Global Food & Beverage Trends: What Do They Mean For Your Business?!

Dr. David Hughes
Emeritus Professor of Food Marketing

Food Industry Innovation Program

Busselton – 16 October 2018
Wanneroo – 18 October 2018

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www.supermarketsinyourpocket.com
We’re Adding An Extra 2 Billion by 2050. But Who are They & Where Do They Live?

• Population of Africa to double from 1 to 2 billion
• India, Pakistan, Bangladesh to add 0.5 billion
• Europe will struggle to maintain current numbers* and Russia, China, Japan, South Korea and Thailand will decline in population
• NAFTA countries up by 100 million
• Australia growing from 25 mn. now to 38 mn. by 2050
• 1.6 billion of the extra 2 bn. will embrace the Moslem or Hindu faith
• Economic growth will be fastest in “Emerging Countries” and their diets will change significantly
• Mind you, so may our diets!

* Depending on immigration policies

Source: U.S. Census Bureau, International Data Base, August 2017 update
Europe: A Drop in the World’s Population Bucket. Can Fit Most Of Oceania on a Large Bus!
Urban Consumers Increasing from 4 to 6 Billion Over the Next 30 Years: With Smaller Households, Higher Incomes, Changing Diets

Focus Shifts from Countries (say, 196) to Mega-Cities (say, 600)
Dr. Food  @ProfDavidHughes

Climate change-induced declines in agricultural production forecasted for Africa & much of Asia by 2050 (FAO). Hmmm, those are the same regions which will see the lion’s share of the anticipated 2 bn. extra people in our world by then! Good news for some big commodity exporters.
Economies of Your “Near Neighbours” are being Transformed

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
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<th>2018</th>
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<td>Nepal</td>
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Compiled by ANN/DataLEADS

Source: World Bank, 2017 & MAS
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<th>Comparable Country</th>
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<td>Philippines</td>
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<td>Beijing</td>
<td>$664</td>
<td>U.A.E.</td>
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<td>Chile</td>
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<td>$414</td>
<td>Peru</td>
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<td>#9</td>
<td>Wuhan</td>
<td>$324</td>
<td>Israel</td>
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<tr>
<td>#10</td>
<td>Chengdu</td>
<td>$306</td>
<td>Norway</td>
</tr>
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</table>
The Remains of the Day (with apologies to Ishiguro)! The aftermath of dinner for my restaurant table Chinese neighbours in Malaysia. 8 diners 14 separate dishes all shared. Understanding food & meal culture of market essential for exporters. Meat & 3 veg. looks a tad boring!
If, Actually, When India & China’s Growth Slows Or Has Hiccups, Best We All Fasten Our Seat Belts!

Contribution to Global Economic Growth*, Percentage Points

Sources: Haver Analytics; IMF; The Economist

*Estimates based on 63 economies representing 87% of GDP. Weighted GDP at purchasing-power parity
Poles Apart but Social Media Narrowing the Gap!

Siem Reap, Cambodia

Manhattan, NYC, USA
Premium is about upgraded experiences

And Embraced by All Segments of the Market Place

Premium is *not*...

- Price alone
- Reserved for the “elite” or sophisticated
- Only for special occasions
- About “low fat,” “low sodium,” or “low calorie”
- Communicated via words alone

Premium *is*...

- People, places, and traditions
- Real distinctions in quality
- Expressed through values and experiences
- About intentionally making things better
- Transparency and trust
- Pleasure and discovery
So, How’d You Like Your Eggs?

With Adjectives, Please!

• fresh
• free range ....
• local ....
• rare breed ....
• vegetarian-fed ....
• organic .....  
• Farmer Nattapong ... ....
• Omega 3 ...
• free range liquid ....
• Happy ....
A$13 for 6 Eggs
Single-Person Households

As U.S. households get smaller, their needs and priorities are shifting.

27% of U.S. households are single-person households (up +9% from 1970) and 62% of U.S. households have no children (+13% from 1970).

