



Chemical Transparency – lessons learned

Customer and consumer acceptance: Product name is a key for success

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About INS

- specialized in development and production of:
 - innovative ingredients and extracts
 - from micro-organisms and plants for **product preservation**

- offering
 - microbial source based production
 - Application testing and R&D services for life science industry
 - **ready to market solution: INS**

Glycolipid -a Glycolipid

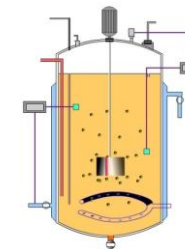
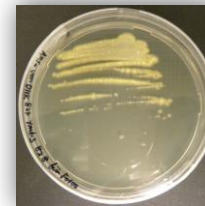
 - an antimicrobial molecule
 - produced by an edible mushroom



Edible mushroom, wild type Basidiomycota



Glycolipid sodium salt



Precipitation



INS' solution for the market

1) Personal Care and Cosmetics

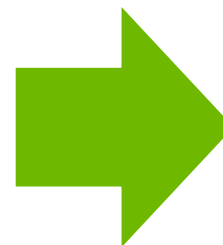


2) Food and Beverages



Market needs

- Preventing growth of microbes
- Providing microbial protection
- Protection of Cosmetics / Personal-Care, Food & Beverages



Our solution:

- Powerful antimicrobial Glycolipid
- Produced by a wild type, edible mushroom
- Preventing microbial contamination



Questions to be answered

- Do you believe, that
 - * Getting customer acceptance is an easy task without the right name?

 - * It is impossible to make all stakeholders happy, while introducing a new ingredient name?

....we do NOT think so!



Branding is not a traditional strength of a start-up

Product branding and naming is beyond the scope of a technology driven team

1) Technological scope: traditional strength

- Identifying and upscaling a promising natural extract
- Showing product performance and meeting customer's needs
- Delivering compliance: regulatory, health, safety

2) Marketing scope: beyond traditional strength

- Finding the right commercial product name
 - Consumers connect with brands
 - Informed consumers are interested in the ingredient, its origins and its sustainability
 - Consumers have clear preferences for ingredient declaration
- Demonstrating the natural origin of the product
 - Consumer and customers ask for substantiation of „natural“



How to ensure the product name acceptance?

Clear consumer expectations regarding product names

Various preferences in different industries

■ Young consumers

- Over 90% of young consumers find “natural” as an interesting claim when buying food/drinks
- words such as “pure”, “fresh”, “cold” belong to the dialogue*

■ Global consumers

- 63% believe that botanicals and plant extracts can have a positive impact when used as ingredients*

■ In beverages, consumers are skeptical about marketing messages*

■ Trust ability of packaging labels

- Only 8% of consumers trust in health-claims made by brands
- Only 16% trust in official certification logos

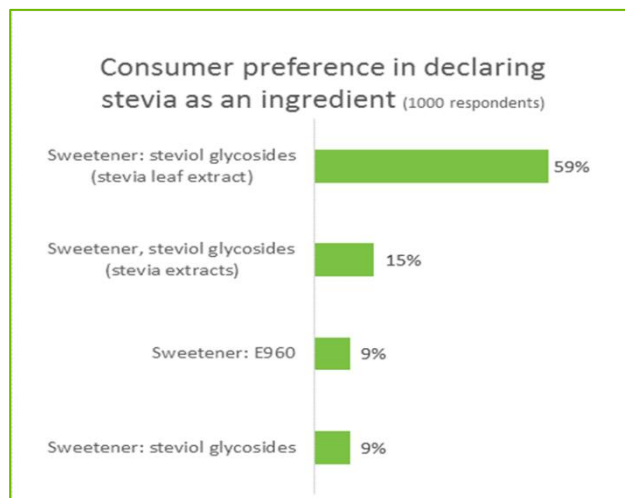


* source: GlobalData

Lateral learning is key for right naming I/II

Stevia sweetener is a good benchmark

- Clear consumer preference for declaration, in western countries
 - 59% prefer “Stevia **Leaf** Extract”
 - Only 15% prefer “Stevia Extracts”
 - USA, names used today on Food&Beverages labels: “Stevia Leaf Extract”, “Stevia Extract (Natural Sweetener)”, “Purified Stevia Leaf Extract”



*Source: PureCircle, March 2017 Consumer study undertaken in Europe

Lateral learning is key for right naming II/II

Stevia sweetener is a good benchmark

- Different food & beverages markets – different needs, different names used today
 - South America: “Natural Edulcorant (Stevia)”, “Edulcorant Steviol Glycosides”, “Edulcorant (Stevia)”
 - China: “Steviol Glycoside”
 - Malaysia: “Stevia Extract”



Capitalizing consumer trends based on market analysis, for product name acceptance

■ End consumers

- Across markets consumers want
 - “better for you” consumer goods
 - “natural” and “quality” and not “artificial”
- Specially Millennials want
 - transparency
 - reliability
- e.g. Nr 1 driver in soft-drinks is still “risk-free”

■ Industry

- Capitalizing on plant based diet trend
- Benefiting from increasing health consciousness

Is there anything a company can do wrong?....YES, not embracing the Pull by the Millennials

INS is meeting the customers' needs

In Food, product naming will base on "nature": natural and mushroom

In Cosmetics, product naming is given by the INCI standards

■ Food:

- Appropriately descriptive name (FDA):
 - **"Mushroom extract" or "Glycolipid from cultured mushroom"**
 - **Brand name: Glycolipid P**
- Common name on product labels (forecasted):
 - **Mushroom extract, Cultured mushroom extract, Glycolipid from cultured mushroom**

■ Cosmetics, Personal Care:

- INCI name: Glycolipid
 - **Brand name: Glyconex**
- Common name for product labels:
 - **Glycolipid**



Conclusion

We ensure consumer product name acceptance through:

- Understand end-consumers' expectations
- Lateral learning from other industries
- Capitalizing on consumer and industry trends
- INS is moving beyond the traditional B to B scope, and engages into B to C consumer insight



Thank You for your attention

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