

# 20 TREND INSIGHT 16 REPORT

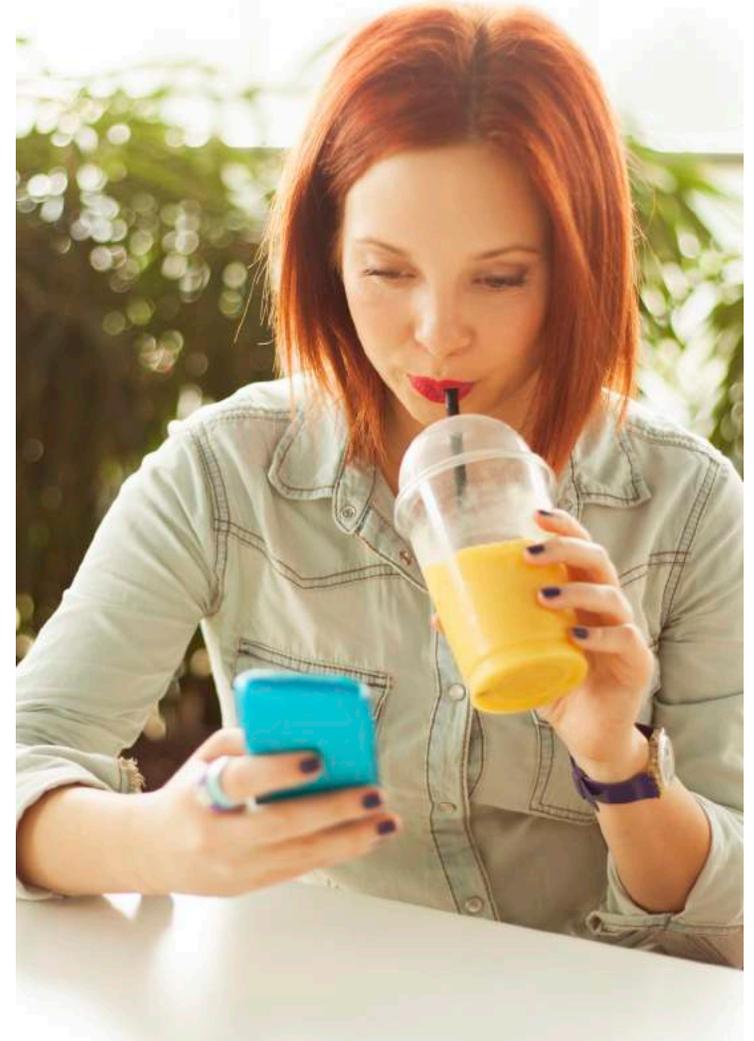
## MILLENNIALS: JUICING

# Welcome to the Millennials' World – Time to Get Your Juice On!

What happens when you masticate pounds of berries, kale, protein powder and chia? A \$2.3 billion dollar per year revenue stream — all from juicing.<sup>1</sup> Prefer cold-pressed juice? That's approximately a \$100 million market.<sup>2</sup> Either way — it's a whole lot of green stuff (and we aren't just talking spinach and kale) and Millennials are throwing back more than their fair share of juices as meals, snacks, and for health and hydration. Here is a snapshot of Millennials and their juicing habits.

## A Glimpse into the Millennial Brain

Most Millennials love socializing. Whether it's a food festival or a color run, Millennials choose group activities that allow them to accrue experience points and if it helps a cause or has personal health benefits, all the better. Millennials are a healthy bunch as long as they can do it together. Enter Juice Crawls — a New York based interactive way to experience a variety of juice bar offerings while meeting a bunch of fellow Millennials. Largely non-alcoholic, the juice crawl might slowly make its way west but don't be surprised if it picks up some alcohol along the way.



# HPP, Fresh, Raw – A Cold Pressed Primer

## HPP

An alternative to traditional pasteurization, high pressure processing (HPP) involves using pressure instead of heat to eliminate the growth of pathogens. HPP extends the life of the juice up to three weeks.

## Cold-pressed/Raw or Fresh

If it is labeled pasteurized, it isn't considered "fresh." Juices that are cold-pressed *and* fresh have to be consumed usually within three days or their valuable nutrients degrade. These juices are often found in juice bars where they are juicing in front of customers and the juice has not been exposed to heat or pressure processing through its extraction.

