

## The SNAP Effect

Imagine what it must have been like to be a merchant during an era when nearly a quarter of all households depended on government food supplements  
Over two-thirds of homes receiving assistance were households with children; accounting for nearly 40% of all children!  
And this impoverished group was growing larger every year

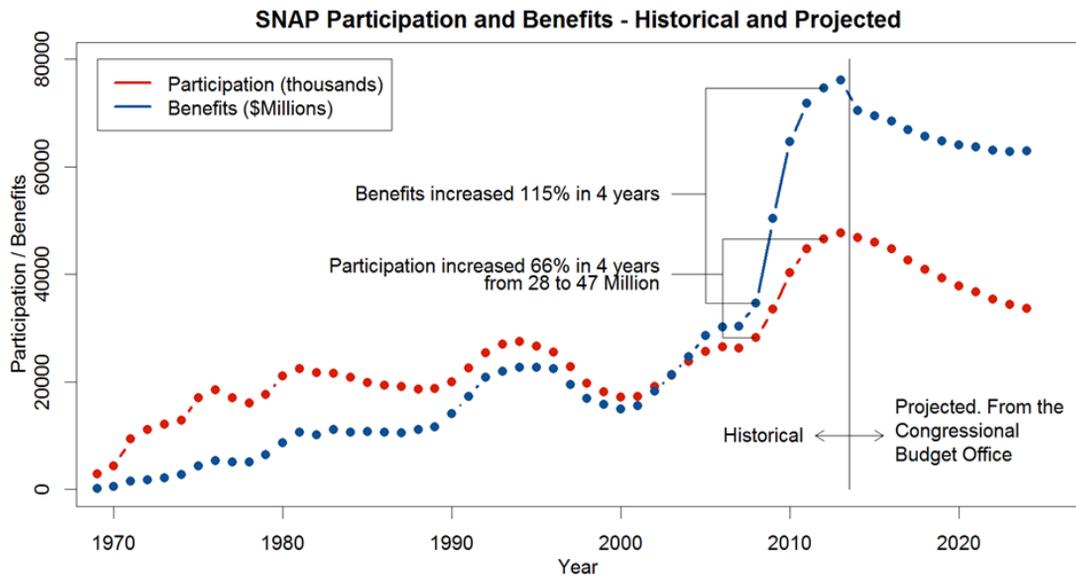
Consumer marketing and retailing must have been very different.



Actually, this era we've just outlined is... TODAY!

The Supplemental Nutritional Assistance Program (or 'SNAP') has changed the way America shops.

SNAP benefits now drive 10% of total food spending in Grocery & Mass. This program quadrupled in the past 5 years to \$74.6 billion in 2012. This CPG spending influence is not going away. The CBO estimates that the program will continue providing benefits near current levels for the next ten years.



SNAP dollars can only be spent on food made to be consumed at home. This means that Supermarkets, superstores, as well as small specialty stores can all qualify to take SNAP EBT cards. In practice, 89% of SNAP dollars are spent in Grocery and Mass

This supplemental assistance has grown so much that retailers and manufacturers cannot ignore it. Every retailer and manufacturer should know how much of their current sales are driven by SNAP, which products, where, and how they can serve these households better.

- Do you know how big the ‘SNAP effect’ is in your category? For your products?
- Do you know which stores at your retail partners experience the biggest ‘SNAP’ sales spikes?
- Did you know that each state has its own SNAP distribution timing cycle which greatly affects the timing of redemptions?
- Do you tailor your merchandising & promotions to adapt to each state’s unique ‘SNAP’ distribution timing? By category? By store cluster?

Edgewood Consulting Group has studied this phenomenon and its implications for our CPG clients and their retail partners.

Edgewood’s **PrecisionEdge™ Targeted Solutions** combine ‘big data’ with advanced analytics to focus on your:

- Shoppers
- Stores
- Timing

Some categories can spike by 25% or more during ‘SNAP distribution weeks’, even more in certain neighborhoods. We can help you learn which shoppers, neighborhoods, stores - and which categories - are most affected. We can also help with the tactical strategies to optimize your distribution, logistics and promotions accordingly.

*“Understand... who are my shoppers and why do they come to my stores?”*  
*“Bring me best practices and programs that will work in my stores, for my shoppers”*

Source: Edgewood Trade Probe with Leading Retailers

Whether you are targeting SNAP shoppers, upscale shoppers, core-loyals, the elderly, Hispanics, or any lifestyle, condition, age, income, ethnic or behavioral shopper target(s), Edgewood helps clients refine targeting strategy and act upon it. Edgewood’s precision-targeted assortment, shelving and promotion strategies and analytics are tailored to yield significantly better results for categories, retailers and shoppers alike.

Let us share our best practice learning about SNAP consumers, products, timing, and location to capitalize on the opportunity that retailers and manufacturers have to increase sales and help serve this large, growing and deserving consumer base in ways that earn their business and loyalty.



Israel Rodriguez, Jr. is co-founding principal at Edgewood Consulting Group and leads their shopper targeting & competitive strategy practice. Edgewood is a strategy consultancy that supports CPG manufacturer collaboration with their retail partners for award-winning results. Edgewood clients have won 98 Progressive Grocer awards over the years including eight this year alone as voted on by Progressive Grocer and leading retailers.

To read more, download our white paper at (link here tbd)

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