WHAT THE FUTURE: FOOD

+ Leaders from Diageo, Cargill, TreeHouse Foods, Morningstar and the New York City Mayor's Office of Food Policy look ahead to the influences and factors for what we'll be eating and drinking in the coming decade

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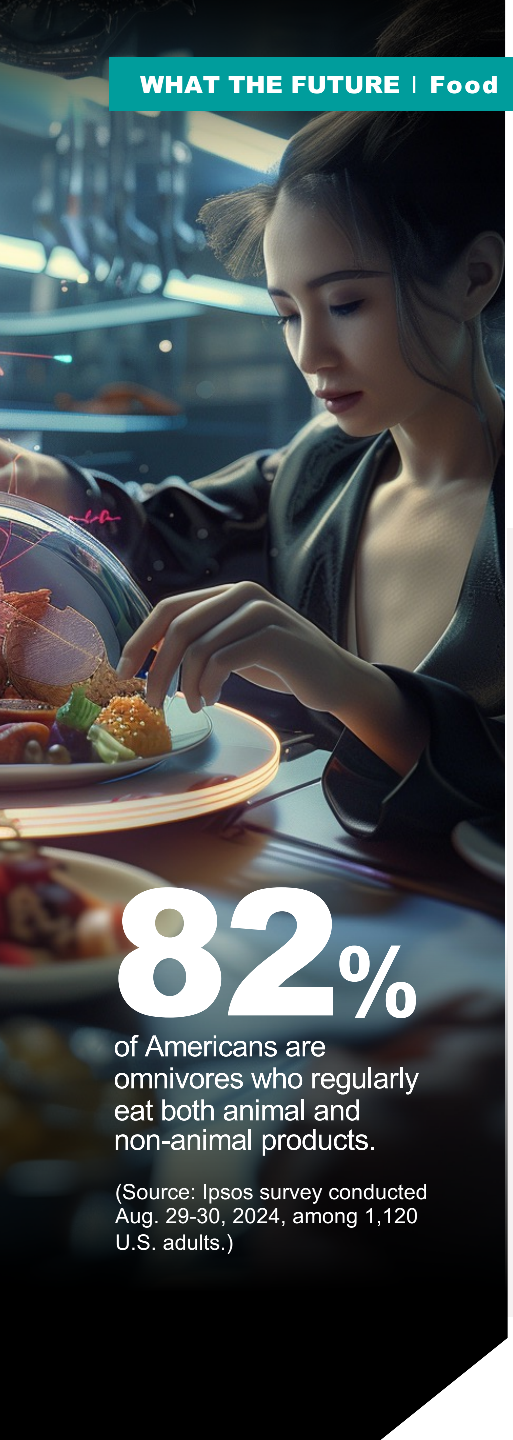


How obesity drugs, politics and climate change are shaping the future of food

Imagine it's 2034. Weight loss became politicized in the '20s creating a have and have-not situation for Americans, depending on regulation, stigmatization and affordability.

We hate to say we told you so. … Nah, who are we kidding? It's fun to have told you so.

Food was the topic of one of our first issues of What the Future in 2018. We talked about alternative proteins and foods using gene-modifying technology like CRISPR from many perspectives, one of which was *political*. What happens, we wondered, if these issues become polarized? At the time, we talked to Jessica Almy, the policy director for the Good Food Institute, an industry organization representing producers of new meat and meat alternatives. "We've got at least bipartisan support in the U.S. Congress," she said.

Now, Florida and Alabama have banned cultivated meat. Others have pledged to join the list. "Florida is fighting back against the global elite's plan to force the world to eat meat grown in a petri dish or bugs to achieve their authoritarian goals," Florida Gov. Ron DeSantis said in a press release.

Many forces will drive the future. Things that seem like sure things, sometimes aren't. It's good to use caution.

The hottest story of food for the near term seems to come from outside of food entirely — from the world of pharmaceuticals. GLP-1 medications have the potential to disrupt the world of food. But when Managing Editor Kate MacArthur asked, "What if GLP-1 medications aren't a game-changer?" We, of course, had to pause and consider this very real plausibility.

The thing about GLP-1s isn't necessarily that they will or won't cause dramatic shifts in how America eats and craves. The disruption is that this suite of medications has opened a whole new set of potential futures. We weren't having serious conversations about "What if America thought about obesity differently?" or "What if we could prevent obesity entirely?" before these came on the market. And now those are serious futures to prepare for.

82%

of Americans are omnivores who regularly eat both animal and non-animal products.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

The "G-whiz economy"

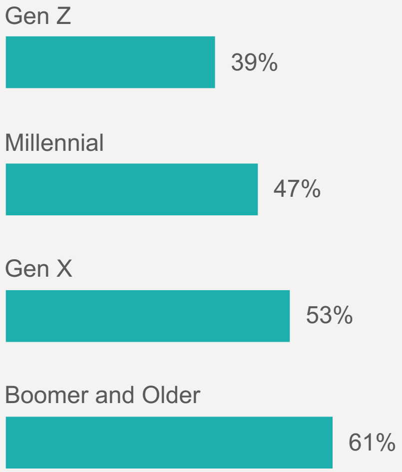
Like generative AI transformers, aka GPTs, the other "g" in what we'll call today's G-whiz economy, GLP-1's potential could be over- or under-hyped. In the past year, Ipsos has asked consumers about their attitudes related to obesity. Americans overwhelmingly think obesity is a major health problem. Paradoxically, they agree with somewhat conflicting statements that it's a disease that can only be controlled through diet and exercise, and that new medications have the potential to treat obesity. Most of those results have remained consistent over the last year. But the one that dipped slightly is their view of the promise of new medications.

But these medications are still so new. What if they get approved in more parts of the world? What if they get approved for children? Pill forms seem to be on the horizon. What if they become easier to take and/or easier to afford?

What we do know is that both scenarios need planning and innovation for a broad swath of industries.

People are more concerned about processed food as they age

Q. How would you describe how you make food choices? – I limit the amount of processed foods I eat



(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

Food is political in many ways

"Processed foods" have become a bit of a bugaboo in the 2024 elections, too. A pet issue of candidate Robert Kennedy Jr. (before he endorsed Donald Trump) was reducing how much processed foods Americans eat. In securing his endorsement, Trump has picked up this cause, too, to some extent.

Older Americans are already trying to limit the processed foods they eat, far outpacing younger generations. Gen Zers and Millennials are an interesting story as being generally health-conscious in a holistic, mental/physical well-being kind of way. They're generalized as "foodies" but also still suffer from the invincibility of youth.

Climate change

Another intersection in the future of food, policy and politics is climate change. Americans' consumption of meat is taking its toll on the planet. That could shift the political discussion, too, as we need to feed a growing population literally every day, but also see the growing impacts of climate change on our daily lives.

The stupid economy

Today and likely in the near term, so much of the popular discussion of food is centered around prices. While interest rates might have dropped recently, and inflation has slowed, prices are still high. When asked, 60% of people say they think food prices will get worse in the coming years, compared to just 21% who think prices will improve. That's a rather negative (and enduring) outlook.

Many aspects of the economy don't make any sense anymore. Food prices are already affecting where we eat (cooking at home or dining out), what we eat, what brands or private-label brands we purchase and more. It's a large part of the reason New York City Public Schools serves two meals to every child who wants to eat them — to make sure they're getting their calories. You'll read more about all these topics.

But the food industry has faced challenges before. It is continuously having to respond to the latest fad of tastes or diets or ingredients or packaging regulation. The pandemic upended many trends about dining, and those impacts are still felt through increased delivery, patio dining and shifted office cultures, changing how we socialize with others.

