

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



What do we do?



Collate

Cleanse

Process

SOFTWARE & REPORTING



DATA PROCESSING



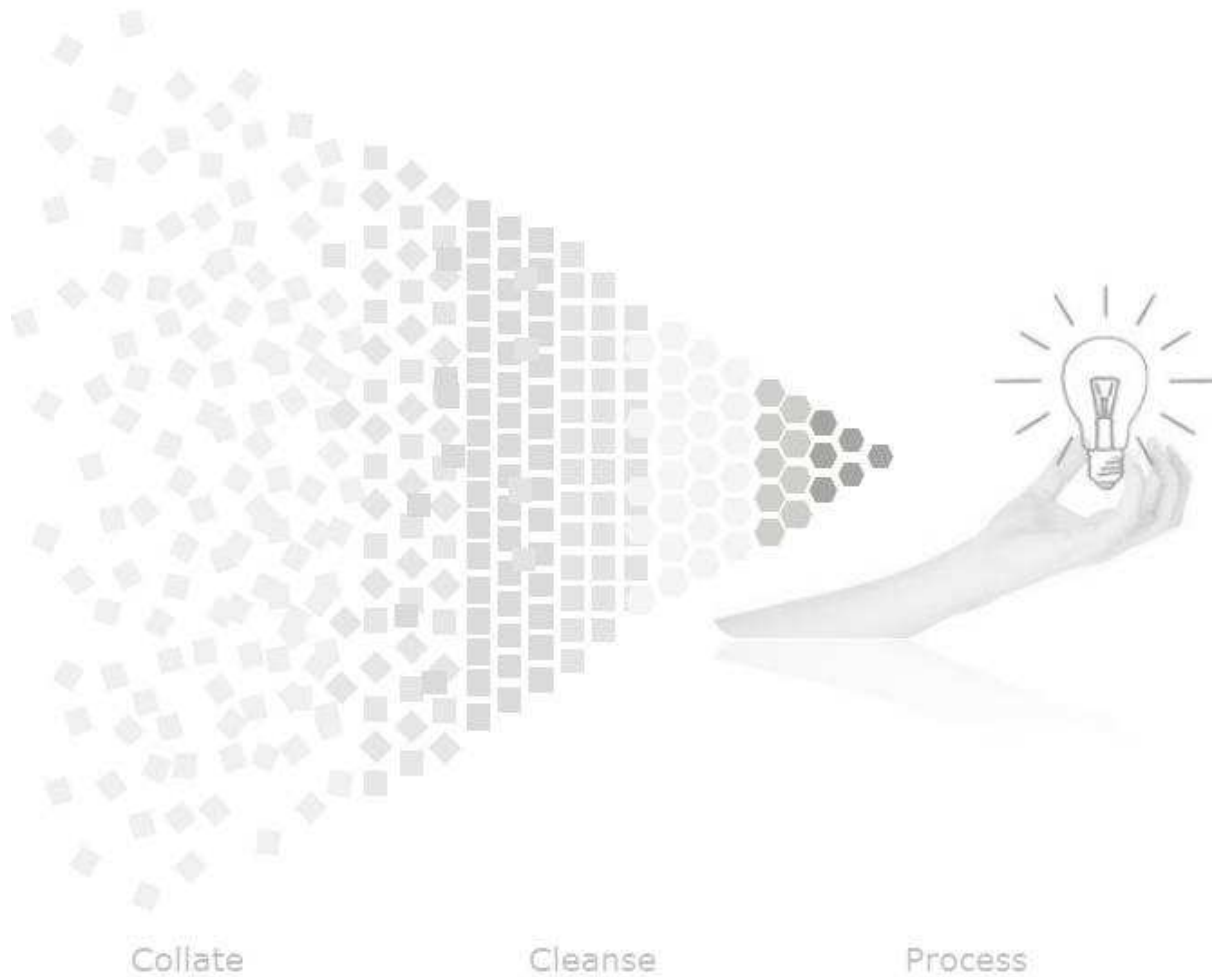
CONSULTING



ADVANCED ANALYTICS



What do we do?



