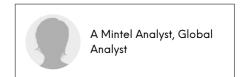
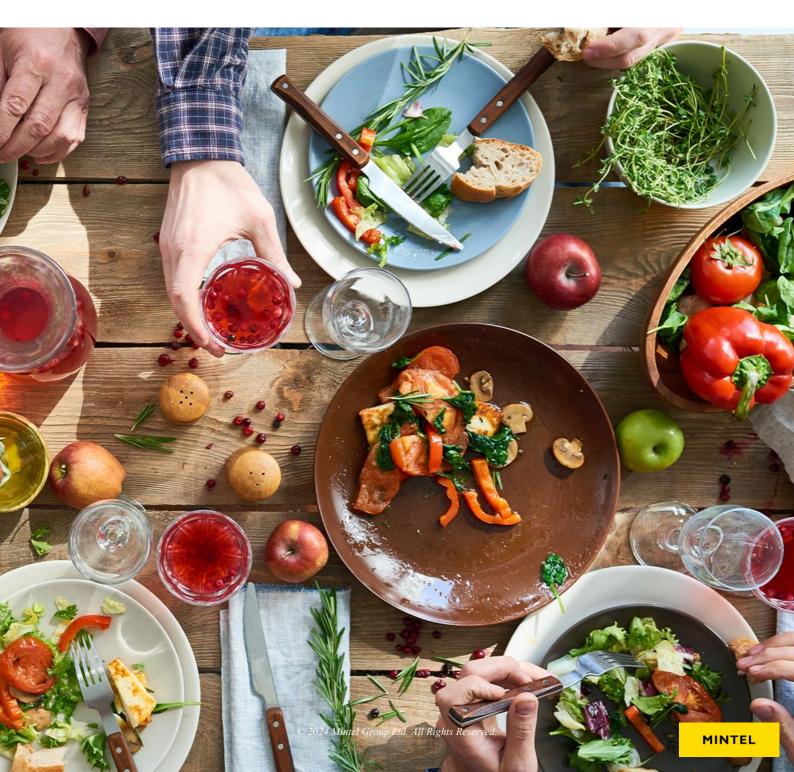
FORTIFIED AND FUNCTIONAL FOOD & DRINK – GERMANY – 2023

Targeting an ageing society with age-appropriate functional concepts, and focusing on new and more-natural ingredients, could ensure further category growth.





Fortified And Functional Food & Drink - Germany - 2023

This report looks at the following areas:

- Market drivers for functional/fortified food & drink, including the impact of inflation, an ageing population and personal health issues
- Consumption of functional/fortified food & drink products, with 16-24s being the keenest users
- Types of functional/fortified food & drink products consumed, with breakfast being a key opportunity
- Functional/fortified food & drink products with further category growth. immune health claims are the most sought-after, but relaxation and good sleep are taking on a more-prominent role
- Added vitamins/minerals are most commonly consumed as part of functional/fortified food
 & drink, but new ingredients (adaptogens/nootropics) hold potential
- Behaviours and attitudes related to functional/fortified food & drink, including the need for credibility and affordable product offerings
- · Recent product launch activity and innovation

Overview

Penetration of fortified/functional food/drink remained at around half of adults between 2020-23. Consumers aged 16-24 (85%) are the **keenest users of functional/fortified food/drink**, with a higher percentage of male consumers (54%) compared to females (49%). However, the majority of those aged 45+ (64%) do not use functional/fortified food/drink

Targeting an ageing society with age-appropriate functional concepts, and focusing on new and more-natural ingredients, could ensure

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versions. This is partly because many of the categories that are most prominent for functional claims (eg snack bars, energy drinks) have a young consumer base.

Reassuringly for brands, the market relies more on financially stable Germans, who feel more confident and are least likely to cut back their spending on these foods.

