

Times & Trends

A Snapshot of Trends Shaping the CPG Industry.

The Recession and Food & Beverage CPG Sales

Sales in traditional channels soften

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Intelligence to power your business



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Welcome to *Times & Trends*

This informational monthly publication highlights key trends shaping the consumer packaged goods (CPG) industry. It is designed to help CPG manufacturers and retailers make effective, fact-based decisions about their businesses.

Times & Trends is developed and distributed by Information Resources, Inc., a leading provider of UPC scanner-based and consumer panel-based business solutions to the CPG industry.

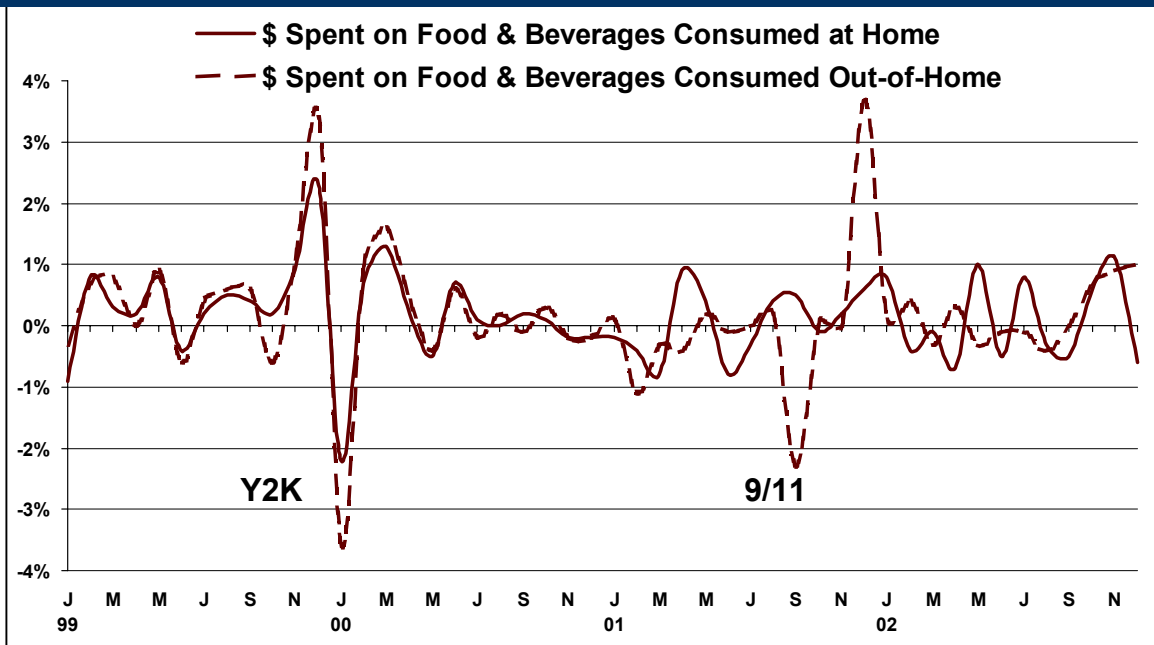
This month's *Times & Trends* brief addresses the US economy recession's impact on food and beverage sales, reviewing data from the past five years of store movement across grocery, drugstore and mass merchandisers, excluding Wal-Mart from IRI's InfoScan® Reviews.

The US economy has been in a softened, recessionary mode for over two years.

Consumers have been dealing with downward market trends and shaky job prospects. Budgets are challenged and spending has taken a conservative turn. But we continue to eat.

As the Department of Commerce's information below illustrates, growth of food and beverage home consumption in "real" dollars from all channels and all available venues outside our homes hovers around the "no growth" line. The only variation centers around unusual events – the impact of Y2K and the turn of the century as well as 9/11. It's a competitive battle for share of an essentially flat-growth industry.

Expenditures For Food & Beverages Consumed At Home vs. Out-of-home Growth in "Real" 96 Dollars; Monthly % Change vs Prior Month (annualized data)



% change vs prior month (annualized data) in Constant, 96 Dollars (Billions)

SOURCE: US Dept of Commerce

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Data Sources & Methodology

This analysis draws from IRI's InfoScan Reviews, combining sales across food stores or supermarkets, drugstores and mass merchandisers, excluding Wal-Mart. The largest retailer in the US withdrew from industry sharing of sales data in 2001.

In total, this combination (FDMx) represents over \$220 billion of scanned food and beverage sales. The food store or supermarket channel accounts for 94% of these sales, drugstores 4% and the balance or 2% from mass merchandisers excluding Wal-Mart. So, this report is highly influenced by sales trends in the supermarket channel where 100% of US shoppers buy food and beverages on a regular basis.

In addition, IRI shopper panel data and custom analysis provide a perspective on shoppers' channel and snack category penetration, shopper trips and purchase occasions per buyer.

Finally, IRI's "What Do Americans Really Eat?" internet survey of over 1,000 consumers adds important dimension to changing attitudes toward meal and snacking occasions.

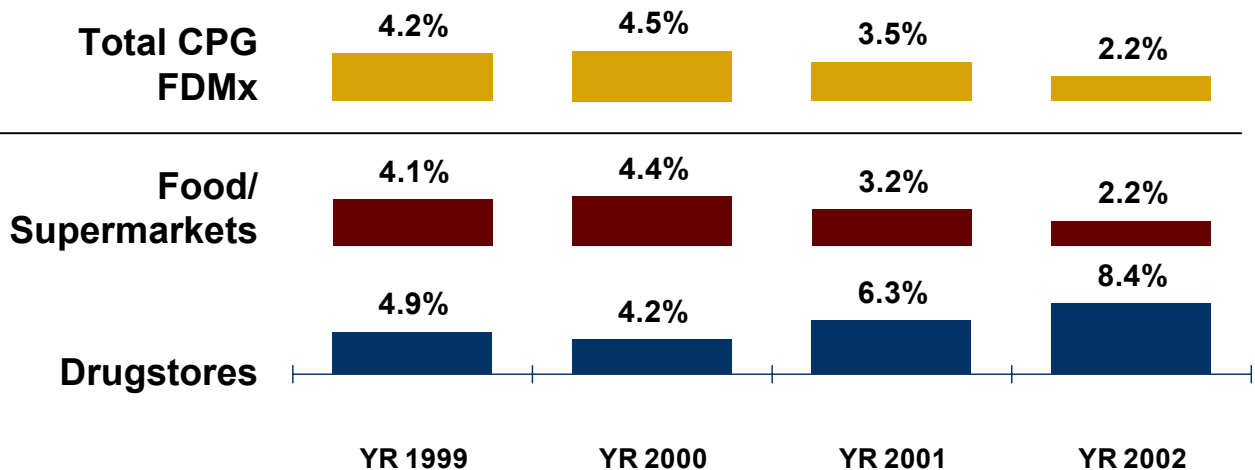
Charts focus on consumption or category trends that are ahead of the curve – those consumption occasions, categories, products and brands where annual growth is exceeding the overall modest trends shown below.

While the "flat growth" trend shown on the previous page is based on "real" or constant dollar sales, inflation removed, the trends shown on this and other pages are based on current dollars, as scanned and projected by InfoScan's sample of over 30,000 stores.

