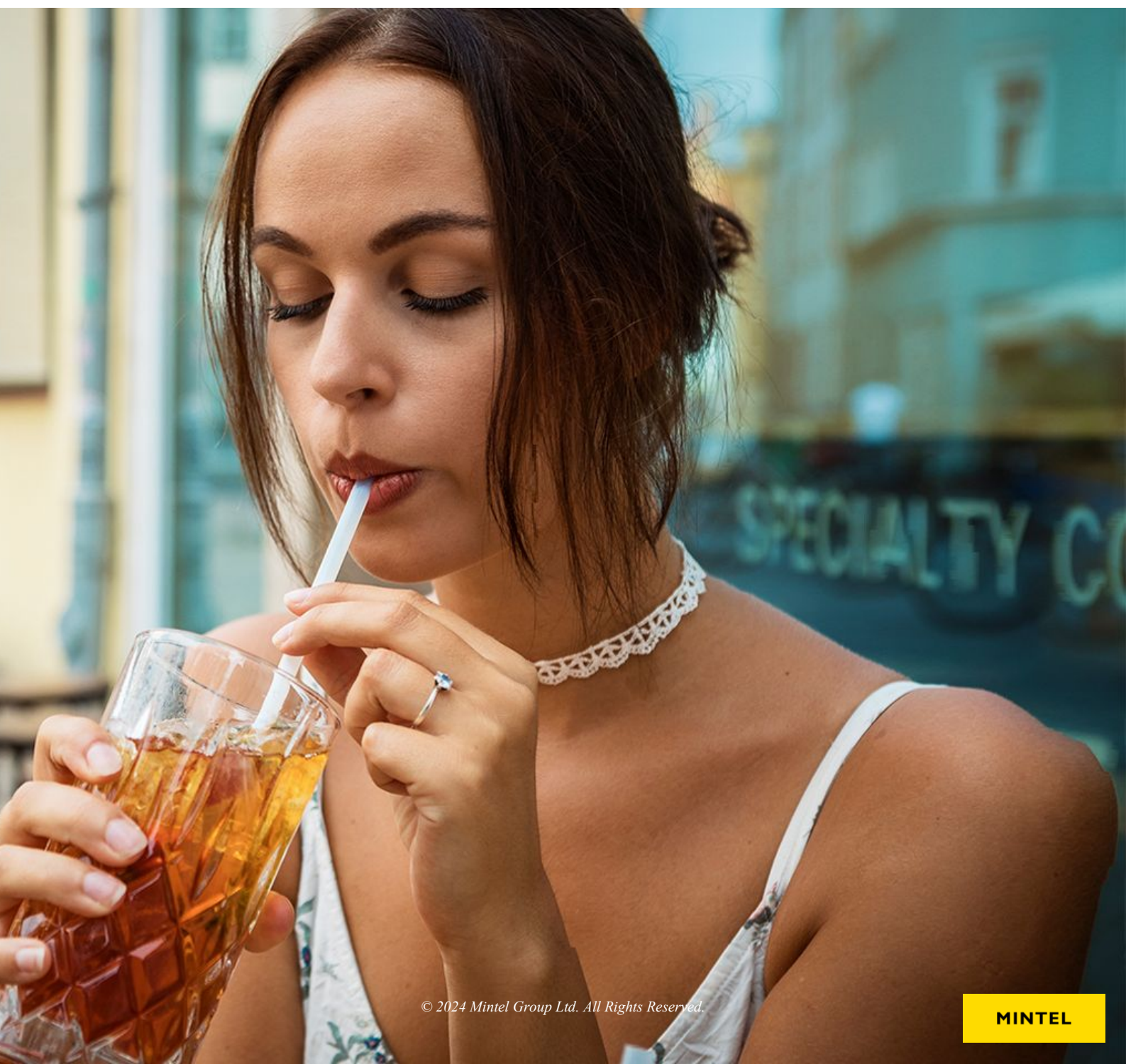


# RTD ICED TEA & FLAVOURED BOTTLED WATER – GERMANY – 2021

As consumers increasingly focus on health post-COVID-19, RTD iced teas and flavoured waters need to stake a claim as healthier alternatives to sugary soft drinks.



Heidi Lanschützer, Deputy Research Director, Germany



# Report Content

## EXECUTIVE SUMMARY

- Mintel's perspective

### Impact of COVID-19 on RTD iced tea & flavoured bottled water

- COVID-19 brings sales losses for RTD iced tea and flavoured water
- COVID-19's impact on RTD iced tea & flavoured water and German consumer behaviour

### Market context

- COVID-19 makes the soft drinks market even more competitive
- Sugar content needs addressing to widen product appeal

### Mintel predicts

- Market size & forecast following COVID-19 outbreak: RTD iced tea
- Market size & forecast following COVID-19 outbreak: flavoured water
- Improving health credentials will deliver sales growth
- RTD iced tea volume sales forecast to increase by 10% from 2020-25
- Flavoured water volume sales expected to plateau

