Up & Coming Markets:

Mining the Mega-Market **Re-Direction**

It's anything but business as usual in the market these days, so understanding the new rules, roles and market boundaries consumers are imposing on supplements, functional foods/beverages and natural remedies will be the key to future success.

By Dr. A. Elizabeth Sloan
President, Sloan Trends Inc.

Although seven in 10 (69%) U.S. adults are actively working to improve their physical health and half (52%) are trying to incorporate wellness goals/concerns into their daily routines—per Packaged Facts "2011 Consumer Insights Study[1]"—new mega trends toward "naturally functional/inherent goodness," heightened FDA, FTC and EU claim scrutiny and concern over the effectiveness and safety of some supplements (even among core users) are resetting market priorities and product criteria for good.

According to the Hartman Group's "2010 Reimagining Health & Nutrition Study[2]," ethnographically, supplement use appears to be waning—especially among core users; but all is not lost yet[2]. While core users report limiting the number of supplements they take daily due to pervasive doubts about bioavailability, a belief that nutrients in food are best and concern over the long-term effects of supplementation on digestion, they continue to use them—rather than over-the-counter (OTC) and Rx medications—to treat/manage health conditions.

Although consumers are using food as a preventative, proactive way to deal with health conditions, it's not simply about a shift to food and natural nutrients. According to Hartman, "once it's too late," food becomes relegated to a secondary wellness tool, although it is still considered essential to treating the issue longer term[2].

A New Attitude

Several years of a tough economy and the U.S. healthcare crisis have finally forced consumers to embrace healthy/preventative behaviors as a necessary cost-saving measure longer term—a new and powerful motivator[3]. SymphonyIRI (IRI) reports that 81% of shoppers are making a "strong/some effort" to save on medical expenses by staying healthy[3].

Even if the economy improves, 88% of adults plan to visit doctors less and self-treat more[4]. A new need among do-it-yourselfers to have the right healthcare product on hand will also help ensure steady sales[5]. MD-alternative products (e.g., Plan B One Step contraceptives) were among the best-selling new healthcare products last year per SymphonyIRI[5]. Consumers have also cut back on spa visits, so products that deliver professional results at home are in high demand[5].

Fear of side effects, FDA recalls/warnings and high prices prompted eight in 10 (82%) shoppers to try and limit their use of traditional over-the-counter (OTC) medications; one-quarter replaced Rx prescriptions with OTCs in 2010[3,4,6].

More than one-quarter (26%) of adults successfully used a natural alternative remedy in 2010; 55% have not but are interested in doing so[7]. IRI reports interest in natural/alternative remedies index 171 vs. traditional OTCs[7].

Homeopathic sales reached $960 million in 2010; homeopathic supplements $130 million, according to the *Nutrition Business Journal* (*NBJ*)[8]. Laxatives, sleep aids, ear, cough/cold and children's remedies are among the fastest growing categories[9].

Traditional Chinese medicine service revenue soared over $5 billion in 2010, supplements $430 million; Ayurvedic services $160 million and supplements $30 million[8].

Consumers are also looking for more multiple-use products[5]. More than three-quarters (76%) of last year's best-selling new non-food healthcare products claimed improved effectiveness—73% new technology, 52% a superior process, 31% new/unique formula, 28% convenience/portability, 19% natural/organic, 14% added nutrients and 11% aromatherapy/therapeutic[5]. Long-lasting and faster-relief were important to three-quarters of adults[4].

Clean labels are increasingly important across food, supplement and OTC products. In OTC, which includes supplements, purity/healthfulness is a key selection factor for 42%; lack of chemicals/irritants 31%[7]. Packaged Facts reports "natural," "no gluten," "vegetarian," "no preservatives" and "no artificial colors/flavors" were the top package tags/claims on vitamins/minerals supplements last year[10].

Hartman reports that 52% of adults made a deliberate effort to avoid preservatives last year; 47% artificial flavors; 44% colors/dyes[2]. In 2010, 44% avoided aspartame/saccharin, 32% sucralose, 22% natural sweeteners other than sugar and 14% stevia[2,11].

FMI found only 6% of shoppers to be very comfortable with food and/or ingredients from China or Southeast Asia. Meanwhile, 71% are "very/extremely" concerned with products from China; 51% Southeast Asia[12,13]. Whenever possible, data show products should state "Made in the USA[14]."

In 2010, health/beauty products racked up $1.5 billion in convenience store sales[15], while practitioner supplement sales reached more than $2 billion[8].

Think small. Health-driven items positioned at checkout lanes represent another virtually untapped opportunity. Moreover, retailers, especially chain drug stores, are driving traffic and creating differentiation with niche brands. Gold Bond, Zicam, Dulcolax, Icy Hot, Physicians Formula and Airborne were all on the top 20 list of niche brands in food, drug and mass merchandisers in 2010[16].

