

NBCUniversal

2022

CPG Industry Assessment



Welcome!



Introduction

Explore NBCUniversal's latest perspectives and insights into the CPG industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for CPG brands and marketers as they navigate what's next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of CPG partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
 - Conversations with CPG Advertisers and Agencies
 - Continual Marketplace Analysis
 - Examination of Consumer Attitudes towards the CPG Industry
-

NBCUniversal Has a Unique Perspective

In 2022, NBCU worked with:
190+ CPG Industry Advertisers



**Beauty &
Personal Care**



**Pet
Care**



**Household
Care**



**Packaged
Food**



Beverage



OTC

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2022 Landscape

CPG Forward-Looking Trends

NBCU CPG Strategic Considerations

NBCU Relevant Materials



2022 Landscape

Overview of Key CPG Marketplace Dynamics



For CPG brands,
2022 has been the time to

Rebalance Portfolios & Priorities

as a means of ensuring future growth
in the face of relentless change



CPGs Rebalance Portfolios & Priorities in 2022



Consumer Demand May Be Challenged

CPGs seek to drive growth and profitability amidst inflation and supply chain issues. As decreases or changes in spending are predicted, many look to demonstrate brand value and invest in product innovation & premiumization.



Connecting with the Right Consumers Is a Priority

Brands are investing in data collection and targeting capabilities to help identify strategic audiences, optimize targeting approaches, deliver personalized comms, and ultimately build deeper consumer connections.



Omnichannel Becomes the Norm

CPGs are adapting to omnichannel shopping journeys and considering strategies to balance mental, physical and digital availability for consumers whose shopping habits remain fluid across channels.



New Mindsets & Lifestyles Are Top of Mind

New routines, mindsets, and preferences are influencing CPG priorities and areas of investment. Portfolios are balancing the need to demonstrate the role established brands play in the every day, while supporting new launches and innovations.

BRANDS ACROSS CPG SUB-CATEGORIES ARE Adapting to Changing Mindsets & Behaviors

Food & Beverage

Rising prices are **increasing the threat of private label and the need to support brand building**. Consumers continue to balance indulgence with health & wellness and look for convenient options for their hybrid work routines.

35%

of U.S. adults may look to trade down to lower priced items if inflation persists¹

Beauty & Personal Care

As people resume more “normal” routines in 2022, **beauty sales are expected to regain modest growth**. Consumers consider wellness, inclusivity, and personalization when making BPC purchase decisions.

21%

of Hispanics say they will seek more natural BPC products in near future vs. 11% of White shoppers²

Household Care

More time outside the home poses a threat to this sub-category, but **cleaning routines and germ management remain priorities**. Convenience and ‘clean’ options present growth opportunities.

95%

of adults say they have at least some responsibility in shopping for household products³

OTC

A **greater emphasis on prevention and wellness** is prompting more engagement when it comes to the OTC sub-category. Consumers want to feel more in control of their health and well-being.

75%

of global supplement consumers will make greater attempts to stay healthier as a result of Covid-19⁴

Pet Care

Growth in pet adoptions during the pandemic and continued humanization of the pet category is **fueling overall category growth**. Competition continues to grow as CPG and retail players invest in the space.

28%

Industry growth in inflation-adjusted spending on pets & related products between January 2019 & April 2022⁵

CPG Forward- Looking Trends

Key Trends We Expect to Influence CPG
Marketing & Media Strategies



LOOKING AHEAD
**Key CPG Trends
We Expect to
Influence Marketing
& Media Strategies**



Value Extends
to Values



Delivering on
All Dimensions of Diversity



A Focus on
Feeling Good



Embracing
A Data-Driven Approach

Value Extends to Values

While price will always remain a key purchase consideration, consumers continue to evaluate brands based on the degree to which they reflect their own values.

40% of consumers strongly consider values-driven attributes in their decision making.¹

CPG brands will continue **to look for ways to demonstrate and communicate their brand benefits and commitments** to purchase drivers like health, societal impact, environmental impact etc.

