



## FOOD (& DRINK) FOR THOUGHT

HATCH'S FOOD & DRINK TREND REPORT 2023





#### OCCASIONS

Brands get creative when it comes to calendar occasions.



### LOW & NO

Low and no-alcohol is booming, with launches from major brands.



### INFLATION & COST OF LIVING

Inflation is impacting eating habits across the sector.



### **HEALTHY EATING**

Health continues to influence food and drink consumption.



#### NICHE TIKTOK TRENDS

How TikTok creators are calving out their own niche.



#### PREDICTED TRENDS

What does the Hatch team predict for the rest of 2023?



### HATCH

With over 15 years' experience, the food and beverage market is our bread and butter (pun intended) at Hatch – and we have multiple awards to prove it!

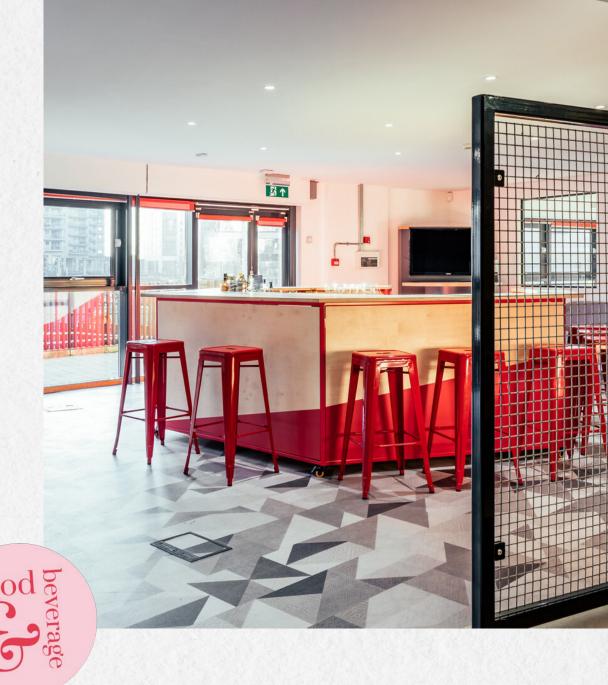
We've been successfully launching new food and beverage brands and turning existing products and services into shopping basket essentials for over a decade, both at home and across the globe. We've achieved this through genuinely brilliant and authentic food content and campaigns people will remember, show-stopping recipes, creative PR and engaging social media activations.

We teach shoppers why you're more than just another food or drink brand on the shelf and why no shopping basket or order is complete without you in it. Hatch has a team of over 30 talented creative communications professionals based across our Leeds HQ and London office. We are experts in PR, social media, experiential, content and design, keeping up with the latest and greatest in the industry.

Our roster of clients, past and present, includes leading household names like Diageo, Russell Hobbs, Northern Monk, Wensleydale Creamery, Slingsby's Gin, Crabbies Ginger Beer and many more, so we've always got our finger on the pulse.

To stand out, brands need to be at the forefront of trending conversations and we've tracked and predicted the biggest food and drink trends of 2023 so you don't have to - from the most influential calendar occasions, emerging TikTok trends and the biggest factors influencing consumer eating and drinking habits.

2023 has been a challenging year for food and drink. Here's an overview of what's been trending, our predictions of what's to come and what opportunities exist for brands for the rest of 2023.



## OCCASIONS

Food and drink calendar occasions continue to create brand opportunities, command headlines and influence social media trends in the first half of the year.



OCCASIONS

### VALENTINE'S DAY

After a return to hospitality post-pandemic, Valentine's Day saw more people dining at home rather than dining out once again.

