

Market Intelligence Digest

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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.

Export Marketing Bureau

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The Mintel logo, consisting of the word 'MINTEL' in a bold, black, sans-serif font inside a yellow speech bubble shape.

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Restore and renew trust and safety post COVID-19

As we face up to uncertainties post-COVID-19, food and drink companies must elicit trust through increased transparency and purposeful ambition.



Photo by fauxels from Pexels

Mintel's perspective

Cementing trust and redefining 'clean'

COVID-19 has significant impact on the food supply chain, leading to concerns over safety and security of supply. In the next normal, it is essential for food businesses and regulators to demonstrate the openness and clarity that aligns with consumers' widening expectations. Clean label will be taken to a new level.

Technology is central to building consumer trust

Scientific development plays a critical role in ensuring constant and secure food availability. In the next normal, science will take a leading role in the production and supply of clean food that is deemed safe. Full transparency and education will form the foundation of trust.

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

Evolution from ethical to 'purpose-driven'

Over the years, ethical claims have increased in tandem with demands for more action on sustainability and fair practice. Going forward, companies need to go beyond simply displaying ethical credentials to driving community engagement through a purpose-led business agenda.

Trust will be a critical attribute in the next normal

Pre-COVID: the growth of clean label

Food recalls and frauds in recent years have left consumers skeptical and mistrusting of Big Food. For example, 72% US consumers feel big food companies are more concerned about profits than food ethics.

To build trust, as highlighted in Mintel's 2018 Food and Drink Trend, Full Disclosure, pressure is on companies to be more transparent in their communication about food composition and processing. As a result, this has accelerated the clean label movement where consumers embrace simplicity in ingredients and product formulations.

Post-COVID: clean label evolves in the next normal

There is no regulatory definition for "clean label" but it is characterized by certain product definitions such as "fresh", "free-from", and "minimally processed".

The next normal will see consumers looking beyond clean and simple ingredients to embrace clean technologies and processing. Companies will also need to be seen as purpose-led, resilient and agile to change, and with strong community engagement, both locally and with a broader audience. Consumers will now expect assurances of hygiene, safety and consistency, and fairness of action.

Consumer safety must be at the heart of food supply

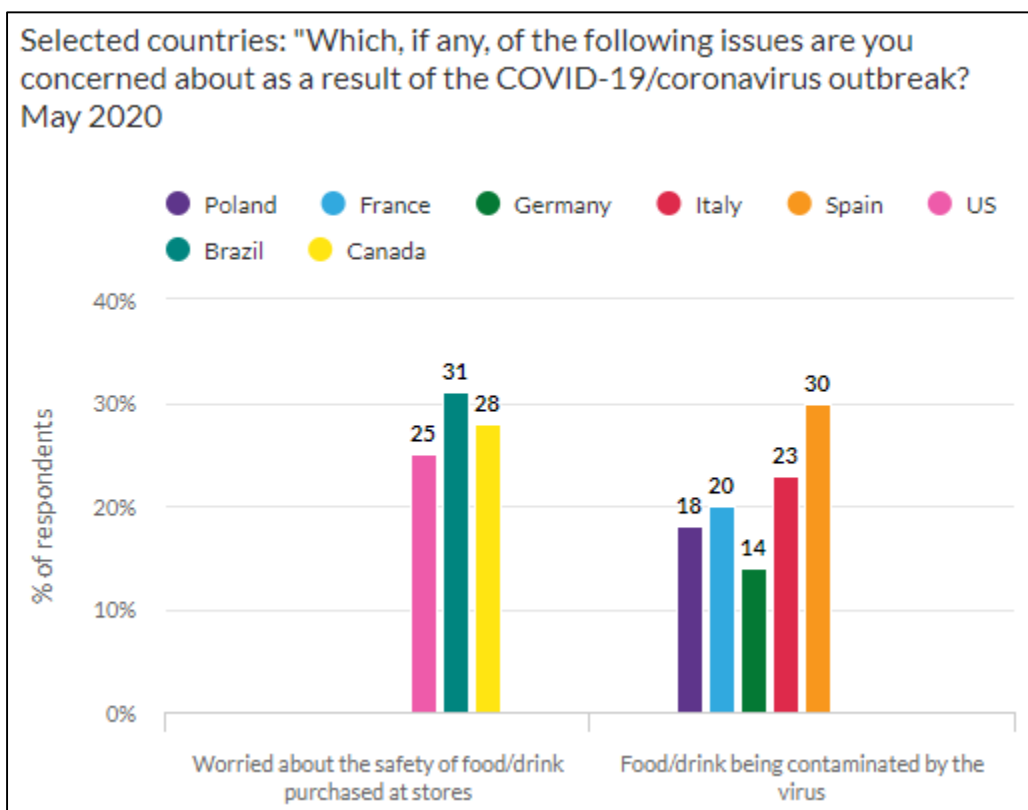
In the 'next normal', it is imperative for institutions, non-government organizations (NGOs), and businesses to work together (as highlighted in Mintel's 2030 Food and Drink Trend, Change Incorporated) to build and maintain consumer trust and eradicate concerns around food safety and security.

