



FMCG/CPG

INTERNATIONAL FMCG/CPG REPORT 2021

Consumer goods in a crisis

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YouGov



A photograph of a person's hand holding a blue and green snack bag in a grocery store aisle. The person is wearing a denim jacket and a silver watch. The background shows shelves stocked with various grocery items, including bags of snacks and produce.

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EXECUTIVE SUMMARY

Main findings

- A plurality of consumers - ranging from 44% to 83% - across all markets in our study agree that their shopping habits have changed as a result of the pandemic.
- Most consumers (82% across all markets) have a regular grocery shopping routine.
- Intention to use online shopping and delivery services is highly variable ranging, from a quarter (24%) to two-thirds (67%) of consumers.
- In almost all markets, delivery services are more popular than "click and collect" services.
- On average, three in ten global consumers (29%) say they've been buying more frozen foods during the pandemic – rising to nearly six in ten (58%) in markets such as Hong Kong.
- Cosmetics have struggled during the crisis, with a third (32%) of consumers across all markets saying they are buying these items less than before.
- Home cleaning product purchases have been highly variable, increasing amongst three-quarters (76%) of consumers in some markets and by as few as 15% of consumers in others.
- Over half (54%) of consumers across all markets intend to buy more sustainable products once the pandemic subsides.



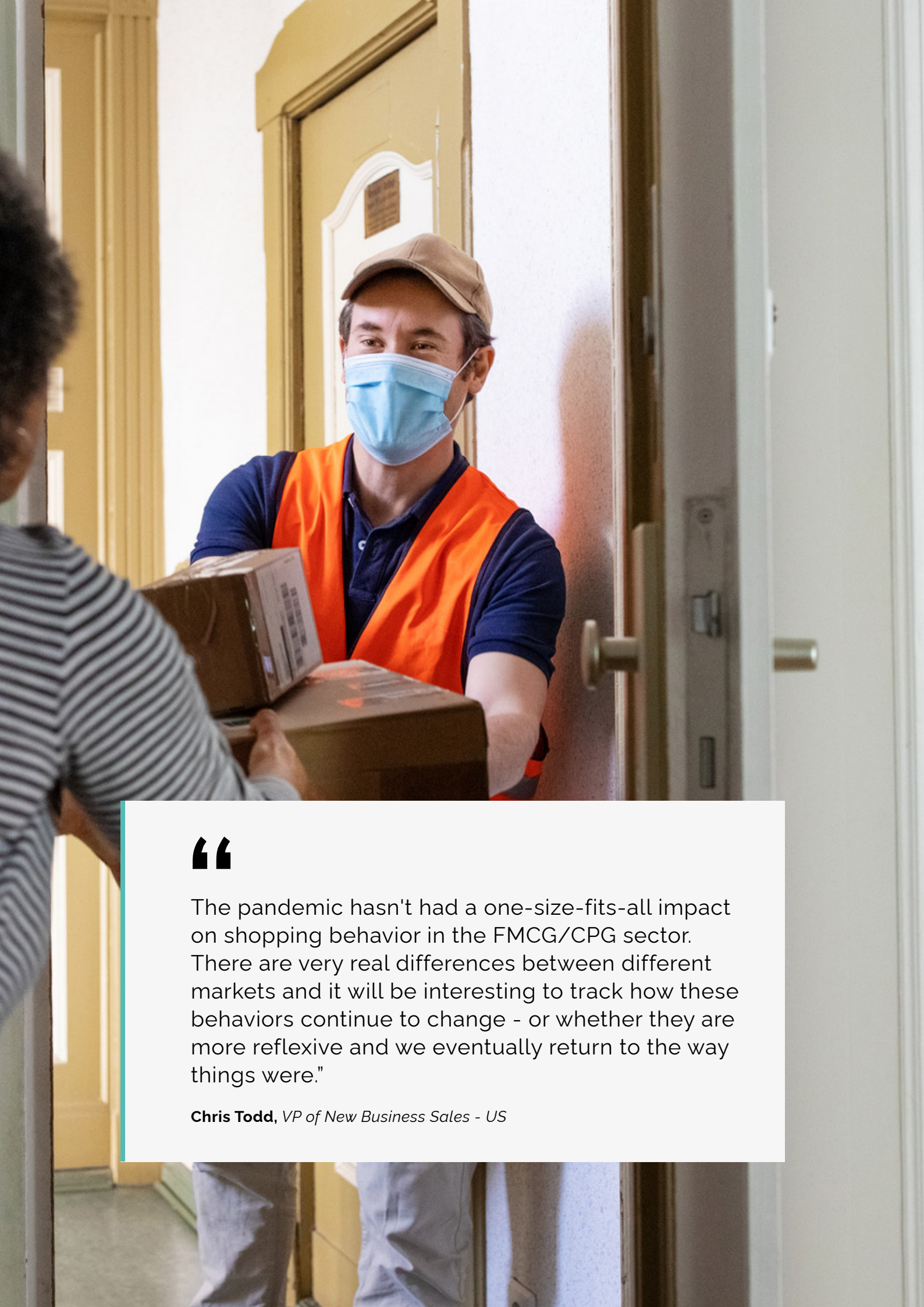


INTRODUCTION

Our international report into the sector for 2021 reveals that, in every one of the 17 markets featured in our study, a plurality of consumers say that their shopping habits have changed over the course of the coronavirus crisis. In 11 markets more than half of consumers say they have altered their behaviors (Figure 1).

The pandemic has created both challenges and opportunities in the fast-moving consumer goods/consumer packaged goods sector. Using syndicated survey data from YouGov Profiles and BrandIndex in tandem with deep-dive custom research, this report investigates how attitudes and behaviors have shifted in these 17 markets – and which FMCG/CPG categories have prospered or suffered as a result.

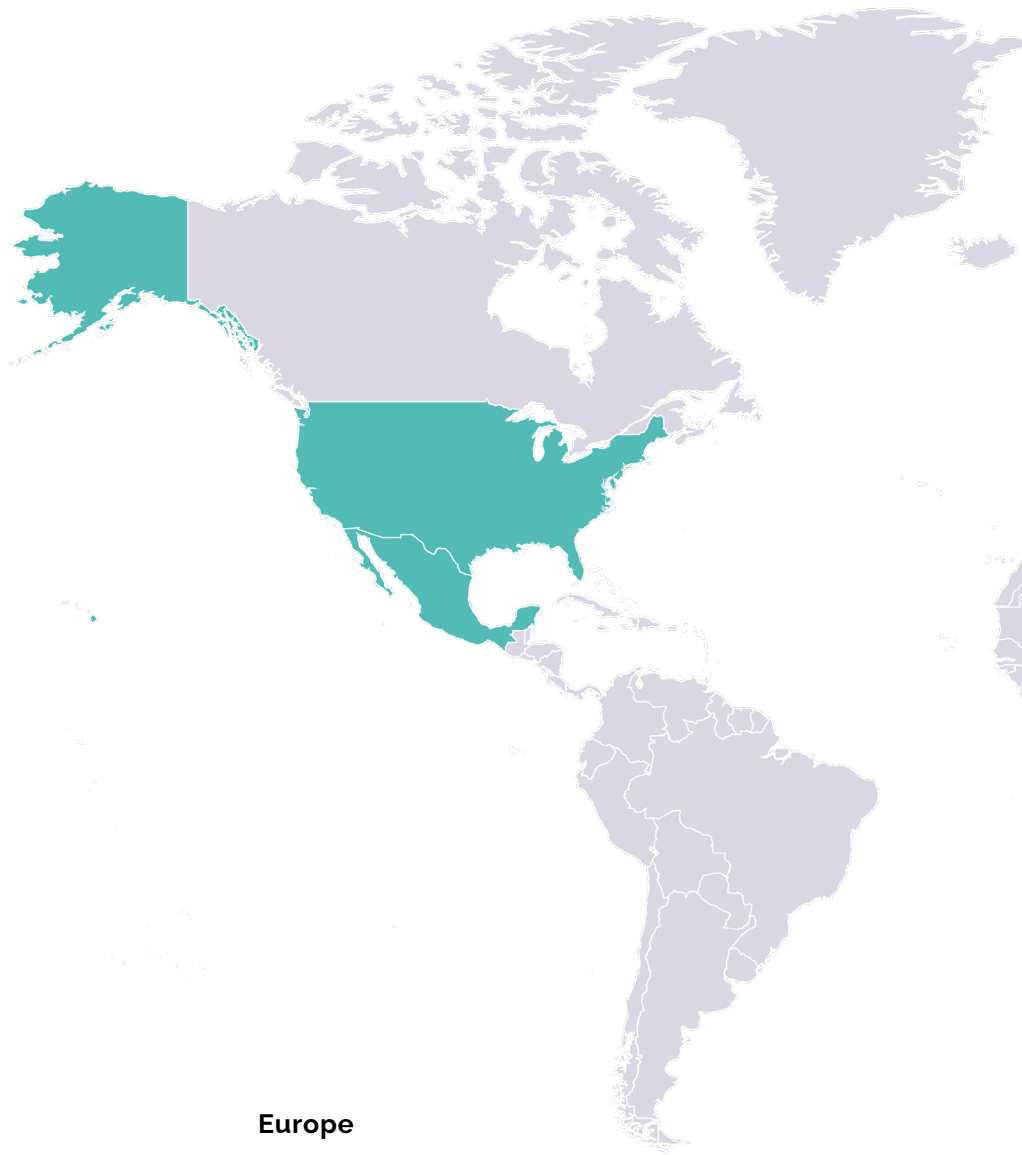




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The pandemic hasn't had a one-size-fits-all impact on shopping behavior in the FMCG/CPG sector. There are very real differences between different markets and it will be interesting to track how these behaviors continue to change - or whether they are more reflexive and we eventually return to the way things were.”

Chris Todd, *VP of New Business Sales - US*



The view from...

North America

Consumers in our North American markets (the US and Mexico) are more likely to report higher levels of change in their shopping habits than the global average.

In the United States, over three in five (63%) consumers say they have changed their shopping routines compared to more than four in five (83%) Mexican consumers.

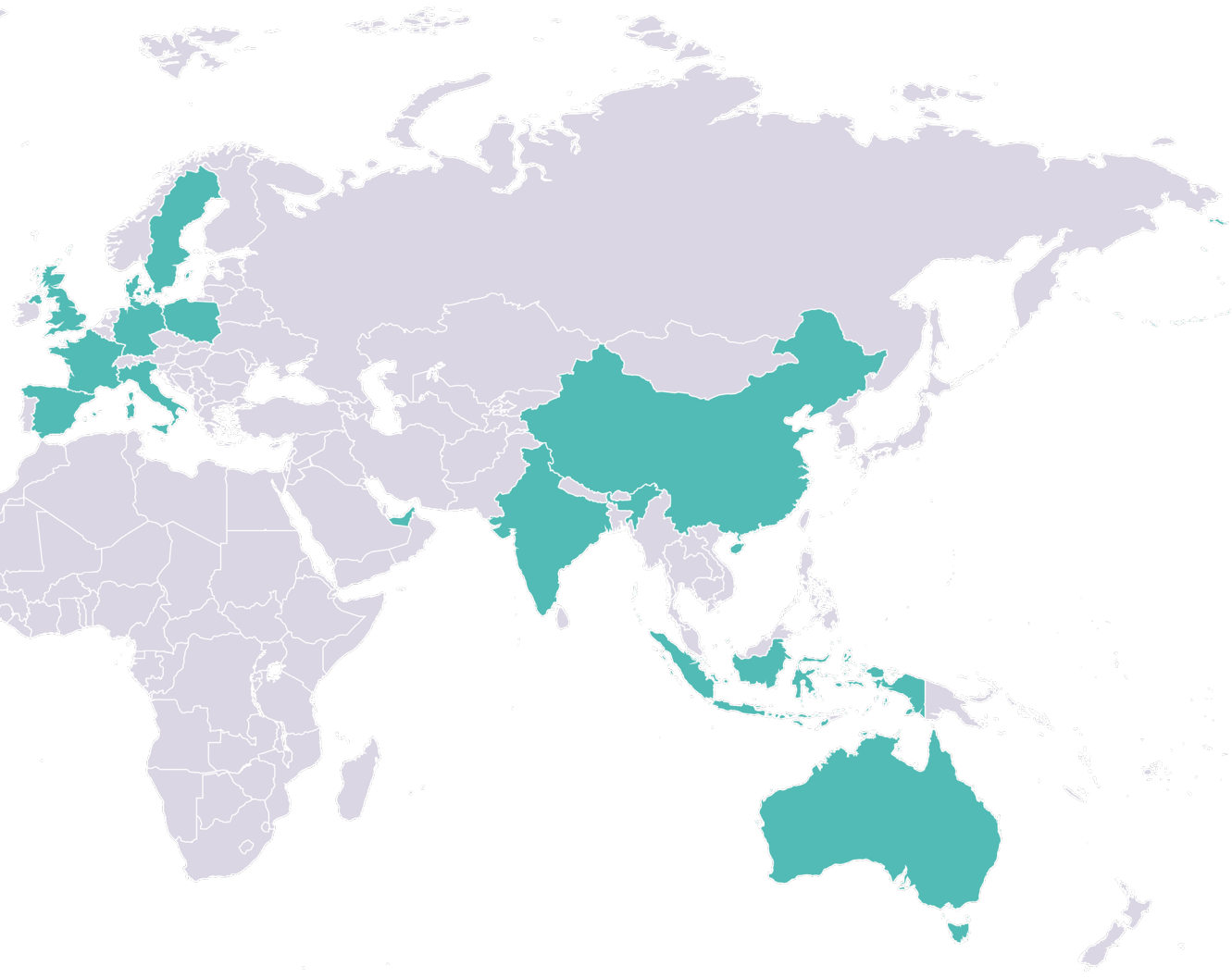
Europe

A look at Europe reveals that more consumers on the continent have changed their shopping habits than not.

At the upper end of the scale, 60% of Britons say they've switched up their routine, falling to 44% in Denmark. There is significant variation in between.

For example, Germany and France - large, neighboring EU economies - have seen nearly the same proportion of consumers change their shopping habits (Germany 47%; France 46%).

There is a sixteen-percentage-point gap between the Nordic countries in our survey: three in five (60%) Swedish consumers say they've altered their regular habits next to 44% of Danish consumers.



APAC

There is no consistent trend across the APAC region: the markets in our study vary in terms of economic size, population size, and their respective responses to the pandemic.

China, for example, introduced lockdowns and contact tracing early, which could partially explain why it has among the lowest levels of change to overall shopping habits (47%). If normal shopping options are available, there's less reason to change a normal shopping routine. It's a similar story with Australia (47%), which took measures to introduce backwards-tracing after experiencing a second wave of the virus and - on the shopping side of things - has now returned to relative normality.

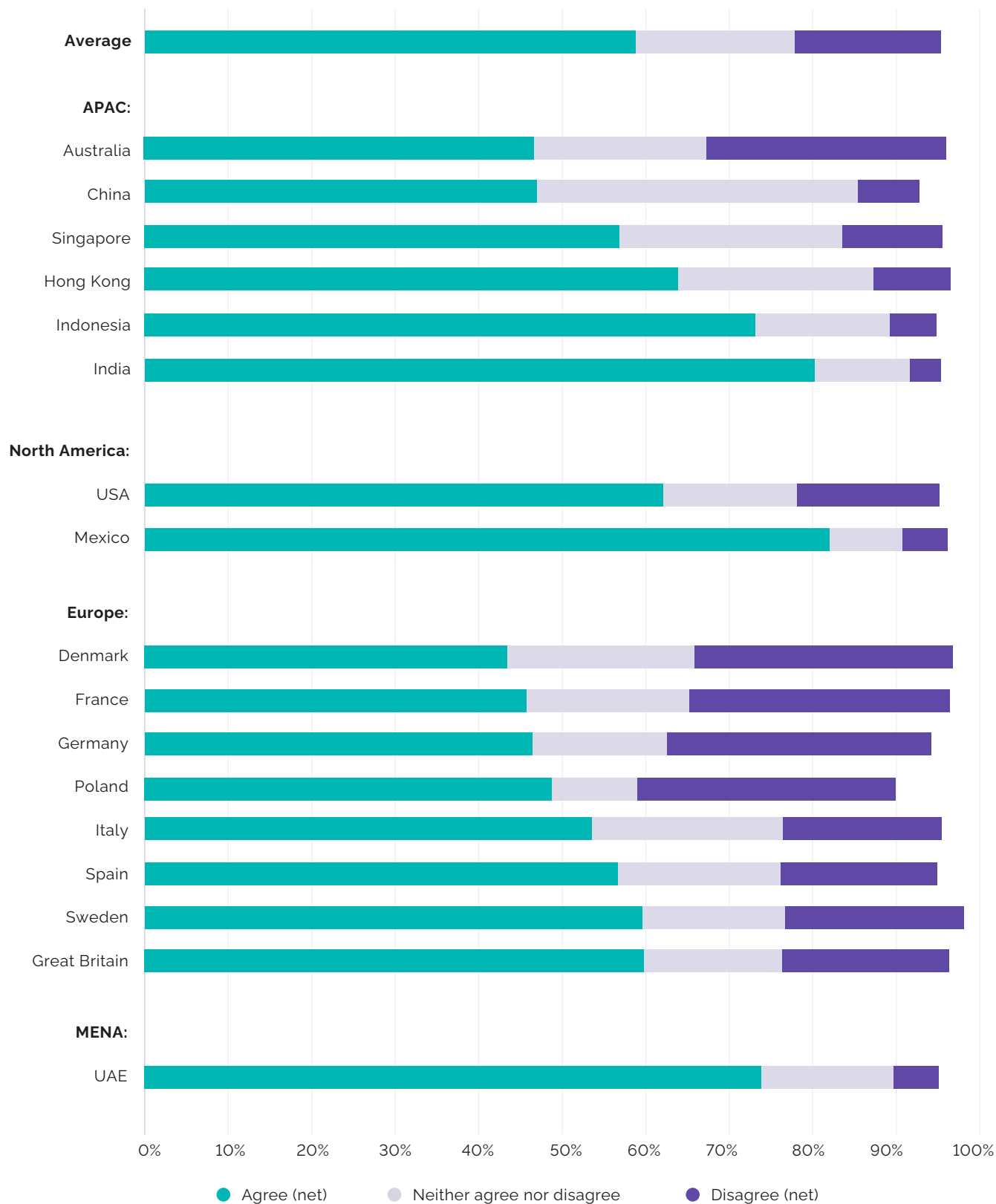
India has seen four out of five consumers (81%) make changes to their regular routine, while in Southeast Asia, Indonesia has seen three-quarters switch up their shopping (74%) - compared to three in five Singaporean consumers (58%).

