

MSU Product Center

For Agriculture and Natural Resources

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Vegetable juice and juice drinks – Selective opportunities

Market drivers that provide selective opportunities

- **Indulgence, ethnicity, value** and **demographics** are key market drivers that provide selective opportunities to raise sales from these products.

Specific opportunities

- If suppliers focus on variety and flavor that meet consumers' preferences, these drinks will have better acceptance by many consumers as indulgent drinks. Due to the availability of many beverage choices, however, suppliers will have selective opportunities to raise sales.
- Some ethnic groups and immigrants such as the Hispanics are more likely than the general population to drink vegetable juices. Suppliers can gain from this market trend.
- Value may also have a selective role in raising market shares. Manufacturers who can supply high volume low-priced juices and juice drinks through mass merchandise retail stores may have the ability to raise sales. Consumers who consider vegetable juices and juice drinks as their preferred functional beverages may not see price as the main factor affecting their purchase. These consumers, however, are not purchasing the product in bulk and they are not frequent customers of mass merchandise retail stores.
- Because of their strong flavor, these drinks are not favored by children and young consumers. Rather, older adults seem to drink more vegetable juices than their younger counterparts. Manufacturers who can introduce new formulations, flavors and packages that meet the preferences of younger consumers will have a better opportunity to raise sales.
- Being the most frequented channel for non-alcoholic beverages, supermarkets will continue to provide broad opportunities to raise sales from these products.
- Suppliers of vegetable juice and juice drinks can increase sales through the food service establishments such as restaurants or fast food chains. Also, wider distribution capabilities and market advantages could be achieved, if smaller brands use channels of larger companies that have an established and extensive marketing and distribution network.
- The ongoing increase of market share of mass merchandise and convenience retail stores also opens the way for juice drink manufacturers to increase sales. Mass merchandise retail stores can in particular be the preferred outlets for low-price drinks that are coming in multi-packs. Convenience stores are generally frequented by snackers and young consumers. So, single-serve drinks aimed at young consumers can gain from using this channel.

New product examples

- Aldi USA – Aldi's Nectar 100% vegetable juice cocktail, 64 oz. plastic bottle.
- Herdez – New line of premium juice that includes original vegetables, 11.3 oz. metal can.

Special issues

- The juice and juice drink market is dominated by brand products. There are also many private label products that are less expensive than branded products.

Key to success

- Product innovations in formulating healthy juice drinks and new flavors and packaging innovations are key to success in this product line. Suppliers can gain from these products especially if they focus on niche flavor and variety profiles and packaging preferences of the consumer. A product line extension to fill the gap between different types of beverages will also allow manufacturers to better compete against other non-alcoholic beverages.

Sources

Mintel, Hispanics and beverages, 2003.

_____, *Beverages, volume 1, the consumer*, 2002.

_____, Global New Product Database. <http://www.gnpd.com>