Lastly, third party endorsements (e.g., MD, pharmacists and third party certified claims) are back in vogue[17]. In addition, Non-GMO verified food sales hit $472 million in 2010, up 25%.

Supplement Strategies

Sales of dietary supplements reached more than $28 billion in 2010, up 4% over 2009 per *NBJ*[18]; 63% regularly took a dietary supplement[10].

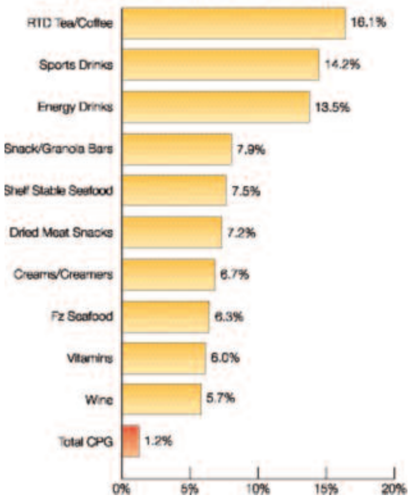
In FDMx and convenience stores, excluding Wal-Mart (FDMxC), vitamins/supplements were the 9th fastest growing category in unit sales in 2010; beverages topped the list (*see Figure 1*)[19]. "Vitamins" were #1 in the healthcare category; weight control/nutritional liquids/powders were also top performers[19].

Multivitamins remain the most popu-

This article in a nutshell:

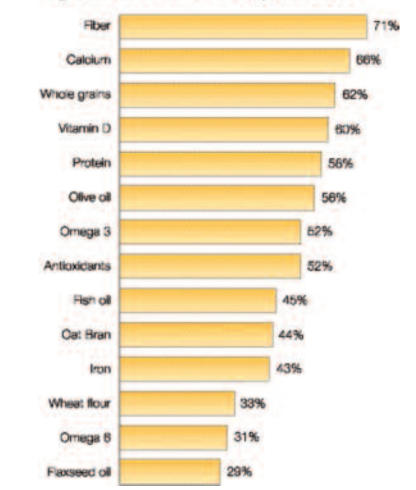
- A new attitude
- Supplement strategies
- Group therapy
- Nutrients naturally
- A functional future
- Condition specific

Figure 1: Top 10 Growth Categories Unit Sales
% Change versus Year Ago (2010 vs. 2009)
Grocery, Drug, Mass & Convenience (excluding Walmart)



Source: SymphonyIRI

Figure 2: Consumers are INCREASING various ingredients in their diet due to specific needs



Source: Hartman Group

lar supplement followed by calcium, omega 3, vitamin C and D[10]. Vitamins/minerals ($12 billion) represent the largest sector; vitamin D was the star performer in 2010, at $550 million[18].

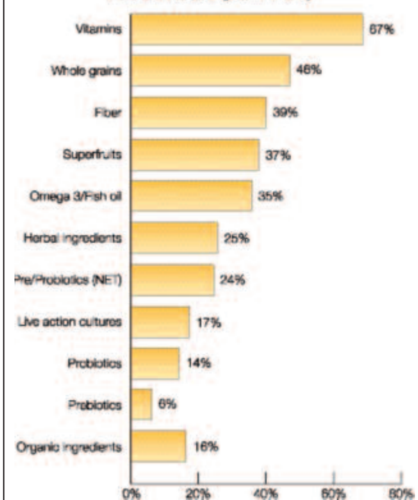
Fiber, calcium, vitamin D, protein, omega 3s and antioxidants top the list of ingredients adults tried to get more of in 2010[2] (*see Figure 2*).

The new dietary guidelines raised concern that Americans aren't getting enough potassium[20]. The "Gallup 2010 Study of Nutrient Knowledge & Composition" reports that 25% of adults made a "strong effort" to increase their potassium in 2010; 25% iron[21]. Magnesium, the fastest growing mineral supplement in the U.S., is now the 3rd most popular ingredient in new heart-healthy foods/drinks globally, according to Innova[22].

With FTC/FDA and the European Union challenging probiotic immunity claims, consumers have refocused attention on vitamin C, fiber/whole grains and superfruits for immune-boosting support[23] (*see Figure 3*).

Interest in eye health has refocused interest on vitamin A/beta-carotene. Bausch & Lomb's PreserVision supplement sales hit $47 million, a rise of 8% in unit sales in the mass market[24].

Figure 3: Immunity Chart
Ingredients Sought in Products
Purchased to Strengthen Immunity



Source: Gallup

With sales well past $5 billion, specialty supplements remain the fastest growing sector, up 6% in 2010[18]. Hartman reports that use of specialty supplements has doubled since 2000 to 37% in 2010[2]. Fish oils, glucosamine/chondroitin, probiotics and CoQ10[10] remain the largest segments[25].

