

Feeling the Buzz in the Energy Market

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LAS VEGAS—More than 120 industry execs woke up bright and early on Nov. 11, during SupplySide West, to get the latest info on the rapidly evolving energy beverage and shot market. Co-sponsored by MTC Industries and *Food Product Design*, the pre-conference workshop brought together experts in market demographics, regulatory oversight and nutraceutical ingredients to share their perspectives on the evolving market for energy-enhancing dietary supplements and foods/beverages.

First up, Tom Vierhile, Datamonitor, provided a look at the market evolution and consumer demographics in the energy segment. He noted 60 percent of consumers are paying a high or very high amount of attention to having enough physical energy and enhancing their mental well-being, and 77 percent believe foods and beverages can improve their physical energy or stamina. While beverages and shots continue to lead the market in dollar volume, innovative product launches—from guarana-enhanced jerky to gourmet nuts with added caffeine—may draw in new shoppers. Further, Vierhile cited the potential for slower energy products, making use of complex carbs and even superfruits for extended benefits. However, he also mentioned certain market inhibitors, including controversy surrounding branding and marketing—particularly to teens, niche-oriented marketing strategies and questionable claims.

Next up, industry attorney Tony Young offered insights on U.S. regulatory oversight in the energy category, and guidelines for product claims and marketing. In fact, one of the first key considerations for marketers, Young noted, is determining whether a product is to be positioned as a food or dietary supplement; each regulatory category has particular labeling and claims requirements, with claims for foods more restrictive than those for supplements. As marketers explore new ingredients for these energy products, they must ensure the ingredients are legal to use, with food ingredients meeting GRAS (generally recognized as safe) or food additive requirements, and dietary supplement inclusions either old dietary ingredients or lawfully marketed new dietary ingredients. He added the new administration will likely see new attention on product safety, particularly in the murky area of “functional foods,” where many energy foods and beverages are positioned.

Finally, Mark Blumenthal, American Botanical Council, reviewed energizing nutraceutical ingredients in current energy shots on the U.S. market. Common ingredients included amino acids, caffeine and/or caffeine-containing herbs, ginseng, sodium and vitamins—particularly B complex. A number of high-profile products include special “energizing blends” of nutraceuticals, with inclusions ranging from green tea and acai to citicoline and malic acid. He questioned the efficacy of some formulations, particularly drawing attention to “ginseng,” which is often included without proper identity nomenclature and lacking information on the strength of the extract.