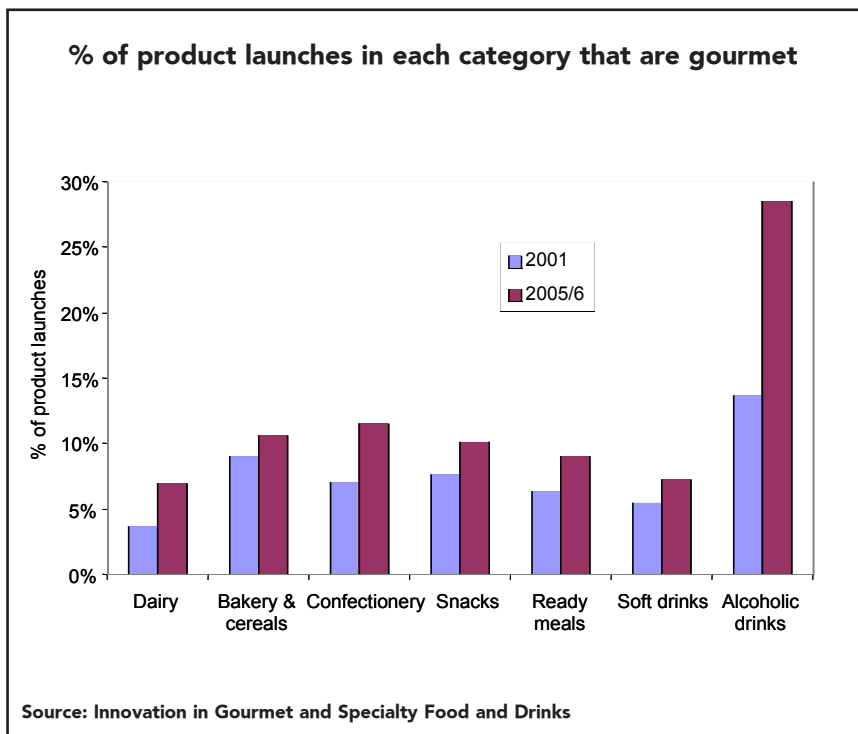


Innovation in Gourmet and Specialty Food and Drinks

Market evolution and NPD in super-premium and healthy products

Published July 2006
New Consumer Management Report



"In 2001 13.7% of alcoholic drinks products launched were gourmet or specialty compared to 28.5% in 2006. By contrast the level of NPD in gourmet products within soft drinks and bakery and cereals changed very little. Both categories have been key to the development of functional products which has diverted R&D efforts away from gourmet..."

Identify and anticipate the key innovation trends and new product growth opportunities shaping the gourmet and specialty food and drinks market with this new management report...

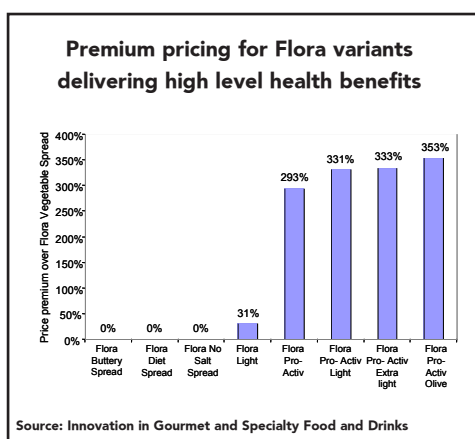
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Some key findings from this report...



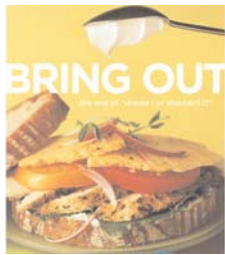
"The chart above clearly shows that spreads with health benefits command significantly higher prices. For example, prices for the Flora Pro-Activ sub-brand which trades on cholesterol reducing proposition started at £1.77 compared to 45 pence for the basic vegetable spread, well ahead of even the light variant, Flora Light, which retails at 59p..."

