The Grocery Eye 2015

Identifying consumer perceptions towards food and drink

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The Grocery Eye 2015 has examined the shopping habits of 2,000 supermarket shoppers to identify perceptions towards purchasing food and drink, as well as non-food products.

Our study has assessed topics such as category innovation perceptions, attitudes towards product attributes and ingredients, drivers and barriers to purchase, as well as understanding breakfast out of home, eating out and Christmas food shopping.

About the survey

A sample of 2000 consumers surveyed online using a panel from GMI Lightspeed

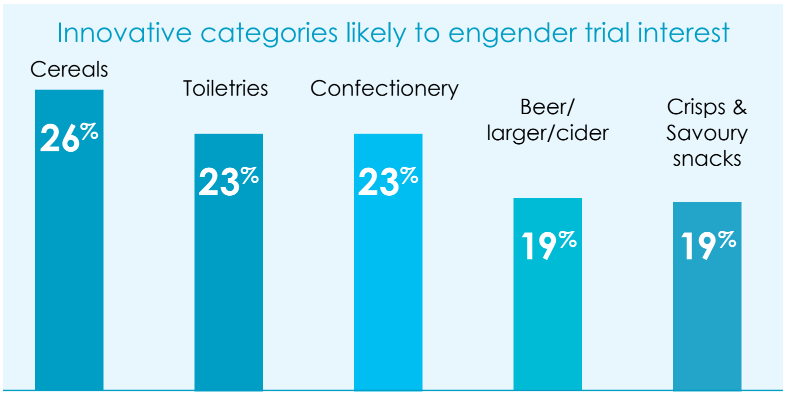
Respondents all answer the core survey, then sub-chapters relevant to their shopping/spending practices

Category buy in and innovation

The Grocery Eye highlights the key categories that consumers can't live without, detailing those categories where purchase intent is highest versus those where buy-in is less so.

The last few years have been turbulent in the consumer goods space and The Grocery Eye has seen how consumers have been feeling the effects of the media and associated press noise that has accompanied this activity. When asked which categories are shopped regularly, the staples are not seeing any change from 2014 - Breakfast Cereals (85%), Bread (89%), Canned Beans (76%), Ready Meals, Meat-free (to those who buy), Yogurts, and Household/Toiletries categories (87%) all rank highly and despite the raging obesity debate, we have not stopped visiting our snacking categories, Crisps/Snacks (76%) and Confectionery (75%). However, although only claimed, consumers do believe they are cutting back reflecting the lower scores on the non-essentials e.g. Squashes (60%), Juices/Smoothies (56%), Cakes and Desserts and savoury products such as Cooking sauces (65%), Soups (66%), and Bakery rolls, bagels, wraps, pitta, and sausage rolls, pasties. We believe these dips in popularity can be attributed to the media messaging around weight, health concerns and the presence of "nasties" in convenience foods. For these categories, reassurance claims are likely to have a more positive effect on consumer appeal.

Despite demands for simplification and help in cutting back, we remain excited by new news in consumer goods. This is especially so in breakfast which has become the new fascination for consumers and where a broader range of options has become mainstream in recent years (porridge, granola, Breakfast biscuits, OTG cereals, cereal bars). But it's not just breakfast. Those categories that have seen value and volume growth have done so through consumer led, high demand innovation and consumers are recognising this. They suggest that the most innovative categories (after breakfast) are toiletries (23%), confectionery (23%), beer/lager/cider (19%) and crisps and savoury snacks (19%). We did ask where innovation should increase and Ready Meals presented an opportunity. The holy grail of the quick, convenient and healthy option evidently still eludes us.



Engaging consumers can be a challenge and some categories find it easier than most. Consumers enjoy shopping confectionery (24%), fruit & veg (24%) and cheese (18%). Others face the challenge of auto pilot shopping or, worse still, confusing consumers with complex or unfamiliar facings that make them hard to shop e.g. instant hot snacks, savoury pastries, sports energy drinks, nuts/seeds (flavoured and plain), packet mixes and pour over sauces and household cleaning products. These categories will do well to understand their shoppers better and develop a navigation system that is consumer centric.

