

webinar

Top Ten Trends for 2023

2022

TOP TEN TRENDS 2023



Trend 1. Redefining Value

Combating instability requires a deep understanding of where consumers draw the line on compromise

“F&B supply chain issues force price rises, product reformulation and R&D dilemmas”



14 Jul 2022

People have been dipping like crazy lately! To keep up with this demand, some of our dips will temporarily be using unprinted green lids. The dips themselves aren't changing, so keep on dipping 'til your heart's content!



“Considering food/drinks, which product features do you think are worth paying more for?”
(select all that apply out of 16 options)



- #1 Fresh products
- #2 Locally produced products
- #3 Functional ingredients that boost physical health

Sources: Innova Lifestyle & Attitudes Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Food Ingredients First, Marzetti

Consumers seek out brands that respond to their core values at economic price

Consumers are looking to reduce cost in a conscious way



“I am taking more actions* to...”

1. Minimize food waste
2. Recycle/upcycle/repurpose products
3. Choose products with environmentally friendly/less packaging



The Urgent Company is the very embodiment of our generation’s sense of urgency.

URGENT

“Our brands make it easy for consumers to take direct action on the climate crisis, whether they know it or not”

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), The Urgent Company

Note: *If you are looking to reduce your spending/cut costs, how will it affect your actions regarding these social or environmentally-minded choices?”

Trend 2. Affordable Nutrition

To meet demand for high nutritional value at the right price, innovation is needed to maximize efficiency and yields

“Which of the following factors have you noticed **more** when buying food and beverages in the past 12 months?”

**TOP ANSWER:
PRICE RISES**



“Healthy diets out of reach: Inflation, war and COVID-19 driving malnutrition, report warns”



11 Jul 2022

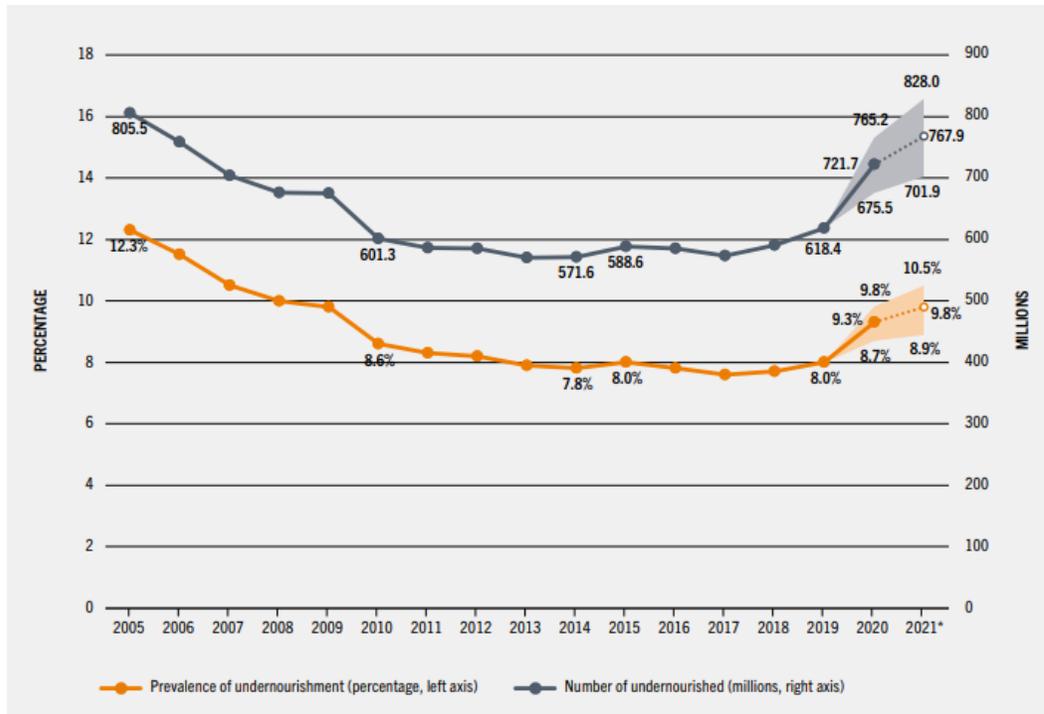


Figure | FAO 2022
“Between 702 and 828 million people in the world faced hunger in 2021, with a strong upward trend”

Sources: Innova Lifestyle & Attitudes Survey 2022 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Food Ingredients First, FAO

Innovation should focus on making essential nutrition affordable

“I believe that new food and beverage **product development should be driven*** mostly by...”

