

Innovation process for functional food/nutraceuticals

How the industry successfully launch product to market

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«DUPONT»
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Consumer's behaviors & attitudes towards health & wellness in ASEAN is changing



They are worried about falling sick

36% Vietnamese & 46% of people in ASIA worry about falling sick.



Adopting healthy eating habit

80% of consumers in ASIA would pay more attention to healthy eating.



Supplements & food to boost immunity

83% of Singaporeans would continue to purchase health supplements post COVID-19. Thai consumers stock up immune boosting food to prevent infection.



Consumer's new expectation on brands

55% of Vietnamese expect brands to promise health & wellness benefits.

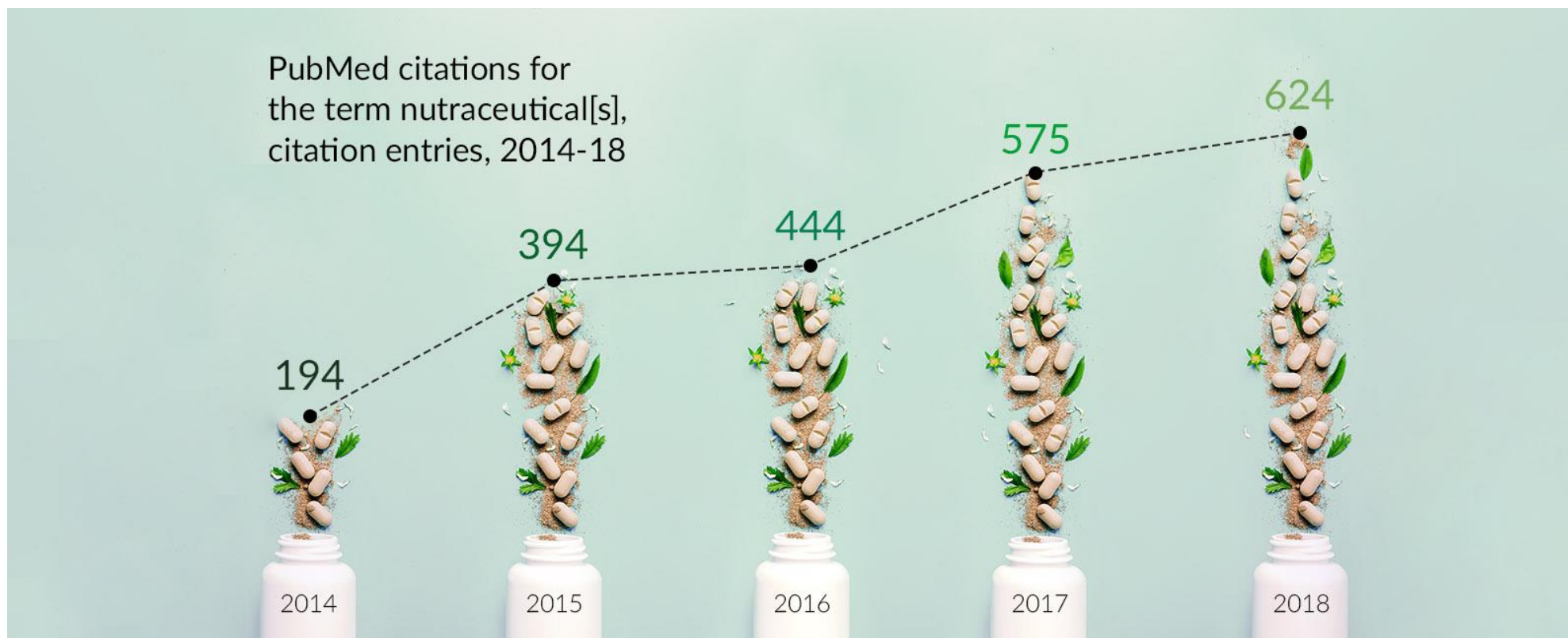


Eating at home more

62% of Malaysians & 36% of Filipinos indicate to eat at home more post pandemic.

