Leveraging Consumer Insights to Uncover Opportunities

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Numerator

Introducing **Numerator**

Corporate HQ
Chicago, IL

Global Presence
U.S., Canada, UK, India, Australia

Employees
1,600

Backing
Vista Equity Partners

Customers
1,600

60% of the **Fortune 500**

40% of the **Global 100**

Differentiator
Fastest, broadest set of omni-channel market data insights for consumer brands and retailers

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Together, our products offer the most comprehensive insight into understanding consumers.

path to purchase data

Advertising

Promotion

Pricing

Surveys

purchase data

Mass

Club

Gas & C-Store

QSR

Online

Mobile

influencers

opinions

behaviors

Numerator

Our modern Consumer Panel has higher engagement and compliance

Gamified consumer app and proprietary passive collection technology create unprecedented participation and scale

200M+

Annual receipt capture pace

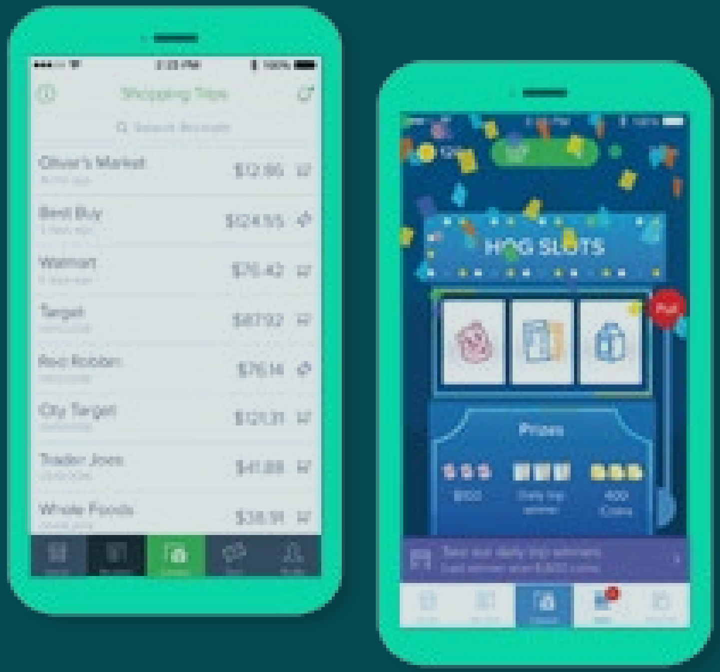
+450,000

Active Panelists (4.5x nearest competitor)

Omnichannel Coverage

Including Amazon

AI and optical character recognition enables scale and accuracy



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Agenda

1 **Understanding Consumer Insights**
Why robust consumer insights are vital for growth

2 **Case Studies**
How real housewares brands use Consumer Insights

3 **Thinking Forward**
Leveraging consumer insights to drive post-COVID opportunities

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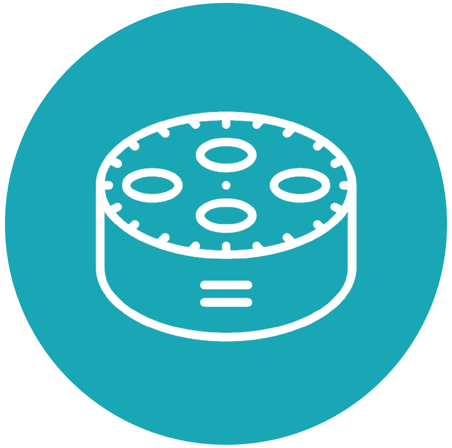
The modern housewares consumer is constantly - and rapidly - evolving.

Housewares shoppers buy differently today.

