

What's NEXT?

Product Trends & Innovations Driving Health & Wellness Growth

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NEXT Data & Insights



Our Changing Food, CPG, and Retail Landscape



Concept Lab uses prediction markets to foresee product success

Sample a representative population of US (1,000 interviews)

Test client concepts, plus benchmark concepts – often on shelf products

Profile consumers into New Hope Consumer segments

Assess Cultural Relevance leveraging “Wisdom of the Crowds” to make predictions of the success of concepts in market

Assess Personal Relevance by asking consumers if they themselves would buy a product (purchase intent)

For individual products, we use benchmarks to assess relative performance

Five consumer segments



#YOUNG4EVER



Consumers in this segment take more aggressive action because they are young. These consumers are more racially diverse and more focused on price. They're also more likely to switch brands.



- 23% of population
- 51% female
- 50% single



CHIEF HEALTH OFFICERS



LIFE TASTES GOOD



Live for today—that and taste are what motivate these consumers, who understand nutrition and health concerns but prioritize enjoying life and friends. These relaxed and relatively healthy consumers cook at home, are satisfied with current brands and eschew natural foods.



• 17%



• 18-34



4 OUT OF 5 DOCTORS



Made up of mostly older consumers, this segment listens to doctors and actively follows traditional health and wellness advice. These shoppers are less likely to try new things because they are happy with current choices. They purchase less natural and organic because of price.



- 22% of population
- 57% female
- 52% age 55+
- 66% married
- 23% with kids -18

GUILTY AND DEFEATED



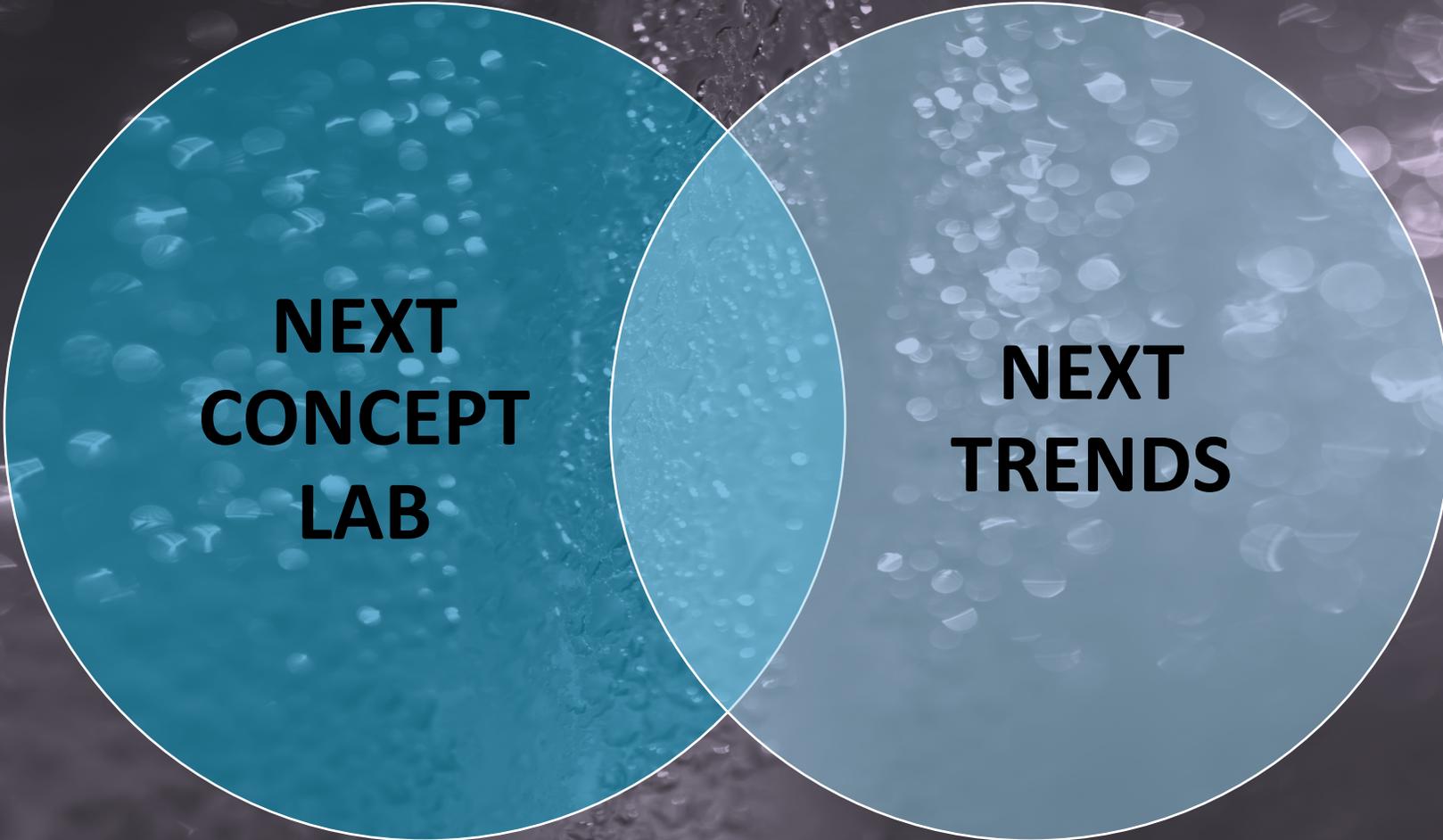
These time-strapped consumers want to be healthy but don't actively pursue health and wellness. They feel guilty about this but cannot take control of their diets. The result is low-energy, stressed out shoppers (many with young kids) who seek out convenience and focus on price.



