Healthier Product Reformulation in Singapore Detailed Industry Findings

Background

IGD has a long heritage of working in partnership with the food and drink industry on the health agenda. Reformulation has been an industry hot topic for many years and one in which the IGD are very active.

With the support of IGD, FIA sought to understand the reformulation landscape in Singapore. The aim of the research was to explore the consumer attitudes towards healthier product reformulation, the progress within the industry and the areas for support businesses are seeking to further their efforts.

The results of the this research reaffirm the importance of the health agenda. The overwhelming majority of consumers would like to eat more healthily. They take responsibility for their own diets but also welcome help from companies. Across the industry, many companies (both local and multinationals) are working on product reformulation.

This presentation summaries the research IGD conducted with the food and drink industry in Singapore.

Headline Statistics

80% of the sample have been working on reformulation

43% feel it's difficult to source healthier ingredients

Industry's top 3 priorities:
Reducing sugar, Adding fibre and Adding protein

92% would be encouraged to do more R&D if there were more government incentives

Industry's top 3 motivators:
Improving public health, Meeting consumer demand and Building brand reputation

60% have been fortifying with ingredients whereas 52% have been replacing with lower/zero calorie substitutes

Industry's top 3 challenges:
Consumer acceptability, Maintaining taste and Budget limitations

No company reported negative consumer feedback on reformulated products

Research Objectives & Methodology

Objectives and Methodology

KEY OBJECTIVES

- To understand the product reformulation landscape in Singapore, the support businesses are seeking and assessing consumer attitudes towards healthier product reformulation.
- To inform broader discussion of the topic in Singapore- enabling the industry and government bodies to assess progress and recognise the areas for support to advance the public health agenda.

METHODOLOGY

Online Industry Survey (Quantitative)

- Using a purposive sampling method* , the survey was circulated to food and drink manufacturing companies of varied sizes (MNCs & SMEs) operating in Singapore.
- 31 Companies completed it during March-April 2018, some questions were skipped by respondents
- About 25% of these employed fewer than 500 people
- Majority of the respondents were in technical/quality/regulatory/nutrition roles and general management

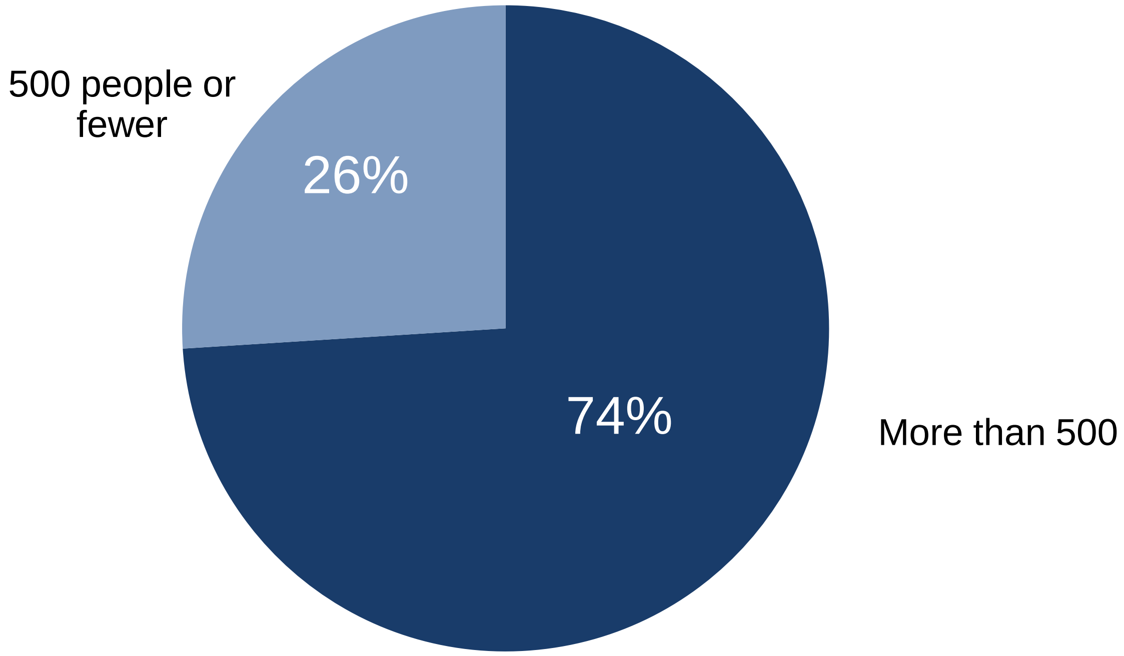
NB. The sample may not be fully representative of all food companies in Singapore

Industry Interviews (Qualitative)

- Companies involved in the research were invited to volunteer for an in-depth interview
- 7 interviews were completed. Of the product categories covered, these included- confectionery, dairy, non alcoholic beverages, breakfast cereals and noodles

