SPECIALIZED NUTRITION

A TOAST TO HEALTH:

Identifying consumer priorities in active nutrition beverages

With health and wellness now center stage for many consumers, the specialized nutrition category has moved into the mainstream. Nowhere is this more apparent than in the beverage aisle, where protein-packed shakes and functional drinks promise to not just quench thirst, but also support consumers' health, nutrition and active lifestyle goals.

The latest insights from McKinsey and Company attest to this thriving wellness market, revealing a consumer base eager for innovative solutions that cater to their health and wellness priorities. The company's "Future of Wellness" survey highlights the evolution, with nearly 60% of Americans reporting a higher prioritization on wellness now than they did just one year ago.

Cargill's Bret Barhoover, Category Marketing Manager for Specialized Nutrition, isn't surprised by the attitude shift: "Consumers are taking a more holistic, proactive, preventative and personal approach to health. It's a huge opportunity space for brands who deliver products that refresh, nourish and align with consumers' evolving expectations."

Stake a claim

Therein lies the challenge: crafting a product that hits all the right buttons for today's health-conscious consumer. But brands needn't walk this road alone. Cargill, armed with consumer insights, ingredients and expertise, stands ready to support its customers' innovation journeys. One key resource is the company's latest ClaimTracker™ proprietary research, an annual study that asks consumers to assess the purchase impact of nearly 80 on-pack claims, and explores how purchasers of different food and beverage categories prioritize those claims.

This year's research included a focus on buyers of sports drinks and active nutrition RTD beverages and powders. It affirmed many of the long-standing trends that have guided these beverage segments in recent years – from the power of protein to the importance of sugar reduction. But it also revealed a few surprises to the Cargill team.

Protein powers on

Within the active nutrition beverages and powders segments, "good source of protein" remained the most-impactful claim. That, in itself, was no surprise. Consumers have tried to add more protein to their diets for years, and sales of protein-packed beverages are on a corresponding climb. New to the conversation, however, is a more-complete understanding of the claim's true purchase impact. The Cargill research finds a standalone "good source of protein" claim reaches roughly two-thirds of consumers – and nearly the same percentage report a willingness to pay 10% more for a beverage or powder carrying a protein claim.

Willing to pay 10% more for "good source of protein" claim

Active nutrition powders | **Active nutrition beverages**

Cargill ClaimTracker™ proprietary research, 2024.

Sweeten without sugar

Claims around sweeteners – especially those related to sugar content – also held sway for many who consume a health-focused beverage or powder. The ClaimTracker study revealed nearly half of all sweetener claims deliver a high purchase impact. Claims like "no added sugar," zero sugar" and "no artificial sweeteners" all ranked near the top of consumers' priority lists.

Sweetener claims with high purchase impact

- ***No added sugar***
- ***Zero sugar***
- ***No sugar***
- ***No artificial sweeteners***
- ***0 grams added sugar***
- ***Naturally sweetened***
- ***Sugar free***
- ***0 grams total sugar***

Cargill ClaimTracker™ proprietary research, 2024.

Functional health heroes

A third group of claims centered on specific functional benefits carried weight with consumers, too. For active nutrition-focused beverages and powders, immune support, heart health and digestive health rose to the top. For sports drinks, however, consumers were drawn to a different set of claims. While immune health still topped the list, other claims that resonated with consumers were tied more directly to athletic performance and recovery.

"This research underscores a clear preference for beverages that cater to consumers' unique health needs, whether it's enhancing immune function or supporting athletic recovery," Barhoover says, noting the rise of semi-personalized products. "Consumers aren't looking for something personalized to their individual microbiome, but there's plenty of white space for products aligned to specific demographic groups or need states."

His colleague on the Cargill marketing team, Jenna Nelson, concurs and sees women's health as a prime example of this opportunity – but says the days of "pink and shrink," where brands did little more than change product packaging, are long past. "That doesn't necessarily mean we need a whole new toolbox of ingredients," she says. "It's more about using the ingredients we have to formulate products that better meet a woman's specific needs."

Top functional claims

Cargill ClaimTracker™
proprietary research, 2024.

Active nutrition beverages & powders

- *Good source of protein*
- *Heart-healthy*
- *Supports immune health*
- *Good source of fiber*
- *Digestive/gut health*

Sports drinks

- *Supports immune health*
- *Vitamin-/mineral-fortified*
- *Replaces electrolytes*
- *Rapid hydration/rehydration*
- *Good source of protein*

Not all claims are equal

Just as Cargill's insights provide a window into the claims with the greatest impact, it also reveals how quickly the value of secondary claims diminish. For example, when purchasing a beverage powder, a standalone claim of "good source of protein" reaches 64% of consumers. Add a second claim of "no artificial ingredients," and you'll get an additional 11-percentage-point lift, to 75%. But from there, the incremental gains rapidly decline.

"There's this vast universe of claims brands may choose to put front-of-pack, but so many offer a small sliver of importance," Nelson notes. "They feel significant, but when we ask consumers, it turns out that they're not all that influential on purchase."

