

INNOVA MARKET INSIGHTS

Top Ten Trends for 2011 – Processed is Out, Value is In!

Ten emerging trends that will impact new product activity in 2011 have been identified by Innova Market Insights from its ongoing analysis of key trends and developments over the past year or so. In previous years, the market researcher successfully identified upcoming trends to watch, including “Go Natural” and “Sustainability Rise” for 2008, “Trading Up and Down” for 2009 and “Sense of Simplicity” for 2010, all of which have now come right to the fore, as predicted.

1. **Processed is Out** for 2011, with consumers growing tired of being increasingly disassociated from the food they eat and turning against products full of complicated additives and with overly-long shelf lives. This has resulted in the natural/clean-label trend taking the US, in particular, by storm, with launches on a natural, organic or no additives/preservatives positioning rising dramatically over the past two years.
2. **Offering Real Value** is vital in this age of austerity. Although the food industry has been immune to the economic downturn in many ways, there has been a marked rise in consumers seeking real value for money propositions, not just in terms of low-cost or budget items, but also for products with perceived additional benefits, such as indulgence.
3. **“Proven” is the New Buzzword** and the relatively few companies that have successfully navigated the EFSA health claims maze, will be keen to highlight their ingredients from this perspective to encourage a previously skeptical consumer to try out a new functional food product. Use of the word “proven” has grown dramatically on new products since 2008, with numbers doubling over that period. Personalized nutrition is also becoming an increasingly important vehicle for global giants, as illustrated by the creation of Nestlé Health Science SA and Nestlé Institute of Health Sciences in September 2010 to “target new opportunities between food and pharma”; Unilever’s creation of a novel partnership with Dutch research outfit TNO to explore links between diet and health; and PepsiCo’s announcement of a significant new nutrition strategy via its Global Nutrition Group.
4. **Return to Softer Claims** is also apparent, however, with concerns about the impact of the tough EFSA health claims scrutiny now rife in the European food industry. A cloud of uncertainty hovering over health claims has resulted in a fall in numbers of food and drinks

products launched on an “active health” [food plus] platform, despite growth in “passive health” [food minus] launches. **Innova Market Insights** tracked 1,960 new products with an active health positioning in the first half of 2010, down from nearly 2,200 in the same period in 2009, while numbers with a passive health claim rose from less than 8,750 to 10,350.

5. **Getting “Connected”** to brands is moving forward dramatically with the rise of social media platforms and more creative marketing campaigns to increase consumer engagement. The UK has led in this arena with campaigns such as those from Walker’s (PepsiCo) with its 2008-2009 “Do Us A Flavour” and its 2010 “Flavour Cup” promotions. More recently, Cadbury started its Spots & Stripes promotion in the run up to the London 2012 Olympic Games, whereby consumers join one of the two teams (Spots or Stripes) and start scoring points.
6. **Culinary Expansion** is resulting largely from consumers eating out less, but instead spoiling themselves with true indulgence at home. Rising interest in quality home cooking and the return of more traditional kitchen skills have also resulted from this trend. There have been rising numbers of repositioned and completely new products designed to cater to the creative home cook.
7. **New Relaxation Paradigm** recognizes the need to minimize stress and encourage relaxation as a counter to the meteoric rise of energy drinks during the first part of the 21st century. While the energy trend has not apparently halted in any way, a counter trend is also emerging, focusing particularly on creative relaxation beverages. On the same theme, tea is taking on a relaxation mantle in some instances, with the number of tea launches rising strongly in the year to September 2010 and about 5% of them featuring the word “relax.”
8. **Fruit & Veg Revival** is apparent as manufacturers go back to basics and focus more on the inherent health benefits available. Packaged fruit snacks, fruit smoothies and juice and water blends are all seeing considerable activity, with one of the most interesting launches in late 2010 featuring the Spanish introduction of Toro Naranja (Whole Orange), a Minute Maid (Coca-Cola) orange juice created by pressing the entire orange (including the peel), thus offering double the antioxidant content of the standard product.
9. **Try A Little Respect**: as the sustainability trend continues to gather pace, whether for environmental or humanitarian reasons, manufacturers are increasingly answering calls for more sustainable practices to benefit both humans (fairtrade, etc.) and animals (e.g. free-range).
10. **Selling the Technology** may be used as an alternative approach to cutting back on processing, if manufacturers can clearly explain the benefits that an alternative technology can provide to consumers, whether in terms of flavor, shelf-life or presentation. The challenge is to explain complex technologies in a manner that the average consumer can easily understand.

Innova Market Insights presented a webinar on the Top 10 Trends for 2011 on Monday 8 November 2010. This will be available to view shortly after on our Food Ingredients First website in the Video Interviews section at www.foodingredientsfirst.com/videos.html .

For further information on the **Innova Database**, the representative for Australia and New Zealand is Glen Wells (Glen.Wells@innova-food.com.au).