The wellness consumer: Reimagined

On the verge of 2023, everyone is a wellness consumer. So, what's next for wellness? How can your business leverage key trends and patterns to capture more potential customers in the future?

NielsenIQ

Welcome to NielsenIQ's "The wellness consumer: Reimagined" eBook

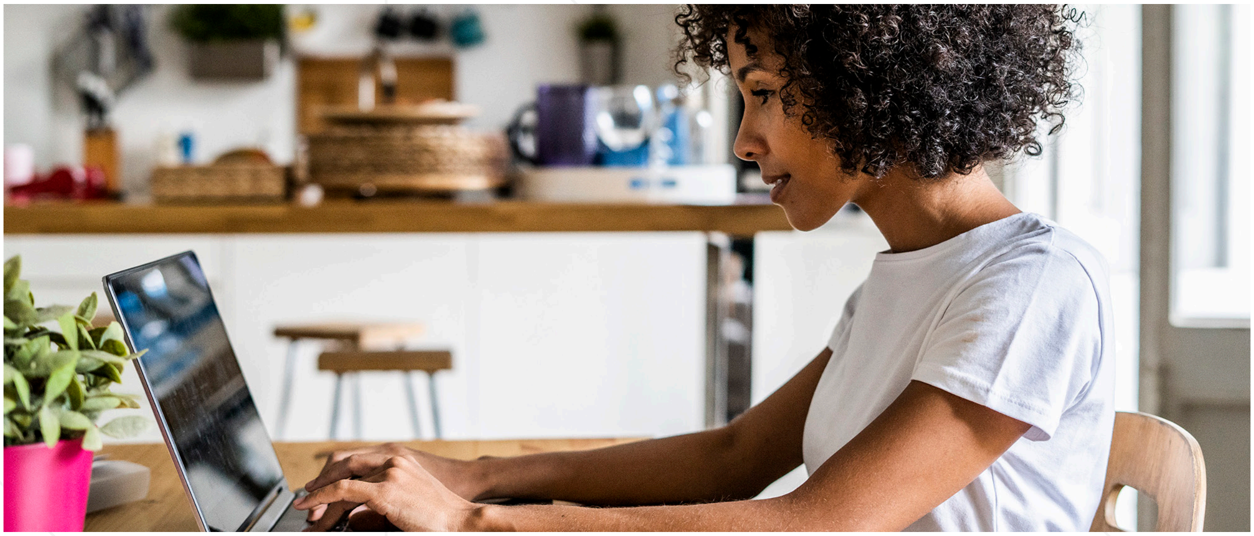
This guide was created to help you navigate the evolution of the wellness movement in 2022 and beyond.

It's safe to say that wellness is longer a niche topic. As we near the start of 2023, wellness goes way beyond people who eat lots of avocados and work out. Wellness is still personal, but it's also social and environmental. The majority of people now consider what they use on their bodies, in their homes and what they feed their families and pets before they make a purchase. Many people aren't just thinking of their health today, they are considering "tomorrow" as well. And some are considering the wellness of humanity as a whole.

As a result of this evolution, the topic of wellness is key for every business, no matter what products you create and sell—it transcends every category. After all, healthy humans drive healthy growth.

In this eBook, we'll examine what's important to many consumers right now in terms of wellness, as well as the opportunities for brands and retailers. That way, you can prepare your business for what's coming next.

What we cover in this eBook



The big picture: An overview

In recent years, your customers have changed their attitude toward wellness.

Post-pandemic, many consumers are more engaged with healthcare than they previously were; they are in the driver's seat, now more than ever when it comes to taking care of their wellness needs. As a result, there are more opportunities for brands and retailers to offer ways for consumers to do something themselves and not always need an expert or practitioner for guidance, for example, self-testing.

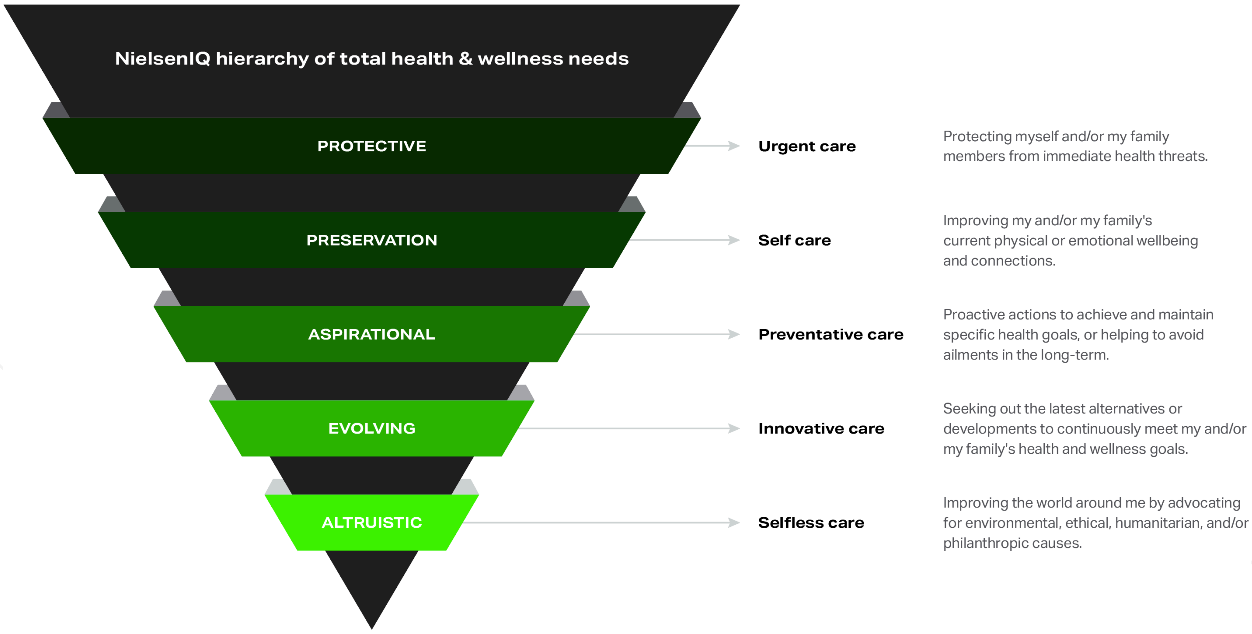
To help you understand the way consumers are prioritizing their health and wellness needs in 2022, we've created a hierarchy pyramid, using a similar concept to Maslow's hierarchy of needs.

A larger portion of the population will be focused on the biggest section, while fewer people will be at the stage of the smallest section. Someone's main needs may be related to their stage of life, current health and wellness levels and their economic status—as those who are concerned with putting food on the table most likely won't have the resources to be considering altruistic or even aspirational needs. Yet it's important to note that the needs can be fluid across consumer segmentations, geographic regions, key demographics, cultures, and categories. In practice, each consumer's needs will align with any personal health and wellness journey.

