Naturally GOOD

# 11:30am - The Big Three Food and Drink Trends for Australia

**Shelley McMillan**
*Associate Director, Consulting,* ANZ
Mintel

# 2019 Global Food & Drink Trends

Modern takes on convenience, sustainability and health and wellness will re-shape the food and drink industry in 2019.

**Shelley McMillan**

Head of Consulting – South APAC

# Three new 2019 Global Food & Drink Trends

1

## Evergreen Consumption

A circular view of sustainability that spans the entire product lifecycle requires action from suppliers to consumers.

2

## Elevated Convenience

To match the premium expectations of consumers in the on-demand age, convenience food and drink will get an upgrade.

3

## Through the Ages

Healthy aging will emerge as the next extension for food and drink claims, with younger consumers embracing edible beauty and everyone wants better sleep!

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# EVERGREEN CONSUMPTION

Collaboration between suppliers, manufacturers, retailers and consumers will extend sustainability throughout the entire product lifecycle.

# What is the opportunity

### Attention on plastics is the tipping point

Global attention to plastic waste improved the awareness of the need for action at every level to make sustainability more circular. All parties will need to solve the problems with today's recycling infrastructure and innovate packaging

### Adopt a 360-degree view of sustainability

A movement is growing that defines sustainability as a circular endeavor that incorporates the entire life of a product, from ingredient sourcing at the beginning to package disposal at the end.

### Take action throughout the lifecycle

Sustainability includes important environmental concerns such as soil health, regenerative agriculture and air pollution. Brands can commit to improving farming and reducing pollution, and also help educate on why these issues are important

# 'Circularity' is the new sustainability

The definition of sustainability is changing to encompass the entire product lifecycle. This more circular approach will require companies, retailers and consumers to embrace their roles in the sustainability cycle.

The movement toward circularity considers the entire life of a product from ingredient sourcing to package disposal or reuse.

The 360° approach reflects the principles of a circular economy;

- Resources are kept in use for as long as possible
- Extracting the maximum value while in use
- Recovering materials at the end of use.

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# Australians are also increasingly taking positive action to be more sustainable

**34%**

of Australian Metro consumers prefer to buy products that are produced using sustainable sourcing methods

**1.5 billion**

fewer plastic bags in the environment since Coles & Woolworths removed single-use plastic bags

**1/3**

of Australian meat reducers are doing so because of environmental concerns related to meat production

***Base:****1,500 internet users aged 16+,129 internet users aged 16+ that are eating more non-animal sources of protein*

# Bottled by the Sun shining light on renewable energy

Solar-powered juice from the NZ sunshine capital - Nelson

- New Zealand based juice company Chia Sisters has created a brand "Bottled by the Sun" celebrating that they are a purely solar powered juicery.
- The panels harness 16kw of energy per hour from the sun - double the amount needed to run the manufacturing site, even selling it back to the grid.
- Chia Sisters have also embraced the 360° view of the product life cycle such as using recycled glass, adopting a zero waste policy and using low carbon ingredients.
- Ethical practices are also highlighted with the company being an accredited Living Wage employer

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# Eco-friendly iGeneration shows long-term potential for sustainability

Australian i-Gen consumers, more so than any other generation, prioritise the importance of sustainability & environmental practices of brands

**40%**

of 16-24yr old Metro Australians prefer to buy products that are produced using sustainable sourcing methods vs 32% of 45-54yr olds

**21%**

of 16-24yr old Metro Australians say that ethical accreditation from brands is important to them

**16-34yr olds**

have significantly higher purchase intent of food products with a carbon neutral claim vs other age groups

***Base:****338 Australian Metro Consumers 16-24yr olds, 241 Australian metro consumers 45-54yr olds. 1,700 AU internet adults aged 16+ reviewing products*

# Food waste prevention efforts demonstrate the potential for collaboration

Mash Tun crackers re-purpose spent grains from the beer making process

- The movement to reduce food waste showcases that governments, companies and consumers can come together to advance sustainability.
- Since 2017, more companies, retailers and restaurants have created products that use ingredients that would otherwise be thrown away.
- The action that has been taken on food waste shows that sustainability serves as motivation for companies and consumers alike. Circularity could follow food waste as the next sustainability cause *du jour*.