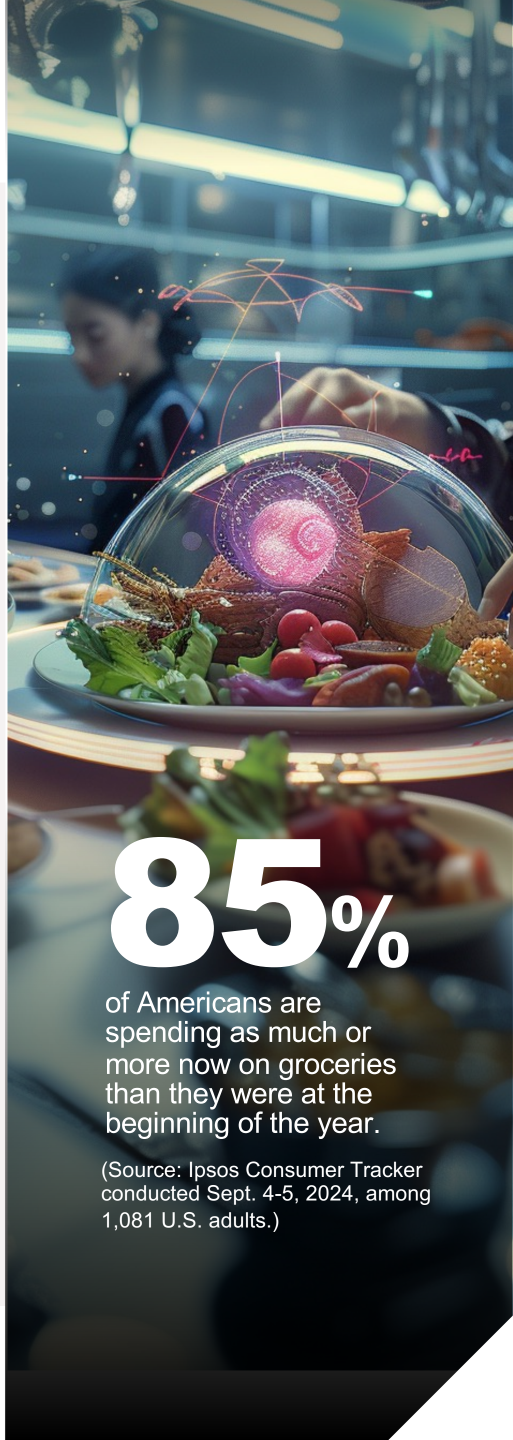
Innovation is the norm. That in many ways is accelerating due to social media. Years ago, I spoke to a fishmonger at New York's Grand Central Terminal. He would check the Wednesday New York Times recipe section for fish recipes. If there was a salmon recipe, he knew he needed to stock up for the weekend rush. Today, a food influencer can overwhelm a restaurant with customers within hours with a positive review.

As I said, there are many factors at play from many spheres:

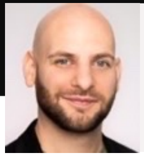
- What if GLP-1s are used by a large sector of the population, and it changes their relationship to food and craveables like coffee or alcohol? Or not?
- What if we really can feed our children better and more affordably and teach them lifelong nutrition habits?
- What if private-label food brands lead on quality and taste?
- What will climate change do to our food supply and the consistency of the supply chain?

Grab a snack, maybe even a cocktail, and enjoy what we've cooked up for you. (I made it almost to the end with no food puns, but it's just so hard not to dish them up.)

***Matt Carmichael** is editor of What the Future.*



Shifts: Personalized nutrition, food politics and regenerative agriculture



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Customized diets: Personalized nutrition could dramatically shift what we eat, when and why. Utilizing factors like genetics, metabolism, lifestyle and food preferences, each of us could better understand how our bodies react to food and use this knowledge to optimize our health and meet our goals.

Beyond customizing meal plans, this shift could upend our current understanding of dietary recommendations and food labeling, challenge pharmaceutical and supplement industries, and create challenges for restaurants and food service providers. Not to mention, your next dinner party could be a logistical nightmare.

Politicized food: In increasingly polarized societies, food is not immune to political debate. Farming practices, land use, ethical consumption, and subsidies and incentives are just a few of the food politic debates making waves.

In addition, with an increasingly connected global society and greater migration, food and culture are inexorably linked and being shared more widely across borders. Discussions on food assimilation, appropriation and even racial and ethnic discrimination are ongoing. Bon Appétit, Condé Nast's food magazine, went through a very public crisis on several of these fronts in 2020.

Sustainable soil: Regenerative agriculture is a promising approach to food production that focuses on restoring soil health and biodiversity.

By prioritizing practices like cover cropping and reducing tillage, regenerative agriculture aims to enhance soil fertility, sequester carbon and improve water retention. This shift toward regenerative methods has the potential to create a more resilient and sustainable food system, benefiting both the environment and consumer health. It will also serve as an interesting case study for how other industries might need to adapt business models for a more regenerative (versus extractive) economy.

How institutions and policy can lead to healthier, more sustainable food

Kate MacKenzie

Executive director of the New York City Mayor's Office of Food Policy

The New York City Public Schools system is the second-largest institutional food buyer in the nation. It serves breakfast and lunch daily to 1 million kids in 1,600 public schools. The New York City Mayor's Office of Food Policy, directed by Kate MacKenzie, sets the policy for the schools and for restaurants in the city. When she thinks about the future, she's thinking how policy and education can nudge us to a healthier and more sustainable future, as long as the solutions can scale.

41% of parents of school-aged children say that, on average, their child eats school-provided meals daily.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 239 U.S. adult parents of children ages 5 to 17.)

What The Future interview with Kate MacKenzie

Matt Carmichael: What policies do you set that impact food for New Yorkers?

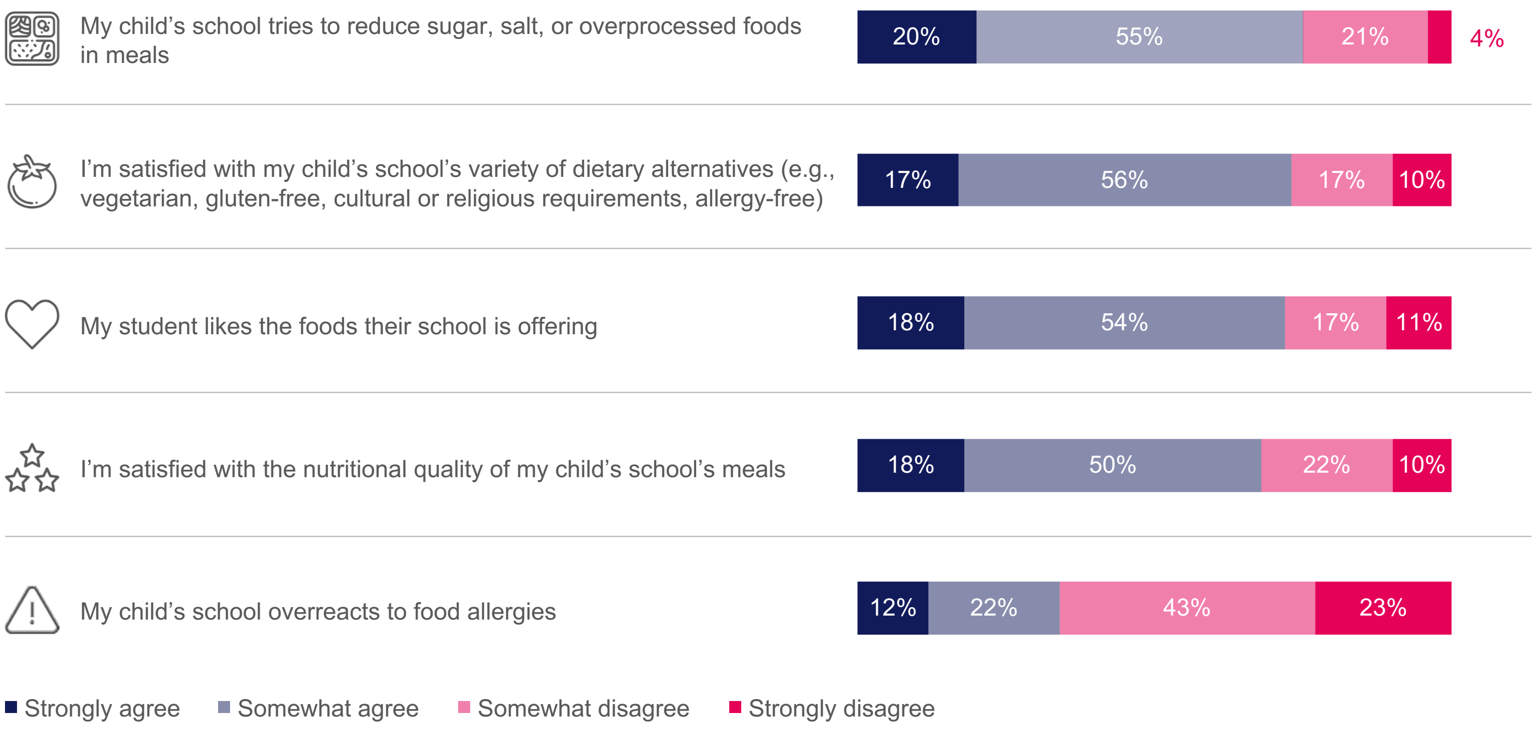
Kate MacKenzie: Many kids get most of their calories from schools. Our job and responsibility is to make sure that all students have access to delicious, culturally appropriate and nutritious meals. For instance, we introduced Plant-Powered Fridays that feature whole, minimally-processed plant proteins in ways that are really delicious.

