

Older Adults Show a Growing Appetite for Healthy Portable Foods

Older Adults (ages 50+) are living longer and leading more active lifestyles, often juggling career, family, community and leisure pursuits. As a result, this growing segment is redefining traditional dietary boundaries and food consumption trends. Specifically, this group craves food that is more portable and addresses key health concerns.

L.E.K. Consulting believes this presents a strategic opportunity for food & beverage manufacturers, retailers and foodservice companies to develop and position their offering to meet the needs of this increasingly important, yet often underserved market segment.

Can I Have it to Go, Please?

Food today is regularly consumed as a secondary activity (e.g., eating lunch while working at one's desk). And this "multitasking mentality" is a major reason why portable foods – such as wraps, prepackaged cups of oatmeal, cereal and soup, as well as single-serve energy bars – now account for one-fifth of older adults' daily caloric intake in the United States (see Figure 1).

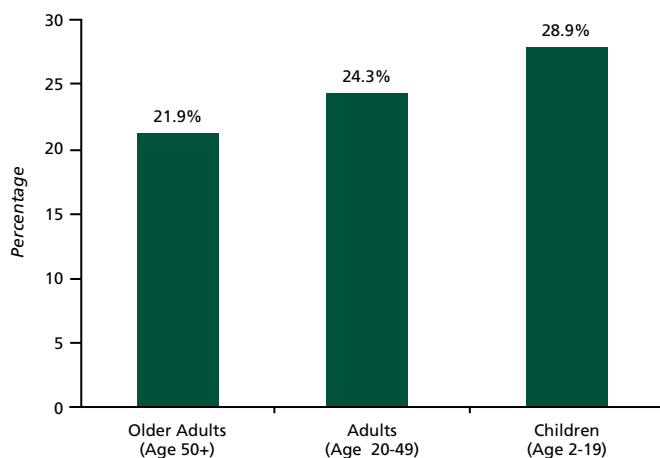
When older adults are able to enjoy a proper meal, they are often seeking foods that require less preparation. Microwavable frozen meals, pre-made salad mixes, and fully prepared, ready-to-eat entrées are all examples of foods that allow older adults to enjoy the benefits of a sit-down meal while spending less time in the kitchen.

Craving More Than Just Taste

This growing demographic is also focused on managing their health, and is increasingly aware of the affect that diet has on wellness, and the role that it plays in disease and ailment prevention. L.E.K. research reveals that more than half of the 3,000 U.S. consumers that it recently surveyed are concerned about heart health, and more than 45% are focused on brain and vision health, as well as cancer prevention. More specifically, L.E.K. finds that consumers older than 50 are increasingly cognizant of the onset of diabetes, high blood pressure and osteoporosis.

Figure 1

Fast-Paced Lifestyles Contribute to Growth in Portable Food Consumption
Estimated Caloric Intake from Snacking*



Note: *Calories from snacking includes food consumed outside of traditional meal times of breakfast, lunch and dinner as indicated by respondents.

Source: L.E.K. Analysis, Bureau of Labor Statistics, U.S. Department of Agriculture, Just-Food.com, All One

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This focus on wellness is leading a growing number of older adults to look for fortified foods that include supplemental vitamins and nutrients in an attempt to stay healthy and mitigate the effects of aging. However, despite the cravings that older adults have for healthy, ready-to-eat foods, the majority of innovation in portable foods to date has been focused on children and families.

But make no mistake, many food & beverage companies are serving up new “functional” products for older adults that provide a myriad of health benefits along with great taste. The *Nutrition Business Journal* projects that the functional food & beverage market will grow 4.5% CAGR between 2009-2014, and will outpace overall food & beverage industry growth.

The emphasis on health and wellness is especially pronounced in the dry hand-portable foods category, as more than 90% of new snack bar products introduced in 2010 were marketed for their health benefits. Leaders in this category are primarily adapting existing products by changing their ingredients (adding healthier options or eliminating less healthy ingredients).

Products promoting health benefits include:

- **Activia:** Dannon’s line of yogurt and dessert products is promoted for its digestive health benefits.
- **Barilla:** The pasta company’s Barilla Plus Spaghetti is enriched with fiber, ALA omega-3 and protein to provide multiple health attributes.
- **Gatorade:** The G Series product line includes nutrition bars that are fortified with vitamins and protein.
- **Planters:** The company’s NUT•rition line of mixed nuts features targeted offerings for digestive health, energy and antioxidants.

Guiding the “Looking but Lost” Consumers

Despite the number of popular health-oriented foods, labeling health benefits on a product won’t necessarily make it successful. And the influx of new health-oriented products is only adding to consumer uncertainty. To illustrate, L.E.K. finds that nearly 45% of grocery consumers surveyed say that purchasing healthy foods is a priority, but they are not sure which products are right for them.

This uncertainty can be caused by confusion regarding the specific benefits that many brands are trying to convey (e.g., lowers cholesterol), and skepticism about the credibility of these health claims. We call this vast market segment “Looking but Lost.” Yet despite these misgivings, Baby Boomers still generally prefer to purchase foods with reported health benefits rather than supplementing their diets significantly with nutraceuticals.

Providing Mature Consumers with Alluring Options

To help persuade the “Looking but Lost” and other customer segments, brands need to determine which key benefits they want to spotlight to make it easier for consumers to understand the health proposition for each product. But brand messaging alone is not enough to influence consumers.

L.E.K. research also shows that the in-store experience is critical to consumers’ purchasing decisions of healthy portable foods. Some grocers are taking a more deliberate role in guiding consumers by providing color-coded information about ingredients and the health conditions that products may address (both within stores and online).

Others are using signage and product placement to showcase their health-focused offerings, such as positioning healthy foods adjacent to the produce section. Additionally, Wegmans and other grocery chains are creating healthy foods “destination aisles” or placing health foods in the center of the store to make it easier for consumers to find.

To broaden the experience beyond just shopping, grocers such as Giant Eagle are introducing dieticians to help consumers with food choices at the store level. And brands such as Publix are positioning their combined pharmacy and grocery stores as a convenient, one-stop offering for consumers.

Clearly many brands and retailers need to reexamine their hand-portable food market strategies to bolster sales with older consumers. L.E.K. sees an opportunity for companies who can execute on these strategies effectively to see significant results in reaching this slightly overlooked, but strategically important market segment.

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