



2022 Asia Food & Beverage Trends

New opportunities for
CPG product innovators

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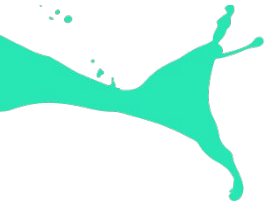


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Coverage: 5 key APAC markets

→ 3.25B population

representing 40% of the world's population

→ >4000 trends

tracked across ingredients, flavours and recipes

→ 7B data points

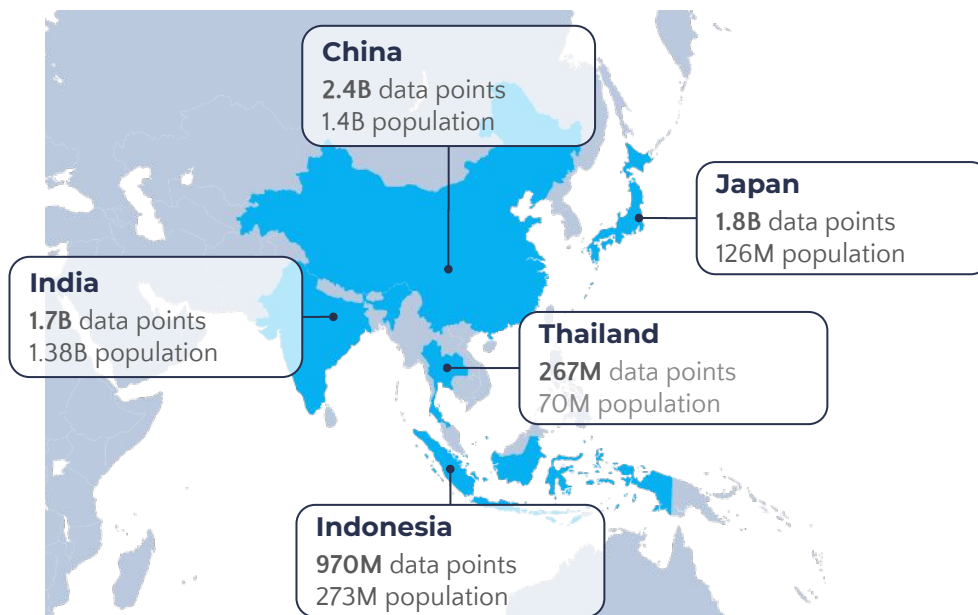
across beverages, snacks, dairy and ready-to-eat categories

→ 5 languages

analyzed: Chinese, Japanese, English, Bahasa Indonesian and Thai

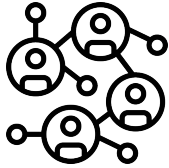
This report covers the five markets with the highest demand for food trends. Ai Palette coverage spans a total of 21 markets.

[> Request a customised demo for your markets and categories.](#)



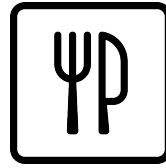
Data sources

Ai Palette's trend predictions are based on analysis of a diverse set of primary sources that together provide a 360-degree, locally-relevant view of the food landscape.



Online consumer engagement

Social media and search platforms relevant to a market and category



Menus & recipes

On-premise and home consumption menus; recipes from community-driven sites



Product & reviews

Product info and user reviews from e-commerce sites and physical shops

Introduction

If 2020 was the year of unpredictable change, then 2021 was the year of disposing bad habits and embracing the good.

Covid-19 fast-forwarded the world and we're now living five to 10 years into the future, today. Our world has become a hybrid one and our updated lifestyles and experiences deeply influence our food and beverage priorities and behaviours.

Adapting in the face of change

When the pandemic first hit, the world was left exposed and defenseless without vaccines, prompting an immediate call for homemade immunity boosters and remedies. In Asia, interest in natural, whole foods and traditional recipes spiked sky-high.

Over time, we adapted to on-going covid restrictions, and our homebound lives borne a host of new habits. Some were good for us (healthier eating and self-care habits) and some not so much (many of us were snacking 6X more than before Covid!). Across 2021, we also started placing a stronger emphasis on mental well-being, including ways to destress and improve sleep, and finding ways to integrate our newfound lifestyles with our healthier mindsets.

Rekindling balance in life and nature

As we enter 2022, we can expect change to continue but with more clarity on what a post-pandemic world will look like. As people return to offices, travel and larger gatherings, we'll soon see which pandemic habits will stick and which will fade.

One area that didn't trend over the last two years but worth noting is sustainability. During the pandemic, the sustainability conversation was overshadowed as hygiene and convenience were prioritised in an effort to stop the spread and to maintain some sense of normalcy. As we recover, we expect the conversation to resuscitate and to once again influence our food and beverage choices, albeit likely in a different shape and form (ie. with a larger focus on local ingredients and production).

In short, the last couple of years have been a whirlwind and many of us will be relieved to think of 2022 as the year we find our balance once again.

We hope you find this report insightful and helpful as you navigate the year of re-balance.



Somsubhra GanChoudhuri
Co-Founder & CEO

4 KEY TRENDS FOR 2022

→ **Traditional ways practiced today**

Age-old path to gut health
Boosting immunity with ancient wisdom

→ **Wellness in mind and body**

Choiceful consumption
Mental Wellbeing
Healthy ageing

→ **Tailoring plant-based**

Unique market preferences
Localisation is key

→ **Convenience as the new key ingredient**

Digital habits are here to stay



Traditional ways practiced today



The traditional path to health

Many generations have relied on traditional ingredients and remedies to build up and maintain health. Believed to strengthen organ function, tried, tested and true recipes and concoctions saw renewed interest in 2021, which resulted in products like **kombucha** and **natto** making their way onto retail shelves at an accelerated pace - a trend that's likely to continue in 2022.