### What consumers want and why

- Consumers want: healthy options
  - Graph 1: consumers who agree flavoured water or RTD iced tea are healthy drink options, by age group, January 2021
- Consumers want: healthy options
- Consumers want: natural ingredients
- Consumers want: less-sweet flavours
  - Graph 2: interest in unsweetened flavoured water and RTD iced tea, January 2021

### Opportunities

- Scope to provide more functional benefits
- Relaxation and digestive health also have potential
- Immunity support is high on consumers' radar
- Flavourings for soda makers

### The competitive landscape

- Private label leads for value and volume sales of RTD iced tea
  - Graph 3: retail market shares of RTD iced tea, by value and volume, 2020
- Private labels have a far greater volume than value share of flavoured water sales
  - Graph 4: company retail market shares of flavoured water, by value and volume, 2020

- Quick download resources

## MARKET DRIVERS

- Ongoing lockdown
- The impact of COVID-19 on the German economy
  - Graph 5: key economic data, in real terms, 2019-2022
- How a COVID-19 recession will reshape the industry
- Highly competitive marketplace
  - Graph 6: types of soft drinks drunk in the last three months, 2019, 2020 and 2021
- Consumers become more sugar-conscious
- Mintel Trend: Rethink Plastic
- Brexit: some disruption for German trade will be inevitable (updated on 26 Jan)

## WHAT CONSUMERS WANT AND WHY

### Impact of COVID-19 on consumer behaviour

- COVID-19 places the emphasis on health
  - Graph 7: agreement that RTD iced tea and flavoured water are healthy drink options, by gender, January 2021
- Offer healthy drink options

### Consumption of RTD iced tea and flavoured water

- RTD iced tea and flavoured water appeal to younger drinkers
- Flavoured water has higher consumption than RTD iced tea
  - Graph 8: frequency of drinking flavoured water and RTD iced tea in the last three months, January 2021
- Older drinkers drink flavoured water most often
- Frequency of drinking flavoured water
  - Graph 9: frequency of drinking flavoured water in the last three months, by age group, January 2021
- Frequency of drinking RTD iced tea
  - Graph 10: frequency of drinking RTD iced tea in the last three months, by age group, January 2021
- Sparkling flavoured water is overall more popular than still
  - Graph 11: types of flavoured bottled water drunk in the last three months, by age, January 2021

### Factors that would encourage non-drinkers to drink flavoured water or RTD iced tea

- Attract new users with low-sugar options
  - Graph 12: factors that would encourage non-drinkers to drink flavoured water or RTD iced tea, January 2021
- Low-sugar, less-sweet options would attract younger non-users
  - Graph 13: non-drinkers who would be encouraged to drink flavoured water or RTD iced tea if it contained less sugar, by age, January 2021

## RTD Iced Tea & Flavoured Bottled Water – Germany – 2021

---

- Graph 14: non-drinkers who would be encouraged to drink flavoured water or RTD iced tea if it didn't contain artificial sweeteners, by age, January 2021

- Lower the sugar content
- Expand range of less-sweet flavours
- Focus on naturalness

- Graph 15: non-drinkers who would be encouraged to drink flavoured water or RTD iced tea if it was made with all-natural ingredients, by gender and age, January 2021

### Interest in RTD iced tea and flavoured water innovation among non-users

- Less-sweet drinks are appealing
  - Graph 16: consumer interest in select flavoured water and RTD iced tea innovation, January 2021
- Increase appeal to women with unsweetened versions
  - Graph 17: interest in unsweetened flavoured water and RTD iced tea by gender and age, January 2021
- Offer immunity support
  - Graph 18: interest in immune-supporting flavoured water and RTD iced tea, by age, January 2021
- Trade on tea's energising reputation
- Expand into flavoured energy waters
- Trade on kombucha's gut health benefits
- Stress-relieving drinks are timely
  - Graph 19: interest in flavoured water and RTD iced tea with stress-relieving ingredients, by age, January 2021
- Position sparkling RTD iced tea as a healthier option
- Promote sustainability credentials

### Interest in RTD iced tea and flavoured water concepts

- Consumers want interesting new flavours
  - Graph 20: flavoured water and/or RTD iced tea concepts that would appeal to consumers, January 2021
- Appeal to younger drinkers with flavoured water innovation
  - Graph 21: flavoured water concepts that would appeal to consumers, by age, January 2021
- Flavour innovation is crucial for water brands
- Flavoured waters as alcohol mixers
- RTD iced tea innovation appeals mostly to younger adults
  - Graph 22: RTD iced tea concepts that would appeal to consumers, by age, January 2021
- Take inspiration from speciality and herbal teas
- Cold-brew RTD iced teas are premium and natural

### Attitudes towards RTD iced tea and flavoured water

- Natural flavourings are preferred
  - Graph 23: select attitudes towards flavoured water and RTD iced tea, January 2021
- Highlight the fruit/fruit juice content