SOFTWARE &
REPORTING



DATA
PROCESSING



CONSULTING



ADVANCED
ANALYTICS



Today



Today





Total Retail

\$81.1b

+4.8%



Grocery

\$13.0b

+3.0%

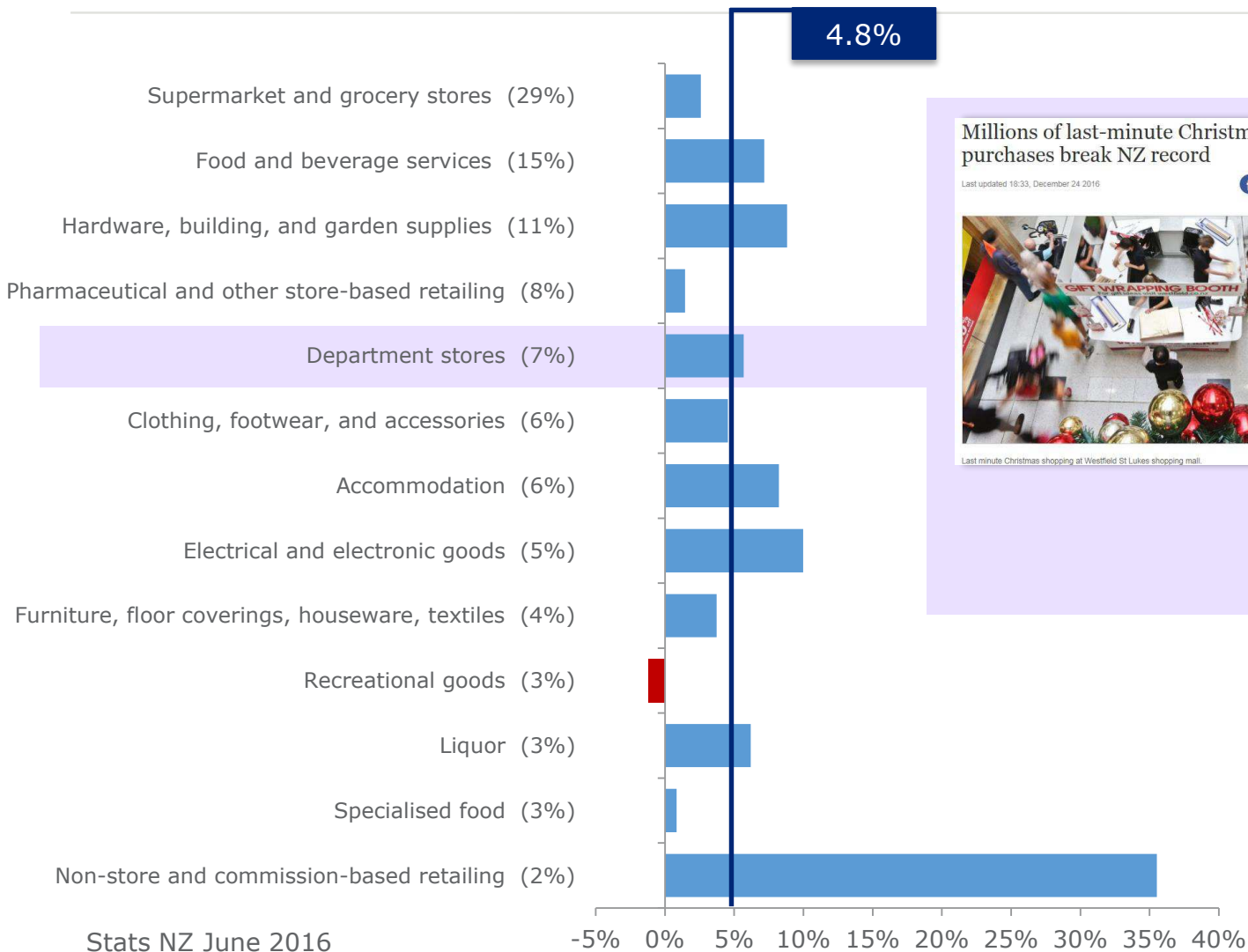


Pharmacy

\$588m

+0.03%

Retail Total Sales by Industry, Growth vs YA



Millions of last-minute Christmas purchases break NZ record

Last updated 18:33, December 24 2016

