

Tea and Other Hot Drinks - UK - February 2011

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What is this report about?

The tea market has seen a declining user base due to the failure of standard "English" breakfast tea (ie PG Tips, Tetley) to resonate among younger (under-35) consumers as it did with previous generations. Mintel's research shows this new generation of tea drinkers are a different breed altogether, preferring to flit between standard "English" breakfast, speciality and herbal teas, and embracing new flavours and new brands, in other words, a far cry from the habitual and conservative over-35 standard tea drinker.

Hot chocolate is a small but growing market. It has the potential to be much bigger but must overcome consumers' perception that it should be only an occasional rather than regular treat.

What have we found out?

- More new product development which blurs the lines between hot chocolate as a liquid and as a solid can help reposition it as an everyday indulgence. Currently, hot chocolate is only converting 12m of its 32m drinkers to drinking at least once a week, due to both the high calorie content of standard versions and the unsatisfying taste of low calorie variants.
- For the new generation of tea drinkers it is vital to link the benefits of particular teas to specific mood states. For example, 18-34 year-olds are much more likely to shift between drinking standard "English" breakfast, herbal and speciality tea depending on their mood-state ie a need to relax or for an energy boost. In contrast 35+ year-old consumers tend to be habitual "English" breakfast tea drinkers.
- The predominantly 18-34 year-old 'white collar' audience who like to drink speciality tea rather than just standard "English" breakfast (ie Tetley, PG Tips) are very open to premium marketing cues.
- There is an opportunity to develop an energy-infused herbal tea to attract more young (18-34), male, 'blue collar' drinkers. This group are currently much more likely than average to be put off drinking herbal tea because over a quarter think of it as "just for women". Green tea is an example of a herbal tea product which has benefits for those active in sport, of which many young men are, but it has not marketed itself in this way.
- To become more mainstream, herbal teas needs to continue innovating around flavour in order to improve its taste. Currently, 22 million of the UK population drink standard tea and over half (56%) have tried herbal tea but did not like the taste.
- By focusing on specific occasions that they can be drunk at home, hot beverages can help younger consumers to understand how these products can fit into their lives. Malted drink Horlicks has been able to grow sales of a highly traditional product by marketing it to women as 'made for evenings'.

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