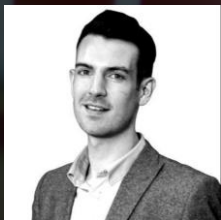


Innovation opportunities in functional food/drink

The pandemic's legacy ushers in opportunity for products that help unsettled consumers optimize their mental and physical health.

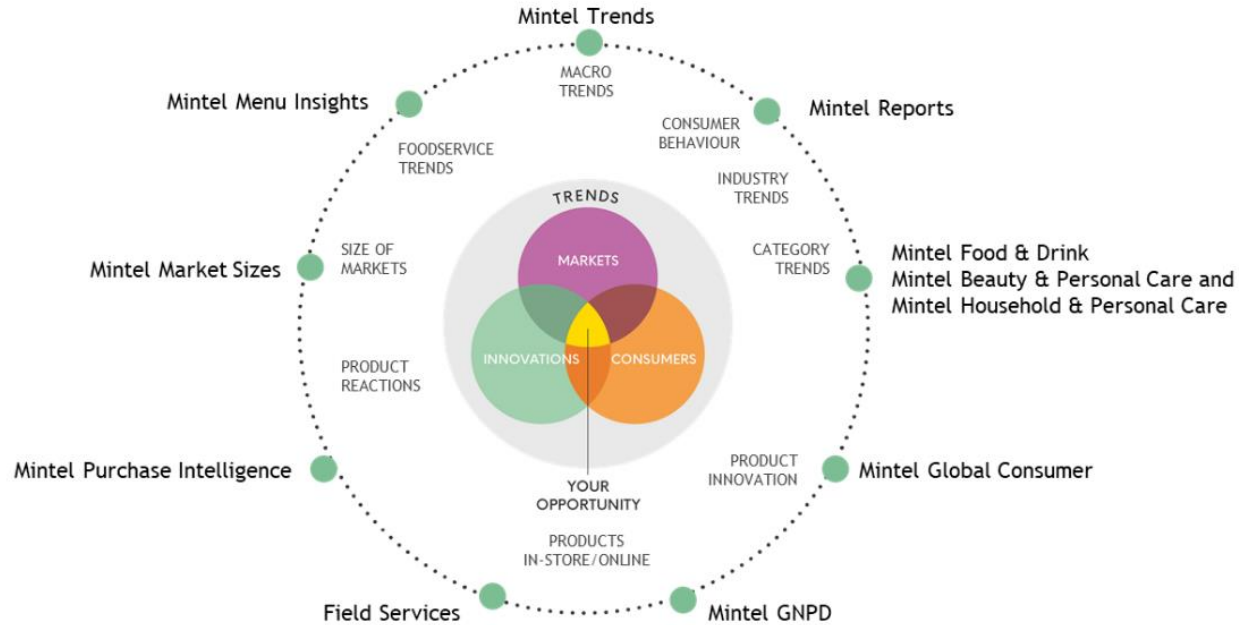


Cormac Henry

Global Food & Drink/Purchase Intelligence Analyst

September 2022

Mintel: What we offer



Experts in what consumers want and why

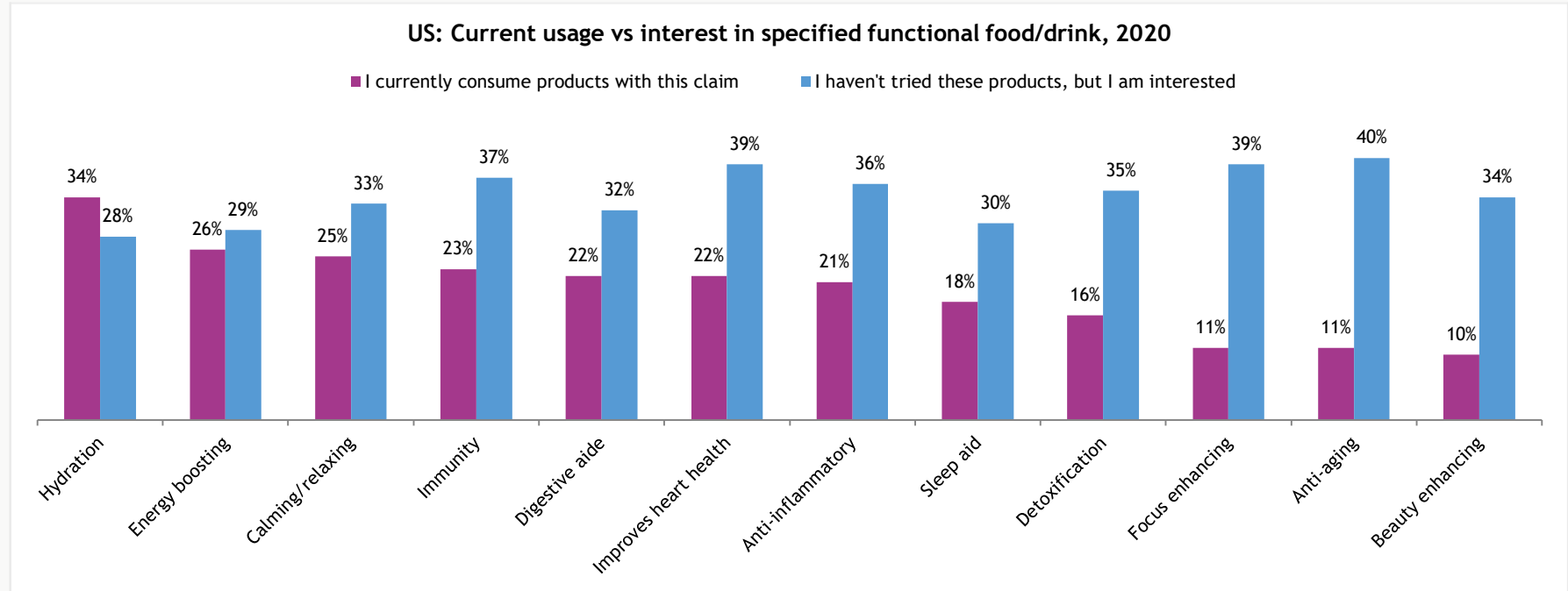
Agenda



MARKET CONTEXT

The background of the slide is a blurred image of a financial chart. It features candlestick patterns in white and blue, with various numerical values scattered across the grid, suggesting a market data visualization. The overall color scheme is dark blue and purple, with a prominent magenta rectangle on the left side containing the title.

