

FOOD & DRINK TRENDS 2017



GLOBAL

MINTEL

GROW *your* BUSINESS

BIG ON DATA. HUGE ON INSIGHT.

Mintel Food & Drink is the expert led
Market Intelligence solution for the industry.

Included in Mintel Food & Drink

- ✓ Access to Expert Analysts
- ✓ Mintel GNPD
- ✓ Mintel Reports
- ✓ Mintel Trends
- ✓ Mintel Market Sizes
- ✓ Mintel Menu Insights

Find out more:
mintel.com



MINTEL

GLOBAL FOOD & DRINK TRENDS 2017

INTRODUCTION

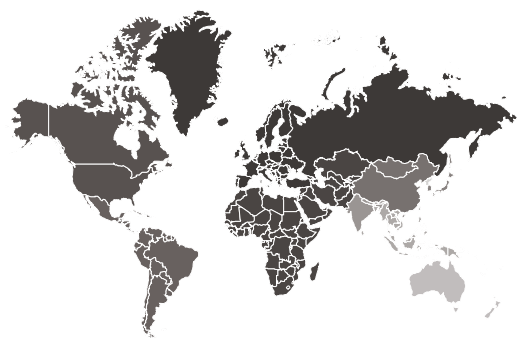
Mintel's 2017 Global Food & Drink Trends are grounded in current consumer demands for healthy, convenient and trustworthy food and drink. The predictions were shaped by in-depth conversations with more than 60 of Mintel's global analysts to gain a comprehensive perspective on the momentum and forecast for food and drink in 2017 and the future. These analyst insights were further corroborated by Mintel's library of consumer research, global insight from Mintel Trends and the vast records kept by Mintel's Global New Products Database (GNPD). The resulting six trends touch upon themes that will likely be recognisable in Europe, North America, North Asia, Australia and New Zealand. The list also aims to present new opportunities in the aforementioned regions as well as in Latin America, Middle East, Africa and South Asia. Mintel looks forward to engaging in meaningful conversations to help you explore the potential these trends present for your business.



Jenny Zegler
Global Food &
Drink Analyst

CONTENTS

- 02 In Tradition We Trust
- 05 Power to the Plants
- 08 Waste Not
- 11 Time is of the Essence
- 14 The Night Shift
- 17 Balancing the Scales:
Health for Everyone



IN TRADITION WE TRUST

Consumers seek comfort from modernised updates of age-old formulations, flavours and formats.

WHAT'S HAPPENING IN 2017?

The rapid pace of change, the unpredictability of current events and contentious political environments in many countries are leading people to the safety of products that are recognisable rather than revolutionary. The trust in the familiar does not eliminate the need for innovation; instead, it emphasises the opportunity for manufacturers to look to the past as a dependable source of inspiration. Such is the case of the success of Paper Boat beverages in India, which offer traditional Indian recipes, such as green mango-based aam panna, in modern grab-and-go packaging.

Food and drink with authentic connections to history or tradition provide an inherent element of trustworthiness that many consumers yearn for in a tumultuous world. Over the past few years, interest in authenticity and a product's story has expanded the use of craft, artisan and handmade claims in food and drink. The ongoing consumer interest in a product's narrative – preferably one that reflects reality – was explored in *Based on a True Story*, one of Mintel's 2016 Global Food & Drink Trends. Traditional or retro-inspired products are able to align with consumer desires to know more about products,

especially if there are tangible connections with the past that lend an element of trustworthiness to the claims or tales told by the product.

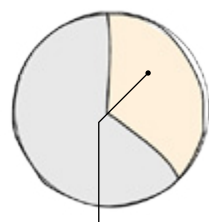
This move to the past will also lead to innovations that use the familiar as a basis for something that's new but recognisable. This is reflected in the release of hybrid products as well as updated concepts such as cold-brew coffee or alcoholic root beer. Other products can adapt to a new market by connecting with heritage too, as exemplified by Guinness's Nigerian release of an Africa Special Stout. Guinness Africa

Special Stout contains local ingredients ginger, lemongrass, cola nut and chilli and its packaging features artwork by a Nigerian graffiti artist.

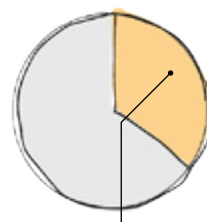


Guinness Africa Special Stout incorporated native ingredients and featured the artwork of a local graffiti artist for its launch in Nigeria.

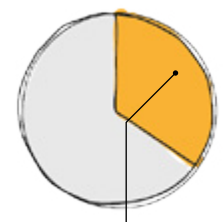
EUROPEAN APPEAL OF AUTHENTIC FLAVOURS SUCH AS MADAGASCAN VANILLA AND MEXICAN CHIPOTLE, 2016



37%
French
consumers



36%
Polish
consumers



35%
Spanish
consumers

Source: Mintel Reports



▲ Paper Boat offers traditional Indian drink recipes in grab-and-go packaging with nostalgic graphics and illustrations.

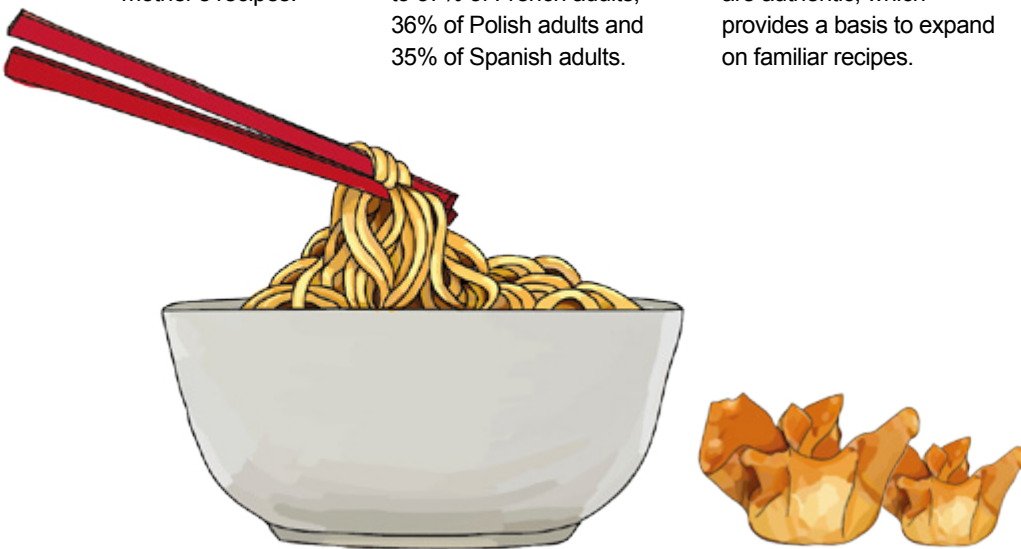
WHY CONSUMERS WILL BUY INTO THIS

Mintel research reveals that tradition influences the 67% of Chinese adults aged 20-49 who have bought breakfast food in the last three months and prefer to eat familiar Chinese breakfast soups, congees, wontons and noodles rather than newer Chinese or Western options. Similarly, according to Mintel, 25% of Brazilian adults who have recently cooked say they tend to make traditional family recipes, such as their grandmother's or mother's recipes.

Not all tradition has to come from a personal connection, though. Some consumers are willing to let the product tell its story, such as the 18% of US adults who prepare international packaged food or meal kits and say it is important for at-home kits to have an on-pack history of the food. The links to the truth can also come from authentic flavours, such as Madagascan vanilla or Mexican chipotle, which, according to Mintel, appeal to 37% of French adults, 36% of Polish adults and 35% of Spanish adults.

Yet, products can also offer twists on tradition to consumers. In the UK, 29% of adults who have recently eaten or are interested in trying ethnic food would be interested in products to create fusion dishes or meals, such as a mix of Chinese and Indian cuisines, according to Mintel. Meanwhile, Mintel research reveals 39% of Canadian adults agree that fusion dishes that combine two or more different types of ethnic items or ingredients are authentic, which provides a basis to expand on familiar recipes.

67% of Chinese breakfast purchasers aged 20-49 prefer to eat familiar Chinese breakfast soups, congees, wontons and noodles rather than newer Chinese or Western options.



WHERE NEXT?

In 2017, leveraging tried-and-tested formulations, flavours and formats will lead to more accessible innovations that lower the risk of investment for consumers of all income levels. Tradition and affordability are linked in a restaurant in Moscow named Po-Russki (The Russian Way) that offers authentic Russian cuisine, such as “herring in a fur coat” salad and chicken Kiev, at inexpensive prices.