As shown below, overall food & beverage sales are trending down during the recession. Food stores' pace has declined to just over 2%.

However, drugstore food & beverage sales are growing at a fast pace as this channel expands its offering of convenient ready-to-eat or drink CPG products.

Total CPG Food & Beverage Sales Growth, % Change Versus Prior Year



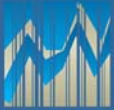
InfoScan Reviews Advantage: Combined Food/Supermarket, Drugstore & Mass Merchandiser database, excluding Wal-Mart sales data (FDMx)



Introduction – Recapping Food & Beverage Sales Trends During This Country’s Three-Year Economic Slump.

The soft economy is hurting sales trends in the grocery and drug channel across a broad list of food & beverage categories due to shifting shopping behavior as consumers look for deals at discount retailers. But lack of time and new concerns over obesity are also having significant positive impact, spurring growth of super-convenient meal solutions and weight-loss categories and brands.

- **Shoppers shifting spending to discount retail channels.** The slumping economy stimulates multi-channel shopping to find lower prices on national brands.
- **Supermarket food & beverage sales growth softens.** Private Label offerings have not stemmed trips shifting to other channels. All CPG areas are softer.
- **Lack of time fuels interest in convenient food & beverages.** CPG national brand offerings with major conveniences – dinner solutions, beverages & sweet snack meals – are bucking the food channel’s softer trend, growing rapidly.
- **Super-convenient dinner solutions sustain major growth.** Ease of preparation is key; new innovations that make it easy, but provide taste and freshness are adding billions.
- **Heightened concern over obesity fuels interest in weight-loss food & beverages.** Light, lean and less-of foods and beverages are rebounding, led by weight-loss, diet or lower calorie positioned products and brands.
- **Weight management categories and brands recording strong growth.** Light beers, low-cal soft drinks and waters generating large dollar growth; brands like Weight Watchers and Special K positioned to weight conscious consumers generating large growth rates.
- **Sport & energy beverages gaining interest.** Beverages that provide low-cal energy are growing and expanding.
- **Snack bars driven by nutrition & energy benefits.** Innovation has expanded what a snack bar can be. In five short years, growth has expanded from breakfast bars to nutrition and energy bars to meal replacement bars. The strong growth pace continues.
- **Strong upside for wellness benefits combined with taste and convenience.** Whether solid or liquid, breakfast or lunch or dinner or snack meal, if a product can offer wellness benefits in addition to taste, freshness and ready-to-eat convenience, the sky is the limit.



Both Private Label and manufacturer brands experiencing reduced traditional channel growth.

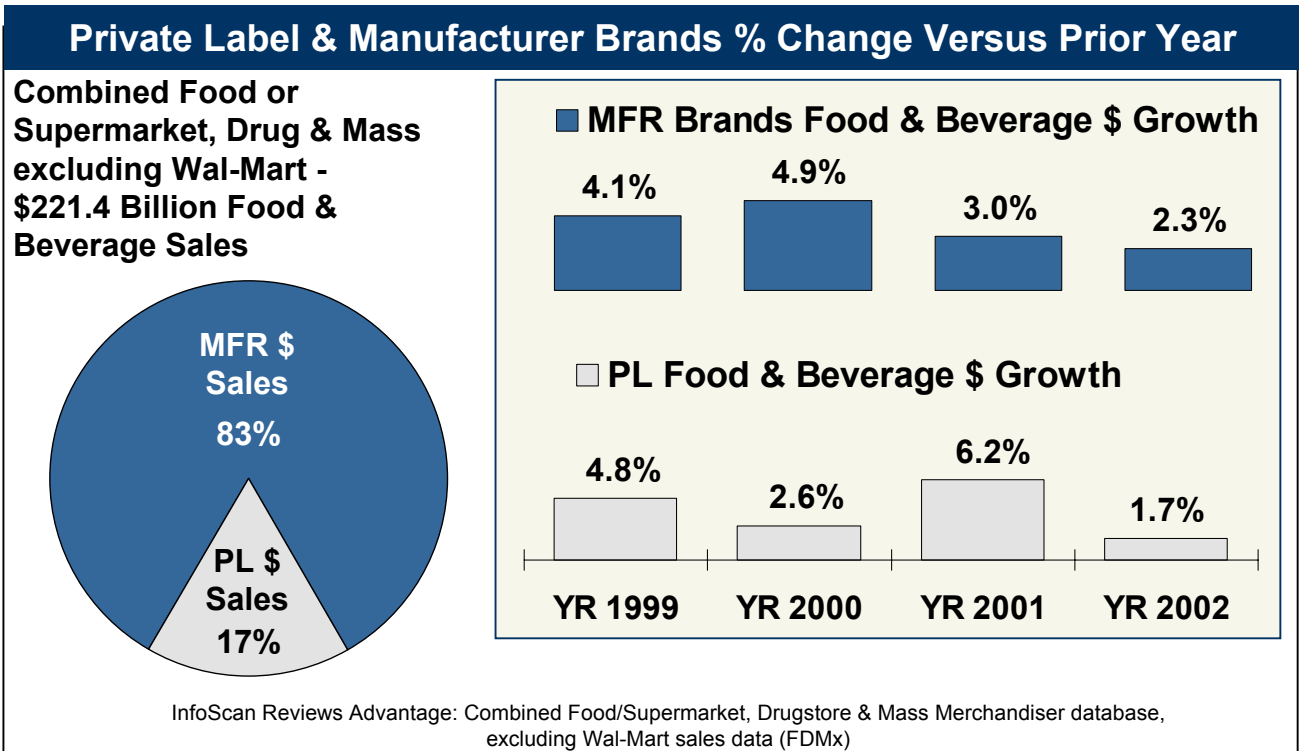
Both national brands and store brands are experiencing soft sales trends in competing food & beverage categories at food and drug outlets, particularly in the latest year of softer economic growth.

Private Label recorded a sharp +6.2% burst in 2001, as shoppers sought some relief in their total check-out ring; but growth has diminished dramatically, falling behind manufacturer brands.

This recent weakness is seen as value and deal shoppers shifting sizable chunks of their purchase behavior over to discount outlets, namely supercenters, club or warehouse chains and dollar stores to buy national brands at lower prices than offered at traditional channels. Shopper trips to discount channels have increased at the expense of grocery and drugstores.

Avg. Trips per Shopper in:	2000	2001	2002
Grocery	79	72	69
Drugstores	17	16	15
Mass Merch	29	25	24
Supercenter	15	19	20
Club/Warehouse	10	9	10
Conv/Gas Mart	14	14	14
Dollar Stores	NA	10	11

Source: IRI Consumer Shopper Panel Database, Custom Analysis





CPG food growth falling – but non-food heads into negative territory.

Examining combined food & beverage sales reveals a declining trend for three consecutive years, even as surveys report that consumers are going out less and staying home more after 9/11, consuming more and more frozen dinners and entrees.

Given the “do-or-die” nature of food & beverage sales to the grocery industry, this is obviously disturbing news. Milk is off (2.2%) in the latest year; cold cereal – no growth; and, luncheon meats only +0.6%.