Lower trial vs a high interest in functional food/drink offers opportunity for innovation



Base: 2,000 Internet users aged 18+

Source: [Lightspeed/Mintel](#)

The pandemic shone a spotlight on consumer mental and physical health

US: Change in food/drink consumption with specified functional food/drink claim, 2019 vs 2020 (Top 3).

CALMING/RELAXING

+5%

IMMUNITY SUPPORT

+5%

SLEEP AID

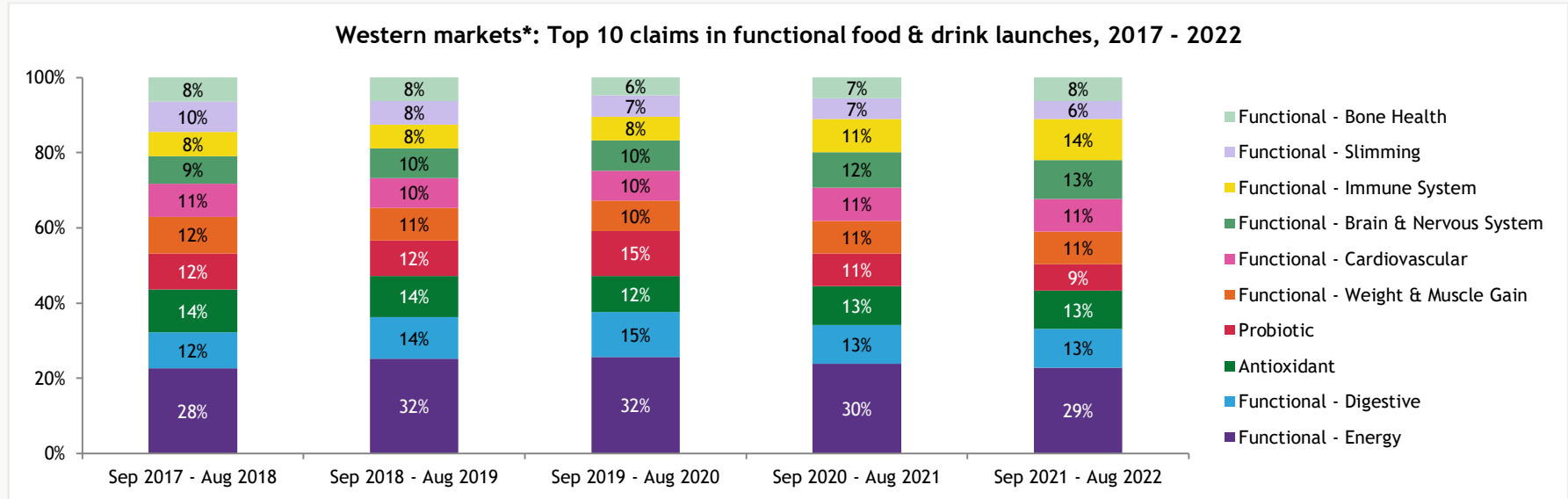
+3%

Base: US: 2,000 internet users
Source: [Lightspeed/Mintel, \(2019, 2020\)](#)



Immunity and neurological health claims rise

Functional immune health claims rise by 6% and functional brain/nervous system claims by 4% compared to 4 years ago.