Sources: 1. [Accenture](#) 2. Numerator Shopping Data (FMCG Grocery) 3. [Adage](#) 4. [Adweek](#)

Rising Costs Impact CPG Purchase Behavior

CPG Grocery Units Per Trip & Spend Per Unit YoY²

1 H 2 1

7.5

average
units per trip

\$3.24

average spend
per unit

1 H 2 2

7 ↓

average
units per trip

\$3.57 ↑

average spend
per unit

CPG Consumers Consider Values-based Buying

P&G

"P&G's focus will be on "performance-based value claims" and "consumer and customer delight at a very efficient cost. All that is enabled by increased digital acumen. When we get away from that, we become very efficient with chasing bright, shiny objects and forget our mission."³

JON MOELLER
P&G CEO

pepsi

"We're leveraging Pepsi's scale and influence to bring positive change by bringing more sustainable products and encouraging consumer behavior around recycling in a way that's authentic to our brand. It's two-fold: we want to change what we're doing ourselves, as well as help influence change with consumers."⁴

TODD KAPLAN
Pepsi CMO

Delivering on All Dimensions of Diversity

As consumers call for meaningful representation and authentic depiction, brands consider their role in building a more inclusive future.

As the world continues to become more diverse and multi-faceted, **DE&I is increasingly being prioritized and championed across organizations.**

By not only reflecting, but accurately portraying diverse individuals and communities, brands can stay at the forefront of culture and deepen consumer relationships.

SUPPORTING Gender Equality

53%

of Americans, including 44% of women, are very or somewhat satisfied with the treatment of women in society.¹

CONNECTING WITH LGBTQIA+ Community

21%

of U.S. adult Gen Zs identify as LGBT, nearly double that of Millennials. 7.1% of the total pop. identifies as LGBT as of 2021.²

RESPONDING TO THE Multicultural Consumer

\$1T+

of U.S. grocery buying power is fueled by Hispanic shoppers (+212% since 2000) and Asian shoppers (267% since 2000).²

ELEVATING Disability

67M

adults in the U.S. — or 26% of the population — report living with at least one type of disability, but less than 1% of the 450M primetime ads during February showed representation.³

A Focus on Feeling Good

As wellness is viewed as a necessity, and not a luxury, there is growing demand for CPG solutions that enhance physical, mental, and emotional wellbeing.

Health, wellness, and an overall focus on self-care is on the rise, with **31% of Americans actively looking for lifestyle changes that can improve their health**¹.

Innovation and education will take center-stage as many CPG brands prioritize offering multi-functional and/or clean products across food, beverage, beauty, vitamins & supplements, etc.



The global consumer health and wellness market **is expected to reach \$1.5T in 2022**, growing 5-10% YoY.¹
McKinsey & Company



Powerade encourages international star athletes to **take a breath and 'pause.'**³
ADWEEK



Tampax **taps Amy Schumer** for **'edu-tainment' videos** about women's health.⁴

MARKETING DIVE

Embracing a Data-Driven Approach

CPG portfolios embrace data to increase visibility, strengthen innovation, and bolster the consumer experience.

~50% of CPG senior executives believe that consumers lose trust in brands that fail to engage with them in a personalized manner.¹

As digital adoption has accelerated, CPG brands have **expanded connection with their end consumers, creating more access to data.** However, with more data comes more responsibility, and the need to serve up personalized offers, product innovations and experiences that are in tune with consumers' preferences and behaviors.

"In marketing, **our challenge is to understand our consumers more granularly**, and have the ability to reach them with the right content to offer the right products at the right time."²



CARLOS ABRAMS-RIVERA,
President, Kraft Heinz North America

"More than ever, we need to make sure we have 52 weeks of media. We also must double down on being more productive: **finding the data and analytics to be far more productive** with precision operations."³



MARC PRITCHARD,
Chief Brand Officer, Procter & Gamble

"**Nothing is more sacred than consumer data.** The interactions we are trying to have are focused on the right value exchange. Whether it's access to new flavors or exclusive content, the underpinning of these programs is treating the data with respect."⁴



PEPSICO

SHYAM VENUGOPAL,
SVP, Global Media and Commercial Capabilities, PepsiCo

SUMMARY

Key CPG Trends We Expect to Influence Marketing & Media Strategies



Value Extends to Values

While price will always remain a key purchase consideration, consumers continue to evaluate brands based on the degree to which they reflect their own values.