1. Health	41%
2. Affordability	30%
3. Naturalness	28%

+86% year-over-year growth in food and beverage launches with a **budget** claim**
 (Global, Q4-2020/Q3-2021 vs. Q4-2021/Q3-2022)



United Kingdom, Aug 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, ASDA

Notes: **Considering food and beverage, which aspects do you think should drive the development of new products the most? (Select up to 3)”

**Budget refers to product launches with “budget” or “affordable” as part of the name, description or claims

Trend 3. Generational Push

Positive engagement and new experiences find favor with younger consumers used to sharing their views widely and willingly

Health benefits and **Affordability** are key drivers* across all ages

Novel flavors are winning the hearts of a young and experimental audience

#2 Flavor
over #3 Affordability

#2 Affordability
as important as #2 Flavor

#3 Naturalness
over #4 Flavor



Gen Z



Millennials



Gen X



Boomers

Source: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US)

Note: *Considering food and beverage, **which aspects do you think should drive the development** of new products the most? (Select up to 3)”

Trend creators: young consumers are defining what markets should be providing

“A company should listen to consumers more when developing products/flavors/strategies”



Campaign winner:
“Submit your Danio dream taste via WhatsApp”



Netherlands, Oct 2022

Voice of Gen Z and Millennials



2023

“I believe the food and beverage industry is accountable for taking action and standing up for values and beliefs”

2022



2021



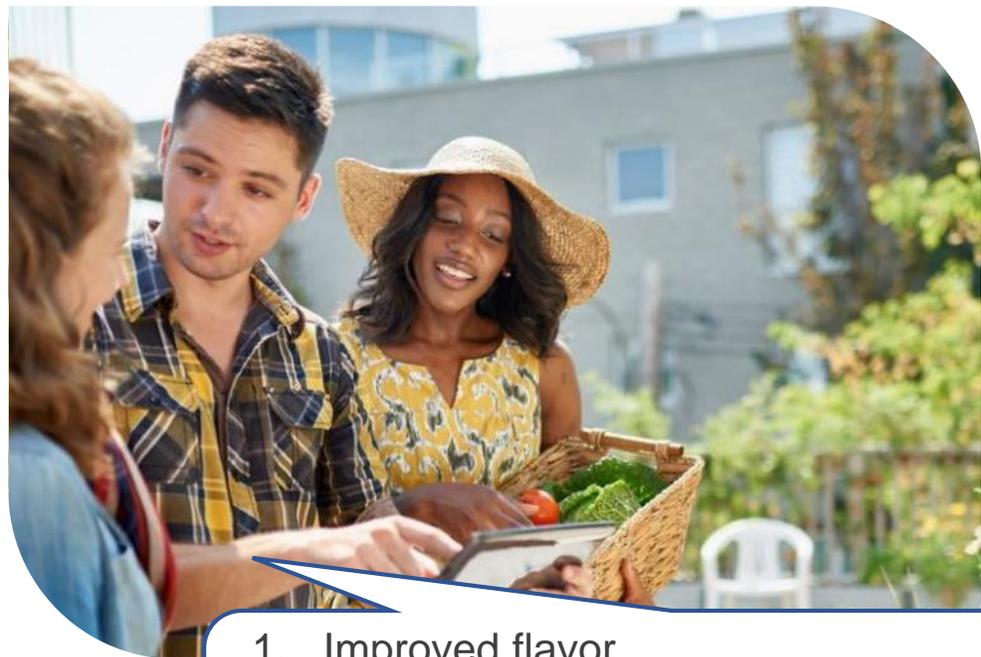
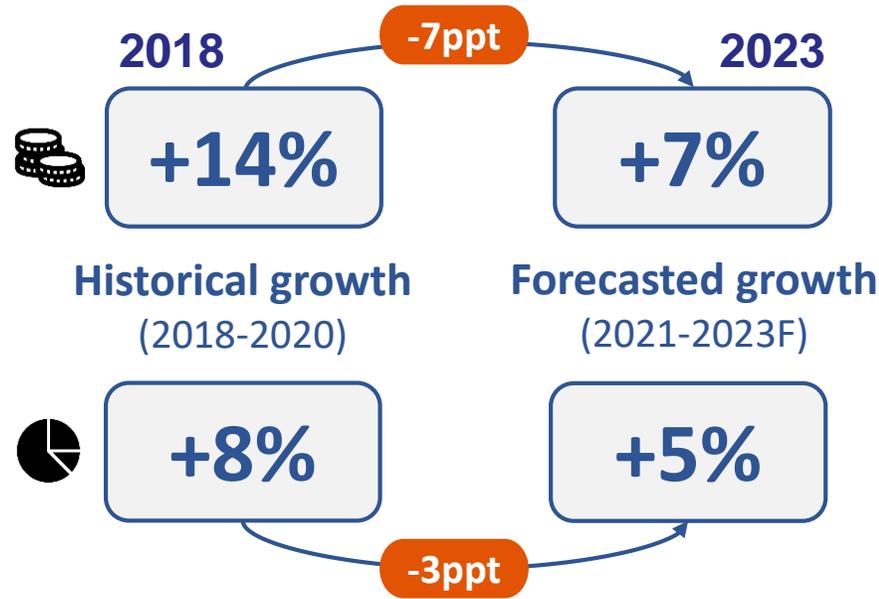
France, Sep 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Danio, Tony's Chocolonely, Ben & Jerry's

