

Nestlé ITR's Food Reimagined concept increases apathy and inspires change



NITR's Food Reimagined concept is about driving strategy execution and inspiring the channel to think differently about the category

Leveraging the downtime enforced by the pandemic in 2020-2021, Nestlé International Travel Retail began exploring how it could grow the confectionery and food category and accelerate industry recovery overall.

Whilst one would expect a difference between domestic and travel retail markets, when we looked at category performance we saw that food and confectionery was at best flat in global travel retail, but experiencing double-digit growth in domestic. Breaking the category down, we discovered that confectionery was 77% of sales in travel retail vs. 7% in domestic. Subsequent bespoke research among travelers of key nationalities on the appeal to explore different food segments confirmed a clear opportunity for category growth.

As an industry, travel retail had been experiencing spend and conversion decline before the pandemic and one of the drivers of this was the increasing apathy of travelers towards the travel retail offer, particularly the younger generations.

As the world's largest food company, it felt natural that we should lead the development of this growth opportunity - not only for the category, but also the industry - and thus our strategy to make food the number one most purchased category in travel retail launched at TFWA Cannes in 2021.

This strategy is underpinned by our VERSE model, which is designed to unleash the growth potential of food. VERSE is based on five key category growth drivers: value, engagement, regeneration, sense of place and execution.

Food Reimagined

Driving strategy execution is the core objective of our Food Reimagined project, as well as inspiring the channel to think about food differently and prioritize the category.

In late 2022, we engaged industry experts Portland Design, who we had previously worked with on other projects and who were aligned with our strategy about delivering thought leadership and inspiring change by pushing boundaries.

At the heart of the brief was delivering an “Antidote to Apathy” to address the spend and conversion decline and create a space where travelers would want to linger. Other main components of the brief included:

- Harness the strength of food as the most appealing category across all age demographics (with a focus on Gen Z as the future largest shopper segment)
- Leverage the unique ability of food to appeal to all of the senses
- Incorporate all elements of the VERSE model

We launched Food Reimagined in October of last year and have engaged separately with key customers and the feedback has been hugely positive. The theme of Food Reimagined is about creating The Emporium of Goodness, which is built around three design drivers: Let’s Do Good. Let’s Be Good. Let’s Feel Good. The first driver has to do with being environmentally conscious, and supporting local; the second with making healthy choices and treating yourself, as well as others well; and the third is based on building shareable experiences and making memories.

Design and execution

Retailers are the experts at designing and delivering shops and we would never claim to know better. Rather than a blueprint design, Food Reimagined is a set of principles to follow in order to create inspiration.

Key recommendations:

- Lead with local as a sense of place purchase and engagement driver; followed by confectionery, and then global and local combinations and snacking (space per subcategory based on local needs)
- Group food in one location vs. confectionery in a different location; group local food together and set apart from other subcategories
- Merchandise according to meeting an occasion vs. offering brand personalization
- Promote cross-category concepts that create bridges between subcategories
- Position sustainability at the core of design and implementation
- Embed digitalization and personalization throughout the experience
- Bring to life the space through multi-sensory touchpoints

Food trends change frequently and to embrace these and refresh the store we recommend creating a space last in flow that can be re-merchandised and updated easily.

The response to date from our retail partners has been overwhelmingly positive and we are delighted to be engaging with several to translate certain concepts and trial in-store. These include wellbeing concepts, hot drinks and biscuits, gifting, and sustainability.

We are excited about this next phase as we continue on our journey to make food the number one most purchased category in global travel retail.

Check out an animation video of Nestlé International Travel Retail's Food Reimagined concept [here](#).