

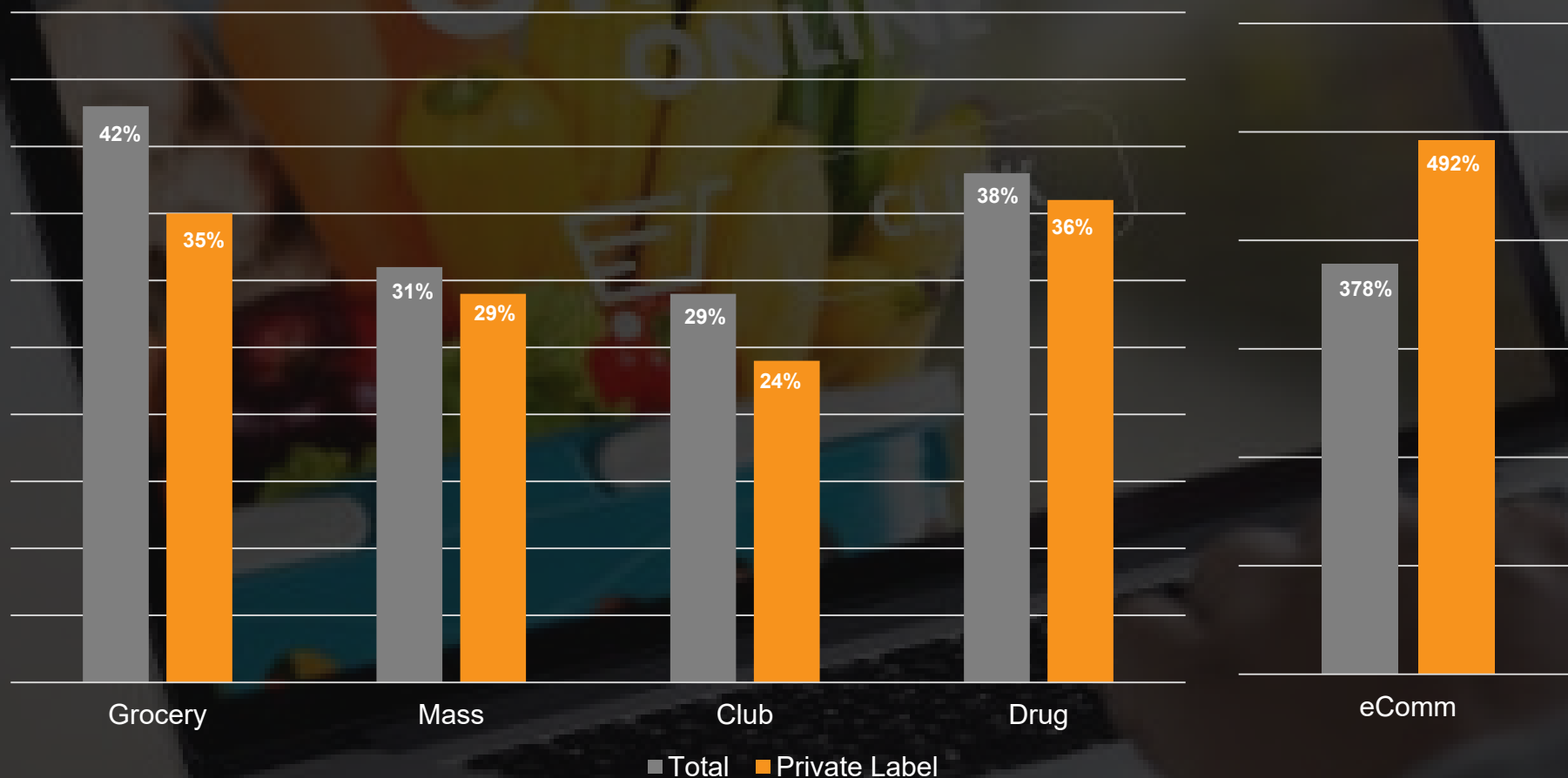


Mother
PARKERS[®]
TEA & COFFEE | EST. 1912

**GROWING PRIVATE LABEL
TEA & COFFEE IN ECOMMERCE**

CONSUMERS HAVE SHIFTED THE WAY THEY BUY GROCERIES, PRIVATE LABEL BRANDS ARE POISED FOR GROWTH ONLINE POST PANDEMIC SHIFTS