Consumer goals

Gut health



Fermented snacks
in Japan



Gut-boosting drinks
in Thailand



Probiotics
in China



Immunity



Natto snacks
in Japan



Herbal ingredients
in India



Japan's long-time love for fermentation expands into snacks

Japan's US\$190B confectionery and snacks market is the second largest in the world. Specifically, fermented snacks have slowly but surely carved itself a growing niche over the years, with a 4-year CAGR of +11% and a staggering 9M+ digital engagements in 2020 alone.

Fermented foods are a staple of the Japanese diet and are closely associated with improving intestinal health and immunity. **Miso snacks** is one of the most popular in the category and grew at 7% YoY (45M+), mainly driven by its role in improving intestinal health and immunity. Similarly, **kuzumochi**, a cake made from fermented wheat starch, is deemed to improve fitness and gut health. The versatile treat saw consumer engagement reach 184k data points and a YoY growth of 8% - all indicating this snack is well on its path to broader acceptance.



**Key drivers
in the category**

Intestinal health



Immunity



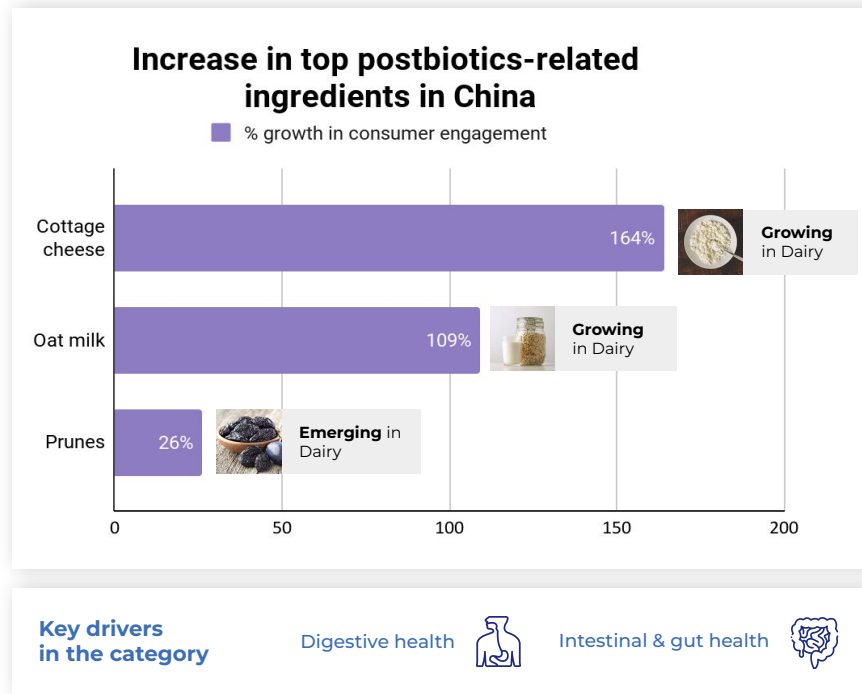
Source: Statista, Nippon.com, Japan Today.

Note: 'YoY' refers to the time period between Nov 2020 - Oct 2021. Data in parentheses represents the size of the data set on which the trend is based.

China experiments with foods that support digestive and intestinal health

From reducing 'heatiness' to lung health-enhancing tonics, the close relationship between food and health is an integral philosophy in Chinese cuisine. It continues to impact food choices in China today, especially when it comes to digestive and intestinal health.

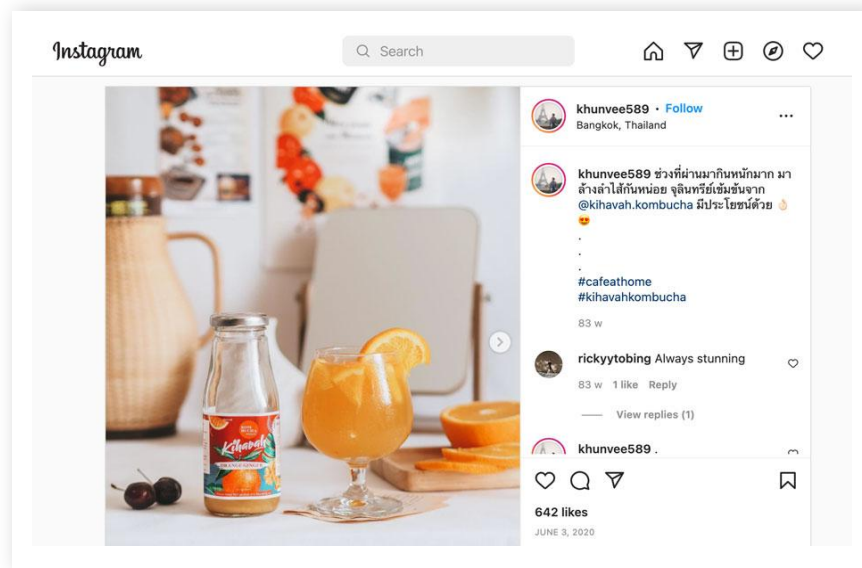
Over the last year, conversations around **postbiotics** hit a 4-year CAGR of +71% (1M+), with no signs of slowing. Foods and drinks associated with gut health have also been on a steady incline: **oat milk** reached 109% YoY growth (3M+), while soft cheeses like **cottage cheese** also grew by 164% YoY (969K+) and **prunes** by 26% YoY (278K+).



A growing beverage trend in Thailand focuses on gut health, not taste

Interest in gut health-boosting drinks have been steadily growing in Thailand, as demonstrated by the 28% YoY (3k+) growth in engagement in the topic.

Kombucha and **green coffee extract** saw the two biggest inclines, at 7% (15k+) and 4% (5k+), respectively. Both increasingly popular beverages (they're also sometimes used as ingredients *in* beverages) are primarily associated with weight loss and improving intestinal health, whereas the latter is also known for its detoxification properties, too.



Key drivers
in the category

Detox



Weight loss



Intestinal
health



Japan's fermented snacks also believed to strengthen immunity, especially natto

Not only do Japan's fermented snacks promote gut health, they're also hailed to improve the immune system - and no other time has that been more pertinent than the last two years. **Natto**, in particular, has been touted as an immunity booster due to its rich probiotics content as well as a reducer of heart disease due to its high vitamin K2 content.

