

# The Changing Consumer: Where Are We Now?



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# The Changing Consumer: Where Are We Now?

**NBJ Summit**  
**July 2021**

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# Goals for Today

- Anchor you in consumer understanding
- Orient you toward the future

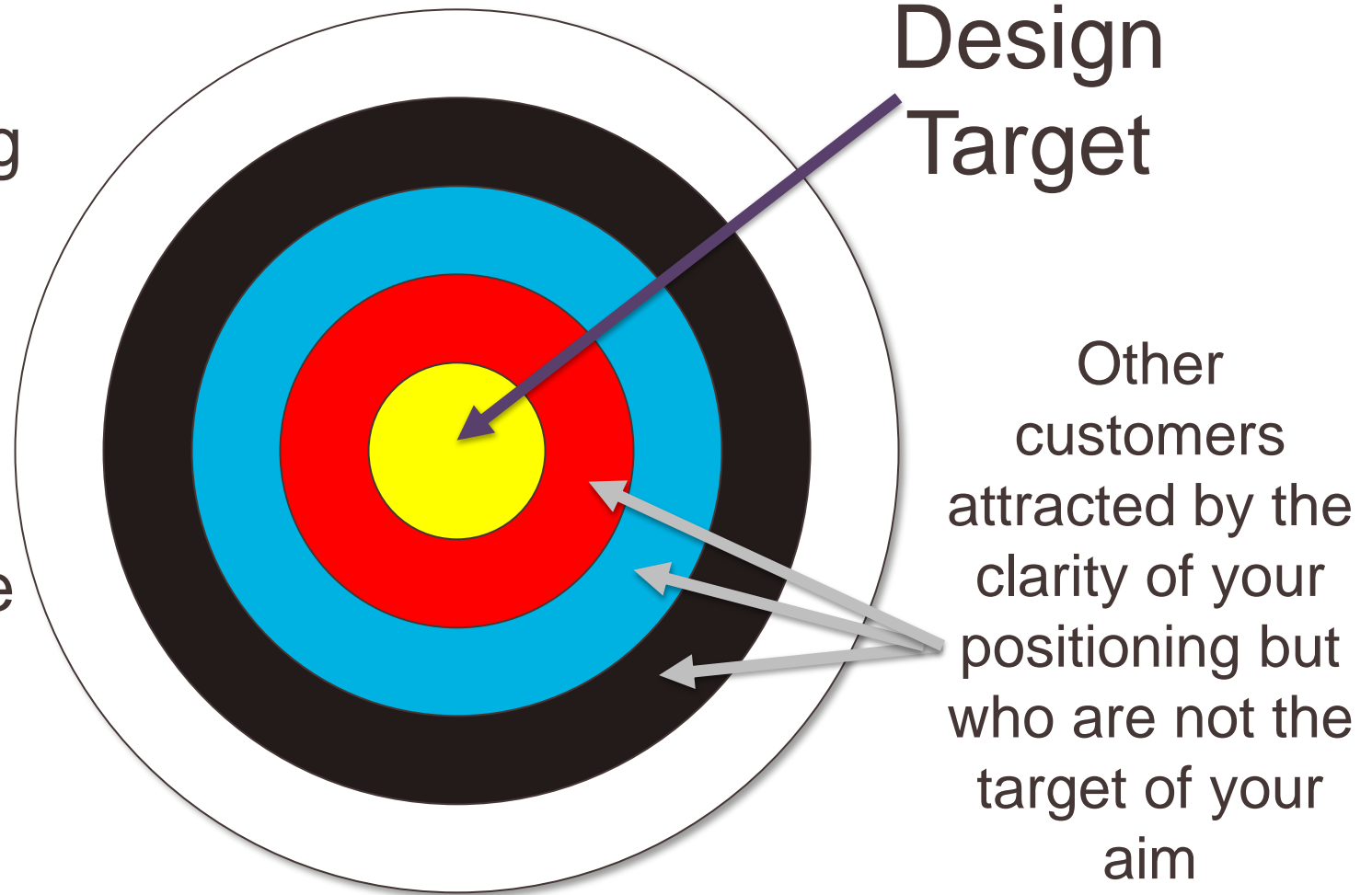
# This data is...

- Drawn from New Hope's 2021 Changing Consumer Survey
- Data collected online during June of 2021
- Nationally Representative Sample of 1,000; U.S. consumers age 16 and older
- Separate over-sample of under-represented racial and ethnic groups
- Designed to aid:
  - Diversity and inclusion
  - Representation in analysis
  - Our industry's ability to serve

# Guiding Principle: The Design Target

## Your Design Target:

- Guides strategic planning and tactical decision making
- Guides decisions with focus and precision
- Demands that you be the best option available for this customer