45% of all eating occasions are consumed alone.
Millennials and Generation Z are progressively abandoning the idea of driving

Licensed drivers as a percentage of their age-group population in the US

Top reasons for not getting driving license

- Too busy: 37%
- Owning and maintaining a car is expensive: 32%
- Biking or walking: 22%
- Concern for environment: 9%

1 Multiple answers possible

SOURCE: Recent decreases in the proportion of persons with a driver’s license across all age groups, Schoette & Sivak (2015)
TRY OUR NEW LEGGERA RANGE
LIGHTER* EATING PIZZAS FOR ONE

Introducing 3 new lighter* eating and tasty recipes topped on our multigrain base. Our Leggera pizzas are perfectly portioned for one. Available in store now.
The next generation: ‘influencer shoppers’

25% of the British grocery shopper population

- Younger
- Higher affluence
- 1000+ social media followers
- Online reviewers
- Early tech adopters
- Engage in future trends

Source: IGD UK, “Shoppers of the Future”, June 27th, 2018
Millennials and Generation Z are progressively abandoning the idea of driving

Licensed drivers as a percentage of their age-group population in the US

<table>
<thead>
<tr>
<th>Year</th>
<th>16 years old</th>
<th>20-34 years old</th>
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<tbody>
<tr>
<td>1983</td>
<td>95</td>
<td>46</td>
</tr>
<tr>
<td>2014</td>
<td>25</td>
<td>83</td>
</tr>
<tr>
<td>2011</td>
<td>28</td>
<td>85</td>
</tr>
<tr>
<td>2008</td>
<td>31</td>
<td>86</td>
</tr>
</tbody>
</table>

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SOURCE: Recent decreases in the proportion of persons with a driver’s license across all age groups, Schoettle & Sivak (2016)
Today, our diets and eating patterns are being influenced by:

- Mobile technology and AI
- Rising healthcare costs
- Community and peer influences
- A focus on well-being
- New generational influence
Customized Diets

Wellness is a personally assessed pursuit, as reflected in the increase of individually tailored, preventative dietary approaches.

Whereas fad diets like Atkins are on the decline, numerous eating approaches (vegetarian, dairy free) are gaining traction as a long-term way to enhance longevity and quality of life.

44% of U.S. consumers say they have tried various approaches to eating and dieting in the past year.
Bailey’s Irish Almond Cream!

Vegan ice cream: Unilever to debut dairy-free Magnum bars in Sweden and Finland

August 28th, 2018
Which One Would You Buy?!

- **Campina Halfvolle melk**
  - (Semi-Skimmed Milk)
  - 3.4 g /100g Protein
  - Euro 1.23

- **Alpro Almond Unsweetened**
  - 0.4 g /100g Protein
  - Euro 2.39
Global Plant Milk Market to Top $16 Billion in 2018

China's Dairies Rush to Plant-Based Milk as Latest Health Trend

US dairy milk sales expected to decline until 2020, Mintel report shows

WANT WANT CHINA HOLDINGS LIMITED

wei-chuan
Here’s Some Processed Foods that are the “Naughty Ones” in the FODMAP Diet:

- Wheat & rye breads, pasta, cereals
- Dried fruit and fruit juice from concentrate
- Dairy products with lactose (e.g. ice cream, yoghurts)
- Nuts
- Sweeteners – natural and artificial
- Beans and lentils
- Alcohol!
Why are people cutting back?

- It's better for your health: 49%
- Weight management: 29%
- Animal welfare concerns: 24%
- Better for the environment: 24%
- Concerns over antibiotics in meat: 19%
- Improved meat-free options: 16%
- It's cheaper: 16%
- Food safety concerns over meat: 15%
- Quicker to cook: 11%

Other Stuff is:
- More nutritious: 11%
- Tastes better: 10%

A nation of meat eaters

- Meat eaters: 91%
- Non-meat eaters: 9%

19% of 16-24s
25% of female 16-24s
The rise of the “flexitarian” (AKA meat limiters/reducers)

The flexitarian consumer:
- Women
- 25-34s
- ABs
- High-earners
- People living in London
- Consumers most likely to buy into free-from foods (eg gluten-free)

“Foodie” consumers

The “foodie” trend has boosted interest in meat reduction
It’s Cool NOT Wussy
For Men to be Concerned
About Their Health and
About Their Looks!
Dr. Food  @ProfDavidHughes

In Alberta, Canada last week. Beyond Meat plant-based burgers sold out in A&W outlets & in Whole Foods supermarkets. Got one in Red Deer: looks/tastes like a decent regular burger although the “meat patty” is a little softer than the real thing. @ £4, 15% price premium over beef.
Quorn is a $1 bn. Global Brand in the Making
Quorn owned by Monde Nissin from The Philippines

Quorn to spend GBP150m to increase production at UK plant

'Make Meat' Labeling Bill Passes in Missouri

May 18th, 2018
UK: “Wicked” chef creates plant-based dishes for new Tesco meal range