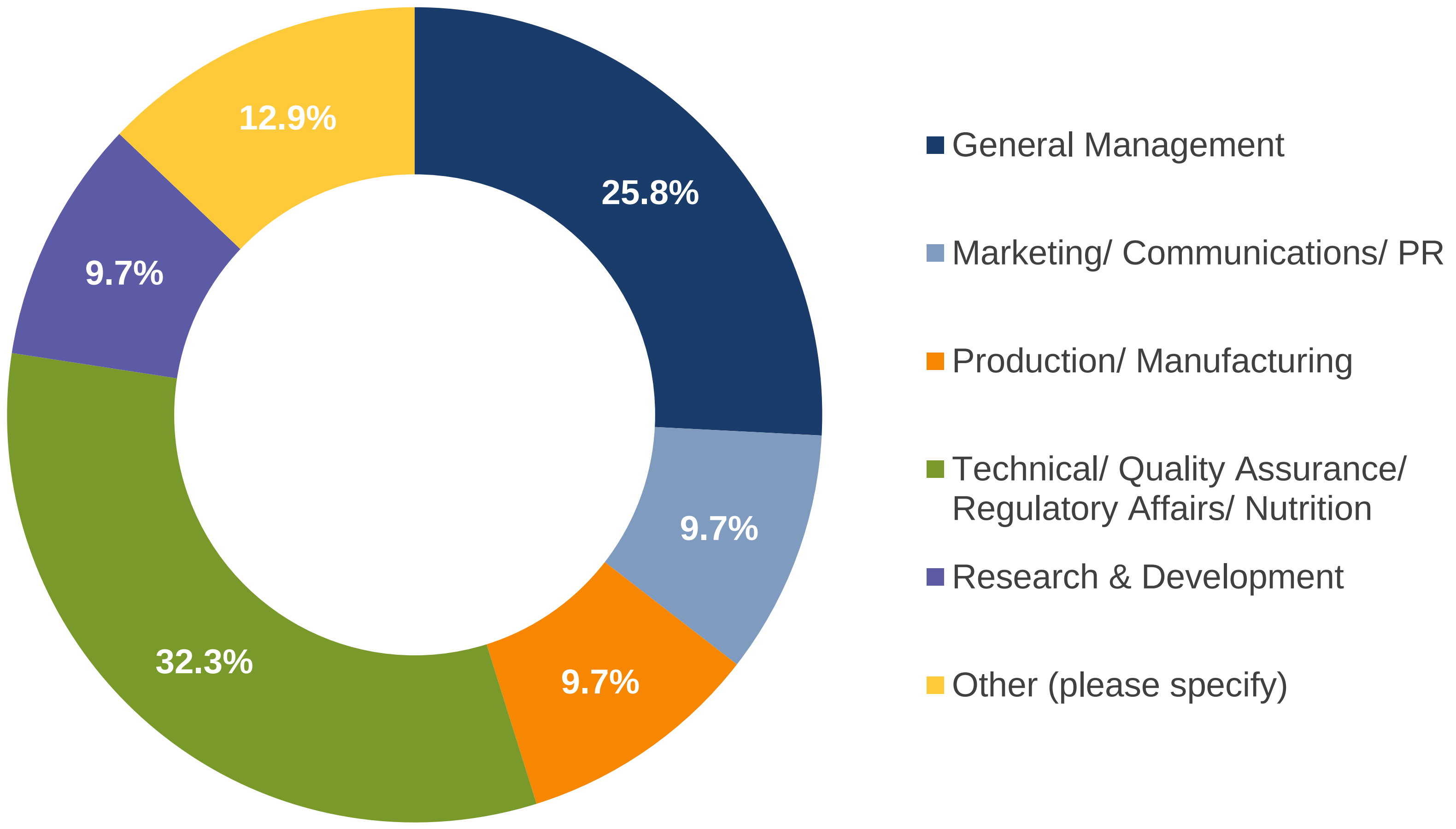
Varied Company Sizes

How many people does the business employ worldwide?



- The respondents were skewed towards larger businesses but with significant inputs from SMEs
- 87% of companies in the sample made products for both the Singapore and export markets

Respondents Spanned from a Range of Disciplines



Answered: 31 Skipped: 0

A Broad Range of Product Categories were Included

Confectionery
37%

Ready to eat meals
23%

Dried foods and ingredients
17%

Oils and fats
7%

Non-alcoholic drinks
37%

Cereals
20%

Frozen desserts
17%

Other
37%
Includes frozen food, processed meats, cooked rice and noodles

Sweet snacks
27%

Dairy products
17%

Savoury snacks
13%

Answered: 31 Skipped: 0

Display of Nutrition Information on Product Packaging

FOOD INDUSTRY ASIA

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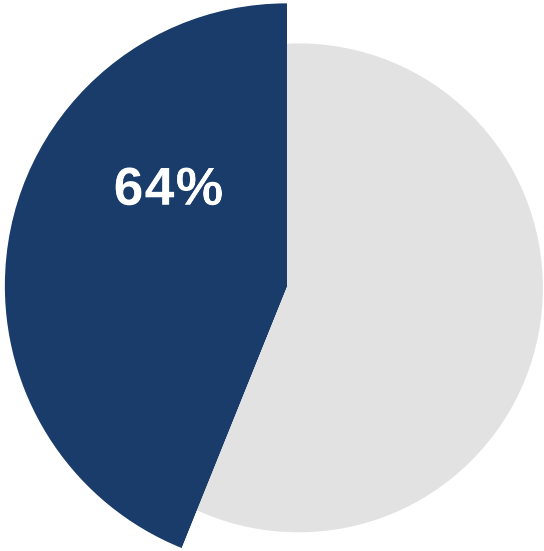
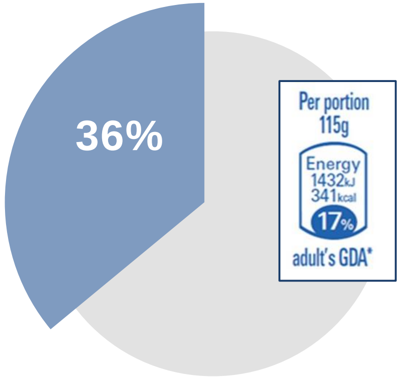
Companies that Display Nutrition Information on the Front-of-Pack

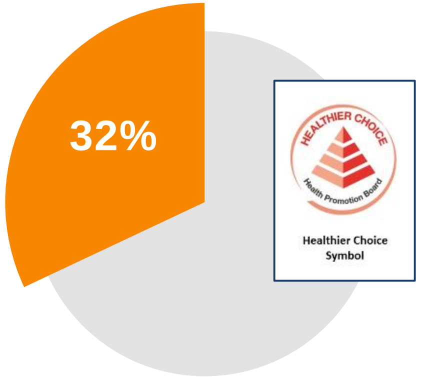


Display front of pack nutrition labelling across some or all of their products

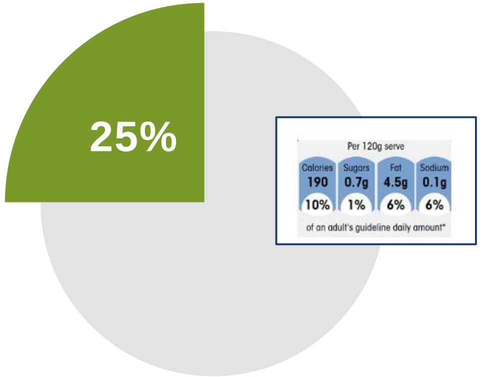
Of those companies that use front of pack nutrition labelling:



Use Guideline Daily Amount (Energy Only)



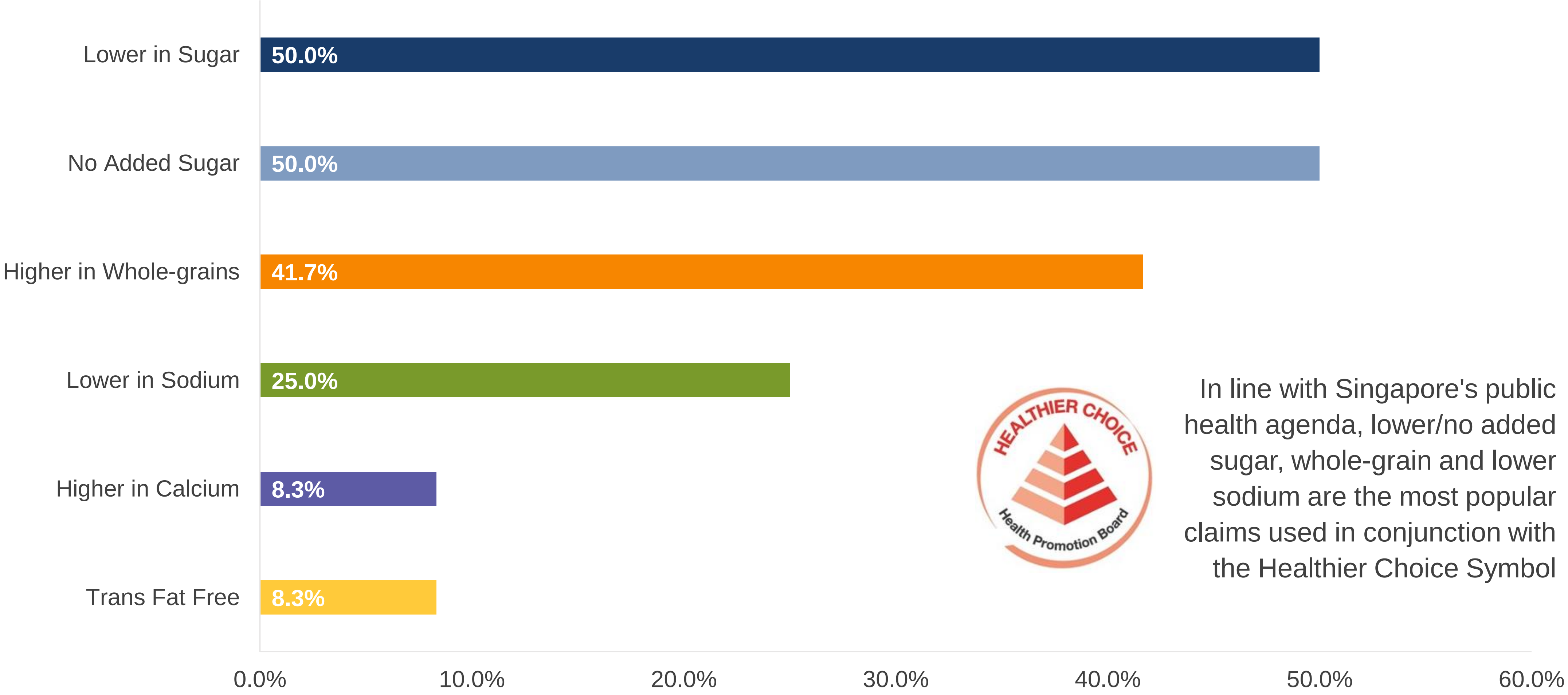
Healthy Choice Symbol



Guideline Daily Amounts (Energy, Sugar, Fat, Sodium)

