

Tea booms in Portugal

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Tea Booms In Portugal, by Euromonitor International

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Still RTD tea enjoys a high level of sales in Portugal, with the Portuguese drinking twice the average of Western Europeans. Even with this level of penetration, sales of still RTD tea experienced growth of 8.3% between 2003 and 2004, and over 1999-2004, the sector achieved impressive average annual growth of 12.9%. The RTD tea market in Portugal is dominated by still RTD tea, however, as carbonated teas have yet to penetrate the market.

Hot weather and health consciousness drive growth

The RTD tea market has benefited from several factors: firstly, Portugal's hot climate during the summer months has seen consumers opting for iced tea as a refreshing summertime drink. Secondly, the Portuguese are becoming increasingly health conscious, and RTD tea provides a healthier alternative to soft drinks such as Coca-Cola, which are known to have a higher sugar content than most RTD tea brands. Further, RTD tea in Portugal is still and as such this sector provides an alternative to gassy products, which many consumers prefer to avoid.

Competition rife in iced tea

Currently, there is a veritable battle for market share among the leading iced tea brands, which has seen manufacturers developing new flavours in order to boost their share of the market. Lipton has long been established as the market's leading brand and, in 2004, held a 68% share of market. Several other contenders are starting to gain market share, such as Frutea by Unicer, Nestea, by Nestl  , and B! by Compal, which held 9%, 5% and 4% of the market, respectively, in 2004. Euromonitor International expects that these secondary iced tea brands will continue to challenge Lipton's share of the market through product innovation and the introduction of new flavours. The leading flavours remain lemon, peach and mango, but recently, these were complemented with the addition of green tea, exotic fruits and ginseng.

Green iced tea was introduced by several companies in Portugal as an alternative to standard iced tea products. Although it had some initial success, green iced tea is still not as widely available as the standard counterpart, and most consumers remained faithful to the regular variety. Euromonitor International expects that unflavoured iced tea could also be a potential area for development in Portugal, as this is still relatively unrepresented in the market.

Growth to continue strongly as market variety increases

RTD tea is expected to continue strongly over 2004-2009, with Euromonitor International forecasting growth of 26% in total volume terms matched by 16% in total value terms. This growth will result partially from the natural success of RTD tea in Portugal, and partly from the launch of new flavours, formats and types of tea expected to develop into the forecast period.

Carbonated iced tea is still insignificant in Portugal, with very few products on the market and a low level of general availability. While it is true that many consumers opt for iced tea brands as an alternative to carbonated soft drinks, there is nonetheless potential for carbonated iced tea, given the current success of most iced tea brands in Portugal.

    Soft Drinks in Portugal     is a new report from Euromonitor International. It provides the latest retail sales data, allowing you to identify the sectors driving growth. It identifies the leading companies, the leading brands and offers strategic analysis of key factors influencing the market. Sector coverage includes: carbonates, fruit/vegetable juice, bottled water, functional drinks, concentrates, RTD tea, RTD coffee and Asian speciality drinks.

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