

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



Hybrid beverages represent an opportunity for manufacturers to provide consumers with new and unique flavours. While "taste" remains the most important consideration for Canadian consumers when drinking their preferred beverages, nutritional benefits are a secondary consideration on par with affordability.

# This report looks at the following areas:

There is also ample opportunity for growth of hybrid beverages drink with 14% of Canadians indicating they drink 'hybrid/fusion drinks' on a typical day. By contrast, 90% of Canadians claim they drink water (which includes tap water). Hybrid beverages hold more appeal with younger consumers, and feedback collected for this Report suggests that younger consumers also show more interest in trying 'less traditional' options. Given Canada's aging population, this can represent a challenge, though it can be addressed by offering combinations that hold greater appeal with older consumers.

- Tension exists between cost and exploration
- Sugar is the most pressing concern for consumers
- Canada's aging population a challenge for beverages

# BUY THIS REPORT NOW

**VISIT:** store.mintel.com

**CALL:**EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com

**DID YOU KNOW?** 

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



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### **Table of Contents**

#### **Overview**

What you need to know

Definition

#### **Executive Summary**

The issues

#### Tension exists between cost and exploration

Figure 1: Attitudes towards hybrid drinks, December 2017

#### Sugar is the most pressing concern for consumers

Figure 2: Attributes identified as important for beverage purchases, December 2017

#### Canada's aging population a challenge for beverages

Figure 3: Beverages consumed in a typical day, by age, December 2017

The opportunities

#### Beverage shares shifting in the Canadian market

Figure 4: Non-alcoholic beverage value share distribution at retail in Canada, 2012-17

#### Fruit flavours prove popular when considering hybrid beverages

Figure 5: Ideal hybrid drinks, December 2017

Hybrid beverages can be positioned as a means to bolster health-related benefits

What it means

#### The Market - What You Need to Know

Focus on health and weight management to continue

Aging population impacts what Canadians eat and drink

#### **Market Factors**

## Sales of sugar decline over the past five years

Figure 6: Total Canadian sales value for sugars and alternative sweeteners, at current prices, 2011-16

## Focus on health and weight management to continue

Figure 7: Body mass index, self-reported rate of being overweight or obese among Canadian adults, by gender, 2010-14

# Aging population impacts what Canadians eat and drink

Figure 8: Population aged 65 years and over in Canada, historical and projected (% of total), 1971-2061

#### Immigration fuelling Canada's population growth

Figure 9: Foreign-born share of population, by G8 country and Australia

# **Key Players - What You Need to Know**

Focus on flavour innovation provides consumers with more choice

Considerations around price represent a potential barrier for hybrid beverages

Beverages leverage natural appeal

# **Opportunities**



VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### Focus on flavour innovation provides consumers with more choice

Figure 10: Non-alcoholic beverage drink launches in Canada (select categories), 2013-17

#### **Potential Challenges**

Considerations around price represent a potential barrier for hybrid beverages

Concerns around sugar don't mean Canadians shun sweetness

#### What's Next?

#### Beverages leverage natural appeal

Figure 11: V8 +Energy White Grape & Raspberry Flavored Energy Drink (US, October 2017)

Figure 12: V8 +Energy Original 100% Vegetable Juice with Green Tea Extract (US, October 2017)

Figure 13: Diet Coke Twisted Mango Flavored Diet Soda (US, February 2018)

#### Internationally inspired ingredients prove useful for flavour and health innovation

Figure 14: Monfefo Turmeric Shot Cold-Pressed Juice Drink (US, January 2018)

Figure 15: Taste Nirvana Read Coconut Water with Matcha Green Tea (Canada, April 2017)

Figure 16: REBBL Matcha Latte Super Herb Powered Coconut-Milk Elixir (Canada, April 2017)

Figure 17: Yachak Berry Red Yerba Mate (US, December 2017)

#### Coffee's popularity in Canada unlocks opportunity for innovation

Figure 18: Keepers Citrus Sparkling Coffee (US, November 2017)

Figure 19: Upruit Mint Grapefruit Sparkling Coffee (US, January 2018)

Figure 20: Sunniva Vanilla Bean Super Coffee (US, October 2018)

