

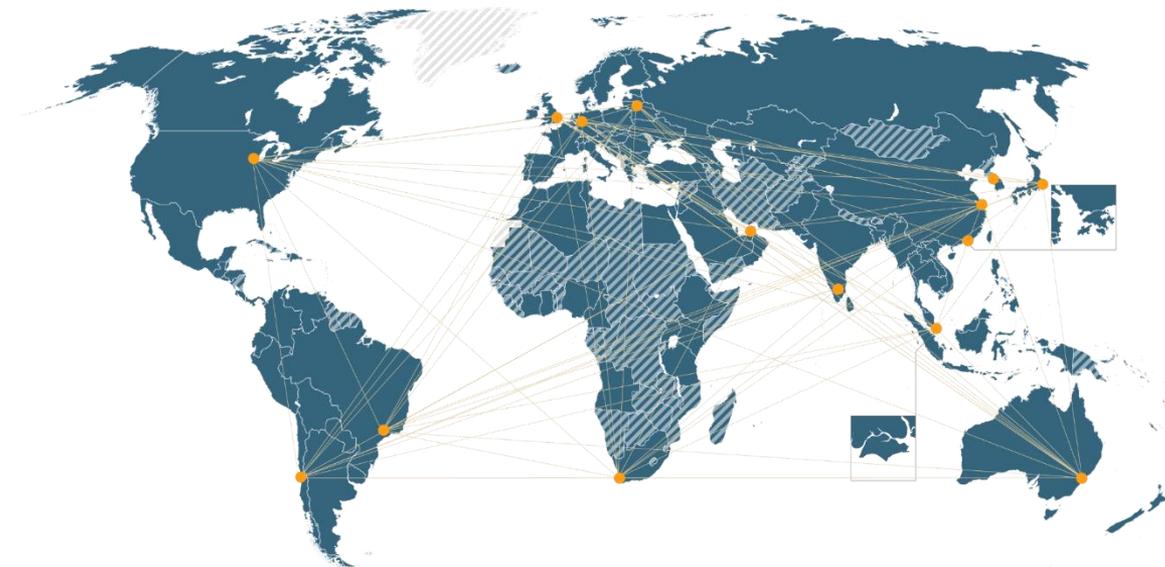
Megatrends in global food

Which mountains to climb?