MENA

Looking towards MENA, COVID-19 had a substantial impact on shopping in the UAE, with restrictions limiting footfall and forcing three-quarters (75%) of consumers to change their shopping habits.



Global - "My shopping habits have changed because of the pandemic"
 (excluding those who answered "Don't know")



Thinking about the impact that the COVID-19 pandemic has had on your shopping habits, to what extent do you agree with "My shopping habits have changed because of the pandemic" (excluding those who answered "Don't know")



HOW THE PANDEMIC HAS IMPACTED CHANNEL BEHAVIOR AND CHOICES

YouGov data from the pandemic indicates that consumers in most markets are much more likely to shop at supermarkets for groceries and household essentials than at corner shops or convenience stores. While the gap varies, in most markets – and every market where we have a

nationally representative sample (rather than urban or online sample*) – it is nonetheless very large. In Australia, for example, the public are 61 percentage points more likely to shop at a large retailer than a smaller local one (Figure 2).

The view from...

North America

In both Mexico and the US, supermarkets overwhelm smaller, local stores to the point where eight in ten consumers say they buy groceries and household essentials from the former (US 81%; Mexico 79%).

But while consumers visit supermarkets in similar proportions, there is more divergence in how they use corner shops and convenience stores. In Mexico, for example, corner shops - while significantly less popular than supermarkets - are still used by nearly half of the country's population (47%); in the US, this amounts to just 12% of the public. This may be because they trust larger stores to implement the necessary safety protocols and to have all the items they need (therefore reducing the need for multiple trips).

Europe

Supermarkets reign supreme across the European markets in our study: between 89% (Italy) and 77% (Sweden) of consumers say they use them for either online or in-person shopping.

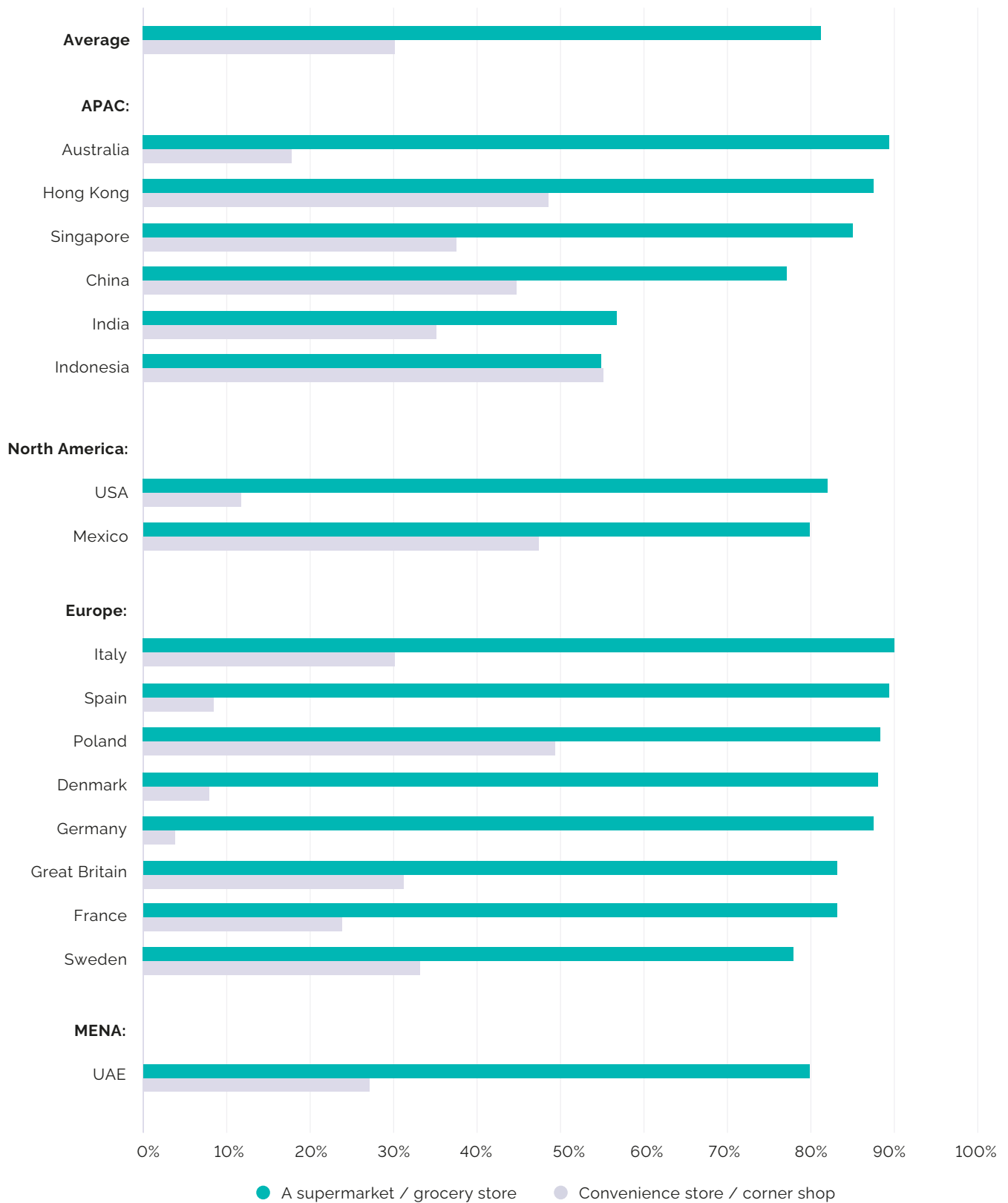
There is significantly more variation in terms of convenience store shopping: while it rises to as many as half (49%) of consumers in Poland, it falls to just 4% of consumers in Germany. Even among Nordic countries, there isn't much consistency: Sweden, for example, has a third (33%) of consumers shopping at their local corner store, while one in twelve (8%) Danish shoppers say the same.

APAC

Across the APAC markets in our survey, consumers are broadly more likely to use convenience stores for groceries and household essentials than they are in most other markets.

In Indonesia (54%), Hong Kong (48%), China (44%), Singapore (37%) and India (35%), convenience stores and corner shops are visited in significantly higher proportions than they are elsewhere in the world.

Global - Where consumers shop for groceries or household essentials (online or in-person)



Where, if any, of the following places, do you shop for groceries or household essentials, either online or in-person? Please select all that apply

Consumers have turned away from farm/market and speciality retailers in UK and US

There is evidence that local farm/market and specialty retailers of consumer goods are in decline. In some cases, this seems to be part of a longer-term decline. In the US, local farm and

market purchases have fallen year-on-year since 2018. The same is true for specialty food shops (Figure 3).

US: Proportion of people shopping at local farm/market and specialty food shops over time

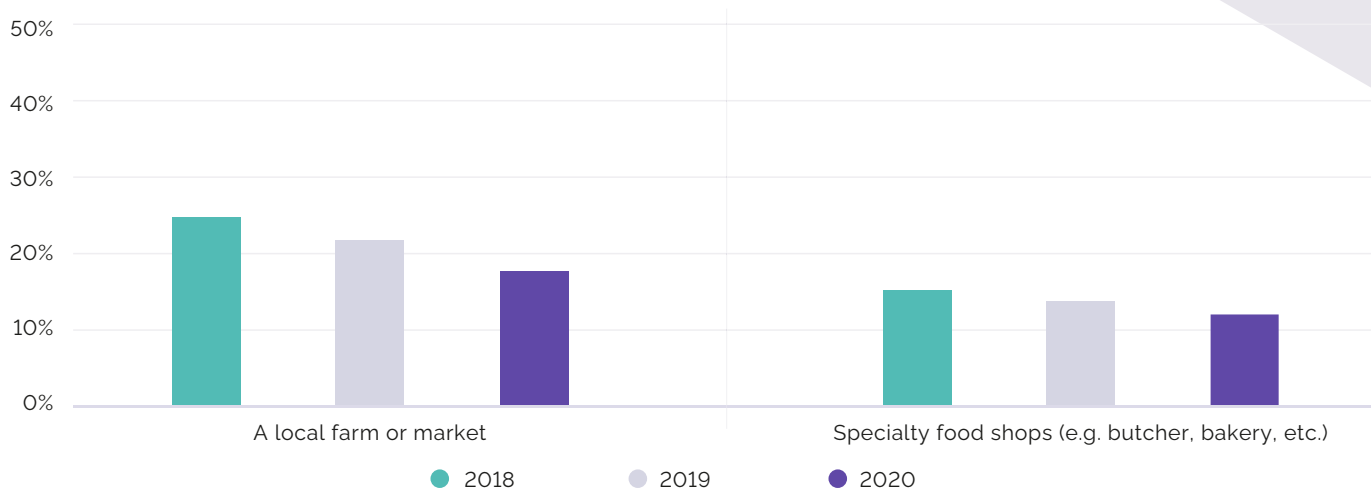


Figure 3

Where, if any, of the following places, do you shop for groceries or household essentials, either online or in-person? Please select all that apply

While there has been similar overall erosion in Great Britain, it has not been as linear. The proportion of consumers buying from a local farm or market was relatively stagnant in 2018 and 2019 before sharply dropping in 2020.

Meanwhile specialty food shops saw a two-percentage point rise between 2018 and 2019 before dropping five percentage points in 2020 (Figure 4).

GB: Proportion of people shopping at local farm/market and specialty food shops over time



Where, if any, of the following places, do you shop for groceries or household essentials, either online or in-person? Please select all that apply



Click + Collect
waiting area

CHANGING DYNAMICS OF “CLICK AND COLLECT” AND ONLINE GROCERY DELIVERY SERVICES

Our research shows that coronavirus has not stopped people visiting the supermarket. An average of 81% of consumers across the 17 markets in our study bought groceries or household essentials in-store in the month prior to being asked.

But the data also indicates that consumers within these markets intend to make more use of 'click and collect' and online delivery services – ranging from 24% to 67% of respondents – across the focus markets (Figure 5).

The view from...

North America

The view across the North American markets in our study shows that over half of consumers in Mexico (54%) are more likely to say they intend to increase their online grocery shopping – compared to a third of consumers in the US (34%).

Europe

Across the board, Europeans are generally less likely to say they intend to increase their use of online delivery and "click and collect" services. At just under two in five (38%) consumers, Britons are on the upper end of the regional scale. At the other end of the spectrum, German (26%), French (26%) and Danish (24%) consumers account for the bottom three.

APAC

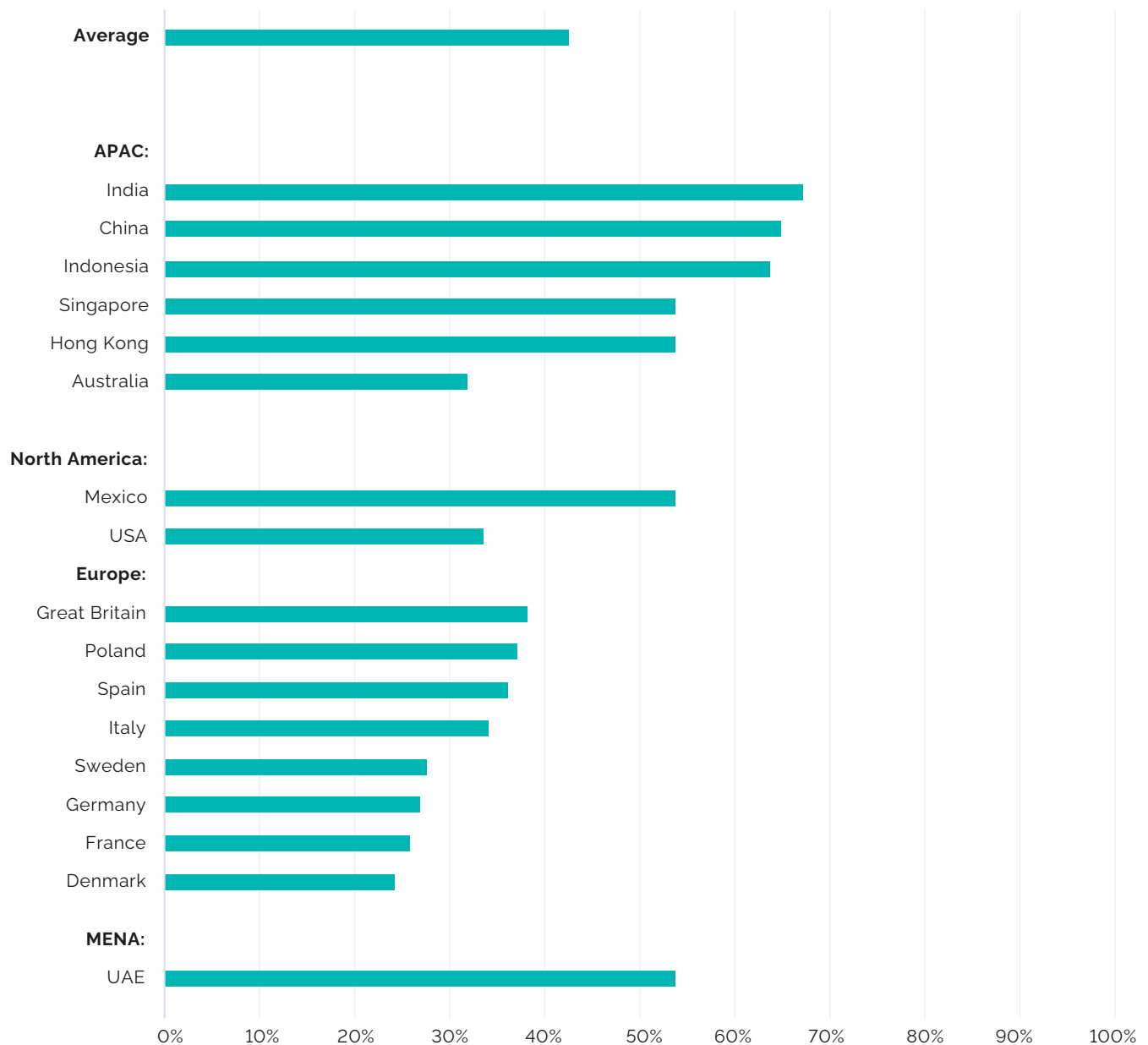
The APAC region registers higher levels of intent to use online shopping and delivery services than any other.

The three largest nations in Asia by population – India (67%), China (64%) and Indonesia (63%) – also have the most consumers who plan to increase their use of these services. Even in the Asian markets where intent is lower, more than half of the public (Singapore 53%; Hong Kong 53%) still plan to do more online shopping and arrange more online deliveries.

MENA

As mentioned earlier in the report, lockdowns had a major impact on retail and supermarket shopping in the UAE – which may have influenced the greater-than-average intent to use online shopping and delivery services. Over half of consumers say they plan to use these services in future (54%).

COVID-19's impact on online shopping and delivery: I will make more use of online shopping/delivery



Do you agree or disagree that as a result of coronavirus: "I will make more use of online shopping/delivery (% agree)"

Figure 5

In 16 of the 17 markets surveyed, online delivery was much more popular than click and collect services. The exception is France, where click and collect services enjoy a lead of five percentage points (18% click and collect vs. 13% online delivery).

The gap between services varies in size – in markets such as Singapore, for example, there is a 34 percentage point difference between consumers who get their shopping delivered to their doorstep (40%) and those who pick it up (6%); in Australia it is as small as six percentage points

(19% online delivery; 13% click and collect) (Figure 6).

There are straightforward drivers of this. Not only is having groceries delivered more convenient than picking them up – even taking into account delivery fees – but with many areas under stay-at-home orders, some consumers had a powerful disincentive to leave the house for anything but the most important reasons. In markets such as Singapore, for example, population density makes driving (and therefore click and collect) less attractive; in markets where the population is less dense, the reverse may be true.

Global - Proportion of consumers shopping via online and/or click and collect in prior month

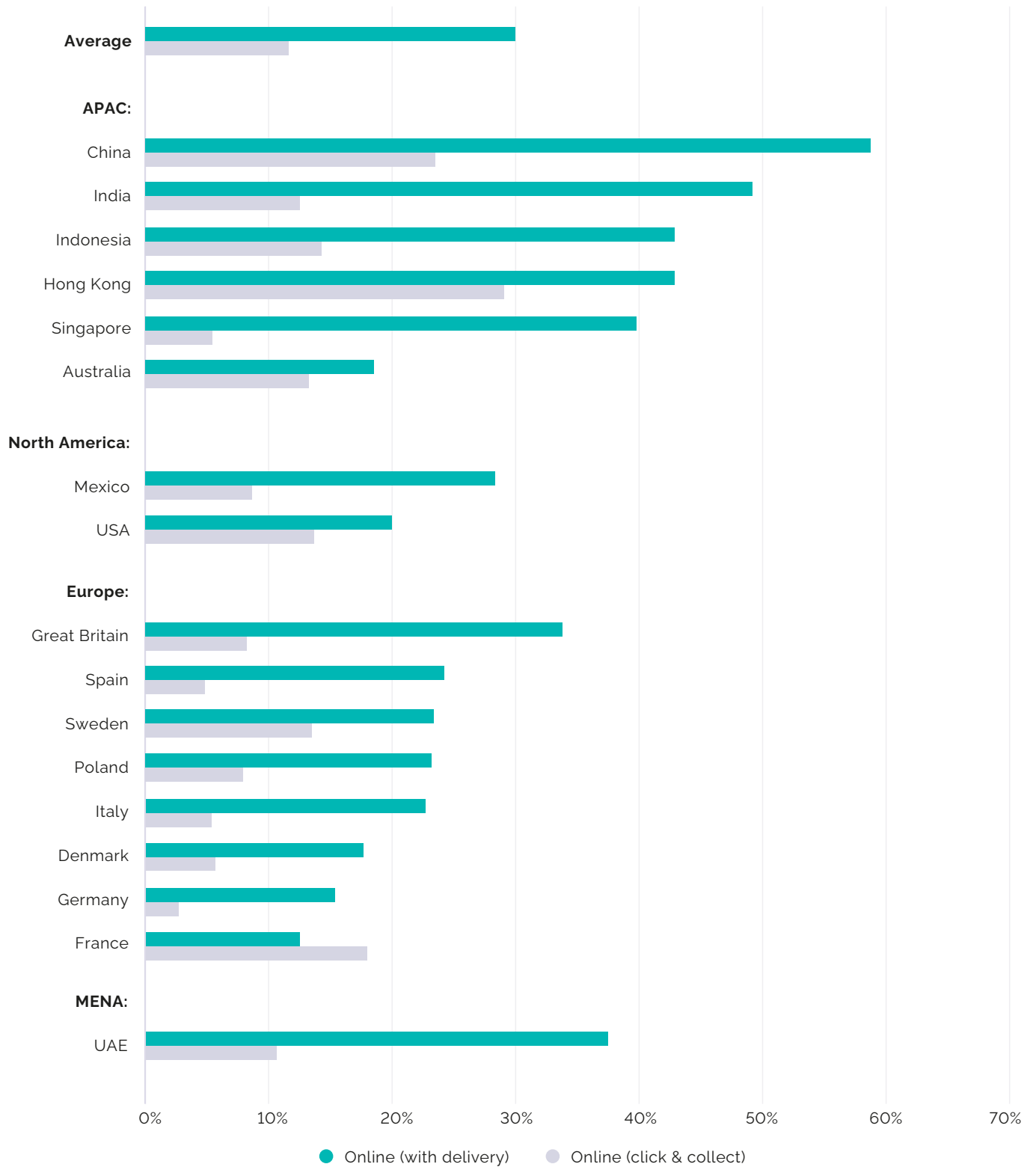


Figure 6

In the past month, have you bought groceries or household essentials via any of the below methods? Please select all that apply.

