issue 3

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Market Research

Stevia – Unlock New Market Opportunities in China

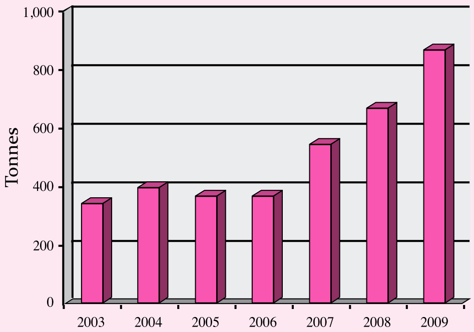
Written by Du Hongxiang, CCM Internationa Limited

China, as the world production base of stevia sweeteners, is becoming an important end use market, aided by the huge and fast-growing end use industries and the traits of stevia which is consistent with Chinese consumers' appetite for natural & high-quality products. Stevia sweeteners, as sweetener additives listed in GB2760 (Chinese national standard for use of food additives in foods and beverages), have been industrially produced since the 1980s. Now China supplies about 80% of the global demand.

End use market development

Chinese stevia market has obtained sound development since 2007. Delightedly in recent 3 years, consumption volume has increased with CAGR of 30%, climbing to over 800 tonnes in 2009, though it hovered at 400 tonnes from the year 2003 to 2006.

Figure 1. Consumption of stevia sweeteners in China, 2003~2009



Source: CCM International

This dramatic growth was driven by the fast development of end use industries, especially, functional beverages & foods, glazed fruits, tea & juice beverage, medicines, etc., which are the major application fields for stevia in China currently. In recent 3 years, Chinese beverage, food and medicine industry have all achieved significant development with annual growth rate 25%~40% in terms of production value (nominal value). Even under the context of global financial crisis in 2009, these industries still presented a fast growth rate of around 25% over the previous year.

This fast growth will continue in the following 5 years. Food & beverage industry production value, for example, is estimated to reach RBM 10,000 billion in 2015, with annual growth rate of about 15% in the next 5 years, according to Shen Chi, Secretary-general of China National Food Industry Association. For the market segmentations where stevia are used, such as functional beverages & foods, etc., they will present higher growth rates, since they are displaying progressing trend.

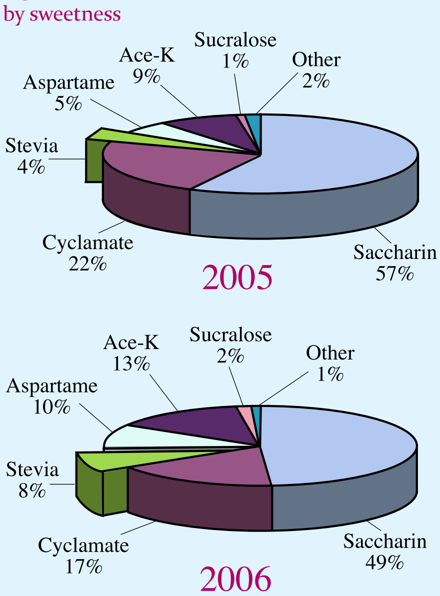
China's huge consumer market and promising prospects have attracted almost all global food giants that are dominating and leading the world food development trend and will also lead the applications of stevia in food and beverages, even retail markets.

In addition, stevia sweeteners have exerted strong competitiveness over other artificial high intensity sweeteners (HIS), and are also the best choices to substitute sucrose and starch sugar in food & beverage production, particularly under the context of energy shortage and high price of sucrose and corn - the starting material for starch sugar.

Stevia sweeteners have overwhelming competitiveness over mainstream artificial HIS in terms of safety and stability. Moreover, with various grades, flavors and usage cost, stevia sweeteners can meet different demands from multiple end use industries or application fields with specific requirements, though this may cause some difficulties in stevia products standardization.

With its favorable traits, market share of stevia sweeteners has been increasing in Chinese HIS market in recent years, despite of their higher usage cost over most of HIS. For example, in 2009, stevia sweeteners constituted 8% of the total consumed sweetness of HIS in China, compared with 4% in 2005. Stevia has become the fastest growing market in all HIS in China in recent 3 years.

Figure 2 HIS market share in China, by sweetness



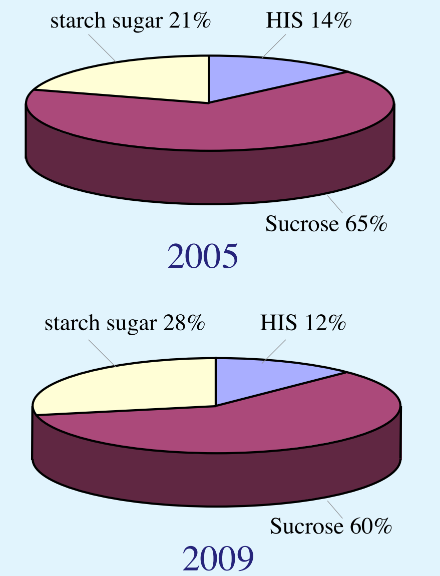
Source: CCM International

Chinese strict restrictions for application and production of some artificial HIS, especially sacccharin and cylamate, also contribute a lot to the booming of stevia market. For example, saccharine capacity has decreased significantly in recent 3 years and its sales volume also has seen downtrend since 2001 in domestic market. Additionally, with rising importance to food safety and food quality supervision, more and more illegal application of HIS with poor safety will be reduced or eliminated, such as saccharin and cylamate, which though still dominates Chinese HIS market now. Illegal use of them is serious in China, which is mainly embodied in the addition level and application scope exceeding the specified ones in GB2760.

Chinese consumers, influenced greatly by Chinese Traditional Medicine theories and gifted a tendency to pursue natural products, would present more preference to stevia sweeteners over other HIS, such as saccharine, Ace-K, cyclamate, aspartame, etc., given they are informed more knowledge of HIS.

