

New Product Development

Essential to increasing Consumer

Acceptance of your Product



EHPM



- European federation of National Associations of **Health Product Manufacturers**
- Established 1975, 13 members, from 13 Member States
- 1600+ Manufacturers and distributors of food supplements
- 100,000 jobs, turnover of €13 billion, 98% SMEs

EHPM Vision

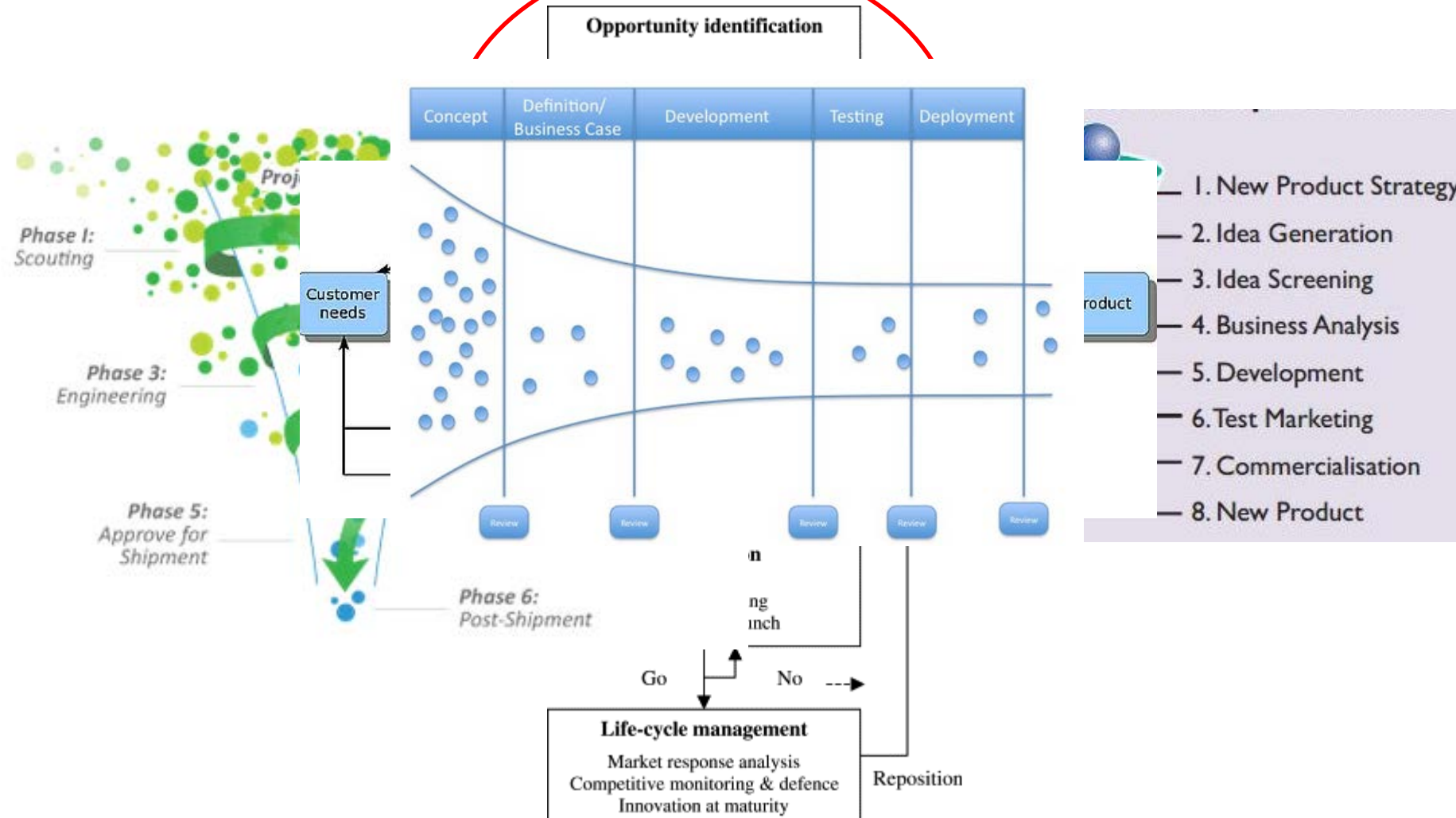
In a modern health maintenance system, there is a legitimate place for physiologically active health enhancing products

