



# FAVORING FUNCTIONAL

## OPPORTUNITIES IN THE FOOD AND BEVERAGE SPACE

### 2022 TREND REPORT BITE

#### THE FUTURE IS FUNCTIONAL

Even pre-pandemic, consumers were keeping a closer eye on their food and beverage consumption habits. With a now global emphasis on health and wellness, consumers are seeking functional (yet, *tasty*) offerings that will allow them to fit nutritional and functional benefits into their diet. These functional offerings claim to provide some kind of physiological benefit and/or reduce the risk of illness and disease, and in the crowded performance, nutrition and functional food and beverage landscape, there's a lot of competition. From protein packed soy milks to energy boosting pre-workouts, immunity teas and more, we're taking a look at what's trending in the functional space. Read on to find out how your brand can capitalize.



**\$292 BILLION**

*In global sales for  
functional/fortified foods  
in 2021*

**42%**

*Of consumers bought more  
functional foods last year  
than in 2020*

Source: IFT, Euromonitor Kerry Survey

# A Glance at Functional in the Food & Beverage Space

As a growing space that's now more accessible than ever with innovative products spanning cross-category, consumers *and* food and beverage developers are finding the fun in functional. With a more preventative and long-term approach toward health and wellness, consumers will continue to demand offerings that claim to promote functional benefits and overall wellbeing. Let's take a look at this growing space.

## MARKET & CONSUMER SENTIMENT:

- **U.S. Millennials** are more likely to enjoy snacks for functional reasons such as to boost energy and get nutrition on the go
- **51% of U.S. Adults** agree that functional drinks are more appealing than supplements
- **40% of Consumers Under 55** use products that have three or more functional benefits
- **Interest in Digestive Health** has contributed to rising demand in prebiotics and probiotics especially in dairy products due to greater affordability
- **Functional Beverages** attract on-the-go consumers looking for enhanced nutrition
- **Opportunity Cross-Category** - Developers can introduce a wide variety of products with unique promotional strategies to help fuel growth

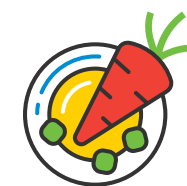
*“Functionality in food and drink has found its place within consumer routines... Increased emphasis on improving lifestyle habits and the definition of wellness on a personal level has left plenty of room for food and beverage innovation to meet consumers’ needs where they need it most.”*

- MINTEL



## \$83 BILLION

*in U.S. functional food/  
drink sales in 2021*



## TOP CATEGORIES

- Snacks
- Nutritional Drinks & Other Beverages
- Dairy
- Sports & Energy Drinks

\*North America Food & Beverage Product Introductions in the Past 3 Years with a Functional Claim

# Taste is Key

When it comes to functional, taste matters to your consumers. In fact, recent studies show that flavor is the most important purchase driver in a performance drink. And consumers today are not only choosy, but they're also vocal about the products they try in reviews, when speaking to their peers and on social media. Watch out for taste challenges such as bitterness, astringency and other inherent off-notes to reduce unpleasant response from consumers. Flavor favorites in this space can aid in complementing or masking some of these taste challenges.

## TOP FLAVORS

*North America Product Introductions in the Past 3 Years with a Functional Claim*

- Chocolate
- Vanilla/Vanilla Bourbon/  
Vanilla Madagascar
- Berry
- Strawberry
- Orange/Sweet Orange
- Blueberry
- Peanut Butter
- Fruit Punch



## 56% OF CONSUMERS

*in the U.S. and Canada say the flavor in a product matters more than the functional benefit*



## PRODUCTS OF NOTE



**SILK ULTRA CREAMY CHOCOLATE SOY PROTEIN BEVERAGE** provides 20g complete plant-based protein per serving for muscle maintenance and repair, vitamin D and calcium to support strong bones and vitamins B2 and B12 to help the body turn food into energy.

40% of consumers responded that they likely or definitely would buy this product.



**DAVID'S TEA FEEL-GOOD FAVES** contains 12 loose leaf wellness teas and infusions including herbal flavors such as Blood Orange Boost for Alertness & Focus, Wild Grown Rooibos for Hydration & Glow, Pomegranate Echinacea for Cold & Defense and more.

# In Sickness & In Health

With risk of illness and disease more top of mind, products that feature vitamins and minerals as well as ingredients that improve consumer concerns such as gut health, digestion and immunity are hot commodities in the grocery aisle. On a hunt for holistic health, consumers aren't simply looking to treat disease and illness, they're searching for prevention methods and improvement even in great health.

