

Family Branding: Establishing Beverage Verticals for Parents and Children

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Consumer concerns over calorie and sugar content have undoubtedly been a major contributor to shifting consumer beverage choices, particularly in developed markets like the US, UK, and France. These concerns are particularly impactful when it comes to the beverage decisions that parents make for their children. As the current generation of young adults begin to start families, the brands and products purchased for personal consumption will heavily affect the brands and products they will purchase for their children. To that end, several beverage manufacturers are creating children's lines of premium and healthy adult drinks. But as Rooibee Red Tea discovered in the development of their own Rooibee Roo line, the opinion of the children consuming these beverages cannot be ignored.

Millennial Spending

Beverage manufacturers (along with most CPG manufacturers) covet the age 15-34 demographic. Often referred to in developed markets as the "millennial generation", these consumers present the most attractive consumers due to their relatively high levels of discretionary income compared to older consumers restrained in their spending due to costs of raising a family, mortgages and savings for retirement. As such, these millennial consumers are sometimes referred to as the "selfish generation" due to their proclivity for spending on themselves rather than saving for the future. Recessions in the US and Western Europe have curbed the ability for many of these millennials, particularly in the US, to spend lavishly on large ticket items like homes and automobiles. This period of financial instability has had another affect: steadily raising the average age of women at first childbirth. The financial burdens and economic uncertainties placed on these young adults have delayed their desire to start families, further increasing the period of time in these consumers lifespans where discretionary income is at its relative high.

Average Age of Women at First Childbirth, 1998-2018

On first glance, the rising age of women at first childbirth in these markets underscores the importance of catering to consumers without children for a longer period of time in order to capitalise on their high spending before the financial burdens of family become a reality. However, there is an even more compelling reason to market to these consumers for longer: establishing beverage categories and brands with these consumers now will have an important effect on their future spending for their children.

Extending Brands from Adult to Child

For years, younger parents, cast into the throes of parenthood before truly establishing their own habits when it came to product purchases, were more apt to serve their children the same products they consumed while growing up. Traditional drinks like Ovaltine, Tang, Kool-Aid, or juice boxes flourished under this cross-generational branding. However, with consumers having children later in life, more parents are entrenched in their own purchasing habits "finding and purchasing brands and products that were not available to them growing up. The result is a growing number of consumers questioning the beverages they drank as children. This is further exacerbated by the growing fears of obesity caused by high sugar beverages like carbonates and juices.

Rather than double down on childhood brands, beverage manufacturers are finding success by creating extensions of brands typically chosen by adults. Evian launched a bottled water with a lid specifically designed for infant use in France in 2013. UK smoothie manufacturer Innocent has a line of six different "Innocent smoothies for kids". Similarly, US organic tea and juice manufacturer Honest Tea has an "Honest Kids" line of fruit juices that contain 30% juice to lower sugar and calorie content when compared with other juice drinks. Even VitaCoco, the US's top selling coconut water brand, has a line of fruit flavoured coconut water featuring the characters from the children's movie Rio. Hot drinks for kids are also growing in popularity with Republic of Tea's "Little Citizens" Herb Tea (a line of fruity caffeine-free herbal teas that the whole family can enjoy) as well as Celestial Seasonings Sleepytime Kids, featuring a blend of herbs and flavours meant specifically for children.

Taste Matters

This type of vertical marketing extends beyond major beverage manufacturers. Rooibee Red Tea, an RTD tea brand that uses rooibos tea to create a premium RTD tea with flavours like cranberry pomegranate, vanilla chai, and its World Tea Expo award winning watermelon mint, is still relatively niche compared to the brands listed above. The organic tea company is increasing distribution nationally, but still has a ways to go. However, this has not stopped the Louisville, Kentucky based company from expanding its line of teas to a new kids line called Rooibee Roo. In speaking with Chief Tea Officer Heather Howell at the World Tea and Healthy Beverages Expo in Long Beach, California, she indicated that her inspiration behind the product came from experiences with her own children. Howell, mother to an eight and a 10 year old child, stated that the dearth of healthy beverages available to children made her work with Rooibee Red much more personal when she was tasked with developing the Rooibee Roo brand. Marketing and consumer insights manager Megan Goheen expressed a similar sentiment when she remarked that she would not serve to her two children many of

the beverages with which she grew up.

While health was a major motivator in creating the line, both Rooibee Red executives expressed the importance of developing a product that kids actually enjoy. The company hired a consulting firm that specialised in market testing with children. The feedback proved to be extremely important to the company. Howell stated that the original flavours they were set to launch were thrown out the window and that the line of mango, cherry, and orange was developed after extensive work with the focus group. Both Howell and Goheen remarked that children were the harshest critics and that, if the flavours and taste were not something they enjoyed, repeat purchases would be unlikely. With this line expanding Rooibee Red's distribution, the company is hopeful that both the Red and Roo products will work in tandem to introduce both kids and adults to the Rooibee brand.

Further Integration

Despite Rooibee Red being a niche brand, its work in establishing vertical integration of both adult and children's products is becoming more and more important. Consumers around the world are becoming more particular of the products they choose both for themselves and for their children. As the millennial generation starts to have families of its own, the ability to create brand equity with consumers before they have children could have ramifications that affect the next generation. However, as Rooibee Roo discovered in its testing, creating products that children themselves will enjoy is just as vital as convincing parents that these products are healthy for their kids. Moving forward, brands should not only be aware of the potential for this vertical, but be diligent in their market testing as well.

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