Marketing to the mature consumer

Food Matters Live
Nov. 2015

Mai Nygaard, Rousselot
Flip Houtman, Fortified Food Coatings
Bringing new innovative nutrition solutions to the 50+ segment

How can we successfully address the nutritional requirement of older adults?
Fortified Food Coatings, Startup company in the domain of health & nutrition.

 Delicious Vitality with the revolution in ready meals
- Restaurant-quality ready meals
- Enriched with extra proteins, vitamins and minerals
- Targeting at the 50+ segment

 Dutch based company
- Wageningen (FoodValley) and ‘s-Hertogenbosch

 Business to Business partner for caterers
- Ready meal producers, catering companies, large institutions
- Selling coating ingredients and FoodPrinter

 Co-innovation partners
- Rousselot, DSM, Bunzl
Rousselot, global leader in gelatin and collagen peptides

Rousselot, a brand of Darling Ingredients Inc.
Operations on five continents, with over 10,000 employees and over $4 billion ($US) in revenues.

Bioactive peptides, Type 1 Collagen
- A pure protein with unique amino acid composition
- Scientifically proven benefits for joint, bone and skin health, clinical studies
- Easy to formulate
- Digestible and bioavailable

100% in-house production in state-of-art plants (in France and Brazil)

Largest product range on the market
- Different grades, meeting customers’ needs

Collagen type 1 peptides high in the AA’s Glycine, Hydroxyproline, Proline and Glutamic acid
Overview

- Introduction
- Ageing population: key issues and challenges
- Meeting nutrition needs
- Offering aging consumers attractive solutions
- Health benefits of collagen peptides
- Nutraceutical Product marketing trends
- The Fortified ready meals concept
- The value proposition
- Outlook/perspectives
Preventive nutrition for healthy aging

Preventive interventions are needed to maintain independence as long as possible.

More Healthy life years!

Nutrition plays a key role.

E.g. The risk of a bone fracture increases with age. Fracture is often the first step to loss of independence.
Concern for health is high amongst seniors and they are prepared to make food choices to look after themselves.
Prevention pays off. UK facts & figures
Source: Clinical Nutrition

£13billion UK spending on disease related malnutrition in 2007
5% - 9% cost saving
16,5% Reduced hospitalisation
£751 Potential saving of the cost of screening, management, monitoring
£332 saving of pre-operative people

Improved quality of life, reduced infections, reduced minor post-operative complications, reduced falls, and functional limitations

19 papers on Oral Nutritional Supplements use
Key ageing concerns

People feel the impact of ageing....
When 60+ years, the statistics show:

- 20% of all women and 10% of all men suffer from **Arthritis**
  - causing joint pain and joint problems

- 30% of all postmenopausal women develop **Osteoporosis**
  - leading to bone fractures

- 30% are affected by **Sarcopenia**
  - the loss of muscle mass and strength

**Loss of mobility & musculoskeletal health**
Key nutrients – considerations for healthy ageing

- **Recommended daily protein intake**
  - 0.8g/kg/d – to maintain metabolism in an adult
  - 1.0-1.2g/kg/d – to increase metabolism in aging people
  - 1.2-1.5g/kg/d – for aging people at risk for malnutrition


- *In fact older people eat less protein than average adult...*

- **How about Vitamin intake by older people?**

- Deficiencies in Vit D and other vitamins are very common

  Dutch Food Consumption Monitor 2010 -2012
Healthy aging - role of nutrition

- **Risk of nutritional deficiency.** Aging consumers more likely to suffer from malnutrition as a result of loss of appetite, difficulty to swallow, and social/lifestyle factors.

- **Preventing Sarcopenia**
  Exercise and adequate intake of easily digestible protein are import.

  Example of young and old muscle mass

- **Preventing loss of Bone mineral density** (increased risk of fractures). Exercise and diet with Protein, Calcium and Vitamin D play a role.

**Insufficient dietary protein & vitamins contribute to loss of functionality & mobility**
What is collagen?

Collagen is a triple helix of alpha-chains of amino-acids, which builds strong fibers used for the body structure.

