HONEY

MANUKA

NATURALLY HEALTHY PACKAGED FOOD | MARKET & INDUSTRY
CATEGORY HIGHLIGHTS

Key Stats

- Naturally healthy (NH) packaged food sees an increase in interest in line with the growing health and wellness trend
- NH food current retail value sales rise by 7% to £3.9b in 2020 while retail volume sales increase by 6% to 866,000 tonnes
- NH packaged food is expected to post a retail value CAGR of 4% at current 2020 prices with sales reaching £4.9b by 2025

Low sugar trend boosts interest in NH packaged food

Interest in NH packaged food free of sugar and artificial flavours and preservatives continues to grow in popularity.

This trend has been further fuelled by the recent rise in consumer health concerns following the COVID-19 outbreak.

Trend towards simplicity supports NH sales

Demand for NH packaged foods is being supported by the fact that consumers perceive naturally healthy products as being healthy, less processed and offering more nutritional value.

NH packaged food is expected to maintain strong retail current value growth over the forecast period as more consumers aim to eat more healthily and become aware of the benefits of NH packaged food.

Growing focus on reducing sugar to further drive demand

NH packaged food sales are set to continue rising over the forecast period as consumers become ever more health and sugar conscious.

In response to rising health awareness, producers are introducing a growing number of products with natural properties that don't contain artificial additives or sugar.

Clean labels & simple ingredients key to attracting consumers

Clean labels and simple ingredients will remain key to attracting consumers to NH packaged food. Time-constrained consumers appreciate easy-to-understand and clear ingredients lists that highlight the health benefits of products.

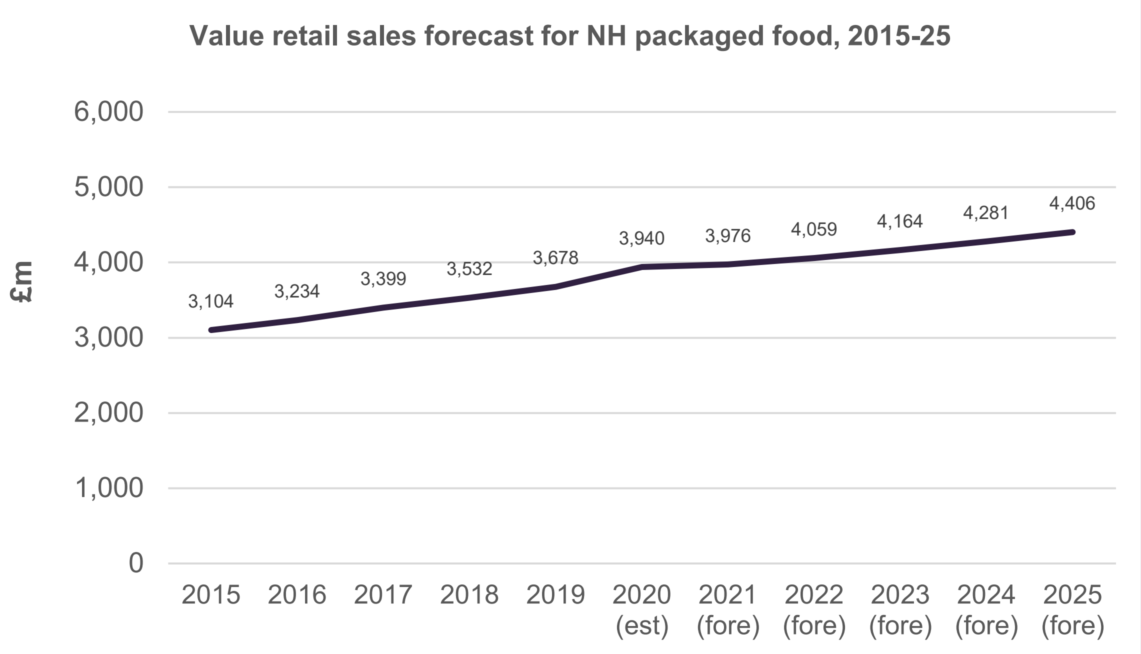
As demand for clean labels increases, manufacturers are putting their claims on the front of packs to reduce the time needed for consumers to understand the benefits of their products.