Natto-related snacks have been making its mark on store shelves, with **natto rolls** and **natto bowls** enjoying a +15% and a +22% (62K+) CAGR growth over the last four years, respectively. Particularly resonant with fitness conscious consumers, drivers for this food include intestinal health, protein and vitamins.

The screenshot shows the Uber Eats app interface. At the top, there's a navigation bar with the Uber Eats logo, a search bar for delivery address, and a cart icon. Below the navigation bar, there are three main categories: Lunch (Sat 3:00 PM - 6:00 PM), Dinner (6:00 PM - 11:00 PM), and Lunch Limited (4:00 PM - 6:00 PM). The 'Picked for you' section displays several food items:

- 定食・丼 Set Meal / Rice Bowl
- W定食セット Set Meal
- 単品 Single Item
- 副菜 Side Dish
- 汁物 Soup
- お店の概要 About Us

Specific items shown include:

- 豚トロとろろ納豆 温泉卵添え Fatty Tuna, Grated Yam & Fermented Bean Rice Bowl with Soft-Boiled Egg (€1,580.00)
- とろろさば塩焼き定食 Shio Koji Grilled Fatty Mackerel Set Meal (€1,480.00)
- 若鶏と味噌豚角煮のW定食 (€1,680.00)
- 【単品】豚トロとろろ納豆丼 Fatty Tuna, Grated Yam & Fermented Bean Rice Bowl (€1,280.00)

At the bottom of the screenshot, there are three icons representing 'Key drivers in the category': Vitamins (with a heart icon), Immunity (with a person icon), and a third icon representing a specific food item.

India reignites the use of spices, herbs, roots and fruits to boost immunity

The pandemic prompted many in India to embrace natural ingredients and age-old remedies to strengthen their immunity.

Medicinal herb **ashwagandha** is one of the most prevalent ayurvedic herbs and saw an uptick of 21% YoY (143K+), mainly driven by its immunity-related benefits.

Similarly, **turmeric** is increasingly found in products like spiced turmeric latte powder, bumping up the superfood by 20% YoY (16M+) in the teas and energy drinks categories.

Indian gooseberry, or amla, is a staple in traditional Indian remedies, but a 7% CAGR (324K+) growth over the last four years indicates that there's still more headroom for growth. Its high vitamin C content is a key reason people regularly purchase drinks such as Kapiva Wild Amla Juice (right).

The screenshot shows the Amazon India product page for Kapiva Wild Amla Juice. The product is priced at ₹220.00 and is available for purchase. The page highlights several key features and offers:

- Product Name:** Kapiva Wild Amla Juice - Cold-Pressed Amlas From Pratappgarh, Boosts Skin & Hair Health, 1 Ltr
- Price:** ₹220.00 (12% off from ₹246.67)
- Offers:**
 - Save Extra with 3 offers
 - Bank Offer (2): 10% Instant Discount up to INR 300 on City Union Bank Debit Card Transactions. Minimum purchase value... (Show all)
 - No Cost EMI: Avail No Cost EMI on select cards for orders above ₹200 (Details)
- Delivery:** Free delivery (FREE Delivery on orders over ₹499)
- Best Before:** 28 Feb 2023
- Flavor name:** Wild Amla

The page also features a 'Customers who viewed this item also viewed' section with other health products, including Datar Amla Juice and Kapiva Wild Tuli Clay Juice.

Key drivers
in the category

Vitamins

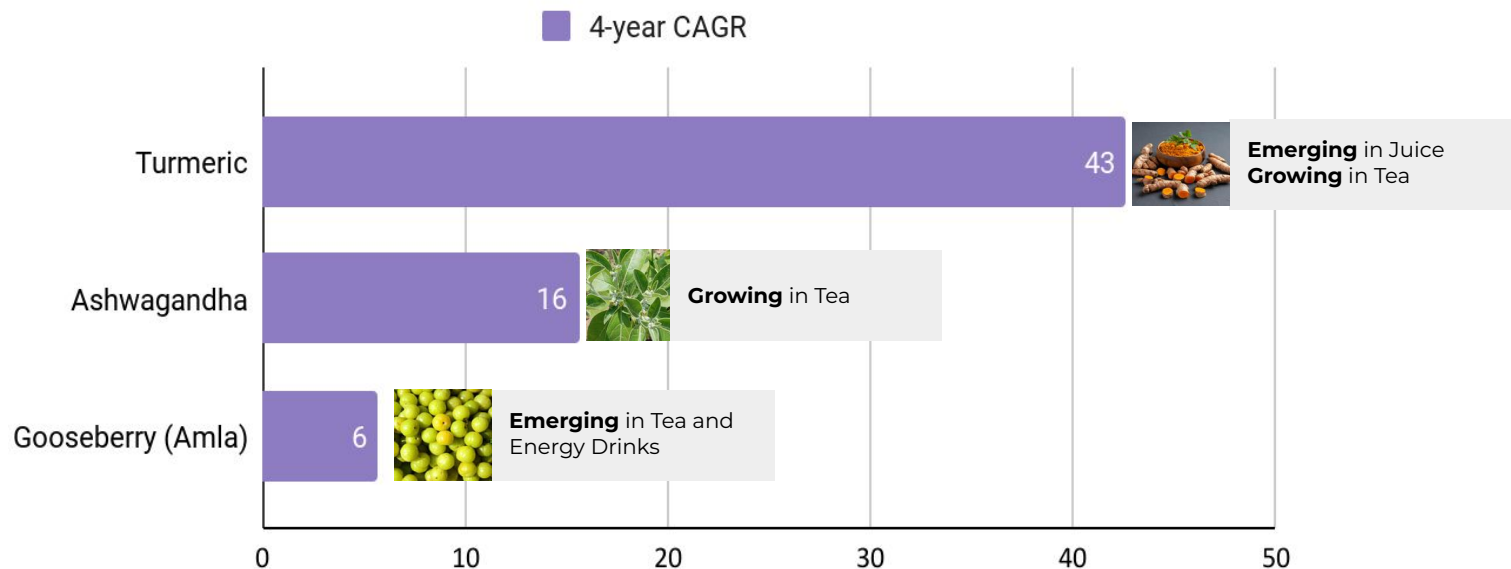


Immunity



India reignites the use of spices, herbs, roots and fruits to boost immunity

Immunity-boosting ingredients trending in India's beverages category



Note: 'Dominant' refers to a low volume of engagements with a negligible rate of growth. 'Emerging' refers to a low volume with a positive rate of growth. 'Growing' refers to a high volume with a positive rate of growth. 'Mature' refers to a high volume and a negligible rate of growth.

