The transforming foodscape of India

By Geeta Lobo

Anjali reaches out to the bright red macaroni packet and drops it into her basket as an afterthought. She tells herself that it is okay to allow for some occasional indulgences. After all, last month when she had made pasta at home for the first time, carefully scanning the instructions on the packet, it had been quite a hit. She smiles when she remembers her tweak to the recipe, adding homemade masala to make the bland preparation more vibrant.

Changing fast, changing slow

Anjali's experiment is emblematic of the changes that are taking place in homes across the country. Access and affordability have enabled us to express our innate curiosity about new foods we see every day in the mass media and in our markets. There is a lot being spoken now of the influence of global culture on the Indian foodscape. Some see this as an inevitable consequence of globalization, and others as an undesirable ingress of foreign influences which weakens the grip of our traditional ways of cooking, serving and eating.

An insight into where this transformation is headed next would be of immense value to everyone engaged in this sector, especially to manufacturers of packaged foods and those involved in food services. This article examines the factors that can hasten or halt this transformation and flags up seven key implications for marketers in the sector.

Seven key implications for marketers in the food sector

1 **Change in form not style:** The bigger and more immediate change will not come in the flavour or the style of food that we consume, but in the form, composition and source of these foods. The flavour bouquet of Indian cuisines will remain largely unchanged in the near future.

2 **Acceptable novelty of regional flavour variants:** Regional cuisine will emerge as a new basis for novelty creation for packaged foods and food service offerings. The same is true for other Asian cuisines with a similar flavour palette to Indian cuisines or Indianized versions of other cuisines.

3 **Evolved differentiation in food services:** A wide price range and cuisine options represent the first wave of basic differentiation. The next wave of change would see fresh food offered under propositions of improved health and pleasure.

4 **Nutrition - the new mass proposition:** Nutrition - and not energy density - will emerge as the core proposition in mass-consumed foods. Dairy products will experience high sustained growth in the coming decades.

5 **Opportunities for rural-centric food solutions:** Packaged food solutions based on enhanced nutritional content, created specifically for rural realities, will have a growing market.

6 **Packaged RTE growth to dampen:** Growth of ready-to-cook and ready-to-eat foods, (especially meal substitutes) can expect to slow down, crowded out by offerings from food services.

7 **Boost to 'food hedonism':** In mega-metros[1] and larger towns, the rapid growth of food services will boost prospects for indulgent offerings across the board by strengthening the need for seeking variety and pleasure from food.

An ever-changing foodscape

The truth is that Indian cuisines have been in a constant state of transformation through the ages. Our current interests in oregano, kaffir lime, gorgonzola and wasabi are just the latest episode in this series of transformation. At its core, any cuisine is primarily defined by a set of flavours that give it a distinct identity. There are just six tastes; sweet, sour, salty, bitter, spicy or astringent and umami (the savoury taste) which are found in food from all traditions of cuisine, in varying degrees. Defined only in terms of taste, there would be very little difference between one cuisine and another. What creates a unique cuisine signature is the flavour spectrum that defines it. Flavour is perceived through olfaction (smell) in the context of specific tastes.

The dominant flavours in Indian cuisines; coriander, cumin, fenugreek (methi), fennel (saunf), garlic and chillies all originated in lands very far from India. They entered our cuisine and were assimilated into traditions because of contact across geographies through trade and cultural exchange. In fact, until the Portuguese introduced chillies in India as late as 16th century, the main pungent spice used across India was black pepper.

And yet most signature recipes in Indian cuisine; Rasam, Sarson da saag, Undhiyu and Bhapa Chingri,[2] would be incomplete without these "foreign" spices. The same is true of other ingredients, techniques, and even entire recipes that we have borrowed from other cultures and made our own. To understand where this flow of transformation takes us next, and how our foodscape will look in the future, we need to look at both the science behind this change and the economic realities that drive it.

The science of food preferences

Change in foodscape starts with decisions made at an individual level. What does science tell us about how humans make food choices? And what clues can this give as to the speed and nature of change that we will witness in the future? Biological, cultural and psychological factors determine our food preferences, but they tend to be conservative forces; for the most part slowing the pace of change.

Biological factors: Foods that we seek instinctively

Evolution has programmed our taste preferences to extend our survival. Foods rich in calories taste sweet to us and we have an inborn preference for them. Similarly, our innate aversion to bitter foods is a self-protective mechanism that allows us to expel any food that could potentially be toxic. Toxins in plant foods are alkaloid, which taste bitter to us. But it is not just taste: evolution has also coded preferences through olfaction, or smell and flavour detection. As a sensory mechanism, olfaction is vastly more sensitive than taste and has the added advantage of being a remote sense, opposed to taste which requires direct contact with the food.

The irresistible attraction of rice, sweets, potatoes and fried foods is a biological advantage that improves our survival. The crisis of obesity in many mature economies can be seen as the natural playing-out of this biological preference in times when calorie dense foods are easily accessible and calorie requirements are dropping, thanks to a modern sedentary life. Clearly, our instinctive preferences are slow to respond to changing realities.

