2023 Supplement and Nutrition Trends

clarkston
CONSULTING

The supplement and nutrition industry is a $37.2 billion dollar industry consisting of products from tablets and capsules to tinctures and powders. At the intersection of personal well-being and consumer products, this industry boomed during the COVID-19 pandemic and will continue to do so in 2023. As the consumer becomes more curious to learn about supporting their individual well-being, personalized supplement and nutrition strategies will be at the backbone of this growing industry.

Consumers are also demanding a wide range of products for this individual need, from at-home testing to fermented solutions to mental health-supportive products. While supply chain issues and climate change threaten the ability to meet growing demand in an evolving regulatory industry, adapting early will ultimately provide a greater reward for businesses.

Here are five supplement and nutrition trends companies should be aware of in 2023:

PERSONALIZED GUT INTELLIGENCE

ALTERNATIVE SUPPLEMENTS FOR HEALTHY AGING

ADAPTOGENS SUPPORTING MENTAL HEALTH

EXPANDING AMINO ACID MARKET

EVOLVING REGULATORY LANDSCAPE

PERSONALIZED GUT INTELLIGENCE

Research suggests that the microbiome, also known as our “second brain,” affects not only our digestive health, but immune health, heart health, brain function, and weight management. Alongside genetics, environment, and medication use, diet plays a vital role in establishing the microbiota that lives in the gut. As more consumers learn about the microbiome and seek personalized gut information, companies like Viome are on the cutting edge, providing diagnostic tests as well as personalized supplements. These tests assess nutrition absorption, microbial activities, intestinal barrier health, and any signatures of inflammation in the gut. Through these analyses, companies can make recommendations on precise food and supplements to restore individual microbiome health.

Meanwhile, companies like Athletic Greens are making a splash with convenient solutions for gut health, such as daily serving powders. Fermented foods containing good bacteria can restore balance and diversity within the microbiome, kill off bad bacteria, and produce vitamins. Consumers are turning to fermented foods like kimchi, fermented sauces, tempeh, and kefir to provide tailored solutions based on their individual gut needs

Consumers know that weight, like gut health, is not a one-size-fits-all approach. With a better understanding of the way their overall wellness is impacted by the microbiome, consumers are adopting a body-neutrality lens to weight management. This entails appreciation for all that the body can do, rather just than its visual appearance. Businesses in the microbiome space must apply this approach to their marketing of products in order to connect with a thoughtful and inclusive generation of consumers.

The fermented foods and beverages market is projected to grow at a CAGR of 6.35% between 2022 and 2027.

SOURCE

ALTERNATIVE SUPPLEMENTS FOR HEALTHY AGING

Consumers have already established vitamins as a core part of supporting their immune health. However, having seen the devastating impacts of such an illness like COVID-19, many consumers are now shifting the way they view their lives. Rather than just the longevity of their lives, they also care about the number of years they live healthy, disease-free lives. Thus, 2023 will demonstrate a shift in their focus to the multitude of ways that supplements can support overall well-being and improve “healthspan”. Globally, healthy life expectancy between 2000 and 2019 has not kept pace with the increasing life expectancy, demonstrating ample space for innovation in this market.

Consumers are taking their health into their own hands with alternative supplements like collagen, colostrum, mitochondrial support, and turmeric. Colostrum is a dairy superfood produced by mammals in the first 48-72 hours after giving birth and has been shown to optimize health at all stages of life. Mitochondrial-support supplements, such as Mitopure, a form of Urolithin A, is a postbiotic that has been shown to energize cells. Turmeric, which comes from the root of the Curcuma longa plant, has both antioxidant and anti-inflammatory benefits, improves memory performance, helps fight depression, and lowers the risk of heart disease. Turmeric is a rapidly growing ingredient in dietary supplements, particularly in the Asia-Pacific region, as well as in smoothies, golden milk, cooked eggs, and vegetables.

Meanwhile, tried and true supplements like B-complex, B-12, vitamin D, magnesium, and multivitamins continue to be a daily foundation for both established and new consumers. As consumers mix and match the combination of vitamins that best fit their personal needs, companies that empower this personalization, particularly through online DTC platforms, will see growth in 2023.

As of 2022, 77% of Americans take at least one supplement.

SOURCE

3 ADAPTOGENS SUPPORTING MENTAL HEALTH

Research ffrom the Kingston School of Business shows that 94% of American workers are stressed. In order to reduce this stress, consumers are turning to adaptogens, which are plants and mushrooms that help the body respond to stress, return it to homeostasis, and boost energy. Trending adaptogens include rhodiola, cordyceps mushrooms, ashwagandha, ginseng, and holy basil. While these supplements aren't currently regulated by the FDA, they are consumed through capsules, tinctures, and as additions to food or beverage. As this market continues to expand, emerging adaptogen manufacturers capitalizing on the swelling demand for natural mental health support will need to earn consumer trust through brand collaborations and transparency.

Established solutions like CBD (cannabidiol), Delta-8, and other cannabis-based products are still rising in popularity, with expanding consumer sales and legalization across the U.S. While some expected this bubble to pop, these products remain a formidable market presence. However, these products are increasingly being used to reduce the effects of anxiety, depression, and PTSD rather than simply pain relief.

