HEALTHY EATING IN AMERICA

INSIGHTS ON BRIDGING THE HEAD-TO-STOMACH GAP

A National Study by Partners + Napier

CONTENTS

INTRODUCTION

Americans' evolving healthy food beliefs and behaviors have given today's packaged food brands a lot to chew on.

Only in recent years has the healthy eating debate gone mainstream, with an explosion of new information, influencers, and innovative CPG disruptors.

The problem with the world turning its magnifying glass on a topic is its adverse effect on consumers' ability to navigate — and healthy eating is no exception. The complexity and churn of packaged food options has effectively led to a multi-trillion-dollar industry built on trial and error. Every decision and dollar counts, and the margin for error is shrinking as we write.

So where does this leave brands and marketers? Well, starving for insight.

How does a brand know who to talk to when consumers are confused about what they really want? How should a health-oriented challenger position itself when nearly half of all food products introduced in recent years contain a "better for you" claim (Source: Innova)? How does an established brand know where to innovate when trends come and go quicker than a vegetarian scarfing down an Impossible Burger? You get the gist.

On behalf of packaged food brands and the intrepid marketers who lead them, we set out to inch toward better answers for these questions with a national quantitative study. This whitepaper outlines what we learned about consumers' healthy eating beliefs, behaviors, and expectations of brands, and most importantly, where the best opportunities may lie for growth.

EXECUTIVE SUMMARY

Turns out, eating healthy in this country is really, really hard.

The vast majority of the American public understands the importance of a healthy diet, however, this isn't translating to healthier habits. Our research shines a light on why this happens, when and where different segments of society are more likely to fall short, and what brands can be doing to bridge the gap between what's in consumers' heads and what's in their stomachs.

Barriers to healthy eating can range from person to person, state to state, and moment to moment, yet we unearthed common themes in beliefs and behaviors. For example, did you know that the frozen and prepared food aisles are places where shoppers trying to make healthy choices struggle most? Did you know that women tend to believe that subtracting from their diets is the path to health, whereas men believe just the opposite? The good news: most of these barriers are addressable by marketers like you.

Health-oriented food brands, whether they're well established or new-to-market, all have the opportunity to play a greater role in the lives of their consumers. Our data points toward a more supportive role, empowering the individual by becoming part of their lifestyle, rather than an occasional healthier option. Brands that can take the lead in this space, and understand how to engage with the different need-states highlighted in this report, will be best positioned for continued growth.

METHODOLOGY

This study was designed to identify beliefs and behaviors regarding healthy eating among the general public, with data compiled from 1,136 qualified respondents over the age of 18 across the U.S, including 568 women and 568 men. We collected demographic data including age, state, ethnicity, education level, employment, number of people in the household, relationship status, and parenting status. Our questions investigated how people define healthy eating, how frequently they are able to practice this definition, and the major barriers separating belief from behavior. We also explored current trends and influences on different segments of society in an effort to shine a light on where brands can be most effective.

We encourage the republishing of this data in your own work. We request that you credit all data and graphics to Partners + Napier, Healthy Eating in America: Insights on Bridging the Head-to-Stomach Gap, 2019.

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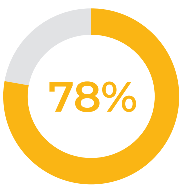
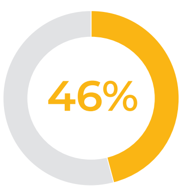
www.partnersandnapier.com/HealthyEating2019

This research plays a small part in furthering our understanding of the healthy food landscape on behalf of modern packaged food marketers. If you find value in this work and are interested in additional nuggets of data specific to your brand or product category, please contact us. We are able to re-engage with all 1,136 respondents to build on this first-party data and tailor learnings for any relevant product, category, or brand.

While people believe they should be eating healthier, they struggle to do so in their daily lives.



78% of respondents said that healthy eating is “important” or “very important.”



Less than half said they practice healthy eating “often” or “always.”

