NielsenIQ

An inside look into the 2021 Global Consumer Health and Wellness Revolution

Health and wellness is **THE** single most powerful consumer force of 2021.

To see where the health and wellness industry is headed, start with understanding the rising well-being revolution.

In contrast to the unpredictable nature of COVID-19, consumers are being very deliberate with their choices. 2021 has been a year of recalibration, reflection and resilience. What matters to consumers, now? Meaningful and purposeful living, health management, strength and wellness, mental health and stability, happiness, social connection, environmental betterment, balance, and fulfillment.

Across the global consumer packaged goods (CPG) industry, a more holistic notion of health and wellness is flourishing. To think about health and wellness just through the limited lens of diet culture, fandom fitness and niche health crazes is already archaic. It is no longer just a section of a store or a segment of a person's lifestyle. To consumers, health, wellness and well-being is now in the everyday choices. It's everything and everywhere, challenging meaningful relevance in every CPG category that a consumer chooses to buy.

Well-being is the next chapter of total health and wellness. Well-being in definition is far more comprehensive than health or wellness, as it considers a broader universe of personal factors and speaks to the goals of a well-rounded life. Fueled by the informed ideology and mass influence of younger generations like Gen Z, who are hyper aware of social and environmental issues, the expansive future of health and wellness is proactive, highly personal, mindful and motivated towards well-being. While maintaining your bar of excellence for value, taste, efficacy and convenience, how will your company show up in this next chapter?

In this new NielsenIQ Global Health and Wellness report, we explore consumer sentiment across 17 diverse global markets and dive deep into NielsenIQ data to help companies better understand the global state of health, wellness, and well-being. We uncover how consumer needs have been reshaped around the world, what is trending, and what the budding opportunities are across the new, broadened spectrum of global well-being. This report brings to light a full view of total health and wellness.

-Genevieve Aronson
Vice President of Global Thought Leadership, NIQ

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Executive summary:

Today, there are many forces disrupting the global health and wellness landscape.

1

In a world moving towards motivated well-being, there are three major themes converging:

1) catalysts of change within socioeconomic conditions,

2) costs of healthcare and

3) consumer choice.

As the cost of health care rises, socioeconomic issues build and consumers determine their own health and wellness journeys, businesses and governments become increasingly more interconnected. Coupled with the enduring COVID-19 impact, this trifecta of forces is paving the direction of the CPG landscape.

2

Health and wellness is not a one-size-fits-all issue. Consumers have varying levels of engagement in their own well-being, and their behaviors vary drastically across countries, according to their proactive or reactive decision-making tendencies.

3

NielsenIQ has identified a globally-relevant hierarchy that breaks down the core health, wellness and well-being needs of today's consumers. Those needs are: Protective, Preservation, Aspirational, Evolving and Altruistic. Knowing that consumers have the desire to increase the quality of their health, sleep, nutrition, fitness, appearance and overall mindfulness – is not enough. The power is in understanding and recognizing that there is a hierarchy of needs that dictate where these priorities fall in a consumer's decision-making process. The simple, five-level strategic guide enables a new and holistic way of understanding what matters to consumers, what motivates them and what types of products are moving in each space.

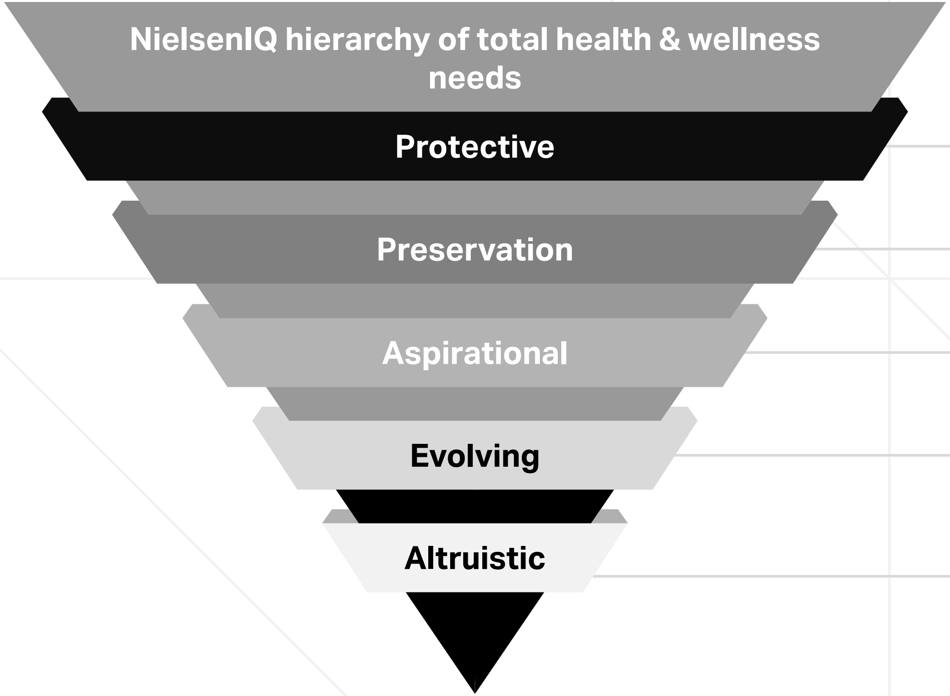
4

The future of well-being will pivot around 7 future forces of change: rapid tech adoption, generational shifts, new life outlooks, omni-connected communities, biological revolution, agtech advancement and shift in policy, legislation & governance.

5

Companies looking to get ahead can pursue the ample altruistic innovation opportunities, ahead. The micro-culture maturity in altruism shows ripe opportunity in the US and the UK. The global state of health and wellness is evolving and shifting towards a world that is more well-being focused. Companies need to understand global consumer needs. From what motivates consumers' approach to self-care, to acknowledging the external forces at play that are driving the direction of the industry, there are many modern considerations to take in. Most importantly, recognize the role you play in the health and wellness ecosystem in order to make effective and market-leading decisions in the health and wellness space.

Consumer’s health and wellness needs have evolved beyond the basics of physical well-being



Urgent care
Protecting myself and/or my family members from immediate health threats.

Self care
Improving my and/or my family’s current physical or emotional well-being and connections.

Preventive care
Proactive actions to achieve and maintain specific health goals, or helping to avoid ailments in the long-term.

Innovative care
Seeking out the latest alternatives or developments to continuosly meet my and/or my family’s health & wellness goals.

Selfless care
Improving the world around me and by advocating for environmental, ethical, humanitarian, and/or philanthropic causes.

Protective needs

Are the most basic and essential of health and wellness need states. Consumers strive to thoroughly protect themselves and their family against immediate threats to their own health and well-being.

- **63%** of surveyed consumers ranked protective needs of high importance to them and for, **71%** protective needs have become **more important** over the last 2 years.
- Over the past two years, antibacterial products and house cleaners were main staples.

  However, NIQ data shows that the pace of innovation within the household cleaner category has slowed in the US, whereas household cleaners in the UK have seen 47% growth in the number of innovations that have hit the market this year compared to last.
- **Trends to watch:** A new wave of immune building products.

Preservation needs

Center around catering to current self-care and intrinsic well-being. Improving on physical, emotional well-being and connections.

- **1 in 3 (35%)** surveyed consumers across the globe state that COVID-19 has had a negative impact on their mental health and physically speaking, living alongside the virus has taken its toll as well.
- Around the globe, preservation-focused priorities look very different across markets. For example, NIQ found fluctuated rankings of sleep across countries, with China ranking sleep as a critically important priority and consumers in Italy identifying it as a lagging priority.
- **Trends to watch:** The continued "food as medicine" movement and the rising tide of mental wellness.

Aspirational needs

Cater to the proactive and preventative measures people take to achieve specific health goals or to prevent future ailments in the long-term.

- **61%** of global consumers say that aspirational needs have become more important to them in the last 2 years.
- Global consumers are continuing to recognize the benefits of a plant-based diet. NIQ data shows that over 6 in 10 surveyed consumers across the globe already buy or are more likely to buy plant-based products than they did 2 years ago.
- **Trends to watch:** The evolving habits of elimination for things like meat and alcohol and the enduring popularity of plant-based innovation in new forms across global regions.

Evolving needs

Aligned to new developments, innovative ingredients, seasonality, societal shifts, and the many different factors that dictate what products fall in and out of the healthy spotlight.

- **54%** of global consumers say they love to follow and try new health and wellness trends.
- An NIQ analysis of the U.S. market shows 12 high-growth ingredients. Collagen is shown to be a great example of an ingredient with strong growth and expansion potential. Today, collagen within the US has seen sales of $814M (Q2 2021) and can be found in over 97 categories, within the US market, with strong growth in food categories like broth and nutrition bars.
- **Trends to watch:** New-found interest in nootropics.

Altruistic needs

Delve into selfless consumption that supports environmental, ethical, humanitarian or other philanthropic causes.

- **67%** of global consumers say that environmental health and how their choices impact the planet is important to them.
- NIQ Label Insight data shows that interest in low-waste hair care is growing; Shampoo and conditioner bars were the #9 most searched hair care trend in early 2021 with 135,000+ quarterly searches on Amazon alone.
- **Trends to watch:** Beyond clean labeling, the mainstreaming of "better for we" brings new causes that are growing in social gravity.

Chapter 1

The global state of total health & wellness

Let's start with understanding the baseline state of total health and wellness as it stands, today. Despite mass vaccination efforts across countries, the world is still in a pandemic, with millions still being infected and impacted by COVID-19. However, the virus is just one force driving change in the global health and wellness landscape.

Beyond COVID-19, what forces are disrupting the global health & wellness landscape?

Forces shaping H&W choice

Health care costs:
spending on health (as % of GDP) has hovered around **8.8%** for last 10 years but jumped up to **9.9% in 2020**

Obesity:
39% of global population is overweight, **2.8M** die each year as a result of being overweight

Mental health:
1 in 10 of world population live with **a mental health** disorder

Aging population:
By 2050, the number of **adults 65+ globally will double**

Sugar regulations:
50 countries and jurisdictions have implemented sugar taxes

Label legislation:
Only **4** OECD countries **mandate front of pack** nutritional labelling

Health technology:
Global spending on **wearable devices** to **total $81.5B** in 2021

Cannabis:
Estimated size of **global cannabis** market is **$31B in 2021** (+41% over 2020 sales), and forecasted to grow to $62.1B (+15% CAGR to 2026)

Pollution:
24% of all estimated global **deaths** are **linked to the environment**. Air pollution kills 4.2M people every year

Sources: Obesity Evidence Hub | OECD | Gartner | BDSA | World Health Organization | United Nations | Our world in data | World Health Organization

Three major themes are converging

Catalysts & contributors

The reasons to be healthy are multiplying ang changing.

There are disruptive societal and economic changes shaping how health care is being prioritized, defined and administered across the globe.

Rising health costs

The cost of health and wellness is rising, fast.

Governments, businesses and even consumers themselves are awakened to the benefits of preventative and proactive efforts.

Consumer choices

There are different tendencies for how consumers decide to invest in their health.

Health and wellness behaviors vary drastically according to the proactive, reactive, or passive dispostion of consumers.

As the cost of health care rises, socioeconomic issues build and consumers determine their own health and wellness journeys, businesses and governments become increasingly more interconnected. Coupled with the enduring COVID-19 impact, this trifecta of forces is paving the path forward.

How are consumers approaching healthy living?

Health and wellness is not a one-size-fits-all issue. Consumer behaviors vary drastically according to their proactive, reactive or passive decision-making tendencies.

Nearly half of global consumers are proactive in their health decisions

48%

of global consumers say they make proactive health and wellness choices on a regular basis

Proactive

29%

of global consumers say they are triggered to prioritize health when it's necessary

Reactive

23%

of global consumers say they don't prioritize health and wellness

Passive

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Top 10 reasons why health has become a proactive priority

What are the top reasons why health has become a proactive priority? NIQ data shows that the drivers of influence are diverse. For proactively engaged, global consumers, reasons range from the desire to live a longer, healthier life, and a desire to look and feel better post lockdown, to the sway of social media and the burden of rising costs of healthcare.

% agree among the ‘proactive health’ consumer segment

Rank	Reason why health has become important	% agree
1	Live a longer, healthier life	47%
2	Avoid preventable diseases	47%
3	Protection/exposure to ailments/diseases	43%
4	Want to look/feel healthier	41%
5	Re-evaluating lifestyle	31%
6	Influence from family, friends	28%
7	Influence from the news	27%
8	Worried about COVID unvaccinated	27%
9	Influence from social media	20%
10	Influence from advertising/rising costs of healthcare*	18%

over index versus global average

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021.
*Tied response

Where are consumers shopping for health and wellness products?

Health and wellness buying is omni present

Health and wellness across the digital landscape is growing at a steady rate. NielsenIQ e-commerce measures of the U.S. market show that health-aligned products, such as over-the-counter remedies or nutritional drinks, are seeing sales (+31%) and buyer growth (+14%) exceeding that of the already booming industry topline (+27% in sales, 5% in buyer growth). Health and wellness products also seem particularly aligned to being purchased through subscription services, where sales have increased an impressive 50% year over year.