Products with added functional benefits focused on general health and wellness are popping up cross-category in the food and beverage space, providing lots of inspiration and innovation opportunity for developers.

*“Nutrition is becoming a central pillar to a healthy lifestyle for a growing number of consumers. They are seeking products that not only taste good but also offer additional healthy value.”*

- INNOVA



## PRODUCTS OF NOTE



**REBBL POP BLACKBERRY SPARKLING PREBIOTIC TONIC** is organic and features juicy blackberry and refreshing pomegranate notes. The product contains 7% juice and 5g sugar as well as vitamin C that is said to support immunity and prebiotics said to help support digestive health.

31% of consumers responded that they likely or definitely would buy this product.



**ORGANICS HAPPY TOT SUPER BELLIES** Stage 4 Organic Pears, Beets & Blackberries Immune + Digestive Support Blend contains 35mg beta-glucan said to support the immune system, 2g prebiotic fiber for digestive health, pear, beet and blackberries.

55% of consumers responded that they likely or definitely would buy this product.



**PREMIER PROTEIN CAKE BATTER DELIGHT HIGH PROTEIN SHAKE** is made with nutrients for immune health support with antioxidants vitamins C and E, and contains 30g protein, 160 calories, 1g sugar and 24 vitamins and minerals.

27% of consumers responded that they likely or definitely would buy this product.

Source: Mintel GNPD, Innova

# Peak Performance

Look good, feel good and perform even better — If there's one space that's got functional additions down pat, it's the Performance Nutrition space. Aside from keeping their health in check, consumers are embracing functional by implementing products in their diet that improve their everyday life and help them reach their fitness goals. From added electrolytes for hydration to protein-packed shakes for lean muscle growth and pre-workout energy drinks, product developers should keep a watchful eye on trending flavors and ingredient additions that might work for their brand.

*“As health-promoting products become increasingly mainstream, drink brands looking to take their functional profile to the next level will need to demonstrate efficacy that measures up to dietary supplements. Go beyond health claims: deliver the reference intake of popular vitamins and minerals, boost products’ natural remedy appeal, highlight the importance of nutrient interaction and promote the benefits of routine use.”*

– MINTEL



## PRODUCTS OF NOTE



**ABBOTT PEDIALYTE SPORT FRUIT PUNCH ELECTROLYTE SOLUTION** is said to supply electrolytes for rehydration and muscle support including sodium to avoid muscle cramps; chloride for fluid balance; potassium for muscle and nerve function; magnesium for muscle health; and phosphate for muscle repair.  
27% of consumers responded that they likely or definitely would buy this product.



**ORGAIN SPORT RECOVERY LEMONADE POST-WORKOUT SUPPLEMENT** provides electrolytes, organic adaptogens and 3g apple cider vinegar as well as ingredients such as turmeric, ginger and reishi mushrooms.  
21% of consumers responded that they likely or definitely would buy this product.



**REMIX NUTRITION HOSTESS CHOCOLATE CUPCAKE FLAVOR PREMIUM PROTEIN BLEND** is said to be formulated to: increase protein intake; recover after a workout; build lean muscle and crush cravings.  
21% of consumers responded that they likely or definitely would buy this product.

# THE TAKEAWAYS

In today's day and age, consumers don't simply want to treat illness and disease, instead, they are moving towards a more proactive approach that focuses on total health and wellness. Consumers want to look, perform, and feel their best, with the caveat that the products that help them do so taste great above all.

And though many functional ingredients in the food and beverage space may cause taste challenges in your product development from bitterness to unpleasant mouthfeel, your flavor house can assist you in mitigating these issues through flavor. There's cross-category opportunity in this space, and while younger generations are most aware and interested in functional products, older generations provide a unique opportunity to grow the audience for functional food and beverage at every life stage. Ready to capitalize on functional? We can help you find your "what's next?"



## SOURCES

- Mintel
- Mintel GNPD
- Innova
- IFT
- Euromonitor
- Kerry
- Flavor Sum
- Food Business News
- Fortune Business News
- Innova Database
- NCBI

## YOU DESERVE MORE. LET'S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let McCormick FONAs market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your "what's next." Our technical flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend.

From concept to manufacturing, we're here for you — every step of the way. Contact our sales service department at [630.578.8600](tel:630.578.8600) to request a flavor sample or [contact us at www.fona.com/contact-fona/](http://www.fona.com/contact-fona/)



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