

Sustainable Market Share Index™ 2022 Report



CSB Sustainable Market Share Index™: Methodology

- Partnered with Circana (formerly IRI) to access Point of Sale data
- POS data examined to date:
 - 36 categories; 40% of total U.S. dollars volume, excluding alcohol and tobacco
 - 10 years: January 2013 through December 2022
 - Reviewed over 250,000 products
- Identified all SKUs for each category marketed as sustainable with on-package communication (e.g., third-party certification, USDA Organic, no phosphates, plant-based, no-phthalates, FSC)
- Analyzed \$ Sales Data

CSB Sustainable Market Share Index™: 2022 Questions

- 1. How have sustainable products fared in the face of inflation and over time?**
- 2. What is the price premium of sustainability marketed products?**

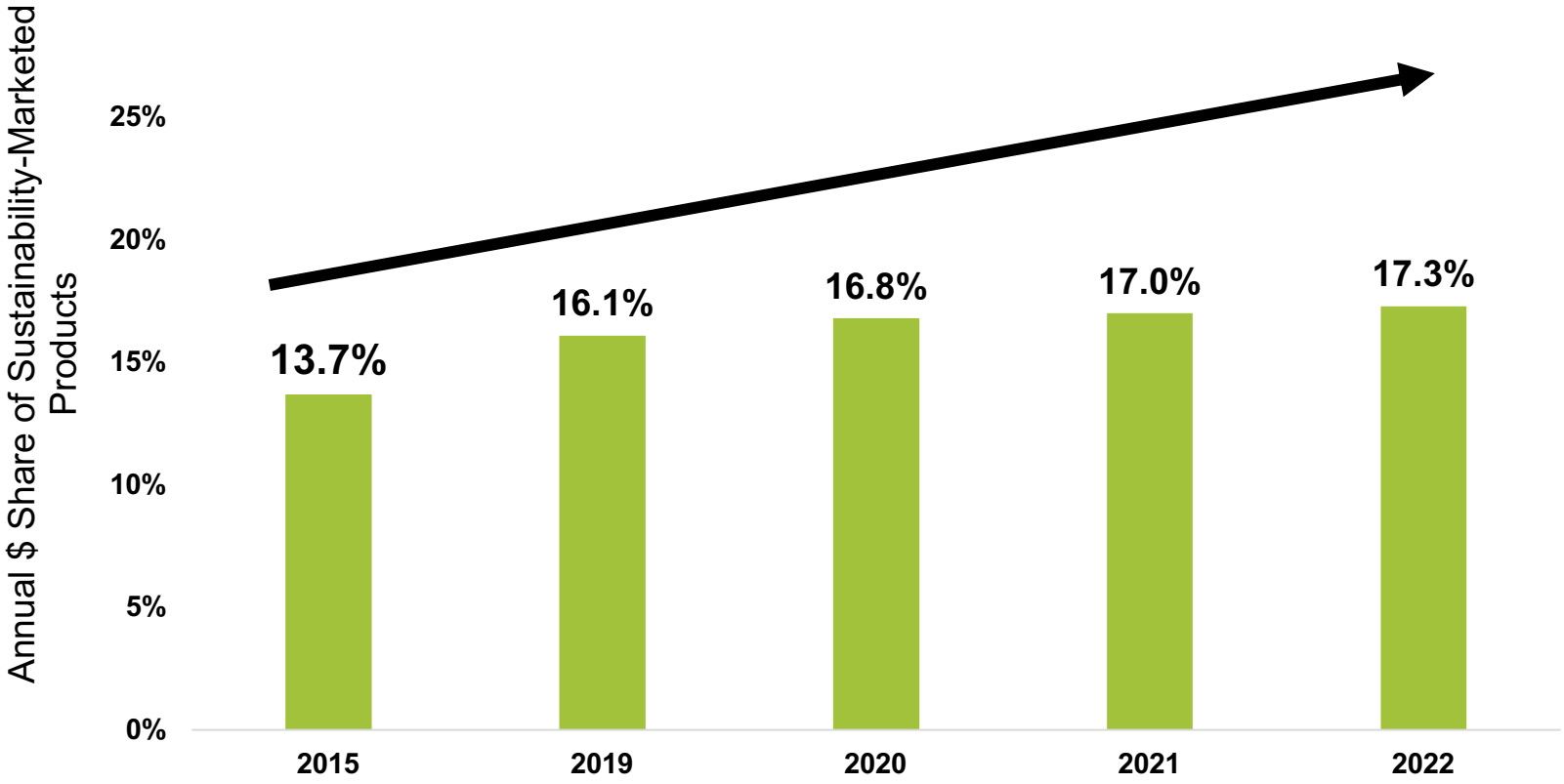
CSB Sustainable Market Share Index™: Research Question 1

Research Question 1: How have sustainable products fared in the face of inflation and over time?



