

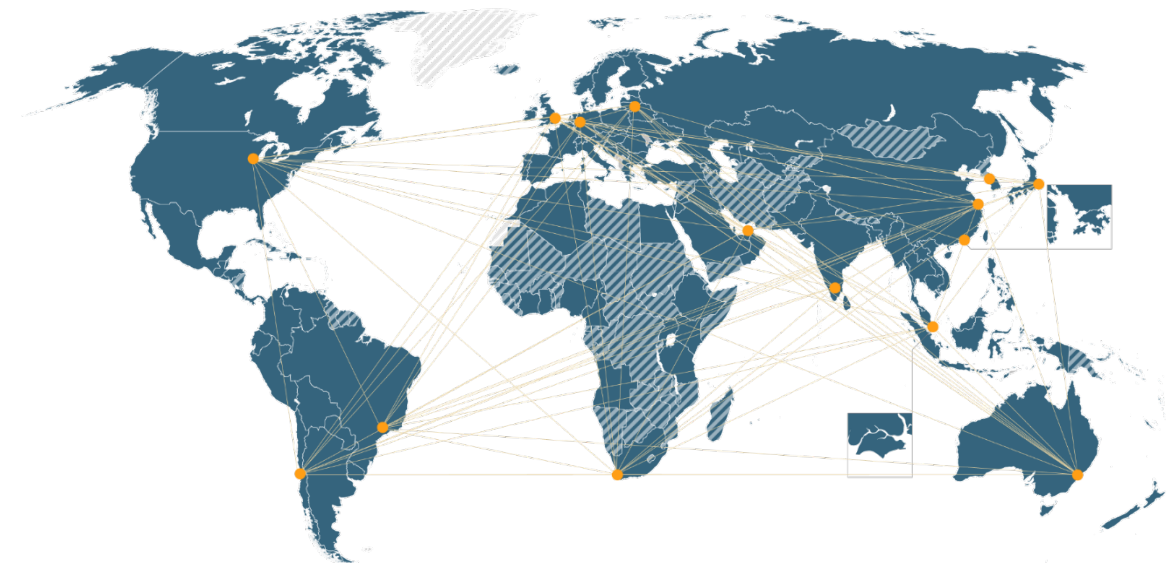


# How ethical living is impacting the food and grocery sector

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Tim Foulds, Head of Research (ANZ)  
November 2019

## Euromonitor International network and coverage



### ● 15 OFFICE LOCATIONS

London, Chicago, Singapore, Shanghai, Vilnius, Santiago, Dubai, Cape Town, Tokyo, Sydney, Bangalore, São Paulo, Hong Kong, Seoul and Düsseldorf

### ■ 100 COUNTRIES



















in-depth analysis on consumer goods and service industries

### ■ + ▨ 210 COUNTRIES AND TERRITORIES











demographic, macro- and socio-economic data on consumers and economies

# Passport research industries










## Consumer Products

-  Alcoholic Drinks
-  Apparel and Footwear
-  Automotive
-  Beauty and Personal Care
-  Consumer Appliances
-  Consumer Electronics
-  Consumer Health
-  Eyewear
-  **Fresh Food**
-  **Health and Wellness**
-  Home and Garden
-  Home Care
-  **Hot Drinks**
-  Luxury Goods
-  **Nutrition**
-  **Packaged Food**
-  Pet Care
-  Personal Accessories
-  **Soft Drinks**
-  Tissue and Hygiene
-  Tobacco
-  Toys and Games

## Services

-  Consumer Finance
-  **Consumer Foodservice**
-  Retailing
-  Travel
-  Institutional Channels
-  **Ethical Labels**
- ## Economies
-  Business Dynamics
-  Cities
-  Economy, Finance & Trade
-  Industrial

## Suppliers

-  Ingredients
-  **Packaging**
- ## Special Market Tools
-  Competitor Analytics
-  Industry Forecast Model
- ## Consumers
-  **Digital Consumer**
-  Households
-  Income & Expenditure
-  **Lifestyles**
-  **Population**



# OVERVIEW

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## Drivers of Megatrends

Top Three Megatrends

Ethical Living

Food Trends

Food Innovation

What's next

How are our drivers shaping megatrends and ultimately consumer markets?



