



Gladmak Deep Market Intelligence Report

October 2023

Product Line: Hibiscus RTD Tea



A quantum leap in market insight.
A quantum drop in marketing costs.
Pinpoint market opportunities hiding deep in the data.

Introduction

Please note that this DMI (deep market intelligence) report presents relevant and timely market data that has been aggregated over time. No specific product or market strategies are formulated within this report. However, this data may be a useful resource for planning marketing and product strategies. Please note all currency in this report is shown in USD, unless otherwise noted.

The RTD Tea and RTD Hibiscus Tea Markets are evaluated within this report and cover the following key elements:

- Category Data
- Competitive Analytics
- Consumer Trends

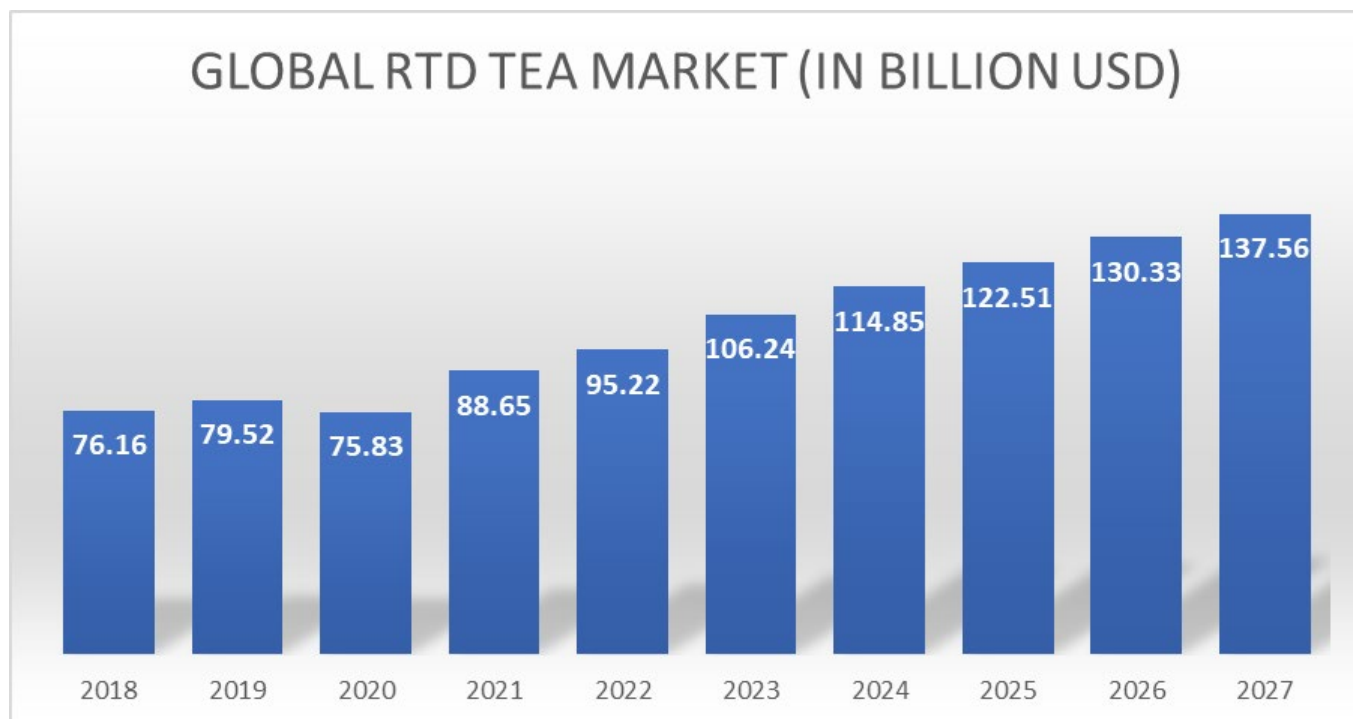
The final component of our market research includes a comprehensive analysis of the market attractiveness of RTD Hibiscus Tea utilizing our proprietary AI software. This pinpoints the level of the opportunities in the marketplace over the next few years.



Source: Pixabay

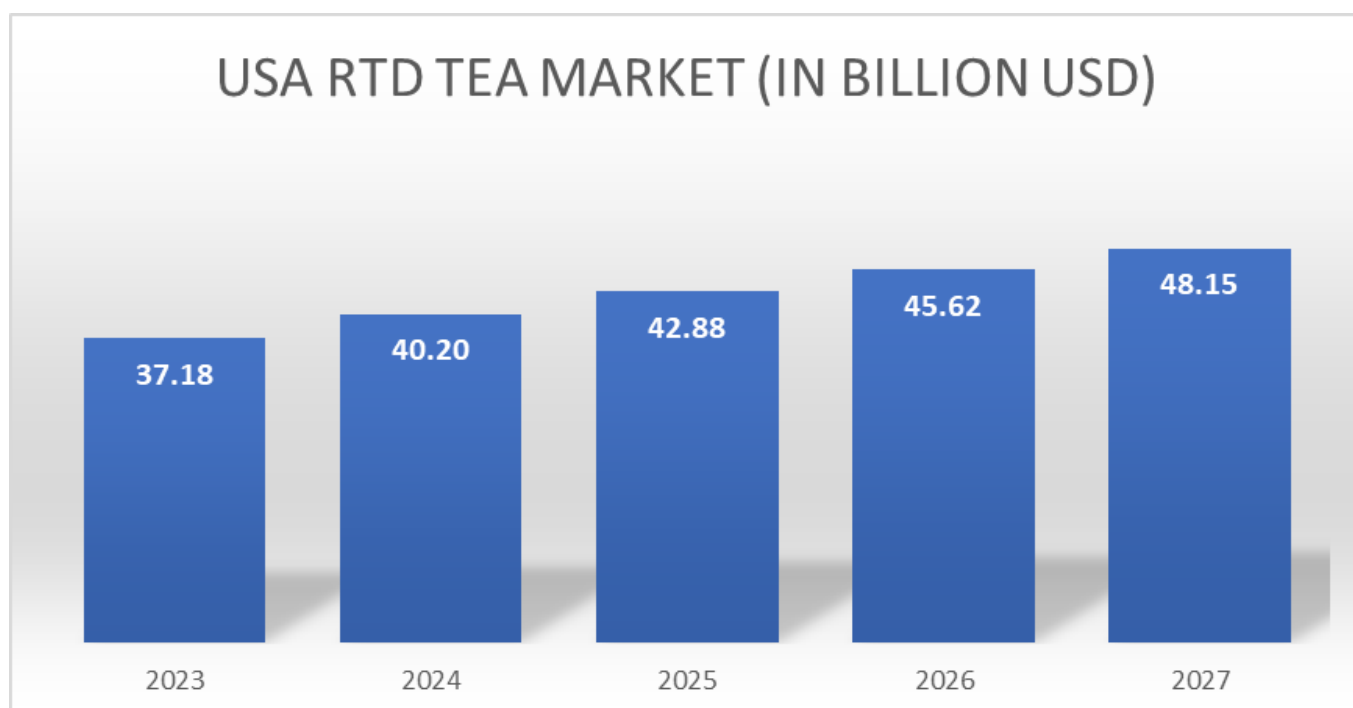
1. Market Category Report

The Global RTD Tea Market is valued at USD \$106.24 billion in 2023 and is projected to grow to USD \$137.56 million in 2027 at a CAGR of 6.69%.



