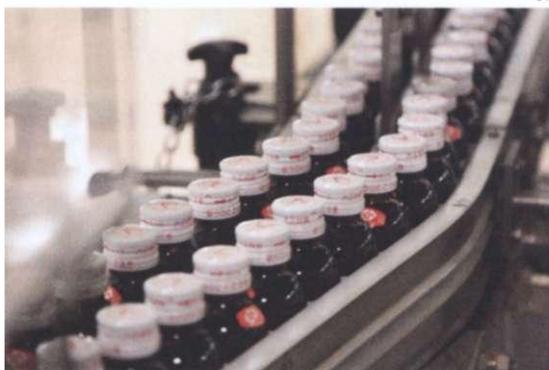


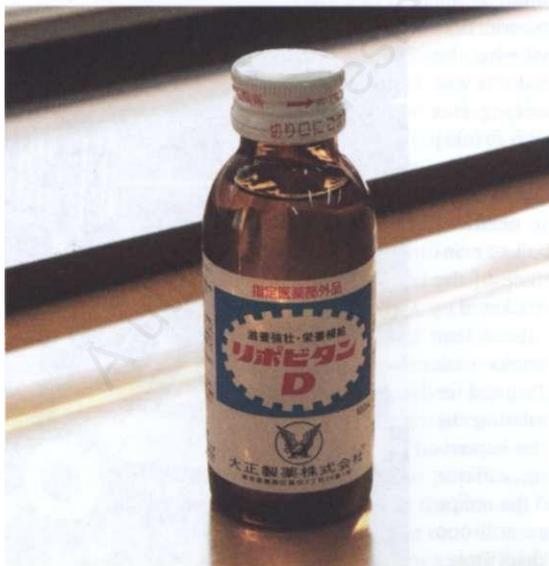



HEALTH SURVEY
A 2012/13 special report

01



02



03

B

LIQUID GOLD —Japan

The morning after a night of beer and karaoke the bleary-eyed salaryman only has to make it as far as the nearest drug store for salvation. There he will find a fridge devoted to what the Japanese call *eiyo dorinku*: nutrition drinks. These tonics claim to ease tiredness, boost energy levels and even suppress the urge to vomit; just the thing for a raging hangover.

There are dozens of brands with names such as Regain 24, Lipovitan D, Tiovita and Oronamin C, each with their own health claims and ingredients ranging from the legitimately medical to the quasi-medical, right down to recipes of little more than sugar and caffeine. In their entirety they are often referred to as *genki* drinks but, strictly speaking, those classed as nutrition drinks fall into the first two categories; the latter are energy drinks (of which more later).

The recipes for nutrition drinks vary but tend to include a combination of amino acids, a variety of vitamin Bs and a long list of traditional medicines, plus sugar, caffeine and a hint of alcohol. "We have long had traditional medicine and food that we know to be good for our health," says Hiroyuki Nitto, a senior consultant at the Nomura Research Institute. "But that's true all over the world. What's different [in Japan] is that nutritional drinks safe for everyday use have been produced on an industrial scale."

A sector that barely exists in western markets is generating hefty revenues for its manufacturers. Sales of nutrition drinks in Japan were worth over ¥120bn (€1.2bn) last year and expected to be even larger this year. If you add in the health tonics that don't qualify for the medical

Preface

'Genki' drinks – nutrition and energy beverages – have flooded the Japanese market yet manufacturers are now targeting female consumers and soaking up foreign customers. Is saturation imminent?

WRITER

Fiona Wilson

PHOTOGRAPHER

Aya Sekine

Hiroshi Kai



category, the total industry is worth nearly ¥200bn (€2bn) a year.

The market was deregulated in 1999 and although the categories were more strictly defined by the Ministry of Health it is still confusing to determine which of the beverages are souped-up soft drinks and which have proper claims to health benefits. Those with powerful ingredients are flagged up with a health advisory: only for those over 15, not for pregnant women and no more than one bottle a day. It is a sector caught between the beverage and pharmaceutical industries. The differences can be baffling and given that most come in bottles of 100ml or less, the small print on the label is just that: tiny.