# Global economy in 2030

## Global Growth 2017-2030

GLOBAL ECONOMY WILL DOUBLE IN SIZE AND REACH

# 256.1

TRILLION IN TERMS OF GDP AT PPP IN 2030

THIS CORRESPONDS TO IN GLOBAL GDP GROWTH

# 5.5%

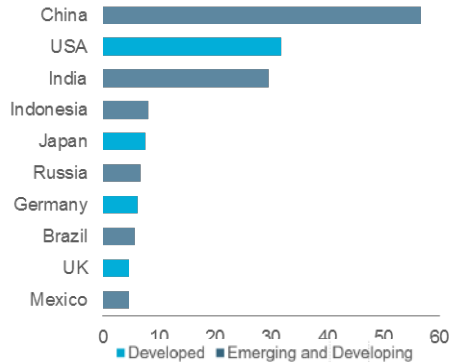
AVERAGE ANNUAL GDP  
AT PPP GROWTH

# 76%

WILL COME FROM EMERGING  
AND DEVELOPING COUNTRIES

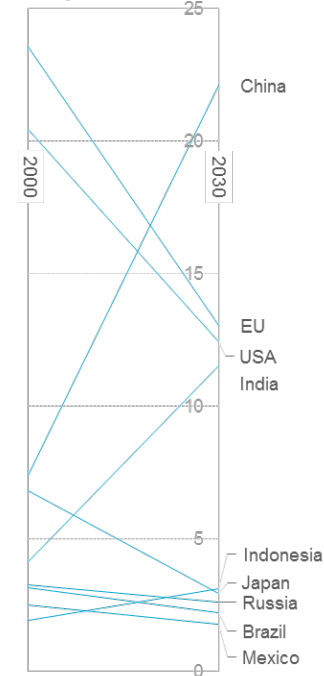
## Top 10 Economies 2030

GDP at PPP, trillion international dollars



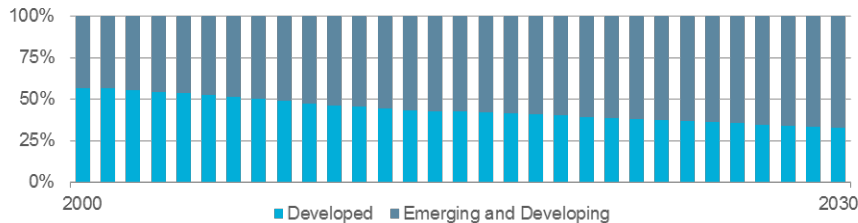
## Country Weights 2000-2030

% of global GDP



## Global GDP at PPP 2000-2030

% of global GDP



Source: Euromonitor International from national statistics/Eurostat/OECD/UN/IMF

## The always-on consumer



3.6bn

Global internet users as of 2018,  
which equates to half of the  
population.

53%

of connected consumers report  
they would be lost without the  
internet.

31%

of connected consumers prefer  
online communication rather than  
other means.

## Three major demographic forces shaping the world

### Urbanisation



61.0% of the world's population will be urban in 2030. There will be 38 megacities - cities with populations over 10.0 million.

### Ageing



995 million people will be aged 65 or over in 2030. One quarter of them will live in China.

### Migration



Net migration will account for more than half of population growth to 2030 in Western Europe, Australasia and North America.



## Environmental pressures

### Climate Change



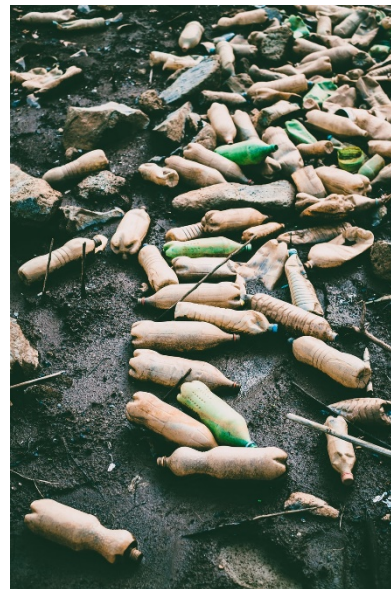
Increasing and rapid urbanisation, and industrialisation have led to environmental problems

### Competition for Resources



As population grows, incomes and quality of life have also increased, so the demand for resources grows.

