The 2018 Food & Drink Report

bray leino

A year on from our first regional consumer food and drink survey, how have **attitudes and behaviours** changed?

Bray Leino Food & Drink Report 2018

Compiled in conjunction with MindMover Consumer Insight and Experian

We commissioned 2017's Food & Drink Report one year into the Brexit process, to help food and drink brand-builders, retailers and marketers see through the UK's regional attitude bubbles, understand how and where consumers diverge, and gauge how prevalent apparent trends really are.

The research highlighted some important differences between the Remain-voting metropolitan hub of London compared to Wales and the North East of England, two regions where Brexit was strongly supported.

We wanted to return a year on and see how and if attitudes and behaviour had changed and gain some insight into the prevalence of new trends that had arisen during the intervening year.

The surveys took place in May 2017 and 2018 and comprised 600 online interviews; 200 in each of London, Wales and North East England. The demographics were representative of each area.

In 2018 as well as looking again at our three core regions, we also looked at the overall picture, so the survey was expanded to be nationally representative with a sample of 1,397.

What we **cover:**

- Why consumers buy
- Lifestyle choices
- What people avoid
- Leaving the EU
- New in the pantry
- What's hot, what's not?
- Waste not...
- Health and cooking
- What marketers talk about versus what people think
- Implications for Food & Drink marketing

In a hurry? Here are the **McNuggets:**

Britishness is important: For brands that have a genuine claim to it, our research shows that now is the time to capitalise on their British ingredients or heritage, with consumers on both sides of the Brexit divide actively seeking out British products.

Moderation is the new cool: On average, people are more health conscious than ever. The rise of trends like free from, no and low alcohol drinks, and dietary principles like veganism reflect this continuing trend.

Brexit pressure, Brexit opportunity: Consumer pessimism about the impact Brexit will have on prices is tempered in some areas by expectations that it will boost product quality. And, for brands, a more difficult trading environment for EU products in the UK may present opportunities.

Tough times ahead for dairy: A general downward trend in the consumption of dairy, and plant-based milk products hints at a wider shift in the nation's consumption habits.

The evils of plastic: BBC's Blue Planet catalysed an already swelling anti-plastic tide, and brands would do well to look at how their packaging can be made more environmentally sustainable, before losing ground to competitors that do.

You audience is not like you: The language and terminology we often use as marketers holds little meaning to most consumers. Understand what's important to your consumers and communicate in simple, regionally relevant messages

Why consumers buy

Last year, high animal welfare standards, authenticity and sustainability were the most pressing consumer concerns, and these remain the top three across all regions in 2018. Despite the publicity around 'craft' and 'organic', respondents found these the least compelling, though this was less pronounced in London.

Attitudes around different food issues in London and the North East showed little change, but Wales saw significant changes; 77% said they were very/slightly concerned about sustainability when purchasing food, a leap of 14%. Locally sourced was the other big mover, up 11 percentage points to 69%.

Wales also saw increases in concern for authenticity, Britishness and strong provenance, perhaps in reaction to our impending EU exit.

Across the UK, women are more concerned with all aspects of food-buying than men. Those aged 18-34 are more concerned about Fair Trade, organic and craft, while those 55+ care more about British, local sourcing and strong provenance.

Despite anecdotal evidence to the contrary, most consumers still pay little or no attention to product ingredients labels.

People aged 55+, and those on lower incomes are most likely to pay no attention to ingredients, while women and those with children pay the most.

