Vypr REPORTS

Consumer Horizon

Insights Shaping the Industry

With industry spotlights from

Retail Economics

BRITISH FROZEN FOOD FEDERATION

January 2025

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In association with:

BRITISH FROZEN FOOD FEDERATION

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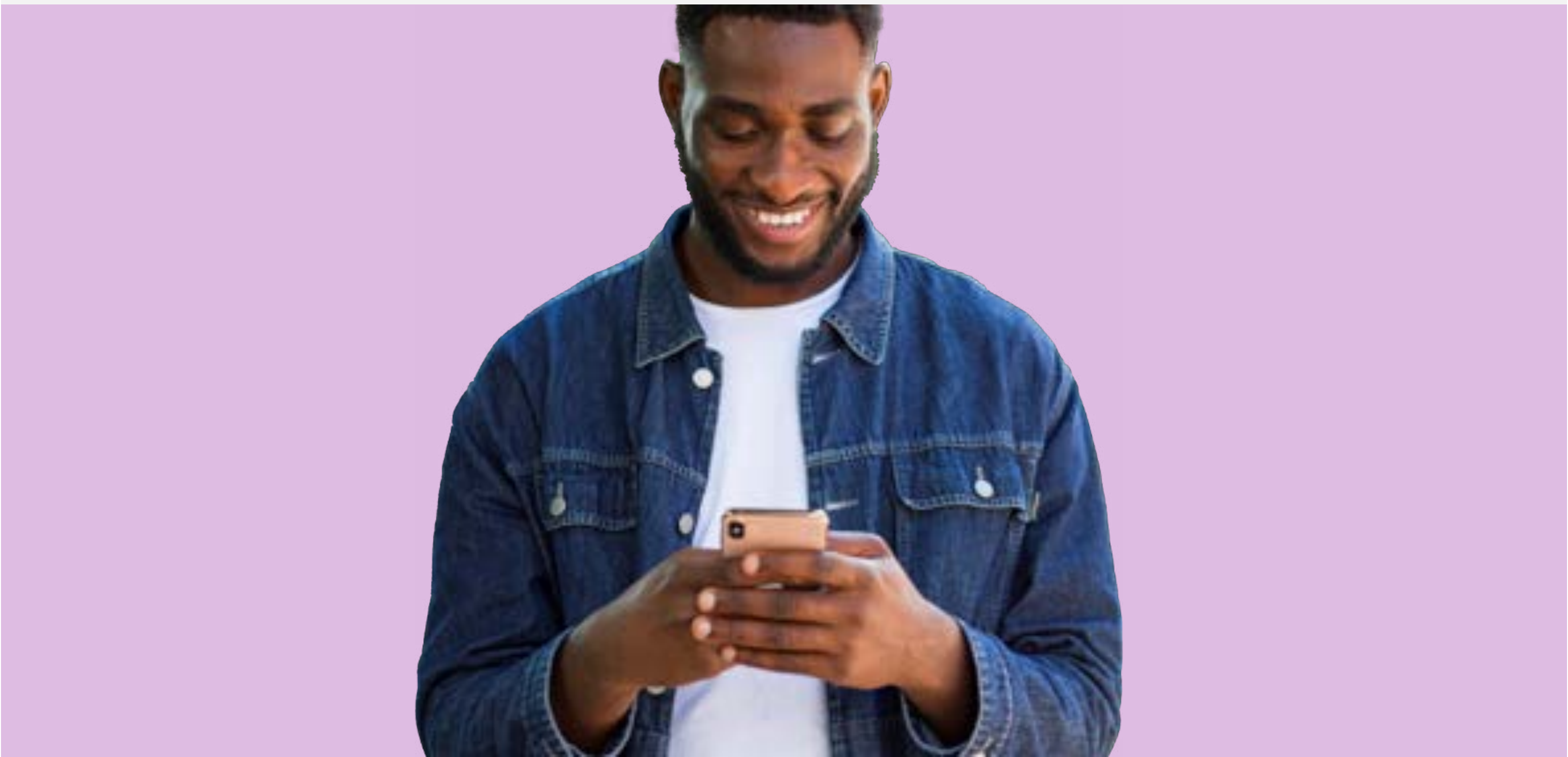


Introduction

Welcome to the **Consumer Horizon 2025: Insights Shaping the Industry** report.

Building on the foundation of previous editions, this report is designed to equip brands with an actionable understanding of evolving consumer priorities and market dynamics. In a world where economic pressures persist, technological advancements accelerate, and sustainability demands grow louder, staying aligned with consumer expectations is paramount.

This quarterly edition offers a **clear snapshot of the pressing needs**, shifting mindsets, and emerging opportunities shaping the retail and consumer goods landscape. As the cost of living continues to challenge many households, consumers are reassessing their spending habits, creating a tougher financial environment for supermarkets, restaurants, and other sectors. Brands must work harder than ever to inspire loyalty and drive engagement.

Through data-driven insights, leading product intelligence and practical recommendations, this report explores key themes such as sustainable packaging innovations, the role of digital tools in enhancing transparency, and strategies to connect more deeply with today's consumers. This edition also includes a spotlight report on the frozen food sector, created in collaboration with the **British Frozen Food Federation**, offering a focused analysis of trends and opportunities alongside our continued "Know Your Shopper" section written by **Retail Economics**, examining the impact of membership loyalty on purchasing behaviours.

It's more than an analysis; it's a **guide to thriving in a rapidly changing marketplace**, ensuring your business resonates with the real needs and desires of your target audiences.

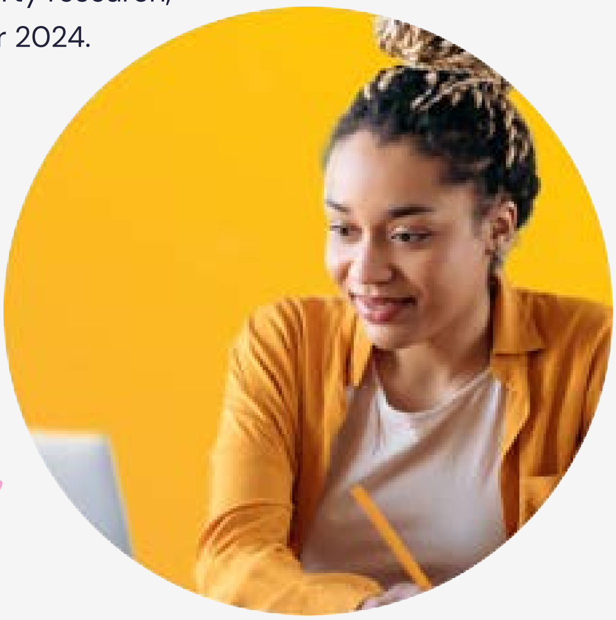
Methodology

Vypr is a **leading product intelligence platform** designed to empower brands with the insights needed to make informed product decisions at the right moments. Our platform leverages a **proprietary community of over 80,000 UK consumers**, providing our cutomers with direct access to real-time feedback. This unique capability allows brands to refine their strategies and develop products that truly resonate with their target audiences.

At Vypr, we go beyond traditional market research by focusing on the immediate, intuitive reactions of consumers. Instead of lengthy questionnaires, we engage our community with short, targeted questions that capture fast, instinctive responses. This approach is rooted in the principles of **System 1** thinking, a concept popularised by Daniel Kahneman in his seminal work, Thinking, Fast and Slow. System 1 represents the brain's quick, automatic decision-making process, which is responsible for approximately 95% of purchasing decisions. By tapping into this cognitive function, Vypr enables brands to understand consumer behaviours and attitudes with **accuracy and speed**.

Research Methodology

The findings in this report are based upon first-party research, conducted between October 2024 and December 2024. The primary research apparatus used to collate consumer feedback was a bespoke survey application, available on smartphone. The application is device agnostic and allowed a nationally representative community of real UK consumers to provide answers to a broad range of questions. To deliver comprehensive insights, Vypr adopts a mixed-method approach, by integrating both **qualitative and quantitative** research methodologies.



Qualitative Research

For our qualitative research, we utilised two distinct types of questions:

Free Text Responses: Engaging a sample size of 50 consumers, this approach allowed respondents to provide open-ended answers. These responses offer deep, personal insights into consumer thoughts and attitudes, capturing the nuances of their experiences.

Sentiment Analysis: Leveraging AI technology, we analysed responses from 250 consumers to summarise the overall sentiment, whether positive or negative, related to specific topics. This method provides a clear understanding of the emotional tone behind consumer feedback, highlighting the underlying sentiments that drive behaviour.

Quantitative Research

Our quantitative research was designed to capture structured, statistically significant data:

Sample Size and Question Types: We conducted surveys with a robust sample of 1,000 consumers. This larger sample size ensures the data is representative of the broader population, allowing us to draw meaningful conclusions across different demographics.

Single and Multi-Answer Multiple Choice Questions: These questions offered respondents a range of predefined options, enabling us to measure consumer preferences and behaviours with precision.

Vykert Scale: Our proprietary Vykert question, a refined version of the traditional Likert scale, uses a sliding scale to capture the intensity of consumer opinions. This provides a more nuanced view of their preferences and attitudes.

Representation: All quantitative research was conducted using a nationally representative sample of 1,000 consumers. This means that proportionate weightings, aligned to the most recent ONS population data (2024), were used to ensure proportional representation associated to age and gender

Executive Summary

Consumer Horizon 2025

UK consumers are navigating a dynamic and complex landscape **shaped by economic pressures, shifting values, and an increasing focus on sustainability and health**. Though challenging, these changes are inspiring new trends in shopping behaviours, creating fresh opportunities for brands and retailers to strengthen their connections with consumers.

Price, as expected, remains a critical factor, but consumers are increasingly looking beyond cost alone, prioritising choices that reflect their values and lifestyles. Factors such as environmental impact, product functionality, and personal health are now driving decisions, presenting brands with exciting ways to align with consumer priorities and foster lasting loyalty.

This **report explores the key trends influencing purchasing behaviours** and shopper trust, providing valuable insights to help brands engage with today's consumers and succeed in an increasingly competitive market. Amid these shifts, loyalty is being redefined. Today's consumers are not just loyal to brands that offer affordability but to those that align with their values, support their goals, and make them feel understood. By forging deeper connections and responding to these evolving priorities, brands can position themselves to thrive.

Health and Wellness: Consumers are increasingly open to using digital platforms to support their health goals, even if it involves sharing personal data. However, affordability remains a key concern, requiring retailers and restaurants to strike the right balance between price and value. Platforms that enable calorie tracking, protein monitoring, and other diet-related insights are particularly appealing to younger male consumers, offering a clear opportunity for brands to cater to this growing demand for personalised health solutions.

Ultra-Processed Foods (UPFs): UPFs are a hot topic in media and public discourse, yet their classification criteria and the robustness of nutritional science supporting certain claims remain contested. This uncertainty leaves consumers both confused and increasingly concerned about the potential health impacts of UPFs. Despite these concerns, UPFs remain popular due to their convenience and affordability, highlighting a disconnect between intentions and behaviours.
This gap presents an opportunity to educate consumers on how UPFs can be incorporated into a balanced diet. For individuals following specific dietary lifestyles, such as meat-free or high-protein regimens, thoughtfully chosen UPFs can offer practical and valuable solutions.

Circular Economy: Reducing waste, sourcing local products and upcycling is increasingly in the minds of consumers. While the circular economy concept has not yet made it into the mainstream, awareness is fast growing. Seven in ten (69%) UK consumers already made sustainable changes to their grocery shopping in the last year, and the trend looks set to continue. Top options for retailers to lean into this trend are to offer reuse and refill stations, as well as implementing dynamic pricing models.

Spotlight on the Frozen Sector: Consumers want to see both sustainability and affordability in the frozen food aisle. They're increasingly cautious about origin sources, production processes, and packaging that could harm the environment. Despite being a highly price-sensitive group, over half (55%) are willing to pay more for sustainability. However, freezer space remains a significant limitation, restricting how much consumers can buy. To address this challenge, brands should focus on incentivising purchases through tailored promotions, providing education on optimising freezer space, or offering more space-efficient packaging designs.

Knowing your Shopper and Membership Loyalty: Loyalty is no longer just about points and discounts; it's about creating meaningful connections with consumers through personalised and transparent membership models. As shoppers increasingly prioritise value and convenience, loyalty schemes have become a vital tool for fostering deeper engagement. With 97% of UK consumers enrolled in at least one loyalty programme, the opportunity for retailers to strengthen trust and drive retention is immense. This section delves into how membership pricing models are reshaping shopping behaviours and highlights the psychological triggers that influence loyalty, from perceived exclusivity to social proof.

Looking Ahead: The insights in this report highlight the importance of investing in an understanding of evolving consumer behaviours in an increasingly complex landscape. This is not just an analysis of trends; it is a forward-looking guide designed to identify emerging shifts, validate hypotheses, and predict future market behaviour. By embracing sustainability, prioritising health and wellness, and leveraging product intelligence, businesses can build stronger connections with consumers and position themselves for long-term success.

Core Highlights

Part 1: Health and Wellness

Almost half (46%) of all consumers are picking up meat-free products. Even 21% of "committed carnivores" are buying into the trend.
Page 17

Over half (51%) of consumers would appreciate a digital nutrition tracking system on takeaway platforms.
Page 20

Dive into the full **Heath and Wellness** report on page 8

Part 2: Ultra-Processed Foods

Nearly all (90%) of UK consumers have heard of the term "ultra-processed foods".
Page 33

Three in five (60%) people want to see information about processing methods on food packaging.
Page 45

Check out our full **Ultra-Processed Food** report on page 28

Part 3: Circular Economy

Over the past year, seven in ten (69%) consumers made **sustainable changes to their grocery shopping habits**, demonstrating that they are willing to act on their concerns.
Page 52

Nearly nine in ten (88%) consumers **buy discounted near-expiry-date products**. For almost a quarter (24%), they do this every time.
Page 54

Dive into the full **Circular Economy** report on page 47

Part 4: Spotlight on Frozen Food

The overwhelming majority (94%) of UK consumers buy discounted frozen foods, with 52% opting for this a lot.
Page 70

Just a quarter (25%) of UK grocery shoppers think that the higher prices of premium frozen brands are always justified.
Page 78

Raad the full **Spotlight on Frozen Food** report on page 65

Part 5: Know your Shopper

Together with Retail Economics we take a deep dive into how retailers drive growth and loyalty with advanced membership models.

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Part 1

Health and Wellness

In the food and drink industry

Highlights

Meat-free gains popularity: Almost half (46%) of all consumers are picking up meat-free products. Even 21% of "committed carnivores" are buying into the trend.
Page 16

Data sharing gains acceptance: Over half consumers (52%) would feel comfortable sharing their health goals, as well as diet and exercise regimes. Men are more than twice as likely to accept this than women.
Page 19

Demand for diet tracking: Over half (51%) of consumers would appreciate a digital nutrition tracking system on takeaway platforms.
Page 19

Functional goes mainstream: Nearly two in five (38%) of 35–44-year-olds, and around a third of vegans and vegetarians (30%) are buying functional foods often.
Page 25

Dive into our Health and Wellness section to discover key insights and cross-sector takeaways.

In Brief

Brands and retailers have a lot on their plates. As “free-from” diets continue to gain traction, consumers are seeking better-tasting alternative products at affordable prices. As 2024 came to a close, we observed that while many consumers are willing to relax their health goals slightly, they still prefer brands that cater to their specific needs.
For certain groups, the drive to make innate healthier choices remains strong. Younger millennials, vegans, and those following specific diets are eager for innovative, delicious options that support their health goals, and they’re willing to pay a premium for them. Sustainability in health also continues to play a pivotal role in shaping the buying decisions of an increasing number of consumers. Brands that can address these needs with a data-driven strategy are set to thrive throughout 2025.

Grocery shopping: Consumers are looking at the price tag, which is to be probably expected given the UK's ongoing cost-of-living crisis. However, health and environmental factors are also coming into play. A standout statistic from our research revealed that almost half of all grocery shoppers are now buying meat-free alternatives, including around a fifth of committed carnivores.

Takeaway: Consumers are hungry for convenience options that not only taste great but can help them reach their health goals. To achieve this a growing number of people - men in particular - are prepared to trade their personal information for in-app nutritional and calorie tracking.

Dining out: Eating out is slowly taking a new form, as hungry consumers increasingly reach for the printed menu for nutritional information as well as food options. There's a rising demand for meat-free, gluten-free and dairy-free options as well, which should be just as delicious as the other items.

This section dives into some of the most striking consumer behaviours and analyses the subtle ways that they're evolving. Overall, we'd encourage brands to support a wide variety of consumers in their personal dietary choices. This means going above and beyond with nutritional information, sustainable labels and even offering diet tracking apps.

Health and Wellness in the Grocery Sector

Balancing taste, price and health

Healthy eating has petered out a little since the summer of 2024. But consumers are still eager for good-tasting functional foods. Interestingly for retailers, an appetite is growing for personalised health recommendations too, with shoppers more open to sharing their personal data in exchange for better diets.

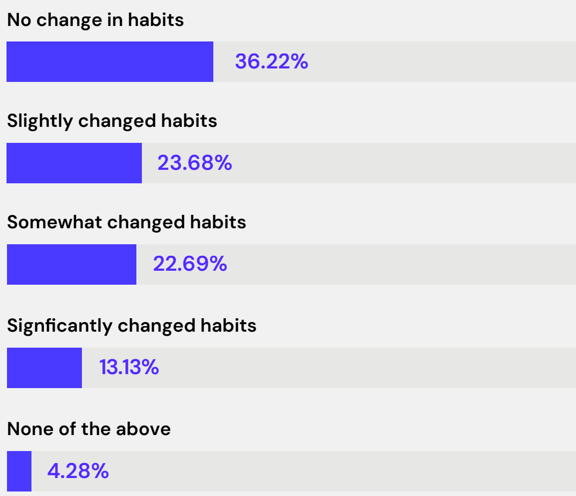
- Just over a third (36%) of consumers are consciously changing their habits and putting healthier options into their trolleys, compared to half (50%) in the summer. This suggests that they are less interested in health and wellness as the end of the year approaches.

- Again, for over a third (37%) of consumers, the cost of products is the most crucial factor at this time of year. In second place comes taste, picking up around a quarter of votes (25%).

- When it comes to learning about health-focused or fortified foods, over a quarter (28%) of consumers would prefer to hear about it from someone they trust like a health professional, family or friends. In second place, nearly one in five (19%) would be interested by in-store displays.

- On the whole, consumers want to be healthy. When we asked them what innovation they'd most like to see in store, there was a strong demand for supermarkets to help them make the most nutritious choices across all types of foods. Lack of understanding is currently a big blocker, but our data indicates that consumers are eager to learn and improve.

How has your focus on health and wellness changed your takeaway ordering habits in the past year?



