

## Business Outlook

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## Probiotics Market Review



Shifting consumer attitude, purchasing power and behaviour is differently shaping global probiotics market in today's scenario of pandemic. Health consciousness is on the rise like never seen in many decades and nutraceutical industry is being presented by glorious opportunities in the new normal era of healthcare.

Consumers are increasingly turning toward probiotic fortified products owing to the health benefits of innovative functional foods and beverages which in turn giving chance to product manufacturers to taste the efforts in terms of innovative ingredients and formulations.

Moreover, other than traditional applications of probiotic products (digestive health), companies are exploring various other applications of probiotics including brain health, immune health, etc., which can give improved nutritional value.

### PROBIOTICS- AN AMAZING MARKET TO EXPLORE....

The global probiotics market is estimated at USD 61.1 billion in 2021 and is expected to account for USD 91.1 billion by 2026, growing at a CAGR of 8.3% during the forecast period. This growth can be supported by animal probiotics segment as well as liquid probiotics along with the other traditionally used probiotics.

It's a best time for Nutraceutical players who wish to dive in the market of probiotics. Pandemic induced increased health conscious behaviour amongst consumers driving the nutraceutical market crazy, probiotics are no longer an exception.

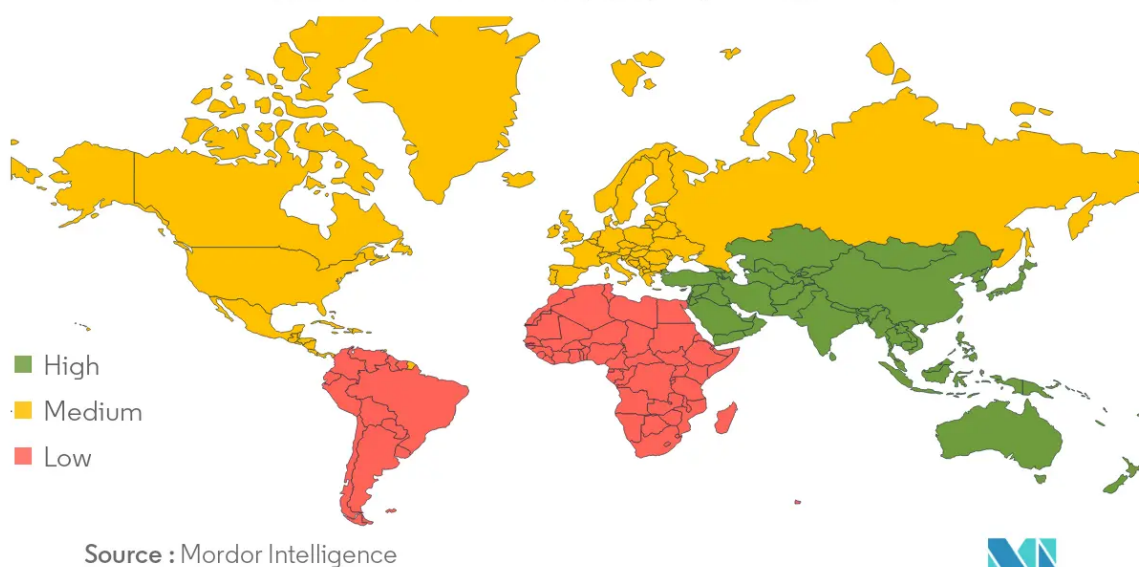


## Asia-Pacific- An emerging market leader in Probiotics

Increasing consumer demand, internet penetration, media coverage and rising awareness and interest in innovative technologies are driving the growth of probiotics in the Asia-Pacific market. Moreover, growing aging population and increasing consciousness about preventive health is also fueling the growth of the market. Research and studies in this space are coming up with value added benefits of various ingredients in cognitive health, skin care, etc., which is further expanding the scope of probiotics ingredients.

While talking about probiotics for Infants in Asia-Pacific region, China is expected to dominate as the products from China experiencing huge demand and is likely to skyrocket in the years ahead. The innovations in retail chains in Asia-Pacific probiotic market consisting of new formulations are helping new brands to establish in the region creating further streams of revenues.

Probiotics Market: Market Size(%), By Region, Global, 2019



## Doing business wisely

Innovative brands are all over the market, unique beverage launches featuring probiotics and prebiotics and even symbiotics (both pre- and probiotics) are trending worldwide. Companies continue to present innovative offerings and retail shelves are getting filled with such unique beverages making the market more lucrative as consumers become increasingly accepting toward such offerings.

Having said that, discussed ahead are some of the business tactics being used by probiotics market players which are interesting to know. With this attitude toward the probiotics business, nutraceutical players can play their cards well in the market.

## Transforming formulations

Very good yet proven strategy to boost any probiotics (or nutraceutical product) business is to innovate or transform into new formulations which should be a way better option than the traditional ones that are ruling the market. Here is one company called 'Goodwolf Feeding Co.' the creators of Goodwolf Probiotic Tonic (Water Kefir) is an excellent example of such innovative formulation. Not only this, the company has adopted various interesting strategies for their

probiotics business which can be taken into consideration and are discussed in this paper.



Goodwolf Probiotic Tonic is basically a probiotic sparkling water which the company has promoted as a refreshing drink that is claimed to be (by company) approachable, functional and also delicious. Being both probiotic and prebiotic, the drink delivers the goodness of both. In terms of flavours, Portland (Oregon-based Goodwolf Feeding Co.) launched their 'core four' flavors of traditionally fermented Water Kefir. They added two more flavors namely- Tulsi Rose Lemon and Habanero Fire. Out of these two, habanero was inspired by cayenne lemon SKUs and is spicy yet more flavorful and rich than cayenne with extra culinary ingredients (cold-pressed organic ginger, lemon juice and a little apple cider vinegar), turns out to be excellent sparkling spicy probiotic tonic.

