



Innovation in Sports and Energy Food and Drinks

Sustainable and natural performance enhancement

By Siddika Jaffer

 Table of Contents

Siddika Jaffer

Siddika Jaffer is a strategy and marketing consultant with significant experience across consumer packaged goods, retail and financial services sectors. She has strong knowledge of the trends that are shaping the food and drinks industry across the globe and has advised clients on market growth opportunities, product innovation and strategic planning. Previously Siddika has held Strategic Management and Marketing Management posts at Cadbury Schweppes and Abbey. She has also been a consultant at Cap Gemini Ernst & Young and Datamonitor.

Copyright © 2008 Business Insights Ltd

This Management Report is published by Business Insights Ltd. All rights reserved. Reproduction or redistribution of this Management Report in any form for any purpose is expressly prohibited without the prior consent of Business Insights Ltd.

The views expressed in this Management Report are those of the publisher, not of Business Insights. Business Insights Ltd accepts no liability for the accuracy or completeness of the information, advice or comment contained in this Management Report nor for any actions taken in reliance thereon.

While information, advice or comment is believed to be correct at the time of publication, no responsibility can be accepted by Business Insights Ltd for its completeness or accuracy.

Table of Contents

Innovation in Sports and Energy Food and Drinks

| | | |
|---|-------------------------------------|-----------|
| Executive Summary | 8 | |
| Market overview and dynamics | 8 | |
| Innovation and NPD | 9 | |
| Future growth opportunities | 10 | |
| | | |
| Chapter 1 | Market overview and dynamics | 12 |
| Summary | | 12 |
| Introduction | | 13 |
| Market size | | 13 |
| Category comparison | | 15 |
| Sports and energy drinks | | 15 |
| Energy foods | | 16 |
| Sports and energy cereal bars | | 17 |
| Market dynamics | | 20 |
| Health concerns provide growth opportunities and barriers | | 20 |
| Occasion based nutrition | | 21 |
| Backlash against energy dense products | | 22 |
| Convenience as a growth driver | | 24 |
| Taste and indulgence | | 26 |
| | | |
| Chapter 2 | Innovation and NPD | 30 |
| Summary | | 30 |
| Introduction | | 31 |
| The trends towards natural energy | | 31 |
| Product category trends | | 34 |
| Taking sports and energy soft drinks mainstream | | 36 |
| Confectionery has seen more sports and energy innovation | | 37 |
| Emerging categories in sports and energy food and drinks | | 39 |
| Fruit based liquid meals | | 39 |

| | |
|---|-----------------------------|
| Energy teas | 41 |
| Desserts | 43 |
| Chips | 44 |
| Regional trends | 46 |
| Biggest players in soft drinks – energy and sports | 47 |
| PepsiCo | 48 |
| Coca-Cola | 51 |
| Other innovators | 53 |
| Product claims | 55 |
| Most innovative product claims | 56 |
| Flavor trends | 58 |
| Packaging trends | 60 |
| Glow in the dark packaging | 60 |
| Personalized label | 61 |
| Soft pouch packs for portable and convenient consumption | 62 |
| Compartmentalized packaging | 63 |
| | |
| Chapter 3 | Future NPD platforms |
| | 66 |
| | |
| Summary | 66 |
| Introduction | 67 |
| Demographic based opportunities | 67 |
| Female energy products | 67 |
| Children’s sports and energy products | 75 |
| Sports and energy products for the ageing population | 78 |
| Positive nutrition | 79 |
| Lifestyle opportunities | 83 |
| Hydration | 83 |
| Lifestyle exercise related products | 86 |
| Skipped meals and meal replacement | 89 |
| Index | 92 |