- 18% of population
- 60% female
- 42% age 18-34
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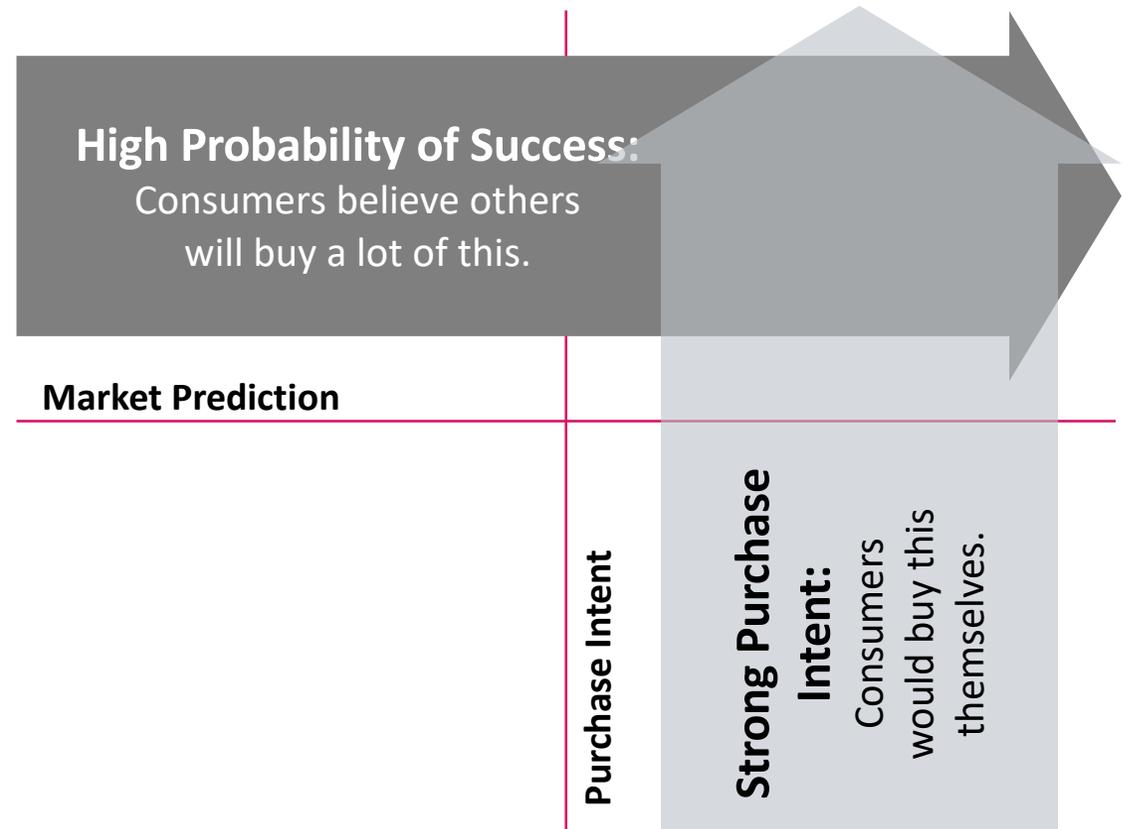


We overlaid two tools



Which trends rose to the top in a conceptual marketplace?