Delivering on All Dimensions of Diversity

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A Focus on Feeling Good

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NBCU CPG Strategic Considerations

Key Considerations for Driving Growth
for CPG Brands



NBCUNIVERSAL

CPG Strategic Considerations



01. Align Your Approach with Consumption

Capitalize on evolving consumption patterns and maximize reach with strategic audiences by activating across platforms.

02. Build Relevance Through Cultural Connection

Capture attention and spark conversation by aligning with passion point content, influential talent, and cultural moments & events.

03. Communicate Credibility on Key Issues

Leverage high impact storytelling approaches to educate and authentically demonstrate your brand's commitment to an issue or movement that matters.

04. Supercharge Your Data-Led Approach

Leverage data to relevantly reach audiences across platforms and reinforce brand messaging with existing or prospective customers.

05. Create Interactive Experiences

Get closer to point of purchase through actionable content and commerce opportunities that fuel discovery and trigger consumer behavior.

NBCUNIVERSAL

CPG Strategic Considerations



01. Align Your Approach with Consumption

Why: Brands should modernize their video approach to include all screens in order to maximize reach potential and capture elusive audiences.

Good For: Awareness | Consideration | Salience | Incremental Reach | Targeted Reach

02. Build Relevance Through Cultural Connection

Why: Cultural relevance enables brands to capture attention and build deeper consumer connections.

Good For: Awareness | Consideration | Familiarity | Brand Perception | Trial | Purchase Intent

03. Communicate Credibility on Key Issues

Why: Brand commitments need to be clear, as the communities they serve are calling for responsibility, accountability, & progress.

Good For: Brand Perception | Consideration | Loyalty | Ad Recall

04. Supercharge Your Data-Led Approach

Why: Data-driven approaches can help identify sources of growth, improve targeting, and tailor messaging.

Good For: Awareness | Targeted Reach | Incremental Reach | Conversion

05. Create Interactive Experiences

Why: As the CPG shopper journey continues to evolve, brands must align with content experiences that both create and convert demand.

Good For: Consideration | Discovery | Engagement | Conversion | CRM/Lead | Generation