List of Figures

| | | |
|--------------|--|----|
| Figure 1.1: | Market value of sports and energy drinks, (\$m), Europe & US, 2001-2011 | 14 |
| Figure 1.2: | Kellogg's K-time bar helps provide energy | 19 |
| Figure 1.3: | Quaker Savory Instant Oatmeal | 23 |
| Figure 1.4: | Megmilk banana yogurt drink and Flavor Brazil's Açai Go Cup | 25 |
| Figure 2.5: | Percentage of sports and energy food and drinks launched, by type, 2004-2007 | 33 |
| Figure 2.6: | Percentage penetration of sports and energy products launched by category, 2004-2007 | 34 |
| Figure 2.7: | Percentage of all sports and energy food and drinks launched, by category, 2004-2007 | 35 |
| Figure 2.8: | Volvic Revive in Berry Blast with Guarana & Ginseng | 36 |
| Figure 2.9: | Snickers Bars Energy product launches, 2007 | 38 |
| Figure 2.10: | Cadbury's confectionery launches target energy and hydration | 39 |
| Figure 2.11: | Minute Maid Asa Berry Fruit Jelly Drinks, Froose Healthy Drink for Kids and Streamline Fruit2Go All Day Fruit Meal | 41 |
| Figure 2.12: | Hain Celestial range of high energy black teas and Tibetan Tea's sparkling herbal energy tea | 42 |
| Figure 2.13: | Nestlé's Milo Energy Dairy Mousse, Aunt Betty's Creamy Rice and Heinz Watties Creamed Rice | 44 |
| Figure 2.14: | NRG Phoenix Potato Chips | 45 |
| Figure 2.15: | Percentage of all sports and energy food and drinks launched, by region, 2004-2007 | 46 |
| Figure 2.16: | Gatorade Tiger Red Drive Cherry Blend | 48 |
| Figure 2.17: | Mountain Dew MDX and AMP energy drinks, US | 50 |
| Figure 2.18: | Sprite 3G | 51 |
| Figure 2.19: | Full Throttle Energy Drinks, Coca Cola Company | 52 |
| Figure 2.20: | Crystal Light Energy and Immunity drinks | 53 |
| Figure 2.21: | Cult Energy Activator natural energy carbonated drink | 54 |
| Figure 2.22: | Nerd Energy Drink, Slap Energy 9.0 Supplement Drinks, Rosbacher Drive, Bononi Vital Drink and PranaBar | 58 |
| Figure 2.23: | Superman energy drink in a glow in the dark can | 61 |
| Figure 2.24: | Acqua-Mi Etch-it Bottled water | 61 |
| Figure 2.25: | Morinaga Aloe Yogurt Handy Style | 62 |
| Figure 2.26: | Crea Max Creatine Drink and Lacto Tab Q10 Performance Drink | 64 |
| Figure 3.27: | Yorkie | 68 |
| Figure 3.28: | Flake Girl and Walkers Sensations adverts | 68 |
| Figure 3.29: | Sports and Energy Drinks targeting females | 70 |
| Figure 3.30: | Go Girl Glo Vitamin enhanced Energy Drink | 73 |
| Figure 3.31: | LaraBar Energy Bars | 74 |
| Figure 3.32: | Disney's Little Einsteins Milk with Omega 3 DHA | 76 |
| Figure 3.33: | Brach's Sports edge Energizing Fruit Snacks | 77 |
| Figure 3.34: | Amorris Organic Dark Chocolate | 78 |
| Figure 3.35: | Diet Coke Plus | 81 |
| Figure 3.36: | Pria Snack Bars | 82 |
| Figure 3.37: | Pepsi-Co's Aquafina Alive | 84 |
| Figure 3.38: | Cott Beverage's Emerge Nutrient Infused Water | 85 |
| Figure 3.39: | Schweppes Multi Water, Focus | 86 |
| Figure 3.40: | Detour Yoga Bars | 87 |
| Figure 3.41: | Jelly Belly Candy Sport Beans | 88 |

| | | |
|--------------|--|----|
| Figure 3.42: | Ajinomoto Daily Walker sports drink | 89 |
| Figure 3.43: | Luna Sunrise Organic Breakfast Nutrition Bar | 90 |
| Figure 3.44: | Danone Lu Petit Dejeuner Biscuits | 90 |

List of Tables

| | | |
|------------|--|----|
| Table 1.1: | Market value of sports and energy drinks, (\$m), Europe & US, 2001-2011 | 14 |
| Table 1.2: | Market value of sports drinks, (\$m), Europe & US, 2001-2011 | 15 |
| Table 1.3: | Market value of energy drinks, (\$m), Europe & US, 2001-2011 | 16 |
| Table 1.4: | Energy foods as a % of total energy food and drinks sales, (\$m), Europe & US, 2001-2011 | 17 |
| Table 1.5: | Market value of cereals bars, (\$m), Europe & US, 2001-2011 | 18 |
| Table 1.6: | Gym members as a proportion of total population, Europe & US, (% population), 2000-2010 | 21 |
| Table 1.7: | Consumer survey: the extent to which Europeans feel they have 'lots of energy' | 24 |
| Table 2.8: | Top 20 product tags on sports and energy food and drinks launched, 2005-2007 | 55 |
| Table 2.9: | Top 20 flavors in sports and energy food and drinks launched, 2005-2007 | 59 |