



Consumers are demanding authenticity, ingredient accountability and meaningful innovation from better-for-you beverages.

BY CAROL RADICE

Thirst-quenching opportunities

Consumers are not kidding around when it comes to buying better-for-you beverages—especially for those they believe offer health-enhancing properties. Thanks to the explosion of readily available information on which ingredients are beneficial and which to avoid, today’s enlightened consumers take the time to examine their choices thoughtfully and smartly. This educated consumer is pushing suppliers to focus on adding value through innovation.

“Another flavor or package of the same product does not add anything meaningful for the consumer or the retailer,” says David Kirkpatrick, chief marketing officer for The FaVe Juice Co., based in Middletown, N.J. “Brands that offer new and real advantages versus the status quo will continue to enjoy success.”

Consumers are also turning away from products laden with chemicals or artificial sweeteners, say industry observers. Instead they are leaning toward honest, healthy, all-

natural beverages that do not hide anything on their labels. “We boldly list our ingredients on the front of our bottles and the percentages of juice are listed on the back,” says Mark Orsi, senior director of beverages, North America for POM Wonderful, based in Los Angeles. “Customers know when they buy our juices they won’t find anything on our labels that they can’t pronounce.”

While the demand for functional beverages is rapidly growing, there are significantly higher hurdles for companies to succeed in the category. Victor Diaz, president and founder of Sunrise, Fla.-based Cellutions, maker of Modjo functional drinks, calls today’s consumer “sophisticated” and says that health and wellness attributes strongly influence what products consumers are buying today. “Beverages are a perfect delivery vehicle for functionality, but at the same time the credibility bar has been raised. Those offering a higher value-add proposition hold the most interest for consumers,” says Diaz.

Consumers have grown tired of products

making empty promises, adds Diaz. He says shoppers are gravitating toward beverages that provide a true benefit. In creating its line of better-for-you beverages, Cellutions has critically selected a group of key, powerful and proven ingredients. “We offer a range of breakthrough products that provide a unique consumer experience,” says Diaz. “Our goal is bringing new age beverages to market that are trustworthy, distinctive, responsible and that actually perform as promised.”

The company’s newest beverage is Modjo Hydrate Elite, an all-natural beverage infused with real coconut water and fortified with sea salt. It joins Modjo forLIFE, a replenishment beverage fortified with resveratrol and Modjo Life Natural Energy Shots, a caffeine-free energy shot made with natural ingredients.

Low calorie counts may also be a quality consumers want from beverages, but observers say many times low-calorie drinks sacrifice on taste and are expensive to boot. “That’s why we offer better tasting drinks that offer value,” says Luke Zakka, senior vice

president of operations for New York Spring Water, based in New York. For the past six years the company has been a bottler in the Catskill region of New York State with its own springheads and bottles every product on its own machinery, in its own plant.

As the better-for-you beverage category landscape rapidly changes the bar continues to rise and the point of entry is offering clear differentiation, say observers. “Pretender brands will live a short existence,” says C.J. Rapp, CEO of Pittsford, N.Y.-based Karma Culture. “Those that rise to the top will be offer tangible benefits and serve a purpose.”

Guided by the connection between their health and the foods they eat, consumers voraciously read nutritional panels and educate themselves on what makes a better-for-you beverage better. These knowledgeable consumers are largely influencing change in the beverage category.

“Consumers are demanding more ingredient accountability from beverage makers,” Kirkpatrick says. “This means that they expect us to provide them with reasons—beyond just refreshment—to stay in the commercial beverage category. These reasons must be fact-based and clearly supported by the product label otherwise they will take a pass.”

As a new company with a simple mission, Kirkpatrick says FaVe’s goal is to simply create better-for-you beverages. For example, the company’s All-Natural FaVe juice is a blend of 100% fruit and vegetable juices. Available in Strawberry-Banana-Kiwi, Blueberry-Pomegranate-Goji and Orange-Tangerine-Pineapple, each eight-ounce glass of FaVe contains three full servings of vegetables.

Kirkpatrick says the company’s focus this year will be on its All-Natural FaVe Juice. While the product is currently available only in 46-ounce recyclable PET bottles, Kirkpatrick says if they receive enough demand from retailers, they are prepared to expand into single-serving packages, including aseptic and smaller PET bottles.



The power of one

Founded by breast cancer survivor Trish May in 2003, Athena water was created to raise funds to fight women’s cancers. According to Elizabeth Webb, cause-marketing manager for the brand, its philosophy is based on the power of one: “one person can make a difference, and together we can change the world.”