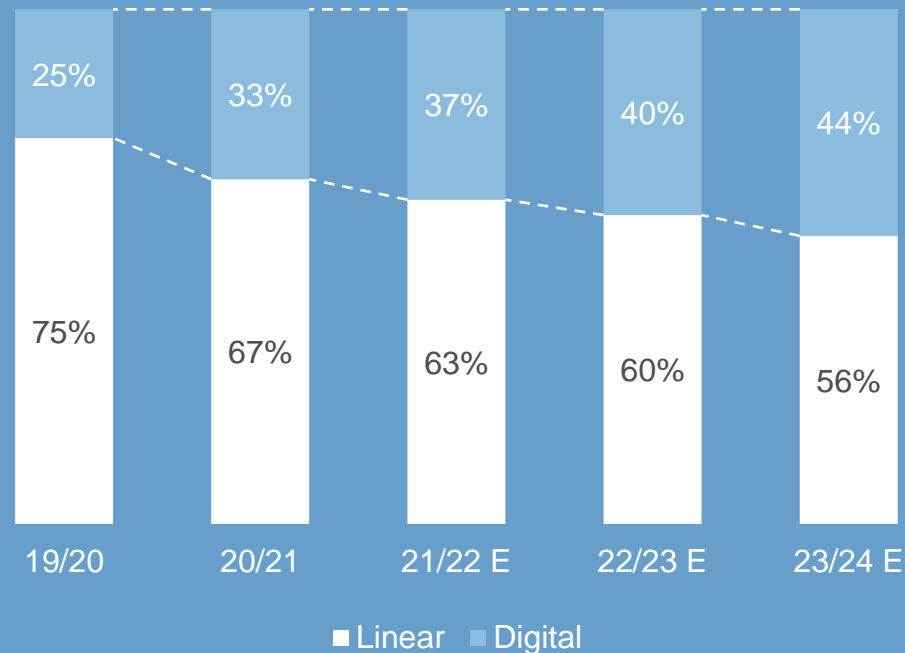
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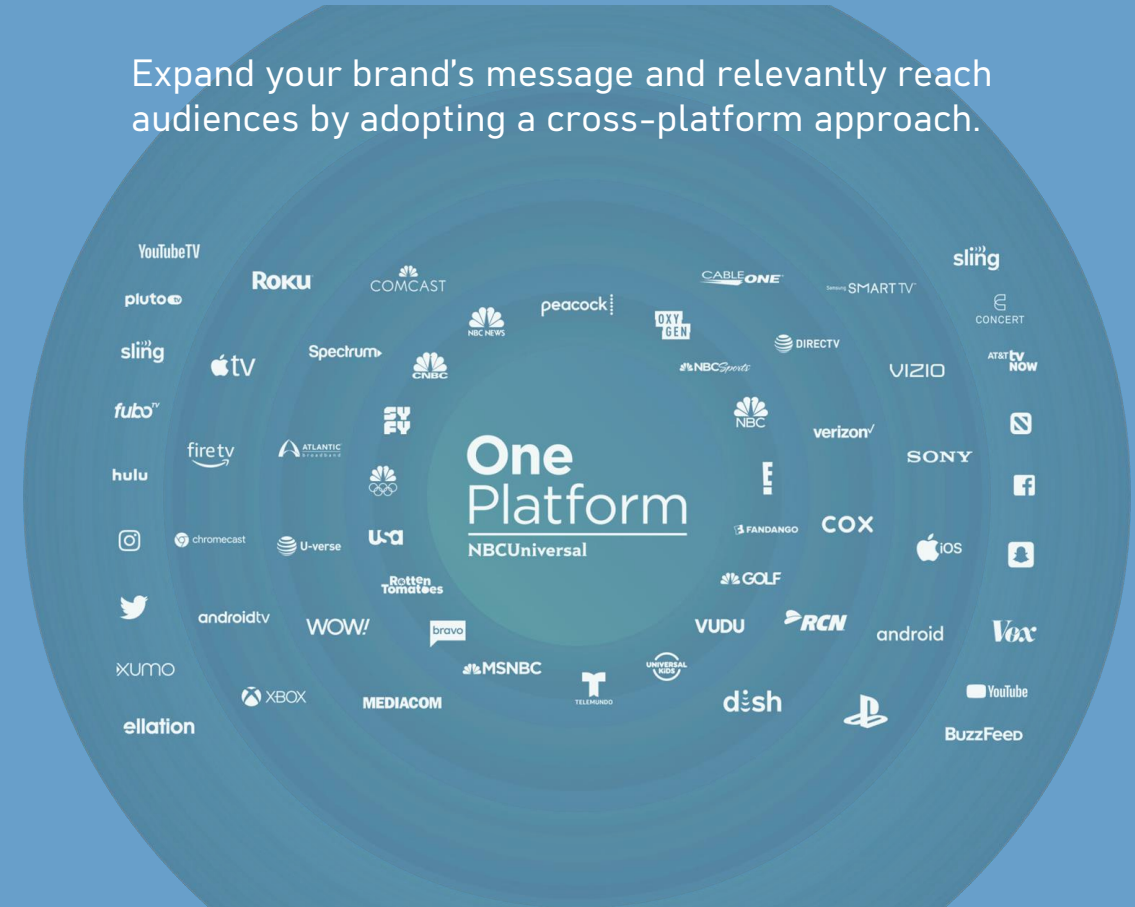
The way content is being consumed continues to evolve.

NBCU One Platform – Share Of Minutes

A18-49, reflects aggregate viewership across NBCU portfolio



Expand your brand's message and relevantly reach audiences by adopting a cross-platform approach.



02. Build Relevance Through Cultural Connection

Capture attention and spark conversation by aligning with passion point content, influential talent, and cultural moments & events



Alignment with IP

Align your brand with NBCU's premium, brand-safe, passion point content via sponsorship and integration opportunities.

Premier Live Events

Tap into the breakthrough moments and events that shape today's cultural conversation.

Cultural Heritage Celebrations

Celebrate Multicultural audiences and drive impact by aligning with moments that matter year-round.

Talent Room

Explore NBCU's influencer hub, a standalone website connecting brands with the right talent to authentically share their brand story.