THE HEAD-TO-STOMACH GAP

Do consumers really practice what they preach?

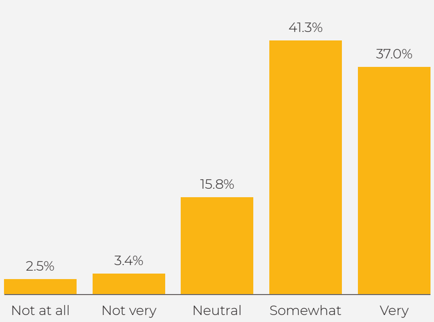
We first set out to assess the distance between consumer aspiration (what the head wants) and practice (what the stomach gets). The data shows a large gap between the two that indicates an equally large gap between what brands are selling and what consumers are actually eating.

While the vast majority of the population understands the importance of eating healthy, consumers are struggling to follow through. Only 54% of respondents reported often or always trying to eat healthy, with only 46% successfully eating healthy on a regular basis. So, while people believe they should be eating healthier, they struggle to do so in their daily lives.

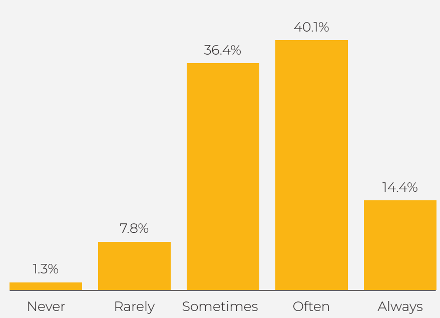
What’s also interesting about these numbers is they’re self-reported, meaning that while the head-to-stomach drop-off most certainly exists in reality, what we’re seeing is the *perceived* drop-off from the consumer’s perspective. Consumers are acutely aware that their eating behaviors aren’t measuring up. This speaks to the emotional fight consumers are facing, and food brands don’t appear to be effectively arming them for the battle.

Less than half of the population who believe it’s important to eat a healthy diet are able to translate this aspiration into action.

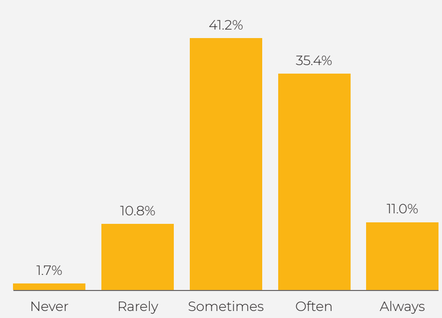
Q: On a scale of 1-5, how important is it to you to maintain a healthy diet?



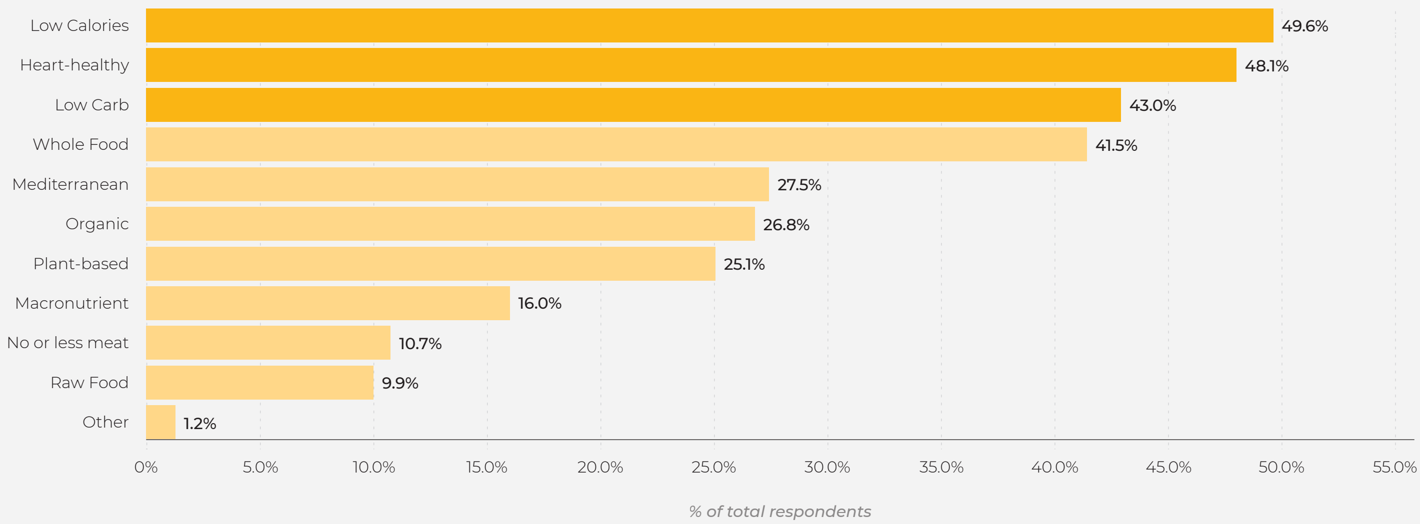
Q: About how much of the time are you focused on eating healthy?