**Who are the design targets?**



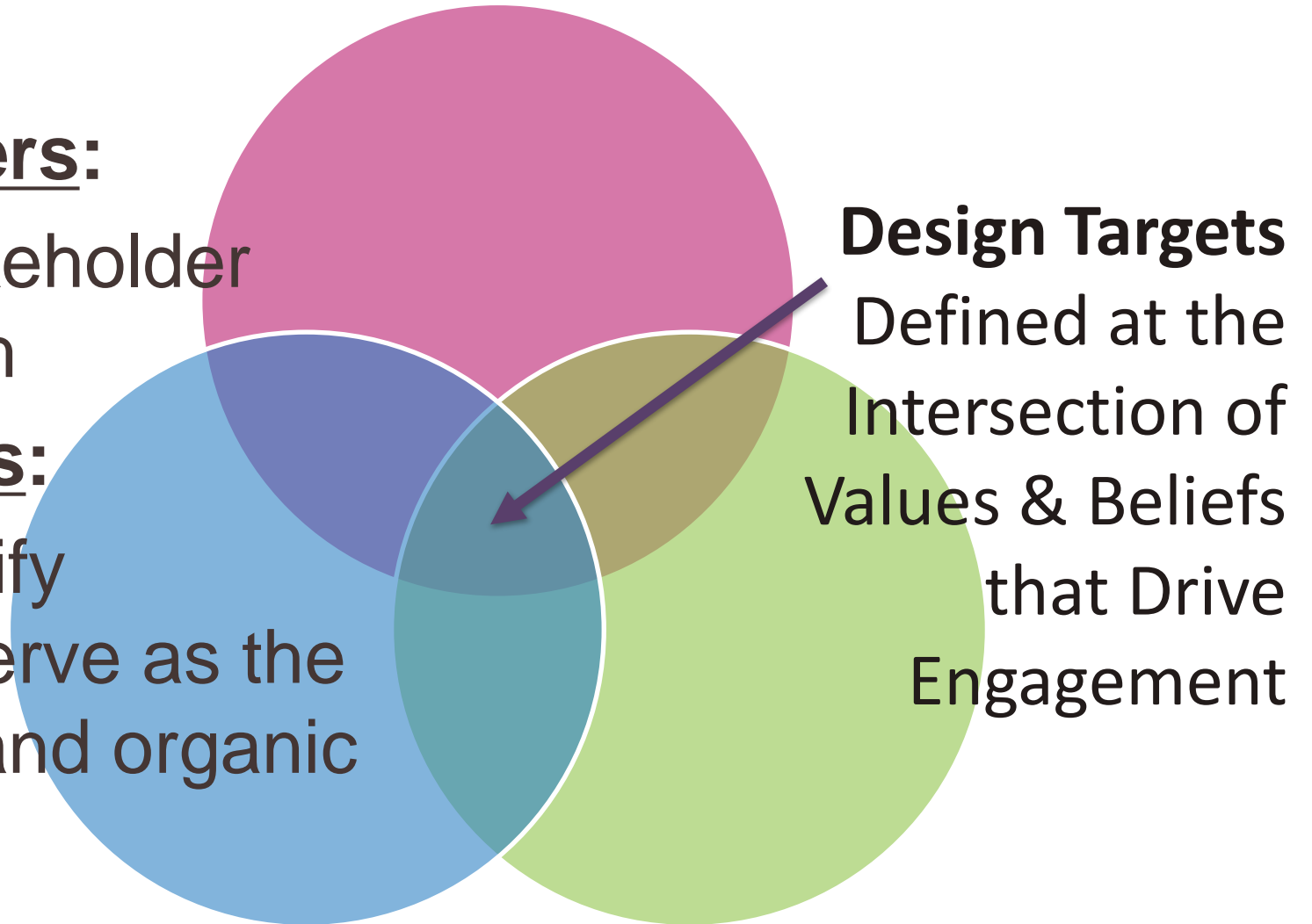
# Design Targets

## Core Supplement Users:

2015 NBJ industry stakeholder and consumer research

## Progressive Shoppers:

Used by NEXT to identify consumers who may serve as the core target for natural and organic brands and retailers



# Core Supp Users

<b>Holistic Wellness</b>	Uses food, exercise, and lifestyle to nurture their mind and body	<b>Intellectual Curiosity</b>	Independent thinkers who challenge convention and seek diverse input in making health decisions
<b>Personal Responsibility</b>	Takes action to prevent health and wellness problems and addresses concerns for themselves or their family	<b>Frequent Supp Usage</b>	Uses supplements three or more times per week

Design Target Size: 12% of all consumers fit this profile



# Progressive Shoppers

Invests Time	Prioritize supporting retailers, producers, or brands over convenience	Prioritizes Values	Prioritize a company's values or mission statements over practical value for themselves
Invests Money	Spend more to support businesses which exhibit social or environmental responsibility	Wants Change	Believe our food system is lacking when it comes to human and environmental health and resource efficiency

Design Target Size: 12% of all consumers fit this profile, regardless of their use or nonuse of supplements.



**How do they define health?**



# Introspective and experiential measures define health for many

When evaluating your overall health, what is most important?

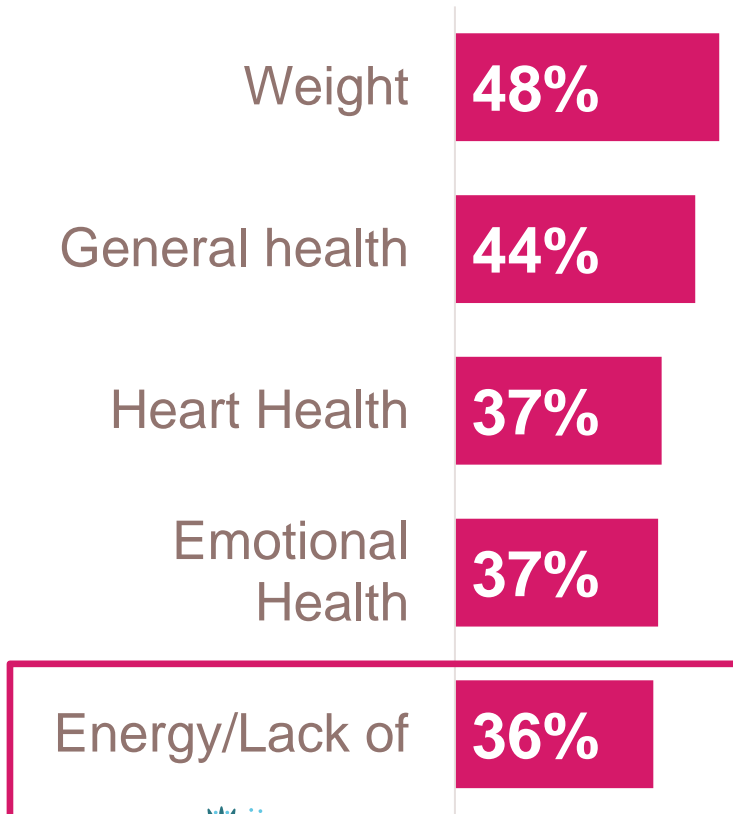
Ranked Most Important (avg rank)	Supp Users*	Core Supp Users	Progressive Shoppers
	<b>Fact-Based Measures</b> (i.e., weight, BMI, blood tests, etc.)	<b>Experiential Measures</b> (i.e., how your body feels, energy level, good digestion, etc.)	<b>Experiential Measures</b> (i.e., how your body feels, energy level, good digestion, etc.)
	<b>Experiential Measures</b> (i.e., how your body feels, energy level, good digestion, etc.)	<b>Fact-Based Measures</b> (i.e., weight, BMI, blood tests, etc.)	<b>Fact-Based Measures</b> (i.e., weight, BMI, blood tests, etc.)
	<b>Behavioral Measures</b> (i.e., exercise regularly, balanced diet, etc.)	<b>Behavioral Measures</b> (i.e., exercise regularly, balanced diet, etc.)	<b>Behavioral Measures</b> (i.e., exercise regularly, balanced diet, etc.)



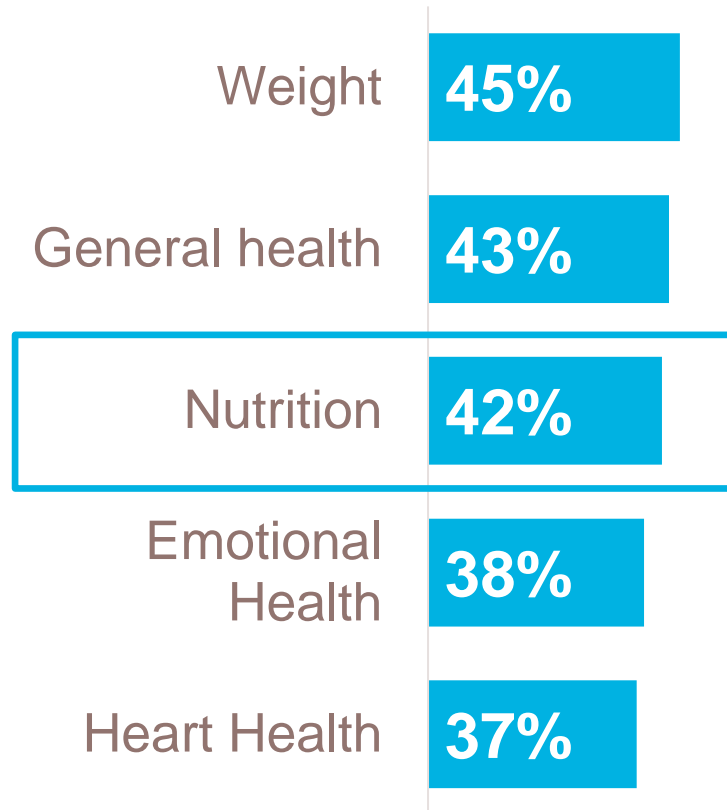
# State-of-mind conditions are significant

