-19 pandemic, which of the following best describes your work situation?, Q7_Switching gears and thinking about the past week, which of the following best describes your work situation?, Q12_Once the COVID-19 pandemic is over and life "returns to normal", what do you anticipate your work situation to be?
Base: Total (n=2657); not representative of Total US workers

Shoppers expect to continue cooking at home

4/5

of weekday dinners expected to be cooked at home

"I've had time to research meals when I was forced to stay home from work during the pandemic. Now that I've returned to work, **I've added the meals that I know my family enjoys** to our breakfasts, lunch and dinner schedule."

"Doing it **together with the family** has made home meal planning and preparation easier."

"It's **more cost effective** to eat at home. COVID prevented us from dining out as much as we had!"

"I've had a lot of **practice** and have actively looked for (and found) **new recipes that I like** and that are easy to prepare."

"More meal kit options and grocery delivery options available make **it easier to not leave the house** but also prepare meals at home that are restaurant quality!"

Source: Numerator Survey, Q13_Summary_Again, thinking about once the COVID-19 pandemic is over and life "returns to normal", which meal solution do you see yourself using most often for each of the following occasions? Q17_What's one thing that has made home meal planning and preparation easier within the last year?
Base: Total (n=2657)

At the same time, snacking is becoming increasingly important, stealing eating occasions from formal meals

NUMBER OF DAILY MEALS
Current vs. Pre-COVID

# of Meals	Pre-Pandemic	Now	Index Now vs. Pre
1	3%	7%	214
2	31%	35%	112
3	60%	52%	86
4+	5%	7%	119

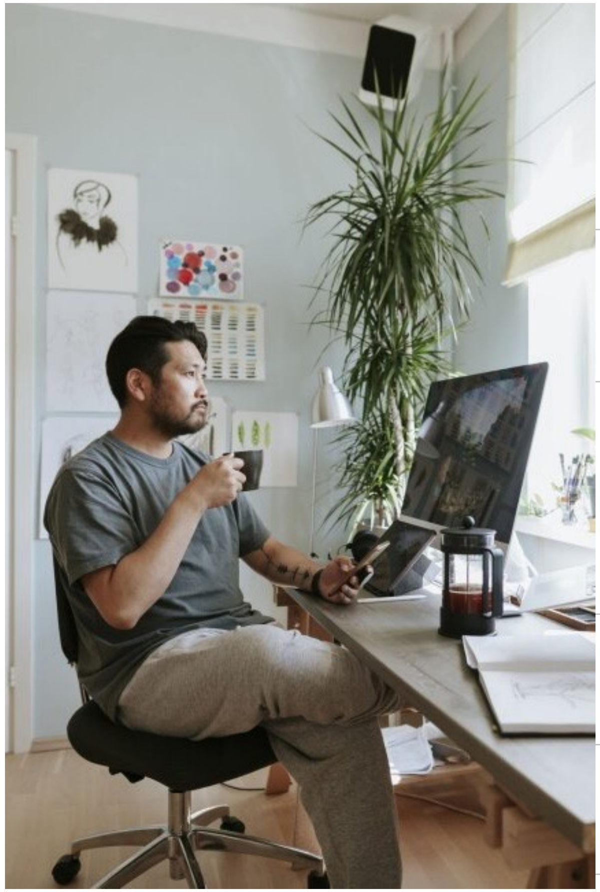
NUMBER OF DAILY SNACKS
Current vs. Pre-COVID

# of Snacks	Pre-Pandemic	Now	Index Now vs. Pre
1	28%	25%	89
2	44%	38%	88
3	19%	26%	135
4+	10%	12%	119

Source: Numerator Survey, Q10_Meals_And thinking about a typical day over the past week, how many meals and snacks did you eat per day?
Q6_Meals_And thinking about a typical day before the COVID-19 pandemic, how many meals and snacks would you eat per day?
Base: Total (n=2657)
Index < 90 highlighted in **red** & >110 highlighted in **green**

Brands targeting WFH shoppers must understand them: they're high-income, younger, and ethnically diverse