The various categories are:

- **Protective needs**
- **Preservation-focused needs**
- **Aspirational needs**
- **Evolving needs**
- **Altruistic needs**

Consumers' health and wellness needs have evolved beyond the basics of physical wellbeing



Businesses that want to meet and exceed the expectations of their customers need to start by figuring out where their brand fits and sits along this fluid path. If most of your customers prioritize more than one of the hierarchy levels, then so should your company. Here we will reveal the opportunities that exist for your business right now, based on these needs…

Protective wellness

Let's start by examining the most "urgent" wellness needs. Protective wellness focuses on the idea of "protecting myself and my family members from immediate health threats."

It encompasses:

- Increasing urgency to collectively solve key health crises (e.g., diabetes, obesity)
- Evolving consumer engagement with health care

When the COVID-19 pandemic erupted two years ago, we all made this reactive type of wellness our priority—focusing on stringent hygiene habits and antibacterial products. This has now evolved and the focus is on immune health, which continues to grow, as most consumers recognize the importance of a strong immune system and are holistically focused on it.

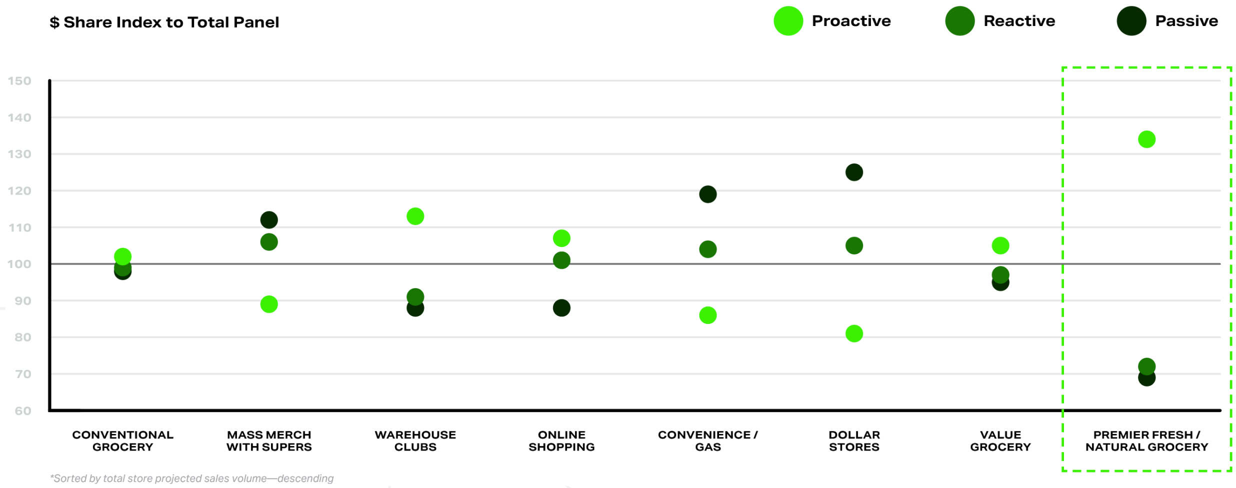
Sales of immune health-focused products are up by +27%[1]. There has been a 4.7% $ growth total store vs last year and 18.5% $ growth total store vs three years ago.

The health conscious of the collective

Many consumers have become more empowered and proactive around their health and wellbeing. But when we think of "wellness," we often fall into the trap of just focusing on this 47%[2] of "pro-active" people, who make health and wellness choices on a regular basis. However, 29% of people in the U.S. are still simply reactive and will only prioritize their health when necessary. There is also another 24% who are just focused on living in the day-to-day and never consider their future health, mainly because they don't have the financial resources and "putting food on the table" is their priority.

Nielsen IQ Homescan Panel[3] shows where these three types of consumers are most likely to shop. Unsurprisingly, proactive consumers tend to shop at fresh and natural grocery stores.

Proactive buyers tend to shop at Premier Fresh/Natural Grocery



Source: NielsenIQ Homescan Panel, NMI Segmentations – Proactive, Reactive, Passive; Total Store; Total U.S. – All Outlets; 52 weeks W/E 09/10/22

New opportunities in diabetes-related healthcare

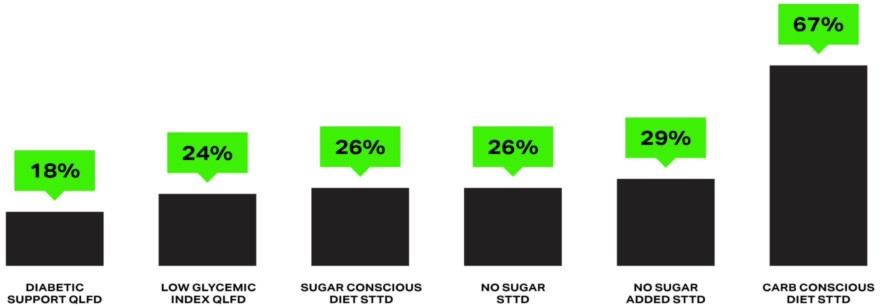
NielsenIQ's annual shopper health study[4] showed that in the U.S.:

- **31%** of households have high blood pressure
- **24%** of households are obese
- **13%** of households have diabetes type II
- **6%** of households have pre-diabetes

Diabetes and pre-diabetes healthcare are particular areas of opportunity for brands and retailers. NielsenIQ data shows that more consumers are conducting online searches related to diabetes, and more are talking about it on social media too.

When monitoring manufacturer on-pack claims, as well as the claims that brands could be making (based on ingredients in a product), we can see where the industry is shifting. We are noticing more products are mentioning sugar- and/or carb- consciousness on the pack. And although they are not necessarily mentioning diabetes, they are skirting around the topic. Considering one in three people in the U.S. are pre-diabetic, this is high-potential area for growth. Especially in terms of preventative products that will appeal to people who might be pre-diabetic, as well as their family members.

There were 220K[5] annual searches of diabetes-related terms between April 2021 and March 2022—an increase of 33%. There was also 6% growth in brands talking about diabetes and diabetic support on web sites and social media between January 2021 and 2022. Plus, products that have diabetes-related attributes/ diets have seen strong sales growth versus three years ago, with carb-conscious diets up by a huge 67%.



Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; L52 weeks W/E 04/02/22 vs 3YALabel Insight Trending Attributes – search data; All Channels; 12 Months. April 2021 – March 2022 Helio powered by CircleUp, January 2021 — January 2022

Preservation-focused wellness

This type of wellness is centered around self-care. It focuses on "improving my own and my family's current physical or emotional wellbeing and connections." Consumers at this stage of the pyramid are thinking of their body and health in a more holistic way and often taking the health of themselves and their family into their own hands.