## Top 5 Health Concerns

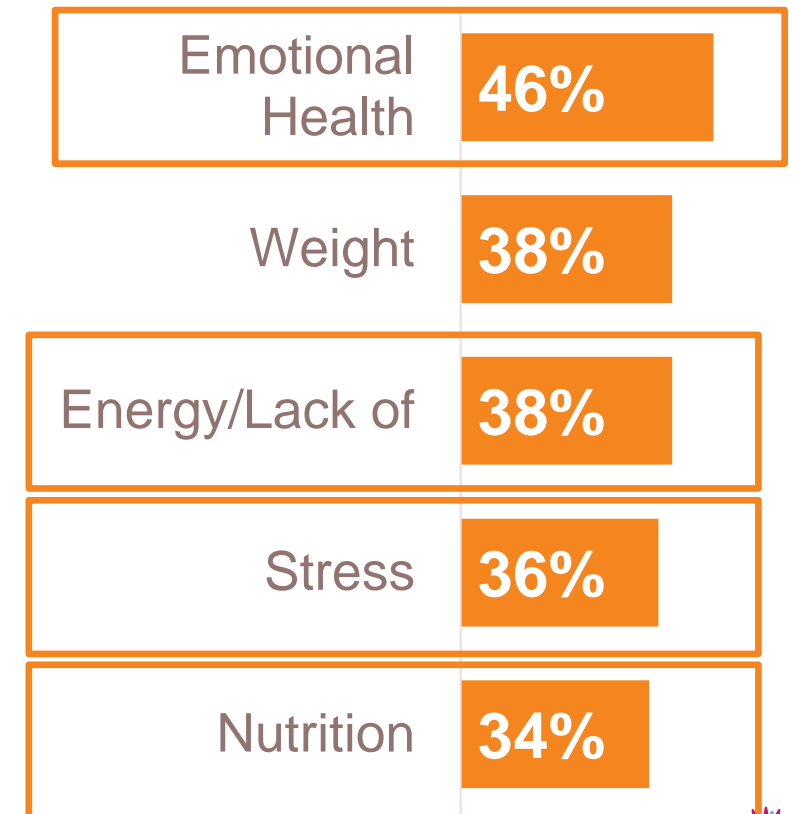
### Supp Users\*



### Core Supp Users

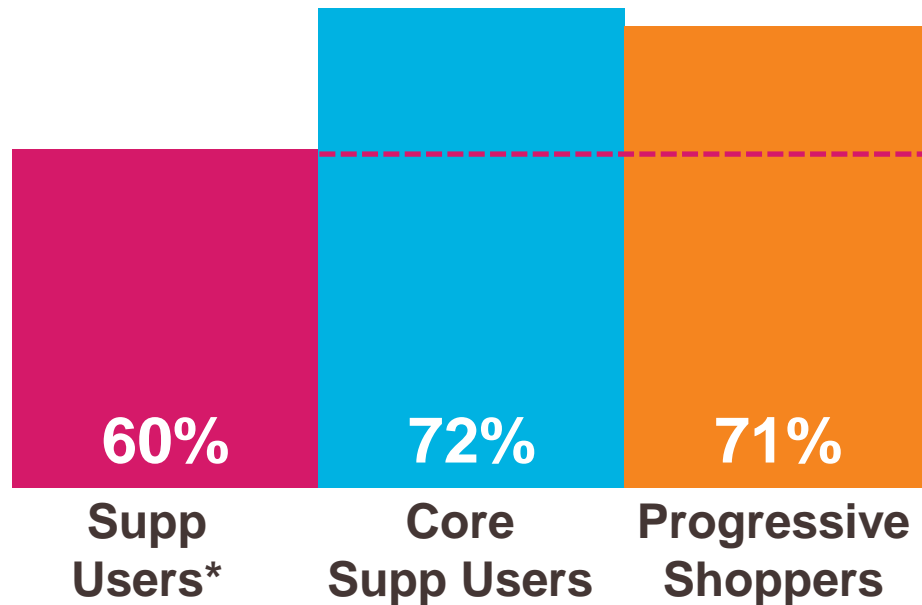


### Progressive Shoppers



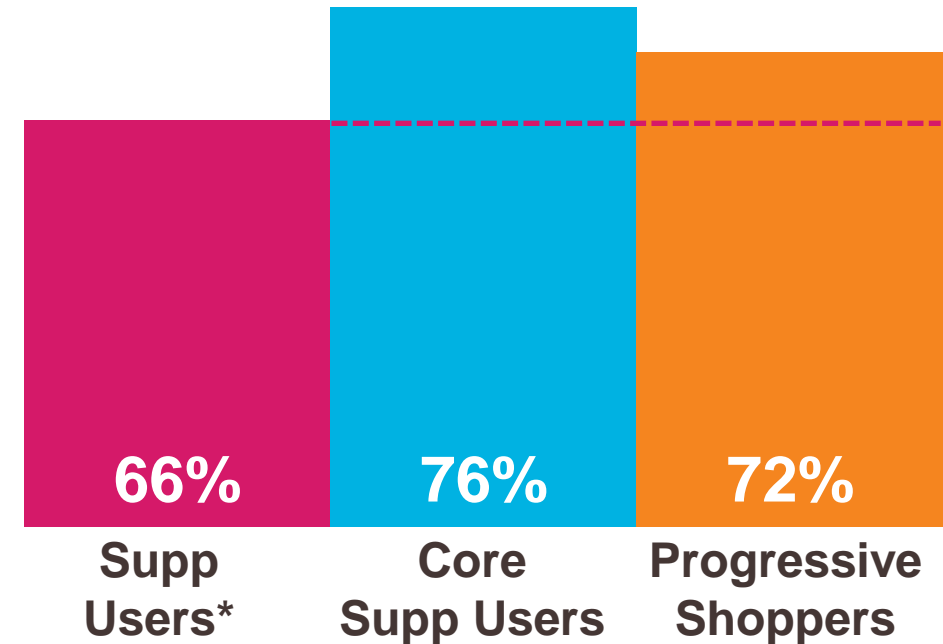
# Engaged and Proactive: consumers actively seek health information

