



PAST, PRESENT, FUTURE

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TOTODATA™

A man with white hair, wearing a dark suit, white shirt, and dark tie, is looking at a loaf of bread in a grocery store aisle. He is holding the bread with both hands. The aisle is filled with various packaged breads on metal shelves. The background is slightly blurred, showing more shelves and products. The overall scene is brightly lit, typical of a supermarket.

In The Past...

In the past, it seemed that manufacturers and brands did pretty much what they wanted and presumed they knew the customer's needs...

Food Delivery



Grocery Shopping



Standing in line



Companies that didn't exist 5-years ago have changed our current shopping behavior — we have more options



Present

- The way you spend your money and how you interact with the actual purchase has changed and is still evolving
- You are all on the cutting edge of this change
- Even the data you use is changing
- POS vs. Online

Revenue Driven Search



Path to Purchase



eCom Continues to be Superman

- ◆ From 2014 to 2015, online CPG Sales grew to \$7.5B (42%)
- ◆ From 2015 to 2016, online CPG sales grew to over \$10B (36%)
- ◆ From Q1 2016 to Q1 2017, online CPG sales reached just under \$3.5G (44%)



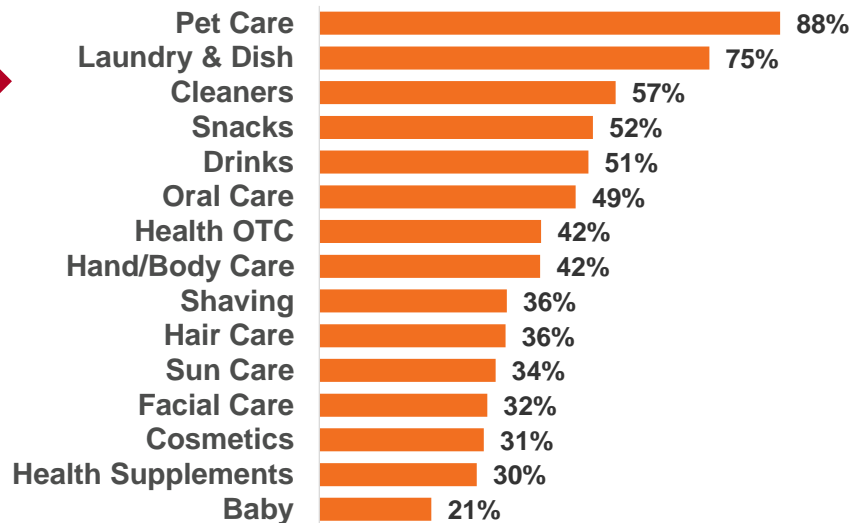
How Is Your Category Performing?

90%

Pet Care
Growth



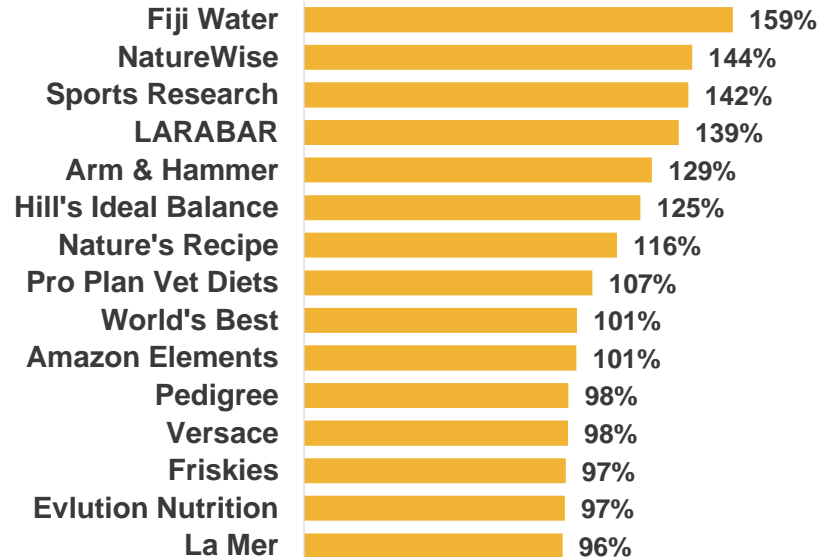
Top CPG Categories Ranked by YOY Growth in Online Sales (\$) Q1 2016 - Q1 2017



Emerging Online Brands – Pay Attention

- ◆ Familiar brands – we've all:
 - ◆ spent \$8 on Fiji at the airport
 - ◆ used Arm & Hammer Baking Soda in our fridge,
 - ◆ fed our pet Hill's and Friskies.
- ◆ New brands
 - ◆ NatureWise and Sports Research are both supplement companies.

