

Current and emerging trends in Natural Health



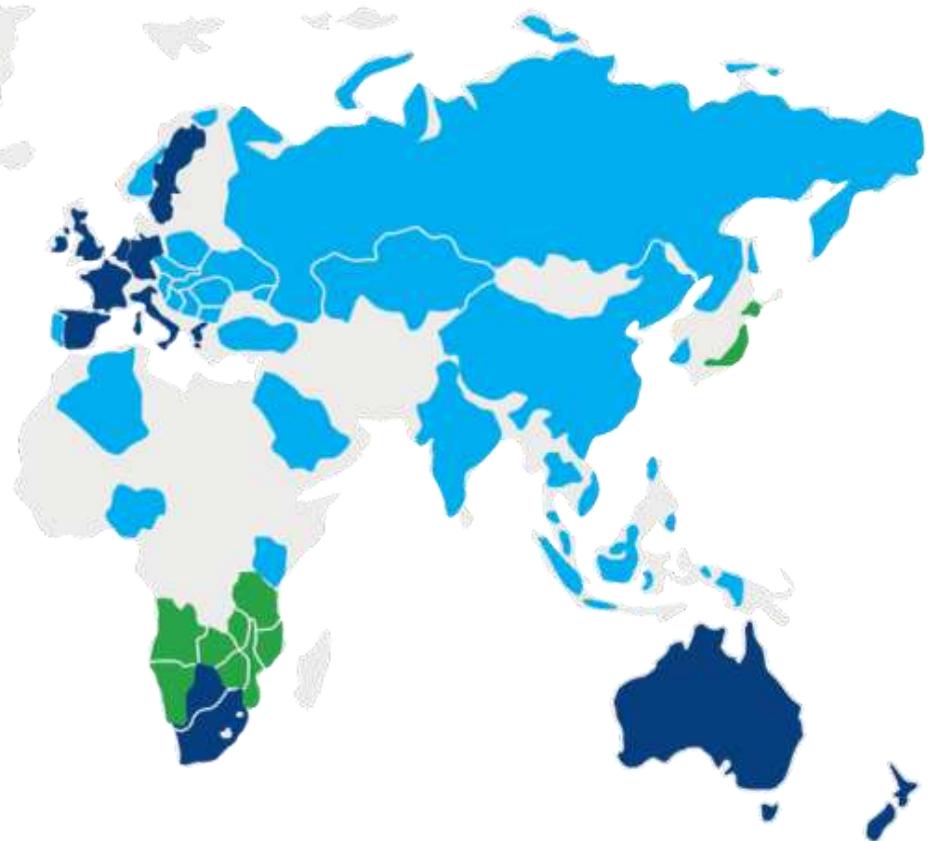
Hayley Turner
Account Director - IRI NZ

Natural Products NZ Summit
March 2017



Who are IRI?

- 11 North America offices
- 12 Europe offices
- 3 Asia-Pacific offices
- 1 Africa office
- ISO-Certified Global Analytics Center of Excellence serving clients in over 60 countries
- Global Operations Center in India



- IRI offices
- CCR and Intage partnerships
- Analytics and Global panel coverage via Worldpanel

What do we do?



