



Development of New Products for the Food Market – What are the Trends

Linn Anne Bjelland Brunborg, PhD
Head of Nutrition, Research and New Growth

Today, Orkla is the leading Nordic consumer goods player

300

local brands with
strong positions

#1

*The leading branded
consumer goods company
in the Nordic and Baltic regions*



NOK
BILLION

OPERATING REVENUES¹

39.6

EBIT (ADJ.) MARGIN¹

11.1%

MARKET VALUE²

82



18,510
EMPLOYEES



8.5 MILLION
CONSUMER UNITS
SOLD DAILY

² ¹Orkla Branded Consumer Goods incl. HQ 2018. ²As of 25 September 2019



TRENDS...

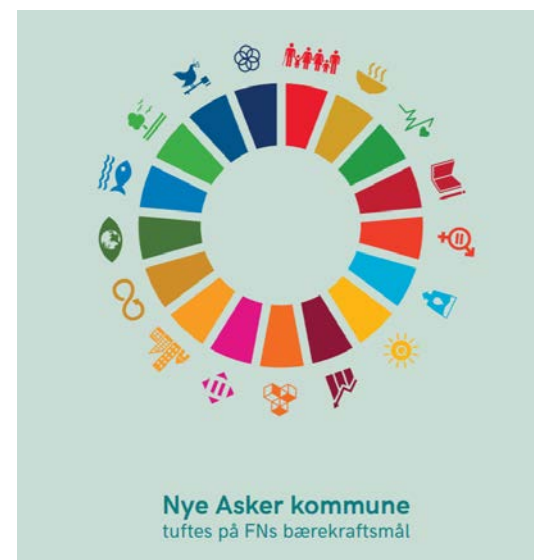
Common mobilisation to reach global SDG

Sustainable Development Goals



Strengthening Global Food Systems

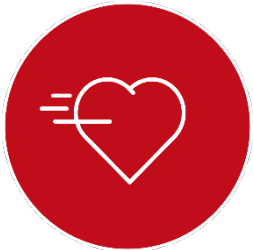
The Strengthening Global Food Systems project seeks to provide insight and support action toward more inclusive, sustainable, efficient and nutritious food systems, in line with the Susta...



SUSTAINABLE DEVELOPMENT GOALS



Sustainability is a core part of our strategic thinking



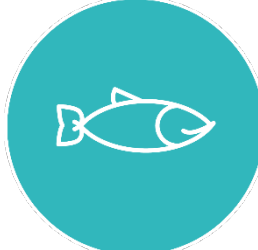
NUTRITION & WELLNESS

Make healthy living easier



SAFE PRODUCTS

Be prepared to handle emerging risks



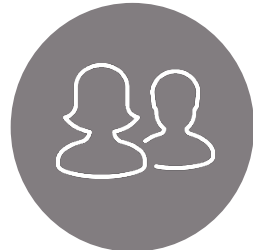
SUSTAINABLE SOURCING

Deliver products with sustainable raw materials



ENVIRONMENTAL ENGAGEMENT

Innovate to save the environment



CARE FOR PEOPLE & SOCIETY

Be the change we want to see

IMPROVING EVERYDAY LIFE WITH SUSTAINABLE AND ENJOYABLE LOCAL BRANDS



How do we create sustainable growth?