Trend 4. Plant-Based: Unlocking a New Narrative

Underused ingredients and technology-enabled new formats open up wider spaces for standalone plant-based innovation

Global market value and volume of meat substitutes show signs of slowing down



Game changers:

- 1. Improved flavor
 - 2. Improved texture
 - 3. **Standalone products (not mimicking meat/dairy)**
 - 4. More regional specialties
 - 6. Better mimicking of meat/dairy products
- higher ranking ↑
- lower ranking ↓

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Market Sizing

Notes: Growth rates based on estimated market value sales (M USD) and volume sales ('000s tonnes)

Game changers: "What would you like to see more of in plant-based products?"

Plant-based: a wide space to let innovation instincts grow

“Why would you **not** consider buying plant-based alternatives?”



- #1 Taste and texture
- #2 Price/value for money
- #3 Too processed/ artificial ingredients

← Improving at-home and out-of-home experiences →

Aids for creative cooking at home

Affordable for the many



Holy Cow Kashmir Rajma Masala
United Kingdom, Sep 2022



Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Ingka

Trend 5. Farming the Future

New farming systems are improving quality and sustainability, leading to renewed consumer interest in food sources

Regenerative agriculture

Simple Mills
ADVANCING
Regenerative Agriculture



United States, Jul 2022

Plant breeding



Super seeds at the grassroots of future resilient food systems



Speed breeding seeds
Lantmännen has installed new technology at its plant breeding department in Svalöv, Sweden, anticipated to aid the development of future crops "much faster than before".



Sweden, Jun 2022

Vertical farming

Vertical Farming, Elevated Flavor.™



United States, Jun 2022

Sources: Innova Database, Simple Mills, Food Ingredients First, Lantmännen, Aerofarms

