

Sustained Energy Release: From Product to Claim

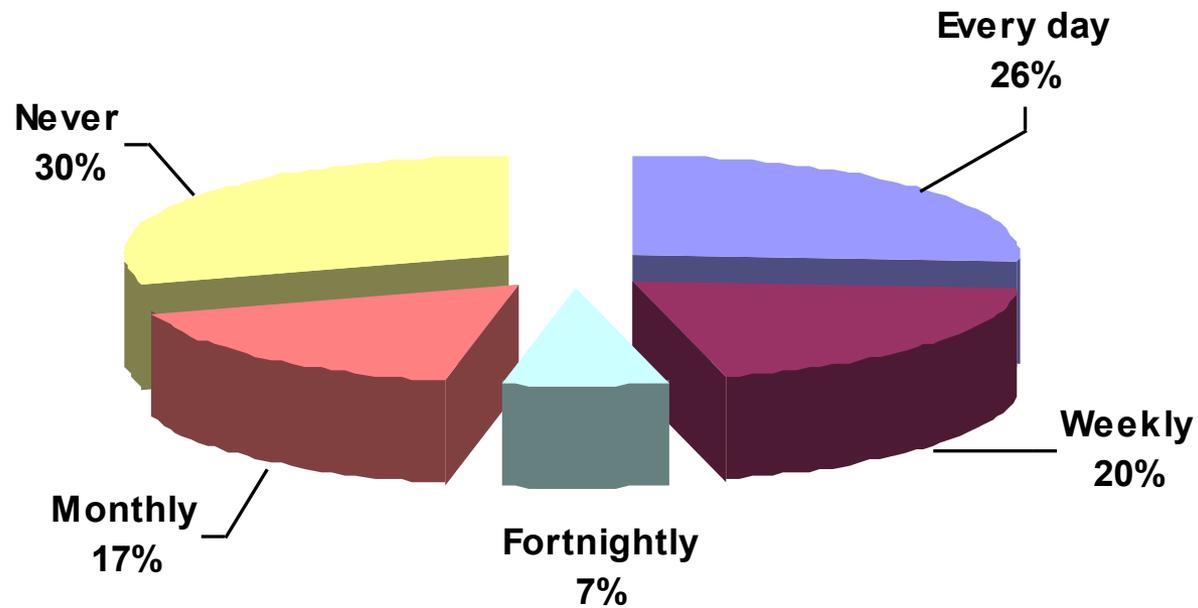
Dr Roberta Re

20th April 2012

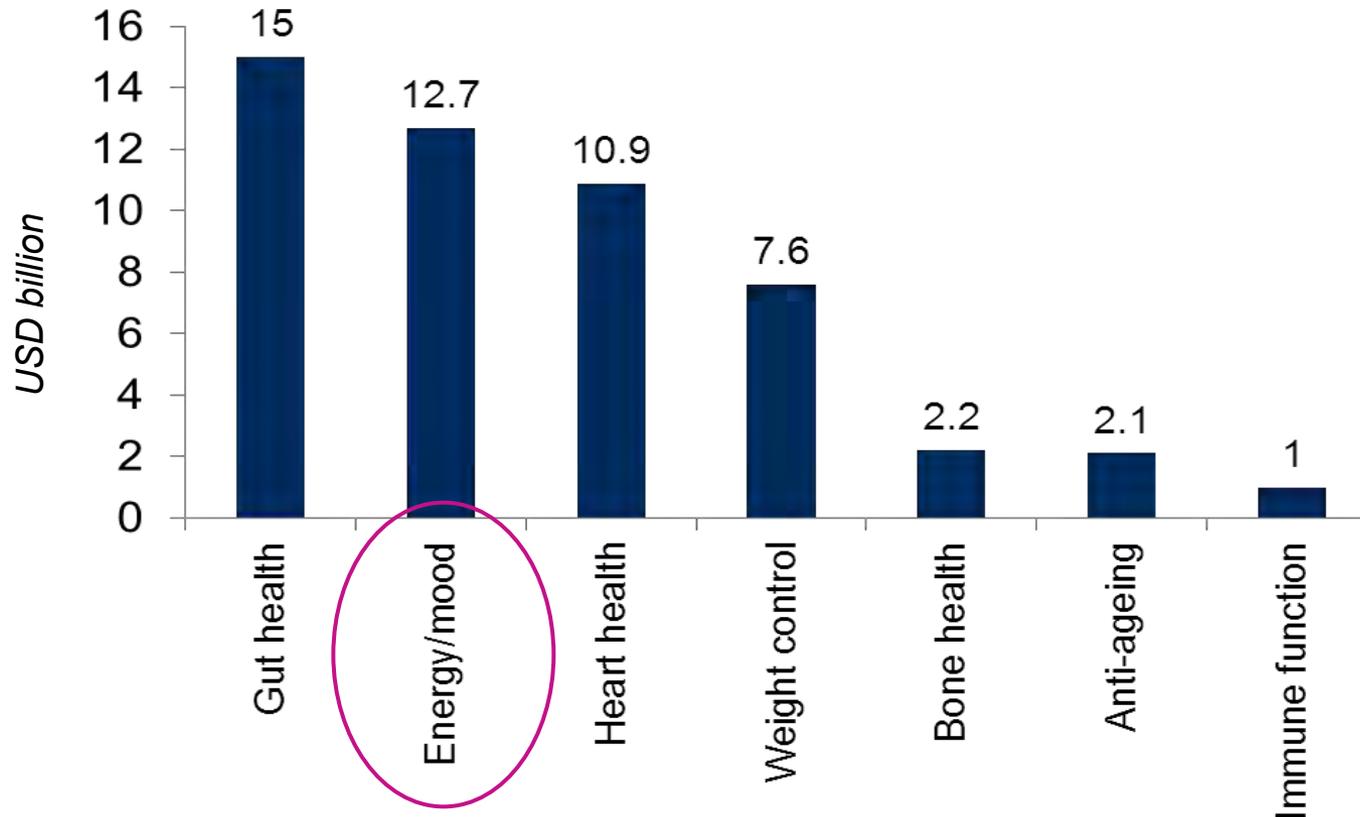
- The functional foods market
- Sport vs. energy products
- Products and claims
- What is the consumers understanding