The profile for the drug channel is the opposite. Food & beverage sales represent the minority of sales and are growing rapidly, +8.4% in the latest year.

Shoppers are finding more and more shelf-stable and perishable ready-to-eat options at drugstores – national brands supported by deals and price-offs, too good to pass up. Snack/Granola bars are up +29% in the latest year; carbonated beverages +16%; refrigerated juices +11%; and, milk +9%.

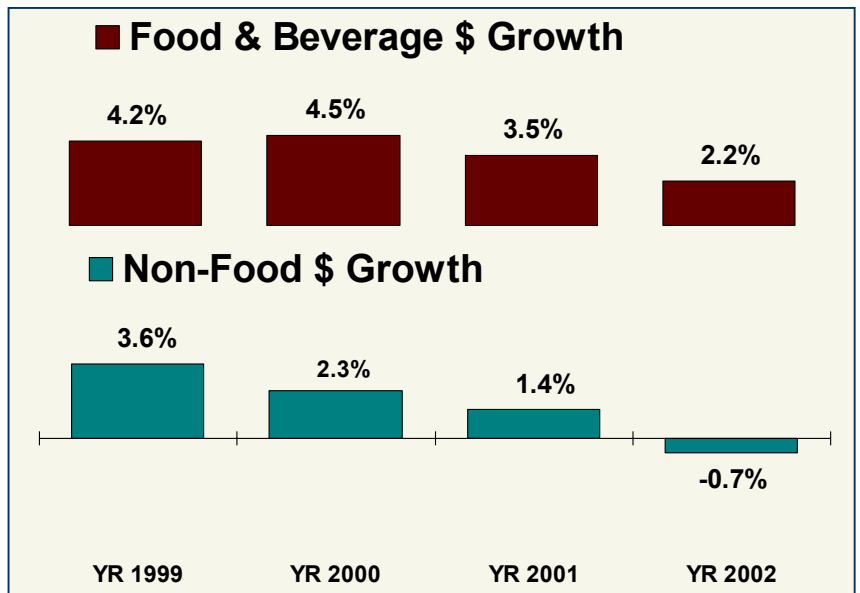
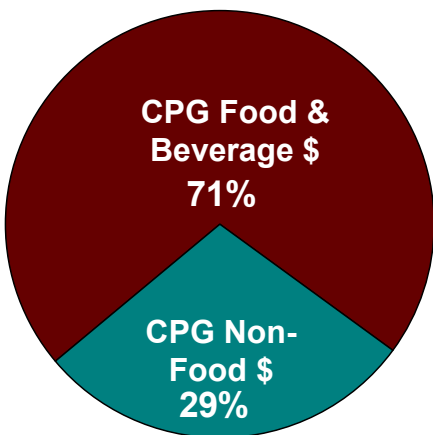
Dollar Sales Channel Comparison

DOLLAR SALES	FOOD/SUPERMARKETS		DRUGSTORES	
	Breakdown	Growth	Breakdown	Growth
TOTAL CPG	100%	1.5%	100%	5.2%
Food & Beverages	80%	2.2%	24%	8.4%
Non-Food	20%	-1.5%	76%	4.3%

Source: IRI InfoScan Reviews Database

Breakdown of Total CPG \$300 Billion in Sales, % Change Versus Prior Year

Combined Food or Supermarket, Drug & Mass excluding Wal-Mart



InfoScan Reviews Advantage: Combined Food/Supermarket, Drugstore & Mass Merchandiser database, excluding Wal-Mart sales data (FDMx)



Frozen foods department leads CPG growth, spurred by rise of convenient dinner solutions and increased eating at home.

Consumer spending is hands down, the main engine that fuels economic growth, accounting for two-thirds of the total Gross Domestic Product. It grew +3.1% in “real” growth, which most economists consider “modest growth.”

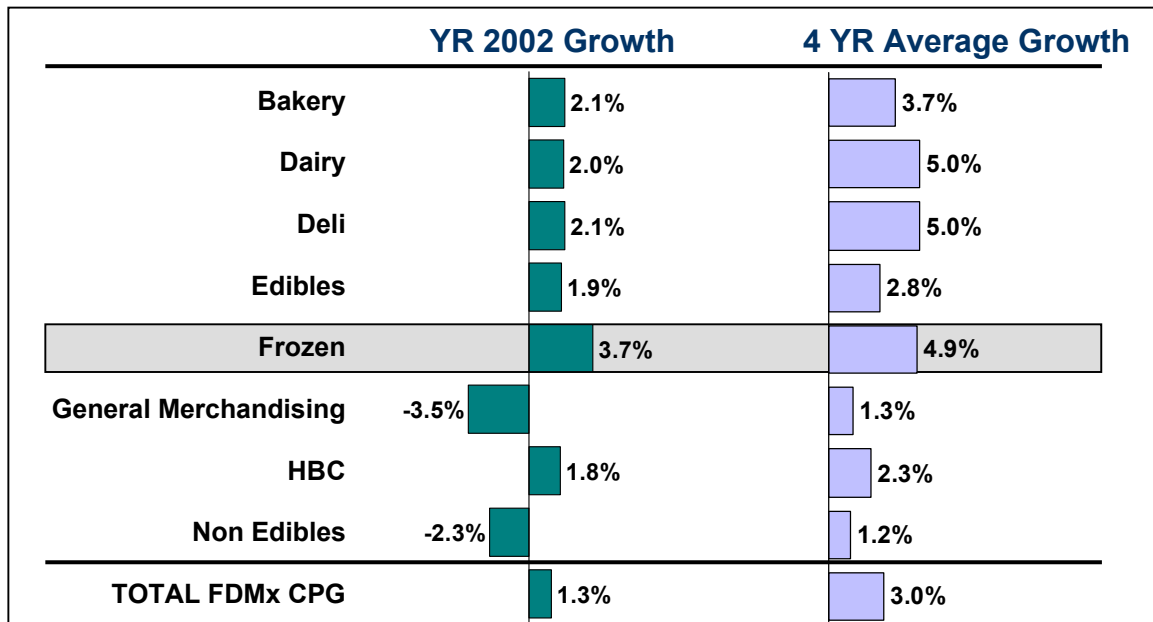
In contrast, combined spending for food, drug and mass channels (FDMx) across food & beverage and non-food departments was up only +1.3% in current dollars, about half the national rate, expressed in constant dollars. All departments’ growth rates are considerably off from their four year averages.

If there is a bright spot to grocers it has to be the frozen department, which has the best growth in 2002 at +3.7% – doing well even under economic pressures and competitive pressures from the discount channels.

Convenient frozen dinner solutions are the primary reason – such as the all-in-one skillet dinners and heat-&-eat bowl dinners, with all of the chopping, seasoning and cooking done for the shopper with an extensive variety of recipes and flavors.

Most striking in the past year are sharp declines in both general merchandising and non-edible departments, combined accounting for 17% of FDMx dollar sales over the 1998 through 2002 period. Non-foods are weaker and most telling of the recession’s pressure on shoppers’ eagerness to find lower prices at discount channels.

