

BUSINESS OPPORTUNITIES FOR FOOD & BEVERAGE INDUSTRY AFTER COVID-19 PANDEMIC



The 'Stay-At-Home' policy and 'Physical Distancing' movement restrictions imposed by the governments of countries across Asia, the US, Europe and the rest of the world during this pandemic have affected businesses, effectively pausing whole sections of the economy (Ozili & Arun, 2020). From cafés and restaurants, to the big-name manufacturers and retailers of food and beverage across the world are all greatly impacted by COVID-19.

The global spread of COVID-19 is forcing consumers to change their behaviors and embrace new ways of eating, shopping, as well as interacting with others. Here are some predictions of how this crisis will change our lifestyles, especially the way we eat, based on recent surveys and forecasts:

1. Plant-based diet back on the menu

As COVID-19 is a zoonotic virus originated from animals, the growing concern of consuming foods sourced from animals has accelerated the vegan diet trend during this the pandemic crisis (Markets and Markets, 2020). Evidence has suggests that plant-based diets may improve asthma symptoms, through their effects on systemic inflammation, oxidation, and microbial composition (Seyedrezazadeh et al., 2014; Guilleminault et al., 2017; Hosseini et al., 2017; Alwarith et al., 2020) Furthermore, increasing fruit and vegetable intake while reducing animal product consumption contributes to weight management and mediate cytokine release, free radical damage, and improve immune responses in the development and course of asthma (Alwarith et al., 2020).

According to Markets and Markets (2020), the impact of COVID-19 on the global plant-based meat market size is projected to grow from USD 3.6 billion in 2020 to USD 4.2 billion by 2021, recording a compound annual growth rate (CAGR) of 17.0% in the realistic scenario during the forecast period.

Plant-based protein are getting more and more attention these days. Great sources of plant-based protein like almond, soy, rice, wheat and peas are increasingly seen as easy replacements for animal-sourced protein. They are also preferred for their ease of digestibility and high nutritional value (Mordor Intelligence, 2018).

Another well-known plant-based ingredient that is packed with Omega-3 fatty acid content is chia seed. The ingredient can bring beneficial effect on cardiovascular health (Ullah et al., 2015).

2. Delivery and Take-Out are Replacing Dine-In

With the many kinds of food delivery mobile apps, more consumers are ordering online and having the food delivered to their homes or offices, rather than having their meals at the restaurant (Technavio, 2019). The major shift started when people were first encouraged to avoid crowds to contain COVID-19. The trend then shifted entirely when restaurants in some jurisdictions were ordered to shut their doors on dine-ins and offer only takeout and delivery options (Yelp Economic Average, 2020).

Food delivery services have very much altered consumers' behaviour and have become the new normal especially in urban areas. With the numerous implementation of Movement Control Orders across

Southeast Asia, food delivery services have relieved consumers from having to plan their meals (Lau & Ng, 2019). It is expected that majority of the consumers would still stick to this habit in post COVID-19.

3. E-commerce channel on the rise

Prior to the movement restrictions, physical grocery stores witnessed 'panic buying' and bulk shopping of fresh food, household chemicals, personal hygiene and health. Some of these categories have seen 90 % growth rates since the health crisis started. Movement restrictions issued by governments have made groceries to become a vital product category in the e-commerce space. In China, the first country impacted by the virus – fresh food related sales on JD.com jumped 215 % during a 10-day period in February 2020 (Negreiro, 2020)

Another plus point of e-commerce is that online stores do not have operating hours, which enable consumers to do their groceries anytime they want. With self-quarantine becoming a new norm, more consumers are ordering food and other essential items online (Negreiro, 2020). E-commerce channels are expected to face increasing demand as the public will continue to avoid going to public places (Markets and Markets, 2020).

4. The emergence of cashless society

Aside from to avoid touching our faces, World Health Organisation (WHO) has been advising people to wash their hands after handling banknotes as they may help spread coronavirus. Thus, WHO had suggested customers to use contactless payment methods instead (Market Watch, 2020).

Regardless of the attempts to sterilise cash with ultraviolet rays and ozone or heat treatments, the use of cash and other paper payment methods is decreasing. Consumers nowadays prefer to have cashless payment systems which can all be done without having to reach for the wallet. Cashless transactions are considered to be more hygienic than the classic point-of-sale (POS) payments (Bruno et al., 2020).

5. Home cooking is making a resurgence

It is noteworthy to highlight that the restriction of eating out has increased the frequency of home cooking (Jribi et al., 2020). A recent survey by Technomic (2020), confirms that 32% of adults plan to eat at restaurants less often due to COVID-19 concerns. This trend is expected to continue for some time, post pandemic, due to hesitation around public gathering. The result is in parallel with another survey conducted by Variety with 1,000 consumers in the U.S. showed 47% of respondents agreed that the idea of going to a major public event “will scare me for a long time” (Spangler, 2020).

The COVID-19 outbreak is changing the lifestyles for families around the world. Many parents are finding themselves stuck at home for most of the day juggling work and child care as schools and centres are temporarily closed. And one of the biggest challenge for parents is to figure out “what’s for dinner?” (UNICEF, 2020).

This transition to home cooking could also lead to an escalation in sales of cooking staples, meal kits and accompaniments to meals. Nielsen Homescan research reveals that volume sales for long-life meals, bread mix, rice, flour and pasta have more than doubled in the 4 weeks ending 22 March 2020, compared to the same period last year (Deas, 2020). The global frozen processed food market is also expected to grow at a CAGR of 4.3% during 2021-2026 with its valued at USD 48550 million in 2020 is expected to reach USD 65410 million by the end of 2026 Frozen processed food offers timesaving, convenient solutions for those consumers who do not have the skill, desire or time to prepare meals from scratch (Industry Research, 2020).

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