Big business: Online produce purchases in Germany

With around one in five (18%) Germans buying groceries online, there is plenty of room for expansion by FMCG brands and supermarkets and our data points to where these opportunities exist.

Among those who buy their groceries online the over-55s are underrepresented (35% vs. 42% nat

rep) while those aged 18-24 are overrepresented (13% vs. 9% nat rep). Current online grocery shoppers are also more likely to be male (57% vs. 48% nat rep) (Figure 7).

Germany - Age-gender breakdown of online shoppers

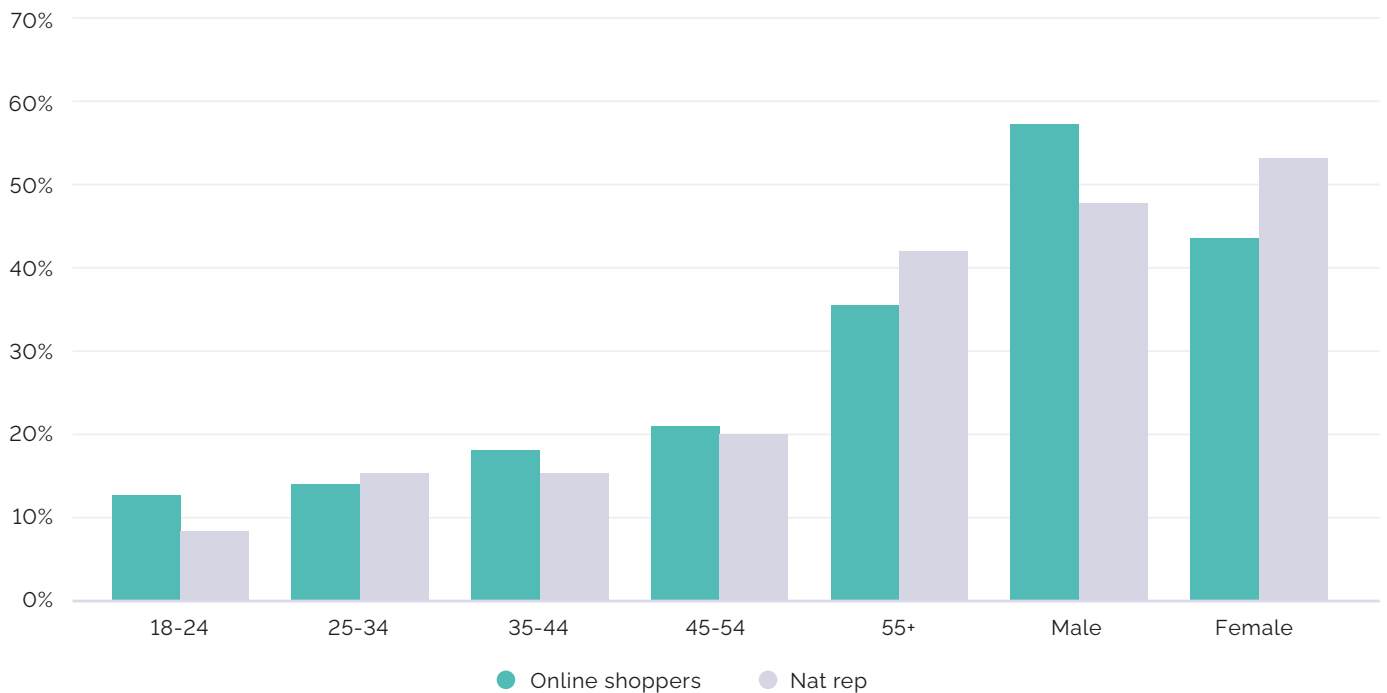


Figure 7

While the majority use supermarkets, they're less likely to order through traditional chains or grocery stores than the general public (87% vs. 75%) – and more likely to use a specialist online retailer such as Amazon Fresh (35% vs. 8% nat rep).

They also demonstrate a greater preference for ordering products directly from the manufacturer (8% vs. 3% nat rep) (Figure 8).

Germany - Where online shoppers are buying their groceries

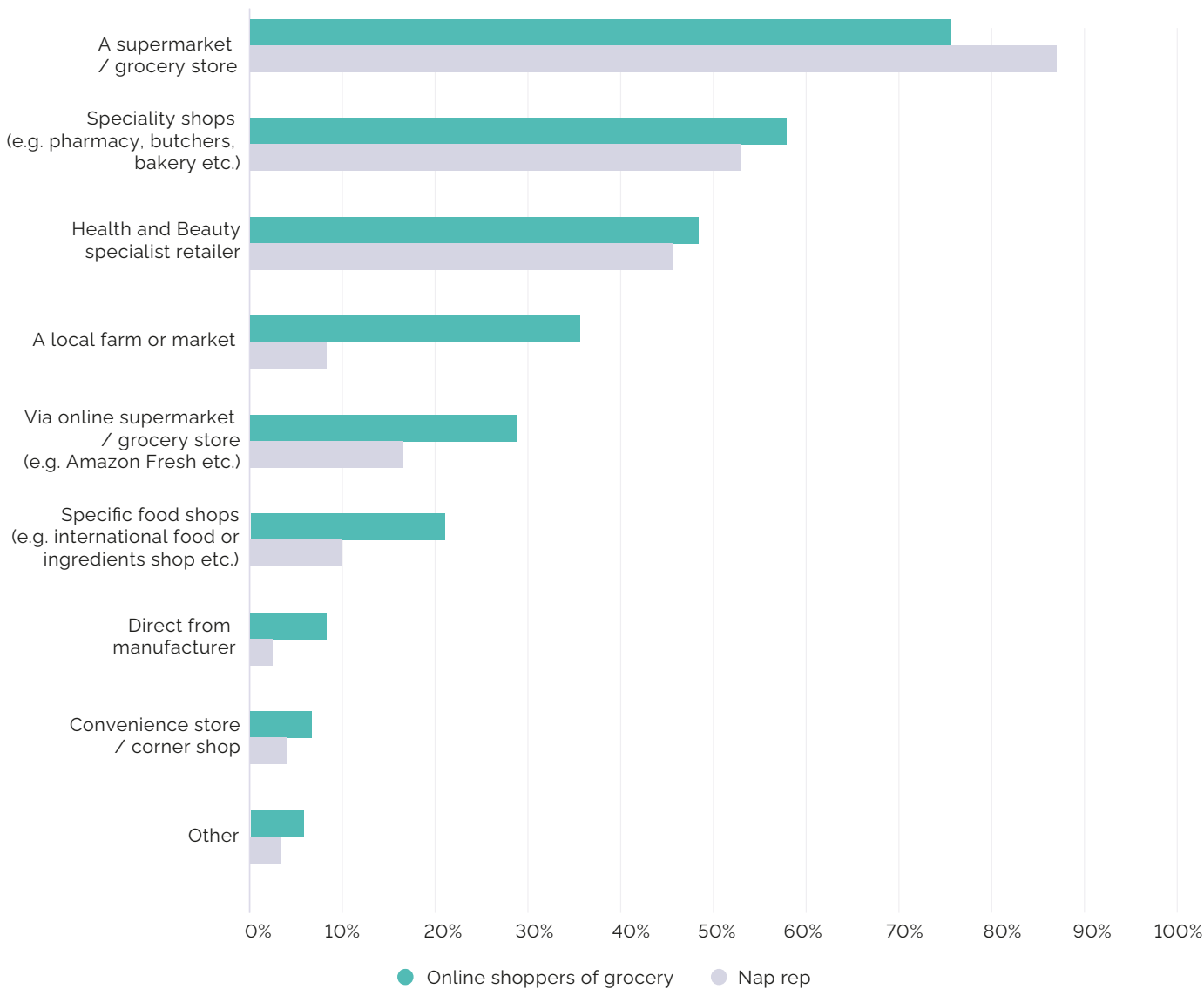


Figure 8

In the last month how frequently have you shopped, either online or in store, for groceries to be consumed at home? This is not including meals on the go.

One area where retailers and brands can broaden their appeal to digital-centric consumers is organic and natural foods. Germans who shop online are 15 percentage points more likely to say they prefer these foods than the general public (59% vs. 44% nat rep).

They may also prefer premium products: the data suggests they're nine percentage points more likely to say they enjoy owning quality goods (71% vs. 60% nat rep) (Figure 9)

Germany - Consumer attitudes to food: online shoppers vs. nat rep

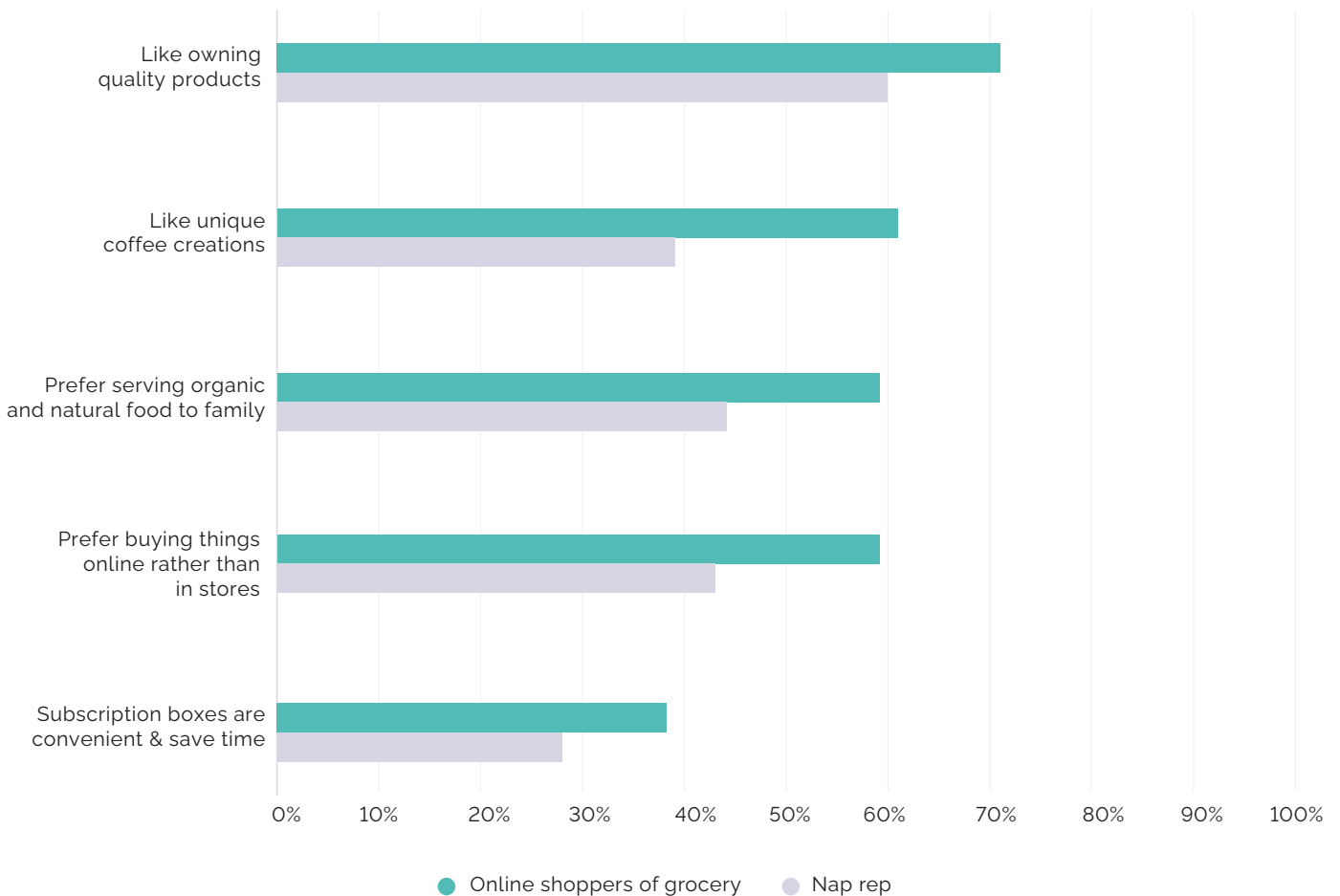


Figure 9

Various questions



HOW THE PANDEMIC HAS IMPACTED PLANNED VS. IMPULSE SHOPPING BEHAVIOR

Great Britain: Supermarket visits declined in 2020

In Britain, there is evidence to suggest that a slight uptick in the proportion of people planning their shopping happened while people paid fewer trips to the supermarket.

The proportion of Britons who visited the supermarket or shopped online two to three times a week declined between 2019 and 2020 – with a corresponding uptick in the proportion who shopped just once a week or once a fortnight (Figure 10).

It may be that, with more time to plan their shop (or their online grocery order), the British public have less reason to visit the supermarket or arrange a delivery. As an ongoing threat to public health, coronavirus may also act as a powerful disincentive for consumers who might otherwise shop more frequently.



Great Britain - Shopping frequency: 2019-2020

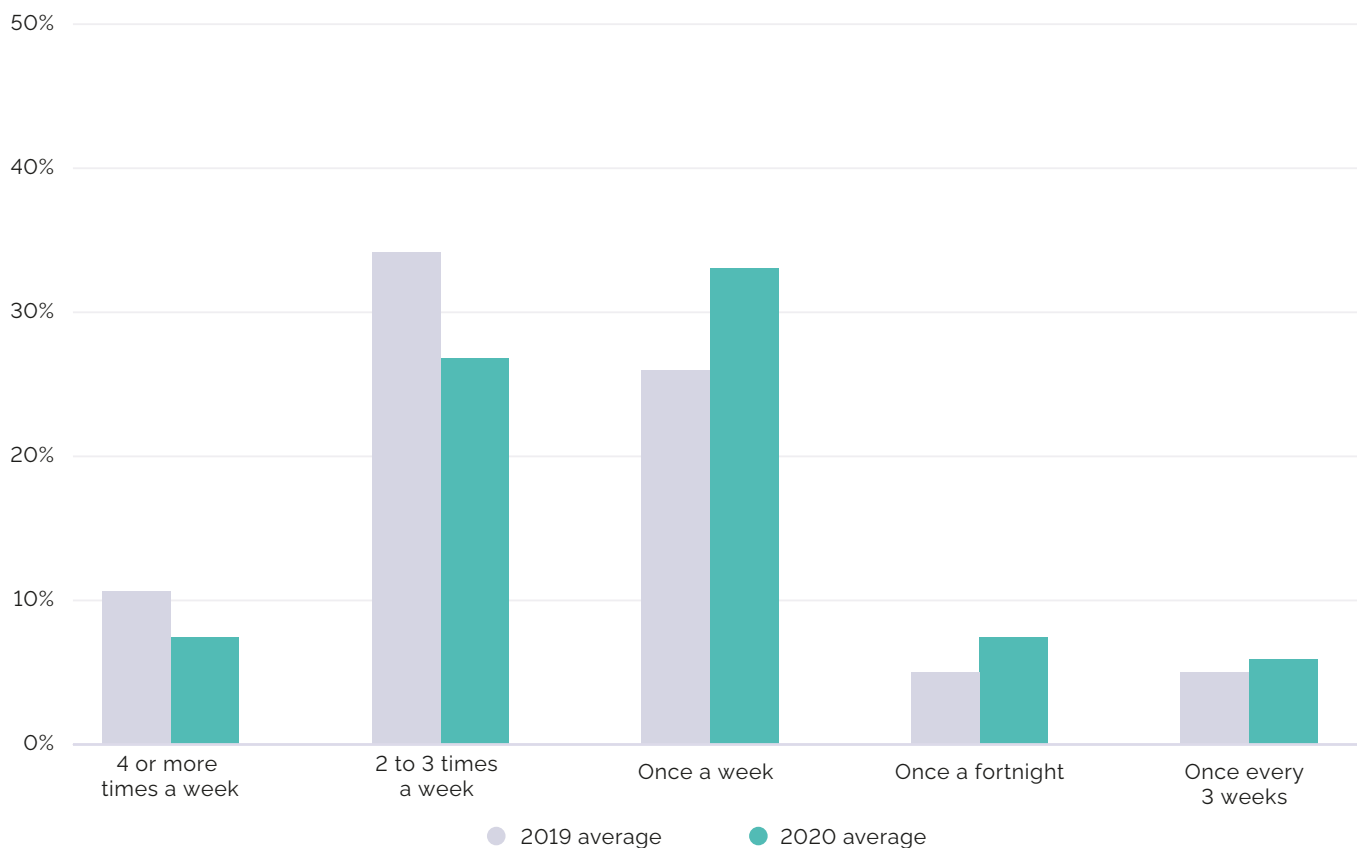


Figure 10

*In the last month how frequently have you shopped, either online or in store, for groceries to be consumed at home? This is not including meals on the go. *answer options combined to give net score*

Globally, the majority of the public prefer regular shopping

Taking a more global view, four out of five respondents (82%) across all 17 markets have a regular shopping routine. However, there are notable variations within regions.

The view from...