I am always looking for ways to be healthier



% agree, top two box, 5-pt scale

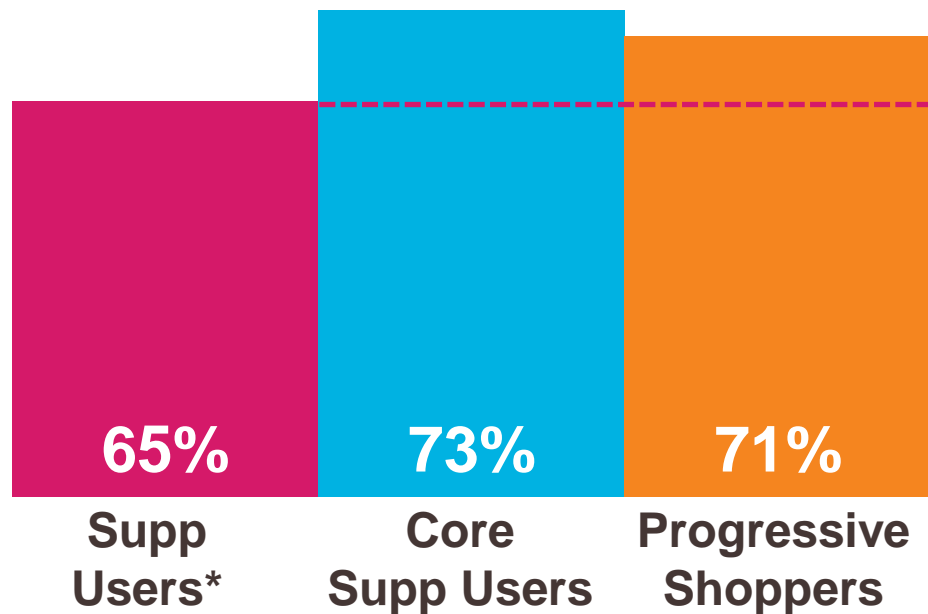
I think about my health daily



% agree, top two box, 5-pt scale

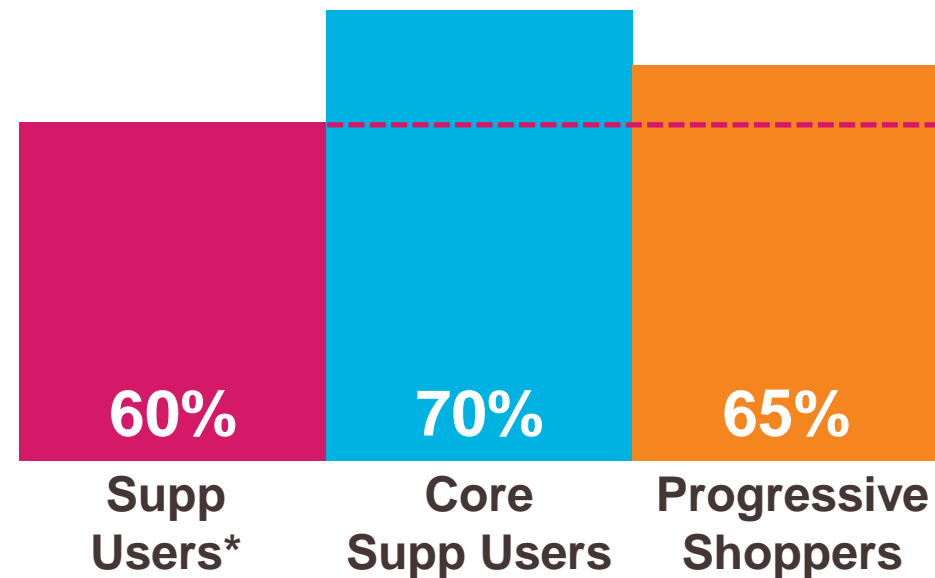
# Empowered & In Control: consumers have goals and feel in control

I have clear goals in terms of managing my health



% agree, top three box, 7-pt scale

I feel in control of my health

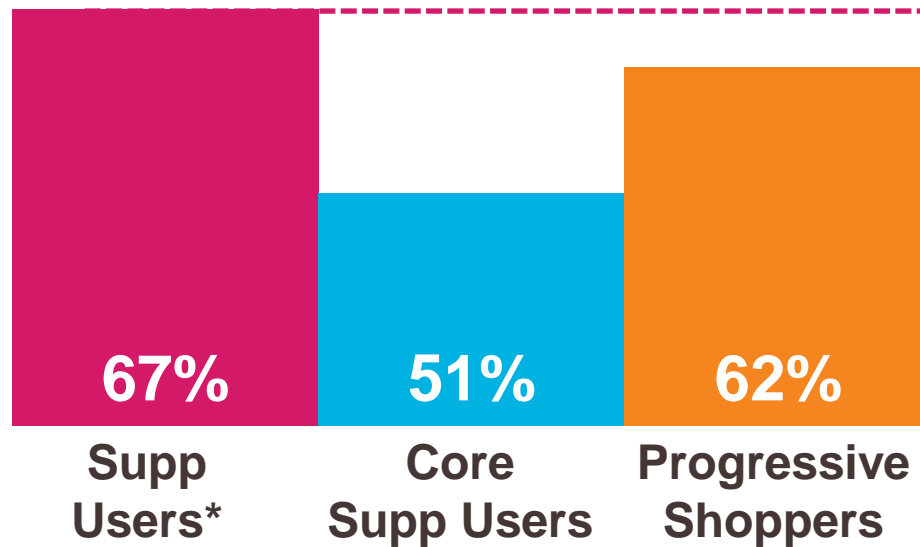


% agree, top three box, 7-pt scale



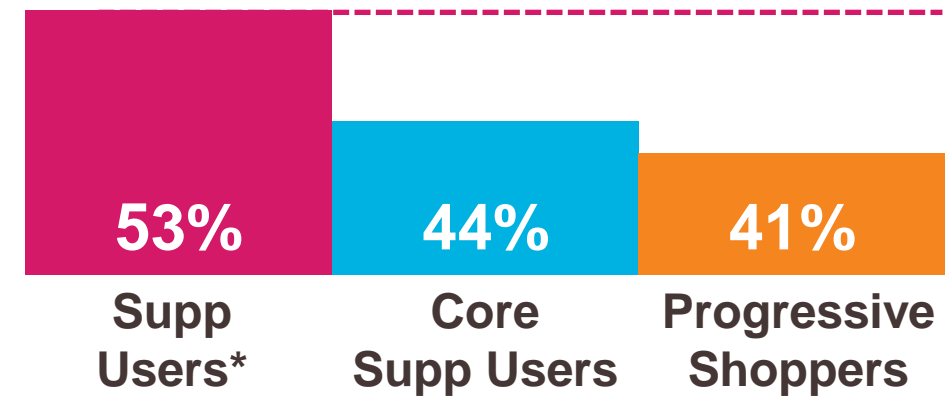
# Self-Guided: design targets are more independent

I visit the doctor regularly



% agree, top two box, 5-pt scale

I see advantages from taking prescription drugs\*\*



% agree, top two box, 5-pt scale

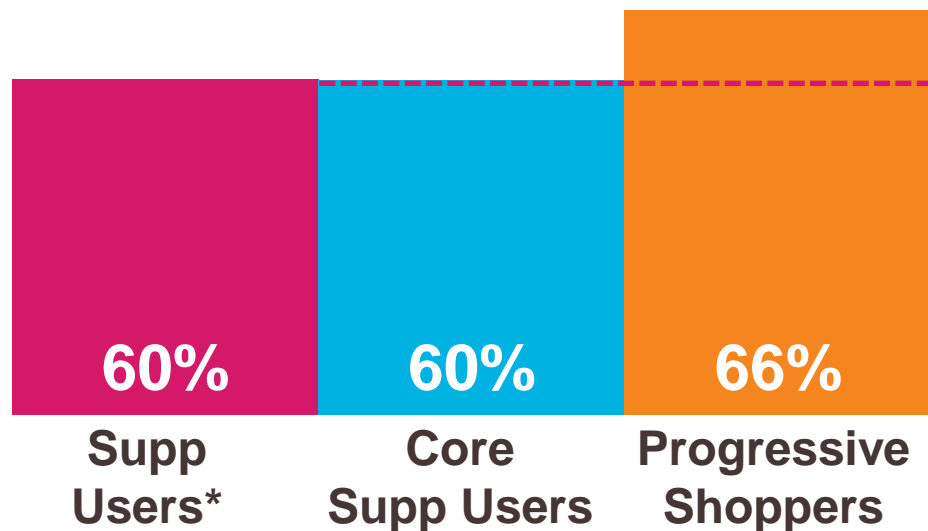
\*\*Statement simplified for presentation, actual wording was "I don't see any disadvantages from taking prescription drugs"