Sent to a nationally representative sample

Clear labelling and transparency

Consumers are paying close attention to nutrition labels and ingredient lists, but many find them confusing and difficult to trust. With health and environmental concerns driving choices, brands have an opportunity to simplify labels and build greater confidence among shoppers.

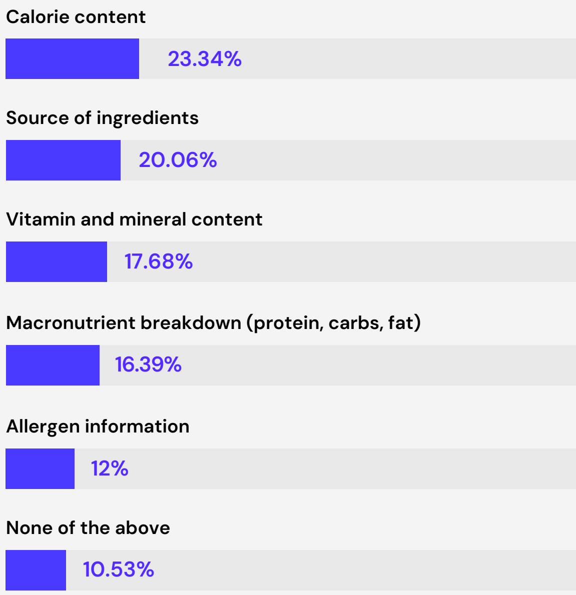
Packaging Scrutiny is the Norm: Over three-quarters of consumers (78%) examine nutrition labels and ingredients, with 17% doing so every time they shop.

Calories and Ingredients Take Centre Stage: Calories remain the top priority for 23% of consumers, but the source of ingredients (20%) is emerging as a key concern, reflecting growing environmental awareness.

Clear Labelling and Coding is Key: Less than 40% of consumers find nutrition labels easy to understand, highlighting the need for brands to simplify their designs. Colour coding is the most preferred way to make labels easier to follow, particularly among consumers aged 45 and over.

Only 13% of consumers completely trust nutrition labels, though trust is slightly higher (24%) among younger shoppers aged 18-24.

Which of the following labelling elements are most important to you when making food choices?



Sent to a nationally representative sample

Personalised nutritional technology

Consumers are increasingly seeking personalised nutritional solutions to support their health and wellbeing. Our research reveals a strong appetite for tailored recommendations, with many open to sharing personal data to achieve this, though trust in AI-driven options remains a work in progress.

Rising Demand for Personalised Nutrition: Our research uncovered a consumer demand for personalised nutritional technology and recommendations. Nearly half (47%) of the population want to see this in supermarkets, rising to 53% for the 18-24 age group.

Comfort in Sharing Health Goals: In their search for better wellbeing and nutrition, over half consumers would feel comfortable sharing their health goals (54%), as well as diet and exercise (52%).

Mixed Feelings About Sensitive Data: When it comes to sharing their biometric data, medical history or genetic information people are less comfortable. But a considerable 48%, 44% and 44% (respectively) will still do so if it means getting personalised nutritional recommendations.

Desired Nutritional Services: We asked more about which nutritional serves consumers would be most interested in using. The top choice was a customised meal plan, picking up over 21% of the votes and in second place was personalised supplement recommendations with 17%.

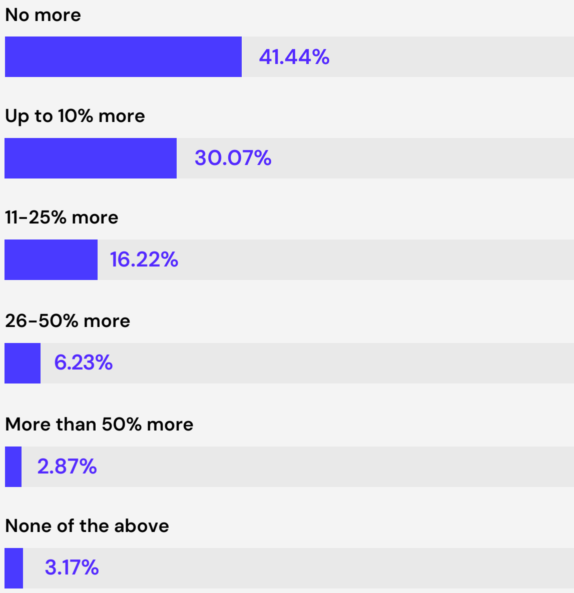
Scepticism and Trust in AI: Just 6% of consumers would most like to receive AI-generated rec, indicting a reluctance to trust and rely on this technology as much as other options. Though it may not be their first choice, a quarter (25%) of consumers would be open to AI-generated nutrition plans, and just under a third (31%) have no strong views about it.

Functional food and beverages

Earlier in 2024, we also uncovered the rise of products fortified with additional nutrients or beneficial compounds, particularly among men. Today, nearly two in five (38%) of 35–44-year-olds across genders add them to their weekly baskets. Another key group are vegans and vegetarians, with around a third (30%) buying functional foods often, possibly to supplement what may be missing in their diets elsewhere.

- A quarter (25%) of consumers are putting functional foods into their weekly shopping baskets, rising to 30% for the vegan community.
- The strongest demand comes from people following diets for medical reasons. Half (50%) of this group buy functional foods weekly.
- Consumers are looking to tackle a range of health concerns with functional foods, the most common being digestive health, accounting for 16.4% of votes. Immune system support and heart health also feature strongly, picking up 15% and 14% of votes, respectively.
- For consumers aged 18-24 years old, they tend to buy functional foods and beverages to boost their energy and metabolism levels.
- Taste is marginally more important than price for functional foods and beverages, receiving 85% of the consumer votes against 73%.
- While some (30%) consumers are willing to pay up to 10% more for functional foods, most (41%) are not.

How much more, if any, are you willing to pay for functional foods or beverages compared to regular alternatives?

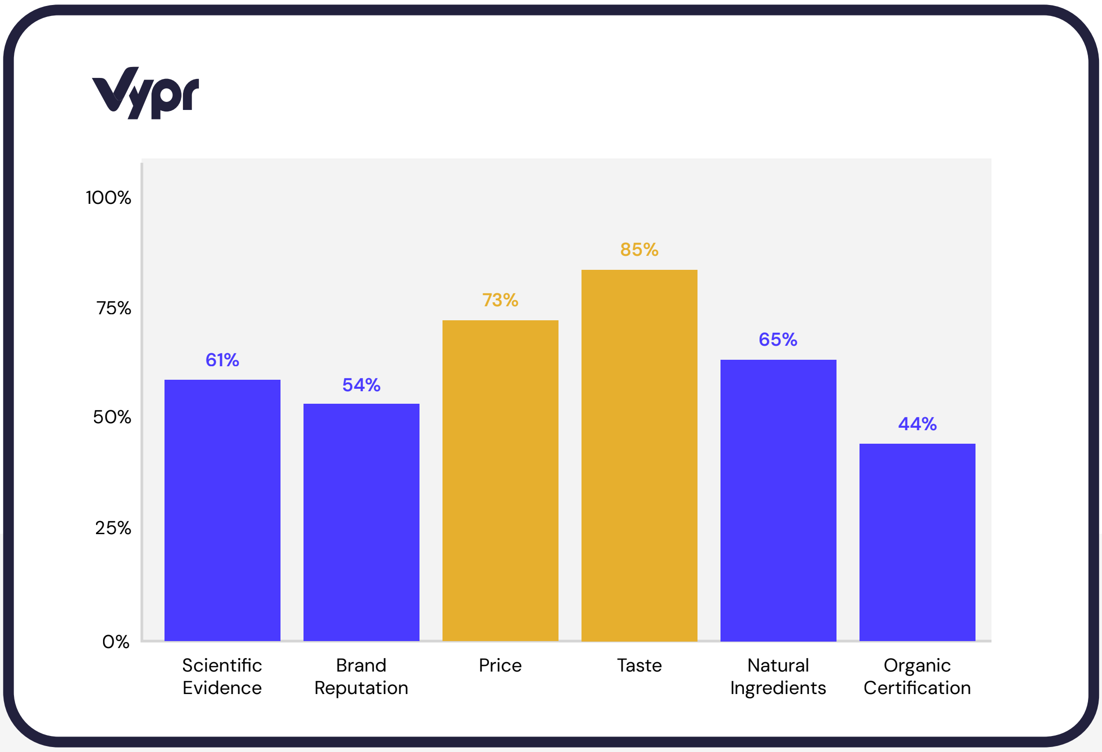


Sent to a nationally representative sample

- People that are reducing their meat intake or follow a diet for sporting activities are generally willing to pay more for functional foods. They are also more trusting about the health claims on packaging too.

- When it comes to functional foods, consumers tend to be more confident about health claims. Almost half (46%) trust the claims at least somewhat. Women generally believe the claims more than men.

Which factors are most important to you when choosing functional food and beverages?



Rising Trends: The Growing Appeal of Free-From and Meat-Free Foods

While foods which are free from gluten, lactose or other ingredients "free from foods", and meat free alternatives are still niche, they are fast gaining popularity… and not just for people with specific diets. Almost half (46%) of all consumers sometimes or often picking up meat-free products. Even 21% of "committed carnivores" are buying into the trend. Across all groups, just over 3% do so because of dietary restrictions. The others opt for meat-free for reasons such as health or taste, with over two thirds (64%) believing they are or can be healthier than meat versions.

Free-from food trends

- Over half (51%) of consumers are purchasing free-from products like gluten-free or dairy-free at least monthly, with over a quarter (27%) picking them up weekly.

- Free-from products are less popular among the over-55s, with more than two-thirds (68%) of this group rarely or never buying them.

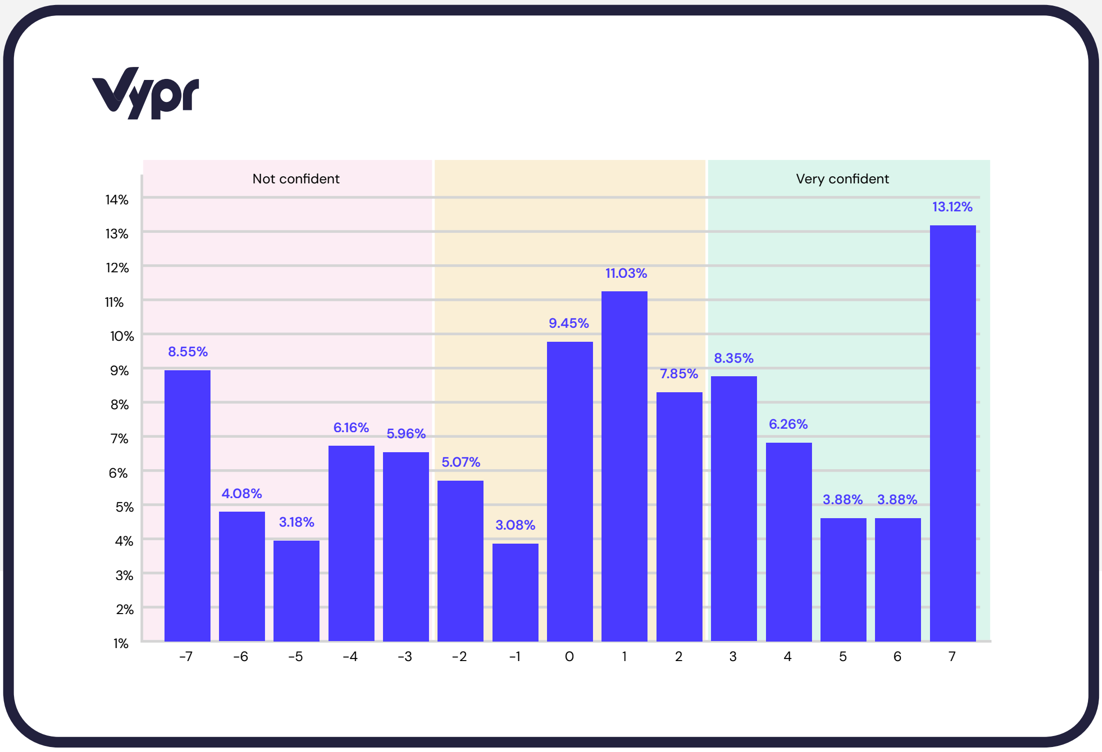
- In stark contrast with the over-55s, a high proportion (46%) of men aged between 35 and 44 are buying free-from products on a weekly basis.

- More than a third (35%) of consumers feel that free-from alternatives have the same taste and texture as regular products. This conviction was especially strong among people under the age of 44, with two-thirds fully feeling extremely confident about it. By contrast, the older age groups were less convinced.

- Price is the biggest barrier to purchasing free-from foods, collecting almost a third (32%) of the votes, while a quarter (24%) of consumers pinpointed trust issues.

- When asked what would make them more likely to buy free-from products, over a quarter (27%) would need a better taste, while just under a quarter (25%) said lower prices. Around a sixth (15%) of consumers would like to see improved health benefits.

How confident are you that free-from products (e.g., gluten-free, dairy-free) offer the same taste and texture as regular products?



Meat-free food trends

- Nearly a third (32%) of UK consumers never eat meat-free alternatives.
- For the people that do eat meat-free alternatives, a significant number (20%) do so for the health benefits and significantly less (15%) because they prefer the taste. Perhaps surprisingly, just 3% are going for meat-free alternatives because of dietary restrictions. This suggests that meat-free is gaining popularity and moving into the mainstream.
- Almost half (46%) of people who do eat meat buy meat-free products at least sometimes. This includes 21% of people who classify themselves as "committed carnivores".
- Over a quarter (28%) perceive meat-free alternatives to be healthier than traditional meat products. However, just under a quarter (24%) noted they were not sure – suggesting that more education in this area could improve sales for meat-free products.

Health and Wellness in the Takeaway Sector

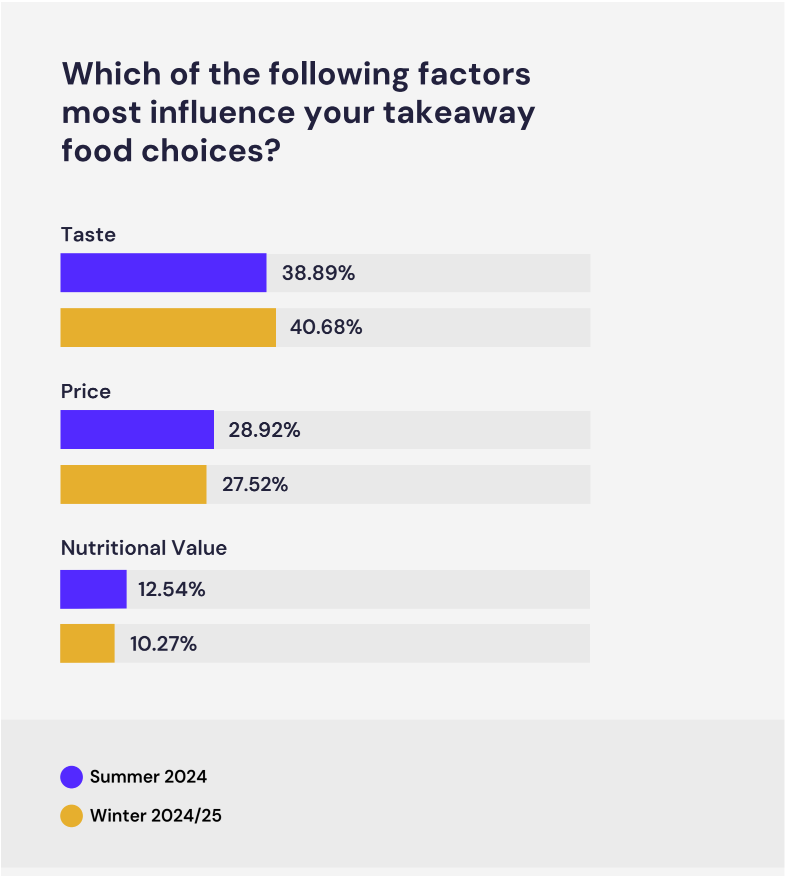
Like grocery shopping, consumer's healthy intentions have dwindled a little since the summer. But some groups such as vegans and young millennials are persevering. There is demand for more transparency when it comes to nutritional value. A good place for this information could be social media as it is a top information source, especially for younger people.

- Almost half of consumers (46%) tried to make healthier takeaway choices over the past year, especially within the 25-34 age range.

- Moving into 2025, good-tasting takeaways have become slightly more of a priority for consumers (+2%). Meanwhile, price and nutritional value have become marginally less important (-1% and -2% respectively). Standing out from other consumers, 35% of vegans voted nutritional value as a top priority for takeaways.

- One in five (21%) consumers find out about healthy takeaway options from social media, rising to 38% for the 25-34 age group.

- Consumers want to see more transparency on their takeaway menus, with many citing ingredient information – including plant-based ingredients and calorie content as useful additions.



Digital nutrition tracking

The idea of a digital nutrition tracking system on takeaway platforms was especially well received, for 51% of consumers. Young millennials were most keen on this idea, as well as 32% of people who exercise daily. Over a fifth of all consumers (21%) would find a calorie tracker the most useful tool.

- Over half (51%) of UK consumers would be interested in a takeaway ordering app that tracks nutrition, with those aged 25-34 citing the most interest.
- Consumers would like takeaway apps to provide nutritional information. Almost half (49%) would use it to help them make healthier decisions.
- A calorie counter, macronutrient breakdown and allergen alerts would be the most appreciated features in a nutrition tracking system. These accounted for 21%, 11% and 10% of votes, respectively.

Health-focused menu innovation

Consumers are receptive to seeing health innovations on their takeaway apps and menus. Foods that can improve gut health would be the most popular, but vegetarians would prefer to see more energy-boosting options. Trust is a major hurdle that restaurants would need to overcome, as only a quarter of consumers currently have faith in the health claims. However, this could be achieved with more detailed information on things like the sources of ingredients.

Interest in Health-Focussed Takeaways: Nearly half (46%) of consumers would be interested in ordering takeaway options that cater to specific health benefits or include fortified ingredients. This rises to three in five (60%) for those on specific diets.

Gut, Heart, and Energy Benefits Lead the Way: Digging a little deeper, takeaway foods aimed at improving gut health would be the most popular, gathering 23% of votes. Also significant were heart health and energy enhancement, which collected 22% and 17% of the votes, respectively.

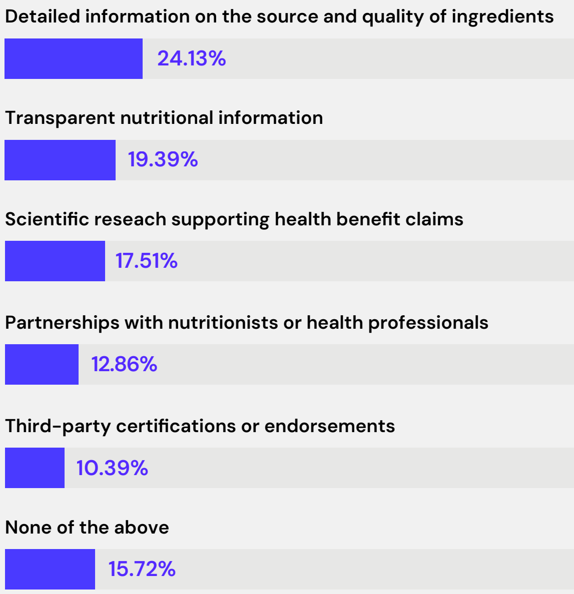
For vegetarians, energy-boosting food was the most appealing, picking up 31% of votes.

