INGREDIENT MARKETPLACE
NUTRITION | HEALTH | FOOD | BEAUTY

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Orlando World Center Marriott
Probiotics: Product trends and consumer response

Presented at:
Ingredient Marketplace

Presented by:
Lynn Dornblaser, Mintel Group
Our expertise

**CONSUMERS**
Mintel speaks to 40,000 consumers around the world every year

**MARKETS**
Mintel has more than 200 global category, consumer and functional analysts

**INNOVATION**
Mintel purchases 1,500 newly launched consumer products every day

**TRENDS**
Mintel is a world leader in trend spotting and market predictions
Agenda: Topics to be covered

Activity
- Introductions increase, globally
- Dairy is the driving category
- Growth in a few unlikely places

Trends
- Expanding beyond spoonable yogurt
- Synbiotics begin to appear
- Immunity, digestive health, and other claims

Consumers
- In the US, they turn to probiotics for digestive health
- They are less likely to look to probiotics for immunity
- But there’s interest in probiotics in nonfood categories

Insight
- Mintel’s thoughts on where probiotics are heading
Products with probiotics increase globally, driven by food and supplements

Food product introductions (specifically spoonable yogurt) drives introductions of products with probiotics. Note, however, increased activity in Health & Hygiene (VMS), Beauty, and Drink.

Global introductions of products with probiotics, 2010-2014, by supercategory

Source: Mintel
Digging deeper: Probiotics driven by yogurt

About a third of all introductions globally are either Drinking Yogurts or Spoonable Yogurts (in the US market, it is a greater percentage). Probiotics appear in almost every subcategory, albeit in extremely small numbers.

Probiotic introductions, 2010-2014, by subcategory

Source: Mintel
Europe and North America account for most probiotic product introductions

Although Europe represents the largest percent of all introductions, over time Europe has experienced declines. Latin America, at only 7% of total introductions, has shown significant growth in the last five years.

Source: Mintel
Danone, Nestlé two largest players, across all categories

% of global probiotic product launches, by most active ultimate company, 2011-2014

<table>
<thead>
<tr>
<th>Company</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groupe Danone</td>
<td>7.8%</td>
</tr>
<tr>
<td>Nestlé</td>
<td>3.6%</td>
</tr>
<tr>
<td>Liberté</td>
<td>1.6%</td>
</tr>
<tr>
<td>General Mills</td>
<td>1.4%</td>
</tr>
<tr>
<td>Groupe Lactalis</td>
<td>1.4%</td>
</tr>
<tr>
<td>Kroger</td>
<td>0.9%</td>
</tr>
<tr>
<td>Aldi Group</td>
<td>0.9%</td>
</tr>
<tr>
<td>Sampar</td>
<td>0.9%</td>
</tr>
<tr>
<td>Chobani</td>
<td>0.9%</td>
</tr>
<tr>
<td>Lifeway Foods</td>
<td>0.8%</td>
</tr>
<tr>
<td>Woolworths</td>
<td>0.8%</td>
</tr>
<tr>
<td>L'Oréal</td>
<td>0.7%</td>
</tr>
<tr>
<td>Epicurean Dairy</td>
<td>0.6%</td>
</tr>
<tr>
<td>Fonterra</td>
<td>0.6%</td>
</tr>
<tr>
<td>Hain Celestial Group</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Liberté Méditerranée Yogurt Perfection Caramel Yogurt (USA)

Made with milk from cows not treated with rBST/rBGH hormone

Nestlé Nestum Infant Cereal with Milk (Argentina)

Contains iron, zinc, vitamins A and C, bifidus B.

Source: Mintel
Dairy category most common for products with probiotics

Within Dairy Products, probiotics appear most commonly in Spoonable Yogurt and Drinkable Yogurt. Healthcare is dominated by VMS.

<table>
<thead>
<tr>
<th>Category</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Food</td>
<td>8%</td>
</tr>
<tr>
<td>Pet Food</td>
<td>4%</td>
</tr>
<tr>
<td>Desserts &amp; Ice Cream</td>
<td>5%</td>
</tr>
<tr>
<td>All other categories</td>
<td>2%</td>
</tr>
<tr>
<td>Baby Food</td>
<td>10%</td>
</tr>
<tr>
<td>Pet Food</td>
<td>4%</td>
</tr>
<tr>
<td>Desserts &amp; Ice Cream</td>
<td>2%</td>
</tr>
<tr>
<td>All other categories</td>
<td>8%</td>
</tr>
<tr>
<td>Dairy</td>
<td>71%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>20%</td>
</tr>
<tr>
<td>Pet Food</td>
<td>23%</td>
</tr>
</tbody>
</table>

- 27% US consumers say that probiotics is a factor in determining yogurt purchases.
- 20% Of US consumers say they incorporate probiotics in their diet regularly.
- 23% Of US consumers who use nutritional drinks look for probiotic ingredients.