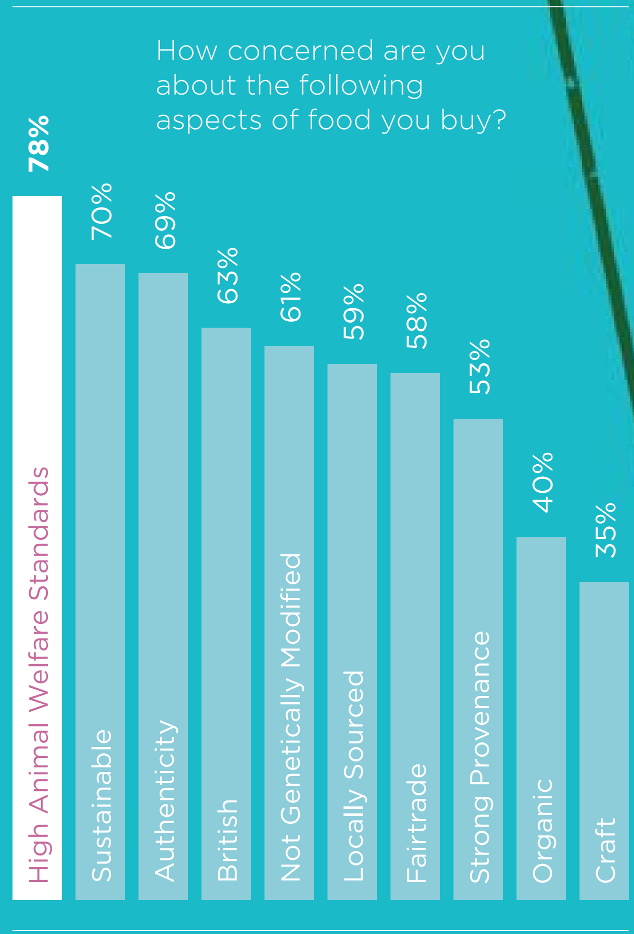
Regionally, only 11% of people claimed to look at ingredients, while 15% said they paid no attention at all. People in London are more likely to pay close attention (19%) while only 9% pay none; but even there, it seems that most respondents are prepared to take manufacturers or retailers on trust.

For most people, proper checking of ingredients is too time-consuming and unmanageable to be a realistic day-to-day activity.

Takeaway: Consumers tend to have relatively low interest in ingredients despite recent food scares and media attention. Most people don't have time or inclination to check the source and ingredients for everything they buy, and trust retailers and brands to truthfully source ethically and properly. Food scares and stories about supply chain mismanagement break that implied trust and result in consumers feeling betrayed, though weighed against the hassle of examining everything themselves, most seem to revert to trusting brands in time.

The survey suggests that people in Wales are mentally preparing for life outside the EU, supporting British food producers and seeking out products with authenticity and strong provenance. Even so, patriotism doesn't seem to correlate with Leave or Remain voters, with people in the Remain stronghold of London most likely to claim they are seeking out British produce.

'Craft' and 'organic' do not resonate; Wales shows **biggest pre-Brexit behaviour shift**



77% of Wales has concerns about sustainability (up 14%)

69% of Wales has locally sourced concerns (up 11%)

Everyone's counting calories, but **Londoners show the biggest shifts** in diet moderation

Lifestyle **choices**

When it comes to dietary principles, there is a significant difference between Londoners and those in Wales and the North East. Whether it's controlling calories, avoiding gluten or going vegan, London leads the way.

Of all the principles, calorie controlling shows the least regional difference; 36% in London and 35% in the North East claim to count calories, with people in Wales the least likely, at 21%.

The gradual trend towards alcohol moderation is echoed in our data. In the capital, almost a quarter of respondents say they do not drink at all. Whilst religious doctrine will explain some of this figure, it's not the whole story. In the 2011 Census 12.4% of London's population was Muslim, meaning a good many people who can freely drink alcohol do not. In Wales 15% of people and in the North East 16% of people are also claiming to be alcohol-free.

Veganism has been this year's hot topic, shown by our data to be more prevalent in London. 15% of those in the capital claim to apply vegan principles to their own diet, falling to 7% in Wales and 6% in the North East. Across the UK, veganism is more popular in urban areas, among younger adults (esp. 18-34), and for those with children.

Vegetarianism is also more widespread in London, with 23% of Londoners claiming to follow a vegetarian diet, compared with 13% in the North East and 11% in Wales. We see similar differences by geography in other dietary principles, including all exclusion diets from caffeine-free to dairy, gluten, lactose and wheat free.

Takeaway: A well-publicised rise in teetotalism is reflected in our findings, with a quarter of consumers in London claiming not to drink alcohol. What's more, many people of all ages across the UK are trying to cut down, with Alcohol Research UK estimating that 4.5 million people took part in Dry January this year.

From Veganuary to celebrity diets to retailer ranging, veganism is this year's hot food trend, but our survey suggests it's not resonating with as many consumers as the hype would suggest, especially outside London.