North America

Our North American markets both have a majority of consumers embracing regular shopping routines (Mexico 91%; US 74%) but the degree of ad-hoc shopping varies. A quarter of Americans (23%) say they pick things up as and when they need them compared to just 8% of Mexican consumers.

Europe

Across all regions, Europe has the most variation in terms of shopping routines - with markets featuring at the top and bottom of the scale. In Italy, for example, 95% of consumers plan their regular shopping; in Denmark, this falls to just seven in ten shoppers (69%) - with three in ten saying they purchase groceries on an ad hoc basis.

Global - Grocery shopping routines

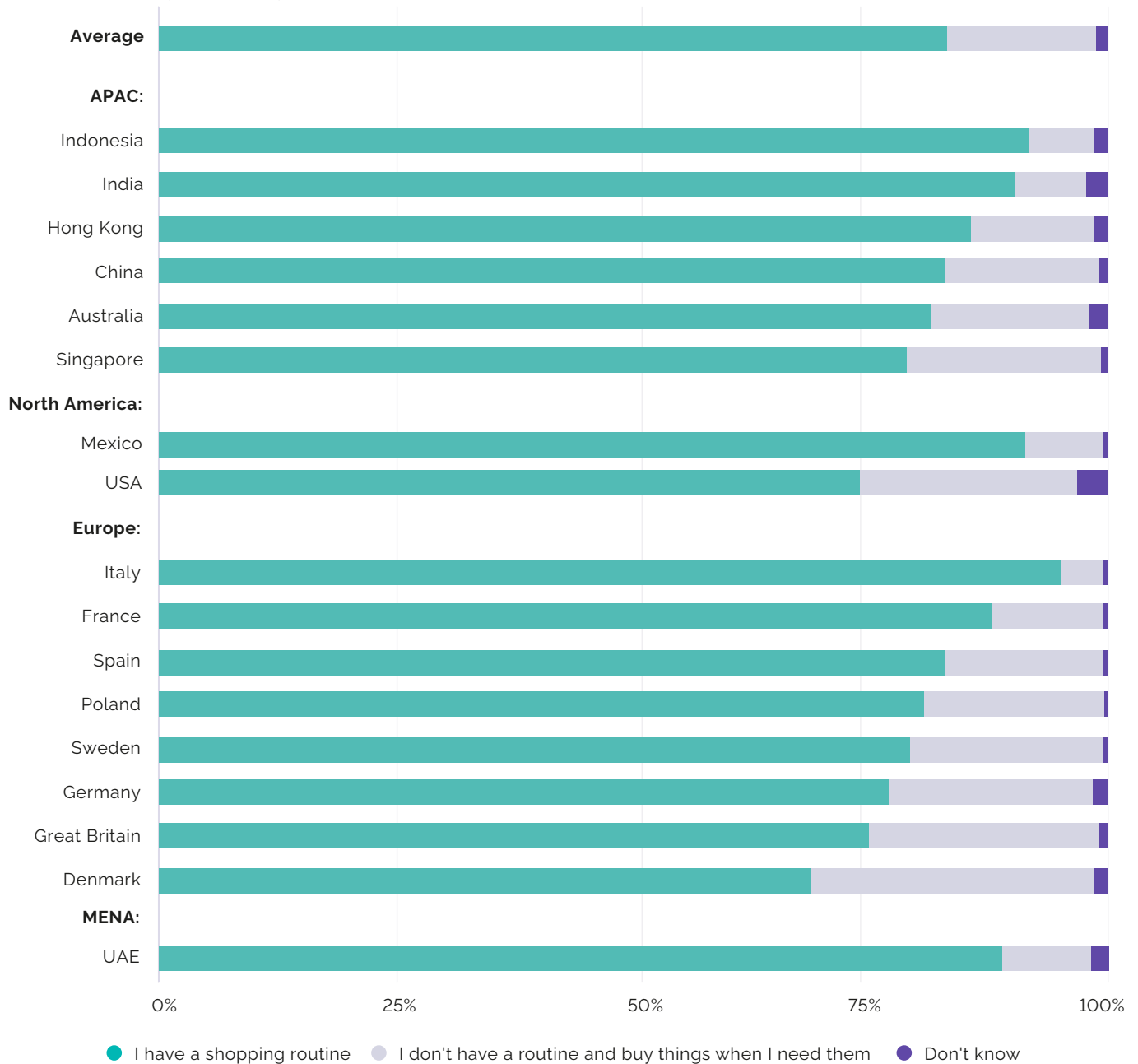


Figure 11

Which, if any, of the following statements best describes your typical grocery shopping routine? *answer options combined to give net score



The pandemic made planned shop visits more popular

Our data indicates that in some western economies more consumers have developed shopping routines over the course of the pandemic.

This growth has been particularly pronounced in Germany, where over three-quarters say they planned their shop (77%) in 2020 compared to just under three in five in 2019 (58%) – an increase of 19 percentage points. In France, seven in ten (71%)

say they had a shopping routine in 2019 – rising by 17 percentage points to nearly nine in ten (88%) in 2020. Denmark saw similar growth (+17%), though it still had a lower overall level of planned shopping.

However, these very large increases were not universal. The US saw a more modest increase of six percentage points while Britain's was smaller still – just two percentage points (Figure 12).

Selected markets - Change in proportion of shoppers who have a shopping routine: 2019-2020

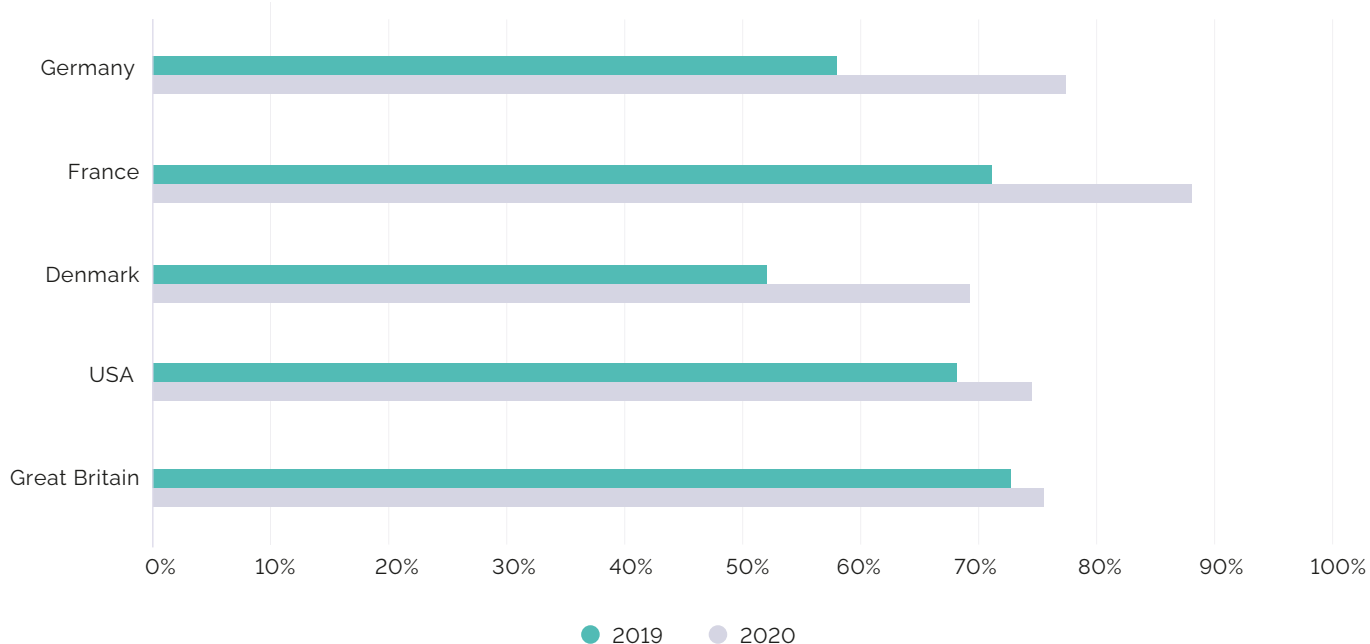


Figure 12

Which, if any, of the following statements best describes your typical grocery shopping routine? I have a shopping routine

CHANGES IN CATEGORY CONSUMPTION: FOOD, COSMETICS AND ALCOHOL

Our data shows that during the pandemic consumers have responded in different ways across different FMCG/CPG categories. For example, while there has been an increase in the

consumption of fruit and vegetables there has been a decrease in the purchase of cosmetics (Figure 13).

Food

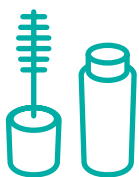


Across all 17 markets, approaching four in ten (38%) say they eat more fresh fruit and vegetables, while just 6% say they eat less. At the same time, junk food remained essentially static: 27% say they are buying more; 28% say they were buying less. Consumption of dairy items increased for 24% of consumers (decreasing for 6%), while more people ate baked goods (22% increase vs. 13% decrease).



Alcohol

A quarter (26%) also say they have been consuming more alcohol, while a fifth (20%) say they have been drinking less.



Cosmetics

Cosmetics appears to have particularly struggled during the crisis: 32% say they are buying fewer products in this category.



Global - Change in consumption of consumer products

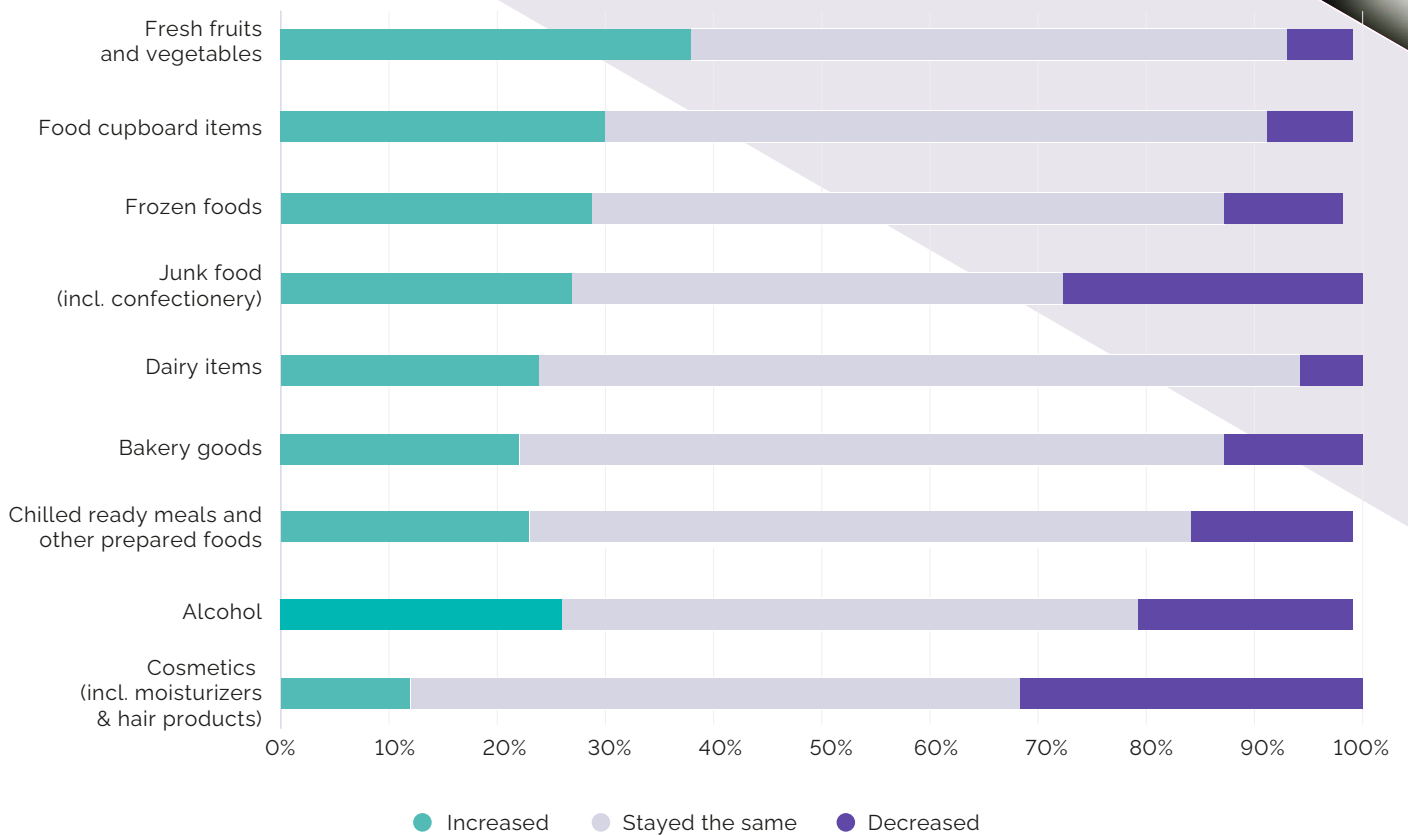


Figure 13

How has your consumption of each of the following food products changed during the COVID-19 pandemic? Percentage shown excludes non-users within each category

Notable variation in consumption of cupboard staples across international markets

While three in ten (30%) consumers across all markets increased their consumption of food cupboard products - such as dry pasta, rice, spreads and tinned vegetables - there was a high level of variation between markets. In Hong Kong (49%) and Mexico (45%), for example, the proportion approaches half of all consumers.

The Nordic countries in our survey have registered the lowest increases in consumption: in Denmark,

one in ten (10%) bought more cupboard products, while in Sweden, it approaches one in five (18%).

Even in countries where a substantial proportion of consumers tell us they are buying fewer cupboard goods - such as India (25%) or the UAE (16%) - the proportion of consumers who bought more cupboard products is significantly higher (India 37%; UAE 34%) (Figure 14).

Global - Net increases in global food cupboard item consumption compared to previous year

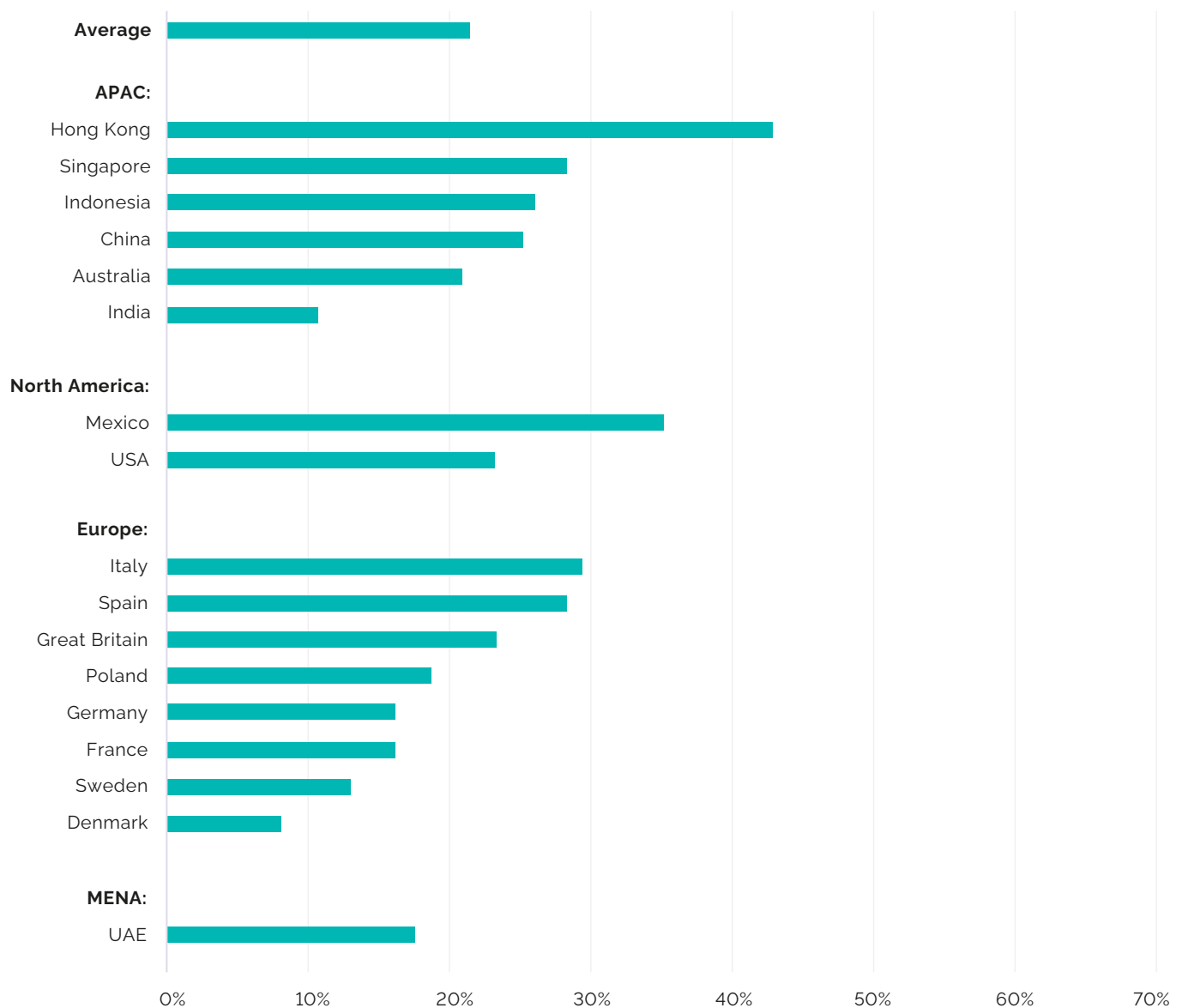


Figure 14

'How has your consumption for each of the following food products changed compared to last year? Food cupboard items (e.g. tinned / jarred items, rice, pasta, etc.)

Significant numbers stockpiled during 2020

Our data shows that a significant minority still stockpiled goods in the pandemic. Across all markets, just under two in five (38%) say they have stocked up on goods. However, there was a great variation by market. In several, at least half of our sample (62% India; 51% China; 51% UAE;

50% Mexico) report that they are more likely to buy items in bulk during 2020. At the lower end of the scale, a quarter or more (24% Germany; 25% France; 30% GB; 30% Australia) say the same (Figure 15).

