

Dealing with Disruption

Two “simple” questions

**Where is Canada’s
growth coming from?**

**What impact will technology
have on how we eat and shop?**



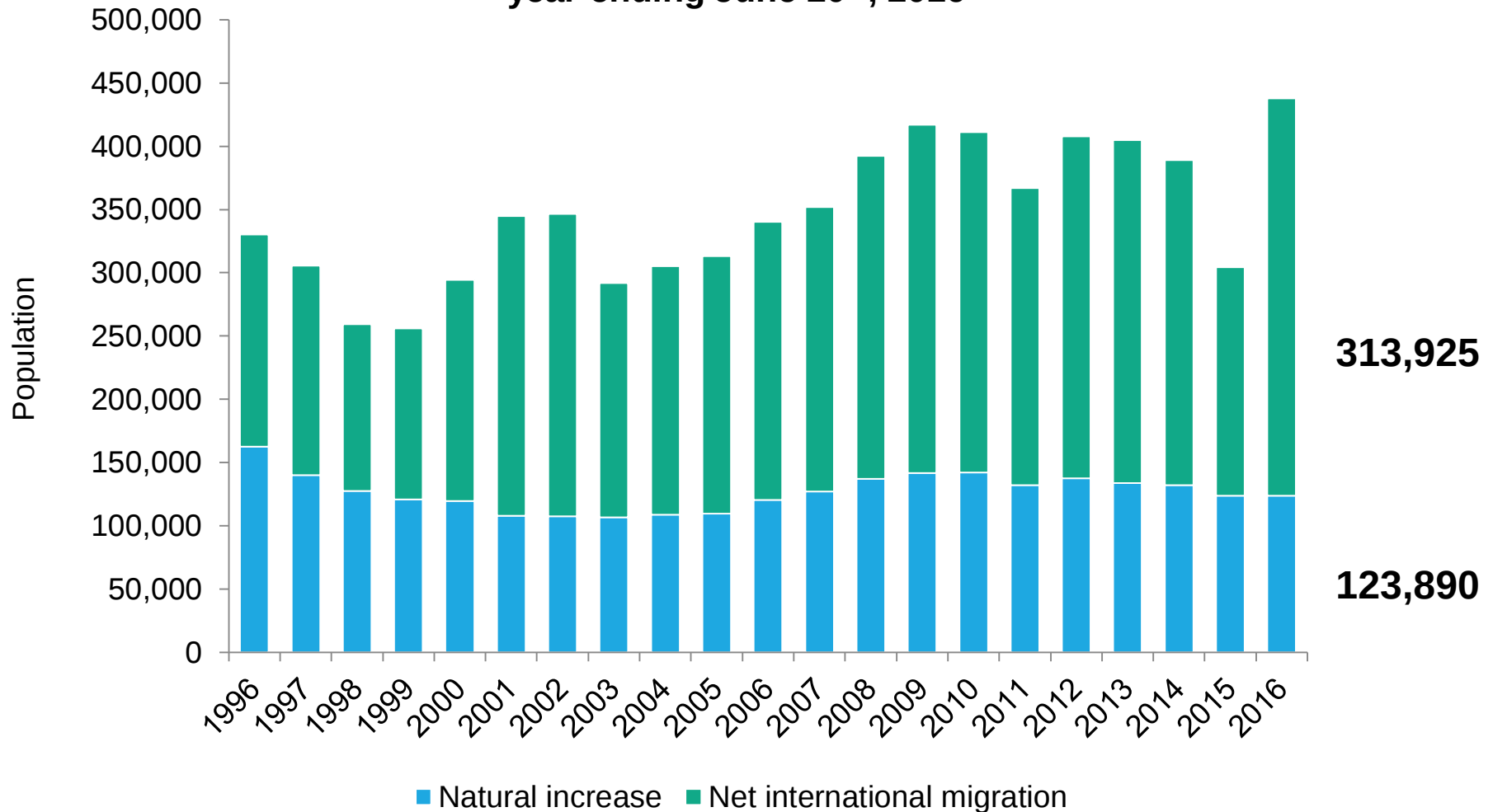
**Where is Canada's growth
coming from?**

