Global Natural Health Supplements Market :Global Industry Analysis and Opportunity Assessment 2016-2024

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0010

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INTRODUCTION

- Parent Market Overview:

Dietary supplements are purposed to provide essential nutrient level as part of the diet which helps to maintain and promote healthy bodily functions. Dietary supplements can be available in following combinations:

- Vitamins, amino acids, minerals (natural or synthetic)
- Naturally-derived substances from animal and plants source, which are obtained in form of extracts, isolates and concentrates

- Target Market Definition:

Natural Health Supplements are obtained from natural source which may be derived from plant source, animal source in form of extracts, isolates and concentrates.

- Herbal supplements also known as botanical supplements which can be obtained from various parts of the plant such as bark, leaves, stem and flowers which are known to offer different health benefits.
- Animal derived supplements are obtained from fish, shark, bee in form of royal jelly and propolis and other animal source.

Research Question

How natural health supplements are shaping up in next eight years?

Objectives of the Study

1. Qualitative Analysis of natural health supplements based on macro-economic factors, PESTEL, Porter's five force model.
2. To perform market assessment for natural health supplements in terms of value (US$ Mn) across five different geographies
3. To identify factors affecting the natural health supplements market as compared to overall dietary supplements market.

Research Methodology

Type of study : Descriptive
Data Source: Primary Data/Secondary Data
Primary Data is obtained through telephonic interview with key opinion leader of the related industry

Methodology:

Triangulated data validation approach was adopted for sizing the market for natural health supplements. The market was also analyzed by considering the revenue from the key players operating in this segment. This process involves analysis of various annual reports, investors presentations, SEC filings, 10k reports, and press releases.

