

# Healthy Beverages 2.0

by Holly McHugh



**H**ealth and wellness is a catalyst for innovation in the beverage industry, but what that term means for consumers is a moving target impacted by a multitude of factors such as individual need states, age and socioeconomic status. Definitions might include characteristics such as nothing artificial, no preservatives, non-GMO, low sugar, low calorie and nutrient-rich. Another definition might include additional health benefits from functional ingredients such as improved immunity, mood, energy, focus and digestion.

The ambiguity of the concept creates opportunity for brands as well as confusion about how to create a product that will resonate with consumers and has staying power in the market. Therefore, it's essential to understand the lifestyle and goals of the target consumer base to create a product that will keep them coming back for more.

In addition to choosing the right ingredients, a product must taste great. Taste is king when it comes to purchase decisions, and many better-for-you ingredients have off-notes like bitterness, astringency or metallic, which product developers must overcome using a combination of flavorings with modulating properties (FMPs), flavors and sweeteners. Tackling these issues becomes even more challenging in low-sugar products, since sugar is a great masking tool, and many alternative sweeteners have inherent off-notes. Finding the right balance of ingredients and improving taste is critical for success.

## Trending ingredients

Brands have taken many different avenues to deliver health benefits. Recent innovations are centered around added functionality, nutrient density, incorporating more health-forward ingredients into a single product, introducing nutritious and functional ingredients into new categories, and reducing or removing ingredients perceived as harmful.





There's been a lot of hype from researchers, media and lifestyle bloggers about the importance of a healthy microbiome for overall wellbeing, which has generated substantial demand for products that aid with digestion. In the last decade, probiotics have become mainstream and are being added into everything from carbonated soft drinks (CSDs) to hot chocolate. Although these products are incredibly popular, concerns have been raised about dosage and efficacy of probiotic beverages. Brands planning to develop a probiotic beverage should work with their ingredient supplier to understand the different strains and determine inclusion levels that will ensure efficacy after processing. Additionally, degradation of probiotic levels can occur while a product is in distribution and on-shelf, so it is important to perform shelf-life studies and measure the amount that will reach the consumer.

Other gut-friendly ingredients such as prebiotics and apple cider vinegar are starting to gain traction as well. Prebiotics are naturally occurring compounds in foods that support the growth or activity of beneficial microorganisms; they are commonly found in foods such as bananas, chicory root and dandelion greens. Chicory root (which is in the dandelion family) is an increasingly popular prebiotic source because, in addition to its inherent health benefits, it adds bulk and a slight sweetness to reduced-sugar products. Brands are starting to combine prebiotics and probiotics into products to create synbiotic beverages that are suggested to improve digestion by feeding the healthy bacteria in the gut.

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Apple cider vinegar also promotes gut health. It's still an emerging ingredient in beverages, but has been incorporated in several product types such as shrubs, wellness shots and cleansing tonics and elixirs. The biggest challenge when working with apple cider vinegar is its abrasive taste, so it's necessary to incorporate ingredients that will mask the intense tart and vinegary flavor. Additionally, brands that want to make a prebiotic







claim will want to ensure the apple cider vinegar source has “the mother,” which refers to the sediment in apple cider vinegar that consists mainly of acetic acid bacteria.

Energy drinks are another in-demand beverage type. According to [Euromonitor International](#), energy drink sales increased 9.5% from 2018 to 2019. While traditional energy drinks are still popular, warnings about the potential hazards of excessive caffeine intake have led to a shift in the category. More brands are developing these types of beverages with organic and/or natural ingredients that are perceived as better-for-you. Newer formats for energy drinks include enhanced sparkling waters, teas, coffee and more. In addition to straight caffeine, ingredients such as green coffee, green tea, yerba mate and ginseng are especially popular in these products.

