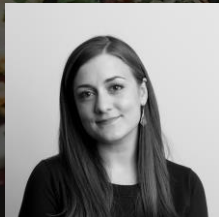


Looking Forward: Food and Beverage Trends

As we venture further into the next normal, Mintel will share cross-category insights in food and beverage insights, recent product innovations and more.



Stephanie Mattucci

Associate Director, Global Food Science

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<https://www.mintel.com/flavorcon-2021>



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Our purpose is to help businesses and people grow.

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Today we'll be looking at the effect COVID-19 has had on consumer behavior and what that means for flavor innovation



How COVID-19 shaped consumers view of consumers wellness



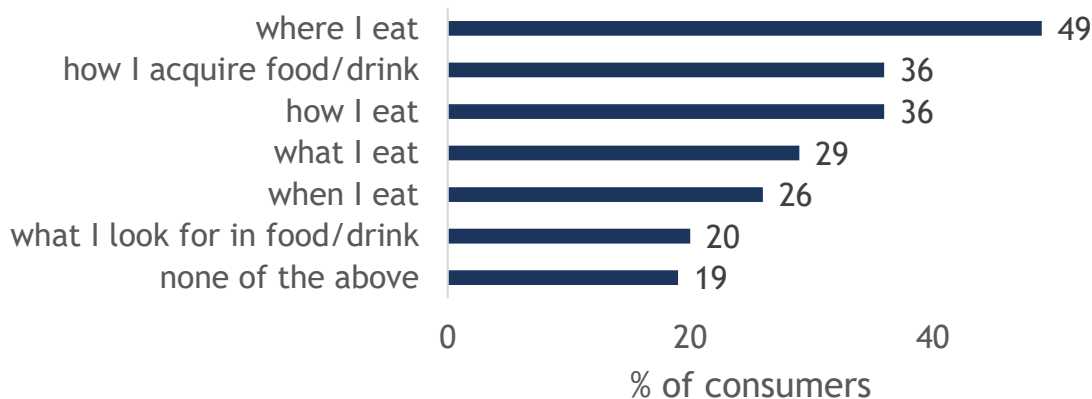
How COVID-19 shaped consumers flavor discovery

US adults recognize the pandemic's power of transformation

Nearly two-thirds of US adults agree that the pandemic has made them reevaluate their life priorities.

In food and drink, US adults say the pandemic caused the most change in where they eat, how they grocery shop and how they approach their diets.

US: impact of COVID-19 on food/drink choices, "The COVID-19 pandemic has changed...", 2020





Wellness priorities: What does it mean for flavor?

The pandemic has led many consumers to change up their usual routine and view food and drink as a function of health.

Consumers are prioritizing diet and health

SEEKING HEALTHFULNESS

43%

of US consumers agree that **healthfulness** has become a more important factor to them due to COVID-19 when shopping for food/drink

PRIORITIZING PHYSICAL HEALTH

57%

of US consumers agree the pandemic made them realize they want to take **better care of their physical health** due to COVID-19

STICKING TO HEALTHY CHOICES

29%

of US adults say they have been more **strict about making healthy choices** for themselves since the COVID-19 pandemic began

The reasons for eating healthy have new relevance

A renewed focus on health and wellness has prompted consumers to reconsider their diet and to look for healthy foods to support the various areas of health and wellbeing

IMMUNE HEALTH

86%

of US adults agree eating healthy is important for a strong immune system

PHYSICAL HEALTH

29%

of US adults agree eating healthy is important for their physical wellbeing

MENTAL HEALTH

78%

of US adults agree eating healthy is important for their emotional wellbeing

Consumers are looking for convenient ways to add health to their diets

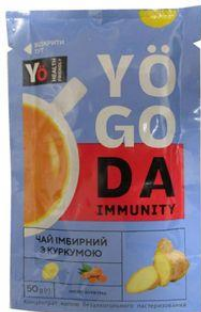


Base: US: 1,000 internet users aged 18+
Source: Lightspeed/Mintel, November 2020

What does immunity mean for flavor?