They also spend more on groceries than on-site workers



DEMOGRAPHICS

(%, Index to On-Site Workers)

High Income
High (59%, 152)

Younger
Millennial (34%, 144)
Gen X (43%, 131)

Ethnically Diverse
African American (15%,138)
Hispanic/Latino (14%, 120)
Asian (10%, 195)

City-Dwelling
Urban (39%, 132)

Parents
Has Children (39%, 125)

PSYCHOGRAPHICS

(%, Index to On-Site Workers)

Seeking health & help in the kitchen

- Seeks recipes (56%, 116)
- Seeks natural & organic foods (21%, 145)
- Needs help in the kitchen (15%, 120)

Shops online for convenience

- Orders online weekly (34%,157)
- Online shopping saves me time (66%, 117)
- Buys in bulk online (12%, 134)

Grocery Spending

Buy Rate vs. On-Site Workers, L52WE 11/7/21

- **+7% on Total Grocery**

(This general trend holds when controlling for income levels)

Source: Numerator Shopper Profile, Psychographics, Shopper Metrics, WFH Workers vs. Does Not Work From Home Premium People Groups, L52WE 11/7/21; WFH Workers n=20,297, Does Not Work From Home n=67,080

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What categories and brands are winning today's at-home meal & snack occasions?

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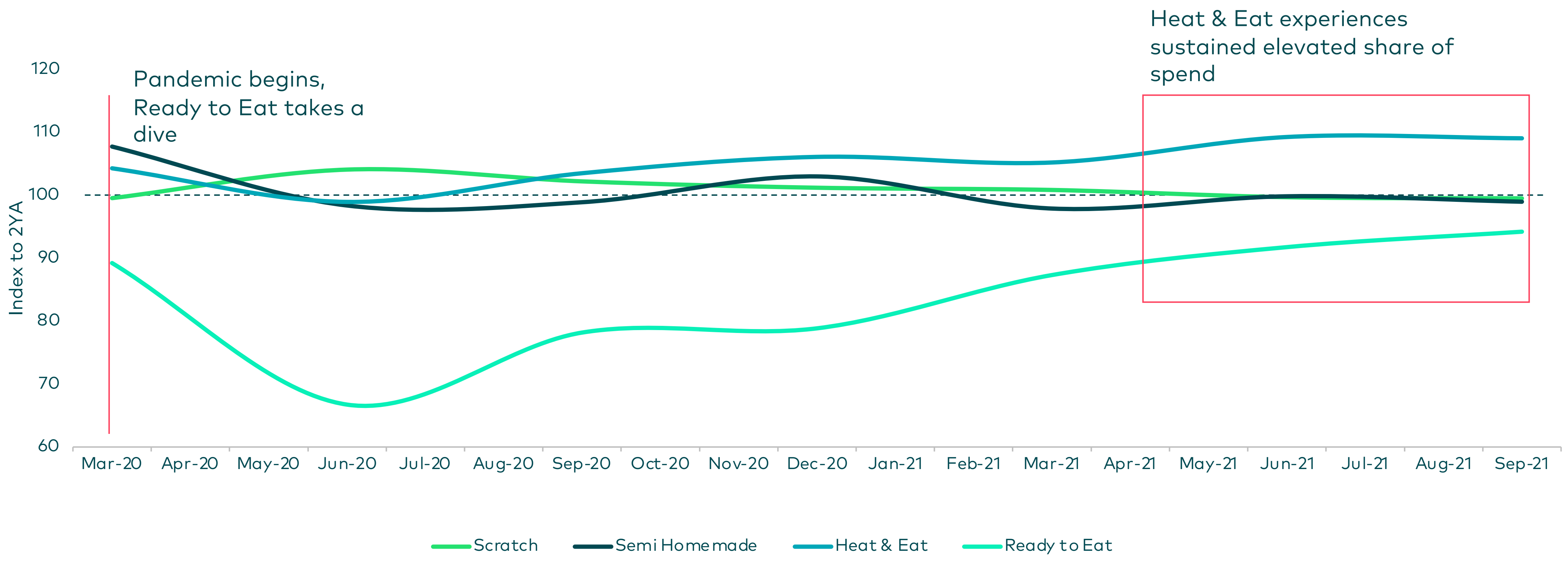
Heat & Eat is winning a larger wallet share among at-home meal types vs. pre-pandemic

