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Trends in sugar, sugar reduction, and sweeteners

Prepared for the 34th annual Sweetener Symposium

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SWEETENER
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Who we are

The insights behind your next big idea

Consumers

We ask 30,000 people for their opinions each month.

Markets

We track consumer spending in 3,000 markets across 34 countries.

Innovation

We cover 33,000 new product launches from 62 countries each month.

Trends

We track more than 70 consumer lifestyle trends and thousands of observations on a daily basis.

Why the topic of sweeteners is important: Rising obesity rates

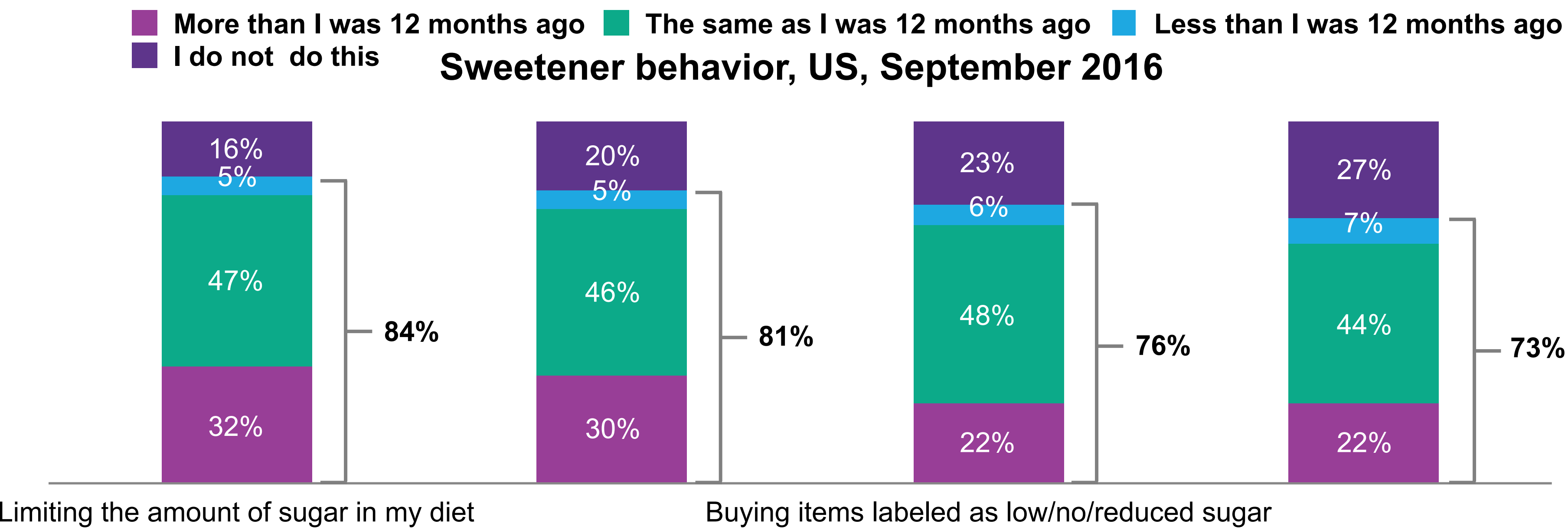
Around the world, the rising number of people who are overweight, obese and/or diabetic has made sugar and sweeteners some of the most watched – and regulated – ingredients in the food and drink industry. According to the World Health Organization:

1 in 3	adults aged 18+ worldwide were overweight in 2014
42 million	Children younger than age 5 were overweight or obese in 2015
422 million	People globally were living with diabetes in 2014

Source: World Health Organization

Consumers are limiting the amount of sugar in their diet

"Thinking about sugar and sweeteners in your diet, which of the following do you do, and are you doing it more, less, or the same amount as 12 months ago? Please select one response per statement."

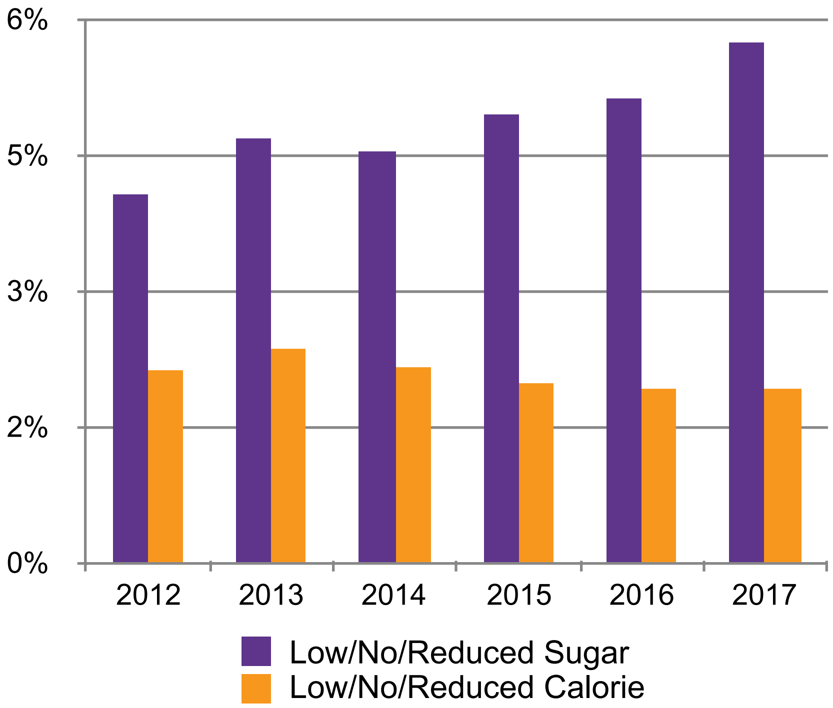


Base: 2,000 internet users aged 18+
Source: Mintel Sugar and Sweeteners – US, December 2016

