CONSUMER INSIGHTS

December 2018

CONSUMER FOCUS: THE EVOLVING NEEDS OF THE 55 AND OVERS

As the UK population continues to age, it is vital that the food industry takes stock of changing needs and makes sure that the products offered are appealing and consumer-led. This report explores the trends that influence this demographic, and identifies opportunities for the food sector to tap into this increasingly important group.

The UK is a maturing population, almost 1 in 3 of us is aged 55 or over and this demographic is growing, according to the ONS. In many areas, trends that impact the general population will also apply to the older generation but we have identified some areas of divergence. Caution: a one-size-fits-all approach will not necessarily work with this diverse group. Consider deeper segmentation, based on needs, geography and affluence.

9%
GROWTH UK POP. AGED 55 AND OVER IN LAST 5 YEARS

19.8 million
PEOPLE IN THE UK AGED 55 AND OVER

49 %
grocery spend in the UK made by over 54s

£277
MORE SPENT EATING OUT ANNUALLY THAN UNDER 55s

> "The spending power of over-55s has never been greater. They make up a third of the UK's population but hold 80% of the wealth, and their consumer spending has grown on average 4.4% annually for the past decade, compared with 1.2% for under-50s"

Source: Campaign



KEY NEEDS TO UNLOCK GROWTH

We have identified 7 key needs and trends of the 55+ category, which influence their shopping and consumption habits:

The British story

- British provenance is perceived as important
- Offer products highlighting heritage
- Familiar/traditional flavours will still do well

Ideal inspiration

- Cook books and TV are the critical channels to find food inspiration; ensure you are offering relevant content on those platforms

Ease over speed

- Ease of preparation is trumping speed: opportunity for products such as sous vide and oven-cooked meats
- Products that reduce effort can command a price premium

Healthy ageing

- Concerns around health and wellness are top of mind
- The more functional benefits, the greater the appeal. Products in the dairy sector, and beyond, are successfully catering to these needs

Safe experimentation

- There is openness to new products but choose the right cuisine types
- Carefully consider ranging and variants across a portfolio to suit different demographics

i-volution

- Older shopper less likely to shop online but opportunity to grow this as tech know-how grows
- Opportunities for retailers to offer a 'deliver and unpack' service or recipe kits designed for more mature tastes

Small is beautiful

- Convenience products, resealable packaging and smaller pack sizes all offer appeal for smaller households
- Snacking occasions and lighter meals are also important

IMPORTANCE TO FOOD PURCHASE: SECTOR SUMMARY

Within grocery, the 55+ lead households account for 49% of all spend, according to Kantar Worldpanel data, making them a critical group for the industry to understand, and cater for, beyond tired stereotypes. They also account for disproportionate spend on food products such as red meat and dairy.

Sector	% share for 55+ total spend on category	% share for 55+ consumption of category
Dairy – milk	50.7	37.3
Dairy – yogurt	47.5	43.2
Dairy – cheese	43.6	32.9
Dairy – butter	57.0	51.0
Potatoes	54.8	41.0
Beef	50.4	32.1
Lamb	59.6	42.4
Pork	50.4	37.8

Source: Kantar Worldpanel Purchase | Milk, butter, potatoes, beef, lamb and pork spend | 52 w/e Oct 18, Cheese spend | 52 w/e Jul 18, Yoghurt spend | 52 w/e Aug 18, Kantar Worldpanel Usage | Potatoes, lamb, pork and beef occasions | 52 w/e Aug 18, Dairy occasions | 52 w/e Mar 18