Global - Agreement/disagreement with the statement "I am more likely to buy items in bulk" (as a result of the pandemic)

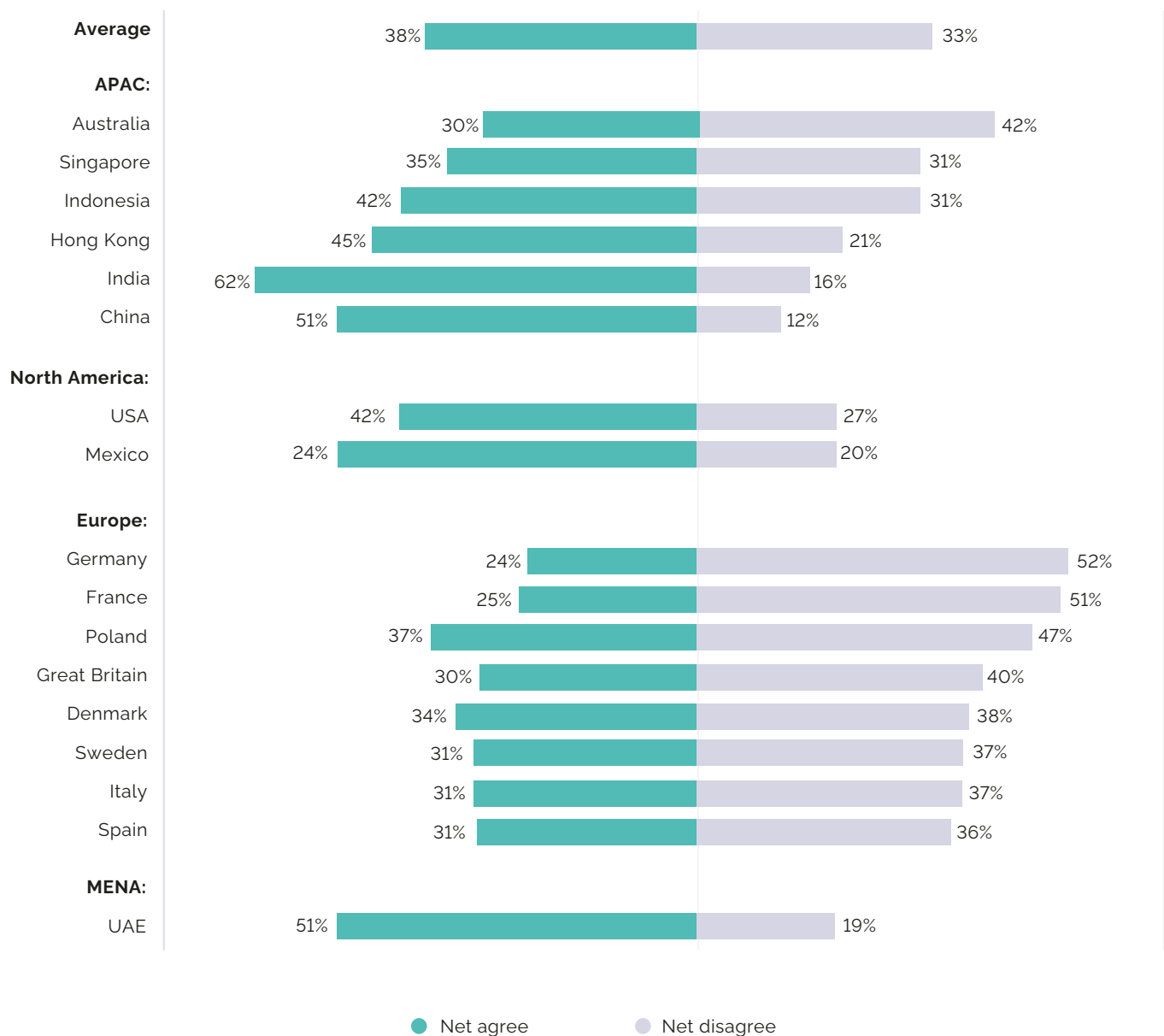


Figure 15

Thinking about the impact that the COVID-19 pandemic has had on your shopping habits, to what extent do you agree with the following statements..

ALL MADE UP AND NOWHERE TO GO: COVID-19 AND COSMETIC PRODUCTS

Earlier, we showed that cosmetics was one of the product types hardest hit by changing consumer choices as people went out less. In every country we surveyed, consumers are more likely to have

decreased their consumption of these products than increased them. Only in Poland are the two consumer groups even close (13% increased; 16% decreased) (Figure 16).

The view from...

Europe

European consumers were, on the whole, less likely to increase their consumption of personal care products than other consumers - in some cases notably so.

For example, in Great Britain, just 3% say they used more of these products while nearly three in ten used less of them (28%). France (6%), Germany (7%), and Spain (8%) also saw lower increases than the global average.

North America

North Americans are - as in every market - more likely to decrease their consumption of personal care products than increase it.

While the US sits firmly in the middle of the pack, with 27% decreasing their use of personal care products and 7% increasing it, Mexico saw two in five consumers saying they had limited their use of these items (39%), the highest proportion of any market in our study.

APAC

Consumers in every APAC market surveyed are more likely to have decreased their use of personal care products than the global average - with the exception of people who live in China (22%), where the worst of the pandemic is in the rear-view mirror, and Australia (21%). In China, the public are also more likely to have increased their consumption of personal care products (16%) than the global average.

Global - Change in consumption of personal care products during the pandemic



Figure 16

How has your consumption of each of the following products changed during the COVID-19 pandemic? Percentage shown is of the total sample for each market (including non-users)

Click and make-up: The future of the Singaporean cosmetics market

Two in five (40%) Singaporean women say they've limited their purchases of cosmetics during the pandemic compared to just over a fifth (22%)

of men. There's also evidence to suggest that the group who has reduced their cosmetics consumption skews slightly younger (Figure 17).

Singapore: Cosmetics usage during the COVID-19 pandemic

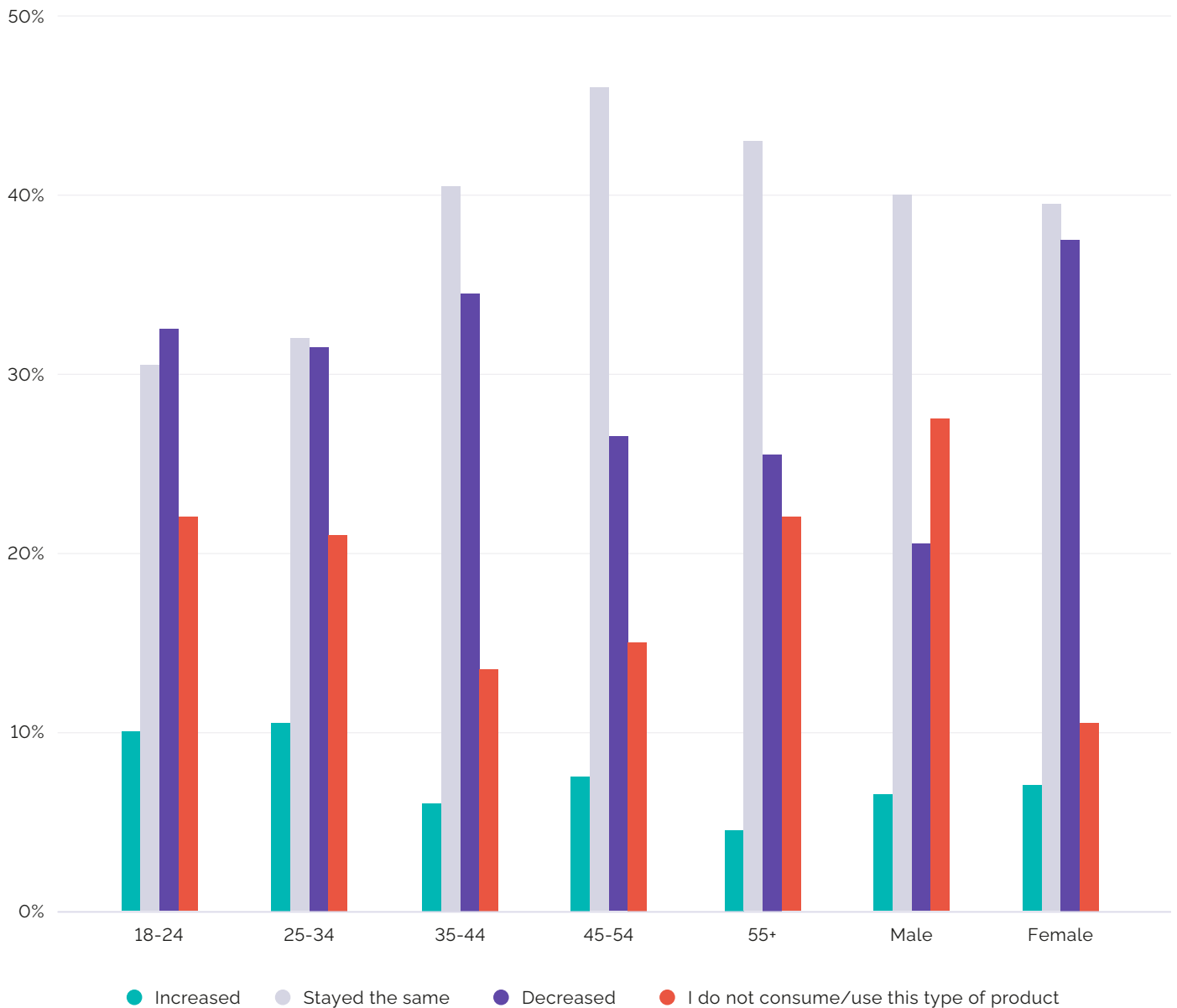


Figure 17

How has your consumption of each of the following products changed during the COVID-19 pandemic?
Cosmetic products (e.g. make-up products, moisturizers, hair wax, hair gel etc.)



“

In Singapore, cosmetics sales have increasingly moved online due to the pandemic. To overcome consumer desire to test cosmetics products prior to purchase, retailers such as Watsons and Sephora have started rolling out AI apps which can be downloaded on mobile. These apps have helped to overcome the limitations of in-store testing of colors by allowing consumers to upload their photos and virtually trial products on themselves before committing to the purchase.”

Fang Ying Goh, *Associate Director - Singapore*



Our data profiles consumers who have reduced their usage of cosmetic products and points to how cosmetics companies can win them back. As a group, they are committed to looking good. Over six in ten say it is important to them to be physically attractive (64%) and that they take care of their appearance at all times (62%).

This audience are twice as likely to pay attention to marketing on digital channels (63%) as they are print newspapers (32%) or TV adverts (31%) (Figure 18). Cosmetics companies looking to achieve greater ROI with their marketing could invest more on digital channels and allocate budgets accordingly within their overall channel mix.

Preferred advertising channels: Singaporean consumers who have reduced their use of cosmetics

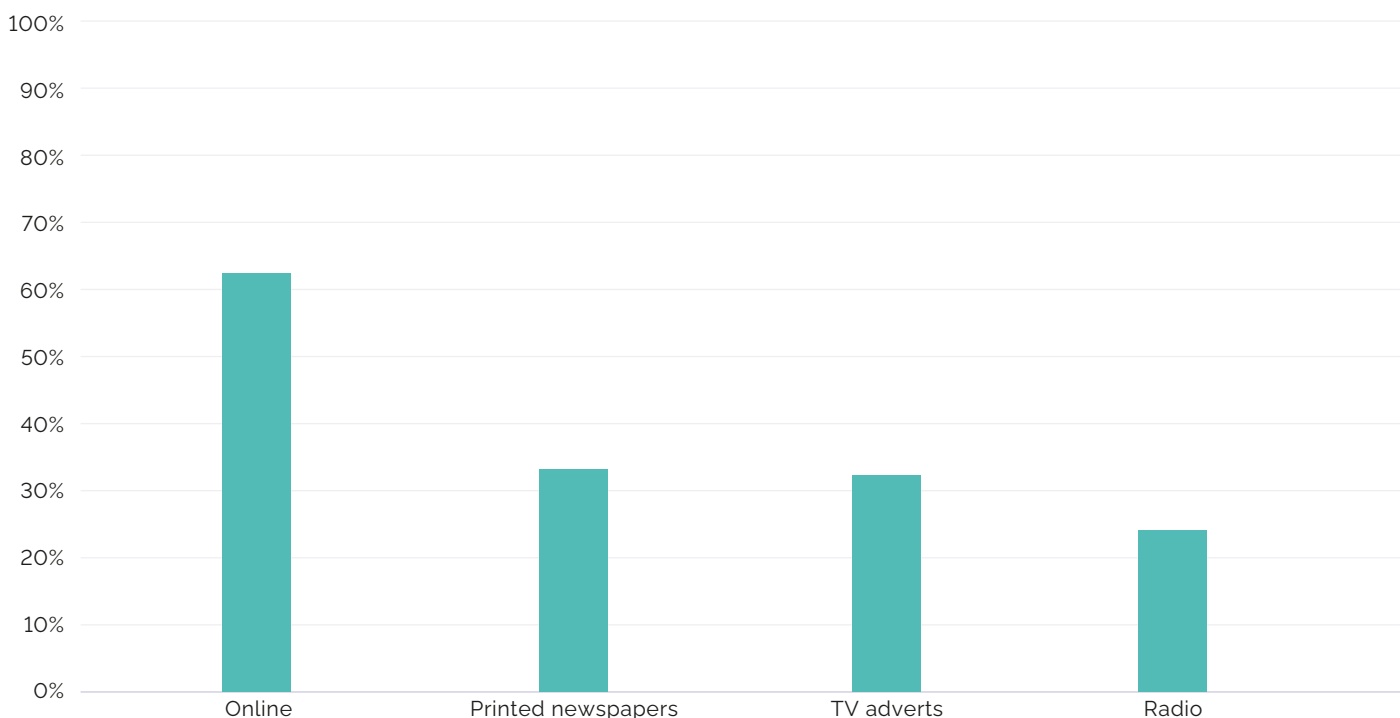


Figure 18

Case study: How COVID-19 changed toiletries in the UK

The COVID-19 pandemic instigated some key behavioral changes among UK toiletry consumers.

While toiletries shoppers at large supermarkets remained relatively stable (seeing only a 3% decline), the proportion shopping at major

pharmacy chains declined by 21 percentage points. This may partially be attributed to temporary store closures as well as a potential desire among consumers to limit visits to multiple stores. However, they have yet to return to pre-pandemic levels (Figure 19).

Great Britain - Where consumers buy their toiletries has changed over time

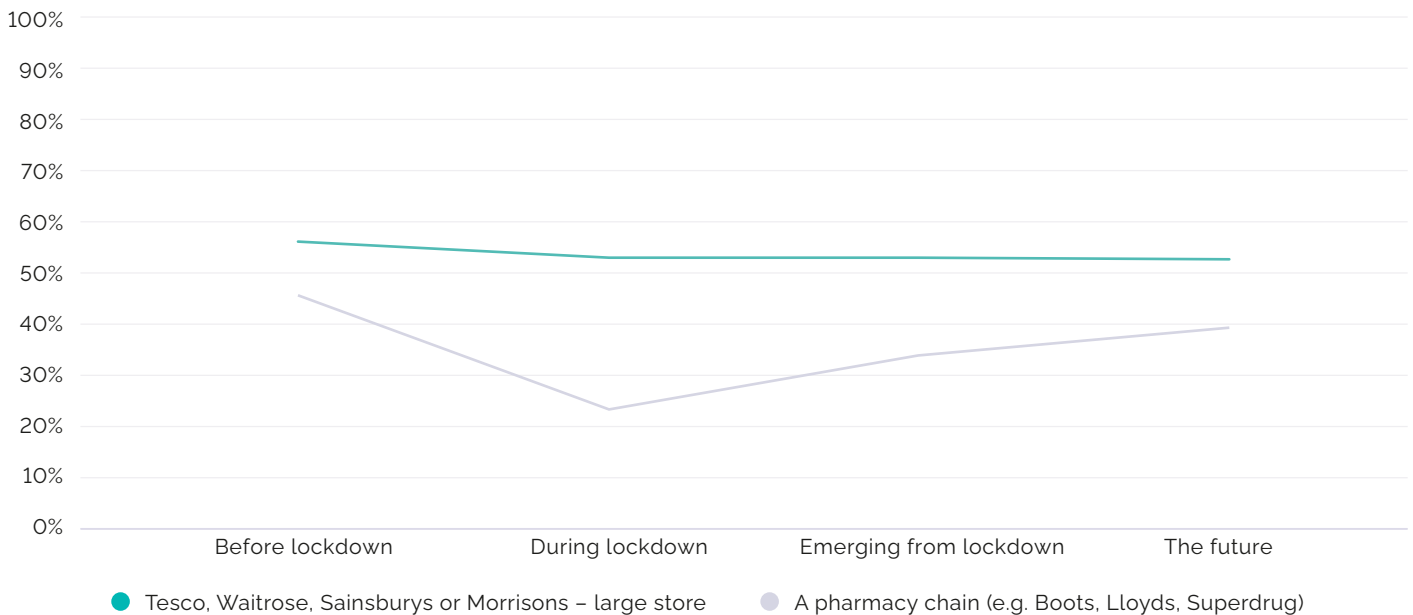


Figure 19

And when you bought/ will buy toiletries in-store was that usually from...



As social interaction increases during an ease of lockdown restrictions, the expectation is that cosmetic use will steadily increase again. Beauty is big business and a core reason as to why Boohoo were keen to secure the significant presence that Debenhams have in this sector in the UK. And with physical retail unable to offer any sort of in-store testing or sampling in the near future, the real change in consumer behavior will likely be a more permanent shift to purchasing these products online, a trend that Boohoo will undoubtedly want to stick even after offices and clubs open again."

Sarah Hutchinson, Account Director, Consumer Brands - UK

Many Brits washed, styled, and shaved their hair less during lockdown

Our data also points to why fewer people shopped for toiletries. During lockdown, the British public used toiletry items less because they were not going outside much (69%) and they were using up products more slowly (50%). Almost half (49%) say that the reduction in visitors was also a factor (Figure 20).