An ageing society means changing medical needs and a need for **innovation to support** consumers to stay active and healthy for longer. A reduction in taboo topics, such as menopause, enables more-direct approaches to age-specific benefits. Thus, brands can look to extend the use of age-specific functional ingredients in, for example, adult breakfast cereals/spreads, which are also popular among over-55s.

Germans' interest in adaptogens is still niche, with food/drink lagging behind in innovation compared to skincare and supplements. Still, there is a growth opportunity, particularly if consumer education about the benefits of adaptogens improves and product innovation increases.

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Report Content

EXECUTIVE SUMMARY

· The five-year outlook for fortified and functional food & drink

Market context

- Financial confidence buoys usage of functional/fortified food & drink
- Financial confidence buoys usage of functional/fortified food & amp; drink
- Help Germans in their quest to improve their health post-COVID-19

Mintel predicts

- Reflect demographic changes in product offerings to ensure category growth
 - Graph 1: interest in functional benefits from food/drink (top three), by select generations, 2023
- · Address ageing issues openly no more taboos
- · New, natural ingredients could increase the appeal to non-users

Opportunities

- Gut and immune health: a combination that can't be missed
- · Leverage the alcohol moderation trend with new ingredient solutions for relaxation
- · Dare to blur the lines and create more functional indulgence
- Consider the needs and preferences of the over-45s to drive category growth

MARKET DRIVERS

The German economy

- Economic recovery to follow the 2023 slowdown
 - Graph 2: key economic data, in real terms, 2019-25
- The inflation rate is slowly bouncing back to more-conventional levels
- Inflation is still the key factor affecting consumers' finances...
- · ...confidence and expenditure
 - Graph 3: financial confidence index, 2022 23

The impact of the economy on functional and fortified food & drink

- · Functional/fortified food & amp; drink has a financially well-off user base
 - Graph 4: changes in fortified/functional food & drink purchase behaviour compared to a year ago, by financial situation, 2023

Public health

Demographic changes will change medical needs – a forward-looking view focusses on the over-65s

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- Graph 5: population structure by age, 2022-30
- · Germans agree they are getting less healthy
 - Graph 6: perception of general health for a person of one's age, 2021 vs 23
- · Immune health concerns remain prominent after the pandemic's official end
 - Graph 7: confirmed influenza cases per season year, 2018-23
- The gut microbiome is emerging as a cornerstone of overall health
- Prevention is key: Gen Zs and younger Millennials show interest in age-related functional solutions
 - Graph 8: interest in functional benefits from food/drink, by select generations, 2023

WHAT CONSUMERS WANT AND WHY

Consumption of functional & fortified food & drink and frequency

- Half of adults eat fortified and functional food & amp; drink
 - Graph 9: consumption of fortified and functional food % drink, 2020 vs 23
- · Scope to appeal to the ageing population with lifestage-oriented benefits
 - Graph 10: consumption of fortified and functional food & drink, by age groups, 2023
- A reduction in taboo topics enables more-direct approaches to age-specific benefits
- · Increased frequency of consumption shows users' commitment to the category
 - Graph 11: consumption frequency of functional/fortified food & drink, 2020 vs 2023
- · A consistent buyership, but action is needed to drive category growth and utilise the health trend

Types of fortified and functional food & drink consumed

- Penetration of functional/fortified versions is highest in cereals and snack bars vs regular types
 - Graph 12: consumption of regular vs functional/fortified food & drink, by type, 2023
- Breakfast is a key opportunity for fortified/functional foods
 - Graph 13: consumption of functional and fortified food & drink, by top five categories, 2020 and 2023
- · Healthier childhood heroes a way to make breakfast cereals more enticing for the over-45s
- 16-34s have the widest repertoire of fortified and functional foods

Claims related to functional/fortified food & drink consumed

- · Immune health is a key element of functional and fortified
- Immune health remains a top priority post-COVID-19
- · Create new solutions for immune health
- · Target the over-45s with immune-boosting dairy and fruit drinks
 - Graph 14: types of fortified and functional food & drink consumed by 16-44s vs 45+, 2023
- · Help relieve tiredness with energy-boosting food & drink
- · Help relieve tiredness with energy-boosting food & amp; drink
- Focus on relaxation to help consumers also find better sleep