National health systems reduce costs by preventing diseases thanks to the consumption of food supplements

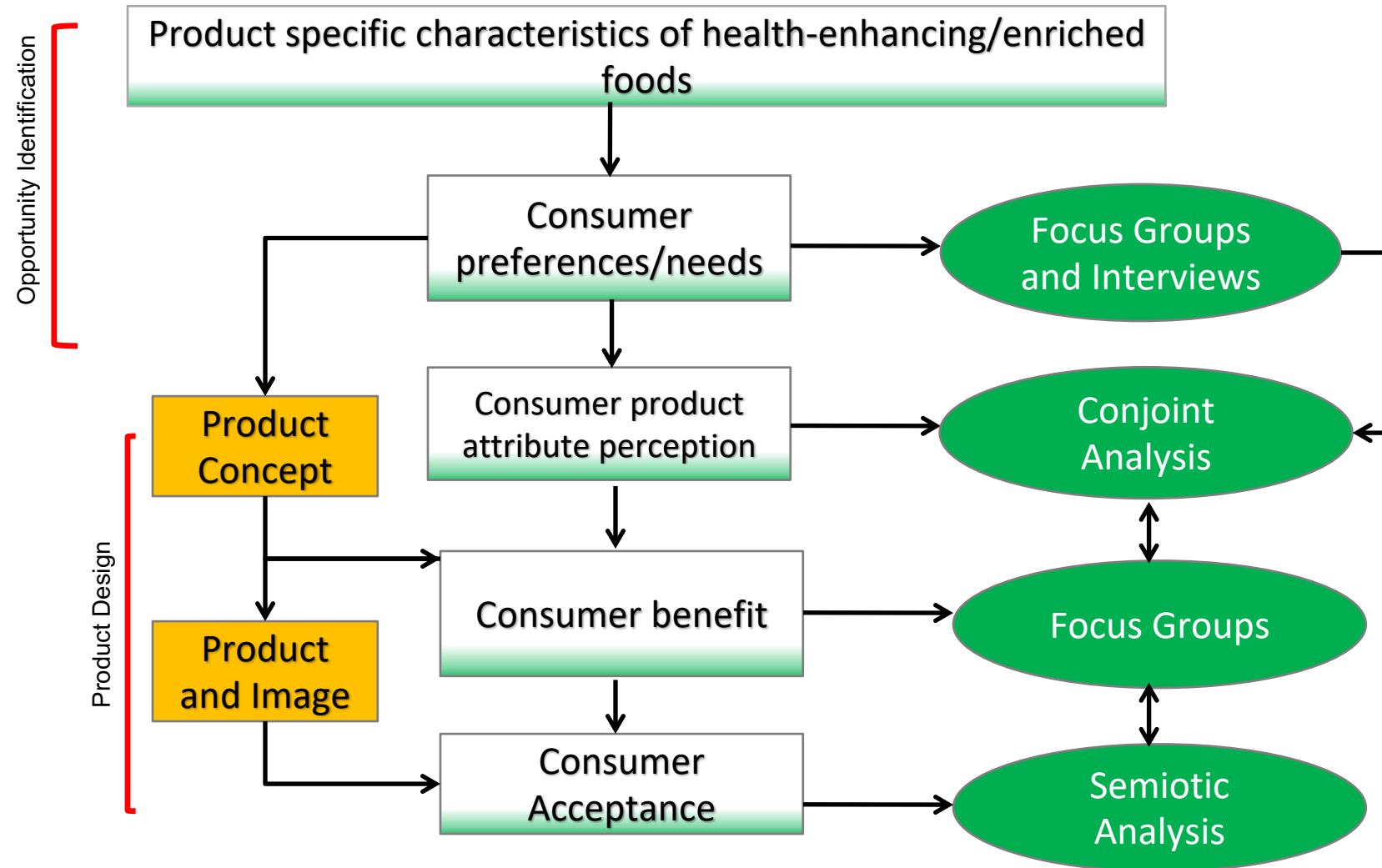
Food supplements deserve an appropriate legal environment to deliver well-informed access for consumers to **safe** and **efficient** products

EHPM will back and help to build any feasible legislation project which offers coherence and legal security for serious & responsible operators

The New Product Development (NPD) Process



A Market-oriented Conceptual Framework



Conjoint Analysis

- A programme that allows marketers to identify the trade-offs that consumers would make for a given product concept

How does it work?

