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International Markets Bureau

MARKET INDICATOR REPORT | NOVEMBER 2012

Consumer Trends

Meal Replacement and Weight Management in France

Source : *Mintel 2012*

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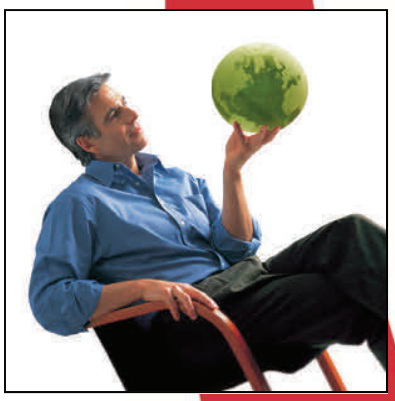


Growing Forward

Canada

EXECUTIVE SUMMARY

French consumers are becoming even more aware of the importance of healthy diet through various government campaigns and the wide circulation of information on health and the problems associated with obesity. France has a national nutrition and health program (Programme National Nutrition Santé) with the goal of improving the state of health of the population. The official website for the program is "Manger-Bouger" (eat and move): www.mangerbouger.fr. For example, there have been exhibitions in Paris and other regions to inform and encourage citizens to eat healthy food. Mandatory nutrition labelling of food products for the final consumer in the European Union will also become applicable in December 2014.

Similar to other industrialized countries, nearly 40% of people in France are overweight or obese, according to a 2012 update by the Organisation for Economic Co-operation and Development (OECD). However, while France's obesity rates have been increasing steadily, they are still among the lowest of OECD countries, with obesity rates among children also relatively low. Obesity in France also tends to be associated with particular demographic segments of the population, such as those with lower incomes, there are also regional variations throughout the country.

Therefore, the French paradox*, or the idea that the French eat an unhealthy diet but are somehow protected from the health consequences of the food they are consuming, is misleading. In fact, while French consumers have traditionally sought out the freshest, most wholesome ingredients available and cooked them at home, the consumption of processed food in France has continuously risen in recent years.

Nevertheless, government regulations and consumer demand for healthy food have driven manufacturers to reformulate their product ranges to meet certain guidelines, including the reduction of fat, salt and sugar in many products.

Beauty in France is often associated with slimness. French women, in general, are more concerned than men about their physical appearance and tend to be more motivated to lose weight, particularly during the summer. Women have been the main target for meal replacement manufacturers, because they are receptive to these types of products and open to trying new things. Nevertheless, men's interests have been evolving and, as they become more interested in their appearance, they also tend to take interest in weight management.

**The French paradox is the observation of low coronary heart disease (CHD) death rates, despite a high intake of dietary cholesterol and saturated fat. The concept was formulated by French epidemiologists in the 1980s.*

INSIDE THIS ISSUE

Source : *Mintel 2012*

France, Meal Replacement and Weight Management Market Size, Historic/Forecast
Retail Value Sales in US$ millions

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Weight management	323.5	309.9	322.0	294.0	282.6	277.1	274.6	274.4	274.7	275.1
Meal replacement	154.4	148.1	136.6	139.3	141.3	142.1	142.7	143.1	143.2	143.4
Over-the-counter obesity products	-	-	38.4	19.0	14.1	12.7	12.3	12.3	12.4	12.4
Slimming teas	4.4	4.5	4.7	4.8	4.9	5.0	5.0	5.1	5.1	5.2
Weight loss supplements	128.8	124.3	115.7	107.0	100.2	95.8	93.3	92.8	92.6	92.6
Other slimming products	35.8	32.9	26.7	23.9	22.1	21.6	21.3	21.1	21.4	21.5

Source: *Euromonitor 2012.*

- The market for meal replacement and weight management products in France was worth around US$282 million in 2011, with meal replacement products accounting for 50%.
- The legislation that controls dieting supplements continues to be tightened, posing a challenge for manufacturers of weight loss supplements. New requirements requiring scientific proof of claims should affect this category in the short and medium term.
- Diverse marketing techniques, such as discounts and coupons, can be employed in the meal replacement category, largely because manufacturers of slimming products tend to use advanced nutritional innovations to stimulate sales. The production of slimming products requires considerable financial investment, due to the research and development required. Having some medical background or support for diets and diet products can also be a beneficial element, as there's been some success by doctors promoting various foods and diets.
- Private label is not significantly present within the meal replacement slimming product category. According to Euromonitor, in 2011, private label value sales continued to increase, even though private label's overall value share was still low, at 2%.

