# A NEW WORLD DISORDER?

# Navigating the polycrisis

Key Takeouts for FOOD AND BEVERAGE SECTOR

GLOBAL TRENDS 2023

Ipsos

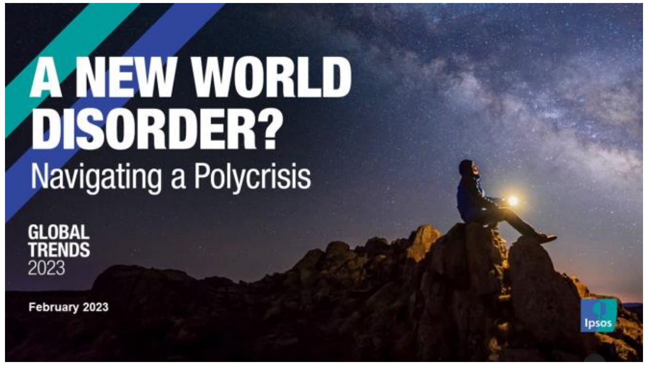
# TRACKING HOW ARE PEOPLE CHANGING

Since 2013 Ipsos has been tracking the values, attitudes and behaviours of people around the world via our Ipsos Global Trends service (IGT). This year's survey, conducted at the end of 2022, is our biggest ever, comprising some 48,000+ interviews across 50 markets, with strong representation across all regions, allowing us an unprecedented window into the lives and concerns of the public.

Understanding change within any sector is about understanding both top-down and bottom-up change:

- **Top-down change** refers to broad cross-category changes. These affect people irrespective of their relationship with specific product categories but will have different impacts from one sector to another
- **Bottom-up change** refers to specific changes within individual categories – both changes in what users need and want, and changes in what those in category bring to the market and how they do so

Ipsos Global Trends is a hugely valuable resource to understand top-down change. Our 2023 report entitled "**A NEW WORLD DISORDER? Navigating the polycrisis**" is available for download and covers the key dimensions driving change, including 6 Macro Forces (that cover 26 more detailed themes) and 12 consumer trends that we have been tracking since 2019.





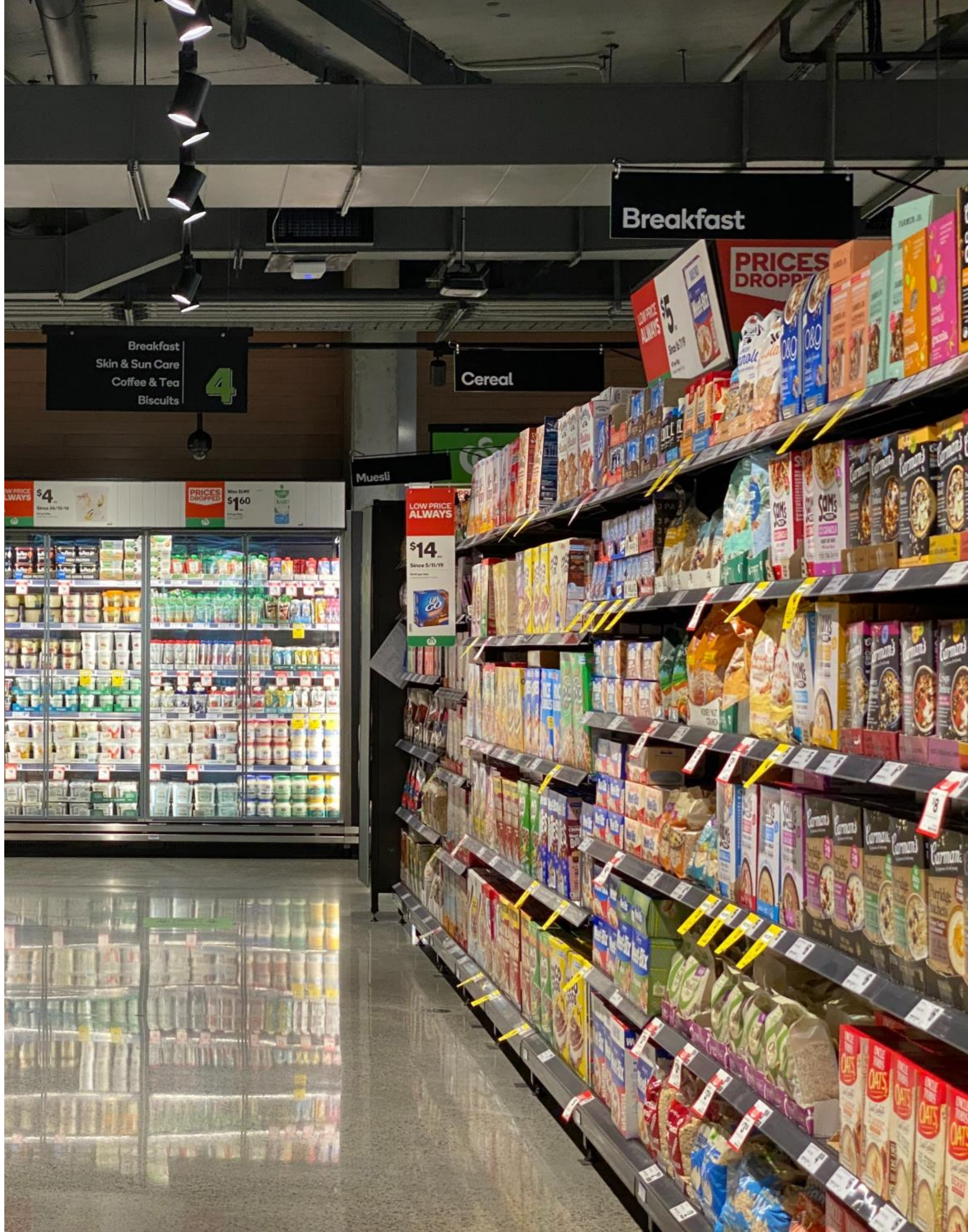
# WHAT DOES THIS MEAN FOR THE FOOD AND BEVERAGE SECTOR?

