



Culinary Tides

• *looking past the breakers...*

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

Culinary Tides, Inc.

Suzy Badaracco, President
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



Forecasting Analytics: Linear vs. AI vs. Chaos

Linear

- **Research:** Quantitative data
- **Business Intelligence:**
Statistical models
- **Sources:** Survey, Sales research
- **Limits:** Linear can't
 - Forecast new birth
 - Explain trend origin
 - Cross analyze unrelated topics
 - Foresee upcoming changes
 - Consider influencers
- **Forecast:** Static: Can't consider future influencers
- **Use:** Tracking, *not* forecasting

AI

- **Research:** Quantitative data
- **Business Intelligence:**
Statistical models
- **Sources:** Statistics, Programmed
- **Limits:** AI can't:
 - Search natural language
 - Analyze new situations
 - Cross analyze unrelated topics
 - Investigate abstract reasoning
 - Search unclassified data
 - Reason, no common sense
- **Forecast:** Static: Can't consider future influencers
- **Use:** Tracking, *not* forecasting

Chaos

- **Research:** Quantitative data
- **Military Intelligence:**
Chaos models
- **Sources:** Unlimited: Survey, Sales, Government, Technology, Competitor, Adversary, Ally, Health, Behavioral, Food, Beverage Research, AI
- **Limits:**
 - Analysts = "natural pattern recognizers", 4% of population
 - Time Consuming
- **Forecast:** Variable: Considers future influencers
- **Use:** Tracking & Forecasting

