



APPETITE FOR CHANGE?

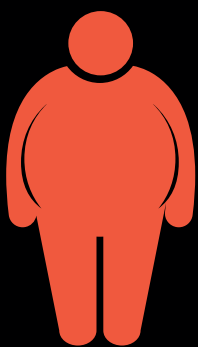
Nutrition and
the nation's
obesity crisis

An insight report by
Kantar Worldpanel

AT A GLANCE

NUTRITIONAL RECESSION

calorie purchase for those earning under 30k vs those earning over 30k



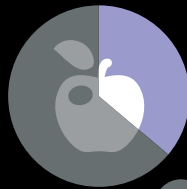
below £30k



above £30k

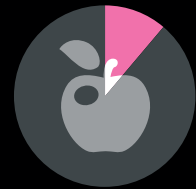
36%

of consumers think they have their 5-a-day



11%

while only actually achieve it



DISCOUNT

37%

of saturated fat and

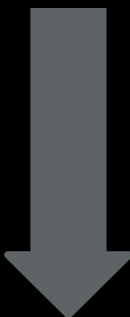
32%

of sugar

is bought on some kind of price promotion

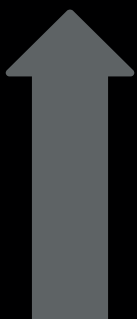
-5%

the government is aiming to remove 5% of calories from the food chain



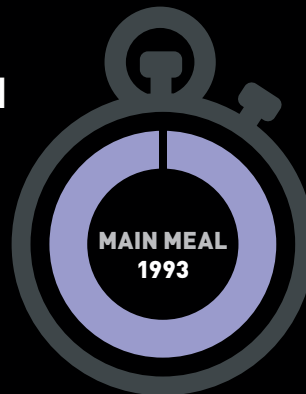
+5%

but calorie density has increased by 5%

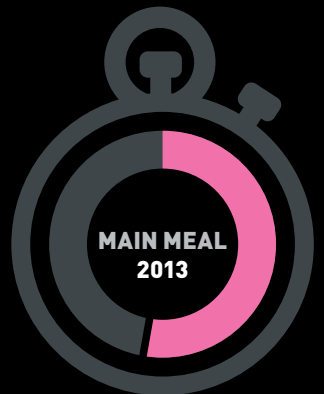


MEAL TIME PREPARATION

the average time it takes to prepare the main meal has reduced from 60 minutes two decades ago to 32 minutes now



MAIN MEAL
1993

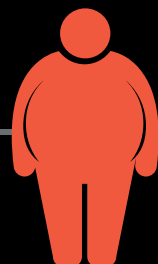


MAIN MEAL
2013



KIDS

families with children buy relatively more sugar than the average household



CAR OWNERSHIP

shoppers without a car purchase more saturates, fat and sodium but less protein and fibre than the average person



THE OBESITY PROBLEM

The UK has a serious problem, and it's not going away. In fact, it's getting bigger, literally.

In two decades levels of obesity have grown from one in seven adults to one in four. Fat is the new normal with 61% of the population either overweight or obese. And the problem only seems to be getting worse with experts predicting that by 2050 more than half of all adults will be obese.

From a nation of scrum halves, our shape has changed so much that we are now producing prop forwards. Good for the British Lions' front row, but bad for the health of the nation. The annual cost to the health service is estimated to be over five billion pounds – more than the cost of running the Olympics every other year.

British ties to the kitchen have been cut. Twenty years ago there was parity between homemade and bought cakes; now, around four in five cakes eaten are manufactured.

Fruit and vegetables are much more likely to be consumed as part of a home-cooked meal. However, as working hours lengthen and families struggle to make ends meet and retain their jobs, home cooking has declined – and so too has our consumption of fresh produce. Convenience is driving consumer choice which has meant that saturates, calories and fat sales are outstripping the overall growth of the grocery market.

Despite the range of actions taken by government and manufacturers, we are still a long way off reaching the promised land. Consumers appear unwilling, unmotivated and unable to alter their current eating habits. There is clearly confusion over how to ensure real, tangible changes are made and with whom the responsibility lies to deliver them.

