THE POST-PANDEMIC PANTRY

Malcolm McAlpine
Channels Marketing, Vending & Micro Markets
AGENDA

1. Industry Update
2. Consumer Demands
3. Know Your Employee
4. Find The Right Mix
5. Best Practices
6. Employer Concerns
7. Q&A
INDUSTRY UPDATE

• General Foodservice Insights
  – The entire industry is expected to recover to near pre pandemic levels by 2022¹
  – Vending and Micro Markets are leading the post-pandemic rebound and operators expect to see a 64% growth in 2022 over 2020¹
  – 46% of consumers are snacking now more than ever²

• Micro Market
  – “Micro Market sales are expected to recover the fastest and are expected to outpace all other convenience services through 2025...at the expense of vending”¹
  – More than 85% of operators said they “definitely” think the Micro Market could replace manual foodservice⁴

• Vending
  – Vending won’t reach 2019 revenue levels until 2024 or 2025¹
  – The biggest opportunity is for operators who use technology to their benefit and expand traditional vending into new and different ways and areas¹
  – Nearly 90% of vending machines offer a cashless option⁴

1. Eric Dell, Executive Vice President of NAMA – NAMA Show 2021 in partnership with Technomic
2. Mondelēz International and The Harris Poll, 2020
3. CNBC.com – ‘Morale is low’: Workers grow weary of ‘The Great Wait’ to return to office (Jennifer Liu)
Merchandizing overhauls continue to bring in new consumers and increase customer spend

- Knowing your audience and their snacking habits will help you build the perfect pantry

Employees like options:

- Provide variety of individually packaged snacks in key categories that span across categories, brands, flavors, sizes and formats
  - Breakfast bars
  - Cookies
  - Sour candy
  - Salty snacks
  - Snacks for sustenance
  - Better-for-you
  - Permissible indulgence
  - Meal replacements

1: Nielsen—Total US xAOC Incl Conv, 52 weeks ending 4/25/20
KNOW YOUR EMPLOYEE

Each generation has different snacking patterns and behaviors, reasons for snacking, and snack or brand preferences. It is essential to know your audience and understand how you can maximize on these generational differences by providing the right snacks.

People are snacking more often to:

- **Gen Z:** Relieve boredom
- **Millennials:** Find comfort
- **Gen X:** Boost their mood
- **Boomers:** Reward themselves

---

1: State of Snacking 2020 Global Consumer Trends Study by Mondelez International & The Harris Poll
FINDING THE RIGHT MIX

Gen Z:
Index above average for cereal breakfast bars, fruit snacks

Millennials:
Index above average for these brands

Gen X:
Index above average for these brands

Boomers:
Index above average for chocolate candy/candy bars, fresh fruit, crackers

1: The NPD Group/SnackTrack, Data for 2 years ending June 2020
BEST PRACTICES

• Data-driven category management is vital to make sure your office pantry is stocked with the snacks your employees want.

• Products should be rotated by daypart, seasonality, and product turnover to keep on-trend snacks available and top of mind.

• Offerings should be tailored to the predominant demographic by location.
  - Give employees the option to share their snacking needs and desires.
  - Be open to negative feedback and react accordingly.

• Greater shelf space means more opportunity to stock multiple formats and flavors of consumers favorite snacks.
EMPLOYER CONCERNS
Safety & sustainability reign supreme

• Fully exposed fresh food is not going to be welcomed – a safe environment is imperative\(^1\)

• **Social distancing** remains a priority
  – No-contact, low touch options are preferred

• Let your employees share their concerns\(^2\)
  – Don’t assume: discover what your specific employees’ concerns are and act accordingly

• Offering **recognizable brands** and **enhancing offerings** will keep enthusiasm high and return to work momentum positive
  – **Entice employees back to work** with meal replacements, add-ons and substitutes
    • Premade sandwiches, snack boxes, beverages and desserts in refrigerated and frozen sections

---

1: VendingMarketWatch.com – For 2021- Massive Micro Market Growth Predicted
QUESTIONS?

Malcolm McAlpine
(973) 997 0722
malcolm.mcalpine@mdlz.com