# Sugar and sweeteners: the consumer and industry's response

FDIN May 2014

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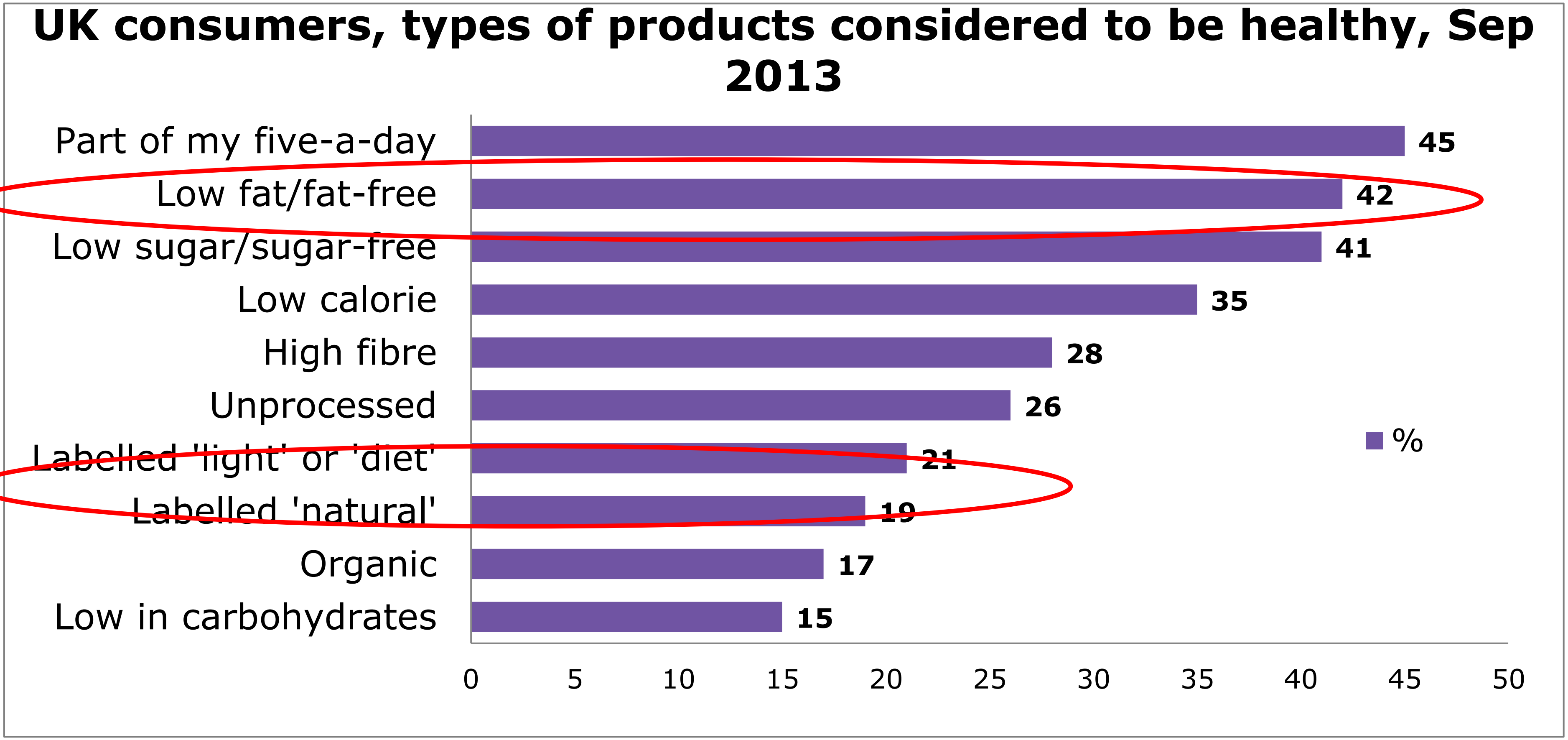
# Today's presentation

| | |
|---|---|
| **Sugar & sweeteners** | What do consumers think about sugar and sweeteners? |
| **Sugar reduction** | What are the latest trends in sugar reduction? |
| **Winners, losers, the opportunity** | How are products formulated and positioned, and what's working? |

