NIQ

Energized Choices:

Consumers Crave Energy

Caffeine is a key ingredient in a wide range of beverages that is gaining popularity. Its stimulating effects make it popular for consumers seeking a quick energy boost. The beverage industry is seeing a growing demand for caffeinated options, driven by busy lifestyles and the need for functional benefits like improved mental focus and physical performance. Innovations in this space include plant-based energy drinks, low-sugar options, and beverages that combine caffeine with other health-promoting ingredients. Continue reading to learn more!

Key Takeaways

- Expand product lines to include highly caffeinated options beyond the traditional energy category to meet growing consumer demand.
- Leverage natural caffeine sources like yerba mate to boost product growth.
- Focus on targeting younger consumers, as the trend towards natural caffeine sources is more pronounced in this demographic and is expected to accelerate as Gen Z comes of age.
- Manufacturers must consider adding line extensions that include caffeine, regardless of category, to capture early whitespace opportunities.

Consumers crave more caffeine.

While the energy category is growing +3.8% $ in sales vs. YA, highly caffeinated beverages outside of the traditional category are growing by ***+23%****, driven by Fruit Drinks and Coffee.*

High Caffeine Products
+100 Mgs of caffeine and High Caffeine Claims

$1B
Sales

+22.7%
$ % Chg

+24.9%
Unit % Chg

+

Energy Beverages
Energy Beverage Category

$21B
Sales

+3.8%
$ % Chg

+1.5%
Unit % Chg

=

All Caffeine Products
Caffeine QLFD & Caffeine Stated

$77B
Sales

+3.1%
$ % Chg

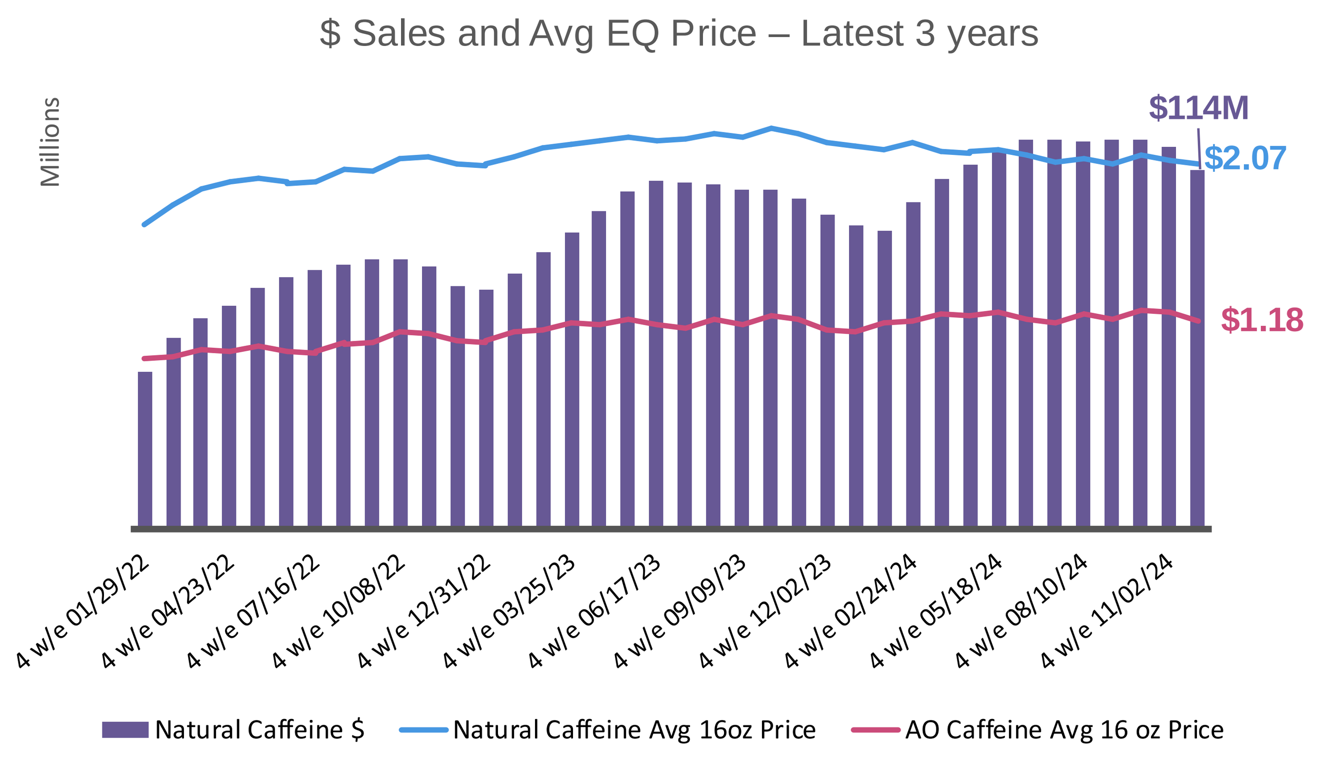
-0.4%
Unit % Chg

Energy beverages are **highly seasonal**, with peaks during warmer weather. To combat this, manufacturers like Redbull launched *Winter Editions*, which have become a massive hit on social media and in-store.

