

Health And Wellness in Canada – Euromonitor Key Takeaways

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Health consciousness among consumers and retailers continues to grow



- Consumer preference is shifting to naturally healthy foods as some perceive artificial and GMO ingredients to be unhealthy
- Retailers are responding to increased consumer demand for H&W by providing more healthy products



Leverage H&W trends to remain relevant and competitive in a shifting consumer and retail landscape

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Despite a low growth economy, the H&W market is projected to grow faster

- The polarization between premium and value-oriented H&W products will continue to increase
- Over time, H&W mix will shift to higher-value items as consumers become willing to pay more for health

Optimize H&W portfolio with value and premium offerings



2

Food & Beverage manufacturers are expanding their H&W portfolios with product innovation

- Manufacturers are innovating across several H&W platforms - organic, better for you, fortified/functional, food intolerance, and naturally healthy products
- The H&W trend is spreading to new categories such as organic oils and fortified/functional liquid concentrates

Apply H&W trends to underdeveloped categories for incremental growth



5

Taste is vital to sustaining success for H&W products

- Most consumers are not willing to sacrifice taste for health
- Manufacturers are delivering on taste needs with a mix of natural sugars and sweeteners



Prioritize addressing the consumer perception that healthy food doesn't taste good

3

Naturally healthy (NH) is the fastest growing H&W segment

- Consumers are demanding more natural ingredients such as natural sweeteners, superfruits and supergrains
- In 2015, NH tea was the fastest growing beverage category, while NH non-dairy milk alternatives were the fastest growing packaged food category

Leverage growth of Naturally Healthy segment with innovation and communication of natural attributes in existing products



Healthy Tea

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Fortified/Functional (FF) is a small, yet emerging H&W segment

- Consumers are looking for higher nutritional value from their food and beverage products
- In 2015, FF liquid concentrates were the fastest growing beverage category, while FF oils and fats, and FF yoghurt were the fastest growing categories in packaged food

Leverage growth of Fortified/Functional segment with innovation and communication of functional benefits & attributes



Health & Wellness Segment Definitions

Naturally Healthy (NH) - This segment includes food and beverages on the basis of naturally containing a substance that improves health and wellbeing beyond the product's pure calorific value. Some product examples are naturally high fibre foods, nuts, olive oil, 100% fruit/vegetable juice, green tea, etc.

Better For You (BFY) - To qualify for inclusion in this segment, the "less healthy" element of the food stuff needs to have been actively removed or substituted during processing. Products most likely to be included here will be those products which are low-fat/low-sugar/low-carbohydrate versions of food products, and sugar-free/caffeine-free versions of drink products.

Fortified/Functional (FF) - To merit inclusion in this segment, the product must have been actively fortified/enhanced with additional health ingredients (e.g. calcium, omega-3) during production to provide health benefits beyond their nutritional value.

Organic - This segment includes food and beverages that are certified organic by an approved certification body.

Food Intolerance - This segment includes gluten-free, lactose-free and diabetic food.