One of the 20 new vegan dishes in the Wicked Kitchen range is Teriyaki Noodles which contains mushrooms and other vegetables.
Germany's PHW Gruppe makes investment in insect burger start-up Bugfoundation

McDonald's championing research into insect feed for chickens

September 27th, 2018
“Anti-Meat (and Intensive Egg) Lobby Active and Influential in Some Countries

“Go Vegan” Adverts on Subway Platforms/Entrances in Toronto, Canada and London, UK and on Freeways in the USA (courtesy of PeTA)

PeTA
People for the Ethical Treatment of Animals
The Simply Good Foods Company Announces U.S. Expansion of SimplyProtein™ Snack Products
Mars Launches Protein Bars Under Snickers and Mars Brands, Answering to the Growing Demand for High Protein Snacks

October 1st, 2018
Snackified Eating

Traditional eating patterns built around three “square,” structured meals a day has given way to modern eating styles. 50% of all eating occasions are now snacks.

- 91% of consumers snack multiple times throughout the day
- 8% of these consumers forego meals altogether in favor of all-day snacking
- 33% of morning snacks are consumed away from home
- 26% of afternoon snacks are consumed away from home

Imperial College
London
PepsiCo to Acquire the Fruit and Veggie Snack Maker Bare Foods

May 25th, 2018

For PepsiCo, the purchase of Bare Foods is its latest effort to diversify its food and beverage portfolio and move toward the more natural, less-processed foods that are now in favor by increasingly health-conscious consumers.

Uhhh, it looks a lot like real fruit but it’s just umm a lot more convenient!

Beware of a wolf in sheep's clothing...
“Drink Up Your Fruit and Veggies”

Our Cold Pressed Juices
(Pressed All Day, Every Day)

- Pink Delight
- Minty Green
- Orange Juice
- Green Machine
- Carrot & Apple
- Vita Zing
- Apple Juice
- Ginger Ale
- Fruity Punch
- Eye Opener

from $4.99

Eye Opener
100% carrot, lemon, ginger & orange

$6.99 (450ml)

100% VEGAN 100% RAW 100% HOMEMADE

Also available in 1ltr
Premium meat snacks are attracting beefy investments
High Protein Meat Snacks with Fruit: Few, Simple Ingredients
Sushi: Popular Throughout The World Brilliant Snack/Mini-Meal but not Without supply chain challenges.

What’s the Egg Industry Snacking Response?
Kraft Heinz Joins Breakfast Club With Ore-Ida’s Just Crack an Egg

Take breakfast back with NEW Just Crack An Egg.

FIND IT in the EGG AISLE OF A GROCERY STORE NEAR YOU
CLICK HERE
Time Starvation

More people are working, and working for longer hours, contributing to a sense of being time starved—especially among busy families and single-parent households.

In 60% of U.S. households, both adults work (up from 46% in 1979).

50% of parents say it is very/somewhat difficult to manage work and family.
£10 Meal Deal
For 2 (A$18)

Prawn Cocktail (Heston Blumenthal)
Chicken Breast with Prosciutto + Asparagus
Parmentier Potatoes
4 x Peroni Beers
Meal Deals are Pervasive:

At the “Servo” Between Bunbury and Perth

N.B. There are “Premium” Meal Deals. Does Your Product Fit In?
Lunch-to-Go
$6.99 and Made This Morning!
Powerful Global Consumer Trends

Increased focus on health & product origin

"You are what you eat"

Fresher food through local sourcing & vertical integration

More value
More convenience
More fresh & healthy
More personal
## OECD Obesity League Table 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
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<td>United States</td>
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<tr>
<td>Mexico</td>
<td>32.4</td>
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<tr>
<td>New Zealand</td>
<td>30.7</td>
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<tr>
<td>Hungary</td>
<td>30.0</td>
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<tr>
<td>Australia</td>
<td>27.9</td>
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<tr>
<td>United Kingdom</td>
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<td>Turkey</td>
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<td>Czech Rep.</td>
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<td>OECD (35)</td>
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<tr>
<td>Korea</td>
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</tbody>
</table>

Australia Just Out of The Medal Positions! Note Slim-Line Italy.
Belgium's new food pyramid puts processed meat in the same section as candy, fries and pizza. Flemish Institute of Healthy Living
Dr. Food @ProfDavidHughes

IHOP $3.99 special. Expect to see Gov. Regulation more active on food & health issues in 2018 but maybe not in USA!
Only eat bad things that are good
Ticking the Boxes (but Made in Holland)
Food Retailers Respond to Customer Concerns About Health
Food products will be tailored to personal priorities

Different lifestyle approaches to health and wellness...