The whole sweet food ingredient market in China also sees uptrend. In recent five years, the average annual growth rate is 9%, compared with 8% from 2002 to 2009. The growth of starch sugar is overwhelming over HIS and sugar. Starch sugar contributes to most of the sweet market growth and fulfills most of the supply shortage of sweet food ingredients, i.e. sucrose, in recent ten years or more. For example, starch sugar constituted 28% of the total sweet food ingredient market in 2009, compared with 21% five years ago. And market shares of both HIS and sucrose shrank in recent 5 years.

Figure 3 Sweet food ingredient market in China, by sweetness



Source: CCM International

Starch sugar enjoyed rapid growth. From 2002 to 2009, its annual growth rate was about 21%. However, it declined to 17% in recent 5 years. This downtrend is likely to continue in the following years since the corn price is always soaring driven by the fast development of downstream feed and food industries. Stevia sweetener is the best choice to fulfill the supply shortage of sucrose when starch sugar lowered down its growth, since other artificial HIS cannot undertake such a mission.

In a word, Chinese sweet market will continue its current high growth rate, or even higher, however, the growth of starch sugar supply and artificial HIS is at downtrend. Under this context, stevia, with it favorable traits, will capture more and more market share, though many things are urgent to do, such as sufficient supply guarantee, distribution channel construction, flavor modification, brand fostering, product standardization, cost reduction and quality upgrading, stevia comprehensive utilization, etc.

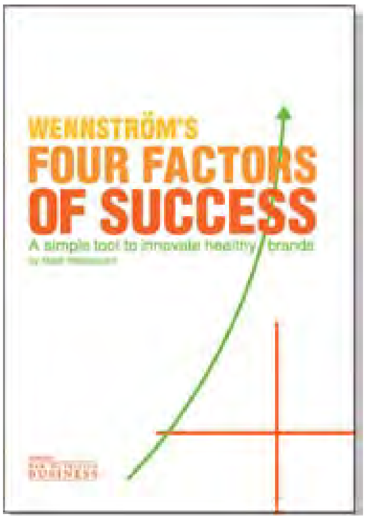
CCM International Ltd is a China-based consulting company, which has almost 10-year expertise in market research in food ingredients industry. CCM provides detailed analysis, primary information, and competitive databases by dynamic database, market report, newsletter, trade analysis, price monitoring and conference in the market of agriculture, life science and chemicals to meet clients' different needs. If you need to source marketing intelligence, CCM will be your good local partner. For more information, please contact CCM at econtact@cnchemicals.com

Du Hongxiang, born in Mainland China, has 6-year's experience in market research and is good at field works, competitive intelligence, financial analysis, benchmarking, etc. He is an expert in foods, biotechnologies and healthcare markets and has done dozens of researches, including HIS, industrial biotechnologies, stevia, sugar alcohols, glucosamine, carnitine, enzymes, methionine, yeast extract, etc. He got Master Degree from Sun Yat-sen University (Guangzhou), with major of ecology (graduate) and food science (undergraduate).

Four Factors for Success: How to Accelerate Brand Growth in China

Written by Peter Wennström. Healthy Marketing Team

Swedish-based expert brand consultant, Peter Wennström, has visited Clients in China twice so far in 2010. The more food and beverage executives he works with, Mr Wennström says, the clearer the message for this rapidly growing industry becomes.



In 2009, Wennström launched his acclaimed second book, the "FourFactorsTM of Success" which, based on 20 years experience consulting in the industry, decodes the complex decisions of the grocery consumer to guide Food, Beverage and Ingredients companies to the development of stronger concepts and better selling products. In this article Wennström explains the key applications of the FourFactorsTM in China in 2010.

The Four Factors can be seen as a practical tool for product development and proven model for brand analysis. They are:

1. **Need the Product:** What are the needs of your target consumer and how do they perceive your product?
2. **Accept the Ingredient:** What is the level of your target consumer's knowledge and awareness of, and interest in, your ingredient?
3. **Understand the Benefit:** How well do consumers understand the benefit your product is offering?
4. **Trust the Brand:** How much trust do your target consumers have in your brand to deliver all the above?

While all Four Factors must be present for sustained brand success, it seems that for the foreseeable future, one factor in particular will be the foundation for strong brand growth in many emerging health food markets including China. That is the fourth Factor – **Brand Trust**.

Conducting a trend spotting exercise during my Beijing Marketing Master Class in April, the leading Chinese Food & Beverage Company Executives highlighted the most relevant of the 9 Global Health & Wellness Mega Trends for their businesses. Top of the list came "**Less to worry about**". In many countries the list is topped by "**Taste is King**" – where consumers are mostly driven by their desire for pleasure. In China, however, the consumer is asking herself the critical question, "**Can I trust this brand?**"

You may think that is just China, but we are seeing the same fear spreading globally. Consumers are increasingly fearful of what is in their food. The speed of this spread is because today we live in a world driven by **Fear, Connectivity** and a **Search for Relevant Value**.

Inter-connected as we all are by the Internet and global mass media, fear travels fast. Whether the fear is of H1N1, global warming, ocean pollution or food additives, or a nutritional scare, it is rapidly shared around the world. According to HealthFocus International, the US-based leaders in Health & Nutrition Shopper Surveys, Consumers' fear of **the accumulation of toxins in their bodies** is now so strong it tops the list as the Number 1 Global Health Concern. Knowing this we can understand why **the Real Value consumers are seeking, in China and around the world, is trust in their food.**

Trust helps today's time-starved consumer to negotiate our over-communicated world, the brands becoming a short hand for meaning as thousands of commercial messages compete for her attention.

