

20 CATEGORY 16 INSIGHT



Tea's Time to Shine

This traditional beverage has taken on a whole new face here in the United States. With 9% growth this year and 70% of consumers drinking tea, it's a category ripe for innovation.

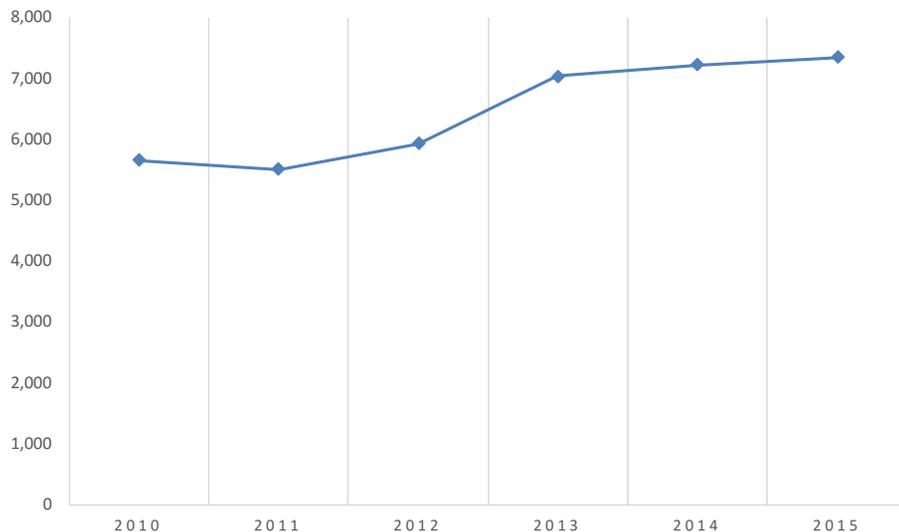
Whether it is served over ice and infused with fruit, or hot in your favorite mug, tea is versatile and flavorful. With healthier trends continuing to rise, people are saying goodbye to high sugar soft drinks and hello to this herbal beverage as their favorite multipurpose beverage.

CATEGORY OVERVIEW

A global look at new product introductions for teas, both ready-to-drink and brew your own, shows a 9% increase from 2014-2015. New product introductions in North America mirrored a similar increase from 2014-2015 at 5%. This shows outstanding growth compared to 2013-2014, which saw a 2% decrease.

According to a recent Mintel survey, about 70% of consumers consume tea made at home whereas 52% of consumers consume their tea in a coffee house or from a specialty store. With this statistic in mind, focus on products customers purchase in store and bring home to make will foster more product growth as compared to products that are already made in a specialty shop.

GLOBAL TEA NEW PRODUCTS INTRODUCTIONS



Source: Mintel GNPD

BUBBLE TEA

Traditional tea preparation and consumption methods follow along the lines of steeping tea in water and consuming it iced or hot. We are now seeing a new and different way to consume tea. Bubble tea also known as Boba tea, is a cold, frothy drink made with iced tea, sweetened milk or alternative milks and embellished with sweet, tapioca balls or "pearls." These teas come in a variety of flavors, the most popular being strawberry, passion fruit, and mango. With over 250 flavor combinations, you will never run out of new teas to try!

TOP GLOBAL TEA FLAVORS

- Herbal
- Ginger
- Peach
- Chamomile
- Jasmine
- Apple
- Lemon
- Mint
- Orange



READY TO DRINK

Time is a valuable commodity these days and that is reflecting on consumers purchasing preferences. Tea is taking a shift from make it yourself to already ready to drink beverages. Digging deeper into the ready-to-drink category, consumers prefer refrigerated options over tea on shelves. According to a recent Mintel survey, four out of five consumers agreed that refrigerated ready to drink teas are fresher than their shelf stable counterpart. In addition, the demand for affordable, premium ready to drink teas will most likely continue as people make the shift from premium loose leaf tea over to the premium ready to drink beverage.

PRODUCTS OF NOTE

Argo Tea Hibiscus Tea Squeeze

- Combines thirst-quenching hibiscus tea and fresh lemonade
- Comes in ready to drink premium packaging found in the refrigerator aisle
- Contains 55 calories and 2% juice



Blu-Dot Protein Tea Honey Lemon Green Tea

- Made with New Zealand whey protein
- Contains prebiotic dietary fiber and is free from artificial ingredients, GMOs and gluten
- Provides 12g of protein and 6g of fiber per serving



Titan Tea Raspberry Black Tea

- Brewed with the highest quality organic fair trade leaves and sweetened with organic fair trade cane sugar
- Infused with electrolytes for hydration and enhanced with ribose and 80mg caffeine per bottle for sustained energy
- Low calorie product is certified kosher and is free from gluten and GMOs



The Power of Green Tea

Green Tea has been used for centuries to relieve people from various ailments, but it wasn't until just recently that it caught the attention of scientists. Recent studies found that one particular compound inside green tea, EGCG, may improve brain function. As a result, scientists analyzed the effects of this compound on those with Down Syndrome and found that those who took the medication enhanced with EGCG as compared to those who took the placebo, reported better brain function and improved visual memory.