Carmichael: How do you work with food manufacturers?

MacKenzie: First, New York City has its own labor force. We do our own food buying; we do not outsource our food service like some school districts do. We are the country's second-largest buyer of food when it comes to our school system. In 2008, the city introduced nutrition standards for the food it serves and buys. If a product didn't exist, it would be created for the city of New York. Some classic examples include a whole grain bread that met the nutritional profile for students but also wasn't overly brown in the sense that kids would be turned off from eating it. Another instance was a yogurt that met serving size requirements without too much added sugar. These are intricate relationships back and forth with food manufacturers to be able to create something that the city of New York will buy.

Parents say schools provide healthy meals, but there's room to improve

Q. Please indicate how much you agree or disagree with each of the following statements. (% Total)



(Source: Ipsos survey conducted Aug. 29-30, 2024, among 196 U.S. adult parents of children ages 5 to 17 who eat school-provided meals.)

Carmichael: That must impact the market broadly.

MacKenzie: The ripple effects of this are that other school districts and other municipalities will be able to benefit from that, too.

Carmichael: How much of the food is precooked?

MacKenzie: Many of the recipes that we've been able to advance and serve with our plant-powered menus are predominantly scratch-cooked. That's an investment in culinary training and consistency.

Carmichael: Shortening supply chains is an issue in the future of food. To what extent do you expect your partners to source locally?

MacKenzie: We have rich agricultural production in New York state. But we are not immune to some of the effects of climate change on our crops that make it both important to support our agricultural community, and make it challenging, because we need to make sure that we have a steady supply of food. Where possible, we make relationships directly with farmers. But we are not some idealistic school district that “backdoors” deliveries from farmers and puts them onto the menu later in today's lunch. Just the sheer size of the city prohibits that. We make sure that our food distributors or manufacturers are utilizing New York state products where possible.

Carmichael: When it comes to setting policy, how do you balance between healthier foods, which often cost more, and budgets, which are often getting smaller?

MacKenzie: I would push back on the premise that healthier foods are more expensive. When compared to beans or other plant-based proteins, the meats are the more expensive option.

Carmichael: How does setting policy for the New York City restaurant industry differ from schools?

MacKenzie: Restaurants are how many New Yorkers eat every single day. One policy is we have been encouraging restaurants to buy less meat and dairy. We have committed as a city to reduce the carbon footprint of our food purchases by 33% by 2030. We have put out a call to the restaurant industry and private industry at-large to also commit to buying less meat and dairy to reduce their own carbon footprints by 25%. This is not about elimination. It's about introducing more plant-based options and maybe not promoting as much or putting heavy meat options at eye level on a menu, for example. There are behavioral nudges that can go far in this effort.

Matt Carmichael is editor of What the Future.

> **Many kids get most of their calories from schools. Our job and responsibility is to make sure that all students have access to delicious, culturally appropriate and nutritious meals.”**

How food companies can meet diners' needs everywhere

39%

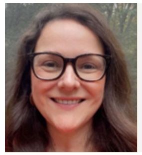
is the proportion of Americans' food spending for food consumed outside the home.

(Source: Bureau of Labor Statistics, 2023.)

As Americans spend $3.9 billion for food they eat outside of home — including at schools, the workplaces and restaurants — food manufacturers need to sell the benefits of their products not just to consumers, but also to the establishments that feed them. Knowing the needs of each category of buyer is critical to making sales. And what consumers want and what institutions require are not always the same.

Consumers, especially parents, often say they are looking for healthy, flavorful meals at an affordable cost. And the entities that feed them away from home must keep this top of mind when purchasing ingredients to delight their customers. But additional factors such as ease of preparation are less important to professional chefs and food service buyers than they are to grocery shoppers. Food service purveyors often have to meet diverse consumer demands, plus focus on bulk sizing, mass storage and delivery, things that don't concern consumers.

To maximize sales in every environment, food manufacturers need to separate research with consumers (B2C) and professional buyers (B2B), with distinctive messaging and research approaches. Since chefs often set consumer trends, understanding this influential group can give food companies a peek at the flavors and ingredients consumers will be clamoring for in the future.



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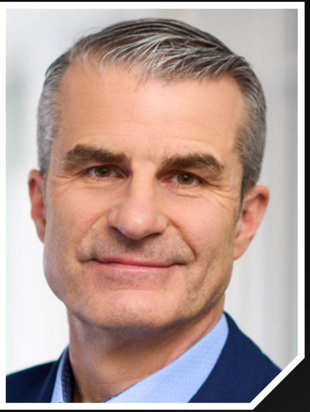
Why diverse approaches and collaboration are vital for future protein needs



Florian Schattenmann

Chief technology officer, Cargill

As the population rises and the middle class grows with it, so will the demand for protein. But increasing production can strain the environment, the supply chain and food security, which is driving interest in plant-based and alternative protein sources. Florian Schattenmann is chief technology officer for Cargill, one of the leading global players in the production of protein. When he thinks what the future, he believes having multiple approaches to meet our protein needs is the best way to avoid getting caught in a hype cycle.

50% of Americans with children in the household say their interest in eating alternative proteins like soy-based, bean-based or cultured has increased in the past year.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 779 U.S. adults who have an interest in or already eat alternative proteins regularly, including 217 adults with children in the household.)

What The Future interview with Florian Schattenmann

Kate MacArthur: What's your long-term vision for protein?

Florian Schattenmann: We want to be the premier protein supplier 20, 30 years from now. That means you have to broaden your portfolio. Protein is the highest-index macronutrient with the highest growth rates and strong demand from the growing middle class.

MacArthur: What newer proteins does that include?

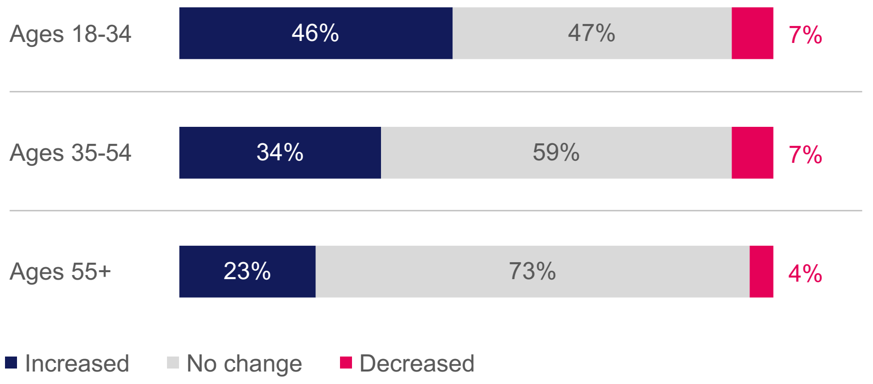
Schattenmann: New, affordable and well-tasting ingredients like mycoproteins or fungal proteins that can be created by a type of fermentation. We also see that as a longer play into cultivated proteins or hybrid products where consumers want to reduce meat consumption a bit. Ultimately, we keep investing in all protein options, including improving our animal proteins to feed our changing world.

MacArthur: Is there an area that's most promising?

Schattenmann: There are multiple approaches, and we're a big enough company that we can do multiple things at the same time. And not everything has to be invented in the house of Cargill. You've got to be a little bit hedged in a dynamic world. That's probably a good approach for looking into the future in general. Don't pick your winner too early because you might get caught up in a hype curve.