Grocery



Pharmacy



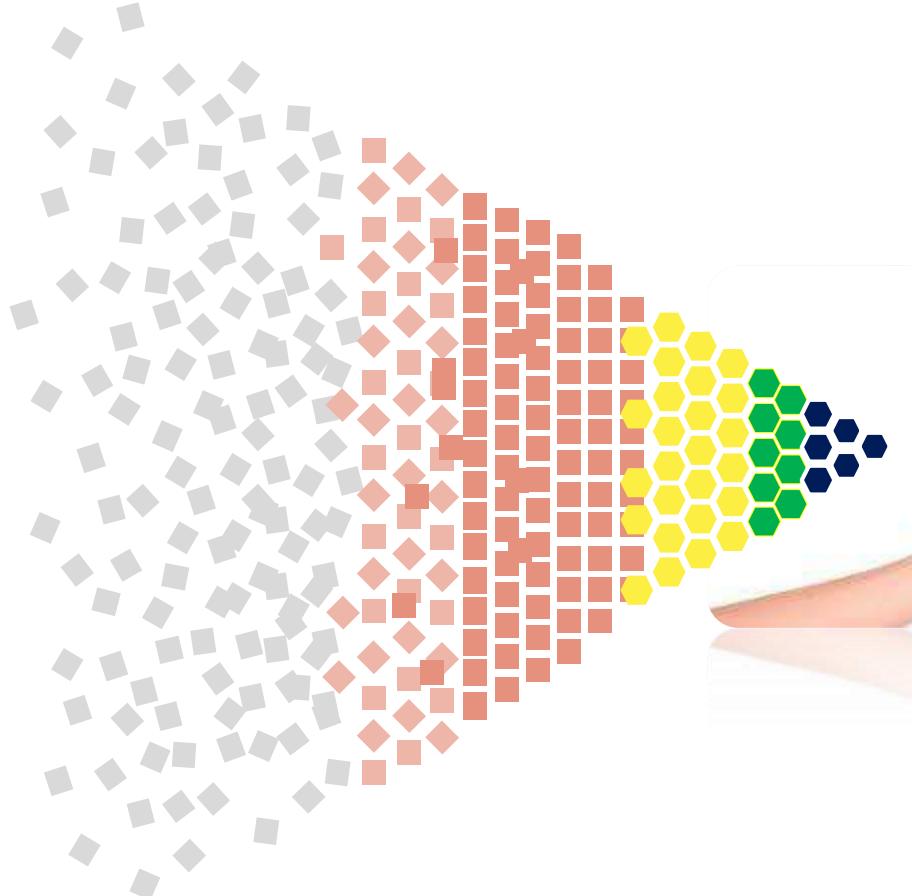
Liquor



Petrol



Route



What do we do?



Grocery



Pharmacy



Collate



Cleanse

SOFTWARE &
REPORTING



DATA
PROCESSING