Functional Food Consumption



Functional Food Market by Health Outcome



Sport Vs Energy Drinks

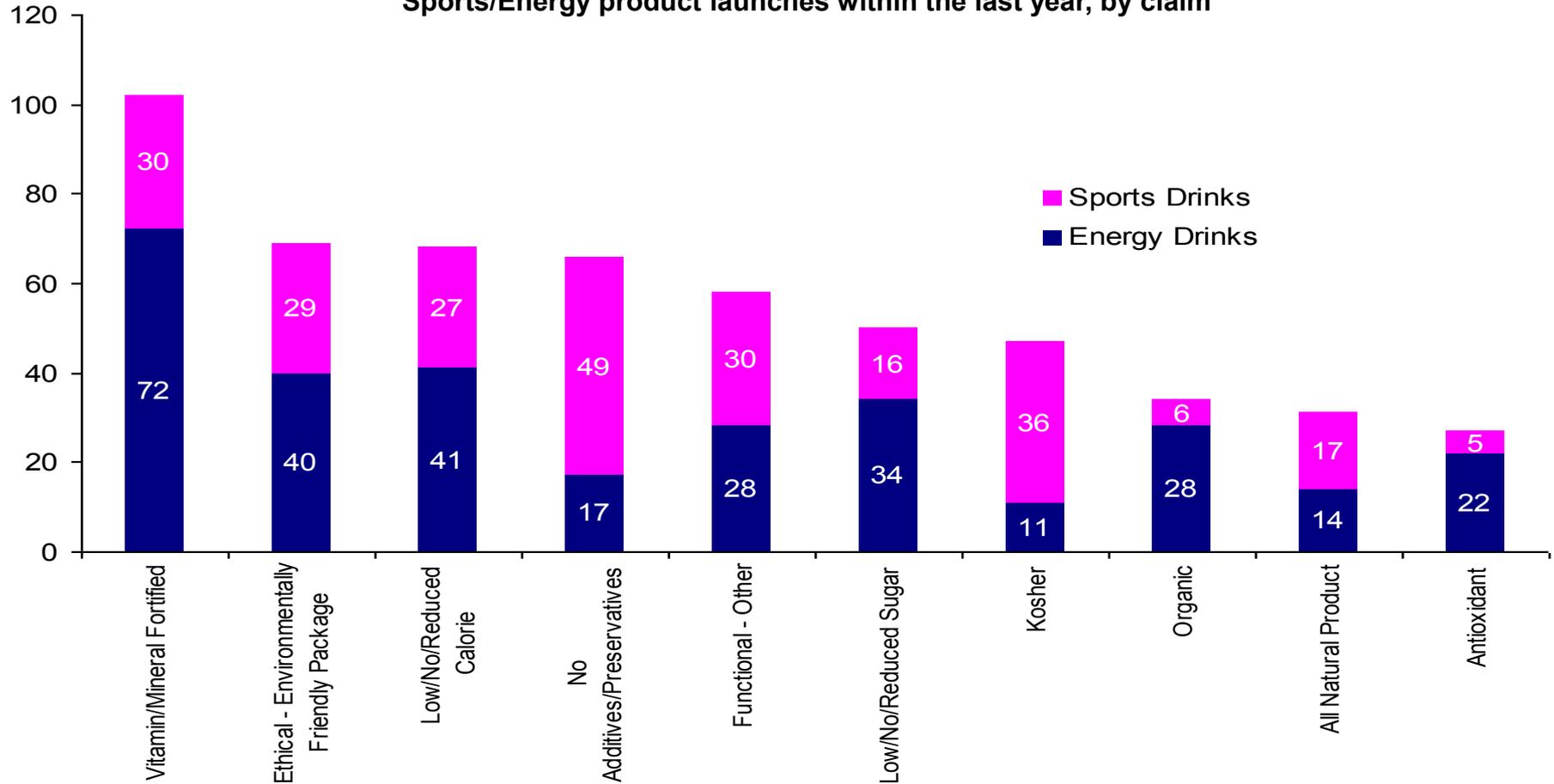
Sports drinks
22%



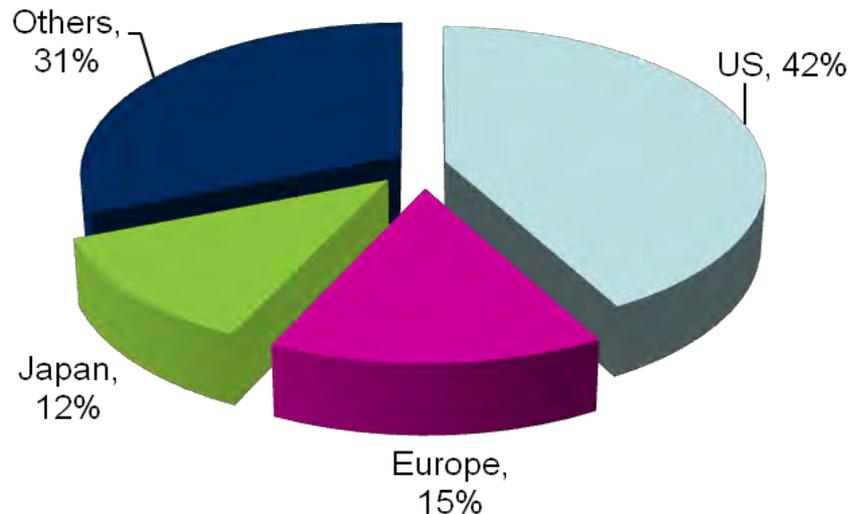
Energy drinks
78%

Sports and Energy Product Claims

Sports/Energy product launches within the last year, by claim

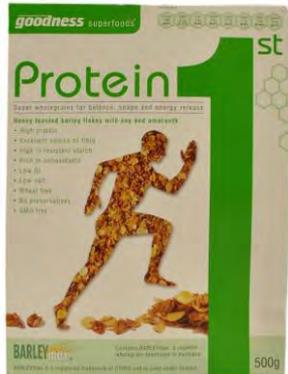


Global Sports Performance and Energy Products



- **Dominance of the US**, with USD17.73bn:
 - The **widespread popularity** of sports drinks and supplements
 - Many industry leaders have **headquarters** in the US
 - **Sports and energy drinks** account for **77%** of US market, **17%** share taken by **supplements**
- **Europe sales at 15%**, equivalent to USD6.45bn
 - **Energy drinks sector around 90%** of total market
 - Sales remain limited in some European countries

Sport and Energy Products



In 2010, global sales of sports and energy drinks amounted to an **estimated 20 billion litres** in volume terms, up by nearly 38% compared with 2006

KEY TRENDS

The global market for sports drinks is coming **under increasing pressure** from **coconut water**, which is marketed as a **more natural alternative with similar health benefits**.

Global sales of coconut water are believed to be worth up to **USD500m**, with US sales poised to double if present trends persist.

