



Apr 29, 2013 14:37 CAT

Research shows lowering cost barrier improves diet choices

Making healthy food options more affordable for consumers has been shown to be the right recipe to get people changing their diets for the better. Research by RAND Corporation, the largest independent policy research programme in the US, shows that lowering the costs of healthy foods in supermarkets not only increases the amount of fruits, vegetables and whole grain foods, but also motivates people to make fewer unhealthy purchases, including sweets, crisps and sugary drinks. This research was published in the American Journal of Health Behavior and focuses on Discovery Vitality's HealthyFood programme. Roland Sturm, Senior economist at Rand Corporation said "This programme may be unique worldwide due to its size and geographic scope and is the only one funded by the private sector on an

ongoing basis”.

According to the World Health Organization (WHO), chronic diseases of lifestyle account for over 60% of deaths worldwide. The high levels of smoking, unhealthy diets and lack of exercise are the main reasons for the rise in lifestyle diseases such as diabetes, high cholesterol and blood pressure. The global prevalence and increase in obesity is one of the most significant global public health concerns faced today. The WHO estimates that 1.2 billion people in the world are classified as being overweight with 475 million people classified as obese. The South African picture is equally bleak. A stronger focus on prevention is one way of stemming the tide of chronic diseases and consequential high healthcare costs.

Finding ways to encourage people to improve their diets has therefore become critical in preventing chronic illnesses related to poor lifestyle choices. The RAND Health research looked at how effective the discount programme on healthy food items is in changing people’s behaviour. It used data from Vitality’s HealthyFood programme on people’s eating habits by analysing the diet patterns of 170 000 households with 350 000 individuals who are taking part in the programme. The HealthyFood programme was started in 2009 and gives a discount of 10% or 25% when members buy HealthyFood items. A panel of nutritionists, physicians and behavioural scientists selected around 10 000 healthy food items for consumers. These include fruit and vegetables, whole grains, non-fat dairy and lean proteins like fish. The number of supermarkets taking part in the programme has grown to more than 800 with 260 000 households enrolled. Pick n Pay has been the retail partner since inception of the programme and Woolworths has recently been included as a retail partner for qualifying Vitality members.

“These findings offer good evidence that lowering the cost of nutritionally preferable foods can motivate people to significantly improve their diet. Our analysis found that the 25% discount increased the amount of healthy food purchased in relation to all food purchased, by 9.3%. This discount also increased the ratio of fruit and vegetables to total food purchases by 8.5% and decreased the ratio of less-desirable food to total food purchases by 7.2%.” concluded Sturm.

Dr Craig Nossel, Head of Vitality Wellness said, “We are extremely encouraged by the results of this study and the validation of our approach of changing behaviour by using meaningful incentives. The rise in chronic

diseases of lifestyle is a global crisis that requires innovative solutions. The Vitality HealthyFood programme has been very successful in making the healthy choice an easier choice”.

The Vitality HealthyFood programme has since been introduced in the US, UK and China through Discovery’s international ventures. In 2012 PruHealth Vitality members in the UK spent over £2m on HealthyFood items at supermarket chain Sainsbury’s. In the US, HumanaVitality has recently partnered with Walmart and in China, Ping An Health has partnered with Tesco. The initial response to the HealthyFood programme in the US and China has been positive.

About the research

The Rand Corporation research team collected supermarket scanner data linked to 170 000 households and survey data about diet patterns from 350 000 individuals, including both those who participated in the HealthyFood programme and those who did not. The research team also analysed survey responses. Based on self-reports, consumers who received a 25% rebate ate an extra half-serving of fruits and vegetables every day. This group also indicated that they ate less fast foods, fried or processed foods and foods high in sugar, and salt.

Support for the RAND research project was provided by the National Cancer Institute and the National Institute of Child Health and Human Development.

Rand Health, a division of the Rand Corporation, is the largest independent health policy research programme in the US. Its research focus areas are healthcare costs, quality and public health preparedness, among other topics.

Full details of the study findings are available online. Click [here](#).

Discovery information

Discovery is an authorised financial services provider.

Discovery operates in the healthcare cover market in South Africa, the United Kingdom and China; the life assurance market in South Africa and the United

Kingdom; as well as the long-term savings and investment market, and short-term insurance market in South Africa.

Vitality, Discovery's wellness programme, is the world's largest scientific, incentive-based wellness solution. It provides individual and corporate wellness initiatives in South Africa, the United Kingdom, the United States of America and China. The global Vitality membership base now exceeds 3.4 million lives.