Have you ever considered about why an unchanging menu evokes boredom and kills your appetite, even though most other animals seem content with an unvaried diet day in and day out? Well, as hunters and foragers, the inclusion of new nutrient sources provided a survival advantage; hence **'neophilia'**: the hard-coded appeal of novelty in food consumption. In modern times, this quest drives homemakers to look for newer recipes that add excitement to home-cooked food. But we have conflicting reactions to new foods. The neophilia is counterbalanced by **'neophobia'**: aversion based on the risk of discovering unknown and dangerous toxins in new foods. This conflict mostly skews towards avoidance of new foods and flavours. So our pursuit of novelty, mostly results in new renditions within the reassuring bouquet of familiar flavours.

Cultural factors: Foods that we grow to like

As mammalian infants, we all start off on a single food: milk. From there, we move on to experience a wide range of foods in our first few years of life and develop an affinity for foods and flavours that we are exposed to by trusted food providers in these early years. Biological preferences are often leveraged in food socialization. We as parents instinctively use innate taste predispositions to code flavour preferences in our children. Early foods introduced to infants usually have the base taste profile

of sweetness, which explains why when we begin to drink coffee, for example, adding milk and sugar tones down the bitter notes and allows us to acquire a taste for this more challenging flavour.

Cultural culinary preferences are coded through aromas. Our food choices are deeply influenced by the flavours and ingredients that we are conditioned to like as children, which is why often nothing quite matches up to the taste of Mom's home cooking and why most of us do not feel like we have had a proper meal until we have eaten our traditional cuisine. Cultural conditioning can even override biological predispositions. Many cuisines have ingredients which would be considered malodourous by others: Jackfruit, rock salt, hing (asafoetida) and ripe cheeses are all flavours which are preferred and relished by those raised within specific food cultures, but very hard to like for the uninitiated.

Psychological factors: Traits that shape our food choices

Apart from biological instincts and cultural influences, individual traits can influence food choices. Our predisposition to risk is a critical example of this. Studies show that a taste for capsaicin (the 'hotness' constituent in chillies) has a strong correlation with sensation-seeking as a personality trait. In your travels to Southeast Asia, you may find that while you hold back and stare nervously at snake wine, your intrepid friend downs it in a gulp. Your inclination to try the wine, or lack thereof, has nothing to do with biological or cultural conditioning, but a difference in appetite for risk in general.

Preferences are also acquired as a result of any benefits observed after consumption. Likewise, aversions develop from negative consequences after consumption, we learn to dislike flavours of foods that have adverse digestive consequences such as nausea. And studies have shown that aversions originating from nausea reaction cannot be reversed through any other conditioning mechanism.

Changing slow: Science predicts a gradual change in the foodscape

The process through which these factors interact to create and affect our food choices is complex, and not as well understood as the factors themselves. But what can be clearly understood is that biological instinct, social conditioning and neophobia are all conservative forces that resist change. The broad scientific prediction is that our preferences for food palate and related cuisine will be slow to change.

We can also say that Indian cuisines and our traditional ways of eating will not decline so long as a strong tradition of home-cooking continues to condition infants to like Indian food. And this is true for cuisines all over the world. In a globalized era, while much of the world has started to dress alike, we still eat as diverse a set of cuisines as we did centuries ago.

So, the more immediate change in our foodscape will not be in the flavour or style of the food we consume, but in the form, composition and source of these foods. To understand this facet of transformation better, we will need to look at the economics of change.

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Changing fast: Environmental factors speeding up the change

Several environmental factors are signalling that India is on the cusp of a new phase of accelerated and deeply transformative change in its foodscape. Increasing incomes, growing urbanization and widespread adoption of technology have a very profound influence on the way we spend money on food.

Dietary diversification due to rising incomes

NSSO[3] surveys have shown a trend of food constituting a shrinking share of household expenditure in both urban and rural India over the last few decades. Economics predicts that as incomes rise, the share of expenditure on necessities will drop. Part of this decline is attributable to the moderation of the price of food grains and other necessities brought about by the PDS (Public Distribution System). But within this declining share of food expenditure, there are three trends that are we need to pay attention to:

1. Spend on cereals and food grains is declining while that of dairy, fat & oil consumption is rising.
2. Within food grain expenditure, there is shift away from coarse cereals towards consumption of rice & wheat.
3. If we note the influence of urbanization, by looking at the critical differences between urban rich and poor, there is also gradual drop in calories being consumed.

Nutrition and not energy density will be the next core proposition in mass consumed foods.

This evident dietary diversification marks a stage in which food choices are driven by nutrition, not just calories. India is at the point of an interesting transition, where the mass market is no longer just worried about by the calories or energy that each rupee fetches, but taste and nutrition quality also guide spending. Nutrition and not energy density will be the next core proposition in mass consumed foods.

The impact of digital technology

The digital revolution, which has transformed the way we live and think, will also have a profound impact on how and what we eat. This influence is two-pronged:

Trend consciousness: Increased access to information through the digital revolution speeds up the diffusion of trends and opens up opportunities for experimentation. Science shows that these changes will be faster for cuisines with a similar flavour palate. This indicates that regional cuisine will emerge as a new basis for novelty creation, both for packaged foods and food service offerings. Indian regional cuisines with significant flavour overlaps will be in the 'Goldilocks zone' for introducing novelty. The same is true for other Asian cuisines with flavour proximity to Indian cuisines.

