

CANADIAN NUTRITIONAL SUPPLEMENT REVIEW

CANADIAN CONSUMERS' ATTITUDES TOWARD THE USE OF VITAMINS, MINERALS AND HERBAL SUPPLEMENTS

BACKGROUND

Canadians' use of nutritional supplements has increased dramatically in the last two years! Preliminary research conducted in February 2000 shows a 10% increase in the use of vitamins since 1998 and almost 300% increase in the use of herbal supplements since 1997! *

What is driving the unprecedented growth in this category? What kinds of consumers use vitamins and minerals? What motivates them to use vitamins and minerals, and how do they choose the products and brands they use? Why do they choose multivitamins over single source supplements? Who uses herbals? Which herbal supplements do they select and how do they decide what to purchase? How do consumers evaluate quality and what is the role of quality versus price in the decision to choose a product or brand? Where do users look for information about the products and brands they use? What is the current and projected role of the Internet in their information-gathering and purchasing behaviour?

* National Angus Reid Poll, February 2000

To date, manufacturers and distributors of nutritional supplements to the Canadian market have based their projections and strategies on US data.

The purpose of this study is to address the need for data on the Canadian market. The **Canadian Nutritional Supplement Review** will help marketers and distributors better understand Canadian consumers and create the most effective, targeted strategies possible to reach this growing and lucrative market.

OBJECTIVES

The main objective of this study is to provide subscribers with accurate, timely and reliable information regarding the changing landscape of the nutritional supplement market. The study will provide subscribers with an assessment of business opportunities, thereby informing and optimising product marketing strategies. The study, therefore, aims to:

1. **Profile users of nutritional supplements by demographic breaks including:**

- ✓ Gender, age and education
- ✓ Health status and chronic conditions
- ✓ Work status and occupation
- ✓ Household size and composition
- ✓ Family income

Copyright 2000 Angus Reid Group, Inc. All rights reserved.

The contents of this Proposal constitute the exclusive property of Angus Reid Group, Inc. and may not be used in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc. No license under any copyright is hereby granted or implied. The contents of this proposal are confidential and are strictly for the review and consideration of the addressee and its officers, directors and employees. The contents of this proposal may not be disclosed to any other party, in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc.

- ✓ Region and language
- ✓ Access to and usage of the Internet

2. Establish awareness and usage of different vitamins, minerals and herbal supplements

- ✓ By product type
- ✓ By brand
- ✓ Usage patterns / occasions

3. Uncover motivations for use and sources of information / education

- ✓ Including analysis by when joined the market (i.e., new users to early adopters)
- ✓ Impact of pricing / promotional strategies

4. Identify current perception of brands in the market (including private label versus national brands)

5. Understand the perception and importance of quality and natural sourcing vs. value for money

6. Determine and evaluate both expectations for these products and satisfaction with them

7. Investigate purchase sources and reason for choosing channels

- ✓ Health food stores
- ✓ Grocery stores
- ✓ Complimentary health practitioners
- ✓ Drug stores
- ✓ Mass merchandisers
- ✓ Club stores

8. Understand the current and anticipated role of the Internet for...

- ✓ Information-seeking
- ✓ Decision-making
- ✓ Purchasing

Proprietary Questions:

- Clients are invited to include their own questions on this questionnaire. The cost of per question may vary depending on the type of question asked.

METHODOLOGY

A total of 1500 telephone interviews will be conducted with Canadian consumers, resulting in a margin of error of $\pm 2.5\%$ 19 out of 20 times.

We will target primary shoppers for health-related products such as vitamins and non-prescription remedies for colds, headaches or upset stomachs.

Given an incidence of 68% vitamin usage*, it is anticipated that this sample will offer up to 1000 vitamin/mineral or herbal users (depending on any seasonal variation), and approximately 500 non-users.

Interviews will be conducted using Angus Reid Group's national network of CATI (computer assisted telephone interviewing) stations. Random sampling will be used to collect the data and a quota system will be utilized to ensure sufficient regional representation. A weighting scheme will be applied to the final data to reflect national proportions. The following table is the sampling frame applied for the five regions studied.