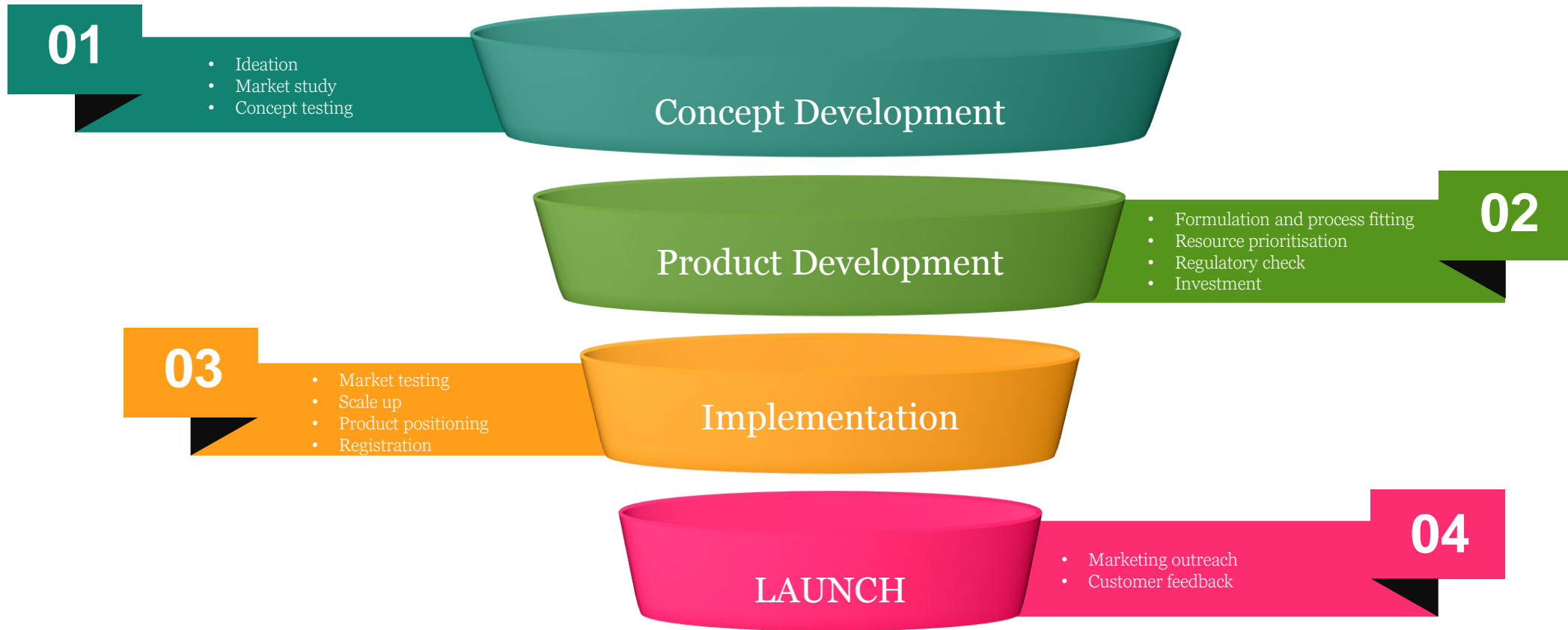
Scientific research with the term 'nutraceutical' grows

Yearly growth in scientific citations suggests utilisation of the term nutraceutical is popular, despite a lack of clarity in terminology or regulation across the world.

