COVID-19: how is health and wellness evolving? One year on

June 2021

Updating our framework for health and wellness

During the first lockdown in 2020 we identified six hypotheses setting out how health and wellness could evolve.

These hypotheses were designed to help businesses plan for the next stages of the pandemic and beyond in the UK. A year on we re-visit them to see how they have evolved.

1	**Interest in holistic health will increase**	Supporting physical and mental health will be a priority. Individual health priorities will evolve and become broader
2	**Affordability will challenge health priorities**	Affordability may override good intentions. Consumers may have to make trade–offs, prioritising affordability over health
3	**There will be greater connection with food**	The way people think and feel about food will evolve. Shoppers will emotionally connect with what they eat and how it is grown.
4	**Employers will place wellness at the heart**	There will be increased focus on protecting the health and safety of the workforce and promoting employee wellness.
5	**Obesity will remain a key focus**	The government's ambition to half obesity by 2030 remains. The food industry will renew their commitment to long term public health
6	**Healthy and sustainable diets will become more relevant**	Climate change and sustainable diets will remain a priority. Consumer awareness of company values and CSR will increase, resulting in loyalty to specific brands or retailers

Source: IGD Research

Health and wellness hypotheses one year on review

The first three hypotheses we set out related to individuals and households. Across all three of our hypotheses it is currently too early to tell whether they have proved to be accurate. There is evidence and examples to both support and challenge different elements of each.

Hypotheses	Status	2021 update	Implications for food and consumer good industry
Interest in holistic health will increase	=	• The strong focus on physical activity we saw in the first lockdown has now ebbed and with restrictions easing shoppers may feel they have less time to exercise. • However, there remains increased focus on individual health priorities and some behaviours have improved.	Despite it being too soon to tell how much shoppers will focus on their holistic health in the future, for many there has been a mindset shift. There is opportunity to capture this interest and differentiate your business through supporting shoppers to be healthier.
Affordability will challenge health priorities	=	• A k-shaped recovery is evident with different shopper groups emerging from the pandemic in different positions. However, the true impact is yet to be felt. • One in six adults in England, Wales and Northern Ireland are experiencing food insecurity.	Shopper confidence is very sensitive to external factors and therefore outlooks could change quickly meaning that shopper priorities and spending will also be impacted. Agility to respond to these needs will be vital.
There will be greater connection with food	=	• Younger shoppers claim a stronger connection to the role of food and drink in their lives; keeping an eye on the strength of this connection will be important. • Initiatives have launched which make it easier for shoppers to identify and trace the source of the products.	With competing priorities shoppers may not be able to give the same focus to food and drink. Reminding shoppers of the provenance and heritage behind products and brands can help maintain the connections developed through the pandemic.

  Source: IGD research

Health and wellness hypotheses one year on review

The remaining three hypotheses we set out were broader in focus. Whilst it's clear that Covid-19 has accelerated the Government's response to obesity, there is evidence and examples to both support and challenge different elements of our other hypotheses. It remains to be seen which consumer habits and working practices will stick once social distancing measures ease.

Hypotheses	Status	2021 update	Implications for food and consumer good industry
Employers will place wellness at the heart	=	• Protecting the health and safety of workers has been a key focus throughout the pandemic, with many employers introducing additional measures to make workplaces COVID-secure. • Promoting employee health and wellness has also remained a priority. Employers have adapted quickly to support changing needs, though the long-term health impact from changes to people's daily habits, both in and outside of work, is not yet clear. • With some Covid-19 restrictions still in place, some employers have introduced flexible "hybrid" working practices. It's not yet clear what will stick once restrictions are lifted.	Establishing the future of workplace practices will be a key priority and there's an opportunity for employers to establish flexible "hybrid" working practices to support work-life balance. Continued investment in initiatives to support employee's physical and mental health and wellness will be vital to attract and maintain happy, healthy and productive workers.
Obesity will remain a key focus	+	• The Government has accelerated its plans to tackle obesity in light of the negative outcomes of Covid-19 on those above a healthy weight. • Previous regulation on promotions has been fast tracked, whilst new work to look at incentivisation has been established.	Both 'carrot and stick' initiatives will be deployed. New promotional restrictions on HFSS foods and drink will have a huge impact for industry. New incentives initiatives coming out of No 10 could present a new way help people engage with their health.
Healthy and sustainable diets will become more relevant	= +	• Healthy, sustainable diets have increased in relevance for industry. Retailers and manufacturers have taken action to promote better choices, and have begun ESG reporting. • Shoppers tell us they are less interested in changing their diets to be healthier and more sustainable, but their behaviour contradicts this. They are eating more fruit and veg, plus cooking more from scratch.	The biggest barrier for shoppers to following healthy, sustainable diets is cost. As businesses set targets to promote these diets, they will need to be mindful of pricing sensitivities. Shoppers are more motivated by health than ever so there is an opportunity to dial up use of health claims and inspire healthier choices.