Of course trust is achieved in a number of ways, and all good marketers know that they should support their benefit with a convincing **"RTB" or Reason To Believe"**. But as the Healthy Marketing Team have worked with our Clients around the world we've begun to observe **the dawning of a New Marketing Reality**. The RTB is no longer enough. As consumers struggle to select between multiple trustworthy brands of similar attribute, quality and price, they are increasingly de-selecting brand options based on a new phenomenon. **RTR or "Reason To Reject"**. That is to say, brands which for any reason fail to win trust, or sufficiently appeal to the values of the consumer, are likely to be instantly rejected from the set of potential brand options.

What does this mean for manufacturers? Increasingly what were once 'little things' are becoming very 'BIG things': Packaging materials, recyclability, fair-trade policies, included additives, preservatives etc., once inconsequential, are all becoming reasons for consumers to select or reject your product. Each one of these 'little' product development decisions will be directly increasing or decreasing your sales.

So when your consumer is at the shelf in the shops, faced with your product and a similar one from a rival manufacturer, your benefits and motivations to buy are so similar, her decision will be made by de-selecting the brand with the most reasons to reject. Your task must be to remove as many reasons to reject your brand as possible and in doing so, **increase the Permissibility** of your product.

In our Master Classes and Workshops, we remind our clients that **all value begins in the mind of the consumer at the point of purchase**. We can decode that value with the FourFactors™ Brand Analysis System. The Fourth Factor, effective Brand Trust can be further understood by decoding the idea to three points:

The Brand Identity and History – a brand with equity in health can support and revitalise its brand promise with a known functional benefit and has an advantage over a new entrant.

The Brand Promise – at the very core of the brand image, it is exactly what the consumer expects the brand to deliver. The best brands dare to be very single-minded.

The Brand Image - think of any well-known brand, the power of that brand comes from the entire range of associations, ideas and emotions it conjures in your mind based on previous experiences / interactions with it.

According to our clients in China, local food and beverage manufacturers will benefit most by correctly understanding the components of brand trust. The Four Factors gives a simple tool to help to understand and decode consumers' key concerns and to address them by creating and developing truly trustworthy brands.

You can find out more about The FourFactors™ of Success, how to apply them and order the book online at www.healthymarketingteam.com

The Healthy Marketing Team are global experts in winning brand strategies for healthy food, beverage, supplement and ingredient marketing. The HMT coach Clients to success with consumer trends, proven analysis models and practical tools from the Food & Health Marketing Handbook.

Peter Wennström is regarded as one of the world's leading experts in functional foods marketing and is co-author of the Food & Health Marketing Handbook. Peter's speciality is to take consumer data and market insights from around the world on food/health issues and provide strategic tools such as the FourFactors™ Brand Analysis System also known as "The Healthy Marketing Game" which allows marketing teams to make strategic decisions and accelerate brand innovation and NPD.

Understanding General Labeling Requirements of Cosmetic for China

Written by Albert Leung,
Hong Kong Cosmetic Technical Resources Centre

Background

The old version of Chinese Cosmetic Labeling standard (GB5296.3-1995) has been released on 1987 and had been amended in 1995. Due to the rapid change of cosmetic industry and market, the old standard can no more suit in the existing cosmetic environment. So, "Cosmetic Labeling Regulations" (Decree No. 100) had been released on August 27, 2007, drafted by the General Administration of Quality Supervision, Inspection and Quarantine of PRC (hereinafter AQSIQ) and be in force from September 1, 2008.

In fact, before AQSIQ launching the "Cosmetics Labeling Regulations", the Ministry of Health of PRC (hereinafter MOH) has carried on 2 public consultations on the cosmetic label legislative matters and protocol, and caused a lot of responses from the domestic cosmetic players and extensive discussion. After many discussions, the Ministry of Health still could not come up with all aspects of response, including the state status, consumer safety and the right to know. It is because there were so many different needs to be complied on the drafting of laws. "Cosmetics Labeling Regulations" by AQSIQ would be released under such a controversial condition.

After the introduction, the Chinese cosmetics industry had very strong responses to the regulation, although the Chinese government would give more than one year as grace period and had hosted many seminars and other actions to promote the regulation. However, those actions seemed no use on calming down the cosmetic players. Chinese Association of Fragrance Flavor and Cosmetic Industries (hereinafter CAFFCI) was the key cosmetic industrial association in China with very strong political relations with China Government. In general, CAFFCI would escort on the regulation and Act. However, this time, CAFFCI, on behalf of the industry, wrote an open letter about regulations to AQSIQ to request different amendments for this regulation.

Finally, AQSIQ, MOH and Standardization Administration of PRC joined together to draft the "Instruction for use of consumer products -- General labeling for cosmetics" (Standard No. GB5296.3-2008) in 2008. The standard GB5296.3-2008 would then be the finalized version of "Cosmetics Labeling Regulation" and would be in force from Oct 1, 2009.

After dragging on for long time, the official labeling standard has been confirmed. However, some people may ask why the labeling law would make so many twists and turns. Would the labeling standard create some great impact on the cosmetic industry? What is the main content of Standard GB5296.3-2008? How large would be the impact of cosmetic standard? How could cosmetic players deal with the labeling standard?

Influence range of labeling standard

First of all, the labeling standard would be applicable to all cosmetic products sold in PRC. The China's official definition of "cosmetic product" is "any substances or preparation intended to be placed in contact with any part of the body surface (skin, hair, nails, lips, etc) to achieve cleaning, perfuming, changing the appearance, amending the human body odor, protecting, keeping in good condition". The official definition of "labeling" would be "texts, words, symbols, patterns attached to or connected or printed on sales packaging and instructions placed inside the sales packaging".

In other words, all the skin care products, color cosmetics, personal care cleansing products, hair care products, deodorant products, are under the umbrella of the labeling standard. Regardless of country of origin, any cosmetic products should be compliable to labeling standard, as long as products are being sold in China. Everyone can imagine how great effect and impact to China's cosmetic manufacturers, factories, brand holders, agents or even beauty salons and cosmetic stores due to the labeling standard.

