

# Market Trends and New Products in Northern Europe

## Black currants and soft drinks



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# About IFAU

- Private research institute, started in 1982
- Member-based organisation
- Cooperation with companies, authorities, research institutions, and organisations in Denmark and other countries
- Participation in Danish and international projects. Conferences. Newsletters. International business development activities.

More information: [www.ifau.dk](http://www.ifau.dk) (English version)



## IFAU's field of work includes:

Global food and agribusiness, the value chain

Industry structure and competitiveness

The food market and food consumption

The marketing channels: retail and food service

Consumer trends

Innovation and new technologies

Investments and new business development



# Some of IFAU's projects



- Cafés and fast food restaurants in Denmark – trends in food and drink, 2009
- The market for black currant drinks in Northern Europe, 2008
- Food technology and innovation in Denmark, 2008
- Emerging technologies in the EU food sector, 2008
- Innovation in the EU food industry, 2007
- The Danish value chain for berries – possibilities for developing the berry industry, 2005
- Functional food in the Øresund region, 2005

# About the Black Currant-project



- Participants: University of Aarhus (Dept. in Årslev), Rynkeby Foods A/S, The Network for Berries, and IFAU. (2008)
- Objective: To provide a report with inspiration to developing healthy drinks with black currants.
- The market report focused on Germany, Sweden and Denmark



Methodology: Market analysis  
based on qualitative and quantitative  
parameters