AT-HOME MEAL TYPES – % OF SPEND INDEX TO 2YA
Rolling Quarters by Quarter, 1/1/2019-9/30/2021



Source: Numerator Insights, Trended Metrics Scorecard, Meal Type % of Spend, Rolling 1Q by Quarter, 1/1/2019-9/30/2021; Total Meals n=104,876, Ready to Eat n=87,608, Semi-Homemade n=99,993, Heat & Eat n=93,253, Scratch n=104,516

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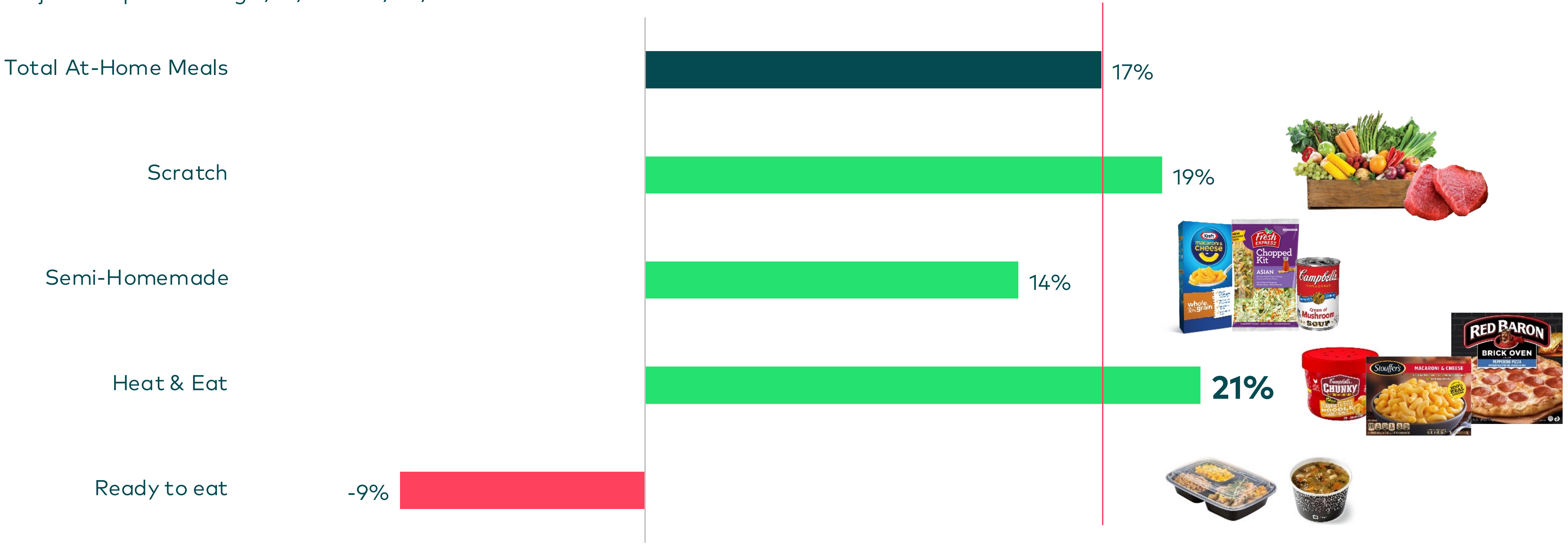
Heat & Eat also enjoys the highest overall growth since the pandemic onset, outpacing total At-Home Meal growth by ~25%

AT-HOME MEAL TYPE GROWTH

Projected Spend during 3/16/2020-9/30/2021 vs. Prior Period



Source: Numerator Insights, Data Explorer, Projected Sales by At-Home Meal Type, 3/16/2020-9/30/2021; Total Meals n=104,876, Ready to Eat n=87,608, Semi-Homemade n=99,993, Heat & Eat n=93,253, Scratch n=104,516

