

Healthy Beverage Market in Thailand



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Summary

Healthy beverage market in Thailand has been growing significantly over the past couple years. There are both drivers from demand and supply sides of the market that help accelerating this growth. As people are more health-conscious after the pandemic, they tend to consume healthier products which boosts demand of healthy beverage market. For supply side, Thai government has raised a concern regarding Thai citizens' health and announced several regulations convincing them to have healthier food. Many beverage players have launched interesting healthy beverages to attract consumers such as bottled water fortified with nutritious ingredients. However, consumers in different generations have different needs and interests, so providing right products with suitable marketing strategies to consumers in each segment is crucial. Healthy beverages trend still gains popularity among Thai consumers and there are many more things for potential investors to explore and penetrate the market.

Contents

- Introduction of Packaged Beverage Category in Thailand
- Overview of Packaged Beverage Market in Thailand
- Overview of Healthy Packaged Beverage Market in Thailand
- Major Players in Packaged Beverage Market in Thailand
- Trends of Healthy Packaged Beverages in Thailand
 - Overview
 - Sugar-free
 - Low Sugar
 - Natural Ingredients
 - Functional Drinks
- Packaged Beverages Player's Case Study: Vitaday, Major Player of Vitamin Water
- Trends of Unpackaged Juice & Smoothie Market in Thailand
- Thai Consumer Behavior and Their Healthy Beverage Preferences
- Related Regulations:
 - Taxation on Sugary Beverages
 - Application for Related Licenses
 - Example of Labelling Regulations (Compulsory & Voluntary)
- Future Trends, Opportunities, Challenges and Recommendation

Introduction of Packaged Beverage Category in Thailand

- Thai packaged beverage in this report is categorized into 8 categories as follows:

Packaged Beverage Segmentation in Thailand

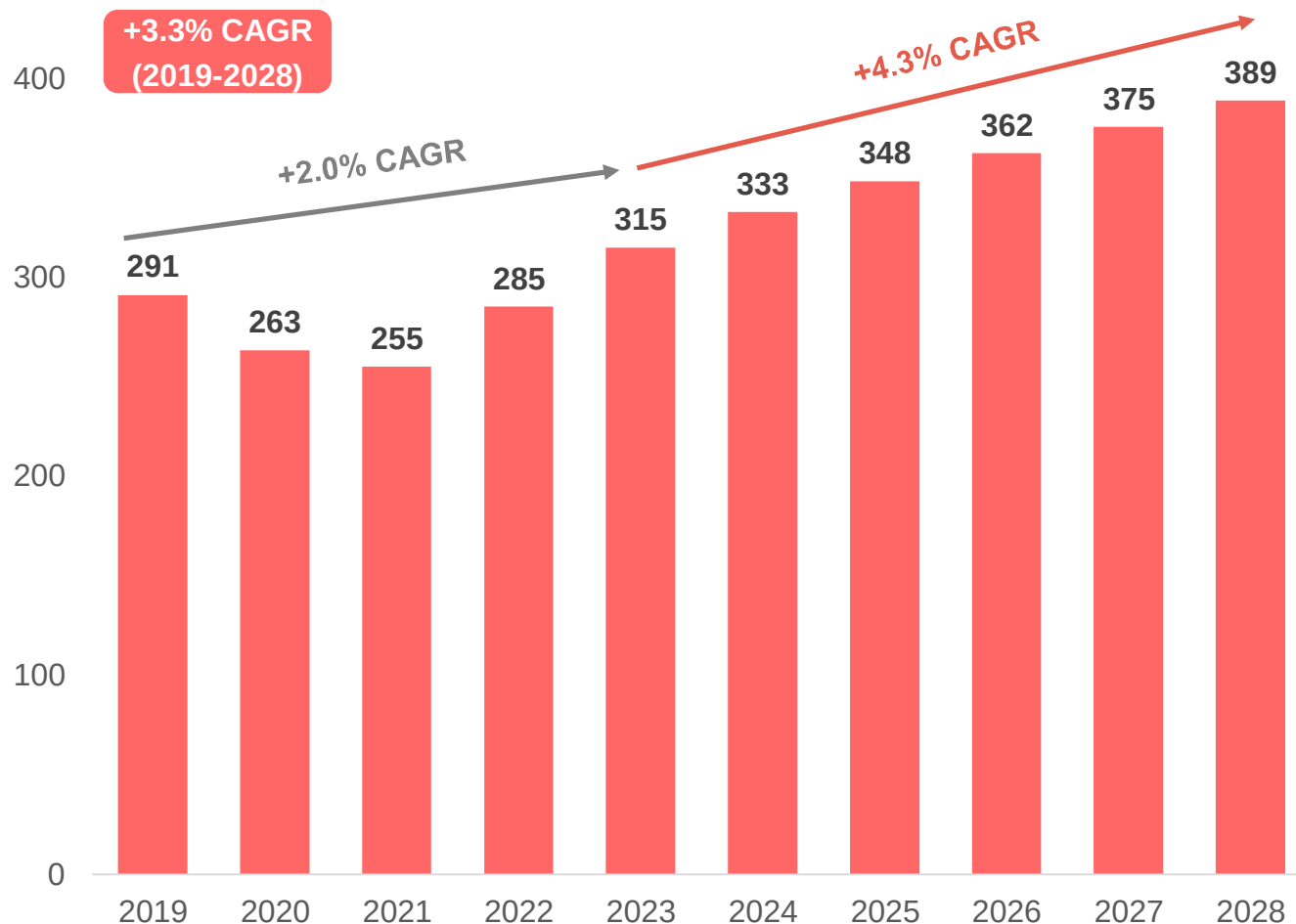
Bottled Water 	Bottled water includes Still, carbonates flavored, functional bottled water	Carbonates 	Carbonates includes Cola carbonates and non-cola carbonates (e.g., sparkling juice)	Energy Drinks 	Energy drinks includes Carbonated or still energy drinks designed to boost energy
Juice 	Juice includes Still packaged juice obtained from fruits or vegetables by either mechanical processes, reconstituted or fresh.	Ready-to-drink Tea 	RTD Tea includes Packaged ready-to-drink tea which is made from either brewed tea or tea extract	Ready-to-drink Coffee 	RTD Coffee includes Packaged ready-to-drink coffee which is made from either brewed coffee or coffee extract
Sport Drinks 	Sport drinks includes Isotonic, hypotonic and hypertonic sports drinks (both regular and less sugar)	Concentrates 	Concentrates includes Liquid concentrates and powder concentrates		