# Consumers recognise low sugar and sugar-free as a healthy option…

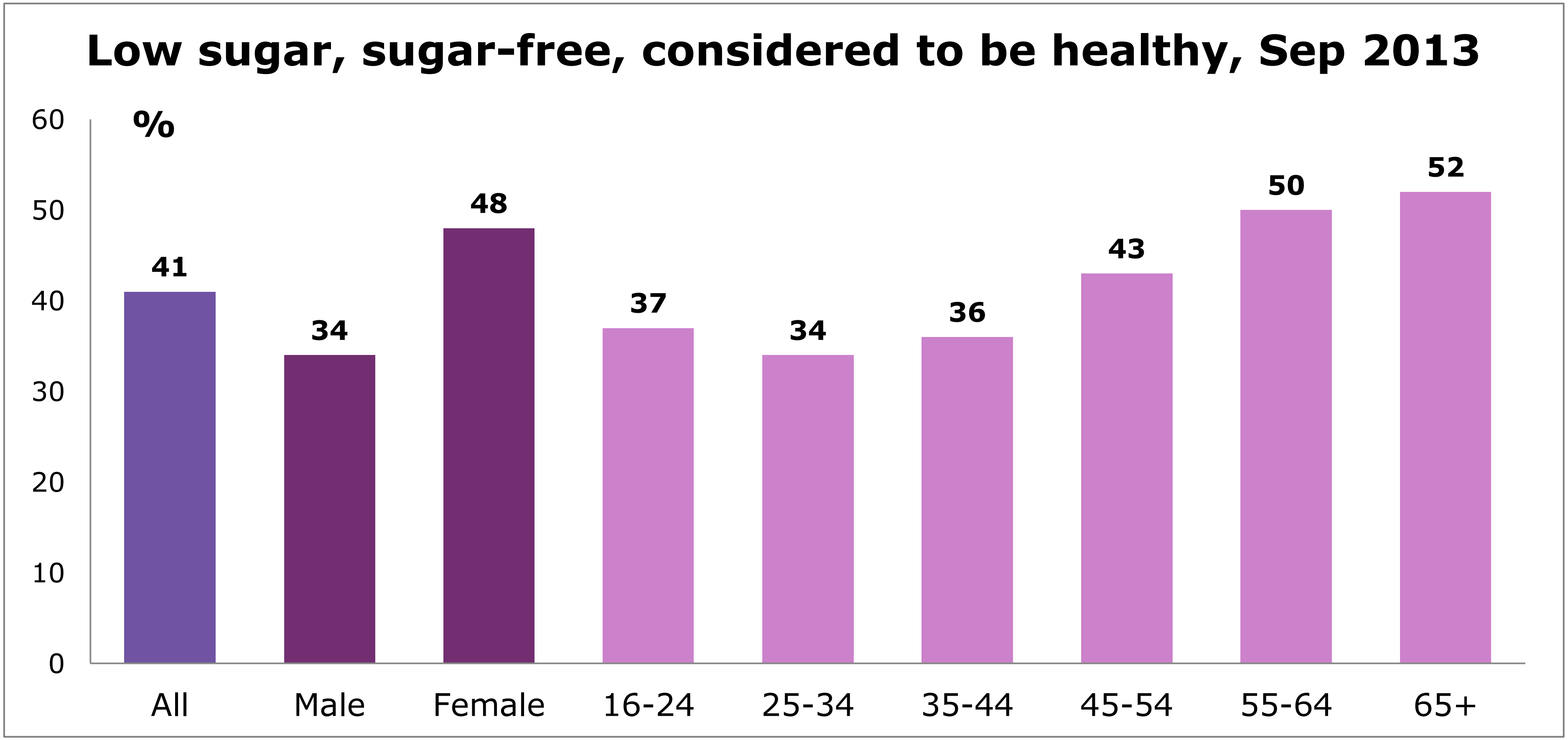



Roughly 40% of consumers say low/no sugar is healthy, higher than the response for low calorie or generic "light/diet" labelling

