



GAME CHANGER

The next big
thing in sports
nutrition?



SPORTS NUTRITION: AN UNSTOPPABLE RISE?

The sports nutrition category has enjoyed a dramatic rise in recent years. Its audience has expanded far beyond the traditional core of serious athletes and bodybuilders to encompass new consumer groups. Often dubbed “weekend warriors” or “active lifestyles,” they have helped blur the lines between traditional sports nutrition products and other beverages and supplements.

Mainstreaming has driven phenomenal growth. Between 2004 and 2018, the global sports nutrition market grew by 190%.¹ In 2019, it was worth \$17 billion, and it is forecast to reach **\$21 billion by 2023**, a CAGR of 7.9%.²

However, manufacturers of sports nutrition products cannot take this growth for granted—it will continue only if they can meet the evolving needs of consumers. **Innovation must be targeted while taking into account the evolution of the new groups looking for sports nutrition products.**

In this white paper, we:

- ✓ Offer insights into global and regional sports nutrition markets, focusing on key consumer trends and opportunities for innovation.
- ✓ Explore what consumers are calling for and how manufacturers can meet that call.
- ✓ Look at the latest research for clues as to what the “next big thing” might be.

INSIGHTS INTO REGIONAL MARKETS

Though many trends in sports nutrition markets apply across the world, significant differences exist between regions.



North America

Worth \$10.1 billion in 2019, the North American sports nutrition market is the world's largest by quite a margin. It is growing healthily, albeit more steadily than some other markets. **By 2023, it will be worth \$13.0 billion, a CAGR of 6.6%.**³ Most of that is accounted for by the U.S., the world's single-largest regional market.

In North America, 79% of all people (frequent exercisers, occasional exercisers, and non-exercisers) are interested in food or drink that improves physical performance, energy, or stamina, but only 28% are actively buying.⁴ This statistic points to both the white space and the opportunity for sports nutrition product innovators.



Asia-Pacific

Though the North American sports nutrition market is by far the world's largest, the one enjoying the most rapid growth is Asia-Pacific's. **Currently worth \$1.4 billion, it is forecast to reach \$2.3 billion through 2023.**⁵ A very high proportion of this is accounted for by three countries; Japan, China, and India generate 90% of total value sales in the region.⁶

The phenomenal growth in the Asian market (CAGR 12.7%) is being driven by increased interest in fitness and healthy lifestyles. There is a "rising trend amongst consumers to join gyms, as well as resorting to supplementation through sports nutrition products to maintain a balanced diet."⁷ The increasing prevalence of internet retailing has helped boost market growth in China in particular.⁸



Another significant factor is the impact of major international sporting events. Asia will not only host the 2020 Olympics in Tokyo but also the 2022 Winter Olympics in Beijing, having already delivered a successful 2018 Winter Olympics in PyeongChang. All of these major sporting events have helped promote the health and wellness trend, driving interest in sports among mainstream consumers and directly impacting sales.

A focus for many active Asian consumers is immune health. Over half (52%) of internet users in China list improving their immunity as one of their reasons for taking part in sports and activities.⁹

For this reason, sports nutrition products that can help strengthen and maintain the immune system may resonate particularly well with consumers in this region.



Europe

The European sports nutrition market is projected to grow from \$3.1 billion in 2019 to \$4.7 billion in 2023, a CAGR of 10.6%.

The UK is its largest market, with a predicted CAGR of 19% through 2023.¹⁰ And the market is widening, moving from a traditional male-dominated industry to a more mainstream audience. For example, there has been a shift from “hyper masculine” marketing to a greater focus on women. Other signs of a broadening base can be seen in the evolving positioning of sports nutrition products like protein bars. More recently, after they've been rebranded as a healthy snack¹¹, their once niche market has expanded to everyday users.

In Europe, another factor driving this sector is the aging population, which is turning to sports nutrition products for their health benefits.¹²



Latin America

In Latin America, sports nutrition is currently going through a process of evolution, with consumers still learning about its benefits. **The market currently has a value of \$1.2 billion, predicted to expand at 8.9% CAGR to \$1.7 billion by 2023**, with growth largely driven by strong performance in Brazil.¹³ Recent changes in regulations that set out rules for formulation, labelling, therapeutic indications, and authorized claims, as well as the quantities of ingredients recommended for daily intake, are expected to drive both innovation and sales in the region.