+50%

Growth in health & wellness products purchased on subscription

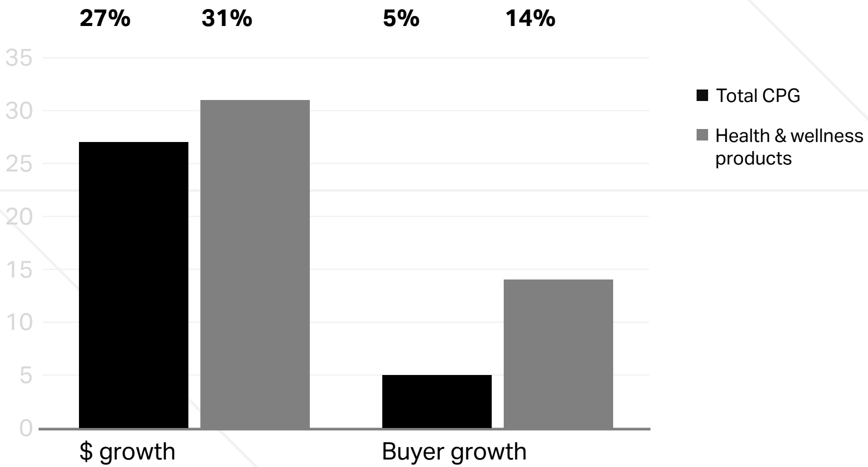
+31%

Growth in total CPG products purchased on subscription

Source: NielsenIQ e-commerce measurement, Total US, 52 weeks ended Aug. 28 2021 vs. year-ago

U.S. e-commerce growth

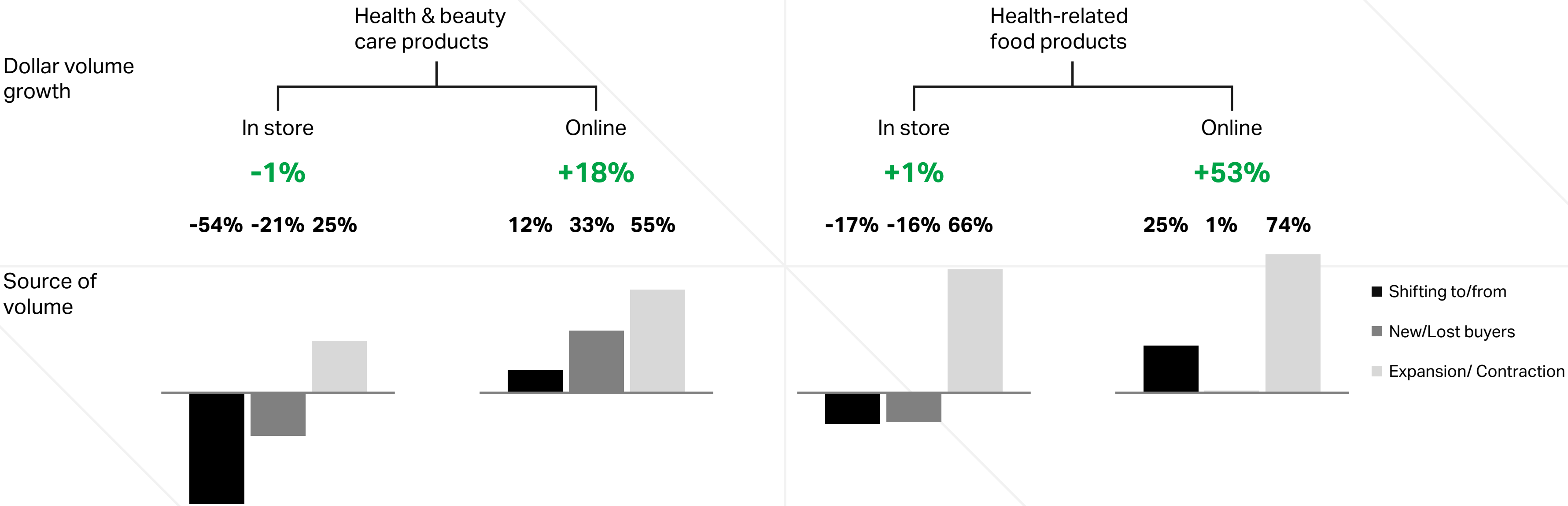
% dollar and buyer growth



But, amid consecutive periods of strong sales growth, it begs the question of whether e-commerce gains have come at the direct cost of in-store performance. According to NielsenIQ's U.S. omnipanel, the answer to this question is promising for companies operating across brick-and-mortar and e-commerce spaces.

E-commerce growth is incremental for health-aligned products

Only 25% of online food growth for health-related products was due to shifting volume from other channels



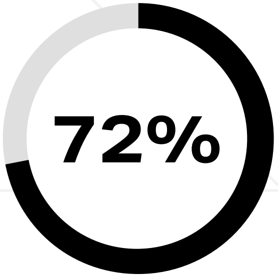
For both U.S. health and beauty care products, as well as a subset of health-related food products, there has been incremental growth, or "market expansion" in both e-commerce and brick-and-mortar outlets. Even though expansion is much greater online, only 25% of e-commerce food dollar sales growth was due to shifted volume from other channels. This underscores that today's buying behaviors are truly "omni"-present.

Source: NIelsenIQ omnipanel, Brand shifting analysis, 48 weeks ended Aug.14 2021 vs. 48 weeks ended Sept. 12, 2020

What are consumer expectations for companies and the products produced?

Consumers are expecting companies to do more

Consumers are paying attention to what companies are doing. Across all retail sectors, consumers expect businesses and governments to play a more active role in their health and well-being journey. In fact, a majority (72%) of surveyed global consumers feel that companies have a big role to play in the availability and access of healthy food for all. In fact, a majority of global consumers (63%) would be more likely to buy from companies with a strong health mandate across their whole product portfolio.



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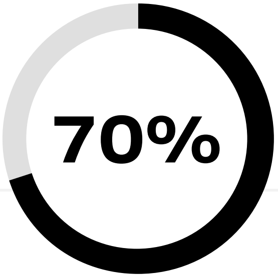
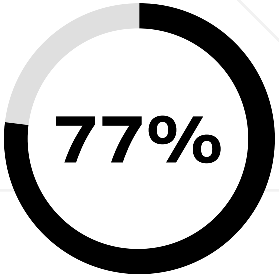


companies have an obligation to ensure healthy products are less expensive than processed or unhealthy product choices.



expect product labels to be more specific and transparent.

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

There is a baseline consumer expectation for clean, simple and sustainable goods

The concept of altruistic health and wellness, or care regimes which pay back to other causes and communities, is no longer in its infancy. For many consumers, there is a baseline expectation for companies to produce products with clean, simple, and sustainable ingredients, without compromise. Take note that today's conscious consumers have dual expectations for products. Products need to meet altruistic needs while still delivering and advancing on the efficacy of traditional product benefits. Issues pertaining to the environment are especially top of mind for consumers right now. Consumers are prioritizing the health of the planet, in addition to the health of themselves.

66%

of global consumers agree that environmental issues are having an adverse impact on their current and future health

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Health and wellness is a now shared priority and responsibility

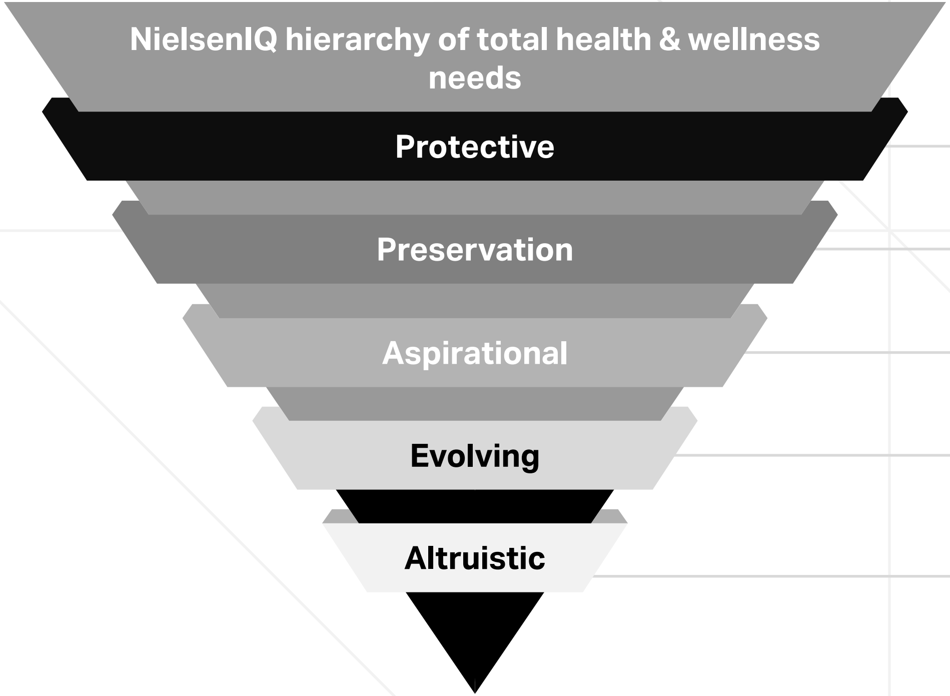
The interests of governments and businesses are corralling around the common idea that all must play a more active role in supporting the long-term health of the planet and its consumers. Health and wellness is now a shared priority across consumers, companies and governments. What is your relationship to the proactive, reactive and passive ways consumers are approaching health and wellness? How are you showing up in the omni retail space to meet consumers where they both socialize and shop? How are you aligned to the expectations and motivations of today's more conscious consumer?

Chapter 2

The NielsenIQ hierarchy of total health & wellness needs

How are global consumers prioritizing their health and wellness needs?

Consumer’s health and wellness needs have evolved beyond the basics of physical well-being



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Reinvented health priorities

Much like the expanse of factors that have impacted the global state of health and wellness, there are equally many ways in which consumers are re-inventing how they approach health-related decisions.

Following the onset of COVID-19, what do consumers deem to be important today? While we recognize that there is no blanket answer for this question, we do believe there is one universal hierarchy that empowers a deeper understanding of how consumers are currently prioritizing their health and wellness needs.

Knowing that consumers have the desire to increase the quality of their health, sleep, nutrition, fitness, appearance and overall mindfulness – is not enough. The power is in understanding and recognizing that there is a hierarchy of needs that dictate where these priorities fall in a consumer's decision-making process.

This hierarchy, applied to the current state of health and wellness, brings to light a total view of consumer health needs. It highlights unique differences in the innate order to which consumers are prioritizing their health needs: those that are protective, preservation-focused, aspirational, evolving, and altruistic in nature.

The hierarchy framework is fluid across consumer segmentations, geographic regions, key demographics, cultures, and categories. In practice, it will align with any personal health and wellness journey. The opportunity for companies looking to meet and exceed the growing expectations of wellness-minded consumers is to figure out where your brand fits and sits along this fluid path. If most consumers prioritize more than one hierarchy level, so should companies. What are the current and future opportunities that exist for your company both up and down this hierarchy?

Lifestage and circumstance can sway priorities

There are interesting preferences and potential knowledge gaps that come to light when looking at how health needs are prioritized by cohorts of different genders, generations, and life stages. While the importance ranking of health needs do not vary drastically, the differences do reinforce the fluidity of the hierarchy applied to different contexts of consumer groups.

Across the gender divide, both male and female consumers are prioritizing health needs in the same general order. However, globally surveyed men are more likely than their female counterparts to view their preservation needs (current physical and mental self-care) as equally important as their aspirational (long-term, goal-oriented) health needs. Additionally, male respondents claim to rank their aspirational health needs of slightly higher importance compared to surveyed women.

This indicates that men are viewing their current self-care and long-term health goals on the same playing field. Conversely, female consumers are more likely to differentiate preservation and aspirational needs.

Generationally speaking, it comes as no surprise to see that among Gen Z consumers, their hierarchy of needs deviates from the global norm, where they have ranked altruistic needs ahead of evolving needs. To these consumers, caring for the health of the broader planet is slightly more important than their need to explore the latest in innovative health habits. Looking to the trends of older generations, Boomers over the age of 55 , as expected, are most likely to rank their aspirational health needs of high importance compared to other age cohorts.

Knowing how demographic and socio-economic circumstances can alter individualized well-being, it’s important to explore granular factors at play within the consumer hierarchy of total health and wellness needs.

Understanding protective needs

How consumers are arming themselves in their fight against health threats

Protective needs are the most basic and essential of health and wellness need states. Consumers strive to thoroughly protect themselves against immediate threats to their own health and well-being.

Within the content below, we provide a snapshot into the enduring and emerging ways protective health needs are being met.

Am I safe & protected?

Globally, **63%** of surveyed consumers ranked protective needs as high in importance.