- Conjoint Analysis randomly generates a list of hypothetical product concepts based on attributes
- These product concepts are scored by consumers (Likert Scale)
- The results can be used to determine the importance of particular attributes that the best combination of attribute levels

Functional
benefits

Cholesterol
reduction

Cardiovascular
disease
reduction

Low GI

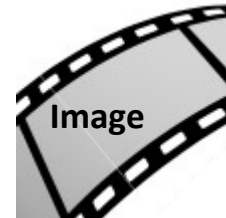
Semiotics: Judging by Appearance



How and why do we do this?

- All product and packages are made up of a number of smaller parts.

- Brandtm + colour + SHAPE + label +



- Individually each part can have their own interpretation

We all build relationships



Personal relationships



Single Image



Innocence, youth,
love, parenthood

Single Image



Fast-food,
convenience,
happiness, value

Multiple Images



Obesity, humour,
parenting

A collage of food ingredients including wheat stalks, cheese, mushrooms, and seaweed. The wheat stalks are on the left, the cheese is in the upper right, the mushrooms are in the lower center, and the seaweed is on the right. The text is overlaid in the center.

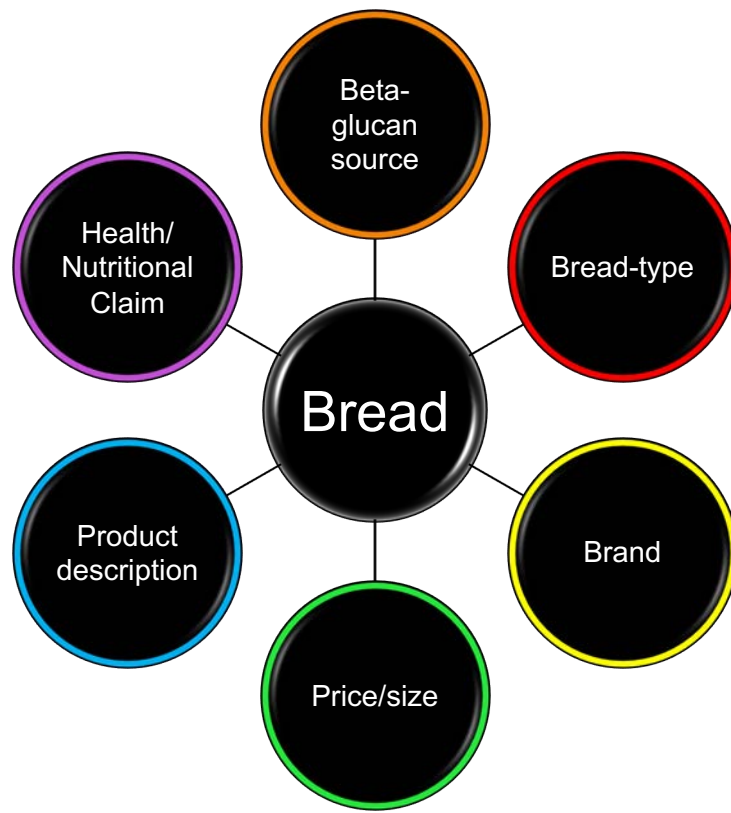
Case Study: Beta-glucan enriched bread

Stage 1: Focus Group Findings

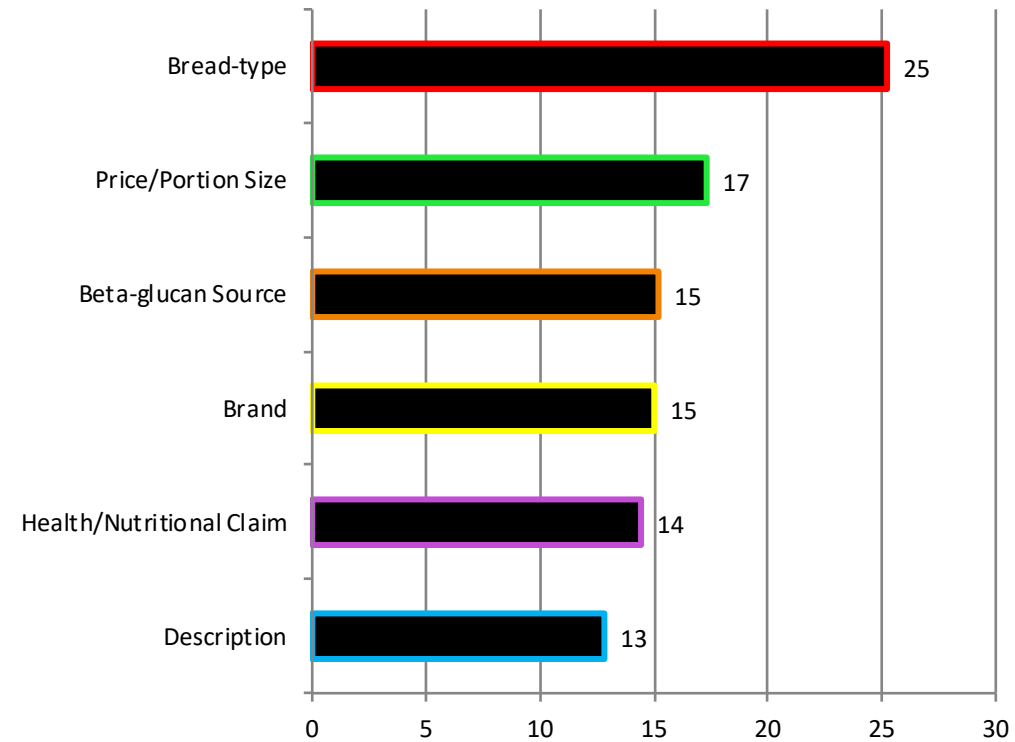
- **Desire for food for health**
 - Food/disease relationship
 - Globesity
 - Beautiful on the inside – cosmeceuticals
- **Claims attracted consumers**
 - for the right reasons?
- **Low knowledge about fibre types**
 - All fibre provides the same health benefit
 - Overestimation of fibre quantity in the diet
- **Reluctance to change diet to increase healthiness**
 - Fit conveniently into regular diet
 - Not labelled as a “healthy persons’ product”