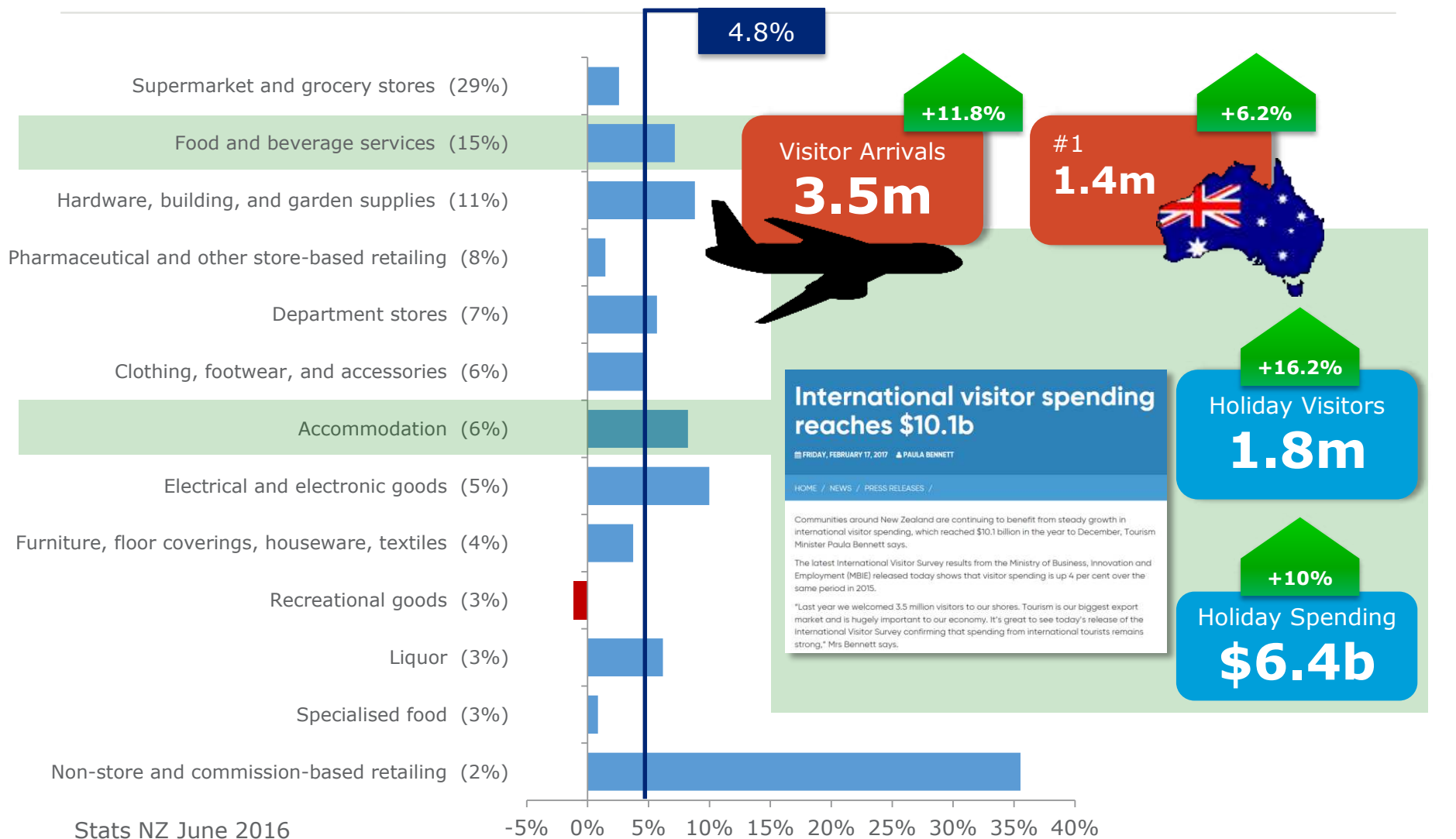


Last minute Christmas shopping at Westfield St Lukes shopping mall

CHRIS SKELTON/FAIRFAX NZ



Retail Total Sales by Industry, Growth vs YA



Stats NZ June 2016

Data to year ending Dec 16

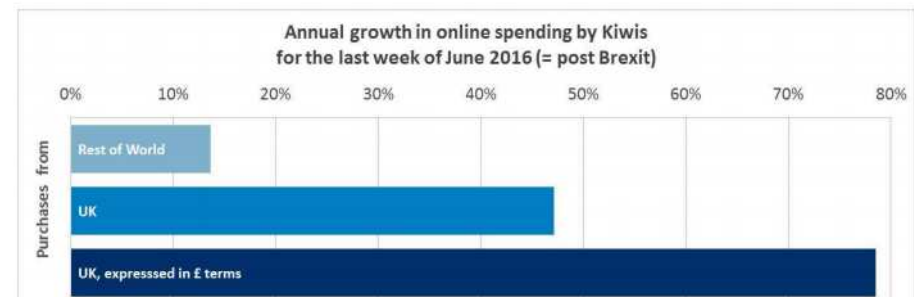


Online Retail Spending – 2016 vs LY

2016



The 'Brexit' effect...



