



FETCH PRICE INDEX REPORT

SEPTEMBER 2022



Inflation Remains
Stubbornly High.
Despite Fed Moves,
Demand Rebounds

The Fetch Price Index shows inflation continuing its steady incline, +13.1% YOY. Consumers are taking more frequent, smaller trips, unable to curb demand any further.

Fetch analyzed a panel of 465,659 shoppers, tracking 239 million in-store and e-commerce purchases over the last 24 months. This item-level view of shopper behavior captures, in real time, the true state of inflation and its impact on consumers, brands, and retailers. Fetch Rewards is a mobile app with 17 million active shoppers.

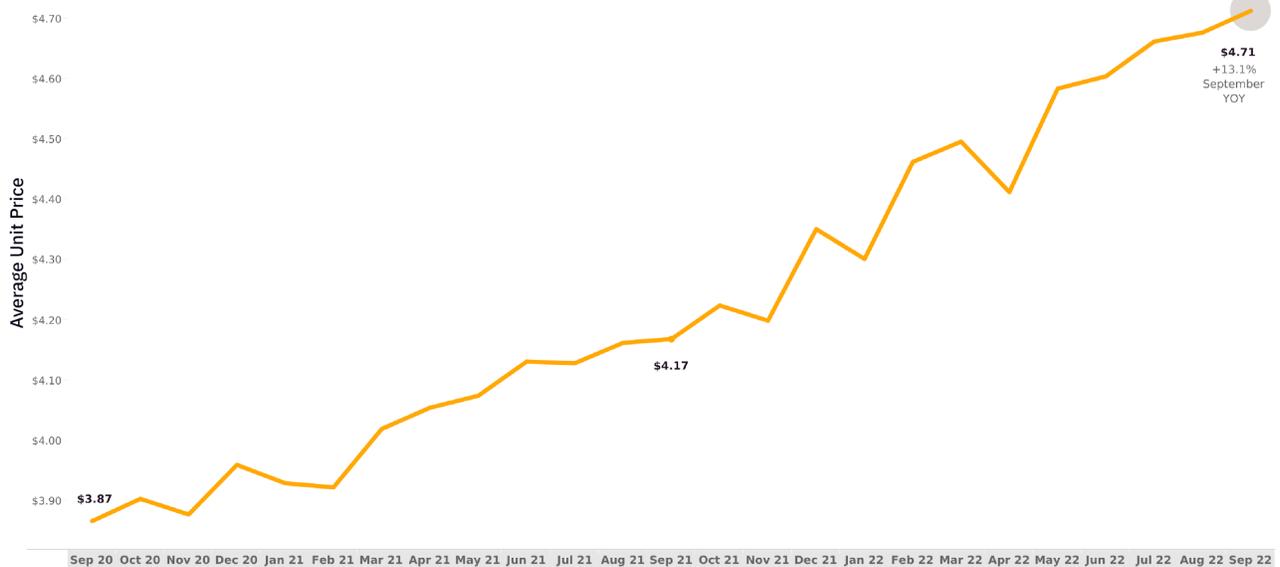
CONSUMER PRICES MARCH STEADILY UPWARDS

The Fetch Price Index reports average consumable* prices at \$4.71 for September, +13.1% growth over the last 12 months (Fig. 1). The rate has stabilized at about +13.0% year-over-year (YOY) over the last three months, which is the highest rate of increase in 43 years, according to the U.S. Bureau of Labor Statistics (BLS).

To fight record inflation, the federal government issued its fifth rate hike this year to 3.25%. However, the impact of last month's Inflation Reduction Act has not been felt by households who are continuing to pay more for everyday consumables. Inflated prices are here to stay.

Fetch Price Index FIG 1

Average Unit Price for Consumables Captured by Fetch*



SOURCE Fetch Rewards: State of the Consumer: Fetch Price Index, September 2022
Jan 2020-September 2022 using a 24 Month Panel Ending September 2022, ~465K users, 239 million receipts

CONSUMERS ACCEPT NEW NORMAL

The amount consumers spend each month remains high, but after months of curbing their needs consumers are bringing slightly more into the household. Spend per HH remains elevated at +18.1% YOY (Fig. 2), the highest YOY increase since January this year. Despite increases in cost, demand is rebounding with Units per HH increasing by +4.3% YOY (Fig. 3), the first increase after months of slump.