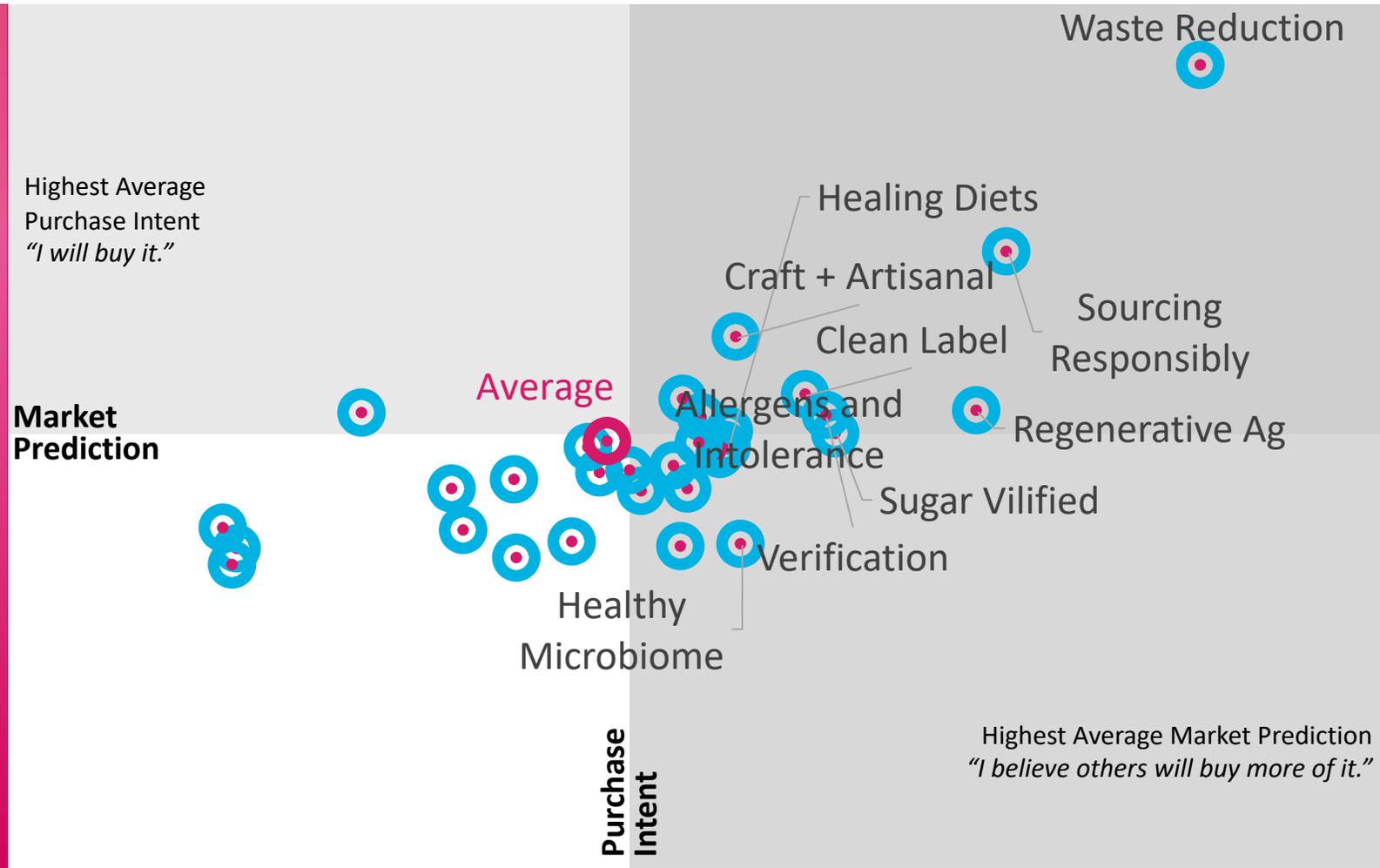
We coded our database of 1500 product concepts by trend to determine which trends garnered the highest cultural relevance and purchase intent.



For benchmarking purposes the bottom 5% of all concepts were treated as outliers and were removed from our analysis and averages.

The leading trends are...

