

A group of people, including a man and two women, are smiling and working together in a kitchen. They are wearing green aprons and are focused on preparing food on a wooden countertop. The background is a light-colored brick wall. The scene is bright and cheerful, suggesting a collaborative and enjoyable cooking experience.

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Opportunities for personalisation in the food & beverage industry

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Leatherhead Food Research supports global food and beverage companies to innovate and realise new market opportunities

Market
Advisory

Consumer
& Sensory
Insight

Applied
Science

Global
Regulatory

Why are companies looking to personalise products?

The changing consumer

- Hypersensitive
- Demanding / entitled
- With a voice
- Fickle
- Inconsistent
- Wanting 'others' – natural / 'free from' / local / organic
- Calling for products which are relevant to me

Status quo found wanting

- New technical challenges (reformulation)
- Set up for mass production – high volume & low cost – not local supply chain
- Legacy equipment
- Hard to respond with existing business model

Emerging options

- New competitors – nimble start-ups
- New models – direct to consumer, new manufacturing models
- New technologies

The time is right for personalisation



Technology is disrupting the industry – new entrants are using tech developments to their own advantage



Consumer mood is curious and open-minded to new eating habits and products presented in new ways/formats



Helping consumers achieve personal goals & ambitions is a key challenge for the industry



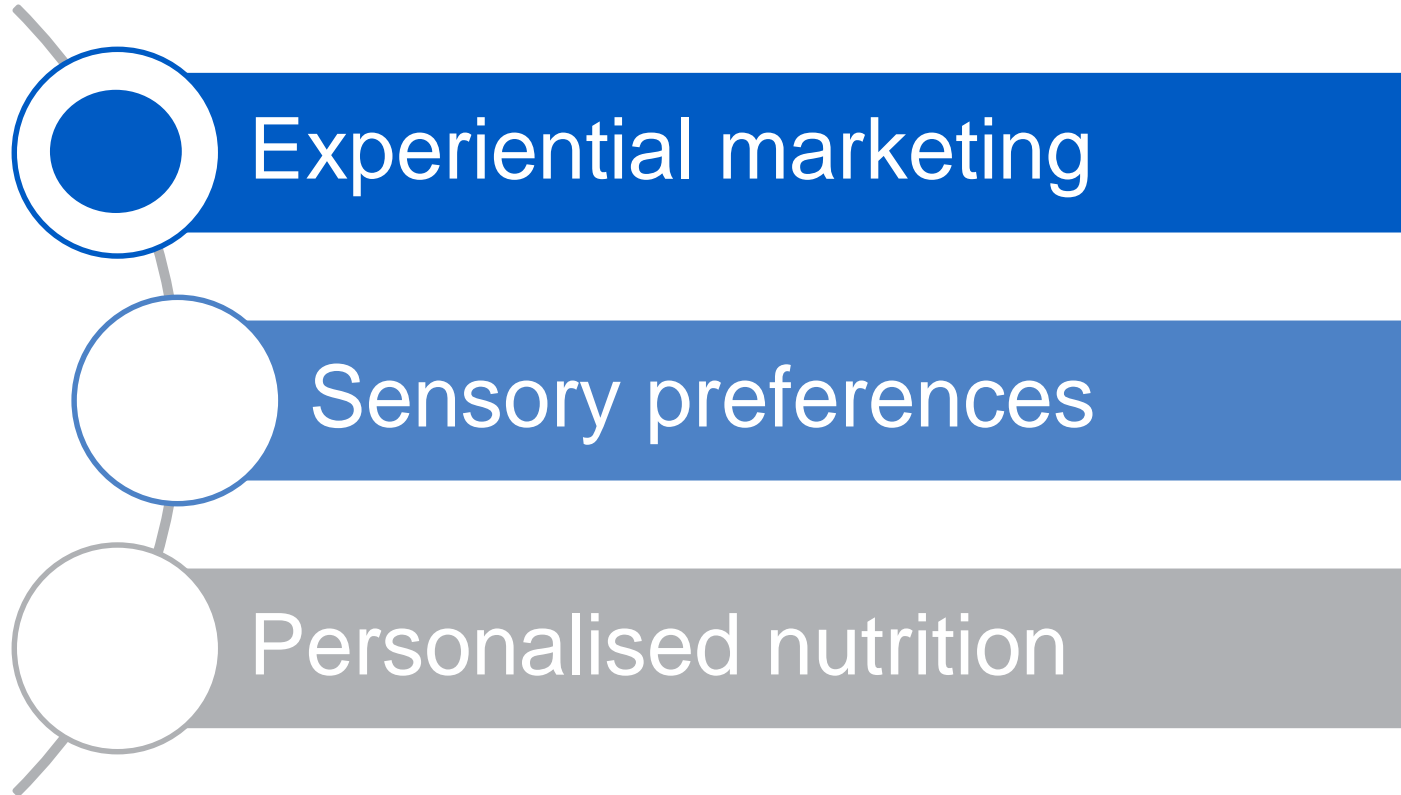
Successful innovations will focus on experiences rather than products

Drone picture from [Small Business Trends](#)
Digital vending picture from [Gawker Media](#)

mycereal.com was ahead
of its time in 2000



How can you personalise food and beverage products?