CPG Department Consumption Growth -- in Terms of % Growth Compared to Year Ago in Dollar Sales:



InfoScan Reviews Advantage: Combined Food/Supermarket, Drugstore & Mass Merchandiser database, excluding Wal-Mart sales data (FDMx)



Dinner solutions lead 2002 & five year consumption growth – beverages & sweets record consistent growth.

Looking at CPG food & beverage growth by consumption groups (159 categories aggregated by typical consumer usage patterns or occasions), all groups – except for Breakfast – recorded growth well behind their four year average pace. Dinner solution categories have consistently led performance.

Dinner solutions – frozen pizza, entrees, salad kits, refrigerated dinner products, hand-held appetizers – have a higher percentage of the dollar growth categories this past year and over the 1998-2002 period. Over this time span, frozen dinners & entrees are up \$1.4 billion, annually averaging +6.7% in growth; natural cheese +\$1.2 billion, +7%; and salad kits +\$1.1 billion, +11.9% annual growth.

Beverages are also doing relatively well, particularly over the longer period. Over 1998-2002, Carbonated soft drinks grew +\$2.1 billion, +3.8% annual average growth; beer +\$2.1 billion, +7.3%; bottled water +\$1.4 billion, +17.2%; and, wine +\$1.0 billion, +7.2% on average per year.

Sweets, which includes desserts, snacks, and candy, have performed almost as well, led by ice cream, growing \$798 million, averaging +4.4% per year; snack/granola bars +\$628 million, +12.9%; and, frozen novelties +\$525 million, +6.4% on average per year.

CPG Food Consumption Growth – in Terms of % Growth of Food Groups Compared to Year Ago in Dollar Sales:

	YR 2002 Growth	4 YR Average Growth
Baby Food	-2.9%	1.6%
Beverages	2.3%	4.2%
Breakfast Solutions	2.8%	2.6%
Dinner Solutions	3.5%	4.8%
Ingredients	0.5%	1.6%
Lunch Solutions	1.0%	2.7%
Salty Snacks	1.5%	2.9%
Sweets	2.5%	3.6%
TOTAL FOOD CPG	2.2%	3.6%

InfoScan Reviews Advantage: Combined Food/Supermarket, Drugstore & Mass Merchandiser database, excluding Wal-Mart sales data (FDMx)



Ten leading dinner solutions grew \$8 billion – annually at a +9.1% average rate – over last five years.

These are the key categories making Dinner Solution consumption growth nothing short of tremendous.

“Mr. Grocer, you are my chef!”

These ten category groupings grew \$8 billion, +9.1% on average annually during the five year period compared to +3.6% for total CPG food & beverages as a group.

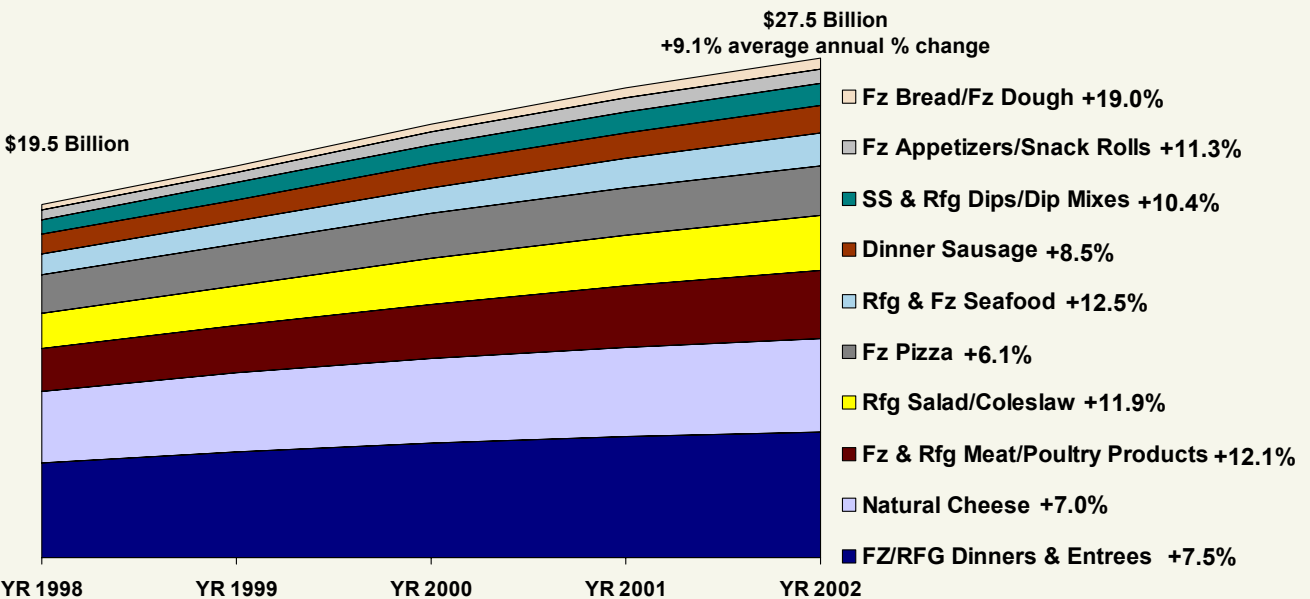
Top Ten Dinner Solution Growth Products

Dinner Solution Category/Groupings	Dollar Sales (millions)		% Top 10	
	YR 1998	YR 2002	YR 1998	YR 2002
Fz Bread/Fz Dough	\$ 287.9	\$ 575.7	1%	2%
Fz Appetizers/Snack Rolls	\$ 536.1	\$ 819.2	3%	3%
SS & Rfg Dips/Dip Mixes	\$ 817.9	\$ 1,214.0	4%	4%
Dinner Sausage	\$ 1,091.7	\$ 1,506.4	6%	5%
Rfg & Fz Seafood	\$ 1,130.9	\$ 1,810.6	6%	7%
Fz Pizza	\$ 2,136.7	\$ 2,708.6	11%	10%
Rfg Salad/Coleslaw	\$ 1,956.0	\$ 3,059.5	10%	11%
Fz & Rfg Meat/Poultry Products	\$ 2,363.5	\$ 3,737.0	12%	14%
Natural Cheese	\$ 3,935.1	\$ 5,152.5	20%	19%
FZ/RFG Dinners & Entrees	\$ 5,198.0	\$ 6,921.7	27%	25%
TOP 10 DINNER SOLUTIONS	\$ 19,453.8	\$ 27,505.2	100%	100%

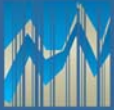
Source: IRI InfoScan Reviews FDMx Database

The majority of respondents in IRI’s “What Do Americans Really Eat?” internet survey of over 1,000 consumers said that speed and ease of preparation are key factors in preparing dinner meals. And innovations in these growing categories have focused on this factor.

Fast Growing Dinner Solutions – Dollar Sales



Dollar Sales: IRI's Combined Supermarket/Drugstore/Mass Merchandiser, including Wal-Mart Reviews Databases



“Lite, Lean & Less Of” related brands rebounding – consumers refocused on healthier living.

Even with America’s obsession with fitness, sales of the 1000 or so leading “lite, lean & less of” meal solution brands – frozen, refrigerated and shelf stable prepackaged convenience foods – were on the decline.