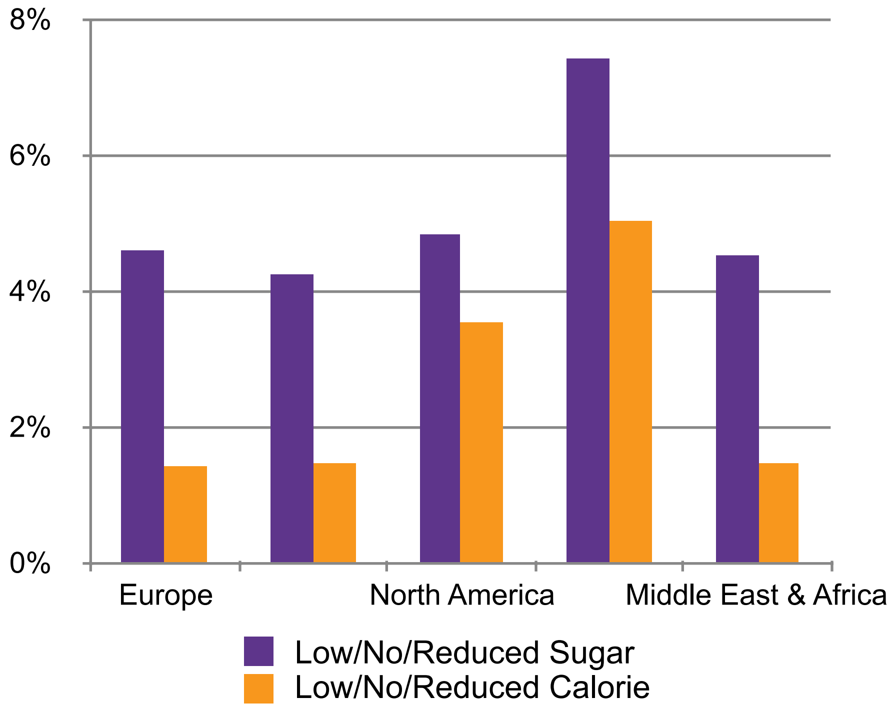
Low sugar claims more common, and growing

New product introductions making a low/no/reduced sugar claim have grown steadily in the last five years, while low/no/reduced calorie claims have declined. Differences by region are substantial, with Latin America having the most products with claims overall.

