

by A. Elizabeth Sloan

What Consumers Are Avoiding: A Look at the 'Free-From' Market

The "free-from" movement in which consumers opt for foods that are free of specific ingredients has moved into the mainstream. Collective year-one sales of new foods/beverages touting "lower in," "reduced," or "free-from" claims totaled \$1.6 billion in 2013, according to IRI's 2014 *New Product Pacesetters* report.

Just over half (53%) of consumers watched their diet in 2013, according to Packaged Facts' 2014 report, *Food Formulation Trends: Ingredients Consumers Avoid*. Two-thirds of consumers watched their diet for general health reasons; 55% to lose weight; 40% to limit fat, sugar, etc.; 38% to prevent future medical issues; 38% to maintain weight; 22% to treat a current medical condition; and 10% for a real/perceived food allergy or intolerance, explains Packaged Facts' 2014 *Weight Management: U.S. Consumer Mindsets* report.

Six in 10 of the best-selling new foods/drinks introduced in 2013 offered less sugar or calories, up 6% over the prior year, and 23% had less fat, according to IRI. Slightly more than half (54%) of those watching their diet in 2013 bought low-fat foods, 37% fat-free/nonfat, 35% low-calorie, 33% sugar-free, 28% low-sodium, 24% low-sugar, and 23% low-cholesterol or low-carb, per Packaged Facts.

The latest wave of free-from foods involves avoiding ingredients associated with real or perceived food intolerances/

allergies (e.g., gluten-free).

According to the Packaged Facts avoidance report, food restrictions, intolerances, or allergies had a great deal of influence on the purchase decisions of one in 10 shoppers in 2013 and somewhat influenced 17%.

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Nearly one-third of food shoppers tried some specialized diet/eating approach last year. According to the Food Marketing Institute's (FMI) 2014 *U.S. Grocery Shopper Trends* report, gluten-free diets drew 8% of consumers; vegetarian 7%; raw/living foods 6%; dairy-free 5%; and Weight Watchers 4%. One-third of shoppers say gluten-free is important to them; 11% look for it on labels, per FMI.

While current media and market attention would have us believe otherwise, the success and size of the majority of these new free-from/exclusion markets is, in reality, often grossly inflated. For example, an approach that estimates the scope of the market by tabulating gluten-free sales based on the presence of a gluten-free claim on packaging put its size at \$24 billion in 2013. But when the market is better defined (to include only products formulated specifically to replace wheat flour and to exclude products that are naturally gluten-free), it is much smaller: \$1.3 billion in 2013, by ConAgra's estimate.

The Hartman Group's 2013 *Reimagining Health & Wellness* report found that over half of those who purchased gluten-free foods did not know the product was gluten-free. And Technomic's 2014 *Consumer Healthy Eating Trend Report*

consumer concern. Eight in 10 adults say that preservative-free foods are healthy, according to the Technomic report. Technomic research also shows that 78% of adults believe products that contain no artificial sweeteners are healthy. According to the

found that while 44% of adults believe that gluten-free foods are healthier, that is down from 60% who felt that way in 2012.

Four percent of U.S. adults are currently watching their diet because of lactose intolerance; 6.5% bought lactose-free foods in 2014, according to the Packaged Facts' avoidance report.

Mintel's 2013 *Dairy and Non-Dairy Milk—U.S.* report predicts that sales of dairy alternative drinks (e.g., soy, almond milk) will reach \$2.9 billion by 2017. Reasons of health, taste, and nutrition were among the leading factors contributing to consumers' decisions. Thirteen percent of moms interviewed in the 2013 *Gallup Study of Children's Snack Habits* said their child avoids milk/dairy/lactose; the total had climbed by 5% over the past five years.

The Centers for Disease Control's 2013 *Summary Health Statistics for U.S. Children* confirmed that food allergies in children are on the rise; 4.1 million kids under the age of 17 suffer from true food allergies.

Food additives are a major

International Food Information Council, one-third (33%) of consumers avoid aspartame, 27% avoid saccharin, 21% sucralose, and 16% stevia.

GMO-free is perhaps the most unpredictable free-from market. Half of consumers are aware of GMOs (genetically modified organisms), and 45% of those that are aware believe GMOs are unsafe, according to FMI's 2014 *Shopping for Health* report.

Free-from looks like a strong trend in markets around the globe. Food intolerance was the second-fastest-growing global positioning for functional foods/beverages in 2013, according to Euromonitor. Innova Market Insights reports that new dairy-free product introductions grew 36% in 2013; Germany and Spain are the most active new lactose-free markets globally. GMO-free is important to 50% of consumers in Germany and 42% in Japan. **FT**



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