



 **Interreg**
Atlantic Area
European Regional Development Fund



AHFES Market & Consumer Analysis Main findings

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OVERALL CONSUMER & MARKET TRENDS IN HEALTHY FOOD PRODUCTS

Key consumer trends affecting healthy food products

HEALTH & WELL-BEING

Consumer are motivated to protect their physical and mental well-being through selecting foods which they believe will help them with

Disease Prevention
Weight Management
Disease Management



CONVENIENCE

This takes many forms but important considerations are

Ease of meal planning
Easy preparation & cooking
Reduced clearing up
Reduced time & effort to achieve healthy, satisfying food outcomes



SUSTAINABILITY

Consumers key concerns are

Supporting Local Businesses & Farmers
Increasing Recycling
Reducing Waste
Averting Climate Change

NATURAL & ORGANIC

Despite "organic" foods being subject to rigorous legal standards, many consumers struggle to differentiate between natural & organic claims.

Whilst "natural" is poorly defined consumer research reveals in the consumers minds it means no artificial additives or preservatives, chemicals, pesticides or GMOs.

"Natural" is also often associated by consumers with locally produced foods.

Overall market trends in healthy food products (1)



Global Growth Of the Food Market

- Revenue in the Food & Beverages amounts to US\$76,768m in 2020.
- Revenue is expected to show an annual growth rate of 8.4%.
- Producing a market volume of US\$105,993m by 2024.

(CAGR 2020-2024)



Overview of global market trends

1. Portability in snacks – time-pressed people purchasing anytime and anywhere
2. Green Appeal – growth in vegan and vegetarian populations
3. Growth of Flexitarian's – Vegetarian who occasionally eats meat/fish
4. Sustainability – from improved traceability to sustainable packaging
5. High fibre – increasingly looking for products which benefit digestive health.

