CONSUMER INSIGHTS

May 2019

EVOLUTION OF HEALTH

Health has long been a concern for consumers and is a topic that AHDB monitors regularly. In 2017, a report was published reviewing the importance of health to consumers and the key trends at that time. Two years later, health has continued to be a hot topic of conversation, attracting more media attention, government focus and general scrutiny, bolstering consumer expectations. For that reason, this report focuses on how the meaning of health has evolved since the 2017 report, and explores how the supply chain is reacting to these changing needs, as well as opportunities for the future.

KEY OPPORTUNITIES FOR THE INDUSTRY

- Communicate health benefits of AHDB categories – educate on the importance of a balanced diet in the context of guideline daily amounts, as well as sector-specific health advantages
- Retail and foodservice have an opportunity to aid and guide consumers with individual health needs through signposting, education, inspiration and personalisation
- Recognise and adapt to trends, for example, with the rise of flexitarians, ensure the taste and enjoyment of meat and dairy is communicated so consumers crave it on those flexible days
- Innovate to meet trends, for example, crossover products that meet the needs of consumers by cutting back on certain aspects of a product and replacing it with another without eradication, e.g. flexitarian products and potato/vegetable products
- AHDB sectors can support various diets, for example, red meat utilising the carcase for differing leanness needs, and dairy exploring further claims such as high protein

KEY FACTS

- **Health is important to 62% of consumers but is only a driver of food choice for 33% at home and 7% out-of-home**
- **The value of the retail health market is £20.8 billion, growing by +1.4% year-on-year. This growth is through existing health-conscious consumers eating healthier more often, rather than new shoppers entering the health category**
- **Health means different things to different people, evolving constantly**
- **Recent growth of the health market has been driven more by 'managed-led' health (restrictive diets, for example, low in fat), rather than 'benefits-led' health (diets focused on adding, for example, added vitamins)**
- **Trending diets currently include the plant-based diet and low carbohydrate/high protein diets**
- **New product development in the market capitalises on, and drives, these trends but opportunities are still there for health claims**

HOW ARE CONSUMER PERCEPTIONS REGARDING HEALTH CHANGING?

Consumer concerns about health remain high but at a constant level, with 62% of consumers claiming they try to eat healthily all or most of the time, which is unchanged since the 2017 report (Mintel, Attitudes towards Healthy Eating UK, February 19). However, according to Public Health England (PHE), diet-related health issues in the UK are also high – which highlights a potential disconnect between what consumers claim is important and how they behave.

When deciding what to **eat at home**, health is a driver of food choice for 33% of the population, according to Kantar Worldpanel (52 w/e 30 December 2018). While the figure has increased by 10% since 2015, it remained static in the last year – indicating a slowdown of **new** shoppers entering the health category more recently.

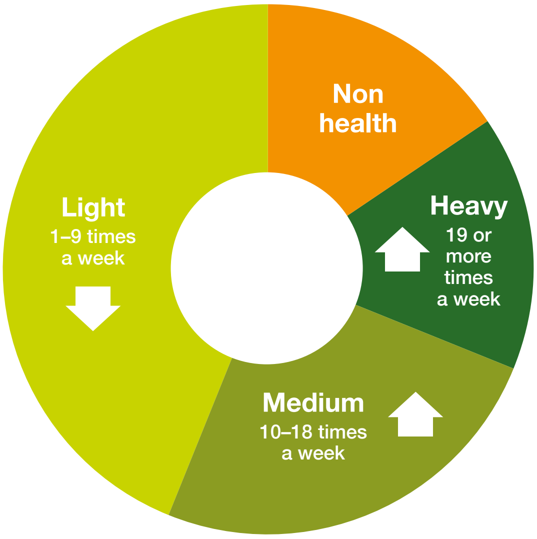


Figure 1. Share of population and growth of in-home health occasions per week among different health consumers

Source: Kantar Worldpanel, Total in home and carried out consumption, 52 w/e 12 August 2018

Despite this, the value of the UK retail health market continues to grow at +1.4% year-on-year, currently estimated to be worth £20.8 billion. The growth, therefore, comes from evolving needs of **existing** shoppers, as the healthy become healthier – consuming more healthy meals each week and demanding more from their in-home food choices.