GDP growth per capita
Historic: 1.9%
Future: 0.8%



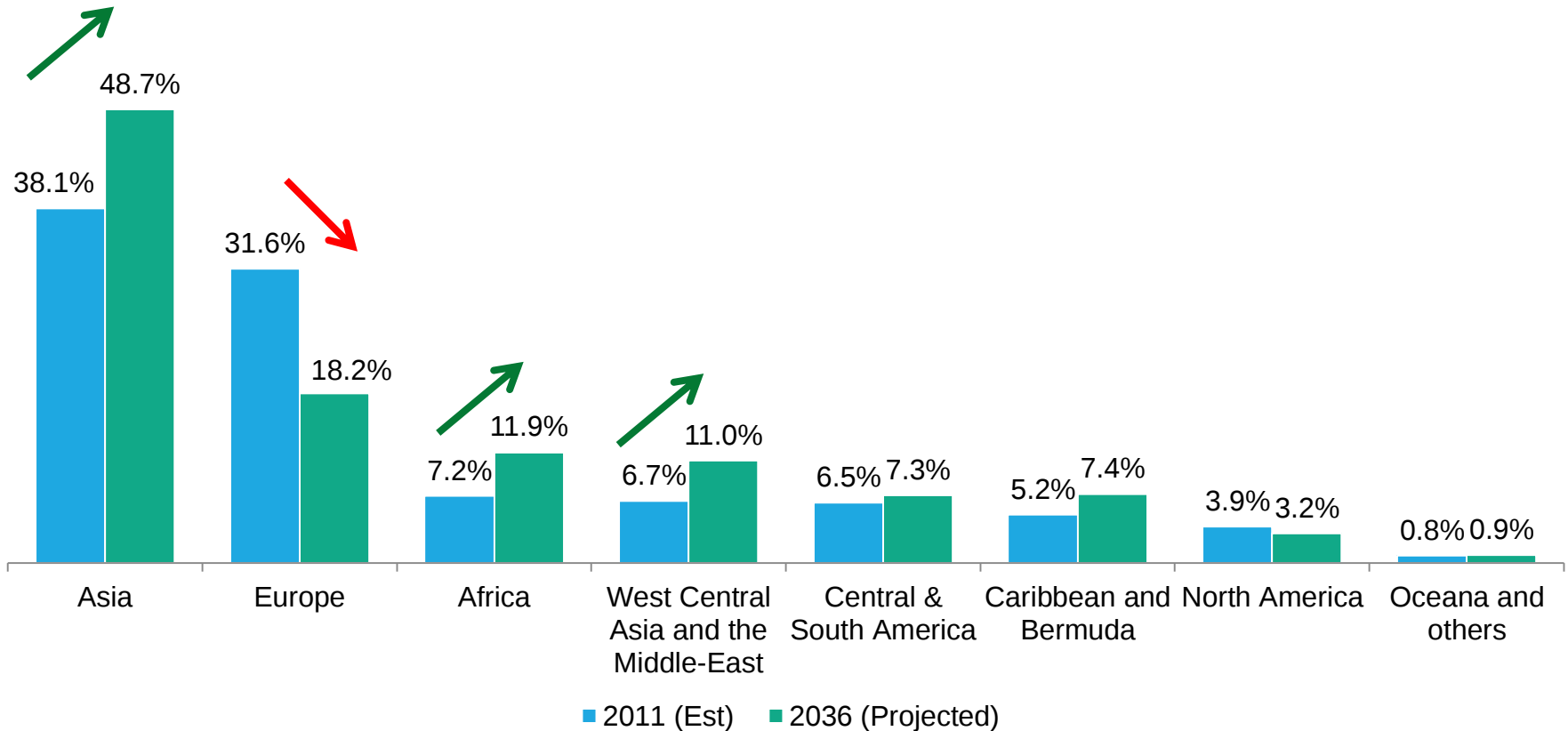
Immigration is the main driver of Canada's population growth

Factors influencing population growth,
year ending June 20th, 2016



In 20 years, half of Canada's immigrant community will be from Asia

Distribution of immigrants living in Canada by region of birth, 2011 (estimated) and 2036 (projected according to high scenario)



Tim Hortons and the Filipino-Canadian experience – building an emotional connection



We introduced the Philippines to Canada's favourite coffee,
through their Canadian families.

The impact of immigration extends beyond new Canadians

Proportion of mixed* union couples, Canada 1991-2011

1991



2.6%

2001



3.1%

2011



4.6%

*Both or one member of visible minorities

Source: Statistics Canada

FLAVOUR ADVENTURISM

Canadians are looking for food
to bring them new experiences.