Brands can also take advantage of the interest in tradition through marketing.

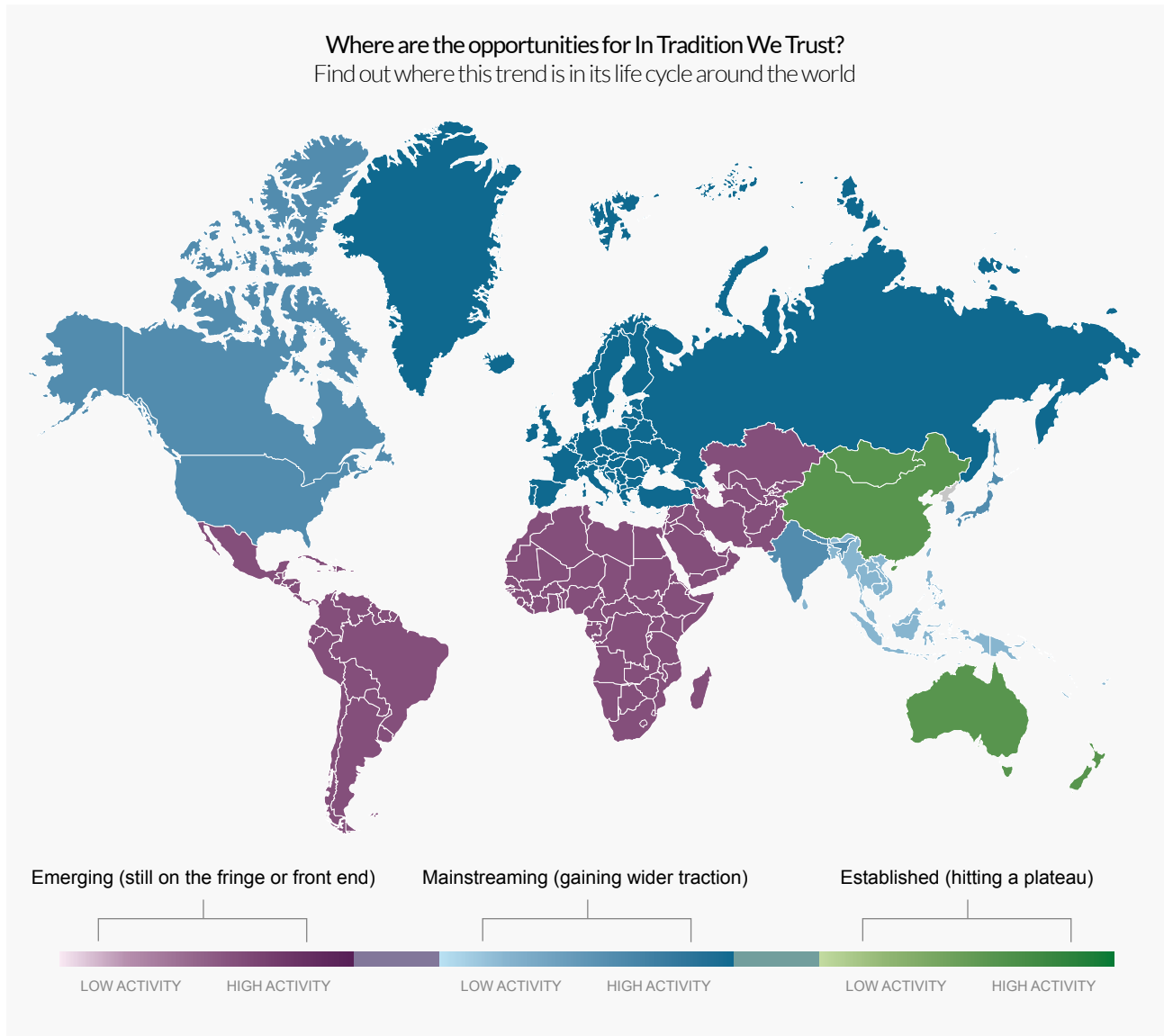
In Peru, the Danlac milk brand communicated its purity by reviving the tradition of milkmen to sell Danlac in Lima’s supermarkets. Meanwhile, Tiger Beer introduced a video series designed to increase pride and passion in Singapore’s street food culture by showcasing the hard work that goes into creating the food.

In the future, more products will specifically link with the past in order to encourage trust among consumers. This includes going way back in time:

according to Mintel GNPD, there was a 269% increase in global food and drink launches describing their products as “ancient” between September 2010 – August 2011 and September 2015 – August 2016. These “ancient” products include ancient grains, but also ancient recipes, practices and traditions. Thus, the present finds rich potential in ingredients, recipes and marketing that revive the past.



To emphasise the purity of its brand, Peru’s Danlac milk employs seniors in supermarkets to serve as milkmen.



POWER TO THE PLANTS

The preference for natural, simple and flexible diets will drive further expansion of vegetarian, vegan and other plant-focused formulations.

WHAT'S HAPPENING IN 2017?

Aspirations for healthier and cleaner lifestyles are motivating consumers to prioritise fruits, vegetables, nuts, seeds, grains and botanicals. In response, more manufacturers are releasing or promoting formulations that centre on plants and the flavours, fortifications and functionalities they can add to food and drink products. The momentum started in 2016 as plants gained top billing in product names and marketing, such as the European launch of Evian Fruits & Plants flavoured waters and the “Do Plants” slogan from WhiteWave’s Silk non-dairy milk brand in the US.

The emphasis on plant content reinforces the growing interest in vegetarian and vegan products, many of which are chosen by consumers for an occasional drink, snack or meal rather than as part of a wholesale change

to a plant-based lifestyle. The escalating interest in so-called “flexitarian” lifestyles was observed by Mintel’s 2016 Global Food & Drink Trend *Alternatives Everywhere*, which explored the mainstreaming appeal of vegetarian and vegan products. Indeed, according to Mintel Global New Products Database (GNPD), we’ve seen a 25% increase in vegetarian claims and a 257% rise in vegan claims in global food and drink launches between September 2010 – August 2011 and September 2015 – August 2016. The progression includes vegetarian and vegan claims that appear on products that are intentionally free from animal ingredients as well as those formulations that have always been vegetarian or vegan, but are adding verifications regarding their plant-based status.

Power to the Plants builds on preferences for flexible approaches to diet, but also elevates plants to being necessary ingredients that provide more nutrients and, therefore, lend a health halo to formulations. In 2017, the food and drink industry will welcome more products that emphasise plants as ingredients in recipes for home cooking and packaged products that leverage plants as a way to align with consumers’ nearly

omnipresent health and wellness priorities. This will lead to more innovations that capitalise on and also exalt the inherent goodness of plants.



In 2016, Evian introduced a line of Fruits & Plants flavoured waters in the UK, France and Switzerland. ▶

WHY CONSUMERS WILL BUY INTO THIS

Many consumers already place a personal emphasis on plants within their health and wellness goals. When it comes to eating healthily, according to Mintel, 55% of UK adults include plenty of vegetables in meals and 24% incorporate superfood ingredients. Similarly, 35% of Chinese adults aged 20-49 who are hoping to achieve a healthy diet choose vegetarian food and 14% look for products with superfood ingredients. Meanwhile, 30% of US adults who purchase vegetables are trying to eat a more plant-based diet.

Mintel finds other consumers are looking for convenient ways to reach their recommended daily intake of fruits and vegetables, including 44% of Polish adults who prefer to eat vegetables incorporated into a soup

or other dishes rather than eating vegetables on their own. Likewise, 24% of Polish adults would rather not eat fruit on its own and instead prefer to consume it in smoothies or other formats. Some consumers also are seeking plants in new categories, such as the 17% of Brazilian adults who agree that there is a lack of vegetable-based alternatives to popular animal-based ingredients, such as soy or rice milk to substitute cow's milk.

