MEDIACOM

BLOG

Eat it up! What did we take away?

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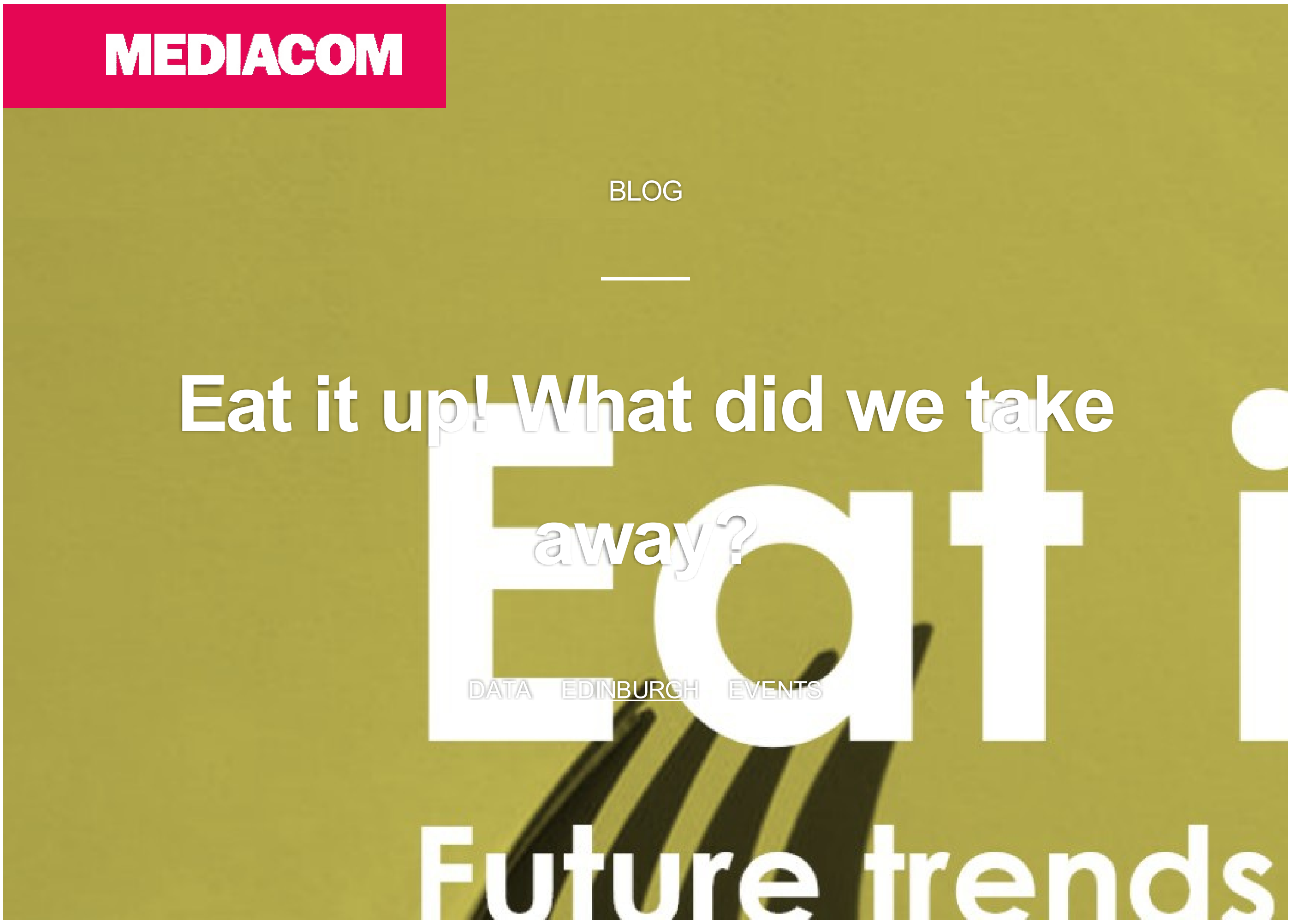

JANE STEWART - INSIGHT MANAGER 31 OCT 2019

Earlier this week, we held our first MediaCom Spotlight Session - intimate sessions bringing clients and industry experts together to discuss trends and developments in specific categories. This first session covered Food & Drink, and our speakers came from Kantar Worldpanel, Mintel, and Food Standards Scotland.

We started the session off by highlighting the unique marketing approach of our breakfast suppliers – Bross Bagels. The entrepreneurial skills of Mamma Bross knows no bounds https://www.facebook.com/brossbagels/videos/289269551695793/

Whilst I'm not going to go through everything that was covered (you're probably relieved about that), I do want to talk about some of my highlights from the session.

