IRI’s 2021 New Product Pacesetters Report Highlights Continued Innovation Drives CPG Growth Despite the Pandemic

Innovative Manufacturers Navigated an Uncertain Year by Focusing on New Flavors and Experiences, and Household and Personal Cleanliness

CHICAGO – June 8, 2022 – Information Resources, Inc. (IRI®), a fast-growing global technology leader in innovative solutions and services for consumer, retail and media companies, released today its 2021 New Product Pacesetters™, featuring the top new food and beverage and nonfood product launches. This is IRI’s 27th annual New Product Pacesetters report.

The unpredictability of the pandemic made the work of manufacturers even more difficult than in 2020, as COVID-19 and the resultant behavior of shoppers ebbed and flowed during 2021. Despite this and other challenges, this year’s New Product Pacesetters delivered an impressive $6 billion in aggregate Year 1 sales across food and beverage and nonfood products. Six of the top 10 Pacesetters in food and beverage included bubbles, in both alcohol and non-alcohol categories reflecting consumers’ desires to socialize at home. Among nonfoods, top Pacesetters reflect the importance of a clean home and healthy body.

“This year’s New Product Pacesetters successfully ran the gauntlet of powering through a pandemic that first caused people to hunker down at home, and then start socializing in public again, only to hunker down again late in the year,” said Joan Driggs, vice president, Content and Thought Leadership, IRI. “COVID-19 generated trends that both helped and hindered growth trajectories. In-home stockups eased from 2020 levels, while concurrently, interest in new products representing beverages, frozen convenience foods, household goods and self-care resulted in healthy growth.”

The Top 10 Food and Beverage New Product Pacesetters for 2021 are:

1. Dr Pepper® & Cream Soda
2. AHA® Sparkling Water
3. Corona® Hard Seltzer
4. High Noon Sun Sips®
5. Oatly®
6. Truly® Iced Tea
7. Michelob ULTRA® Organic Seltzer
8. Impossible® Burger
9. LIFE CUISINE®
10. Minute Maid® Zero Sugar

The Top 10 Nonfood New Product Pacesetters for 2021 are:

1. Microban® 24
2. Voltaren®
3. Swan®
4. Hello Bello®
5. Goli® Nutrition
6. Dawn® Platinum Powerwash®
7. Tide® Hygienic Clean®
8. Suave® Hand Sanitizer
9. Febreze® LIGHT
Seeking Bubbles and Fighting Germs Dominate Consumer Behavior
New alcohol and non-alcohol beverages with a new variety of flavors and combinations encouraged consumers to explore. Variety packs in hard seltzers both made entertaining at home more interesting as well as gave brands an opportunity to test new flavors by promoting trial. Hard seltzers and premixed cocktails represented four of the top 10 Pacesetters. On the non-alcohol side, Dr Pepper & Cream Soda and Coca-Cola's AHA sparkling water captured the Pacesetters’ No. 1 and No. 2 spots, respectively.

During 2021, our data indicates that consumers juggled at-home and out-of-the-home work and school as the pandemic evolved. Several coffee and tea products performed well to keep people’s energy up, including Starbucks Nitro Cold Brew, which brings coffeehouse quality home, notched at No. 29. Rounding out the top 50 are Kitu Super Coffee at No. 30, Dunkin’ Multi-Serve Iced Coffee at No. 47, and Tazo ready-to-drink iced tea at No. 50.

In nonfood, top Pacesetters focused on home cleaning and personal cleanliness. Innovative manufacturers leveraged interest in cleanliness to extend their product lines. Suave evolved its established personal care brand and pushed into hand sanitizers, the No. 8 spot among nonfood Pacesetters. It also expanded a new subcategory of hand care with soaps and gels that don’t damage hands but are effective with Suave Essentials Hand Soap, which earned the No. 49 position. Clorox introduced No. 26 Clorox Laundry Sanitizer, a bleach-free additive that “kills 99% of bacteria and viruses, including COVID-19.”

