



SOUTH AFRICAN READY-TO-DRINK (RTD)/ ICED TEA MARKET INSIGHTS REPORT

PUBLISHED: SEPTEMBER 2021

COMPANY OVERVIEW



Insight Survey is a South African, boutique market research agency with more than 15 years of experience, specialising in Business-to-Business (B2B) and Industry research to ensure smarter, more-profitable business decisions are made with reduced investment risk.

We offer **B2B market research solutions** to help you to successfully improve or expand your business, enter new markets, launch new products or better understand your internal and external environment.

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QUESTIONS WE HELP ANSWER

- What is the current and future market size?
- What are the latest global and local trends impacting on the market?
- Who are your key competitors and what is their offering in terms of products, services, pricing and branding?



OUR RESEARCH SOLUTIONS



Competitor pricing research



Store visits and store checks



Competitor interviews



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Company website analysis



Governmental held records

OUR FOOD AND BEVERAGE EXPERIENCE

We are a proudly South African company that have provided market research solutions and Intelligence reports to local and global brands. We have worked with some of the greatest companies and brands in their industries.



The **South African RTD/Iced Tea Market Insights Report (52 pages)** provides a dynamic synthesis of industry research, examining the local and global **RTD/Iced Tea Industry (including the impact of COVID-19)** from a uniquely holistic perspective, with detailed insights into the market – market size volumes and value (historical and forecasts), channel distribution, key industry trends, latest innovation and technology, as well as key drivers and challenges.

SOME KEY QUESTIONS THE REPORT WILL HELP YOU TO ANSWER:

For the Global RTD Tea Industry Section:

- What are the current market dynamics (overview, market environment, regional overview, imports and exports trade) of the Global RTD Tea Industry?
- What are the Global RTD Tea industry trends, innovation and technology, drivers, and challenges?

For the South African RTD Tea Industry Section:

- What are the current market dynamics of the South African RTD Tea Industry in terms of market size, market value, market volumes: 2015-2020 Actual, 2021-2025 Forecasts (including the impact of COVID-19), and distribution channels?
- What are the South African RTD Tea Industry trends, innovation and technology, drivers and challenges?

SCREENSHOTS FROM REPORT

52-page report filled with detailed charts, graphs, and insights



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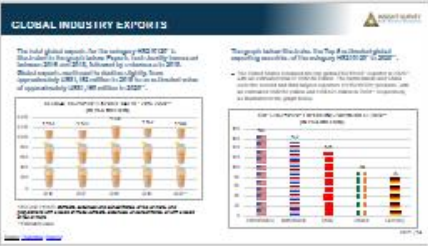
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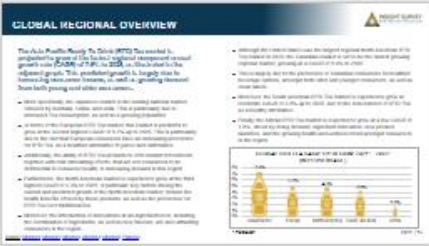
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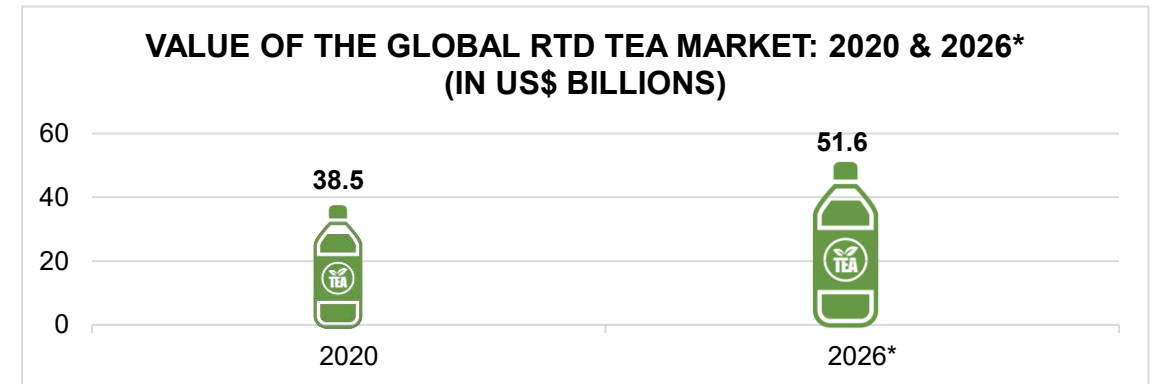
SAMPLE FROM REPORT

GLOBAL INDUSTRY OVERVIEW: RTD TEA

Globally, the Ready-To-Drink (RTD) Tea market reached a total value of approximately US\$38.5 billion in 2020 and is expected to grow at a compound annual growth rate (CAGR) of 4.2%, to reach a value of US\$51.6 billion in 2026.