Q: How often do you successfully practice your definition of healthy eating?



Q: WHICH OF THE FOLLOWING BEST DESCRIBES YOUR DEFINITION OF HEALTHY FOOD?



When it comes time to fill the shopping cart, most people fall back on what they know and understand best.

CREATURES OF HABIT

What do today's consumers believe are the healthiest diets?

Next, we turned our attention to the healthy food landscape: what constitutes "healthy eating" in the minds of today's consumers? Is the industry's frenzied focus on what's next matching consumers' ideal?

We asked our respondents to select their top three definitions of a healthy diet from a mix of 10 trends, ranging from well-trodden ideas like "low calories" and "low carb" to newer philosophies like "plant-based" and "macronutrients." (We appreciate that this landscape is incredibly diverse; only 1% of respondents said their ideal diets were not reflected in our list.)

The data revealed that more traditional diets still direct our forks: low calories, heart-healthy (low fat, low sodium), and low carbs. While newer trends such as eating a macronutrient-rich diet may be considered healthy by some consumers, when it comes time to fill the shopping cart, most people fall back on what they know and understand best. As brands strive to communicate "health" through messaging and claims, our data suggests they'd be better off finding a bridge to what consumers already understand.

83%

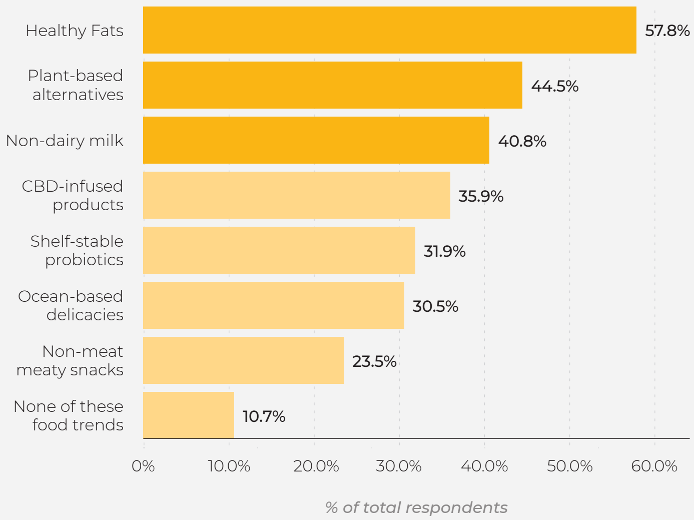
83% of consumers who find plant-based foods appealing are successful in incorporating them into their diets.

One new trend did stick out in the minds of our respondents, however: plant-based foods. One in four Americans already rank a plant-based diet in their top three definitions of healthy eating. This is in roughly the same ballpark as "organic" and "Mediterranean diet," but plant-based is a far more recent concept. Brands like Beyond Meat and Impossible Foods are packing interested buyers in like sardines at trade shows and straining to meet customer demand, while established market leaders like Tyson Foods are quickly launching their own meatless offerings.