Low sugar and low calorie claims, global, 2012-June 2017



Low sugar and low calorie claims, global by region, 2012-June 2017

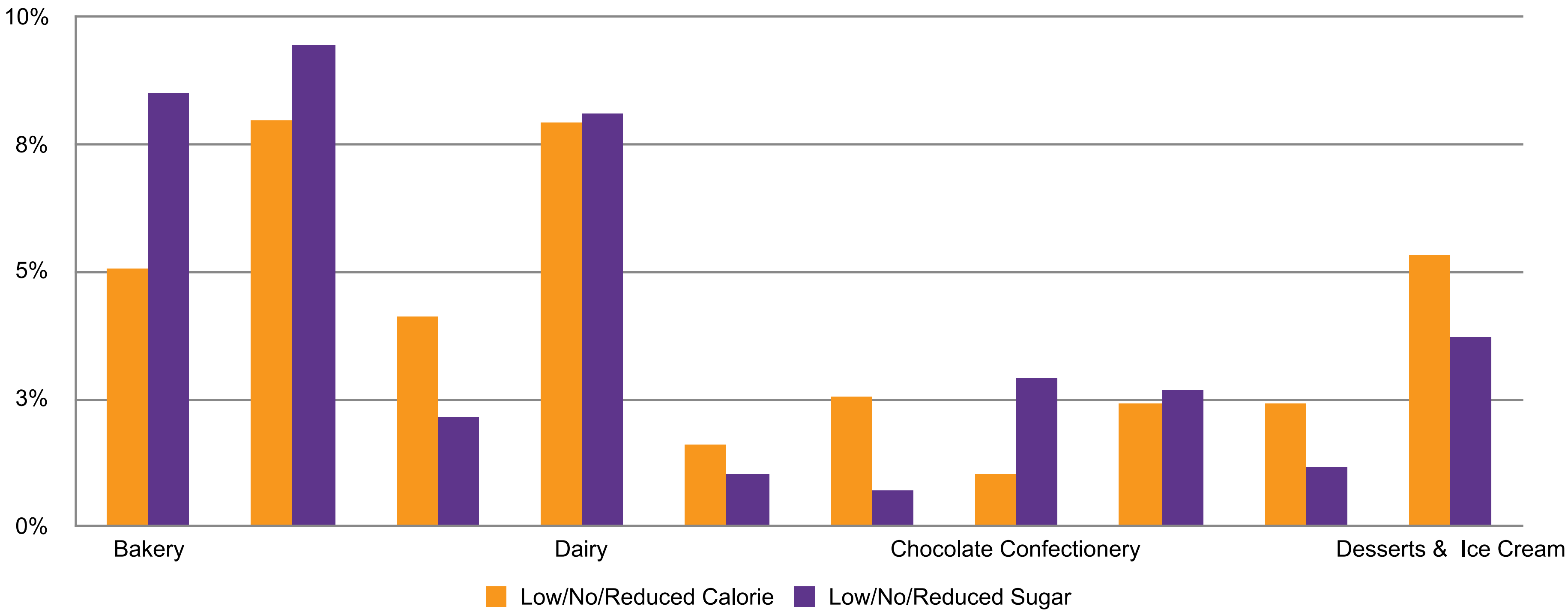


Source: Mintel GNPD

Largest categories among those with more low-in claims

The Bakery and Snacks categories are the two largest in terms of overall new product introductions, and are among those with the greatest number of low/no/reduced sugar or calorie introductions.

Percent of product introductions with a low/no/reduced calorie or sugar claim, largest categories, global by region, 2012-June 2017



Source: Mintel GNPD

Consumers may be skeptical of low/no/reduced sugar claims

6%

of food and drink products launched in the US made a low/no/reduced sugar claim in 2016, up from **4%** in 2012

35%

of US consumers think products labeled as **“reduced sugar”** often **contain lots of artificial sweeteners**

37%

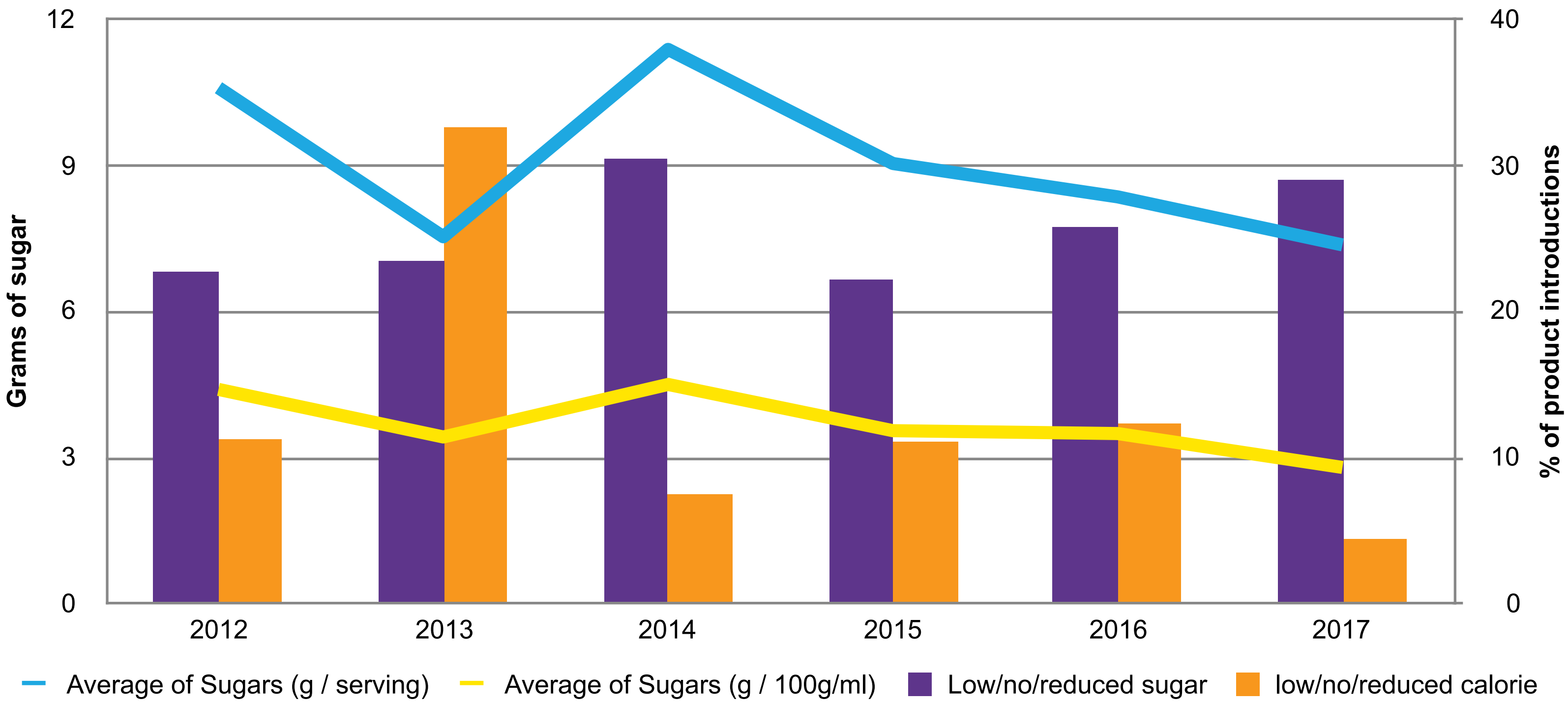
of US consumers agree food/drink labels **should show more clearly** if they **contain artificial sweeteners**

Source: Mintel GNPD, Sugar and Sweeteners – US, December 2016

Non dairy beverages: Sugar grams drop, low sugar claims grow

Looking specifically at liquid dairy alternative beverages, we see an increase in those with a low/no/ sugar claim, and a decrease in grams of sugar per serving or per 100 grams. Note that there appears to be more sugar reduction than there are low sugar claims, which may indicate that some companies are covertly reducing, and not flagging it up on pack.