Demographic differences were also on display, highlighting the nuances of the health-conscious consumer. With few exceptions, parents indicated they were more willing to pay a premium for beverages and powders that included their top claims, compared to households with no children – often by 10 or more percentage points. Other generational shifts were more subtle. While "good source of protein" was the most-influential claim across demographic segments, it registered the highest impact with Gen Z shoppers.

"Not all claims resonate the same," Nelson says. "But with these proprietary insights, we can help guide brands' innovation and product development based on what their target consumers value."

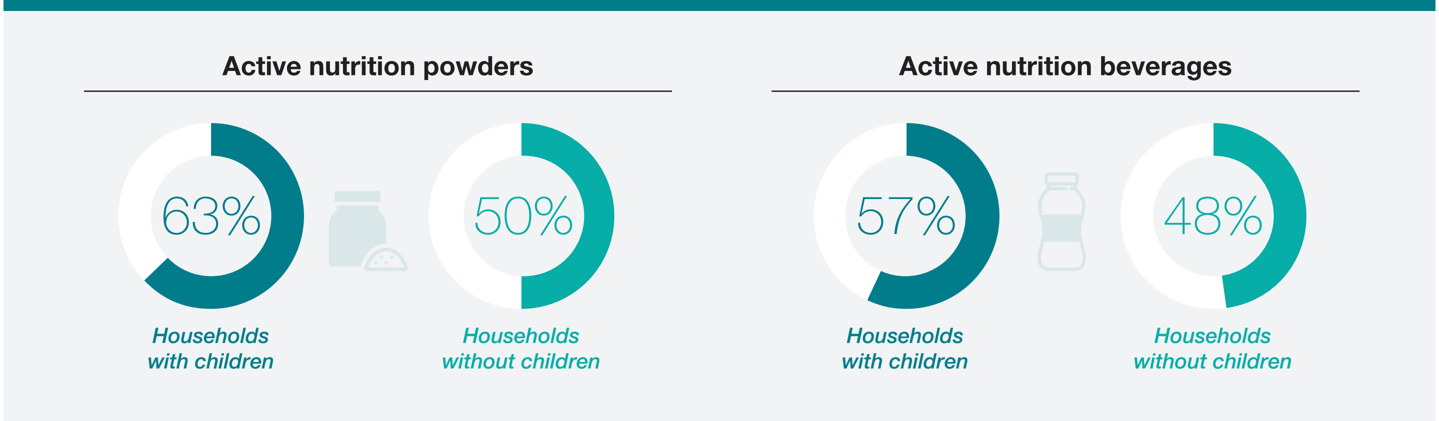
Ingredient innovation

Understanding customer priorities represents a critical first step, but brands must also translate insights into formulations. Here, too, Cargill can help, leveraging its comprehensive ingredient portfolio and extensive application expertise to deliver the protein content, sugar reduction and functional ingredients consumers want.

In the protein realm, there's a growing consumer base who prefers plant-based formulations. Cargill and joint-venture partner PURIS® help brands tap into this segment with a line of pea protein ingredients developed specifically for RTD beverage and powder applications. They feature enhanced solubility and a neutral flavor profile, enabling brands to deliver 10, 20 or even 30 or more grams of protein per serving and still create great-tasting, creamy and indulgent products.

To meet consumers' sweetener claim expectations, Cargill offers a portfolio of zero-calorie, stevia-based sweeteners. The most advanced system, EverSweet® stevia sweetener + ClearFlo™ natural flavor, is a great fit for health-focused beverages and powders. It combines a great sweetness foundation with flavor-modifying properties, helping to mask the bitterness, metallic notes and similar attributes often associated with other ingredients in the formula.

Consumer willingness to pay 10% more for products with "no artificial ingredients" claim



Cargill ClaimTracker™ proprietary research, 2024.

The company's ingredient toolbox extends beyond protein and sugar reduction, supporting formulators with functional ingredients like nutritional lipids (including omega fatty acids, Vitamin E and CoroWise® plant sterols), fibers and potassium salt – solutions that align with consumer priorities like heart health, digestive/gut health, electrolytes and hydration. A full complement of texturizers, emulsifiers, cocoa powders and more give product developers the necessary tools to round out formulations.

Connect the dots

Health-focused beverages and powders represent a key opportunity for brands – but only when they align consumer insights with ingredients and formulation.

"Innovation is about connecting the dots, helping our customers identify solutions that will resonate with their consumers' needs, and partnering to co-create finished products that deliver," Barhoover says.

In that way, Cargill provides full-circle support. Alongside proprietary consumer research, comprehensive ingredient solutions and deep application expertise, the company has additional capabilities spanning sensory testing, prototyping, piloting and more. This access to wrap-around resources sets Cargill apart from other ingredient suppliers.

"Our aim is to positively impact people's health and wellbeing across applications and life stages," Barhoover says. "That means helping brands innovate around the health-benefit platforms that are important to consumers today… and investing in the science-backed solutions that will spur category innovation tomorrow."

Nourish consumer goals for better wellbeing with Cargill Specialized Nutrition.

PURIS® Pea Protein is a trademark of PURIS Foods, a Cargill strategic partner.

EverSweet® is a product of Avansya, a joint venture of Cargill and dsm-firmenich.