The Latin American customer base looks set to grow as consumers learn more about the benefits of sports nutrition products and their confidence in these products increases, thanks to the new regulations. The growth in the numbers of sports clubs and gyms is contributing to an increasing market for these products. As consumers increasingly take part in sports activities associated with healthier lifestyles, awareness of the performance-improving benefits of sports nutrition products increases accordingly.¹⁴



STATE OF PLAY: CURRENT SPORTS NUTRITION TRENDS

The evolving use case for sports nutrition

The most important trend in sports nutrition is the diversification of the customer base. Today's sports nutrition consumer now may be anyone from a professional athlete to a casual gym-goer buying an isotonic beverage after a brief weekly workout.

This has driven a complete transformation of the predominant use case for sports nutrition. Casual and lifestyle users are less likely to focus on performance nutrition than on active nutrition, or even simply on healthy living. Research also shows that these "active lifestylers" are influenced more by sensory appeal (e.g. taste) and align with more mainstream needs (e.g. convenience) than the specialists, such as athletes training for an event, who require a more extensive nutritional program.¹⁵ Active lifestylers are unlikely to order large vats of protein powder, but are very likely to pick up a sports bar at the store.



The social effect

The rise of influencers and social media is shaping the active nutrition market, highlighting to many different audiences—especially millennials—an appeal to stay in shape. Take for example the impact of YouTube, Instagram, and Pinterest, which have countless dedicated channels and influencers with countless followers offering tips and endorsing sports nutrition products.

This sort of social culture is also helping to widen the consumer base for sports nutrition by providing more information and visibility to the industry.

With that comes opportunity. With a larger consumer base and an ongoing social culture for active nutrition, manufacturers need to look at how, where, and why people are consuming information that is influencing their purchases and the understanding of their individual health and wellness needs.



Protein—not on top forever?

Protein currently dominates sports nutrition markets, but given the radical change in the category's consumer base, there is scope for disruption. A wider variety of consumers means a wider variety of needs, goals, and health concerns. Not every active consumer is interested in muscle-building, and these consumers' understanding of sports nutrition has expanded to include areas such as immune health and mental clarity. Though these active lifestyles may not want high-protein products for muscle bulk, there is still an opportunity to develop products that will deliver moderate protein doses coupled with other benefits, such as immune system support, that these consumer groups desire.



More skepticism demands more evidence

Consumers want products they can trust and that also offer real, scientifically proven benefits. However, in the U.S., only 15% of people believe that nutrition and performance drinks deliver on their claims.¹⁶ Therefore, there is a need for both greater transparency and claims backed by robust scientific evidence.

This presents an excellent opportunity for manufacturers that utilize research-backed branded ingredients to build trust in their products with consumers. If the evidence is there, consumers will respond to it positively.

WHERE ARE THE BIG OPPORTUNITIES FOR MANUFACTURERS?

So what's the “**next big thing**” that will fuel sales in the sports nutrition category?

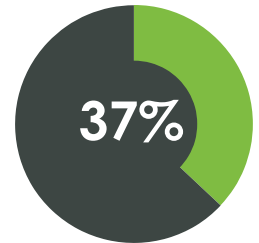
Active consumers focus on immunity

Immune health is a key concern for consumers of nutrition products. A Harvard Opinion Research Program study of 1,579 adults found it to be one of the top three reasons people bought supplements, ahead of heart and digestive health.¹⁷

And immunity becomes even more important when focusing on a particular sporting or fitness goal. Intense or prolonged physical activity can weaken the immune system, increasing vulnerability to infections and the risk of missed training sessions, not to mention longer-term health issues. Consumers now understand that not only do our muscles need time to recover, but so do our immune systems.

Immune health is an important goal for both elite athletes and casual fitness enthusiasts alike, resulting in clear demand for products that offer this important benefit.

