The 2019 NOURISH trend report

Revealing the Why Behind the What in a Shifting Market

Welcome to our third annual Trend Report. Again this year, we focus on trends rather than fads. What's the difference?

Trends have staying power, they influence consumer behaviour and are likely to evolve, adapt, and join the mainstream rather than disappear. Fads quickly rise to prominence and just as quickly vanish when they're found to lack substance.

An example of a fad is the use of activated charcoal to colour ice cream and other foods black. This was called out as a "trend" by many reports but turned out to be little more than a passing craze that has already come and gone. What powered it? In a nutshell, that pretty black ice cream cone looked amazing on Instagram! In the end, charcoal was more about great looks than great taste, and any possible functional benefits of a charcoal detox were soon debunked.

To understand trends we need to understand the "why" behind the "what", and to look at 'big picture' macro forces to point us toward future opportunities for success.

In the 2018 Trend Report, we borrowed a quote from The Great One to illuminate this approach. This year, we shift to Mario the Magnificent who rather humbly said, "When I'm able to see the ice ahead of time, when I get the puck I'm able to make some pretty good plays." Knowing what direction to take when the opportunity comes puts you in control of the game.

To fully understand the new developments we're observing, it's important to take a look back at our 2017 and 2018 Reports, which continue to reshape the food industry and provide opportunities.

While 2018 was about Disruption, 2019 is about Shifts.

2017 Trends

- Food with a Function, Naturally Occurring
- From Protein to Protein + Fibre
- Simply Made, Real Ingredients
- Take Me Halfway There
- Portability
- Made for Me
- Narrowing the Farm Gate to Dinner Plate
- Mindful Consumption
- Food is Food, Across Borders

2018 Trends

- Disruption in the Way We Source and Purchase Food
- Disruption in the Way We Prepare Food
- Disruption with Radical Transparency and Food with a Story
- Disruption with Plant-based Products Mainstreaming
- Disruption by the Intersection of Technology and Food
- Disruption from Nose to Tail, and Leaf to Root
- Disruption in Health & Wellness
- Disruption in When and How We Eat

If you haven't read them, the 2018 Nourish Trend Report and its accompanying update are both available for download at **www.nourish.marketing**.

2019 Trends

- Shift From Mindful to Virtuous Consumption
- Shift From the Rise of Plant-based Products to the Rise of the Conscious Carnivore and Ethical Protein
- Shift From Diets to Selective Eating
- Food & Mood - Shift from Physical to Emotional Well-being
- Shift From Heart Health to Gut Health - The Rise of the Human Microbiome
- Shift to Blended Meals and Blended Shopping
- Shift from Millennials to Generation Z
- Shift from Truth to Trust

Shift From Mindful to Virtuous Consumption

Mindful Consumption was one of our top 2017 trends. Consumers cared about where their food came from and were also becoming more aware of food waste as a problem. In 2019, we see that trend shifting and expanding to Virtuous Consumption.

The conversation about climate change grows louder as we see daily examples that can't be ignored. Every part of the food system is going to have to show how they are at least committed to small incremental improvements. As 'clean label' has become table stakes, so will sustainability, as consumers start to consider the impact the products they choose have on the world.

Looking at packaging waste

Food packaging waste is a growing issue with microplastics polluting not only our oceans, but now also turning up in human poop. The EU has voted to ban single-use plastics by 2021 and municipalities like Vancouver are starting to outlaw plastic straws as a way to reduce society's reliance on disposable single-use items. Consumers are becoming desperate to "do the right thing", but don't know where to start. Straws were an easy, visible sign, but are just the tip of the plastic iceberg as consumer awareness rises. How can we satisfy the seemingly contradictory consumer needs for convenience and portability with sustainability?

> It is going to take more than one company to solve this challenge.

Is open-source the new eco-frontier as companies come together to solve industry problems? When Volvo invented the three-point seat belt in 1959, they made the patent available to everyone in the interests of public safety. It's estimated that since then the invention has saved over 1 million lives. In the QSR spectrum, McDonald's has joined Starbucks in a multi-million dollar competition to create a fully recyclable coffee cup.

Danone has committed to its packaging being 100% circular (100% recyclable, reusable, or compostable) by 2025.

To meet this goal, it is collaborating with Nestlé, PepsiCo, and Origin Materials to create bio-based bottles.