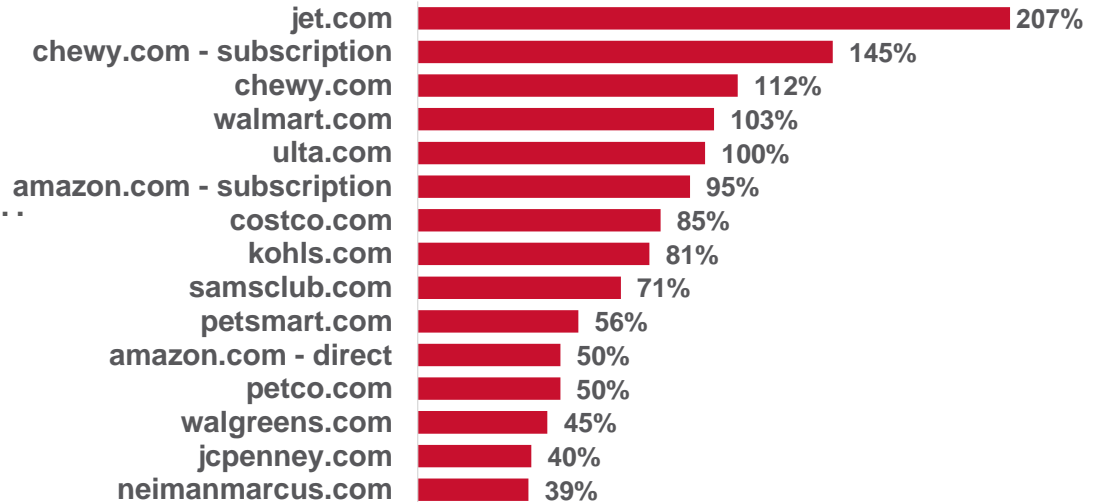
CPG Emerging Brands Online \$2M - \$10M in Sales, Q1 2017



And How About Them Retailers

- ◆ Jet's unique approach and PR machines enabled them to become a key component for Walmart in its battle with Amazon.
- ◆ Subscription services en fuego...
 - ◆ Chewy
 - ◆ Amazon
 - ◆ Who's next?

Fastest Growing CPG Retailers Online \$5M+ in Sales, Q1 2017



Amazon Acquires Whole Foods for \$13.7B

- ◆ While 74% of Whole Foods customers shop at Amazon, 52% are Prime members
 - ◆ Prime members who shop at Whole Foods spent an average of \$254 over the past 12 months
- ◆ 10% of Whole Foods customers have bought groceries online
 - ◆ Considering 1% of all grocery sales are online, this is significant
 - ◆ 9% of Prime members buy groceries online, but only 1% have bought from Amazon Fresh

Desktop Converts at a MUCH higher rate. Typically 3x.

MOBILE CONVERSION RATE

Brand	Rate
Clorox	5.58%
Sports Research	5.49%
Swanson Health Products	4.82%
Vitacost	4.76%
Natrol	4.70%
Gillette	4.68%
Tide	4.57%
Dove	4.50%
Solgar	4.50%
Dr. Elsey's	4.36%
Now Foods	4.35%
Kirkland Signature	4.34%
Doctor's Best	4.23%
Colgate	4.22%
Milk-Bone	4.16%

DESKTOP CONVERSION RATE

Brand	Rate
Coca-Cola	20.91%
Nespresso	19.61%
Ritz	19.48%
Quaker	18.67%
Cheez-It	17.31%
Smartfood	16.35%
Izze	15.85%
LaCroix	15.66%
Finish	15.59%
Glaceau Vitaminwater	15.48%
Belvita	15.03%
Kettle Brand	15.00%
Lysol	14.68%
Amazing Nutrition	14.54%
Good Sense	14.36%

Supplement brands tend to do well on mobile.

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Household names dominate conversion on desktop

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For Fun, What Do People Search For? What Leads to a Purchase?

Off-Site
amazon
amazon prime
chewy
chewy.com
amazon.com
walmart
amazon smile
vitacost
sephora
costco
smile amazon
prime pantry
amazonsmile
chewy dog food
amazon

- ◆ Off-site search is dominated by “Amazon” searches,
 - ◆ People don’t go to www.amazon.com.
 - ◆ They go to www.google.com (their homepage) and type in “Amazon” in the search bar.

For Fun, What Do People Search For? What Leads to a Purchase?

On-Site
greenies
prime pantry
cat litter
dog treats
usa
toilet paper
protein powder
pantry
pill pockets
cat food
blue buffalo
sale
coffee
fish oil
greenies

❖ On-Site search is dominated by pet food

The Future: the only LINE you will be on is onLINE

Predictive shopping

Drones delivering

Advanced click and collect

Digital shelves in store

Key Take Aways

- ❖ The old way of shopping & merchants' and brands' interactions with the consumer will continue to evolve
- ❖ By the end of 2017, we predict that online CPG sales will eclipse \$15 billion
- ❖ Understand the competitive landscape to maintain a lead in your category or at a particular retailer
- ❖ Search terms can be the key to driving higher conversion rates and sales opportunities