How to Use Strategic Thinking to Navigate 2019 Consumer, Beverage, Food & Flavor Trends

Culinary Tides, Inc.
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Toxicologist, Chef, Dietitian
What We Do ...

We help food industry partners navigate trends by revealing relevant patterns so they can create meaningful products that connect with customers

Who We Work With:

All food industry segments including Food Service, Retail, Commodity Boards, & Ingredient Suppliers

- Our team looks for patterns in Chaos to aid strategy
- We specialize in foretelling a trend’s birth and forecasting its trajectory, personality, & longevity
- Our forecast results are used to create
  - Entrance
  - Navigation
  - Exit strategies

Where We Fit ...

With your Forecasting Department:

✓ Strategy, Marketing, Consumer Insights

We work with the team responsible for pushing trend information out to other groups

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<table>
<thead>
<tr>
<th>Forecasting Analytics: Linear vs. AI vs. Chaos</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Linear</strong></td>
</tr>
<tr>
<td>- Research: Quantitative data</td>
</tr>
<tr>
<td>- <strong>Business Intelligence:</strong> Statistical models</td>
</tr>
<tr>
<td>- <strong>Sources:</strong> Survey, Sales research</td>
</tr>
<tr>
<td>- <strong>Limits:</strong> Linear can’t</td>
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<tr>
<td>- Forecast new birth</td>
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<tr>
<td>- Explain trend origin</td>
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<tr>
<td>- Cross analyze unrelated topics</td>
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<tr>
<td>- Foresee upcoming changes</td>
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<tr>
<td>- Consider influencers</td>
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<tr>
<td>- <strong>Forecast:</strong> Static: Can’t consider</td>
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<tr>
<td>future influencers</td>
</tr>
<tr>
<td>- <strong>Use:</strong> Tracking, <em>not</em> forecasting</td>
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<tr>
<td><strong>AI</strong></td>
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<td>- <strong>Sources:</strong> Statistics, Programmed</td>
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<tr>
<td>- <strong>Limits:</strong> AI can’t:</td>
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<tr>
<td>- Search natural language</td>
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<tr>
<td>- Analyze new situations</td>
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<tr>
<td>- Cross analyze unrelated topics</td>
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<tr>
<td>- Investigate abstract reasoning</td>
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<tr>
<td>- Search unclassified data</td>
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<tr>
<td>- Reason, no common sense</td>
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<td><strong>Chaos</strong></td>
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<tr>
<td>- Research: Quantitative data</td>
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<tr>
<td>- <strong>Military Intelligence:</strong> Chaos models</td>
</tr>
<tr>
<td>- <strong>Sources:</strong> Unlimited: Survey, Sales,</td>
</tr>
<tr>
<td>Government, Technology, Competitor,</td>
</tr>
<tr>
<td>Adversary, Ally, Health, Behavioral, Food,</td>
</tr>
<tr>
<td>Beverage Research, AI</td>
</tr>
<tr>
<td>- <strong>Limits:</strong></td>
</tr>
<tr>
<td>- Analysts = “natural pattern recognizers”, 4% of population</td>
</tr>
<tr>
<td>- Time Consuming</td>
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<tr>
<td>- <strong>Forecast:</strong> Variable: Considers</td>
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<tr>
<td>future influencers</td>
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<tr>
<td>- <strong>Use:</strong> Tracking &amp; Forecasting</td>
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</tbody>
</table>
Consumers
Emotion Stall

Stall

Action
- Clanning
  - Sharables ↑
  - Regionalism ↑
  - Seek Alliances, Safety, Familiarity
- Dark Travel
  - Post War / Apocalyptic
    - Healing ↑
    - Control ↑
- Sustainable
  - Comfort returns
  - Organic ↑
  - Local ↑
  - Fair Trade ↑

Food & Beverage
- Comfort returns

Reaction
- Distrust ↑
- Safety ↓
- Story / History
  - Authentic
  - Grounded ↑
  - Safe ↑

Control

Healing

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### Consumers Practice Mindful Eating, Seek Balance