Innovation Thrives Among Manufacturers Two Years into COVID-19
Analyzing trends among New Product Pacesetter products is especially important since they typically comprise just 1% of total CPG dollar sales but are responsible for a very significant one-third of growth year over year. In 2021, Pacesetters accounted for 44% of total store growth with similar contribution from food and beverage and nonfood innovation, despite challenges ranging from supply chain issues to store space allocation and unpredictable demand.

Pacesetters’ first-year revenues mostly held steady with previous years, despite limited promotional activity. The median dollar sales of food and beverage products in this year’s Pacesetters was $20 million, slightly under 2020 Pacesetters, but equivalent to 2019. Among nonfoods, median dollar sales totaled $17 million, the highest since 2017 New Product Pacesetters.

Large CPG companies, defined as those with over $6 billion in revenues, led in total dollar sales of Pacesetters products with 47%. Medium companies, those with $1 billion to $6 billion in sales, remained solid contributors, accounting for 27% of total dollar sales. Small companies, those with $100 million to $1 billion in sales, gained ground with 15% of total dollar sales, an increase over 2020.

Identifying and Retaining High-Value Consumers Remains Critical
Our data indicates that consumers are eager to explore new flavors in food and beverage, in large part to make their at-home cooking experiences easier and more exciting. Despite an easing of the pandemic, approximately 80% of meals are made at home versus 48% pre-pandemic. New food and beverage products with unique flavors help “spice up” the at-home experience.
In nonfood categories, while functionality remains supreme, consumers will likely explore new products. If products deliver on their original promise and then offer a bit more, consumers are more likely to appreciate the value add.

“Early adopters” are an important group with which manufacturers need to engage. They represent 27% of consumers, and 93% of that group consider themselves “avid early adopters.” These groups actively seek out the latest and greatest new products, according to IRI’s New Products Survey.

“Early adopters drove outsized sales of Pacesetter products, but supply chain problems brought on by the pandemic pushed more shoppers to reach for something new: 22% stated they looked for new products only if their usual product was unavailable, up 3 percentage points from 2021,” said Lisa Maas, principal, Innovation at IRI.

While 39% of surveyed consumers state they rely on recipes, the percentage of promotional activity around new products via recipes is down. Among avid early adopters, 55% report suggested recipes are an avenue to new products. Sixty-eight percent of these consumers consider shopper loyalty programs when making purchase decisions, compared with 54% of the total population.

Avid early adopters of new CPG products are also often avid early adopters of technology. Among this group, 26% look at pop-up ads and half report using smartphone apps. Engagement is significantly higher than with the general population and has been consistently strong in recent years.

**Sustainability Remains a Key Success Ingredient**

Sustainability is an attribute that impacts both food and beverage and nonfood categories. Oatly and Impossible Burger earned the No. 5 and No. 8 spots, respectively, in food and beverage, while Hello Bello baby products earned the No. 4 nonfood spot, followed by The Honey Pot Company feminine products notched at No. 17 and Huggies Pull-Ups New Leaf at No. 22.

Sustainability has grown to include a wider range of attributes, such as carbon footprint and water conservation. It has also grown as an increasingly important decision factor among consumers. Innovators should recognize the value of sustainability and how it contributes to a consumer’s overall impression of a product, brand and manufacturer.

**About the Report**

The IRI “2021 New Product Pacesetters” report is available exclusively from IRI, the global leader in innovative solutions and services for consumer, retail and media companies. The findings of this report were compiled based on insights from IRI’s New Product Innovation Practice’s powerful suite of analytical and decision-making tools, as well as the 2022 IRI New Product Survey. To download the full report, click here.

**Resources**

IRI will be hosting a New Product Pacesetters webinar on June 8. To register for this free webinar, please visit https://us02web.zoom.us/webinar/register/9816529140492/WN_Qncb9W5oRweXmoCLDSffpA.

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media, social, causal and loyalty data, all integrated into an on-demand, cloud-based technology platform, IRI helps to guide its more than 5,000 clients around the world in their quests to capture market share, connect with consumers, collaborate with key constituents and deliver market-leading growth. For more information, visit www.iriworldwide.com.

IRI Contact
Shelley Hughes
Email: Shelley.Hughes@IRIworldwide.com
Phone: (312) 731-1782