New product introductions, USA, liquid dairy alternative beverages, 2010-June 2017



 Source: Mintel GNPD

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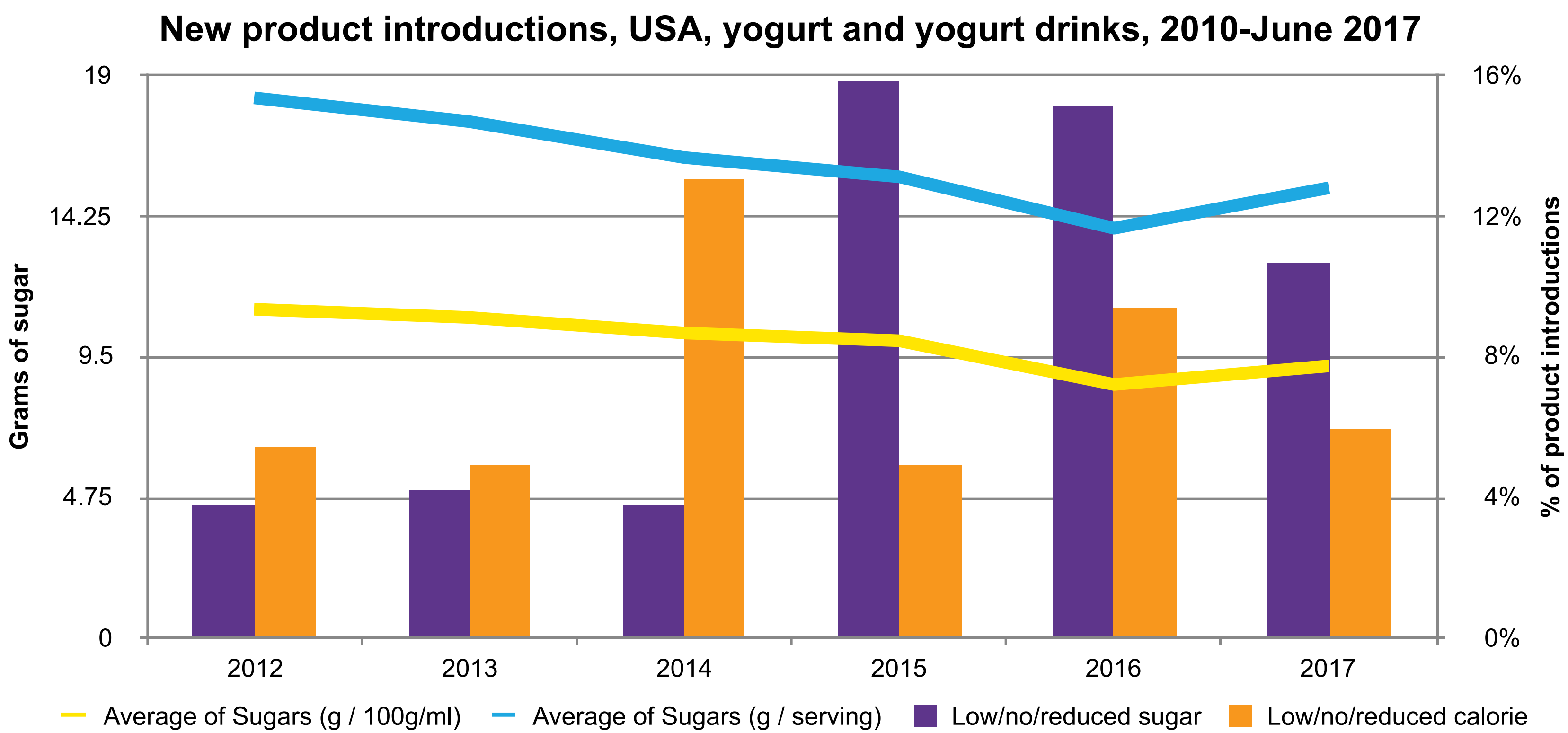
Yogurt and yogurt drinks: Sugar takes center stage in 2015

Calories were a dominant focus, in terms of claims, until 2015, when sugar claims took over. Grams of sugar per serving has shown some declines, but less so than other categories, indicating there may be room for improvement there.



Source: Mintel GNPD

New “added sugar” regulations will encourage “no added sugar” claims

Pressed By Kind Strawberry Apple Chia Fruit Bars (US)

This product is using the new nutritional fact labels and claims to have **19g of total sugars, 0g of which are considered added sugars**, per serving.

Naturally Nood Nothing Naughty Cocoa Lamington Smoosh'd Wholefood Bar (Australia)

Described as a “wholefood bar” this product claims to be naturally sweetened with fruit (dates, raisins) and contains **no added sugar**, artificial colors, flavors or preservatives. Each 35g serving contains **12.8g of sugar**.

