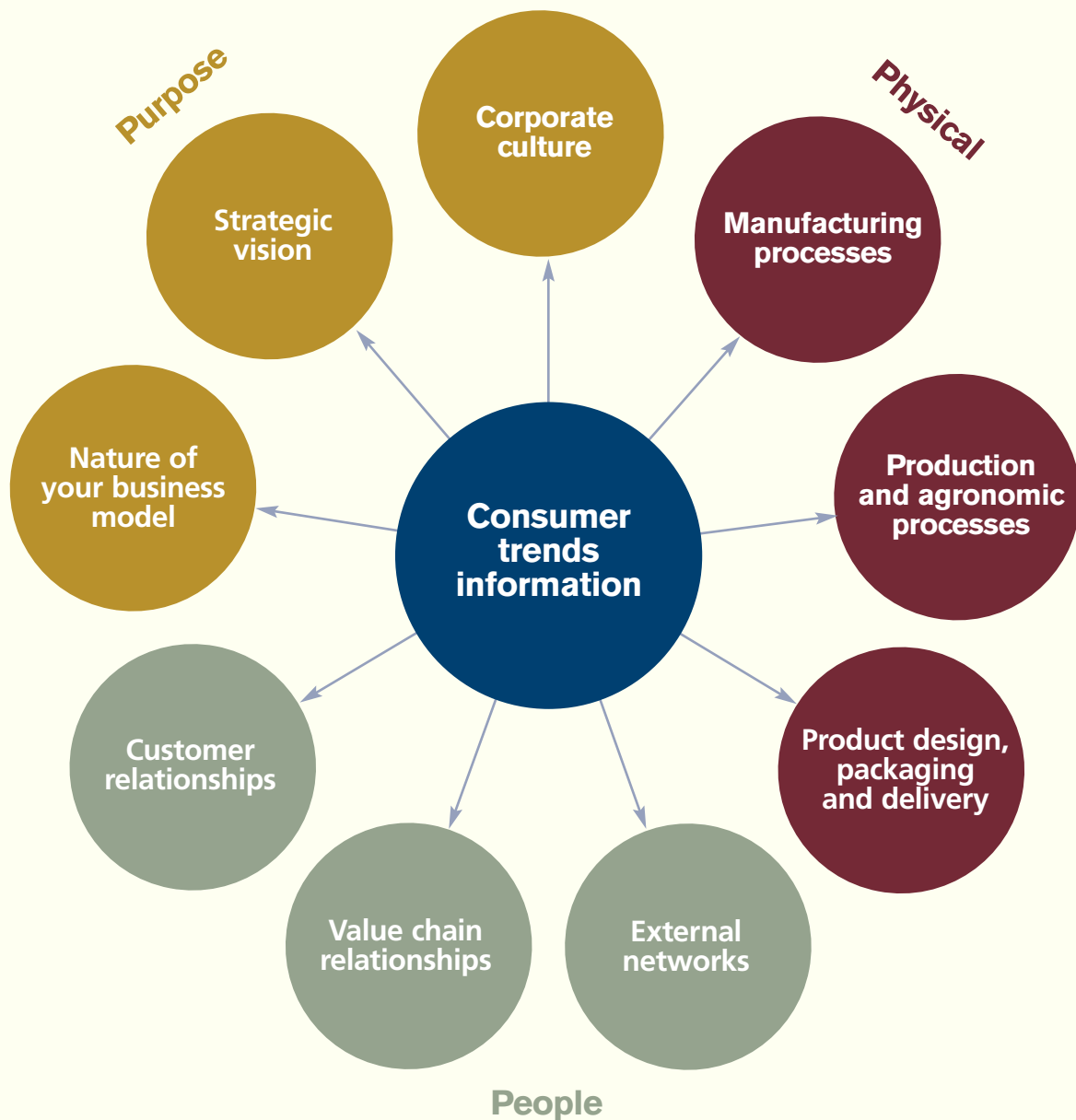


A man in a brown shirt is shown in profile, looking out over a vast rural landscape at sunset. The sky is a mix of deep blue and orange, with the sun low on the horizon. The landscape below is green and rolling, with a few buildings and a road visible in the distance.

