

Functional Ingredients & Supplements

March 2021

Background and Methodology

Evergi Overview

- Evergi™ integrates consumer surveys, social listening, expert analysis, and more in a single platform to create a 360-degree view of emerging wellness attitudes and trends.
- With in-depth **survey data** integrated with social media, users can filter and get answers on:
 - Consumer Demographics
 - Consumer Attitudes and Behaviors on Diet, Shopping, Exercise, and more
 - Brand Affinities
 - Usage and Interest on a broad range of products and functional ingredients
- Our **social listening** dashboard is created specifically for the emerging wellness industry. Identify the products, brands, and topics consumers are talking about to drive a stronger go-to-market.

Methodology

- **Consumer Survey Methodology**
 - Fielded semi-annually online with 5,000 US consumers age 21+ (the first wave was fielded December 3-14, 2020)
 - We use third-party panel providers to field the survey with general population audience, which is census balanced on age, gender, and geography
- **Social Listening Methodology**
 - We collect Twitter and Instagram posts utilizing keywords related to wellness
 - Posts are tagged by product type and sub-type, medical conditions, ingredients, need states, and associated keywords

65% of Americans agree that functional foods and beverages can be substituted for some medicines

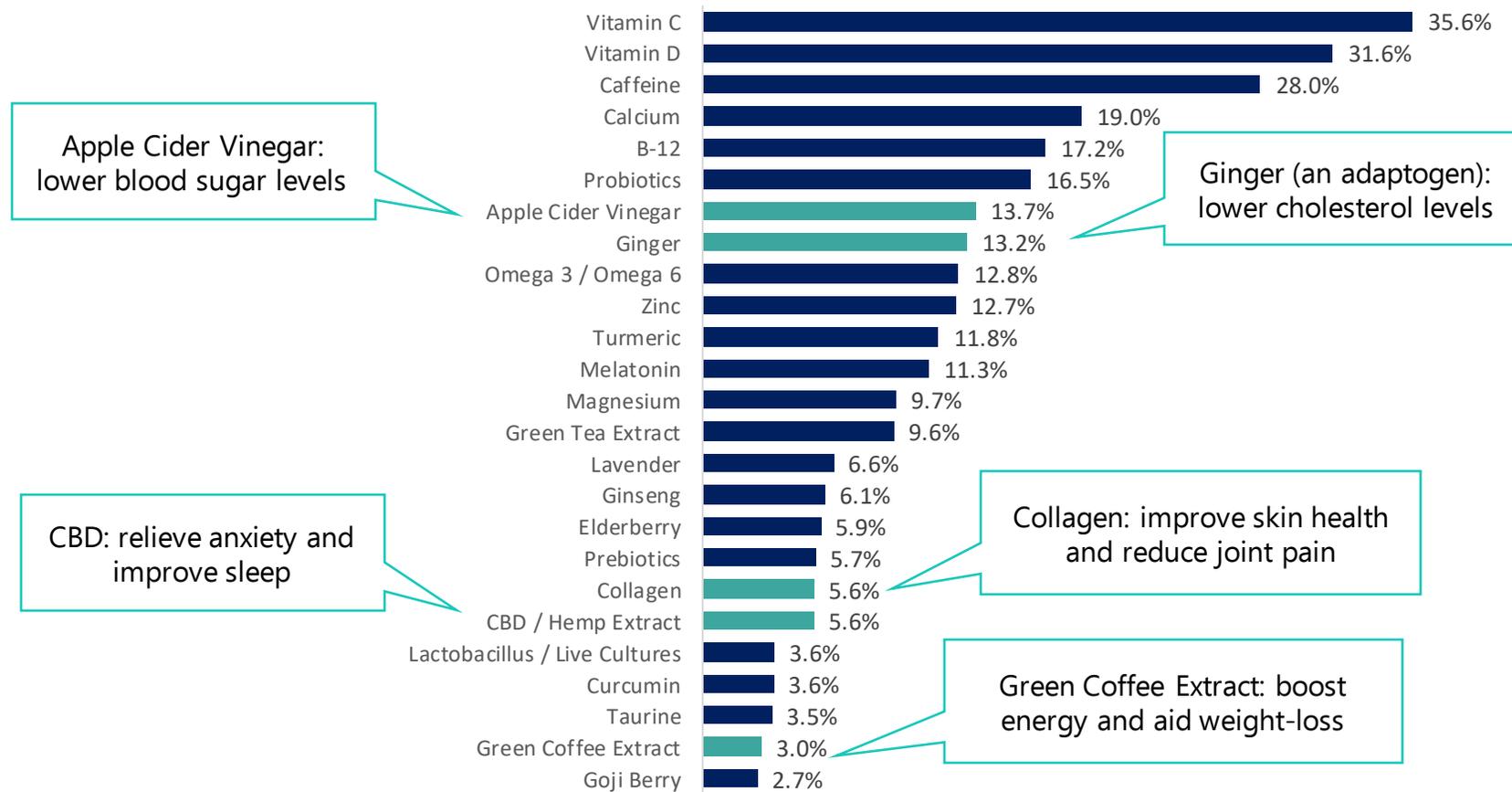


Consumers look to functional ingredients to improve their health

Shoppers looking for newer ingredients like adaptogens and CBD in addition to standbys like vitamin C.

In the past 3 months, have you purchased functional food or beverage products with any of the following functional ingredients? Select all that apply.

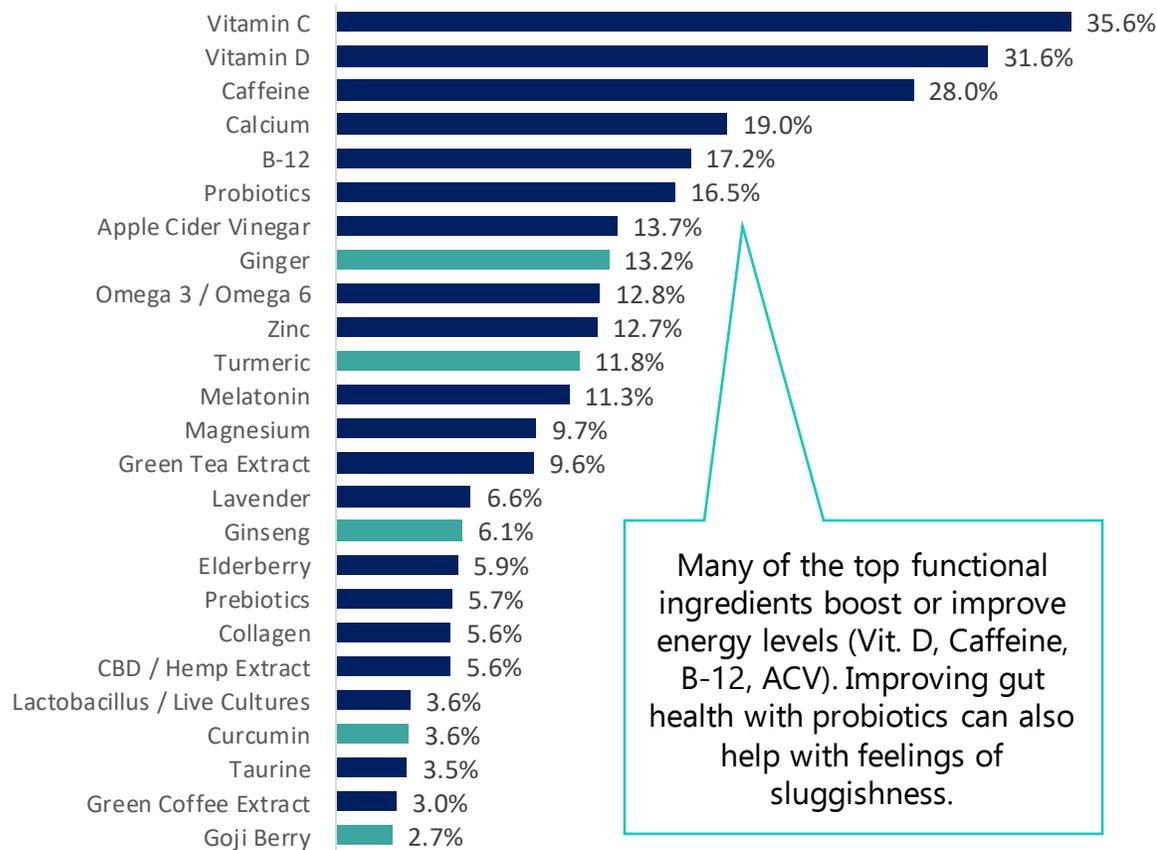
Top 25 Functional Ingredients



Adaptogens are still emerging – traditional vitamins and caffeine are consumers' most used functional ingredients in food and beverages

