

In focus

Feeding the food
and beverage
personalisation
trend



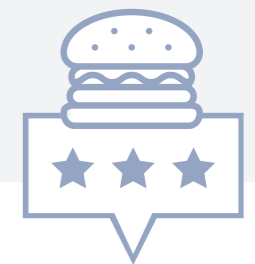
Personalisation is growing up. We still enjoy adding names to bottles and messages to cakes. But all the signs point to it moving beyond this. People increasingly want food and beverage products tailored to meet their individual preferences and nutritional needs. The challenge for the industry is finding large-scale ways to meet these demands. It poses difficult questions surrounding production and distribution. But brands which innovate to find the answers could find themselves at the forefront of a lucrative market.

Surging demand in the natural, free-from, local and organic categories has many drivers. But collectively, they point towards an overarching trend: consumers are going cold on mass produced food and beverages. Many people are looking for an alternative to homogenous offerings and want something that's right for them. Personalisation is the logical next step on the journey.

The question is, can this be achieved on a large scale? Mass personalisation sounds like an oxymoron, but it might be closer and more realistic than you think. With focused innovation that draws on science and technology as well as consumer and market insight, there is a golden opportunity for brands to gain competitive edge.

The time is right for personalisation

Personalisation is a way for companies to differentiate in a challenging market. It demonstrates an understanding of consumer needs and improves consumer experiences.



There are four converging factors driving and enabling this trend for the food and beverage sector:

1 New technologies

Technology is disrupting the industry. New entrants are already using it to their advantage, for instance to connect with consumers directly. Smart fridges are on the rise and drone delivery is soon expected to become a reality. Established players need to find ways to leverage technology and transform the way they operate.

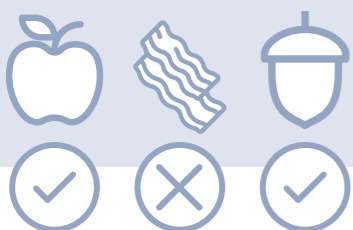
2 Consumer attitude

Consumer mood is increasingly curious, open-minded and experimental surrounding food and beverage products. New eating habits and products presented in new ways or formats are popular.



3 Convenience and conscience

People are more health conscious and aware of issues such as environmental sustainability. But they're also busy and look for convenience. Brands that make it easy for consumers to achieve personal goals and ambitions are onto a winner.



4 Experiential factors

The product is only one part of the equation. Overall consumer experience and feelings associated with that also have a part to play. It's about considering wider factors such as provenance and buyer journey as well as sensory aspects at the point of consumption.

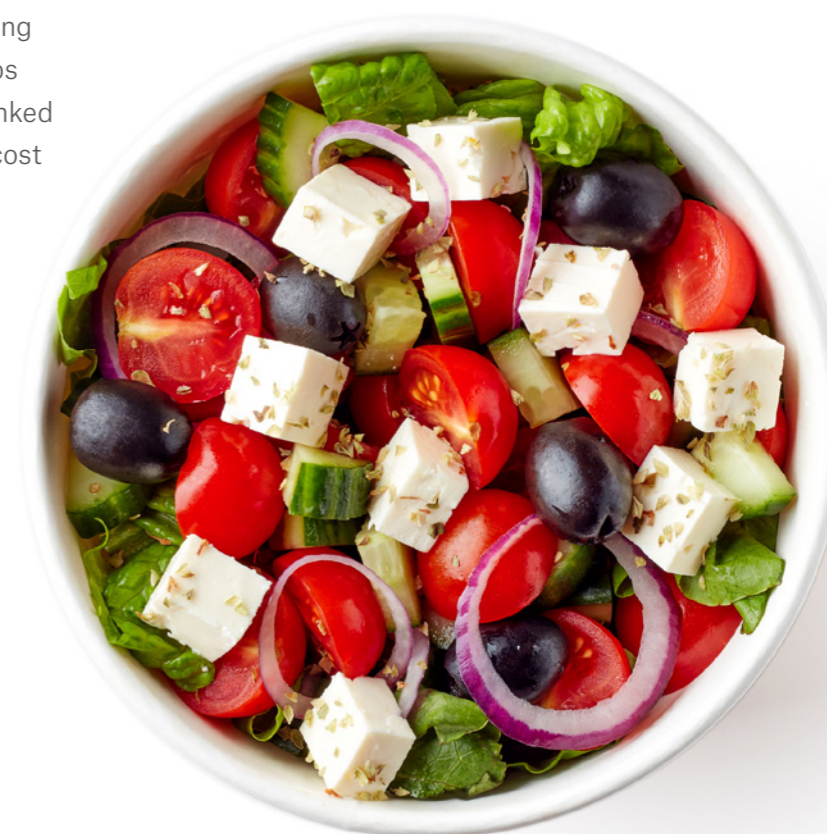
Broadly speaking, food and beverage personalisation is possible across product, packaging and proposition.