Source: GMI/Mintel

Base: 2,000 internet users aged 16+

# …Especially women and older consumers

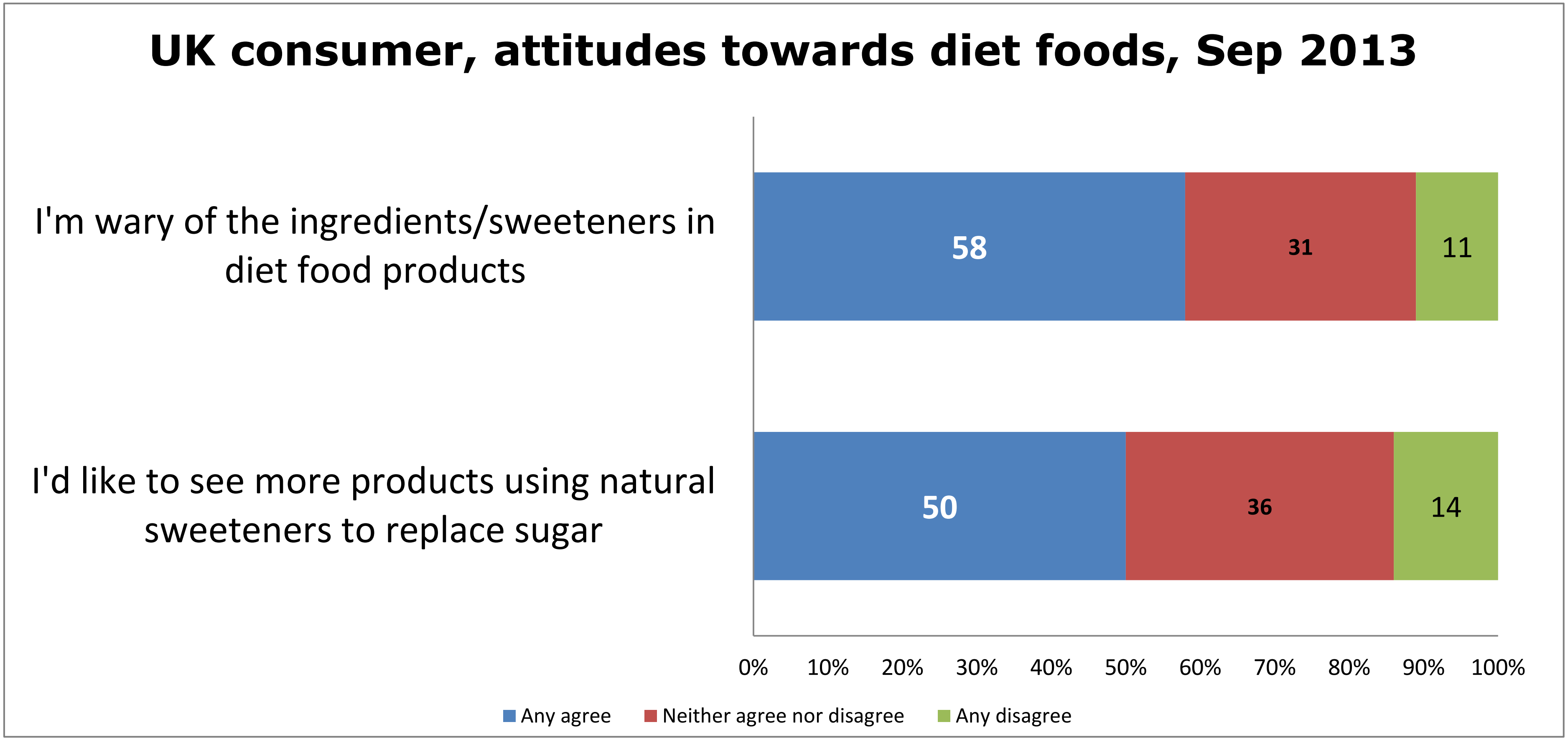



Women and consumers aged 45+ are far more likely to see low sugar and sugar-free as a healthy option

Source: GMI/Mintel

Base: 2,000 internet users aged 16+

# Consumers are sceptical of sweeteners…

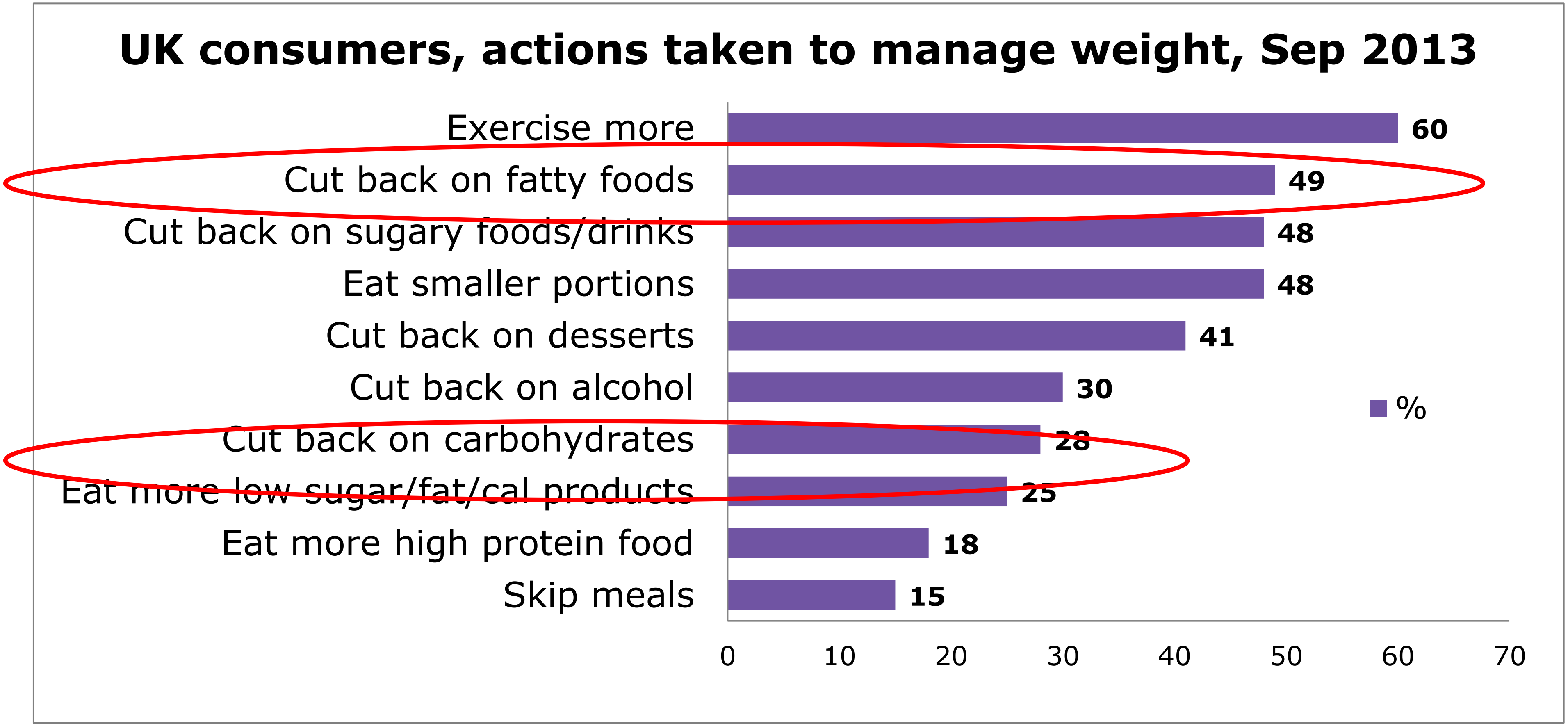



**Nearly 60% of consumers say they are wary of ingredients including sweeteners used in diet foods; half would like to see more natural sweeteners**