Health Claims Drive Experimentation: Around half (48%) of consumers would try out a new takeaway dish if it claimed to offer specific health benefits.

Gender Divide in Trust: Men are more than four times more likely to trust takeaway restaurant health claims than women (17% compared to 4%). Overall, just over a quarter (26%) UK consumers have confidence in them.

Transparency Builds Trust: To increase trust, a quarter of people (24%) would need to see more detailed information on the source and quality of ingredients.

Which of the following would most increase your trust in a takeaway restaurant's health-focused menu items?



Sent to a nationally representative sample

Customisable Nutrition

While around one in two consumers think that offering food customisation is important, not that many would use it for those that would; the most popular service would be to have more control over portion sizes. People with certain diets, like pescatarians or vegans, are more likely to value customisation options.

- Half of consumers (50%) think that customisable takeaway options are important, with 19% finding it very important.
- Over a sixth (19%) of consumers would like to customise their portion sizes. But when it comes to adding in nutritional supplements or fortified foods, demand was less strong with just 7% interested in this option.
- Just under a third (31%) of consumers would pay more for customisable takeaway options, rising to nearly half (46%) for pescatarians. This suggests that fish or seafood meals would be a good place for restaurants to begin.

Health and Wellness in the Dine-out Sector

The perception of dining out has remained broadly the same since the summer. While consumers would appreciate healthier options, it's not their main priority. However, Gen-Zs appear to be bucking the trend, one in four are making a concerted effort to be healthy when they eat out. There is also a growing demand for more menu transparency, especially around macronutrient labelling.

Gen-Z Leads the Shift to Healthier Dining: Over the past year, a quarter (24%) of Gen-Zs aged 18-24 have made a significant effort to eat healthier food when they go out. But generally, most of the population has only made slight improvements (22%) or no changes at all (43%).

Taste Takes Priority When Eating Out: When it comes to eating out, taste is important. Nearly two in five consumers (39%) cite this as the most influential factor. Price is still relevant though, picking up 25% of the votes and finally, for 12% it's the nutritional value which sways them.

Menus Still Dominate Over Digital Tools: While social media and restaurant websites play a stronger role for younger consumers, on-menu descriptions are the favourite channel with 37% of votes. Diners appreciate learning about health-focused options, restaurant initiatives and nutritional information here. Almost half (49%) would prefer a printed menu over a separate nutritional guide (11%) or QR code (11%).

What do you expect from your dining-out experience?

A well organised standard kitchen. A sustainable farm product for meals, and less chemical preservation.

Female, 35 – 54

Openness to New Dining Concepts:
More than half (52%) of consumers are willing to try new health-focused dining concepts or experiences. And Gen-Zs aged 18-24, almost a third (31%) were strongly in favour, suggesting a hunger for something new.

Demand for Transparent and Creative Menu Options: When we asked about what health and wellness initiatives diners would most like to see in restaurants, clearer macronutrient labelling and calorie content within menus came up a lot. There was also an appetite for more creativity with special diet dishes.

Nutritional transparency

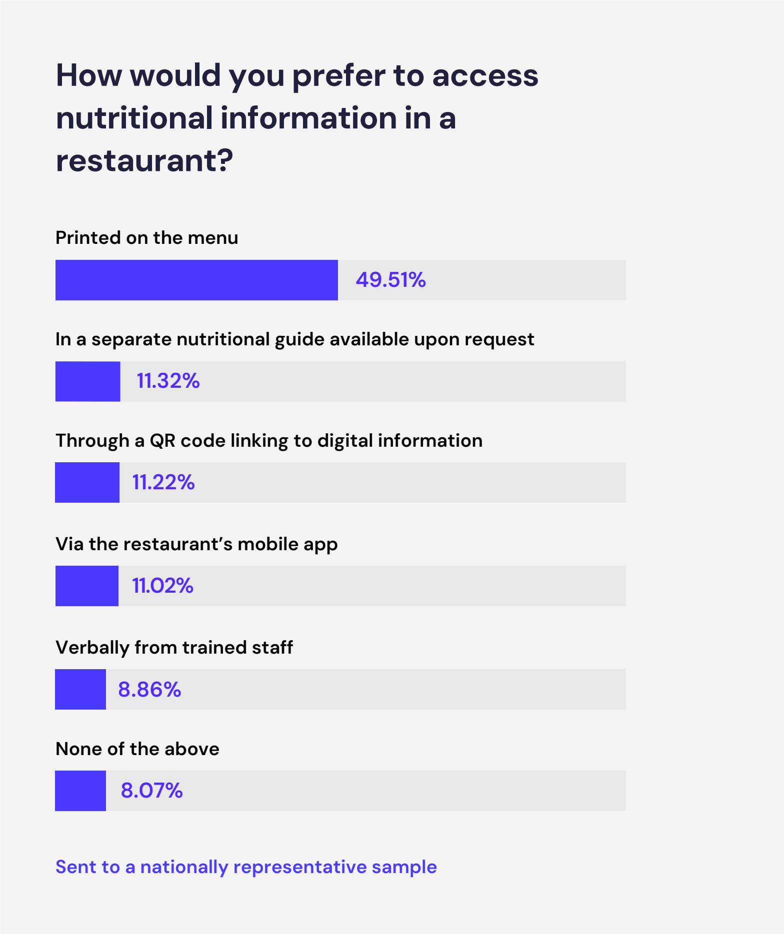
Diners are increasingly seeking transparency about their food, valuing clear nutritional information to make informed choices when eating out.

- Diners are becoming more aware of the health implications of their food choices. While they may not always opt for the healthier choice, they would like to have all the information at their fingertips.

- Almost two-thirds (63%) of diners would like to see detailed nutritional information on their menus. For vegans, this is especially crucial, with over half (52%) marking it as very important.

- Calorie content would be the most appreciated information, accounting for 25% of the votes. Allergen information and a macronutrient breakdown come in second and third at 17% and 11%.

- Menus are by far the most popular place to find out more about nutritional information, accounting for half (50%) of consumers' votes.



Personalised dining experiences

Generally, there is a reluctance around receiving personalised nutritional recommendations from staff in restaurants. Even if the advice was coming from someone who is well-trained, just a third of people would follow it. However, the data skews differently for people with specific diets, like vegans, who would be almost twice as likely to take the recommendation.

- When it comes to personalised recommendations from staff and servers, with 22% of votes, most people would like to know if they can customise existing menu options for their diet.
- If the restaurant staff were trained in health and wellness, a third (33%) of consumers would follow the recommendations.
- Around one in two (47%) people who follow specific diets would follow the suggestions of a trained member of staff. This is especially relevant for vegans, as 60% report having health-related preferences when they eat out.
- Generally, two in five (41%) consumers don't have any specific dietary requirements that they try to follow when eating out.

Functional menu items

When it comes to functional foods in restaurants, millennials are a clear target market. More so than any other generation, they're on the lookout for healthier versions of their favourite dishes, and men especially are interested in protein content. However, the group willing to pay the most are male Gen-Zs.

- A quarter (25%) of millennials are actively looking for functional or fortified ingredients when they eat out. This is especially true for added protein. This group is also the most likely to trust health benefit claims on menus.

- Consumers are most interested in learning about the vitamins and minerals in their meals when they dine out, accounting for 23% of votes. In second place comes information about fibre-rich ingredients (16%), and third is antioxidants for immune support (15%).

- Around a quarter (26%) of the population would pay a tenth more for healthier fortified or functional foods in restaurants. That rises to 38% for Gen-Zs - especially for men.

Cross-sector takeaways

1. Nutritional information

Restaurants could heighten awareness of their healthier dishes by adding clear macronutrient labelling and calorie content to printed menus.

Another interesting point could be to show the sustainability and carbon emissions of each dish, as brands like Wahaca are already doing.

2 Functional versions

Nearly two in five younger consumers would pay up to 10% more for dishes that have been fortified with additional nutrients or benefits. Adding more of these to the menu could help to draw in Gen-Zs.

3. Take "free-from" foods seriously

Brands could benefit from providing creative and tasty food for meat-free, gluten-free or dairy-free consumers. This group shows signs of being currently underserved.

4. Educating consumers:

Our research indicates some misinformation or uncertainty exists around the healthiness of meat-free and fortified foods. Brands could boost awareness and sales with educational campaigns or clear nutritional labelling.

5. Diet tracking:

Younger males are especially interested in how their data can be used to help them make better food choices for their health. Investing in this technology now could benefit brands later.

In Summary

Consumers in the UK care about health and wellness across grocery shopping, ordering takeaways and dining out. **Functional foods are marching steadily into the mainstream**, and a growing number of people are opting for **meat-free alternatives for health reasons**. However, it is not the only priority for consumers, and it can quickly take a back seat to other factors.

Over a third (36%) of people are most **concerned about the price of food** as the cost-of-living crisis continues to bite. In the second position (25%) is taste, which has an increased importance around the end of the year, as consumers tend to relax their health goals and indulge more.

Leaning into these factors will be vital for brands and retailers to thrive. We've suggested that they can help consumers reach their health goals with diet tracking services, educational campaigns and clearly labelling nutritional information. In addition, the data reveals **a gap in the market as increasing numbers of consumers look for delicious and affordable free-from options**.

Part 2

Ultra-Processed Foods

Highlights

Nearly all (90%) of UK consumers have heard of the term "ultra-processed foods"
Page 33

Over two-thirds (67%) of consumers are very concerned about affording their groceries, more than double three months previously (31%).
Page 37

More than two-thirds (68%) of UK consumers pay attention to the level of processing in "healthy" foods, with one in five (21%) focusing on it a lot.
Page 39

Three in five (60%) people want to see information about processing methods on food packaging.
Page 45

One in three (32%) consumers are trying to kick their UPF snacking habits.
Page 42

Over four in five (82%) UK consumers purchased convenience food at least once in the week leading up to the survey.
Page 47

Dive into our Ultra-processed foods section to discover key insights and cross-sector takeaways.

In Brief

The UK's relationship with ultra-processed foods (UPFs) is complex and often misunderstood. UPFs are typically classified based on the degree of processing, the number of ingredients, and the presence of specific additives, though there is no universally agreed definition of "ultra-processed."

This approach differs from the High Fat, Salt, and Sugar (HFSS) regulations followed by the food industry, which focus on a product's nutritional profile. The lack of alignment between these frameworks can lead to confusion for consumers, highlighting the need for clearer communication and education.

Many value the affordability and convenience of these products, but they have rising concerns about their health implications and environmental impact. These conflicting sentiments ripple across grocery stores, restaurants, and takeaways, shaping consumer decisions in profound ways. Understanding these dynamics sheds light on the complex interplay between convenience, cost, and conscience in modern food choices.

Rising Awareness, Persistent Consumption: Factory-made foods containing preservatives, additives, and unrecognisable ingredients have long dominated supermarket shelves. However, the spotlight on ultra-processed foods is growing, driven by television programmes and social media content. This **increased awareness has highlighted the potential health risks of these products**. Despite this, the allure of affordability and convenience remains strong, with four in five consumers (82%) continuing to purchase UPFs.

Economic and Environmental Pressures: The UK's cost-of-living crisis is amplifying consumer anxieties. **Nearly 67% of consumers are very concerned about affording their grocery shopping**, a significant rise from earlier in the year. At the same time, sustainability pressures are mounting, with 45% of consumers expressing strong concerns about making environmentally friendly choices - a sentiment that has more than doubled in recent months.

A Complex Relationship Unveiled: Consumers face a complicated relationship with UPFs, influenced by a mix of awareness, affordability, and sustainability concerns. Understanding these competing motivations and concerns helps brands better support shoppers in making choices that align with their values and circumstances.

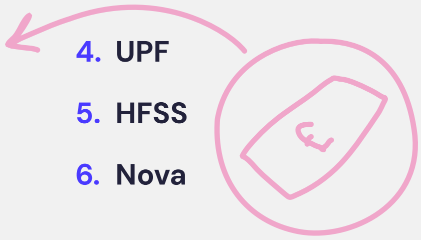
The relationship between consumers and UPFs highlights the need for balance. **Brands can help by offering clear nutritional information**, transparent sustainability labels, and innovative alternatives that prioritise both health and convenience. By addressing these needs, brands can build trust and support more informed consumer choices.

Awareness of UPFs increases

Awareness of UPFs seems to be growing, with nine in ten of consumers recognising the term. Generally, over 35s get information from television channels, while under-35s prefer search engines and social media platforms. However, the term is not as deeply entrenched in the public consciousness as "price match", "traffic light labelling" or "UHT".

Most well-known food terms

1. Price match
2. Traffic light labelling
3. UHT
4. UPF
5. HFSS
6. Nova



Growing Awareness of UPFs among UK Consumers: Nearly all (90%) of UK consumers have heard of the term "ultra-processed foods"

Moreover, just under a third (31%) of consumers now recognise the acronym "UPF," a sharp increase from 17% in the summer, reflecting growing familiarity with industry terminology.

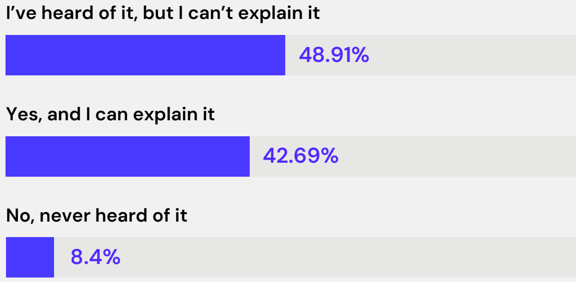
Generational Divide in Information Sources: Younger consumers (under 35 years) generally learn about UPFs from digital sources, with 29% using search engines like Google and 27% turning to social media platforms.

In contrast, older consumers (over 35 years) tend to gain awareness through traditional media. Television programmes, including shows and documentaries by Michael Mosley, serve as the primary source of information for 36% of this demographic. Additionally, around one in five (21%) rely on magazines and newspapers for information about UPFs.

UPF Awareness and Other Food Terms: Compared to other food terms food-related terms and abbreviations, awareness of UPF lands in the lower-middle range.

The most well-known and understood of all the terms presented was “price match", with around (69%) seven in ten grasping the phrase.

Do you know what ultra-processed food is?



Sent to a nationally representative sample

Limited understanding of UPFs

While awareness of the term UPF is rising, grocery consumers do not fully understand it. Our data found that less than half (43%) of people felt confident enough to offer an explanation. Many explanations used words like "additives" and "preservatives", showing that consumers are vaguely on the right track but still missing a lot of education. By contrast, people are much more comfortable explaining terms like "price match" or "five-a-day".

- More than two-thirds of consumers feel they could explain the terms "price match" (69%), and "five-a-day" (66%).
- Around one in two feel that can could explain UHT (54%) and UPFs (50%)
- When we put them to the test, less than half (43%) of the respondents had a go at explaining what UPFs are.

Most consumers could not provide a satisfying definition of UPFs, although at least 30% knew what the acronym stood for.

The most common descriptors are, "additives," "preservatives," "artificial ingredients," and "processed."

When asked what does ultra-processed mean?

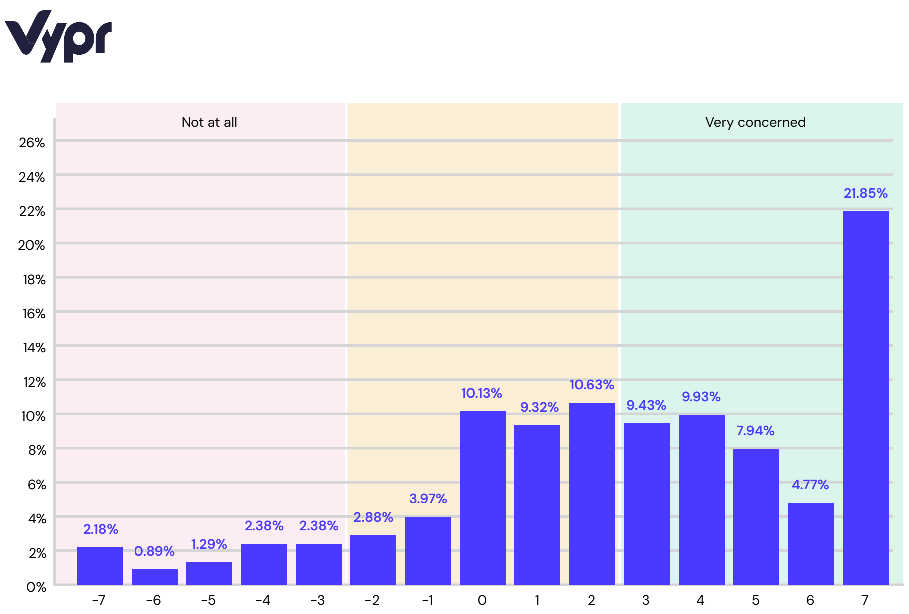
It means products that have been made with over five ingredients

Female, 35-44

- Over half of consumers (54%) feel concerned about the health implications of UPFs. Just over a third (37%) are neutral, and around one in ten (9%) are unconcerned.

- Even though consumers appreciate UPFs as convenient and affordable, one in two think (51%) they are unhealthy and over a third (37%) consider them to have low nutritional value.

How concerned are you about the health efects of consuming Ultra Processed Foods?



Five-a-day vs UPFs and HFSS

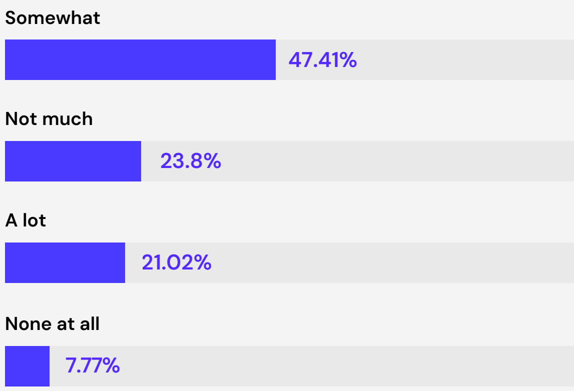
As one of the more popular terms, we compared "five-a-day" against UPF and HFSS (high in fat, salt and sugar) to see which one was ringing the loudest in consumer consciousness. Overall, most people are either thinking about hitting their five-a-day or they are focused on other things. About one in five people consider UPFs as they steer their trolleys through the aisles, more than double the number of people thinking about HFSS.

More than two thirds (68%) of UK consumers pay attention to the level of processing in "healthy" foods, with one in five (21%) focusing on it a lot.