*USA, UK, Canada, Australia, New Zealand

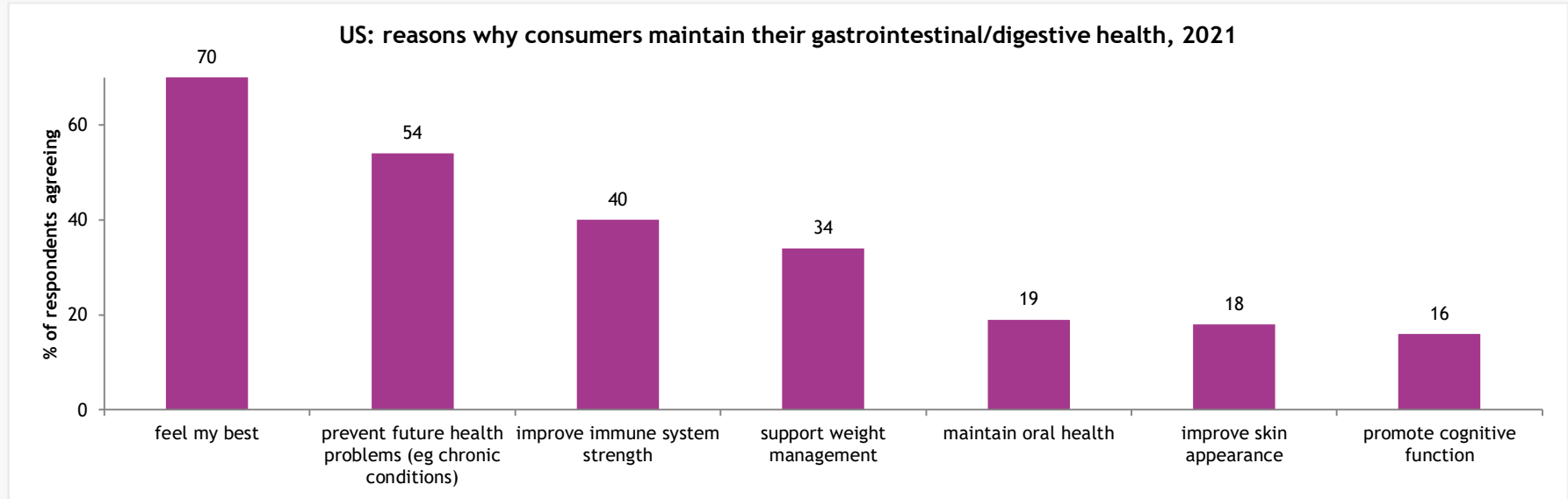
Source: [Mintel GNPD](#)

A microscopic image of various rod-shaped bacteria, likely from the gut microbiome, stained in a vibrant blue color. The bacteria are scattered across a soft, purple background. Some bacteria are in sharp focus, showing their elongated, cylindrical shapes and some internal structure, while others are blurred in the background, creating a sense of depth. A solid purple rectangular box is positioned on the left side of the image, containing the title text.

THE GUT MICROBIOME

Now: Link gut health to overall wellbeing, not simply digestive function

Consumers are motivated to maintain gut health for overall wellbeing. Links to disease prevention and improving immunity are also present.



Base: US: 1,829 internet users aged 18+ who say maintaining gut health is important to them

Source: [Kantar Profiles/Mintel, June 2021](#)

Now: Gut health is a gateway to provide consumers with wider health benefits

DIGESTIVE HEALTH +
ADDITIONAL BENEFITS

45%

of [US](#) consumers would be interested in digestive health products that also benefit other aspects of their health.

PARTNERSHIP OF
GUT & IMMUNITY CLAIMS

28%

of [food/drink products](#) launched in Western markets* between Sept 2021 - Aug 2022 with a digestive claim **also** featured an immunity claim (+12% vs 2 years ago).

*USA, UK, Canada, Australia, New Zealand

Base: US: 1,567 internet users aged 18+ who have experienced a gastrointestinal/digestive concern in the past 12 months

Source: Kantar Profiles/Mintel, June 2021; Mintel GNPD



Now: Embody the gut as a cornerstone of health through 'soft' and 'hard' associations

In regions where regulations limit the potential for gut microbiome claims, producers use ingredients like micronutrients to deliver 'soft' claims alongside gut health.



Gut health + sleep (fibre + botanicals)
[Troo Quick Porridge+ Sleepytime Chamomile & Gentle Ginger](#). "Gut health goodness" from 8g fibre and 6g chicory inulin prebiotic per bowl.

Contains 'sleepytime' chamomile, a naturally calming fragrance and ginger (linked to gut health) (UK).



Gut health + brain health (pre- and pro-biotics)
[Applelachie Organic Sparkling Raspberry + Lime Apple Cider Vinegar Drink](#). "Contains gut and brain loving prebiotics and probiotics".

Contains apple cider vinegar, prebiotic from xylitol, probiotics (Australia).



Gut health + immunity (GOS + vitamin C)
[B Active Milk Based Drink with Cinnamon](#). "Nourishes the intestinal flora".

Contains high fibre from galactooligosaccharides (GOS), non-digestible fibre that intestinal flora use as food. Is a source of vitamins C and D for immune system function (Spain).

Now: Offer a natural gut/immunity boost with fermented products

Products that have natural attributes that support the immune system are appealing as they offer a convenient way to incorporate nutrients into daily life.

CANADA

77%

of [Canadian](#) consumers agree that it's important any active functional ingredients in beverages are natural

CHINA

61%

Improving immunity [is the second most important reason](#) for drinking lactobacillus drinks in China (after improving digestion at 64%)

GERMANY

57%

of [German consumers](#) say that they eat/drink yogurt/yogurt drinks to support their immune system

*Base: Canada: 1,500 internet users aged 18+; China: 2,772 consumers aged 18-59 who have drunk lactobacillus drinks in the last three months; Germany: 1,604 internet users aged 16+ who typically eat/drink yogurt or yogurt drinks
Source: Kantar Profiles/Mintel, Feb 2021, Feb 2022; KuRunData/Mintel, December 2021*

Now: Leverage age old natural ferments to support gut/immune axis



Kimchi: boost immunity and balance gut microflora

[Beavia Classic Mild Kimchi](#) claims to boost immunity and improve the balance of intestinal microflora. According to the manufacturer, recent studies show that kimchi is also effective at suppressing viral infections (Germany).



