

Market Intelligence Digest

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What's Trending in Japan: Ready-to-Drink Coffee and Tea (2 of 2)

The market for RTD coffee and tea is becoming more polarized, with growth in health-orientated vs indulgent products, as well as authentic vs hybrid products.

Key innovative trends (continued)

▪ Health oriented

Naturally healthy

Across beverages including tea and coffee, there has been a significant market shift towards healthier products with cleaner labels. With younger consumers placing high value on natural and organic, more brands are highlighting the use of inherently good-for-you ingredients in their products.



Barley tea with deep sea water
[DyDo Miu Barley Tea with Minerals](#) is a caffeine-free tea that contains deep sea water number 14 of 164 from the sea near Muroto, Kochi, and is made with two barley varieties: two-row and six-row.



Almonds rich in vitamin E and fiber
[Glico Almond Koka Tasty Caffé Almond Latte](#) features 5g of almonds and a blend of espresso and contains the recommended daily intake of vitamin E. It is rich in dietary fiber and calcium and retails in a 240ml pack with a straw.

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Low/no/reduced claims

There is a shift in preference towards less-sweet, more natural-tasting beverages. Accordingly, [24% and 30% of RTD coffee and tea launches](#) respectively carried a low/no/reduced claim in 2018.

Sugar-free was the most prominent claim in RTD coffee, and low/no calorie in RTD tea. Caffeine-free and low/no allergen claims are growing.



Decaf tea

[Coca Cola's Kocha Kaden Decaf Iced Milk Tea](#) is now available.

This lightly sweetened tea is made with 100% decaffeinated tea leaves.

Free from allergens

[Coca Cola Sokenbicha Herbal Tea](#).

Re-launched for its 25th anniversary, the tea now features a special blend of 25 botanical ingredients and is free from calories, caffeine and 27 major allergens.

Low caffeine and sugar- and coloring-free

[Pokka Sapporo Roasted Stem Tea with Yuzu](#) is a low-caffeine, sugar-free tea that features 100% roasted stem tea from Kanazawa and the light aroma of yuzu citrus peel from Ishikawa.

■ Gourmet

Brands are becoming more daring in their product development process, with new products featuring more bold, indulgent flavors. At the same time, effort is being made by companies to shift the focus back to ingredients, brewing methods and authentic flavors.

Dessert-positioned

While other markets are moving away from sugary, flavored products in favor of more natural and premium tea and coffee, the opposite trend is unfolding among a small segment.

Brands are introducing richer, bolder flavors to entice and engage younger consumers in hopes of getting them to write about the products on social media.

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Chocolate milk tea

[Kirin Gogo No Kocha Chocolate Milk Tea](#) features Rainforest Alliance-certified tea leaves and cocoa powder from Ghana. It is said to have a rich chocolate aroma and mild milk flavor.



Creamy strawberry latte

[Mt. Rainier Caffè Latte Creamy Strawberry Latte](#). Sweet and refreshing, the latte features a strawberry aroma and 1.5% milk fat. The product retails in a 240ml pack with a straw, bearing the Instagram logo and a hashtag.



Cheese milk tea

[Kirin Gogo No Kocha Cheese Milk Tea](#) is said to have a perfect balance of mascarpone and rich milk and to offer a tiramisu flavor if consumed with Glico Pocky coffee and cocoa pretzel sticks.

Authentic

An effort is being made by companies to shift the focus back to ingredients, brewing methods and authentic flavors. Catering to coffee/tea aficionados, more products feature premium or speciality beans/tea leaves, and there has also been a rise in products said to be free from artificial flavors and colors, especially in RTD tea.



Flannel-drip method and five-layer oxygen barrier

[Sujahta Meiraku Sugar-Free Black Iced Coffee](#). The coffee beans are mixed and deep-roasted, using a flannel-drip method to bring out bitterness, richness and aroma. It cools instantly and is packaged in five layers of oxygen barriers for freshness.