A diverse group

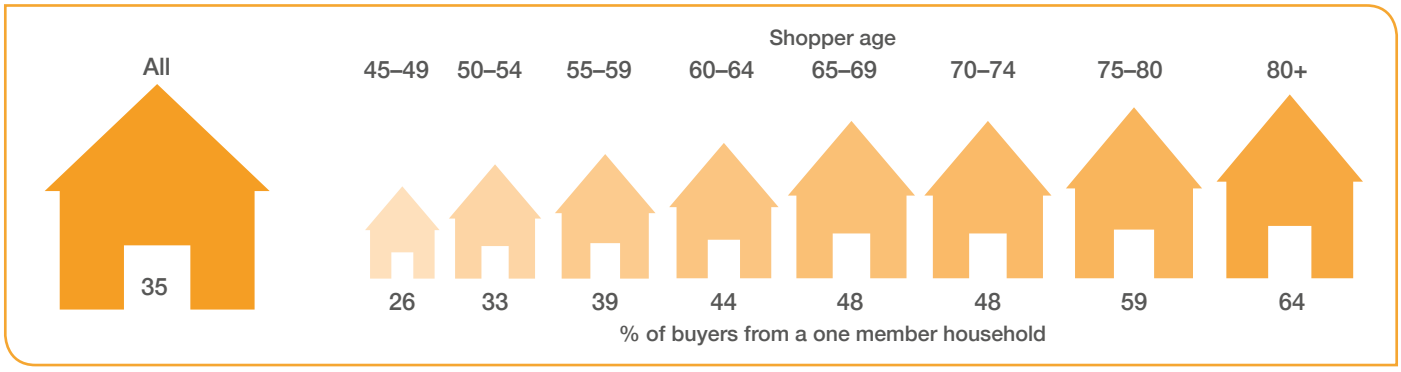
It's important to recognise that older people are diverse in aspirations, socioeconomic position, and attitudes and outlook. Covering an age span of over 50 years, the 55+ age group is at a broad range of life stages and circumstances. With potential for career highs and life lows, from still raising children, to empty nests and dealing with the 'boomerang generation' (when kids move back in with their parents after university), it is important to recognise the range of financial and social situations that this age group is facing. When considering how best to market products to this group, one size will not fit all and nuanced thinking is key.



‘SMALL IS BEAUTIFUL’: INCREASE IN SMALLER HOUSEHOLDS

There is a general trend towards living alone, the older we become. For smaller households, smaller portions are often not as good value for money. Therefore, there is an opportunity for retailers to develop solutions such as smaller pack sizes and resealable fresh-packs to cater for this need. Some of these products may also find an audience in student households.

Shoppers from one member households

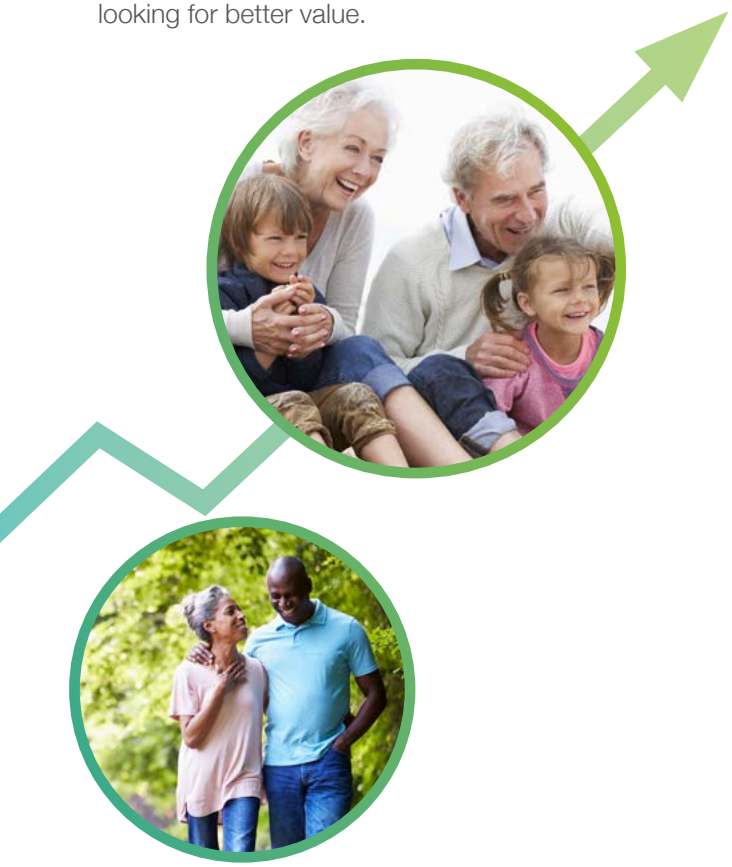


Source: Kantar Worldpanel Purchase | 52 w/e Dec 17

RETAIL HABITS: RELATIVE AFFLUENCE … FOR SOME

Research by Kantar suggests that 41% of all meat, fish and poultry spend is made by 55+ lead households. Not only that, but they are also the biggest spenders at nearly every meal, being the most likely group to buy premium cuts, such as joints (52 w/e Aug 18). On average, older consumers tend to have more disposable income. Many will have paid off mortgages, and children may have left home. According to ONS data, food and drink accounts for a larger percentage of household spend, the older you get, from 9% for the under-30s, rising to 14% for the 75+.