New foods and flavours are a means to explore for Canadians

63%

Like to explore new flavours

73%

Like to experience other cultures through food

57%

Are more open to eating ethnic foods now than they were a few years ago

Mintel

New foods and flavours are a means to explore for Canadians

61%

Generally try ethnic-inspired foods at restaurants before preparing it at home

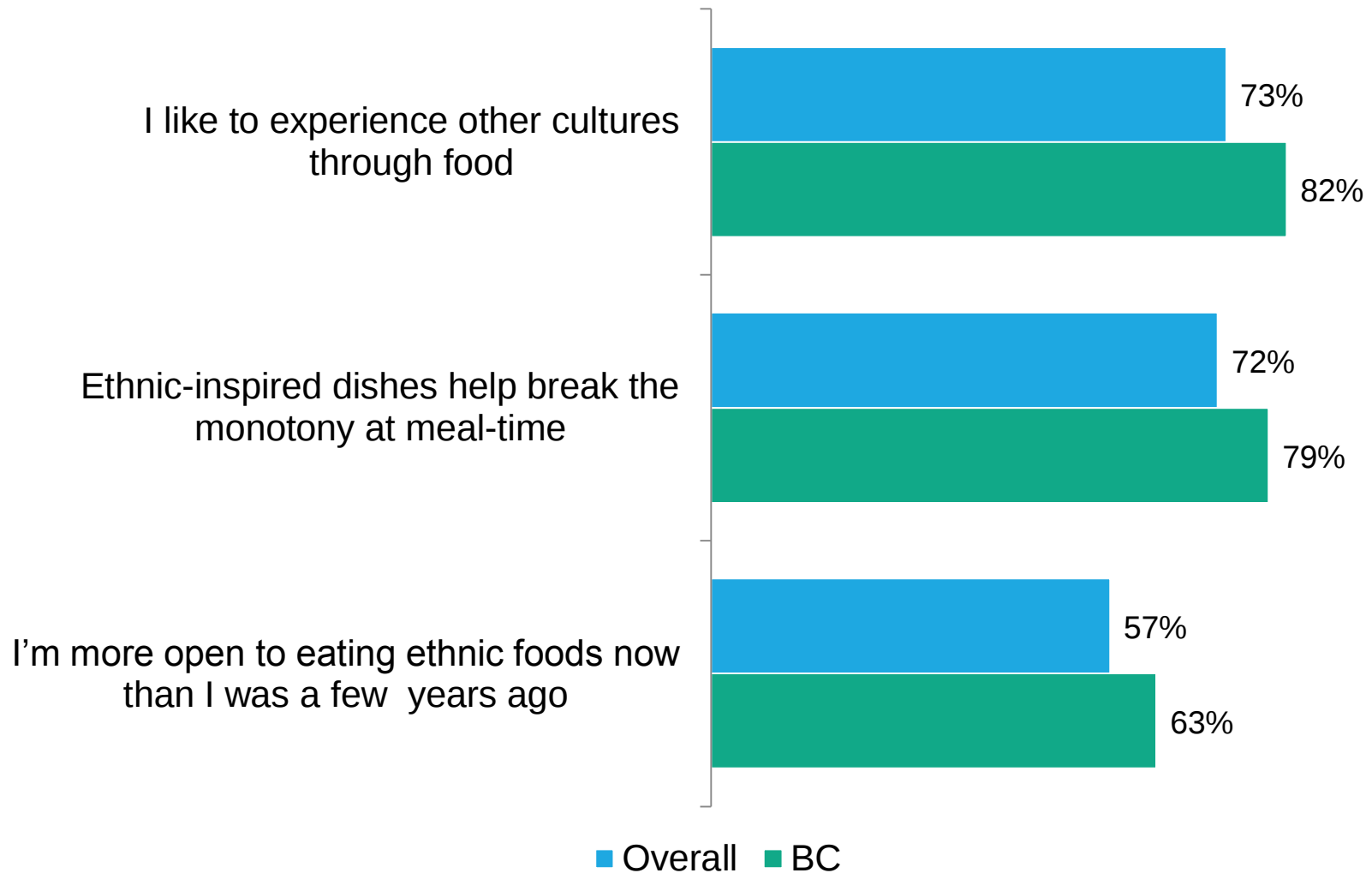
39%

Agree fusion entrees that combine two or more different types of ethnic items or ingredients are authentic



MINTEL

British Columbians appear most open to “exploration”



Where in the world can we find inspiration?

Have not eaten, but interested in trying

African



50%

Southeast Asian



44%

Korean



38%

Looking the part

36%

interested in pre-packaged,
ethnic-inspired meals that
only require heating

Spicy and Creamy Indonesian Stew, Netherlands



Spicy and creamy and is made with pandan rice, beef, baked coconut, sambal, laos and tamarind

Lending a helping hand

36%

agree “making ethnic foods is intimidating”

Panang Chicken Curry with Peppers & Bamboo Shoots, UK



Raw diced chicken breast, cooked basmati rice, Panang curry sauce, coconut milk and cut vegetables. The product can be stir fried in just four easy steps in only eight minutes

A simple and unique twist on barbecuing

65%

agree “I am open to trying ethnically-inspired methods of preparing foods”

Boerewors Braai Pie, South Africa



Comprises flaky pastry with a Boerewors, tomato and onion relish, and cheese filling, is said to be convenient, and can be made ready in 15-20 minutes on the braai, or 20 minutes in the oven