... may lead to different personal nutrition needs and wants ...

... and different solutions
UK poised to 'announce more stringent crackdown on obesity'

A Combination of Diet-Related Diseases and Ageing Population Placing Unprecedented Pressure on the NHS. Implosion Beckons! Political Suicide NOT to React NOW.

On Health Matters, Governments:
• ask consumers to improve diets/exercise
• then, ask industry to reduce fat/sugar/salt
• put pressure on retailers to “nudge” consumers
• threaten industry with regs. and taxation
• implement regs. and taxation (e.g. on sugar)

The UK government reportedly plans to announce stringent measures to combat unhealthy lifestyles within a matter of weeks and they may include a ban on promotional deals for junk foods.

Opposition parties have apparently backed the plans of Prime Minister Theresa May, The Times newspaper reported, quoting sources, who said the crackdown on tackling obesity in the UK may encompass prohibiting buy-one-get-one-free deals on unhealthy foods.
The Number 1 Global Mega Consumer Trend is the Increasing Concern About The Health of the Family and The Health of the Planet. When Food Shopping, Drives Shoppers Towards “Mindful Choices”*

And a Widespread View that Big Food, Big Business, Big Government are Part of the Problem NOT Part of the Solution

Mindful Choices” top food trend for 2018, Innova Market Insights, Nov. 2017
Natural and ethical claims on global new food and drink product launches are on the rise

**Natural product claims** (ie no additives/preservatives, organic, GMO-free)
- SEPT. 2006-AUG. 2007 | 17%
- SEPT. 2016-AUG. 2017 | 29%

**Ethical and environmental claims** (ie environmentally friendly packaging, animal/human welfare)
- SEPT. 2006-AUG. 2007 | 1%
- SEPT. 2016-AUG. 2017 | 22%

Source: Mintel Global New Products Database (GNPD)
The “Blue Planet II Factor”

Suppliers, Retailers & Consumers Will Change Radically & Quickly Their Use of Plastic Packaging

EU proposes ban on straws and other single-use plastics  May 28th, 2018
Talk about a marriage of convenience.

Limited-service giants, McDonald’s and Starbucks — normally rivals in the breakfast category — are joining forces to save the planet. McDonald’s on Tuesday announced plans to join Starbucks in fast-tracking innovation that would lead to a recyclable or compostable cup that would suit the millions needed to serve their customers hot and cold beverages.

**McDonald's to ditch plastic straws**
You’re right, sugarcane plastic tubes are a step in the right direction.
Royal Mail: Stop posting crisp packets without envelopes

26 September 2018 | 358

Royal Mail is obliged by law to deliver packets to Walkers' freepost address

Royal Mail has stepped into a row between campaigners and crisp makers Walkers - by urging people posting empty packets to put them in envelopes.

Campaigners asked people to post the non-recyclable plastic bags and "flood Walkers social media with pictures of us popping them in the post".

Royal Mail is obliged by law to deliver the bags to Walkers' freepost address.

But without envelopes they cannot go through machines and must be sorted by hand, causing delays.
Tesco and its suppliers join forces to halve food waste by 2030

Expect Accelerated Regulation on Recycling of Packaging in the Food & Beverage Industry

Dr. Food @ProfDavidHughes
The Domino Theory: Implications for Plastic Packaging
supermarketsinyourpocket.com/2018/02/27/the...

Milkmen are returning to London as millennials order glass milk bottles in a bid to slash plastic waste

Dr. Food @ProfDavidHughes
Here's some anorak stats on UK EDIBLE household food waste (WRAP data): 5 million tonnes wasted per year with a value of £15 bn.; per household, that's 3.6 kg./week with a loss of £10.60/wk. That's more than we spend on fresh fruit & vegetables! Waste less & buy more fruit & veg!
‘Look good’ motivations driving health agenda for younger shoppers

42% of 18-24 year old shoppers say in the next 5-10 years they will be more likely to eat healthily to look good (vs 24% of all shoppers)

Source: IGD UK, “Shoppers of the Future”, June 27th, 2018
“Beauty Foods” have long been big in Asia. No, moving rapidly to “Western” markets.
Transparency and Traceability Through the Supply Chain Key
**Organic Popcorn**

*Sea Salt*

- Gluten Free
- Absolutely Nothing Artificial
- 25g NET

---

**Artisan Cookies**

**Choc Granola**

- Made with more of what matters: Wholegrain Granola, Quinoa flakes, Chia, Pepita, Sunflower & Linseeds, Honey & Dark Couverture Chocolate.
RX Bars Sued for Cheating on Its Ingredient List

July 6th, 2018

No B.S. ??

