



MINTEL

Developing healthy products consumers want

November 9th, 2016

CSIFT Technical Breakfast

Who we are

The insights behind your next big idea



Consumers

We ask 30,000 people for their opinions each month.



Markets

We track consumer spending in 3,000 markets across 34 countries.



Innovation

We cover 33,000 new product launches from 62 countries each month.



Trends

We track more than 70 consumer lifestyle trends and thousands of observations on a daily basis.

Consumers are looking for long-term dieting solutions

58%

of US consumers who have managed their weight with diet look for a diet that encourages long-term healthy habits

91%

of US consumers agree “It’s better to eat a well-rounded diet than to use diet products”



Consumers recognize “you are what you eat”

64%

of US consumers agree
what they eat impacts their
physical well-being

47%

of US consumers agree
what they eat impacts their
emotional well-being



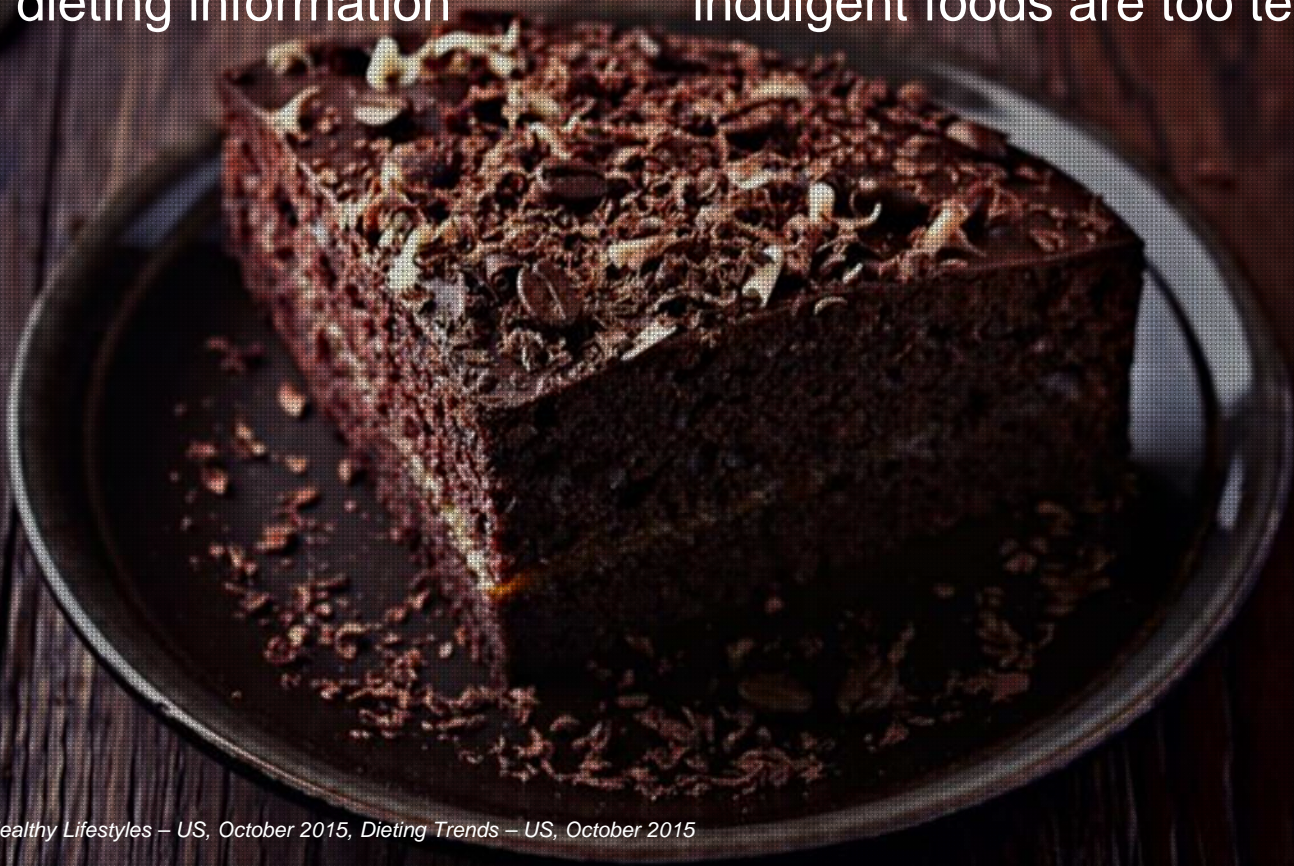
Consumers are often overwhelmed

50%

of US consumers agree they are confused by the amount of conflicting dieting information

80%

of US consumers try to eat healthy, but think some indulgent foods are too tempting



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Cleaner labels related to healthier perception

59% of consumers agree “The **fewer ingredients** a product has, the **healthier it is**”

32% agree foods with a “**natural**” **claim** are **good for their health**

28% agree a food is **unhealthy** if it has **artificial ingredients**

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Consumers avoiding sugars, fats, and artificial ingredients

Attributes avoided when shopping for “healthy” foods, US, June 2016

“When looking to buy food and beverages you consider ‘healthy’ for yourself or members of your household, which of the following do you avoid?”

High-fructose corn syrup	50%
Sugar	47%
Trans fat	45%
Saturated fat	43%
Artificial sweeteners	43%
Artificial preservatives	38%
Sodium	38%
Artificial flavors	35%
Genetically modified (GMO) ingredients	29%
Calories	28%
Gluten	14%
Allergens (eg soy, wheat, dairy, nuts)	11%
None of the above	12%