# WHAT'S NEXT?

# Consumers want reassurance and the occasional incentive to take action

**46%**

of Brazilian middle class adults would like to exchange empty packages/used products for a discount on future purchases

**67%**

of UK adults agree it's more appealing to act in a more environmentally friendly way when you can see the results of your actions

***Base:*** *Brazil: 829 internet users aged 16+ from C12 socioeconomic group ("middle class"); UK: 2,000 internet users aged 16+*

# L'Oreal Australia rewards recycling

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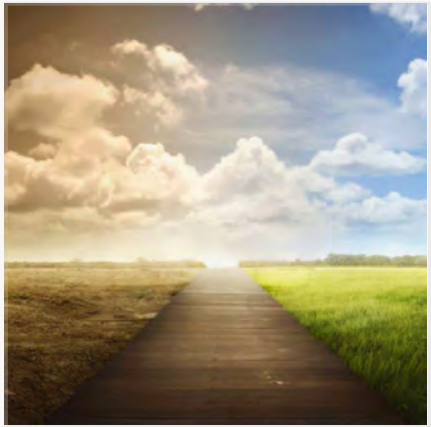
# Give soil the attention it deserves

### Soil loss is unsustainable

Soil is an important resource that needs more attention. Healthy, nutrient-rich soil provides the foundation for life, yet we are losing soil faster than we can replenish it.

### Soil is an important, yet finite, resource

Start looking at soil as an important ecosystem, one that sustains life, recycles nutrients, and regulates water flow.



### Soil impacts climate change

Soil stores carbon dioxide and other greenhouse gases. Soil erosion releases greenhouse gases into the atmosphere, contributing to climate change.

# Promote efforts to save soil as part of organic and other sustainability initiatives

**Supports soil health**
Australian Organic Food Co Organic Pumpkin & Sweet Potato. Claims that fertile soil is being lost at an alarming rate and urges consumers to support local organic farmers and save the soil's health for future generations (AUS, $4.50 AUD).

**Regenerative agriculture**
Annie's Homegrown in the US is one brand helping to raise awareness by publicizing the practice of regenerative agriculture (USA, $2.00 USD)

**Increase soil fertility**
RW Garcia Lentil & Turmeric Tortilla Chips promote soil health and water and energy conservation by using pulses as a key ingredient (USA, $4.29 USD).

# What to do?

### Everyone has a role to play

Consumers may have the intention to reduce and recycle their packaging consumption, but they often don’t know how or where to start. Suppliers, brands and retailers all have an important role to play.

### Collaboration is key

Team up with governments, brands (even if they are competitors) or environmental organisations to develop or crowdsource ideas that will make innovative and disruptive changes.

### Innovate... and be part of the movement

As the new dawn for zero-waste and sustainability becomes more fashionable, brands that do not address it will become repellent to the growing ethical consumer group.

# ELEVATED CONVENIENCE

To match the premium expectations of consumers in the on-demand age, convenience food and drink will get an upgrade

# What is the opportunity?

**Foodie-inspired**

**Health**

**Customisable**

# 'Foodies' drive improvements in convenience products

**38%**

of UK consumers describe themselves as a foodie

The term "foodie" is often a self-adopted nickname among people who are driven to try new food and drinks and also often expect high quality food, flavours and formats.

In the UK, over half of 16-34s (53%) and 59% of female under-25s consider themselves to be foodies.

Australians love for food is observed through the success of MasterChef, as 1.74 million viewers saw the 2018 grand finale. The sharing of recipes created by contestants and renowned chefs, encourages and inspires a new generation of cooks and consumers that seek new challenges and experiences.

***Base:****2,000 internet users aged 16+*

# Upgraded ready-to-consume products

**Plant-based Indian street food**
Iceland's Calcutta Kale Bhajis feature crispy kale tangled with sliced onion and coated in a fragrantly spiced gram flour batter. It is branded as the next level bhaji, inspired by Indian street food (UK, $1.50 GBP).

**No-mess at-home cold brew**
McCafé Cold Brew Premium Roast Ground Coffee Packs by Kraft Heinz joins the cold brew coffee craze. The pack of 8 disposable, single-serve filter packs can be brewed overnight in cold water in the refrigerator (USA, $6.98 USD).

**Restaurant brand enters retail**
Tony Roma's Carolina Honeys BBQ Boneless Pork Ribs are fully cooked pork ribs in a delicious Carolina honey BBQ sauce. Tony Roma's is an American casual dining restaurant famous for their ribs (AU, 16.99 AUD).