REGION	SAMPLE SIZE
British Columbia	200
Prairies: (Alberta / Manitoba/Saskatchewan)	200
Ontario	500
Quebec	400
Atlantic	200
CANADA	1,500

* National Angus Reid Poll, February 2000

Copyright 2000 Angus Reid Group, Inc. All rights reserved.

The contents of this Proposal constitute the exclusive property of Angus Reid Group, Inc. and may not be used in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc. No license under any copyright is hereby granted or implied. The contents of this proposal are confidential and are strictly for the review and consideration of the addressee and its officers, directors and employees. The contents of this proposal may not be disclosed to any other party, in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc.

DYNAMIC SEGMENTATION OF NUTRITIONAL SUPPLEMENT USERS

As a value-added option, a Dynamic Segmentation of Nutritional Supplement Users will be included for interested participants. User segments will be created according to attitudinal similarities, and profiled according to awareness, purchasing behaviour, demographics and other relevant characteristics.

A dynamic segmentation provides a “motion picture” of what is happening in the industry as opposed to traditional segmentations, which provide a “snap shot” of the market. In the end, the results will identify any new segments, how the current segments have changed over time, and any segments that no longer exist in the market.

For example, analysis may identify a segment of the market opposed to the use of prescription pharmaceuticals who are very familiar with herbal medicines, while another group may lean toward the use of multi-vitamins to make up for dietary insufficiencies.

In the first year of the study the segments will be identified and profiled in detail including the size of the segments. In subsequent years the study will identify segment changes. Changes might include more male purchasers moving into segments, younger herbal enthusiasts, or an increasing interest in fortified, or functional foods among one or more groups. We may also see segments starting to overlap or new characteristics starting to emerge within segments in response to changes in consumers and/or the marketplace.

NUTRITIONAL SUPPLEMENT BRAND MAPPING

Another value-added research option, an annual Nutritional Supplement Brand Mapping, is offered to interested participants. Brand mapping outlines consumers’ perceptions of competitive brands and provides a graphic portrayal of differences between brands.

Brand mapping allows decision-makers to understand the strengths of one particular product versus another, highlighting areas that may require more investment in order to reach a desired positioning. For example one brand may be considered ‘tried and true – a trusted brand with a older customer base,’ while another product may carry values such as ‘all-natural and expensive – for hard-core organic buffs.’ Armed with this knowledge, marketers can decide on a desired brand positioning and take the steps required to achieve that goal.

Dynamic brand mapping is an effective tool to graphically visualise the movement of a product over time toward (or away from) its positioning / branding goals. Capturing these shifts over time is a valuable way to monitor the efficacy of a communication strategy.

Copyright 2000 Angus Reid Group, Inc. All rights reserved.

The contents of this Proposal constitute the exclusive property of Angus Reid Group, Inc. and may not be used in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc. No license under any copyright is hereby granted or implied. The contents of this proposal are confidential and are strictly for the review and consideration of the addressee and its officers, directors and employees. The contents of this proposal may not be disclosed to any other party, in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc.

SCHEDULE

This project has been planned with the following milestones for 2000:

Questionnaire Design / Finalised
August, 2000
Data Collection
September, 2000
Analysis / Report Writing
October, 2000
Report Available
End October, 2000

REPORTING

The final report will present the research findings in detail, with analysis of the results for each question, as well as a stand-alone **executive summary** section.

Our reports make extensive use of easy-to-read summary charts and tables, to support the interpretative text. They are both attractive and well written, and recognize the difference between data and information. In short, the report will provide valuable insight that pulls together industry news and market trends, along with the survey data results.

SUBSCRIPTIONS

The **Canadian Nutritional Supplement Review** will be available on an annual subscription basis. A number of membership and customization options are available.

Membership Options

Subscription options have been kept flexible in order to help corporations meet their information needs and budget requirements. Two membership types, Gold and Platinum are available:

Gold Membership

The Gold Membership entitles subscribers to an annual report and detailed tables of all major areas of analysis:

- ✓ *User Profile*
- ✓ *Product Awareness and Usage*
- ✓ *Expectations and Satisfaction*
- ✓ *Motivations and Related Attitudes*
- ✓ *Brand Awareness and Usage*
- ✓ *Sources and Channels Used*
- ✓ *Information Patterns and Sources/Education*
- ✓ *Role of the Internet*

Platinum Membership

The Platinum Membership entitles subscribers to additional modules and analyses:

- ✓ *Nutritional Supplement User Dynamic Segmentation*
- ✓ *Nutritional Supplement Brand Assessment and Mapping*

Copyright 2000 Angus Reid Group, Inc. All rights reserved.

