

MARKET REPORT

November 2020

Beverage trends: Non-alcoholic beverages

- Clear growth trends
- Global non-alcoholic drinks market increases again

The non-alcoholic beverage market is becoming more and more diverse. The focus is shifting towards health and well-being as consumers are paying closer attention when making beverage choices. Beverages with too much sugar, dyes and/or preservatives often find themselves being left on the shelf. Consumers want ingredients to be as natural as possible and, in a best-case scenario, offer significant additional benefits. According to the market intelligence agency Mintel, both the taste experience and fair product prices will be paramount in the future.

In its report Global Food and Beverage Trends 2030, the market research agency forecasts that consumers will increasingly reward companies that make a difference for humanity and the planet with their loyalty. "More food, drink, and foodservice companies will work together and/or join forces with philanthropic organisations and governments to help advance vital concerns," the trend report writes. One such example comes from Nestlé, Arla Foods, Unilever, Danone and The Coca-Cola Company, which have joined the Sustainable Dairy Partnership together with 17 other companies and retailers. This initiative aims to improve animal care, working conditions for farmers and reduce greenhouse gas emissions. Jenny Zegler, Associate Director at Mintel Food & Drink, noted: "In the next decade, consumers will be hungry for leadership and demonstrable change on environmental issues, ethical business practices, public health, and other important causes."

Smart diets improve physical and mental health

Products related to smart diets to improve personal physical and mental health are leading the charge. It is certainly possible that consumers will

Member of the **Beviale Family**

**Ideeller Träger
Honorary Sponsor**
Private Brauereien Bayern e.V.
Thomas-Wimmer-Ring 9
80539 München
Germany

**Veranstalter
Organizer**
NürnbergMesse GmbH
Messezentrum
90471 Nürnberg
Germany
T +49 9 11 86 06-0
F +49 9 11 86 06-82 28
braubeviale@nuernbergmesse.de
www.braubeviale.de

**Vorsitzender des Aufsichtsrates
Chairman of the Supervisory Board**
Albert Füracker, MdL
Bayerischer Staatsminister der
Finanzen und für Heimat
Bavarian State Minister of Finance
and Regional Identity

**Geschäftsführer
CEOs**
Dr. Roland Fleck, Peter Ottmann

**Registergericht
Registration Number**
HRB 761 Nürnberg

increasingly opt for hyper-individualised products based on personalised DNA tests. This opens up an opportunity for the beverage industry to cater to a holistic health and wellness approach with functional drinks. There are already many examples of beverages seeking to satisfy the desire for better health and wellness, such as a peach and raspberry relaxation tee from the US that claims to calm the soul and ease the mind with its mood-enhancing plant extracts. Or a bedtime drink from Slovakia, a carbonated beverage with herb extracts from lemon balm and hops. Or, just as innovative, a range of shots from a US company that come in 50 ml PET bottles and whose names communicate their goal: Longevity, Immunity, Sleep, Detox, Energy and Digestion.

In general, digestion is also a more frequent hot topic within the beverage industry, as consumers largely have a better understanding of the microbiome in the gastrointestinal tract and the importance of a healthy gut/brain axis. Fibre-enriched beverages should lend a helping hand. For instance, water enriched with fibre has now made successful inroads into the global beverage market. According to Mintel's Global New Products Database (GNPD), the number of water launches featuring high added fibre soared by more than 200 per cent around the globe between the middle of 2018 and the middle of 2019, albeit from a low level. The Asian market is considered a driver of this innovation. Flavoured fibre water from China and Nature's Spring Fibre Water with wheat dextrin from the Philippines are pioneering this trend. Mintel noted that the proportion of beverages claiming to be 'rich in fibre' had doubled in Europe within the three years to the middle of 2019, too.

Bottled water continues to drive growth

The bottled water market might still offer significant potential for growth since this global market is especially promising. Trade statistics from Euromonitor International indicate that global per capita consumption of bottled water stood at 37.9 litres in 2019, compared with 21.7 litres of carbonated soft drinks and 7.9 litres of fruit juice per capita. Forecasts for 2020 suggest that per capita consumption will reach 40.2 litres of water, 22.1 litres of soft drinks and 8 litres of fruit juice. These figures demonstrate that bottled water is leading the way around the globe both in absolute figures and in terms of the

percentage growth among bottled non-alcoholic beverages. That being said, non-carbonated bottled water is responsible for the lion's share with 32 litres per capita in 2019 and an estimated 34.1 litres per capita in 2020.

