

NATURAL

in the Food & Beverage Space

As people are driven by priorities of health, wellness, sustainability and responsibility, the marketplace for natural products continues to evolve. In this era of holistic approaches and greater transparency, ingredients and flavors from nature are an integral part of product development and consumer expectations. What are some natural outcomes from these converging trends? We're taking a look at consumers' perceptions of natural and the trending flavors and products in this space. Read on to find out where your brand might be able to capitalize.

NATURAL SELECTION

Today's consumers are drawn to healthy, wholesome products in a way that is, well, natural. The natural attraction is widespread too, with interest coming from people of many backgrounds. We've seen natural in food and beverage make its way onto product labels cross-category catered to demographics of a wide variety. We completed a survey with 1,000 consumers, 50/50 male/female with an average age of 42 years old. Below is what our consumers had to say.

56% OF CONSUMERS

agree that they are willing to pay more for products with "recognizable ingredient lists."

52% OF CONSUMERS

agree that natural flavors are clean label.

52% OF CONSUMERS

agree that they are willing to pay more for products with "no artificial ingredients."

50% OF CONSUMERS

agree that they are willing to pay more for products that are "all-natural."

Source: 2021 FONA Suzy Survey, NCBI, Mintel



ONE WORD, MANY INTERPRETATIONS

The definition of natural has been both all-encompassing and rather vague for years. The U.S. Food and Drug Administration, for its part, has not set formal rules for the word "natural"; the agency currently considers the term to mean that nothing artificial or synthetic has been added to or included in a food that "would not normally be expected into that food." The FDA does not have an established policy on whether or not the term should be used to describe any particular health or nutrition benefit, leaving consumers confused at times and looking closer at ingredient lists and other listed product attributes and certifications.

FLAVOR FAVORITES

Our recent survey asked consumers to rate the flavor families below for how natural they perceived them to be. Fruit, citrus and floral families ranked high on perceived naturalness, while indulgent and fantasy flavors were perceived as not natural.

NATURAL -

- 79% Orchard Fruit (Apple, Pear)
- 76% Herbs (Basil, Rosemary, Mint)
- 73% Citrus
- 72% Stone Fruit (Peach, Cherry, Plum)
- 67% Exotic (Dragon Fruit, Kiwi)
- 63% Floral/Botanicals (Lavender, Hibiscus)

NOT AT ALL NATURAL -

- 61% Fantasy Flavors (Rainbow, Unicorn, Etc.)
- 40% Dessert Flavors (Key Lime Pie, S'mores, Chocolate Chip Cookie)
- 38% Sweet Browns (Brown Sugar, Caramel, Vanilla)

Source: FONA Suzy Survey



TO YOUR HEALTH

While there are consumers who want natural products and flavors for the sake of it, many are driven by their personal health and wellness concerns. Many consumers seek out foods and beverages purported to help with disease prevention, immunity, cognition, mood or other conditions and need states. In fact, in a recent survey on the merits of natural versus processed foods, respondents gave the highest mark (88%) to natural foods for their "healthiness." Following close after was the merit of flavor to natural foods (72%).

Natural and all-natural products often have a better-for-you halo, and flavors and ingredients trending in this space include citrus, mushrooms, elderflower, ginger and functional spices and seasonings such as turmeric and cinnamon.

"Across the global consumer packaged goods (CPG) industry, a more holistic notion of health and wellness is flourishing... To consumers, health, wellness, and well-being are now in the everyday choices they make. It's everywhere and everywhere, challenging meaningful relevance in every CPG category that a consumer chooses to buy."

- NIELSEN IQ

Source: QSR Magazine, Coast Packaging Co. Nielsen IQ, Mintel



PRODUCTS OF NOTE



MY MUSE LEMON HONEY GREEN TEA is an organic enhanced tea flavored with natural flavors, and contains elderberry, antioxidants, caffeine, vitamins A, C and E and zinc for immunity support. It contains 18mg caffeine from organic tea and is said to provide healthy hydration.