Data retrieved from

statistics, reports, magazines and other sources

Store checks and visits at exhibitions

Telephone interviews with

producers and organisations

Estimated figures were necessary

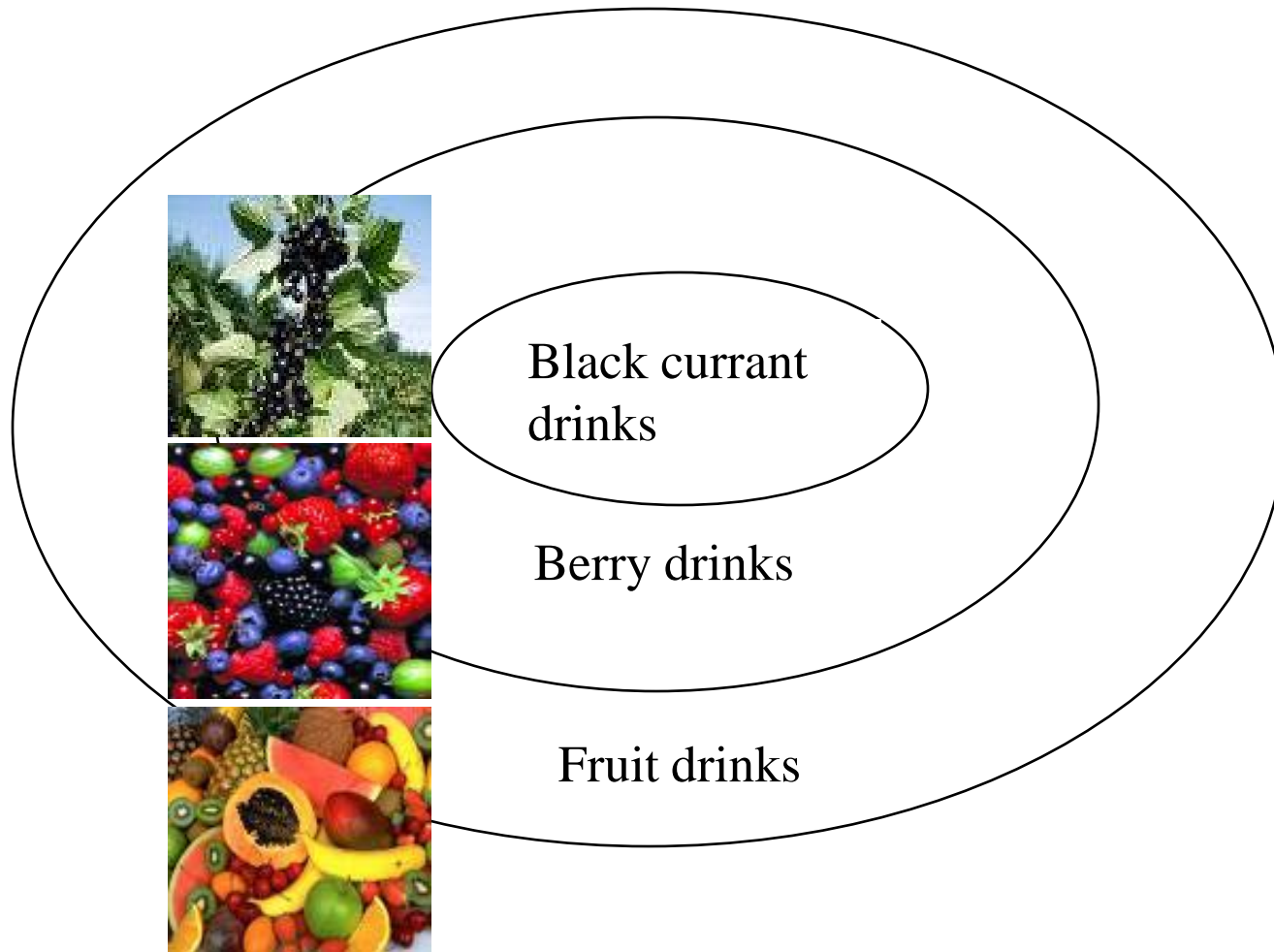
# How to define a healthy drink



- Indicators of "Healthy":
  - Containing antioxidants
  - Organic
  - Natural sugar only
  - High contents of berries or fruit
  - Natural vitamins only or vitamins added
  - Reducing cholesterol
- So: Not a unique definition of "healthy"



# Model for the analysis





Assumption:

The product's share of the market is proportional to the product's share of the assortment in stores

- Germany: Berries = 10% of assortment
- Sweden : 8%
- Denmark: 5%

# Market size for drinks, 2006



(million litres)

	Fruit drinks	Berry drinks	<b>Black Currant drinks</b>
Sweden	189	16 (8%)	<b>5 (33%)</b>
Denmark	78	4 (5%)	<b>1.5 (33%)</b>
Germany	2,848	284 (10%)	<b>71 (25%)</b>
Total	3,115	304	<b>77.5</b>

# Growth rates for berry drinks, 2006-2010

(volume in million litres, value in million EUR)



## Black currant drinks:

from 77 million litres in 2006 to 99 million litres in 2010

	Volume 2006	Growth rates	Volume 2010	Value 2010
Denmark	4	20%	5	11
Sweden	16	31%	21	34,7
Germany	284	30%	370	300
Total	304	28%	396	345