Love Child Organics Baby's First Oats + Chia Organic Infant Cereal (UK)

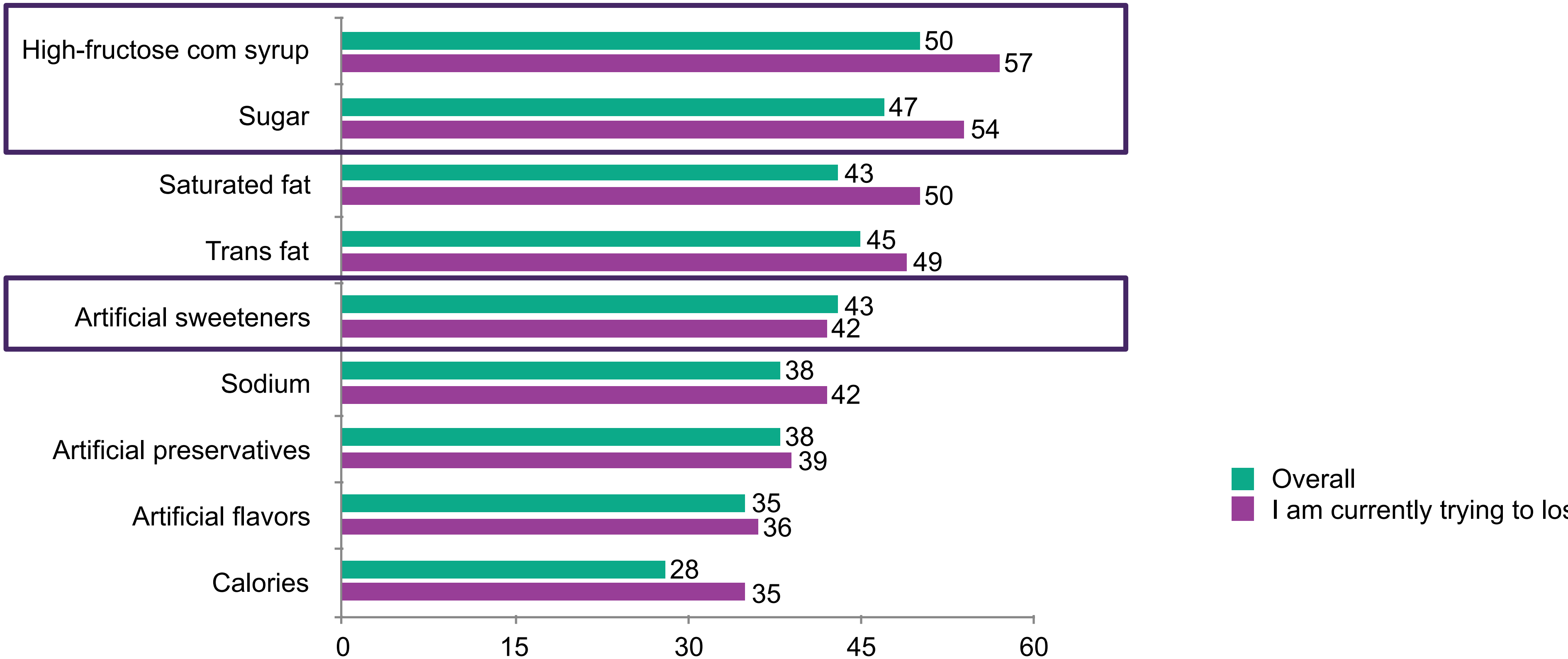
According to the manufacturer, this product is made from simple, clean ingredients including whole grain oats and chia, and is fortified with iron and B vitamins. It contains **no added sugar** or salt, no artificial colors or flavors.

Source: Mintel GNPD

When shopping for healthy foods, consumers are looking to avoid sugars…and artificial sweeteners

Avoiding in better-for-you foods, by dieting status, June 2016

"When looking to buy food and beverages you consider 'healthy' for yourself or members of your household, which of the following do you avoid?" "Which of the following describes you? Please select one."

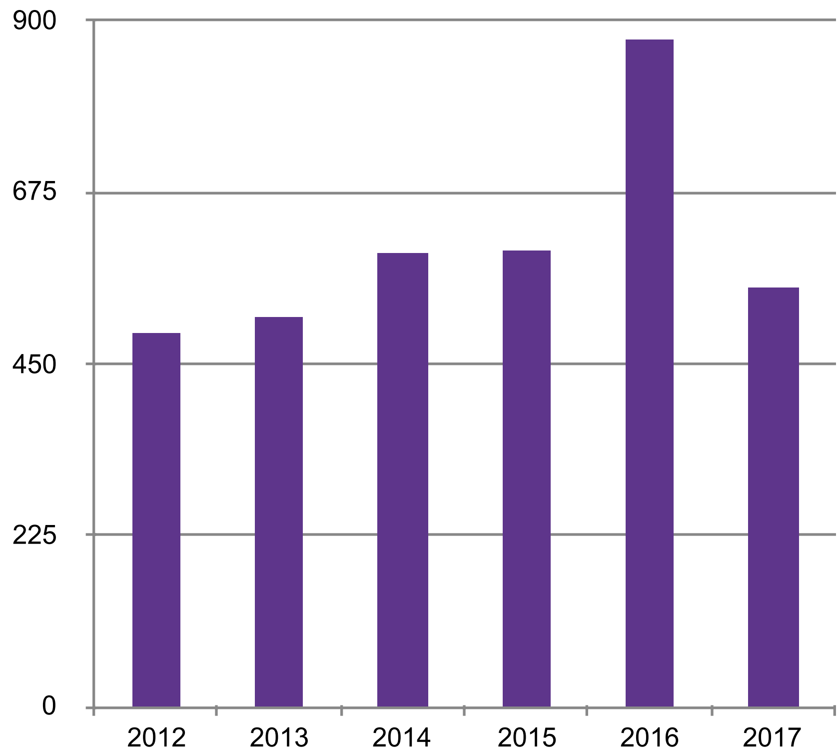


^ Base: 851 internet users aged 18+ currently trying to lose weight by dieting
Base: 2,000 internet users aged 18+