<table>
<thead>
<tr>
<th>Source</th>
<th>Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaged Facts</td>
<td>54% of adults say they always try to eat a balanced diet</td>
</tr>
<tr>
<td>Spins</td>
<td>Conventional snacking market declined 2% annually over the past three years, while health-and-wellness snacking grew 6% annually</td>
</tr>
<tr>
<td>Center for Food Integrity</td>
<td>Only 28% strongly agree with the following statement: “I have access to all the information I want about where my food comes from, how it’s produced, and its safety”</td>
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<tr>
<td>Ingredient Communications, Surveygoo</td>
<td>Up to 44% of respondents would be willing to pay 75% more for a dishes containing ingredients they knew and trusted</td>
</tr>
<tr>
<td>IFIC</td>
<td>Topping the list of components considered to be healthful is fiber (87%), whole grains (84%), protein from plant sources (72%)</td>
</tr>
</tbody>
</table>
Health Ally: Protein (Animal / Plant Infighting)

- **Research:**
  - *Mintel* - Americans seeking healthy products - 63% look for protein, 61% fiber, 57% whole grains, 36% organic
  - *HealthFocus International* - 52% of consumers claim to be eating more plant-based foods, 63 percent say they are increasing their use of plant-based foods
54% of consumers would like to eat more plant-based foods/beverages.
50% of Americans agree plant-based proteins are better for you than animal-based, 75% believe plant-based foods are healthy.
55% reported reducing consumption of processed meat, 41% are reducing the amount of red meat.
Retail sales of plant-based food grew 17% in 2018, plant-based meat sales increased 23%, 12% of US households purchase plant-based meat.
Health Ally: Fermented Foods

Innova - 18% average annual growth of food and beverage launches with fermented claim from 2013-2017
SPINS - US retail sales of refrigerated kombucha and other fermented beverages rose 37.4% to $556m in 2017
Nielsen - Double-digit sales growth came from kombucha, up 42% to $412 million in 2018
Upserve - Consumption of fermented foods and drinks increased 149% during 2018
Fermented Foods: Clinical Health Research

Immune Function
- Yogurt
- Sauerkraut
- Kimchi
- Kefir
- Tempeh
- Kombucha
- Natto

Digestion
- Sauerkraut
- Kimchi
- Kefir
- Kombucha
- Miso
- Tempeh
- Yogurt

Cognitive Function
- Garlic
- Tempeh
- Yogurt
- Kefir
- Soymilk
- Natto
- Kimchi
Consumers Insights

New Nutrition Business
- 18% of respondents said kefir is good for digestive health 2018
- 16% said sauerkraut/fermented vegetables are good for digestive health

Hartman
- 38% of consumers say they are consciously adding probiotics to their diet

Upserve
- Consumption of fermented foods and drinks increased 149% during 2018

Google
- Web searches for “improving gut health” increased 250% - yr ending 6/18
- Interest in “anxiety and gut health” rose 200%
Fermented Foods: Time Link 1980’s-2019

- Kimchi (Korea)
- Natto (Japan)
- Greek Yogurt (Mediterranean)
- Kefir (Russia)
- Sourdough Bread (USA)
- Lassi (India)
- Kombucha (Japanese)
- Miso (Japan)
- Pickles (Global)

* Birth
Flavor Evolution: Morph

*Morph - cousin steals the spotlight

Comfort Foods  Hybrids, Stuffed  Fusion  Molecular Gastronomy

Recession  Mid Recovery  Full Recovery
Fusion to Fringe

**Definition**

- **Fusion**: Flavors and foods from two cultures come together in unique ways.
- **Molecular Gastronomy**: Blends physics and chemistry to transform the tastes and textures of food.
- **Fringe**: Not part of the mainstream; unconventional, peripheral, or extreme.

**Translation**

- **Fusion**:
  - Tex Mex
  - Pan Asian
  - Yōshoku (Western influence Japanese)
  - Korean/Mexican (Kogi food truck)
  - Deep South / Japanese (The Peached Tortilla)

- **Molecular Gastronomy**:
  - Liquid nitrogen
  - Immersion blender (Foams)
  - Spherification (Caviar)
  - Fermentation
  - Edible paper
  - 3-D printing
  - Syringe

- **Fringe**:
  - Insects
  - Algae
  - Lethals (Fugu, Sannakji, Casu Marzu)
  - Invasivors (weeds, lionfish)
  - Lab Grown
  - Cannabis Cuisine
Food Forecast 2019