Big changes are needed. It has taken us six or so different government administrations to eat our way into a state of obesity – it will take a good few to get us back into shape.

This report outlines what the government and manufacturers can do to promote a healthier Britain, providing an in-depth understanding of how people shop and consume. It aims to demonstrate how manufacturers can benefit from prioritising healthier products.

The findings of the report are drawn from Kantar Worldpanel's continuous measurement of the shopping habits of 30,000 households in Great Britain. We look at what households buy, how consumers shop, their relationship with food and their attitudes to health. We know what drives their purchasing decisions, whether they follow the recommended nutritional intake and how engaged they are with the government's health initiatives. In short, we understand the nutritional content of the UK's shopping baskets.



Giles Quick

Giles Quick

Director at Kantar Worldpanel
September 2013

A NUTRITIONAL RECESSION

Index showing estimated amount of calories bought from take home purchasing per day by household income



Shrinking bank balances, expanding waistlines

Over the past decade, the recession and the time pressures of modern life have changed the way consumers shop and their relationship with food.

During times of economic uncertainty, health takes a secondary role and price and pragmatism drive consumer choices. Sales of healthy products – such as fresh fish, meat, fruit and vegetables – decline and shopping baskets are more likely to be filled with prepared foods. Frozen food in particular is seen as a recession buster, offering convenience and value to cash-strapped families. In the past two years, frozen food sales have grown by 11% and spending on chilled ready meals is up by 25%. Even the odd horsemeat scandal registers as a blip in the general move towards convenience. Memories are short and consumers quickly return to bad habits.

Lower income groups are invariably hit the hardest. These consumers often have limited or no savings and the threat or reality of unemployment puts their weekly budgets under intense pressure. Promotions and cheap food are attractive – feeding the family on a special offer convenience meal seems a cheaper alternative to preparing a more complex, multi-ingredient freshly cooked meal. As a result, **home-cooked foods have declined most sharply among the poorest members of society.** Those earning under 25k have cooked 2% less in the past three years, compared with a 16% rise in home cooking in those earning over 25k.





Convenience is king

Longer working hours and busy modern lifestyles have meant that convenience is now the number one priority for consumers. This often results in choices that are perceived as 'easy' for time poor people but which are actually unhealthy. Families with younger children, who strive to maintain a healthy work / home balance while also managing tight budgets, are particularly affected by this situation. **Households with children purchase a greater amount of products on promotion than households without children – especially snack foods.**

The more snacks a household keeps at home the faster they will be consumed. It's the law of expandability – sadly of waist lines too.

The proportion of homemade food eaten by children is decreasing over time. This particularly affects younger children who are unable to prepare their own meals and escape the consequences of an unhealthy lifestyle. If parents don't teach their children what constitutes a healthy diet, there is a risk that they will get stuck in a bad nutrition rut for the rest of their lives.

Ease and convenience shouldn't be at the expense of health and it is crucial that this is communicated to consumers. While it is worrying to hear about the child who goes to bed not having eaten a meal that evening, it is also concerning to learn of the much greater number of children who go to bed filled with food that is nutritionally poor. Left unchecked this is gradually creating a major social and public health problem.

The government can help by educating people about how to cook quick and healthy meals. But for real changes to take place, consumers must also accept some of the responsibility. No new initiatives or food and drinks taxes will work if shoppers don't understand their importance and the reasons for introducing them. The government's 5-a-day campaign is a prime example – **36% of consumers think they have their 5-a-day while only 11% actually achieve it.**

The "nudge" approach – the principle of working with the grain of human psychology – needs a push or perhaps even a shove. Put simply, consumers must be made more aware of the dangers of poor nutrition. This isn't just about the type of food they should be buying but how to prepare healthy meals, what constitutes a balanced diet and how best to use their budget for the weekly food shop. **Enabling change needs to be at the heart of government policy.** Huge choice exists in supermarkets. In fact, consumers could change their type of cereal every time they ate it and not return to the original for seven years. Helping shoppers to quickly and easily identify the best option is the challenge. Products go from shelf to trolley in just a few seconds. A few seconds which determine the health of a nation.