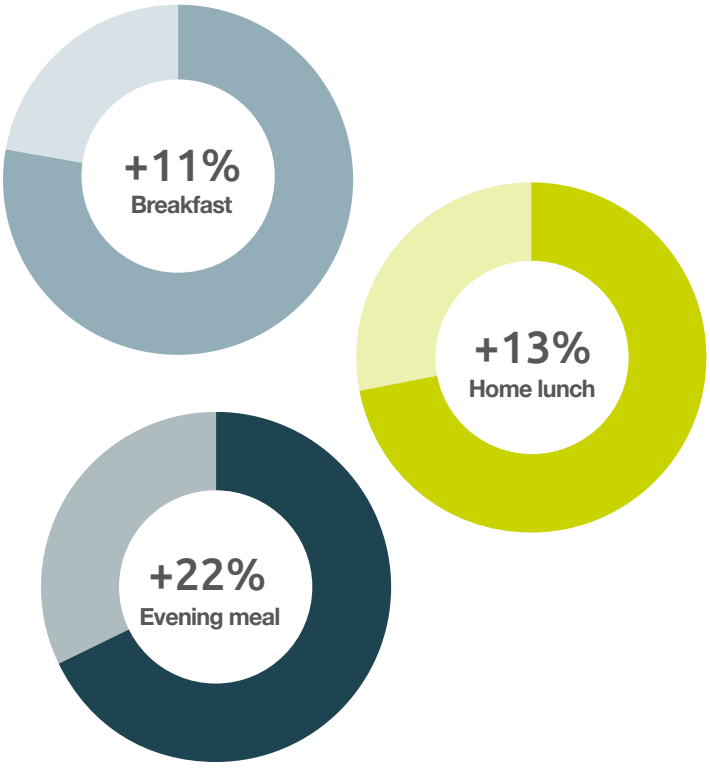
Cheaper cuts such as cold cut meats and canned meat products also have great appeal, according to the latest data from Kantar Worldpanel, demonstrating that some older consumers are more financially challenged and are looking for better value.



In research carried out by AHDB/Future Thinking on shopper decisions, it was found that those aged 55 and over are more likely to impulse buy in the supermarket, picking up products they didn’t plan to buy and weren’t on their shopping list. The higher disposable income of the 55+ category could mean there is less pressure to stick to a budget or meal plan. This represents an opportunity when considering point-of-sale materials and product lines offered.

To read more about consumers’ decisions in store, take a look at Consumer Insights: The meat shopper journey

Total market spend compared to 55+



Source: Kantar Worldpanel Usage | Total food/drink | 52 w/e Aug 18

RETAIL HABITS: WHERE DO THEY SHOP?

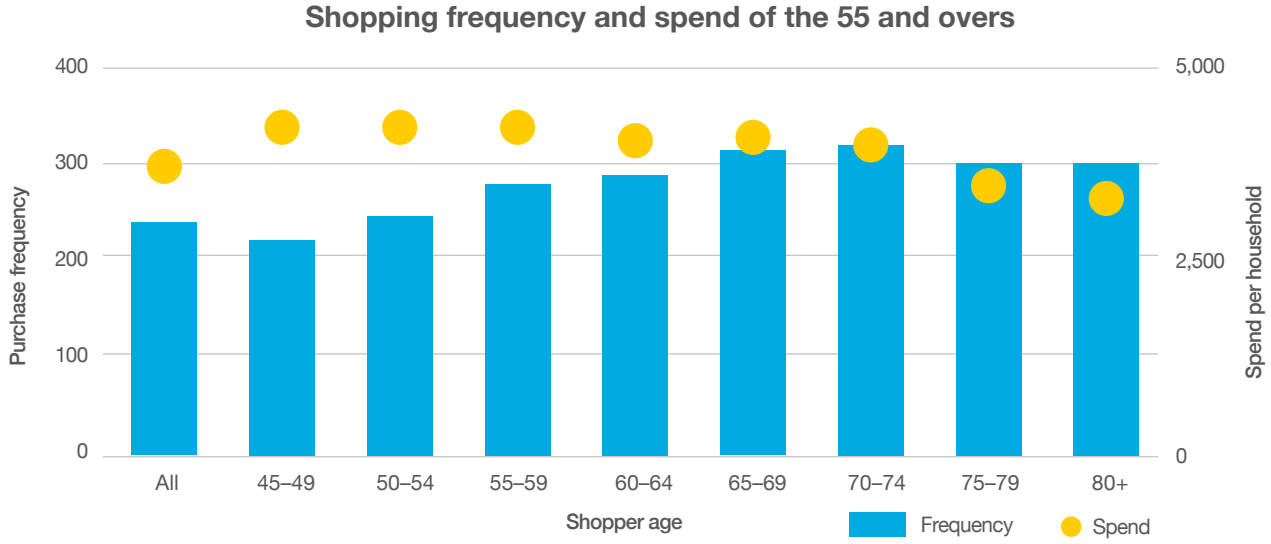
The supermarket is the favoured shopping channel, whatever the age. Older consumers are just as likely to shop in supermarkets, but are currently less likely to shop online, swapping this for local convenience stores. Fewer consumers aged 55 or over are using the internet to compare prices for products and services, according to research done by Foresight Factory. herefore, the older generation may not be getting the best value for money by shopping around different supermarkets.