**What do they want from brands?**

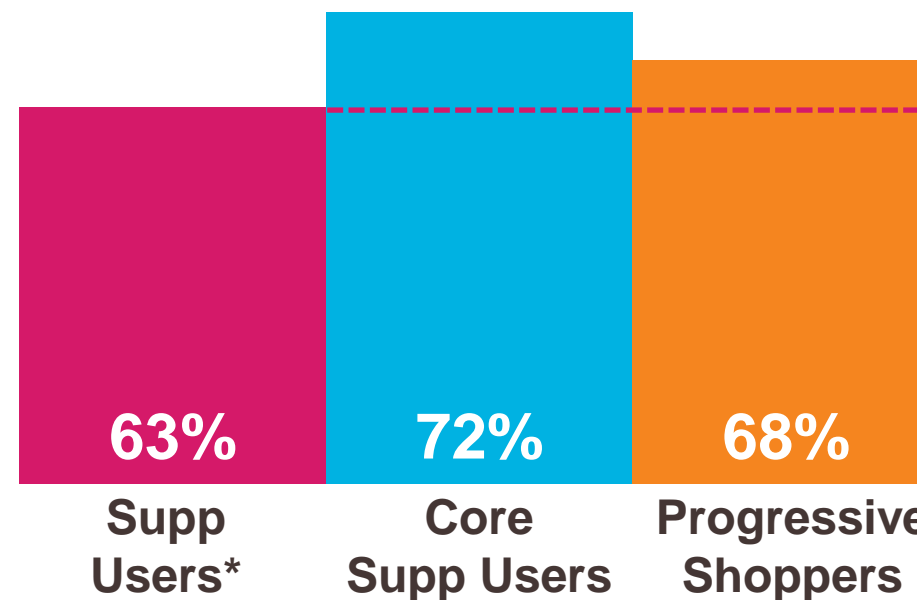
# Quality Nutrition: important to all

I pay more for high quality ingredients



% agree, top two box, 5-pt scale

Nutritional quality and density are important to me

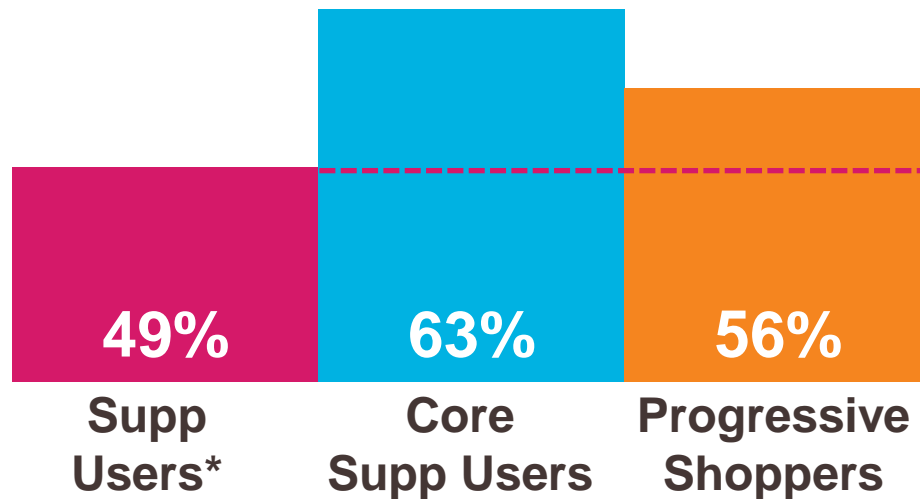


% agree, top two box, 5-pt scale



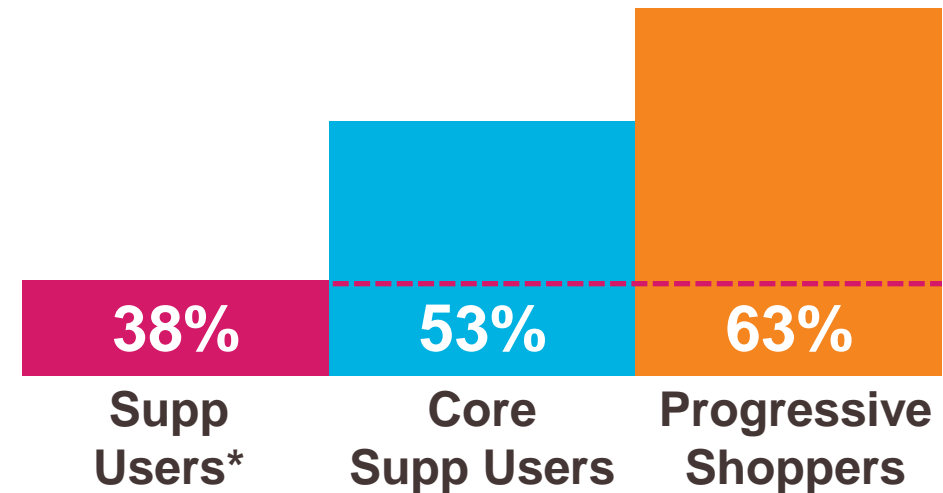
# Clean: clean label and clean agriculture matter

I avoid buying foods with artificial colors, flavors, or preservatives



% agree, top two box, 5-pt scale

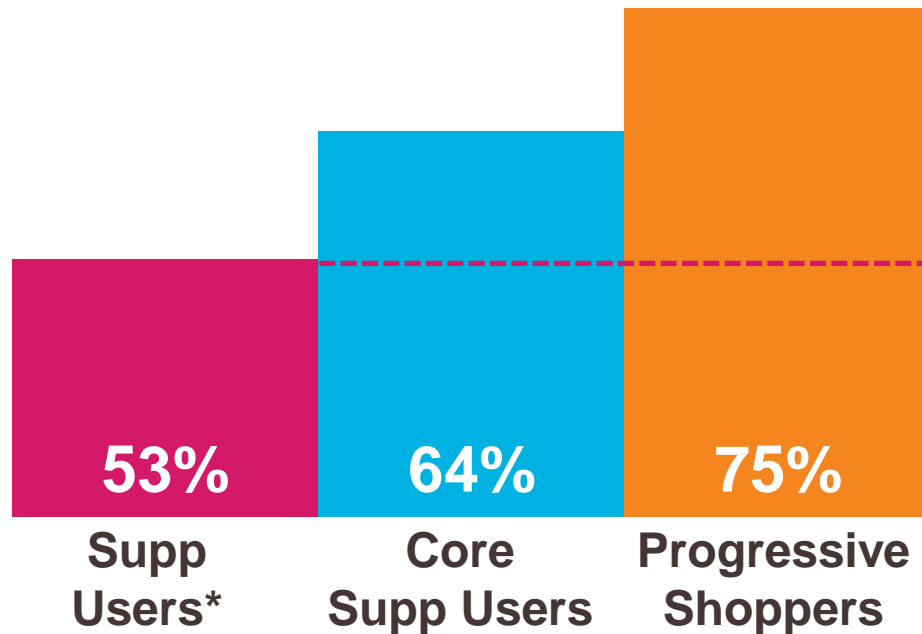
I try to avoid buying food grown on industrial feedlots or on monoculture, chemical intensive farms