Overview of Packaged Beverage Market in Thailand

- Packaged beverage market in Thailand was 315 billion baht in 2023. The market was highly concentrated which more than 70 percent of market shares came from 2 major segments consisting of bottled water, followed by carbonates.
- The market has seen a steady growth of 2 percent CAGR during 2019-2023 and is forecasted to grow with 4.3 percent for the next 5 years.

Packaged Beverage Market Value in Thailand (2019-2028F)

Unit: Billion THB



- Bottled water and carbonates were the major segments in this market.
- Bottled water hold almost 40 percent shares in 2023 and is forecasted to gain more than 40 percent market share in 2028 and grow with 7 percent CAGR during 2023-2028.
- Functional bottled water fortified with nutrition drives the growth in this segment as consumers concentrate more on their health after COVID-19.

Segment	% market share by segment		CAGR (2023-28)
	2023	2028	
Bottled Water	37.2%	42.0%	6.9%
Carbonates	31.5%	28.5%	2.2%
Energy Drinks	8.2%	7.0%	1.0%
Juice	7.7%	7.8%	4.4%
RTD Tea	6.0%	6.0%	4.3%
RTD Coffee	5.0%	4.7%	2.9%
Sports Drinks	3.6%	3.2%	2.4%
Concentrates	0.8%	0.8%	3.8%