Answered: 28 Skipped: 3

Claims on Sugar was the Most Popular Nutrition Claim to be used alongside the Healthier Choice Symbol



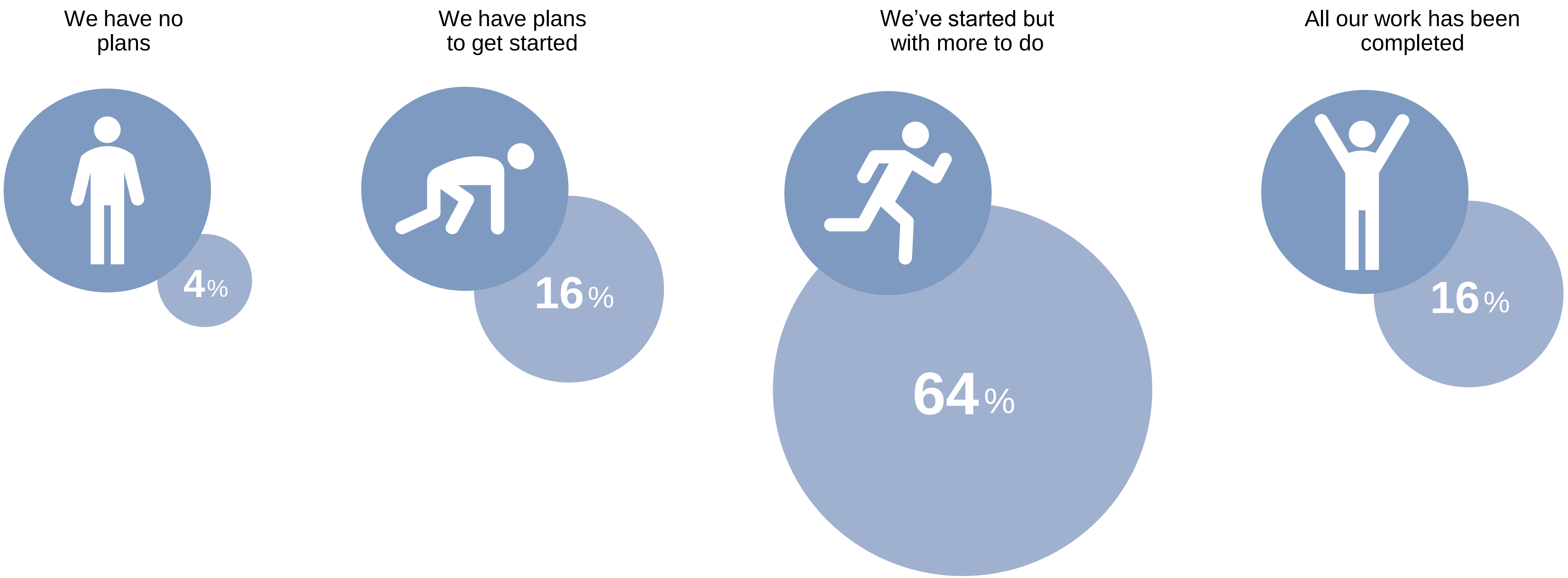
In line with Singapore's public health agenda, lower/no added sugar, whole-grain and lower sodium are the most popular claims used in conjunction with the Healthier Choice Symbol

Answered: 12 Skipped: 19

The Reformulation Journey

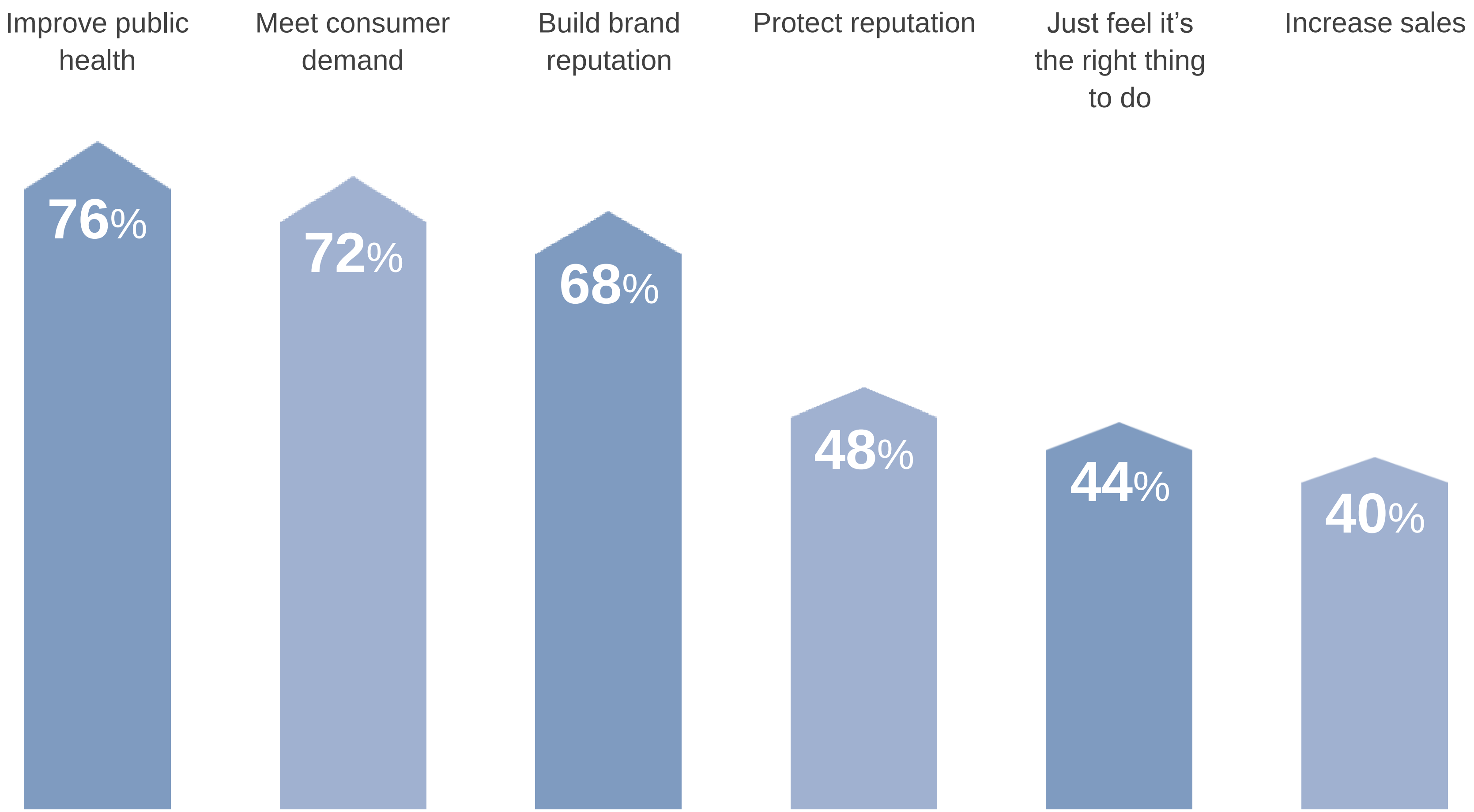
Most had Begun their Reformulation Journey

80% of our companies had begun to reformulate products, some for many years. The small businesses in our sample had yet to get underway although all but one had plans to do so



Answered: 25 Skipped: 6

Factors Driving Reformulation in Singapore



The top three drivers for action include improving public health, meeting consumer demand and building brand reputation.