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



SHAKLEE PINK GRAPEFRUIT FLAVORED ENERGY DRINK POWDER is said to provide a sustained boost of energy powered by 100mg caffeine from green coffee beans and green tea extracts. It is free from GMO, gluten, soy, dairy, artificial flavors, sweeteners and preservatives.

26% of consumers said they likely or definitely would buy this product.

KEEPING IT SIMPLE

Natural products are often and inherently linked to clean label products. As people clamor for smaller, simpler ingredient lists – whether following eating plans like “whole” food diets or following the “Grandma’s cupboard” familiarity gauge -- they often wind up with items labeled and merchandised as natural.

40% OF AMERICANS

polled by IFIC said that it was important to them that a food or beverage contains only a few ingredients.

88% OF GROCERY SHOPPERS

in the U.S. say that clear information is important on food packaging.

89% OF CONSUMERS

said they believe that natural flavors fall under the general category of clean label according to our recent survey.

86% OF CONSUMERS

said that clean/natural ingredients are important to them. Moreover, most consumers define clean label as “natural” according to our recent survey.

Source: IFIC Survey, FONA International Clean Survey



PRODUCTS OF NOTE



CAPRI SUN ORGANIC APPLE JUICE DRINK FROM CONCENTRATE is made with all natural ingredients and no added sugars, artificial colors, flavors or preservatives. It provides 60 calories per pouch, is sweetened with fruit juice only and is aimed at children.

47% of consumers said that they likely or definitely would buy this product.



MUSH COFFEE COCONUT OATS is made with six natural and simple ingredients and provides clean energy. This kosher certified and ready to eat product is free from dairy, added sugar and gluten.

24% of consumers said they likely or definitely would buy this product.

NATURAL AND...

The term “natural” is often paired up with other, more specific terms that refer to attributes of a particular food or beverage. As consumers want their eating habits to reflect a broader set of interests and values, products often have many of those claims at once.

■ ORGANIC

While natural foods are typically accepted as those free of additives or synthetic ingredients and made with ingredients from nature, organic foods are defined (and usually certified) as those produced without artificial pesticides, fertilizers, herbicides, hormones or antibiotics.

■ PLANT-BASED

As the market for plant-based continues to grow, items that are considered plant-based are frequently touted as natural. Mintel shows that more U.S. consumers believe that food and drink products made with plant-based claims are healthy and natural, compared to a bench market of all food and beverage items.

■ SUSTAINABLE

Natural and sustainable are twinning on many product labels and descriptions, as eco-mindfulness becomes another driver of foods and beverages produced in a way that’s wholesome from a nutritional and environmental standpoint.

PRODUCTS OF NOTE



FLOW COLLAGEN-INFUSED SPRING WATER WITH NATURAL WATERMELON FLAVOUR is described as water sourced from artesian spring, with a natural smooth and delicious taste, enhanced with 10g of grass-fed collagen peptides. According to the manufacturer, the collagen is hydrolysed, grass-fed and sustainably sourced to ensure the highest quality product.



MISS JONES BAKING CO. BROWNIE DOUBLE CHOCOLATE BAKING MIX contains 100% whole grain and is free of artificial colors, flavors, and sweeteners, with 50% less sugar and 25% more chocolate chips.



KEVIN'S NATURAL FOODS PALEO KUNG PAO CHICKEN is made with fully cooked tender chicken breast strips paired with a soy-free Kung Pao sauce and can be ready in five minutes. It is made with 100% vegetarian-fed chicken and is minimally processed with no artificial ingredients, gluten or soy.

28% of consumers said that they likely or definitely would buy this product.



LIKE AIR PANCAKE FLAVORED PUFFCORN is said to have notes of maple syrup and butter. It is said to be free from artificial ingredients, GMO, gluten, and dairy.

29% of consumers said that they likely or definitely would buy this product.