Kellogg's
Celebrate the Naturalness and Nutrition of “Clean Label” Eggs

Ingredients:
EGGS

Be Proactive on Issues Relating to:
• Bird welfare
• Antibiotics/hormones
• Environment
• Worker welfare
Walmart Is Getting Suppliers to Put Food on the Blockchain

U.S.: Walmart wants leafy green suppliers to implement blockchain traceability within a year

Blockchain: Carrefour signs up to IBM’s “game-changing” food network

Carrefour uses blockchain to create "transparent" chicken

Blockchain technology: eHarvestHub plans to make traceability more lucrative for farmers
Unilever's sustainable brands are the fastest growing part of its business

May 10th, 2018

Unilever's investment in social good is paying off for the business, with the FMCG giant saying its sustainable brands have grown 46% faster than others in its portfolio over the past year.

April 12th, 2018

Danone's U.S. arm DanoneWave gets B-Corp environmental certification

April 12th, 2018
INTRODUCING

LOVE beauty AND planet

UNILEVER’S FIRST PERSONAL CARE BRAND IN 20 YEARS

❤️ Featuring a range of hair, face and body treatments in six unique collections, each infused with signature natural ingredients.

❤️ Every bottle is made from 100% recycled plastic and is recyclable.

❤️ Taps into the rising demand for more environmentally-responsible products.

THE NEW BEAUTY BRAND WITH SUSTAINABILITY AT ITS HEART

nourished hair, glowing skin & a little ❤️ for the planet

❤️ beauty & planet

Safe for Colored Hair
Not Tested on Animals
No Silicones

Imperial College London
There’s a New Marketing Mantra: Start Doubling Up on the Five Ps

1. *Purpose:* Customers feel the company shares and advances their values.

2. *Pride:* Customers feel proud and inspired to use the company’s products and services.

3. *Partnership:* Customers feel the company relates to and works well with them.

4. *Protection:* Customers feel secure when doing business with the company.

5. *Personalization:* Customers feel their experiences with the company are continuously tailored to their needs and priorities.

Source: Marketers Need to Stop Focusing On Loyalty and Start Thinking About Relevance Zealley, Wollan & Bellin, HBR, March 21st, 2018
DO YOU REALLY KNOW WHAT’S BEHIND THE MEAT, EGGS AND CHEESE YOU EAT?

Most soy is grown in South America, where too often it comes at the expense of amazing natural ecosystems that are home to spectacular wildlife like jaguars and giant anteaters.

WWF has scored 133 companies on their use of responsible soy, grown without damaging the environment and harming people. The results show that many of these companies are doing far too little to protect irreplaceable habitats, wildlife, and people.

Take action!
for responsible soy

Check out how companies scored
Social Pressures Dictating Choice
Remind Me Again What We Can’t Eat:

• Anything with palm oil as an ingredient
• Chicken that’s been fed soy from Brazil
• Shrimps caught by slave labour in Asia
• Beef that has destroyed the Amazon
• Anything with GMOs
• Anything in a non-recyclable pack
• ............... etc.
### Top 15 Global Grocery Players*, CAGR Revenues, 2012-2017

<table>
<thead>
<tr>
<th>Category</th>
<th>CAGR 2012-2017 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-commerce Giants*</td>
<td>34.2</td>
</tr>
<tr>
<td>Discounters**</td>
<td>5.5</td>
</tr>
<tr>
<td>Drug &amp; Club***</td>
<td>4.0</td>
</tr>
<tr>
<td>Mass Grocers****</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* JD.com, Alibaba, Amazon

** Aldi, Lidl, Kaufland

*** CVS, Costco, Walgreens Boots

**** Walmart, Kroger, Carrefour, Auchan, Tesco, Ahold Delhaize

Source: Kantar data presented by McKinsey & Co, 2018  CAGR: Compound Annual Growth Rate
Is There a “Natural” Ceiling for Hard Discounters in ANY Market?