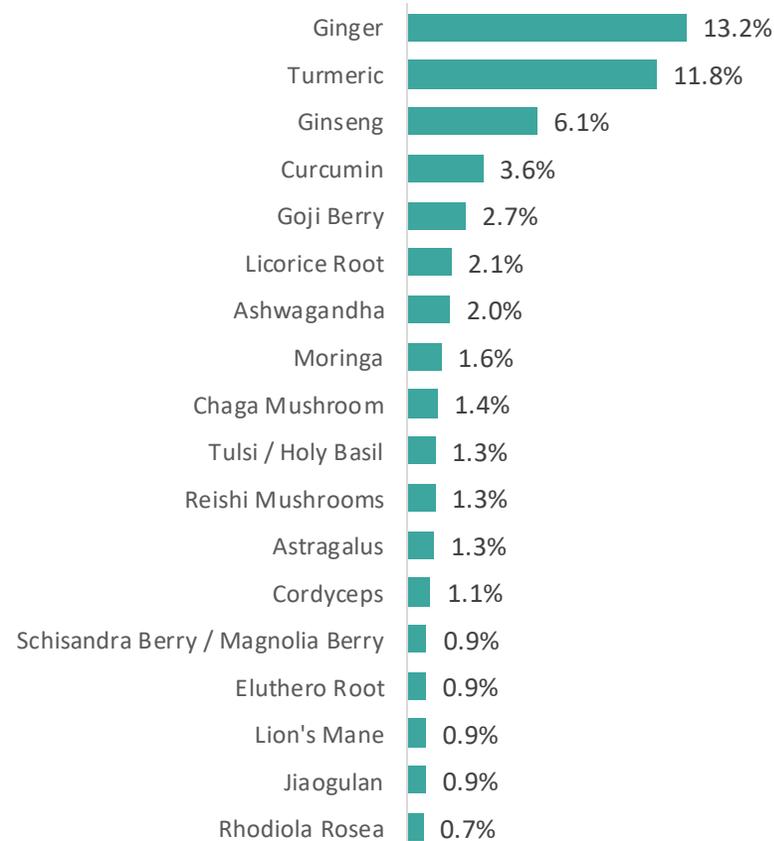
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Top 25 Functional Ingredients



Many of the top functional ingredients boost or improve energy levels (Vit. D, Caffeine, B-12, ACV). Improving gut health with probiotics can also help with feelings of sluggishness.

Adaptogens



Millennials are most likely to over-index for use of emerging adaptogens and functional ingredients

Millennials are also more likely to be looking for products that provide stress release and relaxation (see previous slides), consistent with many of the benefits of adaptogens. In contrast, Baby Boomers are more likely to use many of the more well-known vitamins and supplements for heart health and anti-inflammatory properties.

Functional Ingredients by Highest Index vs Total Sample (purchase rate), by Age Group

	Millennials	Index vs Total Sample
Chaga Mushroom	2.5%	181
Schisandra Berry / Magnolia Berry	1.6%	178
Cordyceps	1.8%	169
Guarana	3.5%	168
DHA	3.8%	165
Astragalus	2.0%	160
Ashwagandha	3.1%	157
Green Coffee Extract	4.6%	156
Eluthero Root	1.3%	155
L-Theanine	3.5%	153
Goji Berry	4.0%	145
Taurine	4.9%	142
Licorice Root	2.9%	140
Tulsi / Holy Basil	1.8%	140
Rhodiola Rosea	1.0%	140