It encompasses:

- Expansion of wellness definition (digital health, financial health, purpose/meaning) and modern ailments, like metabolic health
- Innovations solving emerging need states, blurring traditional category definitions

For example, these people realize that their gut is linked to the health of their brain and the appearance of their skin. They are very interested in topics like digestive health and mental health and are likely to be seeking a work/life balance to improve their general wellness.

We are seeing a lot of innovations in this area that have "blurred lines" in terms of how they are being marketed. For example, vitamins for better health that also boost the beauty of skin and hair.

At the end of April 2022[6], sales of digestive health products at food and beverage stores were up by +4% compared to three years ago, while sales of brain health products were up by +57%, and joint health products up by +21%. These are all stellar examples of wellness and health products that would appeal to consumers at this stage of the pyramid.

Introducing: The six segments of wellness

Wellness is more than just personal health. NielsenIQ has worked with the Natural Marketing Institute (NMI) to create new segmentation for wellness across a variety of metrics. These are:

Physical
The physical benefits of **looking good and feeling good**, most often lead to the psychological benefits of enhanced self-esteem, self-control, determination, and a sense of direction.

Emotional
Managing their life in personally rewarding ways and **taking responsibility for their actions** will help consumers to see life as an exciting, mindful, and hopeful adventure.

Financial
Concern over one's **financial future** is having detrimental effects across a broad spectrum of health issues—identifying opportunities for assistance tools.

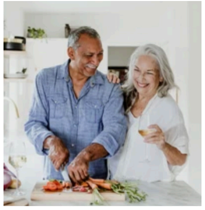
Environmental
Consumers across all generations are embracing environmental responsibility and sustainability and **making the connection between planetary and personal health**.

Social
As consumers travel a wellness path, they become more aware of **their importance in society**, as well as the impact they have on multiple connection points.

Technological
The more a consumer understands about their personal health, the more **empowered** they will be to improve upon it. **Technology amplifies** their understanding.

"Financial" is an especially important segment to highlight. If someone is concerned with simply "putting food on the table," then they cannot be as proactive when it comes to their health and wellbeing needs. In terms of the "Environmental" segment, consumers are asking: "How am I making an impact in the world?" and for the "Emotional" segment, they are wondering: "What is my purpose?" As more people have been looking inward to find value and meaning in their lives since the COVID-19 pandemic.

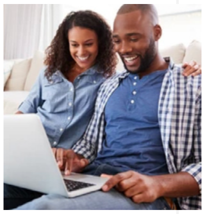
NielsenIQ and the NMI's research on this topic has helped to identify six consumer groups to watch:



Traditionalists®

» Oriented toward disease prevention

» Live healthy to remain independent

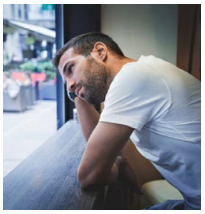


Help Seekers®

» Seek new ways to manage health

» Live healthy to get proper nutrition

» Control seekers

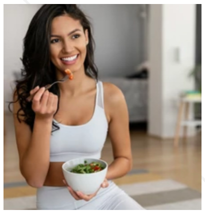


Que Sera, Sera®

» Tend to live in the moment

» Desire basic necessities

» Financially challenged



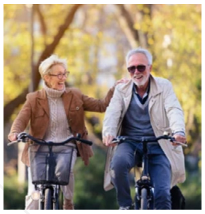
Balancers®

» Desire balance and control

» Nutrition focused

» Environmentally-oriented

» Anti-aging seeker



Active Agers®

» Value relationships with family/friends

» Good support system

» Health proactive

First Adopters®

» Experimental

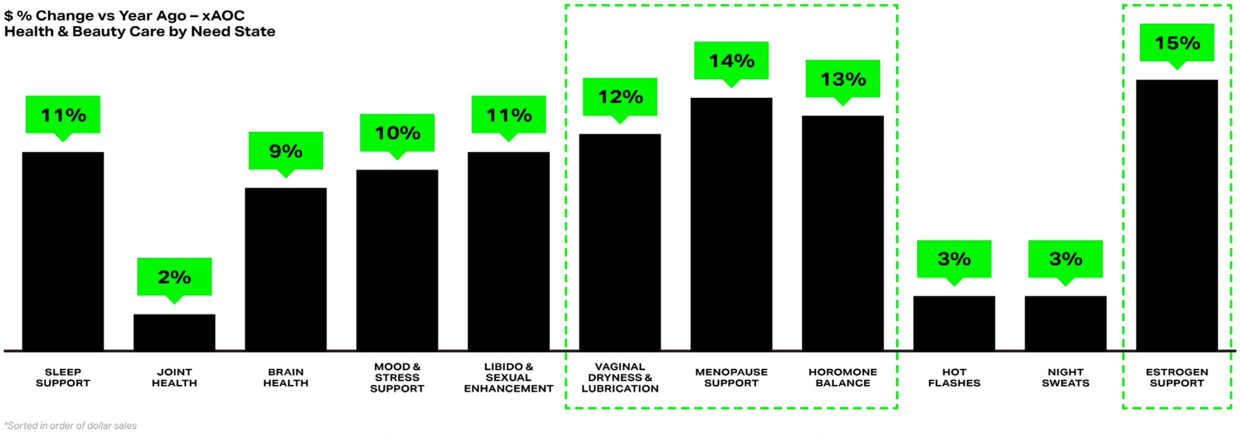
» Early adopters and influencers

» Seek ways to prolong health and vitality

Self-care sells more products

In the beauty and personal care industry, women's products that help to tackle a "need state" for a specific ailment have all shown growth[8] in the past year and this reveals new opportunities for brands and retailers.

Need states impacting women are among the fastest growing in health and beauty care



Source: NielsenIQ Retail Measurement Services; Total US xAOC; Health & Beauty Care; Calendar Year 2021 vs Year Ago

- Sales of menopause support products are **up by 14%**
- Sales of vaginal dryness products are **up by 12%**
- Sales of hormone imbalance products **up by 13%**
- Sales of oestrogen support products **up by 15%**

We are seeing these more specific claims and many consumers want brands to be more straightforward and truthful on these health and wellness topics. For example, we no longer see blue liquid representing blood in menstruation commercials.

Aspirational wellness

This type of wellness is about being proactive; taking actions to achieve and maintain specific health goals and helping to steer clear of "avoidable" ailments in the long-term.

