



INNOVATION TRENDS

Pathways to success in the functional
food and beverage industry

INTRODUCTION

The food and beverage industry has experienced many changes over the past few years, from the way we work to the way we buy food. So it's important to consider how our experiences and learnings are going to affect us in 2023 and beyond.

A mindset shift has occurred and many businesses are realising that those who do not innovate, do not move forward. Innovative companies are more profitable in the long run so a clearly defined innovation roadmap can be a large part of the pathway to success in our Covid-impacted world. An innovation mindset will be key to post-pandemic success which is why we have focused on the top 5 trends around innovation.

This document has been created by the team at iNewtrition with both food industry experience and scientific knowledge, based on real research and insights.

Below is an overview of the five key areas of innovation in the functional food & beverage, and health & wellness industries that we predict will be top priorities in 2023:



Food Trend 1

FOOD BUSINESS INNOVATION STRATEGIES

Food business innovation encompasses a wide variety of different aspects that food businesses need to consider. Consumer demands and expectations are constantly evolving and it is up to brands and manufacturers to try to meet and/or exceed these expectations with each new product or concept launch. Data-driven insights will lead the way in accelerating innovation.

Building a strong culture of open innovation can help businesses stay relevant and top of mind in an ever-changing market. Investing in innovation ensures that you continue to grow, stay ahead of your competitors and most importantly, are able to continuously create in-demand, consumer-centric products according to the changing needs of your consumers.

Knowing how to develop frameworks for testing innovative ideas, and understanding how to execute innovative strategies, can help you foster and drive consumer-centric innovation to create truly in-demand food and beverage products and services. Virtual innovation workshops are a great tool for helping you to focus on building a strong innovation culture so you can thrive in a post-pandemic world.

In order to make this happen, as we move into 2023, co-manufacturing will become more prevalent as companies look to maximise their innovation-allocated resources, capabilities and capacity. External partners such as iNewtrition can help you with all of the above as well as provide new insights, experience and learnings to your projects in a more efficient and effective way.



Food Trend 2

SUPPLY CHAIN & PACKAGING INNOVATION

In 2023, businesses will be looking for more ways to be innovative beyond the product or formulation itself and innovations that add value without compromising on environmental sustainability or animal health will be a priority.

Focusing on improving the supply chain can lead to many benefits such as more sustainable practices and a reduction in costs in many cases.

Given the challenges we faced since 2020 with international shipping of goods, we will likely see stronger support for locally sourced goods and services and a renewed importance for provenance as we aim to rebuild our local economies.

A deeper look into improved packaging innovation also falls under this trend as many commercial food packages are developed by empirical trial-and-error approaches that lead to wasted time and resources. Packaging design with little consideration for the relevant food or food packaging science is one of the most common mistakes in the NPD process and frequently leads to ineffective designs and poor products. 2023 will be all about achieving maximum effectiveness with fewer resources and this is an area that could be refreshed.



Food Trend 3

CUSTOMISED NUTRITION & FUNCTIONAL FOODS

Customised nutrition will be one of the biggest trends in the food and beverage industry in 2023 because of the growing consumer understanding that in nutrition what works for one does not work for all. While personalised nutrition is a more niche offering, customized nutrition is similar where we can create nutritional products and habits based on smaller groups of consumers with similar needs e.g. coeliacs, athletes, busy mothers etc.

If we look to the Pyramid of Needs, as we move closer to the top of the pyramid, our nutritional needs become more and more specific and customised, depending on our individual (or grouped) needs and nutritional requirements. By combining this understanding with products that are more inclusive of natural ingredients, we can create overall healthier and truly consumer-centric and functional foods that are in high demand across multiple countries.

We will also see an increased availability of plant-based alternatives with a focus on the consumer need for convenience. Alternative proteins and plant-based products have been increasing in value and popularity over the past couple of years and will become even stronger in 2023 as technology improves, costs reduce and consumers become more open and accepting of plant-based products and flexitarian diets



Food Trend 4

HEALTH & WELLNESS INNOVATION

There has been an increased focus on our individual health and wellness since 2020. Consumers are thinking about their own health more than ever before and taking the time to discover how to improve it in the short and long-term. There are more discussions around immunity support, cognitive development, gut health, weight management and other elements that would place us in the high-risk category for Covid and other diseases.

This awareness and aim to improve ourselves from the inside out has created a need in the food industry to reinvent certain products and categories and build more 'good mood foods' that are nutritionally strong and versatile while also tasting good. Taste remains a key purchase driver across all categories and consumers will no longer settle for any foods, healthy or not, that do not taste good.

When developing new products or enhancing existing ranges, in order to fully commercialise the science behind your product, after ensuring a positive taste experience, it will be important to communicate the product attributes from a functional and emotional perspective so that the consumer can clearly understand the benefits for them. It's about translating food terms and labels into easy-to-understand terms for the normal consumer and creating a more inclusive industry so that good health and wellness is easily achievable for all.



Food Trend 5

CLEAN SCIENCE & CONVERGING MARKETS

Clean science in relation to the food industry refers to the exploration of the relationship between science and nature. To date, it has mostly been associated with skincare but in 2023 and into 2024, it is expanding towards other categories such as medical foods, functional foods, beauty-from-within and dietary supplements. The boundaries are becoming very blur and this opens the door for innovation learning from one category and industry to another through a partnership-led approach. Those who do innovate fall behind and are left there!

Consumers in every industry are becoming increasingly aware of the relationship between their nutritional food habits and their health. This demand for healthier foods and beverages has created a need for more functional food products incorporating innate bioactives, synbiotics, and other natural ingredients to provide a balanced diet and address specific health issues.

Following the ideology of improving the quality and nutritional value of our functional foods, by making fermentation and biotechnology processes better, we can create better multifunctional foods such as plant-based proteins which will lead to increased market demand and growth as well as create more jobs in the category. We can also use innovation in this space to the benefit of our health and environment. For example, the whole-cell biomass or parts of cells can be used in the production of ingredients for alternative meat, egg, or dairy products.





FINAL FOOD FOR THOUGHT

The common denominator among all of these trends for 2023 is innovation. If you can place innovation as one of your top priorities in business for the upcoming year, you will be more likely to create longer and more sustainable growth as well as increased revenue.

The best way to do this, regardless of your company size is to look into co-manufacturing and open innovation opportunities with external partners who can keep up with your project needs as you manage other areas of your business.

iNewtrition was created to do exactly this - provide a one-stop shop for any project needs you may have with a focus on the commercialisation of science i.e. using lean innovation strategies to help you reach your goals. We can transform trends like those mentioned in this document into tailored-for-you and differentiated business opportunities using innovation as a tool and a combination of industry experience and science-backed research.

Whether you are a start-up or an established brand, we can help you leverage your ideas and current portfolio to grow your business in 2023 and beyond.

Contact Raphaëlle directly at info@inewtrition.com to discuss your upcoming project needs or book an immediate 1 hour consultation [here](#).



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