It should be no harm to have more understanding about the China cosmetic regulation. Furthermore, after the financial tsunami, China has become one of the countries with the greatest potential for cosmetic market. In order to enter the Chinese market, it is essential to understand the Chinese law.

Main requirements of Labeling Standard

According to the Labeling Standard GB5296.3-2008, it is required that all contents on the packaging of any cosmetic should be true. All the information should be correct and scientific. Products' name of cosmetic should be able to reflect the true property, and easy to be understood. The following information should be written on the package: producer, distributor, importer or distributor, address, production permit number or import permit number, net content, production batch number, production date, and full formulation list.

The key controversial topic - all ingredients being listed

Before setting up the official standard, there was no mandatory requirement for cosmetic players to show the formulation with each ingredient. Therefore, requirement to show formulation with each ingredient should create the biggest impact. It is also the reason why China Government would give cosmetic players for more than one year's grace period to adapt to the new requirement. Firstly, cosmetic companies would have time to revise the future product package. Moreover, the cosmetic companies would have time to sell out, or clear up inventory without ingredients list on label to reduce loss in the grace period.

Representative of the China government points out that the implementation of disclosing ingredient list would give consumers the right to know. It lets consumers know what ingredients are being contained in the cosmetic products they use. So consumers would make their decisions on choosing cosmetic products. It would also facilitate the related Governmental departments to carry on inspection and hit the over-boasting phenomenon on ingredients use.

On the other hand, cosmetic players point out that general consumers are not industry experts, where most of them would not understand the professional cosmetic INCI name. So implementation of the formulation disclosure would not allow consumers to enjoy the right to know. Instead, disclosure might let others companies to copy the formulation easily. It would be more difficult to protect the trade secrets.

In addition, all ingredients must be written in simplified Chinese. It is another reason why industry opposites the requirement. Now, most of cosmetic ingredients INCI names are in English only, but no Chinese INCI name. In order to meet the labeling requirement, the Ministry of Health set up an expert committee group. The group has already translated "International Cosmetic Ingredient Dictionary & Handbook, 2004 edition" published by CTFA into Chinese. Then MOH has released the translated version in 2008. But the industry hopes the translation process and safety assessment of raw materials would be more rapid, esp. for the new ingredients. More Cosmetic raw materials would then be available in China raw materials market. The cosmetic companies would have more choices on raw materials for R&D, to keep improvement and competitiveness of Chinese Cosmetic Products in global market.

In fact, besides China, the European Union, the United States, Japan, Southeast Asia and other parts of the would had also implemented the formulation disclosure. One reason for China Government to update the own labeling standard is to converge with international standards.

How to deal with labeling

In any cases, labeling standard has become part of mandatory cosmetic regulations. It is necessary for cosmetic suppliers to revise the cosmetic packaging, to meet the standard. If cosmetic companies can't ensure the cosmetic formulations and their ingredients, please contact supplier as soon as possible. If the formulation list is in English, it is suggested to seek for advisor to carry on translation. If you don't understand the labeling standard very clearly, it would be excellent to discuss with your Chinese cosmetics legal advisor.

Should you have any comments or questions about the article, please contact the writer via email albertleung@hkctr.com.

Hong Kong Cosmetic Technical Resources Centre (CTR) is a joint-venture established by CMA Testing and Certification Laboratories (CMA Testing) and International Cosmetic (Asia Pacific) Joint Development Centre (ICJDC) in 2006.

CTR is a distinctive and unique platform with a group of expertise from various authoritative entities covering technical support, quality control, professional training, product development, production technology, market trend, regulations and license application for cosmetic industry.

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The Healing Power of Ayurveda Products

Written by Dr. S. Ajit (BAMS), Planet Ayurveda New Zealand

When you visit a pharmacy or health shop these days, you are confronted with rows and rows of herbal tablets & supplements. This market has grown in the response to the public's desire to live a more natural & healthy life and avoid products full of synthetic & artificial compounds. However, with so many products to choose from it's hard to know which is best for you.

Unfortunately, the truth is that many of these products are the same. Despite all the advertising explaining their points of difference, many use the same compound as their active ingredient, eg. Glucosamine for joint problems and despite claims of being natural, many use synthetic compounds in their preparations.
The other thing you may notice is that once you start relying on these products, you must continue taking them, often in more concentrated doses because they only succeed relieving the problem for a short time. The reason for this is that many of these natural supplements are used to mask the symptoms of the problem, rather than addressing the root cause of the disease.

Ayurveda, the ancient health science of India, has been using natural herbal preparations for centuries to treat a wide range of health problems. This system of medicine has been practiced for over 5,000 years, making it the oldest health sciences in the world. Its strength is that it understands that disease can only be cured at its source and from centuries of clinical experience has developed diagnostic tools to expose the origin of disease and structured treatment programmes to affect a cure.

Ayurveda recognizes that all disease, whether it is high blood pressure, cholesterol, stress or fatigue & tiredness, all have their origin when the body's natural intelligence becomes imbalanced. This intelligence is governed by three primary energies, Vata, Pitta & Kapha. Together they regulate every physiological and psychological characteristic from basic cellular processes to the most complex biological functions.

Vata is responsible for all bodily activities and sensations. It controls the movement of blood through the circulatory system, breathing, the delivery of nutrients to the cells and the removal & excretion of waste products. Pitta governs digestion and metabolic transformation of nutrients into biologically usable forms. It also imparts the capacity to absorb ideas and impressions and bestows intelligence and an enthusiasm for life. Kapha provides substance and support. It gives strength and stability, both physically and psychologically. It enhances resistance to disease and promotes the healing process.