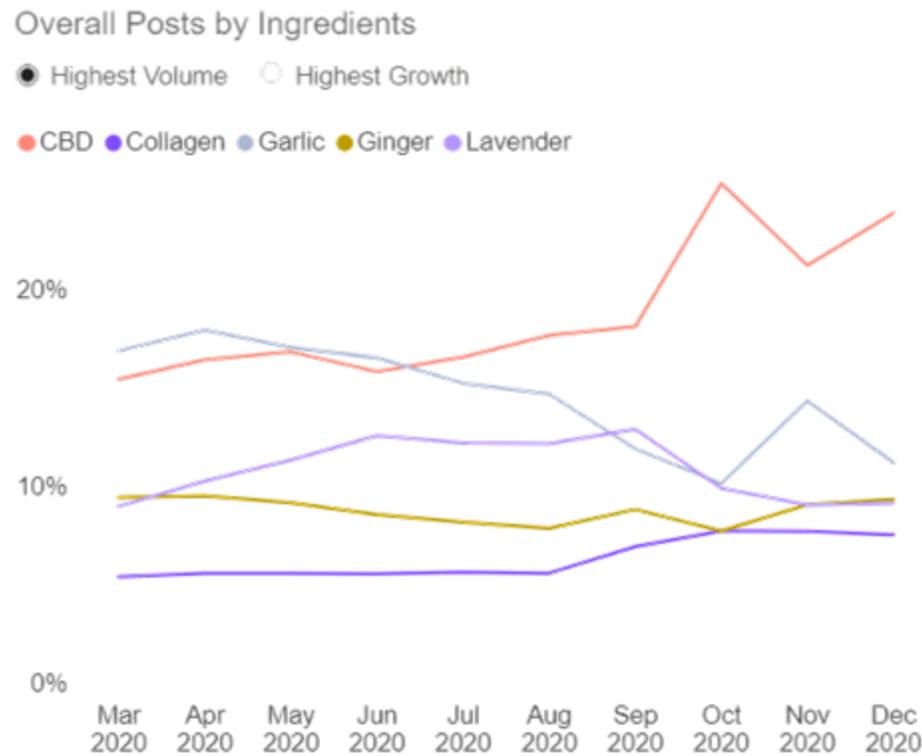
	Gen X	Index vs Total Sample
Lion's Mane	1.5%	172
Tulsi / Holy Basil	2.0%	155
Jiaogulan	1.2%	141
Taurine	4.7%	136
Moringa	2.1%	134
CBD / Hemp Extract	7.4%	133
DHA	3.0%	131
Cordyceps	1.4%	131
Collagen	7.2%	130
Elderberry	7.6%	128
Green Tea Extract	11.9%	124
Guarana	2.5%	122
Turmeric	14.2%	120
L-Theanine	2.7%	120
Goji Berry	3.3%	119

	Baby Boomers	Index vs Total Sample
Turmeric	14.3%	121
Magnesium	10.8%	112
Omega 3 / Omega 6	14.2%	111
Lactobacillus / Live Cultures	4.0%	110
Calcium	20.4%	107
Curcumin	3.8%	107
Vitamin D	33.7%	107
Probiotics	16.8%	102
Zinc	12.7%	100
Prebiotics	5.5%	97
Vitamin C	34.1%	96
Caffeine	26.4%	94
B-12	16.1%	94
Melatonin	10.3%	91
Green Tea Extract	8.7%	91

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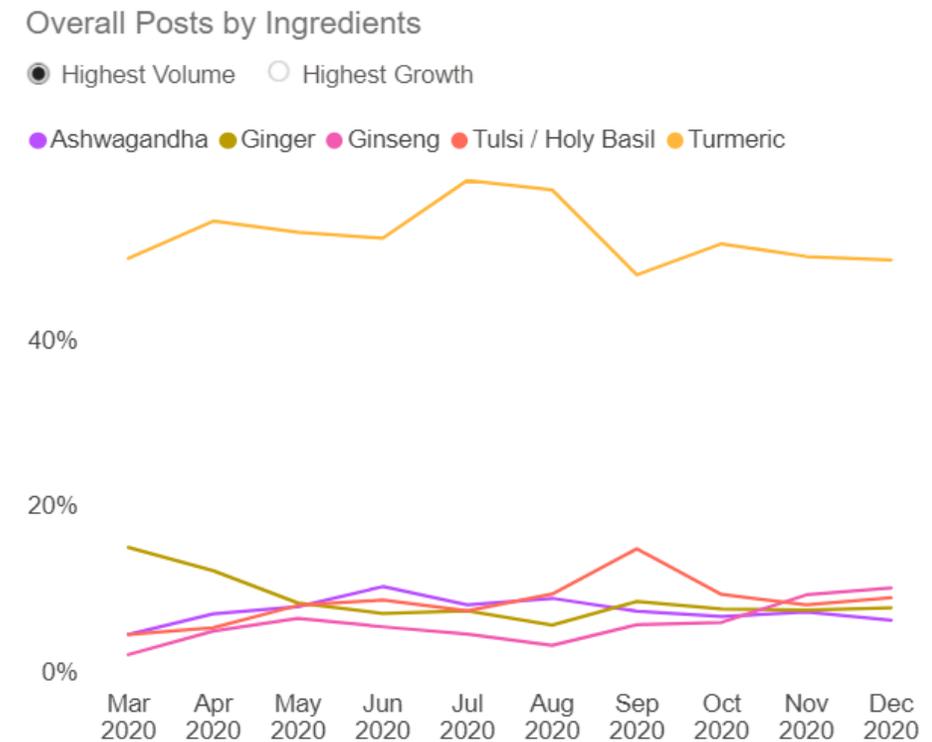
Social Listening Spotlight: Top 5 ingredients by share of voice