Lifestyles have generally become healthier, activities such as walking, running/jogging, cycling and swimming remain the most popular forms of exercise.

Sports foods and supplements sector **remains limited in size**. This is especially true amongst **women and older consumers**, with many **doubting the health claims and efficacy** offered by sports nutrition products.

Coconut Water

Pure and Natural ... more potassium than one banana!



Zico



Fix

Infra Food Brands



akoko

Sú Fresh Akoko

Rich in potassium, magnesium, sodium, calcium; zero cholesterol or added sugar

Ingredients

Caffeine

Guarana

Ginseng

Chia

Taurine

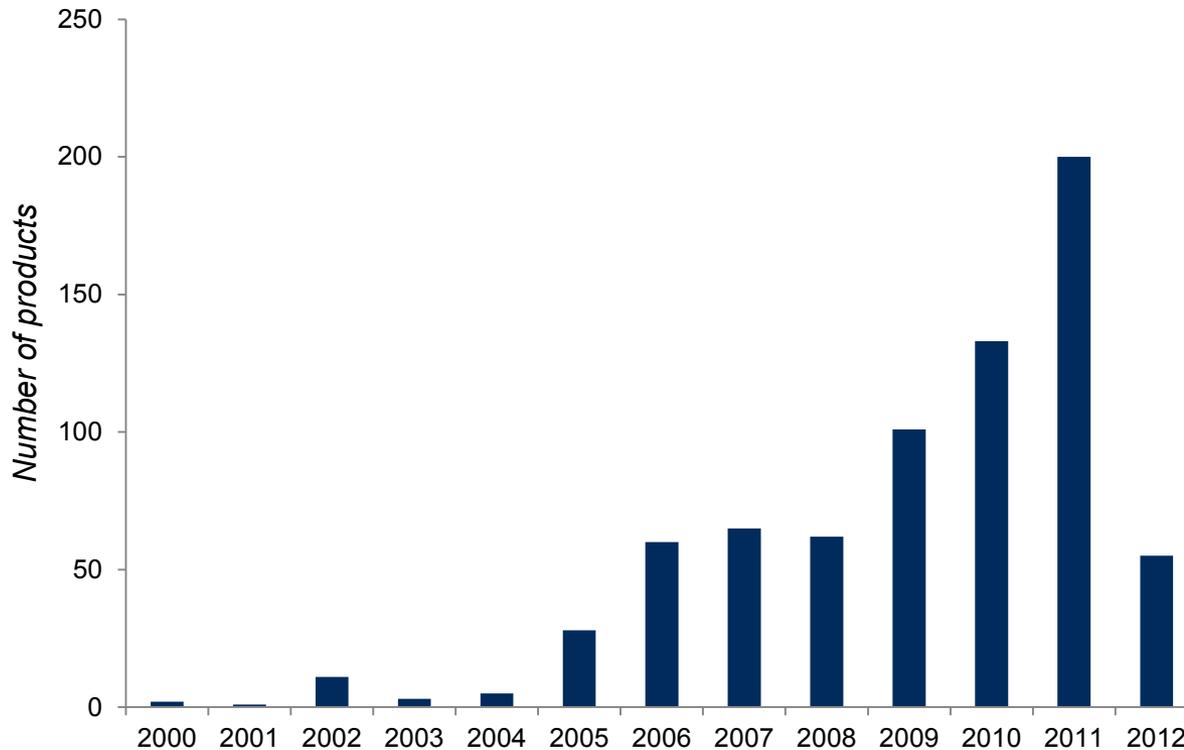
Arginine

Glucuronolactone

Creatine



New Product Launches Containing Chia Seeds 2000-2012 (to date)