Great Britain - Reasons for consumers buying fewer toiletries during lockdown

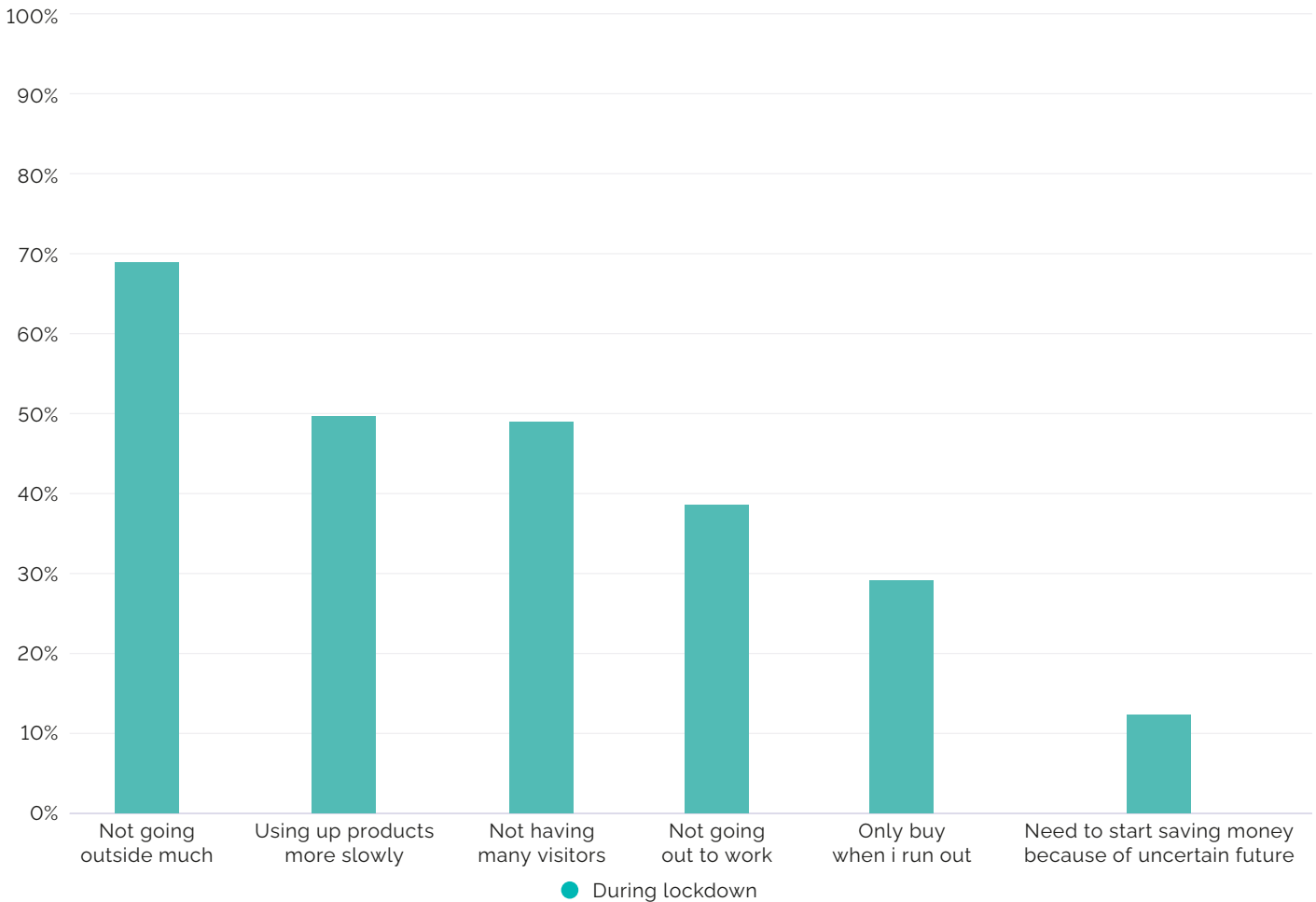


Figure 20

Why were you buying fewer toiletries products during lockdown?

The toiletries and cosmetics industries are often intertwined in consumers' behavior. For example, if you are not regularly styling your hair, you are less likely to consume products to clean your hair.

Looking specifically at consumers' self-care routines we also saw declines during last year. Our data suggests that six in ten (63%) applied less makeup, over four in ten (42%) styled their hair

less, a third (32%) shaved less and one in five (19%) washed their hair less (Figure 21).

As the pandemic subsides and people return to socialising and workplaces this may revert to normal and our data can track whether or not some of these changes will become more permanent.



Figure 21



CATEGORY SNAPSHOT: THE GROWTH OF FROZEN FOOD DURING THE PANDEMIC

Our study reveals that, in many markets, consumers took to buying more frozen foods in 2020. In every market except India and China (where our samples are urban and online representative, rather than nationally

representative) the percentage of the public that increased their consumption of these products handily outnumbered the proportion who decreased their consumption (Figure 22).

The view from...

Europe

In every European market, consumers are more likely to have increased their consumption of frozen foods. The highest proportion are found in Spain (31%) and Italy (30%), where three in ten are buying more freezer-based foods.

In every other European market, though, the proportion who are increasing their consumption was lower than the global average (29%). In Germany, for example, 18% are buying more frozen foods, while in Denmark it is just 12% of the public.

North America

Nearly a third of US consumers (32%) and Mexican consumers (31%) say they're buying more frozen foods, though the Mexican public are significantly more likely to also say they are buying less frozen food.

APAC

Frozen foods have seen the biggest jump in popularity in our APAC markets - especially Hong Kong, where nearly three in five say they're buying more of them (58%) and just 3% say they're buying less. In fact, APAC markets account for the top two "increasers" on a global scale: Hong Kong (58%), Singapore (40%), and even at the lower end tend to hover around the global average (Australia 29%).

However, India is an outlier: a greater proportion of consumers have decreased their consumption of frozen foods than in any other market featured in our study (38%).

MENA

In the UAE, consumers are both more likely to say they have bought more frozen foods (33%) and less frozen foods (25%) than the global average.



Global - Net change in consumption of frozen foods during pandemic

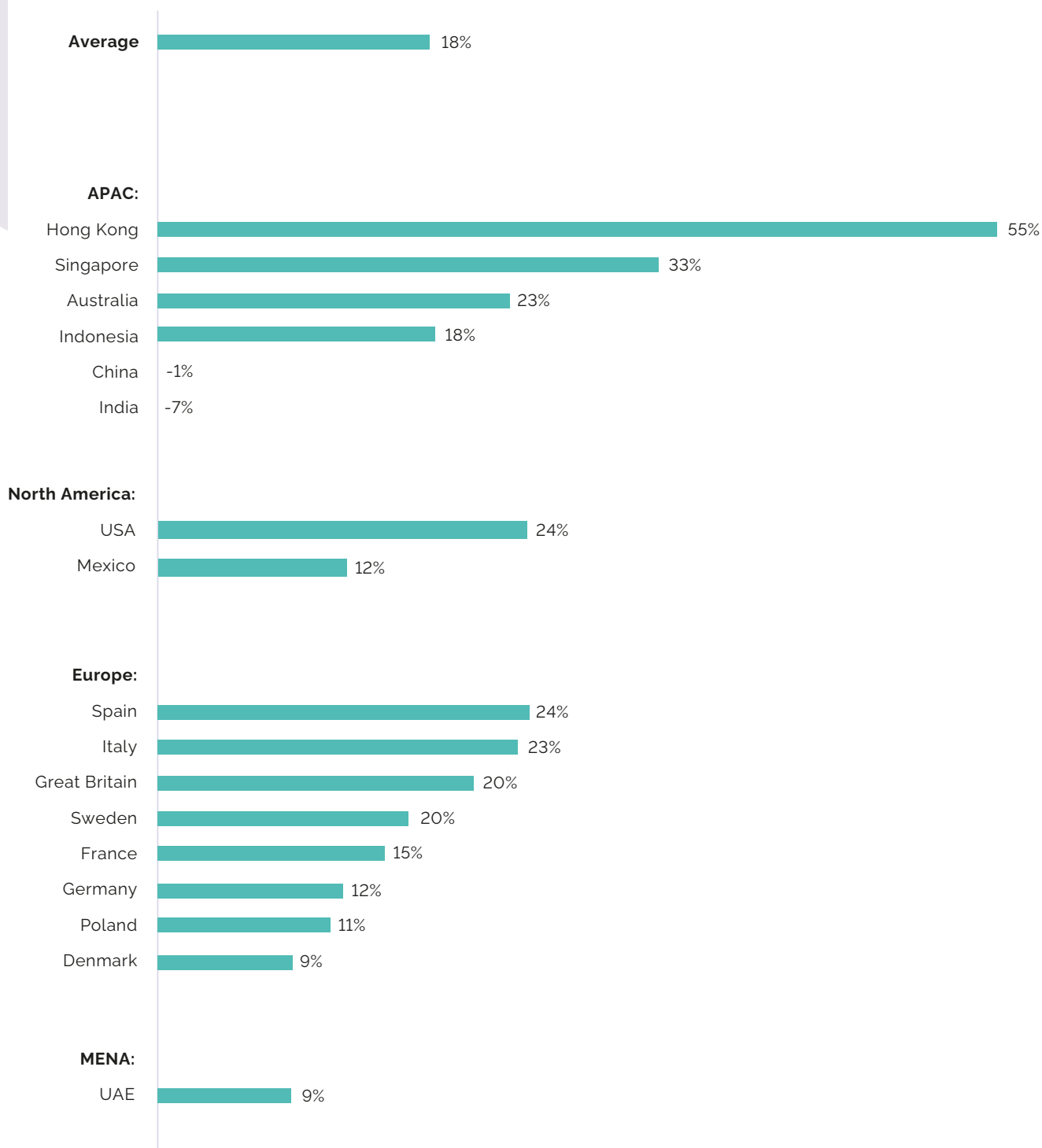


Figure 22

How has your consumption of each of the following products changed during the COVID-19 pandemic? frozen foods (i.e. stored in the freezer)

Americans who bought more frozen food still prefer it fresh

Among the 32% of Americans who increased their consumption of frozen food in 2020, many may have done so out of convenience or necessity rather than preference.

When US consumers as a whole are asked if they prefer fresh food or frozen, they overwhelmingly favor fresh food (81%). And while a significant minority say that frozen food represents better value for money (41%), it still amounts to under half of the general population (Figure 23).

The early stages of the pandemic saw shortages of foods and produce in many categories – and even more recently, there have been real concerns about potential shortages of fruit and vegetables. That may explain why consumers have increased their consumption of frozen food, even if they don't necessarily enjoy it more than fresh alternatives. With consumers restricted from leaving their homes, and with concern about the virus continuing, long-life foods may have had more appeal.

US - Attitudes towards frozen foods

% Agreement

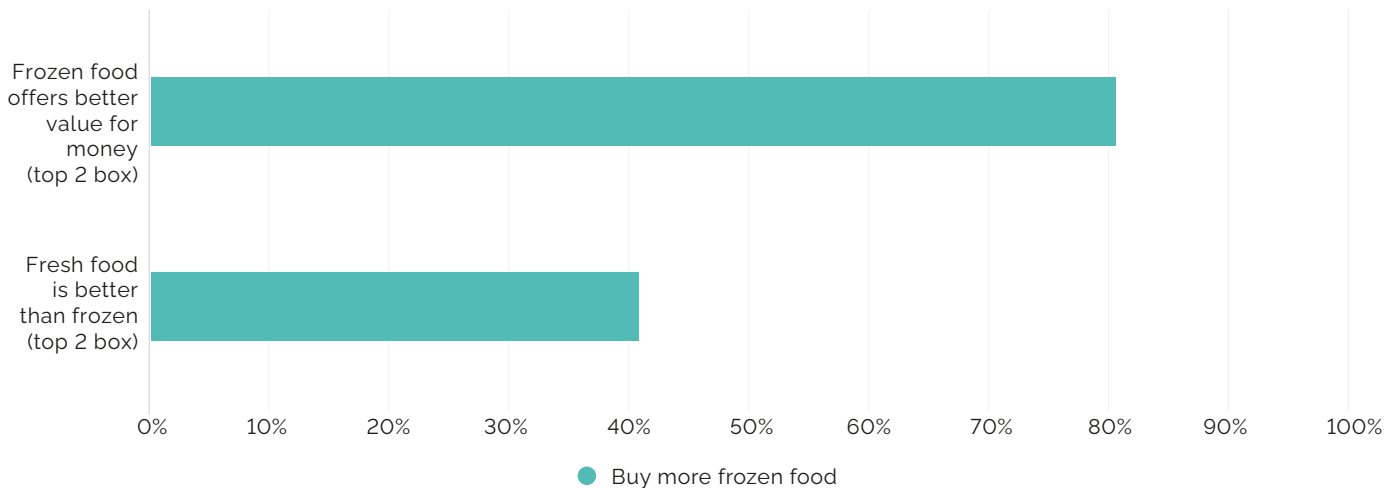


Figure 23



While we saw several instances of consumers choosing to either stock up on non-perishables or frozen foods in the US, some of the data indicates that these changes in consumption may not be their preference (e.g. 81% of respondents who bought frozen food still think that fresh food is better than frozen). It is possible that during a pandemic, convenience is what wins the day and in scenarios where a consumer may have been likely to buy local or sustainable products pre-pandemic, we've seen them choose mass produced products with a longer shelf-life."

Chris Todd, VP of New Business Sales - US

The frozen foods Americans are buying

The frozen foods US consumers are buying are a mixture of staples and essentials, health foods, and indulgent treats. Potato products such as hash browns and french fries – purchased by just under two-thirds (64%) of those who bought more frozen foods – come top, followed by pizzas and garlic

bread (61%), with store-bought desserts and fruit and vegetables coming in joint third (58%).

Meat and poultry (57%) and seafood (55%) round out the top five, with more variety further down the top ten (Figure 24).

US - Types of frozen food purchased

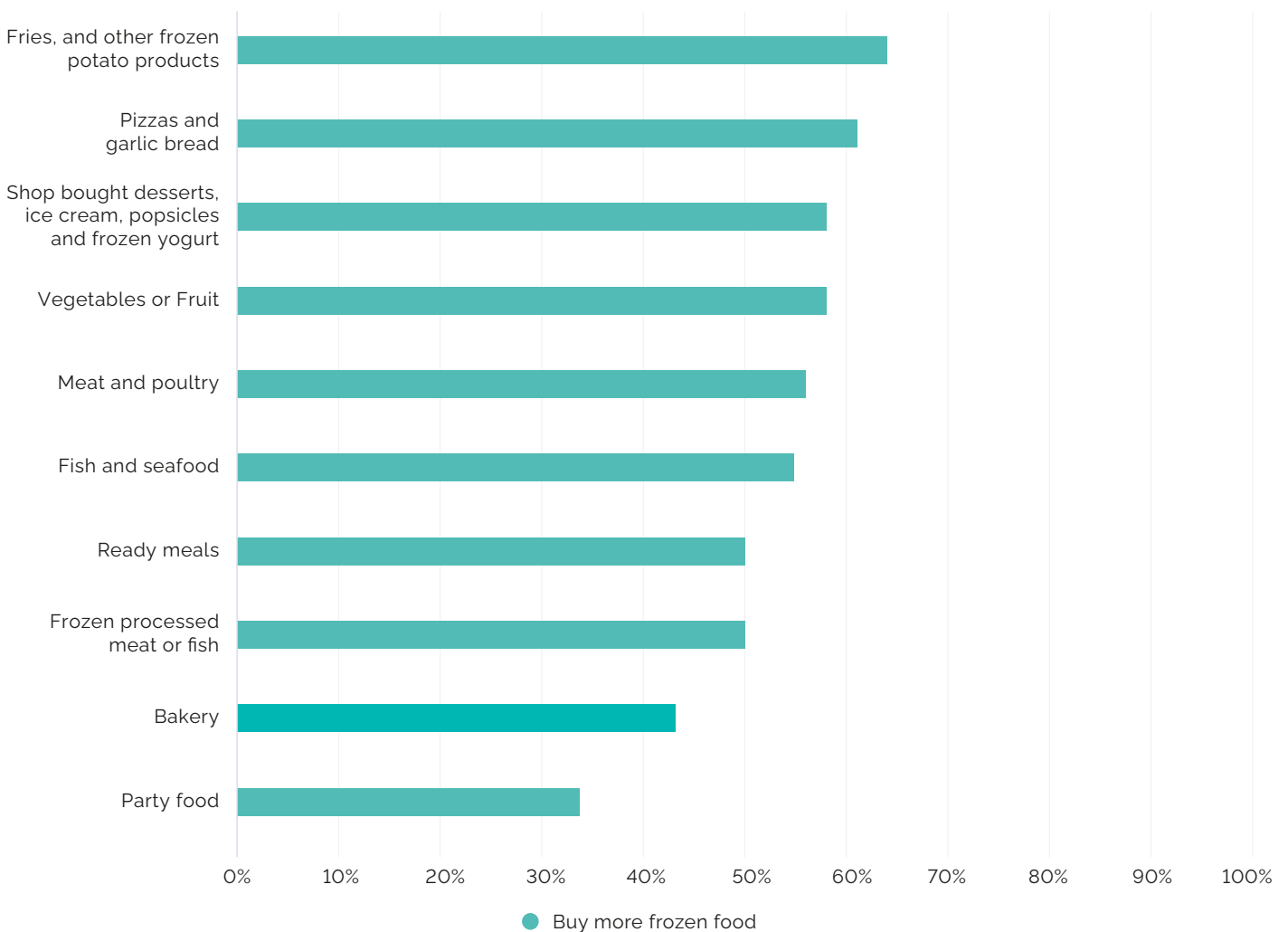


Figure 24

Which of the following frozen food have you already considered buying?

Americans' reasons for freezing: Quality, value, convenience and taste

The most popular reasons for buying frozen foods – cited by at least half of respondents – are quality of food (56%), good value for money (54%) and simplicity of cooking (50%). Most other reasons given have some echoes of these top three factors:

taste (cited by 49%) ties into quality, "quick to prepare" (47%) correlates neatly with simplicity, while "previous experience" (44%) and "retains freshness" (43%) speak to value for money (Figure 25).