- The current and predicted growth of the market can largely be accounted for by the increasing number of health-conscious consumers, that are increasingly avoiding carbonated beverages, in favour of 'healthier alternatives', such as RTD Tea products.
- In particular, health-conscious consumers are opting for RTD Tea as a healthier alternative, due to its reduced sugar and caffeine content, as well as its rich mineral content, when compared to other carbonated beverages.
- Moreover, the introduction of niche flavours and product variants by global market players, is another factor driving the growth of the global RTD Tea market. More specifically, cannabidiol (CBD)-infused RTD Tea products are experiencing rapid growth, due to the associated health benefits of products containing CBD.
- Additionally, the fruit-infused RTD Tea segment is also growing at a significant pace, due to the variety of products possible within this particular segment. Furthermore, 'hard tea', or RTD Tea products containing alcohol, are driving growth in the overall market.
- Furthermore, the increasing purchasing power amongst millennials is another factor driving the market, with these consumers increasingly having the means to purchase RTD Tea products.

- However, the growing prevalence of, and demand for, substitute cold beverage products is posing a challenge to the market, including low-sugar carbonated soft drinks, soft drinks, and juice.
- Additionally, the closure of food service outlets due to COVID-19 restrictions, as well as the growing popularity of home-brewed RTD Tea, are factors reducing sales and constraining the market.
- In terms of segmentation, the market can be segmented by type, into Green Tea, Black Tea, and Other. In particular, the Black Tea segment is expected to remain the largest segment due to its oxidised nature, as well as its stronger flavour, although the Green Tea segment is expected to record the highest growth of 5.9% until 2027.
- The market can also be segmented by category into Conventional and Organic RTD Tea, with the Conventional segment expected to remain the largest to 2027. However, the Organic segment is expected to grow at the fastest CAGR of 6.7% over this forecast period.

