

2021

TRENDS

for food & drink SME's to consider

After the year that has been 2020, we wouldn't be so bold as to try to predict what lies ahead for 2021! We have however, pulled together some clear emerging trends that food & drink SMEs might want to consider...

1. Online just got slicker

Covid has undoubtedly accelerated the transition to online shopping and it is here to stay. Social Commerce is now taking shopping online one step further, with the increasing popularity of Facebook & Instagram Shops. They allow shoppers to purchase directly from their app, rather than directing them off to third party websites. So if your business has a Direct to Consumer offer, then it's worth embracing this new opportunity.

2. Home Delivery

We have surely all realised the extent of just what we can order straight to our front door nowadays. In 2021 we should expect to see even more investment from retailers & brands in dark stores & kitchens, to ensure they can keep up with demand for home delivery. Subscription services & loyalty programmes that aim to lock in consumers & better predict demand will be high on the agenda. Next Day Delivery will increasingly give way to Same Day Delivery (or faster!) and Customer Service will be a more important ingredient for success than ever before.

3. Shop Local

The widespread appreciation for local community businesses, groups & causes is set to continue in 2021 as shoppers look to support the real people behind the brands & products that they have connected with this year. Through social media we have been allowed to get to know the personal stories behind many small businesses, which really appeals to consumer interest. This demonstrates that by effectively communicating in an authentic & honest manner, brands can garner great engagement & increase loyalty from shoppers.

4. New Habits

The huge change to the structure of the working day has for many people, also impacted their eating habits & food choices. For those still working from home, there is probably more time for breakfast now there is no morning commute. Those who are missing their high street gourmet sandwich & barista coffee for lunch are likely to be looking for a feel good 'grab & go' solution straight from their fridge. These new habits that are being formed present good opportunities for food & drink businesses who can keep close to their consumer needs.

5. Conflicted Consumers

- i) The Thrift vs Treat dilemma is real. On the one hand consumers are in the mindset of appreciating the value of 'things' - upcycling, recycling, repairing, reusing & reducing waste. When it comes to food, writing shopping lists, meal prep, batch cooking & using up the leftovers are in. Yet on the other hand, consumers recognise the need to have the occasional indulgent splurge. Trading up to premium tier products, treating themselves to

subscription boxes, creating themed food & drink nights to entertain their families at the weekend – there are lots of opportunities for premium brands & specialist products.

- ii) Health vs Comfort is another dilemma. Yes, consumers are going crazy for anything that will improve their health, whether it's their immune health, mental health or physical health. Covid has forced us as a nation to have an honest conversation about obesity and for us to really think about the role of food & drink in looking after ourselves. However, consumers also crave the comfort foods that make them happy, particularly during the winter months. Brands that can clearly articulate what they can offer consumers in terms of health or comfort will be well positioned for success.

6. Let's Go Outside

'Eating out' is set to take on a whole new meaning in 2021. Consumers will find new ways to create safe yet special social occasions with outdoor bbqs, garden bars, firepits & pizza ovens both at home & out of home. Restaurants are investing in heated outdoor pods so that consumers can feel safe & warm dining alfresco through winter! Food & drinks brands should identify ways that they can tap into the trend for outdoor eating all year round.

7. Values

The movement to fight climate change was gathering pace long before Covid, but 2020 has given many people time to pause & reflect on the big issues that matter to them. As such we can expect to see even more consumers will want to buy from brands that align with their values. This is demonstrated through the increasing trend for veganism: as plant based menus & products become more mainstream, ingredient lists are expected to get shorter & easier to understand to meet the consumer need for transparency from food producers.

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