COFFEE DOLLAR % CHANGE – MARCH VS. FEB 2020



Nielsen Total USA XAOC 4 WEEKS END 04/04/20.
MPTC Ecomm Tracking Data w/e 04/04/20

AS A NEW NORM DEVELOPS, PRIVATE LABEL BRANDS NEED TO ANTICIPATE A LONG TERM SHIFT TO ONLINE

	WAVE 1 PANTRY LOADING	WAVE 2 REALITY	WAVE 3 RECESSION	WAVE 4 THE NEW NORMAL
CONSUMERS	Consumers react by hoarding staples and flocking to online shopping to pantry load. Promotional plans are halted	Pantry loading abates, new competition thrives online, consumers become fluid with online purchasing. Grocery continues to see gains	Unemployment levels rise. Consumers will focus on price and look to private label to satisfy that need. EDLP will drive consumer adoption	Contactless experiences remain and consumers seek new ways to trial new brands and products
ONLINE	31% of U.S. households used eCommerce for groceries in March '20, up from 13% in Aug '19 ¹	US Home delivery and store pickup grocery sales reached a new record for April, hitting \$5.3B. +37% from \$4B in March '20 ²	The right assortment, format and price, accompanied by compelling online images and descriptions will optimize PL growth	Online path to purchase optimized to highlight "new" products for awareness. In-order samples of new products added for trial
TEA & COFFEE	eCommerce PL coffee growth of 492% through March '20 ⁴	PL Share of coffee category sales grew +14%	During the '08 economic downturn 76% of private label categories gained \$ share ³ including coffee & tea	Higher online sales require larger pack formats of coffee & tea to satisfy consumers needs

Sources: 1. <https://progressivegrocer.com> 2. www.supermarketnews.com 3. Nielsen Scan Data 4. MPTC Turf Analysis 4 US Retailer X eCommerce Data –week ending April 4, 2020 5. Nielsen Market Track National All Channels, week ending April 4, 2020

IN LESS THAN 7 MONTHS THE NUMBER OF ONLINE GROCERY SHOPPERS HAS MORE THAN DOUBLED*

As consumer behavior shifts for the long term, private label products will need to be more thoughtful about the digital shelf to drive growth

- Online vs. In Store Category Assortment & Range
- Online Category Optimization through Taxonomy
- Product Placement Decisions? Brand or Private Label?
- Online / owned site promotional placement
- Digital Shelf Fundamentals for private label tea & coffee assortment
 - How key product attributes are readable online
 - Product and packaging images with impact
 - “Quick scroll” product descriptions