Wellness in mind and body



The choiceful path to being well

Aside from physical health, mental health, long-term health and overall wellness are increasingly driving choiceful purchasing decisions, such as replacing processed foods with natural ingredients or taking supplements to improve sleep.

Consumer goals

Gut health



Choiceful Consumption



Foods that support mental wellness

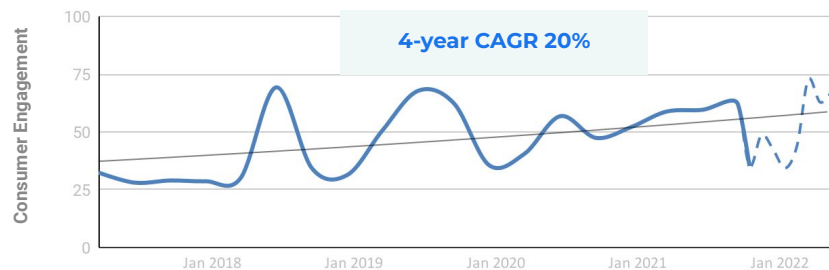


Ingredients for healthy ageing

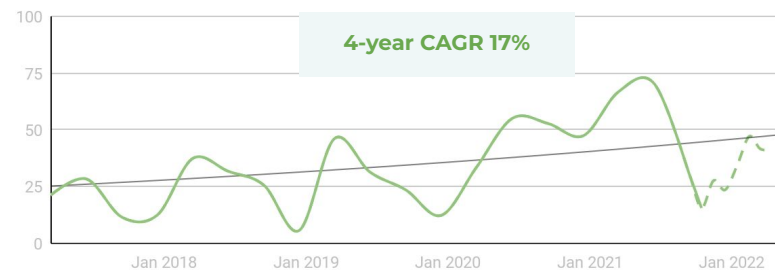


Less is more: Four 'low' trends that will continue into 2022

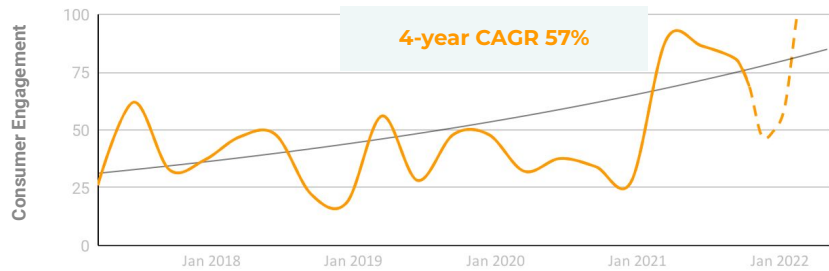
Low sugar in China beverages



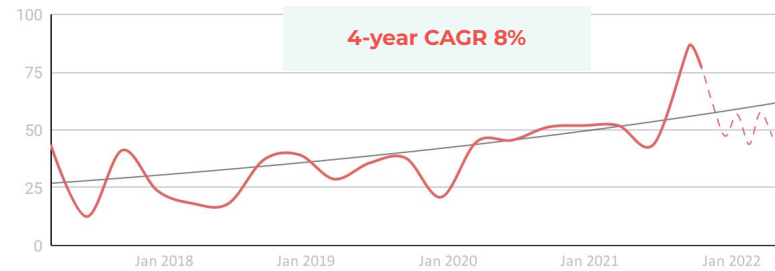
Low fat in Thailand snacks



Low calorie in Japan snacks



Low calorie in Indonesia beverages



Across all markets, healthier consumption takes the 'less is more' adage to new food frontiers

Low sugar. China's nationwide 'sugar reduction' movement started over a decade ago but continues to see a 12% YoY growth in engagement. Similarly, the category's 4-year CAGR grew by 11%, indicating that the sugar-conscious trend is likely to continue. **Sugar-free yoghurt**, for instance, saw a steady climb to 691K digital engagements over the last year, mainly driven by health.

In Indonesia, **low-sugar drinks** have been gaining traction in both store shelf visibility and in sales. With a 28% growth in CAGR over the last four years, Indonesians are showing appreciation for the beverage options that offer the benefits of lower sweetness but don't compromise on taste.

Low carbohydrates. A significant departure from the usually popular wheat or rice-based fried foods, **low carb snacks** have also been growing in popularity in Indonesia, as indicated by the 15% growth in CAGR over the last four years.

Low calorie. In Japan, there's been a 19% four-year rise in CAGR across **low calorie snacks**, as low carb diets gain popularity amongst audiences beyond the fitness-conscious and healthier snacks become readily available.