For **71%** of global consumers, protective needs have become **more important** over the last 2 years.

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Trends and opportunities

Antibacterial products continue to remain important among consumers

Since the onset of COVID-19, protective needs have stood front and center thanks to a universal desire for protection from germs. In the U.S. market for example, measures from September 2021 show that U.S. products with antibacterial agents continue to drive strong double-digit sales growth compared to two years ago, vastly outpacing the growth witnessed among products that are free from antibacterial agents. Antibacterial product innovation has stretched beyond the traditional soaps and hand sanitizer categories. Lysol Laundry Sanitizer was so successful, it was a **NielsenIQ BASES Top 25 Breakthrough Innovation in 2020.**

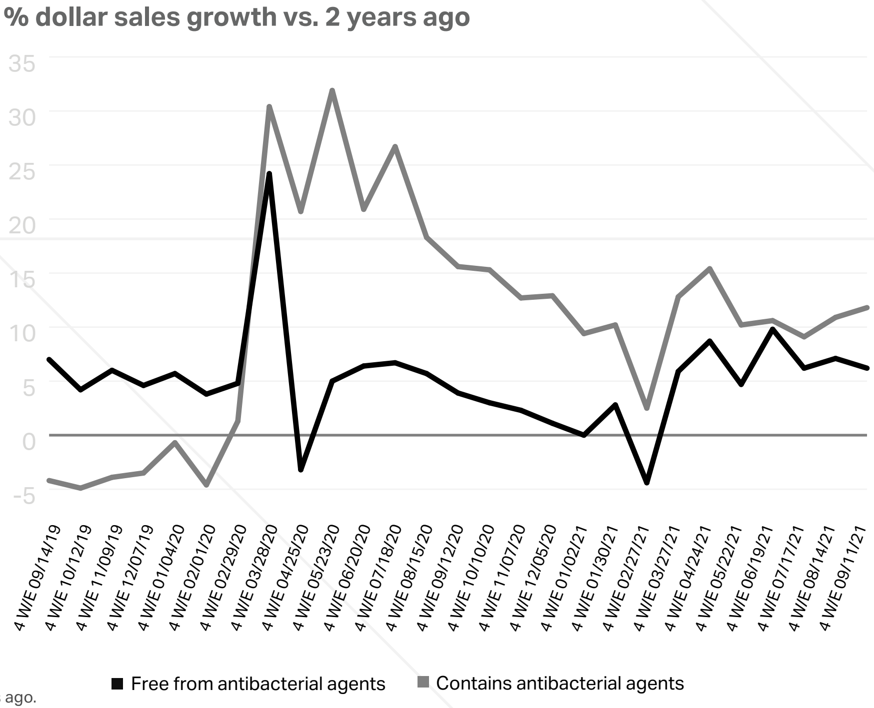
+11%

Growth for products with antibacterial agents

+4%

growth for products free from antibacterial agents

U.S. products with or without antibacterial agents



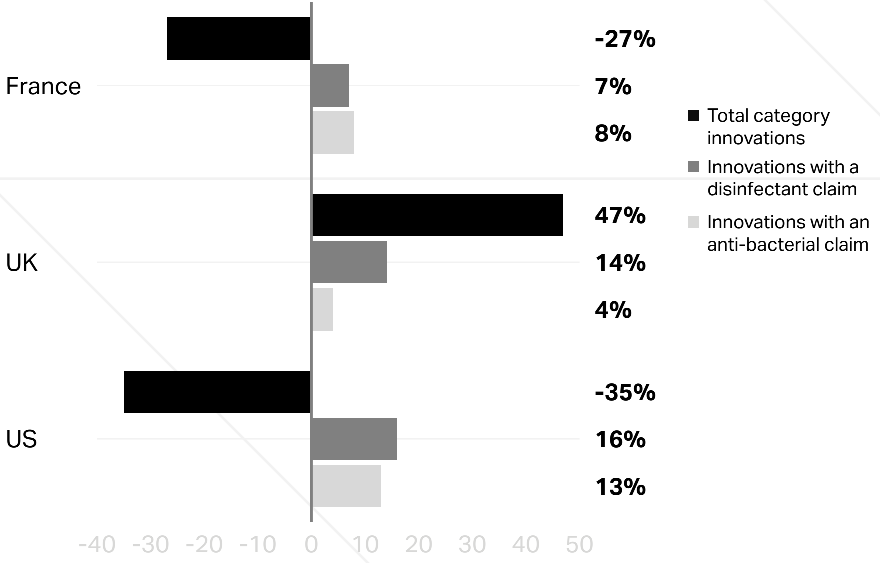
Source: NielsenIQ Product Insight, Total US x AOC (All Outlets Combined) 52- and 4 weekly periods vs. same period 2 years ago. Latest period to Sept. 11, 2021

Swift pace of innovation in the UK for household cleaners

It's interesting to note that the pace of innovation within the household cleaner category has slowed in the US, whereas household cleaners in the UK have seen 47% growth in the number of innovations that have hit the market this year compared to last. Future opportunities may be foreshadowed via the innovation performance of other markets.

Household cleaner innovations

% growth in # of household cleaner innovations



Source: NielsenIQ Innovation Measurement, Latest year ended Sept. 2021 vs. year ago

Immunity building attributes are one to watch

Demand for products aligned to immune system health has been supercharged by the pandemic. Consumers want more than a momentary immune "boost", and instead want to forge a continuous path to immune system building, long-term.

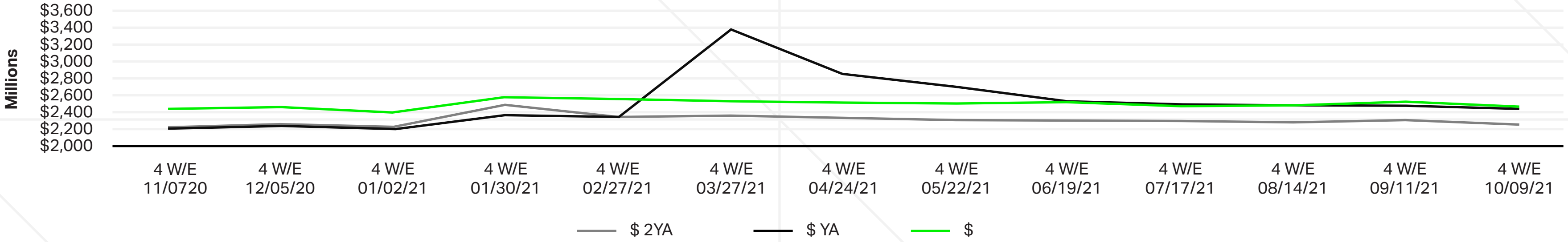
Beyond the traditional realm of vitamins and supplements to strengthen immune health, consumers are turning to categories such as beverages to get their daily dose of protective nourishment. Companies around the world are tapping into this growing consumer priority. In Japan, for example, Kirin has expanded its portfolio to include the immune boosting brand iMUSE, which is backed by a proprietary functional ingredient found in their supplements, yogurts, chocolates, jellies, and beverages. The entire line is sold in ready to consume formats, making it easier for consumers to incorporate into their daily routines. In the U.S. market, "immunity tea" is among the top searched term related to immunity, and sales of beverages that support immune system health are growing at 46% year-over-year.

New baseline for immune system health following peak priority reset of COVID-19

Beverages continue to be a key resource for building immunity among consumers

Immune system health trends

Dollar sales over time



Top "immune-related" search terms	Search vol
Immunity tea	3,989
Immune support tea	2,547
Immune tea	1,166
Immune juice	952
Immune refresher juice	516

Top selling categories aligned to "Immune system health"	$ Growth
Fruit	+5%
Beverages	**+46%**
Milk/Dairy alternative	+5%
Diet and nutrition	+8%
Rolls and buns	+6%
Snack & variety packs	+26%

Source: NielsenIQ retail measurement, Immune System Health, 52 weeks ended Oct. 9, 2021 vs. year-ago, Total USxAOC, 2) NielsenIQ Label Insight e-commerce trends data from Amazon, Instacart, Shipt, Target, Walmart, Kroger, powered by SimilarWeb. October 2020 - September 2021

Preservation needs

How consumers are looking at their physical and mental well-being

Preservation-focused needs center around catering to **current** self-care and intrinsic well-being. From mental health checks to physical self-care, from sleep health to fitness, preservation health needs are those that aim to improve consumers' present quality of life. The content below, provides an overview of health preservation priorities, followed by deeper looks into key components, solutions, and consumer expectations contributing to today's spectrum of self-care.

“

Am I 'okay' emotionally & physically?

1 in 3 (35%) surveyed consumers across the globe state that COVID-19 has had a negative impact on their mental health.

58% of global consumers have been personally affected by transmission of the virus, having contracted it themselves or experienced physically caring for loved ones who have had COVID-19.

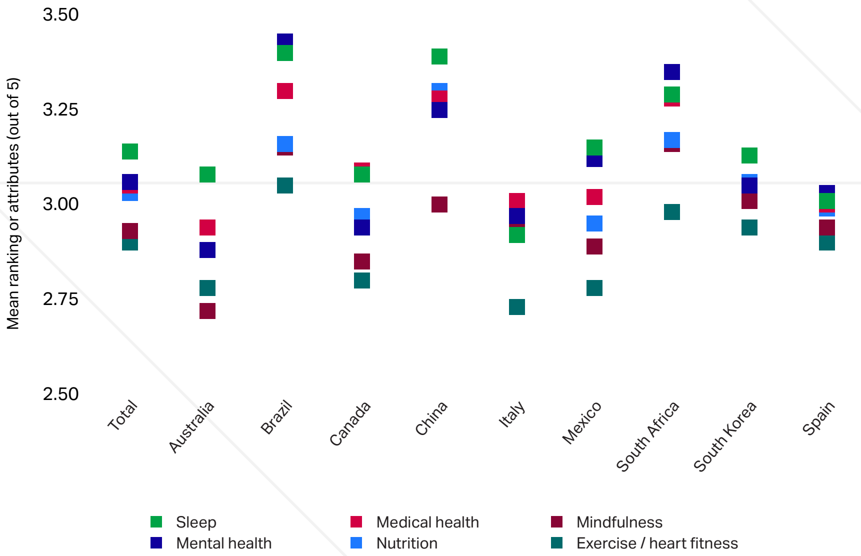
Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Trends and opportunities

Health preservation priorities vary across countries

It is important to recognize that perseveration-focused priorities look very different across markets. Within the below chart, there are interesting nuances to note. Notice the fluctuated ranking of sleep, where it is ranked a critically important priority for consumers in China and a lagging priority for consumers in Italy. Mindfulness is highly prioritized in South Africa, yet not so much in Australia, where it is ranked “not important at all.” This highlights the need to understand the differences that have and will continue to emerge in the self-care sector of health and wellness. Awareness of these local intricacies will enable companies to gain granular focus and map strategies to build a better connection to the preservative wellness journeys of consumers.

Preservation priorities by market



Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Feeding the need for self-care with food as medicine

More and more, preservation-focused needs are being met with self-care regimes that involve leveraging food as medicine. With the growing need to control stress and anxiety, a number of brands are tapping into holistic, functional foods to help consumers manage their mental health. For example, the U.K.-based brand, “Sleep well Milk” touts the botanical power of valerian to help individuals relax. The brand’s global popularity is set to grow with its expanded launch into Asia later this year. In another instance, Twinning’s has launched its “Live Well” range of tea in Australia and New Zealand. The product line is said to assist in key functions such as: Defense, Sleep, Digestion, Refresh and Focus.

There are certainly many drivers of growth within care-oriented foods. In fact, within the US, sales of products supporting a “food as medicine” function have increase 13% since 2019.

Drivers of growth within care-oriented foods

Dissecting the “food as medicine” umbrella - U.S. Sales Growth vs. 2 years ago

Mental health	+10% - Anxiety support +9% - Depression support	+4% - Mood and stress health +3% - Sleep support
Ailment	+13% - Diabetes support +11% - Hypertension support	+10% - Immune system health +8% - Arthritis support
Physical	+12% - Kidney health +10% - Eye health	+7% - Bone health +2% - Brain health
Relief	+15% - Heartburn & acid reflux support +11% - Pain support	+11% - Digestive health +11% - Cough support

+13%

in U.S., sales growth since 2019 among products supporting a ‘food as medicine’ function

Source: NielsenIQ Product Insight, Total US xAOC, 52 weeks ended Sept. 11, 2021 vs. 2 years ago. Based on Label Insights Trending Attributes, a NielsenIQ company for search terms.

A rising tide of attention on mental health

Global living conditions of the last two years have intensified mental health struggles for people around the world. According to NielsenIQ's Future Pulse Survey (Q2 2021), 35% of global consumers state that COVID has had a negative impact on their mental health and 23% believe COVID has negatively impacted their physical health.