Reducing food loss and waste

IMF data shows that at least one-third of global food production goes to waste. Globally, 10% of greenhouse gas emissions are generated by the production of food that goes uneaten.[1] To put it all in perspective, if Food Loss and Waste was its own country, it would be the #3 emitter of greenhouse gas in the world.[2]

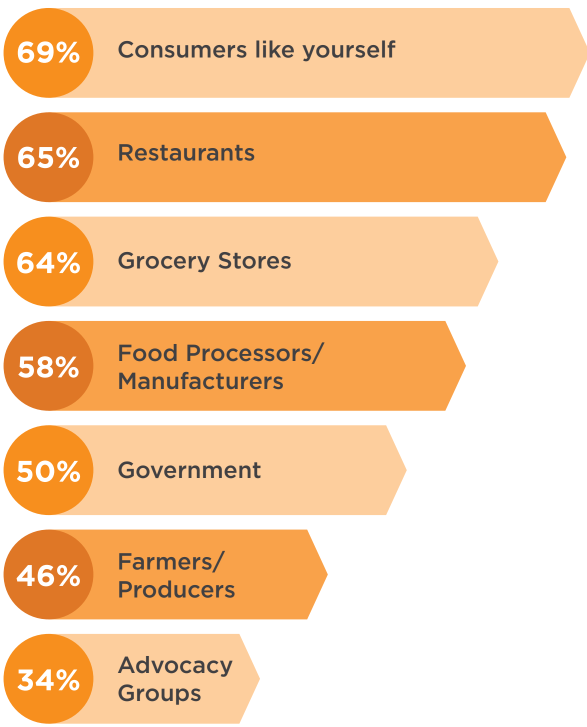
Producers and manufacturers will need to start treating food waste as an asset and not as a liability. Programs like **Refed** in the U.S., and **Provision Coalition** were formed to help industry decrease food waste. Other start-ups, like Misfits, are partnering with producers, manufacturers, and restaurants to make human and animal food products out of ingredients that normally would have entered the waste stream.

Upcycled goods, where you now treat those waste streams as assets and give them a second life, can tell a compelling sustainability story and make consumers feel good about being part of the solution. Innovative **Coffee Flour** takes the surrounding fruit of the coffee bean that has traditionally been discarded and turns it into a high fibre flour with a great nutritional profile, and an added revenue stream for farmers. In brewpubs, spent grains are being incorporated into tasty and nutritious burgers.

Consumers are also starting to hold themselves responsible for food waste. Kickstarter innovation **Ovie** turns your Tupperware into Smarterware by pinging you when your food is getting close to spoiling so you can use it up. At $60 USD for a set of tags, it's a whole lot cheaper than a smart fridge. With wasted food costing the average family $2,000 USD annually, it's a pretty fast payoff.

1 WWF
2 Provision Coalition

Responsibility for Reducing Food Loss and Waste in Canada[3]



3 CCFI 2018 Public Trust Research

In the grocery sector, Costco is now piloting Apeel's new plant-based spray that claims to double shelf life. Packaging-free and zero-waste grocers are launching in Canada (see NU Grocery in Ottawa, pop-up Bare Market in Toronto, Epicerie Loco in Montreal, Nada in Vancouver). Examples of the Bring Your Own movement in Canada are Starbucks' refillable coffee mugs, and Bulk Barn's bring your own containers program.

For CPG companies, packaging needs to be rethought in its most minimalist job of providing a protective layer between you and your food while also conveying product information and being that silent salesperson.

Restaurants are in on this, too. The average eating establishment is estimated to produce over a ton of waste every week. Chefs are starting to incorporate sustainable practices with zero waste dinners, on-site composting, and greenhouses for hyperlocal sourcing with urban farming. For a look at a what a 100% waste-free bistro could look like, see what the **Finnish Cultural Institute** created in New York this past May.

Things to consider:

If you're a Manufacturer:
Can you use less packaging for your existing product? Would individual portions of your product result in less consumer food waste?

If you're a Retailer:
Does your existing waste go into a composting stream?

If you're in Food Service:
Do you compost or donate leftover food? Can you offer recyclable or reusable alternatives?

Shift From the Rise of Plant-based Products to the Rise of the Conscious Carnivore and Ethical Protein

'Plant-based' was one of the disruptive trends in our 2018 report. The lines between vegan, vegetarian, flexitarian, and meat-eaters are blurring. Consumers dip in and out of each definition, but the majority are reducing their meat consumption. More Canadians across cultures and across generations are doing so for animal welfare, environment, and health reasons - the top 3 reasons cited in a Dalhousie University study.

