ANTICIPATING the Post-COVID Consumer

Underlying consumer behaviors explain what drives your sales

and are the leading indicators of what might happen next.

Our modern Consumer Panel has higher engagement and compliance

Gamified consumer apps and proprietary passive collection technology create unprecedented participation and scale

200M+

Annual receipt capture pace

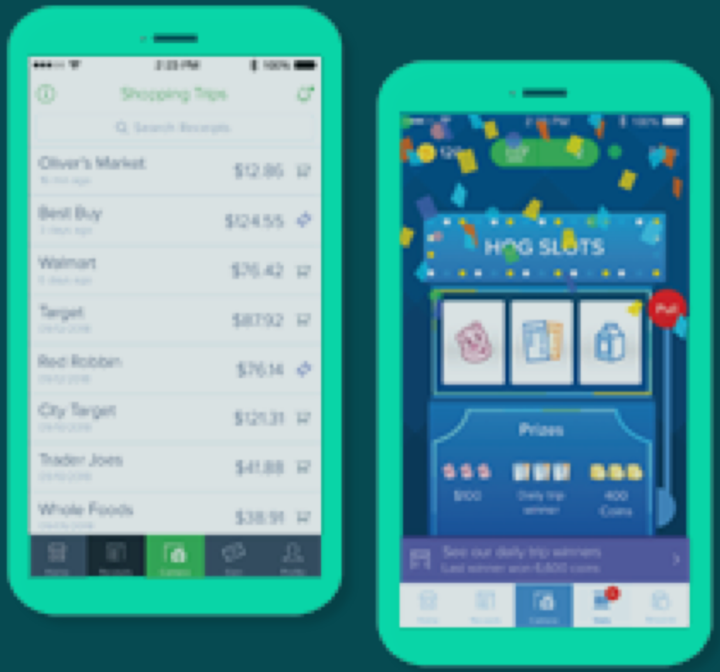
+450,000

Active Panelists (4.5x nearest competitor)

Omnichannel Coverage

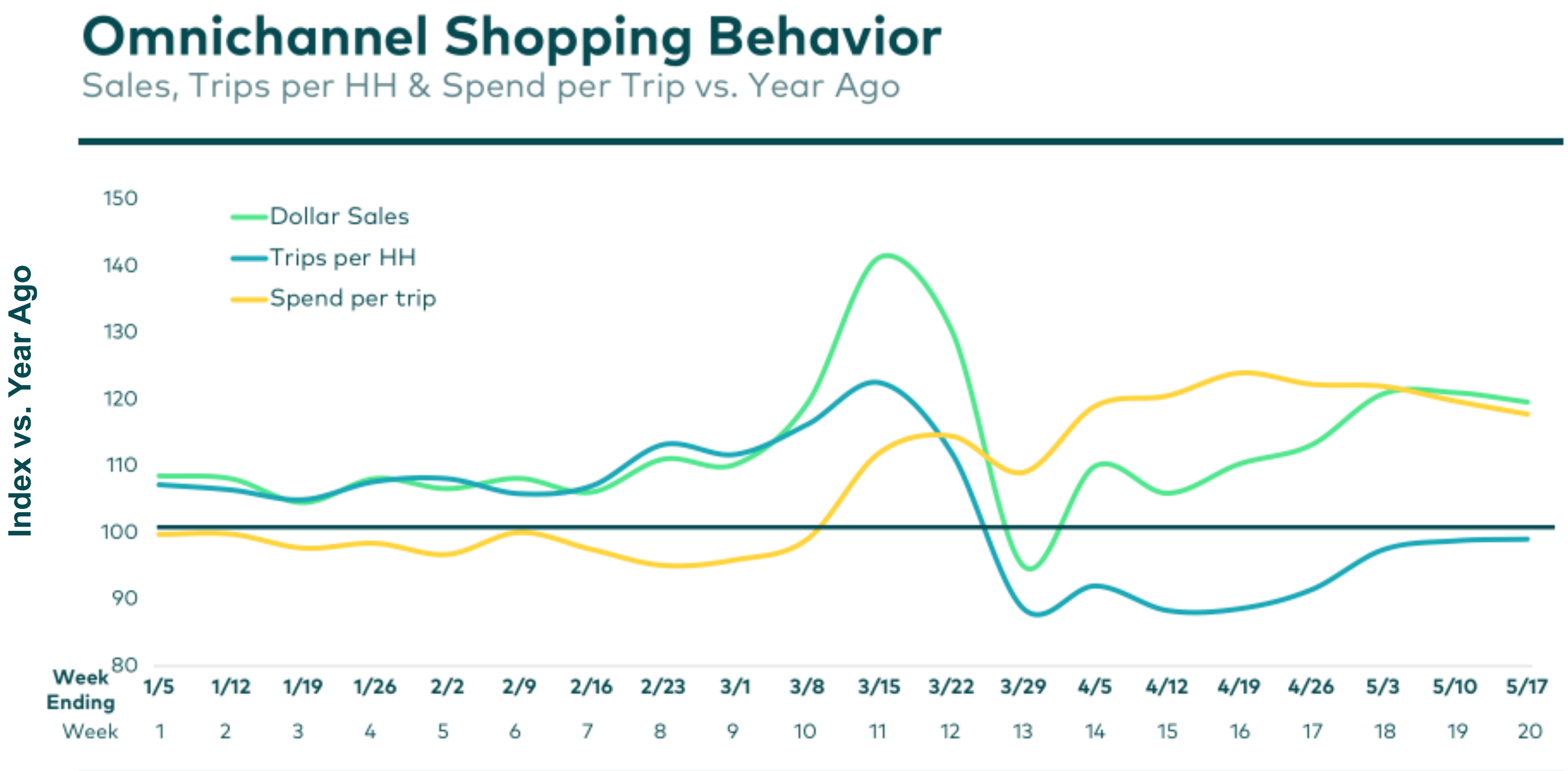
Including Amazon

AI and optical character recognition enables scale and accuracy



Numerator

COVID-19 dramatically impacted consumer behavior



Numerator Insights, 2020 vs. 2019 weeks, B&M and eComm

Numerator

Pre COVID-19

Dawning COVID-19

Managing Through COVID-19

Exiting COVID-19

Entering Recession

Managing Recession

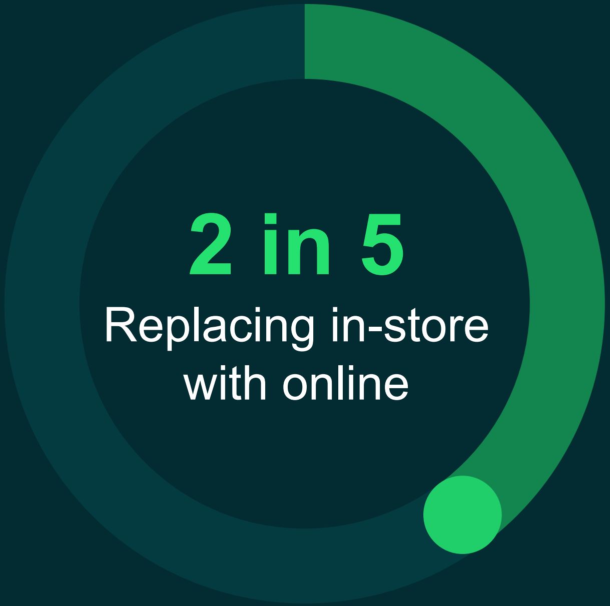
Three macro themes underlying consumer behavior have emerged in the wake of COVID-19

Omnichoice
Consumers continue to shift online as familiarity grows

The Trip Home
Consumers stay home & rediscover their pantries

Economic Fallout
Consumers face increased financial pressure

Omnichoice



The Trip Home

Economic Fallout

Omnichoice

Who's going where?

The Trip Home

2 in 3

Cooking more at home

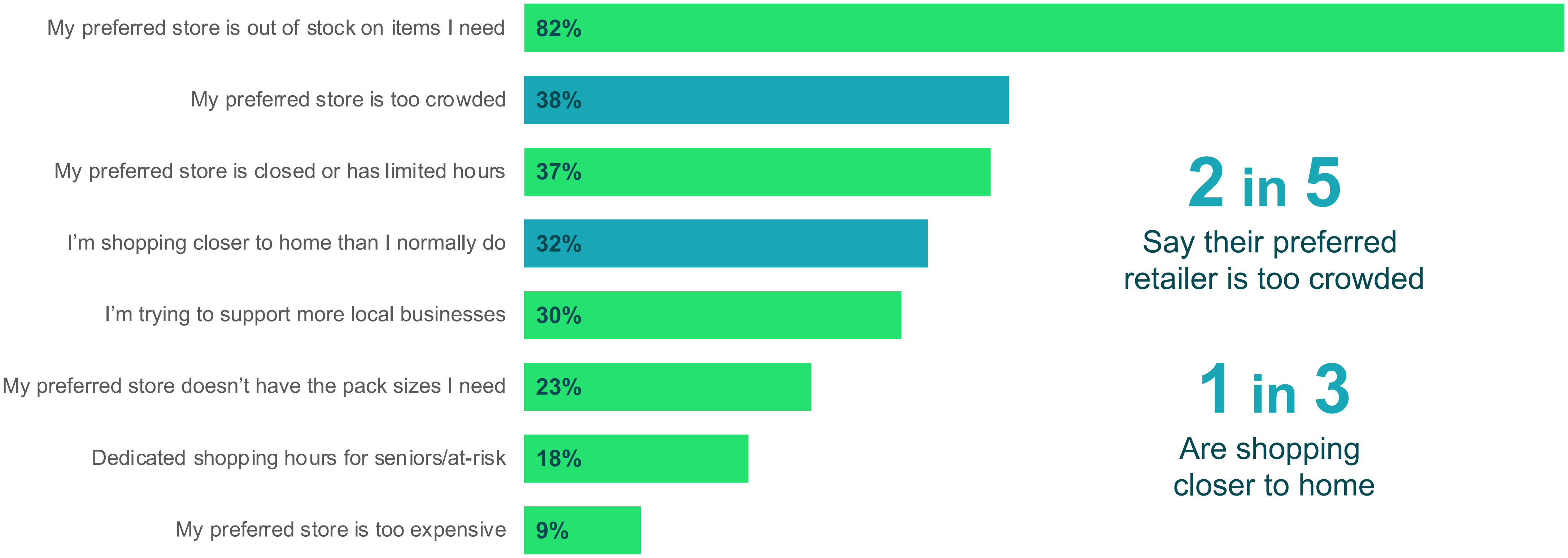
Economic Fallout

2 in 3

Concerned about economy

Facing out-of-stocks and crowds, consumers stick close to home and try new retailers

Why are you shopping in stores you wouldn’t otherwise?