31%

OF U.S HOUSEHOLDS USED
ECOMMERCE FOR GROCERIES
IN MARCH '20

VS

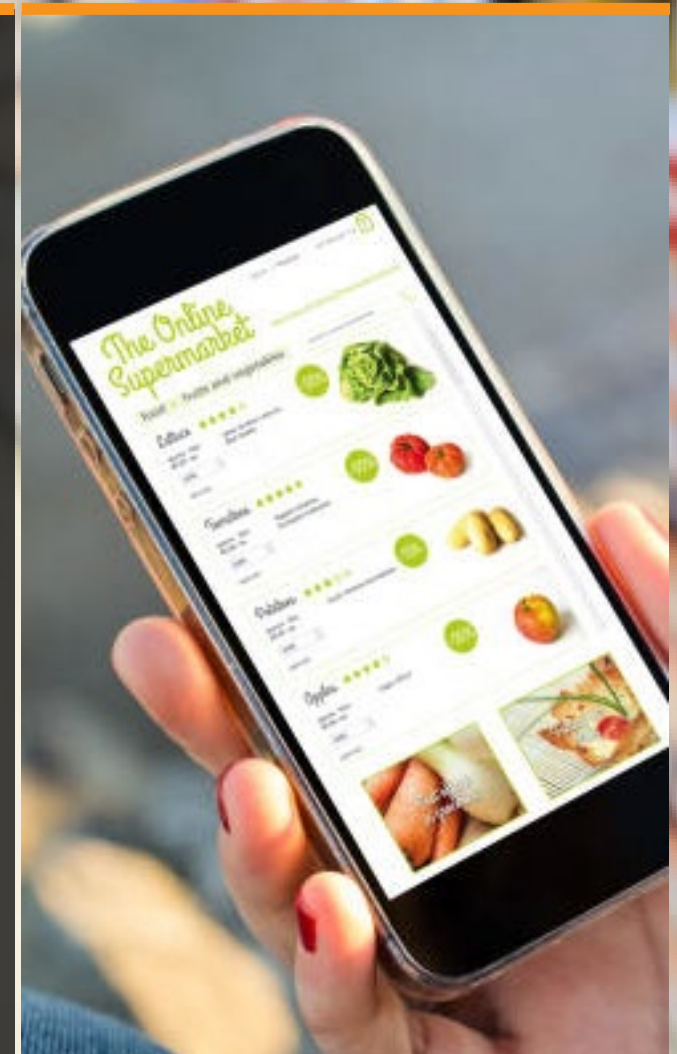
13%
AUGUST '19*

Source: Progressive Grocer April 2020

43% OF NEW ONLINE GROCERY SHOPPERS ARE 'EXTREMELY' OR 'VERY LIKELY' TO SHOP ONLINE GROCERY AFTER PHYSICAL DISTANCING MEASURES ARE LIFTED

AISLE DISRUPTION NO LONGER A VIABLE TACTIC

- Loyalty through repeat purchasing means private label brands need to control their destiny through digital shelf optimization and prominence on the 1st page of search results to compete with National Brands
- Digital optimization simplifies the path to purchase
- Driving trial of new products will require “added to order” sampling initiatives
- Common jargon and search terms guiding to private label named products will drive awareness with new consumers
- Optimizing assortment for the online channel will drive value for consumers and retailers
- Added fees for online shopping are a barrier for consumers, removing them is seen as a value-added benefit that will drive loyalty



Source: https://retailanalysis.igd.com/news/news-article/t/coronavirus-covid-19-three-ways-retail-is-starting-to-lookdifferent/i/24827?utm_campaign=1719778_200330.RA.NL.INT.SUBS.MON&utm_medium=dmemail&utm_source=IGD%20Services%20Limited&dm_i=2Z8W,10UZM,6PWZ4K,3W

HERE'S WHAT WE SHOULD BE DOING TOGETHER IN THE NEAR TERM TO GROW PRIVATE LABEL COFFEE & TEA ONLINE



OPTIMIZE CONTENT

- Ensure all PL products have optimized easy to read images
- Concise product descriptions to inform consumer purchase decisions



REVIEW ASSORTMENT

- PL category assortment and format review to ensure your owned brand offering meets the online shoppers needs and is competitive vs National Brand



PROMOTIONAL PLANNING

6-12 month promotional plan incorporating digital tactics such as:

- Search
- In-Order Sampling
- Loyalty rewards for PL purchase

LET'S PLAN FOR THE FUTURE TO DRIVE YOUR PRIVATE LABEL TEA & COFFEE PROGRAM ONLINE



ENHANCED USER EXPERIENCES

- Online category hierarchy (taxonomy) optimization based on shopper behavior and preferences
- Loyalty rewards and product recommendations linked to past behavior



PACKAGING OPTIMIZATION

- Beyond size and assortment, focus on packaging optimized to reduce shipping costs and made to withstand all fulfillment models. This also supports sustainability initiatives



DIGITAL ECOSYSTEM INTEGRATION

- Semi-annual omnichannel category planning for tea & coffee across all points of disruption for shoppers



**WE'RE THE
COFFEE AND TEA
EXPERTS OUR
CUSTOMERS
COUNT ON EVERY
DAY**

**WE'RE INVESTED IN THE FUTURE OF GROCERY
ONLINE AND WE'RE HERE TO HELP**

- Online Category Range Recommendation
- Simplified Shopper Journey And Path To Purchase
- Mobile Optimized Imaging & Enhanced Product Content
- Omni-Channel Category Expertise
- Digital Shelf Fundamentals
- Packaging Alternatives For Direct Ship
- Large Format Product Assortment
- Online Category Optimization
- Annual Planning

**WE DON'T JUST KNOW WHAT TO DO.
WE'LL ALSO HELP YOU DO IT.**