Disrupted or distracted? Understanding insurgent brands and new business models in food

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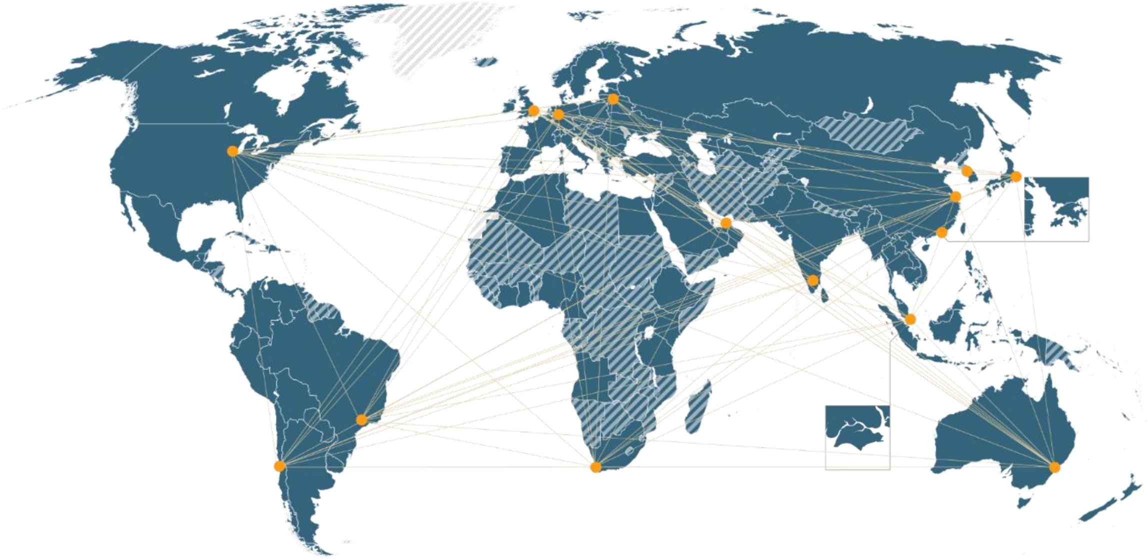
Dr Maria Mascaraque, Consultant – Food and Nutrition

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

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Overview

Defining disruption

Experience

- Brands as an Experience

- Shopping as an Experience

Defining disruption

disruptors

reinvention

INDIE BRANDS

reinvention reinvention

INSURGENTS

reinvention

reinvention

reinvention

START-UPS

Consumer-centric

reinvention

reinvention

independent upstarts

micro-targeters

reinvention

reinvention

reinvention

NICHE

Digital

DIRECT TO CONSUMER

reinvention reinvention

Small brands are gaining share across the board

HW Packaged Food: Market Fragmentation by country 2013-2018

Source: Euromonitor International Ltd.; Health and Wellness 2019ed

Download here: go.euromonitor.com/ANUGApres

The Renovation, Innovation, Disruption Spectrum

Disruption is transformative. Renovation and innovation help companies and industries to evolve

RENOVATION

Steals share from competitors fast within current category and occasions, but remains within the category and main consumer set

INNOVATION

Grows entire industry or category through new occasions and users while also driving major share growth

DISRUPTION

Creates an entirely new category or market

IMPROVING WHAT CONSUMERS DO TODAY → REINVENTING CONSUMER BEHAVIOUR

IMPACT

WHO?

Insurgent brands are small but dynamic, fast-growing brands, which are committed to serving an unmet need. Often, at least initially, focused on one product, the consumer is at the heart of everything they do