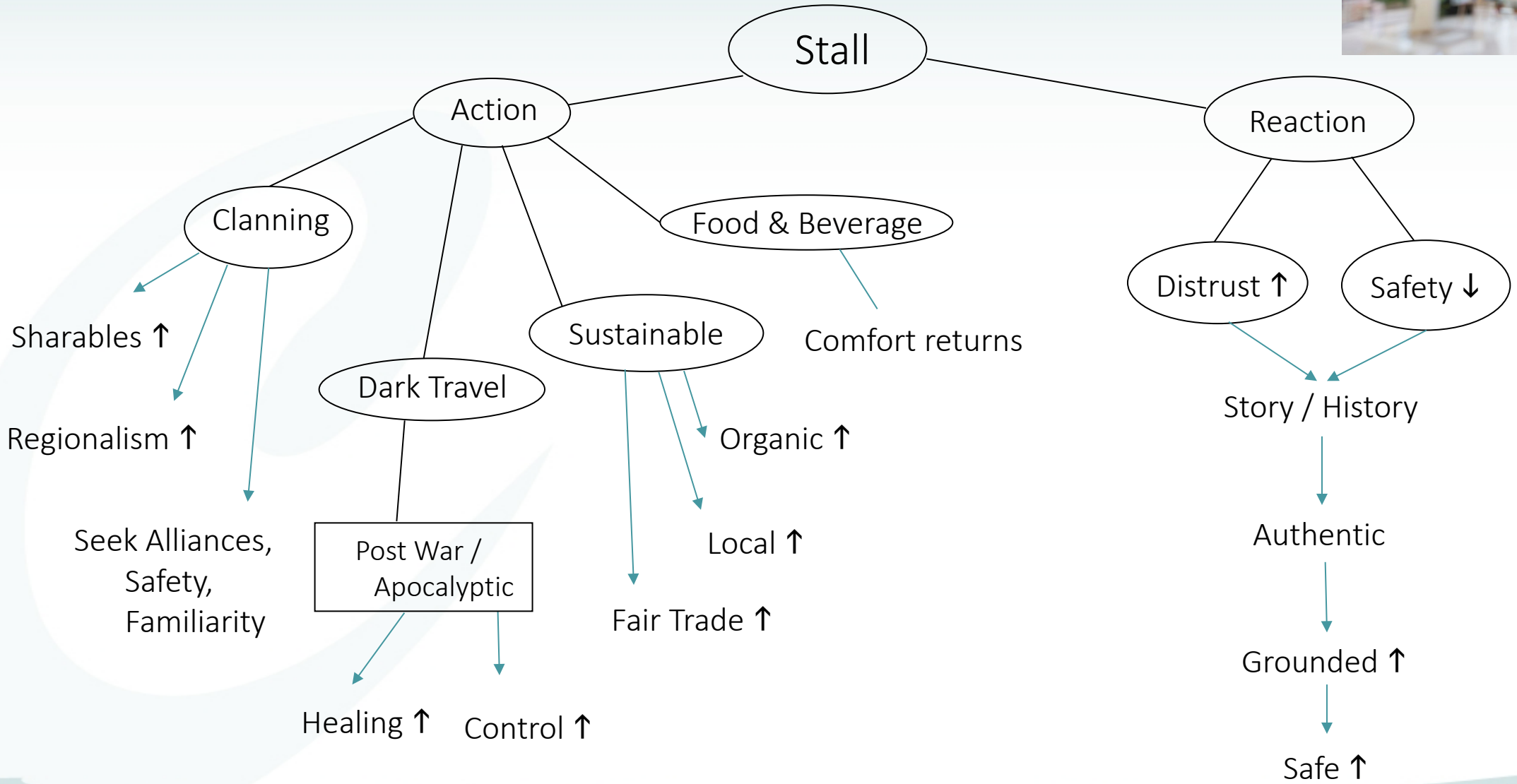


Consumers





Emotion Stall





Consumer Forecast 2019





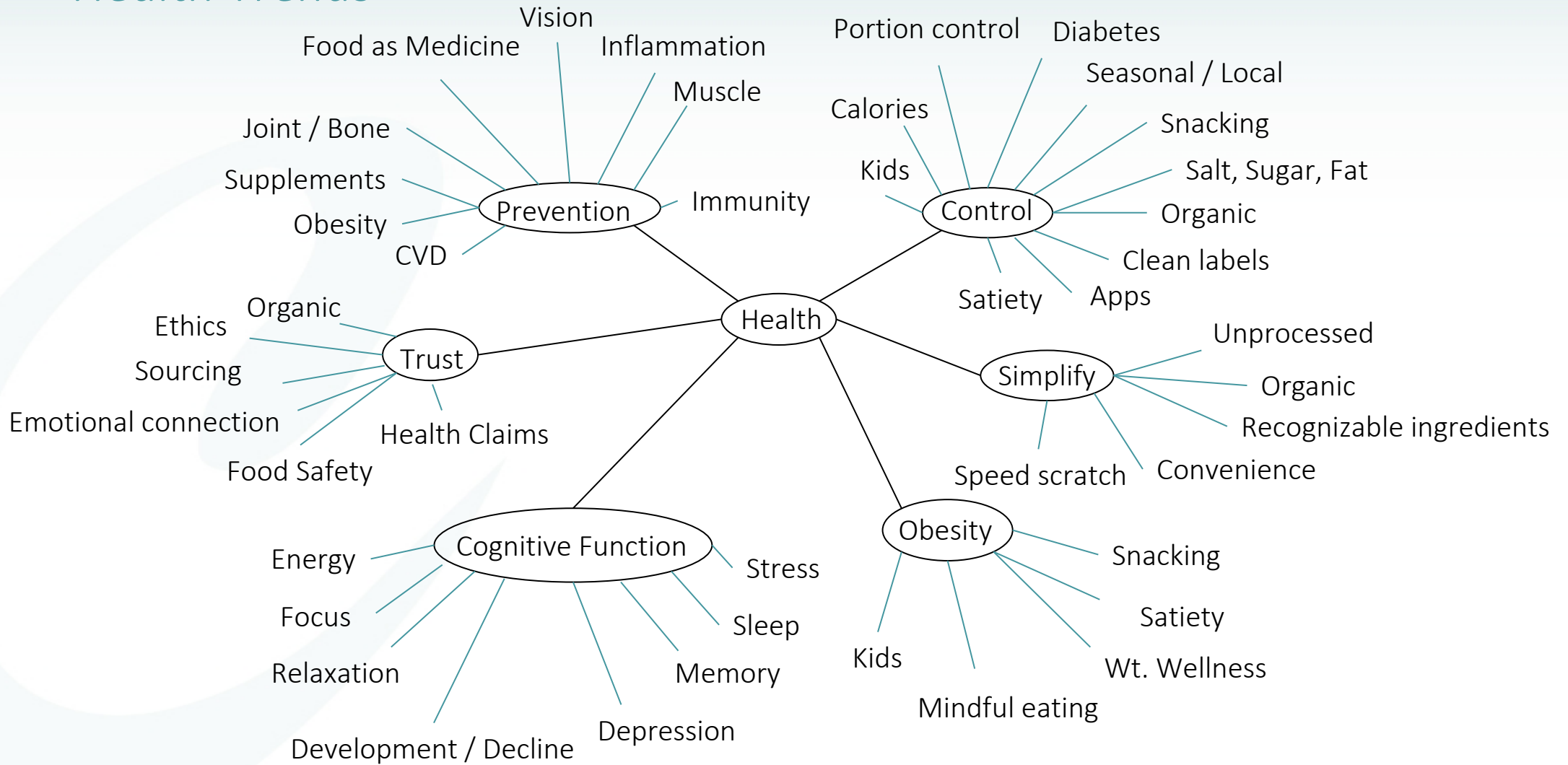
Health Horizons





Drivers

Health Trends





Consumers Practice Mindful Eating, Seek Balance

- Packaged Facts → • 54% of adults say they always try to eat a balanced diet
- Spins → • Conventional snacking market declined 2% annually over the past three years, while health-and-wellness snacking grew 6% annually
- Center for Food Integrity → • 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”
- Ingredient Communications, Surveygoo → • Up to 44% of respondents would be willing to pay 75% more for a dishes containing ingredients they knew and trusted
- IFIC → • Topping the list of components considered to be healthful is fiber (87%), whole grains (84%), protein from plant sources (72%)



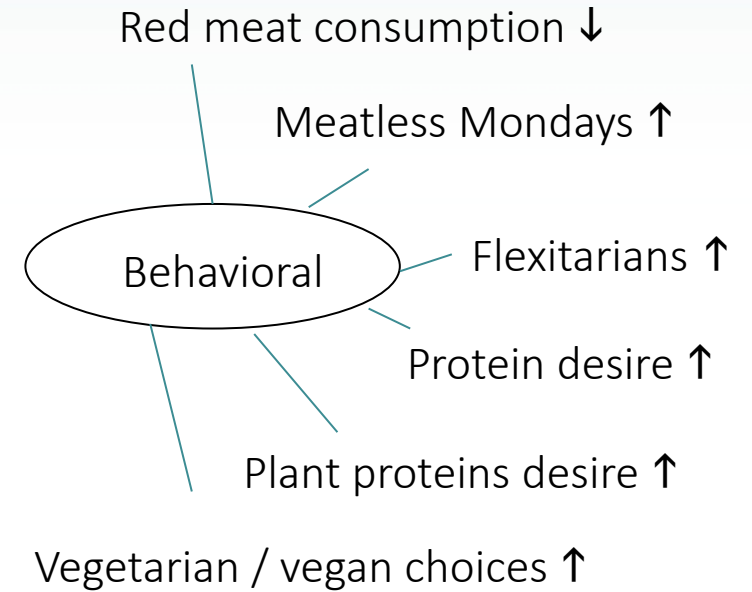
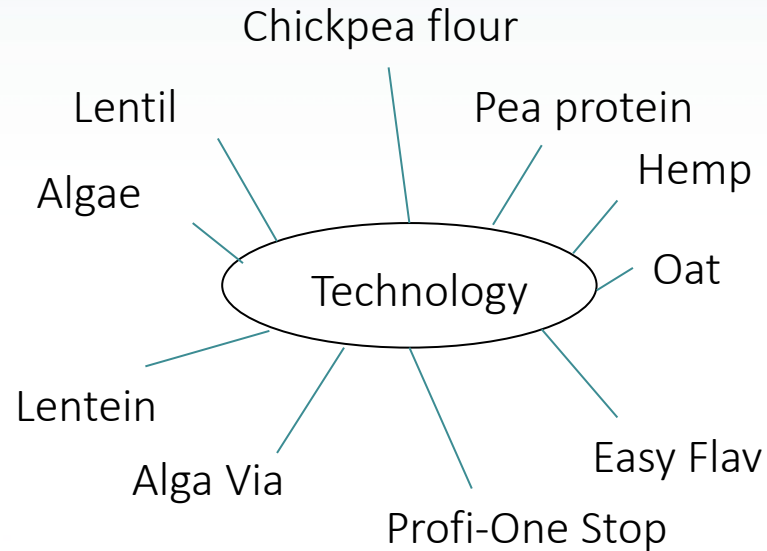
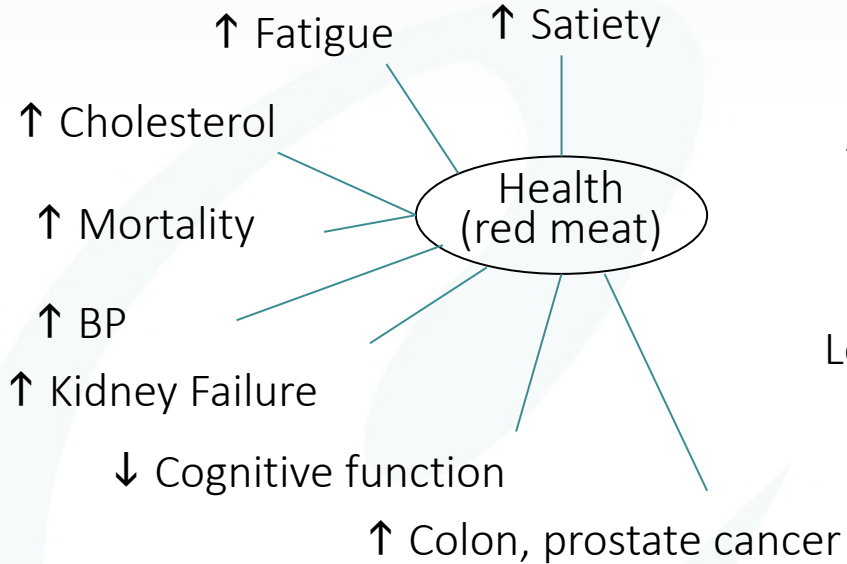
Health Ally:

Protein (Animal / Plant Infighting)

Birth Pattern: Courier

Parents

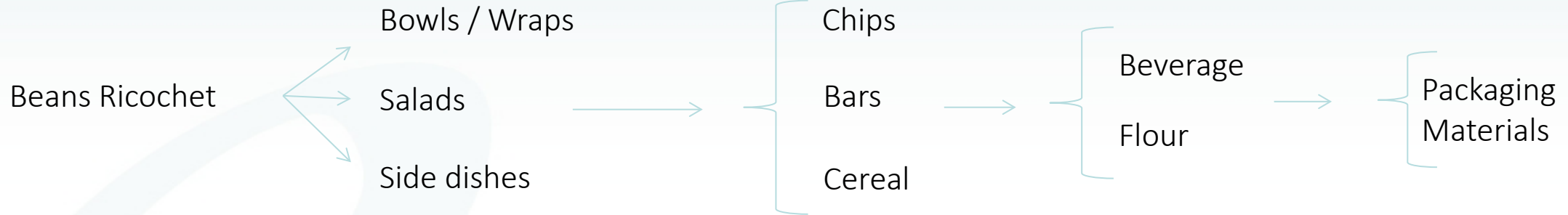
→ Diet Industry



• 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

Plant Protein Posterchild - Beans Jump Categories



Hartman

Mintel

Johns Hopkins

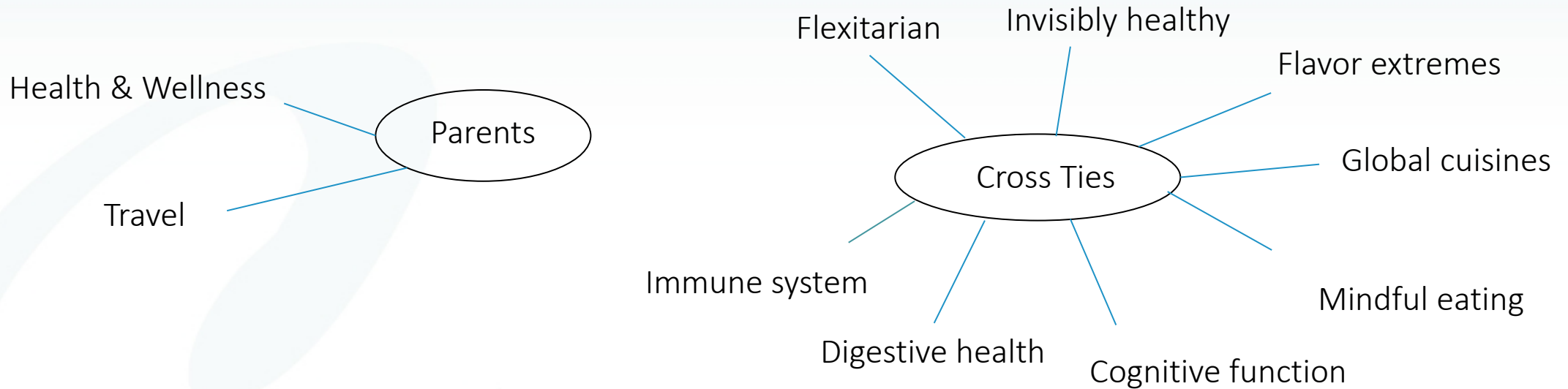
Nielsen

- 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*

Birth Pattern: Fusion



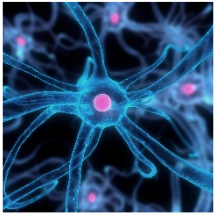
Innova - 18% average annual growth of food and beverage launches with fermented claim from 2013-2017