Mental health is having more than just a moment. It should now be seen as a major consideration factor within the consumer health and wellness equation. Today's mental health movement is driving de-stigmatization efforts and spreading awareness around the importance of advocating for self-care. And while mental health is an issue that impacts consumers across all age groups, genders and race, it is important to keep an eye on consumer segments who have experienced a particular level of social or economic pressure over the past 2 years.

Keep a close watch on elder millennial mental health needs—a generation subset who now are facing early/mid-life career pressures amidst a pandemic, caring for kids and for their aging generation of parents. Be keen to the needs of children, who are experiencing continuous disruption to their core developmental years. Another cohort to pay attention to are women across the world, who continue to deal with the combined pressures and stress of career and familial responsibilities.

NielsenIQ data shows that:

- **Globally, 29% of women are struggling with work life balance**
- **54% of women** feel that emotional mental health is more important than 2 years ago, compared to 46% of men
- **47% of women** believe mental health will continue to be important in the next few years compared to 38% of men.

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021 and NielsenIQ Future Pulse Survey, Q2 2021

Obesity: The epidemic within a pandemic

Homebody lifestyles borne out of the COVID-19 pandemic haven't helped curb the global fight against obesity. While there are granular, longer-term, aspirational needs aligned to obesity (such as sugar and fat content in products) much of the world continues to struggle intrinsically with healthy weight management.

In countries around the world, governments are using regulatory measures to encourage businesses to reformulate product portfolios and give consumers greater access to information to make healthy choices. In 2016, Chile led the charge in requiring black warning labels shaped like stop signs on packaging to highlight food and drinks exceeding limits for sugar, salt, saturated fat, or calories. The nation also implemented bans on child-directed marketing strategies, restricting the advertising of junk food during primetime hours. Since then, other global markets have since followed suit with like-minded regulations and labeling laws. All have been put into motion with the goal of helping consumers make healthier choices and curbing the obesity epidemic.

Governments and regulatory bodies have taken notice of how crucial consumer transparency is to the health of their populations. Manufacturers and retailers need to be proactive, rather than reactive, to change.

North America	Proposed framework for "supplemented foods" in Canada would bring new, stricter labeling system.	**Timing**: Compliance by 2024 if passed
	Updated FDA guidelines in the U.S. would set voluntary sodium limits for 160+ categories of processed foods with the goal of helping consumers cut their salt intake by 12%.	**Timing**: Rollout complete by 2024
Asia Pacific	Proposed regulations in India would define vegan food and introduce regulations and labeling rules.	**Timing**: 2021
	Singapore's ministry of health to deploy nutrition labels and advertising prohibitions for sugar-sweetened beverages.	**Timing**: 2022
Europe	Food labels will continue to provide more clarity on the footprint of their contents. France and Germany are introducing new labeling initiatives, with Lidl and Colruyt trialing initiatives.	**Timing**: Current, with widespread EU "ecolabel" strategy timed for 2024.
Latin America	Increasing number of countries adopting front of pack warning nutritional labelling to those already seen in Chile in 2016.	**Timing**: Peru (2019) Mexico (2020) Brazil (2022), Chile and Mexico also restricts child directed advertising and marketing (2016, 2020)

21%

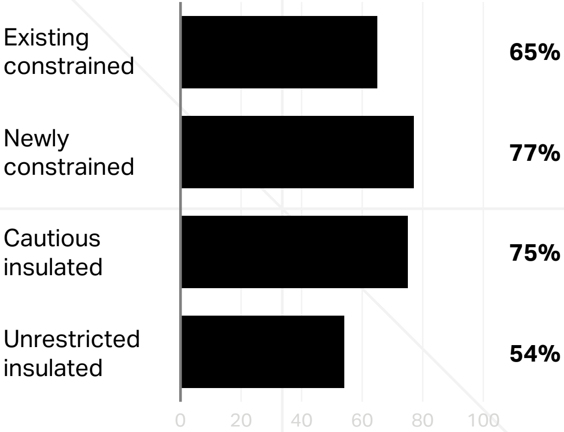
of global consumers have shifted health priorities because they have gained unwanted weight

Sources: The National Law Review | Politico | The Economic Times | Foodnavigator-asia.com | Interpack.com | Fairplanet.org | Foodnavigator.com | Wiley online library

Preservation health needs are being challenged by food insecurity around the world

According to the UN World Food Program (WFP), every day, more than 700 million people (8.8% of the world's population) go to bed on an empty stomach. Policies and company actions need to prioritize and empower areas where it is difficult to buy or afford healthy, fresh foods. According to a recent NielsenIQ global survey, not only do a majority (72%) of surveyed global consumers feel that companies have a big role to play in the availability and access of healthy food for all, but many (63%) would be more likely to buy from companies with a strong health mandate across their whole portfolio. In both instances, consumer sentiment on food insecurity and company mandates is strongest among those who have been the most financially **constrained or cautious** throughout the last two years.

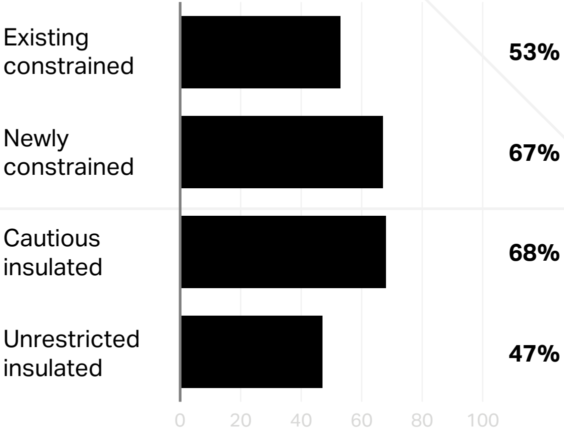
Fixing food insecurity



72%

of consumers want retailer regulation for fresh and healthy food availability and affordability for citizens in all locations

Healthy buying intentions



63%

of consumers are more likely to buy from companies that have a strong health agenda and focus across their whole portfolio

Source: NielsenIQ 2021 Global Health & Wellness Study of 17 markets, September 2021. Countries included: Australia, Brazil, Canada, China, France, India, Indonesia, Italy, Mexico, Poland, Singapore, South Africa, South Korea, Spain, Thailand, United Kingdom, USA.

Understanding aspirational needs

How global consumers aspire to live healthy lives

Aspirational needs cater to the proactive measures people take to achieve specific health goals or to prevent future ailments in the long-term. Around the world, many consumers find it important to regularly partake in actions that support their future-focused health goals. In this section of content, we explore specific activities, products, and diets that are resonating with aspirational health needs globally.

“

Am I preparing for a healthy future?

Globally, nearly **44%** of surveyed consumers rank aspirational needs as a top priority.

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Aspirational health manifests differently across the globe

Singapore	Regularly exercise
South Korea	Boost health via dietary vitamins or supplements
Thailand	Eat optimal portion sizes
India	Use natural products for preventative health (i.e. ginger, turmeric, etc.)

61%

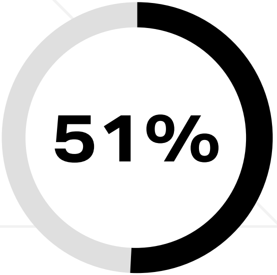
of global consumers say that aspirational needs have become more important to them in the last 2 years

Source: NielsenIQ BASES global survey of 17 markets, September 2021
Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

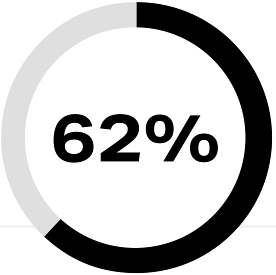
Trends and opportunities

How the world aspires to be healthy

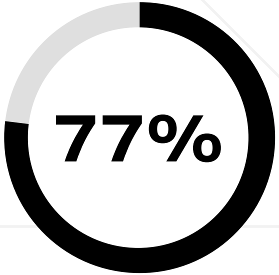
From committing to the avoidance of key ingredients like sugar or sodium, to building a life around specialty lifestyles or diets, there are many ways in which consumers seek out their aspirational health needs. But missed business opportunities are plentiful today. From the desires for personalization, to the demands for additional transparency, there is a very granular world of specific aspirational health habits taking hold of the market today.



of U.S. food products fail to claim their single most-searched attribute



of global consumers are interested in products or services that can be customized to meet their specific health needs



of surveyed global consumers feel that product labels need to be more specific and transparent to facilitate making healthier choices

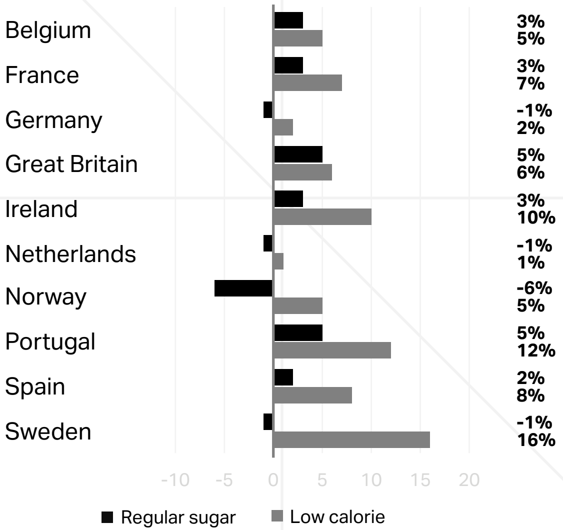
Source: NielsenIQ Label Insight, 2021, NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

European consumers looking to low calorie beverages

Limiting sugar and caloric intake has proven to be a popular means for long-term health management, particularly in European markets. Businesses are also contributing to this shift, through proactive or reactive efforts to market healthier alternatives in response to regulatory shifts. Retail measures from Europe confirm that across mainstream categories like soft drinks, consumers are looking to support their future health by opting for low-calorie versions of their favorite beverages. Swedish consumers have driven 17% sales growth in low calorie soft drinks this year, which far outpaces the 7% growth witnessed across the category. Companies should consider where else across the store to expand assortment of low calorie offerings to meet the aspirational needs of shoppers.

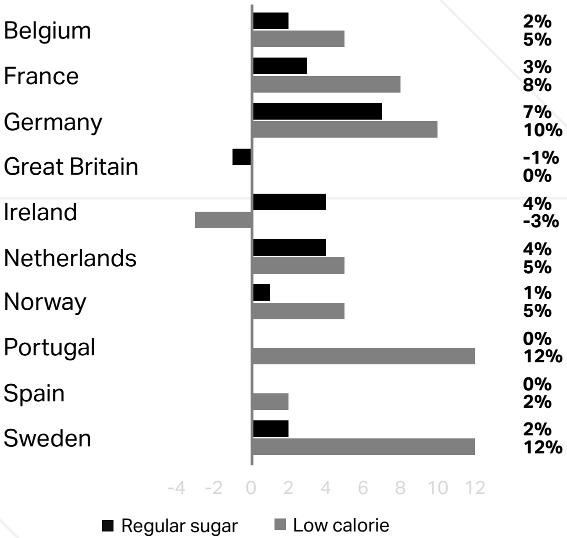
Carbonated soft drinks growth

% dollar sales growth vs year ago



Carbonated soft drinks - # lines stocked

% growth in average # of lines stocked vs year ago



The thirst for low calorie beverages is not limited to just the European market. Across the globe, innovation in low calorie beverages is thriving. Last year, NielsenIQ Breakthrough Innovation winners included Gatorade Zero and BodyArmour Lyte in the U.S. and Linha Maguary Stevia in Brazil.

Source: NielsenIQ Retail Measurement Services, 52 weeks ended Q2 2021 vs. year ago

Aspirations to break booze habits are growing

While non-alcoholic beer has been available to consumers for many years, there are now more no/low alcoholic wines, spirits and beer options available than ever before. These new innovations better meet health and wellness desires of certain consumers such as lower ABV, lower sugar, lower calorie or sustainable sourcing practices.

Forbes reported earlier this year that the UK is 'the most mature' market for the no-alcohol category, citing CGA data. This year, the UK has seen established spirits brands launch innovations in no-proof to mirror regular ABV offerings. NielsenIQ data shows that sales of low and no-alcohol alternatives continue to soar with low and no-alcohol beer sales + 22%, low and no-alcohol spirit sales +111% and low and no-alcohol wine sales + 27% (NielsenIQ Scantrack WE 2.10.21 – Total Coverage).

Within the U.S., the market for no/low alcoholic beverages is still relatively small at less than 5% household penetration, but is an interesting area to watch, as it now represents $3.1B in sales and a 3.5% total alcohol market share.

Specialty diets continue to thrive in the US

Diet and nutrition have a critical role to play for consumers seeking to meet a variety of long-term health goals. In the U.S. market, it's interesting to see that despite regional differences, there are consumers across the country driving growth among products that support both raw and ketogenic diets.

