FONA INTERNATIONAL

Flavor Innovation Across All Beverage Categories

August 2020

Agenda

- New Flavors – Feeling the Love
- Data Analysis
- What You Came Here For – Flavor Trends Within Beverage
- Addendum: Why FONA?

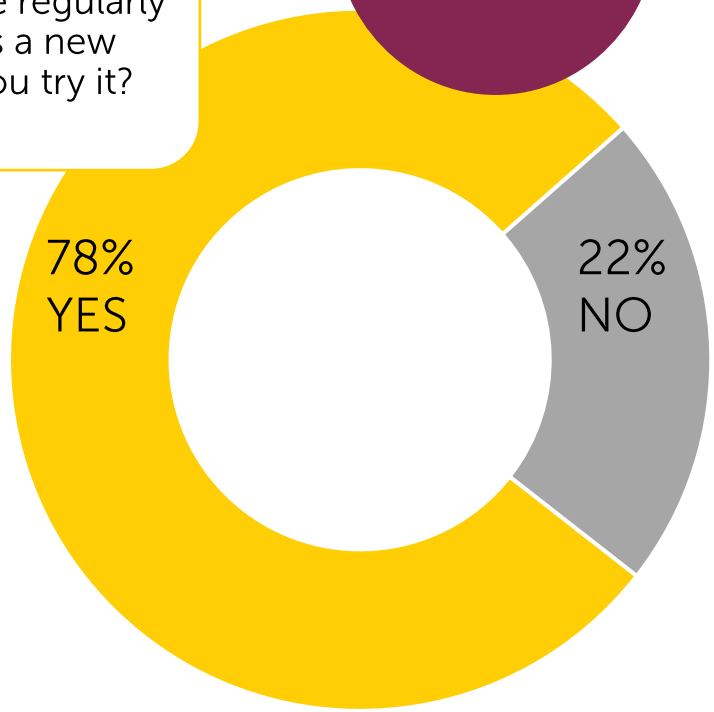
New Flavors – Feeling the Love

Consumers ♥ New Flavors

Flavor drives trial… whether it is a new flavor of an often-consumed favorite or a food/beverage that is new to the consumer.

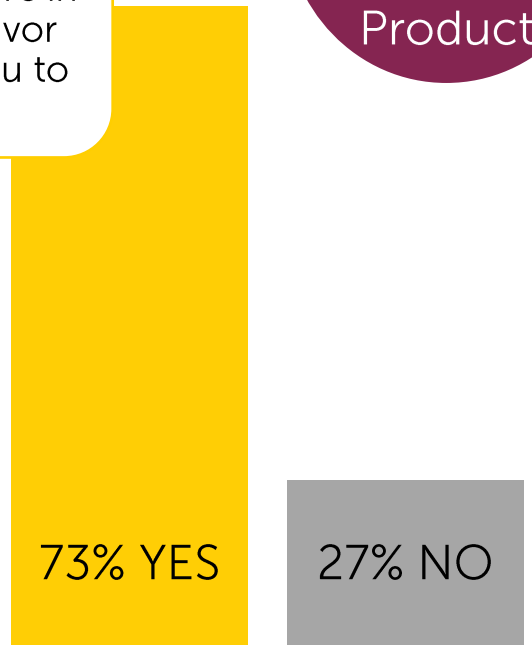
Try a New Flavor of a Favorite

When a food or beverage product that you consume regularly introduces a new flavor do you try it?



Try a New Flavor of a Never Tried Product

If you see a food or beverage product that you've never tried before in a new and exciting flavor does that influence you to purchase it?



Source: FONA proprietary survey, n=250

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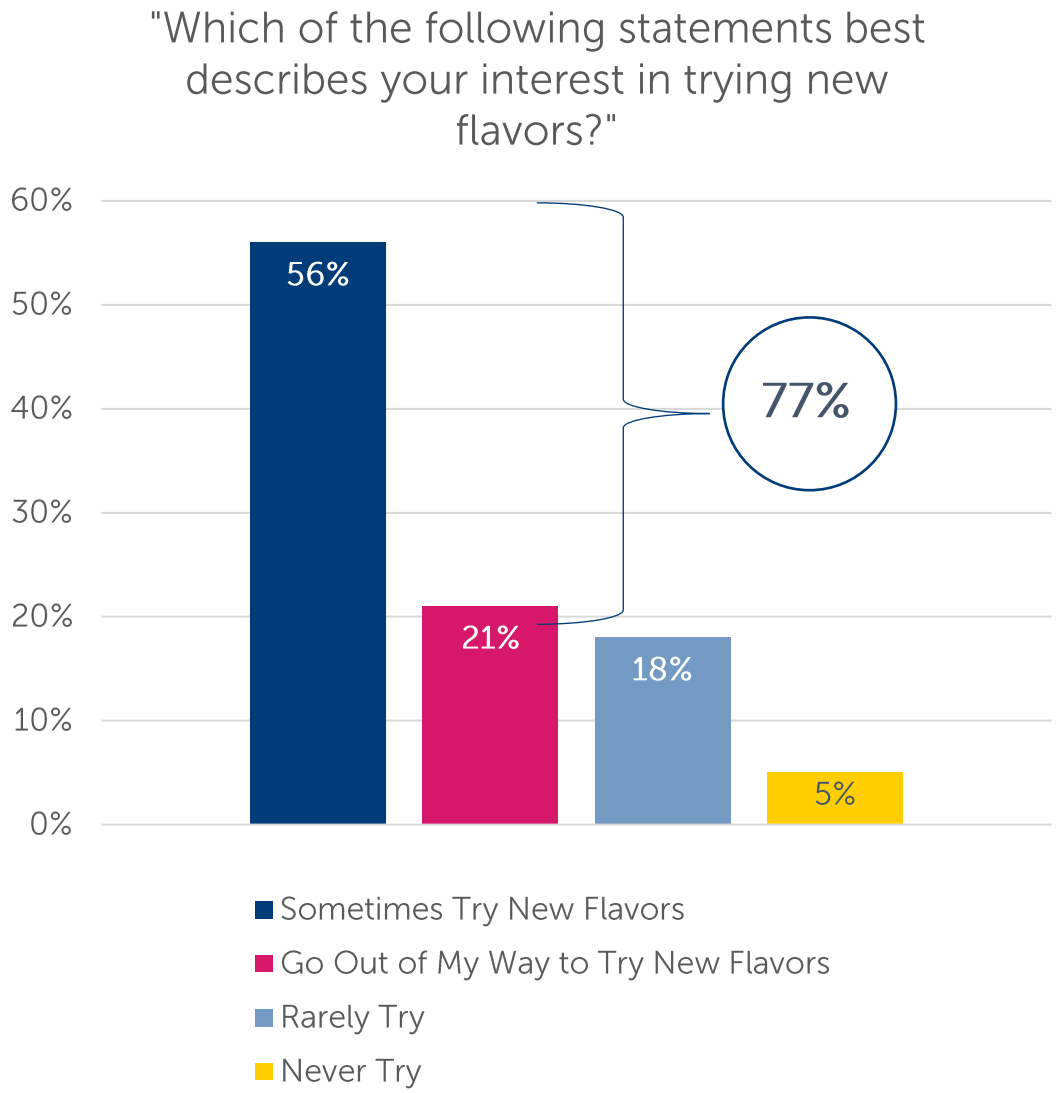
The Good News: Flavor Drives Trial