However, this is changing as the 55+ category become more tech savvy, and technology advances to meet its needs. An emerging trend for older consumers is the 'i-volution'. Many are realising that online shopping can meet some of their specific needs and it is becoming easier to order online, with technology such as Amazon Alexa and Google Home.



Source: Kantar Worldpanel Purchase | Total food | 52 w/e Dec 17

The older generation is less likely to have a car and more likely to live in rural or semi-rural areas, making a 'big shop' more difficult. This may be why we see the frequency of shopping trips increase for older consumers, as well as being an outlet for social interaction for some. The trend towards more local convenience stores is helpful for many older consumers but retailers must carefully consider their ranging and product offerings to ensure they reflect the needs of this group.



Source: Kantar Worldpanel Purchase | Total food | 52 w/e Dec 2017

FOOD CHOICES: TRADITIONS AND TRANSITIONS

According to Foresight Factory, 40% of 65 to 74-year-olds strongly agree they don't want to be defined by their age. Many of those aged 55 and over are still working and, beyond that, may see retirement as a chance to reinvent themselves, try new things and embrace freedom. In eating habits, the older generation is not 'stuck in its ways', with over half of both younger and older consumers trying new meals monthly. So, finding space for the 'safe experimentation' trend is key.

Still, older generations are the most likely groups to eat traditional 'meat and 2 veg' meals (meat-centred meals), which are particularly important for products such as lamb and potatoes, which are more reliant on spend by older consumers. However, like other consumers, the trend towards dish-based meals such as pasta, curries or stir-fries is growing fast.



Source: AHDB/YouGov Oct 17–Aug 18

Meals eaten by the 55s and over

Meat-centred meals	Dishes	Sandwiches
51%	32%	18%

Meals eaten by the under 55s

Meat-centred meals	Dishes	Sandwiches
45%	39%	17%

Source: Kantar Worldpanel Usage | Savoury foods | 52 w/e Aug 18

There are signs of some transition towards more international foods, although these are still eaten more by the under-55s. Fifty-two per cent of older consumers say they enjoy experimenting with new foods (AHDB/YouGov Oct17–Aug18). When looking for new inspiration, the 55+ consumers are opening cook books rather than looking online, the favourite of the under-55s. So, finding the 'ideal inspiration' is important, to connect with this group. European cuisines are more popular with those aged 55 and over, whereas North and Central American dishes have greater appeal with the under-55s.

Due to the transition toward less traditional foods, we are starting to see some decline in foods such as potatoes and red meat, which have been heavily reliant on older consumers to maintain volumes. Declines have been faster among younger consumers, and efforts have been made to increase relevance here, but it is important to reflect on how these products can stay relevant to older consumers too.

Favourite Country Cuisines

55+



1st – British



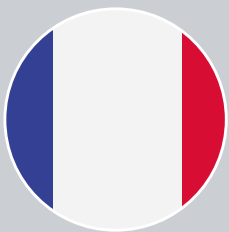
2nd – Italian



3rd – Chinese



4th – Indian



5th – French



6th – Spanish

Under 55s



1st – Italian



2nd – British



3rd – Chinese



4th – Mexican



5th – Indian



6th – American

Source: AHDB/YouGov Oct 17–Aug 18



54% of 55 and overs actively look for British beef

Buying British meat

Including 'The British story' is attractive to the 55+ category. Buying British produce is a much more important factor for those aged 55 and over when shopping for groceries. More than half claim to be actively looking for British beef when shopping, compared with only 38% of under-55s (AHDB/YouGov Oct17–Aug18).

Although the AHDB mini roast campaign was targeted at the younger consumer, it appealed strongly to those aged 55 and over, who were looking for convenient ways to eat their favourite dishes. The 55+ group were critical because they accounted for over 60% of both beef-roasting and mini-roast spend.