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

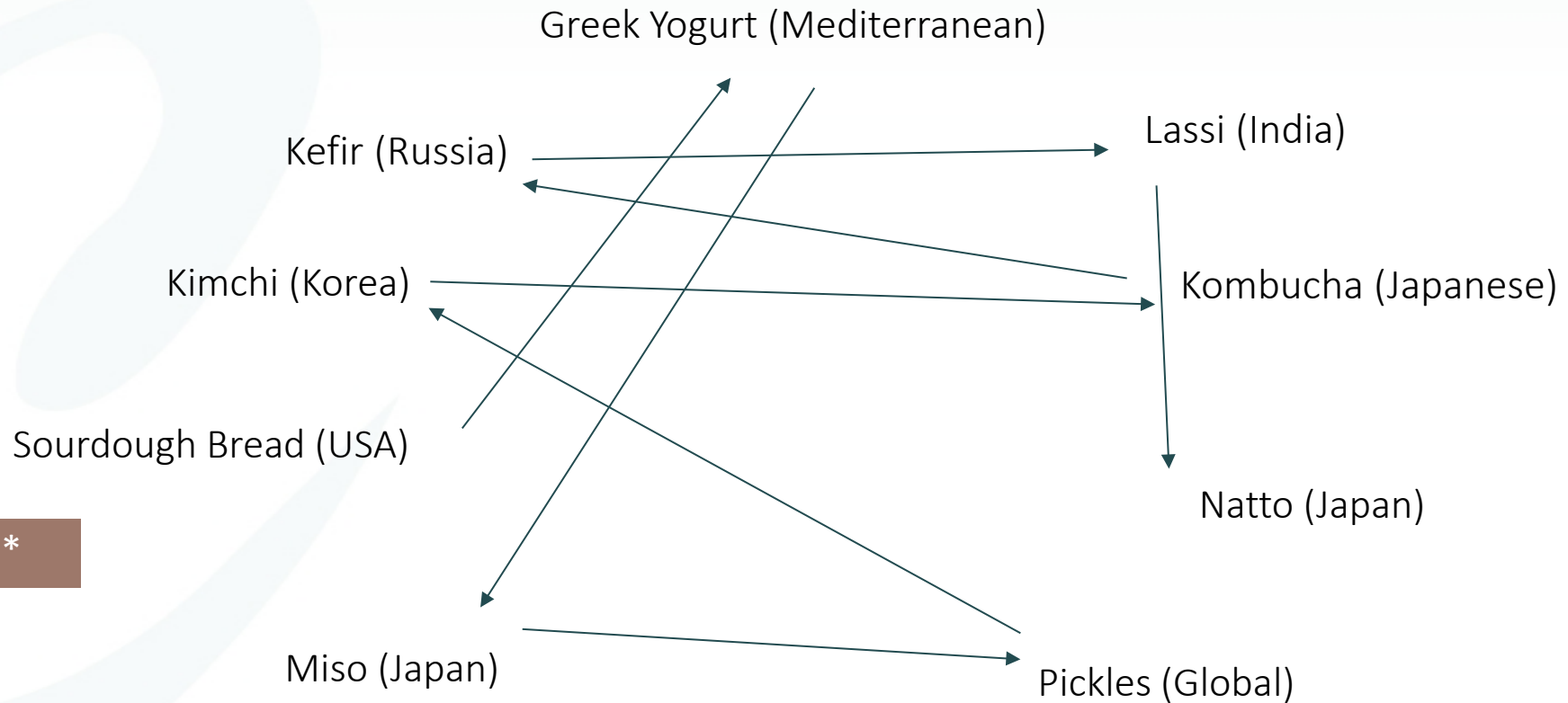
- Consumption of fermented foods and drinks increased 149% during 2018