% agree, top two box, 5-pt scale

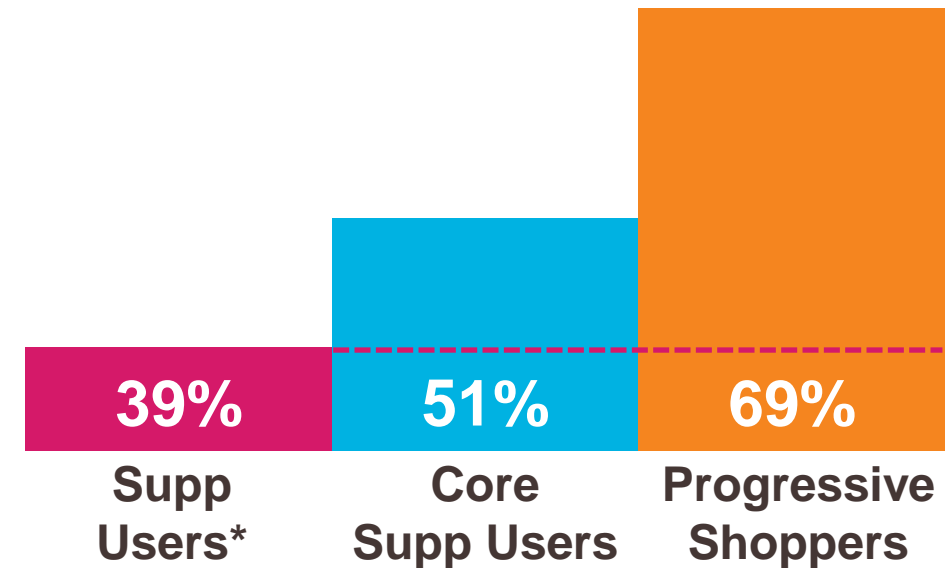
# Transparency: operations matter

I try to buy brands that are transparent about what is in their food, how it is made, and how they source materials



% agree, top two box, 5-pt scale

I pay more for responsibly produced food

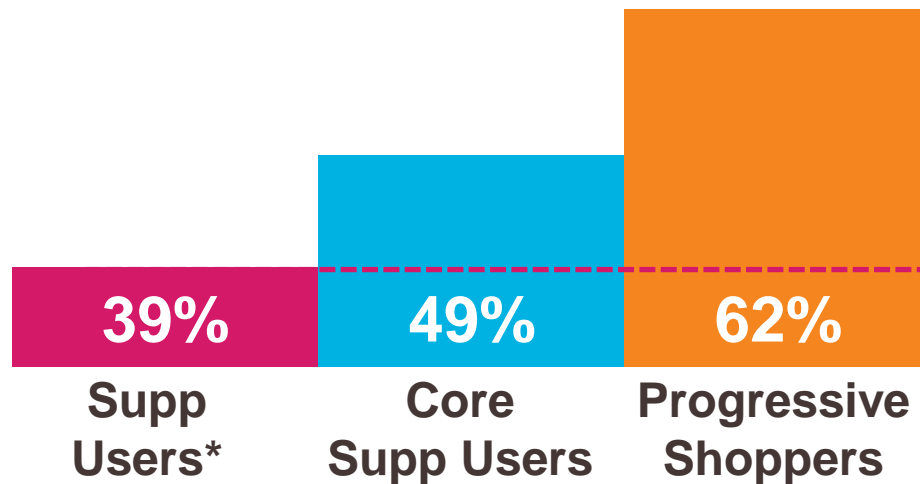


% agree, top two box, 5-pt scale

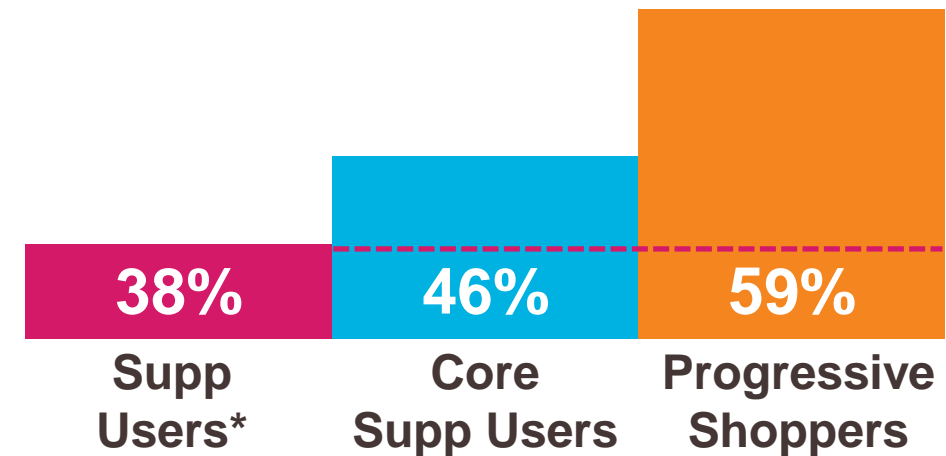
# Organic & Regenerative: seeking better for me and the planet

I buy organic  
because it is better for me

I would pay more for food using  
regenerative practices designed to  
help reverse climate change



% agree, top two box, 5-pt scale

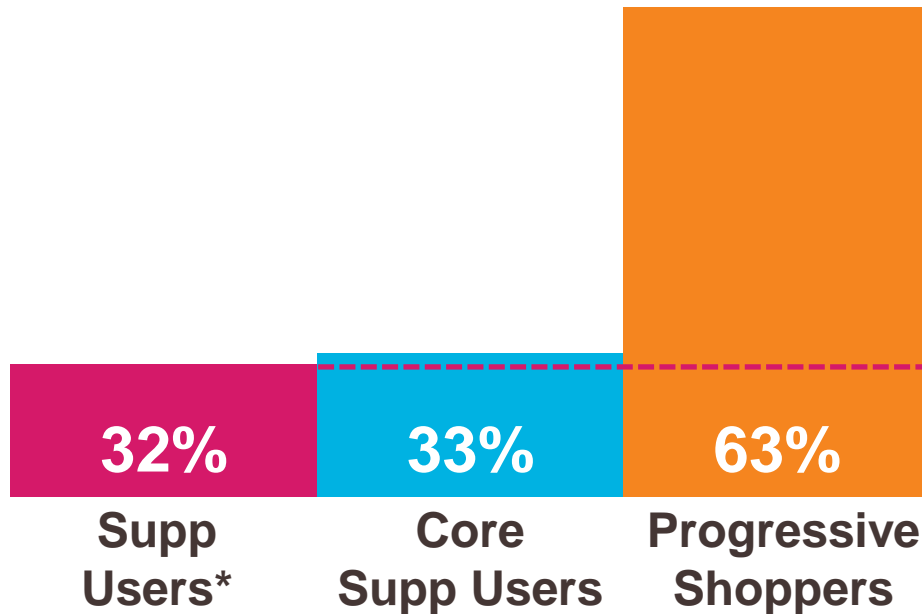


% agree, top two box, 5-pt scale



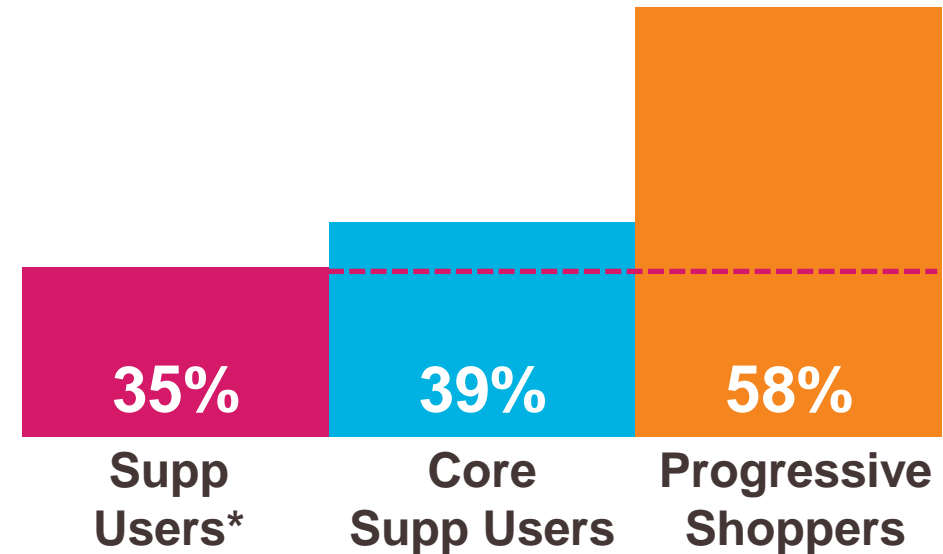
# Environmental & Social Responsibility: most will pay more for it