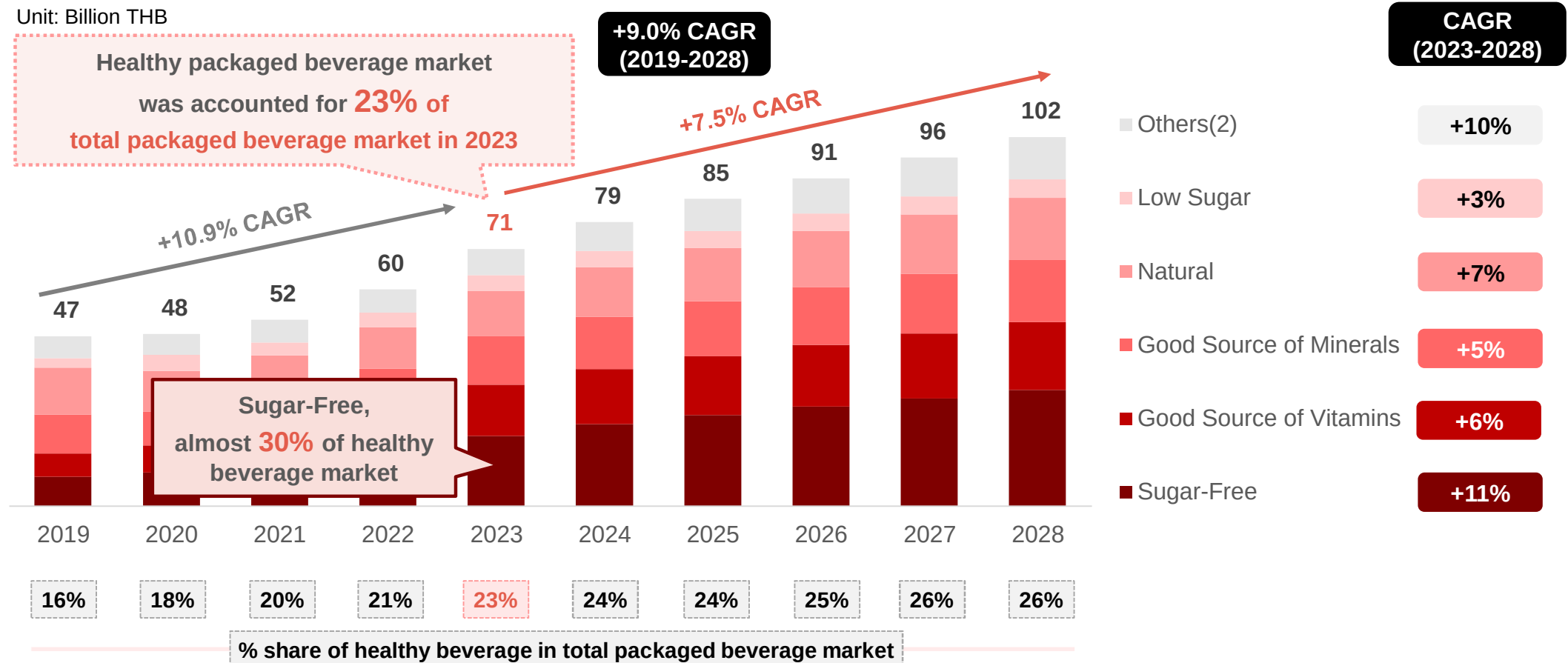
Source: Euromonitor

Overview of Healthy Packaged Beverage Market in Thailand

- Healthy packaged beverage market has been growing significantly due to health-conscious trend after the pandemic along with government regulations.
- In 2023, the market value was 71 billion baht which accounted for 23 percent of total packaged beverage market with 2 digits CAGR between 2019-2023 and forecasted to increase to 102 billion baht in 2028.
- Sugar-free segment has major share in healthy packaged beverage market which is driven by sugar tax (forcing producers to change the level of sugar contents) and health-conscious consumers. This segment is forecasted to grow 11 percent CAGR from 2023-2028.
- For others segment which mainly consists of digestive and immune support drinks, this segment is also forecasted to grow around 10 percent during the same period. The main driver is that consumers tend to take care of their health more to prevent infection since the pandemic.

Healthy Packaged Beverage Market Value in Thailand⁽¹⁾ (2019-2028F)

Unit: Billion THB



Source: Euromonitor

Note: (1) Healthy packaged beverage market value excludes energy drinks segment. (2) Others segment includes immune support, digestive, probiotic, high fiber drinks etc.

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Major Players in Packaged Beverage Market in Thailand

- Due to accelerated trend in healthy diet and rising of health-conscious consumers, all top 5 players in packaged beverages market expand their beverage portfolio to healthy beverages to capture the demand in the market.

Major Players in Packaged Beverage Market in Thailand

Company name	Nationality	Total Revenue ⁽¹⁾ (M THB) FY 2023	Packaged Beverage Products							
			Healthy beverages 	Bottled Water 	Carbonates 	Energy Drinks 	Juice 	RTD Tea 	RTD Coffee 	Sports Drinks 
THAI BEVERAGE PCL.	Thai 63% Singaporean 37%	166,201	✓	✓	✓	✓	✓	✓	-	✓
NESTLE (THAI) LTD.	Swiss 100%	57,028	✓	✓	-	-	-	✓	✓	-
T.C. PHARMACEUTICAL INDUSTRIES CO., LTD.	Thai 100%	31,930	✓	-	✓	✓	-	✓	-	✓
AJINOMOTO COMPANY (THAILAND) LTD.	Japanese 99.8% Thai 0.2%	31,878	✓	-	-	-	-	-	✓	✓
OSOTSPA PCL.	Thai 60% Swiss 9% Others 31%	26,789	✓	-	✓	✓	-	-	-	✓

Note: (1) Total revenue includes all business activities.

Source: BOL, companies' websites

Trends of Healthy Packaged Beverage in Thailand: Overview

- There are 4 major trends of packaged healthy beverage in Thailand which are sugar-free, low sugar, functional drinks and natural ingredients.
- Almost all product segments are focusing on the level of sugar added in the products.
- The main driving factor is sugar tax on sugary beverages regulated by Thai government. Thus, beverage producers launched low sugar or sugar-free beverages to avoid this tax burden.