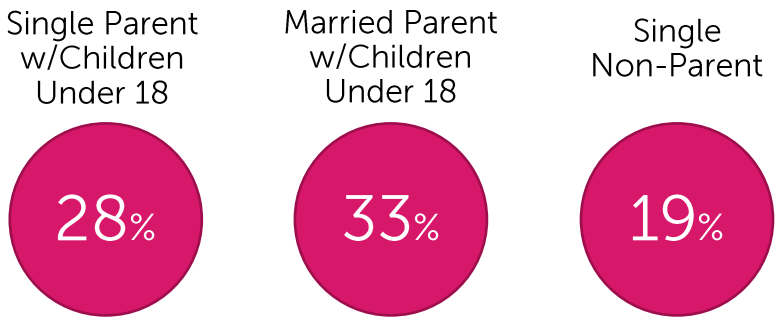
More than 3/4ths of consumers would "sometimes" or "go out of their way" to ***try*** a new flavor.

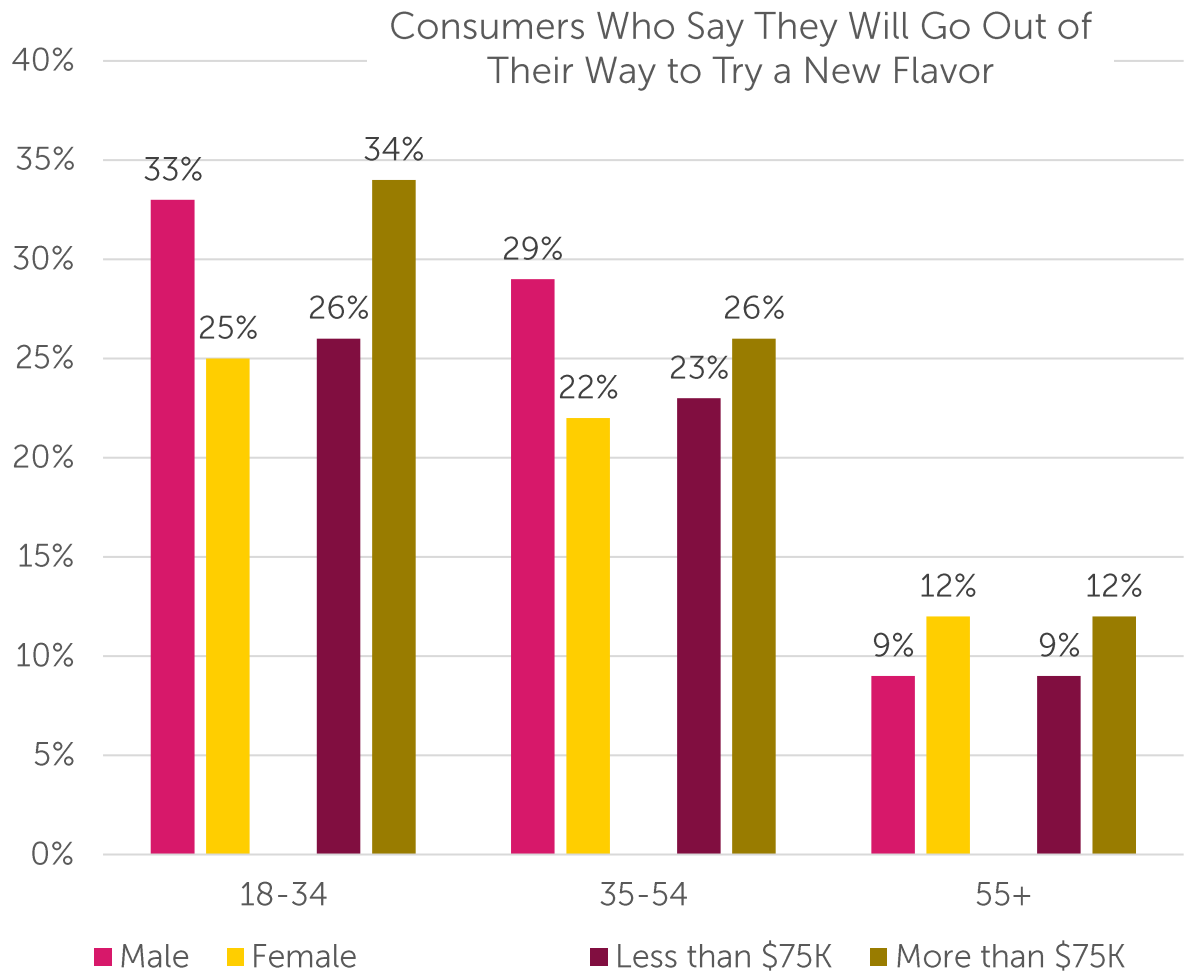


Mintel, January 2020
"Which of the following statements best describes your interest in trying new flavors?"
Base: 2,000 internet users aged 18+

And, Who is Going Out of Their Way To Try A New Flavor?

The Answer: On average, at least one in four consumers between the ages of 18-54.





Mintel, January 2020
"Which of the following statements best describes your interest in trying new flavors?"
Base: 2,000 internet users aged 18+

Data Analysis

Mintel GNPD

Data Analysis

Data Pulled

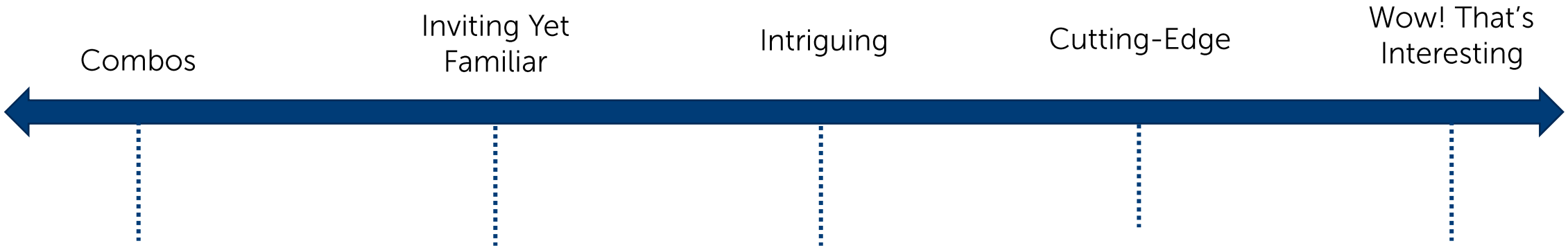
- Mintel GNPD: Data, analysis and insights on CPG product innovation
- Parameters:
  - New variety, new product or new formulation
  - Launched within the past 2-years
  - By Weekly Sales Units volume

Analysis

- Reviewed each and assigned overall trend categories based on flavor
- Assigned 1st, 2nd and when applicable 3rd flavor(s)
- Removed unflavored and other non-descript products

