

Tetra Pak 100% Juice Index reflects trend for premiumisation

Globally, consumers see 100% juice as healthy, natural and tasty, according to the [Tetra Pak Index](#), and the shift to all natural juice products is most pronounced in several emerging markets including Africa. Notably, not from concentrate (NFC) is gaining share from reconstituted, despite its higher price point, reflecting the trend for natural, less processed products, as well as a general trend for premiumisation.

The report, focused exclusively on 100% juice, also shows that brands in both developed and emerging markets are finding creative ways to capitalise on these attributes, introducing innovative new products that are capturing the imagination of consumers and helping drive growth.



Dennis Jönsson

Tetra Pak president and CEO, Dennis Jönsson, says: “It is good to see that brands globally are turning the challenges presented by changing lifestyles and the sugar debate into opportunities. They are driving growth in the 100% juice category with new products that capture the imagination of consumers, stretching beyond traditional fruit juices such as orange and apple, to a range of inventive vegetable blends, and new fruit flavours, creating endless possibilities for new recipes. As ever, the key to success is innovation, offering the right product at the right time to meet the modern consumers’ needs, and, just as importantly, capturing their attention and making a connection with them.”

Insights from the report show that 100% juice remains a significant part of the average consumer diet, with more than 40% of people drinking it every day. Furthermore, consumers say that they are willing to pay a premium for juices that they associate with healthy choices.

A useful guide for exploring current penetration and scope for future growth is per capita consumption. Even allowing for the drop in total volumes, in 2015, US consumers drank more than 6,7bn litres of 100% juice, just under a third of the worldwide total. Per capita, that amounted to 20,9 litres per person per year. By

contrast, China's per capita consumption is just 0,4 litres per person per year, suggesting that despite its double-digit growth, the industry is still only scratching the surface of the opportunity.

The fastest growing markets in per capita terms between 2010 and 2015 can be found in Africa, the Middle East and Latin America. While many of these started from a low base, some are emerging as key markets driving sales and innovation. Brazil is one we've already mentioned; Mexico, South Africa and Saudi Arabia are others.

NFC gained share from reconstituted, up from 25,6% in 2009 to 28,9% in 2015, while global average price per litre for reconstituted juice declined by 0,3% CAGR 2009-2015, and NFC prices grew at 1% CAGR 2009-2015.

Volumes of NFC sales are also increasing in many countries, including those where overall juice consumption has dropped. In Germany, for example, NFC 100% juice sales grew by 4,1% between 2012 and 2015, and are projected to grow a further 3,8% by 2018, while overall volumes decline. The trend is even more marked in Canada and South Africa.

Three emerging market trends

1. *Speciality 100% juice*: Consumers are looking for functional products that can either reduce their risk of disease and/or promote good health: 61% globally say they are interested in products with proven medical health benefits while three in 10 people are interested in premium soft drinks with functional benefits that relieve stress;
2. *All natural*: There is a clear shift towards products that the consumer sees as natural, evident in not-from-concentrate 100% juice gaining share over reconstituted despite its higher price. In our consumer survey, "all natural" rated highest as most interesting product (on 67%). This reflects Nielsen's 2015 Global Health and Wellness Survey, which says 43% of global consumers now want to buy "all-natural" products. The regions where this trend is most pronounced are Latin America (64%) and Middle East/Africa (53%); and
3. *Vegetable nutrition*: Vegetable drinks have long had a strong presence in some markets, notably Japan, where they are seen as a distinct segment, focused on health, while traditional juices are considered refreshments. But they are becoming increasingly popular worldwide, especially in established markets where they are blended with juice to lower the natural sugar content and add health benefits.

Six key insights

1. *Consumers see 100% juice as tasty, natural and healthy*: This is a strong positive perception that connects to the biggest trends in food and beverages today. There are opportunities in three product areas: specialty 100% juice; all natural; and vegetable nutrition – especially when they overlap;
2. *Awareness of the sugar debate is wide-spread – but few have negative perceptions of 100% juice*: Now is the time to remind and re-educate consumers and influencers about the health benefits of 100%

juice, particularly as one of the recommended “5-a-day”. Joint action and consistent messaging across the industry is key;

3. *However, some consumers have reduced consumption due to sugar concerns:* There are opportunities for portion packs in sizes that reflect local expert advice for recommended daily intake, and for new formulations, such as fruit and vegetable blends with lower natural sugar content and additional health benefits;
4. *Changing lifestyles are challenging traditional consumption occasions, notably breakfast:* Demand for on-the-go consumption, snacking and social juice occasions all create alternative opportunities for consumption out of home;
5. *Premiumisation is a rising trend:* The strongest growth in the category is at the highest end. Consumers are particularly prepared to pay more for natural products that promote good health; and
6. *New segments, new recipes, new brands keep shaking up the market:* Product innovation is key to success: modern consumers constantly crave new ways to meet their needs and will readily turn to new products. Fresh ways to communicate and connect are equally important.

The Tetra Pak 100% Juice Index report is based on market insights through the company’s partnership with customers around the globe, as well as recent research findings from 7,000 consumers in seven countries.

More information on 100% juice and the full report can be found at [Tetrapak.com](https://www.tetrapak.com).

For more, visit: <https://www.bizcommunity.com>