«SUSTAINABILITY UPGRADE» OF EXISTING PRODUCTS



Vegetarian

Bio-based packaging

INNOVATION

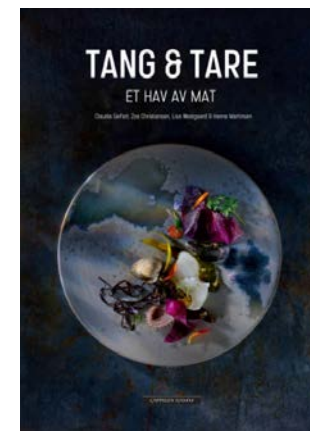


Swan label

Recycled plastic

Seaweed

NEW BUSINESS OPPORTUNITIES



Sustainable
raw materials

Circular
economy







Seaweed is a Superfood

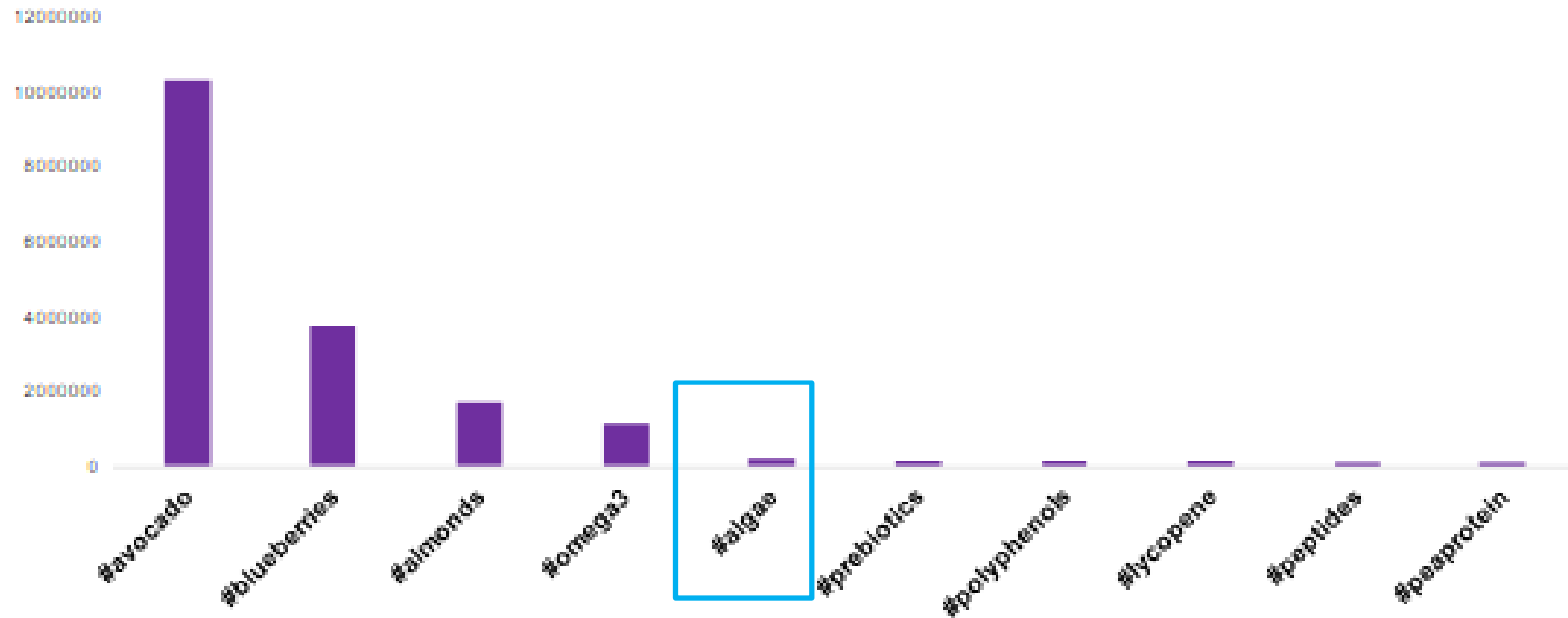
Did you know that seaweed is a vegetable?



Chart 2: Naturally functional ingredients beat science-based on social media

On Instagram – the most important social media channel in many countries – consumer interest in blueberry, almond, avocado and other easily-understood naturally functional ingredients is higher than more science-positioned ingredients

Number of posts with selected hashtags on Instagram*



Source: Instagram



What Now?

All BAs assess seaweed as highly interesting and 5 of our products already contain seaweed

ORKLA

ON THE MARKET

Orkla Foods



Orkla Confectionery & Snacks



Orkla Care



Orkla Food Ingredients



Development & New Growth Areas

Enter into new areas



Parallel curiosity developed across BA and countries. Potential spans from adding an interesting ingredient to existing products, and thereby being first movers in food containing seaweed



Status and insight

- Positive! Sustainability and health benefits most important
- Establish collaboration with seaweed farmers, explore the potential and possibilities
- Consumer readiness



Potential

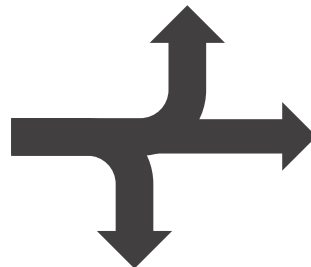
- Both seaweed as a minor or major ingredient interesting, as well as innovation in adjacent category plant based seaweed.
- Different expectations and consumer readiness between e.g. “seaweed burger”/”fishy burger”/”burger from the ocean”
- Plant based and sustainable foods



Experienced challenges and questions

- Sensitive raw material – handling and processing is challenging to secure both taste and content
- **Identify the best seaweed raw materials – dried, powdered, fresh, frozen, fermented, species, taste, nutrient content**
- Seaweed products as “Sjögräs og Kikertburger” only contain 3,5% seaweed → volumes?