Foodservice

Although those aged 55 and over eat out less frequently than younger consumers, with less than 20% of their meals eaten out of home, on average, they spend £277 more a year on eating out, according to Kantar Worldpanel.

The 'grey pound' is also growing in importance for the foodservice channel, according to MCA. The number of eating-out visits by those aged 55 and over has increased over the last year (to March 2018). This is in contrast to most other consumer groups, possibly due to higher levels of disposable income shielding them from inflationary pressures.

It isn't only in the home where older consumers favour the familiar – pub classics are the most popular dishes when eating out. The 55+ category is around 40% more likely to eat in supermarket cafes and pubs than the average consumer. Recently, Sainsbury's launched their 'talking tables' initiative – to help tackle loneliness. This could draw even more of the mature market to the supermarket cafe.

Ideal inspiration is one of the key trends we have identified. Restaurants can be a critical channel for inspiring new menu choices, which are then cooked at home. When it comes to experimenting with new dishes, it's more likely to happen in the evening than at lunchtime (AHDB/YouGov Oct 17–Aug 18).



To read more about how consumers view brand Britain, take a look at our Consumer Focus: Buying British report

HEALTHY AGEING

Health is a big trend and is an increasing concern across all sectors and the 'healthy ageing' trend is particularly prominent for the 55+ category. There has been a rise of 14% in food servings in the home chosen for health reasons over the past five years, according to Kantar Worldpanel. However, health can mean different things to different people. Protein and fitness have more appeal to younger consumers compared with older consumers, who focus on vitamins and omega 3. Life expectancy in the UK has peaked in recent years, and the focus for many consumers is now towards healthy ageing – remaining well, in order to enjoy life for as long as possible. Keeping healthy and maintaining brain performance is a top priority. Many are turning to food with functional benefits as a way to achieve this, representing an opportunity for marketers.

What health means

Older consumers believe they eat better, and they are more likely to choose a food which contain a portion of fruit or veg. The 55+ category perceive eating 5 a day as much more important (AHDB/YouGov tracker Oct17 – Aug18) perhaps influenced by the healthy ageing trend. To maximise appeal to this group it is important to highlight beneficial health claims on packaging.

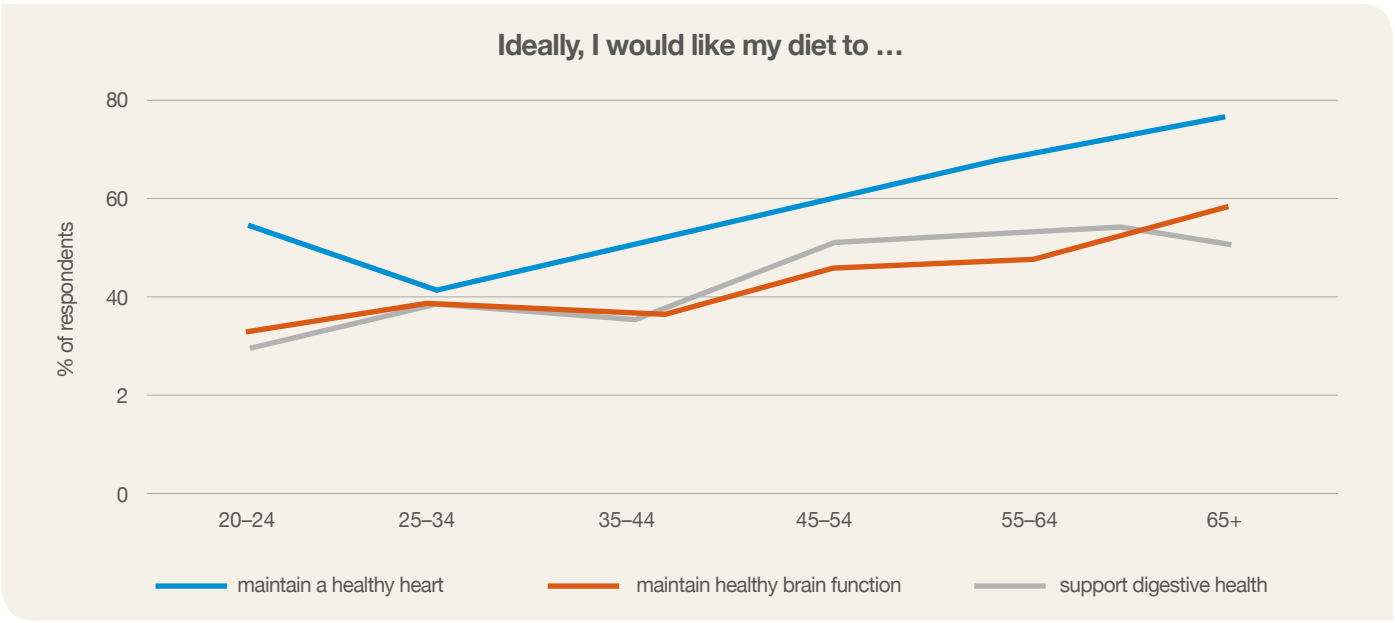
What health means	
55+	Under 55s
High in vitamins (such as calcium and iron)	High in protein
Low in calories/fat	Low in sugar
Portion of fruit or veg	Less processed
High in fibre	Natural
Heart health	Portion control