Knowledge Insider

Tips, tools and strategies | **Consumer trends**

How will consumer trend information influence your business?



Anticipating impacts today can help you prepare for tomorrow.

Where do I start?

If you watch the news, go online, attend trade shows and read industry publications, you already have a good start. You know your products and your business. What do you need to know about consumers and trends that's relevant to your future success?

The sheer number of people allows for a wide variety of niche markets and trends to develop. You can start to shape the future of your business by asking yourself these questions:

- Which consumer trends could result in new products and markets? How could I anticipate trends before they become widespread?
- Where are the markets for my products? Are they niche markets or mass markets? Are they domestic, overseas or both? Should I look at something new?
- Who can I work with to influence the strategic direction of my industry? How could I improve communication within food value chains? How could I use consumer trend knowledge through all steps of the value chain?
- Do my products offer solutions for customers by making it easier for them to reduce their impact on the environment or address health challenges? Could I simplify their lives by providing clear, concise product information?

- Will my current business model or way of thinking need to change, and how?
- Where do consumers want to find my products and how do they want to access them? What new delivery channels or formats could I develop?
- How do I meet consumer needs during volatile economic times?
- What new research can help me with new products, packaging, food safety or formulation?
- What do I need to understand about the changing regulatory environment and how it impacts my future business opportunities?
- What's my company vision? Do we need to change to get ready for a new world of sustainable consumption?
- What's the role of consumers in my business and have I integrated their role into my vision?

Enhance your corporate competencies through learning

- www.fcc-fac.ca/en/LearningCentre/workshops_e.asp#vision-and-goal-setting
- www.gftc.ca/index-e.cfm
- www.farmcentre.com

Notes

Trend watching 101

Watch for new concepts and emerging fads. Some may get traction and catch on. Monitor consumer behaviours and media over time to see what patterns emerge. What are “foodies” eating? What are youth doing? Today’s fringe behaviours may be tomorrow’s lifestyle. There are many ways to monitor trends. What mix is best for your business?

Trend analysis

Some companies monitor emerging trends and offer information on a website. Some create original content including forecasts and predictions of future trends. Customized data can be purchased and some research is free.

Neilsen Buzz-Metrics, a Cincinnati firm, says they have figured out how to gain access and track trends based on blog content and online dialogues between millions of people. The firm’s search engine uses a process called Floodgate to group messages according to general themes by tracking key words and phrases. Then they sort demographically and track emerging trends in consumer opinion.¹⁸ For food trends, check out just-food.com or agencies like Datamonitor and Euromonitor.

Clinical research on consumer preferences

Researchers worldwide test consumer responses to new food and beverage products in controlled laboratory settings.

At Nestlé’s research centre in Switzerland, consumers test products for taste, texture and aroma. At the Restaurant of the Future, a \$4.5-million facility in the Netherlands, cameras record facial expressions, gestures and even the weight of their diners.¹⁹ In Manitoba, the Canadian International Grains Institute and the Richardson Centre for Functional Foods and Nutraceuticals conduct on-site product development and testing. What resources are available in your province or region?

Consumer surveys and research

Data from consumer surveys can tell you what they believe or think, but it doesn’t show how they behave. Academic researchers study many topics related to food and consumers, and many academic programs post academic studies and findings on their websites.

Collecting consumer purchase data

Customer loyalty programs are one way that data is collected from consumer purchases. Some retailers will share this data with members of their value chains to help get the right products on shelves. Tesco, Britain’s largest supermarket chain, is a world leader in data collection, tracking consumer purchases through their Clubcard customer loyalty program. The Home Grown Cereals Authority in Britain co-funds a program using Tesco’s Clubcard consumer purchase database to help the grains sector understand market trends.²⁰

Engaging customers

Many companies, large and small, involve customers in their business to help increase their engagement and loyalty. You could engage your customers more through product demonstrations, crowd-sourcing, blogs, customer-to-customer forums, new product development or invite them to your farm or facility to experience agri-tourism and entertainment activities.