You could also consider the personalisation from a manufacturing perspective e.g. 3D printing

Personalisation in marketing has focussed on ways to make products special or relevant to you or be a form of self-expression



Source: The Coca Cola Company, Ferrero SpA, Unilever and Mars

Have you bought a personalised product for yourself or a friend?



Source: Not on the High Street and Getting Personal

It's about tapping into an emotional connection



People attach significance to gifts that are personalised

28%

Feel that the person has put more thought/effort into the gift

22%

Say personalised gifts make them feel special

22%

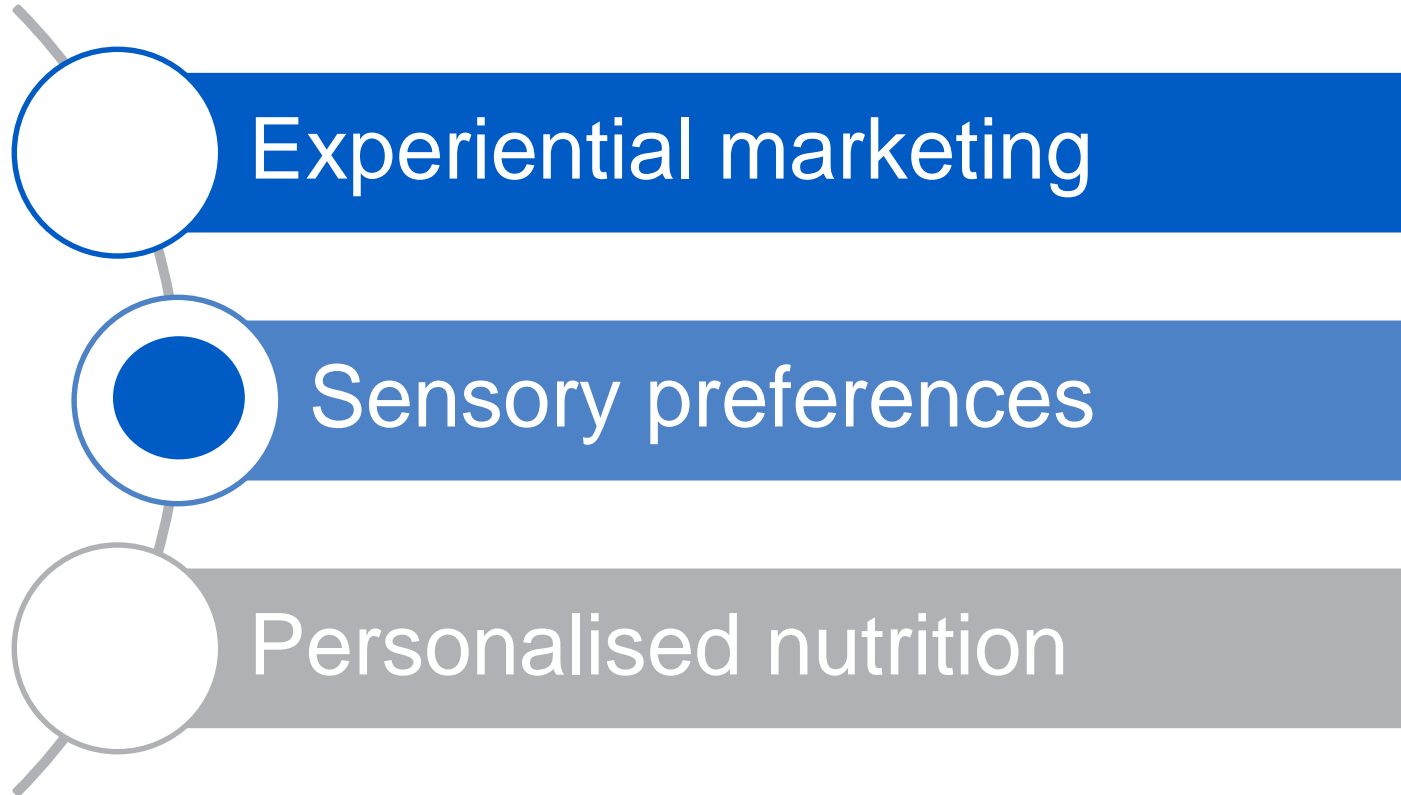
Feel that the person who gave them the gift knows them well

Would you print a picture on to your cappuccino or latte?