Base: 2,000 internet users aged 18+

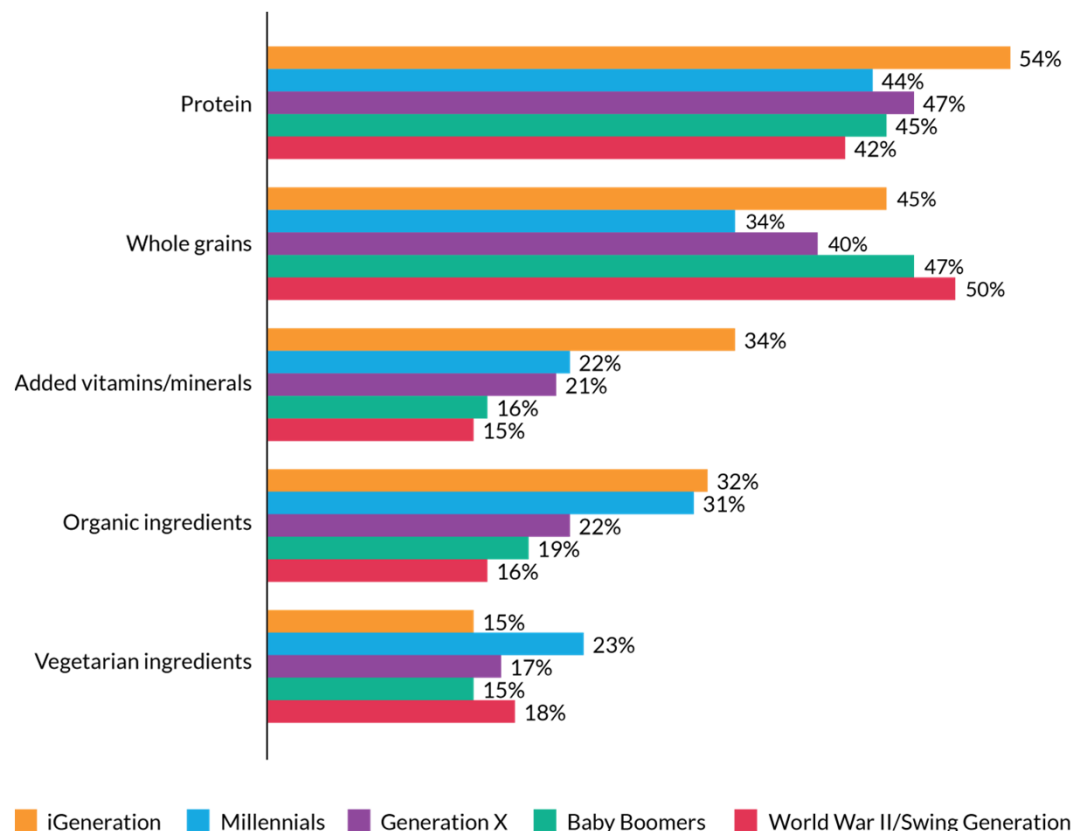
7 Source: Lightspeed/Mintel Better-for-you Eating: Spotlight on Real – US, September 2016



What does healthy mean for consumers?

Attributes sought out when shopping for “healthy” foods, US, June 2016

“When purchasing foods that you consider ‘healthy’, which of the following do you look for or would you like to see more of?”



Base: 2,000 internet users aged 18+

8 Source: Lightspeed/Mintel Better-for-you Eating: Spotlight on Real – US, September 2016



Despite skepticism, healthy claims matter to consumers

14%

Of US consumers agree regulatory approval means a healthy food

23%

agree they are more likely to buy a food with a health claim on the package than a food without one

42%

agree foods they consider healthy are worth paying more for

Satiety is important for healthy snacks

Interest in product claims when purchasing healthy snacks, US, June 2016

“Which of the following product claims are you most interested in when purchasing snacks marketed as healthy? Please select up to five.”

Claim	% agree
No artificial ingredients	38
High protein	38
High fiber	36
Low sodium	35
Whole grain	34
Contains vitamins	26
Specific health benefits (e.g. heart healthy)	24

Consumers are skeptical of BFY snacks

- 78% of BFY snack consumers agree some snacks marketed as healthy are **not actually healthy**
- 61% agree it is **hard to tell if a snack is healthy**
- 58% trust health claims on snacks marketed as healthy

Base: 993 internet users aged 18+ who've purchased BFY snacks in the past six months

10 Source: Mintel Better for you snacks – US, September 2016

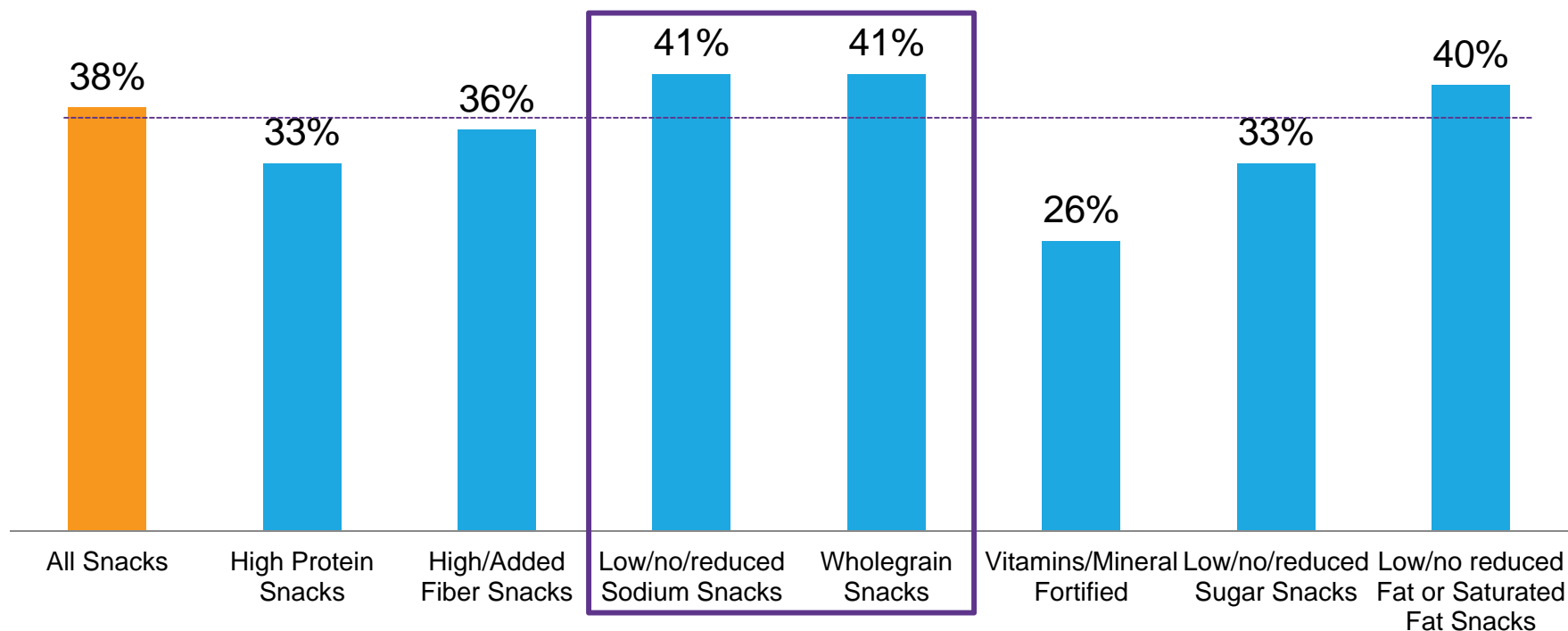


But what do consumers *really* want?