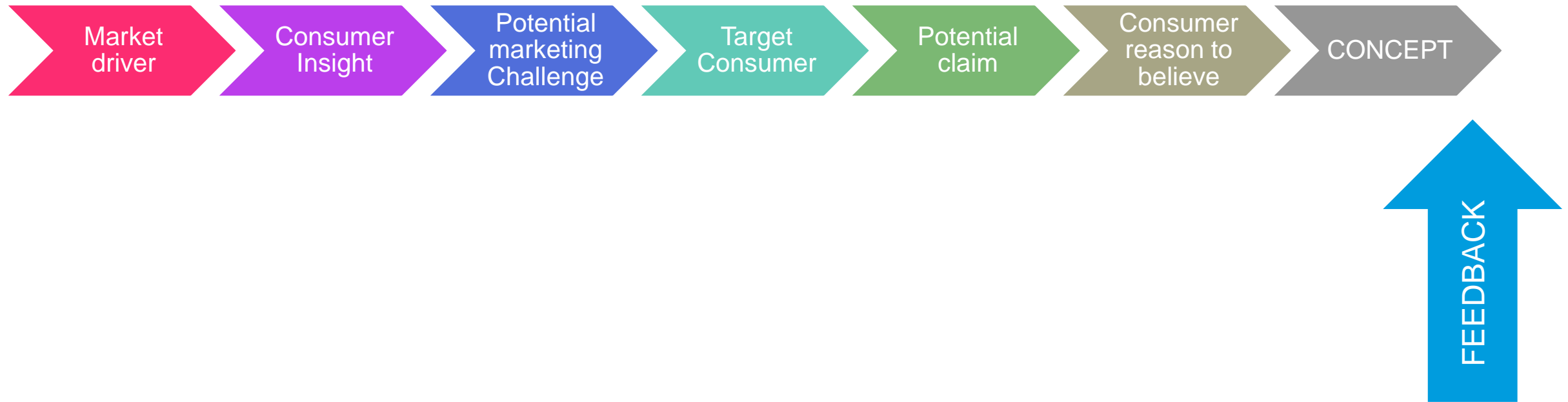


Read on [mintel.com](https://www.mintel.com)

General Innovation Process in Industry



Concept Development Process



Example of Concept Development Thought Process – Protein Bar

Market Situation:

- In 2018, Asia accounts for 39% share of global snacks launches and 25% of global snacks sales value.
- 'High-protein' was amongst the top three claims made by snack bars globally in the three-year period ending June 2019.
- Consumer interest in more all-encompassing, holistic healthy lifestyles paves the way for functional snack bars.
- Rise of promoting bars to be the perfect snack alternative to keep hunger at bay. Innovating around layers, toppings and fillings increase satiety.

Market Drivers

Global Protein Centric Category Performance

2019 Global Market Size/ 2019-24 CAGR



Rapid NPD launches positioning "High/Source of Protein"

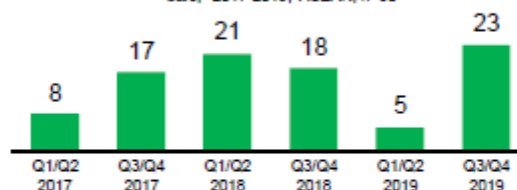
Total number of global launches, 2015-2019



Asia Pacific are Key Markets, accounted for 15.4% of total NPD launches

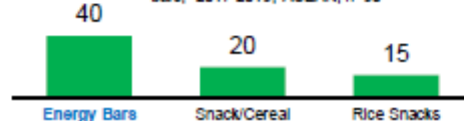
Continuous NPD activities in high protein bakery/bars in ASEAN

NPD launches in high protein cookies, biscuits/crackers, chips and bars, 2017-2019, ASEAN, n=90



Energy bars is the leading category in high protein content

NPD launches in high protein cookies, biscuits/crackers, chips and bars, 2017-2019, ASEAN, n=90



The latest Innovations in Asia Pacific



Labnosh Light Bar (South Korea) Nut Flavoured Sweet & Crispy Snack Bar is high in protein, containing 9g per bar, and is said to help control weight. This product contains 10% of almond and 7% of peanut.



Alandv (China) Sea Salt & Cheese Flavored Protein Bar is said to be a nutritional snack, is suitable to eat after a workout, contains 8.3g protein.



Carman (Australia) Dark Choc & Cranberry Protein Bar contains 10g protein and is free from gluten.