CONSULTING



ADVANCED
ANALYTICS



Process

Today



Landscape



The Market



Trends

Today





\$81.1b **+4.8%**

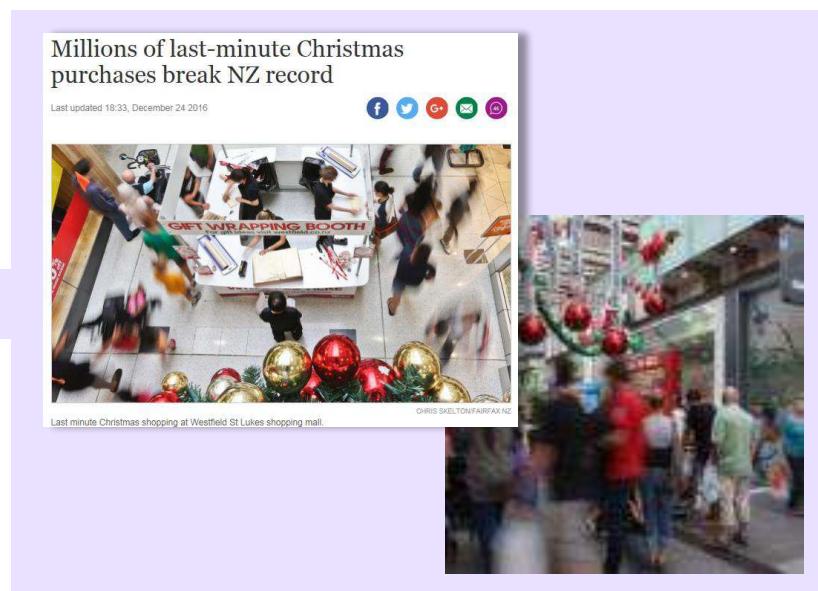
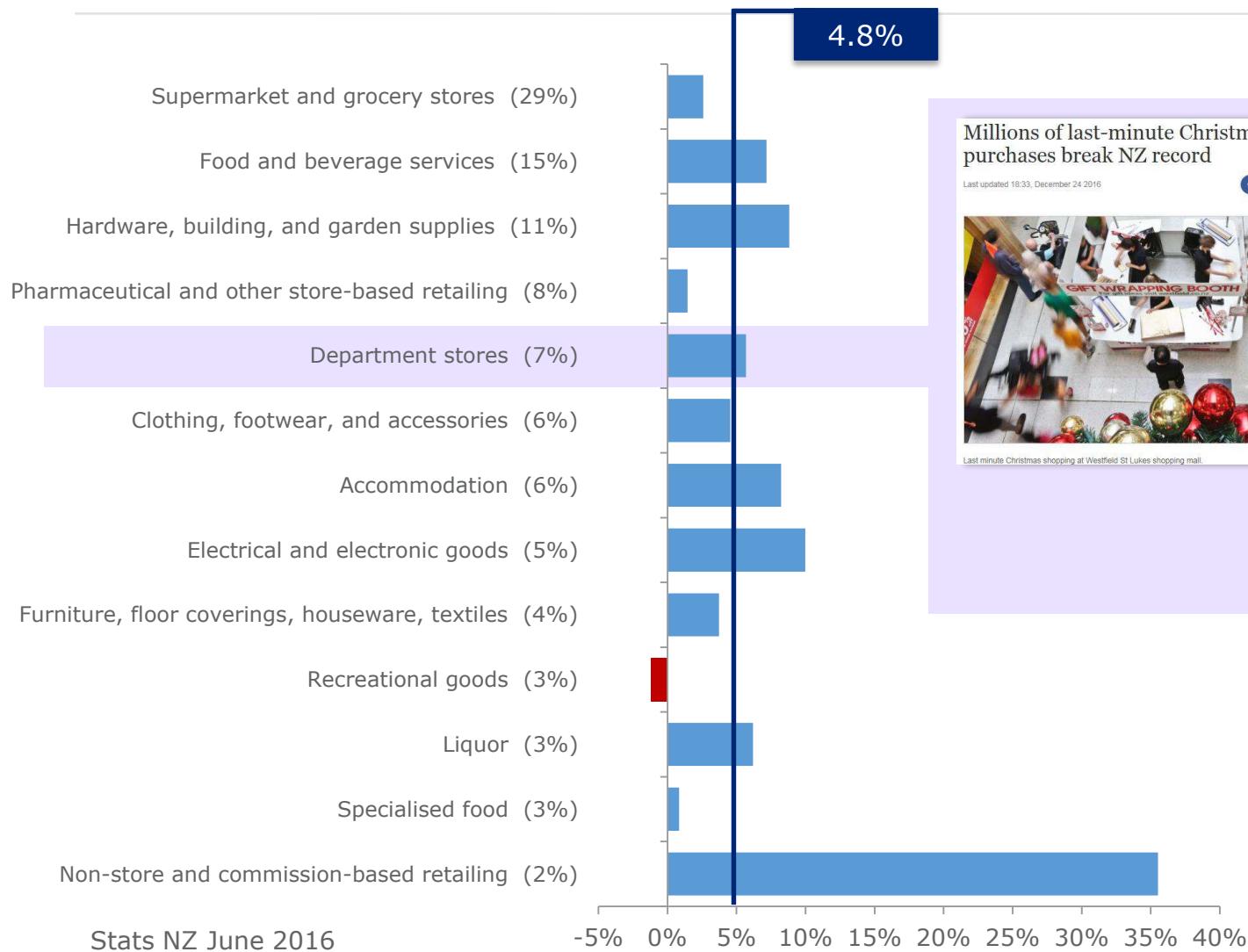