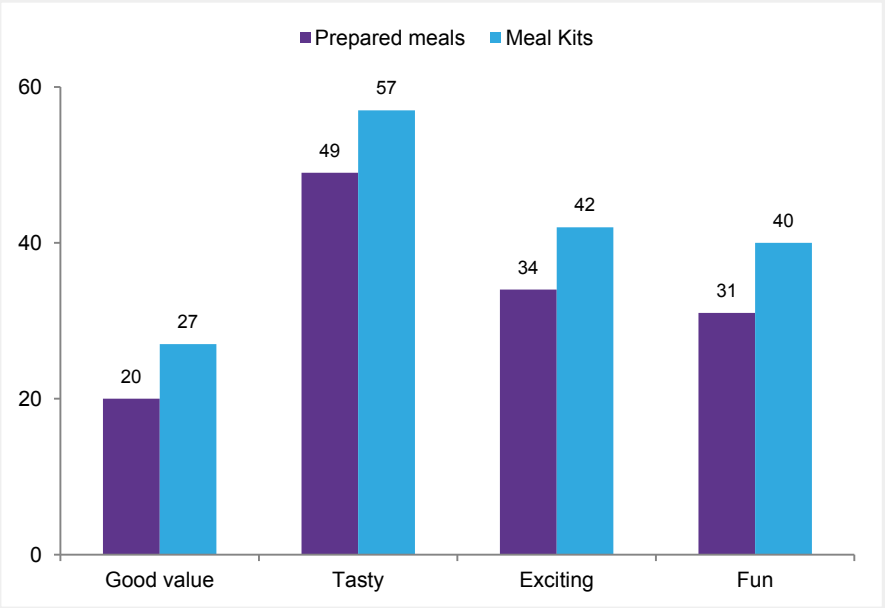
# Meal kits resonate most with Millennials

Meal kits resonate better with Australian consumers compared to prepared meals: 37%* said they would buy, compared to 28% for prepared meals.

Australians perceive meal kits as:

- Better **value** (27%* compared to 20%)
- More **tasty** (57%* compared to 49%)
- More **exciting** (42%* compared to 34%)
- More **fun** (40%* compared to 31%)

Those most likely to say they would buy meal kits are consumers aged 16/18-34, which could resonate with the 46% of Australian millennials that say they enjoy cooking.




*Base:* difference of the primary group to the benchmark group is statistically significant, at 95% confidence level; AU internet respondents 16+ reviewing meal kits 4,000; prepared meals 19,100 (Apr-Dec 18); 898 AU internet users aged 18-38*

# Kits can solve meal dilemmas throughout the day

**Morning Go-Kit**
Quaker Morning Go-Kit Berry Almond Trail Mix, Cranberry Almond Breakfast Flats and Strawberry Greek Nonfat Yogurt is a chilled meal kit offering 16g protein and 18g wholegrain with trail mix, breakfast biscuits and yoghurt (USA, $3.99 USD).

**Lunch-time salad kit**
Atelie do Sabor Salada Menu Rio Mixed Salad Kit includes a salad with chicken, sweet potato, wholegrain pasta, quail egg, baby tomato and mixed greens along with balsamic dressing, crunchy toasts, and a cookie (Brazil, $5.60 USD).

**Regional Indian meal kit**
Tangy Punjabi Indian Wrap is said to be inspired by the street food of Punjab and is described as a delicious meal with a burst of tastes and textures, and just needs the addition of a protein source to be ready (AU, $6.99 AUD)

# Meal kits should focus on new diet opportunities

The shortcut to creating a delicious or better for you meal

### RISE OF HOME COOKING

**1 in 2**

Australian metro consumers that plan to adjust their diet, want to cook more at home

### WORLD CUISINES

**45%**

of US consumers would like to see a larger selection of international foods in grocery stores, rising to 47% for meal kits

### VEGETARIAN

**22%**

of Australians that plan to adjust their diet, want to reduce their meat intake

***Base:****655 internet AU users that plan to adjust their diet in the next 12 months; 1000 US internet users aged 18+;*

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# Automated convenience present new 'fast' food options

### 3,000 stores by 2021

Amazon Go is redefining the missions of a "convenience" store, in which a limited selection of products to fit with health & wellness goals as well as "foodie tastes". There are similar stores planned in Europe too.

### Vending machine meets cafeteria launches in AU

Morsl offers employees better for you prepared meals, snacks and beverages in a convenient location in the office building. Choose from meals like Thai beef salad or Peri Peri chicken & barley bowl with honey tahini.