Sports nutrition supplements led sales growth at 9%[16]. Sports/energy/weight loss, cold/flu/immune, heart, bone, joint, diabetes and anti-cancer remain the largest condition-specific supplement catetgories[26].

Energy/stamina, immune health, health/wellness and digestive/liver were the most active categories for North American new dietary supplements, according to Innova (*see Figure 4*)[22]. Globally, energy/stamina, immune health, general health/wellness and digestive/liver topped the list[22]. Pet supplements are projected to grow from $1.2 billion to $1.7 billion by 2014; 63% of households have at least one pet[27].

Chronic, moderate ailments represent an emerging opportunity. In fact, SymphonyIRI estimates the annual market potential for OTC products, including supplements for muscle/joint pain at more than $8 billion, heartburn/indigestion well over $9 billion and insomnia/sleeplessness at more than $5 billion[3] (*see Figure 5*).

Despite strong ties to nature, sales in the $5-billion herb/botanical sector are flat[18]. More important, Hartman reports the use of herbals among core supplement users fell from 70% in 2000 to 45% in 2010[2]. Four in 10 shoppers consider residues (e.g., pesticides, etc.) a "very serious health hazard"[12].

Figure 4: New Supplement Intros

North Am. Supplement Launches by Positioning Category	2008	2009	2010
Anti-Cancer	7	66	41
Blood Pressure	39	121	126
Bone Health (Supplements)	130	374	362
Brain-Mood Health	137	559	552
Children	79	190	146
Diabetes	29	129	118
Digestive/Liver Health	238	883	933
Energy and Stamina	459	1236	1341
Eye Health (Supplements)	55	185	193
Health/Wellness	461	1046	950
Heart Health (Supplements)	206	790	696
Immune Health (Supplements)	242	915	950
Insomnia	22	105	92
Joint Health (Supplements)	103	316	327
Kidney/Bladder Health	26	124	104
Lung Health	11	18	39
Men's Health	35	158	135
Mental Acuity	64	100	58
Oral Health (Supplements)	17	139	121
Sexual Health	26	56	33
Skin Health (Supplements)	88	312	249
Weight Management (Supplements)	239	614	560
Women's Health	79	290	236

Source: Innova

Figure 5: Minor Ailment Potential
Chronic Moderate Ailments are Prevalent in the U.S.

Chronic Ailments % of U.S. Households	# of U.S. Households (in Millions)	Annual Market Potential for OTC
Allergies	74.8	$11.7B
Headaches	73.9	$10.1B
Muscle/Joint Pain	52.4	$8.2B
Heartburn/Acid Indigestion	49.1	$7.6B
Pain Management	45.5	$7.1B
Acne	41.2	$5.2B
Arthritis-Osteoporosis	39.1	$6.6B
Insomnia/Sleeplessness	34.5	$5.3B
GERD/Reflux	33.1	$5.6B
Constipation	33.0	$5.3B
Anxiety	31.5	$4.4B

Source: SymphonyIRI

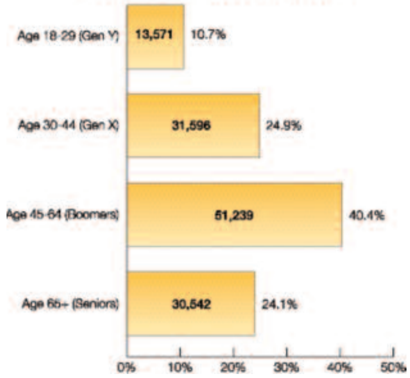
Gallup reports 42% of adults made a "strong effort" to consume an herb/botanical in 2010—26% more garlic, 22% green tea/EGCG, 12% flaxseed, 12% cinnamon, 7% ginseng and 6% oregano[21].

With the #1 reason for taking supplements still to supplement, not supplant a healthy diet, marketers need to stick to their roots as well as focus on key treatment areas. Targeting frequent supplement users is best (e.g., 74% believe they need more nutrients as they age vs. 62% of infrequent users)[10].

Group Therapy

Demographic segments continue to offer new opportunities. While the number of adults who use supplements proportionately increases with age—64% aged 60-64; 74% aged 75+—Baby Boomers are the largest cohort at 51 million (*see Figure 6*)[10]. Boomers are at the most likely age for a first heart attack, to be diagnosed with diabetes and to suffer the first signs of muscle loss[28,29].