Sustainable Market Share Index™: 2022 Market Share

Sustainability-marketed products continues to **grow share.**

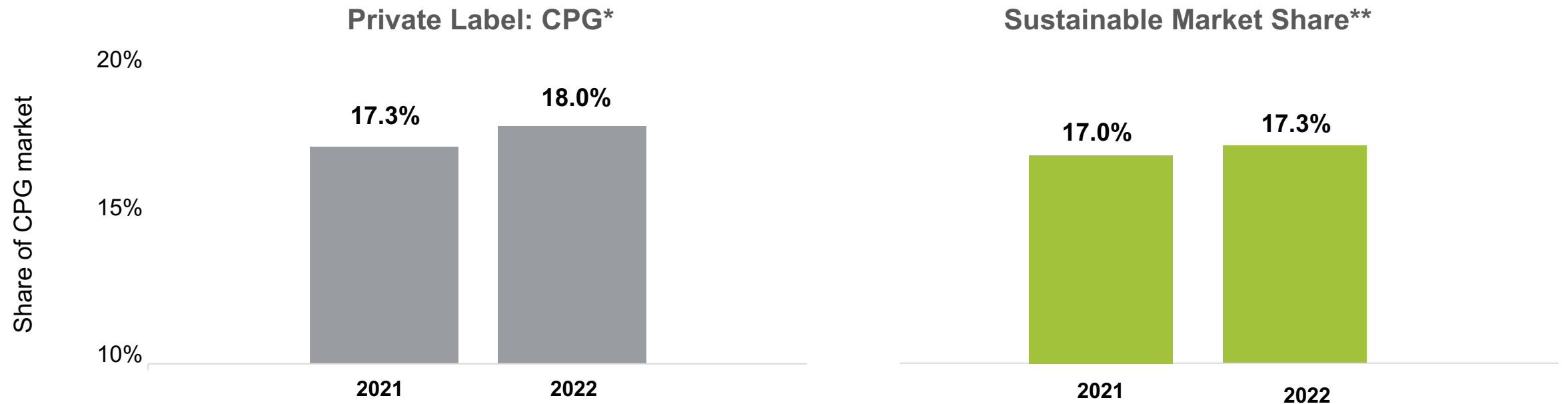


36 categories examined



Sustainable Market Share Index™: Store Brands

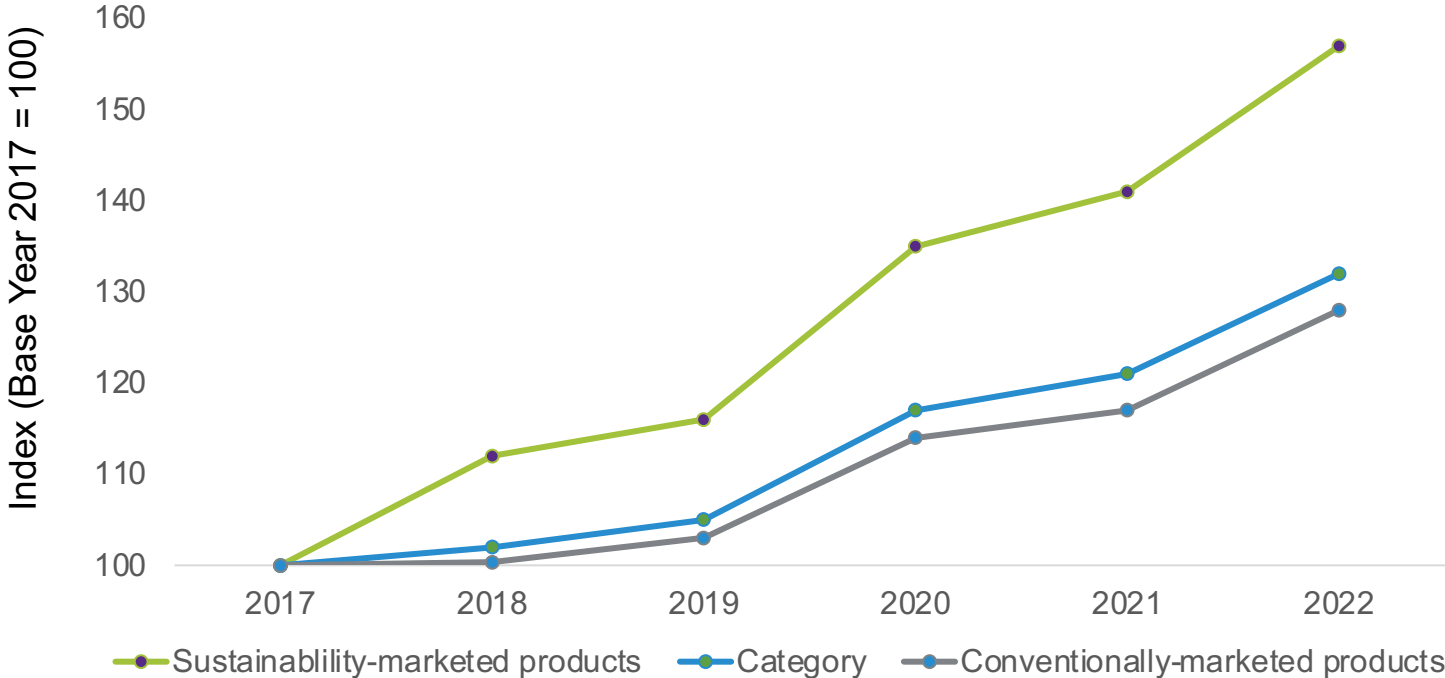
Sustainable market share was up in the face of growing store brand share, suggesting that branded **sustainable products** are **more insulated** from inflation-driven moves to store brands



* From IRI private label report
** 36 categories examined

Sustainable Market Share Index™: Growth Rate