Early efforts have largely been linked to experiential marketing and cosmetic features, such as putting names and messages on bottles, jars, cakes and sweets. As the market matures, we're going to see this progress towards a deeper level of personalisation. At Leatherhead, we believe personalised offerings around sensory preferences and nutritional requirements represent a rich seam for innovation.

This presents business model and manufacturing challenges, for established players and start-ups alike. Barriers for large businesses tend to be linked to the fact that facilities are geared up for low-cost

mass-production, making it difficult to accommodate tailored offerings. On the flip-side, start-ups with a personalisation-led proposition need to find ways to maintain this cost-effectively as they scale.

These are complex matters. But as we see a convergence of technologies in areas such as connectivity, big data, 3D printing and same-day delivery, they can be unravelled. It is a case of putting the pieces together before anyone else does.



Sensory perception and preferences

So, where's the evidence that people want food and beverage products tailored to their personal sensory preferences?

Representative research we conducted in the UK indicated that a large segment of the population actively requests dishes to be tailored to their preferences when eating out. We found that 37% of respondents had asked for a meal to be adapted in restaurant or café, and 19% had requested an item of food or drink not listed on the menu.

In fact, sensory personalisation is becoming the norm in foodservice and restaurant settings. Quick serve restaurants (QSR) were the forerunners here, offering food 'your way'. Employees are trained to deal with it efficiently, production methods accommodate it and IT systems are set up to facilitate it, behind the tills or through touchscreen ordering. The customer experience is seamless, reliable and more enjoyable as a result.

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Another application becoming mainstream in QSR settings is Coca-Cola Freestyle. Consumers blend the drink they want, whether that's Strawberry Coke or Tropical Punch Lemonade in no-calorie, caffeine-free or regular formats. It encourages experimentation and active engagement with flavours.

Coca-Cola has taken this to the next level, leveraging data from Freestyle machines to inform new product development. In 2017, this led to the launch of a new mainstream beverage, Sprite Cherry. So, personalisation becomes co-creation, with Coca-Cola promoting the launch as a 'fan favourite':

"The fact that cherry was the number-one Sprite flavor mix on Coca-Cola Freestyle inspired us to create an all-new, delicious product for fans in a convenient, on-the-go bottle."

Bobby Oliver, director,
Sprite and citrus brands,
Coca-Cola North America

Personalised nutrition

Our research also indicated that 42% of consumers are actively incorporating specific foods into their diet based on perceived health benefits.



What's more, almost a third (32%) are excluding certain foods in the belief that they contribute to a health condition. The burgeoning free-from and superfood categories corroborate this.

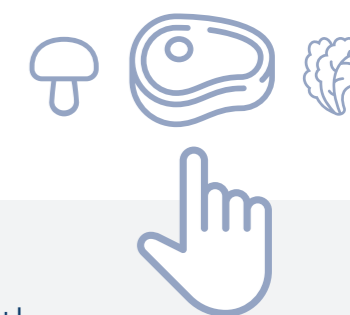
We found an appetite for lifestyle changes related to diet as well. Half of those surveyed said they were trying to eat less sugar and a third were eating less meat, with one in six trying to eat more protein and a third trying to cook with raw ingredients more often.