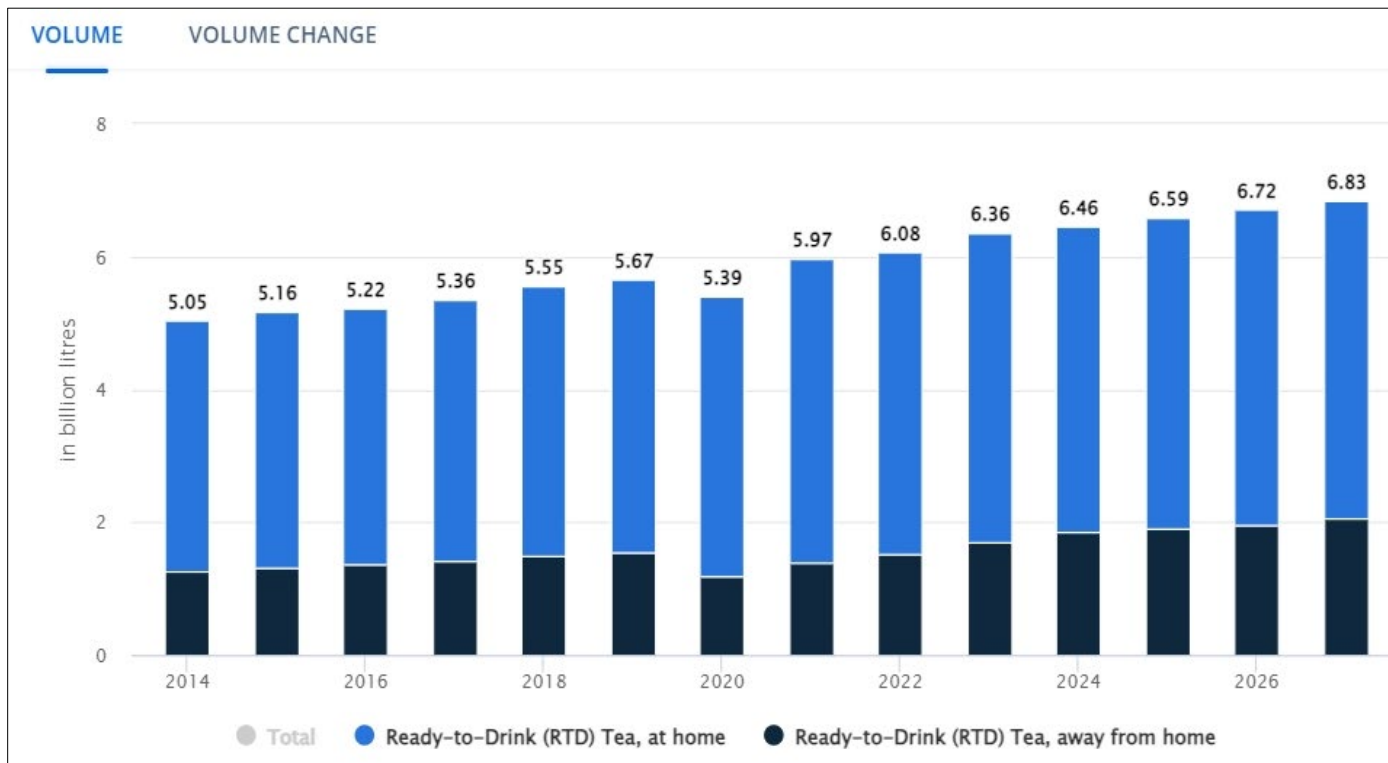
Source: Statista

The US RTD Tea Market is valued at USD \$37.18 million in 2023 and is projected to grow to USD \$48.15 million in 2027.



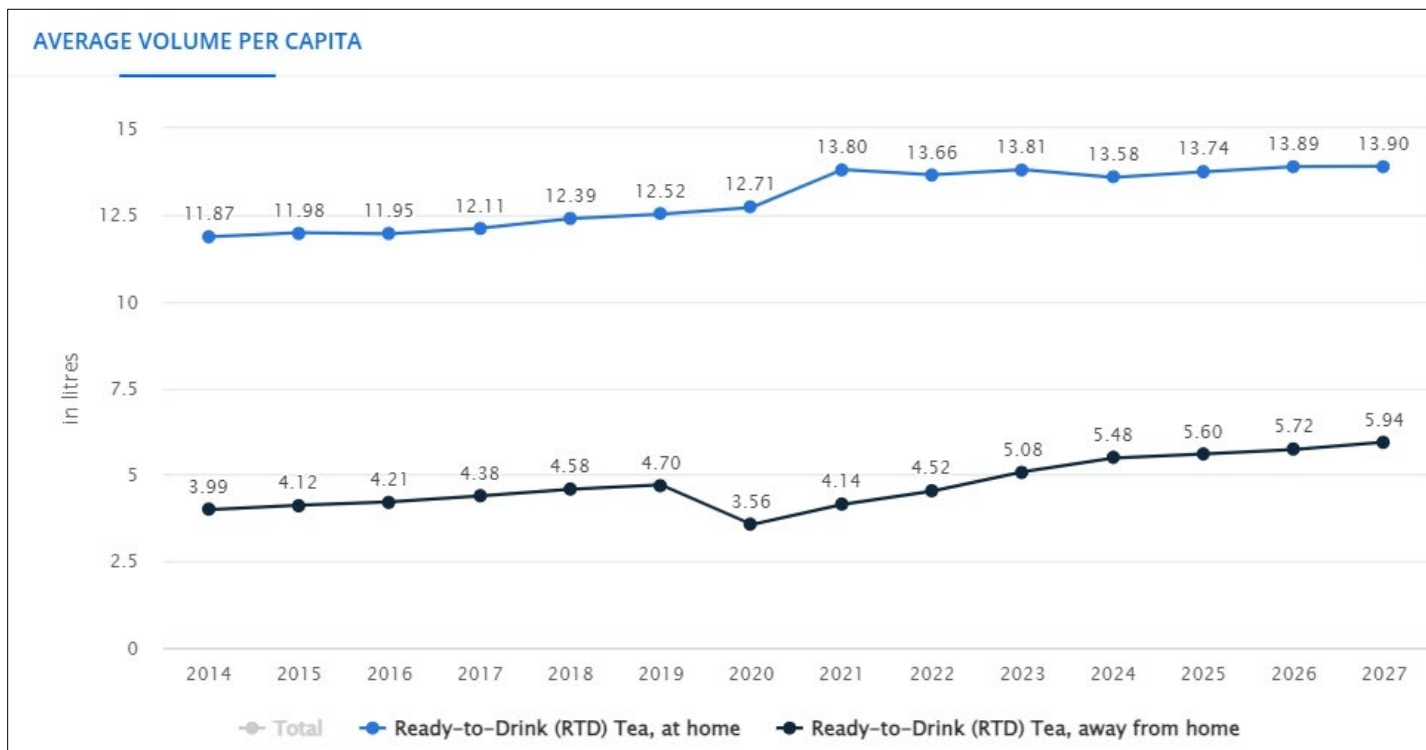
Source: Statista

The volume of RTD Tea sold in the US will increase from 6.08 billion litres in 2022 to 6.83 billion litres in 2027. “At home” will maintain the largest share which bodes well for selling RTD in bottles/packs to consumers for home use.



