



# HEALTH is the new WEALTH

**1980 to 1990 . . .** The Manufacturing Age  
**1990 to 2000 . . .** The Technology/Information Age  
**2000 to 2010+ . . .** The Age of Well-being

Material things, such as the number of televisions or computers or cars used to define status. Now the new status symbol is family health and fitness. Sickness, disease and obesity will divide economic groups. *Healthy* is a synonym for *quality of life*. Lifestyle becomes 'health style' and nutrition plays a key role.

### Why Health and Wellness

Converging trends have given birth to the age of well-being: the global rise in obesity rates; rising healthcare costs; an aging, affluent population; growing interest in prevention vs. treatment; emerging technologies and scientific advances; and the increasing availability of 'responsible' foods (such as portion controlled and reduced fat, salt, sugar). Combined with empowered consumers with ready access to information, these will continue to be the drivers of health and wellness going forward. Food leads the wellness trend. This is shown by the growing interest and availability of organic, natural, functional and superfoods, as well as prebiotics, probiotics, synbiotics and fortification.

### Wellness Defined

But wellness is much bigger than just food. It is manifested in such diverse areas as clothing (100% cotton or hemp); household products (such as natural soaps that are environmentally responsible); fitness classes, clubs and equipment; services such as massage and spas; travel which supports a healthy lifestyle; and health and beauty products for men as well as women. The new definition of wellness goes beyond just physical health. It is, of course, feeling healthy, including not having stress, eating right, and having time for oneself. But relationships are central. The specifics of well-being are being defined differently by ethnicity and life stage.

There are several global macro-trends which will continue to impact and define wellness. Here are a few examples, in the areas of lifestyle, marketing and regulations.

### *Sustainability has been redefined*

'Sustainability' used to describe responsible farm-to-fork food cultivation processes. A brand is now not only being judged by its end product, but also how the product came to market, including how a company treats its suppliers, employees, and the environment. Sustainable businesses apply guidelines for environmental responsibility, community development,

and employee well-being to all business, product, marketing and operational decisions. Licensees and suppliers are also held accountable and responsible for meeting these expectations.

### *Organic becomes mainstream and more*

The organic segment of retail food sales continues to grow in Europe, North America and parts of Asia. Germany, followed by France and the UK is leading this growth in Europe. Recent food safety concerns have led consumers and media to question the strength of organic certification standards. In fact, organics have become so heavily price-discounted that they are, in Germany, viewed as cheap commodity products. As a result, farmer/processor cooperatives such as *Bioland* are forming around the common purpose of branding their organic products as 'exceeding regulations' and therefore, safer and better. Products made with the *Bioland* seal in Germany are viewed as premium quality, value-added organics. Imported organics in Asia are growing, targeting the wealthy and educated. While at the same time, the Chinese government is working aggressively to expand local organic cultivation.

### *Health Drives Eating and Shopping Shifts*

Grazing (eating less at one time but more often) is common in North America and is gaining in popularity in Europe and Latin America. Shopping is both spontaneous (pick something up for dinner today) and planned (monthly trip to stock up). There are many factors being considered when shopping and health trade-offs for convenience are still common. There is renewed interest in family meal time. With the global rise in obesity, portion control via packaging is popular and advocates are demanding that brands communicate proper portioning proactively.

### *Consumers want Real Food, Clean Labels, Issue-free*

The desire for natural vs. processed foods and ingredients is rising around the world. Consumers are demanding short ingredient statements with familiar and natural names—clean labels. Stabilizers, gums, additives, substitutes and chemicals are causing consumers to put the product back on the shelf. . . no matter how convenient it might be. The UK is leading the way towards additive

(called E-numbers) free ingredients. There is also an increasing desire for foods that are 'free' from perceived negative components, such as gluten-free, lactose-free, and animal-free (vegetarian/vegan). This is least prevalent in Asia, however. Interestingly, genetic modification is being seen as an acceptable route to 'breed out' the allergens from the food supply.