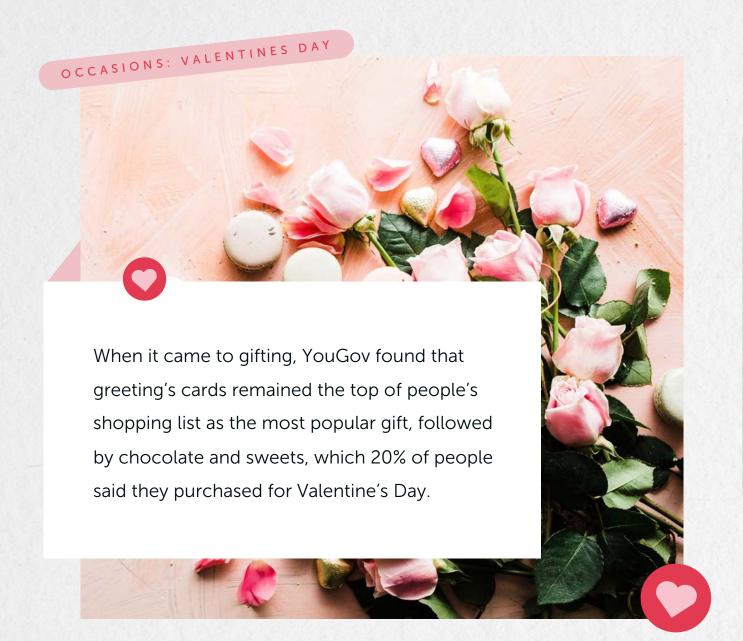
VALENTINE'S DAY 2023

17%	PEOPLE DINING OUT
28%	OF THOSE WERE MILLENIALS
29%	OF THOSE WERE GEN Z

At the start of 2023, predictions for the year showed that more people would be dining at home as food prices and inflation increased, and people felt the pressure of the cost-of-living crisis. It's no wonder that this year saw supermarkets go big on the 'dine in for two' deals. All of the major supermarkets released their own 'meal deals' available for Valentine's Day, including M&S, Waitrose, Tesco, Co-Op and Aldi.

Prices varied from £12-£20 with Aldi positioned just £2 less than the more premium supermarkets such as M&S and Waitrose.





Although it was predicted that more people would eat at home in 2023, Google searches for 'Valentine's Day recipes' in were lower than the lockdown heights of 2020 and 2021 and even 2019, but does this just mean we're less romantic? Or are people searching for recipes elsewhere?

Well, we don't think romance is dead just yet! TikTok searches for the hashtag **#valentinesrecipes** were the highest they've ever been, with around 1M searches in February.

With prices increasing faster than wages, it's likely that this stay-athome trend will continue into 2024. So, get your recipe content ready now!

Just as sweet treats were high on the gifting list, so was our sweet tooth in the kitchen, with searches for "homemade chocolates", "red velvet cupcake recipes" and "romantic desserts" all having spikes in February as we looked to impress out

### TREND TAKEAWAY:



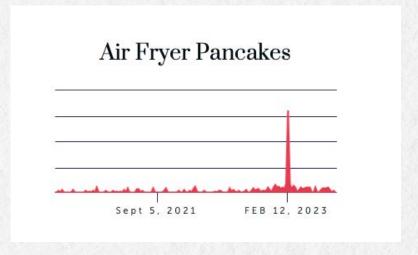
Budget recipes will be centre stage for a while – get your Valentine's recipes ready for 2024 now, and make it TikTok ready.



Unsurprisingly, Pancake Day 2023 took things up another level. We saw plenty of weird and wonderful creations this year including cacio e pepe and katsu chicken being some of the more obscure creations.

Alongside these inventions, trends included interesting pancake style creations such as 'pancake cereal' and 'pancake spaghetti' but one of the hacks that got people talking was the 'air fryer pancake'. In February, the term 'air fryer pancakes' saw a massive peak in Google searches, with a percentage increase of over 450% from 2022.

We've seemingly got Curry's to thank for leading this controversial trend, with a TikTok video showing pancakes been made in an air fryer. The trend made it onto BBC Newsround where it was actually debunked, but only after creating a storm on TikTok.





**EASTER** 

Easter brought with it a range of weird and wonderful food and drink launches. It only feels right to start with Easter eggs which like everything else, seem to get bigger and more obscure every year. This year was no different, with a whole array of gourmet easter eggs hitting the shelves alongside traditional classics.

It's predicted that we buy around 80 million Easter eggs every year in the UK, with the average child receiving 8.8 easter eggs! It's estimated that Easter chocolate sales make up 10% of all annual chocolate sales in the UK, which is worth an eye watering £450m to the economy.

However, this year it wasn't just chocolate on the menu. Instead, we're saw a whole range of weird and wonderful creations and we're focusing our attention on the strangest Easter egg innovations to grace our newsfeeds this Easter.

The first is an interesting take that is for sure. **Deliveroo's southern fried chocolate Easter egg** (yes, you read that right). This one felt like an April

Fools' joke in itself but was an Easter campaign. Launched the day before Good Friday, the egg combined the savoury and the sweet. Featuring a chocolate egg, coated in a Southern Fried crispy crumb. Available only on Deliveroo, this is one egg we're not sold on but it certainly hit the headlines!

Morrisons also championed the savoury

Easter egg – with not one, but two
cheesy Easter eggs. This egg (or rather
half an egg) was made from soft cheese
and hailed as the perfect alternative for
those who prefer savoury to sweet.