International-flavours extend to snacking

37%

interested in snack
items with an
ethnic flavours

Korean Barbeque Potato
Chips, Canada

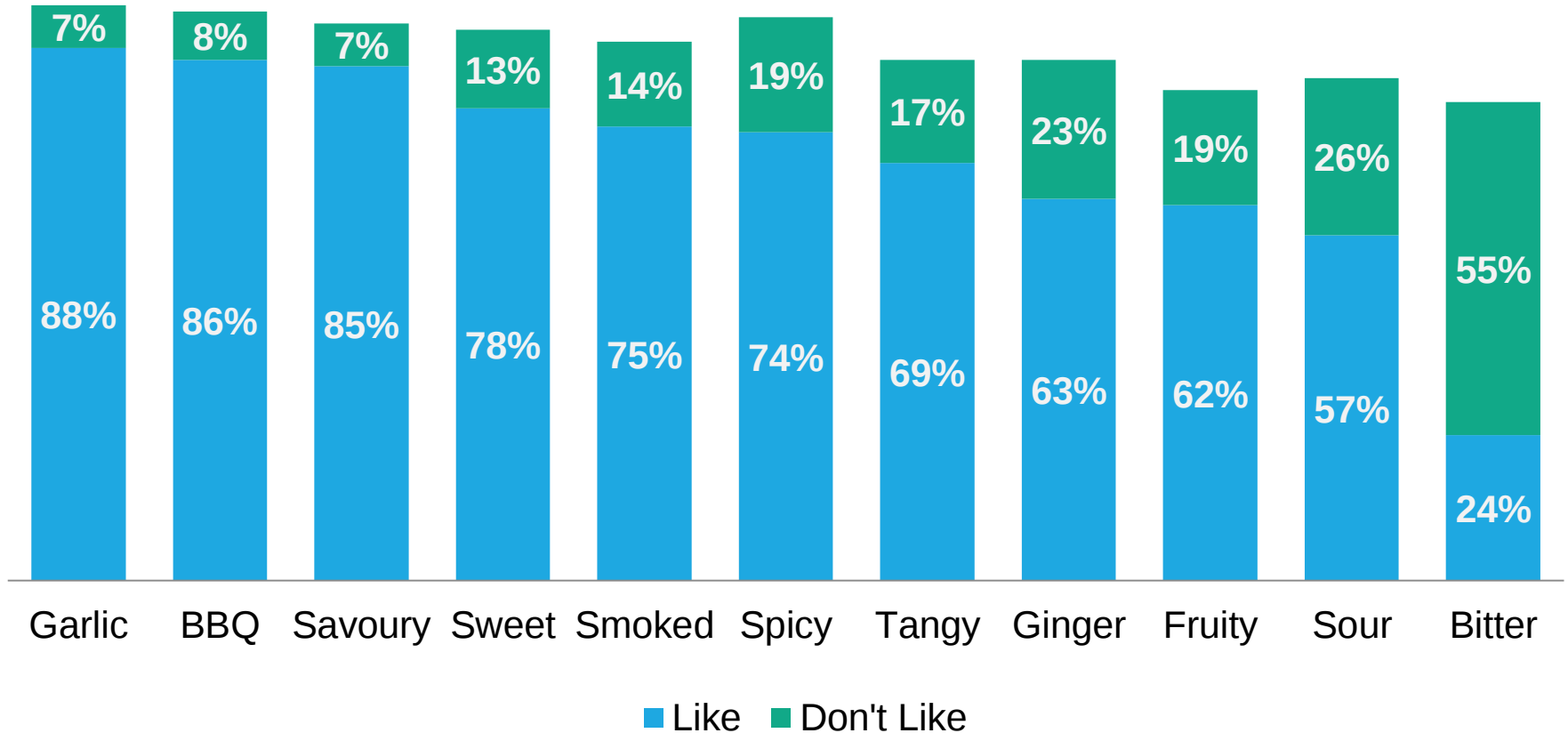


Wasabi Flavoured Potato
Chips, Canada



The flavours Canadians “like” can influence flavour bases

Flavours Canadians like in ethnic-inspired foods



What's next?

Replacing sodium

Sushi fatigue

Regional focus

Key Takeaways – Flavour adventurism

Explore

Canadians are open to meal solutions that allow them to **experience other cultures**. Story is key!

Access

Important to remove the **intimidation barrier** from flavour adventurism in the home with easy to prepare or **'hard to mess-up'** solutions.

Combine

Two in five Canadians show interest in **'fusion foods'**. Like 'our' country, the strength in food offerings can be found in developing unique combinations.

A woman with dark hair, wearing a light blue denim jacket over a white t-shirt, is smiling and holding a gold-colored smartphone in both hands. She is standing in a supermarket aisle. In the foreground, a shopping cart is filled with fresh produce, including purple and green leafy lettuce, green bell peppers, yellow bell peppers, and a loaf of bread. The background is slightly blurred, showing other shoppers and supermarket shelves.

**What impact will
technology have on
how we eat and shop?**

The six most important “moon shots” according to Alphabet Executive Chairman, Eric Schmidt

#6 Fixing education using tech

#5 Self driving cars

#4 Mobile medical data

#3 Virtual reality

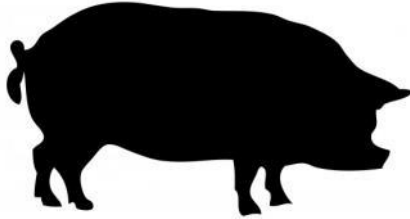
#2 3D printing for buildings

#1 **Nerds over cattle**

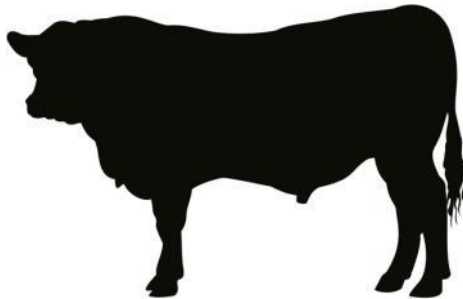
Every 100 calories of grain, we get...



12 new calories



10 new calories



3 new calories

An excerpt from *Canadian Grocer*

Maple Leaf Foods introduces 'Sustainable Meat Principles'

"With global meat consumption growing at an 'unsustainable' rate, company pushes for more plant-based proteins."

Maple Leaf Foods is advocating for moderating meat consumption and is working to develop more plant-based proteins as part of its ongoing sustainability initiatives. The company said the current rate of North American meat consumption – which is four times greater than that of non-industrial nations – is "unsustainable."