Example of Concept Development Thought Process – Protein Bar

Consumer's Insights

Meal replacement snack bars are well-positioned to serve as **permissible and satiating treats** for Indonesian looking to keep their diets and weight on track

2018, WHO, Indonesian

7% of the population has diabetes

24% overweight

6% obese



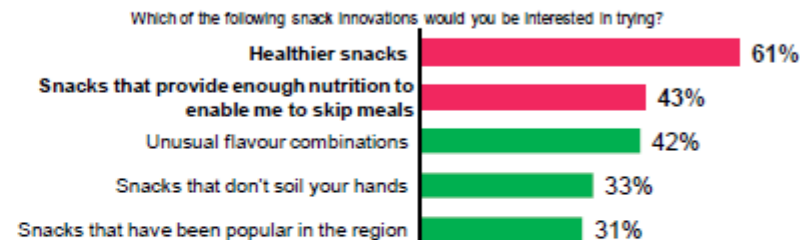
With projections forecasting these numbers to **rise** considerably to 2050

In the next **5** years in Indonesia:

Weight management and wellbeing is expected to continue to grow, along with healthier lifestyle which consumers are trying to achieve

Source: Mintel, Food Navigator-Asia; Nutra Ingredients Asia

Healthier snacks is the top interests among Thai consumers



Consumer's Pain Points:

Consumers in ASEAN feel that nutrition bar is too dry and not tasty. They are looking for product with attributes of

Softness + Chewiness + Nutritious + Multi-layer texture

Potential
marketing
Challenge

Target
Consumer

Potential
claim

Consumer
reason to
believe

Example of Concept Development Thought Process – Protein Bar

Potential Marketing Challenges

Key challenges in protein bars in ASEAN



Matching taste & texture preference of consumers.



Technical barriers to create the multi-layer texture.



Maintain the crispiness of the product.

Potential Claims

- Good source of protein
- Good source of fiber
- Low in sugar

Consumer's Reasons to believe

- Consumers are pursuing healthier lifestyle in ASEAN, weight management and wellbeing products are on the rise.
- Our concept provides better nutrition which is high in protein and fiber and low in sugar.
- A perfect product for meal on-the-go which is suitable for the modern busy lifestyle.

Target Consumers

- Teens
- University Students

Example of Concept Development Thought Process – Protein Bar



TOFFEE MACCHIATO PROTEIN BAR

- *Convenient breakfast replacer/ meal on-the-go*
- *Multi-textured with fillings*

- ✓ *Content of Protein*
- ✓ *Content of fibre*
- ✓ *Low sugar*

Product Development

Product formulation and packaging design

- Identify benchmark if any
- Lab trial
- Sensory test
- Regulatory check

Manufacturing process fitting

- Pilot trial
- CAPEX consideration
- Need for OEM?