When these energies are in balance, the body is able to work efficiently, metabolizing food, building tissue & flushing out waste products. However, when these energies become imbalanced, metabolism becomes affected, tissue do not receive proper nourishment and waste products start collecting in the body, leading to wear and tear on the body, both physically and mentally.

Ayurveda believes that these energies become imbalanced by poor diet & lifestyle choices and by external environmental factors. The qualities in the environment and in our food can accumulate in our bodies and can disturb the dynamic balance between these energies. For example, the qualities of Vata are dry, cold, light & active so if you live in a cold climate and eat dry, cold & light foods then these qualities will accumulate in your body and cause Vata to become imbalanced which, if unchecked, can lead to disease. Therefore keeping these intelligences in equilibrium is necessary for keeping the body healthy, flushing out toxins and preventing problems from manifesting.

When Vata becomes imbalanced diseases such as anxiety, insomnia, constipation, bloating, dry skin, cracking joints and fatigue & tiredness start manifesting in the body. When Pitta becomes imbalanced, diseases such as irritability, heartburn, ulcers, skin rashes & diahorrea appear and when Kapha becomes imbalanced the person will experience such diseases as chest congestion, sinus headaches, obesity, diabetes & sluggish metabolism.

Without an understanding of the imbalances that cause the disease, it is easy to treat the illness symptomatically, rather than treating the disease at its source. For instance, a person with a Vata imbalance who was looking for a natural health solution to their problems would leave the pharmacy or health food shop with several bottles of medication eg. St, John's Wort for insomnia, B12 for stress, glucosamine for cracking joints and some topical cream for their dry skin. While theses preparations will help to treat the symptoms, they will fail to address the underlying problem so the medication will only give temporary relief.

Ayurveda, on the other hand, treats the disease at its source by bringing the energies of Vata, Pitta & Kapha into balance and returning the body's intelligence to its natural state. This is achieved by changes to a person's diet and lifestyle that will introduce qualities opposed to those that are imbalanced eg. Vata's cold, dry, light qualities are balanced by the introduction of foods that are warm, unctuous & heavy.

As part of this regime, common kitchen herbs are also used to give food medicinal qualities; firstly to assist the stomach in metabolizing food efficiently and then to assist in the removal of toxins from the body's tissues and gastro-intestinal tract. In more advanced cases, Ayurveda uses herbal preparations to assist in the healing process. These preparations are different from many of the products now available on our shelves for the following reasons:

- They target the root cause of the disease rather than treating the symptoms.
- They are a combination of pure

herbs & minerals and never contain synthetic substances.
- They not only help to dislodge toxins from the body but assist in its rejuvenation.
- They help to revive the intelligence of particular organs or tissues that are affected by the build up of toxins so that once all the toxins have been eliminated, one doesn't need to keep taking these products.
- The preparations are based on traditional formulations and have been in use for hundreds of years.

Ayurvedic Science teaches us how to live in balance at all levels, physically, mentally & spiritually as it is only when we get out of balance that illness can take hold. It gives us the tools to enhance our awareness so that we can live our life in harmony, within ourselves & the world at large. Perhaps this is why this ancient health modality is called the Science of Life.

The Planet Ayurveda group of companies was established by Dr. S. Ajit in 1996 with a mission to provide authentic Ayurvedic treatments and high quality Ayurvedic products to the Australasia region. Planet Ayurveda Wellness Centre – With a dedicated team of therapists who are personally trained in traditional Ayurvedic treatments by Dr Ajit, the Centre provides authentic Ayurvedic healing not only to the local community but to clients from around the world. It is also the only Ayurvedic Centre in Australasia that is fully equipped to offer Panchkarma, Ayurveda's profound de-toxification & rejuvenation programme.

Dr S. Ajit has a Bachelor of Ayurvedic Medicine and Surgery (B.A.M.S.) from Punjabi University in India. For over 18 years he worked for the Government of India in various positions in both Ayurvedic hospitals and pharmacies. In 1996, he moved to New Zealand where he practices and teaches Ayurvedic Medicine, making him one of the most experienced Ayurvedic doctor in Australasia. Dr. Ajit has developed a three year Diploma in Ayurvedic Medicine which is based on the syllabus of the Central Council of Indian Medicine (India).

He was instrumental in forming the Australasian Ayurvedic Practitioners Association in New Zealand and Australia and is currently CEO of the International Council of Ayurvedic Medicine and a New Zealand Health Charter Member.

Could Consumers Do Away with Detergents?

Written by Countries & Consumers, Euromonitor International

There can be no doubt that innovation in environmentally-friendly products is currently a driving force in laundry care across developed markets. Aiming to tap into current consumer demand for products that minimize harm to the environment, a growing number of laundry care products that place environmental concerns at the forefront of their marketing are hitting the shelves. From compact formats to low temperature detergents, manufacturers are playing the environment card.

However, for consumers for whom a product's green credentials rank highly as a purchase driver, the claims of mainstream manufacturers to be environmentally- friendly may well leave something to be desired. In light of this, a number of alternatives to traditional laundry care products, which do away with detergents altogether, are currently attracting attention from consumers who find multinational manufacturers' green claims just don't wash.

Eco Balls promise money savings

Eco Balls are perhaps the most well-known and established of the alternatives to laundry detergents to date. The products, which are available on-line and in specialist stores, are priced at around £30 for a pack of three balls, which the manufacturer claims will clean effectively for around 1,000 washes. Eco Balls contain pellets made from mineral salts that during the wash cycle produce ionized oxygen, which, combined with the movement of the balls, lifts dirt and grime from the load.

Because there is no need to rinse out any detergent, a shorter cycle and a lower temperature wash is sufficient. Despite the initial outlay for the product being relatively high, the manufacturer claims that in the long term consumers will save money as the balls are long lasting and energy and water costs are also reduced. In addition to the environmental and cost benefits, Eco Balls lack the chemicals found in many mainstream detergents, leading the manufacturer to claim that the product is suitable for babies and those with sensitive skin.