What people avoid

The barrage of public health campaigns and legislation against sugar appears to have made little impact on how much our respondents claim to avoid it. In all regions, sugar trails salt and processed foods in terms of avoidance.

Salt avoidance has increased in both London and the North East, but not in Wales. However, salt is still the most avoided ingredient in all three regions, by 59% in London, 54% in the North East, and 45% in Wales.

Avoidance of lactose, dairy and refined grains is more prevalent among 18-34s, while those aged 35+ are more likely to avoid salt, sugar, highly processed foods and trans fats, reflecting the health concerns most relevant to those age groups.

Interestingly, there are no strong differences in avoidance behaviour between London and the other two regions, despite greater adherence to dietary principles like veganism and gluten free in the capital.

Takeaway: Consumers' diet concerns tend to fit with their likely health concerns and seem to segment by age. 18-34s, who will generally be in their physical prime and unlikely to have any major health worries, are focused on optimising health and lifestyle so are more likely to cut out dairy, gluten, lactose and so on – possibly completely unnecessarily and driven by fashion. Those aged 35+ are likely to be thinking about real health issues, such as their weight, heart heath and cholesterol levels, so are more concerned with salt, sugar and fat.

While the nation's sweet tooth endures, **salt and fat are increasingly avoided** by certain age groups

Patriotism transcends the Brexit divide amidst increased price pessimism

Leaving the EU

How has the ongoing Brexit debate affected people's propensity to seek out British products over the last year? In the North East and Wales, we see no change. And perhaps counterintuitively, in the Remain stronghold of London, people claiming to buy British has increased from 29% to 37%.

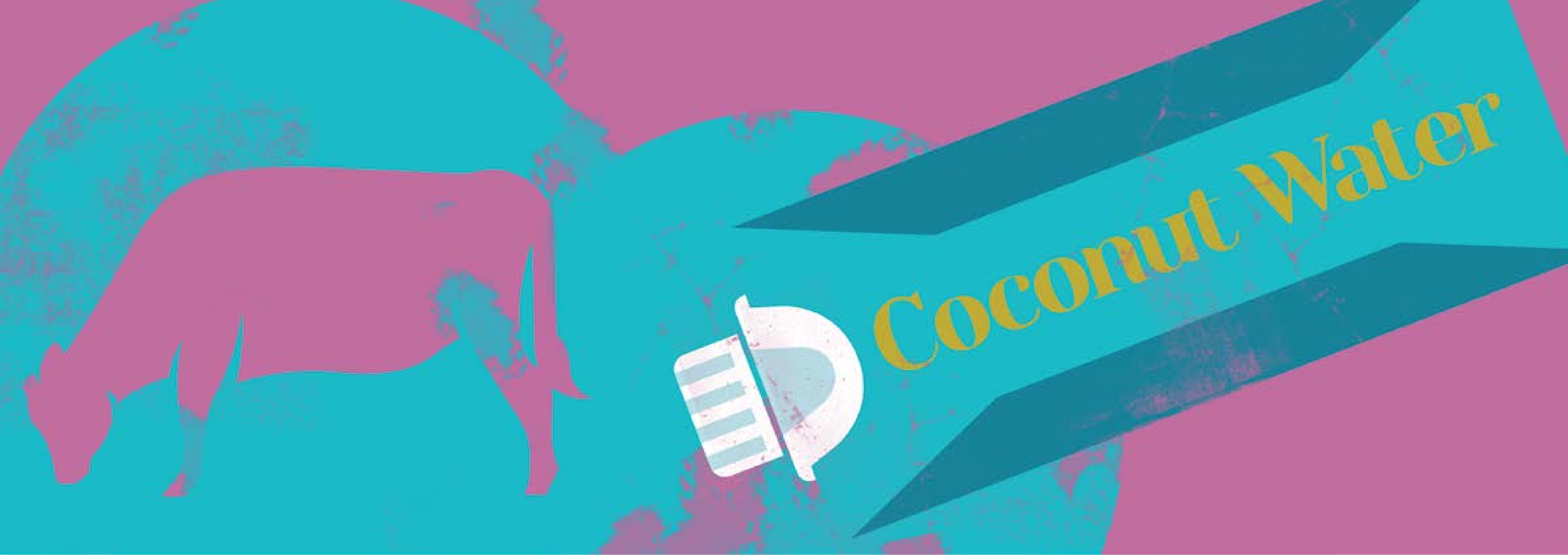
However, pessimism around the impact on prices spans both Leave and Remain regions. Most respondents expect supermarket prices to rise, though how they expect this to manifest differs across regions:

While Londoners are less pessimistic about price increases (46% compared to 61% in both Wales and the North East) they are more likely to predict increases in the prices of specific products, wine, fruit & veg, cheese, beer & cider and breakfast cereals.

Londoners are significantly more likely to believe Brexit will result in increased prices of supermarket produce (26% in London vs. 14% in both Wales and the North East) but Londoners are also significantly more likely to believe it will increase quality as well (20% in London vs. 7% in the North East and 11% in Wales).

Predictably, three quarters of all respondents across the UK feel that prices will rise for EU food brands, and this was more common with women and 35-54 year olds.

Takeaway: The truth is that shoppers are very much in the dark about the impact of Brexit on prices. The last thing that any supermarket wants to reveal is a likelihood or intent to raise prices. However, Brexit, almost in whatever version it is, will introduce barriers. Predictions made in this report, that prices, quality and choices will be impacted, are reasonable ones to make.



Last year's **hot new things are now ubiquitous**, but awareness of new foods is still unevenly distributed

New in the pantry

2017's up-and-coming foods are today well-known across all regions; green tea, coconut water, coconut oil, turmeric and even that previous signifier of all things trendy, quinoa.

However, the latest crop of new ingredients such as fermented drinks, jackfruit, chia seeds and kimchi, each have highest awareness among Londoners, followed by the North East and then Wales.

But regardless of how well-known any of these foods are across all regions, Londoners are more likely to have tried them.

Looking at the national picture, women, those under 54, those with children, high-earners and people in the South are more likely to have tried green tea and turmeric. Men are more likely to have tried fermented drinks and kimchi.

What's hot, what's not?

Milk's status as a British dietary staple is under threat. All three areas reported a fall in consumption, the sharpest in London. All kinds of milk are similarly affected, with the exception of oat milk, which showed a 3% increase in the capital.

Cow's milk, yogurt and butter all show a decline in consumption, most acutely among women and 18-34s. This is also reflected across coconut, almond and soy alternatives.

The ongoing negative publicity around red meat and processed meat has continued to damage consumption, with respondents across the sample saying they are eating less than last year.

Our data shows no slowing of broccoli's huge growth, with all regions reporting significant increases in people saying they're eating more of it than last year - London +7%, North East +22%, Wales +23%.

The faddish nature of some food trends (most readily adopted in London, it should be noted) can be seen in the rapid fall in consumption across all regions of products like coconut water, pearl barley, and spelt flour.

WHAT'S HOT
Broccoli
Oily fish
Blueberries
Spinach

WHAT'S NOT
Hemp yoghurt
Margarine / vegetable spreads
Almond milk yoghurt
Rice milk
Flaxseed milk
Red meat
Goat's milk
Soy milk
Nut butters

Takeaway: It's not new and it's not fancy but broccoli's rise continues. It's a cheap, healthy, nutritious and (usually) British vegetable, so fits with all the nation's main food, lifestyle and political trends.

While the results seem to suggest dairy is a sector under real pressure, the decline in plant-based milk alternatives indicates that, rather than people switching to alternatives, we could be witnessing a more general shift in the UK's diet. This could mean tough times ahead for both traditional dairy products and their 'healthier' usurpers.

Broccoli flourishes while dairy faces a squeeze

Plastic avoidance up everywhere, but adherence to 'use by' dates exacerbates food waste

Waste not...

When it comes to wasting food, London is the worst offender. Londoners throw away more homemade meals, milk, cheese, chicken & poultry, yoghurts, cakes, condiments/sauces and bacon. Respondents in Wales are the least wasteful.