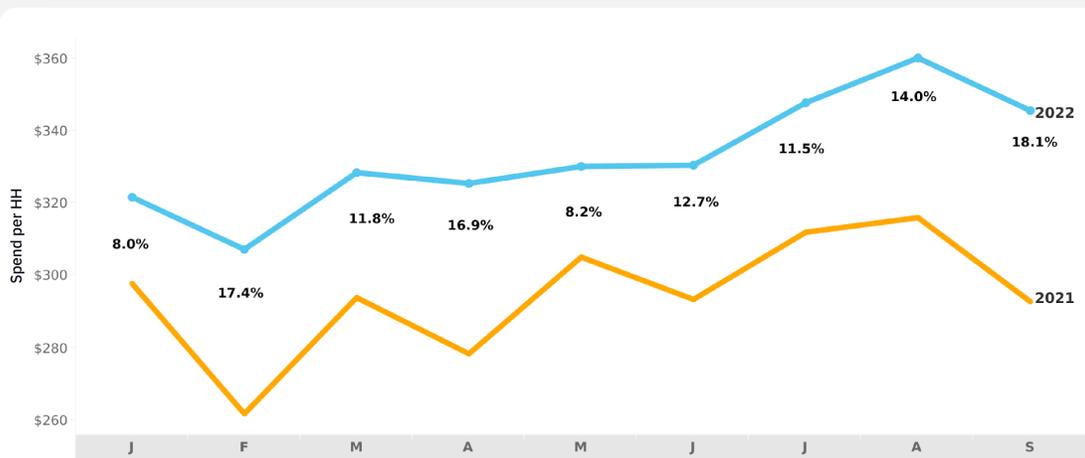
Demand for grocery and other everyday consumables can only be withheld to a point. As consumers pull back on discretionary purchases, their demand for food and personal care at home tends to increase, especially in a homebody economy. September's decrease in gas prices and slight increase in average wage may have provided some relief that helped consumers rebalance their needs. If demand stays consistent, companies will continue to increase or maintain high prices to combat rising costs and protect their bottom line.

Average Spend per HH FIG 2

Year-Over-Year (YOY) Monthly Trend for Consumables Captured by Fetch*

2021

2022



Average Units per HH FIG 3

Year-Over-Year (YOY) Monthly Trend for Consumables Captured by Fetch*



SOURCE Fetch Rewards: State of the Consumer: Fetch Price Index, September 2022
September 2020-2022 using a 24 Month Panel Ending September 2022, ~465K users, ~239 million receipts

CONSUMERS TAKING MORE TRIPS, CONTINUING TO SEARCH FOR VALUE

Households seek value by taking more trips, +5.6% YOY (Fig. 4) with fewer units in the basket. At -1.2% YOY, this is the softest decline compared to previous months. With an average trip costing +11.8% more than last year for a similar number of items, consumers are finding ways to manage, perhaps by strategically selecting lower-priced retailers.