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



 BIRTH*



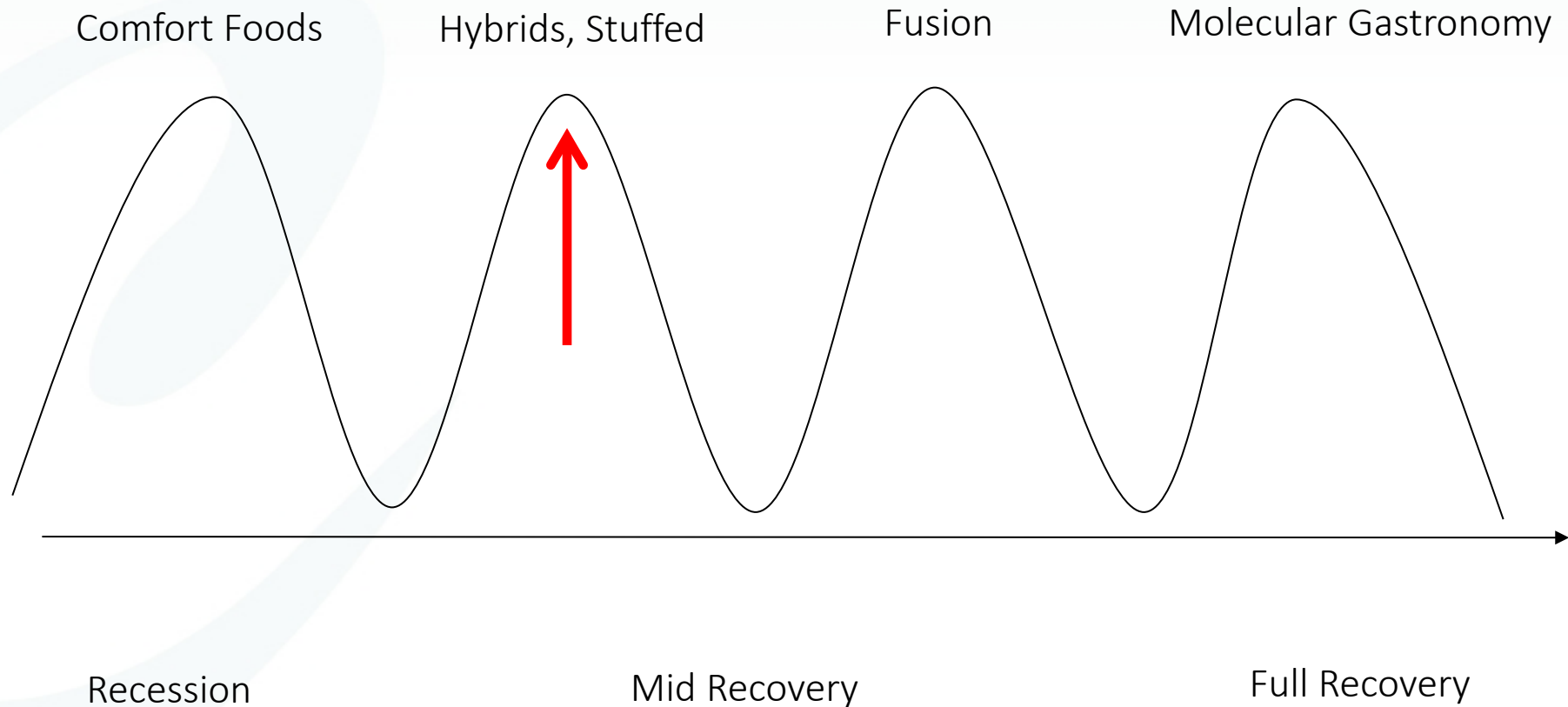
Flavor Horizons





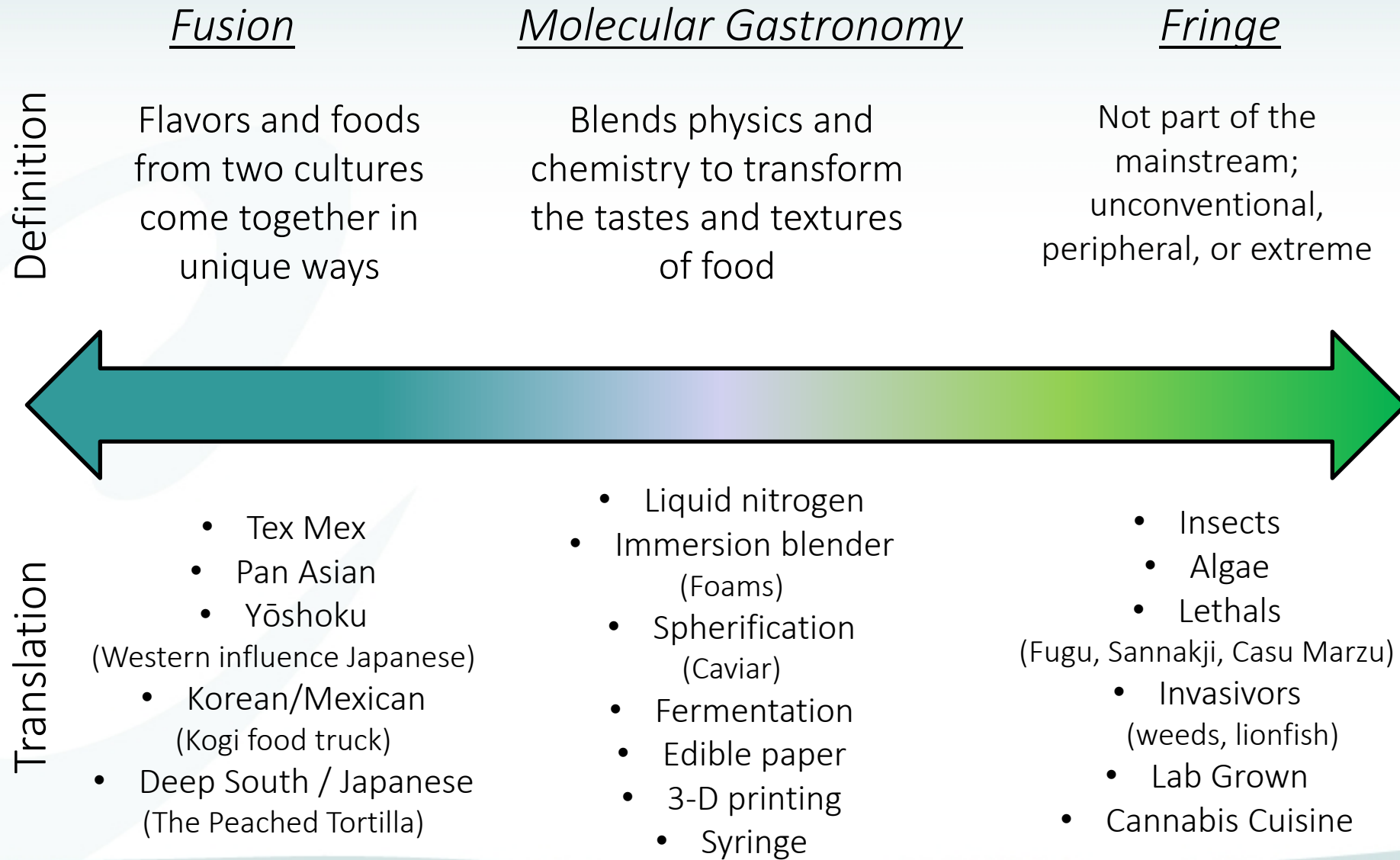
Flavor Evolution: Morph

**Morph - cousin steals the spotlight*



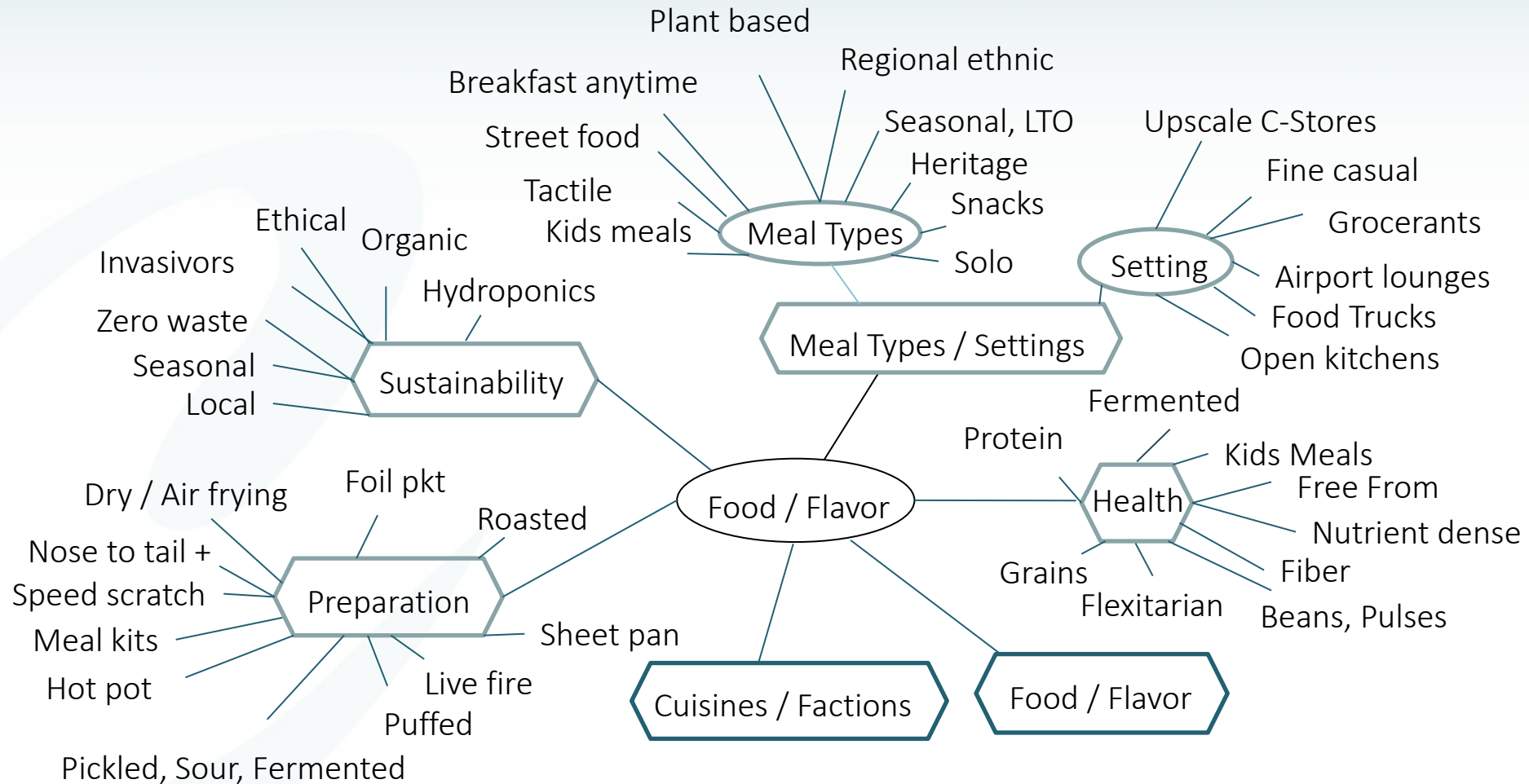


Fusion to Fringe