Source: GMI/Mintel

Base: 2,000 internet users aged 16+

# Consumers cite sugar reduction as key weight management strategy

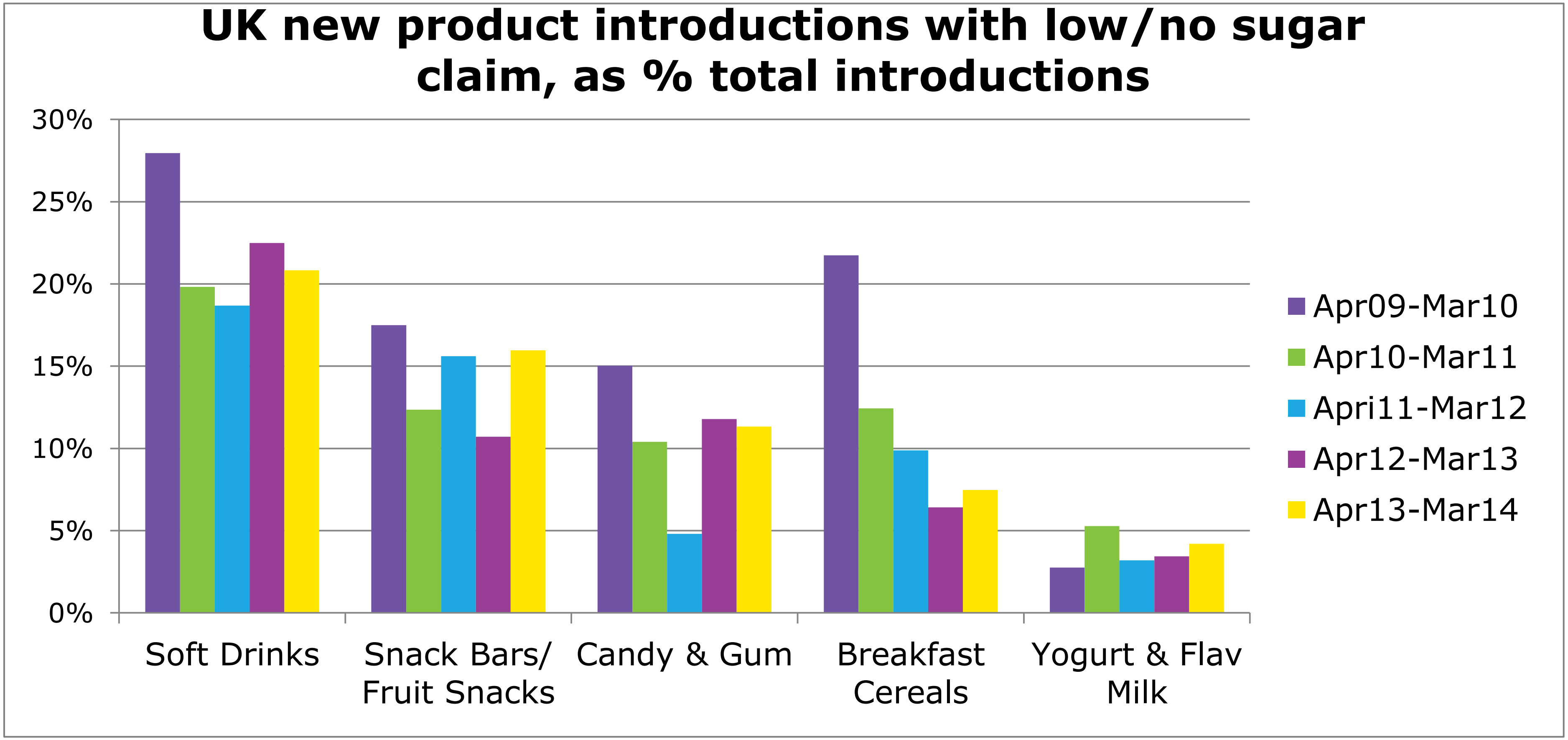



After exercise, cutting back on fatty and sugary foods/drinks are the 2nd and 3rd most important actions taken to manage weight

Source: GMI/Mintel

Base: 1,394 internet users aged 16+ who have tried to lose weight/maintain a healthy weight in the last 12 months