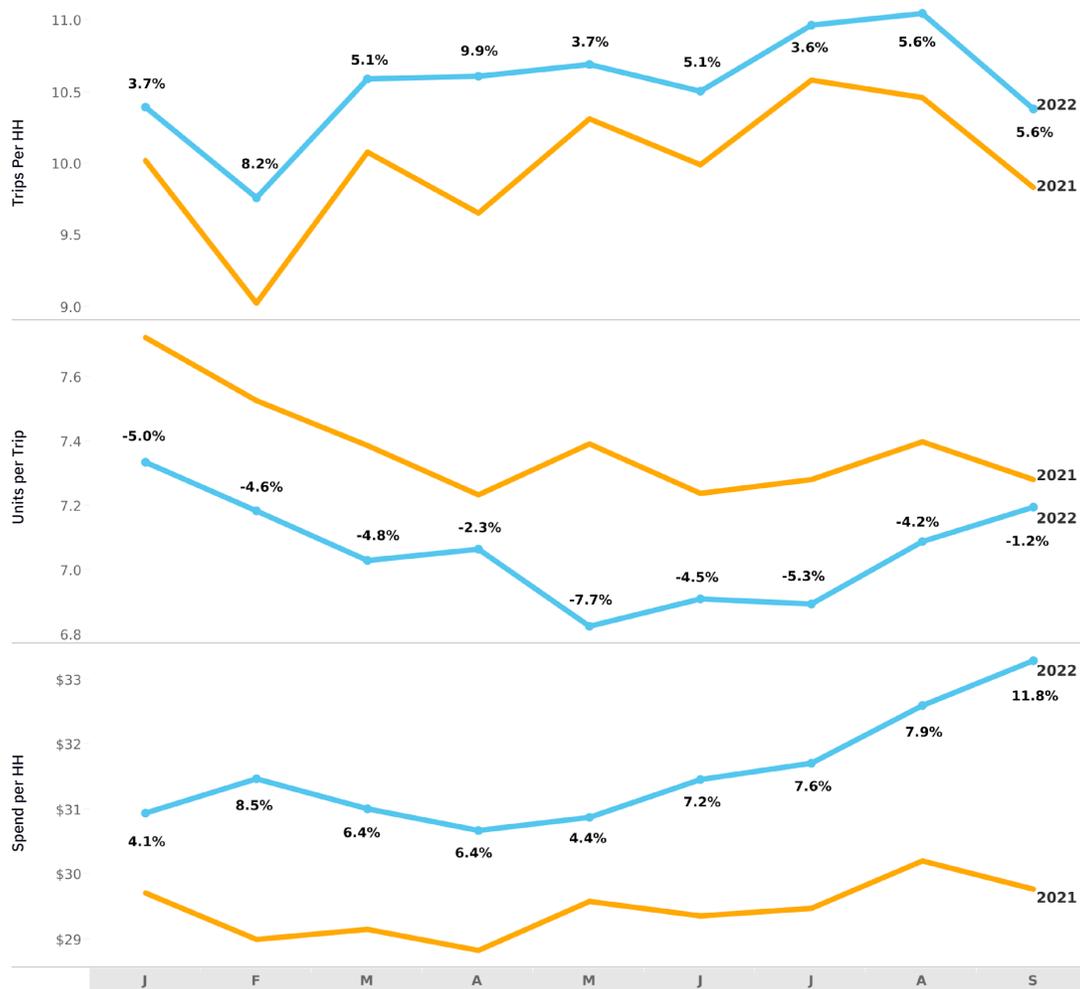
With many consumers living paycheck to paycheck, especially when wage growth isn't stretching as far as inflation rate, breaking big grocery trips into smaller ones is an approach to avoiding higher upfront costs at the checkout counter.

Trip Level Purchase Trends FIG 4

Year-Over-Year (YOY) Monthly Trend for Consumables Captured by Fetch*

2021

2022



SOURCE Fetch Rewards: State of the Consumer: Fetch Price Index, September 2022
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DOLLAR STORE INFLATION BALLOONS, CASH-STRAPPED CONSUMERS FEEL THE PINCH