A detergent that grows on trees

Soap nuts are another alternative to traditional detergents that have become increasingly available as internet shopping has taken root. Soap nuts are grown largely in Central Asia and the shell contains saponin, a natural detergent that creates mild suds when it comes into contact with water. The product has been used for centuries for cleaning in Asian societies and has more recently become popular with eco-minded consumers.

To use the product, four to eight shells of the nut should be added to the laundry in a bag. The nuts can be re-used until the shells begin to deteriorate, typically after four to six washes, and 500g of the nuts, which retail at around £7 on-line, are estimated to last for around 300 washes, making the product much cheaper than conventional laundry detergent and around the same price as Eco Balls, providing the longevity of both is as marketers claim. Of all the alternative products available, it is the only one that can currently claim to be totally natural and organic, a factor that is sure to prove a selling point to some.

No bounce in dryer balls

While Eco Balls and soap nuts provide an alternative to laundry detergents, alternative environmentally-friendly products have also made inroads into fabric softeners in the form of dryer balls. To use, two dryer balls must be placed in the tumble dryer, which should then be used on its regular setting. Manufacturers claim the balls soften fabrics during drying without the need for dryer sheets or in-wash fabric softeners.

The product claims to lift and separate the laundry in the dryer, while also retaining the heat and transferring it to the clothes as they tumble, speeding up the drying process and resulting in a shorter drying time and therefore less money spent on electricity. The dryer balls retail at around £8 on-line and in specialist stores and are guaranteed for five years of use – a substantial cost saving on regular fabric softeners.

Consumers will need convincing

While many consumers with staunch environmental principles are already firm fans of these ethical cleaning alternatives, the vast majority will no doubt take more convincing to opt for these environmentally-friendly alternatives.

As has already been evident in the case of manufacturers such as Ecover and Seventh Generation, which started out as niche environmentally-friendly manufacturers long before the green trend reached the mainstream, the biggest hurdle to establishing and growing the market share of green products is convincing consumers of their efficacy.

Understandably consumers are often unwilling to fork out for a product, particularly those with high start-up costs such as Eco Balls, which may not deliver the results they have come to expect from evermore technologically advanced laundry care products.

In light of the limited marketing budgets available to the manufacturers of these niche products, for the foreseeable future it is likely that the vast majority of consumers will be happy to stick with mainstream laundry care manufacturers whose efforts to become more environmentally-friendly, be it through green product lines or green tweaks to established brands, should be enough to convince the average consumer that they are doing their bit for the planet.

For those for whom the environment ranks higher on their list of concerns, the likes of Ecover, Method and Seventh Generation detergents will likely be the next port of call.

Inspiration for future innovation?

However, over the longer term, should the green trend continue its rapid progression into the mainstream, products such as the Eco Ball could perhaps provide inspiration for future innovation from mainstream laundry care manufacturers – adding a trusted brand name to the likes of the products outlined above would certainly go a long way to convincing consumers of their effectiveness.

Euromonitor International is the world's leading provider of global business intelligence and strategic market analysts. They have more than 30 years experience of publishing market reports, business reference books, online databases and bespoke consulting projects.
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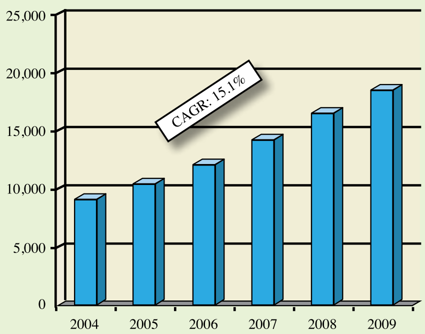
Naturals Market Resists Recession, Posts Strong Global Growth

Written by Nancy Mills, Kline

Kline

The market for natural personal care products has persevered through the recession, posting strong gains around the world. Spurred by growing consumer awareness, better raw material supplies, and wider availability of more affordable products, the naturals market posted double-digit gains in 2009. It is a sustained pattern of strong growth that has personal care product marketers of all sizes looking to seize the growing opportunities in worldwide markets to tap into this attractive industry.

Sales of natural personal care products in 2004-09



**All data in manufacturers' sales, unless otherwise indicated, manufacturers' sales refers to the price received by the marketer before distributor and/or retail markups. The above figure only includes four key regions: United States, Europe, Asia, and Brazil.*

Naturals Here to Stay

With more than a 15% CAGR over the last five years, the naturals trend seems to have solidified its position as more than just a passing fad. While the trend is growing steadily worldwide, what makes it most interesting is the diversity of impact in each region. Kline's Natural Personal Care 2009 report—the only such study to examine the naturals industry in the United States, Europe, Asia, and Brazil—reveals significant differences among the major markets with regard to consumers' adoption of the trend, the popularity of products, the competitive landscape, and the degree to which so-called natural products really live up to their billing.

As a clear indication of the growing naturals appeal, manufacturers are pushing the envelope of what passes for natural in order to get on the bandwagon. Kline's ingredient analysis finds that nearly 75% of so-called natural personal care products are not so natural after all. The overwhelming majority are considered "natural-inspired," comprised mostly of synthetics with just enough natural ingredients thrown in to take advantage of low consumer differentiation. Unfortunately, the lack of explicit standards that define the degree of naturalness in most markets makes it possible for manufacturers in some countries to call their products "natural" just by adding a flowery label to the package.

Booming in Brazil

As the second-largest single country market for naturals in the world, Brazil is one of the most attractive opportunities for natural personal care marketers. Growing consumer purchasing power and greater supply of products have also made it the fastest growing, up more than 15% from 2008.

