

Drinking to Health and Innovation



LEIGH ANNE VAUGHAN, KERRY
STRATEGIC MARKETING MANAGER

Key suppliers offer their thoughts on the trends to watch in the soft drinks sector. Where are the latest opportunities in functional beverages and which active ingredients should we be looking out for?

**LAUREN WILLIAMS,
SENSIENT FLAVORS**

MARKETING MANAGER - BEVERAGE

On natural marketing and flavors trends to watch...

“With the amount of information today’s consumers have at their fingertips, they are more well-read than ever before. Right or wrong, there are articles, blogs, websites and encyclopedias on any ingredient, claim or processing technique the industry can dream up. Consumers are eagerly learning which products are best suited for their individual needs. This personalization of products takes many forms. In a strictly dietary sense,



consumers can have their favorite foods “built to suit” - but it goes further than that. Take the tea aisle for instance. Not only are there teas for any ailment, health goal or well-being need, there are multiple flavors of each. Natural and clean label beverage marketing is all about telling the story of the product. Consumers purchasing these types of products seek an in-depth understanding of who, what, where, why, & how this beverage got on the shelf. This has become as important to consumers as the product itself. They see these products as an expression of themselves and a way to support companies with the same worldview. Today’s consumers are smart and savvy. They are fact checking claims, assessing credibility, and synthesizing information.

In terms of flavor trends, we are particularly excited about ethnic, hybrid, savory-in-motion & ethically-minded flavor trends.

Ethnic: An uptick in global connectedness allows consumers who view themselves as travelers or explorers to literally get a taste of another culture through the region’s food and drink.

Hybrid: Consumers are using the power of personalization to create flavor hybrids that satisfy their sense of adventure without completely departing their comfort zone.

Savory-in-motion: We’ve seen dessert flavors successfully adapt to applications off the dessert menu. Next up for category-crossing, savory flavors.

Ethically-minded: Consumers’ sense of health and wellness has expanded beyond their individual being to encompass the social and environment landscapes they occupy. These consumers are going to seek products that support this more altruistic view.” ■

On the natural trend and beverage customization...

“Two of the key beverage trends that Kerry is looking at are natural, and customization. Due to the number of high profile food scares, consumers are demanding more visibility, simplicity and natural ingredients in their beverages. At Kerry, we meet this consumer requirement through our natural botanical, citrus, vanilla and cocoa portfolio. Millennials are seeking customized products and multi sensorial experiences and this trend is increasingly relevant to beverage NPD. The positive collision of Kerry’s market-focused, insight-driven approach with total taste capability empowers us to innovate the most exciting new concepts for this audience.

The perfect storm of millennial craving for “just-for-me products,” the numerous recent food scares and a general return to simplicity means that communication of natural and clean label ingredients is increasingly important for beverage brands. This has resulted in consumer migration to the perimeter of the store to purchase what they perceive to be fresher, healthier products. At Kerry, we enable our customers to make natural claims that meet this increasingly important consumer need. We do this by finding solutions that are equivalent to, if not better than traditional beverage ingredients, while maintaining taste perception.” ■



EWA SZWONDER, IFF
MARKETING MANAGER BEVERAGE EAME



HANS SCHINCK, CORBION PURAC
CATEGORY MANAGER

On the trends to watch, including craft beverages...

“Today’s innovation is focused on re-developing products to ensure they taste great. Tomorrow’s consumers will be exposed to greater product choice where the “best taste” will win with no concessions. More new beverages are designed specifically for small target groups. Some products target only a specific gender, age group, mealtime, or occasion, through not only marketing campaigns but also new ingredients and adapted taste profiles. Such differentiation is mostly made using cross-category influences and market trends. We see carbonated iced tea, floral drinks, super spicy shots, Asian fusion drinks, and flavored brown spirits among other examples. The consumer need for value is emphasized by the upcoming trend of “craft” beverages.

Craft is bringing together consumers with similar value sets that wish to break away from the traditional target group segmentation. For craft products, the label is the most important communication tool, and it conveys these values to the consumer.

Transparency on ingredients, their natural status, and the way the product and its ingredients were produced, are good examples of label drivers for consumers looking for products they can trust. Flavor profiles for craft beverages are dominated by authentic, high-impact, and traditional flavor choices, but exotic, experimental options can also be found.” ■

On beverage trends and the rise of clean label...