2 in 5

Say their preferred retailer is too crowded

1 in 3

Are shopping closer to home

Source: Numerator Survey 4/28, % of individuals shopping at new stores

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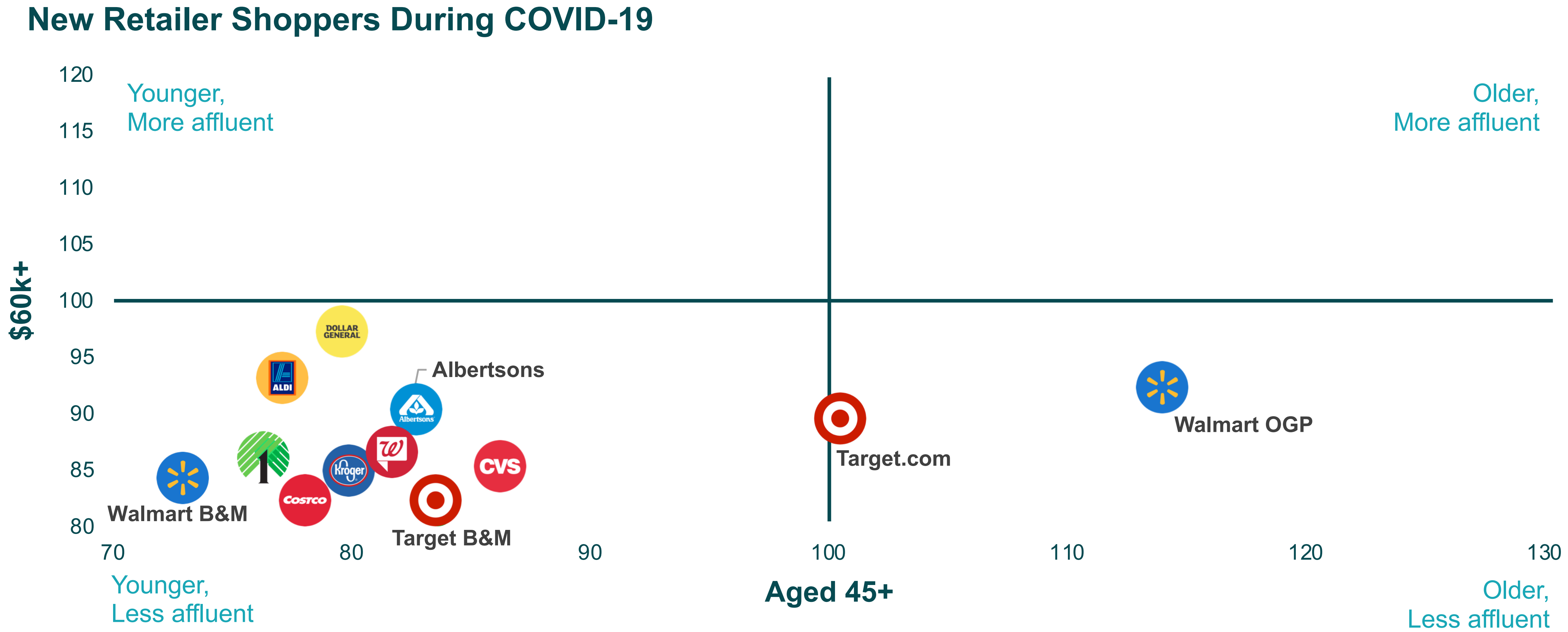
Challenging retailers and brands to understand which stores and channels appeal to different consumers



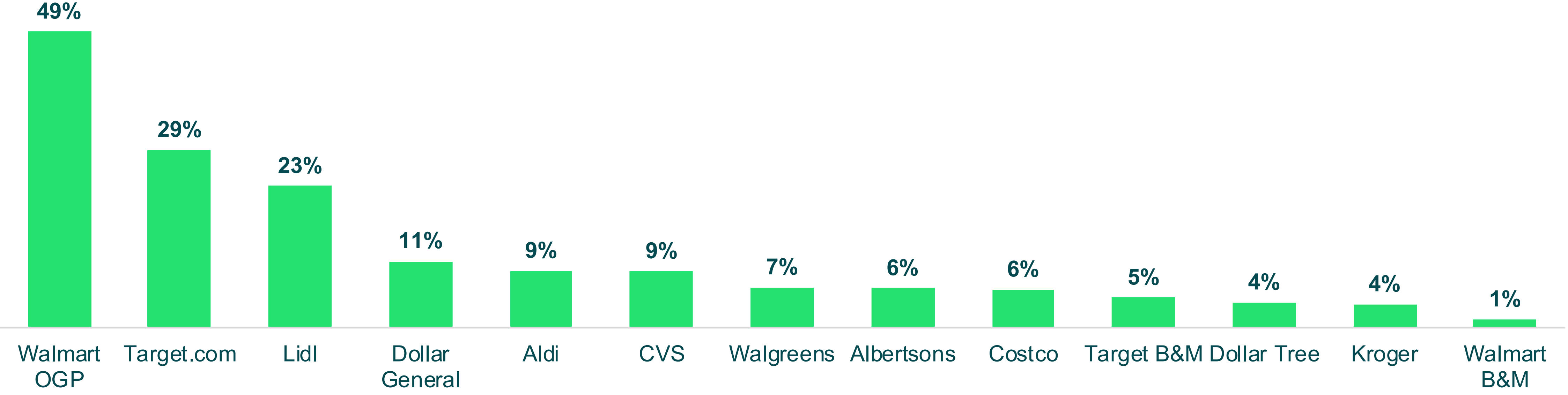
Numerator Insights New shoppers 3/1/2020 – 4/19/2020, index vs. existing shoppers

Numerator

As consumers shift, online is winning the most new shoppers

New Retailer Shoppers COVID-19

% of total shoppers who are new



Repeat Rate

40%	25%	37%	19%	31%	18%	24%	27%	37%	28%	24%	32%	55%

Numerator Insights 3/1/2020 – 5/17/2020, new excludes p12 months shoppers

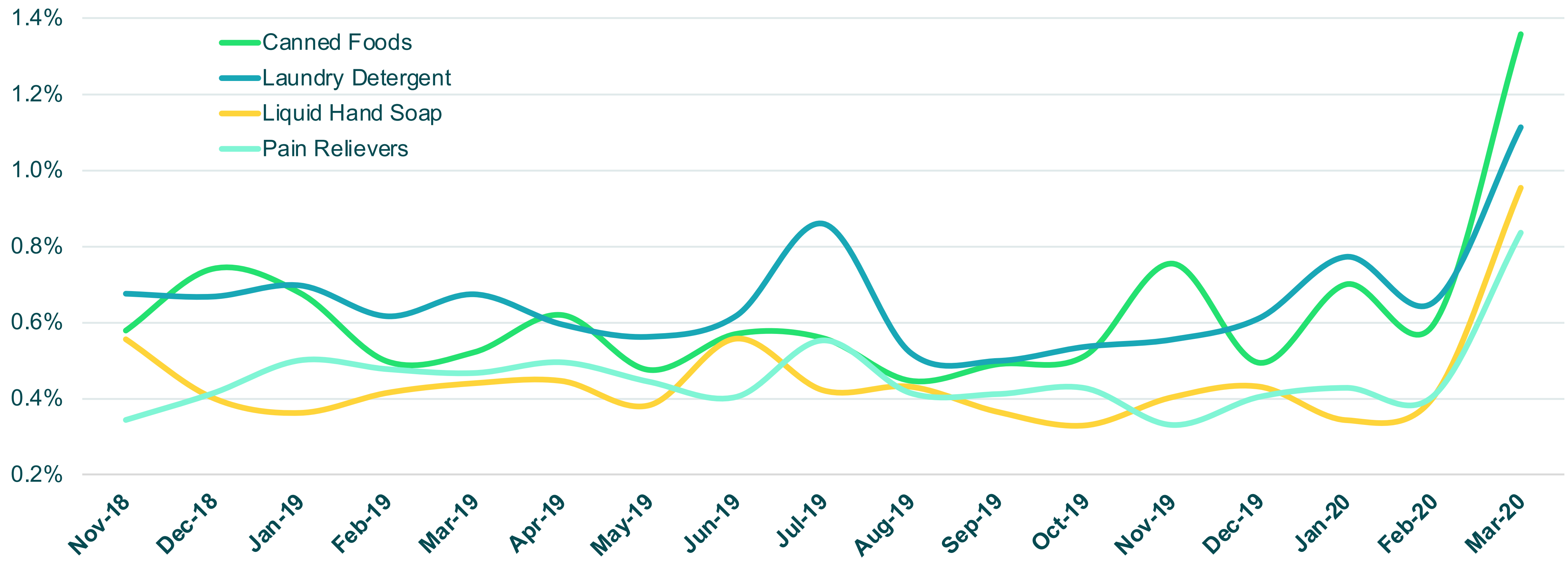
Consumer trial of online – with both home delivery or pick-up fulfilment – continues to climb

Which of the following best describes your purchase?

Numerator

Behavior data shows staple categories spike online in March along with overall online HH penetration

First Time Online Category Buyers



Numerator Insights November 2018 – March 2020, FMCG categories

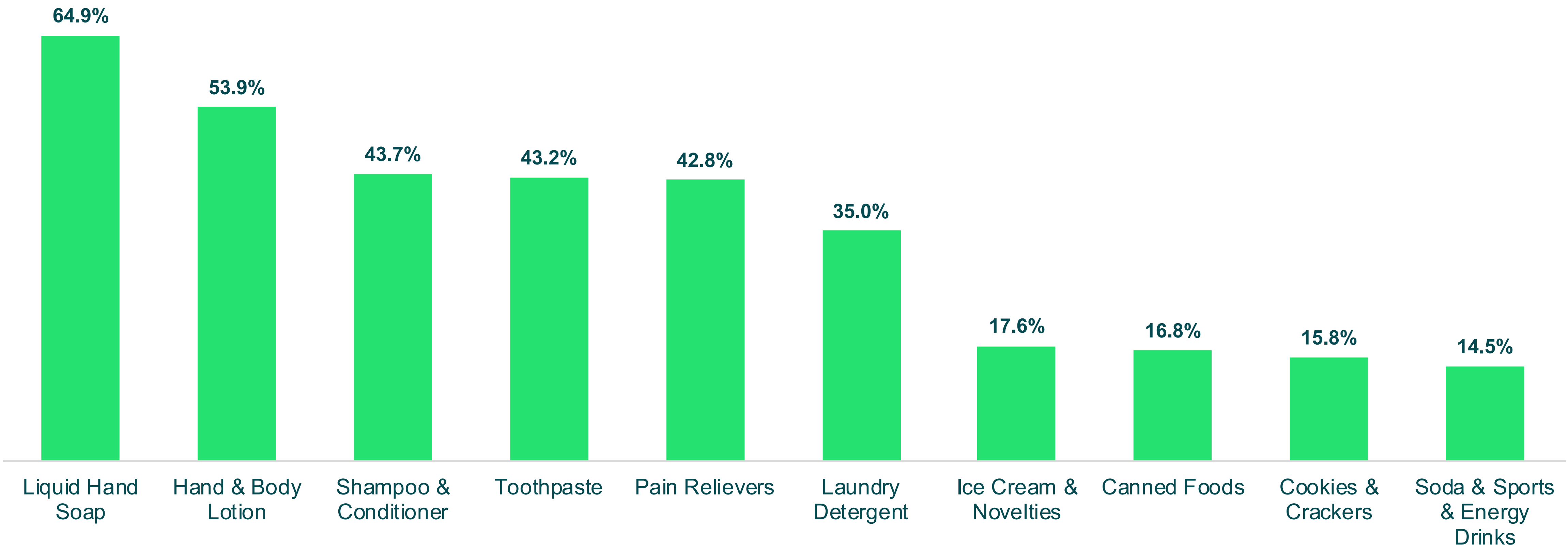
Numerator

Once individuals begin purchasing a category online, their behavior tends to shift in predictable ways