Source: Ripples Coffee Company

Consumer differences in sensory perception and preferences offer a world of opportunity for personalisation



Sensory preferences

A waiter in a white shirt is pointing at a chalkboard menu in a restaurant setting. The menu is written in chalk and lists various items. The background shows a blurred street scene with cars and buildings.

37%

Asked for a meal in a restaurant/café to be adapted in some way

19%

Asked for a food or drink that's not on the menu

Sensory preferences



Coca-Cola Freestyle

23%

Of Americans have created their own soft drink flavour combinations in a casual dining establishment



Pepsi Spire

10%

Of UK consumers have created their own soft drink flavour combinations in a casual dining establishment

Route to new product development

- Coca-Cola using data from the machines as a route to new product development
- Launched Cherry Sprite as a new flavour in early 2017 (USA)
- Removed the consumer testing phase
- Speaks to co-creation



Source: The Coca-Cola Company

BEWARE – More choice doesn't always lead to a better experience

- Trust companies to come up with good flavour combinations
- Often stick with what they know and like
- Too much choice can lead to decision fatigue

- Behavioural psychology
 - If people make a bad choice, they're less likely to feel bad about it if they haven't had many options. They feel more disappointed the more options they've had to choose from

“I think if they've made up a menu, a certain item, then I'm going to trust that it's a good flavour combination...Normally when I have a choice to change things...I just leave it.”

(Male respondent aged 18-25 years)

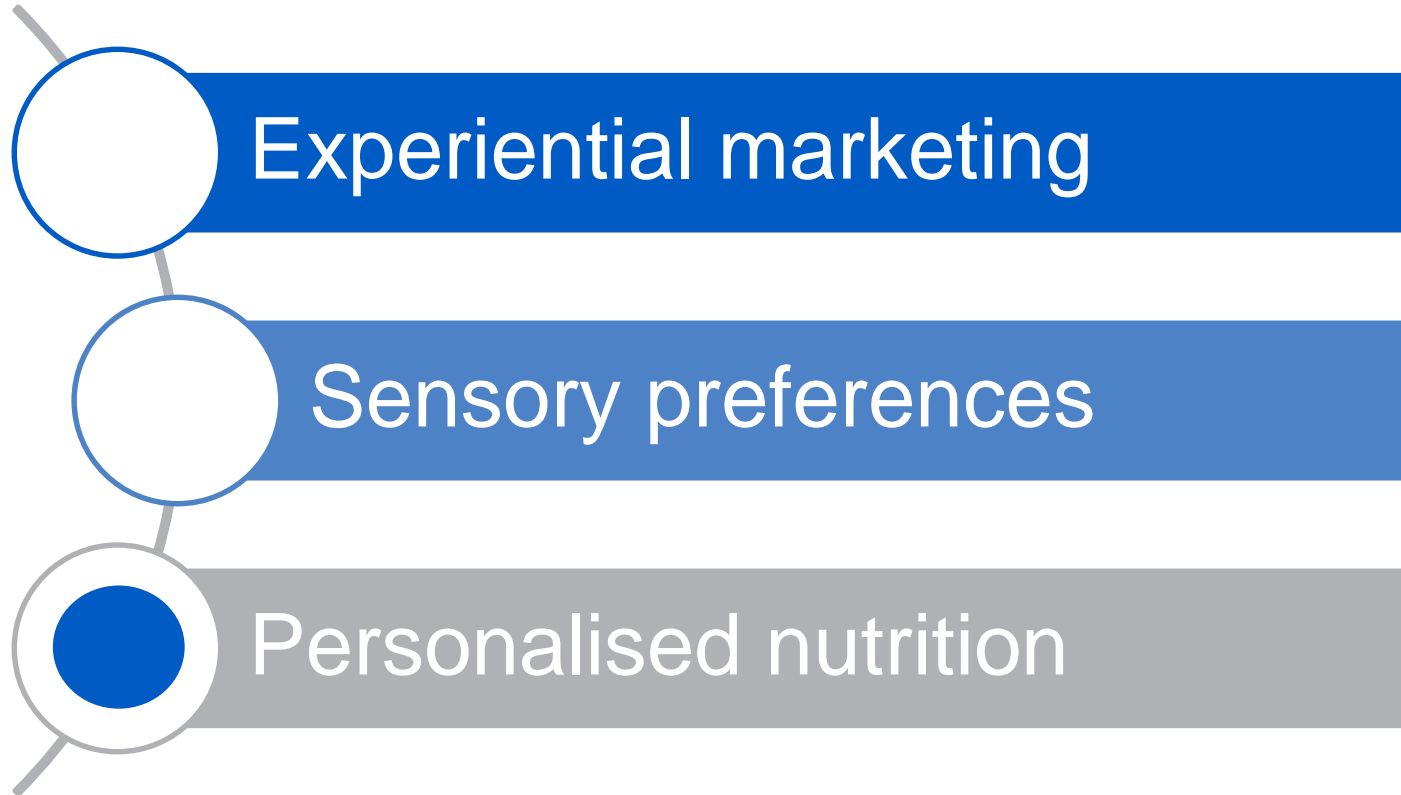
“I think being adventurous usually backfires on me. If I mix up what I like, I just usually think that's not good...It's probably the reason they don't make Strawberry Coke in the first place!”