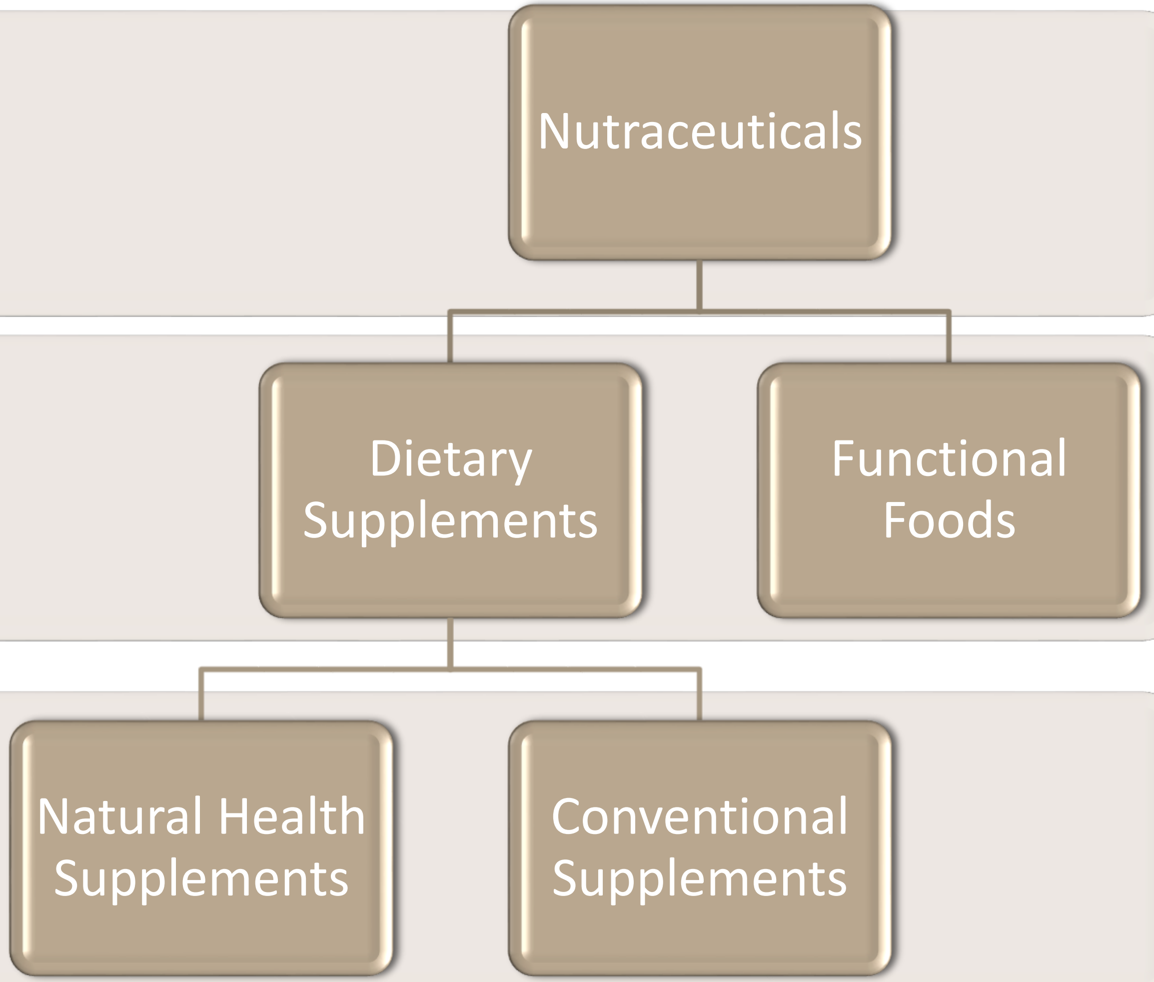
Model Flow

Nutraceutical is considered to be primary industry to derive the assumptions of the target industry

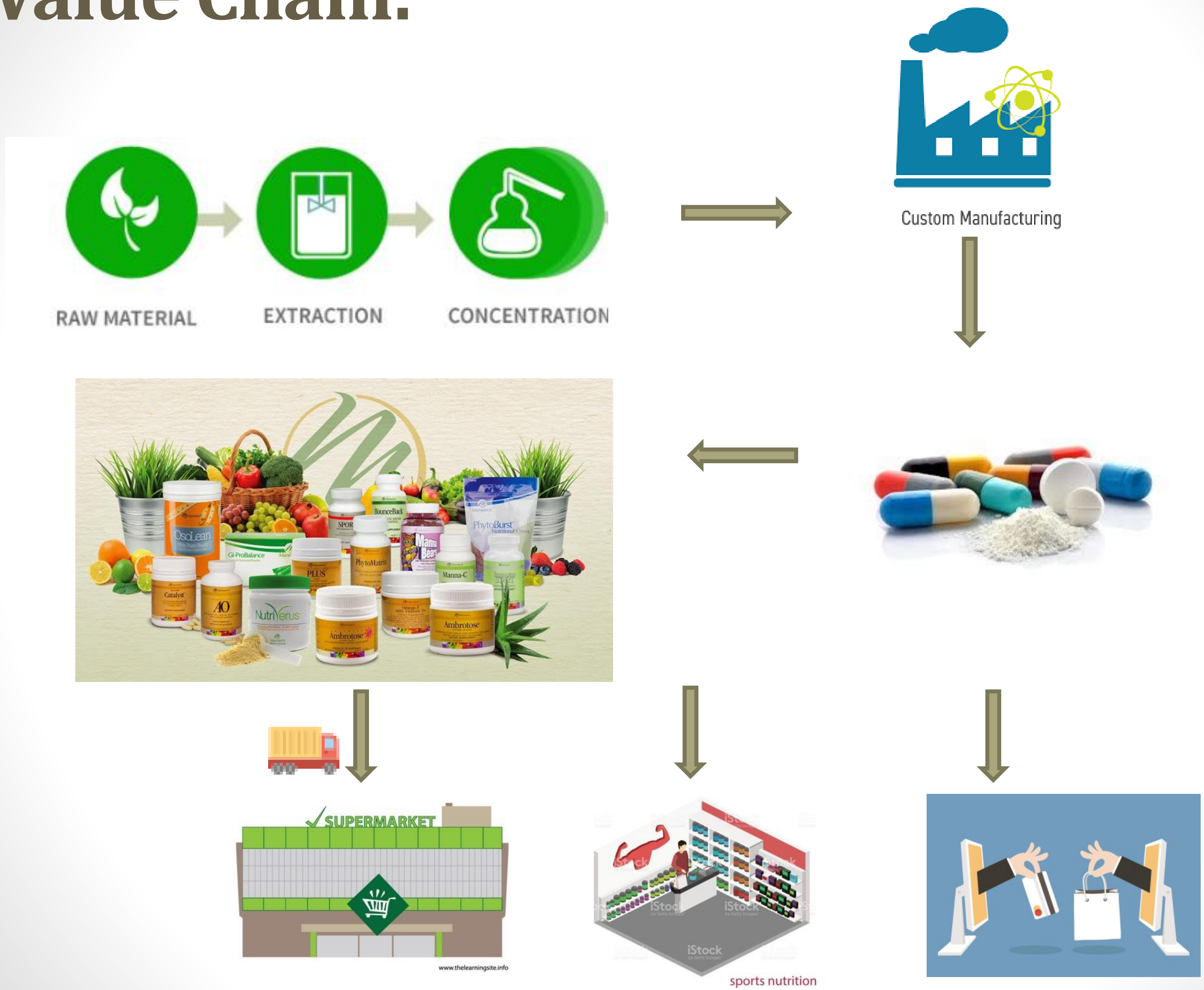
Nutraceutical is broadly divided into the mentioned segments