In this document, our **Food and Beverage** category experts have evaluated the macro force and trend dimensions covered in IGT and identified the key factors that will shape the **Food and Beverage sector** during 2023 and beyond.

From these, we have identified **seven key drivers of change** and brainstormed some thought-starter implications for each.

Once you have digested these, please:

- Download our free Global Trends report for 2023 for more insight, data, marketplace signals and thought-starters relating to the Macro Forces and trends described in this document, : https://www.ipsos.com/en/global-trends
- Contact us to discuss how we can help you navigate the polycrisis and beyond.
- Food and beverage preferences and tastes are highly driven by cultural factors and traditions. The trends we have outlined in this document are global in nature but, of course, will vary widely from one market to another. We can leverage our 50 country dataset to help you understand what these trends look like in the markets you care about.



# IPSOS GLOBAL TRENDS COVERS SIX MACRO FORCES (INCLUDE 26 DETAILED THEMES) AND 12 GLOBAL TRENDS



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# THESE BROADER MACRO FORCES AND GLOBAL TRENDS DRIVE CHANGE IN THE FOOD AND BEVERAGE SECTOR



## DRIVERS OF CHANGE IN FOOD AND BEVERAGE


HEALTH AS THE NEW LUXURY

WHO IS RESPONSIBLE FOR SUSTAINABILITY AS IT GROWS AND EVOLVES?

A GROWING ROLE FOR TECHNOLOGY IN FOOD/DRINK

THE NEW FOOD AUTHENTICITY

THE CONVENIENCE – QUALITY SPECTRUM

BRAND VALUE PROPOSITIONS ARE UNDER THREAT

THE GENERATIONAL FOOD/DRINK DIVIDE

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# HEALTH AS THE NEW "LUXURY"

## THE WHAT?
What trends drive this trend?

Macro Forces: **WELL-ROUNDED WELL-BEING**

Trends: **CHOICES OVER HEALTHCARE** and **CONSCIENTIOUS HEALTH**

While the pandemic understandably required governmental-level oversight, legislation and enforcement, the longer-term trend has been for people to want more direct access to healthcare and more control over their solutions and outcomes. Consumers continue to want more access to providers and specialists, regardless of their location, and more control over their well-being. Medical professionals have been weathering the pandemic and demand fair compensation and treatment.

Health is becoming more holistic, taking into account multiple meanings of well-being. The interconnectedness of health with other systems is also being examined, to begin to address inequities.

