CPG's Next Great Ideas: Top Trends & Innovation Predictions?
CPG's Next Great Ideas: Top Trends & Innovation Predictions

Eric Pierce
New Hope Network

Amanda Hartt
New Hope Network
“Paradigms provide context for our lives and work; they determine our perspectives and shape the choices we make and the actions we take. The are unconscious, which means that it rarely occurs to us to examine them. It’s even rarer to recognize that our paradigms operate at different levels and that these levels have very different implications in terms of the quality of the effects that flow from our choices and actions.”

- Carol Sanford

The Regenerative Life. Pages 1-14.

<table>
<thead>
<tr>
<th>Regenerate Life</th>
<th>Do Good</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrest Disorder</td>
<td>Value Return</td>
</tr>
</tbody>
</table>

The framework is read from bottom to top – from lower to higher level.
The Power of Thinking
By Carol Sanford
from her book Indirect Work
**Trend Growth Expo West 2023 vs. 2022**

- **Business Beyond Profit**: 13%
- **Regenerative Agriculture**: 30%
- **Socially Responsible Sourcing**: 15%

Growth of exhibitors (all trend avg: 3%)

- **Business Beyond Profit**: 15%
- **Regenerative Agriculture**: 56%
- **Socially Responsible Sourcing**: 153%

Growth of categories (all trend avg: -7%)

*Source: NEXT Trend Guidebook Expo West 2023 and 2022*

Booth: 3915

Booth: 2039
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Pete Brennan
Mattson
HI, I’M PETE BRENNAN, VICE PRESIDENT, INNOVATION AT MATTSON

PETE BRENNAN
pete@mattsonco.com

25+ YEARS IN THE FOOD & BEVERAGE INDUSTRY

- Working in Sales, Marketing, Innovation, Strategy, & General Management in companies big & small
- From wine to waffles & organic chicken, to plant-based burgers, natural frozen pizzas, RTD organic energy & hydration drinks, mission-driven grain free tortilla chips, and a lot of things in between
- I’m one of the 65 employee-owners at Mattson and my role is Vice President, Innovation
Carbon Foodprint: Eclipses & Encompasses Plant-Based Eating

1/3 of greenhouse gas emissions from food production.
WE HAVE A LOT OF WORK TO DO

18 BILLION TONS

of carbon dioxide equivalent produced by food system emissions.¹

Sources: ¹https://news.un.org/en/story/2021/03/1086822
Gen Z are growing up to **hold manufacturers accountable.**

Gen X grew up when manufacturers had no accountability. The mentality: “We’ll deal with it later.”

### YOUNGER CONSUMERS ARE READY FOR IT

Source: First Insight, In., *Gen Z Influencing All Generations to Make Sustainability-First Purchasing Decisions*, 11_2021
Gen Z and Millennials believe their generation has greater concern about the environmental impact of food choices than other generations.

Source:
International Food Information Council Report - 2022
Mintel - Gen Z Food Consumer - US 2022
THE MANY WAYS THIS STARTS TO COME TO LIFE WITH GENS Y & Z

Source: Mintel Sustainability In Food & Drink US 2023
PLANT-BASED IS PART OF THE SOLUTION, BUT THERE’S SO MUCH MORE...
WE NEED TO FIX IT.

91 MILLION
Surplus Food Tons Produced in 2021

Sources: ¹ReFED Insights Engine
6 in 10 Americans are concerned about food waste – worrying about people in need of food and waste of money tied to it.
CORN TORTILLA CHIPS DON’T JUST TASTE GOOD
THEY CAN DO GOOD TOO

KAZOO

Every bag saves 16 gallons of water

Grow
Our corn-germ is from mostly generational farms in Iowa

Upcycle
Our proprietary manufacturing process combines the corn-germ and whole corn into a tortilla chip

Enjoy
Our team continues to craft great-tasting, water-saving snacks for you to enjoy
SHIFTING THE TIDES ON WASTE AND ORGANIC REGENERATIVE OCEAN FARMING

we're on a huge mission... to restore ocean ecosystems.

1,000,000+ bags sold
27,000+ SQFT. of kelp restored
50,000+ LBS of plastic averted
600,000+ LBS of regeneratively farmed kelp sourced

12tides ORGANIC KELP SNACKS

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FROM THE PANTRY TO THE GARAGE: ANOTHER UPCYCLED & PLANT-BASED FRONTIER
LOCAL’S ONLY… ANOTHER WAY TO SOLVE IT

“Which of the following sustainability-related concepts would you like to see more of where you shop for food and drink? Please select all that apply.”