Consumer concern about the humane treatment of farm animals has increased from 40% in 2017 to 49% in 2018.[4] The same research shows that, "while six in ten Canadians agree they would consume meat, milk, and eggs IF farm animals are treated humanely, less than one-third feel they ARE treated humanely."

Governments are starting to recommend lower meat consumption: Switzerland's new food guide suggests reducing meat consumption by 70%. Health Canada is about to update its Food Guide, last updated in 2007, and is expected to recommend less animal protein.

More Canadians are saying no to meat

The previously mentioned Dalhousie University study further reported that vegetarians and vegans now account for nearly 10% of Canada's population; that's more than 2.3 million vegetarians and over 850,000 vegans. Dalhousie University professor Sylvain Charlebois says the scientific survey, believed to be the first of its kind in Canada, also shows people under the age of 35 are 3x more likely to consider themselves vegetarians or vegans than people 49 or older.

Are we about to see plant-based meats take off the way plant-based "mylks" have in the dairy case? Will we see this extend to seafood and cheese substitutes?

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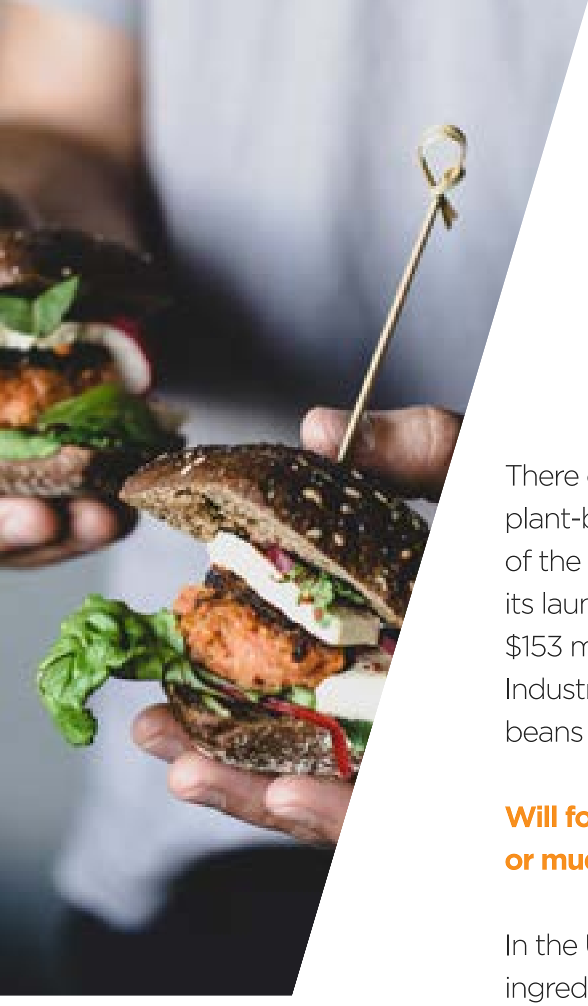
4 CCFI 2018 Public Trust Research



There certainly has been more buzz around plant-based protein alternatives. A&W ran out of the **Beyond Meat Burger** within a month of its launch, and the Canadian government gave $153 million in grant money to nonprofit Protein Industries Canada for processing plants for beans and peas used in the burger.

Will food science lead the way or muddy the waters?

In the U.S., the FDA has just approved the key ingredient in the **Impossible Burger**. There had been some industry controversy over whether soy leghemoglobin, which makes the burger "bleed", was safe to eat in large quantities. The FDA seal of approval may help this Bill Gates-backed product go mainstream. Or, will consumers see this as a kind of "Frankenfood"? Will vegans dismiss it because they see it as meat, while meat-eaters dismiss it because they see it as not real? There is already a fight as to whether it can legitimately be called "meat".

What's the future of lab-grown "clean meat"? Cultured protein is still quite expensive and not economically viable on a big scale, but with major players like Cargill getting involved, the price will come down in the future. Consumers currently eating meat may like the idea of a more environmentally-friendly and ethically produced protein, but the proof will be in the taste and price. Will consumers who want Non-GMO product (often without knowing what that actually means or stands for) accept lab-grown protein?