**80%** of global consumers agree 'I need to do more to look after my mental well-being'

**86%** of global consumers agree 'I need to do more to look after myself physically'

**83%** of global citizens agree 'I would like more control over decisions about my health'

## THE "SO WHAT"?
What might this mean for the Food and Beverage sector?

People place a high value on both mental and physical health - in many cases it is regarded as an essential pre-requisite for a happy life. People increasingly know what they are supposed to do but there is a large and growing see-do gap, made larger by the high cost of living, buying and eating healthily. The role of food and beverage in mood has long been known through celebrations, indulgences and relaxation but manufacturers are increasingly building products with specific ingredients and attributes deliberately chosen to aid efforts to build and maintain strong mental health.

The cost of living crisis is heightening inequality between individuals and, since, health is now tied so tightly to spending power, those inequalities are increasingly evident in healthy eating and drinking. **How can F&B manufacturers and retailers close the gap between haves and have-nots and make healthy foods more easily accessible to those with limited resources?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting to make it easier to live and eat healthily


**Chipotle** has partnered with Snapchat to create an AR lens that encourages fans to move their body and calm their mind with avocado-inspired exercises and meditations.


**White Peach Sleep Tea by Blue Bear** is a ready-to-drink canned beverage, best consumed before bedtime, packed with adaptogens, botanicals and nootropics to support healthy sleep patterns

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# WHO IS RESPONSIBLE FOR SUSTAINABILITY AS IT GROWS AND EVOLVES?

## THE WHAT?
**What trends drive sustainability?**

| Macro Forces: | Trends: |
|---|---|
| **ENVIRONMENTAL EMERGENCIES** | **CLIMATE ANTAGONISM**<br>**CONSCIENTIOUS HEALTH** |

Climate change has become a visceral reality, with the past year seeing the largest number of climate-related disasters in recorded history. But there is rampant debate about who is responsible for climate change and how to address it: some consumers are changing how they make purchasing decisions according to their environmental impact, while others (particularly Gen Z) are putting the responsibility squarely on the shoulders of government, systems and corporations.

**28 July**

Earth Overshoot Day in 2022: the date by which demand for natural resources had exhausted what the Earth can regenerate

**80%**

feel that we are heading for environmental disaster unless we change our habits quickly

## THE "SO WHAT"?
**What might this mean for the Food and Beverage sector?**

While sustainability still concerns most people, there are major stumbling blocks to a green life. Firstly, IGT evidence suggests concern may have dipped this year. Maybe consumers are wary of greenwashing, confused by an array of ill-understood product claims/benefits and bored/apathetic because of the bombardment of negative climate news. Yet this is an existential issue for us all. Definitions of sustainability are also evolving and diversifying to include considerations purpose, ethics, health and culture and this new broader perspective may be the tipping point to bring about behaviour change. Consumers are keen to hear more about what brands are doing but many are still struggling with their responses, defining their ESG strategy or debating the Jobs to Be Done to achieve their sustainability goals.

**How can the F&B industry avoid making consumers make tradeoffs between green and cheap, between green and healthy, between healthy and cheap?** The sweet spot where these benefits interact is in the growing realisation that personal health and planetary health are not contradictions.

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting to embed sustainability in their offerings


Nestlé Indonesia is piloting refillable vending machines for its Milo and Koko Krunch cereals in an effort to reduce their usage of disposable packaging.

JAMII, is a new sustainability platform that houses Coca Cola's existing and new sustainability initiatives. Through the platform, Coca-Cola hopes to attract like-minded partners to help accelerate the on-the-ground impact of its initiatives.

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# A GROWING ROLE FOR TECHNOLOGY IN FOOD/DRINK

## THE WHAT?
## What trends do we see in data & technology?

| | |
|---|---|
| Macro Forces: **TECH-CELERATION** | Trends: **DATA DILEMMAS** and **THE TECH DIMENSION** |

Whether it's that eerily accurate advert that pops up after you and your spouse have agreed to buy a new sofa, or your quick acceptance of the default cookie settings on a website so you can read an article a colleague just sent you, at times we all question who has our data and what they're doing with it. But how much do people *really* care? And perhaps more importantly, are they willing to do something about it? The rapid pace of technological change and disruption over the past few decades cannot be understated. However, years on, many people are wondering whether the promises made by Big Tech have been kept, and what we need to do collectively to harness the potential of tech – and mitigate its risks.