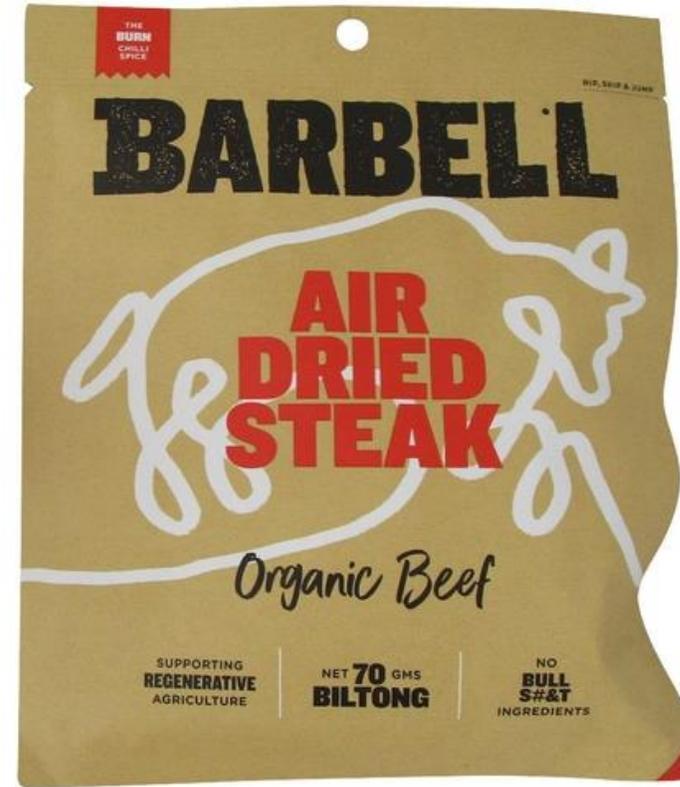
Positive rebranding: ‘why’ and ‘how’ can farming practices bring benefit?

69%

of consumers globally say that they “prefer products that mention the **benefits of their sourcing/ farming method** on the pack”

“What would be your **top reasons** to accept food that has been produced using innovative farming practices?”

1. **More natural/organic**
2. **Better for the planet**
3. **Reduces health risks**



Barbell Organic Beef Air Dried Steak Biltong with Chilli Spice

Australia, Mar 2022



Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Barbell Foods

Trend 6. Quick Quality

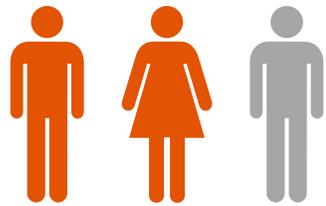
Culinary creativity blossomed during the pandemic and now needs to come with added convenience to meet busier routines

Clean ingredients

Flavorful impact

Lending a helping hand

“I am looking for simple and convenient ways to ensure my daily nutrients intake”



2 in 3

consumers globally

COOKING INSTRUCTIONS: GRILL OR OVEN

1. Preheat grill or oven to 450°F (230°C).
2. Peel back plastic film to remove completely. Remove sauce pouch.
3. Place uncovered tray on grill or middle rack of oven and cook for 30 minutes*.
4. Carefully cut open sauce pouch and pour sauce over potatoes, then mix well.
5. For grill - cook for 5 more minutes*. For oven - cook for 15 more minutes*.
6. Remove from heat and serve.

*Cooking times may vary.



United States, Jul 2022



Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, EarthFresh

Elevating convenience: ready meals allow for a stronger value-added positioning

Consumers seek more than just convenience

“Which of these factors most influence your purchasing decision of **meal kits**?”



1. Cost (value for money)
2. Freshness
3. Health aspects

lower ranking ↓

6. Convenience (easy to prepare/saves time)

Convenience can enhance a brand’s key values and positionings

Tasty, Vegan, Quick, Nutrition Counted Meals



China, August 2022
70/30 Food Tech enters ready meals segment

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Food Ingredients First, 70/30 Food Tech