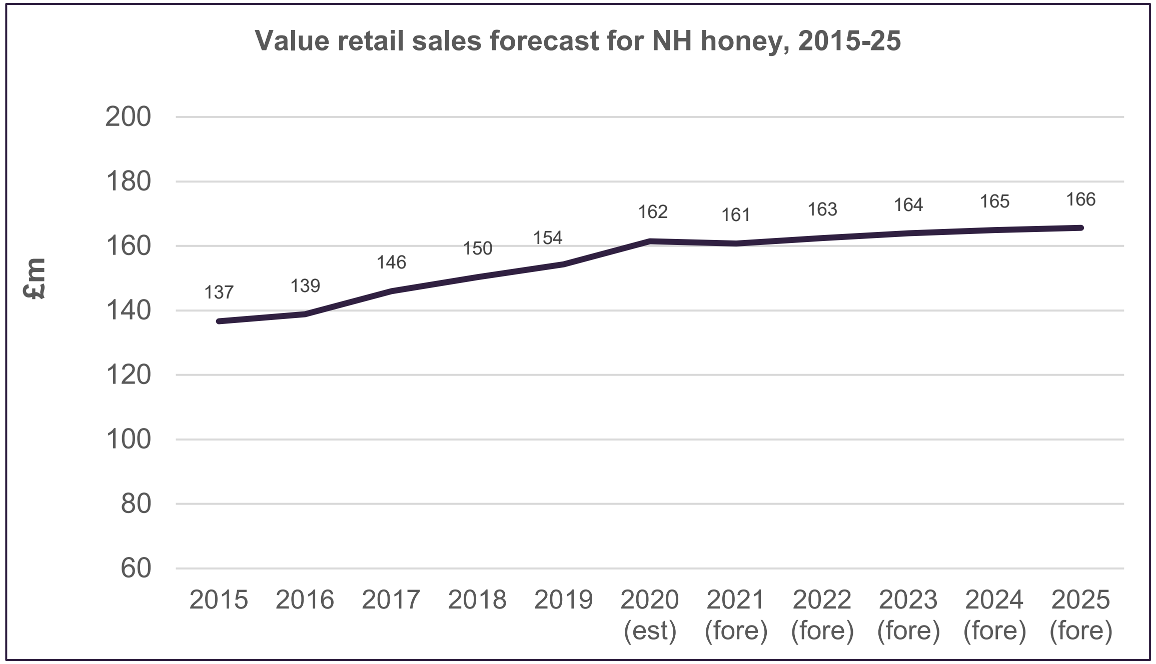
Source: Euromonitor 2021: Naturally Healthy Packaged Food in the United Kingdom

NATURALLY HEALTHY PACKAGED FOOD | MARKET & INDUSTRY

MARKET SIZE & FORECAST

Both NH packaged food and a category and NH honey reported value growth in 2020 (+7.1% and +4.7% respectively) in line with an increased consumer focus on health and wellbeing. Further growth is forecast for both categories across 2020-2025.





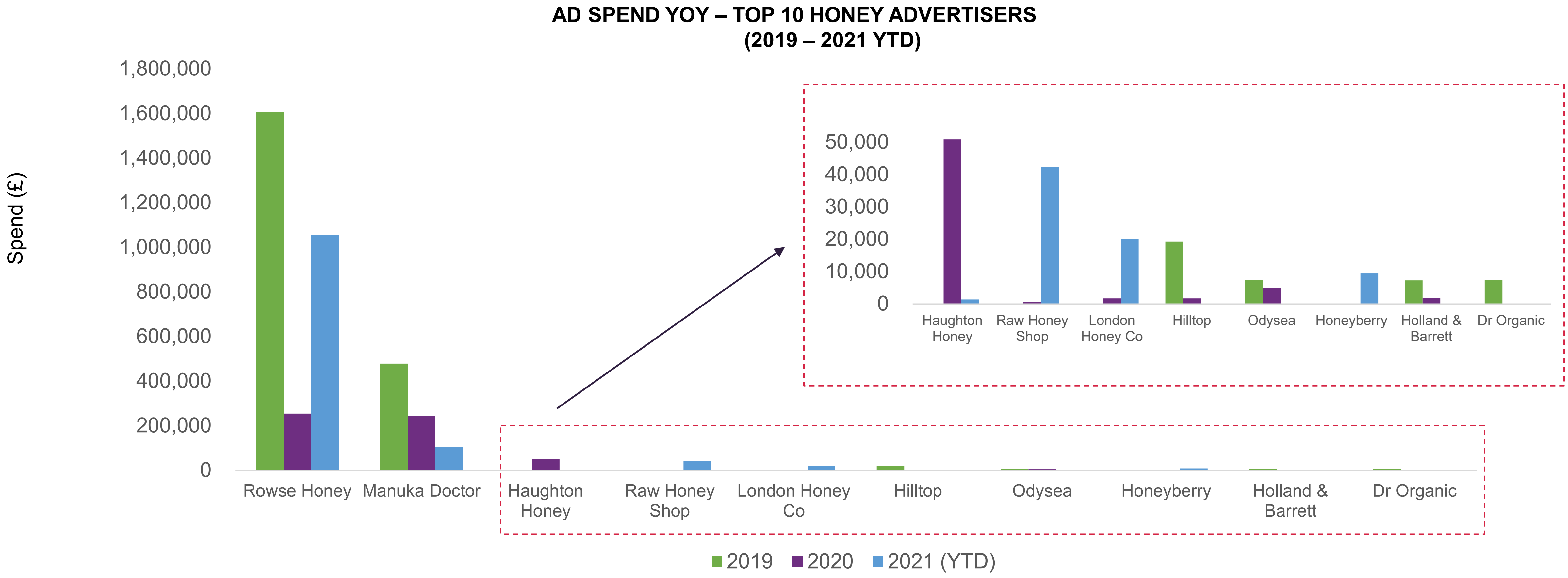
% value growth	2019/2020	2020/2021	2020/25 total
NH packaged food	7.1	0.9	4.4