This grouping of 1000 or more meal solutions includes every major known player in the prepared foods arena where reduced calories and fat are key positioning elements.

Healthy Choice, SnackWells, Weight Watchers, Stouffer’s Lean Cuisine, Kraft Free salad dressings, Edy’s Grand Light ice creams, Frito’s WOW! fat-free products, Philadelphia Free, Dannon Light and others – from frozen, refrigerated or dairy, deli and shelf stable grocery departments – totaling just under \$5 billion in 2002 sales.

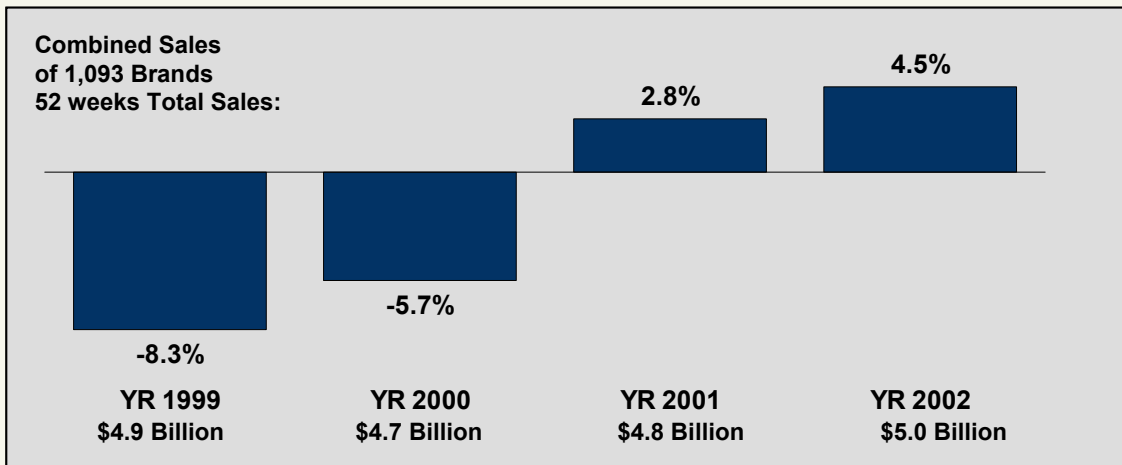
But suddenly, sales turned around in 2001 and are up more in 2002.

What’s different? A close examination of the brands driving sales reveals that weight-loss – dieting – is the major consumer driver of current growth, more than reducing fat intake. Also, “light or lean” brands are doing well in growth over the past four years.

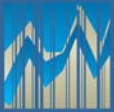
But reduced fat content or even “fat free” brands have declined on average 8.8% in the past four years – despite the serious medical industry concern in relation to healthier hearts and heart disease in this country.

Obesity, weight loss and diet are the key buzz words that are working.

% Change in Annual Dollar Sales from Light/Lite, Lean, Less-Calorie, Diet & Reduced Fat Brands



Source: IRI’s Supermarket Review Database – Brands identified by name or positioning; excluding Beverages such as Lite/Light Beers, Wines & Low Calorie Soft Drinks



Popular weight management categories and brands growing – pace led by Weight Watchers.

Obesity has reached an all-time high in the US, doubling in numbers since 1980, tripling among children.*

Consumer attitudes toward their weight could result in major growth of weight-loss positioned brands like Special K and Weight Watchers.

As media and advertising intensity grows, a core of overweight consumers will seek food and beverage options to support what is a difficult change in behavior. Manufacturers and retailers are responding, just as they have to consumers' demand for more convenience in prepared dinner options and increased portability in meal solutions.

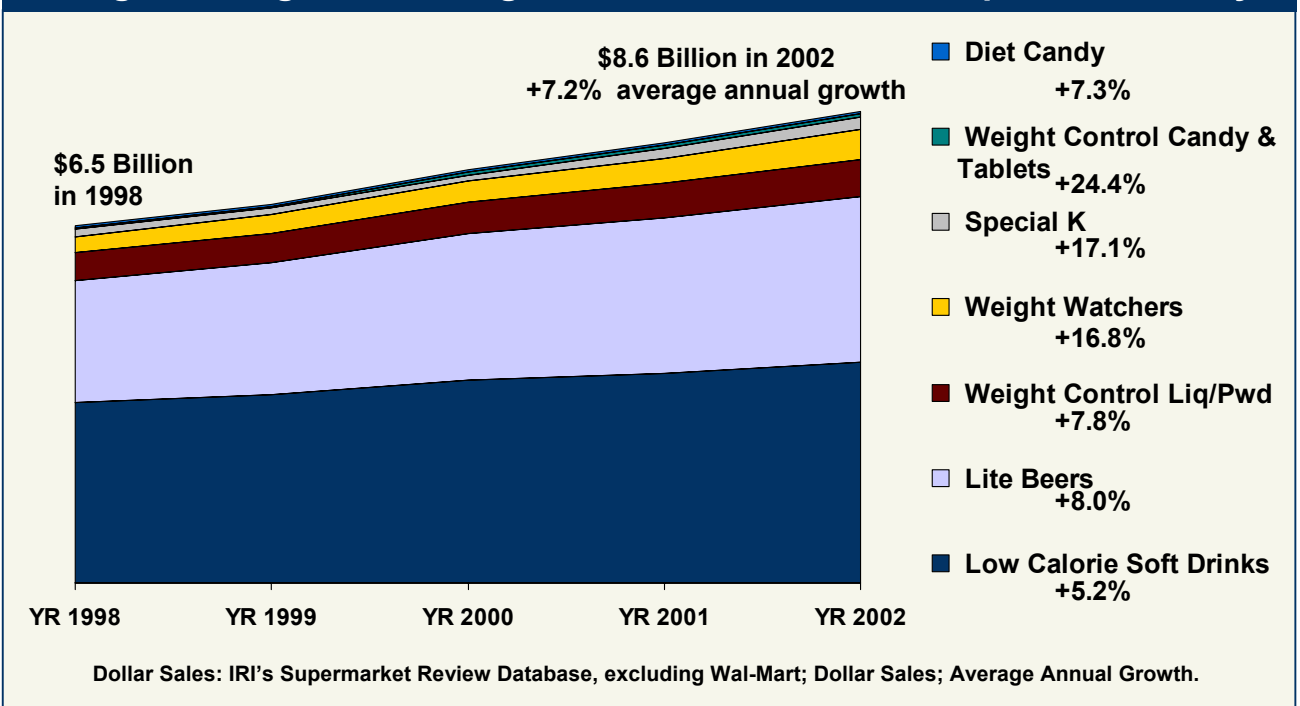
The chart below aggregates the growth of seven different weight management categories and brands. With a total growth of nearly \$2 billion, on average pacing at +7.2% per year, weight management is a major CPG opportunity.

Mature brands and categories alike are seeing strong and even double-digit growth, responding and taking advantage of heightened awareness and interest in weight control.

The data shown below and on the next two charts are strictly supermarket information because many frozen categories with "light, lean or less-of" characteristics are reported only in this channel.

