

8 November 2018

PRESS RELEASE: Provenance powers success at premium prices

Provenance, authenticity and artisanal processes are going mainstream and transforming food and beverage categories. The idea of foods and beverages having “provenance” – with a back-story anchored in heritage and trust and perhaps made in a traditional, artisanal way – is now entering the strategies of largest companies, according to *10 Key Trends in Food, Nutrition and Health 2019*, the annual trend report from consultancy firm New Nutrition Business.

“The success of the craft beer and sourdough bread markets, which are fuelled by provenance, gives a taste of what the future will look like for many categories,” says Julian Mellentin, director of New Nutrition Business.

In the UK, after years of decline, the bread market grew 4.3% in 2017 thanks to premium-priced artisanal products such as sourdough. In Canada, artisanal bread has grown 15% in four years to become a \$1.12 billion market. In Spain, mass-market bakery chain Panishop earns 20% of its sales from sourdough bread alone.

It’s a similar story in beer, where “craft” and “artisanal” beers are now a normal part of the portfolios of giant brewers such as Kirin, Heineken and San Miguel.

The latest category to harness the power of provenance is dairy. “The success of Yoplait’s Oui yoghurt shows how connecting to the Key Trends is the surest way to increase your chances of success, even for the very largest companies,” says Mellentin.

Once the market leader in the US yoghurt market, Yoplait was late to enter the Greek race and as a result still lags Chobani and Danone. But with the success of its Oui ‘French-style’ yoghurt brand, sold only in traditional single-serve glass jars, it has shown it can create a new type of yogurt based on provenance – a strategy that has proven so successful for Greek, Icelandic skyr and Australian-style yoghurt.

Oui by Yoplait also connects to a number of other key trends:

1. The mega-trend of people wanting their foods to be ‘as natural as possible’.
2. It’s made with simple, non-GMO ingredients like whole milk (Key Trend 9, Fat reborn), pure cane sugar (Key Trend 4, Redefining Sweetness), real fruit and yoghurt cultures. It contains no artificial preservatives, no artificial flavours and no colours from artificial sources.

The reward for Yoplait? Oui is on track for \$100 million (€90 million) in annual sales, despite selling at a 200% premium to regular yoghurt (on a price per kilo basis). And what’s more, Oui has achieved this in a year in which yoghurt consumption in the US actually fell slightly.

NewNutrition Business

“Oui by Yoplait shows how the provenance trend is fast transforming mainstream brands,” says Mellentin. “And it shows that wise companies will always tap into several of the 10 Key Trends, because it’s connecting to multiple trends that fuels the biggest successes.”

The New Nutrition Business 10 Key Trends for 2019 are:

1. Digestive Wellness
2. Plant-based
3. Protein
4. Sugar
5. Good carbs, bad carbs
6. Fragmentation & personalisation
7. Snackification
8. Beverages Redefined
9. Fat Reborn
10. Authenticity & Provenance

NOTES FOR EDITORS

1. Editors can request comment or arrange an interview with Julian Mellentin, by contacting Marta Matvijev at marta@new-nutrition.com.
2. Julian Mellentin is one of the world’s few international specialists in the business of food, nutrition and health. He is director of New Nutrition Business, which provides case studies and analysis of success and failure in the global nutrition business and is used by more than 1,700 corporate subscribers in 42 countries. New Nutrition Business is a research and consultancy company with an expert focus on the business of food and health since 1995. It has offices in the United States, Europe, and New Zealand and affiliates in Japan and South Korea. Find out more at: www.new-nutrition.com.
3. *10 Key Trends in Food, Nutrition and Health 2019* is available to buy at www.new-nutrition.com.