Younger consumers show the most interest in alternative proteins

Q. How, if at all, has your interest in eating alternative proteins (soy-based, cultured, bean-based, etc.) increased or decreased in the past year? (% Total)



(Source: Ipsos survey conducted Aug. 29-30, 2024, among 779 U.S. adults who have an interest in or already eat alternative proteins regularly.)

MacArthur: How does this vision align with not only global food security, but also sustainability?

Schattenmann: One of our star examples is in sweetness, actually. A big trend on the nutritional side is natural, low-calorie or no-calorie sweeteners. And one of those is stevia. Stevia is grown in fields and then extracted like brewing tea. We were able to pinpoint which of the compounds in stevia extract are the best tasting and sweetest. And then we found a way to take a precision fermentation approach to make that compound in high yields. So no more big fields that you have to water and grow for a long time. You directly take sugar as an input in a fermentation process — that's an old technology — but we did it with a twist. And you can make that sweetener, which is 300 times as sweet as sugar and has the best taste from that stevia mix, in high yield.

MacArthur: Can that technology apply to protein?

Schattenmann: Yeah, and where you can probably apply it first is on the dairy side. A lot of people around the world have some issue digesting dairy. This is more exploratory but a likely next step in the future of food.

MacArthur: How are plant proteins today different from the cafeteria soybean burger of years ago?

Schattenmann: In the first phase of alternative protein, a lot of the companies out there focused on how you get close to that taste and texture because one thing we always learn is taste is king. So cost was left a little bit alone, so the products have been more expensive. Now we're in that second phase, and the products are getting really good. Cost is coming down a lot by decreasing the deck of ingredients and focusing on less processing. In phase three, we'll be able to build in additional nutritional benefits and cost parity to animal protein.

MacArthur: How do you retain nutrients through processing?

Schattenmann: Processing leads to cost. We have created a new partnership on mycoprotein with a company called Enough. They have a very efficient way of fermentation, so you don't have to separate anything, and it has all the nutrients in there. It has that meaty texture. You can eliminate a bunch of more highly processed ingredients. It's decreasing the ingredient deck, bringing ingredients by Mother Nature into the equation, and therefore driving better taste, lowering cost and retaining or even enhancing the nutritional value.

MacArthur: Could emerging technologies revolutionize protein?

Schattenmann: The word "revolutionize" is always a tricky one for me. Tastes are very unique. If you think about cellular protein or cultivated protein and all that has to work to make this an economic process, it's amazing how much work still has to happen. I think more and more not one of these technologies will revolutionize anything. It'll be the portfolio and using the right technology at the right time for the right application.

MacArthur: How should food producers approach innovation for the growing popularity of air fryers and small cooking appliances?

Schattenmann: We constantly have to have a pulse on the dynamics in how we live. We see a lot more collaboration between the food manufacturer, a scaler like us, and maybe a technology provider. But you also see more early collaboration even with appliance makers. Because how do we make sure that the entire industry supports that? No one player can do it all.

Kate MacArthur is managing editor of What the Future.

> **"You've got to be a little bit hedged in a dynamic world. That's probably a good approach for looking into the future in general. Don't pick your winner too early because you might get caught up in a hype curve."**

How social listening can inform better research and development

Social media platforms and online forums are treasure troves of insights into how Americans' diets and habits are evolving, from adaptogenic beverages to functional mushrooms. Generative AI tools enable brands to effectively translate this vast pool of information into actionable insights.

From viral recipes to emerging ingredients, Americans' food and drink preferences are increasingly documented online. While many consumer goods brands use social media to engage shoppers through influencers and sponsored content, too few are truly listening to what consumers are organically sharing about their product experiences.

Generative AI solutions like Ipsos' Signals GenAI can streamline that process, uncovering unmet needs and pain points across the food and beverage landscape and beyond — so insights and innovation teams can track fast-moving conversations, identify new trends, and determine what to explore and when to pivot.

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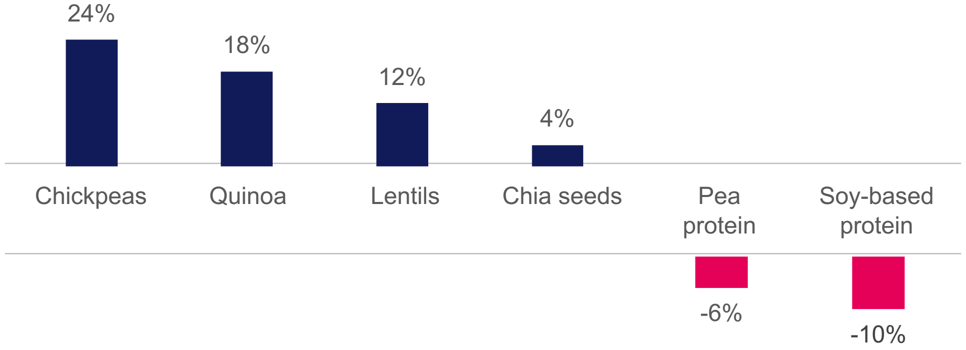
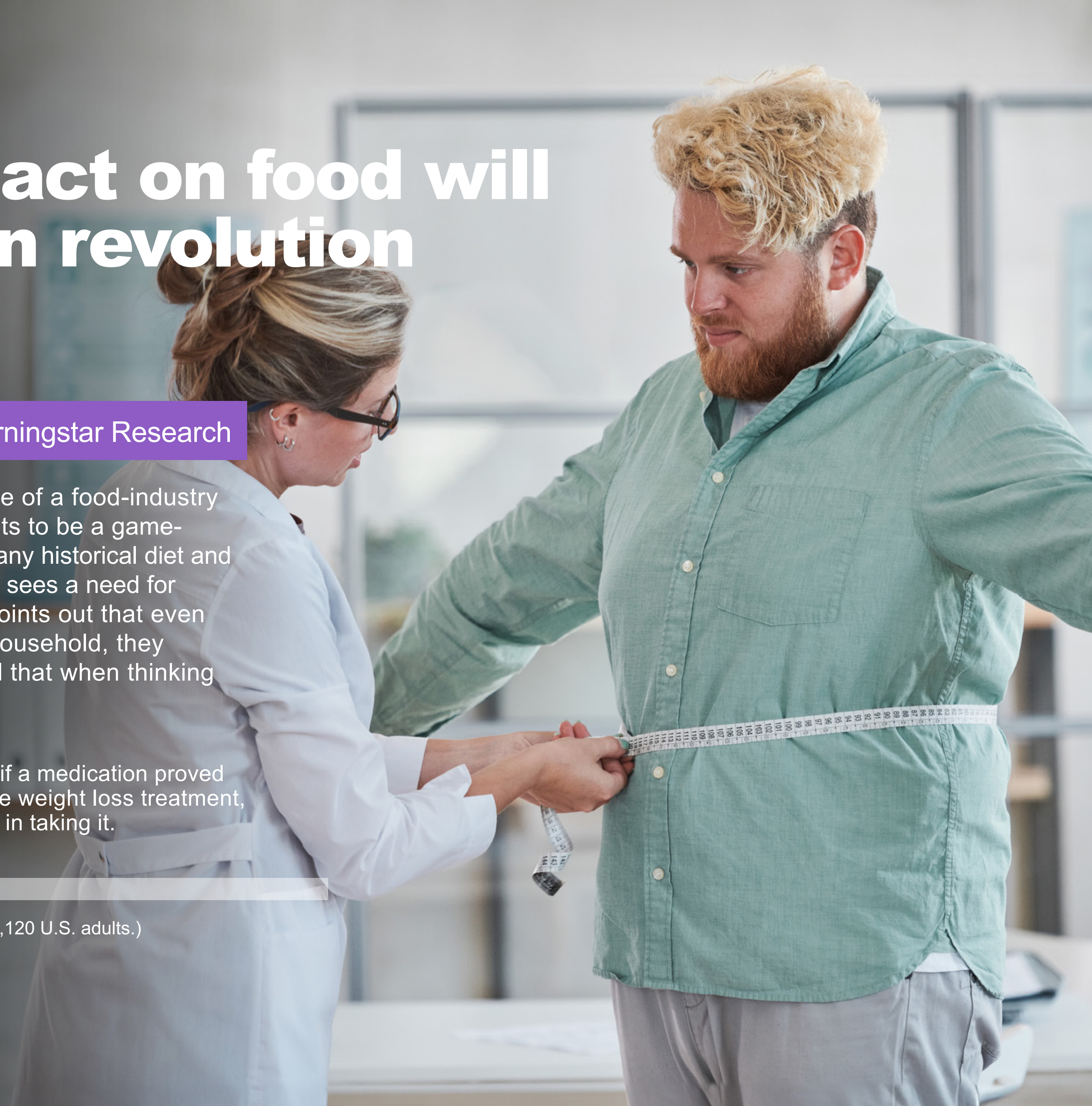
How social listening reveals shifting trends

A quick generative AI study on trends in social discussions in the food category identifies changes in volume velocity about plant-based proteins, signaling them as a sub-category to watch.