% value growth	2019/2020	2020/2021	2020/25 total
NH honey	4.7	-0.4	2.5

Source: Euromonitor 2021: Naturally Healthy Packaged Food in the United Kingdom

HONEY | COMPANIES & BRANDS

ROWSE HONEY AND MANUKA DOCTOR DOMINATE AD SPEND

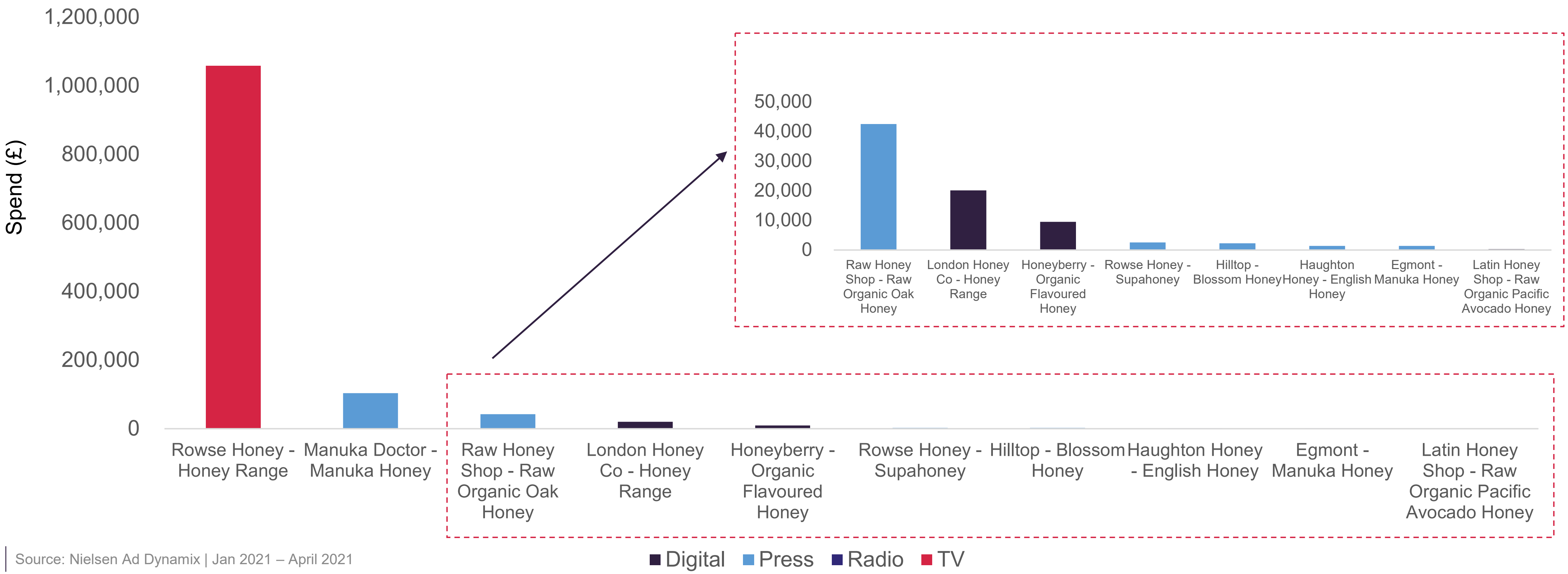


Source: Nielsen Ad Dynamix | 2019 – 2021 YTD

HONEY | COMPANIES & BRANDS

PRESS IS THE KEY CHANNEL FOR MOST OF THE TOP SPENDERS

AD SPEND BY CHANNEL – TOP 10 HONEY ADVERTISERS
(Jan – Apr 2021)



Source: Nielsen Ad Dynamix | Jan 2021 – April 2021

HONEY | RETAILERS

ADDRESSABLE AUDIENCE (RETAILERS)

	TESCO	ALDI	LIDL	ASDA	Sainsbury's	Morrisons Since 1899	Waitrose	M&S EST. 1884	ocado	HOLLAND & BARRETT
Total Audience size*	30% (4.8m)	25% (4m)	20% (3.2m)	19% (3.1m)	17% (2.7m)	15% (2.3m)	3% (478k)	2% (318k)		19% (2.2m**)
Total annual spend (000)	£24,893	£17,011	£16,837	£13,506	£16,355	£9,947	£3,913	£1,753		
Average annual spend	£5.17	£4.29	£5.19	£4.38	£6.07	£4.25	£8.19	£5.51		
Online Audience size	8% (1.2m)			5% (724k)	4% (664k)	2% (386k)			2% (278k)	
Online annual spend (000)	£6,079			£2,653	£3,976	£1,745			£1,703	
Online average annual spend	£4.89			£3.67	£5.99	£4.53			£6.12	

Source: TGI Worldpanel 2021, *Base: UK households, honey buyers | **Source: TGI GB 2021, please note the base is all adults and not all households like Worldpanel, the % shows the proportion of honey buyers who shop at Holland & Barrett in general

MANUKA HONEY | RETAILERS

WHILE SEARCH VOLUMES ARE LOW, HIGH VISITS SUGGESTS CONSUMERS ARE MOTIVATED

SEARCH VOLUME

24,990

Monthly average of searches on google for all the keyword in the group.

