




Lifestyle Food and Drinks

Future product opportunities from changing consumer attitudes

By Melanie de Lange

 Table of Contents

Melanie de Lange

Melanie is a member of the Chartered Institute of Marketing with over 5 years experience as a marketing professional. She currently researches and writes on a wide range of consumer markets. Recent food markets studied have included frozen and canned fruit and vegetables, yellow fats, salad accompaniments, cereal bars, food labelling and celebrity endorsement of food.

Copyright © 2008 Business Insights Ltd

This Management Report is published by Business Insights Ltd. All rights reserved. Reproduction or redistribution of this Management Report in any form for any purpose is expressly prohibited without the prior consent of Business Insights Ltd.

The views expressed in this Management Report are those of the publisher, not of Business Insights. Business Insights Ltd accepts no liability for the accuracy or completeness of the information, advice or comment contained in this Management Report nor for any actions taken in reliance thereon.

While information, advice or comment is believed to be correct at the time of publication, no responsibility can be accepted by Business Insights Ltd for its completeness or accuracy.

Table of Contents

Lifestyle Food and Drinks

Executive Summary	12
Healthy, beauty and a positive image	12
Stress reduction and time management	12
Culture, travel and exploration	13
Back to basics and nostalgia	13
Ethical, fairtrade, organic and safety	14
Satisfaction without penalty	14
More fun, less boring and energetic	15
Survey results	15
Conclusions	16
Chapter 1 Introduction	18
Defining lifestyle food and drinks	18
Aspirational lifestyles	18
The complexity and diversity of modern lifestyles	19
Lifestyle benefits	22
Chapter 2 Health, beauty and a positive image	24
Summary	24
Introduction	24
The health, beauty and positive image trend	24
Ageing population	25
Increase in working women and single consumers	26
Value of the oral beauty supplements market	26
Innovation and NPD	27
Key trends	28
Skin moisturizing and nourishing	28
Tanning	30
Anti-ageing	31

Conclusions	71
Chapter 5	Back to basics and nostalgia
	74
Summary	74
Introduction	74
The back to basics and nostalgia trend	74
The influx of foreign food	75
Growth of eating out and fast-food	76
Decline in family meal occasions	76
Case study – Bisto’s ‘Aah Night’ campaign	76
Provenance / food miles	77
Backlash against food safety scares and additives and preservatives	78
Value of the natural food and drinks market	79
Innovation and NPD	80
Key trends	81
Tradition and heritage	81
The good ole’ times	82
Homemade style products	84
Homemade products	84
Helping consumers to cook	85
Locally produced products	86
Natural products	88
Conclusions	90
Chapter 6	Ethical, Fairtrade, organic and safety
	92
Summary	92
Introduction	92
The ethical, Fairtrade, organic and safety trend	92
Increased concern for the environment and animal welfare	93
Recycling	93
Carbon emissions	94
Animal welfare	95
Increased awareness of world poverty and exploitation	97
Food safety scares	97
Value of the ethical food and drinks market	99
Organic products	99
Fairtrade products	100
Innovation and NPD	101
Key trends	102
Biodegradeable packaging	102

Responses to food safety scares	104
Fairtrade evolution	105
Carbon neutral	108
Conclusions	109
Chapter 7	Satisfaction without penalty
	112
Summary	112
Introduction	112
The satisfaction without penalty trend	112
Obesity levels	113
Emphasis on appearance	114
Growing popularity of eating out	115
Failure of strict diets	115
Value of the diet food and drinks market	115
Innovation and NPD	116
Key trends	118
Foods with low / no calories, sugar and fat	118
Reducing sugar and fat	118
Moving into the mainstream	119
Products with nutraceutical benefits	121
Hoodia	121
Citrimax	122
L-carnitine	122
Conclusions	124
Chapter 8	More fun, less boring and energetic
	126
Summary	126
Introduction	126
The more fun, less boring and energetic trend	126
Rising female employment	127
Long working hours and increasing commuting times	127
Market value of energy food and drinks market	127
Innovation and NPD	128
Key trends	129
A natural boost	129
Guarana	129
White Tea	130
Long-term vitality	131
Having fun	133