Online

Private Label

Voice Shopping



BOPIS

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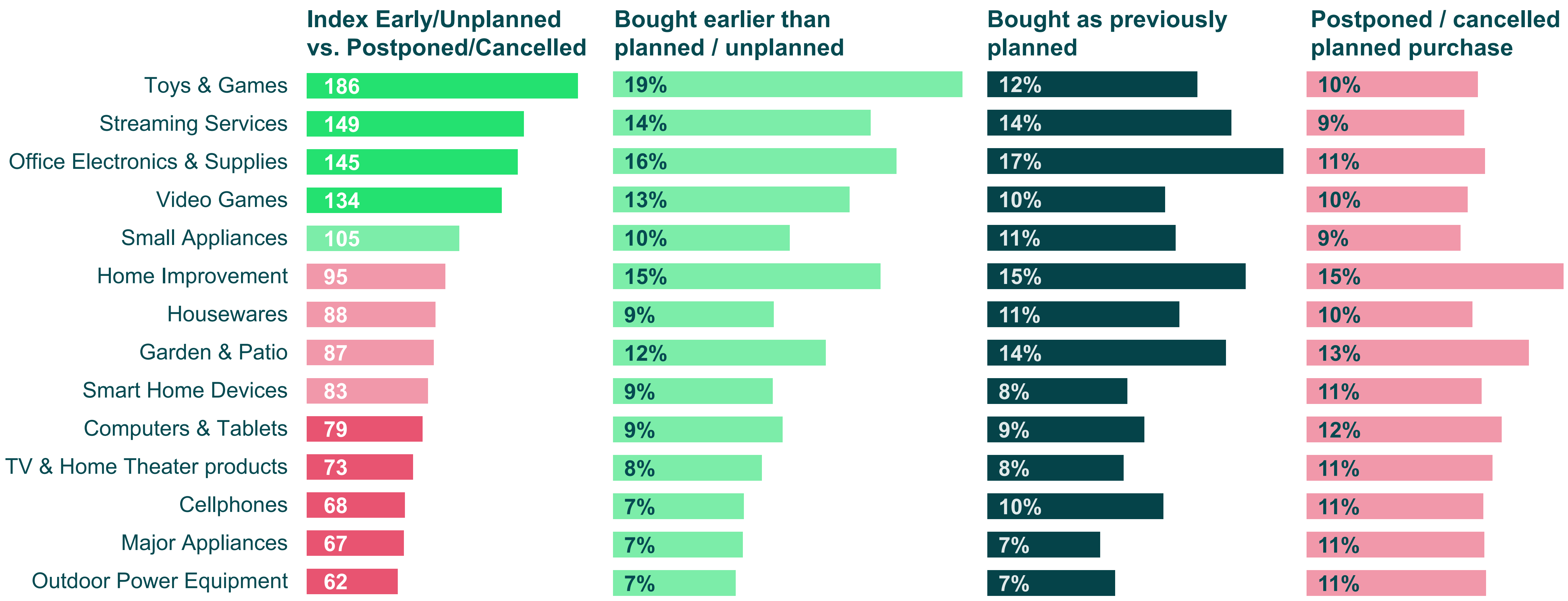
Consumer behavior is changing with the news cycle.

Have your purchase decisions for any of the following products changed as a result of COVID-19?



Numerator Survey 4/3/2020 – Verified buyers of select durables categories

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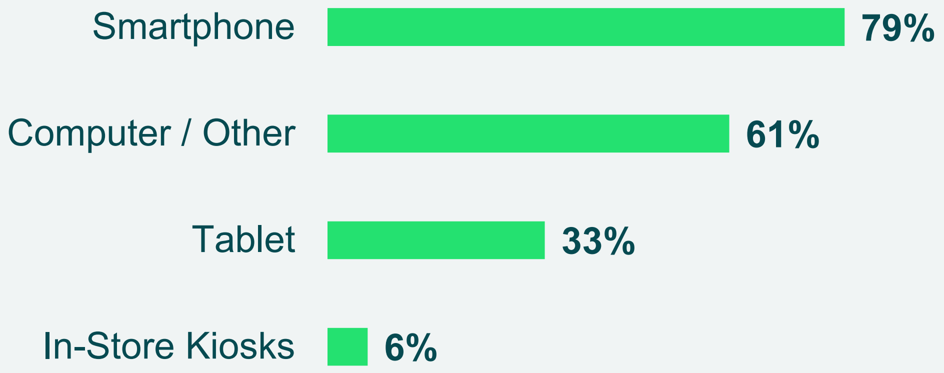
COVID-19 is contributing to new online growth

How has COVID-19 impacted your shopping behavior?