It is this combination of these factor that make the case for reformulation so compelling. With so many companies working on this, any that are not are in danger of being left behind.

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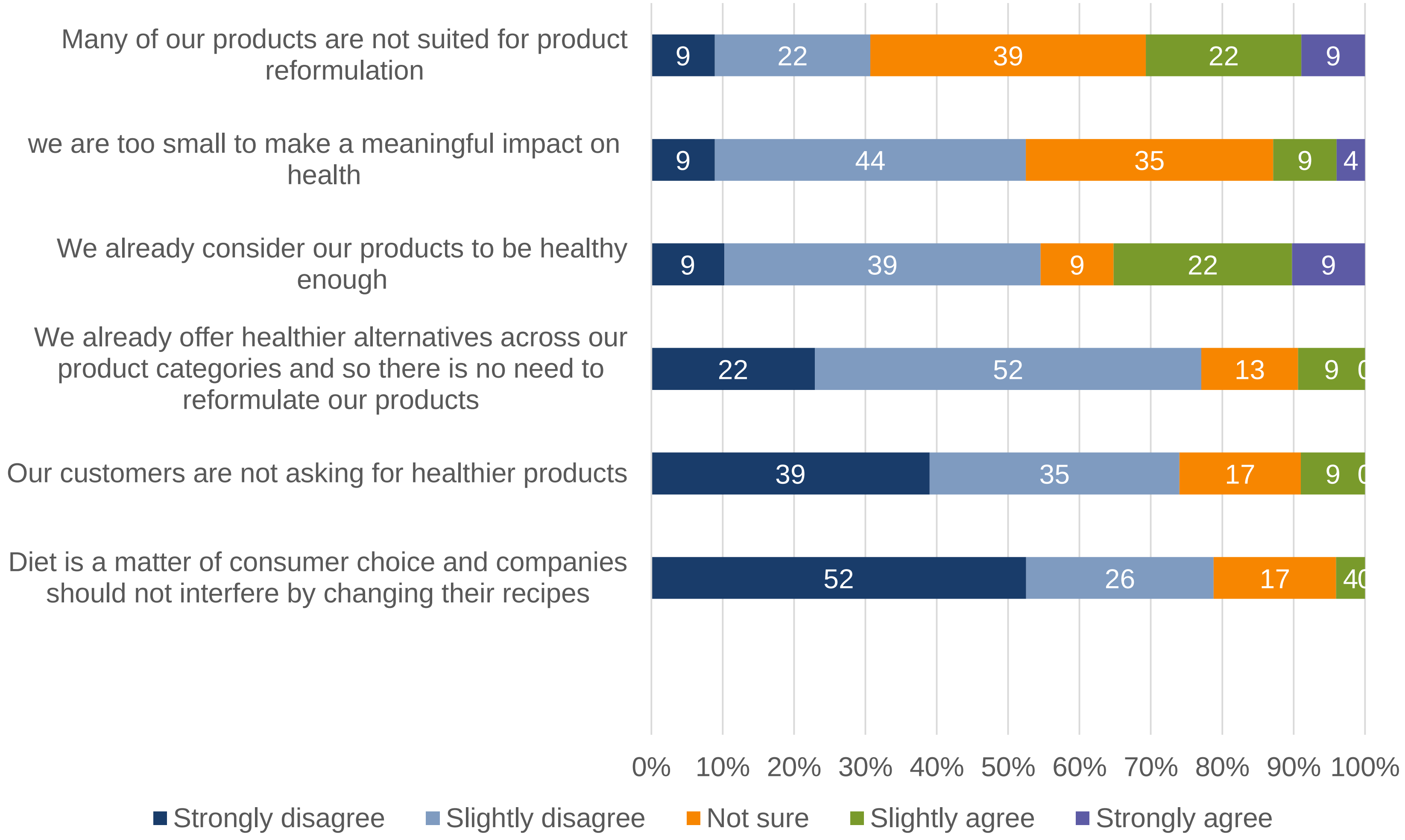
Evaluating Attitudinal Barriers to Reformulation



There were very few attitudinal barriers to change amongst the sample.

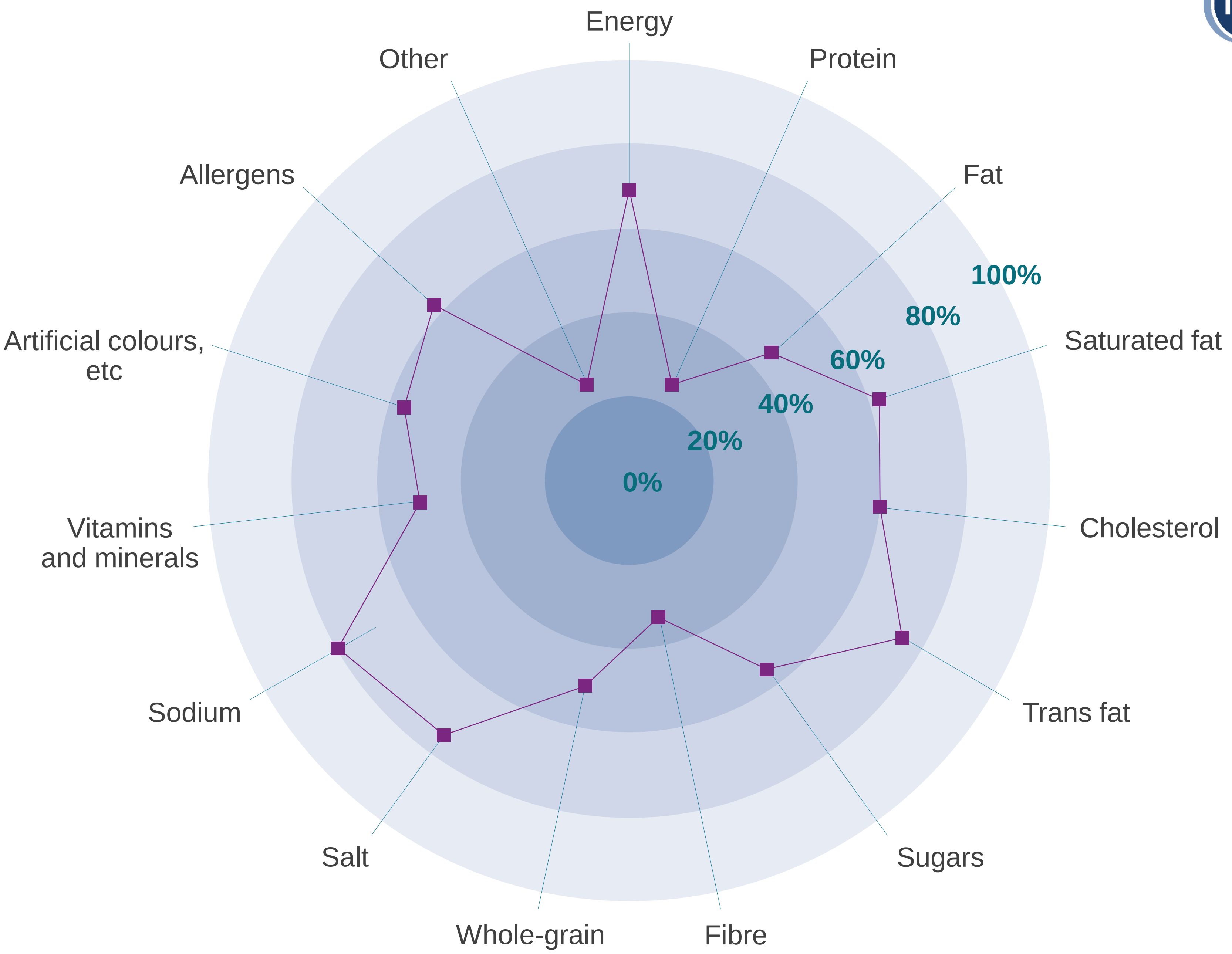
Only 4% felt there was no need for companies to change their products because diet is just a matter of consumer choice.

