The future of sweeteners

Navigating consumer motivations and preferred choices in sugar and sugar substitutes

Thinking beyond traditional sugar

72% of surveyed U.S. respondents say they’re trying to limit or avoid sugars in their diet. There are many reasons why consumers choose to explore different ways to enjoy sweet flavors.

U.S. respondents are taking a variety of approaches to healthy eating and drinking

<table>
<thead>
<tr>
<th>Actions taken by those who say they’re limiting/avoiding sugars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drinking water instead of calorie-free beverages</td>
</tr>
<tr>
<td>Reducing the amount of foods and beverages in my diet</td>
</tr>
<tr>
<td>Eliminating certain foods and beverages from my diet</td>
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<tr>
<td>Choosing foods and beverages labeled as “reduced sugar”</td>
</tr>
<tr>
<td>Switching from full-calorie beverages to low and no-calorie options</td>
</tr>
</tbody>
</table>

Source: International Food Information Council. 2021 Food & Health Survey. 19 May 2021

Pivoting to meet new sweetener needs

Naturally occurring and low-glycemic sweeteners are growing in popularity for home cooks, particularly among ingredients such as monk fruit, maple syrup, erythritol, agave syrup, and honey.

Understand consumer motivations around their choice in sweeteners

Key takeaways

- Why consumers choose to explore different ways to enjoy sweet flavors
- Thinking beyond traditional sugar
- Sugar substitutes

Swift global growth among low-calorie soft drinks compared to those with regular sugars

- Soft Drinks - sales growth by market

<table>
<thead>
<tr>
<th>Country</th>
<th>Low-calories</th>
<th>Regular sugar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>+40%</td>
<td>-7%</td>
</tr>
<tr>
<td>Chile</td>
<td>+22%</td>
<td>+21%</td>
</tr>
<tr>
<td>Sweden</td>
<td>+10%</td>
<td>-7%</td>
</tr>
<tr>
<td>Mexico</td>
<td>+15%</td>
<td>+6%</td>
</tr>
<tr>
<td>Portugal</td>
<td>+12%</td>
<td>+5%</td>
</tr>
<tr>
<td>Ireland</td>
<td>+10%</td>
<td>+3%</td>
</tr>
<tr>
<td>Singapore</td>
<td>+9%</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Source: NielsenIQ retail measurement, % Growth last MAT to Q3 2021

Endless alternatives

Given the vast array of sugar alternatives being purchased today, it’s important to monitor the underlying use cases and prevailing reasons to purchase each.

Dissecting consumers’ mental model around sugar

MotivBase, a NielsenIQ partner, helped to decode and quantify the meaning of sweeteners to U.S. consumers, dissecting the aspects of culture that will be most relevant to purchase interests.

What will matter most to the future of sweeteners?

Sugar alcohols

- Promote of neutral, naturally occurring sweetness
- Fewer calories, low calorie count
- Cosmetic and digestive issues

Taste

- Key topics: Aftertaste
- Flavor and aftertaste are architectures
- Consumers are picky and want both physical sweetness like sugar, and natural sweeteners that don’t ruin the neutral taste

Plant-based

- Key topics: Sweetness
- Belief that sugar-based options are healthier than high-fructose, unprocessed sweeteners

Moderation

- Key topics: Low sugar
- Real sugar is the only way to guarantee the taste and texture
- Consumers must weigh the benefits of sugar they use, consuming fewer unfamiliar ingredients

Innovation

- Key topics: No sugar
- Excitement around Reb M, a sweetener that can achieve the best of both worlds – great taste and zero-calorie sweetness.

Source: NielsenIQ Product Insight, Total US xAOC, Food & Beverage, 52 weeks ending Feb. 5, 2022 vs. two years ago

Key takeaways

Understand consumer motivations around their choice in sweeteners

Listen to consumers - Consumers are more aware than ever of how high-calorie sugar impacts their overall health. As seen in survey results and the sales of the products they’re buying, a majority want to limit sugar intake with their diet. Innovate to appeal to this motivation, while still delivering foods that meet their taste expectations.

Be a partner in the consumer health journey - Either for weight management, or to combat specific health issues, like regulating glycemic index, the specifics on the ingredient label matter.

Taste matters - While reducing the overall amount of sugar in their diet, there’s no question that consumers still need food to taste good. Many current sugar substitutes are unsatisfying, or force consumers to compromise. The sweeteners of the future need to appeal to taste attributes while still delivering taste buds.

Enable consumers with the knowledge they need to experiment with and re-define their unique future with sweeteners.

Sugar and sugar substitutes are central to the global well-being revolution.

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Source: MotivBase.com

The future of sweeteners, according to MotivBase

Consumers care about sweeteners because they want to have control over their consumption. Looking ahead, the future will be grounded in low to no calorie options that match the superior texture and taste of sugar. Learn more at: www.MotivBase.com