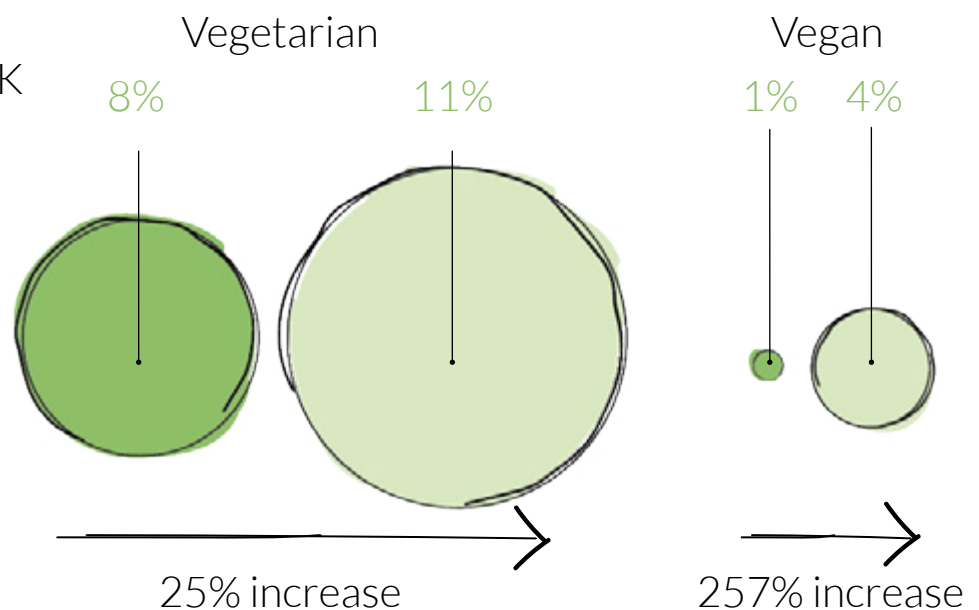
In the future, plants will move from the perimeter of the store and appear in more innovative and health-oriented applications for products in the centre of the store. For example, Mintel research finds 26% of Canadian adults are interested in formulations that add vegetables to noodles.



▲ UK distilled spirit Seedlip uses spices, herbs and other botanicals in its non-alcoholic recipe.

SHARE OF FOOD AND DRINK LAUNCHES WITH VEGETARIAN OR VEGAN CLAIMS GLOBALLY, 2010 – 2016

- September 2010 – August 2011
- September 2015 – August 2016



Source: Mintel GNPD

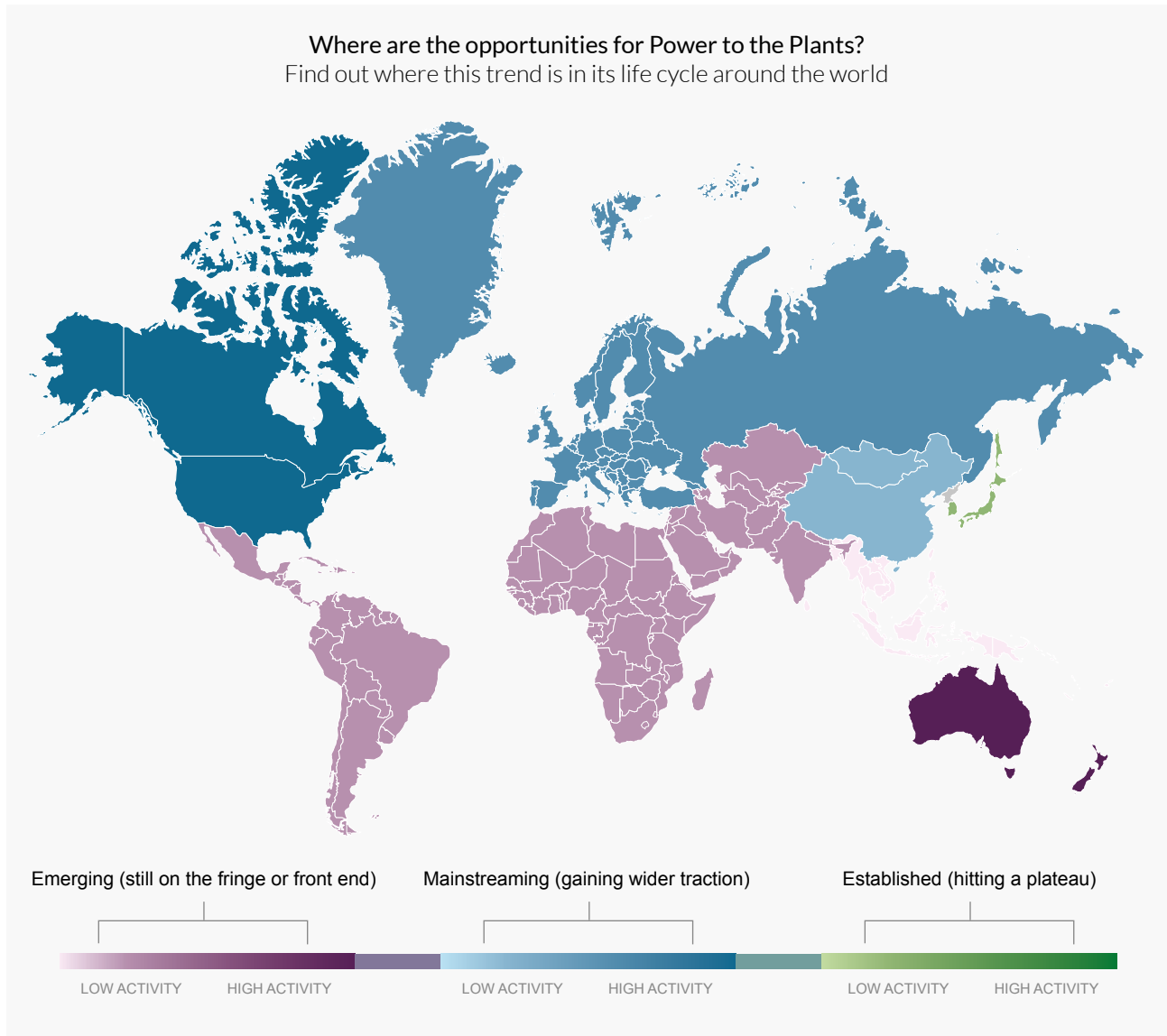
WHERE NEXT?

In 2017, the priority for plants will drive an acceleration in new products and marketing that casts plants in starring roles. Plant-based innovations provide new directions for existing products or categories, as is the case with botanical-based, non-alcoholic distilled spirit Seedlip in the UK. The spotlight on plants also can be playful, as shown in Brazilian retailer Hortifruti's Netflix parodies starring fruits and vegetables such as the "House of Cards" parody "House of Carrots".

Technology will also play a part, both to ensure there is ample supply of plants and to create plant-enhanced foods that deliver on taste, which is especially important for the flexitarian audience. The Chilean start-up Not Company, for example, uses artificial intelligence to develop plant-based alternatives to animal products including milk, mayonnaise, yogurt and cheese. The company's artificial intelligence algorithm is said to understand food at a molecular level as well as human taste and

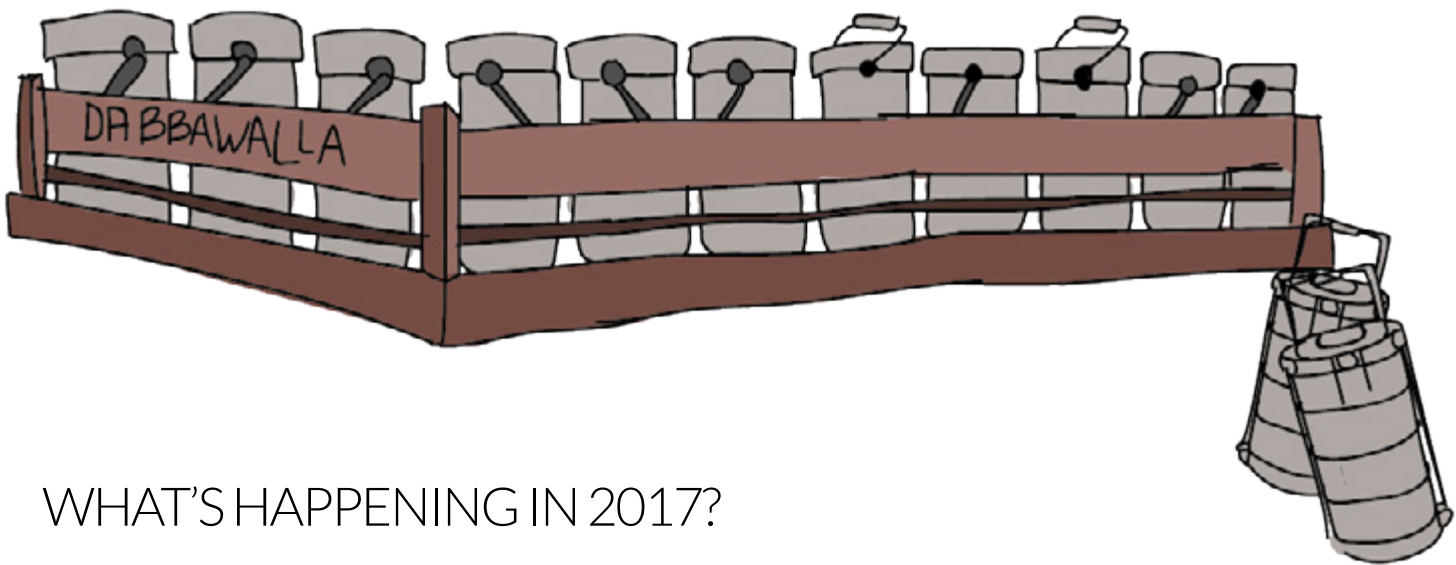
texture preferences, leading to products such as Not Milk, which is made with almonds, peas, rice, nuts, linseed, coconut and vanilla.