David Ingemar Hedin, Consultant – Food and Nutrition



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

Megatrends



1

Are solidly
established



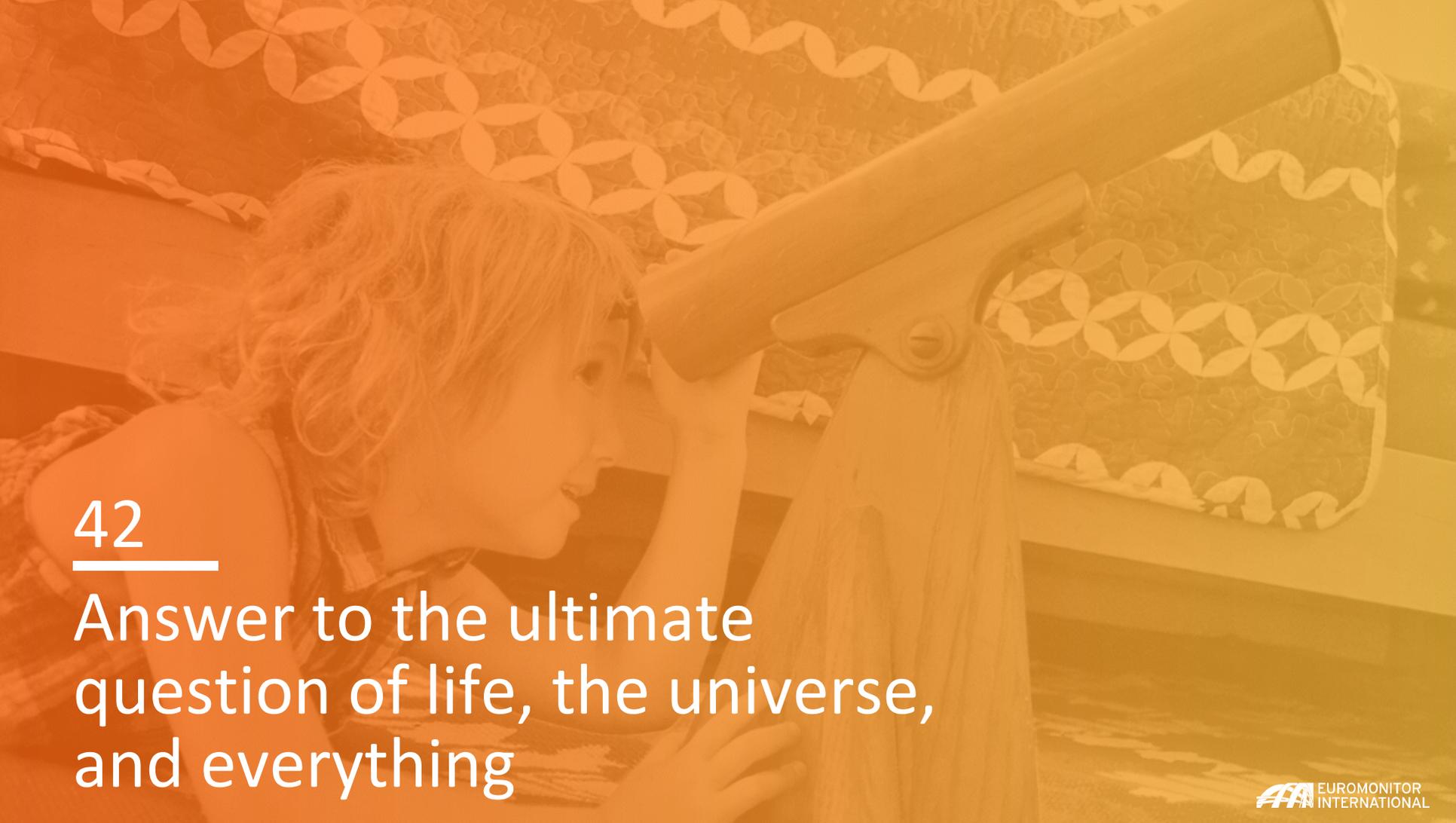
2

Are expected to
endure



3

Impact most
industries

A woman with curly hair is looking through a telescope on a boat deck. The background shows a patterned cushion and the boat's railing. The entire image has a warm, orange-yellow tint.

42

Answer to the ultimate
question of life, the universe,
and everything

Leaders harness megatrends to disrupt



DRIVERS

DETERMINE WHAT CAN CHANGE

Drivers set the stage of a changing environment and enable change



MEGATRENDS

WHAT CONSUMERS WANT CHANGED

Megatrends highlight resulting longer-term shifts in consumer behaviour and demand, which in turn shape near term trends at a micro level



RENOVATION, INNOVATION, DISRUPTION

WHAT WE SHOULD CHANGE

A spectrum of change from tweaking the offer through to high impact disruption of consumer behaviour

Megatrends



1

Are solidly
established



2

Are expected to
endure



3

Impact most
industries

“For a company like PepsiCo to sustain its growth,
we don’t swing the pendulum one way or the other.
You offer the entire range of products.”

– former PepsiCo CEO Indra Nooyi

EUROMONITOR INTERNATIONAL
**MEGATREND
 FRAMEWORK**

We have identified 20 of the most influential megatrends set to shape the world through 2030 and will provide in-depth thought leadership on the 8 megatrends with the furthest-reaching impact on industries and consumers.



DRIVERS

Shifting Economic Power
 Technology
 Population Change
 Environmental Shifts
 and Pressures
 Changing Values