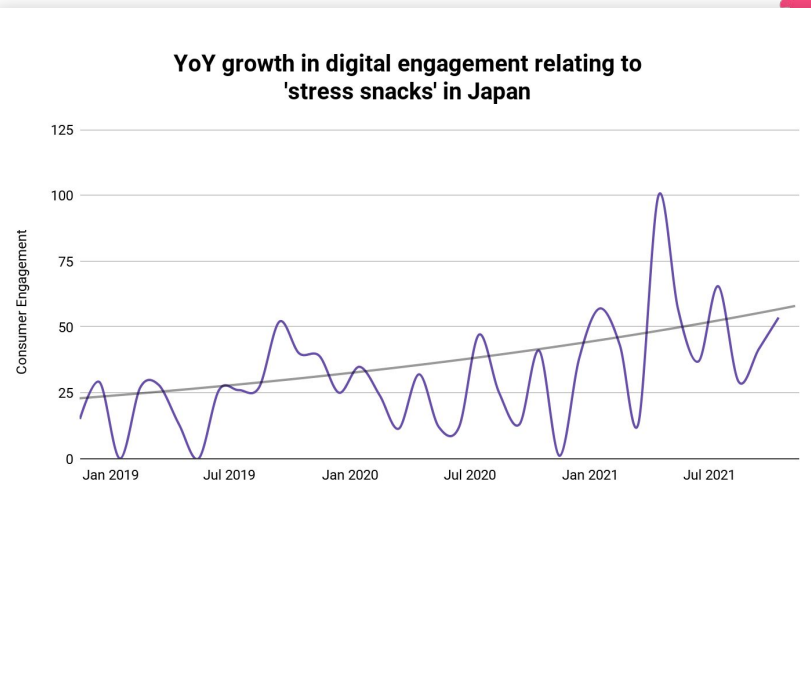
In India, snacks that are **'baked, not fried'** have steadily risen over the years, but a 4-year CAGR growth of 17% indicates that the trend shows no sign of slowing.

Low fat. In Thailand, consumers are generally weight conscious, but **low fat snacks** still saw a stunning 53% 4-year CAGR growth. In particular, a spike in April 2020 implies that sedentary lifestyles during lockdown is responsible for many weight loss-centric food choices.

Pandemic anxieties have driven consumers to seek better mental health management

As lockdowns continued, anxieties climbed and mental wellbeing dwindled. People sought ways to de-stress, including reaching out for **snacks**, as was the case in Japan with a 64% growth (195k+) in engagement. In India, people also turned to **L-Theanine**-fortified beverages, with a 89% YoY (11k) surge.

In particular, **adaptogenics** - ingredients such as ginseng, matcha or holy basil that are soothing to the nerves - have emerged as a growing trend, with 157% YoY (15k) growth in beverages in India (though it's not yet the case in foods).

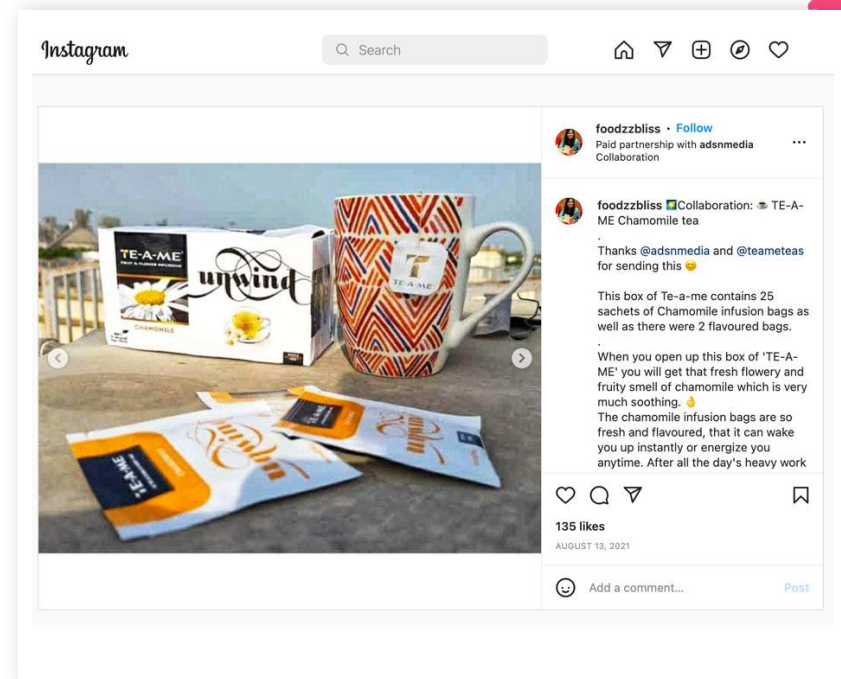


People are turning to foods and beverages to destress and improve sleep

While still a dormant trend, using foods and beverages to tackle insomnia is a growing trend, with a strong likelihood of it becoming an emerging trend. Brands that want to be ahead of the game should start exploring these high potential trends:

Melatonin in Indian beverages witnessed recent peaks, especially pertaining to better or improved sleep, and grew at a 16.2% 4-year CAGR.

Magnesium in Thai beverages grew at a 15% 4-year CAGR.



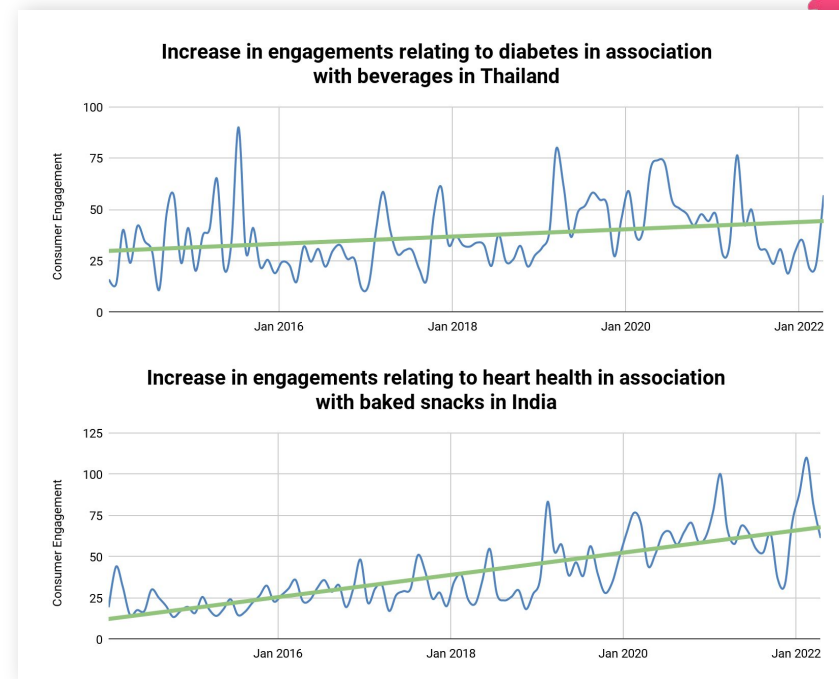
As people take better care of themselves, ageing healthily gains traction

Priorities shifted during the pandemic, prompting many to take better care of themselves both mentally and physically. While every country faces concerns about heart health, diabetes and youthful looks, some specific trends have emerged as the ones to watch.