THE WHOLE DEAL

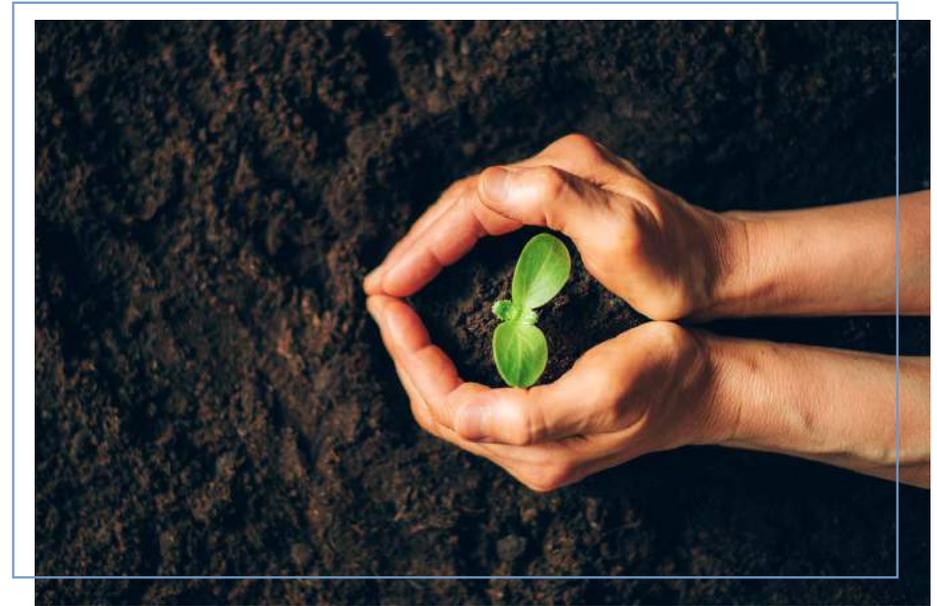
The definition of natural continues to expand beyond something made without additives or out of nature. And as consumer interest surges in foods, drinks and supplements that are formulated responsibly and with benefits for health, well-being and the environment at large, a more holistic interpretation of natural is emerging. Natural, then, can connote a food or beverage with a natural profile in sourcing, production, and packaging and, of course, the important sensory attributes of flavor and taste that ultimately drive acceptance. For food and beverage developers opportunity in this space is blooming.

- **27% OF CONSUMERS** say healthy food is defined by the presence of good-for-you ingredients like vegetables and other nutrients while 25% say it is more about the absence of certain components – a rather even split.
- **50% OF CONSUMERS** say they opt for food over pills and supplements as a source of nutrients.

“COVID-19 has made us consider our food and drink choices more closely. We study ingredients, look to maximize the positive benefits both for physical and emotional wellbeing, and scrutinize for the absence of ingredients and processes that we consider could be bad for us.”

- MINTEL

Source: IFIC Survey, Euromonitor International, Mintel



PRODUCTS OF NOTE



NATURAL WAY HONEY PEANUT BUTTER is made with olive oil is said to be a sustainable oil option to help protect the environment, and is low in sodium. The product contains 0g trans fat, 7g protein and only 2g added sugar per serving, and is free from palm oil, GMO, gluten and hydrogenated oil.



REBBL STRAIGHT BLACK STACKED COFFEE is a cold-brewed and ethically sourced vegan beverage that is free from GMO, gluten, dairy, soy, cane sugar, and artificial flavors.

23% of consumers said that they likely or definitely would buy this product.

THE TAKEAWAYS

Outside of flavor, “natural” has always been an open-to-interpretation term when it comes to food and beverage products, and its denotation is even more expansive now that people are taking a holistic approach to their consumption habits. Today, natural is continuously evolving to relate to sustainability and plant-based as well as label claims and transparency. And with the FDA having a definition related to natural flavors but not other natural claims, natural flavors can be a bright spot of clarity. Listen to your consumers for understand where your priorities should lie, and finally, taste matters, so wherever your consumer leads you, prioritize taste above all.



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 FONA's 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. Let's mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

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

SOURCES

- Food Dive
- Food Insight
- Institute of Food Technologists
- International Food Information Council
- Mintel
- Mintel GNPD
- New Hope
- Nielsen
- QSR Magazine
- Whole Foods Magazine

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