When **eating out**, health is naturally less of a priority as the 'treating' element comes into play. According to Kantar Worldpanel, only 7% of meals eaten out of the home (OOH) are chosen for health reasons, compared with 33% at home – although the OOH figure is rising steadily. Despite being a 'treat,' latest figures show the average UK adult eats out 15.6 times a month (MCA Eating Out Panel, Y/E December 2018), making OOH food consumption a significant contributing factor to health issues in the UK. A big driver of this is portion sizes, as these are typically bigger OOH, according to PHE. Therefore, health cannot be ignored OOH and it is restaurants that are addressing the health needs of their customers that are performing well. According to MCA, the top 10 healthy restaurant chains in the UK saw +7% growth in 2018 compared with total OOH growth of only +1%. 'Time Out' claims their 'best healthy restaurants' page is one of their most popular – proving consumers actively seek out healthy meals (MCA + Time Out, The unstoppable rise of healthier eating 2019).

'Healthy eating' means different things to different people. The health market is split into meals chosen for managing health **(managed-led)**, removing or restricting something from the diet (for example, low fat, sugar and salt), and those that are **benefits-led**, as you add or increase something (for example, contributes to your five a day and added vitamins). During 2016/17, consumers were increasingly choosing healthy meals for their added benefits, such as higher levels of fibre and vitamins, as well as being more natural and less processed. These benefits continue to be important for 53% of health conscious consumers in 2018. However, growth of benefit-led occasions have slowed, and health meals chosen for their restrictive nature (managed-led) have contributed significantly more to the growth of the health market from mid-2018 (Kantar Worldpanel, 52 w/e December 2018).

Benefit-led health

80% of health needs chosen are:

- Added health benefits
- More natural/less processed
- Contributes to a varied diet
- Contributes to your 5 a day

+342 million occasions

Managed-led health

20% of health needs chosen are:

- Lower in fat/salt/sugar content
- Lighter/less filling
- Calorie/portion control
- Healthier alternative

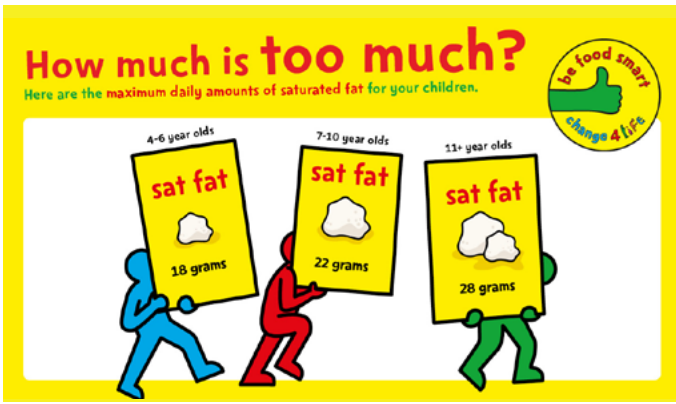
+846 million occasions

Figure 2. Breakdown of in-home health needs and growth year-on-year

Source: Kantar Worldpanel Usage Data, 52 w/e December 2018

Recent media attention around government action on health could be fueling the resurgence in managed-led health. This includes legislation such as the Soft Drinks Industry Levy (SDIL), introduced in 2018, as well as campaign work, including 'One You' and 'Change4Life' – which focuses on adults restricting their calorie intake and families making simple food swaps to lower fat, salt and sugar. Following the positive progress reported by PHE for the SDIL, they have recently published a programme that challenges the food industry to achieve a 20% reduction in product calories by 2024. They highlight ranges such as ready meals, pizzas and sandwiches, across retailers and foodservice, encouraging reformulation or portion control. In the future, government pressure and legislation is likely to intensify and target wider food categories if the UK continues to exceed dietary guidelines.

As well as more government attention, there has been a significant rise in the number of celebrities and social media influencers endorsing certain diets and lifestyles, driving trends into the limelight. The likes of Joe Wicks continues on his momentum, now a regular on our TV screens. But the pool for attention widens as social media food bloggers grow with increasing power. An example being DeliciouslyElla, a healthy eating plant-based blogger from the UK. Starting her journey in 2012, she now has 5 books to her name, a restaurant, and products stocked across top retailers. Her daily meal suggestions reach her 1.5 million Instagram followers, all of whom unlikely to be on a strict plant-based diet themselves, but still using her for meal inspiration.



WHAT ARE THE CURRENT TRENDS IN MANAGED-LED HEALTH?