Drivers of purchase

When it comes to drivers of purchase, quality and pack functionality are of key importance to consumers.

As seen in the Grocery Eye 2014 overall quality (89%), minimal processing (83%) and pack functionality, keeping food fresher for longer (86%) and ease of opening (80%), continue to be the most important drivers of purchase for consumers.

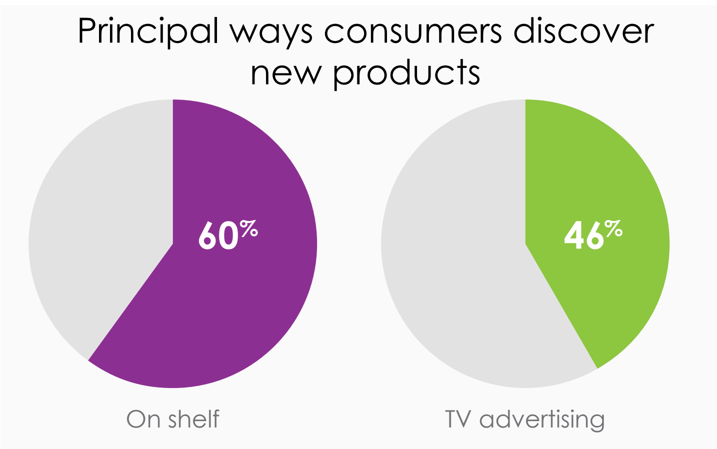
Of course these are functional features and therefore predictable, but they are what still interests consumers at a high level. The art of uncovering the implicit, subconscious drivers of choice, where brand equity and personality play a role, is less easy to unpick but none the less important. However, on an explicit level, listening to consumers about how they use your products and watching them work with your packaging choices will be the best way to fully appreciate the opportunity to increase the chance of being chosen.

What is new is the appeal of sustainability, especially when compared to Fairtrade (58%) and Organic (43%). The latter two can feel one dimensional and a little elitist whilst sustainability offers the chance for a range of different brand stories and messages. We believe that having a sustainability story that is pertinent to the category and resonates with core consumers will differentiate winning brands in the future. Organic appeal, interestingly, is up 4% up from 2014, potentially reflecting a return to shopping for health over value as the belts are loosened once again.

Discovering new products

For retailers and manufacturers it's vital to know how and where consumers hear about new products.

On shelf (60%) and TV advertising (46%) are still the principal ways consumers discover new products, but compared to 2014, figures are down quite markedly from 80% and 58% respectively. It is the role of online which is increasingly important, up 5% to 32% and especially so for Millennials. Social media, showrooming, and comparison websites all play a critical role in how consumers are being exposed to brand messaging. Whilst some are yet to adopt the power of social media, there are many examples such as Asda and Itsu that are crowd sourcing their consumers, adopting in-store changes and gaining much deserved praise for their openness and welcoming message.



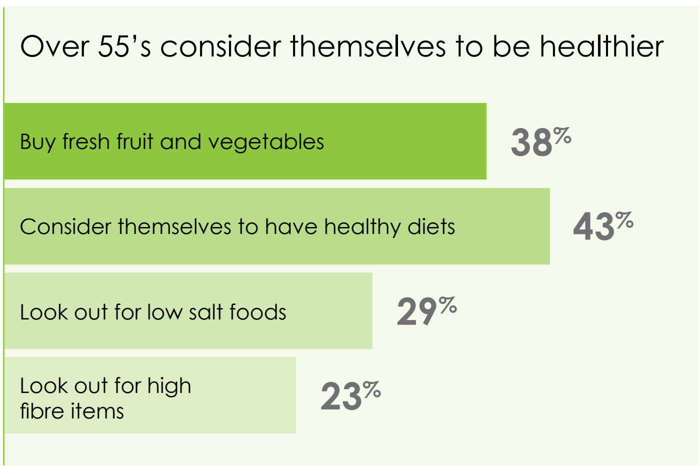
One size does NOT fit all

How age determines our grocery shopping and eating habits

More so than ever, there is a generational divide in lifestyle, food and brand choices. The Millennials are well documented as carving their own path and the Grocery Eye is definitely seeing this difference coming through in behaviours and demands.

