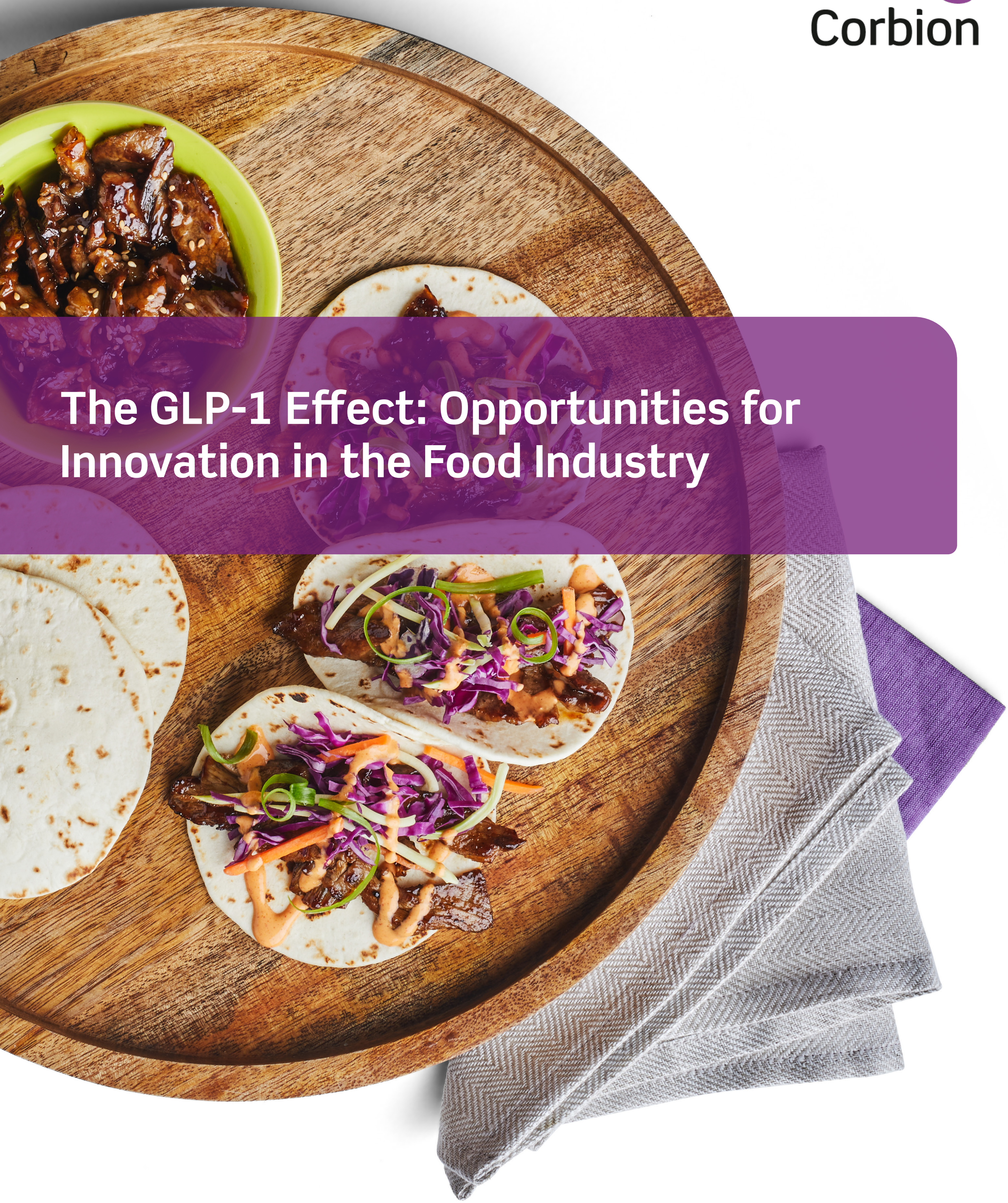
Corbion

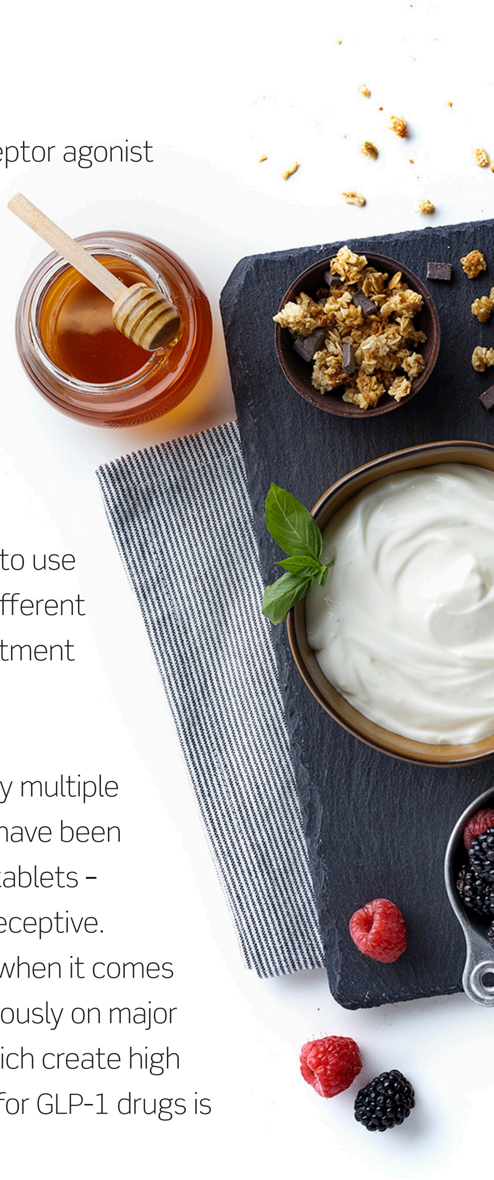
The GLP-1 Effect: Opportunities for Innovation in the Food Industry



It is not news to anyone that weight-loss trends frequently create challenges and opportunities for food manufacturers. The research and innovation prompted by such trends can be rewarding for companies by helping them tap into consumer excitement and energy. The influence of GLP-1 receptor agonist drugs—originally developed to treat type 2 diabetes—on consumers, manufacturers, and the entire food industry is unprecedented in both its nature and scope. The phenomenon hinges, not on a theoretical dietary approach, but rather on a medical intervention proven to actively combat obesity by reducing appetite.

What exactly are GLP-1 medications?

In 2005, the US Food & Drug Administration (FDA) approved the use of GLP-1 receptor agonist drugs, also known as semaglutides, in the treatment of type 2 diabetes. These drugs effectively reduce blood sugar and energy intake by mimicking a naturally produced incretin hormone (GLP-1) that is released by the gut after eating. They slow gastric emptying, inhibit the release of glucagon, and stimulate insulin production. In doing so, they reduce hyperglycemia in people with type 2 diabetes.[1]



Physicians welcomed GLP-1 medications as an effective means of helping their diabetic patients control high blood sugar, and some recognized the opportunity to use the benefits of GLP-1 agonists – particularly appetite suppression – to attack a different challenge. By 2014, the first GLP-1 receptor agonist drug was approved as a treatment for obesity.[1]

Since that time, the prevalence of GLP-1 prescriptions has mushroomed, driven by multiple factors. For one, as newer, more convenient and effective semaglutide offerings have been developed and approved by the FDA – such as longer-acting injectables and oral tablets – doctors have become more comfortable in prescribing them and patients more receptive. Perhaps the most potent influence, however, has been social media, particularly when it comes to weight loss care. Ozempic, by far the market leader, is trending almost continuously on major platforms like TikTok, X (formerly Twitter), Instagram, Pinterest and Facebook, which create high visibility for weight loss testimonials by Health & Fitness influencers. The market for GLP-1 drugs is expected to reach $100 billion by 2030.[2]

1. FDA and Cleveland Clinic 2024.
2. J.P. Morgan, "The increase in appetite for obesity drugs." Nov, 2023.

What does this mean for food companies?