1. Waste Reduction
2. Sourcing Responsibly
3. Regenerative Agriculture
4. Sugar Vilified
5. Verification
6. Clean Label
7. Healthy Microbiome
8. Craft & Artisanal
9. Allergens and Intolerance
10. Healing Diets



1. Material Optimization/Waste Reduction

Brands are adopting reduce, reuse, recycle principles to their business models resulting in crafty solutions to eke out the most value from ingredients and materials.

PUKKA



Trend: Waste Reduction
Innovation: Agroforestry, milling waste turned compost

ICEAGE



Trend: Waste Reduction
Innovation: Zero waste to landfill facility

U KONSERVE



Trend: Waste Reduction
Innovation: Reusable storage, utensils

REGRAINED



Trend: Waste Reduction
Innovation: Rescues grain used in beer brewing

2. Inventive Business Models/Sourcing Responsibly

In the quest to win on value it seems that our industrialized food system placed too much emphasis on cost and convenience to the detriment of “values” and respect for our sourcing partners.

WELEDA



*Trend: Sourcing Responsibly
Innovation: Fair trade,
Biodynamic, organic gardens*

TRES PONTAS



*Trend: Sourcing Responsibly
Innovation: Small farms, QR Code
traceability*

GOOD CITIZENS



*Trend: Sourcing Responsibly
Innovation: Local/Transparent*

Madecasse



*Trend: Sourcing Responsibly
Innovation: Direct Trade,
manufacturing in Madagascar*

3. Agricultural Commitments/Regenerative Agriculture

Enthusiasts around regenerative agriculture claim this is a solution that rebuilds, repairs, and replenishes our natural resources through ecological practices that go beyond curtailing certain behaviors and practices to prevent further loss. We need to do more and rebuild the natural environment that has been lost.

APPLEGATE FARMS



*Trend: Regenerative Agriculture
Innovation: Humane animal treatment, soil health*

COCONUT COLLABORATIVE



*Trend: Regenerative Agriculture
Innovation: Agroforestry*

RE: BOTANICALS



*Trend: Regenerative Agriculture
Innovation: Regenerative with Hemp*

LOVING EARTH



*Trend: Regenerative Agriculture
Innovation: Regenerative Chocolate*

4. The World is Fat/Sugar Vilified

The industry is fractured on how to deal with the negative turmoil surrounding sugar as the number one public health villain. Experimentation is multipronged from low glycemic food-based sweeteners, to zero calorie alternatives, to redefining sweet, or making room for savory in traditionally sweet foods.

CALI'FLOUR FOODS



Trend: Sugar Vilified
Innovation: No sugar added

PICNIK



Trend: Sugar Vilified
Innovation: Maple Syrup Sweetened

DANG



Trend: Sugar Vilified
Innovation: Stevia

TRUE MADE FOODS



Trend: Sugar Vilified
Innovation: Naturally Sweetened

5. Earning Consumer Trust/Verification

With so many options in today's marketplace, slapping on a claim isn't enough. Certification or verification from reputable 3rd parties strengthen the integrity of a brand's commitment.

