Personalization and transparency a must for the new healthy consumer

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KANSAS CITY, MO. - "A range of emerging health topics barely on retailers' radar a year ago are now grabbing the spotlight and crossing traditional well-being boundaries."

So begins Arlington, Va.-based FMI – The Food Industry Association's The Power of Health and Well-being in Food Retail 2020, which highlights how Americans' definition of "healthy" is changing.

"Consumers are grocery shopping with an ever-expanding perspective on overall health and wellbeing," said Krystal Register, FMI's director of health and wellbeing. "In addition to health, they want convenience, affordability, clear labeling, food safety, taste, and transparency. As we look at our shopper trends research from just one year ago, we see consumers looking for more balance and less stress as they seek personalization in the grocery store."

Consumers want more opportunities to meet varied family needs and individual health goals with flexibility. There are generational differences, too, Register said. Nutrition, moderation, and quality are important for older shoppers, while younger shoppers look to enjoy a deeper sense of connection to their food to include ethical considerations and the environment.

“The industry has responded with initiatives focused on ‘better-for-me’ products, natural and organic, functional foods, plant-based, and sustainably sourced options,” she added. “We have seen a shift in branding to support a more holistic sense of well-being. The idea of ‘eating well’ initially focused on sustenance, but now carries components of health and nutrition along with the desire for enjoyment and discovery.”

During the pandemic, consumers have shopped for foods to boost immunity and prevent illness. Many retailers have responded by tapping into the knowledge and skills their dietitians and pharmacists have to share. Helpful tips from pantry basics and cooking techniques to home food safety and family meal ideas are landing on digital platforms to be shared with large consumer audiences.

In turn, Register said, consumers have learned new skills as they’re planning meals more often and shopping with intention.

“Consumers have told us that they believe they are cooking healthier at home and still very much value cooking – even when forced to stay-at-home for every meal occasion. As we continue to manage this pandemic, food retailers and suppliers have an incredible opportunity to seize on these new learned behaviors among their shoppers to support overall health and wellbeing.”

Confusion

Consumers are confused about many aspects of health and wellbeing, but that hasn’t stopped them from further developing opinions, according to FMI. This includes perspectives on what it means to eat well, what levels of personalization they expect, and the importance of transparency. Adding to the complexity is that viewpoints vary widely based on consumer demographics.

Despite their interest in achieving good health and wellbeing, consumers appear increasingly confused about the topic. Consider that more than half of consumers responding to IFIC’s 2019 Food and Health Survey said they are in excellent or very good health, even though three in five were classified as overweight or obese.

Most consumers say it’s hard to know if food choices are environmentally sustainable. Only one in four consumers understands the term “nutrient density,” and nearly four in 10 are unfamiliar with “mindful eating.” n Only one in six feels they have a good understanding about caffeine consumption.

The media is filled with articles that seem to regularly overturn conventional wisdom about health and nutrition.

A case in point is the news unveiled early last fall about a study on meat consumption. The study challenged long-held nutrition advice about the need to limit consumption of red and processed meats. But soon after the study appeared, news reports raised questions about potential conflicts of interest in the study's methods. This series of developments underscores the difficulty consumers face in making decisions about the relevance of research and reports on diets and nutrition.

Personalization

The concept of personalization is getting much more play across food retail. Shoppers have more opportunities for customized approaches, and this impacts their expectations for health and wellbeing offerings.

However, there's a lot of confusion about this topic, along with new research and trends. FMI'S latest consumer trends research helps to bust a number of myths about consumer personalization preferences. Some observers believe shoppers want everything personalized, but in fact shoppers expect to do some of the work themselves.

"They just want more opportunities to flexibly meet their families' needs," according to FMI. "Also, some believe that personalization means shoppers are now buying for several individual eaters, rather than a family. In fact, families still want to eat together, and this requires a balance among personal and shared needs, which puts hard limits on extreme eating personalization."

