



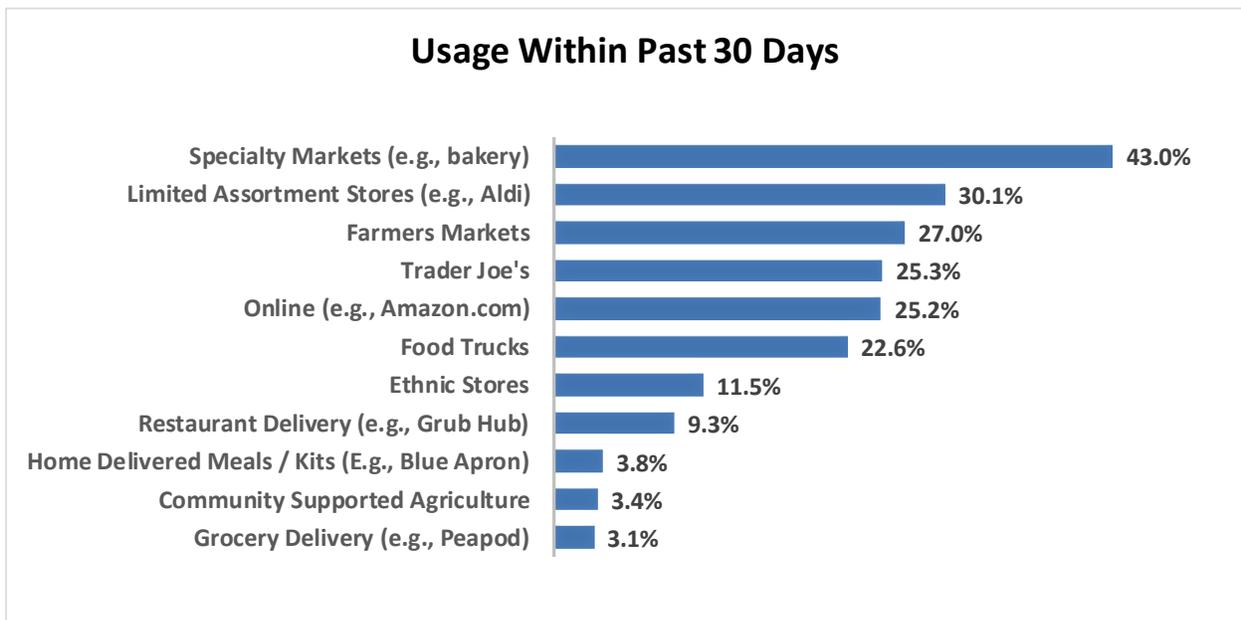
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Pentalllect Finds Broad Consumer Support of Non-Traditional Food and Beverage Channels

Consumers are using a wide variety of non-traditional channels to satisfy their food and beverage needs, according to Pentalllect, a leading food industry strategy firm. Pentalllect’s research shows that a sizable number of consumers plan to try or use the channels more often in the future. Many reasons are driving this use, including convenience, a desire to save money, availability of unique items, support of local business, and perceptions of better quality (largely in the context of fresher products) than traditional channels.

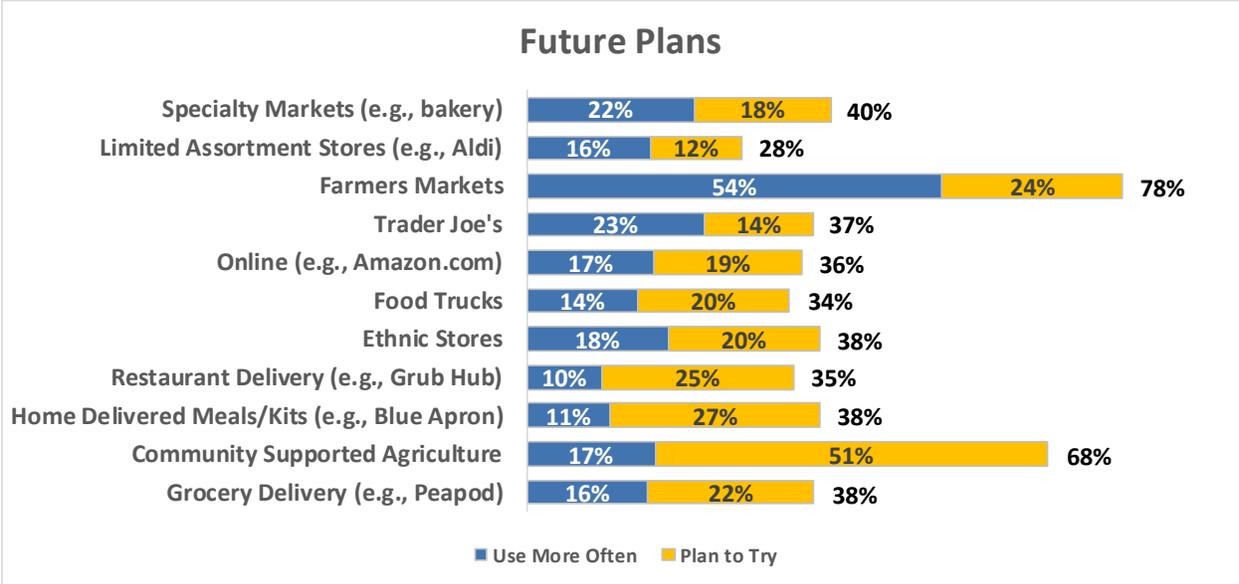


Source: Pentalllect Non-Traditional Channel research 2017

Bob Goldin, a Partner at Pentalllect, notes that many of the channels studied are generally not tracked nor well understood. “We regard these businesses as stealth disruptors to the mainstream food and beverage industry. They have very strong appeal to a growing number of consumers and have real traction. They will gain valuable share over the next decade, and help to explain why some traditional retail and foodservice segments will be growth challenged.”

Pentalllect estimates that the non-traditional channels represent approximately \$100 billion in consumer expenditures, and projects 10+% annual growth for the referenced channels over the next five years compared to 3 – 4% for foodservice and 1 – 2% for retail (which includes supermarkets, mass

merchants, club stores, and drug stores). According to Bill Caskey of Pentalllect: “We are seeing a real change in industry dynamics. The emergence and accelerated growth of nontraditional channels reflects fundamental shifts in consumer behavior.”



Source: Pentalllect Non-Traditional Channel research 2017

Pentalllect will be publishing results of their Non-Traditional Channel study on June 28, 2017, which will provide detailed insights regarding consumer usage, frequency, spending and attitudes by age group, income levels and gender for each channel. For information on the report and other Pentalllect services, please contact Rob Veidenheimer, President of Pentalllect.

About Pentalllect Inc.

Pentalllect is a strategic consulting and business improvement firm that provides an extraordinary breadth of food industry knowledge, drawing on vast food business management experience and broad networks of relationships throughout the supply chain for manufacturers, operators and distributors. The team leverages its expertise to conduct in-depth assessments of clients’ business strategies, structures, sales and marketing efforts, supply chains and spending/profitability to provide guidance and actionable insights that will have a direct P&L impact. For more information, visit <http://www.pentalllect.com> or call at 888-651-3104.