(Source: Ipsos Synthesio Signals GenAI social volume velocity (% change in social discussion: monthly average Jan.-Aug. 2024 versus Jan.-Aug. 2023.))

Why GLP-1 drugs' impact on food will be more evolution than revolution



Erin Lash

Director, consumer equity research, Morningstar Research

Erin Lash studies GLP-1s from the perspective of a food-industry analyst. She sees potential for these treatments to be a game-changer, but also for them to behave like so many historical diet and health trends that have ebbed and flowed. She sees a need for investment — as well as patience. And she points out that even if these products are used by someone in a household, they might not be used by everyone. She's mindful that when thinking about the future, we all have to eat.

48% of Americans agree that if a medication proved to be a safe and effective weight loss treatment, they would be interested in taking it.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

What The Future interview with Erin Lash

Matt Carmichael: How big of a deal are GLP-1 medications going to be in the food space?

Erin Lash: If you take a step back, packaged food companies have faced challenges from a host of evolving diet trends and health fads. Their challenge has been more impacted by the fact that consumers *say* they want products that are healthier, but the purchase patterns don't necessarily support that contention. So companies have been making their products healthier — taking out salts, artificial flavors and colors — but not telling consumers about it because consumers attribute a healthier product to one with a less favorable taste.

Carmichael: What are companies doing today?

Lash: Firms are working to increase the nutrient density of their products to ensure that a portion of their portfolio is geared toward the ease of digestion that consumers who are on GLP-1s need, and making sure their product assortment features smaller pack sizes to appeal to consumers who might become full more quickly than if they weren't on a GLP-1 regimen.

Carmichael: And what should they be thinking about for tomorrow?

Lash: The onus remains on packaged food companies to make sure that they're investing with significant foresight of what these consumers are after. This could take years to manifest. It does give packaged food companies the runway to experiment and explore and innovate around these opportunities and ensure that what they're bringing to market is aligned with what consumers are after.

Carmichael: So we should all be patient for change?

Lash: Patience is incredibly important. There are a lot of unknowns from where we sit in the implications as they relate to volumes and trends. A year ago, it was mentioned on every consumer packaged goods earnings call.

It doesn't get brought up as much now because there are other factors in the market, such as the financial constraints that consumers are under, supply and demand imbalances, and where consumers are shopping in brick-and-mortar stores versus e-commerce. It's hard to parse out the changes that we're seeing from a volume perspective and the ultimate drivers behind that, given the number of macro and competitive forces.

Carmichael: What if GLP-1s aren't that big of a deal in the end?

Lash: Making sure to invest in that particular lane without taking their eye off the ball of broader consumer trends is crucial.

Matt Carmichael is editor of What the Future.

> **"Patience is incredibly important. There are a lot of unknowns from where we sit in the implications as they relate to volumes and trends."**

How brands can get more context about the impact of weight-loss drugs

GLP-1s and related weight-loss drugs are changing many Americans' relationships with food and health. But that impact is multifaceted and highly variable, meaning brands need observational, human-centric research to understand the stakes for their businesses.

It's one thing to view GLP-1s in aggregate, whether through the lens of sales data or medical case studies. But it's increasingly clear that these treatments can have unique and highly personal effects on patients' lives, from what and how they eat to how they spend.

Face-to-face ethnographic research offers a window into the real-world context in which GLP-1 medications are used. This can help brands understand the challenges that people living with obesity and related diseases like diabetes face, while using GLP-1s, from managing medication to making lifestyle changes — and can help them stay in touch as consumers' wants and needs evolve.

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How GLP-1s are shaping food habits for some users

"I'm making better choices that actually help me find the balance."

— John, 59, Ohio

"It's really changed my relationship with food. I've had to actually cook."

— Farah, 46, Indiana

(Source: Ipsos digital ethnography of three Americans using GLP-1s, Spring 2024.)

How private-label brands are redefining value for food consumers and retailers

Amit Philip

Chief strategy and growth officer, TreeHouse Foods

Private-label food brands have shed their knockoff image, with record sales in 2023 and momentum to continue in 2024. Chains like Trader Joe's and Costco have helped to transform store-owned brands into differentiators in a competitive retail landscape. But could they also help to make foods healthier? asks Amit Philip, chief strategy and growth officer at private-label manufacturer TreeHouse Foods. He sees consumers' interest in getting healthier as a major opportunity for food brands to compete on another level.

58% of Americans and 68% of those with kids at home say they are buying more private-label products now than they did last year.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

What The Future interview with Amit Philip

Kate MacArthur: If you had a question that you wish you had the answer to about the future of private label or food in general, what would it be?

Amit Philip: The biggest question for me is about food consumption, and it's is America going to get healthier? Back in 2010 to 2012, there was a lot of hype about America getting healthier. There was the same thing back in the 1970s, and all you've seen is obesity grow in America. There's a lot of hype again, more driven by GLP-1 drugs. But the question is, will Americans consume food differently?

MacArthur: How do you see the private-label market evolving over the next decade?

Philip: In the last decade, private label has grown significant share in the U.S., and it will only accelerate over the next decade. There is this [misconception] that private label only does well during recessions. The retail landscape has shifted significantly whereas 15 years ago, private label was all about "Give me a knockoff of the brand," whereas today retailers are saying, "Give me something unique. Give me something differentiating that will bring someone into my stores." You have the Aldis, the Trader Joe's, and they have changed the landscape of U.S. private-label retail. As you think about store growth over the next 10 years, it's these retailers that are driving it. And that will only lead to the acceleration of private label.

Shoppers see private-label brands as no longer a knockoff

Q. Please indicate how much you agree or disagree with each of the following statements about store brand or private-label foods. (% Agree)

88%
I am willing to purchase private-label brands if my usual brand is out of stock

84%
They are more affordable

80%
The quality is just as good or better than name brands

77%
I prefer to buy brand name foods I trust

58%
I am buying more private-label products now than I did last year

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

MacArthur: Health trends are popping on social media, particularly about clean labels for Aldi products. What is behind that?

Philip: When people read an ingredient label, they want to be able to recognize the ingredients. Is it potato, salt and oil? That's a very simple chip.

The fact that it shows up in Aldi is indicative of their roots being in Europe, and European food regulations are different than U.S. food regulation. Over the years, the food industry had a push to make the food last longer. If the consumer is moving to more trips a week where they're buying fresher food, then having preservatives may not be as necessary.

MacArthur: You mentioned GLP-1 drugs. What are stores asking for related to them?

Philip: From the research we get, we see a lot more consumption of protein. People are looking at this data and asking, "How is it going to impact consumption when people are on the drug?" It's not like we're seeing this outpouring to change our product profiles just yet. All that could change if GLP-1s become more accessible.

MacArthur: Do you think GLP-1 hype is overblown?

Philip: We anticipate in our categories probably a point of growth that could be impacted over the next five years or so. It's speaking to this bigger question of people are looking to get healthier and they're looking for ways that will happen. GLP-1 drugs happen to be the current way that people are experimenting. But if we can find healthy, great-tasting food, in the long term, that will probably win out over having to inject yourself with something.

MacArthur: What has to change to get us there?