The adaptogens market is estimated to reach a value of $23.4 billion by the end of 2030, growing at a CAGR of 6.8% from 2020.

SOURCE

Although it's currently illegal under the Food, Drug and Cosmetic Act to market CBD as a dietary supplement, this doesn't apply to ingredients derived from cannabis with trace amounts. This has created space for innovative companies like Kannaway, which discovered how to bring CBD-based supplements to market with the first CBD-based supplement sourced from the Humulus plant. Additionally, the recent approval of the first CBD-based drug, Epidiolex, indicates the FDA's willingness to continue exploring CBD for medical solutions. For the CBD industry to compete with the growth of adaptogens, it will be forced to innovate and push for FDA approval to stand out as a results-driven solution.

4 EXPANDING AMINO ACID MARKET

The protein and amino acid market is expected to witness the highest CAGR out of every ingredient category in the U.S. dietary supplements market between 2020 and 2030. Amino acids are vital in protein synthesis and body function, reduce the likelihood of cardiovascular diseases, prevent muscle damage, and increase immune health as well as the rate of the metabolism. Lysine and valine are two types of amino acids currently rising in popularity among consumers. While the best sources are found in animal proteins such as beef, poultry, and eggs, there are many companies formulating supplements of this genre to help meet the deficiencies found in many diets. For example, Japan-based corporation Ajinomoto recently launched an amino acid supplement to reduce cognitive decline in older people.

Despite soaring demand for amino acid products, the COVID-19 pandemic has resulted in devasting supply chain disruptions for the industry. Suppliers are being further challenged by the War in Ukraine, as Ukraine produces 8.9% of the world's wheat and 16% of the world's corn. Finally, increasing global temperatures threaten this growing industry, with steep declines in corn and soybean production predicted as early as 2030.

In order to meet this growing demand in the amino acid market, producers will need to adopt both forward and backward integration strategies. These strategies must be aimed at controlling their supply of raw materials through distribution and delivery to customers. Innovation will also be key in this space as dietary supplements continue to push boundaries. Brands that want to increase their amino acid-concentrated products must consider shifting to raw materials that are capable of surviving in warmer temperatures and have a wide range of diverse suppliers around the world.

The global amino acid market size is projected to reach USD $49.7 billion by 2030, expanding at a CAGR of 7.4% from 2022 to 2030.

SOURCE

5 EVOLVING REGULATORY LANDSCAPE

The quality and safety of vitamins and supplements are becoming an increasing priority that will force suppliers to make big changes in the coming year. Globally, governments are becoming less forgiving of misleading supplement suppliers, and consumers are becoming more health conscious. This has resulted in increased requirements surrounding nutrition labeling in countries like the U.K., Singapore, Brazil, and Mexico, with the E.U. planning to propose a mandatory front-of-pack nutrition label.

In the U.S., the Dietary Supplement Listing Act of 2022 is an upcoming bill before Congress. If implemented, it will require all dietary supplement products be electronically listed with Secretary of Health and Human Services, enabling more informed consumer decision-making and allowing the FDA to have better oversight of dietary supplements. This has the potential to completely restructure the industry through additional listing requirements, which if not followed, could result in tens of thousands of products being labeled as misbranded.

A recent poll found that 87% of Americans feel companies aren't transparent enough about the ingredients they put in their products.

SOURCE

Finally, in the next five years, the E.U. is set to ban up to 12,000 chemical compounds commonly found in foods, supplements, cosmetics, and more in a move dubbed as the "great detox." For example, the E.U. recently banned titanium dioxide, which is a common non-active ingredient used as a white colorant and color enhancer in many U.S. supplements.

As consumers continue to value transparency and an understanding of where their supplements come from, companies will invest in these trends early. Even if this means increasing costs in the short term, doing so invests in trusted brand recognition and retention of loyal consumers in the long term.

CONCLUSION

These 2023 supplement and nutrition industry trends reflect consumers' desire for increased personalization and control over their individual healthspan. Consumers understand better than ever that health is not a one-size-fits-all, and businesses that embody this principle will see more developed personal connections with their customer base. Creativity will continue to be key in finding new customers in the supplement and nutrition space, with adaptogens, CBD products, amino acids, alternative supplements, and fermented solutions driving exciting innovations.

As governments around the world consider increased control over the industry and consumers continue to value transparency, businesses can earn the trust of their consumers by investing in quality, results-driven products. The world continues to be challenged by climate change, COVID-19, and war; however, adopting forward and backward integration strategies will separate long-lasting brands from the rest. Through direct control over a high-quality, stable supply of raw materials, 2023 will see brand resilience from the past three years and increased consumer trust.

ABOUT CLARKSTON CONSULTING

Businesses across consumer products industries partner with Clarkston Consulting to enhance strategic decision-making, improve operational efficiencies, implement new technologies, and promote business growth and market diversification. Leveraging deep functional and industry expertise, our people discover, design, and deliver solutions that fit your business, your goals, and your future. At Clarkston, your purpose is our purpose.

For more information about how we can help your company, please contact us.