Specialty diets continue to thrive in the US

Raw and ketogenic diets resonate across regions

Products that support specialty diets

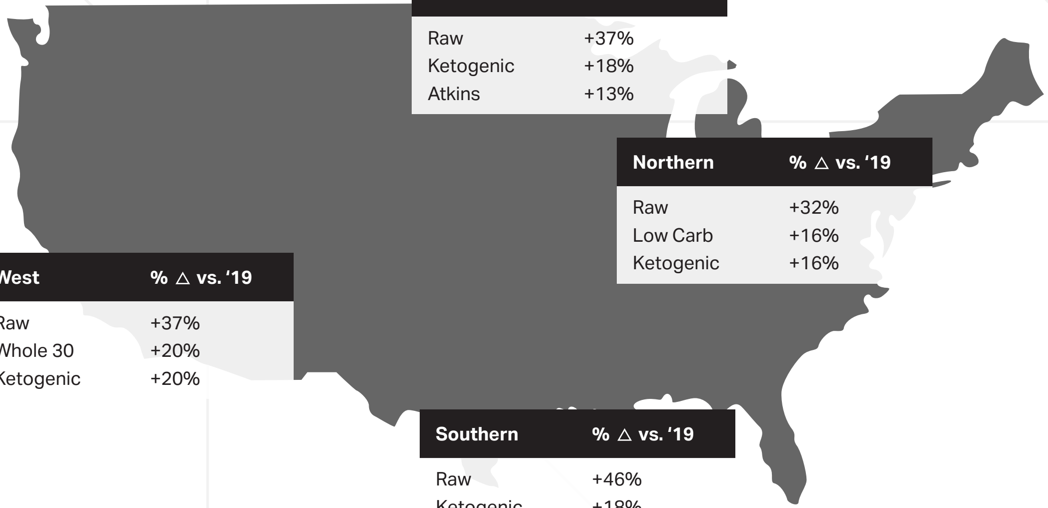
% dollar sales growth by US region

+$53B

in sales for products that support specialty diets

+15%

growth in dollar sales vs 2 years ago



Midwest	% △ vs. '19
Raw	+37%
Ketogenic	+18%
Atkins	+13%

Northern	% △ vs. '19
Raw	+32%
Low Carb	+16%
Ketogenic	+16%

West	% △ vs. '19
Raw	+37%
Whole 30	+20%
Ketogenic	+20%

Southern	% △ vs. '19
Raw	+46%
Ketogenic	+18%
High Protein	+18%

Source: NielsenIQ Label Insight, Total US xAOC and census regions, 52 weeks ended Sept. 11, 2021 vs. 2 years ago

Plant-based diets remain a global stronghold

While not new to the space of specialty diets, plant-based products of all varieties have continued to grow and expand global awareness and adoption. Supported by campaigns like Veganuary, plant-based diets and their associated benefits have gained serious momentum across many markets worldwide. Over 6 in 10 surveyed consumers across the globe already buy or are more likely to buy plant-based products compared to 2 years ago. Further, 65% would pay more for plant-based products, and nearly 2 in 10 of these respondents say they would pay a lot more for them.

In Asia, successful Hong Kong brand, Omnipork, a plant-based pork alternative, took the Asian market by storm in 2019. Broadly speaking, worldwide interest in plant-based alternatives has also been supported heavily in recent years by retailers and quick-serve restaurants that have expanded assortment of key offerings.

Within the US, the popularity of plant-based meats continues to soar, especially as new innovations infiltrate categories. NielsenIQ BASES Top 25 Breakthrough Innovation winners from last year included Beyond Burger® and Ripple Plant-Based Milk.

It pays to be plant-based

United Kingdom	**2.4M**	U.K. households have someone who follows a vegan or vegetarian diet Chilled Meat Alternatives: +33% in sales growth vs. 2020 Purchased by 29% of U.K. households, with 934k additional households buying the category.
Canada	**$1.1B**	In annual sales of plant-based products, up 17% vs. 2020 Plant-based Dairy Alternatives: +13% in sales growth vs. 2020 Purchased by 42% of Canadian households, with 242k additional house-holds buying the category.

64%

of surveyed global consumers would be willing to pay more for plant-based products. 18% of which would pay a lot more.

Aligned to the strong consumer sentiment towards embracing plant-based diets, it's clear that these beliefs are being put into action as purchasing of meat and dairy alternatives thrives among Canadian and British households. In the chilled meat alternatives category, for example, the average U.K. household spends nearly £39 per buyer and sales are up by 33% in the last year. In Canada, plant-based dairy alternatives are also flying off shelves, having been purchased by 42% of Canadian households and growing by over 13% in category sales year-over-year.

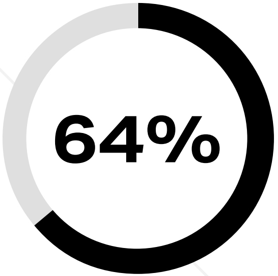
For the millions of households that have introduced plant-based diets into their lives for a variety of aspirational reasons (and also, altruistic reasons as outlined later on), purchase data shows no signs of this trend slowing down just yet.

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021,
UK: NielsenIQ Homescan survey, Nov. 2020, and NielsenIQ Homescan Panel, Total U.K., 52 weeks ended Jun. 19, 2021 vs. year-ago,
Canada: NielsenIQ MarketTrack and NielsenIQ Homescan Panel, Total Canada, 52 weeks ended May 15, 2021 vs. year-ago

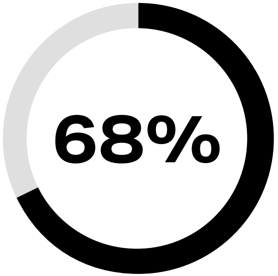
Business expected to foster aspirational needs

According to surveyed consumers, the burden of fostering healthy eating, activity and ailment-preventing behaviors falls on companies as well. A majority of consumers (64%) feel in favor of taxing businesses who promote unhealthy choices, meanwhile, even more (68%) agree that governments should more closely regulate businesses to encourage healthier decision making.

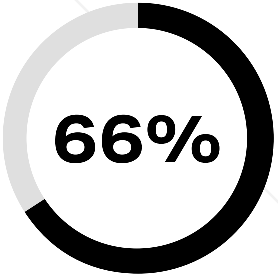
The U.K. has been an early adopter of stricter governance and legislation to help consumers make healthier choices. But of all surveyed markets, British consumers are least enthusiastic towards these regulatory measures compared to others. Ahead of recent and forthcoming efforts to curb sugar and caloric intake in the U.K. and Europe-wide, governments are legislating to enforce change, whether local consumers may have the appetite for it or not. The cost of enabling unhealthy choices continues to rise and businesses will be held accountable to building a healthier future.



of global consumers agree that companies should be taxed heavily if they continue to produce or promote unhealthy choices (vs. U.K. 57%)



of global consumers agree that governments should more closely regulate businesses to help consumers make better health choices (vs. U.K. 54%)



of surveyed global consumers feel that advertising (on and offline) should be regulated so children are unable to see unhealthy product advertising (vs. U.K. 59%)

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Understanding evolving needs

How innovation is changing the face of global consumer health & wellness

Evolving needs are aligned to new developments, innovative ingredients, seasonality, societal shifts, and the many different factors that dictate what products fall in and out of the healthy spotlight. Within the content below, we explore a handful of evolving trends, separating new growth drivers from emergent and more mature opportunities.

Am I trying anything new or innovative with my health regimes?

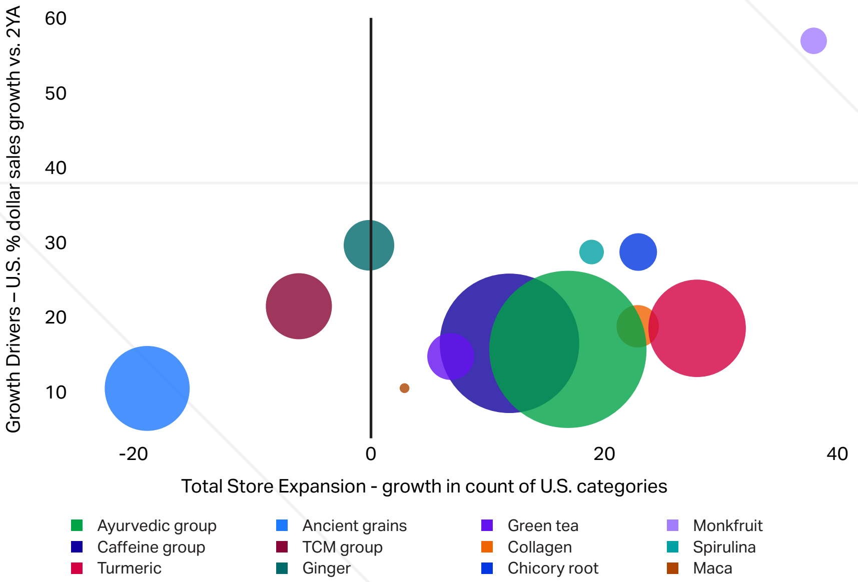
54% of global consumers say they love to follow and try new health and wellness trends

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

Trends and opportunities

High growth ingredients to know

When identifying today's industry-leading evolving health needs, it's important to assess the maturity and relative presence of key ingredients found across the store (whether that store is in a physical retail outlet, or online). An analysis of the U.S. market shows 12 high-growth ingredients in a way that allows for deep assessments of future growth potential. From the small, but mighty sales of maca, to the broad and growing spectrum of ayurvedic medicine, all the ingredients pictured below have seen double-digit sales growth, yet their proliferation of categories across the store hasn't been the same for all.



Differentiate between growth drivers

Collagen	**High category expansion:** Now found in 23 more categories across the store vs. Q3 2017 From soaps, cosmetics, etc, to nutrition bars, broth, etc.	**Strong growth driver:** $814M in U.S. Sales Q2 2021. +20% in $ growth vs. Q2. 2019	Collagen has been a great example of an ingredient with strong growth and expansion potential. Back in the third quarter of 2017, collagen was found in just 74 categories, primarily concentrated in beauty care products like cosmetics. Today, this rapidly growing ingredient can be found in over 97 categories, with strong growth in food categories like broth and nutrition bars.
Ginger	**Low category expansion:** Found in the same # categories across the store vs. Q3 2017	**Strong growth driver:** $1.2B in US Sales Q2 2021 +31% in $ growth vs. Q2. 2019	Ginger, on the other hand, is an ingredient that has stabilized in recent years. While growth has been strong, with quarterly sales in 2021 up 31% from 2019, this ingredient can be found in the same number of categories as measured in 2017.
Ancient Grains	**Low category expansion:** Now found in 19 fewer categories across the store vs. Q3 2017	**Strong growth driver:** $3.5B in U.S. Sales Q2 2021 +12% in $ growth vs. Q2. 2019	Ancient Grains represents a matured opportunity where it is now found among 19 fewer categories across the store compared to measures in 2017.

Source: NielsenIQ Product Insight, Total US x AOC, Quarterly data Q2 2021 vs. 2 years ago based on Label Insights Trending Attributes, a NielsenIQ company for the search terms.

One-to-watch: Nootropics

Optimized mental and physical performance for peak health is important for 68% of consumers globally. Furthermore, 1 in 3 believe it will become even more important to them in the next two years. Aligned to this shift is the growth and popularity of nootropics, which are popular substances known for their ability to improve or enhance a range of cognitive functions. Previously only found in specialized supplements, nootropics are emerging from their niche market, now being incorporated into various food and drinks to aid in enhancing focus and memory among core users.

There is huge potential and growing opportunities to bring holistic health and wellness to mainstream brands. Unilever's recent acquisition of Onnit serves as a perfect example of recent expansion. Onnit, a leading nootropics brand, offers a variety of different supplements touted for their ability to improve cognitive function, mood and relaxation, gut health, and immunity support. They aren't the only ones investing in new ranges of supplements to support aspirational health needs. Nestlé has recently purchased the Bountiful Company, a nutritional supplement brand. This move helps to ensure their portfolios are adapting to match new consumer priorities.

Catch the wave of wellness: Proven, growing and developing trends in pet, beauty & personal care

Much has changed in the world of pet care and NielsenIQ measures of evolving U.S. attributes highlights what to look out for in terms of the proven, the growing, and the developing needs of consumers.

Win with up & coming trends: Pet care

Understand which ingredients and claims are proven and which are potential growth engines for the future

		Proven trends			Growing trends			Developing trends		
		66% of pet food	40% of pet food	40% of pet food	14% of pet food	10% of pet food	7% of pet food	1% of pet food	1% of pet food	1% of pet food
	Total pet food	**Free from artificial flavors**	**Meat first ingredient**	**Free from artificial colors**	**Ancient grains**	**Contain probiotics**	**Free from preservatives**	**Vegetarian diet**	**Free from antibiotics**	**Human grade ingredients**
Dollar growth	**+3.1%**	**+1.8%**	**+3.0%**	**+3.4%**	**+5.01%**	**+5.1%**	**+10.3%**	**+14.0%**	**+11.6%**	**+19.1%**
Total dollars	**$25.6 B**	**$16.9 B**	**$10.3 B**	**$10.1 B**	**$3.6 B**	**$2.5B**	**$1.7 B**	**$137 M**	**$108 M**	**$96 M**

To win with pet care buyers, companies need to assess the maturity of the trends they are most aligned with. From new developments in terms of humanizing pet dietary needs and regimes, to the proven demand for quality ingredients in pet foods, the various evolving needs in this space are quite diverse. But as with any evolving trend, particularly with the space of pet food, in order to secure longevity, it's important to validate new diet-based innovation to ensure key criteria are met, such as whether something is truly healthy for pets.