03. Communicate Credibility on Key Issues

Leverage high impact storytelling approaches to educate and authentically demonstrate your brand's commitment to an issue or movement that matters





Educate Audiences Through Branded Content

Communicate your efforts or educate consumers on your brand benefits on key issues like sustainability, wellness, inclusivity etc. Partner with NBCU to tell your story through branded content that resonates with your target audience.







Align with Issue-Oriented Programming

Programming
Examples

-  Morning Shows
-  Lifestyle Entertainment
-  Multicultural Audiences
-  Sports & Fitness

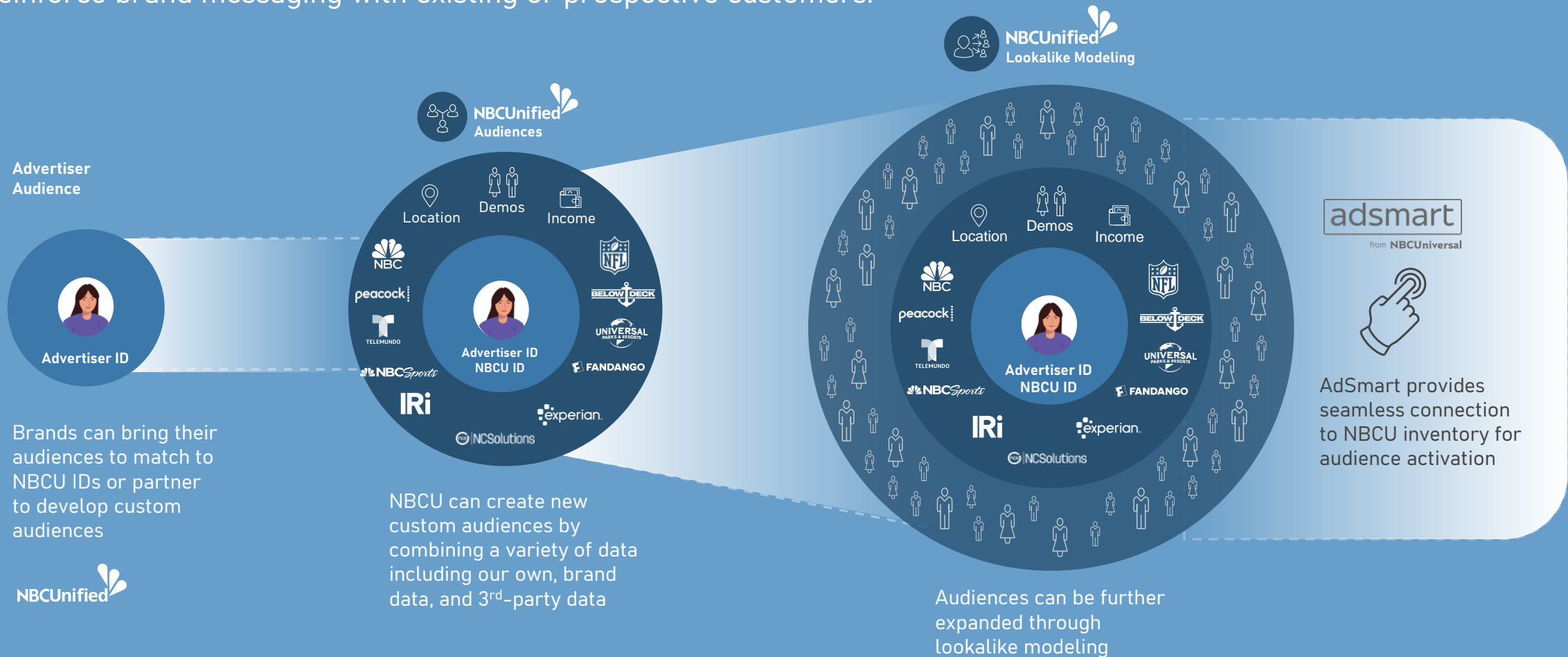
Engage Consumers Using Behavioral Signals

Behavioral Signal
Targeting Examples

-  Fitness
-  Nutrition & Diet
-  Sleep
-  Mindfulness

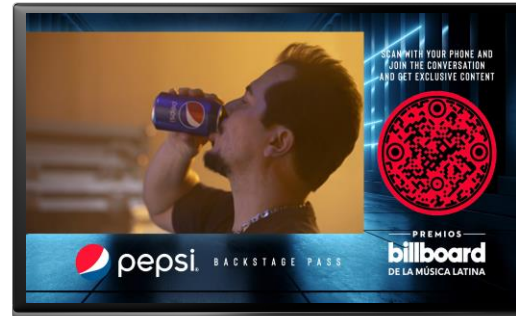
04. Supercharge Your Data-Led Approach

Leverage data to reach relevant audiences across platforms and reinforce brand messaging with existing or prospective customers.



