Country = TH

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Health and Wellness in Thailand

Euromonitor International

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# Health and Wellness in Thailand

**PASSPORT AUTHOR (COMMISSIONER TO FILL IN HERE):**

## Executive Summary

**Guidelines:**

This file is merged with the health and wellness food file before publication to form one report on health and wellness. The title of this file is therefore health and wellness in [country] rather than health and wellness beverages in [country]. **The Executive Summary should be focused on health and wellness overall (ie both HW food and HW beverages). The rest of the text in this file should be focused on health and wellness beverages only.**

Clients want to know whether the COVID-19 pandemic is still causing disruption, but please also mention any other major developments.

### Health and wellness in 2021: The big picture

* Due to the fact that, people who having obesity increases the risk of severe illness from Covid-19. Most consumers are likely to concern more about their health and have more valuable foods. High sugar, cholesterol and fat products are long perceived as an unhealthy ingredient that being the main caused of overweight and high cholesterol. Therefore, such product categories are projected to be less demanded during the forecast period. Along with the greater innovation introduced by companies, the NPDs in current period are expected to be under the healthy and functional theme that helps to improve people’s health in long-term.

### trends

* 3rd wave of covid-19 pandemic has begun from the contagious UK covid-19 strain which led over thousand infecting cases since 14 April 2021, with deaths climbing to double digit a day. Several banking research units and other financial institutions have slowed down the expectation of GDP’s growth regarding to the 3rd wave of pandemic. However, the entire economy is expected to recover soon or after Thailand secures more covid-19 vaccines supplies. In the meantime, the private companies are still running their business with uncertainty of future outlook, thanks to the lesson experienced from the first and second waves. For such analysis, the consumers are still expected to have limited purchasing power and the recovery period is projected to prolong until the economy is back. Such analysis seems to be a negative driver for product developed in naturally healthy category as it is commonly set in a premium price point as it is claimed to offer a better quality and benefit.

### Competitive landscape

* The product innovations are more seen in the fortified/functional beverages and naturally healthy beverages category. These have been encouraged with nearly the same contributing driver of increasing health and wellness trend among consumers as well as the new sugar tax that drives the new development in no-sugar content. More brands in both soft drink and hot drink market are introducing the product with functional benefit offer; vitamin is the key benefit in soft drink and herb extract becomes the major ingredient to develop for hot drink product.

### Retailing developments

* While the in-house online shopping that developed by nationwide supermarkets like Tesco, Big C and Tops becomes more popular with an increasing number of daily users, the first leader in convenience shops like 7-eleven is now developing the grocery platform to ease consumers’ life. With over 20-thousand delivery vacancies recruited in 2020, its service witnessed a successful result of huge users.

<https://www.grocerydive.com/news/7-eleven-adds-delivery-providers-as-small-basket-e-commerce-accelerates/587629/>

### What next for health and wellness?

* The products in health and wellbeing segment have been more found via the nationwide channels like convenience stores, supermarket, and hypermarket, while it was previously seen more in a specialty health shops and online channel. With its price is set to be more affordable and product’s perception becomes mass, the consumers are trending to consume more across all channels.

## Market Indicators

Dynamic tables

## Market Data

Dynamic tables

## Appendix

## Disclaimer

[Q: CAT to fill in before publication

Forecast and scenario closing date:

Report closing date:

Analysis and data in this report give full consideration to consumer behaviour and market performance in 2021 and beyond as of the dates above. For the very latest insight on this industry and consumer behaviour, at both global and national level, readers can access strategic analysis and updates on www.euromonitor.com and via the Passport system, where new content is being added on a systematic basis.

## Sources

Sources used during the research included the following:

Dynamic table

Country = TH

Project = HWFB2022

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Better For You Beverages in Thailand

Euromonitor International

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# Better For You Beverages in Thailand

## [Q: to be completed by in-house analysts and the CAT only. ICAS can leave the key data findings blank]

## KEY DATA FINDINGS

* Comment on the main story impacting the category in 2021
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## 2021 Developments

Cover key trends below, making reference to any ongoing impact COVID-19 is having on the category and consumer spending/purchasing patterns in 2021 where relevant. Also consider covering competitive landscape (company strategy and interesting new product development) and changing distribution trends, alongside any other major developments.