### Chinese AI automated canteen solution vendor

The machine recognizes both the customer's face & the food on their tray before facilitating the payment.

# Technology could lead to even more time savings

In addition to flexible delivery times, tech-savvy consumers might also be interested in saving time by ceding some control to "smart" solutions.

### SMART TECHNOLOGY

**26%**

of Australians currently own/have the intention of owning smart technology at home, resonating more so with consumers aged 16-24

### AI INTEREST

**23%**

of US adults would trust artificial intelligence to plan their meals or purchase their groceries

### AI IN PRACTICE

**Chef Watson**

IBM's AI App suggests ingredients that are tailored to the user, his/her taste and preferences as well as readiness to experiment

***Base:*** *1500 AU internet users aged 16+, US: 2,000 adults aged 18+*

# WHAT'S NEXT?

# Kitchen of the future, AI & robots

Meat Livestock Australia want to collaborate with Moley Robotic Kitchen to ensure red meat is on the agenda

RobotLAB

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# What to do?

1

## Remaining relevant in the on-demand age

Brands will need to think about how to communicate convenience, while elevating meal occasions through healthy, flavourful, customisable and quick attributes.

2

## The power of partnerships

Brand collaborations across categories, with retailers, tech start-ups or even media owners can help to expand reach and enhance brand equity.

3

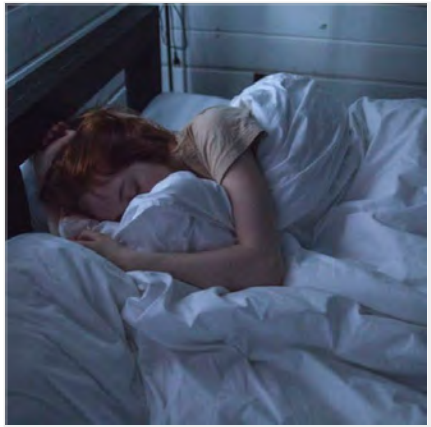
## Embrace technology

Understand how ingredients, food and drink products fit into the way consumers will interact and use automated technology.

# THROUGH THE AGES

Healthy aging will emerge as the next extension for food and drink claims, with younger consumers embracing edible beauty and everyone wants better sleep!

# What is the opportunity?



### Aiding Sleep

Younger consumers are looking for products that help them manage their stress and sleep better - new formats & ingredients show future opportunities

### Find inspiration in the beauty industry

Food and drink companies can find inspiration in the beauty and personal care category to develop and market healthy ageing formulations

### Prepare consumers for longer lives

Healthy ageing will emerge as the next extension for food and drink claims that offer today's consumers holistic, proactive and ongoing wellness solutions.

# Lack of sleep "reaching crisis proportions"

Professor Dorothy Bruck, chairwoman of the Sleep Health Foundation, said inadequate sleep was reaching crisis proportions.

“We now have a dire situation where millions of Australians are failing to get the sleep they need to live happy, healthy lives,” she said

Professor Peter Eastwood,the Australasian Sleep Association President, said “Sleeplessness affects daily functioning, worsens health conditions from heart disease and stroke through to diabetes and depression, and it claims lives on our roads and workplaces.

GETTING MORE SLEEP

**49%**

of Australian metro consumers are planning on getting more sleep in the next 12 months

***Base:****2000 internet users aged 18+*

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# Nighttime Ice Cream could offer a helping hand

- Low-cal ice-cream that sleep experts claim may help improve sleep and improve insomnia
- Using ingredients such as glycine (an amino acid), magnesium, digestive enzymes, protein, fiber, and also being low sugar.
- It was also voted best new ice cream of 2019 by Kantar
- The range includes:
    - Cold Brew Decaf
    - After Dinner Mint Chip
    - Cookies & Dreams
    - Midnight Chocolate

# New ingredients aid in sweet dreams

**Valerian**
Strong Natural Sleep Drink contains botanical extracts such as valerian, passionflower, linden flower and lemon balm

**CBD**
Root No. 6 Calm Smoothie Mix Designed to calm the mind and body.

**Tart cherry juice**
Cherry Performer Tart Cherry Juice Tart cherry juice has been found to be helpful in alleviating insomnia

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# The lines are blurring between beauty, food and health

**"Edible beauty",** also known as **nutricosmetics** or **ingestible beauty**, is one of the hottest concepts in the beauty industry and quickly moving from the supplement segment into the food and drink space.