Once online is tried, significant category spend typically shifts permanently to online spend

Online Spend After 1st Online Purchase

% of category spend shifted online

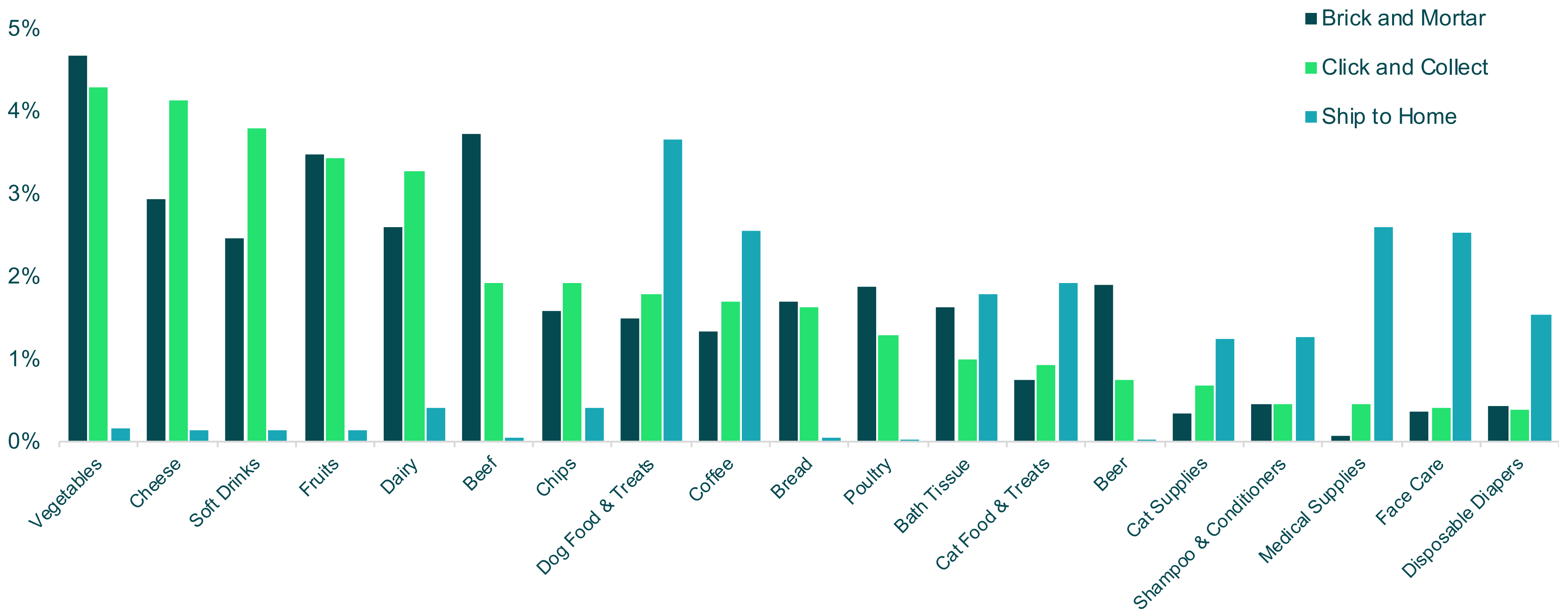


Numerator Insights, previous 3 years

Numerator

Click and Collect can replace an in-store trip while Ship to Home is a supplement

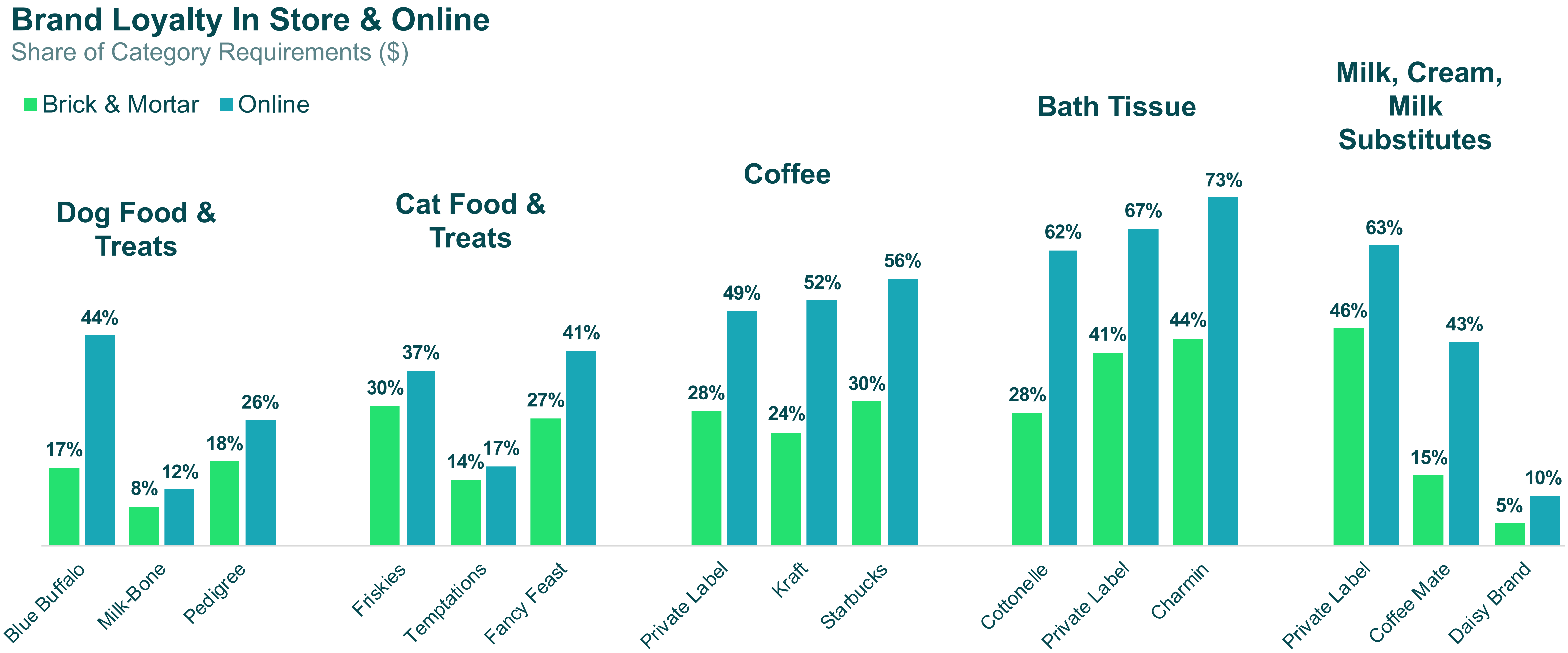
Top Categories Purchased by Method



Numerator Insights, 3/1/2020 – 4/19/2020 FMCG Categories

Numerator

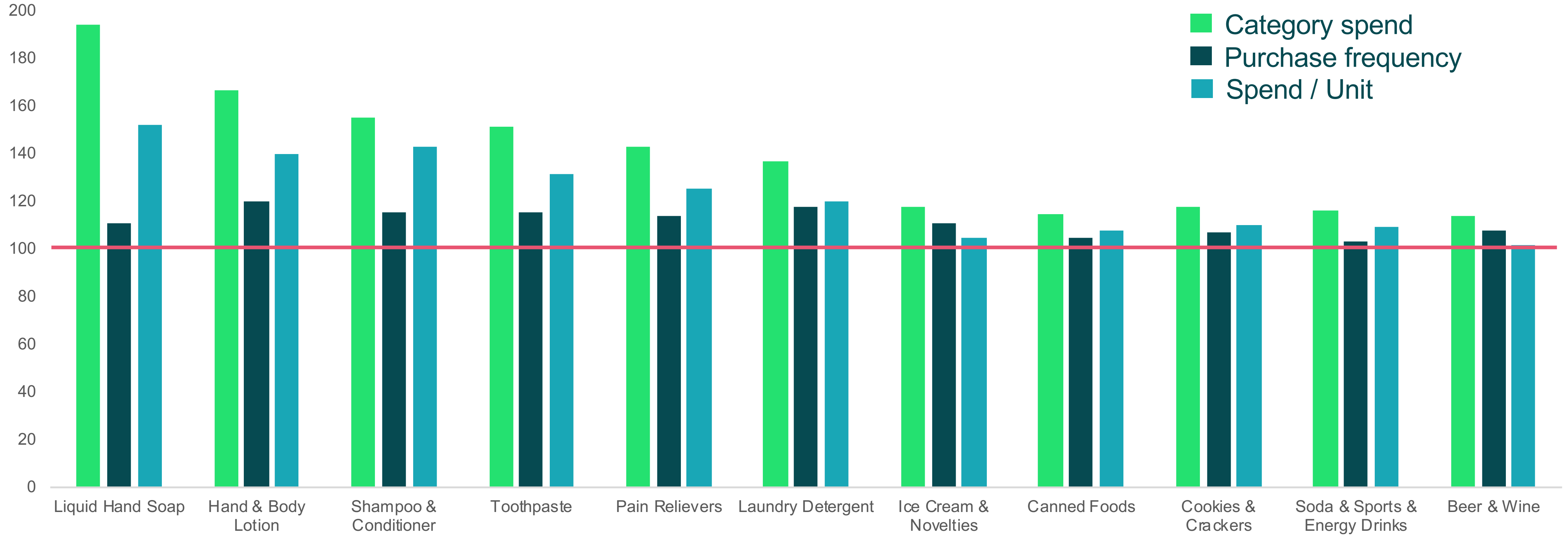
Once online, shoppers are more loyal



Converted HHs – in every category – spend more, buy more often and spend more per unit

