

Health Food

Food consumption patterns and preferences are undergoing significant changes all over the world. Due to an ever-evolving lifestyle, a growing awareness of quality, and the increasing incidence of food-heart-related diseases like diabetics, obesity, etc., consumers worldwide are showing an interest in a preventive lifestyle rather than a curative approach. 'Eat Healthy, Live Healthy' is the widely accepted mantra for living a good life in today's times. It is not surprising therefore that the health and wellness movement has been on the radar of the major food companies who are proactively tapping into the rapidly growing product categories in this market.

In a huge and diverse country like India, this trend is relevant in two radically different ways; while a large part of rural India suffers from malnutrition and seeks foods that supplements basic minerals like iodine, and iron, and other nutrients like Vitamin A, a lot of people in urban India suffer from lifestyle-related disorders like obesity, coronary heart disease, diabetes, and hypertension, and seek solace in low fat, low sugar, and low cholesterol products.

The health foods sector is at a budding stage in India and is poised to register significant growth in the years to come. This market was worth INR 9,000 crore in 2010, and is expected to grow, at a CAGR of 20%, to INR 22,500 crore by 2015.

Classifications within the Health Foods Market

The health foods market, globally, is broadly split into 3 categories, viz.:

1. **Better for You:** Low cholesterol, edible oils, zero percent trans-fat, snacks and biscuits, slim milk/curd/ice-creams, diet colas
2. **Functional:** Foods fortified with such nutritional and disease-preventing ingredients as iodine, iron, lower cholesterol-inducing, and reduced fat content
3. **Natural:** Food products with natural origins, without any preservatives and chemicals, such as organic food, natural color and flavors, natural extracts, etc.

Slowly, the necessity of be healthy is anchoring the initiative towards product innovations for many F&B players. While the Dairy and Juice categories have been the leaders in processed foods and have seen an influx of probiotic, mineral-fortified, zero fat, high fiber variants, etc., the restaurant industry has also started innovating to woo health-conscious consumers. Oatmeal is a familiar example of a functional food that has been widely accepted, because it naturally contains soluble fiber that can help lower cholesterol levels. Similarly, many restaurants now regularly offer whole wheat pastas and pizzas, multigrain/whole wheat breads, and low sugar desserts to reduce the "guilt" factor from eating out and keep their consumers coming back.

Tapping into the rising awareness of a growing number of health-conscious consumers, products like probiotics and prebiotics are gaining in popularity and encouraging food service industry operators to incorporate such functional and nutritional foods in their product lines.

Some examples of health and functional foods offerings are listed in the table below:

Nestlé	Strengthening brands like Nestlé Slim and Real Fruit yoghurts
Dabur	Launched health-based yoghurt drink brand Real Activ
Kellogg's	Positioned different product offerings to suit the needs of different demographic segments e.g. kids, all-family segment, aging adults
GSK	Launched differently healthy product ranges, e.g. Horlicks Lite, Horlicks Women's, etc.

PepsiCo, the world's biggest functional foods company has transformed itself from a cola giant into the owner of some of the most interesting and successful health brands, which garner combined retail-level sales of over USD 10 billion between them. Brands like Tropicana, Gatorade, Propel, and Quaker Oats are reinforcing the company's position as a producer of healthy packaged food & beverages.

The recent declarations by scientists in the personal care industry is also accelerating the growth for the health food market, e.g. through a growing affinity for high fiber foods which help in controlling diabetic disorders. Another example is the suggestion by cosmetic scientists that probiotics can stimulate the skin's protective mechanism both through food and external applications. These declarations act as a catalyst for the tropical probiotics products' market's growth, setting it up to play a bigger role in the multibillion dollar beauty market due to its perceived health, wellness, and anti-aging benefits.

Emerging Health food Categories

Industries across the globe have equipped themselves rapidly to drive home the health advantage as a point of differentiation. Dairy, beverages, salt, staples, cookies, oils and fats, and snacks are categories which have seen a lot of product innovation and value-addition through positioning variants as health foods. Whole wheat pastas, zero trans-fat oils, whole wheat and multigrain breads, Omega 3 eggs, baked potato chips and wedges, high fiber cereals, low sugar juices, and fortified water are common on supermarket shelves today. The convenience food industry will continue to grow, and grow healthier, because it conveys a service to consumers in terms of time, ease of use, and accessibility. Low calorie foods will attain a front row positioning due to the increasing concern about obesity and an aging population. Concepts like whole foods and super foods (i.e., foods whose valuable properties have been identified by science, such as antioxidants) will occupy key areas in the mainstream consumer market. Although the soft drinks and dairy categories currently dominate the preferences of the modern consumer as well as the penetration of leading brands, there is a growing appreciation for foods which boost energy levels. These products have attributes which can be felt quickly by the consumer; this has been the major contributor towards their popularity.

Need for Product Innovation

From such earlier drivers of food as taste and quality, the food industry has evolved to a level wherein development is driven by advanced consumer desires like indulgence, conscience, and, lately, impact on health. To meet this need for innovation, academic research must be combined with the development and business strategies of the industry. This has set in motion an important shift within the market, and consequently food companies are pitched against each other for greater innovation and value addition. Product innovations in the area of smart packaging, nanotechnology, probiotics, and sustainability will see many efforts from food scientists and global companies like Nestlé, Danone Group, Unilever, Heinz, and Kraft Foods in the coming years, to boost the Indian Health & Wellness industry. Trends like using diet as a means of improving specific health conditions, health- and convenience-related concerns, and the use of nutritional ingredients need to penetrate further in order to bring about a paradigm shift within the product and consumption landscape. Despite the overall excitement, the increasing affinity for healthy foods, and the market opportunity, skepticism persists in certain consumer segments due to the relatively low proof-of-delivery of the products, whereas consumers wish to experience a noticeable change within a short span of time. This is pushing the industry to establish a regulating agency which can quantify health claims and nurture confidence in consumers, thereby providing the necessary regulatory support for a healthier business.

The market for healthy foods is poised to grow at a faster pace thanks to the growing awareness and the lifestyle shift within the urban population. Additionally, any new developments in the personal care/ health & fitness genre will play an important role as they will be driving key interventions that will effectively change the dynamics for future health-food products. The parameters discussed above have triggered, and will continue to trigger, the in tandem movement of food service industry players with the growing demand for healthy foods.

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