In Australia, **56% of metro consumers consider diet to be a factor that can impact the appearance of skin.** With consumers' attention on the role of diet in skin health and appearance, the rapid retail response of the "edible beauty" concept aims to boost beauty from the inside out, which indicates the opportunity for food, drink, and supplement manufacturers to move towards this concept.

Vinamilk ProBeauty Pomegranate Yogurt (Vietnam).

# Crossover between beauty, food and drink exists already with overlap in popular functional ingredients

**Hyaluronic acid**
Yakult Beauty Plus+ Drinking Yogurt for Your Skin. Contains 35mg hyaluronic acid and other skin health ingredients. It is part of the skingestibles segment that supports skin health and beauty from the inside out. (Sth Korea, $1.49 USD)

**Collagen**
Peppermint & Macadamia Low Carb Brownie Bites with Grass Fed Collagen Ingesting collagen claims to improve the appearance of hair, skin and nails as well as joints. (Australia, $4.75 AUD)

**Antioxidants**
Buda Juice Fresh Zen Matcha Shots. Claims to be an "anti-aging aid" by providing an anti-oxidant boost with vitamins C and A. (USA, $10 USD for 10x60ml)

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# Welcome to the ‘Greynnaisance’ where age is just a number!

Helen Ruth Van Winkle or Baddiewinkle as she is better know, is an internet sensation at the age of 90, the pastel-clad raver hangs out with Miley Cyrus, is a muse for makeup brand Urban Decay and has 3m Instagram followers (including Rihanna) with the tagline **"Stealing Your Man Since 1928".**

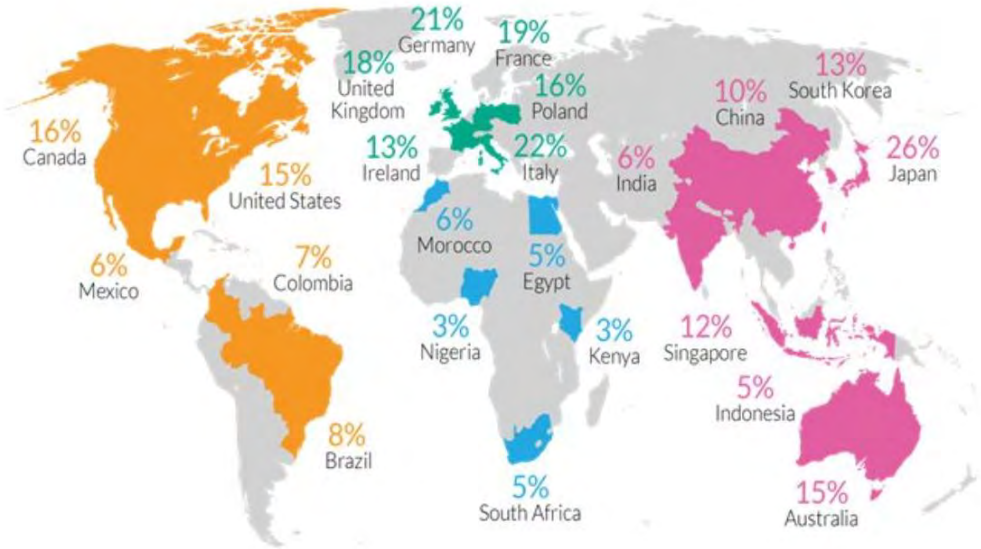
She’s fierce, fabulous, and proves that age really is nothing but a number.

**She reflects the shift that is happening, consumers, especially seniors, want to be empowered with the products that they purchase or consume**.

@baddiewinkle - Stealing your man since 1928

# Japan, Germany and Italy already have a high share of citizens aged 65+

Select countries: percentage of population aged 65 and older, by country, 2015




By 2057, it is projected there will be 8.8 million older people in Australia (22% of the population)

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# Today's seniors have a range of health concerns

Food and drink formulations can respond to the existing health concerns of today's consumers aged 55 and older.