The contents of this Proposal constitute the exclusive property of Angus Reid Group, Inc. and may not be used in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc. No license under any copyright is hereby granted or implied. The contents of this proposal are confidential and are strictly for the review and consideration of the addressee and its officers, directors and employees. The contents of this proposal may not be disclosed to any other party, in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc.

Customization Options

It is possible for subscribing companies to customize the study to meet their personal requirements. Any extra costs for these options will be based on the extent of additional effort required and will be discussed directly with clients.

Sample Boosting

Some subscribers may wish to increase the given sample size in specific regions, demographic groups or other categories. Extra costs will vary according to target group and sample size.

Presentation

Some companies may request a presentation for senior company executives, this will be made possible as part of the post-project activities. Extra costs may apply.

Proprietary Questions

Subscribers can incorporate questions specific to their own requirements into the study. These questions will be included in the survey instrument provided they fall within the overall scope of the study and will be for proprietary use by that company only.

Additional proprietary questions	
Close-end	\$1,500
Open-end	\$2,100
<i>Prices are per question per annual subscription</i>	

OUR RESEARCH TEAM

We have selected senior members of our Healthcare and Retail specialty practice areas to design and run this study. This team includes:

NANCY GABOR, SENIOR RESEARCH MANAGER, HEALTHCARE DIVISION. Nancy brings eight years of pharmaceutical and consumer research insight to this project. Nancy's experience spans a wide range of therapy areas and research applications in the healthcare industry. In partnership with Janet Lazaris of the Retail Division, she will be responsible for the development and on-going management of the Canadian Nutritional Supplement Review syndicated study. Nancy will provide strategic advice on the topics covered and interpretation of the results, including the healthcare perspective.

JANET LAZARIS, SENIOR VICE PRESIDENT, RETAIL RESEARCH DIVISION. A 20 -year veteran of consumer research, Janet has developed a specialized knowledge of three inter-related specialty areas: retail, consumer packaged goods and print media. Her experience in a wide variety of retail sectors and product categories has often centred on brand strategy, the evaluation of branded and private label products, advertising and promotional campaigns, quality drivers, and on-line shopping. This experience will bring depth and breadth to the study from the marketing and consumer perspectives.

Copyright 2000 Angus Reid Group, Inc. All rights reserved.

The contents of this Proposal constitute the exclusive property of Angus Reid Group, Inc. and may not be used in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc. No license under any copyright is hereby granted or implied. The contents of this proposal are confidential and are strictly for the review and consideration of the addressee and its officers, directors and employees. The contents of this proposal may not be disclosed to any other party, in any manner whatsoever, without the prior written consent of Angus Reid Group, Inc.

SUBSCRIPTION REQUEST FORM

To express your interest in subscribing to the **Canadian Nutritional Supplement Review**, please fill out the form below and fax it back to the Angus Reid Group. Please indicate which option(s) you are most interested in on the following table:

SUBSCRIPTION OPTIONS		
	PRICE:	
Membership Options	Annual	
Gold Membership	\$15,000	<input type="checkbox"/>
Platinum Membership	\$20,000	<input type="checkbox"/>
Customization Options		
Proprietary questions	Determined individually	<input type="checkbox"/>
Sample Boosting	Determined individually	<input type="checkbox"/>
Customized Analysis	Determined individually	<input type="checkbox"/>
Presentation	Determined individually	<input type="checkbox"/>

- Please call me to discuss this study further
- I would be interested in a personal presentation to find out more about this study

Ipsos-Reid Corporation.
NANCY GABOR / JANET LAZARIS
 nancy.gabor@ipsos-reid.com / janet.lazaris@ipsos-reid.com
FAX: 416.324.2865 TEL: 416.324.2900

Name: _____

Title: _____

Company: _____

Mailing Address: _____

Country: _____ Postal Code: _____

Phone: _____ Fax: _____

Signature: _____ Email: _____