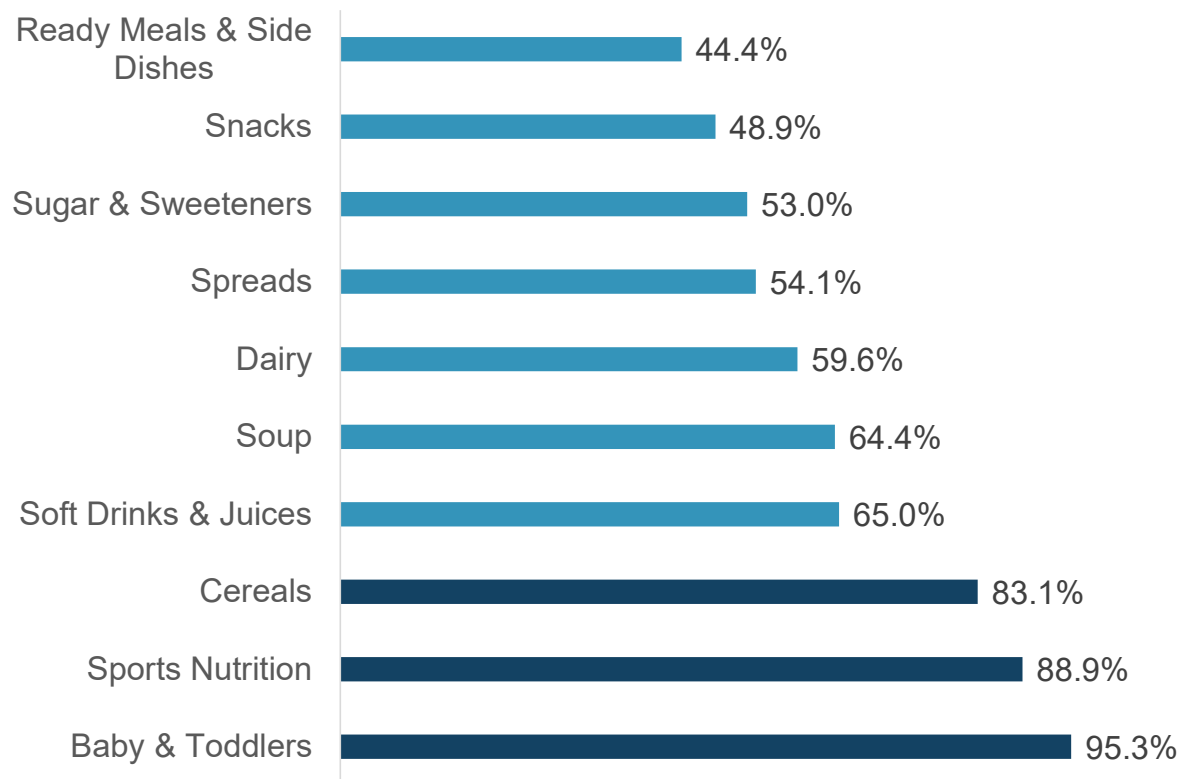


COUNTRY FOCUS ANALYSIS OF MARKET TRENDS IN HEALTHY FOOD

Country focus analysis of market trends in healthy food (1)

Analysis of launches of healthy food per product category

- **17.0% of new products** launched in the EU and UK carried a healthy attribute.
- This percentage is **over 40% for AA** countries (FR, IE, PT, ES, UK).
- “Top 3” categories for all AA countries are **baby & toddler, sports nutrition, and cereals** (above 80% of products launched include healthy claims for all three categories).



Country focus analysis of market trends in healthy food (2)

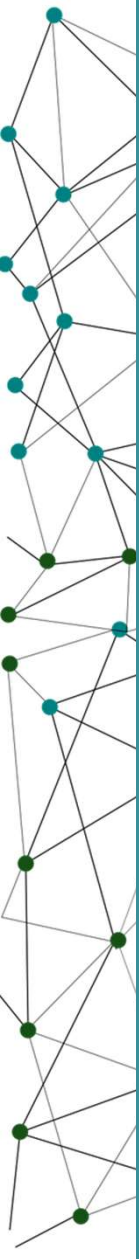
Comparison of utilisation of healthy food claims in AA countries

- Trends are similar, with the healthy claims of “No additives/preservatives”, “Allergy” and “Gluten free” being the most common.
- While 42% of new healthy products in the UK carried a “No additives/preservatives” claim, the same was true for only 25.5% of products in Spain.
- In France, “Organic” category was high (58.9% of new healthy product launches), while in UK and Ireland the number was lower (14.8% and 17.8%).
- “No added sugar” is the claim that shows a higher growth rate in 2015-2019 in 3/5 countries; “low fat” is experiencing a higher decrease in 4/5 countries.

Country	Top-3 healthy claims 2019	Higher increase/ decrease 2015-2019
France	<ul style="list-style-type: none"> Organic No additives/preservatives Allergy 	<ul style="list-style-type: none"> Higher increase: Sports and recovery Higher decrease: Low fat
Ireland	<ul style="list-style-type: none"> No additives/preservatives Allergy Gluten free 	<ul style="list-style-type: none"> Higher increase: No added sugar Higher decrease: Low fat
Portugal	<ul style="list-style-type: none"> Allergy Gluten free No additives/preservatives 	<ul style="list-style-type: none"> Higher increase: No added sugar Higher decrease: Low fat
Spain	<ul style="list-style-type: none"> Allergy Gluten free Organic 	<ul style="list-style-type: none"> Higher increase: No added sugar Higher decrease: Low fat
UK	<ul style="list-style-type: none"> No additives/preservatives Allergy Gluten free 	<ul style="list-style-type: none"> Higher increase: High/source of protein Higher decrease: No trans fats



EXAMPLES OF HEALTHY FOOD TRENDS



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Top trends **DAIRY** **SECTOR**

1. Health and immune system

- More awareness of diet and health.
- Choices based on specific nutritional needs and health concerns.
- Functional ingredients aiding gut, immune and mental health are promoted.



