knit

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# The Functional Beverage Boom

What Consumers Really Want From Energy, Hydration & Wellness Drinks in 2025

# A New Kind of Consumer Ritual

Walk into almost any home, office, gym bag, car cupholder, or college backpack, and you'll find them: energy drinks, hydration mixes, wellness tonics, focus elixirs, sleep support beverages. What once lived on the fringes of "sports nutrition" has quietly become a defining feature of the modern day.

America didn't just adopt functional beverages — it absorbed them into its rhythm.

**Our new study: a blend of quant (N=508)** and real human stories told **through 113 video responses** Reveals a category undergoing profound cultural expansion. Consumers aren't merely **"drinking energy drinks more often."** They're reorganizing their daily rituals around a set of functional needs:

- How do I wake up?
- How do I keep going?
- How do I reset?
- How do I stay focused?
- How do I come down?

This category has become the **emotional dashboard** for millions of people who feel stretched, pressured, or simply determined to perform better.

And while each brand tells its own version of **"energy," "hydration," or "recovery,"** consumers are telling us something deeper:

**Functional beverages aren't beverages.**

**They're coping mechanisms. Performance tools. Signals of self-care.**

**They're how people navigate the modern day.**

# The Cultural Backdrop: Why This Boom Is Happening Now

A decade ago, a **"functional drink"** meant caffeine, electrolytes, or maybe B-vitamins. Today, it's shorthand for something bigger:

### We're living through an energy recession.

People aren't just tired — they're depleted. Morning has become the new battleground for physical and mental readiness. In our data, morning is the dominant usage moment, but the emotional reasoning behind it is the real story. People are looking for reliable energy, not more energy. They want control.

### Wellness has shifted from aspiration to maintenance.

Consumers once drank hydration beverages because they were **"trying to be healthy."** Now they drink them because they're trying to function. Qualitative responses centered not on optimization, but on stabilizing mood, staying calm, or feeling mentally **"even."**

### Gen Z is rewriting beverage behavior entirely.

This is the first generation to see functional drinks as lifestyle tools — not guilty pleasures or performance enhancers. They use them as alternatives to soda, alcohol, and even coffee. They want mood support, clarity, and **"a pick-me-up that feels good for me."**

**And crucially:** they're not shy about cycling across brands for different jobs. Red Bull for drive. Celsius for focus. Liquid I.V. for recovery. Adaptogens for grounding.

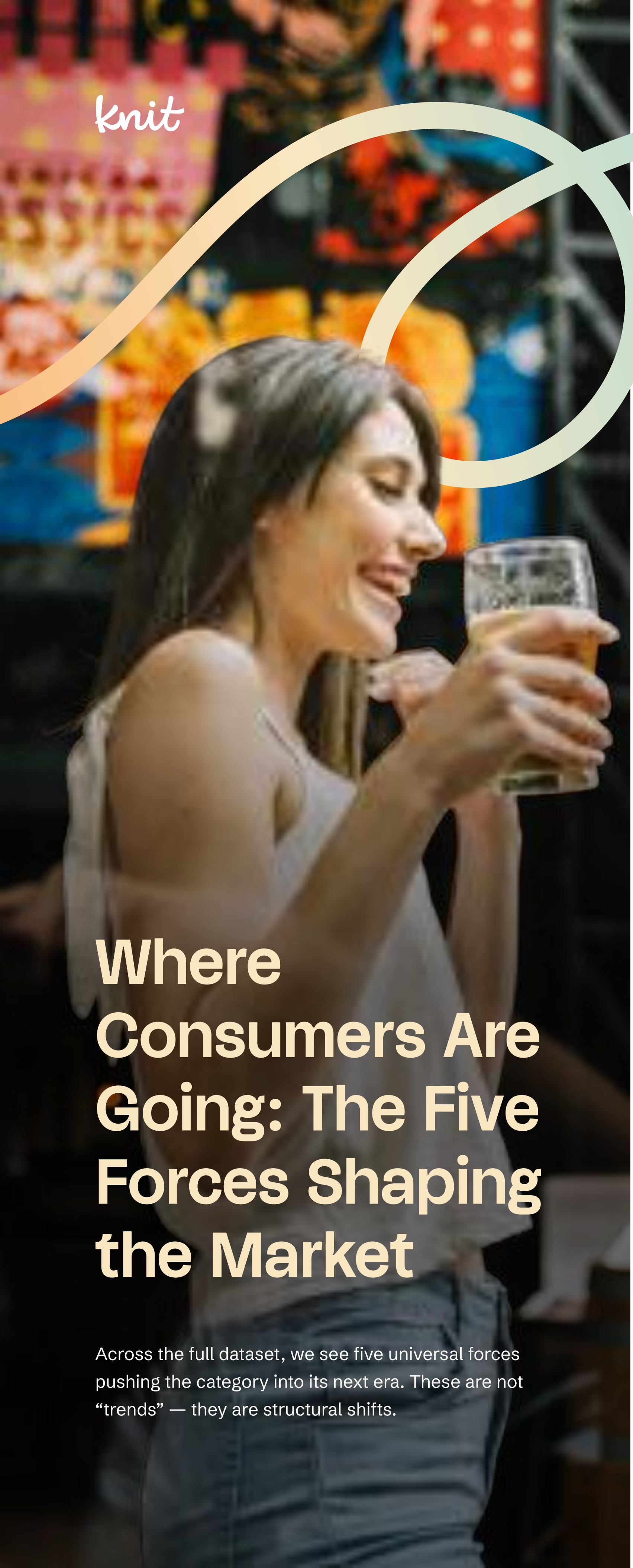
### The marketplace itself is exploding.

Brands like **PRIME** and **Celsius** aren't simply winning share — they're winning narrative attention. TikTok hydration culture has normalized carrying multiple beverages at once. Influencers treat functional drinks as a fashion category. Formulation innovation is happening faster than consumer education can keep up.

**Against this backdrop, retailers and brands face a new challenge:**

Consumers aren't choosing functional beverages **based on ingredient lists.**

They're choosing based on **outcome lists.**



# Where Consumers Are Going: The Five Forces Shaping the Market

Across the full dataset, we see five universal forces pushing the category into its next era. These are not “trends” — they are structural shifts.

## 01 The Rise of the Morning Ritual Drink

The category has a new anchor: the morning. It’s not just the first drink of the day; it’s the first decision that sets the tone for performance.

## 02 Emotional Outcomes Are Becoming Primary Benefits

Yes, energy wins — but so do mood enhancement, calmness, and emotional reset. Consumers increasingly describe these drinks in the language once reserved for mindfulness apps.

## 03 The Category Is Growing Because Needs Are Growing

Consumers report increased consumption year over year, and they simultaneously cite unmet needs such as **“longer-lasting energy”** and **“no crash.”** A rising category with persistent gaps is an innovation playground.

## 04 Flavor Has Become a First-Class Decision Driver

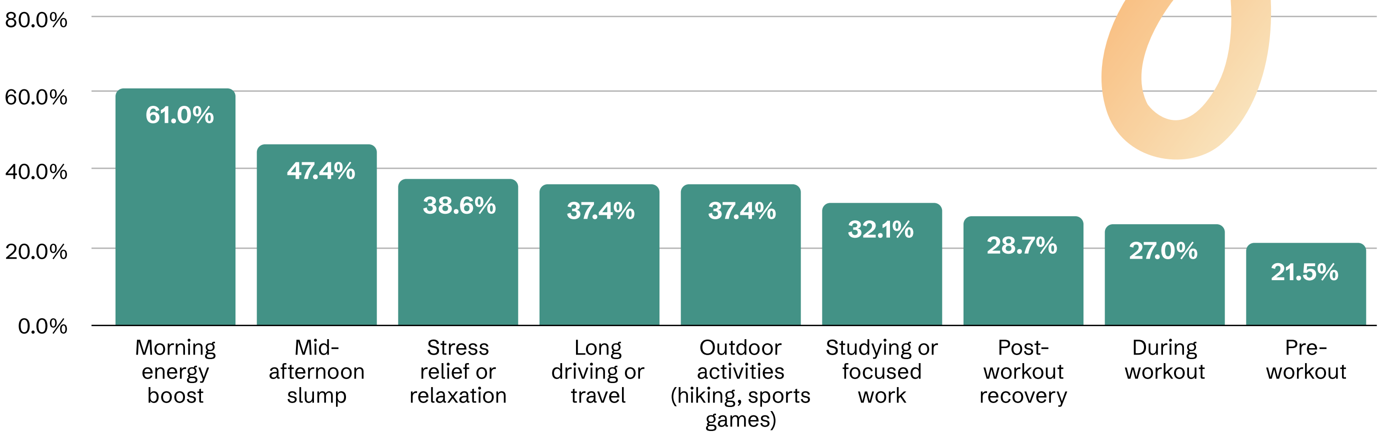
Tropical Mango leads nearly every demographic segment, signaling that flavor isn’t merely hedonic — it’s identity-driven. Flavor is how consumers reconcile **“healthy enough”** with **“tastes good enough to be part of my day.”**

## 05 Functional Drinks Are Replacing Adjacent Categories

Gen Z and Millennials are using these beverages as alternatives to soda, coffee, and alcohol — not because they’re abstaining, but because functional drinks feel like a smarter default.