Behavior Index Online Shifts

12 months after 1st Online Spend vs 12 months pre



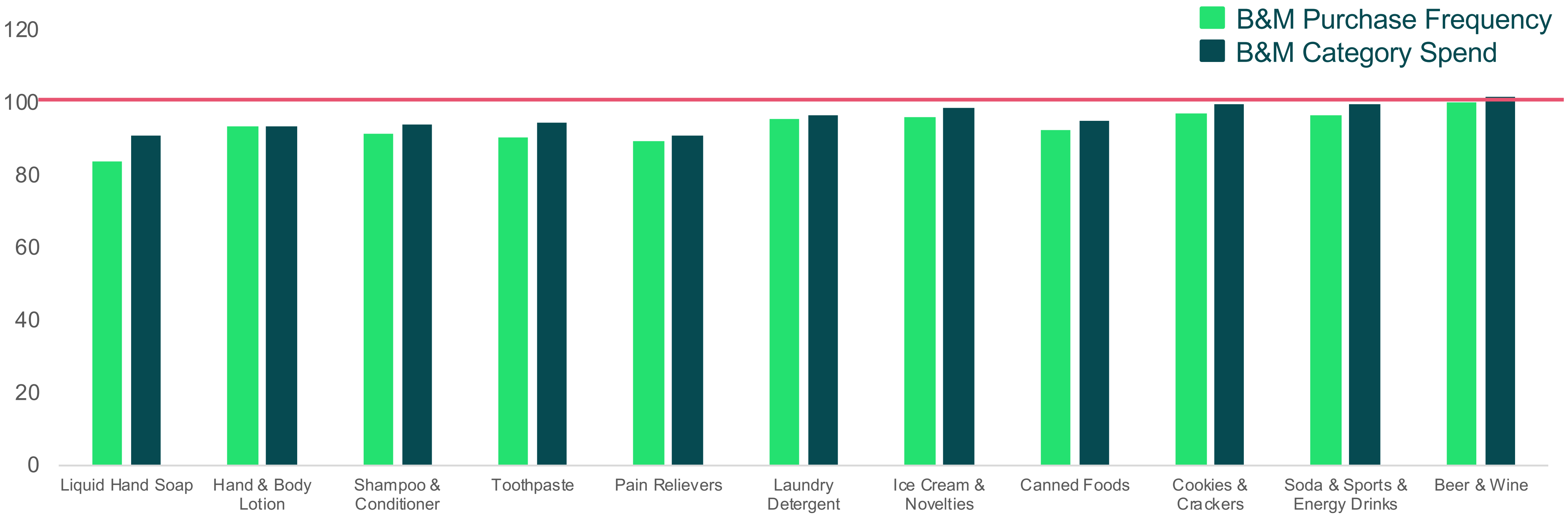
Numerator Insights 3 year analysis of shifts between online and brick & mortar

Numerator

Converted HHs continue to buy in store, but B&M loses several trips per year. Growth then comes almost exclusively from online

B&M Purchase Frequency

12 months pre and post first online purchase



Numerator Insights 3 year analysis of shifts between online and brick & mortar

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Click and collect is delighting the consumers that use it - and they plan to use again

82%

Of New users enjoyed their C&C experience

Satisfaction with Click & Collect Experience

83%

Are likely to use C&C again in the future

Likelihood of Using Again Post-COVID

Numerator Survey: COVID-19 Click & Collect Shoppers

Numerator

the OMNICHOICE consumer

Familiar with multiple channels

Shifting category spend online

Increasing spend and purchase frequency as online becomes a habit

Their choices tend to drive online growth

Omnichoice

The Trip Home

Economic Fallout

Consumers at home developed new habits, indicating that future sales and consumption will remain high in some categories

Households are making fewer trips…

Weekly Index of 2020 Trips per Household vs. 2019 by Retail Channel

Channels not included in index totals: ELECTRONICS, HOME IMPROVEMENT, OFFICE, QSR

WEEK	WEEK ENDING	TOTAL	BEAUTY	BODEGA	CLUB	DOLLAR	DRUG	FOOD	GAS & C-STORE	LIQUOR	MASS	MILITARY	ONLINE	PET	SPECIALTY	ELECT-RONICS	HOME IMPROVE-MENT	OFFICE	QSR
1	Jan 5	107	101	99	101	105	99	104	103	98	105	103	110	98	98	97	101	105	100
2	Jan 12	106	100	93	105	103	102	103	102	102	104	112	111	99	95	97	104	99	100
3	Jan 19	105	100	101	103	103	98	101	104	99	103	99	112	98	103	93	101	98	101
4	Jan 26	108	98	95	104	105	100	104	103	101	104	106	113	100	102	98	102	100	103
5	Feb 2	108	99	98	104	102	100	103	104	99	105	96	110	101	106	98	102	107	104
6	Feb 9	106	98	99	104	105	97	103	102	100	106	103	111	99	102	100	103	108	100
7	Feb 16	107	99	97	105	103	98	104	103	100	106	102	109	97	99	99	104	97	101
8	Feb 23	113	99	93	103	105	99	106	102	102	108	94	111	101	104	100	101	103	100
9	Mar 1	112	107	100	104	102	98	104	102	102	107	102	113	102	104	99	105	100	100
10	Mar 8	116	99	98	109	101	102	108	103	99	109	108	114	99	104	102	105	103	101
11	Mar 15	123	100	115	110	110	104	115	98	104	113	109	118	105	99	103	103	95	95
12	Mar 22	112	97	98	107	110	99	113	94	103	110	104	123	99	107	100	104	99	84
13	Mar 29	89	93	98	100	103	92	93	91	97	99	90	115	97	103	95	104	98	81
14	Apr 5	92	108	96	101	107	90	91	92	95	95	108	125	98	104	94	103	107	82
15	Apr 12	88	101	97	95	104	94	89	92	99	97	102	117	94	95	93	102	98	81
16	Apr 19	89	101	103	99	103	91	87	92	101	97	95	124	99	102	100	113	102	85
17	Apr 26	91	98	93	95	104	93	91	90	98	96	98	119	101	97	94	103	105	85
18	May 3	97	99	94	99	101	95	93	94	100	99	90	123	99	97	91	114	97	86
19	May 10	99	101	90	95	104	97	95	91	95	101	94	117	96	95	93	108	95	87
20	May 17	99	100	93	95	105	95	93	93	101	100	93	122	99	94	96	111	108	87

Index = <90 · 105 -109 · 110 -119 · 120-139 · >140

Numerator Insights, 2020 vs. 2019

Numerator

...but larger trips

Weekly Index of 2020 Spend per Trip vs. 2019 by Retail Channel

Channels not included in index totals: ELECTRONICS, HOME IMPROVEMENT, OFFICE, QSR

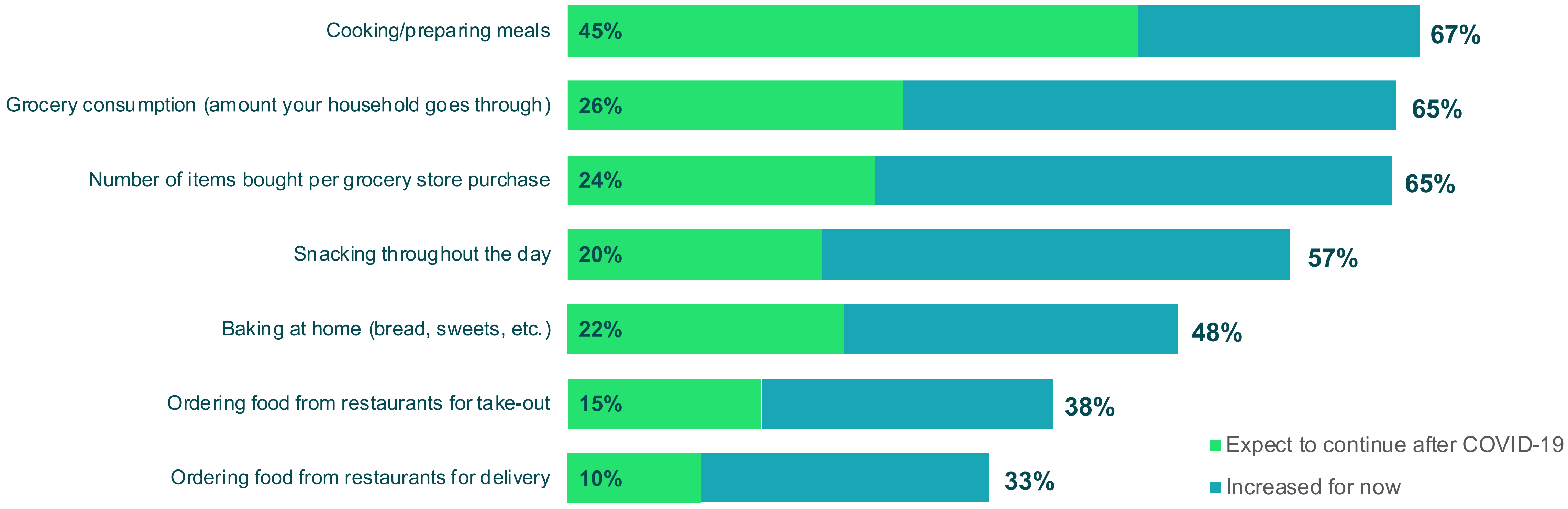
WEEK	WEEK ENDING	TOTAL	BEAUTY	BODEGA	CLUB	DOLLAR	DRUG	FOOD	GAS & C-STORE	LIQUOR	MASS	MILITARY	ONLINE	PET	SPECIALTY	ELECT-RONICS	HOME IMPROVE-MENT	OFFICE	QSR
1	Jan 5	100	94	96	95	105	100	98	110	94	101	91	91	107	108	99	101	97	102
2	Jan 12	100	98	88	96	107	102	99	109	99	99	104	91	101	101	101	95	98	99
3	Jan 19	98	90	81	94	100	100	97	105	93	97	99	91	104	107	82	108	93	101
4	Jan 26	98	100	88	95	103	102	96	106	93	99	111	91	102	106	112	100	107	100
5	Feb 2	97	92	74	94	96	100	96	104	99	98	112	86	99	96	114	98	96	98
6	Feb 9	100	100	85	96	108	101	99	102	93	100	92	92	90	102	108	98	97	101
7	Feb 16	98	102	82	93	104	102	95	104	94	98	112	87	94	101	98	105	90	101
8	Feb 23	95	99	90	98	101	97	93	104	88	94	114	89	105	110	91	102	112	100
9	Mar 1	96	95	93	100	104	96	93	99	98	95	91	88	98	101	97	97	111	101
10	Mar 8	99	100	98	97	105	100	101	94	93	100	84	87	98	98	90	98	91	97
11	Mar 15	112	103	117	109	121	111	121	99	112	116	114	90	112	122	89	104	77	97
12	Mar 22	115	89	118	110	127	115	126	96	134	115	110	87	115	158	91	108	113	105
13	Mar 29	109	89	132	113	117	111	118	89	115	112	110	84	108	126	60	111	90	107
14	Apr 5	119	68	106	117	126	115	136	96	103	126	130	88	113	154	82	108	112	111
15	Apr 12	121	74	125	126	134	123	137	89	112	126	134	92	109	169	72	112	100	113
16	Apr 19	124	76	141	131	128	114	136	89	101	129	137	98	129	102	95	126	66	113
17	Apr 26	122	78	154	126	135	118	134	86	114	129	121	98	112	142	99	129	99	113
18	May 3	122	109	154	123	134	118	133	85	113	126	134	98	114	174	69	120	106	113
19	May 10	120	83	135	114	131	116	131	88	128	129	133	96	112	136	64	122	110	110
20	May 17	118	92	122	123	127	112	129	88	120	125	114	90	113	137	113	115	135	113

Index = <90 | 105 -109 | 110 -119 | 120-139 | >140

Beyond buying more, people are consuming more and expect this to continue

How have the following activities changed for your household since COVID-19 started?