Drinking yogurt with **probiotics**, **40% less sugar** and added with **vitamins B6 and D** to help the defenses (Spain).



Fat free drinking yogurt with **no added sugar** and **source of vitamins B6 and D** to support the immune system (United Kingdom).

54%

of consumers interested in learning about ingredients that improve their immune system

9%

has grown the claim "Immune Health" in Europe in new launches

Source: Innova Consumer Survey, 2020



Quark "The good gut". **Source of fiber. High vitamin D. High protein. 0% fat** (Ireland).

2. Personalised nutrition



2 in 3

of global consumers found “**more ways to tailor their life and the products they bought to their individual style, beliefs, and needs**”

Source: Innova Consumer Survey 2020



Mango flavored yogurt drink that **contains 25 g protein**, fuel for your muscles. High protein content. 0% fat content. 0% added sugars. No lactose. No coloring. **Protein contributes to the maintenance and growth of muscle mass** (Portugal).



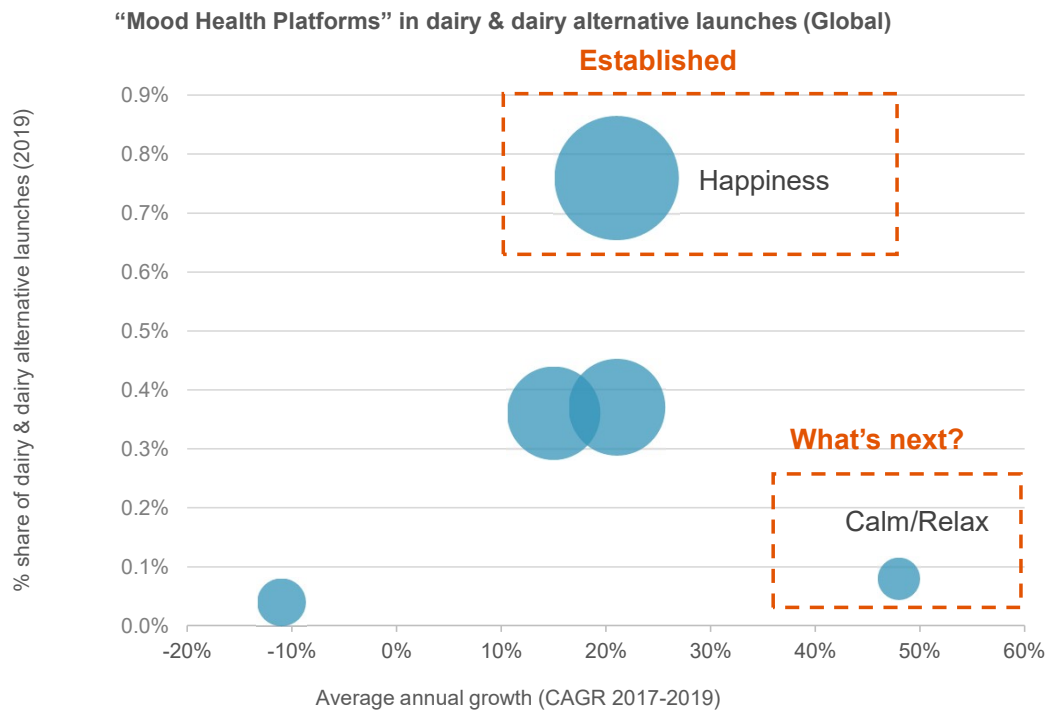
Fermented milk, a natural source of protein and calcium, **“important for healthy bones and teeth”** (United Kingdom).



“This milk helps your immune system by giving it the vitamins and minerals it needs. Vitamins A, D, B12, B6, B9, zinc and selenium contribute to the normal function of the immune system.” (Spain).

3. Improved mood health

- Ingredients for an improved mood.