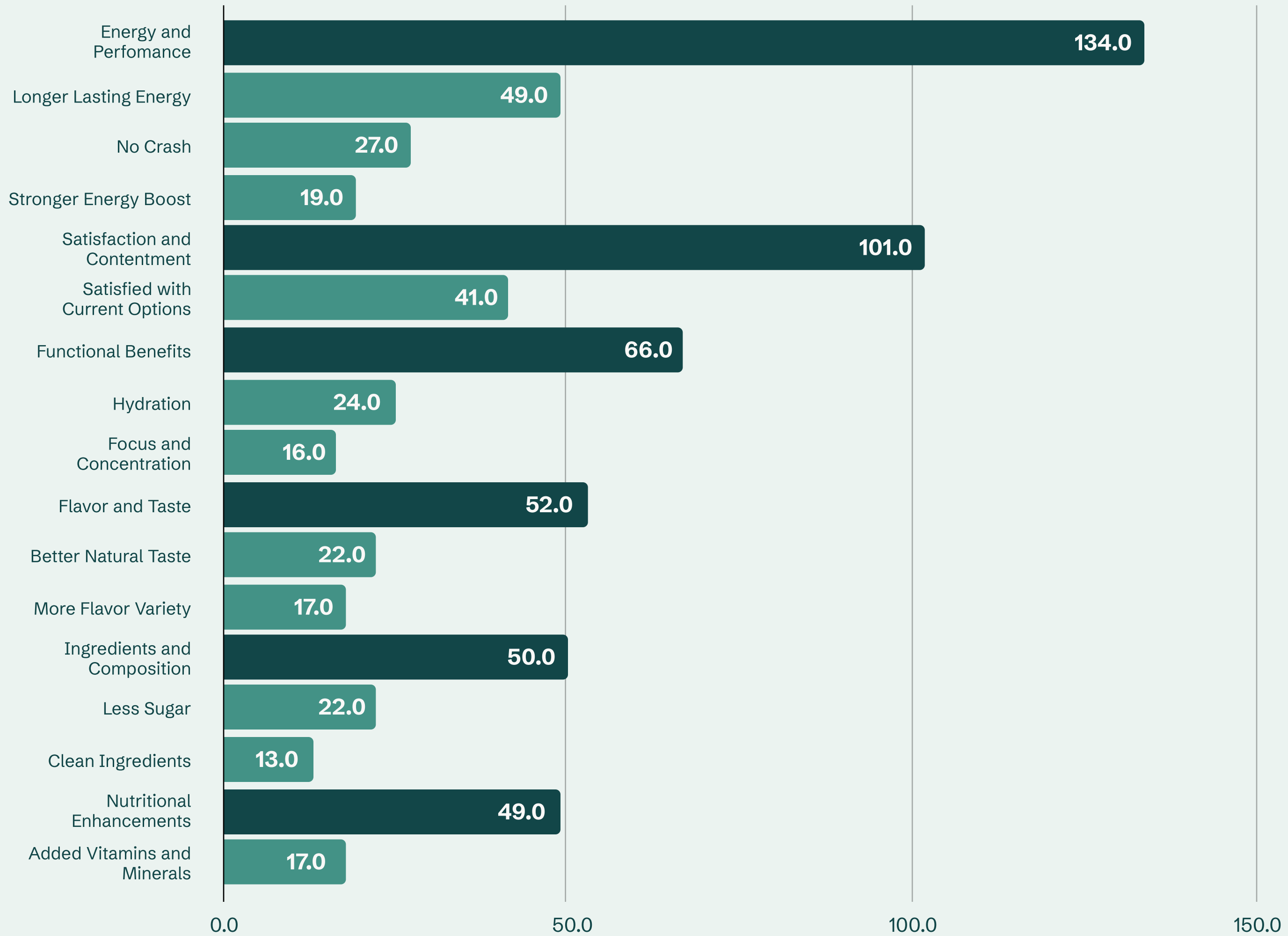
Together, these forces paint a picture of a category that is not slowing down — it’s compounding. And it’s doing so because it meets consumers where their lives actually are.

### Time of Functional Beverage Consumption



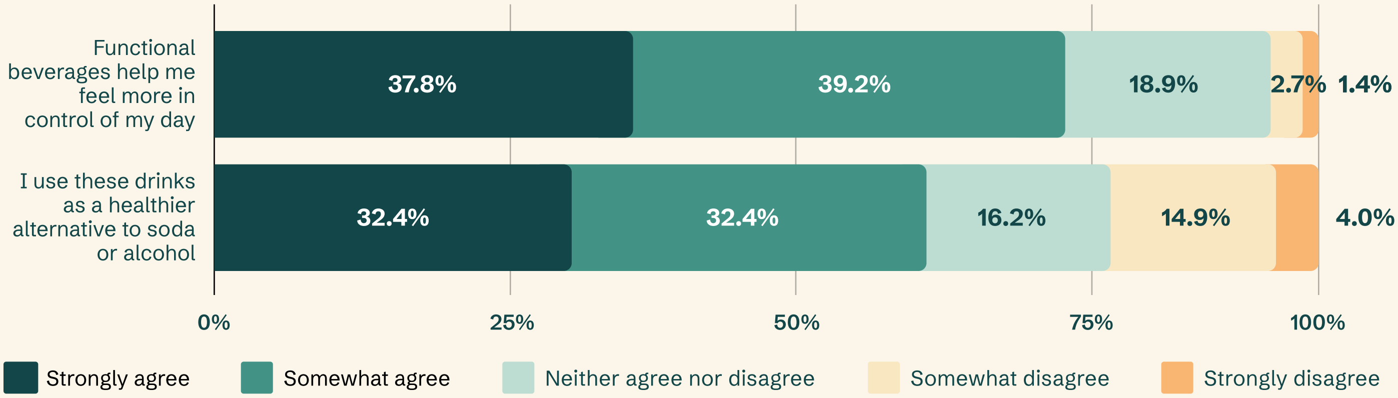

TypicalOccasions: Which of the following situations best describe when you typically consume functional beverages? Select up to 5. N=508

### Current Unmet Needs




UnmetNeeds: What is one thing current functional beverages don't yet provide for you that you wish they did? N=508

# Functional Beverage Purpose




NeedAgreement: Please indicate how much you agree or disagree with each statement. N=74

# What This Means for Brands, Retailers, and Insights Teams

**For brands:**

This category rewards clarity of purpose. Consumers don't want functional beverages that "do everything." They want ones that do one thing well. If the benefit isn't instantly understandable, it will get lost in the aisle. Brands that ladder into emotional outcomes — not just functional claims — will build lasting preference.

**For retailers:**

The traditional aisle taxonomy ("energy," "hydration," "sports drinks") is increasingly disconnected from how shoppers think. The mental aisle looks more like:

- "Help me wake up."
- "Help me push through the afternoon."
- "Help me focus."
- "Help me calm down."
- "Help me recover."

The retailer who organizes around **moments** instead of **macros** will shape the category's next chapter.

**For insights teams:**

Functional beverage behavior cannot be explained by demographics alone. It's driven by routines, emotions, micro-moments, and stressors that live between the lines of a survey. This is where video insights shine — offering the nuance, emotional subtext, and context required to decode an increasingly emotional category.

# How Daily Routines Are Being Rewritten

Functional beverages aren't fitting into consumers' days — consumers are reshaping their days around functional beverages.

## The Quiet Restructuring of the American Routine

If you zoom out on the functional beverage boom, a striking pattern appears: people aren't merely adding new drinks to their day — they're redesigning **the day itself.**

We see this in the quantitative data, yes.

But it comes through even more powerfully in video responses, where consumers film themselves mid-routine: on the way to work, in their kitchen at 7:00 a.m., between Zoom calls, in the car line, at the gym, in a dorm room surrounded by textbooks.

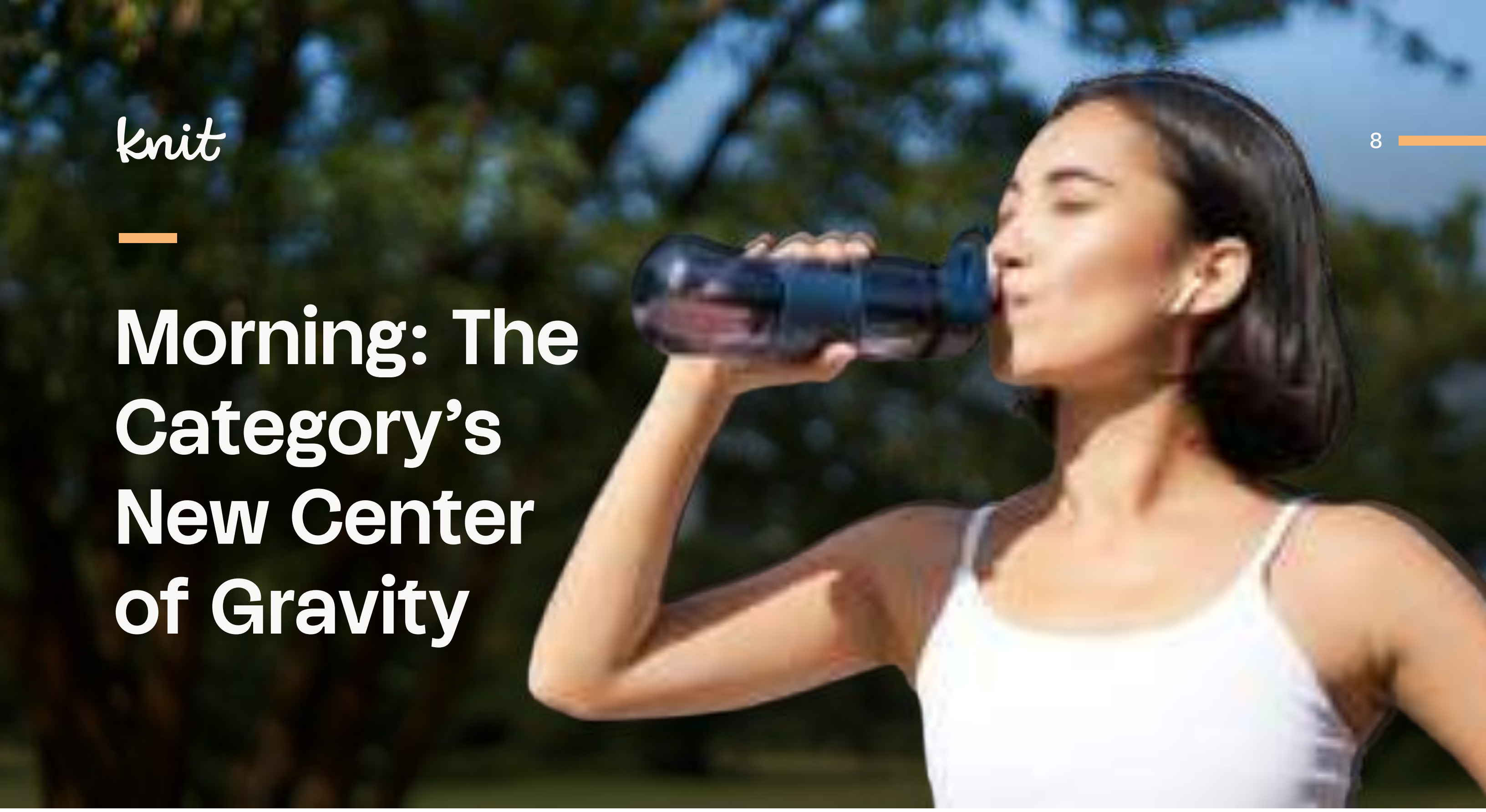
Their stories form a shared narrative:

**Functional beverages have become the scaffolding that holds the day together.**

- Morning energy.
- Midday focus.
- Post-exercise recovery.
- Afternoon "push through."
- Evening decompression.

