

Make Innovation HAPPEN

**MIH Knowledge Article:
Could the rise of functional coffee see more
product opportunities for Scotland's ready-
to-drink sector?**

Scotland
A LAND OF
food and drink

SCOTLAND
IT'S TIME TO INSPIRE

The logo consists of the word 'CAN' in white text on a green vertical bar, and the word 'DO' in white text on a yellow vertical bar, positioned to the right of the 'CAN' bar.

A younger generation is driving the interest towards 'better for you' beverages, at the same time as research is highlighting the health benefits of coffee compounds. With the UK getting through somewhere close to 95 million cups of coffee a day, can Scottish manufacturers develop exciting coffee read-to-drink (RTD) concepts and get them to market?

In the US, roasted coffee is the largest coffee segment, but RTD coffee continues to drive the category – growing by 31% in the last two years.

Research shows that consumers born after 1995 are more likely to drink RTD coffee than brewed coffee. This younger coffee customer is a 'better-for-you' beverage buyer, often looking for functional drinks, enhanced with proteins and mineral.

It would seem then the perfect time for Scottish drink manufacturers to start looking at what RTD brews will hook the imagination of the i-generation.

The RTD coffee landscape

Consumer research company, Mintel, forecasts that, the US RTD coffee segment will see an increase of 67%, from 2017 to 2022.

Research, funded by the US National Institutes of Health, claims that the enhanced antioxidants, anti-inflammatory properties and probiotics in RTD drinks, appeals to the on-the-go market - in particular, 16-24 year-olds.

This age group is the main driver of food and drink with functional benefits. And, as well as looking for vitamin and protein packed drinks, they want dairy and sugar-free options too. So, companies who can innovate these kind of product lines already have a receptive audience.

According to market analyst, Kantar Worldpanel, the RTD category is the biggest within the sports nutrition sector. And this sector has grown by 3% year-on-year, to its current value of £60.2 million at the end of the first half of 2018. This means that RTD coffee drinks can tap into an entirely new market and compete with carbonated energy soft drinks.

The RTD coffee market

Point Blank is a cold brew coffee from the UK, that's promoting its offering as the perfect pre-workout and post-workout drink. Point Blank is marketing its coffee drinks as a natural alternative to traditional energy drinks.

JUS places its probiotic cold brew within the digestive health segment. While Kona Red, a Hawaiian coffee brand, uses the natural antioxidant content in coffee as part of its marketing.

Scotland's LivOn! coffee brew

Several clinical studies have shown that coffee is linked to liver health. Coffee compounds have hepataprotective, antioxidative, anti-inflammatory and antifibrotic properties, which some claim protect the liver and reduce fat build-up.

Liver Health UK, who are based in Edinburgh, has developed a coffee-based drink called LivOn! It's a low-sugar, low-calorie, antioxidant-fortified drink. And it's been designed to reduce the risk of developing non-alcoholic liver disease, which affects one in three people in the UK.

The on-the-go drink was launched on 1 October this year. Liver Health UK hopes to raise the awareness of chronic liver diseases. It's donating 5% of every sale to the Liver Group Charity and Liver 4 Life, to fund research into combating liver disease.

Innovation support for Scottish food and drink companies

The RTD coffee category is definitely one to watch out for. If you want to understand more about the RTD sector Scotland, get in touch with our innovation team.

Make Innovation Happen is a single source of innovation support for businesses involved in the Scottish food and drink supply chain.

Scotland Food & Drink, Scottish Enterprise and Highlands & Islands Enterprise work in partnership across academia, the public sector and the industry to deliver a comprehensive innovation support service.

Make Innovation Happen can help your business by providing:

- [Access to 'connectors'](#), who can offer support, advice and mentoring, as well as direction to appropriate support
- Ideas and insights on how to innovate through articles and events
- Funding through the [Collaborative Innovation Fund](#)
- Help to access other innovation services provided by Scottish Government, [Scottish Enterprise](#), Highlands & Islands Enterprise, Interface and others

To find out more about the support available, please get in touch with the Make Innovation Happen team:

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