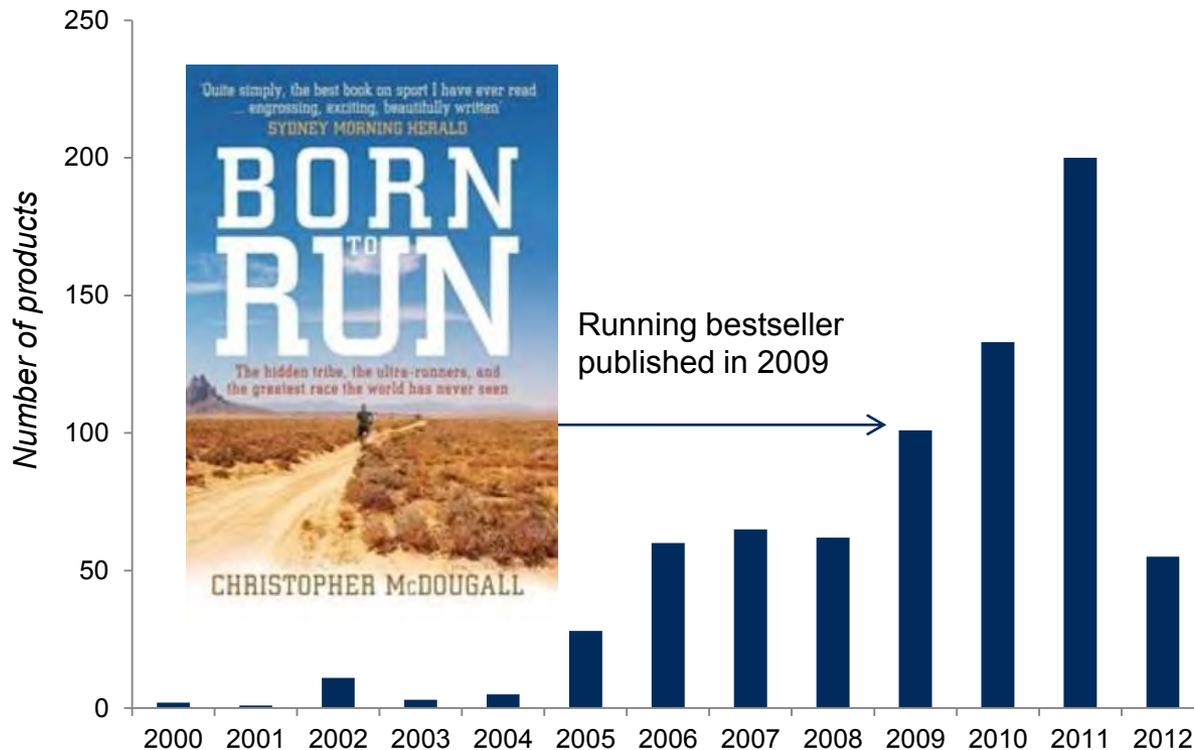


Sharp rise in the number of new product introductions containing Chia seed.

Mostly used in snack and bakery products but also in juice drinks

Coincidence?

New Product Launches Containing Chia Seeds 2000-2012 (to date)



Largest rise in NPD in countries where the book is popular!

Learning From Athletes

Carbohydrate consumption before, during, and after exercise has a direct relationship with exercise performance

Muscle glycogen stores or blood glucose are depleted during exercise, at a rate determined by the intensity and duration of exercise

Along with dehydration this causes tiredness and reduces physical performance



Different foods have different physical structures and this consequently affects the rate at which they are digested, absorbed and delivered. The rates at which foods are broken down therefore play an important role for our ability to perform

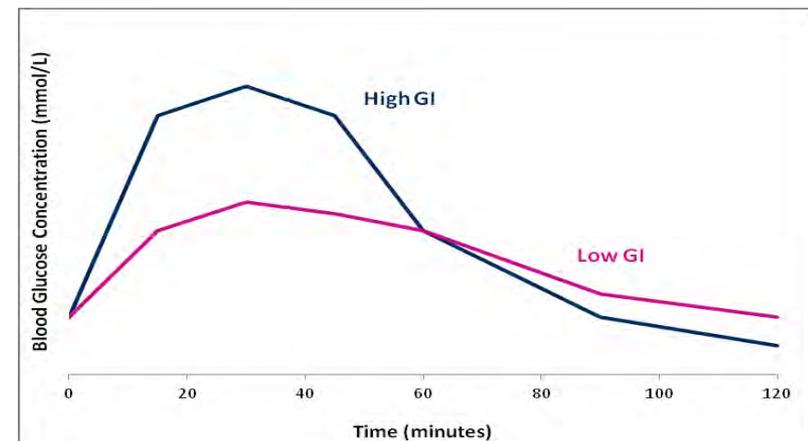
Glycaemic Index

- Glycaemic Index (GI), is a quantitative assessment of food based on the rate at which they release glucose into the bloodstream
- GI is expressed as a ranking between 0 and 100 in response to an equivalent carbohydrate portion of a reference food (white bread or glucose)

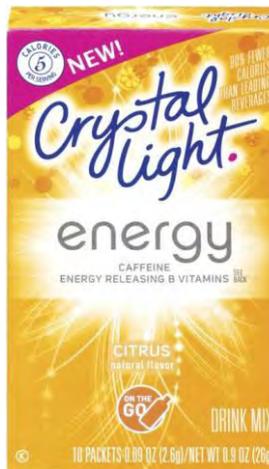
High GI foods are characterised by a fast release of carbohydrate and higher blood glucose levels, providing a quick source of energy.

