The Five Key Trends Shaping Consumer Food Demand

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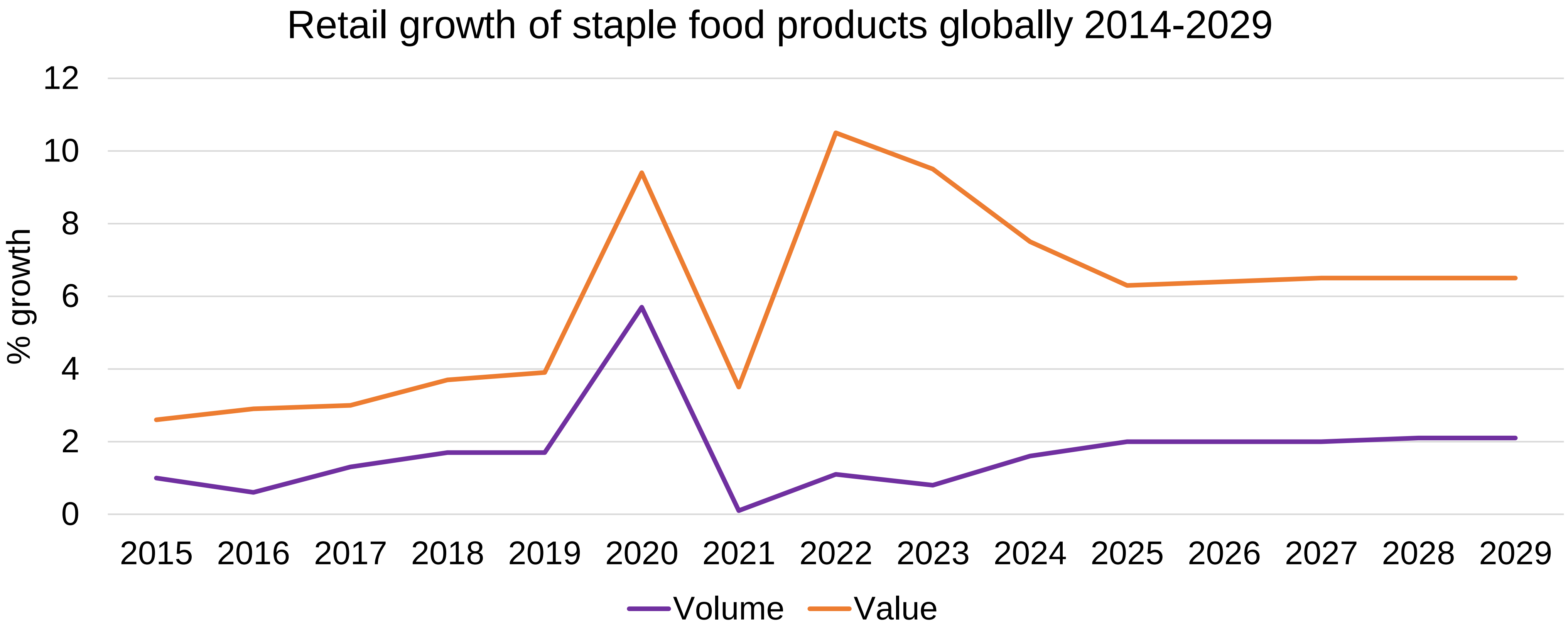
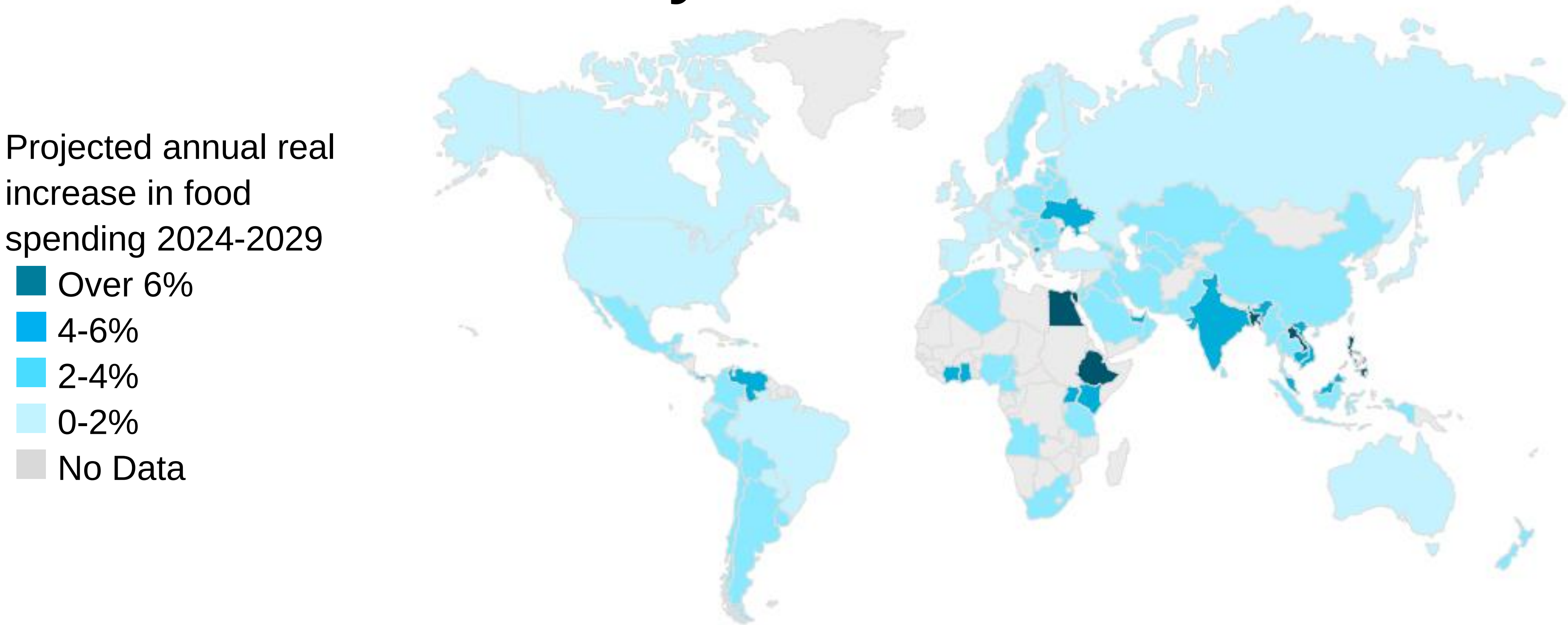
State of the Industry

The industry is growing, though increasingly from prices



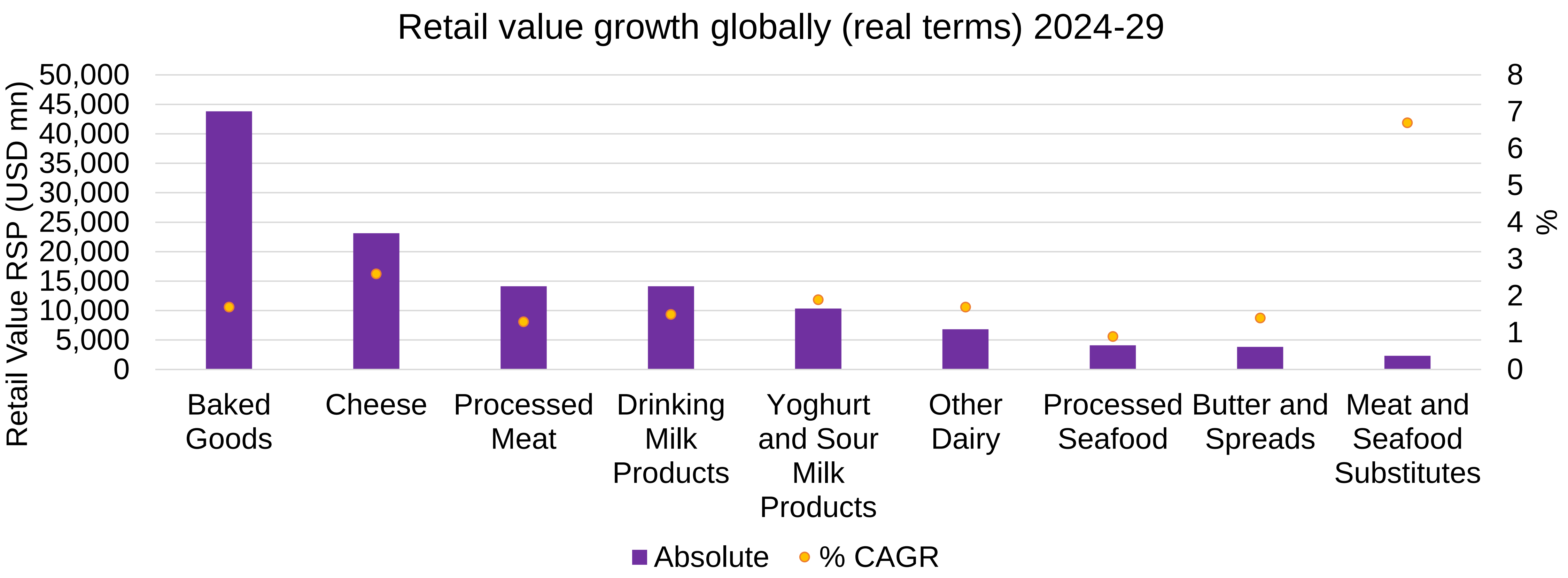
Source: EMI Staple Foods research. Value is in US dollar, fixed 2024 exchange rate terms