Source: NielsenIQ Product Insight, Total US xAOC+Pet Retail L52W ending 5/22/21; Pet Food based on Label Insights Trending Attributes, a NielsenIQ company for search terms.

Catch the wave of wellness: Beauty & personal care

Proven growing and emerging trends

		Proven trends			Growing trends			Developing trends		
		56% of beauty & personal care	43% of beauty & personal care	18% of beauty & personal care	21% of beauty & personal care	17% of beauty & personal care	13% of beauty & personal care	10% of beauty & personal care	5% of beauty & personal care	1% of beauty & personal care
	Total beauty & personal care	**Free from parabens**	**Free from sulfates**	**Botanical extracts**	**Free from phthalates**	**Free from artificial fragrance**	**Humane**	**Cruelty free**	**Vegan certified**	**Bio-degradable**
Dollar growth	**+2.0%**	**+3.6%**	**+2.5%**	**+1.9%**	**+11.4%**	**+8.1%**	**+14.3%**	**+27.4%**	**+33.3%**	**+22.2%**
Total dollars	**$42 B**	**$23.4 B**	**$18.0 B**	**$7.6 B**	**$8.6 B**	**$7.1 B**	**$5.4 B**	**$4.1 B**	**$1.9B**	**$579M**

Source: NielsenIQ Product Insight, Total US xAOC L52W ending 5/22/21; Beauty & Personal Care based on Label Insights Trending Attributes, a NielsenIQ company for search terms.

Taking a similar lens within the beauty and personal care space, it’s clear that altruistic desires around ethical and environmental causes are among the less developed of emerging health and wellness needs. Meanwhile, products without parabens and sulfates have become new table stakes for beauty buyers who are not only intrigued by these trends but have come to expect them as proven requirements to their purchase.

When it comes to developing health and wellness needs, continuous measurement is a necessary means to making sure you resonate with your consumers. New and emerging trends will require nurturing as consumers overcome their fears of the unknown. Growing trends, on the other hand, will require skillful scaling of efforts in order to meet swift demand curves. Proven trends are the most established of “evolving” health needs, and the competition will be hot for who can meet key needs the best among a more populous playing field.

Understanding altruistic needs

How conscious consumers want to live in a healthy world

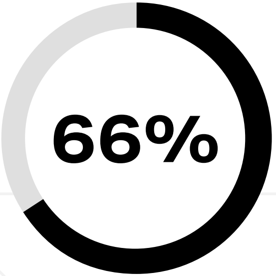
Altruistic needs delve into selfless consumption that supports environmental, ethical, humanitarian, or other philanthropic causes. This part of the content will explore specific causes, product claims and exemplar brands that have enabled consumers to improve the world around them while supporting their health and wellness needs.

Globally unified through the impact of living alongside COVID-19, many consumers today feel awakened to how their individual purchase decisions and experiences can collectively affect us all. The realities of air pollution, supply chain disruptions, and how supporting local origin can be good for the individual, their local community, and the planet are just a few ways in which pandemic living has heightened attention around altruistic health and wellness needs.

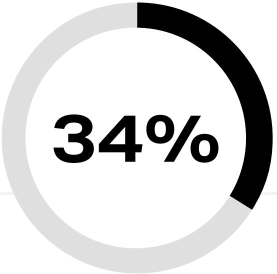
Am I helping the health of the planet & those around me?

67% of global consumers say that environmental health and how their choices impact the planet is important to them

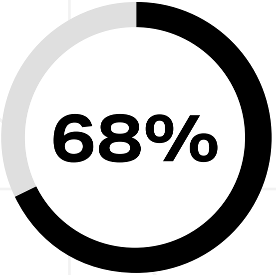
From environmental challenges, to equal access to healthcare for all and protecting our most vulnerable, there are many ways in which consumers are prioritizing the health of the planet, in addition to the health of themselves.



of surveyed global consumers agree that environmental issues are having an adverse impact on their current and future health



of surveyed global consumers are more likely to buy products with sustainable credentials than 2 years ago



of surveyed global consumers are willing to pay more for products that support communities and vulnerable groups

Source: NielsenIQ Global Health & Wellness Study of 17 markets, September 2021

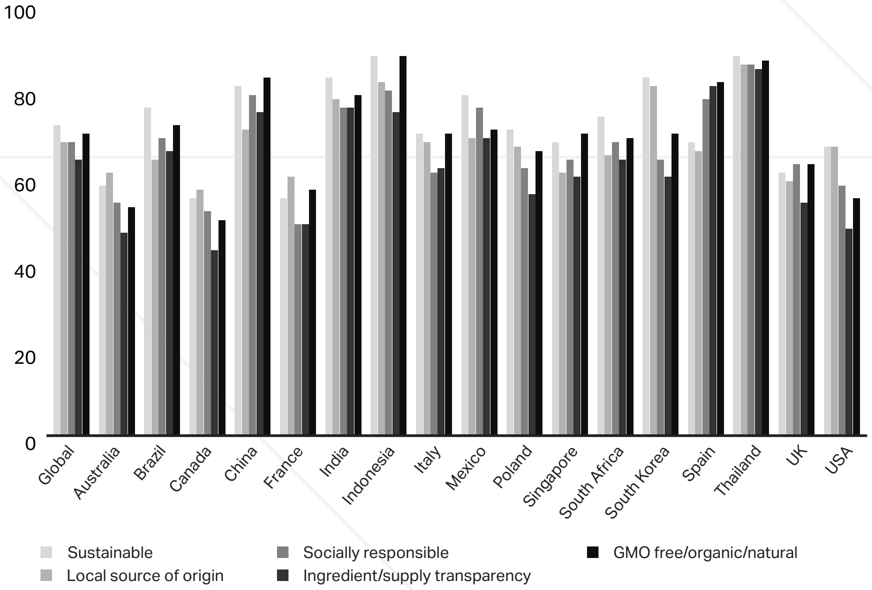
Trends and opportunities

Altruistic spending intentions

Global measures of consumer sentiment indicate that while many prioritize altruistic needs less so than other needs, there is considerable willingness to pay more for products with certain altruistic attributes or features. For example, 72% of surveyed respondents around the world say they would be willing to pay a premium for products that claim to be sustainable where, 52% would be willing to pay a little bit more, and 20% of global consumers would be willing to pay a lot more for sustainable products. As ingredient costs continue to rise, which may impact future product pricing strategies, this point reinforces how much consumers value altruistic benefits.

Willing to pay a price premium

% of respondents willing to pay more for products with the following attributes / features



Mainstream values that pay back to the planet

The concept of altruistic health and wellness is no longer in its infancy. For many consumers, their baseline expectations are for products to have clean, simple, and sustainable ingredients. This is driven by heightened consumer awareness of how their individual product consumption ladders towards the health of the collective globe. U.S. measures of consumer searches and retail sales exemplify just how mainstream altruistic needs have become. There has been strong, double-digit growth in the number of searches for vegan and cruelty free products, meanwhile, the swift pace of sales among clean ingredients (complexly defined by NielsenIQ, but summarized as being free from parabens, sulfates, phthalates, artificial colors, artificial fragrances and 600+ other ingredients) has outpaced sales growth of the overall beauty and personal care category.

+68%

growth in searches for 'vegan'

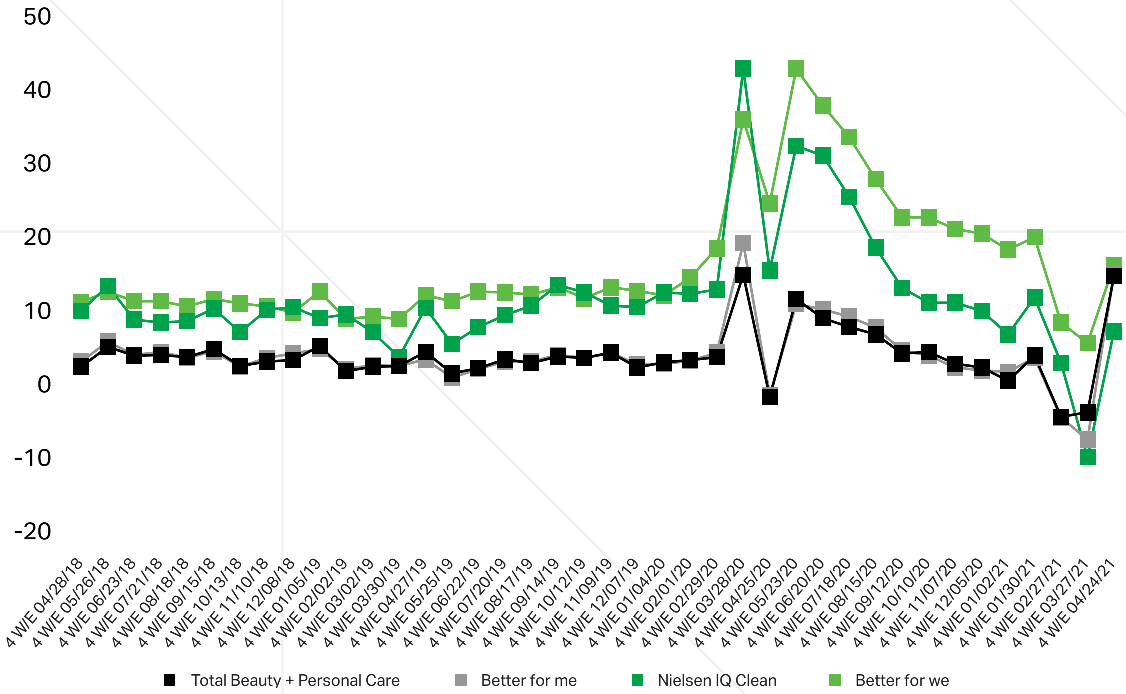
+70%

Growth in searches for 'cruelty free'

Beyond the scope of clean ingredients, there are many other pockets of growth within the sustainable product umbrella. From products backed by socially responsible organizations (+27% vs. 2019), to those that are manufactured with animal welfare in mind (+24% vs. 2019), there are many examples where products have aligned to causes with growing social gravity.

Sales growth of 'better for me' vs 'better for we'

% sales growth vs YA



Source: NielsenIQ | AOD RMS Data | Total US xAOC | Data to 04/24/21

Products aligned to causes with growing social gravity

Claim area	Social responsibility	Sustainable farming	Sustainable resource management	Sustainable forestry	Sustainable packaging	Animal welfare
$ % growth vs YA	+6.6%	+1.3%	+1.1%	+7.3%	+3.9%	+4.5%
$ % growth vs 2YA	+27.1%	+16.4%	+13.2%	+18.0%	+16.1%	+23.8%
Types of claims	**Claims** ▪ B Corporation +6.2% ▪ Ethical +6.9% ▪ Fair Trade +5.3%	**Claims** ▪ Sustainable Farming +2.0%	**Claims** ▪ Carbon Footprint -0.6% ▪ Renewable Energy -2.4%	**Claims** ▪ Palm Oil Free +2.6% ▪ Forest Stewardship Council +8.9% ▪ Rainforest Alliance Certified +1.0%	**Claims** ▪ Recyclable +3.1% ▪ Recycled Pack Content -1.7% ▪ Terracycle +6.1%	**Claims** ▪ Farm Raised +9.3% ▪ Cage Free +3.4% ▪ Grass Fed +8.5% ▪ Free Range +5.1% ▪ Pasture Raised +7.8%

Source: NielsenIQ Product Insight, Total US xAOC L52W ending 9/11/21 vs YA, 2YA ending 8/14/21;Total Food & Beverage, based on Label Insights Trending Attributes, a NielsenIQ company for search terms.

All-in on clean label

Strong demand and continued growth have been constants in the world of clean label products. But interestingly enough, the leading "clean" brands today represent a mix of both old favorites and emerging up and comers. What unites these leaders is the common mission of producing products that are great for both consumers and the planet.

Notable examples like Unilever owned, Shea Moisture hair care and Dr Bronner's soaps both saw strong double-digit U.S. sales growth of 20% over the past year, likely driven by their long-term commitment to clean and sustainable beauty.

Smaller brands making a splash include B.tan sunless tanner, and Sky organics personal care products, who have won with consumers through their commitment to clean ingredients without sacrificing performance.