  Source: IGD research

from IGD

Interest in holistic health will increase

Original hypotheses

- Supporting physical and mental health will be a priority
- Individual health priorities will evolve and become broader; spanning nutrition, exercise, work-life balance and sleep *(Generational/demographic differences are likely to exist)*
- Food shoppers will use shortcuts for health such as natural, organic and wellness ranges or health claims
- Hygiene will become more of a focus, with a continued interest in products for individuals and to clean the home
- Digital solutions will support and enable this, presenting many opportunities for businesses

One year on update

With some of the new behaviours picked up in the pandemic being stickier than others, we are faced with a mixed picture when it comes to interest in holistic health. While their remains a continuous conversation on the bigger picture of physical and mental health, and work life balance, the focus on the everyday routine has fallen. Regular exercising appears to be less of a priority as restrictions ease and people feel more pressure on their time.

Whole Foods and Headspace encourage mindful eating

We are still seeing retailers launch initiatives to help support shoppers' holistic health. Whole Foods collaborated with wellness app Headspace on a mindful eating series called Food for Mood. The series was available on the Whole Foods Instagram TV channel (IGTV) and was designed to help shoppers improve their wellbeing, eat more mindfully and feel more connected to their food. Each episode featured a mood-enhancing recipe.

  Source: IGD Research

Affordability will challenge health priorities

Original hypotheses

- Balancing savvy shopping and healthy eating will be challenging
- Affordability may override good intentions. Consumers may have to make trade–offs, prioritising affordability over health
- Increased food poverty will negatively impact on nutrition
- We have seen great efforts to provide food to the vulnerable and this will need to continue for some time. Consumers will look to companies to continue to meet this responsibility
- With food security and health inequalities exposed, the National Food Strategy review will be more relevant than ever

One year on update

The opening up of the economy and the vaccine rollout has contributed to a positive trend in shopper confidence reaching a five year high of -1 in April before dropping one point to -2 in May. Shopper confidence about individual financial positions is one of the main drivers of this overall positivity; just 19% expect to be worse off in the year ahead, the lowest level recorded. However, not all shopper groups are as optimistic and there remains some differences in outlooks and expectations. These differences are clear as 16%* of adults in England, Wales and Northern Ireland are experiencing food insecurity.

However, shoppers are highly aware of the changing situation and bad news could cause a sudden reversal in confidence. As inflation begin to impact shopper budgets it will be important to understand how that impacts their outlooks and therefore shopping behaviour. Shoppers may not yet have felt the financial impact of the pandemic so it is too soon to tell what impact financial constraints could have on healthy eating priorities.

Source: IGD ShopperVista; Base: 1,000+ ALL shoppers, Mayr'21 . * https://www.food.gov.uk

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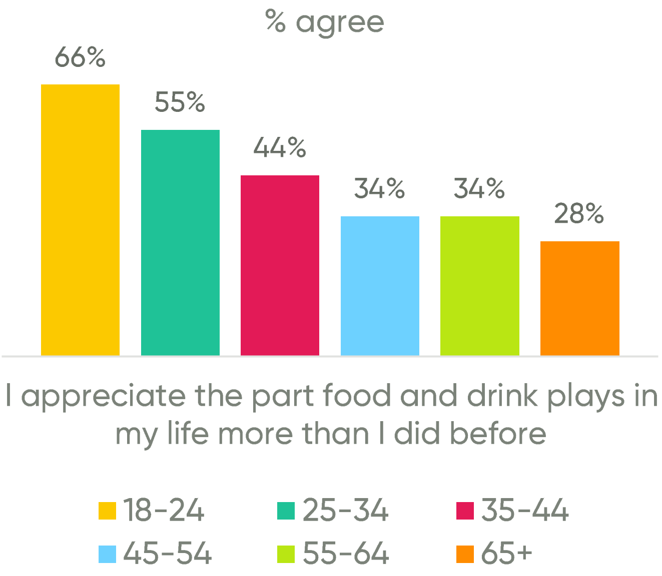
There will be greater connection with food

Original hypotheses

- The way people think and feel about food will evolve
- Mealtimes become key with many dedicating time to scratch cooking and baking
- Shoppers will emotionally connect with what they eat and how it is grown. This will lead to a desire to understand products and their provenance more
- Traceability will become increasingly important as people look to prioritise their health and fear future outbreaks
- With the reversal of globalisation we will see an increased demand for local, seasonal produce
- Food will bring families and friends together



One year on update

Many shoppers, particularly younger shoppers, have found themselves with better cooking skills and a greater appreciation of the role food and drink plays than a year ago. Helping to maintain this momentum after restrictions could encourage more at-home occasions than in the past amongst this group.