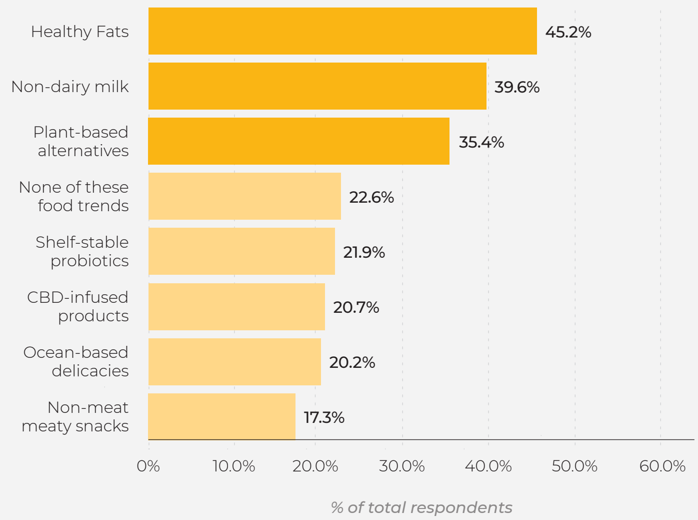
What's more, we discovered that plant-based is among the stickiest of healthy food concepts. 83% of those who find plant-based foods appealing follow through and are able to incorporate them into their diets. Compare this with CBD-infused food products, where only 53% of respondents who are drawn to their health benefits have been able to implement.

With health food, as with all trends, there's a lag between appeal/awareness and when a trend actually gains traction. While "healthy fats," "plant-based alternatives," and "non-dairy milk" are the top-ranking trends for both, the stickiness of each trend varies, due to accessibility or lifestyle factors.

Q: Which of the following food trends appeal to you?



Q: Which of the following food trends are you actively implementing into your diet?

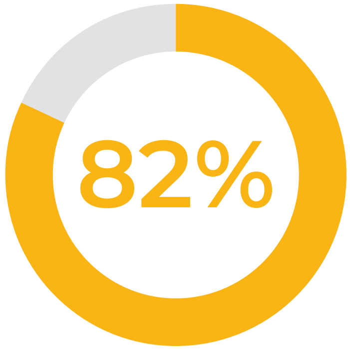


ON THE BASIS OF SEX

Men are from Whole Foods, Women are from Wegmans

After further analysis of our head-to-stomach gap, we discovered 2X more women showed a significant gap between their ideal diet and what they actually eat compared to men.

To help brands bridge this gap, we isolated data that identifies motivational and behavioral differences between the sexes, and when each is most likely to compromise their healthy ideals. These differences dramatically impact not only a brand's messaging, but the time and place of engagement.



of women believe healthy eating is "important" or "very important" vs. 74% of men.

Women used the word "less" 4X more than men when asked what they want and expect from food companies.

Q: What can brands do better to help you achieve your health goals?

WOMEN

"**Stop adding** a ton of sugar and calories and salt. **Reduce** unecessary ingredients. I feel like healthy food shouldn't have **too many** ingredients.

"Provide a product **not loaded** with preservatives, sodium, artificial colors and flavors. **Less** calories, fat, sugar, GMO.

MEN

"**Have a balance** of protein, fat, and carbs. **Have good macros** and be plant-based.

"Have **more options** that cover a wide variety of health benefits. Some items have **more protein**, some have **more fiber**.