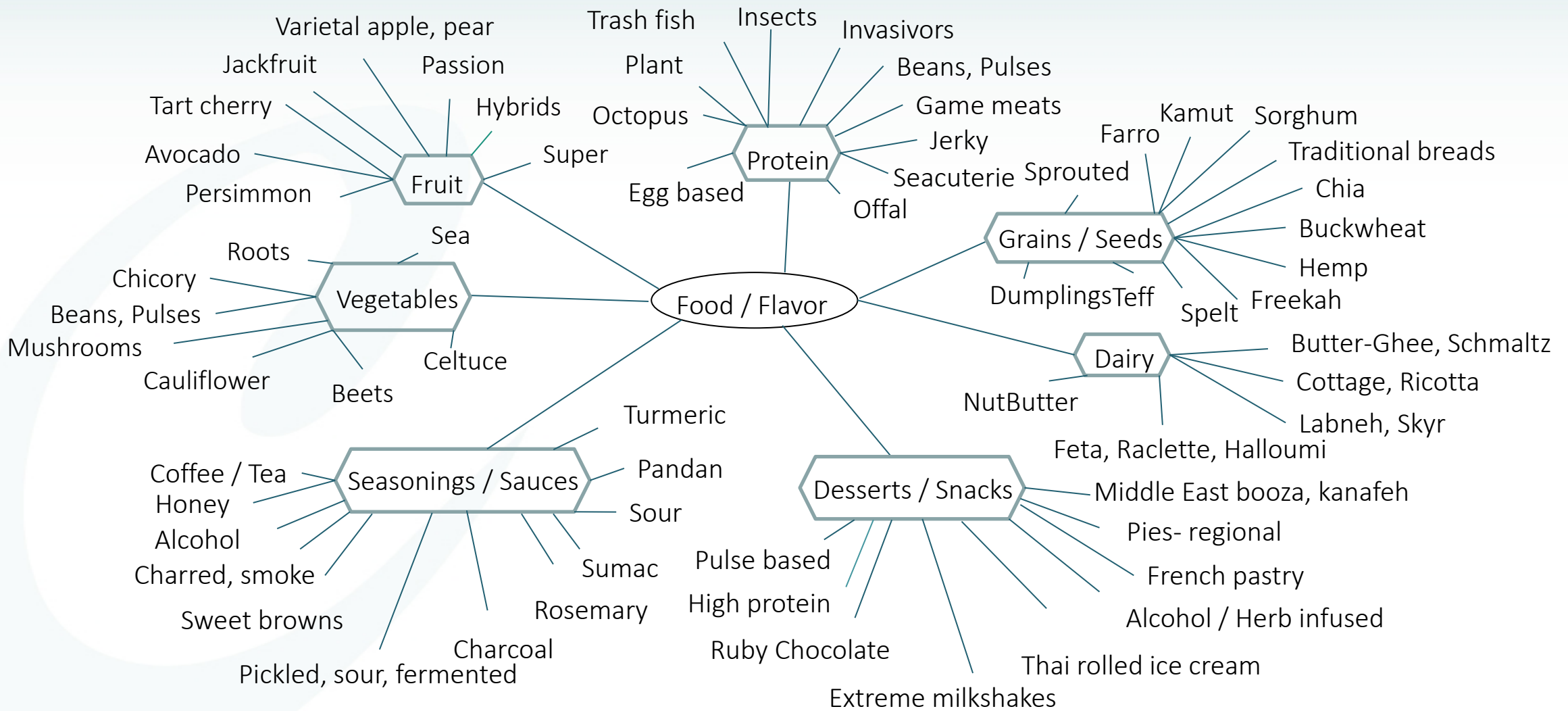


Food Forecast 2019



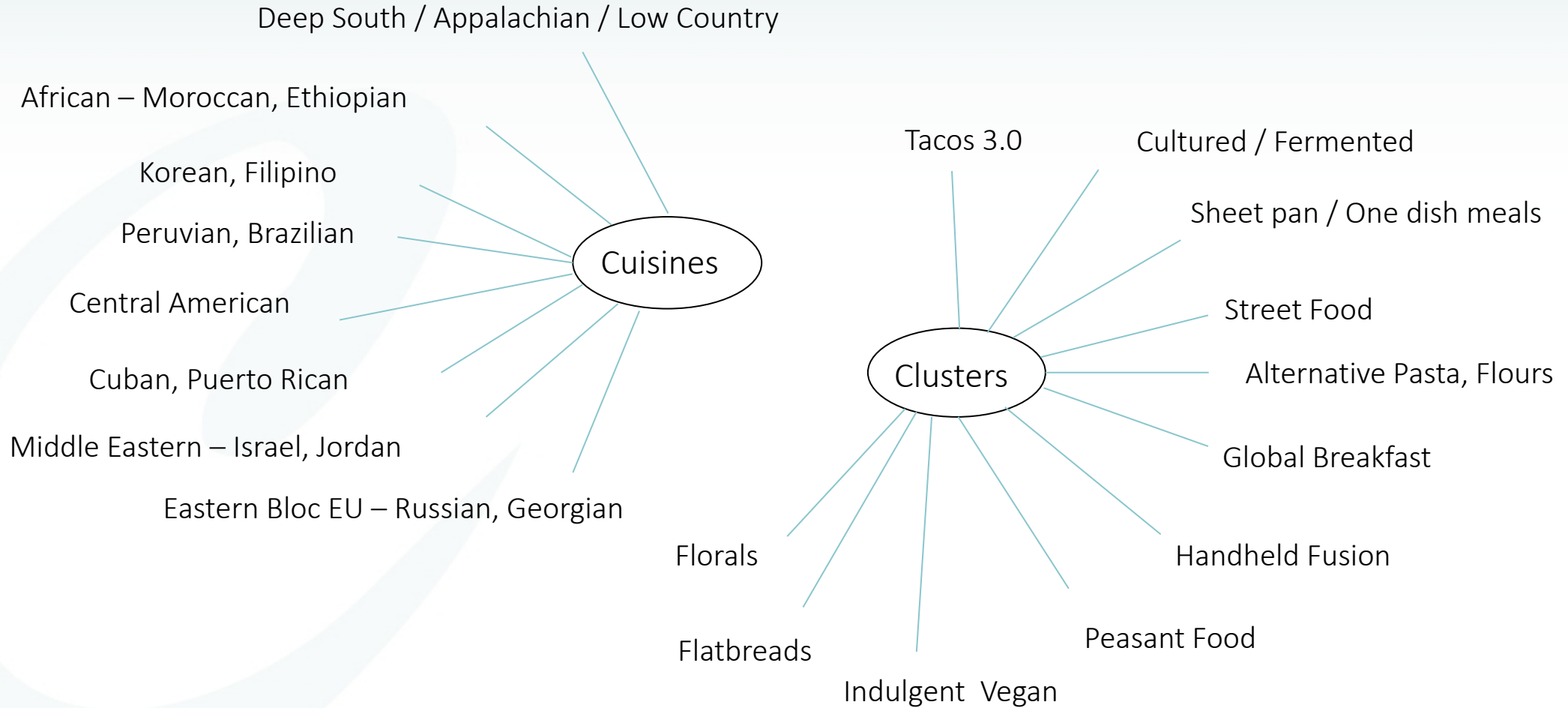


Food Forecast 2019



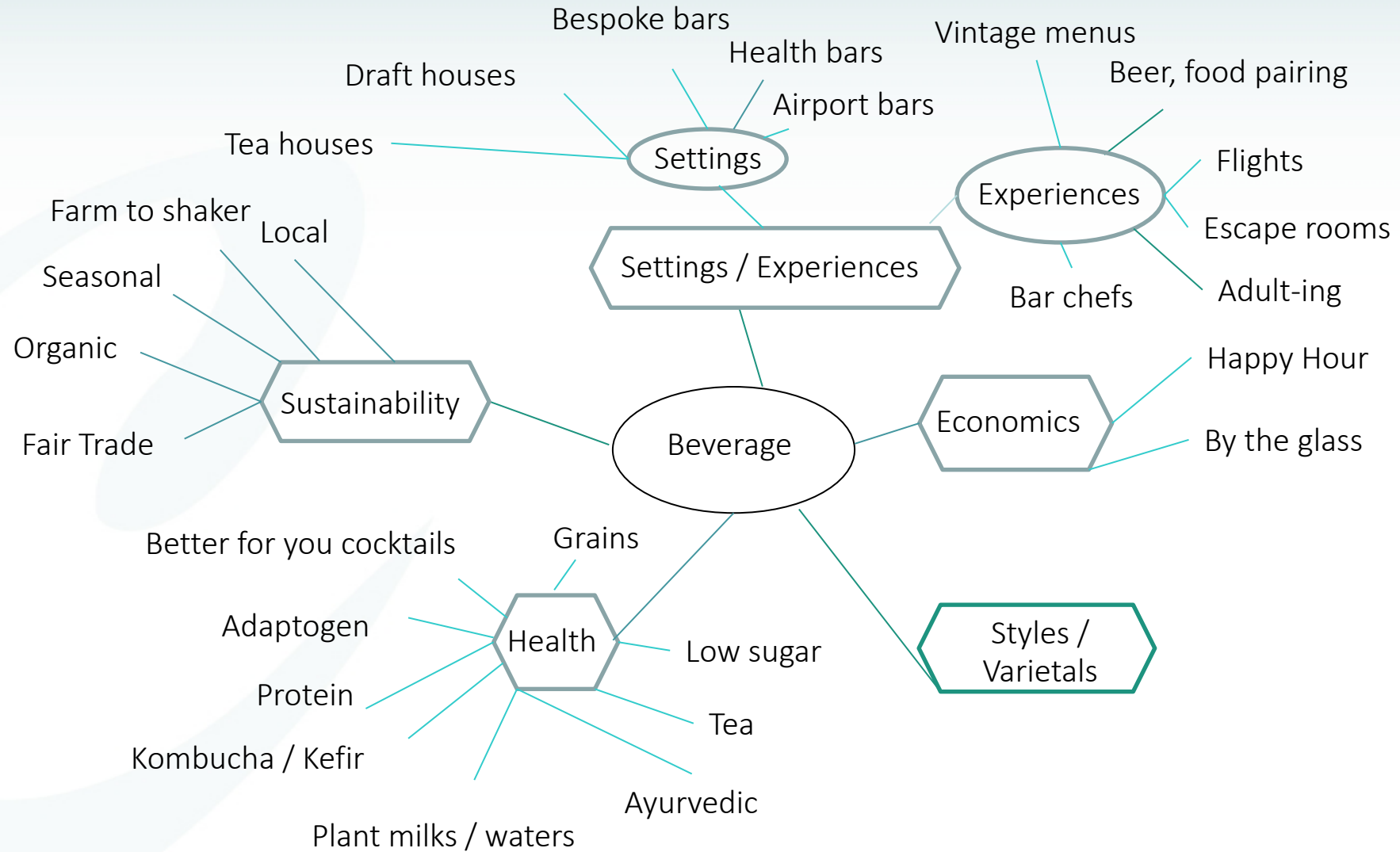


Cuisines & Clusters



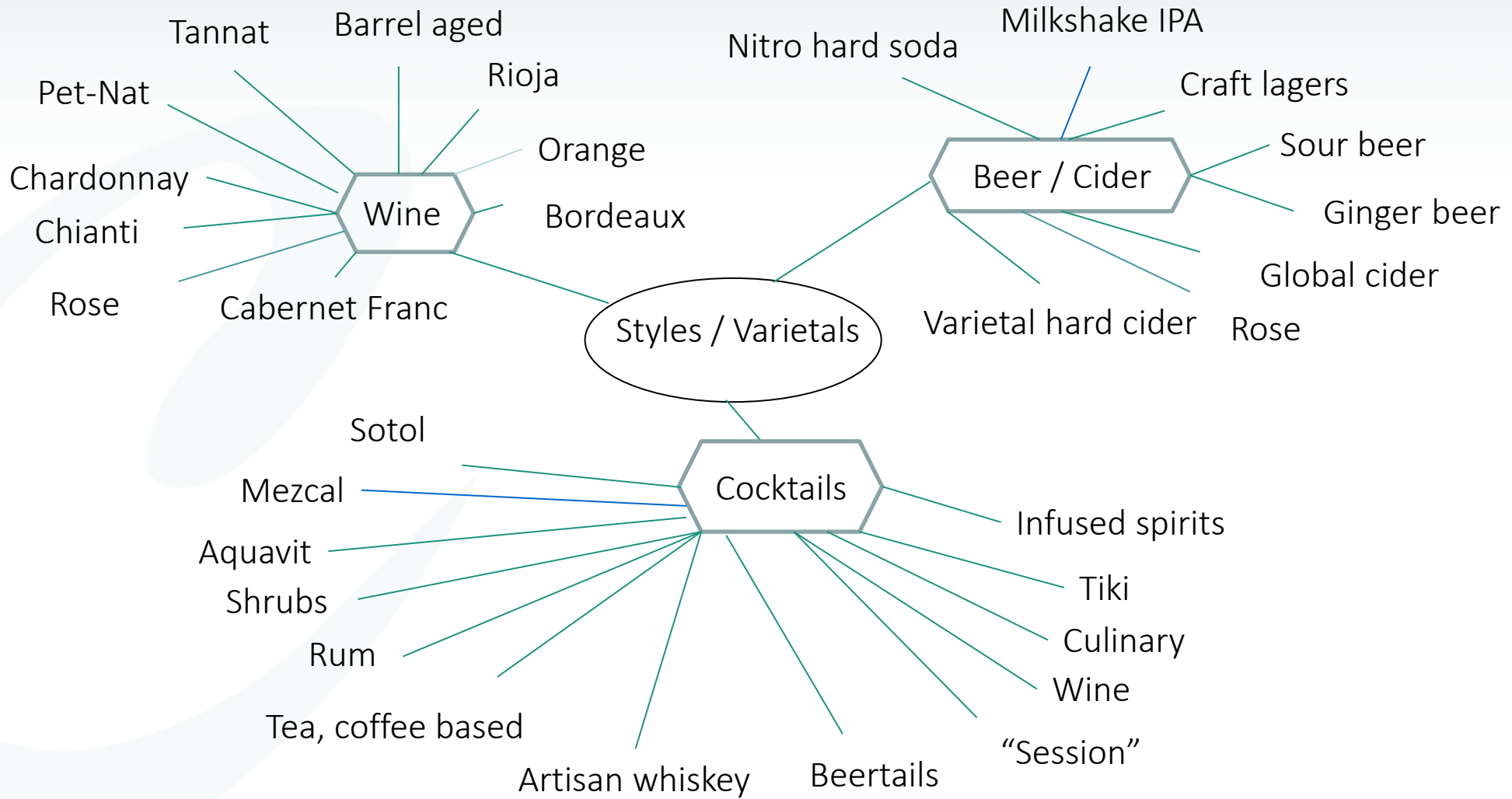


Beverage Forecast 2019



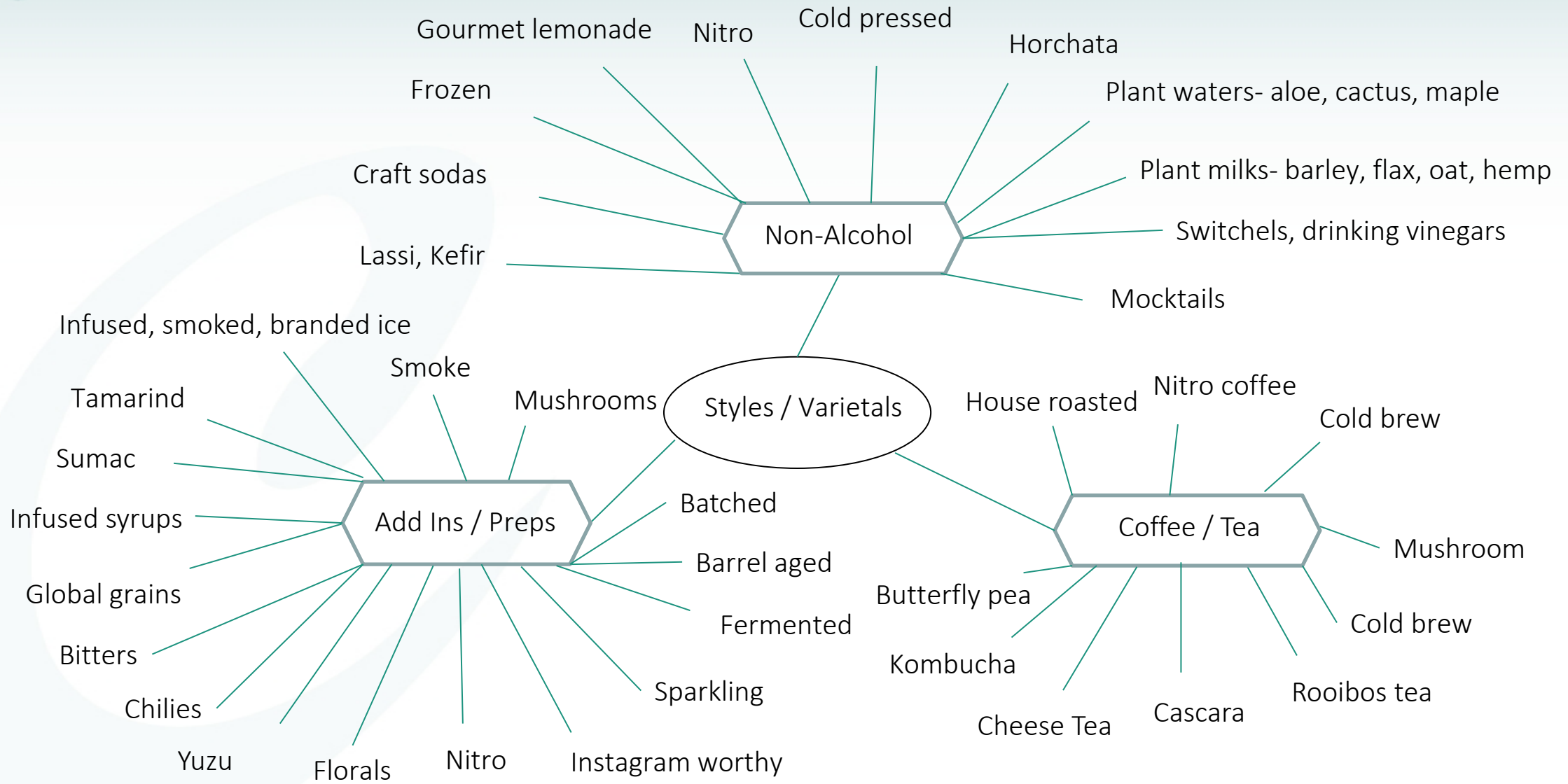


Beverage Forecast 2019