% who say it “increased significantly” or “increased some”



Numerator Survey 2020

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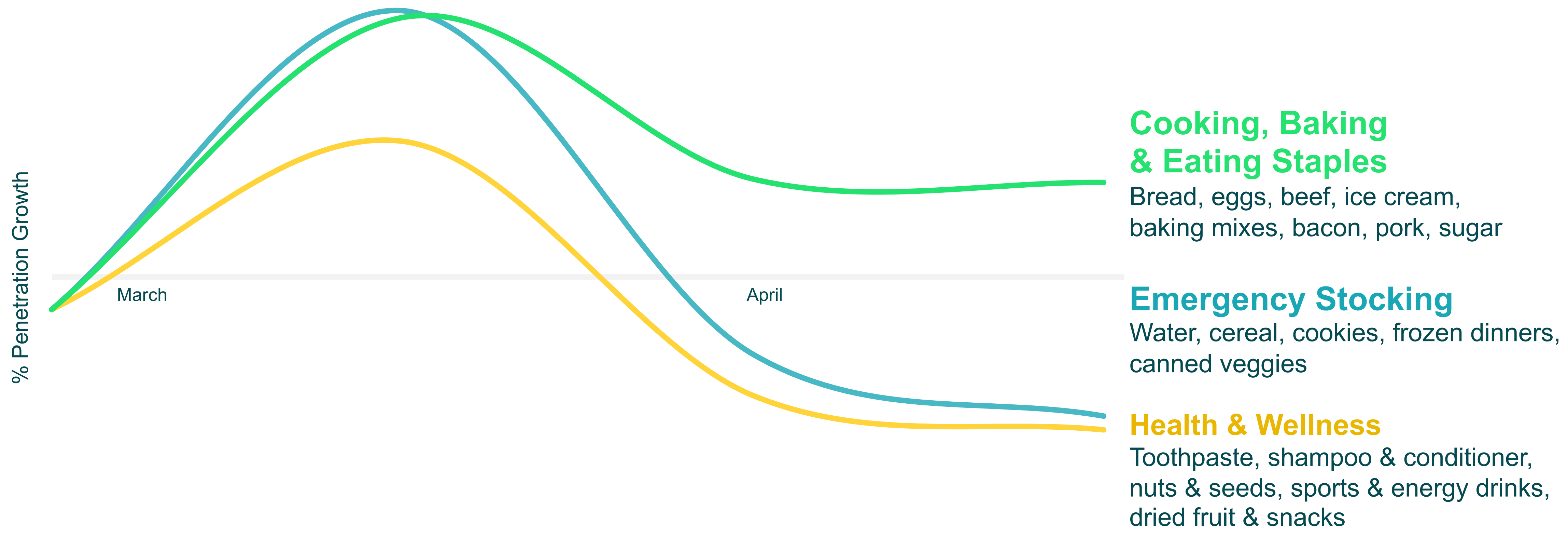
Consumers try new things: Kitchen staples lead as home cooking becomes a habit

Household Penetration Through COVID-19

Penetration Change vs. Pre-COVID



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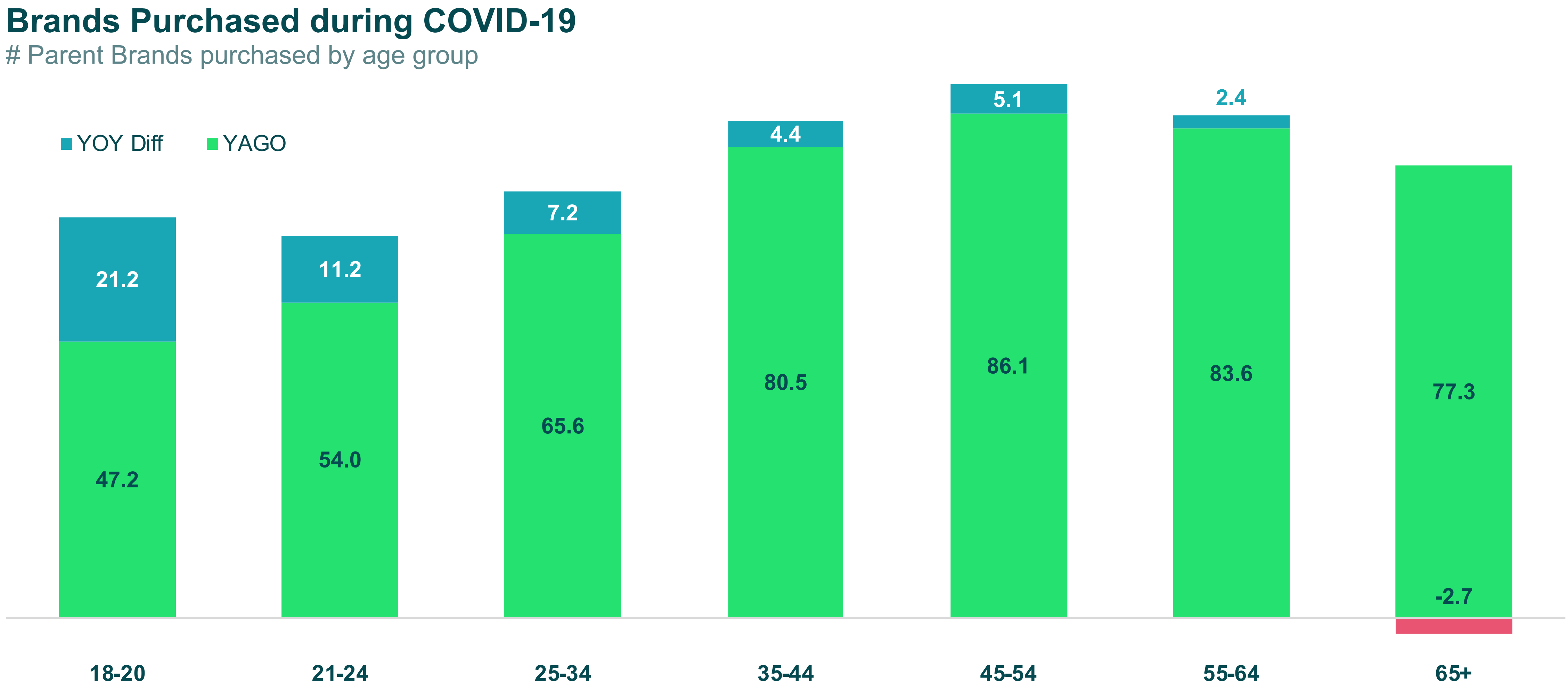
Consumers were also

FORCED to TRY

new brands

This offers manufacturers the opportunity to understand **who** these new consumers are and develop strategies on **how** to retain them