Just under 1,000 products analyzed

Five Flavor Trend Groupings



Well-loved, well-known flavors paired with lesser known flavors

Well-loved, familiar flavors in new ways exploding in a variety of beverage applications

Up and coming flavors. Intriguing due to overall awareness, however, they are not quite ubiquitous within beverage

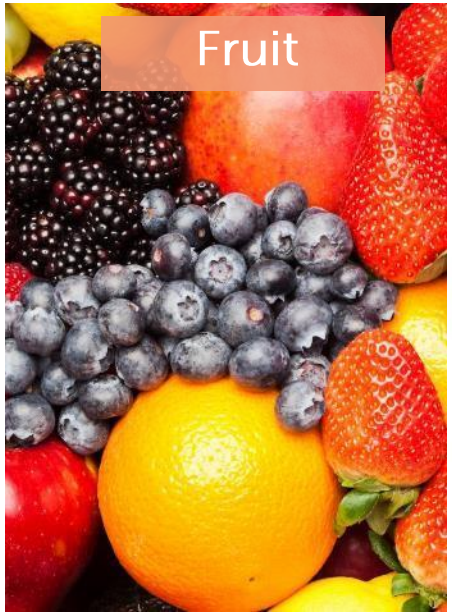
Flavors to keep your eyes on… they just might be the next big flavor

There was some element of surprise

Combos!

Approachable Adventure: well-loved, well-known flavors paired with lesser known flavors

Combos… The Sky is the Limit!



Vegetables

Alcohol as a Flavor

Herbs/ Spices

New Takes on Strawberry

(A Twist on the Familiar)

Everyone thinks of strawberry lemonade or strawberry banana smoothies; however, this ever-popular fruit is being matched in new ways.

Liquor

Strawberry & Cream

Strawberry & Guava

Strawberry & Cucumber

Sparkling Water

Strawberry & Kiwi

Hard Seltzer

Mango

(A Twist on the Familiar)

This sweet, aromatic fruit is a natural fit for a variety of beverage applications – from wine to hot and cold tea.

