Market Focus: Trends and Developments in the Soft Drinks Sector in the UK

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Reasons to buy this report

Market Focus: Trends and Developments in the Soft Drinks Sector in the UK provides a concise overview of the Soft Drinks market in the UK. After reading this report, you will understand the size of the market, the economic, demographic, and behavioral trends that will drive its evolution and the leading players within the market, allowing you to plan effectively for the future.

Canadean brings together consumer insight and market data to provide rapid identification of key growth opportunities across 12 Soft Drinks categories and their packaging. In particular, this report includes:

- Analysis of consumer behavior, economic conditions, and demography reveals emerging opportunities in the Soft Drinks sector.
- Key growth categories are highlighted by analyzing the market dynamics of three Soft Drinks categories.
- The report quantifies the degree of influence that the 20 key consumer trends identified by Canadean have on Soft Drink consumption volumes
- Market shares are provided for the leading brands across Soft Drinks categories
- An overview of packaging trends in the UK Soft Drinks sector is provided, including primary packaging material and type, packaging closures, and outer packaging.

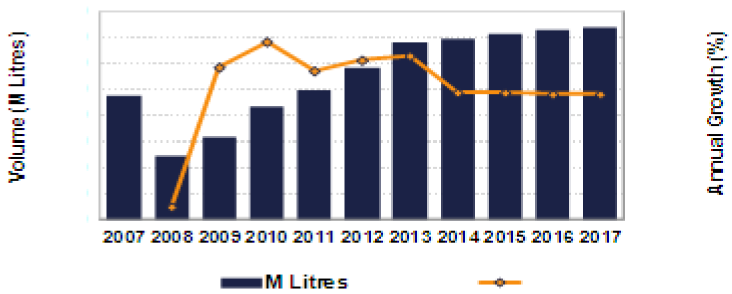
Report Contents

Country Context	• The UK's population is aging and becoming increasingly health conscious • Large Modern retail formats continue to lead Soft Drinks sales in the UK • Carbonates dominate on-premise sales, but are facing greater competition in off-premise channels • Consumers are trying new products and concepts to replicate the experience of restaurants and pubs, as they cut back on out-of-home leisure
Soft Drinks Sector Dynamics	• Rising raw material prices will limit growth in the Soft Drinks sector, with product innovation key to growing above the sector average • Energy Drinks are rapidly increasing their share of the UK Soft Drinks market • Soft Drinks Category Dynamics and Opportunities • Private Label brands are exploring new varieties and premium product ranges in the Soft Drinks sector • The transition from a “Cheap” to a “Better Value for Money” preposition will continue to drive the growth of Private Labels • Key brands by category
Packaging Insight	• The high volume of Carbonates and Juice consumed in the UK is creating strong demand for Rigid Plastic and Rigid Metal packaging • Packaging innovation is centered around providing convenience for on-the-go consumption
Consumer Profile	• The older population is driving the consumption of Soft Drinks in the UK • Most British consumers drink Soft Drinks at a medium frequency, that is one to two times a day • Most often, consumers are looking for the Soft Drinks that offer the best value for money • The search for value for money and consumer’s lifestyles are driving the Soft Drinks market in the UK • Treating yourself and creating moments of “me-time” are additional consumer motivations marketers need to target
Future Outlook – Key trends in the UK’s Soft Drinks sector	• Health and age-specific needs will become increasingly important in the UK Soft Drinks market, despite their current limited influence
Data Appendix & Summary Methodology	• Data Appendix • Market Data: methodology, and category and channel definitions • Packaging Data: methodology and category definitions • Consumer Data: methodology, and consumer group and category definitions

Soft Drinks Category Dynamics and Opportunities - Packaged water has moved from being a Horeca-centric category to a mainstream grocery category

Packaged water has moved from being a Horeca-centric category to a mainstream grocery category. The change in focus has been driven by still water as consumers have become increasingly accustomed to buying packaged water. In the Sports Drinks category the challenge will be for manufacturers to educate consumers about the benefits of Sports Drinks versus the other soft drinks available, from not only a health perspective, but also a value one.