Chilean start-up Not Company employs artificial intelligence to formulate plant-based alternatives, such as the non-dairy Not Milk. ▶



WASTE NOT

The focus of sustainability zeros in on eliminating food waste.



WHAT'S HAPPENING IN 2017?

The sheer amount of food and drink that is wasted around the world is propelling change across the industry. Roughly one third, or approximately 1.3 billion tonnes, of the food produced for global human consumption is lost or wasted, according to the Food and Agricultural Organization of the United Nations. Specifically in the US, Americans waste 133 billion pounds of food annually. The amount of waste in the US has motivated the government to propose a goal to halve the amount of food wasted in the US by 2030 and, along the way, "to create a generation of Americans who are sensitive to food waste".

Consumer awareness of the issue of food waste is also spreading because of efforts by retailers and restaurants to reduce or donate food and drink that is past the sell-by date, blemished or damaged. In 2014, French grocery store Intermarché was one of the first to rally awareness of the issue of food waste through high-style ads for misshapen fruit and vegetables that carried taglines such as "An ugly carrot is a beautiful soup". The retailer furthered its efforts with the late 2015 introduction of a limited-edition range of cakes and biscuits that otherwise would have been excluded from the market due to their visual defects.

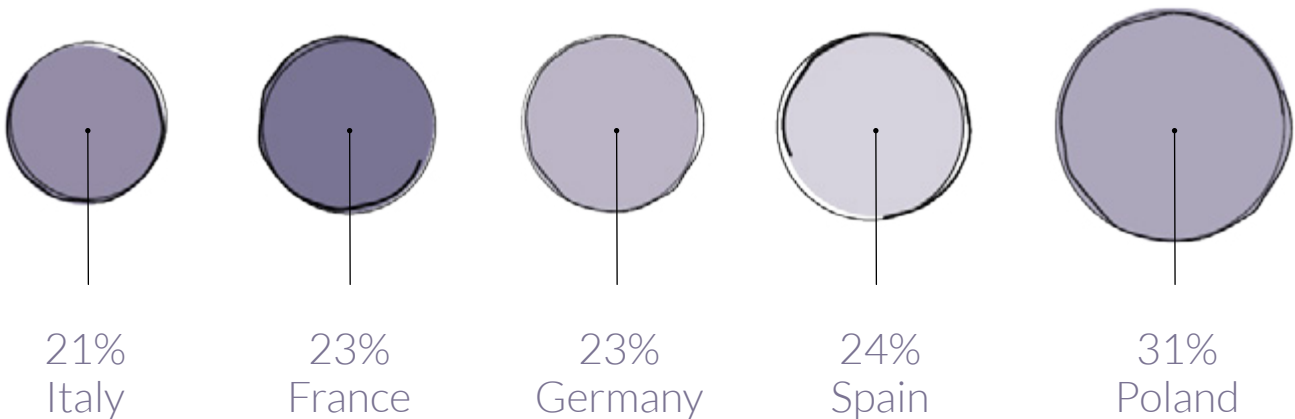
In the past two years, more retailers and restaurants have followed suit and pledged to reduce or to donate food and drink that would otherwise be discarded. In the US, grocers ranging from Whole Foods Market to Walmart are testing sales of imperfect produce. Tesco in the UK admitted that it wasted 30,000 tonnes of edible food in 2014, and has since announced changes to its supply chain to help produce stay fresh for an additional two days. Restaurants in the Netherlands, Finland and the UK are using apps to sell food that would be thrown away at closing time. Leftover food also can be made useful by donating the supplies to charity, which is a commitment

being pursued by Starbucks in the US, Marks & Spencer in the UK and the contingent of delivery people known as dabbawalas in Mumbai, India.



US brand Sir Kensington's vegan mayonnaise is made with the liquid from draining chickpeas, which is also known as "aquafaba".

EUROPEAN CONSUMERS WHO CLAIM NOT TO TAKE ADVANTAGE OF SPECIAL OFFERS TO AVOID THROWING THINGS AWAY, 2016



Source: Mintel Reports

WHY CONSUMERS WILL BUY INTO THIS

The efforts of retailers, restaurants and philanthropic organisations are slowly changing consumer perceptions that food and drink has to be picture-perfect in order to be consumable. According to Mintel, just over half (51%) of US adults who purchase vegetables are open to buying less-than-perfect ones, such as those that are bruised or oddly shaped. Meanwhile, some consumers are bypassing potential cost savings because they are concerned about throwing food away. Such is the case for around a quarter of Spanish, French and German adults who do

not always take advantage of special offers to avoid throwing things away.

Consumers may be more sensitive in particular categories, too, because some food and drink items are more susceptible to waste than others. Mintel research finds just over half (53%) of US adults who purchase vegetables say that fresh produce spoils before they can eat or use it. Dairy also is a troublesome category, with 12% of Brazilian adults who recently consumed milk saying they struggle to use all the milk they buy before it goes out of date.

Packaging can also make a difference when it comes to food waste. Bread is one of the most wasted food items in the UK, according to research from Love Food Hate Waste; Mintel research finds that 56% of UK adults would be interested in bread or baked goods with packaging that keeps them fresher for longer. Packaging choice itself can contribute to wasted product. Mintel research also reveals that more than half (53%) of Chinese adults aged 20-49 who have cooked at home or bought sauces and seasonings recently

would like to see more sauces or seasoning products available in smaller packs. The lack of waste created by packaging can also be a concern for consumers, such as the 40% of Canadian adults who drink coffee and/or tea and agree that single coffee or tea pods should be compostable or biodegradable.

51%
of US adults who purchase vegetables are open to buying less-than-perfect vegetables, such as those that are bruised or oddly shaped.

The packaging for Italian brand Pedon's More Than Pasta product is made from 15% food waste.



WHERE NEXT?

In 2017, the stigma associated with imperfect produce will begin to fade. The pace may quicken if more research supports a US study that found that apples with blemishes are higher in antioxidants than non-blemished apples. Positive publicity about ugly produce could also lead to more special events like the Feed the City event in Belfast, Northern Ireland where visitors were able to enjoy a range of wonky produce during the height of harvest. Services that offer convenience can also play a part in improving

acceptance of misshapen fruits and vegetables. For example, Brazilian start-up Fruta Imperfeita provides home delivery of fruits and vegetables that are “not good-looking enough” to be sold at retail.