POWER TO THE PLANTS

The preference for natural, simple and flexible diets will drive further expansion of vegetarian, vegan and other plant-focused formulations

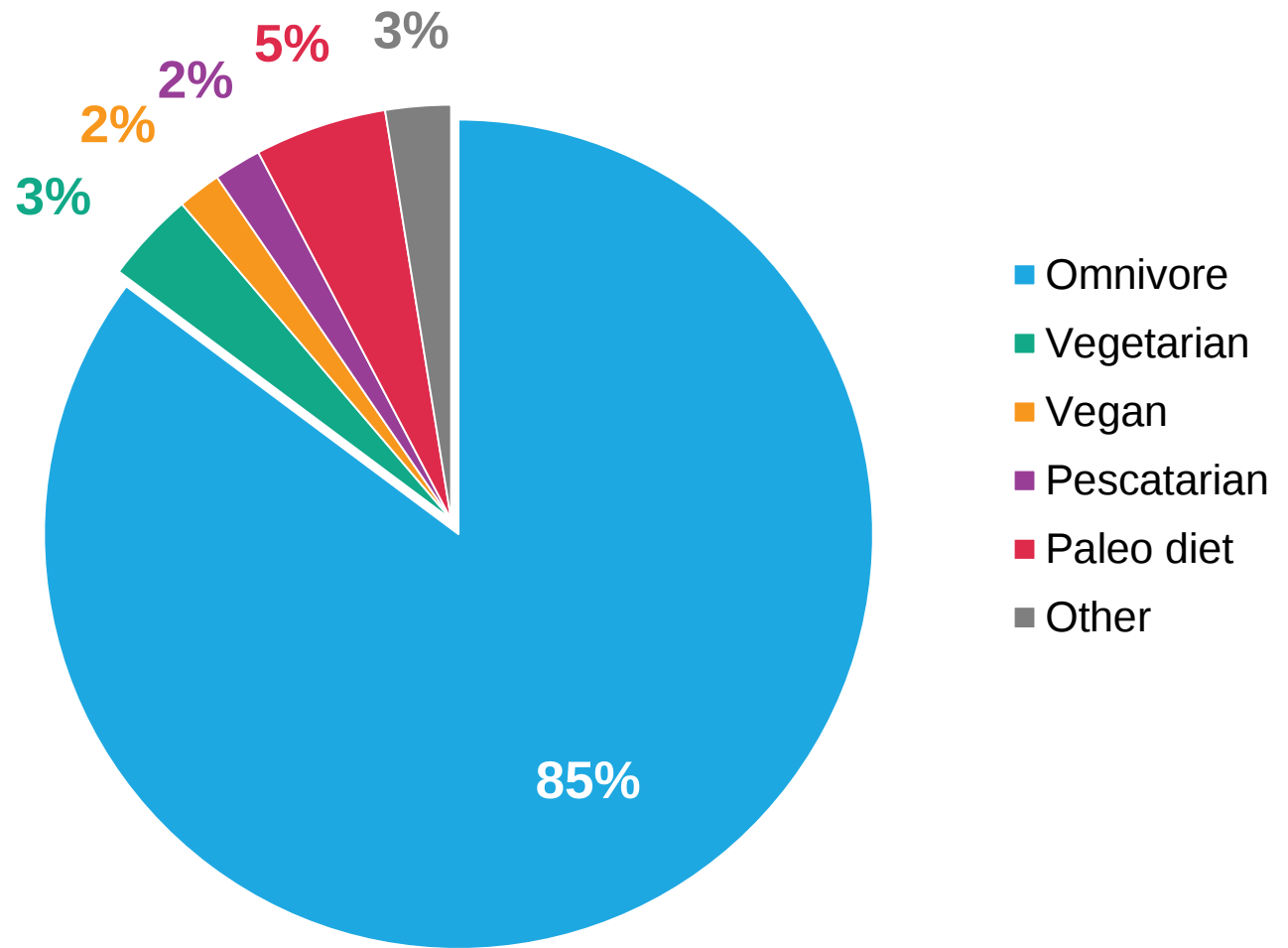


Flexitarian thrives

The emphasis on plant content reinforces the growing interest in vegetarian and vegan products, many of which are chosen by consumers for an occasional drink, snack or meal rather than a wholesale change to a plant-based lifestyle.



The majority of Canadians identify themselves as “Omnivores”



Botanicals and plants are important to many Canadians

43%

of Canadian adults who drink coffee and/or tea are interested in tea with botanical ingredients.

62%

of Canadian adults agree it is important to eat the recommended daily fruit and vegetable servings as per Canada's Food Guide.

34%

of Canadian adults agree they get some of my vegetable or fruit servings from other formats.

30%

of Canadian adults plan to buy more vegetarian or plant-based food products in the next year.

Contemporaneously, snack foods are integrating plant power

**Kashi GoLean Dark Chocolate
Cashew Chia Plant-Powered Bar, US**



Plant power offers “a synergistic combination of nuts, seeds, whole grains and legumes for powerful nutrition and amazing taste”

Silk Plant Power, US



Silk Plant power offers yogurt is suitable for vegans made from an almond milk base

Superfoods are an important reflection of plant power

Growing flavours in snack/cereal/energy bar
launches globally, 2014 - 2016

Goji Berry/Wolfberry



+378%

Chia/Chia Seeds



+332%

Pumpkin Seed/Pepita



+222%

Artificial intelligence-made

A Chilean start-up Not Company is using 'machine learning' to develop a range of plant-based alternatives to animal products. The company's Not Milk is made with almonds, peas, rice, nuts, linseed, coconut and vanilla.



Does online shopping portend the demise of bricks and mortar?