These aren't one-off occasions — they're the new rituals of daily life.

This section explores how and why those rituals are forming.



# Morning: The Category's New Center of Gravity

The morning is no longer just "a good time for a drink." It has become the most strategically important moment in the entire category.

The chart "Typical Consumption Occasions," confirms it. But the numbers alone don't tell the story. The **language** consumers use does:

01 "Starts my whole day off right."

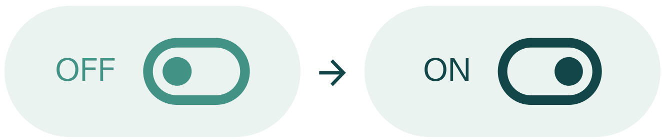
02 "Helps me get moving."

03 "Gives me a clean, steady boost so I'm not dragging."

04 "Replaces coffee — I trust it more."

Morning functional beverages have become the antidote to the emotional experience of waking up tired, overwhelmed, or mentally foggy.

They are a psychological switch:




And that switch is so valuable, consumers are willing to reorganize other parts of their morning — breakfast, commute, hydration, even screen habits — around it.

Brands that position around readiness, clarity, or getting started aren't just selling drinks. They're selling a **morning identity.**

# The Midday Reset: Modern Life's Most Universal Pain Point

If the morning is about powering up, the afternoon is about **not falling apart.**

Nearly half of consumers point to the mid-afternoon slump as a primary consumption moment. But the significance goes deeper: the slump is predictable, universal, and widely dreaded.

Consumers reach for functional beverages because:

- "My brain gets slow."
- "I need to refocus."
- "I lose momentum."
- "I just need something to help me push through."

Unlike morning beverages, which feel proactive, afternoon beverages feel **rescue-oriented**. The afternoon drink isn't just functional; it's emotional. It's a small, self-permitted reboot. A chance to reclaim control of the day.

For retailers, this is where placement near grab-and-go snacks or front-of-store coolers becomes high-leverage. For brands, this is the zone where "smooth energy," "no crash," and "clean focus" claims resonate most clearly.

# Work & Study: The Rise of Cognitive Consumption

There's a generational shift happening quietly but unmistakably: younger consumers now treat functional beverages as **work tools.** Charts from "Moment Importance," show focus/work/study as one of the highest-ranking needs across segments. But the qualitative signal is even louder.

Consumers say things like:

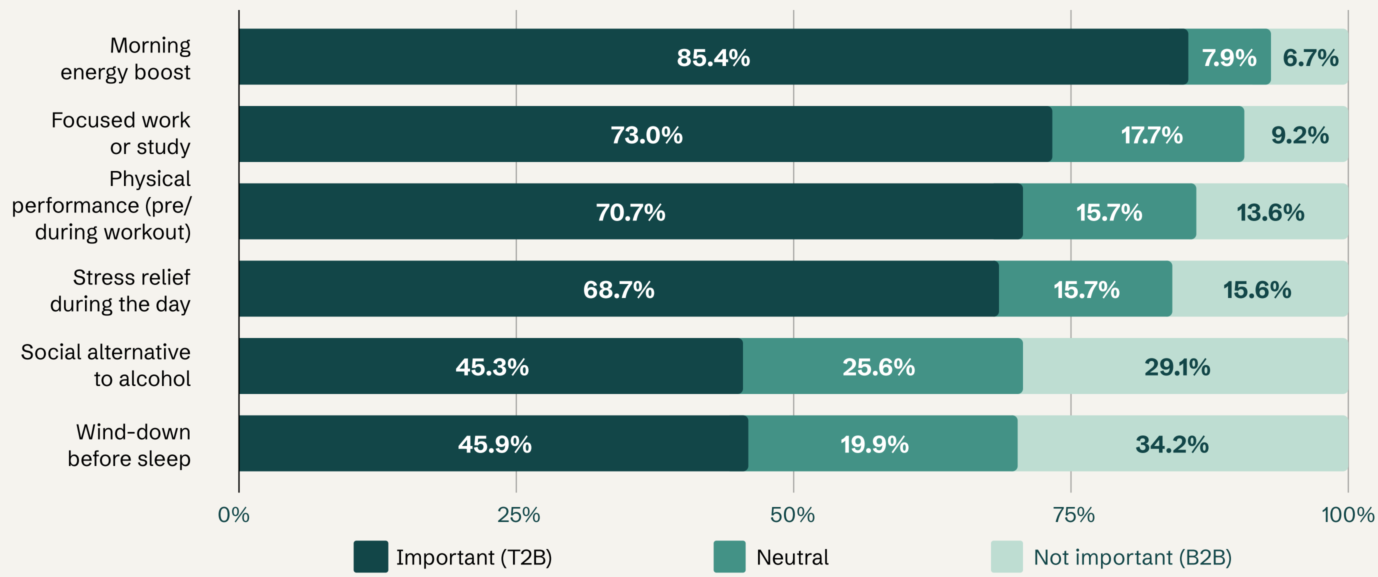
- "It helps me lock in."
- "I use it when I need to concentrate."
- "It makes me more productive."
- "It gets me in the zone."

**This isn't caffeine culture.**
It's cognitive culture.

**Functional beverages have moved from fueling the body to fueling the mind.**
And because these drinks feel more health-forward than soda or energy shots, they serve as a socially acceptable, even aspirational, way to enhance mental performance.

**This is a new frontier — one brands haven't fully claimed yet.**
There is room for a category-defining "focus drink" to emerge with the clarity that Red Bull brought to energy.

**Importance Across Different Moments**




Moment Importance: How important is a functional beverage to you in each of these moments? N=508

# Activity & Movement: From Gym Ritual to Lifestyle Ritual

Functional beverages used to spike around gym visits or athletic performance. Now, they show up in a different set of routines:

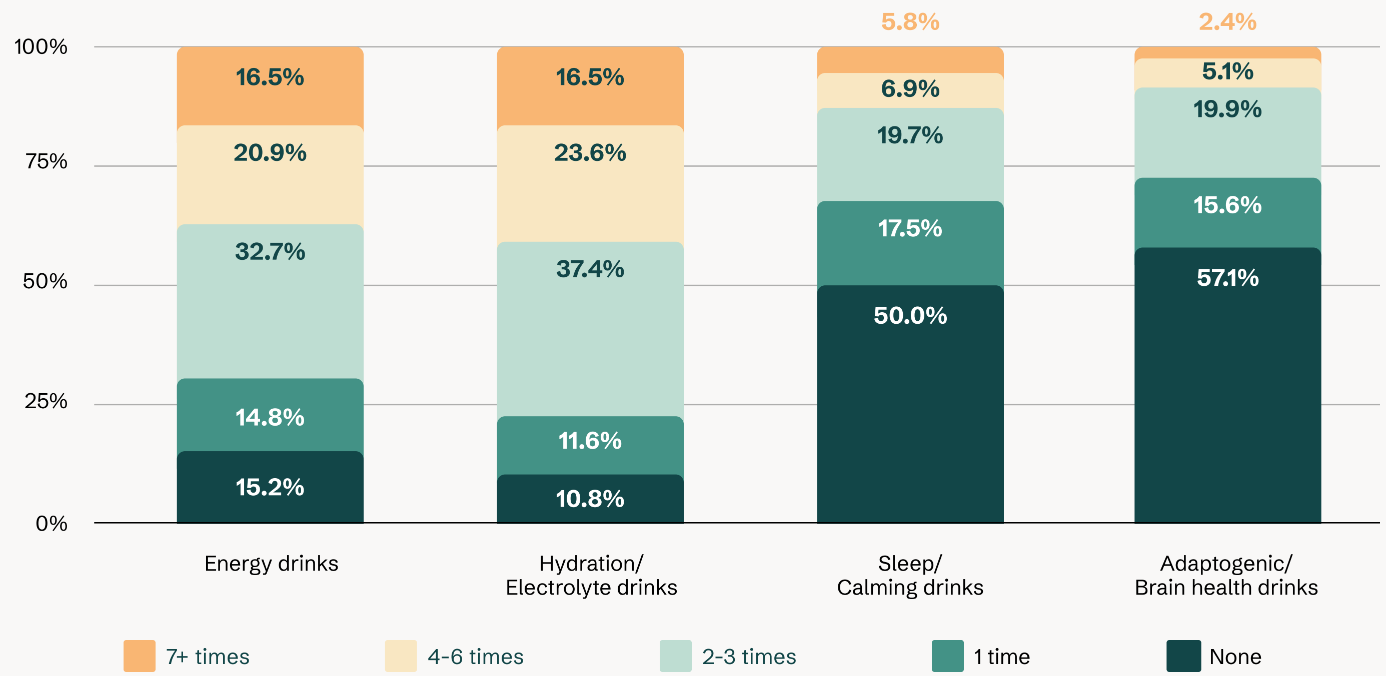
- Walking the dog
- Household chores
- Running errands
- Weekend hikes
- Parenting on the go
- Afternoon walks during remote work
- “Movement snacks” throughout the day