We asked grocery shoppers whether they were thinking about UPFs, HFSS or five-a-day as they navigate the supermarkets:

- Most people (35%) are focused on hitting their five-a-day fruit and vegetable goals.
- "None of the above" was the next most popular answer (32%), as many shoppers are probably more focused on other factors like price or convenience over health labels.
- UPFs came in second, with more than one in five (23%) people considering food quality.
- HFSS is the least considered factor, with just one in ten (11%) of consumers prioritising their household's fat, salt, and sugar intake despite its significant impact on food industry practices and ingredient use.

When it comes to 'healthy' foods, how much attention do you pay to the level of processing?



Sent to a nationally representative sample

Rising concerns

Consumers are increasingly troubled by what they're eating. Mostly, they're worried about how much it costs and whether they can afford it. But increasingly, people are anxious about the impact of UPFs on their health, as well as poor levels of sustainability – especially in restaurants.

Ultra-processed foods and the grocery sector

Over two-thirds (67%) of UK consumers report being very worried about affording their groceries, marking a significant increase from just three months ago when this figure stood at 31%. This doubling of concern highlights the growing financial strain faced by shoppers.

In addition, more than three-quarters (77%) of the population express concern over the impact of ultra-processed foods (UPFs) on their health and wellbeing. This indicates a rising awareness and anxiety surrounding food quality and nutritional standards.

Sustainability is another pressing issue for consumers. Anxiety about the low levels of sustainability in supermarkets has surged by 13% over three months, rising from 32% in August to 45% in October. This jump underscores the increasing importance of environmental factors in consumer decision-making.

Top Stressors for UK Grocery Shoppers

The primary concerns for UK grocery shoppers are as follows:

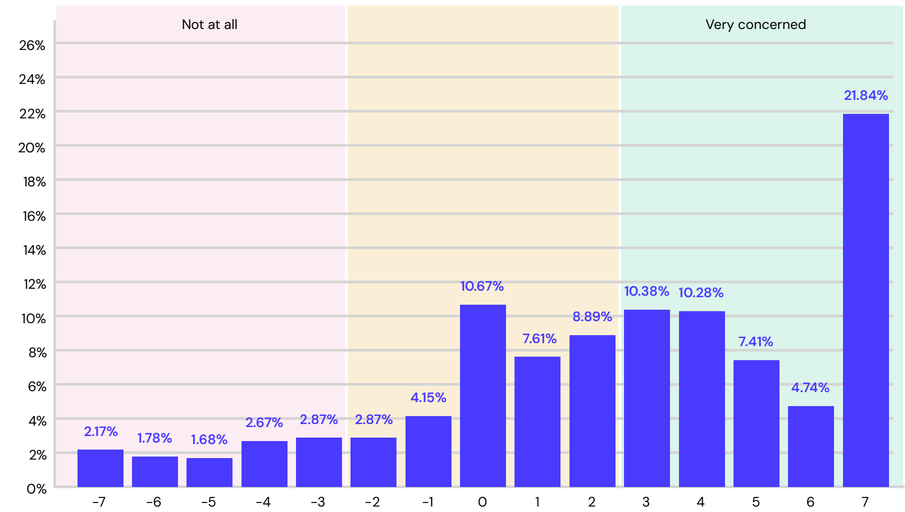
1. **Increased Prices:** Nearly half (50%) of consumers cite rising costs as their biggest worry.

2. **Product Quality:** Over one in five (23%) shoppers are anxious about maintaining high-quality standards in the products they buy.

3. **UPFs:** Approximately 12% of consumers identify UPFs as a significant source of stress.

Older shoppers, particularly those over the age of 55, are especially affected by escalating prices. More than half (54%) in this demographic list rising costs as their primary concern, reflecting heightened vulnerability among older consumers in the current economic climate.

How concerned are you about Ultra Processed Foods when shopping for groceries right now?

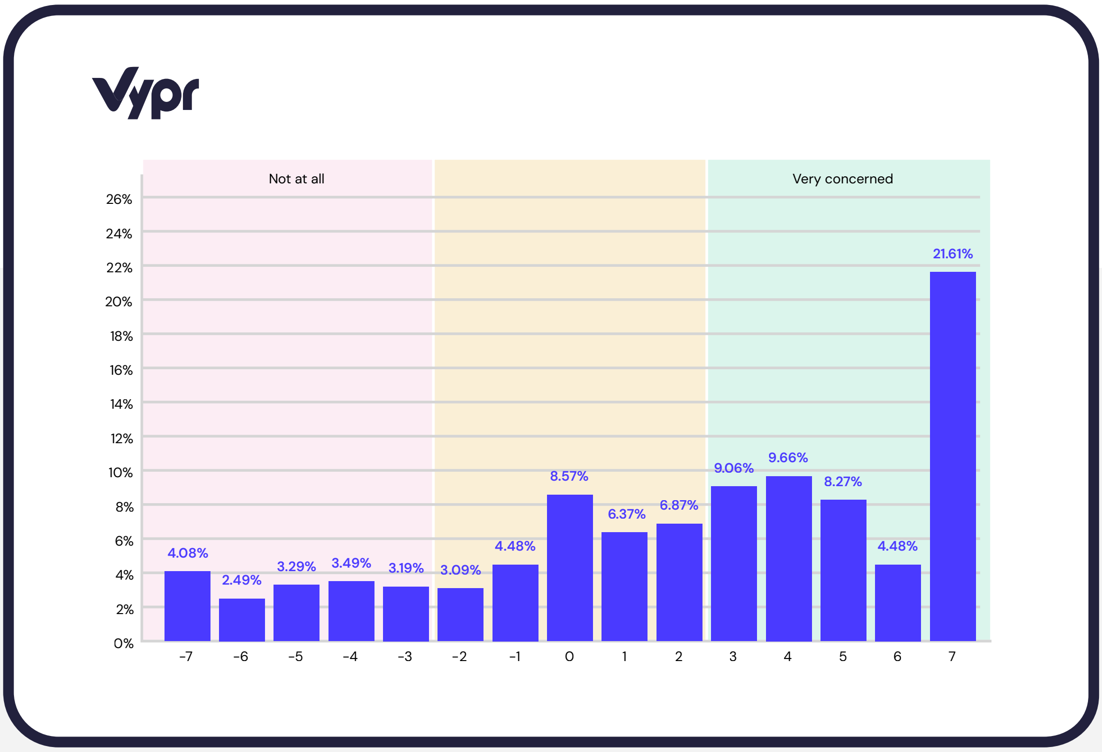


UPFs and the takeaway sector

The affordability of takeaways has become a pressing issue for UK consumers, with the proportion of people worried about costs more than doubling in just three months. Concerns rose from 27% in August to 62% in October, highlighting the growing financial pressure on households.

Additionally, over half (54%) of consumers worry about the high levels of UPFs often found in takeaway meals. This shows that people are becoming more conscious of what they're eating and its impact on their health.

How concerned are you about Ultra Processed Foods when ordering a takeaway?



Top Stressors for UK Takeaway Consumers

When it comes to ordering takeaway food, the leading concerns for UK consumers are:

1. **Affordability:** The biggest worry, with 62% of consumers feeling "very concerned" about costs.

2. **UPFs:** A significant concern for 54% of consumers who worry about their health impact.

3. **Sustainability:** 44% of consumers rank sustainability as a key stressor, reflecting increasing demand for environmentally friendly options.

Addressing UPF concerns should be a top priority for the industry. Clearer ingredient transparency and healthier menu options could help reassure consumers and rebuild trust. These steps could make a real difference in aligning with shifting consumer expectations.

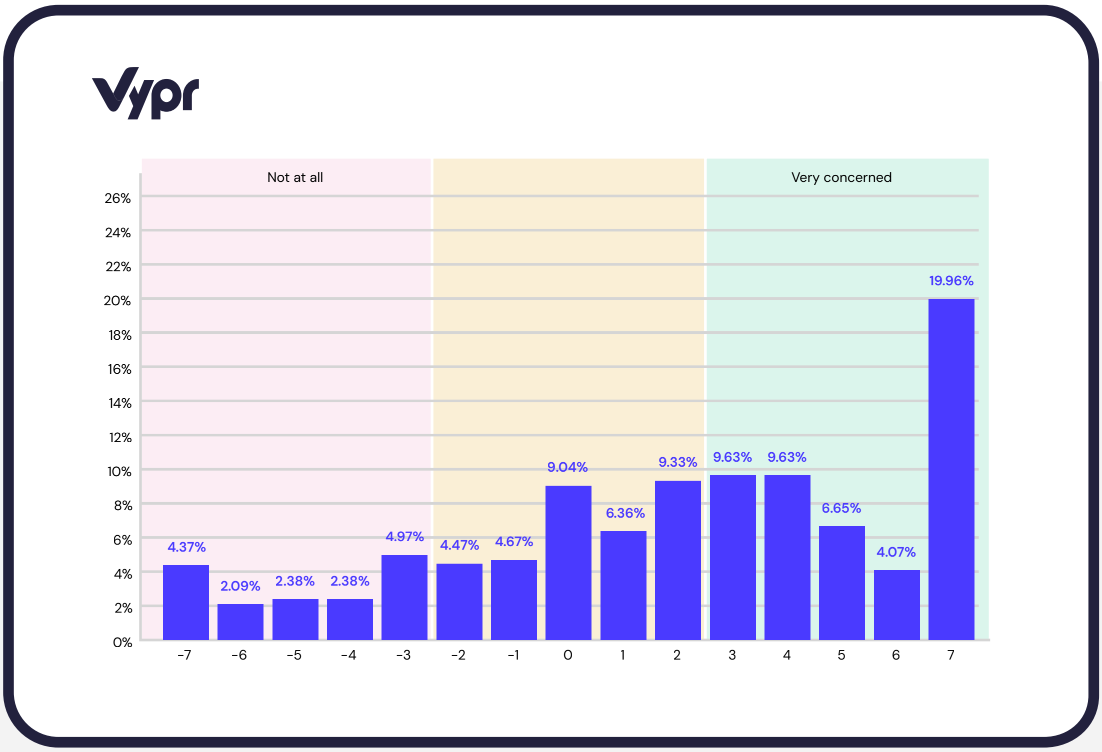
UPFs and the dine-out sector

The cost of dining out is a growing concern for UK consumers, with two-thirds (67%) worried about whether they can afford their meal. This highlights the financial pressures many face when choosing to eat out.

Half (50%) of consumers also express concern about the presence of UPFs in restaurant dishes, reflecting heightened awareness of nutritional quality. Additionally, just under half (44%) feel uneasy about the sustainability practices of restaurants, showing the increasing importance of environmentally responsible dining.

Restaurants have an opportunity to ease these concerns by prioritising transparency about ingredients and reducing reliance on UPFs. Simple steps, like sourcing sustainable ingredients and offering healthier menu choices, could go a long way in meeting consumer expectations and fostering loyalty.

How concerned are you about Ultra Processed Foods when ordering at a restaurant?



Efforts to reduce UPFs

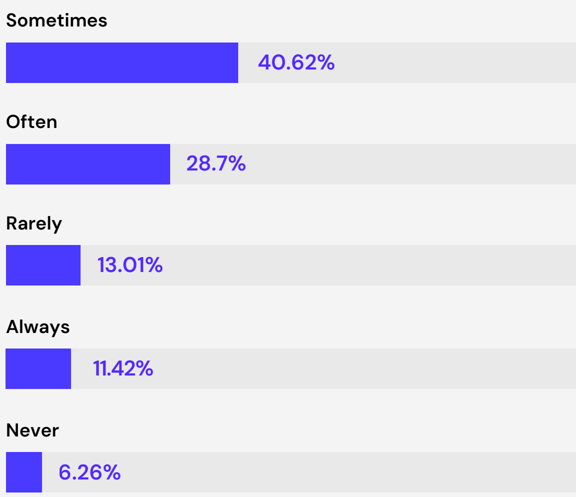
While most consumers are mindful of ultra-processed foods, less than a sixth (13%) completely avoid them consistently. Our research found that despite their best intentions, more than four in five bought UPFs in the week leading up to the survey. Some grocery shoppers are making efforts to plug the gap between their intentions and behaviour though. More than a third (35%) have already reduced their UPF intake over the past six months, and there are some resolutions in place to kick unhealthy habits.

General Intentions Around UPFs

Avoidance Behaviours

- Half consumers think it's very important to avoid UPFs in their diets.
- Over two-thirds (69%) actively try to steer clear of UPFs, with 41% avoiding them sometimes and 29% avoiding them often.
- A smaller group, less than a sixth (13%), never avoid UPFs.

How often do you consciously avoid purchasing ultra-processed foods?



Sent to a nationally representative sample

Changing Habits

- One in three (32%) consumers are specifically working to kick their UPF snacking habits.
- Just over one in five (22%) want to eat fewer UPFs and reduce alcohol consumption.
- Conversely, a minority (16%) are content with their current eating habits and don't wish to make any changes.

Home-Cooking Preferences

- Cooking from scratch remains a common practice in the UK, with three in five (61%) preparing meals at home at least every other day. Over four in five (87%) do so at least weekly.

Preferences for Processing Levels

- More than two-thirds (65%) of consumers prefer minimally processed high-protein foods, such as Greek yogurt or canned tuna, over heavily processed alternatives.
- The label "heavily processed" can deter many consumers, making them more likely to put a product back on the shelf, even for high-protein options.

Intention-Behaviour Gaps Around UPFs

Contradictions in UPF Consumption

- Just over a third (35%) of consumers have reduced their UPF intake over the past six months, with 12% of this group making significant changes.
- Despite recognising health risks, nearly four in five purchased UPFs at least once in the past month, with more than a third doing so several times.
- Convenience foods remain popular, with over 82% purchasing them in the week prior to the survey and 56% of these buyers doing so more than once.

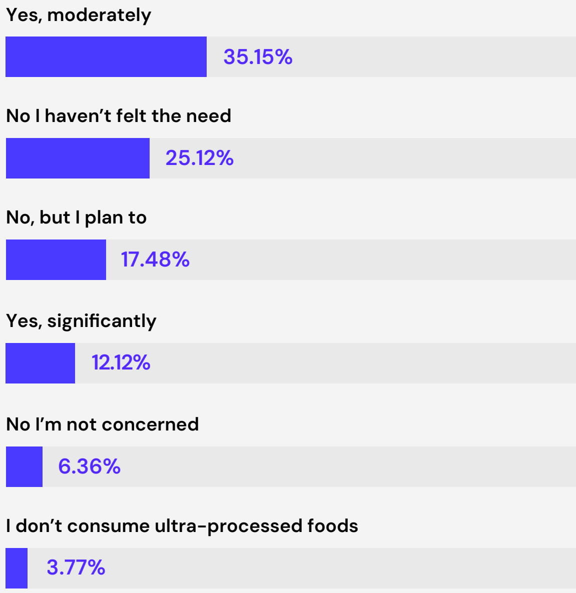
Mixed Priorities Among Consumers

- Among those who don't exercise regularly, three in five (60%) prioritise health over convenience, though only 20% do this consistently.
- And many consumers are unaware that high-protein products like protein bars and shakes are classified as UPFs.

Attitudes Towards Healthier Options

- When asked if they'd pay more for a healthier version of a UPF, 41% said it depended on the situation. Only 29% would prioritise health, while fewer than 20% would choose cost savings.
- A third (33%) of consumers balance eating UPFs with a healthier meal to feel better about their choices, while 16% feel guilty but purchase UPFs anyway.

In the past six months, have you made any changes to your diet specifically to reduce ultra-processed food consumption?

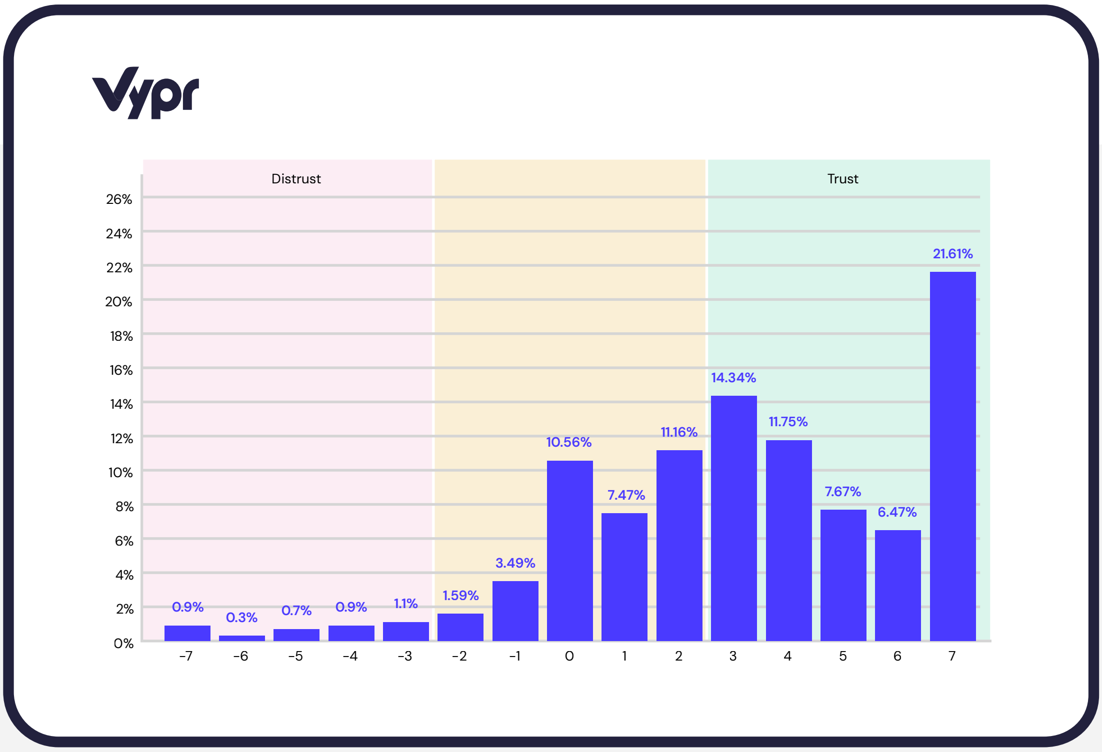


Sent to a nationally representative sample

Helpful Tools for Consumers

- **Three in five (60%) people want to see information about processing methods** displayed on food packaging, **suggesting a strong demand for transparency**.
- The majority (62%) of grocery shoppers trust the labels and classifications provided on food packaging, showing that **clear labelling can influence purchasing decisions.**
- The **traffic light labelling system is the most popular food classification,** preferred by three-quarters (75%) of consumers for its simplicity and clarity.

How much do you trust food labels and classifications, e.g. traffic light labelling



UPF and what consumers want

Earlier in 2024, we also uncovered the rise of products fortified with additional nutrients or beneficial compounds, particularly among men. Today, nearly two in five (38%) of 35–44-year-olds across genders add them to their weekly baskets. Another key group are vegans and vegetarians, with around a third (30%) buying functional foods often, possibly to supplement what may be missing in their diets elsewhere.