While 9% said they provided enough healthy choices and 13% said it wasn't a company priority- 73% of the sample believed that customers want healthier products and agreed that, as an industry, they had a role to play in driving consumer choices by providing healthier products.

Industry priorities

Previous work

The reformulation agenda has been shifting. Previously the focus was on reducing salt/sodium and removal of trans fats.

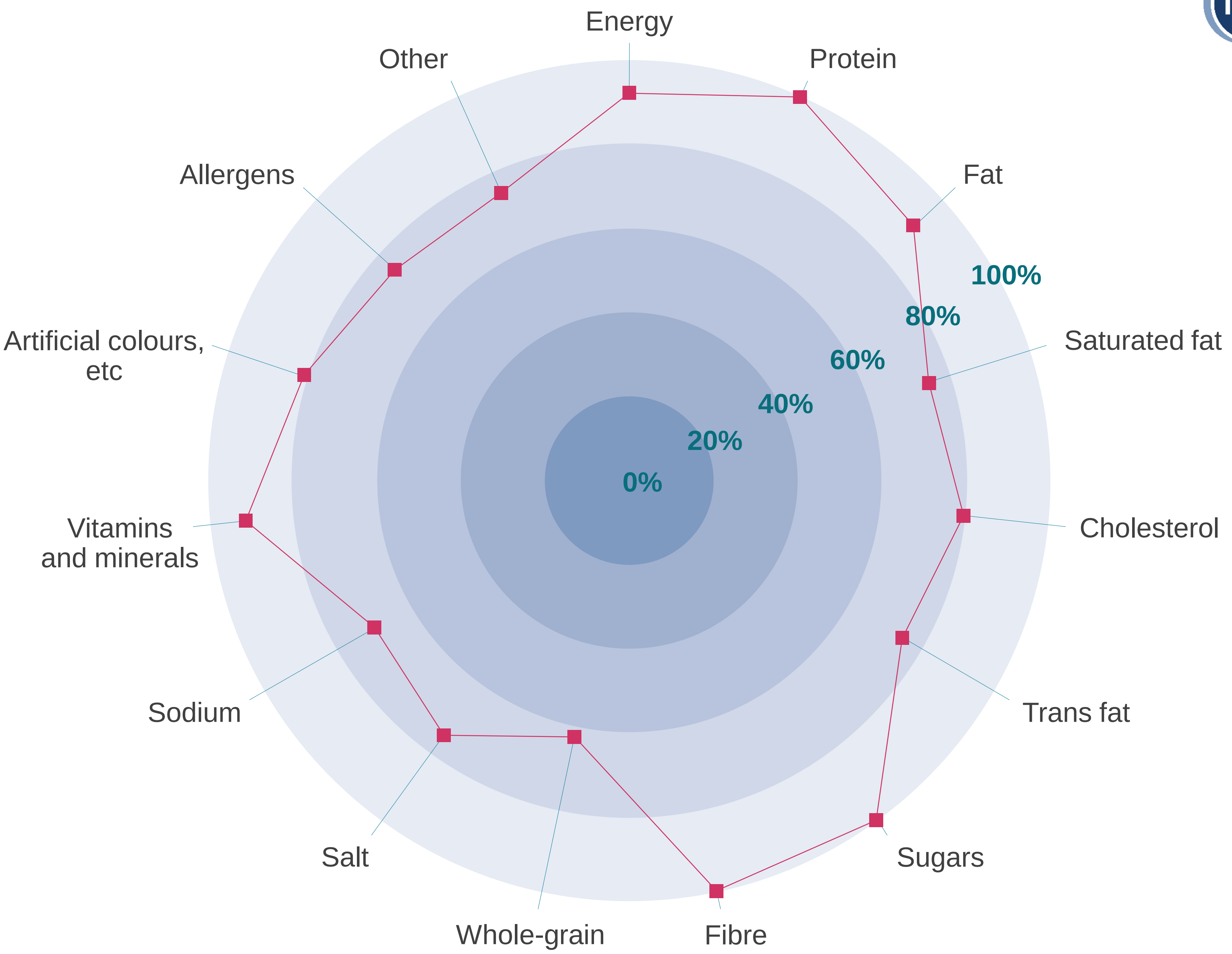


Industry priorities

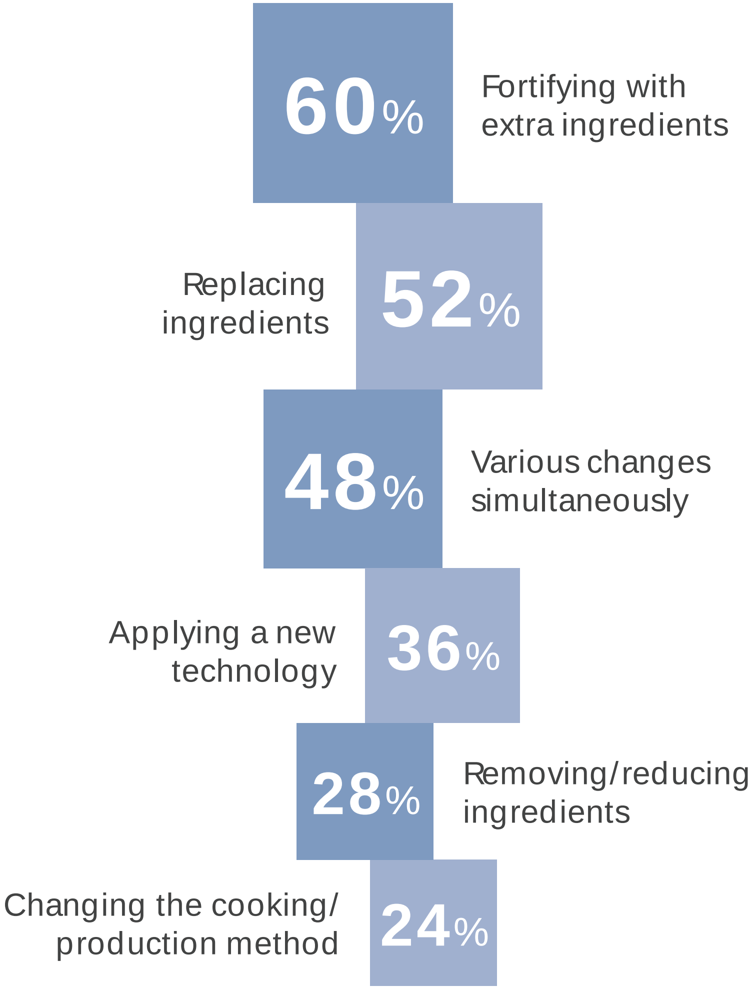
Current work/future plans

Work still continues in these areas but the escalating public interest in sugar reduction is now reflected in company activity. All the companies currently working or making plans to reformulate, included sugar reduction on their list.

