

# Market Intelligence Digest

Volume 2 Issue No. 07 | March 2020



*The Department of Trade and Industry - Export Marketing Bureau (DTI-EMB) is mandated to oversee the development, promotion and monitoring of Philippine exports. The DTI-EMB provides the exporters the enabling environment to make them globally competitive.*

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## How Covid-19 is Impacting Food & Drink Markets In Southeast Asia

By Tan Heng Hong  
APAC Food and Drink Analyst

***The COVID-19 virus is changing the way Southeast Asians (SEA) are forced to cope by changing their eating habits and embracing new shopping practices.***



## Mintel's perspective

### Make immunity boosting a lifelong pursuit

COVID-19 has reinforced the importance of having a healthy immune system. The crisis has also unlocked new opportunities for brands to innovate around immunity to ward off future viruses.

### Turn online shopping into new consumer lifestyle

Online grocery players can take the opportunity to convert more consumers to buying their groceries online as many of them are increasingly choosing to stay indoors.

### Bring consumers back to enjoy meals at home

The public health crisis has exposed consumers to the various ways to prepare and enjoy tasty meals at home.

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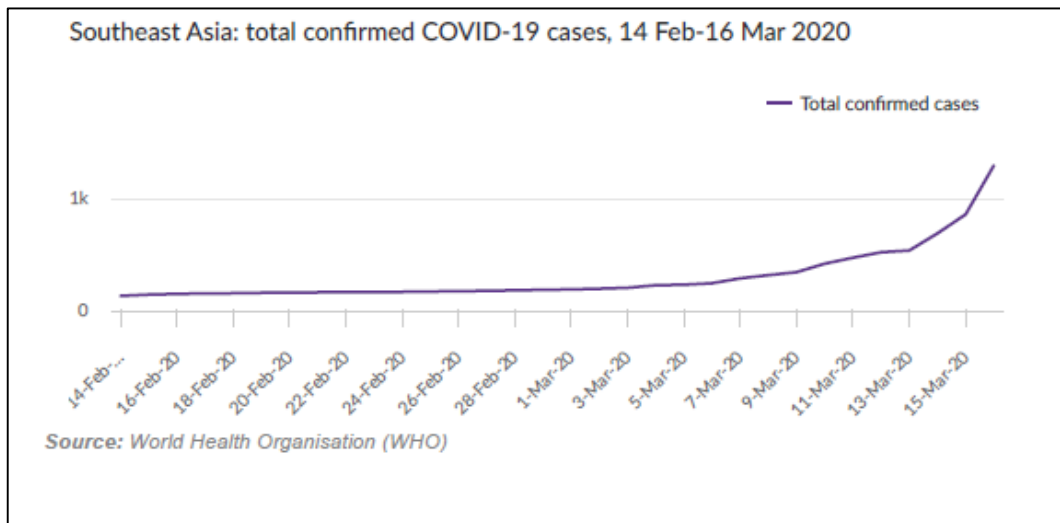
## COVID-19 causes jitters among Southeast Asians

Coronavirus disease (COVID-19) has been detected in Southeast Asia since 21 January 2020. The number of confirmed cases started to jump in early March 2020 and this coincided with the spread of the disease outside of China.

Southeast Asians have started to feel the impact of the virus on their everyday life. This comes as several countries in the region, including the Philippines, have implemented stricter measures to curb the spread of COVID-19.

To protect themselves from contracting the virus, consumers are turning to home remedies, eating more health supplements, ordering food online, and eating more at home to avoid public spaces.

Such changes in consumer behavior during a major public health crisis could have a lasting impact on the way consumers eat and drink in the future.



## Consumers turn to traditional remedies to safeguard themselves from the virus

### Black Garlic

Vietnamese consumers turn to garlic, particularly black garlic, to boost their immune system. Black garlic is fermented for a period of time and is said to have numerous health benefits including antioxidants, antimicrobial, and antiviral properties.

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## Jamu

Indonesians are stocking up on jamu, a traditional medicine made from natural ingredients. The hoarding of jamu ingredients has resulted in the surge in the prices of herbs and plants such as jahe merah (red ginger) and temulawak (Javanese ginger).

## Vitamins

In Singapore, demand for vitamin C and multivitamins has increased following the outbreak of COVID-19. Local supermarket chain NTUC FairPrice said demand for health supplements like vitamin C and multivitamins has risen by "three to five times."

## Malunggay and Virgin Coconut Oil

Products with virgin coconut oil and malunggay (Moringa oleifera) have grown in demand in the Philippines as consumers seek natural, trusted healthy foods to improve their health.

## Brands spread message of prevention and immunity to tackle COVID-19

In Southeast Asia, manufacturers of immunity boosting food and drink are actively promoting the importance of immunity to strengthen the body during the pandemic.

These immunity-enhancement products include vitamin fortified food and drinks as well as spoonable yogurt, drinking/cultured yoghurt, and nutritionally complete drinks.

In Thailand, immunity is highly in demand among consumers aged 55+ (59%) compared to 46% of those under 55.



Yakult: "prevention is better than cure" (Malaysia)



Ensure: "keeps loved ones strong in times of COVID-19" (Thailand)

Source: Yakult Malaysia; Abbott Laboratories

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## eCommerce thrives as consumers avoid the outdoors

Consumers turn to the convenience of ordering their groceries online as people choose to stay indoors more often to minimize their exposure to viruses like COVID-19.

Online grocery vendors have witnessed a surge in orders. RedMart, Singapore's leading online supermarket site and part of Lazada, experienced "unprecedented demand" with orders for everyday essentials like food and household products soaring, according to Lazada CEO James Chang. The demand for online grocery shopping in Singapore grew even more after incidences of panic buying.

Online grocery players can maximize the current situation to showcase the benefits of shopping for groceries online, including having sufficient stock of popular items during the pandemic, safe handling and delivery of parcels, free delivery, promotions and the use of e-payment to reduce the risk of getting the virus from handling cash.

## Opportunity to make at-home meals tasty, convenient, and nutritious during a pandemic

As more consumers dine at home to avoid crowds, food manufacturers can step in to provide them with a more convenient, tasty, and healthy meal solution.

Eating healthy food can improve the body's immune system; however, preparing healthy food that tastes good can be a real challenge for many people including those who are new to cooking. Vietnam has a high percentage (72%) of consumers\* who cook meals from scratch all or most of the time. Still, 52% of consumers\* in Vietnam said it is difficult



Knorr promotes healthy cooking to improve immunity (Vietnam)

**Source:** Zing.vn



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To prepare healthy food that tastes good. To address these pain points, Unilever's seasoning brand Knorr has partnered with online newspaper Zing.vn to provide readers with useful health information and nutritious menus to keep families healthy during the epidemic. The menu showcases how Knorr can make cooking nutritious and tasty meals easy.

*\* taken from Mintel's 35-market consumer research study, December 2019*

## The implication

With the rise in cases of COVID-19, Southeast Asian consumers are changing their habits by stockpiling groceries and increasing online shopping. Even after the current situation calms down, given the scale of the outbreak and depending on the duration of lock-down style measures, it is likely to leave an indelible mark on consumers. Key behaviors such as vigilance around immunity and hygiene will stick, as will dependence on online grocery shopping and possibly even the habit of at-home cooking.

*Read the full report here:*

<https://clients.mintel.com/insight/how-covid-19-is-impacting-food-drink-markets-in-sea>