Kefir: live cultures and vitamin B12

[Double Choc Nordic Yogurt Bars](#) contains live kefir cultures and good bacteria to support gut health and immune function, is a source of protein and calcium, which contributes to the normal function of digestive enzymes (UK).



Apple cider vinegar: prebiotics from pectin
[Poppi Cherry Limeade Prebiotic Soda](#) is infused with apple cider vinegar, contains 5g of sugar or less, 3% juice and prebiotics for a healthy gut and immunity (US).

Next: Fiber can gain more appeal by building a connection with immune health

A fiber-rich diet is another way to support the immune system by keeping the gut and [gut mucous membranes](#) healthy.

Certain [B-glucans](#) have immunomodulating properties, which means they help [regulate the immune system](#).



[Emma & Tom's Prebiotic + Breakfast Juice supports immunity and digestion \(Australia\)](#)



[Supports immune health with 35mg yeast beta glucans \(US\)](#)

Next: Consider emerging cleansing gut health ingredients from VMS

Gut microbiome support ingredients can help to 'remove' unwanted or harmful microorganisms, and cleanse the gut of substances perceived to have a negative impact on the gut.



Postbiotics: the latest 'biotic' for gut health [Butterfly Pea Powdered Yogurt Drink + lactobacillus postbiotic](#). In 2021, the [ISAPP* reached a consensus definition for postbiotic](#). (Malaysia).



Phage therapy: for mediating the gut microbiome [Life Extension GI Phage Technology](#). TetraPhage Blend with LH01-Myoviridae, LL5-Siphoviridae, T4D-Myoviridae and LL12-Myoviridae (US).

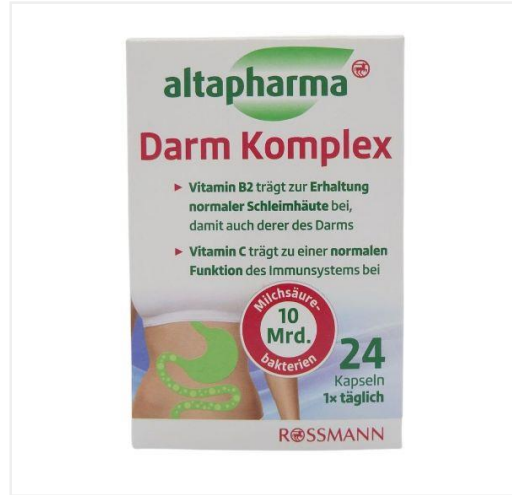


Botanicals: for a 'microbiome cleanse' [Gaia Herbs Microbiome Cleanse](#). Herbs traditionally used to balance the gut and support the body's natural cleansing process (US).

Next: Offer gut health benefits to support seniors' immune systems

Senior products can address two factors associated with age-related immune function decline: microbiota changes and [thinning mucous membranes](#).

Only [36%](#) of US consumers aged 65+ agree they like their food/drink to contribute to both mental and physical health (vs 49% of 25-34 year olds).



[Rossmann Altapharma Intestine Complex Food Supplement](#) contains vitamin B2 helps maintain normal mucous membranes, including intestinal mucous (Germany).



[Bulgari Inner Care Multi-Vitamin Drinking Yogurt V](#) contains vitamin A to support mucous membranes and normal immune function (South Korea)

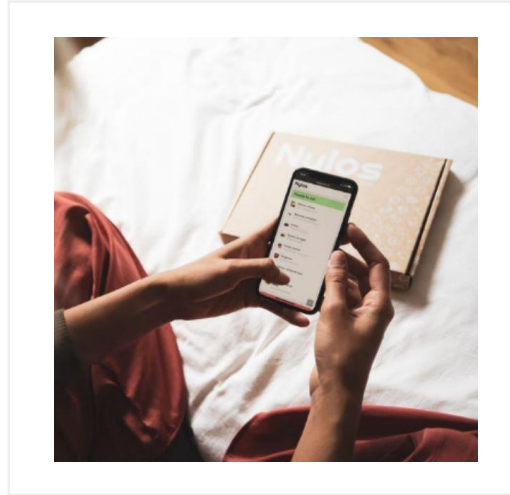
Base: US: 2,000 Internet users aged 18+

Source: Lightspeed/Mintel, December 2020; Mintel GNPD

Future: Partner with microbiome tech companies to deliver personalized gut solutions

14% of US consumers are interested in [microbiome-based nutrition tests](#) rising to 21% amongst Millennials.