Restricting what you eat can be short or long term, sometimes involving a complete lifestyle change, altering just part of the week or a quick fix diet to achieve goals such as weight loss. 'New Year, New You' and achieving that 'holiday body' makes January and early summer key times to adopt new health regimes. Despite a strong government focus on lowering the intake of salt, sugar, saturated fat and calories, it is important to understand some of the more niche managed-led health initiatives consumers are choosing. Recent articles in the media have highlighted a number of these popular diets – all of which can impact AHDB categories. These are:

1. The plant-based diet

2. The low carb diet

3. The high protein diet

The plant-based diet

Initiatives such as Veganuary and Meat Free Monday have driven high levels of media coverage for this diet, with search interest in veganism achieving its highest levels in January.

As identified in the ***Consumer Focus: The rise of plant-based food products*** report; despite high levels of attention, a full-time plant-based diet is only adopted by a minority. Unchanged since previously reported in early 2018, 2% of consumers currently claim to be vegan and 7% vegetarian (AHDB/YouGov Tracker, February 19). Kantar food usage data has indicated the vegan population is actually lower than claimed at only 0.6% (Kantar Worldpanel Usage, 52 w/e November 2018).

The key driver of vegan and vegetarian lifestyles is animal welfare, with health a secondary motivation. In contrast, health concerns are the number one driver for flexitarians – who are cutting down on meat and dairy, but not removing it entirely, as they still appreciate benefits, such as taste. According to Kantar, flexitarians currently account for 8% of the population and have grown in number by +10% year-on-year (Kantar Worldpanel Usage, 52 w/e January 2019).

Figure 3. Google interest over time – Vegan

Source: Google Trends UK

Aiding all three of these lifestyles has been the rise in food offerings that cater to these needs, innovating to clearly stand out as exciting and new. According to Mintel, the UK had the highest number of vegan product launches in 2018 – with as many as one in six holding this or a no animal ingredient claim – toppling Germany from the 2017 top spot (Mintel, #Veganuary Press, January 2019). However, in Germany, the number of vegan product launches has plateaued due to market saturation, a warning to the UK market, especially when you consider the small size of the vegan population.

NPD in this area covers a range of concepts including:

Direct substitutes

Meat substitutes accounted for 9% of new launches in the processed meat, fish and poultry market during 2018, and dairy substitutes account for 36% of new launches in the milk, dairy drinks and cream market during 2017 (Mintel GNPD). Increased shelf space has aided volume growth, with both meat and dairy substitutes up +11% year-on-year (Kantar Worldpanel, 52 w/e 24th February 19). Launches, which focus on replicating a meat or dairy experience, show no signs of slowing, with recent publicity focusing on the use of jackfruit, seitan and vegetable juice pulp.

Convenience products

The range of vegan alternatives in the processed category is becoming more adventurous, covering ready meals, condiments and desserts. They are proving so popular on shelf that 86% of plant-based meals are actually eaten by non-vegans (Kantar Worldpanel, 52 w/e 24 July 18). This has fuelled volume growth of vegan- and vegetarian-claimed products, which are up +13% year-on-year (Kantar Worldpanel, 52 w/e 24 February 19).

Flexitarian products

Flexitarian options are entering the market at a slower pace. With a focus mainly on the sausage market, this flexitarian category is being eaten by just 2% of consumers – compared with the 8% of the UK population who are flexitarian. This highlights a huge opportunity for meat producers to innovate in this area and accelerate volume growth from the current modest +3% (Kantar Worldpanel, 52 w/e 24 February 19). The concept of combining meat with plant-based ingredients can extend to other categories, for example, ready meal processors could benefit from this trend by adopting a clear flexitarian message on pack. In April 2019, Tesco announced it was launching a ‘Meat & Veg’ range that extended the flexitarian offering to cover beef or lamb mince mixed with 35% vegetables (carrot and onion). This targets those who cook from scratch, with mince being the base for popular dishes such as bolognese, lasagne or meatballs.

Figure 4. Sainsbury’s meat free meatballs, Meatless Farm Co mince, Tesco meatless bacon, ABP Equals burgers

Figure 5. M&S Plant Kitchen Mac’n’cheese and Hellmann’s vegan mayonnaise

Figure 6. Debbie & Andrews Flexilicious Sausages and Sainsbury’s Love Meat & Veg

The low-carb diet

The low-carb diet is gaining attention, with 14% of consumers claiming they are concerned about carbohydrate content when eating or choosing food products (You Gov UK Profiles, Food Concerns, February 19). Around three-quarters of consumers agree that carbohydrates are a key part of a healthy diet and are a good source of energy. However, 30% are actively trying to eat fewer carbohydrates as part of their individual health needs (YouGov/AHDB Tracker, February 19).