- **The specialty food and drinks market in Europe and the US is forecast to be worth almost \$120bn by 2009**, with 5% CAGR between 2004 and 2009.
- **The two wealthiest groups of consumers 'Affluent' and 'High Worth' have grown in number by a almost quarter across Europe and the US since the year 2000.** By 2005 these groups had grown by 24% to 44.9m in the US and by 25% to 39.3m in Europe.
- **Gourmet and specialty food and drinks share of new product launches grew across all categories between 2003 and 2006**, except for bakery and cereals. Alcoholic drinks had the greatest increase in terms of the share of launches (35.3%).
- **The value of separate healthy and indulgent occasions across Europe and the US will grow by 2.6% in the five years to 2010** whilst combined healthy-indulgent occasions will only grow by 0.6%.

Innovation in Gourmet and Specialty Food and Drinks

Market evolution and NPD in super-premium and healthy products

Hellmann's ads recognize the inner battle consumers experience when making healthy food choices



Source: Innovation in Gourmet and Specialty Food and Drinks

"A print advertising campaign run by Hellmann's mayonnaise in the US during July 2005 promotes the company's better-for-you low fat mayonnaise and acknowledges how the consumer is torn between the positive benefits of using mayonnaise - food enhancement and versatility - and the negative health aspect by stating in the tagline the product is 'The end of should I or shouldn't I?...'."

Sensory, health and convenience are the three significant trends that are propelling the food industry into the 21st century. It is where these mega-trends converge that will provide the most valuable new product opportunities for those in the gourmet and specialty foods market.

Innovation in Gourmet and Specialty Food and Drinks: Market evolution and NPD in super-premium and healthy products is a new management report published by Business Insights that provides an analysis of innovation trends in gourmet and specialty food and drink products across seven key product categories in Europe, Asia-Pacific and the US. This report provides detailed insights into the key issues facing gourmet manufacturers, the key trends driving innovation in gourmet and specialty food and drink products and the innovative products which point to the future development of the market.

Enhance your NPD strategies using this new report's analysis of the leading innovators, the most successful categories and future growth opportunities in the gourmet and specialty food and drinks markets.

This new report will provide you with...

Caffe Sanora Coffee

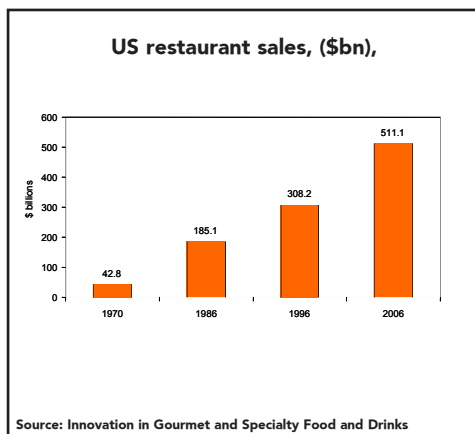


Source: Innovation in Gourmet and Specialty Food and Drinks

"One example which illustrates how gourmet manufacturers are incorporating functional benefits into their products is Caffe Sanora Coffee from Applied Food Sciences. In March 2005, Applied Food Sciences launched Caffe Sanora Coffee onto the US market claiming it is 'the first premium gourmet antioxidant-rich coffee, which is high in polyphenols'..."

- **Analysis of over 11,000 product launches using data from Productscan**, the world's largest database of new consumer packaged goods, to determine which categories and product features are driving the gourmet and specialty market and the strategies of leading manufacturers.
- **Extensive geographic market profiling by product category** to enable you to identify the growth patterns taking place across Europe, North America and Asia-Pacific and track the fastest growing categories in each region.
- **An examination of key gourmet and specialty food and drinks innovation trends** including super-premium ingredients, indulgence combined with health/wellbeing, portability, flavor release, design aesthetics and trends in product tags and flavors.
- **Market and consumer data and forecasts to 2009 for the US and Europe** detailing super-premium, specialty and premium foods spending, GDP and key demographics including income groups and population sizes.

Key issues examined in this report...



"A desire to recreate the restaurant experience when eating at home is also stimulating sales of premium products in areas like ready meals, meal kits and desserts. Food fashions have a big influence in this area, with presentation becoming more of an issue. Celebrity chefs have also inspired consumers to be more adventurous in their eating and their cooking making cooking a popular leisure activity..."

