

10 Macro Trends Driving Food & Beverage Innovation

Each year Mattson identifies a number of macro trends. Our goal is to think beyond “the next kale.” We choose lifestyle trends that have the power to influence food and beverage purchases, behavior, beliefs and of course, innovation: the business we’re in. The whole reason to track trends is to, ultimately, translate them into viable business opportunities. Here are our 2018 picks.



1. Cannabis Craze

Increasingly, marijuana is seen as a functional food, with purported health benefits far outnumbering what consumers can get from kale, turmeric, or kombucha.

With a new generation growing up in states where cannabis is legal (currently about 20% of the U.S. population), new products are rapidly entering the market. Yet, the biggest challenges in launching cannabis edibles remain monumental because cannabis is still illegal at the federal level. This makes scaling a cannabis-based food or beverage difficult, if not cost-prohibitive.

Despite the challenges, there is no question cannabis will influence the food and beverage industry, because it already has.



2. Losing Booze

The increase in cannabis consumption and acceptance leads us to our second trend: flat to declining per-capita alcohol consumption.

Many correlate this decline with consumers choosing cannabis over alcohol for the same occasions they might drink booze: relaxing at home, partying with friends, managing anxiety – you name it.

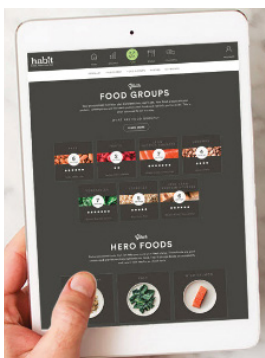
Millennials are also driving this trend given their desire to be more present and mindful in their lives, both of which are difficult when you’re drunk. Also, drinking is expensive. With uncertainty about their future, Millennials are less willing and able to spend hard-earned dollars on alcohol.



3. Keyboard Convenience

For years, we’ve been hearing predictions around the ultimate demise of the center-store, where staples like mac-and-cheese, cereal, and bars are on their way to extinction. While consumers are excited about the fresh perimeter, we think center-store has staying power.

With the convenience of shelf-stability, these categories have the benefit of being easy to buy in bulk, ship, and store indefinitely. Why wouldn’t a time-strapped household with two working parents and multiple kids trade an inconvenient trip to the store for keyboard convenience? From our perspective, product innovation for e-commerce is its own animal, and we help our clients enable keyboard convenience so consumers can keep shopping the center aisles... virtually.



4. Taking Food Personally

Over the past decade, we’ve come to embrace the fact that the food we eat profoundly impacts our health, but this wasn’t always the case. Western medicine healthcare was reactive. Eastern medicine was holistic: taking into consideration the mind, body and spirit. Taking cues from the East, today’s personalized food and beverages allow consumers to follow unique diets more targeted than gluten-free, paleo, and vegan, each chosen for a consumer’s one-of-a-kind physiology.

And, as we continue to learn about how the microbiome affects health, we predict an increasing focus on food’s impact on our emotional and mental health, as well. It’s coming: food for mood.

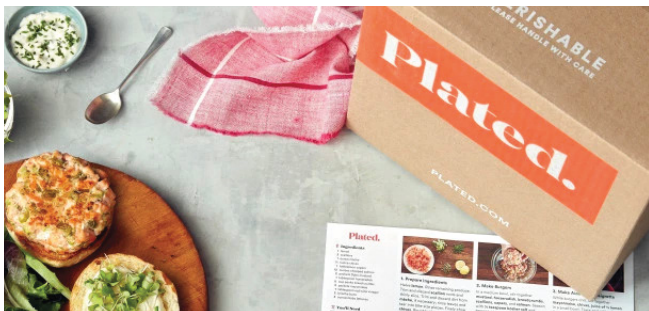


5. Fast Fresh Farming (Indoors!)

Consumers increasingly desire to eat fresh and local food. But it’s challenging to grow fresh produce during the frigid winter months. One solution is to move farming indoors, and that’s now happening in great numbers at both the residential and industrial level.

With technology that meters out water and nutrients, success rates are better. Imagine growing produce inside your home and harvesting just seconds before use. It’s the ultimate way to ensure you’re eating fresh and clean. It doesn’t get any more local than your kitchen!

We love the idea of shipping containers and abandoned urban buildings as the ecologically sound commercial farms of the future: located wherever they’re needed.



6. Meal Kit Migration

We know that consumers fundamentally want meal kits, but the original direct-to-consumer subscription model is not how they want to buy them. Too much commitment, too costly, too much solid waste and carbon footprint.

Blue Apron and competitors Hello Fresh, Sun Basket, etc. need to find a way to sell their awesome offerings where consumers already shop for food.

Chef'd is already selling meal kits at retail. When Albertson's bought Plated, it was obvious that's what they had in mind. Sure enough, they've launched Plated kits into grocery. We suspect others will soon show up there. Meal kits are here to stay, but how and who wins will be different than how and who built the segment.



9. Produce Power!

Today's burgeoning ready-to-cook and ready-to-eat fruit and vegetable products go way beyond baby carrots with ranch. Consumers want to eat more fresh produce, but they're not confident in their ability to cook with it. Solving this conundrum are products like ReadyPac's Fresh Prep'd Soup Kits and Sunset Grown's You Make Me pasta kits. We predict many more of these fresh produce kits coming in the near future.



7. Intrinsic Nutrition

Fat is back. Protein is hot. Sugar is out. Yes, consumers want to eat healthy, but their definition of what this means continues to change. Mostly, consumers want to eat foods that contain what we call intrinsic nutrition: nutrients that are inherent in the ingredients.

Intrinsic fiber comes from beans or whole grains, not supplementation. The next wave of innovation will be intrinsic healthy fats, protein, fiber, and other essentials from nutrient-dense foods like soy, meat, cheese, eggs, fruits, vegetables, and dairy. We know this, because we're working on these new products now, for launch in the near future.



10. Non-Food Brands Branch Out

We believe that licensing is one way to solve the dilemma of building new food brands because it lets companies gain access to a new brand without having to build it.

When Oprah enters a new industry, watch out. Now that she's launched a line of refrigerated foods, we can expect a lot more products to launch under her partnership with Kraft Heinz.

Oprah is not the only non-food brand entering the industry. Patagonia used to sell only clothing. Today they offer brand loyalists a line of mission-driven Provisions that range from buffalo jerky to soup to smoked salmon.

The question is, "What non-food brand will appear next in your cart?!"



8. The Fabulous Flexitarian

There is no official definition of Flexitarian, but we consider them to self-define in two ways. First: those actively trying to eat less beef, chicken, pork and dairy. Second: those already eating "mostly vegetarian," with the occasional consumption of meat and dairy. Together, these consumers make up about one-third of the population.

A full 50% of the population claims they'll be actively trying to eat more plant-based foods next year. Vegetarians and vegans only make up about 5 to 7% of the population and that number has remained fairly flat. It's Flexitarians that are driving the growth in plant-based foods, and will continue to do so in 2018 and beyond.

Little Extra Something: Flavors, Dishes, and Ingredients to Watch

There's good-for-you:

Adaptogens (turmeric, ginger, maca, etc.) | Grain/bean/nut and other non-wheat flours | Hops | Schizandra | Fermentation and the resulting funky flavors

There's just-plain-good:

Persimmons | Beets | Raw meats beyond ceviche/tartare/poke (like lamb!) | Shakshuka | Sunchokes

Happy eating in 2018!