Locally produced food and drink products 47%
A LOCAL FARMERS MARKET IN YOUR FREEZER: ELONGATING THE SEASON & STRENGTHENING LOCAL ECONOMIES
THANK YOU.
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Dan Buckstaff
SPINS
Innovation

Using Product Intelligence + Data
New product launches
In recent years there’s been a sharp pullback from overall new item launches, driven by unique shocks in rapid sequence. Natural products have been the most resilient across these years which should drive an increase in innovation moving forward.

Source: SPINS Total US Natural Enhanced Channel + Multioutlet (powered by Circana), Frozen, Grocery and Refrigerated Departments; UPC Level; First Week Selling Used to Calculate New Items Launched Per Quad
THE VALUES-ORIENTED SHOPPER

Consumer Preferences Are Constantly Evolving & Driving Innovation

Brands need to stay on top of which product attributes align with innovation, growth, and their evolving strategy.

Compared to Other Households, Values-Oriented Shoppers...

Buy groceries 1.2x more frequently  
88%  
Purchase groceries at least once per week

Are 2.5x more adventurous  
65%  
Are extremely or very adventurous when trying new products

Are 1.2x more likely to pay premiums  
85%  
Will pay more for products with health or wellness attributes
**Beverage as Medicine**

Shoppers continue to rally behind beverages that are positioned to boost and support key health aspects. Watch for white space and innovation within categories to reboot shopper interest across the beverage aisle.

**Top Performing Health Focuses Tracked in Beverage**

<table>
<thead>
<tr>
<th>Health Focus</th>
<th>Sales</th>
<th>%growth YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleanse &amp; Detox</td>
<td>$15.6m</td>
<td>+37.6%</td>
</tr>
<tr>
<td>Mood Support</td>
<td>$24.6m</td>
<td>+34.0%</td>
</tr>
<tr>
<td>Digestive Health</td>
<td>$1.1b</td>
<td>+17.9%</td>
</tr>
<tr>
<td>Weight Loss</td>
<td>$750k</td>
<td>+15.1%</td>
</tr>
<tr>
<td>Cognitive Health</td>
<td>$51.8m</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Pain &amp; Inflammation</td>
<td>$4.3m</td>
<td>+11.9%</td>
</tr>
<tr>
<td>Hydration</td>
<td>$457m</td>
<td>+11.4%</td>
</tr>
<tr>
<td>Hair Skin &amp; Nails</td>
<td>$8.6m</td>
<td>+10.1%</td>
</tr>
<tr>
<td>Cold &amp; Flu</td>
<td>$71.3m</td>
<td>+7.4%</td>
</tr>
<tr>
<td>Immune Health</td>
<td>$43.8m</td>
<td>+3.0%</td>
</tr>
</tbody>
</table>

**Soda Category**

<table>
<thead>
<tr>
<th>Health Focus</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digestive Health</td>
<td>+209.8%</td>
</tr>
<tr>
<td>Performance</td>
<td>+22.9%</td>
</tr>
<tr>
<td>Mood Support</td>
<td>+14.5%</td>
</tr>
</tbody>
</table>

**Water Category**

<table>
<thead>
<tr>
<th>Health Focus</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold &amp; Flu</td>
<td>+95.7%</td>
</tr>
<tr>
<td>Sleep</td>
<td>+83.3%</td>
</tr>
<tr>
<td>Digestive Health</td>
<td>+49.4%</td>
</tr>
</tbody>
</table>

Source: SPINS Natural Channel, MULO (powered by Circana), 52 Weeks Ending 8/13/23
Powered by SPINS Product Intelligence: Health Focus
Upcycled snack products continue to show growth

Dollar Sales of Certified Upcycled Snack Products

- 52 WE 6/20/2021: $1.8M  
- 52 WE 8/14/2022: $4.6M  
- 52 WE 8/13/2023: $13.4M

+192.7% growth from 52 WE 8/14/2022 to 52 WE 8/13/2023

CERTIFIED UPYCLED

UNITS %CHG, 2YA  
+515.2%

UNITS %CHG, 1YA  
+166.4%

Source: SPINS Natural Enhanced Channel & Conventional Multi-Outlet (powered by Circana); 52 Weeks Ending 08.13.23; 08.14.22; 08.15.2021. Attribute: Certified Upcycled Snacks.
The Future of Protein

Technology has enabled new ways of thinking about proteins and new ways to produce dairy or meat, either directly from animals or plants or by cultivating it from animal cells.

Regenerative Ag lessens sustainability concerns of meat

‘Next Gen’ Ingredients Are Category Disruptors. Precision Fermentation ‘animal free dairy hits the shelves

Plant based continues to evolve

Cultivated Meat readies for US Market

*Note: this is based on only 6 items in SPINS non animal dairy protein coding currently

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