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Among highest-growth Heat & Eat brands, "better-for-you" is a prominent theme

"WINNING" HEAT & EAT PARENT BRANDS

Growth Index vs. Total Heat & Eat Growth, 3/16/2020-9/31/2021 vs. Prior Period

Up & Coming

New Launch	8,371	2,427
		
	PALEO	GF

Mid-Market

New Launch	1,675	711
		
GF	GF	GF/DF

Blue Chip

133	132	126
		

Source: Numerator Insights, Data Explorer, Projected Sales for Less Healthy Snacks by Parent Brand, 3/16/2020-9/30/2021; More Indulgent Snacks n=93,253; Up & Coming = $20-100MM in projected sales in post-period, Mid-Market = $100MM-1B, Blue Chip = $1B+

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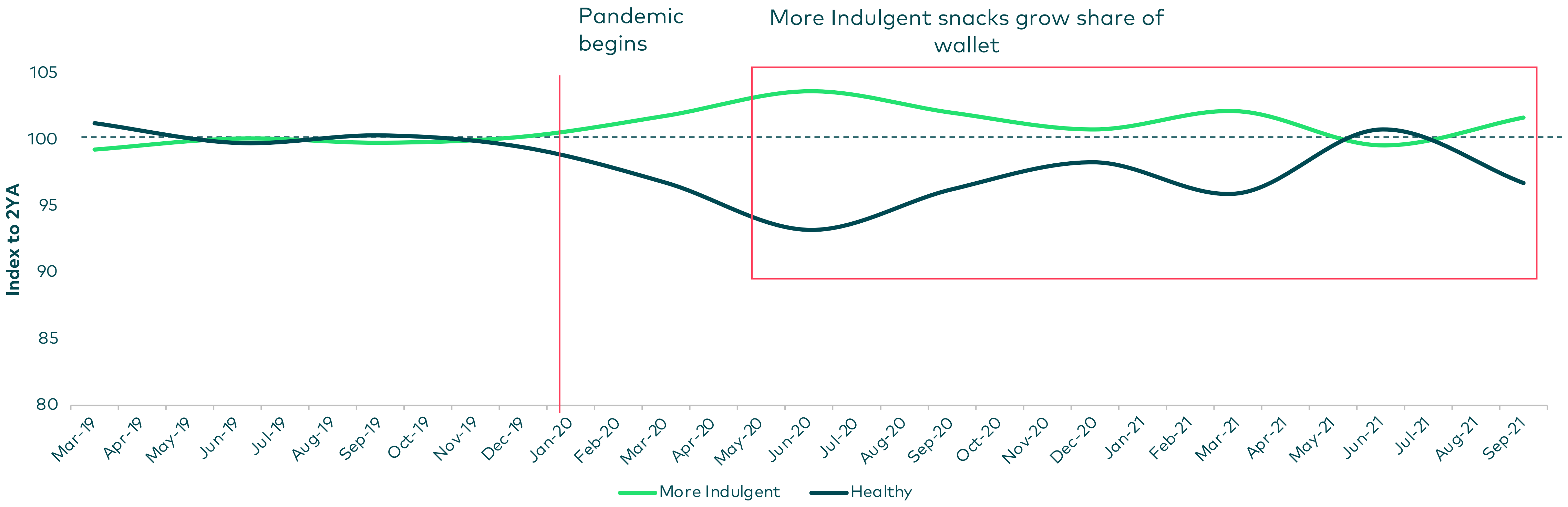
Within snacks, healthier options are losing wallet share while more indulgent snacks are gaining…

SNACK TYPES – % OF SPEND INDEX TO 2YA

Rolling Quarters by Quarter, 1/1/2019-9/30/2021



Source: Numerator Insights, Trended Metrics Scorecard, Snack Type % of Spend, Rolling 1Q by Quarter, 1/1/2019-9/30/2021; Total Snacks n=104,945, More Indulgent n=104,838, Healthy n=102,514