### Sugar tax provides growth opportunities for BFY reduced sugar beverages

* The new excise tax on sugary drinks that announced in 2017 has directly impacted the entire beverage industry as sugar was originally the major source of sweetness. Across the non-alcoholic drink sector, players have been encouraged to innovate the drink with less 6g of sugar content while some players think beyond to reformulate a sugarless drink. Many drink industries such as carbonates, juice, energy drink, sport drink, RTD coffee, RTD tea as well as the instant version of hot drink product.

### Covid-19 effect supports growth for reduced sugar drinks

* Most people with diabetes and obesity that mostly includes other conditions like high blood pressure and high cholesterol tend to be high risk of getting severely infected from the coronavirus. Foods and beverages that contained high level of sugar, cholesterol and fat are becoming a health hazard during such situation. As such, the sweetened beverages across non-alcoholic drink segment will be less consumed while the BFY choice is expected to be highly demanded along with an aggressive development among companies.

### Decreasing decaff demand weakens the reduced caffeine market

* Caffeine, that commonly found in coffee and tea product, is deemed as an important natural stimulant and most consumers choose to consume such products because of caffeine effect. Though, the decaffeinated coffee or tea is considered as a healthy choice, but it seems to be needless among health-conscious consumers in Thailand.

## Prospects and Opportunities

Discuss the main trends expected to be seen during the forecast period.

### RTD tea gains higher demand in reduced sugar version

* The reduced sugar strategy is likely to be successfully implemented in some drink category as the beverages’ consumer such as carbonates seem to prefer to zero-sugar version rather than just sugar reduction. The worthy examples of less sugar version that work effectively in the market; RTD Tea: Lipton is trying to strengthen its leadership by launching new flavour of Lipton Herbal Blends with 40% Lower Sugar to enhance its presence in healthy drink position. Oishi Group Plc launched Oishi Genmaicha with high vitamin B claim in both delight and no-sugar version in April 2021.

### RTD coffee players innovate beyond BFY

* With the new trend among coffee consumers that step forward the black coffee with no milk, sugar, and other sweeteners added, the reduced sugar formulation becomes an unnecessary development for coffee producers. All major brands in RTD coffee like Birdy and Nescafe tend to focus more on black coffee and americano product with an increasing popularity driven by health consciousness.

### Hike in sugar tax drives new development in hot drinks

* In the meantime, the hot drink players in Regular Instant Coffee Mixes category see the importance of reformulating its reduced sugar content to respond the sugar tax and to grasp the healthy consumers. Though the first leader, Nescafe, has focused more on powder americano products, but other top leaders like Birdy and Khao Shong are currently reformulating the less sugar coffee in portfolio. To elaborate, Birdy launched the 25% reduced sugar 3-in-1 instant coffee in October 2020, while Khao Shong also introduced the new collection of 50% less sugar with several tastes.

<https://www.punpro.com/p/promotion-birdy-3-in-1-reduce-sugar-25-percent-at-7-ELEVEN>

<https://www.facebook.com/KhaoShong1979/>

## Category Data

Dynamic tables

Country = TH

Project = HWFB2022

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DocClassID = 2

Fortified/Functional Beverages in Thailand

Euromonitor International

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# Fortified/Functional Beverages in Thailand

Clients will want to know how much of an impact COVID-19 has had on sales and consumer spending in 2021. Please therefore discuss overall developments below, taking time to reference how COVID-19 has affected supply/demand and how it will likely impact the category in the near future.

## [Q: to be completed by in-house analysts and the CAT only. ICAS can leave the key data findings blank]

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## 2021 Developments

Cover key trends below, making reference to any ongoing impact COVID-19 is having on the category and consumer spending/purchasing patterns in 2021 where relevant. Also consider covering competitive landscape (company strategy and interesting new product development) and changing distribution trends, alongside any other major developments.