Packaged Water (M Liters)

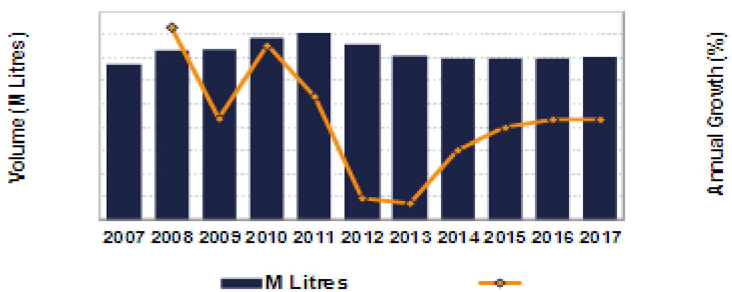


Consumption is expected to reach XXXX million liters per annum by 2017, with a CAGR of XX% during 2012-2017.

Mineral water retains pole position

Packaged Water has moved from being a Horeca-centric category to a mainstream grocery category. The change in focus has been driven by still water as consumers have become increasingly accustomed to buying packaged water. Continued growth was seen for the carbonated segment; however, there is evidence that consumers are mixing carbonated water with cordials and juice or nectars at home, to provide an alternative to more expensive options when entertaining. As the Soft Drinks industry comes under pressure for the amount of sugar in products, the plain Packaged Water category could be a real winner.

Sports Drinks (M Liters)



Consumption is expected to reach XXXX million liters per annum by 2017, with a CAGR of XX% during 2012-2017.

Confusion among consumers leads to decline

There is still confusion amongst consumers as to the real added benefits of sports drinks, compared to other soft drinks available. This, coupled with the relatively high price of Sports Drinks, means volumes will decline by a CAGR of -1.5% during 2012-2017. The challenge for manufacturers is to educate consumers about the benefits of Sports Drinks versus other Soft Drinks, from both a health perspective and a value one.

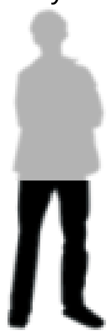
Orange, Lemon, and Berries are the most preferred flavors in the UK's Sports Drinks category, accounting for shares of XX%, XX%, and XX% respectively.

The older population is driving the consumption of Soft Drinks in the UK

Older consumers, those aged 55 and over, constitute a quarter of the consumption for both men and women, indicating an opportunity for healthy product lines. Furthermore, over XX% of consumption is from the better off income group, who should be encouraged to trade up to innovative Soft Drinks products for experience seeking consumers.

Males

Men account for XX% of the Soft Drinks sector by volume.



Key Age Groups

While older men consume over one fourth of Soft Drinks products, kids & babies aged 0-9 years old are also significant consumers.

Aged 55+	Aged 0-9	Aged 16-24
XX%	XX%	XX%

…of male consumption by volume

Key Wealth Groups

Male Soft Drinks consumers are financially better off, and should be encouraged to trade-up.

Better Off	Moderate Income	Hard Pressed
XX%	XX%	XX%

…of male consumption by volume

Key Leisure Groups

Over XX% of Soft Drinks are consumed by those who are time rich.

Time Rich	Time Poor	Time Pressed
XX%	XX%	XX%

…of male consumption by volume

Females

Women account for XX% of the Soft Drinks sector by volume.

Key Age Groups

Female consumers are older and therefore are likely to focus on low calorie, health conscious Soft Drinks.

Aged 55+	Aged 16-24	Aged 25-34
XX%	XX%	XX%

…of female consumption by volume

Key Wealth Groups

Soft Drinks consumption by women is skewed towards those who are Better Off, creating opportunities for premium products.

Better Off	Moderate Income	Hard Pressed
XX%	XX%	XX%

…of female consumption by volume

Key Leisure Groups

Soft Drinks consumption is widespread across leisure groups, though Time Rich women consume the most Soft Drinks.

Time Rich	Time Poor	Time Pressed
XX%	XX%	XX%

…of female consumption by volume

Treating yourself and creating moments of “me-time” are additional consumer motivations marketers need to target

From little rewards to big ones consumers are increasingly seeking ways in which they can indulge. Moreover, consumers are looking for products that can help them create their own “bubble” of space and time where they are in control and are able to relax and unwind. Innovation, coupled with marketing activities, is helping Soft Drinks brands to better meet these motivations.

3 Indulgence

Volume Influenced in Soft Drinks XXXX million liters

Indulgence continues to be among the top four motivations for Soft Drinks consumption in the UK. For instance, Carbonates is the UK’s favorite soft drink and has close to two fifths share of the sector by volume consumption. Carbonates acts as a regular consumption drink for consumers seeking ways in which they can indulge and reward themselves with an affordable treat.

Marketers are experimenting with a broad range of new flavors, pack sizes, and new technology in order to provide consumers with ever more indulgent drinks.