Key features of disruptors in food

Differentiation

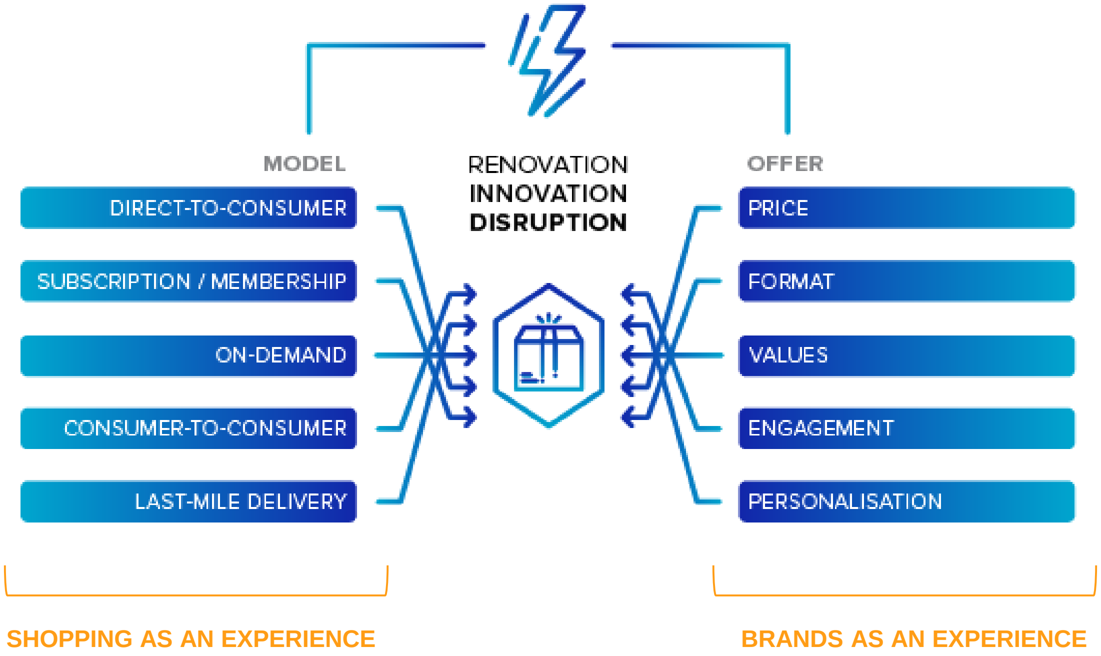
Consumer centric

Engage

Agility

Disruptor brands sell a lifestyle. Lifestyles do not stop when you walk out of a shop

Companies disrupt in two chief ways



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Brands as an experience

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Three Squirrels becomes market leader in 5 years

2019

USD 865m

Teenagers are the target audience

Brand extends beyond products

Redefining customer-brand relationship

Well thought out products

Source Image: Instagram

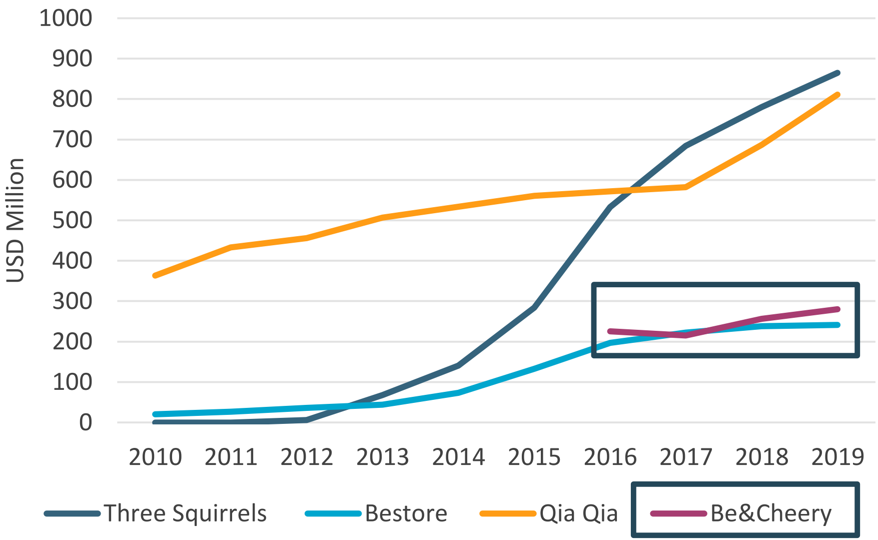
Be & Cheery: Disrupting the Disruptor

Source Image: Haoxiangni Jujube

2019

USD 280m

China: Top brands in nuts, seeds and trail mixes



Source: Euromonitor International Ltd.; Packaged Food 2020ed

Rügenwalder Mühle revolutionised the meat alternatives space in Germany

2018

USD 35m

Source Image: Rügenwalder

Flexitarians

Meat alternatives that look like real meat products

Engagement with consumers looking for plant based and ethical values

Rügenwalder grew the brand and category

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Brandless: solutions at the best possible price