Natural health supplements: involves natural source of ingredients

Conventional Supplements: chemical compounds are used as source of ingredients



Value Chain: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Forecasting Factors

- GDP Growth
- Nutraceutical Market
- Herbal Health Supplements Market
- Geriatric Population

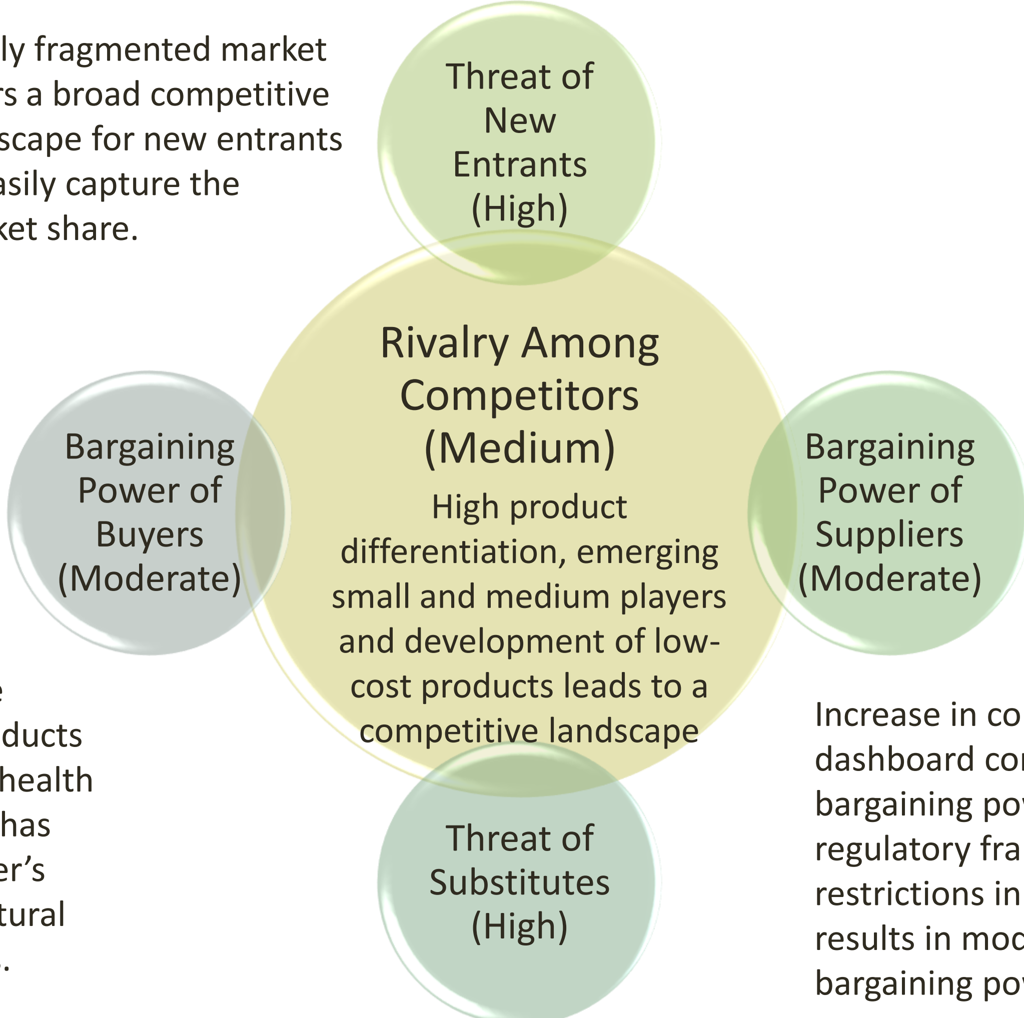
Market Dynamics:

PESTLE Analysis

Political	Economic	Social	Technological	Legal	Environmental
Various regulatory bodies are involved in regulatory framework of natural health supplements	Natural health supplements sector has a rippled effect over other sectors. Thereby. Creating new job opportunitie s	Increasing adoption of preventive healthcare measures have a persuasive impact over the natural health supplements market	Digital marketing platforms and new technological innovations in drug delivery format is providing colossal growth to the market	Various false claims have been identified in the natural health supplements market	Industrial emission, changing climatic conditions, inadequate plant collection and improper cultivation practices have adversely affected over the quality of the herbal ingredients

Porter’s Five Force Model

Highly fragmented market offers a broad competitive landscape for new entrants to easily capture the market share.



Increasing influence towards natural products coupled with rising health conscious behavior has drifted the consumer’s interest towards natural health supplements.

Increase in competitive dashboard contributes to the bargaining power but stringent regulatory framework and restrictions in import facilities results in moderate intensity of bargaining power of suppliers.