Most snacks with health claims scored significantly lower on purchase intent than all snacks.

Only l/n/r sodium and whole grain snacks had a significantly higher purchase intent.

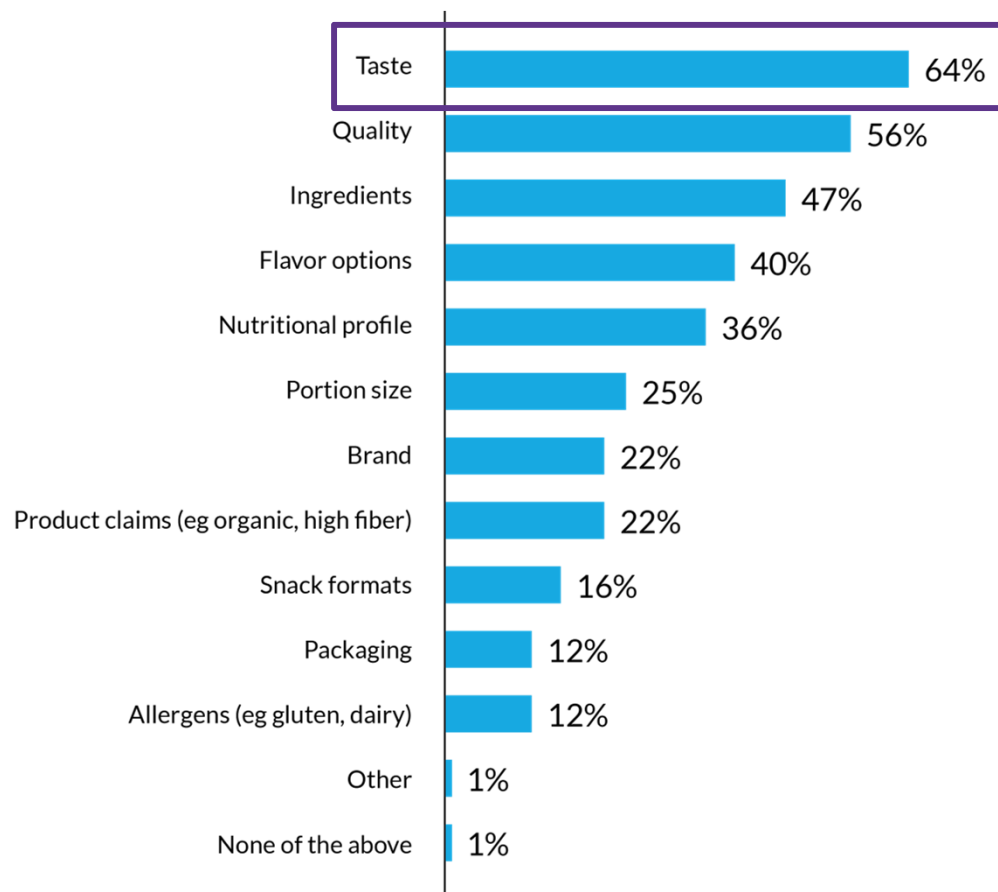
**Purchase Intent Score, US snack launches,
Jan 2016 – Oct 2016**



Why? Taste drives better-for-you snack purchases

Purchase drivers, US, June 2016

“Aside from price, when purchasing snacks marketed as healthy, which of the following, if any, are most important to you? Please select up to five.”



Base: 993 internet users aged 18+ who've purchased BFY snacks in the past six months

12 Source: Mintel Better for you snacks – US, September 2016



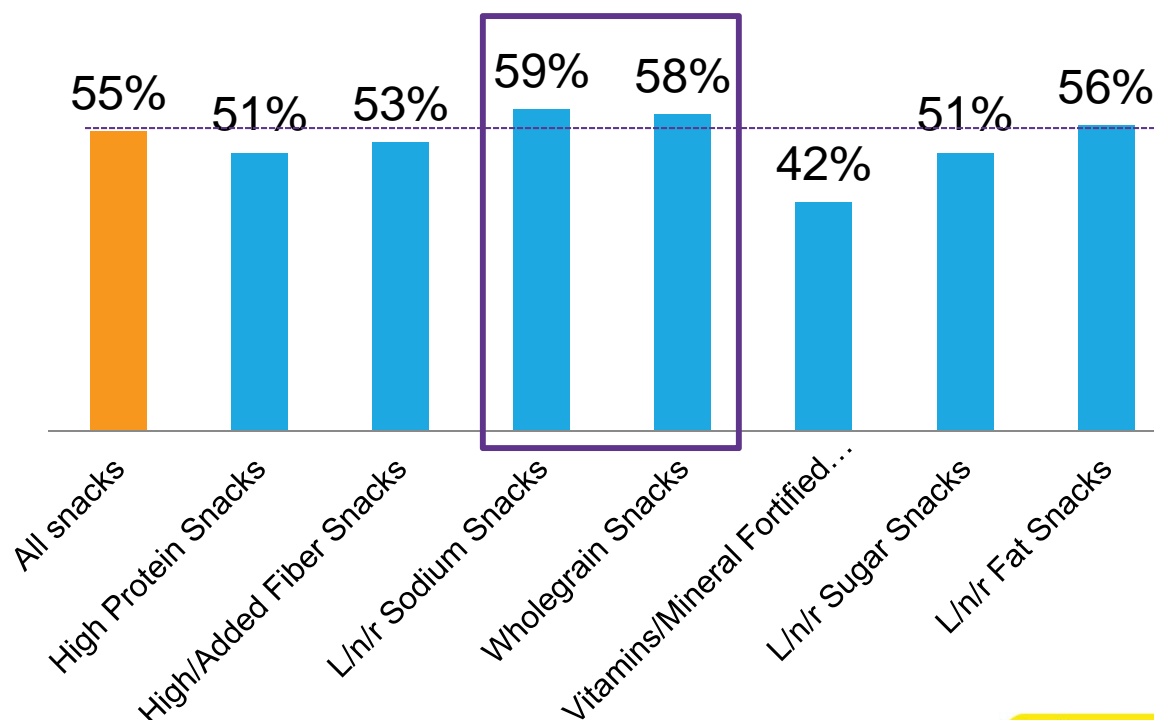
Wholegrain and low sodium snacks seen as tasty

Taste is one of the most important purchase drivers in the snack category; yet some healthy claims such as high protein, high/added fiber, l/n/r sugar and vitamin/mineral fortified products are less likely to be perceived as tasty.