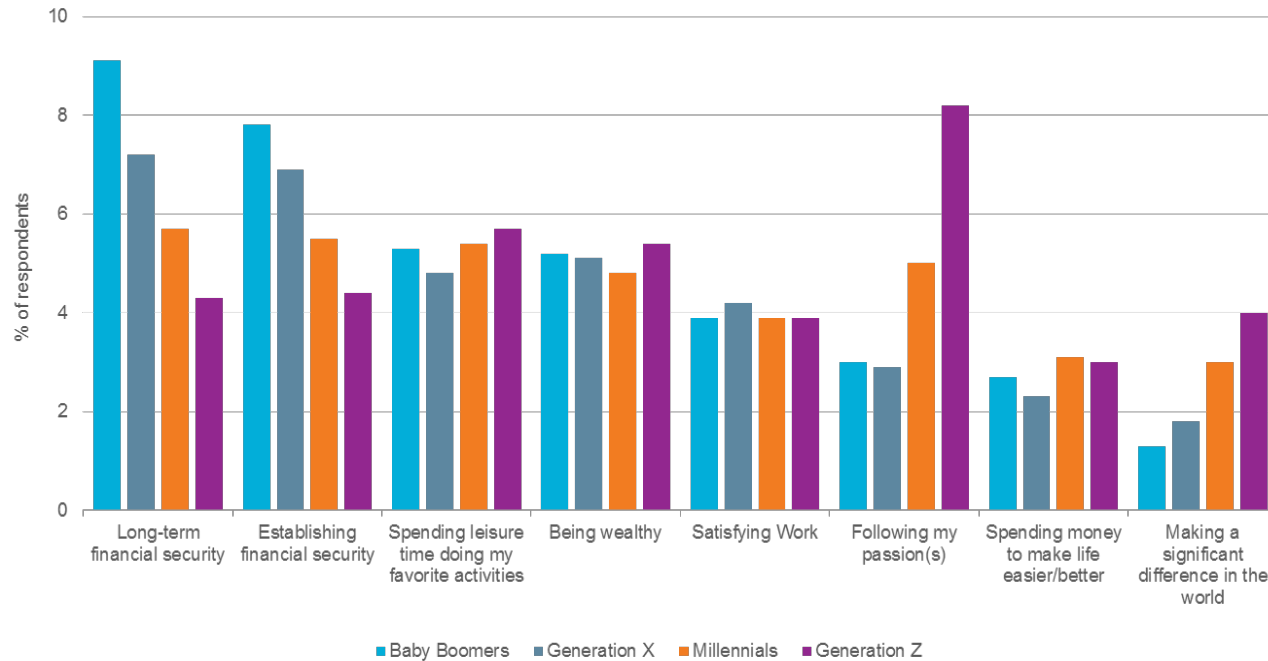
### Pollution and Waste



The effects of climate change are becoming more visible.

## Changing consumer values: leading life priorities

Financial security key priority for baby boomers, but for gen Z, it's all about their passions in 2017