(Male respondent aged 18-25 years)

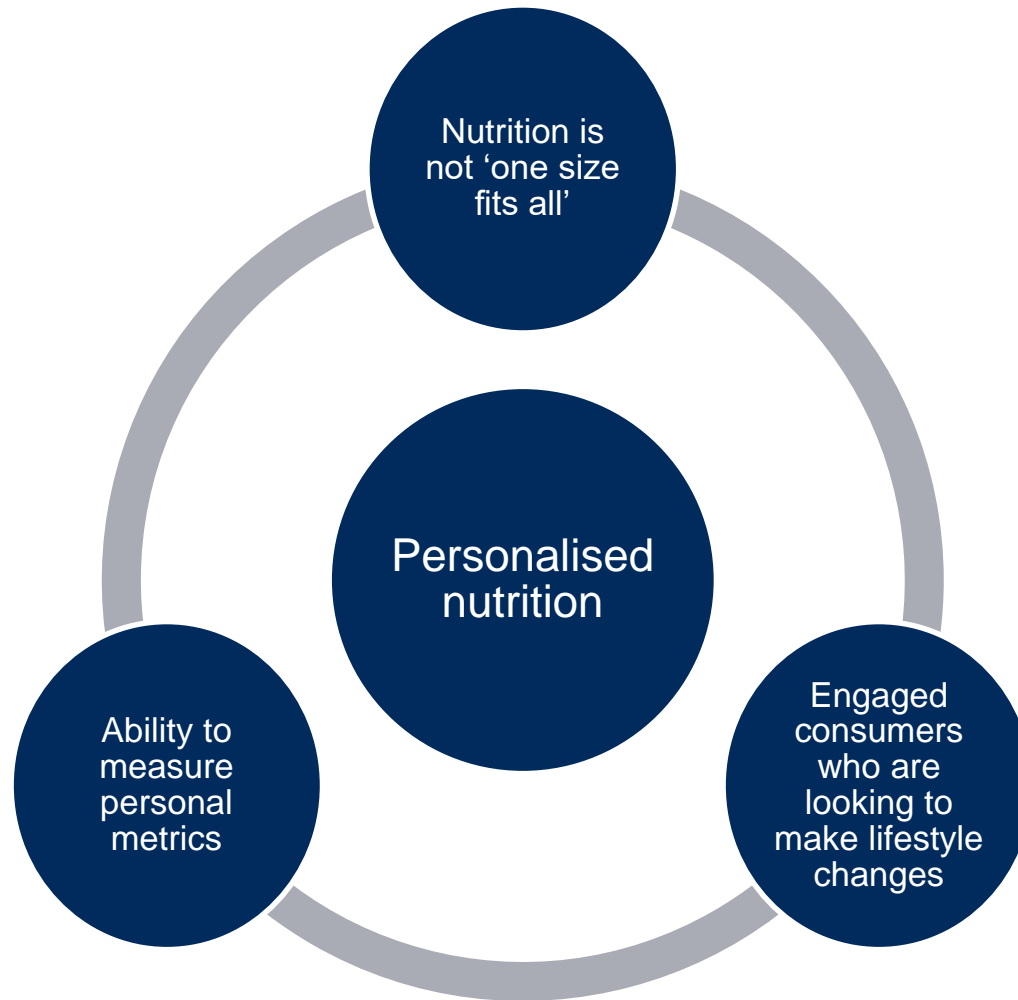
What are the options for tailoring products to our genetic sensory preferences?



Personalised nutrition offers considerable growth opportunities



We are seeing the market coming together to create the opportunity for personalised nutrition



Consumer appetite for change

Consumers are trying to make considerable changes to their eating and drinking habits

$\frac{1}{2}$

are trying to eat
less **sugar**

1 in 3

are trying to eat
less **meat**

1 in 10

are trying to cut
gluten from
their diet

1 in 10

are trying to cut
dairy from their
diet

1 in 6

are trying to eat
more **protein**

$\frac{1}{4}$

are trying to drink
less **alcohol**

1 in 3

are trying to cook
more from **raw**
ingredients

Base: All (COUNTRY) Adults (6196)



Consumers are looking for the ingredients which are right for their bodies

42%

Have incorporated foods into their diet because they think they'll help improve their health

32%

Have excluded foods from their diet because they think they are contributing to a health condition

Using technology to measure health and wellbeing metrics

Trend runs in parallel to personal technology trends related to health & wellbeing:

23%

Used an app or wearable device to measure burned calories or to count steps

21%

Used app or website to find recipes based on ingredients they have in their kitchen

17%

Tracked their calorie intake via an app

Personalised meal plans

USA

- Platejoy in San Francisco offering personalised meal plans to meet nutritional needs & health goals
- Habit offering nutrition recommendations and personalised meals based on biochemistry and personal goals

UK

- VitaMojo restaurant allowing personalised meals according to nutritional and dietary needs



Targeting diabetes

Israeli company launched Nutrino in 2016 – a nutrition insights app for people living with diabetes

- Collects data from wearable devices
- Uses machine learning to give food recommendations
- Gives an individualised picture of glucose levels



Companies need to earn consumer trust and understand their responsibility

Personalisation is a two way dialogue with consumers requiring the sharing of personal information. For the consumer to share they need to be able to trust the company.