Numerator Survey 4/3/2020 – Verified buyers of select durables categories

Devices Used to Shop Online



Online Shopping Attitudes

66%	45%	39%
Saves me time	Saves me money	Buys hard to find items online

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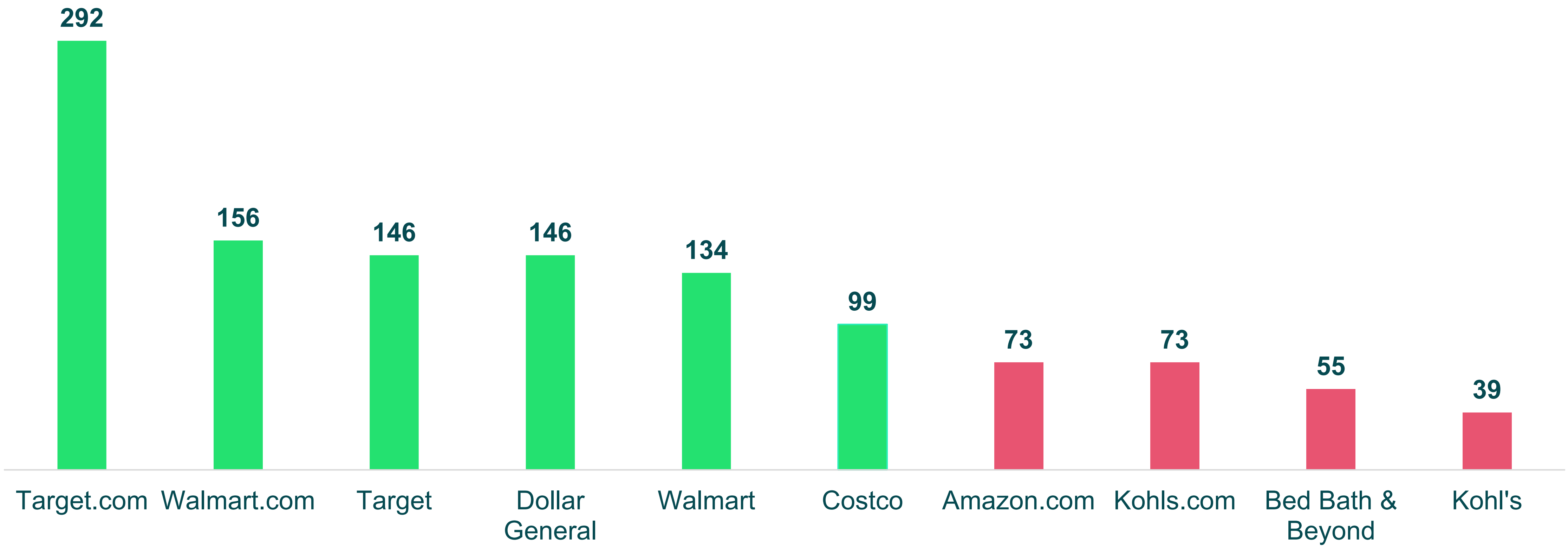
COVID has driven seismic shifts in Retailer Share of Wallet for Small Appliances

Index of Retailer Share of Wallet, Small Appliances



Source: Numerator Insights – January 1, 2020 through May 9, 2020 vs. YAGO

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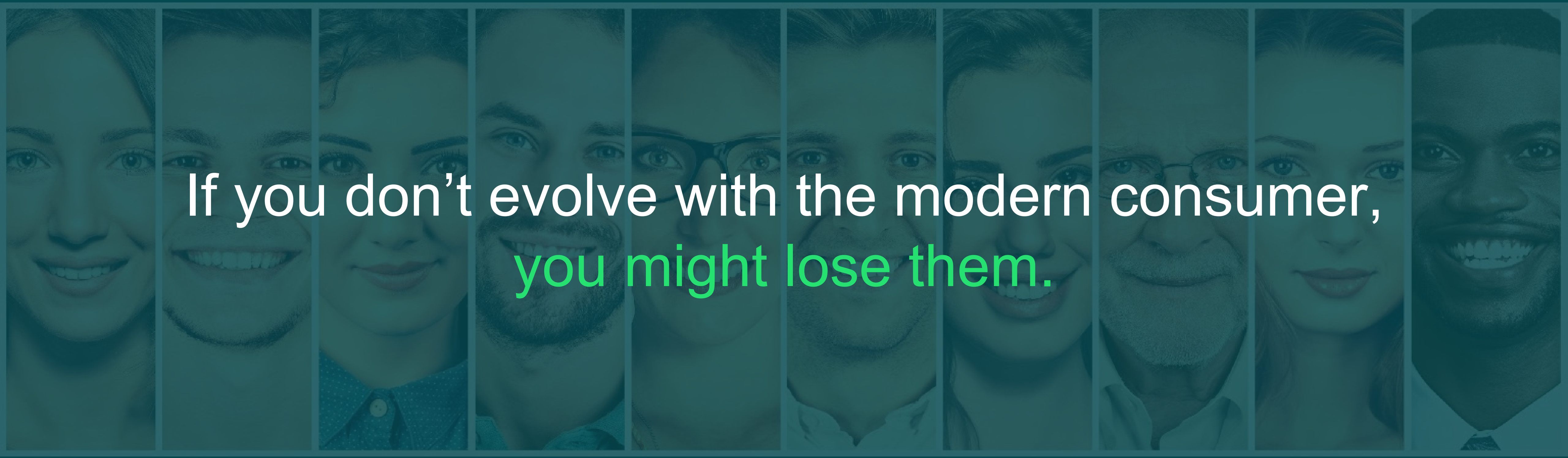

If you don’t evolve with the modern consumer, you might lose them.

