

Functional Foods - Exploring New Avenues - UK - September 2010

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What is this report about?

The functional foods market has been enjoying healthy sales growth with value sales increasing by 3.7% between 2008 and 2009 to reach £719 million. Consumers are making greater efforts to be healthy and have greater access to information about the key foods they should be eating to stay healthy. However, the economic downturn could dampen sales of functional foods as they are largely a discretionary purchase, and consumers are looking for ways to cut down on their shopping budgets.

What have we found out?

- Retailers should make better use of cross-branding opportunities between functional foods; 14m consumers claim to have bought five or more functional food items in the last year.
- Consumer scepticism is one the biggest obstacles holding back sales growth in the functional food category. Just under half of all consumers (49%) claim they would buy functional foods more if they were convinced of their health benefits
- Functional food manufacturers should make more use of word-of-mouth marketing to promote their product ranges, using viral marketing to increase brand awareness. Just under a fifth of consumers have bought functional foods recommended by friends/family.
- Medical practitioners should be better engaged to promote the benefits of functional foods as just over a quarter of consumers would only buy them if recommended by their doctor.
- Functional fruit juices are bought by two fifths of consumers; consumption is heavily skewed towards 16-24 year olds, however given their forecasted growth in the next 5 years, the over-55s represent a significant opportunity to manufacturers of functional fruit juices, and other functional drinks.
- Manufacturers should look to capitalise on the fifth of consumers (22%) who hope to improve the health of their skin by changing their diet, exercising more or taking medication with products more clearly targeted at skin health.

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