Source: Global Consumer Trends Survey 2017

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Drivers of Megatrends

## **Top Three Megatrends**

Ethical Living

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What's next

## Megatrends shaping future consumers



## Top megatrends impacting the food and grocery sector

Healthy Living



Shopping Reinvented



Ethical Living



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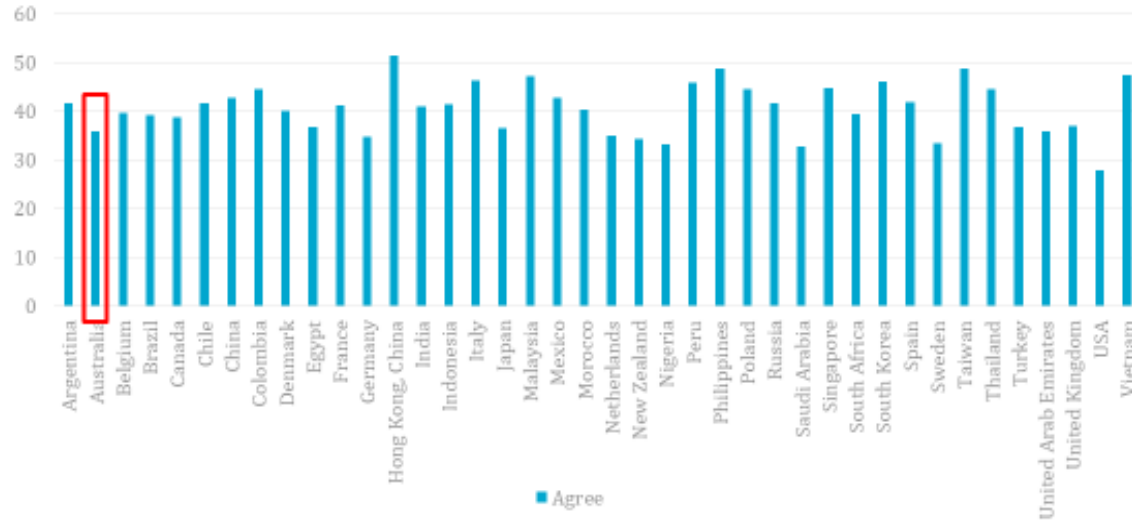
What's next

## Ethical living

Megatrend shaping consumer markets up to 2030



## Are you worried about climate change?



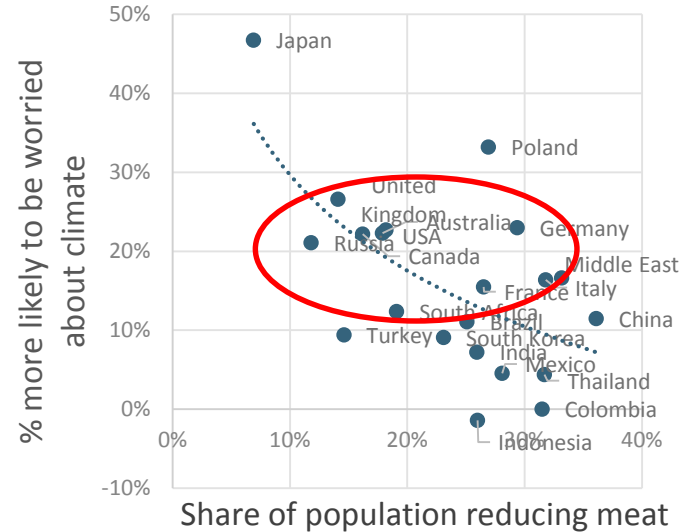
Source : Euromonitor International Lifestyle Survey 2019



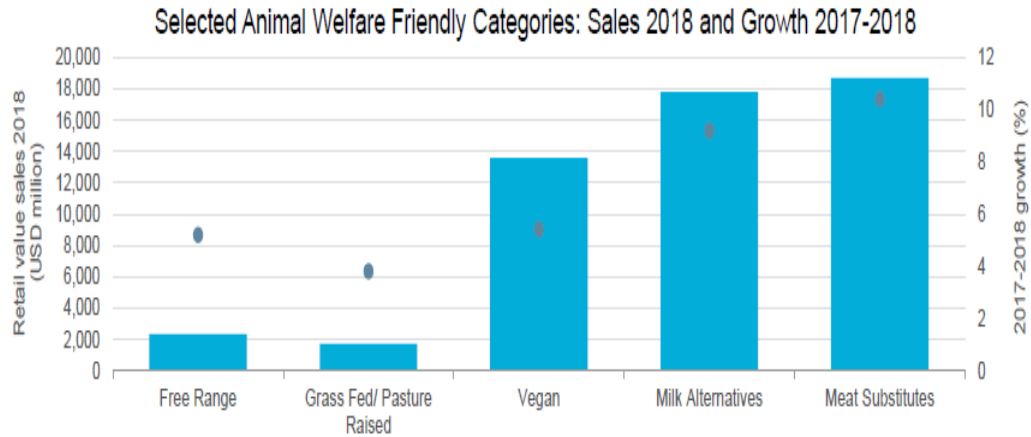
## Meat reducers often worried climate change