## Where do we see sugar-free and reduced sugar products?

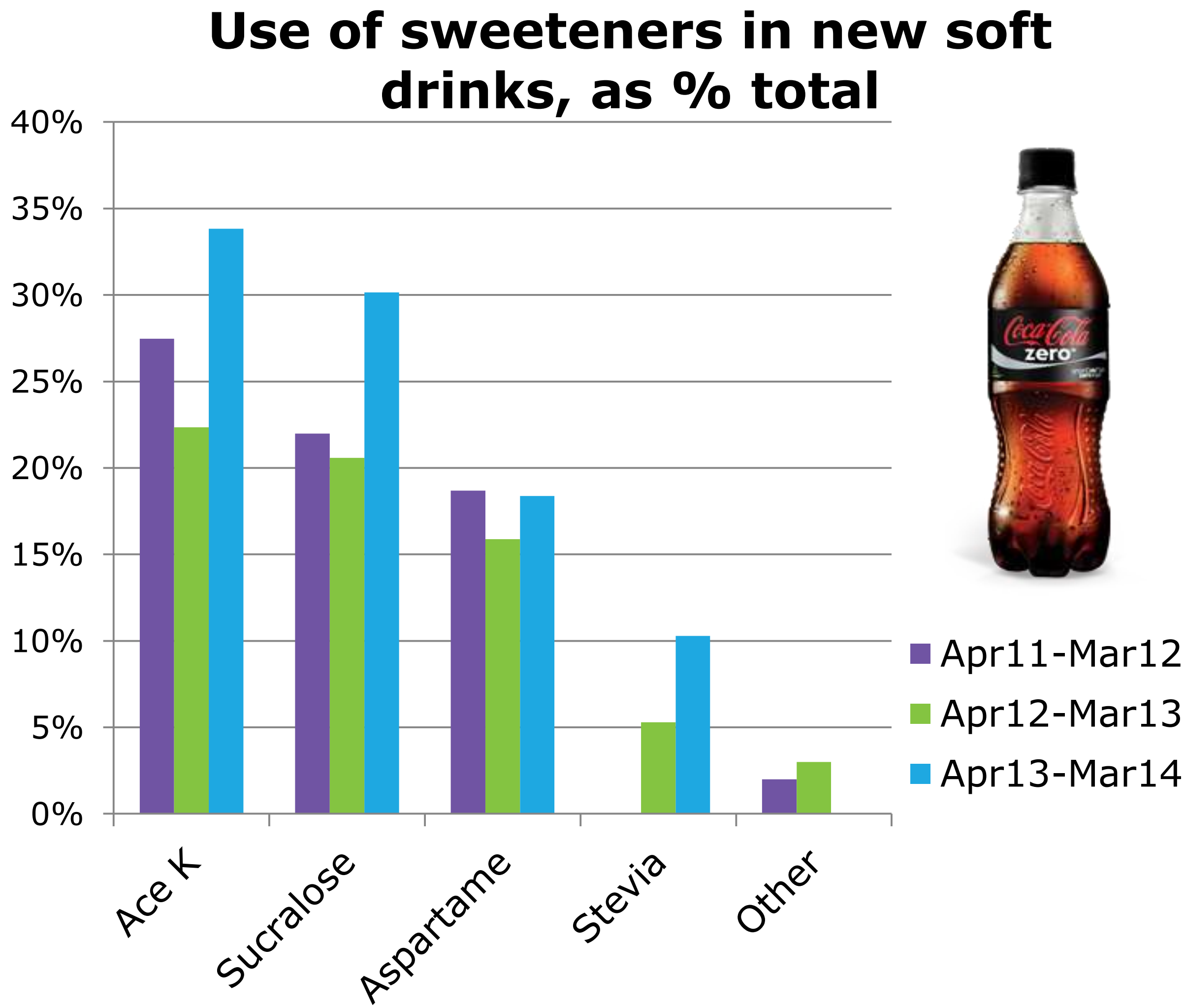



**The percentage of new products labelled sugar-free or low sugar has declined over time in key categories**

Source: Mintel GNPD

# What's sweetening sugar-free and low sugar soft drinks?

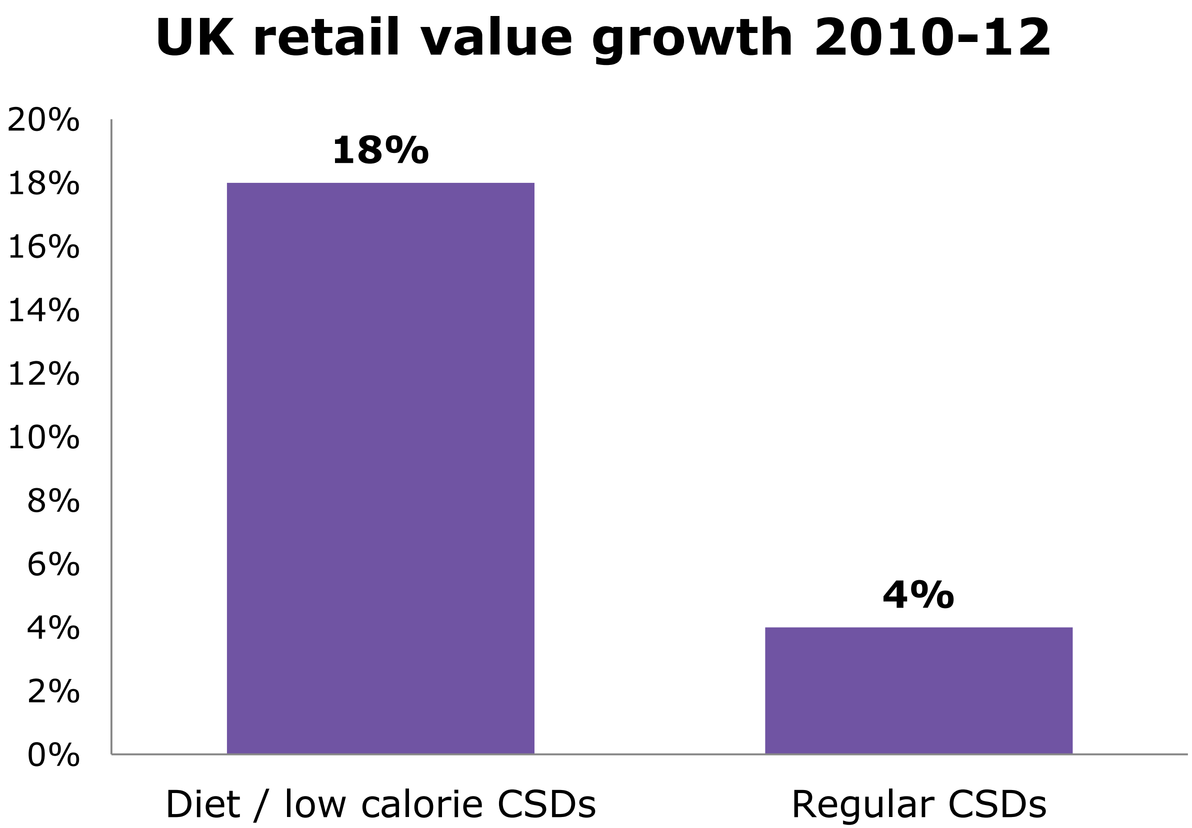
- Stevia has made its mark in 2012-13…
- 41% of UK consumers said they were interested in buying low calorie CSDs made with natural sweeteners e.g. stevia
- But acesulfame-k and sucralose lead and both have