Lower GI value are associated with slow carbohydrate release (and absorption) and thus blood glucose increases will be less dramatic. These result in a more sustained source of energy

Glycaemic responses depending on carbohydrates nature and the extent to which they have been processed



Energy Products



Sustained energy release

- No specific guidance

Glucose claims

- Reduction of blood glucose rise after consumption of a food or meal rich in digestible carbohydrate

Physical performance claims

- Specific outcomes:

Muscle repair

Muscle fatigue

Muscle glycogen stores

Time trial

Endurance

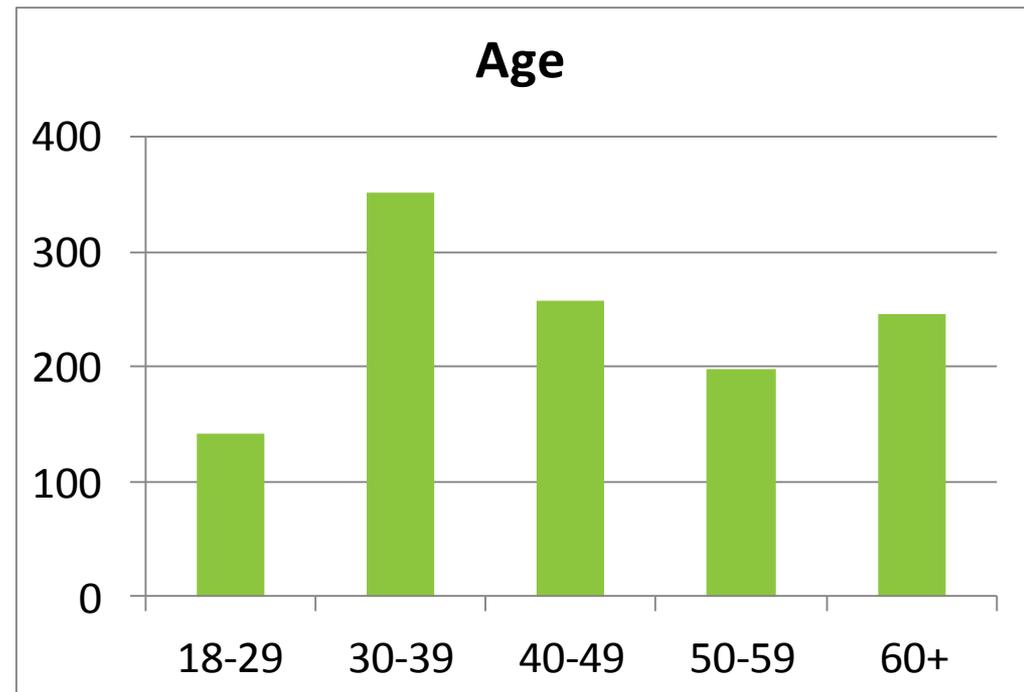
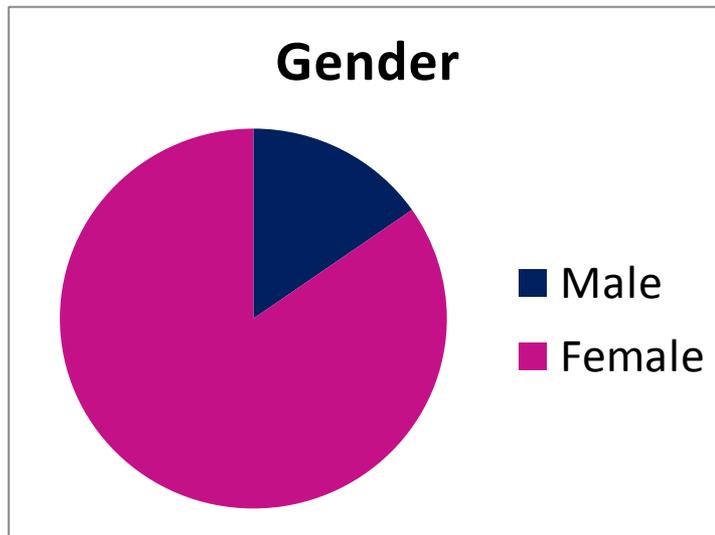
Weight lifted