**71%**
can't imagine life without the internet

**81%**
feel that it is inevitable that we will lose some privacy in the future because of what new technology can do

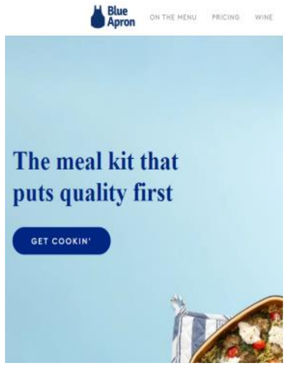
## THE "SO WHAT"?
## What might this mean for the Food and Beverage sector?

The wave of food/drink focused app development (recipe ideas, calorie trackers, etc) that we saw over recent years seems to have calmed slightly, perhaps waiting for a game-changing innovation (such as calories-in tracker apps that are as easy to use as the calories-out apps enabled by wearables). Even so, many in the industry are shifting inexorably towards more tech-focused approaches, for example in moving their media spend to digital, developing their own e-commerce and/or D2C offerings or utilising AI for their innovation funnel. Whilst they do this, there's also increased challenges for them in terms of building better creative that tackles reducing attention spans, or leveraging convergent commerce. Many initiatives in this area stand or fall on access to customer data and as personalisation tech matures and spreads into contextual personalisation (based on dimensions such as location, weather, mood, the body's vital signs, and so on) rather than merely forecasting based on previous product usage, the demand for data will only become more intense? **How will F&B brands make a compelling case to access the customer data to drive personalisation?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting to leverage new technology


**Hellmann's** have tested new labels change colour based on temperature, to indicate whether a fridge is cool enough to keep food fresh.


US-based beverage brand Snapple has launched the **fAIct Generator**, an OpenAI tool that enables users to create and share facts on any topic.




Blue Apron is an innovative new food menu service which uses data to personalise meal kits to user's tastes and preferences.

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# THE NEW FOOD AUTHENTICITY

## THE WHAT?
## What trends drive authenticity?

Macro Forces: **GEOPLITICAL CONFLICTS**
**IDENTITY FLUIDITY**

Trends: **AUTHENTICITY IS KING**

Major F&B corporations have always struggled with a basic paradox: how can consumers believe that someone who is making millions of portions of a food or beverage product is doing so with love and care and using authentic recipes and processes. Authenticity is a complex and highly nuanced area, including dimensions of naturalness, provenance, tradition, quality, localness and others. It is also an area where modern production methods (and changes in the macro landscape) are undermining brands efforts to be authentic. Can a production line make a product lovingly? Will climate change alter growing zones so that regional specialisms (such as Champagne, or Stilton, or Parmigiano) are undermined? Complex global supply chains and international licensing agreements mean that products that sound like they are from one place may actually be made elsewhere and consumers are increasingly wising up to this.

**52%**
are willing to pay extra for a brand image that appeals to them

**80%**
feel it is possible for a brand to support good causes and make money at the same time

## THE “SO WHAT”?
## What might this mean for the Food and Beverage sector?

Authenticity is a complex and highly nuanced concept. Take Plant-based foods as an example: on the face of it, making foods from plants should be more natural, more authentic but the amount of processing involved can undermine such positionings: how authentic is ice-cream with no dairy? How authentic is a burger with no meat? Definitions of authenticity that were already very diverse are also evolving to include conversations around food ethics but can be in conflict with other trends (such as the move towards functional foods). Brands wanting to leverage food/drink-related authenticity in their communications or to lean into broader, societal issues and causes can build strong bonds with their audiences but have to step carefully and, arguably, have to gear up for some level of almost inevitable pushback from a vocal minority on social media on almost any claim they make.

**How do F&B manufacturers stay authentic in this kind of complex world?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting for more authenticity


Ginsters launched a ‘Sow Your Own Slice’ service. It allows people to immerse themselves in a 'field-to-fork' journey and have vegetables grown on their behalf at the Ginsters farm.

Plant-based meat brand LikeMeat has partnered with the German national rail company Deutsche Bahn to participate in Veganuary for the first time and expand its range of purely plant-based dishes including a “chilli sin carne”.

