

MALT & OTHER HOT DRINKS – INDIAN CONSUMER – 2018

As interest in malt drinks wanes among Indian consumers, there are opportunities for new flavours, formats and positioning to keep interest in the category alive.



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Report Content



EXECUTIVE SUMMARY

- What you need to know – Summary
- Widen the scope of malt drink consumers with flavour and format innovation, as well as new drinking occasions
- Expand meal pairing options for malt drinks beyond the standard breakfast/morning beverage
 - Graph 1: Malt drink consumption with a meal, by region, May 2018
- Use flavour and format innovation in malt drink to open up new consumption occasions for Indians
- What it means

KEY TRENDS

- What you need to know

Key drivers

- APAC leads in malt & other hot drinks innovation
- India is among the top three markets in APAC for malt & other hot drinks launches
 - Graph 2: Top markets, malt and other hot drinks, August 2015–July 2018
- Despite high association with health, India's malt drinks market is said to be slowing down
- Focus on India's new nutritional needs as the relevance of malt drink powders declines
 - Graph 3: Milk production volume, 2009–10 to 2016–17
- Milk penetration is much higher than flavoured dairy drinks
- Competition heats up in the malt drinks space as new players enter...
- ...while the old guards of health drinks are looking to make an exit

Global trends and how they are playing out in India

- Create indulgent experiences that can be savoured
- The connection between food and mood is well-established
- Hygge, the Scandinavian word for "coziness", picks up momentum in Western markets
- Position malt drinks as aids for relaxation and sleep, the next functional developments
- The comfort food positioning starts to appear in food and drink in India

CONSUMER INSIGHTS

- What you need to know
- 41% of urban Indians say they have consumed malt drinks on at least one occasion

Attributes associated with malt drinks

- Malt drinks have a high association with wellness, for specific needs and consumer groups
 - Graph 4: Attributes associated with malt drinks, May 2018
- Use nostalgia to play up comfort as a potential positioning for malt drinks...
 - Graph 5: Agreement with malt drinks being comforting, May 2018
- ...but bring in the health angle by highlighting comfort for those who are unwell
 - Graph 6: Select health attributes associated with malt drinks, by agreement with 'A drink for when I'm not well', May 2018
- Look to new formats, flavours to address negative perceptions of and re-ignite interest in malt drinks
- Expand manufacturing of malt drinks in the East of India
 - Graph 7: Select negative traits associated with malt drinks, by region, May 2018

Purchase motivators for malt drinks

- Focus on different formats, flavours and consumption occasions to drive malt drink sales in India
 - Graph 8: Purchase interest in kinds of malt drinks, May 2018
- Malt drinks can focus on age-related functional benefits to target adult consumers
 - Graph 9: Consumption of malt drinks, by household member, May 2018
- Malt drinks are a natural extension of baby food products in terms of health claims
- Leverage adult-specific functional claims in malt drinks to make them relevant for a wider audience
 - Graph 10: Top health-related claims, malt & other hot drinks, August 2015–July 2018
- In terms of functional claims, malt drinks are an extension of the baby food category in India
 - Graph 11: Top health-related claims, baby food, August 2015–July 2018
- TURF methodology
- Low sugar content is becoming increasingly important for Indians
- Metro consumers are ready for malt drinks as a meal replacement
 - Graph 12: Interest in malt drinks as a meal replacement, by city tier, May 2018
- Aim to appeal to health-aware higher SEC groups with premium low-sugar malt drink options
 - Graph 13: Interest in low-sugar variants of malt drinks, by socioeconomic group, May 2018
- Increase flavour options to keep interest alive in malt drinks, particularly among consumers in the North and West
 - Graph 14: Interest in a wider variety of flavours in malt drinks, by region, May 2018
- Flavour variety in India's malt drinks space is limited
 - Graph 15: Top 15 flavours, malt and other hot drinks, August 2015–July 2018

MARKET APPLICATION

- Opportunity: Key areas of focus

Opportunities

- Incorporate traditional grains into malt drinks to turn them into snacking or meal replacement options

Malt & Other Hot Drinks – Indian Consumer – 2018

- Highlight the use of millets for greater nutritional benefits
- Introduce products in convenient, easy-to-use formats other than the standard powders
 - Graph 16: Interest in malt drinks in different formats, May 2018
- Focus on convenient and transport-friendly formats
- Take inspiration from the flavoured milk category for flavour innovation in malt drinks
 - Graph 17: Top flavours in flavoured milk launches, August 2015-July 2018

Who's innovating?

- Offer low-sugar variants in malt drink products for children
- High protein will become a 'must-have' attribute for the malt drinks category in a protein-deficient India
 - Graph 18: Growth of high-protein claim, malt & other hot drinks, August 2011-July 2018
- Indian consumers' spending on protein-rich foods is on the rise
 - Graph 19: Monthly per capita expenditure on high-protein foods in urban areas, 2004-2012
- High-protein malt drink launches in India
- Look at consumer groups beyond children
- Adult-oriented innovation in malt drink is promising

Global innovators

- Format innovation offers potential to capitalise on brand equity and keep consumers engaged
- Brand stretch: take cues from Nestlé's Milo on category expansion for greater consumption occasions
- Milo launches a 6D, or six-dimension, straw to improve the consumption experience for children and teens in Indonesia
- Nestlé's Nesquik brand keeps up-to-date with the changing child consumer
- Turmeric sees an increase in malt & other hot beverages and can age-up the category
- Turmeric-flavoured beverage mixes
- Format continues to evolve in hot chocolate beverages

APPENDIX

- Consumer survey methodology
- Definitions

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