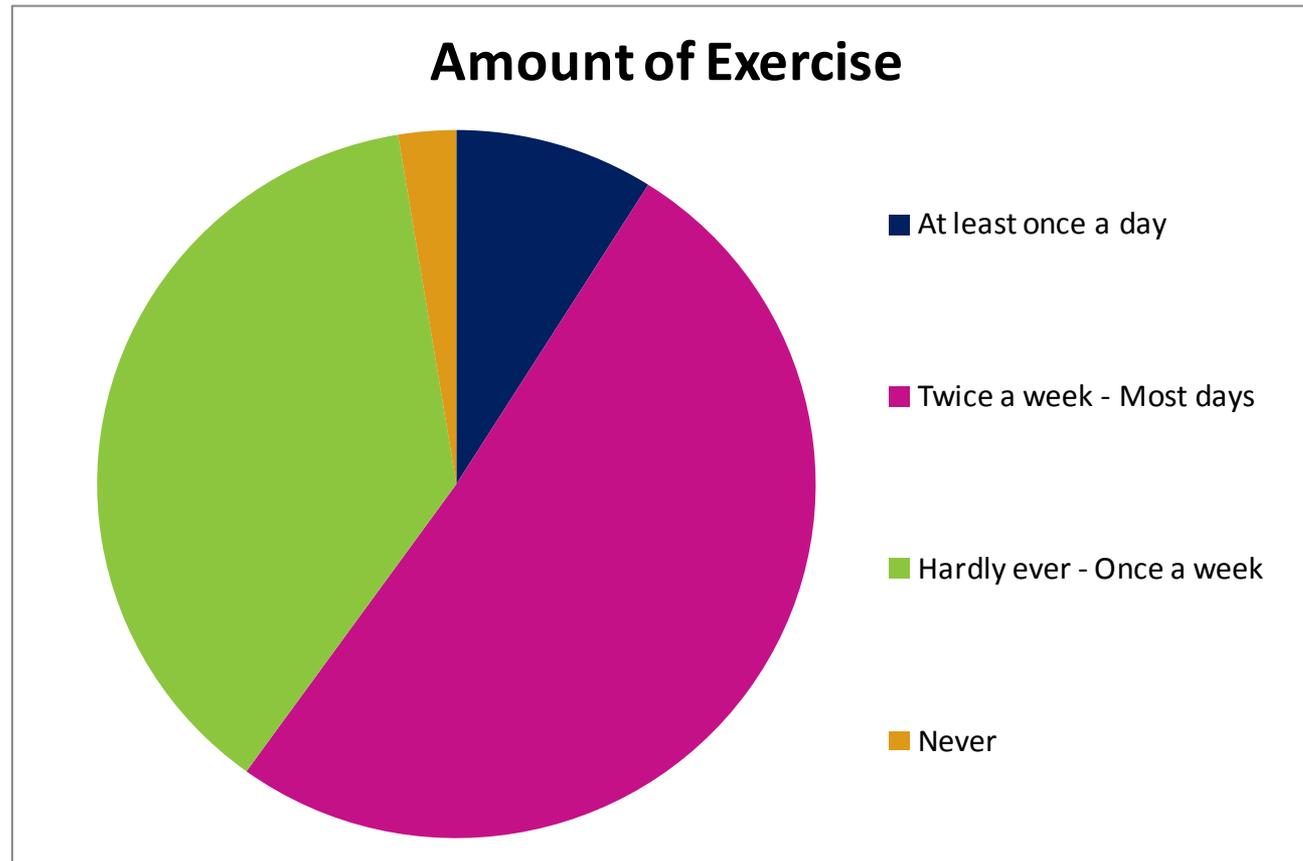




Consumer Survey

1,193 respondents





Varied amount of exercise within population studied



“Sustained energy release”

Poor	Moderate	Good
149	741	303

“Improved glucose control”

Poor	Moderate	Good
674	411	108

“Improved physical/exercise performance”

Poor	Moderate	Good
352	642	199



Sustained Energy Release

“slow energy release”

“low GI”

“blood sugar levels don’t spike or drop”