After meeting her personal hero Paul Newman, May decided to model the Athena brand after Newman’s Own line of healthy food products. The company was named after the goddess Athena, from Greek mythology, known for her strength, courage and wisdom. May chose bottled water because she says it is the source of life. “This enables everyone to make a difference for the breast cancer cause with a simple purchase of water—an item that most people purchase anyway,” says Webb, adding that Athena is available year-round in one liter and 24-pack cases of 16.9-ounce bottles. “It is not just another pink label that pops up during Breast Cancer Awareness Month.”

In 2010, Atlanta-based DS Waters of America, purchased the brand from the May family to expand its distribution and continue its mission of fighting breast cancer.

The company’s goal is to raise a minimum of \$1 million by 2014, which will go to support breast cancer awareness, education and research.

With 18,000 acres in central California, POM Wonderful grows, handpicks and juices its own pomegranates. Orsi says this allows the company to guarantee that its products come from one source—California-grown POM Wonderful pomegranates. “This means that each bottle of POM Wonderful 100% Pomegranate Juice is guaranteed to contain pure pomegranate juice that consistently delivers superior taste and powerful antioxidants in every serving,” says Orsi.

The company offers its 100% Pomegranate Juice in a range of sizes. The new eight-ounce size, created for consumers on-the-go, joins POM Wonderful’s family of products, which include 16-, 24-, 48- and 60-ounce bottles.

The vitamin water segment, which has been one of the top selling segments of better-for-you beverages for the

past several years, continues to experience growth and attract competition. According to Rapp, Karma Wellness Water was born out of the idea that what goes around comes around and is based on the simple belief that if you do something positive, you will get something positive back in return. “Karma Wellness Water is a breakthrough concept that delivers both style and substance,” says Rapp, adding that often brands look healthy, only to fall short when it comes to quality ingredients and delivering on its promise.

As Rapp explains, most vitamins deteriorate in water over time, thus the potency of premixed vitamin enhanced drinks often diminishes before consumers make a purchase. Addressing this issue, officials at Karma designed a cap that stores the vitamins until released into the water when the bottle is squeezed. Rapp says this “on demand” feature optimizes both freshness and potency, translating to real health benefits for the consumer.

New York Spring Water’s VBlast features a dosing cap technology that stores liquid vi-

tamins. In addition, sugar-free VBlast drinks have no calories, carbohydrates or caffeine and are available in eight naturally flavored varieties. “Our signature New York Spring Water line of waters, and all our water brands, are local and traceable and not brought in from 1,000 miles away, yet competes in TDS (total dissolved solids) and any other measure of quality,” says Zakka. “Everything we do is vertically integrated, which enables us to deliver the highest quality product at the best price in the dosing cap niche and even the enhanced water market as a whole.”

FIBER OPTICS

Consumer awareness levels of the beneficial role fiber plays in the diet have risen, yet recent studies suggest most people still do not consume enough on a daily basis. Previous versions of fiber water came in powdered form. Some say the taste left a lot to be desired and the product had to be taken several times a day for enough fiber to be consumed.

Recognizing this, 9-12 Corp., the Caguas, P.R.-based parent company for Elevate Waters, introduced a line of flavored bottled fiber water. “It has been a long, tedious process but it was important to us that we get the right fiber for our product and be able to couple it with a natural flavor profile that would allow for the best presentation,” says Jose Lazoff, president of the 9-12 Corp. “We have created a convenient, tasty way for people to add more fiber to their diet.”

Elevate Water regularly holds sampling events to help familiarize consumers with their fiber water and help allay any misperceptions shoppers may have about what a fiber water product tastes like. According to Lazoff, the company plans to launch both new flavors and new functional beverage products in the coming months.

The focus on better-for-you beverages may lean toward drinks that appeal to adults, but there has also been a lot of recent interest in the children’s segment. According to Peter

Moersen, president of In Zone Brands, based in Smyrna, Ga., maker of BellyWashers, TummyTickler and TummyTickler Tots juice products, consumers are flocking to a 100% juice product with no sugar added. “In an age of sugary drinks lacking nutritious qualities we are offering moms an alternative that kids actually want to drink,” says Moersen. “The easy-to-hold bottle with fun collectible character tops draws kids to the product, while a better-for-you beverage in a no spill container makes us an easy choice for parents.”

Moersen says that better-for-you children’s beverages are a key growth area for retailers. “Kids consume over \$4 billion dollars of beverages in the U.S. each year, which makes them a very important segment for our retail partners,” says Moersen. “As the category leader in children’s beverages, our mission is to provide fun packaging that encourages the increased consumption of healthy beverages for kids, nutritious solutions for parents and profitability for our retail partners.” □