Source: Mintel GNPD

# Diet carbonated soft drinks are strong…




Diet / low calorie CSDs now account for 45% of the market by value

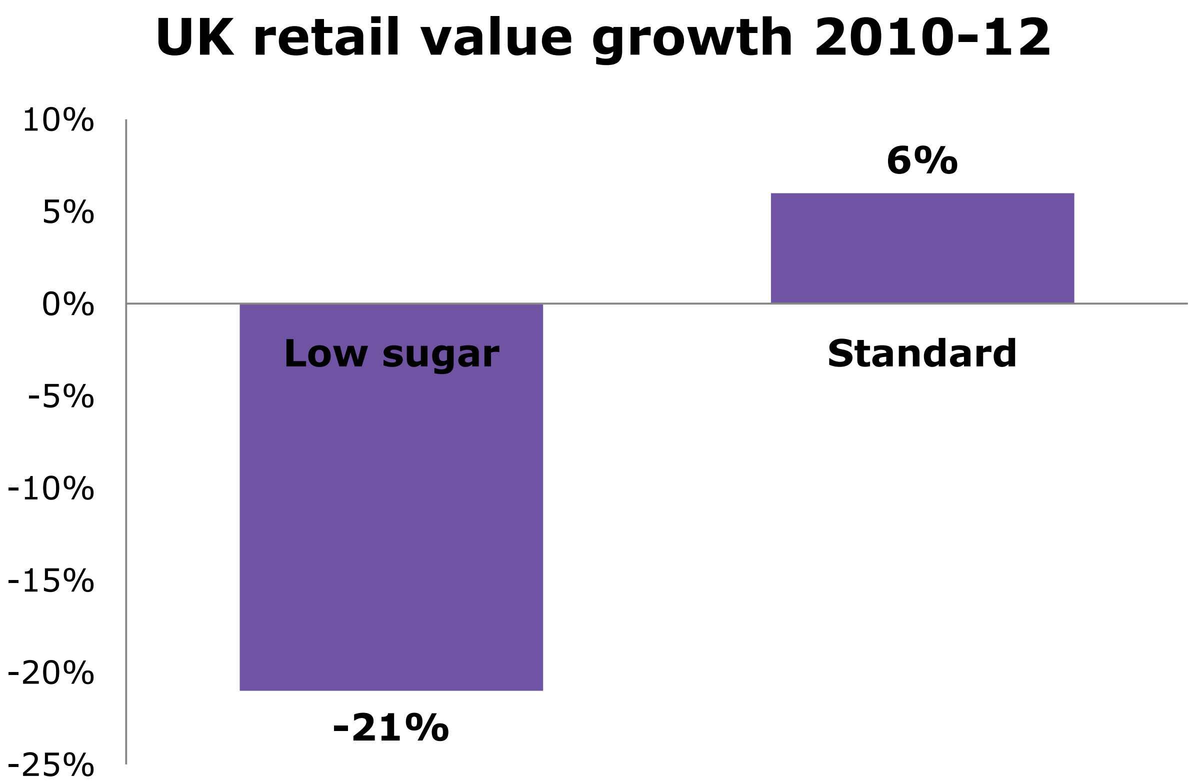
After price and brand, low calorie content is the third most important factor influencing choice of CSD (31% of respondents)

In the US market diet / low cal CSDs take 34% share and are forecast to grow by 2-3% per year over the next few years, following a period of decline



Source: Mintel

# …While low sugar juice drinks have struggled lately




Low sugar juice drinks account for just 16% of the segment by value, down from 20% in 2010

32% of consumers limit their consumption of juice drinks due to the high sugar content

Juice drinks as a whole have benefited from a good value image and active NPD, but low sugar variants have failed to capitalise on the opportunity



Source: Mintel

# Key factors influencing purchase of juice and juice drinks

**47%** High fruit content is the key factor, after flavour and price/promotion are eliminated

**39%** Of consumers say "Counts towards the recommended '5-a-day' of fruit/vegetables"

**29%** Low sugar content is at best a 3rd factor

Source: GMI/Mintel

Base: 1,292 internet users aged 16+ who have bought fruit juice in the last three months

# Low sugar juice drinks – winners and losers

Trop50 remains the big story in sugar reduction (and stevia), with £15m in retail sales in 2013.

Both are sweetened with stevia.