• Meat reducers are more likely to be worried about climate change

• Not everyone that is worried about climate change choose to reduce meat



## Demand for 'animal-friendly' categories



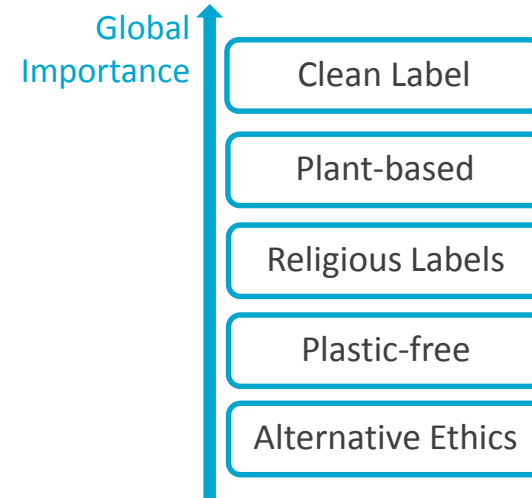
Source : Euromonitor International Lifestyle Survey 2018

## Ethical living commonly addressed by ethical labels

Megatrend shaping consumer markets up to 2030

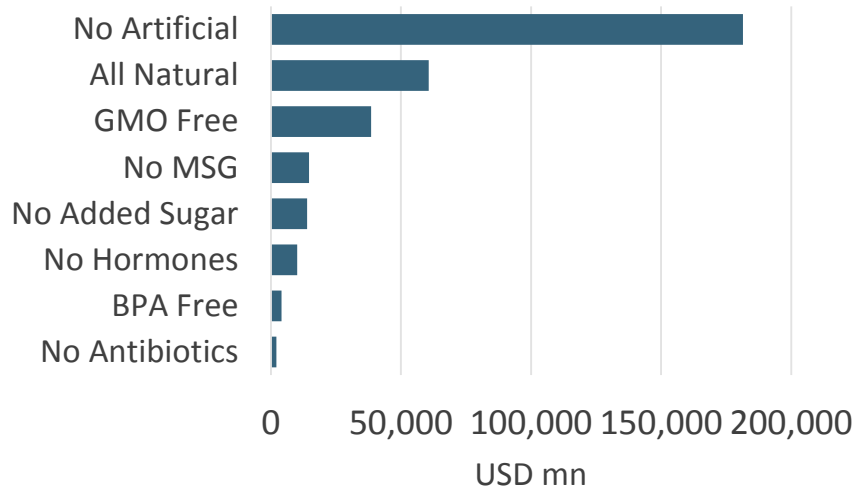


Top industry trends 2018-2023



## Clean label: high demand for real ingredients

### Global Clean Labels by Type 2018



## Australia

Highest proportion of clean label claims on its packaged food

# \$260 bn

Global market size of clean label food and drinks 2018

## Plant-based: from health to lifestyle

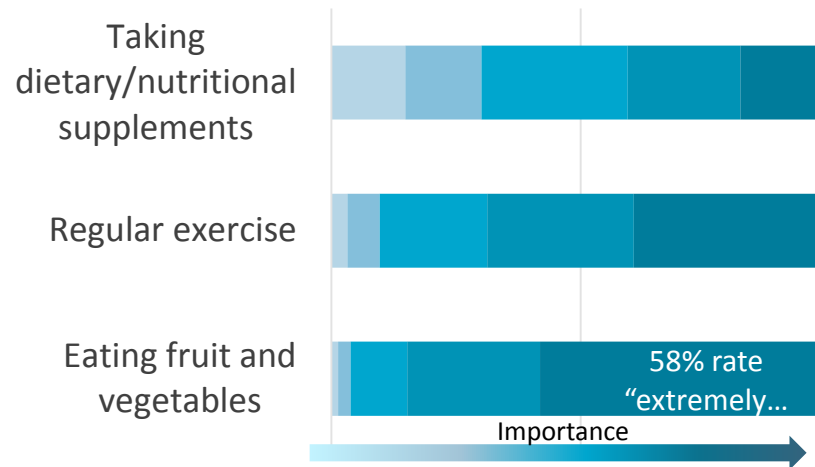
44%