Mango & Passion Fruit

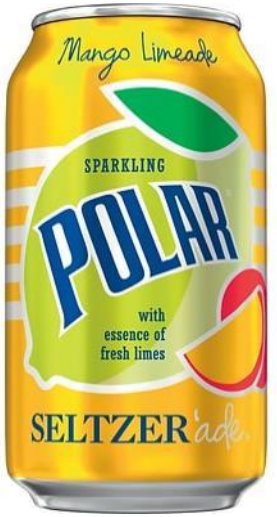
Wine

Mango & Peach

Hard Seltzer

Mango Cinnamon

Craft Beer



Seltzer

Mango Limeade Seltzer

Mango Ginger

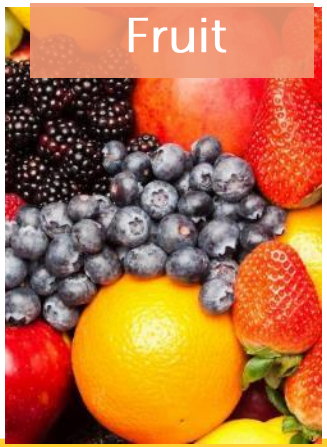
Hot Tea

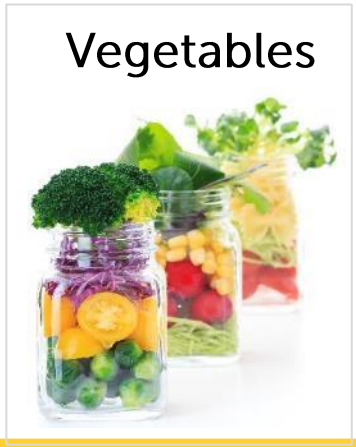
Mango Pineapple Tea

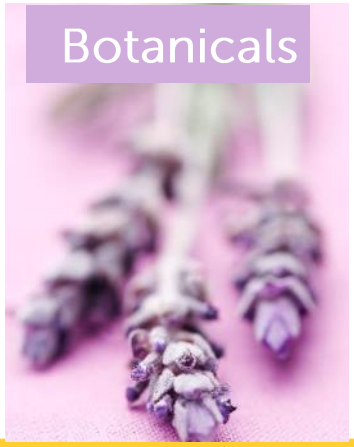
RTD Tea

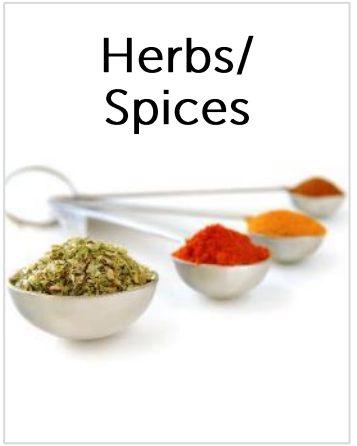
Key Take-Aways

- Consumers love mainstream products – which promotes trial
  - Pair up & coming and everyday flavors
- Provide emotional & experiential ties





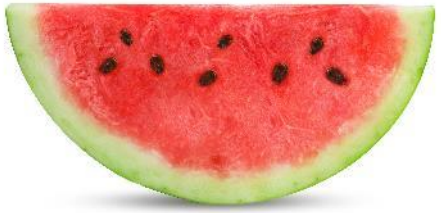




Familiar Flavors in New Ways

New Beverage Categories

Flavor Combos



Watermelon

Watermelon, once only a summer treat, is this fruit, synonymous with refreshing is now a year-around.

Kid's Juice

Sparkling Water

Energy Drink

Soft Drink

Paired with Mint

Alcohol RTDs

Sun-Ripened Watermelon Vodka

Liquor

Paired with Mint

Flavored Water

Paired with Tart Cherry

Hot Tea

Watermelon Oolong Tea

Cherry

Cherry. Tart Cherry. Black Cherry. Wild Cherry. No longer a flavored Coca Cola drink. It is found across beverage categories and paired nicely with a wide-range of flavors,

Alcohol RTDs

Paired with lime

With rosemary

Craft Beer

Brewed with cherry juice, orange peel and coriander

Cherry limeade

Protein Drink

Nutrition Facts

1 servings per container
Serving size 16.9 fl.oz (500ml)

Amount per serving
Calories 70

	% Daily Value*
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 50mg	2%
Total Carbohydrate 1g	0%
Dietary Fiber 0g	0%
Total Sugars 0g	
Includes 0g Added Sugars	0%
Protein 15g	30%

Vit. D 0mcg 0% • Calcium 124mg 10%
Iron 0mg 0% • Potassium 60mg 2%
Magnesium 32mg 8% • Chloride 5mg 0%

*The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.

INGREDIENTS:
Filtered Water
Whey Protein Isolate
Phosphoric Acid
Citric Acid
Natural Flavors
Stevia Extract
Fruit and Vegetable Juice (Color)

ELECTROLYTES:
Sodium
Potassium
Chloride
Magnesium
Calcium

ALLERGEN STATEMENT:
Contains:
Milk (Whey Protein)

Soft Drink

With vanilla

Better-for-You

Tart cherry juice & coconut water

Sparkling Water

Paired with coffee

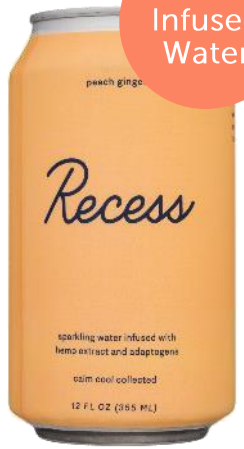
Peach

The soft, sweet and juicy flavor of a peach lends itself to a broad range of applications. Not necessarily equated with beverage a short while ago, it is now on its way to being a standard.

Spirits

With orange blossoms

CBD-Infused Water



With ginger

RTD Coffee

With passion fruit

RTD Alcohol & Craft Beer

With tea

Left Hand Brewing Longmont, CO

Energy

Paired with nectarine

Better-For-You

With blueberry

Sparkling Water

With honey

Blueberry

Prevalent in the better-for-you beverage category due to its “super food” status, however, the delicious balance between slightly sweet with a touch of acid make blueberries ideal for both hot and cold applications.

