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FEBRUARY 2009

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Beyond Claims

Consumers scrutinize health-centric food choices on more than nutrition alone.



▲ Lean Lifestyle's pizza combines indulgence and health. The whole-grain pizzas are low in cholesterol and high in fiber.

BY JENNIFER BARNETT FOX

It's personal, and everyone wants to know what's in it for them. Food is no longer solely nourishment or simple indulgence; increasingly, it's becoming a gateway to better health. "Food has come to occupy a focal position in the prevention and treatment of many chronic diseases, and consumers have become very attuned to innovative food products that offer a condition-specific shot in the arm," according to a report from Packaged Facts, a marketing research provider.

Consumer demand for food products addressing heart disease, diabetes, gluten intolerance and allergies continues to grow. Employing callouts to promote health claims and cooperation with regulatory agencies can attract consumers attuned to these products, but savvy manufacturers also buttress packaging claims with actionable offerings such as supporting disease-specific research, participating in health-related fundraisers and making consumer requests a priority.

"While the business media has typically celebrated the titans of industry because they were, well, the titans, consumers, particularly the younger generations of consumers, are moving toward a different way of judging business. They celebrate companies and brands that share their values, rather than those that have the most muscle," said Jonah Bloom, *AdAge* columnist.

MISSION STATEMENT. While baby boomers fuel the wellness segment in pursuit of better health and longevity, Generations X and Y are making their own requests for clean labels, environmental awareness and real-time connectivity. An emphasis on environment and community can indirectly benefit the introduction of new products promoting better-for-you alternatives. Much like environmental policies that stress how individual

action can benefit multitudes, a number of manufacturers found inspiration by creating healthier alternatives for their family first. Demand for larger-scale production typically spreads through word of mouth, blog postings or samplings at community events.

"We are witnessing a gradual shift such that the communities, families and people behind the food are increasingly as important as the food itself when it comes to healthy, high-quality eating experiences," according to The Hartman Group's Contemporary Food Trends report.

In 1976, Michael Season wanted to provide his family food free of chemicals and additives, and that desire became the catalyst behind Michael Season's better-for-you kettle-cooked chips. Today the snack manufacturer is best known for its wheat- and gluten-free snacks. In December, the Addison, IL-based producer introduced Baked Multigrain Chips. The all-natural snacks are free of GMOs, preservatives, artificial colors and flavors, hydrogenated or partially hydrogenated oils and MSG. "I believe it is up to the manufacturers to provide a healthier food product and to care what their consumers put into their bodies," said Christine Brown, marketing manager, Natural Snacks.

With consumer desires in mind, the products developed by Nutritious Creations, Long Island, NY, have evolved along with the needs of its customers. Since 1989, the company has specialized in foods focused

Supporting A Cause

Hill & Valley, Inc., Rock Island, IL, partnered with grocery stores across the US to fight diabetes by supporting the American Diabetes Association's (ADA) national Step Out to Fight Diabetes walk events in 2008.

Hill & Valley teamed with Albertson's Stores in Orlando, FL; Food Pyramid Stores in Tulsa, OK; Farm Fresh in Virginia Beach and Hampton Roads, VA; Kroger Stores in Cincinnati and Dayton, OH; Hy-Vee Stores in the Quad Cities, IL and IA; and Winn-Dixie Stores in Jacksonville, FL. The partner stores donated retail space through their in-store bakeries so that Hill & Valley displays could promote walk awareness and sign-ups. Local ADA directors are also using Hill & Valley pies, cakes and cookies to help promote the walks.



"Yes, our goal is to grow as an organization," said Scott Florence, c.e.o. and president of Hill & Valley, "but it's also about more than pies. It's about finding a way to improve the

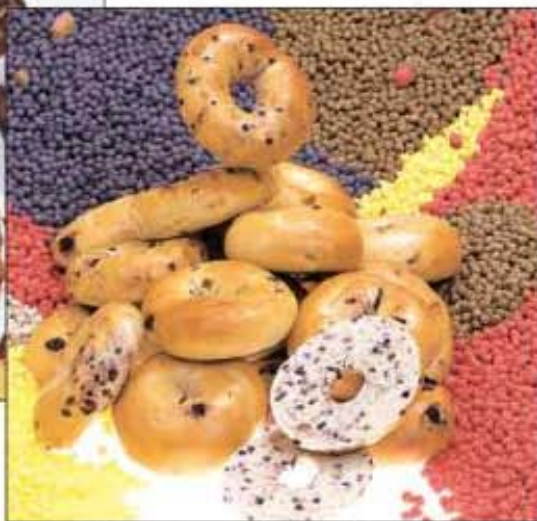
quality of life for diabetics. I am very gratified by our retail partners' support of these efforts, as we all want our families, our customers and neighbors to be rid of this debilitating disease."

on health and dietary needs. Today the company offers more than 30 varieties of wheat-free, low-fat, sugar-free, low-carb, high-protein, high-fiber and all-natural products. Its newest product, a hybrid cookie, is crisp like a cookie but tastes like a chip. The reduced-calorie product is low fat and high in fiber. "Manufacturers should keep up with the latest health trends and, in doing so, should offer the customer a wide variety of choices so that they have the option of figuring out what works best for them," said Robin Patrusky, founder, Nutritious Creations.

Bob Moore, founder of Bob's Red Mill, built his company around a passion for health through a diet of whole grains and Old World milling processes. The Milwaukie, OR-based company was founded in 1978 with a mission to increase the public's consumption of whole grains,

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fiber and complex carbohydrates.

In December, Bob's Red Mill introduced whole Hemp Seeds and Hemp Protein Powder. The whole hemp seeds are hulled, so unlike flax they do not need to be ground to release the nutrients. Both hemp products allow consumers to increase protein in a plant-based form. Ideal for consumption by vegans and dairy/casein-intolerant consumers, the hemp is rich in omega-3s that benefit heart and brain functions and cholesterol reduction.