Whether you think you'd try these
strange treats or not, it definitely got
people talking.

OCCASIONS

It wasn't only Easter eggs in the spotlight this year, but **hot cross buns** really had their moment too.

When it came to new product launches and developments, hot cross buns really rivalled Easter eggs. Whether you prefer savoury or sweet, whatever your budget is, there was a new hot cross bun to try this year.

M&S led the charge with a variety of different hot cross bun options – with sweet options like banoffee and savoury options such as 'extremely cheesy'. Other supermarkets were on the hot cross bun train too with Sainsbury's and Waitrose offering the likes of cheese, tomato and

oregano, West Country mature cheddar and stout, and white chocolate and lemon.

Aldi and Lidl also released inventive flavour combinations – with Aldi offering their take on the classic with Jaffa flavour, as well as caramelised biscuit flavour.

With Easter becoming bigger each year and rivalling Christmas in terms of foodie product launches, we can only anticipate what is to come in 2024. We can expect to see hot cross buns remaining an iconic seasonal product and we can only imagine what the next Easter Egg will be – savoury or sweet, we're sure it will make headlines.

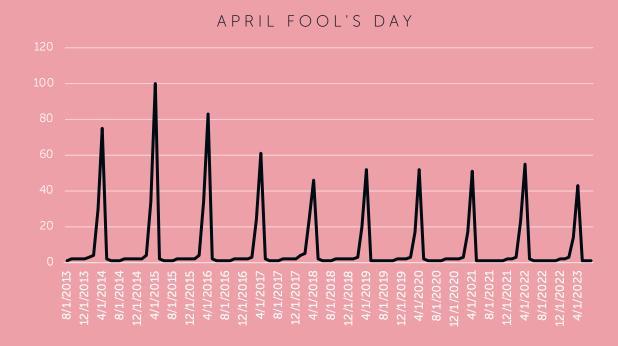
OCCASIONS: EASTER





### APRIL FOOLS' DAY

2023 April Fools' Day welcomed an array of faux product launches, campaigns and announcements. It is a fine line when it comes to April Fools' Day launches – products need to be believable but achieve maximum comedic value.



### OCCASIONS: APRIL FOOL'S

This year, **KitKat** pulled off an almost too believable joke announcing it would be changing its tagline to **'Take Five'** and introducing an extra finger to its bars. Unfortunately, this was false, but still a good and engaging way of interacting with April Fool's Day.

Bel UK, the home of the **Babybel**, announced the launch of the square Babybel – paired with some clever data and effective photoshop this landed well, getting national coverage in the likes of Metro, The Guardian and The Mirror and featuring in pretty much every one of the "Best April Fool's Day Pranks" round ups online.

However, it's not always easy when it comes to April Fools' Day. For every joke that succeeds, many more fall flat. Finding the balance isn't easy.

That shows through in the data this year. Social media is absolutely awash with April Fools' Day jokes, so has it passed its best? In a world of fake news, is April Fools' Day a thing of the past?

Google trends data does suggest just that. Searches for 'April Fools' Day' have been declining since 2015 which is when they peaked.





## THE KING'S CORONATION

We couldn't talk about trends in 2023 without mentioning the King's Coronation. Not an annual occasion, but an occasion that had brands vying for our attention, nonetheless.

It was estimated that the King's Coronation would give a boost of around £8bn to the UK economy, with £1.76bn spent in shops over the bank holiday weekend – the equivalent of £87 per person, and the majority (£1.17bn) spent in supermarkets and corner shops as people stock up their fridges and get the party food and drink in to celebrate.

It's safe to say that much of this spend was the ingredients to make classic party food like Victoria sponge, Coronation chicken, and new recipes like Coronation quiche.





So, what were people cooking during the Coronation and why is it important to jump on the trend before it's too late?

It's no surprise that searches for 'Coronation quiche recipe' saw a huge spike in May when it was announced as the official recipe. There were hundreds of thousands of searches for the royal dish. However, although interest spiked multiple times in the build-up, it has declined back to zero following the end of Coronation weekend and has pretty much left everyone's consciousness. This shows just how important it is to monitor trends and make sure you can be reactive, especially if you're going to produce content. Your "How to make the Coronation Quiche" recipe video that was released the week after the Coronation is likely to have fallen completely flat on its face.

The same happened with the old school classic "Coronation Chicken" - an all year-round dish and staple in a many a meal deal up and down the country and it was popular in May as well. Searches for 'coronation chicken recipe' increased by 1000% from the previous year, with searches beginning to increase from the 1st May and peaking from the 5th to 6th. The hype was brief and searches declined again by 7th May and have not made a dent since.

