

Driving reformulation

efforts through sugar reduction

Beverage manufacturers have responded to the growing demand for reduced sugar beverages by pushing for reformulation, writes Nathaniel Lim.

Over-consumption of sugar remains a leading global cause of obesity, diabetes and tooth decay. According to Euromonitor International, South Africa, Argentina and Mexico are the leading markets with at least 50% of total sugar consumed per capita coming from soft drinks. Nevertheless, there has been growing awareness to reduce sugar consumption in recent years.

In 2020, total volume consumption of better for you reduced sugar soft drinks reached 31.6 billion units; an increase of 3% on 2019, finds Euromonitor. This highlights that consumers are prioritising their health, accelerated by the COVID-19 pandemic and growing health consciousness.

Beverage manufacturers respond

Across all regions, consumption in Western Europe recorded the strongest growth of 8% in 2020. This was driven mainly by markets such as the UK, which recorded a significant increase of 12% due to the impact of the sugar tax since 2018, as well as increasing consumer knowledge about the ill-effects of high sugar consumption.

According to Euromonitor International's Health and Nutrition global survey, almost 52% of global consumers hold the view that lower sugar intake would make them feel healthier and 42% mentioned that they would



attempt to limit their intake of refined sugars, with stronger intent generally reported among women and older respondents.

In response to the growing demand for reduced sugar beverages, and growing government legislation efforts, such as sugar taxes, beverage manufacturers have responded by pushing for reformulation efforts, the most common being reducing sugar content while introducing low and zero calorie sweetener alternatives, as well as exploring portion control via pack sizes. Not only does this reduce the tax burden, it also seeks to strengthen the health positioning of products, appealing to health-conscious consumers.

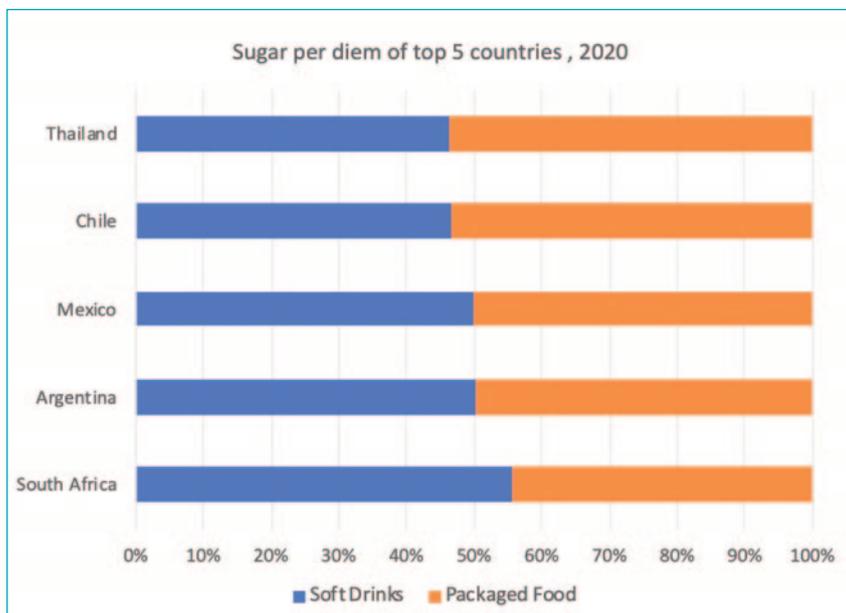
Global companies Coca-Cola and PepsiCo have increased their offerings of zero sugar brands, such as Coca-Cola Zero and Pepsi Max, substituting sugar with alternative sweeteners like aspartame and Ace-K, to retain the taste. Meanwhile, Nestlé launched its Pure Life carbonates brand in China which has zero sugar and uses erythritol as a sweetener.

Local companies have also driven such efforts to reduce sugar content. For instance, in Asia Pacific, Fraser & Neave in Malaysia reformulated 90% of its RTD products to have lower sugar content, of below 5g/100ml. Likewise, companies like Oishi in Thailand and Shenzhen Meixixi in China launched sugar-free RTD tea products. In the US, NewTree Fruit Company uses its patented Sugar Reduction Technology to remove naturally occurring sugars from juices to create 100% fruit juice with a very low sugar content.

Challenges faced

While consumer awareness of reduced sugar beverages is increasing, taste and texture of these products remains critical to the purchase decision.

As such, reformulating beverages with high sugar content remains a challenging task for manufacturers. Although brands such as Coca-Cola Zero and Pepsi Max were successful refor-



Source: Euromonitor International, Nutrition 2020.



Source: Nestlé Pure Life, China.

mulations that appeal to consumer tastes - each recording 50-60% volume growth in Europe over 2014-2019 according to Euromonitor - the process of product reformulation remains complicated.