Dominated by a single supplier that commands about two-thirds of the total market, Brazil has also benefited from a weakening U.S. dollar that has made the importation of natural products more affordable. Consumer differentiation remains quite low here as well, with most so-called natural products merely natural-inspired.

The Brazilian market could be a challenge for some brands in that direct sales dominate the distribution channels. The channel has fallen off in many developing nations over the past 10 years, and most brand marketers are not equipped for this kind of distribution. However, drug stores here have also begun dedicating more shelf space to natural personal care products, boosting sales in this channel significantly.

Attractive in Asia

By the sheer size of its population, growth in GDP, and disposable income among consumers, the Asian market is quite attractive to global marketers. Posting a healthy growth rate in 2009, the region collectively commands a 40% share of the global market for natural personal care products.

A rich heritage of Ayurvedic and herbal medicine, particularly in India and China, means that consumers are quite familiar with the principals of natural remedies. Ironically, this tradition does little to stem the tide of highly synthetic products passed off as naturals. With no labeling standards in place in some countries and a low degree of consumer differentiation between truly natural and natural-inspired products, the market is currently led by manufacturers who remain more committed to profits than their natural positioning.

Also, contrary to what one might expect, while domestic brands are currently quite strong here, foreign brands are highly regarded as more technologically advanced, further opening the door of opportunity for global brands to infiltrate this booming market.

In Asia, as in most other parts of the world, makeup is a fast-growing category. In January 2010, Tokyo-based cosmetics giant Shiseido acquired mineral makeup pioneer Bare Escentuals in a move that will no doubt continue the proliferation of natural makeup products across Shiseido's already strong presence in the regional marketplace.

A key differentiator in this market is the variety of distribution channels from one country to another. In China and Japan, the growing appeal of Western-style department stores has drawn shoppers in for cosmetics and skin care products, while direct sales remain quite strong throughout the more rural areas of the region. Unique to the Indian market, kiranas - the equivalent of mom-and-pop stores in the United States - are responsible for the majority of naturals sales in this country.

Truly Naturals Growing in Europe

The European naturals market is thriving on an increase in the supply of products and the expansion of specialized skin care offerings with anti-aging and sun protection benefits. While less than one-third of the overall market comprises truly natural products, this segment is growing here as marketers reformulate their products to meet increasing demands of certifying bodies. In Europe, a pan-European standard for natural certification is brewing, which presents a great opportunity for international brands that rank at the higher end of the naturals scale.

Makeup is the leading growth category here as well, with product innovation in organic and mineral-based formulations by leading worldwide brands leading category growth. The top marketers here are large domestic brands with broad appeal and considerable clout in the personal care industry, such as Oriflame and The Body Shop.

Value Drives Growth in the United States

Stymied considerably by the recession, the U.S. market for naturals posted relatively modest growth in 2009, but was still remarkable compared to the cosmetics and toiletries market as a whole. Here, as in Europe, marketers are reformulating their products to beef up their natural positioning to appeal to more skeptical consumers and meet increasing scrutiny over the true naturalness of ingredients.
Challenging this move to more natural ingredients, the recession forced U.S. consumers to seek out more mid-range, mass-marketed products that provide greater value and cost less.

Hair care is the fastest growing category in the United States, with new product innovation in shampoos, conditioners, and even hair styling products boosting growth in this category. Manufacturers have struggled with limited availability of raw materials that produce the cleaning, lathering, and shining qualities consumers are accustomed to with traditional synthetic surfactants and polymers, but recent advances are helping to drive gains in the category.

How Long Before Naturals Reach Critical Mass?

With overall growth in the naturals industry expected to average just over 12% through 2014, the trend will no doubt spark even more product innovation as marketers reformulate products to capitalize on consumers' interest.
Most critical for marketers, however, is developing a thorough understanding of the nuances of each individual market. In Asia, for example, the long-standing tradition of Ayurvedic and herbal remedies makes the naturals concept more familiar, but, as it turns out, most products available here are not all that natural after all. In the United States, consumer demand for naturals is growing, but so is the skepticism that should incite marketers to develop truly natural products that deliver more than marketing hype.

As the trend pushes forward over the next five years, Kline believes that the industry is moving toward a critical mass of acceptance and demand. As marketers combine natural ingredients with overall sustainability practices that appeal to consumers, one wonders just how long this growing trend will continue before it becomes a way of life, and natural personal care products solidify their position as a stalwart in the industry.

Kline & Company
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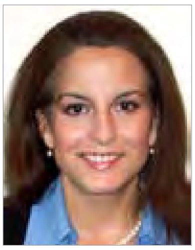


Nancy Mills is the industry manager for the Consumer Products practice at Kline & Company. She oversees the Cosmetics & Toiletries and Household Cleaning Products reports and is the global project manager in charge of Natural Personal Care. Nancy also manages parts of the Professional Skin Care, Beauty Retailing and Salon Hair Care studies. She is currently launching the new program Kline Pulse: Consumer Insights of Personal Care Innovation 2010. This forward-looking study combines cutting-edge primary consumer research with Kline's market data. She has 13 years of experience in global business: market research, strategic marketing and consulting. She is regularly quoted in all major industry publications and many national media outlets.

www.coralcalcium.com

CORAL LLC
THE LEADERS OF ABOVE SEA CORAL

Discovering the health benefits of CORAL MINERALS

Many health conscious people get caught on that we often emphasize as whole food nutrition. Whole food is synonymous with nutraceuticals. For first timers, nutraceuticals are one of the best ways to supplement your diet. Instead of providing isolated, synthetic nutrients, a whole food nutraceutical provides the full monty—the whole—including all-natural nutritional matrixes, those known and unknown. Most if not all vitamins and minerals work within a matrix of nutritional cofactors if they are to be optimally utilized and made body ready. That's why we think one of the best types of calcium supplements comes from eco-safe above-sea coral. After many years of researching many coral products, we have narrowed our search down to one specific product. Now let us tell you the facts about eco-safe above-sea coral calcium.

