

Top 4 Grocery Trends Driving the Keto Food and Beverage Industry 2019

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When most of us think about the industries that are driving economic growth, we probably think about the technology, electronics, and telecommunications sectors that seem to be omnipresent in today's society. Even though [81 percent of Americans](#) own a smartphone today, it would be safe to say that 100 percent of the American population has spent money at a supermarket within the past month. The grocery industry is booming, and total sales in grocery stores across the country added up to [\\$674 billion in 2017 alone](#). The retail food industry, like every sector of the economy, responds to recent consumer trends. The societal changes and demographic shifts mean that the food items found on the shelves of your local supermarket are most likely much different from what your parent's generation found. Below, we look at four of the most influential current grocery store trends that are helping to drive the Keto food and beverage industry.

The Top 4 Keto Food and Beverage Industry Trends

Millennials Demanding Access to Information

The Millennial generation is loosely defined as people who were born between 1980 and 2000. According to the United States Census Bureau's registered birth dates between 1982 and 2000, the [estimated number of U.S. Millennials in 2015 was 83.1 million people](#). As a generation, Millennials now outnumber the Baby Boomers and represent the largest age group of people in the country. Because of their demographic standing, Millennials are playing a significant role in shaping our economy and our consumer choices.

Millennials grew up in the Internet age, and are the first generation who have come to expect information to be (literally) at their fingertips. This demand for greater access to information has also affected their diets and how retail food companies market their food products. This generation expects transparency from the food industry relating to ingredients, sources, and manufacturing processes. The Nutrition Labeling and Education Act was initially passed in 1990, though today, many food brands go above and beyond legal requirements that ask for percentages of calories, fats, and sugars. It isn't odd to find food products in a grocery store that offer specific and meticulous details related to the source of the food, its nutritional benefits, and organic and environmentally friendly growing practices.

This consumer demand for greater access to information coincides with a similar call for healthier and more wholesome food alternatives. As grocery stores search for food brands that are willing and able to offer clear evidence of the health-qualities of their products, brands within the Keto food and beverage industry are best poised for growth. People on the Keto and other low carb diets are notorious for taking time to research nutrition labels to ensure that they maintain their specific low carb targets. With grocery stores continuing to prioritize items that willingly offer transparent product information, Keto food and beverage brands should be able to find a niche to exploit.

Healthier Snack Trends

Grocery stores have long been notorious for their broad and differentiated snack aisles. Even after browsing through hundreds of chips, candy bars, and soft drink alternatives, consumers usually have one last opportunity to stack up on snacks while going through checkout. The problem, of course, is that our penchant for unhealthy snacking is part of the reason why obesity affects close to 40 percent of the population in the United States.

Expecting households to return to eating a healthy three meals a day, however, is quite unlikely. According to a recent report analyzing trends in modern consumer snacking culture, 94 percent of Americans snack at least

once a day. Even more surprising is the fact that snacking accounts for half of all eating occasions. We live busy lives, and between work, school, and other activities, many people find that they do not have the time to prepare meals.

Consumer demand for healthy snack options is one of the quickest growing elements of the retail food industry. The global healthy snacks market size was valued at USD 23.05 billion in 2018. Grocery stores are searching to replace the empty, refined carbohydrates which are a staple in many snacks with options that incorporate healthy fats and high amounts of vitamins and minerals. This creates an excellent opportunity for Keto food and beverage brands to gain a foothold into the retail food industry.

The Ease of Online Grocery Shopping

When Amazon bought Whole Foods Market in 2017, it was a sign that significant changes were occurring in how people purchased their food. While only 3 percent of all grocery spending currently takes place online, the primary food retailers such as Wal-Mart, Kroger, and Amazon all have online food purchasing services and continue to invest in low-cost food delivery services. One report estimates that the percentage of grocery purchases online will grow to almost 10 percent by 2020. This increase obviously demonstrates the growing influence of e-commerce in our lives and economy, but it also speaks to increasing consumer demand for specialty food items.

A recent report from the Specialty Food Association found that Specialty food sales outpaced the growth of all food sales, adding up to \$147.8 billion in 2018. If there are limited food options at a local supermarket, consumers are increasingly recurring to e-commerce platforms for their grocery shopping. A recent search on Amazon for “Keto-friendly foods” resulted in over 6,000 products, showing that online grocery markets are another opportunity driving the Keto food and beverage industry.

Increased Demand for Wholesome Ready-to-Eat Meals

The lack of time we have to dedicate to preparing food in our kitchens is part of the reason why “ready-to-eat” meals are also on the rise. Tastewise is a food-tech startup company that specializes in using artificial intelligence (AI) and machine learning to detect trends in the global food industry. They have developed a technology that searches through millions of individual social media posts related to food preferences that are shared each day. The AI platform is then able to discover trends in these social media posts and can detect emerging tendencies within the food market.

In a recent interview with Alon Chen, the CEO of Tastewise, Chen stated that “ready-to-eat foods are big business for grocery stores and that’s only going to continue. Whole Foods, for example, has an extensive prepared meals selection. Even hotel restaurants today feature retail areas with prepared food.” The production of “ready-to-eat,” Keto-friendly meals is another opportunity that can encourage and stimulate growth within the low-carb food market.

Consumer demand for greater access to food information, a desire for healthier snack alternatives, growth in online grocery sales, and the growing consumer need for “ready-to-eat” meals are four current grocery trends that will continue to drive the Keto food and beverage industry in the immediate future.