Familiar

Adventurous



Immediate protection

Healthy aging

Recognizable immunity
foods

Herbal and botanical
remedies

Antioxidant-rich
foods

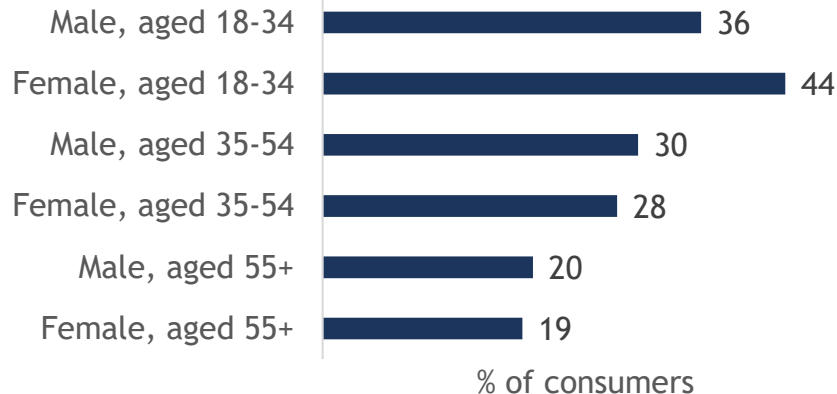
Anti-inflammatory
foods

Fermented foods
Gut-immunity axis

With burnout looming, mental and emotional health solutions will be needed

The pandemic has accelerated the importance of mental and emotional health. The focus on mental and emotional health should be regarded as a long-term trend because people aged 18-34 are most likely to be open about and seeking mental health solutions.

US: impact of COVID-19 on health management,
"I am more aware of my mental health needs,"
by gender and age, 2020



What does mental health mean for flavor?

Familiar

Adventurous



Immediate ease

Long-term support

Calming botanicals

Spa-like flavors

Warm spices

Nature-inspired

Adaptogens

Brain health foods



Flavor discovery during COVID-19

The pandemic accelerated consumer acceptance of ecommerce grocery options

The time savings and feelings of safety of not shopping in person during COVID-19 are likely among the reasons why online grocery shopping is here to stay.

SHOPPING ONLINE MORE

57%

of US grocery shoppers who shop in-store and online were shopping **more online** during COVID-19, as of Jan 2021

ECOMMERCE HAS WON OVER NEW SHOPPERS

54%

of US adults who are shopping more online for groceries during COVID-19 say online shopping is **more convenient** than they thought

CONTINUED TREND

54%

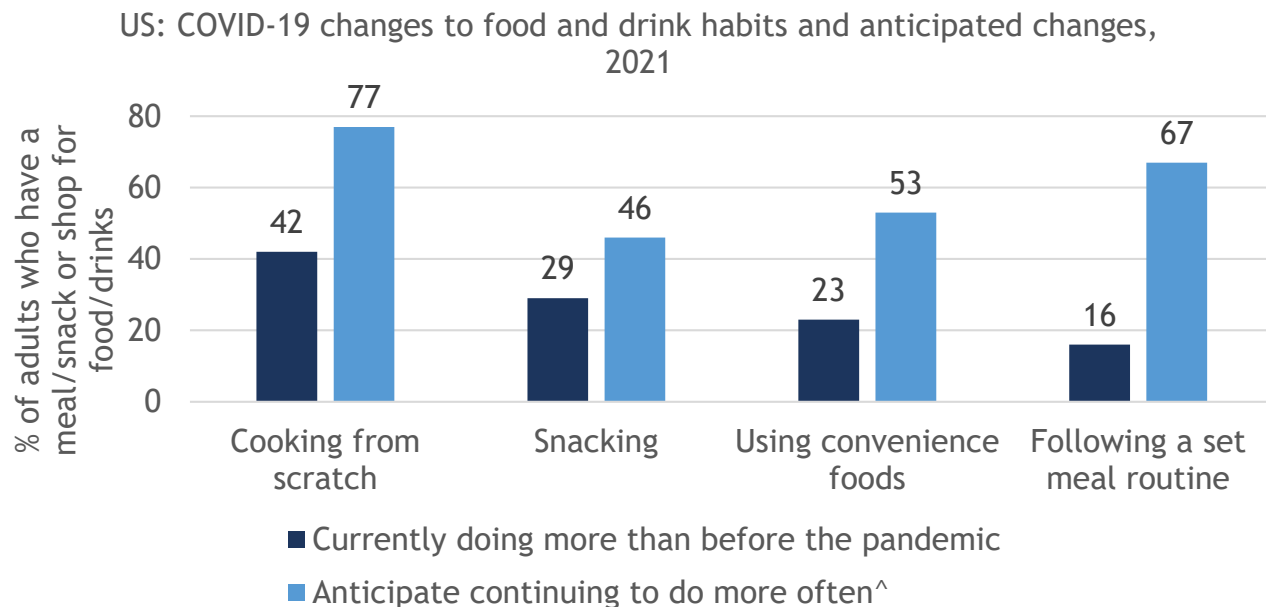
of US adults who are shopping more online for groceries during COVID-19 plan to **continue doing so** when COVID-19 is no longer a threat

