Tasting Tomorrow

Dive into the Trends Shaping Food and Beverage in 2024

NIQ

Health & Wellness Insights in Food and Beverage

Cultivating a Healthier Future

The modern consumer landscape is increasingly focused on health and wellness. While this trend presents exciting opportunities for businesses, it's crucial to acknowledge the uneven distribution of these benefits. This report delves into various aspects of health and wellness trends, encompassing consumer preferences, market insights, and concerning disparities. We explore the growing demand for protein-rich foods, the ongoing concerns surrounding sodium and sugar, and the alarming reality of widening health inequities.

Through a blend of data analysis and industry insights, this report aims to equip you with a comprehensive understanding of the current health and wellness landscape and the challenges and opportunities it presents.

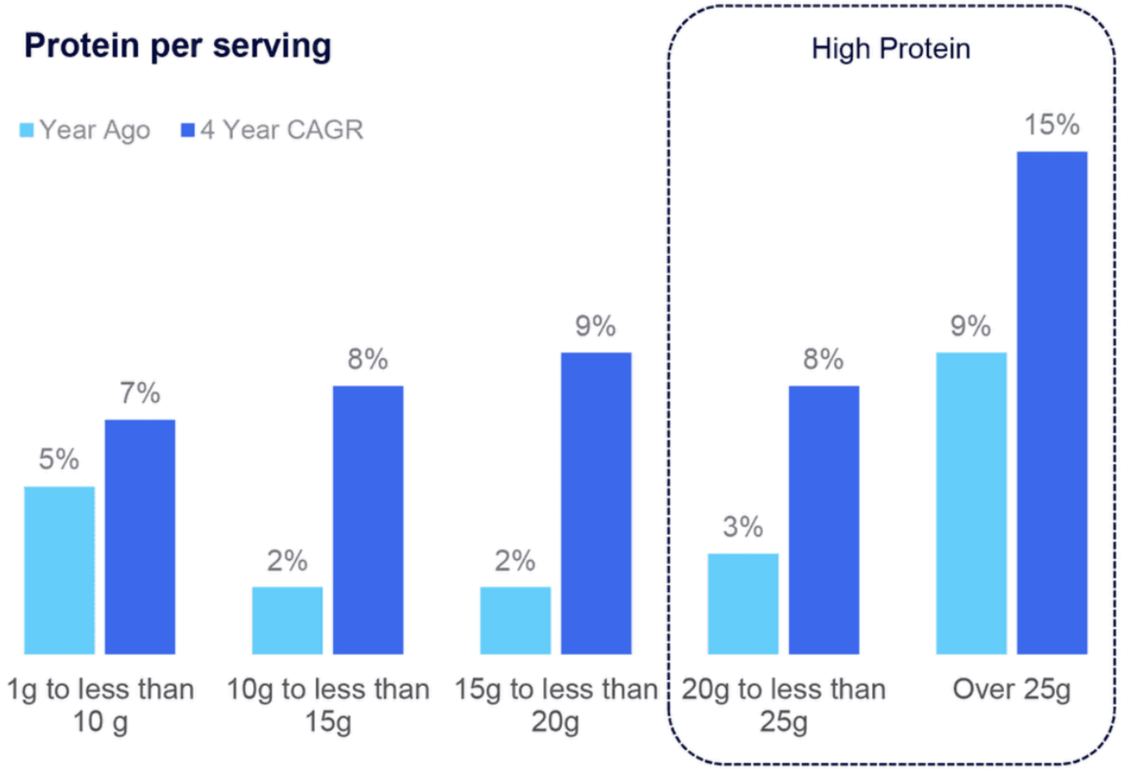
Protein

Protein is shifting…

The demand for protein-rich foods in the CPG industry shows no signs of slowing down. According to the International Food Information Council (IFIC), a staggering 67% of consumers actively tried to increase their protein intake in 2023. This trend is reflected in the rapid growth of products containing 25g or more of protein per serving, which currently experience the fastest sales increase within the CPG food category.

The popularity of specific dietary trends like Keto and Paleo, both emphasizing high protein intake, is fueling the market even further. Sales of CPG food products with "Keto Diet" and "Paleo Diet" claims have risen by 14% and 23%, respectively, in the last year. This growing consumer interest is evident in online search trends as well. Searches for "high protein" have surged by 19%, reflecting the widespread desire for protein-rich options.

Additionally, searches for specific protein sources like "pea protein" and "protein isolates" have also increased significantly, indicating a growing awareness and openness to various protein sources. These trends offer exciting opportunities to cater to consumer demand and innovate within the high-protein food space.