- **Most abundant protein of the body** (25% of the total protein content)
- It is the major constituent of connective tissues (skin, tendon, cartilage, bones)
- 1000 amino-acid residues per chain
- The hydrolyzed form – ‘collagen peptides’ are easily digestible and absorbed by the body

Collagen type 1 peptides high in the AA’s Glycine, Hydroxyproline, Proline and Glutamic acid
Why protein and collagen are important for bone health

**Protein intake** influences bone health.

**Collagen** is the main protein in bone ~ 90% of organic bone mass; collagen provides the **structural framework** for Calcium and other minerals.

**Multiple Scientific studies**
shown *positive effect of Collagen Peptides*
supplements on bone density and strength
- New Review article, Daneault *et al.* 2015

**Collagen works together with Calcium & Vitamins (D, K) to promote strong, healthy bones**

![Healthy bone vs Osteoporosis](image)
Collagen supports Joint Health

- **Aging** and **high impact/load** on joints can cause wear and tear on joint cartilage - degradation of joints, including articular cartilage and subchondral bone.

- Symptoms may include **joint pain, tenderness, stiffness and locking**

- **Collagen makes up > 70 % of joint cartilage matrix**
- **Maintaining collagen levels inside cartilage** is important.

- **Multiple Clinical studies** have shown positive effect of Collagen Peptides supplements:
  - Reducing joint discomfort & stiffness
  - Improving joint function and flexibility
Collagen peptides can support mobility as we age

- **ONE** unique bioactive protein offering **multiple benefits for healthy aging**

- scientifically demonstrated to address 3 key concerns
  - Joint health
  - Bone health
  - Lean Muscle

- help maintain musculo-skeletal health and mobility
Optimized Nutrition for seniors today

Healthy diet

- Calcium
- Vitamins
- Protein

Collagen peptides are in particular interesting for mobility support

- How can we best meet the needs of senior people?
- What’s the preferred delivery format and channel?
Todays positioning & marketing of nutraceuticals

- Functional food/beverage
- Supplements
- Health/wellness
- Clinical nutrition
- Consumer benefits/health claims
What’s the trend?
Looking at nutraceutical product formats

- Majority of consumers say they prefer to get nutrients from foods than supplements.
- New ways of taking supplements and growing issue of 'pill burnout'.
- Gummy formats increase in popularity
- For older consumers, difficult swallowing pills sometimes drives them to chewable, liquid, or softgel supplements.

Markets like **US** see a move towards **gummies** and **softgels**

Markets like **Japan** have a preference for **functional food and beverages**

Source: Product Insider

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gummies</strong></td>
<td><strong>Softgels</strong></td>
</tr>
<tr>
<td>Increased</td>
<td>Increased</td>
</tr>
<tr>
<td>659 percent</td>
<td>41 percent</td>
</tr>
<tr>
<td>$165,340 to $1,255,879</td>
<td>$7,930,323 to $11,214,653</td>
</tr>
</tbody>
</table>

Source: SPINS
New study
Preferences of Dutch elderly re. protein enriched food


Key findings (55+ yrs, focus groups)

- Confusion, distrust and personal relevance are barriers to accepting enriched food.
- Medical advice and sensory appeal are motivators that can help overcome barriers.
- Elderly prefer healthy products in their current diet as carriers for protein.

Opportunity Functional food manufacturers: Tasty, everyday, protein rich food!
Targeting Healthy aging – Product delivery formats
Examples of Rousselot formulation concepts

High protein pumpkin soup
With Peptan® B and chestnut flour
High in protein, high in fiber, low in sodium, and fat-free, a perfect soup for the elderly.
Thanks to the combination of Peptan, milk and chestnut, this soup is well balanced in amino acids (score 1.0*) and helps maintain muscle mass, bone health and body

Good4Bone Dairy shot
With Peptan® B and Peach flavour
This delicious, creamy high protein, probiotic dairy drink packs in all that is Good for Bones!
Peptan collagen peptides ensure the optimal Protein to build the bone matrix - supported by Calcium and Vitamin D. Kefir offers benefits for digestive and gut

Bee Healthy!
With Peptan® P & Rousselot® 200 PS and AlphaGOS® SF
A health-conscious gummy with Peptan® and AlphaGOS®'s unique nutritional benefits! - a perfect gummy delivery concept for active ingredients, this delicious gummy is a natural winner for the health and beauty markets. With no added colours or flavours, the honey gummy is naturally sweet.
8g per serving of Peptan® collagen peptides together with vitamin C
Adapting the product, packaging, messaging and adverts from Innova market insights and Nutraingredients

Elderly addressed in adverts not on products

Benecol 6 Smooth & Fruity Yogurt Drinks: Strawberry Flavor (United States, Jun 2014)
Claims/Features: Proven to lower cholesterol. With plant stanol.