Meat balls



Tinned pies



Pot noodles



Coated chicken



Pizza



Fried food



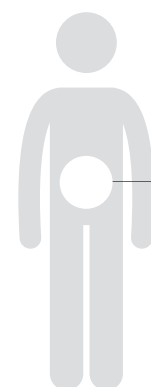
Bacon



Sausages

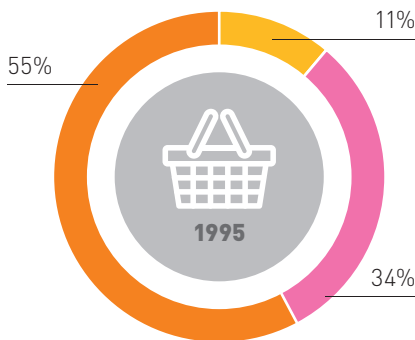


Tinned soup



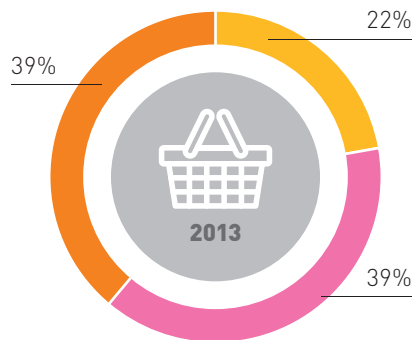
Fastest growing meals eaten by people earning under 25k over past three years

MAKING THE BUSINESS CASE FOR HEALTH



Driving shoppers' consumption decisions 1995 vs 2013

There is money in health – and opportunities for those manufacturers and retailers who ensure it is on their agendas. In the long term, health foods have doubled in importance over the past 15 years – and, this trend is expected to continue. **56% of the population are concerned with being overweight and 74% of households have general concerns over health.**



● Health ● Enjoyment ● Practicality

There are now more people in the UK with diabetes than there are vegetarians. **In the short term, healthy products have suffered as a result of the recession which has meant consumers are very focused on price.** However, as the obesity crisis continues and these types of weight-related illnesses become more prevalent, health will return as a priority in consumer decision making. Manufacturers need to ensure they are ahead of the game by prioritising and making the case for health now.

Some brands have already caught on. Coca Cola has addressed the obesity issue with an advertising campaign which urges consumers to be calorie conscious and to exercise more frequently. It has also pledged to display calorie counts more prominently.

Even those brands which will always be perceived as 'unhealthy' can do things to show they are committed to combating obesity. Consumers understand the logic of credit and debits – a balance between good and bad, treats and healthy options. **Anything that stimulates positive change – from whatever source – must be welcomed and any cynicism should be tackled head on.** The clock is ticking and we need to act.

This could mean sponsoring exercise classes for lower income groups, providing fruit to schools, offering appointments with dieticians or donating sports equipment to schools and local fitness clubs. As always, freebies and discounts work.

Increase in adult obesity levels in England



Progress so far

1994



What?

Start of the government's 5-a-day campaign, which encourages consumers to have a regular intake of fruit and vegetables.

Success?

Very high levels of recall in the UK, but still a long way off the desired levels of fresh fruit and vegetable consumption – around one in 10 of the population attains the magic five, with most closer to three a day.

2003

What?

The previous Labour government focused on target setting – starting with salt.

Success?

Salt has been a real success story with purchasing levels (including hidden salt within our food as well as salt added at the table) slowing.



2007



What?

Ofcom published its final statement on the Television Advertising of Food and Drink to Children. The nutrient score approach helps to regulate advertisements by using a single "score" for brands, weighing up the nutritionally less desirable elements (like salt or sugar) against the nutritional positive elements (fibre, protein). Kids have also been a focus for action in schools.

Success?

Ofcom's final review of the advertising ban, in July 2010, estimated that children had watched 37% less advertising for junk food than before the 2007 ban.



TWEAKING THE FORMULA

Initiatives like these are often a core part of a brands' social responsibility programmes but few communicate directly to the consumer about them, often using third parties instead. Brands should be doing more on-pack or direct advertising to maximise consumer engagement. For many, access to this type of initiative could even be a selling point for buying the product.