## Tropicana Trop50


50% less sugar and calories (3.9g-4.4g sugars per 100ml, according to variant)

## Del Monte Naturally Light


50% less sugar, 50 calories per glass (4.5g sugars per 100ml)

Source: Mintel GNPD

# Diverse messages for low sugar positioning

Brands reformulate and launch new products, with diverse messages around sugar (or lack of…)


**Coca-Cola Sprite with stevia, 30% less sugar**


**Vimto Panda Still Juice Drinks, “no added sugar, no aspartame”**


**Innocent Fruity Water for Kids, 50% pure fruit juice, 50% spring water**

Source: Mintel GNPD

## Key factors influencing purchase of kid’s snacks

**44%** Of consumers look for products that deliver one of five-a-day

**34%** Of consumers cite low sugar/salt as a key factor

**32%** Of consumers look for “natural” attributes

Source: GMI/Mintel

Base: 937 internet users aged 23+ who have bought snacks for their child (aged 7-15)

# So these meet the criteria?

Both products are labelled free from artificial ingredients, “1 of your 5 a day”, and “no added sugar”.

**Stream Foods’ Fruit Bowl Sea Fruit Shapes**


Sugars 50g per 100g


“Contains naturally occurring sugars”



Source: Mintel GNPD

# Key factors influencing purchase of breakfast cereals

**41%** Of consumers cite satiety, "Keeps you feeling full until lunchtime"

**38%** Of consumers focus on high in fibre content

**29%** Of consumers mention low in sugar as a key factor for themselves; rises to 32% for family purchase

Source: GMI/Mintel

Base: 1,846 internet users aged 16+ who use breakfast cereals


**Nestlé Chocapic Duo, France, reformulated 2013**

Front-of-pack:

less than 9g sugar per portion

Added calcium

Wholegrain

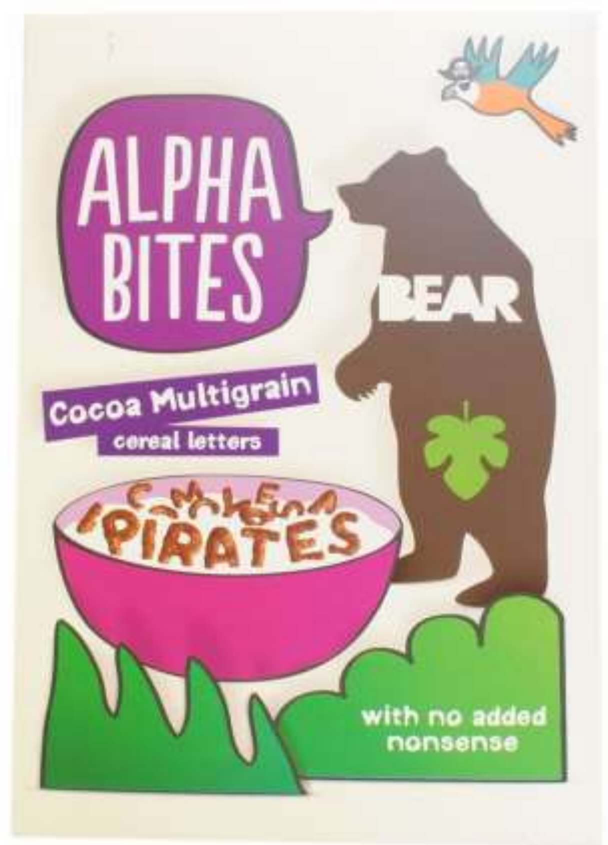
Nutrition panel:

28.7g sugars per 100g (previously 35.9g/100g)



Source: Mintel GNPD

# Sugar replacement strategy




**Bear Alphabites, UK**

Front-of-pack:
"no added nonsense"

Sweetened with coconut blossom nectar, which has a lower GI compared to other sugars

Nutrition panel:
18g sugars per 100g

Source: Mintel GNPD

# Key factors influencing purchase of yogurt and flavoured milk

**33%**

Of consumers cite "all natural ingredients" as the key factor for yogurt, after flavour and price/promotion are eliminated

**29%**

Of UK yogurt purchasers cite low sugar / sugar-free as an important attribute

**49%**

Of consumers agree with the statement, "more flavoured milk should contain natural sweeteners (e.g. stevia) as opposed to sugar"; rising to 54% among 16-24 year olds

Source: GMI/Mintel

Base: 1,602 internet users aged 16+ who have bought yogurt in the last 3 months

# Sugar + stevia creates opportunity for sugar reduction

Both products are sweetened with sugar and stevia.

Both flag "reduced sugar" front-of-pack.

Stevia is not featured as a "destination ingredient"

**Tesco Healthy Living Whipped Yogurt, UK**


Reduced sugar; "50% less sugar than a typical Tesco mousse" ; 9.2g sugars per 100g

**Yogho! Yogho! drinking yogurt, NL**


40% less sugar than average yogurt drinks

Source: Mintel GNPD

## Sugar-free messages and sources of sugars

Go-Yos state front-of-pack "Developed by mums, sugar-free recipe".

Moma! yogurt states on-pack "No added refined sugar".