Figure 6: Number of Adults Using Nutritional Supplements: By Generational Cohort, 2010
(% total U.S. adult users, number in millions)



Source: Packaged Facts

In 2010, more than 31 million Gen Xers, 31 million seniors and 14 million Millennials used supplements; 64% of women and 49% of men[10]. The largest gains were among those aged 55-59, up 9.5% and 30-44, up 4%[10]. Among those 18-24, the number of users remained flat, but the number of supplements taken per person rose dramatically[10].

Use of functional foods declines with age: 79% of Millennials bought a functional food/drink vs. 45% for those over 65[30]. Stress, tiredness/lack of energy, sleep, headaches and back/neck pain are the issues Gen Y is most personally affected by[31].

SymphonyIRI projects low income households (less than $35K)—45% of U.S. households by 2015—will deliver $115 billion in incremental consumer product goods spending during the next decade, and they have a penchant for health[32].

In fact, low income households are driving growth in yogurt, salty snacks, cold cereal and other sectors; seven in 10 buy fortified foods, 68% condition-specific items[32,33].

Whole grain/fiber; low fat, sodium, calories, sugar; fortified, protein-rich; natural/unprocessed and superfruits are the most appealing health food attributes; energy, appearance and immunity are the top condition-specific segments[33,34]. Campbell Soup Canada's Nourish (*pictured above*), with a full serving of three food groups, is designed to provide a complete meal at a low price point.

Nourish is a complete meal that delivers vegetables, fiber and 18 grams of protein, thanks to a unique Canadian grain innovation.

Healthy private label foods are also on fire; sales of store brands with calcium claims topped $1 billion in 2009[34]. "Omega 3s," "lowers cholesterol" and "gluten/GMO-free" are other fast-growing private label claims.

Try targeting workers, as they buy more cold/flu/immunity, weight, stress and energy products than non-workers (e.g., laborers vs. management)[29].

Work on creating more multi-function products (i.e., obese people have more sleep problems; half of diabetics also have arthritis; the immune system ages early in those with arthritis, etc.)[29]. Performance-minded adults are three times more likely to buy foods/beverage to improve appearance[29].

Race is a strong new motivator. Blacks have a much higher risk of stroke/heart attack and diabetes; Mexican Americans have the highest incidence of high cholesterol[28]. Asians are the top supplement users[10]. Digestive issues, weight management and antioxidants have high appeal to Blacks; weight loss, energy and mental remedies to Hispanics[30,31].

Sarcopenia, mild cognitive impairment and peripheral arterial disease—which affect 8-12 million consumers, mostly age 50+—are hot items according to the National Institute of Aging. Watch for the organization's new National Health and Aging Trends Study, which discusses the impact of age-related changes on functional ability.

Lastly, with one in eight children already afflicted with two or more risk factors for heart disease and pediatricians monitoring kids' blood lipids, blood pressure, weight and calcium levels, there will be more market opportunities to come[28]. Sales of children's foods hit $10 billion in 2010; $4 billion has some better-for-you element; Packaged Facts predicts growth of 40% from 2010 through 2015[35].

Nutrients Naturally

The recent focus on natural functionality and inherent nutrition is beginning to shift interest away from traditionally fortified foods and supplements, especially among "core" supplement users[36,37].

Maintaining health by eating foods that are naturally high in specific nutrients is fast becoming the desired way for consumers to get their nutrition[36]. In 2010, one-third (32%) of consumers made a "strong effort" to eat foods/drinks "naturally-rich in nutrients;" 28% "naturally-rich in antioxidants" vs. 19% fortified foods with nutrients[21].

While 65% of adults are still making a

"strong/some effort" to eat more fortified foods, those making "no effort" rose 7% from 2009 to 2010 to 35%; those making "some effort" fell 6% to 46%[21].

Sloan Trends' TrendSense model confirms that carotenoids, anthocyanins and resveratrol are the latest phytochemicals to reach mainstream status; flavonoids and polyphenols remain strong mass market opportunities[38]. In 2010, 26% of shoppers were aware of the health benefits of polyphenols/resveratrol; 24% flavonoids[1].

In the year ended July 2011, half of shoppers bought cranberry juice, dark chocolate or almonds for their superfood status; 43% green tea, 25% pomegranate juice and 21% Greek yogurt (*see Figure 7*)[39].