Increase consumer’s interest towards organic and Non-GMO health supplements is posing a major substitute threat for the market

Market Drivers and Retrains

Drivers

1. Rippled effect of the market across the value chain leading to increase in economic contribution
2. Increase inclination of the consumers towards preventive healthcare measures.
3. Evolution of the marketing collaterals by the manufacturers has captured broad consumer base.

Restrains

1. Rise in incidence of mislabeling and false claims.
2. Lack of consolidated regulatory framework for supplements as that for prescribed drugs.
3. Interference of natural health supplements with other prescribed drugs have been documented

Key Market Players (1/2) :

Ingredient Manufacturers

- Omega Protein Corporation
- Naturex S.A.
- Archer Daniel Midland Company

Contract Label Manufacturers

- Evonik Industries AG
- GMP Pharmaceuticals Pty Ltd.

Product Manufacturers

- Herbalife International, Inc.
- Nutraceutical International Corporation
- United Naturals Food, Inc.
- Blackmores Limited
- The Natural Bounty Co.
- Amway Corporation

The key players are selected on the basis of their revenue share contributed in natural health supplements industry.

Key Market Players (2/2):

On the basis of following indicators each player were analyzed:

- Product Portfolio
- Geographical Presence
- Key Financial Ratios such as revenue, net income, gross income, assets turnover, % gross margin, % net margin.
- Key Developments are tracked over past five years
- Key Business Strategies
- SWOT analysis of the profiled companies
- Industrial Coding such as The North American Industry Classification System (NAICS), Standard Industrial Classification (SIC)

Market Taxonomy

By Form
- Capsule
- Tablet
- Soft gels

By Source
- Plant
- Marine
- Others

By Application
- Digestive Support
- Bone & Joint Support
- Weight Management
- Heart Health
- Stress & Anxiety
- Sports Nutrition
- Other

By Demographics
- Men
- Women
- Senior citizen
- Kids

By Sales Channel
- Mass Merchandise
- Natural & Health Food
- Direct Sales

By Region
- North America
- Latin America
- Europe
- APAC
- MEA

Analysis (1/8)

- Analysis of the market is done on the basis of market taxonomy
- To depict analysis of the global natural health supplements market, three methods are primarily been used:
  - ➢ **Base Point Share:** It is used to determine the percentage change in the market value over the forecast period.
  - ➢ **Y-o-Y growth:** This graph depicts the year on year growth to be witnessed by each segment during the forecast period
  - ➢ **Market Value:** It is depicted in tabulated form which illustrates the market value of each segment during the forecast period along with the estimated CAGR.

- *Note : the figures depicted are manipulated due to confidentiality to be maintained by the company.*

Analysis (2/8)

On the basis of source the natural health supplements is segmented into:

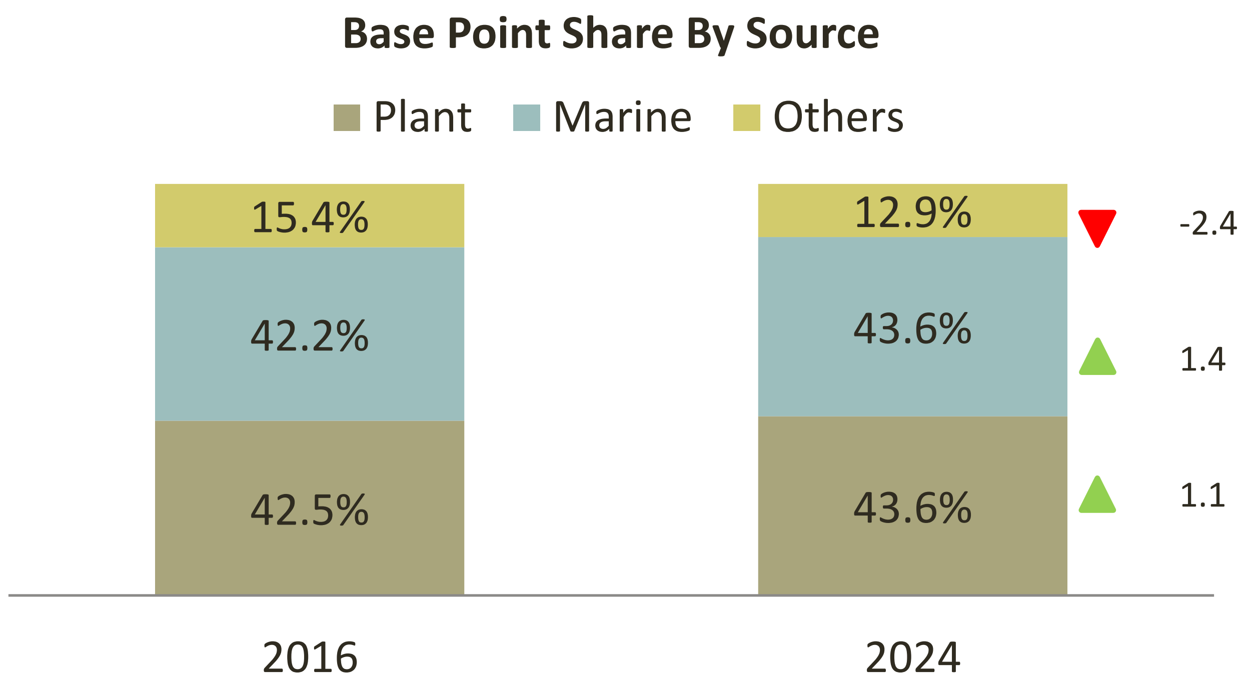
- Plant
- Marine
- Others

Market Value (US$ Mn) By Source during 2016-2024										
By Source	2016	2017	2018	2019	2020	2021	2022	2023	2024	CAGR
Plant	14600.3	15607.72	16669.05	17869.22	19209.41	20554.07	22116.18	23841.24	27427.1	8.0%
Marine	14490.1	15446.45	16558.59	17618.34	18816.39	20208.8	21623.42	23266.8	27421.99	8.0%
Others	5286.4	5561.293	5828.235	6137.131	6493.085	6895.656	7364.561	7880.08	8112.967	7.60%

- Marine source is estimated to be valued at US$ 27,421.99 Mn by 2024 with an anticipated CAGR of 8.0% representing the highest CAGR in the segment during the forecast period.

- Plant source is considered to be dominating segment with an anticipated CAGR of 8.0% during the forecast period. Owing to wide availability of herbs which can be used as dietary supplements due to health benefits offered by them and acceptance among the consumers contributes to the substantial growth of the plant derived supplements.

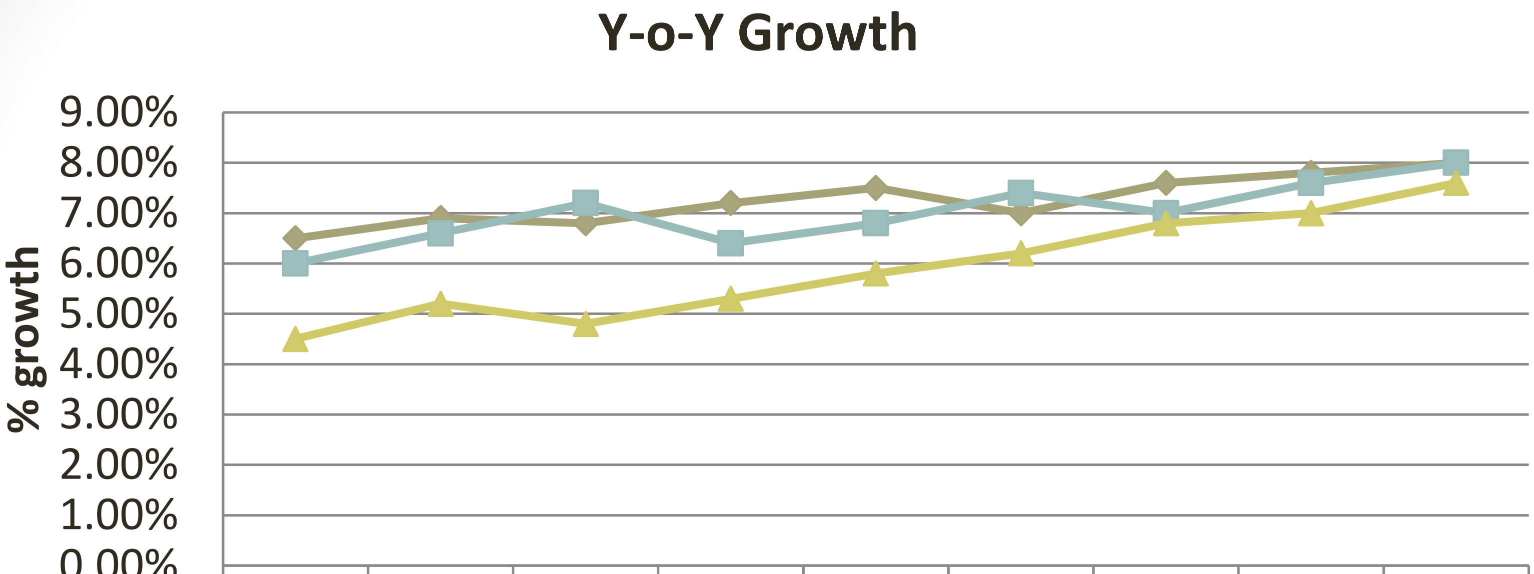
Analysis (3/8)



- The others (bee, goat) segment is expected to lose -2.4 BPS during the forecast period whereas marine source is expected to gain +1.4 BPS during the forecast period.