Cuisines / Factions

- Plant based
- Regional ethnic

Meal Types / Settings

- Breakfast anytime
- Street food
- Tactile
- Kids meals
- Seasonal, LTO
- Heritage
- Snacks
- Solo
- Seasonal, LTO
- Upscale C-Stores
- Fine casual
- Grocerants
- Airport lounges
- Food Trucks
- Open kitchens
- Solo

Meal Types

- Snacks
- Heritage
- Regional ethnic

Setting

- Kids meals
- Free From
- Nutrient dense
- Fiber
- Beans, Pulses

Preparation

- Meal kits
- Speed scratch
- Hot pot
- Foil pkt
- Live fire
- Puffed

Sustainability

- Ethical
- Organic
- Hydroponics
- Invasivores
- Zero waste
- Seasonal
- Local

Food / Flavor

- Plant based
- Roasted
- Sheet pan
- Live fire
- Puffed
- Foil pkt
- Hot pot
- Pickled, Sour, Fermented

Health

- Protein
- Grains
- Flexitarian

Flexitarian

- Kids Meals
- Free From
- Nutrient dense
- Fiber
- Beans, Pulses
Beverage Forecast 2019

**Styles / Varietals**

- Tannat
- Barrel aged
- Rioja
- Orange
- Bordeaux
- Cabernet Franc
- Sotol
- Mezcal
- Aquavit
- Shrub
- Rum
- Tea, coffee based
- Artisan whiskey
- Beertails
- "Session"

**Cocktails**

- Infused spirits
- Tiki
- Culinary
- Wine

**Beer / Cider**

- Milkshake IPA
- Craft lagers
- Sour beer
- Ginger beer
- Global cider
- Rose

**Wine**

- Bordeaux
- Rioja Pet-Nat
- Chardonnay
- Chianti
- Cabernet Franc
- Tannat
- Rose

**Beertails**

- "Session"
Beverage Forecast 2019

Non-Alcohol
- Switchels, drinking vinegars
- Mocktails
- Plant milks - barley, flax, oat, hemp
- Nitro Gourmet lemonade
- Frozen Craft sodas
- Horchata
- Plant waters - aloe, cactus, maple
- Mocktails

Styles / Varietals
- Cold pressed
- Nitro
- Gourmet lemonade
- Frozen
- Craft sodas
- Lassi, Kefir
- Horchata
- Plant waters - aloe, cactus, maple
- Mocktails

Add Ins / Preps
- Infused, smoked, branded ice
- Tamarind
- Sumac
- Infused syrups
- Smoke
- Mushrooms
- Batched
- Barrel aged
- Fermented
- Sparkling
- Mushrooms
- Rainbow, branded ice
- Instagram worthy
- Butterfly pea
- Kombucha
- Sparkling
- Cheese Tea
- Cascara
- Cold brew
- Mushroom
- Cold brew

Coffee / Tea
- House roasted
- Nitro coffee
- Cold brew
- Mushroom
- Cold brew

Global grains
- Barrel aged
- Batched
- Butterfly pea
- Kombucha
- Cheese Tea
- Cascara
- Rooibos tea

Add Ins / Preps
- Infused syrups
- Global grains
- Bitters
- Chilies
- Yuzu
- Florals
- Nitro
- Instagram worthy
- Barley
- Flax
- Oat
- Hemp
Beverage Trends

*Pathway Analysis - Gap analysis used to determine entrance strategy

**Health**
- Kids
- Obesity
- Wt. Control

**Cocktail**
- Comfort
- Travel
- Regional

**“Cool”**
- “Secret”
- Kids
- Ancient Health
- Global / Regional

**Inspiration**
- Benefit
- Control
- Story / Voice

**Path**
- Cold pressed / raw
- Teas
- Kefir, Kombucha
- Unblended Smoothies
- Vegetable / Grains

**Story / Voice**
- Healing
- Grounded

**Translation**
- Bubbles
- Spicy, Bitter
- Gin, Whisky
- Savory
- Hard Cider, Soda
- Infused spirits

**Freedom**
- Escape
- Exclusivity

**Barrel aged**
- Infused, smoked ice
- Nitro coffee
- Culinary
- Bubbles
- Smoke

*Plant waters (coconut, aloe, cactus, cucumber, etc.) fit in all 3 categories*
Cuisine Close-Up
Middle East / No. Africa: Support Matrix