It goes beyond just removing sugar and substituting with alternative ingredients and sweeteners. Lengthy trials are conducted to ensure that these sugar substitutes, such as Ace-K, aspartame and erythritol, can maintain the original product's taste. Companies that are willing and able to invest in research and development, whilst ensuring that it is affordable, are at an advantage in launching these reduced sugar beverages.

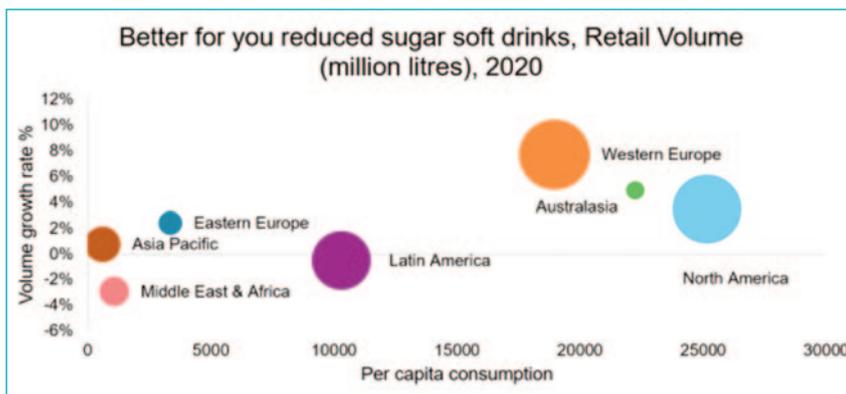
Besides ensuring that a product's taste appeals to consumers, other factors need to be considered in the process of product reformulation. A product's functionality, affordability as well as its ability to meet government legislation and approval need to be considered before launch. This can be supported through government incentives and funding for manufacturers in their product reformulation efforts.

Consumer education

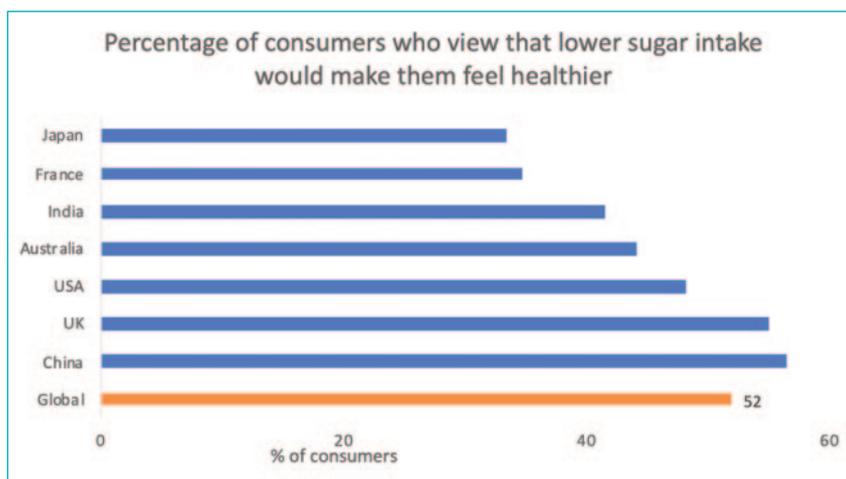
Long term, consumer education remains key to strengthening the appeal of reduced sugar beverages. This includes new marketing initiatives, packaging labelling changes, and price promotions, to broaden the appeal of these healthier products. This transparency helps consumers be more open to trying these healthier options, as well as appealing to their taste preferences. This is especially key in developing markets, where beverages with high sugar content remain attractive and affordable, and it requires a mindset shift for consumers to choose reduced sugar options. This requires multiple stakeholders – manufacturers, government and retailers – to promote the consumption of low-sugar products. ■

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Source: Euromonitor International, Health and Wellness 2020.



Source: Euromonitor International, Health & Nutrition Survey 2020.

Sugar substitute	X- sweeter than sucrose	Calories per 100g
Artificial Sweeteners	Acesulfame Potassium (Ace-K)	0
	Aspartame	~400kCal
	Saccharin	0
	Sucralose	0
Natural Sweeteners	Stevia	0
	Xylitol	~200kCal
	Erythritol	0

Sources: The Potential Toxicity of Artificial Sweeteners, AAOHN Journal; Sweetener Comparison Chart, NowFoods.com.

Nathanael Lim is a Senior Analyst at Euromonitor International with a focus on Non-Alcoholic Drinks. Based in Singapore, Nathanael has more than 4 years of experience in the industry.

Nathanael leads a team of local analysts in Southeast Asia researching on the industries of Drinks & Tobacco, exploring market opportunities and next steps in articles and presentations, providing though leadership.

Nathanael advises clients across Non-Alcoholic Drinks and Alcoholic Drinks industry on the impact of government legislation, product innovations and sustainability.

He holds a Bachelor's degree in Economics from the Singapore Management University.



Nathanael Lim is senior analyst with a focus on non-alcoholic drinks and Euromonitor International www.euromonitor.com

