Global consumer trends in store for 2018

Julie North, Food & Health Communications Consultant at www.foodcom.nz

The end of every year brings a flurry of trend reports and predictions we can look to for guidance and inspiration in new food developments, angles for new communications, consumer groups and potential new markets. They are valuable resources, worth a little time to digest their insights and take to strategic planning and brainstorming in the New Year.

So what are some of the big players in this game predicting as key trends for 2018 and beyond?

Euromonitor International – mega trend analysis

Firstly a look at Euromonitor International's recent webinar on 'Mega trend analysis and its impact on innovation'.

This fairly complex analysis of mega trends goes beyond the food and drinks sector and looks at consumer behaviour and expectations overall, predicting key trends that will have global impact, cross industry impact, and longevity. Shifting economic power, population growth, technology and changing values have largely driven these mega trends. They are expected to be relevant not only next year but for several years beyond that.

The full report outlines 20 key mega trends then puts in focus eight of these which collectively provide a sound basis to think about the ideals and behaviours of tomorrow's consumer:

- Experience more
- Shifting market frontiers
- Healthy living
- Shopping reinvented
- Middle class retreat
- Ethical living
- Premiumisation
- Connected Consumers

Consumers are spending more on experiences: experiences that bring happiness and wellbeing (such as travel, leisure, food service, recreation). It may seem difficult to find the relevance with some commodity goods but think beyond the product itself to community, authenticity, customisation and engagement. Embracing imperfections can help to deliver on authenticity for example. Highlight less the technical attributes of the product, and more the experience of using it. Unilever has demonstrated this well with their "Dirt is good" campaign supporting their Persil brand.

The market space is constantly changing. Emerging and Developing markets overtook Developed in terms of global GDP in 2008, and these are predicted to grow to two thirds of global GDP by 2030. There is a shift in focus from developed markets to new opportunities in the likes of Africa and China, while some have extended their horizons even further to the Artic – and space. Where could you go, and how far?

Health, the new wealth

Health is now a lifestyle choice, for many it is the new wealth. While previously, consumers may have seen expensive material goods as a status symbol, they now view a healthy and improved personal image as something to strive for, going beyond physical health to a more holistic view. Successful brands should bring in simplicity and transparency to build trust and credibility. Worthy of consideration is how to help consumers achieve their wellbeing goals without sacrificing indulgence. Although in some respects indulgence is quite compatible with a holistic view of wellbeing.

Huge advancements in technology alongside changing consumer values have seen the whole process of shopping reinvented. Previously there was strong focus on the transaction itself, where key considerations included convenience, quality and price. Now the journey extends to a pre- and post-purchase relationship between the brand and the consumer. More than ever, consumers like to understand how the product will support their values and their wellbeing. Building communities through technology can help to keep the conversation going long after purchase.

The middle class retreat is an interesting trend. This large group of middle class consumers in developed markets is the one at the forefront of a reassessment of values, ownership and priorities. There is greater focus on being, rather than having. There is a willingness to compromise in some areas to splurge in others. The idea of sharing, renting and borrowing is gaining traction. The re-use of second hand or wasted goods is surging in popularity even in the food sector. Alongside that are consumers who are less loyal now they have more information and greater choice, and they are still enjoying the thrill of a deal.

Ethical living is a familiar concept for many. For some time both consumers and businesses have been paying more and more attention to ethics and moral values. Initiatives and focus have largely been played out in areas of environment, wellbeing and society. Ethical considerations are becoming integrated into mainstream thinking and business. The need continues, however, to meet these demands within cost expectations.

A little contrary to that, is the trend of Premiumisation, where as part of a growing focus on who we are, and less on what we own, is the desire or willingness to spend more on things that matter. Consumers are spending more on what makes them better, particularly if it buys them time, security and health. Ask yourself this: 'How can we help consumers become their best selves?"

And finally to Connectivity, where we see technology is the great equaliser. Connected consumers are informed, demanding and have high expectations. The ability to access anything at any time drives impatience too. With the growing proportion of digital consumer payments comes an increase in consumer data, which is highly valuable. Data is the new oil. Brands need to use technology to deliver a positive experience, quickly, while ideally building a relationship that extends beyond purchase.

Mintel 2018 Global Food & Drink Trends Report

To look more specifically in the food and drinks sector, Mintel have released their predictions with their 2018 Global Food & Drink Trends Report. Mintel make their analysis supported by consumer research, developments observed by their trends spotters, and a review of the new products collected in their Global New Products Database.