Becel Pro-Activ Margarine (Netherlands, Jul 2014)
Claims/Features: It has been proved that blood cholesterol is lowered by plant sterols.

Source: Innova Market Insights

Food Matters Live: Marketing to the mature consumer
Introducing new Innovative delivery solution

Adapted to meet current industry wide trends..
- Move from dietary supplements towards beverages and foods
- Solutions specifically for Target group – personalized nutrition, age, gender etc

And fit the lifestyle and wishes of the seniors..
- Mobility -Musculoskeletal health focus, -nutrition which supports independency for longer!
- Offer tasty solutions that fits everyday life and doesn’t interrupt habits

Room for Innovation
Introducing Fortified Concept!
The Fortified concept: Delicious Vitality

DELECTABLE RESTAURANT-QUALITY MEALS, MADE BY MEAL MANUFACTURERS

VITALITY
PEPTAN® COLLAGEN PEPTIDES, VITAMIN D AND CALCIUM, ADDED IN A GELATINE LAYER
The advantages at a glance

- Calcium is needed for the maintenance of NORMAL BONES and TEETH and contributes to NORMAL MUSCLE FUNCTION.
- Vitamin D is important because it promotes CALCIUM ABSORPTION IN THE BLOOD and it also contributes to the normal function of the IMMUNE SYSTEM.
- COLLAGEN PEPTIDES are derived from 100% natural sources and are characterized by a unique combination of 18 key amino acids.
Ready meals market is rapidly growing

Bubble size indicates retail volume size in the category in 2014. Range displayed: 47-2632 ('000) tons

Source: Euromonitor
Targetgroup segmentation

Healthy Indulgers  Healthy Hermits  Ailing Outgoers  Frail Recluses

13% 337,000  38% 1,102,000  34% 986,000  15% 435,000
Marketing approach

Healthy Indulgers
Communication direction
- Direct marketing
- Health benefits
- Quality food
Costs: €4-7
Point of sales: Retail/At home
Inform via third party

Healthy Hermits
Communication direction
- Direct marketing
- Health benefits
- Quality food
Costs: €3-4
Point of sales: At home
Direct mail and create a community

Ailing Outgoers
Communication direction
- Direct marketing
- Health benefits
- Quality food
Costs: €4-7
Point of sales: At home
Publish book and create a community

Frail Recluses
Communication direction
- Direct marketing
- Health benefits
- Quality food
Costs: €3-7
Point of sales: At nursing home
Influence the influencers

13% 837,000
38% 1,102,000
34% 886,000
15% 435,000
Sweetspot for functional food growth

CONSUMER HEALTHCARE: NEW MASS MARKET LINKED TO GROWING CONSUMER RISK FACTORS

Source: AT Kearney 2014

MAJOR PHARMACEUTICAL COMPANIES
- Pfizer
- Abbott
- Bayer
- GSK
- Novartis
- AstraZeneca
- Roche
- Sanofi

FAST MOVING CONSUMER GOODS COMPANIES
- Colgate
- P&G
- L’Oreal
- Nestle
- Unilever
- Danone
- Henkel

MASS MARKET

NICHE MARKET

DISEASE
PRE-DISEASE
RISK FACTORS
HUMAN NEEDS
PLEASURE

Food Matters Live: Marketing to the mature consumer
Wrapping up

TRUE INNOVATION
A DISRUPTIVE AND PATENTED TECHNOLOGY

LARGE POTENTIAL
HEALTHY AGEING, MAL NUTRITION, FOOD TO FIT

TO MAKE A DIFFERENCE
BRIDGING THE GAP BETWEEN FOOD INDUSTRY AND PHARMA MARKET
More important than age: Quality of life

For seniors, quality of life is mainly a function of good health. To maintain good health, an important factor is good nutrition.

People want to live active, healthier lives as they age....
Thank you, any questions?