Add seaweed as a minor ingredient or as a benefit?




Main ingredient or new category?



Seaweed – the new and trendy vegetable

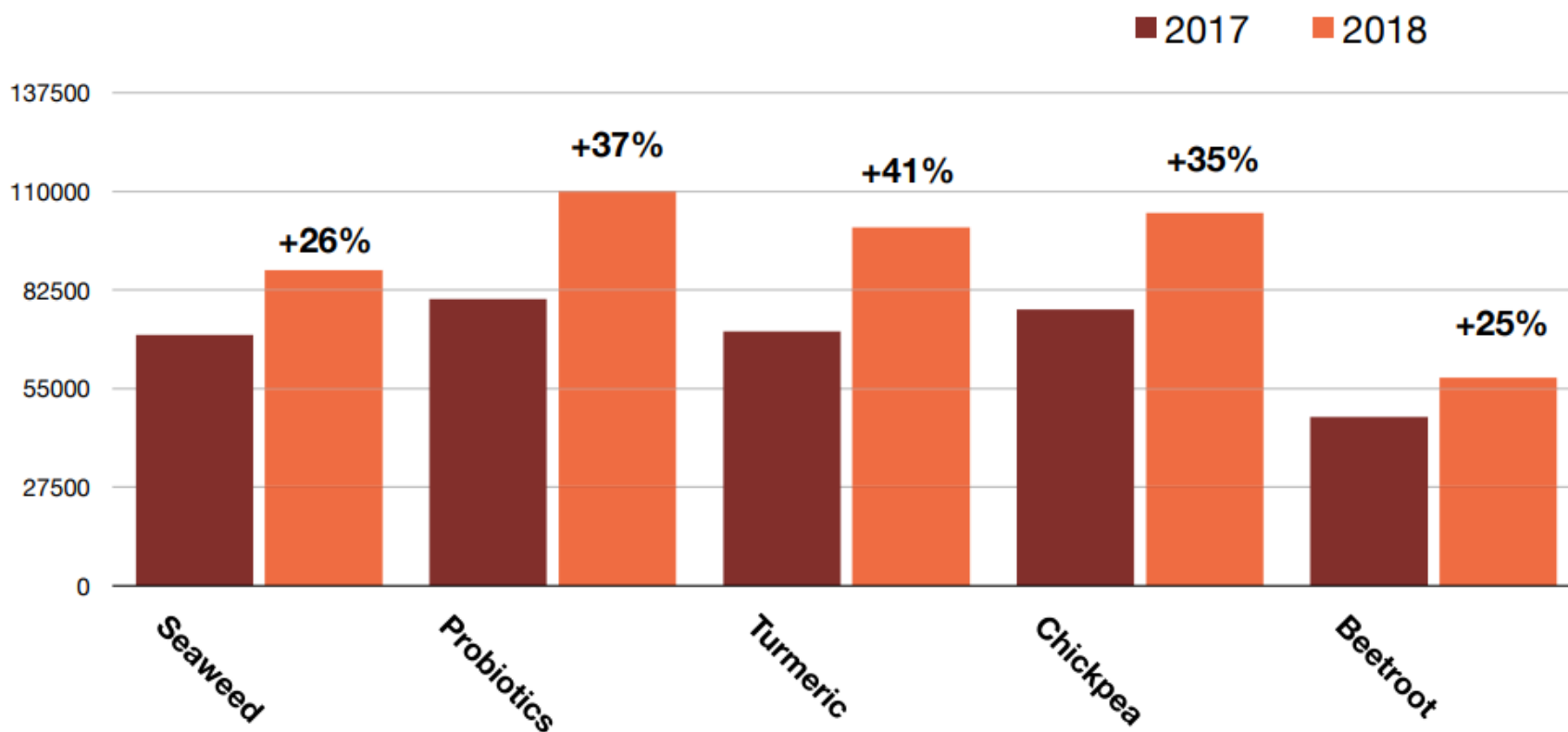


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- ✓ Approximately 12 000 (160) seaweed species
 - ✓ In Norway appr. 450 (4) species
 - ✓ Identify variety and characteristics span for application
 - ✓ Need to explore the possibilities in species, taste, nutrients, colour and technological characteristics