Snacks with **wholegrain** claims and **l/n/r sodium** claims were more likely to be perceived as tasty than snacks without those claims.



% of consumers who perceive product as tasty, US snack launches, Jan 2016 – Oct 2016

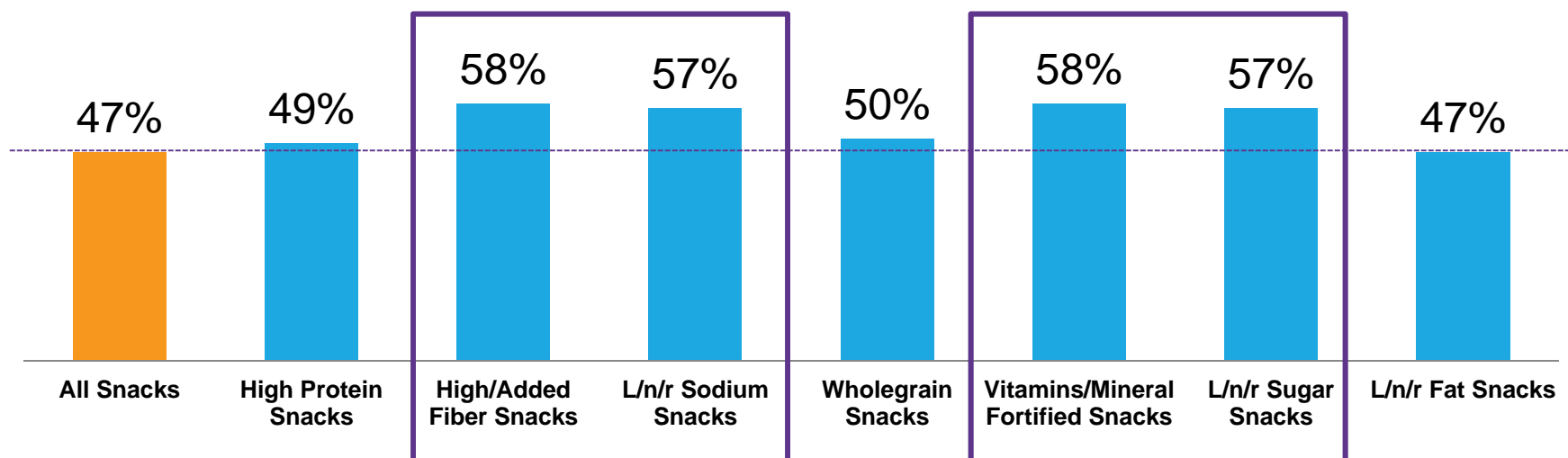


Do consumers perceive these products as healthy?

Yes. As expected, products that bear any of these claims are **seen as more healthy**. However, **healthy** is a less-strong purchase driver than taste.



% of consumers who perceive product as healthy,
US snack launches, Jan 2016 – Oct 2016



Healthy snacks that consumers like!

H-E-B Select Ingredients Raw Almonds

71% PURCHASE INTENT

PURCHASE DRIVERS

🍏 78% **HEALTHY**

🌈 84% **TASTY**



Nature Valley Oats n Honey

68% PURCHASE INTENT

PURCHASE DRIVERS

🍏 71% **HEALTHY**

🌈 79% **TASTY**



Nabisco Good Thins The Chickpea One Chickpea and Wheat Snack with Garlic and Herb

58% PURCHASE INTENT

PURCHASE DRIVERS

🍏 67% **HEALTHY**

🌈 79% **TASTY**



Kashi Chocolate Almond Sea Salt with Chia Chewy Granola Bars

62% PURCHASE INTENT

PURCHASE DRIVERS

🍏 75% **HEALTHY**

🌈 73% **TASTY**



Nature Valley Oats 'n Honey Crunchy Granola Bars



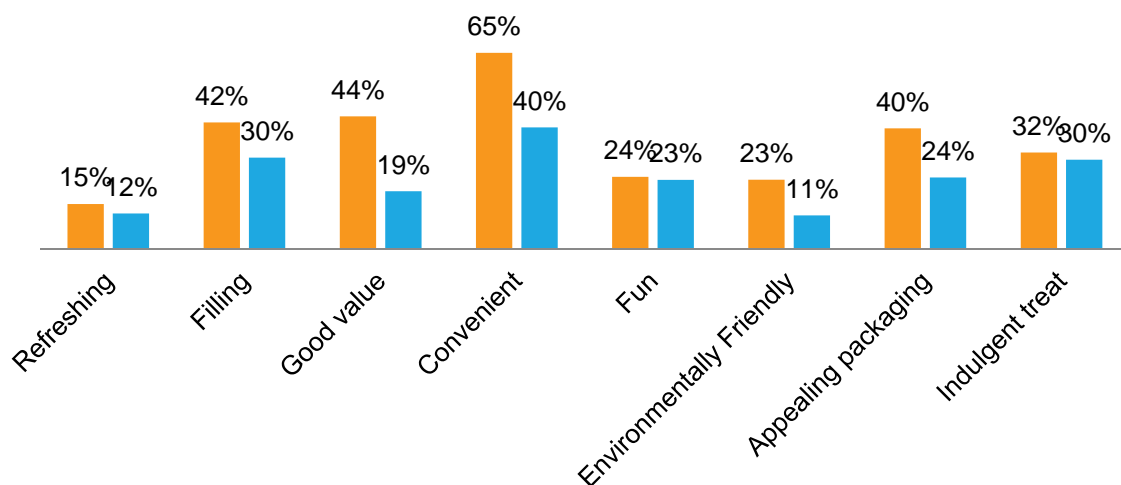
79% of consumers perceive this product to be tasty



76% of consumers perceive this product to be healthy

Attribute Association

■ Oats 'n Honey Crunchy Granola Bars ■ Snack/Cereal/Energy Bars



Made with 100% natural wholegrain oats and honey, and contains **16g of wholegrain**.