Hi-Sign Brewing, Austin TX

Craft Beer

Light, unfiltered Cream Ale is infused with blueberries

Garage Brewing Co.

Made with sweet potato juice

Paired with Acai

Better-For-You

With Mint

Hot Tea

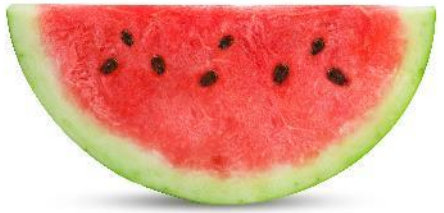
With Lavender

Sparkling Water

Paired with Pomegranate

Familiar Flavors in New Ways

- Slightly pushing the limits
- Pairing of novel & everyday flavors
- Flavors that have a better-for-you health halo moving beyond functional beverages



Black cherry with rosemary

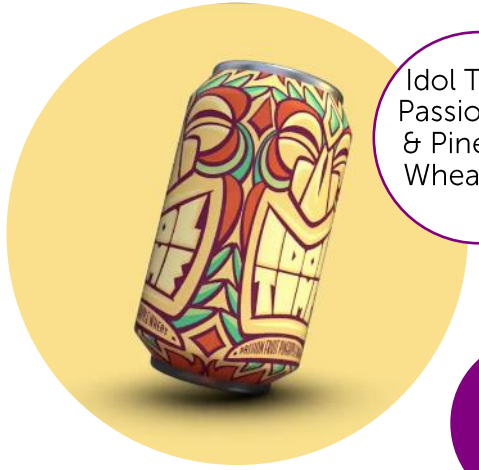
Black cherry with coffee & soda water

Intriguing

Up and coming flavors. Intriguing due to overall awareness, however, they are not quite ubiquitous within beverage

Passion Fruit

Passion Fruit has a tropical, sweet tart flavor that makes them ideal for being the singular flavor in an innovation or a complement to other flavors.



Idol Tyme's Passion Fruit & Pineapple Wheat Beer

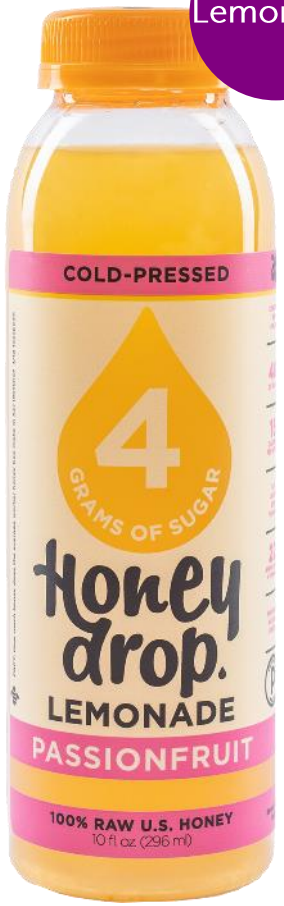
Alcohol

Hot Tea

Paired with mango

Juice Pouch

Paired with mango



Lemonade

With honey

Pear

The beauty of pears is that the flavor alters slightly based on varietal. From the soft, juicy and very sweet Bartlett to the crisp and mildly sweet Bosc, there is a pear for every type of application.

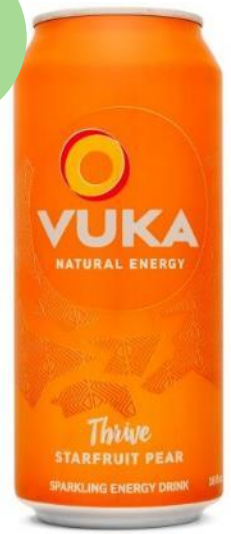
RTD Alcohol

Pear & elderflower

Craft Beer

Pear, cinnamon & vanilla

Energy Drink



Paired with starfruit

Sparkling Water

Water

Paired with apple

With kiwi

Cucumber

The crisp and subtle flavor of cucumbers bring an element of refreshing goodness to innovation.

Lemonade

Cucumber mint

Sparkling Water

Cucumber pear

Juice

A blend of seven juices such as coconut, cucumber, apple and spinach

RTD Alcohol

With lime

Cucumber mint

Spirits

Maple Syrup

Normally a sticky, sweet breakfast topping, maple can bring a distinctive rich, caramel flavor to beverages… as well as a little bit of nostalgia.