Perspective is required



Have grocery shopped online

12%



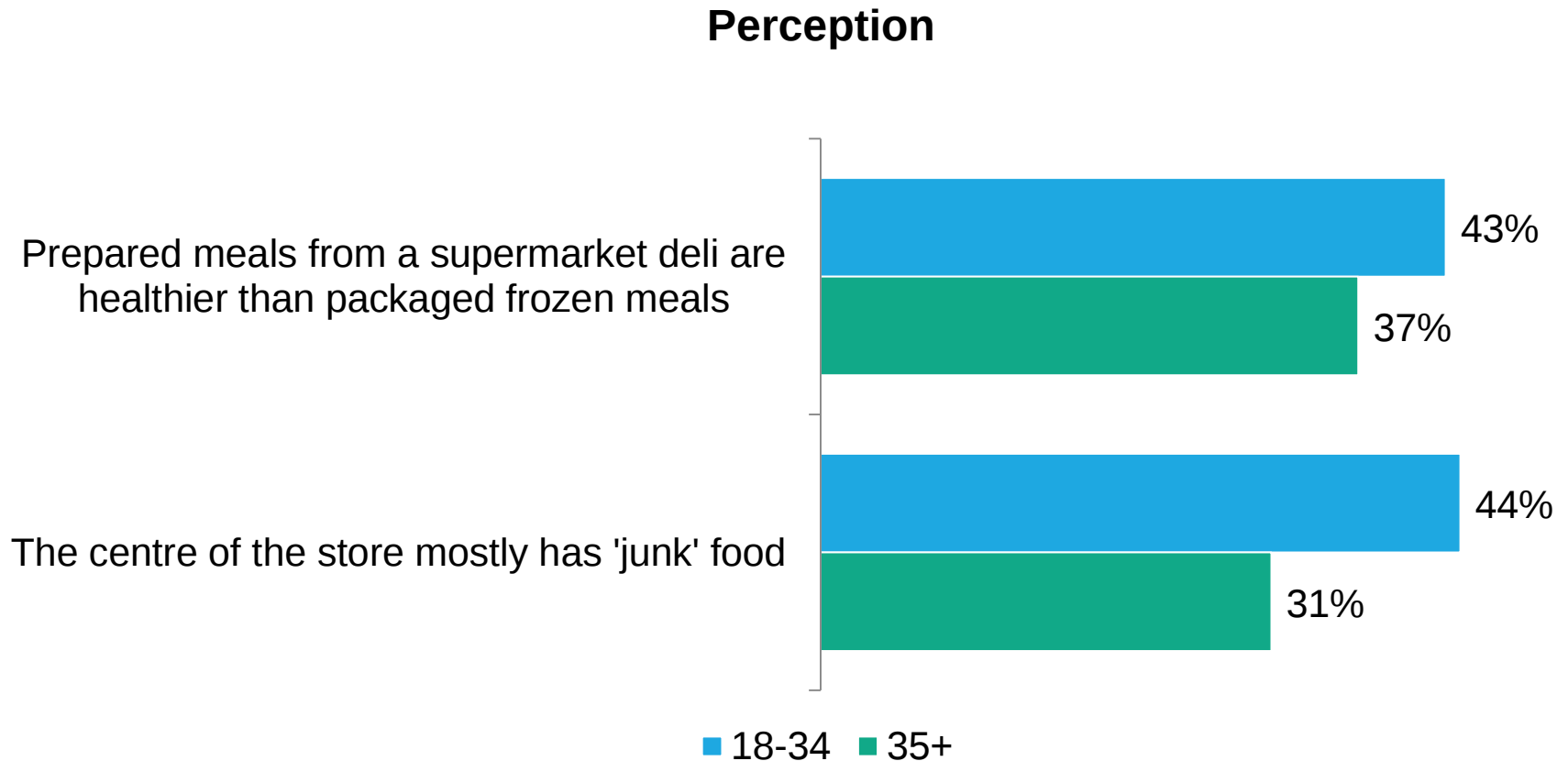
Have not grocery shopped online

88%



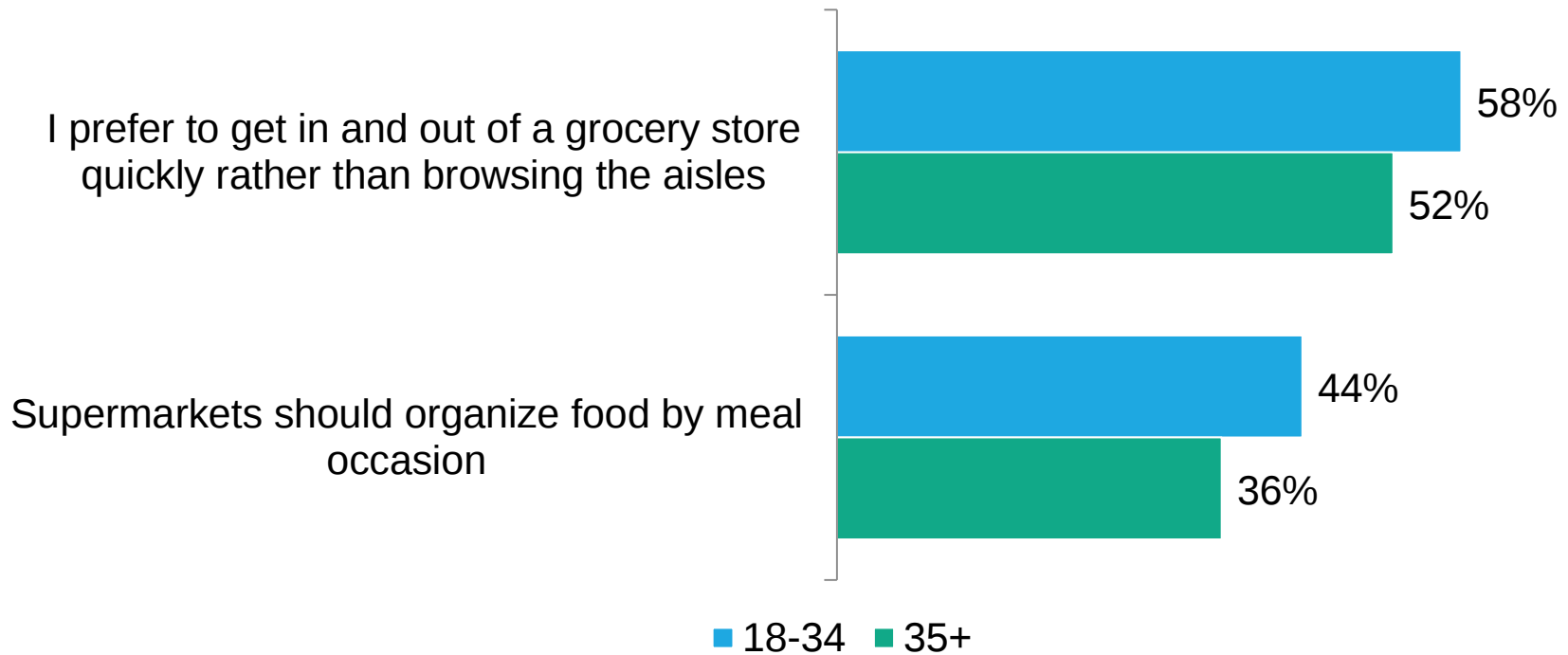
amazon go

Challenges for centre-of-store heightened among younger shoppers