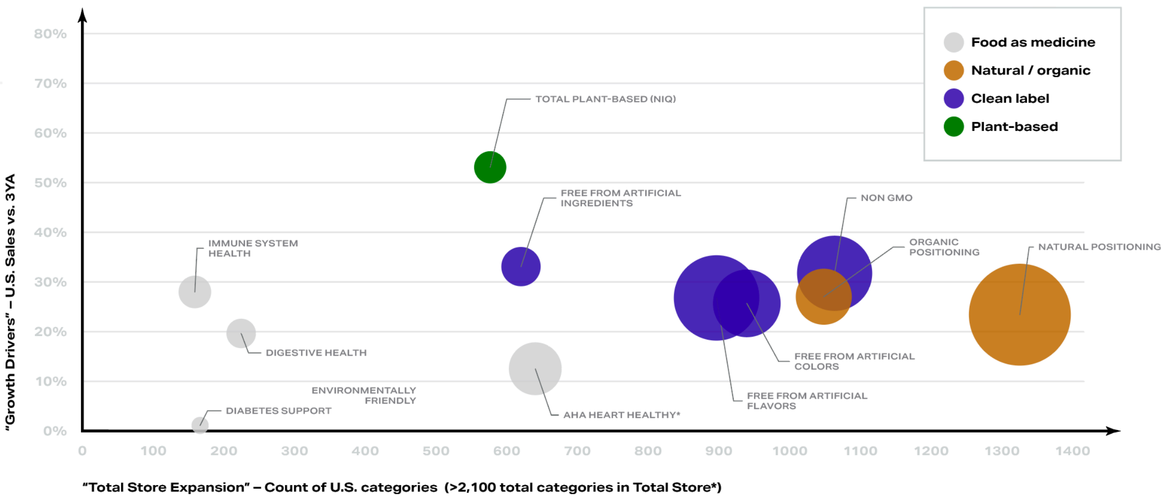
This encompasses:

- Wellness of children and healthy aging
- The plant-based, clean label evolution
- Continued "a la carte" and flexitarian approaches to wellness

Natural, plant-based, and organic are still thriving

One of the biggest health-related trends in the past decade is the "natural" trend, which has steadily flowed into every vertical. Therefore, it's no surprise to see that this is a goal/claim that many proactive consumers pursue when making purchasing decisions.

Consumers making proactive choices for specific health goals



Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol
Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; 52 weeks W/E 08/06/22 vs 3YA

"Plant-based" is another trend that has made a big impact across many verticals in recent years. The sector is now worth $11.3 billion[9]. Although growth is slowing in desserts, processed meat alternatives and performance-boosting nutrition, it is still growing in non-dairy creams, beverages and diet and nutrition. It's close to becoming an overused claim though, with it becoming more commonplace for products like tampons and nail polishes. The claim could become muddied, so it's important for brands and retailers to understand why consumers are keen to choose products that make this claim.

"Organic" is the third wellness trend that has been steadily climbing and spreading across every vertical. In the past year sales of products that state they are organic have risen by 27%[10].

The rise of the flexitarian

Many "aspirational wellness" consumers seek out healthy options, but also want convenience and indulgences sometimes. They strive to be "better, but not the best" and they realize that sometimes self-care can mean eating comfort food.

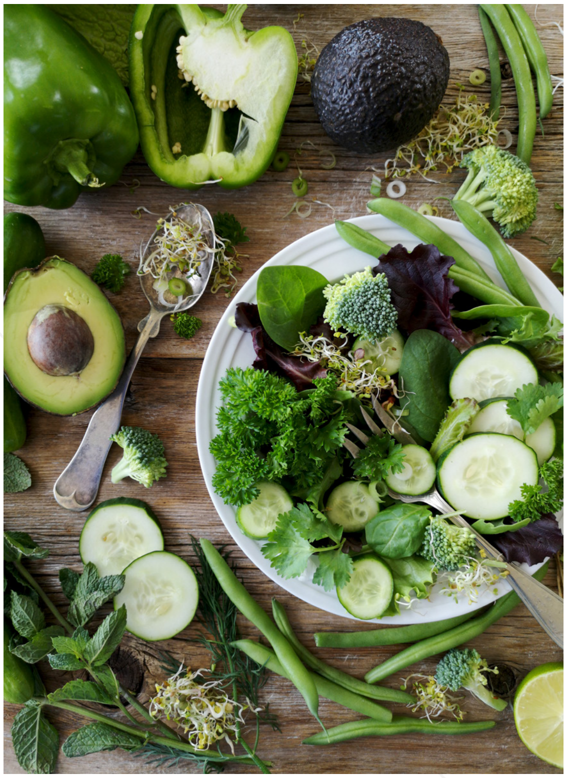
As a result, there has been a shift toward personalized health management with consumers adding and deleting things based on their bespoke health needs. There are two notable patterns:

1. Seeking or banishing specific ingredients in products. Shoppers are actively informed to align their purchases with their need states and values.
2. Taking wellness principles, but not being fully engaged. For example, trying "sober curious," eating more plant-based foods, or limiting dairy products.

More consumers are curious about new wellness trends, but aren't always putting them into practice in their daily lives. We are seeing a disparity between the volume of people searching for a type of diet and the amount of people who are actively trying that diet. For example, there were seven million searches for "vegan," but only 2% of consumers said they were on a vegan diet.

Here's the data[11] for percentage of sales growth along with the online search volume for some of the most popular wellness trends:

Wellness trends		Sales growth	Online searches
KETO	KETO DIET	**+245%**	**3.8M (+1%)**
LOW CARB	LOW CARB DIET	**+60%**	**2.4M (+11%)**
V	VEGAN	**+49%**	**6.9M (-17%)**
	SUGAR FREE	**+48%**	**8.5M (+25%)**
	LOW SUGAR	**+33%**	**361K (+5%)**
GF	GLUTEN FREE	**+30%**	**7.4M (-3%)**
	LOW SODIUM	**+23%**	**1.7M (+6%)**



New attitudes to aging and wellness

Attitudes toward aging have changed among the older Boomer population compared to their parents' attitudes. Online searches of "anti-aging" are down by 8%[12] versus one year ago (ending March 2022) and these consumers aren't as concerned about looking older as they once were. We're also beginning to see more beauty and personal care formulations that cater to the unique needs of Boomers and menopausal women.

Some notable events in this realm include:

- The Boomer trend of embracing grey hair, which was also adopted by Millennials and Gen Zs
- The blog *Advanced Style*, which showcases the dazzling style of women over the age of 60
- Iris Apfel, who became a fashion icon in her 90's and had a MAC capsule collection
- In 2017, Maye Musk became CoverGirl's oldest spokesmodel at age 69. The model (and mother of Elon Musk) made her first *SI Swimsuit* appearance in 2022, landing the cover
- Also in 2017, consumer beauty publication *Allure* announced they would no longer print "anti-aging" in their magazine
- L'Oréal brand ambassadors include Kate Winslet, Viola Davis, Eva Longoria, Diane Keaton, and Helen Mirren (ages 45-76)
- Martha Stewart broke the internet with her viral pool selfie and launched her skincare line at 80 years old
- Sephora now carries Better Not Younger, a brand for women aged 40+ that addresses the needs of aging hair

Evolving wellness

This type of wellness is all about innovative care. These consumers are seeking the latest alternatives or developments to continuously meet their and/or their family's health and wellness goals.