¹⁷ Decker, Kim "Immune-health ingredient update 2019" Nutritional Outlook, 21 February 2019
¹⁸ Mintel, Sports and Energy Drinks-UK, August 2017



UK consumers would buy a sports drink that supports the immune system.¹⁸

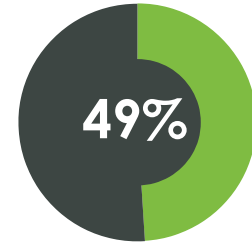


Product format differentiation

Supplements are and will remain a top performer in the increasingly diversifying sports nutrition space. However, the market is not limited to protein supplement powders. There is an emerging trend for lifestyle supplement products that are geared toward a variety of active consumers and promote a range of health benefits. A greater range of formats are newly available in shots, capsules, and gummies. This means that there are opportunities to incorporate functional benefits into an increasingly wide range of food and beverage applications. Many products can be packed with recommended daily servings of fruits, vegetables, and vitamins or given additional benefits such as immune health support. There is also evidence suggesting that sports nutrition consumers are receptive to experimentation.

The highest potential for adaptation may be in beverages, which meet the need for convenience and can be customized with nutrition ingredients in a way that some foods cannot. Many time-starved athletes also turn to snacks as a way to fuel up before a session or to replace a missed meal. Within the snacking sector, there are opportunities to meet trends such as demand for protein and plant-based ingredients in convenient and nutritious ways that also offer functional benefits.

19 GlobalData Ingredient Insights: Energy and Performance—Sept 2018



Sports nutrition consumers try new or different sports or energy foods sometimes or often.¹⁹



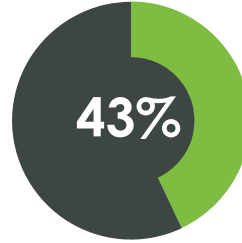
Keep it personal

Active consumers are used to products and services tailored to their individual needs. Technology has created new opportunities for personalization, and bespoke training programs, whether created online or at the gym, are now the norm.

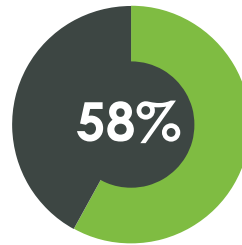
Similarly, consumers increasingly expect personalized nutrition products targeted at their specific requirements. This can mean professional diet and nutrition plans carefully designed to meet individual needs, but on a more basic level, it has created demand for a wider variety of products and formats.

Treating consumers as individuals can be an important strategy for differentiation.

As sports nutrition shelves become more crowded, targeting specific consumers and making them feel that the product was designed with their unique needs and goals in mind is key.