Beverage Forecast 2019





Beverage Trends

**Pathway Analysis - Gap analysis used to determine entrance strategy*



**Plant waters (coconut, aloe, cactus, cucumber, etc.) fit in all 3 categories*

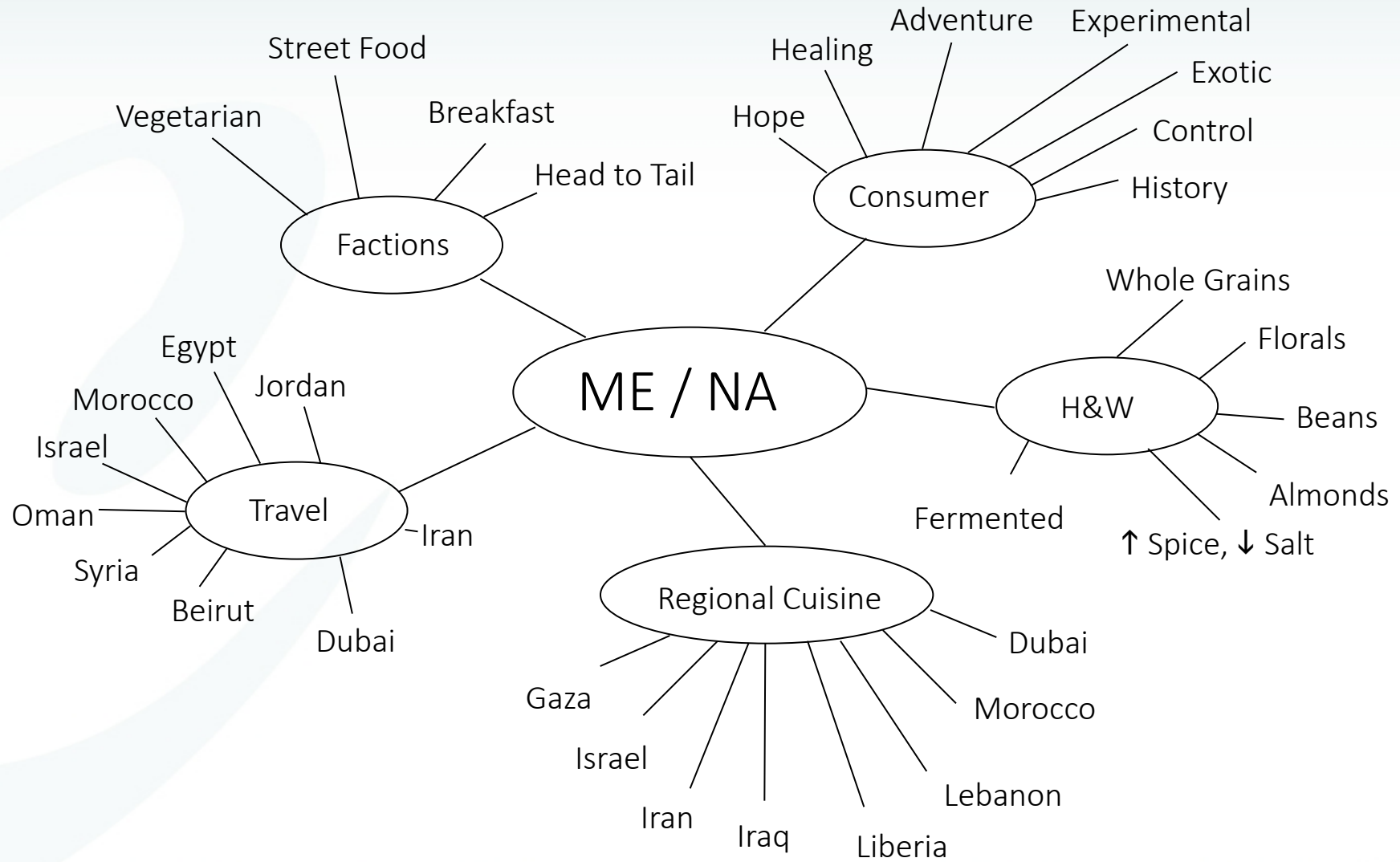


Cuisine Close-Up



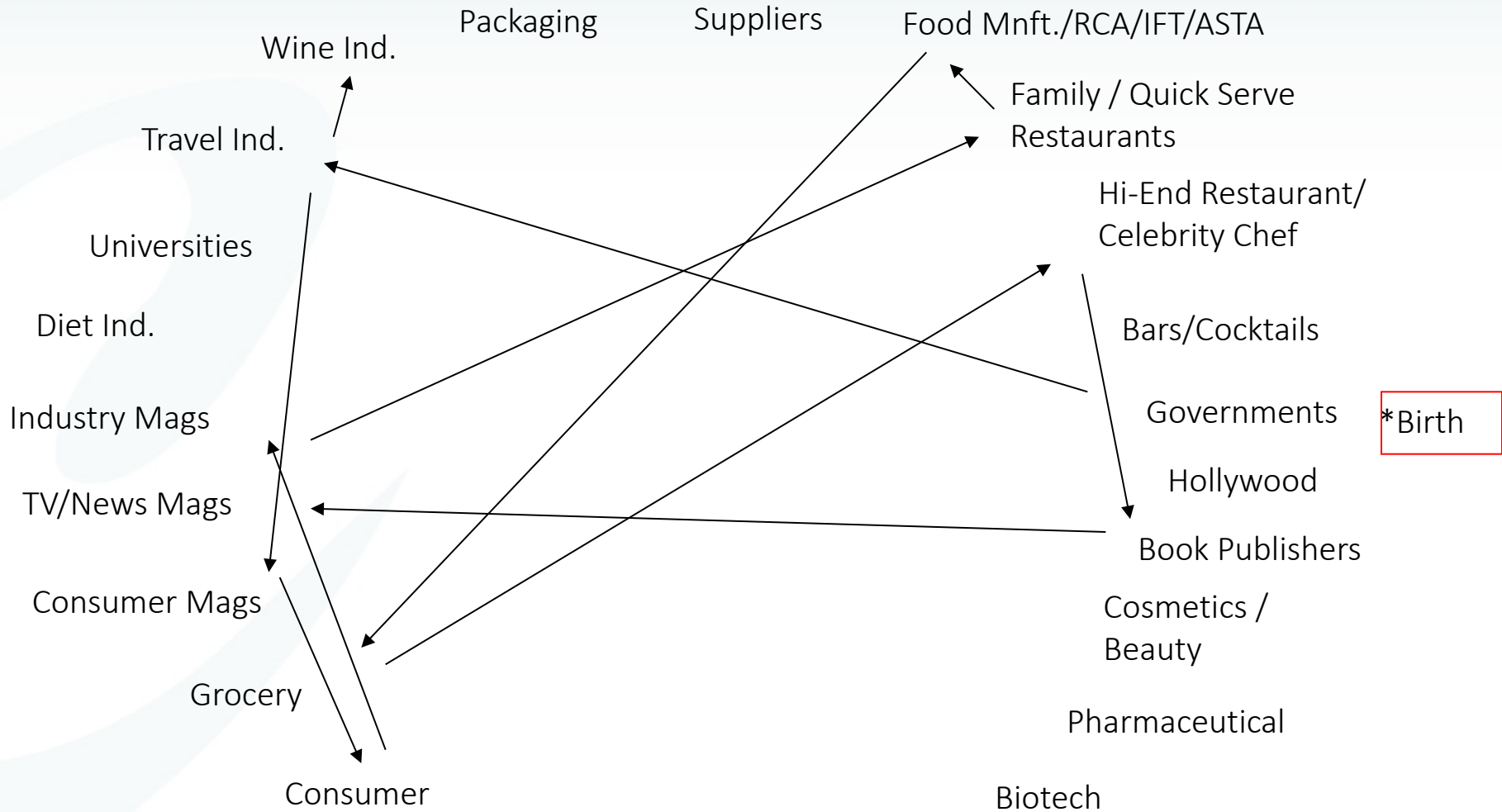