**People aren't chasing athletic excellence.**
They're managing a lifestyle of low-level constant motion.

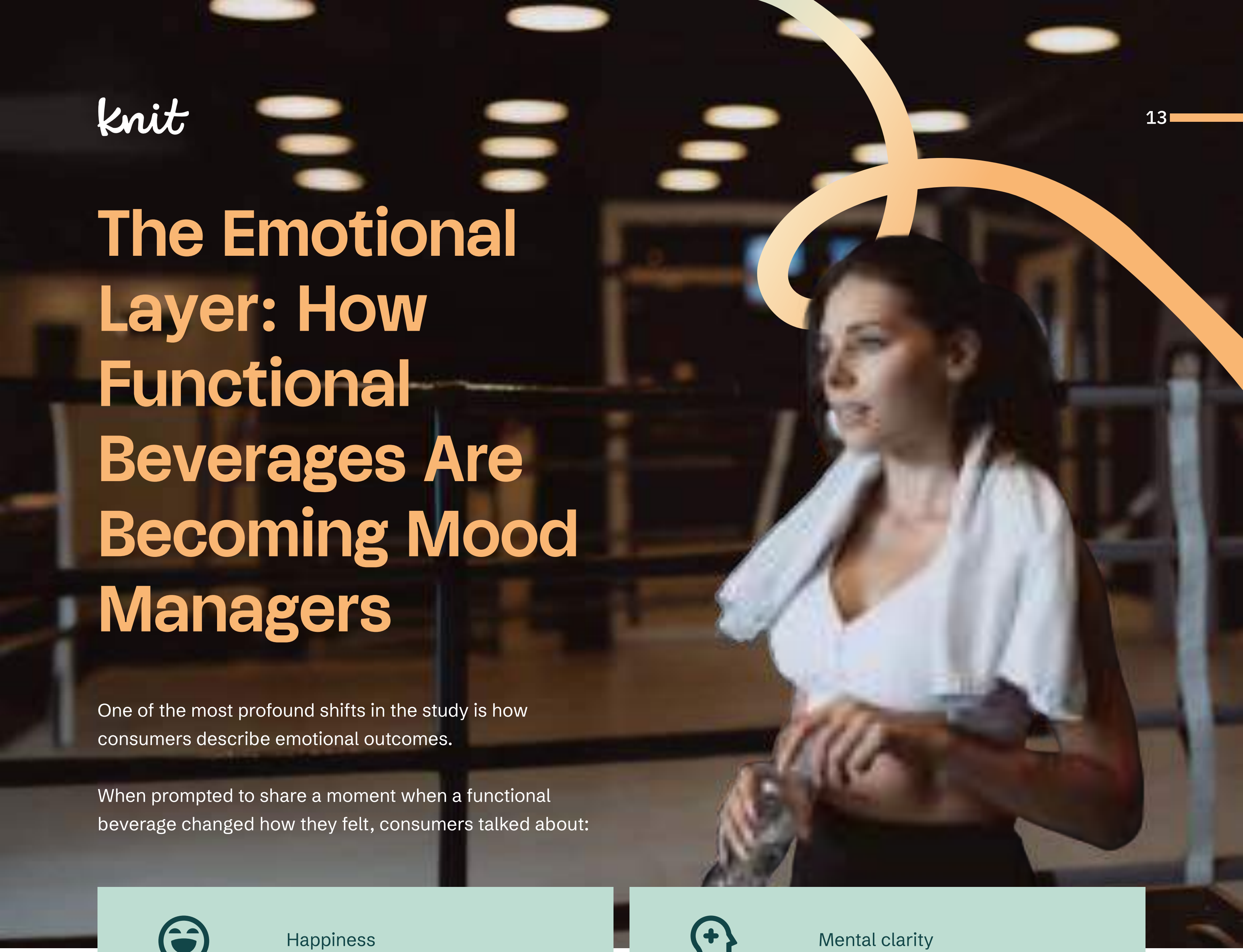
**Hydration blends are becoming the new water bottle companion.**
Energy drinks are becoming warm-up rituals.
Electrolytes are becoming recovery cues for non-athletes.

The category isn't expanding into fitness — it's expanding into **life movement.**

### Consumption Patterns - Past Week




Weekly Consumption: In the past 7 days, how many times did you consume each beverage type? N=508



# The Emotional Layer: How Functional Beverages Are Becoming Mood Managers

One of the most profound shifts in the study is how consumers describe emotional outcomes.

When prompted to share a moment when a functional beverage changed how they felt, consumers talked about:

- Happiness
- Mental clarity
- Calmness
- Reduced stress
- Decompression
- “Feeling like myself again”

Functional beverages have become micro-interventions — small, convenient, personal ways to regulate mood throughout the day.

**Ten years ago, this language lived in mindfulness apps.**
Now it lives in the beverage aisle.

**This emotional layer is what will differentiate next-generation brands.**
It’s also what will push retailers to rethink merchandising entirely.

**Watch the Showreel: Real Consumer Voices in Action**
See how consumers feel after consuming functional beverages - in their own words. Knit automatically compiles authentic video responses into a highlight reel, surfacing the most compelling emotions, themes, and soundbites across segments. In minutes, researchers can watch patterns come to life - turning raw sentiment into powerful storytelling.

**>>>> Watch on Youtube**

Link to the video: https://www.youtube.com/watch?v=aRYcsj6AXts

Think about a time when you found out that a food or drink you usually liked - maybe even one you trusted - actually had artificial colors or additives (like Red 40). How did you feel when you realized that? What went through your mind in that ,moment? N=101

# Evening: A Growing but Underserved Ritual

Even though sleep and calming beverages show lower weekly frequency compared to energy or hydration drinks, their emotional salience is high.

**Consumers use evening beverages to:**

- Unwind
- Transition out of work
- Relax their nervous system

"Signal to my brain it's time to slow down"

This is the "quiet growth engine" of the category — behavior is strong, emotional resonance is stronger, but product availability and education lag behind.

Brands that can articulate a clear evening ritual will own an otherwise wide-open lane. Retailers should treat evening as a segment, not a shelf afterthought.

# The Net Effect: Routines Are Fragmenting — and Expanding

When you stitch all these moments together, a new landscape emerges:

Consumers don't have "a daily functional beverage."

They have a **portfolio of beverages tied to micro-moments.**

Each beverage serves a different role, a different emotion, a different functional need.

This is why the category's growth feels so explosive: it's not one rising tide — it's multiple rising tides flowing through the same channel.

And it sets up the strategic foundation:
**Functional beverages are not one category. They're eight distinct jobs.**

# The New Jobs-to-Be-Done of Functional Beverages

Why consumers choose what they choose — and why the category is fragmenting by mission, not macros.

## The Jobs-to-Be-Done Framework: Functional Beverages as Tools, Not Treats

Consumers don't buy functional beverages because they're thirsty. They buy them because they're trying to solve a problem.

In reviewing hundreds of quantitative responses and more than a hundred videos, a pattern becomes unmistakable: every functional beverage serves a job. A tension to resolve. A moment to fix. **A feeling to reach for.**

This is why energy drinks, hydration mixes, focus shots, relaxation tonics, and adaptogenic blends aren't **"one category"** — they're a constellation of tools people use to navigate the modern day.

And once you understand the jobs, the category suddenly makes sense.

# Job #1: “Help Me Power Up” — The Morning Energy Imperative

The most universal job in the entire dataset is the need for a reliable morning start. Not the jittery caffeine jolt of early-2000s energy drinks, but something steadier, cleaner, and more predictable.

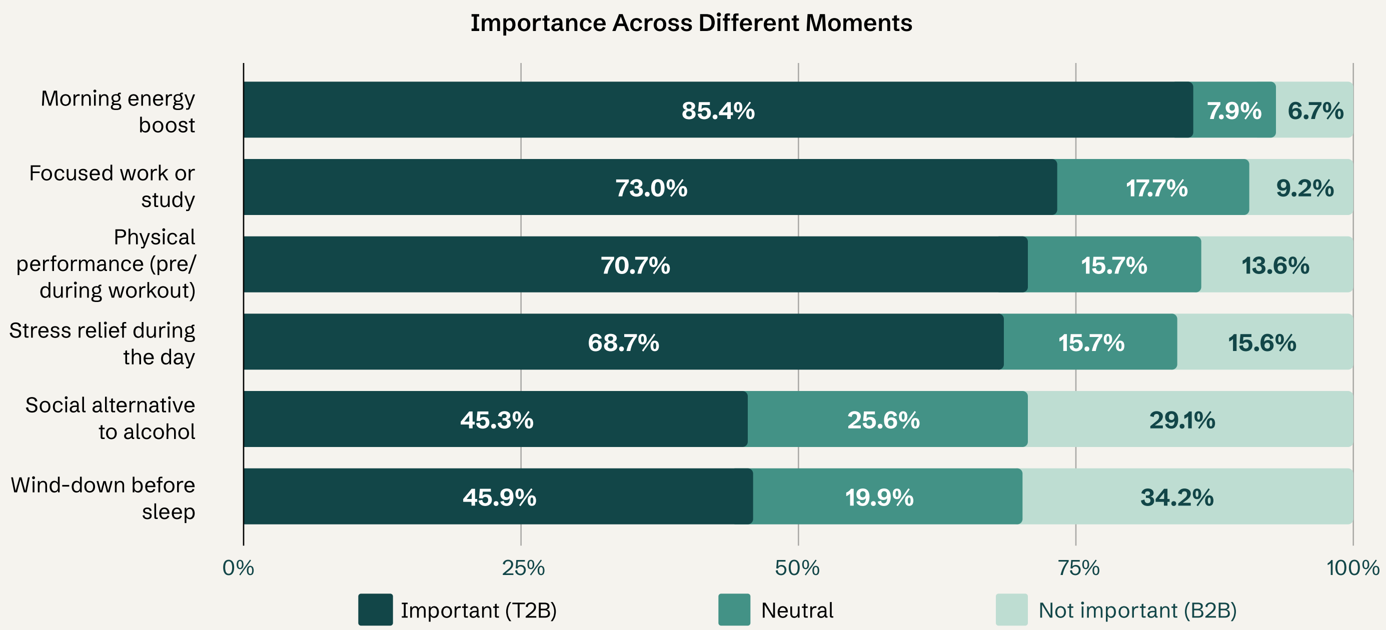
Consumers reach for morning energy not because they want to feel *“wired”*, but because they want to feel **capable.**

This is the category’s dominant opening ritual.

This is where energy drinks, hydration blends, and even caffeinated wellness beverages collide — because all of them promise the same upstream value: readiness.

**Brand implication:**
*The morning use case is no longer owned by coffee. Brands that articulate a clear morning-ritual benefit stand to redefine what “getting started” means for consumers.*

**Retail implication:**
*A dedicated “Morning Start” block — crossing energy + hydration + focus — mirrors how consumers already shop missions.*




Moment Importance: How important is a functional beverage to you in each of these moments? N=508

# Job #2: “Help Me Stay Sharp” — The Cognitive Performance Job

Consumers repeatedly describe needing something “for focus,” “for productivity,” or “for when I’m working or studying.”

This job is driven by:

- Gen Z students who need sustained concentration
- Millennial knowledge workers managing cognitive fatigue
- Parents who use drinks to reset mentally between demands

Energy alone can’t solve cognitive overwhelm — but hydration, nootropics, and lighter caffeine formats can.

