Impact of COVID-19: CPG Marketing

with Matt Kaplan and Jeremy Huber
Welcome!

• **Logistics:** 30 minutes, questions at the end, you will get a recording and a copy of the slides

• **Purpose:** to better understand consumer behavior and the role of mobile for CPG brands in these unprecedented times
What We’ll Discuss Today

• Speakers and Data Source

• Overview of the Data
  • What Behavior is Changing
  • Who is Changing Behavior
  • App Install Trends

• CPG Industry Overview
  • Current State of CPG
  • How CPG Brands are Pivoting

• Predicting What's Next

• Questions
Speakers

Matt Kaplan
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InMobi Intelligence Solutions: Data Overview

Observed: Who, What, When and Where

1st-Party Carrier Data
- 32 Million Person Panel
- 24/7 Mobile Behaviors
- Mobile Website Visits
- App Install, Usage, Uninstalls
- Location Signals (600+ daily pings)
  *Currently U.S. Only*

App SDK Data
- GPS Location Signals
- App and Device Usage
- O/O apps + SDK

Stated Data (Survey)
- from 1.3 billion users globally across 30,000+ partner apps.
  *270MM in the U.S - 5,000 partner apps*

Stated: Why

Experian-verified data
deterministic demographic and psychographic segments
What behavior is changing right now?

63% of consumers have increased spending in some way — even more so among younger generations (67% for those 18-35)

Consumers are spending more on groceries (40%) and household care items (18%), followed by entertainment (8%)

50% of consumers are shopping online more frequently, buying groceries (17%) and household care items (11%) this way

Based on a nationwide survey of 1,550 consumers
What behavior is changing right now?

According to the survey, **88%** of consumers have **changed their grocery buying behavior** since the pandemic began.

**83%** of consumers have **decreased spending in some way**.

In March, over a third (**35%**) of consumers expected their shopping, entertainment or personal behaviors to be impacted by COVID-19 for the next two or three months.

Based on a nationwide survey of 1,550 consumers
Who is changing their buying behavior?

Households with kids are shopping significantly more across almost all categories compared to households without kids; for those with children, a larger share have increased spending overall (69%), particularly on groceries (43%), household care items (22%) and entertainment (10%)

In April, 43% of women report spending more on groceries, while 19% say they are spending more on household care items and 6% say they are spending more on beauty and personal care items

Based on a nationwide survey of 1,550 consumers
Who is changing their buying behavior?

A significant proportion of consumers between the ages of 35 and 56 report spending more on groceries and household care items.

Consumers age 18-25 are generally more likely to have increased spending, compared to other age groups, on entertainment (18%) and Wi-Fi/data plans (13%).

Based on a nationwide survey of 1,550 consumers.
Grocery app installs are increasing significantly

- **Drizly** installs are up, as alcohol delivery behavior increases
  - 39% for Drizly

- **Instacart** and **Shipt** app installs are way up
  - 37% for Shipt
  - 49% for Instacart

- In the food delivery space, **Postmates** is seeing the greatest growth. **Postmates** delivers more than just prepared meals
  - 39% growth in app installs during the first three weeks of March
How stated behavior is impacting app install and usage

Installs of apps directly from grocery stores/supermarkets is up as well, with people downloading these apps for contactless delivery/pickup.

In the first week of March, installs of Kroger's app were up 7%.

Between March 8 and March 15, installs of Publix's app rose 120%.

Between March 22 and March 29, installs of the Walmart Grocery app were up 45% and installs of the Aldi app were up 38%.
Current State of CPG

Surging sales for big players in the space, thanks to increased demand for cleaning supplies, bathroom supplies and grocery staples.

Greater presence on digital delivery channels like Amazon.

Beauty products bouncing back up thanks to pressure to look professional on videoconference calls.
What CPG brands are doing to pivot

CPG have long been big spenders on live events like sports, which are not happening now.

This is forcing a change that should have happened a long time ago, considering mobile device usage and TV viewing trends.

CPG have long been big spenders on linear TV. But, the upfront, big budget nature of linear TV isn’t always ideal considering the ever-shifting nature of the pandemic/economic conditions.
How CPG advertising and messaging is changing

Less focused on results, more on branding

Highlighting what the brand is doing to help

Creative needs to be respectful of what people are doing right now
Predicting What’s Next

The pandemic is likely to last for multiple more months, so brands need to have a somewhat longer-term plan.

CPG brands need to be especially careful about messaging as the economic situation may keep changing.

Need to keep some level of market share, to ensure the brand isn’t forgotten even during shelter in place.
At-home consumer preferences today will be the norm in the future.

Time spent on mobile is only going to keep going up.

Now is an ideal time for brands to really understand and identify their audiences; to have, get and analyze the data to be successful both now in these weird times and once this is over.
Questions?

For all follow-up queries, email me directly at matt.kaplan@inmobi.com