One more example to mention is certified organic Kombucha Concentrate from Soda Press Co. It's a real concentrated form of Kombucha with a long shelf life and contains more than a billion live probiotics and less sugar content. This can be used to make homemade fancy drinks including cocktails, mocktails, sodas and much more.



### Marketing intelligently

Now speaking about the same company (Goodwolf Feeding Co.), it's quite interesting to know about their promotional tactics for their Water Kefir. With the motto of - Do as much as possible with as little as possible, the company was able to market their product even without a huge marketing budget. Thanks to GT's Living Food whose Kombucha covers almost 40% of the US market. They launched an Aqua Kefir and put considerable efforts into education of Water Kefir. Hence, Goodwolf Feeding Co. was able to benefit from someone else's marketing budget and that's really intelligent!!! Looking at such cases, it can be said that, the timing, selection of right product and hence the market research matters a lot while launching the new product.

### Innovations in packaging

Again considering the case of Goodwolf over here, where they decided to think about what is best for the planet and transitioned from glass bottles to cans, was the best move, isn't it? This shift of packaging had less environmental impact according to the company as their 6-pack case weight went from 8.4 pounds in glass bottles to 5 pounds in cans which means 40% less freight hence 40% less carbon emission. Moreover, these cans are 100% recyclable which is what we called as cherry on the top...

Such tactics are necessary in today's scenario where consumers are increasingly becoming environmentally friendly and showing a generous amount of interest in sustainable packaging. Looking at all these examples, it's clear that the key to success in probiotics business is- playing unique, intelligent and hence, productive...

## Going beyond the gut...

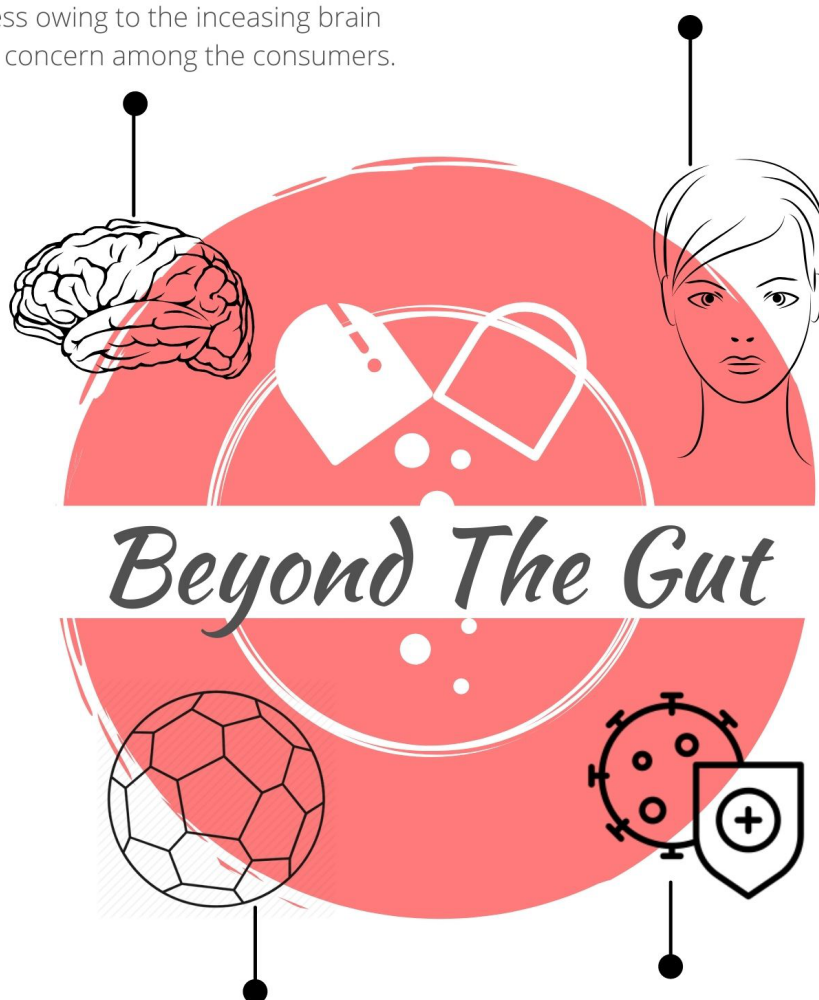
Probiotics can do more than improving our digestive health. Here is a small depiction of how we can explore the world of probiotics with a unique viewpoint...

### Cognitive health

Exploring scientifically proven strains of probiotics could be a profitable option to dive in the probiotics business owing to the increasing brain health concern among the consumers.

### Skin health

Microbiome beauty is going to be a new trend in coming years. Innovations in this space can generate impressive revenues



### Sports Nutrition

Probiotics in sports in nutrition can drive markets crazy as consumers are increasingly going organic with their muscle health.

### Immunity building

Looking at the importance that preventive health is getting in current scenario, this space can also be the lucrative one to do business with innovations.

Sources- Interlink Knowledge Cell

## Way forward with Probiotics...

- Increasing R&D budget would be the essential step toward improving the research and investigational procedures in different probiotic bacterial strains which can create a path toward innovative product. Formulating science-backed probiotic can be efficiently positioned and also, they can tap greater consumer base.
- Product diversification including exploring new food and beverages formats should be a must-do practice. Diversifying product offerings with food and beverages fortified with probiotics can be a great way to expand the business.
- Manufacturers should look for the branded and research-supported probiotics which provide consumers a point of reference which can make the path clear for the product once released in the market.
- Last but not the least, out of the box promotional and marketing strategies will always remain superior. Investing wisely in this space will generate impressive revenues in the future.

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