

Boost, recharge, repeat:

3 winning tactics marketers can learn from functional beverages



Shopping in the beverage aisle of your supermarket these days feels a little like stepping into a biochemistry class. There, you'll see a litany of unfamiliar terms: Adaptogenic. Prebiotic. Nootropic. Thermogenic. Phytonutrients.

It's not science class, though: It's a new era for beverage marketers. This trend has helped shape a red-hot new category: so-called "functional beverages" that contain minerals, vitamins and other "bioactive" ingredients promising support for gut health, sounder sleep, anxiety reduction and more.

The category includes upstarts such as prebiotic soda Poppi and alcohol alternative Recess, as well as well-known brands such as energy drink Red Bull, protein shake Muscle Milk and electrolyte-infused Vitaminwater.

Marketing is playing a key role in enticing shoppers to explore new options. Here's what other marketers can learn from the success of these strategies:



1. Bold, breakthrough package design for functional beverages

The ready-to-drink beverage aisles of supermarkets and convenience stores are exceedingly crowded — and getting more so. One brand commanding attention: Olipop. Its sales grew 2,128% between 2021 and 2023, according to the 2024 Inc. 5000, a ranking of the fastest-growing U.S. private companies.

Olipop's meteoric rise came on the heels of a brand refresh, including an attractive new package design, shortly

after the company was founded in 2018. The retro-inspired can design puts the strongest emphasis on flavors, including several unique to the soda category — banana creme, ginger lemon and watermelon lemon, for example.

The beverage package design gives greater prominence to functional elements and puts "supports digestive health" front-and-center as a primary selling proposition.

EXPERT TAKE:

"Functional beverage makers are giving a master class on grabbing attention at the shelf by using all the tools at their disposal — including the canvas of a 12-ounce can. In today's competitive world, brands need to be bold and unafraid."

—Peter Boosalis, Head of Strategic Package Design at Quad

**\$62
BILLION**

The functional beverages market is expected to grow 4.5% a year to more than \$62 billion by 2027.

—Glanbia Nutritionals

2. Buzzy functional beverage marketing that encourages experimentation

Functional beverage marketers are gaining traction by playing to shopper curiosity. [According to McKinsey & Company](#), more than a third of U.S. consumers have tried a different brand (of any sort, not just in the beverage category) in the past three months, signaling that they're eager for something new, different and maybe even offbeat.

One approach seems to be catching on: introducing limited-time offerings that highlight the season, an offbeat or unexpected flavor or — increasingly — partnerships with influencers.

Tribucha, a North Carolina brewer of kombucha tea drinks and sodas, went this route with its [Controlled Burn Kombucha](#) in a Halloween-themed co-branded partnership with Greta Van Fleet, a Grammy-winning rock artist. Featuring cayenne, turmeric and ginger, the company calls Controlled Burn a beverage that “combines the revitalizing legacy of an ancient drink with the electrifying energy of modern rock.”

EXPERT TAKE:

“Limited-time offerings help spark curiosity in shoppers, driving engagement and discovery while creating a ‘fear of missing out.’ They also help create a social buzz and generate valuable test data for potential brand extensions.”

—Ashley Wacht, Head of Product Marketing, Commerce at Quad

258
new functional
beverages launched in
the last year boasting
health-enhancing
ingredients.

—Hydrate and Heal: The Rise of Functional Beverages, Nielsen IQ



3. In-store displays for functional beverages that demand attention

Retailers are experimenting with various approaches to creating in-store identities for functional beverages using both traditional signs and displays, as well as new technology. [Supermarket News](#) describes the environment right now as the “battle of the fittest.”

Stores are trying a little bit of everything, Supermarket News notes: placing functional beverages in the main beverage aisle, of course, but also putting them with waters and ready-to-drink teas, in grab-and-go sections and, where appropriate, refrigerated coolers. The challenge

for marketers is to design messaging that’s flexible and stands out across various store environments.

Technology is offering new options for tackling the challenge. Right at the point of sale, a growing number of in-store retail media networks, such as [In-Store Connect by Quad](#), are stepping in to enable retailers and CPG brands to engage shoppers through strategically placed digital screens and kiosks. These in-store RMNs help brands create awareness and influence purchasing decisions when consumers are ready to buy.



EXPERT TAKE:

“As CPG companies innovate, it’s incumbent on them to work with retail partners on making a strong statement in the store. With only a few seconds to make an impression, you have to think creatively about merchandising your product.”

—Kelly Burt, Vice President of Sales and Administration for the In-Store division of Quad