### Functional drinks achieves the fastest growth

* Thanks to increasingly hectic lifestyles, consumers are becoming increasing stresses and fatigued, which is driving the demand for fortified/functional beverages in bottled water and juice properties. This trend is particularly strong among young consumers and generation z who like a novel experience. High-vitamin nutrition as a functional benefit is being a major contributor of demands in functional bottled water and vitamin juice drink products.

### Covid-19 accelerates beneficial value demand

* With a rise in the numbers of consumers adopting healthy lifestyles, more consumers are shifting beyond the regular products to a greater benefit offer. Additionally, the covid-19 infection, which is globally known as a health crisis, have encouraged people to consume further beneficial products and have a better diet. As such coronavirus is commonly affecting to lungs among the infected people, the local herbs extract like ginger or lemon glass are gaining more popularity due to the traditional beliefs among Thais that it helps to improve lungs’ immunity. Herbal tea and other plant-based hot drink market have benefited from the consumers shift.

### NH still national mineral bottled water faces the big challege

* The NH still natural mineral water was previously a category witnessing the highest growth, driven by increasing number of health-conscious consumers. But with its premium selling price that set much higher than still bottled water, consumers are returning to more economy options. This is supported by the declining power in purchasing among consumers who impacted from the infection and national lockdown.

## Prospects and Opportunities

Discuss the main trends expected to be seen during the forecast period.

### Vitamin C becomes the key driver of soft drink market

* Functional bottled water and high-vitamin C juice drink continued to achieve solid growth in 2020-21. The functional benefits in beverage have been increasingly prevalent in Thailand as the health-conscious and nutritional value has raised consumers’ awareness. As consumers and manufacturers value the functional drinks over the regular version available in the market, both existing players and new entries are consistently launching the new development with functional claim.
  + There are almost ten brands presented in functional water market in over these consecutive years such as Vitaday, Ichitan Purra, Aquavits and D.r. Drink were introduced along the year 2020 while Vitmores+, Mansome vitamin water and B’lue C200% were lately launched in 2021. In the same time, Yanhee which is the longest lasting brand in vitamin water has developed the new two flavours, lychee and strawberry, to strengthen its presence in healthy product.
  + This sub-category of vitamin C drink is dominated by the domestic brands with C-vitt brand being the first leaders, then followed by Double C and Vitaday consecutively that lately launched in 2018. The mojor companies from several beverage market has also tapped the market such as Hi! from T.C. Pharmaceutical Industries Co Ltd, Scotch ABC Drink from Scotch Industrial (Thailand) Co Ltd, QminC from TERA Food and Beverage Co Ltd, Camu C from RS Group and Vita One C+ from MN Beverage Co Ltd, which lately introduced in 2020-2021.

### Domestic players remain prominent in local-herb beverage

* Domestic manufacturers in hot drink industry see the most innovative in benefits of herb extracts along the review period. This was attributed to their strong knowledge of local consumers, allowing them to develop their products with the local resources of herbal ingredient. Ranong Tea and Raming Tea are now expanding their health-and-wellness portfolio with ginger tea, and the major brand of Hotta has reimaged its product and launched the Hotta Fusion collection – consists of 3 flavours; ginger matcha, ginger matcha latte, and ginger lime.

### Cannabis viral benefits tea products

* As the cannabis and hemp extracts become ligalised for only medical benefit use, many small local companies have utilised such fever to include the cannabis in their foods and drinks menus in a home-made version. A big company in RTD Tea has stepped in to join this fragmenting market and grasp sophisticated demands, Ichitan Group Plc. The Green Lab greantea, with a terpene infused water was introduced by the company in April 2021 to build a consumer awareness and foresee the demand. Moreover, the company also established the ‘Ichitan Green Lab The Cannabis Club’ café where serves over 30 menues of cannabis foods and drinks.

