



THE MARKET KNOWS BEST

by Tineil Hurter

Historically, consumers have made decisions based on taste, price, and convenience – what we refer to as traditional drivers. While consumers have always considered factors beyond these three traditional drivers, only a small set of consumers made purchase decisions based on other factors. However, things are changing. Consumers have begun to consider a new set of characteristics more heavily in their purchases. This new way of decision making disrupts the consumer value equation in ways that present both opportunities and challenges for the food industry. These consumer-led disruptions represent an opportunity for manufacturers and retailers to reset and reposition themselves with consumers and shoppers. For 2022, the outlook for the food and drink industry can, predictably, be structured by the following consumer expectations.

HIGH-QUALITY FLEXITARIAN FOOD

Recent studies on fast-moving consumer goods have identified that 60% of consumers worldwide are looking to improve their overall health and wellness over the next year. 'Reducetarianism' – plant-curious consumers who have reduced their meat consumption, dairy, and eggs without cutting them out completely – was dubbed a top trend to watch in 2022. The plant-based market will continue to grow in the coming years. The flip side

of a flexitarian diet means that the highest quality of meat, dairy, and eggs are also in demand. The higher demand results from consumers being aware of animal welfare and climate concerns. Consumers will be focusing on quality over quantity.

So, suppose you can provide customers with high-quality products that are healthy, sustainable, and nutritious. In that case, you can exceed their expectations and boost your brand reputation.



FUNCTIONAL FOOD

Consumers do not just want food that tastes, looks, and smells good. They are also looking at food items' role in promoting good health, especially in the wake of the pandemic, and taking a more proactive approach to managing well-being with functional nutrition, close-to-nature ingredients, and foods that signal self-care. Also known as functional foods, items like vitamin D-fortified orange juice or yoghurt and cereal drinks containing probiotics (Activia, FUTURELIFE® etc.) are becoming more popular as consumers care more about what they are putting into their bodies. They want foods that can deliver multiple things in one bite (so to speak).

DAIRY TRENDS

Three of the top trends that have the most potential impact and opportunity for the dairy industry in the coming year are sustainability, plant-based products, and functional foods.

Consumers are very aware of animal care and are willing to pay more for products that support animal welfare. The same is true for products that use sustainable packaging or are made by a company putting more effort into reducing food waste or that are locally sourced. Consumers will use their money to support the companies trying to better the environment. With this in mind, it is important to continue to tell dairy's powerful sustainability stories


– including our steps to be carbon neutral by 2050.

Internationally, food and beverage companies are trying to show how they make a sustainable difference. Labels and packaging now include certifications, such as ‘climate neutral certified’ or ‘animal welfare certified’, and other on-pack callouts to showcase how they are taking action. An example of this is a new fluid milk product called Neutral, which centres its entire brand around claiming to be the first carbon-neutral brand in the United States. It is a great example of how brands align and position their products with the values and concerns of today’s consumers.

Dairy has a tremendous opportunity to capture the market of those looking for a mix of plant-based and dairy products in their diet. Creating products that include dairy milk with alternatives such as oats or almonds give people what they want and still put real dairy milk or foods in their cart. A great example of product innovation is Laughing Cow® Blends,

made with real cheese and chickpeas. The company created a tailored product for those consumers who love the taste and texture of real dairy and want to incorporate more plant alternatives into snack time.

Milk has 13 essential nutrients that can help boost the immune system. Certain yoghurts have live cultures with probiotics that can improve gut health. Plus, some protein-packed dairy products, such as milk, cheese, or yoghurt, can be great additions to balanced meals. The continued focus on eating for health opens the door to many future opportunities to create new products and tout dairy’s many benefits.

Knowing these trends can benefit dairy as we tailor more products and messages to align with consumers’ values and preferences and will allow everyone to spend less time worrying about the products they put on their tables. Dairy’s powerhouse nutrients backed by sustainable farming practices make it a great choice in the grocery store. 



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