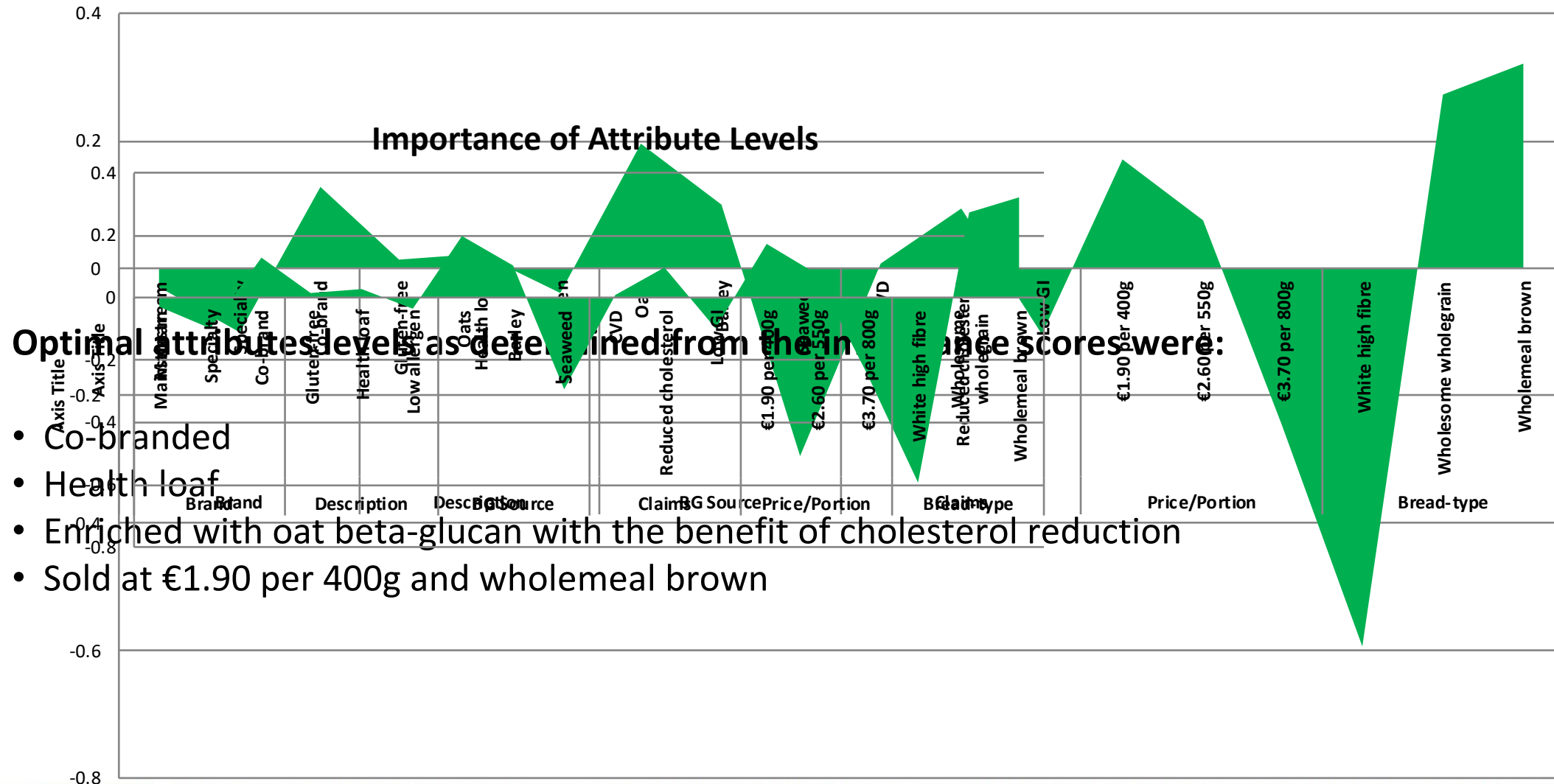
Stage 2: Averaged importance scores per product attribute



Average importance score per product attribute
(out of 100)



Importance of Attribute Levels



Segmentation of the population according to preference and latent needs

Males and females 18-34
Price sensitive
Mainstream brand
White bread

More men motivated to
purchase by health claims
($P \leq 0.05$)

More women purchased claims
related to low fat ($P \leq 0.001$)

CLUSTER 1



CLUSTER 2



Mainly females varied age
Wholegrain bread
Co-branded bread

Increased age and increased
motivation to purchase
cholesterol reducing product
($P \leq 0.05$)

Females young
Well-educated
Barley beta-glucan
Low GI
White bread

CLUSTER 3



CLUSTER 4



Slightly more males 25-54
Full-time employment
Wholegrain bread

Increased age and motivation
to purchase product with claim
related to cardiovascular heart
health ($P \leq 0.05$)

Simulation Analysis identified trade-offs each segment would make

CLUSTER 1+3



WHITE BREAD

CLUSTER 2+4



BROWN BREAD

Identification of trade-offs indicate an optimal enriched product for mass marketing