Of course, not all protein sources are equal. What may seem obvious to the Food Industry is not known to consumers. While the majority of households consider high protein to be an important consideration when making food purchase decisions, most don't actually know how different proteins measure up.

A Protein Perception Problem

Protein levels and percentage of consumers who correctly identified eqch item's protein amount

< 10g Low Protein		10 - 20g Medium Protein		> 20g High Protein	
Peanut Butter	22%	Jerky	22%	Cottage Cheese	12%
		Greek Yogurt	52%	Chicken Breasts	42%
		Protein Bar	50%	Ribeye Steak	55%
		Salmon	43%	Pork Loin	36%
				Shrimp	20%

Perhaps high protein choices like cottage cheese, beef, chicken, pork, and shrimp should start calling out their protein content on-pack or on-shelf rather than assume consumers understand it.

Consumers are shedding their diet-based labels

There's a new way of eating emerging that is values-led, rather than defined by labels. For example, one might choose a vegan diet, but forego the label and define oneself as "pro-animal welfare", or "pro-sustainability". This will extend into blended diets, where consumers reduce their meat consumption but don't strike it entirely from their shopping list. It's a logical extension of conscious consumerism.

> We are also seeing consumers that eat meat switch to perceived "better for you/better for the planet" sources like grass-fed, and Certified Humane.

Can you make it easier for your consumers to add more plants into their routine? How can you make your product more flexitarian-relevant? If you are in animal protein, can you offer a blended option like the beef and mushrooms Sonic Slinger burger? Can you be more transparent in livestock production to build consumer trust so they see you taking good care of your cattle as well as the environment?

Things to consider:

If you're a Manufacturer:
Should you start calling out your high protein products? Should you add blended protein options to your existing products?

If you're a Retailer:
Plant-based products are often shelved in their own "ghetto" section. If they have broader appeal, should they be located beside the traditional proteins' section?

If you're in Food Service:
Should you be adding blended protein options to your menu?

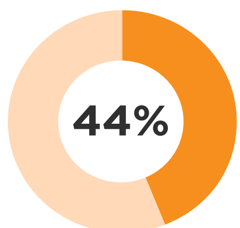
Shift From Diets to Selective Eating

The concept of "dieting" is dying off, partly due to the increasing popularity of the size-acceptance movement, as well as dieting fatigue and the growing understanding that most diets don't work. Selective Eating is replacing dieting with the objective of optimizing performance. An example of this is the Bulletproof Diet (closely aligned with the ketogenic or 'keto' diet), that challenges commonly held beliefs about human nutrition and focuses on a state of high performance. Consumers who are "living Bulletproof" believe they are supercharging their bodies, upgrading their brains, and functioning optimally.

Selective eaters now outnumber true omnivores worldwide.[5] One in three people report following a specific diet or eating pattern, double that of a year ago.[6] The rise of online shopping and influencer communities with shared values and shared pain points like food sensitivities has fuelled trends like keto and paleo. Those eating patterns that today appear to be niche could be tomorrow's gluten-free market.

The end of the one-size-fits-all approach to eating

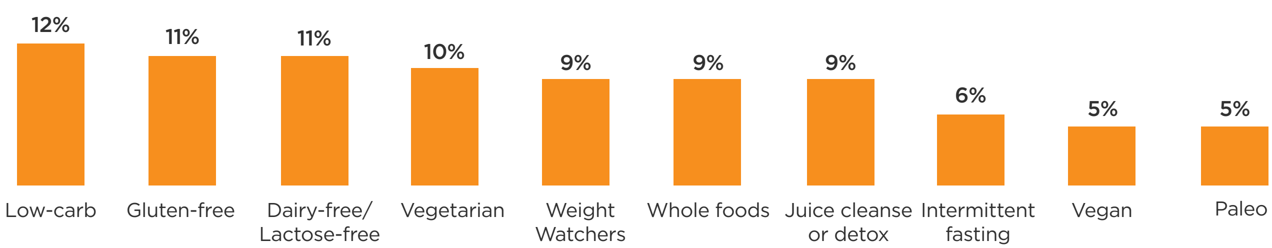
Consumers are moving beyond the traditional food pyramid and plate of meat, veggies, and carbs to food tribes that represent values and lifestyles. Nearly every consumer today has some kind of "personalized eating ideology" that results in their own personal food pyramid.



