B&M Forum

Market trends and product positioning
State of the European supplements industry

Speaker:
State of the European Supplement Industry
Vitafoods Europe 2018

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Annual global supplement sales hit $129 billion in 2017

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
U.S. maintains highest market share with over one-third of global supplement sales

- United States: 34.1%
- China: 14.3%
- United States: 34.1%
- Other Asian Countries: 10.6%
- Eastern Europe and Russia: 5.4%
- Western Europe: 13.4%
- Japan: 9.1%
- Latin America: 7.3%
- Australia/New Zealand: 2.2%
- Canada: 1.6%
- Middle East: 1.1%
- Africa: 0.9%

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Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
2017 European supplement market overview – growth reaches 5.1% with sales at $23.8B

Supplement Sales and Growth

Supplement Market Share, 2017e

- Vitamins & Minerals: 35%
- Herbs & Botanicals: 41%
- Sports, Meal, Homeopathic & Specialty: 24%

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
European GDP echoes trend in supplement sales

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Regulatory environment in Europe limits health claims

2012:
222 Functional Health Claims initially approved by EFSA

2012 - 2017:
48 New Functional Health Claims Received by EFSA
13 Withdrawn
27 Opinions

2015:
Most recent positive opinion from EFSA

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Safety
Science
Trust
Clean Label

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Sports Nutrition is major opportunity with strongest growth in the European industry

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
2017 Western European supplement market overview – growth recovers to 3.1% reaching $16.6B

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
2017 Eastern European supplement market overview – growth remains steady at 10.0% reaching $7.2B

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
France: 2017 sales projections reach $2.3 billion with recovering growth of 4%

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Germany: 2017 sales projections reach $4.0 billion with recovering growth of 2%

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Italy: 2017 sales projections reach $1.8 billion with recovering growth of 5%

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Scandinavia: 2017 sales projections reach $1.5 billion with recovering growth of 3%
United Kingdom sales stronger than other W. Europe countries, in part due to benefit of exchange rate

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Changing retail landscape
Top five channels by 2017 growth
Survey of Branded Supplement Manufacturers

1. E-Commerce – Third Party
2. E-Commerce – Company Website
3. Natural
4. Dietary Supplement
5. Specialty

Source: New Hope Network survey conducted Q1 2018 (N=136)
35% of surveyed branded supplement manufacturers think brick and mortar will not be at all important in 5 years.

Source: New Hope Network survey conducted Q1 2018 (N=155), All Manufacturer Results

Question: How would you rate the importance of each channel over the next five years?
Using social media to turn consumer anecdotes into evidence

Speaker:
Peter Brady, CEO and Founder, Orbital Media, UK
TURNING ANECDOTES INTO EVIDENCE & PRODUCT CLAIMS

REAL WORLD EVIDENCE (RWE) VIA DIGITAL & SOCIAL MEDIA

ORBITAL MEDIA

INNOVATE | CREATE | CONNECT
Presenter

Peter Brady
CEO of Orbital Media
The uk’s most innovative digital agency

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
RWE BACKGROUND

Where a historic RCT has taken place and there is a desire or need to refresh, strengthen and generate new claims, a RWE study is a great, cost effective alternative to a new RCT.

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Traditionally RWE is undertaken via observational studies using medical records & patient surveys

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Structured snapshot of real user, patient / consumer experience
Increasingly accepted as adjunct or alternative to new RCTs in context of Over The Counter (OTC) licensed medicines and in principle, believed to be acceptable to European Food Standards Agency (EFSA)

Can also supply invaluable and credible supporting evidence for functional food and nutraceuticals

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
RWE results are more easily understood by healthcare users

&

RCT exclusions are avoided
PRODUCT CLAIM Problem:

How does a product acquire up-to-date evidence that supports differentiating claims?

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Typical Claim problems...

Old or creaky evidence

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Typical Claim problems...

No differentiation between brands using same active ingredient

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Industry and regulatory organisations require evidence for claims. In the UK Proprietary Association of Great Britain (PAGB), Medicines & Health products Regulatory Agency (MHRA) and Advertising Standards Authority (ASA)
Significant risks associated with securing or strengthening claims via RCT:

1. BUDGET

2. TIME

3. RESULTS PUBLISHED
PRODUCT CLAIMs SOLUTION:

a brand new rwe process, using digital & social media To recruit users into large-scale studies, That could lead to New or STRENGTHENED claims

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
RWE via digital & social media has been developed collaboratively over the last 2 years by Orbital Media and Dr Martin Goldman

It is an award winning, multi peer reviewed methodology, with a 100% success rate

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution process - phase 1

1. Back to basics: what claims do we want to make and why?

2. What would a peer-review process demand?

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution process - phase 2

3. Recruitment strategy via digital, social media & customer databases

4. Expert designed study using validated outcome measures

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution process - phase 3

5. Translate study on to optimised digital platform

6. Pilot and launch within digital & social media

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution process - phase 4

7. Report for brand owner

8. Peer review & publication

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Proven with OTC licensed medicines in the UK, with pipeline projects pending in functional food & other categories.
Current position