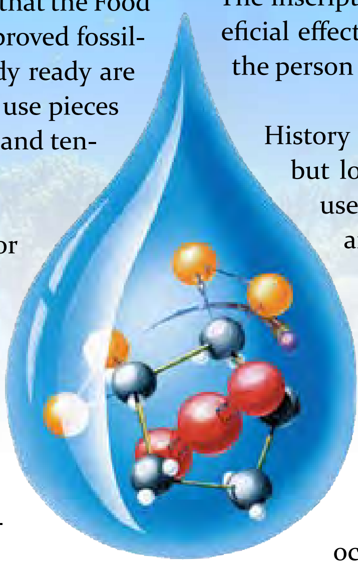
Everyone's Talking, Few Are Understanding

Calcium is the most abundant mineral in the human body and makes up two percent of our body weight. Perhaps no other element has as many crucial and active roles to play as calcium. The bloodstream needs calcium so much so that our bodies are designed with homeostatic mechanisms to keep the calcium level stable throughout our life. For these reasons and many more, some of the best medicine today is food that is rich in calcium and some of the best food today is that which contains bio-absorbable and bio-available calcium with its complete complementary mineral matrix.

More Than Calcium

So why should you consider coral calcium as an ideal source of calcium? While calcium is a major mineral in coral, our recommended eco-safe above-sea coral product contains a complete mineral matrix. Coral calcium is much more than calcium. Therefore, let's call it coral minerals. Coral is thought to contain virtually every mineral needed by the body and is known for its synergistic relationship with the body so that the Food and Drug Administration (FDA), has approved fossilized coral for human bone graft. So body ready are coral minerals that orthopedic surgeons use pieces of coral for bone grafts because the bone and tendons readily accept the coral.

Minerals are the basic foundation for health. From our bones to the multitude of enzymatic activities within and without our cells, minerals are the key that opens the door to optimum health. This is accomplished by supplying the body with missing minerals that have crucial roles to play and by bringing overall mineral levels up, thereby raising the pH of body fluids and tissues back to their natural healthy levels. A higher pH (alkaline) is important because most disease thrives in a low pH (acidic). Furthermore, almost everyone today is deficient in one or more essential minerals because our soils have become depleted through unsustainable farming practices. When the minerals are supplied in an organic absorbable form, health can improve, and the body can initiate the healing response.



A Supreme Mariceutical

The use of mariceuticals (medicine from marine organisms) is well documented in ancient Arabic and Chinese literature, but the first specific mention of coral is found in Indian Ayurvedic Medicine, dating back some 5,000 years.

Proof of western coral usage can be seen in the world's oldest pharmacy (established 1685) that is still in existence and preserved as a museum in northern Spain. Among the rows of bottles on the ancient shelves is a container of coral powder with the inscription that, "The blond coral is the only coral used for medicine." The inscription further states that the coral has a beneficial effect upon the heart and elevates the mood of the person taking it.

History remains silent on coral from 1700 to 1900, but local legend reports that coral remained in use in Okinawa. Many say that coral minerals are the reason for the indisputable longevity of the Okinawan people; at best, coral calcium might have been one influence on their longevity, certainly not the only.

Why Eco-Safe Above Sea Coral?

Above sea coral was a thriving reef thousands of years ago and was geologically pushed up above sea level, free from the ocean pollution of the industrial revolution.

www.coralcalcium.com

So Why Should You Use Coral Minerals As Your Calcium Source?

Coral is not only a good source of calcium but also a good source of 70+ minerals. Over 157 different diseases have been linked to mineral deficiency. Eco-safe above-sea coral contains about 74 minerals, including all of the macro- and micro-minerals needed by optimum body functions. There are four main reasons the coral minerals are so highly absorbable:

- Full Spectrum
  Every mineral needs other minerals to support it in order to do its job effectively. And each supporting mineral needs other minerals to support them. Hence, minerals work best in a complex, such as coral, where every mineral is present in a natural balance.

- Organic & Predigested
  Coral minerals are organic in the sense that an animal has previously digested them. It is very difficult for the human body to digest inorganic minerals (similar to eating little rocks). Having been previously digested by the coral polyp, coral minerals are readily absorbable by the human body.

- Ionic
  Coral minerals possess the natural ability to go ionic upon contact with moisture. When coral powder is placed in solution, the minerals go into an ionic state. Ionic means that these elements gain or lose electrons producing a positive or negative charge; in a sense, they are much more energetic and more likely to pass through cell membranes.

- Synergistic
  Coral is naturally synergistic with the human body. This is evidenced by the medical practice of using pieces of coral in bone grafts.

Where Do I Find Coral Products?

If you want to see what a full-spectrum mineral matrix can do for your health please visit our website www.CoralCalcium.com. We offer consumer products, private label, and raw material for manufacturers. Our finished product line includes: Coral Complex3, Eco Pure Powder, Coral White Toothpaste, Alkalizing Water Treatment, Vitamin D 5000, Cinnamon 6, and soon Mineral Gummy Bunnies.

CORAL LLC
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Coral LLC (Coral Calcium) is the largest supplier of Coral Calcium. We supply raw coral to various companies around the world including Procter & Gamble and NTBY Inc. (Nature's Bounty, Holland Barrett, Nature's Way and GNC).

We offer the following products:

Bulk Coral Calcium Powder, Oyster Shell, and Calcium Carbonate:
for food fortification, supplements, water filtration, animal feed, beverages, etc

Finishes Product:
Coral calcium capsules, toothpaste, powder in packets, Tea Bags, Gummy Mineral Candy, etc

Private Label:
Coral calcium capsules, toothpaste, powder in packets, Tea Bags, Gummy Mineral Candy, and other presentations.

For more information
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