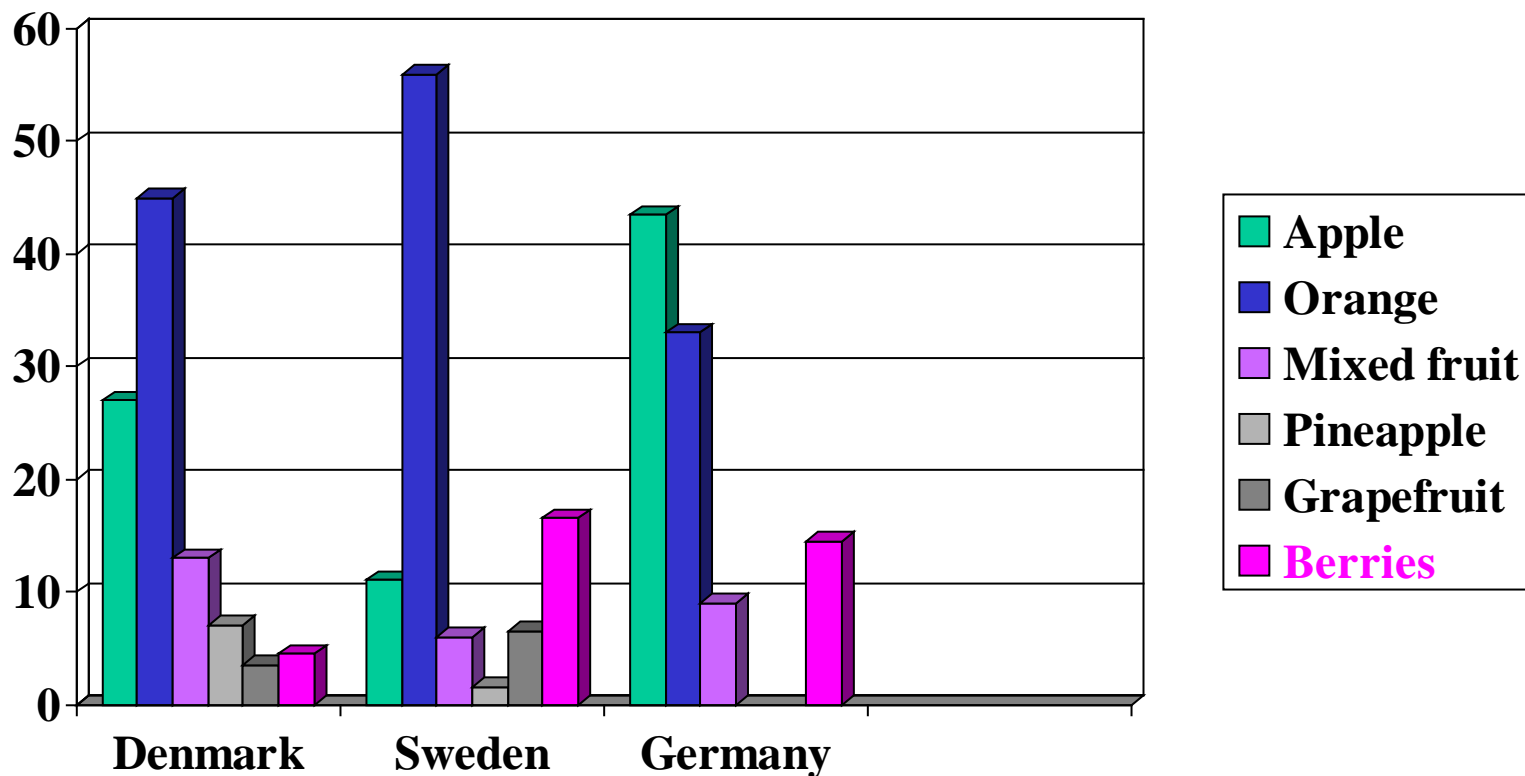


# Smoothies

- Growth rates of 200-300% from 2006-2008! This has changed now.
- Drivers: Health, Convenience (and Indulgence)
- Target group: consumers aged 20-35 years
- Smoothies account for 0-2% of the juice market
- Trend: Originally "to go" products, but now 1 liter products for families



# Consumer preferences, in % of retail sales of fruit drinks, 2007





# Market trends 2009

- Sales of smoothies seems to be declining (due to the financial crisis?)
- Traditional and well-known products are gaining market shares: fruit drinks and juice
- Quality is still important:
  - 1) Fresh chilled juice
  - 2) Juice made from specific varieties or from fruit with a known origin (apples and oranges).