Cheap food isn't cheap

Retailers and the government might be wary about increasing the price of food, particularly in the current economic climate, but this could actually result in long-term savings for the consumer. Cheap food isn't cheap when considered in the context of NHS expenditure on diet-related health issues such as obesity. **Promotions such as 2-for-1 can convince consumers to buy more than they actually need – meaning money, as well as food, is wasted.** "The more stuff you've got in your cupboard, the faster you eat it" is not just a theory – it's a fact.

Using fiscal policy to drive consumer choice is a powerful weapon available to the government. **VAT can be a force for good.** Tax incentives could encourage consumers on lower incomes, who are particularly vulnerable to making unhealthy choices, to opt for healthier products. Reaction from manufacturers would be interesting and varied as most brands have a wide range of lines and already include 'healthier' options which wouldn't be subject to the full level of VAT.

A balancing act

Retailers have taken some responsibility by introducing healthy sub brands – often focusing on calorie control, and on-pack nutritional labelling. However, this approach has lacked uniformity and hasn't made it easy for consumers.

The most significant positive impact on the health of the nation has come from manufacturer reformulation – altering the ingredients of products to make them healthier.

This passive consumer change allows shoppers to continue to buy the brands they love while banking the nutritional benefits of reformulation.

Three quarters of positive nutritional change is as a result of reformulation.

There are many high profile reformulations – PepsiCo removed up to 80% of saturated fat from its core Walkers range of salty snacks by using sunseed oil. Other examples include McCain which removed 70% of saturated fat from its potato products and McVities with similar action on its core biscuits range. Sales of salty snacks have remained solid but the amount of saturated fat in British shopping baskets, and ultimately in the diet, has reduced. Despite this, the nation is still getting fatter and it is clear that these and other positive steps need to go further and deeper. Calories and sugar are the next government battle ground.



Experts predict that obesity rates could double by 2030 if current trends continue.

2009

What?

5-a-day was wrapped into the broader-based Change4Life, with the dual focus of exercising more and making healthier choices.

Success?

Awareness is high but the large gap between hearing the message and acting on it remains.



2011

What?

The coalition government has concentrated on industry collaborations such as the "responsibility deal." The latest is the calorie pledge – an ambition to remove about 5% of calories (five billion) from the British diet.

Success?

With no clear link between the government's ambitions and manufacturer pledges, progress is likely to be slow. The sum of pledges does not appear to add to the government target, and only a few (such as Kerry Foods) have specifically linked their pledge to the stated government ambition.

2013

What?

Government launches new front of pack hybrid food labelling system which allows consumers to see at a glance how unhealthy their shopping is and compare products directly against one another.

Success?

Likely to lead to some consistency but products will need clearer sign posts so consumers can differentiate between the most and the least healthy options.

2030

DRIVING CHANGE

More is needed, or at least different

Asking consumers to cook from scratch when they are used to heating their ready-made food won't be an easy thing to achieve. Asking consumers to spend minutes changing to a healthy choice when they are used to making choices in 15 or 20 seconds (often less for the least healthy snack foods) is unlikely to work. Driving change is hard. Driving big change is harder; but it is big changes that are needed. **More motivating, incentivising and enabling is required.**

Motivating

The majority of the government's social marketing campaigns try to motivate us to make changes. However, it is clear that consumers need a bigger push.

The government needs to start with young people and continue to communicate and explain – consistently and simply. More education is required in schools about eating healthily, cooking from scratch, using up leftovers and effectively managing household budgets. This could also be extended to include funding for adult cooking lessons and sessions on health in the workplace. However, this approach of a thousand small steps will take generations to reach the desired effect. There needs to be more immediate measures working in tandem. It's about long term habit change and short term intervention – invest in the youth team for the long haul but also buy a new striker now.

Putting on the frighteners

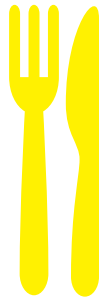
Shock tactics have been successful in other government health campaigns. Smoking is a prime example. This isn't a comparison between the two industries, but an opportunity to learn from some of the 'shock us and price us into change' tactics that successive governments have used to make a positive impact on smoking levels and health. By visually highlighting the dangers of poor nutrition, and showing people the most extreme consequences of unhealthy choices, obesity and other weight-related illnesses become a reality. Stronger advertising campaigns and images are called for – people are often more motivated to make changes on the basis of looks rather than health. Campaigns should focus on the impact on overall health and the consequence of continuing along a road which has been travelled down for 30 years. Sometimes the scare factor is the best way of motivating people into action.

