



# No/Low/Reduced Sugar Market Trends August 2020



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Source:  
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## Sugar reduction: balancing health, naturalness & taste

**Sugar reduction is no longer limited to diet/light ranges. However, reformulating products to remove and replace sugar is not always the best route to take.**

### Deliver options for covert & overt sugar reduction

Growing demand for sugar reduction from regulatory bodies and consumers alike should secure a bright future for both artificial and natural sweeteners, as well as ingredients like functional fibres that support sugar reduction.

### Focus on taste in indulgent categories

Sugar reduction has moved beyond diet/light ranges. The approach that producers take to sugar reduction should vary by category and occasion. Brands can consider launching products that are inherently less sweet and innovating with portion sizes, rather than reformulating in categories where taste is paramount.

### Go beyond sweeteners for natural sugar reduction

There is a role for both natural and artificial sweeteners in future NPD. Producers must work hard to build a positive image for sweetening solutions with consumers, especially those that consumers are unfamiliar with. Alternatives to 'refined white sugar' such as cocoa fruit waste are likely to become increasingly sought after.

## Consciously Crafted Honey Gummy Bears (Canada)



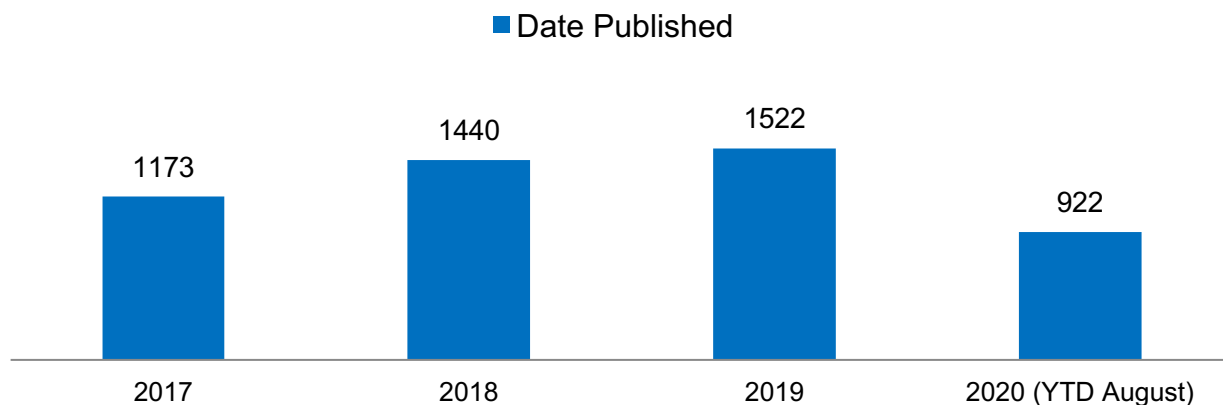
**An artisanal positioning can lend products an authentic feel As well as denoting high quality through premium ingredients and sophisticated flavours, artisanship is a key factor that can lend products a more special, authentic feel and justify a premium price tag.**

Honey Acres Lovely Honey Gummy Bears are described as fun and fruit sweets, **made with real honey, that have been consciously crafted in small batches. The company claims to have taken great care to source only the finest, simple ingredients.** They were comprised of cherry, lemon; orange and apple flavors. These gummies contain other natural flavours and are free from high fructose corn syrup, gluten, gelatin, peanut and artificial ingredients.