Floré (US) claim to analyze microbes in your gut microflora, and craft a **unique formula** for your gut health needs. **These will change as consumers age/manage illness.**



[Floré: test uses genome sequencing to detect >23,000 gut microbes \(US\)](#)



[FoodMarble: a breath test confirms 'problem' foods for the users gut \(Ireland\)](#)



NEUROLOGICAL HEALTH -
SLEEP, STRESS, RELAXATION +

Help consumers with stress and sleep solutions

Since the pandemic, consumers have realised [the importance of caring for their mental health and have made the connection between stress and sleep.](#)

COVID-SOMNIA IS REAL

61%

of [UK consumers who have experienced stress](#) have struggled to sleep since the start of the COVID-19/coronavirus outbreak

BETTER SLEEP BRINGS STRESS RELIEF

38%

of [Japanese consumers](#) would expect stress relief from routinely getting a good night's sleep

FOOD AND DRINK TO THE RESCUE

40%

of [Chinese consumers](#) say they have not used but are interested in using food and drink with fortified sleep-aiding ingredients*

Base: UK: 1,537 internet users aged 18+ who have experienced stress in the last 12 months; Japan: 2,000 internet users aged 18+; China: 3,000 internet users aged 18-59
Source: Kantar Profiles/Mintel, July 2021; Rakuten Insight/Mintel, August 2021; KuRunData/Mintel, March 2022



Now: Tap into interest for sleep and relaxation inducing moon milks

The interest for [moon milk recipes](#) [peaked in May 2020](#), showing a new habit people developed during the pandemic. Instagram posts on [#moonmilk](#) reached 19,638 in August 2022 and hashtag/commenting activity has been continuous over the past years.

Social listening highlights that posts mentioning moon milks discuss their role in sleep and use of **Ayurvedic ingredients**.



Hashtag wordcloud linked to social media posts on "moon milk" OR #moonmilk

Now: Revisit dairy milk's association with sleep and stress reduction

Clover Sonoma's Moon Milks blend dairy milk, herbs and spices that offer both sleep and stress support.



[Clover Sonoma's moon milk range: Turmeric Ginger, Blueberry Lavender & Cherry Hibiscus \(US\).](#)



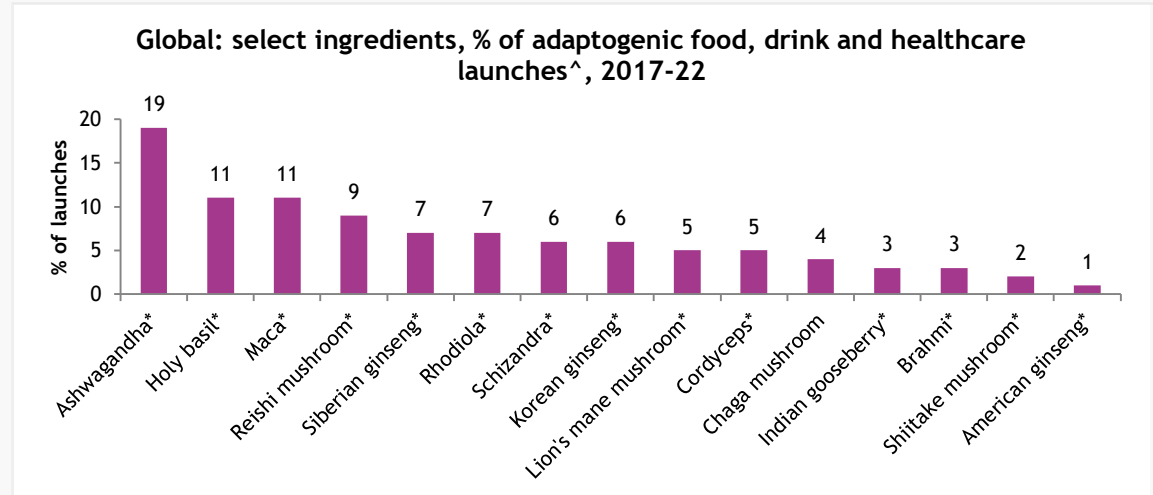
Clover Sonoma highlights the importance of milk's magnesium and tryptophan for stress/sleep.

Source: [Clover Sonoma](#)

Now: Educate consumers about the function of adaptogens

In Canada, [27%](#) of consumers look for calming/relaxation benefits in beverages yet just [2%](#) currently consume beverages with adaptogens.

While launches detailing adaptogen ingredients remain low across food/drink, brands have an opportunity to get specific on functionality within the spectrum of restoration. eg. ashwagandha for sleep & holy basil for brain stimulation.



[Ashwagandha](#), holy basil and maca are the leading adaptogens used in global launches that mention adaptogens

Base: Canada: 1,500 internet users aged 18+; ^ includes food, drink, or healthcare product launches with either "adaptogen" or "adaptogenic" in the product description

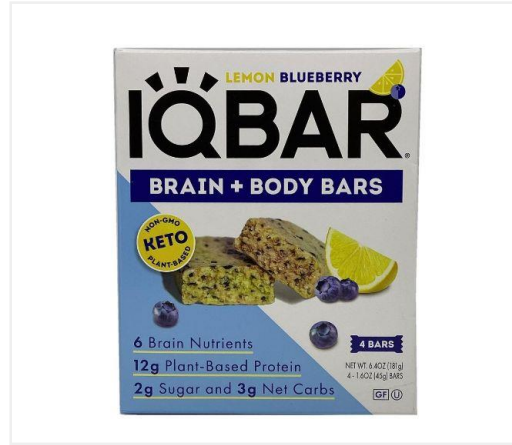
Source: [Lightspeed/Mintel \(Feb 2021\)](#); [Mintel GNPD, Jul 2017-Jun 2022](#)

Now: Link specific adaptogens to the spectrum of cognitive wellness



L-theanine & reishi: Improve mood and reduce stress

[Kindroot Adaptogens Lychee Rosewater Flavor Mood Dietary Supplement Lozenges](#) "lifted and balanced" blend features L-theanine for mood, and reishi mushroom to help reduce stress (US).