Gathering competitive intelligence

Watch what your competitors are doing on their websites, at trade shows, through media coverage or even by collaborating with them. Look beyond the food industry. Lands’ End allows customers to create a virtual model based on their personal measurements and then cuts clothes to fit perfectly. Adidas will customize shoes to each customer’s feet.

Thinking of developing new products?

One way to connect your business with changing consumer needs is to develop new products or redesign existing ones. You may also find opportunities to rebrand existing products or use new packaging technologies. Start by exploring consumer trends and drivers as a way to generate ideas for innovative product development.

New product I'm considering: _____

What opportunities does this product present for my business?

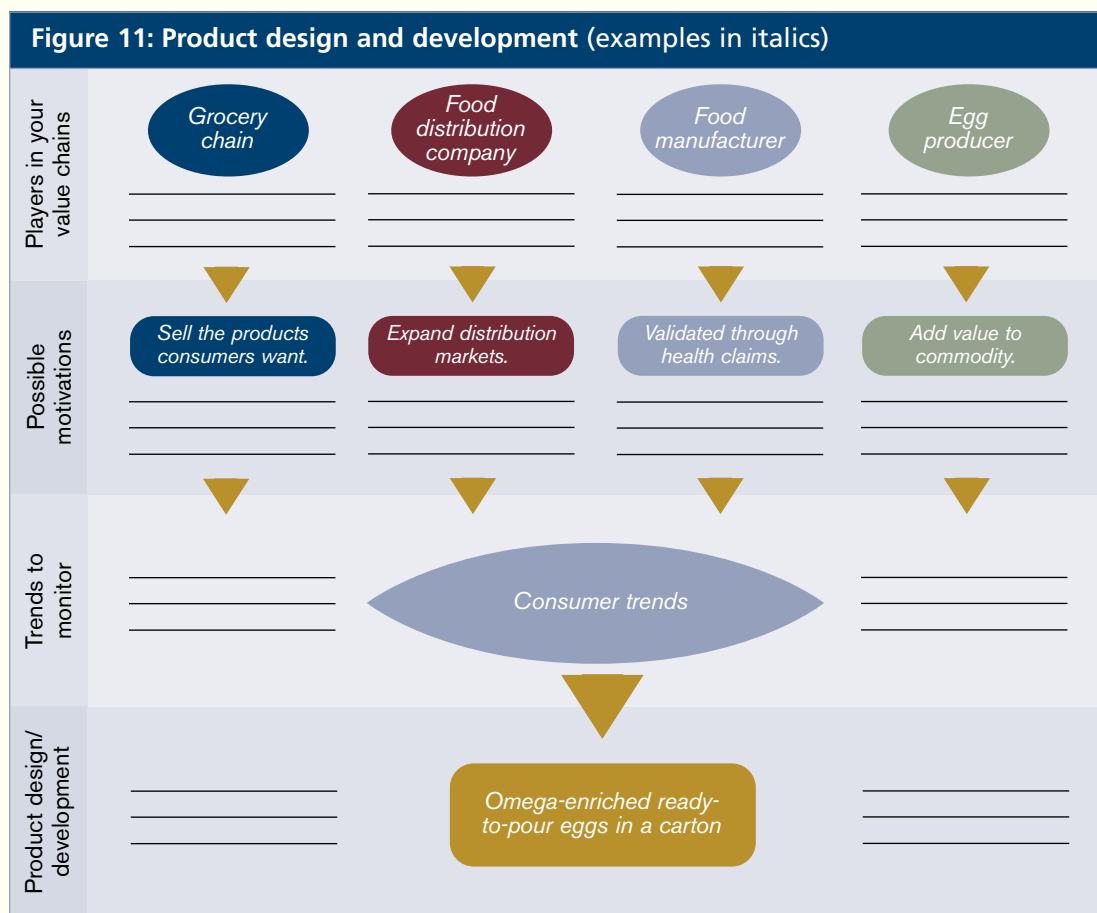
- Increase market share in existing markets?

- Develop new markets or niche markets?
- Replace or enhance current product lines?

Are your value chains ready?

Does your value chain work collaboratively to meet changing consumer demands? What could you do differently? How could you help your partners understand their role in meeting consumers' needs?

