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Getting Ahead of the Curve: Omega 3s and Marine Nutraceuticals

By Dr. A. Elizabeth Sloan

A fast-emerging second tier of health linkages for omega 3s and virtually untapped mass market potential in the kids' health market beyond brain/cognition will keep this blockbuster nutrient in the spotlight.

Market Potential

According to Sloan Trends TrendSense model, children's health is among the strongest and least pursued mass market opportunity for omega 3s. Heart/cardiovascular disease, up 19% in Consumer Counts in 2009, cholesterol, up 20% and mental/brain—although virtually flat—remain the top tier mass market opportunities. Arthritis/inflamma-

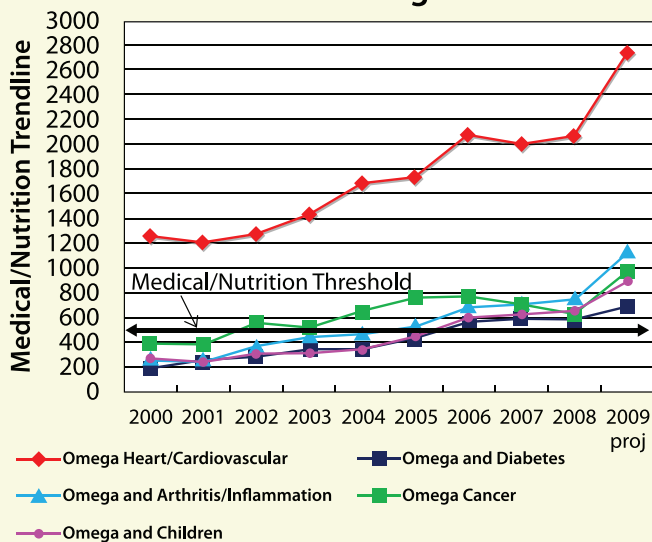
tion, diabetes and cancer represent the next up-and-coming group of omega 3 health linkages approaching mass market status, all having crossed over the Medical Threshold in the past few years, indicating the beginning of a long-term sustainable trend.

According to a new Gallup survey, the top health benefits associated with omega 3 or fish oils include: Lowers cholesterol (42%), promotes heart health (38%), improves brain function (30%), prevents memory loss (23%), strengthens immune system (18%), hypertension management (16%) and stimulates blood circulation (14%). Data came from Multi-sponsor Survey's 2008 Gallup Study of Nutrient Knowledge & Consumption. The study was conducted online among a national sample of 503 adult men and women aged 18 and older.

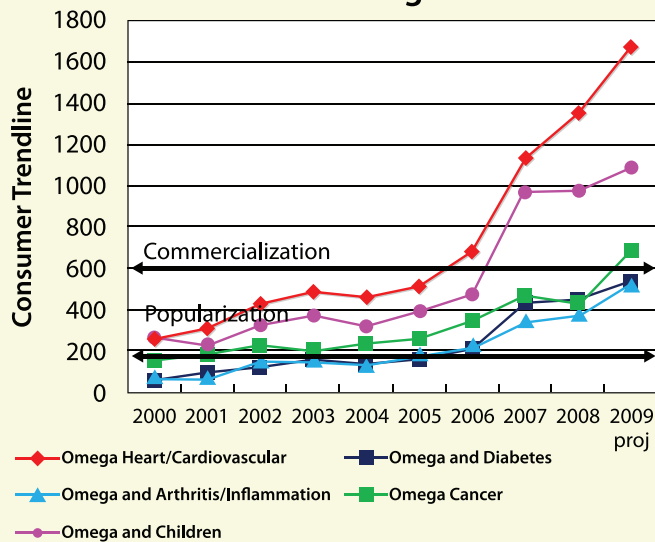
Although controversial in terms of its contribution to public health, omega 6s have recently crossed into the Popularization Phase, signaling their appeal among specialty channels and very health conscious consumers. One-third (36%) of consumers are aware of omega 6s, per the International Food Information Council (IFIC). Several marine-based nutraceuticals are showing escalating Medical Counts and are well worth watching, including chitin/chitosan, astaxanthin, kelp, chlorella, spirulina/blue green algae and krill oil.