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

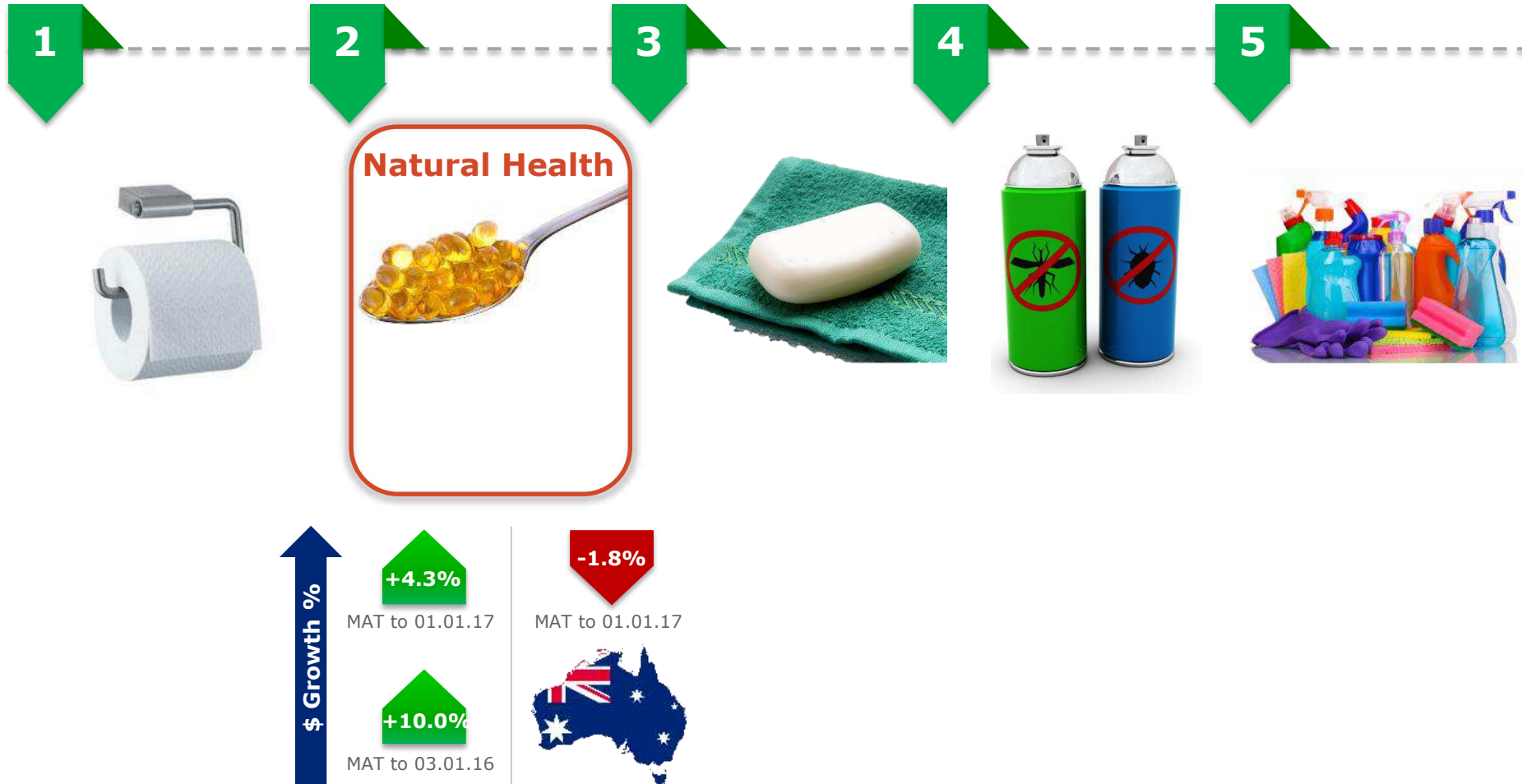


Today



Non-Food TOP 5 | Grocery

T Gcy
\$13.0B
+3.0%



TOP 5 | Pharmacy

T Pmcy
\$588M
+0.03%



1

Natural Health



2



FIRST AID

3



4



5