What motivates your value chain partners? How can you use this understanding to help your value chains get ready for changing consumer food habits?



What about your business culture?

What's the culture of your business? The world is increasingly transparent, and consumers care about corporate values and expect accountability. Is it time for a tune-up? Here are a few questions to get you started.

1. Is my business transparent?

Why not share your corporate and product information with consumers? It could help you increase customer confidence and appeal to younger generations who have been raised to expect openness and transparency.

2. Do you build consumer confidence through trust?

Consumers want to trust that foods have been prepared with their best interests in mind. What do you look for in trusting relationships and how can you build trust with your customers?

3. Do you have a culture of accountability?

Are you fully accountable for your products and decisions and how they impact customers? Will you be responsible when things go right, and when they go wrong? All FCC employees have received training and coaching in being accountable. To find out more, go to (www.fcc-fac.ca/en/AboutUs/Profile/culturalpractices_e.asp.)

4. Is your approach to sustainability genuine?

Consumers are smart. Those who value sustainability are looking for genuine efforts to reduce environmental impact. How green is your business? Are you communicating your stewardship to consumers?

5. Do you offer and deliver quality?

Consumers increasingly demand quality. They look for certifications that ensure processes are consistent and meet or exceed expected standards. If you're making quality products, let consumers know.

6. Do you use knowledge to influence strategic decision-making?

Knowledge is a key way to advance Canadian agriculture and agribusiness. In a complex world, knowledge can guide informed decision-making based on facts, long-term trends and food science. How do you use knowledge? What are your knowledge gaps?

7. Can you rethink your company in relation to future consumers?

How do customers see you? Are consumers driving the direction of your future product and market development?

8. Are values your value-add?

Do your corporate values mirror those of your customers? Some stores, like Whole Foods Market, have made it easier for customers to shop based on their values. Many of their customers don't read labels because they trust that the values of the corporation match their own and that Whole Foods's sourcing and value chains are sustainable.

Are you looking to improve trust in your organization? The Conference Board of Canada publication "The Trust Imperative: Taking Governance to the Next Level" is written for directors and managers who want to improve their corporate trust with stakeholders including the public, investors, employees, customers and suppliers. It looks at how trust impacts operations and long-term prosperity, at the factors that help determine how different stakeholder groups evaluate an organization's trustworthiness, and the kinds of questions directors should be asking to oversee and assess stakeholder trust. According to Michael Bassett of the Conference Board of Canada, "In a world of ever-increasing complexity, trust is proving to be a key competitive advantage for firms."

Blue-sky thinking

Innovative ideas can come from many sources. They may be a surprise that comes from an unexpected combination of ingredients or thoughts. They may come from new employees who see things with fresh eyes. Or they could come from dedicating time to brainstorming or blue-sky thinking. Carve out some time for your company. Read through publications and start thinking differently about your products, markets and customers. Then let the ideas flow.

What if?

Population growth in India and Africa presents opportunities for increased tonnage or new markets for my commodity-based bulk products or value-added packaged foods.

What I know: _____

What I need to find out: _____

Where to look: _____

What if?

Rising incomes in emerging economies create demand for different goods that my company could produce for new markets.

What I know: _____

What I need to find out: _____

Where to look: _____

What if?

Adding functional ingredients to my company's existing products would open up new markets or boost existing sales in Canada and the U.S.?

What I know: _____

What I need to find out: _____

Where to look: _____

Consider food waste

Researchers at the University of Arizona have shown that 40 per cent of all food produced in the U.S. isn't eaten. Wasting food contributes to higher costs and less productivity and profit and can negatively impact the environment.

How can innovative thinking help turn this story into an opportunity? To start, you could reduce food waste within your operation. Then you could collaborate within your value chain to reduce food waste from farm to fork. Both steps may decrease food waste and increase profits.

Now, think about consumers and what drives them. Many consumers want to minimize their impact on the environment. They want fresh, tasty and affordable food. Many want to feel included and unique through their purchases. How could this knowledge help reduce food waste?