Spending is on the rise in every tracked country



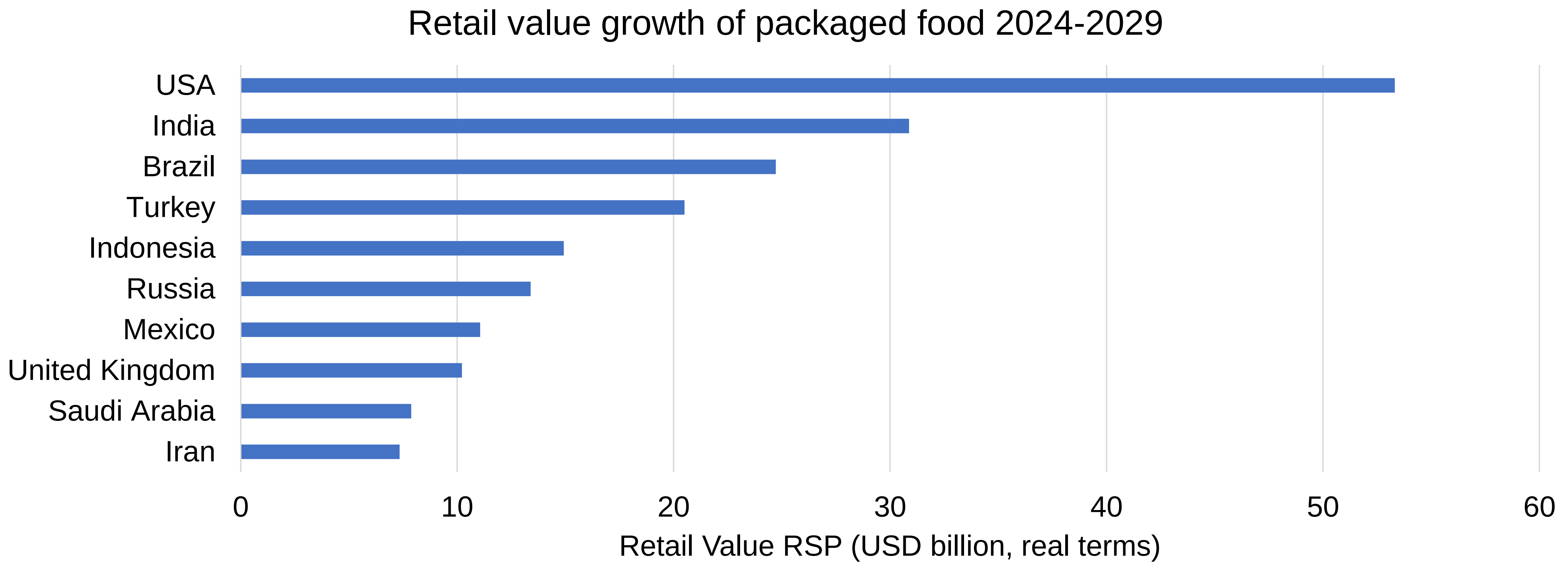
Source: EMI Economies and Consumers

This extends to all core IDDBA categories



Source: EMI Packaged Foods research

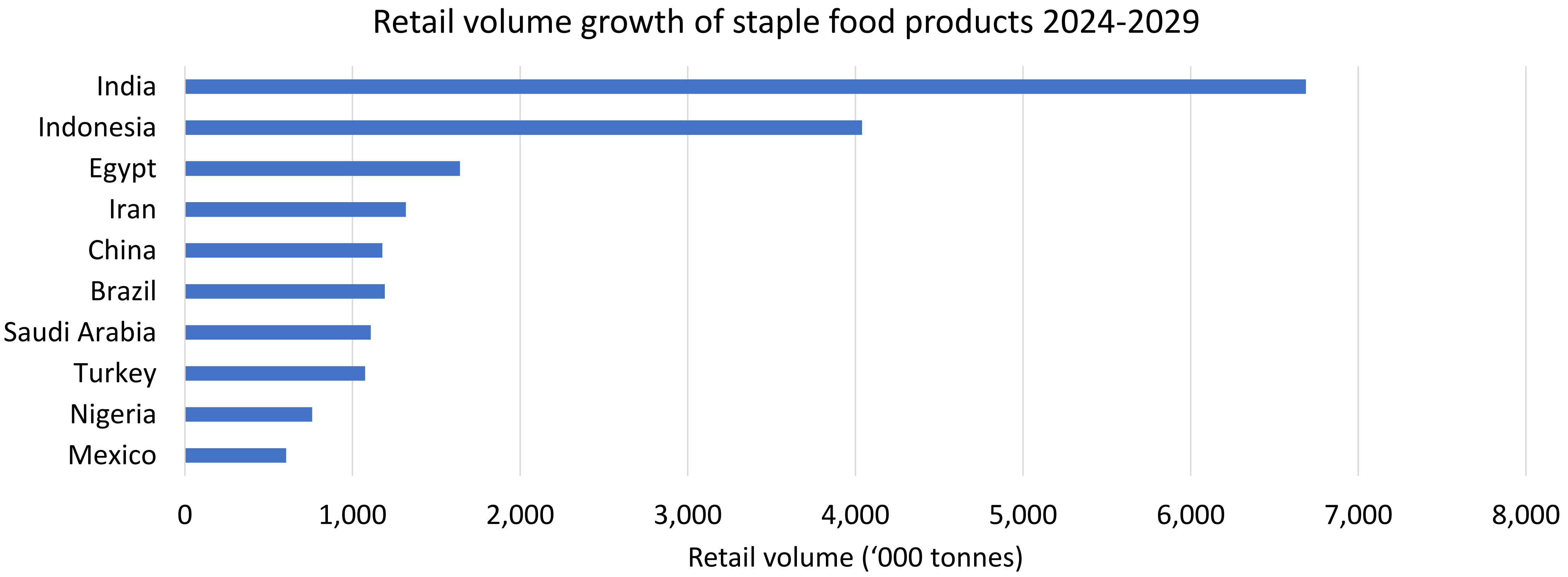
The US remains the world's leading value growth market



Source: EMI Packaged Foods research

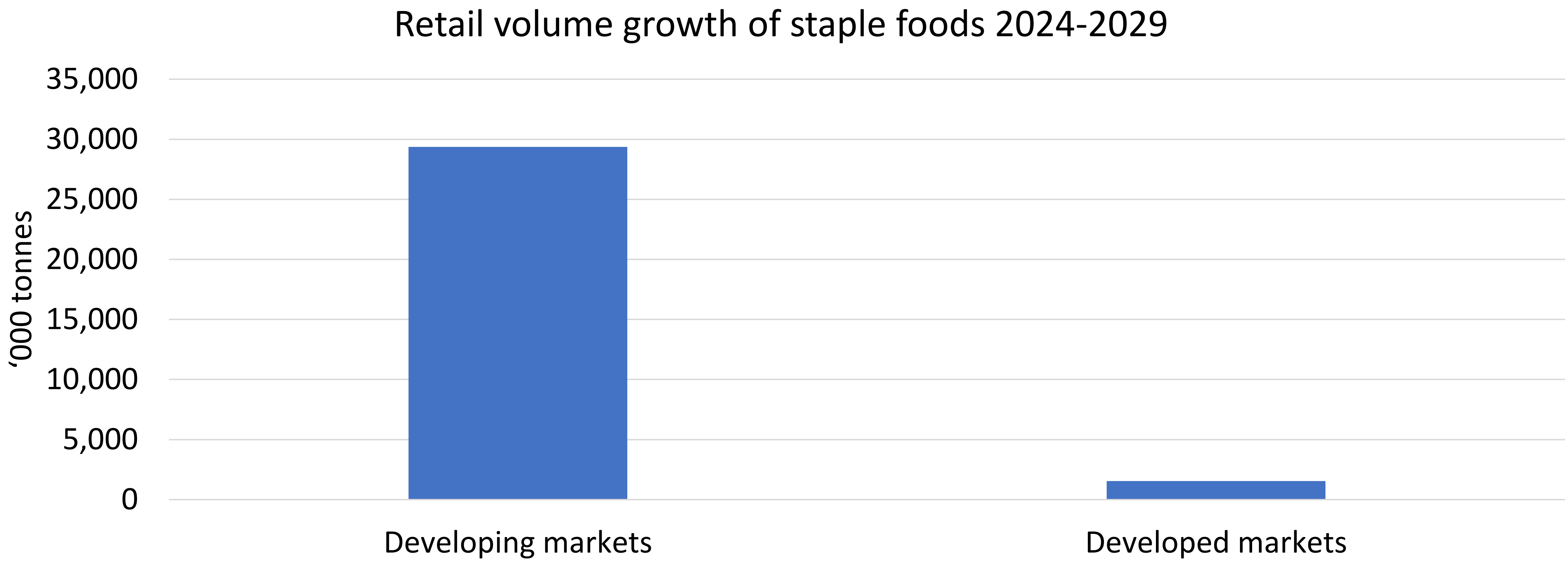
Volumes are a very different story than spending