Sustainability-marketed products grew **~2x faster** than conventionally-marketed products



Sustainability-marketed
5-YR CAGR:
9.43%

Total Market 5-YR CAGR:
5.68%

Conventionally-marketed
5-YR CAGR:
4.98%

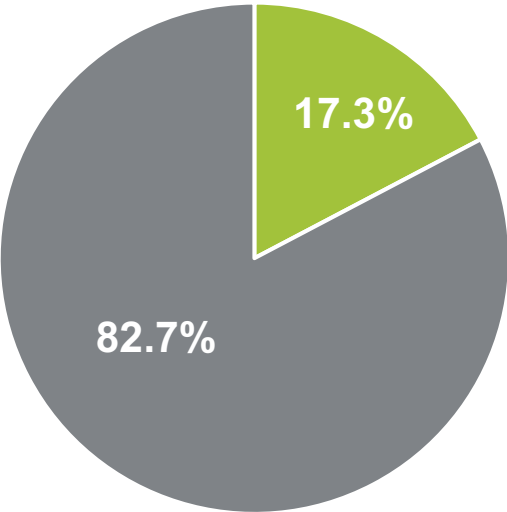
Note: Based on 36 categories examined



Sustainable Market Share Index™: Contribution to Growth

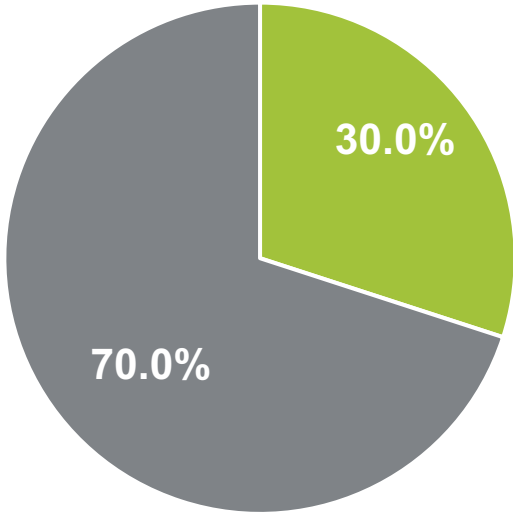
Despite the fact that sustainability-marketed products are less than one-fifth of the market share, they delivered ~**one-third** of the growth since 2013