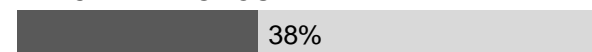


Purchase Intent

THIS PRODUCT



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Kashi Chocolate Almond Sea Salt with Chia Chewy Granola Bars

Kosher certified and non-GMO product contains 160mg ALA omega-3, 5g protein, 4g fiber, and provides 11g of wholegrain per serving.



73% of consumers perceive this product to be tasty



75% of consumers perceive this product to be healthy

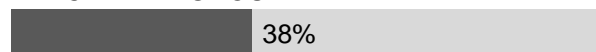


Purchase Intent

THIS PRODUCT



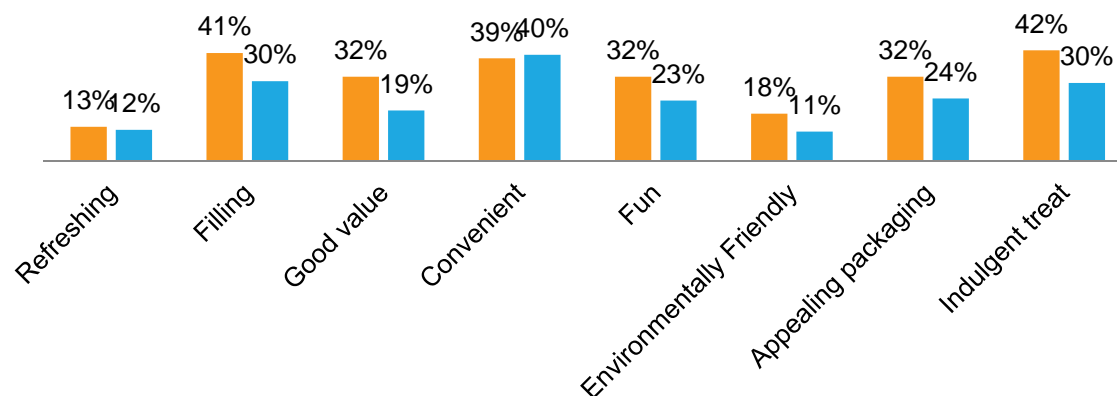
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Attribute Association

Chocolate Almond Sea Salt with Chia Chewy Granola Bars

Snack/Cereal/Energy Bars



Nabisco Good Thins The Chickpea One Chickpea and Wheat Snack with Garlic and Herb



79% of consumers perceive this product to be tasty

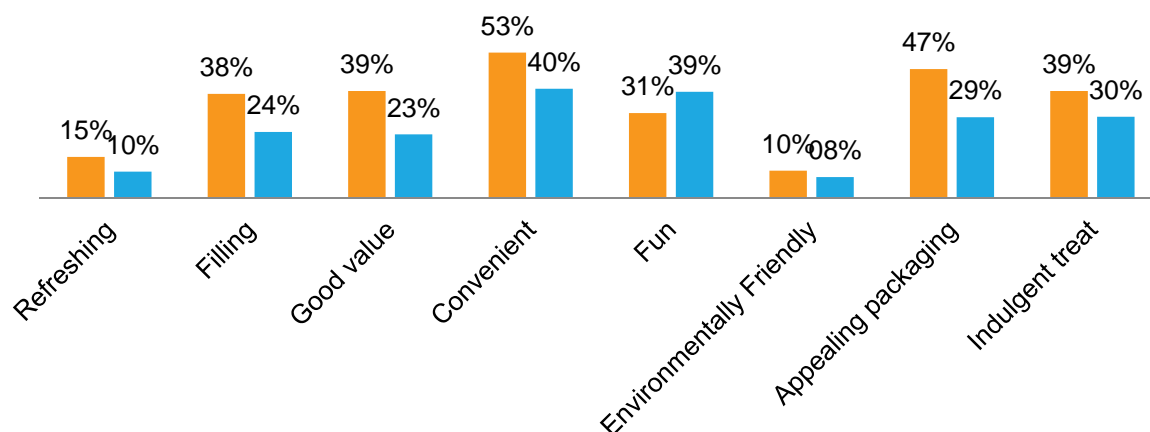


67% of consumers perceive this product to be healthy

Contains no artificial colors, flavors, cholesterol, partially hydrogenated oils or high fructose corn syrup, and is naturally flavored.

Attribute Association

■ Chickpea and Wheat Snack with Garlic and Herb ■ Wheat & Other Grain-Based Snacks

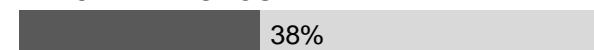


Purchase Intent

THIS PRODUCT



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Nutrition Facts Label gets its biggest update in 20 years

In May 2016, the US Food and Drug Administration (FDA) announced final plans to update its nutritional facts panel on food and drink packages

Only **25%** of US grocery shoppers found the current nutrition facts panel easy to understand in 2015

NEW LABEL / WHAT'S DIFFERENT

Servings:
larger,
bolder type

Nutrition Facts	
8 servings per container	
Serving size	2/3 cup (55g)
Amount per serving	
Calories	230
% Daily Value*	
Total Fat 8g	10%
Saturated Fat 1g	5%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 160mg	7%
Total Carbohydrate 37g	13%
Dietary Fiber 4g	14%
Total Sugars 12g	
Includes 10g Added Sugars	20%
Protein 3g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 8mg	45%
Potassium 235mg	6%

Serving sizes
updated

Calories:
larger type

Updated
daily
values

Actual
amounts
declared

New:
added sugars

Change
in nutrients
required

New
footnote

* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

Serving sizes to better reflect today's consumption patterns



44%

of US consumers pay attention to serving size on food labels

Dietary fiber gets defined

In addition to other changes being made related to the label's design and nutrients listed, significant changes are being also made to the requirements for calculating a product's dietary fiber content.

FDA's new definition includes only **naturally occurring fibers** and **added fibers that have a physiological effect**.

Only **28%**
of US consumers agree eating
foods with added fiber is just as
good for you as eating foods
naturally high in fiber



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Fiber-rich ingredients meet consumers' demand for clean label

Ingredients such as nuts, seeds, pulses, and grains appeal to consumers' desire for real foods and simple ingredients and may also be able to provide a product with “intrinsic and intact” dietary fiber to products.

Bare Naturally Baked Crunchy Simply Banana Chips (US)



According to the manufacturer, these banana chips are a good source of fiber. Each serving contains 3 grams of dietary fiber. This product only contains bananas that have been baked until crunchy.