The commitment to adding fibre is notable. This is not particularly high on the consumer wish list but it is strongly recommended by nutritional experts.



Enabling the Development of Healthier Products



Companies are using a variety of techniques to support their reformulation programmes. Adding is seen as equally important as removing ingredients: 60% have been fortifying whereas 52% have been replacing ingredients with lower/zero calorie substitutes.

Different solutions apply to different categories and nutrients. For instance, for some products it is relatively easy to reduce the salt content or fortify with an extra ingredient without negative consequences. For others, such as reducing sugar may require a re-evaluation of the whole recipe to deliver an acceptable taste and texture.

This is why technical expertise and consumer testing are essential in the development of healthier products

Answered: 25 Skipped: 6

Industry Experiences: Challenges to Reformulate

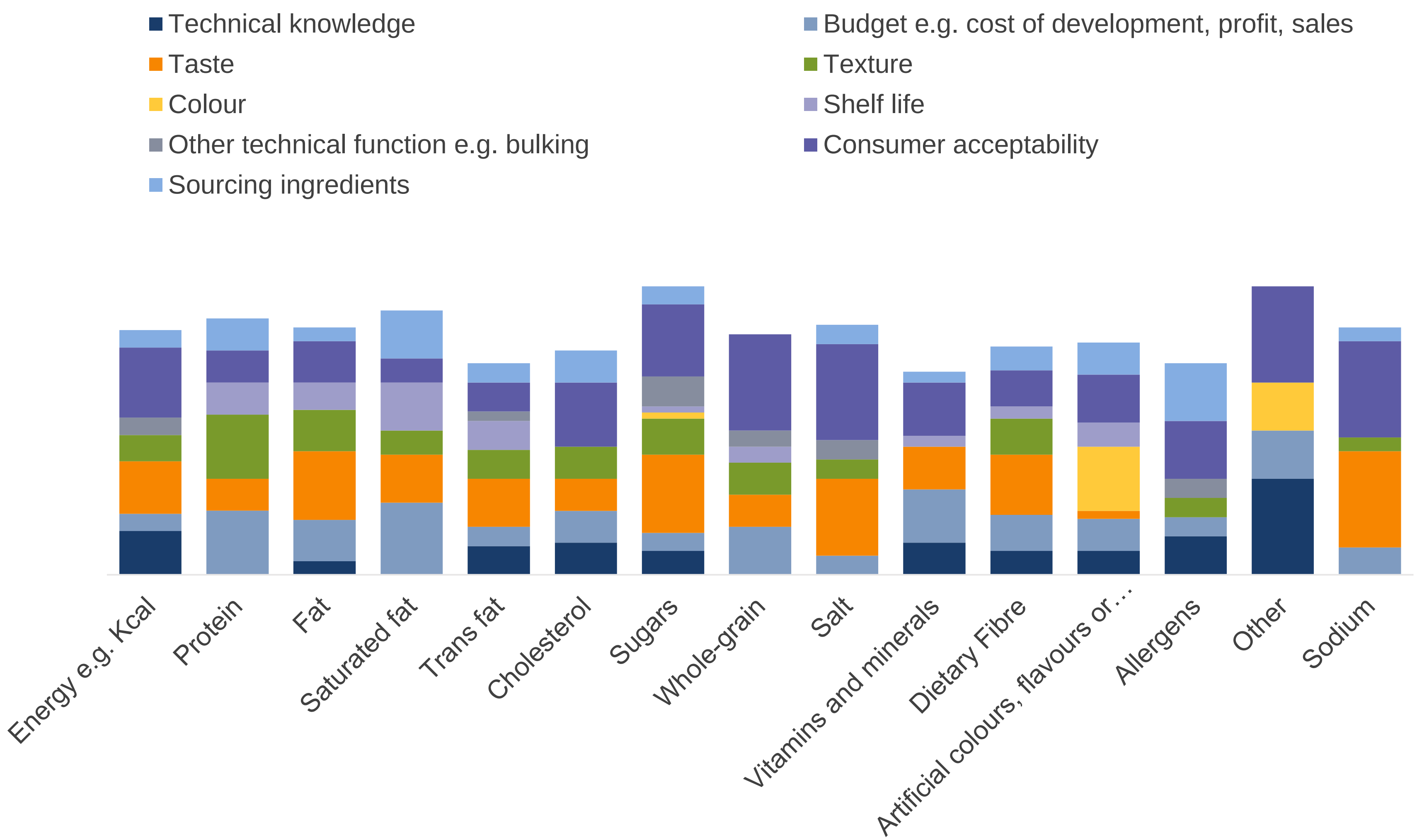
1. Consumer acceptability
2. Maintaining taste
3. Budget limits
4. Technical knowledge

The challenges to reformulate product varied by nutrient. Despite concerns about consumer acceptability, none of the respondents had received negative consumer feedback on previously reformulated products. 75% had enjoyed positive feedback and the remainder no consumer feedback at all. Small changes often go unnoticed but if this is maintained over several years, it can add up to a substantial nutritional difference.

Smaller businesses were likely to identify limitations to budget and technical knowledge as key challenges to reformulate.

Answered: 23 Skipped: 8

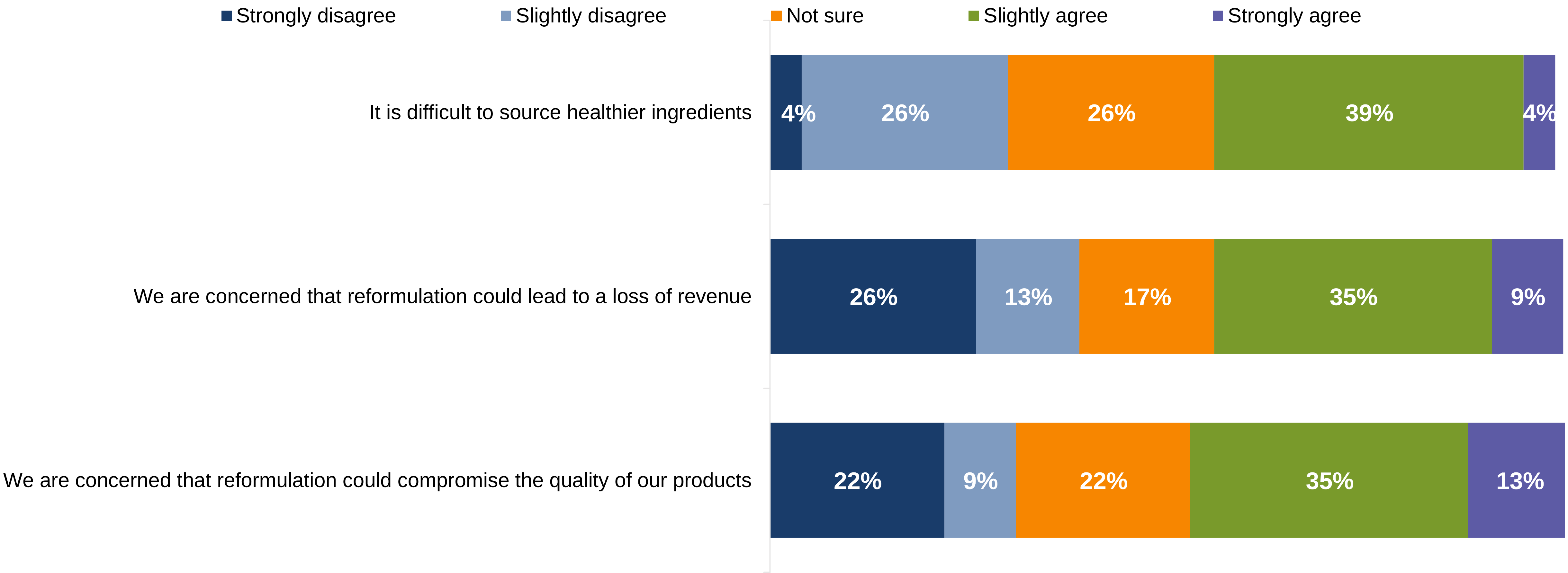
Industry Experiences: Challenges to Reformulate