France, Meal Replacement Slimming Products by Type
% Retail Sales Value Breakdown

Product Type	2006	2007	2008	2009	2010	2011
Bars	45.5	47.0	48.0	49.0	49.5	51.0
Powder concentrates	20.0	17.0	14.5	13.0	12.0	11.0
Ready-to-drink beverages	14.5	13.0	12.0	11.0	10.5	10.0
Soups	13.0	13.5	15.0	16.0	16.4	17.0
Others	7.0	9.5	105	11.0	11.6	11.0

Source: *Euromonitor 2012.* ***Note:*** *Figures will not add up to 100 due to rounding.*

COMPETITIVE LANDSCAPE

- The French spend a relatively large proportion of their disposable income on food. Food has a very special place in the national psyche, and the French are intensely proud of their gastronomic inheritance.

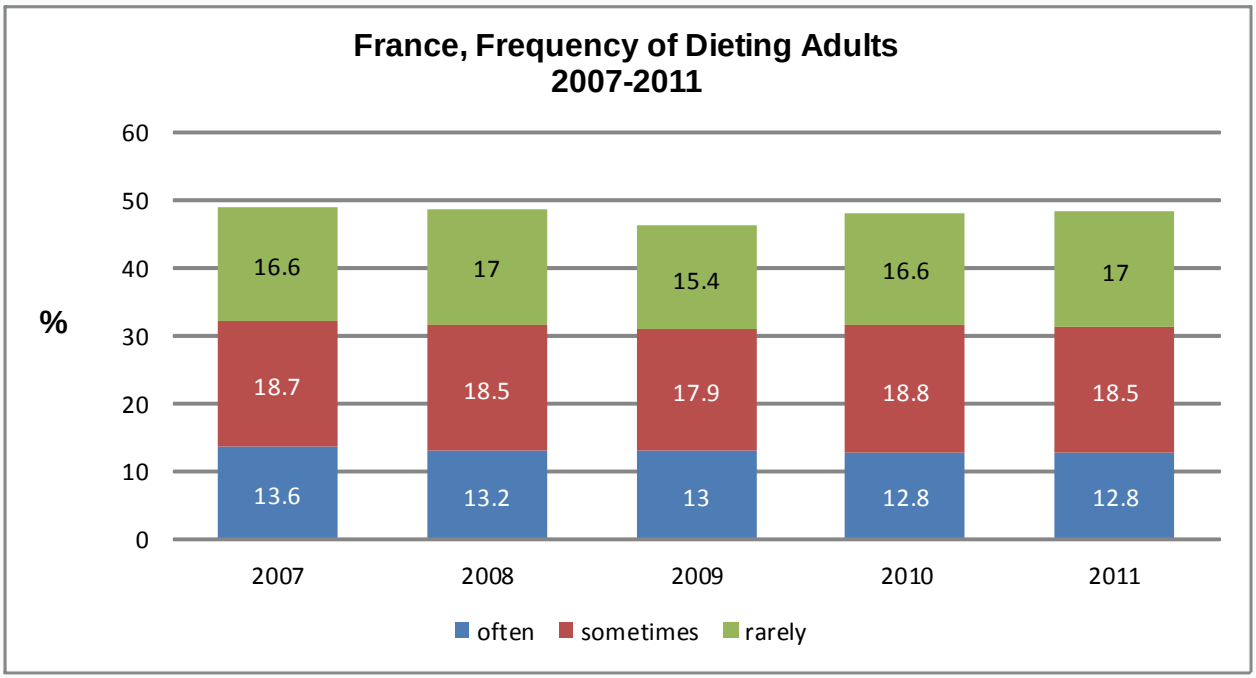
- In general, the more money people spend on food, the better they tend to eat. The French government has recognized that, for the majority of French people, eating must be a pleasurable and sociable occasion. Consequently, French consumers are surrounded by messages that encourage them to control or lose weight by eating healthier and more balanced diets and exercising, rather than by consuming weight management products. This attitude toward health and wellness in France will have an impact on the development of this market.