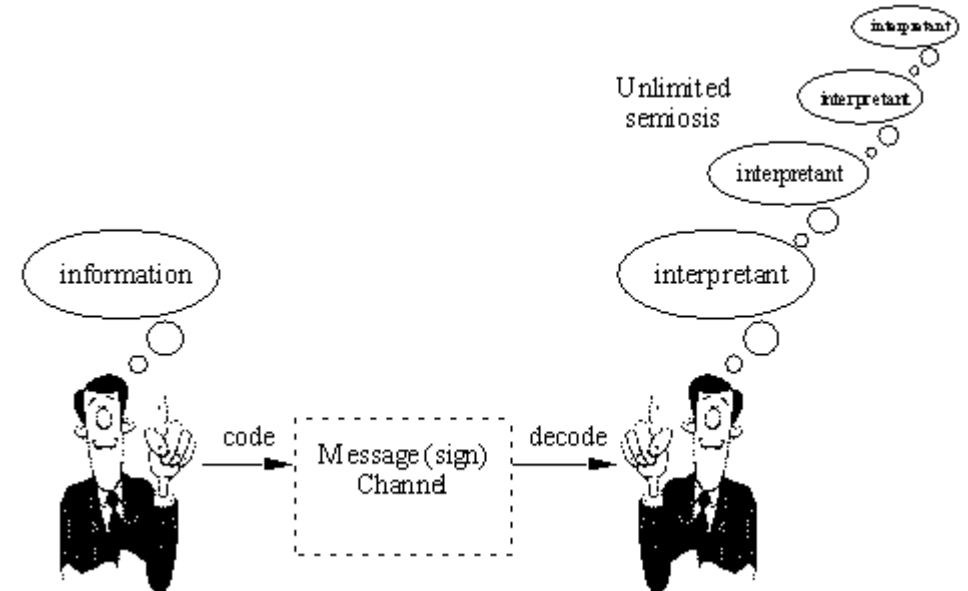
Population Groups	White High fibre (Max Utility)	Wholemeal Brown (Max Utility)
Total Population (prior to clustering)	5.346	6.210
C1+ C3	6.084	4.710
C2+C4	5.610	6.736

Optimal Enriched Bread for general population

- Co-branded and described as a health loaf;
- Enriched with oat beta-glucan;
- Marketing the benefit of reduced cholesterol levels;
- Available in white high fibre **and** wholemeal brown varieties at a price of €2.60 per 550g.

Stage 3: Semiotics

- **What type of packaging attracts consumers' attention**
 - Packaging material
 - Brand
 - Colour
 - Images
 - Claims
 - Text
- **What information is noticed and retained for repeat purchase**
 - What category specific information is required?

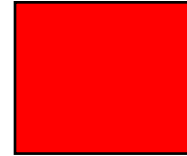


How are the Individual Signs Perceived?

Option 1



Option 2



Option 3



Option 4

Reduce cholesterol levels

Maintain healthy blood sugar levels

Reduce the risk of heart disease

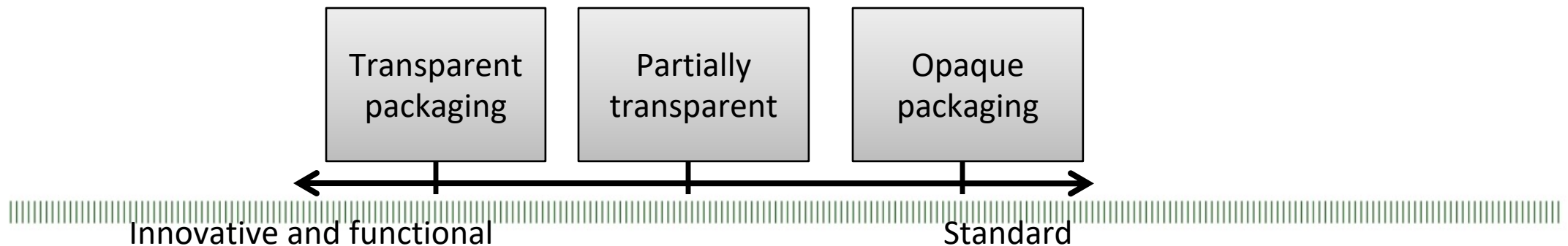
How are the Collective Signs Perceived?

VERSUS



Semiotic Findings

- **Mentonymic relationship between colour and bread-type**
 - Yellow and red perceived as white bread
 - Green and brown perceived as brown bread
- **Brand preference was bread-type specific**
 - One brand for one bread-type and another brand for a second (Based initially on the image of the bread)
- **Heart and grain images most effective**
 - Conjured iconic and symbolic images which related to health, well-being, naturalness, freshness, wholesome, cholesterol and heart health
- **Relationship between packaging type and functionality of the bread**



Conclusions

- While producers wait for regulation that effectively serves their needs they are in a 'limbo' period
- A **market-oriented** approach can help maximise consumer acceptance during this period
- Including techniques that incorporate **real-time consumer views** at the early stages of the NPD process can help inform product and packaging concepts that encourage first purchase