Getting Ahead of the Curve: Energizing Ingredients

By Dr. A. Elizabeth Sloan

It’s time to reinvigorate the energy market with a new generation of multi-functional products and solutions directed at specific interlocking need states, more natural/lower calorie/healthier ingredients and longer-lasting effects.

Sports and energy drinks in the U.S. are projected to grow 2% in total volume from 2008 to 2013, much slower than their long history of double-digit growth. With “tiredness” falling to 10th place among the health concerns Americans are “extremely/very concerned about” and the tight economy causing consumers to seek out economical value-added goods, formulators will be forced to concentrate on more cost effective, multi-faceted products.

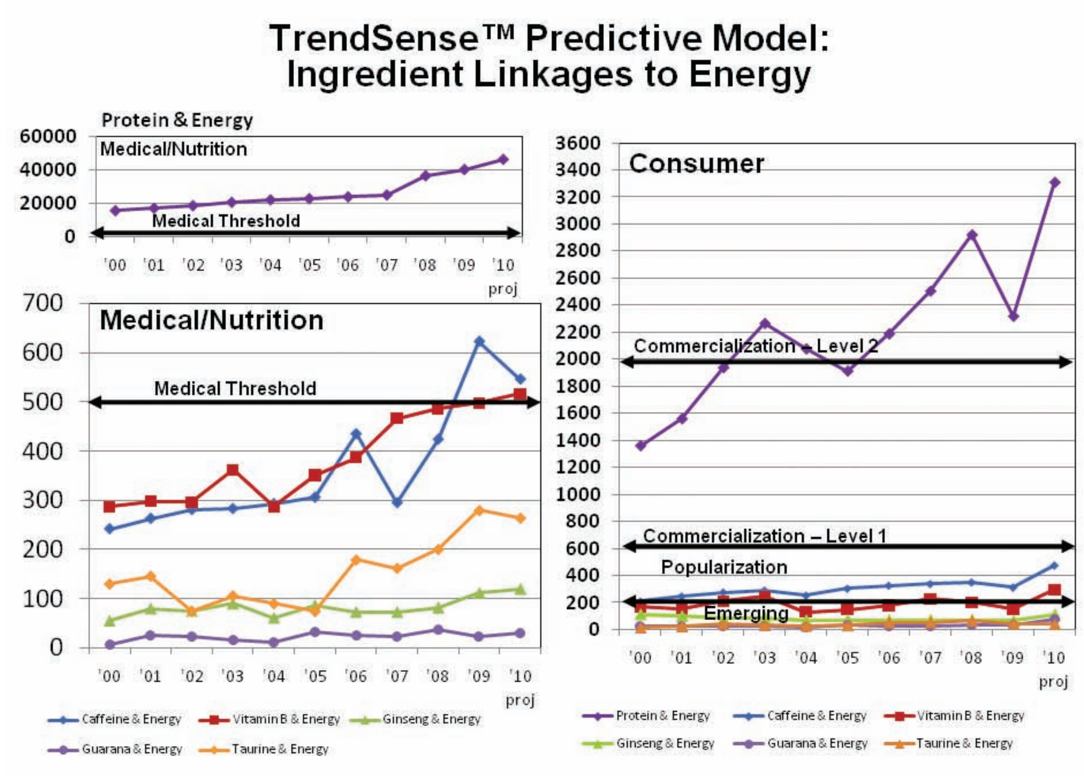
Market Potential

According to Sloan Trends TrendSense model, with the exception of protein and to a smaller extent caffeine, energy is not a market driven by specific ingredients, rather it functions on a general end benefit promise.

Moreover, while many of these ingredients may have enjoyed significant medical research and supportive findings specifically tied to energy decades ago, there is currently only a limited amount of research activity—unlikely to generate significant new marketable medical findings.

With more than 45,000 new medical studies per year tying protein to energy, it’s not surprising that protein represents a highly appealing mass-market “sleeper” ingredient for energizing products. Having crossed over the Medical Threshold, which signals the beginning of a long-term trend, only protein, caffeine and B vitamins appear to be sustainable energizing market ingredients at this time.

While poised for success in the specialty markets and among very health conscious shoppers, the remaining ingredients are trendy and are not currently being supported with a substantial level of ongoing research results. Mintel reports that 26% look for ginseng in a functional beverage; 25% caffeine. Only 9% seek L-carnitine, 9% whey and 3% taurine.



** Although there are many factors that go into determining consumer trends, measuring how medical/nutrition activity levels have risen over the past decade, as well as some of the key milestones that have occurred and how these issues have been understood and embraced by the public are essential in predicting the sustainability of the Consumer trend line.*

Growth Opportunities
• 29% look for the protein content when they purchase a food product, 39% think protein content is very important on a food label; 39% of adults are aware of whey protein.
• Fast food restaurant operators named energy drinks the 2nd hottest menu trend for 2010, right behind healthy kid's meals.
• Adults age 45 + index dramatically below their younger counterparts for use of energy drinks/ bars. However, those 50+ are as likely to select food/drinks for energy level as those 18-24 (32% vs. 36%).
• Those 50+ are the fastest growing segment of exercisers and exercise more regularly and slightly more strenuously than those 18-34; yet sports/energy drinks geared to older adults are virtually nonexistent.
• Recovery after exercise (47%) and building muscle, and part of a weight loss plan (33%) are among the top reasons for eating energy bars.
• 78% of weight conscious shoppers are "extremely/very concerned" about tiredness/lack of energy; 31% indicate "loss of energy" as a barrier for staying on a weight loss diet; increased energy is a motivator for staying on a diet for 49%.
• Sustained energy is a proven benefit of products that provide satiety; 50% are interested in eating foods that provide satiety.
• 7% consumed energy beverages in 2009 to boost immunity.
• 74% of consumers believe that eating breakfast can help increase physical energy; 60% that caffeine can help you wake up/stay up; 46% that caffeine can increase energy.
• 62% of moms are concerned about their kids' low energy level. 42% of kids aged 6-17 try to eat foods that give them energy/vitality; 66% older kids 12-17.

Functional Foods: In 2009, 41% of U.S. adults drank a functional beverage for an energy boost; 32% a functional food. The market continues to skew young with half of those aged 18-34 using energy drinks; usage falls with age. One in 5 (18%) bought a bar with an energy claim.

Three-quarters (77%) of adults believe foods/beverages can improve physical energy or stamina, and half (53%) of those who don't eat anything for energy would be interested in doing so.

Fruit/vegetable juices, yogurt, savory snacks, milk and breakfast cereals are among the products consumers are most interested in buying to get "long lasting energy." Energy boost claims are a highly desirable claim on value added snacks for those 18-34.

Dietary Supplements: Dietary supplements are perhaps best equipped to capitalize on the instant energy and long-lasting energy segments with their various quick access forms, including shots—12% of adults used an energy shot in 2009; 21% of those 18-24, 18% 25-34 and 12% 35-44.

Globally, energy and stamina supplement new product introductions jumped from 323 in 2007 to 654 in 2009; from 198 to 444 in North America alone.

Combination supplements such as those that suppress appetite and boost energy, mental sharpness or immunity or provide energy but reduce stress are the optimal positionings.

References furnished upon request.

About the author: *Dr. A. Elizabeth Sloan is president of Sloan Trends, Inc., Escondido, CA, which is a consulting firm that offers trend-tracking and predictions, strategic counsel and business-building ideas for food, supplement and pharmaceutical marketers. Each month she will provide analysis and discuss opportunities of a particular market being covered in a given issue.*