- Functional food, which is now worth over US$1.5 billion in France, has been the dynamo of growth driving sales of chilled dairy. Sales of pro/prebiotic yogurt drinks have more than doubled since 2003, and sales of cholesterol-lowering yogurt and yogurt drinks have quadrupled.

- As monitored by Mintel's Global New Products Database (GNPD), new product launches in snack/cereal/energy bars outpaced those of meal replacements and other drinks significantly from 2006-2011.

- Meal replacement products are limited in what they can offer consumers in terms of new flavours. On the other hand, energy bar manufacturers have more scope for innovation, with new offerings like chewy brownies (rather than bars), sweet and salty flavoured products (e.g., chocolate with pretzels or peanuts), as well as products targeted to particular lifestyles and activities (e.g., weight loss, athletics) and genders.

Source: *Mintel 2012*



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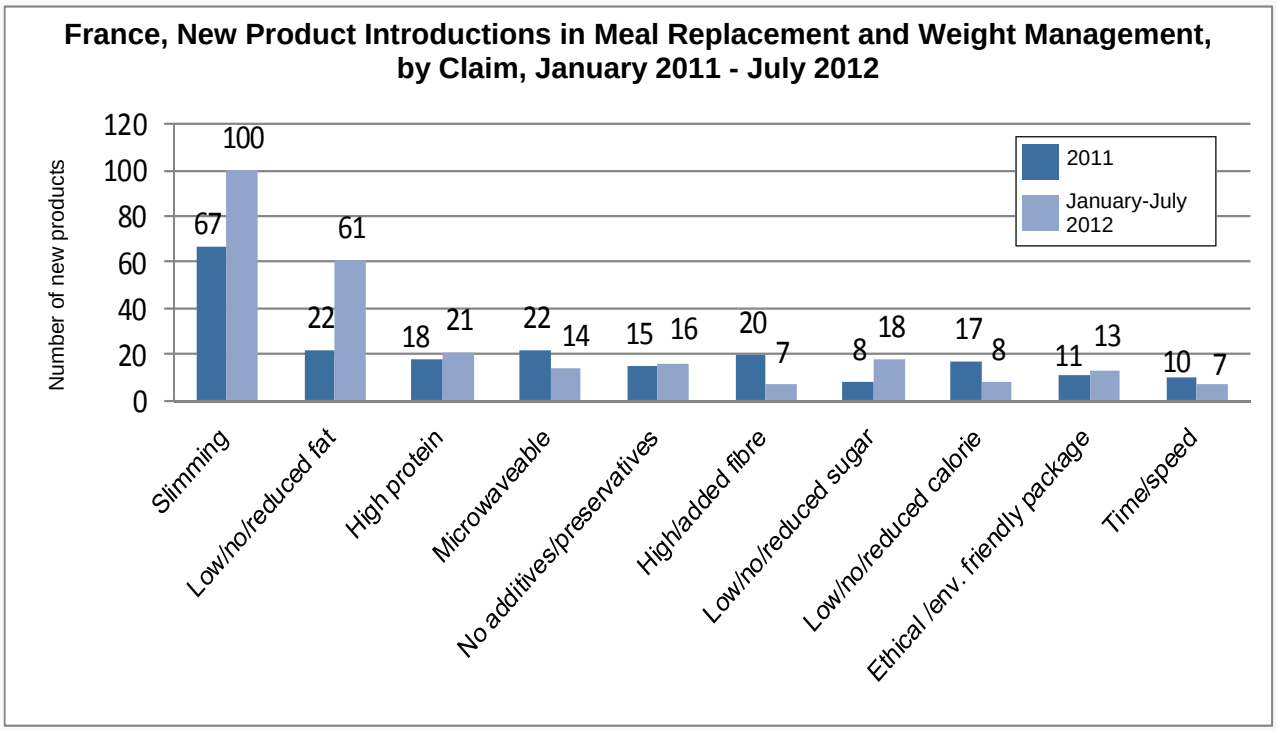
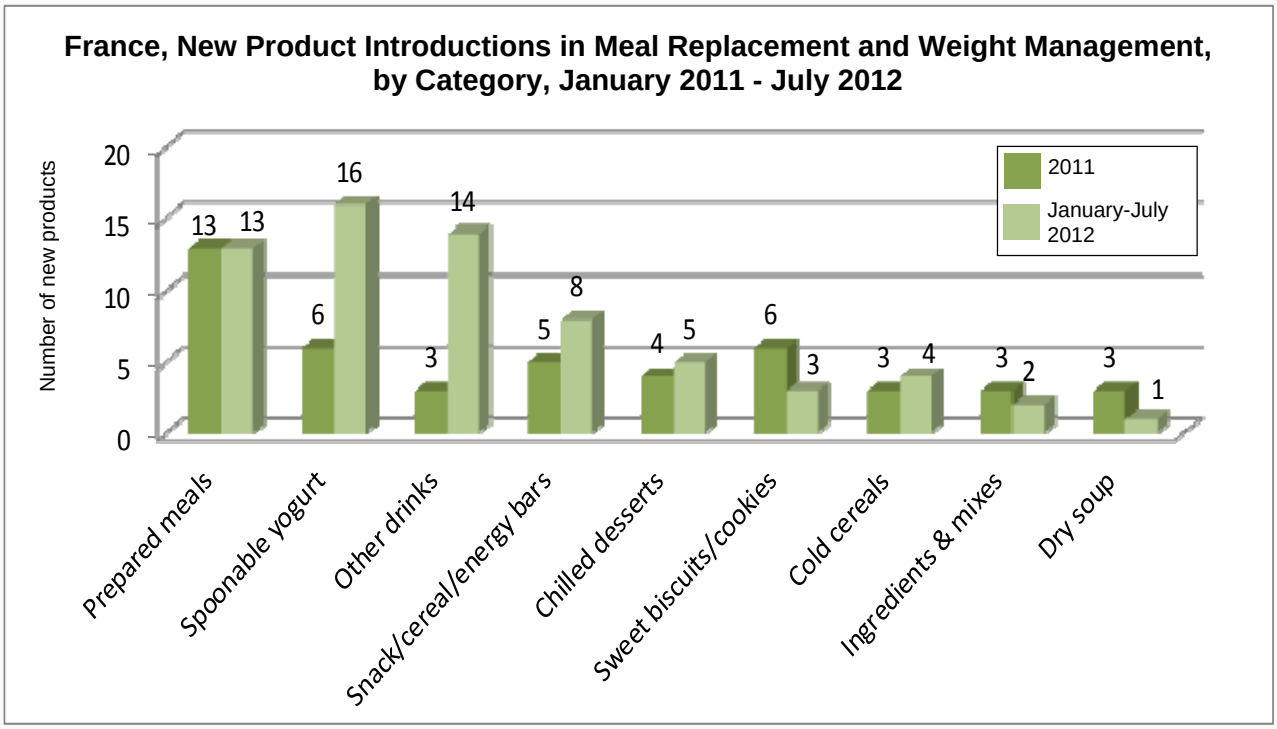


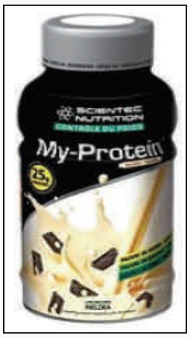


Source for both: *Mintel 2012.*

▶ NEW PRODUCT EXAMPLES

Weight Watchers Poulet à la Basquaise et Blé (Basque-Style Chicken and Wheat) can be pan-heated in five minutes. It has 2.5% fat and is free from artificial flavours, colours and preservatives, and contains Italian chilli pepper. The product is worth seven ProPoints and retails in a 300 g sachet that serves one. It retails for US$3.27.