Younger shoppers add brands to shopping repertoire

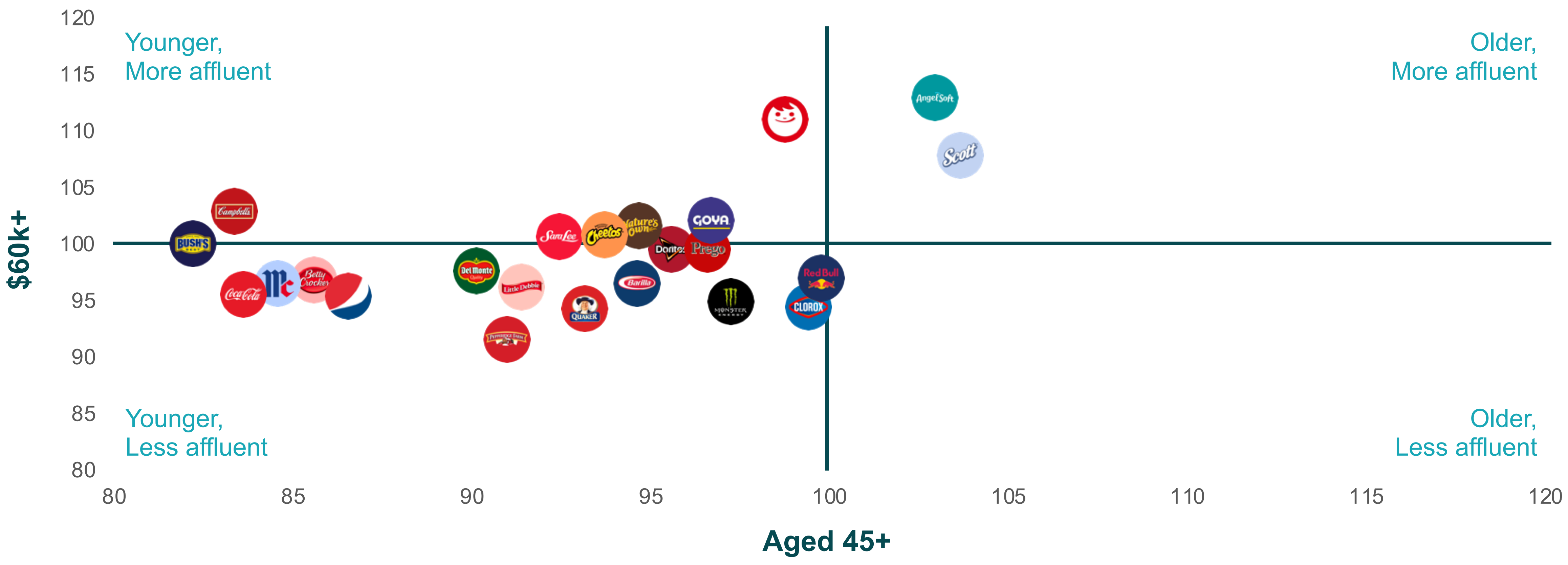


Numerator Insights 3/1/20-4/19 20 vs. YAGO

Numerator

Established brands attract a new generation of shoppers

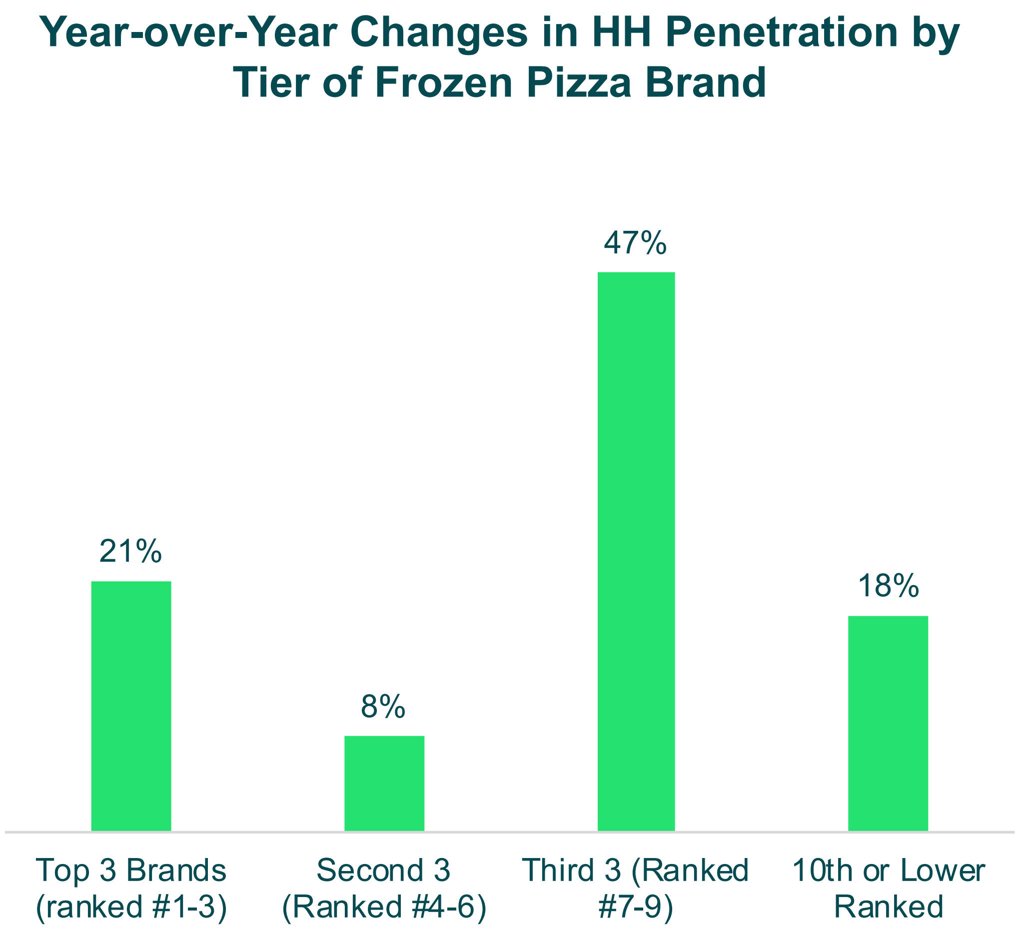
New Brand Shoppers COVID-19

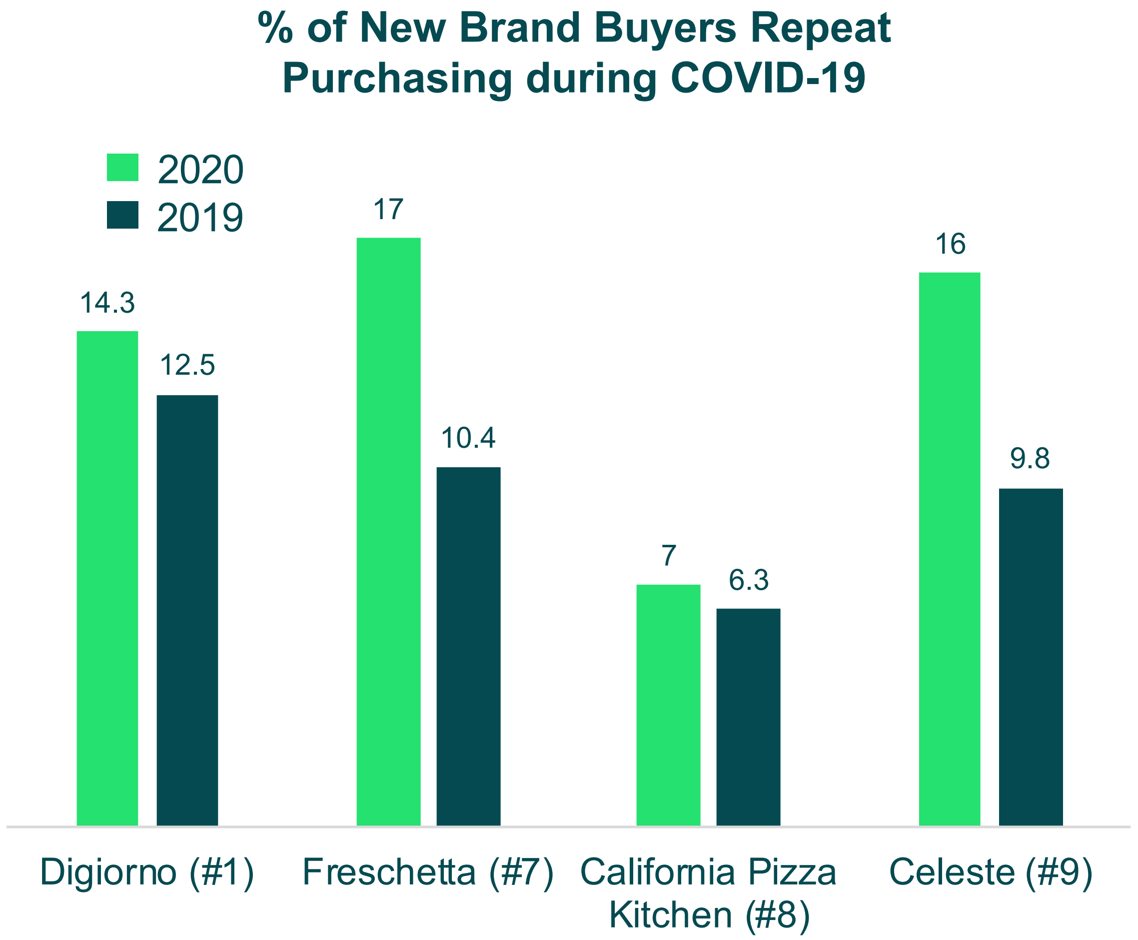


Numerator Insights New shoppers 3/1/2020 – 4/19/2020, index vs. existing shoppers

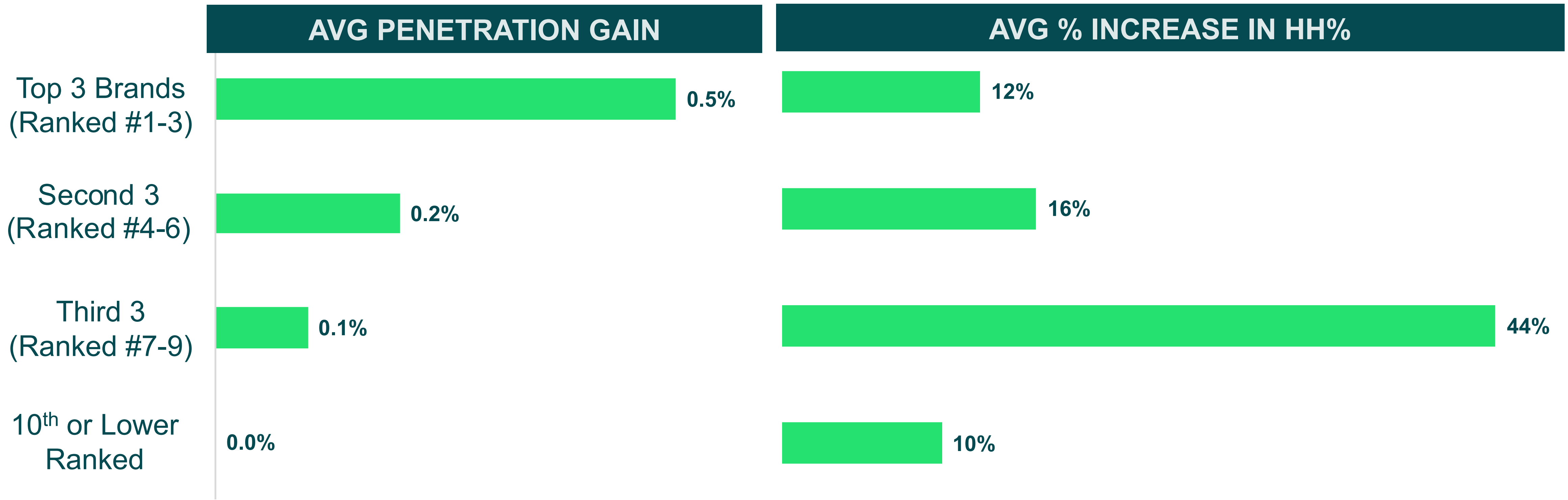
Numerator

Forced trial drives up HH penetration – but repeat buying during COVID lags 2019, as availability issues may keep consumers switching





We saw forced trial across total grocery, disproportionately benefitting lower tier brands



Numerator Insights New shoppers 3/1/2020 – 4/19/2020, index vs. existing shoppers

Numerator

Younger buyers branched out and tried new brands – winning their loyalty is crucial for long-term growth

the
TRIP HOME

Shoppers have gone back to basics, and back to the kitchen. Staples thrive as behaviors change for the future

Omnichoice

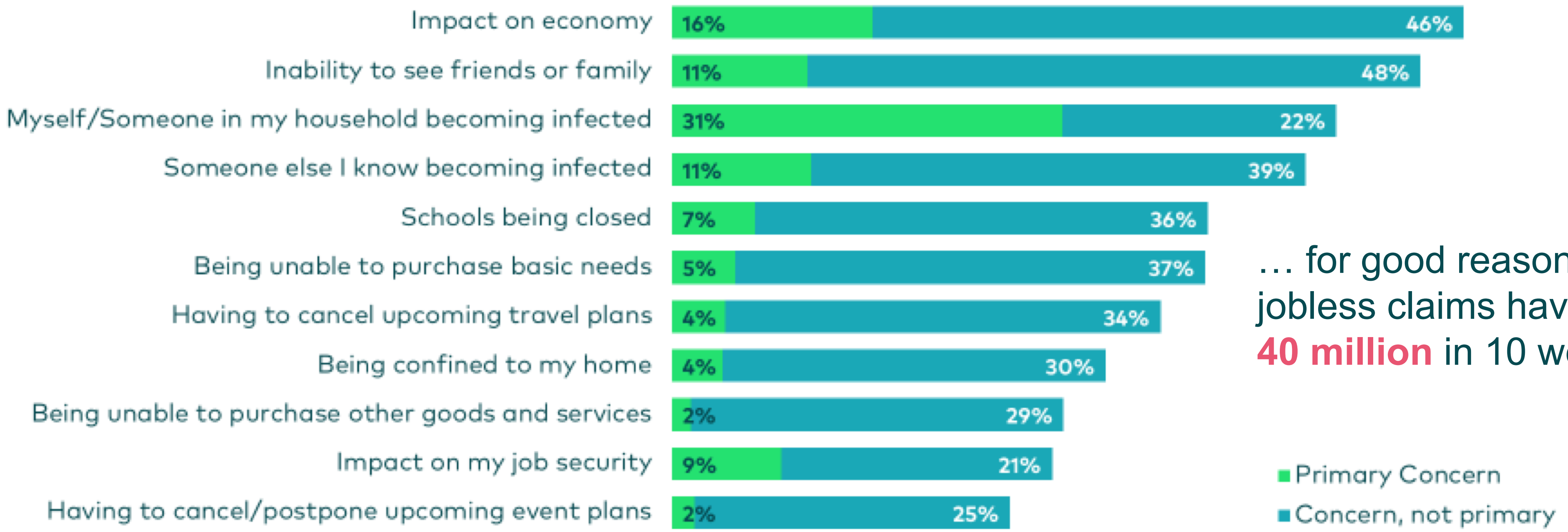
The Trip Home

Economic Fallout

How will consumers spend

Consumers are worried about the economy & job security

What are your concerns regarding COVID-19?



