This market report combines BMC’s wellness beverages and functional beverages industry research to provide insights into the increasingly intertwined world of healthful beverages that offer a specific functional benefit to consumers. In this study, we examine marketing activities, trends and issues in this multi-faceted market, covering beverages aiming to aid health, quench thirst and provide specific benefits. The report also distinguishes between the traditional and new-era wellness beverages industry, looking at the various segments and types.
The answers you need

*Wellness and Functional Beverages in the U.S.* provides in-depth market analysis, shedding light on various aspects of the segments through reliable data and discussions of what the numbers really mean. Questions answered include:

- Which segments in the United States have been growing, and which have not?
- What percentage of the U.S. beverage market can be classified as belonging to the wellness and functional category, and how has this changed in recent years?
- What are the leading companies, and how have they been performing?
- Which segment has the highest growth? Which company has leading market share?
- What are the leading consumer benefit segments of the industry?
- How has the new wave of wellness and functional beverages evolved from legacy categories?
- What are the prospects of the wellness and functional category by beverage segment through 2020?

This report features

The Wellness and Functional Beverages report provides an overview of 16 beverage segments before giving more attention to the 11 categories deemed the “new” wellness and functional beverage category. Much more than a functional beverages market report and wellness beverages market report rolled into one, this study provides data and analysis of multiple facets of both segments and insight on the trends and consumer need states driving these increasingly intertwined industries. As expected, volume, retail dollars, wholesale dollars and per capita consumption are included.

The companies and brands that comprise the burgeoning super-category are thoroughly vetted, anchoring them in the context of recent history and the changes that have spurred growth. Advertising and demographic data of the sub-segments are documented and the regulatory environment of dietary supplements is also discussed.

Backed by Beverage Marketing’s reliable, all-sales-channel-inclusive data, readers get a thorough understanding of the combined super-category as well as multiple facets of the wellness beverages industry and functional beverages market including:

- Analysis and quantification of the marketplace for healthful and functional food and beverage products from traditional wellness beverages such as fruit juice and milk to “new wellness beverages” such as coconut water and essence water.
- Discussion of the need states underpinning demand for such healthy products, as well as examination of target markets and consumer benefit segments round out the research. The report gives greater perspective to its research by illustrating the increasingly strong relationship between wellness and functionality in the mainstream beverage marketplace and the consumer drivers that are fueling innovation in the segment. The report also sizes the wellness and functional market by consumer benefit segment and tracks growth and share by benefit such as hydration, weight management, etc.
• A demarcation between traditional wellness categories versus newer evolving wellness segments is provided in BMC’s in-depth industry research. Focus is then placed on newer beverage types such as coconut water, energy drinks, kombucha, nutrient-enhanced drinks, meal replacement and protein drinks. In addition, key results from BMC’s market research is also provided, with expanded analysis of various sub-categories provided to ensure a fuller understanding of this rapidly changing arena.

• Detailed profiles and analysis of the leading companies and brands, discussions of their marketing activities and distribution strategies as well as company wholesale sales data. Includes profiles of the wellness and functional businesses of Coca-Cola Company, PepsiCo, Ferolito, Vultaggio & Sons, Monster Beverage Corporation, Califia Farms, Red Bull, Bai Brands, BodyArmor, Vita Coco and others.

• Advertising expenditures by segment as well as wellness and functional expenditures by media outlet (including internet advertising).

• Consumer demographic profiles comparing consumers of key beverage segments.

• Five-year wholesale dollar projections for the market and its sub-segments through 2020.
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Following the success of such products in Europe and Japan, major companies have created a market for “gut health” in the U.S.

- Gut-health products are classified as probiotic, prebiotic or symbiotic. According to Iowa State University, a probiotic is a “product containing live microorganisms in sufficient numbers to alter the microflora in a compartment of the body (stomach, intestine, or other) and thereby exert a beneficial health effect.” It states that a prebiotic is “a product containing a non-digestible food ingredient that produces health benefits by selectively stimulating the growth or activity of one or more bacteria in the colon.” Likewise, symbiotics are products containing both a probiotic and prebiotic “that selectively stimulate growth of bacteria in the large intestine.”

- Thus, so-called probiotics, which are found mostly in yogurts and other cultured dairy products in the U.S., are “friendly” bacteria that are said to aid in digestion. These friendly bacteria populate the gut and help to counteract disease. Bacteria-infused products are also touted as an antidote to the side effects caused by antibiotics. Some claim that probiotics play a role in counteracting colon cancer, high cholesterol, high blood pressure and even yeast infections, but skeptics state there is a lack of scientific consensus in this regard.

- To be called a yogurt in the U.S., FDA standards mandate the presence of two cultures, *Lactobacillus bulgaricus* (L. bulgaricus) and *Streptococcus thermophilus* (S. thermophilus). (In fact, milk could not become yogurt without added cultures. According to one researcher, “yogurt becomes a probiotic when the starter cultures used to ferment milk into yogurt are allowed to continue to live in the finished product.”) Additional cultures may be added and in fact many marketers do so.

- The National Yogurt Association, a trade organization, dispenses its seal for yogurts that contain active L. bulgaricus and S. thermophilus, as well as L. acidophilus, in sufficient amounts (at least 100 million active cultures per gram at the time of production and at least 10 million at the end of shelf life, according to Dannon). Dannon and other large yogurt marketers that make up the National Yogurt Association have pushed the FDA to adopt stricter definitions of what should be allowed to be called yogurt.

- One knock against yogurt is that as a dairy product it can contain many calories, depending on milk fat content, of course.

- A visit to a health food store shows there are other probiotic products, such as capsules or tablets, in refrigerated cases right next to the organic butter, soy cheeses and related items.
WELLNESS AND FUNCTIONAL RTD BEVERAGE MARKET
CHANGE IN ESTIMATED WHOLESALE DOLLAR SALES AND VOLUME
2000 – 2015

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Source: Beverage Marketing Corporation

Need States Expand

1970s

• Refreshment
• Basic Function

Today

• Social Fun
• Relaxation
• Individuality
• Wellness/Healthy
• Hydration

• Energy
• Replenishment
• Active/Portable
• Mood Enhancement

Source: Beverage Marketing Corporation