This encompasses:

- Customized health and information trading
- New forms of health delivery and evolving focus on ingredients (combinations, sourcing, benefits, lab-grown)
- The focus on "both" or "and"—meaning health *and* indulgence, ancient wisdom *and* science

These consumers want customized products and they are willing to share information about themselves to get what they need. The customization doesn't even have to be specific for that exact person—instead it can be but can be based on targeted cohorts but be highly applicable to them.

In fact, they "want it all:" products that are natural but still very effective, and ancient health wisdom (e.g. Ayurveda principles) combined with the assurance of modern science and technology.

Waterless beauty and personal care products, for example, are attractive to consumers at this stage of the pyramids. For these people, product formats are likely to be important.

NielsenIQ data shows that innovative new concepts are gaining more traction. For example, sales of products that include sprouted ingredients have jumped up by 36%[13] in the last three years and this market alone is now worth $388.7 million in the U.S. These innovative concepts or ingredients are also crossing more categories—for example, collagen can be seen across 117 categories.

U.S. category growth | Category growth drivers vs store expansion

Attribute	Category count	$ % chg vs 3YA	Total sales
AYURVEDIC GROUP	**1,245**	**+28%**	**$150.9B**
ANCIENT GRAINS	**711**	**+29%**	**$150.9B**
SUPERFOODS	**740**	**+22%**	**$150.9B**
TRADITIONAL CHINESE MEDICINE GROUP	**560**	**+33%**	**$150.9B**
ADAPTOGEN GROUP	**275**	**+30%**	**$150.9B**
COLLAGEN	**117**	**+30%**	**$150.9B**
SPROUTED INGREDIENTS	**130**	**+36%**	**$150.9B**

Qualified – Attributes derived off ingredient label

Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; 52 weeks W/E 09/17/22 vs 3YA

Altruistic wellness

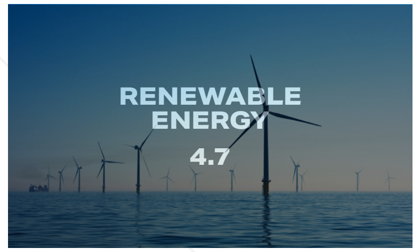
This final type of wellness is focused on selfless care. It includes wanting to improve the world around you by advocating for environmental, ethical, humanitarian, and philanthropic causes.

Nielsen IQ research shows where the most investment has been (from businesses and the government) in terms of altruistic wellness in recent years and this revealed four areas:

- Recycled plastic—although the conversation has now gone way beyond this
- Renewable energy
- Regenerative agriculture. This is currently seeing very strong growth, as more consumers are recognizing the importance of soil health
- Low waste/carbon footprint

+157%
Plastic free

+18%
Sustainable packaging



+84%
Renewable resource

+53%
Renewable energy

+128%
Regenerative agriculture

+27%
Organic

+12%
Reduced carbon impact

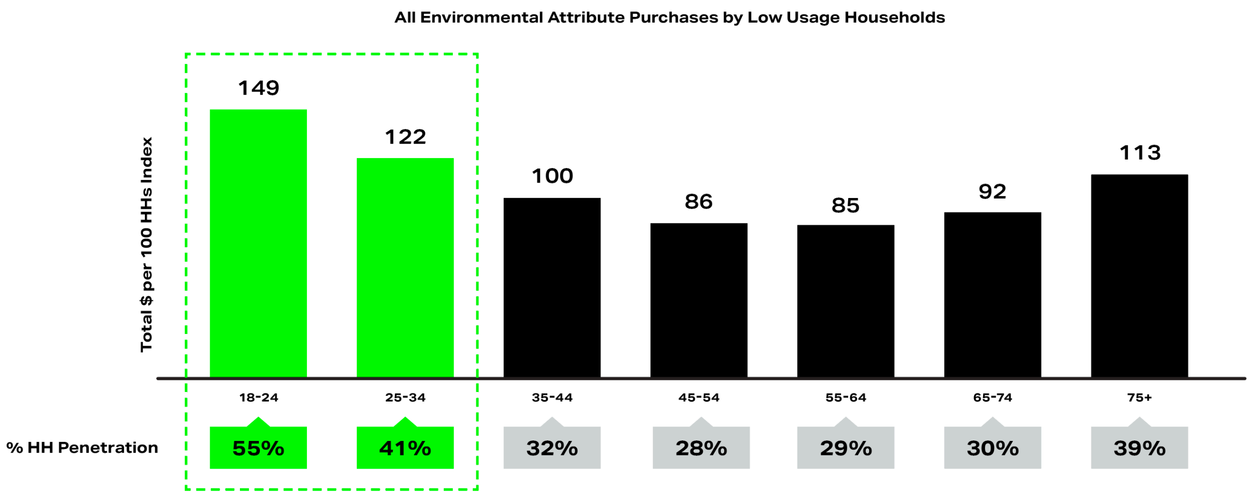
+34%
Zero waste

Source: NielsenIQ Leading Edge Report; Scores have been assigned from 1 to 5, where 1 = very unlikely and 5 = very likely
NielsenIQ Retail Measurement Services, NielsenIQ Product Insight; Total Store; Total US xAOC; Latest 52 weeks 08/06/22 vs 3YA

Sustainability has been a hot topic in recent years and many younger consumers have become a beacon of light for this cause. Notably, those between the ages of 18-34 are more likely to buy products that make sustainability claims[14]. Although many of these consumers are currently on low incomes, they are likely to shift the market within the next decade as their purchasing power grows. This is the group to watch for the future.

The youngest consumers are powerful force for sustainability in the future

Number of environmentally-conscience low income 18-34 year olds is greater than all other age groups—currently income-limited demographic on the rise with power to shift market in upcoming years.



Source: NielsenIQ Spectra Homescan Panel; Consumer Profile by Demographics; Total US; $ per 100 HHs Index –May 2022 YTD Sales and 2021 Census

But it’s not only young people who show interest in a greener planet. NielsenIQ data discovered that 61%[15] of U.S. consumers across a variety of demographics agree that environmental issues are having an adverse impact on their current and future health.

Animal welfare matters more than ever

Animal welfare has become increasingly important to consumers in recent years and it transcends a variety of categories. In beauty and personal care and even household products, more cruelty-free claims are being made, while in the food industry the focus is on humane handling/free range claims. In 2021, we saw 37.1%[16] growth in animal-welfare related claims across all verticals. Cruelty-free claims were up by 67% and grass fed up by 43.7%.