Altering store layout may help

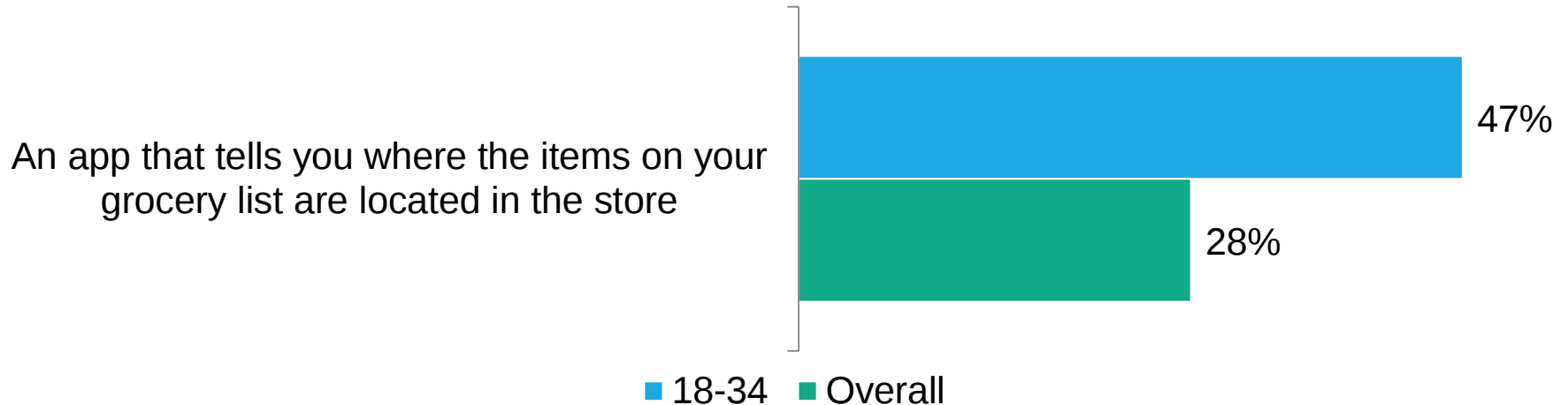
Format



Can tech also help?



Tomorrow's (and today's) shoppers are looking to integrate their tech with their grocery trips