Nestlé Fitness Chocolat Blanc (White Chocolate Cereal) contains a mix of whole wheat flakes and white chocolate-coated whole wheat flakes. It features 10 vitamins and minerals and is said to contain, on average, more whole wheat than other weight control cereals. It retails for US$3.99 with a package design aimed at women.



Laboratoires Ineldea Scientec Nutrition Contrôle du Poids My-Protein High-Protein Drink is now available. According to the manufacturer, the drink is low in sugar and fat and is specially designed to help consumers slim down while maintaining muscle tone. No retail price was available for this product.

Leader Price Fine Ligne Velouté Aux 9 Légumes (9 Vegetables Cream Soup) is an instant, low-salt soup made with nine vegetables. It sells for US$1.15.

Leader Price Fine Ligne Barres Céréales au Chocolat (Chocolate Cereals Bars) contain 80 kcal each, are low in sodium, can be eaten on the go and have been developed with nutrition specialists to help consumers stay slim. This product sells for US$1.99.

Nestlé Fitness Yogurt Saveur Vanille (Vanilla Yogurt with Plain & Chocolate Flakes) is low in fat, contains whole grain cereals and is a source of calcium for bone health. This slimming product retails in a 480 g pack with four tubs, and sells for US$2.99.

Source for all: *Mintel 2012*

MARKET SHARE BY COMPANY AND BRAND

- Nutrition & Santé continued to lead meal replacement products in France in 2011, with 26.1% value share. The strong sales performance of Nutrition & Santé products was due to their broad availability. The company's well-known brand, Gerlinéa, which continues to dominate meal replacement slimming products, is available in supermarkets/hypermarkets. Its other brand, Milical, is available in specialized channels, such as pharmacies.

France, Meal Replacement and Weight Management Market Share by Company
Based on % Retail Sales Value, 2007-2011

Company	2007	2008	2009	2010	2011
Nutrition & Santé SAS	21.5	22.6	20.8	24.2	26.1
Arkopharma SA, Laboratoires Pharmaceutiques	11.6	11	9.2	8.5	8
LEA Institut Vital, Groupe	6.5	6.8	6	6.5	6.6
Distriborg France	6.5	6.2	5.4	6.1	6.5
Herbalife International France SA	11.5	12.4	9	8.3	6.1
GlaxoSmithKline SA-NV	-	-	11.9	6.5	5
Omega Pharma France	5.2	4.6	4.1	4.6	4.9
Juva Santé, Laboratoires	4.2	4.4	4.1	4.4	4.5
Phythea	4.8	4.3	3.8	3.9	4
Laboratoire Oenobiol	3.6	4.1	3.8	3.9	3.8
Forté Pharma SA, Laboratoires	4.5	4.3	3.6	3.6	3.6
Ceprodi SA	1.5	1.8	1.7	1.9	2
Laboratoires Physcience	3.6	3.1	2.1	1.9	1.7
Expanscience SA, Laboratoires	1.8	1.7	1.3	1.4	1.5
EA Pharma SA	0.7	0.9	0.9	1.1	1.2
Laboratoires Edel	0.4	0.5	0.5	0.5	0.6
Laboratoires Forté Pharma	0.4	0.5	0.4	0.5	0.5
Laboratoires Médiflor	0.3	0.4	0.3	0.4	0.4
Amway France SARL	0.2	0.2	0.2	0.2	0.2
Laboratoires Diététique et Santé	0.1	0.2	0.2	0.2	0.2
Unilever France SA	1.3	-	-	-	-
Bicentury France SARL	0.8	0.8	0.7	0.2	-
Proteika SAS Laboratoires	0.6	0.7	0.5	0.1	-
Private Label	1.2	1.2	1.1	1.3	1.5
Others	7.2	7.5	8.3	9.6	11.1

Source : *Euromonitor 2012.*

- More than 20 players were operating within the meal replacement and weight management market in France during 2011. In this fragmented category, Nutrition & Santé led in value share. Meanwhile, the remaining players each had value shares of less than 10%.