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To future-proof your business, you need a deeper understanding of your modern consumer, NOW.

People Insights

Who is your modern consumer, and how do they think?

- Demographics – Who are they? Where do they live?
- Psychographics - What do they like? What are their interests?
- How do they consume media? What are their favorite platforms?

Shopper Insights

How does your modern consumer behave?

- What are they buying?
- Where are they buying it?
- How frequently are they buying?
- How much are they spending?

People insights take you beyond demographics to truly understand your modern consumer

Who is your modern consumer?

How do they think and feel? What do they love?

How do they consume media? What are their favorite platforms and devices?

How do they shop? WHY do they shop that way?

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People Insights:
Psychographics

How do vegetarian housewares shoppers differ from meat eaters?

Example: Vegetarian Psychographics

Psychographic data leads to deeper consumer understanding

This information helps brands target and craft messages to specific groups that will resonate and result in increased sales.

In general, vegetarians…

- **Over-index for food allergies**
- **Dine out more frequently**
- **Prefer organic or natural ingredients**
- **Are very concerned about the environment**
- **Are extremely active**
- **Are spenders, not savers**

Source: Numerator Insights – 52 weeks ending 5/24/20

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People Insights:
Shopper Profile

How do vegetarian shoppers differ from meat eaters?

Example: Vegetarian Shopper Profile

A household's diet alone doesn't tell the whole story

Top 3 retailers for Vegetarians – Walmart, Amazon and Costco but their spend at Walmart is well below Meat Eaters and heavily over-indexed at Costco and Target

GENERATION
Millennials
HHs: 34.1%, Index: **152**

ETHNICITY
Hispanic/Latino
HHs: 20.4%, Index: **156**

MARITAL STATUS
Never Married
HHs: 34.2%, Index: **168**

Source: Numerator Insights – 52 weeks ending 5/24/20

With **shopper insights**, you can quantify the impact of shopper behavior on your brand

Know what they buy, where they buy it, and how often

Measure share of wallet across products and categories

Understand fluctuations in buy rate, household penetration, and overall sales

Discover which retailers are best at converting a category's shoppers into category buyers

Shopper Insights:
Shopper Profile

How do vegetarians' housewares shoppers differ from meat eaters?

Vegetarians vs. Meat Eaters

Compare them at a category level – Cookware Sets

Top 3 retailers for Vegetarians change by category – Walmart still leads but Costco more than doubles there share of wallet within this category and surpasses Amazon.com

GENERATION
Millennial
HHs: 36.6%, Index: **177**

ETHNICITY
Hispanic/Latino
HHs: 29%, Index: **174**

MARITAL STATUS
Never Married
HHs: 29.5%, Index: **168**

Source: Numerator Insights – 52 weeks ending 5/24/20

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Shopper Insights:
Sales Leakage

Where and what are vegetarian cookware buyers in places other than Walmart?

Example: Sales Leakage Analysis

Vegetarian Cookware Buyer Leakage from Walmart

92% of vegetarians shop at Walmart.
Of these households, 12.6% of them purchased cookware.

Walmart captured 64.6% of all vegetarian household cookware purchases and their buy rate is $28.
The remaining 35.4% purchase elsewhere and their buy rate is $34

Target, Amazon and Costco are the top 3 stores these households they buy from. Ability to look at item level detail by store as well

Clients leverage this information to help retailers:
- Understand category performance within their store
- Uncover new opportunities to drive growth at either a brand or item level

Source: Numerator Insights – 52 weeks ending 5/24/20

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Housewares Case Studies

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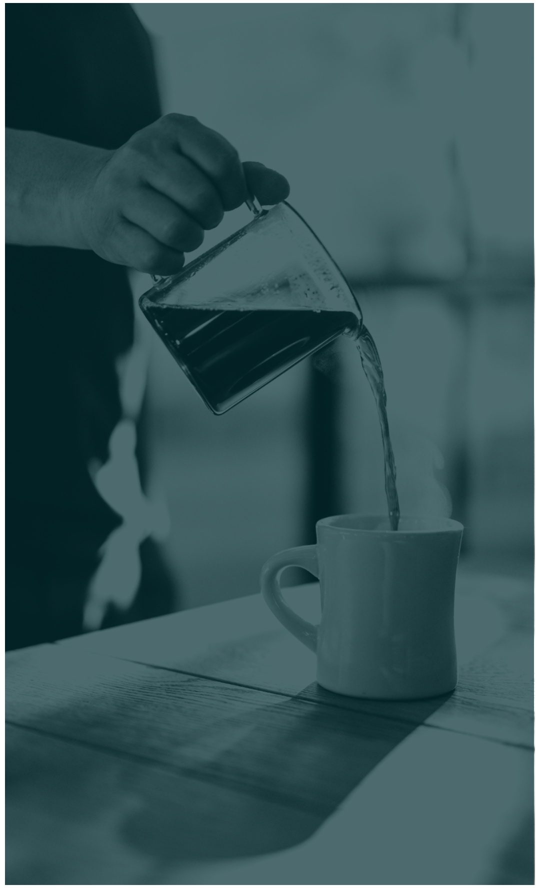
Path to Purchase Survey leads to 1% growth opportunity for major beverage-maker company by enhancing shopper experience within retailers.