Growth in clean for established brands as well as new

Shea moisture hair care **$11.2MM, +20.8%**	We strive to be sulfate free, paraben free and more, whenever possible. Tested on our family for four generations. Never on animals.
B.Tan suncare **$2.8MM, +50.1%**	We love animals, so we don't test on them. And we love your body so we keep all the nasties out of our products.
Dr. Bronners bath & shower **$105MM, +19.9%**	Only the purest organic and fair trade ingredi-ents—most products vegan and certified to the same organic standards as food!
Sky organics HBL **$3.8MM, +39.8%**	Ours is a family deeply connected to nature and exploration, seeking travel and new experiences, always learning and engaged.

Source: NielsenIQ Retail Measurement Services, Product Insider, powered by Label Insight, Total US xAOC L52W ending 5/22/21; Beauty & Personal Care

Get ahead of the sustainability curve

While sustainability in and of itself is not new to consumer packaged goods, the ways in which products are evolving to embody sustainable behaviors is constantly changing.

Take for example B.O.B. (Bars Over Bottles) a Brazilian beauty bar brand which touts water-less, plastic and chemical-free formulations that aim to reduce waste and preserve the world's rivers and oceans. Low-waste products are commanding a swiftly growing spotlight with the U.S. haircare category as well. In fact, shampoo and conditioner bars were the 9th most-searched hair care trend in early 2021 and offer a convenient and eco-friendly alternative to traditional bottled alternatives.

Similarly, in Asia, Hong Kong skin care brand, Mono, has embodied a low-waste mentality of their own. Purchases include an empty bottle and soluble tablet that customers are instructed to combine with water in order to use. Leaving consumers to incorporate water to the product themselves results in a world of economical and environmental savings: fewer trucks, less packaging, and even wrapping of the product tablet that is 100% recyclable.

Interest in low-waste hair care is growing

+627%

Plastic free hair care

+182%

Zero waste haircare

+71%

Refillable hair care

Shampoo and conditioner bars were the #9 most searched hair care trend in early 2021 with 135,000+ quarterly searches on Amazon alone.

Source: NielsenIQ Label Insight consumer search data from Amazon, Target, & Walmart. April 2020-March 2021

Chapter 3

What's next

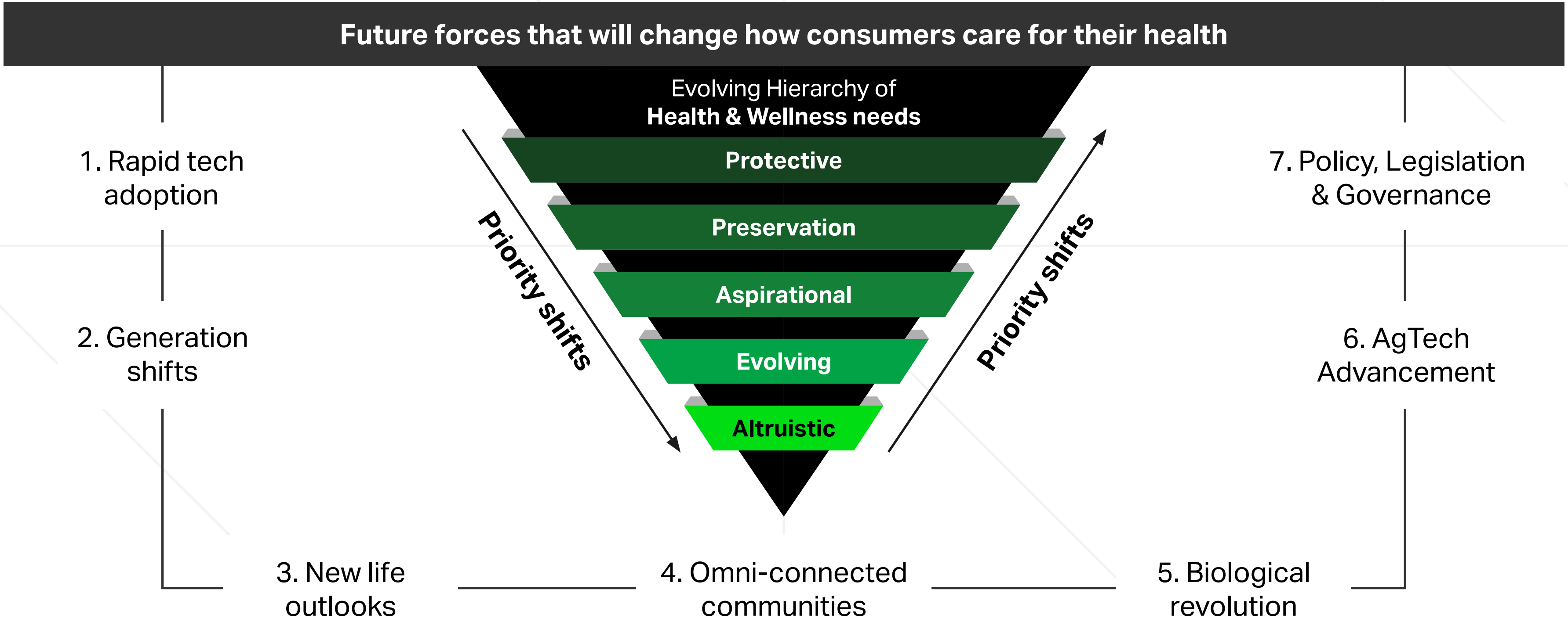
The evolution continues

As the ecosystem of health and wellness continues to evolve, the industry will bear witness to a wide range of influencing factors that will shape and shift the health-oriented consumer journey. Therefore, the priority placed on protective, preservation-focused, aspirational, evolving, and altruistic needs will bend to prevailing conditions.

For example, pandemic influences that have propelled protective needs to the forefront, may be altered by shifting governance around access to public healthcare. Similarly, the way consumers approach their long-term aspirational health needs will be deeply influenced by the technologies they use to self-capture and track their biometrics. As changes like these continue to take hold of the industry, the order and definitions of today's hierarchy of consumer health needs will morph over time.

What will health and wellness look like over the next 5 + years? It's hard to say. But, we've got our eyes on the below future forces:

Today's health priorities will pivot around 7 future forces of change



	Early indicator	Potential future outcomes	Example priority shift
#1 - Rapid tech adoption	Over the past 18 months technology enabled safety and distance, it lowered physical touch points, and sustained social connection.	■ New waves of consumers who habitually track and manage their health, digitally—capturing biometrics on everything from exercise to sleep to medication consumption ■ Quantified-self tools begin to connect with other home devices (like smart speakers, e-textiles, smart toothbrushes and refrigerators) ■ Telehealth check-ups become more of the norm ■ Homes to serve as connected health hubs	**Preservation needs** will, in many cases, be managed autonomously and dynamically via connected, smart health devices.
#2 - Generational shifts	Over the next 10 years, economic, financial and political power will shift more and more to Millennials and Gen Z who will need to support an increasingly aging population	■ Millennials and Gen Z will fuel more momentum behind lifestyles that emphasize product transparency, sustainability and eco-living ■ Boomers will continue to break generational norms by showcasing their ability to adopt new digital habits and rising interest in “aging in place” by maintaining independence at home ■ Consumer and government interests will converge around ways to enable those to age with dignity, given rising costs of elderly care ■ Technology and the role of robotics will play a bigger role in the care of seniors	**Altruistic needs** will rise in importance and priority aligned to generations that feel most compelled to live sustainably and those who wish to prioritize and enable others to age with dignity.
#3 - New life outlooks	The global pandemic inspired a collective moment of self-reflection. Amidst uncertainty, pandemic lockdowns, and loss, many people around the world took stock of their own health, appraised their personal state of wellness and in the absence of a fully opened world, they looked inward to try to better understand their own needs, preferences and desires.	■ Consumers will think more critically about their values, their role in the world and their own reason for being ■ Post-pandemic life will involve new hobbies and newfound motivation and courage to pursue passions ■ Consumers will attempt to jump-start new routines and lifestyle shifts, taking a more proactive stance on personal health, wellness and motivated well-being	**Evolving needs** will become a more regular focal point as consumers feel enlightened to try new and innovative ways to be healthy and well.

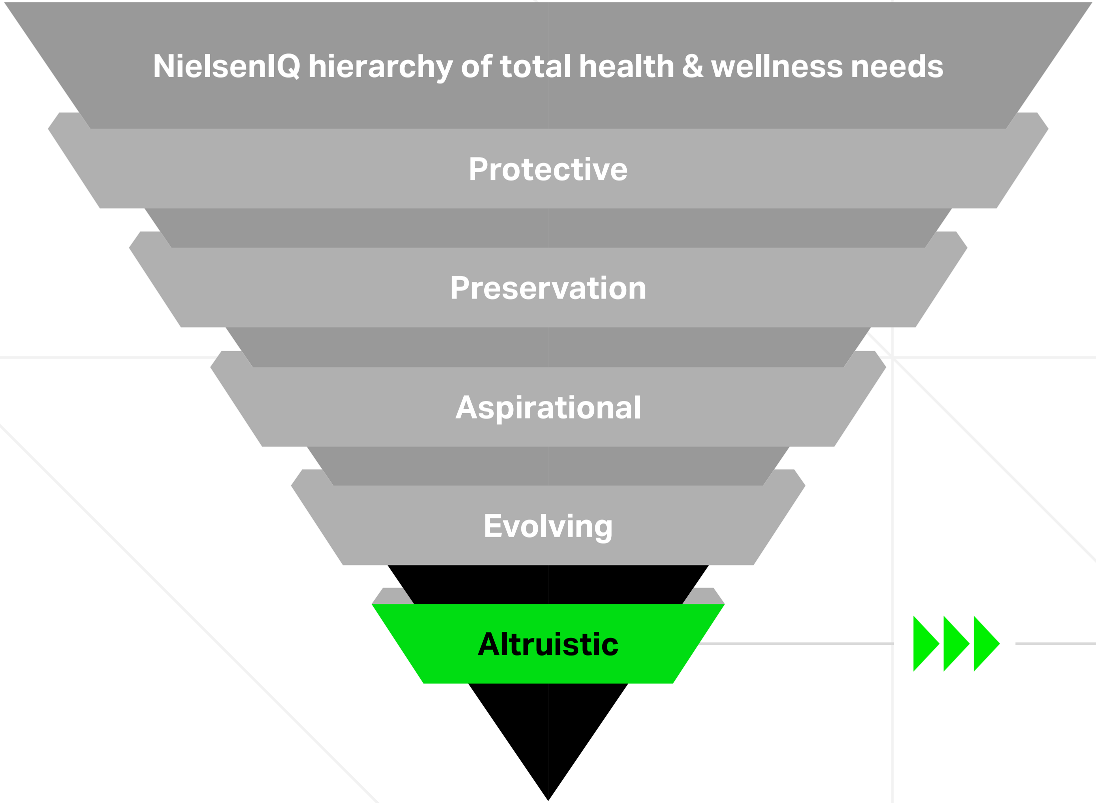
	Early indicator	Potential future outcomes	Example priority shift
#4 - Omni connected communities	There is movement to create healthier, safer, and more connected communities across the digital and physical worlds.	■ Physical urban centers will be reimagined to support public health and wellness—offering more green space, increased gathering spots for socialization and showcasing sustainable design ■ Digital, inclusive social communities will shine a light on previously marginalized communities, supporting issues of mental health or providing connective and social support for racially diverse communities ■ The metaverse will become a new social reality, where personalized avatars, healthcare digital identities, and digital smart cities will all be hallmarks of a health virtual arena of the future	**Preservation needs** that center around mental health and social connections will grow in importance as social networks fragment across physical, digital, and immersive metaverse landscapes.
#5 - Biological revolution	Biological advancement pertaining to DNA testing, the modification of lab grown ingredients, exploration of plant-based alternatives, and the emergence of lab refined supplements will propel health and wellness innovation to new heights	■ There will be a divide among consumer groups who embrace or fear the risks of biotech advancements ■ Consumers will face a paradox of choice when it comes to new responses and defense strategies to ward off illness or better protect immune systems against immediate health threats	**Protective needs** may capture less of the spotlight among consumers, as biotech advancements increase confidence in safeguards against imminent health threats.
#6 - Agtech advancement	Supply chain, safety, sustainability, and labor are all challenges and opportunities that face our current food system	■ New models like urban farms, vertical farming, and aquaculture will continue to flip the script and bring disruption in all areas of the value chain ■ There will be innovative opportunities to provide a bounty of locally grown fresh food to consumers, especially in food-insecure communities	**Altruistic needs** will extend to the realm of food supply chain as new agricultural advancements expand possibilities with sustainable or philanthropic production.
#7 - Policy, Legislation & Governance	Around the world, governmental awareness and action of the cost of unhealthy population is on the rise.	■ Through legislation, taxes, and governance, countries will continue to create an environment where those contributing to unhealthy outcomes will be encouraged to adapt and reformulate portfolios to help consumers make healthy choices ■ Stalwarts will live with the consequences of higher regulation as seen in the implementation of restrictive advertising practices, and sugar/fat taxes ■ Transparency and labeling will be critical within this context with stricter guidelines on how products are communicated and presented to consumers to allow for informed choices	**Aspirational needs** will evolve with societal changes. With rising regulations and controls on some products, consumers will expect full transparency to enable them to make informed health choices. Aspirational energy will, over time, focus on proactive changes most within their control (I.e. lifestyle choices, technology).