“We see several trends that impact the beverages sector. One of the most exciting is “health on the go,” and of course soft drinks are perfectly suited for this. Look at Innocent Smoothies – already inherently healthy, those drinks are now being fortified too. We see this trend reflected in our own business: US demand for nutritional premixes is growing, as is interest worldwide in soluble calcium and other mineral salts. Another trend is accelerating NPD. Brand owners need to introduce new products frequently to retain consumers’ interest and loyalty. That means efficiency in research and development is critical – and it’s where online tools and wizards offered by ingredients suppliers can really help.

Natural and clean label are huge trends throughout the entire food and beverage industry and I don’t see that changing. While consumers appreciate the huge variety on offer today, they also want to recapture some the simplicity of years gone by. Manufacturers will need to be increasingly transparent – showing what their products contain (and why), how they were produced etc. Already we see the beginning of this in storytelling around brands, especially with wines and craft beers such as Sam Adams. Transparency and openness like this leads to trust and credibility, which are critical to a successful brand.” ■



DAVY LUYTEN, INGREDION,
MARKETING MANAGER DELIVERY SYSTEMS

On health ingredients to watch and labeling issues...

“We are starting to see a lot of interest in added vitamins and the use of carotenoids, with developments such as astaxanthin now coming to market. High in nutrients, active ingredients such as these are becoming increasingly appealing to manufacturers. Drinks producers also have to consider a carrier for these active ingredients. Ingredion’s Q-NATURAL 200V emulsifier, for example, is an effective carrier in beverages, delivering color and flavor, while providing a natural emulsification for both weighted and non-weighted beverages.

Product labeling is under the spotlight as consumers are increasingly looking to analyse what they eat and drink, making ingredient choices even more important for manufacturers. The main challenge for product developers is creating healthy, natural alternatives whilst maintaining the taste, flavor and texture of end products. By switching existing ingredients for more natural ones, manufacturers can market products with an overall “cleaner” profile. Our newly launched FOAMATION Q 200 foaming agent, for example, which supports a natural positioning, can be used instead of PGAs to formulate indulgent, consumer friendly drinks. It can even help manufacturers cut costs too.

By working with a specialist ingredient supplier, drinks manufacturers can overcome these challenges to confidently adapt existing recipes and bring new products to market.” ■



THOM KING, STEVIA INGREDIENTS
CEO & PRESIDENT

On clean label sugar reduction strategies...

“Clean label sugar reduction is a major trend and based on government restrictions and consumer demand we expect to see this grow exponentially for the next 5 years at least.

Clean labeling is a consumer driven trend that is expected to continue. Innova Market Insights sees movement towards transparency. They call the number one trend for 2015: “from clean to clear label.” Buyers are scrutinizing labels for ingredients with names that they understand. Plus consumers are paying a lot more attention to how much sugar is in their foods. Many consumers are looking to eliminate ingredients that are sources of added sugar.

We have had a spike in interest for our MonkSweet plus Monk Fruit-Stevia Sweetener. We find that Monk Fruit & Stevia mask each other’s off notes while delivering on clean label sugar reduction.

Portion control is always important however this is easier said than done. Sugar reduction in products will help reduce at least the calorie intake and if this government gets involved the will be a big shift in what ingredients manufacturers use. While we are not supporters of the tax and spend policy, reducing sugars will help reduce incidences of obesity and diabetes which have a huge cost to all of us through increased medical care costs. So in the long run, we support it.” ■



AISLA RUTKOWSKI, BLANVER
REGIONAL ACCOUNT MANAGER

On health ingredients to watch and clean label...

“With health and bodycare, from the inside out, being taken more and more seriously, opportunities for developing new functional products are growing every year. There are many opportunities for functional beverages with collagen, ginger and coconut oil in 2015. Collagen is already popular in some regions is now gaining momentum and reaching new countries and classes. Combined with trends in flavors, collagen can be an excellent choice for the development of new beverages with the appeal for skin, nails and hair care. Another ingredient that should be considered as a functional trend is ginger. Because of its antioxidant and anti-inflammatory properties, it can attract many consumers for these and other benefits that are now being scientifically explored.

As an alternative source of fat, coconut oil is a trend and it can be used in beverages, especially those that are more complete, such as meal replacer or for appetite control. Coconut oil can provide several health benefits which include skin care, weight loss and digestion.

Now is time to develop ingredients that are technically functional and well accepted by consumers. To develop a drink using fewer stabilizers, emulsifiers and salts is the biggest challenge. All this relates to the rise of the clean label market.” ■