Information is one thing, action is another. Millennials (those aged between 16-34 years), despite being very conscious consumers (nearly half say they choose brands based on their sustainability and responsibility credentials and 53% claim that organic is an important consideration) and are fully aware of media messaging about dieting and superfoods, they lead less healthy lifestyles than their parents and Grandparents. 80% of 16-34 year olds purchase fresh fruit and veg compared to 96% of over 55 year olds and only 74% of 16-34 year olds include fruit and veg in their diets compared to 98% of over 55s. They also have a greater tendency to snack between meals during the day, are most likely to buy pre-prepared oven/microwave meals and consider it important that food/drink packaging fits in with their lifestyle. This is a clear indication of the importance of meeting the changing needs of the younger generation, who need their food/drink products to fit their on-the-go lifestyle.

Furthermore, confectionery is, by far, the under 34's favourite item to shop for, chosen by 29% of respondents. Conversely, over 55s prefer to buy fresh fruit and veg, chosen by 38% of that age group, which would suggest the young make less healthy choices. Indeed the over 55 age bracket consider themselves to have the most nutritious diets, with 43% thinking they have a healthy diet compared to 32% of those aged between 16-34. They are also more likely to look out for low salt foods (29%) and high fibre items (23%), whereas it is barely an issue for those under 35 (14% and 12% respectively). Budgets could well be the reason behind these statistics, with results showing that 16-34 year olds feel it is more difficult to get by on their tight food budget.



They are engaging with brands and foods in different ways too. They may not be visiting large stores to buy food or claiming to see TV adverts, but this does not mean they are disengaged. Look at any of their Instagram, twitter or Facebook pages and you'll find they are tweeting images of their dinner, instagramming their latest purchase and checking in at their favourite restaurants. Their behaviour presents a positive challenge for manufacturers who need to tailor not only their food offer and packaging, but also the way they communicate with different audiences.

Consumption behaviour- sugar, fat and salt

It can be argued (and plenty of government and food industry experts would) that healthy eating is perfectly achievable, even for the worst off in society. However, The Grocery Eye found that only half of adults think they have the overall responsibility for encouraging healthy eating and just 59% think parents are primarily responsible for children's healthy eating, down from 75% in 2014. This dramatic drop, suggests that attempts have tried and failed so people have become despondent and more likely to be looking elsewhere for help.

The findings highlight that there continues to be confusion as to what being healthy really means and what foods you should and shouldn't eat. Consumers are bombarded with extensive and often contradictory messages which are leaving them feeling unengaged and overwhelmed. It is clear that sugar is today's villain of the piece but quite how to respond to this is not yet clear for consumers. Whilst consumers are trying to eat more healthily and manufacturers are already investing millions in reducing sugar in foods (as seen with salt reduction previously) there is still the need and, more importantly, a desire for more education around what is truly good for us.

The number of people who consider that they have a healthy diet has gone up 5% since last year (another sign that we are out of recession), but the total number remains low at 34%. Has the sugar debate worked? We don't think it's had the same impact on consumers as the press would have us believe. 56% of respondents have not changed their eating habits and as noted previously, confectionery remains one of the favourite categories to shop for.

When looking to purchase 'healthy food' the number one watch out is still fat content, followed by sugar (22%) and calories (20%). This is likely aligned to the predominance of healthier options providing lower fat alternatives across both sweet and savoury categories. The lower fat market appears to be well served and now consumers are turning their attention to seeking out lower sugar options (40% of our respondents showed interest in low sugar products versus 33% lower fat). Of course this differs by category and is not a blanket position.

Healthy food has always been associated with high cost (hence its decline during the recession) and this hasn't seen much change. Over half of the respondents (52%) stated that reducing the price of 'food that is good for you' would encourage more people to buy it. This is reflected in the fact that 65% of people believed healthy eating is more expensive than eating unhealthily and reflect the attitudes of millennials already mentioned.