Discovery's core purpose is to make people healthier, and to enhance and protect their lives through financial products that clients need and want.

South African operations

Discovery Health

- Launched in 1992, Discovery Health is South Africa's largest healthcare funder and manager of medical schemes. It manages 14 medical schemes.
- This includes the Discovery Health Medical Scheme, which has a 50% share in the open medical schemes market, making it South Africa's largest open medical scheme.
- Discovery Health covers more than 2.6 million lives.
- The Scheme is the only one in South Africa to enjoy an AA+ rating for its claims paying ability, the highest possible credit rating from international rating agency Global Credit Ratings.
- The Discovery Health Medical Scheme holds over R7.4 billion in reserves.
- Discovery Health pioneered consumer-driven healthcare in South Africa with the introduction of innovations like the Medical Savings Account and its wellness programme, Vitality.
- Discovery Health is continuously innovating new products and tools to enhance the quality of care members receive, including HealthID, an iPad-based application for doctors launched in 2012.
- Discovery Health was voted the top medical aid brand in the Sunday Times Top Brands survey for both 2010 and 2011.
- Discovery Health was voted the top healthcare product supplier at the 2010, 2011 and 2012 Financial Intermediaries Association of Southern Africa (FIA) Awards.

- In 2012, the PricewaterhouseCoopers fifth biennial Strategic and Emerging Issues in South African Insurance survey rated Discovery Health's insurance products as the leader in the industry.

Discovery Life

- Discovery Life was launched in 2000 and is South Africa's fastest growing major life assurer in the risk market, having captured 25% of the overall risk broker market.
- It was the first South African insurer to separate risk from investment, leading significant change in the industry.
- With 364 887 individual policies, the embedded value of its business is now more than R17 billion including Discovery Invest.
- Discovery Life addresses the problem of underinsurance through its unique integrated operating model and through innovative product development.
- Discovery Life was voted the top life assurer in the Sunday Times Top Brands survey for both 2010 and 2011.
- Discovery Life was voted the top risk and life assurance supplier at the 2010 Financial Intermediaries' Association of Southern Africa (FIA) Awards and the top long-term insurer: recurring savings at the 2011 and 2012 FIA Awards.
- In 2012, the PricewaterhouseCoopers fifth biennial Strategic and Emerging Issues in South African Insurance survey rated Discovery Life's life products as the leader in the industry.

Discovery Invest

- Discovery Invest was launched in October 2007 and declared its maiden profit in 2010.
- Discovery Invest combines the breadth and skill of the asset management industry with the existing research and development capabilities of Discovery Life.
- The company offers consumers a unique and comprehensive product range that addresses the current gaps in the market by offering greater protection against poor investment choices.
- With 74 327 policies, Discovery Invest now has more than R26.6 billion in assets under management.
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Through Discovery Invest's LISP platform, clients have access to over 329 local and 65 offshore investment funds.

- Discovery Invest is now the largest writer of endowment policies in South Africa with a 21% market share.
- In 2011, Discovery Invest received the Financial Intermediaries Association of Southern Africa (FIA) award for best recurring premium business.

Discovery Insure

- Discovery Insure was launched in May 2011 and now has 27 973 policyholders.
- This pioneering product was created by leveraging the behavioural expertise developed in the Vitality programme with the latest telematics technology.
- The unique Vitalitydrive programme encourages and rewards better driving behaviour and ensuring that vehicles are roadworthy.
- At the heart of Vitalitydrive is the DQ-Track telematics device that measures and reports crucial aspects of driving behaviour.
- Vitalitydrive provides up to 50% fuel rewards on clients' monthly BP fuel spend.
- Young adults between 18 and 25 can receive further discounts of up to 25% on their motor premiums.
- Discovery Insure offers comprehensive vehicle, personal and household cover.

Discovery Vitality

- Launched in 1997, Vitality is Discovery's science-based wellness programme that underpins each of the Discovery businesses and is an international brand in its own right.
- It is the largest programme of its kind in the world.
- Vitality encourages healthy behaviours that reduce long-term healthcare costs by rewarding members for improving their health.
- There are now more than 1.6 million Vitality members in South Africa.
- Vitality is accredited by the Sports Science Institute of South Africa.
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The Vitality value offering is enhanced by the DiscoveryCard, Discovery's unique Visa credit card which gives members real cash back.