Hot Coffee

RTD Tea

Maple syrup infused tea

Flavor: Raspberry

RTD Coffee

Maple Pumpkin Super Coffee

Aged in bourbon barrels and is brewed with local maple syrup

Craft Beer

Curmudgeon's Better Half, aged in maple syrup bourbon barrels

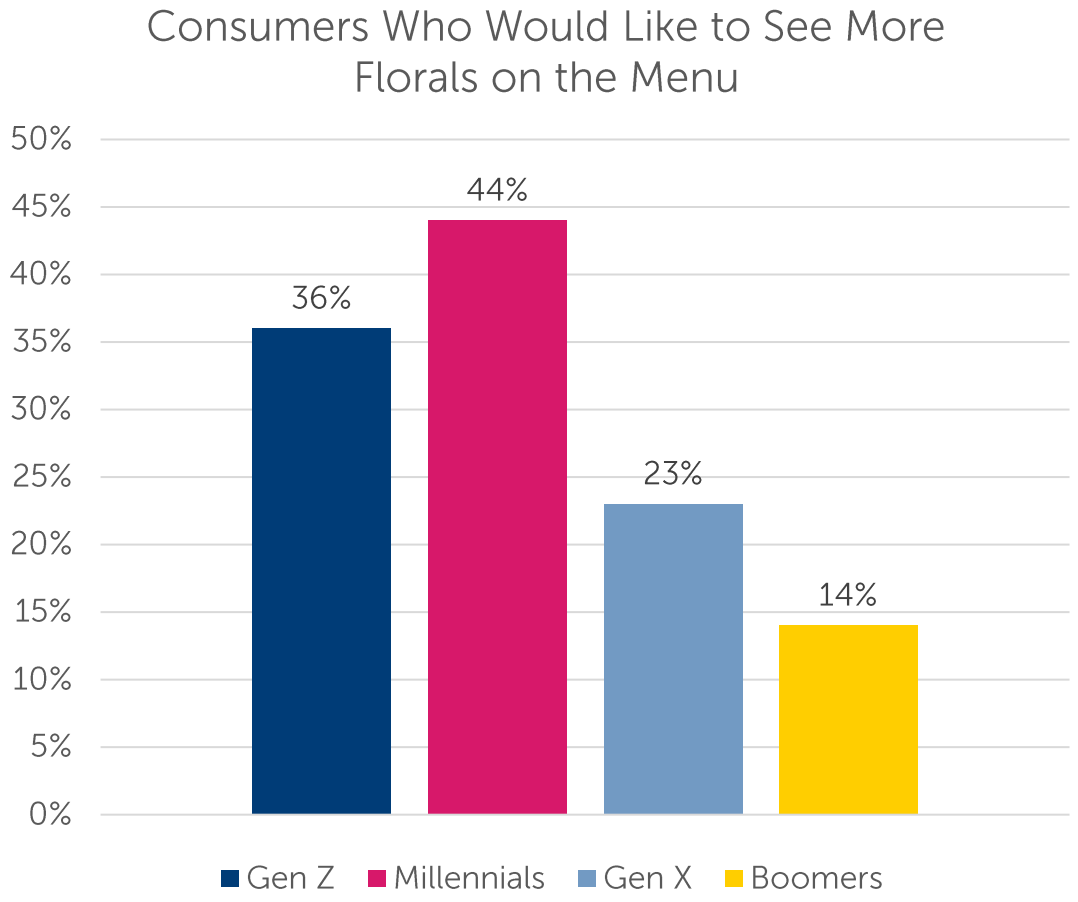
Tea/ Soda Water

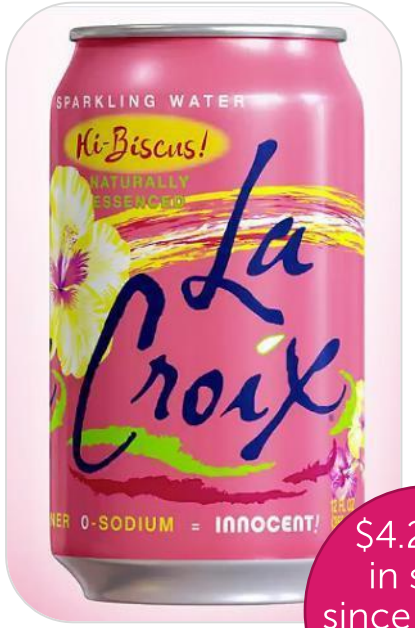
Maple syrup infused water

Flavors: Strawberry or Citrus

Botanicals

Yes! Most consumers are embracing botanicals.





$4.2 mm in sales since launch Summer 2019

Botanicals

No longer limited to hot tea blends, botanicals are becoming more mainstream and getting bolder in the process.

Alcohol

Lemon Myrtle & Cherry Blossom (and Honey from their bees)

Lemon & Honeysuckle

Grapefruit & Rose

Features elderflower, ginger, turmeric, black pepper and pomegranate

Immunity Booster

Coffee

Ground dark-roast Vietnamese beans and organic dried lavender

Grapefruit Hibiscus

Sparkling Water

Elderflower

Peach Marigold (with a hint of basil)

Lemongrass Dandelion (with a hint of strawberry)

RTD Tea

Peach Hibiscus

Alcohol As A Flavor

Gin & tonics, Moscow mules… no longer just a "mixed drink". Alcohol as a flavor is found in more than mocktails. It is even used within other alcohol products.

2nd collaboration
LTO this past fall

The goal: "excite both beer lovers and bourbon aficionados"

Alcohol Flavoring Alcohol

Brewed with Sauvignon Blanc & champagne yeast

Non-Alcoholic

Sparkling Water

Mojito

Juice

Margarita

Agua Frescas

Pina Colada and Mojito

Intriguing

- Expanding consumer palate through unique flavor offerings
- Pairs well with trending functional ingredients
- Alcohol flavors can provide that sensorial experience

Cucumber mint lemonade

Features elderflower

Margarita

Cutting-Edge

Flavors to keep your eyes on… they just might be the next big flavor

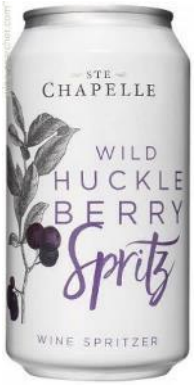
Keep Your Eye On…

Key Take-Aways

- Looking to stay ahead of the trends
- Your product is known for pushing the boundaries of consumer taste expectations

Huckleberry

As the staring attraction in a wine spritzer or featured in a tea, this sweet, tart and juicy flavor is sure to please.



