

# Health claims are core for Swedish differentiation strategy

Swedish Oat Fiber's marketing division, CreaNutrition, has a mission to take the company's high beta-glucan oat ingredients to the world. Already the company has signed up Nestlé as a client. *New Nutrition Business* caught up with CreaNutrition Managing Director Ruedi Duss.

"If you successfully want to sell a product you have to differentiate yourself," says Ruedi Duss, managing director of CreaNutrition, a business that believes it has found the route to differentiation in a scientific approach and by relying heavily on health claims.

Swedish Oat Fiber (SOF) is a family-owned company founded in 1989. In the early 1990s it developed a technology to stabilize cereal-based raw materials, particularly oat bran, and in 1992 the resulting ingredient – named OatWell – was introduced to the Scandinavian market. The company has invested heavily in research and during a decade numerous clinical trials have proven the benefits of OatWell. In 2002 SOF created a marketing division called CreaNutrition, based in Zug in Switzerland, to market OatWell worldwide.

"We have unique science. Besides Quaker there is no company that has so much science behind its [oat] product," says Duss. He finds that health claims are essential, and especially when talking to multinationals you have to have some added value to offer. He explains: "We do additional work that is very costly. You need to get something out of it. Customers can get ordinary oat bran for three-to-four times less money than our products. A real advantage is needed and that is that the customer should be able to claim something on either cholesterol or GI [glycemic index]."

The OatWell ingredient is especially rich in beta-glucan – up to 22%. The high

concentration means that to reach the minimum requirement of the FDA health claim – 0.75 g of beta-glucan per serving or 3g a day – only 3.4g per serving of OatWell needs to be added to ensure this minimum for the end product.

Health claims have already played an important role for CreaNutrition. Namely, OatWell is used as an ingredient in Skane



Dairies' product PrimaLiv, which achieved the first product-specific health claim in Sweden in 2002. Primaliv is a yoghurt with a lid filled with muesli containing a high concentration of beta-glucans. Clinical studies on Primaliv shows that it lowers blood sugar and insulin values.

To better explain to its potential retail and food processor customers the health benefits of oats, CreaNutrition has developed four marketing concepts that detail target consumers, target health concerns, potential health claims, the functional properties of the ingredient and the science. The concepts act as frameworks for developing applications, product ranges and for the use of science, Duss explains. The four themes are

SmartHeart, EnergyInBalance, Good4Shape and Vitality50Plus, of which Duss emphasizes the particular importance of the first two:

- **SmartHeart** is a concept that focuses on cholesterol control and covers applications where 3g of beta-glucans are needed, such as for the FDA-approved health claim. Target consumers are health-conscious consumers, people with high cholesterol levels and coronary heart disease risk factors.

- **EnergyInBalance** is another way of presenting the glycemic index (GI) issue. The concept is based on the metabolic effects of OatWell and covers products that are designed to regulate blood sugar and insulin curves. Applications like long-lasting energy for physical activity and weight control fall into this category.

- **Good4Shape**, also talking about GI, puts more emphasis on weight management by talking about the Body Mass Index. The Nestlé Nutrel products are an example of this kind of marketing concept.

- **Vitality50Plus** targets consumers over the age of 50 who face problems related to advancing age such as decreased fibre intake and elevated cholesterol levels. "In this concept we have combined the cholesterol and GI issue," Duss says. "We believe there is a combination of two health problems that could be treated by using an ingredient like oat beta-glucans."

CreaNutrition has been busy acquiring high-profile clients. Duss says a very important one for the company is Nestlé, which uses OatWell in three brands, Nesvital, PowerBar and Nutrel.