In China, **collagen** has been long lauded for its role in promoting skin elasticity. While a mature trend, it has nevertheless seen continued growth at 18% YoY (2M+).

Similarly, **heart health** has become a concern in India, and has driven an 8% YoY uptick in snacks that are baked and not fried.

Prevalent in nearly 10% of adults in Thailand, **diabetes** grew by 22% YoY (263k+) and healthier sweeteners like Stevia, sweetgrass, moringa and luo han guo, saw a continuous rise in engagement, indicating that despite being a mature trend, growth is likely to continue.



Source: [Diabetes Journal](#).

Note: 'YoY' refers to the time period between Nov 2020 - Oct 2021. Data in parentheses represents the size of the data set on which the trend is based.

'Mature' refers to a high volume and a negligible rate of growth.

Tailoring plant-based

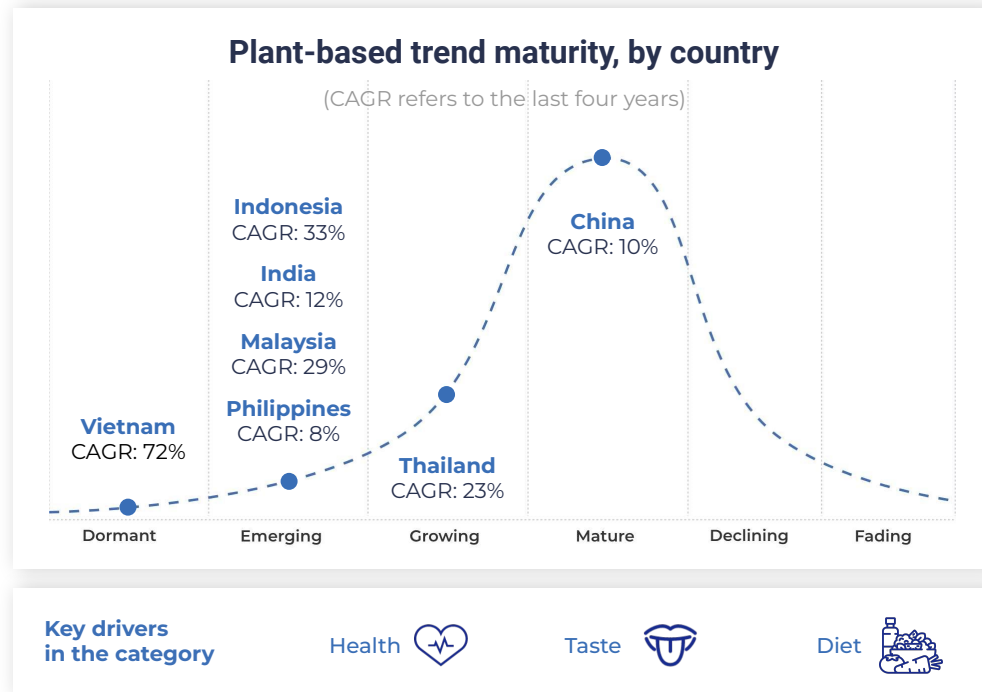


Plant-based foods popularise across markets, but at differing maturity levels

Plant-based food substitutes aren't new to many Asian cultures but it's the first time they're so readily available on menus and store shelves.

When consumers consider whether or not to switch to plant-based products or which plant-based brand to try, the most common evaluation criteria are **health**, **taste** and **diet** (ie. veganism). Interestingly, sustainability isn't a driver.

Understanding that each market may have a different relationship with meat consumption, plant-based brands are increasingly **localising** their products to meet the needs of each market.



Note: Trend classifications are drawn from the time period between 1 Jan, 2017 and 30 Sept, 2021. 'Dormant' refers to a low volume of engagements with a negligible rate of growth. 'Emerging' refers to a low volume with a positive rate of growth. 'Growing' refers to a high volume with a positive rate of growth. 'Mature' refers to a high volume and a negligible rate of growth.

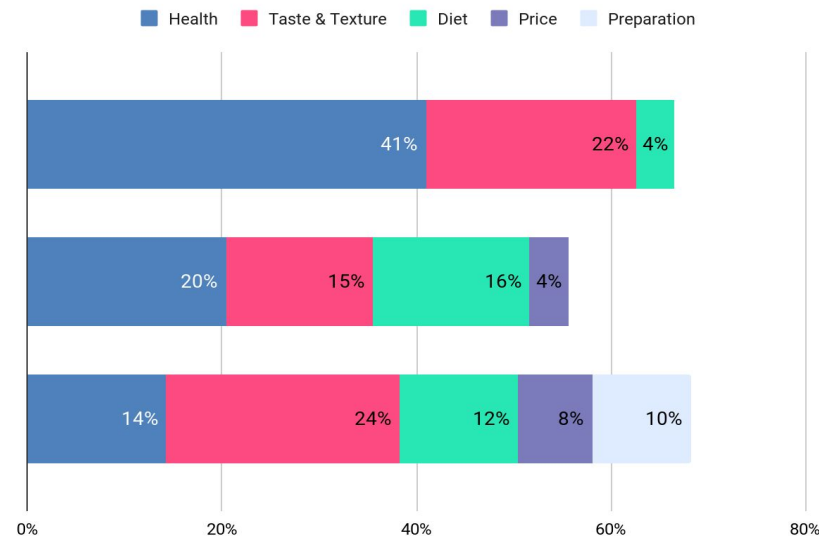
Localising to market preferences key to plant-based success

When it comes to choosing the right plant-based product in China, **health** is the front-running driver for most consumers, while taste and texture tend to come in as distant seconds.

