

Functional Ingredients in Food and Drink - US - February 2021

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and functional ingredients
- Consumer approach to diet
- Functional ingredient innovation in food and drink
- Consumer experience and interest in functional benefits and ingredients
- Consumer attitudes towards functional ingredients

Consumer views of health, wellness and nutrition are constantly evolving, certainly personal and often depend on age and life stage. The functionality of food and drink can be inherent, and also subject to interpretation by consumers of different generations and needs. Yet consumers of all ages are current users of functional foods or drinks in addition to expressing interest in exploring new benefits and ingredients that deliver them. The market is poised for further expansion of specialized products from brands of all types, whether it's through reaching into new categories, formulating for function or recognizing the inherent benefits in existing products. From energy to relaxation, heart health to immunity, the future of functionality will focus on total wellbeing initiatives that have been shaped and accelerated by the COVID-19 pandemic.



"Functionality in food and drink has found its place within consumer routines, and curiosity in how diets can further support both physical and mental health is high, particularly among younger consumers."

– Alyssa Hangartner, Flavor and Ingredient Trends Analyst

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Table of Contents

OVERVIEW

- What you need to know
- Key issues covered in this Report
- Definition
- COVID-19: Market context

EXECUTIVE SUMMARY

- Top takeaways
- Market overview

Figure 1: Repertoire of functional benefit usage, December 2020

- Impact of COVID-19 on functional food and drink

Figure 2: Short-, medium- and long-term impact of COVID-19 on functional food and drink, February 2021

- Opportunities and Challenges
- Reemergence

Figure 3: Functional benefit usage, December 2019-20

Figure 4: Functional ingredient attitudes, December 2020

- Recovery

Figure 5: Functional benefit experience and interest, December 2020

Figure 6: Future interest in functional ingredients, by generation, December 2020

TARGET AUDIENCE – KEY TAKEAWAYS

- Functional innovation has room to grow
- The target market for functional innovation is broad
- Immunity support has long-term potential

TARGET AUDIENCE FOR FUNCTIONAL INNOVATION

- Function has a solid foundation, and room to grow

Figure 7: Repertoire of functional benefit usage, December 2020

- Millennials, Gen Z use the most functional products

Figure 8: Repertoire of functional benefit usage, December 2020

- Prioritize taste in addition to function

Figure 9: Consumer approach to eating, December 2020

- A generational shift points to opportunity for function

Figure 10: Consumer approach to eating, by generation, December 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

REGULARLY CONSUMED FOOD AND DRINKS

- **Comforting foods find increased consumption**
Figure 11: Regularly consumed foods, December 2019-20
- **Leverage the inherent functionality of established food categories**
Figure 12: Regularly consumed foods, by generation, December 2019-20
- **Consumers seek out "old school" functional beverages**
Figure 13: Regularly consumed beverages, December 2019-20
- **Millennials, Gen Z lead specialty drinks consumption**
Figure 14: Regularly consumed beverages, by generation, December 2020
- **Impact of COVID-19 on food and drink**
Figure 15: Short-, medium- and long-term impact of COVID-19 on functional food and drink, February 2021
- **Lockdown**
- **Reemergence**
- **Recovery**
- **COVID-19: US context**
- **Learnings from the last recession**

FUNCTIONAL INNOVATION IN FOOD

- **Functional products make up a small fraction of recent innovation**
Figure 16: Top functional claims within food and drink innovation, 2020
- **Functional claims need a nudge beyond bars and cereal**
Figure 17: New innovation containing functional claims by food subcategory, 2020
- **Snack innovation replaces yogurt to dominate functional landscape**
Figure 18: Percent change in functional product innovation by food subcategory, 2020

FUNCTIONAL INNOVATION IN DRINK

- **Specialty beverages carry the bulk of functional innovation**
Figure 19: New innovation containing functional claims by drink subcategory, 2020
- **Beverage blurring lands in CSD space**
Figure 20: Percent change in functional product innovation by drink subcategory, 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