- **The convergence of health and indulgence.** A general rise in incomes and increased exposure to foreign foods has been driving demand for premium and ethnic products with sensory benefits. To enhance their proposition gourmet and specialty foods manufacturers are adding health benefits.
- **Democratization of luxury.** Everyday luxury is eroding the premium proposition and requiring gourmet and specialty food and drink manufacturers to drive innovation upscale to super-premium.
- **Design aesthetics.** Manufacturers are devoting as much effort to the aesthetics of their packaging as product formulation. Drinks manufacturers have been the most innovative often engaging architects and three-dimensional designers to craft their packs.
- **Functional ingredients** are being used to add value to the premium proposition to meet consumer expectations for the delivery of specific health benefits.

Your questions answered...



"New product launches from Nivea illustrate the potential benefits available to gourmet manufacturers using new technologies and ingredients to maintain a premium position. Recent new product launches within Nivea Visage facial care, Nivea body moisturizers and Nivea for Men have used the ingredient co-enzyme Q10 to target the signs of age i.e. wrinkles in the skin..."

- What are the key innovations in gourmet and specialty food and drink which will be the most significant in the next five years?
- How are gourmet manufacturers replicating the wellbeing benefits offered by personal care and beauty products?
- Which companies are driving innovation in gourmet and specialty food and drink?
- How are urban lifestyles influencing NPD in gourmet?
- Which countries are the most dynamic in terms of gourmet innovation?
- What are the needs of consumers seeking premium benefits?
- Which new functional ingredients are delivering health and wellbeing within gourmet?

Sample information: Innovation in Gourmet and Specialty Food and Drinks

Chapter 4: NPD and Innovation

Bakery and Cereals

Two new innovative products signal that there is a new trend in gourmet bakery and cereal products towards improved health benefits. AltiPlano Gold offers New World Morning Instant Quinoa Hot Cereal in the US. The box contains single-serve packets of flavors such as spiced apple raisin, lemon poppy seed, regular, orange date, chai almond cereal. The cereal is claimed to be 100% gluten and wheat free, organic, naturally high in calcium, iron and fiber. The ingredient quinoa, is high in fiber, protein, complex carbohydrates, and essential nutrients. The ancient Incas called it the 'Mother Grain'. Native to the high plains of South America, it is a complete source of vegetarian protein - containing all 8 essential amino acids - and naturally high in calcium, iron and phosphorus. This product provides the convenience of a single-serve cereal with the multiple health benefits of a lean protein. The spiced fruit, seed and nut flavors combine with the fact that it is natural and organic to make it gourmet.

Tumaro's Gourmet Tortillas line of products now includes Soy-Full Heart Flatbread launched in the US in December 2005, which is a healthier alternative of the popular South American flatbread. The company claims it is the first soy-fortified flatbread in the US. The products are made with Solae brand soy protein. This co-branding reinforces the provenance of the product and widens its appeal. The inclusion of the branded soy protein gives the product improved health credentials and has the potential to attract customers who might not otherwise buy the product. The varieties - 8 grain 'n soy, apple 'n cinnamon, and wheat, soy and flax, which contains omega-3 are sold in re-sealable wrappers.

There is also a high level of new product activity among manufacturers in ethnic and speciality breads, particularly European continental breads. These products are designed to appeal to cosmopolitan premium-seeking consumers who have consumed these sorts of products in restaurants and foodservice outlets, while travelling abroad, and want to be able to replicate the experience at home. In August 2005, Ecce Panis Inc introduced Gourmet Artisan Bread in 3 varieties - Sesame Seed Italian Loaf, Pane Dolce and Harvest Rye - onto the US market. The Pane is an Italian sweet bread with dark and golden raisins and cranberries, and a hint of cinnamon. The products are claimed to be hand-crafted, stone baked and to contain no artificial colors, flavors or preservatives.

Despite the levels of innovation in the category, growing consumer affluence has traditionally contributed to a decline in bread consumption as alternative food choices increase and eating out becomes more affordable. The key threat to the gourmet bread market is if a new generation of premium-seeking consumers find alternatives to bread such as cereal, pastry, rice, couscous and pasta and cause it to lose its place as a 'staple' in the diet of wealthy Western consumers.

Figure 4.17: New World Morning Instant Quinoa Hot Cereal and Soy-Full Heart Flatbread



Source: Innovation in Gourmet and Specialty Food and Drinks

Order this report today to find out more...

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