**Brand implication:**
*Focus is no longer a niche. It’s a mainstream job with massive cross-demo traction.*

**Retail implication:**
*Create an “At-Work / At-Desk” assortment zone — even if only as a visual merchandising cue.*

# Job #3: “Help Me Push Through” — The Midday Reset Job

The 2–4 p.m. slump is one of the most reliable human behaviors in the entire dataset. Consumers described this moment with phrases like:

- “when my energy dips”
- “when my brain feels foggy”
- “when I need a little boost”

It’s telling that almost **half** of consumers selected mid-afternoon slump as a typical use case.

Unlike the morning ritual, this is more reactive than proactive.
This is where crash-resistant formulas matter most. Consumers want a boost without derailing their evening.

**Brand implication:**
*Positioning around “smooth energy” or “no-crash clarity” is especially powerful in the afternoon occasions.*

**Retail implication:**
*This is the ideal daypart for cross-promotions with snacks, light bites, or grab-and-go foods.*

# Job #4: "Help Me Physically Perform" — The Activity & Recovery Job

Traditional sports drinks used to own this space. Not anymore. Now the job includes:

- Pre-workout readiness
- Hiking, outdoor adventures, and weekend "performance"
- Post-workout hydration and electrolyte replenishment
- Yard work, errands, and parenting-as-cardio

**Brand implication:**
*The activity job is no longer limited to gyms. It's an everyday movement job.*

**Retail implication:**
*Pairing functional beverages with fitness accessories or athletic apparel displays increases mental linkage with movement moments.*

# Job #5: "Help Me Regulate" — The Emotional Balance Job

This is the category's quiet engine — and perhaps the biggest driver of future innovation.

Consumers consistently describe functional beverages as:

- "helping me relax"
- "calming me down"
- "taking the edge off"
- "helping me reset emotionally"

This job didn't exist at scale five years ago. Now it's table stakes.

**Brand implication:**
*Products that address stress, overwhelm, and emotional recalibration will dominate whitespace in 2025-2027.*

**Retail implication:**
*Nighttime shelves and stress-relief sections are prime candidates for functional expansion.*



# Job #6: “Help Me Wind Down” — The Evening Transition Job

Sleep-support beverages and relaxation tonics are still a small share of total consumption, but they index strongly in emotional resonance.

Consumers treat evening beverages as:

- A ritual to end the day
- A tool to reduce mental load
- A signal to the brain that it’s time to downshift

**Brand implication:**
*The evening use case is underdeveloped but emotionally rich. Think of it as the next “morning energy” but in reverse.*

**Retail implication:**
*Evening drinks belong near tea, relaxation aids, or even bedroom-adjacent merchandise (e.g., in wellness zones).*

# Job #7: "Help Me Afford It" — The Economic Pragmatism Job

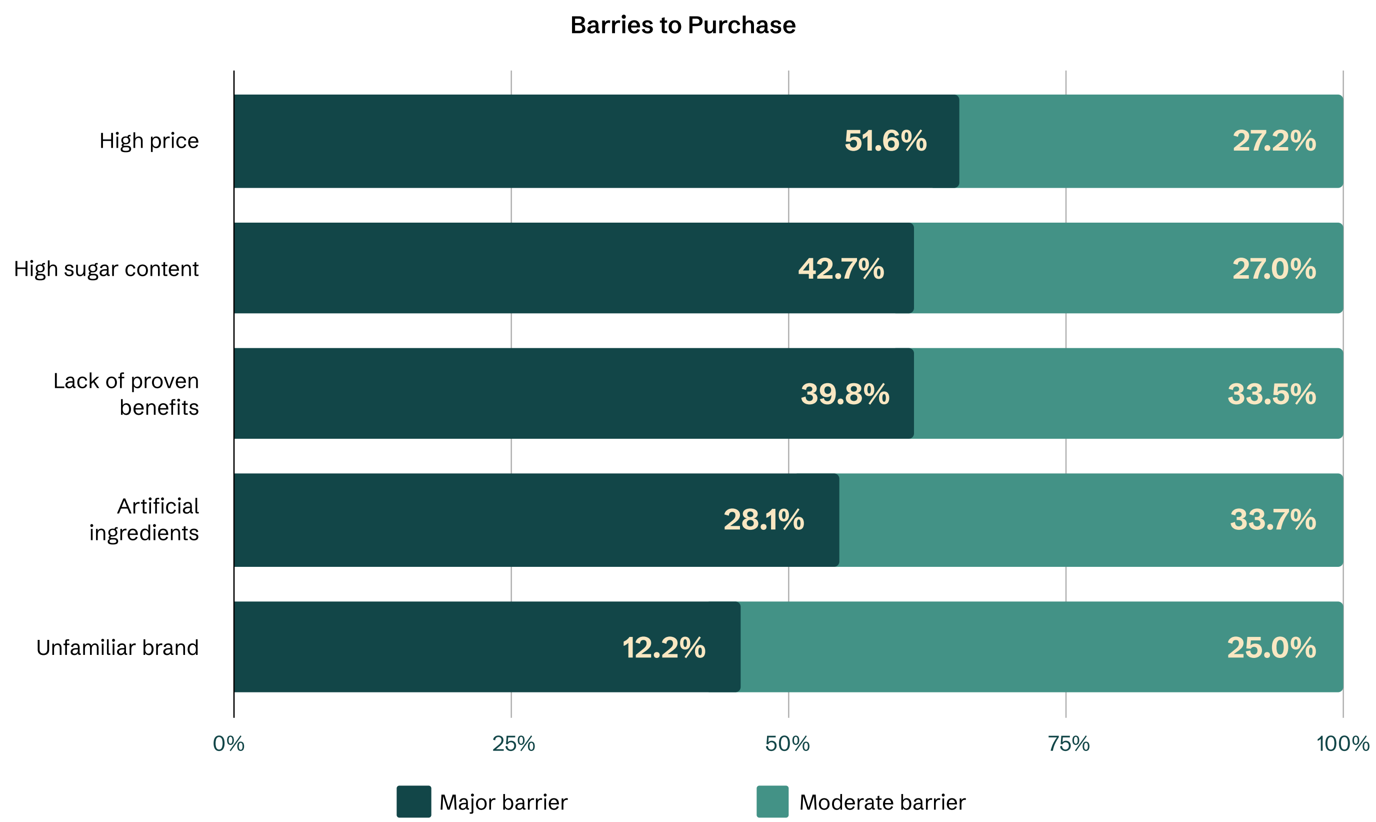
Consumers — especially younger ones — love functional beverages but regularly remind us:

- They're expensive.
- They add up quickly.
- Price is the top barrier to trial.

Same results. Lower cost. More control. That's the economic job in action.

**Brand implication:**
*Affordable formats convert the curious into habitual users.*

**Retail implication:**
*Powder sticks belong in front-of-store high-velocity real estate.*




BarrierImpact: How much would each of the following stop you from buying a new functional beverage? N=508

# Job #8: "Help Me Find Something New" — The Discovery Job

Consumers are overwhelmed by choice and underwhelmed by clarity.
The **"Discovery Channels,"** chart shows in-store displays as the #1 discovery driver, beating social and word-of-mouth by a significant margin.

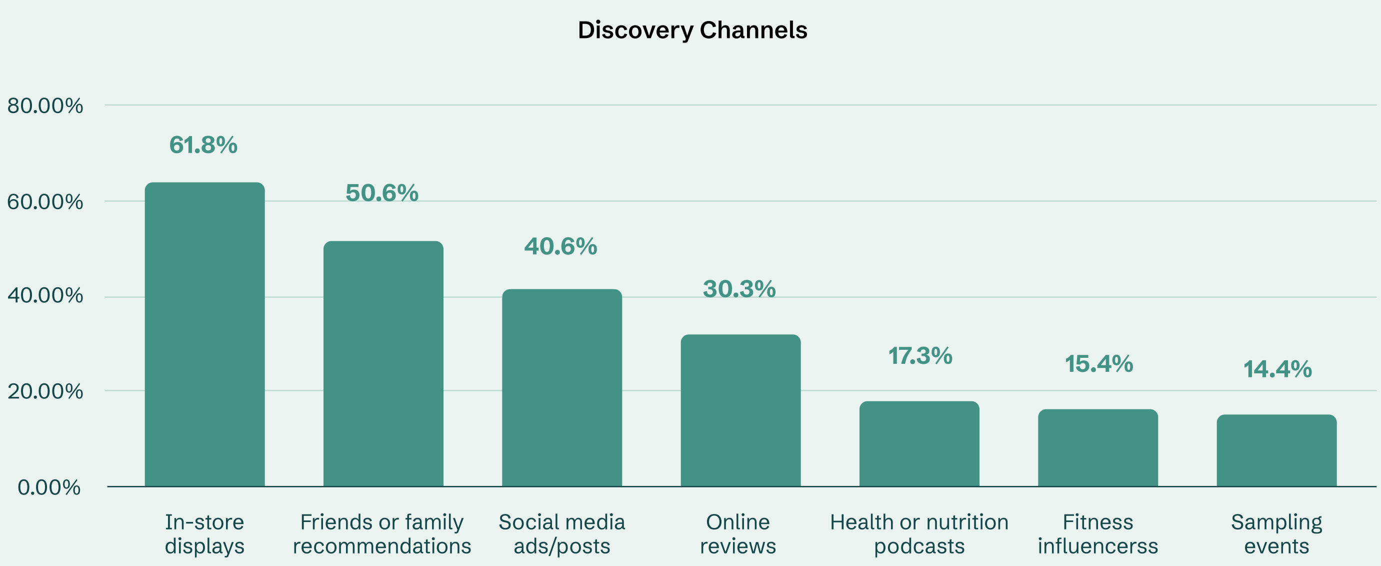
This is fascinating for two reasons:

It reinforces the power of retail theater in a category that feels digital-first.

It underscores a major consumer need: **help me navigate the aisle.**

**Brand implication:**
*The first moment of truth is won through clarity, not complexity*

**Retail implication:**
*Simplify the aisle. Tell shoppers what each beverage is for, not just what it is.*




DiscoveryChannels: Where do you usually discover new functional beverages? Select all that apply. N=508

# How Jobs-to-Be-Done Reshapes the Category's Future

When you map functional beverages to life moments, a pattern emerges:

Morning = **Power**

Midday = **Reset**

Work/Study = **Focus**

Activity = **Performance**

Evening = **Calm**

All Day = **Hydration**

Emerging = **Emotional Stability**

*Consumers don't want a beverage that does 12 things.*

*They want one beverage per moment that does **one thing extremely well.***

*This is why brand repertoires are expanding instead of consolidating.*

*It's why consumers can name five **"favorite brands"** without contradiction.*

***They're not brand-loyal.***

***They're job-loyal.***

And that's the strategic unlock for everyone in the category:

***The brands and retailers who organize around jobs will own the next era of functional beverages.***

# Discovery, Purchase Behavior & the Adoption Curve

How consumers find functional beverages, decide what to buy, and adopt them into their everyday routines.