- With substantial increase in demand for omega 3 derived supplements, and marine source being rich in omega 3 source is expected to gain significant share during the forecast period

Analysis (4/8)



	2016	2017	2018	2019	2020	2021	2022	2023	2024
Plant	6.50%	6.90%	6.80%	7.20%	7.50%	7%	7.60%	7.80%	8%
Marine	6.00%	6.60%	7.20%	6.40%	6.80%	7.40%	7.00%	7.60%	8%
Others	4.50%	5.20%	4.80%	5.30%	5.80%	6.20%	6.80%	7.00%	7.60%

- Others segment is anticipated to witness a Y-o-Y growth rate ranging from 4.50% to 7.60% during the forecast period to be valued at US$ 8112.967 Mn by 2024 whereas plant segment is estimated to witness a Y-o-Y growth rate ranging from 6.50% to 8.0% during the forecast period.

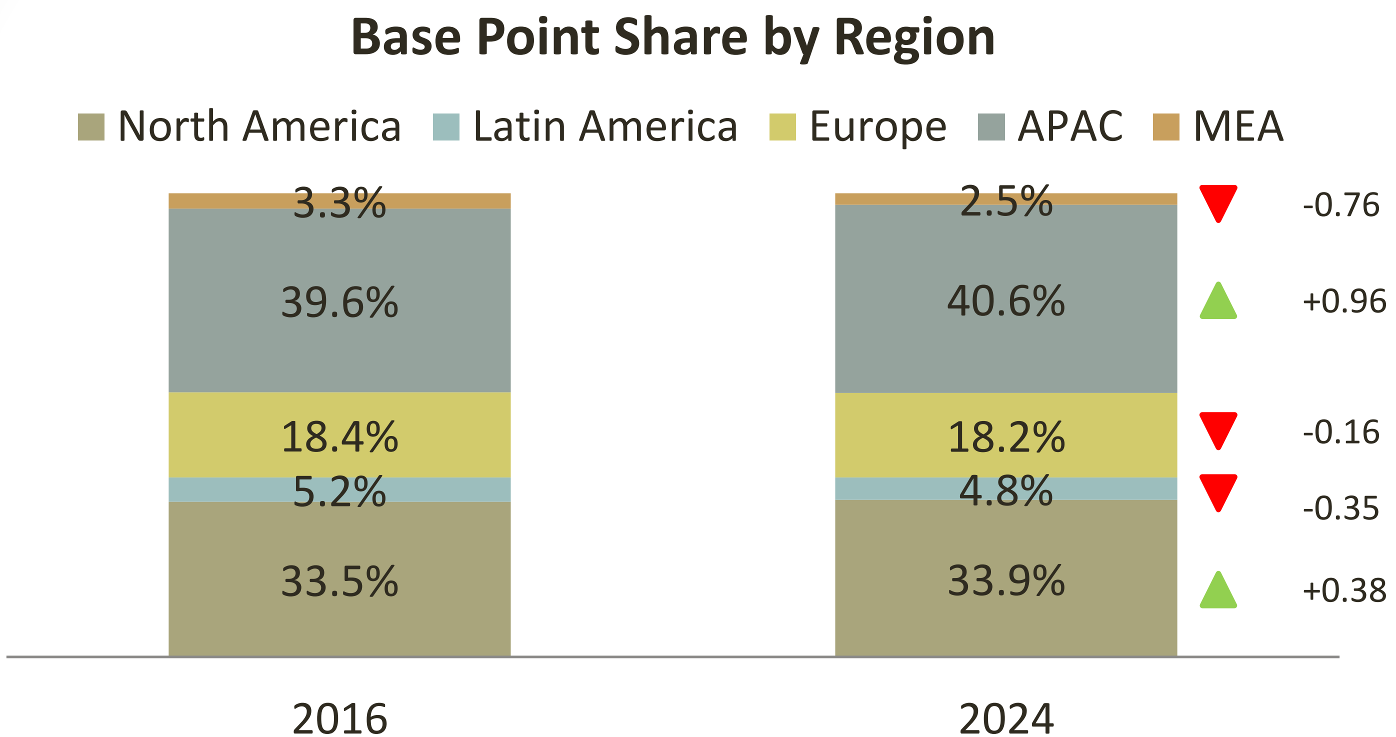
Analysis (5/8)

The market is also analyzed across the five prominent regions:

- North America
- Latin America
- Europe
- APAC
- MEA

Market Value (US$ Mn) By Source during 2016-2024										
By Region	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**CAGR**
North America	11,524	12,319.16	13,156.86	14,104.15	15,161.96	16,223.3	17,456.27	18,817.86	21,330.12	8.00%
Latin America	1,788.8	1,860.352	1,931.045	2,012.149	2,104.708	2,188.896	2,293.964	2,420.131	3,050.587	5.90%
Europe	6,329.6	6,696.717	7,044.946	7,460.598	7,923.155	8,438.16	8,927.573	9,516.793	11,543.2	7.0%
APAC	13,622	14,561.92	15,552.13	16,671.88	1,7922.27	19,176.83	20,634.27	22,243.74	26,162.47	8.0%
MEA	1135.2	1168.121	1,209.005	1,254.947	1,291.341	1,335.246	1,388.656	1,451.84	1,702.936	5.0%

Analysis (6/8)

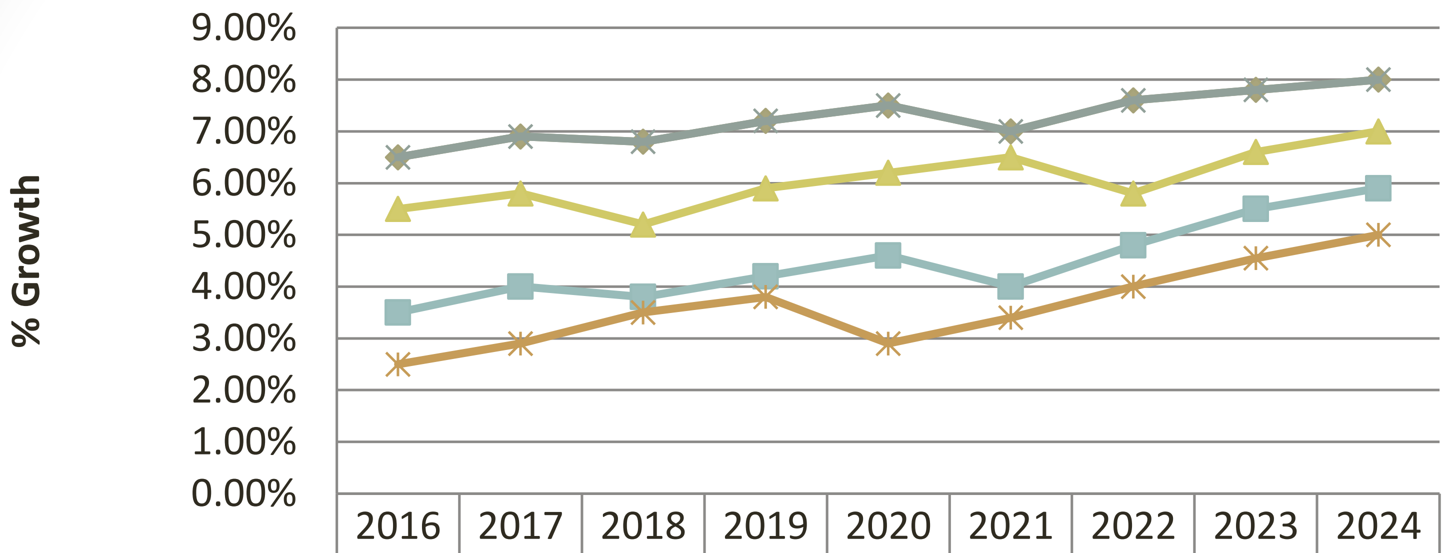


- Europe is expected to lose -0.16 BPS during the forecast period whereas Asia Pacific is expected to gain +0.96 BPS during the forecast period.

- North America represents the mature market for natural health supplements whereas with drifting inclination towards healthy living along with increasing incidence of lifestyle diseases, Asia Pacific represents the opportunistic region for significant growth of the market.

Analysis (7/8)