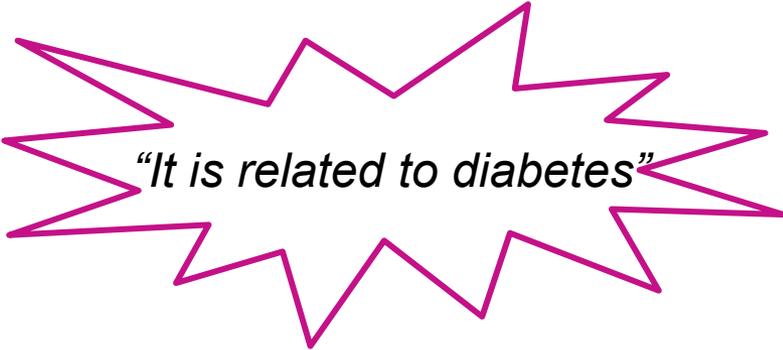
“replace energy used in exercise”

“Food products that keeps you feeling full”

“steady control of sugar levels in the blood”

“preventing sudden spikes and troughs in blood sugar”

“Low glycemic index”



“It is related to diabetes”



“control intake of cakes biscuits for sugar content”

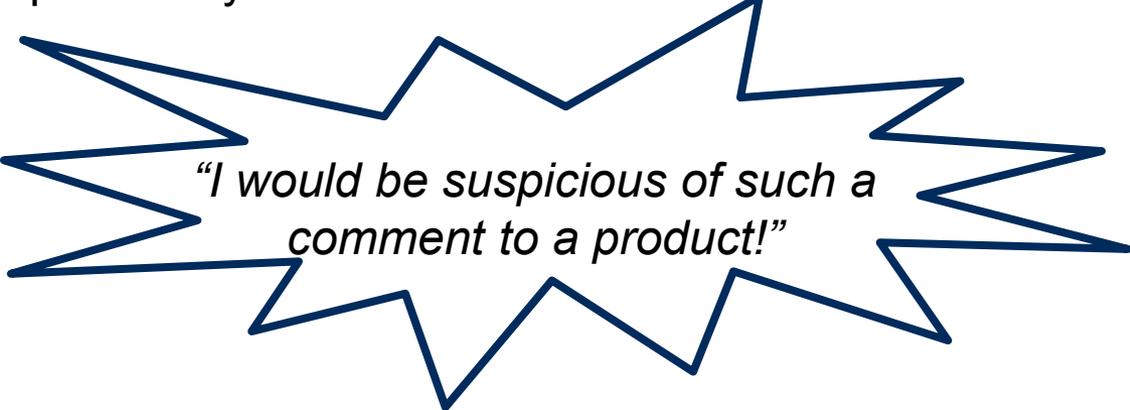
Improved Physical/Exercise Performance

“physical performance is improved”

“more stamina”

“making more effort to exercise”

“food or drink that can improve a previously obtained level of fitness”



“I would be suspicious of such a comment to a product!”



“By eating certain foods and good training, stamina and physical strength is possible as is weight control”

STRENGTHS

- Expand user base by increasing consumption as a **'lifestyle' product**
- **'Healthy' profile** of sports nutrition products fits well with current health and wellness trends

WEAKNESSES

- Cynicism regarding the **health claims** and efficacy
- Relatively immature market in many parts of the world
- Price premium is unattractive
- **Caffeine** carries negative health perceptions

OPPORTUNITIES

- Growing demand for:
 - **'Natural'** sports nutrition products
 - **Low/no/reduced sugar** products whilst maintaining functionality
 - **'Healthy'** ingredients, such as chia
- Increased consumer interest in health and wellness and importance of diet will present further opportunities

THREATS

- **regulation** within the sports nutrition industry as far as health claims are concerned
- As **consumer diets** continue to improve, it is possible that the need for specifically-tailored sports nutrition products will diminish

1

Broadening the Appeal

Manufacturers face two particular challenges in this area

- Overcome perceptual barriers in taking the product
- Convince consumers that the products are capable of improving aspects of physical performance

2

Energy and pick-me-up drinks

Success is attributed to their widespread appeal to consumers as an alternative to other soft drinks

3

Sports for Everyone

Preference towards informal exercise (i.e. walking, cycling)

4

The Growing Demand for Natural

Natural products ability to survive in this market place will be determined by the confidence that consumers have in the ability of the product to live up to its claims.



Thank you for your time

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