SEARCH VISITS

85,870

Average monthly clicks on the search results, Including desktop and mobile

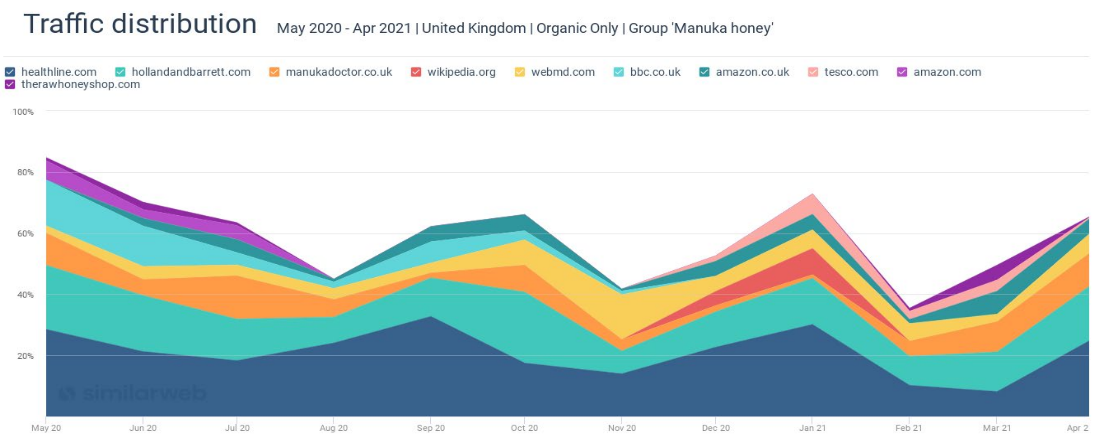
COST PER CLICK

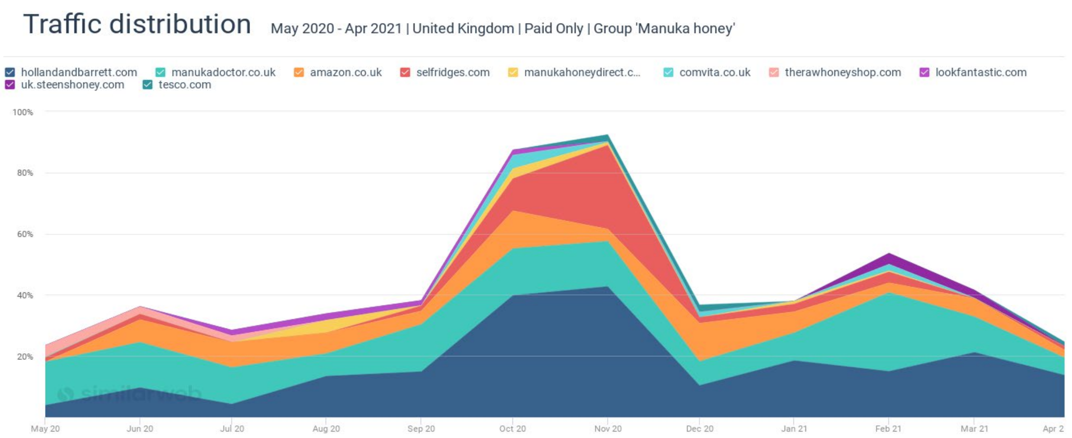
$1.07

Source: Similarweb | May 2020- Apr 2021

MANUKA HONEY | RETAILERS

HEALTH & WELLNESS SITES LEAD TRAFFIC SHARE





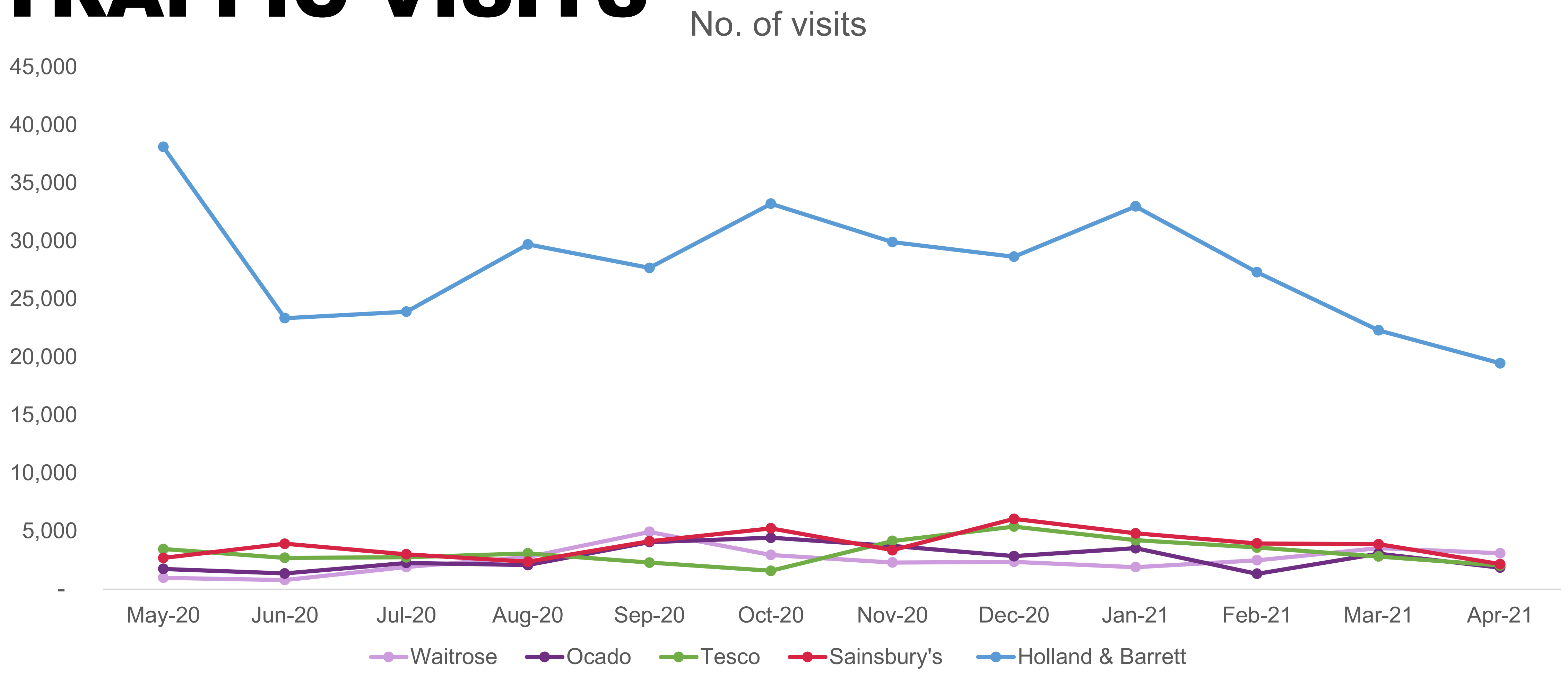
Health and Wellness retailers such as Holland & Barrett, as well as specific retailers for manuka products such as Manuka Doctor lead the way in both organic and paid traffic.