MEGATRENDS

Smart Cities and Smart Homes

Healthy Living

Sharing Economy
 Generation Gaps

Experience More

Reinvention of Gender Roles

Premiumisation

Buying Time
 Circular Economy

Ethical Living

Striving for Authenticity

Shifting Market Frontiers

Searching for Simplicity

Connected Consumers

Multiculturalism

Personalisation

New Ways of Working

Middle Class Retreat

Changing Family Dynamics

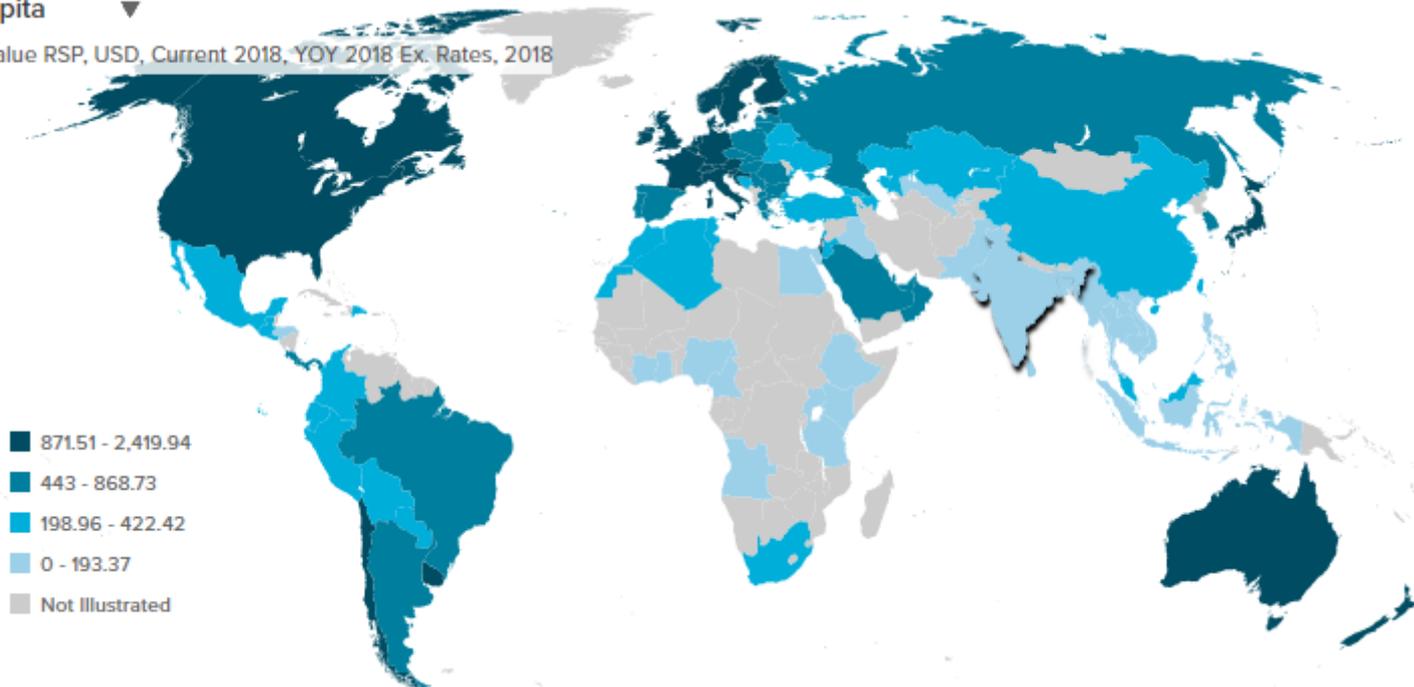
Shopping Reinvented

Shifting market frontiers

Per capita spending on Packaged Food larger in developed markets

Per Capita ▼

Retail Value RSP, USD, Current 2018, YOY 2018 Ex. Rates, 2018

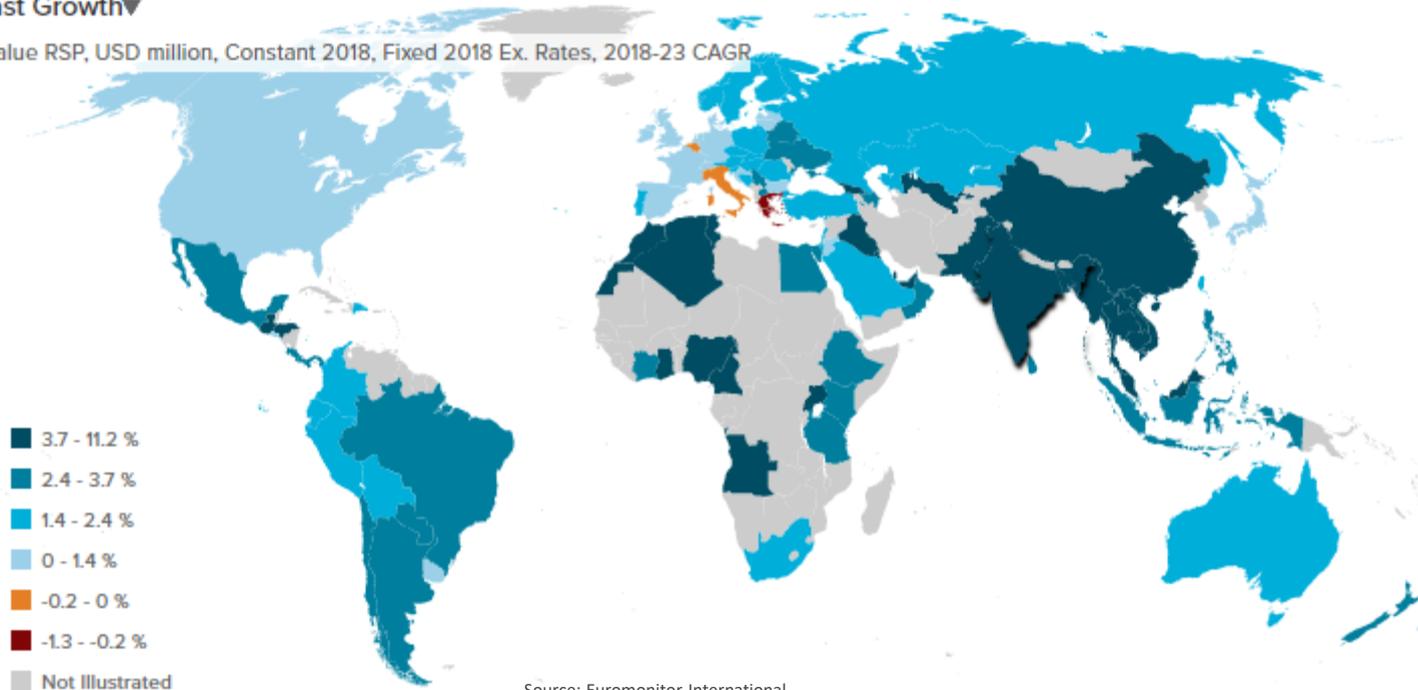


Source: Euromonitor International