I am willing to pay more for products that demonstrate their commitment to fighting systematic racial biases in our country



% agree, top two box, 5-pt scale

I am willing to pay more for products that demonstrate environmental responsibility



% agree, top two box, 5-pt scale



**How do we address diversity and inclusion?**

**Our values unite  
us and create  
strength and  
resilience.**

**And yet  
something is  
missing. We can  
do better.**

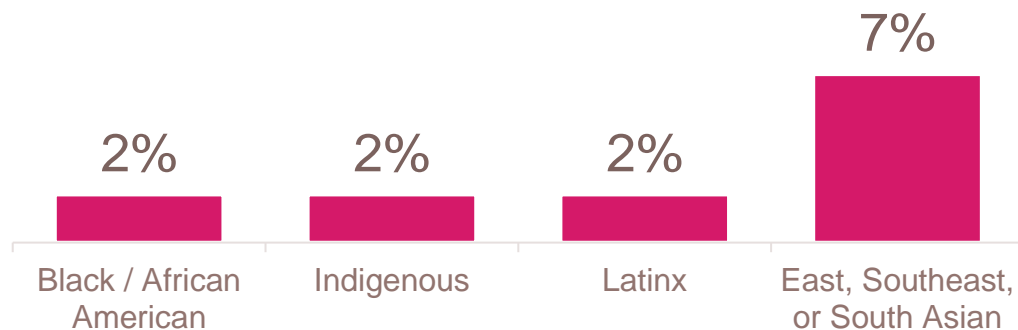
**Emerging from the pandemic we must create resilient business capable of withstanding future disruptions.**

**Building diverse and inclusive businesses is the right thing to do, and good business too.**



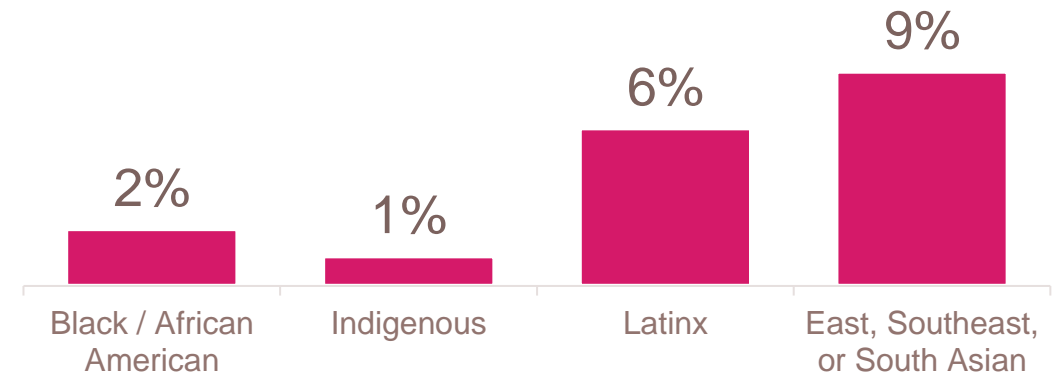
# But our leadership lacks the diversity needed to achieve this

## Black, Latinx & Asian representation on industry boards



% of board members  
n=124 company responses

## Black, Latinx & Asian representation on leadership teams



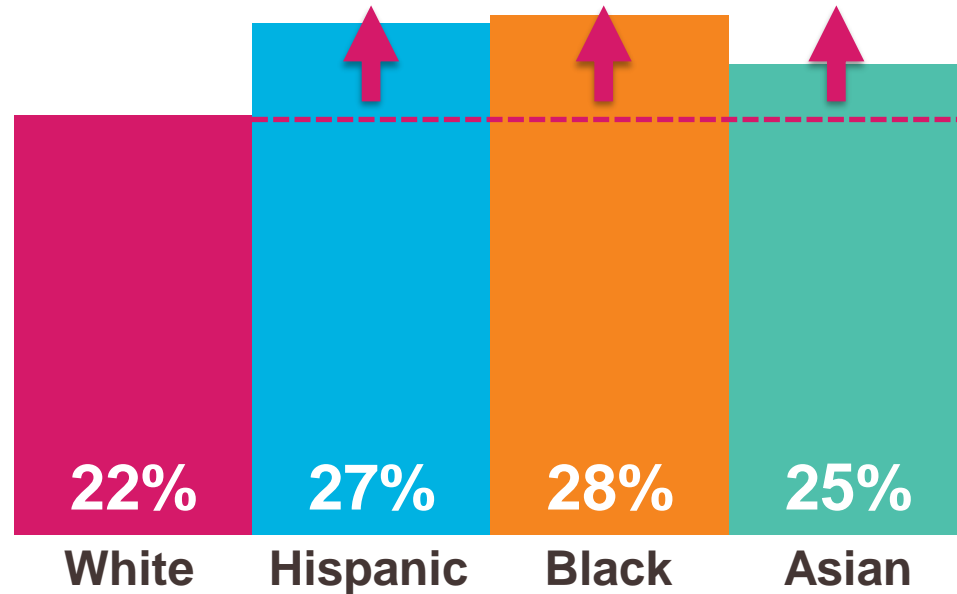
% of leadership members  
n=172 company responses

Source: JEDI Collaborative and New Hope Network Benchmarking Survey. Survey conducted Q4'19, N=220 Natural Products Industry leaders providing a view into approximately 1,000 leaders, 725 board members, 220 CEOs, and 210 founders.