## Cold-pressed/HPP

These are juices that are cold-pressed and then processed using HPP to maintain the raw, fresh natural characteristics of the ingredients intact. Many bottled cold-pressed juices on grocer or health club shelves are cold-pressed HPP.

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# Trends (What Matters to Millennials)

## A Label that Matters

While it may be all encompassing, healthy labels attract Millennials. In the U.S., 25% of men and 20% of women aged 18-24 find organic, “free-from” formulations and GMO claims influential in juice category decisions.<sup>3</sup> Usually price sensitive, Millennials have demonstrated they are more than willing to pay more for quality if they perceive it to be healthier.<sup>4</sup>

## Customization

Millennials like things the way they like them and juicing’s ingredient versatility fits those needs beautifully. With 40% of Millennials bored with standard fruit and juice flavors, brands and manufacturers that offer unique flavor blends or customizable offerings will please this consumer group.<sup>5</sup> Customization equates to freshness, which equates to quality for Millennials filling the bill for their unique requirements.<sup>6</sup>

## Handcrafted/Artisan

The juice movement revolves around production techniques like cold pressed, HPP and raw. But it also depends on the human touch for the best quality flavor. Manufacturers are touting the artisan features of their juice products and having success with the Millennial juice customer. Project Fresh introduced its Ripe Craft Juice in 2014, touting “always cold pressed and unpasteurized/never heated or from concentrate.” The brand also promises ingredient traceability in the near future, a move that may be Millennial targeted.<sup>7</sup>

## Location, Location, Location

More than any other consumer group, Millennials are keen on c-stores with 53% of them stopping at their favorite convenience store either daily or weekly.<sup>8</sup> Given that 33% of juice drinkers age 25 to 34 (older Millennials) already purchase

fresh-squeezed juice from the deli or produce section of a store, c-stores might consider on-premise juicing.<sup>9</sup>

## DIY Factor of Juicing

More than a quarter (27%) of U.S. juice consumers say they make some kind of fresh squeezed juice at home, but it is young men who are overwhelmingly the audience for this do-it-yourself juice trend.<sup>10</sup>

## Millennial to the Core

Millennials appreciate a brand with strong values and Millennial moms (MM) carry this loyalty when making purchasing decisions for their families. Juice brands are having success with MM’s despite the American Academy of Pediatrics recommendation of no more than 6-12 oz. per day of 100% fruit juice for kids under 18. Millennial moms are responding to juice companies whose natural and organic claims align with their own beliefs and core values.<sup>11</sup>

## Anti-Sweet

Health conscious Millennials grew up on intense, bold flavors (think Sour Patch Kids) and as they age, they prefer similar strong flavors in their juice products while sugar has become the ingredient to watch. Sour, tart flavors appeal to 46% of Millennial consumers and if mixed with a little naturally sweet fruit, that’s ok too.<sup>12</sup>



# Foodservice Invasion

## Convenience Markets

With Millennials using convenience markets more than any other group, it is no wonder that c-stores like 7-Eleven are adding cold-pressed juices to the grab and go offerings. Partnering with fitness promoter Tony Horton, 7-Eleven is launching a line of “nutritionally balanced” cold-pressed juices, as well as salads, sandwiches and wraps in their L.A. stores that have a Millennial friendly price point as well.<sup>28</sup>

## Big Box Goes Mini for Millennials

Target and Walmart are shrinking some stores—on purpose—to bring in the Millennials. With the c-store market in mind, these stores offer healthy, fresh, quick options like juices, snacks, prepared meals and snacks.