Innovation with Aerosol Drinks

Turbo Tango

Britvic has launched Turbo Tango, a carbonated soft drink in a plastic aerosol format. The ‘nitro-fuelled’ aerosol technology provides a foamy blast of orange and a distinct drinking experience targeted towards the teen market.

4 Personal Space & Time

Volume Influenced in Soft Drinks: XXXX million liters

Consumers continue to seek out Soft Drinks products as a regular drinking option that can help them relax. Energy Drinks are particularly popular among young male consumers as they help them to refresh and recharge after a long day at work. Similarly, Anti-energy/relaxation drinks are becoming particularly popular in the UK, featuring ingredients aimed at reducing stress and tension.

Refresh and relax your mood

Monster Rehab and Marley's Mellow Mood Range

UK consumers’ busy lives, with long working hours and stressful environments, continue to help the Energy Drinks category to grow. Energy Drinks are very popular amongst young male consumers. Brands, such as Monster Rehab, are innovating with flavors to help refresh consumers’ moods. Similarly, anti-energy drinks which help people to relax are growing in popularity. For instance, Marley's Mellow Mood is a new line of relaxation beverages designed to reduce stress and relieve tension, and help ease the mind.

Report and Method Overview

This report provides a concise overview of the Soft Drinks market in the UK by combining insight from Canadean's comprehensive Soft Drinks databases, Packaging databases, and the survey-based Consumer Data. The graphic below provides a quick summary of what these three different data-sets include; more detailed methodologies and a full list of category definitions can be found in the Appendix.

Please note that category definitions vary as a result of differences in the methodologies used in order to develop robust data in each of these three areas. The main difference is that Market data, used in Section 2: Soft Drinks Sector Dynamics, includes both On-premise and Off-premise consumption, whereas Packaging data and the Consumer data focus exclusively on Off-premise consumption.

This report is built on three types of data

MARKET DATA

- **Method:** industry partnerships across the value chain enable a "brick-by-brick" research methodology, with research built from brand data upwards.
- **Coverage:**
  - On-premise and Off-premise consumption
  - 12 Categories:
    - Bulk/HOD Water
    - Carbonates
    - Energy Drinks
    - Fruit Powders
    - Iced/RTD Coffee Drinks
    - Iced/RTD Tea Drinks
    - Juice
    - Nectars
    - Packaged Water
    - Squash/Syrups
    - Sports Drinks
    - Still Drinks

PACKAGING DATA

- **Method:** analyst triangulation of consensus numbers based upon comprehensive primary and desk research.
- **Coverage:**
  - Off-premise consumption only
  - Packaging data in this report is analyzed at the overall level. This highlights the leading packaging trends, but please note that the overall data was built using category coverage and definitions that differ from the Market Data.
  - 7 Categories:
    - Carbonates
    - Concentrates
    - Functional Drinks
    - Juices
    - Packaged Water
    - RTD Tea & Coffee
    - Smoothies

CONSUMER DATA

- **Method:** extensive consumption surveys and consumer group tracking which is fully aligned to known market sizing.
- **Coverage:**
  - Off-premise consumption only
  - Consumer data in this report is analyzed at the overall level. This highlights the leading consumer trends, but please note that the overall data was built using category coverage and definitions that differ from the Market Data.
  - 7 Categories:
    - Carbonates
    - Concentrates
    - Functional Drinks
    - Juices
    - Packaged Water
    - RTD Tea & Coffee
    - Smoothies

Related reports

Identifying new opportunities in the Soft and Hot Drink markets and responding to evolving consumer need states

This report provides detailed insight into new opportunities in Soft Drinks and Hot Drinks in both developing and developed countries. The evolution of consumption habits across the world means both retailers and manufacturers need a renewed understanding of consumer's changing lifestyles, and how this will affect their product choices. To do this, the report highlights innovative new product development for effectively targeting consumers' most important needs, and offers strategic recommendations to capitalize on the evolving motivations driving consumption.

Consumer Trends Analysis: Understanding Consumer Trends and Drivers of Behavior in the Brazilian Dairy Food Market

Brazilians select Dairy products based on their ability to meet age-specific needs. This doesn't just apply to children, with older adults increasingly aware of their specific nutritional needs, such as calcium for maintaining bone health. Although poverty rates have declined rapidly in Brazil, the low income of many consumers means they will seek out the best value for money products.

Innovation in Beverage Packaging, 2013

This report provides a comprehensive analysis of the beverage packaging landscape, including a mix of beverage market data related to recent and future packaging innovations, which are identified across rigid plastics, flexible packaging, paper & board, rigid metal, glass, and closures, labels and adhesives.