Source: Mintel
Yogurt with probiotics also offer additional benefits

New type of yogurt drink for the US market

- Dahlicious Lassi Oregon Strawberry Lassi, USA

Yogurt plus oats

- Zen Monkey Pineapple Coconut Yogurt with Juicy Oats, USA

Mainstay brand, with added vitamin D

- Dannon Fruit on the Bottom Blueberry Lowfat Yogurt, USA
## Immunity and digestive claims in food and drink

<table>
<thead>
<tr>
<th>Supports digestive and immune health, “better than yogurt”</th>
<th>Supports healthy digestion with active cultures</th>
<th>Beneficial to a consumer’s digestive health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejuvenation Company Fizz Sparkling Ginger Probiotic Lemonade, USA</td>
<td>Post Great Grains Digestive Blend Berry Medley Whole Grain Cereal, USA</td>
<td>CVS’s Gold Emblem Abound Sweet &amp; Nutty Probiotic Trail Mix, USA</td>
</tr>
</tbody>
</table>
Promoting overall goodness

**Digestion, sustained energy**

- Iovate’s Six Star Pro Nutrition Fit French Vanilla Premium Lean Protein, USA

**Invigorate and revitalize**

- KeVita Tonics Kale Lemon Cleansing Probiotic Tonic with Apple Cider Vinegar, USA

**Raw, organic, probiotic**

- Farmhouse Culture Spicy Wakame Ginger Kimchi, USA
“Synbiotic” products: Small, but growing

Selected claims made on products that contain probiotics, global, 2010-2014

Synbiotic = probiotic + prebiotic

- Prebiotics (such as inulin, FOS) can work in conjunction with probiotics to assist the human microbiome to perform at its peak
- 32% of US consumers who have experienced a gastrointestinal ailment claim to have added more fiber-rich food to their diet to manage their digestive health whereas only 16% have regularly taken probiotics for digestive health
- Opportunity: Incorporating prebiotics into existing fiber-rich foods

Source: Mintel
Most synbiotic products focus on fiber first, then probiotic ingredients

High in fiber and with yogurt “pearls”
- Yog Active Fiber Raspberries & Strawberries Probiotic Yogurt Cereal (Canada)

3g fiber plus probiotics
- Udi’s Gluten Free Soft n’ Chewy Strawberry Flavored Breakfast Bars (UK)

7g fiber and one billion probiotic cultures
- Well at Walgreens Wild Berry Yogurt Fiber Bar with Probiotics (USA)
Bridging the divide between food and supplements: The Meta brand

Procter & Gamble expanded and renamed its Metamucil brand (now Meta). Even though product types (and ingredients) have expanded, the main claim is the same: Enhancing digestive health.

P&G’s Meta-Mucil Orange Flavored Multihealth Fiber Supplement, USA, made with psyllium

Meta-Mucil Apple Crisp Multigrain Wafers, USA, made with psyllium and with 5g fiber per serving

Meta Biotic Probiotic Supplement, USA, formulated with microcrystalline cellulose
Probiotic supplements: For those with digestive problems

19%
- Of US respondents who say they have digestive problems take probiotics

7%
- Of consumers who do not report digestive problems say they take probiotic supplements

Promotes digestive health

For digestive support and colon care

Culturelle Digestive Health Probiotic Capsules, USA

Enzymatic Therapy Pearls Probiotics Dietary Supplement, USA

Source: Mintel
Supplements promote digestive health, plus additional benefits

For treatment and prevention of diarrhea
Adcock Ingram Inteflora 250 Probiotic Antidiarrhoeal Capsules, South Africa

“For women who care about the comfort of their intimate area”
Gynomed Protect Oral Gynecological Synbiotic Capsules, Poland

With probiotics and ginger to aid digestion
ProFaes4 Probiotic Dietary Supplement for Travellers, Spain
Probiotics are also going to the dogs (and cats)

Supplement to improve immune function
Holistic Health Lacto Health Probiotic Supplement for Pets, Finland

With probiotics and prebiotics for digestion
Pooch & Mutt Digestion & Wind Dog Food, UK

Probiotics help eliminate odors
Probio Pet Odour Away, South Africa
In personal care: Probiotics positioned to provide hydration benefits

- **Glycerin and probiotics to hydrate skin**
  - Mama Mio Fit Skin for Life
  - The Pregnancy Experts
  - Gorgeous Glow Balancing Facial Swipes, USA

- **Probiotics as a “face reviver”**
  - Too Faced Hangover Replenishing Face Primer, USA

- **Hydrate for younger looking skin**
  - Nude ProGenius Omega Treatment Oil Skin Treatment, USA
And claims to “strengthen” skin

**Defensive power of probiotics**
Unique Yanbal Bio Fruit Tropical Mandarin Shampoo & Conditioner, Colombia

**Strengthens the skin’s protective barrier**
Garnier Body Intensiv 7 Tage Body Intensive 7 Days Soothing & Nourishing Body Milk, Germany

**“Probiotic technology” to strengthen skin**
Clinique Redness Solutions Makeup SPF 15, Germany
In oral care, probiotics positioned to help freshen breath

Yunnan Baiyao Jinkoujian Yi You Qing Xin Toothpaste, China

- Contains Lactobacillus Paracasei, appearing for the first time in oral care
- Claim of removing odor and freshening breath
- First of its kind on the market
- Could this work in Western markets?
Probiotics in cleaners: Focusing on the natural function of “good” bacteria

• Use of promicrobial cleaning agents (probiotics) can help a brand focus on its “naturalness” and environmental positioning

• Probiotics also may resonate with consumers, as we continue to see more probiotics appear across categories

• However, 56% of US consumers say disinfectant strength is more important than what natural ingredients are used

“Provides natural bacterial protection”

NaturXtra Probiotic Homecare Floor Cleaner, Netherlands

“Cleaning the way nature intended”

ProBac Biologicals Kitchen cleaner, South Africa

Source: Mintel
Insight and points for the future

**Build**

Leverage the knowledge consumers already have about probiotics to help build a case for their use in new categories.

**Why**

Focus on the benefits of probiotics—digestive, immunity, hydration, cleaning—rather than the science behind it.

**Abroad**

Look to Europe and Asia for new uses and category expansion ideas.

**Both**

Combine probiotics and prebiotics to provide consumers with a more complete digestive health solution.
Thank you

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