Sugar reduction was seen as the most difficult nutritional challenge, followed by reducing total calories, cholesterol, saturated fat and salt. Increasing protein was seen as a relatively simpler task, although this can vary by product.

The Reformulation Journey: Recognising Areas for Support

Assessing the Availability to Resources



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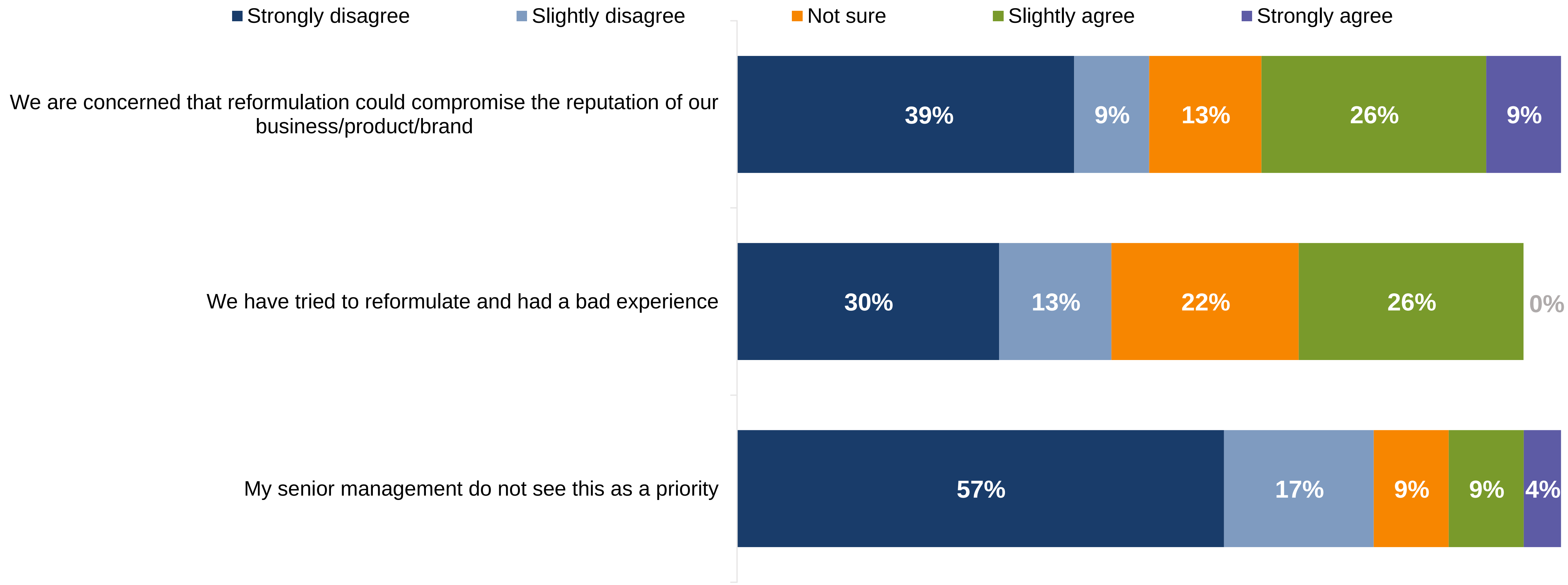
Assessing the Availability to Resources



Access to Resources to Inform Healthier Reformulation

1. 74% of companies consult with a nutrition specialist
2. 88% mainly use internal resources for reformulation
3. 36% use resources freely available in the public domain (i.e. government agencies websites)
4. 32% use consultancy services. Smaller companies tend to get more help from outside specialists

How else can we Accelerate Progress?

“We would really like ingredients suppliers to provide more innovative and functional ingredient options to help with sugar and fat reduction and mineral enhancement”

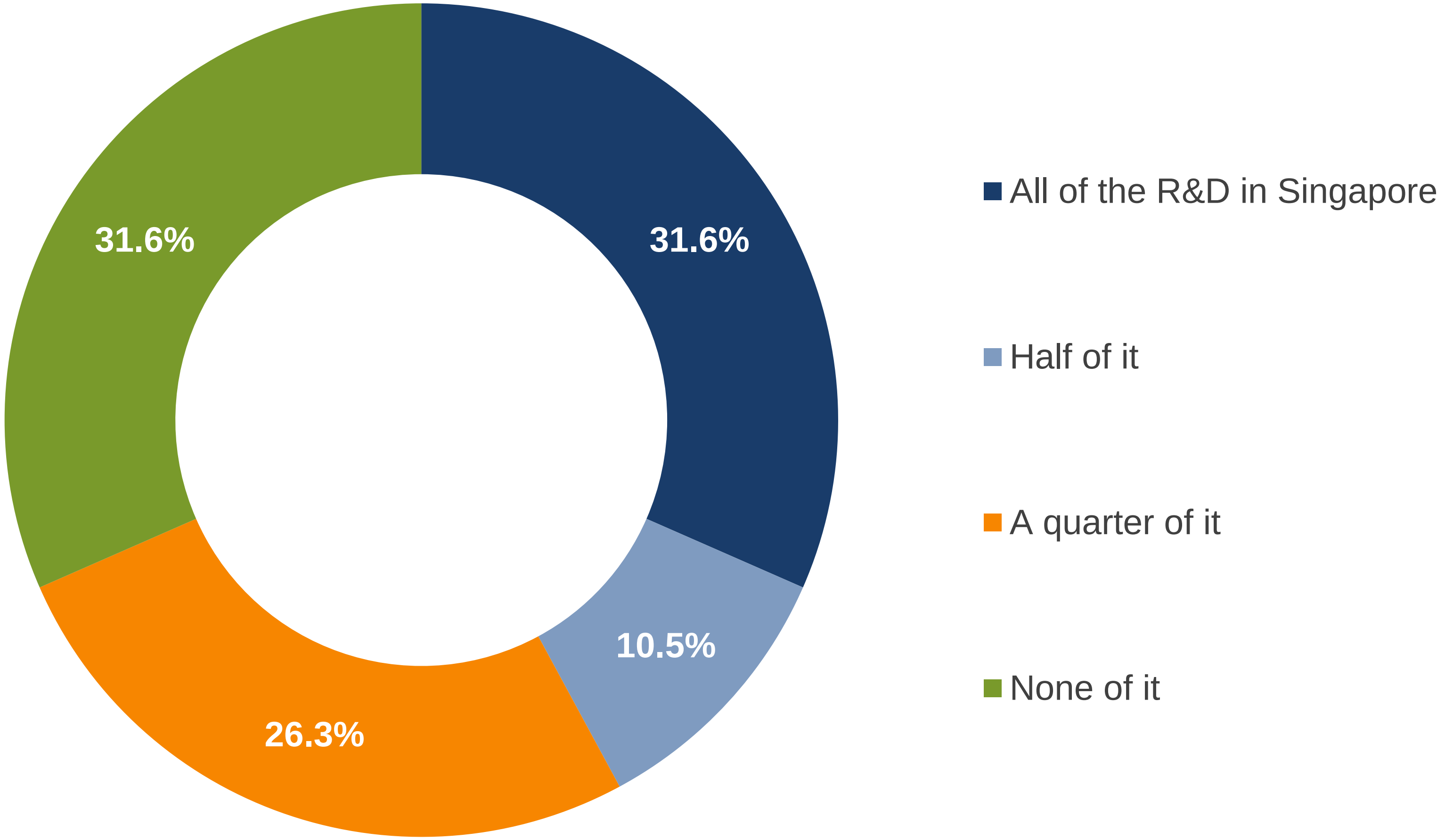
What would enhance healthier product development in your company?

