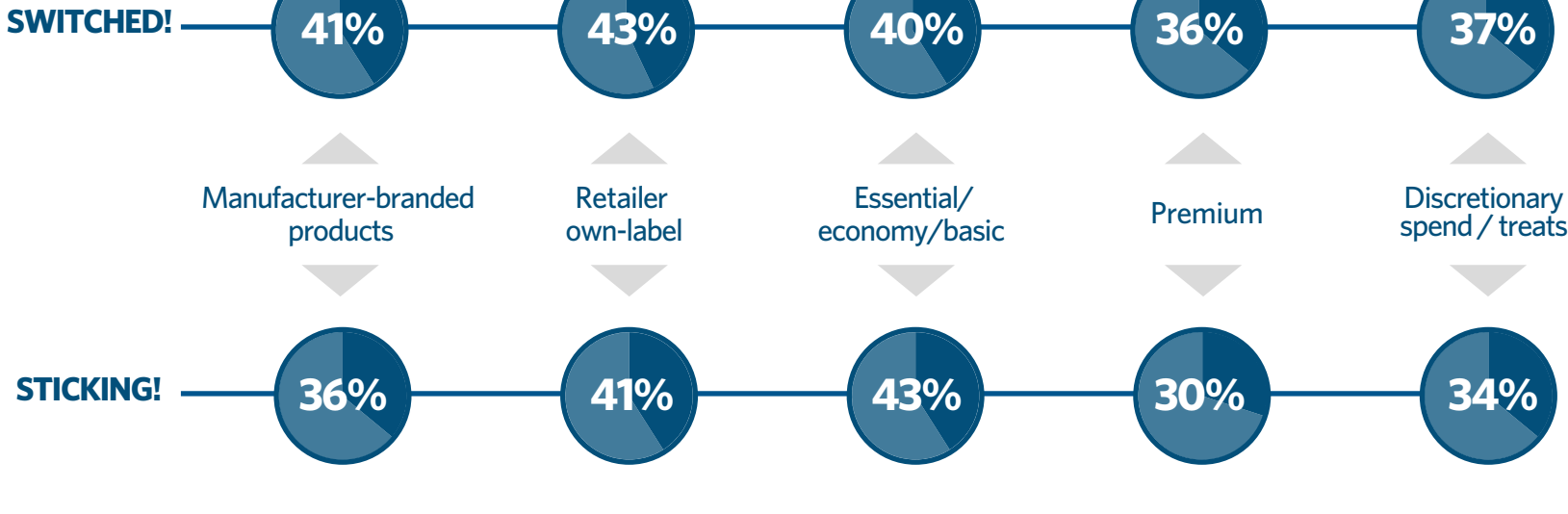


Navigating food and drink purchasing behaviours during the cost-of-living crisis.

FleishmanHillard UK surveyed 2,000 UK consumers in July 2022 on the impact of the cost-of-living crisis on food and drink purchasing behaviours and attitudes.



'WHAT IMPACT HAS THE COST-OF-LIVING CRISIS HAD ON YOUR PURCHASING OF ITEMS IN THESE FOOD AND DRINK CATEGORIES?'



CONSUMERS ARE FICKLE IN THE FACE OF UNCERTAINTY.

Similar percentages report they've switched or are sticking with their preferred brands regardless.



Manufacturers and retailers must work through how **best to navigate the impact** of this evolving cost-of-living crisis on loyalty and revenues.

What steps make **most sense for the business**, and what's the **role for comms**?

STEP 1.

Meaningful, purpose-led action and support



SIX IN TEN PEOPLE

think food and drink brands and retailers are putting their own profits before people's needs when increasing prices.

'WHO IS PUTTING THEIR OWN PROFITS BEFORE PEOPLE'S NEEDS WHEN INCREASING PRICES?'



BRANDS AND RETAILERS NEED TO AVOID BEING SEEN AS OPPORTUNISTIC.

When prices can't be kept low, do more to demonstrate how the brand is on the side of consumers and contributing to positive societal outcomes throughout the crisis:



Practical educational support



Hacks for eating on a budget



Policies to support families

FOCUS ON IMMEDIATE STEPS THAT BENEFIT REPUTATION IN THE SHORT- AND LONG-TERM.

The comms team has a critical role to play in ensuring communications are authentic to the brand's purpose, values and voice, considered and not tokenistic or insensitive in any way.

STEP 2.

Building the brand value proposition

LOYALTY FROM THE RIGHT CUSTOMERS IS KEY.

Retain customers and attract switchers by differentiating beyond price. Develop enhanced brand value propositions to secure brand affinity by driving and optimising perceived and actual value that's not reliant on price point.

CONSIDER WHAT DIFFERENTIATES OR MATTERS MOST TO THE BRAND OVER THE LONGER TERM E.G.