At the higher income end, experimentation with global cuisine will be driven both by exposure over the internet and directly through travel. However, adoption of global cuisines trends will be a very niche phenomenon.

The beginning of the end of the spatial divide: The old 'trickle-down' model of food trends originating in urban areas will be tested. With the democratization of information, access and spatial differences will not be as important as in the pre-digital world. Adoption of change in rural areas may not lag behind urban areas.

Metros[1] will no longer be the centres of food product introduction, but opportunities will open up for rural innovation. Logistics remains a spatial problem and this emerging rural opportunity will encourage newer models of production and distribution which are rural-centric.

Eating out and ordering in - the attraction of fresh food

Both the restaurant industry and the food tech sector that rides on it are growing at rates exceeding 10%, and the growth is expected to accelerate in the near-term. This growth can be expected to dampen the expansion of packaged foods into the ready-to-eat meal-substitute space. As a convenient alternative to home cooking, food service solutions offer the added advantages of freshness and personalization, as compared to packaged foods.

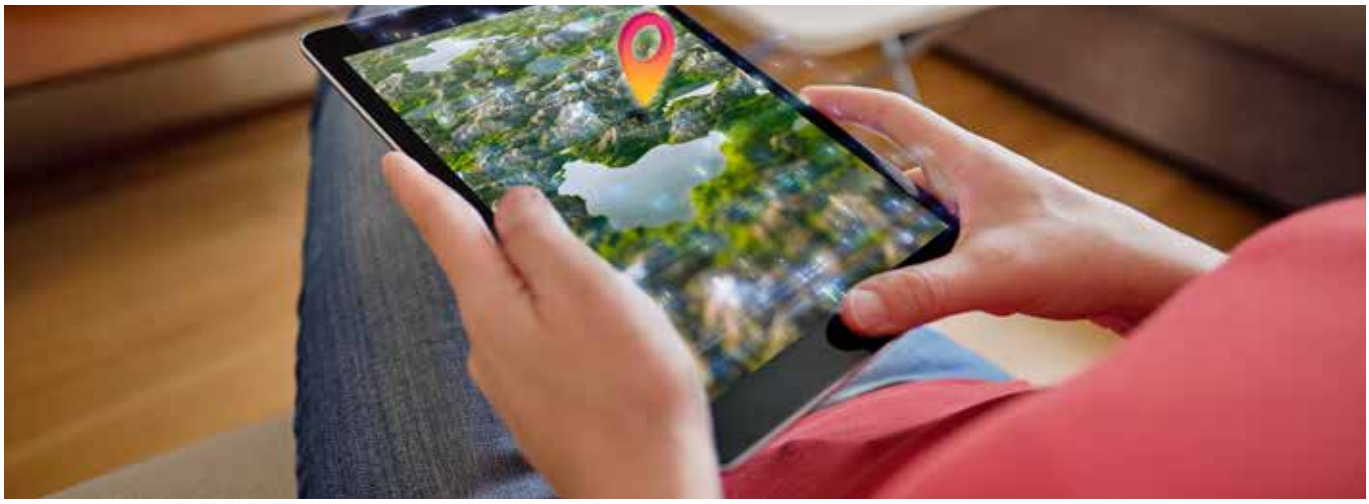
Improved access to freshly made food sourced out of home also enables easier gratification of food cravings. Variety-seeking has long been a core component of snacking. By widening the range of meal options available, growing food services will enable satiety of variety-seeking, even at meal times. It will fuel the fire of hedonism, creating stronger prospects for indulgence offerings, even in packaged food.

For now, the focus of the food services industry is still very urban and metro-centric, but it is already catering to customers across affluence groups. A wide range of price points and cuisine choice represent the first wave of basic differentiation, the next wave of change would see fresh food being offered under differentiated benefit propositions, in both the hedonic and health spaces.

Conclusions

The transforming foodscape opens up opportunities for a wide range of food products and solutions. The real transformation will not be in the food culture, cuisine and flavour bouquet, as many would imagine, but the nature and manner in which consumers will choose to address their requirements from food. This will create a myriad of opportunities for the food industry as well as make the environment more dynamic and complex than ever before.

For people like Anjali, the choice (especially in major metros) is whether to buy delight through such cuisine experimentation, or simply access the expert version available through her food app. The rules of success are going to change, and it is time to rework the playbook.



Footnotes

1. *In India, the Census Commission defines a metropolitan city as one having a population of over four million. Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, Pune, Surat and Nashik are those Indian cities that have over 4 million people.*
2. *Signature Indian dishes from different regions*
3. *National Sample Survey Office (NSSO) is responsible for conducting large scale sample surveys on diverse topics at an All India scale. This inference is based on the 'Household Consumption of Various Goods and Services in India.*

References

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Geeta Lobo, Executive Director, MMA, India

Contact: Geeta.Lobo@Ipsos.com

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www.ipsos.com
@Ipsos
IKC@ipsos.com