83%

Of consumers in the UK/USA are concerned about the amount of personally identifiable information (e.g., name, address, date of birth, credit card details, etc.) companies have about them

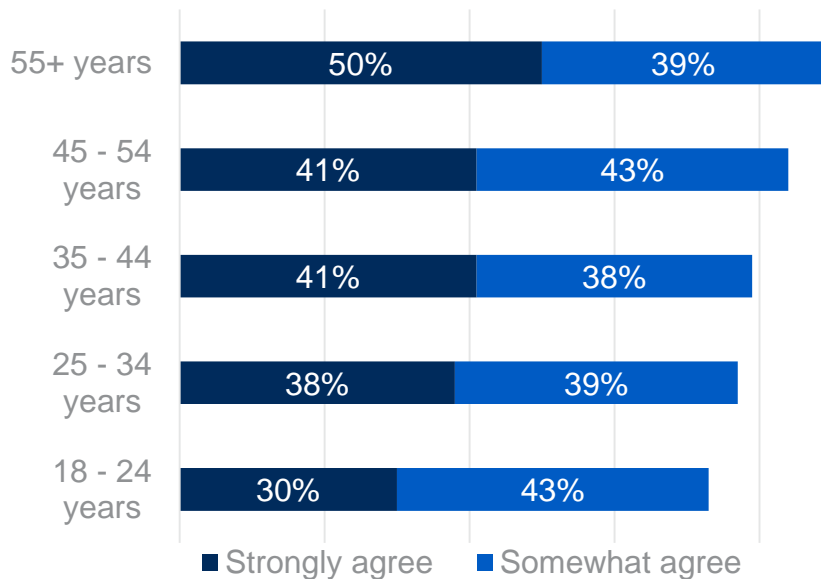
79%

Of consumers in the UK/USA are concerned about the amount of information companies have about them from their website browsing history

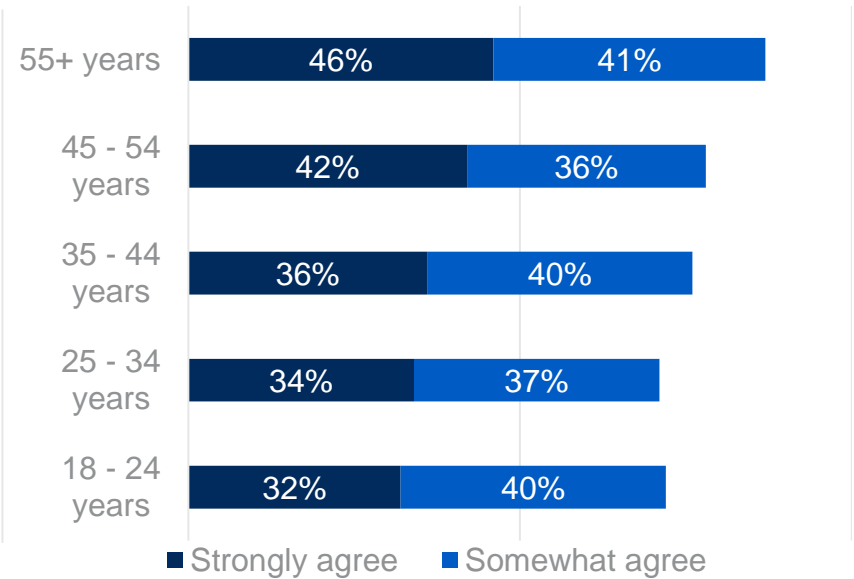
Older demographics not the only ones concerned

Although Millennials have grown up with the internet, they are still concerned about the amount of information companies have about them

I am concerned about the amount of personally identifiable information (e.g., name, address, date of birth, credit card details, etc.) companies have about me



I am concerned about the amount of information companies have about me from my website browsing history



Willingness to share personal information (even genetic or biometric information) if they can recognise a benefit

35%

Happy for companies to use personal information that they've supplied (e.g. height, weight, health goals etc.) to offer them personalised food and drink products

Some consumers are making the connection that providing genetic and biometric information can help them lose weight or make better informed decisions about the food they eat

21%

Encouraged to provide such information if it could help them lose weight

17%

Would provide such information if it could help them make more informed decisions about the food they eat

Professional recommendation and regulation important

Percentage of people in the UK/USA who would provide their own genetic and biometric information (e.g. DNA, blood and other samples) to an app or website...