Comparing the Sexes: Influences on Eating Behaviors

WOMEN	MEN
More likely to compromise in private settings, such as when alone or with their spouse/partner	More likely to compromise in social settings, such as work functions, sporting events, or hanging out with friends
More likely to compromise due to stress and big occasions (e.g., vacations)	More likely to compromise during micro-moments throughout the day
More likely to compromise while dining at fast-food restaurants	More likely to compromise while dining at fast casual restaurants
More likely to subtract from their diet (e.g., cut out sugar or carbs)	More likely to add to their diet (e.g., add more healthy fats, protein)
More often cited lack of budget as a barrier (58% of women vs. 45% of men)	More often cited lack of support, lack of information, lack of options, difficulty in food prep, "I deserve to indulge" attitude, and believing "it's not a big deal"
Over-indexes on whole foods ("no ingredients I can't recognize or pronounce"), no or less meat, low calorie	Over-indexes on macronutrients, Mediterranean diet (fresh produce, lean proteins, healthy fats), and plant-based

This data suggests opportunities for brands to either reengage and guide consumers during specific social settings, moments, and locations where they are most likely to make an unhealthy choice, or do the opposite and push them over the edge (let's say, if you're a brand of frozen desserts).

The research also helps explain why men and women may have difficulty engaging with health-oriented brands. We found it interesting that women's most significant perceived barrier, lack of budget, implies that the solution for women may be rooted in more affordable options, or at the very least, added value. For men, whose barriers were more emotional in nature ("I deserve to indulge," lack of support from others), brands should focus on shifting their emotional relationship when engaging.

Finally, men were found to be "additive" in their approach to healthy eating (e.g., adding more healthy fats or protein), and tend to have a more holistic, nutrition-based view of the ideal diet. Women, comparatively, tend to be "subtractive" (e.g., diets free from sugars, carbs). It's more about cutting out what they perceive to be "bad" or unhealthy ingredients.

In their open-ended responses, women used the word "less" 4X more than men when asked what they want and expect from food brands. Something as simple as using words like "replace" for women and "add" for men may make the difference between reaching the stomach vs. just the head.

In “on-the-go” markets, there is ample opportunity for healthy brands to steal share of stomach from choices perceived to be convenient.

+17%

Mountain states are more likely to struggle with lack of support.

+15%

Northeastern states are more likely to struggle with lack of time.

+44%

Pacific states are more likely to struggle with lack of information.

THE DISTRIBUTION FACTOR

How do healthy eating attitudes vary across the U.S.?

Whether it’s a new product within an iconic brand portfolio or a new brand entirely, knowing where demand does or does not exist is a vital element to a successful launch.

Proportionally speaking, people in the Pacific, New England, and Mountain States regions placed less importance on maintaining a healthy diet. Respondents in Mountain States were a shocking 111% more likely than the rest of America to say eating healthy is “not very important.”

Due to a higher interest in healthy food, the Northeast is a potentially more attractive market. However, here there is a very different problem. Time and convenience were noted as the biggest barriers to making healthy choices – something that will always be an uphill battle, especially in cities like New York. In these “on-the-go” markets, there is ample opportunity for healthy brands to steal share of stomach from choices perceived to be convenient.

Respondents in the Pacific region are 44% more likely to struggle with lack of information, which explains this group’s common response, “I don’t believe this will affect my health.” Mountain states struggle more with personal commitment and finding support. This evidence suggests a vicious cycle: less demand for healthy options results in fewer health-oriented brands focusing their efforts in these places, which keeps demand low.

In the Southwest (particularly in TX, OK, AR and LA), consumers fall into one of two extremes, placing a lot of importance or very little importance on healthy eating. Midwesterners are much more consistent in their mindset, with a more traditional view of what a healthy diet is (lower calories, whole foods). Interestingly, they’re also the least engaged in new trends.

Influencers with the most power are those that are close, personal, and present in their everyday lives.

+41%

Those who struggle with personal commitment are 41% more likely to want to see customer testimonials.

+191%

Those who struggle with lack of support are much more likely to look for a brand spokesperson they can relate to and trust.

SPHERES OF INFLUENCE

Perhaps one of the biggest learnings came when we asked respondents to rank what most influences their healthy eating decisions. As you might expect, the public's biggest influence is their immediate social circle: their spouse or significant other, friends, and children. These are influencers who are close, personal, and present in their everyday lives.

