

*Consumers are keen to make positive changes for the good wherever they can in their food purchases*



# Conscious innovation that creates unforgettable experiences:

## the top food and drink trends for 2021

Market disruption and subsequent changes in consumer behaviour in 2020 have created a growing demand for specific food and drink ingredient benefits, industry innovations, local sourcing considerations and at-home offerings. *Natasha Spencer-Jolliffe reports*

**T**he Covid-19 pandemic has led consumers to place greater consideration on what they eat, where it comes from and its impact – on individuals, communities and the wider planet. “The impact of Covid-19 on business as usual can’t be overstated,” emphasises Simon Norman, head of product development of food and beverage at Sagentia.

The top priorities for consumers in 2021 will be trust, transparency, sustainability and health – without compromising on taste. As we start the new year, we take a look at the top trends shaping food and drink.

### 1. No waste, go local

Environmental, eco and green living has ramped up and calls to address sustainability aims intensify as awareness and advocacy for meaningful change increase. “We see people keen to make positive changes for the good wherever they can,” says FrieslandCampina Ingredients’s Suzanne van den Eshof.

Zero waste dominates in online sustainability conversations. A third of consumers would even trade up for eco-friendly credentials. Consumers are bringing creativity to cooking by avoiding waste, re-using items and making the most out of leftovers. Edible packaging, sustainable flatter PET packaging and single-serve formats lead.

Over 30 per cent of consumers believe their purchasing power can influence ethical production, sourcing of ingredients and the fair treatment of workers and farmers.

“There’s likely to be a greater focus on establishing shorter, more resilient supply chains through regional sourcing,” expresses Sagentia’s Simon Norman.

### 2. Planet-conscious, plant-centric

The top reasons for considering plant-based alternatives are health, diet variety, sustainability and taste. Plant-based popularity will expand to new regions and categories in 2021, with Asia expected to be a key market.

We’ll see accelerated demand for new formats, plant proteins and more sophisticated alternatives. We may see a push back against alternative protein products as shoppers seek short and simplified ingredients.

“The full sustainability implications of some plant-based ingredients are not yet fully understood”, says Sagentia’s Norman. This is reflected in the current momentum behind plant-based proteins rather than algae, mycoproteins or insects.

### 3. Indulgence and imagination

Nostalgic and novel ingredients and flavours will captivate consumers’ longing for unforgettable experiences. Consumers want to enjoy indulgent products without missing out on flavour, mouthfeel, texture, colour and smell.

Expect to see familiar regional favourites making a comeback – with a modern twist. Innovations will provide exciting sensory profiles through adventurous and experimental flavours – spice, sweet and savoury – textures and formats. Food boxes with recipe sets and ingredients for themed nights have proved popular by providing an immersive experience that evokes



*Plant-based’s popularity will expand to new regions and categories in 2021*



*In 2021, businesses will need to optimise their pipelines and implement new ways-of-working*

### Spotlight on the alcoholic beverages industry

One to keep an eye on in 2021 is the alcoholic beverages industry. Online sales were up 200 per cent in April and May versus the same time last year, 65 per cent of which was for wine.

Traditionally, this is a social sector, driven by a fun and lively image. Here are some of the key changes we can expect to see:

- A pivot away from on-trade product lines towards high-quality at-home experiences.
- New packaging systems as well as new ingredient and flavour technologies. Low-and-no alcohol products (which continue to increase in quality and decrease in cost) is ripe for disruption and new entrants
- Premium brands; 70 per cent of premium alcohol brands have increased their category share over lockdown compared to the same period last year
- New developments in the energy beverages space, related to lockdown fitness campaigns and promoting recovery after illness
- Collaboration through combining spirits traditionally positioned for older audiences teaming up with mixers popular with younger demographics
- Cannabidiol (CBD) as well as flower and wood flavour popularity

the allure of travel destinations.

Coffee is set to be a key flavour in 2021. Naturally less sweet and sophisticated flavour combinations are also on the menu. Prebiotics, natural flavours and flavouring as well as herbs, spices and extracts are showing growth as ingredient options in beverages.

Rather than restricting inspiration and inventiveness, FrieslandCampina Ingredients's van den Eshof highlights: "Even in a pandemic, there seems to be no limit to imagination."