### **The Presence of Positive Nutrition**

'Real food' brings an elevated desire for foods that provide positive nutrient benefits. The debate will change from the absence of negatives to the presence of positives—from no fat, salt, sugar to vitamins, minerals, antioxidants, protein and naturally nutrient rich. The absence of these benefits puts an 'empty calorie/junk food' label on the product in consumers' minds. Super-foods such as exotic fruits (acai, pomegranate), will move to the forefront of value-added ingredients.

### **More Value in Value-Added**

Fortification is changing its focus, from overcoming deficiency to enhancing performance, both cognitive and physical. Examples include calcium, vitamin D, vitamin E, omega-3 fatty acids and probiotics. Due to the high prevalence of obesity related diseases, such as heart disease, diabetes and high blood pressure, foods and diets that offer risk-reduction benefits will also continue to gain interest.

### **Sweeteners Sour**

While the taste of sweet is highly desirable, sweeteners are not, unless they are found in nature (such as honey, fruit). Both calorie (high fructose corn syrup) and non-caloric (aspartame) are suspect. Concern about metabolic syndrome and diabetes is driving interest in the glycemic index and the use of sugar. . . especially in Europe.

### **Fiber, Whole Grains Add Value**

Concerns about the glycemic index as well as traditional diets (such as the Mediterranean Diet) are furthering consumer interest in wholemeal grains and their fiber content. Whole grains are perceived as less processed.

### **Nutrition Gets Personal**

With the emergence of nutrigenomics (the ability to detect individual nutrition and health needs and risk through DNA mapping), there will be a push to produce products that are personalized to specific gender, age, lifestyle and ethnic indicators.

### **Continued Interest in Breakfast—All Day**

Breakfast contributes positively to daily nutrient intake. Yet, a wholesome, balanced breakfast routine is lacking in many countries. Breakfast, especially for children, will continue to gain momentum as a way to manage weight by promoting satiety (sense of fullness) and for brain development. Sugar, however,

will remain a concern. Traditional breakfast foods will gain momentum as an 'anytime' occasion, which is consistent with grazing trends. More restaurants will serve 'breakfast' all day. In Asia, where the evening meal is the most important, breakfast will have different implications.

### **Health means beauty inside and out**

Health and beauty are converging. People of all ages recognize that a healthy lifestyle leads to a better appearance. As a result, 'beauty foods' gain interest; cosmeceuticals, also called nutricosmetics will be new selling points. Claims are emerging that topically applied creams and lotions are only half the battle against the visible signs of aging, with the other half starting with what you put inside. Fruit, especially superfruits like pomegranate and mangosteen, will gain favor for use both inside and out.



### **The 'Holistically Healthy' Brand Emerges**

This is a brand that 'walks the talk' when it comes to wellness. The company is viewed as part of the wellness solution instead of part of the health problem. These are companies that invest and value workplace wellness. Innovation and reformulation solves health problems, or at least does not add to health issues. These brands and companies have a heritage of social and environmental policies and practices. The authenticity and transparency of a brand are as important as the product itself.

### **Marketing to Children Under Attack**

As activists and regulators work overtime to devise restrictions on advertising and all other related marketing practices (promotions, school programs, etc.), the window of allowable advertising that targets school-aged children continues to narrow. What is allowable by law is, however, not to be misconstrued as 'acceptable' marketing practice. Licensed characters, cartoons and kid-friendly personalities are on activist/regulators' radar. Self-regulation must promise an authentic solution in order to avoid legislation.

### **Mom Takes Control**

The rise of 'Alpha-Moms' . . . highly educated, working women with a strong sense of activism . . . has ignited debate and, in some cases, regulation with respect to foods made primarily for children. These moms are aggressively blogging, researching, forming committees, sitting on boards to ensure their wishes are heard when it comes to children. Advertising is viewed with skepticism and must be strongly reinforced by multiple, third-party influencers to be viewed as credible.