"The consumption of whole grains addresses an array of health concerns, most notably heart and digestive health," said Matt Cox, marketing manager, Bob's Red Mill. "Consumers have identified Bob's Red Mill with healthy products for 30 years, and it's our mission to get people to introduce whole grains at every meal."

Bob's Red Mill works closely with its core consumers to develop new products. In response to customer suggestions, the company created gift packs so that consumers can sample the company's signature offerings. "There is nothing like talking to individual consumers to get feedback on what the most active customers would like," Mr. Cox said. "It doesn't take massive

research time to bounce ideas off the customer, and using them to measure the effectiveness of what we're doing provides the justification and confidence to move forward with new product introductions."

LISTEN UP. The ability to communicate with consumers may be one of the year's most important ways companies can remain relevant in a challenging economy. "Those companies that give consumers precisely what they want or give them the freedom to customize their purchases will do well. Companies that fail to do this will see consumers walk away," predicted Mintel, a Chicago, IL-based research organization. While the choice to walk away from a purchase is voluntary, the diagnosis of a disease can help solidify the decision to remain loyal to a product or move on.

Hill & Valley, Rock Island, IL, manufactures sugar-free and no-sugar-added desserts and snacks. With a mission to provide products with a taste and texture comparable to full-sugar items, the company uses a variety of blended sweeteners in its products.

In January, Hill & Valley introduced Splenda-sweetened 100 Cal cookies in Chocolate Chip and Oatmeal

▼ Hill & Valley's 100 Cal Splenda-sweetened cookies are perfect for individuals looking to reduce intake of sugar and calories.

HILL & VALLEY



Raisin varieties. "Some retailers want to be a health and nutrition resource," said Bob Kraft, director of marketing. "Hill & Valley wants to be a leader in the category and partner to make a difference to beat diabetes."

Nearly 24 million children and adults have diabetes, and another 57 million consumers over the age of 20 are prediabetic, according to Mintel. In regard to type 2 diabetes, 80% of cases are directly related to being overweight or clinically obese.

While the bulk of Hill & Valley customers are diabetic or prediabetic, others are looking to reduce their intake of full-sugar items. The convergence of great taste and good health is personal for Hill & Valley president Scott Florence, whose family is directly affected by diabetes. Since 2001, the company has worked with the local Quad Cities American Diabetes Association (ADA) chapter. In an effort to better align itself with the ADA mission, a number of the company's pies were reformulated to meet the organization's gold standards. This year, Hill & Valley will partner with ADA at the national level and work with retailers to fight diabetes nationwide.

"Consumers expect more from manufacturers and their brands," said Liz Lareau, partner at Bawden & Laureau Public Relations, Bettendorf, IA. "It's not just about bolting on a cause. This is part of the company culture of Hill & Valley and

How Consumers Incorporate Health

1. Health by subtraction (diet-slanted products)
2. Health by addition (functional health)
3. Health via ethical manufacturing processes

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the alignment of a mission to do the right thing.”

RIGHT BITES. As health complications rise along with obesity rates, improved eating habits are increasingly desirable among consumers. MaMa Rosa's, Sidney, OH, combines the in-

dulgence of pizza in a healthier food option with its Lean Lifestyle pizzas. The whole-grain pizzas are low in cholesterol and high in fiber.

“Today, the word diet is being wordsmithed,” said Bill Mackin, president, MaMa Rosa's. “People see it as a lifestyle or holistic change or just

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▲ Hemp is rich in omega-3s that benefit heart and brain functions and cholesterol reduction.

a better choice. We don't look to be included in a specific diet but rather hope consumers use the product as a holistic change.”

Research performed by MaMa Rosa's found that consumers seek out specific packaging health claims. Originally, Lean Lifestyle pizza carried ADA certification, but the company later chose to certify with the American Heart Association (AHA) based on research that 70% of diabetics succumb to heart disease.

After losing family members to heart disease, Ramona Cappello, c.e.o. of Corazonas Foods, Los Angeles, CA, set out to be a resource for heart health and plant sterol education. The result blends snacking enjoyment and a patented technology that infuses chips with plant sterols during the cooking process. Corazonas health claims are supported by research conducted at Brandeis University, Waltham, MA. The studies proved plant sterols must be eaten along with 10 g of fat to signal the gall bladder to secrete

bile, beginning the breakdown of cholesterol. Corozonas snacks are clinically proven to reduce LDL or "bad" cholesterol by up to 15%.

In December, the Los Angeles, CA-based company launched Heart-Healthy Whole Grain tortilla chips. The gluten-free chips feature patented cholesterol-lowering benefits along with 18 g of whole grains and 3 g of fiber per serving.

"It's important to identify the right audience for your product and find the message that speaks to them and engages them," Ms. Cappello said. Although marketers are often conditioned to believe otherwise, Corozonas has found success by educating consumers about its heart-healthy products and wowing them with taste, rather than capitalizing on taste and surprising them with the health aspect.

"These products come from a place of losing people we care about very much," Ms. Cappello said. "There is a social and emo-

tional responsibility that we take very seriously in a category that's about fun."

In these trying economic times, a dose of food-based fun with a bonus of health benefits may be just what the doctor ordered. "Regard-

less of price or product segment, customers are no longer interested in what you want to sell them," observed Retail Systems Research. "They are far more interested in how you fulfill whatever need they require to be fulfilled." ■

▼ Portion-controlled hybrid cookies have the crunch of a chip with 4 g of fiber and 3 g of fat.
MULTI-CREATIONS



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—Troy Henry, President/CEO, The Henry Group

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