## Category Data

Dynamic tables

Country = TH

Project = HWFB2022

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DocClassID = 2

Naturally Healthy Beverages in Thailand

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# Naturally Healthy Beverages in Thailand

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## 2021 Developments

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### Increasing NH demand is supported by Covid-19

* Such infection is bringing up the health concerns among consumers to not consume sweetened or harmful-health products which is the main cause of obesity and high-risk state. The consumers behaviour’s change is increasingly reflecting to several industry such as higher black coffee consumption, unsweetened fresh drinks with no condensed milk added or drinks and sweets with no cream. The product will be more innovative in promoting its health-conscious position, otherwise consumers tend to choose other healthy choices.

### New sugary tax drives new development in beverage

* The amended excise tax on sugary beverages has come into forces in 2017, the new rates rise on a gradual basis over totally four phases: Sept 16, 2017 to Sept 30, 2019; Oct 1, 2019 to Sept 30, 2021; Oct 1, 2021 to Sept 30, 2023; and from Oct 1, 2023. As the third-round set to commence on 1st of October 2021, the beverage players could be suffering from business operation as well as the pandemic impacts. It was considered to postpone for a year in order to let companies fully implement their business plans regarding such factor. The naturally healthy innovation is expected to be aggressively expanded in portfolio in several drink businesses across soft-drink and hot-drink market such as Carbonates, Juice, RTD Tea, RTD Coffee, Coffee, Tea and Other Hot Drinks.

### Home-made juice weakens the juice product in retail

* Juice industry seems to face a big challenge since consumers trend to drink juices from natural sources. The infection countermeasures like lockdown and work from home become the major driver for such behaviour change. People were stimulated to stay home, the home-made foods, bakery and beverages including juice are becoming a popular hobby among consumers those who make it for self-consumption and small business as a second job.

## Prospects and Opportunities

Discuss the main trends expected to be seen during the forecast period.

### Soft-drink players respond on new taxation

* The sugar tax policy that lifted its third-round collection from October 2021 to next year has urged companies to innovate the unsweetened drinks majorly in soft drink market. Many drink industries have been impacted strongly as sugar was mainly the major ingredient to sweeten things and allow consumers enjoy its taste. Soft drink brands are also developing their formula with no-sugar content to respond such tax hike, along with the healthy trend among current demands:
  + Carbonates: Boon Rawd Brewery Co Ltd, the major players in bottled water market, taps the carbonates market with a launch of Singha Lemon soda and Yusu Lemon Soda in late 2020 and claimed to contain zero sugar. Fanta is becoming the second brand developing the zero-sugar content in an orange and strawberry flavour in February 2021, after the launch of Est Play in 2020.
  + RTD Tea: Lipton is trying to strengthen its leadership by launching 2 New Flavors of Lipton Herbal Blends with 40% Lower Sugar, Free of caffeine to enhance its presence in healthy drink position, along with the zero-sugar version of original product. Oishi Group Plc launched Oishi Genmaicha with high vitamin B claim in both delight and no-sugar version in April 2021 and the premium Oishi Gold Wakoucha that produced from a premium Japanese tea in June 2021.
  + RTD Coffee: Ajinomoto (Thailand) Co Ltd also launched the Birdy Black Zero in April 2021 to respond both new taxation and premiumization trend in one shot. As well as the new products of Nescafe, their product innovation has been raised to hit the premium demand with the Nescafe Barista Style americano coffee in a PET bottle in February 2021 as well as sustained the existing consumers with the Nescafe Triple Expresso in a traditional metal can in April 2021.

### More unsweetened version presence in hot drink

* The new excise tax is not only affecting the soft-drink product, but the hot-drink industry has been also pointed in the tax collection, together with the consumers’ trend that become healthier in their routine diets. Apart from developing new formulation in no-sugar added, its business focus would relatively change to originally unsweetened products like standard instant coffee and other fresh coffees to avoid the tax collected in the instant mixes’ version.