As this trend gains momentum, carbohydrate volumes have levelled out at +0.2% compared with the retail market growth of +1.2% (Kantar Worldpanel, 52 w/e 27 January 19). In the last year, potatoes have been the winners in the category, gaining +0.9% volume sales, whereas bread has seen declines of -2.6%.

In store, the market has seen a move towards carb alternatives using vegetables, beans and pulses. While products do not always have low-carb claims on pack, the marketing behind these offerings imply the swap, for example, courgette instead of spaghetti. The market is yet to see a significant range of on-pack 'low-carb' claims, but there are a few examples, including bread maker Hovis. Innovations have started in the UK as well as globally, particularly in the US, with mixed potato and vegetable products. Examples include 'O That's Good' mashed potato with cauliflower and Farmwise potato and veggie fries. This highlights an opportunity for an equivalent flexitarian concept so people don't need to eradicate carbohydrates completely.

Figure 7. Tesco Courgette, Caulirice, Kettle Veg Chips and Magioni low carb pizza

The high-protein diet

As consumers restrict certain food groups such as carbohydrates in their meals, other food groups become the focus of the plate, with a trend towards high protein. Twenty-eight per cent of UK adults see a high-protein, low-carb diet as good for their overall health (Mintel, Attitudes towards Healthy Eating UK, February 19). A move towards high protein is also reflected in the nutritional composition of a typical shopping basket, which now features 6.2% more protein products than it did four years ago (Kantar Nutrition Service, 2018).

In the past, high-protein diets have been associated with gym goers who eat large amounts of lean meat to help build muscle. However, as the benefits of proteins, driven by essential amino acids, have become better understood, a focus on protein has become more widespread. Protein sources can be either animal- or plant-based. The market has also seen a rise in fortified products too. Last year, 5% of product launches in the UK food market had a high/added protein claim, up 3.1 percentage points since 2014 (Mintel, Attitudes towards Healthy Eating, February 19). Dairy is one category benefiting from this trend, with 'high-protein dairy' seeing +33% volume growth in the last year, achieving its highest penetration levels yet of 19% (Kantar Worldpanel, 52 w/e 24 February 19). This growth is faster than total dairy performance and dairy products with general health claims such as 'light'.

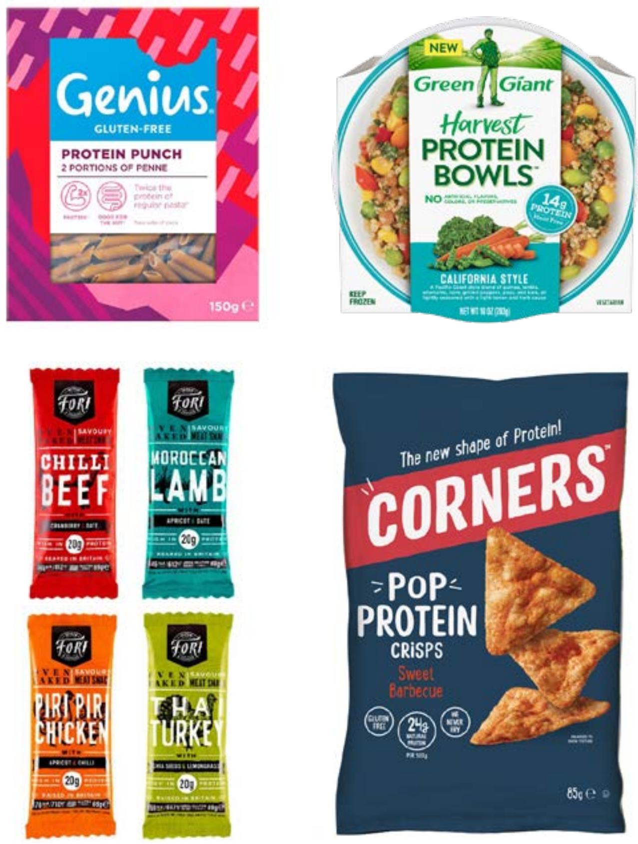


Figure 8. Genius protein pasta, Harvest protein bowls, Fori snack bars and Corners protein crisps

As well as dairy, high-protein claims are also appearing on products typically associated with carbohydrates such as pasta and crisps, made from pulses and legumes, as well as bread with wheat protein, all of which are able to carry a high-protein claim on pack.