“**L-theanine** for increased cognitive performance, **aids with relaxation** and sleep”



“We want to provide you with a healthier and more sustainable solution to keep you going. That's why we use **adaptogens** in our products - to help boost your immune system all the while fueling your body”

4. On the go healthy snackification



Cheese cubes **rich in protein** with almonds and cranberries (Portugal).



Cheese sticks, **reduced fat** (United Kingdom).



Kefir **rich in protein and probiotics**. Source of calcium, vitamins B2 and B12. Portable 220 ml bottle (France).



Rice drink, **lactose free with no added sugar and gluten free**. Portable 100 ml bottle (France).

5. Transparency and origin

- Clean labeling describing the characteristics of the product respond to the consumer's concern for the environment, ethical aspects and the own well-being.



3 in 5

of global consumers say that they are interested in “**learning more about where their food comes from and how it is made**”

Source: Innova Consumer Survey 2020



Biogurte: Organic yogurt **made with ingredients of sustainable origin**. Green Dot, FSC and Ecocert certified. (Portugal).

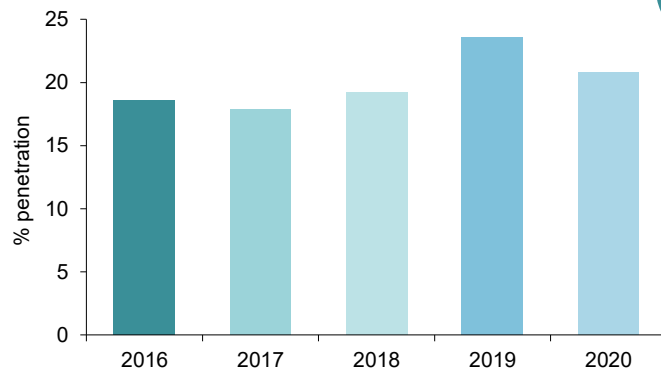


La Fromagerie Milleret produces lactose free cheeses **made from milk that has been collected locally**, with an average radius of 25 km around the cheese factory in Franche-Comté (France).

6. Plant based alternatives

- Growth of claims such as “plant-based” (44%), vegan (19%) and vegetarian (8%).

Alternative dairy launches in Europe (2016-2020)



CAGR
(2016-2020)
3 %

IT IS HEALTHIER

53%
of consumers
globally

IT BRINGS VARIETY
TO MY DIET

35%
of consumers
globally

IT IS BETTER
FOR THE PLANET

32%
of consumers
globally

IT TASTES BETTER

19%
of consumers
globally

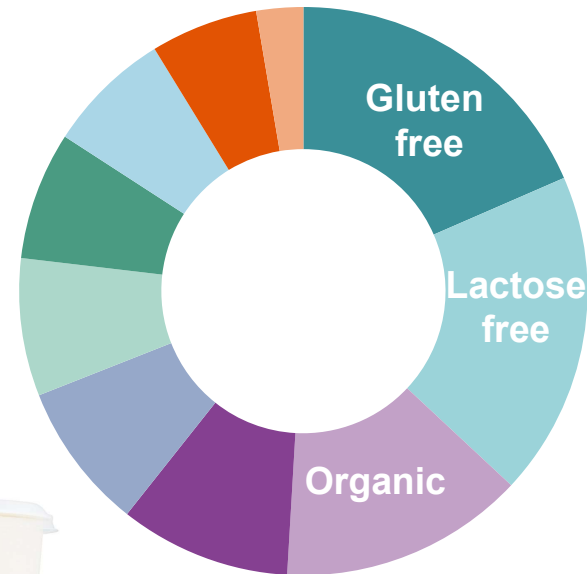


Oat drink
(United Kingdom).



Cashew yogurt
(United Kingdom).