The key volume growth markets are very different



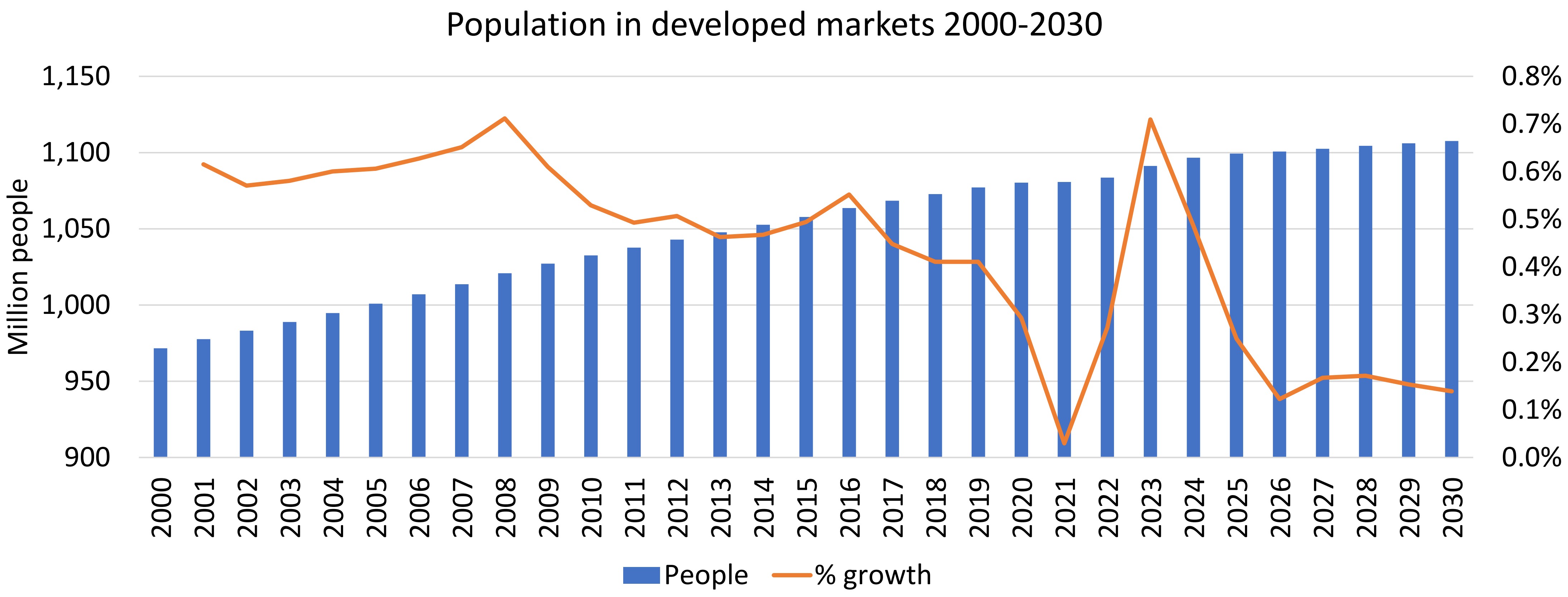
Source: EMI Staple Food research

Nearly all volume growth is now in developing markets



Source: EMI Staple Food research

Developed markets face a “calorie cliff”



Source: EMI Economies and Consumers

This will force developed markets into a focus on price

Key Consumer Trends

Top five trends for 2025

The search for value

A narrowing window for premium

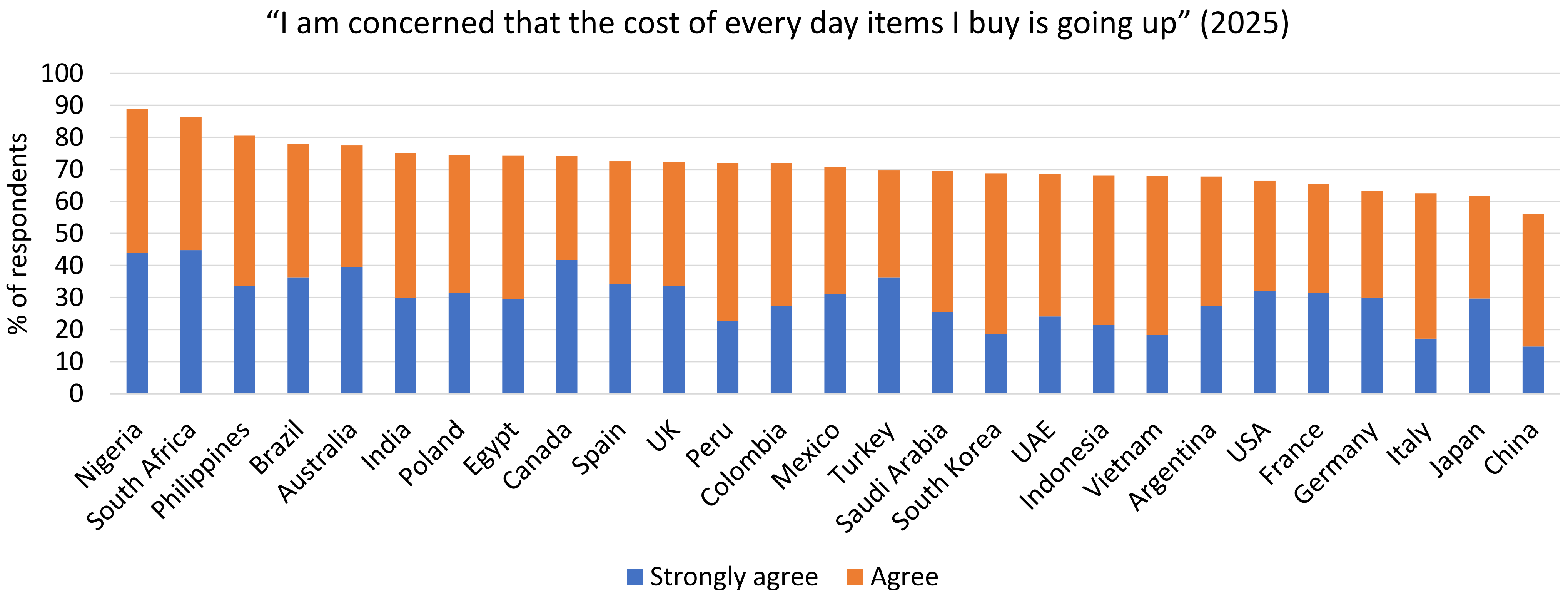
Wellness as a consumer priority

Convenience and snackification

Uncertainty

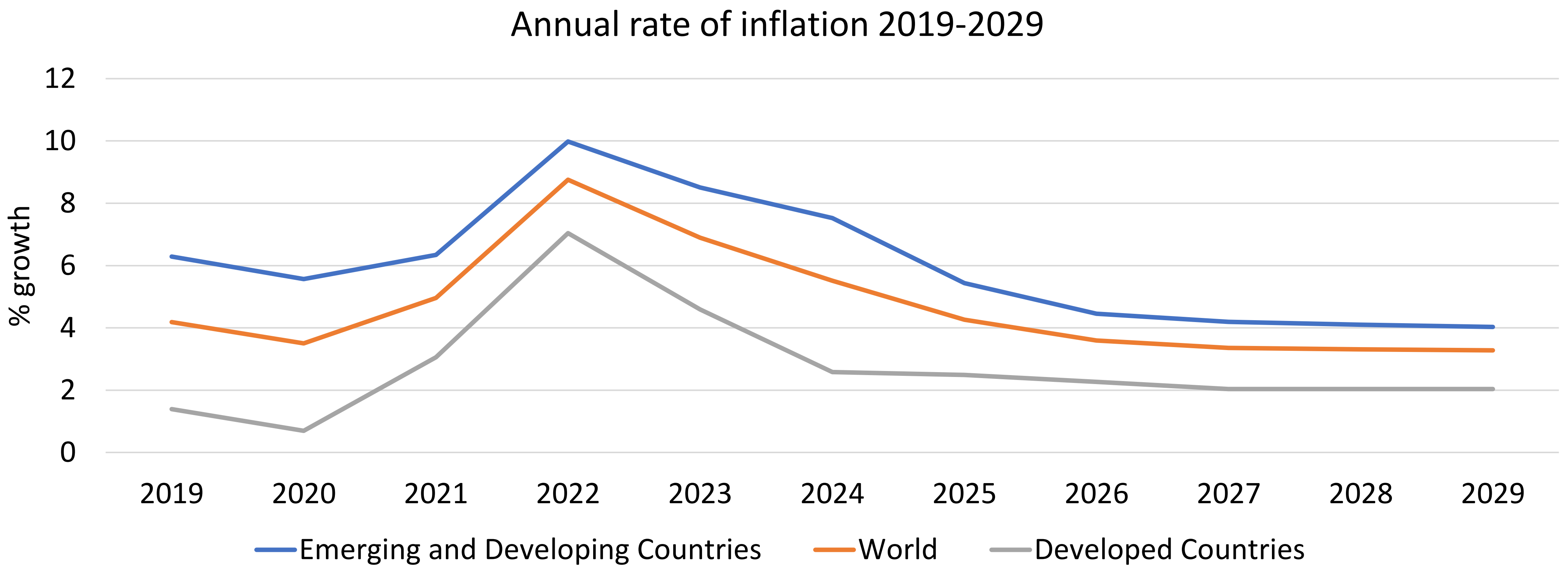
The single most important thing to remember about the consumer is that they are price-focused