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### US: # of No/Low/Reduced Sugar Food and Drink Launches Jan 2017- Aug 2020 YTD



### US: # of No/Low/Reduced Sugar, Food and Drink launches by fruit ingredient, Jan 2017- Aug 2020 YTD

Ingredient	2017	2018	2019	2020	% change: 2017 - 2019	Total Sample
Lemon Juice Concentrate	39	82	106	64	172%	291
Apple Juice Concentrate	77	61	67	40	-13%	245
Apple	67	47	62	35	-7%	211
Lemon Juice	46	53	68	44	48%	211
Apple Juice	52	55	63	21	21%	191
Luo Han Guo Extract	25	58	47	39	88%	169
Fruit Juice	40	50	57	17	43%	164
Strawberry	42	33	58	27	38%	160
Date	33	35	34	46	3%	148



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### Top % Food and Drink Launches by sub-category No/Low/Reduced Sugar; 2017-2019



### US: # of No/Low/Reduced Sugar, Food and Drink launches by subcategories, Jan 2017- Aug 2020 YTD

Sub-Category	2017	2018	2019	2020	% change: 2017 - 2019
Flavored Water	74	133	127	72	72%
Juice	111	103	96	37	-14%
Snack/Cereal/Energy Bars	77	89	78	52	1%
Fruit Snacks	66	56	96	44	45%
Meal Replacements & Other Drinks	78	68	76	23	-3%
Fruit	56	52	53	33	-5%
Spoonable Yogurt	39	52	63	23	62%
Carbonated Soft Drinks	37	52	47	34	27%
Plant Based Drinks (Dairy Alternatives)	32	41	43	21	34%
Nectars	40	32	41	18	3%





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### Juice Brands Respond

As consumers' desire for less sugar and clean label drinks increases, beverage manufacturers are rising to the challenge.



“1/2 the sugar“

Ocean Spray Growing Goodness Cranberry Cherry Orange Juice supports immune health and contains **1/2 the sugar**, with 130% of vitamin C, more than a glass of orange juice. (US)



“Bold on Citrus not on Sugar“

Poppilu Organic Peach Lemonade provides 30 calories per pouch, 100% of the daily vitamin C, and features 66% less sugar than the leading juice, and also aronia berries for pinkness. (US)



Fruit Water

Refreshing and hydrating – Tree Top Fruit+Water pouches are an exciting new addition to the single-serve low-sugar beverage category. Made with 50% juice, the Fruit+Water pouches contain more juice than many other drinks in the category.

Juice and juice drinks are expected to see a boost in sales thanks to rising demand for immunity-boosting functional claims and shelf-stable food and drink during the COVID-19 outbreak

Juice has been given a second chance to appeal to health-conscious shoppers; brands may be able to encourage more sustained growth pending their ability to align product innovations with current diet trends (**e.g. low sugar, added functional benefits**) and making sure that those top-priority claims are front-and-center.



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### Sugar isn't the only sweetener

Low/no sugar claims more closely align with consumers' broader health goals – particularly when their children are involved

Non-nutritive sweeteners can provide juice drinks and RTD smoothies with an alternative to added sugars, though they're often buried in a laundry list of ingredients without a clear explanation of what they are or what purpose they serve. Increased transparency will alleviate confusion and help consumers make a more informed purchase.



Dannon Oikos Triple Strawberries & Cream Flavored Yogurt Smoothie is sweetened using **stevia extract**. The grade A nonfat product includes vitamins D, B6, B12 and nine essential amino acids and live and active cultures. (US)



Little Duck Organics Fig Bars Strawberry + Beet Fig Bars contains probiotics for immune and digestive health. Naturally sweetened with organic fruits and veggies, such as strawberry and beet.



H-E-B No Sugar Added Strawberry Fruit Bars are made with real fruit, sweetened with **sucralose**, and are an excellent source of vitamin C. (US)



Winn-Dixie Reduced Sugar Apples & Cinnamon Flavored Instant Oatmeal is 100% wholegrain, has reduced sugar and is sweetened with **sucralose**.



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### 'Reduced sugar' food and drink products are perceived as Healthier, and more Natural than products without these claims

Low/Reduced Sugar products scored 15.1 percentage points higher for the attribute healthy (total of 57.4%), followed by Natural with a difference of 11.5 percentage points (total of 55.5%).