Source: IGD

In line with the healthy ageing trend, many older consumers are also looking for functional benefits in their meal choices to aid health. Products claiming to maintain healthy hearts, brains or digestion could be popular with those aged 55 and over. Probiotic drinks such as Actimel have actively targeted this demographic with their activities.

Problems such as high cholesterol and blood pressure could cause those aged 55 and over to change the foods they consume. Some of the diet choices for older consumers may be more prescribed. Advice from the NHS suggests eating dairy and processed meat in moderation, as they can be high in saturated fats, which is linked to high cholesterol.



Source: Figure: Selected benefits consumers would ideally like from their diets, by age, November 2017 from Mintel Report Attitudes towards Healthy Eating, UK - February 2018 Base: 2,000 internet users aged 16+Mintel Feb 2018

COOKING: CONVENIENCE VERSUS TIME

'Ease over speed' is an increasing trend for the 55+ category. Despite having more experience in the kitchen, with over half able to cook more than 6 meals from scratch without a recipe (AHDB/YouGov Oct17–Aug18), older consumers are looking for convenient ways to make meals easier. Some of convenient ways older consumers are prepping and cooking food are microwaving, buying pre-cut vegetables, or choosing products with easy-open packaging.

45% more likely to microwave

35% more likely to eat ready meals

20% less likely to scratch cook

For those aged 55 and over, eating ready meals is not down to lack of ability. Forty-five per cent of older consumers feel confident cooking, the highest of all age groups, according to AHDB/YouGov (Oct17 – Aug18). Ease of preparation is now favoured ahead of speed when choosing what to cook, and is growing rapidly.

Convenience and ready meals also lend themselves to the 'small is beautiful' trend, with the increase in smaller households. Waitrose now has a specific range of easy-to-cook foods to tap into this.

There could be room for innovation in combining the 'ease over speed' trend and 'i-volution'. Meal kits, such as Hello Fresh and Gousto, could be helpful for more tech-savvy older consumers. They could be specifically targeted at the older consumer, with more traditional meals and tastes to choose from, and more of the chopping preparation done in advance.

Changing needs for customers



Source: Kantar Worldpanel Usage (% of total food) 52 w/e Apr 18









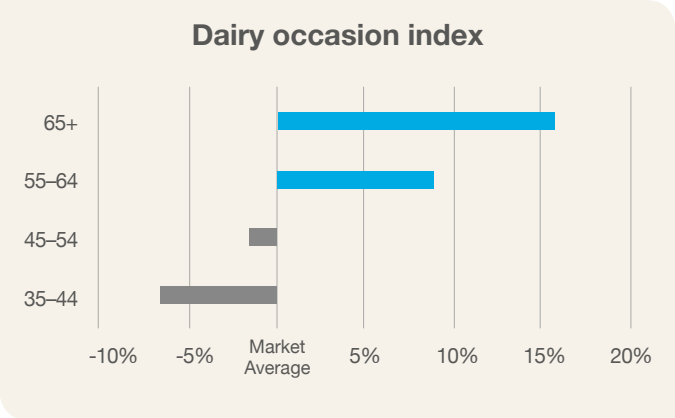
Source: IGD (top images)

FOCUS ON SECTORS

Dairy

Dairy is viewed as a daily essential by most households, but particularly so for those aged 55 and over.

The number of dairy occasions progressively rises, the older you become (apart from young children). Consumption of hot drinks containing milk, particularly tea, is a key factor. In addition, older people snack more (dairy being eaten as a snack in yogurts and dairy drinks) and are more likely to eat desserts. This is counter to the general market trend in which consumption of hot drinks is showing a decreasing trend, with cold drinks and herbal teas taking market share.