\$13.0b **+3.0%**

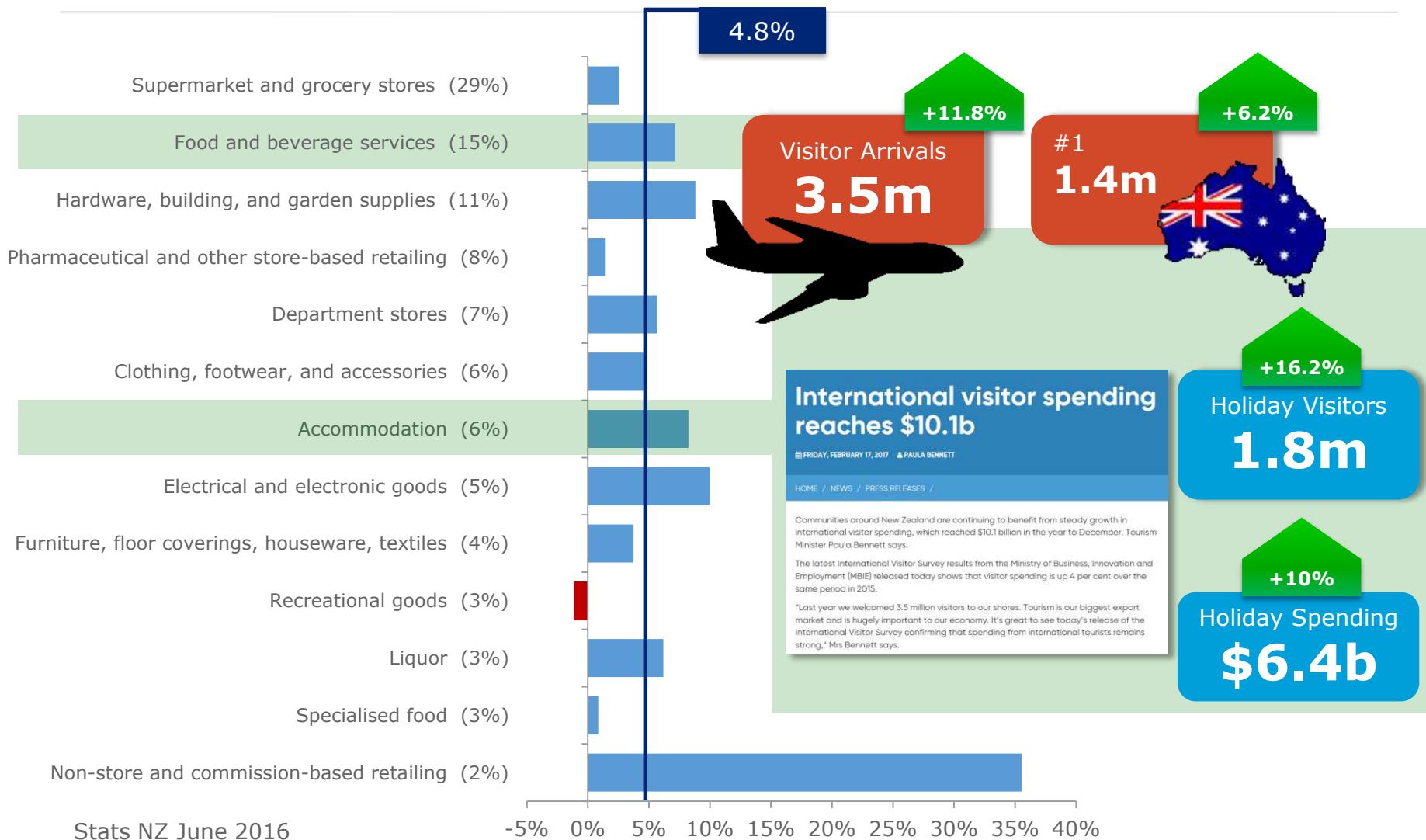


\$588m **+0.03%**

Retail Total Sales by Industry, Growth vs YA



Retail Total Sales by Industry, Growth vs YA

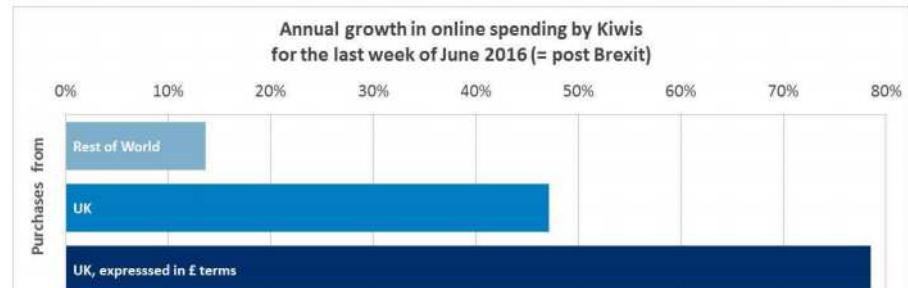


Online Retail Spending – 2016 vs LY

2016



The 'Brexit' effect...



Notes: Online spending data is from BNZ and Marketview. Exchange rate data is from S&P Capital IQ.

The chart compares spending for the week of 24th to 30th June 2016 with spending in the same period in 2015.

The top 2 bars use the NZ\$ value of spending. The bottom bar takes the NZ\$ values for the UK and converts them to UK pounds using end-of-day exchange rates. It is approximate only.