Health claims in alternative dairy products in Europe



Gluten Free

Lactose Free

Organic

Low/No/Reduced Fat

No Added Sugar **↑ 11%**

High/Source Of Protein

Vitamin/Mineral Fortified **↑ 9%**

Added Calcium **↑ 1%**

No Additives/Preservatives **↑ 3%**

Digestive/Gut Health

Source: Innova Consumer Survey 2020

7. Hybrid dairy

- Blend of dairy and non-dairy based products



Rich & Creamy



Vitamins D & A



Low in sugar



Fewer calories



Bone-building calcium



Excellent source of protein



Rich, nutty flavor

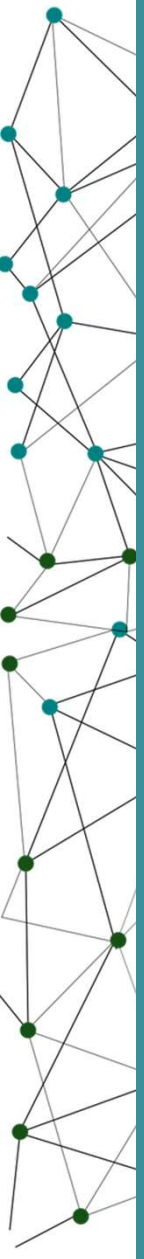


Naturally lactose-free

75% of the UK population who use plant-based alternatives also use standard dairy milk (Mintel, 2020)



The US brand Live Real Farms has launched the first line of beverages that contain **a blend of fresh milk and plant-based drinks.**



Top trends SOFT DRINKS SECTOR

1. Health and immune system



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- Immune health, among key health trends for 2020 and beyond.
- Increase of consumption of functional drinks.
- Pandemic: prioritization of immune health and rise in immune health marketing positions.
- Beverages high in nutrients and antioxidants that support immune health (vitamin A, zinc).



Blackcurrant and elderberry flavored carbonate drink with **zinc and strength vitamins** to support a healthy immune function (United Kingdom).



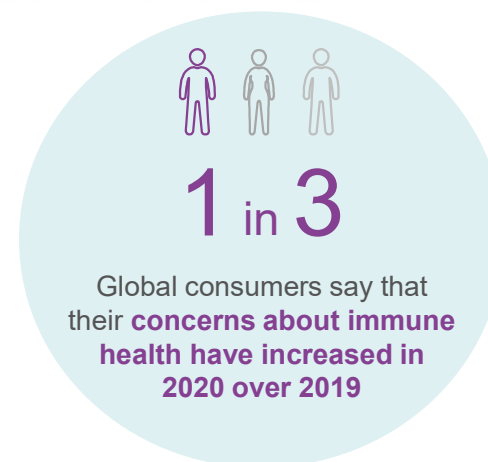
Mango, coconut milk, apple and ginger smoothie with **rich in vitamins C and B6** which help the normal functioning of the immune system (France).



Carbonated drink with a blend of vitamins and minerals and ashwagandha plant to **boost the immune response** (Ireland).



Frozen smoothie high in vitamin C and source of vitamin A and minerals to support the immune system (Ireland).



Source: Innova Consumer Survey 2020

2. Clean label and sustainability



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- Beverages with natural ingredients and a short ingredients list are popular.
- Increased growth in local foods.
- A meaningful storytelling is appreciated to meet the evolving clean label consumer demand.

+12%

Growth in food & beverages tracked with a claim related to **sustainable sourcing of farming globally**



Ginger Ale from organic European farming and packaging optimization to respect the environment (France).

- Both major companies and smaller start-ups are releasing beverage designed to minimize environmental impact.



Apple juice from 100% ecologic fruit from Navarra region and no additives (Spain).

4. Reformulation for less calories



- Increasing demand by consumers and pressure by authorities: creation of sugar-reduced versions.



Sugar and calorie free carbonated soft drink (United Kingdom).



Tonic water with **zero calories**. (Portugal).



Sugar free sparkling drink with natural flavors of lemon and lime. (France).



Carbonated soft drink with **sweeteners**. (Spain).

5. Fusion of global ingredients



Availability of
information

Easy access to
ingredients

Consumer
awareness for
health

Fusion enabled by
globalization

Open access to
novel ingredients
with diverse
benefits and
functions



Turmeric and lemon
juice (**France**).