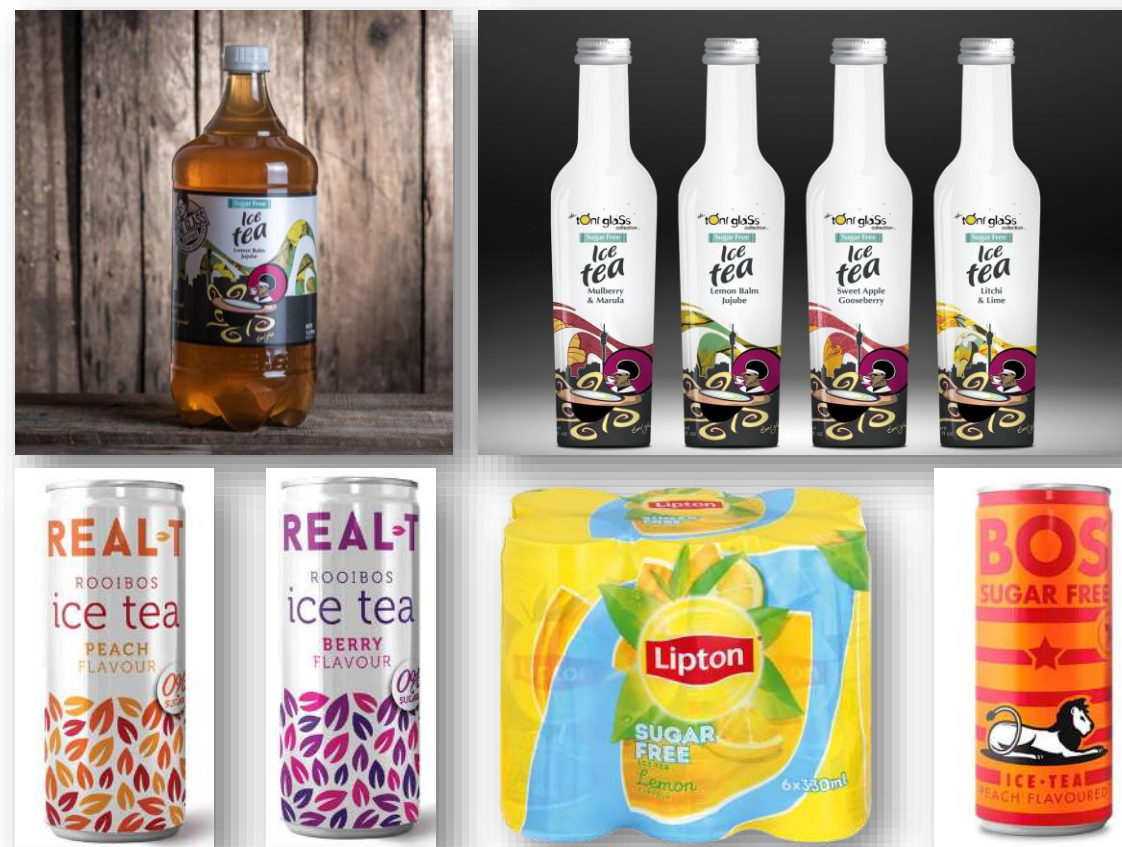


* Forecast

Sugar-Free RTD Teas Continue to Trend in SA Market

- South Africans are becoming increasingly conscious of the negative effects of sugar in their diet, especially in terms of the beverages they drink. This has led to many consumers seeking out beverages with a lower sugar content. As a result, sugar-free RTD Tea products remain a popular alternative to carbonated soft drinks, and other Iced Tea products, and are continuing to trend in the South African RTD Tea market.
- In South Africa, legislation such as the country's 'Sugar Tax', which places a levy on sugar-sweetened beverages, has resulted in more South Africans becoming aware of the impact of sugar on the body, as well as the amount of sugar in the beverages they drink.
- Furthermore, research shows a 250ml carbonated soft drink product contains upwards of 26g of sugar, which is more than half the daily recommended limit. As such, as consumers become increasingly aware of this, many are turning to sugar-free alternatives, including sugar-free RTD Tea variants, as a healthier alternative.
- This trend is demonstrated by the introduction of reduced sugar and sugar-free RTD Tea ranges by leading local players, including BOS, Lipton, REAL-T, and the Toni Glass Collection.
- In particular, Toni Glass offer a range of sugar-free RTD Tea products in a selection of unique flavours. These flavours include lemon balm jujube, litchi and lime, mulberry marula, and sweet apple gooseberry. Moreover, both Lipton and BOS offer sugar-free variants of their most popular regular RTD Tea products, such as lemon and peach, amongst others.

- Therefore, due to the increased popularity of product ranges such as these, it is increasingly likely that South Africans will continue to make the switch to sugar-free RTD Teas, rather than sugary RTD Tea products, or other sugary beverages. As a result, sugar-free RTD Teas will likely continue to trend in 2021 and beyond.



Carmien Launches Rooibos Ice Tea

- In December 2020, Carmien launched an RTD Tea product, based on the idea of a combination of fresh hot brewed rooibos and reduced sugar as a product base. This product was designed to provide Carmien with an advantage over other RTD Teas in the market, which are typically 'loaded with sugar' and contain only a small percentage of rooibos extract.
- More specifically, Carmien developed its Rooibos Ice Tea product to cater to consumers looking for healthier and more convenient RTD Tea options. As a result, the brand started development with a 340ml glass bottle that incorporates a trendy, fresh label, that is designed by their creative in-house design team.
- The company also focussed on developing a plastic-free option, and decided to also launch the product in glass bottles, with a trial launch of two flavours, namely Berry Blast and Apple.
- Thereafter, the company also launched its Rooibos Ice Tea in a 200ml can, in its most popular flavour. These small compact cans are easy to transport, making them ideal for sports events and markets.



Manhattan Ice Tea Launches New Rooibos Range

- In January 2021, Manhattan Ice Tea launched a new range of Rooibos RTD Tea products. This new range includes two new rooibos RTD Tea products, which are available in Lemon and Mixed Berry flavours.
- These products contain mineral water, fructose, sugar, citric acid, rooibos tea extract, acidity regulators, flavouring, preservatives, and colourants, as well sweeteners.
- In addition, the Manhattan Rooibos Ice Tea range is designed to have a very low glycaemic carbohydrate, and saturated fat content, thereby appealing to more health-conscious consumers.



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