Paid traffic peaks in Autumn (October and November 2020), when people are most likely to search for honey products.

Source: Similarweb | May 2020- Apr 2021

MANUKA HONEY | RETAILERS

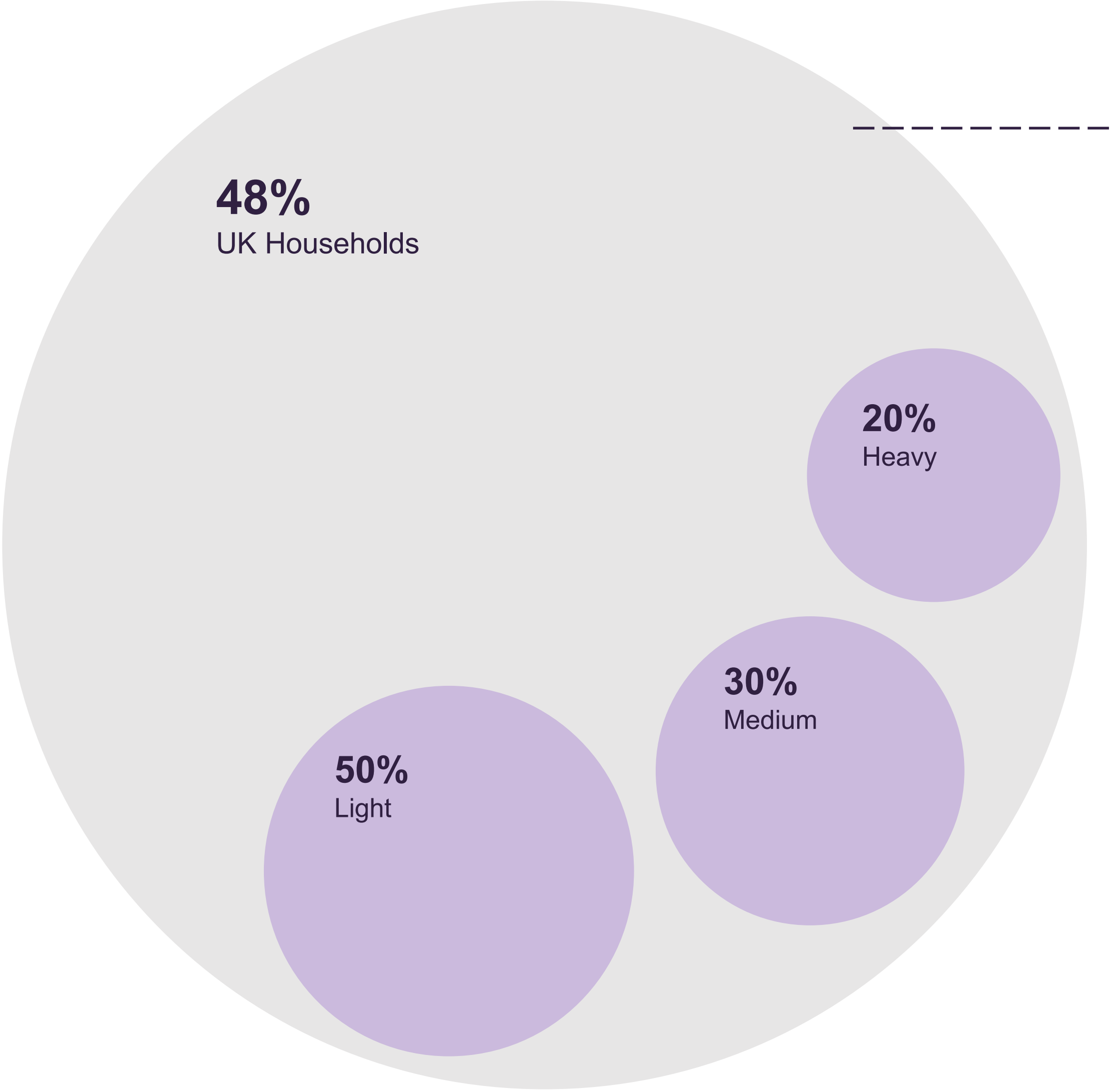
HOLLAND & BARRETT DOMINATES TRAFFIC VISITS



Source: Similarweb | May 2020- Apr 2021

HONEY | CONSUMER

ADDRESSABLE HONEY AUDIENCE



Total honey buyers
16m

| Heavy
3.2m

| Medium
4.8m

| Light
8m

Total annual spend (000): **£117,228**
Average annual spend: **£7.37**

Heavy total annual spend (000): **£73,780**

Medium total annual spend (000): **£28,405**

Light total annual spend (000): **£15,043**

Source: TGI Worldpanel 2021
Definitions: Heavy – Top 20% of buyers, Medium – Next 30% of buyers, Light – Lowest 50% of buyers