- Factions
  - Vegetarian
  - Breakfast
  - Head to Tail
- Travel
  - Jordan
  - Morocco
  - Israel
  - Oman
  - Syria
  - Beirut
  - Iran
  - Dubai
- Regional Cuisine
  - Gaza
  - Israel
  - Iran
  - Iraq
  - Lebanon
  - Liberia
- Consumer
  - Healing
  - Hope
  - Adventure
  - Experimental
  - Exotic
  - Control
  - History
- H&W
  - Whole Grains
  - Florals
  - Beans
  - Almonds
  - Fermented
  - ↑ Spice, ↓ Salt

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Infant: Middle East/No. Africa: Birth Path 2/01-2/19

- Travel Ind.
- Universities
- Diet Ind.
- Industry Mags
- TV/News Mags
- Consumer Mags
- Grocery
- Consumer
- Wine Ind.
- Packaging
- Suppliers
- Food Mnf./RCA/IFT/ASTA
  - Family / Quick Serve Restaurants
  - Hi-End Restaurant/Celebrity Chef
  - Bars/Cocktails
  - Governments
  - Hollywood
  - Book Publishers
  - Cosmetics / Beauty
  - Pharmaceutical
  - Biotech

*Birth
Fusion Birth: Nordic Cuisine

* Fusion Birth: Multiple Birth Parents

**Other Traits:**
- Cross ties Arctic & EU – Antarctica, Nepal, Lapland, Iceland, Norway, Scandinavia, Finland, Netherlands, Greenland, Alaska, N. Canada
- Travel here signals solitude, bravery, $$, fearlessness, curiosity, exploration
- The World Health Organization (WHO) found that both the Mediterranean and Nordic diets reduce the risk of cancer, type 2 diabetes, and heart disease
Nordic Birth Pattern (Infant): 1/11-1/19

- *Birth
- Travel Ind.
- Wine Ind.
- Packaging
- Bakery
- Food Mnf./RCA/IFT/ASTA
- Family / Quick Serve Restaurants

- Hi-End Restaurant/ Celebrity Chef
- Overseas – Not USA

- Universities
- Diet Ind.
- Industry Mags
- TV/News Mags
- Consumer Mags
- Grocery
- Consumer

- Bars/Cocktails
- Governments
- Hollywood
- Book Publishers
- Cosmetics / Beauty
- Pharmaceutical
- Biotech

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Industry Forecast: 2019

• Convenience
  – Convenience will wax and wane with economic conditions, consumer confidence
    • Economic indicators & consumer confidence ↑, demand for convenience ↑

• Snacking
  – Snacking acts as a competitor to other day parts
  – Snacking recognized as a contributor to obesity

• Breakfast
  – Breakfast is mealtime to watch for signals of economic recovery
  – Breakfast traffic ↑ = sign that economy ↑

• Protein
  – Vegetarian / Flexitarian interest will be linked directly to consumer sustainability & obesity concerns
    • Sustainability & Obesity concerns ↑ = Veg / Flex interest ↑
  – Vegetable protein technologies will surpass animal protein options for functional range
  – Animal protein regains footing -offers nutrients unmatched in vegetable protein – calcium, zinc, vit D, B12

• Flavors
  – Flavors / cuisines- more extreme, adventurous items as recovery unfolds
  – Beverages regionalize
  – Fruits/seasonings demonstrate consumer experimentation vs. caution
  – Beverage, meat, dessert categories act as barometers for consumer mood
  – Cocktails, craft beer, wine $ ↑, desserts ↑, insect eating = recovery behavior
  – Cheap domestic beer, wine $ ↓, cocktails ↓, desserts ↓, meatloaf = recession behavior
Final Thoughts

- Know the birth and lifecycle of a trend prior to deciding to enter so you can foretell how to navigate it.

- Neither love nor hate a trend – emotions will fog the trend’s true pattern and you may be blindsided when it shifts.

- Spend more time researching a trend’s personality and trajectory than worrying about what your competitors are doing – after all, they may be idiots.
Thank You!

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