Base: 1,041 internet users aged 18+ who do grocery shopping in-store and online, 591 internet users aged 18+ who are shopping more online for groceries during COVID-19 (Jan 2021) ; 2,000 internet users aged 18+ (Dec 2020)

Source: Kantar Profiles/Mintel



Consumers plan to keep pandemic meal patterns



Time-saving cooking products and grab-and-go snacks will help consumers maintain these behaviors

Cooking at home more presents challenges for flavor discovery challenge

[^] anticipated future behavior of consumers who currently do that behavior

Base: US: 1,997 internet users aged 18+ who have a meal/snack or shop for food/drinks; ^ 839 who cook from scratch; 571 who snack; 450 who use convenience foods; 329 who follow a set meal routine

Source: Lightspeed/Mintel, November 2020



The pandemic has presented challenges for flavor discovery

31% of US consumers plan to *spend less* on dining out in 2021, compared to only 19% who plan to *spend more*.

NEW FLAVOR SEEKERS

58%

of US consumers say they sometimes try new flavors; and 21% go out of their way to try new flavors.

EDUCATED BY MENUS

42%

of US consumers learn about new flavors from restaurant menus

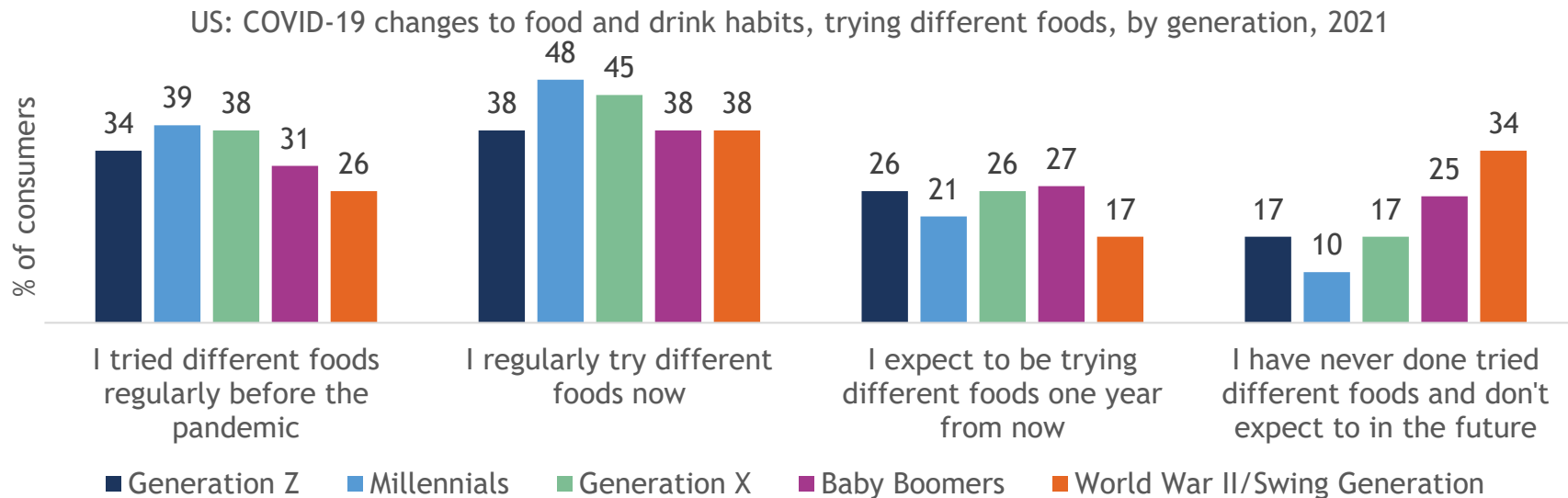
RESTAURANTS: THE ORIGINAL INFLUENCERS

33%

of US consumers say flavors that they have tried at restaurants influence what they buy in store

Boost new product discovery and trial

While 46% of US consumers learn about new flavors from grocery stores, 28% of US consumers wish it were easier to try new flavors at home.