Source: Kantar Worldpanel Usage | Dairy share vs total market | 52 w/e Aug 18

84% of 55 and overs think dairy is a vital part of their everyday

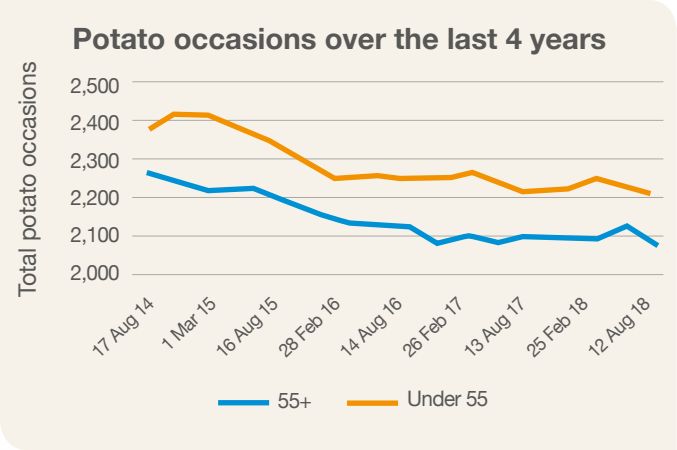
Potatoes

Older consumers represent a key segment of the potatoes market, accounting for 55% of the sales of fresh potatoes. However, there has been a decline in consumption of potatoes over the last five years. Those aged 55 and over accounted for 53% of this, with the biggest drop seen in those aged between 55 and 64.

There is also a perception that potatoes are a more traditional item and 'don't go' with the increasingly popular international dishes using rice or pasta as a base. Finding recipes for more interesting international dishes incorporating the potato could be popular with those aged 55 and over.

According to the AHDB consumer tracker, the biggest concerns when buying potatoes were unsuitable pack size and too heavy to carry home. It is key to think about offering more flexible options on pack sizes.

Finding a way to make potatoes a lunchtime dish could increase consumption with all demographics, as 75% of meals containing potatoes are evening meals, according to Kantar Worldpanel. So, opening up the lunchtime consumer, could be a key opportunity.



Source: Kantar Worldpanel Usage | Potato consumption | Rolling 52 w/e Aug 18

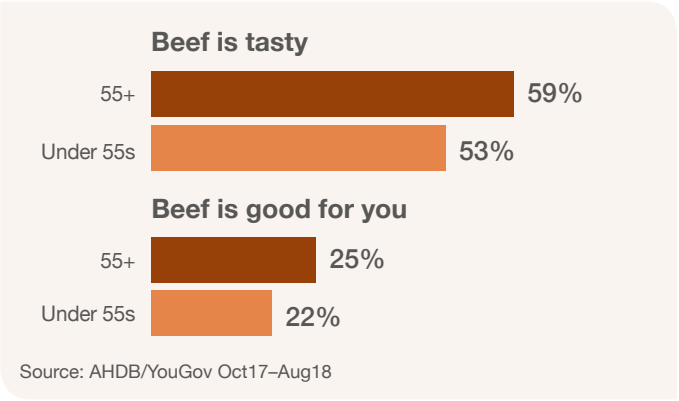


Red Meat

Although there has been a move away from the traditional Sunday roast, other protein occasions have increased across all week days with the older generations, according to data from Kantar Worldpanel. Offering more meals and cuts that are quick and easy for a weekday meal represents an opportunity.



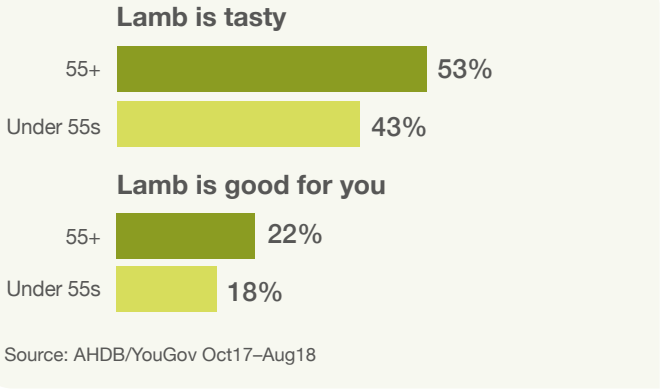
Beef is the only meat that older consumers are eating more frequently, across all days of the week. Casseroles and stews are still a firm favourite with those aged 55 and over. Due to the ease of slow cookers, mince and faster-cook beef cuts, plus pre-chopped veg, can be an easy weekday meal.