What the above information tells us is that certain calendar occasions can be short-lived. Whilst the Coronation weekend was a fantastic opportunity for brands to get involved in the conversation and jump on new product launches and opportunities, the overall interest in Coronation related products, recipes and campaigns was brief.

This brings the old saying to mind "fail to prepare, prepare to fail" – with anything trend or occasion led it's important you plan ahead and make sure you have everything ready to join the conversation and be reactive. Even a week too late and you're old news in this game.

OCCASIONS: THE KING'S CORONATION 12

### LOW & NO

The low & no alcohol industry is booming, with launches from major alcohol brands seen in recent years as well as new, indie brand launches.



The **low and no-alcohol industry** is one that has boomed in recent years, and the start of 2023 has seen further launches of new brands and ranges in supermarkets. In February, Drinks Business reported that the **low and no-alcohol beer category had grown 40% in the last two years.** Tesco also reported that Christmas 2022 saw the highest demand they had seen for non-alcoholic beer. This could signify a change in behavior, with nearly a third of Brits saying they don't drink alcohol at all.

Interest in the non-alcoholic category tends to peak in January, following the introduction of 'Dry January' however these searches peaked in January 2023 and didn't tail off as much as they had in previous years.

This goes hand-in-hand with **TikTok trends**, which show that more people are interested in a 'sobercurious' or 'damp' lifestyle that involves less alcohol.

It's not only low and no-alcohol marketed brands seeing success. This interest in a sober lifestyle has driven a surge in popularity for different soft drinks.

Trip, which is already the UK's No.1 CBD brand, has seen a big surge in popularity recently, especially in the eyes of Gen Z who seem to be driving the increase. According to research conducted, Gen Z consumers are more likely to try CBD drinks and switch to non-alcoholic alternatives.



Trip has become the fastest growing soft drink brand in the UK after growing by 522% in the past year.



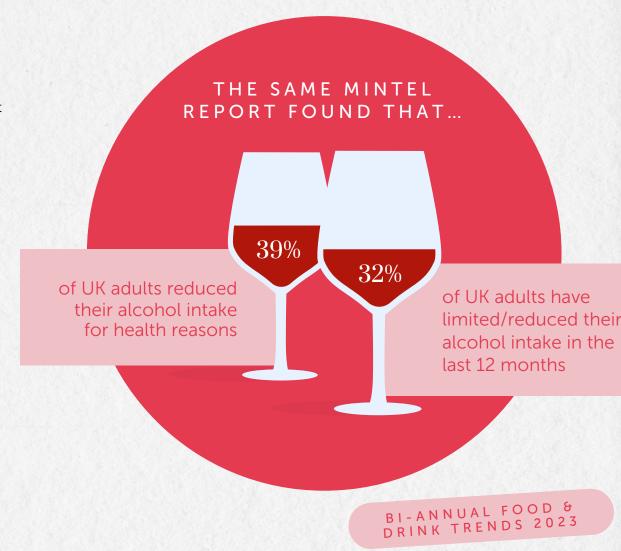
### LOW & NO

Alongside the demand for CBD drinks, we are also seeing an increase in searches for Kombucha on Google Trends. In March, searches for **Kombucha were up 80%** – making it the 10th trending search in food and beverage that month.

In addition to this, half-way through 2023 we can see that searches for 'zero sugar drinks' are up 45% year on year whilst 'mocktail bar' searches are up 54%. This shows that the appetite for alcohol alternatives is rising.

Figures released by IWSR Drinks Market Analysis shows low-to-no beer, cider, wine and spirit products **grew over 7%** in volume **across 10 key global markets in 2022**, including the UK, US, Australia and Japan.

According to Mintel, in 2022 beer dominated volume sales of low and no-alcohol drinks in retail – with an **estimated 68% share**. However, are we getting to the point where the no-alcohol beer market is saturated and instead the opportunity lies in other no and low-alcohol alternatives.



https://store.mintel.com/report/uk-attitudes-towards-low-and-no-alcohol-drinks-market-report

## INFLATION & COST-OF-LIVING

Inflation and cost-of-living has had a big impact on all sectors, and food and drink is no different. Rising food costs and general cost-of-living has led to an increase in people dining at home and making changes to their food shop.



Inflation has continued to be a big talking point in the first half of the year. With food price increases pushing inflation up month by month. In May it was expected this would fall, however it remained unchanged. The increase was driven by the rise in fresh food prices and shortage of salad products.

