



Press Release

Nestlé China Accelerates Innovation

Targeted New Products to Capture Key Trends in Health & Nutrition

(Beijing, October 26, 2018) Nestlé held the Nestlé China Innovation Day event in Beijing today, showcasing a variety of innovation projects launched in China this year. With double the number of new projects from 2017, many of this year's products have been tailor-made for the Chinese market, Nestlé's second largest market worldwide, which is seeing strong and steady growth in the nutrition, health, and wellness segment.

“In response to the rapid changes in China's Food and Beverage industry, Nestlé has accelerated the improvement and testing of its innovation business model over the past two years to create a multidimensional, sustainable innovation strategy,” said Rashid Aleem Qureshi, Chairman and CEO of Nestlé Greater China. “For over 150 years, Nestlé has been dedicated to the same mission: enhancing quality of life and contributing to a healthier future. Our innovation team, with over 100 ongoing projects, will bring consumers more choices through a variety of healthy products over the next two years.”



Rashid Aleem Qureshi, Chairman and CEO of Nestlé Greater China

“Nestlé’s multidimensional innovation strategy is supported by three key levers: Besides developing the company’s basic operations through accelerated innovation and improvement, we are enhancing the consumer experience through various approaches including consumption patterns and consumption venues, addressing new market needs through Nestlé’s Incubator program,” explained Nini Chiang, CMO of Nestlé Greater China.



Nini Chiang, CMO of Nestlé Greater China

Nestlé XiaoAi Pioneers New Trend in Voice Ordering

With “nutrition, health, and wellness” as the core of corporate mission, Nestlé officially launched the second generation of XiaoAi to further improve user experience based on market needs. The upgraded version includes more than 300,000 pieces of newly-added NHW contents and provides a multi-layered, customized interaction experience, with functions such as personalized recipe recommendations and calorie calculation. Its voice ordering offers consumers a novel and convenient shopping experience.

Since last year’s launch, Nestlé XiaoAi has become the “AI family nutrition assistant”, an innovative combination of AI voice tech and NHW knowledge. The upgraded XiaoAi is dedicated to providing personalized NHW information

and voice ordering to Chinese families, which created a new channel for consumer engagement and service.



Following Nestlé XiaoAi, Nestlé this year has launched Nestlé's My Nutrition App (in partnership with Xiaomi), Nescafé Shop in Office, and BabyNes' Smart Milk Powder Leveling Kettle to enhance expertise in this field.

Nestlé Incubator Aims to Rapidly Fill Market Gaps

With China's current upgrading of consumption and the Healthy China 2030 initiative, Chinese consumers' needs are constantly changing. Demand is rising for products that are healthy, natural and customized. The China market shares a similar direction as the Europe and US markets in terms of development, but the market is changing in a visibly faster and more challenging speed.

At the beginning of this year, Nestlé launched its Incubator Team to expand its business and respond quickly to China's market needs. China is the second market to have established an Incubator Team for accelerated innovation, coming after the US. At Nestlé China Innovation Day, Nestlé officially revealed three new brands tailor-made for Chinese consumers that were developed by the Incubator Team: Xingshan, a ready-to-drink healthy soup drink combining tradition and technology; Muscle Hunt, a ready-to-drink high protein water for post-workout recovery; and Green Bite, a collection of customizable healthy snacks. All three brands will be first launched on e-commerce.



In China, For China

Xingshan, jointly-developed by Nestlé Incubator and Totole, is a ready-to-drink soup brand that aims to provide high quality health supplements by combining modern technology and quality ingredients. With the support of Nestle R&D China, which has dedicated many years in researching traditional Chinese ingredients, Xingshan aims to showcase the benefits of Chinese medicine and cuisine by carefully selecting traditional ingredients and maximizing their nutritional value with modern technology.

Xingshan plans to launch a wide range of drinks this year to provide diverse, healthy options for consumers: Xingshan Rose and Pomegranate Herbal Drink, Xingshan Loquat and Honeysuckle Herbal Drink, Xingshan Honey and Inulin Herbal Drink, Xingshan Chicken Broth Drink with Ginseng and Lacto-wolfberry, Xingshan Chicken Broth Drink with Cordyceps and Rhizoma Polygonati, and Xingshan Chicken Broth Drink with Red Jujube Date and Collagen.



Nestlé R&D China Head Roberto Reniero standing in front of Xingshan booth

The Nestlé Incubator also worked with Hsu Fu Chi to create Green Bite, a healthy snack box noted for its “nutritionist-approved recipes, innovative flavors and its wide range of product choices with personalized options”. Green Bite aims to combine the experience of enjoying healthy snacks with that of experimenting with personalized recipes.

With more than 30 high quality ingredients available, such as nuts, dried vegetables, dried fruits and dark chocolate, consumers are given the choice to create a personalized themed snack box based on personal preference and occasion. Green Bite invites its most loyal consumers and fans to attend “The Research Lab for Untrustworthy Snacks”, where frequent buyers can participate in regular product development sessions to create new snack offerings as well as themed snack boxes. The Lab gives customers an opportunity to work with international R&D teams in bringing an idea from scratch to its realization as a new product.

Nestlé Incubator and Yinlu launched Muscle Hunt as an answer to the growing need for convenient and professional protein supplements among fitness enthusiasts. The new product contains imported high-grade Whey Protein Isolate (WSI) powder and is backed by Nestlé’s proven R&D capabilities and high product quality control system. During the test phase, all four flavors of Muscle Hunt earned consistent positive feedback with their easy-to-drink and quick-to-digest features. In addition to e-commerce, Muscle Hunt will be available at OXYGYM sports center and other selected boutique fitness centers as fitness enthusiasts’ go-to post-workout drink.



Nestlé Greater China CMO Nini Chiang (left), Nestlé Greater China Chairman and CEO Rashid Aleem Qureshi, Nestlé Greater China Head of Innovation and Renovation Justin Wang (right), standing in front of Muscle Hunt booth

“The key to Nestlé’s continuous success is based on its over 150 years of accurately anticipating consumer trends and quickly responding to them,” said Qureshi. “Our response is to enhance our capabilities by collaborating with research institutes, NGOs, startups and innovation partners from all over the world. The Nestlé Incubator program is rapidly turning innovative ideas into reality. We are seeing more and more groundbreaking ideas and changes here in China. It is a very exciting place to be.”

About Nestlé

Founded in 1866 and headquartered in Vevey, Switzerland, Nestlé is among the world’s most famous food and beverage companies. Its mission centers on enhancing the quality of life through nutrition and health, and its products range from dairy, baby formula, cereal, coffee, ice cream, chocolate, candy, bottled water, beverages, frozen food, condiments, to health science and skincare.

China is Nestlé’s second-largest market globally. Headquartered in Beijing, Nestlé China now operates 33 factories, 4 Innovation Centers (Beijing, Shanghai, Dongguan, and Xiamen), one Dairy Farming Institute (Shuangcheng, Heilongjiang), one Nescafé Coffee Center (Puer, Yunnan), one Food Safety Institute (Beijing), 4 Consumer Engagement Centers, and manages around 50,000 employees.

The majority of Nestlé's products are produced and sold in China. Nestlé provides additional high-quality products to consumers through local brands such as Totole, Yinlu, Hsu Fu Chi, Dashan, and Haoji.

All data mentioned in this press release are from Nestlé internal data.