Philip: Consumers are saying, "How about giving me a cleaner label. How about giving me something healthier that also tastes good." It's deeper R&D work to figure out how you can make that great tasting. We make a keto cookie. It doesn't taste very good. So how can we get great-tasting food that is also really healthy? The company that figures that out will do fantastic.

MacArthur: Are generational shifts driving changes in attitude about private label?

Philip: We've done a lot of work on Millennials and Gen Zers, and when you look at their consumption of private label versus other generations, it's still lower. However, it's growing at a faster rate.

MacArthur: Is premium the next big growth area?

Philip: It's a very big area of growth. In some retailers there is this notion of a good, better, best brand hierarchy, even within the retailer's brand. Retailers that are getting strategic about their brands are going to look at the premium side as strongly, if not more than, the others because they have the others covered. Getting a consumer to buy more premium is a significant advantage to them.

MacArthur: How does that affect how a consumer trades up or down within and between brands?

Philip: Take a simple category like pretzels. When consumers are trading down, they may move from a pretzel thin to a regular pretzel, or a seasoned pretzel to a regular pretzel. What retailers will look at is, "Do I have an offering across the value spectrum all the way to premium tiers?" When the consumer does look to trade down, they're probably trading down within the tiers.

Kate MacArthur is managing editor of What the Future.

"How can we get great-tasting food that is also really healthy? The company that figures that out will do fantastic."

77%

of Americans say they love trying new foods.

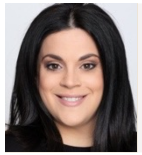
(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

How brands can innovate better the first time as competition heats up

As trend cycles accelerate and competition intensifies, brands across industries are challenged to innovate faster than ever. But product misfires are costly — and rushing to market without early-stage research only hurts their odds.

In increasingly competitive times, brand leaders can be tempted to skip the rigor of research. At the same time, companies can't afford not to get things right the first time. Ill-conceived or undercooked early-stage innovation often leads to extensive redesigns, expensive product revisions and even delayed launch dates. To avoid wasting significant resources on late-stage development, brands must look before they leap.

The answer is incorporating data-backed insights *and* human perspectives — the left brain and right brain sides of innovation — early in the development process. Ipsos has perfected a live event approach with its Ipsos Labs to make that a reality where researchers and all the key stakeholders can now conduct qualitative and quantitative research with real consumers in a single day. That helps ensure their next product will be a hit even before it hits the market.



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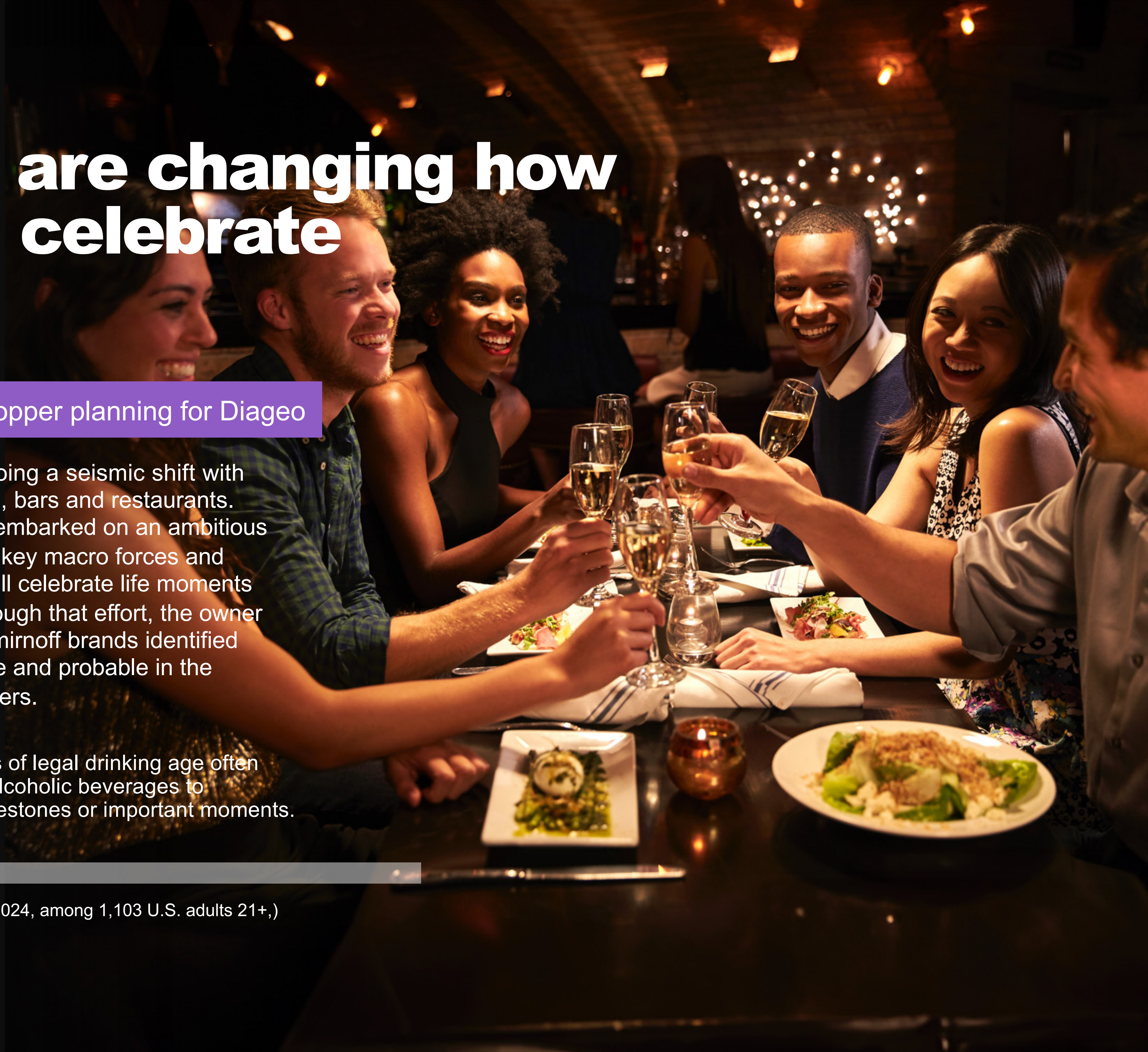
Which social shifts are changing how we'll eat, drink and celebrate



Efrain Rosario

Global head of futures and shopper planning for Diageo

The way people socialize is undergoing a seismic shift with profound implications for consumers, bars and restaurants. Global spirits giant Diageo recently embarked on an ambitious foresight initiative to understand the key macro forces and trends shaping the future of how we'll celebrate life moments big and small away from home. Through that effort, the owner of Johnnie Walker, Guinness and Smirnoff brands identified three futures it sees as both possible and probable in the U.S. as a road map for industry players.

41% of U.S. adults of legal drinking age often incorporate alcoholic beverages to celebrate milestones or important moments.

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,103 U.S. adults 21+,)

What The Future interview with Efrain Rosario

Kate MacArthur: What are the potential futures you've identified with Ipsos for socializing and beverages?

