

DISRUPTIVE FOOD CHANGES

By Henk Hoogenkamp

As families redefine meal occasions, demand for at-home deliveries is increasing. The COVID-19 pandemic has given additional segment growth. As a result, food brands are adapting their business strategy and branching out of traditional platforms so as not to lose consumer engagement. The quality of food, as well as the enhancement of consumer's overall experience, are important parameters in defining the success of home delivery. Especially prepared food brands will be able to capitalize on the growing home delivery market by using smart delivery technologies ranging from apps, autonomous vehicles, robots, and drones.

For food consumers, there has never been an easier time to get what they want delivered in very short time, at the click of a smartphone app. "Fingertip" ordering will be the future of the hugely competitive arena of the food delivery services. The

busy lifestyles and do not want to worry about meal preparation.

Apps and delivery services are rapidly transforming consumers' attitudes, as well as having instant access that attracts tech-savvy consumers of the sub-30-age population, who think outside traditional legacy retailers and restaurants. This younger generation is looking for more convenience. An example is McDonald's teaming up with UberEats to capture the rapidly developing market for ready-to-eat home delivery.

Consumers are ordering deliveries -such as using UberEats, Just Eat, DoorDash- at breakfast, lunch, and dinner. With more consumers working from home -accelerated because of the COVID-19 lockdown- fast food online food and delivery service have seen significant increases in sales.

The e-commerce launches are also benefitting plant-based

home ordering, as consumers change eating preferences to stay indoors during the COVID-19 pandemic. It will be interesting to see if these changes take hold permanently once the corona-crisis is over. Moreover, legacy food companies such as PepsiCo, Nestle, and Kellogg's are making forays offering bundled food brands into the direct-to-consumer digital ordering space.

Online and Mobile

In a relatively short period of time, digital ordering services have become "a must-have" and are no longer just considered a "nice to have". It is expected that food delivery services will continue to grow, most specifically in non-traditional delivery outlets. For the food service industry -including casual dining restaurants- the trick is to try to figure out how revenue can be increased without physically expanding the business.



revolutionary change will first be seen in the mega-cities, where most of the people live a too-

food products. The popularity of plant-based products reflects a rapid shift towards ready-to-eat

People are ordering more food through apps on their smartphones or by calling in. These app-options are changing the conventional restaurant industry as it is known today. Restaurants will need to modify menus and select only those ingredients that hold up the quality expectations between time of food preparation and time of delivery at the home or office. The reason is obvious: food delivered to a restaurant table tastes quite different than when it has been in a box for 60 minutes or longer.

Exponential

As with all exponential technologies, it can be expected that the food business models will change or disappear or become completely modified in the next 10 to 20 years. The road to the 4th Industrial Revolution will bring disruptions in

companies did little to innovate simply because consumers were accustomed to seeing the same products on the food store shelf time after time.

Sales across the various legacy food brands show a steady downward slide. The sometimes-

basic principles, they oftentimes will find themselves right back where they started.

Women Drive Change

When developing a new food product, it is no longer sufficient to understand the ordinary demographics like age, gender, and income. Probably with the exception of sports nutrition, women are driving most of the new food product sales across all categories. Marketers must now be aware of lifestyles, attitudes, and even household compositions of targeted consumers. Consumers want food transparency, accountability, sustainability, affordability, and convenience. These desires can sometimes be in conflict with revenue growth and short-term profitability.



areas such as artificial intelligence, education, 3D printing, molecular agriculture, including slaughter-free meat.

Some of the largest food and beverage brands seem too slow to innovate and are struggling to sell their products to a new generation of shoppers. Consumers aged 30 and below are social media savvy and prefer personalized food choices with many gradations of preferences- be it ecologically sustainable, natural and organic, or dietary-modulated.

During the pre-social media and pre-Amazon era, it was very difficult and expensive for upstart entrepreneurial food companies to get noticed in the crowded market sphere. For many decades, the legacy consumer-packaged food companies were hardly challenged by competition from upstarts. As a result, the legacy

seismic shift in market dynamic can be explained by the new generation of consumers who are actively seeking out unique and authentic brands that meet personal preferences like “green and clean”, rather than just responding to classic advertising tactics. The huge penetration of upstart brands selling plant-based meat analogs is proof of this disruptive market change.