US - Factors motivating frozen food purchases

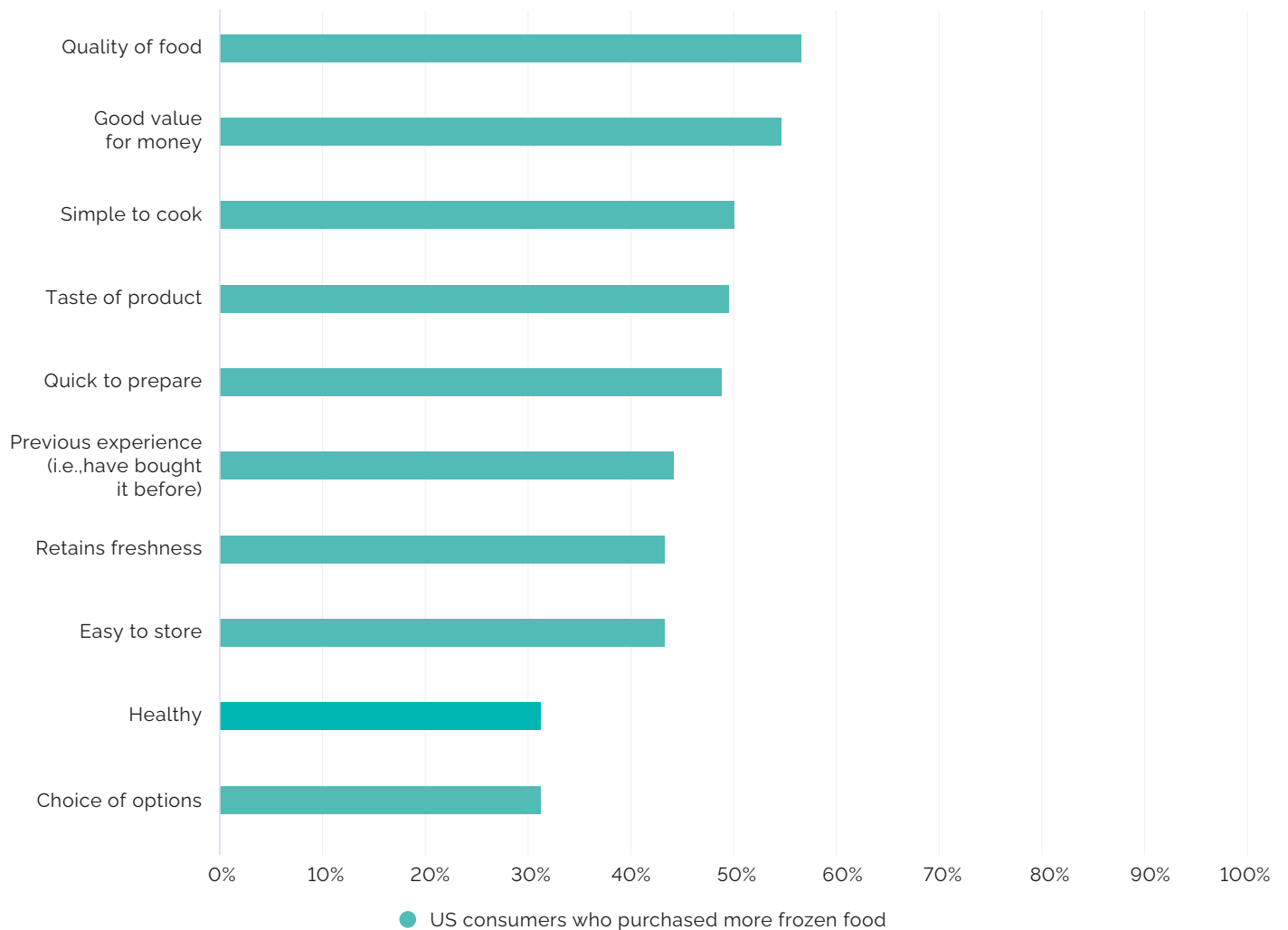


Figure 25

Which, if any, of the following reasons are important to you when buying frozen food? Please select all that apply.



CATEGORY SNAPSHOT: CHANGING CONSUMPTION LEVELS OF ALCOHOL DURING THE PANDEMIC

Our data indicates that alcohol consumption increased in most of our featured markets in 2020, with 19% of consumers seeing their alcohol intake rise and 14% reporting a decrease. There are four exceptions, however - Mexico, Sweden, Denmark and Germany (Figure 26).

The view from...

Europe

European countries have differed in terms of their alcohol intake during the pandemic. While Britons lead the continent in terms of consumption - with a quarter (24%) saying they've upped their alcohol consumption - they're also more likely to have decreased their consumption than the global average (16% vs. 14% global average).

European countries are otherwise more likely to be closer to the bottom of the global table than the top: in Germany, for example, more consumers have decreased their alcohol intake than increased it (13% decreased vs 11% increased), and the same is true in Denmark (14% decreased vs. 12% increased) and Sweden (16% decreased vs. 12% increased).

North America

The North American picture is, again, not wholly consistent. Americans are about as likely as consumers across the globe to have increased their alcohol intake (18% vs. 19% global average) and slightly less likely to have decreased their intake (10% vs. 14% global average).

Mexican consumers are slightly more likely to have increased their alcohol consumption and ten percentage points more likely to have decreased it (24% vs. 14% global average).

APAC

APAC countries account for four of the top five countries in terms of increased alcohol consumption. Among Indian consumers, this is particularly high - amounting to three in ten members of the public (29%) - and Chinese respondents follow closely behind (27% of the public).

The lowest levels of consumption in the region are in Indonesia, where those with increased alcohol intake still outnumber those who've done the opposite (16% vs. 11%).

Global - Changes in alcohol consumption over 2020

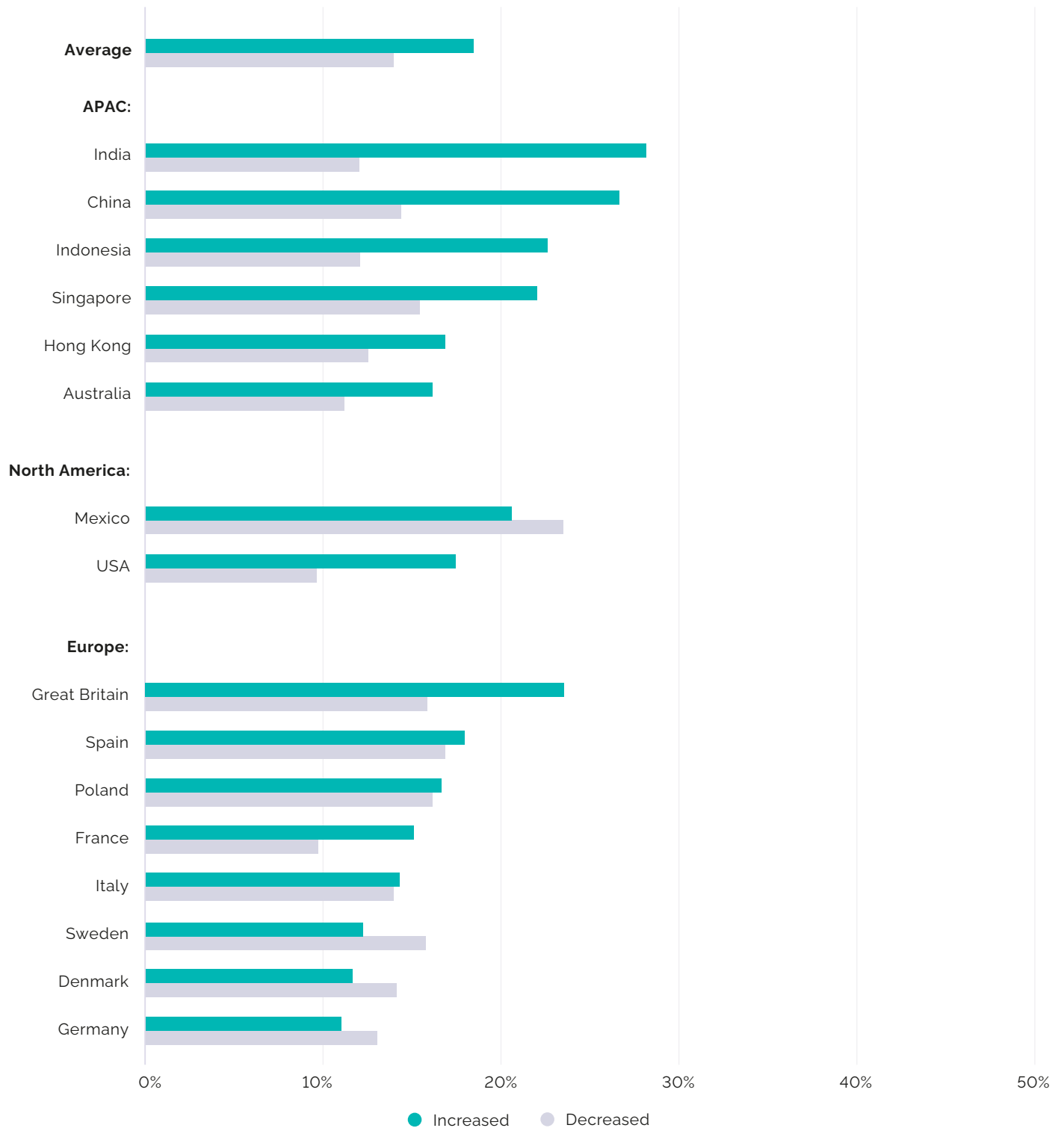


Figure 26

How has your consumption of each of the following food products changed during the COVID-19 pandemic?
Alcohol Percentage shown is of the total sample for each market (including non-users)

A quarter of Brits who increased their alcohol consumption have been drinking alone

Our data shows that 95% of Britons who bought more alcohol did so from a supermarket or grocery shop. Of this group, 57% say they bought alcohol once a week or more, with almost a quarter (23%)

saying they purchased it several times a week. Among those that drank less, over a third (36%) bought alcohol from supermarkets less than once a month (Figure 27).

Great Britain - Frequency of buying alcohol from a supermarket or grocery shop to consume at home or elsewhere

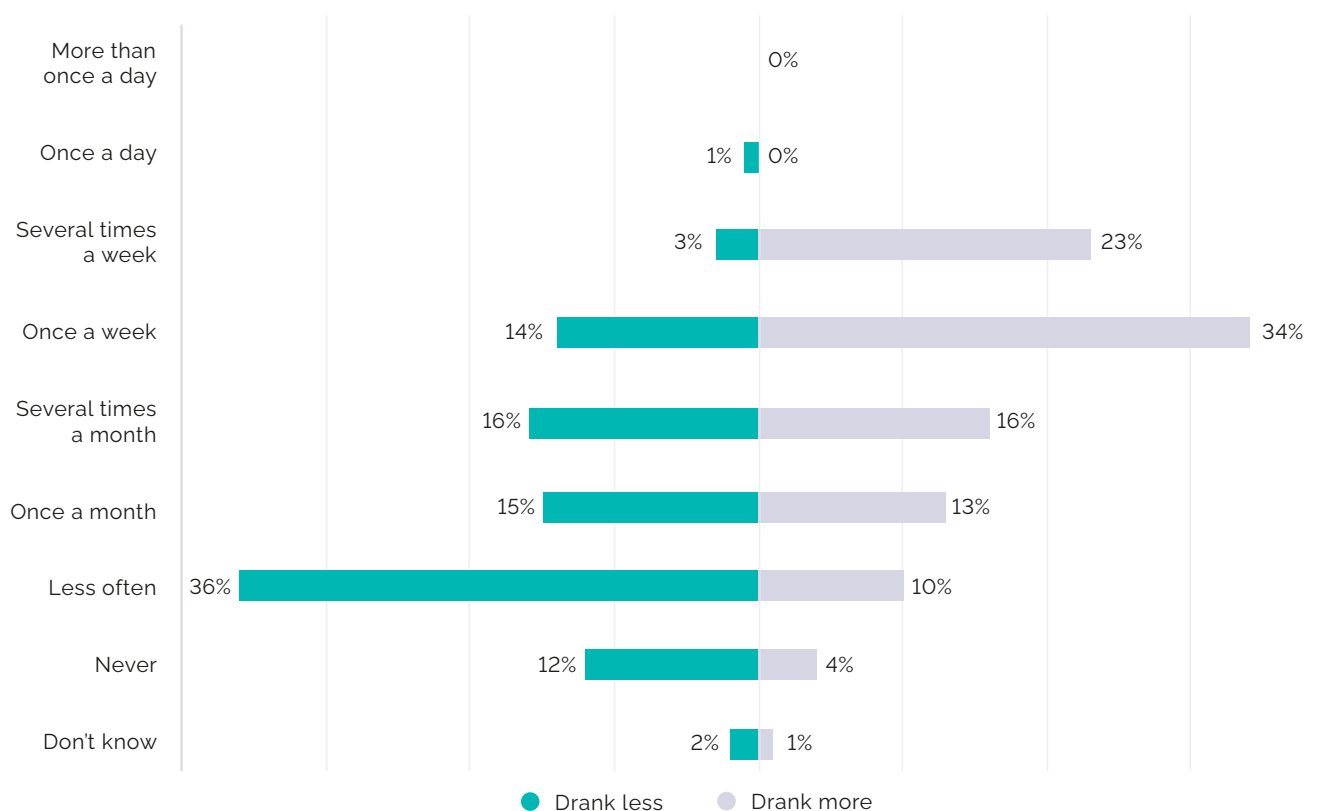


Figure 27

And how often do you buy alcohol from a supermarket or grocery shop to consume at home or elsewhere?

When asked how they consumed this alcohol, over half (55%) say they did so with a partner or spouse (55%), over a third (36%) say they consumed their

purchase as a regular or everyday drink, and a quarter (24%) say they did so alone (Figure 28).

Great Britain – Occasions/situations when alcohol purchased has been consumed (last four weeks)

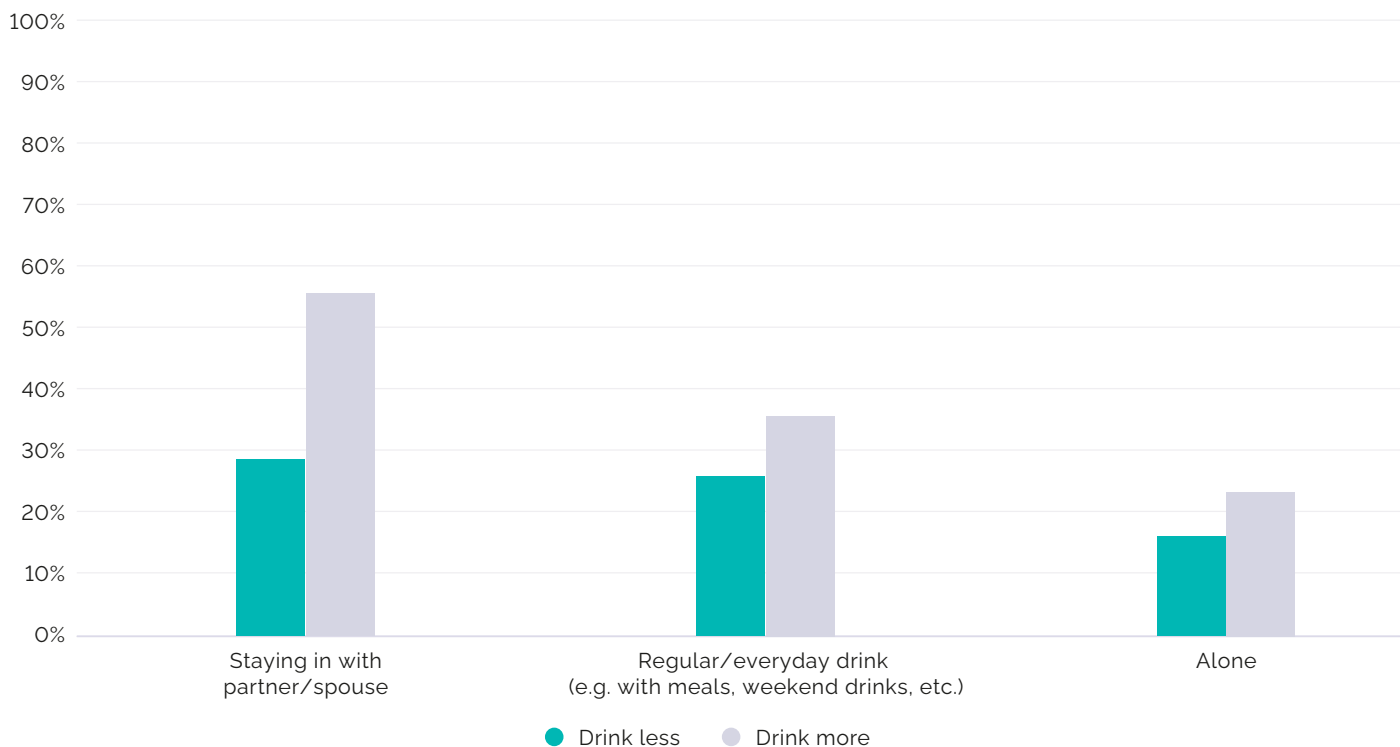


Figure 28

For which, if any, of the following occasions/times have you consumed alcoholic drinks purchased from shops (e.g. grocery, independent retailers, off license, etc.) in the last 4 weeks? Please select all that apply.





CATEGORY SNAPSHOT: THE GROWTH OF HOME CLEANING PRODUCTS

Across the seventeen markets in our study, an average of two in five (41%) consumers say they have bought more home cleaning products during the past year. However, there are notable discrepancies between markets (Figure 29).

The view from...

Europe

Europeans are broadly less likely to have bought more home cleaning products.

The five markets where consumers are least likely to say they have purchased more of these items are all European (Germany 15%; France 15%; Denmark 19%; Sweden 23%; Great Britain 31%). Spain (52%) and Italy (45%) are alone in the continent in having a higher proportion of consumers purchasing home cleaning products than the global average.

North America

Our North American markets vary in terms of home cleaning product consumption, though both are

above the global average. In the US, the proportion of consumers buying more products is slightly higher at 44% - but Mexico has three-quarters of consumers saying they've purchased more of these products (76%): the highest of any market featured in our study.

MENA

Consumers in the UAE are significantly more likely than consumers in Europe - and consumers in most other markets in our study - to have purchased cleaning products in greater quantities. Two-thirds (65%) say they have bought more over the course of the pandemic; only in India (73%) and Mexico (76%) are the public more likely to say they've purchased extra cleaning supplies.