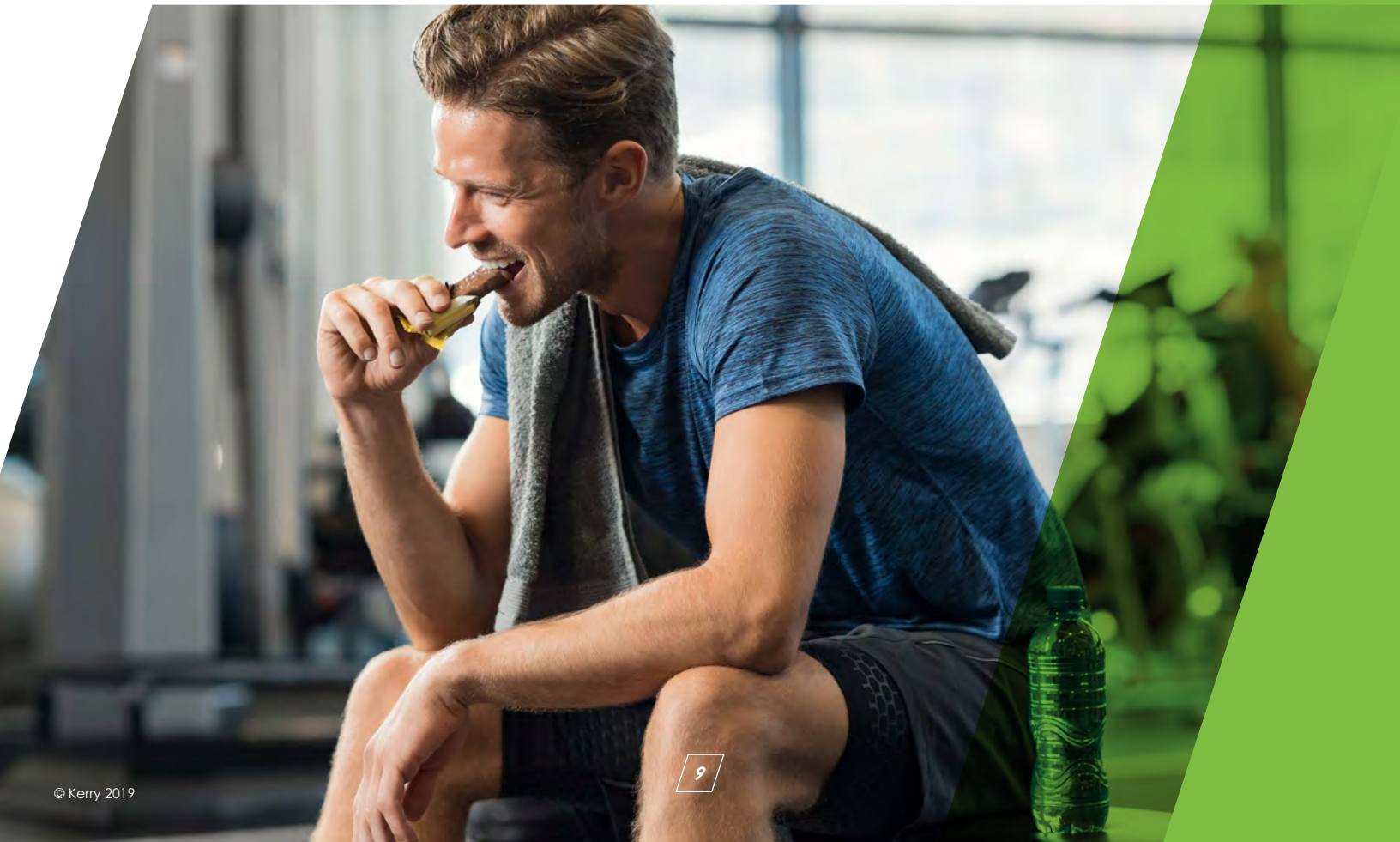


Consumers perceive “just for me” product solutions as favorable.²⁰



Consumers say they are often or always influenced in their food choices by how well a product is tailored to their needs or personality.²¹

20,21 GlobalData, Global Consumers Survey Q3, 2016



Different groups, different needs

The new broader sports nutrition consumer base now encompasses a wide range of demographic groups and needs.

Because of population aging, seniors are an increasingly important group for nutrition markets generally, but they are underserved in the sports nutrition category.

<1% New sports nutrition product launches in Western Europe aimed at seniors, **indicating an urgent need for innovation.**²²

Similarly, research has suggested that the industry could be doing more to meet the sports nutrition needs of women. An analysis by Lumina Intelligence found that **just 2.1% of sports nutrition products are targeted at women**, and those that are have low online engagement levels.²³

Of course, there is no one-size-fits-all solution for athletes, and different strategies are needed to reach different groups. However, it is worth keeping in mind that all consumers want to make a connection between functional ingredients and benefits, and that immunity is relatable for everyone.

²² Cash, Emma-Jane 'What's new for the European market of sports nutrition?' Nutraingredients.com 27-Jun-2017

²³ Cutler, Nikki 'Stats revealed: Women's sports nutrition fails to pack a punch', Nutraingredients.com, 8 Mar - 2019



Beyond powders and shakes

The new diversity of the sports nutrition consumer base has forced manufacturers to develop a greater variety of products and formats. **Over the past five years, the top product categories in the sector were meal replacements, sports drinks, and snack, cereal, and energy bars.**²⁴ Delivery formats are also evolving because manufacturers are attempting to offer formats that are convenient and meet the taste needs of an increasingly mainstream audience.²⁵ Examples of products that display this trend for diversity and innovation are:



Optimum Nutrition Gold Standard BCAA, an endurance training drink mix that includes branched chain, amino acids, electrolytes, vitamin C, and Wellmune for immune system support



Claricell Activia, a nutritional support supplement, that provides relief from symptoms of asthma and allergy, and primes the immune system to protect against infections



Gifted Nutrition's Ultimate Iso Whey, which helps strengthen the immune system and speed up system recovery in the post-workout phase



My Whey's Matcha Green Tea Flavor protein drink, which includes 19 vitamins and amino acids, calcium, and yeast beta glucan

What these all have in common is they include Wellmune® as an ingredient.

²⁴ Mintel GNPD, 2018

²⁵ GlobalData, Ingredient Insights: Energy and Performance, September 2018



WELLMUNE® — IN A LEAGUE OF ITS OWN

From recreational to elite athletes, the importance of staying healthy and ready to train is essential. Wellmune helps athletes stay healthy during and after intense exercise, allowing for harder and longer training.