More than four in ten consumers (44%) have experimented with some type of diet or eating approach in the past year.

5 Selectivor
6 IFIC Annual Survey
7 The Hartman Group Inc. 2018

Top 10 Eating Approaches in Past 12 Months[7]:



The rise of smartphones and artificial intelligence (AI) are resulting in new apps like **Pinto and Calorie Mama** to help support selective eaters.

These apps allow users to take a picture of their meal and upload it, using AI to analyze the food's nutritional qualities and assess how well that meal fulfills the user's specific dietary plan. A user can, for example, specify that they want to follow a paleo, ketogenic, or vegan diet, or ask the app to flag foods that contain allergens or ingredients that would trigger food intolerances. This represents opportunities for companies that can offer seemingly personalized options while appealing to a broad enough market.

Things to consider:

If you're a Manufacturer:
Selective Eating isn't a fad. What food tribes should you be reaching out to?

If you're a Retailer:
Can you use E-commerce to provide more personalization options than are available in the physical store? Can you use your customer loyalty database to curate products that fit their selective eating choices?

If you're in Food Service:
Can you introduce more flexibility into your menu to allow for more customization? Can you highlight items on your menu that meet specific diets, e.g. vegan, keto, etc.?

Food & Mood
Shift from Physical to Emotional Well-being

The definition of wellness is expanding to include bone, muscle, brain, and mental health.

When asked what "health" means to them, 77% of consumers responded that they associate the term with their physical well-being. Remarkably, 75% also closely associate it with their mental state.[8] That's a surprising result considering mental health wasn't discussed openly in society until very recently.

In an increasingly hectic world, anxiety has emerged as a mainstream issue amongst millennials and Gen Zers, with Google searches on the issue almost tripling in the past 10 years. Consumers are looking to food to support not only their physical well-being but also their emotional well-being.

The Hartman Group's recent report finds that consumer awareness of and engagement with their health issues and overall wellness appears to be growing. The language of food and health and wellness is changing. It is moving from the traditional call-outs of specific nutrient profiles or physical conditions like cholesterol-free for heart health or low fat, to 'what can it do for me?'; from something that fixes a problem, to ingredients that enhance something in the body like mental health or brain function.

Cannabis - coming soon to a product label near you

Launches of food and drink products with "mood" and "emotional health" claims, while still niche, are expected to grow, especially with the advent of CBD-infused foods.

Cannabidiol (CBD) is a non-psychoactive ingredient derived from the cannabis plant. Expect broadscale adoption as the social stigma disappears and more research is conducted on its properties to help with inflammation, pain relief, anxiety, depression, and sleep.

In California, sales of cannabis-infused food and drink was a US$180 million market in 2017. Canadian regulations are still to come, but now there will be scientific research conducted to support potential claims. And, certain derivatives of cannabis seeds, namely hemp seed oil and protein, are already permitted in food products sold in Canada.

As R&D begins, critical factors for consumer adoption will be taste, as well as a consistent and familiar dose-response curve. Consumers know how alcohol affects mood and performance. They will want these new products to mimic that of alcohol, and they're looking for education: 81% of Canadians want cannabis packaging to specify effects on behaviour.[9] In the future, alcohol may not be the go-to mood changing drink.

No time to eat right? Add some function to your convenience food

More people will start to be comfortable putting powders into their beverages, smoothies, oatmeal, and teas for various health-promoting reasons. Adaptogens and functional mushroom powders will take their place with protein powders, as consumers move away from vitamins and capsules and look to get their supplements increasingly from "real food". Sales for food products incorporating medicinal mushrooms have increased between 200-800%, depending on the variety.[10]

For an example, see how **Four Sigmatic** positions its powders around need states like "Revive, Achieve, Create, or Chill".

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8 JWT Intelligence Study
9 Vividata 2018
10 Food Navigator US 2017 v. 2018 Sales

Witness how collagen is moving from beauty to superfood. It's a protein and accounts for one-third of all the protein in our body.

Products are launching around muscle health - expect the same for collagen products as the next anti-aging magic bullet, and it will move beyond bone broth, powders, and capsules. Collagen from animal sources and also more sustainable vegan sources will rise, as the majority of consumers don't know most collagen comes from an animal: only 31% of consumer knew that collagen is animal-derived.[11]

Things to consider:

If you're a Manufacturer:
Does your product positioning support emotional, rather than physical well-being? Should you take more cues from successful health & beauty brands?

