

Key Findings



The market for diet foods and beverages was valued in excess of \$10.38bn in 2008.

In addition, the total sales of obesity medications in the US and EU expanded by 49%, from \$713m in 2006 to \$1.06bn in 2007.



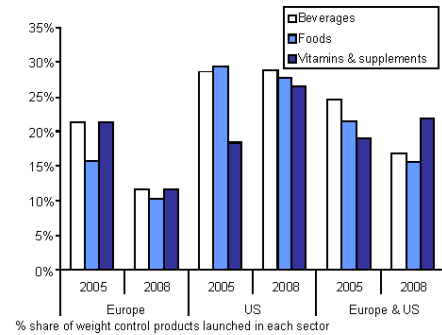
Beverages will be a key area of product innovation for weight management ingredients.

The increase in product launches of 10% CAGR between 2007-2008 highlights the growth opportunities in this category.



Satiety product launches have risen almost 50% in line with a small decline in 'low and no fat,'

driven by consumers looking for a weight management solution that can be integrated into foods or drinks as part of a broader lifestyle change.



Weight control foods, drinks and supplements launched, as a share of total food, drink & supplement launches in Europe & US, 2005-08

"In the US the launch of weight control dietary supplements increased from 18.3% to 26.4% in 2008. However, given the investment required to gain an approved health claim within the EU, most branded ingredient suppliers are likely to target the food and beverage markets in the US due to the greater growth and fiscal return opportunities..."

Use this report to...

- Identify the drivers and key issues effecting the weight control ingredients market** and gain insight into changing regulation in the EU and the US and how this will impact product formulation and marketing in 2009 and beyond.
- Enhance your product development strategies** by examining recent weight control product launches, brand loyalty and brand positioning to ensure your NPD strategies complies with regulations during times of increased market competition and pressure on supply chain costs.
- Implement the best-practice strategies of leading innovators in the weight control ingredients market** using this report's analysis of key players including Cognis, DSM Nutritional Products, Sabinsa Corp, Rexlor Group and Optipure.
- Quantify future growth areas in weight control ingredients** based on this report's global market and statistical sales data by category and function in Europe and the US from 2001-2011.

Key issues...



Stricter regulatory legislation. The impact of strict regulatory legislation governing health claims made by manufacturers will require proven scientific evidence to substantiate any claims made by the ingredient or the finished product.



Switch from stimulant to satiety. Analysis of novel ingredients has highlighted a switch to satiety driven by consumer demand for weight loss products with instant results.



Lack of clinical data. Analysis of 26 branded ingredients highlighted that 20 had no clinical data showing weight loss in humans and 12 (46%) had carried out less than one human trial on their products.



Globesity. Levels of obesity increased globally over the last five years, with estimates from the WHO showing 1.2bn consumers are overweight whilst at least 300m were obese in 2008.



BioLean II from Wellness International Network Ltd

"BioLean II is a dietary supplement for weight loss, appetite suppression and increased energy without the side effects found in many supplements of this nature. According to the marketing literature, BioLean II has a proprietary synergistic blend of natural herbal extracts and pharmaceutical-grade amino acids that promote a multi-faceted approach to fat loss..."

Your questions answered...

- Which new product launches featured weight management ingredients and how were they marketed?
- What is the size of the weight management food and drinks ingredients market and what is its outlook to 2012?
- How will changing health claim regulation affect the weight management food and drinks industry?
- What are the key emerging trends and opportunities in weight management ingredients?
- Where are the biggest opportunities in weight management foods and beverages in the EU and the US?
- What strategies can companies employ to access future growth opportunities in this fast growing market?
- Which food and drinks manufacturers are driving innovation in weight management ingredients?

Sample Information

Chapter 3: Market Forecasts

Market Value

The market for diet foods and drinks was in excess of \$10.38bn in 2008. At the same time, total sales of obesity medications in the US and EU grew by 49%, from \$713m in 2006 to \$1.06bn in 2007. The ingredients market within the weight loss category has changed significantly over the past 10 years due to companies expanding from a niche environment to the main market. As such, the desire to expand into mainstream categories has enabled ingredients to shift from the highly regulated dietary supplements industry to the food and beverage categories.

US

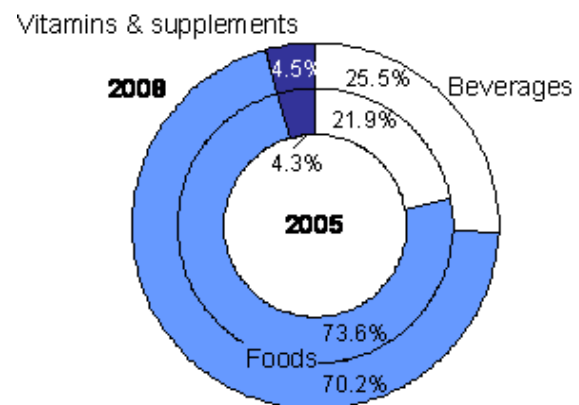
In the US, strong consumer demand has pushed product launch growth by 14.8% CAGR (2005–08).

The only period where regulation made a significant impact to sales followed the ban of ephedrine in mid 2004. Although there was a scramble to find a replacement in the following year 2006-2007 product launches across the 3 categories fell in both beverages and dietary supplements with only foods maintaining growth. The decline in growth of new product launches was 18% (CAGR 2006-2007). New sales over the 2007-2008 period added \$1.8bn to the category, or a growth rate of over 1.8%. Data suggests that growth in this category will continue through 2010, despite the economic crisis, at a CAGR of 3.7% (2005-2010).

Breaking the market down by category, product launch data (2005–08) shows the US has the highest growth within the drinks markets. Since 2005, the beverage market has had an increase in product launches from 21.9 to 25.5% (Figure 3.12). The growth in the beverage segment of the market is mainly due to the growth of energy drinks and the general movement of the food and drinks market to healthier (low fat versus full fat) and fortified alternatives.

In relation to all foods, beverages and supplements launched in the US in 2008, 27.8%, 28.8 and 26%, respectively, were for weight control. Examples of innovative products in this category have included teas offering weight management as well as novel products from soft drink companies (such as Coca-Cola's Enviga). Although food showed some decline in product launch growth data, it is accepted that the category has higher barriers to entry than beverages or dietary supplements.

Figure 3.12: % share of weight control products launched in food, drinks & supplements in US, 2005-08



Note: Year ends 10th November 2008

Business Insights

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