## Restaurants on Board

Restaurants are not willing to be left out of the juice craze. Relying on the HPP products filling the market, savvy restaurateurs are offering these as bottled options when custom blending makes too many demands on their staff. And for those restaurants lucky enough to be in Denver, companies like Gypsy Juice Raw distributes their blended raw juice to select restaurants looking to diversify their menus with unique fruit options satisfying the 27% of Millennials looking for them.<sup>29</sup>

## Quick Service

With phenomenal growth of 27% between 2011-2014, quick service is the leader when it comes to juice in foodservice. The industry is focusing on fresh and seasonal ingredients, and raw ingredients are starting to make inroads. Some concepts offer only raw menus.<sup>30</sup>



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# Opportunities

- Consider expanding juice beyond breakfast to grow the category. Juices functional benefits, sweetness factor, convenience and artisan qualities appeal to Millennials. Plus, Millennials' "clockless" eating schedule gives juice an edge, especially if its fresh, premium and has phenomenal taste.
- Use social media to create buzz to expand usage occasions. Creating campaigns around a cause and highlighting unique flavors will reach social media savvy Millennials. And sharing the availability of juice at food or beverage festivals, especially as cocktail mixers, will satisfy Millennials need for socialization.
- Foodservice could spend more time customizing juices for Millennials who see putting their personal stamp on everything as a need not a luxury. Why not their juice?
- Millennials love knowing the origin of the ingredients in the products they consume. Bar codes, batch identifiers or any way to show the source of ingredients in a juice would appeal to health and clean label conscious Millennials.
- Adding a premium juice flavor to sports drink products is an opportunity to expand the juice category to sports drinks. Consider switchel, as a possibility to market for sports drinks.

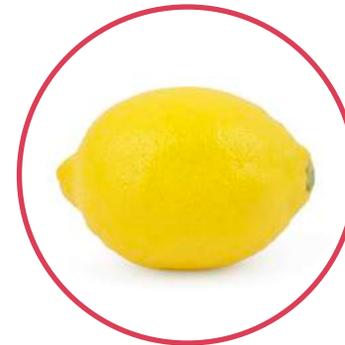
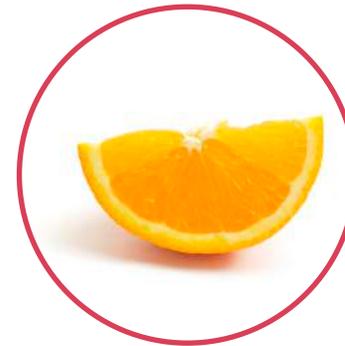


# Flavors

Cold pressed juices are manufactured with over 87,000 psi and these juices are exercising their power over flavor innovation and trends in the U.S. juice category. Talk about peer pressure! Here is a snapshot of cold pressed influences, standouts and some unique flavors.

## Introductions of juice and juice drinks, by top 10 flavor components and growth flavors influenced by the cold-pressed juice trend, US, Aug 2012-July 2015

Rank	Flavour	Aug 2012 - Jul 2013	Aug 2013 - Jul 2014	Aug 2014 - Jul 2015	Aug 2012-Jul 2013 vs. Aug 2014-Jul 2015
		%	%	%	% change
1	Orange	14	13	14	2
2	Apple	15	13	14	-6
3	Lemon	11	13	13	14
4	Mango	8	9	10	18
5	Fruit	5	6	6	14
6	Berry	4	5	6	38
7	Strawberry	7	8	6	-22
8	Cabbage/	1	4	6	784
9	Pineapple	4	8	5	21
10	Ginger	2	4	5	132
12	Cucumber	1	3	5	614
15	Vegetable	2	2	4	76
16	Spinach	0	3	4	1,837
18	Carrot	3	3	4	33
22	Beetroot	1	2	3	376
23	Celery	1	2	3	376
25	Turmeric	0	0	3	512
28	Watermelon	0	1	2	410



Millennials and juicing go hand in hand. Literally. Juice is convenient, portable, and loaded with healthy, flavorful ingredients appealing to the health & wellness demands of Millennials. And juice's handcrafted, artisanal nature goes hand in hand with the Millennials love of small batches, small companies and a good cause. FONA is happy to help in your next juice application. Contact us today.

## FONA CAN HELP!

Let FONA's market insight and research experts translate these trends into product category ideas for your brand. They can help you with concept and flavor pipeline development, ideation, consumer studies and white space analysis to pinpoint opportunities in the market.

Our flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. We understand how to mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

### CONTACT OUR SALES SERVICE DEPARTMENT

at 630.578.8600 to request a flavor sample or visit [www.fona.com](http://www.fona.com).

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