# RTD Iced Tea & Flavoured Bottled Water – Germany – 2021

---

- RTD iced teas need a healthy overhaul
  - Graph 24: agreement that flavoured bottled water is a healthy drink option, by age, January 2021
  - Graph 25: agreement that RTD iced tea is a healthy drink option, by age, January 2021
- Add a health boost with fortification

## LAUNCH ACTIVITY AND INNOVATION

- Danone Waters leads NPD in a fragmented market
  - Graph 26: leading companies for NPD in RTD iced tea/flavoured water\*, 2017-20
- Vegan and organic claims go head-to-head
  - Graph 27: RTD iced tea/flavoured water\* NPD by leading claims, 2017-20
- Lemon remains popular
  - Graph 28: RTD iced tea/flavoured water\* NPD by top 10 flavour components, 2017-20
- Use juice for a natural image
  - Graph 29: RTD iced tea/flavoured water\* NPD by top five fruit juices used, 2020
- RTD iced teas with herbs and spices for a less-sweet taste
- Average sugar content declines
  - Graph 30: RTD iced tea/flavoured water\* NPD by average sugar content, 2017-20
- Reducing the sugar content
- Tailor drinks for less-sweet, less-sugary tastes
- Naturalness is key
- Younger consumers want to see ethical credentials
- Keep packaging ethical
- Cans and board packaging is recyclable
- Drinks with an energising effect
- Monster blurs boundary between RTD iced teas and energy drinks
- Trade on tea's soothing qualities

## MARKET SHARE

- Brands become more dominant in both categories

### Germany: company retail market shares of RTD iced tea, by value and volume 2019-20

- Private label's share of RTD iced tea sales falls in 2020...
- ...in both value and volume terms

### Germany: company retail market share of flavoured water, by value and volume, 2019-20

- Danone has a strong position for value sales of flavoured water...
- ...while private label has a commanding lead for volume sales

## MARKET SIZE AND FORECAST

### Market size and forecast – RTD iced tea

- RTD iced tea to benefit from long-term focus on health
- RTD iced tea value sales forecast to increase by 13% from 2020-25
- Market size and forecast – value
- RTD iced tea volume sales forecast to increase by 10% from 2020-25
- Market size and forecast – volume

### Market size and forecast – flavoured water

- Flavoured water is more at risk from BFY innovation by CSD brands
- Flavoured water value sales show a small decline from 2020-25
- Market size and forecast – value
- Flavoured water volume sales expected to plateau
- Market size and forecast – volume

## APPENDIX

### Appendix – products covered, abbreviations, consumer research methodology and language usage

- Products covered in this Report
- Abbreviations
- Consumer research methodology
- A note on language

### Appendix – market size and forecast

- Forecast methodology
- Forecast methodology – fan chart
- RTD iced tea fan chart forecast – value
- Market size and forecast – RTD iced tea (value) – best and worst case
- RTD iced tea fan chart forecast – volume
- Market size and forecast – RTD iced tea (volume) – best and worst case
- Flavoured water fan chart forecast – value
- Market size and forecast – flavoured water (value) – best and worst case
- Flavoured water fan chart forecast – volume
- Market size and forecast – flavoured water (volume) – best and worst case

# About Mintel Reports: Germany

Access our reports now and get the most accurate, credible and powerful data, insights and analysis. Mintel Reports Germany gives you everything you need to know about what German consumers want and why.

In each report, we're analysing the market, new product innovations and the competitive landscape, as well as consumer behaviours across Germany. Our local analysts, supported by our team of global experts then translate it into what it means for you.

## What makes us unique?

- ✔ A 360-degree view of German markets
- ✔ Experienced analysts based in Germany
- ✔ Expert-led support from global category experts

## How Mintel Reports Germany will help your business grow:

01

Identify future opportunities by understanding what German consumers want and why

02

Make better decisions faster by keeping informed on what's happening across your market

03

See the trends and innovations impacting Germany both on a local and global level

**BUY THIS REPORT NOW**

**€2600.00 | £2195.00 | \$2995.00\***

[store.mintel.com](https://store.mintel.com)

Americas: +1 (312) 932 0400  
China: +86 (21) 6032 7300  
Germany: +49 (0) 211 3399 7411  
India: +91 22 4445 1045  
Singapore: +65 6653 3600  
Thailand: +66 2 821 5122  
UK: +44 (0) 20 7606 4533

\*These prices are correct at time of publication, but are subject to change due to currency fluctuations.

**MINTEL**



### Disclaimer

This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by a German licensed market survey agent ([See Research Methodology for more information](#)).

### Terms and Conditions of use

Any use and/or copying of this document is subject to Mintel's standard terms and conditions, which are available at <http://www.mintel.com/terms>

If you have any questions regarding usage of this document please contact your account manager or call your local helpdesk.

### Published by Mintel Group Ltd

[www.mintel.com](http://www.mintel.com)

### Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
Germany	+49 211 2409023
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850