In Thailand, however, taste didn't factor at all, whereas **diet** serves as the primary influence over product choice. Food regimes such as high-protein, vegetarian, keto and weight loss are amongst the top reasons why people turn to plant proteins, and can serve as inspiration for any upcoming new product. Health also factored relatively high, being only three percentage points below diet.

In Indonesia, consumers are most unwilling to compromise on **taste and texture**. Following, health and diet carry similar importance and are both taken into consideration when consumers evaluate plant-based options. Only in Indonesia does **product preparation** (ie. halal foods) comes up as a consideration.

Top category drivers in plant-based trends, by country



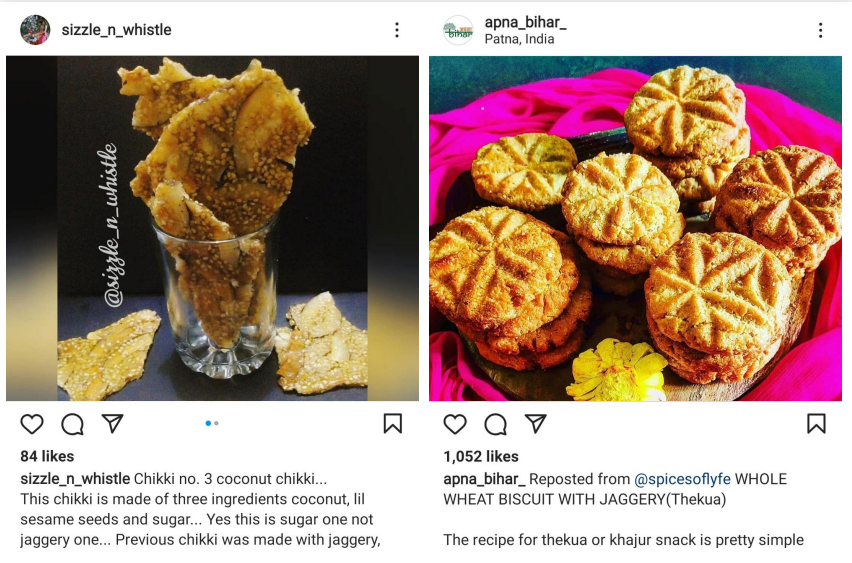
Convenience
as the new
key ingredient



APAC embraces the convenience of online purchasing - a shift that's here to stay

E-commerce exploded over the last two years and is a behavioural shift that's proving to be sticky. According to Google, >95% of those who started using e-commerce platforms in 2020 intend to continue using them going forward, citing convenience as the main reason to stay.

In Thailand, engagement around online purchases have risen by 29% YoY (1M+) and 64% of users intend to continue post-pandemic. Engagement around **beverage deliveries** such as milk tea or bubble tea, for instance, have surged by +29% YoY (1M+).



Key drivers in the category Convenience Price (affordability, discounts)

Source: [The Drum, e-Economy 2021 by Google](#).

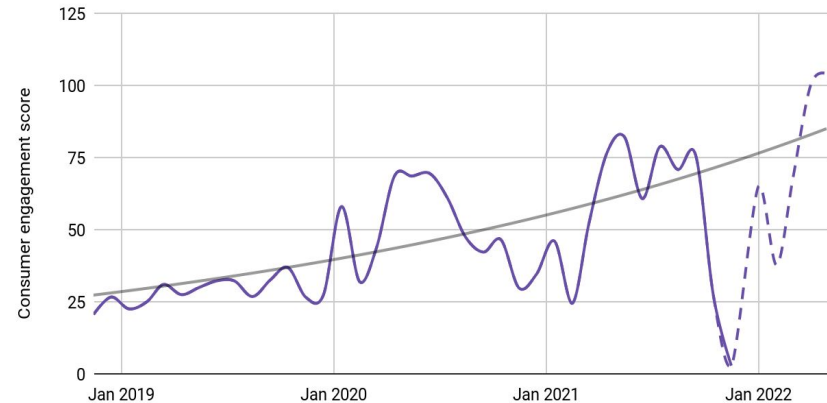
Note: 'YoY' refers to the time period between Nov 2020 - Oct 2021. Data in parentheses represents the size of the data set on which the trend is based.

Ready-to-eat and easy-to-cook gain momentum as convenience is prioritised

Indonesia's interest in **ready-to-eat foods** has also been gaining ground and reached its peak in July 2021 when its 4-year CAGR hit 30% - a trend that'll probably continue as people return to work and pre-pandemic routines.

Similarly, **three-ingredient recipes** have popularised in India as people remained homebound without readily-available access to cooked foods. This growing preference for easy, convenient meals is a significant departure from the country's norms of home-cooked and ready-purchase meals.

Increase in engagement related to online delivery in association with beverages in Thailand



**Key drivers
in the category**

Convenience



Price
(affordability, discounts)



Key opportunities for CPG product innovators

Identify new occasions for your product

Find opportunities in the new consumption patterns that have emerged out of the pandemic.

For instance, if you have a grab-and-go breakfast product, and long commutes are no longer ushering people out the house in the morning, consider presenting your product as a part of a more elaborate breakfast plan or as a ingredient at other mealtimes.

Explore the potential of category crossovers

Explore cross-category influences to see if there might be fresh and viable new product lines to create. By identifying rising trends in adjacent categories, you might find potential crossovers that are a good fit with your core products.

A baked goods brand, for instance, might consider moving into confectioneries or an alcoholic beverage brand might cross into non-alcoholic products.

Develop product formats that address today's needs

Rethink how your product can be presented in new formats and appeal to new audiences or consumption behaviours. Digitisation, sustainability and climate change mean that consumers today have fast and ever-changing needs. Re-introducing a much-loved product in more relevant ways can create a step-change.