ONS data shows that food and non-alcoholic beverages specifically saw an **inflation rate of 18.2% in February compared to the same time last year.** The rise in prices is having a knock on effect when it comes to the food shop with half of adults buying less food when food shopping and over half are buying cheaper food because of the cost of living crisis.

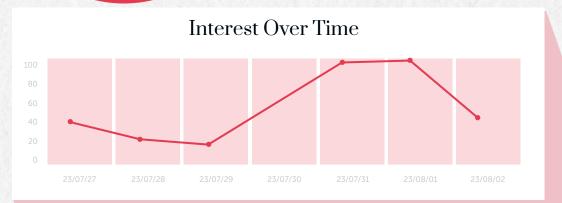
At the start of the year, we predicted that in 2023 we would see many people opting to eat at home as a way of saving money, and this has been seen through the first half of the year.

The overall squeeze that the cost of living has caused has definitely impacted how people live their lives. In April, the British Retail Consortium (BRC) reported that sales of home furniture rose sharply the previous month, helping total retail sales increase by 5.1%.

It was reported that this increase in the sales of home furnishings and accessories has been largely driven by people choosing to entertain at home as a way of cutting costs.

With the increase in people cooking and entertaining at home, consumers are looking for easy at home recipes and appliances they can use to create high-quality meals in their own home. The focus should be on **low-cost recipes**, that are easy to make whilst entertaining.





## HEALTHY EATHNG

With protein high on everyone's agenda and gut health a priority, there have been lots of interesting health trends this year.





2023

0 2

2018

2017



When it comes to food and drink, there is always a new health trend. In 2023, we're continuing to see a move away from traditional 'diet culture' and towards a health focused approach. In the first six months of this year, we've seen a big focus on gut health.

Fermented foods such as kimchi and sauerkraut are being searched for, but also drinks such as kombucha are still on the rise. On TikTok, **#applecidervinegar** has been trending again, a health trend that has been circulating for some time.

FB

In the news, ultra-processed foods are a talking point, and searches for this term are up 200% in the last 12 months to June 2023.

This could signify a shift in consumer mindset around healthy eating – with people making moves away 'low-fat' processed foods to whole foods that are good for the gut.

'GUT DRINK'

### HEALTHY EATING

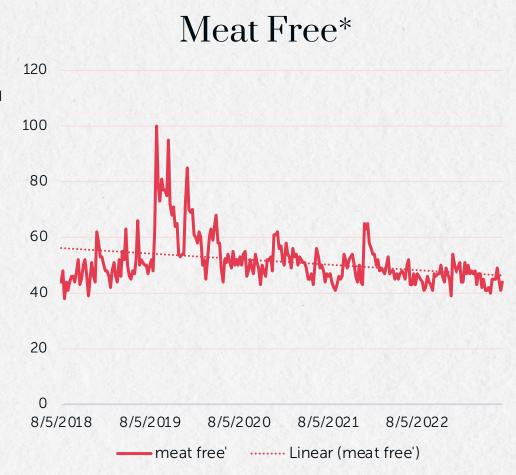
Following on from the shift in mindset towards ultra-processed foods, comes a shift away from meat-alternatives.

Google Trends highlights that searches for 'meat free' have **decreased 16%** in the last year and have been slowly declining since 2019.

Meatless Farms, a meat free brand, announced in June that it was ceasing trading and making staff redundant. Since, the brand has been bought by VFC, a meat alternative brand in a deal worth £12M but the collapse of the popular brand has led to a larger conversation about the future of the meat-free industry.

Within the plant-based market, it has sparked fears that the industry is on a downhill trajectory – however, this isn't necessarily because people are switching back to meat products, but instead experts suggest they are switching to whole-food alternatives such as beans, lentils and other vegetable substitutes such as tempeh, which doesn't mimic meat. The global tempeh market grew from \$4.93 billion in 2022 to \$5.3 billion in 2023 proving that it's on the rise.

It goes hand-in-hand with the conversation around processed foods and how healthy they actually are for consumers and shows an opportunity for brands to shift their focus and consider how they can evolve with the market to focus on less processed food options and change with their customer base.





## NICHE TIKTOK TRENDS

Whether you're looking for recipe inspiration, tutorials or advice, TikTok is there to lend a hand and provide the niche content you need.



You will find all of the weird and wonderful foodie creations on TikTok. From pot noodle wraps, chicken tikka wellingtons and Thai inspired full English breakfasts, one thing most accounts have in common is knowing their audience and finding something unique, or their "niche". Having a niche on TikTok seems to be key to a content creator's success on the platform and this is especially true when it comes to food.