Based on OatWell, Nestlé has developed its own concept around beta-glucans that it calls BG-3, and which it promotes as a 'branded active ingredient' on a number of products. Benchmarked against CreaNutrition's four marketing concepts, the Nestlé products marked with

## FACT BOX: OATWELL AND SWEDISH OAT FIBRE

- OatWell is a value-added ingredient for the nutritional markets first launched in 1992
- There are 12-13 clinical trials on OatWell
- The production process of OatWell stabilizes the product and reduces the fat content from 10% to 4% which is seen as an advantage prolonging shelf life
- Swedish Oat Fiber has 20 employees and a production capacity of 10,000 tonnes

the BG-3 logo are positioned within the EnergyInBalance or the Good4You concepts focusing on energy intake, blood sugar and weight management. Nestlé's targets are active people, diabetics and those who want body weight control.

Nesvital products carry the BG-3 logo and have been on the market since 2001 and are currently available in France and Germany. One cereal bar of 25g contains 0.75g beta-glucans. In France the Nesvital



bars are flagged as being for weight control and the BG-3 fibres are claimed to 'suppress the craving for food'. Low in fat and calories, with only 74kcal per 23g bar, the package suggests that they be used under medical supervision.

Performance PowerBars are sports and energy bars that deliver long-lasting energy. They are low in fat, contain high levels of vitamins and are said to have the optimal combination of nutrients for high performance. Nestlé acquired the PowerBar brand – the leading energy bar brand in the U.S. – at the end of the nineties and today markets it in Germany.

At the beginning of this year (2004) a new product range called Nutrel was launched in Germany and France by Nestlé Nutrition. According to Duss other markets will follow shortly. The marketing of these products is focused on convenience in combination with a desire to eat well to achieve health, wellbeing and vitality.

Presented as the "intelligent nutrition concept", these products focus especially on health-conscious women. So far three products have been launched, one of which contains CreaNutrition's fibres. Called Nutrel Dyna Plus, it is an energy bar with highly concentrated oat beta-glucans (again under the BG-3 brand). The product is available in apple, apricot and chocolate varieties, of which the former two are sweetened with fructose only. One bar is 23g and contains 1g of beta-glucans. According to Nestlé, Nutrel Dyna Plus is positioned as an energy bar for all active

#### NUTRITION FACTS PANEL, NESTLÉ'S NUTREL DYNA PLUS

NUTREL® DYNA® PLUS Apfel (apple)

Nutrition and Energy information	per 100 g	per bar (23 g)
Energy	1270 kJ/300 kcal	290 kJ/70 kcal
Protein	7.5 g	1.7 g
Carbohydrates	59.9 g	13.8 g
- of which sugar	35.8 g	8.2 g
- of which fructose	26.7 g	6.1 g
Fibre	17.4 g	4.0 g
- of which beta-glucan	4.2 g	1.0 g
Fat	3.9 g	0.9 g
- of which saturated fatty acids	0.5g	0.1g
Sodium	0.2 g	0.05 g

people from students to housewives.

Duss also reveals that CreaNutrition has recently signed a partnership agreement with Puratos, one of the world's leading companies in bread premixes, with over 100 companies, 58 factories and distributors in over 100 countries. Its bakery unit produces emulsifiers, enzymes, improvers and mixes, sourdough, flavours and yeast. The collaboration, soon to be announced officially, will focus on product development and research.

Duss admits that given time barley will be an interesting source for beta-glucans as well, but he adds that "we know how hard it is to get where we are". He emphasizes that the time to market for ingredients like these is five to 10 years. For barley to make a break-through, he believes, a health claim is needed and so far that has not happened. Oats has a headstart with its long history of

research: "We have 35-40 years. Barley has similar opportunities, but it all has to be done." However, Duss says all efforts to promote beta-glucans are welcome: "I would only see an advantage if people talk about beta-glucans. The more talk there is in the industry the better".

Duss says the greatest virtue of oats is their 100% naturalness – highlighting that oats are the only grain not affected by the controversy around GMOs – and that the benefits are many. Oats not only contain the beta-glucans that companies like SOF are focusing on, but also antioxidants, protein and polyunsaturated fatty acids.

"Nature has created a very interesting product, we don't need to change it, just use it. It has been in our diets for hundreds of years and we have survived eating it – that should be a good sign," Duss concludes.