Yuzu flavoured tonic
water (**Spain**).



**Ginger, turmeric, and
cayenne** flavoured kefir
soda (**United Kingdom**).

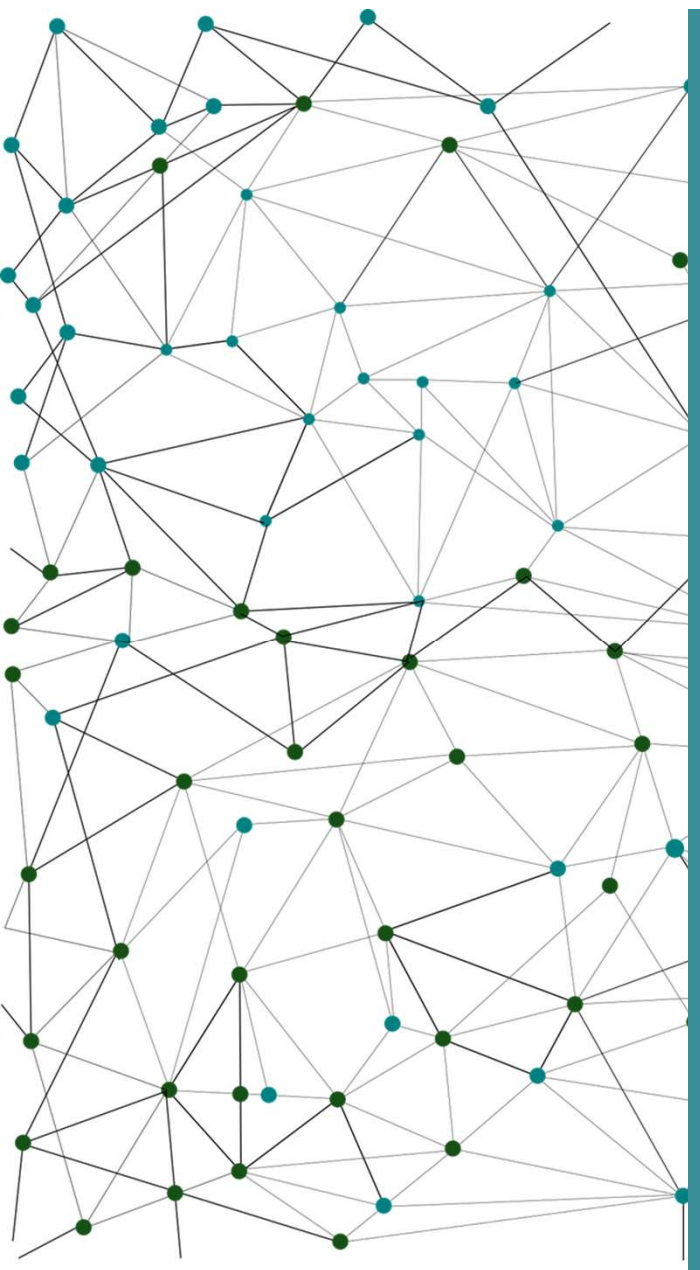
Trendy ingredients and flavours

Type	Examples
Botanicals/roots	<i>Turmeric</i>
	<i>Ginger</i>
	<i>Hibiscus</i>
	<i>Rose</i>
Adaptogens	<i>CBD</i>
	<i>L-theanine</i>
	<i>Ashwagandha</i>
Popular flavours	<i>Elderflower</i>
	<i>Elderberry</i>
	<i>Yuzu</i>
	<i>Blackcurrant</i>

Challenges for SME's

- The growing mistrust of the food sector due to food scandals
- The cost of new product development and establishing export markets
- Companies need to be as knowledgeable as their customers
- Understanding the movement and trends within categories
- Using social media to engage with potential consumers and making products look great on Instagram





Thank you!
Gracias
Merci
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