Chef **Thomas Straker** started a butter series on TikTok back in 2022 in which he mixed butter with all sorts of different ingredients – from Bloody Mary butter to whiskey butter and chicken skin butter to Oreo butter. The series, called 'All things butter' was incredibly popular, so much so that he has repeated the series once more, titled 'More things butter'.

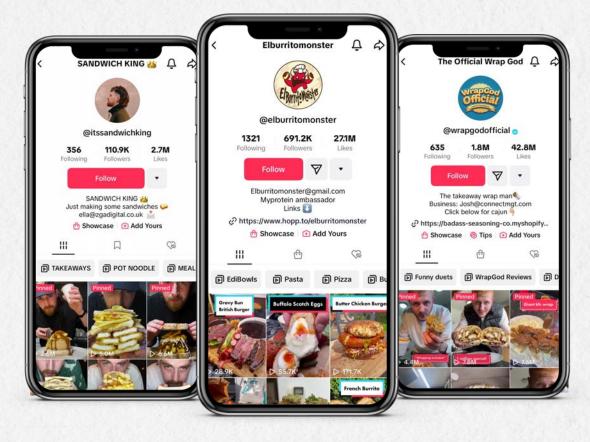
The hashtag #allthingsbutter currently has 107M views so it is no surprise that the series has gained so much attention. Following the success of the series, Thomas Starker has teased the launch of his very own butter brand on Instagram – called <u>All things Butter</u>. This transitions shows just how well attaching himself to niche content has elevated his personal brand and led to products launches of his own.

Similar success can be seen with TikTok creators such as Sandwich King

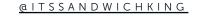
(@itssandwichking), El Burrito Monster (@elburritomonster) and Wrap

God (@wrapgodofficial) who all have a niche when it comes to TikTok content.

Brands can tap into this success by partnering with similar creators who are known for certain food and beverage niches to showcase products in a different way to how they may traditionally be used.









<u>@ E L B U R R I T O M O N S T E R</u>



@ W R A P G O D O F F I C I A L













### WHAT'S IN STORE FOR THE SECOND HALF OF 2023?

Now we've covered off key trends from the first half of 2023, what do we think is going to continue into the second half?

Food and drink trends are changing all the time, but there are some key themes we've identified throughout the first six months of 2023 that look set to continue and some emerging trends that our team of experts believe are going to take off as we look towards the end of the year.















### PREDICTED TRENDS:

### BUDGET FRIENDLY RECIPES

With the cost of living not set to decrease any time soon, brands need to shift to budget friendly recipes and be plugged in to consumer needs.

### TIKTOK IS THE PLACE TO BE FOR BRANDS

TikTok is leading the charge for food and beverage content and changing the mindset of younger generations when it comes to cooking.

### LOW & NO-ALCOHOL

Beer is leading the charge when it comes to low 8 no-alcohol alternatives, but what is coming next?

### BACK TO THE BOOZE

Whilst we expect to see low and no-alcohol continue to grow, there is always a space for alcohol brands – but what is the next big thing?

### **NOSTALGIA WINS**

At the start of 2023, we predicted a return of nostalgic foods, and we have certainly seen plenty. With cottage cheese making a comeback what can we expect next?







Unfortunately, the cost-of-living crisis is set to continue and with rising interest rates and food inflation it is going to affect the food and drink industry for a long time. A recent ONS report highlights that that food costs have increased by over 17% in 12 months. We have already seen the impact on eating out trends and shopping habits and this looks set to continue.

In terms of shopping habits, we have seen a decline in brand loyalty and many switches to alternative brands and own label products. TouchPoints recently surveyed 3000 UK shoppers and found that 54% of people are willing to switch brands if they can save money.

People are changing what they buy too, swapping fresh for frozen, with frozen alternatives offering a cheaper option. When it comes to fruit and vegetables, frozen food can save you a significant amount over time - not to mention it lasts longer. Data from Kantar shows that, in the 12 weeks to 20th March, demand for items such as frozen chicken rose by 5.9% and

frozen vegetables grew by 1.3% A Which? study from earlier this year shows savings on frozen vs. fresh food being approximately 10p-50p cheaper per 100g.

With this in mind, we expect to see more and more budget friendly recipes and cost of living 'hacks' as we approach Christmas season. Christmas is a notoriously expensive time of year - and a great deal of money is spent on food & drink. This festive season, we expect more people to be searching for alternative Christmas dinner recipes and swaps. Whether this is swapping a traditional Turkey for a cheaper alternative or choosing frozen vegetables over fresh.

