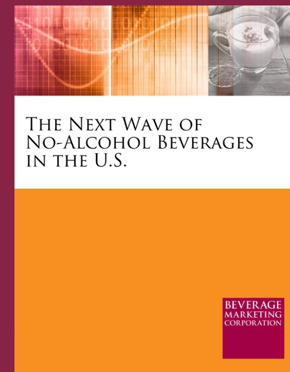
THE NEXT WAVE OF NO-ALCOHOL BEVERAGES IN THE U.S.

2020 EDITION (Published December 2020. Data through 2019.)
More than 500 pages, with extensive text analysis.



This report scrutinizes the always-changing marketplace by identifying and quantifying emerging non-alcoholic beverage categories, discussing companies of growing significance and describing what could be the next big thing. ***New this year:*** Discussion of the impact of covid-19 on industry innovation and emerging brands.

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The answers you need

In an industry where innovation is a constant, this report provides in-depth analysis of ways innovation is changing the beverage landscape through the emergence of new categories and brands. It also provides an overview of defining trends spurring developments in new categories. It also looks at the fast-growing liquid refreshment beverage companies, discusses their performance and indicates what makes them noteworthy. Questions answered include:

- What new categories are enlivening the U.S. beverage market?
- How big are these emerging sectors and why are they worthy of being on your radar?
- What trends characterize the various up-and-coming beverage types entering the marketplace?
- Which companies enjoy the backing of industry veterans and strong financial resources, and which do not?
- Which beverage companies and brands show the most promise for success in the competitive U.S. marketplace?
- Which companies could become takeover targets in the near future?

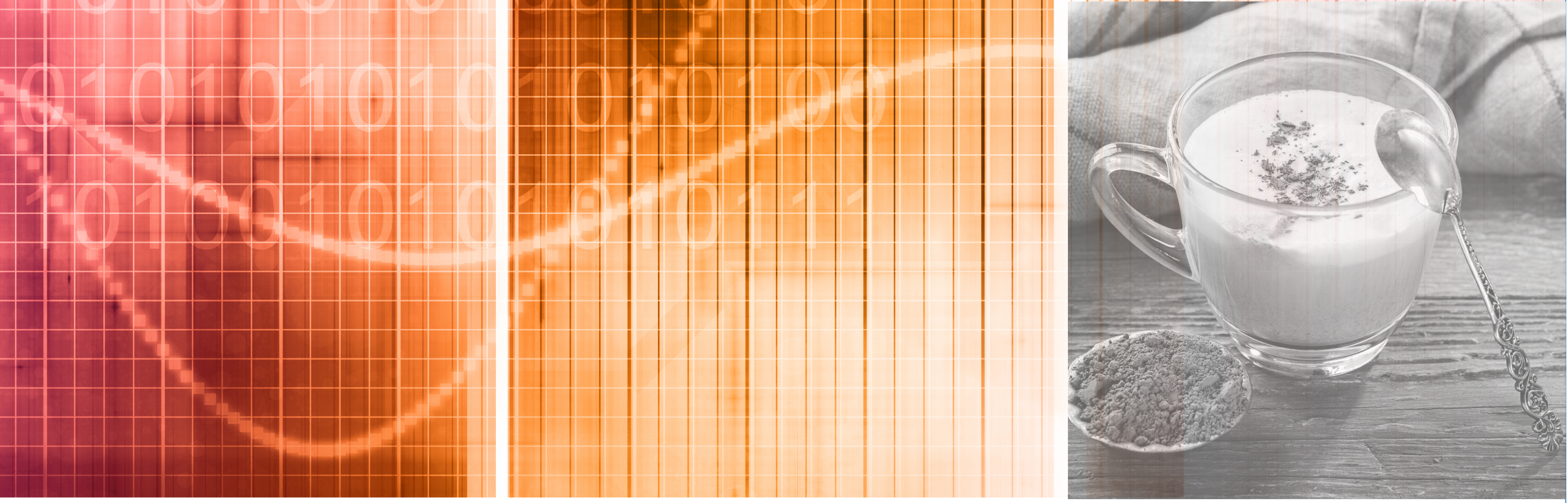
This report features

Get a comprehensive overview of 19 fledgling beverage segments, some of which are poised to become the next big thing. For added market perspective, the entrepreneurial brands that comprise the burgeoning beverage categories are anchored in the context of more-established beverage market.

To provide context to the research findings, the report discusses factors that have led to the development of new beverage segments despite the relative maturity of the packaged beverage market as a whole. Backed by Beverage Marketing's reliable, all-sales-channel-inclusive data, readers get a thorough understanding of key facets of emerging beverage markets including:

- Analysis of industry trends and quantification of emerging non-alcoholic beverage categories and sub-segments.
- Discussion of the types of companies driving innovation – from the traditional large beverage companies to entrepreneurs.
- Insight from our up and coming market research analysts' on the factors driving innovation into new beverage types.
- Analysis of niche and emerging segments including high-end water, cannabis infused beverages, premium sodas, dairy alternatives, premium ready-to-drink teas, coconut water, essence waters, kombucha, cleanses, ready-to-drink protein drinks, functional beverages, probiotics, energy drinks, premium kids' beverages, ready-to-drink coffee and more.
- Discussion of companies with distinctive brands in each nascent and new segment. Companies/brands covered may include: Alkaline Water Co, Apres, Argo Tea, AriZona, Bang Energy, BioSteel, Bulletproof Coffee, C4, Califia Farms, Calypso Lemonade, Celsius, Cheribundi, Essentia, Evamor, GT's Living Foods, GoodBelly, Guayaki, Harmless Harvest, Health-Ade, High Brew, Hint Water, Humm Kombucha, Inko's, Karma Wellness Water, Kitu Super Coffee, KonaRed, La Croix, Lifeway, Mamma Chia, MatchaBar, Neuro, Oatly, Olipop, OWYN, Protein2O, Purity Organic, Q Tonic, Ready Nutrition, Reed's, Sambazon, Soylent, Sparkling ICE, Suja, Sweet Leaf/Tradewinds, Trimino, Vita Coco, Voss, Zevia, Zola Açaí and more.

