

# COVID-19 Impact on the Food and Beverage Industry

Learn how food and beverage brands can best navigate the impact of COVID-19.

*The ongoing COVID-19 crisis has impacted every aspect of daily life worldwide. As a result, brand manufacturers have to navigate unprecedented shifts in consumer demand, supply chain struggles, and changing retailer priorities.*

Uncertainty is a driving force for some of the latest commerce trends within the food and beverage industry. Recent sales spikes for canned goods (up 69%) and shelf-stable products (up 58%) highlight the demand for non-perishable foods that often follows major crises.

Grocery apps have seen staggering download increases, with Instacart (up 218%), Walmart Grocery (up 160%), and Shipt (up 124%) all seeing sizable booms. With almost 62% of consumers looking to buy food and beverage items online, these bursts are not surprising.

Food and beverage brands can navigate these uncertain times by leveraging fast and agile go-to-market (GTM) processes, developing goodwill with customers, shifting manufacturing focus to high-need products, and embracing digital transformation.

discovery and conversion, and manage product content from a single unified platform.

## KraftHeinz

The Kraft Heinz Company has leveraged its strong supply chain and internal operations efficiencies to stay ahead of enormous spikes in demand for shelf-stable foods. Its ability to adapt and shift its focus areas quickly, as well as its strong digital presence, have allowed shoppers to find and buy products when the need arises.

- **Adjust operation to meet record-breaking output:** All Kraft Heinz U.S. factories are operating 24/7 to meet consumer demands for many of its top-performing products.
- **Shift manufacturing to increase production:** Kraft Heinz has shifted its manufacturing focus from restaurant supplies to help increase its output of high-demand packaged food products, such as Kraft Mac and Cheese.
- **Support global communities:** Kraft Heinz has pledged \$12 million to combat food shortages in communities around the world.

## Quote

“We feel that people are seeking more comfort food at this moment, as they seek some other ways to feel pleasure.”

— Miguel Patricio

CEO, The Kraft Heinz Company



As the demand for shelf-stable food continues to expand, Mondelēz International has increased its production capacity to keep up with demands. It has leveraged its streamlined GTM capabilities to meet customer needs with agility and speed.

- **Promote shelf-stable foods:** Demand for many Mondelēz brands, such as Ritz Crackers and Oreo, has increased, with root cause likely being a desire for products that can last longer without refrigeration.
- **Hire for a secure supply chain:** Demand for Mondelēz products has exploded, and the brand plans to add 1,000 people to its existing workforce to ensure production can continue without delay.
- **Commit to community relief:** Mondelēz will donate \$15 million to combat food shortages and support emergency relief efforts globally.

### Quote

“We are committed to providing our people with the support that they need as they ensure the continuity of the U.S. food supply.”

#### — Glen Walter

EVP and President of North America,  
Mondelēz International



The Coca-Cola Company has a strong digital shelf presence, with a heightened focus on engaging product experiences. It also benefits from its ability to move quickly to adapt to changing markets.

- **Shift focus to in-demand beverages:** The increase in demand for shelf-stable products also expands into the beverage space. Coca-Cola has increased its focus on producing water, sodas, and sports drinks to meet customer needs.
- **Keep pace with supply chain challenges:** As some food and beverage brands struggle to source ingredients, brands with the ability to adapt to the market can stay ahead.
- **Meet urgent healthcare needs:** Coca-Cola has partnered with Makelt Labs to help produce plastic surgical shields for front-line healthcare workers and one of its bottling facilities is producing hand sanitizer for a local hospital system.

### Quote

“With a growth mindset, I truly think we can drive our business forward.”

#### — James Quincey

Chairman and CEO,  
The Coca-Cola Company

## How to Navigate the Impact of COVID-19

These food and beverage brands show how it's possible to move forward during this crisis. Based on their strategies, here are the five critical tactics needed to navigate this new normal.

### Shift Manufacturing Focus

Consider how your brand could shift its manufacturing focus to meet a critical need within the community. These shifts can help serve important customer needs and give your brand a short-term boost in revenue.

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### Optimize for Discovery

Ongoing product shortages have given brand manufacturers new opportunities to connect

with shoppers who may now be more willing to try new brands or items. Leveraging search engine optimization (SEO) and other insights could help you capitalize on these new discovery opportunities.

### Build Goodwill

During times of crisis, brands must work with empathy and compassion. Consider how your brand could help meet important needs within the communities you serve. From community service opportunities to uplifting campaigns, building goodwill helps everyone.

### Embrace Digital Transformation

It's likely consumers will continue to shop on digital channels long after this crisis has ended. Embrace the opportunities that come with the digital shelf and use this moment to pivot your business.

Thousands of brands worldwide use **Salsify** to activate, engage, optimize, and manage their product content experiences.