Brewed with natural water

[Key Coffee Lightly Sweetened Coffee with Natural Water](#). The coffee is made by brewing selected beans with natural water sourced from 70 meters underground the town of Hakushu at the foot of the Japanese Southern Alps.



UCC's leaf drip method

[Kocho No Jikan Lightly Sweetened Lemon Tea](#). UCC's lemon tea features a strictly selected, aromatic blend of tea and has been made under the UCC leaf drip method, which carefully extracts the tea leaves to offer a real tea flavor.

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Textured

Texture is becoming a distinguishing point, with companies adding ingredients with unique textures and *mouthfeels* (eg chewy, slippery or rough) to provide enhanced eating and drinking experiences. The last few years saw the rise of flavored bubble tea featuring chewy tapioca balls. Green tea jelly is trending in RTD tea this year.



Hojicha with tapioca

[Azumino Shokuhin Kobo Roasted Green Tea Tapioca Latte](#). This

aromatic tapioca latte drink is made using domestically grown and charcoal-roasted green tea leaves and chewy black tapioca. It contains 0.3% of fat in its milk content.



Uji matcha jellly

[Ito En Matcha Love Sweetened Matcha Jelly Drink](#) features brown sugar syrup and Yomonoharu Uji matcha green tea powder, and is designed to be shaken well before serving.



Crushed matcha jelly

[Pokka Sapporo Jeleets Vanilla Flavour Uji Matcha Jelly Drink](#) is patent pending and has two layers of creamy sauce and Uji matcha jelly. It is designed to be shaken more than seven times before serving.

■ Hybrid, blends and alternatives

More brands are experimenting with a mix of coffee and tea or tea and fruits/fruit juices aimed at untapped spaces to see if those products can attract more consumers who are less disposed to drinking straight coffee or tea.

Tea plus fruit

RTD tea is a versatile base with which to mix other flavors and ingredients. While fruit flavored ice tea is common, a new genre of tea plus fruit is emerging, made with tea as the base, juice and fruit. When packaged in a transparent cup, it has the potential to attract Instagrammers with its colorful, photogenic appearance.

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Peach slices

[Natural Lawson Fruit Server Peach & Muscat Tea](#) contains 34% fruit juice from sweet peaches and refreshing muscats, as well as peach slices. It contains 6.4g of dietary fibre, equivalent to one serving of the recommended daily intake.



Apple pulp

[Natural Lawson Fruits Tea Apple Tea](#) is a new limited edition variety that is only available at FamilyMart. The Ceylon tea features a lemon slice, 22% apple juice and 12% apple pulp. The product retails in a 370g pack with a straw.



Pineapple and mango slices

[Natural Lawson Fruit Server Tropical Fruit Tea](#) contains 18% apple, pineapple and passion fruit juice, as well as pineapple and mango slices. It has 6.4g of dietary fibre, equivalent to one serving of the recommended daily intake.

East meets West

Japanese teas are morphing into Western-style beverages. Traditionally consumed straight for their pure taste and health benefits, many are now being diluted. Matcha green tea lattes are still the most popular hybrid tea, although recently there has been a hojicha latte boom.



Roasted stem tea latte

[Pokka Sapporo Kaga Roasted Stem Tea Latte](#). This low-caffeine, Japanese-style milk tea features brown sugar syrup and 100% roasted stem tea from Kanazawa, Ishikawa, and is said to offer a rich stem tea aroma and a rich milk flavour.



Hojicha latte

[Lipton Hojicha Milk Tea](#) contains domestically grown roasted green tea, with a flavour described as aromatic and umami, mixed with the richness of milk for a new type of deep flavour. It contains 0.3% milk fat.



Matcha latte

[Meiji Shiro No Hitotoki Matcha Latte](#) is described as mild, has a soft mouthfeel and a refreshing aftertaste for matcha lovers, and features Tsujiri Ichihonten's fragrant matcha. This product has 1.2% milk fat.