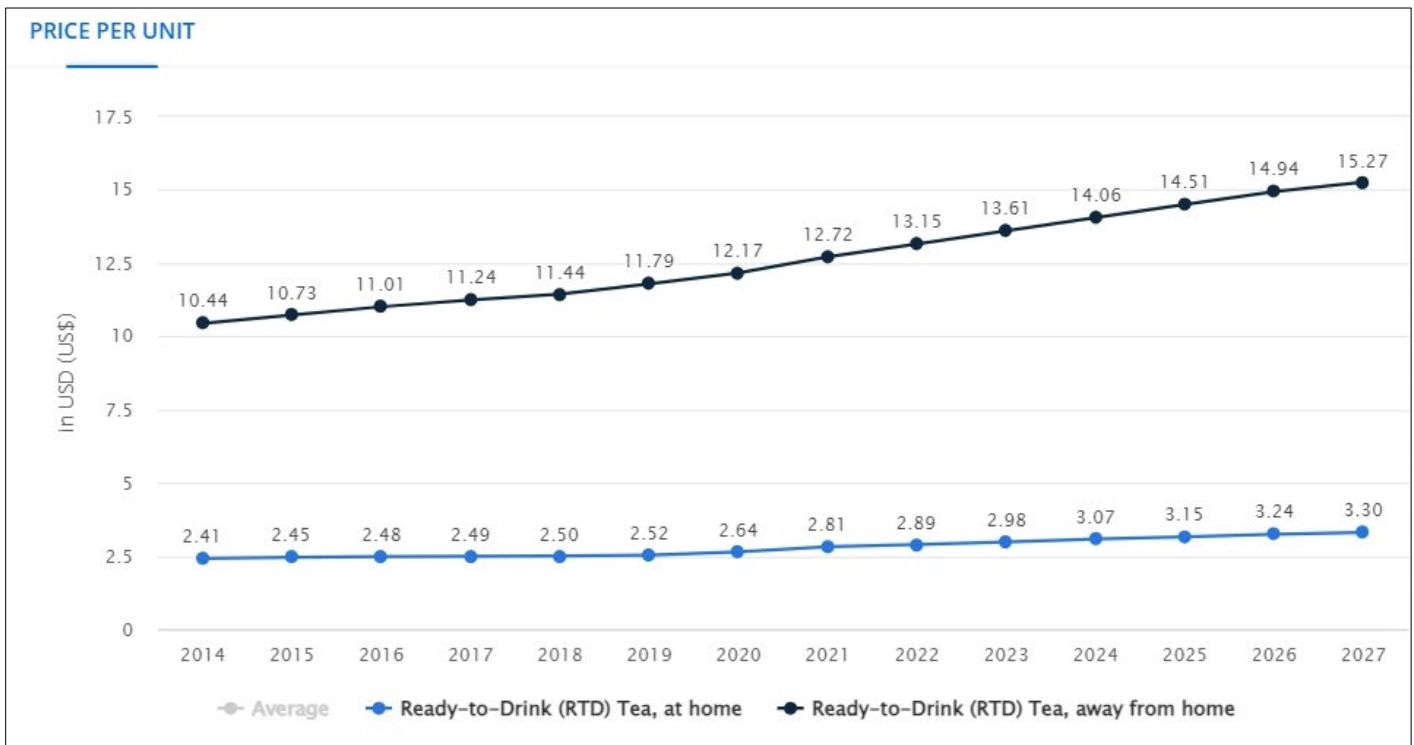
Source: Statista

The average US volume per capita is shown below.



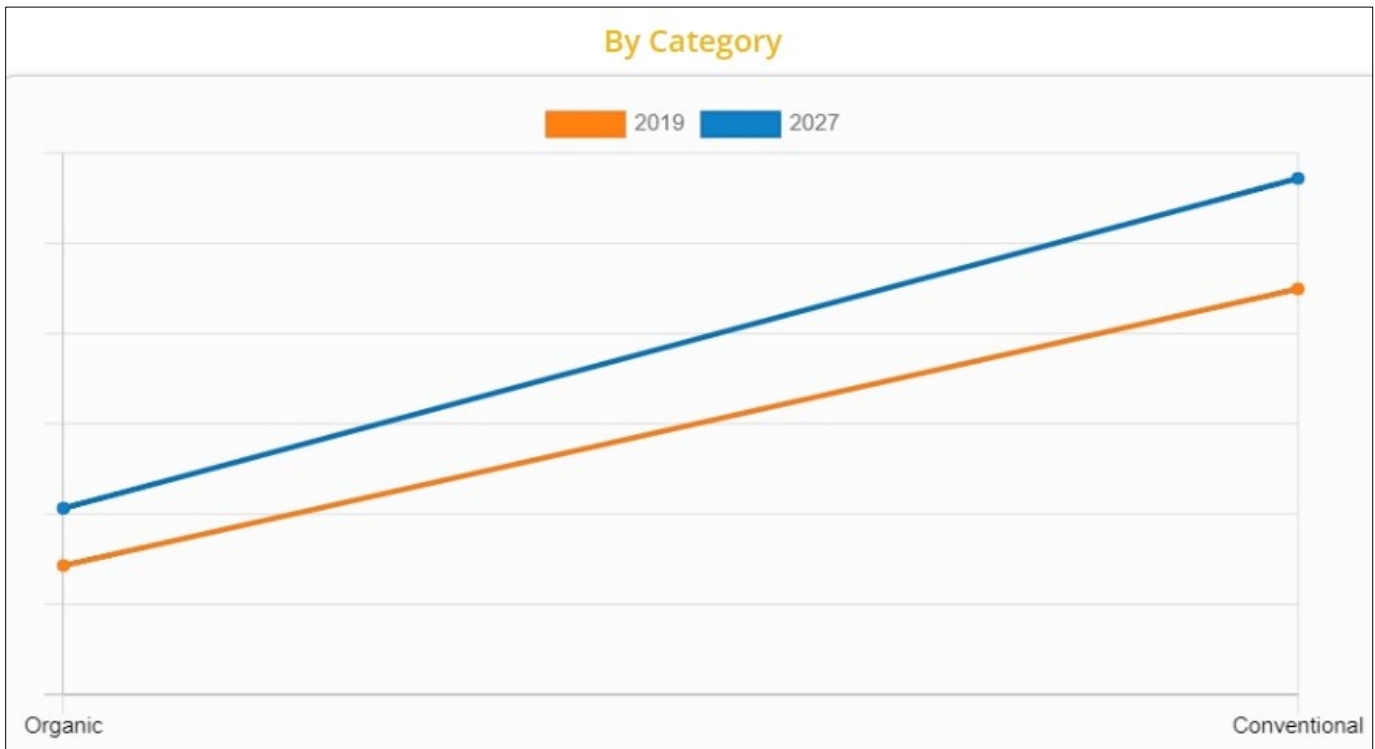
Source: Statista

The average US price per unit is shown below.