LOVE THE WILD



Trend: Verification
Innovation: Aquaculture, ASC

MADE OF



Trend: Verification
Innovation: B Corp, Certifications and Labels

REBBL



Trend: Verification
Innovation: Organic, ethically sourced, soy free, dairy free

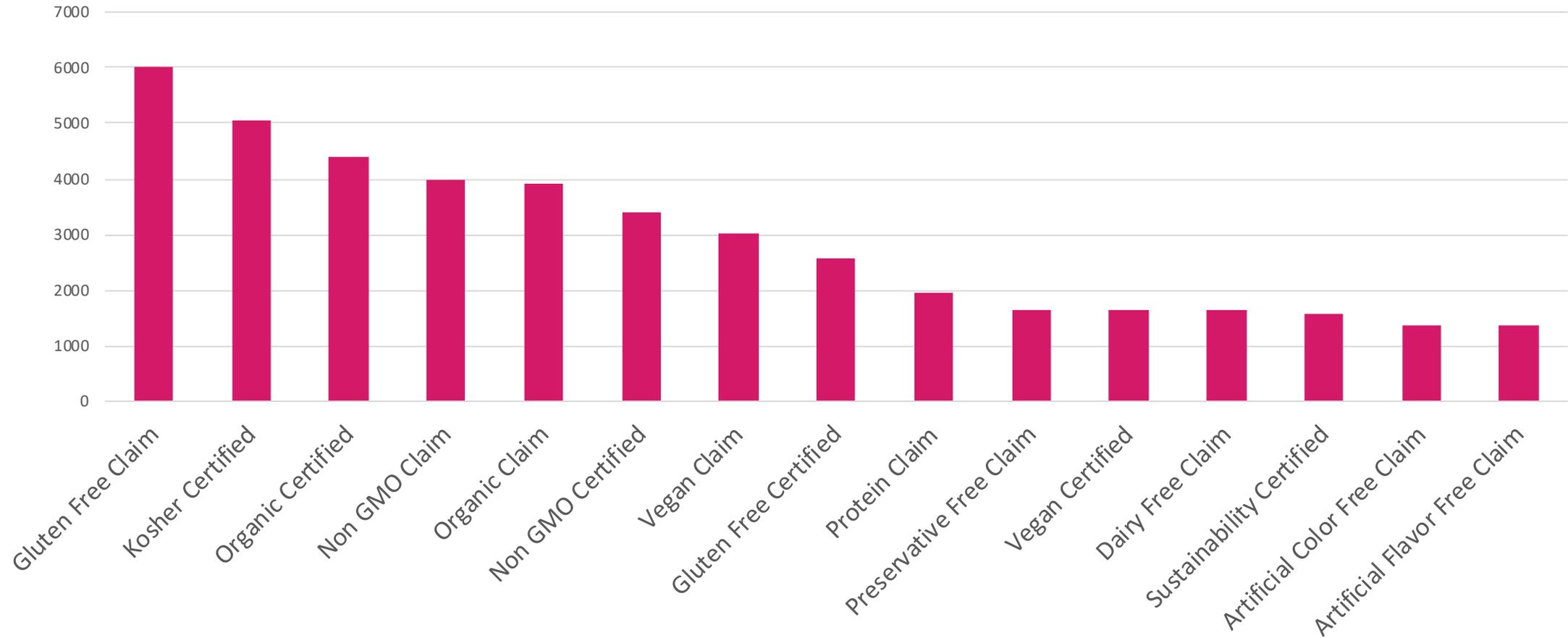
ONCE UPON A FARM



Trend: Verification
Innovation: Cold Press Protected, Terracycle, BPA Free...

Top 15 Certifications & Claims 2018 EXPO West

Incidence of Claim Usage on Products Exhibited at Expo West 2018
Source: NEXT Trend Database



6. Earning Consumer Trust/Clean Label

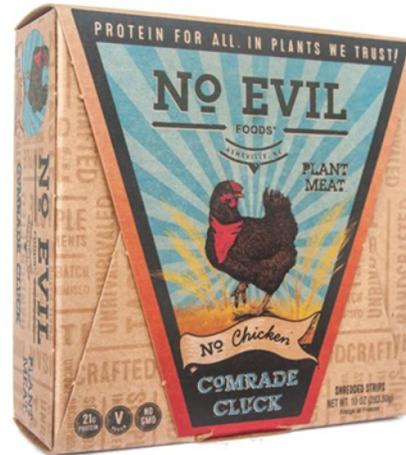
Additional efforts to win back consumer trust is to be transparent, forthright about your ingredients as well as a short ingredient list.

EARTH ORGANIC CO.



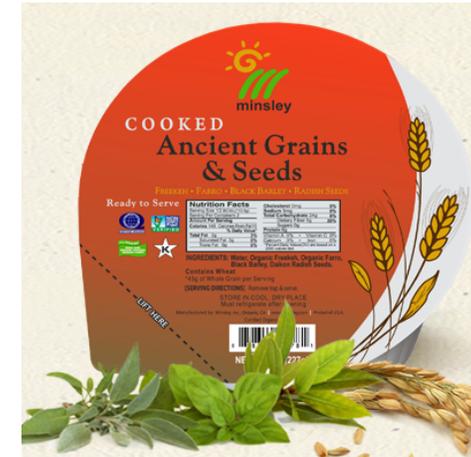
*Trend: Clean Label
Innovation: Minimal and simple
ingredient list*

NO EVIL



*Trend: Clean Label
Innovation: Meat substitute with
few ingredients*

MINSLEY



*Trend: Clean Label
Innovation: obscure blend of
ancient grains*

7. A Life of Vitality/Healthy Microbiome

Our understanding of the health impacts associated with the makeup of a person's microbiome are expanding far beyond traditional gut health and immunity-boosting properties. In fact, it may well turn out that almost every function in our body is modulated by gut bacteria.