\$ Share of Market
(2022)



- Sustainability-marketed products
- Conventionally-marketed products

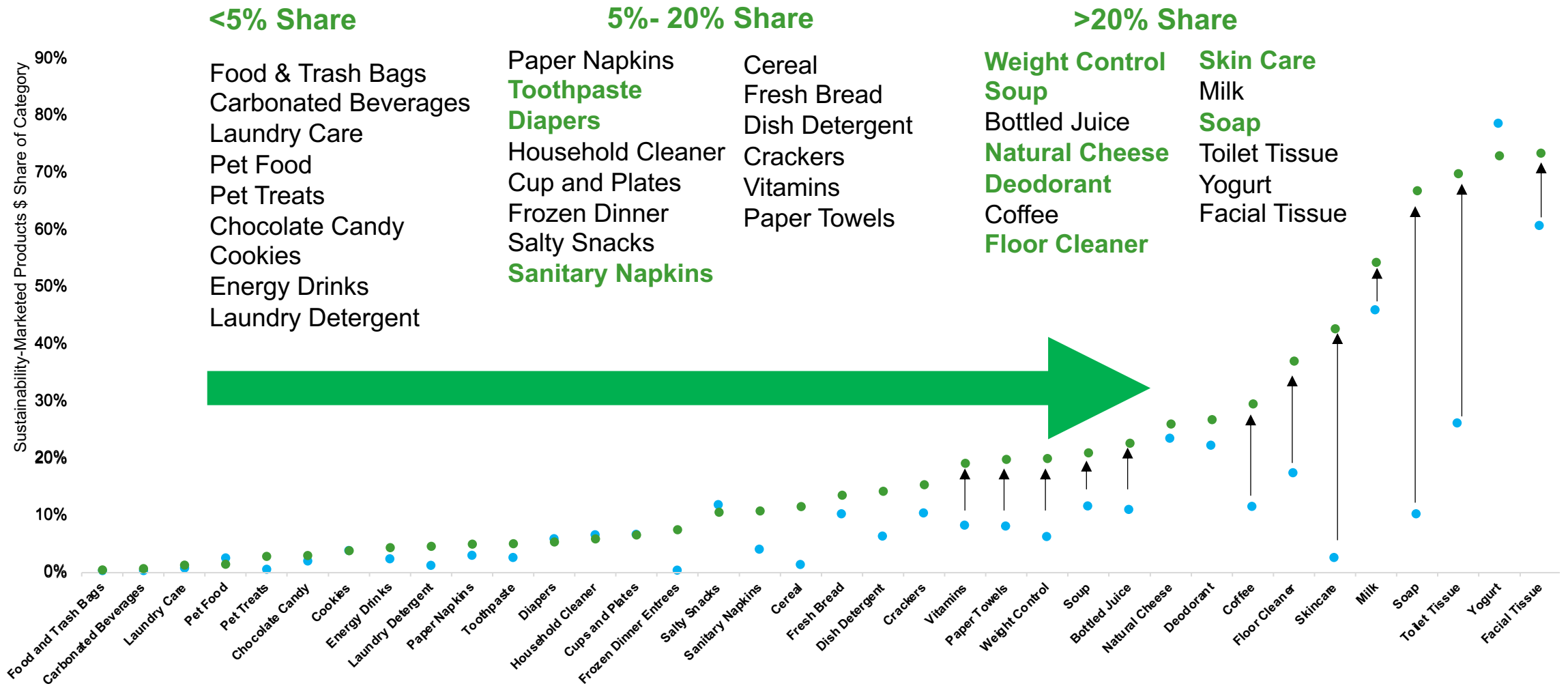
\$ Share of Market Growth
(2013-2022)