Source Image: Brandless

Single price point seekers

Affordability, simplicity and transparency

Building a community

Continuous growth: subscription and pop-up stores

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Shopping as an experience

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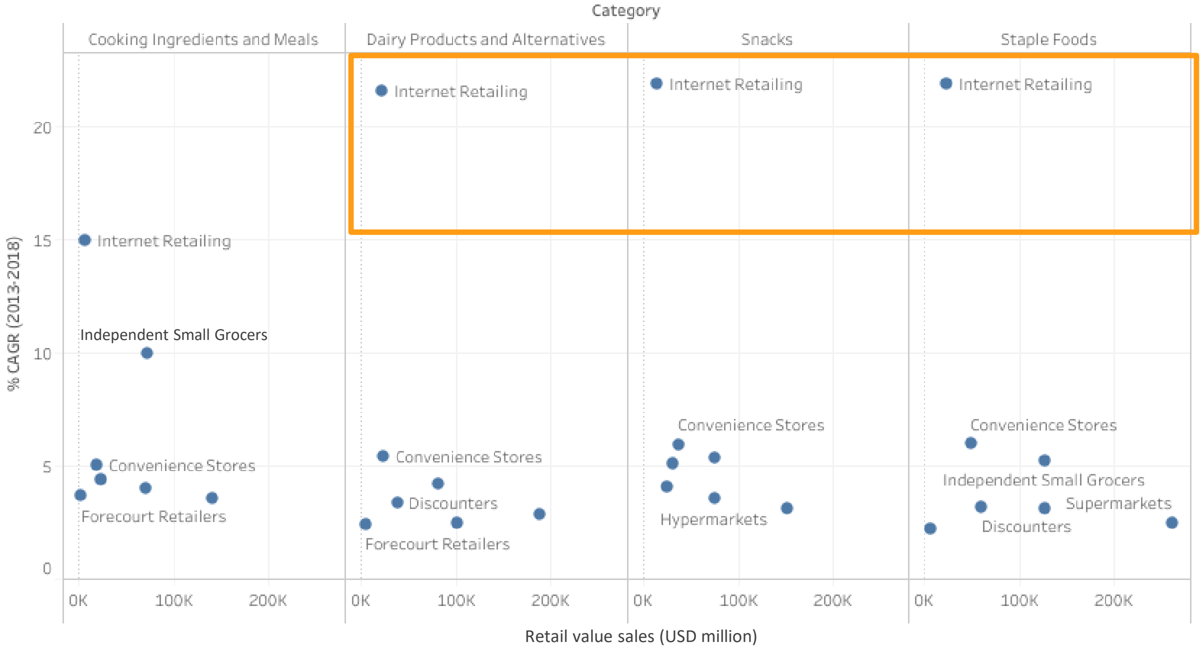
Online sales explode in packaged food

Channel size and growth globally by category in 2018



Source: Euromonitor International Ltd.; Packaged Food 2020ed

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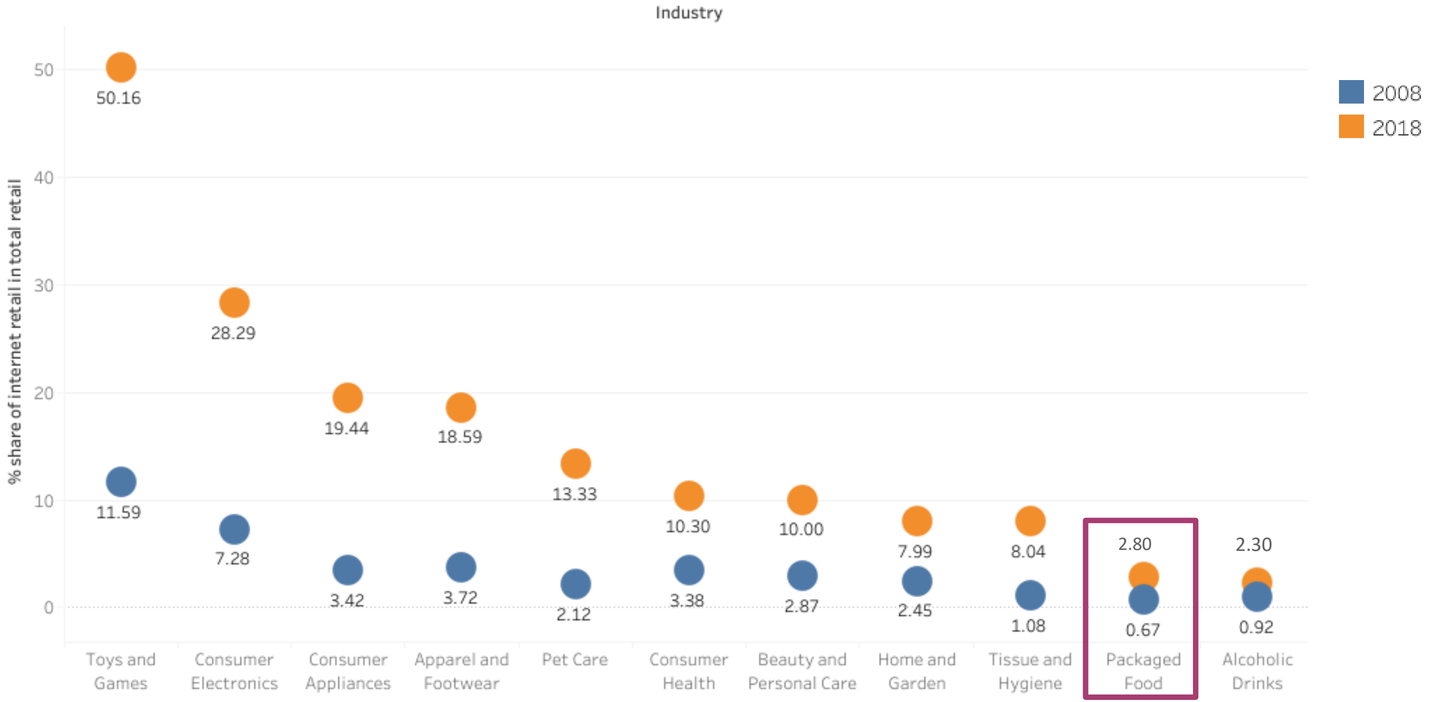
Food has been notoriously slow to react to e-commerce