Middle East / No. Africa: Support Matrix





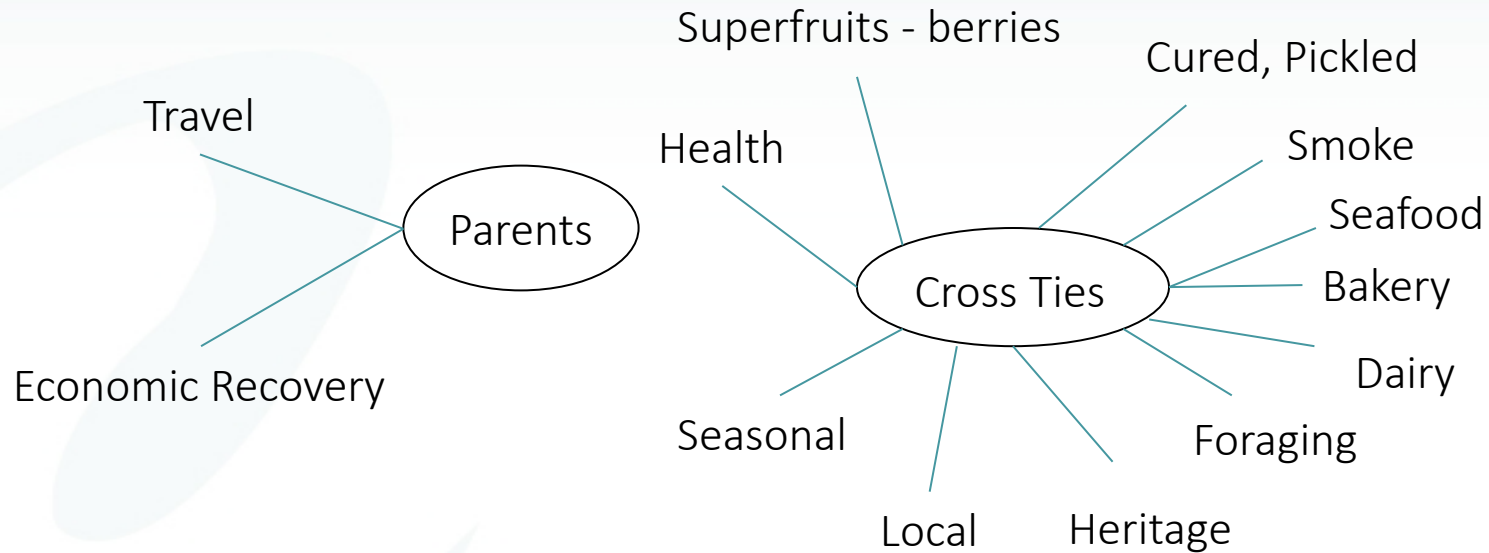
Infant: Middle East/No. Africa: Birth Path 2/01- 2/19





Fusion Birth: Nordic Cuisine

** Fusion Birth: Multiple Birth Parents*

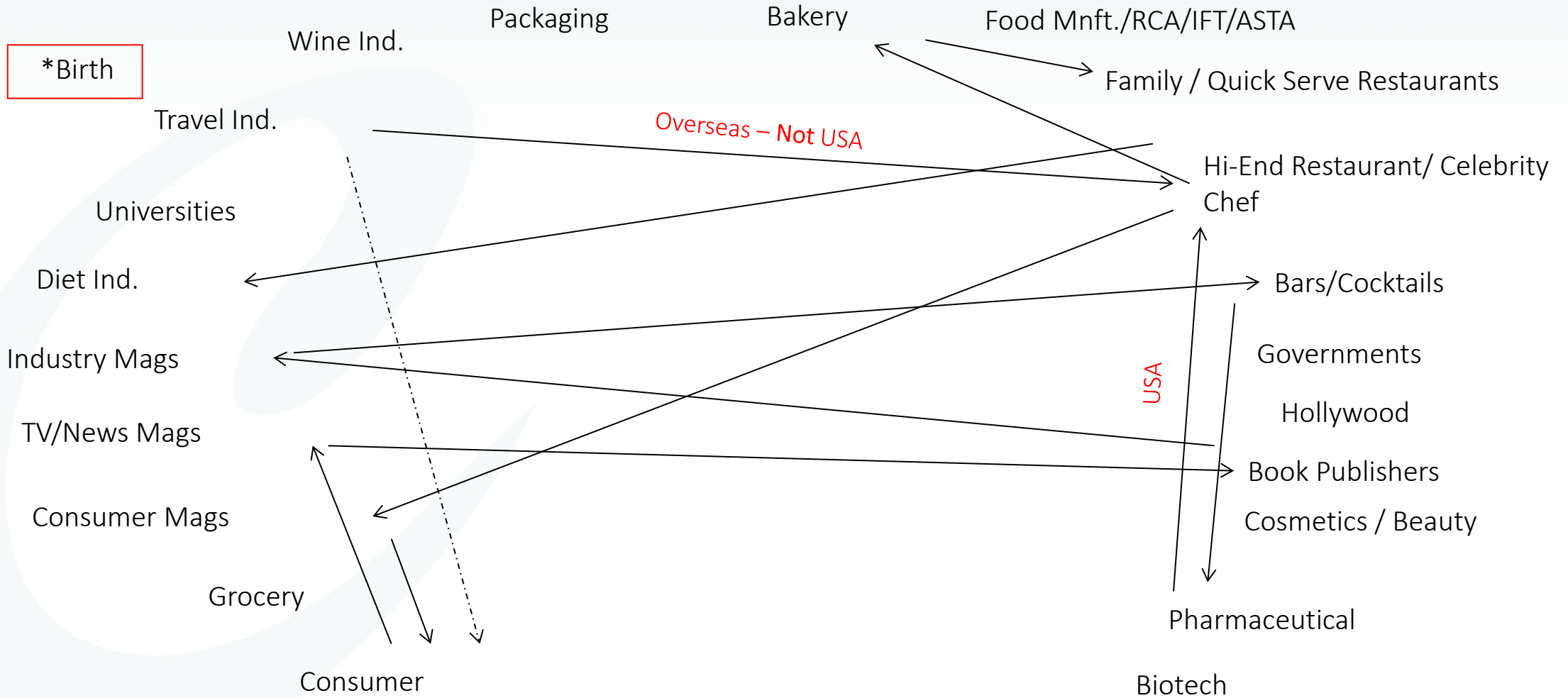


- Other Traits:

- 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





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!

Culinary Tides, Inc.

Suzy Badaracco

President

www.culinarytides.com

sbadaracco@culinarytides.com

<https://www.facebook.com/culinarytides/>

<https://twitter.com/sbadaracco>

<https://www.linkedin.com/in/suzy-badaracco-7443144>

(503) 880-4682