Today





Non-Food TOP 5 | Grocery

1



2

Natural Health



3



4



5



\$ Growth %

+4.3%

MAT to 01.01.17

+10.0%

MAT to 03.01.16

-1.8%

MAT to 01.01.17





TOP 5 | Pharmacy

1

2

3

4

5

Natural Health



\$ Growth %

+2.1%
MAT to 01.01.17

+2.8%
MAT to 01.01.17

+19.5%
MAT to 03.01.16

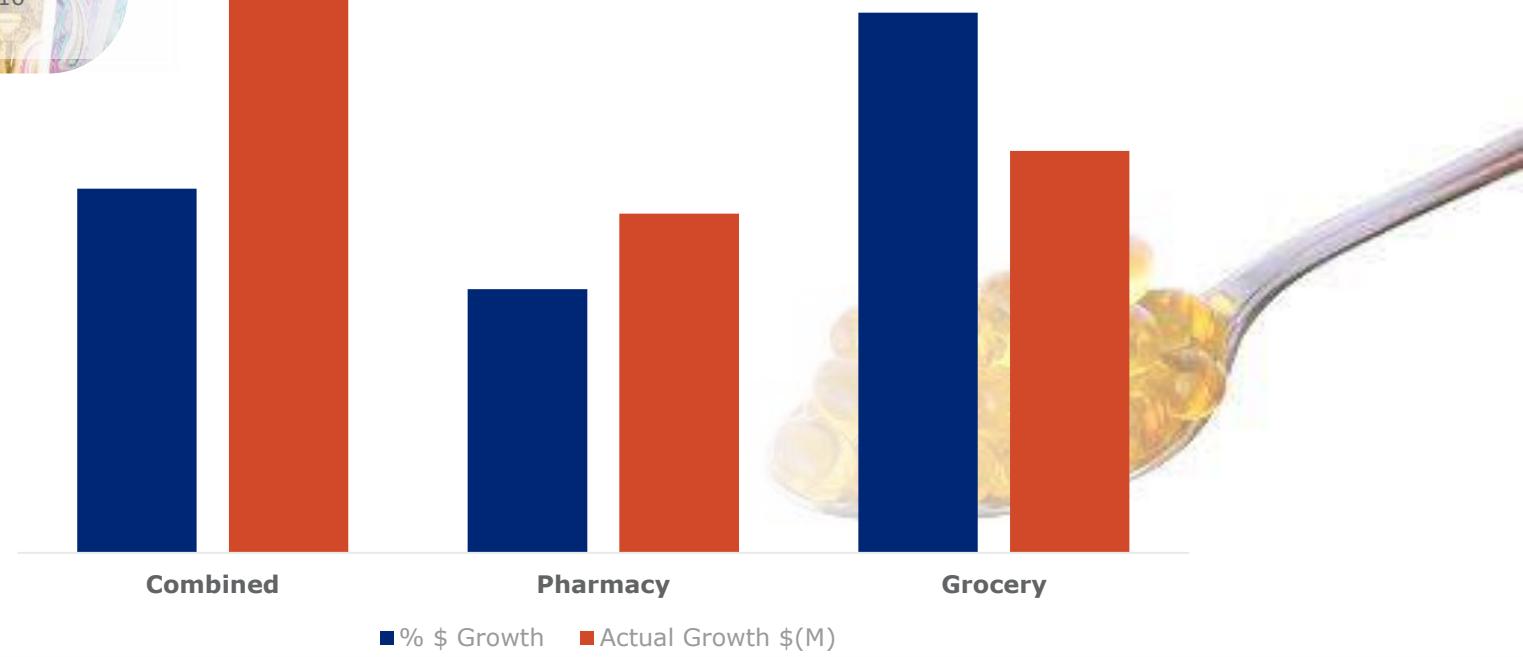


Total Defined Scanned Natural Health

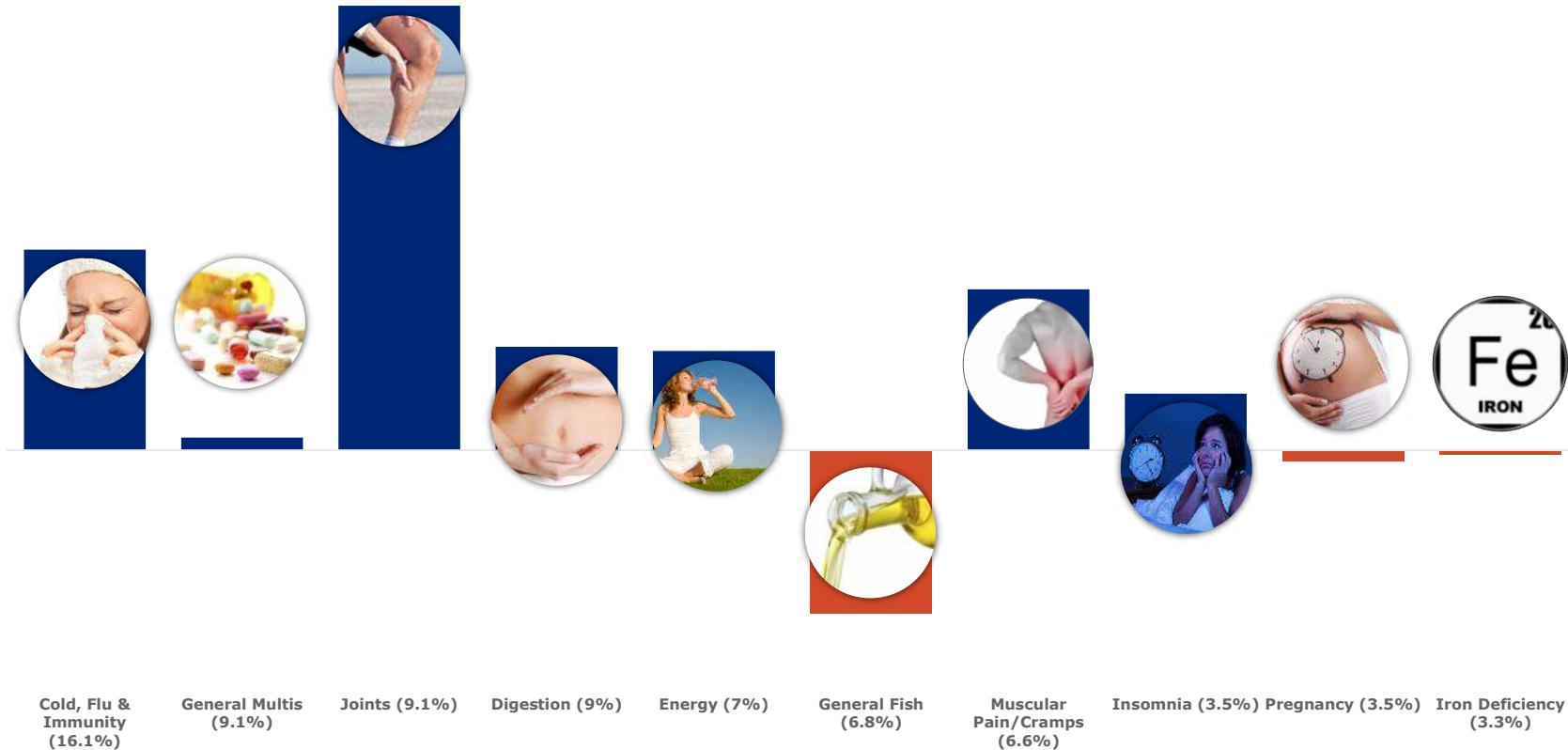
Combined Grocery + Pharmacy



Natural Health Growth



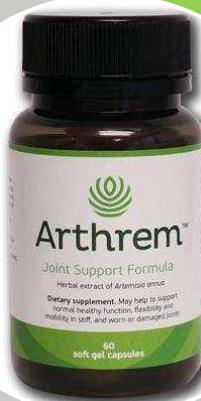
Natural Health - Top 10 segments





#3 largest Natural Health segment

21%
Share of
T. Joints



Clinic trial
based evidence



PR



Distribution

Arthritis product success results in 600% sales growth

Arthrem has been the subject of a randomised clinical trial at Otago University. Principal investigator and lead author of the published research Associate Professor Simon Stebbings recently describing the research as having produced "one of the most exciting study results" he has seen in the past 15 years.