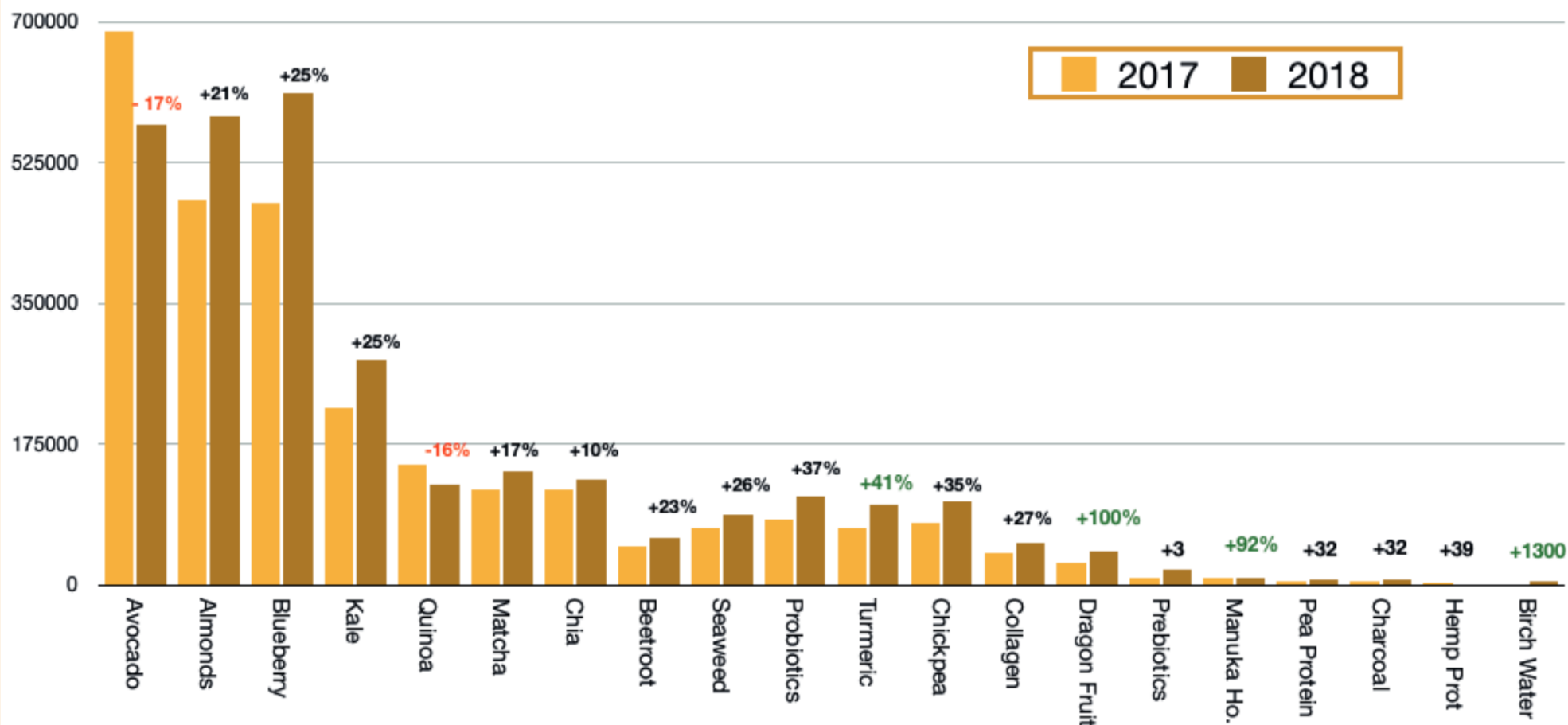
GROWING INGREDIENTS

- These are ingredients moderately discussed online (50K-100K mentions per month) and with a higher growth in the number of mentions (>25% growth 2017 vs 2018).
- These ingredients are also discussed in mainstream media but largely in lifestyle media, meaning that health-conscious consumers are the most familiar with these ingredients and their benefits.