Cost feasibility study

- Cost study associated with purchasing, engineering,
- P&L calculation



Implementation

**New facilities
preparation**

Production Trial

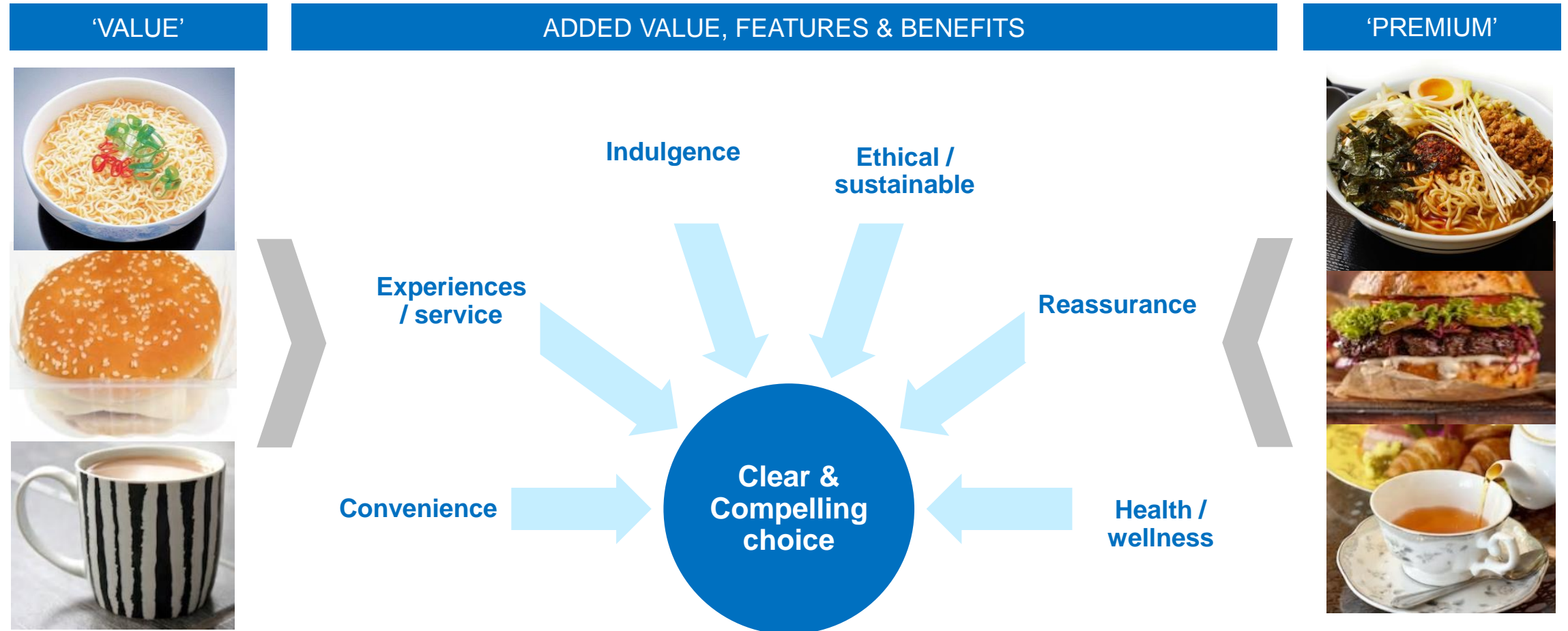
**Finalize
technology and
P&L**

Registration

Stability test

**Marketing
activity
preparation**

Functional food/Nutraceutical is usually positioned beyond just “value”

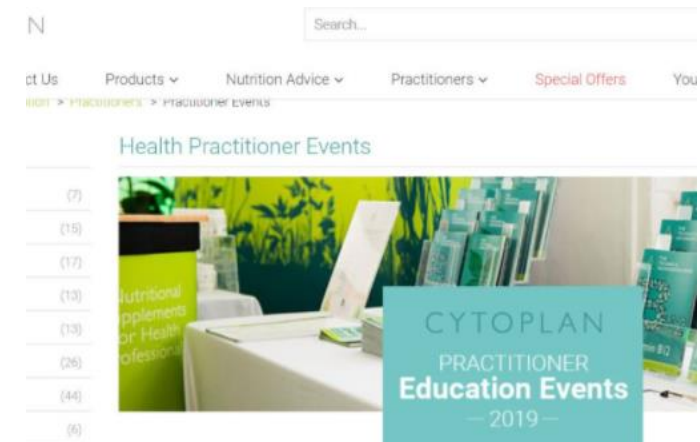
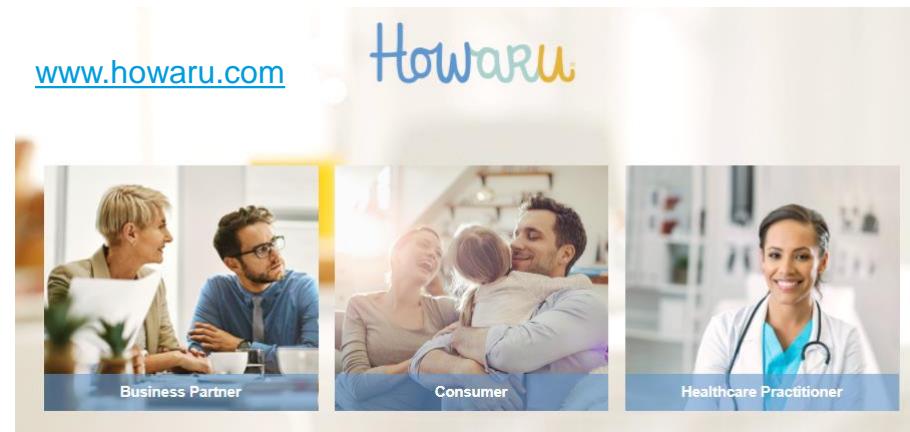


Implementation – marketing activity and channel

Have a strong story customer can relate with

Consider leveraging your supplier's years of accumulated knowledge to communicate claim/health benefit where there is regulatory hurdle