\$ Growth %

+2.1%

MAT to 01.01.17

+19.5%

MAT to 03.01.16

+2.8%

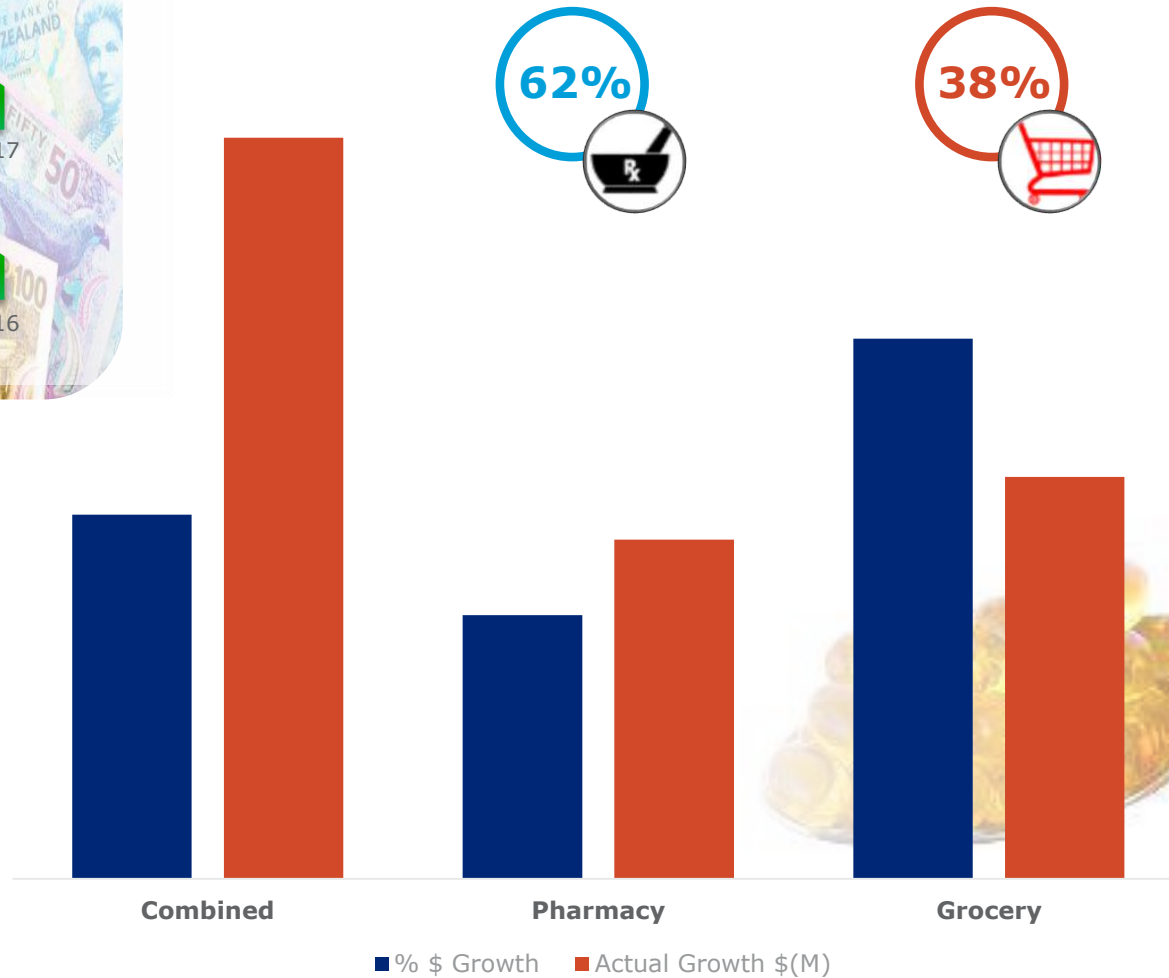
MAT to 01.01.17



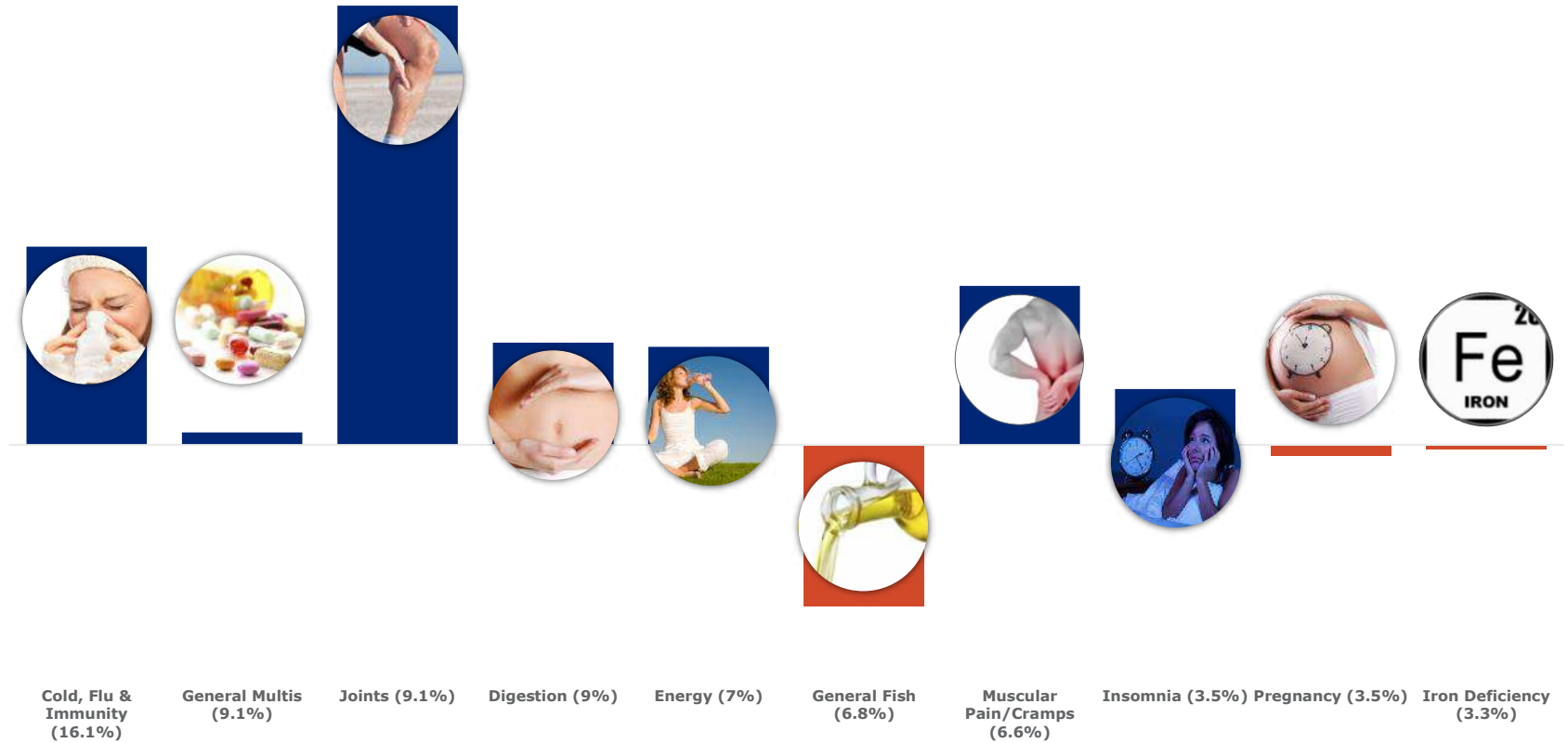
Total **Defined Scanned** **Natural Health** Combined Grocery + Pharmacy