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# THE CONVENIENCE – QUALITY SPECTRUM

## THE WHAT?
## What trends drive convenience?

| Macro Forces: **INEQUALITIES & OPPORTUNITIES** and **PERVASIVE TECHNOLOGY** | Trends: **SEARCH FOR SIMPLICITY, AUTHENTICITY IS KING, NOSTALGIA** |
|---|---|

Lockdown saw a brief pause in our headlong rush towards convenience solutions. Suddenly people were freed from the treadmill of frantic days and a rush to get something on the table at the end of a busy day. There were rises in home baking, enjoyment of cooking, more experimentation. With life returning to a somewhat more "normal" pattern, will we once again prioritise convenience over quality, and if so what will that trade-off look like. We suspect that people want to take time to prepare something interesting, healthy and cost-effective at least on some occasions.

**73%**

wish they could slow down the pace of their life

"I will sacrifice convenience if it means getting healthier products"

**Agree: 72%**
**Disagree: 23%**

## THE "SO WHAT"?
## What might this mean for the Food and Beverage sector?

Convenience in buying, preparing and eating food and drink is still incredibly important but the nature or shape of how it is defined has altered from an emphasis on being able to produce quick healthy meals, to more focus on convenient "access". People are always inherently time-poor when it comes to "life admin" and will always look for faster, easier, simpler and more convenient methods of getting through their daily chores. Some days finding, acquiring and cooking food will be a pleasurable experience and other days it will be a chore. On the days when it is a chore, convenience will be critical and the focus will be on easy and quick finding and acquiring. On other days buyers may be prepared to invest more time and understanding which "mode" your buyers are in on any given occasion will be key.

**How can the F&B industry strike the right balance between convenience and quality? How is the definition of convenience shifting?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting to offer more convenient solutions


**Sensei** has launched what it claims is the world's first autonomous cabinet, aiming to revolutionize the vending machine and bring ultra-convenience to consumers in offices, stations, and universities, & gyms.

**Coles** is Australia's first major supermarket to offer drone delivery for more than 250 of the most popular grocery items – making it faster and easier for customers to get what they need. They have partnered with global on-demand drone delivery service, Wing and began their new service with a trial in the city of Canberra where customers were offered the chance to get grocery deliveries "in minutes".

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# BRAND VALUE PROPOSITIONS ARE UNDER THREAT

## THE WHAT?
## What trends drive brand loyalty?

| Macro Forces: **IMPACTS OF INFLATION** and **SUPPLY CHAIN ISSUES** | Trends: **INEQUALITY & UNCERTAINTY** and **PEAK GLOBALISATION** |
|---|---|

Brands seeking to maintain strong value propositions have had their work cut for them over recent years. Lockdown affected supply chains and caused major stockout issues for F&B retailers, potentially undermining brand loyalty as consumers unable to find their favoured brand were forced to switch. The cost of living crisis and the inflationary environment are also shifting brand preferences and long-established buying patterns. Buyers are having to adopt much more flexibility, and this is evident in the numbers moving to private label options, trading down to less premium, “economy” offerings, buying in bulk, showing less brand loyalty and buying in groups.

**1/3** of the world will be in recession in 2023

Kristalina Georgieva, IMF’s Managing Director, 1 January 2023

**70%** of global consumers feel that the rate of inflation (the rate at which prices are rising) will go up a lot or a little in the coming year.

## THE “SO WHAT”?
## What might this mean for the Food and Beverage sector?

The cost-of-living crisis is forcing consumers to think more carefully than ever about what they buy. Brands need to recognise that they are vulnerable and do everything they can to shore up their value proposition. This is a continuous task: it is safer to assume every purchase is a first purchase from the point of view of the buyer rather than relying on past goodwill or engrained habit and, instead, ensuring that your product ticks all the relevant boxes. Does it offer great value? Will buyers be able to use all of it, without waste? If it commands a premium, is it clear why buyers should prefer it over cheaper options?

**Brand value propositions are more important than ever. Does your need to be re-evaluated? How are you communicating it at every point of purchase?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations are attempting to maintain and evolve value propositions


UK supermarket Morrisons has updated and extended its My Morrisons loyalty program to make it easier for customers to save money amid the cost-of-living crisis. The instant rewards-based scheme now offers more relevant deals, easier navigation, and the introduction of surprise bonuses. Swiping the new My Morrisons app or a physical card will offer customers personalized benefits. The My Morrisons barcode has been added to the home screen so it is quicker for customers to find at checkout and the registration process has also been simplified.