1. 71% of supermarket grocery switch losses are going to the discount supermarkets. That is a year-on-year loss of £440m (Kantar data). With the big 4 losing sales to the discount supermarkets, what is it that is attracting shoppers to Lidl and Aldi? With the largest growth coming from ABC1 customers, perhaps their own label luxury ranges, award-winning wine selection, and dine-in meal options are offering these new shoppers new options to their usual supermarket shop. Perhaps calling them 'discount' supermarkets isn't an apt description of them anymore?
2. With people behaving with a pre-recessionary mindset, fewer people are eating out of home than in previous years. 1bn more meals were eaten at home or carried out last year compared to 2017. This equates to one additional meal occasion at home every 19 days for everyone in the UK. Whilst that may be bad news for OOH operators, it's good news for the supermarkets, and in turn, food and drink manufacturers as people need to purchase provisions for that extra meal.
3. Plant-based meals aren't just for vegans. With so much talk around meat-free and plant-based eating, these options are being embraced by non-vegetarians too. 89% of meat-free meals are eaten by non-vegetarians. And we've seen brands and supermarket own-labels respond to this by launching a plethora of new products. M&S Plant Kitchen has brought in £11.4m, Sainsbury's Love Your Veg £8.6m, and Vivera £6.5m (Aug 18-Aug 19, Kantar data). Plant-based launches are having a huge impact on store layout, with meat and dairy alternatives claiming more shelf-space in numerous aisles. Vegan-friendly products are also increasingly gaining space within non-food sectors such as health and beauty and fashion.
4. This increase in meat-free and plant-based products is also a result of

consumers wanting to live more ethically, with 65% of people saying they are trying to live more ethically than a year ago (Mintel). From using re-fillable water bottles to going back to the good-old-days of milk deliveries to your doorstep, consumers are seeking ways to act sustainably. Brands can tap into this by giving tangible reasons that their products help consumers achieve this. One example is The Meatless Farm Company, who's labelling details exactly how their product saved resources – swapping to their meat-free mince reduces the amount of water used similar to a long shower.

5. Consumers want and need food and drink options that fit around busy lives. Whilst this concept isn't new, what we consume on the go, and what we expect from these products, are constantly evolving. Snacking takes on a new emphasis, with consumers expecting snacks that boost their energy and stop them from flagging during the day, rather than just being a 'sweet you can eat between meals'. And with snacking often replacing meals, our demands for what our snacks can give us will continue to grow. From ready-to-drink complete meals to cans of wine, such as Te Merio Sauvignon Blanc, this sector will continue to grow with our demands.
6. But with speeding up, we also need to slow down. And consumers are looking for products to help them do this. Brands are responding by offering functional products that offer calming ingredients such as lavender to fashionable (relatively) new kid on the block, CBD. Consumers are also viewing mealtimes, both the preparation as well as the eating, as 'me-time' to help them unwind and relax. Brands can, therefore, use this as an opportunity to help support consumers slow down, whether that's yoga instructions on the back of Dr Oetker's muesli or Talisker's tasting experience via Amazon's Alexa.
7. Although conscious snacking is helping us keep our energy levels up

during the day, people are also unconsciously snacking, whether that's a packet of crisps mid-afternoon or a biscuit with their cup of tea. In fact, 50% of the sugar we consume, and 20% of all the calories and fat we eat, comes from discretionary foods (the official name for foods such as soft drinks, biscuits, and crisps) (FSS survey). With the introduction of the Soft Drinks Industry Levy, or 'sugar tax', last year, consumers are now paying considerably more for drinks that contain higher levels of sugar. Whilst it's early days to see what effect this has on consumer's choices when it comes to soft drinks, it seems that consumers view this tax as a positive way to help them make healthier shopping choices.

8. And finally, the B-word. What are people's attitudes as to how Brexit will affect their weekly shop? It's not a very positive picture. 66% of people expect prices to rise, and 45% expect food availability to get worse (FSS survey). Stories of stockpiling products also don't help people's expectations. Whilst we may be far from Samuel Pepys burying his 'Parmazan cheese, as well as my wine and some other things' in his garden during the Great Fire of London, there are far-reaching ramifications. 95% of food law comes from the EU, so future changes to UK / Scots food laws could have an impact on our ability to import / export products. Many brands are adopting a wait-and-see approach, but we must expect these changes to affect our shop shelves, even if it is temporary.

Lots of food for thought (sorry, I couldn't resist!), and if you would like to see the full presentation from our session, please contact us.

Many thanks to Lesley Ann Gray from Kantar Worldpanel, Kiti Soininen from Mintel, and Katherine Goodwin from Food Standards Scotland for sharing their knowledge and expertise for our first Spotlight Session.

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