Business Need

A major beverage and beverage-maker company wanted to understand shopper dynamics and the decision-making process for purchasing coffee brewers, in order to enhance the shopping experience with key retailers.

Insights Leveraged

Numerator created a custom survey targeted to people who have made a prior purchase of a brewer to better understand how they came to the decision of purchasing their brewer.

Consumer feedback determined a decision tree and a data-driven priority of how consumers wanted to shop for their brewer in retailers.

Value Realized

Results showed the top 3 considerations in purchasing a brewer are brand, price and product feature. Using this data, the company decided to:

Communicate brand information and feature innovation outside the store to influence shoppers during research phase.

Organize the shelf by price to clearly identify affordable options.

Organize the aisle by main product feature and include shelf communication, in-store research through apps, etc. to aid in decision making.

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Amazon Assortment Recommendation: By identifying leakage and closure opportunities, Client built a defense story to impact Q4 sales

$250,000
In business impact

Business Need

Client in Beauty category needed to understand how Beauty buyers were shifting their spend to online, especially Amazon. They were looking for a comprehensive view of the Amazon Beauty shopper for their own brand to inform their 2019 strategy

Insights Leveraged

- Client Brand's Beauty buyers on Amazon are 2.5x more valuable than an average Amazon shopper
- Only 7.5% of Client Brand Beauty Buyers make that purchase on Amazon
- If Amazon can increase that closure rate by just 1%, it's worth ~$14 million

Value Realized

- Client's Amazon category management team took these insights directly to their buyer at Amazon
- Results influenced the Q4 sales to Amazon – a big impact on the Client's Ecommerce business

Client Brand Beauty Amazon Closers
7.5%

Non-Closers
92.5%

+1 Point of Closure
=
$14 million
opportunity

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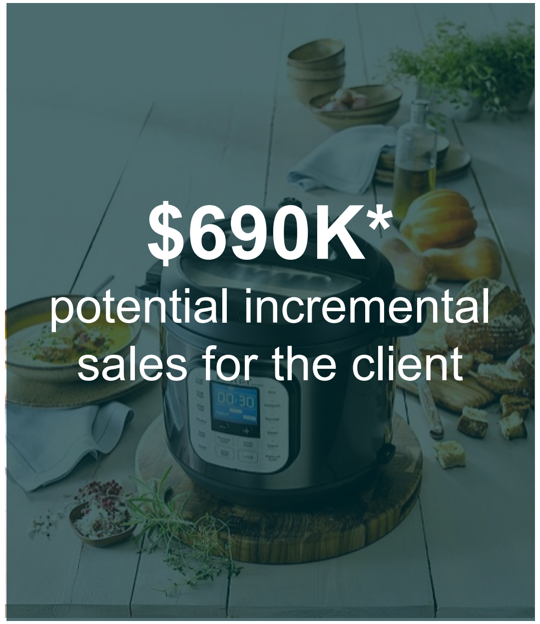
Securing Secondary Placement and Campaign Effectiveness: Incremental placement and targeting recommendations led to 17% sales lift.



Business Need

- Client was trying to gain secondary placement to coincide with the launch of a retailer's new email campaign.
- Client also wanted to highlight the value of co-merchandising alongside another category within its portfolio.

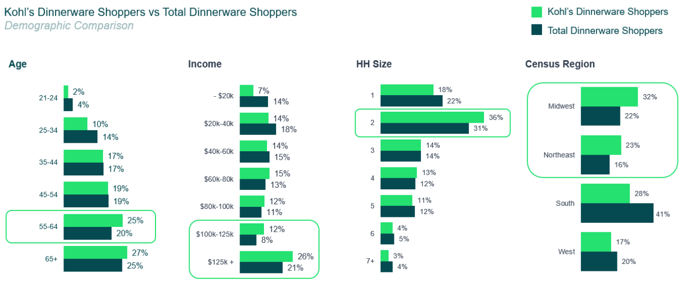
Insights Leveraged

- Shopper profile highlighted which shoppers would be most likely to buy in the first place.
- Potential for driving incremental trips and $ opportunity illustrated the value in co-merchandising with multi & pressure cookers.

