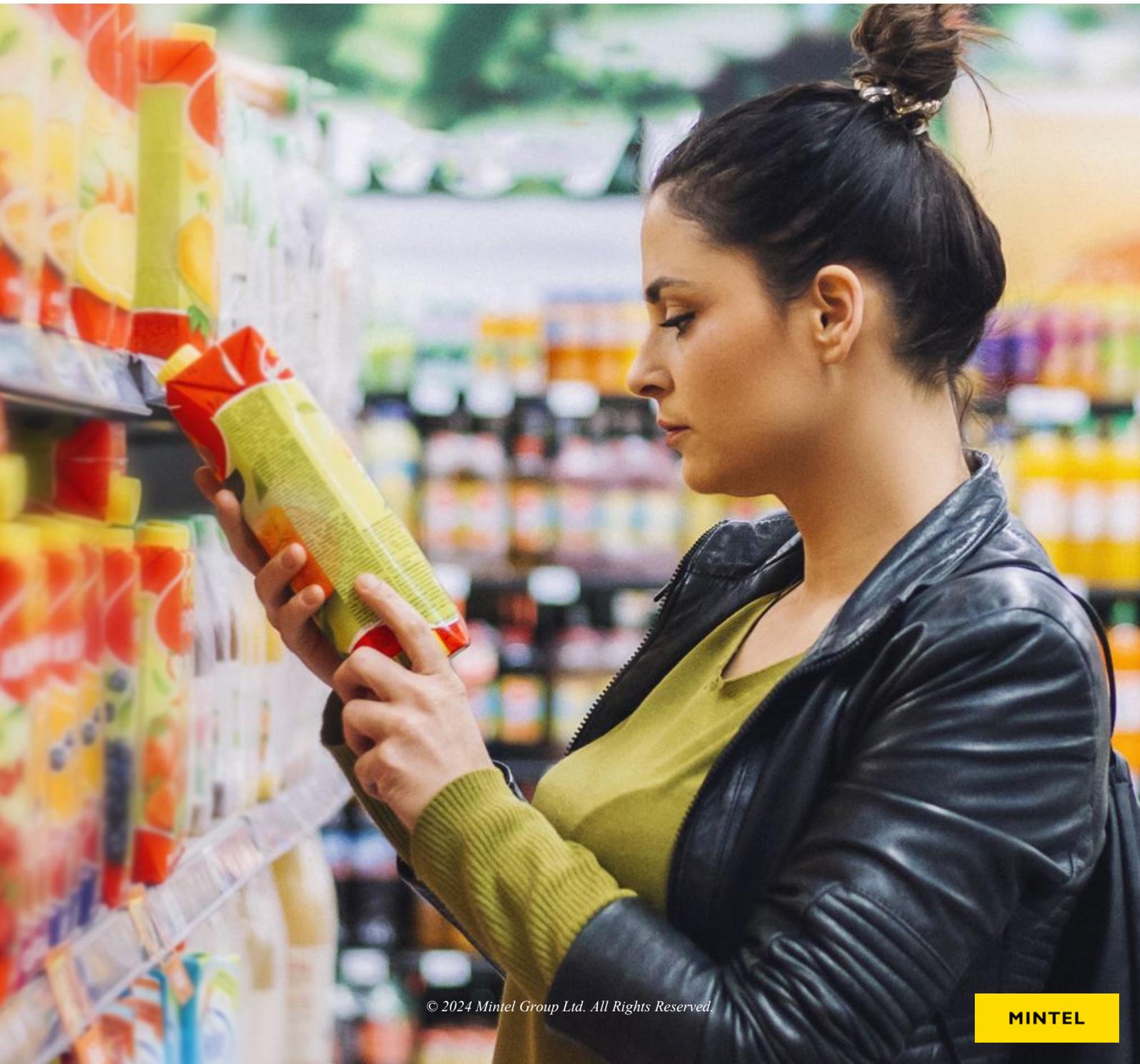


# ATTITUDES TO FUNCTIONAL FOOD & DRINK – INDIAN CONSUMER – 2021

Consumers' pursuit of holistic wellbeing means they see good value in food and drink products offering functional benefits. Building trust is key to drive usage.



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# Report Content



## EXECUTIVE SUMMARY

- What you need to know
- Mintel's perspective

### Market context

- COVID-19 has prioritised healthy eating for consumers
- Building trust is the key to sustain growth of functional food and drinks
- Eye health is an unexplored category

### What consumers want and why

- Consumers want: functional food and drinks chock-full of value
- Consumers want: holistic health benefits
  - Graph 1: select benefits consumers find appealing when choosing a food and drink product, 2021
- Consumers want: targeted products according to their demographic needs
- Consumers want: trust and transparency

### Opportunities

- Provide all-around health benefits through a variety of ingredients
- Create products specifically targeting eye health
  - Graph 2: food, drink launches with eye health claims, top 10 ingredients, 2016-20
- Offer scientifically substantiated benefits and proof of efficacy
- Reinvent taste and format to excite senses
- Traditional ingredients create familiarity

### The impact of COVID-19 on functional foods and drink

- The outlook for the Indian functional foods and drink
- The marketing mix – 4Ps
- The marketing mix – 4Ps
- Positive outlook for functional food and drinks

## KEY TRENDS

- What you need to know

### Global trends and how they are playing out in India

- Economic slowdown is changing the way consumers shop
  - Graph 3: spending priorities, 2021

# Attitudes to Functional Food & Drink – Indian Consumer – 2021

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- Focus on preventive health creates an opportunity for functional food and drink
- Stress is a growing concern around the world
- Increased screen time is leading to poor sleep quality
- 2020: the year our eye health deteriorated
- Add value with personalised solutions

## Key drivers

- An awakened Indian consumer
  - Graph 4: agreement with select statements about COVID-19, 2021
- Focus on healthy living is on the rise; more is expected of food and beverages than ever before
- Start-ups and mainstream brands are exploring new ways to make functional food and drink convenient to consumers
- Potential for functional claims to grow in mainstream categories
  - Graph 5: share of launches with functional claims, by category, 2019-21
- COVID-19 and economic downturn has adversely impacted consumer nourishment paving the way for brands to innovate
- Functional food and drink will play an important role in caring for consumers' mental wellbeing
- Indian consumers are researching the product before they buy it

## CONSUMER INSIGHTS

- What you need to know
- What is functional food and drink?