Onmichannel-friendly products will resonate with online grocery shopper

Given the continued rapid growth of the online grocery industry, operators that fail to adopt an omnichannel presence and have well-defined strategies will find themselves losing market share.

SHOPPING ONLINE

53%

of US food/beverage shoppers mainly buy the same to most of their food/drink online; rising to 71% of Millennials

SEEK FAMILIAR BRANDS

49%

of US online food/beverage shoppers mainly buy the same brands that they'd buy in-store; 47% of Millennials agree

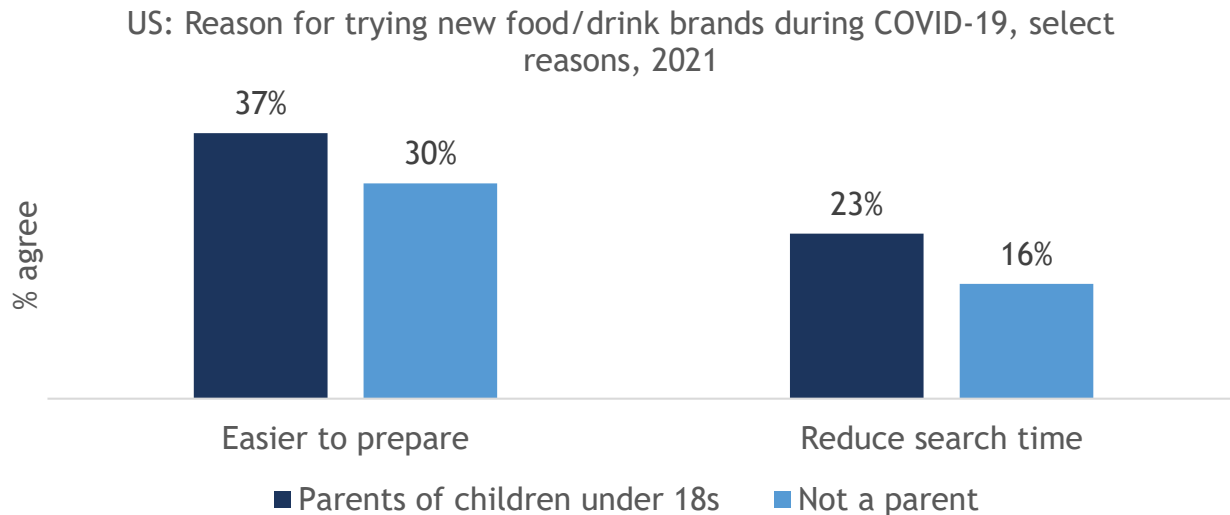
LOOK FOR RECOGNIZABLE
PACKAGING

36%

of US online food/beverage shoppers look for the same packaging they see in-store; 38% of Millennials agree

Flavors need to support accessible and convenient products

The pandemic prompted consumers to shop more online and try to limit the time they spend in-stores.



Saving time has prompted some consumers to switch brands

Cocktail subscription Shaker and Spoon makes it easy to try new flavors at home

Each box includes all of the ingredients (other than the alcohol) for 12 cocktails (4 from each recipe). Everything you need—syrops, bitters, garnishes, mixers, citrus—is included; you just add the liquor. Our specialty syrups are house-made and we always aim to source the best of everything else. Each bartender recommends a bottle that'll work well with the entire box, but our drinks will also taste great with your favorite brand or the bottle you already have at home.

Shaker and Spoon



Simple flavors offer consumers several advantages during the COVID-19 era

Saves time

Simple products can save consumers' time -- and cope decision paralysis -- by being something consumers quickly recognize and can add to their cart, both in stores and online.

Offers reassurance

Easy-to-recognize flavors can be calming during a time of stress and burnout. The comfort of the familiar can be calming, giving consumers a welcomed break from the unpredictable

Saves money and pantry-space

Simple flavors can appeal to consumers looking for ways to stretch their dollar and keep their pantry stocked with versatile meal essentials.

US spending priorities for food and drink have and will continue to shift

Macroeconomic issues like inflation and rising food prices could increase the priority for value among all shoppers, even those who are currently financially secure.

