

Tea and RTD Tea - US - July 2014

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“The healthfulness of tea has been heavily pushed through media and marketing. However, consumers’ focus may be switching away from health, which they have most likely come to expect from the category, and are now looking for flavor and product innovation to keep them interested.”

– Elizabeth Sisel, Beverage Analyst

This report looks at the following areas:

- Is tea losing its health appeal?
- Do consumers prefer other beverages to tea and RTD tea?
- Is tea considered an everyday beverage?

Consumers’ attention to healthful beverages and product innovation within the US tea market has helped the category receive consistent sales growth. Sales of refrigerated RTDs and bagged/loose leaf/single-cup tea are driving category growth. However, the stagnant bottled and canned RTD segment remains the largest segment in the category, while the instant tea segment continues to struggle and decline in sales. According to Information Resources Inc. Builders Panel data, household penetration and volume per buyer had no significant change this year compared to last, indicating sales growth at current prices are partly fueled by price increases.

Interest in more flavors and varieties of tea create opportunity for manufacturers to continue to adapt it to US consumers’ palates, and expand and strengthen their audience outreach. Tea is currently considered less of a staple beverage compared to milks, juice drinks, bottled waters, and even carbonated soft drinks; presenting it as a healthy but versatile drink choice will help increase and expand occasion consumption.

This report builds on the analysis presented in Mintel’s *Tea and RTD Tea – US, July 2013* and the same report title from July 2012, July 2011, May 2012, May 2009, May 2007, and May 2005, as well as Mintel’s *Non-alcoholic Beverage Drinking Occasions – US, January 2014*, *Non-alcoholic Beverages: The Market – US, April 2011*, and *Non-alcoholic Beverages: The Consumer – US, May 2011*.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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