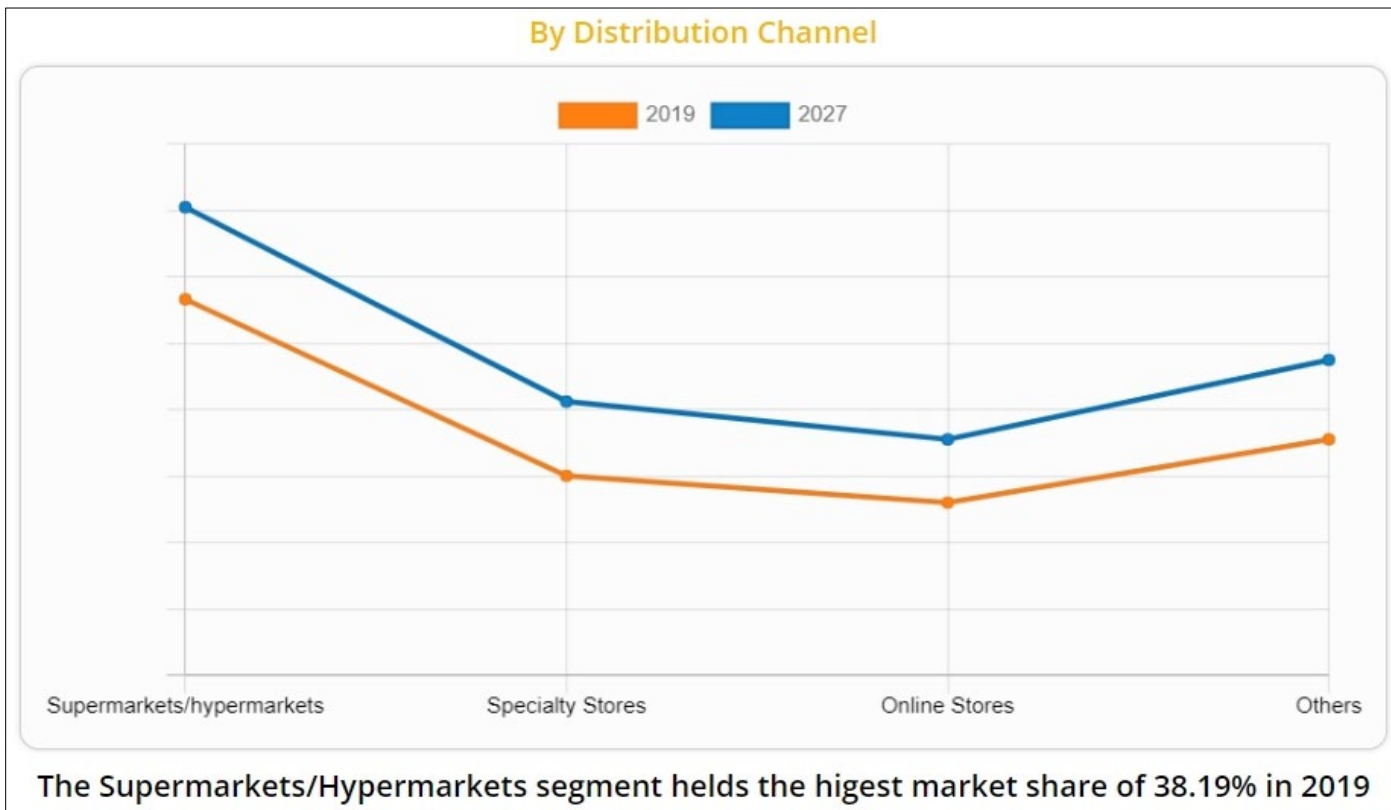
Source: Statista

The US RTD Tea market shows the Conventional category is larger and growing faster than Organic.



Source: Statista

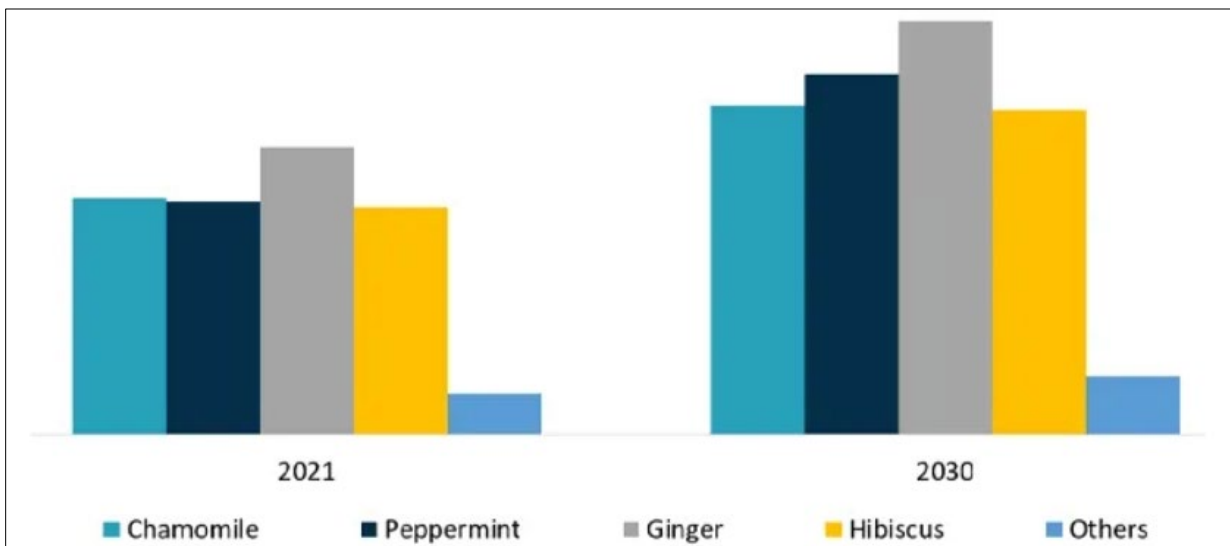
The US RTD Tea largest distribution channel is Supermarkets/Hypermarkets which is where sales should be focused.



Source: Statista

Market Segmentation

The RTD Tea market in the US was highly fragmented but it's becoming more concentrated with several key players. These players are detailed in the Competitive Intelligence section. The largest selling segments of RTD teas, in order, are Black, Green, Fruit, Herbal, Jasmine, Oolong and Red Tea. The best-selling Herbal Teas, in order, are Ginger, Peppermint, Chamomile, Hibiscus and others. Hibiscus Tea will experience medium growth (about 6.7% CAGR) until 2030.



