Marketing Trends in Protein: Are You Capitalizing on the Opportunity?

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Steve French, Managing Partner, NMI
NMI Provides Unparalleled Global Expertise in Health & Sustainability

- NMI is an international strategic consumer insights firm, specializing in consumer trends and innovation since 1990.

- Our mission is to focus on the interconnectedness of personal health/wellness, sustainability, and healthy aging.

- Our goal is to help clients grow their business through the identification and validation of new ideas and solutions.
Trends in usage

Protein
Consumers who seek out foods that are high in protein has skyrocketed

% General Population (GP) indicating they seek out foods that are high in protein

2006  2007  2008  2009  2010  2011  2012  2013  2014

39%  53%

got protein?
Driven by increased consumer needs...

% GP considering themselves deficient in protein

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<tr>
<th>Year</th>
<th>2010</th>
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<tr>
<td>%</td>
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<td>17%</td>
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Protein trends driven from two main sources

Product Availability

Perceived Benefits

- Energy source
- Weight management
- Muscle mass/strength
Creating increased protein label checking behaviors

% GP checking for protein most often food/beverage product label
Protein products have proliferated across many categories
Categories are in various stages of the “protein life cycle”

- Wholesome Snacks: +16%
- Nutritional: +5%
- Cat Food: +2%
- Yogurt: -1%
The “original” protein source: animal-based

- Animal Based
  - Egg Protein
  - Dairy Protein
  - Gelatin

- Whey Protein

53% of GP
Aware of whey protein

40%
Use whey protein
(of those aware)
Whey protein is migrating from niche to mainstream

- Early Days
- Transition
- Opportunities

- Sports Nutrition
- Infant Nutrition
- Healthy Aging
Plant-based protein awareness and usage is growing - soy is by far the most widely used

67% of current plant-based protein usage

Non-soy sources are growing
Why plant protein?

Non-animal sources of protein are gaining in popularity as consumers are looking to rebalance their diet with more plant-based options.

60% of GP
Aware of plant protein (pea, lentil, etc.)

65%
Use plant protein of those aware

ADVANTAGES:
• Sustainability
• Price
• Safety
And then there are insects - the best animal-based protein source?
The case for crickets...

**HEALTH:**

- SIRLOIN: 29%
- DRIED: 43%
- CHICKEN: 31%
- DRIED: 69%

Percentage of protein based on 100g

**SUSTAINABILITY:**

- It’s estimated that crickets are 20x more efficient as a source of protein than cattle.
- Crickets produce 80x less methane than cattle.
- Crickets need 6x less feed than cattle, 4x less than sheep, and 2x less than pigs to produce the same amount of protein.
What’s Next?

- Repositioning and value-added claims
- New formats/combinations
- Innovative processing
From new positioning/packaging for foods already protein rich...
...to a plethora of products with added protein with “value-added” claims
New protein formats will also follow macro food trends

% GP indicating they look for foods/beverages with a short list of recognizable ingredients

33% in 2006 to 53% in 2014
Protein forms with few, simple ingredients

Mixed Berry
Orange Peach
Tropical Fruit
To those with ingredients that are easily understood

Innovative process patents (and marketing) can also create new opportunities (to potentially reinvigorate declining categories)
Cold pressed products also in protein market...

This high protein, vegan fruit and oat bar has been cold pressed and not baked.

High-pressure processing, instead of pasteurization, helps preserve fruit and protein integrity.
High protein even invades home recipes/cookbooks
Best targets

Protein
NMI’s Health & Wellness consumer segmentation

Who are the best consumer targets for high protein products?

**WELL BEINGS®:** 20%

- **Most health pro-active and the most green**
- **Healthy eating already a priority**

**FOOD ACTIVES®:** 16%

- **Mainstream Healthy and eco-minded**
- **Self-directed health**

**MAGIC BULLETS®:** 21%

- **Lower commitment to healthy lifestyle**
- **Quick, easy solutions**

**FENCE SITERS®:** 25%

- **‘Wannabe’ healthy and eco-minded**
- **Health strivers**

**EAT, DRINK & BE MERRY®:** 18%

- **Least health active**
- **Little health motivation**
WELL BEINGS far more likely to be checking labels for protein...

Check for protein most often on the product label

- WELL BEINGS: 40%
- FOOD ACTIVES: 28%
- MAGIC BULLETS: 21%
- FENCE SITTERS: 29%
- EAT, DRINK & BE MERRYS: 16%
And both WELL BEINGS and FENCE SITTERS are high protein seekers

“I seek out foods that are high in protein”
Other prime protein consumer targets

“I seek out foods that are high in protein”

- Millennials highest (61%)
  - Although other generations show significant behaviors
  - Protein benefit aligns with usage (energy versus weight management)

- Households with children (60%)
  - Specific products targeted to kids
Consumers have integrated protein into their lifestyles

The $16 billion U.S. protein market is large, yet maturing

Plant-based protein sources will grow faster than animal-based

Innovation, value-added, and new product formats can drive growth

Specific consumer groups represent prime targeting opportunities