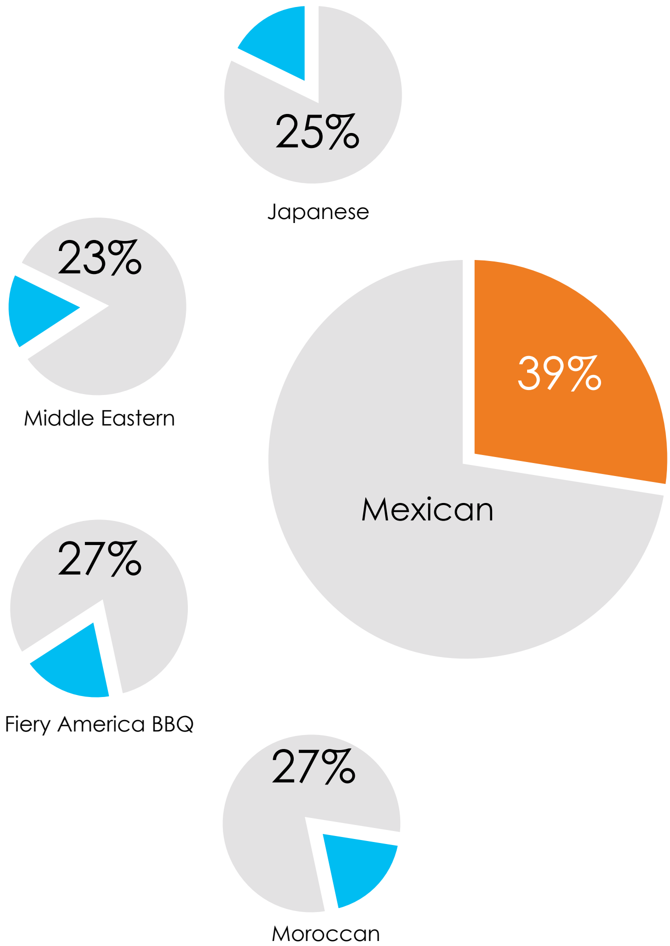
New food flavours spicing up meal times

The Grocery Eye also looked at where food trends are going and what opportunities exist for new news in flavours. We continue to be excited about food with a kick and the addition of new spices and ingredients.

We don't anticipate this abating either. In the last 5 years, the Brits have truly learnt the art of finding any excuse to party (world cup? Royal wedding? Halloween? Jubilee? Olympics? The cat's birthday?) and food and drink remain the lubricants that make these celebrations a success. Combine that with cheaper travel options, far flung holiday destinations and a continuing upsurge in food shows and channels on TV, we are increasingly becoming more exploratory with our eating habits.

We looked at different world foods to identify the new flavours being trialled. When considering new food flavours (excluding Chinese and Indian), Mexican came out on top with 39% wanting to try more Mexican food. It's not only satisfying the taste demand but is also a great "sharing" cuisine, perfect for a Saturday night in with the family. This was followed by Moroccan (27%), fiery American BBQ (27%), Middle Eastern (23%) and Japanese (25%) and to a lesser extent Indonesian and Malaysian; all presenting exciting opportunities for flavour range extensions and meal kits. When it comes to trying new food, the younger age groups are even more adventurous with almost three quarters of under 34s wanting to try the latest products (72%), while just half of over 55s share that desire.

New food flavours
(excluding Chinese and Indian)