A part-explanation might be found in 'use by' dates. Understanding of the differences between 'sell by' and 'use by' is similarly strong across all areas, but people in London are significantly more likely (40%) to bin out of date food, compared with 30% in Wales and 28% in the North East. This is despite more than two-thirds of respondents in all regions claiming to use out of date food provided it looks fine and passes the sniff test.

Across all regions, it's men, people with children, and those under 54 who are more likely to waste food.

This year we asked respondents about their attitudes to plastic and how recent coverage of the issue had influenced them. All three regions showed concern, while those in London were most persuaded by recent media coverage, and consequently more likely to avoid buying non-recyclable plastic: 56% compared with 46% in the North East and 44% in Wales. However, people in London were also most likely to agree that the benefits of plastic packaging, protecting and preserving products, outweighed the environmental costs.

Two and a half years on from the 5p plastic bag charge, more than 80% of all respondents recognise the environmental impact of plastic bags and a similar number claim to reuse them. Seven out of ten people say the change has reduced the number of bags they use, while Londoners are most likely to avoid using plastic bags wherever possible.

Takeaway: The research implies a connection between adherence to 'use by' dates and food waste, where those who pay most attention to the dates (those in London) waste more food. 'Use by' dates are set by EU regulations so this is an area that could change post-Brexit. Could new regulation with increased autonomy reduce the country's levels of food waste?

Judging by responses in our survey, the plastic bag debate is over and just about all consumers have changed behaviour accordingly. Additionally, media coverage on excess plastic appears to have stoked consumer concern and claimed action, especially with more upmarket consumers.

Health and cooking

Despite rising national obesity levels, 73% of respondents across all regions report that their diet is very or fairly healthy. In London, this figure has increased by 9% since last year, to 82%.

Fewer than one in ten in any of the regions see their diet as fairly or very unhealthy. Over the UK, half of all respondents are content with their weight, with people in the South and ABC1s more likely to be content.

Around eight in ten respondents from all the regions say they cook from scratch more than once a week; London slightly more than last year, whilst Wales and the North East remained stable. Cooking from scratch is most prevalent in women, people with children, ABC1s and younger respondents.

Nationally, ready meals and fast food are more popular with men and younger people, but despite a slight decrease on last year, the capital still enjoys significantly more than the other regions; 43% say they eat ready meals once a week or more, compared to 32% in the North East, 31% in Wales. For fast food the numbers are similar: London 38%, the North East 33% and Wales 29%.

Takeaway: Perceived levels of healthy eating and satisfaction with one's diet are linked to social class, age and region. Londoners are still most likely to see themselves as healthy (and have the UK's lowest average BMI). However, the capital's consumption of ready meals and fast food is at odds with its healthy diet perception.

Healthy diet perceptions endure despite rising obesity levels

How survey respondents defined some of the common foodie terms

CLEAN EATING

"Eating food with no additives or unnatural ingredients."

"Food made from scratch using only fresh produce."

"Fad from the US that has no scientific support."

FIELD TO FORK EATING

"Traceability of meat from the farm to the store."

"Organic meat and veg that is fresh produce that comes as it is."

"Food traceable to the farm it was grown."

FUNCTIONAL FOODS

"Foods that are essential for your body to function as it should in a healthy person."

"Foods with ingredients or properties to tackle deficiency."

"Meet your needs and satisfy cravings very quick."

SUPERFOODS

"Foods that contain high vitamin or minerals that can aid specific health problems."

"Foods that are used as a selling point of being extra good for you but are really just a way of applying a premium on them."

"Foods with properties making them really good for your health – blueberries, açai berries etc."

PRO-BIOTICS

"Foods which have extra bacteria which are good for the digestive system."

"Contains enzymes/ bacteria that help maintain a healthy gut."

"Bacteria with health benefits."

What marketers talk about **versus what people think**

'Clean eating' might be the subject of myriad Instagram feeds and broadsheet lifestyle articles but most respondents in our survey in all the regions had never heard the term before. Londoners were more familiar with the phrase but still 57% were unaware. Understanding of clean eating is mixed but the key themes are that it's healthy and avoids processed foods and additives, though there is some scepticism.

'Field to fork eating' has lower awareness than clean eating with around two-thirds of the sample not having heard the term before, though awareness has increased slightly from 2017. Unusually for a food trend, familiarity in London is no higher than elsewhere. In general, it's felt to signify freshness, with farm and organic overtones.