Guava

Often the side kick, it is a matter of time until it is the star of the show.

Smoked Butterscotch

If Starbucks is featuring it, can other beverages be far behind?

Wow

There was some element of surprise … as in delicious or just REALLY creative

Sweet

Vanilla Fig

Starbucks Vanilla Fig Cold Brew Latte

The creamy taste of vanilla paired with the sweet honeyed taste of fig. Yum!

Plum

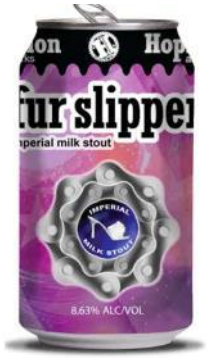
Red Bull's Plum Twist

This winter seasonal flavor features the smooth of plums and cinnamon.

Honey Graham Crackers

HopFusion Ale Works' Fur Slipper

Brewed with honey graham crackers.



Nutty Or Spicy

Pistachio

Vera Pistachio Cream Ale

This ale is let's the pistachio flavor be the focus.

Jalapeno

Jalapeno and Strawberry Energy Drink

A little sweet, a little spicy.

Jalapeno

Jalapeño Mango Flavored Coconut Water

Cool refreshing coconut water gets a zing along with the fruity deliciousness of mango.

Savory

Wow! Key Take-Aways

- Provide a sensorial experience for your consumers
- Element of surprise to create an Instagram-worthy product

Juniper & Pine

Move over gin, juniper makes its way to craft beer and brings along its friend, pine.

Sour Pickle

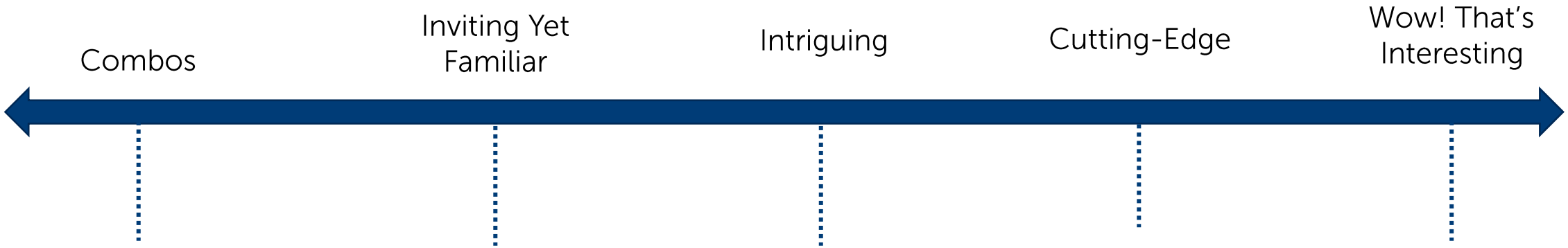
A Gose style beer that is made for Best Maid Pickle Company.

Seafood & Chocolate

Made with freshly shucked oysters and cacao nibs

Summary

A Recap: Flavors to Inspire Innovation



Combos

Well-loved flavors in innovative combos ways

- Strawberry and…
- Peach and…

Inviting Yet Familiar

Well-loved, familiar flavors in new ways

- Watermelon
- Cherry
- Peach
- Blueberry

Intriguing

Up and coming, intriguing

- Passion Fruit
- Pear
- Cucumber
- Maple Syrup
- Botanicals
- Alcohol as a Flavor

Cutting-Edge

Flavors to keep your eyes on

- Huckleberry
- Guava
- Smoked Butterscotch

Wow! That's Interesting

There was some element of surprise

- Fig
- Plum
- Honey Graham Crackers
- Pistachio
- Jalapeno
- Juniper
- Pickle
- Oyster & Cacao

Thank You

Julie Olson
Industry Manager
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Addendum: Why FONA?

Making It Easy

OUR GOAL:

Be the first flavor company to ever make your job easy,
and the last flavor company you'll ever need again.