Conclusions	134
Chapter 9	Survey results
	136
Summary	136
Introduction	136
Defining lifestyle food and drinks	137
Health trends	138
Ethical, indulgence and convenience trends	139
Consumer compromises	140
Charging a premium	141
Product categories	143
Consumer groups	144
Companies	145
Innovative brands	146
Innocent	146
Danone	147
Conclusions	147
Chapter 10	Conclusions
	150
Summary	150
Introduction	150
Key lifestyle food and drink trends	150
Ethical, Fairtrade, organic and safety	150
Health, beauty and a positive image	151
Key geographical markets	151
Key categories	152
Opportunities for food and drinks manufacturers	153
Index	156

List of Figures

Figure 1.1:	The complexity and diversity of modern lifestyles	20
Figure 1.2:	Aspirations in food and drink: beyond nutrition to self-fulfillment	21
Figure 2.3:	Percentage share of products launched in each category in the health, beauty and positive image trend, 2003-2006	28

Figure 2.4:	Melodian Natural Beauty Ceramide Drink, Snow Collagen Cheesecake and Danone Essensis	29
Figure 2.5:	Microfluid Biotechnology's L'eau Bronzante	30
Figure 2.6:	Lotte Snow Beauty Sensation Coenzyme Q10 cup ice and Kyodo First Health and Beauty Custom Coenzyme Q10	31
Figure 2.7:	Lotte Nature Bio Yogurt Aji, Inaba Shiwa no Bitan functional beauty drink and WholebakeFlax 9 Bar	33
Figure 2.8:	Danone Activia, H2Olive Pure Mineral Water and Solution Sciences Alibi	35
Figure 3.9:	Percentage share of products launched in each category in the stress reduction and time management trend, 2003-2006	44
Figure 3.10:	Blue Cow Relaxation Drinks, GABA Coffee and Meiji Dairies GABA 100 Yogurt	45
Figure 3.11:	Flora Omega-3 Plus spread and Focus Blend Organic Coffee	47
Figure 3.12:	Tilda Rizazz and Quick Cuisine Self-heating Seafood Paella	49
Figure 4.13:	Percentage share of products launched in each category in the culture, travel and exploration trend, 2003-2006	63
Figure 4.14:	Havana Mojito Oven & Grill Sauce and Malibu BBQ Starter Set	65
Figure 4.15:	Isabella's Brazilian Flavors - Banana and Açai, Guava and Cashew Fruit jams and Global Brands' Ypioca Caipirinha Cocktail	66
Figure 4.16:	S&B Foods' Wasabi in Tube and Kirin Ichiban Japanese Kirin Beer	67
Figure 4.17:	Haddouch Gourmet - Mustapha's Moroccan Harissa Sauce, Kilifi Creek Kenyan Sauces and Something South African Cooking Sauces	69
Figure 4.18:	Pierhead – Max Prime and Albert Heijn Sajoer Boontjes	70
Figure 5.19:	Percentage share of products launched in each category in the back to basics and nostalgia trend, 2003-2006	80
Figure 5.20:	Mrs Beeton's Rediscovered Ice Creams and Mars American Heritage Chocolate brand	82
Figure 5.21:	Coca-Cola 11.8oz glass bottled with twist top and Cadbury's Wispa bar	83
Figure 5.22:	Two Chicks Free Range Liquid Egg Whites and Green's Apple and Blueberry Muffins	85
Figure 5.23:	Casino L'Eau Minerale Mont Blanc and Tarascio Antonino & Figli Olio Extra Vergine di Oliva	87
Figure 5.24:	Alnatura Soups and Eat Natural Organic Fruit and Nut bar	89
Figure 6.25:	The Carbon Trust's Food Label	95
Figure 6.26:	Percentage share of products launched in each category in the ethical, Fairtrade, organic and safety trend, 2003-2006	102
Figure 6.27:	Life Water's Belu Mineral Water, Mighty Leaf Tea Company biodegradable pouch and The Village Bakery compostable bag	103
Figure 6.28:	Nature's Promise Natural and Organic foods and Eat Natural bar	105
Figure 6.29:	Ben & Jerry's, Tate & Lyle and Rainforest Alliance Certified logo	107
Figure 6.30:	Asda's Respectful eggs, Salt Spring Coffee's Carbon Cool Coffee and Icelandic Glacial H2O Carbon Neutral Water	109
Figure 7.31:	Percentage share of products launched in each category in the satisfaction without penalty trend, 2003-2006	117
Figure 7.32:	Wrigley's Orbit Complete and Xear Spry Xylitol Mints	119
Figure 7.33:	Pepsi Max and Walkers Baked crisps	120
Figure 7.34:	Bija Hoodia Slimming Tea and Froodia Health Bars	121
Figure 7.35:	Leclerc Slimming Mandarin Tea and Cott Beverages' Slim-Lite Appetite Suppressant Drinks	122
Figure 7.36:	Mawai Food Corporation Power Bowl Noodles and Meiji Dairies Margarine	123
Figure 8.37:	Percentage share of products launched in each category in the more fun, less boring and energetic trend, 2003-2006	129
Figure 8.38:	Hobarama Bawl's Mints and Unilever's Kibon Guarana Ice Cream	130
Figure 8.39:	Inko's White Tea Energy and H3 Enterprises HG7	131