Source: AHDB/YouGov Oct17–Aug18

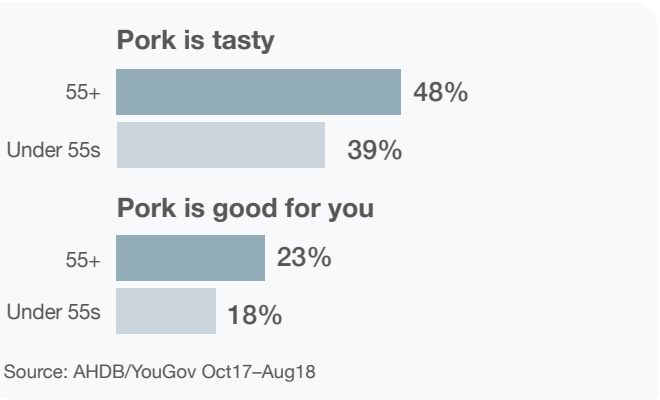
The 55+ have a strong sentiment towards meat, fish and poultry being tasty and good for you.

Lamb has fallen out of favour with younger consumers of late, and has been more resilient among the 55 and overs. However, despite this, it is still down 24 million occasions compared with last year. The 55+ category is the largest declining demographic for lamb (Kantar Worldpanel 52 w/e Aug 18). This decrease may be due to a number of factors affecting the market, including an increase in price. As those aged 55 and over are the largest consumers of lamb, any overall trend is exaggerated by this group.



Source: AHDB/YouGov Oct17–Aug18

Pork saw a small decline in occasions with those aged 55 and over at dinner, but this was compensated by an increase of 20 million occasions at lunchtime. The majority of pork consumed by this group is bacon and ham, so there could be a good opportunity to promote other cuts such as steaks and medallions.



Source: AHDB/YouGov Oct17–Aug18



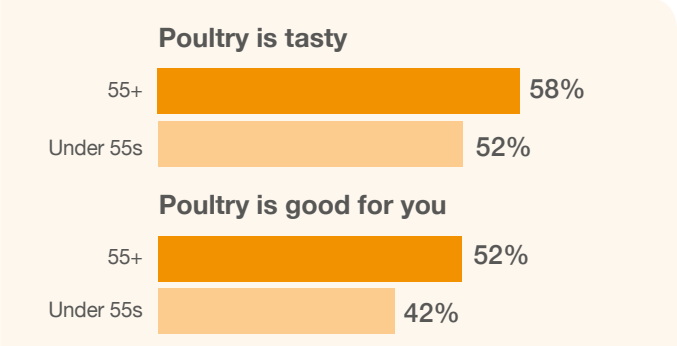
Source: Kantar Worldpanel Usage | Pork Consumption 55+ | 52 w/e Aug 18



Flexitarians are those who are cutting down on meat for health reasons. Older consumers are more likely to be in this group than give up animal products entirely. There are several products popping up in supermarkets designed to meet the needs of this group, which could appeal to those aged 55 and over as they contain higher levels of vegetables.

Chicken

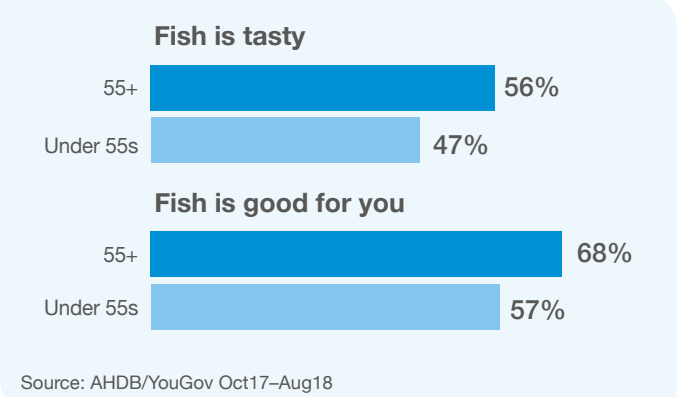
Chicken is hugely popular with all consumers and is growing in popularity with those aged 55 and over. Its versatility and ability to be incorporated into multiple cuisines could be a contributor to the increase. Ease of preparation could also factor into the popularity of chicken, with supermarkets selling diced and ready-to-cook products.



Source: AHDB/YouGov Oct17–Aug18

Fish

Fish is highly valued by the older consumers as a healthy protein and good source of vitamins. Omega-3 can't be made by the body and helps to lower 'bad' cholesterol. The NHS advice is to consume more omega-3 by eating at least two portions of fish a week, including one of oily fish.



Source: AHDB/YouGov Oct17–Aug18



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AHDB's Retail and 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.

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