*Chicago Tribune – December 2002

Weight Management Categories & Brands Sales – Supermarket Only





Light beers & low-cal soft drinks seeing less aggressive growth – outpaced by “sister” weight management beverage, water.

Lite or Light Beers and diet or low-calorie carbonated beverages – the two largest “weight management” beverages – have been on the rise, growing significantly better than the grouping of over 1,000 “Lite, Lean & Less Of” meal solution brands. But their pace has diminished. Perhaps these broadly available, mature categories are seeing stronger growth at discount channels not currently monitored by this report. Data shown is only from the food or supermarket channel.

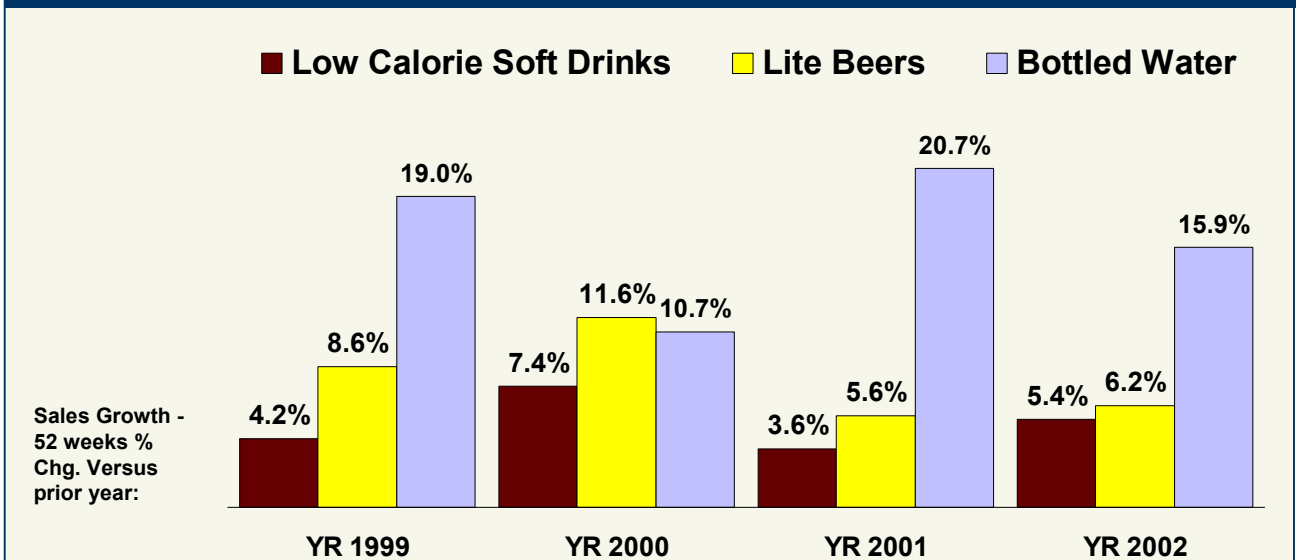
But bottled water – also competing in the weight management business – has stolen the lead, growing double-digit in each of the last four years.

So right now, the dieting and obesity alarms are pushing Americans to slim down and curb their weight.

As manufacturers closely monitor the up tick in mature “better for you”, less-of, weight-loss and dieting brand sales, we are likely to see a pick-up in new “less-of”, “low-in”, “diet” and “lite” CPG beverages and product benefits. There are a number of new soy based drinks that are fat-free and lower in calories than mature, traditional competition.

And maybe, America will successfully turn the corner on obesity, and in the process arrive in “wellness” land.

% Change in Annual Dollar Sales from Popular Weight Management Beverages



% Change in Annual Dollar Sales
Source: IRI's Supermarket Review Database



Sport & energy drink categories growing – energy drinks still a small factor.

The CPG industry's wellness campaign also includes energy or sports drinks.

Of course, Gatorade is the standard bearer and long time category leader and driver of bottled sports drinks. Other bottled energy drinks or different sports beverage products – like Propel – are just gaining exposure and trial.

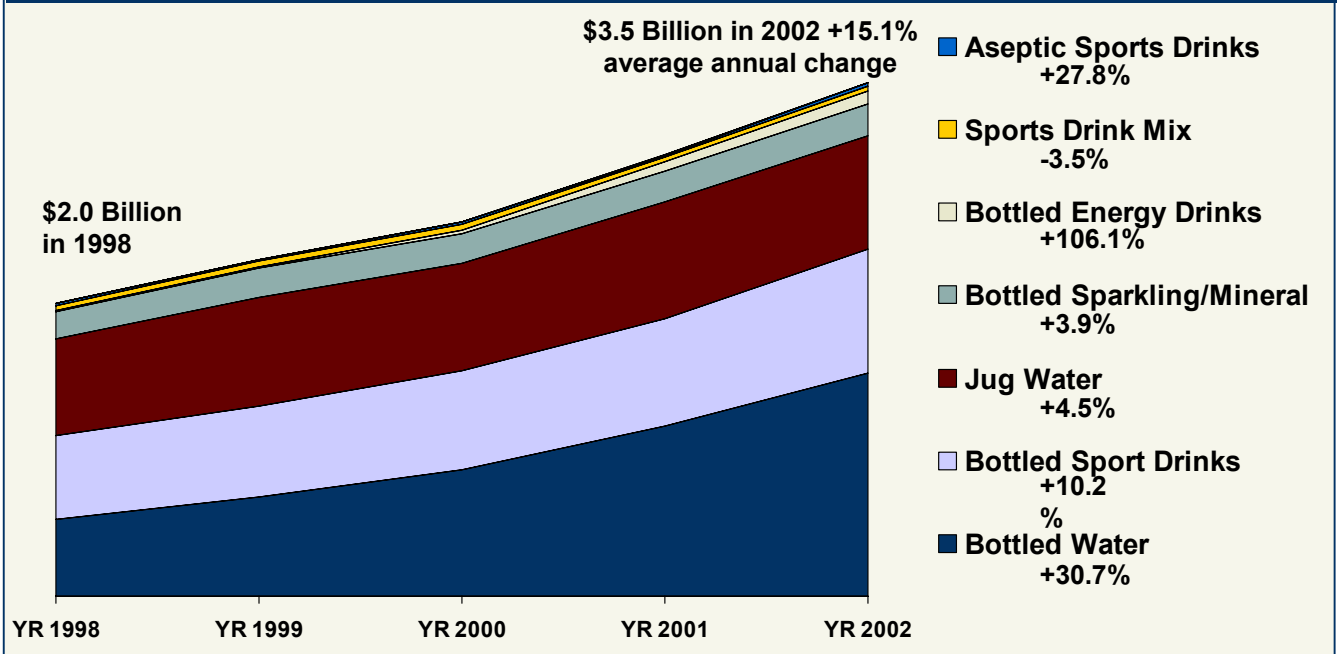
Top Sport & Energy Growth Products

Sport & Energy Drinks Grouped with Waters	Dollar Sales (millions)		% Total	
	YR 1998	YR 2002	YR 1998	YR 2002
Aseptic Sports Drinks	\$ 11.6	\$ 24.6	1%	1%
Sports Drink Mix	\$ 38.4	\$ 33.2	2%	1%
Bottled Energy Drinks	\$ 5.2	\$ 86.3	0%	2%
Bottled Sparkling/Mineral	\$ 188.7	\$ 219.5	9%	6%
Jug Water	\$ 663.4	\$ 784.3	33%	22%
Bottled Sport Drinks	\$ 582.9	\$ 856.8	29%	24%
Bottled Water	\$ 525.2	\$ 1,533.3	26%	43%
Water- Sports - Energy Beverages	\$ 2,015.5	\$ 3,539.1	100%	100%

Source: IRI InfoScan Reviews FDMx Database

Bottled water provides sports and energy drinks with the most competition. And what's likely ahead are different kinds of energy or "better-for-you" flankers of national water brands.