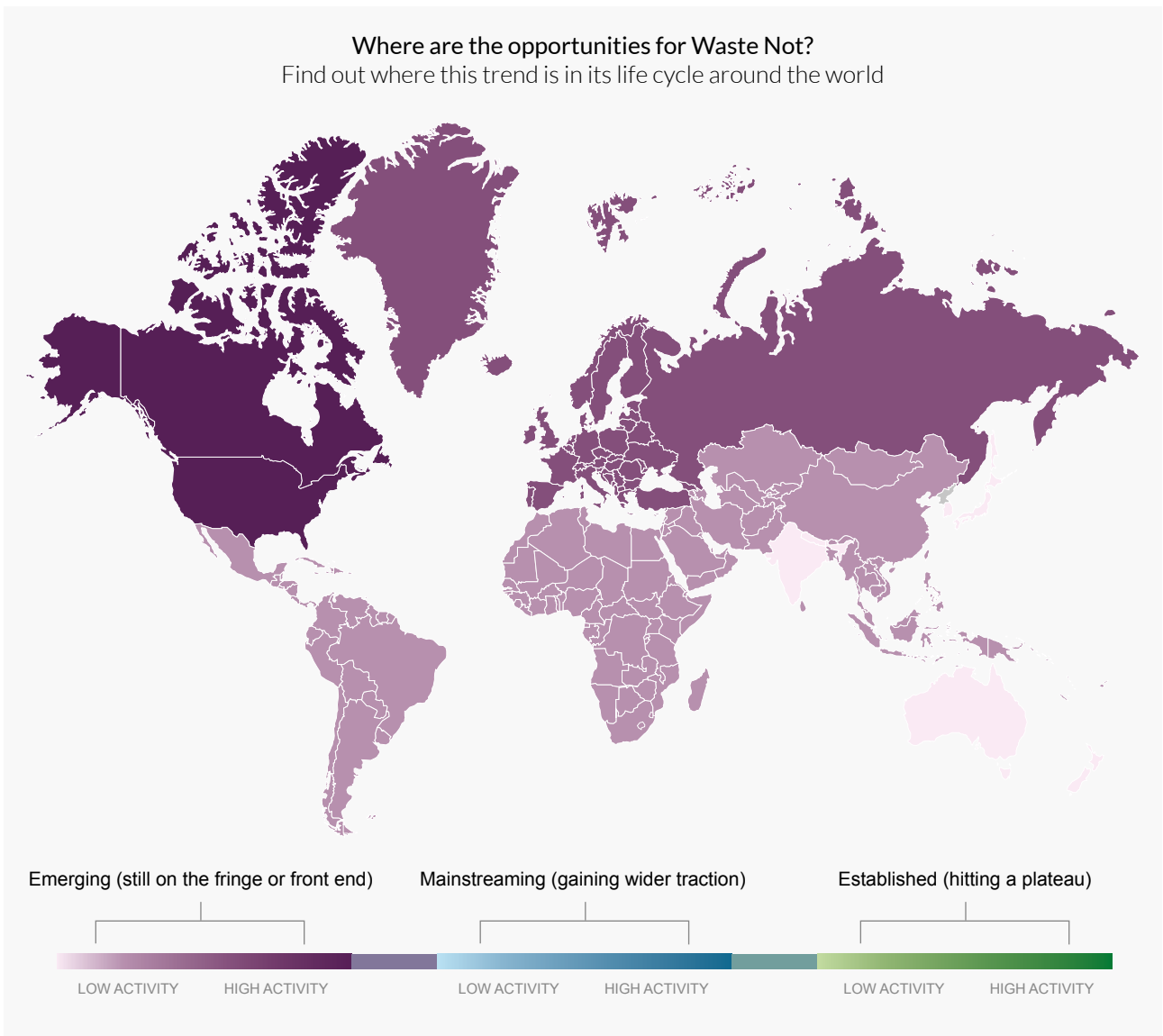
In addition to changing attitudes toward waste, there is an opportunity to innovate with materials that would otherwise have been discarded. In 2017, more attention will be given to innovations that commercialise edible food waste including the previously discarded

by-products of juicing, canning and other production processes.

Not all waste has to be edible in order to be useful: production waste can have an advantageous afterlife as compost, material for plant-based packaging or power sources for hospitals and homes. Additional engineering can also create new uses for food waste, such as the sustainable building material made from mushrooms and other waste created by Indonesia’s Mycotech. In the future the advantages

presented by food waste will lead to a wealth of solutions for across a range of industries.

UK brand Snact. makes its 100% fruit snack with “ugly” fruit that would otherwise be thrown away.



TIME IS OF THE ESSENCE

The time investments required for products and meals will become as influential as nutrition or ingredient claims.

WHAT'S HAPPENING IN 2017?

Time is an increasingly precious resource and our multitasking lifestyles are propelling a need for shortcut solutions that are still fresh, nutritious and customisable. Already, the hectic pace of modern life has fuelled the evolution of snacking and other on-the-go products. In fact, according to Mintel Global New Products Database (GNPD), the number of global food and drink launches with on-the-go claims increased 54% between September 2010 – August 2011 and September 2015 – August 2016.

However, food and drink does not always have to be “fast.” Instead, many consumers are seeking balance, which has led to products that have “slow” claims, such as slow-roasted or promising slow-release energy. Mintel

GNPD reveals that global food and drink launches that include “slow” in the product description grew nearly 214% between September 2010 – August 2011 and September 2015 – August 2016. Yet, these packaged “slow” products still offer convenience by taking care of the time-consuming elements on behalf of consumers.

In 2017, the time spent on – or saved by – a food or drink product will become a clear selling point. The paradox between fast and slow often manifests itself at meal times. Although consumers want to save time at some occasions, during others, they are willing to spend – at least some – time. The focus on time when it comes to cooking has led to growth in a myriad of shortcuts, including extended-shelf-life herb purees, quick-

cooking sides and home delivery services. Many of these time-saving solutions allow consumers to bypass one portion of the meal-making process without sacrificing key elements such as nutrition or personalisation. In the future, products will have to share specifics about the time a product will conserve or require.

30% of Canadian breakfast eaters say that breakfast products that require little or no preparation are important to them.



Two chewable coffee Go Cubes provides the same caffeine as one cup of coffee.

WHY CONSUMERS WILL BUY INTO THIS

The quest for balance is reflected in consumer priorities that can vary by time of day, but is especially important in the morning. Mintel research finds that in China, 42% of adults aged 20-49 who eat ready meals would like to

see more ready meals designed for the breakfast occasion. Likewise, breakfast products that require little or no preparation are important to 30% of Canadian adults who have recently eaten breakfast.



▲ Australian ready meal Herbert Adams Gourmet Slow-Cooked 6 Hours Smoky Pulled Pork Pies emphasises the time invested in its production process in the product name.



▲ UK brand Huel offers a “nutritionally complete powdered food” that provides the European Union’s daily value of essential vitamins and minerals.

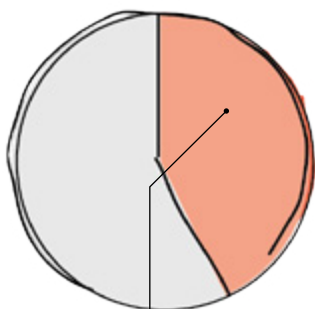
When it comes to more time-intensive meals, many people want to get into the kitchen and cook a meal, but would like to lessen the time spent on at least one step of the process. Nearly half (45%) of US Hispanic consumers say that planning and making healthy meals is too time-consuming. Brazilian adults, meanwhile, identify a range of time elements that are important when cooking: Mintel finds 43% look for meals that are easy to prepare, 34% want

meals that are quick to make or cook and 18% want meals that leave little cookware to wash afterwards.

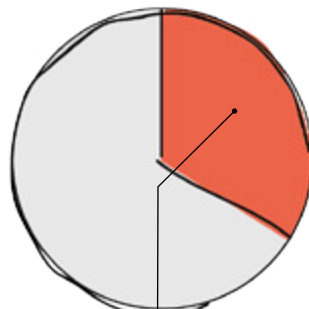
Day of the week also makes a difference according to Mintel because 45% of Spanish adults choose easy, quick-to-prepare food for weekday meals, and 35%

of Spanish adults spend more time cooking when they can at the weekend. These time-saving elements can provide more time to be spent enjoying a meal, which is a sentiment felt by 60% of UK consumers who agree it is important to eat meals at the table.

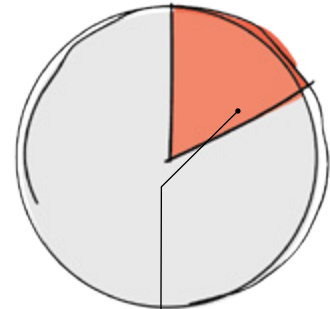
IMPORTANT FACTORS FOR BRAZILIAN CONSUMERS RELATED TO COOKING, 2016



43%
Easy to prepare



34%
Quick to make or cook



18%
Involves little cookware to wash afterwards

Source: Mintel’s Cooking Habits Brazil 2016 report

WHERE NEXT?

In 2017, the priority for food, drink and retail solutions that save time will be to call on companies to make explicit time-related claims. Rather than general promises of products that are “fast” or “slow”, the expectation for efficiency will lead to specific claims, such as fresh produce delivered in less than an hour, as is offered in Barcelona by Unplis, or a South Korean yogurt, Maeil Bio, that is fermented for eight hours and aged for 24 hours. Products that share how long they will take to receive, prepare

or consume, but are also healthy, will find their way into more homes.