- Launched in 2004, the DiscoveryCard is the largest non-bank card in issue, with an 8.9% share of point-of-sales spend. There are now 231 302 primary cardholders.
- The HealthyLiving™ benefit offers Vitality members up to 25% cash back on HealthyCare™ products at Clicks, HealthyGear™ at adidas and TotalSports stores, and HealthyFood™ items at Pick n Pay.
- Vitality now has the ability to integrate into over 100 fitness tracking technologies.

International operations

United Kingdom

In the UK, Discovery has a 75% shareholding in a joint venture with Prudential plc. Through PruHealth and PruProtect, the company offers healthcare cover and protection products.

PruHealth

- Launched in 2004, PruHealth is the fourth largest private medical insurer in the UK and the only one that rewards people for leading a healthy lifestyle.
- PruHealth now covers 548 970 lives.
- It offers consumer-directed products linked to the Vitality wellness programme.
- In 2010, Discovery acquired Standard Life Healthcare, thereby leveraging the significant assets of both companies and resulting in greater scale for PruHealth.
- PruHealth has won several awards for its product innovations.

PruProtect

- PruProtect, which was launched in 2007, markets consumer-engaged life assurance products in the UK market.
- The company's products integrate with those of PruHealth and

Vitality to unlock added value and significant premium savings for clients.

- The company has become a major player in the UK protection market. With 136 164 policies in force, it now covers 163 566 lives.
- PruProtect has received industry recognition, including awards in four categories at the 2011 Defacto Awards. The company was also named Best Individual Protection Provider in 2011 by Professional Adviser, and walked off with the Innovation Award at the 2011 Protection Review.

United States

The Vitality Group

- The Vitality Group was launched in 2007 and offers a stand-alone version of the Vitality programme to self-insured, large employer groups and to healthcare carriers.
- Discovery holds a 75% share in The Vitality Group, 25% being held by Humana Inc.
- The Vitality Group now covers 293 674 lives.
- The Vitality Group has entered into a partnership with Wellness and Prevention, a subsidiary of Johnson&Johnson, the world's premier consumer health company.
- The Vitality Group recently announced a partnership with ADP, one of the world's largest providers of payroll and employee benefits administration solutions.
- In 2011, the group was awarded the C Everett Koop National Health Award for its work with Alcon Laboratories, a highly prestigious award recognising outstanding workplace health improvement programmes.

HumanaVitality

- Launched in 2011, HumanaVitality is a joint venture between Humana Inc and Discovery (through The Vitality Group) that makes Vitality available to Humana clients with commercial medical plans.
- Discovery holds a 25% share in HumanaVitality.
- Humana is the third largest US insurer, based on revenue.

- Humana has approximately 11.8 million medical members and 7.7 million specialty members.
- HumanaVitality now has more than 1.5 million Vitality members.

China

Ping An Health

- Ping An Health was launched in China in 2010, after Discovery acquired a 20% share in Ping An Health Insurance Co of China Ltd, a wholly-owned subsidiary of Ping An Insurance (Group) Company of China.
- Ping An Insurance is China's leading insurer and the second largest in the world.
- The joint venture will see Discovery's product innovation and consumer-engaged model exported to a potential market of 83 million families.
- Vitality was launched in China through Ping An Health in May 2012.

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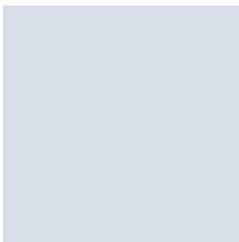
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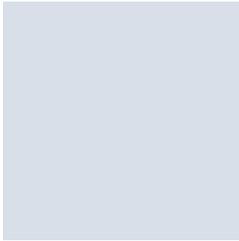
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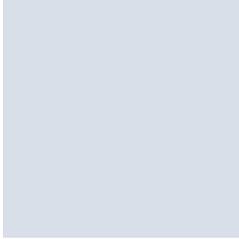
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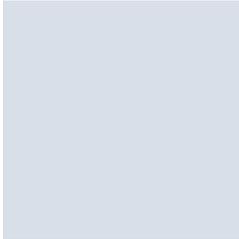
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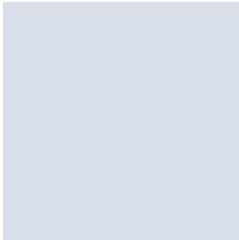
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