As a result of the low-carb, high-protein trend, diets that have gained the most momentum recently are those focusing on the extremes of this concept. More traditional approaches such as calorie counting and Slimming World are still the most popular diets but, in third position, is the Ketogenic diet, which has seen a peak in internet searches at the start of 2019.

Raved about by some high-profile celebrities, the 'Keto' diet is a high-fat, low-carb eating plan, forcing your body to burn fat rather than carbohydrates for energy. It promotes fatty meat, full-fat dairy, eggs, avocado and oils, typically the foods you wouldn't associate with diets. At the same time, any high-carb foods are no-nos.

This rise in interest has prompted some product launches globally that target the specific keto consumer. However, they are not mainstream in supermarkets, as it is a very small and uncertain market.

Figure 9. Dang Keto bars and Rebel Keto ice cream

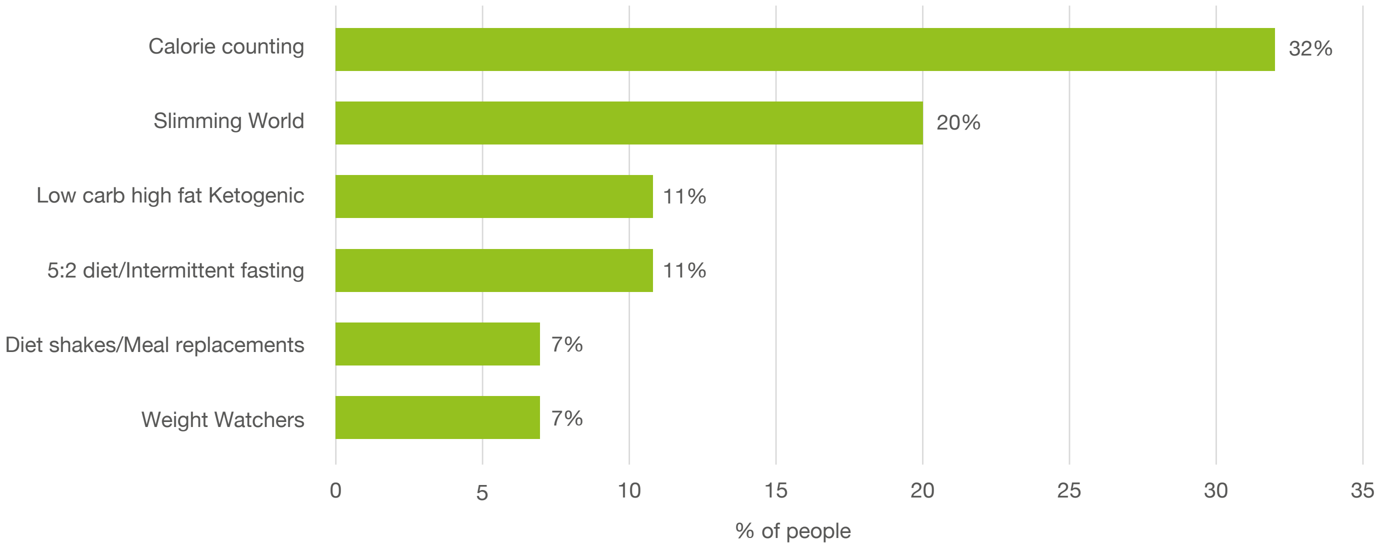


Figure 10. Top diet types chosen in the last 12 months (% of people)