With such a significant (and still growing) segment of consumers using an appetite-suppressing medication long term, the impact on food and beverage companies due to changing consumer purchasing patterns is still largely unknown. But there can be little doubt that it is in manufacturers' interests to look more deeply into the perceptions, motivations and priorities driving GLP-1 users' behaviors.

To learn more these market drivers, global ingredient supplier Corbion undertook two proprietary surveys of US consumers to learn more about how, and to what extent, food choices and expenditures are being affected by the prevalent use of GLP-1 medications. One survey focused on adults using GLP-1 drugs as a treatment for diabetes; the other addressed those using these drugs for weight loss.

"We wanted to understand more about how the widespread use of appetite-suppressing medications is affecting consumer consumption," says Megan Passman, Global Insights Manager at Corbion.

Corbion's research revealed several common themes among those surveyed:

- Users in the weight-loss group, in particular, tend to be younger-to-middle aged, highly educated, professionals with higher incomes. This is likely due to the fact that these drugs are usually not covered by insurance for treating obesity and must therefore be paid for out-of-pocket.[3]

- Most of those surveyed are eating (and spending) less. Roughly 46% of GLP-1 users for weight loss are spending less on food than ever before; the percentage of users for diabetes was similar (41%).[3] According to US investment bank Stifel, GLP-1 users, on average, consume 25% fewer calories per day.[4]

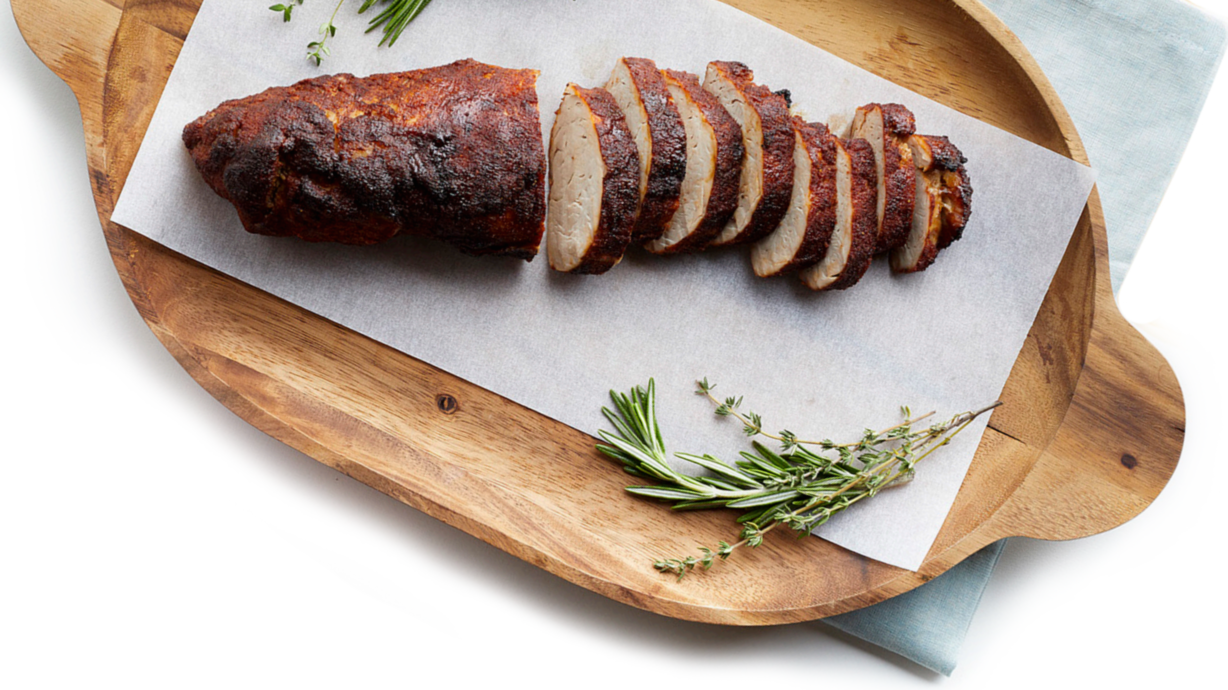
- Users in both groups are cutting back on, or eliminating, ice cream, salty snacks, processed meats, and soda beverages; instead, they tend to crave more umami flavors and fewer sweets.[3]