- Sustainability-marketed products
- Conventionally-marketed products

*

CSB Sustainable Market Share Index™: Category performance



CSB Sustainable Market Share Index™: Research Question 2

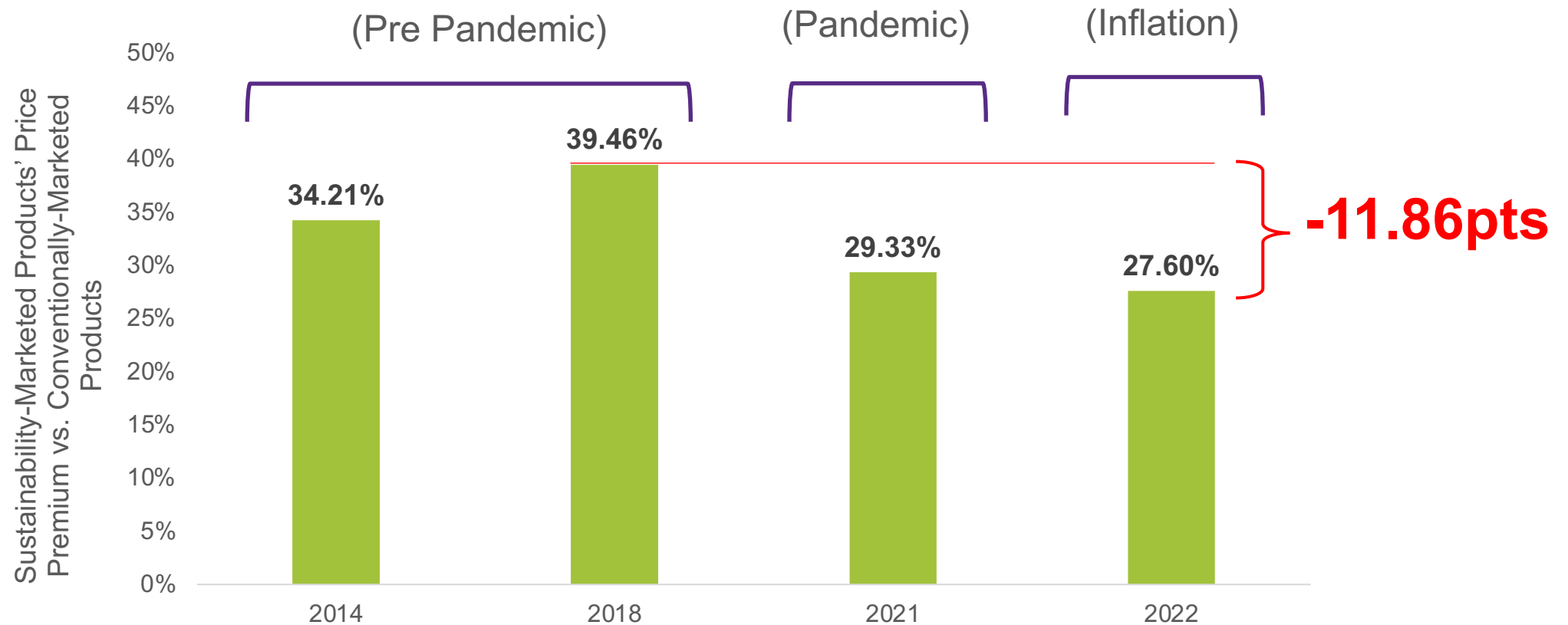


Research Question 2: What is the price premium of sustainability marketed products?

Analysis conducted was among branded players and excluded store brand/private label; based on 35 categories examined