It is key for brands to be aware of this shift and plugged into the changing habits and behaviours through curating recipes that take into account budget friendly ingredients and offer 'swaps' from traditional, and perhaps more expensive, options. For premium brands, there's an increased onus on promoting the point of difference and incentive to trade up.

It is no revelation that TikTok is leading the way when it comes to food and drink trends, hacks and recipes but we can see this is only going to grow.

Cooking is now seen as "cool and exciting" by a much younger audience than it was previously and this will only continue to grow with the amount of food and drink content on TikTok and other channels.

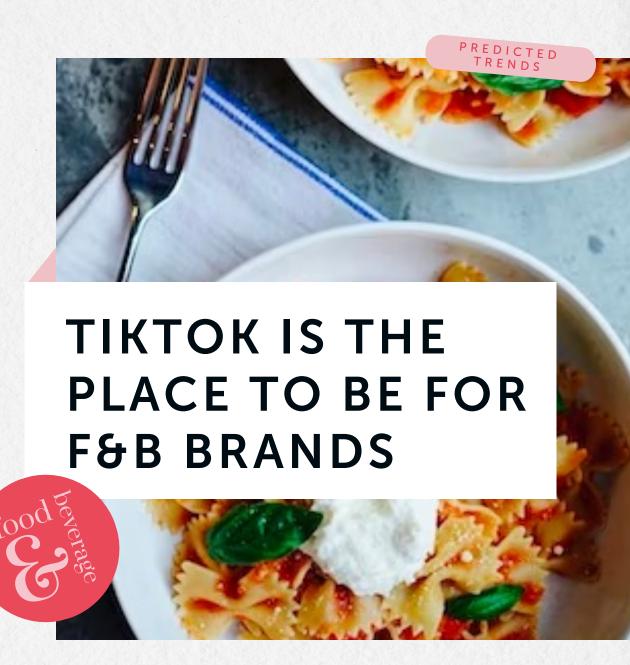
Research shows that 65% of people that engage with #FoodTok are 18-24 year olds and 69% of those that engage with drink posts are 18-24 year olds too.

The next 6 months (and beyond) will continue to see a shift in mindset of consumers, with more and more young people being interested in cooking and experimenting with new and exciting dishes and recipes.

According to GWI, 75% of Gen Z females and 70% of Gen Z males are interested in cooking – which is a significant amount of the population. Brands need to up their TikTok game and use the platform to not only engage with their audience but to lead on new and upcoming trends.

With Christmas on the way, now is the time for brands to be getting a head start.

Research shows that people will use platforms such as TikTok and Pinterest to plan their Christmas. Brands need to be sharing their expertise on the channels where their audience is looking for inspiration.



## LOW & NO ALCOHOL

As we've discussed, the soft drinks industry as a whole is booming. Whether it be Kombucha, CBD drinks or alcohol-free alternatives.