Prices are not budging as the dominant consumer concern



Source: EMI Voice of the Consumer Lifestyles

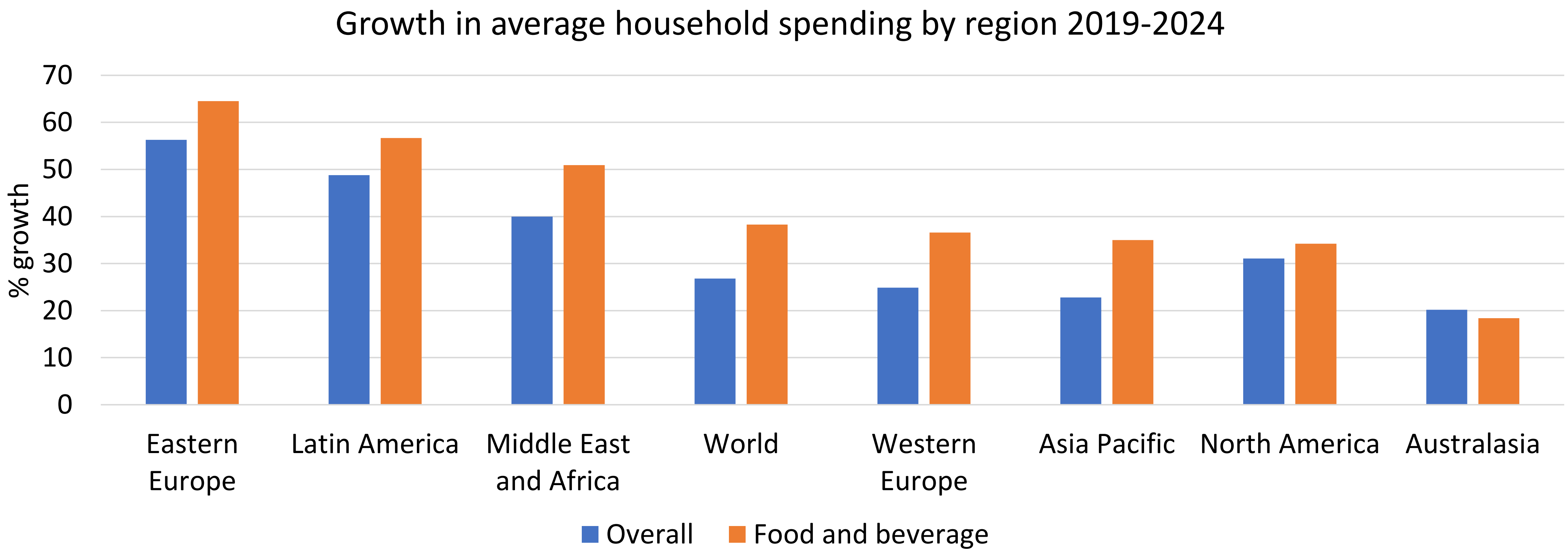
This is largely independent of the inflation rate



Source: EMI Economies and Consumers

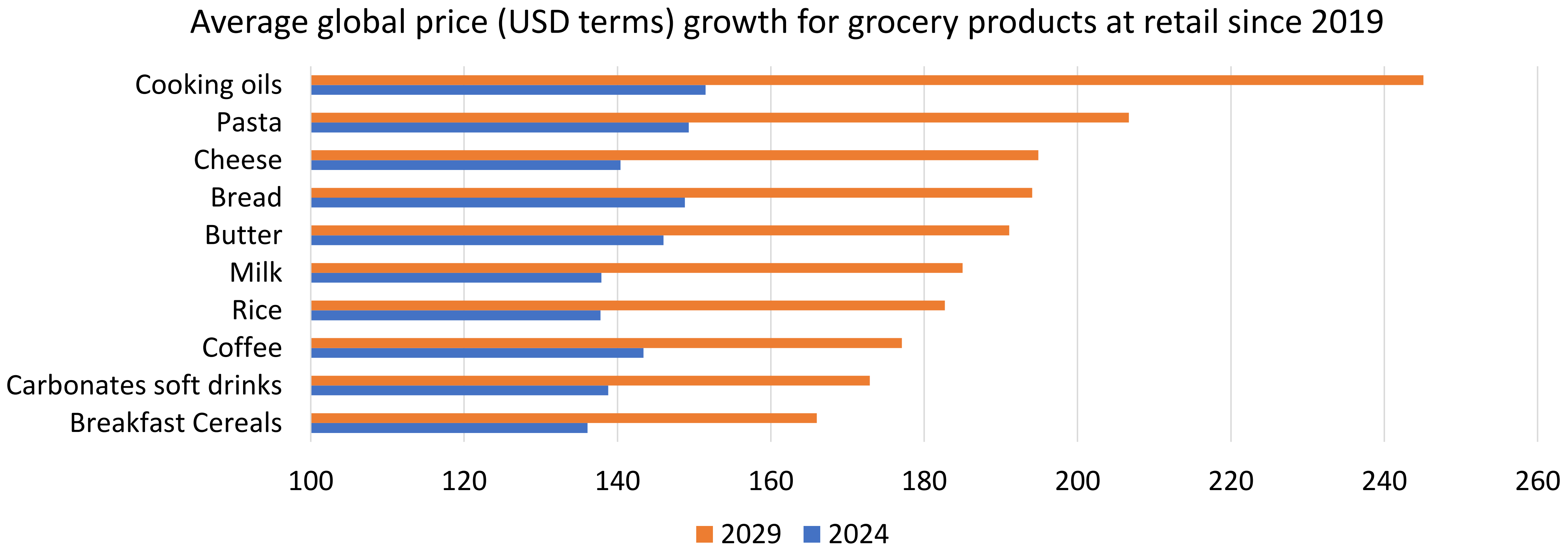
It is not inflation that consumers are frustrated with, it is **price levels**. Consumer unhappiness is based on things costing more than they "should."

