

Nestlé prepares for the Ozempic effect

Article

The news: Nestlé is looking to attract GLP-1 users with its latest frozen food offering: **Vital Pursuits** promises to deliver the nutrients that customers on weight-loss drugs need in portions aligned with their diminished appetites.

- The product line—which includes frozen pizzas, protein pasta bowls, and sandwich melts—will retail for less than \$5.
- Nestlé plans to launch Vital Pursuits at select US retailers by Q4.

Nestlé takes the initiative: Nestlé is distinct among CPGs in that it is actively taking steps to [shift its portfolio](#) in response to growing GLP-1 usage, while most food makers publicly shrug off any potential negative impact.

- **Mondelēz CEO Dirk van de Put** expects that in 10 years, the drug's effect on sales volumes will equate to a “margin of error”—between 0.5% and 1%, he told Bloomberg.
- Likewise, **PepsiCo** and **Coca-Cola** executives expect the impact on their businesses to be marginal, touting their wide arrays of products and portion sizes as well as a growing selection of healthier products as insurance against consumers' changing tastes.

Other companies, like **Conagra**, **General Mills**, and **WK Kellogg**, expect more demand for their current offerings.

- WK Kellogg CEO **Gary Pilnick** continues to be optimistic about [cereal as a meal replacement](#), noting that it is low-calorie and low-fat, and contains nutrients like vitamin D and fiber.
- Conagra sees opportunity in the frozen food space, as GLP-1 users look for meals that are portion-controlled, nutritious, and high in protein.

Barriers to entry are lifting: While GLP-1 usage is limited for the time being due to the drugs' high cost and lack of coverage from insurers, that could quickly change as companies like **Hims & Hers** roll out cheaper versions.

- **Anywhere between 6% to 12% of US adults have taken or are currently taking drugs like Ozempic and Wegovy**, according to surveys by Gallup and [KFF](#).
- Over half (54%) of all consumers who have taken GLP-1s found them difficult to afford, with prices ranging between \$936 to \$1,349 per month for name brands, per KFF.
- But Hims & Hers' generic GLP-1 injections start at \$199 monthly, making them much more accessible.

The big takeaway: Rather than dismissing GLP-1s as another weight-loss fad, brands need to take action to future-proof their businesses.

- **As many as 30 million US consumers, or roughly 9% of the population, may be using GLP-1s by 2030**, according to J.P. Morgan Research.

- While it's early days, consumers on the drugs reported spending less on snacks and ice cream, cutting back on restaurants and takeout, and reducing overall food consumption.
- Thirty-eight percent are snacking less, per Kantar data reported by FoodNavigator USA—but 75% still occasionally indulge in small treats, creating an opening that food brands can squeeze through by offering up more nutritious snacks, alongside meal replacements and other supplements.

Leading Reasons That US Patients With Obesity Aren't Trying GLP-1s*, March 2023

% of respondents



Note: ages 18+; *among those respondents who are interested in treatment with GLP-1s
Source: Ro and the Obesity Action Coalition, April 26, 2023

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