The “no HFCS” claim—still not losing its power

US product introductions continue to grow, with significant increases in 2016 and so far in 2017

Product introductions making a "no HFCS" claim, USA, 2012-July 2017



Dean’s TruMoo stands out as a “no HFCS” success story, in terms of consumer response and sales

- Consumers prefer TruMoo to other milks: 41% of consumers say they would buy TruMoo compared to 32% for all plain and flavored milks
- The company recently introduced unique new flavors (e.g. Cookies & Cream) and added-protein items
- For many of the varieties, unit sales outpace the category average, even though the product is premium priced

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Source: Mintel GNPD, Mintel Purchase Intelligence

Artificial sweeteners aren't viewed favorably

49%

of US consumers agree diet soda is just as unhealthy as regular soda

35%

of US consumers agree artificial sweeteners are bad for your health

Only 19%

of US consumers agree artificial sweeteners taste as good as sugar in food/drink products

Source: Mintel Diet Trends – US, September 2016, Sugar and Sweeteners – US, December 2016

Consumers are interested in natural sweeteners…but won’t pay more for it

26%

of US consumers **would like to see more** food/ drinks which use **naturally sourced sugar substitutes** (e.g. stevia)

19%

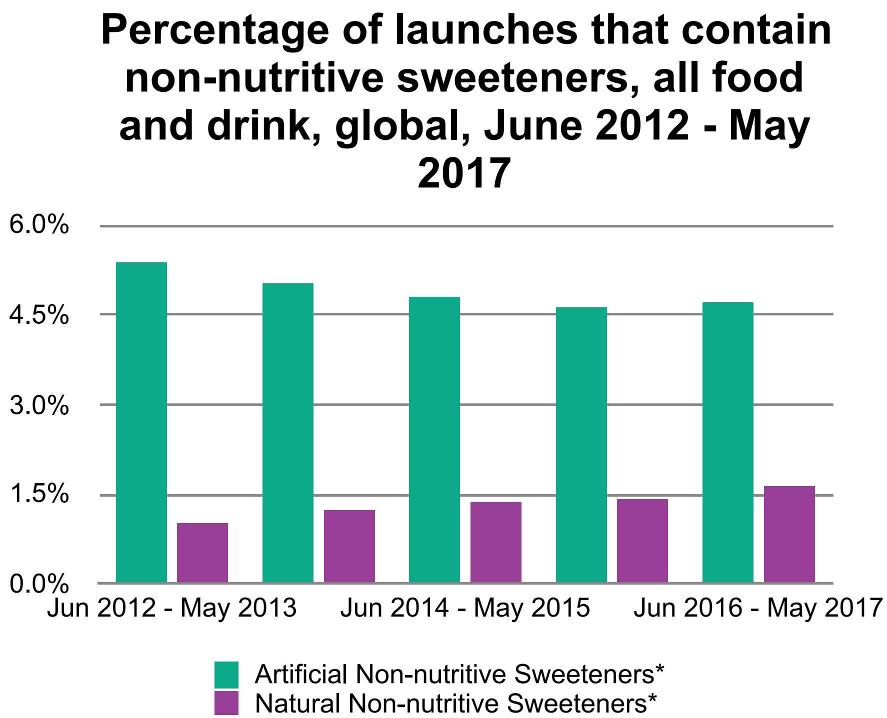
of US consumers agree they **are buying more food/drink** containing **natural sugar substitutes** (e.g. monk fruit, stevia)