Beanfields White Bean with Sea Salt Snack (US)



This vegan product is free from GMOs and gluten, and contains 100% more protein, 250% more fiber and 29% less fat than typical tortilla chips. These crunchy snacks are made with an artisan blend of white beans and brown rice.

Earthly Grains Ready-to-Eat Basil Pesto Quinoa Meal (US)



A gluten-free ready-meal of quinoa with pesto. This product claims to be a good source of fiber, containing 3g of dietary fiber per serving.

Dietary Guidelines for Americans: 2015-2020 released

In January 2016, the US Department of Health and Human Services and the US Department of Agriculture released its eighth edition of its Dietary Guidelines for Americans. These dietary guidelines are published every five years and strive to help Americans eat more healthfully.

23%

of US consumers trust that the US Dietary Guidelines are good for them

42%

of US consumers consider their diet to be healthy

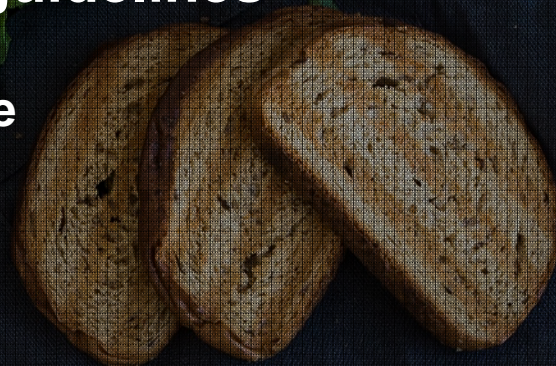
Embracing the new dietary and nutrition guidelines

The 2015-2020 Dietary Guidelines has identified five guidelines for Americans to follow:

1. Follow a healthy eating pattern across the lifespan
2. Focus on variety, nutrient density, and amount
3. Limit calories from added sugar and saturated fats and reduce sodium intake
4. Shift to healthier food and beverage choices
5. Support health eating patterns for all

82%

of BFY snack consumers agree that the definition of what is healthy changes over time



Fats in, sugars out

A paradigm shift is underway for dietary fats and the new guidelines will continue to promote the conversation about “healthy fats” in the US

Dietary Guidelines	Nutrition Fact Labels
Cap on healthy, unsaturated fats removed	Calories from fat removed
Intakes of saturated fat should still be less than 10% of total calories	
Dietary cholesterol's upper limit removed	
	Amount of “added sugar” included in grams and DV
Limit added sugar to less than 10% total calories	DV for added sugar set to 50g per day

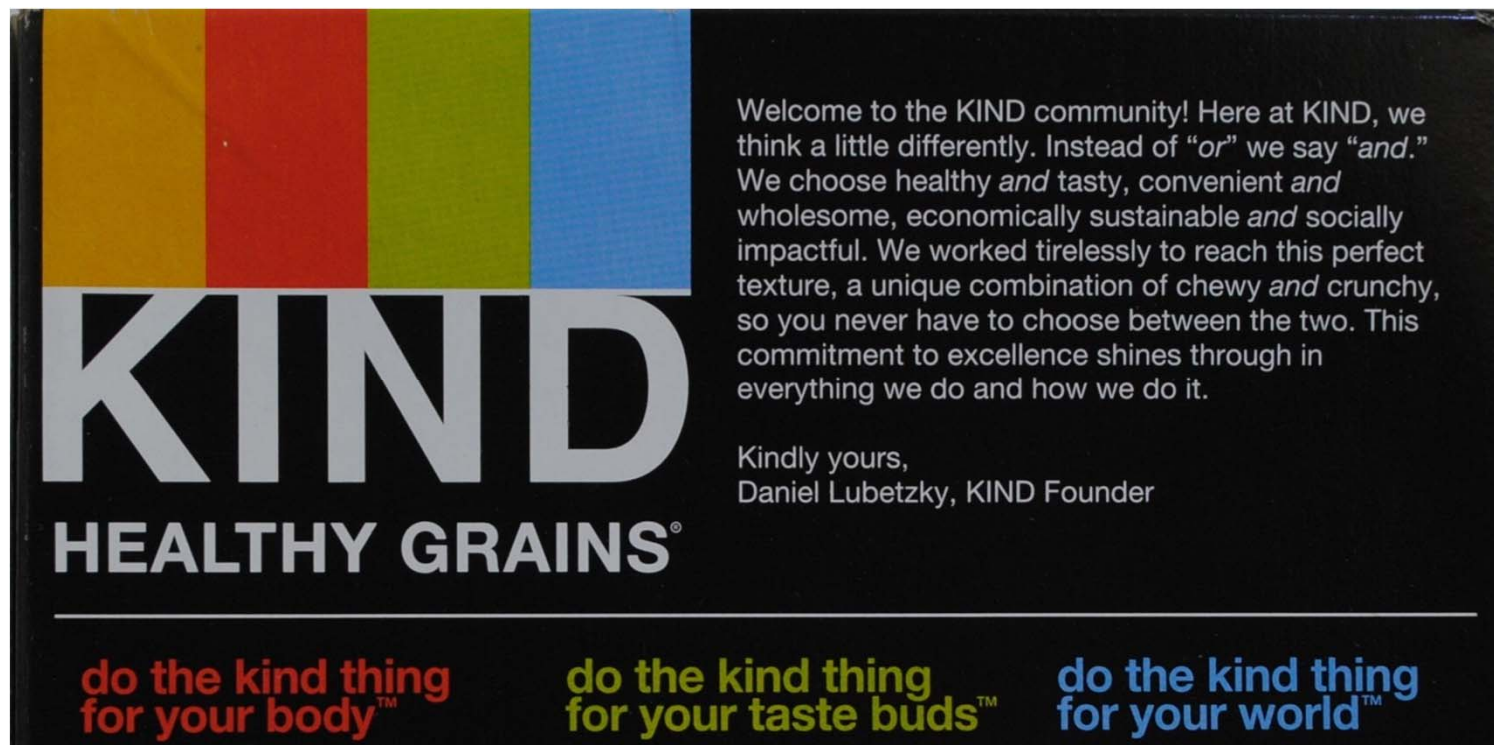
When shopping for healthy foods

- 47% avoid sugar
- 45% avoid trans fat
- 43% avoid saturated fat

FDA will reevaluate regulatory definition of “healthy”

In March 2015, the FDA requested KIND remove the word “healthy” from its products that contained < 1g of saturated fat per serving and <3g total fat.

In December 2015, KIND petitioned to modify the definition of healthy to meet current standards to include nutrient rich foods, such as nuts.