Trends of Packaged Healthy Beverage in Thailand

Segment	Healthy Beverages Trends			
	Sugar-Free	Low Sugar	Functional Drinks ⁽¹⁾	Natural Ingredients
 Bottled Water	-	-		-
 Carbonates			-	-
 Juice				
 RTD Tea				-
 RTD Coffee			-	-
 Sports Drinks				-

Note: (1) Functional drinks refer to drinks that offer added nutritious or health benefits.

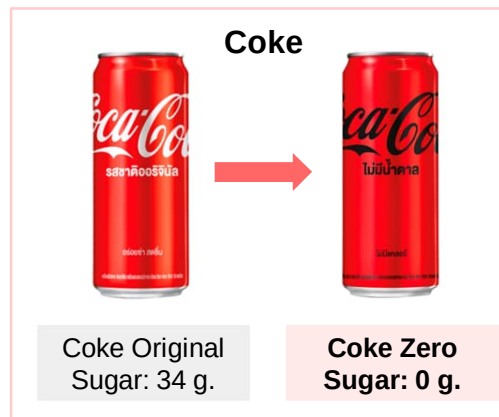
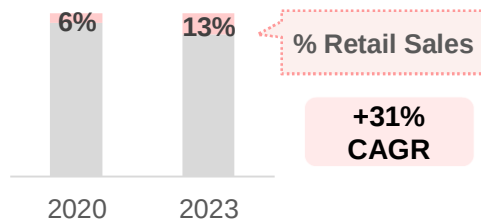
The common functional drinks in the market are drinks fortified with vitamins and beauty-enhancing ingredients.

Trends of Healthy Packaged Beverage in Thailand: Sugar-Free

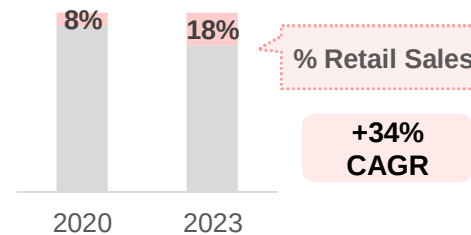
- Sugar-free, the largest segment is available for almost all beverage segments especially carbonates, RTD tea & coffee.
- With rising in tax on sugary beverages, major players launched sugar-free product by using other sweeteners as substitutes to maintain similar flavor as the original ones.
- Sugar-free product has gained popularity among consumers proven by an increase in sales of this product segment.

Carbonates

- Coke zero, sugar-free coke has gained popularity resulting in increasing in 31% CAGR 2020-2023.



- Similar to Coke, Pepsi also has its sugar-free line, Pepsi max experiencing 34% CAGR in the same period.



RTD Tea

- Oishi Green Tea, leading RTD tea brand also expanded sugar-free line in popular SKUs such as Oishi honey lemon.



RTD Coffee

- One of the leading RTD coffee, Birdy also offer sugar-free (no sugar added) as healthier option for customers.

Sales of Birdy's healthy segment
Growth X3 in 2023
(compared to 2019)



Source: Euromonitor, companies' websites

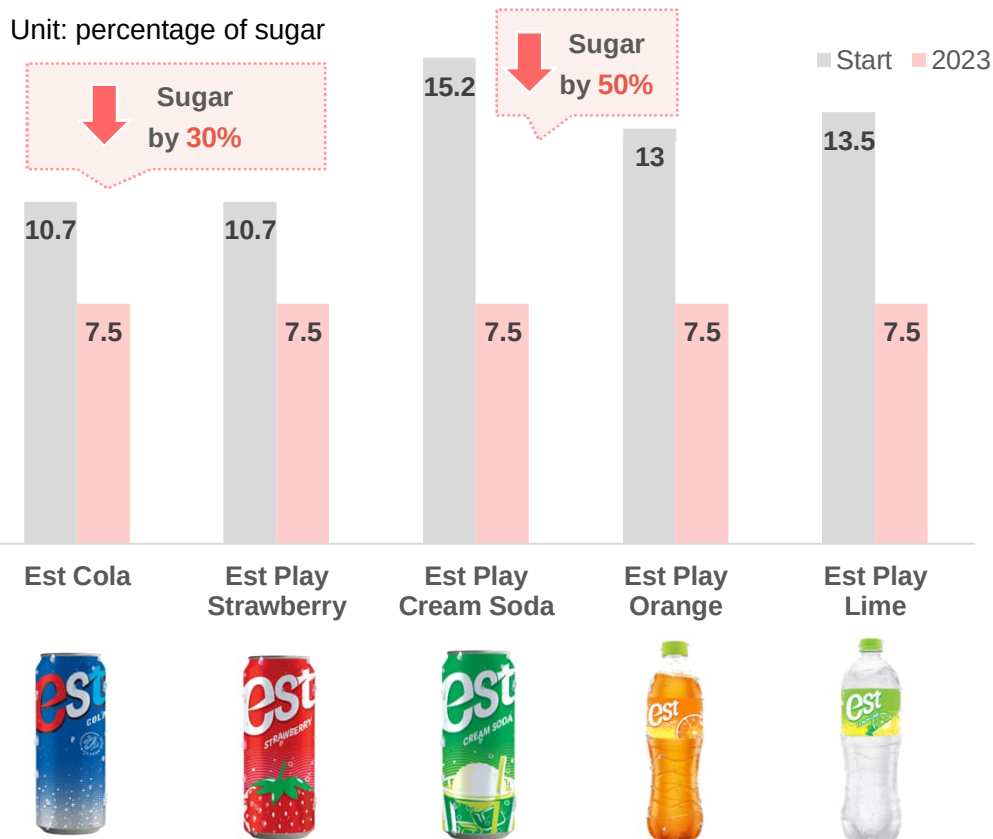
Trends of Healthy Packaged Beverage in Thailand: Low Sugar