Europe includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Ireland, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Hungary and Poland

Source: Nielsen Retail Measurement Services
Mind You, Sainsbury’s Tried This With Netto Stores in 2014 …… and Failed!

Tesco has launched a new discount supermarket chain called Jack’s, which has been introduced as the retailer aims to fend off the rising threat of discount chains Aldi and Lidl and consolidate its position as the UK’s largest retailer.  

10-15 Jack’s stores will be launched in the UK over the next six months, and the first two Jack’s stores will open on 20 September in Chatteris, Cambridgeshire and Immingham, Lincolnshire.

September 20th, 2018
Food Industry Analysts Predict Tough Times for Supermarkets

- Retail space devoted to food sales in the US has hit a record high.
- New store growth is outweighing demand, and grocers are cutting prices to compete.
- Department stores followed the same strategy in the last decade, and now they are closing stores and filing for bankruptcy at staggering rates.

The retail apocalypse is heading straight for Kroger, Whole Foods, and Aldi

Inmar: Dim future for traditional supermarkets

Shares, stores to decline as fresh, limited assortment, e-commerce grow

The increasingly bleak outlook for Canadian grocery stores

It’s Only Going to Get Worse for America’s Grocers
Who’s Leading the Way in On-Line Grocery? Why? (and don’t go to Europe Or North America for on-line leadership!)
BREAKING: Amazon to buy Whole Foods in $13.7B deal
China’s E-Commerce Giants Buy Into Bricks & Mortar Supermarket Chains

Tencent to Buy Part of Supermart Chain in Rare Retail Foray

ALIBABA GROUP’S HEMA SUPERMARKETS: THE REAL DEAL WITH CHINA’S ‘NEW RETAIL’

Alibaba buys stake in Chinese hypermarket chain Sun Art

Alibaba, New Hua Du supermarkets forming JV

October 9, 2017
Inside Retail Asia
## Market Capitalization of Some Major Grocery Retailers (US$ bn)*

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Market Capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>$872 bn.</td>
</tr>
<tr>
<td>Alibaba Group</td>
<td>$382 bn.</td>
</tr>
<tr>
<td>Tencent</td>
<td>$351 bn.</td>
</tr>
<tr>
<td>Walmart</td>
<td>$278 bn.</td>
</tr>
<tr>
<td>Costco Wholesale</td>
<td>$100 bn.</td>
</tr>
<tr>
<td>Woolworths</td>
<td>$30 bn.</td>
</tr>
<tr>
<td>TESCO</td>
<td>$28 bn.</td>
</tr>
<tr>
<td>Carrefour</td>
<td>$15 bn.</td>
</tr>
</tbody>
</table>

* as of October 12th, 2018
Asda-Sainsbury's merger: MPs fear squeeze on suppliers

Politicians call for watchdog to gauge affects of deal, saying it should not hurt suppliers

Did We See This Coming?
NO, We Were Waiting for Amazon to buy Sainsbury’s.
Is Morrisons in Play?

Sainsbury’s - Asda merge to fend off Germany’s £26bn supermarket superpower

Morrisons Share Price
May-October 2018

Walmart’s Asda agrees to UK merger deal with Sainsbury’s

- J Sainsbury and Walmart’s Asda are joining forces in a deal worth £7.3 billion ($10 billion), they confirmed on Monday morning.
Ahold Delhaize successfully completes merger, forming one of the world’s largest food retail groups

Ahold, Delhaize $28B Merger Creates Fourth Largest Grocer in U.S.
If You’re Selling to Both, then, You’re on Their List!

It's official. Tesco and Carrefour have joined forces, entering into a formal long-term, strategic alliance that is slated to become operational in October.

In an official release from Tesco, the alliance is said to cover the strategic relationship with global suppliers, the joint purchasing of own brand products and goods not for resale.
When the Going Gets Tough, The Tough Get Going!

Target posts strongest quarter in more than a decade

August 22nd, 2018

Walmart posts strongest sales in a decade, shares surge

August 16th, 2018

How Costco has managed to thrive in the age of Amazon

- Costco reported last month that its comp sales increased 8.3% year-over-year (6.6% excluding gas sales), with total sales rising 10.1% from the same time in 2017.
- According to CNN Money, Costco has thrived in the facing of growing competition by doing what has worked for decades: watching expenses and using its membership fees to offer better prices. Costco generates three-quarters of its profits from annual subscription fees. The wholesaler has 93 million members, and approximately 90% of them renew each year.
Kroger's recent deals highlight the growing importance of technology in food retail

May 28th, 2018

Kroger Counters Amazon’s Grocery Offensive With Ocado Deal

A Lot of Action in 3 Months!

