by A. Elizabeth Sloan

The Performance Product Market Is on the Move

The $33 billion sports nutrition/weight loss product sector has morphed into two distinct performance-driven opportunities. The first is hardcore athletes/bodybuilders, and the second is a large mainstream performance sector composed of recreational sports participants, casual athletes and gym exercisers, women working to accelerate their fitness/weight loss goals, Baby Boomers trying to age well, and moms seeking higher levels of nutritional support for their kids, according to the *Nutrition Business Journal*'s 2014 *Sports Nutrition & Weight Loss Report*.

Sales of sports/energy beverages approached $19 billion in 2014; sports nutrition supplements were $4.9 billion; sports/protein powders, $4.4 billion; performance/nutrition bars, $4.0 billion; and weight loss/meal replacement beverages, $3.6 billion, per *Nutrition Business Journal*.

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With the purchase of Premier Nutrition (maker of *Joint Juice*) and Dymatize, Post Foods is well poised to enter the sports nutrition sector. Hormel acquired CytoSport, which markets the *Muscle Milk* brand.

More than half of adults are giving the amount of physical activity they get a lot of thought, according to the International Food Information Council's 2015 *Food & Health Survey*. Fifty-five percent of adults consider themselves moderately active; 11% say they are vigorously active.

According to National Sporting Goods Association (NSGA) 2013 statistics, 96 million adults are exercise walkers, 56 million exercise with equipment, 39 million are aerobic exercisers, 36 million work out at a club, and 36 million jog. Those aged 50-plus are the fastest-growing exercise demographic, but teen workouts are also on the rise, according to a 2013 HealthFocus survey.

Sports drinks are the most popular sports nutrition product, used by 59% of adults. In addition, 39% use weight loss/meal replacement drinks, and 31% consume protein drinks, according to Mintel's 2014 *Performance Foods—U.S.* report.

Despite health concerns, energy drinks/shots represented the third-fastest-growing beverage category in 2014, with volume up 6.5%, according to Beverage Marketing Corp. Growth is expected to continue in 2015, but at a slower rate. Sports beverage volume grew 3.7% in 2014, with growth projected at 2.8% in 2015, per Beverage Marketing Corp. *Gatorade Perform* was the best-selling sports drink line for the year ended Feb. 22, 2015, according to Information Resources Inc.

According to Euromonitor's 2015 *Trends and Developments in Sports Nutrition*, U.S. protein drink sales jumped 24% in 2014; the report projects that protein sports nutrition products will reach sales of $7.8 billion by 2018. Energy is the top reason for use of protein drinks, followed by physical performance, hunger, exercise recovery, and weight loss, according to Mintel.

When buying performance beverages, 59% of users look for energy-boosting ingredients, 46% seek electrolytes, and 19% want a high carbohydrate content, according to Mintel. More than one-third (37%) of U.S. households use all-purpose energy bars (e.g., *PowerBar*), 29% consume athletic performance protein bars (e.g., *Met-Rx*), and 24% purchase energy/performance snacks (e.g., gels, chews), Mintel reports.

Protein and B vitamins are the ingredients most linked by consumers to sports nutrition; 66% of consumers are aware of amino acids, according to the 2014 *Gallup Study of Nutrient Knowledge and Consumption*. Choline is a hot new sports ingredient, known to regulate metabolism for increased energy/endurance.

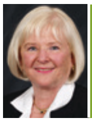
Who are the category's important target audiences? Although women account for 46% of regular exercisers, according to Gallup, they are under targeted in the sports nutrition world. Consumers who are trying to lose or manage their weight are much more likely than the average consumer to use performance foods/drinks, according to Mintel.

Hispanics are the top users of energy drinks/shots and sports beverages, and they are second to seniors for use of meal replacement drinks. One in five Hispanic men aged 18–49 takes a sports supplement, per the 2012 *Gallup Study of Sports Nutrition Products*.

Bars and beverages formulated specifically for the needs of active kids also represent a significant niche in the marketplace. Consider that, according to the Physical Activity Council's 2015 report, 61% of kids were active in fitness sports in 2014.

One-third (36%) of food shoppers say that building physical strength is very important in their food selection, according to the Food Marketing Institute's 2012 *Shopping for Health* report. Building lean muscle is an important benefit sought by 37% of sports nutrition product consumers, per Gallup. With muscles/muscle tone now among America's top 10 health concerns, according to HealthFocus, expect body toning and muscle building to become mainstream consumer objectives.

Restaurants represent an untapped opportunity for developing the performance beverage market. According to Technomic's 2014 *Beverage Consumer Trend Report*, 29% of adults ordered a sports drink, and a similar number ordered an energy beverage from a foodservice operator in 2014. **FT**



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