If you're a Retailer:
With this shift from physical to emotional well-being, the line between Drug and Grocery channels will continue to blur. As shoppers look for products that support their emotional well-being, should you have more than a pharmacist or traditional dietitian on staff?

If you're in Food Service:
The impact of cannabis legalization is predicted to shift food consumption from on-premise to home. Do you have delivery options in place?

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11 US 2018 Geltor

Shift From Heart Health to Gut Health

The Rise of the Human Microbiome

There is a growing awareness amongst consumers that the health of our microbiome is at the root of our wellness.

Humans cells are vastly outnumbered by the microorganisms living within us, and our gut microbiome is an ecosystem of bacteria, yeast, fungi, viruses, and protozoans.

The mainstreaming of probiotics; fermented foods like yogurt, kefir, and kombucha; as well as sprouted and high fibre ingredients show the rising interest in digestion and gut health. Sales of digestive food products in the U.S. were up 12.4% in 2017 over 2016 and are predicted to have double-digit growth again in 2018.[12]

For all-over health, it's gut check time

There is a growing body of research that shows our gut has health effects that go beyond digestion to our immune system, brain, metabolism, weight, inflammation, and cardiovascular health. The way consumers think and talk about their bodies is changing. There has been a rise in cookbooks with recipes that focus on boosting good gut bacteria.

This is already resulting in new products and services coming to market.

At-home fecal test kits are being sold by **Viome** with recommendations on how to change your diet to improve your microbiome. It's a new way of looking at nutrition that takes a Silicon Valley-type approach, seeing health and wellness issues as engineering problems to be solved. Author and speaker **Tim Ferriss** has helped popularize the test and new approaches to fixing and optimizing health with his books and lifestyle design blog. Diets are no longer about deprivation, but are instead about optimizing performance and biohacking our personal ecosystem.

Food and beverage juggernaut Nestlé's worldwide business is moving from confectionary to wellness. It launched its Wellness Ambassador platform trial in May in Japan, providing customers with personalized nutritional advice based on their dietary habits, DNA, and blood test results.

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12 IRI

Things to consider:

If you're a Manufacturer:
What gut-friendly ingredients could you be calling out in your existing products? What could you be adding?

If you're a Retailer:
Should you be creating a section of gut-friendly items, similar to the early days of gluten-free?

If you're in Food Service:
How does your food impact the well-being of your diners? Can you introduce more fermented products, like kimchi on that burger or sauerkraut as a side?

Shift to Blended Meals and Blended Shopping

Consumers are moving away from "making meals" to "blending meals" with inputs coming from a variety of places. The question "What's for dinner tonight?" is increasingly answered with meal components coming from various places instead of a single source, and assembled in different ways. A consumer may order a pizza and supplement it with a prepared salad from the Grocery store. How can the consumer take these varying inputs and create a healthy at-home dinner?

Meals are increasingly moving from the plate with a distinct protein, veg and starch, to a blended one-bowl meal, providing simplification and convenience - plus easier clean-up.

Convenience is driving food purchase decisions

Consumers have also moved from shopping at their neighbourhood grocer to sourcing food via multiple channels, and those channels will start to blend. Expect to see more blending of restaurant, take-out, meal-kit, and scratch cooking as convenience continues to be the consumer's number one need-state and time their highest currency.

Don't forget, consumers are more technologically connected than ever. Technology acts as the bridge between food service providers and consumers' busy lifestyles. The most convenient and tasty solution wins.

Nearly half of consumers report shopping is a chore with shopping trips shifting from stock-up trips to smaller, more frequent needs-based trips, and 10% of shoppers buying solely for the meal they plan to consume that same day.[13] This could result in less pantry loading and a desire for smaller format stores where the shopper can more quickly grab and go with their meal solution.

Will we finally see meal solutions-based shopping in Grocery? 39% of Canadian shoppers would like to see supermarkets organized by meal occasion.[14] Retailers who can make their customers' lives easier while still delivering quality products will win.

Online grocery shopping is getting real

Amazon has learned that competing only in an online environment is not enough. In the U.S. they have built retail outlets with Go and its Pick-Up locations, as well as the newer Amazon 4-star opened in New York in October. At the same time, they have scaled back their AmazonFresh delivery service. They clearly recognize that shoppers need physical contact to create a fully authentic, trusted brand. Food is not just another widget. It demands care. And in markets where they do have a physical presence, online sales have also increased.