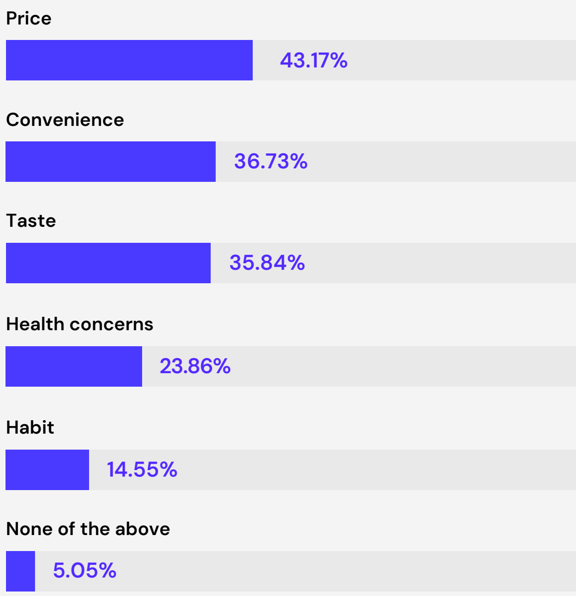
UPF Motivations: The top three motivations for grocery shoppers to put UPFs in their baskets are price, convenience and taste, collecting 43%, 37% and 36% of consumer preference collectively.

Popular UPFs and Priorities: The UK's favourite UPFs are packaged bread, breakfast cereals, confectionery, and frozen foods. Convenience and nutritional value are equally important to nearly half (46%) of UK consumers when choosing products. However, for over a third (35%), nutritional value takes priority.

Preferences for Improvements: Many consumers have stated that clearer labelling on UPFs would likely influence their purchase decisions. Some noted that better labelling would make them "think twice" or "reevaluate" their choices.

Two-thirds (66%) of UK consumers would be willing to pay more for healthier alternatives to UPFs. This willingness rises to nearly nine in ten (88%) among sporty individuals who exercise daily.

What factors most influence your decision to purchase ultra-processed foods (select all that apply)?



Sent to a nationally representative sample

Cross-sector takeaways

1. **Offer healthy alternatives:**

   Considerable groups – especially younger and sporty people – want healthy alternatives to UPFs so much that they are even willing to pay more for them. Catering for this need is a low-hanging fruit for brands.

2. **Help consumers distinguish between “unhealthy” and “UPFs”:**

   Better education around UPFs is needed to help consumers make informed decisions, as many consumers today seem to be using the term as a catch-all synonym for “unhealthy". This may not always be accurate as some processed foods like protein shakes could be better suited for someone's diet, than for example, a homemade sherry trifle.

3. **Use sustainable packaging:**

   Despite intentions to improve their health and care for the planet, the majority of consumers are still tempted by the price and convenience of UPFs. To help them manage cognitive dissonance, sustainable packaging could help alleviate some of their ongoing climate anxiety.

3. **Continue to improve traffic light systems:**

   Consumers appreciate the food labelling traffic light system, voting it as their favourite way to find out information about their food. But there is also room for improvement. Consumers want more transparency about the nutritional content, processing levels and sustainability factors. Adding these features without complicating it could be an investment worth making.

5. **Convenience without ultra processing:**

   Consumers’ need for quick and easy food could be pushing them to make decisions that they feel conflicted over. For retailers looking to soothe this cognitive dissonance, they could introduce un-processed alternatives, for example fresh ready-to-cook meals or quick and easy recipe cards. Affordability and sustainability play a significant role too and so brands that calm those pain points could benefit the most.

In Summary

As UK shoppers manoeuvre around supermarkets, they're battling through a labyrinth of concerns and preoccupations. Nearly half (45%) are worried about how their purchases will affect the planet - a 13% increase since the summer. And alarmingly, over two-thirds (67%) are worried about whether they can even afford their groceries.

On top of this, consumers are aware of how unhealthy UPFs can be, reflecting on learnings from TV programmes or social media content. When they realise that a product is "heavily processed", they will usually put it back as they deem it to be unhealthy. But often, they don't realise that foods like bread, ice cream or plant-based alternatives fall into the same category.

For brands and retailers, there is a unique opportunity to help consumers overcome their knowledge gaps and find products that give them pleasure without the guilt. There could be gaps in the market for unprocessed alternatives, especially ones which are convenient and healthier.

Part 3

Circular Economy

In the food and drink industry

Highlights

Over the past year, seven in ten (69%) consumers made **sustainable changes to their grocery shopping habits**, demonstrating that they are willing to act on their concerns.
Page 52

Diners are fairly open to **experiencing upcycled foods in restaurants**. Four in ten (41%) would try it, with just under one in ten (9%) opposed to the idea.
Page 58

Nine in ten consumers (90%) would be **more likely to shop at refill and reuse centres** if they benefitted from a small discount.
Page 53

Nearly nine in ten (88%) consumers **buy discounted near-expiry-date products**. For almost a quarter (24%), they do this every time.
Page 54

Sustainable packaging is at least somewhat important for over two thirds (67%) of takeaway consumers. For nearly a third (29%), it's critical.
Page 62

Dive into our Circular Economy section to discover key insights and cross-sector takeaways.

In Brief

The food landscape is evolving across grocery stores and restaurants. While consumers are demanding better value for money, they're also increasingly abandoning products and packaging which are not perceived as sustainable. This report dives headfirst into how brands can work with consumers' demands to alleviate pressures and promote loyalty.

Navigating a climate and a cost of living-crisis: Consumers in the UK are caught between a climate crisis and a cost-of-living crisis. Many are finding that they need to weigh up what's best for the world with what's best for their wallet, creating some intention-behaviour gaps. The retailers and restaurants that can blend the two stand the best chances of success.

Affordability vs Sustainability: One where we're already seeing success is affordable food waste reduction measures like discounts for near-expiry foods. An overwhelming majority (88%) of shoppers are buying these reduced products, helping to save on both food waste and finances. Refill and reuse stations are also in demand. Nine in ten shoppers would throw away any perceived reservations about hygiene or lack of products if they could get a small discount - as little as 5%.

Balancing expectations: In the dine out sector, there is a willingness to try out upcycled foods, too - although consumers don't really want to hear about exactly which of the ingredients they're eating have gone through this treatment. They also don't want to pay more for them, although they begrudgingly will if they have to. This is a common theme throughout the research. Consumers expect sustainability, but there's a limit to how much they'll pay for it.

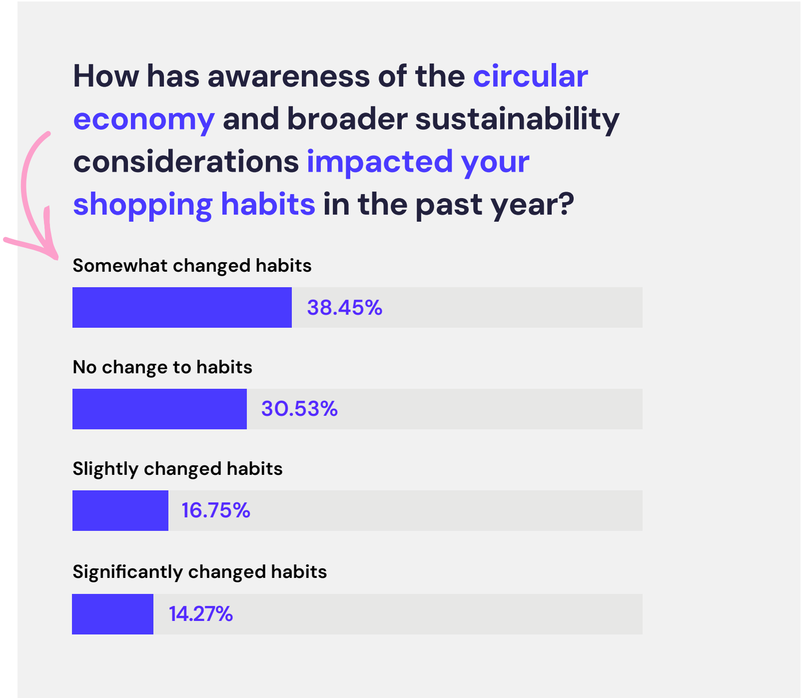
The brands that offer genuine sustainability for consumers at cheaper prices can alleviate several pain points. We believe this is the best strategy for brands strategising for the year ahead in 2025.

Sustainability and the grocery sector

Consumers are bringing their sustainable intentions to life in the grocery sector, with growing numbers greening up their shopping baskets. With curiosity peaking, the opportunity is ripe for retailers to try offering new business models. Reuse and refill stations show some promise, especially when they come with a discount. Likewise, dynamic pricing has the potential to reduce food waste.

Sustainability is now a major factor for consumers, with over two thirds making changes to their usual shopping behaviour. While most people are making small switches, a growing group is dramatically altering their purchasing habits. As the climate crisis rages on and people start to feel the adverse weather effects directly, the trend looks set to continue growing into 2025.

- Over the past year, seven in ten (69%) consumers made sustainable changes to their shopping habits, demonstrating that they are willing to act on their concerns. About one in six (14%) altered their behaviour significantly, while most (38%) just made some switches.
- The momentum looks set to continue over the next year, with over half of consumers (54%) willing to continue greening their shopping habits.
- Perhaps surprisingly, half of the women surveyed (50%) were unwilling or ambivalent to changing their grocery shopping habits, compared to 42% for men.



Refill and Reuse Stations

As UK consumers try to manoeuvre both the climate and cost-of-living crisis in their supermarkets, refill and reuse stations could prove a valuable solution. Our data shows a growing acceptance of these once-common systems, with almost two thirds of consumers wanting them as a grocery store feature. At first glance, spices and dry goods would be the more popular choice, with liquids falling at the less popular end of the spectrum. Although around half of consumers would be deterred by perceived hygiene concerns; our research indicates that this barrier could be overcome with education and small discounts to entice consumers in.

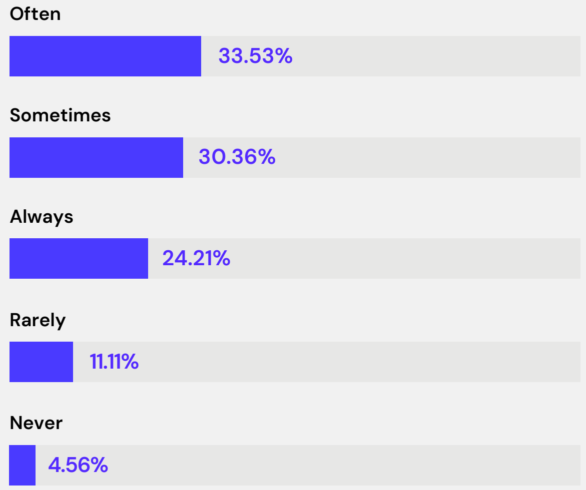
- Almost two thirds (61%) of consumers want grocery stores to offer refill and reuse stations.
- Spices and dry goods would be the most popular refill and reuse items, scoring 60% and 58% of the votes, respectively.
- However, just under half (47%) of consumers would be put off refill and reuse stations because of hygiene concerns. To alleviate this, stores could educate consumers on how and when the system is cleaned.
- Other top barriers that put people off are the risk of higher prices, having to bring their own containers and a perceived lack of products - accounting for 33%, 26% and 25%, respectively.
- Nine in ten consumers (90%) would be more likely to shop at refill and reuse centres if they benefitted from a small discount. These results are unsurprising, as it hits a sweet spot between consumers' desires to save money and shop sustainably.
- Discounts that start from a 6% saving would be the most popular, demonstrating that consumers do not need much incentive to make sustainable switches. Almost two in five would buy from refill and reuse stations if they could get between 6 - 10% off.
- For the 27% of people who are put off by bringing their own containers, one way out could be through offering a deposit scheme to hire reusable containers. More than two in five (42%) of consumers would be happy with this solution, with 16% agreeing strongly.

Food Waste Reduction

Price is a core feature of consumers' intentions to reduce food waste. The vast majority buy discounted items which are close to their expiry date, with some purchasing these every time. Like refill and reuse stations, offering dynamic pricing could hit a sustainable and cost saving sweet spot for consumers.

- Nearly nine in ten (88%) consumers buy discounted near-expiry-date products. For almost a quarter (24%), they do this every time.
- Dynamic pricing was well received by consumers, with three quarters (76%) saying it would entice them to buy near-expiry products more often.
- Over half (58%) of shoppers prefer to buy from stores that partner with food rescue organisations.

How often do you check for and purchase discounted near-expiry products?



Sent to a nationally representative sample

Sustainable Packaging

Packaging and the product are increasingly coming into the spotlight for consumers as they consider how to make more sustainable choices. Our findings indicate that three quarters of consumers are aware of eco-packaging. While about one in five make efforts to incorporate it into their shopping habits. However, despite this awareness, there is still a blind spot when it comes to which products are most in need, suggesting an education gap.

- Almost three quarters (74%) of people know about eco-packaging, with 18% being highly aware.

- Nearly three fifths (59%) of consumers would be willing to pay more for products with sustainable packaging. Within this proportion, over half (51% - or 30% of the total population) would pay between 1-5% extra.

- There's no consensus on which products most need more sustainable packaging solutions. This indicates that consumers feel improvements need to be made across the board.

- Reusable containers are consumers' most appealing packaging innovation, followed by reusable plastics and biodegradable materials, accounting for 24%, 19% and 18% of votes, respectively.

Sustainability and the dine-out sector

Out of all sectors covered in Circular Economy, dining out is the slowest for sustainable consumption. However, that doesn't mean that consumers are not talking about it, or thinking about it. There is a clear preference for information on food waste, energy and water policies as well as waste management. What's more, consumers are curious about trying upcycled foods... although with some reservations.

In the supermarket aisles, shoppers may be making an effort to green up. But it's less clear cut when the same consumers go out for a restaurant meal. While half of consumers are open to making changes, just one in ten (12%) have already done so in a meaningful way. Around a third (29%) have made small alterations. And over two in five haven't made any at all. The green revolution has yet to hit restaurants. But just like grocery shopping, we could expect to see more consumer intentions turn into actions in the future. Consumers are eager to learn, with the menu being a top choice for information.

- To try to be more sustainable, nearly half of consumers (46%) have changed dining out their habits over the past year. However, the changes have been somewhat muted. For the majority of this group (29%), the changes were only small. And the remaining haven't changed their restaurant habits at all.

- Despite the limited action, more than half of consumers (50%) would be willing to make changes for sustainability, suggesting a slight intention-behaviour gap.

- When running through restaurant options, consumers are factoring in sustainability. With almost a third of votes (29%), waste reduction and recycling is the most important consideration. Support for the local community was the top choice for over-55s, picking up 23% of votes overall.

- When it comes to learning about the restaurant's sustainability efforts, the menu is the most popular channel. It picked up around 24% of votes, with the over-55% more likely to opt for this. By contrast, the 18-24 age group were more likely to prefer an app.

Waste Segregation and Recycling

One of the ways that restaurants can reduce their negative environmental impact is with robust waste segregation and recycling systems. Our data indicates that consumers are aware and factoring this into their decision-making. Over half (56%) of diners think restaurants should have this in place, with a focus on composting and plastic recycling. Interestingly, consumers do not especially feel that they should pay extra for this, less than a third (28%) would be willing to accept a surcharge.

- Over half (56%) of diners want restaurants to have visible and clear waste segregation systems. This could mean, for example, bins for glass, plastics, paper or compost.
- With 28% of the votes each, consumers would most like restaurants to implement both a compost and plastic recycling system. In second place is waste management for cooking oil, accounting for 17%.
- Consumers do not especially feel that the cost of this should be passed on to them, but around three in ten (28%) would pay it anyway.

Food Upcycling in Dine Out

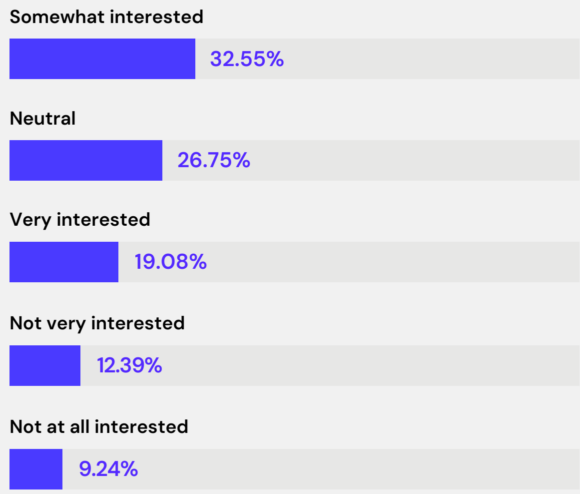
An interesting area for restaurants to explore is upcycling leftover food such as pulp from juicing, vegetable peels or fish bones. Many popular foods such as carrot cake, crisps or stock are already made using these ingredients, after all. When it comes to consumer perceptions, it seems like diners like the idea generally but would prefer to be spared the details. Almost half would prefer to eat in a restaurant that prioritises upcycling, for example, but less than one in ten like the idea of eating leftover fish.

- Consumers are increasingly aware of the concept of food upcycling in restaurants. Almost half (45%) are somewhat or very familiar with the term.

- Diners are also fairly open to experiencing upcycled foods in restaurants. Four in ten (41%) would try it, with just under one in ten (9%) opposed to the idea.

- But not all upcycled foods are embraced equally. Significantly, almost a third of people (29%) didn't want any of the food leftovers on the list incorporated into their meals. The most popular option was fruit pulp, with just under one in five (18%) willing to try it.

How interested would you be in trying menu items that incorporate upcycled food ingredients?



Sent to a nationally representative sample

- By contrast, around half of consumers (45%) would prioritise a restaurant that practices food upcycling. This could indicate that they have a different idea of what constitutes upcycling. Or some sort of mental block, where they are happy with the overall concept, but are put off by the details of the ingredients.

- While almost one in five (18%) of people would be willing to pay up to 5% more for upcycled food, most (46%) do not want to pay any extra. This could be because they perceive that the restaurant is making a financial saving already by not buying more ingredients.

Energy and Water Efficiency

The sustainability of restaurants extends beyond their menus, and consumers are increasingly interested to learn about their operational values. Just under half would prefer to spend their money in a place with good processes. And the place they most like to learn more is on the menu.

- The energy and water efficiency of a restaurant is at least somewhat important to two in five (39%) consumers.

- When it comes to spending their money, slightly more than two in five (41%) would prefer to frequent a restaurant that openly communicates its energy and water efficiency practices.

- The printed menus provide valuable real estate to restaurants, as almost three in ten diners (27%) would like to read about the energy and water efficiency policies there. Another popular destination for this information is the website or social media, accounting for 21% of votes.