### BRAIN HEALTH

**56%**

of UK adults aged 55+ are concerned about developing dementia

### HEART HEALTH

**55%**

of Polish and 49% of Italian adults aged 55+ use functional food and drink to maintain a healthy heart

### JOINT HEALTH

**20%**

of US adults aged 65+ currently use a supplement for joint health and 16% use medication to treat joint pain

***Base:****UK: 1,437 adults aged 55+; Poland: 409 internet users aged 55+ who have used functional food and drink in the last six months; Italy: 506 internet users aged 55+ who have recently used functional food and drink; US: 500 internet users aged 65+*

# Senior-targeted formulations have potential across categories

**Yogurt and yogurt drinks**
Bakoma Senior Active Peach Flavored Drinking Yogurt. One of Poland's leading dairy companies rolled out a senior-friendly yogurt range in March 2018. The yogurt and yogurt drinks are lactose-free and enriched with calcium and vitamin D.

**Prepared meals**
Kewpie Yasashii Kondate Beef Risotto. Japanese meal is designed for seniors who can chew. Japan leads the world in new food and drink launches targeting seniors. Prepared meals with a range of textures make up 75% of launches.

**Breakfast food**
Sanitarium Cluster Crisp Cereal Functional cereals can target busy, health-conscious seniors through relevant combinations of claims such as, digestion, immunity and reduction of tiredness and fatigue as seen in this example (New Zealand)

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# Make Seniors' Lives Easier

### Simplify on-pack messages for more direct impact

Brands should explore simpler and more straightforward on-pack communication. Simple logos and information on claims and ingredients that use larger fonts, without being too large, can ease purchasing decisions for seniors.

### Smaller pack sizes

The number of single-person households increases with age. In the UK, 54% of over-75s live alone. Convenient closures/opening systems alongside functional ingredients can help brands unlock new target audiences among the senior groups

### Easy-open packaging

Older consumers are more likely to suffer from arthritis and therefore find it difficult to open packaging.

### Positive language to appeal to active 55+

Provide nutritional support for healthy joints and a healthy immune system to assist seniors with their goal of staying active.

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# What to do?

### Health needs differ by life stage

Food & drink brands offer opportunity to provide pro-active & positive support to healthy aging. Seek combinations of claims that resonate but dont forget that it needs to still be tasty!

### Consider the beauty industry your competition

Beauty brands come with a different set of expectations from consumers - but food & drink brands offer more occasions & the benefit of taste which increases the opportunity with consumers

### Be part of a ritual

With consumers taking a pro-active and preventative approach to health there is an opportunity to be part of their daily health routine - a sleep aid drink before bed, a heart health breakfast cereal or a collagen enriched smoothie drink as a snack.

# WHICH 2019 FOOD & DRINK TREND DO YOU THINK IS THE MOST RELEVANT?

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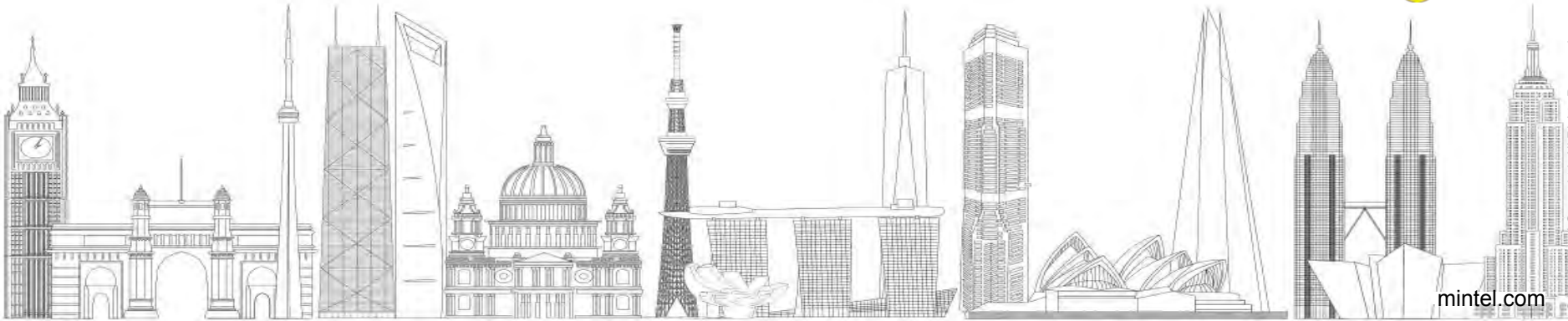
# Questions? Comments?

**Shelley McMillan**
**Head of Consulting – South APAC**
Mobile: +61 (0) 4090 027 728
Email: smcmillan@mintel.com

**Anna Meiler**
Country Manager – ANZ
Mobile: +61 (02) 8315 2133
Email: ameiler@mintel.com





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