

U.S. Healthy Eating Trends Part 1: Commitment Trumps the Economic Pinch

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Part 1 of 5 on Healthy Eating Trends and Myths

Consumers in the U.S. might be trimming the fat from their budgets and diets, but contrary to predictions, they continue to demonstrate a healthy appetite for foods featuring health and wellness claims. From alpha (antioxidants) to omega (omega 3 fatty acids), foods touting the kind of heart-healthy, joint-buffering, free radical-extinguishing properties that appeal to aging Baby Boomers dominate the rapid growth list.

The big winners on the healthy eating front, each posting double digit growth, were products with label claims for omega, high fructose corn syrup free, antioxidants, gluten-free, probiotic, calcium, fiber and low glycemic and no salt/sodium added.

Health Claim	% \$ Sales Growth From Year Ago
Omega Claim	42%
Antioxidant	29%
Gluten Free	16%
Probiotic	13%
Calcium Claim	13%
Fiber Claim	13%
Low Glycemic	12%
No Salt/Sodium	10%

Source: The Nielsen Company, Nielsen Strategic Planner, 52 Weeks ending 12/27/09
Total U.S. Grocery/Drug/Mass excluding Walmart

Still champions

Many longstanding health claims maintained their popularity even as upstart health and wellness claims debuted on the healthy eating scene. Chief among them: products with fat claims—generating 2009 sales of \$46.1 billion—slid a modest 3% vs. 2008 results. This dip was attributable in large part to milk, which contributes \$11.5 billion to all fat-claim product sales. Even though milk unit sales remained relatively flat (-0.5%), lower prices dried up milk dollar sales, which ended the year down 16.7%.

Other popular claims holding their own included products labeled “natural,” with \$22.8 billion in annual sales representing 4% growth vs. 2008. The natural claim demonstrated real star power, outselling organics by more than a 4:1 margin in food, drug and mass merchandise retailers. Sodium claims—a \$14.9 billion category dominated by soda products—kept its effervescence, recording no change in dollar sales over the last 12 months.

The “better-for-you” health movement to reduce saturated and trans fats resulted in a slender 1% uptick in products with an absence of a specific fat label claim—a \$14.8 billion category. Products with a preservative claim still resonated with shoppers, resulting in a 1% sales gain to \$14.5 billion. And that perennial favorite claim of “reduced calories” sold \$11.7 billion in 2009, up 6% as consumers pursued the elusive goal of weight loss.

Category	\$ Sales Growth From Year Ago	% Change YOY
All fat claims	\$46.1 billion	-3%
Natural	\$22.8 billion	4%
Sodium	\$14.9 billion	0%
Absence of specific fat	\$14.8 billion	1%
Preservative claim	\$14.5 billion	1%
Reduced calories	\$11.7 billion	6%

Source: The Nielsen Company, Nielsen Strategic Planner, 52 Weeks ending 12/27/09
Total U.S. Grocery/Drug/Mass excluding Walmart

Losing favor

“Lowers cholesterol”—one of the established knockouts among widespread health claims—lost ground in 2009. Dollar sales for all products featuring cholesterol claims dropped 5% to \$10.6 billion. The uptick in effective statin drugs used to lower cholesterol may be a primary contributor to the decline in popularity—a trend to watch. If an equally effective weight-loss drug is ever developed, it may have a similar impact on “low-fat,” low calorie and sugar-free products.

Hormone/antibiotic-free food claims—a \$2.2 billion category—declined 2%, but with milk representing the largest contributor of hormone-free products, this finding is more a reflection of milk pricing than a shift in consumer preference. The low-carb movement was put on a diet, with sales dropping 5% in the \$1.8 billion category as the popularity of the Atkins Diet continues to wane. And soy claim popularity dipped in both traditional food/drug/mass merchandise outlets (down 6% per Nielsen) and natural food channels (down 4.1% per SPINS).

Other claims that failed to gain traction included products with flax or hemp seed—a comparatively small category generating only \$137million in traditional channels—showing a sales decline of 8%.

The pattern was reversed in the natural food channel, where flax seed sprouted a 1.2% sales increase and hemp products roped in 9.0% more sales than the prior year, according to SPINS. Although sales trends in the natural food channel may differ from mainstream retail channels, natural outlets may help marketers identify the newest trends in healthy eating. One such trend is Stevia, which has recently found its way onto the food/drug/mass sweetener aisle and into major brands. Can Kombucha—a fermented beverage made of tea and bacteria cultures—(up 18% / \$6.7 million) in natural food stores be far behind?

Healthy impact

Savvy marketers understand that being part of a healthy lifestyle solution reflects positively on almost any brand—or retailer. Retailers can further leverage and deepen their relationship with shoppers through programs ranging from Wii Fit exhibitions on-site to light cooking demonstrations and product tastings. With no shortage of news stories on child obesity, families will continue to seek out brands and retailers offering healthy alternatives.

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