Sustainability and the takeaway sector

The take out sector is almost unrecognisable today compared to a decade ago, with take out apps ruling the industry. Many consumers are now starting to consider the environmental footprint of their takeout options. They're looking for reassurance that the packaging is sustainable, and will even abandon orders for a greener alternative.

The balance has started to tip for take-out meals in the UK, as more consumers prioritise sustainability. Over half (55%) have switched up their choices over the past 12 months, and a similar proportion (50%) intend to continue, mostly with a little more vigour.

- Just over half (55%) of consumers have changed their takeaway habits for the planet over the past year, with 13% doing so significantly. However, 44% have not at all.
- Over the following year, half of consumers (50%) are willing to make more changes, but notably, they're a bit more enthusiastic. The proportion of people who have already made significant alterations stands at 13%, while the rate of those very willing to try hard in the future is 17%.
- Sustainable packaging matters most to takeaway lovers, accounting for over 24% of the total votes. The next most important considerations are food waste reduction and sourcing local ingredients, picking up 22% and 20% of the votes, respectively.

Digital Ordering Optimisation

Consumers are getting hungry for sustainable takeaways, and the place that they are looking for them is probably a digital platform like Uber Eats, Deliveroo or Just Eat. Over half (56%) of take out lovers use these apps, and they're growing increasingly trustful of AI. The blend of technology and sustainability opens interesting opportunities for brands to explore. For example, take out carbon emission tracking, ratings for circular supply systems or dynamic badges for the restaurants with the best waste management.

- Digital apps are the platform of choice for ordering takeaways, with over half (55%) of consumers using them at least sometimes. Nearly three in ten (29%) use them often.

- Less than one in five (18%) consumers have never tried using a digital platform to order takeaways.

- Consumers are also fairly comfortable with AI-powered takeaway platforms. Three quarters (74%) feel either neutral or positive about the innovations.

Sustainable Packaging Solutions

Finding the balance of sustainability, durability and affordability will be key for takeaway restaurants in the future. Our data shows a clear and growing demand for more planet-friendly packaging, even affecting over half of consumers' choices.

- Overall, half of consumers (50%) would be willing to pay at least 5% extra for sustainable take out packaging, while 28% would go even higher
- Sustainable packaging is a clear decision-swayer. Over half (50%) of buyers would pick a takeaway restaurant that offers this over one that doesn't.

Circular Supply Chains

Staying local, reducing waste and reusing ingredients as much as possible is one of the many ways that takeaway restaurants can reduce harm to the planet. When it comes to using local suppliers, over half (57%) of consumers are on board. However, this enthusiasm dwindles a bit when it comes to circular supply chains, possibly indicating a lack of knowledge or awareness.

- More than half (57%) of consumers feel that takeaway restaurants should source ingredients from local suppliers.
- Just a very small percentage (under 4%) of the population think that using local suppliers isn't important at all.
- When it comes to circular supply chains, around half of consumers (48%) feel that restaurants should commit to this. For just under one in five (18%), it's imperative.
- A third (32%) of consumers, however, are not bothered about whether their choice of takeaway restaurant commits to being part of a circular supply chain.

Cross-sector takeaways

1. **Introduce low-cost refill and reuse stations**

   Consumers especially expect grocery stores to pull their weight when it comes to the planet. They're looking for creative solutions around sustainability, and they're open to new ideas… as long as the price is right. More than three in five want to see a refill and reuse station in their local supermarket. With a discount as low as just 5%, over nine in ten consumers would use it.

2. **Consider dynamic pricing models**

   Nearly nine in ten consumers already buy near-expiry items, attracted by the reduced prices. And three quarters would like more products to have more dynamic pricing. Implementing this could be a quick win for grocery stores, also helping them achieve their food waste reduction goals. The same principle can also apply to restaurants. With digital apps like Too Good To Go, Olio or Food Cloud, they can sell lots of unsold food at the end of the day for discounted prices.

3. **Provide durable, sustainable and affordable packaging**

   Across grocery stores and restaurants, there is a clear consumer demand for sustainable packaging. In the case of grocery stores, reusable packaging would be the most popular, with around two in five consumers even willing to pay a deposit for a refill and reuse container. For takeouts, the feeling is so strong that around half of consumers will abandon a restaurant if there is one with sustainable packaging available. Brands cannot afford to lose this custom. Getting ahead now with durable, sustainable and affordable packaging could pay for itself.

Cross-sector takeaways

4. Upcycle leftovers but be wary of oversharing details

Diners are curious about upcycled dishes. About half of consumers are aware of the term already, and two in five would like to try them out. However, they can get put off when thinking about it in too much detail. Brands could get around this by curating inspiring and beautiful social media videos which romanticize the process. Or alternatively, they could remind consumers that upcycling is a traditional and nostalgic way of cooking, probably as our grandparents grew up.

One critical point is that consumers do not generally want to pay more for upcycled food – which is understandable. Offering the same prices or a discount could go long way towards popularising the concept.

5. Improve and promote sustainability policies

Operational models are mattering more to consumers, both for grocery stores and restaurants. Consumers expect to see segregated waste bins, local suppliers as well as the energy and water efficiency policies. Without this reassurance, consumers may go elsewhere. For restaurants, an excellent place to display this information could be the menu, which diners have voted is their favourite place to glean more insights.

In Summary

Our data points to a **strong and growing desire for both sustainability and affordability across grocery stores and markets**. Most consumers are very open to trying green alternatives, especially if they can pick up a discount. They're also looking beyond the product itself and more at what it was made and what it's wrapped in. There is a dominant demand for reusable packaging solutions and a sharpening focus on operating models.

While the trend is unmistakable, the scales have not fully tipped yet. There is still a substantial group of consumers who are ambivalent or neutral about sustainability. However, awareness is rising rapidly and the majority of consumers are thinking about making changes. Helping them to bridge the gap between intention and action would probably be greatly appreciated by consumers. And one of the most enticing ways to do this in the current climate is with a discount, even as small as just 5%.

As companies adapt to the changing times, our data-led insights are intended to help brands make the best strategic decisions. By helping consumers achieve their needs and goals, the whole industry wins together.

Part 4

Spotlight on Frozen Food

In collaboration with

BRITISH FROZEN FOOD FEDERATION

Highlights

The overwhelming majority (94%) of UK consumers buy discounted frozen foods, with 52% opting for this a lot.
Page 70

Two-thirds (66%) of consumers are more likely to buy frozen food that is labelled as sustainably sourced or produced
Page 72

Over half of consumers (55%) will pay extra for frozen foods that are sustainably sourced.
Page 72

Nearly nine in ten (89%) of consumers think that the nutritional quality of frozen foods has improved in recent years, with a quarter (26%) saying the improvement has been significant.
Page 74

Two-thirds (65%) of consumers check to see if preservatives, artificial flavours or additives have been added to frozen foods.
Page 72

Just a quarter (25%) of UK grocery shoppers think that the higher prices of premium frozen brands are always justified.
Page 78

Dive into our Spotlight on Frozen section to discover key insights and cross-sector takeaways.

In Brief

Frozen foods are riding high, with consumers increasingly recognising their nutritional quality. Own brands are thriving, competing effectively with premium frozen products and holding their ground in the market.

This spotlight, created in collaboration with The **British Frozen Food Federation**, explores how the frozen food sector is evolving to meet consumer needs. It highlights key trends, from shifting purchase motivations to the growing importance of health, wellness, and sustainability.

While frozen foods remain a cost-efficient choice, consumers recognise their added benefits over fresh alternatives. Convenience – not price – emerged as the top purchase motivator, with longer shelf life coming in second. As new demographics explore the frozen aisles, expectations are shifting. Health and wellness concerns are becoming more prominent, and sustainability has taken centre stage as one of the few areas where people are willing to pay more.

Brands that can successfully balance sustainability and health with taste, convenience, and price are well-positioned to thrive. However, a little extra consumer education may be needed to overcome lingering misconceptions around additives and processing. Together with The British Frozen Food Federation, this spotlight provides insights to help brands navigate these challenges and seize new opportunities.

Nutritional Quality Driving Growth: Almost nine in ten (89%) UK consumers have noticed an increase in the nutritional quality of frozen foods, with own brands competing effectively against premium options.

Convenience Outweighs Cost: While frozen foods are still valued for their cost-efficiency, convenience emerged as the top motivator for 33% of consumers, followed by the longer shelf life of these products.

Health, Sustainability, and Innovation: As more demographics explore frozen foods, health and wellness concerns, along with sustainability, are now paramount. These are some of the few areas where consumers are willing to pay more. Brands that address these priorities while educating consumers about additives can unlock new opportunities.

Frozen Food and Purchasing Habits

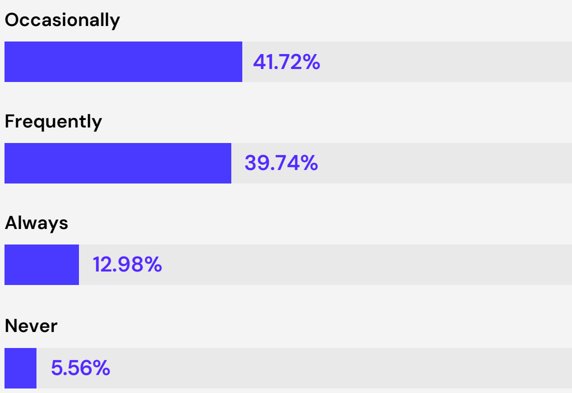
The UK's frozen food market is one of convenience, affordability and, increasingly, sustainability. Consumers are looking to buy their vegetables, potato products and meat (in that order) in a way that's good for the planet as well as the purse. Over half of consumers care about the origin, production and packaging of frozen foods. And for the right levels of sustainability, they're willing to pay more.

Origin Matters to Consumers: Over half (52%) of UK consumers consider the origin of frozen foods important.

Supermarket Preferences by Age Group: Tesco tops the list for frozen food, however, different age groups showed distinct supermarket preferences. Gen-Zs (under the age of 25) generally prefer to buy their frozen foods in Iceland, younger millennials (aged 25-34) opt for Tesco, while older millennials go to Sainsburys.

Key Factors When Choosing Frozen Foods: When picking out frozen foods, over a third of shoppers (34%) check to see if it has been locally grown or produced. A quarter (25%) are drawn in by a free trade label while just over one in five (24%) check to see if its award-winning.

How often do you buy frozen food products when they are on sale or discounted?



Sent to a nationally representative sample

Discounts Drive Frozen Food Purchases: The overwhelming majority (94%) of UK consumers buy discounted frozen foods, with 52% opting for this a lot.

Frozen Foods Are Perceived as Cheaper: Less than one in five (8%) of consumers think that frozen foods are usually more expensive than fresh foods. The vast majority think it is cheaper.

Sustainability Matters: How frozen food is wrapped matters, more than one in two (52%) grocery shoppers care about the impact of its packaging.

Two-thirds (66%) of consumers are more likely to buy frozen food that is labelled as sustainably sourced or produced and over half of consumers (54.92%) will pay extra for frozen foods that are sustainably sourced.

It is important for frozen foods to be sustainably sourced because it promotes animal welfare, ensures food safety, reduces carbon footprint, reduces waste"

Male 25 - 34

Sustainably sourcing and producing frozen foods is important because it helps protect the environment, supports ethical labour practices, and ensures that resources are used responsibly.

Male 35 – 45

Vegetables Lead Frozen Food Choices: The most popular frozen foods are vegetables, with over a quarter (28%) of consumers regularly picking them up. In second place are potato products (19%) and third is meat or poultry (15%).

Convenience is Key: Convenience is the top motivation for buying frozen food in the UK, as voted by a third of consumers (33%). While, for a quarter (25%) it's the longer shelf life that draws them to the frozen aisle.

Brand Reputation Shapes Quality Perception: When it comes to assessing quality, over a quarter (28%) of grocery shoppers consider the reputation of the brand. Other important factors are price and product appearance, according to 23% and 19% of consumers, respectively.

Ultra-Processed vs Health and Wellness

Health and wellness take a generational divide in the frozen food aisle, with under-45s six times more willing to pay for fewer additives. This could be because over-45s are becoming more cost-sensitive. But our data suggests that consumers are pushing for healthier options, which have seen an increase over recent years. Two-thirds of consumers are scanning ingredient lists to look for artificial ingredients or signs of heavy processing, and there are mixed views about how healthy these products really are. Our research suggests that a little education could clear up some of the gaps and improve the image of frozen foods.

Frozen vs Fresh: A Health Perception Divide: Most UK consumers (60%) think that fresh and frozen foods are equally healthy, with an even spread of people on either side. This suggests that there could be some general education or awareness gaps.

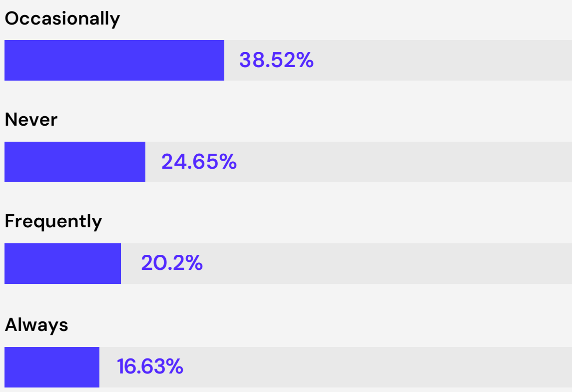
If consumers were told more about the health benefits, three in five (59%) would have a better opinion of frozen foods.

Concerns About Processing and Additives: Nearly half (46%) of consumers associate frozen foods with being heavily processed or containing additives, with 18% feeling this strongly.

If they found out that this was not the case, two-thirds (66%) would have a better opinion, rising to 70% in the 35-44 age category.

Two-thirds (65%) of consumers check to see if preservatives, artificial flavours or additives have been added to frozen foods [FIG 2]. An outlier group is baby boomers, where over half never check.

When choosing frozen foods, how often do you check for ingredients like preservatives, artificial flavours, or additives?



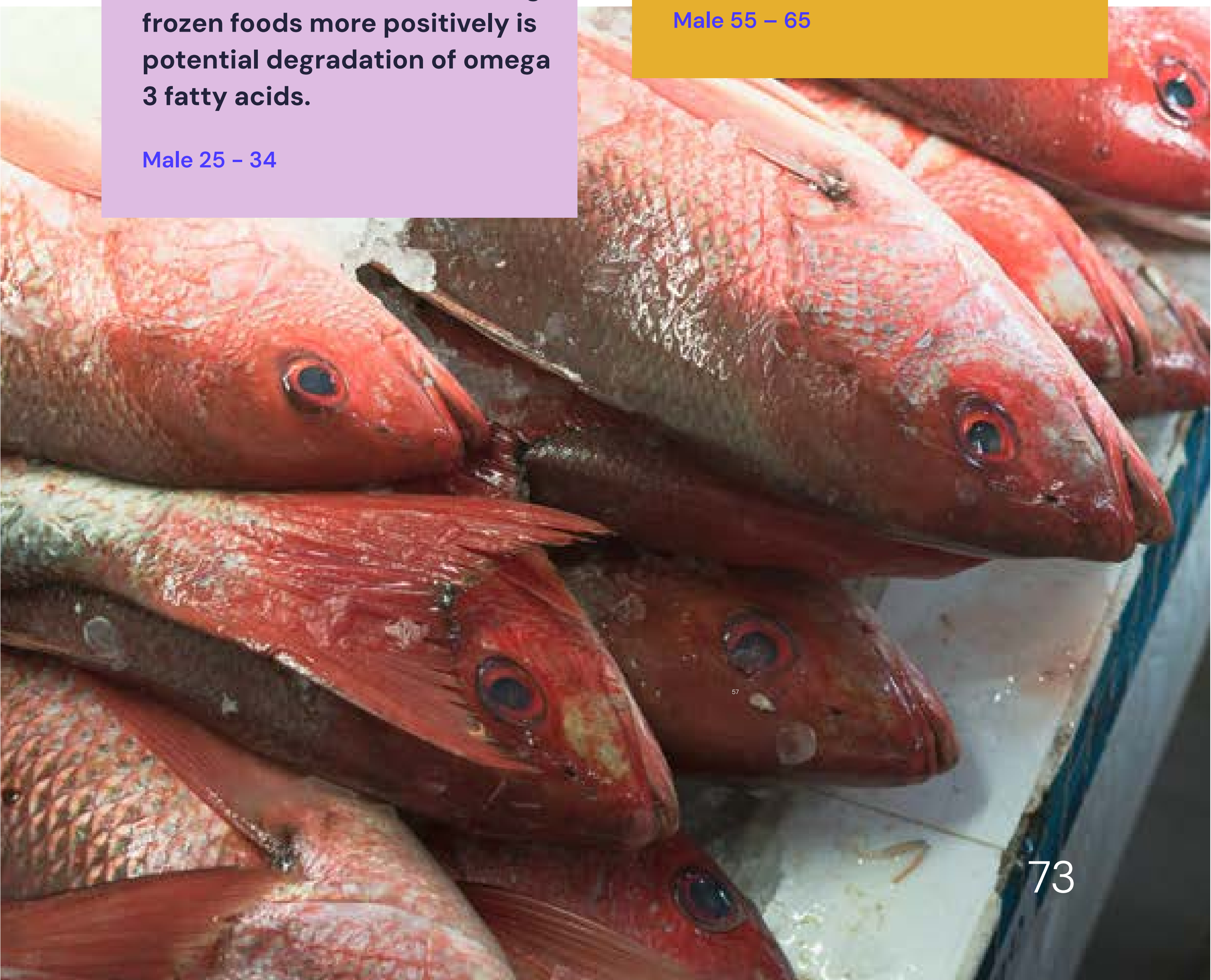
Sent to a nationally representative sample

Ultra-Processed Perceptions Persist: Almost one in two (48%) of consumers think that frozen aisles contain more ultra-processed foods (UPFs) than fresh ones.

If this group discovered that the truth wasn't as bad as they believed, two-thirds (66%) would have a more favourable view of frozen foods.

> **I find frozen food rarely cook as well as fresh foods. But they last forever, so for me there is a time and place for each. Frozen food certainly reduces food waste which is a bigger thing nowadays.**
>
> Male 55 – 65

> **One of the things that might still hold me back from viewing frozen foods more positively is potential degradation of omega 3 fatty acids.**
>
> Male 25 - 34



Health Trends in Frozen Aisles

Consumers Want Clean Labels: Two-thirds (67%) of consumers would be willing to pay more for frozen foods which are "free from ultra-processed ingredients" or "clean label". But for most of them (44% of the total), only if the price wasn't too high.