Total online mentions of selected ingredients during July 2017 vs July 2018



- We define global media as online news and media platforms, blogs, forums, as well as social media platforms like Twitter and Instagram.
- The mentions in the chart below are for food related discussion in English only, on all online global media

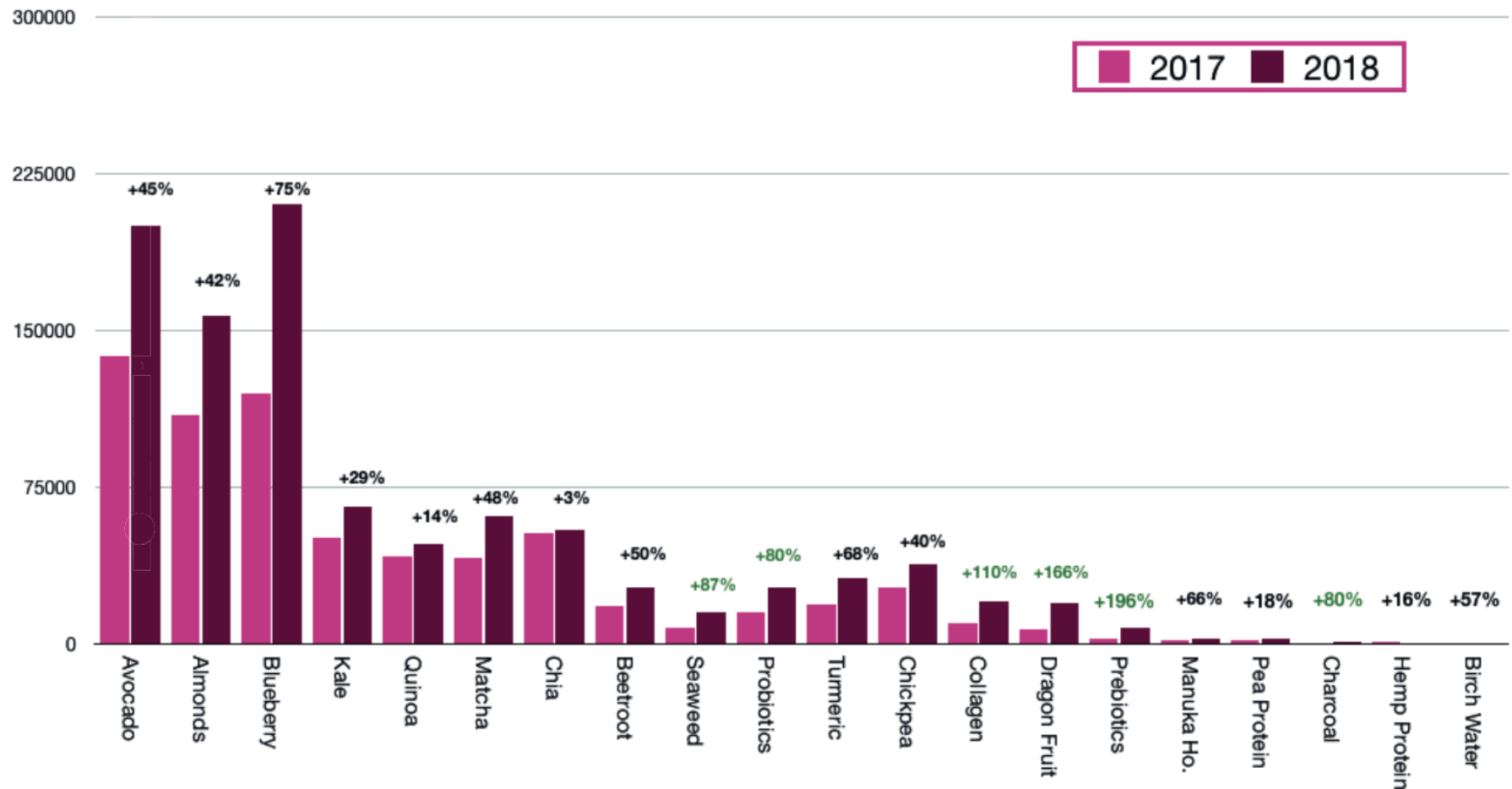


Source: Sysomos

Mentions of health ingredients on Instagram

- Instagram is one of the most popular social media platforms. User numbers increased by 25% between 2017 and 2018 and it now has over 1 billion users.
- As might be expected, for all of the 20 ingredients, mentions on Instagram increased between 2017 and 2018. Most of the content shared related to recipes and health tips.

Total Instagram mentions of selected ingredients during July 2017 vs July 2018



Source: Sysomos