- Aside from offering sugar-free beverages, many major players in beverages market reduced the level of sugar in their regular products responding to sugar tax regulation and demand of healthier diet especially carbonates which mostly perceived as unhealthy beverage.
- RTD tea & coffee as well as sport drinks also either reduced level of sugar in their regular products or expanded portfolio to “less sugar”.

Carbonates

- In 2023, Est., one of leading carbonates in Thailand decreased the level of sugar in its main products up to 50%.

Unit: percentage of sugar



RTD Tea & Coffee

- RTD coffee: boss coffee and birdy launched less sugar products (e.g. birdy claims to reduce 30% sugar from original formula)
- RTD tea: T plus offers less sugar tea containing only 3% sugar.

Boss Coffee

Americano
Sugar: 9 g.

Birdy

Espresso
Sugar: 6 g.
 Sugar
by 30%

T Plus

Oolong Tea (tasty),
Sugar: 6 g.

3% Sugar

Sport Drinks

- Sponsor, leading sport drink, also provides less sugar products.

Sponsor

Sponsor original
Sugar: 20 g.Sponsor less sugar
Sugar: 11 g.

Source: Companies' websites and annual reports

Healthy Beverage Market in Thailand

Trends of Healthy Packaged Beverage in Thailand: Natural Ingredients

- Many health-conscious consumers have shifted their beverage choices to the healthier ones. Packaged juice is one of the segments that gain popularity among these types of customers.
- Most packaged juice have natural positioning by offering products that contain no artificial coloring, flavoring and made from fresh juices cultivated from local farmer in the country.
- Recently, coconut water is perceived as a healthy and trendy beverage and can be mixed with several drinks such as coffee.

100% Fruit Juice



**100 % Cold
Pressed Juice
Size 250 ml.
Price 95 baht**

- Doi Kham was founded under King Rama 9's royal project aiming to help Thai local farmers and Thai agriculture industry by offering products sourcing from local farmers.
- One of the Doi Kham product lines is cold pressed juice which contains no preservatives, artificial flavoring, coloring and sweeteners. With more natural positioning compared to other brands, Doi Kham can charge more premium price.

Coconut water

- Coconut water is perceived as healthy beverage and has gained more popularity for couple years.
- Malee, leading packaged juice producer was benefited by this trend. The sales of its coconut water increased by 127% in 2023 compared to 2022.



**Sales by
↑ 127% in 2023
(compared to 2022)**

**Malee 100%
namhom
coconut water
Size 350 ml.
Price 25 baht**



**All coco x All
café (7-11)**

**All coco x The
coffee club**

- There is also an increasing trend of beverages using coconut water as a key ingredient such as coconut coffee.
- All coco, coconut water brand, collaborated with coffee shops and developed coconut coffee recipe using its coconut water products.

Source: Companies' websites and annual reports

Trends of Healthy Packaged Beverage in Thailand: Functional Drinks

- Instead of consuming normal bottled water, health-conscious consumers tend to consume more functional drinks. Functional bottled water fortified with nutritional ingredients especially vitamins with no additional calories has dominated this market.
- Yan-Hee and Vitaday are the major players in this market offering several nutritious beverages.
- Functional bottled water consists of 3 major segments which are vitamin drinks, beauty drinks, and digestive drinks.

Vitamin Drinks

- Vitamins drinks are popular among Thai consumers especially vitamin C and B fortified products.