Growth in spending on Packaged Food larger in developing markets

Forecast Growth

Retail Value RSP, USD million, Constant 2018, Fixed 2018 Ex. Rates, 2018-23 CAGR



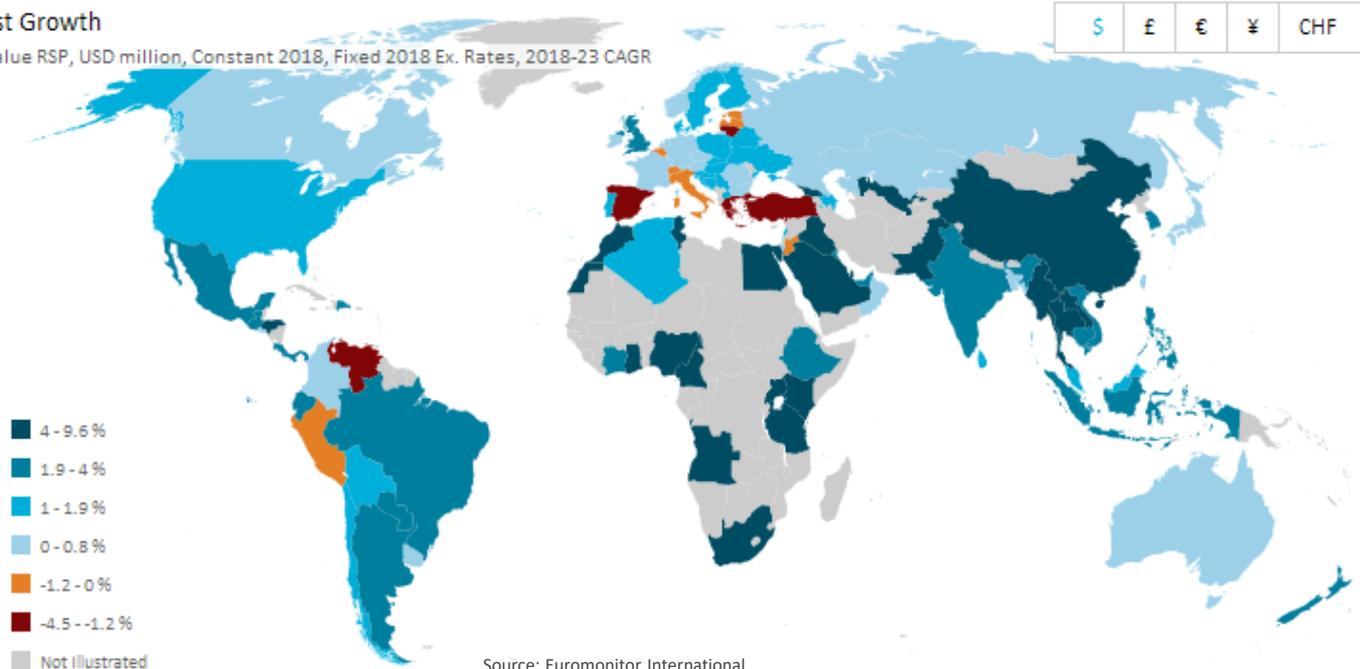
Source: Euromonitor International

Baked Goods is one of the categories with a very clear shift of market frontiers

Baked Goods

Forecast Growth

Retail Value RSP, USD million, Constant 2018, Fixed 2018 Ex. Rates, 2018-23 CAGR

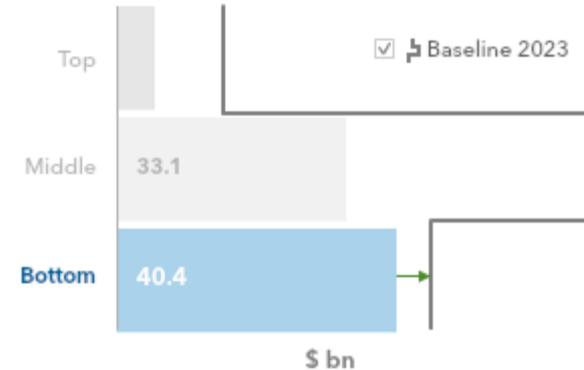


Serving bottom of the pyramid today enables the premiumisation of tomorrow

- Basic products for low earners in developing markets; a huge volume opportunity
- Disposable income growth set to drive demand for added value products