Source: Emergen Research

Target Market Analysis

In 2023, **Frontiers in Sustainable Food Systems**¹ published the Research Article entitled “Food and Consumer Responses and Willingness-To-Pay for Hibiscus Products: A Preliminary Study”. It provides a comprehensive evaluation of Hibiscus consumer market preferences which are detailed on the following pages.

The chart below indicates the primary target market is women aged 18-34, and well educated.

Characteristic	Total sample count (%)	Hibiscus consumer count (%)		χ^2	p-value
	(n = 139)	Yes (n = 113)	No (n = 26)		
Gender					
Male	37 (26)	27 (24)	10 (38)	2.460	0.292
Female	101 (73)	85 (75)	16 (62)		
Other	1 (1)	1 (1)	0 (0)		
Age categories					
18–34 years	106 (76)	89 (79)	17 (65)	2.089	0.148
35–65 years	33 (24)	24 (21)	9 (35)		
Education (highest level completed)					
Some college/2-year degree	26 (19)	19 (17)	7 (27)	2.909	0.234
4-year degree	38 (27)	34 (30)	4 (15)		
post-graduate degree	75 (54)	60 (53)	15 (58)		
Household Income (\$/year)					
<59,999	86 (61.9)	73 (64.6)	13 (50.0)	4.864	0.088
60,000–119,999	34 (24.5)	28 (24.8)	6 (23.1)		
> 120,000	19 (13.7)	12 (10.6)	7 (26.9)		
Food Budget (\$/week)					
0–59	57 (41)	48 (42)	9 (35)	4.660	0.198
60–99	23 (17)	17 (15)	6 (23)		
100–159	45 (32)	39 (35)	6 (23)		
>160	14 (10)	9 (8)	5 (19)		

According to Fact.MR, “Millennials choose tea in bottles over freshly brewed tea produced at home. The growing adoption of flavored bottled tea by young consumers is boosting market expansion. Demand for bottled ice tea beverages has been aided by Generation Z. High demand for herbal extracts with added purifying properties in RTD iced tea products, including ginseng, hibiscus and green tea is driving the bottled tea market growth.”

¹ Frontiers in Sustainable Food Systems., 17 April 2023. Sec. Nutrition and Sustainable Diets. Volume 7 – 2023. <https://doi.org/10.3389/fsufs.2023.1039203>

The preferred format for Hibiscus is in Tea format.

How well do you like to consume hibiscus in each of the following forms?	Juice		Kombucha		Smoothie		Tea	
	Count	%	Count	%	Count	%	Count	%
1. Like a great deal	22	15.1	18	13.0	6	4.3	42	29.2
2. Like a moderate amount	22	15.1	22	15.9	24	17.3	39	27.1
3. Like a little	19	13.0	6	4.3	19	13.7	29	20.1
4. Neither like nor dislike	75	51.4	61	44.2	83	59.7	30	20.8
5. Dislike a little	3	2.1	8	5.8	0	0.0	3	2.1
6. Dislike a moderate amount	4	2.7	6	4.3	4	2.9	1	0.7
7. Dislike a great deal	1	0.7	17	12.3	3	2.2	0	0.0
Total	146	100.0	138	100.0	139	100.0	144	100.0

Females 18-34 (the largest market) prefer Hibiscus in all formats: Juice, Kombucha, Smoothie and Tea.

Characteristics	Juice		Kombucha		Smoothie		Tea	
	n (%)	mean ± SD	n (%)	mean ± SD	n (%)	mean ± SD	n (%)	mean ± SD
Gender								
Male	37 (28)	2.9 ± 1.4	30 (24)	4.2 ± 1.5	31 (25)	3.7 ± 1.2	34 (26)	2.8 ± 1.0
Female	97 (72)	3.4 ± 1.2	96 (76)	3.6 ± 1.9	95 (75)	3.5 ± 1.2	98 (74)	2.3 ± 1.2
Age categories								
18–34 years	104 (77)	3.2 ± 1.3	99 (78)	3.6 ± 1.8	99 (78)	3.4 ± 1.2	101 (76)	2.4 ± 1.2
35–65 years	31 (23)	3.3 ± 1.2	28 (22)	4.1 ± 1.7	28 (22)	3.9 ± 0.8	32 (24)	2.5 ± 1.3
Household Income (\$/year)								
<59,999	84 (62)	3.1 ± 1.4	77 (61)	3.8 ± 1.9	77 (61)	3.6 ± 1.3	81 (61)	2.5 ± 1.1
60,000–119,999	33 (24)	3.4 ± 1.1	32 (25)	3.4 ± 1.7	32 (25)	3.4 ± 0.9	34 (26)	2.3 ± 1.3
>120,000	18 (13)	3.9 ± 1.1	18 (14)	3.9 ± 1.5	18 (14)	3.6 ± 0.8	18 (14)	2.6 ± 1.4

It was ascertained that taste is the most important attribute, followed by health benefits.

Reason to consume hibiscus products	Rank*									
	1		2		3		4		5	
	%	Count	%	Count	%	Count	%	Count	%	Count
Aroma	9.6%	13	34.8%	47	28.9%	39	23.7%	32	3.0%	4
Color	4.4%	6	14.1%	19	29.6%	40	37.8%	51	14.1%	19
Health benefits	25.9%	35	20.7%	28	21.5%	29	26.7%	36	5.2%	7
Taste	54.8%	74	25.9%	35	11.9%	16	4.4%	6	3.0%	4
Trendy product	5.2%	7	4.4%	6	8.1%	11	7.4%	10	74.8%	101

*1 = most important reason. Respondents: n = 135.

2. Competitive Intelligence

Price scans were aggregated over 2 months and shown in the following table. It covers some of the largest sellers of all RTD Teas and lists their suggested retail price, pack, size, cost per bottle, cost per oz. and monthly unit sales.

We chose Amazon.com as it is indicative of the larger North American marketplace.