For instance, bottled water producers have started experimenting with less polluting packaging, such as boxed or canned.

About Ai Palette

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REQUEST A DEMO

Ai Palette helps the world's most agile CPG brands create their next bestseller by spotting consumer trends in real time.

Our predictive analytics solutions automatically spot food and beverage trends as they emerge. CPG product innovators use the Ai Palette platform to unlock timely market insights, enabling agile new product development and keeping brands relevant to today's consumers..



To find new growth, we cannot take a reactive approach. We need to proactively predict what consumers are going to look for and lead the conversation.



Sanjib Bose

CMO, Southeast Asia
Kellogg's



Using Ai Palette, we're able to identify white spaces, build relevant product concepts based on local consumption drivers, and understand whether a market is ready for new and upcoming categories.



Chik Liang Tan

Product Line, Innovation & Marketing Director,
Texturizers and Specialties, APAC
Cargill

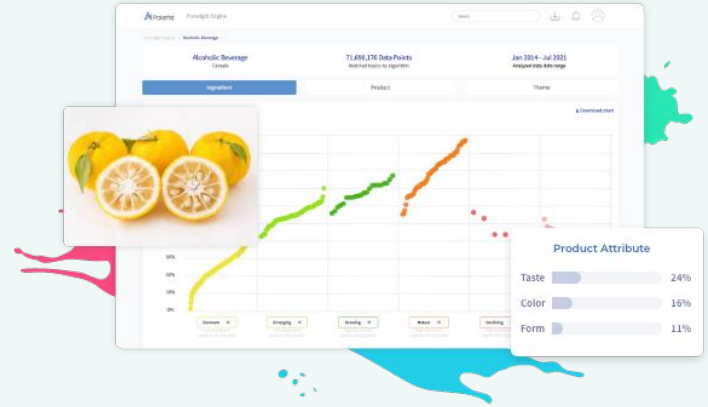
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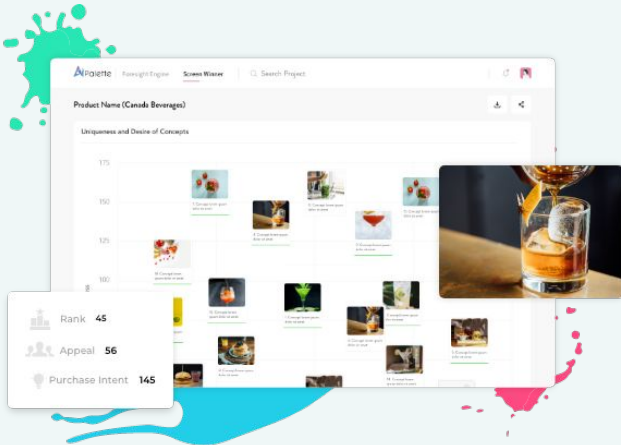
Foresight Engine

Foresight Engine is a live trendspotting platform that provides CPG product innovators with a comprehensive contextual understanding of a product, ingredient, or macro trend's maturity, the consumer drivers behind them, and a six-month prediction of their growth trajectory.



Screen Winner

Minimise the guesswork before investing heavily in new product development. Screen Winner analyses consumer reception to product ideas to help inform concept development and selection.



About Ai Palette: Technology

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Diverse data sources

Going beyond social media and search data, the Ai Palette dataset includes on-premise, e-commerce and other data sources. When combined, this is a more accurate indicator of consumer behavior.

12 billion data points analyzed to-date

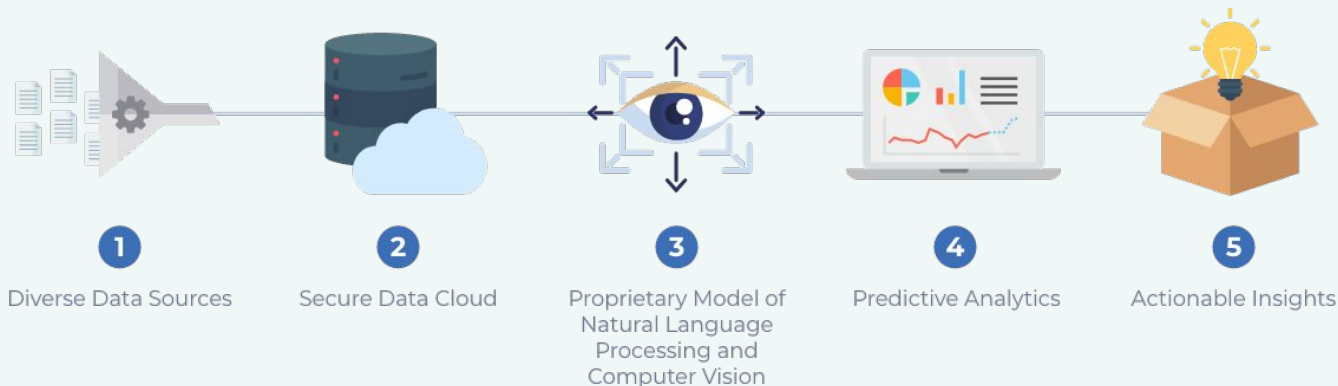
And growing as our system continuously ingests new data.

AI trained on category-specific language and images

Ai Palette algorithms are trained to understand food and beverage nuances, using natural language processing and computer vision.

Real-time information on a trend and its predicted trajectory

The Ai Palette platform is powered by predictive analytics that help you understand a trend's behavior and drivers today and how it may evolve.



Thank you for reading. What's next?

Whenever you're ready... here are three ways we can help create your next best-selling product.

- If you'd like to evaluate Ai Palette's platform, datasets and pricing, [claim your customised demo today](#). A growth expert will reach out and determine the best way Ai Palette can help.
- If you'd like to understand how CPG product innovators are adopting AI for superior consumer insights, visit our [resources section](#) for customer stories and trend reports like this one.
- If your team or industry association might find this report useful, [reach out to us](#) to organize a dedicated presentation. We are always happy to share these insights with the industry.



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