Sustainable Market Share Index™: Price Premiums over Time

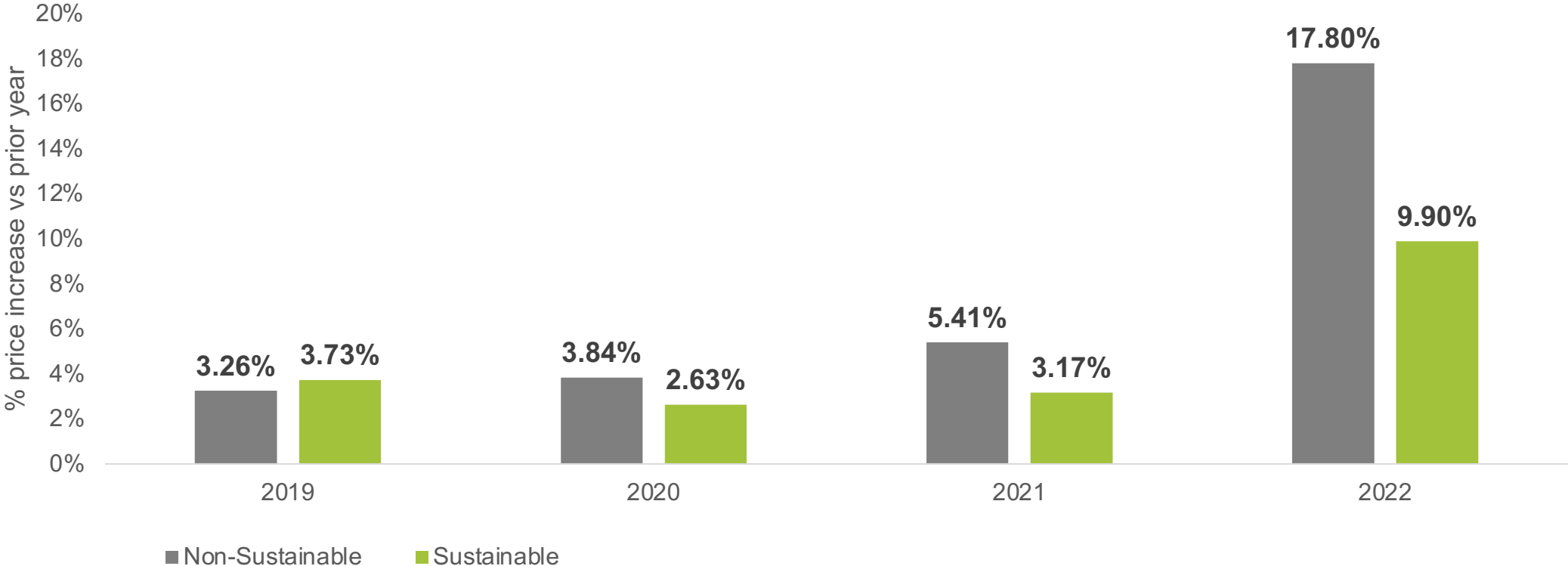
Recent **price increases** on **conventionally-marketed products** reduced the price premium between sustainability marketed products and their conventional counterparts



*Weighted by \$ Sustainable Sales of categories examined; analysis excluded store brand/private label

Sustainable Market Share Index™: Year over Year Price Premiums

Given recent inflationary pressures, conventionally marketed products took **higher price increases than sustainability marketed products**



Sustainable Market Share Index™: Price Premium Explanation

THE WALL STREET JOURNAL.

PepsiCo Revenue Rises as Higher Prices, Snack Brands Lift Business

Soda giant lifts full-year forecast for key sales metric



Pepsi products are still affordable treats, company executives said in explaining why consumers are tolerating price increases.

PHOTO: MARIO TAMA/GETTY IMAGES

By [Alex Harring](#) [Follow](#)

Updated July 12, 2022 11:15 am ET

Consumers are continuing to buy treats like soda and chips at rising prices, even as their pocketbooks get more squeezed by inflation.

PepsiCo Inc. **PEP** **-0.93%** reported a 5.2% increase in revenue in the latest quarter from a year earlier, as prices on average rose 12% and the company benefited from strong sales of its snacks and packaged foods.



FOOD & BEVERAGE

Coca-Cola revenue rises in fourth quarter, fueled by higher prices

PUBLISHED TUE, FEB 14 2023 7:02 AM EST UPDATED TUE, FEB 14 2023 3:11 PM EST



[WATCH LIVE](#)

KEY POINTS

Coca-Cola's quarterly revenue topped Wall Street's estimates, while its earnings were in line.

The beverage company said its unit case volume, which strips out the impact of currency and price changes, fell 1%.

For 2023, Coke projects comparable revenue growth of 3% to 5% and comparable earnings per share growth of 4% to 5%.

THE WALL STREET JOURNAL.

Kellogg Earnings Top Views as Sales Rise 12%

Company says price increases offset inflation without hurting sales volumes



Kellogg Co. said it expects organic sales growth of at least 5% in the year ahead.

PHOTO: TIFFANY HAGLER-GEARD/BLOOMBERG NEWS

By [Dean Seal](#) [Follow](#)

Updated Feb. 9, 2023 10:23 am ET

Kellogg Co. reported a 12% jump in sales during the fourth quarter as supermarket shoppers were undeterred by price hikes that offset the company's elevated food costs.

The maker of Rice Krispies cereal and Cheez-It crackers posted \$3.83 billion in sales, topping analyst expectations of \$3.66 billion as its North American cereal business recovered from a strike and a fire at its plant in 2021.