Kroger Buys Home Chef As The Meal Kit Industry Rapidly Consolidates

Kroger and Instacart Expand Partnership
Kroger's driverless delivery test underscores a focus on the future.
Alibaba's futuristic supermarket in China is way ahead of the US, with 30-minute deliveries and facial-recognition payment — and it shows where Amazon is likely to take Whole Foods
French retailer Auchan to open several hundred cashier-less shops in China

Each 'Auchan Minute', roughly 18 square metres in size, will offer 500 products for sale, 24 hours a day, seven days a week, such as instant food, snacks, drinks and fruit, Xinhua reports.
For Major Supermarket Companies around the World: The Future is Omni-Channel. One Product Does Not Fit All Channels!
“Alexa: Turn Off the Lights when the Last Shoppers Abandon Supermarket Aisles 4 to 12”!

Source: www.supermarketsinyourpocket.com
Restaurant delivery services are a growing challenge for supermarkets

- Food delivery sales from companies like GrubHub and Uber Eats grew 51% between August and March, according to data from analytics firm Second Measure cited by Recode.

- GrubHub has the highest sales of any food delivery company in the U.S., but Uber Eats is coming on strong, and now leads in market share and customer spending in several major cities, according to Second Measure.

- DoorDash and Postmates recently discussed a merger, according to Recode. The combined companies would have a 24% market share in food delivery, making them bigger than Uber Eats but smaller than leader GrubHub.
Ordering Platforms and Meal Deliverers for the Global Restaurant Trade

It’s a Dynamic Sector!
Buy one meal, get another free.

Order until Sunday night to make the most of our **Buy One, Get One Free** offer*. Go on, eat twice as much this weekend.
Globally 1 billion customers live within 5-10 minutes of a McDonald’s
How Deliveroo's 'dark kitchens' are catering from car parks

As appetite grows for upmarket takeaways, delivery service is setting restaurants up with satellite kitchens inside metal boxes.
HelloFresh to sell meal kits at nearly 600 Ahold Delhaize stores

June 4th, 2018
Cold cash: Farmer's Fridge raises $30 million to expand vending machines

September 11th, 2018
Food-to-Go Accelerates the Convergence of Food Retail & Food Service

JAB Holdings Buys Majority Stake in Pret for €1.7 Billion May 29th, 2018
Starbucks to Double Food Sales Globally by 2020

I’ll See You at Starbucks for Breakfast/Lunch

Starbucks launches Uber Eats delivery in 100 Florida stores
The Other Day, I was in an Outlet with a Huge Hot & Cold Beverage + Snack Offering
Healthy Food Offer
Asian and Western Food & Beverages
Noodle Bar
Hong Kong
“IN ASIA, THE CONVENIENCE SECTOR IS BY FAR THE SECTOR THAT IS GROWING THE MOST—7-ELEVEN IN TAIWAN OR IN THAILAND, THAT’S WHERE WE ARE MOST LIKELY TO SEE INNOVATION HAPPENING.”

PETER GALE - MANAGING DIRECTOR RETAILER SERVICES, ASIA-PACIFIC, NIELSEN

How Well Represented are Your Products in Convenience Stores?
Dairy Farm restructures as food fuels solid sales growth

📅 July 27, 2018  📰 Inside Retail Asia

“Underperforming” subsidiaries and rising rent and labour costs are disturbing the chairman of Hong Kong-listed multinational retailer Dairy Farm International – but those factors failed to prevent a solid second-half year performance.

Dairy Farm’s total sales rose 17 per cent to US$12.215 billion in the six months to June 30 and profit attributable to shareholders was $215 million, up 6 per cent. The increased sales came largely from the Yonghui supermarket operation and Maxim’s which owns food retail channels and the Starbucks business in Hong Kong, Singapore, Vietnam and Cambodia.
More consumers distrust large brands and companies

Very little or no confidence in large corporations and brands

% of respondents

<table>
<thead>
<tr>
<th>Country</th>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>35</td>
<td>57</td>
</tr>
<tr>
<td>France</td>
<td>29</td>
<td>56</td>
</tr>
<tr>
<td>Japan</td>
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<td>Germany</td>
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<td>52</td>
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<tr>
<td>India</td>
<td>18</td>
<td>25</td>
</tr>
<tr>
<td>China</td>
<td>5</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney 2017 Global Future Consumer Study
It’s a Fabulous Time to be a Start-Up Co. with On-Trend Food & Drink Product Ideas

1980’s – WHERE IT ALL BEGAN
This is our founder, Guka, with his mum and inspiration, Nina.