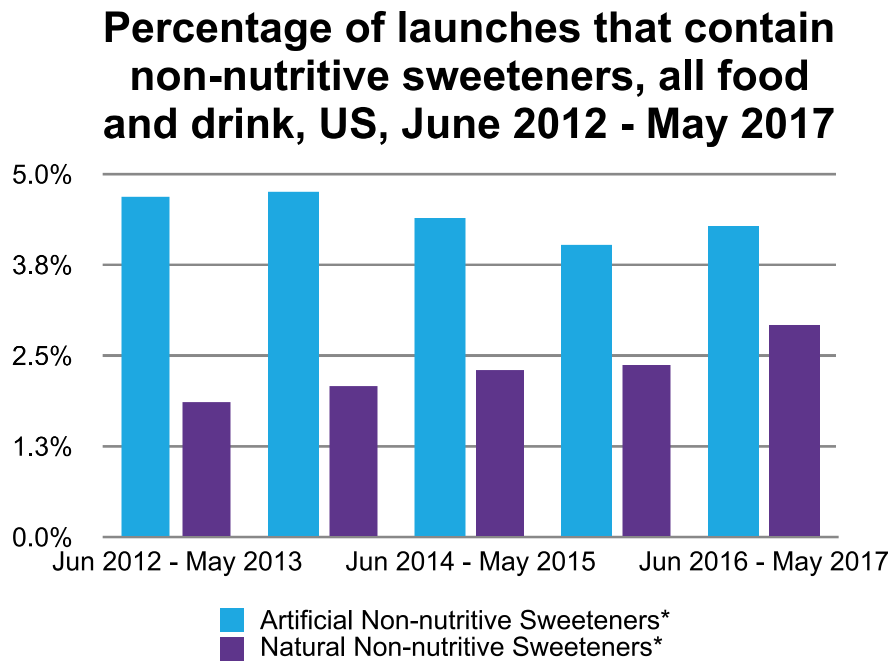
16%

of US consumers **would pay more for food/ drinks** which use naturally sourced sugar substitutes (e.g. stevia)

 Source: Mintel Sugar and Sweeteners – US, December 2016

Natural non-nutritive sweeteners are on the rise



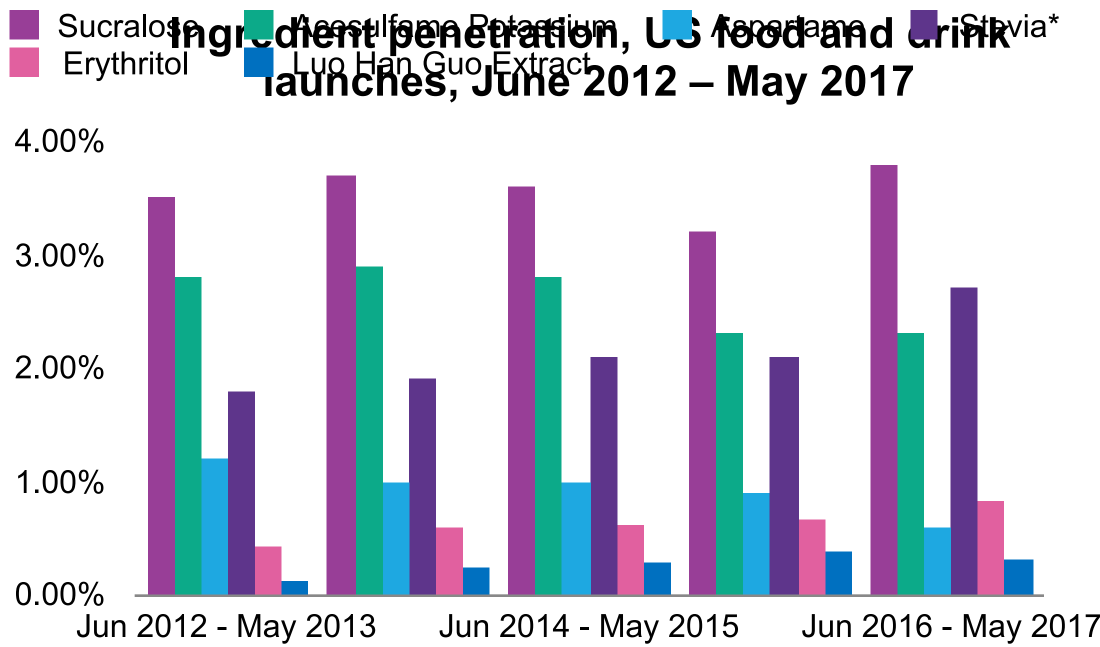


*includes all children ingredients
Source: Mintel GNPD

Although niche, monk fruit and erythritol are on the rise

Between June 2012 and May 2017

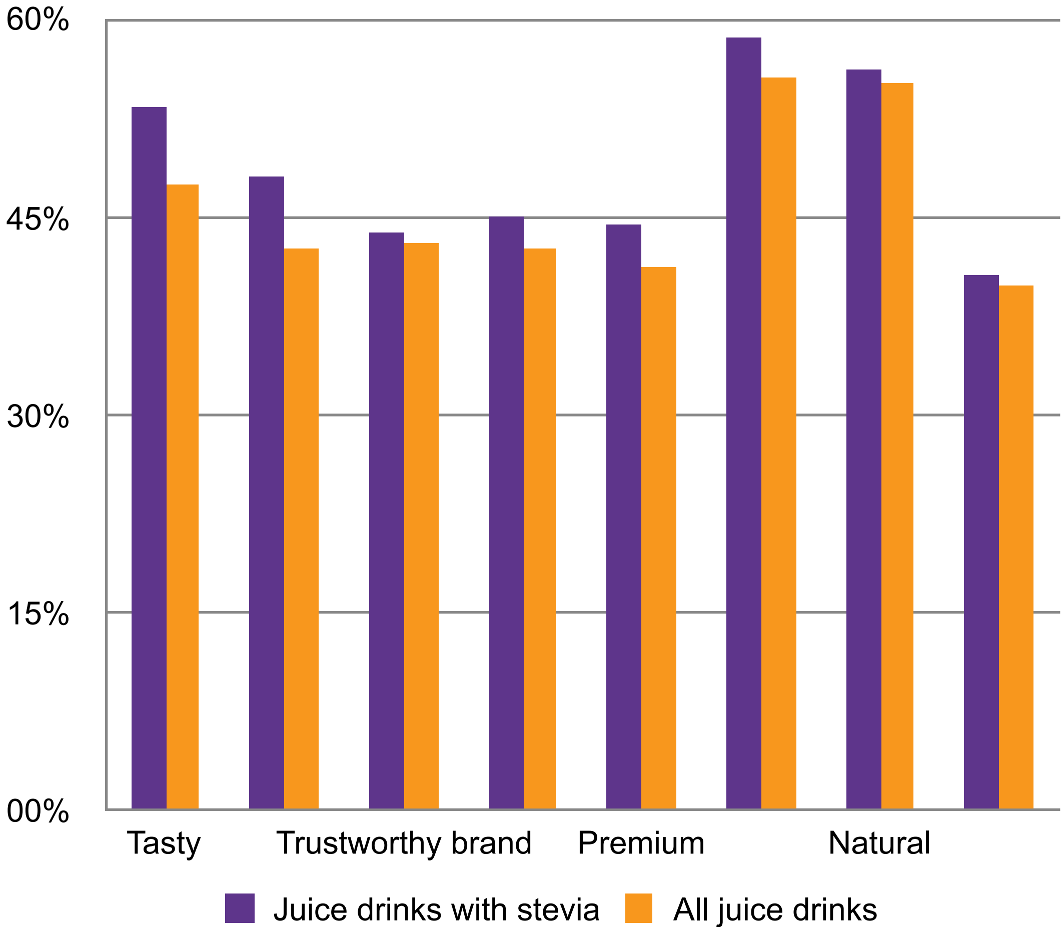
- Percentage of US food and drink products launched with erythritol has doubled