Beverages that improve cognitive functions like focus, memory, motivation, creativity and clarity are also gaining momentum. Ingredients in these types of beverages are referred to as nootropics. Some of the popular nootropics on the market include caffeine, L-theanine (from green tea or as an extract), choline, omega-3 fatty acids and creatine. The long-chain omega-3 docosahexaenoic acid (DHA) is expected to be a rising star for beverages that promote healthy brain function. It's currently called out on the labels of several dairy and plant-based milks as well as in a handful of juice drinks. DHA omega-3s work better when there is a fat source, but new sources and technologies have made it possible to incorporate into products like juice or enhanced water, though these products are technically challenging to formulate.

Another up-and-coming functional category is mood-boosting and stress-relieving beverages. Novel ingredients such as adaptogens and medicinal mushrooms are popular in these products, as well as more familiar botanicals like green tea and chamomile. Some of the more novel ingredients like reishi and ashwagandha have significant off-notes that need to be masked to make the product palatable.

CBD is another ingredient with suggested relaxation benefits. However, complicated regulations put brands in a position where they must decide if they want to take on the risk of calling CBD out on the product label or promote any associated health claims. Many CBD products come from hemp-based sources, so brands choose to label as broad-spectrum hemp extract and not explicitly call out CBD content. Another challenge of creating a CBD product is the ingredient is lipophilic (and hydrophobic), which means its affinity for fat makes it insoluble, necessitating a system to be designed for it to dissolve in water. These systems come in the form of emulsions, encapsulations, powders or oils that will ensure the ingredient is soluble, dispersed evenly and remains stable.

## Newer formats for energy drinks

include enhanced sparkling waters, teas, coffee and more. Straight caffeine is being augmented with ingredients such as



Green coffee



Green tea



Yerba mate



Ginseng



## Category specific trends

Dairy alternatives are a fast-growing category, largely because they are perceived as healthier than milk and better for the environment. According to a [2019 study](#) by the International Food Information Council (IFIC), more than 70% of Americans consider plant proteins healthy, and 25% were consuming more than in prior years. Additionally, a [study by the Yale Program on Climate Change Communication and the Earth Day Network](#) found 71% of consumers chose plant-based products because they are concerned about how food companies affect the environment and 64% want to reduce global warming.

As products become better tasting, more accessible and of greater variety, more consumers are making dairy alternatives a part of their regular diet. Almond milk currently owns the largest market share of the dairy alternative category, followed by soy and coconut. However, oat milk is the rising star of the category, and many predict it will take away market share from other alternatives, including almond milk. There's also room for other niche dairy alternatives to gain market share, especially ones with nutrient-dense ingredients like chickpeas, which are rich in fiber, phosphorus, iron, and vitamin B as well as a good source of zinc, magnesium, B6 and B1.

Coffee is another category ripe for innovation in the health and wellness space. It already delivers a healthy dose of caffeine to increase energy and improve performance, but there's been an uptick in brands incorporating other functional ingredients into coffee for an even bigger boost. Functional coffee—or what some might call “super coffee”—is especially attractive for consumers who demand convenient formats and enjoy getting multiple benefits from a single product. Although, maintaining efficacy of the functional ingredients is one of the challenges with “coffee plus” products. Coffee is classified as a low-acid beverage, which means it requires extremely high temperatures to deliver a shelf-stable product. These extreme temperatures tend to degrade not only flavor components, but also temperature-sensitive functional ingredients.

One of the more surprising categories where better-for-you products are being introduced is alcohol. Though alcohol is not typically associated with health and wellness, it may not come as a surprise that more healthful bar options and enhanced libations are entering the market. After all, drinking culture is a part of the lives of many Americans, and as consumers aim to make healthier lifestyle choices, that culture is changing. Products like hard kombucha, beer and liquor enhanced with ingredients like vitamins and electrolytes, and low- or no-alcohol libations are entering the market.

The number of better-for-you beverages entering the market continues to grow and isn't expected to lose momentum any time soon. The COVID-19 pandemic that has kept consumers at home and potentially prevented them from partaking in some of their healthy lifestyle regimens may create an even greater demand for healthy products in the near future. The pandemic may also put pressure on beverage brands to create more cost-efficient products, which can be challenging if products use novel ingredients with immature supply chains that drive up the cost. Overall, products that taste great, are chock full of health benefits and affordable to the masses are the holy grail for consumers and the brands who want to attract them. ✦



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