However, we can see that this connection is not felt as strongly amongst older age groups. The test will be as further restrictions are eased whether younger shoppers continue to feel this appreciation.

In-store shop floor growing

The use of vertical farming by retailers is steadily increasing around the world. This form of production has been linked to reducing food miles, reducing agricultural related deforestation, land usage, soil degradation and water use.

Infarm has operations across 10 countries and 30 cities worldwide*. M&S has partnered with Infarm to deliver a range of fresh produce grown and harvested in a selection of M&S stores.

  Source: IGD Research Source: IGD Research. 21st to 22nd February 2021. Base: 2,001 British shoppers.

Employers will place wellness at the heart

Original hypotheses

- There will be increased focus on protecting the health and safety of the workforce and promoting employee wellness
- This broad focus will span workplace culture, shift patterns and provision of services supporting wellness
- Employees will champion their health and work life balance. They'll expect commitment and support from their employer
- The ability for individuals to work remotely may increase inequalities between previously 'office based' workers and site-based staff – reducing inequalities will be a key focus
- Partnerships that champion wellness for all employees will emerge, spanning physical health, mental health and sleep

One year on update

Remote working may be one of the most obvious changes to the workplace that has come out of the pandemic. Of working adults currently homeworking, 85% wanted to use a "hybrid" approach of both home and office working in future[1]. As employers and employees alike recognise the need to strike a good work-life balance, many workplaces are reviewing their flexible working policies and continue to invest in initiatives to support their employee's physical and mental health and wellness.

Thinking ahead

Throughout the pandemic, many employers introduced temporary measures to make workplaces COVID-secure. With the delay in lifting national restrictions, the question remains as to whether social distancing measures will remain in place.

As the Job Retention Scheme winds down, employers with furloughed workers will be focusing on how best to support their employees back to work.

Source: Office for National Statistics, Business and individual attitudes towards the future of homeworking, UK: April to May 2021

Obesity will remain a key focus

Original hypotheses

- The government's ambition to half obesity by 2030 remains
- The food industry will renew their commitment to long term public health
- A wider range of stakeholders will support and contribute to preventative measures to 'save the NHS'
- As personal health becomes more important, government and industry programmes will feel more relevant
- Consumers will welcome support and advice around physical activity, diet and mental health

One year on update

Evidence has shown that those above a healthy weight are more likely to die from Covid-19. This has accelerated the Government's response to obesity with new focus on adults as well as children. Initiatives include:

- Out of home Calorie labelling
- New restrictions planned on pricing and promotions on HFSS foods and drink
- New campaign to support people to lose weight www.nhs.uk/BetterHealth.

A new incentivisation programme from No 10, lead by Sir Keith Mills will look at how organisations can work together to encourage people to eat better and move more.

- Weight is front of mind for many as 34% of participants of the Zoe Covid Symptom study gained an average of 3.5kg during lockdown
- Public Health England saw 3.4 million engagements with digital products across Better Health behaviours in 2020
- Sainsbury's launched its 'Helping everyone eat better' initiative in May, encouraging affordable, healthy and sustainable choices

  Source: IGD Research

Healthy and sustainable diets will become more relevant

Original hypotheses

- Climate change and sustainable diets will remain a priority
- Consumer awareness of company values and CSR will increase
- Scratch cooking will increase consumption of fruit, veg and fibre. Portion sizes and frequency of meat consumption will reduce
- Local foods and food waste will be important for shoppers

One year on update

Health and sustainability have become even more relevant for businesses over the last year.

Many have launched new targets and are proactively reporting on environmental, social and corporate governance.

For shoppers it's a different story. They see healthy, sustainable diets as less of a priority than pre-pandemic, although 57% are still interested in changing what they eat to be healthier and more sustainable. Health drives this for most, over sustainability.

Inadvertently, shoppers have adopted some healthy, sustainable behaviours, they're cooking more from scratch, eating more fruit and veg as well as using meal kits more often.

Proof points

Shoppers:

- 57% say they have made changes to cook more healthily since May 2020[1]
- 51% ate fruit and veg more often during lockdown[2]
- 32% of adults 'enjoy preparing meals more now than before COVID-19'[3]

Industry:

- Tesco pledges to boost sales of meat alternatives 300%, by 2025
- Asda has committed to growing plant-based sales by 100% by 2023
- Co-op reduced the price of plant-based meat alternatives, to match the price of meat, and tackle the cost barrier

38%
say cost stops them eating a healthy, sustainable diet[4]

from IGD

  Source: 1. BNF 2021, 2. IGD 2020 Appetite for Change – Fruit and Veg, 3. Kantar 2021, 4. IGD 2020 Appetite for Change – COVID-19

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