### NH coconut water hits the market with exotic taste

* Coconut water in Coconut and Other Plant Waters category sees the highest innovative despite the depressive juice products. ‘No sweeteners’, ‘No sugar’, and ‘No preservatives’ are the majority of claiming points for the players in coconut water segment. For instance, RU Coco which is the new entry launched by C.P. Food Store Co Ltd was developed the exotic flavour of Coconut Drip Coffee in a natural coconut water to target young adult consumers as well as a higher vitamin C and B choice for health-conscious consumers.

## Category Data

Dynamic tables

Country = TH

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Organic Beverages in Thailand

Euromonitor International

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# Organic Beverages in Thailand

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### Organic becomes too premium during the pandemic

* The covid-19 infection makes people’s lives suddenly change. Uncertain infected cases cause people worry the future and the governmental measures have a direct impact on both business sector and overall economy. Moreover, the severe 3rd round of covid-19 even slows down the entire country as most businesses are unable to run normally, foodservices providers have to close temporarily or permanently, and many people have run out of purchasing power to contribute the economy. Consumers are giving up on the premium stuffs though it offers a greater quality including the organic product range. Organic fresh coffee and organic fruit/herbal tea have been declining accordingly since consumers are lowering their spending.

### Mid-hihg income group boosts the organic coffee

* With an increase trend of health and wellbeing, consumers are seeking a further option to improve their health driven by the globe health crisis of covid-19. Organic product is long perceived as a premium choice for health-conscious consumers and those who are able to afford its higher price point. However, the organic coffee seems to remain its growth as mid-high income is the major consumer base, those who still need coffee in their routine.

### Online channel offers opportunity growth in organic market

* The lockdown measure implemented by government and predicted to be tightener during the third covid-19’s wave. Both retail and foodservice channels are directly affected due to reduction of open-hours and closure policy. E-commerce platform is becoming the major choice of both organic coffee/tea’s produces and online shoppers since it is easily accessible to the direct targets.

## Prospects and Opportunities

Discuss the main trends expected to be seen during the forecast period.

### Local players in organic coffee lead the innovation

* Though the organic fresh coffee seems to be a premium product among coffee lovers, but the market growth continues positive driven by price promotions and marketing campaigns implemented by companies. The selling price of organic coffee has been lowered and more affordable for mass consumers to buy during the lockdowns. The domes brands like Doi Chaang and Starbucks have placed an aggressive discount through online channels while other smalles brands like organic Aroma coffee, Mivana and Orabica has widely advertised their products via online to reach the consumers’ interests.

### Small brands gain more share in organic tea

* The organic market in organic fruit/herbal tea category is dominated by a major domestic player, Green Net Coop. However, with its niche consumer demand, the player’s brand is less active in the market while the other small brands like Malee, Raming tea, and Ranong tea are increasingly presented with more promotions offered.

<https://www.lazada.co.th/products/250-i2418932836.html>

### Lockdown supports home-made juice product

* The heathy scheme stimulated by the covid-19 infection has boosted the home-made juice from small local producers. Many people who impacted from the lockdown are encouraged to stay at home to prevent the virus infection. Several home-made juice menus are being more popular across the internet world in the reasons of both self-consumption and building a second job. The local brands from small producers are increasingly launched, such as Palang brand which produced from the cold-pressed process, Sook-took-kum brand in a cold-press fruits/vegs drink, and the Heritage.

<https://www.tnnthailand.com/news/local/59629/>

<https://www.healthmedelivery.com/product/%E0%B8%99%E0%B9%89%E0%B8%B3%E0%B8%9C%E0%B8%B1%E0%B8%81%E0%B8%9C%E0%B8%A5%E0%B9%84%E0%B8%A1%E0%B9%89%E0%B8%AD%E0%B8%AD%E0%B9%81%E0%B8%81%E0%B8%99%E0%B8%B4%E0%B8%84%E0%B8%AA%E0%B8%81%E0%B8%B1%E0%B8%94/>

<https://www.facebook.com/pyticohealthyspace/posts/601046237091239/>

<https://www.ryt9.com/s/prg/3186477>

## Category Data

Dynamic tables