NIQ
Snap View

Innovation in the Beverage Category

*As volume declines and competition increases in the Beverage category, winning manufacturers realize **innovation is crucial to boosting overall growth**. The winners **use velocity as a leading indicator for success**.*

The Beverage Category grew dollars

+2.3%

but EQ volume fell

-0.9%

in L52W.

Beverage manufactures growing innovation sales in 2022 were

1.6x*

more likely to grow overall sales compared to those with stagnant or declining innovation sales.

Products are

3x

more likely to succeed if velocities are in the top 40% of the category

*Impact is calculated as a ratio of percentages of manufacturers growing total sales among those growing innovation sales vs those with no growth in innovation sales

Innovations are crucial to driving growth

But even in the top categories, there is room for more manufacturers to innovate

	Total Sales	*Innovation Contribution*	*% MFR Growing Innovation Sales*
Flavored Drinks - Carbonated	$40.2B ▲	2.2% ▲	7.2%
Juice & Drink – Non-Carbonated	$21.0B ▲	2.8% ▼	8.9%
Tea & Infusions	$8.7B ▲	4.3% ▲	9.2%

Innovate via Variety to align with the growth of winning categories.

Then track velocity as a measure against other innovations

	Flavored Drinks - Carbonated	Juice & Drink – Non-Carbonated	Tea & Infusions
Variety	✓	✓	✓
Novel Combination	✓		
Product Feature/ Formulation		✓	
Size			✓

Only

12%

of products succeed when **velocity** is in the bottom of the category

*Above data is only looking at MFRs growing both Total Sales & Innovation Sales in P52W vs P52W YA

Key Takeaways

1. In the current beverage category landscape finding growth opportunities is becoming more difficult. Innovations can drive growth and keep your product(s) relevant within this competitive space, and the reality is that only a small percentage of MFRs are actively innovating. Review your current portfolio and consider where there is opportunity to innovate.
2. Across Flavored Drinks – Carbonated, Juice & Drink – Non-Carbonated, and Tea & Infusions, the MFRs growing both Total Sales and Innovation Sales are innovating via the Line Extension of Variety. Consider innovating through Variety to align with the growth of the winning categories. Furthermore, use BASES Innovation to Watch as a means to continue assessing the Innovation landscape, analyze competitor launch strategies, and get a clear understanding of what to pay attention to.
3. Velocity is a key indicator of success when innovating, as products are 3x more likely to succeed if velocities are in the top 40% of the category. Once you've launched an innovation, track velocity as a measure against competitors.

Reach out to your NIQ representative to learn more about BASES Innovation Measurement and BASES Innovations to Watch!

Scan the QR code for more beverage related insights

Sources: NIQ RMS Total Store Excluding Fresh - 444 - Weekly (Synd), L52W/E: 08/17/2024
Entire Dataset NIQ BASES Innovation Measurement | L52W/E: 12/03/2023
P5Y Innovation Measurement Benchmarker Analysis

Share your feedback with us here!