Lion's Mane: For focus and concentration

[IQ Bar Lemon Blueberry Brain + Body Bars](#) are made with six brain nutrients. The product features lion's mane, an adaptogen for staying sharp (US).



Ashwagandha & holy basil: For relaxation

[Rise Botanicals Relax Sparkling Adaptogenic Beverage](#) is a sparkling tea filled with adaptogens to help the body adapt to everyday stressors. Contains ashwagandha, lemongrass, holy basil, chamomile and lavender to aid relaxation (Canada).

Next: Harness mindful drinking with adaptogen drinks

In the UK, [36%](#) of alcohol consumers would be interested in trying non alcoholic/alcohol free drinks with relaxing ingredients (eg chamomile).

Apoptogenic beverage brands such as [Hiyo](#), [Moment](#), [Kin Euphorics](#) and [Curious Elixirs](#) are often positioned as an alternative to alcoholic beverages. Dubbed "social tonics", these drinks offer consumers a way to relax and unwind without the negative effects of [alcohol](#).



[Social Tonic Botanical Drink](#) with adaptogens and nootropics (UK)



[Moment Botanical Water](#) with natural adaptogens (US)

Base: UK: 1,498 internet users aged 18+ who have drunk standard alcoholic drinks or low/non-alcoholic/alcohol-free beer/cider/wine/RTDs/spirit alternatives in the last 3 months

Source: Kantar Profiles/Mintel (May 2022)

Next: Drive better for you indulgence with adaptogen food

In the US, [34%](#) of Millennials agree frozen treats with functional benefits (eg energy boost, mood enhancing) would encourage them to buy more frozen treats.



Helps curb sugar cravings

[Ashwagandha & Ginger 100% Dark Chocolate](#) a ceremonial grade, grand cru chocolate that contains ashwagandha, said to be adaptogens used in ancient ayurvedic tradition to help curb sugar cravings. (Germany)



"More healing than harmful" - Sacred Serve (Plant based)

[Sacred Serve](#) offer a range of plant ice creams made with, adaptogenic herbs, and medicinal mushrooms. "We are on a mission to bring function into frozen indulgence and prove that all food can, and should, be more healing than harmful." (US)

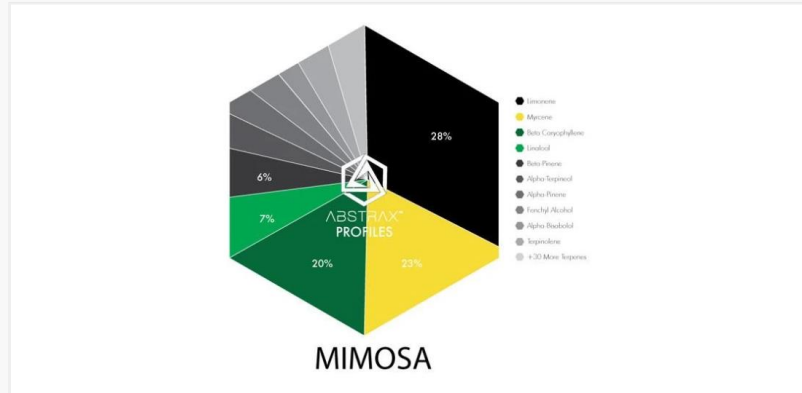


"Powered by adaptogens, not sugar" - Snackconscious

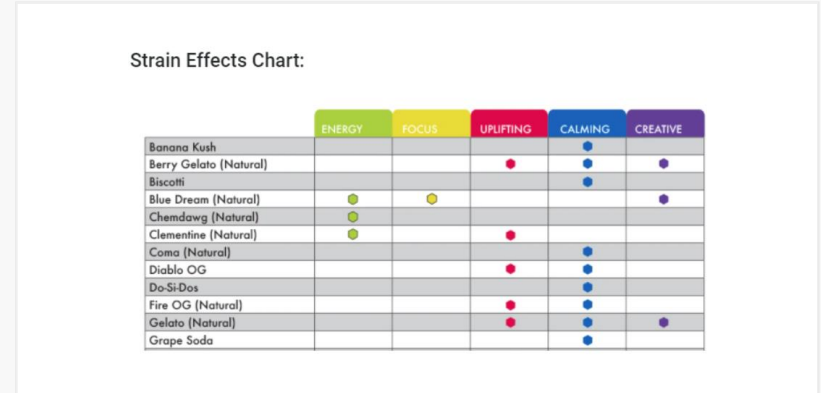
[Snackconscious Peanut Butter & Jam Bites](#) are described as energy-boosting snack bites powered by adaptogens and not sugar. (Canada)

Future: Educate on the aromatic role of terpenes in mental wellness

In France, 69% of consumers agree they would buy essential oils with specific [health benefits \(eg improve memory, relieve stress\)](#)



Terpene profile of [Abstrax Tech's Mimosa terpenes](#), promoted as being suitable to add to drinks



Abstrax Tech explain the [effects that different products](#) within their terpene range deliver

Future: Position terpenes as aromatic, mood enhancing hero ingredients



'Terpenes as hops' in an adaptogenic supplement [Yuyo Botanics PM Formula](#). Users are instructed to place drops of the liquid supplement under their tongue and then swallow. The product claims to be adaptogenic, containing cannabinoid extract hemp, sweet orange and **terpenes as hops** (US).