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# THE GENERATIONAL FOOD/DRINK DIVIDE

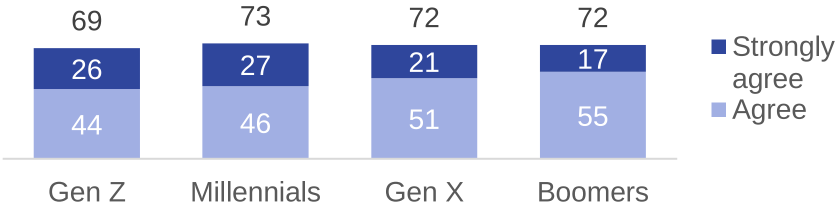
## THE WHAT?
## What trends drive generational differences?

Macro Forces:
**LIFE STAGE EVOLUTIONS** and **GENERATIONAL WEALTH DISPARITIES**

Trends:
**UNCERTAINTY & INEQUALITY** and **DIVIDED WORLD**

Lifestages are not as differentiated as they once were, with people rethinking traditional life paths and definitions of success such as career, money, and family. People are marrying later (if at all) and having fewer children later in life (if at all). At the same time, Millennials and Gen Z are likely to be poorer than Gen X and Boomers were at the same age. Today's young people want to live by their own rules – and this relates to food and to broader health issues as much as other aspects of their lives. While overall agreement about the priority people want to place on health versus convenience varies rather little across the generations, younger people are much more likely to feel strongly that health is their key priority.

**% agree**
**"I will sacrifice convenience if it means getting healthier products**




## THE "SO WHAT"?
## What might this mean for the Food and Beverage sector?

One size does definitely not fit all when it comes to food and beverage. People at the younger and older ends of the age spectrum have quite different attitudes to food and beverage, spanning everything from food origins, food sustainability, production methods, taste preferences, distribution channels, preparation methods, consumption habits and occasions and so on. Young people are not interested in how things were done before, or in retaining food traditions for their own sake, and yet food/beverage is one area where cultural factors have more sway than other sectors. Reconciling these competing interests will be vital in attracting a younger customer, but doing so without alienating the older heartland audience will also be key. Communicating with different groups of consumers also requires a sensitive choice of channels – Gen Z, for example, have much lower usage of traditional media and much higher use of social channels such as TikTok and Instagram.

**Do you need a more differentiated generational offering?**

## WHO IS ALREADY ACTING ON THIS?
Marketplace innovations focusing on specific generational opportunities


**Grocery site that targets Gen Z**
Consumerhaus is a fully curated US online market looking to become a central grocery shopping hub for Gen Z consumers. The founder hand-selected every brand featured, based not only on product quality, but also on the resonance of the brand's marketing and social media promotions for Gen Z shoppers.

**Mobile supermarket brings groceries to seniors in Singapore**
Supermarket chain FairPrice offers a mobile grocery service in Singapore designed to bring groceries closer to seniors and vulnerable people living further away from supermarkets. The 'FairPrice on Wheels' vans were stocked with essential grocery items such as rice, milk, cooking oil, canned food, and toiletries.

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# Every crisis can be an opportunity to improve your organisation, and people's lives

## We can help you leverage the trends:

Beyond this public report, get in touch with the The Global Trends and Foresight Team to discuss:

- **In-depth analysis** of the trends or a specific market's attitudes – and how they will change
- **A custom presentation** tailored with data & signals for your organisation and key countries
- **Workshops & activations** to apply the trends to your strategic planning processes
- **Data access** through your Ipsos team, or directly via our Portal for up to 50 markets
- **Macro Forces** with supporting data, to feed into your own foresight processes
- **Market-specific highlights** to inform your global footprint and strategy

## We can help you shape the future:

Beyond the trends, our advisory services in trends and foresight consulting include:

- **'Future of...'** foresight consulting to prepare for the obstacles and opportunities ahead
- **Trend Tracking** to monitor trend evolution and scale
- **Custom trends frameworks**, inspired by Ipsos Global Trends but customised for your organisation
- **Scenario building** and horizon scanning to consult with your organisation on preparation
- **Innovation sprints** to turn the trends into platforms for growth and to develop concepts

 

## About Ipsos

In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide a True Understanding of Society, Markets and People. To do this we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do. So that our clients can act faster, smarter and bolder. Ultimately, success comes down to a simple truth: You act better when you are sure.

**GLOBAL TRENDS**
2023

**Billie Ing,**
Global Head of Trends and Foresight at Ipsos Strategy3

Globaltrends@ipsos.com

**ipsosglobaltrends.com**

GAME CHANGERS Ipsos