- Serving with the poor today creates a relation to middle class of tomorrow

Socioeconomic Classes 2018

Kenya, Spending on Food and Non-Alcoholic Beverages



Segment Thresholds \$

$0 \leq \text{Bottom} < 10,000 \leq \text{Middle} < 45,000 \leq \text{Top}$

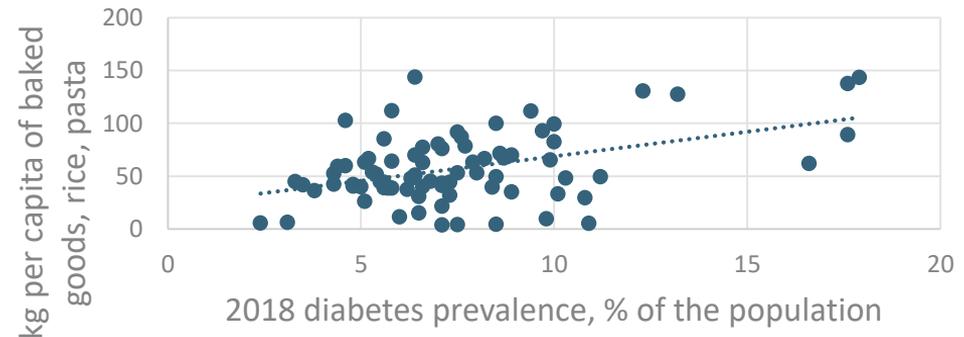
Source: Euromonitor International

Bottom of the pyramid strategies in foods

- 70% of maize production in Kenya is produced by small farmers.
- Forecast transition from growing own maize and buying bulk to purchasing smaller amounts of packaged maize.
- Maize meal consumption is very price sensitive but the volumes are huge.
- Fortification and wholegrain can improve nutritional value without adding cost.