Value Realized

- Client secured incremental placement, which has driven +17% in brand sales YTD.

Kohl's Dinnerware shoppers are more likely than other Dinnerware shoppers to be 55-64, high-income, and 2-person households



Converting multicooker shoppers can help boost the overall kitchen & dining business at Kohl's

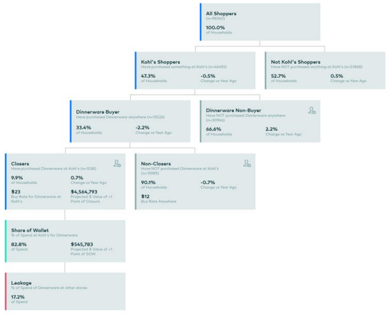
7.8%
Of Kohl's slow, pressure, & multicooker shoppers also purchased Dinnerware at Kohl's in the past year.

$60
Average spend per household on kitchen & dining products among Kohl's cooker + Dinnerware shoppers, which was **73% higher than dinnerware only** shoppers.

2.5 trips
Number of kitchen & dining trips made by cooker + dinnerware shoppers, which was **38% higher than dinnerware only** shoppers.

And growing the Dinnerware business is a big $ opportunity for Kohl's!

Dinnerware Leakage Tree – Kohl's



$4.6M opportunity to grow category closure rate +1 point!!

A $22 million ROI opportunity was uncovered for the retailer and brand by expanding higher price point hair care appliances for the Fall season.

Business Need

Client was tasked with determining if the retailer should change their Hair Appliance department to include different or new products, or adjust total linear feet of categories, specifically looking at Straightening Brushes, which was new to the market and gaining share in the market.

Insights Leveraged

Leveraging demographics, leakage trees, and shopper metrics to determine category shifts, and a survey to understand the Why behind the Buy, Client was able to show that there was room for price points to increase, along with the importance of Straightening Brushes.

Value Realized

Retailer buyers used the analysis to make their strategy decisions, adding 8 new Straightening Brushes to their offering. They changed the name of their 'Flat Iron' category to 'Straighteners', and brought in higher price point items. The expected ROI for Retailer is **$22M in growth, and $11M for the client.**

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Thinking Forward: Post-COVID Opportunities

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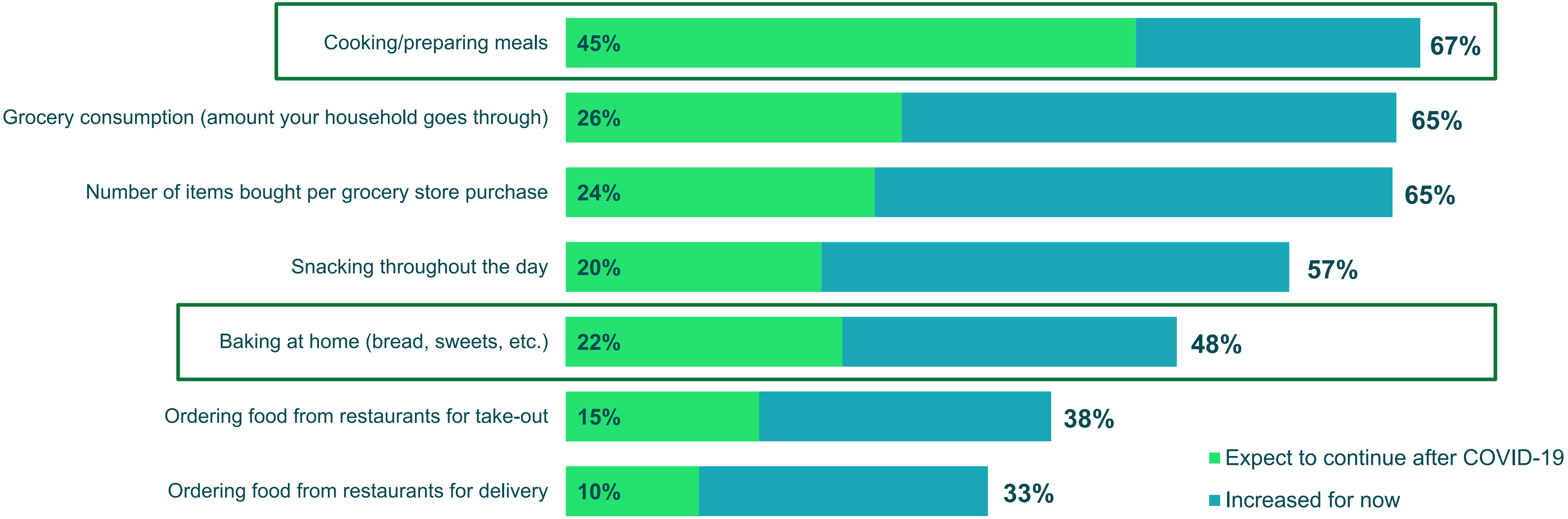
Consumers at home have developed new habits, indicating that some behaviors will remain post-COVID

How have the following activities changed for your household since COVID-19 started?