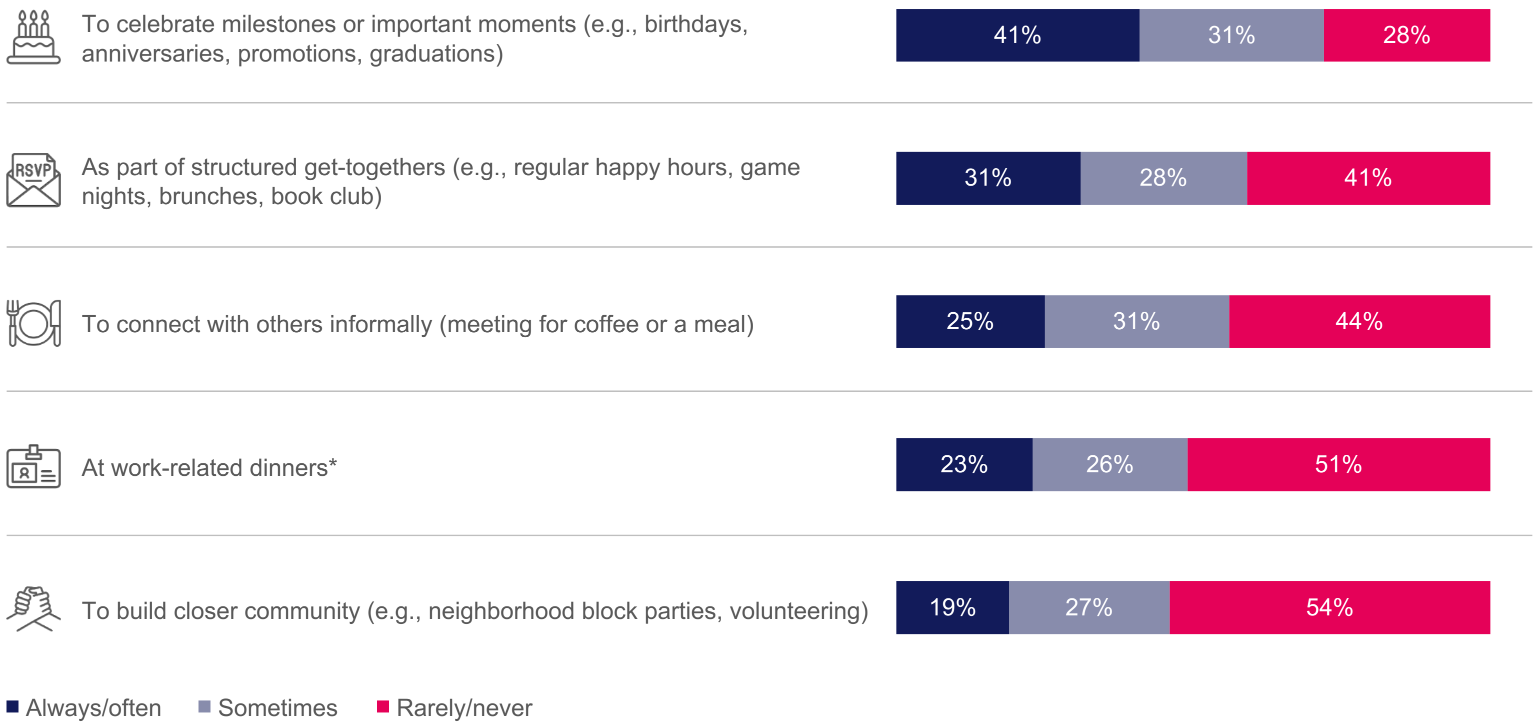
Efrain Rosario: We landed on three preferable futures, the first being what we call *Meaningful Moments*. That's how consumers are expanding their definition of hedonism by infusing their everyday routines with sensorial delights to create these micro moments of celebration, while also thinking about what they can do to enjoy these epic revelations. The second is *Structured Spontaneity*, which is how consumers seek out reassurance to reduce the risk of a disappointing occasion away from home. This has become even more important than it was pre-COVID-19. The last is *Connection Without Boundaries*, recognizing that consumers are increasingly seeking opportunities both in real life as well as in virtual spaces to connect with like-minded individuals.

MacArthur: What's changing in the way people are consuming beverages?

Rosario: One is what we call "better, not more, drinking." People are elevating their expectations and choices based on the quality of the drink. The other thing we're seeing is the "new nightclub," where Sunday brunch is the new Friday night. We're seeing consumers opt to socialize earlier in the day, wanting to think about lower-tempo socializing.

People are selective about including alcohol in social occasions

Q. When socializing with others, how often, if at all, do you incorporate alcoholic beverages in the following situations? (% Total)



(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,103 U.S. adults 21+, including *509 employed adults.)

MacArthur: What's driving socializing earlier? Is it about people getting older?

Rosario: We also find that Gen Z and Millennial consumers are expressing desire for these new venues. A lot of times they say, "I want to socialize through some of the other activities that I have earlier in the day." It could be at the gym, while shopping for clothes, while getting a haircut. My hypothesis is because we all feel like we're busier than we've ever been, there is this desire to multitask.

MacArthur: How has the shift in working from offices to home or hybrid work affected how we socialize?

Rosario: It's made us more eager to socialize with others. Also, the pandemic set off a geographic migration by consumers. In some cases, your socializing center is close to home because you're working 70% of the time from home. For those people who are spending time back in the office, people are socializing earlier in the day than they used to, close to their offices before heading home.

MacArthur: How is at-home socializing shifting?

Rosario: We all became much more adept at being able to re-create some of these experiences at home. It's not just about the product. It's everything from arming people with the cocktail recipes or being able to give them tutorial videos that they can view from home with master bartenders where they show them how to make these amazing cocktails, or they show them how to prepare an amazing dish.

MacArthur: What's determining whether we consume alcohol or something else?

Rosario: It's a combination of financial considerations, lifestyle changes and more wellness-oriented benefits. And by nature of that, those are driving the growth of low-alcohol and no-alcohol beverages. People's definition of wellness has evolved over time. We used to think about it only through the lens of physical wellness, and now we're considering things like our spiritual or our emotional wellness. So what are you doing to enhance my mood?

MacArthur: What are other beverage innovations?

Rosario: A lot of beverage brands are looking at gut health and herbal cocktails and how those herbs are providing some form of mood enhancement. The other thing we're seeing is people wanting to find those novel experiences. That manifests through wanting to experiment with flavors from different cultures. You think about even something as mainstream today as bubble tea. But that manifests not just in food and drink. Think about the popularity of things like K-pop or some of the TV shows that we're seeing on Netflix, and the proliferation of this content from other cultures.

Kate MacArthur is managing editor of What the Future.

"We're seeing … where Sunday brunch is the new Friday night. We're seeing consumers opt to socialize earlier in the day, wanting to think about lower-tempo socializing."

More Americans are 'sober-curious.' Marketers should understand why.

Ipsos data affirms the perception that Americans are consuming less alcohol. It also reveals that this shift isn't limited to sober individuals: More than a third (34%) of people of legal drinking age who drink alcohol regularly say they've recently tried nonalcoholic beverages.

Zero-proof beverages and mocktails certainly remain a niche market — but it's clear that interest is growing (and isn't limited to teetotalers or Dry January). That means brands and businesses need a deeper understanding of the reasons Americans are embracing this change in the first place. Health is often cited as a concern, but those concerns can encompass a range of distinct motivations, not to mention new socialization patterns and changes in drinking times and occasions.

The stakes may be obvious for food and beverage manufacturers and bars — but these shifts are likely to also affect restaurants, grocers and entertainment venues.

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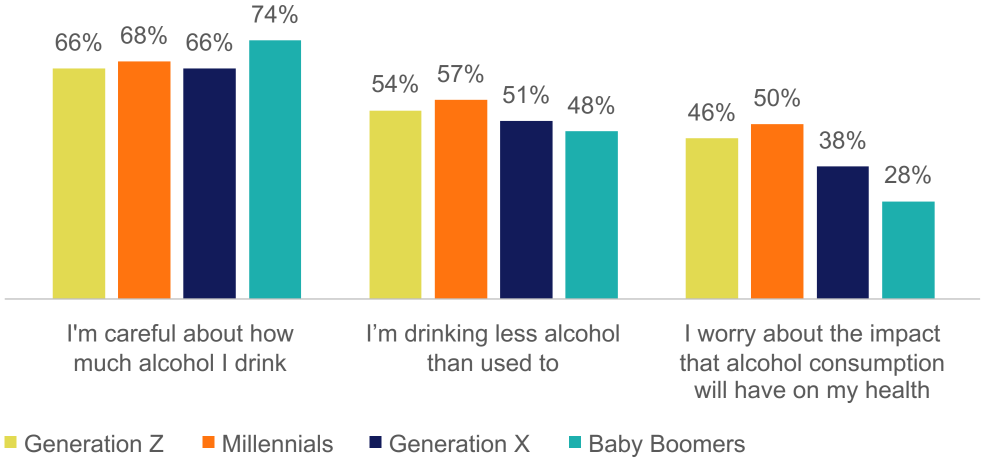
Younger generations are more mindful about drinking alcohol than before

Q. How much do you agree that the following statements about alcoholic beverages apply to you? (% Top 3 box agree)



(Source: Ipsos Alcohol Consumer Tracker 2.0, Jan. 2024-June 2024, among 11,551 21+ alcohol drinkers in the U.S.)

