

# Market Intelligence Digest

Volume 2 Issue No. 45 | September 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.*

## Export Marketing Bureau

G/F and 2/F DTI International Bldg.  
375 Sen. Gil Puyat Avenue  
Makati City 1200, Philippines  
Tel. No.: (632) 8465.3300  
Fax No.: (632) 8899.0111  
<http://www.dti.gov.ph/exports/>  
<http://tradeline.dti.gov.ph/>

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## Garner trust with greater transparency post-COVID-19

***Meal manufacturers must demystify food factories and shout about hygiene standards to appease concerned consumers.***



## Mintel recommends

### Reassess safety and hygiene messaging

As consumers remain cautious around perceived links between coronavirus and the food industry, the time is right to engage with them on the food safety measures that are employed in the invisible world of the food manufacturing site.

### Give consumers the details

Taking a lead from foodservice, transparency around procedures and practices, factory processes, and the specifics of food safety measures could inspire confidence in weary consumers, especially for smaller players.

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## New messaging around robotics

Agricultural and technological advances in robotics mean that 'hands-free' food production is now a reality. Products that are untouched by human hands could find favor with consumers who are concerned about contamination.

## Meal manufacturers must reassess messaging around food safety and the factory environment

The food manufacturing industry has hit the headlines with stories of vast numbers of factory workers falling ill with COVID-19 in various countries. Articles suggest that factories and processing plants are the perfect breeding ground for the spread of the virus, with workers in close proximity in a chilled environment. In fact, according to research by the London School of Hygiene and Tropical Medicine, food processing factories have been responsible for the biggest localized coronavirus outbreaks, after ships and workers' dormitories.

While research is ongoing, there is currently no evidence that the coronavirus can be spread via ingesting food and drink. Despite this, consumers understandably have heightened concerns about the safety of the food they purchase, given the highly infectious nature of the virus and its ability to be transmitted via contact routes.

As the foodservice sector, ravaged by the impact of lockdowns and quarantines, goes above and beyond to demonstrate extra measures to safeguard against the spread of coronavirus, there is more that retailers and brands could do to demystify the factory environment and showcase the pre-existing and incremental health and safety procedures that are in place.



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## Foodservice has taken the lead on transparency

To entice wary consumers back into stores, foodservice brands have shared unprecedented levels of detail around their safety procedures and operational practices. Pizza Hut, for example, details the fact that they are conducting daily temperature checks on staff and reassures customers their pizza will be "delivered untouched right from our oven to your doorstep". Foodservice chain Chili's in the US details that surfaces are now being disinfected every 30 minutes.

Many outlets have been very clear about the limitations the coronavirus has placed on their usual offer. For example, McDonald's opened with reduced hours and a reduced menu to simplify kitchen operations and maintain social distancing. This type of transparency can garner both empathy and trust from consumers in tough times.



McDonald's UK Instagram post, 4 June

## Guide consumers through production to demystify factory processes

For years, foodservice operators have strived to be more transparent, with more open kitchens and more detailed menu entries describing cooking processes. In retail, food manufacturing plants remain largely faceless and nameless, and for many consumers could be seen as quite alien and far removed from home kitchens.

COVID-19 has consumers yearning for a greater level of detail around where, how and by whom their food is made. In Italy, for example, 30% of consumers are more interested in on-pack details about where ingredients are sourced from since the start of the outbreak.

Breaking down the process of getting food from its source to the plate is a powerful tool that can be employed by manufacturers, both on and off pack, to educate consumers and help break down negative perceptions of the factory environment. This Trata tuna salad, at left, breaks down the process in pictorial form.

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## Communicate the specifics of food safety measures

Often, because food safety measures are so embedded and such a part of 'business as usual' in the food manufacturing process due to regulatory, retailer, and brand standards, the opportunity to expound on some of these measures is missed.

In a post-COVID-19 world, these seemingly mundane details will hold more value in a consumer-facing position on pack. Details around processes implemented to kill bacteria such as cooking to a specific temperature and rapid cooling, High Pressure Processing or sterilization could be explained in layman's terms.

These ambient dumplings from China display the fact that they have been steamed at a high temperature of 121°C. Additionally, more on-pack space could be dedicated to explaining some of the procedures employed in a high-care production facility, such as hand sanitizing, mask/glove wearing, temperature, and airflow control.

## Home style and handcrafted messages must sit alongside hygiene reassurances

To combat some of the stigmas that can be attached to factory-produced meals, handcrafted, handmade and home style messages are popular in the category. Some 64% of US consumers agree that prepared meals are too processed to eat on a regular basis, so messages that convey that an element of care, skill, and even love has gone into a factory meal could help soften this opinion.

In the wake of the coronavirus pandemic, however, consumers are increasingly worried about which hands exactly have touched their food. While handcrafted and home style messages will remain important mechanisms to convey an elevated level of quality and care, this should be backed up with equally important messaging around plant hygiene.

This 'Mom Made' pork product from the Philippines is made in small batches to promote proper food handling, and employs rapid freezing technology to remove food borne pathogens.



Mom Made Pamana Cebu Lechon Belly

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## 'Hands-free' messages could give robotics the human touch

Industrial robots are increasingly being used in the food industry to speed up and streamline processes and enhance food quality and hygiene. From agribots, used instead of humans for repetitive, complex and time-consuming agricultural tasks, to visually enabled robots strategically placing elements onto a conveyor belt in a factory, the robots have arrived, and they are here to stay.

Linked to this is the rapid growth of vertical agriculture, such as Plenty Inc.'s indoor farm run by robots. Mintel's 2030 Global Consumer Trends predicts vertical farming will continue to develop in 2020 and be widely used by 2025.

These technological and agricultural advances mean that hands-free food production is now a reality, and in a post-COVID-19 world, this could give on pack-messages about robotics consumer-facing relevance. Currently, there are a number of products in the Asia Pacific region that feature messages about the product not being touched by human hands, primarily in the dairy category, and this could be a valuable message in other categories and markets going forward.

## Smaller brands and start-ups may be especially prone to scrutiny over hygiene

DUE TO COVID-19

# 19%

of US consumers are more likely to buy brands they know due to food safety concerns

The global threat of COVID-19 and the ensuing lockdowns created conditions that make new product launches extremely difficult for smaller brands and start-ups, and new product exploration less of a priority for consumers.

Faced with increased demand for staples and availability issues, retailers rationalized ranges and delayed new launches. Even as availability normalizes, small brands may find themselves squeezed out of shelf space in favor of private label/bigger brands.

Base: 2,000 internet users aged 18+, 11-24 June 2020  
Source: Lightspeed/Mintel; Mintel's Global COVID-19 Tracker

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Confidence in food hygiene is perhaps an underappreciated battleground for smaller operators, and one that will grow in importance going forward. Those brands that do make it onto shelves (or indeed that go direct to consumer) should convey their food hygiene/factory practice stories to compete for trust with big brands. Conversely, big brands need to keep pushing their safety messages to secure their trusted position.

## The opportunity

As consumers adapt to the 'next normal' following the coronavirus outbreak, good hygiene will no longer be a 'hygiene factor'. Meal producers, tarred with the negative press levelled at food manufacturing around the coronavirus outbreak, must strive to demonstrate the food safety procedures they already have in place, plus any that are newly implemented, and explain factory processes in layman's terms.

