Healthy & Functional Food & Beverage Global Trends
BrandHive Capabilities

• Branding agency
• 60+ years experience with natural lifestyle consumer
• Full range of strategic and creative services
• Business-to-business
• Business-to-consumer
• Brandhive.com
• Brandhive.com/buzz
Functional Beverage Pioneer
Global Perspective on Functionality

• Awareness and adoption trends
• More mature U.S. market
  – Breadth of offering
  – R+D activity
  – Consumer demand
• Anti-aging foods is primary trend
• Functional dairy
Setting the Stage

Dosage and delivery innovation

• Maturing boomers driving innovation

• Explosion of new dosage & delivery forms

• Retail landscape evolving

• Traditional delivery forms making room for:
  - Tubes
  - Chews
  - Gels
  - Shots
  - Gummies
  - Juices
Setting the Stage: Packaging
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Setting the Stage: Convergence

• Category
  – Supplements with food and beverage

• Channel
  – Retail with DTC with HCP

• Class
  – Pharma with supplements

• Technology
  – Genetics with iFit
Setting the Stage: Personalized Healthcare

- Mature consumer is driving increased functionality
  - Greater demand for custom solutions
  - Increased consumer knowledge and access to information
  - New channels for education and engagement
Evolution of Wellness Foods

- Naturally Healthy
- Better for You
- Functional Foods
- Nutraceuticals
- Pharma Foods
Setting the Stage: Marketing Shift

- Concept > Brand story
- Content > Brand validation
- Connection > Brand relevance
- Community > Brand evangelism
- Continuity > Brand integration
Functional Foods & Beverages

- Emerging issues
  - Lack of efficacious doses
  - “Value” of functionality
  - Lack of clinical research
  - Lack of consumer education
  - Move toward “inherently” functional (coconut water)
Functional Foods & Beverages

• Emerging issues
  - Concern about over-hyped, unsubstantiated claims
  - Eco-friendly packaging
  - Stealth health
  - Emergence of alternative sweeteners
  - Snacking behavior
Functional Foods & Beverages

- Key conditions for functional ingredient innovation
  - Energy/performance
  - Healthy aging
  - Immunity
  - Digestion
  - Cardiovascular
  - Joint support
  - Weight loss
  - Diabetes
Functional Foods & Beverages

- Key conditions for functional ingredient innovation
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Functional Foods & Beverages

- Key issues and trends
  - High failure rate (80%) for new functional products
    - Inadequate promotion
    - Inadequate consumer/trade education
    - Inadequate performance
    - Undifferentiated in marketplace
Super fruit boom continues

- Camu camu (immunity)
- Yacon (blood sugar/digestion)
- Cacona (heart)
- Sea buckthorn (beauty)
- Tart cherries (arthritis/gout)
- Aronia berries (antioxidant)
Functional Foods & Beverages

• Key issues and trends
  - Consumers are looking for:
    • Calcium
    • Fiber
    • Vitamins & minerals
    • Omega 3s
    • Vitamin D
    • Chia/Quinoa/Hemp
Functional Foods & Beverages

- Key issues and trends
  - Growth ingredients
    - Lycopene
    - Probiotics/prebiotics
    - Protein (pea, fish, hemp, brown rice)
    - Antioxidants
Functional Foods & Beverages
Functional Foods & Beverages

• Key issues and trends
  - Better-for-you-snacks
    • Are tie-breakers
    • Need to taste better, perform better and re-establish expectations
    • Must re-educate the consumer we created
Functional Foods & Beverages

- Key issues and trends
  - Better-for-you-snacks
Functional Beverages

• Breakthrough categories
  - Super fruits
  - Beauty from within
  - Energy and vitality
  - Highly functional teas
  - “Better for you” energy
  - Enhanced waters
Functional Foods

- Breakthrough categories
  - Added protein
  - Probiotics
  - DHA omega 3s
  - Coconut milk
Functional Foods

• Breakthrough categories
Functional Foods

- Breakthrough categories
  - B4U breakfast
  - Chia seeds
  - Healthy snacks
Functional Foods

• Breakthrough categories
Summary

• Convenience
• Functionality
• Convergence
• Value added ingredients
• Personalized healthcare solutions for aging consumers
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