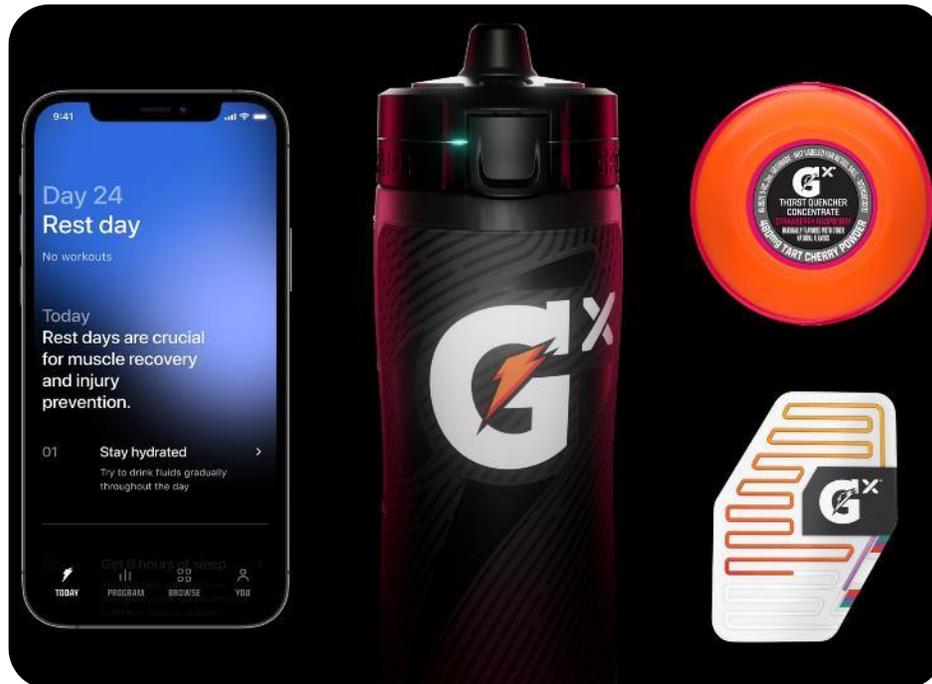
Trend 7. Devouring Digital

Brands are starting to embrace the full potential of consumer connections by enhancing real life with digital experiences

FUNCTIONAL

ENTERTAINING

Gatorade launches the Smart Gx Bottle to meet your hydration goals



Coca-Cola creations trigger consumers with abstract flavors



United States
Feb 2022

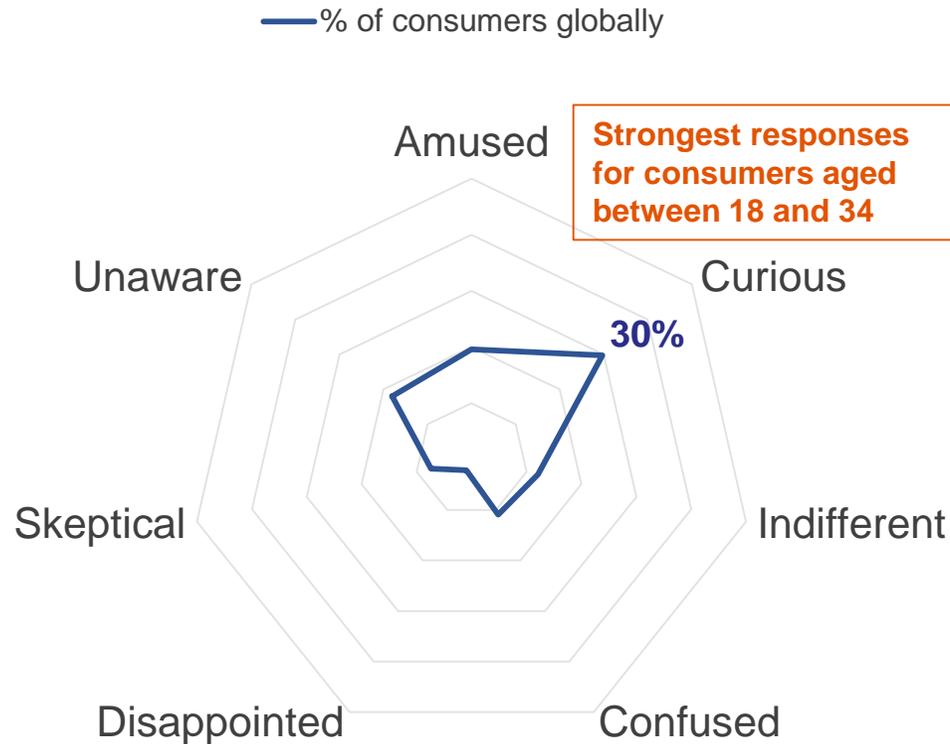
United States
Apr 2022

United States
Aug 2022

Sources: Innova Database, [Gatorade](#), [Coca-Cola](#)

Merging food with digital experiences is key to reaching younger consumers

“How do you feel about digital food and beverage experiences?”