High-GI intake and diabetes



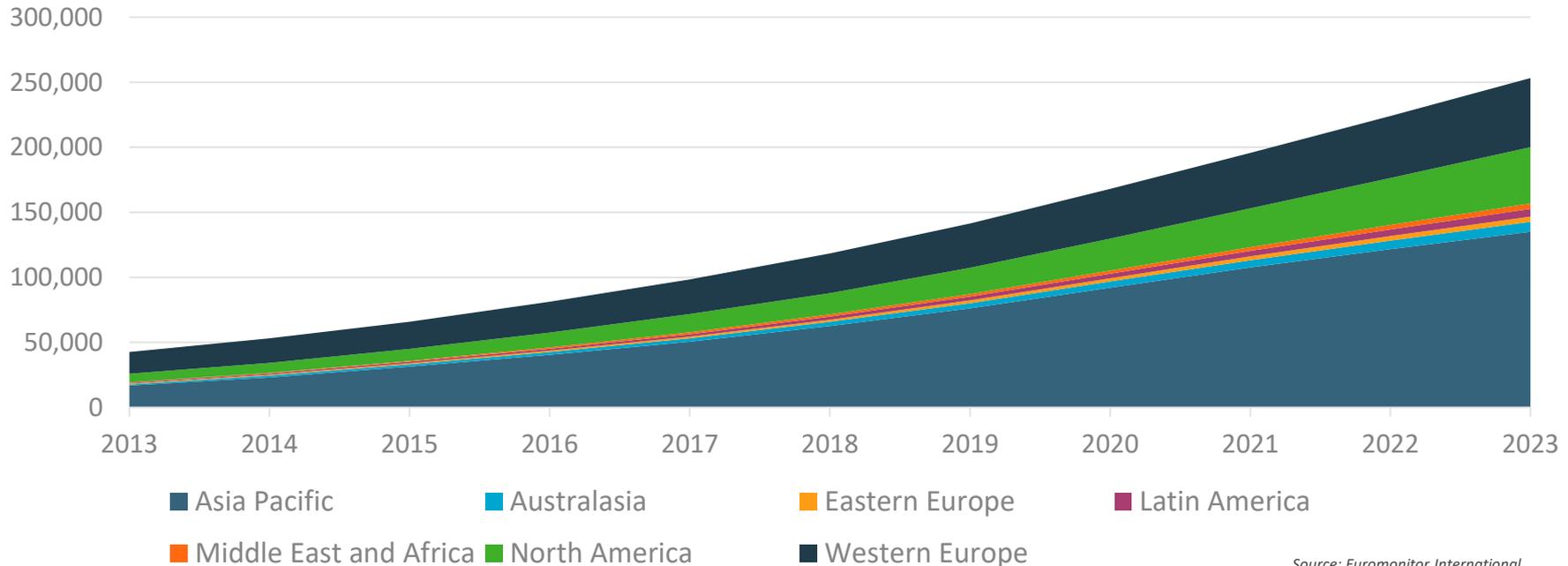
Source: Euromonitor International

Shopping reinvented

Buying time, smart cities and smart homes, connected consumers, new ways of working

China and US lead F&D internet retailing

Food and Drink Internet Retailing, fixed 2018 exchange rates, USD million, excl. VAT



Source: Euromonitor International

Food shopping for new lifestyles



Last-mile reach is a gathering phrase for reaching customers quickly wherever they are. Amazon has received lots of attention with its proposal of letting drones to the job.



Source: Convini

Convini offers kiosks with digital payments in many Swedish offices. Its competitors offer service in gyms, libraries and other public locations too. Everyone is moving toward AI controlled shopping.



“I order the items first and let them inspect the items in person. Now, dozens of older people regularly ask me to order things for them, then they pay me back in cash.” – Cheng Yuan Yaun, JD China village promoter.

The gig economy gives access to deliverers, product testers and advertisement profiles

David Hedin ✓
AI strategist | Software entrepreneur
| Executive @ Satalia
Lithuania

Admiring

MEETING OPTIONS

- 15% donated to Jaunimo linija, Vli
- Ask me anything over lunch
1.5 h €300
- Coffee break
30 min €125
- Pick my brain on tech / business / human behavior
1.5 h €500
- Keynote: AI & digital transformation
45 min €1,250
- Keynote: future of AI in your industry
1.5 h €2,500

Contacting Zitters...

Looking for the fastest Zitter for your order!



Cancel Order

Screenshots from Humans, Ziticity and Wolt apps

Download here: go.euromonitor.com/ANUGApres

Discover
Vilnius

See all

Nauji Wolt restoranai

Basilico
Pizza, italian, soup
€€ · 40 min

Please
Poke, sushi, japanese
€€ · 40 min

Pasiūlymai superherojams!

BOLA
Solo Bowl
6.30

Meatbust
Nenugalimas

Discovery Delivery Nearby Search Me

Ethical Living

Arla Foods 2013: finds natural positioning by making realityshow with cows in pastures



Source: Arla Foods Amba

Arla's sour megatrend lesson...

