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Special Teas

Tuesday, 15 April 2008

Tea is the world's most consumed beverage after water, and Americans are joining the masses in embracing it—mostly in ready-to-drink form. However, these ranks of tea drinkers seem to be split almost in two in terms of why they consume RTD tea—those looking for simple refreshment and those looking for function.

“A lot of the mainstream teas are almost soft drinks that happen to have tea in them,” says Gary Hemphill, managing director at New York, N.Y., USA-based Beverage Marketing Corporation. Then there are premium natural teas like Honest Tea, Tazo, Sweet Leaf, Inko's and Teas' Tea, that have over the past decade brought new levels of functionality to the category. Imbibers of these products are typically people who want tea to be the focal part of their beverage, Hemphill says.



But all of these RTD teas are adding to the bottom line. According to Information Resources, Inc. (IRI), for the 52 weeks ending Feb. 24, 2008, sales of RTD tea were up 18.7 percent over the prior year.

Because RTD tea—all tea, in fact—is so new to the American market, brands are still innovating to differentiate themselves and keep this category ticking.

Many products launch with Asian-themed packaging to emphasize tradition and build trust, says Lynn Dornblaser, director of consulting services for Chicago, Ill., USA-based Mintel. But as a beverage gets accepted into the mainstream, manufacturers tend to lose the Asian connection and let the beverages stand on their own merits.

As more and more tropical fruits, such as açai or kumquat, reach the American market, they'll be paired with other fruits to make new flavors for RTD teas, especially if they have health benefits, says Suzanne Brown, international tea and coffee marketing consultant, Brown Marketing Communications (Atlanta, Ga., USA).

“With tea being credited with innate health and wellbeing benefits, it lends itself to be paired with fruit, superfruit and herbal flavors, which continue to be popular in RTD launches,” says Jackiedra Wilson, marketing specialist with ingredient supplier Cargill Flavor Systems (Minneapolis, Minn., USA).

But innovation is just as likely to come from the teas themselves. White tea has now eclipsed green tea as the next big thing, both for its health benefits and because its delicate flavor can be combined with just about anything, notes Dornblaser. Already exploding on the niche RTD market is kombucha, an Asian fermented and sweetened tea. Carpe Diem Kombucha boasts a litany of unusual ingredients including kombucha culture, lactobacillus, hibiscus bloom, rose hip, blackberry leaf, elder bloom, peppermint leaf and lemon balm leaf, which are said to enhance the metabolism and boost the natural immune system.

“The more functional it is, the better it sells,” explains Nicolas Warchalowski, managing director at Carpe Diem.

Another relatively new entrant into the tea category, despite not technically being a tea, is yerba mate, sourced from a South American holly plant. Guayaki Yerba Mate launched its RTD line in 2005, eight years after the company began, and already sales are evenly split between the bottled line and the bags/loose tea range, says David Karr, co-founder of Guayaki. He expects RTD to constitute the bulk of sales soon.

But the next trend wave, says Brown, is to identify teas by origin, region and garden. “This will push up costs, which will help the industry, because the industry's not getting the

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returns it should be getting," she says.

The newest ingredient to be touted as part of tea's health platform is EGCG (epigallocatechin gallate), a naturally occurring catechin in green tea. EGCG, which has been shown to have cancer-fighting properties, is the No. 1 focus of tea extract supplier Amelia Bay (Alpharetta, Ga., USA), says Jason Crandall, vice president of operations. And the ingredient is even going mainstream: Snapple Green Teas are marketed as having 55 milligrams of EGCG per bottle.

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