HONEY | CONSUMER

BRAND AUDIENCES OVERVIEW

	Rowse Honey	Sainsbury's	Waitrose & Partners	M&S	Hyve
Total Audience size*	28% (4.4m)	9% (1.4m)	2% (319k)	1.7% (269k)	1% (151k)
Heavy	6% (880k)	2% (272k)	0.4% (63k)	0.3% (54k)	0.2% (30k)
Medium	8% (1.3m)	3% (408k)	0.6% (95k)	0.5% (81k)	0.3% (45k)
Light	14% (2.2m)	4% (680k)	1% (160k)	0.9% (135k)	0.5% (76k)
Total annual spend (000)	£28,211	£5,309	£1,578	£821	£515
Average annual spend	£6.41	£3.91	£4.95	£3.05	£3.41

Source: TGI Worldpanel 2021, *Base: UK households, honey buyers

HONEY

Easily influenced
Premium
Worrisome
Managerial
Quality matters

AGE
25-44

SOCIAL GRADE
ABC1

EMPLOYMENT STATUS
EMPLOYED (FULL- AND PART-TIME)

LOCATION
LONDON

SIZE
47%

BACKGROUND

Honey consumers are more likely to be under 45 and ABC1's. Over half of honey consumers are female and are likely to have children of all ages in the household. They are more likely to be working full- and part-time jobs, but enjoy spending their free time cooking, listening to music or reading.

This audience's shopping habits can be easily influenced by others, especially when it comes to food. Rowse is the most popular brand of honey, followed by various supermarket's own brands. They are likely to be grocery shopping a few times a week at online supermarkets such as Waitrose or Sainsbury's and in-store at independent butchers and Lidl.

With busy jobs, honey consumers can often be quite anxious and worrisome about their work-life balance. They are likely to be frequent London Underground users and enjoy watching online videos using platforms like Vimeo or Facebook. They enjoy playing sports such as football, as well as eating out at restaurants.

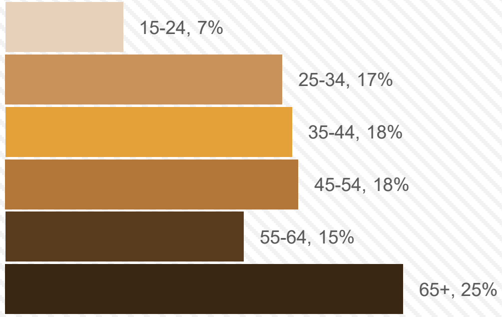
HOW THEY SPEND THEIR FREE TIME (by index)

Cooking 47% (i105)	Music 41% (i104)	Reading 39% (i104)
Gardening 28% (i101)	Walking 23% (i103)	Puzzles 22% (i100)

AVERAGE ANNUAL HONEY SPEND £7.37

GENDER

AGE



MOST BOUGHT HONEY BRANDS

ROWSE 30%	ALDI 21%	TESCO 19%	LIDL 18%	MORRISONS 10%

TOP ONLINE GROCERY RETAILERS

Waitrose 2% (i114)

Sainsbury's 11% (i110)

ASDA 14% (i107)

TOP IN-STORE GROCERY RETAILERS

Waitrose 25% (i113)

LIDL 61% (i107)

INDEPENDENT BUTCHERS 14% (i110)

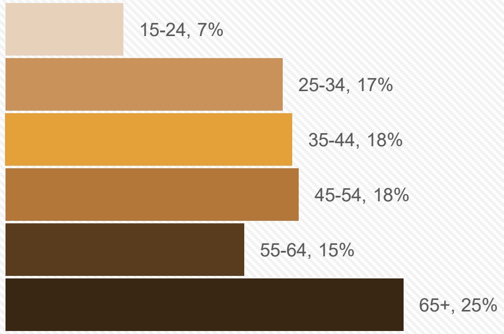
MARKS & SPENCER 37% (i107)

Source: TGI Worldpanel 2021

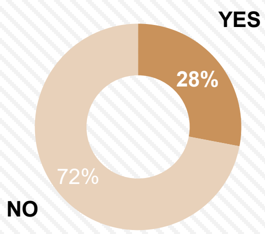
HONEY

DEMOGRAPHIC PROFILE

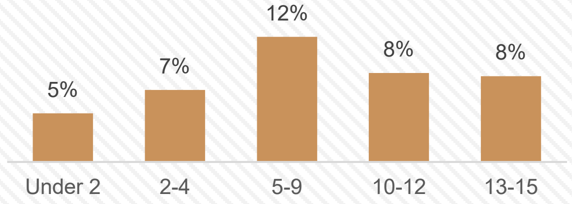
AGE



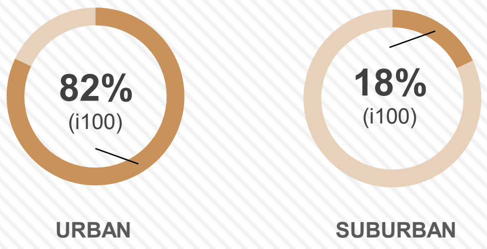
CHILDREN IN HH



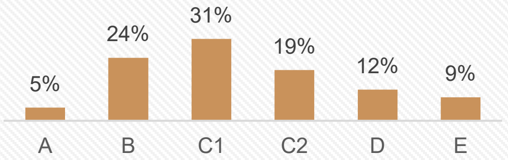
AGE OF CHILDREN



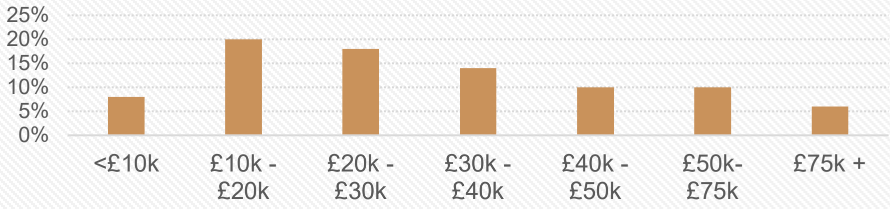
URBAN / RURAL



SOCIAL GRADE



FAMILY INCOME PER YEAR



LOCATION (by index)