25%

Would provide if the service were recommended/ certified by medical professionals

28%

Would provide if the use of their data were regulated and it couldn't be misused or sent to/ accessed by other companies

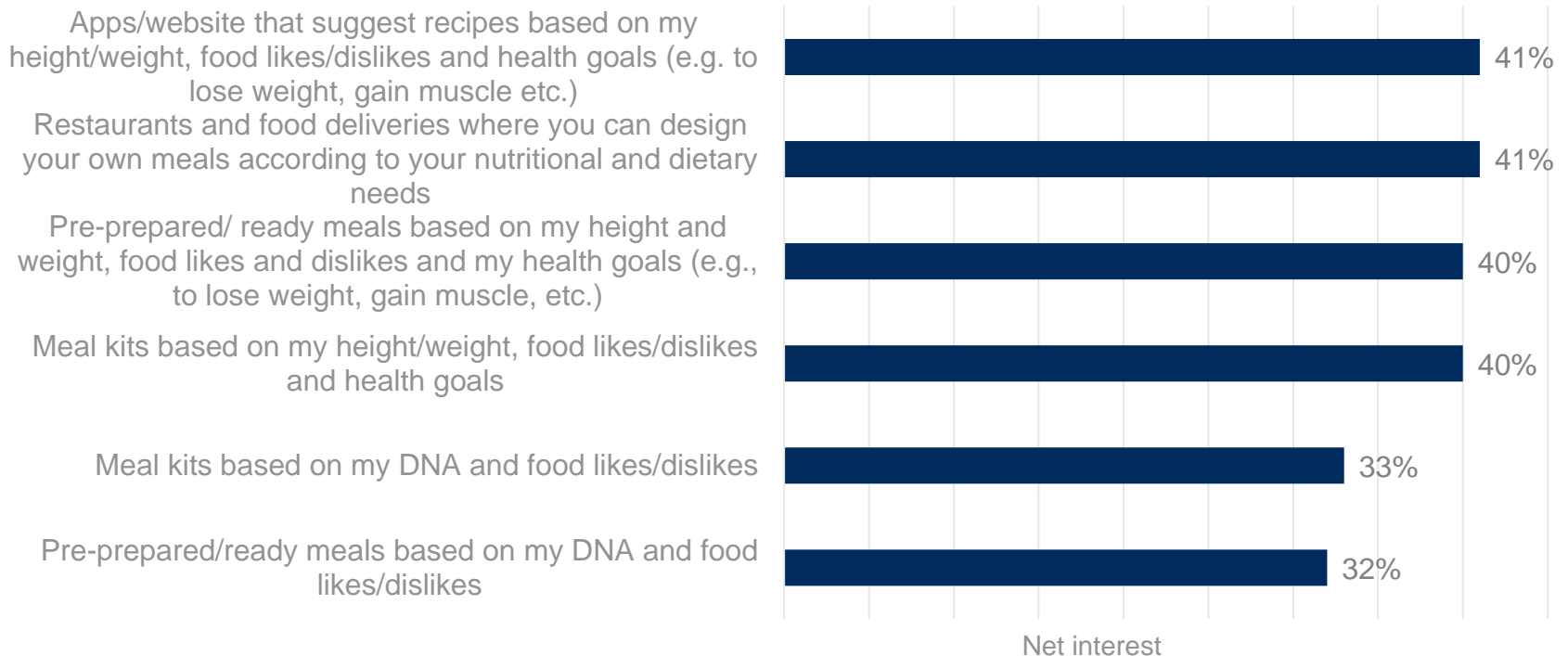


Looking to
the future

Opportunities