So let's see in all its fleshy glory the likely result of an unhealthy lifestyle.

A digital push

The digital world presents an opportunity to engage with consumers in real time – to give them a direct, personal nudge. Retailers and manufacturers could introduce health apps for consumers to use while they do their grocery shop. These apps could push shoppers towards the healthiest choices within categories, and show them how they can make healthy meals using ingredients they have bought. It could also alert them if their shopping basket contains too many saturates or too few fruit and vegetables.

37% of saturated fat and 32% of sugar is bought on some kind of price promotion.





This principle is already being rolled out by [mySupermarket.co.uk](https://www.mysupermarket.co.uk) which recommends healthier or cheaper switches for consumers. However, it's something retailers should be doing on their own websites with healthier suggestions popping up when consumers complete their order. This isn't about being a nanny state but a way of encouraging consumers to engage with government initiatives on a practical point of purchase level – "we've noticed your basket does not contain five portions of fruit and veg, click here to go back to the fresh produce aisle."

Similarly, retailers could use their loyalty card data to make positive nutritional suggestions. "Do you realise this basket contains enough calories to last you a month – try these switches." Tesco has recently announced that it plans to use its Clubcard data to suggest healthier options to shoppers or drive change through "healthy choice" couponing. However, this needs to be widespread across all retailers to bring significant change. To convince retailers and manufacturers to support these kind of initiatives, a reason beyond altruism is needed – an incentive. **There is an opportunity for retailers to make big, bold steps. History shows that once one goes, the others will follow.**

PLAN OF ACTION

- Introduce differential tax (VAT free or super VAT) pricing for the healthiest lines within each category
- Drive access to healthy choices through initiatives such as free home delivery
- Develop a single graphic or number to indicate simply the health status of a food
- Limit promotions on high fat, salt and sugar products
- Reintroduce target setting by the government with mandated changes
- Offer commercial incentives and targets to retailers to help drive manufacturer change
- Use customer loyalty card data to make positive nutritional suggestions
- Make calorie labelling a legal requirement in all food outlets
- Introduce promotional schemes, vouchers and discounts for healthy food
- Learn from the success of the stop smoking campaign
- Provide more education in schools, colleges and the workplace



The percentage of people who regularly achieve their 5-a-day has dropped from 12.8% in 2010 to 10.7% in 2012.



DRIVING CHANGE

Incentivising

Making health pay

At the moment, the weight of responsibility appears to be inverted. The burden is on manufacturers to drive change without any more incentive than escaping the threat of intervention or high level pressure. Health should sell. If it doesn't, there is little incentive for manufacturers to make more changes than required. Many do, to their credit, but these changes can be to the detriment of the bottom line. That is not sustainable in a tough commercial world.

Commercial incentives, perhaps through fiscal policy, encouraging manufacturers to reformulate and develop healthier options would be a good start.

The government should create a more competitive environment for manufacturers, providing a financial prize for those who prioritise health. VAT could be reduced on products in the healthiest 20% of each category – this would make consumers more likely to choose these products without manufacturers having to lower their costs. Brands which already have health on their agendas need to be recognised and rewarded. This might mean the more they do to help make consumers healthier, the more priority they have for advertising and sponsorship. The healthier brands could also be given more prominence on the shelf and the least healthy products relegated to the less optimal spots outside of shoppers' eye lines.

Offering commercial incentives and targets to retailers could also help to drive manufacturer change. Corporate social responsibility is an important driver for retailers so proving that health is a part of this will demonstrate further commitment. With local authorities now responsible for health in their own communities, they could take a role by exerting pressure on retailers to provide consumers with the healthiest options. This in turn would give manufacturers an incentive to develop healthier products.

