WHAT’S THE FUTURE OF PASTA? CHALLENGES AND OPPORTUNITIES IN THE GLOBAL MARKET

WORLD PASTA DAY AND CONGRESS 2015

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WHAT'S THE FUTURE OF PASTA? CHALLENGES AND OPPORTUNITIES IN THE GLOBAL MARKET

Euromonitor International: Strategic Global Market Research

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80 COUNTRIES
in-depth analysis on consumer goods and service industries

210 COUNTRIES
demographic, macro- and socio-economic data on consumers and economies

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CONCLUSION
Assessing the pasta market depends on your outlook

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Opportunities
- Global market expansion
- Adding value in core markets
- Product expansion

Challenges
- Low growth
- Difficult competitive environment
- Losing out to other staples
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Pasta in a nutshell

$3.7 / capita  
CONSUMPTION OF PASTA

25kg / capita  
PER CAPITA CONSUMED IN TUNISIA

6%  
GROWTH BETWEEN 2010-2015
A GLOBAL PICTURE

Pasta is popular globally

The Popularity of Rice, Noodles & Pasta 2015 (US$ million)
Yet it is too reliant on core markets

Global Sales of Pasta by Region 2015

64% of global pasta sales generated in top 10 countries
...And it’s underperforming in them
Private label driving down value growth in Western Europe
Qualified optimism for peripheral markets

Sales growth in peripheral markets, 2010-2015

5% of global pasta sales generated by top ten fastest growing countries
Pasta consumption heavily split globally

Retail Consumption of Staples 2015 (kg per capita)
Vicious circle in peripheral markets

- Cultural preference
- Limited availability
- Lack of affordability
Affordability a key issue for pasta

- **Rice**
  - US: 0.8 Mins
  - India: 13.9 Mins

- **Pasta**
  - US: 0.8 Mins
  - India: 27.2 Mins

- **Noodles**
  - US: 1.5 Mins
  - India: 14.4 Mins

**Time Taken to Purchase 100g of Pasta, Rice & Noodles – US & India, 2015**

- 1 minute to afford 100g pasta, rice and noodles in the US
- 14 minutes to afford 100g of rice and noodles in India
- 27 minutes to afford 100g of pasta in India
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Opportunities in core markets

Premium pasta

Health

Product expansion

Licensing & New Technologies
Rude health: healthy and organic pasta performing well

% CAGR by product type 2010-2015

- Gluten-Free Pasta
- Organic Pasta
- High Fibre Pasta
- Pasta

Asia Pacific | Middle East and Africa | Western Europe | Latin America | Australasia | North America | Eastern Europe
Consumers willing to pay more for premium and health products

Unit Price Comparison of Pasta by type

Chilled | HW | Dried
---|---|---
Italy | France | Germany

Unit Price per kg (2015)
Private label presence weaker in sauces and ready meals

**Private Label % Market Share of Pasta and Pasta Sauces (2015)**

**Italian Ready Meal Presence in Largest Ready Meal Markets 2015**

*Note: Bubble Size denotes percentage of ready meal sales from Italian Chilled and Frozen Ready Meals. Sizes range from 0-22.4%*
The future of pasta: licensing and new technologies

Spending per Household on Food and Food Preparation Appliances 2014 (US$)

Spend per Household on Cooking Appliances 2014 (US$)

Israel

Norway

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Increasing availability in peripheral markets a must

- Effort to reduce unit prices
- More widespread distribution
- Long-term strategy

Result: Increased comfort with pasta

Rice and Noodles brands in India, 2015 (US$ million)

Note: Orange columns denote noodle brands
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Strategies for success sharply divided globally

Core markets
- Developing synergies
- Differentiating from private label
- Focus on value growth

Secondary & tertiary markets
- Increasing pasta occasions
- Improving availability
- Establishing brand presence
CONTACT DETAILS

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