Internet sales across selected FMCG industries globally (2008-2018)



Source: Euromonitor International Ltd

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Diversified business models lead to success

INTERNET

Walmart+ JD.com, China

Tesco+Spoonguru, UK

M&S + Ocado, UK

Amazon Go in the US

BeStore snack shop in China

Three Squirrel Café in China

OWN STORE

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Convenience stores stay strong

17% of yoghurt sales came from convenience stores in Eastern Europe in 2018

Source Image: Flicker

Source: Euromonitor International Ltd.; Retailing 2019ed

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Graze: from online personalisation to brick-and-mortar retail

Source Image: Graze

USD890mn

Nuts, seeds and trail mixes in the UK in 2019

8% CAGR

(2014-2019)

6.2%

Graze´s market share in 2019

2nd

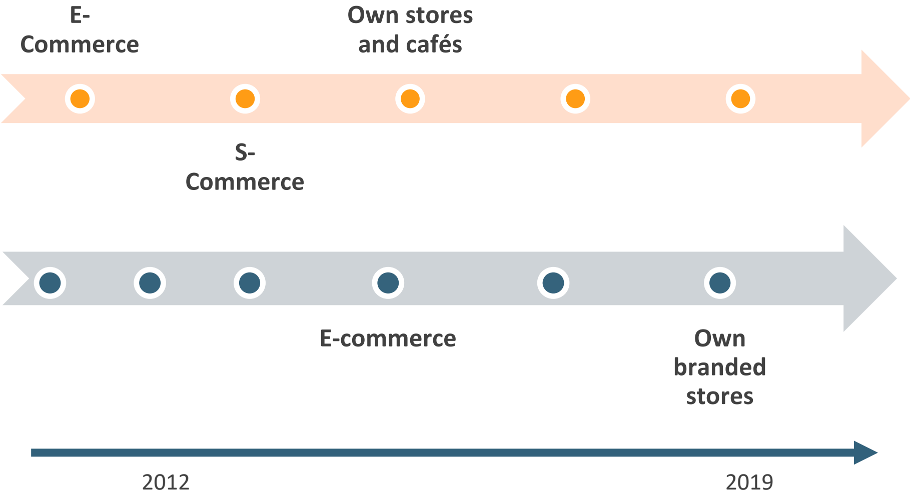
largest brand in nuts, seeds and trail mixes

Source: Euromonitor International Ltd.; Packaged Food 2020ed

Blended retail formats, the way forward

Source Image : Three Squirrels

Source Image: Haoxiangni Jujube



Food for thought

- Experience and consumer engagement are indivisible from disruption
- Authenticity, simplicity and transparency are key to differentiate in the food industry
- Health and sustainability concerns are top of mind for consumers and are becoming the norm to succeed
- E-commerce is crucial but blended retail formats are increasingly decisive to disrupt in the food industry

Thank You

Maria Mascaraque, Consultant – Food and Nutrition

Maria.Mascaraque@Euromonitor.com

@MascaraqueMaria

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