1. 83% More awareness of public health priorities
2. 73% More awareness of nutrition targets/standards
3. 48% More technical knowledge
4. 43% Help with consumer testing
5. 30% Improving internal communications

Answered: 23 Skipped: 8

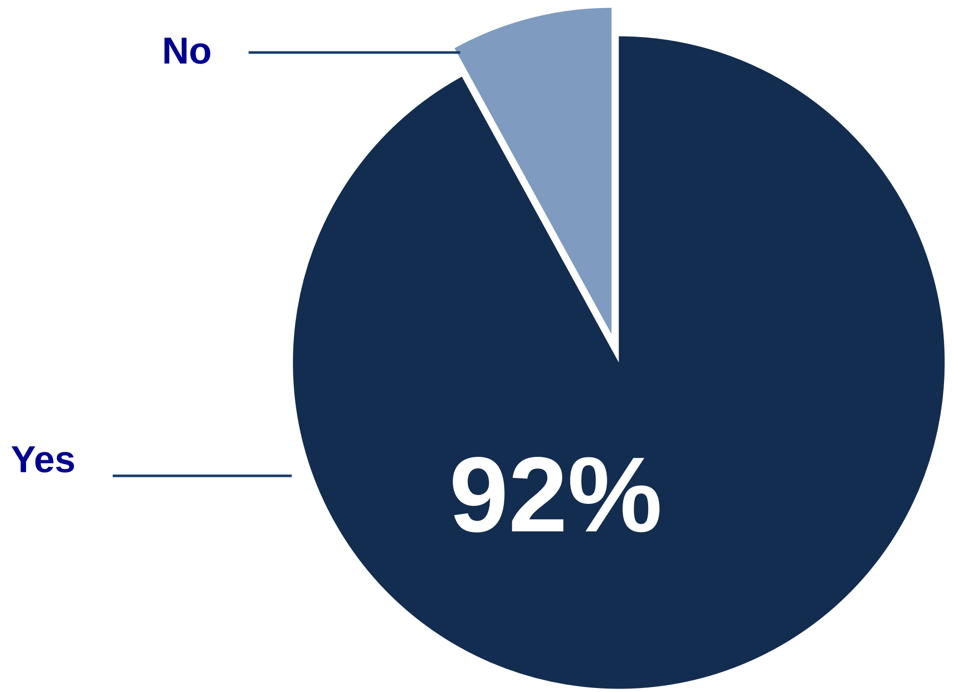
If you have previously reformulated products to make them healthier, how much of the R&D associated with these products was conducted in Singapore?

Just under a third of companies did 100% of their R&D associated with reformulation in Singapore



Response to Government Incentives

Would you be encouraged to carry out more product R&D associated to reformulation if you were provided with additional incentives from the government?



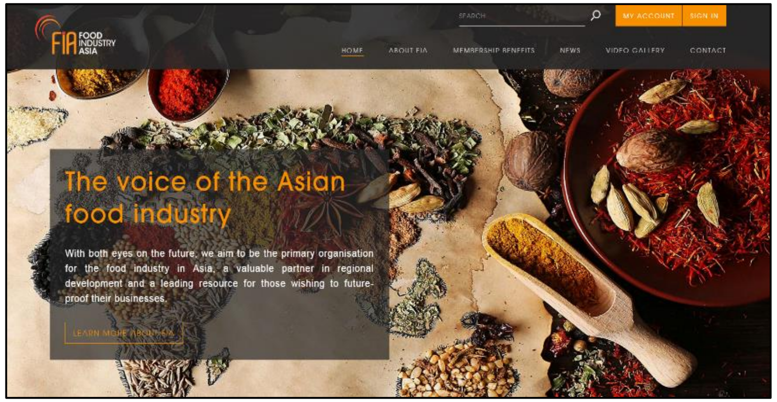
"Without the Healthy Ingredient Development Scheme it would have been impossible to have done all the R&D we have and bring out healthier staple product(s) to the market"

Smaller companies felt particularly strongly about this, given the budget limitations

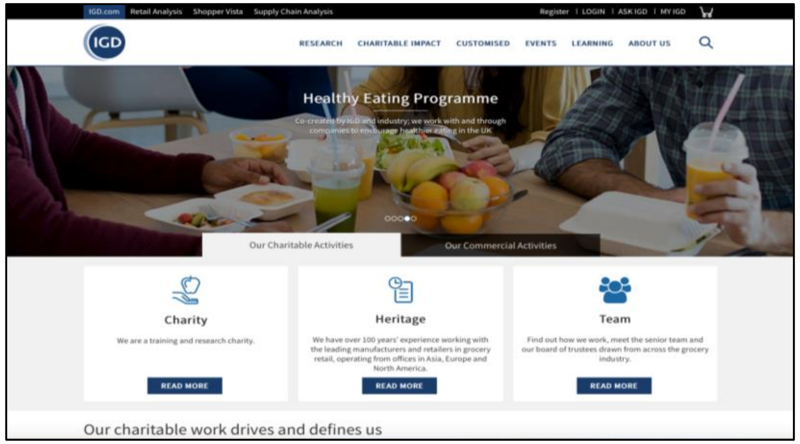
Answered: 25 Skipped: 6

Additional Resources

Other Resources



Food Industry Asia



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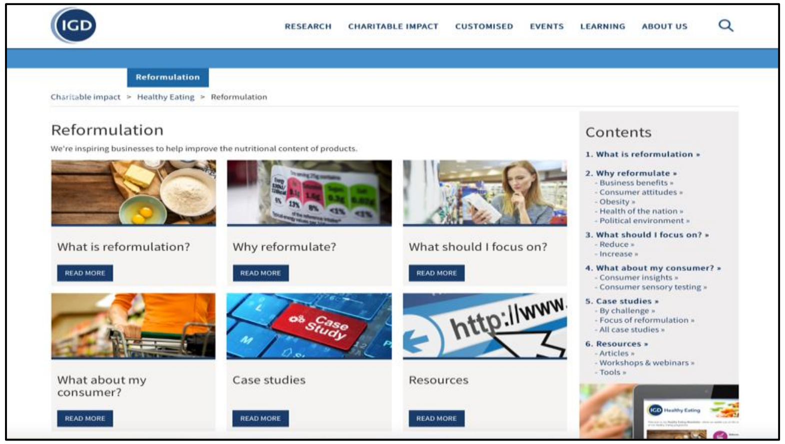

Healthy Eating- Reformulation

Healthier Product Reformulation in Singapore Report

Detailed Industry Findings

Detailed Consumer Findings

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