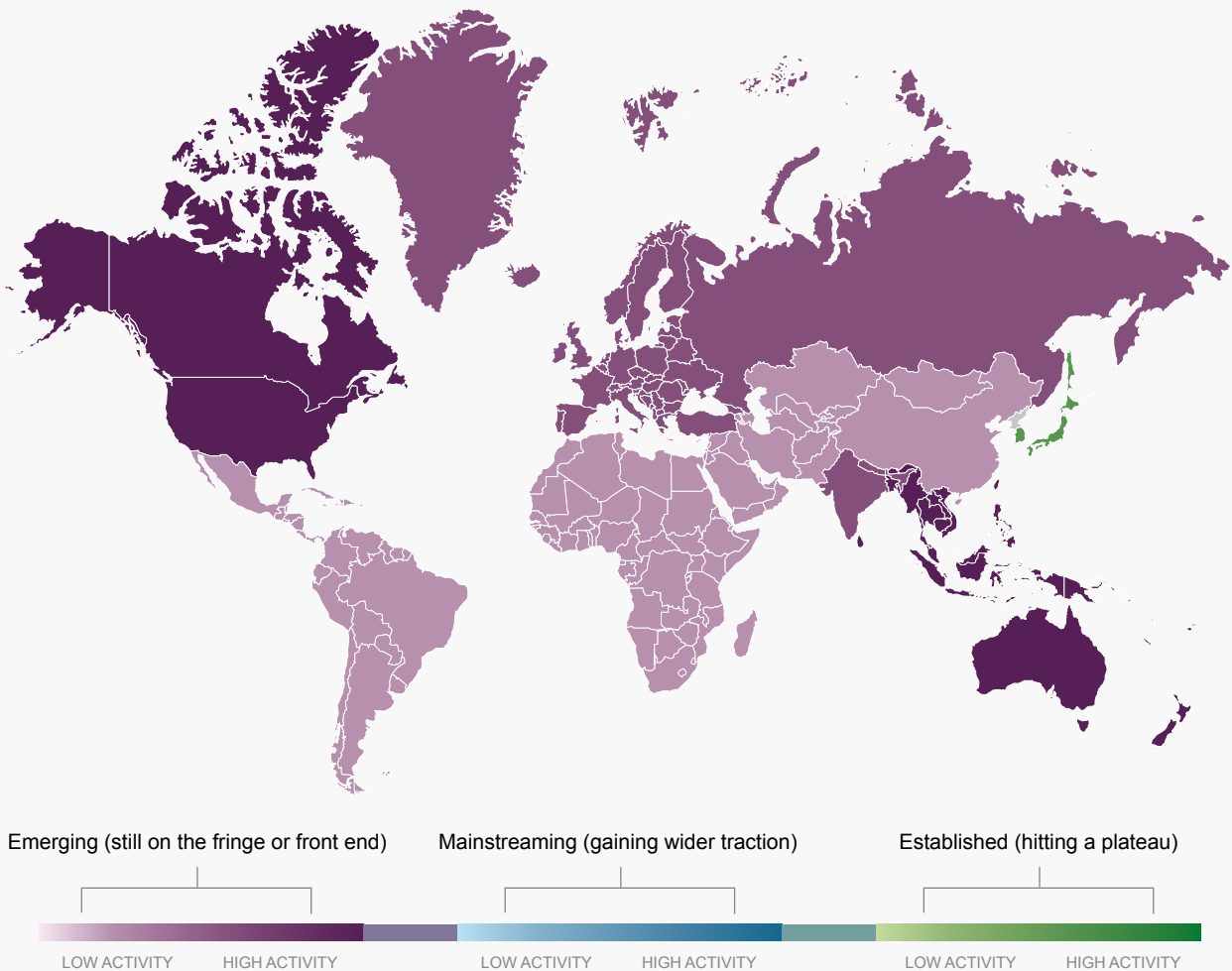
A small segment of consumers already take efficiency to new heights by using so-called “biohacking” food and drink, such as complete nutrition drinks Soylent in the US and Huel in the UK. While most consumers are unwilling to replace too many meals with nutritionally dense drinks, some may be willing to substitute the occasional snack or meal with products that are designed

to be nutritious, filling and or functional. For those who are extremely short of time in the morning, Go Cubes are gummy coffee bites made with real cold-brew coffee. Even biohacking pioneer Soylent announced an expansion into a ready-to-drink coffee drink and a snack bar.

Brands also can address the desire to shorten the time spent planning and shopping by offering internet-connected solutions, such as the Amazon Dash branded buttons that have

expanded from the US into the UK, Germany and Austria. Apps are another platform that can help consumers streamline tasks. In Argentina, smart TV owners can queue up chef tutorials for more than 100 quick and easy-to-make recipes. Meanwhile, Nespresso’s app-controlled smart brewing machine Prodigio that is available in Singapore, allows users to start brewing remotely and to receive notifications on their mobile phone when the coffee is ready.

Where are the opportunities for Time is of the Essence?
Find out where this trend is in its life cycle around the world



THE NIGHT SHIFT

Evening is tapped as a new occasion for functional food and drink formulations.

WHAT'S HAPPENING IN 2017?

As the global workforce grows and technological advances make it harder to “clock out”, more people are in need of products that provide comfort or relaxation. Some consumers already turn to food and drink to address their emotions or mood, as

evidenced by the popularity of chocolate and energy drinks. Yet, the increasingly hectic pace of modern life is creating a market for night-time products that help people of all ages calm down before bedtime, sleep better and restore the body while they rest.

Evening is already associated with functionality in the beauty industry, where creams and serums claim to work overnight. In the future, consumers, especially those who are accustomed to multitasking, will want to make better use of their precious night-time hours. Thus, an opportunity exists for functional food and drink designed to help people relax, restore and recharge at night.

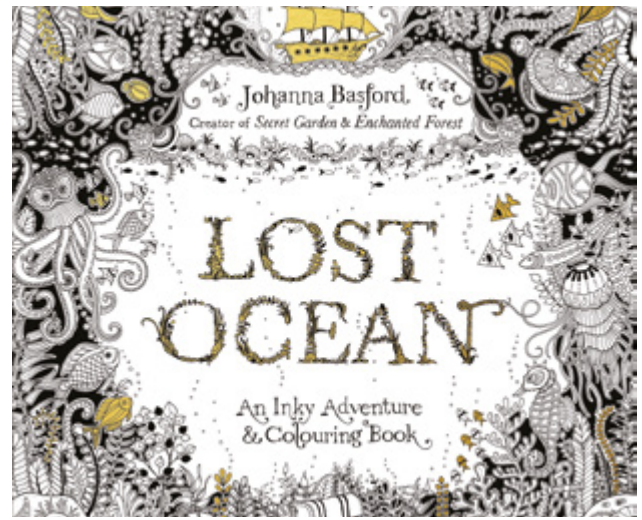
With so many people seeking functional food and drink, night-focused innovations can go beyond herbal teas and be more plentiful – and innovative. Some inventive products have already begun to

address the evening occasion, such as retailer Lidl’s Solevita Relaxing Juice with Melatonin in Spain that is designed for night-time consumption. In 2015, a line of snack bars called NightFood was released in the US promising to satisfy after-dinner cravings, keep diets on track and support better sleep. In Mexico and Colombia, Kellogg’s All-Bran cereal repackaged a few varieties with a lunar design that promotes the cereal as an evening meal that can improve digestion and leave the consumer with “a feeling of lightness and revitalization”.



▲ Kellogg's repackaged All-Bran cereal in Mexico and Colombia with claims that night-time consumption may help with digestion.

More products can leverage the reputation of the tea category and use chamomile, lavender and other herbs in formulations as a way to achieve a sense of calm before bedtime.



▲ Touted as relaxation tools, colouring books for adults have become bestsellers around the world.

WHY CONSUMERS WILL BUY INTO THIS

The pressures of modern life have some people mired in stress. According to Mintel, in the US, 56% of women and 46% of US men say stress is a health issue that concerns them, making it one of the leading health concerns. The complications of life under pressure have also been driving a resurgence in food and drink that leverage the desire for comfort. In fact, one third (33%) of UK adults who are employed eat comfort food to deal with work stress.