Figure 7: 2011 Shopping for Health Survey

Generations Make Different "Superfood" Purchases
% who bought an item in the past 12 months

	Total	Gen Y	Gen X	Boomers	Matures
Cranberry juice	49%	44%	53%	47%	51%
Dark chocolate	48%	42%	48%	50%	49%
Almonds	47%	32%	51%	52%	44%
Green tea	43%	38%	40%	45%	46%
Sea salt	39%	32%	37%	43%	38%
Walnuts	35%	28%	32%	35%	42%
Dried fruit	34%	40%	37%	30%	35%
Pomegranate juice	25%	25%	27%	26%	20%
Black tea	24%	23%	28%	22%	23%
Greek yogurt	21%	19%	28%	19%	15%
Sorbet	15%	20%	22%	12%	8%
Dried plums	13%	8%	13%	14%	17%
Quinoa	9%	11%	13%	8%	5%
Tofu	8%	13%	12%	7%	6%
Acai juice	8%	15%	10%	6%	4%
Coconut water	5%	8%	9%	4%	1%

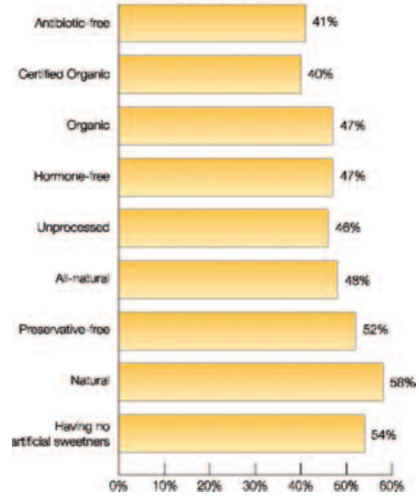
Source: FMI

In beverages, exotic superfruits gave way to more traditional flavors in 2010. Lemon and orange ousted pomegranate and acai from the "top 5" flavors, mango fell 10 slots and tea inched back above green tea. Natural is the #1 need/interest state for new beverage developers for 2011[40].

Spices, pulses (e.g., chick pea, peas, beans, etc.) and nuts/seeds are among the new superfoods. A teaspoon of ground cinnamon or cloves has more antioxidant activity than an 8-oz. glass of pomegranate juice or a half-cup of blueberries[41]. Look for American superfruits to steal the show.

Products claiming "all-natural" took the highest share (12%) of all CPG products sales with wellness claims in 2011[42]. Packaged Facts reports U.S. retail sales of natural and organic foods/drinks reached $39 billion in 2010, a growth of 9%[43]. In 2011, 38% of food shoppers are buying organic; quite a bit more (58%) are purchasing pre-packaged foods marked "all-natural," not organic[43]. Natural is far more appealing compared to organic at retail[44] (*see Figure 8*).

Figure 8: Descriptors Sought When Purchasing Food/Beverages at Retail
(% Consumers)



Source: Technomic

Hartman believes consumers connect "organic" to what happens to food at its origin (i.e., the farm, the plant, the animal); "natural" with "what happens after it leaves the origin," (i.e., in terms of production and processing). The absence of herbicides, synthetic fertilizers, hormones, antibiotics and GMOs are more strongly linked to organic foods; no artificial flavors, colors or preservatives to natural, which might help to explain natural's continued growth in the current chemical-phobic environment[45]. Globally, no additives/preservatives are the top new food/drink better-for-you claims; #3 in the U.S. behind natural and organic[22].

A Functional Future

U.S. sales of functional foods and beverages reached $39 billion in 2010, up well over 4%[18]. Beverages accounted for nearly $24 billion, snacks $3 billion, prepared/packaged foods more than $4 billion, dairy $2 billion and breads/grains almost $7 billion[18].

Just over half (56%) of adults bought a functional food in the three months ending July 2011[46]; 55% drank a functional drink more than four times/month[43]. On the food side, 65% of consumers are using food to help them lose weight; 61% to manage a special health condition[3].

Powerade ION4 topped the list of best-selling new food/beverages last year, with $191 million year-one sales, followed by Chobani Greek Yogurt at $149 million, Wonderful Pistachios at $114 million and glaceau vitamin water zero at $110 million[5].

One-third of the best-selling new foods/beverages in the U.S. carried a natural/organic claim; 27% added vitamins/nutrition; 27% high fiber/whole grain; 25% lower calorie; 25% lower fat; 12% energy/protein; 11% antioxidants; 10% no trans; and 6% low salt/sodium.

Saturated fat now tops the list of "very/extremely important" label information for 59% of food shoppers; trans fat 58%; total fat 56%; salt/sodium 52%; calories 48%; whole grains 47%; chemical additives 47%; artificial sweeteners 47%; high fructose corn syrup 44%; and cholesterol 43%[12].

Calcium fell out of the top 10 list of the most sought after health claims on food packages[12]. But antioxidants show little signs of slowing down, with the exception of their link to heart health, suffering from negative American Heart Association publicity[38]. Sales of foods/drinks with an omega 3 or DHA claim reached $4 billion in 2010; projected to grow 40% between 2010 and 2015[47].

Protein is the new superstar. The International Food Information Council (IFIC) reports 39% of adults are trying to get more protein in 2011; 65% believe protein helps build muscle, 39% helps you feel full, 39% important as you age and 34% helps lose weight[11].