Y-o-Y Growth

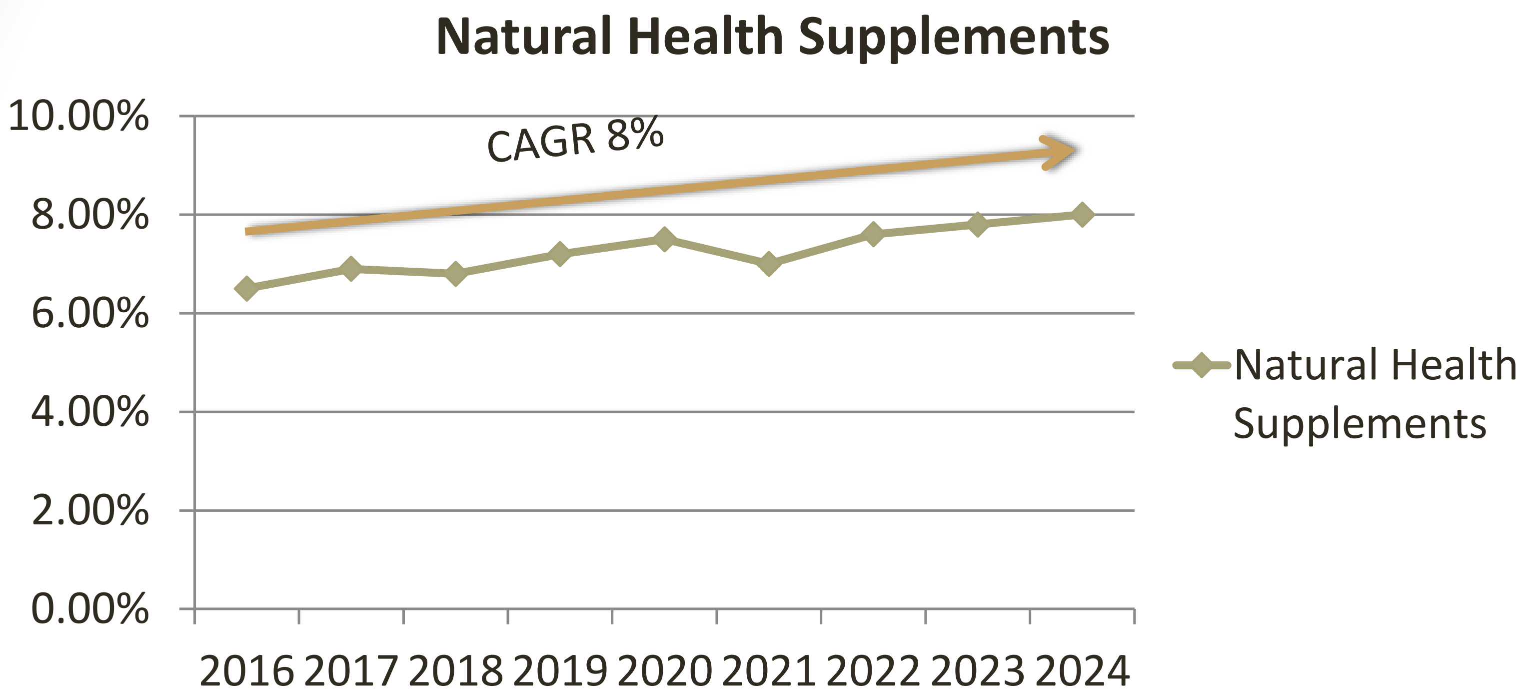


	2016	2017	2018	2019	2020	2021	2022	2023	2024
North America	6.50%	6.90%	6.80%	7.20%	7.50%	7.00%	7.60%	7.80%	8.00%
Latin America	3.50%	4.00%	3.80%	4.20%	4.60%	4.00%	4.80%	5.50%	5.90%
Europe	5.50%	5.80%	5.20%	5.90%	6.20%	6.50%	5.80%	6.60%	7.00%
APAC	6.50%	6.90%	6.80%	7.20%	7.50%	7.00%	7.60%	7.80%	8.00%
MEA	2.50%	2.90%	3.50%	3.80%	2.90%	3.40%	4.00%	4.55%	5.00%

- North America is anticipated to witness a Y-o-Y growth rate ranging from 6.50% to 8.0% during the forecast period to be valued at US$ 21,330.12 Mn by 2024 whereas Europe is estimated to witness a Y-o-Y growth rate ranging from 5.50% to 8.0% during the forecast period.

- Stringent governmental regulations prevail in Europe which may affect the growth prospects of natural health supplements market, as still extensive research and documentation is required to validate the health benefits offered by natural health supplements.

Analysis (8/8)



The natural health supplements market is estimated to be valued at US$ 34,400 Mn in 2016 and is anticipated to witness a CAGR of 8.0% during the forecast period to be valued at US$ 62946.6 Mn in 2024

Conclusion

Key Strategies: Health supplements market is considered to be highly fragmented with diverse product offering by various players. Thus to catapult upon the opportunities, manufacturers are focusing upon mergers and acquisitions across the industry, that further helps them to expand their product portfolio.

Extensive research and development: As the health benefits offered by the natural health supplements is considered to be a debatable topic, thus, to validate upon their findings extensive research is being carried out by the product manufacturers

Target Area: Certain key areas have been identified that reflects potential for future growth. Natural health supplements derived from marine source such as omega 3 is gaining traction among the consumers. Furthermore, there has been a continuous effort being made to improve and innovate the drug delivery format due to which soft gel is expected to record substantial during the forecast period

THANK YOU