And grocery price levels specifically



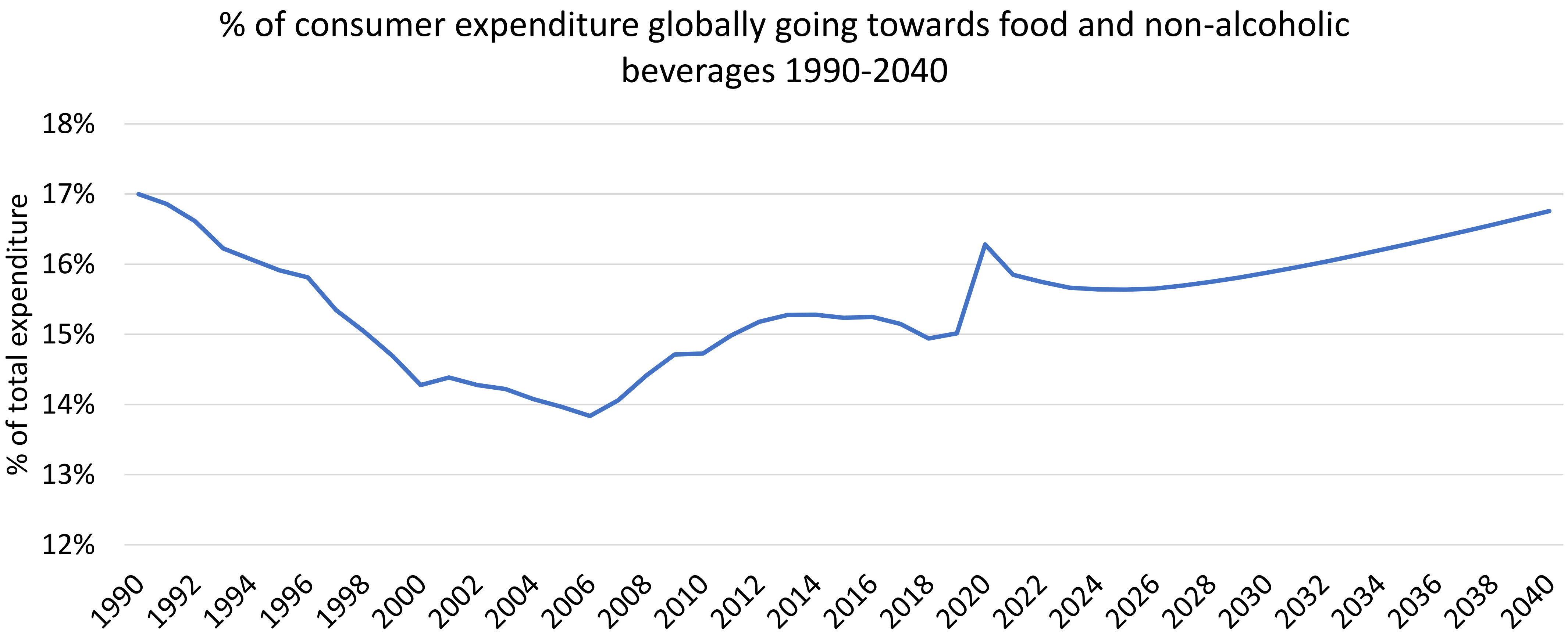
Source: EMI Economies and Consumers

They are not going to like where things are going



Source: EMI Packaged Foods research

This is not a problem that will go away



Source: EMI Economies and Consumers

This means it will be harder to make premium products work

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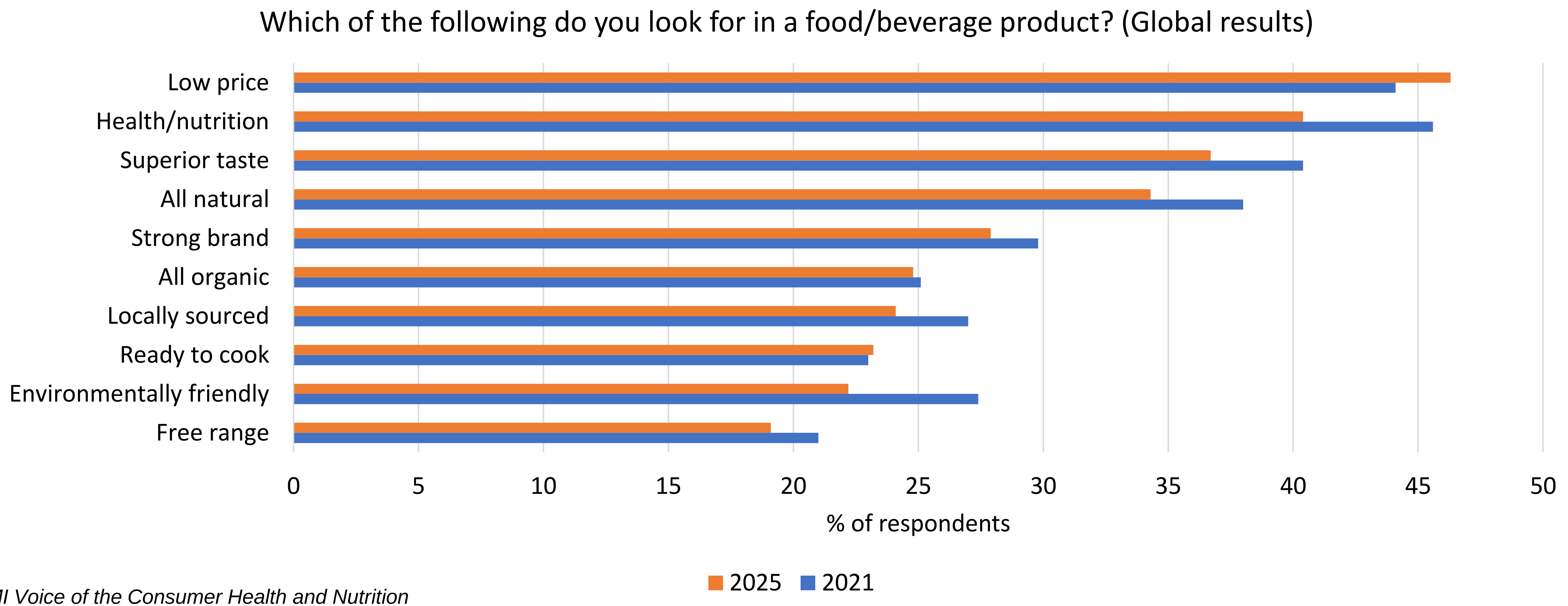
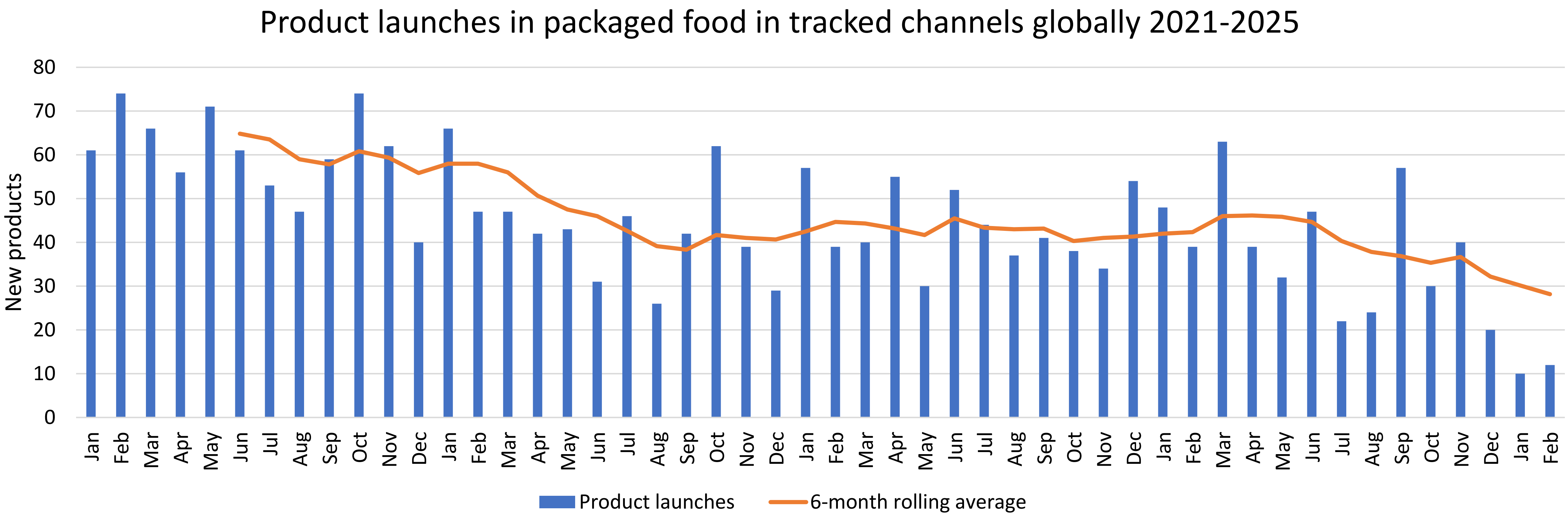
Consumers have lost interest in things that are not price