Most exciting is the newfound importance of consuming a moderate amount of protein—30 grams at each meal or throughout the day—which optimizes protein's role in muscle building and weight management. With the typical protein distribution of 10 grams at breakfast, 15 grams at lunch and 65 grams at dinner, this would give high protein breakfast foods superstar status[48].

Mintel reports that when it comes to functional beverages, antioxidants (51%), calcium (59%), added vitamins (50%), omega 3 (44%), green tea/extract (37%), pomegranate (31%), acai (23%) and taurine (13%) are among the most sought out ingredients[49]. Soy tops the list of protein "look-fors" for 23%; whey 19%; 27% seek out probiotics; 16% prebiotics and 14% plant sterols[49].

Four in 10 consumers want snacks that provide health benefits beyond basic nutrition, (i.e., extra antioxidants, etc.)[50]. Protein and low sodium were the two strongest snack attributes in 2010[50]. Snack granola/bars, trail mixes, snack nuts/seeds/corn nuts, sugarless gum, dry fruit snacks and sensible salty snacks are the gainers in the healthy snack market[50].

Lastly, healthy menu items influenced 31% of diner's selections in 2010[51]. In fast food restaurants, for example, healthy options in kid's meals was the #1 "hot" menu item for 2011; gluten-free, smoothies, organic items, snack-sized, lower-sodium, energy drinks, enhanced/flavored water, low calorie/fat, whole grain breads and energy drinks also made the top 20[52].

Condition Specific

With the modality for treatment dependent upon the health issue, both supplements and functional foods/beverages face enormous opportunities in the condition-specific segment. While food is used to prevent many health conditions, its reliance drops for treatment[2] (*see Figure 9*).

Figure 9: Food is used to prevent many health conditions but its reliance declines for treatment

Source: The Hartman Group

SymphonyIRI reports that 52 million U.S. households have a member afflicted with muscle/joint pain, 51 million high cholesterol, 50 million high blood pressure, 49 million heartburn/indigestion, 23 million diabetes and 17 million osteoporosis[4].

Digestive/gut health, heart health, energy/alertness, omega 3, vitamin/mineral and immunity were the top new food/beverage positionings in North America for 2010 per Innova[22] (*see Figure 10*). Globally, digestive/gut, vitamin/mineral, energy, omega 3, heart and immunity top the list.

Figure 10: New North American Functional Food/Drink Introductions by Year

North America Functional Food and Beverage Launches by Category	2008	2009	2010
Added Calcium	127	145	89
Added Fiber	158	192	46
Added Iron	39	24	28
Added Protein	110	95	31
Anti-Aging/Aging-Well	48	60	49
Bone Health	134	169	204
Brain health	164	275	217
DHA	139	200	169
Digestive/Gut Health	572	1071	1060
Energy/Alertness	444	798	721
Eye Health	100	137	125
Functional	43	6	1
Functional (not specified)	109	251	198
Heart Health	503	819	785
Immune Health	309	481	537
Joint Health	71	172	159
Omega-3	381	734	657
Oral Health	148	304	328
Probiotic	92	117	150
Skin Health	185	332	270
Sports & Recovery	244	206	254
Vitamin/Mineral Fortified	680	826	577
Weight Management	219	437	482

Source: Innova Market Insights

Consumers are now more concerned about risk factors than preventative heart health; risk factor concern has risen dramatically among younger adults. While 68% of Boomers are concerned about cholesterol and 66% high blood pressure, only 46% were worried about heart health; among Millennials 40%, 40% and 35% respectively were concerned per Hartman[2].

Weight and lowers cholesterol tie for the most desired functional food benefits (64%), followed by digestion 63%, immunity 60%, enhanced metabolism/lower blood pressure 54%, satiety/healthy blood sugar levels 53% and memory 47%[30].

In 2010, 39% of consumers watched their weight; 28% tried to lose; 13% tried to maintain[53]. More than half (55%) of dieters made a strong effort to eat more

Figure 11: Top Health Concerns

Extremely/Very Concerned	2010	Personally Affected	2010
Retaining mental sharpness as I age	53%	Stress	35%
Stress	54%	Sleep Problems	34%
Cancer	62%	Tiredness/lack of energy	37%
Tiredness, lack of energy	56%	Overweight/obesity	32%
Cardiovascular/heart disease	61%	Vision/eye problems	25%
Eye health	60%	Joint health problems	23%
Overweight/obesity for myself	46%	Depression	19%
Joint health problems	51%	Gastro-intestinal	21%
Bone health/strength	63%	Wrinkles/signs of aging	27%
Muscle health/muscle tone	53%	High Cholesterol	25%

Source: HealthFocus

protein, up 5% over three years, while those limiting carbs fell 6% to 33%[21].