'Strain-specific terpenes for an aromatic IPA' [SweetWater Brewing Company 420 Strain G13 IPA Beer](#). The product is described as an "IPA married with hops with strain-specific terpenes and natural hemp-type flavour, featuring an **aromatic super-hybrid sticky IPA** that is ready to rip" (US).



'Elevating terpenes' [Rise Golden Turmeric Cannabinoid Rich Morsel](#). This coconut milk-based supplement contains hemp, a **proprietary terpene blend**, turmeric, ginger and contains 25mg cannabinoid (US).

The background of the slide is a dynamic, abstract composition of numerous thin, curved lines in shades of blue, teal, and red, creating a sense of motion and depth. A solid magenta rectangular box is positioned on the left side, containing the text.

**FOCUS ON
FUNCTIONAL EFFICACY**

Now: Consumers can be skeptical on the efficacy of functional food/drink

Functional health is attracting innovation, but many consumers around the world question how effective they are.

ONLY

28%

of [US adults](#) trust that drinks with functional claims will deliver the promised results

LACK OF TRUST IN
PROMISED RESULTS

52%

of [adults in France](#) do not trust that functional food and drink will deliver the promised results

LACK OF TANGIBLE RESULTS

63%

of [UK adults](#) say it's difficult to know whether products with health benefits make a difference

Base: US: 2,000 internet users aged 18+; France: 1,000 internet users aged 16+; UK: 2,000 internet users aged 16+
Source: Kantar Profiles/Mintel



Now: Functional food & drink has room to improve consumer understanding

Some functional food/drink products in Australia are failing to appeal to consumers because they are not explaining what the product is, what it's for and how it works.



Sceptism on collagen claim

[Nexba Pink Grapefruit Glow Sparkling Nootropic Drink](#)

"The product manufacturers need to make up their mind. Does it include collagen or does it support the production of collagen."

Male, Victoria, 55+



Unsure on product usage

[Best of the Bone Turmeric & Ginger & Black Pepper Flavoured Bone Broth Concentrate](#)

"I've never used bone broth before I'm honestly not even sure what I'm supposed to do with it."

Female, NSW, 16-34



"What even is it?" mentality

[Cinnamon Spice Flavoured Protein Bar](#)

"This is just an absolute mess of pseudo-health terms and faux-nutrition buzzwords, none of which anywhere say "This is food". It could be a bar of soap"

Male, New South Wales, 35-54

Base: Australia: 100 internet users aged 16+ reviewing each of the above products

Source: Mintel Purchase Intelligence

Now: Communicate affordable functionality of trusted ingredients to encourage trial

Brands seeking to convince on efficacy can focus on previously non communicated functional benefits of familiar ingredients, that can be competitively priced for consumers.



Gut health kimchi- Expensive and unfamiliar
[Wacky Wombok Kimchi](#) "Not sure what Kimchi is and not willing to spend \$16.00 to find out if id like it."
Female, QLD, 55+

\$16.00

Good value perception: 7%*

Pickled condiments category: 25%



Immunity vegetable broth - Efficacy questioned
[Vegan Organic Red Miso Vegetable Broth](#) "Vegetable broth's being marketed as immune gut wellbeing is strange - I feel this is a cash grab at un-informed customers." Female, VIC, 16-34

\$22.95

Good value perception: 9%*

Dry soup category: 36%



Beta Glucan oats - Health benefits recognised
[Coles Rolled Oats](#) "Good for me and helps lower cholesterol." Male, VIC, 35-54

\$1.65

Good value score: 68%*

Hot cereals category: 31%

Base: Australia: 100 internet users aged 16+ reviewing each of the above products

Source: Mintel Purchase Intelligence

Next: Back functional ingredients with peer reviewed science

[70%](#) of Canadian consumers agree that if companies more clearly explained the benefits of functional beverages they would be more likely to buy them.

[18%](#) of Spanish consumers agree they have tried a new functional or fortified food/drink product after hearing about it from a doctor/physician.



Designed and tested by Neuroscientists

THE BRAIN DRINK™

At Arepa, we exist to make brains work better - from our scientifically proven brain nutrition, to our mission to teach people more about their brain.

[Shop Now](#) [Sample Pack](#)

Cognitive Performance

- Improved mental performance
- Enhanced memory
- Fights mental fatigue and increases focus

L-theanine is anxiolytic, helping promote mental wellbeing and improving sleep quality.