… for good reason: jobless claims have hit **40 million** in 10 weeks

The financially vulnerable are uncertain they will receive help

73%

of total US survey respondents expected to receive a stimulus check as of **April 21**

68%

of low income respondents expected a check
24% were **unsure**

83%

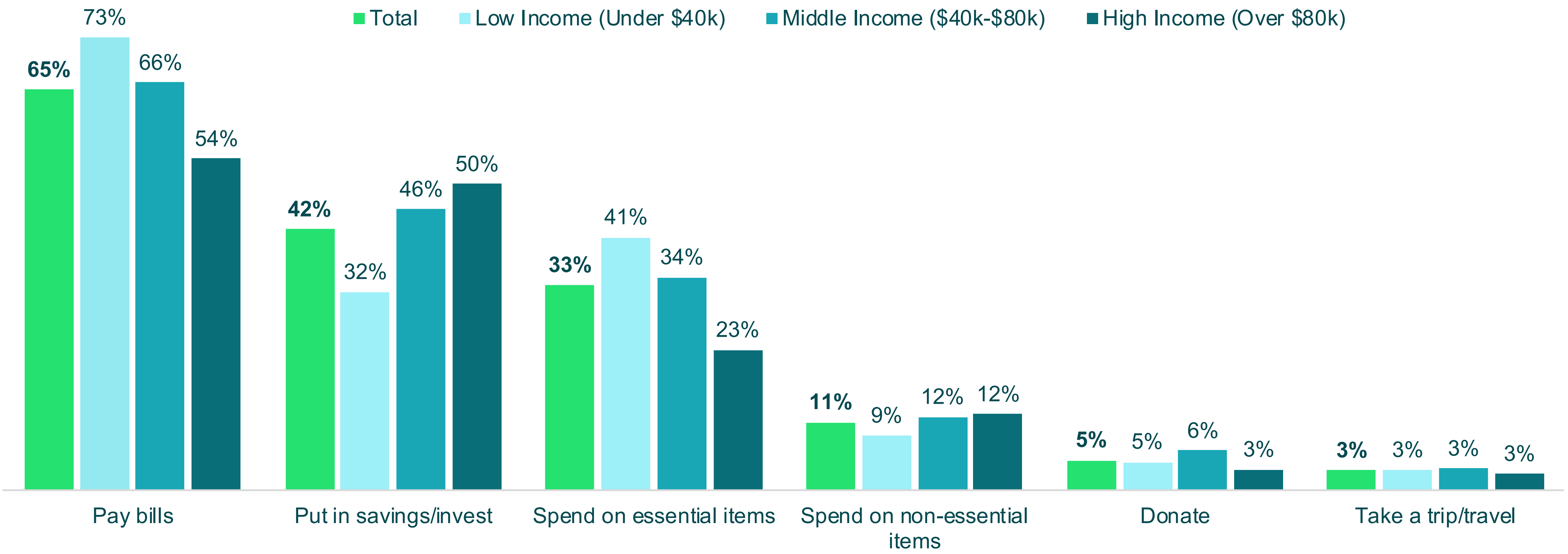
of middle income respondents expected a check
13% were **unsure**

Numerator Survey 4/21

Numerator

Those that expected a check planned to use their stimulus check to pay bills, save or spend on essentials…

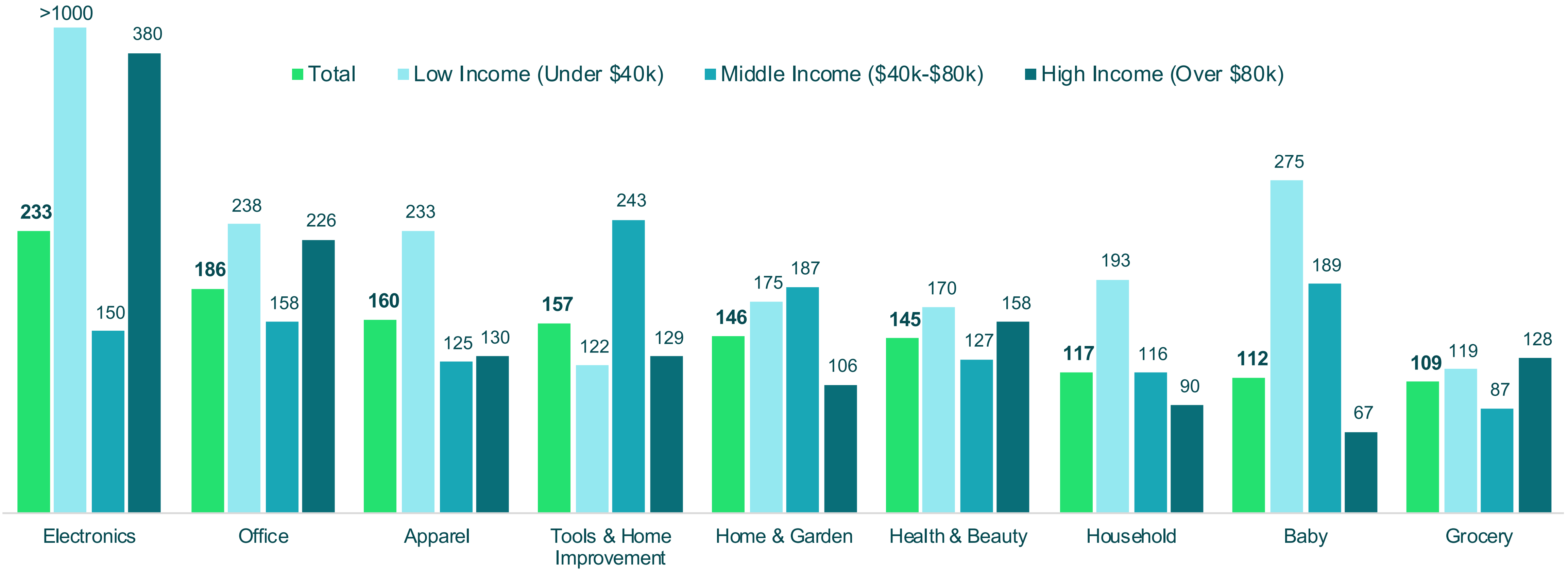
How would you plan to use funds from a stimulus check?



…yet non-essential sectors capturing the largest increase in spend among stimulus recipients, varied by income level

Stimulus Shopper Spending

Sales Index vs. week of stimulus check vs. week before among recipients



Numerator Insights, Stimulus Recipient spending WE 4/19 vs. week prior

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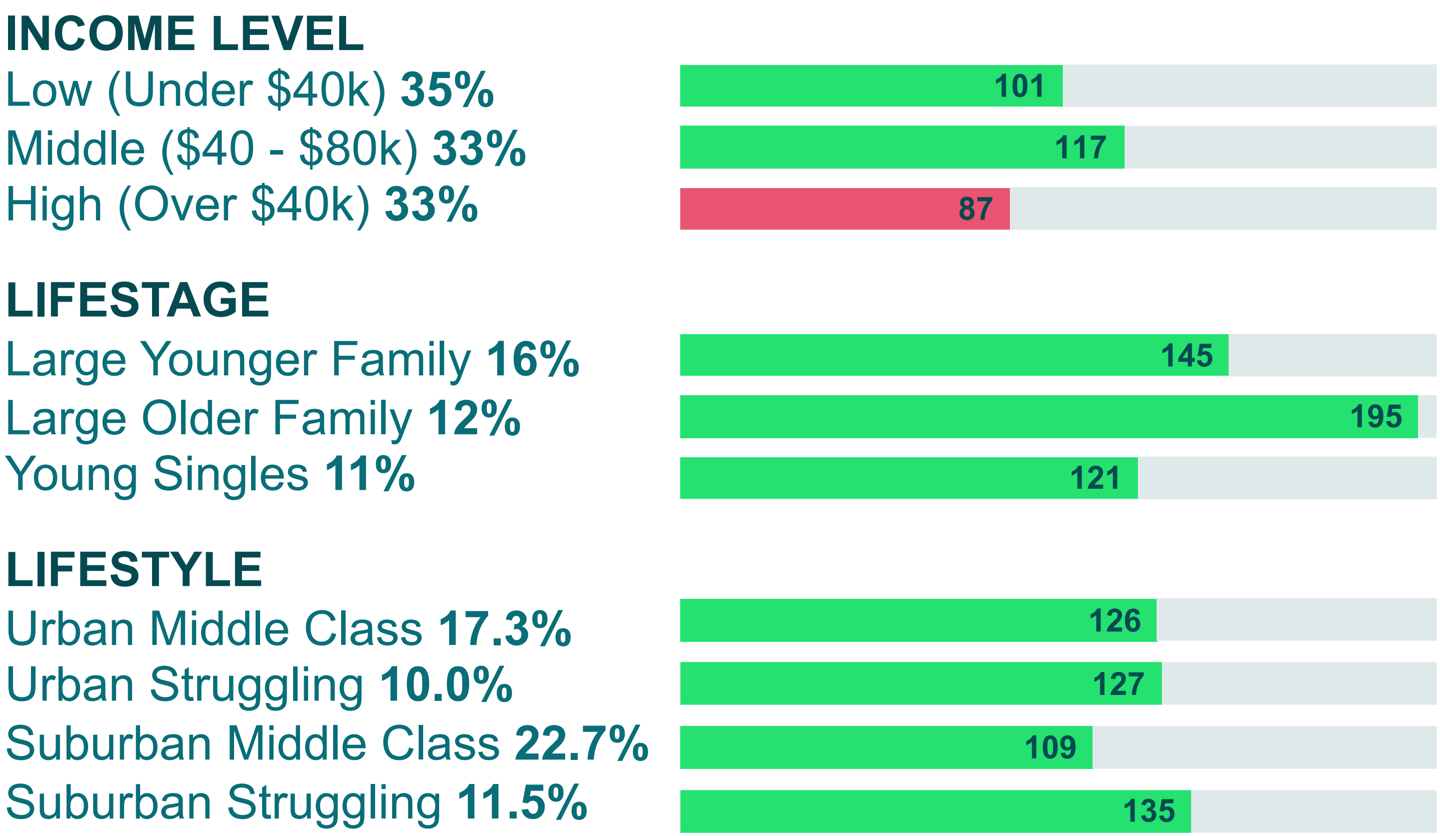
As consumers face job loss and increased economic pressure, their behavior will shift in predictable ways

First wave of affected shoppers is more financially vulnerable– but middle income consumers are also impacted

Have lost job or reduced hours



Consumers who have lost their jobs are also shifting their spend

Retailer	Spend vs. Pre-COVID
BJ's	137
Family Dollar	134
Dollar General	123
Amazon	111
Walmart	108
Kroger	95
Sam's Club	72
Costco	76