People with meat-eating restrictions globally

90%

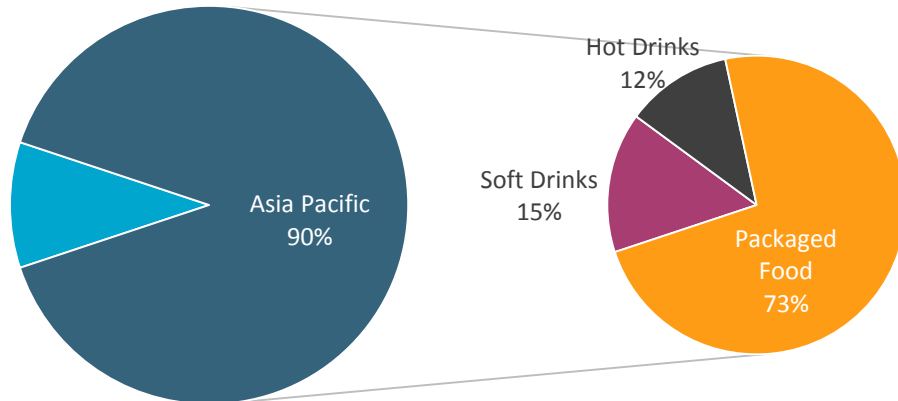
Consumers trust the vegan label or are neutral towards it

“When thinking about your health, how important are each of the following attributes to you?”



## Religious labels

Breakdown of Halal Packaged Food and Drinks Sales in the World, 2017



# 47%

Global Muslim population reside in Indonesia, India and Pakistan in 2017

# Dairy

Largest value size of Kosher-certified packaged food in 2018

## Plastic-free: slow adoption from awareness

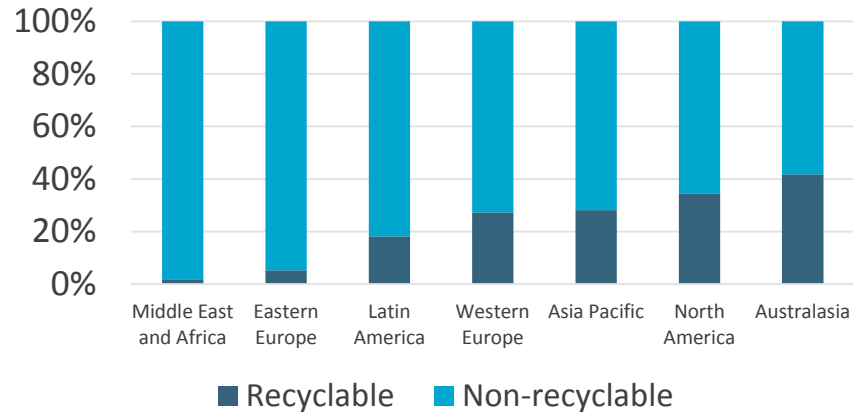
63%

People who try to have  
a positive impact on  
the environment

11%

People willing to pay  
more for recyclable  
packaging

Recyclable: Percentage of Packaged Food and Drinks  
by Region 2018



In summary...