Natural Health Growth



Natural Health - Top 10 segments

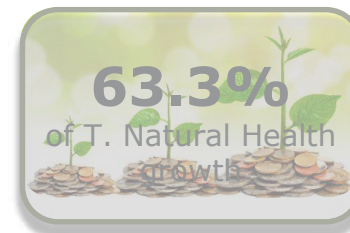
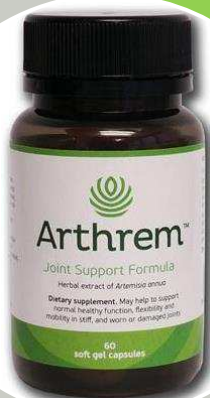


Natural Health – Joints



#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.

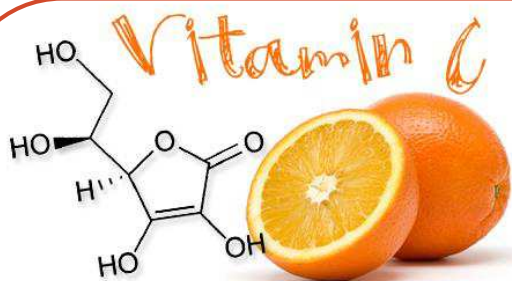
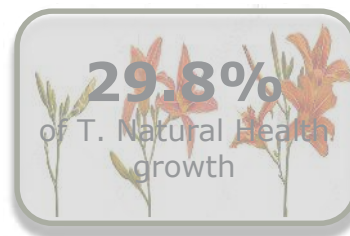
Funded by Promisia, the independent 12-week study was conducted by associate professor Simon Stebbings, who said it had been a long-standing aspiration to find a herbal extract that could prove effective in relieving osteoarthritis symptoms.



Natural Health – Cold, Flu & Immunity



#1 largest Natural Health segment

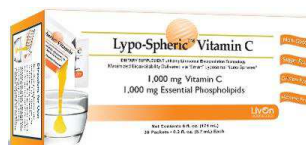


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38% of segment

84% of growth

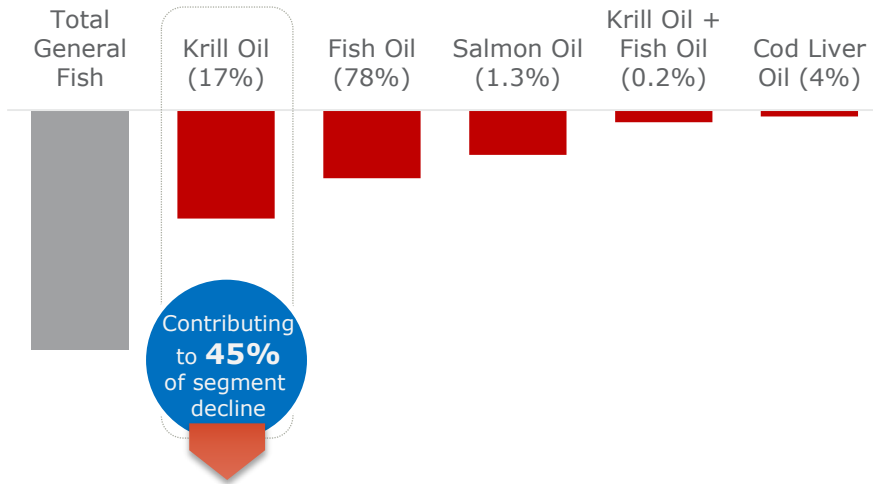


Natural Health – General Fish Oil

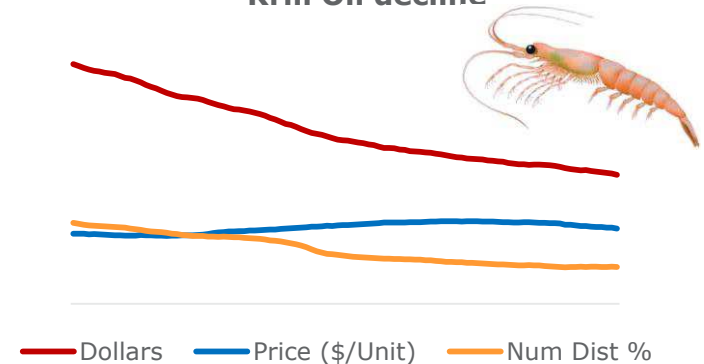


#6 largest Natural Health segment

\$ Decline | National



Krill Oil decline



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 study 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 need to be careful."

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.