Source: EMI Voice of the Consumer Health and Nutrition

This has had a chilling effect on innovation

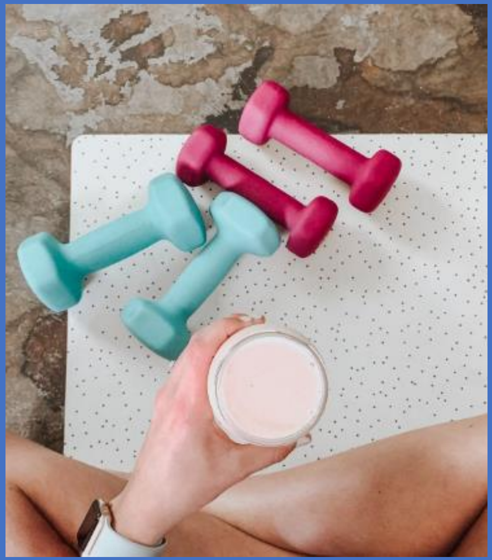


Source: EMI Innovation

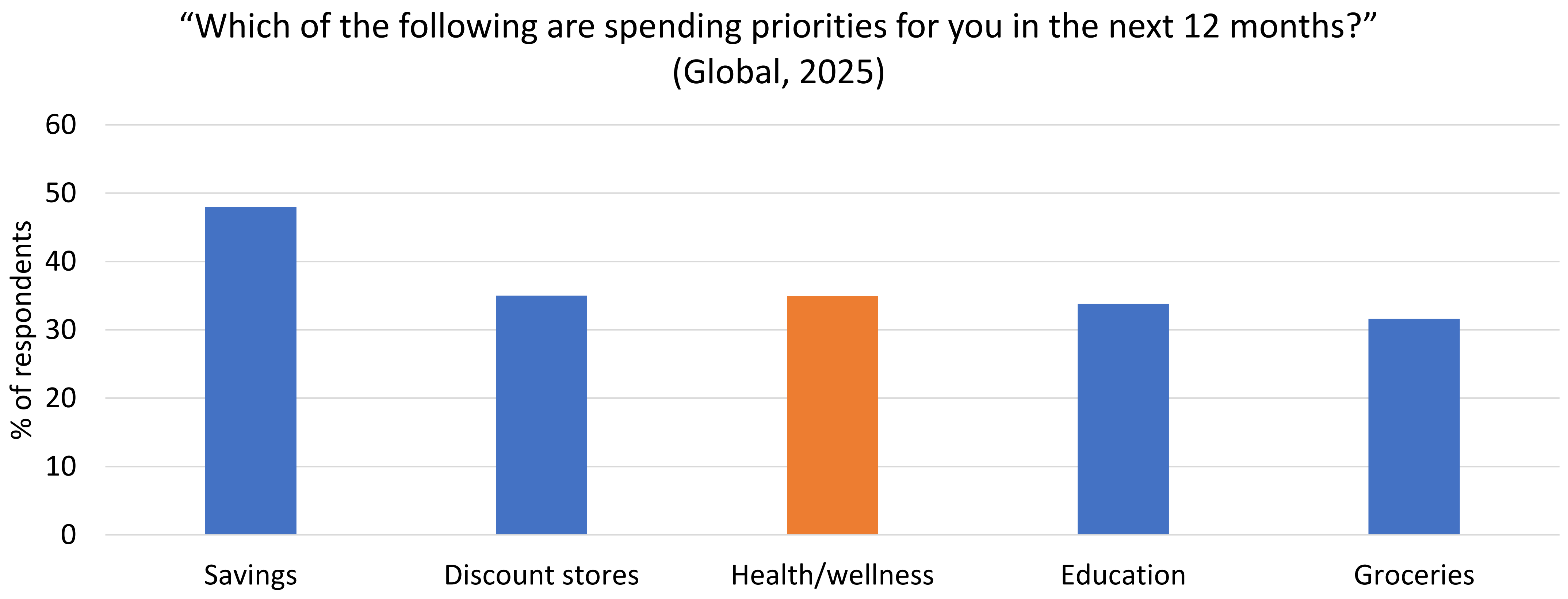
Affordable indulgence

Convenience

Wellness



Where innovation succeeds, it tends to be wellness-focused



Source: EMI Voice of the Consumer Lifestyles

Wellness growth spreads across lots of spaces

Source: EMI Health and Wellness research

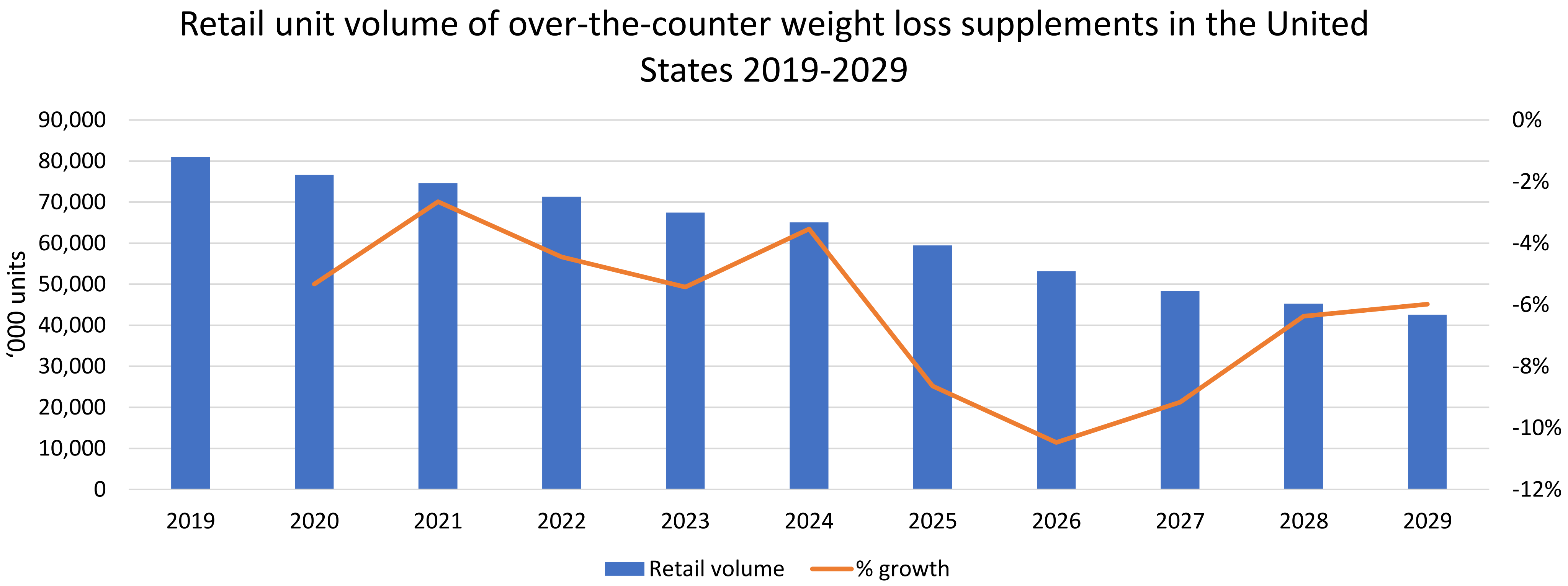
GLP-1 Impact

Protein

Gut Health

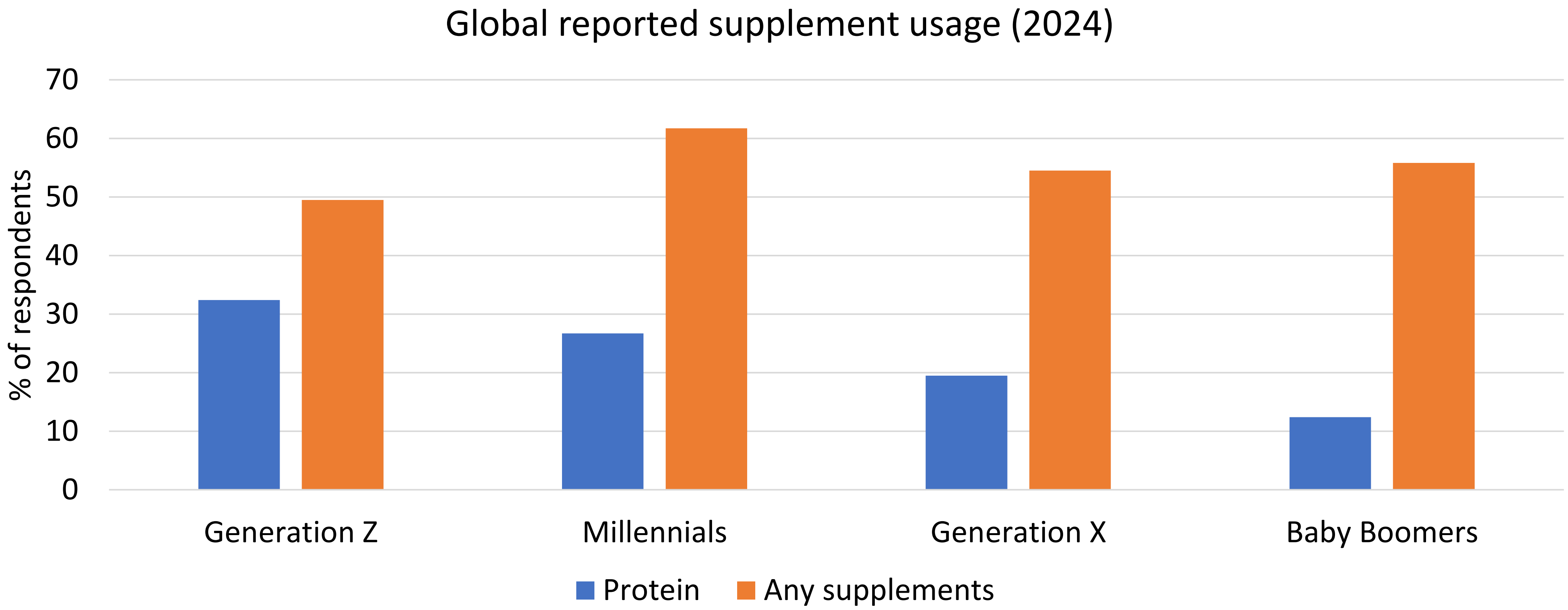
Mood-boosting

Everyone is going to feel the impact of GLP-1s



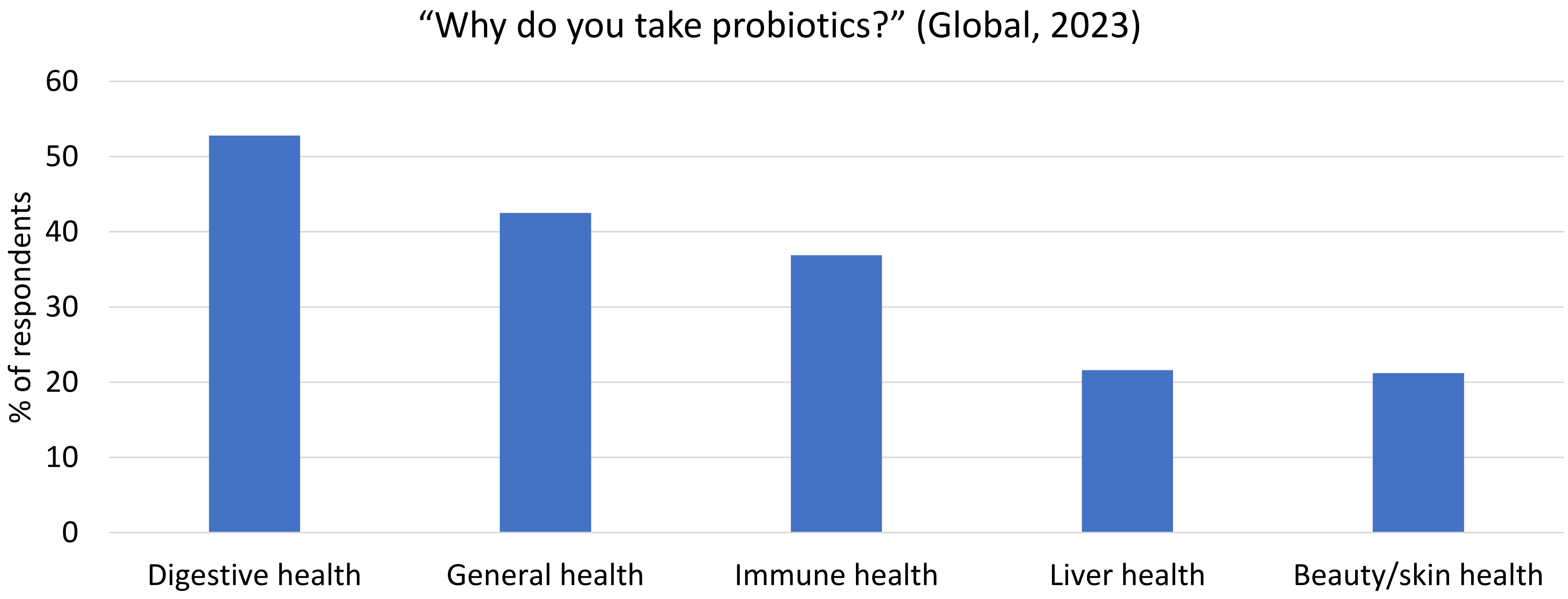
Source: EMI Consumer Health research

Protein is riding a wave as the virtuous macro



