

Probiotics Success Strategies in Food and Drinks: Novel Applications, Future R&D and Consumer Engagement

The application of probiotics has extended to a wide range of delivery formats in food and drinks, which are marketed on multiple health-enhancing platforms. As the level of scientific knowledge about the use of foods offering health benefits increases, consumers will increasingly search out new products promising additional advantages beyond taste and convenience.

Scope

- Analysis of the emerging roles that probiotics are playing in health and disease treatment.
- Insights into the current marketing and formulation strategies of the leading probiotic products and brands.
- A review of legislation and litigation currently impacting the marketing of probiotic-based foods and beverages within the EU and US.
- Market forecasts for probiotic-based food and drinks for the US, EU countries and Japan.
- Detailed analysis of category-defining probiotic products, and the lessons that could be learned from their successes and failures.

Research and analysis highlights

For manufacturers willing to invest a significant portion of their R&D budget in the health claims assessment process within the EU, success will offer a significant competitive advantage given the number of rejected claims so far.

Kraft's attempt to extend the US probiotic market has been unsuccessful. Although Kraft's expertise lies in formulation and distribution, it overlooked some key success factors for the functional food category. Danone was able to capitalize on the US market and avoided making mistakes.

Yakult has been successful for many reasons, including its focus on a single health message, its long-term investment in functional drinks, and especially its direct-to-consumer approach to selling.

Key reasons to purchase this research

- Assess the latest applications for human health of probiotics and which products are already capitalizing on these.
- Discover which probiotics markets have helped shape the sector through both success and failure.
- Benefit from the lessons to be learned from 11 of the most innovative products in the probiotic category.
- Analyze the major countries of the sector and determine which will continue to grow and which will slow down over the next four years.
- Identify the five key factors that can help the successful development and launch of functional foods and beverages utilizing probiotics.

Table of Contents

Probiotics Success Strategies In Food and Drinks Executive summary	10
Introduction to probiotics	10
Regulatory perspectives of the probiotic market	11
Market analysis of the global probiotic category	12
Product analysis – Insights from brand successes and failures	13
The probiotic principles for success	14
Chapter 1 Introduction	16
Summary	16
Research methods and report structure	17
Report structure	17
Chapter 2 Health benefits	20
Summary	20
What is a probiotic?	21
Commercial origins	22
The science of probiotics	23
Gut health	24
Immune support	25
Skin health	26
Nutrient absorption	28
Novel research	29
Allergies	30
Chronic fatigue	32
Depression	33
Obesity	33
Urinary tract infections	35
Type of probiotic strain – Does it matter?	36
An issue of stability – Do probiotics need to be alive?	37
Chapter 3 The probiotics regulatory environment	40
Summary	40
Regulatory landscape in the EU the US	41
Enforcing consumer rights in the US	41
Enforcement – Class action leads the way in 2009 and 2010	44
Hard times for the EU probiotic market	45
EFSA and probiotics	46
The future of regulation	47
Chapter 4 Global market analysis	50
Summary	50
Introduction	51
Category growth	53
Europe – market size, growth and forecast to 2013	54
US – market size, growth and forecast to 2013	55
Japan - market size, growth and forecast to 2013	56
Chapter 5 Product analysis – brand successes and failures	58
Summary	58
Introduction	59
Failures in the probiotic market	59

Case Study 1 - LiveActive by Kraft Foods 59
Company overview 59
Product innovation 59
Strategy and marketing messages 60
Conclusions 61
Case study 2 - Dancing Daisy by St Helen's Farm 62
Company overview 62
Product innovation 62
Strategy and marketing messages 63
Conclusions 63
Case study 3 - LC1 Go! by Nestlé 64
Company overview 64
Product innovation 64
Strategy and marketing messages 65
Conclusions 65
Success in the probiotic market 66
Case study 4 – Yakult by Yakult Honsha Co. Ltd 66
Company overview 66
Product innovation 66
Strategy and marketing messages 67
Conclusions 67
Case study 5 - Actimel by Danone 68
Company overview 68
Product innovation 68
Strategy and marketing messages 69
Conclusions 70
Case study 6 - ProViva by Probi 71
Company overview 71
Product innovation 72
Strategy and marketing messages 72
Conclusions 73
The future: Innovation in probiotics 74
Case study 7 - BLIS Throat Guard by BLIS Technologies Limited 74
Company overview 74
Product innovation 74
Strategy and marketing messages 75
Conclusions 76
Case study 8 - Bravo Friscus by Skånemejerier 77
Product innovation 77
Strategy and marketing messages 78
Conclusions 78
Case study 9 - Galaxy Probiotic drink by Mars Incorporated 79
Company overview 79
Product innovation 79
Strategy and marketing messages 80
Conclusions 80
Case study 10 – Walls Milk Time ice lolly by Unilever 81
Company overview 81
Product innovation 81

Strategy and marketing messages	82
Conclusions	82
Case study 11 - Lätta spread by Unilever	82
Product innovation	82
Strategy and marketing messages	83
Conclusions	84
Chapter 6 Probiotic market success factors	86
Summary	86
Introduction	86
Connect with the consumer	87
Engage with efficacy	87
Bridge the benefit	88
Be the authority	89
Partner with precision	89
Appendix	91
Interview with Jeff Hilton, Integrated Marketing Group	91
Index	93
References	94

List of Figures

Figure 2.1: Number of probiotics research publications, (1990-2009)	23
Figure 2.2: Racconto Essentials Digestive Health All Natural Pasta with GanedenBC30, a patented probiotic strain developed by Cleveland, OH based Ganeden Biotech, Inc	24
Figure 2.3: Dukat Bio Aktiv LGG	26
Figure 2.4: Age Defence dietary supplement from Nude Skincare containing probiotics and a blend of nutrients	27
Figure 2.5: Koiwai KW Nyusankin yogurt from Koiwai Nyugyo, contains the Lactobacillus paracasei KW3110 strain of bacteria with anti-allergy properties	31
Figure 2.6: Natren Healthy Tummy Dieter's Probiotic chewable supplement wafers from Natren Inc, claim to suppress appetite and reduce effects of over indulgence.	35
Figure 2.7: Fem Dophilus from Jarrow Formulas Inc	36
Figure 4.8: Probiotic market value by country (\$m), 2008	51
Figure 5.9: LiveActive cheese strings and granola bars from Kraft Foods	60
Figure 5.10: Dancing Daisy Probiotic drink from St Helen's Farm	62
Figure 5.11: LC1 Go! from Nestlé	64
Figure 5.12: Yakult probiotic drink from Yakult Honsha Co. Ltd	66
Figure 5.13: Actimel from Danone	69
Figure 5.14: ProViva range by Probi	71
Figure 5.15: BLIS Throat Guard from BLIS Technologies	75
Figure 5.16: Bravo Friscus from Skånemejerier	77
Figure 5.17: Galaxy Probiotic chocolate mini drink from Mars Inc	79
Figure 5.18: Walls Milk Time ice lolly from Unilever	81
Figure 5.19: Lätta mit Probiotik spread from Unilever	83
Figure 5.20: Unilever's Healthy Choice logo	83

List of Tables

Table 4.1: Sales and CAGR of the probiotic market, by country (\$), (2003-2013)	52
Table 4.2: Sale per capita and CAGR of the probiotic market, by country (\$), (2003-2013)	53
Table 4.3: Share of products launched, by category (%), 2006-2009	54

Table 4.4: Share of probiotic products launched, by region, (2006-2009) 55