Amazon's purchase of Whole Foods was also a purchase of its previously lacking grocery expertise and an additional physical presence. It's the last frontier of online shopping that hasn't yet been cracked, with 20% of retail spending going towards food but accounting for only 2% of online sales. It's also a "gateway category" due to the high purchase frequency of food; it's unlike any other retail category. That's also the reason for Walmart's grocery focus - being strong in that category allows you to own frequency that can be leveraged across retail categories.

While Blue Apron in the U.S. and other online meal-kit providers struggle to create a returning customer base, food stores and restaurants are dipping their toes into the meal-kit game, moving us to the year of Meal-Kit 2.0 where retailers play a bigger role in meal kits with assistance from meal kit companies.

13 US Nielsen 2018
14 Mintel 2018

More fresh, shelf-stable meals with new technologies are allowing for less processed fresh meals that don't require refrigeration.

Could we see the rise of healthy ready-to-eat vending machines where consumers have access to restaurant-quality meals on demand?

Things to consider:

If you're a Manufacturer:
What could you do to appeal to these more spontaneous shoppers who aren't making grocery lists? How can you provide inspiration and marketing outreach in those hours when they need to answer the question, "What's for dinner tonight?"

If you're a Retailer:
Food trends usually start in restaurants, move to small specialty brands and then finally into mass market retail. Can Grocery become a fast follower by having an in-store chef who spots regional and niche trends and quickly introduces them into the HMR section?

If you're in Food Service:
Will we see the rise of subscription-type services where I get a text prompt from a virtual restaurant in the morning to choose the meal that I get delivered for lunch and/or dinner? Is this a way for restaurants to participate in the eating out at home trend?

Shift from Millennials to Generation Z

Generation Z or "Gen Z" is the big demographic cohort following after the millennials. Most demographers define this age group as those born in the mid-1990s to mid-2000s, making them roughly ages 7 to 22. They comprise 25% of the current population, which makes Gen Z bigger than both boomers and millennials. In the next few years, that figure will balloon to 33% of the population. You cannot afford to underestimate the huge impact this generation will have on culture and society.

Gen Zers are considered to be the most educated group yet at this life stage when it comes to health and wellness. Most still rely on their parents for groceries and these parents, as well as the educational system, have instilled the importance of healthy eating at a much younger age than previous generations.

Because of busy household schedules they also do more meal prep than previous generations. Cooking is not something that only mom does - everyone pitches in, and it has been a far more democratic and far less gendered task than in past generations. They know their way around a kitchen thanks to their phones, making cooking an easy-to-access life skill and giving them confidence in the kitchen. **Tasty's** mobile-friendly videos could be their "go to" recipe book. And because they have busy parents, they tend to prepare their own meals and eat alone for most meals.

Brush up on your digital skills

These are the first, true digital natives. There is no "before" or "after" the internet for them; they can't imagine a world that's not completely wired and accessible. It's the "what I want, when I want, where I want" generation.

Gen Zers expect customization because that's how their music and their coffee orders have always been. They also grew up in a multicultural world, so they don't expect to see homogeny. They are already the most ethnically diverse cohort in Canadian history due to immigration policies. Skin colour, like gender, is fluid. Flavours are mashed up. It's not "ethnic cuisine"; it's just what someone else eats in another part of the world, and that's exciting.

While they are very "technology forward", they are also more conservative. Generation Z has grown up with terrorism and recession and a 24/7 news cycle. Hence personal and financial safety is more important to them. But they have very progressive social values. They probably have more in common with the generation before the boomers who also went through the depression and war. They drink less, smoke less and are expected to save more. They are also going to have to fix what past generations screwed up.

What else do we know about Generation Z?

Gen Zers' phones are their primary connection to the world. It's where they live. Is your website optimized for mobile? Can they easily make a reservation or find your special offers online? Is there an easy delivery option and do you have an online loyalty program with some element of gamification? Are your recipes clickable? You need to think "phone first" for this generation. That includes paying for things - they don't carry that old, dirty thing called cash. Try only using your phone for a day to understand how well you will fare with these consumers.

They are also a visual generation and prefer “show me” to “tell me” (or <gasp!> “make me read”). Young females in this group are especially driven by the “latest” unicorn-type trend and will broadcast it to their very connected social networks.