- Domestic players have an important position within the weight management market. In general, French domestic players are important operators and are also present in other European countries.

- International players were also well represented, with the presence of multinational companies and owners of global brands, such as GlaxoSmithKline or Herbalife International France.

DISTRIBUTION CHANNELS

- Weight management products are available in several distribution channels, including grocery retailers, health and beauty retailers and non-store retailing. Amongst all these distribution channels, pharmacies accounted for 50% of value sales. Consumers tend to be more confident about products sold through this channel. However, the share claimed by pharmacies decreased slightly in 2011, while other healthcare specialist retailers, supermarkets, Internet retailing and direct selling all saw slight increases.

France, Sales of Meal Replacement and Weight Management Products by Distribution Channel, Based on % Market Share, 2007-2011

Outlet	2007	2008	2009	2010	2011
Store-based retailing	81.5	81.7	81.8	81.6	81.4
Grocery retailers	15.8	15.9	16.0	16.2	16.5
Discounters	0.8	0.8	0.8	0.8	0.8
Health food shops	5.9	5.9	5.8	5.8	5.7
Hypermarkets	4.6	4.6	4.7	4.8	4.8
Small grocery retailers	0.8	0.8	0.8	0.8	0.8
Supermarkets	3.8	3.8	3.9	4.1	4.4
Non-grocery retailers	65.6	65.8	65.8	65.3	64.9
Health and beauty retailers	65.2	65.3	65.3	64.9	64.5
Chemists/pharmacies	50.7	50.8	50.6	50.5	49.7
Para-pharmacies/drugstores	7.3	7.3	7.3	7.3	7.3
Other healthcare specialist retailers	7.2	7.3	7.5	7.1	7.5
Mixed retailers	0.4	0.4	0.4	0.4	0.4
Variety stores	0.4	0.4	0.4	0.4	0.4
Non-store retailing	18.5	18.3	18.2	18.4	18.6
Home shopping	2.4	2.2	2.0	1.9	1.8
Internet retailing	3.2	3.5	5.7	5.9	6.1
Direct selling	12.9	12.7	10.5	10.6	10.7

Source: *Euromonitor 2012.*

Top Grocery Retailers in France, 2012

Company	Number of Outlets	Total Grocery Market Share (%)*
Carrefour	4,652	14.48
Leclerc	986	11.75
ITM (Intermarché)	2,665	10.44
Casino	8,349	8.81
Système U	1,625	8.26

Source: *Planet Retail 2012.* **Market share is based on retail sales value.*

- The grocery industry in France is dominated by a few large groups and is highly concentrated, with the top five players holding approximately 54% of the national consumer spending on food.

- The ranking of France's top grocery retailers can vary depending on the base measurement, such as market share or sales by store size. When measured by market share, Carrefour was the leader in 2012.

▶ INNOVATIVE PRODUCT EXAMPLES

Aragan Clarinol CLA 5700 Acide Linoléique Conjugué (Conjugated Linoleic Acid) has been repackaged and now retails in a newly designed 140 g pack. It is a soluble powder with fresh apple flavour, which claims to improve the ratio between muscle mass and fat mass, reduce body fat, and help maintain an ideal weight.

Nutrigée Thés Grand Cru Bio Thés Minceur Triple Action (Triple Action Slimming Teas) are claimed to burn, drain and eliminate fat and other toxins. Sencha green tea is rich in antioxidants, and this purple-green oolong tea purports to be an excellent natural drainer that activates the elimination of toxins and water excess.

Milical Nutrition Minceur Protéines de Soja Minceur (Slimming Soybean Proteins) are made with 100% textured soybean proteins and can be used in cooking or mixed with other ingredients. According to the manufacturer, proteins provide essential amino acids for the functioning of the body and also contribute to the maintenance of muscle mass.

Source for all: *Mintel 2012*

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Meal Replacement and Weight Management in France

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