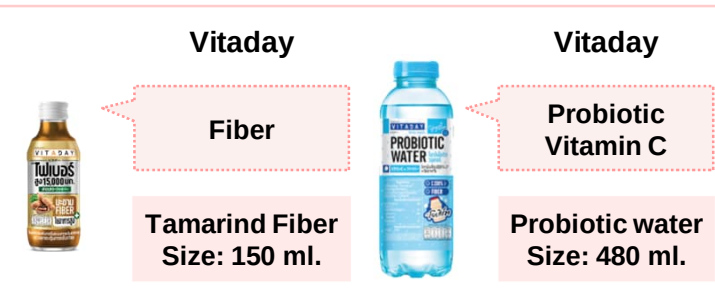
Beauty Drinks

- Aside from vitamins, many brands launched beauty drink products that are fortified with gluta, collagen etc.



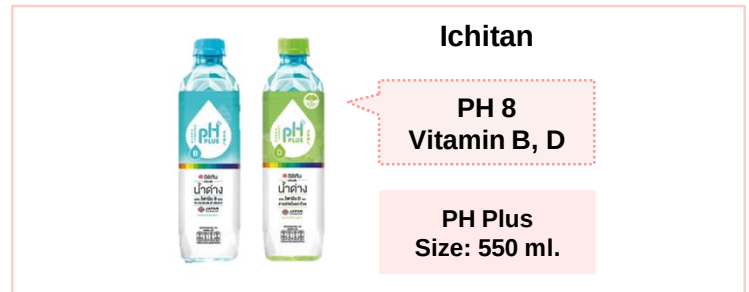
Digestive Drinks

- Digestive drinks containing fiber from tamarind, probiotic also gain popularity.



Others

- Some brands penetrate alkaline water segment. PH in water is between 8.0-9.0. However, this segment is considered in niche market.



Source: Companies' websites

Packaged Beverages Player's Case Study: Vitaday, Major Player of Vitamin Water

- General Beverage Co., Ltd., Vitaday brand owner, is the major player in vitamin water segment. With strong competitive advantages, the brand can secure its No.1 position since 2020.

Case Study: Vitaday Vitamin Water

Business Overview

2011

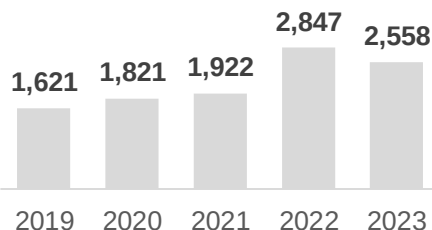
- The General Beverage Co., Ltd. was established in 2011 operating beverage OEM services and its owned beverage brands called "if".

2020

- The company expanded to healthy beverage market and established brand called "Vitaday". This is because during COVID-19, consumers were looking for drinks that provide health benefits.

Company's Net sales (2019-2023)

+12%
CAGR



With the brand's product quality, strong positioning and marketing, the company sales performance has increased since 2020.

No.1 player of flavored bottled water market since 2020
Beating former No.1 player, Yan-hee, just 2 months after launched

Strengths

Production Technology & innovation

- Using sterile process, making water clean and safe which minerals still intact
- Nitrogen Drop technology used to preserve vitamins' value and prevent oxidation

High quality ingredients

- E.g. Vitamin C from Quali-C, imported from England with certified quality standards

Honest marketing

- Sincerity for customers in terms of offering high quality of products

Vitaday's Beverage Portfolio

Vitamin Water (480 ml.)



Vitamin Shot (150 ml.)



Vitamin Jelly (150 ml.)



Source: Companies' website, BOL, public news

Trends of Unpackaged Juice & Smoothie Market in Thailand

- Aside from healthy packaged beverages, there has been increasing trend of unpackaged juice and smoothie market in Thailand. The market emphasizes on adding emotional value to customers and charge premium price. Major smoothie brands offer premium fresh fruits and vegetables, various selections of additional nutritious ingredients, unique colors and photogenic.
- Major players of smoothie bars by number of branch are Boost, Lele, and Oh! Juice. These brands charge their drinks (adding nutritious ingredients) from 150-270 baht which is considered expensive compared to other beverage segments

- Most health-conscious consumers seek for unguilty pleasure and smoothie tend to fulfill that pleasure but still offers health benefits
- This trend is influenced by the U.S. premium smoothie shop called “Erewhon” which costs around 700 baht.
- The brand becomes viral due to its premium price, unique color, and nutritiously premium ingredients such as collagen, blue spirulina powder etc.
- Various local and international smoothie brands has adopted this viral trends and launched similar products targeting wealthy health-conscious customers.