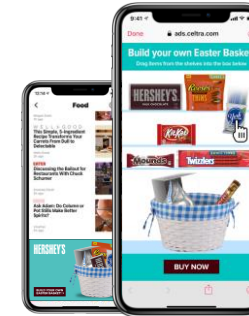
05. Create Interactive Experiences

Get closer to point of purchase through actionable content and commerce opportunities that fuel discovery and trigger consumer behavior.



Prompt Interaction with Commercial Innovation

- Seamlessly blend advertising and content to better engage the consumer and create interactive viewing experiences.
- Formats include but are not limited to PIP, Interactive Countdown Clock, Pause Ads, Engagement Ads, In-Scene Ads etc.



Influence Behavior via Apple News Actionable Ad Formats

- Reinforce messaging and generate quality leads via Apple News engaging ad solutions.
- Tap-to capabilities can drive users to site, app download, deep link within app, email, chat, map, wallet etc.



Collapse the Funnel via NBCU Commerce

- Create seamless and meaningful shopping experiences for consumers.
- NBCU commerce opportunities include but are not limited to experiential, social commerce, ShoppableTV, and Interactive web.

NBCU Relevant Materials

Example CPG Industry Partnerships



NBCUNIVERSAL

CPG Partnership Examples



m&m's

peacock



Unilever

TELEMUNDO



P&G

NBC Sports



FritoLay



Nestlé

FANDANGO



Freshpet

TODAY
HODA & JENNA

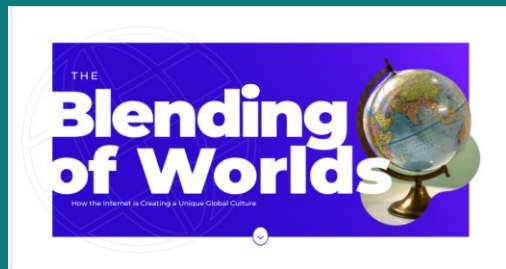
NBCU CPG Industry Content

TOGETHER SITE

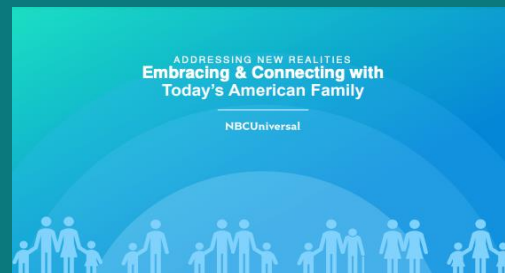
Category Content & Strategies



Fueling the Cultural Conversation: Premier Live Events



Blending of Worlds: Rise of a Global Culture



Embracing & Connecting with Today's American Family



A Marketer's Guide to the Metaverse

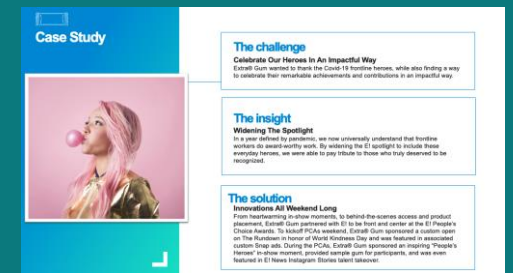
CPG Case Studies



NBCU Portfolio + L'Oréal Paris Women of Worth



AdSmart Data-Driven Linear + Beverage Brand



E! People's Choice Awards + Extra



Talent As Influencers Commercial Innovation + Tide

2022 CPG INDUSTRY ASSESSMENT

NBCUniversal

NBCU CPG CLIENT STRATEGY TEAM:
Caitlin Collins, Nick Cafiero, Ben Cohen