Seven in 10 (69%) "dieters" continue to make a strong effort (18%, up 4% last year)-some effort (51%) to eat foods/drinks promoting satiety[21]. Blood sugar management is another fast emerging weight platform[38].

Muscle health/muscle tone is a new opportunity as sports nutrition products crossover to mainstream. HealthFocus reports that muscle health/tone made the top 10 list of concerns adults are "extremely/very concerned" about in 2010[31] (*see Figure 11*). The most common problems consumers are dealing with are stress, sleep problems and tired/lack of energy[31].

While sales hit almost $5 billion in 2011, only 15% of consumers intentionally buy gluten-free[54]. In fact, more than half of those who bought gluten-free products didn't know they were gluten-free[55], indicating that the long-term market stability is likely weak.

Of this small number, 46% think gluten-free is "generally healthier;" 36% trendy for weight loss; 24% higher quality (strict process standards); 13% hyperactivity/autism; 12% gluten allergy/intolerance; and only 8% Celiac disease[54].

While the incidence of diabetes is exploding, targeting diabetics will likely meet with limited success. About half (46%) of diabetics modified their diet only slightly in 2009; 33% couldn't maintain the diet or guidelines[56]. Of the 54% of adults watching their diet, 23% do so for blood sugar, 15% diabetes[30].

In 2011, beauty and anti-aging made the top 10 list of beverage developers' "hot list" for new products for the first time[40].

Globally, functional foods and beverages are projected to reach $130 billion by 2015[57]. NW