The results, published in the peer-reviewed journal *Clinical Rheumatology*, showed that trial participants with hip or knee osteoarthritis experienced reduced pain and stiffness and an increased ability to move after taking Arthrem.

Study gives hope to thousands of arthritis sufferers

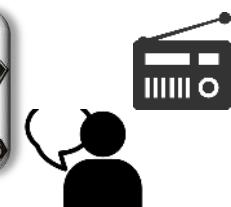
User recommendations such as Wells' have now been backed up by a clinical trial at Otago University's School of Medicine.

Funded by Promisia, the independent 12-week study was conducted by associate professor Simon Stebbings, who said it had been a long-standing aspiration to find a herbal extract that could prove effective in relieving osteoarthritis symptoms.

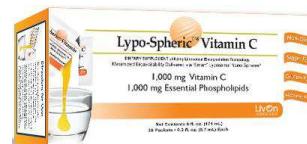




#1 largest Natural Health segment



38% of segment

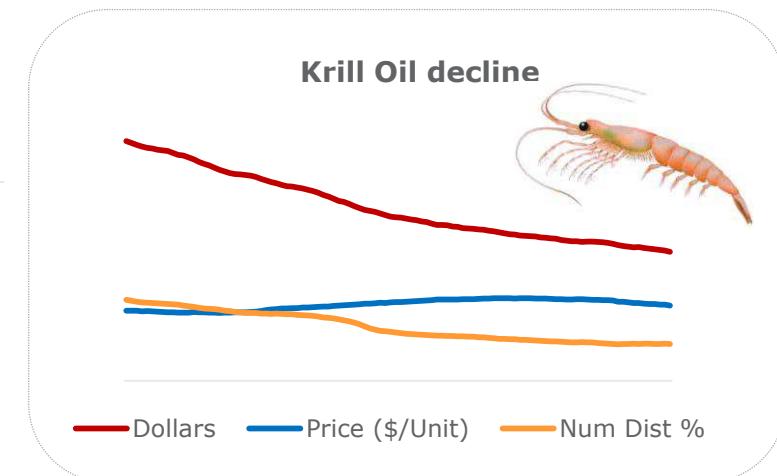
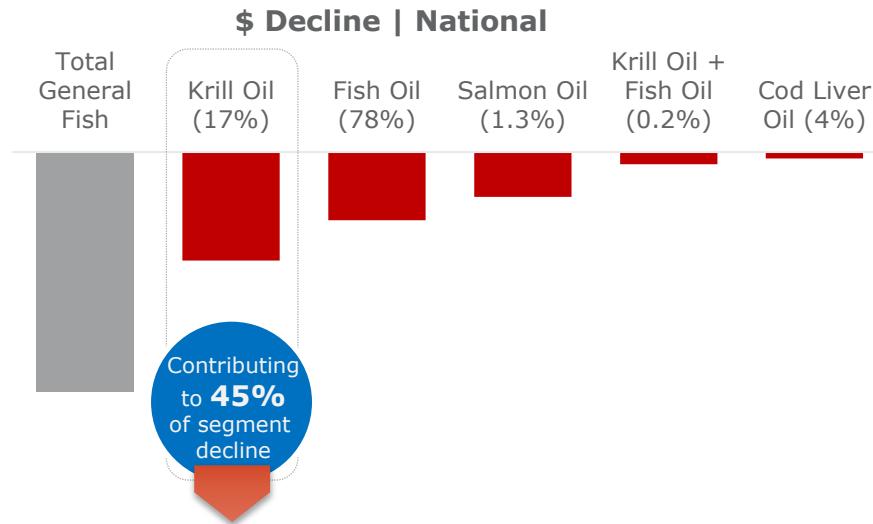


84% of growth





#6 largest Natural Health segment



Three in ten rat offspring die after mothers fed oxidised fish oil: study

"But at the moment, we just don't know the health risks to the unborn baby. And our first stimulus is to buy it. This suggests it may be wiser for women not to take fish oil supplements in pregnancy."

"Clearly, further research is needed to assess any risk to humans," he says. "In the meantime, we should not be taking fish oil supplements."