With its 55 per cent market share the dominant company is Taisho Pharmaceutical Co. They make a range of nutrition drinks including Lipovitan D, the granddaddy of them all. A reviving drink based largely on taurine - an organic acid that exists in seafood, meat and breastmilk - it has been a top-seller since 1962. In the last 50 years, 34 billion bottles of Lipovitan D (pronounced "Deh") have been sold. Taisho ships 600 million bottles a year and the product earns revenues of around ¥70bn (700m), accounting for a quarter of the company's earnings.

Taisho is 100 this year and had been researching the efficacy of taurine since the 1940s before introducing the

Lipovitan formula in tablet form in 1960, then as a bitter-tasting concentrate. Realising that a cold drink would be more palatable Taisho diluted the product, sold it from dedicated small fridges and turned it into a refreshing tonic. They didn't use wholesalers but hired a team of sale reps who sold directly to retailers and taught them how to maximise space by making gravity-defying towers out of Lipovitan D boxes. As demand outstripped production the fridges and towers got bigger.

Lipovitan D's arrival coincided with a period of high growth for Japan as the country emerged from the post-war doldrums; a reviving tonic was just what the hardworking population wanted. "It was a time when everyone was working and working," says Nitto. "[Nutrition drinks] became popular among factory workers and farmers, working men in their thirties and forties. They met the needs of the time perfectly." With baseball star Sadaharu Oh signed on as the face of the brand in its second year, sales rocketed.

The benefits of taurine - also a feature of many other nutrition drinks - are still obscure but it's thought to be good for heart and liver function, stimulating the brain and lowering stress. In the Lipovitan brew it is mixed with ginseng, caffeine and a battery of Vitamin Bs and the recipe has hardly changed. There are still 900 salespeople selling directly to drug stores





Previous page

- 01 Inspection at Taisho Pharmaceutical Co
- 02 Lipovitan D bottles are washed four times with purified water during production
- 03 Lipovitan D: the finished product

This spread

- 01 Lipovitan D labels have hardly changed in 50 years
- 02 Shipment begins



and even the price sits at ¥150 (€1.50), just as it was in 1962.

Taisho's long-time rival is Otsuka Pharmaceutical and its Oronamin C, a staple of the convenience store that added fizz to the health drink. Since 1965 Otsuka has sold 30 billion bottles of the sparkling yellow beverage that is now categorised as a soft drink.

The ads and slogans for Oronamin C and Lipovitan D are part of Japan's cultural landscape. Over the years Otsuka has hired an array of sports stars and J-pop bands to promote their drink with the catchphrase "Genki Hatsu-ratsu!": "Bursting with energy!" The Lipovitan D ads feature burly beefcakes pushed to their physical limits as they scale a vertical cliff face or tackle a mountain on a snowmobile.

Like all good campaigns it flatters the consumer, who is more likely to be a worn-out truck driver. A recent survey asked people why they drink Lipovitan D: 49.8 per cent said it was to get rid of tiredness; 16.3 per cent said they drank it in the morning to wake themselves up; and 13.4 per cent when they got home after a long day.

Sato Pharmaceutical's Yunker series is also popular. Among the 30 products in the line-up, Yunker Kotei Eki has been on sale since 1967 and is the best known. At ¥840 (€8) for 30ml