The rise of personalised meal kits for people looking to lose weight or cook family meals from scratch without the hassle speaks to this trend. Modern, agile companies are developing offerings based on the way they deliver food, as well as the food itself.

It's an area that's ripe for innovation and investment. Last year, the customisable quick serve restaurant VitaMojo raised £10million to expand its offering. The business proposition is firmly rooted in the personalisation concept. Customers select the dish

they want and change quantities of different elements via a user-friendly online interface to obtain their optimum nutritional profile. So, if you're lunching on the spicy chicken noodle bowl, you can choose to halve the noodles and double the crunchy slaw, shaving off 150 calories and getting more of your '5 a day'.

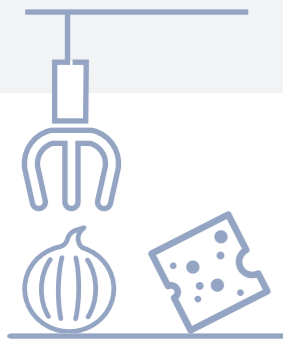
The personalised nutrition space has enormous potential. And this will only increase as scientific research into the gut microbiome reveals new ways to improve individual health through dietary choices.



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Science and technology

In the coming years, a meeting of the minds between food manufacture and food service could unlock new ways to achieve sensory and nutritional personalisation at scale.



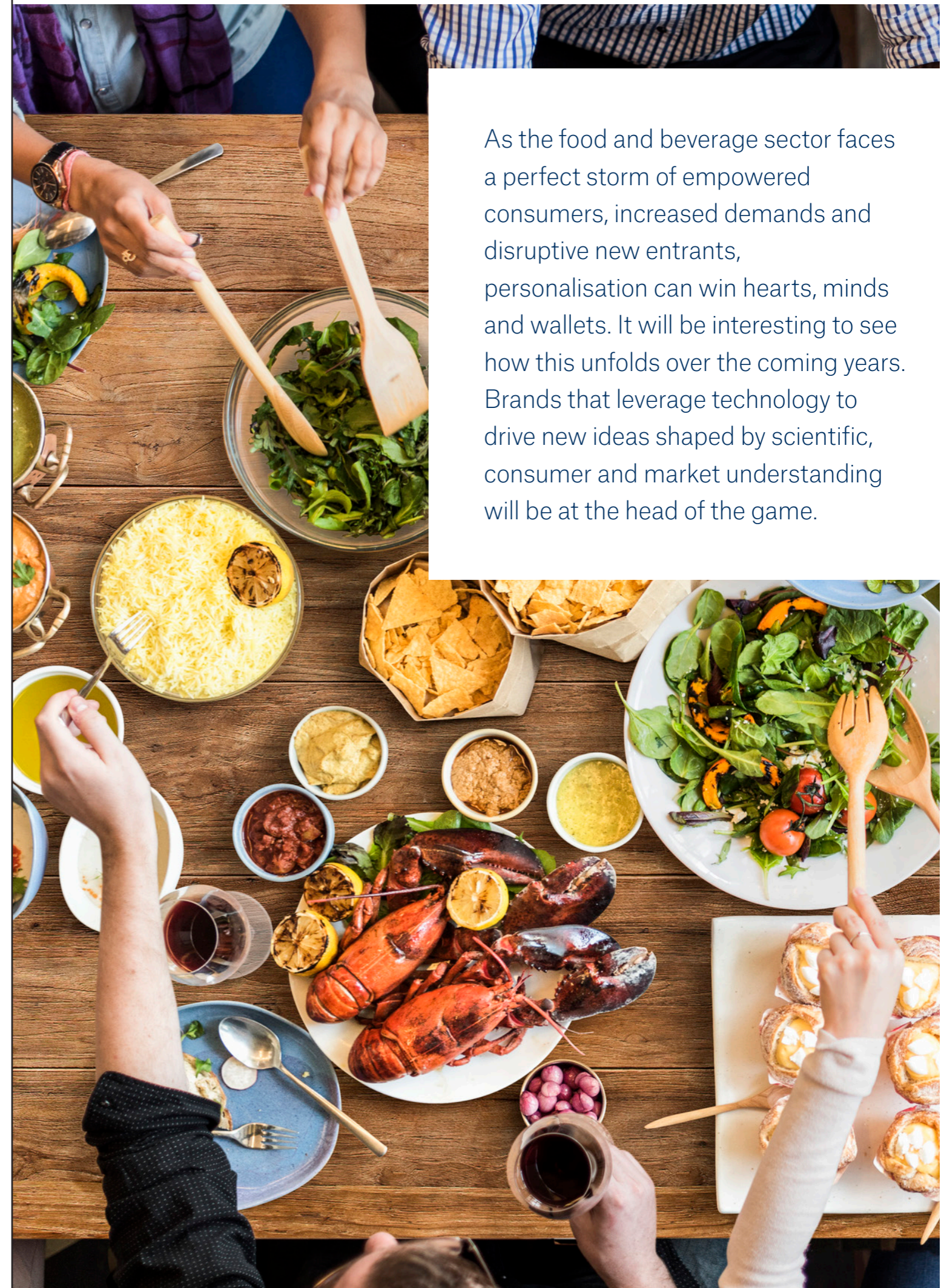
Our sister company Sagentia wrote a piece for Food and Drink Technology magazine about the potential evolution of vending machines into mini manufacturing hubs (available at www.sagentia.com/insight/is-customised-vending-effective-for-mass-personalisation/).