Keeping athletes primed for performance

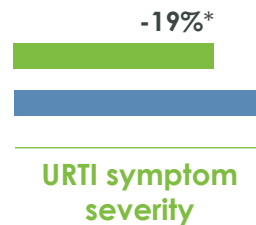
A natural immune health ingredient, Wellmune, is a proprietary baker's yeast beta 1,3/1,6 glucan. It has several clinically proven benefits for immune health, setting it apart from other immune health ingredients on the market. **In fact, it is the only yeast beta-glucan ingredient supported by more than a dozen published, peer-reviewed clinical studies,** many of which took place in a sports nutrition context.

The research

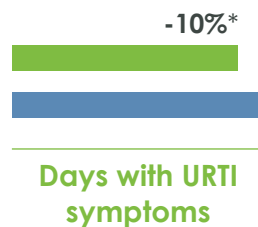
Most recently, a study in the *Journal of Dietary Supplements* demonstrated the ingredient's capacity to support the immune health of athletes in a beverage product.

■ Wellmune ■ Placebo

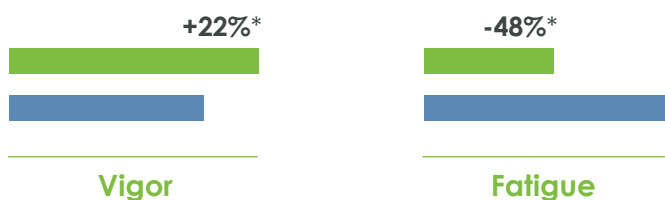
Marathon runners consuming a dairy-based drink containing Wellmune saw a **19% reduction in the severity of upper respiratory tract infections (URTIs)** compared to a placebo group.²⁶



Runners consuming the drink containing Wellmune missed fewer post-marathon workouts and enjoyed a **10% decrease in total symptomatic days**.²⁷



Previous clinical research found that marathon runners taking Wellmune experienced a **22% increase in vigor and a 48% reduction in fatigue**.²⁸



26,27 Mah, E, Kaden, VN, Kelley, KM, Liska, DJ 'Beverage Containing Dispersible Yeast β -Glucan Decreases Cold/Flu Symptomatic Days After Intense Exercise: A Randomized Controlled Trial', *Journal of Dietary Supplements*, 31 October 2018

28 Talbott S, and Talbott J. 'Effect of Beta 1,3/1,6 Glucan on Upper Respiratory Tract Infection Symptoms and Mood State in Marathon Athletes' *Journal of Sports Science and Medicine* 8:509-515, 2009

*p<0.05

But you don't have to be a marathon runner to enjoy the benefits of Wellmune. Another clinical study was carried out on adults at an average fitness level. It examined the effects of Wellmune on immune function immediately following exercise and during recovery and after strenuous exercise. Participants who took Wellmune maintained elevated levels of cytokines immediately following exercise and during recovery. They also had a significantly higher level of monocytes and T-cells in the blood. These findings suggested that participants taking Wellmune may be able to avoid common post-exercise immune suppression. These factors may be a result of various environmental factors, such as increased exposure to crowds or travel exhaustion, as well as physical and psychological stress.²⁹

Trusting the science and the brand

In addition to being backed by a substantial body of scientific evidence, Wellmune is a unique brand that connects with consumers. Its immune health benefits are not only relatable to all, but can also be personalized to appeal to specific customer groups, such as older adults, women, and people affected by stress. Wellmune can be formulated into products as a standalone immune health ingredient, or can be utilized in products with multiple benefits, such as high-protein sports nutrition products.

Scientifically proven, versatile, and consumer-friendly, Wellmune is the perfect ingredient for the rapidly evolving sports nutrition markets.



Get in touch! If you want to learn more about Wellmune for your next sports nutrition product, email us at wellmune@kerry.com. Our experts can help you from start to finish.

29 McFarlin BK, Venable AS, Carpenter KC, Henning AL, Ogenstad S 'Oral Supplementation with Baker's Yeast Beta Glucan Is Associated with Altered Monocytes, T Cells and Cytokines Following a Bout of Strenuous Exercise' Front Physiol. 8:786. 2017 Oct 20