Personal Care		Household Care		Grocery	
1	**ANIMAL WELFARE CERTIFIED**	1	MANUFACTURED IN A SUSTAINABLE WAY	1	GROWN OR RAISED IN A SUSTAINABLE WAY
2	**CRUELTY FREE**	2	**CRUELTY FREE**	2	**CERTIFIED HUMANE RAISED AND HANDLED**
3	MANUFACTURED IN A SUSTAINABLE WAY	3	PLANT-BASED	3	**FREE RANGE**
4	SOURCED FROM PARTNERS OFFERING FAIR WAGES	4	**FREE OF ANIMAL BY-PRODUCTS**	4	ANIMAL WELFARE CERTIFIED
5	**FREE OF ANIMAL BY-PRODUCTS**	5	FOREST STEWARDSHIP COUNCIL (FSC) CERTIFIED	5	**HORMONE FREE**

Social responsibility is rising

Nielsen IQ worked with *Refed* and *Feeding America* to discover consumer attitudes toward social responsibility and wellness. In this research, 64%[17] said they will pay more for products supporting communities and vulnerable groups; while 69% said they want retailer regulation for fresh and healthy food availability/affordability for all.

Social responsibility can take numerous forms—from ensuring fair trade to making sure minority groups are fairly represented at every level of the business.

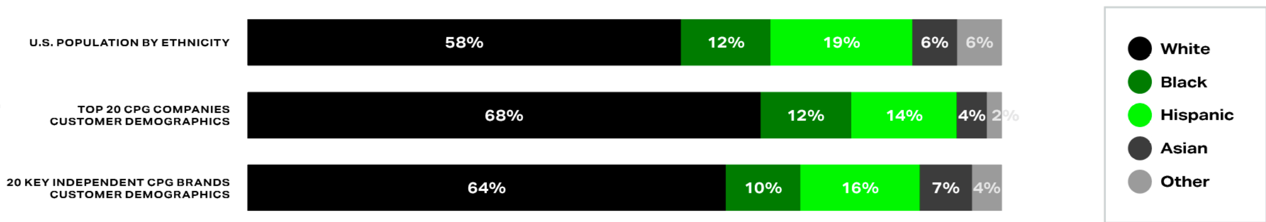
Brands that show greater social responsibility have seen growth over the past three years. Here's a breakdown of sales figures[18] by area of interest:

SOCIAL RESPONSIBILITY QUALIFIED	**$19.9B (+22%)**
RESPONSIBILITY SOURCED STATED	**$7.9B (+2%)**
B CORP STATED	**$6.2B (+47%)**
FAIR TRADE STATED	**$3.3B (+29%)**
ETHICAL STATED	**$2.7B (+27%)**
WOMEN OWNED	**$753.4M (+84%)**
FAIR WAGES STATED	**$119.4M (+5%)**
VETERAN OWNED	**$39.9M (+614%)**
MINORITY OWNED	**$9.7M (+331%)**
BLACK OWNED	**$6.1M (+3,399%)**

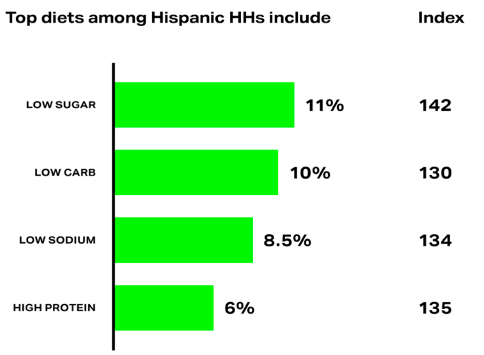
The natural channel shows the strongest index of socially responsible sales, but surprisingly warehouses/clubs had the second-highest index.

Diversity, equality and inclusion are key to growth

NielsenIQ undertook research that reviewed racial representation across the various brands of twenty major CPG manufacturers in the U.S.—which should technically represent the whole country—but still heavily leans toward overrepresenting white consumers. The top twenty independent CPG brands fared slightly better, yet non-white consumers were still under-represented in comparison to the general population. Finally, this research also examined brands that fully represented the true ethnic makeup of the U.S. population and discovered that they are growing an average of +13 points faster in comparison to the others.

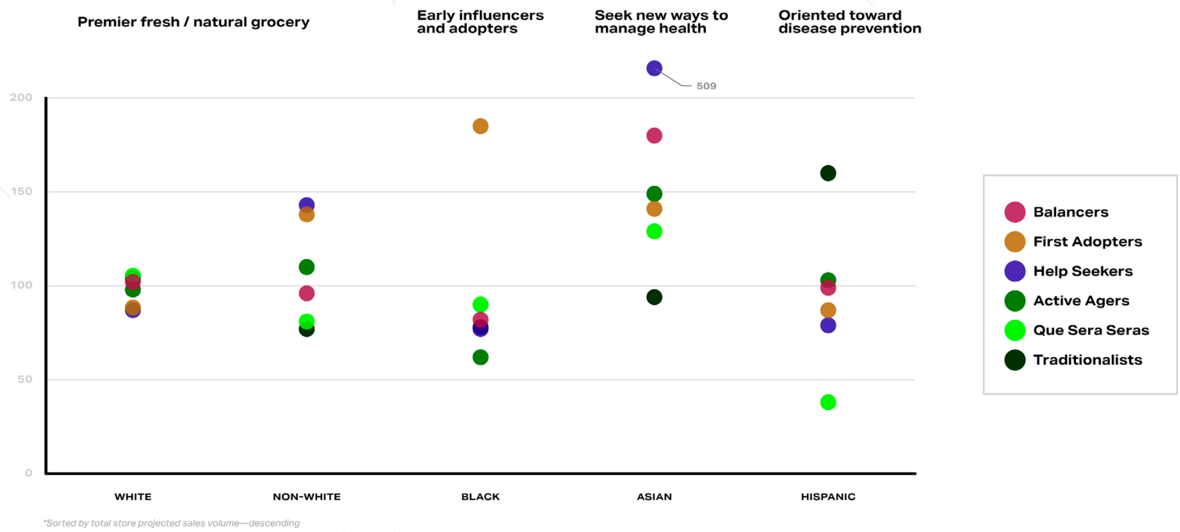


To properly embrace diversity, ethnicity and inclusion, brands and retailers need to really drill down on the needs of the group they wish to attract. For example, NielsenIQ's Health Shopper Homescan Syndicated Survey reveals some helpful results—i.e. Hispanic shoppers over index for low-sugar and low-carb diets—along with some surprising results: when you look at the attributes, some of these consumers are seeing Kosher products.