Source: YouGov/AHDB Consumer Tracker, February 2019

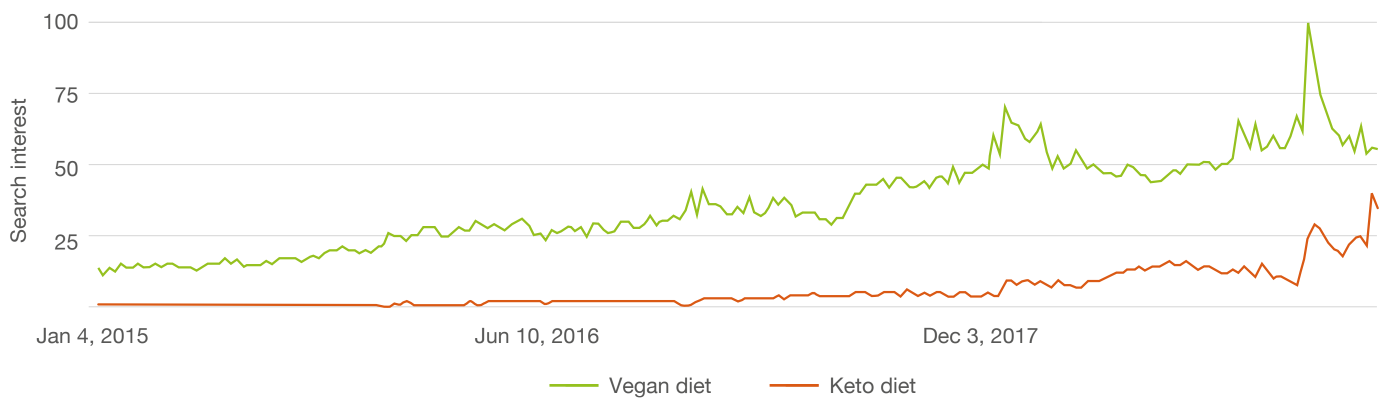


Figure 11. Growth in interest over time (Green = vegan diet, Red = keto diet)

Source: Google Trends UK

WHAT DOES THIS MEAN FOR RETAILERS AND FOODSERVICE?

Over the years, the consumer-facing end of the supply chain has been increasing its focus on health as importance has grown. As consumers seek out more information to make better-informed choices, the market is witnessing a growth in health-related products and menu development, as well as more health communication, merchandising and signage.

Currently, ‘health’ messaging can be quite mainstream. In retail, we see Tesco ‘Healthy Living’, Sainsbury’s ‘Be Good to Yourself’, Asda ‘Healthier Choices’ and Morrisons ‘Eat Smart’. In foodservice, menus signpost to ‘low calorie’ or ‘light choices’. These overarching health messages are good to cater to the masses. However, we have identified that health can be subjective, providing an opening for more tailored guidance that lines up with other diets and needs.

Supermarkets, restaurants and other retailers are embracing the big health trends, with plant-based messaging hard to miss. Dedicated aisles in store are being expanded to cope with the growth of plant-based and are, typically, coupled with general health messaging of ‘healthy alternatives’ – despite not always being healthier. In foodservice, there has been a significant rise in vegan dishes, up from 1% menu share in 2016 to 7% in 2018, stealing share from meat dishes (MCA Insights).

To understand how health messaging can evolve, it is important to understand how consumers currently perceive the health market offering. According to research by Pepsico, in partnership with Tesco, five barriers to making healthier choices include confusion, availability, cost, time and enjoyment (Tesco Little Helps Plan, October 2017). Therefore, simplified information to address these barriers is needed. Currently, on-pack nutritional labelling is claimed to be confusing by 44% of consumers (Mintel, Attitudes towards healthy eating, February 19). In foodservice, 31% of consumers agree they would eat out more often if there were healthy options more easily available (IGD, Eating Well & Eating Out, 2018).

Advancements are happening in the market to inform consumer choice and make the shopping experience easier. They include:

Signposting – there is an opportunity to group foods or products together that are a good source of a particular nutrient, or meet a particular dietary need. In retail, this could be via displays, on shelf signage and meal suggestions. In foodservice, this could be via menu signalling or merchandising either on-shelf or around the venue if it is food-to-go.

Education – to address the issue of confusion, more information on what products deliver in terms of nutrition and how that benefits consumers would be beneficial. For meat, dairy and potatoes, this could be education at point of purchase via signage or leaflets. More face-to-face interaction with shoppers is also an option through health experts or sampling stands. For foodservice, while advancements have been made with nutritional guidance appearing on menus and restaurant websites, more is needed. With meat specifically, the retail and foodservice category could use cut guidance to aid differing health needs. This could be information on leanness in store or on pack, via butchers or making it clearer on menus the type of meat cut used in a dish.

Figure 12. Examples in store – Sainsbury's Veganuary display, Morrisons protein section and M&S high-protein meal deals

Figure 13. Examples in store – Sainsbury's nut display

Inspiration

To address the enjoyment of 'health' dishes, consumers need more inspiration. Use in-store and online touchpoints to inspire meals that meet different health or dietary needs.