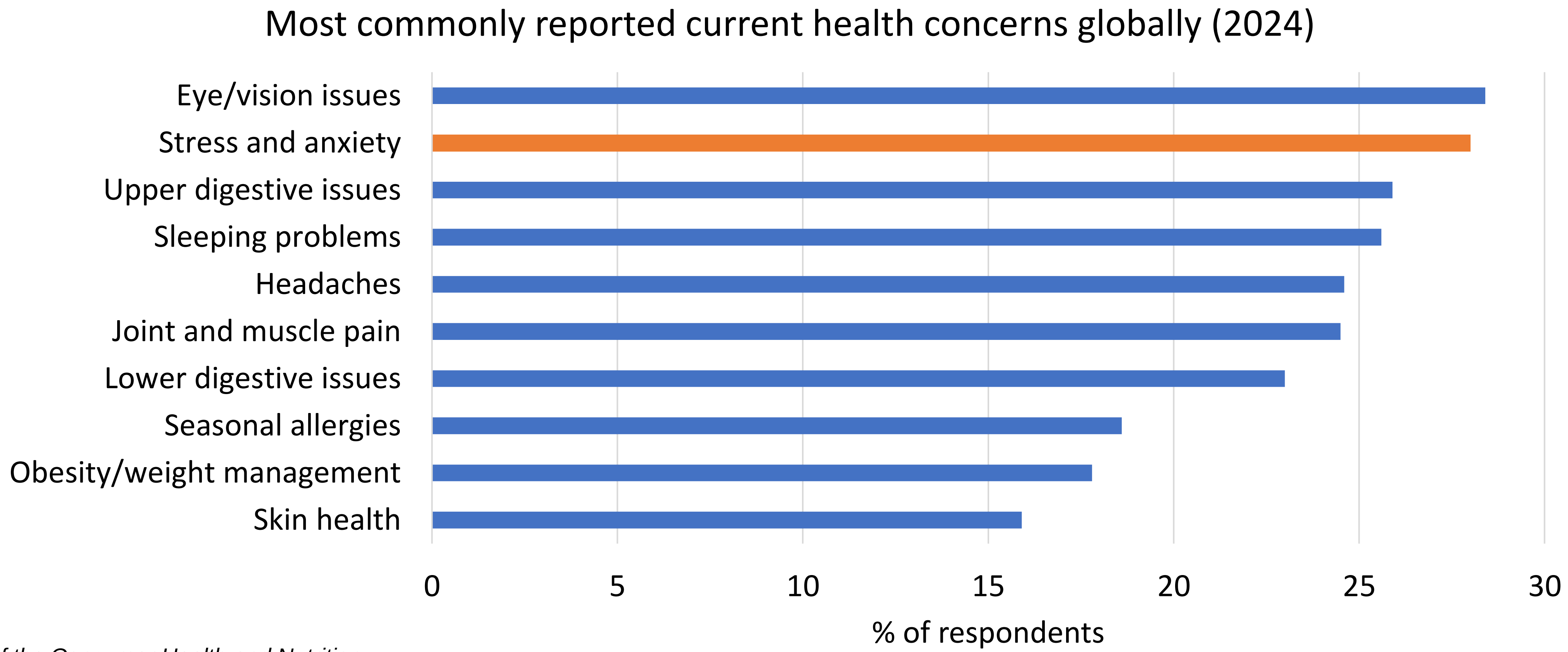
Source: EMI Voice of the Consumer Health and Nutrition. Note: "Any supplement" defined as at least once weekly. Protein not asked with a specific time window.

Gut health is broadening beyond digestion



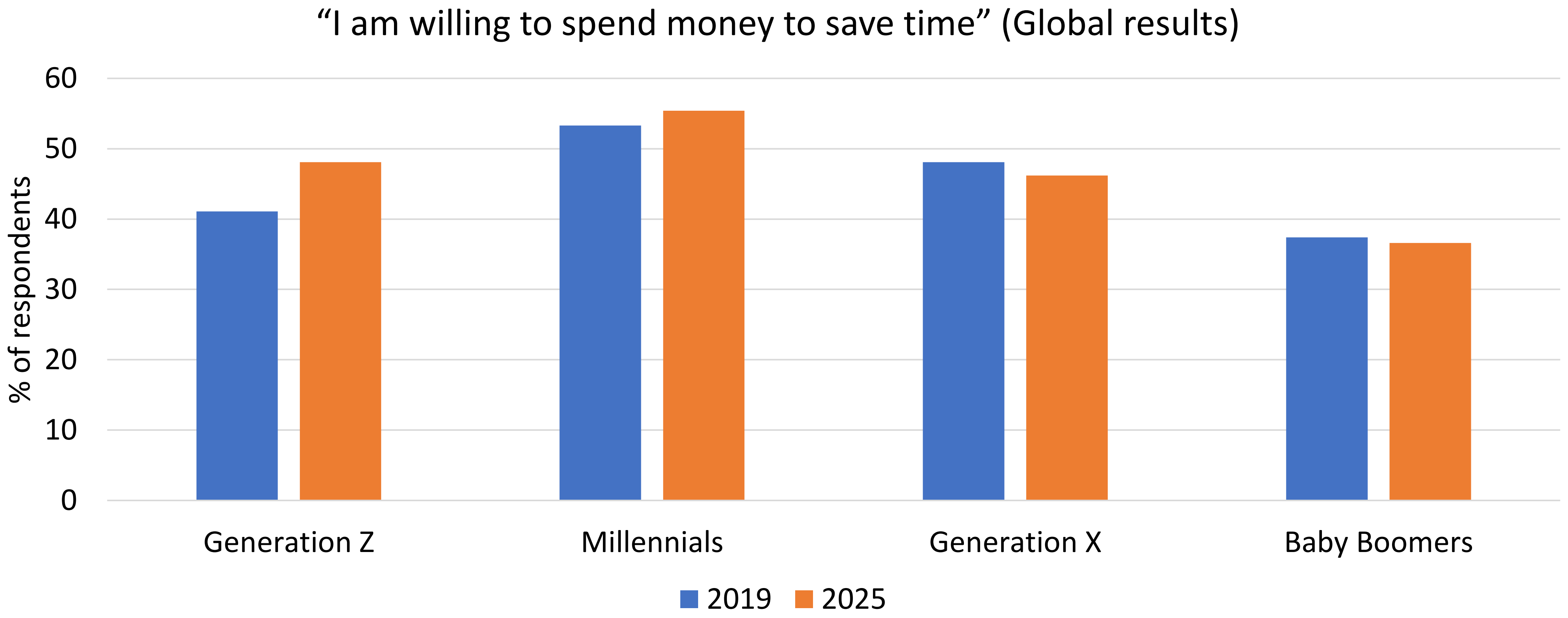
Source: EMI Voice of the Consumer Health and Nutrition

Stress is a top concern-but how to address it?



Source: EMI Voice of the Consumer Health and Nutrition

Convenience is also a core spending priority



Source: EMI Voice of the Consumer Lifestyles

Two retail channels are growing-convenient ones, and discount-oriented ones

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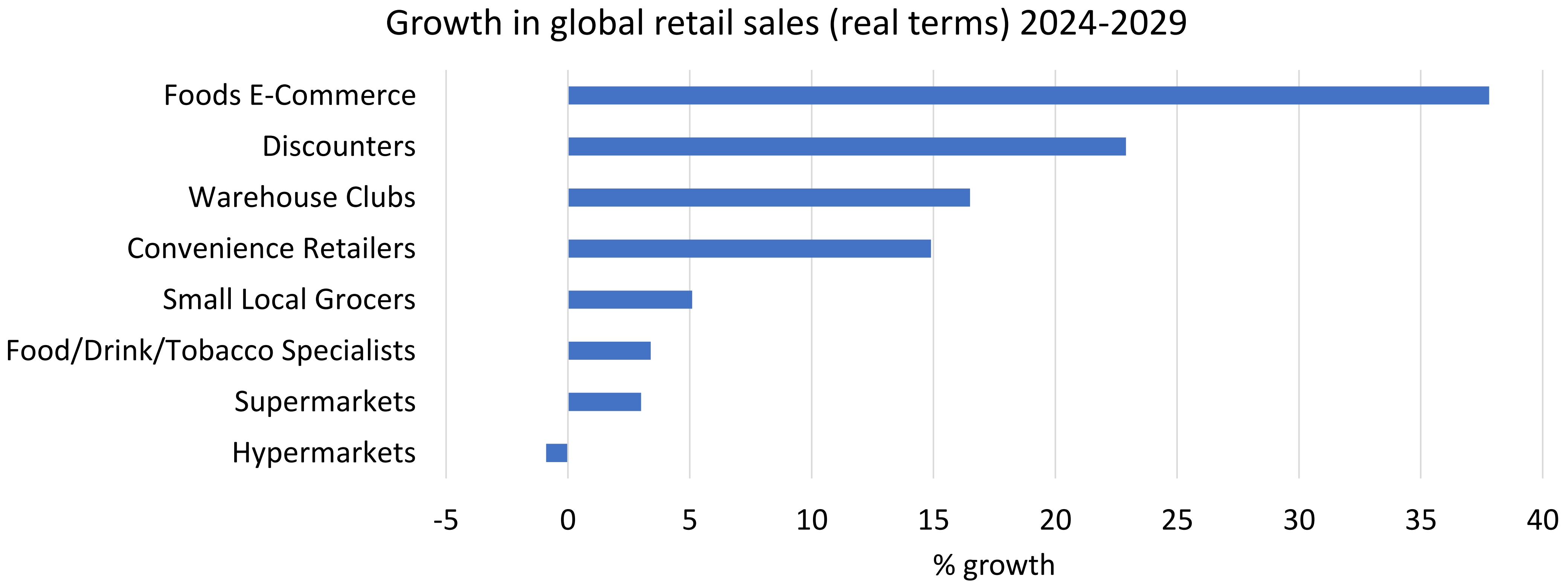
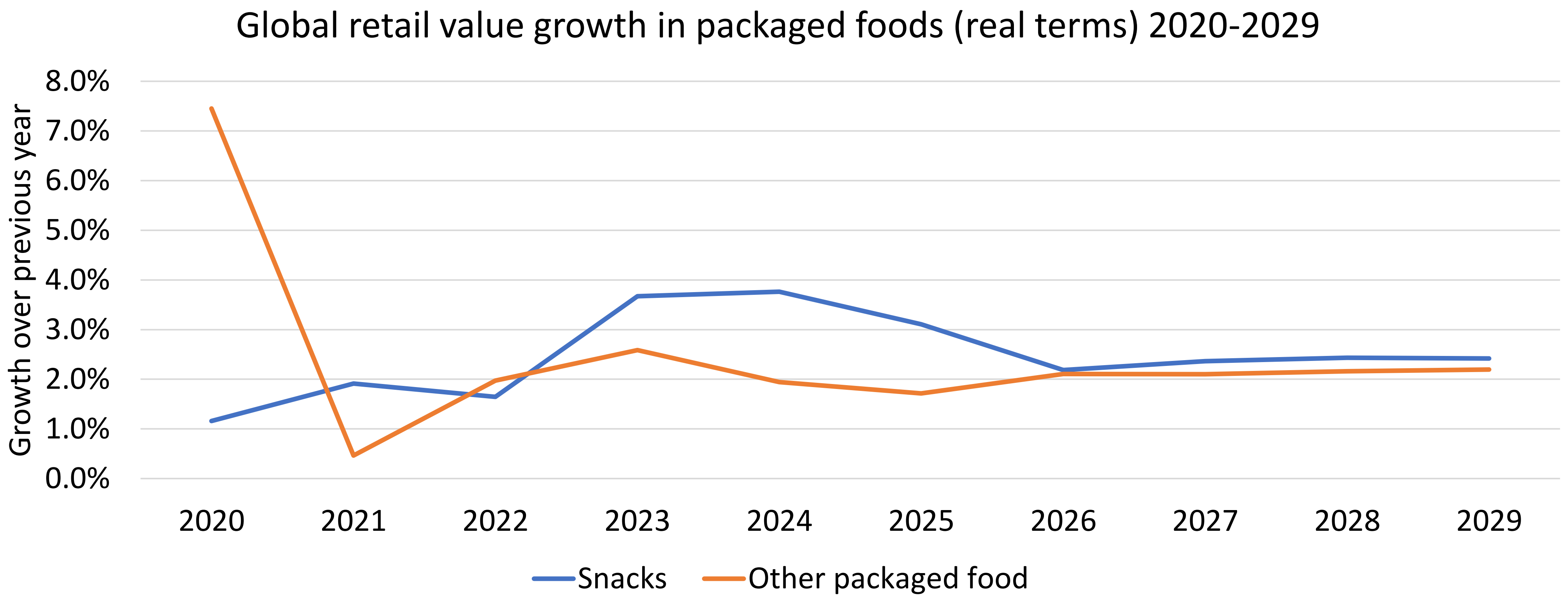
Traditional grocery is losing to these channels



