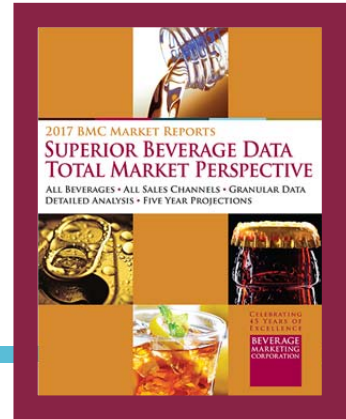


WELLNESS AND FUNCTIONAL BEVERAGES IN THE U.S.

2017 EDITION (Published November 2017. Data through 2016. Market projections through 2021.) Nearly 325 pages, with extensive text analysis, graphs, charts and more than 40 tables.



This market report from Beverage Marketing Corporation 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.

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HAVE
QUESTIONS?

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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 2021?

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 2021.

Wellness & Functional Beverages in the U.S.

November 2017



RESEARCH • DATA • CONSULTING

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

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Almond milk is not the province of environmentalists and raw-foodists convinced that soymilk has become too mainstream. Indeed, the leading player in the soymilk arena also fielded almond milk under its prominent dairy alternative brand name.

- WhiteWave (formerly a subsidiary of Dean Foods) applied the Silk trademark to a four-flavor line of almond-based beverages. The Silk Almond line consists of Original, Unsweetened, Dark Chocolate and Vanilla. It subsequently added light, organic and unsweetened versions of Original, light and unsweetened versions of Vanilla, and devised two Protein + Fiber spinoffs. (The iterations with added fiber were soon dropped.)
- As it does with its many varieties of soymilk, WhiteWave prefers to put its Silk almond milk in gable-top cartons intended for the dairy case rather than the aseptic boxes that once characterized the dairy alternative sector.
- Blue Diamond Growers uses both packaging formats.
- Califia Farms, profiled in Chapter 3, has introduced a premium almondmilk, as well as other beverage types, that has carved out a growing presence in the dairy case — which should continue to grow due to an infusion of capital and the deft stewardship of wellness and functional beverage veteran Greg Steltenpohl.

Like almond milk, coconut milk has a major brand giving it a presence in dairy cases.

- WhiteWave put its Original and Vanilla versions of Silk Coconut in half-gallon gable-top cartons, as it did with Silk Soymilk and the company's other dairy alternative beverages. The company boasts that its coconut milk packs 50% more calcium than standard dairy milk, with 45% of the daily value.
- Coconut milk, not to be confused with coconut water, is made with shredded coconut meat (what Silk calls coconut cream) and water. Coconut water, in contrast, is the liquid that forms inside young coconuts. Coconut water is not considered a dairy alternative beverage; it's often pegged as a natural sports beverage or New Age alternative.

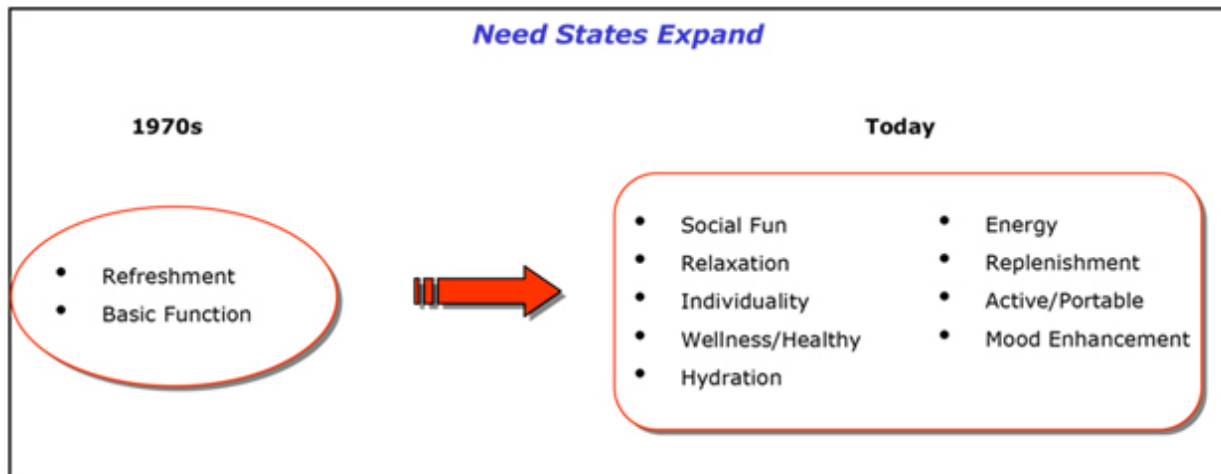
Hemp milk makers use the edible seeds of *Cannabis sativa L.*

- Though often confused with marijuana, seeds derived from the hemp plant have no psychoactive properties.
- What hemp seeds do have, according to hemp milk purveyors, are ample plant-based protein, omega-3 and omega-6 essential fatty acids, amino acids, vitamins and minerals. The hemp plant also thrives without use of pesticides and herbicides, which pleases consumers who care about sustainable agriculture.

**WELLNESS AND FUNCTIONAL RTD BEVERAGE MARKET
CHANGE IN ESTIMATED WHOLESALE DOLLAR SALES AND
VOLUME
2000 – 2016**

| Year | Dollars | Gallons | Price Per Gallon |
|---------|---------|---------|------------------|
| 1999/00 | ███% | ███% | ███% |
| 2000/01 | ███% | ███% | ███% |
| 2001/02 | ███% | ███% | ███% |
| 2002/03 | ███% | ███% | ███% |
| 2003/04 | ███% | ███% | ███% |
| 2004/05 | ███% | ███% | ███% |
| 2005/06 | ███% | ███% | ███% |
| 2006/07 | ███% | ███% | ███% |
| 2007/08 | ███% | ███% | ███% |
| 2008/09 | ███% | ███% | ███% |
| 2009/10 | ███% | ███% | ███% |
| 2010/11 | ███% | ███% | ███% |
| 2011/12 | ███% | ███% | ███% |
| 2012/13 | ███% | ███% | ███% |
| 2013/14 | ███% | ███% | ███% |
| 2014/15 | ███% | ███% | ███% |
| 2015/16 | ███% | ███% | ███% |

Source: Beverage Marketing Corporation



Source: Beverage Marketing Corporation