43%

of US adults say **spending less on dining/food from restaurants during the pandemic** has *positively* affected their finances

34%

of US adults say **higher grocery bills are the top factor** that has *negatively* affected their finances during the pandemic

28%

of US adults say if the economy worsened, they would **switch to less-expensive kinds of food**

New flavors can be risky when money is tight

THINK BUDGET-FRIENDLY

46%

of US consumers don't try new flavors because it's too expensive

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30%

of US consumers don't try new flavors because they don't want to commit to a large portion

BRIDGE TO THE FAMILIAR

41%

of US consumers are interested in trying new flavors that are similar to their favorites

Base: 2,000 internet users aged 18+

Source: Kantar Profiles/Mintel, Oct 2020; Kantar Profiles/Mintel, Dec 2020

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Versatile flavors will have the advantage

Economic uncertainty and concerns about to spend too much time in stores is encouraging consumers to favor versatile foods as well as products that can be kept longer.

44%

of US consumers plan their meals carefully to save money on food and drink

40%

of US consumers choose ingredients that can be used in a variety of meals to save money on food and drink

42%

of US consumers buy larger quantities of a product when it's on sale to save money on food and drink

Combine ease of preparation and familiarity to appeal to consumers' aspirations for convenience and health



Mac & Freak in flavors like Southwestern Cheddar, Broccoli & Cheese and Kickin' Kale Cheddar



General Mills pairs with digital media company BuzzFeed to create meal kits for young adults

Versatile flavors - and formats - need to support consumers' needs

Due to COVID-19, long lasting has become an important factor for 35% of US consumers when shopping for food and drink.



'A longer shelf life to reduce waste'

Daily Harvest Frozen Mylk Triangles.

Consumers mix this product with water at home to make 'milk'. The product is frozen and so has a **longer shelf life than chilled and shelf-stable alternatives** (once opened).



Smaller pack size may reduce packaging

JOI Organic Oat Milk Powder

Claims that its new launch is a sustainable and affordable alternative to liquid oat milk.; powder offers an economical, sustainable and customisable alternative to regular liquid oat milk.



'Shelf-stable reduces spoilage in the supply chain'

Kencko Dried Smoothie Mix.

Kencko's website states "We capture the nutrients of fresh produce in a **shelf-stable form**, reducing spoilage in the supply chain and helping consumers to waste less".

Stocking up is sticking around

Supply chain issues and financial woes will prolong this hoarding behavior. When saving money, consumers are seeking products with long shelf-life to avoid food waste

PURCHASE LARGE PACK SIZES

48%

of US consumer do this now; 20%
plan to do so in a year from now

USE SHELF STABLE FOODS

56%

of US consumer do this now; 21%
plan to do so in a year from now

USE FROZEN FOODS

53%

of US consumer do this now; 21%
plan to do so in a year from now

Base: 2,000 internet users aged 18+
Source: Kantar Profiles/Mintel, Mar 2021



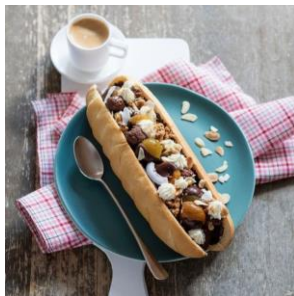
Supply shortages will push consumers to ask for more versatility from their foods

The pandemic has propelled social media to the fore as consumers seek recipe inspiration. Support creative and thrifty consumers with simple and versatile flavors.



Bread Waffle

Pain Jacquet shares an easy waffle recipe using bread (France).



Bread Eclair

Pain Jacquet shares bread eclair recipe (France).



Brioche Tiramisu

Brioche Pasquier suggests to dip brioche in mascarpone and strawberries to make tiramisu (France).

What you need to know

Health is holistic

Brands will need to fit into consumers' new all-encompassing views of health.

Flavors can support consumers wellness goals in new ways, especially as healthy includes proactive solutions to physical, mental and emotional health.

Omnichannel-friendly flavors

COVID-19 has shifted flavor discovery. Changes in consumer behavior will require brands to find new ways to reach consumers with flavor.

A shift to online will require flavors that are easily discoverable.

Versatile flavors = affordable

Help thrifty consumers find flavors they not only trust and feel confident about but also ones that they can use again and again.

Meet the Expert



Stephanie Mattucci

Associate Director, Global Food Science

smattucci@mintel.com

**The world's leading market
intelligence agency**

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

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**Experts in what
consumers want
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