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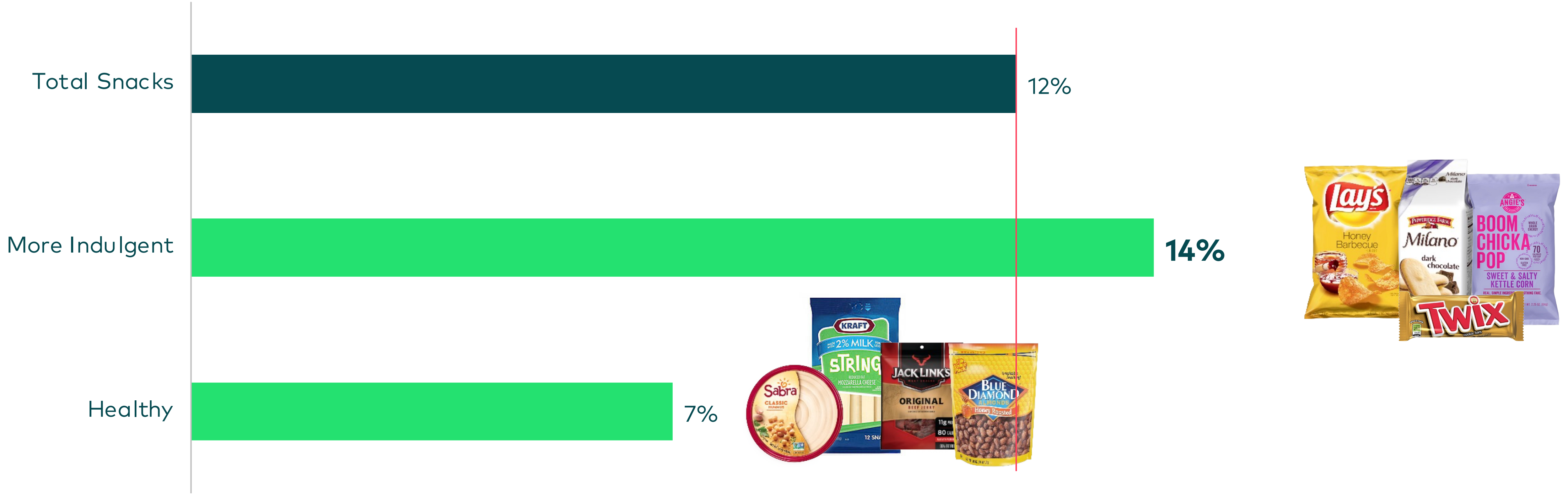
...outpacing growth of Total Snacks

Both snack types grew, but More Indulgent snacks *grew more* than Healthy snacks...

SNACK TYPE GROWTH

Projected Spend during 3/16/2020-9/30/2021 vs. Prior Period



Source: Numerator Insights, Data Explorer, Projected Sales by Snack Type, 3/16/2020-9/30/2021; Total Snacks n=104,945, More Indulgent n=104,838, Healthy n=102,514

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Top growth snack brands are a mix of traditional and better-for-you indulgence

"WINNING" MORE INDULGENT SNACK BRANDS

Growth Index vs. Total More Indulgent Snack Growth, 3/16/2020-9/31/2021 vs. Prior Period

Up & Coming

New Launch

New Launch

New Launch

BFY

Mid-Market

1,479

BFY

1,367

1,228

BFY

Blue Chip

209

166

157

Source: Numerator Insights, Data Explorer, Projected Sales for Less Healthy Snacks by Parent Brand, 3/16/2020-9/30/2021; More Indulgent Snacks n=93,253; Up & Coming = $20-100MM in projected sales in post-period, Mid-Market = $100MM-1B, Blue Chip = $1B+