Carrots and sticks

Consumers also need more compelling reasons to make the required changes. This means a few sticks as well as a sack full of carrots. The most convincing sticks and carrots are made of money – financial incentives and consequences. It's something we already do – biscuits are subject to VAT but fruit is not. Some companies provide free fruit to employees but this could be made a requirement for businesses over a certain size and also for schools.

Nearly 40% of all saturated fats sold (not packs of butter but the actual amount of fat in foods) are more likely to be on promotion than protein or fibre. An incentive (or disincentive) to reverse this unhealthy truth would make a difference. Retailers could use voucher promotions as a way of encouraging consumers to buy healthy food – for example, £5 to spend on fresh fruit when you spend over £50 in store. Or make the healthiest lunchtime meal deals cheaper than the rest. **Money talks, but free stuff shouts.**





A THINNER FUTURE

Enabling

Easy does it

When recycling was a chore – a real effort – it was the preserve of the minority. However, recycle bins coupled with a regular collection service have resulted in a significant change in behaviour and a considerable impact on landfill. **The lesson from recycling is to make it easy.**

More needs to be made of the fact that consumers understand calories – they are a much more meaningful measure than saturated fat or sugar content. If calorie labelling was a requirement in every restaurant, fast food outlet and cafe in Britain, consumers would become more aware of the implications of their choices. This in turn would create a commercial incentive for outlets to provide healthier choices.

A bewildering range of products exists. Shoppers are often on auto pilot with one main shop looking very similar to the next. Consumers purchase just 1% of the product lines available in a large store each year. In the ready meals category, the range of saturated fat content is staggering with a 90-fold difference between the lowest and highest. Healthier choices can always be made and these have the potential to deliver substantial health improvements. **However, consumers are often unaware of how much is available and most importantly, the implications of their choice.**

Healthier choices

Asking a consumer to switch to fruit when they have gone out to buy biscuits will fail more often than it works. Helping shoppers identify the healthiest choice at the biscuit fixture will have a greater chance of success. With promotions highly weighted towards food eaten as a snack, some level of government intervention on what can, and crucially what cannot, be sold on promotion would be a positive step, helping to push consumers towards healthier choices.

From 2014, front of pack nutritional labelling (including GDA, colour coding and high / medium / low signage) will be taken up by most retailers and manufacturers. Although this will at least lead to some consistency, it will fail to address the significant issue that when consumers are shopping for unhealthier products – such as biscuits or crisps – they are faced by a sea of “high in calories and red” and have nothing to differentiate between the most and the least healthy options.

Labelling all biscuits with red cheese wedges in the GDA wheel is not going to help. Making sure a wide range of healthier options exist for all categories and are clearly signed is a step towards a thinner Britain. For example, by introducing a ‘healthier choice’ label, which products would only qualify for if they are in the healthiest 20% of their range.

Healthy access

Access to the nearest food store is also a major factor in determining a healthy diet. People without a car purchase more saturates, fat and sodium and less protein and fibre than the average person. This problem is even more exacerbated in rural areas, with non-car owners buying higher than average amounts of all the following nutrients; calories, protein, fibre, carbohydrates, sugars, fats and saturates. Making sure that everyone has access to healthy choices is key to enabling change. And the government has a role to play here. Free home delivery for those on income support or those with a lack of mobility, such as the elderly or people with disabilities, could be a solution.

The merit of home delivery is that it allows consumers to make more considered food and drink choices.

Internet shopping is good for our health, even if no calories are burnt when making purchases.



COMMUNICATION AND COLLABORATION

The road to size 12 is a long one.

Too much time is often spent defending, dodging and downright ducking what is a very real problem. More collaborative debate is needed based on the premise that consumers must also take responsibility for their own actions. They need motivation to make the right choices and an incentive to change. This must be coupled with simple, practical help.

The government's job is to intervene and govern when consumers will not take responsibility. The manufacturer's job is to offer us choice and meet the needs of consumers and the government. Each has a role to play but at the moment roles are a little confused. Responsibility needs to be divided more equally if we want to see real change.

To get in touch with the nutrition team
please contact:

Giles Quick
T +44 (0)1372 825 825

For any media enquiries please contact:

Suzannah Rowland
T +44 (0)208 9671663

www.kantarworldpanel.co.uk

Methodology

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