All Ingredients



CBD is the top trending ingredient in conversations about overall wellness on social media.

Topic: Adaptogens

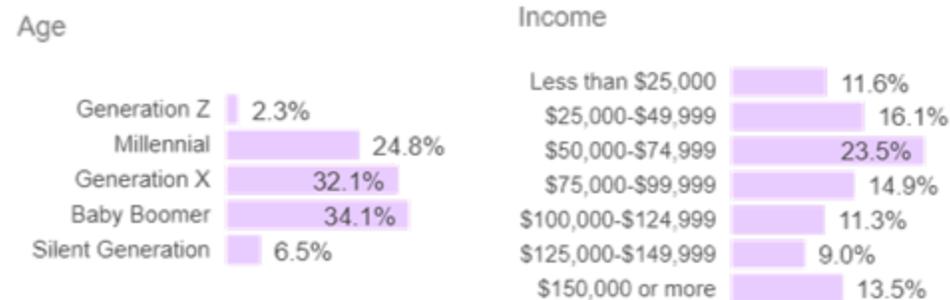


Turmeric dominates social conversations about wellness ingredients and adaptogens. **Ashwagandha** and **Tulsi / Holy Basil** are lesser known or emerging ingredients but are generating social conversations on the level of the more well-known ginger and ginseng.

Ingredient Comparison Example: Turmeric vs Goji Berry

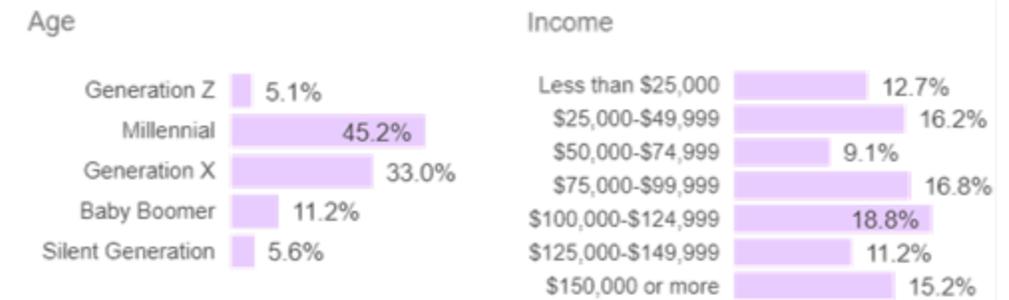
Turmeric

- More established in the market overall (11.8%)
- Over-indexes among Baby Boomers due to its anti-inflammatory benefits



