



SIAL – The Global Food Marketplace – Paris, France

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SIAL is a global food show and its focus is on innovation in the food and beverage businesses. It covers all sectors of the food industry in eight expansive pavilions where the exposition center just outside of Paris transforms into a virtual city of innovation. Industry professionals come to this show to study and anticipate innovation, to interpret the trends into business strategies, and initiate platforms for new production and new market development.



Overview of Global Food Business

Euromonitor International reports measured growth in all sectors of the food business worldwide. The top six product categories represent more than two-thirds of the market and record good performance. In particular, processed products showed 7.2% growth between 2010 and 2011. Although global foodservice is faced with the same challenges the U.S. market faces, it has recorded growth of 4.2%.

Top World Food Categories	Share of Sales	2011/2010 Growth
Bakery, Pastry and Viennoiserie	20.1%	6.7%
Dairy Products	18.2%	8.3%
Prepared Refrigerated Products	9.9%	6.1%
Confectionery	8.1%	7.4%
Dehydrated Foods	6.1%	7.2%
Frozen Foods	4.9%	5.6%

Some of the smaller sub-segments represent the strongest growth: pasta products (+9.3%), meat alternatives (+8.5%) and ice cream (+8.4%).

Global Flavor Trends

If the size of country pavilions in the five pavilions of international exhibitors is any indicator of global food trends, Turkey is the leader, with the single largest national pavilion. Products included a wide range of the foods that are classically associated with this country and the Mediterranean region. A confection shown by a Turkish company was sliced to order, (much like one would expect to receive gyro meat for a sandwich). This fruit and nut combination had a texture like caramel.

Spain had the second largest pavilion with a sample of Jamon Iberico found in virtually every corner of their pavilion and evidence of the global presence of this ingredient in signature menu items in leading restaurants and chains around the globe. Greece was also among the top ten.

Generic Brands

Among all product categories, the single largest theme of exhibitors was generic brands with a total of 1,739 exhibitors. Yet there is evidence that store brands are leveling off in European countries. Store

labels in France represent 33%, United Kingdom 43%, Spain 31% and Germany 32%. In countries less commercially mature like South America and Asia, store brands represent smaller shares. For example: 5% Brazil, 2% Taiwan and 1% China.

The USA pavilion was the third largest at this exposition with a wide range of manufacturers from the United States, most of which were non-branded manufacturers of popular American foodservice and grocery items. Part of the USA pavilion was a large end aisle booth featuring Native American foods, something rarely seen at domestic trade shows.

Walking the aisles provided a visual perspective on each country's focus. China's exhibit focused on a wide range of ingredients for processed foods and Brazil focused on produce and super fruit to meet the growing global demand.

Innovation

The Innovation Observatory at SIAL is a focal point for attendees. Looking very much like a giant greenhouse, it featured over 1,000 new products. Display in this pavilion is not purchased; it is the result of the decisions of three separate juries: one dedicated to foodservice, one to mass consumption products and one to semi-processed food products and ingredients. Products that make it into the Innovation Observatory must demonstrate new benefits to the consumer. Much of the innovation includes innovative packaging that makes favorite products more convenient, more playful and more desirable to consumers.

The Global Consumer

A TNS Survey for SIAL studied consumers around the globe and characteristics they seek in food and beverage at home and away from home. In general, French and German consumers are most fond of a convivial atmosphere with strong percentages that believe "eating well is a question of pleasure." American, British and Spanish consumers want to trust their food products. "Eating well means eating cheaply" ranks among the top five characteristics for Chinese consumers.

Pleasure Seeking

More than half of the food innovations presented at SIAL revolved around sophistication and the variety of sensations. Global consumer research presented at the show noted that consumers in France, Germany, Russia and China expressed a high level of interest in new products associated with sophistication, such as small pleasures, authenticity and terroir.

Convenience

The consumer research reported that consumers take convenience for granted and expect products to be easy to handle, time-saving and ready for their on-the-go lifestyles.

Beyond Organic

Consumer research pointed to interest beyond organic, in particular a demand for naturalness. Consumers worldwide are looking for foods with characteristics like natural ingredients and simple preservation processes and recipes. Seventy percent of consumers consider labels "made from 100% natural ingredients" and free-from claims to be useful.

There is a growing demand for ethical practices by manufacturers but demands are somewhat vague and yet to be clearly defined on a global basis.

Less packaging and non-waste were characteristics important to consumers in Europe, as was expected, but surprisingly also important to consumers in China. Less transportation because of its impact on the environment is generally in demand.

The only country in the study to evidence an appreciable consumer demand for fair trade was Germany. One exhibitor's claim of "provenance, purity and performance" hit the mark on what was relevant to buyers and consumers.

Nutritional Claims

Recent Mintel research has identified a high degree of skepticism of functional foods. Seventy-five percent felt products with these claims were overpriced, 63% felt claims were exaggerated and 24% said they would simply prefer to take vitamins.

New European standards related to product claims are causing many manufacturers to rethink their claims. Of the 44,000 product claims submitted to the European Food Safety Association (EFSA) only 222 were approved. The biggest losers were claims for pre and probiotics, antioxidants and weight loss. Labels winning approvals were those with specific vitamin and mineral ingredients proven to increase immunity.

“Globesity” Epidemic

As the global obesity epidemic moves east, there is encouraging news from the U.S. that obesity rates are leveling off. Childhood obesity has become a global issue because international research indicates that 80% of boys and 92% of girls who are obese at 16-17 years old remain obese for the balance of their lives. Parents in the U.S. also tend to underestimate their children’s obesity.

Some of the studies presented noted that the greater variety of foods in children’s diets, the lower their risk for obesity. Stealth health in foods for children has become a successful global strategy. Stevia is becoming a preferred sweetener to reduce sugar. 345 new products introduced in Europe used stevia as the primary sweetener and it is widely used in Latin America for kids’ products.

Taste Talk Tweet

Innovative new products were at the apex of tweeter’s thoughts. Following are examples:

- Frozen smoothie cubes made of fruit and vegetable jam, sold at retail for the consumer to add milk, juice and/or yogurt for a convenient smoothie.
- Pasteurized vegetable soups in a steel bottle that are meant to be eaten cold and on the go.
- Wikicells – this is more of a concept than a product – a thin layer of edible food coating that can be applied to any type of product; intended to reduce or even eliminate traditional packaging.
- Spray bottles with ready to use products like saffron water (to be added just before serving proteins, vegetables, desserts and hot drinks), salt in liquid form, and chocolate mousse.
- Single serve olive oil and vinegar to be used for airlines, grocery and promotional products.

Implications for Food Marketers:

- The World Table is Set with Healthful, Great Tasting Food. Notable ingredients include seafood, lean protein, nuts, legumes and naturally sweet confections.
- Brand Relevance around the Globe. Private label brands are hitting a plateau in developed western nations, making these markets prime targets to re-invent private brands or make way for power brands.
- Pleasure Seeking Consumers. Consumers seek balance in their lives and pleasure seeking is a significant part of the food experience – but the definition of pleasure is moving away from luxury for its own sake to more discriminating characteristics.