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Clean label  
Plastic-free  
Plant-based  
Religious labels





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## Cooking and eating trends

### Snackification

Portable

Satiating

### Healthy

Ancient Grains

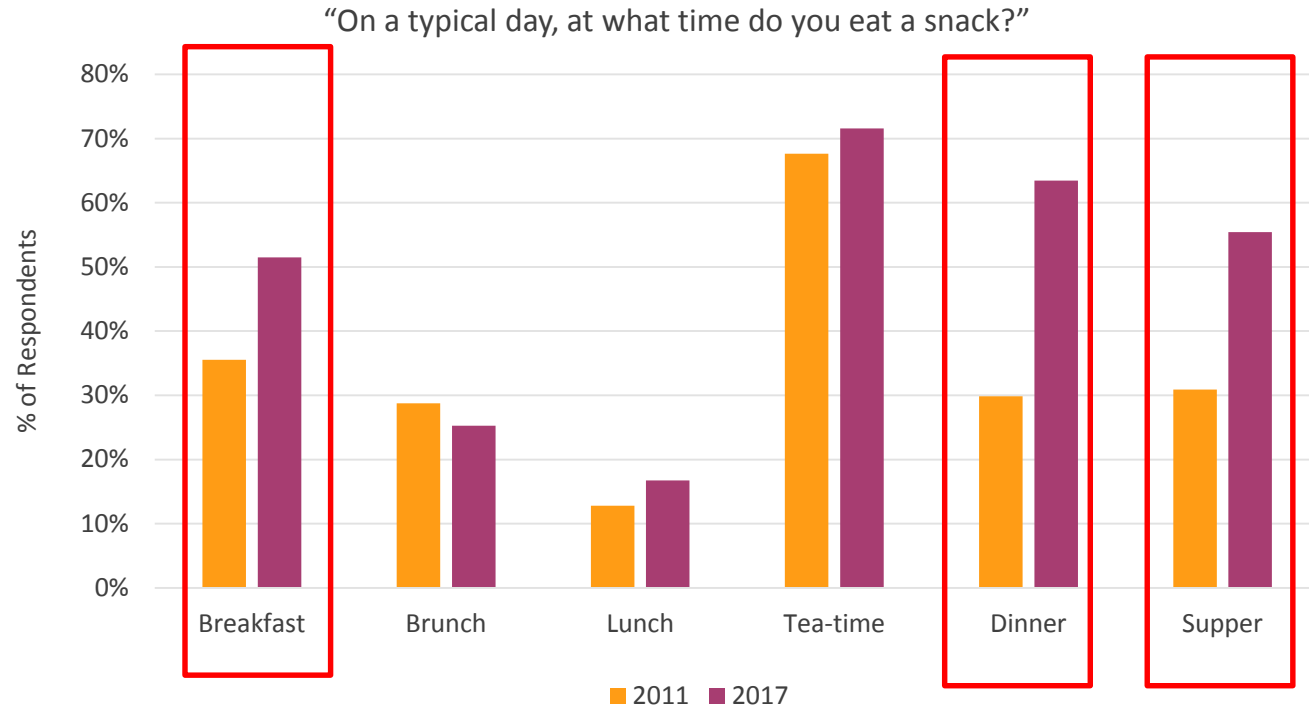
Flexitarian Lifestyle

### Gourmet

Quality Food

Experience

## Snacks: growth at typical meal times





# Restaurants now define the broader food industry

Menus

Curation

Immediacy

Experience

## Innovations that integrate both





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## VegMe, Sweden: adventurous yet holistically clean



Climate-smart

Locally sourced

Gourmet flavours

Source: Vegme Ltd

## Pedon More Than, Italy: alternative pasta



Legumes

100%  
Natural &  
Kosher

Six  
minutes  
cook time



“Lentil pasta is more filling, and compared with normal pasta, has double protein, one third less carbs and double fibre, and this is also important.”

Source: Pedon SpA

- Pedon, Marketing



## Bugsolutely Cricket Pasta, Thailand: insect protein



Source: Bugsolutely Thailand, Bugsolutely China

Super  
food

Insect  
farming

Local  
culture



## Hellmann's Real Ketchup, US: limited ingredients



Source: Unilever Group, Kraft Heinz Co

“We saw this as an opportunity to elevate an American staple by stripping it down to only the most essential ingredients.”