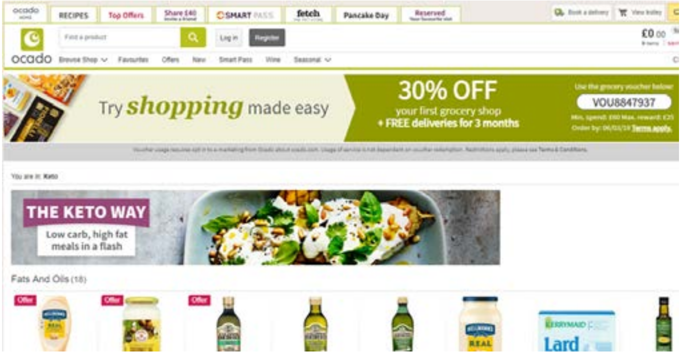


Figure 14. Ocado launched a Keto landing page following a surge of keto-based searches on its website during 2018

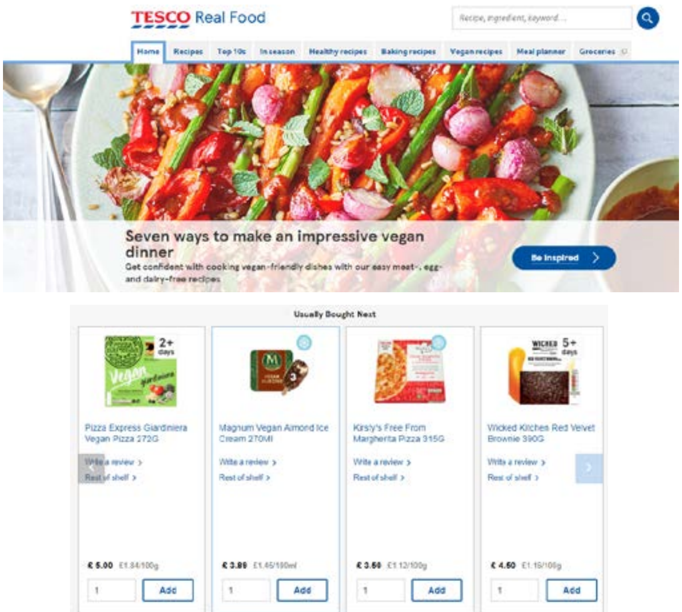


Figure 15. Tesco offers inspiration for a vegan diet on the landing page. When you navigate to product pages, you can then be guided to similar products

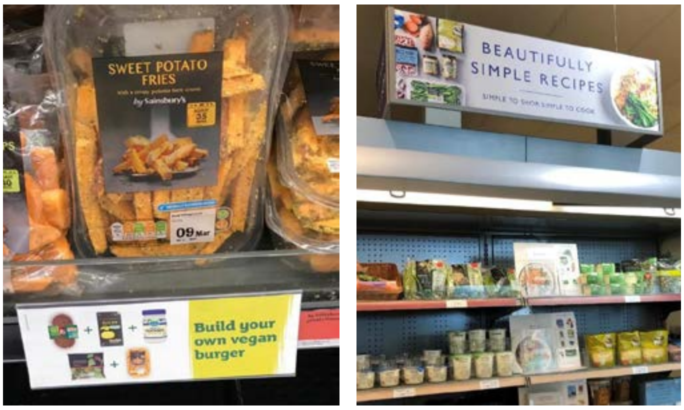


Figure 16. Sainsbury's and Waitrose in-store shelf barkers and recipe cards

Personalisation

As we know, health is subjective so consumers want to be able to tailor dishes to meet their individual needs. In retail, apps and online accounts can provide guidance when consumers are shopping in store and online to get them to products that specifically meet their needs. Also, encouraging certain dishes with a variety of ingredient options in one display allows consumers to pick and choose what they want to include in their meals, based on their health needs. There is clearly a need for personalisation in foodservice, where 42% of consumers say they want more options to customise their meals and 19% want smaller portion options (Mintel's Eating Out: The Decision Making Process – UK, August 2018). Offering healthier alternatives such as bunless burgers, differing meat cuts, or alternative cooking methods such as grilled instead of fried, widens the potential customer base. Some chains are even using personalisation as their USP. An example being Vita Mojo in London, which gives people control over the types of foods included in their meal and the quantity of each item, providing guidance on calorie and nutritional make-up. A similar concept is Ethos, which is a restaurant that offers a buffet-style service where your plate cost is based on the weight so smaller portions cost less.