Going forward, legacy food companies often acquire upstarts because of their own lack of R&D vision. Snatching up or taking a financial interest in entrepreneurial-driven food startups has already taken hold and can now frequently be witnessed. The main problem that legacy food companies need to solve is how to preserve the uniqueness and authenticity of their newly acquired products. If the legacy brands do not adhere to these

Sustainability and green environmental issues are on the minds of consumers, although the impact is less than it seems. Perhaps consumers have subconsciously relegated certain environmental issues by blocking certain thoughts from their minds and considering these less important than social factors and personal wellbeing. When it comes to food, many consumers are rather self-centered and egotistical.

Extremes in Demographic Societies

The food industry has been largely responsible for the creation of hedonistic foods, which combine superior organoleptic properties by using sugar, fat, and salt with the sole objective of triggering compulsive eating. These triggers are boosted by a mechanism whereby the dopamine neurotransmitter -

a pleasure hormone- is released, causing a behavioral condition that keeps the consumer coming back for more.

It is a rather strange phenomenon that large numbers of consumers are both obese and malnourished. For example, about one in six Americans is food insecure, and many of these people frequently opt for inexpensive food choices that are low in nutritional value. In other words, hunger or malnutrition is not always a shortage of calories, but often a shortage of essential nutrients like protein. A long-time diet of excessively loaded calories lacking nutrients, together with compulsive eating, eventually causes obesity and degenerative diseases. Come to think of it, people living off food stamps or receiving "Food Bank" food should be restricted from purchasing or receiving unhealthy sugary drinks, calorie-loaded chips, and candy.

The recession of 2008 has had an impact on the ability of many people to deal with the most basic of issues, such as purchasing affordable and nutritious food. One should distinguish between the various interpretations of hunger and malnutrition. There are certainly fewer hungry people in the US and EU than in Africa. It goes without saying that countries that are truly food deficient should be supported by the affluent countries whenever possible. However, rapidly changing world demographics are also bringing inadequate food availability closer to what are considered affluent societies.

The situation of inadequate nutrition is not much different in the EU and the US. These

countries have become examples of modern and affluent societies with a huge number of entitlements. Once people get used to food and other entitlements, it is difficult to untangle the political landscape and make freebies a thing of the past.

Changing Habits

Eating and diet habits change over time as a result of evolving cultural and socio-economic factors. For example, the dogmatic attitude of some American fast food companies to sell 100 percent pure beef hamburgers will ultimately be unsustainable. For varied reasons, consumers living in developing countries or economically-depressed regions have demanded change and forced food companies to loosen their formulaic guidelines and adapt to local and regional flavors. In the future, food service will be largely unrecognizable, compared to its current business model. Product innovations, new flavor preferences, and continuing demands for affordability, healthy choices, and made-to-order 24/7 conveniences will drive these changes.

Meat, hybrid plant and meat blends made into burgers are a good way to increase sustainability. Seen from an environmental perspective, replacing a portion of the meat with plant protein ingredients will hugely reduce CO2 emissions. Food products made from blends of plant and meat can be positioned as a hybrid product that will interest flexitarians, who do not reject meat but are moving towards a positive "feel good eating" experience.

The food service industry has come to realize that "health"

does not necessarily sell - at least not now. Many fast food customers do not necessarily want to know what is in their food, but just want to enjoy it without the burden of guilt.

Food service may be a leader in setting culinary trends, but its nutritional correctness often lags behind retail. This is largely due to the absence of nutritional labeling on food service products, supported by the mindset of many consumers who seem to have a double standard when it comes to purchasing food at a grocery store versus eating out. Fast food customers say they want to eat healthy, but when decision time comes, they often end up choosing the food that does not align with their intentions.

Demographic Changes at Different Speed

Demographic changes are influencing food trends, but in different ways around the world. In developed countries and affluent societies, there is an aging population that is more health-conscious, with more discretionary money to spend. At the same time, segments of society are trapped at either end of the economic spectrum - the age of both prosperity and austerity. These separate segments will drive out average-price quality and force food marketers to position foods at either end of the spectrum. Special "Value Menus" are perfect examples to illustrate this. These low-end foods increase much-needed traffic for supermarkets and restaurants to maintain business, as well as not lose important demographic segments.

Consumers are increasingly prioritizing health which, for time-pressed people, will carry over into the ready-meal sector wherein customization will become of main importance. Traditional family meals are rapidly disappearing. Instead, people often eat “ready meals” solo without the pleasures of relaxation and dinner table conversation. The huge availability of ready-to-eat or grab-and-go meals, as well as a well-stocked refrigerator with “heat & eat” food choices, have created a society wherein consumers expect instant fulfillment while the smartphone or tablet is always within reach.

Anthropological Detachment of Women

The looming anthropological question is how gender will affect society. It is safe to say that life in the current modern global economy might be more stressful to women who are working long hours, while being

to prepare homemade meals the way their mothers did.

