

HOW 2020 IMPACTED GENERATIONAL SHOPPING HABITS





In just about every aspect, COVID changed the food and beverage industry as we know it. It also had a significant impact on consumer shopping habits. Often, the trends we can identify vary significantly across generational groupings. Here we'll take a look at some of the noteworthy consumer behavior trends and explore ways the food and beverage industry can better deliver on new expectations.

YOUNGER SHOPPERS' NEEDS

Millennials and Gen Z consumers – those under 35 – have very different expectations than their older generational counterparts, Gen X and Baby Boomers. Before COVID, younger shoppers were more inclined to want transparency, sustainability and ethics applied to the brands they buy. 2020 brought all of those retail consumer trends to the forefront. Continuing to keep those purchase drivers in mind will help attract younger shoppers as well as better-for-you items that appeal to health, wellness and mindfulness.

SHIFTING PRIORITIES AND PREMIUMIZATION OF THE EXPERIENCE

Many consumers have identified their intent to continue shifting their buying power largely to essentials such as groceries and household supplies and cutting back on most discretionary categories. However, an unexpected trend in consumer behavior has emerged. Big brands and retailers are finding growth in upselling and improving the at-home experience, especially with Gen X and Millennials.¹ There's a growing opportunity to promote relevant attributes that mark a product as premium (e.g., health and wellness, immunity, hygiene, indulgence and convenience). Premiumization of products helped to grow categories like spices and seasonings, luncheon and frozen meats, and rice to name a few.¹

It's wise to tailor messaging depending on the type of consumer being targeted since it will resonate better than a singular message. Millennial shoppers especially respond to the characteristics that promote how premium products enhance experiences.²

While premium is seeing growth, frequent out of stocks in combination with less time spent in stores have pushed buyers to alternative brands and/or brand names they know that were available. This situation leaves room for small and medium manufacturers to grow at a faster rate.³ For example, Hunt's (medium-sized brand) grew 57%, and Kikkoman (small-sized brand) grew 33%.¹



ACKNOWLEDGING THE DIFFICULTIES FOR THE LARGEST BUYING GROUP

It's no secret Millennials make up the largest part of our population, meaning they also make up the largest percentage of buying power. Additionally, they have been the hardest hit by the health and financial fallout of COVID, and their jobs are at risk. 45% of 18-29 year-olds and 31% of 31-38 year-olds have experienced work reductions due to the pandemic. They're also parents with two-thirds of Millennials in peak child bearing years (30- 38 year-olds) having children.⁴ They will continue to have to overcome this hardship and find the balance of where they will spend their incomes between family needs, essentials and experiences. A major hurdle to overcome for everyone in the food and beverage industry will be delivering ways to capture that generational buying group in everyday purchases with their changed spending habits.

DFA Ingredient Solutions is here to partner with you to help stay ahead of the market and bring new solutions to light that meet changing shopping trends. With our team of dedicated scientists and technical support, we've worked tirelessly throughout the COVID crisis to be where we're needed most.

Talk to a DFA Ingredient Solutions Representative today to find additional supporting resources.

<https://dfaingredients.com/>

¹ IRI, 2020 Trends & Emerging growth pockets, December 18, 2020

² IRI, The Premium Opportunity, November 10, 2020

³ IRI, The Changing Shape of the CPG demand curve: US CPG growth leaders, August 7, 2020

⁴ IRI, The Changing Shape of the CPG demand curve, May 15, 2020