Source: International Food Information Council, 2023 Food and Health Survey, TikTok Trends
Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; 52 weeks ending 12/30/2023; "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023"

Traditional protein-rich categories like meat and seafood are seeing declines

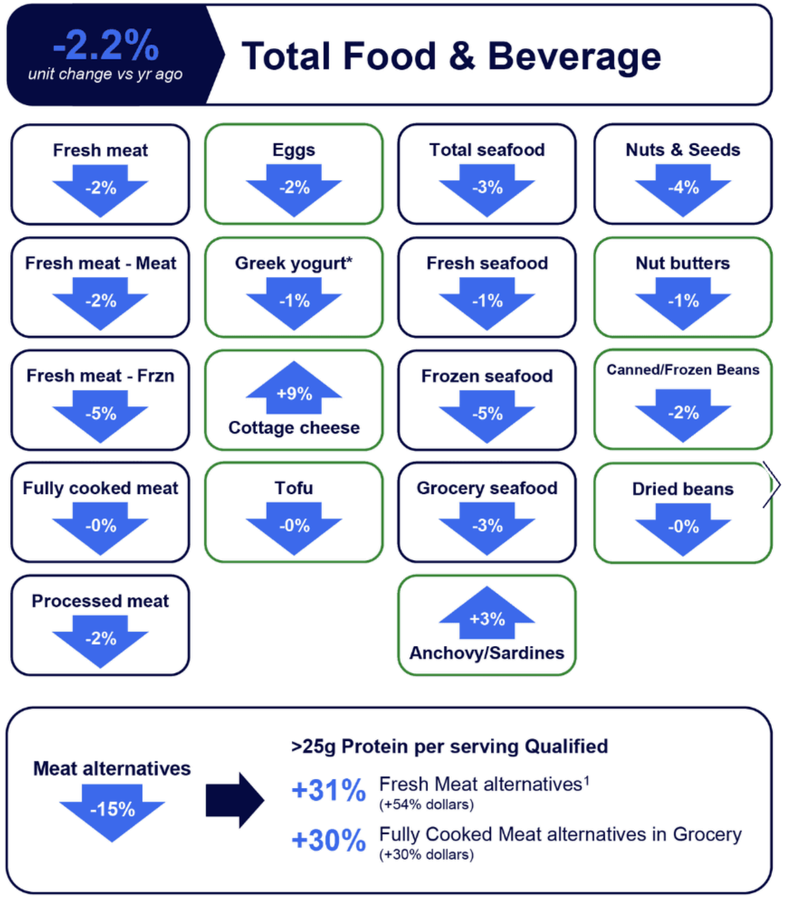
Indicating growth of protein from the center store aisles

NIQ Trending Attributes Search trends show increased demand for protein

"high protein"
>317K searches (+19%)

"pea protein"
>289K searches (+9%) +8% in sales vs year ago

"protein isolates"
>1.1million searches (+13%)



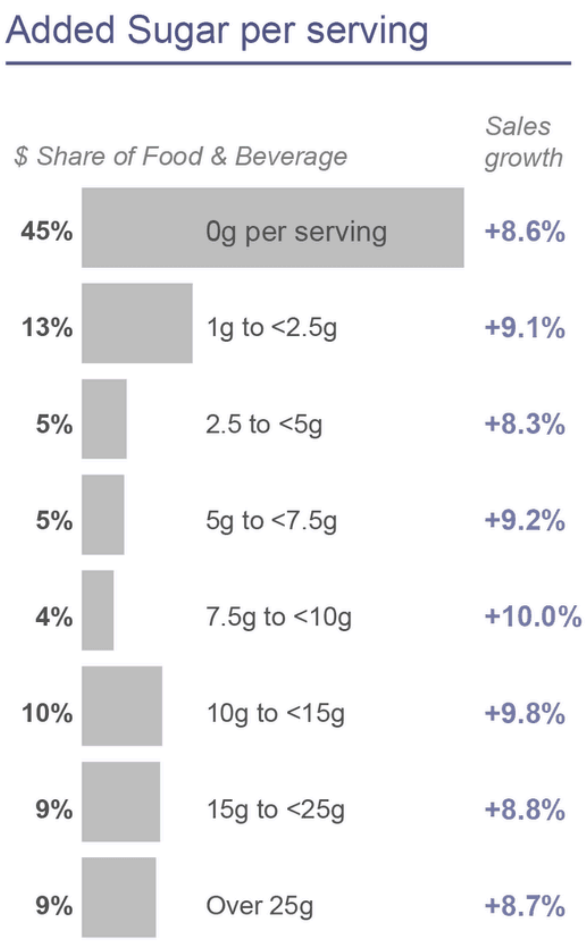
Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; Unit % Change vs year ago; 52 weeks ending December 30, 2023
* = Greek yogurt $ Vol (+11%) and EQ Vol (+6%) are growing; 1 = few UPCs selling

Salt & Sugar

Consumers will continue to focus on sugar in 2024

Reducing sugar, particularly added sugar, remains a focus for many health-conscious consumers. 30% of consumers seek low sugar when buying food, and 29% of consumers look for no added sugar. As a result, successful innovations in this space are tackling sugar reduction by formulating with cleaner zero-low calorie sugar alternatives such as agave, stevia, and erythritol, which are seeing double digit growth. That said, it's important to note that while sugar reduction remains relevant, the data doesn't show a significant decline in sales at higher sugar levels. This indicates the need for a nuanced approach, catering to diverse consumer preferences while offering products that address the growing demand for healthier options.

Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; $ % Change vs year ago; 52 weeks ending November 4, 2023 (Added Sugar) and 52 weeks ending 12/30/23 and "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023", FMI Health and Wellbeing report 2023



30% of consumers seek ***low sugar*** when buying food (+3 pts from YA)

29% of consumers look for ***no added sugar*** (+7 pts from YA)

+112% Increase in searches for ***"sugar free alcohol"***

Artificial sweeteners

- **+18%** xylitol qualified
- **+34%** free from aspartame stated
- **+17%** sucralose stated
- **+11%** acesulfame K qualified

Natural sweeteners

- **+16%** contains agave qualified
- **+15%** contains erythritol stated
- **+13%** contains stevia qualified
- **+8%** contains monk fruit qualified

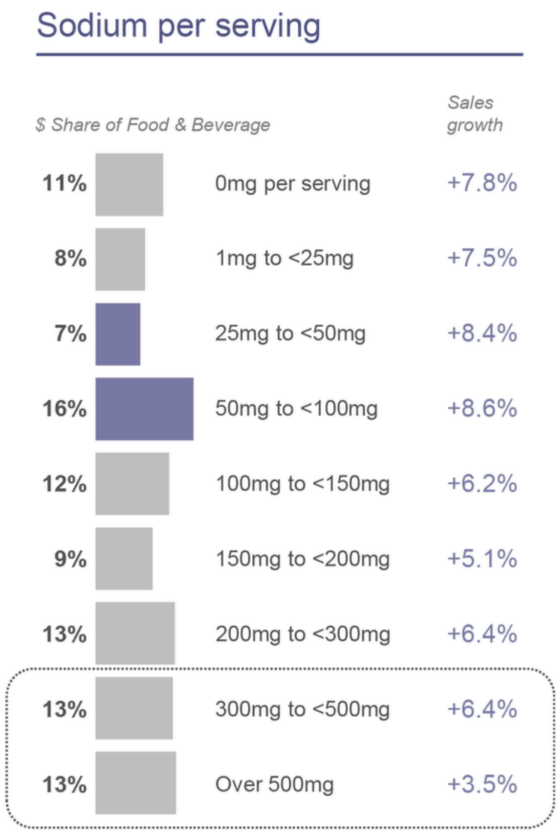
$ % change vs year ago

Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; $ % Change vs year ago; 52 weeks ending November 4, 2023 (Added Sugar) and 52 weeks ending 12/30/23 and "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023", FMI Health and Wellbeing report 2023

And sodium may become more of a hot button

While consistent growth is observed across most sodium content levels in the data, it's important to consider the context of the Food and Drug Administration's (FDA) recent call to action. The FDA urged food manufacturers to help Americans reduce their daily sodium intake to 2,300 milligrams a day – a recommendation aligned with the National Academies of Sciences, Engineering and Medicine. This aligns with the observation that the category with the slowest growth is products with the highest sodium content (over 500mg per serving). This suggests a potential shift in consumer preferences towards lower sodium options, and this trend could gain further momentum in the future, especially with the FDA's backing.

Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; $ % Change vs year ago; 52 weeks ending November 4, 2023 (Added Sugar) and 52 weeks ending 12/30/23 and "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023"



+71% in searches for ***"blood pressure"*** in food & beverage

+27% in searches for ***"tea for blood pressure"***

+6% in sales for ***low sodium qualified*** vs year ago

+8% in sales for ***very low sodium stated*** vs year ago

+54% in sales for ***Dash diet stated*** vs year ago

30% Households in NIQ annual Health Shopper Study with ***high blood pressure***

$ % change vs year ago

Source: NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; Total Food & Beverage; $ % Change vs year ago; 52 weeks ending November 4, 2023 (Added Sugar) and 52 weeks ending 12/30/23 and "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023"

Consumer Trends

Health inequities grew in 2023; will this be part of the 2024 political conversation?