Tensions that will drive change:

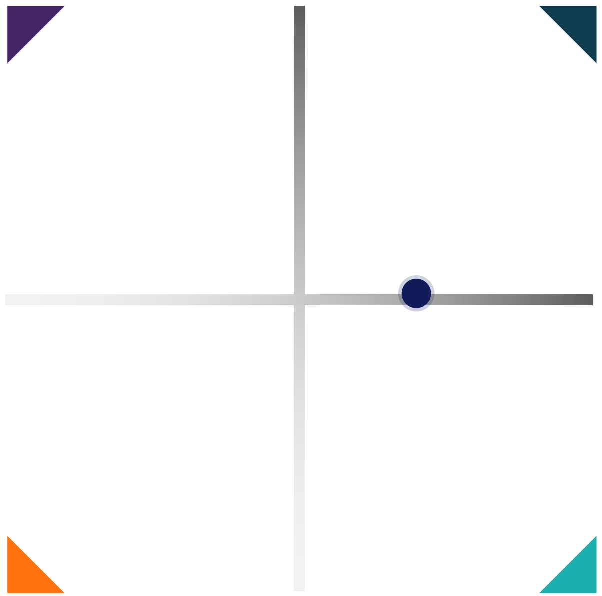
Stick to budget or consider the environment?

The future is always in tension. We can measure those contradictions today with forced-choice questions. And we can plot them against each other in a classic 2x2 grid. That allows us to visualize where we are today, but also to imagine what the possible futures are if those tensions shift over time — and how far they would have to move to get us to a different future from our baseline.

I JUST BUY THE FOOD I WANT OR NEED

In this world, people buy what they want *and* consider the environment. Either what they want changes or the impact the food has on the world changes (or both, also plausible). We're a long way from caring about the impact of food today, but if climate changes worsens, we could care about it more. And ESG programs and other regulations also could reduce our environmental footprint, so this future has definite plausibility.

Here's where we are today: So much hedonism, so little time. We buy whatever we want when we want it, without regard for the consequences. Many things we eat (meat, almonds) aren't great for the environment. But a recurring theme is that climate change might force our attitudes to change. Given how close we are to the price-sensitivity axis, government could use taxes and regulations as a policy lever to advance sustainability.



I CONSIDER THE ENVIRONMENTAL IMPACT OF FOODS I EAT

I ENJOY FOOD WITHOUT WORRY ABOUT THE ENVIRONMENT

For this world to happen, some major things have to shift. Responsibly grown food will become a lot more affordable, or at least budget-neutral. Or perhaps the budget just means we buy less food overall, which will impact a lot of industries. Home or co-op gardens could flourish in this quadrant for both reasons, and likely so will the other end of the scientific spectrum with engineered foods leading to more efficiency in growing.

In this world, food prices, or perhaps unrelated economic pressures like interest rates and housing costs, lead us to budget tightly on our grocery trips. This could have a positive impact on the environment, whether we mean to or not (meat is expensive). Or it could mean we buy fewer natural foods (which are often also expensive). Clearly there are plausible implications for the health of both our planet and ourselves.

I STICK TO A BUDGET FOR THE FOOD I BUY

(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

Tensions that will drive change:

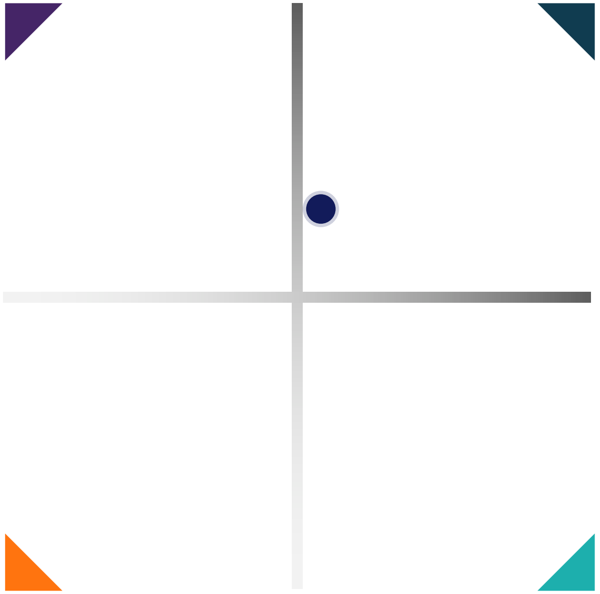
Buy convenience foods or eat and drink out?

The future is always in tension. We can measure those contradictions today with forced-choice questions. And we can plot them against each other in a classic 2x2 grid. That allows us to visualize where we are today, but also to imagine what the possible futures are if those tensions shift over time — and how far they would have to move to get us to a different future from our baseline.

WHEN I BUY AND PREPARE FOODS, I PRIORITIZE CONVENIENCE

In this world, maybe people prize convenience because they want to maximize social time that somehow doesn't involve food or beverages. They find other outlets, like sports leagues or socializing with other parents or dog owners during playdates at the park. Is this world possible in a GLP-1-altered future, where food becomes less important to us as a society?

If our baseline continues: We will see a future where we prioritize convenience over sustainability and tend to socialize over food and drink. Innovation will continue to focus on taking the work out of food. Socializing will keep the kitchen the heart of the home, and reservation (phone) apps and tasty app(etizers) must-haves. But sustainability isn't far over the axis, so leaning into those concerns could be good for brands, too.



I SOCIALIZE IN WAYS WITHOUT EATING OR DRINKING

MY SOCIALIZING INCLUDES EATING OR DRINKING

In this world, food is not the center of our social world. We see a focus on cooking for ourselves. Recipe content on social media thrives as we cook in our kitchens using fresh, natural and whole ingredients. Cooking becomes centered on self-care and aligns with wellness. It's a way for us to slow down and connect with ourselves rather than others, which tracks with a highly digital, independent and isolated population.

In this world, we think more about where our food and drink come from and what impact its production and packaging have on the world, but we still like to eat, drink and be merry while we do. In this future, brands can help people not turn from buzzed to buzz kill by helping them reach their sustainability goals. Bars and restaurants (and grocery stores for home-cooked parties) have a role to play, too. Think less plastic, more recycling.

WHEN I BUY AND PREPARE FOODS, I PRIORITIZE SUSTAINABILITY

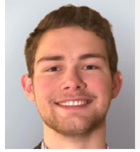
(Source: Ipsos survey conducted Aug. 29-30, 2024, among 1,120 U.S. adults.)

Future Jobs to Be Done

Ipsos spins the traditional "Jobs to Be Done" framework forward with *future* Jobs to Be Done (fJTBD). This builds on the theory that people buy products and services to fulfill certain needs or accomplish specific tasks. For example, we don't buy a meal at a fast-casual restaurant, we hire it to provide convenient nourishment while giving us back time in the day that would have otherwise been spent on cooking.

To bring these jobs into the future, we envision powerful and plausible scenarios through strategic foresight. While many needs are enduring and do not change over time, the context of that job will change along with the potential solutions and alternatives. These scenarios help us define the circumstances in which people may find themselves, like considering whether to make food purchases based on a product's environmental impact versus whether the item is within their weekly food budget.

We use fJTBD to tie these scenarios to actions that organizations can take to help people meet future needs. While it's typical in foresight to create fJTBD clusters, we're sharing one scenario here as an example.



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Help me make food choices that align with my budget, values and busy schedule

In a world where people concurrently navigate economic uncertainty, environmental instability and time deficiency, they will regularly encounter an expansive set of challenges. For example, in a world where grocery prices climb, consumers may be forced to abandon more nutritious options in favor of cheaper, less sustainably produced and packaged choices.

Potential fJTBD:

- Help me make choices that balance my nutrition and budget goals
- Make it easy for me to understand how my food choices affect my health, my community and the planet
- Help me create low-effort social moments centered around mealtimes

Imagine a world where … grocery store smart carts analyze products you've selected and provide nutritious recipes that match your dietary preferences, price or sustainability requirements, and desired prep time.

For full results and methodology, visit **future.ipsos.com**
and **subscribe to our newsletter** to receive our next issue of **What the Future**

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