References

1. Packaged Facts, 2011. "Consumer Insights White Paper." Packaged Facts, New York, NY. www.packagedfacts.com.
2. Hartman, 2010. "Reimagining Health & Nutrition." The Hartman Group, Bellevue, WA. www.hartman-group.com.
3. SymphonyIRI, 2009. "Zero-Moment of Truth: Redefining the Consumer Decision Making Process." *Times & Trends*. SymphonyIRI Group, Chicago, IL. www.infores.com.
4. SymphonyIRI Group, Sanders, B. 2010. "Over-the-Counter Medications." SymphonyIRI Group, Chicago, IL. www.infores.com.
5. SymphonyIRI, 2011. "New Product Pacesetters." *Times & Trends*. SymphonyIRI Group, Chicago, IL. www.infores.com.
6. *Chain Drug Review*. "New Cough/Cold Opportunities Anything but Common" (Boiron Consumer Research Study). *Chain Drug Review.* 33(3): 11-18.
7. *Chain Drug Review*. "Effective Ways to Treat their Health Care Needs Without Side Effects or Drug Interactions" *Chain Drug Review*. March 1, 2010. P. 32.
8. *Nutrition Business Journal*, Nov. /Dec., 2010.
9. *Chain Drug Review*. "Drug Chains Outperform Rivals in Many H & BA Segments." *Chain Drug Review*. 33(2):11- 18.
10. Packaged Facts, 2010. "Nutritional Supplements in the U.S." Packaged Facts, NY, NY. www.packagedfacts.com.
11. IFIC, 2011. "Food & Health Survey," International Food Information Council (IFIC), Washington, D.C. www.ific.org.
12. FMI, 2011. "U.S. Grocery Shopper Trends." Food Marketing Institute, Washington, D.C. www.fmi.org.
13. Deloitte, 2010. "Consumer Food Safety Survey." Deloitte Development LLC, New York, NY. www.deloitte.com.
14. Sloan, A.E. "Top 10 Trends." *Food Technology*. www.ift.org.
15. Longo, D. 2011. *Convenience Store News* "Industry Report." *Convenience Store News.* 48(8): 37-97.
16. *Drug Store News*, 2011. "The Niche Factor." *Drug Store News.* 33(7): 18-51.
17. *Nat. Foods Merchandiser,* Clute, M. 2011. "Sales of Third Party-Certified Products Explode." *Nat. Foods Merchandiser*. www.newhope360.com.
18. *Nutrition Business Journal*, 2011. www.nutritionbusiness.com.
19. SymphonyIRI, 2011. "CPG Year in Review." *Times & Trends*. SymphonyIRI Group, Chicago, IL. www.infores.com.
20. Dietary Guidelines 2011. USDA and HHS. "Dietary guidelines for Americans 2010." ww.dietaryguidelines.gov.
21. Multi-Sponsor Surveys, 2010. "The Gallup Study of Nutrient Knowledge & Composition." Multi-Sponsor Surveys, Princeton, NJ. www. multisponsor.com.
22. Innova, 2011. Innova Market Insight Database. Innova-food.com.
23. Multi-Sponsor Surveys, 2008. "Gallup Study on Immunity." Multi-Sponsor Surveys, Princeton, NJ. www.multisponsor.com.
24. *Chain Drug Review,* 2011a. SymphonyIRI H & BA Report. *Chain Drug Review.* 33(11): 133-146.
25. *Nutrition Business Journal*, Sept. 2010.
26. *Nutrition Business Journal*, Nov./Dec. 2010.
27. Wright, 2011. "Marketing Environment 2011." The Wright Group, Crowley, LA. www.thewrightgroup.com.
28. Am. Heart Assn. Statistics, 2011. Am. Heart Assn, Dallas, TX. www.americanheart.org.
29. Sloan, A.E. 2010. "Generational Insights: Capitalizing on Changing Life Stage Markets." Expo East, Oct, 2010.
30. Mintel, 2009. "Functional Foods – US." Mintel International, Chicago, IL. www.mintel.com.
31. HealthFocus, 2010. "U.S. Trend Study." HealthFocus Intl., St. Petersburg, FL. www.healthfocus.com.
32. Symphony IRI, 2010. "Low Income Report." SymphonyIRI Group, Chicago, IL. www.infores.com.
33. Packaged Facts, 2009. "Functional Food in the U.S." Packaged Facts, New York, NY. www.packagedfacts.com.
34. Nielsen, 2010. U.S. "Healthy Eating Trends part 4: Store Brands Expand Healthy Offerings." NielsenWire. http://blog.nielsen.com.
35. Packaged Facts, 2011. "Kids' Food and Beverage Market in the U.S." Packaged Facts, New York, NY. www.packaged facts.com.
36. Sloan, A.E., 2011. "Navigating the Natural Marketplace." *Food Technology.* 65(7): 24-26, 28-33. www.ift.org.
37. Sloan, A.E., "Top 10 Functional Food Trends." *Food Technology.* 65(4): 22-41. www.ift.org.
38. STS TrendSense Sloan, A.E., 2011. "TrendSense Model Report." Sloan Trends, Inc. Escondido, CA. www.sloantrend.com.
39. FMI, 2011. "Shopping for Health." Food Marketing Institute, Washington, D.C. www.fmi.org.
40. Ziegler, Jennifer, 2011. "New Product Development Survey." *Beverage Industry*. 102(1):52-54, 56, 58-60, 62.
41. Johnson, G., 2011. "Emerging Science on the Health Benefits of Culinary Spices and Herbs." Institute of Food Technologists Annual Meeting, New Orleans, LA.
42. IDDBA, 2011. "What's in Store?" International Dairy Deli Bakery Assn., Madison, WI. www.iddba.com.
43. Packaged Facts, 2011. "Natural and Organic Foods and Beverages in the U.S." Packaged Facts, New York, NY. www.packagedfacts.com.
44. Technomic, 2010. "The Healthy Eating Consumer Trend Report." Technomic, Inc. Chicago, IL. www.technomic.com.
45. Hartman, 2010. "Beyond Organic & Natural Report." The Hartman Group, Bellevue, WA. www.hartman-group.com.
46. Dornblaser, l. and Jago, D., 2011 "Functional Foods: Dead or Alive?" Mintel International. Presented at the Institute of Food Technologists Annual Meeting, New Orleans, LA.
47. Packaged Facts, 2011. "Omega-3 Market to Grow 40% by 2010." Packaged Facts, New York, NY. www.packagedfacts.com.
48. Jones, D., 2011. "Establishing a Dietary Framework to Maintain Muscle in Health and Disease." Presented at the Institute of Food Technologists Annual Meeting, New Orleans, LA.
49. Mintel, 2009. "Functional Foods - U.S." Mintel International, Chicago, IL. www.mintel.com.
50. IRI, 2011. "State of the Industry 2010." Presented by Sally Lyons Wyatt at SnaxPo: Snack Food Assn. Annual Meeting,
51. Packaged Facts, 2010. "The U.S. Foodservice Landscape." Packaged Facts, New York, NY. www.packagedfacts.com.
52. NRA, 2010. "What's Hot Chef Survey?" National Restaurant Assn., Washington, D.C. www.restaurants.org.
53. Packaged Facts, 2010c. "Weight Management Trends in the U.S." Packaged Facts, New York, NY. www.packagedfacts.com.
54. Packaged Facts, 2011a. "Gluten-Free Foods & Beverages in the U.S." Packaged Facts, New York, NY. www.packagedfacts.com.
55. Hartman, 2011. "Gluten-Free." The Hartman Group, Bellevue, WA. www.hartman-group.com.
56. *Diabetes Daily*, 2010. "Survey finds more people with diabetes to follow dietary plans in 2010." Press release, Jan. 29. www.diabetesdaily. com.
57. Global Industry Analysts, 2010. "Functional Foods & Drinks: A Global Strategic Report." Global Industry Analysts, San Jose, CA, www.strategyr.com.