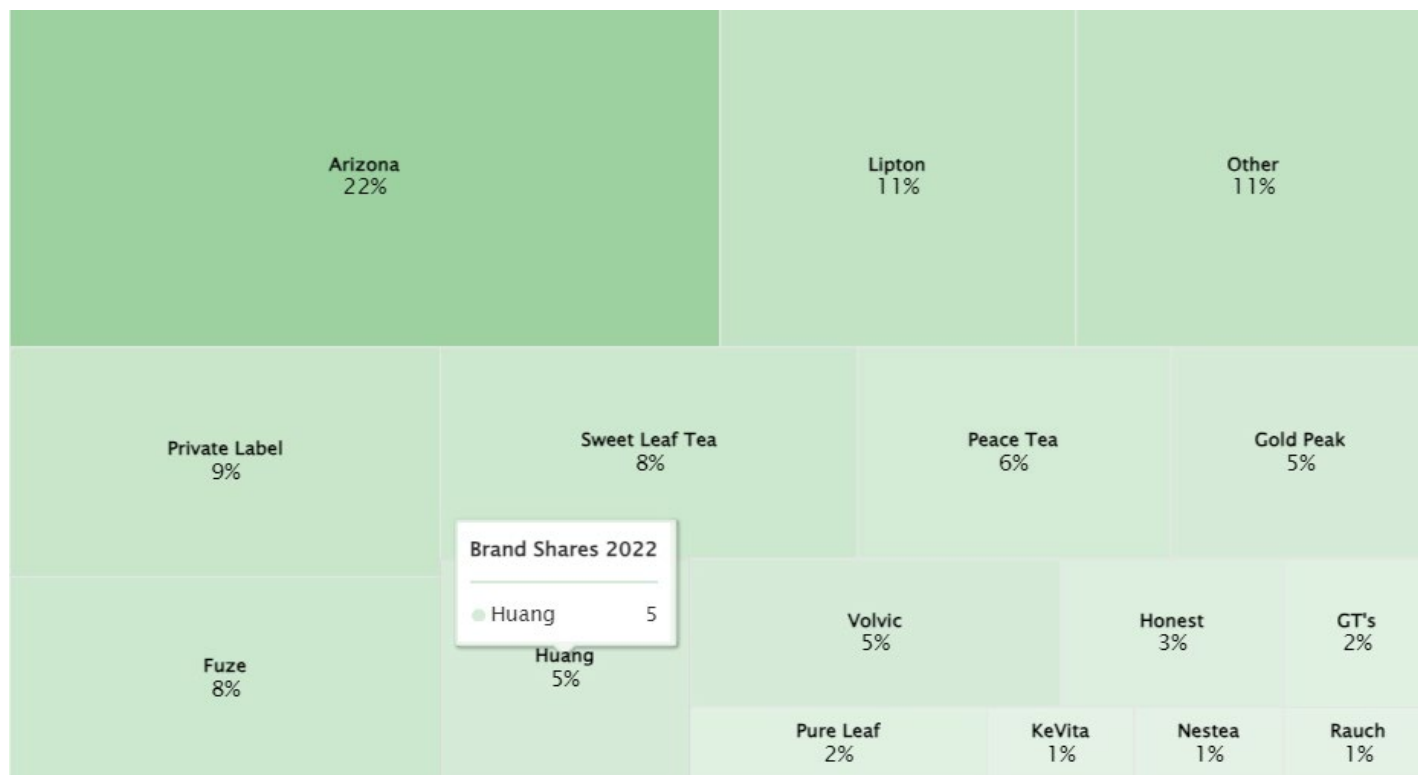
All unit sales on Amazon.com are monthly.

brand	price usd	pack of	oz./btl	price/oz.	unit sales
LIPTON PURE LEAF BLACK TEA UNSWEETENED	39.18	12	18.5	0.18	10,000
LIPTON PURE LEAF BLACK TEA SWEETENED	42.00	12	18.5	0.19	3,000
GOLD PEAK GREEN TEA	35.57	6	16.9	0.35	2,000
SNAPPLE ZERO PEACH BLACK TEA	29.00	12	16.0	0.15	4,000
ARIZONA GREEN TEA	29.99	24	22.0	0.06	2,000

Source: Amazon.com

The lowest price is Arizona Green Tea. Arizona has long been the price leader and states that its price will always be the lowest. Lipton owns the largest selling brands in the Amazon marketplace with over 13,000 units sold per month.

Arizona and Lipton have the largest market shares of RTD Tea in the US.



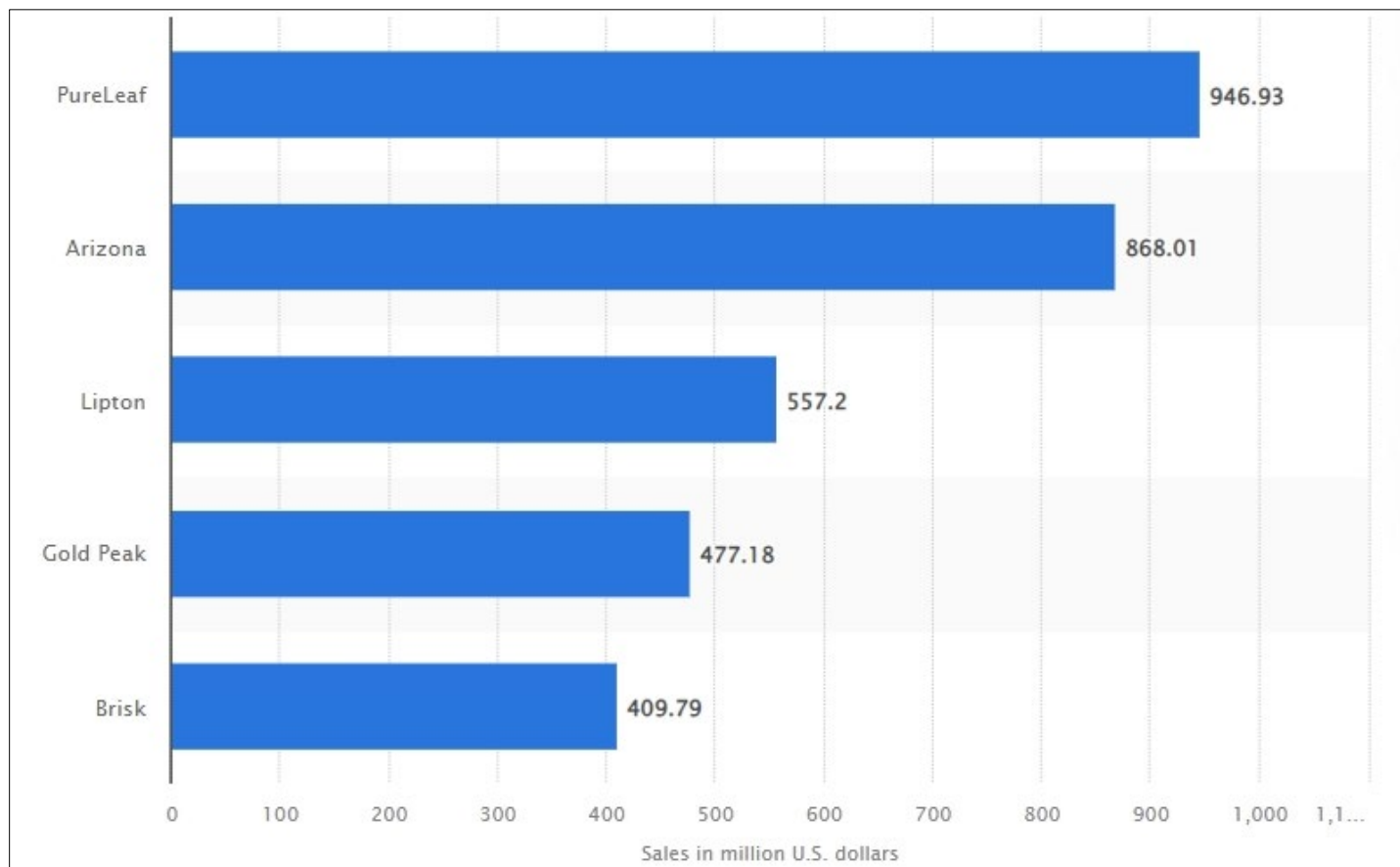
Source: Statista September 2023

The following chart list the top 10 RTD Tea brands in the US and their respective annual dollar and unit sales in 2020.