### **Caregivers Diversify**

As more women reach their mature years healthier and more active than their parents, a new generation of caregivers emerges. Parents of adults are shopping for, caring for and helping to raise their grandchildren in record numbers. Awareness of cultural nuances is critical. The role of grandparents in shopping decisions is an important factor. With the one-child policy in China this means there are six adults (parents and two sets of grandparents) for every child. And, as more women enter and remain in the workplace, more men opt into the primary caretaker role for their children. Men shop differently from women. While women continue to shop and prepare most of the food, men are more involved in what their children eat. Household composition, not age, determines health needs.

### **Influencers Go Local**

While women pay attention to celebrities, stars and personalities' shopping choices, they are more likely to be influenced in their purchase decision by those closest to them . . . neighbors, friends, relatives, retailers, fitness trainers.

### **Multi-Minding AND Multi-Tasking**

Bombarded with information; more time stressed than ever, today's woman is no longer multi-tasking. She is multi-minding...literally carrying multiple agendas, conversations and thoughts in her head at all times WHILE multi-tasking . The messages to her must be bite-sized, repeatable and discoverable in multiple settings to be heard, remembered and acted upon.

### **Standardized Global Labeling Guidelines Emerge**

Global food safety and health concerns are driving standardized labeling guidelines. Expect Country of Origin Labels (COOL) on all foods and for each ingredient in processed food. Company developed labeling symbols and signposts are gaining momentum. Controversy will continue over the best format for communicating nutrition information on packaging, especially throughout the European Union and North America. Legislation is not far behind. As organic interests/demand rises, expect international certifications to emerge which, in some countries will be more rigid than current guidelines.



### **Health Claim Changes May Lead to Healthy Confusion**

In Europe, there is a reassessment of food additives (E numbers), which will lead to communication challenges, especially about natural ingredients. New health claim regulations may make the approval of new claims challenging. And functional foods are being defined. While some Asian countries, such as Japan, have well-defined rules for functional foods, other Asian countries are in the very early stages of regulatory oversight for food and beverages in this category. Effectiveness of US health claim regulations is being questioned.

### **Border Wars Rise**

In Asia, the lack of region-wide regulations make cross border marketing a challenge. Cultural health beliefs add a layer of complexity to marketing (hot/cold food; yin/yang). Food safety standards vary country to country. With the rise in 'anti-China' sentiments around the world, more scrutiny will be placed on ingredient sourcing and testing region to region; country to country . . . each different. US imports may be perceived as safer and more nutritious but more costly.

### **Consumers Tracking Carbon Footprint and Food Miles**

As concerns of global warming rise and commitments to reverse the tide take hold, expect several countries to call for declarations of a product's carbon footprint on the label. A carbon footprint is the total amount of CO<sub>2</sub> and other greenhouse gases emitted over the full life cycle of a product or service. Heightened desires to reduce carbon fuel emissions are driving consumers to demand the 'food miles' a product and all its ingredients have traveled. Food miles is a term which refers to the distance food travels from the time of its production until it reaches the consumer. The less local, the less desirable . . . a serious implication for foods produced out of country, out of region. Many retailers are leaping ahead of regulation and requiring these declarations now.

## Key Considerations for Success in the Health, Wellness and Nutrition Arena



- **Science is a must**

- Tap into global and local science/nutrition experts to evaluate emerging science and advise marketing teams shaping strategies

- **Public Affairs is imperative**

- Manage regulatory and public affairs to shape local marketing strategies because food issues and regulations driven by health/wellness shape local marketing tactics

- **Monitor the 'public landscape'**

- On-going global trend, media, blog monitoring and analysis is needed to track the ever-changing landscape shifts so marketing messages and strategies may be adjusted accordingly.

- **Zero tolerance for errors and safety issues**

- A robust crisis/issues management program must in place, with frequent drills and updates.



## Wellness — the Ketchum Difference.

We bring together the global expertise of consumer brand, food & nutrition, health care and corporate communications to achieve results that move our clients' businesses forward.

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