Getting Ahead of the Curve: Immunity

By Dr. A. Elizabeth Sloan

Immunity is one of the fastest growing—and most elusive—nutraceutical markets. The fear of losing one's job if they become ill, global mega viruses, e.g., H1N1, an unprecedented intolerance among schools to allow children with even minor ailments to stay in class, and the return of serious infectious diseases, e.g., whooping cough, have heated up the immunity market, way beyond its upcoming seasonal boost.

In 2009, 72% of U.S. adults took a vitamin and/or other supplement to strengthen their ability to fight infection/illness—61% a multivitamin, 41% an individual nutrient and 16% a combo product, according to the "2009 Gallup Study of Nutrient Knowledge & Composition." About half (52%) bought foods/drinks to boost their immune response, mostly those "naturally rich" in nutrients (46%) or fortified (32%). Sales of vitamin C supplements jumped 8% to $970 million in 2009; echinacea 7% to $130 million, reports *Nutrition Business Journal*.

Despite this explosive demand, recent intense scrutiny from FTC, FDA and EU authorities have made the immune segment a regulatory minefield. Airborne settled a lawsuit for more than $23 million, CVS paid nearly $3 million in refunds for misleading claims for AirShield and FDA warned more than 75 websites to stop selling 135 products using fraudulent H1N1 claims. Most recently, Danone, Kellogg's and Nestle have been slapped for probiotic-based immunity claims on their children's products. Lastly, EU authorities have refused to support probiotic health claims.

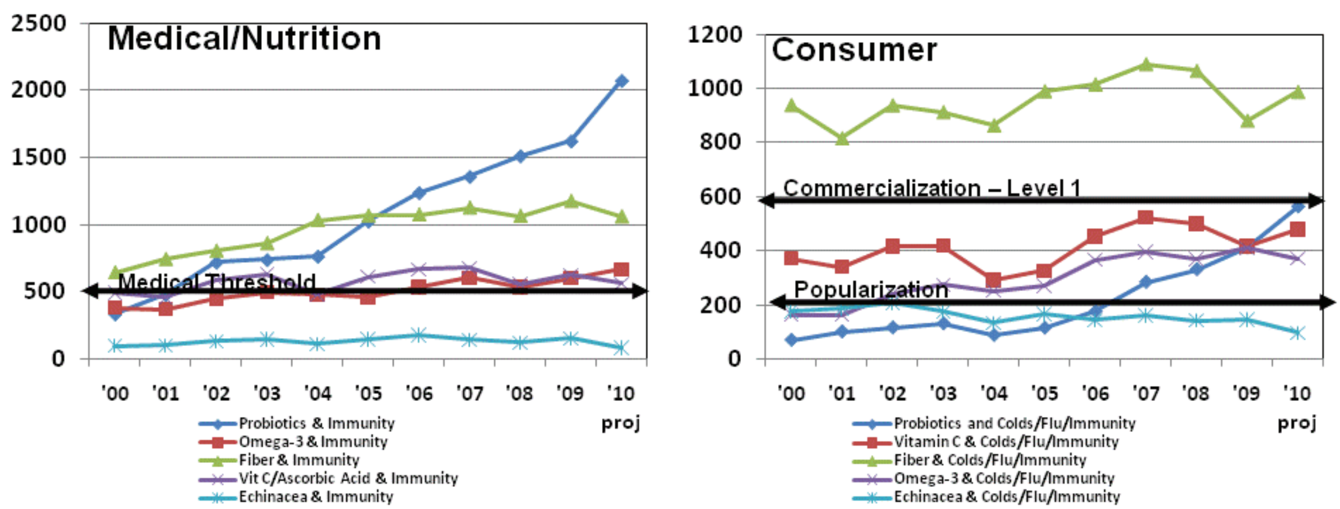
Market Potential

Not surprisingly, consumers are returning to "tried and true" products they believe boost immunity. More than eight in 10 adults (85%) look for a specific ingredient: 67% vitamin C, 46% whole grains, 39% fiber, 37% superfruits, 35% omega 3s, 25% herbal ingredients and 24% probiotics, according to Gallup.

According to Sloan Trends' TrendSense model, immunity is a mass-market opportunity, with activity way above both the Medical/Nutrition and Consumer thresholds. However, when looking at individual health linkages to the term immunity in the Medical activity or colds, flu and immunity in the Consumer activity, there are only a few standout ingredients.

Only fiber has reached mass-market status for colds/flu/immunity and it appears that probiotics will be the next health linkage to move out of the Popularization Phase and into the Commercialization Phase. Surprisingly, vitamin C and omega 3 remain in the Popularization Phase, "on target" to condition-specific, very health-conscious and/or specialty channel shoppers. Herbs such as echinacea are still in the Emerging Phase, indicating there is not enough medical/nutrition activity to create an immunity health linkage with mainstream consumers. Echinacea is the only ingredient shown on the TrendSense chart where Medical activity has not crossed the critical threshold for a long-term sustainable trend.