TrendSense: Marine Nutraceutical Trends

TrendSense™ Analysis: Omega & Health Linkages



TrendSense™ Analysis: Omega & Health Linkages



Sloan Trends, Inc., 2009

* 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

- 74% of adults are aware of omega 3s, 18% DHA, 7% EPA and 6% ALA; 50% are trying to get more omega 3s in their diet; 50% fish oil.
- 80% believe omega 3 can reduce risk of a heart attack and 51% cancer prevention.
- Omega 3s are not yet a “kid thing.” Only 20% of moms are trying to increase omega 3s in pre-teens’ diets.
- Interest in vitamins/minerals jumped 8 points to 41% in 2007-08 for those aged 18-24.
- Arthritis is second only to eye health as the fastest growing condition consumers are extremely/very concerned about—27% vs. 22% in 2006.
- New \$20 million Vitamin D and Omega 3 Trial to be funded by the NIH beginning in January 2010 (VITAL will explore effects of supplements on risk for developing cancer, heart disease or stroke).

Functional Foods & Beverages: The global omega 3 enriched food and beverage market is projected to grow to \$8 billion by 2012, according to Packaged Facts. In the U.S., 29% of consumers purchased a food/beverage because of its omega 3 content and 43% looked for omega 3s in a healthy beverage, so there’s plenty of room for growth. Nearly half of food shoppers felt omega 3s were very/somewhat important in their food purchases, especially bakery and dairy shoppers. Foods/drinks with an omega 3 claim rank third among new product introductions, behind digestive and heart health claims. Omega 3 also ranked third among ingredient food company R&D executives, right behind antioxidants and organic, in importance for their functional food and beverage formulations over the next 2-3 years. Omega 3 was also the second most mentioned ingredient for which they wanted more information. The number of kids beverages/foods fortified with omega 3s in 2009, as of October, was 83 globally; up 46% from a total of 57 in 2008.

Dietary Supplements: Omega 3s are now the third most frequently consumed dietary supplement in the U.S. Sales of fish/animal oil products added the most new dollars to the specialty subcategory in 2008 (\$110 million) and grew 18% to \$740 million. Consumers 65-74, followed by those 75+ and 55-64, are the most frequent users of omega 3 supplements, the most likely to prefer pill formats, and have the highest incidence of conditions relating to the second tier of omega health linkages. Focusing on cross condition products are a very big idea. Fifty-eight percent of those aged 65+ suffer from arthritis, 20% diabetes. For those 55-64 these fig-

ures are 46% and 17%, respectively. The arthritis/joint pain supplement market was \$1.5 billion in 2007; diabetes \$666 million and cancer \$1.3 million.

So far in 2009, 8 new diabetes supplements and 66 new arthritis supplements with omegas were introduced. Sales of the nutraceutical beverage, Elations, positioned for healthy joints hit \$8 million for the 52 weeks ended 4/19/09, up 241% from the previous year. There was only one anti-cancer supplement with omegas introduced this year in the UK. Lastly, in terms of kids’ supplements, as of October, 34 new products were launched—higher than the total of 25 in 2008.

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.

SLOAN TRENDS’ TRENDSENSE is a 15-year-old trend tracking system, which identifies and quantifies trends as well as predicts the optimal timing, sustainability and life-cycle stage of ingredients, terms, product opportunities and related market issues.

The model displays medical and consumer “activity levels” based on a comprehensive analysis of five critical sources of information—consumer, trade and competitive, legal and regulatory and media coverage. The resulting charts give insight into the market’s changing health issues and concerns, the ingredients that are up-and-coming and those that have just about run their course, as well as what health claims, marketing messages and products will bring your company the most success.

- **Emerging Phase** = Trends begin to appear on the radar screen. Companies should begin to collect literature and market details for those that exhibit continual growth and that might be of interest.

- **Popularization Phase** = Medical/Nutrition crossover to consumer media and marketplace; opportunity for niche or specialty markets. Marketers/manufacturers should begin a detailed evaluation of the supporting marketing and scientific data and determine if this term/trend offers a good strategic fit and is appropriate to pursue. Appropriate product development procedures should be undertaken.

- **Commercialization Phase** = Mass-market ready. Mainstream consumers have a significant degree of familiarity with the term/trend and there is opportunity for competitive advantage by getting out ahead of the competition or by providing a unique and highly innovative product positioning for success.