**Glenisk Organic Go-Yos, Ireland**

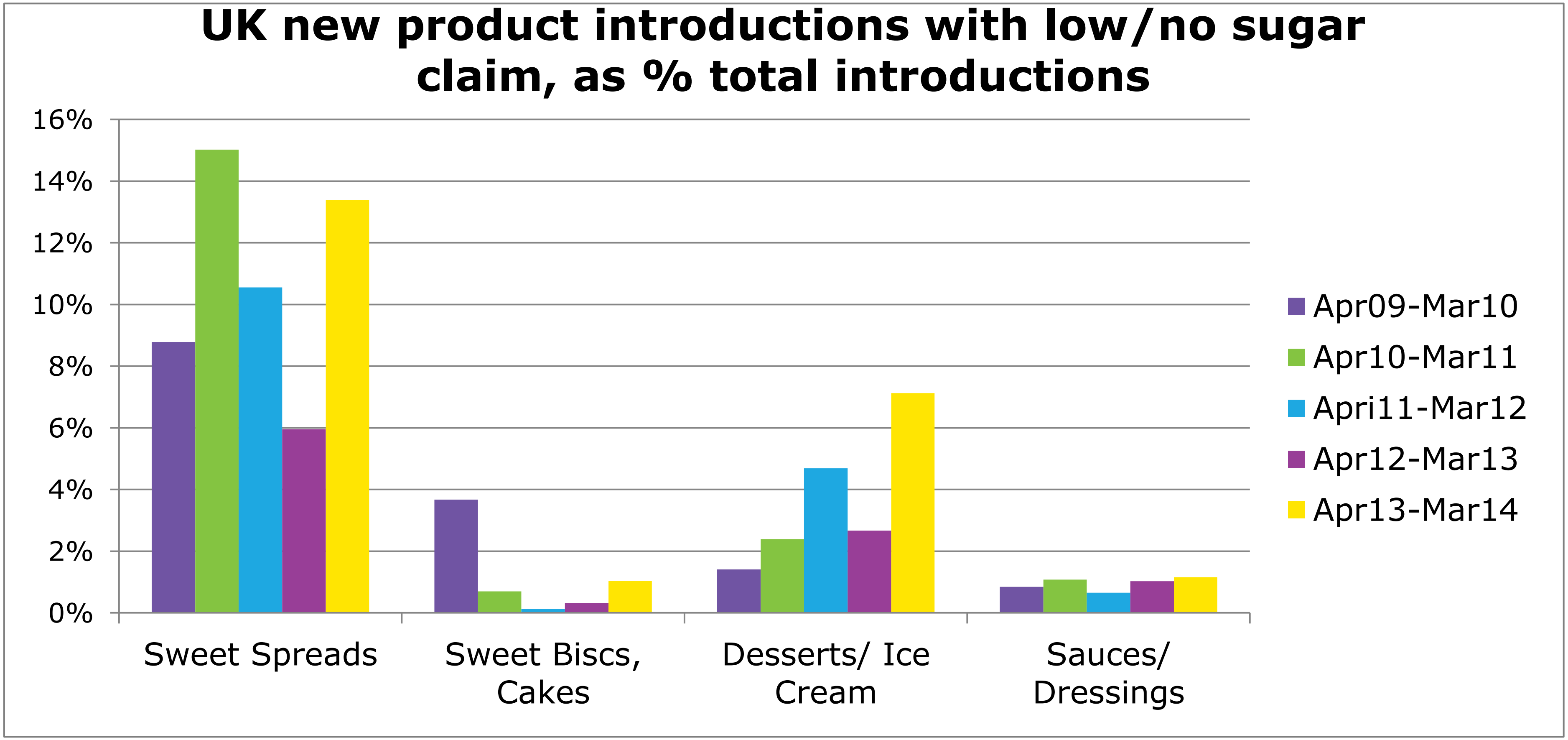

Sweetened with organic agave syrup; 4.1-4.3g sugars per 100g

**Moma! Bircher Muesli Yogurt, UK**


Sweetened with fruit juice and puree; 11.9g sugars per 100g

Source: Mintel GNPD

## Where else do we see sugar-free and reduced sugar products?




**Some growth in % of products labelled as sugar-free or low sugar, but from a low base; few new developments in sweet spreads or desserts**



Source: Mintel GNPD

# Sweet biscuits – "light" or "better for you"?

The "healthier" biscuits segment declined in value terms by 5.4% from 2012-2013.

Competition has come from breakfast biscuits: healthy positioning without referencing the terms "light" or "diet".

**Belvita**


15g sugars per 100g; slow release carbohydrates, rich in cereals, source of fibre

**McVitie's Digestives**


16.8g sugars per 100g (higher for Light, reduced fat variant)



Source: Mintel

# Sauces – light, low sugar, low calorie, low fat

In sauces and dressings most examples of reduced sugar products are overtly health-oriented brands, e.g. Weight Watchers.

But leading brands and private label offer "light" (low sugar) alternatives

**Dolmio Light Sauce for Lasagne**


30% less sugar, made from 100% natural ingredients

**Tesco Light Choices**


30% less sugar, low in calories, free from artificial flavours, colours and hydrogenated fat

Source: Mintel GNPD

# Conclusions

**Sugar as priority**

Sugar reduction will continue to be a research priority

**The reality**

But the reality is that market penetration of reduced sugar foods remains relatively low

**The consumer**

Consumer interest is high, but consumers may be deterred by a negative taste perception, confused by on-pack messages

# Future steps

**Stealth health**

Stealth health, or covert reduction, may work in some categories

**Stevia & more**

Alternative ingredients may provide part of the answer

**Comms**

But in either case on-pack communication is critical

**Balance**

And bear in mind – consumers increasingly take the holistic, balanced approach…

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