Women and men have somewhat different health needs, which may require some personalized approaches. Is it possible to say whether women or men have more influence in household purchases? FMI Trends found that women tend to believe their influence on household eating is stronger, while men tend to believe it's equally shared.

An emerging area of wellness exploration is the opportunity for personalized diets based on an individual's gut microbiome, or the unique mix of microbes in an individual's gut.

A number of companies provide nutrition advice based on DNA and blood tests and microbiome profiling. Experts say the research is promising, but that it's still early days for this type of personalized diet approach with many questions remaining, according to a WebMD report.

Transparency

Forty-six percent of consumers say that openness and honesty about business practices is very important in their choice of a primary store, according to FMI's 2019 Trends research, and it appears that online shopping platforms have an edge in this category. Fifty-one percent of consumers say online retail does an equal or better job with openness and honesty, compared to only 39% saying the same about regular supermarkets.

Consumers have strong expectations about transparency from retailers and manufacturers and how it relates to consumer trust. The latest research from IFIC shows more than half of consumers say the origin of food is highly important to them.

Other highly rated attributes are knowing a manufacturer has a commitment to environmental sustainability, being able to access information about food production, getting information about animal welfare considerations, and knowing that food production involved modern farming technologies.

"Shoppers are increasing their transparency expectations, and retailers eye opportunities to meet those needs," according to FMI. "Retailers indicate that shoppers' demand for transparency positively impacts sales and profits, according to respondents of The Food Retailing Industry Speaks 2019."

Advantage instore

For the near future at least, health and wellbeing needs will be heavily centered on instore buying, compared to ecommerce, especially for fresh foods, according to FMI.

That's because despite a constant media focus on ecommerce growth, consumers are still buying groceries mainly in physical stores. Currently, one in five U.S. shoppers is a regular online shopper, according to consumer feedback.

Ecommerce is known for having fresh food challenges. For example, instore-only produce shoppers relay a range of concerns about online produce ordering, including poor quality, shipping fees, food safety concerns, and difficulty to browse.

Instore or ecommerce, consumers choose grocery or foodservice when it comes to health. More than nine out of ten, for instance, say at-home meals are healthier. (Despite that fact, half eat at restaurants at least weekly.)

Generational divides

Different generations view health and wellbeing differently. The youngest shoppers, Gen Z, are the most concerned about the healthfulness of their eating. Eighty-four percent say they would like to eat healthier, but two out of three eat at restaurants at least one time a week.

The oldest members of Gen Z, now in their early- to mid-20s, don't lack for knowledge about healthy eating, but they tend to value factors such as convenience for now.

Meanwhile, the behaviors of millennials, once considered outliers and "disruptive," are increasingly becoming the mainstream, according to The Hartman Group.

"The purchasing behaviors and criteria of millennials are moving mainstream simply because the bulk of consumers — and the bulk of consumers with families, who actually do more consuming than anyone else — are younger," according to Hartman.

This means that companies need to be planning for this shift. The things that have been positioned as "engaged," "progressive," or "millennial" characteristics, are now mainstream — or soon will be.

Food as medicine

More and more consumers continue to see food as a way of addressing a wide range of health conditions, according to FMI.

They're scrutinizing labels as they shop, weighing a variety of diets and looking for local and organic products to enhance their wellbeing. The food-as-medicine trend ranks number two on the list of factors positively impacting sales and profits, according to FMI's Speaks data.

And about one in four consumers now seeks health benefits from foods, according to the latest IFIC survey. The top health benefits sought are weight loss, energy, digestive health, and heart/cardiovascular health.

Even as consumers identify which benefits they desire, they're revising opinions on which attributes will get them there. Fiber, whole grains, protein from plant sources, Omega-3 fatty acids, and probiotics top IFIC's current list. Fiber and prebiotics in particular are scoring higher compared to a year ago.

Generationally, older consumers are more likely than younger ones to try to consume fiber and whole grains.

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