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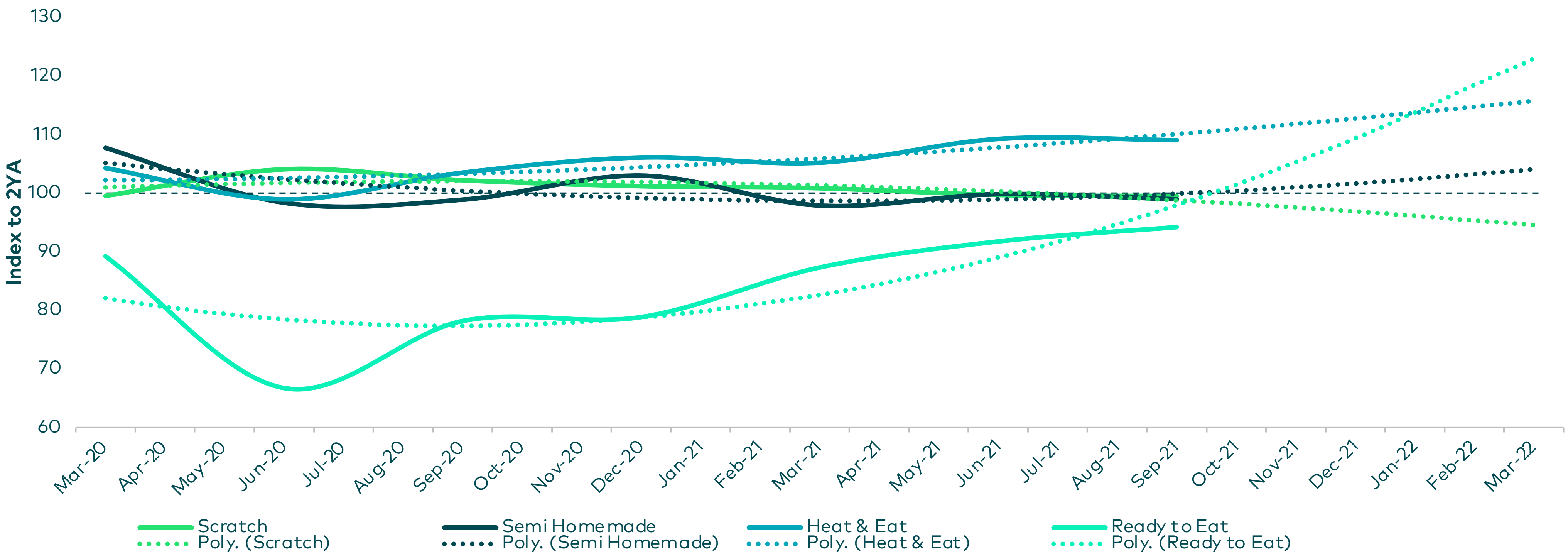
How can brands & retailers innovate to meet the new needs of shoppers?

We expect convenience-friendly meal types to continue to grow in share of wallet (and importance)

AT-HOME MEAL TYPES – % OF SPEND INDEX TO 2YA

Rolling Quarters by Quarter, 1/1/2019-9/30/2021



Trendlines demonstrate continued growth for at-home meal types outside of Scratch

Source: Numerator Insights, Trended Metrics Scorecard, Meal Type % of Spend, Rolling 1Q by Quarter, 1/1/2019-9/30/2021; Total Meals n=104,876, Ready to Eat n=87,608, Semi-Homemade n=99,993, Heat & Eat n=93,253, Scratch n=104,516

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When asked to pick their priorities, taste is still king

#1

TASTE & ENJOYMENT

"I like to cook meals for family. Things with **great taste.**"

"Premade/frozen meals need to **taste better**"

#2

CONVENIENCE

"**Convenience is key** while also being natural."

"When I'm out of the house for work from 7:30am-5pm, I just want to make a **quick but delicious** meal."

#3

PREP & CLEAN-UP TIME

"I prefer to buy fresh foods **already peeled and diced** so all I have to do is add them to the pot."

"It's the **clean-up** I dread."

When it comes to **Snacking**, priorities are the same except for #3, which is **Nutritional Benefits**

Source: Numerator Survey, Q18_Which of the following do you prioritize when preparing meals at home?, Q19_Which of the following do you prioritize when snacking?
Base: Total (n=2657)

But when we look deeper, shoppers want solutions that bridge convenience, health *and* taste

When asked what retailers and manufacturers can do to make home cooking easier…

35% asked for **time-saving solutions** that don't sacrifice on taste or healthfulness

> When I get home, I'm exhausted. I would prefer something that is **easy to prepare and tastes great**.

