Press Releases

As States Reopen, Consumer Packaged Goods Spending In The Month Of May Remains 21% Higher Than A Year Ago

Baking Ingredients Continue Strong Growth; May Shoppers Stock Up on Meat

NEW YORK, June 18, 2020 /PRNewswire/ -- Household consumer packaged goods (CPG) spending in May 2020 was up 21% compared to May 2019, but not quite as impressive as the year-over-year increase in April 2020 (+29%) or March (+36%). These findings are part of new data released by NCSolutions (NCS), the leading company for improving advertising effectiveness for the consumer packaged goods ecosystem.

Americans remain in what NCS has defined as the Home-Confined Buying stage of this COVID-era, even though by May 20, all 50 states had started the process to relax restrictions on a range of businesses, from restaurants to salons. NCS continues to define the current stage of CPG shopping as Home-Confined due to the elevated household spend on CPG products, indicating that Americans are eating home more often. Flour, extracts, frozen poultry and meat are among the categories that continue to have higher than usual sales.

"As Americans venture out more, there will be some adjustments to their shopping behavior. However, we have seen consumers embracing some of the behaviors they found during the height of the pandemic – such as more cooking and entertaining at home," said Linda Dupree, CEO, NCSolutions. "It's too early to tell what is likely to have a lasting effect, but the latest trend data shows buyers may be settling into these new routines. During this time of change, it has never been more important to understand the drivers of effective advertising."

Baking Makes a Comeback

Baking experienced a surge in popularity from the start of the pandemic. Pre-COVID-19, sales of baking supplies such as flour and sugar had been down slightly. During the Extreme Buying phase, spending on flour and meal increased by 221%, egg substitutes by 529% and pancake mix by 213%. All remain elevated in the Home-Confined phase — by 91%, 100% and 49% respectively, indicating that Americans continue to bake at higher rates. Overall, the category is up 37% in the Home-Confined period, compared to a year ago.

Supply Chain Worries Drive Spending on Meat and Poultry in May

Reports in April about potential meat and poultry shortages appeared to make an impact on May sales. Overall, sales of meat were up 32% during the Home-Confined Buying phase when compared to the same period last year.

Frozen poultry topped the list with sales up 81% year-over-year during the Home-Confined Buying phase. By contrast, sales of this product had jumped 266% during the Extreme Buying phase. Frozen breaded chicken along with fresh, frozen and shelf-stable meat round out the top five, as consumers continued to stock amid worries about the impact of poultry- and meat-processing plant closures.

"Through the next several months, we anticipate the supply of advertising inventory for CPG brands to rise along with media consumption," said Lance Brothers, chief revenue officer, NCSolutions. "As costs come down, CPG advertisers will have an incredible opportunity to get in front of loyal buyers and engage new consumers. The brands we work with are preparing with targeted strategies, refreshed creative and messaging."

What's Next?

Home hair coloring is a category to watch in June, especially as salons reopen. Pre-COVID, spending on this beauty item was down 8%. During the Extreme Buying phase, year-over-year sales increased by 15%. By the end of May, it had risen even higher — to 22%. As the re-emergence period begins, beauty brands have an opportunity to cultivate brand loyalty among buyers they've acquired during the pandemic.

Day of week shopping: Pre-pandemic, Americans preferred to shop for groceries on Sundays. But with greater flexibility and concerns about social distancing, consumers are taking advantage of other weekend days. Saturday was the top-ranked shopping day for five of the 12 weeks since stay-at-home orders began, while Friday and Sunday each had the most spend for four of these weeks.

Toilet paper — the most coveted CPG item during the Extreme Buying phase — ranked at number 25 for the month, back to the position it held prior to the pandemic. However, average daily spending remains elevated, up 10% compared to the same period a year ago.

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ABOUT NCS

NCSolutions (NCS) makes advertising work better. Our unrivaled data resources powered by leading providers combine with scientific rigor and leading-edge technology to empower the CPG ecosystem to create and deliver more effective advertising.

With NCS's proven approach, brands are achieving continuous optimization everywhere ads appear, through purchase-based audience targeting and sales measurement solutions that have impacted over $25 billion in media spend for our customers. NCS has offices in NYC, Chicago, Tampa, and Cincinnati. Visit us at ncsolutions.com to learn more.

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