- Our up and coming beverage companies market research analysts' take on the brands to watch in the various non-alcohol sectors and what they are doing to differentiate themselves as well as discussion of the strengths of various emerging brands and categories and the challenges they'll face going forward.



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December 2020

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RESEARCH ● DATA ● CONSULTING

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.

Table of Contents

Contents

TABLE OF CONTENTS

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

TABLE OF CONTENTS

Chapter

Text Sample 1

That convenience store mainstay, energy, serves as a good example of the unpredictable directions non-alcohol beverages have been taking.

- While big brands like Red Bull, Monster and Rockstar have been mainly locked up in captive distribution systems (even as they continued to be independently owned), a disruptive challenger called Bang Energy seemingly came out of nowhere to establish a new segment called performance or fitness energy. These brands use workout-oriented ingredients like creatine, branched-chain amino acids and L-theanine, and lots of caffeine, in the range of 300 milligrams per package. Bang has rocketed to half a billion dollars in retail sales in a few years and paved the way for other fitness-energy challengers like C4 and Celsius.
- Even among the experts, this was not a foreseen development. Many instead saw a completely different path for the energy segment in which the core consumers of Red Bull and Monster would grow up, begin to pay more attention to those items' nutritional data and turn to natural energy drinks as an upgrade. That view guided Anheuser-Busch InBev's acquisition of the organic Hiball energy brand.
- While Guayaki Yerba Mate has done well as an alternative to conventional energy drinks and a sparkling yerba mate brand called Yerbae has shown momentum out the gate, the natural, "healthier" energy segment has not delivered to expectations. Instead, the performance segment really came out of nowhere to put the category on its ear. By now, retailers planning their 2020 programs are building special shelf sets around these brands and the major beverage players have had to react with their own entries — the Coca-Cola/Monster alliance with Reign, Keurig Dr Pepper with Adrenaline Shoc.
- A further shock occurred this spring when PepsiCo moved to acquire its partner brand Rockstar for $3.85 billion — not so much because it saw vast potential in the long-declining brand, but to extricate itself from a contract that precluded it from offering non-Rockstar energy entries. The lure was a distribution alliance inked with Bang, which promptly exited the beer houses it had mainly relied upon (mainly Anheuser-Busch houses) and created a scramble for replacements. But the Pepsi/Bang alliance got off to a rocky start and, as of this writing, Bang owner VPX Sports was making noises about firing Pepsi as partner, setting off a new wave of uncertainty. Meanwhile, brands like Celsius, C4, Raze, Rowdy and G Fuel have sought to exploit the uncertainty by winning new distribution. So it remains a highly dynamic and unpredictable segment, full of opportunity for new winners to emerge, even as leaders Red Bull and Monster continue to thrive.

Text Sample 2

From the consumer side, shoppers – and no longer only those in the most affluent income tiers – are increasingly rejecting heavily sugared products; those formulated with artificial sweeteners, preservatives and other such ingredients; and, increasingly, dairy-based drinks. Even such a hot segment as cold-pressed juice a few years ago has plateaued as consumers have started putting a higher priority on sugar reduction.

- Bottled water has leapfrogged soda as the most popular category, and consumers are rethinking their allegiance to many other classes of product. Some of their interest has shifted from shelf-stable items carried in the center store of groceries to the fresher items carried on those stores' perimeters. Distribution systems that have been finely tuned for decades to handle shelf-stable products suddenly are inadequate to carry beverages in some of consumers' most coveted new categories, like cold-pressed juice, kombucha and cold-brewed coffee.
- But fresh, refrigerated products bring a host of challenges to big and small players alike. Among the big CPG players, Campbell Soup had a disastrous experience with its ownership of refrigerated juice player Bolthouse Farms, unloading it for pennies on the dollar and veering instead into snacks with the acquisition of the eminently shelf-stable Snyder's-Lance. For its part, a similar digression into the perimeter aisles at Hain Celestial quietly sputtered to a close with the shutdown of the BluePrint Juice brand that was at the heart of that strategy. And in a shocker at about the same time, Coca-Cola said it would shutter its Odwalla Juice brand.
- But smaller players also have run up against the challenges of the cold channel, whether it's distribution bottlenecks, quality control, e-commerce challenges or the simple ability to assemble floor displays in grocery stores. So many cold-brewed coffees have transitioned to shelf-stable recipes, possibly undermining the core premise of the category, and an increasing number of kombuchas are RINOs – refrigerated in name only. So it remains to be seen how far advanced this trend toward fresh will advance.
- It is not hard to understand the conundrum of corporate managers at major beverage companies. After all, predictions have been coming in for three decades of a sweeping shift in consumer tastes, but what shifts have occurred have done so mainly on the margins. Aside from energy drinks and low-end bottled waters, few new categories have truly ignited. That may be changing now.

- In any case, the larger companies are intent on being the first to spot and corral the most innovative new categories and brands — their FOMO ("fear of missing out") has driven acquisition multiples to heady levels — and to revamp internal brands that may be getting tired to play in some of these new segments.