% who say it "increased significantly" or "increased some"



Numerator Survey 2020

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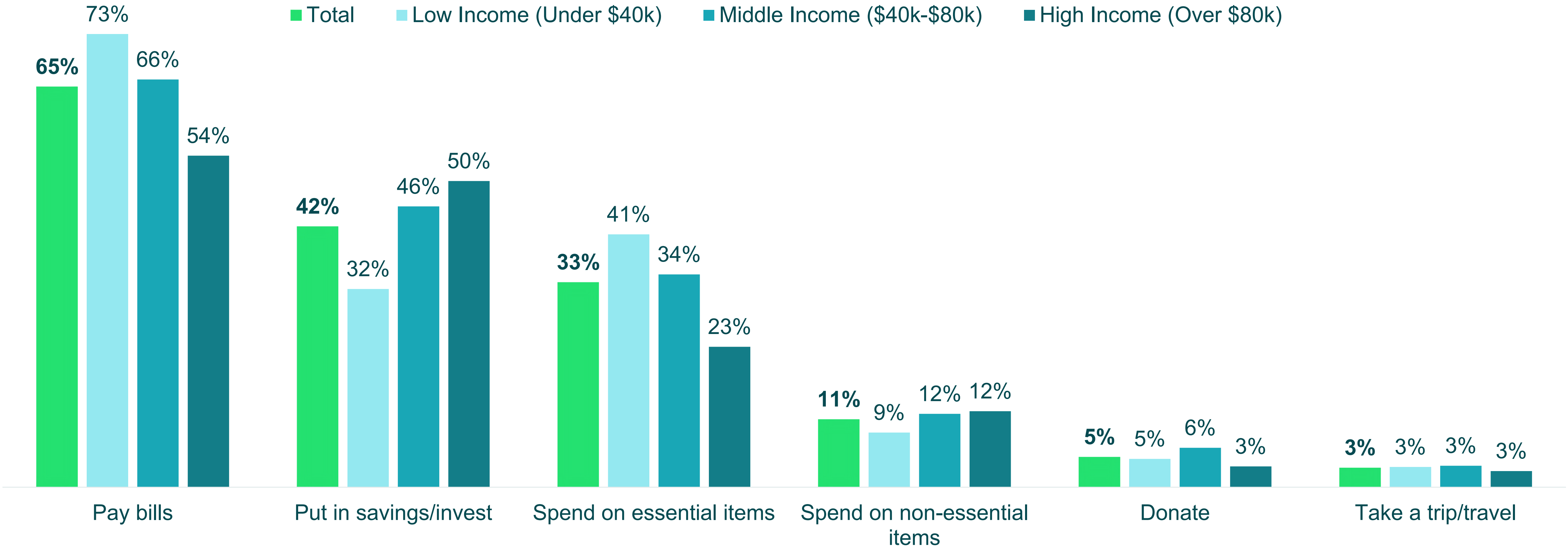
Those that expected a stimulus check planned to use it to pay bills, save or spend on essentials…

How would you plan to use funds from a stimulus check?



