Eleventh Edition

Health & Wellness Trends Report

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Introduction

Natural Marketing Institute (NMI) is pleased to present its 2010 *Health and Wellness Trends Report®* (HWTR), our comprehensive report on the health and wellness marketplace and its consumers, now with eleven years of data based on extensive research of the U.S. general population. Nine chapters, *Health and Wellness Consumer Segments, Sales, Health Drivers, Healthy Eating, A Generational View Of Health, Functional Opportunities and Healthy Ingredients, Eco-friendly: Sustainable to Organic, Shopping for Health, and Economic Impact* provide almost 200 pages of data and commentary to the reader. Every page offers unique insight with the presentation of charts, graphs, or tables, accompanied by analysis and commentary on associated market elements and key opportunities. Included are trended views of the general population as well as views of specific opportunistic groups such as generations, health condition managers, and integrated category users among others. We're confident that you'll find much "food for thought" here as you consider how these trends will affect your business over the next few years and we hope this report will continue to be a valuable reference tool as well as "good read" to our many supporters.

This year's report begins with a review of nutrition industry sales. In 2009, a recessionary year, we saw a general 5% increase in sales across all categories with the largest increase among general merchandising products including household cleaners, pet foods, and organic clothing, linens, and flowers — all emerging categories within the wellness marketplace.

Market and consumer attitudinal changes, driven by the recession were reviewed across the U.S. population in a segmentation adjustment analysis. This analysis began with a review of over 300 attitudinal and behavioral measures to understand how consumer groups have changed. We saw stability in attitudes, but a reduction in size of the leading health segment, WELL BEINGS, which we begin to examine in Chapter One and which you will see throughout the report. These early adopting, market influencers have and will continue their strong involvement across healthy products and services. As seen in Chapters 8 and 9, *Shopping for Health* and *Economic Impact*, they've changed some shopping habits which may be advantageous for mainstream retailers.

Introduction (continued)

Another significant segment for the industry, the MAGIC BULLETS, grew in size as more consumers, pressed by time and other demands, are looking for easy ways to stay healthy. This group became much more as their name implies, relying on supplements, OTC and even prescriptions — in general pills — to stay healthy rather than food. The FENCE SITTERS, as will be seen, have become very opportunistic. While they vacillate in their actions, attitudinally this group of middle-America families is much more health driven and they are looking for brands and retailers to help them stay healthy.

An overriding theme can be seen across the 2010 HWTR and particularly within Chapters Three and Four, *Health Drivers* and *Healthy Eating;* that is, the return of personal responsibility. In general, consumers have taken on more responsibility for their health as a means of control in an uncertain world. Across each segment of the population, each driven by their level of knowledge and individual beliefs, we've seen positive changes in the personal desire for health and the personal actions taken to manage their health. Even the EAT, DRINK & BE MERRYS, those driven by taste and emotional gratification are increasing <u>some</u> of their healthy behaviors. While marketers once feared that consumers would walk away from healthy products and services due to a tight economy, in fact, most remained stable or increased their healthy activity to avoid more costly healthcare.

Chapter Five provides an overview of health condition management from the viewpoint of generational differences in how we manage health to levels of concern for the prevention of disease. While Boomers and Matures certainly experience more serious conditions as they age, it is noteworthy that both Generation Y and X have adopted significant interest in avoiding certain conditions which ties to their health drivers and eating habits. This would include the adoption of functional ingredients as examined in Chapter Six. Opportunities abound for marketers who present plausible product and brand platforms with supporting evidence to an increasingly open-minded consumer base.

Introduction (continued)

Chapter Seven provides an overview of eco-friendly and sustainable activities among consumers. Key information is contained here across organic, its value to consumers and understanding of key issues. In comparison to "natural" marketplace opportunities, we provide the reader with succinct data and commentary that will affect the future of these two categories.

This eleventh edition of the HWTR is an essential tool for opportunity analysis, new product development, marketing communications, and overall strategic planning as it seeks to analyze the many changes across consumers and the marketplace. NMI's most comprehensive report on health and wellness, the HWTR, will assist ingredient suppliers, manufacturers, brands, retailers, healthcare providers and others in understanding the interrelationship between influences, attitudes and behaviors as they seek to find the "white space" in the marketplace.

Thank you for your interest in NMI's *Health and Wellness Trends Report* and support of this important research. Please let us know if we can answer any additional questions you may have. NMI's trended data can be analyzed across custom groups and topics to fit your specific needs. Please contact NMI for details.

Healthy regards,

Maryellen Molyneaux
President and Managing Partner
Natural Marketing Institute (NMI)

Health & Wellness Trends Database® Methodology

Health & Wellness Trends Database®

- ❖ Most comprehensive data available on health and wellness; based on attitudes, behavior and product usage within the world of health and wellness across 90+ product categories and 20 shopping channels
- ❖ Annual consumer research among U.S. general population adults and primary grocery shoppers
- ❖ Currently 11 years of trended data: 1999 through 2009, inclusive; a total of 30,000+ consumers in the database
- ❖ Nationally representative sample of the U. S. population statistically valid at 95% confidence level to +/- 1.2%
- ❖ 2009 survey was conducted on-line among 5,607 general population consumers; 4,553 primary grocery shoppers are also identified
- ❖ Utilization of a leading on-line research firm

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Natural Marketing Institute (NMI)
272 Ruth Road
Harleysville, PA 19438
phone: 215-513-7300
fax: 215-513-1713
www.NMIsolutions.com