Sugar controversy

JAMA Internal Medicine published recently discovered documents that showed the influence the sugar industry had over the causes of heart disease.

In the 1960s, three nutrition professors were paid by the sugar industry to downplay the link between sugar and heart disease – and promote saturated fat as the culprit.

31%

of US consumers agree
you lose more weight
eliminating sugar than fat

18%

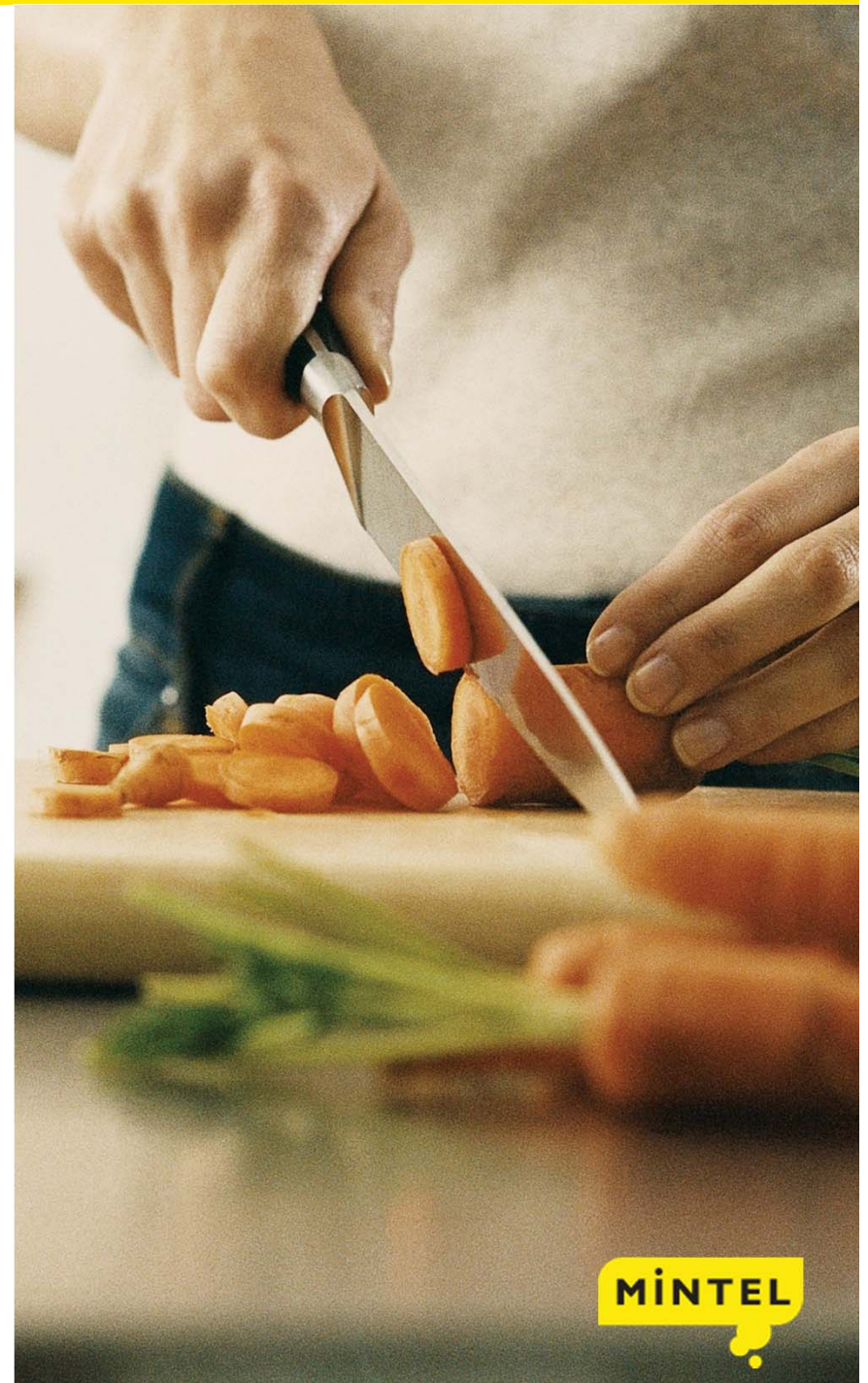
of US consumers agree
low-fat foods have a higher
sugar content



Key Takeaways

US consumers are often overwhelmed by the number of choices they have.