Leveraging brand platforms for wider and more meaningful impact



Australia, Jul 2022

What is ReachOut?

Accessed by more than 2 million people in Australia each year, ReachOut is a free digital mental health service helping young people be well and stay well.



Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database, Doritos

Trend 8. Revenge Spending

Small pleasures have a heightened effect as luxury spending comes under pressure: opportunities to enhance brand perception

Consumers have spent significantly more on F&B post-lockdown

Opportunity for quick wins when & what to prioritize will be key for consumers

Consumers are actively trying to save money while buying F&B



Japan, Sep 2022

+30% average annual growth in food and beverage launches with a limited edition claim over the past 3 years*



Germany, Sep 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database

Note: *Global, CAGR Q4-2019/Q3-2020 vs. Q4-2021/Q3-2022

Brands being bold: strategizing on consumer priorities and brand image



Almost **3 in 5** consumers globally who say they have a **worsened financial situation...** ...also say that they are likely to make a **one-time impulse purchase** “when the food or beverage product is innovative in flavors/tastes”

Consumers globally say:
“I would love to try trendy/innovative versions of a familiar food and beverage brand”

Portfolio classic

Portfolio expansion



Netherlands,
Dec 2018



Netherlands,
Aug 2022

Sources: Innova Trends Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database

Trend 9. Unpuzzle Health

On-pack messaging is a go-to source for consumers keen to know about the health and nutritional value of a product

“To what extent do you use the following sources of information to **determine how healthy a product is?**”

Top responses after **1. ingredient list** and **2. nutrition label**



Source: Innova Trends Survey 2023 (North America: average of Canada and US, Europe: average of France, Germany, Spain and UK, Latin America: average of Brazil and Mexico, Asia: average of China, India and Indonesia)

Reinforcing belief in claims in a complex health communication landscape

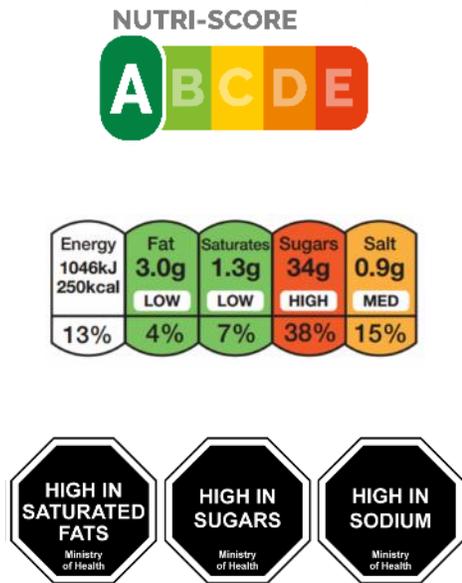
Standardized criteria to help consumers navigate choices

Opportunity for brands to educate and deliver on health

“FDA Proposes Updated Definition of ‘Healthy’ Claim on Food Packages to Help Improve Diet, Reduce Chronic Disease”

28 Sep 2022

Dole’s “Malnutrition Labels: Nutritional Ink” campaign



+69%

year-over-year growth in food and beverage launches tracked with a regulated nutrition warning label

(Global, Q4-2020/Q3-2021 vs. Q4-2021/Q3-2022)



Sources: Innova Database, FDA, Food Ingredients First

Trend 10. Positively Imperfect

Openness about the complexities of sustainability is appreciated by consumers who do not expect brands to be 100% perfect