#### Texture - The next sensory frontier

Figure 21: Organic Harvest Soul Green Fusion Organic Chewable Juice (US, March 2016)

Figure 22: Fanta Jelly Fizz Orange Flavour Soft Drink (Australia, March 2017)

Figure 23: Fanta Sour Tingle Berry Flavour Drinks (Australia, March 2017)

Figure 24: Fanta Jelly Fizz I How to Unlock the Jelly!, May 2017

#### The Consumer - What You Need to Know

Beverage landscape shifting in Canada

Taste dominates when choosing a beverage

Sugar remains the most pressing concern for consumers

Tension exists between cost and exploration

Fruit' flavours represent the lowest-hanging fruit

#### **Beverage Usage**

#### Beverage shares shifting in the Canadian market

Figure 25: Non-alcoholic beverage value share distribution at retail in Canada, 2012-17

Figure 26: Beverages consumed in a typical day, December 2017

#### Water can represent a challenge for growing beverage sales

#### Younger Canadians more likely to drink beverages other than water and milk

Figure 27: Beverages consumed in a typical day, by age, December 2017

### **Beverage Selection Drivers**

BUY THIS REPORT NOW VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### Taste dominates when choosing a beverage

Figure 28: Reasons for drinking preferred beverages, December 2017

Figure 29: Flavour components in North American juice launches, 2017

#### Familiarity trumps trial as a reason for drinking preferred beverages

Figure 30: Familiarity and trial as reasons for drinking preferred beverages, by age, December 2017

#### Consumers are divided between nutrition and affordability

Figure 31: Nutrition and affordability as reasons for drinking preferred beverages, by gender and age, December 2017

#### **Health-related Considerations**

#### Sugar remains the most pressing concern for consumers

Figure 32: Attributes identified as important for beverage purchases, December 2017

Figure 33: Low/no sugar's importance to beverage purchases among women, by age, December 2017

#### "All-natural" and "low calorie" prove important to an equal number of consumers

Figure 34: Importance of 'all-natural' versus 'low calorie', women 18-44 vs over-45s, December 2017

#### Added benefits resonate with a third of consumers

Figure 35: Importance of various attributes, by age, December 2017

Hybrid beverages can be positioned as a means to bolster health-related benefits

#### **Hybrid Beverage Innovation Opportunities**

#### Tension exists between cost and exploration

Figure 36: Attitudes towards hybrid drinks, December 2017

Figure 37: Attitudes towards hybrid drinks, by age, December 2017

# Familiar brands are not necessarily a benefit for hybrid beverages

Figure 38: Peach and Habanero Flavour Artisanal Soda (Canada, December 2016)

## 'Fruit' flavours represent the lowest-hanging fruit

Figure 39: Ideal hybrid drinks, December 2017

# Different combinations appeal to different demographics

Figure 40: Ideal hybrid drinks, by age, December 2017

Figure 41: Ideal hybrid drinks, by gender, December 2017

Figure 42: Ideal hybrid drinks among women, by age, December 2017

Figure 43: Ideal hybrid drinks by among men, by age, December 2017

#### **Consumer Groups**

#### Broad nutritional and functional benefits hold greater sway with Canadians

Figure 44: Beverages consumed in a typical day, Canada vs US, December 2017 (Canada) & November 2017 (US)

Figure 45: Ideal hybrid beverages, Canada vs US, December 2017 (Canada) & November 2017 (US)

Figure 46: Reasons for drinking preferred beverages, Canada vs US, December 2017 (Canada) & November 2017 (US)

Figure 47: Desired non-alcoholic drink attributes, Canada vs US, December 2017 (Canada) & November 2017 (US)

# Chinese Canadians more open to drinking hybrid beverages

Figure 48: Beverages consumed in a typical day, Chinese Canadians vs overall population, December 2017

Figure 49: Reasons for drinking preferred beverages, Chinese Canadians vs overall population, December 2017

BUY THIS REPORT NOW

VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 50: Creating a hybrid drink, Chinese Canadians vs overall population, December 2017

#### **Appendix - Data Sources and Abbreviations**

Data sources

Sales data

Consumer survey data

Consumer qualitative research

Abbreviations and terms

Abbreviations

**VISIT:** store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300