Figure 8.40:	Kirin Venergy Vegetable Juice Drink, Raw Vitality Himalania Goji Berry Trail Mix and Müller Vitality yogurts	132
Figure 8.41:	Lambrini and Cinzano Spritz Up	134
Figure 9.42:	Definitions of lifestyle food and drinks	137
Figure 9.43:	Health related lifestyle trends important for food and drinks NPD over the next 5 years	138
Figure 9.44:	Ethical, indulgence and convenience lifestyle trends important for food and drinks NPD over the next 5 years	140
Figure 9.45:	Compromises consumers will make in their purchasing and consumption behaviors over the next 5 years	141
Figure 9.46:	Premium consumers are willing to pay for products that offer specific benefits	142
Figure 9.47:	The importance of lifestyle food and drinks in key categories over the next 5 years, compared to today	143
Figure 9.48:	The importance of key consumer groups for lifestyle food and drink products over the next 5 years	144
Figure 9.49:	Companies that have the most influence on innovation in lifestyle food and drinks today, and will have over the next 5 years	145
Figure 10.50:	Percentage share of products launched in each region, 2003 - 2006	152
Figure 10.51:	Percentage share of categories in lifestyle products launched, 2003-2006	153

List of Tables

Table 2.1:	Over 50's population in Western Europe & US, (m), 2004-2009	25
Table 2.2:	Employment rates by gender, (%), Europe & US, 2002-2006	26
Table 2.3:	Consumer spending on oral beauty supplements, (\$m), Europe & US, 2000-2010	27
Table 3.4:	Prevalence of major depressive disorder/anxiety in the seven major markets, 2005	41
Table 4.5:	International tourist arrivals, (m), 2005-2006	53
Table 4.6:	UK Population by Ethnic Group, December 2005	55
Table 4.7:	US Population by Ethnic Group, 2000	56
Table 4.8:	Foreign population by nationality, Japan, 2000 and 2005	56
Table 4.9:	The value of eating out, (\$bn), Europe & US, 2004-2009	57
Table 4.10:	Ethnic food retail market, by country (\$m), Europe & US, 2004-2009	60
Table 4.11:	Ethnic food retail market, by category (\$m), Europe & US, 2004-2009	61
Table 4.12:	US & European ethnic food retail market, by cuisine (\$m), 1999-2009	61
Table 4.13:	Europe ethnic food retail market, by cuisine and country (% value), 2004	62
Table 5.14:	Natural (excluding organic) food and drink market, by category, (\$m), Europe & US, 2000-2010	79
Table 6.15:	Value of the organic food and drink market, (\$bn), Europe & US, 2005-2010	99
Table 6.16:	Value of organic food and drink markets, by key product markets, (\$bn), Europe and US, 2005-2010	100
Table 7.17:	Prevalence of obesity in the six major markets by age (000s), 2005	113
Table 7.18:	Adult population on a diet, US vs. EU (% adults), 2004	114
Table 7.19:	Health club membership, by country, (% population aged 6+), 2002-2008	114
Table 7.20:	Diet food and drinks market, (\$m), Europe & US, 2006-2010	116
Table 8.21:	Sales of energy food and drinks, (\$m), Europe & US, 2001-2011	128
Table 9.22:	Top 10 innovative lifestyle food and drink brands	146