Apr 2015



Nov 2015

Apr 2018

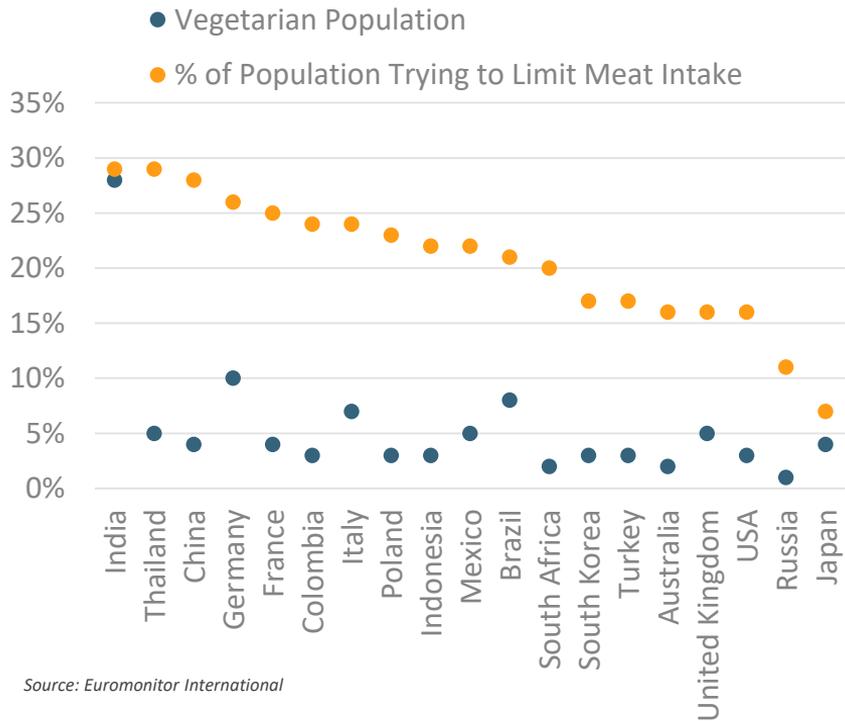


Nov 2018

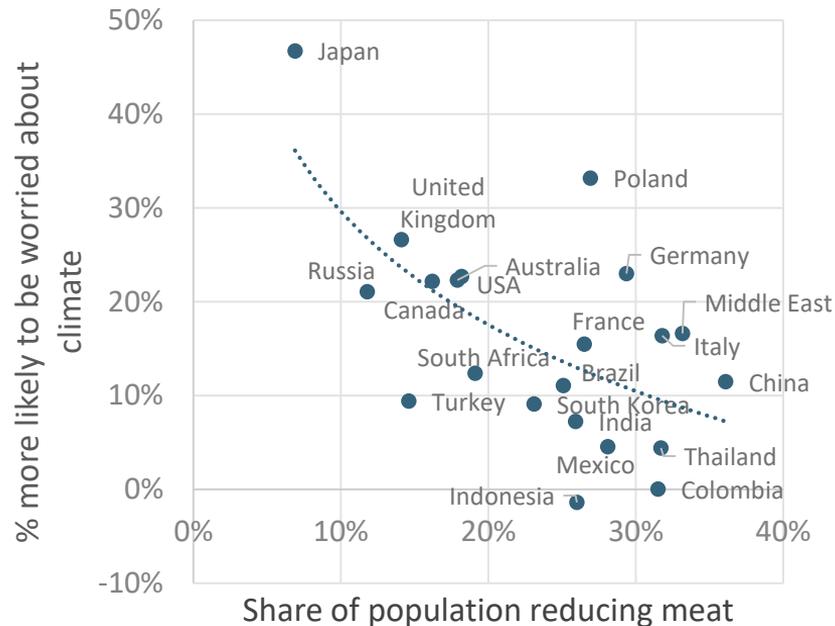
August 2019 – Arla unveils a new focus on free from dairy!

Source: Forsman&Bodenfors, Oatly AB, Dejlige Days, own picture from Arla Foods commercial

What was Arla's mistake?