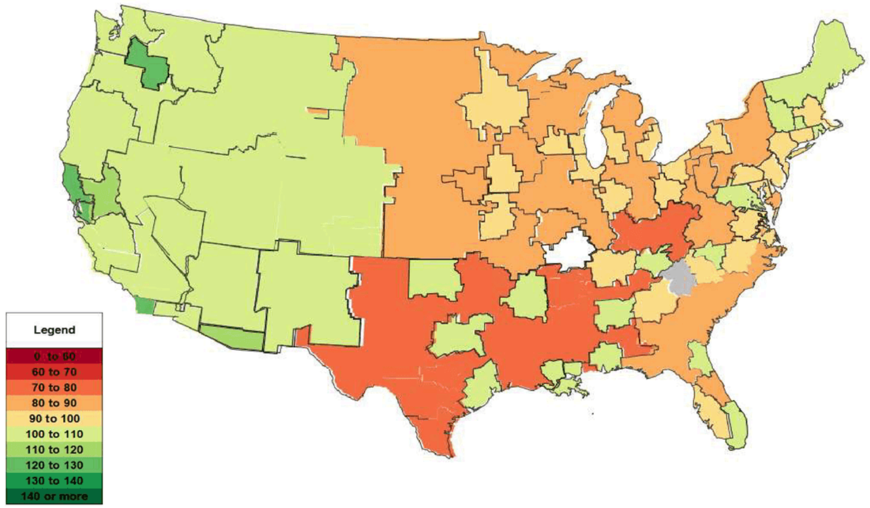
Geographic disparities on healthy eating and chronic disease across the country

Based on the NIQ Health Shopper Survey, a significant disparity exists in health outcomes between low-income shoppers and the general population. The survey reveals that low-income individuals experience considerably higher rates of various health ailments compared to the total panel. This discrepancy can likely be attributed to a lack of adequate financial and healthcare resources, which can contribute to the development and exacerbation of health issues.

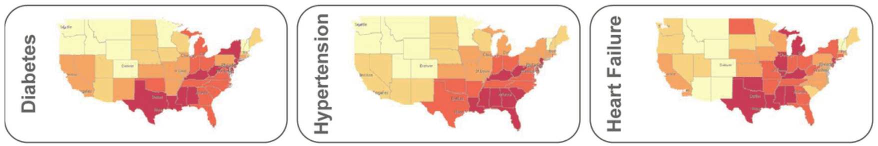
Notably, the data suggests that at least 30% of low-income households report having various ailments, significantly exceeding the average prevalence observed in the broader population. In fact, every ailment surveyed was reported at a higher rate for low-income households, including Diabetes, High Blood Pressure, Obesity, and Cholesterol Problems. This highlights the concerning trend of growing health inequities, where low-income communities face disproportionate health burdens due to limited access to resources.

Source: NIQ Annual Shopper Health Study, 2023, Q10. Below is a list of health-related conditions / ailments. Please read the list carefully and then select the condition(s) that anyone in your household, including yourself, has experienced during the past 6 months. Please select all that apply

Index of "health-ier" food unit sales



Mapping Chronic Disease



Index calculated by comparing the units share of "healthy" products in Total Food vs the unit share of that "Healthy" products in that SMM Market
Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Food & Beverage; Total US xAOC; 52 weeks W/E 12/31/23; CMS Chronic Disease Public Use Data 2018

Longevity beyond "aging gracefully"

Graying of America: older consumers are trending towards non-alcohol consumption and moderation in drinking habits

There are ***over 10 million new cases of dementia each year*** worldwide, implying one new case every 3.2 seconds. The annual global ***cost of dementia*** is expected to rise to ***$2.8 trillion by 2030***.

- **+16%** in sales for ***mood supplements***
- **+5%** in sales for ***brain health stated***
- **+3%** in sales for ***mental performance supplements***

Consumers 65+ *are spending 21% more than the panel average on* ***mood supplements*** *and 39% more than consumers under 35*

Alzheimer's Disease International
Source: "NIQ Label Insight Trending Attributes search data; All Channels; 12 Months, October 2022 – September 2023" & NIQ, Retail Measurement Services – NIQ Product Insight, powered by Label Insight; Total US xAOC; 52 weeks ending 12/30/2023;

NIQ Product Insight (NPI)

NielsenIQ offers a Full View into product attribution, enabling clients to use our NIQ Product Insight (NPI) Characteristics to measure the market through claims, certifications, and ingredient-level product attributes.

NPI provides unmatched insights: By combining attributes with RMS data, companies can identify products that may be affected by the recent food additives ban, make informed decisions, and thrive in the face of regulatory changes.

The NIQ NPI team can help you stay on top of the current challenges, while you preserve the quality of the products your consumers love!

For more information, please contact Kieran Ward (Kieran.ward@nielseniq.com).

Thanks for Reading!