Source: EMI Retail research

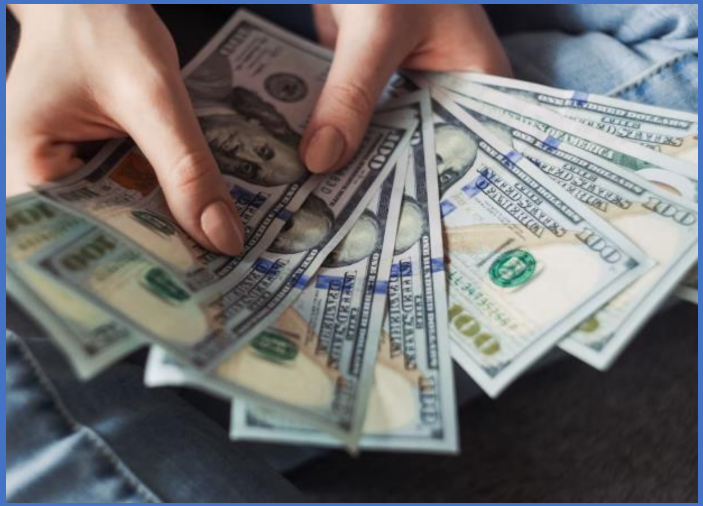
Snacks have outpaced since the pandemic



Source: EMI Packaged Foods research

Why?

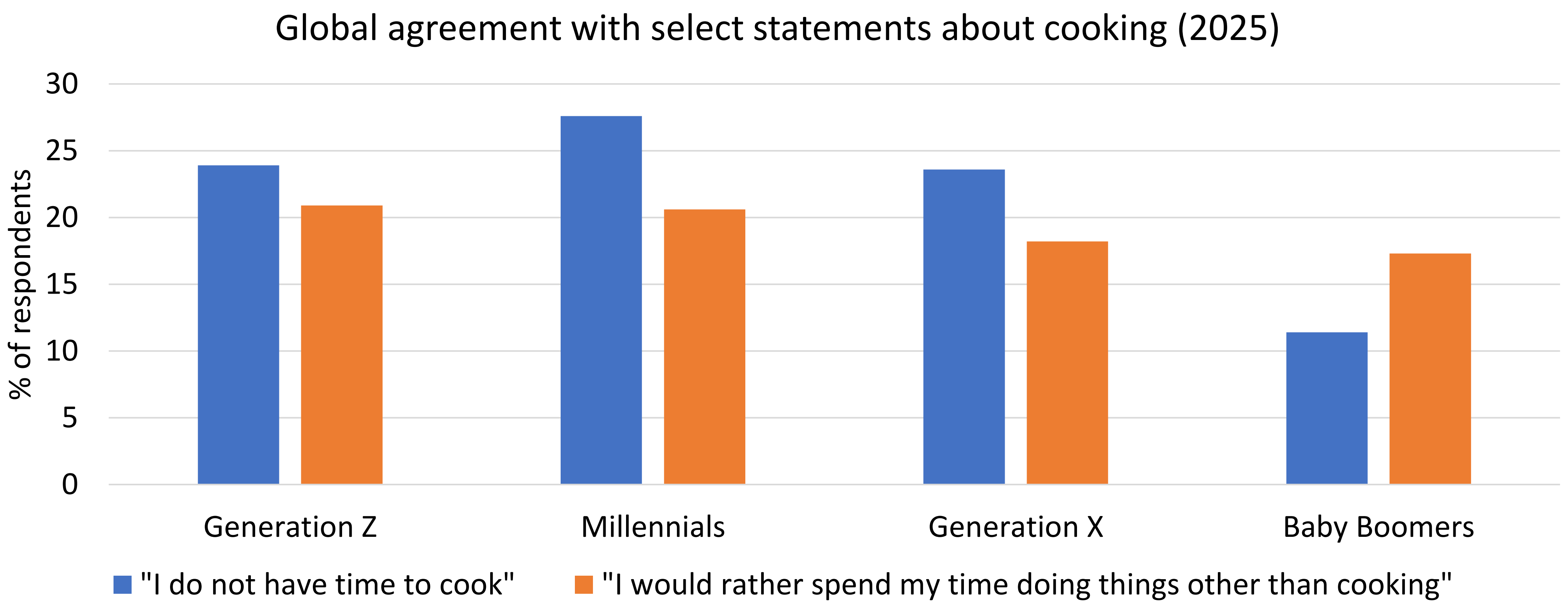
Value



Convenience

Lifestyles

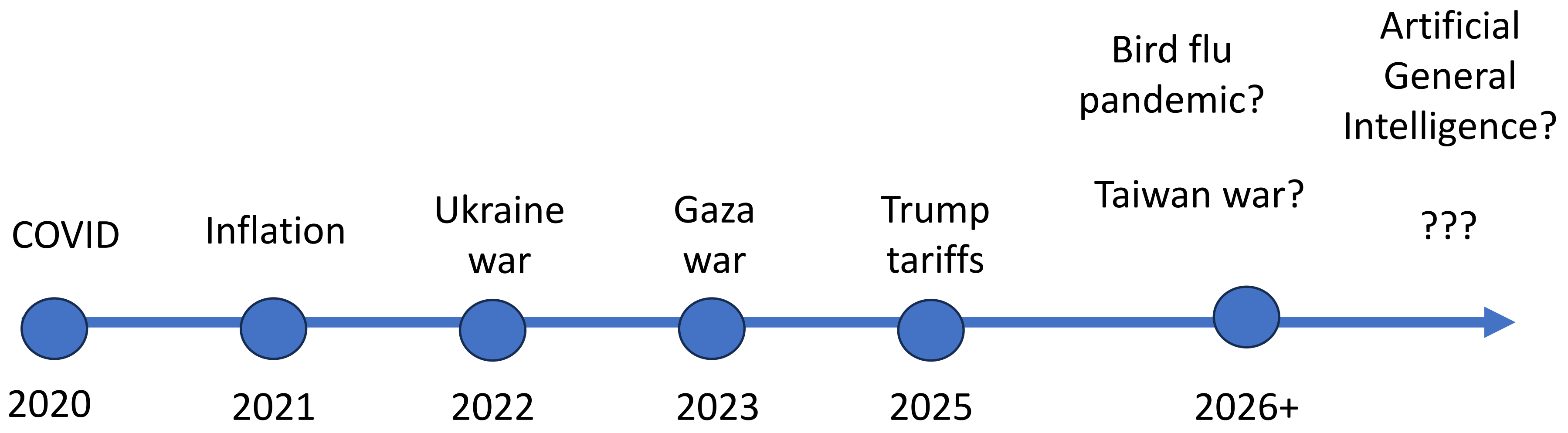
Cooking is not a major priority for younger generations



Source: EMI Voice of the Consumer Lifestyles

Things move faster than ever before today-and that means uncertainty will remain a dominant trend

Black swans remain on the horizon for the food sector



Future crisis is likely to lead to doubling down on today’s trends-value, wellness, and stress-fighting indulgence

Key takeaways

Food spending is up in all key markets and in all major categories

Developed markets face a future of very difficult volume growth, which means pricing-led strategies will continue to endure

This will collide with a consumer base that is looking for value from food above all, though there are areas they will spend extra like wellness and convenience

The consumer is feeling a great sense of uncertainty about the future and the industry will need to always keep that in mind

Thank you!

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