*includes all children ingredients
Source: Mintel GNPD

A closer look at juice drinks with stevia: They seem to work

Consumer perception scores, juice drinks with stevia compared to all juice drinks, USA



More favorable perceptions across the board

- Purchase intent is higher for juice drinks with stevia compared to all juice drinks: 36% compared to 32%
- Consumers aged 18-34 most likely to say they will buy juice drinks with stevia: 49% compared to 37% of 35-54 year olds and 28% of 55+

Insight: Stevia in this category seems to work. Different categories yield different results. Understanding the “why” behind these products can help inform decisions in other categories

Source: Mintel Purchase Intelligence

What products work best? Which don't? And why?

Purchase intent: 57%
Old Orchard Cran-Naturals Cranberry Apple Juice

Purchase intent: 51%
Bai Antioxidant Infusion Clementine Juice Drink

Purchase intent:17%
Saluu Aloe Vera Juice Drink

Purchase intent: 21%
GoodOnYa Hydrate Electrolyte Drink

- **Brand matters**: Bigger brands are more likely to have higher purchase intent scores
- **Flavor matters**: The aloe vera drink has the lowest purchase intent score for a reason—consumers do not like or do not know the flavor
- **Value matters**: Those products perceived as not delivering on stated benefits or being too high priced for the market also do not fare well
- **Age matters**. Millennials most likely to seek out drinks made with stevia

Source: Mintel Purchase Intelligence

Halo Top is positioned as a healthy ice cream

“

In short, we use organic stevia. Stevia is a plant native to Paraguay that’s been used to sweeten foods and beverages for more than 200 years. And, because it’s so tasty, we use it as a sugar replacement.

We also use Erythritol, which though it has a rather scientific-sounding name, is actually another all-natural sweetener found in fruits like pears and grapes. Though it’s technically a sugar alcohol, it's unlike the others because erythritol doesn’t affect blood glucose or cause bloating.

”

– Halo Top

Source: Bloomberg, halotop.com

Products linking the ingredient xylitol back to its plant source

Xylitol can be processed from trees like birch (and other hardwood trees), but it can also be manufactured by an industrial process that transforms a plant fibre called xylan into xylitol. Labeling terminology that links the ingredient back to the plant may help to give the product a more natural image.

Kernnel Premium Birch Xylitol Sugar (Croatia)

Natural xylitol from birch bark from **organic farming** (100%)

Zollipops Assorted Fruit Flavoured Lollipops (USA)

Made with **xylitol from USA birch**

Pulsin' Orange Choc Chip Fruity Oat Bars (Netherlands)

Tooth-friendly xylitol is used to sweeten the chocolate, which occurs **naturally in silver birch and strawberries**

Source: Mintel GNPD

Provide more transparency about sugar

35%

of US consumers agree food and drink companies should be doing more to **reduce the amount of sugar in their products**

34%

of US consumers agree food and drink companies should make it easier to understand **how much sugar is in their products**

 Source: Mintel Sugar and Sweeteners – US, December 2016

Final thoughts

Spotlight on sugar

Media attention on added sugar coupled with changing nutritional panels will increase awareness about the different sources of sugar in consumers' diets

Focus on overall reduction

While added sugars are poised to garner more attention, manufacturers should continue to focus on reducing a product's overall sugar content rather than focusing solely on reducing the amount of added sugars in a product.

Alternative solutions

Consider alternative solutions for sugar reduction, including new technologies, flavor profiles that are less sweet, and providing consumers with options for sweetness levels.

THIS is what is most important to consumers—their top five priorities

83% Taste

76% Freshness

72% Cost

63% Healthfulness

50% Natural

Source: Mintel

Thank you

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