X2 projects completed within the OTC licensed medicine category

X1 project completed in the functional food category, with results and academic study pending for submission into medical journals

Currently, no reason to believe that this methodology will be treated any differently within the context of functional foods by EFSA

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution - case study 1

**Sudocrem Antiseptic healing cream**

- 86 year old brand with grandfather license
- Poor evidence base, and none to support ‘healing’: no promotion of healing permitted
- Last published evidence in 1988, with less than 100 patients
- Promotional claims regularly challenged
Solution - results

Sudocrem Antiseptic healing cream
New claims secured

1. Product heals nappy rash rapidly

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution - results

Sudocrem Antiseptic healing cream
New claims secured

2. Anti-inflammatory action

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution - results

Sudocrem Antiseptic healing cream
New claims secured

3. Reduces redness, swelling, pain and heat of nappy rash **within 24 hours**
Solution - case study 2

infacol

Limited and controversial evidence

Colic poorly understood condition

Promotional claims regularly challenged

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution - results

Infacol
New claims secured

1. Infacol reduces or resolves symptoms in **9 out of 10** colicky babies

A real world evaluation of a treatment for infant colic based on the experience and perceptions of 4004 parents

Martin Goldman, Chief Medical Officer, latros Consulting, London; Tricia Beaumont, Director of WeThink and Consultant to Teva UK, London.

Abstract

Infant colic (IC) is a common condition in young babies seen by primary care health professionals, especially health visitors. Nevertheless, the diagnostic criteria for IC are vague, which has resulted in a lack of clarity in published guidance on its causes and treatment. Credence has been given to alternative therapies, while health professionals are sceptical about the efficacy of over-the-counter treatments. Some 4004 parents of babies considered to have IC participated in this retrospective real world evidence study on the efficacy of a simeticone suspension in the treatment of IC. They were recruited via social media sources and were eligible for inclusion if their baby had received at least one dose of the simeticone suspension.

Data were collected via an online questionnaire. The results showed that crying and discomfort-associated behaviour reduced and the babies' sleeping patterns improved following use of the suspension. More than two-thirds (69.7%) of respondents, who either used the suspension on its own or alongside another treatment, reported improvements in the signs of IC within one day. Almost all (93.2%) considered that its use was associated with either complete resolution of IC or had some effect on symptoms.

Current understanding of IC

Many studies have used the Wessel criteria to diagnose IC. The classic Wessel definition of IC is also called the “rule of three”: when a baby’s crying lasts more than 3 hours a day for more than 3 days a week for at least 3 weeks (Wessel et al., 1964). This definition is spoken from the Rome III criteria (Rome foundation, 2006), which requires the presence of at least three of the following signs in infants aged ≤12 months:

- Persistent or intermittent fussing or crying that starts and stops without an obvious cause
- Episodes lasting 3 or more hours/day for at least 3 days/week for at least one week
- No failure to thrive.

According to NICE Choices, IC is the

Source: *Nutrition Business Journal (2017 preliminary estimates; mil, consumer sales)*
Solution - results

Infacol
New claims secured

2. Most users report improvement to symptoms on the first day of use
Solution - results

Infacol
New claims secured

3. Most users report results within 2 hours

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Solution - results

Infacol
New claims secured

4. 9 out of 10 users report reduced crying in colicky babies

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Limitations of rwe via digital & social

limitations

Not used (so far) to amend or change Summary of Product Characteristics (SmPC) or Marketing Authorisation (MA) for a licensed medicine

Used to only interpret and bolster

Not currently a full substitute for RCTs

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Strengths of rwe via digital & social

**strengths**

Very **low cost** compared to RCT

Source: *Nutrition Business Journal* (2017 preliminary estimates; $mil, consumer sales)
Strengths of rwe via digital & social

**strengths**

Large numbers of product users completing each study:

- 2159 study completions for Sudocrem
- 4004 study completions for Infacol

Our latest RWE projects are showing over 6,000 study completions

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Strengths of rwe via digital & social

strengths

Study promotion and recruitment via digital and social media can promote brand engagement, awareness and sales growth.
Strengths of rwe via digital & social

strengths

Study recruitment is typically rapid 4 – 6 weeks

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
 Strengths of rwe via digital & social

strengths

Reinvigorates the story a brand has to tell

Can boost marketing capability / sales long into the future

Source: Nutrition Business Journal (2017 preliminary estimates; $mil, consumer sales)
Strengths of rwe via digital & social

strengths

New claims supported by regulatory and industry bodies in the UK: MHRA/PAGB

Exploring with European Food Standards Authority (EFSA)

Industry changing methodology that could, over ten years, add **£1 billion in value** to the nutraceutical & functional food industry via:

- Reduced claim costs
- Enhanced marketing capability
- Additional sales

Source: *Nutrition Business Journal* (2017 preliminary estimates; $mil, consumer sales)
That’s all folks!
B&M Forum

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