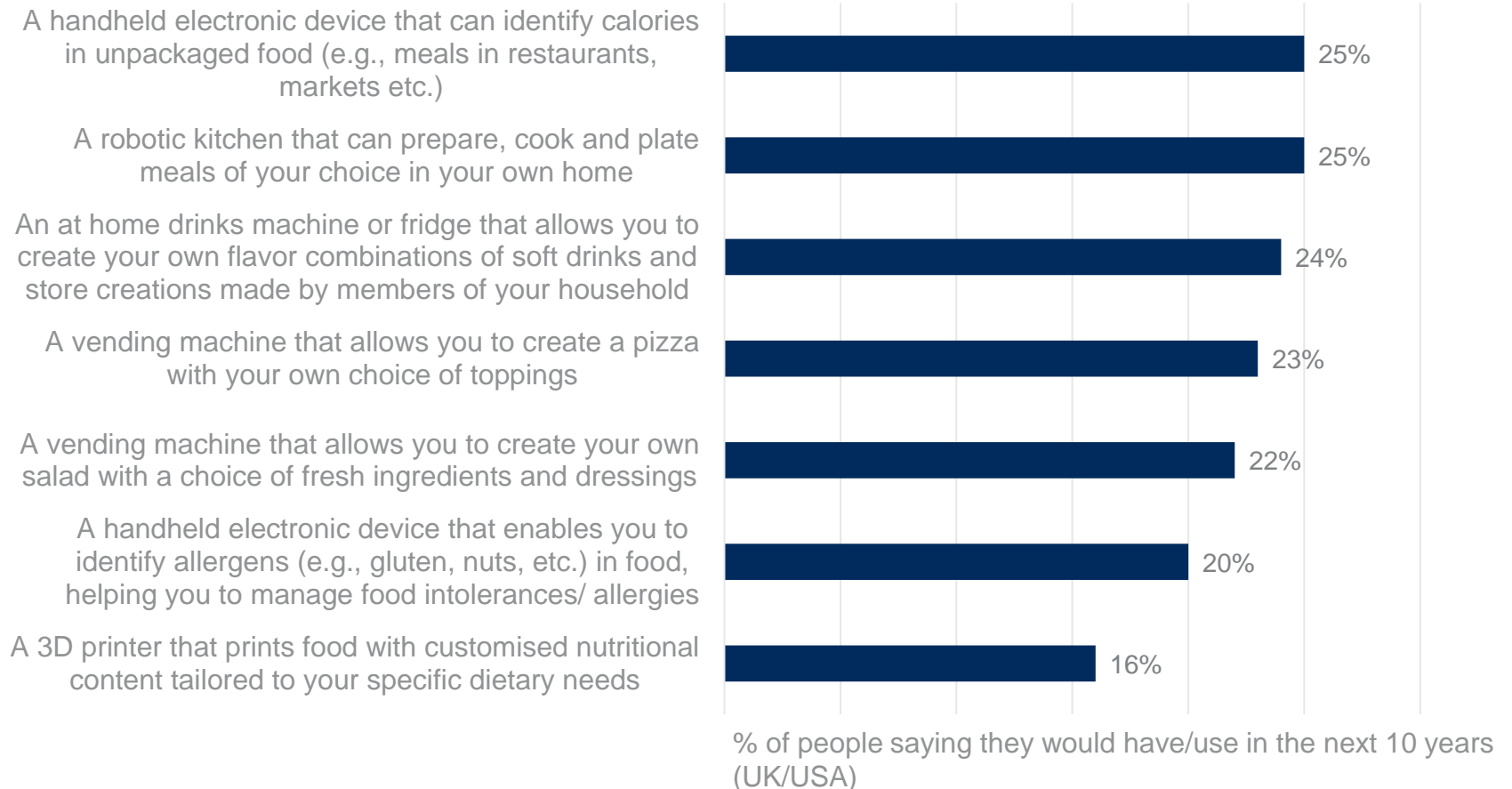
Great deal of opportunity for foodservice as well as ready meals and meal kits in spite of any concerns regarding the sharing of personal information

How interested, if at all, would you be in finding out more about each of the following services?