We did not anticipate that doctors and healthcare providers would be next in line as the second-largest influencer. The internet has inarguably had a tremendous impact on consumers' wellness experience and given the average person endless fodder for self-diagnosis. But when it comes to healthy eating, it appears doctors' expertise still counts for something.

Respondents reported that brands, advertisers, bloggers, and media personalities have the smallest influence on their eating behaviors.

We also observed that 50% of respondents struggle with personal commitment and lack of support from others. If a brand wants to increase its influence, let's say through a celebrity endorsement, it's not enough to run an ad campaign — the brand must also show support for the individual.

Our data further revealed that consumers who struggle with a lack of support are much more likely to want to see spokespeople they can trust (+191%). This suggests that influencers like media personalities and celebrities can make an impactful impression when they're shown in a relatable manner that speaks to the audience's struggle.

Convenience is a strong enough draw that it trumps factors like affordability and transparency in purchase consideration.

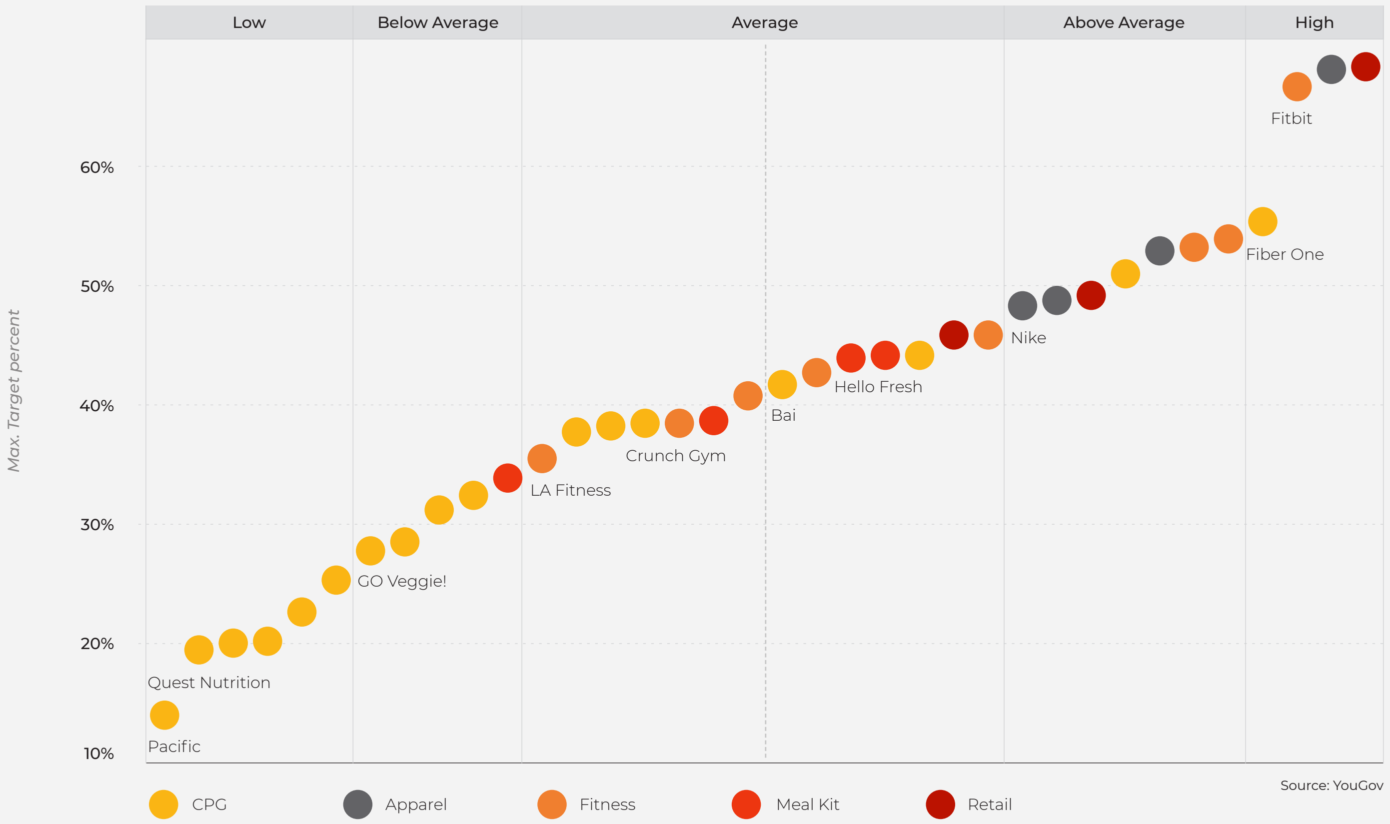
Another common theme in the data: the desire for increased convenience. Consumers want better-for-you brands to be affordable (57%), straightforward with packaging (51%), and transparent on ingredients (62%) — all things that help consumers make quicker decisions when shopping.