## Why Discovery Matters More Than Ever

In most categories, discovery is a top-funnel curiosity. In functional beverages, discovery is a **core part of the value proposition.**

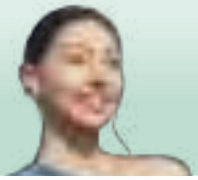
Consumers aren't just looking for the right drink — **they're looking for the right fit for a specific job, emotion, or moment. That means discovery is not a one-time event.** It's a recurring behavior.

The category is moving so fast — **new brands, new ingredients, new promises** — that consumers now treat discovery almost like a hobby:

*"I'm always trying new flavors."*

*"I like finding something that solves a different need."*

*"I rotate based on what I'm working on that day."*



*"If it promises better energy or focus, I'll try it once."*

***Discovery is one of the category's hidden growth engines.***

*And unlike traditional beverage categories, discovery doesn't peak at novelty — it peaks at alignment: Does this drink fit me? Does it fit my life? Does it fit my moment?*

# Where Discovery Actually Happens

**The surprising truth?** For all the talk about TikTok and influencer culture, discovery still happens primarily **in the real world**, not the feed.

**This tells us three important things:**

01

**Retail is still the category's most powerful media channel.**
Not because consumers are walking the aisles aimlessly, but because the aisle provides context — the moment of need, the physical presence, the visual comparison across brands.

02

**Social media accelerates trial but doesn't replace physical evaluation.**
People see something online, then look for it in-store. The aisle remains the "verification moment."

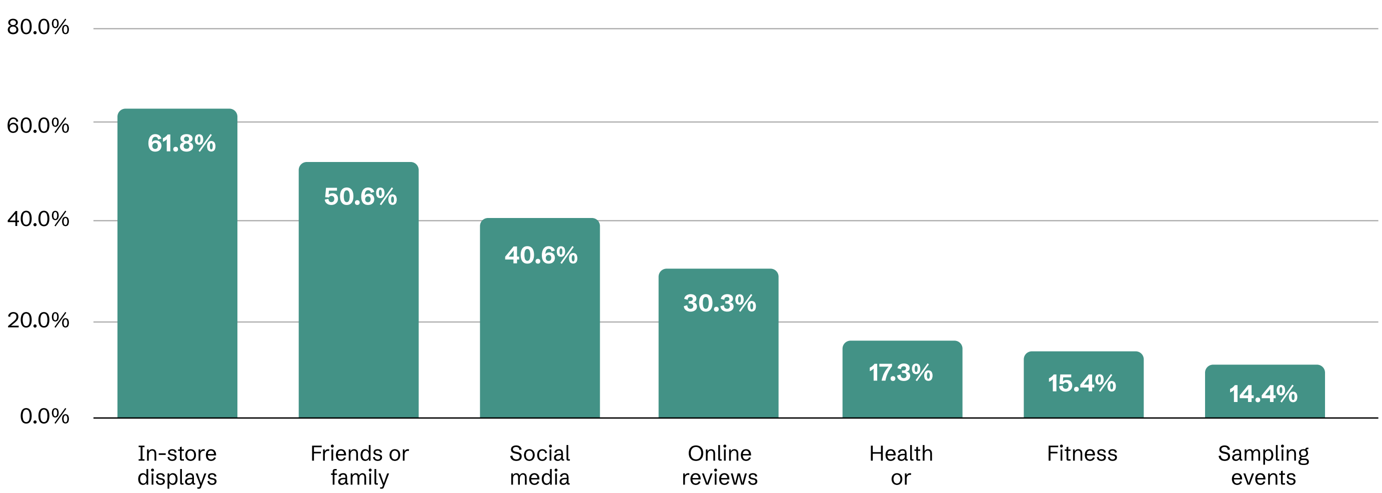
03

**Word of mouth is back.**
Not in the form of formal recommendations, but in the form of everyday micro-influence: roommates, coworkers, friends at the gym, partners grabbing something from the gas station.

Functional beverage discovery lives at the intersection of **novelty** and **necessity** — a combination few categories achieve.

**In-store displays are the most effective channel for functional beverage discovery, while word of mouth and social media also play influential roles.**

Discovery Channel



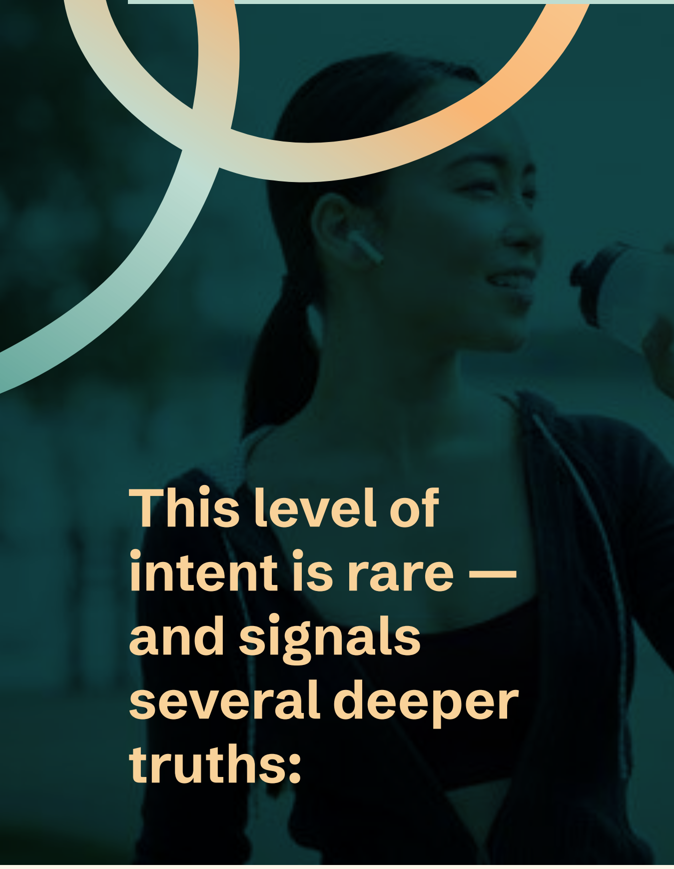

Discovery Channels: Where do you usually discover new functional beverages? Select all that apply. N=508

# Why Powder-Stick Formats Are the Next Adoption Wave

Few insights in this study were as universally striking as the interest in powder-stick formats.

**The chart "Interest in Powder-Stick Formats," shows:**

| 80%+ | Nearly 48% |
|---|---|
| interest overall | expressing strong interest |



## This level of intent is rare — and signals several deeper truths:

**01 Price sensitivity is intensifying.**
Consumers still want the benefits but balk at the cumulative cost of single-serve beverages.

**02 Customization is appealing.**
People like controlling intensity, dilution, and timing.

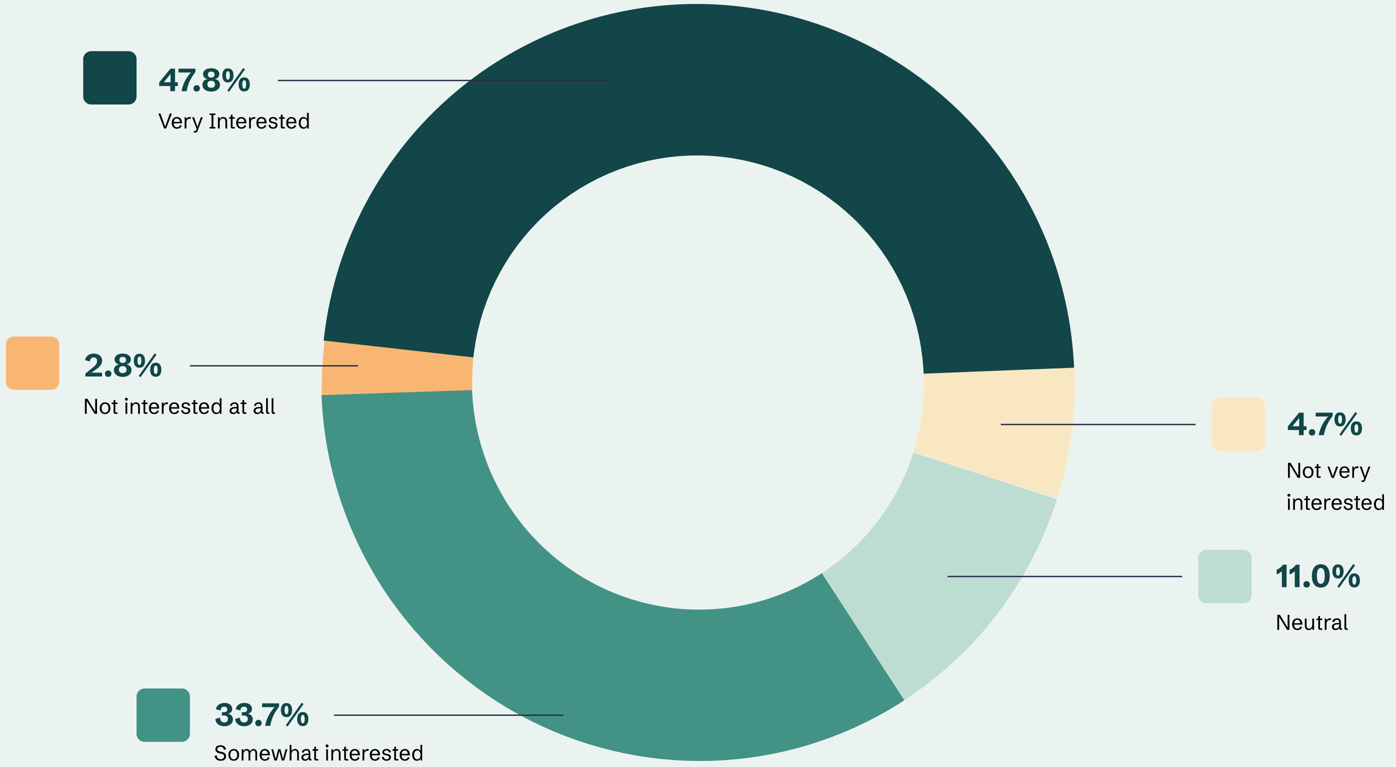
**03 Portability is a functional advantage.**
Powder sticks fit the pockets, bags, glove compartments, and lunchboxes where real consumption moments happen.