Bottled Water & Sport/Energy Drink Sales – Supermarket, Drug & Mass



Dollar Sales: IRI's Supermarket or Food/Drugstore/Mass Merchandiser Combined Channel Reviews Databases, excluding Wal-Mart; Dollar Sales; Average Annual Growth.



Snack bars growth pace now driven by nutrition or energy bars.

According to IRI's "What Do Americans Really Eat?" based on an internet survey of over 1,000 consumers, more than one-third regularly skip meals – only two-thirds regularly eat three meals daily. Snacks fill the gap for these time-crunched Americans.

Snacks in bar form have made it big. Initially promoted as "breakfast bars," much of the latest growth is from bars nutritionally positioned as meal replacements.

"Better for you," nutritional, energy supportive, less-of and other wellness variations have flooded the marketplace. Bars of different orientations are found in two, three or even four locations within an average supermarket.

Breakdown of Snack/Granola/Energy Bar Category

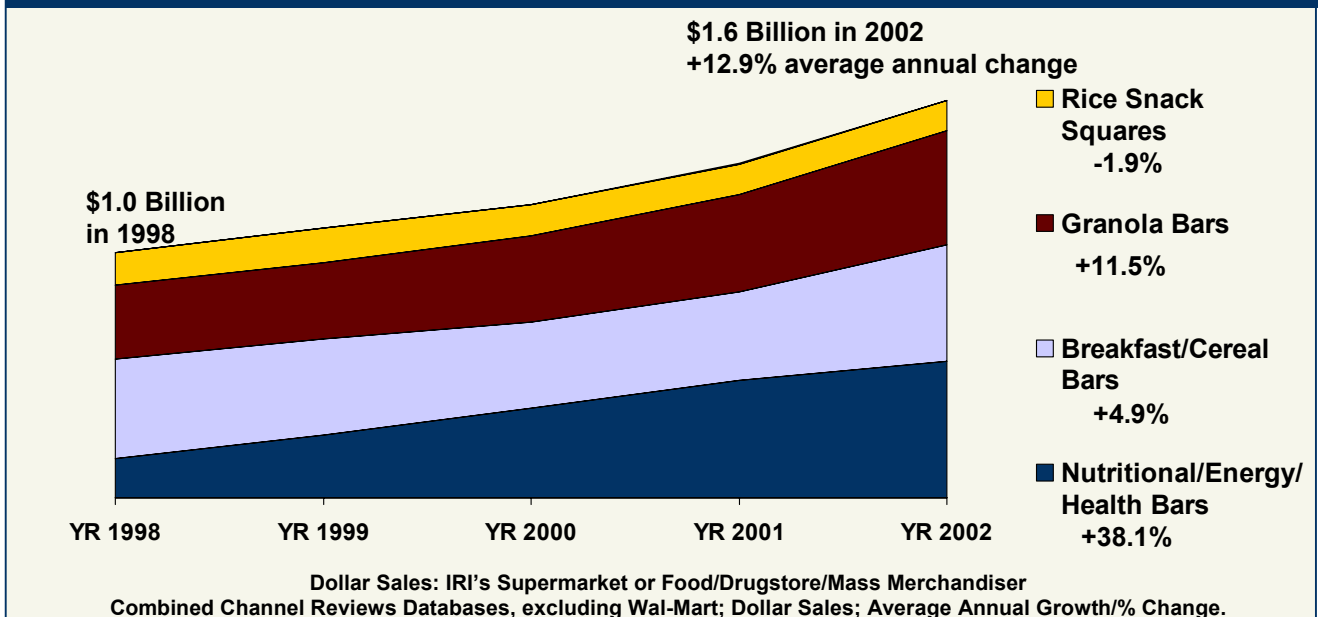
Snack/Granola, Energy & Breakfast Bars Category	Dollar Sales (millions)		% Total	
	YR 1998	YR 2002	YR 1998	YR 2002
Nutritional/Intrinsic Health Value Bars	\$ 159.7	\$ 565.1	15.7%	34.4%
Breakfast/Cereal Bars	\$ 412.0	\$ 479.1	40.6%	29.2%
Granola Bars	\$ 308.7	\$ 475.2	30.4%	28.9%
Rice Snack Squares	\$ 132.2	\$ 121.8	13.0%	7.4%
All Other Snack/Granola Bars	\$ 2.5	\$ 2.1	0.2%	0.1%
TOTAL Bars	\$ 1,015.1	\$ 1,643.3	100.0%	100.0%

Source: IRI InfoScan Reviews FDMx Database

Slim Fast positions their bar products as "meal options." Dr. Atkins as "low-carb meal alternatives." Balance as "the perfect nutritional mix of calories, protein and dietary fat." And the cereal manufacturers are promoting new breakfast bar versions with milk or yogurt as a dominant ingredient, touting nutrition as good as a cereal breakfast.

Innovations are driving this category to new heights – and helping to change the way consumers think about meal preparation and consumption. There are seemingly no limits to what a bar can be.

Snack Bar Dollar Sales – Supermarket, Drug & Mass Channels





Meals-to-go, healthy snack bar segments growing penetration & buying rates – showing sizable upside.

Portable, snack “meals-to-go” are growing in shopper penetration and in the number of purchases per shopper (chart below). The different varieties are at the top of growth product types, in terms of penetration growth over the past two years, 2002 versus 2000 (see table).

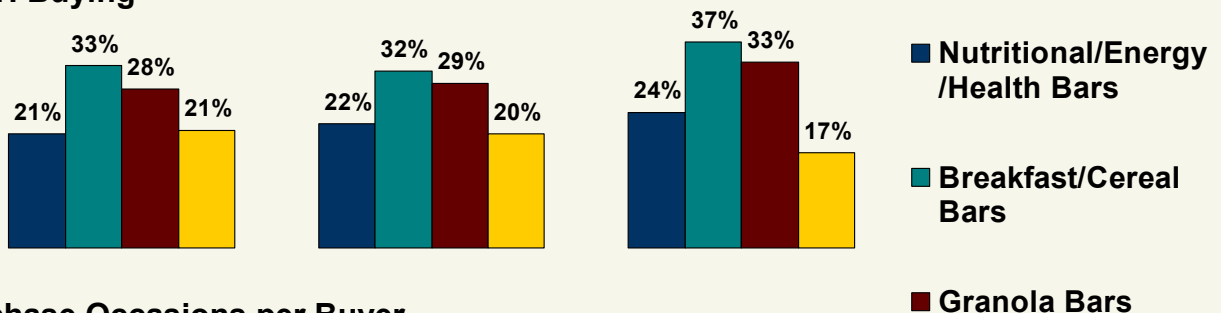
Overall penetration of the four types listed below is 62% - nearly two-thirds of all panel households bought one form in calendar 2002. So there is some overlap of the four types per average household.