### 4. Optimum health and wellbeing

Health, wellness, nutrition and immunity are top considerations as consumers look for ways to enhance the body's natural defences with immunity-boosting, fibre-enrichment and added vitamin benefits.

Six out of ten global consumers are increasingly looking for products that support their immune health, with one in three saying their immune health concerns increased in 2020 from 2019. Further research, microbiome interest and personalised nutrition will also rise.

Probiotic, prebiotic and proteins are highly sought-after too.

"We expect to see more blending of the barrier between the nutrition/supplement industry and the food and beverage sector, especially in light of highly publicised factors such as links between Vitamin D levels and hazards associated with Covid-19," says Sagentia's Norman.

More market entrants with strong on-pack claims about health benefits will also emerge.

“However, this will be an enormously complex task, requiring brands to navigate the regulatory landscape while avoiding the overcomplication of labels and ingredients,” says Norman.

## 5. Smart production technology

Behind the scenes, producers are continuing to wrestle with the impacts of remote workforces. Companies that previously had large, centralised R&D centres are now faced with remote, dispersed development teams, presenting logistical challenges.

“R&D may have slowed or become more virtual during 2020, so we’re likely to see faster adoption of new digital tools and platforms,” says Sagentia’s Simon Norman.

Look out for data science, modelling tools, artificial intelligence (AI) and the internet of things taking on greater significance in the production environment, as businesses explore product development outside of the laboratory, or find new efficiencies in the supply chain and processing line.

“In 2021, businesses will need to optimise their pipelines and implement new ways-of-working to maintain the pace of development,” stresses Norman.

## 6. Transparency for trust

Strong storytelling and authenticity on sustainable sourcing, supply chain transparency and human/animal welfare are increasingly important in the buying process.

Innova Market Insights’ Consumer Survey 2020 reveals that six in ten global consumers want to learn more about where foods come from. Brands need to increase their transparency to meet evolving ethical, environmental and clean label expectations.

We’ll see brands couple transparent storytelling with new packaging technologies such as invisible barcodes and near-field communication technology to guide decision making.

## 7. From online to at-home

“The massive increase in online shopping is here to stay – it took ten years to get six per cent of us shopping online and six months to move this to 12 per cent,” Dragonfly AI’s co-founder Mark Bainbridge highlights.

Consumer buying habits have changed from only using online for bulk purchases to making smaller, more everyday buys online facilitated by the speed and efficiency of online retail marketplaces. In fact, direct to consumer and e-commerce models have sped up as a result of the pandemic. “This acceleration towards

“ 46% of consumers believe restaurant-branded products are a convenient way to attain the restaurant experience and flavours at home ”

modern trade is expected to persist,” says Sagentia’s Norman.

Increased home cooking is driving the use of convenient meal kits/starters, craft cuisine creations and more sophisticated ingredients to produce new food experiences at-home.

However “competition is fierce”, Mark Bainbridge says. Baskets are deserted more regularly and consumers find lengthy registration processes frustrating.

## 2021 IN A NUTSHELL

The food and drink focus will be on health and sustainability, but not at the expense of feel-good indulgence. “Once consumers settle down to a “new normal” after the dust of Covid-19 has settled, we fully expect the pace of innovation to ramp up in 2021,” emphasises FrieslandCampina Ingredients’s Suzanne van den Eshof.

Online will remain a sought-after avenue for shoppers, but brands will need to prioritise speed of delivery, product costs and delivery charges. Click and collect will be a popular route for stores who want to maintain a brick and mortar retail presence.

As we continue to move to a direct to consumer delivery model over traditional distribution chains in 2021, brands will take an even more direct approach to how they connect, communicate and interact with consumers.

## 8. Collaboration is the route to success

After witnessing contraction, industry players are expected to utilise each other’s brand equity and retail presence in 2021; “effectively uniting to survive” says Dragonfly AI’s Mark Bainbridge.

Food brands, in particular, will witness value in own-brand collaborations either through partnering with other players or pairing with retailers. It will be seen as a necessary move to maintain a presence on supermarket and digital shelves.

Collaborators with similar value sets and complementary audiences are expected to fare the best. “The relationships that work are symbiotic by nature,” adds Bainbridge. In 2021, cross-generational blurring and lifestyle/stage of life marketing are also set to arrive. 