L-theanine increases alpha brain wave activity, resulting in a relaxed, alert and focused mental state. [7]

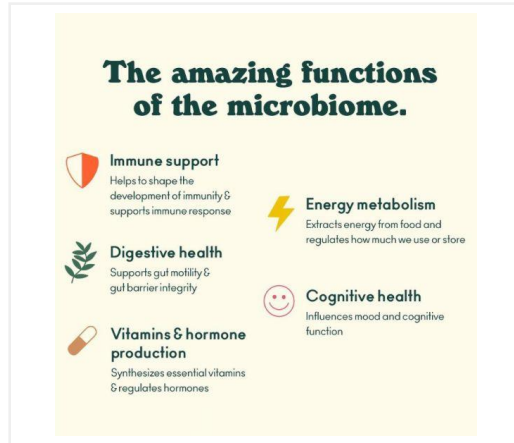
Vitamin C reduces tiredness and fatigue [2]

[Arepa's 'Brain Drink' cites a number of scientific journals to back its functional ingredients; L-theanine & Vitamin C \(US\).](#)

Base: Canada: 1,500 internet users aged 18+; Spain: 760 internet users aged 16+ who have eaten/drunk functional or fortified food and drink in the last 3 months

Source: Arepa, Lightspeed/Mintel (Feb 2021, Sept 2020)

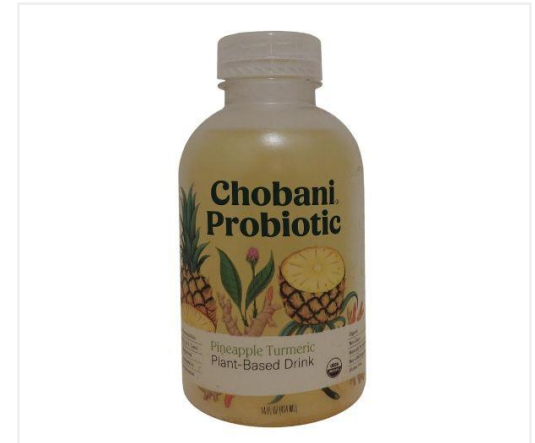
Next: Make the functional process clear to consumers



Olipop has an accessible 'Learn' page on its site. The prebiotic soda brand, [Olipop](#), has an informed yet fun and relatable 'Learn' section on its website. It has also hosted Q&A sessions with a dietician on Instagram to help consumers learn about prebiotics (US).



Explaining the ingredient functions [Recess Coconut Lime Sparkling Water](#) has a dedicated side panel on its can about its individual ingredients and their intended effects eg. they note American ginseng helps you focus and enhances memory (US).



Explaining the probiotic process [Chobani Probiotic Pineapple Turmeric Plant-Based Drink](#) contains active cultures 'which are said to feed on oats and apples in the bottle and flourish in the gut, supporting immune health and digestion' (US).

Future: Consider a reverse educational marketing strategy

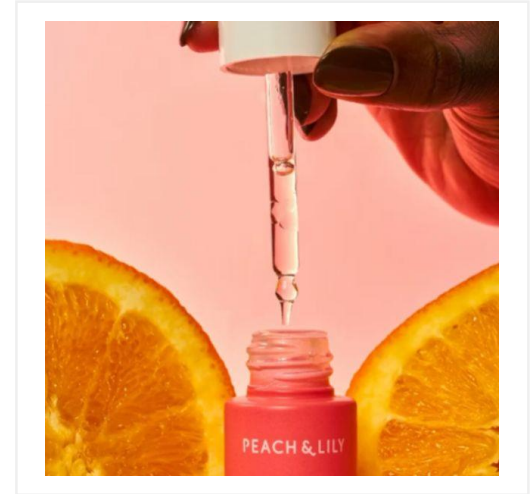
Food/drink companies can take inspiration from BPC brands that are identifying new ways to be transparent about functional ingredients. For example, Kingfisher toothpaste specifies on pack the source and function of each ingredient.

Korean skincare brand Peach & Lily [completely reversed usual launch protocols](#). It launched a vitamin-C-rich product only after a three-week information campaign about the importance of vitamin C.



INGREDIENTS	WHERE IT COMES FROM	WHAT IT DOES
GLYCERIN	VEGETABLE	MOISTURE RETENTION
SODIUM BICARBONATE	SODIUM CARBONATE	GENTLE ABRASIVE
AQUA	PURIFIED WATER	MOISTENER
CALCIUM CARBONATE	CHALK	GENTLE ABRASIVE
SODIUM LAUROYL SARCOSINATE	PALM OIL	DISPERSANT
CELLULOSE GUM	PLANT FIBRE	THICKENER
MENTHA PIPERITA	PEPPERMINT	FRESH TASTE
MENTHA VIRIDIS	SPEARMINT	FRESH TASTE
LIMONENE	PEPPERMINT	FRESH TASTE

[Kingfisher Baking Soda Fluoride Free Natural Toothpaste](#) (UK)



[Peach & Lily](#) teased followers with an educational campaign (Korea)

Mintel recommends

Link gut health to overall wellbeing

- Leverage age old natural ferments to support gut/immune axis
- Consider emerging gut health ingredients from VMS (eg phage therapy, postbiotics)
- Partner with microbiome tech companies to deliver personalized gut solutions

Champion neurological health

- Tap into interest for sleep/relaxation inducing moon milks
- Target indulgent foods and non alcoholic drinks with adaptogenic solutions
- Position terpenes as aromatic, mood enhancing hero ingredients

Educate on efficacy of functional food/drink

- Back functional ingredients with peer reviewed science
- Make the functional process clear to consumers on pack
- Consider a reverse educational marketing strategy

About Mintel

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