Relaxation is also a functionality that is of interest to some consumers, including 88% of Canadian adults who agree that

relaxation is an important part of a healthy lifestyle. In addition, Mintel research finds 22% of Brazilian adults would be interested in products that help them relax more in their free time. The growing demand for solutions that help consumers relax has led to a rise in sales of colouring books for adults, cafes where people can enjoy the company of animals or venues where consumers can pay to smash things, such as São Paulo's Break Lab.

At the same time, sleep is a priority in China, where Mintel finds 45% of Chinese internet users aged 20-49 say a lack of sleep is a

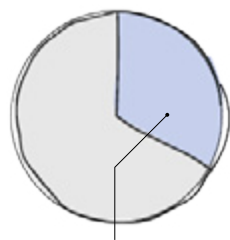
barrier to achieving a healthy lifestyle. Current consumption patterns place some food and drink categories at a prime place for expansion into the night-time market. For example, 40% of German adults eat or drink yogurt as an evening snack and 12% of Spanish adults eat or drink yogurt after 11 p.m. Chocolate could also be positioned for night-time consumption, especially if consumers need to wind down after



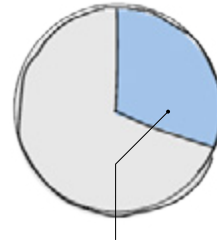
▲ Establishing a calming night-time routine is one of the goals of The Barisieur, a UK-designed alarm clock that freshly brews coffee or tea.

a long day, because 26% of US adults who have purchased chocolate recently did so to improve their mood.

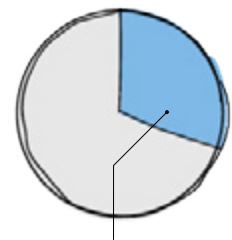
HOW CONSUMERS DEAL WITH WORK STRESS, UK, 2015



33%
Eat comfort food



30%
Drink alcohol



30%
Speak to a friend, partner or colleague

Source: Mintel's The Working Life UK 2015 report

WHERE NEXT?

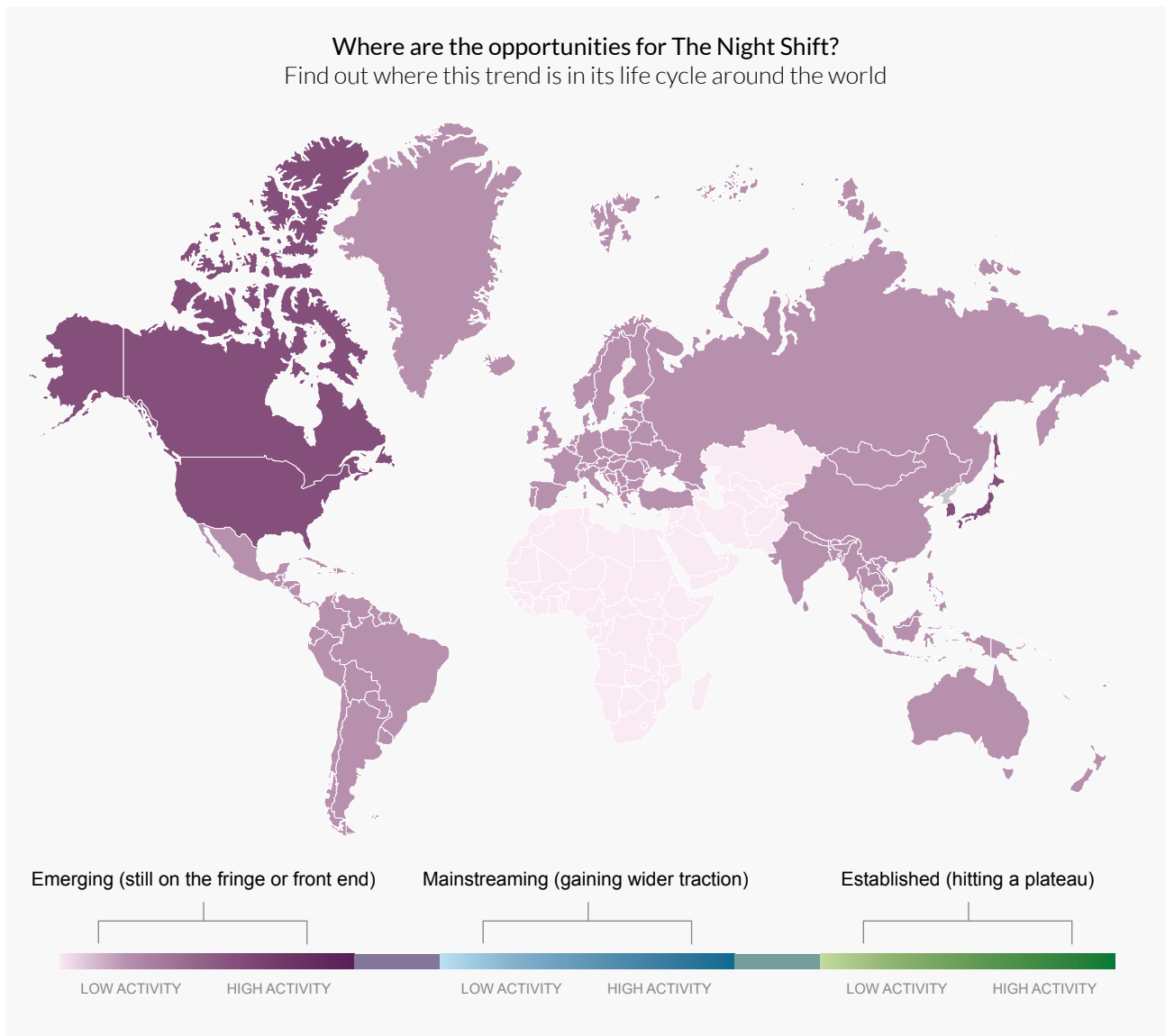
Much more potential exists for food and drink designed for night-time consumption. This functionality could be due to the product itself or its ingredients. More products can leverage the reputation of the tea category and use chamomile, lavender and other herbs in formulations as a way to achieve a sense of calm before bedtime.

In addition, products can promote the ability to avoid middle-of-the-night food

cravings with formulations that keep consumers full until morning. This functionality has been promoted by some baby food products that were designed for “preparing for a calm night”, but could be applicable to people of any age. Evening can also appeal across categories, as shown by the May 2015 launch of high-protein, low-carbohydrate bread intended for evening consumption by bakery producer Penam in the Czech Republic.

Much like the beauty category, food and drink could also provide functional benefits while the consumer sleeps. Leading the way, sports nutrition brand Gatorade announced that it is developing a night-time yogurt snack featuring a formulation to help athletes recover while they sleep. In another inspiration from the beauty category, food and drinks also have potential to encourage consumers to establish a night-time routine. In the UK, The Barisieur is an

alarm clock designed to wake the user with the sound of boiling water and smell of coffee or tea. The design requires that the user prepare the elements of their morning brew the night before as a way to relax and unwind before bedtime. More products can promote their use as part of a pre-bedtime routine, including the consumption of specific food and drink.



BALANCING THE SCALES: HEALTH FOR EVERYONE

Healthy food and drink are not “luxuries”.

WHAT'S HAPPENING IN 2017?

Inequality is not just a political or philanthropic issue – it is also a subject that will resonate more with the food and drink industry. In particular, access to – and the cost of – healthy food and drink often impede lower-income consumers from purchasing healthy items, including products that are natural, organic or free from certain ingredients. Moreover, the need to address inequality in healthy products will persist because lower-income consumers make up a large part of the worldwide consumer base: 638.3 million people globally were classified as low-income as of 2015, according to data from the World Bank.

For lower-income consumers, access to, and the affordability of,

food and drink are genuine concerns, especially because many lower-income people are at risk for food-related health issues, such as obesity and diabetes. While low household income does not directly cause these health issues, lower-income populations are more susceptible because of their lack of access to fresh food, limited time to dedicate to physical activity and high levels of stress or anxiety.

Progress is being made because, according to Mintel Global New Products Database (GNPD), the number of food and drink launches worldwide with economy claims increased 25% between September 2010 – August 2011 and September 2015 – August

2016. Yet, the growth of “economy” products has been driven, in part, by a broad quest for value from consumers of all income levels. In fact, “premium” was the fastest-growing claim used by economy-focused global food and drink launches between September 2010 – August 2011 and September 2015 – August 2016. Rather than offering value to those who can already afford it, more solutions are needed from both brands and retailers that provide affordable options to everyone who is hoping to improve their diets and lifestyles.