Most are unaware of **'functional foods'**, with 76% in London, 85% in the North East and 86% in Wales saying they've never heard the term. Understanding of the term is mixed and low.

'Superfoods' is widely known. The number who are unaware of the term has decreased since last year in Wales (41%/32%) and the North East (45%/39%), putting all three core regions on a rough par. Superfoods' relative familiarity also means understanding is fairly strong, with most of those aware having a good grasp of what it means.

'Pro-biotics' is another term that's relatively well-known, with roughly similar levels of awareness across the regions. Around four in ten have never heard the term before, a decrease from 2017 in both Wales and the North East but a slight increase in London. Understanding is consistent, with strongest associations being good bacteria, digestion, gut health and a connection with yoghurt.

Takeaway: The survey uncovered low awareness and understanding of some relatively strong food trends such as clean eating, field to fork and functional foods. Their ubiquity in conversations within food marketing circles and amongst foodie consumers has not filtered down to most UK consumers, giving us a welcome reminder to ensure all of us in food and drinks marketing look beyond the bubble of media, lifestyle and foodie echo chambers.

Implications for Food & Drink marketing

- **Buy British.** If you manage a brand or product that can claim to be British, either in origin or ingredients, then now is the time to proudly declare it. This study confirms that there is a clear desire to buy British over foreign competitors. Don't hide your light under a bushel, as it appears that consumers are loath to look past the clearest of messaging and undertake close examination. Make the most of this, landing the point in both trade and consumer campaigns and with clear communications on your packaging.

- **There's money in moderation.** Bars, mixologists and supermarkets are embracing the no-alcohol and low-alcohol trend. There are lots of drivers behind this, including greater ethnic and religious diversity, more health-conscious lifestyles, the rise of the free-from movement and changes in the way people socialise. Sophisticated 'grown up soft drinks' will continue to grow in favour and range of flavours.

- **Diet proliferation on the increase.** Veganism requires a high level of commitment and control, so it will be interesting to see where the trend ends up with mainstream consumers – perhaps simply an increase in plant-based foods. Great news for our vegetable and salad producers. And are so-called flexitarian diets – similarly great news for produce that provides alternative sources of key nutritional food groups, such as protein.

- **Price rises.** The universal expectation that Brexit will lead to price rises for EU food brands could result in more astute shopping and further growth of the discounters – continuing the trend that began with the 2008 recession.

- **Gaps to be filled.** British brands should form a plan as to how they might be able to benefit from more favourable price comparisons versus their EU competitors on the main supermarket shelves. There may even be a few category gaps to fill if EU brands feel that the UK market is no longer a viable market to compete in.

- **Dairy alternatives in growth.** We're a long way from the demise of dairy, but dairy sales are broadly in decline and dairy alternatives seeing mixed fortunes. As the UK diet morphs, becoming more international and open-minded it seems that some traditional dietary staples may well suffer.

- **Plastic NOT Fantastic.** The nation's aversion to plastic means that attention is rapidly turning from bags to the evils of plastic packaging. Brands that can demonstrate they are changing their packaging in response to consumer demands to be more environmentally sustainable will gain competitive advantage over those that don't.

- **Health is nothing without convenience.** There is absolutely no doubt that 'convenience' and 'healthiness' in equal measure are the two factors that will continue to help brands win both in-home and out of home. Meal-kit brands like 'Hello Fresh' are certainly homing in on a target audience keen to cook from scratch, time poor and waste averse. But all food and drink brands would do well to ask two simple questions of themselves – 'what are we helping consumers do or enjoy, that they would otherwise not have the time for?' and 'are we doing it in the most convenient and healthy way possible?'

- **Say what?** The language, trends and buzzwords common to marketing parlance are rarely read or understood (let alone adopted) in the real world of consumers. Brands should think carefully about their personality, tone and language to make sure that they behave, present themselves and talk in a way that is going to resonate and be appreciated by their target audiences.

Bray Leino have been helping food and drink brands understand and capitalise on the changing tastes and preferences of British consumers for over 40 years.

To find out how our team of communications experts can help you navigate any of the issues raised in this report, please contact Austen Donnellan.

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