**04 Sustainability is creeping into consideration.**
Even lightly. Even subconsciously. Powder sticks feel "less wasteful."

***This is not a threat to bottled & canned formats — it's an expansion lever.***

*Just as energy drinks expanded into "zero sugar" and hydration expanded into electrolytes, functional beverages are expanding into* ***everyday carry formats.***

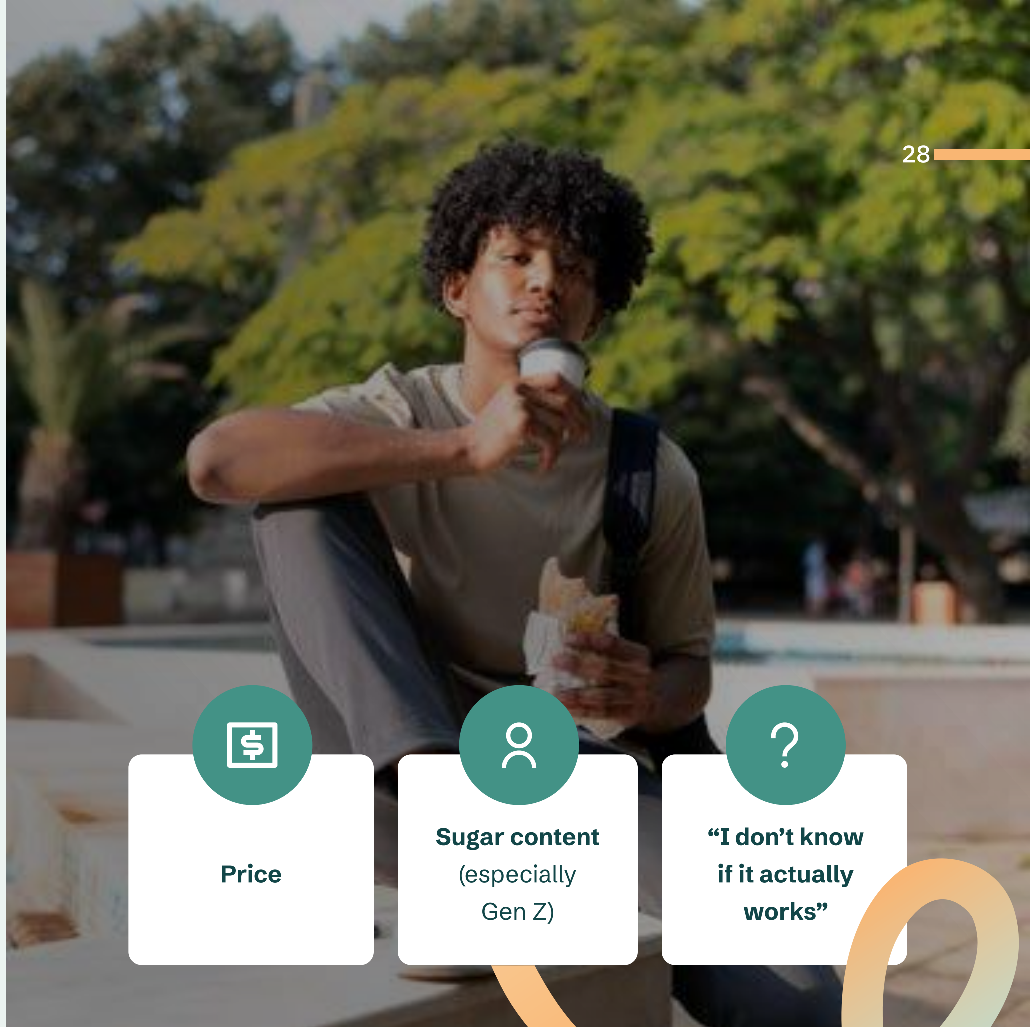
Powder-Stick Form Functional Beverage - Interest Levels




New Format Interest: How interested would you be in trying a functional beverage in powder-stick form you mix with water? N=508

# The Barriers That Actually Stop Trial — And What They Reveal

Consumers mention many barriers, but three dominate:



**Price**

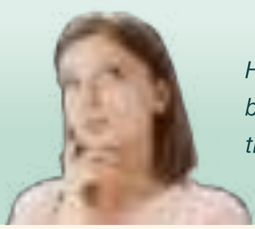
**Sugar content** (especially Gen Z)

**"I don't know if it actually works"**

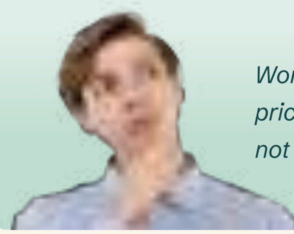
**These barriers reveal a core tension:**

Consumers want functional beverages to feel **both indulgent and responsible.**

*Taste good, but not too sugary.*



*Help them, but not trick them.*



*Worth the price, but not a luxury.*

**This tension is what's creating room for:**

- Smaller formats
- Stick packs
- Subscription models
- Multi-functional beverages
- Clearer benefit claims
- Cleaner ingredient lists
- In-store education via signage and displays

The category isn't just maturing — it's becoming more **rational.**

# The Future of Functional Beverages

Where the category is heading next — and how brands, retailers, and insights teams can lead instead of follow.

## Functional Beverages Are Becoming Infrastructure, Not Indulgence

Across this report, a clear picture emerges: functional beverages are no longer scattered moments of performance, hydration, or relaxation. They've become an **underlying system** that helps people manage the rhythms, demands, and emotional swings of modern life.

In economics, an "infrastructure category" is one the consumer depends on to reliably carry out their day. Coffee is one. Smartphones are another. Now, functional beverages are joining that list.

Consumers don't describe these drinks as "nice to have."

**They describe them as:**

- "what gets me going"
- "how I reset"
- "a tool I rely on"
- "part of my routine"
- "something that helps me feel in control"

**This is the language of necessity, not novelty.**
The data supports it: **58.5% report increased consumption** over the past year , and interest in new formats like powder sticks is among the highest we've seen in any adjacent category.

**This tells us something important:**

| | |
|---|---|
| **Functional beverages are no longer built around categories.** | **They're built around moments, emotions, and needs.** |

The future will follow those needs — not the old aisle.

# Where the Category Is Headed Next: Five Transformations

## 1. From "Energy Drinks" to "Energy Systems"

Right now, "energy drink" is a product type. In the next cycle, it becomes a **modular ecosystem**:

- morning energy
- clean, steady focus
- sustained afternoon clarity
- physical performance energy
- no-crash microdosing formats

Consumers already segment their energy needs into sub-moments — the category will follow. Brands that offer a portfolio approach (rather than a single hero SKU) will become the "operating systems" of daily energy.

## 2. Emotional Functionality Goes Mainstream

Charts like "Emotional Impact," make this unavoidable: functional beverages are becoming **emotion management tools.**

- Happiness.
- Calmness.
- Stress relief.
- Mental clarity.

These used to be the exclusive domain of:

- Supplements
- Meditation apps
- Therapy-adjacent wellness products
- Social drinking rituals

Now they're sliding into beverages because beverages are:

- fast
- habitual
- sensory
- emotionally reinforcing
- portable
- low-commitment

In the next few years, we'll see:

- **calm blends with more specific outcomes (not just "relaxation")**
- **mood-stabilizing hydration mixes**
- **drinks that help with transitions (work → home; day → night)**
- **beverages positioned around emotional identity ("feel more grounded," "feel more yourself")**

The winners will be brands that **name the emotion** consumers are chasing, without overpromising or drifting into pseudoscience.

## 3. The Merchandising Model Will Shift From Category to Moment

The current shelf structure ("energy," "hydration," "sports drinks") is a relic of manufacturing logic — not consumer logic.

Consumers now think in **jobs**, not macros.

Retailers will eventually reorganize around:

- Morning Start.
- Focus & Productivity.
- Performance & Recovery.
- Mood & Stress Relief.
- Evening Wind-Down.

The in-store discovery data — showing in-store displays as the #1 discovery vehicle — reinforces how much power retailers have to shape shopper experience.

The biggest future unlock is simple:

**Move from what the beverage is to what the beverage is for.**

This will increase conversion, expand repertoires, and reduce consumer confusion.

# 4. Price Innovation Will Unlock the Next Growth Wave

Powder sticks — with **80%+ consumer interest**, nearly **48% strong interest** — are shaping the next chapter of the category.

They solve:

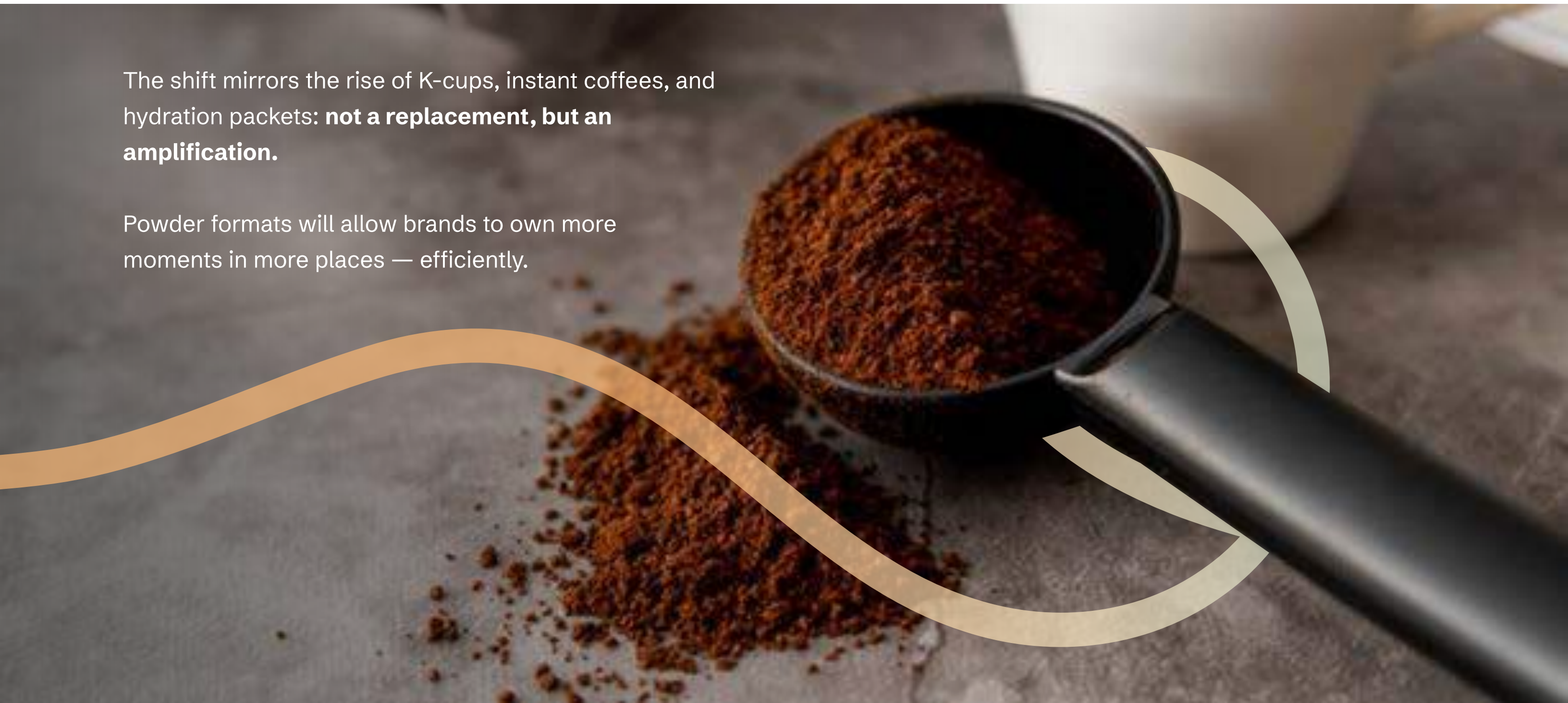
- PRICE
- PORTABILITY
- CUSTOMIZATION
- SUSTAINABILITY
- TRIAL FRICTION

But they also expand consumption moments into new territory:

- TRAVEL
- WORKPLACES
- GYMS
- CLASSROOMS
- CARS
- POCKETS, PURSES, LUNCHBOXES

The shift mirrors the rise of K-cups, instant coffees, and hydration packets: **not a replacement, but an amplification.**

Powder formats will allow brands to own more moments in more places — efficiently.



## 5. The Category Will Split Into Two Consumer Philosophies

We're watching an early but important divergence:

### A. The Optimizers (performance-first)

These consumers want:

- MEASURABLE FUNCTION
- ENERGY LONGEVITY
- MENTAL CLARITY
- WORKOUT ADJACENCY
- PREDICTABLE, REPEATABLE EFFECTS

They care about efficiency and outcome fidelity. They're drawn to brands like Celsius, Liquid I.V., and Red Bull.

### B. The Stabilizers (emotion-first)

These consumers want:

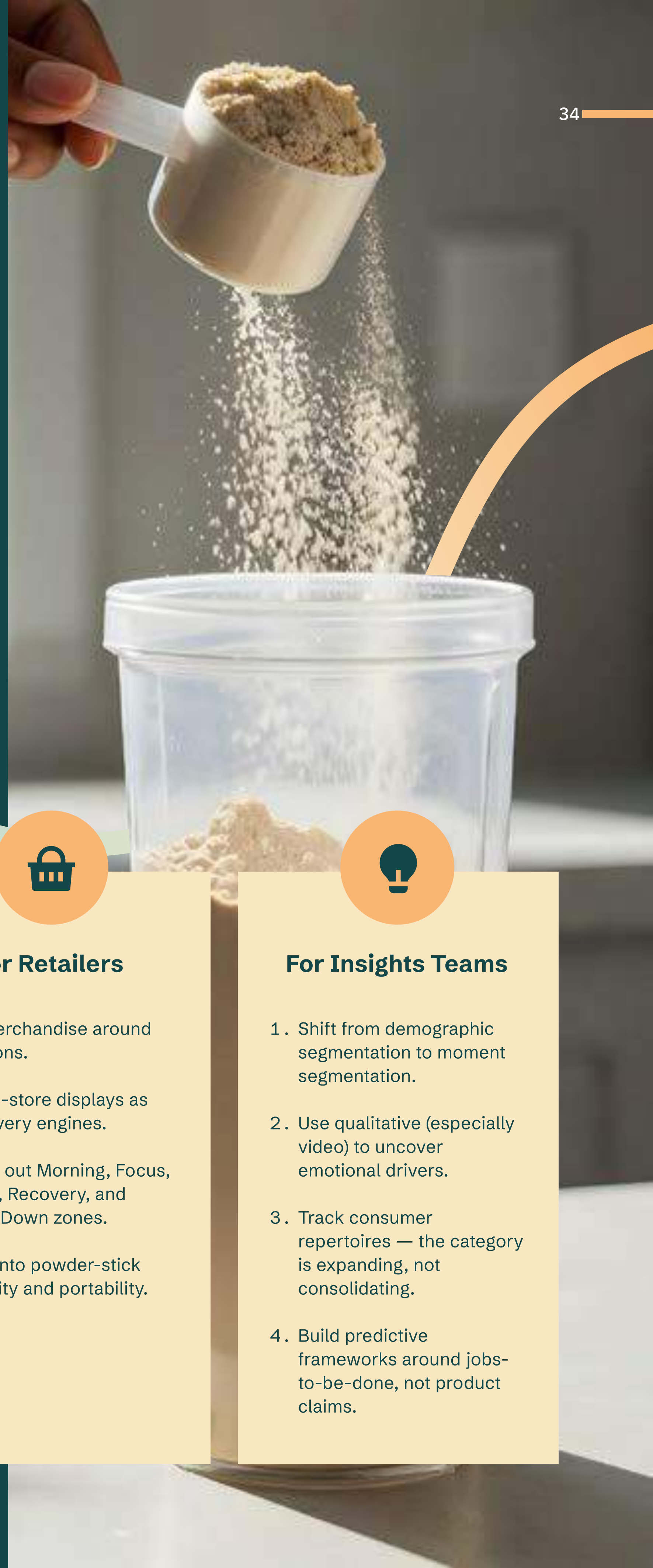
- CALM
- BALANCE
- POSITIVITY
- MOOD ELEVATION
- GROUNDING
- REGULATION

They care about feeling better, not performing better. They resonate with hydration blends, adaptogenic drinks, sleep tonics, and calmer energy formats.

**Brands who differentiate between these two tribes will craft clearer messages, sharper positioning, and more resonant rituals.**

Closing Thoughts:

# What Brands, Retailers & Insights Teams Should Do Now



## For Brands

1. Build your portfolio around moments, not flavors.
2. Name the job, the emotion, and the outcome clearly.
3. Expand into price-accessible formats like powders.
4. Own a ritual, not a demographic.
5. Invest in educating consumers on benefit clarity.

## For Retailers

1. Re-merchandise around missions.
2. Use in-store displays as discovery engines.
3. Carve out Morning, Focus, Reset, Recovery, and Wind-Down zones.
4. Lean into powder-stick visibility and portability.

## For Insights Teams

1. Shift from demographic segmentation to moment segmentation.
2. Use qualitative (especially video) to uncover emotional drivers.
3. Track consumer repertoires — the category is expanding, not consolidating.
4. Build predictive frameworks around jobs-to-be-done, not product claims.

# Build Smarter, Faster, Human-Centered Insights With Knit

*The functional beverage market is accelerating — and so are consumer expectations. Brands that win the next wave will be those who deeply understand the emotional jobs behind every sip: the morning lift, the midday reset, the focus moment, the wind-down ritual.*

*Knit helps you uncover these moments with unmatched speed and depth.*

*Our researcher-driven AI delivers:*

**Integrated Quant + Qual + Video** for a complete view of the consumer.

**Emotion-level insight** that unlocks category-defining innovation and messaging.

**Instant synthesis** so your team can move from fielding to action in hours, not weeks.

**Scalable storytelling** to help teams activate insights across the organization.

From brand strategy to innovation to activation, Knit gives you the truth behind consumer behavior — fast, clear, and human. If you're exploring the future of functional beverages, we'd love to explore it with you.

**Visit goknit.com to get started.**

# Want access to the full study?

Interested in digging deeper into how consumers really think about bundling, streaming fatigue, and the future of subscription ecosystems?

Reach out to the Knit team to access the full version of **"The Functional Beverage Boom"** — complete with interactive data, video insights, and all the behind-the-scenes analysis that brought these findings to life.

## Inside the full study, you'll get access to:

- Additional key takeaways & recommendations for streaming, media, and platform leaders
- Voice-of-Consumer (VOC) video showreels, highlighting how real people talk about price, value, and convenience in their own words
- Thematic trees & verbatims, showing how Knit's AI coded and clustered open-ended responses by audience segment
- Segment-level visualizations comparing families, cable loyalists, and cord-cutters
- And more, including forward-looking trends on how "bundles" may evolve into cross-category ecosystems

Whether you're building the next big bundle or rethinking your retention strategy, the full Knit study gives you an unfiltered view into what's shaping consumer decisions right now.

# About the Study

Knit conducted a mixed-methods research study exploring how U.S. consumers define, evaluate, and engage with streaming bundles in 2025.

**The study combined:**

**Quantitative survey data** from **545 respondents** representing diverse demographics and subscription behaviors

**Qualitative video responses** from over **100 participants,** captured through Knit's researcher-driven AI platform

Respondents were all active streamers subscribed to at least two entertainment platforms. The study segmented participants by **family composition, cable status** (cable user, cord-cutter, cord-never), and **generation,** enabling deeper comparisons of motivations and attitudes toward cost, content, and convenience.

Knit's AI automatically **thematically coded open-ended responses,** clustering similar sentiments and mapping emotional intensity across segments. This approach allowed the team to pair **quantitative scale data** with **qualitative nuance,** revealing not just what consumers do, but why they do it.

## About Knit

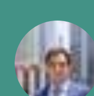
Knit's researcher-driven AI takes the guesswork out of insight. Every chart here comes from real consumer voices — analyzed, thematically coded, and segmented automatically. It means researchers can move from **open-ended chaos to quantifiable clarity** in minutes.

When you see a chart that captures emotion and behavior side-by-side — that's Knit turning qualitative depth into measurable impact.

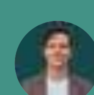
[Learn more]

[Book a demo]

### Contributors



**Dillon Jacob**
*Research*



**Logan Lebouef**
*Content*

**HKO Agency**
*Design*