Goji Berry

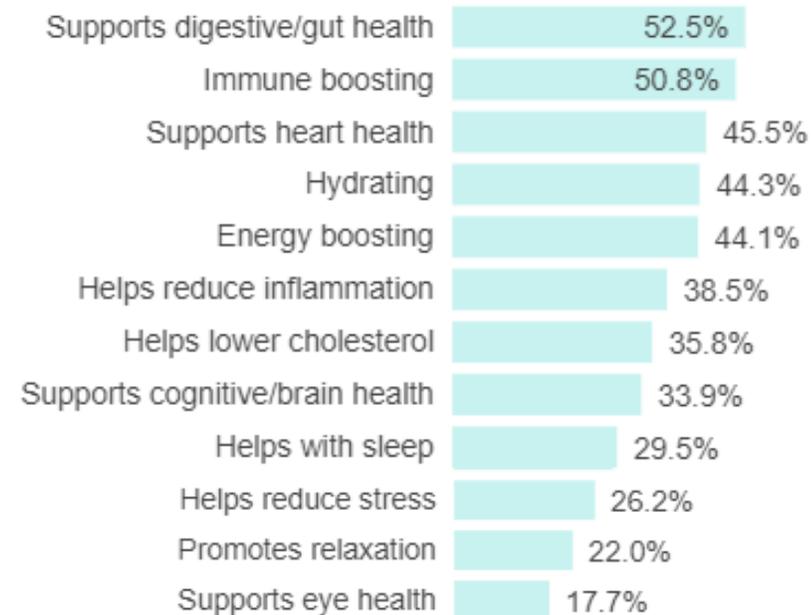
- An emerging functional ingredient (2.7%), but is more well known than other adaptogens
- Over-indexes among Millennials, Gen-Xers, and higher-income consumers



Collagen offers multiple consumer segments health benefits – skin/hair/nails, digestive health, joint health, energy and muscle repair

Consumers who buy products with collagen are looking to support **digestive health**, boost immune system, **hydrate and strengthen skin**, boost energy, and help **reduce inflammation and joint pain**.

Important Health Claims



Beauty/Hydrating



Supports digestive/gut health



Energy boosting and muscle repair



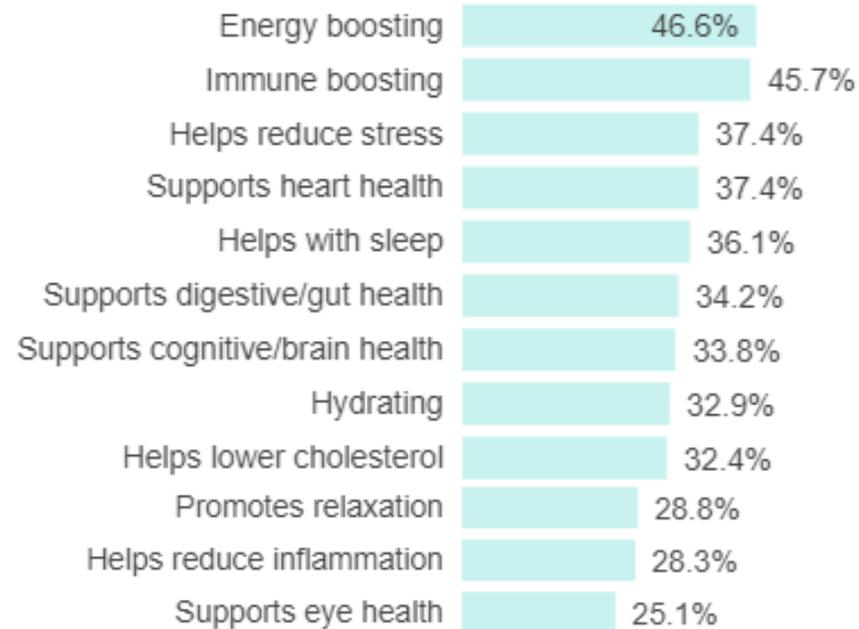
Reduce inflammation/joint health



Green coffee extract best known for energy & weight-loss benefits but also offers athletic performance and brain health properties

Consumers who buy products with green coffee extract looking to **boost energy**, boost the immune system, support heart health, and **support brain health**.

Important Health Claims



Energy



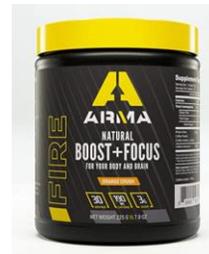
Dunkin' Donuts
Extra Charged
Coffee



Weight-loss



Brain Health



Sports



Key Takeaways



Understanding consumers' **need states** is key to successful new product development. Shoppers are looking to brands to address their rational and emotional needs such as **community connection**, immunity, **relaxation**, and **energy**.



Familiar functional ingredients like vitamin C and calcium continue to be popular among consumers of all ages while newer ingredients like **adaptogens**, green coffee extract, and **L-Theanine** are being quickly adopted by **Millennials**.



Consumers are starting to look for **healthier alternatives** to address their need states. **Functional foods and beverages** with CBD and other functional ingredients can be promoted as an easy and tasty way to incorporate them into a daily routine.

Thank you!

For more information, visit evergi.co