

10 Macro Trends Driving Food & Beverage Innovation

At Mattson we develop food, so we love thinking about which flavor is going to pop this year, or what vegetable will replace kale and cauliflower. But there are generally bigger, longer-term societal changes that drive these things. We call them Macro Trends, and we're thinking about them in the short term, and considering how they will impact food + beverage innovation in the long term. Here are our picks.



1. Factory Automation Hits QSR

Everyone's buzzing about robotics, as if it's new to food making. The fact is, the automation technologies hitting restaurants and retailing are largely adaptations of what's been behind the scenes in CPG manufacturing for decades, where humans have largely been replaced by automation.



2. The Sprouting Plant-Based EcoSystem

There's a behind-the-scenes support system that's sprouted up to enable the exponential growth of plant-based eating in 2019 and beyond.

From protein and flavor suppliers to nonprofit advocacies to chefs cooking plant/dulgent, plant-based is ready to reach the stratosphere.



3. The New Ag: From Sea to Cell

These days you can find organic Doritos from Pepsico and organic Hellman's mayonnaise from Unilever. Old brands and product lines are being rebirthed with a wholesome better-for-you halo. The organic movement has fueled agricultural innovation in CPG for almost a decade. So, what's next?



4. Sweetness Preference Shifting

With sugar as public enemy #1, it's inevitable that our collective tongues will be awash in less sweet stuff in the near and distant future. This means that our palates will adjust to start liking things that are less sweet.

Getting "less sweet" right is about creating a new type of deliciousness that appeals to both adults and kids.



5. The New Head Buzz

Those over-attributed Millennials have shepherded in a new cultural view of drinking, or not drinking as the case seems to be.

But no alcohol doesn't mean we're not into catching a buzz. It's just that the source may come from within. Or, from beverage innovation that gives people what they want: no, low, and different types of inebriation. This includes non-alcoholic breweries, non-alcoholic spirits, and of course, cannabis.



6. Cannabis Compound Callouts

Yes! Cannabis! It's the new kale, with a dash of federal crime risk for excitement!

It's likely you've heard of THC (tetrahydrocannabinol), the compound in cannabis that gets you high. And you've probably heard of CBD, but you're also going to start hearing about terpenes, another set of compounds in cannabis, that are likely good for something we don't know about yet: exactly where we are with CBD!



9. Single-Serve Plastic Packaging at Risk

According to the World Health Organization, 50% of the plastic we use is single-use (SUP). In 2018, the European Parliament put a ban on many SUP items, and highly restricted the use of others.

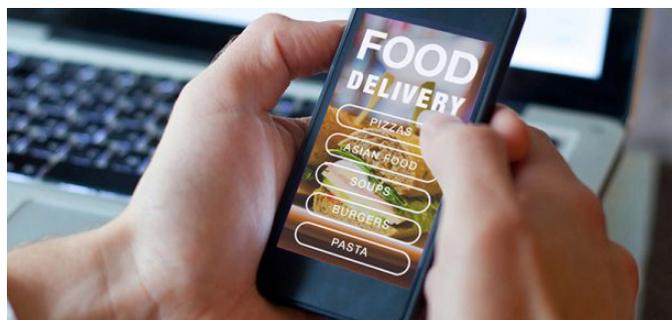
In response to backlash, Starbucks announced in 2018 it would eliminate plastic straws. If the poster child of the cause was plastic straws in 2018, what's on 2019's chopping block?



7. Clean Label Commoditization Drives Brand Importance

Clean label is the new normal. That makes reverse-engineering these products that much easier. For some brands that have taken a hard line and eschew even natural flavors, emulsifiers, stabilizers, and the like, matching textures and subtle notes of flavor are also a heck of a lot easier.

The solution? It's about brand, branded experiences, package design excellence, and flawless market execution. That's how you keep knock-offs at bay.



10. The Devaluing & De-socializing of Dining Out

Dining out used to be aspirational. These days, dinner is being delivered by a third party service and the movie is playing in the living room, thanks to Netflix, Amazon, or iTunes.

For those who do venture out, the hottest segment right now is known as Fast Fine. Classically trained chefs are cooking up cheaper alternatives. Order at the counter and your food is delivered to the table or in a bag to go. Going to a restaurant is sooo 2018!



8. Big Food And \$ Offer Motivation to Start A Food Biz

As Big Food continues to struggle, they're throwing money at small companies of all sizes. These days there's investment at the startup level, from Big Food, private equity, and venture capital, too. It's enough to motivate everyone to start a business.

When the economy slows—and it will—we'll be watching to see how the flow of F&B money is impacted.

What To Watch On Your Plate & In Your Food:

Ingredients: mushrooms in everything including coffee • botanical and herbal flavors like juniper • collagen • upcycled anything and everything from banana skins to green banana flour to sunflower seed byproducts to chicken skin • shichimi togarashi • grilled octopus • Burmese food (at Mattson we're all smitten)

Form Factors: okonomiyaki, the ultimate Japanese pizza/comfort food • bitter veg

Nutrition: grain-free is the new gluten-free • adaptogens (turmeric, ashwagandha) replace antioxidants • new conventional wisdom is to expose kids to allergens