Natural sources of caffeine are sought after and worth the additional price in consumers' eyes.

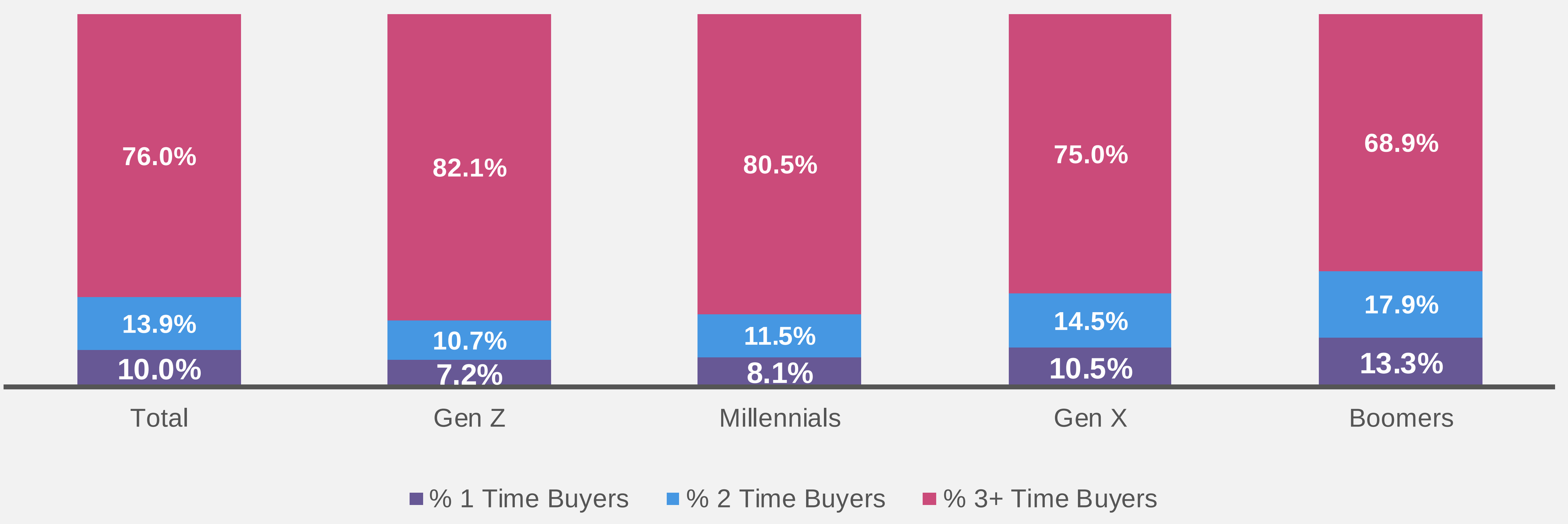
Beverages boasting "Natural" caffeine sources grew ***5x*** *faster than all other Caffeine Qualified Beverages.*

Brands like Guyaki leverage yerba mate, a traditional South American tea known for its natural caffeine content. It is a popular ingredient in energy beverages for a sustained and balanced energy boost. The can pictured to the left has 150mg of caffeine per serving.



To remain relevant with younger generations, manufacturers must consider higher and natural sources of caffeine.

76% of consumers buy caffeine 3+ times per year, with millennials and Gen Z leading the charge. Gen Z drives high caffeine growth, +36% buyers vs YA, more than ***13x*** *faster than other generations.*



Brands leading with high energy/natural sources of caffeine have fruity flavors or venture into new categories.

Celsius Energy is taking the US by storm, +29% $ sales vs YA.

Caffeine is making its way into nontraditional categories, like hydration and powders.

Shamrock Farms ventures into caffeine to give consumers all they need to stay in peak physical and mental condition.

Alani NU leverages influencers like Kim Kardashian and their ability to connect with women to drive +50% $ growth vs YA

Definitions

High Caffeine is defined as +100mgs of Caffeine and high caffeine claims. Natural Caffeine is defined by natural claims of caffeine on pack.

NielsenIQ Retail Measurement | US Socialization TSR (Synd) | Entire Dataset | L52 Weeks ending 12/07/24 | Total US xAOC + Full View + Conv | EQ = 16oz
NielsenIQ Panel On Demand Omnishopper | US OSH - NDH Synd Full View - 444 5 yr | Entire Dataset | Rolling 52 Weeks ending 11.02.24

Connect with us today to learn more!

Craving more? Our NIQ team will provide you with Non-Alcoholic Beverage insights specific to your brand's unique needs.

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