MARKET FACTORS

- **Consumer confidence remains stifled**
Figure 21: Consumer Sentiment Index, November 2019-December 2020
Figure 22: Consumer perception of food and drinks with functional claims, January 2021
- **Shifting demographics pose functional products for growth**

MARKET OPPORTUNITIES

- **Function meets flavor to support mental and physical wellness**
Figure 23: Functional ingredient usage, by consumer approach to eating, December 2020
- **Diversify product development to cast a wide net**
Figure 24: Functional ingredient experience and interest, by generation, December 2020
- **Use experts to build trust, and value**
Figure 25: Functional ingredient attitudes, by generation, December 2020
- **Immunity-boosting innovation is still an industry white space**
Figure 26: Usage of products with functional claims, by functional ingredient attitudes, December 2020

COMPANIES AND BRANDS – KEY TAKEAWAYS

- **Traditional medicine is featured through natural ingredients**
- **Mental health is prioritized**
- **Next generation innovation refreshes existing functionality**

NOW – PRODUCT DEVELOPMENT

- **Digestive support continues to proliferate**
Figure 27: Percentage of functional product innovation containing a digestion health claim, 2014-21
Figure 28: Innovation containing prebiotic fiber
- **Anti-inflammatory ingredients rooted in traditional medicine**
Figure 29: Innovation featuring turmeric
- **Interest in immunity support has accelerated**
Figure 30: Percentage of functional product innovation containing an immunity support claim, 2014-21
Figure 31: Immune system support innovation

NEAR – WHAT TO WATCH FOR

- **Mental health is in the spotlight**

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 32: Functional food/drink attitudes as they relate to mental and physical health, by generation, December 2020

Figure 33: Innovation with stress relief claims

- **Sleep tight**

Figure 34: Percentage of functional product innovation supporting stress relief and sleep, 2014-20

Figure 35: Innovation supporting improved sleep

NEXT - WHAT'S IN THE PIPELINE

- **Laser focused**

Figure 36: Innovation supporting brain health and enhanced focus

- **Happy heart 2.0**

Figure 37: Current non-user experience with food/drink that supports cardiovascular health, December 2020

Figure 38: Innovation supporting cardiovascular health

THE CONSUMER - KEY TAKEAWAYS

- **Health and wellness come full circle**
- **Immunity and stress relief are top of mind for consumers**
- **Versatility and tangible benefits speak to a wide audience**

FUNCTIONAL BENEFIT USAGE AND INTEREST

- **Immune support, stress relief gain traction**
Figure 39: Functional benefit usage, December 2019-20
- **Young consumers seek out instant gratification**
Figure 40: Functional benefit usage, by generation, December 2020
- **Interest in functionality among non-users shows promise**
Figure 41: Functional benefit experience and interest, December 2020
- **Don't write off older consumers**
Figure 42: Functional benefit experience and interest, by generation, December 2020

FUNCTIONAL INGREDIENT USAGE AND INTEREST

- **Layer functional ingredients to create value**
Figure 43: Functional ingredient usage, December 2020
- **Versatile ingredients appeal to 35-54s**
Figure 44: Functional ingredient usage, by age, December 2020
- **Tangible efficacy leads to continued use**
Figure 45: Functional ingredient experience and interest, December 2020

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

- **Gen Z are ready to explore the functional ingredient space**

Figure 46: Future interest in functional ingredients, by generation, December 2020

ATTITUDES TOWARD FUNCTIONAL CLAIMS AND INGREDIENTS

- **Consumers seek solutions to balance their physical and emotional needs from food and drink**

Figure 47: Functional ingredient attitudes, December 2020

- **Immunity support is of greatest importance to Millennial consumers**

Figure 48: Functional ingredient attitudes, by generation, December 2020

APPENDIX – DATA SOURCES AND ABBREVIATIONS

- Data sources
- Consumer survey data
- Abbreviations and terms
- Abbreviations
- Terms

What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.