An altruistic future within health and wellness is strong

While we expect to see changes in health priorities across the spectrum of all consumer needs, there is one aspect of health and wellness that is ripe for immense future growth. Beyond profit, the future of health-focused products will center around people, the planet, purpose, and prosperity. Altruistic health needs, which may not be the top priority of all consumers, will grow to become a focal point of global wellness for years to come.

To dive deeper on this notion of health and wellness within the context of 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. and U.K. markets, MotivBase identified five microcultures to watch.

Five altruistic micro-cultures to watch



Aging with dignity
Consumers strive to help their aging family and neighbors thrive in their golden years with dignity, independence, and good health

Mental health advocacy
Consumer want to end the stigma around mental health, turning their focus to workplace culture and health programs in particular

Social bonds
Consumers proactively nurture existing social bonds while also creating new ones to boost the health of themselves and others

Health eating for all
Consumers believe nutrition education and access are critical barriers to community health

Sustainable wellness
Consumers directly connect living a sustainable lifestyle with the mental and physical health of society and that of themselves

Source: According to MotivBase AI Ethnography

Micro-culture maturity in altruism shows ripe opportunity in the US and UK

Within the U.S., there is mainstream and universal consumer acceptance of the meaning of altruism. Comparatively, in the U.K., the topic is at a point of early consensus among consumers, – meaning, a universal consumer understanding of what altruism is, has yet to be fully formed. Why does this matter? Simply put, the maturation of a topic has meaningful impact on possible innovation paths to pursue.

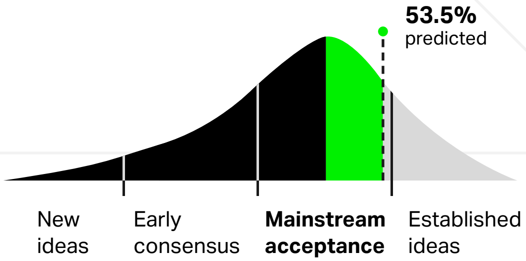
US consumers show greater consensus of opinion on the meaning of altruism

Macroculture maturity

Health & wellness in the context of "Altruism"

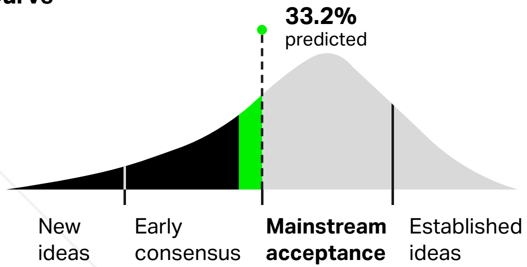
US Market - Maturity Curve

43.3%
current



US Market - Maturity Curve

27.8%
current



Microculture	Key topic(s)	Maturity	
Aging with dignity	Senior care, small acts of service, community care	**US:** 50.6%	**UK:** 34.3%
Mental health advocacy	Mental wellbeing, destigmatizing, stressors	**US:** 44.4%	**UK:** 24.4%
Social bonds	Social health, interaction for health benefits	**US:** 41.2%	**UK:** 27.1%
Health eating for all	Nutritional diet, better eating for health of community	**US:** 37%	**UK:** 27.5%
Sustainable wellness	Sustainable lifestyle, support environment and own sense of wellness	**US:** 33.9%	**UK:** 24.7%

Source: MotivBase, a member of the NielsenIQ Partner Network

The zone of innovation for altruism

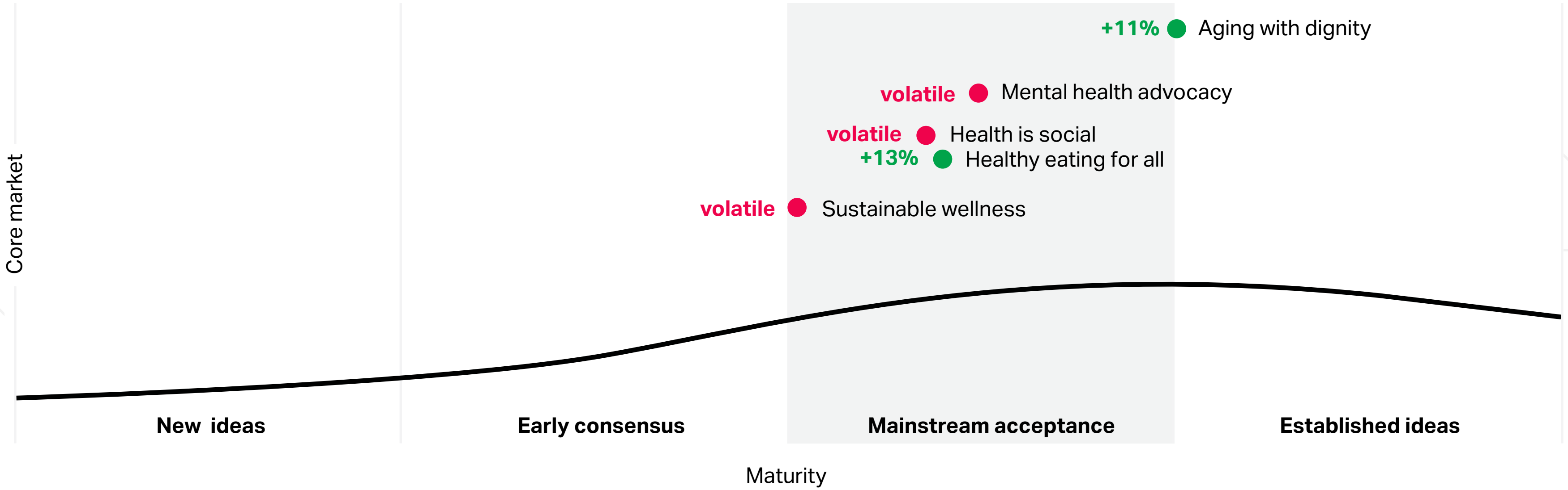
According to MotivBase benchmark studies, the key time to launch a solution into market is when a demand space falls between 33% - 55% on the maturity curve. While microculture maturity in both the U.S. and U.K. is approaching this range in most cases, it's interesting to note the varying growth trajectories predicted in each instance. These have a direct impact on how to align marketplace offerings to the ways in which consumers will converge or diverge in their thinking.

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 among the number of people this topic will be relevant to. 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.

Worth noting, there is high levels of volatility among multiple 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.

US - Growth trajectory of microculture maturity

Alignment to ideal "zone of innovation"



Topics that are exhibiting signs of ongoing maturity have a **predicted growth** value aligned to theincreased # of predicted people the culture will be relevant to in the next 12-24 months.

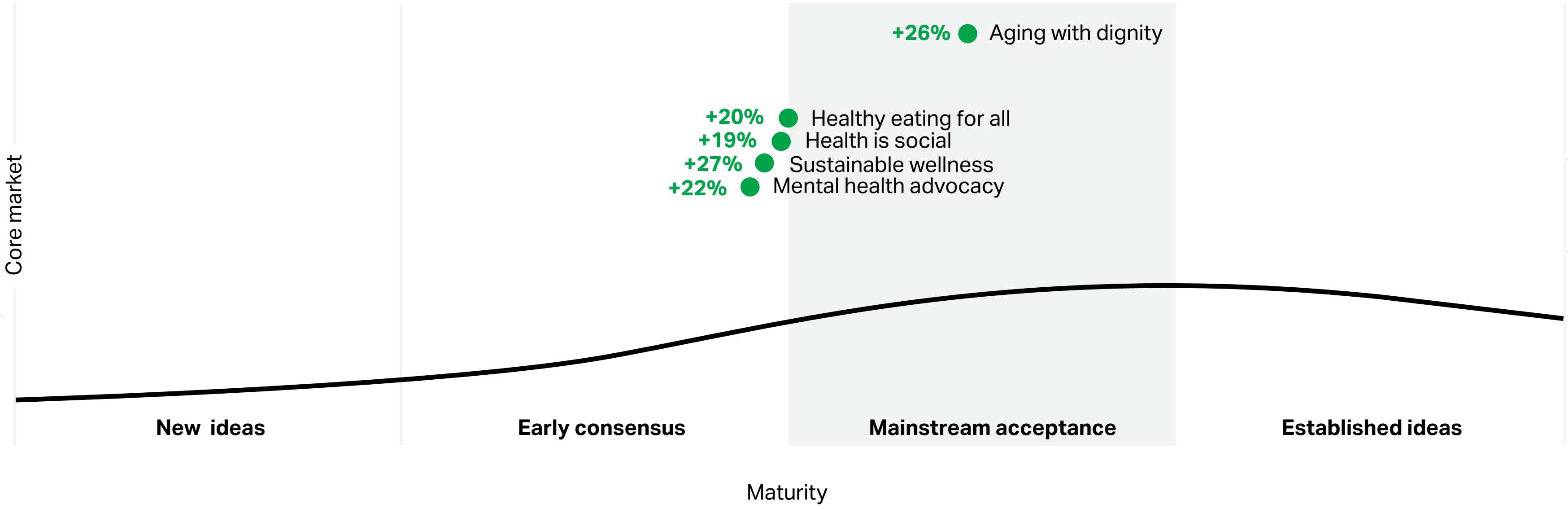
High volatility indicates that the topics within the microculture universe keep diversifying or rapidly alter between a particular set of meanings. The culture is not continuing to mature and growth cannot be predicted.

Source: MotivBase, a member of the NielsenIQ Partner Network

Within the U.K., there is a longer innovation runway for altruistic innovation tied to all five health and wellness microcultures. Not only are these contexts of high relevance to British consumers, each is predicted to rapidly grow in importance over the next 12-24 months. Either already within, or fast approaching, the optimal "zone of innovation" (range in current maturity of 33-55%), these microcultures are a breeding ground for product innovation. For example, when compared to the U.S., food as medicine is a key topic of uniquely greater importance to U.K. consumers seeking to eat optimally for their health. Companies seeking to improve their alignment to healthy eating should know that efforts around food insecurity are likely to matter less, compared to resources that educate and expand the horizons of functional or medicinal food ingredients.

UK - Growth trajectory of microculture maturity

Alignment to ideal "zone of innovation"



Topics that are exhibiting signs of ongoing maturity have a **predictive growth** value aligned to the increased # of predicted people the culture will be relevant to in the next 12-24 months.

Source: MotivBase, a member of the NielsenIQ Partner Network

Looking ahead

To consumers, health is everything and everywhere, and the companies who fail to address this are already at risk of falling behind the curve. Health and wellness shouldn't be a subset or a secondary focus to any business initiative. It's relevance is now broad enough to bring opportunity to nearly every CPG category around the world.

Companies need to understand global consumer needs. From what motivates consumers' approach to self-care, to acknowledging the external forces at play that are driving the direction of the industry. Be connected to the consumer trajectory which is moving towards proactive, mindful and motivated well-being. Most importantly, recognize the role you play in the health and wellness ecosystem in order to make effective and market-leading decisions in the health and wellness space.

With a forward look into the future, companies need to be flexible, yet focused on the changing needs of consumers as they move up and down the hierarchy of health and wellness needs. For organizations looking to gain a leading advantage, use the following points of inspiration to guide your thought processes:

Key considerations for curating a better, healthier future

1

Challenge your current definition of health and wellness – it's bigger and more encompassing than you think.

2

The landscape is changing fast. Stay ahead by keeping up on the latest search and sought-after health, wellness and well-being attributes among consumers.

3

As health and wellness tools and resources become more digitized, personalization will be a critical component to success.

4

Make it easy. In this highly competitive market, consumers are quick to seek alternatives, especially if finding what they want is hard.

5

Innovation is ripe for opportunity and a key discipline to bring insights to life. While there is a strong appetite for altruistic innovation, companies must remember that products must still fulfill and meet a core need and the rules of efficacy still apply.

6

In an environment of differentiated price elasticity, pricing analytics will be critically important. Consumers will continue to "vote with their wallets" and knowing their willingness to pay will be key.

7

Embody trust via complete transparency – delivering on promises made on all aspects of your business will be key to building trust.

8

Technology will continue to put the consumer in the driver's seat of their own health journey. Embrace the changes ahead to stay lock step with the consumer tide.

Still hungry for more? Please visit niq.com/health-wellness for additional insights + information.

About NielsenIQ

Arthur C. Nielsen, who founded Nielsen in 1923, is the original name in consumer intelligence. After decades of helping companies look to the future, we are setting the foundation for our future by becoming Nielsen. We continue to be the undisputed industry leaders as evidenced by our experience and unmatched integrity. As we move forward, we are focused on providing the best retail and consumer data platform, enabling better innovation, faster delivery, and bolder decision-making. We are unwavering in our commitment to these ideals and passionate about helping clients achieve success. For more information, visit: **niq.com.**