



Bluegrass
INGREDIENTS®

Capturing Greater *'Share of Calories'* Amid Shifting Trends and Tightening Budgets

"Share of wallet" is an established business concept focused on how much money a consumer spends with a particular brand as compared to its competitors. The food and beverage industry has a related metric, "share of stomach," that measures where consumers are spending money on food, including restaurants, grocery stores, meal kits, etc. "Share of Calories" offers a twist on those metrics with a focus on what consumers are eating with analysis driven by established and emerging food market trends.

In today's economic environment, most consumers are placing an increased focus on cost.

For food manufacturers, maintaining or increasing share of calories with customers means identifying ways to solve for trending consumer demands while also keeping prices in check.

Bluegrass Ingredients has identified three tactics to help our partners achieve this as they develop and refine ingredients and formulations.



1. Develop a more targeted understanding of customers

Economic uncertainty and the pressures that come with it are not affecting all parts of society equally. That's leading to a significant split in shopping habits among those relatively unaffected by economic factors and those forced to make hard choices around their food and finances. Deloitte has [noted](#) this division in consumer products more broadly, while NPD Group [identified](#) this as one of six primary macro trends shaping food and beverage consumption behaviors today.

For food manufacturers, navigating this bifurcation starts with a deeper understanding of who their current and prospective customers are, the economic impacts they're feeling, and the priorities that rise to the top when shopping for calories on a limited budget.

2. Deliver a more affordable return on values

While the economic crunch is affecting everyone differently, unchecked inflation and talk of looming recession have entered the national consciousness, leaving all consumers to consider cost along with other priorities when it comes to their eating and spending habits.

Existing preferences around nutrition, sustainable farming, environmental impact, wellness benefits, and more are still in play, but consumers may not be willing to pay as much for them.

According to Innova's top 10 food and beverage trends of 2023, consumers are looking to reduce cost in a conscious way. Consumers said they'd be most likely to spend more on fresh products, locally produced products, and functional ingredients that boost physical health. When it comes to share of calories, manufacturers in these spaces have an opportunity to double down on these value props in justifying cost, while those with more processed offerings will need to look to reduce cost or enhance benefits in other ways. A related trend Innova identified was consumers focused on affordable nutrition, noting an 86% increase in year-over-year growth in food and beverage launches with a budget claim. There's opportunity to harness innovation in development to maximize efficiency and yields, Innova concludes.

3. Formulate more compelling impulse buys

As consumers tighten their spending, competition heats up over the impulse purchases people make. Innova calls this "revenge spending" in highlighting a compelling paradox in post-pandemic consumer food behaviors and share of calories trends. People are spending more on food and beverage post-lockdown, while at the same time they say they are trying to save money. People are willing to splurge, but it has to be on the right product. According to Innova survey data, almost three in five consumers who say they have a worsened financial situation also say that they are likely to make a one-time impulse purchase "when the food or beverage product is innovative in flavors/tastes."

Innova points to limited edition products and trendy or innovative twists on established food and beverage brands as key strategies to compel consumers to make an impulse purchase.

Partners in Shoring Up Share of Calories

Maintaining and enhancing share of calories with consumers means finding innovative ways to pay off these trends while keeping costs in check. Through our [Agile Ingredient Innovation](#)[®] approach, Bluegrass Ingredients has helped countless customers do just that through true collaborative partnerships rooted in innovation and a deep understanding of consumer trends. Our culinary specialists and R&D experts work side by side with customers to concept, develop, test, and implement offerings that deliver on flavor, form, and function within strict cost and ingredient parameters.



To learn more about Bluegrass Ingredients' concentrates strategies around growing share of calories with target customers, [contact us](#).