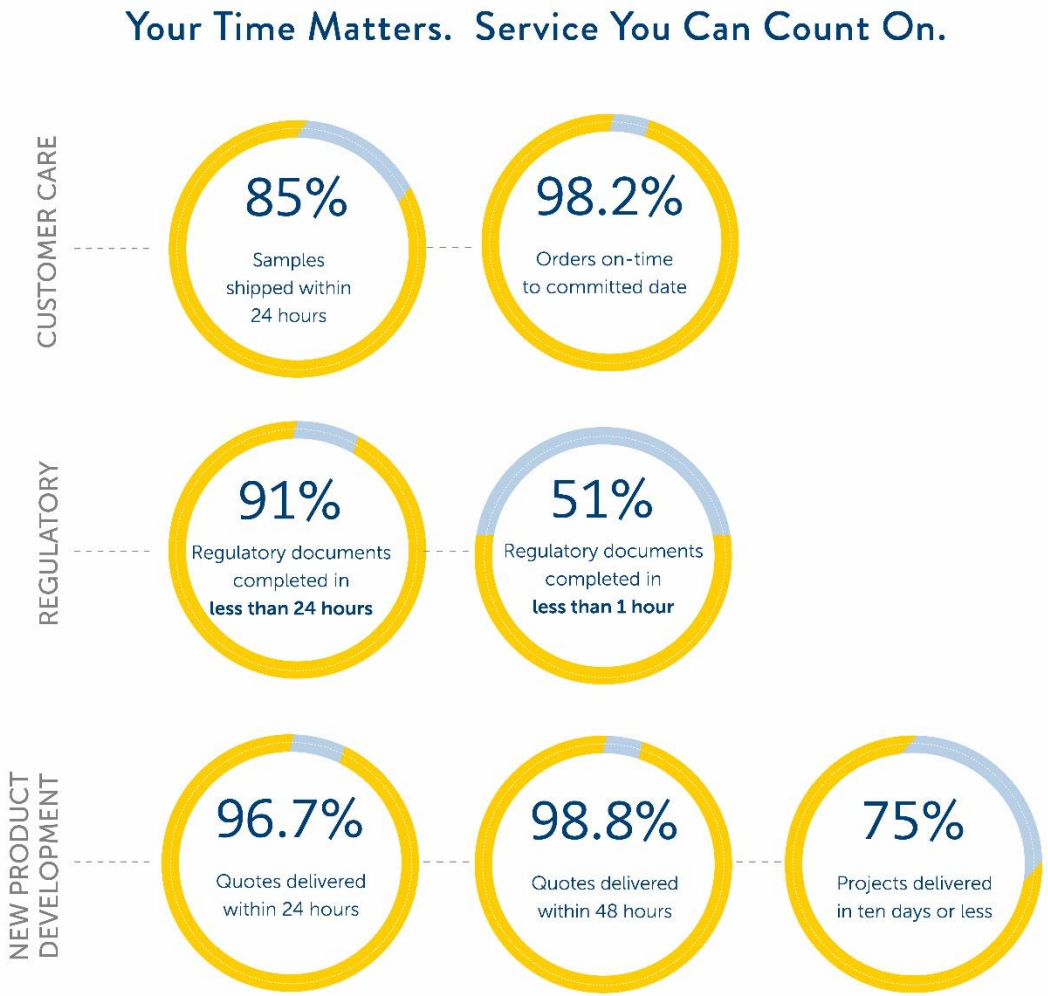
We will work for it.

What is a **CHALLENGE** that is taking up time for you?

How can we **MAKE YOUR JOB EASIER?**

2019 PERFORMANCE METRICS

SPEED AND RESPONSIVENESS IS CRITICAL



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HEALTHCARE

Cannabis & CBD edibles
Gummy Vitamins
Chewable Gels
Chews
Tablets
Pill Coatings
Liquids
Lozenges
Films

CONFECTIONS

Gummies
Chocolate
Chews
Pressed
Mints
Fruit Snacks
Chewing Gum

BEVERAGE

Protein Drinks
Sports / Hydration
Energy Drinks
Dairy & Dairy Alternatives
Coffee & Tea
Creamers
Dry Mix
Flavored Waters
Juice Drinks

ALCOHOL

RTD Alcohol Drinks
Beer/Cider
Hard Seltzers
Zero-Proof Drinks
White Spirits
Dark Spirits

GRAIN

Bakery
Bars
Cereal-RTE
Cereal-Instant
Snacks

SAVORY

Pet Care
Meat Alternatives
Prepared Meals
Meal Components
Soups/Sauces/ Dressings
Marinades/Rubs
Dry Mixes - Gravy to Rice Dishes

DAIRY/ DESSERTS

Ice Cream
Frozen Non-dairy desserts
Cultured Dairy
Fruit Preps
Syrups

CENTERS OF EXCELLENCE

flavor creation – applications – marketing
best practices – knowledge - innovation

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Taste Challenges? We've Got You Covered.

FONA has decades of experience in formulation and flavor optimization in a wide range of applications and platforms.

- **Mouthfeel optimization** - improve flavor delivery and increase indulgent sensory experiences
- **Sugar reduction** - sweetness enhancement solutions
- **Protein masking** - bitterness, astringency and inherent presence of off-flavors
- **Sourness, bitterness and metallic masking** - vitamins, amino acids and other active ingredient masking
- **Salt reduction and meat alternative flavor optimization** - salt and umami enhancement, plant-based protein masking

OUR APPROACH TO COLLABORATIVE INNOVATION

Underpinned with Flavor

The key to success is to deliver the flavor and taste that resonates with your target audience. **And, we want to make that easier for you!**

Product Development Innovation Cycle

IDEATION	CONCEPT DEVELOPMENT	PRODUCT DEVELOPMENT	VALIDATION & SCALE UP	MARKET LAUNCH
The next big idea for growth.	Determining the best opportunity for your product line that meets consumer demand and expectations.	Creating and evaluating prototypes.	Scale up activities to verify product performance. .	Congrats! You've made it across the finish line with a full-scale product launch.

FONA can help you:

IDEATION	CONCEPT DEVELOPMENT	PRODUCT DEVELOPMENT	VALIDATION & SCALE UP	MARKET LAUNCH
• Generate ideas for products and flavors using market, category and consumer insights, and proprietary FONA consumer research. • Create whitespace opportunity analysis. • Screen ideas for relevance, brand fit, uniqueness and initial consumer perception. • Facilitate ideation services and creative workshops.	• Craft paper concepts that bring insights and ideas to life and get consumer feedback. • By offering technical guidance for concept feasibility.	• With rapid prototyping during a "Flavor Heaven" hosted in our guest lab in Geneva, IL or Innovation Studio in Irvine, CA. Here you'll work with flavorists and our applications team to develop a winning flavor profile(s) for your product.	• Evaluate product viability with pilot-scale equipment offering the ability to simulate a variety of thermal processing conditions along with pilot-scale aseptic-filling in our Beverage Innovation Studio. • Gain customer feedback using our sensory team and suite of available sensory testing. • Try it out with complimentary trial orders and small-batch order options.	• When you're ready to look at product line extensions, new flavors and incorporating new ingredients or product benefits.

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