AS GOOD AS HOMEMADE
Once Upon a Farm

Note The Focus on The Grower, Naturalness, Few, Simple Ingredients
Harvest Snaps
Lentil Bean

Green Pea Snack Crisps
Croustillles de Pois Verts

Harvest Snaps

Flavored Lentil Crisps • Baked
Basil • Tomate et Basilic

White Cheddar
Cheddar Blanc

Best before: 11/12/13
Sans Gluten
Sainsbury’s looks to smaller brands in babyfood shake-up

Sainsbury’s has shaken up its babyfood range, giving more space to smaller, innovative brands.

It has dropped around 30 Heinz SKUs in recent weeks and about 40 from Hipp Organic. Their replacements include 14 meals each from the fast-growing Kiddylicious, halal brand For Aisha, and Piccolo, which focuses on Mediterranean-style flavours.

Sainsbury's to help incubate startups with new future brands scheme

Sainsbury’s believes it already has a strong record in supporting innovation, citing its early-stage support for small brands such as Mallow & Marsh and Pip & Nut.

Sainsbury’s is planning to invest in and support more small suppliers through a new hot-housing scheme to help differentiate its offer.
Here is why UK retailers are seeking out small brands

“The Big 4 have the same brands, the same ranging, and the same price on KVIs. Differentiation is about our only way to justify a price premium.”

“It’s the smaller brands that have been better at genuine innovation – and that’s what consumers want.”

“To work with small brands, we have had to go more regional, become more operationally flexible, and provide more support. And online has allowed us to engage with small brands and sell small quantities.”

“What surprised us about working with small brands was the emotional angle – when a husband and wife have invested their life savings, you have a different ‘emotional exposure’.”

“We’re pushing on premium own brand. It’s a hard thing to get right but the customer demand is definitely there.”

SOURCE: UK retailer interviews
And One Response of Big Food & Drink: Acquire and/or Support Start-Ups!

Kraft Heinz launches Springboard unit to grow "disruptive" brands

May 13th, 2018
Selection of Summer 2017 Purchases

Nestlé leads $77M round for healthy meal startup Freshly

Nestlé Is Buying Vegan Food-Maker Sweet Earth

Chef-Cooked, Healthy Meals Delivered to You

Fresh • Healthy • Convenient

Nestlé Targets High-End Coffee by Taking Majority Stake in Blue Bottle

Imperial College London
Mondelēz buys cookie maker Tate's Bake Shop for $500M

May 7th, 2018

Big Food Seeks Natural, Artisan Connections
Coca-Cola enters kombucha category with acquisition of Australia's MOJO brand

September 18th, 2018
General Mills leads $12M funding round for GoodBelly Probiotics

While GoodBelly has primarily been focused on probiotic juices and shots so far, the partnership with General Mills likely means expanding more into snack bars and other products, CNBC noted.
Dean Foods takes majority stake in dairy alternative firm Good Karma

July 3rd, 2018
Is Hippeas trying to see which Big Food player will give peas a chance? August 31st, 2018

Looking For A Sugar Daddy?
“Big Food” Desperate for Growth Buys Into "Natural" Pet Food
(Feb/March 2018)

Smucker buying Nutrish pet food for $1.9 billion

General Mills to buy natural pet food company Blue Buffalo for about $8 billion in cash
Mabel has Arrived and so has a Long Line of Purchases from Amazon and Retail Pet Stores!

Premium Pet Food Products Higher Sales Growth & Profit Than Human Food
Some Summary Take Home Points

• World population growing quickly but Europe flat!
• Economic growth rate in China and Asia hugely influences food markets
• Pesky millennials drive consumer trends and grocery industry change
• It’s about the health of me and my world but convenience trumps health!
• Meal patterns change and the rise of mini-meals and healthy snacking
• Doubling up on the “5Ps”: importance of VALUE and VALUES
• Retail in flux: growth in discounters, on-line and convenience stores - the emergence of omni-channel retailers
• Food retail and food service converge. Food-to-Go fastest growing sector
• For meat, eggs & dairy products, consumers VERY interested in who, how and where product is produced. What’s your story?
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Retail Blog: www.supermarketsinyourpocket.com