London
16% (i112)

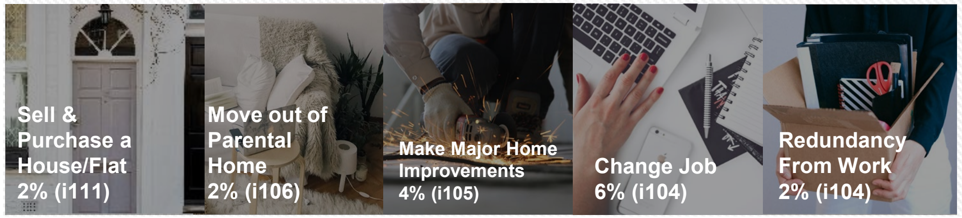
East of England
10% (i105)

South East
15% (i104)

EMPLOYMENT STATUS

EMPLOYED, FULL TIME	38% (i102)
EMPLOYED, PART TIME	18% (i103)
UNEMPLOYED	14% (i99)
RETIRED	26% (i99)

LIFE EVENTS EXPERIENCED IN THE LAST 12 MONTHS (by index)



Source: TGI Worldpanel 2021

HONEY
MEDIA

ONLINE VIDEO SITES USED (by index)

vimeo	facebook	YouTube	dailymotion
3% (i114)	35% (i106)	57% (i104)	3% (i104)

TV SERVICES USED IN LAST MONTH (by index)

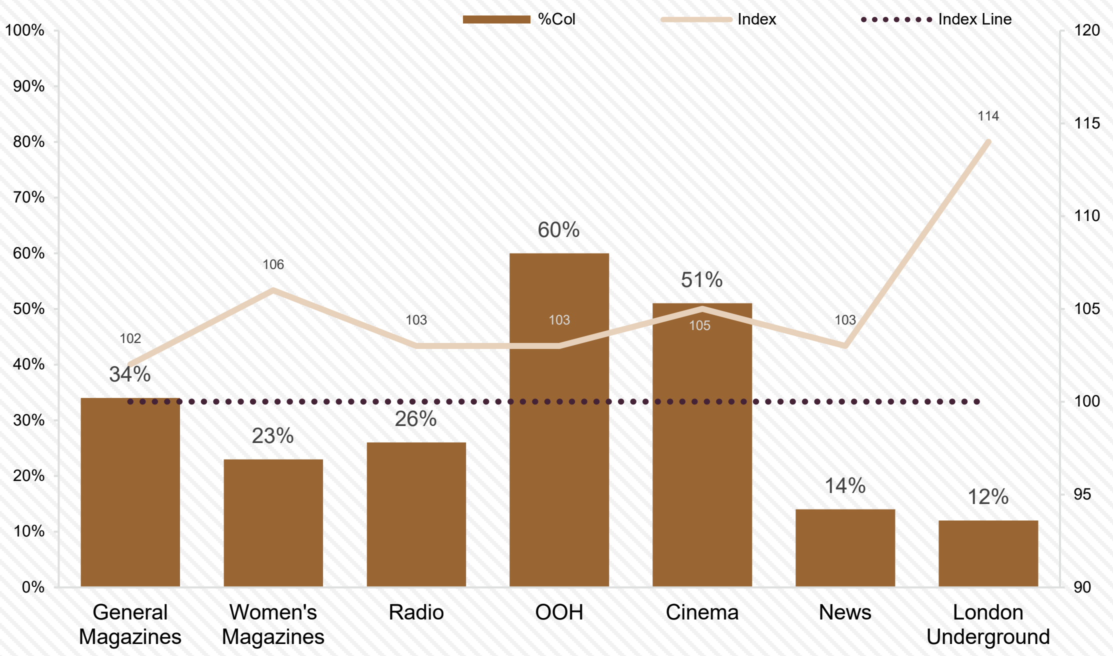
Freeview	My5	Channel 4	BT Sport
3% (i107)	5% (i106)	10% (i105)	4% (i105)

AVERAGE HOURS (per week)

LIVE TV	VOD	RADIO	NEWSPAPERS
7.4 Hrs (7.4 UK Av)	**2.2 Hrs** (2.2 UK Av)	**10.4 Hrs** (10.2 UK Av)	**1.1 Hrs** (1.1 UK Av)

