“Sampling remains popular among would-be users as a prompt for trial. Further value can be built into free samples in the eyes of consumers through positioning them as exclusive, as many people like to be the first to try a new product.”

– Kiti Soininen, Head of UK Food, Drink and Foodservice Research

This report looks at the following areas:

- NPD is a necessity to retain consumer interest
- Early access to products appeals to a minority
- Recommendations are a key prompt to trial

NPD (New Product Development) remains central for brands in the food market to maintain consumer interest and avoid switching. Most people report that they enjoy trying new food products. However, brand loyalty comes across in this area, with high interest in new products and flavours from consumers’ favourite brands.

The consumer demand for innovation also underlines the importance for brands of communicating their work in this area. Simple steps such as on-pack labelling can play a role, with many people reporting to notice this. However, recommendations can also be a powerful tool, with most people being receptive to these, but also enjoying providing them for others.
# Executive Summary

## Market drivers

- The ageing population poses a challenge
- A rise in real disposable income should boost interest in new products
- One in 10 are prompted to buy new products by social media

## Brands

*Figure 1: Top 10 food brands, by association with "A brand that is innovative", January 2013-April 2015*

## The consumer

- Shoppers are most open to new products when buying treats or gifts

*Figure 2: Preference for new vs familiar products, by occasion, May 2015*

## The power of brands holds strong in new product purchases

*Figure 3: Factors that prompt people to buy a new food product, May 2015*

## Price promotions/special offers prompt eight in 10 people to buy a new food

*Figure 4: Marketing factors most likely to encourage the purchase of a new food product, May 2015*

## Half of food shoppers stick to familiar products when in a hurry

*Figure 5: Attitudes towards shopping for new food products, May 2015*

## Most people enjoy trying new food products

*Figure 6: Further attitudes towards food innovation, May 2015*

## What we think

## Issues and Insights

### NPD is a necessity to retain consumer interest

- **The facts**
- **The implications**

### Early access to products appeals to a minority

- **The facts**
- **The implications**

### Recommendations are a key prompt to trial

- **The facts**
- **The implications**

## Market Drivers

### Key points

- **The ageing population presents a challenge**

*Figure 7: Trends in the age structure of the UK population, 2010-15 and 2015-20*
A rise in real disposable income should boost interest in new products

Figure 8: Financial wellbeing index, April 2009-April 2015

One in 10 are prompted to buy new products by social media
16-34s are the most active users of social networks...
...as are women

Brand Research

Methodology

Top 10 innovative food brands

Figure 9: Top 10 food brands, by association with "A brand that is innovative", January 2013-April 2015

Different markets represented in the top 10
Format and flavour extensions promote innovative image
Other brands create innovative image by filling a specific niche
Pioneers in certain categories enjoy a strong innovative image
Which consumers drive an innovative image?

Figure 10: Agreement with "A brand that is innovative" of top brands, by age, January 2013-April 2015
Figure 11: Agreement with "A brand that is innovative" of top brands, by socio-economic group and household income, January 2013-April 2015
Figure 12: Agreement with "A brand that is innovative" of top brands, by gender, January 2013-April 2015

The impact of advertising

Figure 13: Share of recorded above-the-line, online display and direct mail advertising spending that each brand has in its category, 1 January 2010-20 April 2015

What impact does being innovative have on how food brands are viewed?

Figure 14: Comparison of most innovative brands against the mean scores of all food brands, by brand attributes, January 2013-April 2015

Usage and awareness

Differentiation

Trust

Fun and vibrancy

Satisfaction

How does the food market compare with other categories?

Figure 15: Comparison of most innovative brands against the mean scores of all food brands, by further brand attributes, January 2013-April 2015

Other markets have brands that continue to disrupt markets and change lifestyles
Food brands are bound by different expectations to other markets
This limitation creates opportunities

The Consumer – Preference for New vs Familiar Products

Key points

Shoppers are most open to new products when buying treats or gifts

Figure 18: Preference for new vs familiar products, by occasion, May 2015

Gifting prompts shoppers to look for new products
Most shoppers lean towards the tried and tested for expensive food
The Consumer – Factors that Prompt Purchases of New Food Products

Key points

The power of brands holds strong in new product purchases
Figure 19: Factors that prompt people to buy a new food product, May 2015

Trust facilitates brand expansion

Untapped interest in small/trial-size packs of new food products

Limited edition flavour launches attract the youth market the most

Price promotions/special offers prompt eight in 10 people to buy a new food
Figure 20: Marketing factors most likely to encourage the purchase of a new food product, May 2015

Friends and family are relied upon for product recommendations

The Consumer – Attitudes towards Shopping for New Products

Key points

Half of food shoppers stick to familiar products when in a hurry
Figure 21: Attitudes towards shopping for new food products, May 2015

Rising disposable incomes should see more openness to new products

Food buyers like to know what to expect from a new product

A pool of early adopters seeking new products

The Consumer – Attitudes towards Food Innovation

Key points

Most people enjoy trying new food products
Figure 22: Further attitudes towards food innovation, May 2015

Two in five adults trust new branded products to be better quality than own-brand

Half of adults like to recommend new food products to others

Younger cohorts look for dialogue on NPD

The Consumer – Target Groups

Key points

Three target groups
Figure 23: Target groups, May 2015

Disengaged – 22%

 Variety Lovers – 31%

Immersed – 48%