#### São Paulo Strawberry Lemonade

Purchase intent: 50%

*I love the no artificial sugars right on the top. I always check for that, and because I didn't have to search and try to figure out the fake stuff that was nice. The writing is catchy. Drink in one sitting. Makes me think that this probably isn't overly sweet, which can be a problem with fruit juices. Especially lemonade made with other fruit. Makes me think of real strawberries were added since the label mentioned strawberries.*

**Female, South, 35-54**



#### Raspberry Rush Fruit Pouches

Purchase intent: 43%

*I buy these all the time! love that they are made with real fruit and have no added sugar! also are non GMO, have no high fructose corn syrup, no preservative and are made with 100% recyclable material, healthy and eco friendly!*

**Female, West, 21-34**



#### Red Jacket Apple Sauce

Purchase intent: 46%

*No sugar added. Apples and citric acid only. Glass jar w gold lid would be an additional assets to my home after consuming it. Love the simplicity of the ingredients and the label. Going back to the basics to start extremely healthy. an apple a day keeps the doctor away as the saying goes.*

**Female, West, 35-54**





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### Consumers associate low sugar with healthiness

Many consumers agree that a healthy diet should have low/no sugar content. Claims that support a healthier diet are more important to consumers overall than are allergen-free claims. **Health problems associated with high intake of sugar and sodium are a concern for some consumers, and they are aware of the prevalence of these ingredients in packaged foods**

#### No Added Sugar Claims

**32% of US consumers agree that "no added sugar" is an important free-from claim.**

In the Nutrition Facts label final rule (81 FR 33742 at 33833), FDA explained that they excluded from the definition of "added sugars" whole fruit, fruit pieces, dried fruit, pulps, and purees because they are nutrient rich and maintain the basic properties of a fruit when added to foods and are not considered to contain added sugars

#### Opportunity for Innovation

As consumers develop their sustainable wellness habits, products with added sugar could pose a challenge for Food and Beverage manufacturers. Creating products with no-added sugar claims could provide formulators with the opportunity to lean on natural fruit sugars or promote concentrates that allow for more customization of the sweetness of drinks.



Bubba's Fine Foods Blazing Buffalo Nana Chips are handcrafted in small batches and are made with green, **low-sugar bananas** flavored with real buffalo wing spices. (US)





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### Focus on Ingredients

Compete with the growing list of BFY beverages by leveraging ingredients that balance functionality with fun

Taste drives juice consumption and, given the plethora of fruits, vegetables, and other plants (e.g., herbs, flowers) to incorporate, opportunities for brands to create fun, uniquely flavored juices are abundant. Leveraging the inherent health benefits of these ingredients to develop strong functional claims will help products stand out in the increasingly crowded beverage aisle.



**Ethan's Organic Energy Pomegranate Blueberry Dietary Supplement** is described as a delicious, smooth lift without the weird chemical taste or crash. The USDA organic product contains: clean caffeine from green tea and guayusa; 55% fruit juice; and B vitamins. This vegan friendly product is claimed to balance energy and focus, free from added sugar and gluten.

**POSITIONING CLAIMS:** Ethical - Environmentally Friendly Package, Ethical - Recycling, Ethical - Toxins Free, Functional - Brain & Nervous System, Functional - Energy, Gluten Free, Low/No/Reduced Allergen, No Added Sugar, Organic, Vegan/No Animal Ingredients, Vitamin/Mineral Fortified

### Continue to prioritize sugar reduction

The COVID-19 pandemic may prompt people to pay greater attention to their health in order to avoid developing diet-related diseases. Even prior to the pandemic, 56% of US consumers who were limiting their sugar intake are doing so because of future health concerns.

"The role of nutrition in supporting physical, mental and immune health will be paramount in the next normal. Healthy products can be formulated to be nutrient dense, low in sugar and sodium. Many factors affect the immune system, and brands can take a holistic approach to support immune health through nutrition, reduced stress, improved sleep and the gut. Incorporate key nutrients consumers will need to support their new lifestyles, such as antioxidants for eye health and vitamin D for indoor lifestyles."

– **Stephanie Mattucci, Associate Director, Mintel Food and Drink**