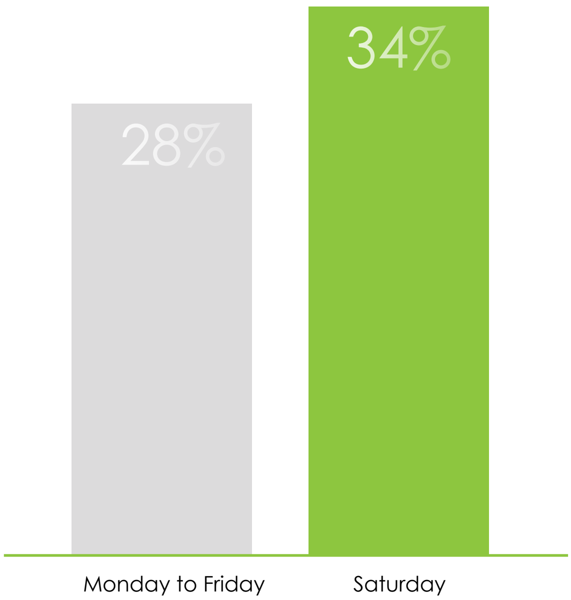


The explosion of food-focused media, including social media, will have helped drive the change in eating habits, as we move out of our comfort zone and look for new flavours to trial. Everyday food and drink themed content, from recipe ideas to photos of latest meals, continue to proliferate across social media platforms like Facebook, Twitter and Instagram, signifying a seemingly unending search for inspiration.

TV dinners are a firm favourite

The role of the television continues to dominate meal times. The latest figures show that two thirds of families (64%) who are eating together eat their evening weekday meal whilst watching television.

When eating their family meal together in the week, a quarter (23%) eat around a table in the living room in front of the television and one quarter (28%) eat off a tray on their lap in front of the television. Those eating dinner off their laps and in front of the TV rises to a third (34%) on a Saturday night, almost certainly making the most of prime-time television. For manufacturers this presents more opportunities for advertising to target audiences across meal times, especially with increasingly accessible entertainment formats in the home.



Those eating dinner off their laps and in front of the TV rises to a third on a Saturday night

Findings show that Sundays remain the day when family meal times are more likely to follow a traditional format, with 29% of families eating their evening meal around the table without the television on. Across the week, 47% of respondents always have dinner together; although, for those that don't, nearly half of respondents (46%) say the main reason for not eating their weekday evening meal together is that adults are still at work, or on their way back from work. This is followed by 28% saying that family members eat different meals, so it is easier to eat at separate times. In this case, despite the family environment, smaller/single portions still represent viable opportunities for manufacturers to target larger households within the convenience sector.

Find out more

We work with some of the biggest global FMCG and shopper brands. We advise manufacturers and retailers at every stage of a brand's journey; from planning to innovation horizon maps, comms planning, renovation strategies and in-store activation where consumer insight is crucial.

Whilst the old ways are sometimes still the best ways, assisted by Quantum Lab our in-house think tank of new ideas, we challenge the way we do research to deliver state of the art thinking to our clients. Using the very latest technology we have a range of solutions available to enhance user experiences including:

- Applying behavioural economics & 'emotional' techniques including Timed Emotional Response to contextualise research
- Implementing 3D CGI for testing packaging or shelf stand out
- Utilising beacons/eye tracking to understand engagement at fixture and positioning of brands
- A range of apps that truly bring qual and quant research to life
- Online communities for accessing quick and relevant intelligence or longer term co-creation opportunities

For a detailed overview of this year's Grocery Eye or to find out more about the work we do please call or email Catherine Elms, Research Director

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Claudia began her research career as the first qual graduate trainee for Ipsos (RSL, as was) and honed her passion for combining psychology with consumer decision making. To satisfy an itch, Claudia moved clientside in 2005, taking a role at T-Mobile and developing their brand and comms programme as well as influencing consumer proposition development. Her next role was as Head of Insight for Kerry Foods and then onto sweet treats as Head of Insight for Burtons Biscuits.

Claudia is a firm believer that research is only of value when it offers a path to brand success and competitive advantage and that the best marketers are the ones who work with their agencies to translate consumer insight into powerful brand strategy.

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Catherine is a Research Director within the FMCG business and has 12 years' experience focussing on consumer research.

She is a quantitative specialist who takes a hands on approach to research, managing large client accounts alongside continued project involvement, ensuring high-quality outputs and provision of thorough and clear debriefs and recommendations.

Catherine's main focus is on new product development research, including concept and communication development, product performance and optimisation, and packaging evaluation. She is a full member of the MRS.

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Lightspeed GMI

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Our people are the best. Combining intellect and commercial awareness we understand not just your brief, but the wider business challenges and stakeholder pressure points

Innovation is at the heart of everything we do. We use the latest technology and scientific analysis to deliver bespoke solutions for understanding consumer behaviour

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