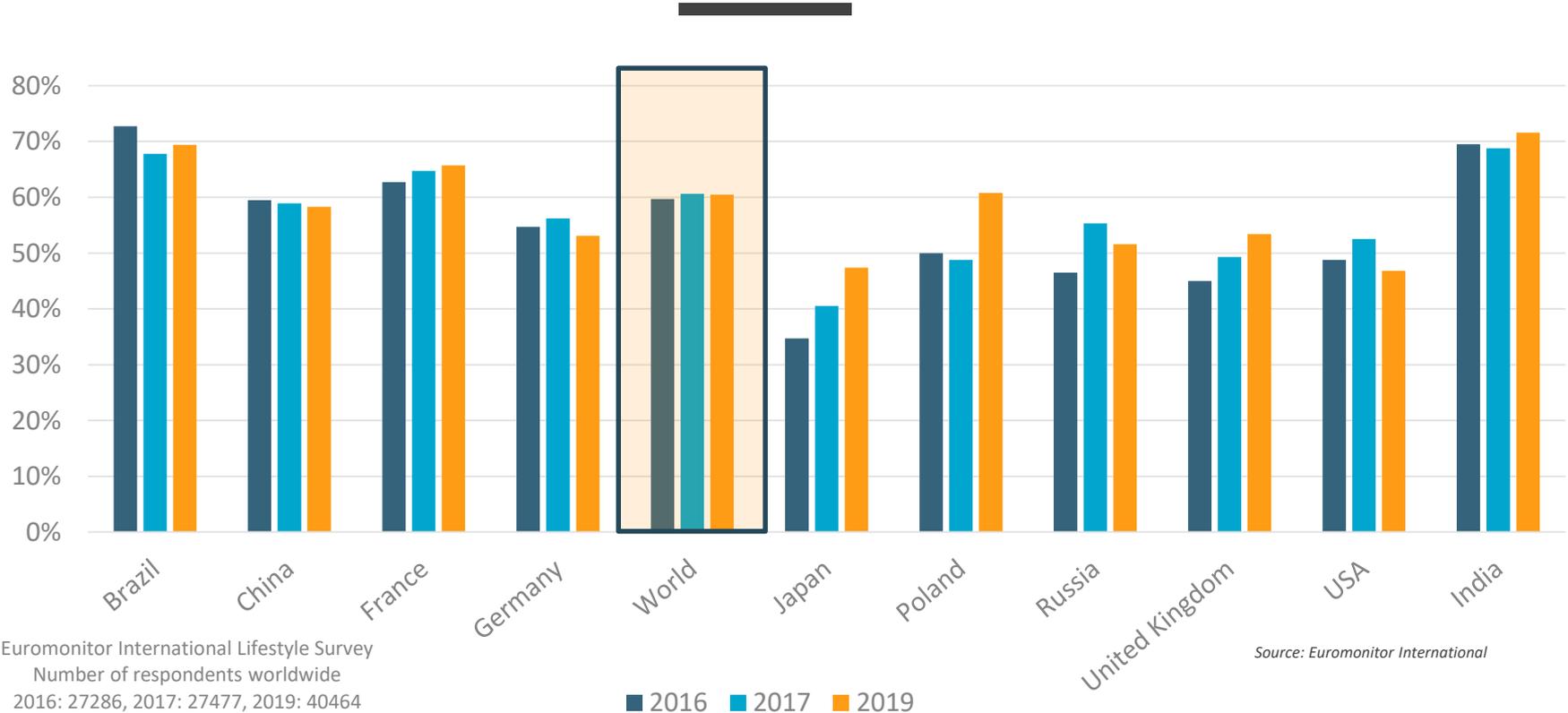
Source: Euromonitor International



Correlation analysis based on the answers of 28487 respondents globally

Source: Euromonitor International

“I am worried about climate change”



Euromonitor International Lifestyle Survey
 Number of respondents worldwide
 2016: 27286, 2017: 27477, 2019: 40464

Source: Euromonitor International

“I try to have a positive impact on the environment through my everyday actions”



Euromonitor International Lifestyle Survey
 Number of respondents worldwide
 2016: 27286, 2017: 27477, 2019: 40464

Source: Euromonitor International

Nestlé's megatrend analysis led to water stewardship program

Will there be enough water to grow the food needed both to feed people directly and as an input for its production?



Will there be the necessary water security (supply and quality) for the operations of the factories of its supply chain?



Will there be safe water for its consumers to prepare their meals?



Three megatrends in global foods



Shifting market frontiers as consumers shift consumption from homemade/unpackaged to packaged



Shopping reinvented affects companies in all markets as consumer habits change with increasing connectivity



Ethical Living trend supported by environmental activism by NGOs and consumers in social media and by political decisions and climate change reporting from the IPCC and NASA

Thank You

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[White Paper on Megatrends analysis in practice!](#)