Canned and bottled tea: top 10 brands		Dollar sales (millions)	% change vs. year ago	Unit sales (millions)	% change vs. year ago
1	Lipton Pure Leaf	\$808.7	7.5	341.7	0.3
2	Arizona	\$583.2	2.0	409.7	-3.0
3	Gold Peak	\$437.5	7.6	195.7	0.4
4	Lipton Brisk	\$363.1	0.8	239.4	-4.1
5	Lipton	\$335.4	3.1	100.6	-6.3
6	Monster Rehab	\$219.6	-19.8	87.6	-20.2
7	Snapple	\$205.6	-1.9	86.4	-10.7
8	Diet Snapple	\$159.1	3.7	52.5	-6.2
9	Lipton Diet	\$137.7	8.2	27.7	5.1
10	Arizona Arnold Palmer	\$135.8	2.9	100.1	-3.0
Total subcategory		\$3,997.0	1.0	1,981.7	-4.6

Source: IRI

The top 5 RTD Tea brands in the US in 2022, based on sales of million USD, are displayed below.



Source: Statista

Several Hibiscus RTD Teas (based in US and Canada) are listed below along with their prices and sizes. This will assist us with future price setting strategies.

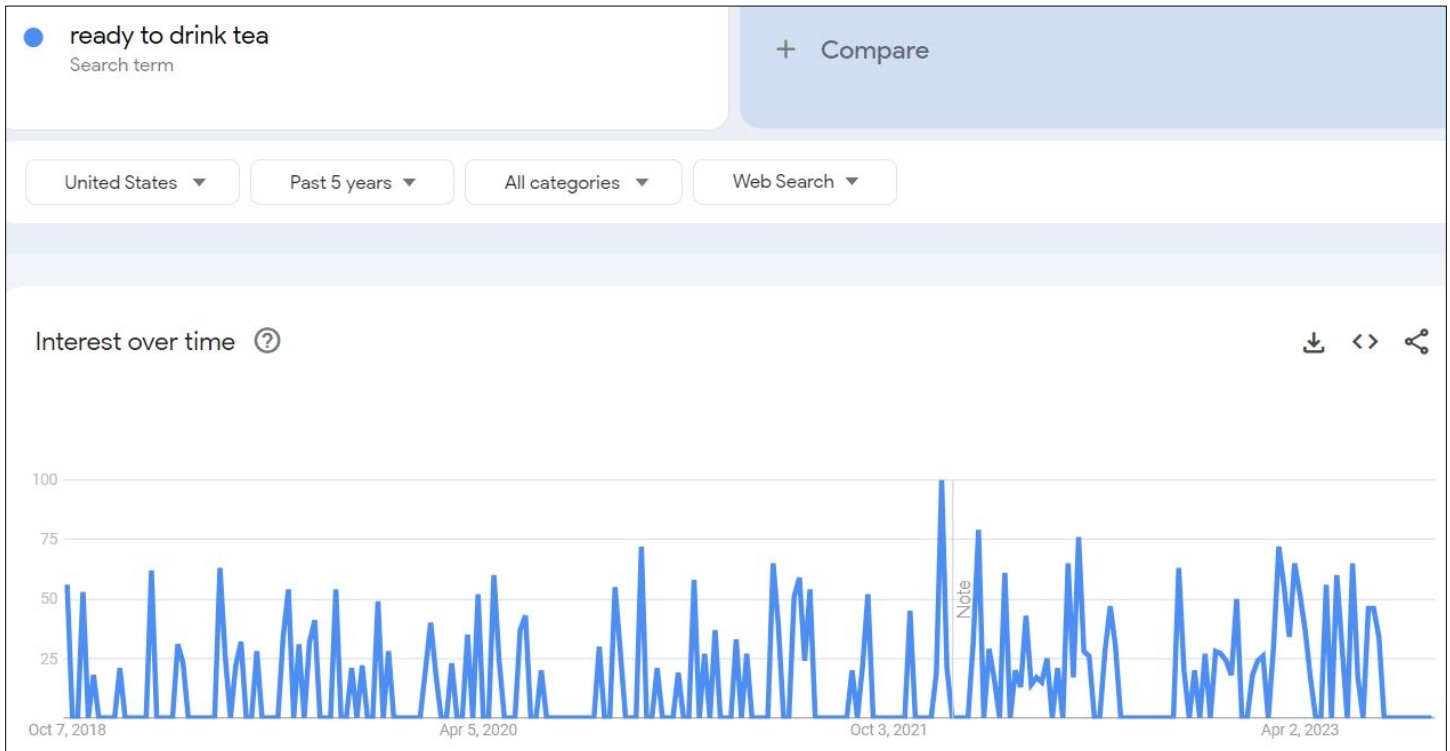
All prices are per bottle.			
brand	price cad	price usd	size (oz.)
HIBISBERRY ANY FLAVOR	3.50		12
NUBA ANY FLAVOR	4.50		12
HAI TEA ANY FLAVOR	5.50		12
TEATULIA		2.50	12

Source: Google

3. Product Trend Analytics

The focus of this online consumer demand study is on US RTD Tea Market. This comprehensive research includes data gathering, trend analysis and assessment over the past five years.

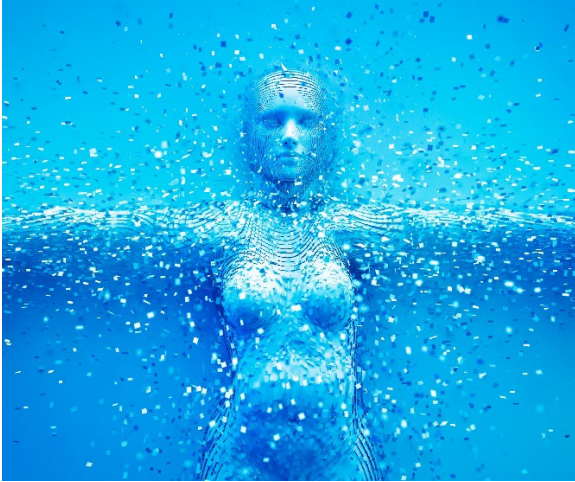
Five Year Trend Analytics for USA



Source: Google Analytics

Consumer interest is strong and consistent over 5 years with a slightly increased trend over the last 2 years. This increase in overall demand confirms the 6.69% CAGR in the RDT Tea Market.

4. Marketscape AI-Generated Research



These AI responses are generated from a mass pool of data from thousands of websites, databases and our captured data.

What are the best market opportunities for RTD Hibiscus Tea?

Ready-to-drink (RTD) hibiscus tea presents several market opportunities, particularly in the beverage industry, as consumers are increasingly seeking healthier and more unique beverage options. Here are some of the best market opportunities for RTD hibiscus tea:

Health and Wellness Trend: Hibiscus tea is known for its potential health benefits, including antioxidants and potential cardiovascular health benefits. Positioning RTD hibiscus tea as a healthy beverage option can resonate with health-conscious consumers.