Numerator Insights, Lost job or reduced hours vs. Have not

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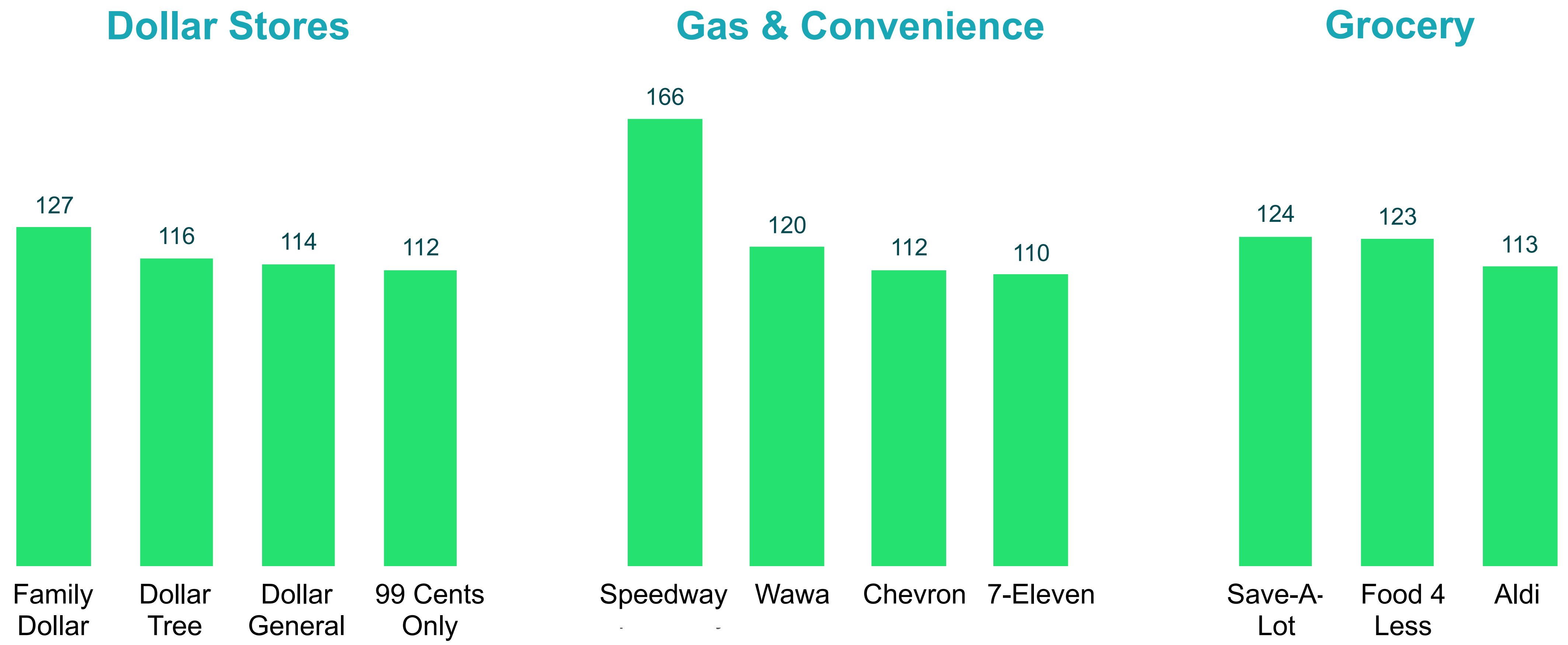
…and is in line with what we expect to see in recession: Top retailers likely to win if consumers become more budget-driven include dollar stores and c-stores

Budget Driven Shopper Top Retailers

Index vs. Total US



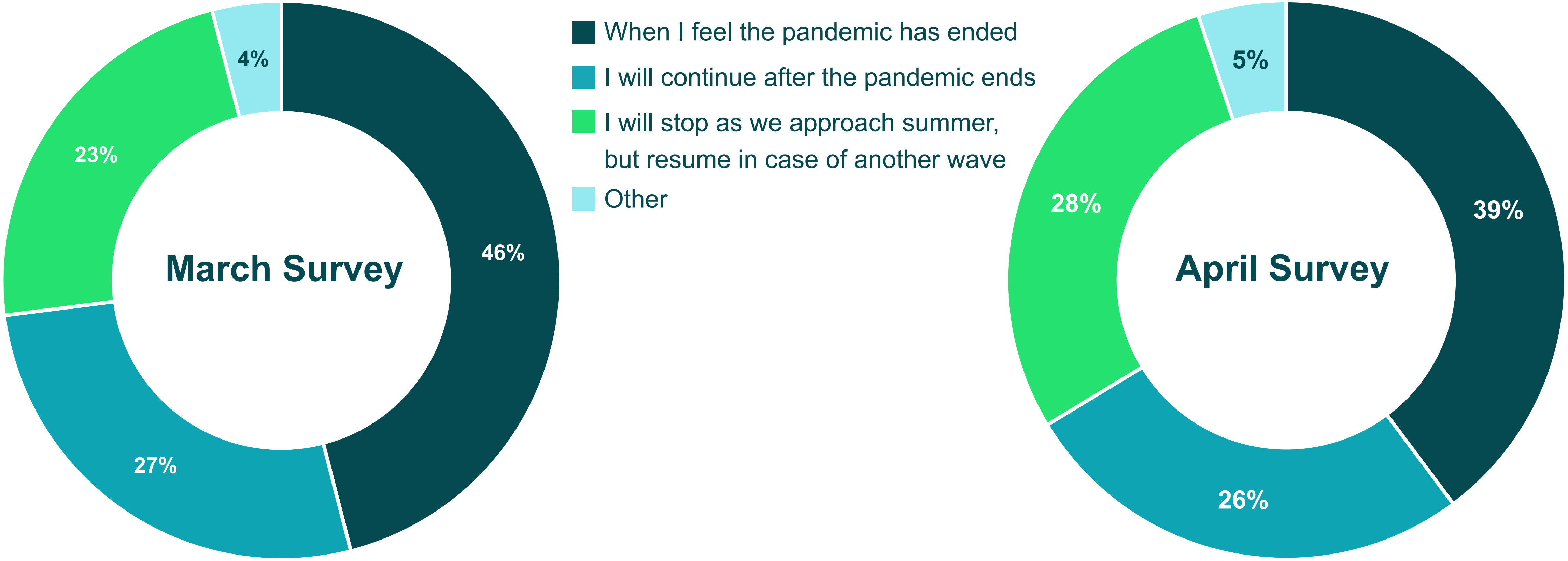
Natural and organic grocery stores (and premium chains) are likely to lose if consumers become less quality-driven – but so do pet stores

Quality Driven Shopper Top Retailers

Index vs. Total US

Half of consumers plan to continue stocking up even after the pandemic and more are thinking about second wave

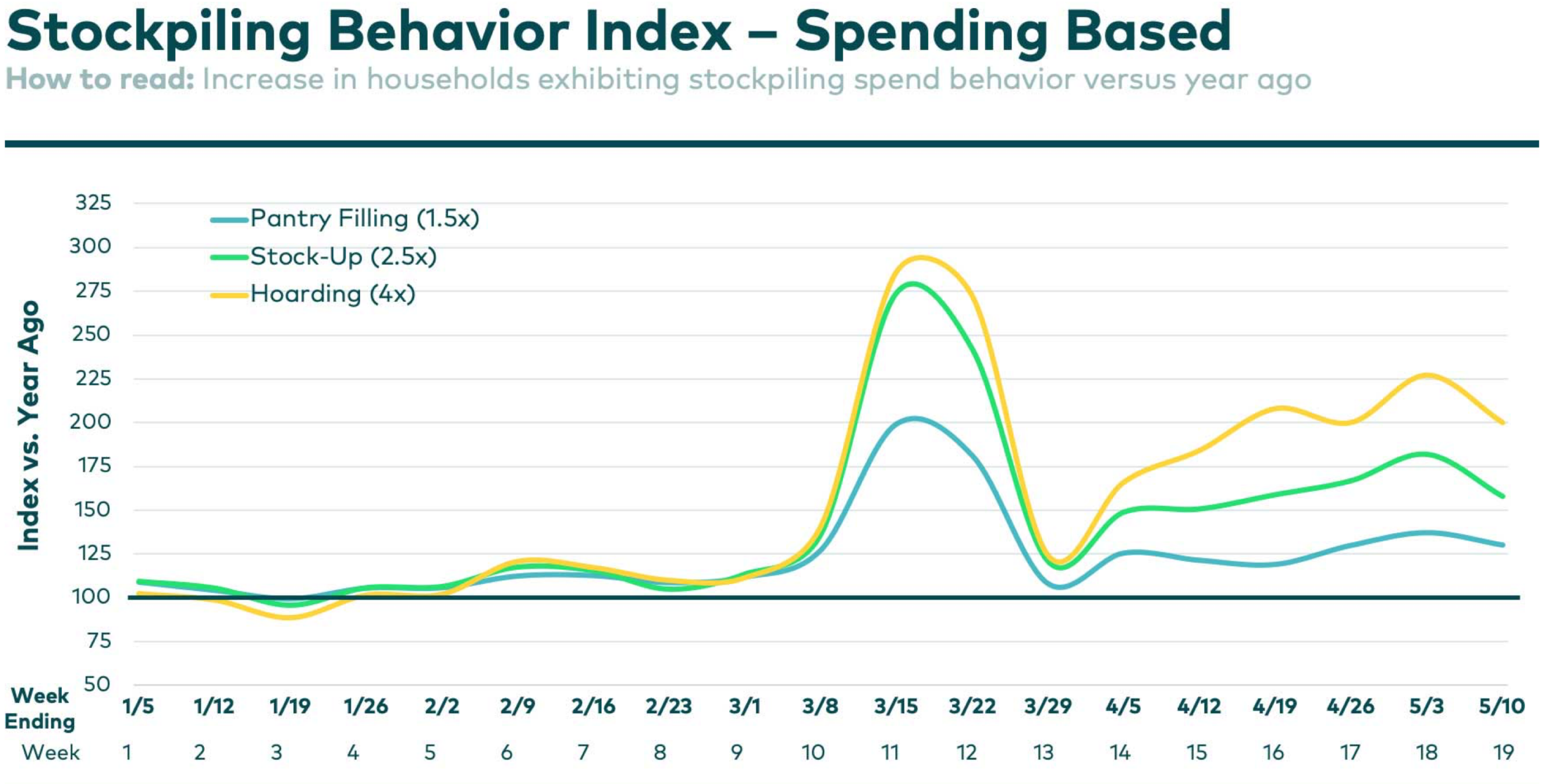
At what point will you stop stocking up?



Numerator Survey 4/28

Numerator

The stockpiling spike in March was driven by high income shoppers– second wave will be as well, but to lesser degree as more individuals hit by recession



Numerator

the Economic DOWNTURN

Consumers are deeply worried about: the economy and anticipating a 2nd COVID wave

As the recession takes hold, low cost stores will gain – premium and natural / organic will lose

Consumers intend to pay bills, but non-essentials capture unexpected spend post stimulus

In addition to the financially vulnerable, the 2nd wave – middle income – is already impacted

Fast. Forward.

New Capabilities for the Future

COVID-19 PREMIUM PEOPLE GROUP

DYNAMIC RECESSION SEGMENTATION

SEGMENTATION EXAMPLES

WORRIED BUT OKAY

- Still employed
- Highly concerned about future
- Older, suburban
- Willing to try new products

TEMPORARILY MIDDLE INCOME

- Unemployed
- Less concerned about future
- Younger, urban
- Wants to return to my old shopping routines

ADAPTING TO A NEW NORMAL

- Decreased HH Income
- Less concerned about future
- Middle aged
- Rural/suburban
- Buying more product online

NOW AVAILABLE

HIT HARD

- Unemployed
- More HH members
- Highly concerned about future
- Gen Z /Millennial, urban
- Brands not sincere

To find out more about your brand or category has been affected, say hello@numerator.com