Major Players in Thailand

Brands	Established Year (In TH)	Country Origin	No. of Branch ⁽¹⁾
Boost	2022	Australia	70+
LeLe	2021	Thai	10
Oh! Juice	2024	Thai	10
Pash	2019	Thai	7
Jamba Juice	2017	USA	4
Self	2022	Thai	4

Boost

- Australian smoothie brand was established in Thailand since 2022. As of Oct 2024, Boost has more than 70 branches across the country mainly located in department stores.
- Store format:** grab-and-go store
- No. of branch:** 70+
- Net sales:** 490 million baht, FY 03/2024



Oh! Juice

- Oh! Juice is a Thai smoothie brand owned by Oh Ka Ju, one of the biggest salad restaurants in Thailand having net sales around 2 billion baht in 2023.
- Oh! Juice was established in May 2024 and rapidly expanded its branches.
- Store format:** grab-and-go store
- No. of branch:** 10
- Net Sales:** n/a



Note: (1) Number of branch information is as of October 2024.
Source: BOL, companies' websites, public news

Thai Consumer Behavior and Their Healthy Beverage Preferences

- GenX, Millennials, and Gen Z, which accounted for almost 70% of total population, are the main customers of healthy beverage products.
- The distinct behaviors and preferences of each generation impact their choices in the healthy beverage market.

Behaviors and preferences of key consumer generations in Thailand

Gen X

- Gen X or people who born during 1966-1979

25%

Key Behaviors

- Gen X are mainly concerning about their health and well-being.
- Digestive health is deteriorated as people age. Thus, people in this generation tend to focusing more on maintaining their gut health.

Possible Strategies

Potential product category

- Digestive drinks
- Overall health supports drinks

Possible marketing strategies

- Honest reviews, studies from reliable sources, informative contents

Millennial

- Millennials or people who born during 1980-1995

23%

Key Behaviors

- Millennial generation highly values both inner and outer beauty enhancement.
- Millennials have been working for quite sometimes raising health concerns among this generation.

Possible Strategies

Potential product category

- Beauty enhancement drinks, health enhancement drinks such as drinks supporting immune, eye, brain health

Possible marketing strategies

- Social media marketing, user-generated contents.

Gen Z

- Gen Z or people who born during 1996-2012

20%

Key Behaviors

- Similar to millennials, Gen Z also values beauty enhancement especially for outer appearance.
- Gen Z focuses on catching up with viral trends and craves personalized experience.

Possible Strategies

Potential product category

- Beauty enhancement drinks especially for skin

Possible marketing strategies

- Social media marketing by influencers and emphasizing on short-form storytelling contents

Related Regulations: Taxation on Sugary Beverages

- In order to solve citizens' health concerns such as obesity and heart disease, Thai government has imposed excise tax on sugary beverages since 2017 forcing beverage players to adjust product formulas containing less sugar.
- Sugary beverages are subjected to tax according to percentage of sugar contents.
- The tax scheme is divided into 4 phases in order to help beverage producers adjusting product formulas accordingly.
- Currently, Thailand is in the third phase of this tax scheme.

Taxation on Sugary Beverages (baht/liter)

% of Sugar Content per 100 ml.	1 st Phase 16 Sep 17 – 30 Sep 19	2 nd Phase 1 Oct 19 – 31 Mar 23	3 rd Phase 1 Apr 23 – 31 Mar 25	4 th Phase 1 Apr 25 onwards
Less than 6%	0	0	0	0
6% - less than 8%	0.1	0.1	0.3	1
8% - less than 10%	0.3	0.3	1	3
10% - less than 14%	0.5	1	3	5
14% - less than 18%	1	3	5	5
18% or more	1	5	5	5

Related Regulations: Application for Related Licenses

- Producers and importers must apply for licenses and gain approval in order to produce and sell healthy beverages in Thailand.

1. Application for a food premises license

Importer

Food importation premise

- The importer must apply for an importation license.
- The licensee will receive a "License for Importation or Ordering of Food into the Kingdom"

Producer

Food production premise

- The producer must apply for an application for food production license.
- The licensee will receive either a License for Food Production or a certificate depending on category of the premises (factory or non-factory)

2. Application for a food product license to obtain a food serial number

- Packaged beverage is considered as food with quality or standard requirements which is required to display the food serial number. Thus, the importers or producers must comply with relevant notifications such as nutrition labels, health claims in order to get approval.
- The licensee (importer or producer) must be a person or a juristic person with a commercial registration certificate who has a place of business in Thailand.

3.)Application for ads license

- Prior to advertise health claims or benefits of food and beverages, importers and producers must apply for ads license and obtain approval.
- Advertisement shall not contain any false, misleading, or exaggerated information etc.
- Also, some certain words and phases are prohibited such as phases promoting fat/weight loss, beautification, healing illnesses/diseases etc.