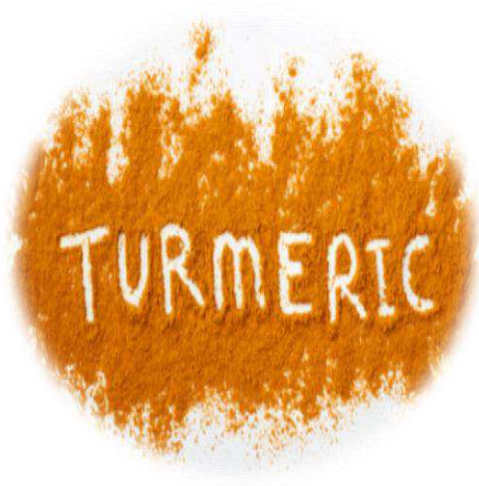
Today



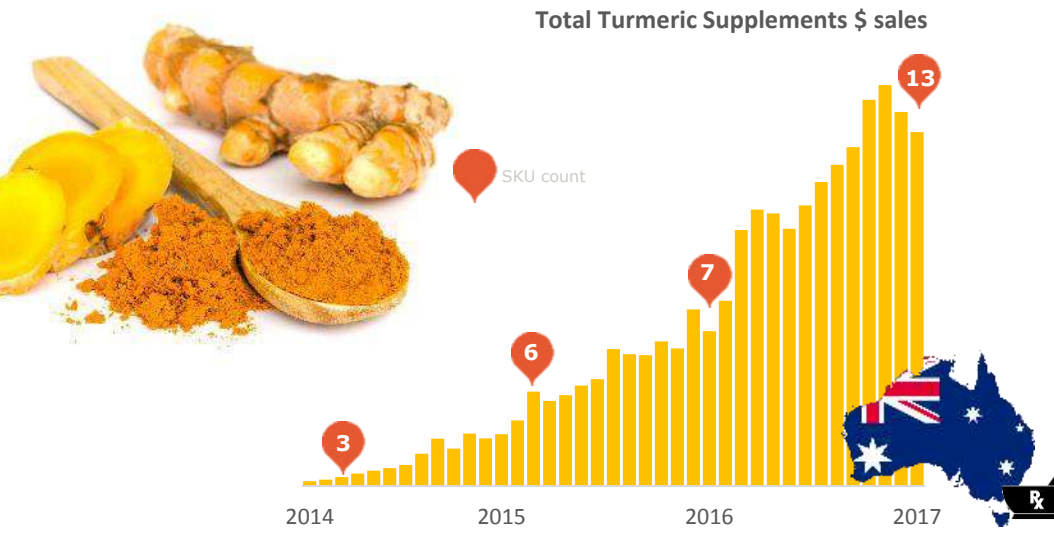
Trends



Trends



Turmeric - Natural Health



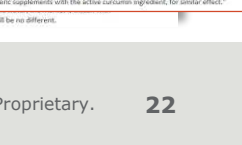
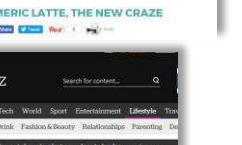
Turmeric Spices Segment



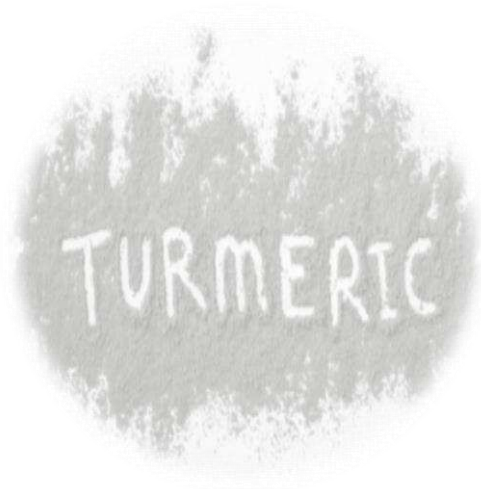
more from stuff



Turmeric lattes and the golden age of health drinks



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

**Organic Fresh
White Milk**



44%

Chilled



Organic

Rest

+ 77.4%

- 8.7%



*price \$/litre





Organic Growth

Organic
Baby Food



Organic

Rest

+ 14.9%

+5.2%

44%

15% **Baby Needs**

14%

9%

6%

12%





Organic Growth

44%

UHT Milk &
Cream

macro
organic

Tea

chanui

Dilmah
Organic

Coffee



SCARBOROUGH
FAIR



**Kombucha: a nice addition to a
real food lifestyle**

Do believe the hype:
kombucha is a good thing

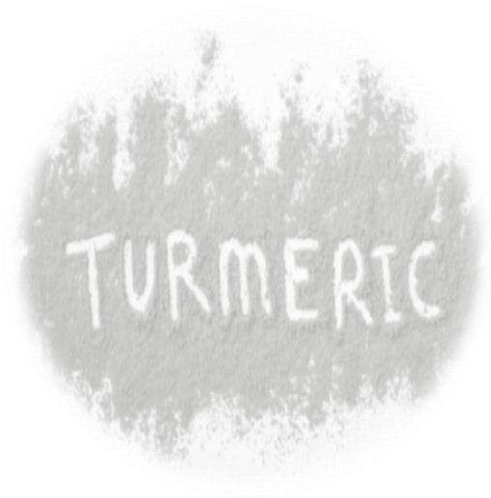
WITH HEALTH AND BEAUTY BENEFITS THAT BOOST BODY, MIND,
ENERGY LEVELS AND SKIN, KOMBUCHA IS THE SUPERFOOD CURRENTLY
ON MANY A SUPERFOODIE'S LIPS. HERE'S WHY