This 2018 analysis includes five key trends they believe will be relevant for consumers, manufacturers and retailers across all regions of the world:

1. Full disclosure
2. Self-fulfilling practices
3. New sensations
4. Preferential treatment
5. Science fare

Full disclosure

Consumers require complete and total transparency from food and drink companies. This trend has grown from a lack of trust, concern about food safety, and suspicion, particularly of large companies. Consumers now require manufacturers to be more forthcoming about ingredients, production processes and their supply chain. It extends into animal and human welfare, and environmental packaging. The use of both 'natural' and 'ethical' claims on new product launches is significantly increasing. Moving forward, transparency and traceability must be attributes of products accessible to all, they need to be mainstream.

Similar to the Euromonitor focus, on health being a lifestyle choice, Mintel's Self-fulfilling practices relates to a desire for a more positive approach to wellbeing in a world that is seemingly stressful and negative. Consumers are focusing on balanced eating patterns and allowing time for relaxation and lifestyle activities. As some countries and cities are seeking mandates to raise awareness of negative food attributes; fat, salt and sugar, consumers are finding greater appeal in positive attributes and messages. They prefer a focus on what the food offers, rather than what it doesn't. This plays into the trend of 'naturally functional' that has been topical for some time.

Texture

Where Euromonitor has identified experiences as a key mega trend, Mintel highlights textures, i.e. new sensations as worthy of focus. When consumers experience a food using multiple senses it can enable an escape from the routine and stress of daily life, and be more likely to make memories or stimulate action on social media. Textures offer sound, feel and satisfaction. Examples are interesting and varied; think chewy beverages and cream filled biscuits with popping candy. According to Mintel, Europe had the largest share of new food and drink launches with descriptions of texture since January 2016. But Kiwi companies are climbing on board too. One very recent launch includes half popped wholegrain corn (from Proper Crisps) designed to deliver 'proper crunch', and chia seeds are becoming a popular addition to drinks. Opportunities can be found in production processes too, innovating with freeze drying or twice baking for example.

Preferential treatment

What some call personalisation, Mintel is now calling out as Preferential treatment although relating it generally to the shopping experience. As more people complete grocery shopping online (in some markets the younger consumer uses their mobile phone rather than a laptop), the desire for simple apps, voice control, and targeted promotions grows. It is easy to see why consumer data is becoming so valuable. We also see the growth of meal kits, and generated shopping lists. It's clear these will become more personalised as the consumers gain a better understanding of themselves, their health and their values, while data on their shopping behaviour quietly builds.

Applying the science and technology

Science fare is the domain of our stretched global food supply and where technology and science meet to find solutions. It's the camp of lab-grown meat and 3D printing. While the concepts are challenging for many, we are seeing consumer interest grow, coupled with significant investment by some fairly big players, including General Mills, Unilever and Bill Gates. The early adopters of these products tend to be highly motived by environmental concerns. Although benefits extend to ingredient consistency, efficacy, and purity, so acceptance is only likely to broaden. When consumers favour fruits and vegetables being bred to stay fresh for longer they may (or may not) realise much of this is not new. Genetic modification has been around for some time.

New Nutrition Business

To look briefly at opportunities or challenges relating specifically to ingredient or food and drink attributes, New Nutrition Business provide a yearly analysis and predict 10 key trends. For 2018 these are:

- Digestive wellness
- Good carbs – bad carbs
- Plant-based
- Protein
- Personalisation & fragmentation
- Beverages redefined
- Sugar
- Fat
- Snackification
- Inflammation

Here we are offered new ideas and angles (cheese tea anyone?) and some opportunities are reinforced: protein and digestive wellness. Yet we are reminded to keep the backyard in order with a continued focus on those issues of fat (good and bad) and sugar (perhaps one day we'll see 'good and bad' here too).

In conclusion

Many resources are available to stimulate thinking on trends and opportunities. This article presents only three and is not intended to be exhaustive. Every business should look at the trends and determine which are most relevant to their offering, whilst constantly challenging their future direction and how these insights might shape and grow the business forward.

One consumer cannot be defined by all trends, and there may be conflicts and discrepancies within them, as there are amongst any different consumer group. But overall, the 2018 consumer would seem a fairly positive soul, seeking wellbeing and happiness, choosing food to promote health, that's good for the planet, and includes the odd indulgence - if it pops in their mouth and looks great on Instagram too then all the better!

References (available online)

Euromonitor International: Mega Trends Analysis and its Impact on Innovation. November 2017
Mintel: Global Food & Drink Trends 2018
New Nutrition Business: 10 Key Trends in Food, Nutrition & Health 2018

Julie North

Julie holds a BSc (Hons) in Nutrition and post-graduate Diploma in Dietetics. She has worked many years in industry with Heinz Wattie's, also in PR with Network Communication, and with FSANZ. She now consults to food industry, government and NGOs through her business Foodcom. www.foodcom.nz