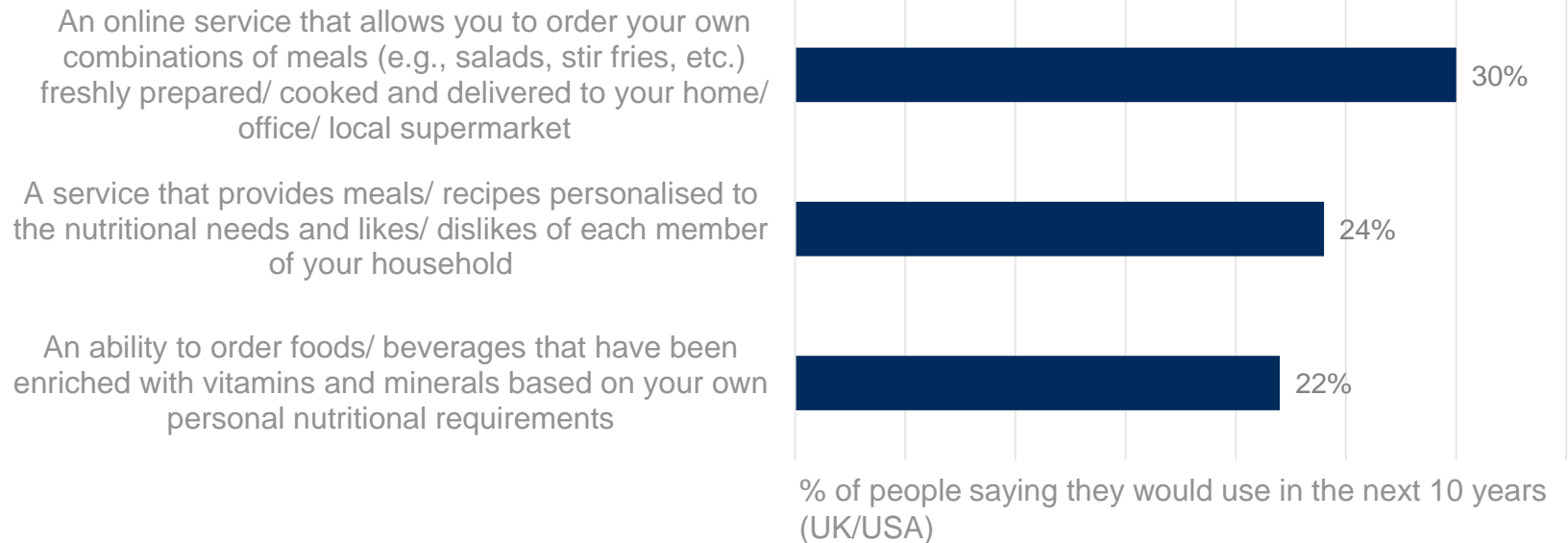
The next 10 years

We looked at patents and some technologies that are in their infancy and asked people if they saw themselves having or using them in the next 10 years



The next 10 years (cont.)

Percentage of people in the UK & US seeing themselves using the following services in the next 10 years:

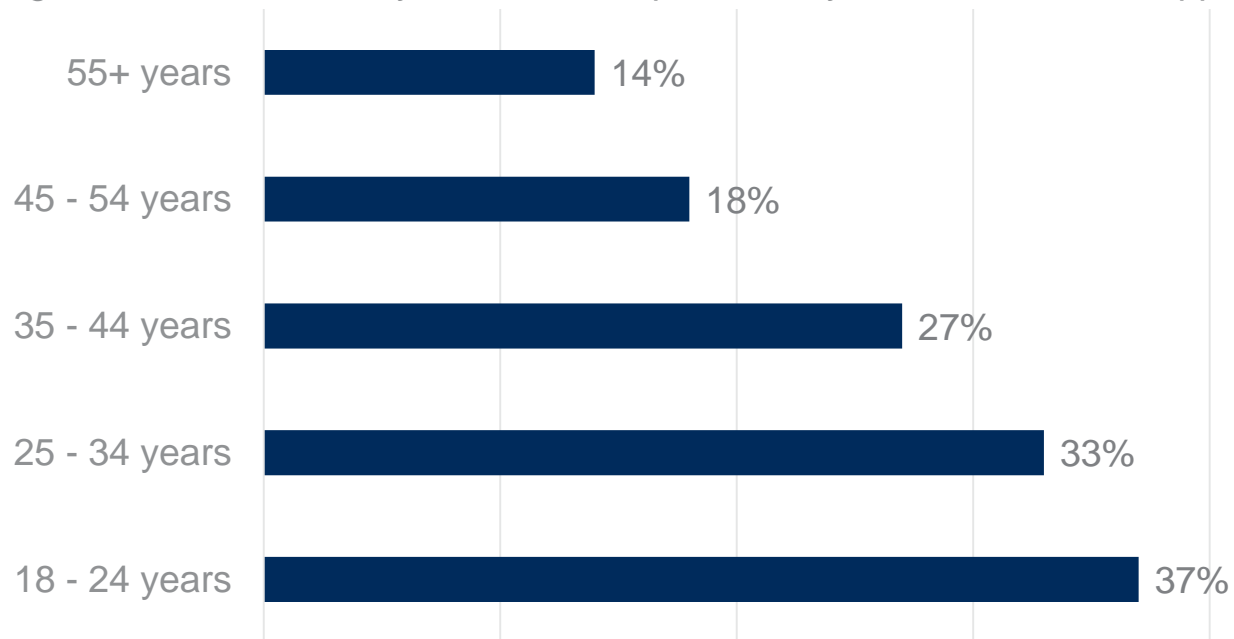


Millennials more open to new technologies

Strong linear relationship – Millennials (18-34 years) far more open to new technologies & services enabling personalisation than Baby Boomers (55+ years)

For example: Which of the following technologies do you think you would have/use in the next 10 years...

A vending machine that allows you to create a pizza with your own choice of toppings?



Conclusions

- Personalisation is a way for companies to differentiate themselves in a challenging marketplace, demonstrate they understand consumer needs and improve consumer experience around a product
- Personalisation is possible across product, packaging and proposition:
 - Experiential marketing; sensory preferences; personalised nutrition
- Huge opportunities remain for companies in developing personalised offerings around sensory preferences and nutritional requirements – this presents business model and manufacturing challenges
- Barriers from a consumer perspective are linked with building trust and responsibly managing personal data – these can be overcome if consumers recognise the benefit of sharing their data and feel empowered to make their own choices



Nutrition

Regulatory

Food safety



Innovation

Any questions?



Consumer sensory

Thank you

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