Here's a possible solution. Your value chain could convert food waste or other biomass into biohydrogen as an energy source, or compost it into fertilizer.²¹ You could develop innovative packaging that reminds consumers to eat foods before they expire, reducing household food waste. Product labels and advertising could promote your food waste initiative. You could encourage consumers to buy bulk by offering lower prices and pass along your savings from reducing waste.

This is just one example of how you could use your knowledge of the changing landscape and role of consumers to create a sustainable future. Excessive food waste is one of many signs that our current state isn't sustainable. Innovators like you will find ways to turn bad news stories into opportunities, maintaining or even growing profit margins. How can you turn problems into profit?

Knowledge Insider tools

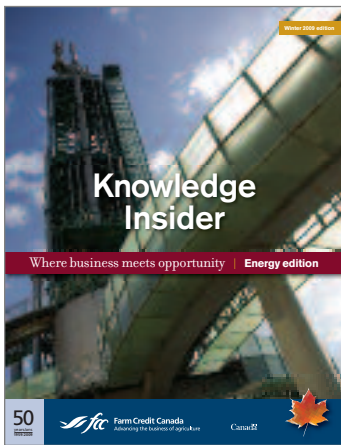
What you'll find	Web address
Learn about economic or market conditions	
The World Bank provides national and international data, research and analysis of global trends.	http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/0,,menuPK:476823~pagePK:64165236~piPK:64165141~theSitePK:469372,00.html
The Conference Board of Canada	www2.conferenceboard.ca/weblinx/
Visit agriculture and Agri-Food Canada's Canadian Consumers page about food and beverage consumption.	www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1170860293780&lang=eng
North America Agriculture Statistics Fact Sheet	http://webpage.siap.gob.mx/menubarbol/english/FactSheet-Englishfinal.pdf
Food and Agriculture Organization, United Nations	www.fao.org
United States Department of Agriculture's National Agriculture Statistics Service	www.nass.usda.gov
Listen to podcasts about innovation and consumer preferences.	www.foodcom.com/trends-insights/mattson-innovation-radio
The George Morris Centre	www.georgemorris.org/GMC/Home.aspx
Be informed about food safety	
The American Council on Science and Health food safety information	www.acsh.org/healthissues/categoryID.6/category_detail.asp
Agriculture and Agri-Food Canada – sector-specific economic and market information	www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1177676316971&lang=eng
Monitor health trends	
Alberta Agriculture and Rural Development Report on Obesity and Food Consumption	www1.agric.gov.ab.ca/\$department/deptdocs.nsf/all/sis8438
The European Food Information Council	www.eufic.org/index/en/
Independent firms provide trends reports.	www.trendwatching.com/trendreport/
Agencies monitor the business environment.	www.frost.com/prod/servlet/svcg.pag/CMFB
Subscribe to online publications and reports	
Register for a free subscription about trends.	www.just-food.com/register/index.aspx?lk=faq
The Datamonitor Group and Euromonitor International offer business information and market intelligence.	www.datamonitor.com www.euromonitor.com
Find learning opportunities or network with others	
Canadian Farm Business Management Council's	www.farmcentre.com
Functional foods and nutraceuticals network.	www.nutrinetcanada-nnc.ca
MaRS Landing links agriculture, food and health.	www.marslanding.ca

What you'll find	Web address
Industry-related research	
Prince Edward Island Food Technology Centre	www.gov.pe.ca/ftc
Guelph Food Technology Centre	www.gftc.ca
University of Manitoba's Richardson Centre for Functional Foods and Nutraceuticals	http://umanitoba.ca/research/rcffn
Government of Alberta's Food Science and Technology Centre	www1.agric.gov.ab.ca/\$department/deptdocs.nsf/all/fst5129
Pacific Agri-Food Research Centre, British Columbia	www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1180620561099&lang=eng
Cintech Agroalimentaire	www.cintech-aa.qc.ca
Agriculture and Agri-Food Canada has 19 research centres across Canada	www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1166204468590
Regulations & Policies	
Canadian Food Inspection Agency	www.inspection.gc.ca/english/toce.shtml
Funding for food companies in Ontario	www.omafr.gov.on.ca/english/food/industry/funding-prog-index.htm

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