Product Types With Significant Penetration Growth		
US Shopper Panel Database Categories/Types	% Households Buying	
	YR 2002	Growth: YR 02 versus 00
Fz Fresh Baked Bread/Roll/Biscuit	40.4%	6.7%
Granola Bars	33.3%	4.9%
Rfg Side Dishes	15.9%	4.4%
Breakfast/Cereal/Snack Bars	36.8%	4.1%
Fz Bread/Rolls/Pastry Dough	21.7%	4.1%
Nutritional/Energy/Health Bars	24.3%	3.7%
Rfg Dinners/Entrees	30.1%	3.4%
Shelf Stable Dips	25.1%	2.7%
Rfg Yogurt/Rfg Yogurt Drinks	73.4%	2.7%
Other Salted Snacks (No Nuts)	59.8%	2.5%

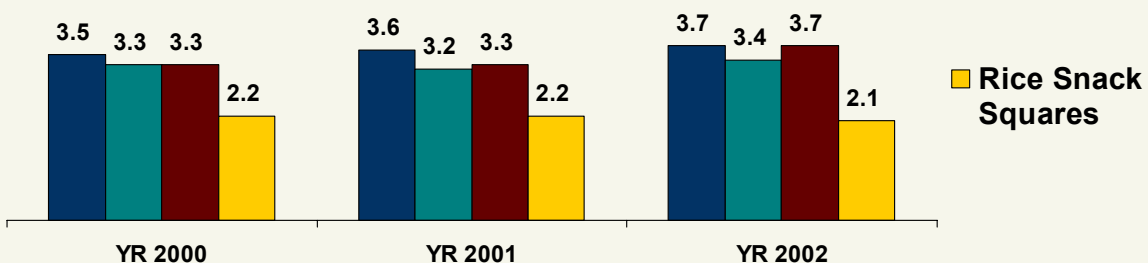
But there are also three kinds of upside: increased overall penetration of snack bars; increased penetration per snack bar variety ; and increased repeat or rate of purchase per buyer. The average snack bar category purchase occasions per buyer is 5.5 times, which compares to yogurt at 8.8 and salty snacks at 16.8 occasions.

Snack Bar Dollar Sales – Supermarket, Drug & Mass Channels

% HH Buying



Purchase Occasions per Buyer



IRI Shopper Panel: % Households Buying, Purchase Occasions per Buyer, All Channels/Outlets.



Summary & Implications

The economic events of the past three years are stimulating shopping changes in the marketplace. Consumers have become multi-outlet, crossover shoppers, looking to discounters to reap savings, anticipating lower prices on national brands. But consumers – working more hours than ever to sustain standard of living – have also become time-starved and are turning to foods and beverages that shout convenience. More than looking to grocers for private label, consumers are looking for innovative, ready-to-eat meals that are tasty and fresh.

Enter heightened concern about obesity and healthier living. The medical industry's efforts behind "heart healthy" and "lower cholesterol" have not worked with the core of consumers who essentially don't have time to prepare healthier, low-fat meals. We take a cholesterol-lowering pill instead. But all of the media coverage of mounting concerns about obesity, the need to lose weight and to curb calories seem to be having strong impact on even the time-starved consumer. Pills don't work. The Weight Watchers system and related CPG products do work. Brands like Special K positioning weight-loss are hot. Subway's weight-loss story is working. The plans are simple and "guarantee" lower calories. CPG manufacturers and retailers who step up to the plate and combine less calories with taste and convenience will reap rewards.

Wellness – healthier eating – is back. With increased awareness of obesity's negatives, consumers in droves are looking to lose weight and eat lighter, leaner or less-of.

Taste is paramount. But combined with "better for you," it's powerful. CPG food and beverage manufacturers are real good at keeping up with new tastes and with presenting an ever changing variety of flavors and recipes. Taste is a given. But the time has come to combine this more potently with wellness – lite, lean or less of – with clear weight loss or maintenance benefits.

Convenience is also a necessary benefit. Though taste is critical and wellness more-and-more important, convenience today is necessary. Many of the most successful meal solutions have brought new conveniences as well as new tastes to the marketplace. Combining this with added wellness, sounds like a big winner.

Snack bar success conditioning consumers to portable meals. Given a significant portion of the population views snack foods as meal replacements as well as between meal nourishment, traditional main meal manufacturers should explore solutions that act like snacks in terms of convenience and portability for all meal and snack dayparts.

Snack meals will take on multiple forms. Brands like Slim Fast easily transferred from liquid to solid form. Nutri-Grain and Honey Nut Cheerios easily transferred from multiple serving cereal boxes to portable snack meals. Could Weight Watchers be a nutritionally balanced, weight-maintenance drink? Certainly.

The brand name says more than the form.



The Challenge: Building Strategies Around Changing Trends

The challenge to building growth strategies is complicated by consumers crossing over from one channel to another to find the best deal or discounts. Their shopping patterns are fluid. Retailer loyalty is on thin ice. Category sales are dispersed over more channels and retailers. And brand shares are more volatile.

More than ever before, the consumer is a moving target. Innovative consumer-based decisions must be made on better consumer information and understanding. The need for an integrated, seamless database and base of consumer knowledge is critical.

IRI Consumer Panel digs deeper into the multi-channel shopper situation, focusing on all of the critical issues – changing loyalties, heavy shopper behavior, evolving brand dynamics, account purchase cycles, etc. – to effectively position the consumer opportunity to key buyers.

IRI's Builders Suite™ combines data from all retail outlets, including the discounters – mass, club, dollar and supercenter – and can focus on consumer insights by retailer-defined geographies.

IRI's ability to integrate census sales data and consumer panel purchase, demographic and attitude data provides the accuracy and leverage that's needed to generate actionable decisions.

To Find Out More About IRI's Consumer-Based Panel Analytics

Consumer shopper panel analysis enables CPG brand and retail managers to make informed decisions on channel strategies and address with confidence how to maximize the consumer opportunity. Experienced consumer panel consultants provide a tailored solution for every situation.

To learn more about IRI's consumer panel services or IRI's Builders Suite™ please contact your local IRI representative, or local panel consultant. Or, email us at times&trends@infores.com.

Questions & Comments on This Brief

IRI welcomes questions, comments and suggestions regarding the *Times&Trends* report and *The Recession & Consumer Shopping Trends* recap. Please email us at times&trends@infores.com.

About IRI

Information Resources, Inc (NASDAQ: IRIC) is a leading provider of UPC scanner-based and consumer panel-based business solutions to the consumer packaged goods industry, offering services in the U.S., Europe, and other international markets.

The company supplies CPG manufacturers, retailers and brokers with information and analysis critical to their sales, marketing, and supply chain operations. IRI provides services designed to deliver value through an enhanced understanding of the consumer to Fortune 500 companies in the CPG industry. More information is available at www.infores.com.