- Users in both groups are highly focused on nutrition and ingredient labels. When shopping for food, these users were highly influenced by packaging claims such as, "uses real ingredients," "high source of protein (or fiber)," "preservative-free," and "natural flavor."[3]

- Most users are happy with the results they achieve, and 60% of those surveyed plan to use a GLP-1 medication regularly for the foreseeable future (more than one year).[3]

3. Corbion proprietary research 2024.

4. Stifel Financial 2024.



Changing priorities

As effective as GLP-1 drugs are proving to be for weight loss and diabetes management, they are not, by themselves, sufficient for treating diabetes or obesity. Both conditions require additional strategies like lifestyle and dietary changes to fully achieve desired health outcomes. A look at conversations taking place on social media around semaglutides would suggest that users understand this.

Insights gained by Black Swan Data, using its self-serve consumer intelligence platform, show that GLP-1-related online conversations frequently connect to weight management and weight loss, and that many participants are focused on muscle-building and recovery, and getting more protein into their diets. Much attention is paid to blood and heart health, as well as gut health.[5]

Findings from the Corbion surveys bear that out.

Perceptions of respondents regarding a healthy diet skew toward high-protein and low/no sugar added products. Shopping lists for users in both groups surveyed are heavily influenced by specific popular diets, including Weight Watchers, Keto, Mediterranean, Atkins and Paleo diets.[3]

Survey participants expressed interest in reducing sugar and sodium intake, finding more natural alternative sweeteners to be acceptable, including stevia, prune juice and monk fruit. They also expressed a high degree of openness to alternative protein sources, such as faba beans, chickpeas, mung beans and pea protein.[3]

In addition, about half of users in both groups are purchasing various dairy products less often or not at all, and those still purchasing them are doing so in smaller pack sizes/quantities.[3]

3. Corbion proprietary research 2024.

5. Black Swan Data 2024.

Implications for Food Manufacturers

Given these insights, food manufacturers have a unique opportunity to innovate and capture this growing market segment. Here are several potential ways to leverage these findings:

1. **Develop Nutrient-Dense Products:** Innovate product lines to include more nutrient-dense options. Consider fortifying foods with essential vitamins and minerals or incorporating superfoods known for their high nutritional content.
2. **Focus on Functional Foods:** Introduce functional foods that offer additional health benefits. This could range from probiotic-infused snacks to Omega-3 enriched dairy products.
3. **Enhance Convenience:** Continue to prioritize convenience in product development. Think of pre-portioned, ready-to-eat meals that are both nutritious and easy to prepare.
4. **Promote Health Benefits:** Clearly communicate the health benefits of your products. Use labeling and marketing strategies that highlight nutritional information, health benefits, and the functional aspects of your food products.
5. **Leverage Digital Marketing:** Use social media platforms and digital marketing to reach GLP-1 users effectively. Highlight testimonials, share educational content about the health benefits of your products, and engage with influencers in the health and wellness space.

Conclusion

The rise of GLP-1 drugs presents a transformative opportunity for food manufacturers. By understanding the unique needs and behaviors of this growing consumer segment, companies can innovate and create products that resonate deeply with GLP-1 users. As appetite-suppressing medications become more prevalent, the food industry must adapt and evolve to meet the changing landscape. Embracing this shift not only positions companies for success but also contributes to a healthier, more informed consumer base.

The future of food innovation is bright, and GLP-1 drugs are a significant catalyst driving this change. By staying informed and agile, food manufacturers can turn this trend into a substantial growth opportunity.

For more information, please contact:
foodus@corbion.com