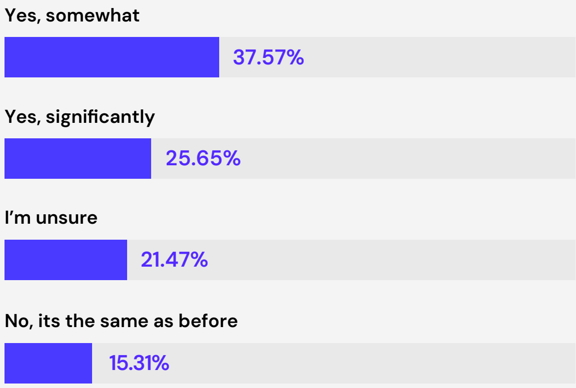
Nutritional Quality on the Rise: Nearly nine in ten (89%) of consumers think that the nutritional quality of frozen foods has improved in recent years, with a quarter (27%) saying the improvement has been significant.

Top Consumer Concerns About Frozen Foods: The most off-putting things about frozen foods are the taste and texture – with 37% of votes, the quality of ingredients (36%) and if it's ultra-processed (26%).

- For consumers aged between 34-44, nutritional content is the top concern
- The 45-65 age group are more concerned about high fat, salt and sugar content

Healthier Alternatives in Demand: Nearly one in five (19%) consumers always seek out healthier alternatives in the frozen food aisles, rising to almost one in two (46%) for vegans. And over a quarter of consumers (27%) notice health food trends in the frozen section and actively buy into them.

Do you feel that the nutritionally quality of frozen foods has improved in recent years?



Sent to a nationally representative sample

Perceptions of own-branded vs premium branded

As they browse the frozen aisles, consumers care most about taste and quality, with price being a secondary concern. Yet despite this, more than half will always put back a premium frozen product if there is an own-brand version available. Our data suggests that this is because the perceived quality of own-brand frozen foods has increased. However, while they may not always believe that the price tag is justified, consumers do still perceive premium brands as having superior "quality" and "sustainability" factors than own-brand versions.

Store Brands Take the Lead: There is a slight preference for buying store-branded frozen foods, but overall, most consumers will buy a mix of both.

Key Factors in Brand Decisions: When deciding between own-brand or premium products, taste and quality are what consumers consider the most (with 38% of votes). The second factor is usually price, and then thirdly, nutritional content, with 32% and 11% of votes, respectively.

- For Gen-Zs aged 18-24, the packaging and brand is the most important factor

Taste vs Premium Price: When choosing between price or taste, almost half (46%) of consumers value them equally. Among the rest, taste is the clear winner, with more than double the number of people prioritising it (33%) over price (15%).

I've noticed own-branded frozen products have improved in flavour, quality, and variety, with healthier options, international choices, and eco-friendly packaging, all while staying affordable.

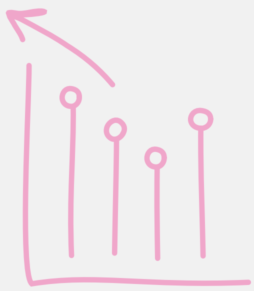
Female, 25-34

Despite this, premium frozen foods often lose out to store brands. Over half (53%) of UK consumers consistently opt for own-brand options if available, and only one in five (21%) believe premium brands taste significantly better. The majority feel premium options taste only slightly better (40%) or about the same (35%), with a small portion (5%) thinking they taste worse.

That said, quality still holds sway. Nearly two-thirds (65%) of grocery shoppers would pay more for premium frozen products if they delivered superior taste or quality. Encouragingly, the quality of own-brand frozen foods is also on the rise, with two-thirds (65%) of consumers recognising improvements and a quarter (26%) noting significant progress.

Consumers have most noticed:

1. **Better nutritional values,**
2. **Healthier options**
3. **Clearer labelling**
4. **More variety**
5. **Less additives**
6. **Less preservatives**



I often associate premium brands with higher quality, which can sway choice, especially for products where quality is crucial and brand loyalty, products availability

Male, 35-44

Factors like high quality ingredients and good sustainability practice would influence my choice between a premium brand and an own-brand product if they were priced similarly

Consumer, 25 – 34

The Frozen Food Revolution

Food waste has become a mounting problem around the world, as the climate and cost-of-living crises continue to unfold. Although around half of consumers understand how frozen foods can help them throw away less food and save money, there is an inertia when it comes to taking action. Over two-thirds of households still put edible food in the bin every week. The good news, however, is that those using their freezer to reduce waste are finding success—seven in ten report it helps with portion control, and almost two-thirds are satisfied with the quality of their frozen foods. Leading this frozen food revolution, the **British Frozen Food Federation** champions the role of frozen foods in tackling food waste and supporting sustainable living.

- One in four (43%) of consumers look out for logos like the British Frozen Foods Awards on the packaging
- The British Frozen Foods Awards logo is associated with higher quality (46% of votes), quality production standards (45%), better safety standards (38%) as well as a better taste and flavour (30%).
- Over half (55%) of consumers are more likely to choose a product that has this logo

BRITISH FROZEN FOOD AWARDS

Do you, or would you, associate the British Frozen Food Awards logo with and of the following attributes? (select all that apply)

Frozen Revolution:

The Scale of Food Waste: Food waste remains a significant issue, with more than two-thirds (67%) of consumers discarding edible food every week.

Opportunities to Reduce Waste: Over half (55%) of consumers believe they could waste less food, identifying better meal planning (25%) and buying more frozen foods (12%) as potential solutions.

Frozen Foods as a Solution: Frozen foods are increasingly recognised as an effective way to reduce waste. Just under half (44%) of consumers see frozen foods as a cost-efficient method for portion control, while one in three (34%) appreciate their extended shelf life. Seven in ten (71%) find frozen food helpful for managing leftovers and portion sizes, with nearly a third (32%) doing so consistently.

Awareness and Education Gaps: Most consumers (51%) are aware of frozen food's waste-saving benefits, but one in five (21%) are only learning about this now. Meanwhile, almost a quarter (23%) of consumers still don't see how reducing food waste could help them save money, highlighting an education gap.

Satisfaction and Misconceptions: Nearly two in three (62%) consumers are satisfied with the quality of frozen foods, but 31% want more variety. Despite this satisfaction, common misconceptions persist, with concerns about potential quality loss during freezing.

Sustainably sourcing and producing frozen foods is important because it helps protect the environment, supports ethical labour practices, and ensures that resources are used responsibly.

Male 35-44

It is important for frozen foods to be sustainably sourced because it promotes Animal welfare, ensure food safety, reduced carbon footprint, reduce waste.

Male 25-34

Takeaways for the Frozen Sector

1. **Educate consumers:**

   Our data shows that consumers are held back by health-related stereotypes about frozen foods, particularly around additives and preservatives. To uplift the whole industry, we'd recommend showcasing the facts, so consumers can make informed health decisions.

2. **Advocate for portion planning:**

   Most consumers agree that frozen food is a great way to save on food waste (and probably waistlines too). Brands can play into this pre-existing knowledge, with helpful tips about portion control and meal planning.

3. **Prioritise sustainability and affordability:**

   Frozen food brands that can marry sustainability with affordability stand to succeed in this market. This means across every stage - from the origin of the food to the choice of packaging.

4. **Space-saving initiatives:**

   Given that freezer space is the top blocker for 85% of consumers, brands could explore ways to free up space, such as offering incentives or space-efficient portion sizes.

5. **Power-up promotions:**

   This consumer group is price sensitive, and almost all of them (94%) pick up sales items from the frozen section. Brands that tap into this with tempting offers could benefit, especially over festive seasons. But they should be wary not to exceed available freezer space.

6. **Highlight convenience:**

   Consumers love convenience, and this is one of the main appeals of frozen foods. Emphasising this across promotions online and in-store could help to reignite sales.

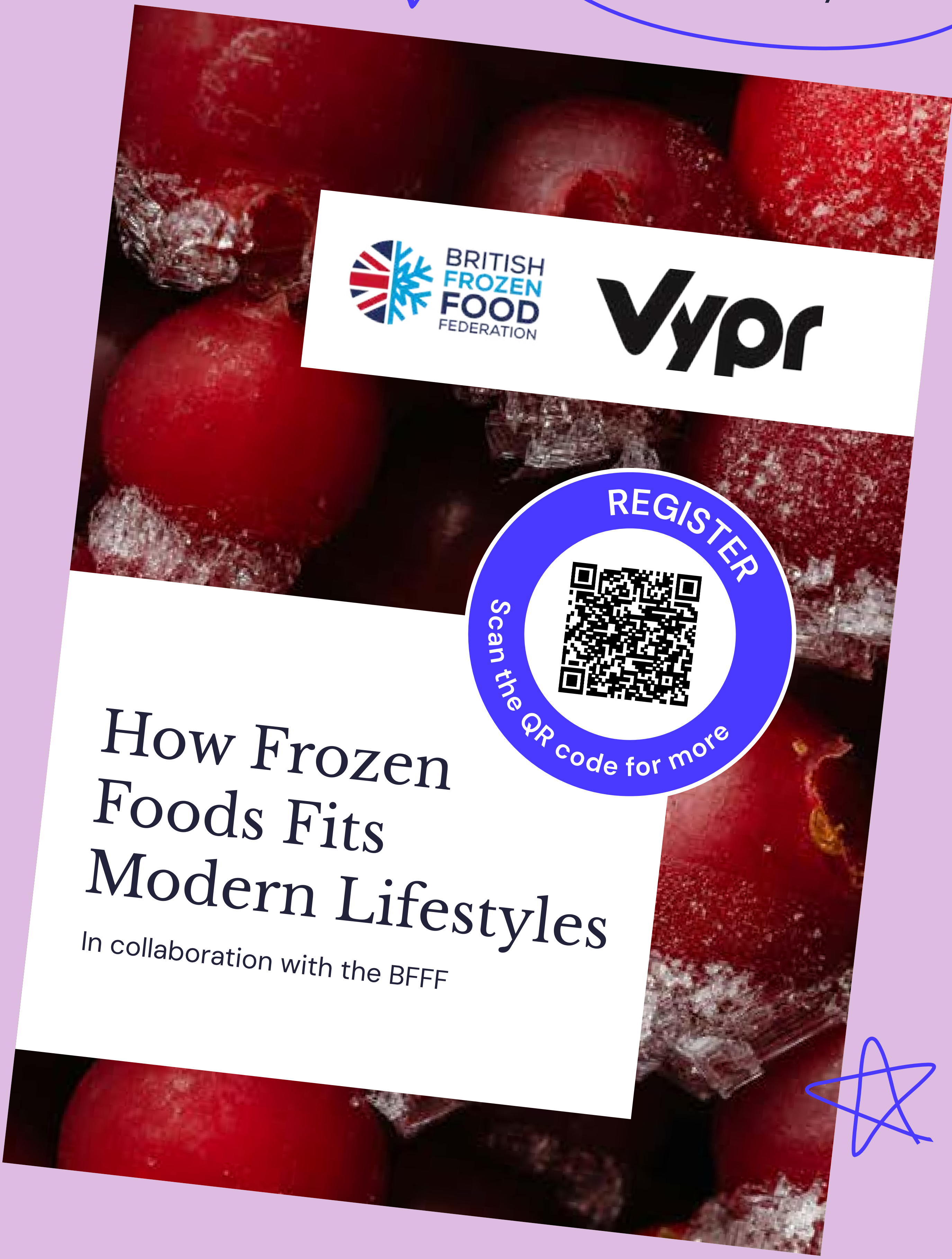
In Summary

Consumer preferences in the frozen food sector are shifting, driven by growing awareness of health, sustainability, and convenience. Shoppers are increasingly recognising the nutritional quality of frozen products and looking for options that align with their values. There's a clear demand for eco-friendly practices, from sourcing and production to packaging, and consumers are willing to pay more for sustainably produced options.

Despite these positive trends, barriers remain. Misconceptions about additives and processing persist, and freezer space limitations still hold many consumers back. Education and innovation will be key to overcoming these challenges, especially when paired with strategies like improved packaging and promotions that meet price-sensitive demands.

As brands navigate these changes, aligning with consumer priorities offers significant opportunities to grow loyalty and build trust. By helping shoppers balance affordability, health, and sustainability, the frozen food industry can lead the way in meeting evolving needs and expectations.

Free Webinar on 25th February 11am



Part 5

Know Your Shopper

In collaboration with

RetailEconomics

A New Era of Pricing

Driving Growth and Loyalty with Advanced Membership Models

Consumer loyalty isn't just earned—it's actively bought. In the UK, where 97% of shoppers belong to at least one loyalty scheme (Competition and Markets Authority), membership pricing is becoming critical for market share growth. In an age of savvy shopping where consumers demand more, offering exclusive discounts and other member benefits is key for transforming how retailers connect with consumers.

Today, consumers expect tailored experiences, tangible value, and exclusivity. Tesco Clubcard and Sainsbury's Nectar card may have led the charge, but retailers like Boots, Superdrug and H&M are quickly following suit. With competition for consumer attention fiercer than ever, getting it right can mean the difference between sustained loyalty or lost consumers.

Responding to these market dynamics, we partnered with Retail Economics to investigate what motivates consumers to join loyalty schemes, what benefits they truly value, and how they perceive membership-based pricing structures. We also investigate how retailers can craft membership strategies that drive engagement, protect profitability, and stand the test of time.

In Part 1, we set the stage by exploring the economic pressures and trends shaping today's retail landscape. Part 2 identifies consumer cohorts, revealing what matters most – from value perceptions to purchase barriers. Finally, Part 3 discusses key focal points for retail brands striving to build effective membership schemes that create genuine and sustained loyalty.

Terminology used throughout this section

Loyalty schemes / loyalty memberships	Schemes offering benefits to consumers by a retailer (e.g. Tesco Clubcard, lower prices, exclusive deals, loyalty points etc.)
Membership pricing	The practice of offering lower prices and other discounts to loyalty scheme members over non-members

Part 1 – Understanding your consumer

The consumer landscape in an age of disruption

Retailers today face unprecedented challenges in a rapidly evolving market. The cost-of-living crisis has squeezed consumer spending power, intensifying price sensitivity and eroding brand loyalty. Consumers now demand greater value, pushing businesses to rethink traditional pricing models. Membership pricing has emerged as a strategic tool to enhance loyalty and offer increased perceived value.

Post-pandemic, consumer behaviour has shifted significantly. Many are returning to physical stores seeking familiarity and immediacy, creating online and in-store touchpoints in their hunt for value with complex consumer journeys. Retailers must deliver seamless, connected experiences across all channels to stay ahead.

In a saturated digital marketplace, competition for consumer attention is fierce. Mastering the 'attention economy' is critical for consumer retention; a robust pricing strategy is a central part of this. Furthermore, the rapid advancement of technology, evolving consumer expectations, and the demand for personalised experiences continue to reshape the retail landscape.

Loyalty memberships can help retail brands respond to many of these challenges by meeting consumers' need for value, sense of appreciation, and their desire for personalised offers that are delivered conveniently.

The membership pricing value model

The range of membership benefits for both consumers and retailers areunderpinned by a variety of psychological factors. Here, loyalty schemes enhance shoppers' experiences in several ways, as illustrated in our Membership Pricing Value Model. Key features include:

Self-perception theory: By reinforcing consumers' self-identity as loyal and valued shoppers, consumers begin to see themselves as committed to a retailer. Retailers can build on this by offering early access to sales or rewards, while emphasising exclusivity. This can help foster psychological connections – 59% of members agree that membership made them feel more connected to a retailer.

Scarcity effect: Membership pricing schemes use the psychological trigger of scarcity to great effect by limiting the availability of significantly cheaper prices to members. Not only does this drive sign-ups (16% of non-members say they consider joining when they see membership pricing), it also strengthens the perceived value of membership.

The Anchoring Effect: This works by setting a reference point in consumers' minds, helping them judge the value of membership pricing more favourably. By clearly communicating comparisons and long-term benefits, retailers can turn sceptical shoppers into loyal members who are confident they're making the right choice. On average, 12% of members and 62% of non-members feel sceptical about membership scheme savings.

Cognitive ease: Membership pricing makes it easy for consumers to feel confident they're getting the best deals – 52% of members check prices at other stores less often, with 70% citing convenience as a major factor in their day-to-day purchasing decisions.

Social proof: Evidence of millions of members belonging to a scheme helps build credibility, especially when friends and family are involved: 61% of consumers say they frequently recommend products and services to family, highlighting the role that social proof often plays in shopping decisions.

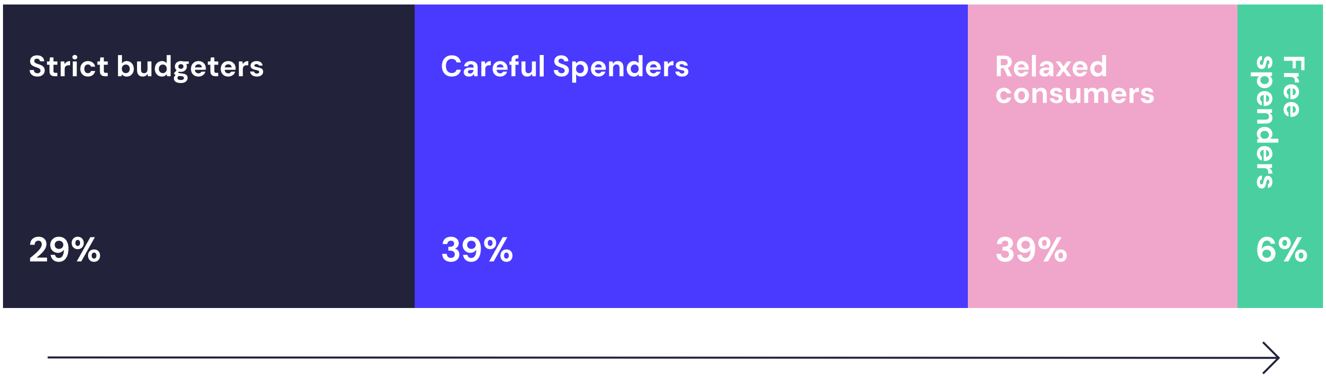
Overall, these factors drive a range of consumer benefits – from enhanced value perception to greater convenience and psychological satisfaction. These in turn drive benefits for retailers such as bigger basket sizes, cross-sell opportunities, and increased retention.