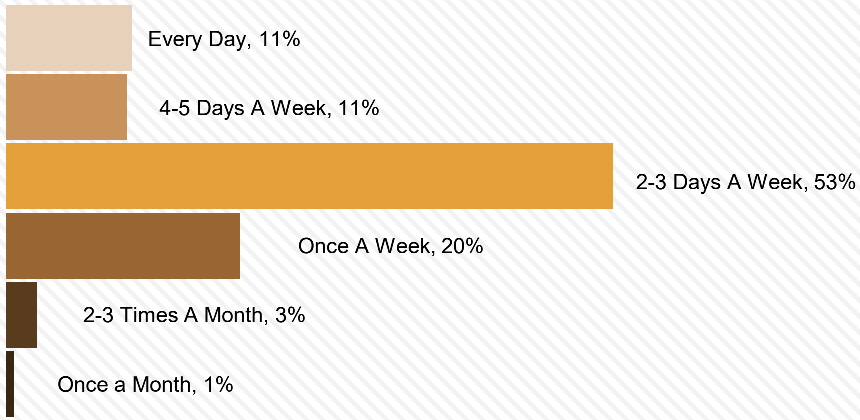
MAGAZINES	INTERNET	ONLINE VIDEO	GAMING
0.6 Hrs (0.5 UK Av)	**30.8 Hrs** (30.0 UK Av)	**1.1 Hrs** (1.0 UK Av)	**8.5 Hrs** (8.3 UK Av)

HEAVY MEDIA CONSUMPTION



HONEY
GROCERIES

SHOPPING FOR FOOD, DRINK & HOUSEHOLD FREQUENCY



TOP IN-STORE RETAILERS FOR GROCERIES (by index)

Waitrose
25% (i113)

INDEPENDENT BUTCHERS
14% (i110)

LIDL
61% (i107)

M&S EST. 1884
19% (i107)

INDEPENDENTS
40% (i105)

AVERAGE ANNUAL HONEY SPEND

£7.37

MOST BOUGHT HONEY BRANDS

ROWSE
30%

ALDI
21%

TESCO
19%

LIDL
18%

MORRISON'S
10%

TOP ONLINE RETAILERS FOR GROCERIES (by index)

Waitrose
2% (i114)

Sainsbury's
11% (i110)

ASDA
14% (i107)

Source: TGI Worldpanel 2021

HONEY

LIFESTYLE

HOBBIES & INTERESTS

Cooking
47% (i105)

Music
41% (i104)

Reading
39% (i104)

Gardening
28% (i101)

Walking
23% (i103)

Puzzles
22% (i100)

Baking
22% (i105)

Sewing
11% (i102)

DIY
9% (i101)

SPORTS PLAYED

Weight Training
7% (i105)

Cardio Machines
7% (i105)

Fitness Classes
7% (i108)

Running
7% (i109)

Cycling
6% (i102)

Football
5% (i197)

HEAVY USERS ~ LEISURE ACTIVITIES

RESTAURANTS
14% (i108)

TAKEAWAYS
11% (i99)

COFFEE SHOPS
19% (i105)

PUB DRINKS
11% (i102)

Source: TGI Worldpanel 2021

HONEY
LIFESTYLE STATEMENTS

I find it difficult to balance work, children and social life
24%
(i107)

I often worry about failing my children
32%
(i104)

I am prepared to pay more for good quality wine
37%
(i105)

QUALITY MATTERS

ANXIOUS

I like to have control over people and resources
20%
(i105)

EASILY INFLUENCED

News on food influences my dietary habits
30%
(i105)

I find that I'm easily swayed by other people's views
16%
(i104)

Source: TGI Worldpanel 2021

HONEY

SUMMARY

MARKET

Naturally healthy packaged food sees an increase in interest in line with the growing trend in health and wellness.

NH honey reported value growth in 2020 of 4.7% with further growth forecasted for both the wider naturally healthy category and honey category across 2020-2025.

AD SPEND

Rowse Honey and Manuka Doctor completely dominate ad spend with press being the key channel for most spenders (although Rowse Honey ad spend is exclusively on TV).

SEARCH

In contrast to what we have seen for the red meat category, for honey there are small search volumes but high search visits – suggesting the honey searcher is very motivated to take action and is visiting lots of different sites to get what they want.

There are strong health associations with manuka honey with Holland & Barrett as the key retailer commanding manuka honey traffic share.

CONSUMER

With time-constrained consumers increasingly appreciating easy to understand and clear ingredients lists to highlight health benefits, clean labels and simple ingredients and health claims will remain key to attracting consumers to the category.

Consumer interest in naturally healthy foods free of sugar and artificial flavours and preservatives continue to grow in popularity, further fuelled by COVID-19.

HONEY

WHAT DOES THIS MEAN FOR NZ BRANDS?

MARKET

Growing trends in health and wellness present a strong opportunity for honey brands.

With a 4.7% increase in 2020 and further growth predicted through 2021-2025 for honey generally, NZ brands should seize this opportunity to educate an already engaged consumer about the unique health benefits and anti-bacterial properties of active Manuka honey.

AD SPEND

While Rowse dominates the mainstream retail market, Holland & Barrett is also a top retailer in the honey market.

Brands should consider stocking products with retailers that align with stronger perceptions of health such as Holland & Barrett or Whole Foods to support the positioning of Manuka honey as a health product in the UK.

SEARCH

Given that Holland & Barrett is the top retailer, stocking NZ products with this retailer is recommended to ensure NZ products are part of the consideration set. If selling B2C directly, given that consumers are motivated to purchase Manuka honey online, the buying experience should be as seamless as possible to encourage conversion.

CONSUMER

Brands need to think carefully about how they communicate health benefits and claims to the honey consumer.

This consumer is after simple, easy to understand and fully transparent information – getting this messaging right will be key to successfully educating the UK consumer about Manuka honey.