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Why Gen Z Consumers are Increasingly Choosing Functional and Wellness-Oriented Beverages Over Sugary Soft Drinks

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In malls, cafes and college canteens, the colaâ??can culture is slowly giving way to something quieter but more intentional trends with bottles marked as low sugar, protein, electrolytes, or gutâ??friendly. For Gen Z, the drink in hand is no longer just about taste or fizz; it is about what the beverage can do for the body. Across India, this generation is quietly reshaping the beverage industry by pushing brands to rethink sugar-loaded ingredients rather than just flavours and marketing.

A Healthâ??First Mindset

Gen Z in India has grown up in an era of socialâ??mediaâ??driven fitness content and governmentâ??led campaigns like FSSAIâ??s â??Eat Right Indiaâ?•, which was introduced with the aim of urging people to cut down on sugar, salt and fat. Young consumers now see sugary soft drinks as part of a risk profile linked to obesity, diabetes and high blood pressure, rather than just a treat. Industry reports on sugarâ??sweetened beverages in India show high consumption rates and a growing recognition that longâ??term use carries health costs[1] .

At the same time, global research on Gen Z tastes reveals that nearly 44 per cent actively look at sugar content, while 26 per cent of the youth population pay close attention to calorie count and artificial additives[2]Â . This healthâ??first lens naturally pushes them toward functional drinks, such as proteinâ??infused shakes, electrolyteâ??rich sports beverages, herbal tonics and kombuchaâ??style ferments that promise gut support or mental clarity.

The Rise of Functional Beverages

The Indian healthâ??beverage market alone is expected to expand by over $5 billion at a compound annual growth rate of about 10.8 per cent between 2025 and 2030[3]Â . This increase is driven by the Gen Z awareness towards healthy drinks that not just help with weight management, but also provide functional components in the form of vitamins, minerals, probiotics, collagen or plantâ??based proteins.

In urban cafes and quickâ??service chains, these needs are now reflected in coldâ??pressed kombucha, protein milks, adaptogenâ??infused tonics and functional sodas that keep fizz but cut sugar and add digestive or immune support.

Convenience Without the Crash

Gen Zâ??s lifestyle is busy, and they want beverages that fit into routines without side effects. A typical college student or earlyâ??career professional may start the day with a proteinâ??rich smoothie, sip an electrolyte drink during or after a workout, and then switch to a lowâ??caffeine, herbal tonic in the evening instead of a crashâ??inducing energy drink. Functional options are designed to support this cycle, as they provide hydration, light energy, digestive support or relaxation, and not just a sugar spike followed by a dip.

This is one reason coldâ??brew coffee and plantâ??based drinks are also gaining popularity. Besides, in India, where chai and aerated drinks have long dominated the industry, brands are now responding with health-conscious variants by introducing sugarâ??reduced iceâ??teas, herbalâ??infused RTDs (readyâ??toâ??drink) and fortified lassiâ??style drinks that position dairy and probiotics as everyday wellness tools.

A New Beverage Culture

Overall, Gen Zâ??s shift from sugary soft drinks to functional, wellnessâ??oriented beverages is not a passing phase but a structural change in how refreshment is viewed. As this generation becomes the core consumer base, brands that focus on lower sugar, transparent ingredients, genuine benefits and everyday usefulness are likely to stay relevant, while those relying only on traditional sweetness will have to work harder to earn a place in the evolving beverage sector.

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