Danish retailer Fakta sells a litre of private-label organic milk for €1.53 (US\$1.67). ▶



WHY CONSUMERS WILL BUY INTO THIS

The affordability of healthy food and drink is important because many lower-income consumers intend to improve their lifestyles. For example, Mintel finds adults in France, Germany, Italy, Spain and Poland who are not working are slightly more likely than adults overall to be prepared to change their lifestyles to be healthier. In the US, 42% of adults who purchase vegetables and have a household income of less than US\$25,000 are actively trying to eat more vegetables, yet, only 27% of US adults with a low household income are buying more vegetables this year compared with last year.

Similarly, some products are out of reach for some lower-income households. According to Mintel, just over a half (51%) of Chinese adults aged 20-49 with low household income are spending more on healthy food than they were in the previous six-month period, which is less than the 62% of Chinese

adults with high household income who are spending more on healthy food. In Canada, 69% of adults with a household income of less than CAN\$25,000 agree that “being healthy gives me a sense of pride”, which is significantly less than 82% of Canadians who have a household income of CAN\$100,000 or more and agree with the same statement. The disparity is similar in the UK, where Mintel finds 40% of adults in socioeconomic group DE try to eat healthily most of the time, which is less than the 56% of socioeconomic group AB who eat healthily most of the time.

For some people, a healthy lifestyle might come as a result of a mandate

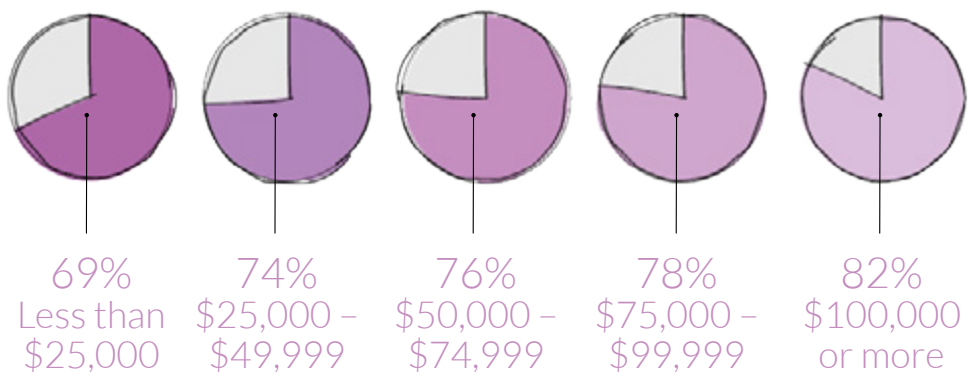


UK supermarket Asda created a box of misshapen, but edible, vegetables that retails for 30% less than its standard produce.

more than self-motivation. Nearly two thirds (64%) of Brazilian adults in socioeconomic group DE would eat healthy food more out of diet restrictions rather than a

desire to lead a healthy lifestyle. This is more than the 51% of Brazilians in socioeconomic group AB who would wait to improve their lifestyle until necessary.

CONSUMERS WHO CLAIM “BEING HEALTHY GIVES ME A SENSE OF PRIDE”, BY HOUSEHOLD INCOME, CANADA, 2016



Source: Mintel's Healthy Lifestyles Canada 2016 report, in CAN\$

WHERE NEXT?

In 2017, more campaigns and innovations that make it easier for lower-income consumers to fulfil their healthier eating ambitions will be needed. Some companies have taken steps to make healthy products more budget-friendly, such as UK supermarket Asda's box of misshapen vegetables that is capable of feeding a family of four for £3.50. Technology also can play a part, including a Dutch app Koken met Aanbiedingen (Cooking with Offers) that helps people create

meals using ingredients that are on promotion. A crowd-sourced online map in Argentina #EIMapaDelAsado (TheBBQMap) provides the locations of retailers with affordable meat.

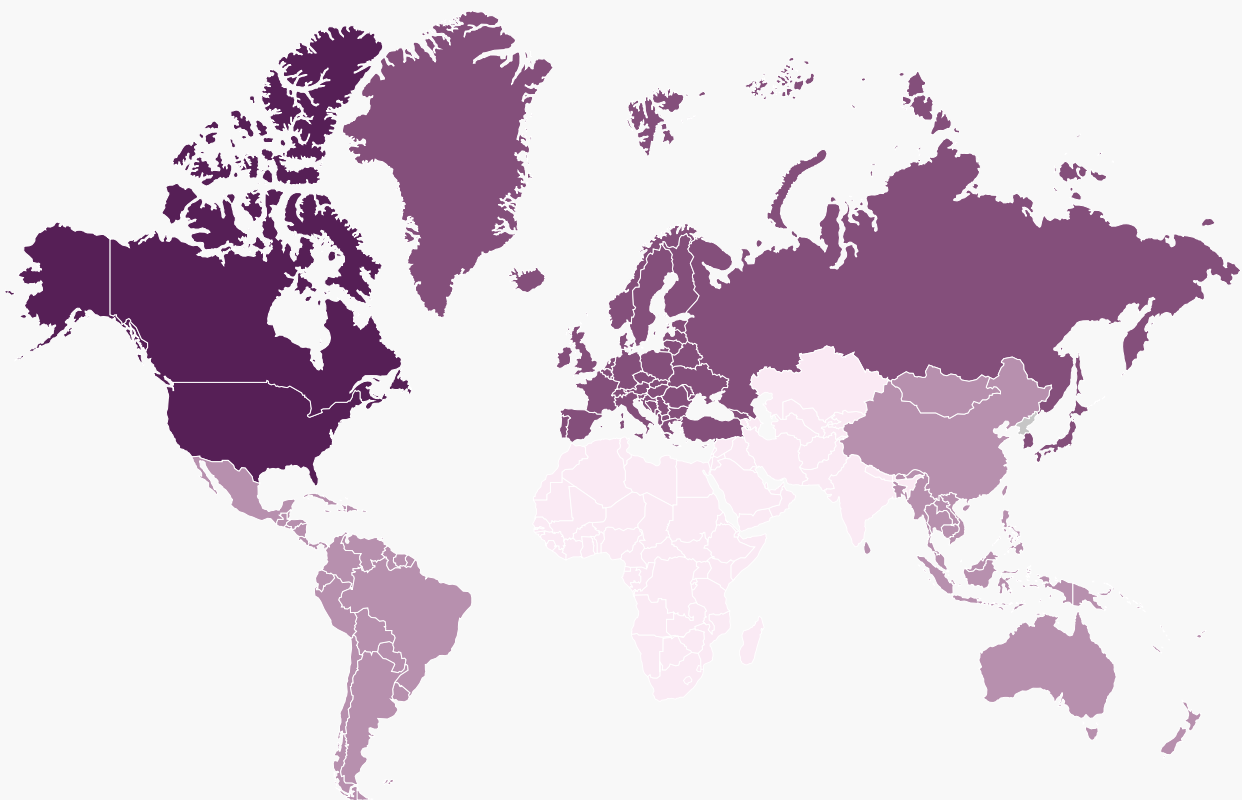
Affordability is also the central element of the business models of some foodservice companies, including Saladorama in Brazil and Everytable in the US. While Saladorama offers meals at one consistent price for any customer, Everytable

charges \$4 for healthy meals in a low-income area of southern Los Angeles, but \$8 for the same meals in a more upscale part of downtown Los Angeles. The difference in price, the company says, helps to offset the small margins at which the meals are sold in south Los Angeles.

Everytable also donates leftover food to charity, representing the potential synergy between the need for healthy meals that are affordable and fellow 2017 Global Food & Drink

Trend, *Waste Not*. Utilising food that would otherwise go to waste can help to address cost. For example, Heses & Emet, a catering company in Singapore, is hoping to improve the quality of meals for migrant workers by incorporating "ugly" produce and canned foods nearing their expiration date into meals for the workers. Thus, creativity may be required in order to develop solutions that lower the price barrier to better-for-you food and drink.

Where are the opportunities for Balancing the Scales: Health for Everyone?
Find out where this trend is in its life cycle around the world



THE WORLD'S LEADING MARKET INTELLIGENCE AGENCY

Our expert analysis of the highest quality data and market research will help you grow your business.

© 2016 Mintel Ltd. All rights reserved.

mintel.com