10 of the best 'genki' drinks

- 01 Chocola BB Royal 2**
Eisai
Nutrition drink for overworked women.
Good for: Afternoon drowsiness.
eisai.co.jp
- 02 Yunker Kotei Eki**
Sato Pharmaceutical
Annual sales of this potent 45-year-old medicinal drink top 40 million.
Good for: Fighting fatigue.
sato-seiyaku.co.jp
- 03 Lipovitan D**
Taisho Pharmaceutical
The original; 34 billion bottles sold and counting.
Good for: Pushing through a long day.
taisho.co.jp
- 04 Megashaki**
House Foods
An energy booster with ginger and pepper extracts
Good for: Tired workers and students on all-nighters.
housefoods.jp
- 05 Ukon no Chikara**
House Foods
Essence of turmeric and a smattering of vitamins.
Good for: Hangovers.
housefoods.jp
- 06 New Guromont**
Lion Corporation
Nutrition drink with extract of longan fruit.
Good for: All-round energy and weary new mothers.
lion.co.jp
- 07 Liverurso**
Sato Pharmaceutical
All-purpose liver tonic sweetened with caramel.
Good for: Reviving a weak constitution.
sato-seiyaku.co.jp
- 08 Alinamin V**
Takeda Pharmaceutical
This is the original in the five-drink Alinamin series.
Good for: Weak appetites and tired bodies.
takeda.com
- 09 Oronamin C**
Otsuka Pharmaceutical
Classic vitamin-charged soft drink with sugar, honey, salt and caffeine.
Good for: Hot days.
otsuka.co.jp
- 10 Tiovita**
Taiho Pharmaceutical
A tried and tested blend.
Good for: Helping with overwhelming tiredness.
taiho.co.jp



66

More women are working so the need for these drinks has increased. People are using the drinks not only for physical but also mental fatigue

99

it's not cheap but it's packed with everything from civet secretions to dried viper, all designed to beat tiredness. Key consumers are men in their thirties; 44 million bottles were sold between September 2011 and August this year.

However, the pharmaceutical companies want to move away from the image of an all-male market. "It used to be the case that men were the main consumers," says Hiroya Hamano, Taisho's media-relations manager. "These days more and more women are buying nutrition drinks." He says that 46 per cent of Lipovitan D purchases are now made by women.

With sales of the classic nutrition drinks now likely to have reached their limit, Taisho and the rest have realised that diversification is the way forward. Taisho now has 16 variations of Lipovitan D (plus seven "private brands": versions that they make for retailers) such as D Super (more taurine), D Fine (fewer calories), Non Caffé (caffeine-free) and Kodomo (for kids). To make sure they don't miss out on Japan's all-important vending machine sales they also do a version in a specially toughened glass bottle.

Recently, pink bottles have started popping up, a quick gender-signifier in a crowded market. "Women are increasingly busy with work, household chores and childcare," says pharmaceutical company Eisai's Yuriko Tsurumaki. "Our drinks are popular with them." Sixty this year, the firm's Chocola BB range used to be only for medicinal pills but Eisai saw a gap in the nutrition drinks market and moved to fill it.

The sugar-filled drinks that tired men have been consuming for years don't



02

have the same appeal in the women's market. Takeda Pharmaceutical launched Alinamin Zero 7 this year, a sugar-free addition to its popular Alinamin series that has met with great success.

The other route for growth is export: Oronamin C is sold in six countries in the Middle East; Alinamin sells across Asia; and Lipovitan D is sold in 15 other countries in Asia and the Middle East (and the US). Thailand, home of Red Bull, is a big market; the recipe has been sweetened to appeal to Southeast Asian taste buds.

The big shake-up in the nutrition-drinks market has been the arrival of imported energy drinks such as Red Bull (sold by Coca-Cola) and Monster Energy (sold by Asahi). Strictly speaking they don't share the same sector since energy drinks make no claims to do anything



03

- 01 Quality checks in the Taisho laboratory
- 02 Many consumers buy Lipovitan D by the case
- 03 The range of nutrition and energy drinks is enough to tire you out

more than offer a powerful hit of sugar and caffeine. However, the audience crosses over and young consumers are flocking to them. Red Bull is now closing in on Oronamin C and Lipovitan D while Monster Energy, which only appeared here in May, is catching up.

Although older drinkers are likely to remain loyal to their favourite nutrition brands, younger drinkers are going straight to energy drinks. Nitto still sees the possibility for growth in the nutrition market, though. "More women are working so the need for those drinks has increased," he says. "People are using these drinks not only for physical but also mental fatigue."

To keep sales up, pharmaceutical companies will have to address a whole new audience of tired Japanese.