Influence through credible channels eg. healthcare practitioner, lifestyle influencer



LAUNCH – Success story

Yang Yuan “SIX WALNUT DRINK”

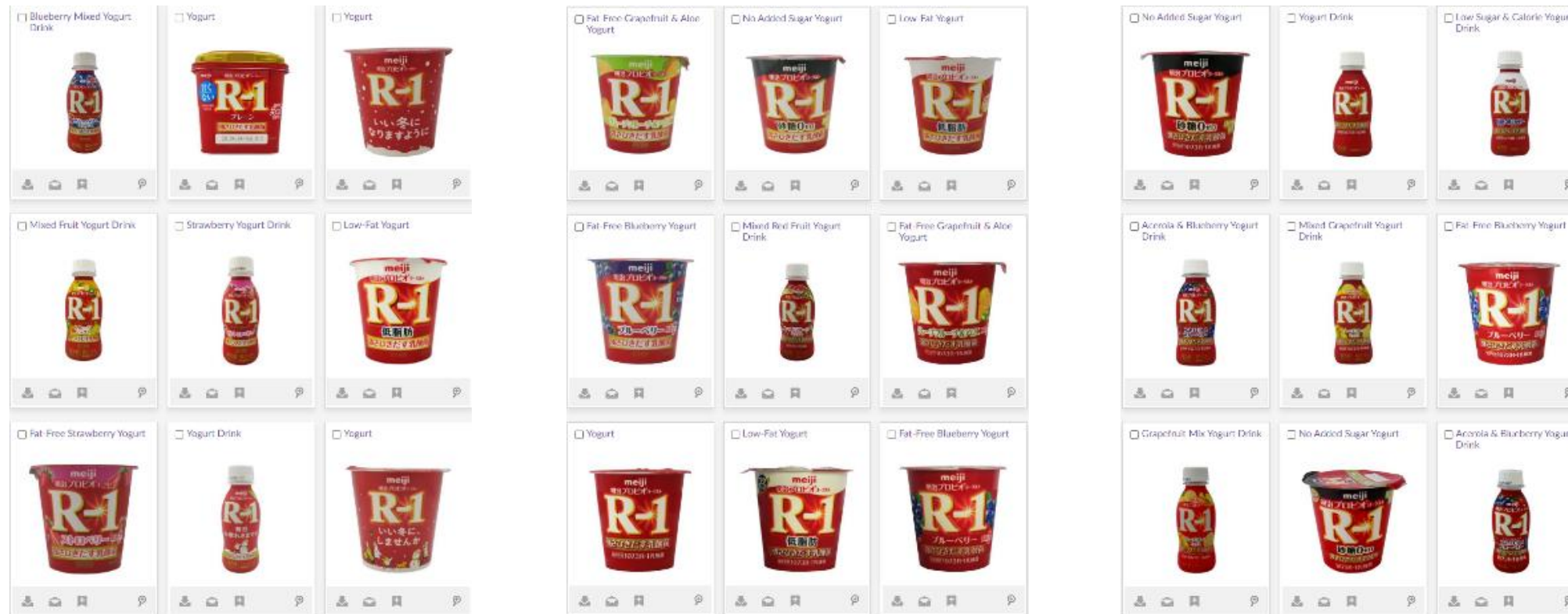
- Launched in 2005 with sales of 30 million yuan
- 2020 sales is expected to be 10 million yuan
- Year on year double in sales
- Not pioneer in plant-based drink in China

SUCCESS FACTOR

1. Good tasting product
2. Clever naming associated with health benefit – eating 6 walnuts is good for brain, number 6 is auspicious in Chinese
3. Using restaurants as the major selling points to circumvent major competitor
4. Famous talkshow host as spokesperson, active on social media



POST LAUNCH – Consider leveraging on the position of the unique active ingredient and develop extensions in format and flavor



SOURCE: Mintel



Key Messages

- Current market and economy situation boost society's awareness and need for functional food and nutraceuticals
- Innovation thought process is critical to ensure we do not miss any important step before launch
- Success stories from market players can be important source of inspiration to formulate the right launch strategy



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