Source: CNN Health

55%

OF ADULTS CHOOSE TO DRINK
READY TO DRINK TEA OPTIONS

52%

OF TEENS CHOOSE READY TO
DRINK OVER BAGGED/ LOOSE
LEAF TEA

THE KOMBUCHA KRAZE

Kombucha is proving to be more than a fad with a 63% growth in 2015 and continued growth projected through 2016. A beverage with ancient traditions, kombucha is made through a process called fermentation, which was an important means of food preservation before refrigeration. According to a Mintel survey in May 2015, 23% of consumers reported they had kombucha in the past month which was a significant increase from May 2014 when only 14% had consumed it.

PRODUCTS OF NOTE

G.T.'S Synergy Organic & Raw Enlightened Grape Chia Kombucha

- Organically produced, free from gluten and GMO, suitable for vegans and made with 95% raw kombucha and chia seeds
- Rich in organic acids, aminos, electrolytes, enzymes, probiotics and polyphenols



O Organics Mango and Mint Flavored Organic Raw Kombucha Fermented Tea

- Made using purely grown ingredients, contains live kombucha culture, less than 0.5% alcohol by volume and two billion probiotic organisms
- USDA certified organic and kosher suitable and free from GMOs, artificial preservatives and additives



Holy Kombucha Raw Fizzy Blood Orange Probiotic Tea

- Cultured fermented tea that increases energy and awareness by aiding in digestion and detox
- This tea is raw and vegan and free from gluten, additives, and preservatives
- Contains two billion Bacillus coagulans



30%

OF MALES 18-34 CONSUME
KOMBUCHA



BYE, BYE SUGARY SNACKS

Amidst trend dieting, fruit and herbal teas are being seen as a weight loss tool by providing an alternative to sugary snacks when consumers crave something sweet. In addition to the fruit and herbal teas taking over, we are now spotting dessert inspired flavors that provide guilt-free sipping. According to a Mintel survey, 19% of tea drinkers agree that fruit-flavored/herbal teas are a good alternative, however this number increases to 34% of fruit/herbal tea drinkers who agree that it could function as a substitute.

PRODUCTS OF NOTE

DAVIDs TEA Peanut Butter Cup Fruit Infusion Tea

- Seasonal tea with almond and chocolate flavors, claiming to taste just like the satisfying peanut butter cups
- Retails in 60g pack of 12 sachets



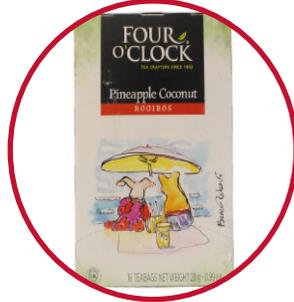
Tea Forte Vanilla & Pear Loose Leaf White Tea

- Made with rare white organic tea and evocative essence of vanilla orchid infused with the taste of fresh baked pear
- USDA organic certified tea is said to be relaxing tea for mind, body and spirit



Four O'Clock Pineapple Coconut Rooibos Tea

- Kosher certified and is free from caffeine
- Comes in 5 other sweet flavors like Sorbet, Fruit Sangria and Strawberry Daiquiri



Giving Your Iced Tea a Real Kick

Like a good cup of tea, preparing your favorite cocktail requires precision and time, something that not many have at the ready. Adding tea to various cocktails is a way to add flavor without adding more alcohol or sugars. Black teas are generally great paired with darker spirits like aged rums, bourbon and rye whereas green tea and herbal teas often work well with gin. They also feature several different recipes to try that infuse tea with alcohol. One of these recipes is The Porchard which contains chilled black tea, peach infused bourbon, fresh lemon juice and Demerara syrup with mint sprigs for garnish.

Source: Miami Herald



FONA CAN HELP!

Let our market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market.

FONA flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution. From concept to manufacturing, we're here every step of the way.

CONTACT OUR SALES SERVICE DEPARTMENT

at 630.578.8600 to request a flavor sample or visit www.fona.com.

SOURCES

Mintel: Tea & RTD Teas

Mintel GNPD

Nation's Restaurant News

CNN Health

Miami Herald