

COVID-19 Impact on Food and Drink: One Year Later - US - 2021

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This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the food and drink market.
- The impact of an increasingly home-based workforce on retail sale of food/drink.
- The longevity of cooking at home and how brands can meet the needs of various shopper sets.
- The continually shifting role of health.

While most retail food and drink categories experienced significant sales gains in 2020, growth was not universal. Performance-related categories, such as nutrition drinks, weight loss drinks and performance bars saw dollar declines. These categories have multiple routes to turning the tide moving forward, including leaning into their ability to help consumers meet renewed health goals or widening positioning beyond a strict fitness focus to highlight healthy convenience and portability.

A natural recalibration of retail food/drink performance is expected through 2021, with dollar declines projected in most categories. Consumers are eager to return to old habits, including eating away from home, which will again shift where and how dollars are spent.

Despite the venture back to foodservice, food at home will be helped along by a significant percentage of the population who will stick close to home due to changes in work situations. Close to half of US adults expect to work from home to some degree through 2021, necessitating easy and quick meal solutions. The lasting shift in work site will provide opportunity for brands to continue to resonate via the at-home meal occasion, primarily for lunch, breakfast and snacking throughout the day.

On the health front, a global health crisis accelerated the demand for functional foods/drinks. In effort to protect against infection, many turned to



“The COVID-19 pandemic afforded food and drink brands across the board an unparalleled opportunity to prove their worth. While the strong dollar gains will be short-lived, the relevance can resonate.”

– **Beth Bloom, Associate Director – US Food and Drink Reports**

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options with immune-boosting ties, from the old basics of vitamin-c to more integrative tools such as ginger, oregano and elderberry. This will translate to a continued focus on ingredients, ingredient quality and a desire for ingredients that contribute to specific desired outcomes, including weight loss, mental wellness and anti-aging.

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