TrendSense™ Predictive Model: Immunity & Health Linkages



** Although there are many factors that go into determining consumer trends, measuring how medical/nutrition activity levels have risen over the past decade, as well as some of the key milestones that have occurred and how these issues have been understood and embraced by the public are essential in predicting the sustainability of the Consumer trend line.*

Growth Opportunities

• 8 in 10 consumers plan to save on medical expenses by trying to keep healthy; 1 in 3 have cut back on MD visits in an effort to self-treat; 1 in 4 are replacing Rx medications with OTC options (IRISymphony, 2010).

• Americans average 1 billion colds per year; 17% suffer from a virus/flu (Global Industry Analysts, 2010). Forty-five percent of cold suffers used a fortified food/drink to treat it, 27% a supplement, 34% an OTC, 41% a Rx drug and 27% an alternative remedy (HealthFocus, 2009).

• Protecting children from colds and coughs is the #1 concern of moms in the U.S. and Canada (HealthFocus, 2009). Parents are increasingly using herbal and homeopathic medicines for their children (NIH, 2009).

• Young adults aged 18-24 and those 55+ are the most concerned about immunity (Mintel, 2009). Creating multi-functional products for these groups is a good idea.

• 1 in 5 lower income consumers (households under $55K) bought a food/drink for immunity in 2009 (Packaged Facts, Functional Food Report, 2009).

Functional Foods: Six in 10 (60%) consumers want more immune-boosting foods/drinks (Mintel, 2009). With vitamins, whole grains, fiber and superfruits topping the list of ingredients consumers associate with immunity, naturally functional products (e.g., juices, yogurts, gums, frozen fruit mixtures/snacks), blended to achieve very high levels of vitamin C should have high appeal.

Superfruits represent another strong food-based immunity platform. According to the "2009 Gallup Study of Fruit," acai, pomegranates, blueberries and cranberries are the best known superfruits. In 2009, 45% of consumers drank orange juice to boost immunity, 34% yogurt, 32% cereal, 28% soup, 19% enhanced water and 9% nutrition bars (Gallup).

With those 18-24 among the most interested in immunity, an immune boosting energy shot—now a $755 million segment, up nearly 40% in 2009—is a huge opportunity. The majority of new products claiming immune enhancement are limited to drinks (41%)—particularly tea, baby formulas, juices and dairy beverages—pet food (22%), dairy (9%), candy (8%) and cereal and energy bars 1% (Innova Market Insights, 2010). A superfruit high fiber cereal should be well received.

Mothers (57%) report a strong interest in buying beverages for their preteen children that are specially formulated to strengthen their immune system ("2009 Gallup Study of Children's Beverage Habits").

Dietary Supplements: Supplements are the first choice for trying to strengthen the immune system, according to Gallup—61% of consumers opt for multis, 41% individual nutrients and 16% combo products. With those over 55 being the most interested immunity and the #1 supplement users, developing multi-functional products for this age group in pill form should have high appeal.

Practitioners could also be an important channel for immune boosting supplements, especially gastroenterologists, pediatricians and family physicians. Doctor and pharmacist recommendations are also back in vogue—79% of MDs and 82% of nurses recommend supplements to their patients ("Council for Responsible Nutrition Healthcare Professionals Impact Study," 2008). U.S. dietary supplement sales through practitioner channels, chiropractors, nutritionists and acupuncturists grew 9% to more than $2 billion in 2009 (*NBJ*, 2010). More than one in 10 dermatologists who recommend supplements does so for immune health.

Aside from an ingredient breakthrough, unique supplement forms and speed of delivery for high doses of traditional nutrients such as effervescent tablets or sub-lingual strips are other important delivery options. Lucky for supplement marketers, there is a wide variety of herbals and other specialty ingredients that offer immune-boosting properties, such as echinacea, goldenseal, garlic, elderberry extract and astragalus, along with more traditional offerings like zinc and vitamin D.

References furnished upon request.

About the author: *Dr. A. Elizabeth Sloan is president of Sloan Trends, Inc., Escondido, CA, which is a consulting firm that offers trend-tracking and predictions, strategic counsel and business-building ideas for food, supplement and pharmaceutical marketers. Each month she will provide analysis and discuss opportunities of a particular market being covered in a given issue.*

SLOAN TRENDS' TRENDSENSE is a 15-year-old trend tracking system, which identifies and quantifies trends as well as predicts the optimal timing, sustainability and life-cycle stage of ingredients, terms, product opportunities and related market issues.

The model displays medical and consumer "activity levels" based on a comprehensive analysis of five critical sources of information—consumer, trade and competitive, legal and regulatory and media coverage. The resulting charts give insight into the market's changing health issues and concerns, the ingredients that are up-and-coming and those that have just about run their course, as well as what health claims, marketing messages and products will bring your company the most success.

• **Emerging Phase** = Trends begin to appear on the radar screen. Companies should begin to collect literature and market details for those that exhibit continual growth and that might be of interest.

• **Popularization Phase** = Medical/Nutrition crossover to consumer media and marketplace; opportunity for niche or specialty markets. Marketers/manufacturers should begin a detailed evaluation of the supporting marketing and scientific data and determine if this term/trend offers a good strategic fit and is appropriate to pursue. Appropriate product development procedures should be undertaken.

• **Commercialization Phase** = Mass-market ready. Mainstream consumers have a significant degree of familiarity with the term/trend and there is opportunity for competitive advantage by getting out ahead of the competition or by providing a unique and highly innovative product positioning for success.