Study reveals effects of 'off' fish oil

6:00 PM Friday Jul 22, 2016

Parenting | Pregnancy and Childbirth | Science

SHARE: [f](#) [t](#)

A new Kiwi-led study has found a third of pups born to rats fed high doses of very rancid fish oil during pregnancy did not survive beyond two days - but experts say human mums-to-be shouldn't be worried about taking fish oil supplements.

Researchers at the Auckland University-based Liggins Institute wanted to investigate the health effects of "off" fish oil after an earlier study they did found most fish oil supplements sold in New Zealand were off to some degree.



Fish oil capsules. Photo / iStock



Can your fish oil cause you harm?

by Donna Chisholm / 28 September, 2016

Dramatic new research from Auckland scientists revealing the potential harm of "off" fish oil is the latest in a string of bad news stories causing a multi-million dollar headache for the former golden child of the supplements industry.



Today



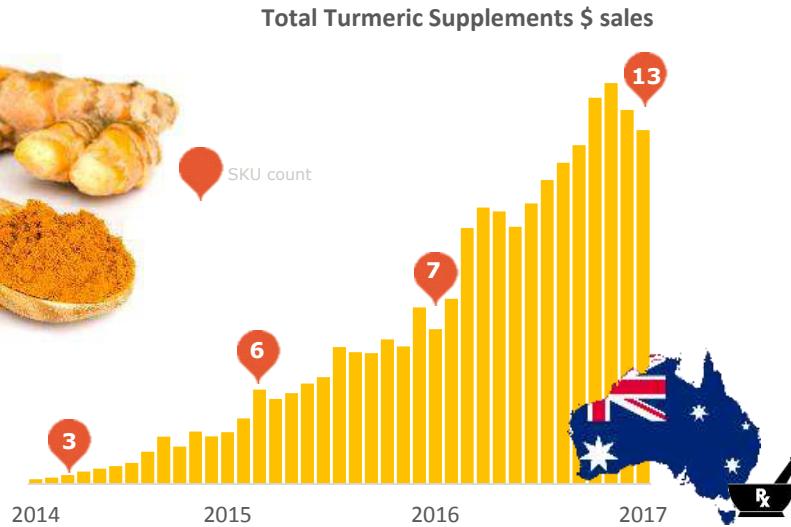
Trends



Trends



Turmeric - Natural Health



Turmeric Spices Segment



more from stuff



Turmeric lattes and the golden age of health drinks



Heading down as Labour's deputy leader, Jacinda Ardern...
Your Cruise of A Lifetime



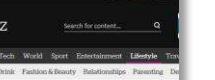
Ingredient of the Year

The yellow spice is being added to lattes, juices and face

says Claire Colman

Foodlovers by Helen Jackson

HOME RECIPES BLOG FOODIE FORUM FEATURES FOODLOVERS VIDEO



Trends





Organic Growth



44% Chilled

15% Baby Needs

14% Beverages

9% Baking & Cooking

6% Personal Care

12% Other

T. Defined*

ORGANIC

+ 23.5%





Organic Growth

44%

Chilled

15%

14%

9%

6%

12%

Organic Fresh
White Milk

5.6%



LEWIS ROAD CREAMERY
New Zealand

Organic

Rest

+ 77.4%

- 8.7%



*price \$/litre





Organic Growth



Organic Baby Food



Organic

Rest

+ 14.9%

+ 5.2%



little
bellies™





Organic Growth

44%

UHT Milk & Cream



Tea

chanui



SCARBOROUGH
FAIR



Coffee

Kombucha: a nice addition to a real food lifestyle

Do believe the hype:
kombucha is a good thing

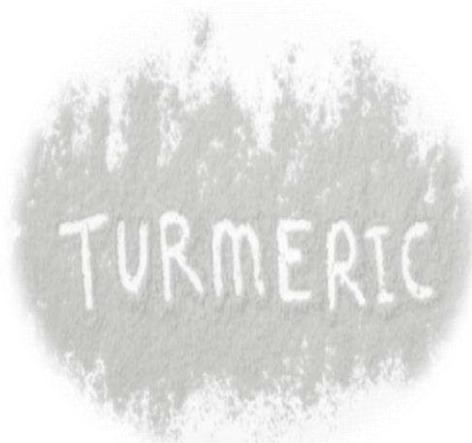
WITH HEALTH AND BEAUTY BENEFITS THAT BOOST BODY, MIND, ENERGY LEVELS AND SKIN, KOMBUCHA IS THE SUPERFOOD CURRENTLY ON MANY A SUPERFOODIE'S LIPS. HERE'S WHY



KOMBUCHA: THE FERMENTED FOOD THAT'S FULL OF BENEFITS



Trends





Sustainability

The consumer of today...

- Has the ability to access knowledge when required
- Prepared to pay for a service and looks for value for money
- Seeks treatments that are consistent with their values/beliefs.

What does this mean for suppliers?

- Understanding consumers' values is imperative for success
- Consumers are seeking information on product characteristics, health claims and sourcing

Source: Heddings, N. (2014). Shoppers in a context rich world. (The IRI Aztec ShopperView Pharmacy Report).