### Functional ingredients and the Indian consumer

- Millennials are taking a more proactive approach to their health
  - Graph 6: increase in health-related activities in the last 12 months, by age, 2021
- Younger Millennials, especially working women, are the most ingredient-savvy users
  - Graph 7: functional ingredients in food and drink products – aware and consumed, by age, 2021
- In pursuit of managing the double burden of office work and house work, working women become ingredient experts
  - Graph 8: functional ingredients in food and drink products – aware and consumed, by gender and employment, 2021
- Millennials are aware users, but price is a concern
- Innovate with less-common functional ingredients to improve accessibility and drive usage
  - Graph 9: select statements about experiences with ingredients in food and drink products, 2021
- Functional food and drink enjoy great appeal, but there is scope to further expand the market
- Engaging with Gen Z is crucial to make the category future-proof
  - Graph 10: awareness of select ingredients in food and drink products, by age group, 2021
- The functional power of caffeine is often underplayed
- Protein remains the most sought-after feature in food and drink purchase
  - Graph 11: top three important factors when buying food and drink products – any rank, 2021

## Added health benefits of interest

- Energy, digestive health and immune support are the most sought-after functionalities from food and drink
  - Graph 12: health benefits sought in food and drink products, 2021
- Innovate beyond the obvious – potential exists for bone, cognitive health and eye health
  - Graph 13: functional and fortified food & drink launches, by functional claims, 2019-21
- Food formats outrank drinks as a route to functionality
  - Graph 14: added health benefits that would appeal to consumers when choosing a food and drink product, 2021
- Energy claims appeal to Millennials
  - Graph 15: added health benefits consumers find appealing when choosing a food and drink product, by age, 2021
- Pair energy claims and eye health benefits in food formats to extend reach to seven in 10 consumers
- Drinks that combine energy provision with digestive and relaxing benefits are the most appealing
- Busy routines drive employed consumers to look for relaxing products
- Eye health claims are not fully explored in mainstream categories
  - Graph 16: food & drink launches with eye-health related claims, by sub-category, 2019-21
- Antioxidants will help boost the focus on eye health especially for older consumers
  - Graph 17: awareness of antioxidants in food and drink products, by age, 2020

## Important factors impacting functional food/drink choices

- Address the knowledge gap for functional ingredients and their benefits
- Transparency of product benefit claims is vital to maintain trust for the older consumers
  - Graph 18: agreement with select statements, by age group, 2021
- Trust is crucial for functional food and drink
  - Graph 19: factors encouraging trials of new functional food and drink products, 2021
- Premiumise naturalness for the affluent older consumers
- Position functional food as a complete meal for the older consumers
- SEC B are strong believers in efficacy but price is an issue
  - Graph 20: agreement with statement "foods/drinks that claim health benefits usually deliver on what they promise, by socio-economic groups, 2021
- Make functional food and drinks appealing for taste buds
  - Graph 21: agreement with select attitudes to functional food and drink, 2021

## MARKET APPLICATIONS

- Opportunities: key areas of focus

### Create awareness to build trust and drive usage

- Call out key functional ingredients and explain their benefits
- Offer scientifically substantiated benefits and proof of efficacy
- Nutrilite B Natural ABC "nutribev" promotes links with science and nature

- Traditional medicine can boost functional claim credibility

## Support new wellness priorities

- Create products specifically targeting eye health & the protection against blue light
- Brands can incorporate eye-protective antioxidants: lutein and zeaxanthin
  - Graph 22: food, drink launches with eye health claims, top 10 ingredients, 2016-20
- Grow mature categories with eye health benefits
- Support for screen-bound lifestyles highlighted on pack
- Boost cognitive performance and address mental fatigue
- Tackle specific requirements for brain boosting
- Consumers are seeking stress relief and relaxation
- Dual benefits: stress reduction and immune system support
- Emerging ingredients to help cope with stress and anxiety
- Look into mood-enhancing ingredients that support improvement of sleep

## Extend functional claims to mainstream categories

- Potential for functional claims to grow in snacks, dairy and juices
  - Graph 23: share of launches with functional claims, by category, 2019-21
- Satisfy consumers' basic requirements for taste
- Use snacks as a medium to deliver fruit and vegetable intake requirement
- Leverage the demand for immune support to promote usage of prebiotics and probiotics
- Beyond drinks, extend caffeine's usage in food
- Expand energy boost benefits from energy drinks into more 'food-like' categories
- A variety of dairy formats can deliver on eye health functionality
- Call out functional ingredients front and centre of the pack

## Use traditional ingredients

- Hero the Indian herbs
- Condiment-inspired products give consumers the power to create functional food or drink
- Innovate with teas to provide relaxation
- Blend taste and tradition for women
- Effective communication explains functional benefits

## APPENDIX

- Report definition
- Consumer survey methodology

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