The idea is that people select the product they want, then tailor it to suit their preferences. So, you might choose to add ingredients or supplements to alter the profile in terms of vitamins, fibre, omega 3s or calories.

Clearly there are technical challenges to be overcome for this to become a mainstream method. Multiple issues related to hygiene, dispense and ingredient format need to be considered.

Nevertheless, the foundational technologies exist, and it offers scope for mass produced elements to be prepared in legacy factories, with personalisation happening at point of purchase. It also gives people the option to purchase food and drink in their own reusable packaging instead of single-use plastic. While this further complicates issues related to dispense and hygiene, it gives another incentive to innovate in this space.

As the food and beverage sector faces a perfect storm of empowered consumers, increased demands and disruptive new entrants, personalisation can win hearts, minds and wallets. It will be interesting to see how this unfolds over the coming years. Brands that leverage technology to drive new ideas shaped by scientific, consumer and market understanding will be at the head of the game.



About Leatherhead Food Research ▾

Leatherhead Food Research provides expertise and support to the global food and drink sector with practical solutions that cover all stages of a product's life cycle from consumer insight, ingredient innovation and sensory testing to food safety consultancy and global regulatory advice. Leatherhead operates a membership program which represents a who's who of the global food and drinks industry. Supporting all members and clients, large or small, Leatherhead provides consultancy and advice, as well as training, market news, published reports and bespoke projects. Alongside the member support and project work, our world-renowned experts deliver cutting-edge research in areas that drive long term commercial benefit for the food and drink industry. Leatherhead Food Research is a trading name of Leatherhead Research Ltd, a Science Group Company.

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Science Group plc offers independent advisory and leading-edge product development services focused on science and technology initiatives. Its specialist companies, Sagentia, Oakland Innovation, OTM Consulting, Leatherhead Food Research and TSG Consulting collaborate closely with their clients in key vertical markets to deliver clear returns on technology and R&D investments. Science Group plc is listed on the London AIM stock exchange and has more than 400 employees, comprised of scientists, nutritionists, engineers, regulatory advisors, mathematicians and market experts.

Founded in 1986, Science Group was one of the founding companies to form the globally recognised Cambridge (UK) high technology and engineering cluster. Today the Group has 12 European and North American offices.

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