Safe, healthy and online: food and beverage trends following the pandemic

How has the COVID-19 crisis affected food and beverage companies? A survey of industry experts exposes the uneven impact of lockdowns, economic conditions and changes in consumer behavior, with an eye to what comes next.



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- **In a survey of food and beverage industry executives, food safety, healthy products and e-commerce are the three most prevalent industry trends to follow the pandemic.**
- **40% of respondents predict consolidation in the sector and 55% foresee an**

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increase in alliances ahead.

How has the pandemic changed the food and beverage industry? For starters, 40% of executives predict that there will be consolidation in their industry and 55% foresee more alliances between companies in the future.

This is according to the "2021 report on the food and beverage industry facing the COVID-19 crisis", prepared by IESE's Adrián Caldart and Júlia Gifra, together with Anna Akhmedova (International University of Catalonia). The report includes a survey of executives at 185 companies -- 69% Spanish and 31% foreign -- tracking industry trends, changes in consumer behavior and new challenges prompted by the pandemic.

Eight consumer trends

Survey respondents were asked to identify consumer trends, predicting what will change most markedly over the next 12 months.

1. More concern over food safety: an increase in sensitivity to food safety issues is predicted by most respondents.

2. More interest in healthy products: this is a trend reinforced by concern for strengthening the immune system.

3. More online shopping: lockdowns boosted e-commerce in the industry and its importance as a channel is expected to keep growing.

4. Less spending: although interest in health and sustainability are expected to persist, survey respondents think the economic downturn sparked by COVID-19 will continue until at least 2023, affecting both price-sensitivity and overall spending levels.

5. More corner stores: shopping in local stores with local products is increasingly well established as a trend.

6. More concern for the environment: sustainability will remain a priority for customers.

7. More commitment to the community: consumers will opt for the producers and stores that project a clear commitment to the communities in which they operate.

8. More domestic brands: the consumer will choose national products over imports.

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The uneven impact of COVID-19

The pandemic has been a common shock felt unequally in the industry. Pointedly, just over half of the executives surveyed reported significant drops in sales (that is, losing more than 5%). On the other end of the scale, 27% reported significant gains, while 20% remained stable.



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