Capturing customer spend via different category entry points



Driving sustainability agendas through brand strategies

ALONGSIDE WELL-WORN MARKETING TACTICS LIKE COUPONS AND BOGOFs, TAILORED PERSONALISATION IS INCREASINGLY IMPORTANT



Innovative loyalty programmes



Subscription offers

LEAN INTO CURATING AND DELIVERING EXPERIENCES AROUND PRODUCTS E.G.



Valuable support in the crisis (linking to meaningful action points)



Moments of joy and reward as much-needed escapism

Brand and comms teams need to make sure the **brand value proposition** adapted for the cost-of-living context is landed in a **clear, compelling and consistent way** across all channels.

'AS RISING INFLATION CAUSES FOOD AND DRINK PRICE INCREASES TO BE PASSED ONTO CONSUMERS, WHAT WOULD YOU LIKE FOOD AND DRINK BRANDS AND RETAILERS TO DO TO SUPPORT YOU AS A CUSTOMER?'



Product offers and loyalty discounts

75%



Advocating for government policy changes that support consumers

73%



Other product/brand experiential offers and/or loyalty rewards

67%



Tips/guidance for healthy and sustainable eating

61%



Timely and transparent comms about price rises

55%



However, **38%** ultimately say they just don't want brands to pass on price increases.

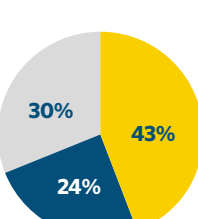
STEP 3.

Credible, transparent communications

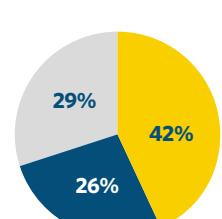
While brands must demonstrate they're being responsible and responsive to consumers' needs, at the most basic level there's a requirement for all communications around price changes to be forthcoming, transparent and empathic.

KEY: ■ AGREE ■ DISAGREE ■ NEUTRAL

'CURRENT PRODUCT RISES ARE OUTSIDE OF THEIR CONTROL'

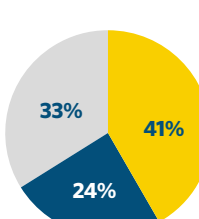


Supermarkets/Retailers

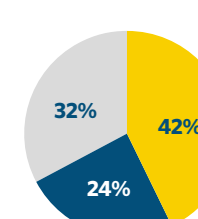


Food/Drink Brands

'I TRUST THEM TO PRICE PRODUCTS FAIRLY FOR CUSTOMERS'



Supermarkets/Retailers

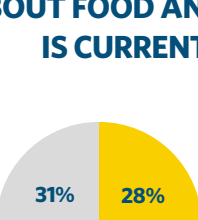


Food/Drink Brands

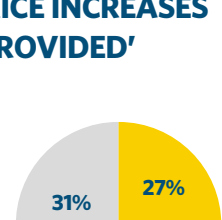
Around **40%** agreed current product price increases are outside of both parties' control and trust them to price fairly for customers.

BUT

'RELIABLE AND EASILY ACCESSIBLE INFO ABOUT FOOD AND DRINK PRICE INCREASES IS CURRENTLY BEING PROVIDED'

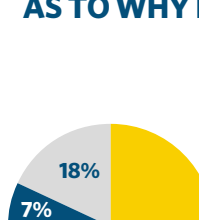


Supermarkets/Retailers

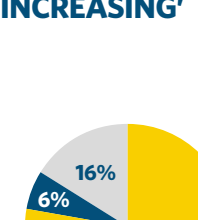


Food/Drink Brands

'I WOULD LIKE MORE INFORMATION AS TO WHY PRICES ARE INCREASING'



Supermarkets/Retailers



Food/Drink Brands

Only around a quarter feel reliable and easily accessible information about food and drink price increases is available.

The vast majority would like more information from both parties about why prices are rising.

The similarities in these responses for both players suggests **the same expectations and perceptions apply to both**. Consumers don't make a clear distinction therefore brands need to step up to the plate through their own comms around pricing during the cost-of-living crisis to **maintain trust and reputation**.

Both have a job to do, but **brands are lagging**.



38%

'Brands I regularly purchase from are managing the crisis well'



49%

'Grocery retailers I regularly shop at are managing the crisis well'

THERE IS A REAL OPPORTUNITY TO STEER BUSINESS AND COMMUNICATIONS DECISIONS AND ACTION BY HARNESSING DATA INTELLIGENCE.

As the cost-of-living crisis evolves, utilising audience insights and tapping into the right cultural and media trends linked to changing consumer attitudes and behaviours will help to build relevance, reach and resonance among core audiences.

Marrying this with data analysis that demonstrates and optimises the impact of subsequent planned communications activity is a must to prove return on investment when budgets are tight and calls are being made to divert spend elsewhere.



Research carried out by TRUE Global Intelligence in partnership with Vitreous World.

Online survey fielded to 2,000 UK adults with nationally representative samples for age, gender, region, SEG, ethnicity, sexual orientation and disability. Fieldwork ran from 7th - 10th July 2022.