Less isn’t more any more

This is a generation that is also loving their meal leftovers again, bringing them to work or school, rather than throwing them away. “Supersize” options have appeal as they provide two meals for one in their eyes.

> They have also grown up with a foodie and wellness-obsessed culture defined by the millennial generation.

They are more educated than past generations on nutrition and healthy choices, as that has been taught to them in school. They know how to read nutritional labels, but they are too young to have many health worries, so fun and flavour are of high importance to them when choosing a meal.

They’ll still want to know what’s in that menu item, however, and where the ingredients came from. Organic is a hot button, as is fresh as they perceive that as healthier than pre-fab food. Can you provide food with a story, or an element of the unknown or unusual to tempt their curious palates?

Female buying power growing

Millennials were the first generation where female education rates were higher than for males. This is expected to continue with Gen Z. The current discussion of female challenges and opportunities in the workplace should result in a more level gender playing field than any time in history, and this should translate into more female professionals with higher buying power while having even less free time.

And, because cooking is becoming less of a gendered task, we could see grocery shopping also become more equally shared between men and women once they start forming families. Things that save time, whether shopping, meal prep, or food service could be winners. In that vein, since their phone is their primary connection to the world, online food ordering, whether meals or groceries, should start to really take off.

Many Gen Zers are entering the workforce and beginning a new life stage - a time when new habits and attachments form. The next few years are when this generation is going to be forming opinions and loyalty to retailers, brands, and restaurants.

Gen Zers are wonderfully idealistic, too: almost half of this generation believes they can make the world a better place.[15] Purpose-driven brands will resonate with this group. They are also the most connected generation and will use technology to interface with companies and accelerate change through social media.

15 Mintel

16 Mintel Canada 2018

Things to consider:

If you're a Manufacturer:
Their relative youth means that they're still in their formative years and developing brand attitudes and loyalties. How can you connect with this generation's sense of purpose?

If you're a Retailer:
This generation grew up with private label products and see them as high quality. They want to support smaller brands with a story. Can you add a story to your private label products?

If you're in Food Service:
Those in the 18-to-23-year-old group are already dedicated restaurant patrons, with 66% of them visiting foodservice outlets at least once a week, compared to 54% of total Canadians.[16] New cuisines with bolder flavours will resonate. And, make sure your operation is mobile-friendly! The majority of Gen Z goes online when choosing a place to eat.

Shift from Truth to Trust

We are now living in an era where the very idea of objective truth is mocked, and proven science is once more up for debate. Distrust is rampant. Shared values outweigh facts (GMOs, fad celebrity diets, politicians on both sides of the border). In these truth-challenged times, trust trumps truth.

The latest CCFI **2018 Public Trust Research** demonstrated that there is a dangerous disconnect between consumer perception of the food system and reality that needs to be addressed across the food ecosystem. Additionally, their public trust model shows that, "shared values are 3-5 times more powerful than facts when it comes to earning trust."

Remember - humans are not rational beings. We are wired for emotion first and facts second.

> Consumers are looking for reassurance about the safety and trustworthiness of the products they put into their bodies.

The best way to build trust is through transparency and storytelling.

Independent third-party verification will rise in adoption as consumers search for more credible information and authentic communication in an era of "fake news". Where possible, show rather than tell consumers with videos demonstrating animal and worker welfare and conditions. In the absence of this, YouTube videos, like "**Dairy is Scary**" which has amassed over 5 million views with minimal promotion or production budget, will fill the void.

Will we see a rise in **Certified B Corps** as consumers look to support purpose-led brands and companies? Research shows that genuinely purpose-led brands grow at double the rate of those without any higher-order societal aim and this is expected to increase in importance with millennials and Gen Zs.[17]

17 Kantar Consulting

Things to consider:

If you're a Manufacturer:
Can you create emotional ties with more storytelling?

If you're a Retailer:
Are you sharing your values with your community?

If you're in Food Service:
Can you be more transparent about where your inputs come from and tell the stories of the producers who provided them?

Nourish is Canada's only field to fork marketing agency. We only work with clients in the food and beverage sector. Our expertise starts on the farmer's field, extends through production/manufacturing, includes processing and retail, and then finally ends with the consumer.

Nourish has offices in Toronto, Guelph, and Montreal.

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