2020 forecasts for bottled water by region show that North America (108.5 litres per capita) holds first place ahead of Western Europe (102 litres per capita). Eastern Europe (64 litres per capita), the Middle East and Africa (47 litres per capita), Latin America (41.3 litres per capita), Australasia (35.4 litres per capita) and Asia-Pacific (22.2 litres per capita) are listed in the next spots. Within Europe, the 'traditional water countries' reportedly still have the highest consumption levels. According to Euromonitor International, these countries are Italy (2020: 165.8 litres per capita), France (2020: 157.8 litres per capita) and Spain (2020: 149.6 litres per capita). These figures make it clear that 2020 is expected to end with growth both across continents and countries.

The 'Corona boost'

Germany is another case in point. Per capita bottled water consumption fell there by 6.1 per cent in 2019 compared with the previous year, according to the German Association of the Non-alcoholic Beverage Industry (Wirtschaftsvereinigung Alkoholfreie Getränke). By contrast, a 2.2 per cent growth in sales compared with the same stretch last year was reported for the first four months of 2020. Soft drink sales were slightly lower in 2019. With per capita consumption of 121.4 litres, this figure had declined by 1.7 per cent. That being said, there were clear winners here too, including diet lemonades (+31.5 per cent), enriched beverages and energy drinks (+21.3 per cent) and non-carbonated diet fruit juice drinks (+20 per cent) In the first four months of 2020, the industry enjoyed a Covid-related jump in sales to the tune of 5.2 per cent.

The Association of the German Fruit Juice Industry (Verband der deutschen Fruchtsaftbranche, VdF) recently proclaimed that fruit juice was the drink of the coronavirus, welcoming a 12.8 per cent year-on-year growth in sales in the first four months of the year. The VdF's managing director Klaus Heitlinger noted that "the healthy image and the enjoyment value of fruit juice led consumers to pick up more of these beverages during the crisis." This

was a real cause for celebration for German fruit juice and nectar manufacturers as German per capita consumption dropped by 3.2 per cent to 30.5 litres in 2019.

On a global scale, too, non-alcoholic beverages are expected to end 2020 with growth due to factors including the coronavirus. In this vein, non-alcoholic beverages that score well in terms of their health and wellness credentials are likely especially successful.

Nutri-Score catching on

Stakeholders have come up with many ideas – a few of which have already been launched – of ways to better help consumers to lead a healthy life. One of them is Nutri-Score, a five-stage coloured nutrition label that helps consumers to quickly assess a food's nutritional score when making shopping decisions. For instance, a score of 'A' in green means a 'preferable score' while 'E' in red designates a 'detrimental score'. France introduced Nutri-Score back in 2017. Belgium, Spain, Portugal, Switzerland and Luxembourg also use the label. Germany followed in their footsteps in 2020. Franken Brunnen announced plans to become the first beverage manufacturer in Germany to print the Nutriscore traffic light on its products. Nutri-Score is currently used on a voluntary basis. Together with other companies, Nestlé is calling for the use of this label to be mandatory throughout Europe, which underscores Mintel's forecasts. Jenny Zegler noted, "the companies that will win in the next 10 years will be those that fuel the new era of conscious consumption."

Beviale Family: International expertise in the beverage industry

NürnbergMesse Group is proving its expertise in the beverage industry on the international stage: the BrauBeviale in Nuremberg is one of the most important capital goods trade fairs for the beverage industry worldwide. The Beviale Family also has activities in some 10 countries around the globe with various event formats and marketing partnerships tailored to the respective target market. The network's family members and partners are active in key growth markets. The international sponsor of the global network for the beverage industry are Doemens Akademie and the VLB (Versuchs- und Lehranstalt für Brauerei), a Berlin-based research and teaching institute for

BrauBeviale2020

Special Edition

Nürnberg, Germany

10. - 12. November

brewing. Additional projects are in the pipeline. More details and dates can be found at: www.beviale-family.com

Save the date: BrauBeviale 2022 – 2024

Note the dates of the next BrauBeviale three-year cycle now:

BrauBeviale 2022: 8 to 10 November 2022

BrauBeviale 2023: 14 to 16 November 2023

BrauBeviale 2024: 12 to 14 November 2024

Press and media contacts

Sabine Ziener, Christina Freund

T 49 9 11. 86 06-83 55

christina.freund@nuernbergmesse.de

For all press releases, further information, photos and videos, see the Newsroom at: www.braubeviale.de/en/news

Further services for journalists and media contacts:

www.braubeviale.de/press

More than a single event – the Beviale Family:

www.beviale-family.com