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PRESS RELEASE

Soaring food prices are forcing more consumers to make sacrifices, research shows

The number of consumers cutting back on their grocery shopping as a result of inflation has grown significantly during the past year, according to new research.

In a survey commissioned by specialist PR consultancy Ingredient Communications, a quarter of respondents (24.9%) said they had stopped buying a food or beverage product in the previous three months due an increase in price. This is significantly higher than 10 months earlier in late 2021, when the same survey found that 17.6% of shoppers had traded out of a product because it had become too expensive.

The research, conducted by SurveyGoo, also found that nearly half of respondents (48.4%) had purchased a product less often, compared with 36.5% previously. More than half (50.9%) said they had bought less of a product, compared with 40.8% before, while 57.8% said they had switched to a cheaper brand, compared with 47.5% in 2021.

Retailer brands have benefited from the squeeze, with 35.6% of respondents saying they had switched to an own label version of a product, versus 25.8% in the previous survey.

SurveyGoo polled 1,000 consumers in the USA and UK during the first week of October 2022. The previous survey was carried out in early December 2021 when inflation was already on the rise. Since then, prices have soared even higher. Year on year inflation in the UK's food and beverage category was 14.6% in September this year.¹ In the US, inflation for food consumed in the home was recorded at 13% over the same period.²

Nearly all respondents to the latest survey (98.1%) said they had noticed food and beverage prices rising in the previous three months, compared with 94.2% in the 2021 survey.

Richard Clarke, Managing Director of Ingredient Communications, said: "Since we first conducted our price sensitivity survey in December 2021, the war in Ukraine has exacerbated an already volatile situation. As well as difficulties sourcing certain raw materials, fuel costs have gone through the roof. With winter on the way in the western hemisphere, and no sign of Russia backing down, demand for energy will spike and it's hard

¹ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2022#notable-movements-in-prices>

² <https://www.bls.gov/news.release/cpi.nr0.htm#:~:text=percent%20in%20September,-,The%20index%20for%20all%20items%20less%20food%20and%20energy%20rose,items%20less%20food%20and%20energy>.

to see any short-term easing of the inflationary pressures that food companies and consumers are facing.”

He continued: “In manufacturing, it’s tempting to look for quick fixes to cut costs but in the food industry there are always risks to this. Consumers are very attuned to recipe changes and pack size reductions and social media means news of these can spread fast. At Ingredient Communications, we’ve always advocated using high quality ingredients that differentiate a product. But in these challenging times, it’s also worth talking to your ingredients suppliers to see how they can help. Many have extensive formulation expertise and might be able to advise on how to reduce input costs without compromising on quality or losing brand equity and consumer trust.”

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About Ingredient Communications

Ingredient Communications specialises in global PR & communications for suppliers of ingredients to the food, beverage, dietary supplement and personal care sectors. To find out more, visit www.ingredientcommunications.com.

About SurveyGoo

SurveyGoo are market research consultants, specialising in the creation and delivery of PR surveys and polls. They design, programme and run online surveys using proprietary tools, and operate panels in the UK and Asia-Pacific. They work with small and large enterprises, with a strong track record helping Marketing and PR agencies. Find out more at www.surveego.com.