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

The World Health Organization (WHO) has reported the virus can remain viable for up to 72 hours on plastic and stainless steel, and up to 24 hours on cardboard, but to date there is no evidence of transmission through food. However, consumers are concerned about COVID's impact at different touch points across the food supply chain.

Anxiety has been exacerbated by scares in food manufacturing such as those at Tyson Foods and other meat processors where plants were closed as employees tested positive for the virus.



US: fieldwork April 29-May 6, 2020; Brazil: fieldwork May 5-May 15, 2020;
Canada: fieldwork May 11-May 15, 2020

Base: 2,000 internet users aged 16+ (for all countries)

Source: Lightspeed/Mintel

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

Cementing trust and redefining clean in the next normal

Established, trusted brands can build on deep-rooted heritage and provide reassurance when stretching into new territories

Heritage brands are built on their ability to adapt to change while maintaining their core values over the years.

As consumers seek familiarity during the next normal, heritage brands can offer 'same but better-for-you' products that consumers can trust.

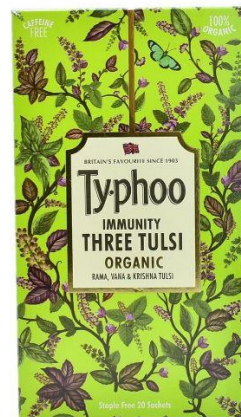
In Asia-Pacific (APAC), trusted food and drink ingredients and established brands can assure consumers looking for improved immunity

In APAC, consumers have turned to Asian heritage food and drinks during COVID-19 such as Ayurvedic herbs in India, jamu in Indonesia, and traditional Chinese medicine (TCM) in China to boost immune system health.

In research run 8th -15th May 2020 (post-lockdown), 36% of Chinese consumers agreed that they expect to spend more on healthcare products. Heritage food and drink brands primarily use traditional local ingredients and can incorporate ingredients offering claimed immunity benefits.



Re.juve cold-pressed jamu drinks (Indonesia)



Typhoo Organic Immunity Three Holy Basil Tea (India)

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

Technology will be central to building consumer confidence and trust

For consumers, blockchain claims offer ultimate transparency

As highlighted by Mintel's Trend, Prove It, consumers are increasingly skeptical of trusting big companies.

Recent recalls of Nestlé Lean Cuisine Fettuccini Alfredo in the US and Unilever Magnum White Chocolate ice cream in the UK highlight the need for companies to maintain effective management of their supply chain. Technological advances such as blockchain can help enhance transparency and build consumer trust.

IBM Food Trust uses blockchain technology not only to build trust but to accurately judge remaining shelf life of fresh food and eliminate food fraud and minimize food waste.

Another example is Breedr in the UK which claims to offer precision traceability by creating a detailed profile of individual animals including feed source, weight, health, and breeding environment.

Selected European countries: interest in on-pack details about where ingredients are sourced from, % of consumers, May 2020



Base: 2,000 internet users aged 16+
Source: Lightspeed/Mintel

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

For retailers, technology can navigate through the challenges of fluctuating supply and demand

Technology like blockchain also offers benefits to companies and retailers by ensuring supply chain efficiency via data sharing.

Instacart in the US has begun sharing data on surging online search and purchase trends with partners to ensure a smooth supply chain and optimized inventory.

In China, Walmart, JD.com, IBM, and Tsinghua University National Engineering Laboratory launched a blockchain food safety alliance for greater supply chain transparency.

Evolution from ethical to purpose-driven

We have entered an era of purpose-driven companies

A purpose-driven company stands for and takes action on challenges and issues on a wider scale than its products and services.

Purpose can be an organizational strategy and a roadmap to remain competitive in a fast-changing economy. According to PwC, 79% of business leaders believe that purpose is central to success. Despite this, less than half of employees know what their organization stands for and what makes it different.

Mintel's 2030 Food and Drink Trend Change Incorporated predicts that companies will increasingly prioritize people and the planet in tandem with profitability. But the COVID-19 pandemic has led to an even greater focus on corporate ethics: they are fast becoming a 'must-have' and not 'nice to have' and need to be agile to react at a local and national level.

'Purpose-driven' in the next normal means fast and effective renovation to serve consumers' needs

As consumers change their shopping habits (47% of US consumers shopped more online from 14th-21st May 2020) and demand surges for ecommerce and home delivery, companies need to step up efforts in selling direct to consumers based on needs.

During the peak of COVID-19, the hoarding mentality of shoppers has left many essentials out of stock, causing distress to consumers.

Market Intelligence Digest

Volume 2 Issue No. 39 | August 2020

Brands such as Kraft Heinz and PepsiCo have shown agility and the ability to adapt to consumers' needs by offering accessibility and value through thematic product packs such as Baby Bundles and Family Kits, meeting emotional needs through comfort and familiarity.

In the next normal, at-home consumption and, hence, ecommerce will continue to be relevant as working-from-home becomes an accepted norm.



Pantryshop.com by Pepsico

The implication

COVID-19 has shone a spotlight on the roles government, companies and individuals need to assume in supporting every nation's wellbeing. In the next normal, clean label will continue to evolve and widen its definition beyond just clean and simple ingredients, and expand to include integrity, food, and worker safety and stable supply. By building alliances with similar goals and using technology to prove the value of science towards the safety and security of food, this will help renew consumers trust.