Gutzy Organics



*Trend: Microbiome
Innovation: Prebiotic squeezey
pouch*

Motherdirt



*Trend: Microbiome
Innovation: external biome
management*

Fermenting Fairy



*Trend: Digestive Health
Innovation: Fermentation /
Microbiome*

8. Craft + Artisanal

Brands respond to trends in resurrecting ancient practices and DIY experimentation by creating products mirroring the art and craftsmanship instrumental to traditional methods. Innovators in this space meet the consumer's sense of pride and accomplishment when making something from scratch.

Van Leeuwen Ice Cream



*Trend: Craft + Artisanal
Innovation: Handmade ice cream
from scratch*

Yooli



*Trend: Craft + Artisanal
Innovation: Farmer's cheese bars*

True Jerky



*Trend: Digestive Health
Innovation: Jerky Trail Mil*

9. Allergens & Intolerances

Food insensitivities have become pervasive and consumers are following diets that eliminate the primary culprit of many afflictions.

Tiger Butter



Allergens & Intolerances
Innovation: Root Vegetable Butter

Banza



Trend: Allergens & Intolerances
Innovation: Grain Free Pasta

No Cow



Trend: Allergens & Intolerances
Innovation: Dairy Free protein bar

10. Healing Diets

Alternative to the Optimized Diets Trend, consumers pursuing a Healing Diets Trend are motivated by health issues and finding diets that reduce triggers. This diet trend is usually positioned by brands as an antidote to reduce suffering or ailments caused by current food choices. Seek and follow these alternative diets to solve issues.

Greens Plus



Trend: Healing Diet
Innovation: Sea Vegetables and Probiotics for healthy immune system

Wildway Granola



Trend: Healing Diets
Innovation: Oat-free, no added sweeteners or oils

Rowdy Bar



Trend: Healing Diets
Innovation: Low-glycemic

Five consumer segments



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Consumers in this segment take more aggressive action because they're young. These consumers are more racially diverse and focused on price. They're also more brand switchers.



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- 51% female
- 50% single



CHIEF HEALTH OFFICERS



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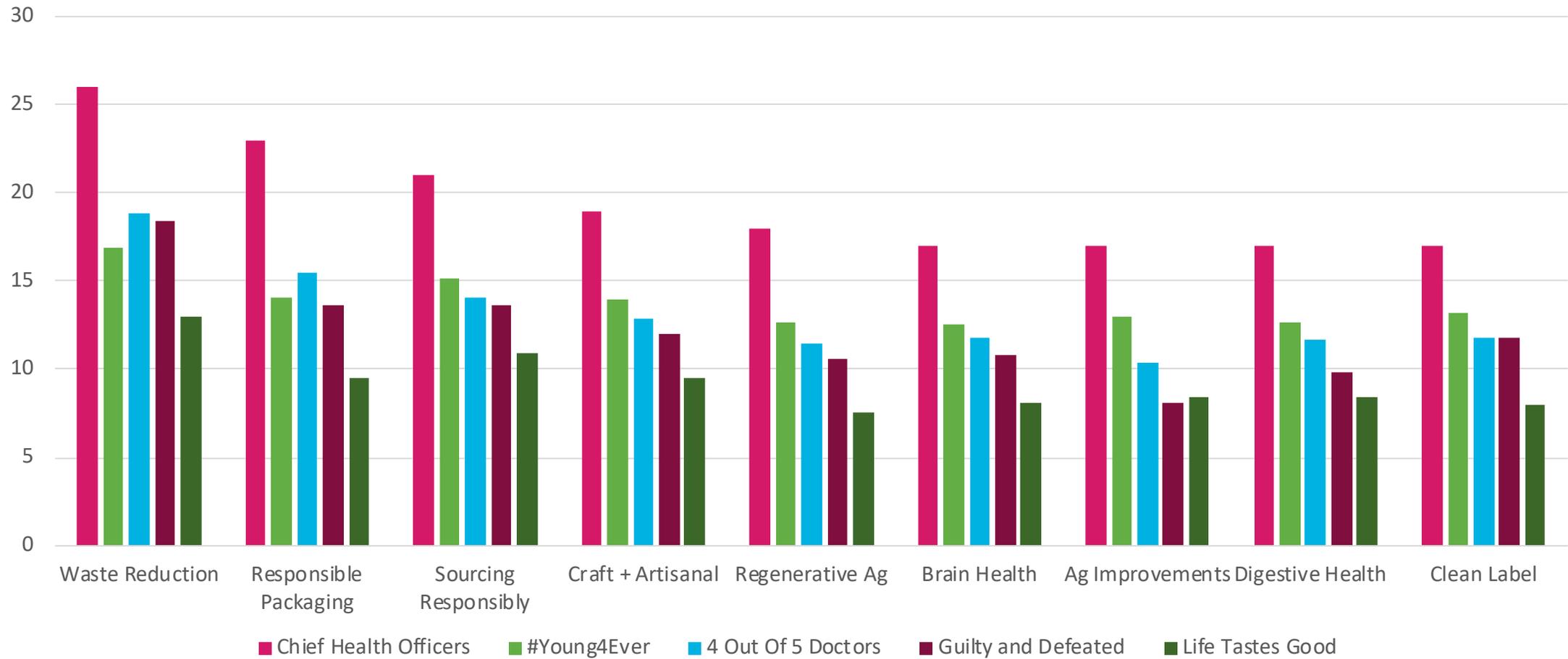