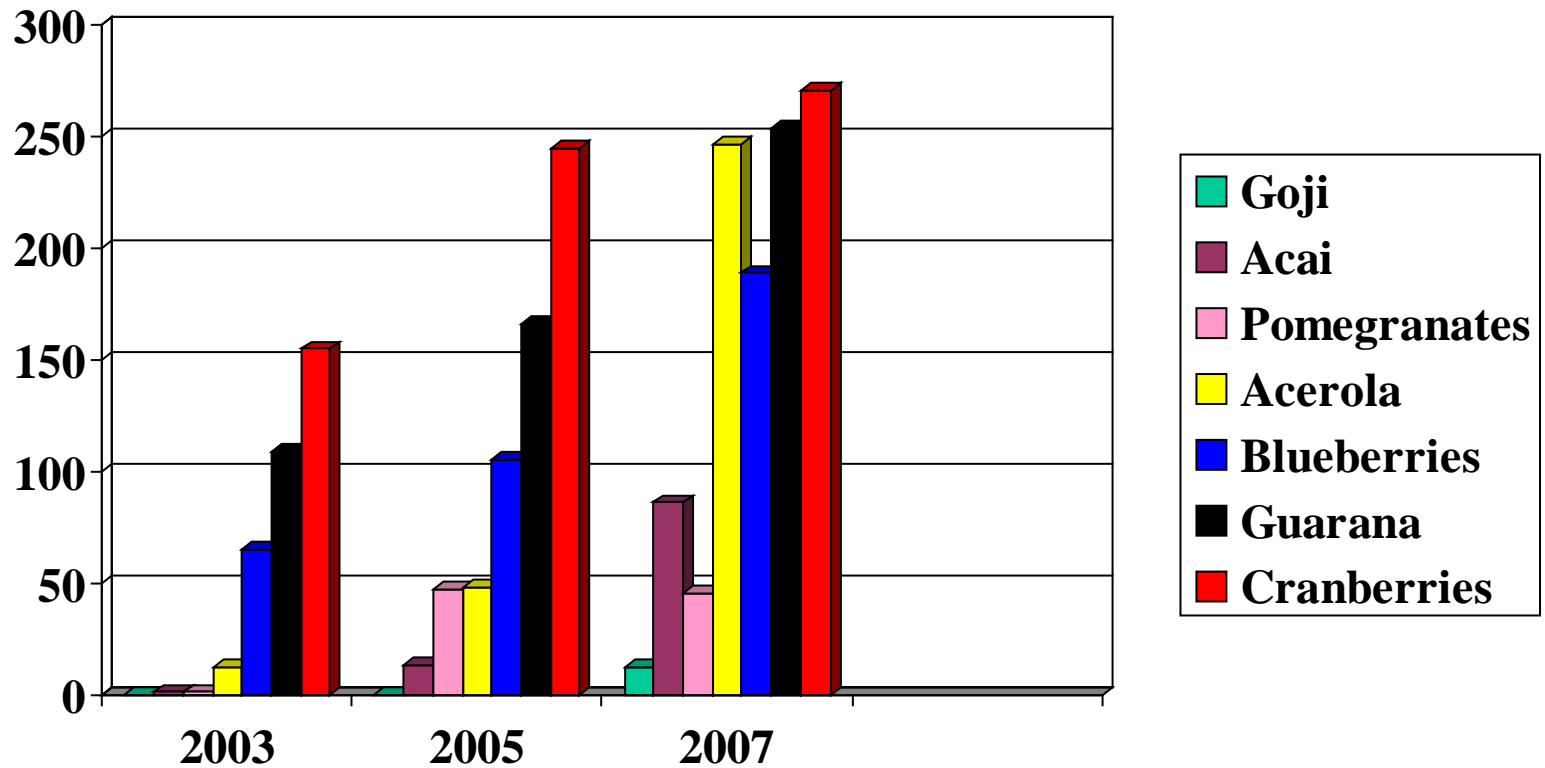
# Innovation drivers

- Consumer demands for new products and new flavours
- Growing awareness of health and diet
- The "everyday luxury"
- Market competition drives new categories, packaging, healthy features etc.



# Number of new products per year, globally

## Products made with "superfruits"





# Berry drinks and innovation

- Flavoured water (Firefly)
- Combinations with flowers (Hib)
- Drinks with tea
- Berry drinks for children
- Focus on active ingredients:  
antioxidants, herbs, vitamins
- Products made from specific varieties
- New categories: e.g. performance drinks



# New products - Northern Europe



Ørbæk Most: Naked Fruit  
pure fruit drinks and smoothies

Grønnegården:  
organic concentrates  
and ready to drink



Energy drinks: black currants,  
cherries and amino acids

Vitamin Well: flavoured water  
with added vitamins



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# How to define "The Consumer"

- Parameters:
  - Demography: age, household size, economy etc.
  - Health and lifestyle-related diseases
  - Sensitivity to prices
  - Demand for quality
  - Approach to "healthy"
  - Other parameters: "natural", organic, special features
  - Preferred product choices (chilled, ambient, small etc.)

Hence, identify the most important parameters for developing and marketing a new black currant drink

# The Danish consumer



Criteria for choosing a juice product:

1. Price
2. Health
3. Variations



Buying decisions are made in the store

”Prefers organic products,  
but shops in a discount store”



# What Swedish consumers find important



<u>Parameter</u>	<u>% of respondents</u>
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Price	77%
Health	70% (higher for healthy products)
Origin	56%
Environment	54%
Ethical prod.	51%



# Target groups and parameters for new black currant drinks



Children	"To go" product. Taste, but less sugar Reduced calories Fortified with vitamins and fibres
Young adults	More energy. Performance. Organic product? Reduced calories. Small sizes. Premium product. "To go" product.
Adults	The family's need. Organic product. Fortified with fibres, minerals and other ingredients. "The liquid vitamin tablet". Larger packaging sizes.
Young seniors	Supplement to the diet. Small sizes. Preventing or curing diseases. Quality raw materials. "Healthy shot".

# Outlook for black currant drinks



- The market is growing
- Room in the market for more berry drinks
- Focus on:
  - Healthy features
  - Quality of the raw materials
  - Target the specific needs of the consumers
  - The product's formula
  - Develop new categories



Thank you very much  
for your attention.  
Any questions?

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