... V O D K A -9%

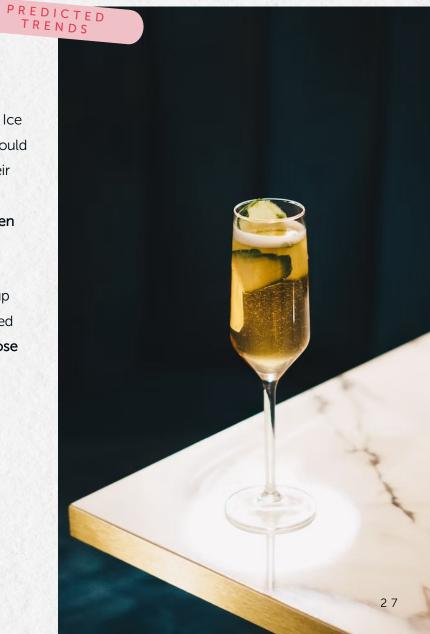
... G I N -8%

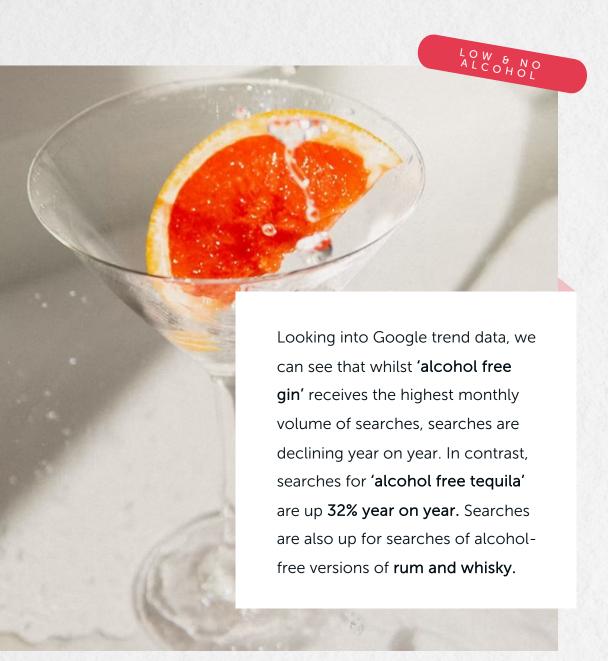
... T E Q U I L A +32%

... R U M +16%

... W H I S K Y +13%

In fact, new research from the Ice
Co. has revealed that Gen Z would
choose a cold soft drink as their
beverage of choice. The new
research shows that 45% of Gen
Zs (18-24-year-olds) would
choose a cold drink, such as
lemonade or juice, to catch-up
with friends or family, compared
with just 41% who would choose
a cup of tea, coffee or hot
chocolate.



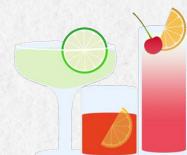


As we've discussed, the low and noalcohol industry is continuing to grow in 2023 and we think this will keep going into the second half of the year. With December being a traditionally merry time for many Brits' with Christmas parties and New Year's celebrations, it will be interesting to see how this impacts the low and no-alcohol industry.

We think this Christmas will see an increase in the number of mocktail recipes being shared, and no and low-alcohol alternatives hitting the shelves. We expect to see no-alcohol mulled wines and ciders, low and no-alcohol wines and sparkling wines being used to celebrate.

On the topic of new low and no-alcohol drinks hitting the shelves, we know beer is the leader at the moment when it comes to the category but this could all change. Supermarkets are jumping on the bandwagon, with M&S releasing low-alcohol cocktails and Tesco selling low-alcohol G&T's.

What is coming next? When it comes to spirits, there are a variety of low and no-alcohol alternatives for gin, but we can expect to see the development of other alcohol alternatives such as no and low-alcohol versions of tequila, rum and vodka.



PREDICTED TRENDS

### BACK TO THE BOOZE

Now, we've talked about the emergence of low and no-alcohol trends, but what is going to be trending next in the alcohol space?

+ 4% TEQUILA 1.9 M + 3% 1.7 M RUM+ 5% 2.1 M WHISKY -2% VODKA 2.1 M -6% 2 M GIN + 24% 279K CAMPARI + 29% 971K APEROL

Let's dive into what could be the next big spirit and cocktail for 2023/24.

According to Google trends data, aperitifs such as
Campari and Aperol are still on the rise when it comes to popularity. Searches for the popular Italian liquors are up 24% for Campari and 29% for Aperol in past year.





When it comes to cocktails, new takes on classics seems to be the next big thing.

Aperol Spritz is a classic summer tipple but we've been seeing people rave about its cousins – the Limoncello Spritz and Hugo Spritz.

Another classic seeing a resurgence is the Margarita – with spicy and flavoured alternatives becoming popular. Searches for Spicy Margaritas are up 28% year on year, as people look to get adventurous with their cocktail order.

We think this will continue and we'll see more twists on classic cocktails – we can't wait to see what the Christmas take on the Aperol Spritz is! Spiced Cranberry Spritz anyone?





At the start of the year, we made our predictions and this was one of them – and it looks set to continue.

We all know we're big on Nostalgia – we love the 90's and 00's and so does TikTok. Recently we've seen the resurgence of the pickle era and now the cottage cheese era.

#PickleTok has been big over the last few months with the classically American snack making a splash across the pond.

Now, we know pickles have always been a thing, but this year the pickle has had a glow up – being wrapped in sweet treats and sprinkled with all sorts of weird and wonderful toppings.

On top of that, cottage cheese is big on the TikTok scene. There are a variety of influencers currently taking part in the 'cottage cheese and mustard' trend started by health and foodie influencer, Tiffany. It's also going down well with Gen Z who are obsessing over this nostalgic snack.

What's next? Will we see the return of classics like corned beef and spam.





CONCLUSION

With so many trends predicted over the next six months, it's essential that your brand is ready to leverage the conversation. It's more important than ever to be proactive and reactive – with TikTok at the forefront of trends, the cycle is fast and you need to be ready to react when they are at their height.

At Hatch, we have a dedicated food and beverage team who are up to date with the latest trends and always ready to get involved in creating campaigns, content and stories.



# SO, WHO'S HUNGRY?

To find out how your brand can get involved in the latest food and drink trends, get in touch with the Hatch team.