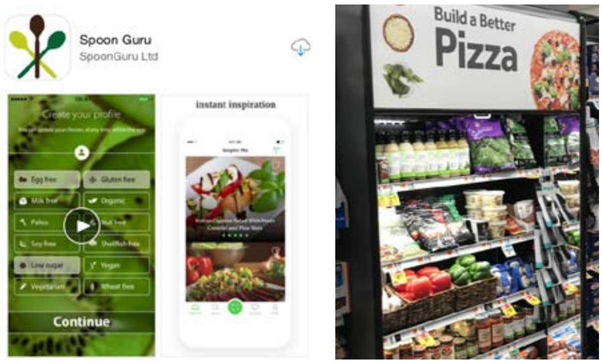


Figure 17. Examples in retail – Tesco 'Spoon Guru' allows online shoppers to filter by dietary needs. Stop & Shop in New York has taken a meal concept and grouped various ingredient options together

Figure 18. Bunless burger

OPPORTUNITIES FOR THE INDUSTRY

The momentum of health trends and diets is unknown but while they are around they provide opportunities for natural fit products to capitalise. It also needs to be remembered that a particular lifestyle or diet that restricts certain foods does not necessarily mean all consumers will cut them out completely. Therefore, they should not be seen as a threat but instead as an opportunity for education and new product development:

- Communicate the health benefits of AHDB categories – educate on the importance of a balanced diet in the context of guidelines daily amounts, as well as sector-specific health advantages. For example, signalling on pack that red meat is naturally high in protein, iron and vitamin levels
- Recognise and adapt to the flexitarian trend – ensure consumers are inspired to use a variety of meat dishes covering beef, lamb or pork. Also, ensure the taste and enjoyment of meat and dairy is communicated so consumers crave it on those flexible days
- Crossover products – these meet the needs of consumers by cutting back on certain aspects of a product and replacing it with another. Meat and vegetable products capitalise on the flexitarian trend, and potato and vegetable products capitalise on the low-carb trend without eradication
- Different AHDB sectors can be used to support certain diets – for red meat, explore greater use of the carcase, for example, fattier cuts such as bacon, pork belly, lamb cutlets and beef steaks can be linked to Keto, whereas leaner cuts such as medallions, tenderloin and round steak can be linked to high-protein lean diets*. Dairy can extend ranges to include relevant claims such as high protein. This provides consumer-facing communication opportunities
- Retail and foodservice have an opportunity to aid and guide consumers more with their health needs through signposting, education, inspiration and personalisation. Bring out specific health messages; on-pack, on-menu and on-shelf could provide a great platform
- Reformulation of processed products taps into new consumer needs – as government regulation intensifies, reformulation of products involving AHDB categories allows a health claim providing a new retail opportunity

For more information on carcase utilisation and information on leanness of cuts, please see the *AHDB Meat Purchasing Guide* or *Meat Education Programme

The future

Health is important to a large majority of consumers but can be viewed differently. As consumers become more demanding with their health requirements, the market needs to evolve to guide shoppers to meet their individual health needs, whatever they may be. The whole supply chain can play a part in this, from farm to consumer-facing. Lastly, it needs to be remembered that health messaging is vital but it needs to complement other key decision criteria such as price, taste and convenience for retail, and treating for OOH.

Report Author: Kim Malley
Senior Retail Insight Analyst, AHDB
Kim.Malley@ahdb.org.uk T: 024 7647 8852

Kim works within the Retail Insight team at AHDB and has a number of years of experience analysing retail data as well as tracking consumer shopping habits and market trends. Her current role at AHDB focuses on understanding the performance and trends in retail and foodservice to inform and inspire in a rapidly changing market. To complement this, the Retail Insight team works closely with the Consumer Insight team which tracks, monitors and evaluates consumer attitudes and consumption patterns.

AHDB's Consumer Insight team actively tracks, monitors and evaluates consumer behaviour, reporting on the latest consumer trends and picking out what they mean for the industry and agriculture.

Read more on consumer trends on our website **ahdb.org.uk/retail-and-consumer-insight** Follow @TheAHDB on Twitter and Facebook, to be alerted to articles as soon as they're published. Or sign up by dropping us an email: **strategic.insight@ahdb.org.uk**

Ask the analyst

If you'd like any more information on the areas covered or have suggestions for future content, then please email us at **strategic.insight@ahdb.org.uk**

Produced for you by:

AHDB
Stoneleigh Park
Kenilworth
Warwickshire
CV8 2TL

T 024 7669 2051
E comms@ahdb.org.uk
W ahdb.org.uk
@TheAHDB

If you no longer wish to receive this information, please email us on **comms@ahdb.org.uk**

70004 0622