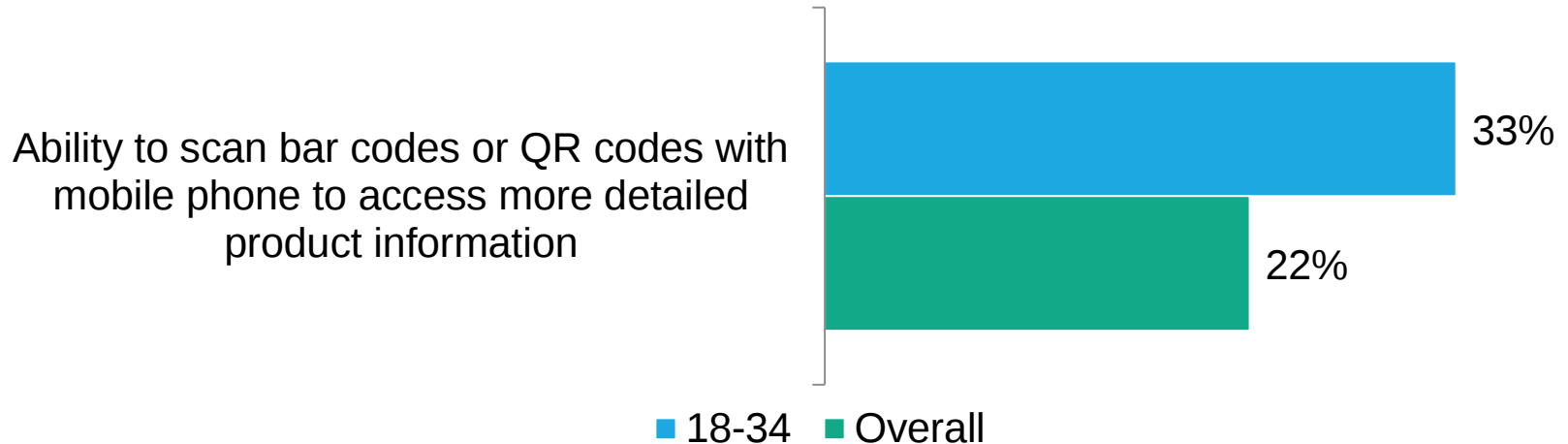


Pokémon Bait

30 August 2016 - France

In France supermarket chain Carrefour made the most of the Pokémon GO craze.

Tomorrow's (and today's) shoppers are looking to integrate their tech with their grocery trips



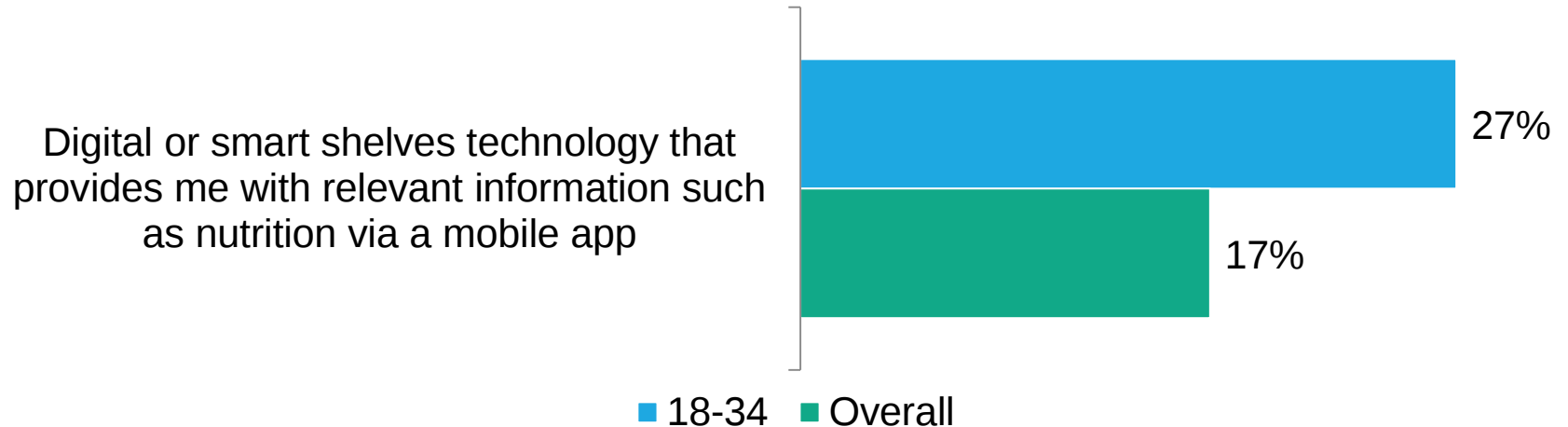


Albert Heijn AR

27 July 2017 - Netherlands

Dutch supermarket chain Albert Heijn has introduced a product-scanning app that gives customers information in augmented reality.

Tomorrow's (and today's) shoppers are looking to integrate their tech with their grocery trips



Is true personalization on the horizon in food and drink?

How much is collected?

2,500,000,000,000,000,000

**or 2.5 quintillion, bytes
of data every day,
according to IBM.**

Recipe Assistant – Integration & Customization

OBSERVATION

30 November 2016 - US

US-based Amazon has partnered with Allrecipes by bringing Alexa a new skill that helps consumers cook a wide selection of 60,000 recipes.



Refrigerator body scanner

Alibaba's smart refrigerator scans the users body and provides body mass index data. The appliance uses that data to provide recommended calorie consumption, recipes it knows you have the ingredients to make and other diet advice.



DNA analysis offers truly customized recommendations

habit[™]
FOOD, PERSONALIZED



Key Takeaways – Looking forward

Invest/ Partner

Flexible, start up environment is becoming the norm. As the food and retail landscape changes, this leads to opportunity for growth through added personalization.

Experiment

There is no one path to success. Failure is part of 'the game'. There are no shortage of ideas to incorporate.

Excite

Disruption is not necessarily “bad”. It addresses problems. The challenges are great, but the future is exciting.



Joel Gregoire

Senior Food and Drink Analyst – Canada

@JoelDGregoire

- Mintel @ **Booth 1521** in the exhibit hall
- Bring your current research needs and we can demo here on site!

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