Natural and Clean Label: Consumers are looking for natural and clean-label beverages. RTD hibiscus tea can capitalize on this trend by emphasizing its natural ingredients and avoiding artificial additives or preservatives.

Flavor Innovation: Hibiscus tea has a tart and slightly floral flavor, which can be appealing to consumers looking for unique taste experiences. Experimenting with different flavor combinations, such as hibiscus mixed with fruit flavors or herbs, can help you stand out in the market.

Functional Benefits: Incorporating functional ingredients, such as vitamins, minerals, or adaptogens, into RTD hibiscus tea can cater to consumers looking for more than just hydration from their beverages. For example, hibiscus tea with added collagen for skin health or electrolytes for post-workout recovery could find a niche audience.

Sustainability and Ethical Sourcing: Consumers are increasingly concerned about sustainability and ethical sourcing of ingredients. Highlighting sustainable and ethical practices in the production and sourcing of hibiscus can attract environmentally conscious consumers.

Convenience and On-the-Go Packaging: RTD beverages are popular for their convenience. Packaging RTD hibiscus tea in easily transportable, recyclable, or sustainable containers can appeal to busy consumers looking for a refreshing drink while on the go.

Marketing to Diverse Audiences: Hibiscus tea is consumed in various cultures worldwide. Targeting diverse demographics by highlighting hibiscus tea's cultural significance and versatility can broaden your market reach.

Distribution Channels: Consider the distribution channels that align with your target market. RTD beverages can be sold through grocery stores, convenience stores, cafes, online platforms, and even in health-focused retail outlets.

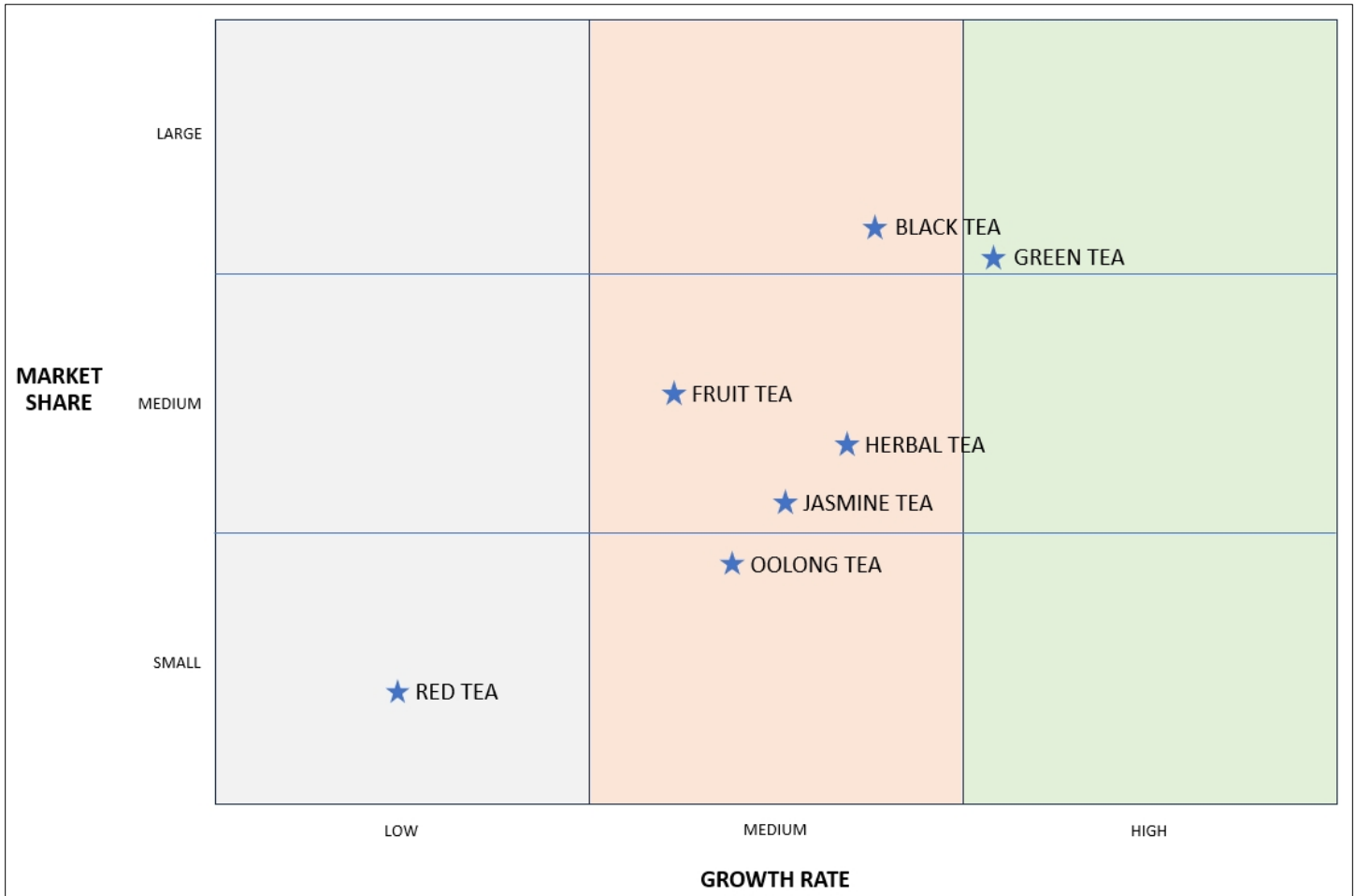
Collaborations and Partnerships: Partnering with other brands or companies to create co-branded RTD hibiscus tea products can help expand your reach and tap into new customer segments.

Consumer Education: Educating consumers about the benefits of hibiscus tea, its origins, and how it can be incorporated into their daily routines can help create awareness and drive demand.

Remember that the success of an RTD hibiscus tea product will depend on factors such as branding, taste, pricing, and effective marketing strategies. Therefore, ongoing market research is required to identify new, developing opportunities and tailor your product and marketing efforts accordingly. Additionally, keep an eye on evolving consumer preferences and industry trends to adapt your product to changing market demands.

Market Attractiveness Analytics

We have studied the RTD Tea and RTD Hibiscus Tea Market in 360 degrees via both primary and secondary research methodologies. This helped us in building an understanding of the current market dynamics, supply-demand gap, pricing trends, product preferences, consumer patterns and other parameters. The findings were further validated through primary research with industry experts and opinion leaders across market segments. The data is further compiled and validated through various market estimation, data validation and AI methodologies. From this we develop a Market Attractiveness model, shown below, which accurately pinpoints the best opportunities in the marketplace over the next 7 years.



Source: Marketscape AI

The Hibiscus RTD Tea Market is part of the Herbal Tea Market. It is a medium sized market that will experience medium growth until 2030 and, therefore, Hibiscus Tea products are a good opportunity to pursue within this RTD marketplace.

Until now, RTD Hibiscus beverages have been targeting niche and young segment markets. The data shows that there is a potential market for Hibiscus beverages in the American market not only in niche markets but also as a specialty product in a larger market.