Interestingly, this desire for convenience already manifests itself in shoppers' purchase behavior. When we asked respondents to identify areas of the grocery store where they are more likely to make a purchase decision that does not align with their ideal healthy diet, immediately behind the expected baked goods aisle, the frozen foods and prepared foods aisles rose to the top. This indicates that convenience is a strong enough draw that it trumps factors like affordability and transparency in purchase consideration.

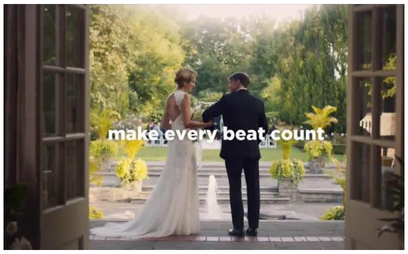
Top 10 Areas of the Grocery Store Where Consumers Compromise on Healthy Eating

1. Baked Goods
2. Frozen Foods
3. Prepared Foods
4. Beer & Wine
5. Beverages
6. Discounted/Promotions
7. Checkout Line
8. Dairy
9. Deli
10. Canned Goods

HEALTH BRAND POSITIVE IMPRESSION RANKINGS



Peloton, "Better Is In Us," aired February 2018.



Fitbit, "Big Day," aired October 2016.

Third-party data tells us that CPG food is far behind the fitness category (think Fitbit or Peloton) and apparel category (think Nike and Lululemon) in positive consumer perception. These lifestyle brands are built on inspiration and self-actualization – all the way down to their taglines.

Packaged food brands – for decades defined by claims, ingredients, labels, and functional benefits – have a big opportunity to migrate into this aspirational lifestyle space. When we asked respondents to tell us what food brands can do to help them reach their goals, the overwhelming majority asked for more emotional support.

Lastly, our study echoed the idea that brands need to practice what they preach. We found that one in three Americans expect a packaged food brand to be socially responsible, and respondents were also more inclined to look for sustainable packaging than the average person. Therefore, if you want to score points via "socially responsible" messaging, your desired audience may use your packaging as a first test of sincerity. Brands that fail this test provide a small but significant example of trying to tap into a macro-trend without understanding customers' micro-motivations.

CONCLUSION

This research only scrapes the surface of the disconnect and complexity marketers face when targeting a healthy-eating mindset or moment. It also speaks generally when every product, story, and marketing challenge is different. However, the data does take us a step closer to helping brands close the gap between intentions and living — whether it's by crafting a distribution strategy where there's opportunity to change existing behaviors or by innovating not in products but in relationships and engagement.

This last point may feel a long way off for brands who regard more SKUs and household penetration as key indicators of success. We're not suggesting you ignore these factors. Rather, if you take one thing away from our findings, it's this: growth opportunities exist everywhere, and many are closer than you'd think. The healthy food landscape is growing more complex and crowded by the minute, but there's ample room for brand leadership. Our hope is that we've paved a few bricks on your road to success.

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