- Hellmann's Marketing Director

Six ingredients

Sweetened with honey

True Source certified



## iYAPPAH! Protein Crisps, US: upcycling food waste



Source: Tyson Foods Inc

Rescued  
food  
waste

Recyclable  
on-the-go  
packaging

Chef-  
crafted  
recipe



## Meat substitutes against climate change



Pictures from ruegenwalder.de



Australia's NAPCo launches carbon neutral beef in Singapore

Source : Inside FMCG

## Beyond Burger – Plant-based meat alternatives



Source : Beyond Meat



## Private Label ethical label products



Source : Beyond Meat

Lidl Launched Next Level Meat brand with a vegan burger made from pea, soy, and wheat protein



Kaufland's Vegan organic soybean vanilla yoghurt. Completely free of animal ingredients, purely soy-based

## Woolworths embracing religious labels

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THE AUSTRALIAN<sup>®</sup>  
BUSINESS REVIEW

# Woolies become halal food people

**EXCLUSIVE**  
By ELI GREENBLAT  
SENIOR BUSINESS REPORTER  
Follow @EliGreenblat

12:00AM JANUARY 18, 2019

Woolworths will be the first Australian supermarket to develop and sell its own private label halal-certified product.



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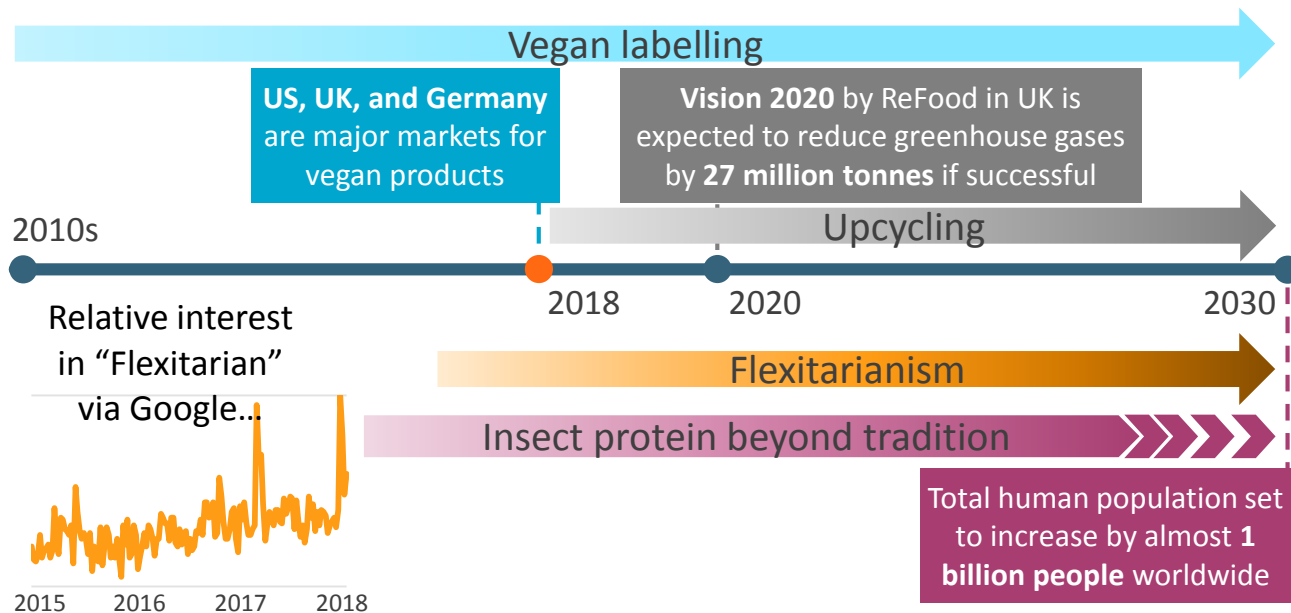
Food Trends

NPD's

**What's next**



## What's next: alternative and sustainable protein



## What's next: legitimising ethical



## Key Takeaways

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### Commercialisation

- Effective communication of eco/environmental credentials is key to commercialisation



### Ethical living

- Increasingly mainstream in food and grocery as an indicator of quality and brand identity



### Certification

- Potentially improves the transparency of the supply chain for businesses and consumers

# Thank you

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