Sustainable Market Share Index™: Pricing Future

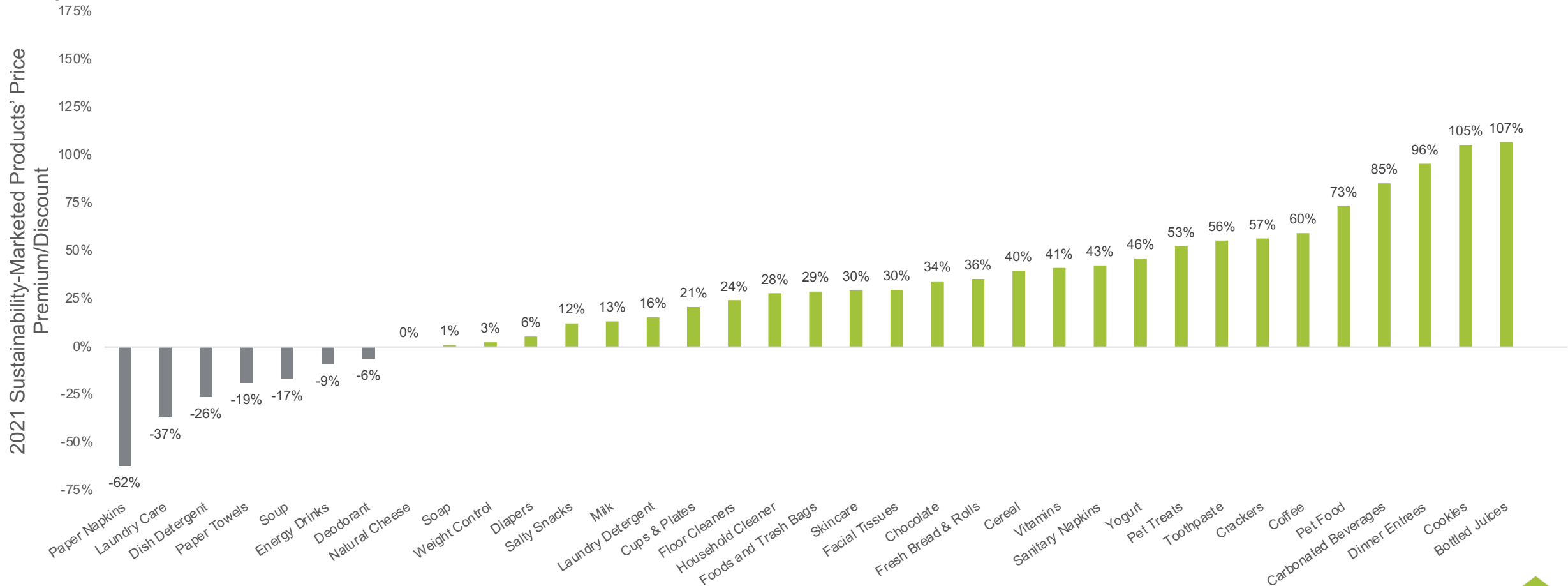


NEW YORK, Feb 10 (Reuters) - **Walmart** Inc ([WMT.N](#)) is **warning** major packaged goods makers that it can **no longer stomach their price hikes, pitching its own private-label products** to shoppers as less-expensive alternatives to suppliers' name-brand goods.

For the world's biggest retailer, which reports earnings Feb. 21, any increase in prices --- even by just a few cents -- can have negative effects, prompting some shoppers to look for bargains at dollar stores or warehouse chains such as Costco ([COST.O](#)).

Sustainable Market Share Index™: 2022 Price Premium by Category

In a large majority of categories, sustainability marketed products **still command price premiums**, ranging from **1% to over 107%**. A few categories had price discounts vs. conventionally-marketed products.



Sustainable Market Share Index™: 2022 Summary

- Shares of sustainability-marketed products **continue to grow**, now at **17.3%** share of the consumer packaged goods market.
 - Grew **~2x faster** than conventionally marketed products.
- While sustainability marketed products enjoy a significant **price premium of 27.6%** vs. their conventional counterparts, the **differential has narrowed**.
 - Some conventional products are adopting sustainable benefits at lower price points.
 - Conventional products are increasing price based on inflationary and supply chain pressures.