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Trends Appeal to Progressive & Mainstream Shoppers

Purchase intent amongst segments



The most different consumer segments agree on most things

Rank order

1. Waste reduction 👍
2. Sourcing responsibly 👍
3. Responsible meat and dairy 👍
4. Craft and artisanal 👍
5. Responsible packaging 🖐️





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Live for today—that and taste are what motivate these consumers, who understand nutrition and health concerns but prioritize enjoying life and friends. These relaxed and relatively healthy consumers cook at home, are satisfied with current brands and eschew natural foods because of taste perceptions.

• 17% of population
• 51% male
• 30% age 18-34

• 59% married
• 39% with kids -18

Rank order

1. Waste reduction 👍
2. Sourcing Responsibly 👍
3. Responsible packaging 👍
4. Craft and artisanal 👍
5. Responsible meat and dairy 🖐️





#YOUNG4EVER

Consumers in this segment take more aggressive actions toward health and wellness because they want to stay feeling and looking young. These early adopters are impulsive brand switchers and not as concerned with price. They're also more likely to be younger, more racially diverse males who are more focused on themselves than on family.

• 23% of population
• 56% male
• 37% age 18-34

• 50% single
• 38% with kids -18



**Top trends
driving
innovation**

- **Waste Reduction**
- **Sourcing Responsibly**
- **Regenerative Agriculture**
- **Sugar Vilified**
- **Verification**
- **Clean Label**
- **Healthy Microbiome**
- **Craft & Artisanal**
- **Allergens and Intolerance**
- **Healing Diets**



Conclusion

Waste reduction, sourcing responsibly and regenerative agriculture are the three most important trends that emerge from Concept Lab.

And surprisingly, these issues appear to be important to all consumer segments.

The implication is that we are all trying to move in the same direction, even if we're moving at different speeds.

We're looking to our industry to lead the way.

Thank you

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Appendix

Taxonomy 1

Holistic Health and Wellbeing

Plant-Wisdom	Eat More Plants Plant-based Ethics More Protein Please
Protein Power	Responsible Meat & Dairy Protein Plant Protein
Ancient Wisdom	Time Honored Processing Time Honored Heritage Ingredients Allergens and Intolerance
Discovering Ailment Triggers	Novel Alts Additives Contaminants
The World is Fat	Healthy Fats Sugar Vilified

Empowered Communities

Material Optimization	Responsible Packaging Waste Reduction Efficient Ingredients/Materials
Inventive Business Models	Mission-Driven Commerce Multi Stakeholder/Multi Bottom Lines Sourcing Responsibly
Agricultural Commitments	Organic Regenerative Ag Ag Improvements Waste Becomes Fuel
Energy Commitments	Transportation Efficiency Renewable Energy
Social Impact Commitments	Employee Care Social Sourcing Food Access Transparency
Earning Consumer Trust	Verification Traceability Clean Label

Taxonomy 2

Modern Life

Modern Conditions

Quest for Rest

Brain Health

Eye Health

Digestive Health

Inflammation

Immunity Trend

Modern Life

A Life of Vitality

Coping with Chaos

Experiential Experimentation

The Power of Science

Healthy Microbiome

Optimized Diets

Healing Diets

Endocannabinoid System

Nutrition Meets Convenience

Convenience

Meal Kit

Flavor Adventuring

Craft + Artisanal

Texture, Format & Novel Experiences

Purposeful Tech

Science First

Personalization