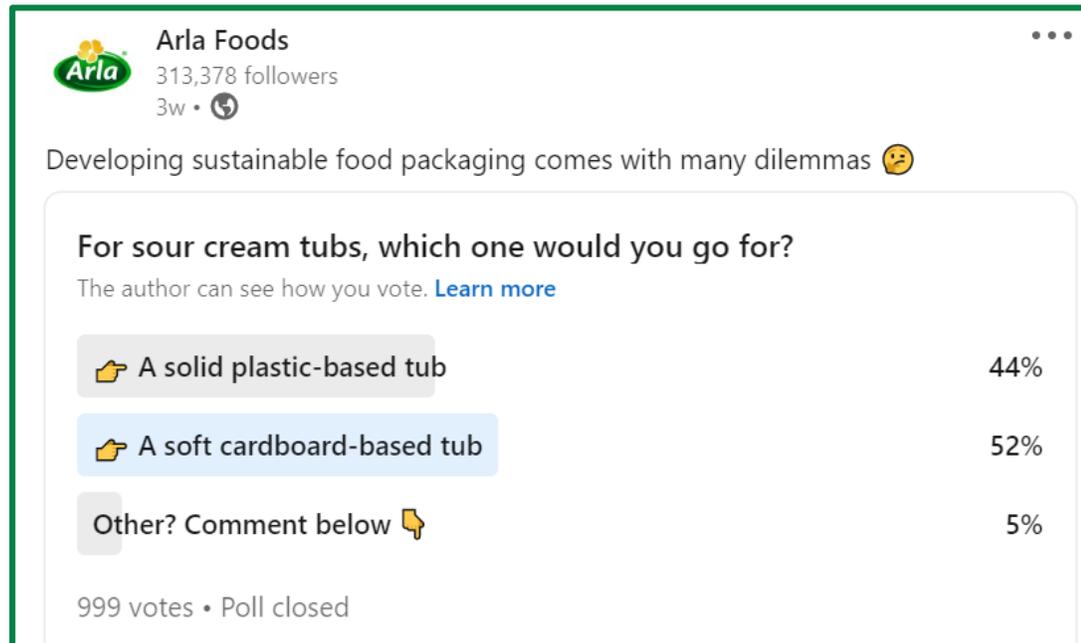
More than
3 in 5
consumers
globally

say that their **“trust in the brand”**
increases* when the brand
communicates the challenges that
they are facing on the product

“This sour cream tub is made out of more cardboard than plastic. It makes it softer than the old tub.”



*“We know we aren’t always making life easier for you
😊 ...but we are doing what we can to develop more
sustainable packaging solutions”*



Sources: Innova Omnichannel Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), [Arla](#)

Note: *Responses for “slightly more” and “much more”

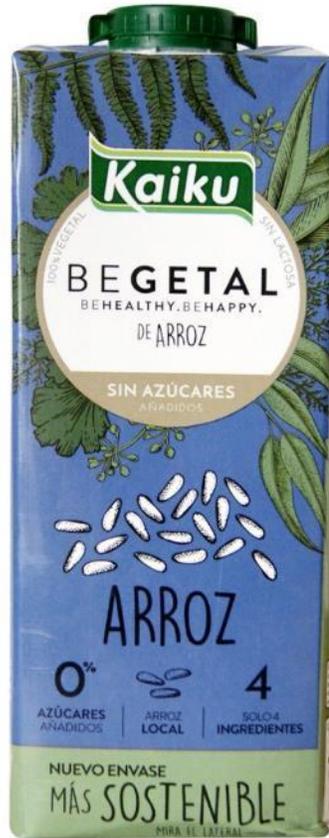
Transparency will triumph on a brand's journey toward long term improvement

Consumers, especially the young, are new companions for brands that are trying

62%
of consumers globally say that they...

“feel more involvement in a brand's journey to achieve sustainability”

...when the brand communicates the challenges that they are facing on the product



“We are not perfect, but we want to bet on a greener planet. That's why we have packaging that is more plant-based and more sustainable...”

Portugal, May 2022

“Not perfect but working hard to find the most sustainable solutions to keep the footprint small and flavors large...”

Australia, Jan 2022



Sources: Innova Omnichannel Survey 2023 (average of Brazil, Canada, China, France, Germany, India, Indonesia, Mexico, Spain, UK, US), Innova Database



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