Source: Food and Drug Administration, Ministry of Public Health

Related Regulations: Example of Labelling Regulation (Compulsory & Voluntary)

- It is compulsory for healthy beverages sellers to comply with several regulations especially nutrition labelling according to terms and conditions specified in related notifications.
- Aside from compulsory labelling, the sellers can also voluntarily apply for healthier choice logo to strengthen healthy positioning.

Nutrition Labelling (Compulsory)

- This aims to encourage a prudent choice of buying and consumption of food that benefits consumers' health.

Example format of nutrition labelling

ข้อมูลโภชนาการ (Nutrition Information)	
กินได้ ครั้ง ต่อ	
..... serving(s) per container	
คุณค่าทางโภชนาการต่อการกินหนึ่งครั้ง: (....)	
Amount per serving: (.....)	
พลังงาน	 กิโลแคลอรี
Energy	 kcal
ร้อยละของค่าอ้างอิงต่อวัน* (%Thai RDI*)	
ไขมันทั้งหมด (Total fat) ก. (g)	 %
ไขมันอิ่มตัว (Saturated fat) ก. (g)	 %
คอเลสเตอรอล (Cholesterol) มก. (mg)	 %
โปรตีน (Protein) ก. (g)	
คาร์โบไฮเดรตทั้งหมด (Total carbohydrate) ก. (g)	 %
น้ำตาลทั้งหมด (Total sugars) ก. (g)	
โซเดียม (Sodium) มก. (mg)	 %
โพแทสเซียม (Potassium) มก. (mg)	 %
*ร้อยละของค่าอ้างอิงสารอาหารต่อวันสำหรับคนไทย จากความต้องการพลังงาน วันละ 2,000 กิโลแคลอรี (Percent Thai Reference Daily Intakes, based on a 2,000 kcal)	

Standard format of the nutrition labelling in case of displaying with foreign languages such as English

Healthier Choice Logo (Voluntary)



- Healthier choice nutritional logo is developed aiming to raise consumers' awareness regarding healthy food and beverages. Although it is voluntary, having this logo help strengthening brand's healthy positioning.
- To use this logo on products, producers must register for healthier choice certificate.** The certificate is valid for 3 years from the approval date.

Category	Serving Size	
	≤ 300 ml.	> 300 ml
Fruit & vegetable juice Soft drink & flavor drinks	Total sugar ≤ 6 g/100 ml	Total Sugar ≤ 18 g
Ready-to-drink tea	Total Sugar ≤ 6 g/100 ml Total Fat ≤ 0.6 g/100 ml	Total Sugar ≤ 18 g Total Fat ≤ 1.8 g
Ready-to-drink Coffee	Total Sugar ≤ 6 g/100 ml Total fat ≤ 1 g/100 ml	Total Sugar ≤ 18 g Total Fat ≤ 3 g

Future Trends, Opportunities, Challenges and Recommendation

Future Trends & Opportunities

Overall Market:

- Due to an increase in health-conscious customers, healthy beverages market will continuously grow responding to demand in the market.

Packaged Beverages

- Among all healthy packaged beverage segments, bottled water will still dominate the market.
- Sugar-free functional bottled water with good source of vitamins and minerals still gain popularity.

Unpackaged Beverages

- Premium smoothie with additional nutritious ingredients will still be a viral trend among Thai consumers.

Supporting Industries

- Superfood powder and beauty ingredients are popular adding emotional value to the beverages. Many players both packaged and unpackaged beverages offer these ingredients to elevate healthy and premium positioning. The demand of these ingredients will increase corresponding to healthy beverages market.
- There are plenty of room for investors explore and develop nutritious beverages.

Challenges

Concentrated Market

- Beverage industry is dominated by only few big players which have strong brand reputation. It might be difficult for new players to gain market share from these players.

Rapid Change in Consumer Behavior

- With the access of social media, consumers can shift their preferences and behaviors easily making viral trends or products saturated more rapidly.

Change in Related Regulations

- In order to maintain consumers health and reduce health risks such as obesity and diabetes, Thai government has changed and introduces new regulations.
- Currently, Thailand is in the early phase of this scheme which many more regulations might be introduced in the near future.

Recommendation

- Potential investor should differentiate their products in order to gain market share and survive in this concentrated market.
- With the rapid change in consumer behavior and preference, investors should consistently research on behaviors and trends. Thus, investors can catch up with existing trends and provide suitable products or marketing strategies to gain customers attention.
- Partnering with related stakeholders in the industry such as superfood manufacturer, restaurants operators to create synergy which will be easier for investors to establish business in this market.