

## News release

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## **Changing consumer attitudes provide opportunities and threats for suppliers of non-alcoholic beverages**

*Roast and ground coffee still predominantly consumed outside of home*

**Sydney, Australia --** A report conducted by industry analyst, BIS Shrapnel, has revealed Australians still predominately consume roast and ground coffee outside of the home, increasingly look for low-sugar and low-fat alternatives in their non-alcoholic drink choices and are showing more interest in green and herbal teas. The study also found carbonated soft drink brands top the list of beverages consumers are aware of and recall from advertising.

BIS Shrapnel's *Beverages in Australia, 2008 to 2009* report presents the findings of the survey of 1,200 consumers aged 11 years and above, which investigated the non-alcoholic drinking habits of Australians at home, work, school, university and away from home.

Tim Emmerson, BIS Shrapnel project manager and report author, says food and beverage trends take generations to become part of a country's cuisine and culture and in the cold and hot beverage segments there are trends that come and go very quickly.

Roast and ground coffee is still generally consumed away from home while soluble or instant coffee is preferred at home. The survey also found that awareness of roast and ground coffee brands is very low. "Drinking coffee out of home is very much about the occasion, the atmosphere and the experience," said Emmerson.

"During the last two to three decades, Australia has moved from being first and foremost a tea drinking nation to one which also appreciates coffee."

BIS Shrapnel notes despite a rising consumer interest in coffee, Australia is a nation of latte and cappuccino drinkers, though this is a trend mirrored internationally.

"Dairy producers around the world have seen a large increase in milk consumption due to the emerging coffee and café culture," said Emmerson.

Survey respondents indicated they consumed green tea and herbal teas due to the perceived health attributes, and for enjoyment and refreshment. These beverages are also relatively low in price, according to BIS Shrapnel. "The tea segment also experiences fads. For example, we do not believe pearl tea is here to stay. This drink first appeared in Taiwan a number of years ago, and in many South East Asian markets it has already come and gone," said Emmerson.

Even though consumers are increasingly leaning towards beverages which are low in fat and sugar, BIS Shrapnel believes the longevity of juice bars in the foodservice market is doubtful. Juice bars do not have a sufficient revenue base to sustain them in the longer term, according to Emmerson. Their custom is primarily during the day, and outlets often pay premium rents as they tend to be located in shopping

malls and centres. Fresh juice, however, is becoming a standard menu item in most cafés and many restaurants.

BIS Shrapnel believes fruit drink and flavoured milk manufacturers are in for some major challenges as fruit drinks are usually low in fruit and high in sugar or artificial sweeteners, while the majority of flavoured milk contains full fat milk.

The survey also questioned respondents about how interested they were in issues such as recycling, fair trade, Australian made and organic, and to what level this concern motivates purchasing decisions. BIS Shrapnel found an overwhelming majority of the population support the movement for a refund and recycling scheme for beverage bottles and cans. This will counteract some of the negative environmental consequences of increased bottle consumption.

“There are plenty of opportunities for beverage manufacturers to expand their product range to take advantage of the consumer interest in healthy beverage options, fair trade and organic products and the growing coffee culture,” concluded Emmerson.

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### **About BIS Shrapnel**

BIS Shrapnel is Australia's leading provider of industry research, analysis and forecasting services. BIS Shrapnel helps clients better understand the markets in which they operate, through reliable and detailed market data, analysis of developments and drivers and thoroughly researched forecasts.

BIS Shrapnel compiles accurate, clearly explained and detailed information on industry sectors, markets and industries in which their clients operate. BIS Shrapnel provides market size and segmentation data, market shares, consumer attitudes and supplier reputation information, and regularly conducts both business-to-business and consumer research.

Over the company's 44-year history, BIS Shrapnel has built up a strong level of expertise and unique methodologies for forecasting.

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