Food attribute	%	Index
FREE OF HIGH FRUCTOSE CORN SYRUP	30.0%	122
LOW SUGAR	28.6%	133
HEART HEALTHY	27.8%	139
NATURAL	26.7%	164
HIGH PROTEIN	24.8%	135
LOW SODIUM	24.5%	141
HORMONE/ANTIBIOTIC FREE	24.2%	132
VITAMINS/MINERALS PRESENCE	23.4%	157
HIGH FIBER	21.1%	151
LOW FAT	17.9%	141
ORGANIC	15.2%	175
LACTOSE/DAIRY FREE	15.1%	200
LOW GLYCEMIC	11.6%	176
GRAIN FREE/GLUTEN FREE	10.6%	175
CONTAINS PROBIOTICS/KEFIR	9.8%	208
SOY PRESENCE	6.8%	189
KOSHER	5.8%	226

This bubble chart shows data for shoppers in the natural channel also reveals the need for a nuanced approach when dealing with an increasingly multicultural population. Huge differences in needs can be seen among shoppers of different ethnicities. For example, Black shoppers are keen to be early adopters for new wellness trends, Asian shoppers are seeking new ways to manage their health, while Hispanics are more concerned with disease prevention. Therefore, there are big differences in terms of what these shoppers want when they shop in natural stores.



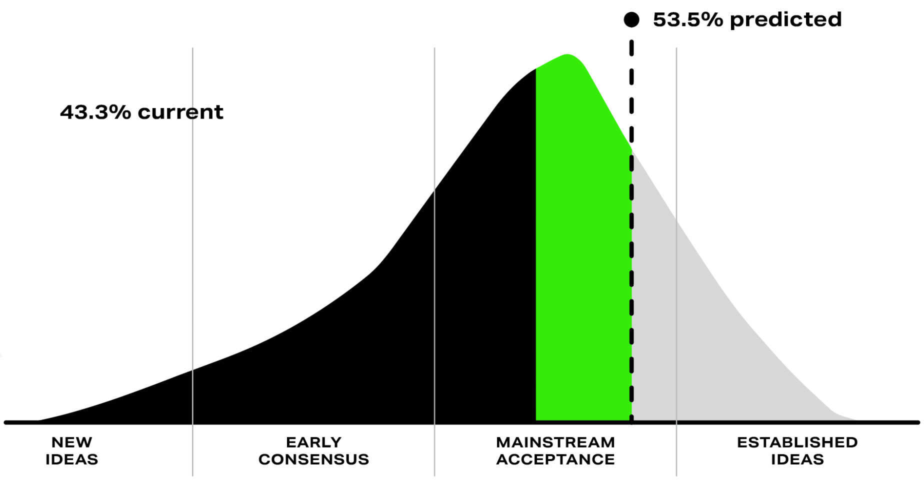
Source: NielsenIQ Homescan Panel, NMI Segmentations – $ Share Index to Total Panel | ; Total Store; Total US – All Outlets; 52 weeks W/E 09/10/22

The zone of innovation for wellness-linked altruism

To dive deeper on the notion of **wellness linked to altruism**, NielsenIQ turned to MotivBase, a valued member of the NielsenIQ Partner Network. Through extensively examining hundreds of thousands of anonymized consumer conversations across the U.S. market, MotivBase identified five microcultures to watch. These are:

- **Aging with dignity—trend maturity level 50.6%**
  Consumers strive to help their aging family and neighbors thrive in their golden years with dignity, independence, and good health.
- **Mental health advocacy—trend maturity level 44.4%**
  Consumers want to end the stigma around mental health, turning their focus to workplace culture and health programs in particular.
- **Social bonds—trend maturity level 41.2%**
  Consumers proactively nurture existing social bonds while also creating new ones to boost the health of themselves and others.
- **Healthy eating for all—trend maturity level 37.0%**
  Consumers believe nutrition, education and access are critical barriers to community health.
- **Sustainable wellness—trend maturity level 33.9%**
  Consumers directly connect living a sustainable lifestyle with the mental and physical health of society and that of themselves.

According to MotivBase benchmark studies, **the key time to launch a solution into market is when a demand space falls between 33%-55% on the maturity curve**.



Source: MotivBase, NielsenIQ Connected Partner

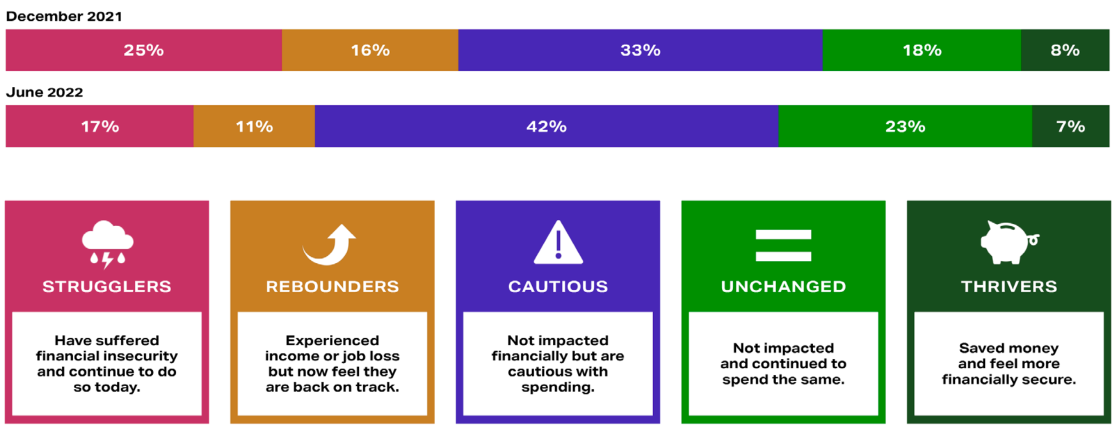
Within the U.S., MotivBase concludes that there is a longer runway for altruistic innovation tied to the microculture of eating for optimal health, which has an estimated 37% maturity and expectations of 13% predicted growth. Now is an opportune time to innovate and build on current motivations and values, which are centered around social health, obesity, and the disparity in access to healthy and nutritious food in America.

It's also worth noting that there are high levels of volatility among altruistic microcultures in the U.S. In these volatile instances, consensus and meaning around a topic is pivoting on a dime and regular evaluation and continuous innovation will be necessary for continued relevance, and eventual success, among consumers. In these instances, current messaging and plans around a topic, such as mental health advocacy, should be re-evaluated.

Wellness and the economy

One final factor that must be mentioned on the topic of wellness is your customers' state of financial wellness. In the post-pandemic economy and current inflationary environment, even the most well-intentioned consumers can't always focus on their wellbeing as much as they would like. Note that in June 2022, 70%[19] of consumers were still feeling the economic impact of the events of recent years.

While economic impacts of COVID soften, cautiousness in spend prevails



Source: NielsenIQ 2022 Consumer Outlook Survey, Dec 2021 vs June 2022 Q. Which of the following best describes how COVID-19 impacted your overall household financial situation over the last 2 years?

Based on our analysis of these various consumer segments, here are our expectations on how each group is likely to navigate the rest of 2022.