"You want to know how your consumer behaves – but they know how and they can"

2016



Enabling Informed Decisions

The cost of the **superfood** craze – and what consumers can do to offset it



Now too expensive for poor growers to eat



Child labour at the centre of cacao farming



Overharvesting & lack of sustainable management reported



Ongoing issues with child labour in coconut plantations

Quinoa can be grown almost anywhere, therefore buy **locally**

Seek **fair-trade** options, check out the World Vision chocolate scorecard

Seek **fair-trade**, **organic** suppliers, alternatively consider buying **locally** grown berries, such as blueberries

Look for **fair-trade** and **organic** suppliers



"Companies can't be leading edge in sustainability if they aren't leading edge in sourcing and procurement."

Consumers not only care about **what they buy**, but as digital retailing increases, **how they buy**.

With new and increased sustainability concerns, they also care as much about **who they buy from**.



Enabling Informed Decisions 51



Transparency

"Do what you say you're going to do"



Software intercepts fake formula

Sunday, 18 December 2016

"It's a very profitable area for criminal gangs and in fact it's much easier to get away with it than it is to get caught. The consequences can be greater and sentences in court are relatively trivial," he said.

"One of the reasons we started the business was New Zealand's at the moment is that there's a lot of fake manuka honey that's sold here. It tends to be counterfeited - there's an often repeated figure that there's more fake manuka honey sold in the UK than is actually produced in New Zealand, and of course all manuka honey is produced in New Zealand."

NEW ZEALAND

Pet food company owner faces animal welfare charges

2:26 pm on 17 August 2016

A Te Kauwhata pet food company owner has appeared in court to face animal welfare charges.



Man pleads guilty to 'very serious' bobby calf mistreatment charges

LIBBY WILSON
Last updated 16:42, June 2 2016



A slaughterhouse boss is the first person to face jail after admitting criminal

horsemeat scandal which rocked British supermarkets

Wednesday 28 January 2015 19.08 GMT

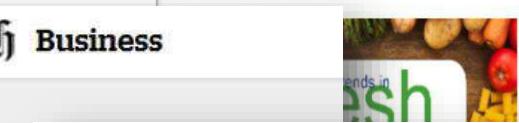
the guardian

Slaughterhouse boss admits charges over UK horsemeat scandal

Wednesday 28 January 2015 19.08 GMT

A slaughterhouse boss is the first person to face jail after admitting criminal

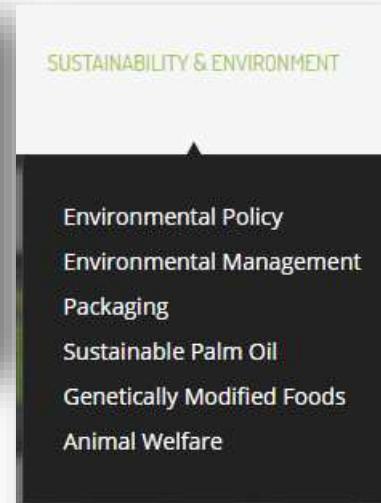
horsemeat scandal which rocked British supermarkets





Transparency

Who's Promising what?



9

Have a main Website Menu option for "**Sustainability**", "**Environment**" or "**Social Responsibility**"

6

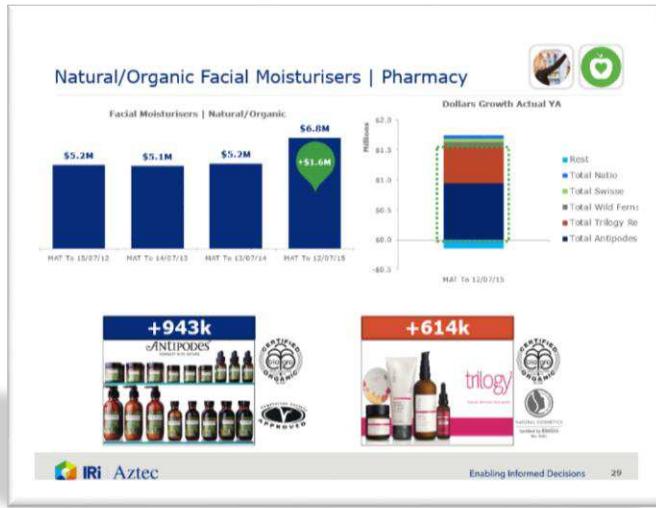
Have an *indirect* link or article concerned with these themes





Transparency

Who's Delivered?



ANTIPODES®

+ 28%

trilogy®

+ 20%



February 26, 2016

What Your Company Needs to Know About Brand Transparency

by Bonnie Harris

[Follow @waxgirl333](#)

34 SHARES

▲ Interesting

▼ Not interesting

BRANDING

“Brand transparency is directly related to industry trust, company loyalty and long-term revenue”

Brand transparency is directly related to industry trust, company loyalty and long-term revenue. As an integral part of relationship marketing, transparency is