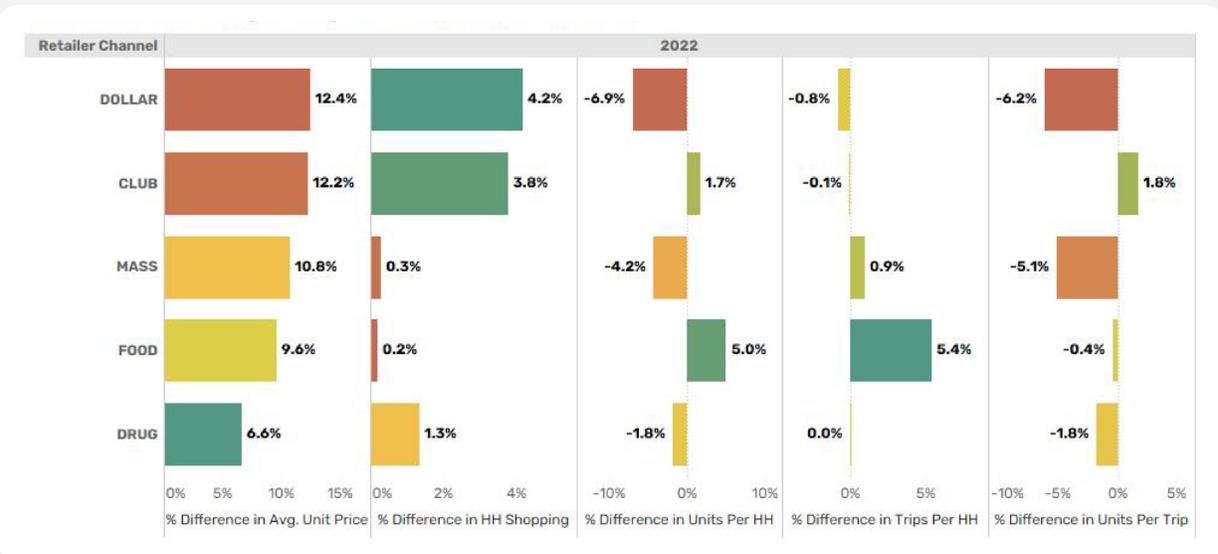
As demand rebounds despite high prices, shoppers are strategizing ways to stretch their dollars. However, with every retail channel seeing price increases this year, consumers are running out of lower-cost options.

While some channels have shown resilience, the inflation rate at dollar stores has surpassed all other retail channels year to date (YTD), +12.4% (Fig. 5). Yet dollar stores still represent the best option for households on the hunt for value. While 4.2% more households (HH) are shopping at dollar stores YOY, with unit demand and basket sizes decreasing, financially challenged consumers feeling the squeeze are cutting demand (Units per HH, -6.9% YTD).

Club channels have shown the most resilience and remain a go-to for pantry stocking, as demand, basket sizes, and Trips per HH remain consistent. Food channels, though not growing in number of HH, see consumers taking multiple trips with similar baskets, resulting in more items being brought into the household overall. As consumers take more frequent trips, retailers and brands will have to shift their assortment and promotion strategy to secure shopper dollars.

Retail Inflation FIG 5

Year-Over-Year (YOY) % Change in Average Price & Shopper Behavior, YTD Jan-Sep



SOURCE Fetch Rewards: State of the Consumer: Fetch Price Index, September 2022
September 2020-2022 using a 24 Month Panel Ending September 2022, ~465K users, ~239 million receipts

METHODOLOGY

Year-over-year (YOY) change in average price and shopper metrics is calculated using Fetch Rewards' proprietary 24 months user panel ending September 2022. The panel comprised 465,660 users who scanned any receipt for 24 consecutive months. A continuous shopper panel allows for YOY comparison and adjusts for Fetch Rewards' user growth, reflecting true change in shopper behavior.

Panel users contributed 239 million receipts across the reporting time range, September 2020-September 2022 across food, beverages, household and personal care categories captured by Fetch. Fetch Rewards is retail agnostic and accepts receipts from 1,000+ national and regional retailers across brick & mortar, click & collect as well as digital/e-commerce.

Data may slightly shift as Fetch's panel reaches their 14 day scan limit. Any shifts will be minimal, and updated in future reports.

ABOUT FETCH REWARDS

Founded in Madison, WI, Fetch Rewards captures over \$133B in annualized retail sales by rewarding 17 million active shoppers every time they submit any receipt through the app. Launched in 2017, Fetch provides shoppers an easy and fun way to save money, and brands a meaningful way to understand the retail world and connect with those shoppers. The resulting data was used to create this report. To learn more, download the free app and visit partners.fetchrewards.com/.

ABOUT THE AUTHOR

Dhwani Worah Upadhyay is a Marketing Analytics & Science lead at Fetch Rewards. She has an MBA in Marketing from Gujarat University, India, and resides in New York, where she has worked for over 10 years leading syndicated marketing analytics and commercial strategy for fortune 500 global retail and consumer packaged goods companies.

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