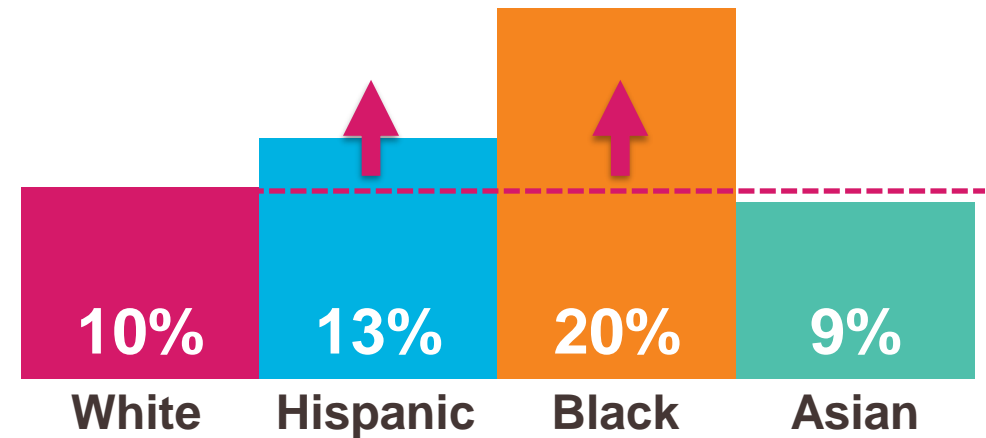
# And we have an opportunity to serve diverse communities

% of population that fits the attitudinal profile of design targets

**Core Supplement Users\***

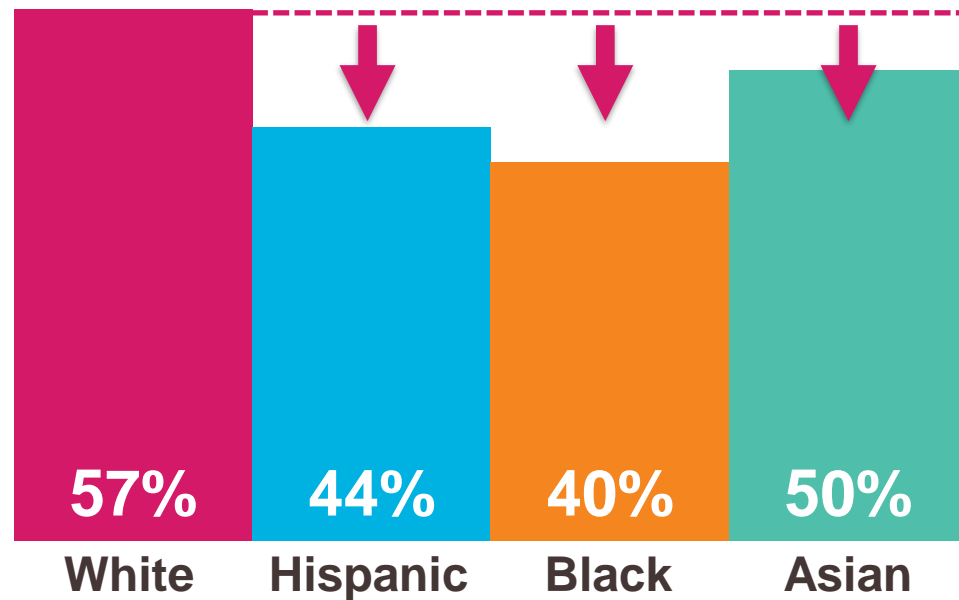


**Progressive Shoppers\***

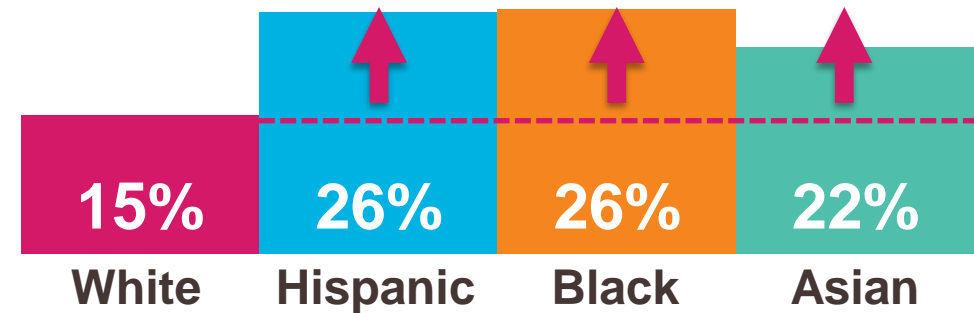


# But somehow, we are falling short of the opportunity to do so

## Daily Supplement Users

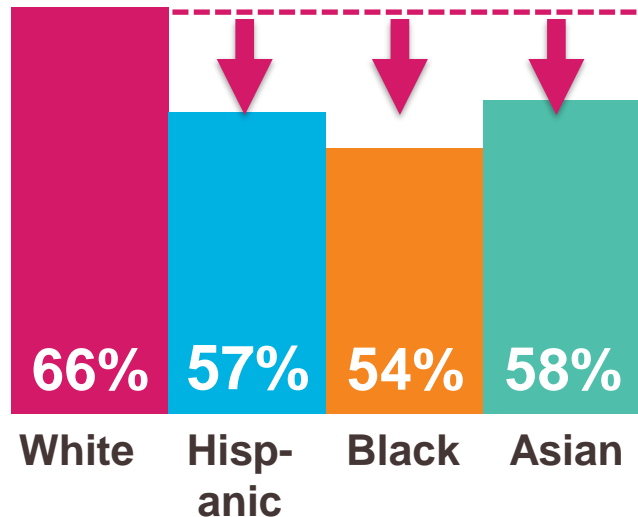


## Occasional Supplement Users



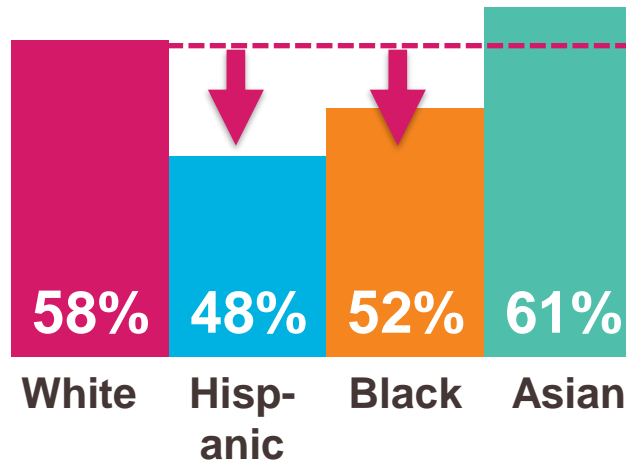
# More research is needed; we can start by addressing access and inclusivity

I can easily access healthy food in my community



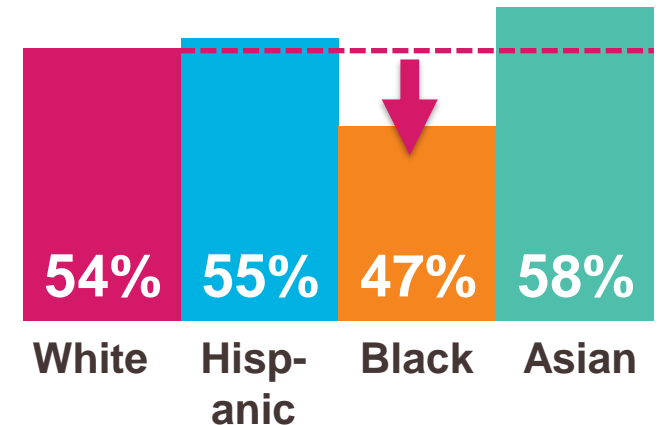
% agree, top two box, 5-pt scale

I can afford healthy food in my community



% agree, top two box, 5-pt scale

I feel welcome and comfortable shopping at natural products grocery stores



% agree, top two box, 5-pt scale





# Summary

# Summary

Navigate with confidence coming out of these uncertain times knowing that consumers:

- Define health with a mix of experiential and fact-based measures
- Seek a mix of general health goals and increasingly seek vitality and see state-of-mind conditions of highest importance
- Engage in health proactively, seek health empowerment, prefer to be self-guided

From brands our design targets are looking for:

- Clean formulations, and environmentally and socially responsible sourcing
- Quality nutrition, transparency, and they are inviting us to source using organic and regenerative agriculture





# Thank You!

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