How will consumers navigate the remainder of 2022?

17% STRUGGLERS	11% REBOUNDERS	42% CAUTIOUS	23% UNCHANGED	7% THRIVERS
Stuck at home	**Scrappy to get ahead**	**Balanced lifestyle seeker**	**Growing consciousness but no urgency to act**	**Planning for the future**
» Feeling the pain of inflation across the board » **Cut back on groceries** and leverage debt » Planning on severe future wallet cutbacks across the board but even greater cutbacks in at home spends like takeaways and entertainment » **Recessionary behaviours front and center**	» Feeling effects of costs of living » Education/childcare and housing costs bigger pressure point than average » Try to save spare cash, social outings by cooking at home » **Affordability front and center with buying bigger pack sizes and purchasing on prom**	» Financial pain points on par with average consumer » Avoid waste and cook at home » **Adapting lifestyle for increased cost consciousness** » Looking for healthy options at an affordable price » **Cut back on discretionary spending**	» Growing awareness of prices but less likely to feel financial stress compared to average » Making less immediate changes but less likely to spend freely and starting to watch spend a little » **Affordability—growing importance** » **Continued increased spend on groceries**	» Grocery and gas significantly less of a financial concern compared to average » Avoid waste and delay big outlays » **Opportunity for premium with sustainably source and diversity and inclusion** business owners » Planning for the future to build a healthy balance lifestyle
Rationalize, restrict, reduce	Strategic saver and getting ahead	Be thrifty to create the wanted lifestyle	Concerned but relatively carefree	The worst is over, spend more on priorities

Source: NielsenIQ 2022 Consumer Outlook Survey, June 2022 – US Localized Q. Which of the following actions or changed behaviors, if any, have you done more often in the last few months, as a result of disruption/higher prices?

Key takeaways

Wellness is not a niche topic. All of your customers are wellness shoppers, but understanding where their wellness priorities lie is key to your business growth.

- Wellness is not a niche topic. All of your customers are wellness shoppers, but understanding where their wellness priorities lie is key to your business growth.
- The natural channel can be an experiential leader for wellness as it is re-imagined.
- Many people have taken their health into their own hands and self-care is mainstreaming.
- There is an increasingly “a la carte” or flexitarian approach to wellness, as consumers want to be: “better, but not the best.”
- Attitudes to aging have altered among many Boomer generation women.
- Younger consumers are still very concerned about sustainability and their power will continue to grow.
- We are reaching the “zone of innovation” for wellness-linked altruism products and concepts.
- Despite good intentions in terms of health and wellness, 70% of consumers are not spending as freely as they once did in the face of a turbulent economy, so this must also be taken into consideration right now.

Keen to learn more?

Schedule time with our leading industry experts for full access to this report and tailored insights to grow your business.

Find out more

Sources

1 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total US xAOC; 52 weeks W/E 08/06/22 vs 3YA

2 Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021, U.S. Results

3 Source: NielsenIQ Homescan Panel, NMI Segmentations – Proactive, Reactive, Passive; Total Store; Total U.S. – All Outlets; 52 weeks W/E 09/10/22. Sorted by total store projected sales volume—descending

4 Sources: NielsenIQ Annual Shopper Health Study, 2022, 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

5 Sources: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total U.S. xAOC; L52 weeks W/E 04/02/22 vs 3YA; Label Insight Trending Attributes – search data; All Channels; 12 Months. April 2021 – March 2022; and Helio powered by CircleUp, January 2021 — January 2022

6 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight; Total Store; L52 W/E 04/30/22 vs 3YA

7 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total U.S. xAOC; 52 weeks W/E 08/06/22 vs 3YA; Bubble size denotes total sales in L52 week All attributes represent claims STATED on package unless indicated by an * symbol

8 Source: NielsenIQ Retail Measurement Services; Total U.S. xAOC; Health & Beauty Care; Calendar Year 2021 vs Year Ago

9 https://progressivegrocer.com/plantx-debuts-plant-based-retail-concept-chicago

10 Source: NielsenIQ Homescan Panel; Total U.S., All Outlets; Total Panel; Product: PI Organic Positioning Stated; 52 weeks W/E 08/06/22

11 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Food & Beverage; Total U.S. xAOC; 52 weeks W/E 09/10/22 vs 3YA | Nielsen IQ Consumer Pulse Survey

*NielsenIQ 2021 Health Shopper Survey Results. Q: In the past 6 months, have you or anyone in your household followed a special diet? Please select all that apply.

Among total respondents (n=12,559)

**Label Insight search data, annual online searches across retailer websites; Latest 12 months Sep 2021 – Aug 2022

12 No source – taken from analyst notes

13 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total U.S. xAOC; 52 weeks W/E 09/17/22 vs 3YA

14 Source: NielsenIQ Spectra Homescan Panel; Consumer Profile by Demographics; Total U.S.; $ per 100 HHs Index –May 2022 YTD Sales and 2021 Census

15 Source: NielsenIQ Leading Edge Report; Scores have been assigned from 1 to 5, where 1 = very unlikely and 5 = very likely

NielsenIQ Retail Measurement Services, NielsenIQ Product Insight; Total Store; Total U.S. xAOC; Latest 52 weeks 08/06/22 vs 3YA

16 Based on relative appeal of claims gathered during optimization among global consumers

BASES Optimizer Study on Sustainability Claims and Consumer Motivations (2021); data based on relative appeal of claims gathered during optimization within the United States, United Kingdom, Germany, Brazil and China

17 Source: New Hope on Democratizing Wellness/Feeding America/ReFed

18 Source: NielsenIQ Retail Measurement Services, NielsenIQ Product Insight, powered by Label Insight, Total Store; Total U.S. xAOC; 52 weeks W/E 08/06/22 vs 3YA

NielsenIQ Homescan Panel; Total U.S. across all Channels; 52 weeks W/E 09/10/22

19 Source: NielsenIQ 2022 Consumer Outlook Survey, Dec 2021 vs June 2022. Q: Which of the following best describes how COVID-19 impacted your overall household financial situation over the last 2 years?

Who is NielsenIQ?

NielsenIQ is the leader in providing the most complete, unbiased view of consumer behavior, globally. Powered by a groundbreaking consumer data platform and fueled by rich analytic capabilities, NielsenIQ enables bold, confident decision-making for the world's leading consumer goods companies and retailers.

Using comprehensive data sets and measuring all transactions equally, NielsenIQ gives clients a forward-looking view into consumer behavior in order to optimize performance across all retail platforms. Our open philosophy on data integration enables the most influential consumer data sets on the planet. NielsenIQ delivers the complete truth.

NielsenIQ, an Advent International portfolio company, has operations in nearly 100 markets, covering more than 90% of the world's population. For more information, visit **nielseniq.com**.