Global - Agreement/disagreement with the statement "I have bought more home cleaning products"

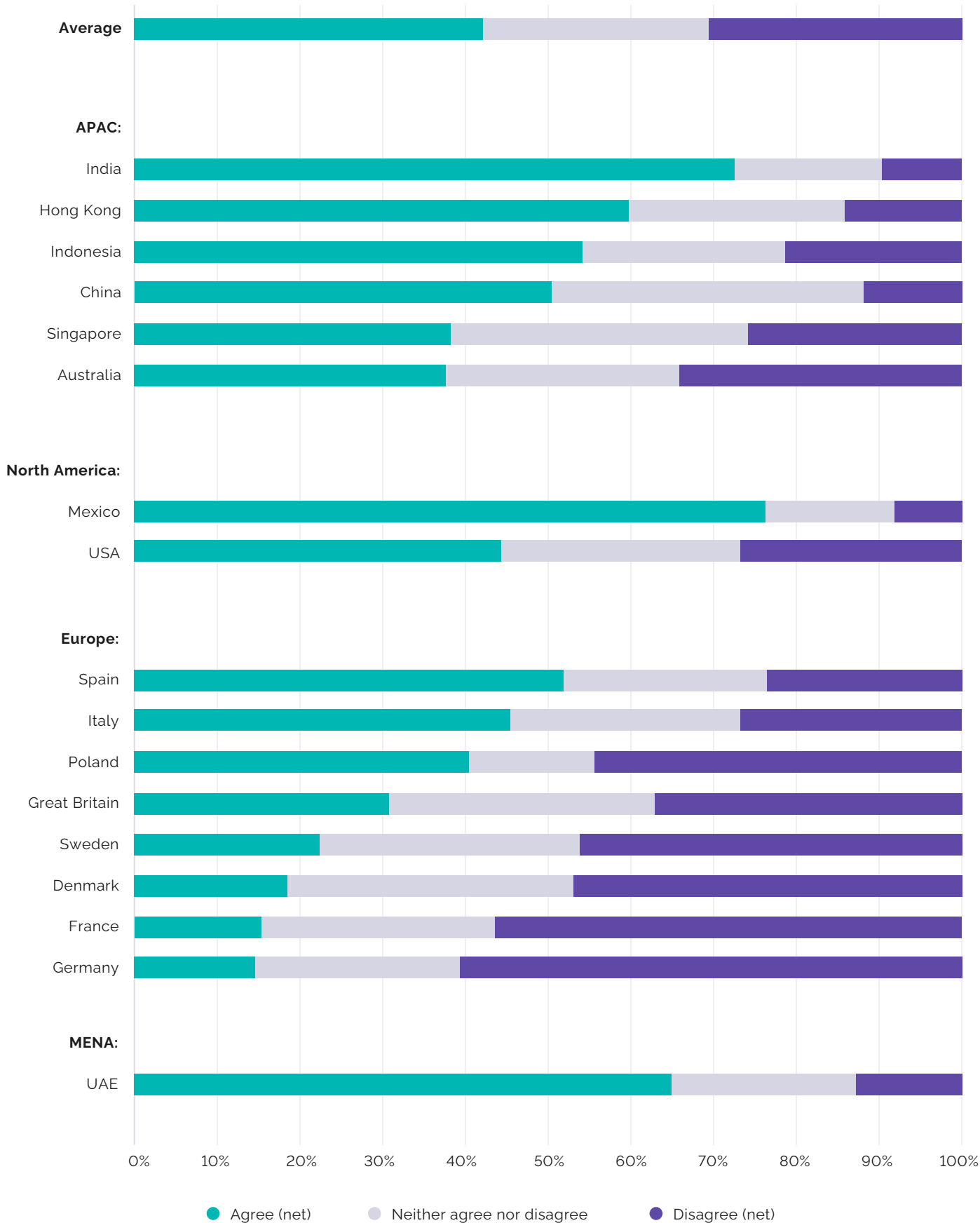


Figure 29

Thinking about the impact that the COVID-19 pandemic has had on your shopping habits, to what extent do you agree with the following statements, I have bought more home cleaning products



AFTER THE CRISIS: CONSUMERS PLAN TO SHOP LOCAL AND PRIORITISE SUSTAINABILITY

Buying close to home: Consumers plan to support local businesses after the pandemic

Data from earlier in the report revealed that supermarkets remain a strong format. That may well remain the case, but once the crisis has ended many consumers – perhaps mindful of the impact the pandemic has had on local businesses – are pledging to support retailers who are a little closer to home.

Across all 17 markets, three in five consumers (60%) say they intend to support local businesses and buy local products more once the pandemic has subsided. In all but two (Germany and Hong Kong) over half agree that they will support local businesses and buy local products once the pandemic is over.

Even in these two markets, a strong plurality of consumers still say they will make more effort to support their local shops.

This intention to support local retailers and

local products could have implications for big supermarkets – many of which may rely on out-of-town custom. In markets such as Mexico, for example, over three quarters (77%) of consumers say they will do more to support local businesses. In Britain, it is 61% (Figure 30).

This could have meaningful commercial implications for chains such as Walmart de México or ASDA. One way to play into this consumer sentiment could be embracing local goods as part of their regular product lines.

The view from...

Europe

When it comes to local shopping, European consumers are more likely to agree that they intend to shop closer to home than disagree. The degree of agreement, however, is highly variable.

Spain, for instance, is at the upper end of the scale, with more than two-thirds (68%) saying they intend to buy local; Germany, however, is rock bottom, with just 45% saying they plan to support businesses in their area.

North America

Our North American consumers are broadly agreed that they intend to do more to support local businesses, although as with Europe, the degree of support varies. In Mexico, for example, three-quarters (77%) say they plan to shop locally - but in the US, this amounts to just over half of the general public (54%).

APAC

As with Europe, more APAC consumers plan to shop locally than not - and as with Europe, there is considerable diversity when it comes to the overall level of agreement. At the top of the global table is Indonesia - joint-first with three quarters of consumers claiming they intend to buy from local businesses (77%). India also features near the top (with 77% of consumers also agreeing that they plan to shop locally, albeit less emphatically than Indonesians), as does Australia (66%).

But APAC markets also feature towards the bottom of the table: Hong Kong, for example, has just half of consumers (49%) planning to do more local shopping - and in Singapore, the proportion is just over half (54%).



Global: Agreement/disagreement with the statement "I will make more effort to support local businesses / buy local products" after the pandemic has ended

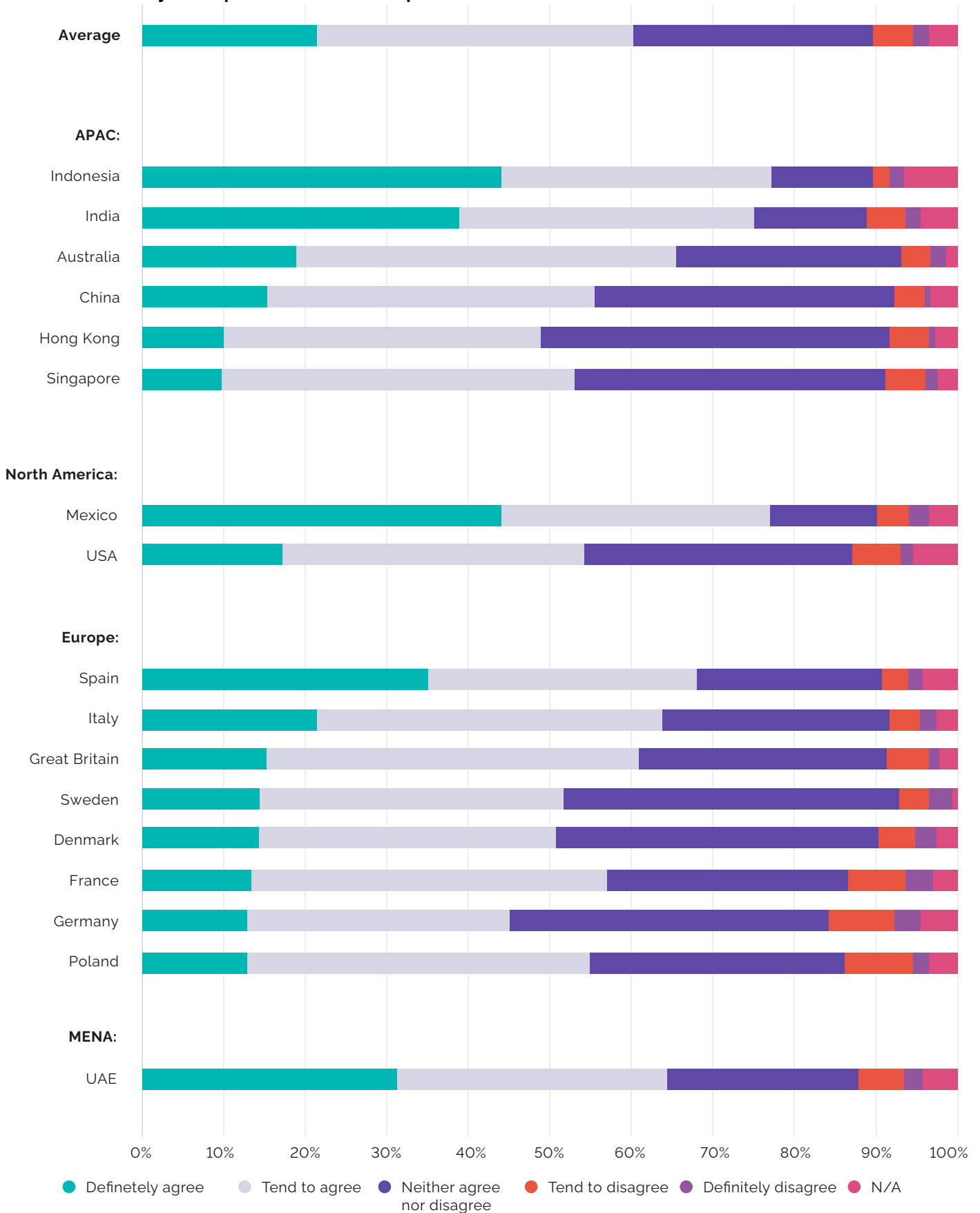


Figure 30

As you start to think about life in the future and what happens once the COVID-19 pandemic has ended, do you agree or disagree that as a result of coronavirus...I will make more effort to support local businesses / buy local products

Global consumers intend to buy more sustainable products once the pandemic has ended

Beyond supporting local businesses, many global consumers are also considering doing more to help the planet. Over half (54%) of the people surveyed in our study say they intend to buy more sustainable products once the pandemic is over.

The view from...

Europe

Europeans are - with a couple of exceptions - largely less likely to say they intend to buy more sustainable products than the global average. In fact, the bottom three markets where consumer intent is lowest are all European: just a third of Danish (33%), Swedish (34%), and German (35%) respondents say they planned to buy more sustainably.

Even in markets where intent is higher, such as Spain (61%) and Italy (59%), it is only slightly above the global average (54%).

North America

The North American markets in our survey occupy opposite ends of the scale.

Mexican consumers, for example, are overwhelmingly likely to say they plan to buy more sustainable products. Three-quarters say they plan to do so after the pandemic (74%). US consumers, however, are among the least likely: just two in five (40%) intend to buy more of these products once the pandemic is over.

As with supporting local businesses, it is again the case that in most markets a clear majority say they wish to develop greener shopping habits (Figure 31).

APAC

In general, consumers in APAC have more positive intentions about purchasing sustainable products than the global average. Indonesians, for example, are the most likely to say they plan to buy more sustainable products once the pandemic is over (79%), while Indian consumers are the third-most likely (73%). A comfortable majority of the Chinese public also say they intend to buy more sustainable products (65%).

In smaller markets such as Singapore (53%), Hong Kong (53%), and Australia (50%), intention is lower, but at least half of consumers still intend to buy more sustainably.

MENA

Consumers in the UAE have broadly good intentions when it comes to purchasing sustainable products. Two-thirds say that once the pandemic subsides, they intend to buy more of these items (66%).

Global: Agreement/disagreement with the statement "I will buy more sustainable products" after the pandemic has ended

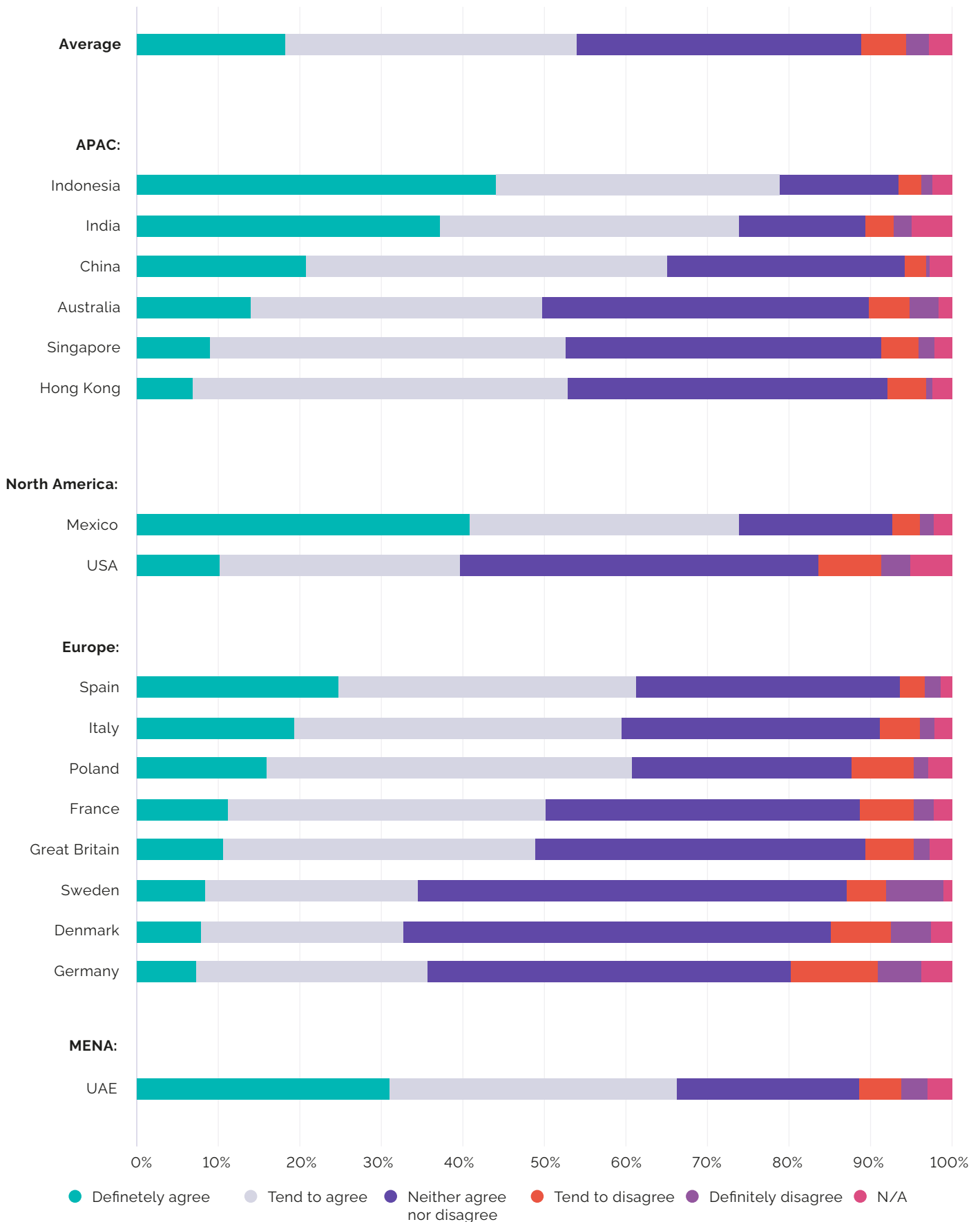


Figure 31

As you start to think about life in the future and what happens once the COVID-19 pandemic has ended, do you agree or disagree that as a result of coronavirus...I will buy more sustainable products

CONCLUSION

This report was partially conceived as a point of reference for future editions. But even in and of itself, it has much to say about the consumer mindset in these 17 international markets at the end of 2020 and the beginning of 2021.

For this year's international FMCG report, our key findings are:

1. Bulk buying has become big business

Over the course of the COVID-19 crisis, certain consumer behaviors could have contributed to supermarkets' continuing dominance over smaller retailers. Bulk buying is among them: across all 17 markets, nearing two in five (38%) have been purchasing items in larger quantities as a result of coronavirus – whether through fear of scarcity, a reluctance to leave the house regularly or other reasons altogether.

Whatever the cause, stockpiling rose in 2020. In 2021, we may well be able to see whether this is a blip or a longer-term trend.

2. The pandemic giveth...

From a commercial perspective, COVID-19 has been beneficial to some parts of the global FMCG industry. In some categories (fresh fruit/vegetables, food cupboard items, frozen food) at least three times as many consumers say they had increased their consumption compared to those who say it had decreased. Here again, supermarkets (which carry larger and less expensive quantities of these items) could have particular reason to cheer.

Whether these benefits are sustainable in the long-term remains to be seen: Will the increased demand for cleaning products, for example, endure as vaccination programmes are rolled out across the globe?

3. ...and the pandemic taketh away.

With working from home on the rise – and with socialising expressly forbidden in many markets for at least some of 2020 – COVID-19 has dealt a significant blow to the cosmetics industry. Some 32% of consumers say they had reduced their use of makeup, moisturisers, hair wax, and other products in this category. There's bad news for others too – our evidence suggests that in some markets, local businesses have suffered due to coronavirus.

4. Consumers behaviors may change again in the future

But these trends could have silver linings. For example, there could be more rationale for buying cosmetics if people successfully return to work (and play) in 2021. And local businesses can probably take heart from the fact that most people intend to support them once the COVID-19 pandemic subsides. Alongside their good intentions in this area, most consumers also plan to adopt a more sustainable approach to their buying habits in future (54%).

Of course, there can be a wide gap between people's stated values and their eventual actions. In 2022 we will see how successful these efforts to buy greener, more local products have been – assuming the pandemic is over by then. In the meantime, our tools will continue to track consumers' perceptions, preferences, values and more.

This paper represents just a fraction of the data we have on the global FMCG/CPG industry. Please get in touch with one of our experts to find out more.

METHODOLOGY

Research for this report was conducted with a combination of syndicated YouGov Profiles data and deep-dive custom research in the below markets.

Market	Sample type	Target sample size
Australia	Nat rep	1005
China	Online rep	1016
Denmark	Nat rep	1013
France	Nat rep	1019
Germany	Nat rep	1112
Hong Kong	Online rep	506
India	National urban rep	1019
Indonesia	Online rep	1016
Italy	Nat rep	1016
Mexico	Nat rep (with urban bias)	1067
Poland	Nat rep	1019
Singapore	Nat rep	1010
Spain	Nat rep	1011
Sweden	Nat rep	1020
UAE	Nat rep	1013
UK	Nat rep	2077
USA	Nat rep	2027

All samples are nationally representative apart from Indonesia, China, Hong Kong (all online representative), India (national urban representative) and Mexico (nationally representative with urban bias).



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