Ingredients contained in functional/fortified food & drink consumed

- Added vitamins/minerals are most commonly consumed with functional/fortified food & drink
 - Graph 15: ingredients contained in functional/fortified food and drink consumed in the last three months, 2023
- Position probiotics as a key element of a strong immune system
- · Added protein is not just for a younger crowd
- · Merge skin health with permissible indulgence
- Embrace new ingredients to offer consumers new yet natural solutions to take on their challenges
- · Combine functionality with indulgence to become a daily-routine add-on

Behaviours related to functional/fortified food & drink

- Improving one's health is the main consumption reason for functional/fortified food & drink
 - Graph 16: behaviours towards functional/fortified food and drink, 2023
- · Consumers' trust and belief in effectiveness are crucial consumption drivers
- Product naturalness is a concern for older consumers
 - Graph 17: agreement with select 'natural' statements related to fortified/functional food/drink, by age, 2023
- Convince over-65s to embrace functional/fortified food & drink with natural ingredients
- Utilise Al-based nutritional support tools to help consumers make the best choices
 - Graph 18: consumers who would find it appealing to get Al-supported guidance for their personal health needs, by age, 2023

Attitudes towards functional/fortified food & drink

- Affordability is a barrier to take-up
 - Graph 19: attitudes towards functional/fortified food & drink, 2023
- Convince over-45s that fortified/functional foods are value for money
 - Graph 20: consumer agreement that fortified/functional food & drink products are worth paying more for compared to regular products, by age, 2023
- · Increase value perception of functional/fortified food & drink to increase willingness to buy
- Increase value perception of functional/fortified food & amp; drink to increase willingness to buy
- · Explore relaxing ingredients and tap into the alcohol moderation trend

LAUNCH ACTIVITY AND INNOVATION

- Fortified/functional food & amp; drink takes a niche share of total launches in Germany
 - Graph 21: functional food & drink launches, by sub-category, 2021-23
 - Graph 22: total food & drink launches, by share of functional claims, 2021-23
- · Room to expand fortified/functional claims beyond drinks
- A mismatch between consumer interest and product offerings
 - Graph 23: functional/fortified food & drink launches, by top ten functional claims, 2023
- · Germans' need for energy is reflected in a resurgence of functional/fortified food/drink launches with energy claims

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- · Energy claims enter less-typical categories
- Tea diversifies away from 'calming' options
 - Graph 24: functional tea launches by top five functional benefits, 2021-23
- Tea leads for sleep claims, and now targets energy-seeking consumers...
- · ...while new categories explore the sleep/relaxation opportunity
- · Juice drinks have scope beyond immune support
 - Graph 25: functional juice drink launches, by top five functional benefits, 2021-23
- · Functional bars aim for the sports nutrition space
 - Graph 26: functional snack/cereal/energy bar launches, by top functional benefits, 2021-23
- · Multivitamins and new nutrients allow for new applications
 - Graph 27: functional and vitamin/mineral-fortified food & drink launches, by selected ingredients*, 2021-23
- Brands lead for fortified/functional food/drink launches, but German retailers have high launch activity
 - Graph 28: functional/fortified food & drink launches, by ultimate company, 2023
 - Graph 29: functional/fortified food & drink launches, by own-label, 2019-23

Advertising and marketing activity

- Actimel capitalises on the German health focus on the immune system by keeping it simple
- 'Cereal addicts anonymous' by Spacies takes a hit at Kellogg's heroes
- Babybel makes a film-like appearance to position itself as a hero of healthy eating with it's naturally high calcium and protein levels
- · Mighty m.lk and Weetabix team up to elevate breakfast's healthy status

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage

- · Products covered in this Report
- Abbreviations
- · Consumer research methodology
- A note on language

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