The Membership Pricing Value Model

Part 2 - Consumer drivers of loyalty schemes

Most consumers appreciate loyalty schemes, but there are differences in what shoppers value, particularly when it comes to household spending. Our research identifies four distinct cohorts:

The four key loyalty cohorts

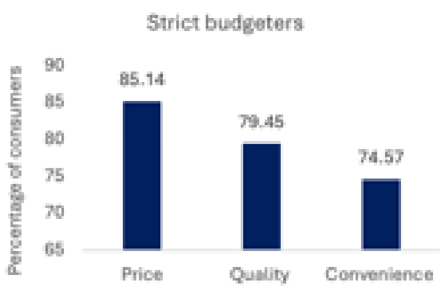


Rising propensity to spend

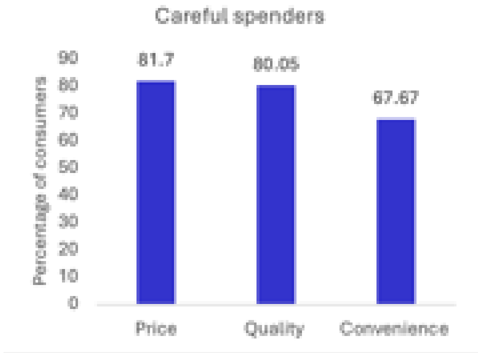
Source: Retail Economics, Vypr

Cohort characteristics

Strict Budgeters (29%)	Very careful spenders who track every penny, they are most likely to be found in households earning £25k per year or under. However, they are represented across all income groups – just under a quarter (24%) of those earning £67k or more are strict budgeters. Strict budgeters are roughly equal across the age groups, although the 65+ group is slightly less likely to be in this category.	Strict budgeters value price above everything else and are more likely than other groups to take memberships into account when choosing where to shop



Cohort characteristics (continued)

<table>
<tr>
<td>Careful Spenders
(39%)</td>
<td>The largest group, this group is generally careful about their spending, but not strict. They are more likely to be older (29% of 18-24s are in this group, compared to 44% of 65+) and have a household income of between £25k and £67k. They value price and quality almost equally, and when asked what they want from a loyalty membership, they choose extra savings on their most frequent purchases.</td>
<td>Careful spenders value price and quality almost equally

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<tr>
<td>Relaxed consumers
(19%)</td>
<td>Relaxed consumers take a relatively laissez-faire approach to spending on necessities but are careful about luxuries. They are equally distributed across the age groups, with a small peak between the ages of 25 and 44, and their numbers increase according to household income – 27% of those earning £67k or more are in this group, compared to 13% of those earning £18k or under. They are most likely to value quality, although convenience and price are not far behind.</td>
<td>Quality ranks highest but price follows closely

</td>
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<tr>
<td>Free spenders
(6%)</td>
<td>The smallest group, free spenders tend to be both richer and older, with the likelihood of being a free spender increasing with both age and household income. This group spends without worrying, whether on necessities or luxuries. They have different values to other groups, putting quality top of the list.</td>
<td>Free spenders have different values to others

</td>
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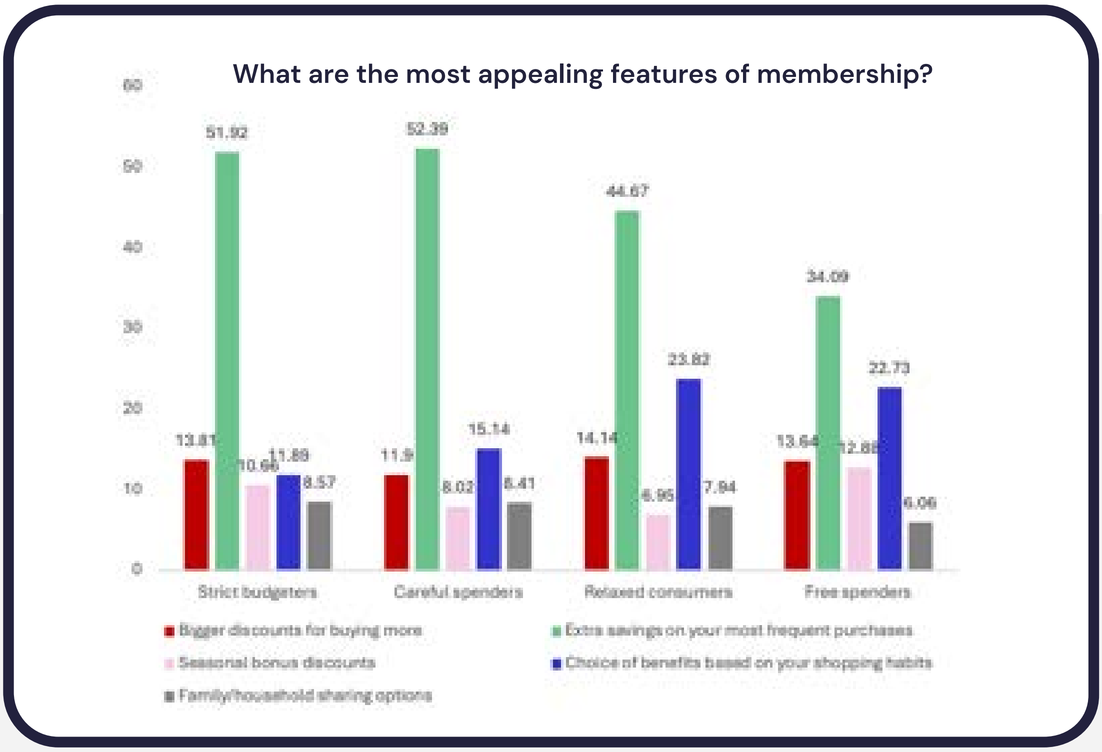
What drives loyalty schemes?

The biggest drivers of loyalty membership are the savings members enjoy, access to exclusive deals, and the sense of belonging to a valued group. For non-members, fear of missing out (FOMO) plays a significant role. Here, 64% feel excluded by membership pricing, while 41% are actively considering signing up. Members, on the other hand, value the sense of getting the best deals and worry about missing out if they leave – 79% believe they receive better value than non-members.

Household budgeting styles also shape how people perceive membership pricing benefits. 'Strict Budgeters' tend to prioritise the tangible savings schemes offer. 'Free Spenders' and 'Relaxed Consumers' appreciate having a choice of benefits tailored to their shopping habits. Meanwhile, those on tighter budgets – representing the majority of consumers – see the most value in discounts applied to their regular, essential purchases.

'Strict Budgeters' value extra savings on their most frequent purchases.



With access to membership prices, consumers like to be certain they've got the best prices on offer. Retailers should communicate clearly around price-checks, or provide easy ways of checking prices and offers. 77% of the non-members surveyed agreed that they prefer to shop around for the best prices, suggesting that if they could be certain they were accessing the best prices, they might sign up.

What drives loyalty schemes?

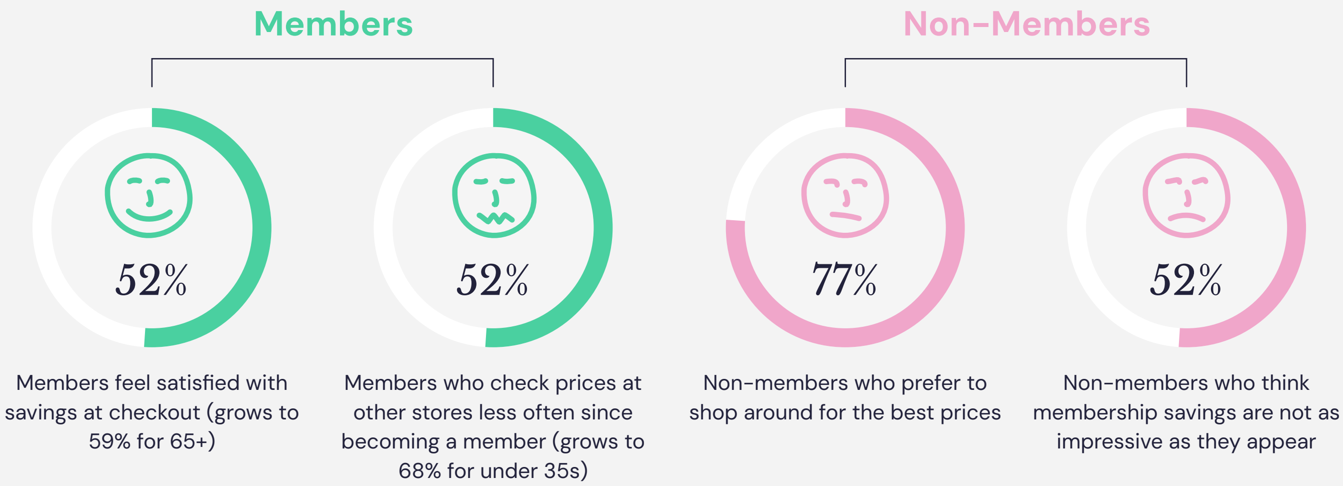
Loyalty schemes have a significant impact on purchasing frequency. Here, 70% of members say they shop with a retailer more because of their membership, while 63% buy impulse items because of it. Shoppers under 45 and the more affluent households are particularly likely to respond in these ways.

Meanwhile, non-members are likely to behave in the opposite way – when they see membership prices in-store or online, 27% say they are likely to shop elsewhere. Memberships encourage repeat visits and unplanned purchases, boosting average basket size and transaction value. This underscores the importance of designing loyalty programs that emphasize tangible, easily accessible benefits to maximise retention and revenue, and to make it easy for non-members to join.

How do membership schemes impact consumer behaviour?

Our research shows that membership schemes have a significant impact on consumer behaviour in key areas

Membership scheme impact on key consumer behaviour



In November 2024, The Competition and Markets Authority (CMA) after analysing 50,000 grocery products on loyalty promotions, found little evidence of supermarkets artificially inflating prices before membership deals make savings appear more attractive.

This finding, together with the key behavioural shifts, create an opportunity for retailers to champion the real value of loyalty pricing. But importantly, price transparency is critical—honest communication about pricing is needed to build trust and credibility.

Regarding the different cohort perceptions, 'Strict Budgeters' focus on savings, while 'Careful Spenders' value price and quality equally. 'Relaxed Spenders' prioritise price, quality, and convenience, whereas 'Free Spenders' emphasise premium quality, with sustainability and brand reputation close behind.

To make loyalty schemes resonate, retailers should tailor strategies to different priorities. Highlight savings for 'Strict Budgeters', premium offerings for 'Free Spenders', and balanced approaches for 'Careful' and 'Relaxed Spenders'. A segmented approach ensures loyalty memberships appeal broadly while addressing diverse shopper needs.

Membership impact on up-selling

Our research highlights that membership pricing encourages larger basket sizes and offers opportunities for upselling and cross-selling. 71% of shoppers agree they switch to products with membership pricing, rising to 78% of those aged under 35. 'Strict Budgeters' are also particularly likely to switch, with 74% agreeing they do so, compared to 64% of 'Free Spenders'.

By using a combination of transaction, demographic and purchase history data, retailers can identify consumers most likely to respond to specific offers, boosting revenue and improving the shopping experience. Tracking interactions on digital platforms such as apps and wish lists can identify opportunities for personalised recommendations. Additionally, in store, point-of-sale systems can flag cross-sell and upsell opportunities based on basket contents. Those who are most likely to switch products based on offers can be retargeted.

Part 3 – Retailer takeaways

Our research identifies five key areas for retail brands to focus on to help ensure their membership schemes have a significant and positive impact on the consumer experience, as well as loyalty, engagement and revenue:

1. Tailor rewards to boost consumer satisfaction

Use behavioural, demographic and transactional data to identify consumers most likely to respond to upsell and cross-sell opportunities – often younger strict budgeters – as well as the offers each shopper is most likely to appreciate based on their purchase history.

2. Communicate with transparency

Membership pricing schemes are dogged by scepticism - 62% of non-members think savings are not as impressive as they appear. To communicate the genuine value of loyalty pricing, retailers should provide external validation where possible, using independent price checks and findings from industry regulators. Historical price tracking and price-check tools will build consumer confidence. Training store staff to be equipped to answer queries will also greatly help.

3. Use digital shopping features to boost immediacy and convenience

With 70% of consumers regularly using their smartphones for shopping, and 73% regularly using apps, these digital tools can help retailers connect with consumers at critical moments, offering immediate savings and enhancing shopping convenience.

4. Prioritise ease and convenience to boost repeat visits

Membership schemes encourage repeat visits and larger baskets, but their success hinges on simplicity. Retailers should create pricing schemes that are easy to join, with clear, straightforward reward structures and minimal tier complexity. User-friendly apps and marketing materials are key to fostering understanding, allowing consumers to quickly grasp the benefits and make confident purchasing decisions. A seamless experience not only enhances engagement but also builds long-term loyalty.

Part 3 – Retailer takeaways

5. Consider segmentation

Different consumers value different things, and retailers should consider tailoring their loyalty and pricing strategies to ensure the highest possible number of people get what they want from a loyalty scheme. Combining different sources of data – from consumer feedback to demographics and sales data –

retailers will be able to identify who is likely to appreciate different elements of a loyalty scheme. Highlight savings for 'Strict Budgeters', premium offerings for 'Free Spenders', and balanced approaches for 'Careful' and 'Relaxed Spenders'

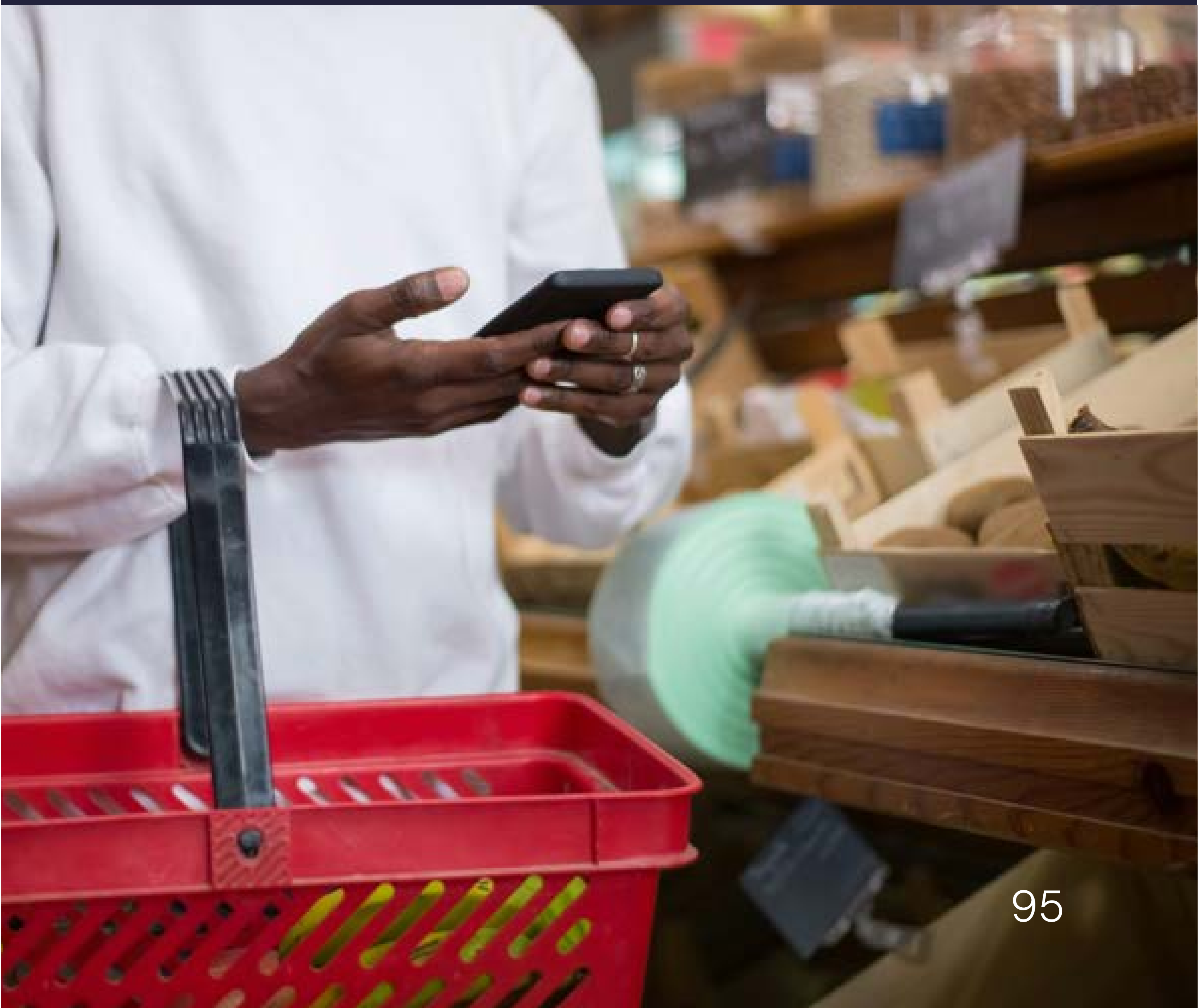
6. Get the basics right

Memberships can drive a wide range of business benefits, but when it comes to deciding where to shop, consumers prioritise price, location, and product range over loyalty schemes. Retailers must first ensure these core elements are strong before leveraging memberships to enhance loyalty and engagement. A solid foundation will maximise the impact of loyalty programs and ensure long-term success.

In Summary

Membership pricing offers retailers a powerful way to drive loyalty, boost basket sizes, and engage diverse consumers.

Success depends on transparent communication, personalised rewards, and seamless experiences tailored to different cohort characteristics. Retail brands must balance evolving consumer demands with operational efficiency to maximise impact. As competition intensifies, retail brands that refine their strategies will lead the way in delivering genuine value. After all, loyalty isn't just earned – it's bought with value, trust, and a commitment to meeting consumers where they are.



Conclusion

UK consumers are navigating a complex web of priorities, balancing cost, health, sustainability, and convenience in their everyday decisions. As economic pressures persist, many are taking proactive steps to align their purchases with their values, particularly in grocery stores, where many are already making **sustainable changes**. The trend is clear: consumers are becoming more deliberate in their habits, with resolutions to act sustainably growing stronger as awareness of environmental challenges continues to rise.

Health and wellness is also becoming the sharper focus, with consumers weighing convenience against nutritional value. While ultra-processed foods remain popular for their affordability and ease, **concerns about additives and health implications** highlight an opportunity for brands to educate and innovate. Those who can demystify these products and offer healthier, accessible alternatives will be well-placed to build trust and loyalty.

The circular economy is gaining traction, with consumers showing increased interest in refill and reuse initiatives and sustainable packaging. However, for these practices to achieve widespread adoption, brands must ensure accessibility and affordability. Education around the benefits of sustainability, coupled with small incentives like discounts, can play a key role in encouraging behaviour change.

Frozen foods, once considered a budget option, are now being recognised for their **nutritional quality and sustainability benefits**. Convenience continues to drive sales, but evolving consumer priorities around health and eco-consciousness present exciting opportunities for brands to innovate. The frozen food sector can grow its appeal across demographics by addressing misconceptions and introducing solutions for freezer space limitations.

Understanding shopper loyalty has never been more critical. With **97% of UK consumers enrolled in at least one loyalty programme**, membership pricing transforms how retailers engage with their consumers. Shoppers are drawn to schemes that offer value, exclusivity, and convenience. Tailored membership models that deliver personalised offers and foster emotional connections can strengthen consumer loyalty while boosting retention and revenue.

In a marketplace where consumers navigate a wide range of priorities, brands that can address the key pillars of value and convenience are best placed to succeed. Whether through sustainable practices, personalised offerings, or innovative solutions, aligning with consumer expectations is essential for building trust and loyalty. **Businesses across industries can thrive by leveraging data-driven insights and staying responsive to changing behaviours.** If you're ready to deepen your understanding of your consumer base and develop strategies that resonate, we're just a click away.

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