- **This is especially true when it comes to making healthy choices.**



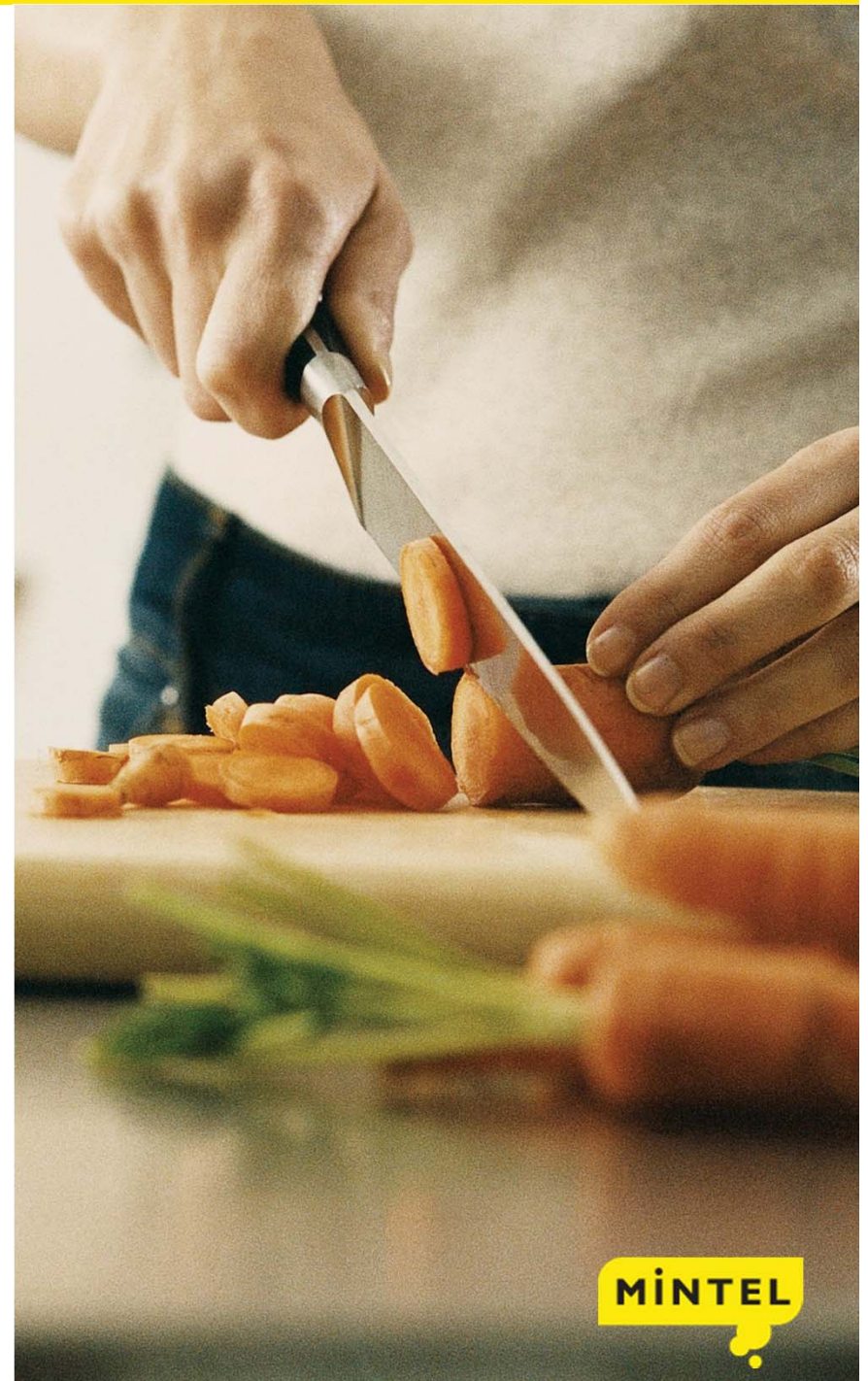
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- This is especially true when it comes to making healthy choices.

Education is needed to inform consumers about nutrition but skepticism persist.

Standing apart from the competition in the category will require transparency and winning the trust of consumers, especially as snack options abound across the board.



Key Takeaways

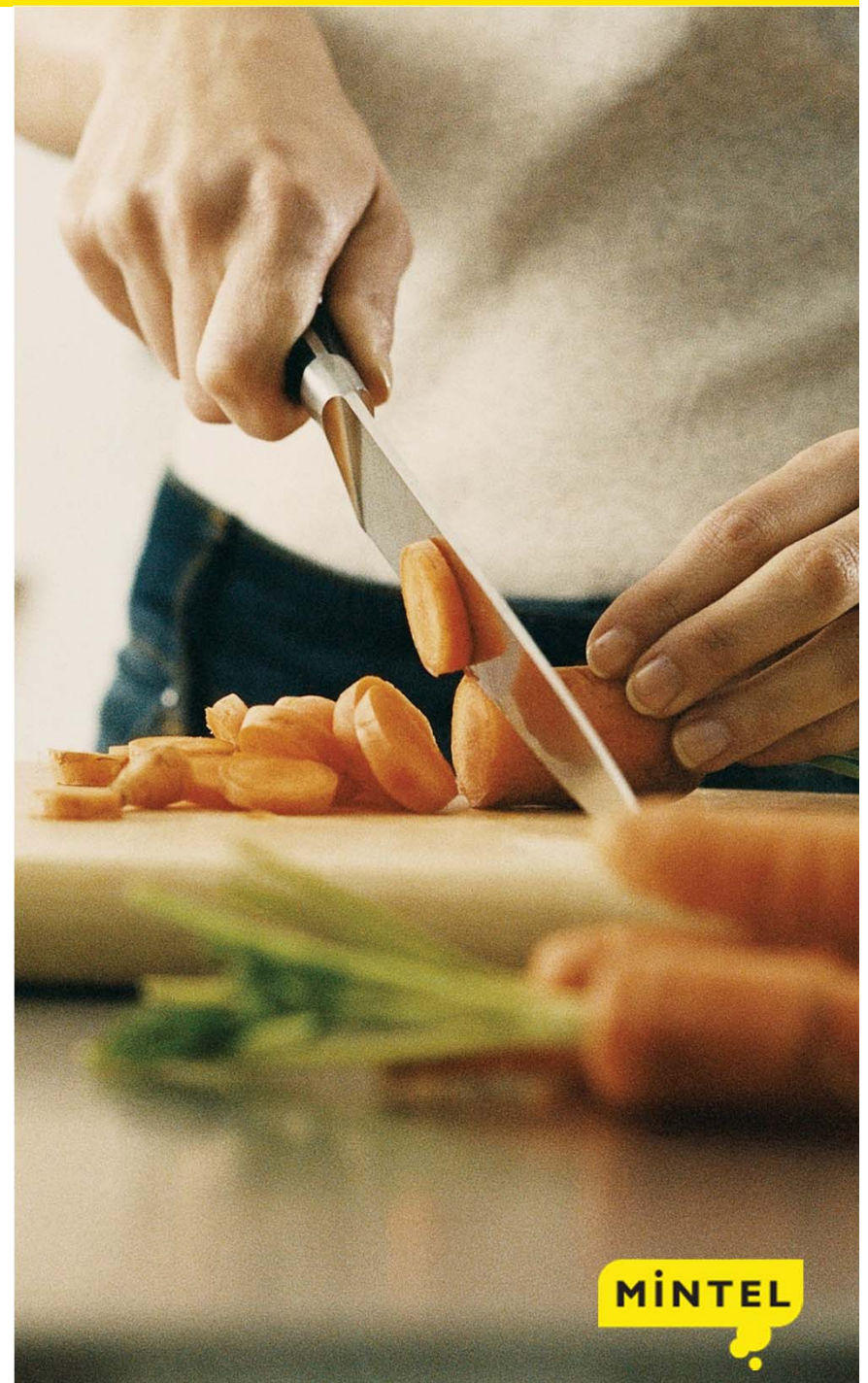
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- This is especially true when it comes to making healthy choices.

Education is needed to inform consumers about nutrition but skepticism persists.

Standing apart from the competition in the category will require transparency and winning the trust of consumers, especially as snack options abound across the board.

Taste is king. Taste is a key driver of purchase intent for US consumers and products need to deliver on that important attribute.



Thank you!



Stephanie Mattucci, CFS
Global Food Science Analyst



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