

By Carol T. Culhane, P.H.Ec., MBA

☀ Market Exclusivity for ROI

Commercialization of a functional food is an expensive proposition. 'Designer food', having a special active ingredient, entails costly and arduous product development. Generic yet branded food, like whole grains, require continual market support to develop and sustain consumer loyalty. To realize revenue, payback and market potential, many functional food manufacturers pursue strategies to render their product 'exclusive' in the marketplace.

☀ A Case in Point

In 1996, Quaker Oats Co. successfully petitioned the FDA to permit a health claim on selected oat products, particularly oatmeal. The ruling specifies that an oat product must deliver, without fortification, one gram of β -glucan soluble fibre per standard serving size. Thus, the regulation precludes product differentiation as a means to marketplace superiority.

Moreover, an oat product manufacturer in Ireland, McCann's plc, now exports *Steel Cut Irish Oats* to the USA with labels bearing the oat health claim. While the oats fulfill all product specifications required under the FDA's health claim ruling, McCann reaps direct benefits from its competitor's initiative and investment.

☀ Protection through Patenting

Tropicana Pure Premium® Calcium & Extra Vitamin C (orange juice) is a functional food designed to deliver a tangible consumer benefit – drinkable calcium for those who do not drink milk. Launched in 1996, the patented innovation starts with a popular familiar beverage and adds a nutrient whose national consumption is below recommended levels. The calcium source – FruitCal™ or calcium citrate malate – has been clinically proven to equal the bioavailability of calcium from milk.

The product has been flourishing in the USA marketplace due to promotion, widespread distribution and patent protection.

☀ When Patenting isn't Enough

McNeil launched Benecol® – a patented cholesterol lowering fat-based spread – in 1999 expecting immediate consumer acceptance. However, the notion of fat actually reducing blood cholesterol was foreign to the general public and to health professionals. The name "Benecol" did not readily express the product's benefits.

In reaction to marketplace confusion, the determined company re-trenched and re-designed its marketing strategies. Benecol's promotional literature dissects the name into 'bene', meaning good, and 'col' to signify cholesterol. Consumers are advised to eat Benecol for breakfast, lunch and dinner and nifty new packaging allows easy and convenient measurement of the recommended 1Tbsp serving. A Light version has been launched (sounds better already). A website offers a variety of Benecol recipes (truly terrific ones!).

☀ Expect Excellence

Functional foods require marketplace protection to return pre-commercialization costs to investors. They demand more market research and creativity than their conventional counterparts and the same well-designed and executed marketing plans. As the category matures, more evidence of these qualifying factors at work will be seen. **FF**

☀ Some web-sites

www.tropicana.com

www.benecol.com

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