> I have no time with a baby and working full time. **I don't mind frozen meals** but it needs to **taste good,** and most don't.

> Foods that are **quick to combine into a meal** are beneficial. **Cook-ahead** dishes are also great (casseroles, lasagna, etc). Foods that can go into a crock-pot, insta-pot or air fryer for easy cooking (30 minutes or less).

> Putting **displays** out that have ingredients for common recipes would save time and help provoke **meal prep ideas** when my brain is absolutely spent from working all day.

Source: Numerator Survey, Q17_What's one thing that has made home meal planning and preparation easier within the last year?
Base: Total (n=2657)

Ingredient supply and rising prices are also top-of-mind

When asked what retailers and manufacturers can do to make home cooking easier…

26%

said making quality ingredients more **affordable and accessible**

“Grocery prices are very high, it's **almost cheaper to go out to eat**.”

“Cost of meat has increased so much that it makes it **difficult to stay on a budget** buying fresh meats.”

“Have **items in stock** at our local store would help the most. I plan meals around what's available and coupons I can find.”

“Grocery **prices have gone through the roof** as packaging continues to get smaller.”

“It's very expensive to cook for a large family and make it healthy. I **wish healthier ingredients were cheaper**. I'd love more bulk items also!”

Source: Numerator Survey, Q17_What's one thing that has made home meal planning and preparation easier within the last year?
Base: Total (n=2657)

Today's at-home cook wants ease and variety with a "homemade" feel

ATTITUDES ABOUT AT-HOME MEAL PREP

Displaying those who "Agree"

Source: Numerator Survey, Q16_Agree_Using the grid below, please indicate if you agree or disagree with each of the following.
Base: Total (n=2657)

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Some brands are already offering health claims and convenience to meet the at-home cook's new needs…

"WINNING" AT-HOME MEALS PARENT BRANDS

Growth Index vs. Total At-Home Meals Growth, 3/16/2020-9/31/2021 vs. Prior Period

BFY

1,944

Cooked

686

Cooked

663

BFY

650

BFY

558

Cooked

513

BFY

510

BFY

449

BFY

482

Source: Numerator Insights, Data Explorer, Projected Sales for Total Meals by Parent Brand $20MM+, 3/16/2020-9/30/2021; Total Meals n=104,876

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...while most winning snack brands are touting better-for-you indulgence – who will be next?

"WINNING" SNACK PARENT BRANDS

Growth Index vs. Total Snacks Growth, 3/16/2020-9/31/2021 vs. Prior Period

BFY

BFY

BFY

New Launches

2,564

BFY

1,664

BFY

1,631

BFY

1,570

Source: Numerator Insights, Data Explorer, Projected Sales for Total Snacks by Parent Brand $20MM+, 3/16/2020-9/30/2021; Total Snacks
n= 104,945

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What we're seeing

- Shoppers expect to continue cooking at home, even after the pandemic.
- While they have more time to cook than before, they're seeking quick, healthy, and affordable solutions that taste like homemade as life returns to "normal."
- Heat & Eat meals with better-for-you attributes and More Indulgent snacks grew the most during the pandemic.

Why it matters to you

- With costs rising, grocery budgets are stretching thin. Manufacturers and retailers can win by meeting the shopper's new needs at an affordable price.
- When thinking about innovation, manufacturers will need to strike a balance between time-saving convenience and a homemade taste and feel.
- Retailers that understand their shoppers and shoppers' priorities will be able to organize store layouts to meet their needs.

How you can take action

- Reach out to your Numerator Consultant to understand why certain brands – including yours – are "winning" and who is "losing."
- Uncover new snacking occasions and understand the new snacking needs of today's shopper.
- Learn more about the "flexible" worker and how to reach them using media consumption, shopper metrics, and survey.
- Assess whether competitive advertising is addressing the new needs of shoppers to give your media an edge.

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There's more to know.

For custom insights, reach out to us at
hello@numerator.com

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