**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

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

2016

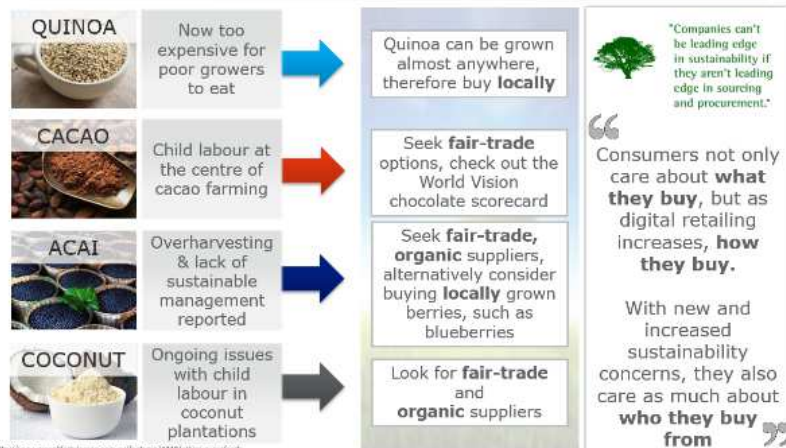


Source: Weddige, N. (2014). Shoppers in a content rich world. (The IRI Aztec ShopperView Pharmacy Report)



Enabling Informed Decisions 49

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



<http://www.grainprocessing.com.au/features/4242/ethic-superfoods>
http://www.diggs.com/articles/31070/20130221/ethical-superfoods_24.pdf



Enabling Informed Decisions

51





Transparency

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



Business

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 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 time it tended to be counterfeited - there's an often repeated figure that there's more fake UK than is actually produced in New Zealand, and of course all manuka



NEW ZEALAND

Kiwi wineries skating on thin ice by putting 'wine of Australia' in small print on back of bottles

Tue, Feb 14

Share



Source: **news**

The Commerce Commission says New Zealand wineries putting cheap Australian wine in their bottles and selling it as theirs may not be covered legally by putting "wine of Australia" in small print on the back of the bottle.

Fair Go reported more and more iconic Kiwi brands are filling their bottles with what the programme called "cheap Aussie plonk".

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



the gu

Slaughterhouse boss admits charges over UK horsemeat scandal

Wednesday 28 January 2015 19:08 GMT

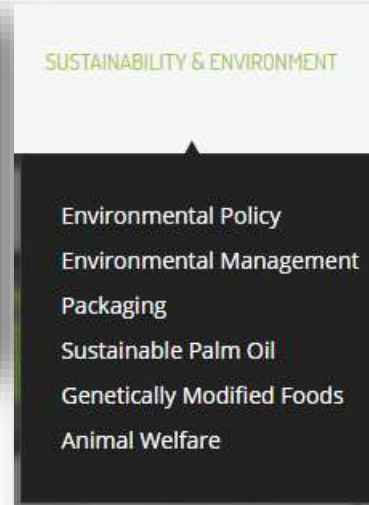
A slaughterhouse boss is the first person to face jail after admitting criminal charges over the UK horsemeat scandal which rocked British supermarkets





Transparency

Who's Promising what?



9

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

6

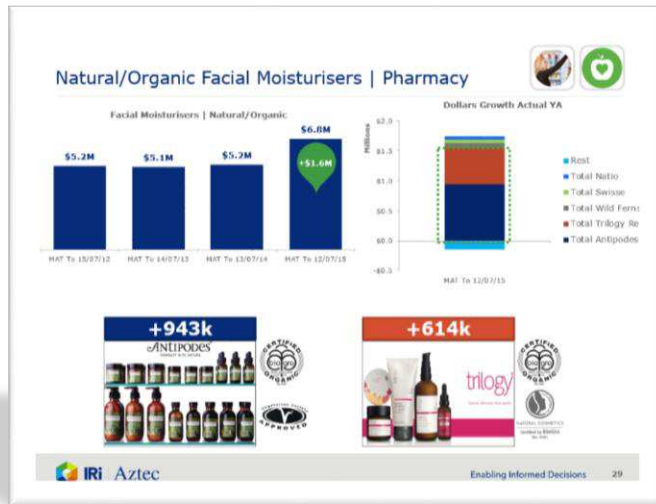
Have an *indirect* link or article concerned with these themes





Transparency

Who's Delivered?



ANTIPODES®

+ 28%

trilogy®

+ 20%



NATURAL COSMETICS
Certified by BioGro
No. 4381

February 26, 2016

What Your Company Needs to Know About Brand Transparency

by Bonnie Harris

Follow @waxgirl333

BRANDING

34 SHARES

Interesting

Not Interesting

Brand transparency is directly related to industry trust, company loyalty and long-term revenue. As an integral part of relationship marketing, transparency is foundational to creating long-lasting consumer-business relationships. Yet most

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





BECAUSE
I'M HAPPY