Numerator Survey 4/21

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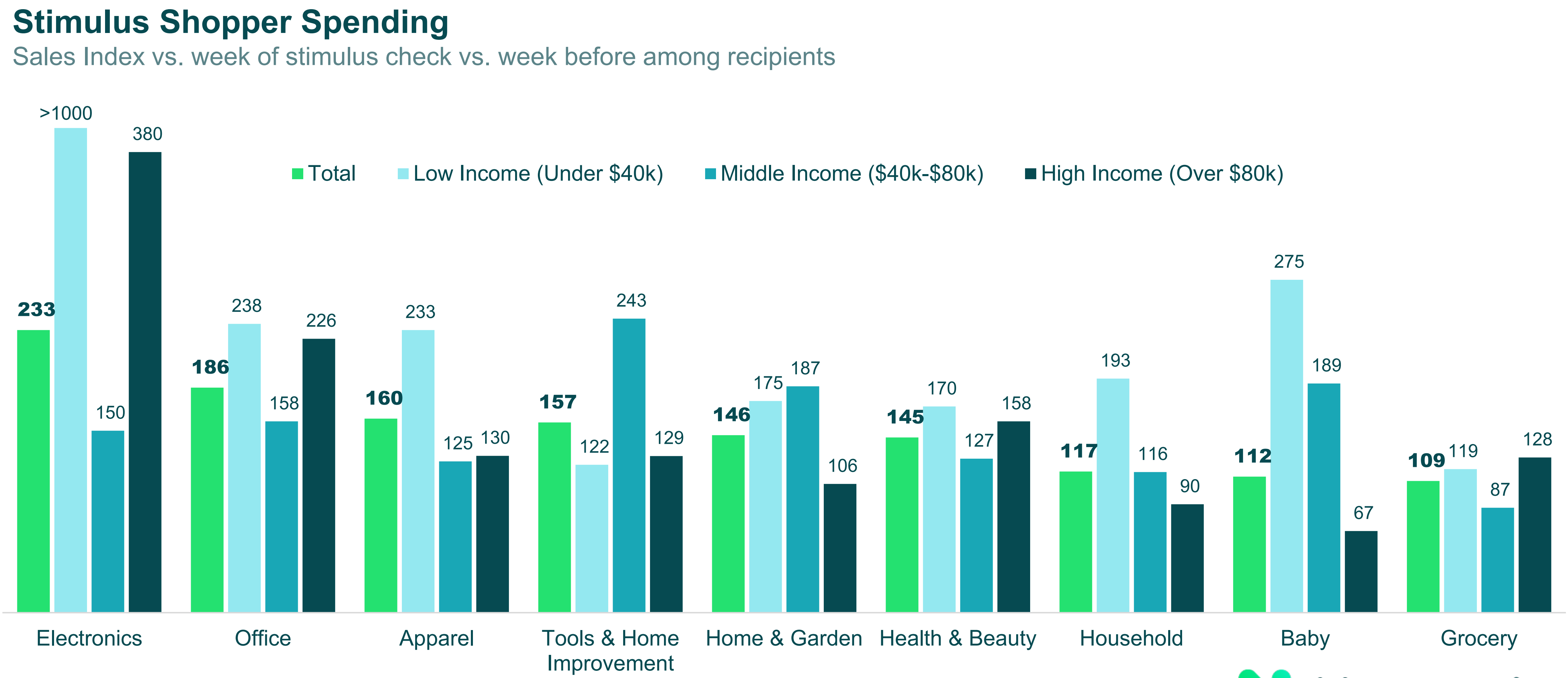
…yet non-essential sectors captured the largest increase in spend among stimulus recipients, varied by income level



Numerator Insights, Stimulus Recipient spending WE 4/19 vs. week prior

the Economic DOWNTURN

Consumers are deeply worried about: the economy and anticipating a 2^{nd} COVID wave

As the recession takes hold, low cost stores and brands will gain – premium will struggle

Consumers intend to pay bills, but non-essentials capture unexpected spend post stimulus

While the financially vulnerable were first to be impacted, a second wave of consumers - middle income - are already feeling effects

Fast. Forward.

New Capabilities for the Future

COVID-19 PREMIUM PEOPLE GROUP

DYNAMIC RECESSION SEGMENTATION

SEGMENTATION EXAMPLES

WORRIED BUT OKAY

- Still employed
- Highly concerned about future
- Older, suburban
- Willing to try new products

TEMPORARILY MIDDLE INCOME

- Unemployed
- Less concerned about future
- Younger, urban
- Wants to return to my old shopping routines

ADAPTING TO A NEW NORMAL

- Decreased HH Income
- Less concerned about future
- Middl
- Rural/sub
- Buyi
product c

HIT HARD

- Unemployed
- More HH
m ers

urban
- Brands not sincere

NOW IN BETA

Actions You Should be Taking Now

1 Understand your consumer as deeply as you can

- Demographics are not enough
- Combination of known purchase behavior (buy) and a complete understanding of purchase drivers (why) are key

2 Understand retailer dynamics by category to uncover opportunities and create win/win situations

- Drive incremental sales in existing categories by helping increase buy rate and grow total basket size by driving adjacent category purchases

3 Get ahead of new shopping behaviors

- Online shifts, BOPIS, Smartphone as lead buying tool. Timely data needed to understand if these are the new normal or just a pandemic phenomenon
- Understand behaviors to meet consumers where they are at and adjust sales, assortment and promotional approaches as needed

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Thank you!

Contact us today for more information on how Numerator can help your business grow

hello@numerator.com

https://www.numerator.com/industries/housewares

THE INSPIRED HOME SHOW®

INTERNATIONAL HOUSEWARES ASSOCIATION IHA® THE HOME AUTHORITY