Single parents who are busy balancing lifestyles with small children might have different priorities, while single persons without children increasingly ignore the three-meals-a-day routine and adapt to an “eat-as-you-please” lifestyle.

Physical Calorie Expenditure

No one is the same and dietary advice should not apply universally to all individuals. Responses to food, exercise, and medicine differ from person to person, and are largely dependent on the interpretation of the genetics and lifestyle.

Diet, lifestyle, genetics, and work-related calorie-expenditure all play an important role in the obesity puzzle. Over the last 50 years, physically active work has decreased significantly in both affluent and developed countries.

Perhaps the overriding question that needs answering is why most people lack knowledge on the link between nutrition and health benefits, especially considering the popularity of many forms of calorie-saving diets.

Robotic Labor

As each month passes, economy and society become more automated. In a way, it is a weird paradox that automation and economy result in better overall growth because of efficiency and productivity, while employment in the manufacturing industry is shrinking in industrialized nations. Industrial robotics will ultimately eliminate and substitute workers performing repetitive manual tasks. This is clearly bad news for workers, considering that the bulk of job growth has been in low-skilled areas like food processing and preparation.

Going forward, education will be more technology-driven through online learning, effectively reducing or even eliminating mid-level colleges and universities. With regard to healthcare, robotics will replace much of the frontline diagnostics by medical doctors. In reality, a relative decline in income can already be seen for college-educated people, with most incomes stagnating since 2000. The bottomline is that sustained growth cannot be harmonized with declining middle-class income. To put it differently, a minority of college-degreed and skilled workforce cannot uphold a healthy economy.

Highly developed countries like Germany and Japan are sitting on a ticking demographic time bomb where the aging Baby



responsible for the “traditional” role of caring for their children. These developments will greatly impact their relationship to food, and convenience adjustments in speed of preparation and ease of instant availability will clearly gain importance among busy professional people with no time

In 1960, one out of two people in developed countries had a job that was physically active. Fast forward to 2020 only one in seven jobs can be considered physically active. Subsequently, it can be concluded that the type of work and its environment are partly to blame for the obesity epidemic.

Boomer population begins to drag down economic growth. A possible answer to avoid economic decline is to implement the use of

Eating what we want, when we want, is the new mantra of sub-30-age generation. Traditional eating hours with three square

Although there are many cultural differences in meal composition throughout the world, these are much less compared to snack foods. Snack habits are much more similar among countries than meals.

Singapore approves 'meat' grown from animal cells for use in restaurants



A fillet of lab-grown cultured chicken developed by Eat Just

robots that can replace activities requiring labor. The overriding question in such a scenario is how far robotics will eliminate jobs in outsourced manufacturing in developing countries.

Automation and robotics are here to stay and will make life a lot easier. On the other hand, robots are not consumers and the pressure on spending available income by the middle class will dramatically change the landscape of long-term earning potential. As such, people will have to face new realities knowing that change is happening at a faster speed than they will emotionally and psychologically admit or be able to accept as the new reality.

Snacking: The New Healthy for Body and Mind

Eating weird is the new normal. Particularly, students do not eat meals but rather snack at very strange hours of the day.

meals a day have increasingly become a thing of the past and may eventually become extinct. Single diners and on-the-go young parents and their kids increasingly view better-for-you snacks as meal replacements.

Increased communication via social media has changed the way people relate to food. For a large part, social media will also replace traditional mother-daughter interactions in cooking skills and planning meals. It is expected that "digital food" will carve out a greater role in planning meals as a (part) replacement for visual and rational decision-making. This can ultimately grow into an emotional connection with digital food that influences actual purchases and enjoyment of eating.

Basic food sales on the center shelves of the grocery are facing stagnant growth with time-impaired consumers turning to snacks instead of home-cooked meals.

A New Natural Health Definition

Consumers are impressed by the term "free-from" -something they consider healthier than foods without those claims. The same is true for the rapidly growing availability of natural and organic foods. Less processed and close to nature in a setting of natural formulations is the new mantra for people who take food seriously.

Along with all these subtle changes in consumer behavior, it seems that there is much less emphasis on the fat content of foods. As a matter of fact, it is expected that global dietary fat intake will account for about 30 percent of calorie intake by 2030, up from 25 percent in 2015. It is hard to believe, but the "low-fat" craze has lost momentum. Even the animal saturated fat phobia shows signs of weakening. All these subtle changes indicate that a rethinking of nutritional guidelines needs to be put in action.

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