

BRITVIČ

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Soft Drinks Review 2024



Welcome

to the Britvic Soft Drinks Review

Soft drinks: stability in a volatile world

In 2023, soft drinks once again proved their resilience, relevance, and ability to excite people from all walks of life. They can be affordable treats, sophisticated alternatives to alcohol, energising pick-me-ups, refreshing health supplements and even fashion statements. And as a new wave of brands build sales, soft drinks are becoming an ever-broader church.

As we explore over the following pages, the UK soft drinks market has achieved solid growth driven by a combination of price and innovation. Overall volumes have slipped, although at a slower rate than most other categories. Despite ongoing volatility around the world, costs are becoming more predictable and inflation more manageable. Good old-fashioned cost management, understanding consumer needs and addressing them with exciting new products and compelling marketing campaigns are the name of the game once again.

At Britvic, we're proud to have helped the category grow in 2023. We've added to our portfolio with the acquisition of Jimmy's Iced Coffee and continued to invest in innovations like our clean-label Plenish Barista M*lks and new flavours such as Pepsi MAX® Mango and Tango Editions Sugar Free Paradise Punch. All of these have struck a chord with consumers and added value for us and our partners.

We've focused on connecting with people through our imaginative and relative marketing campaigns. Tango, for example, has another offbeat, irreverent and downright funny ad campaign to thank for much of its success over the past year, while Pepsi has benefitted from a global redesign that references its heritage and helps it stand out from the crowd.

We've also proven our commitment to continuing to grow in a sustainable way. The next chapter in this report outlines how Britvic is continuing to focus on its Healthier People, Healthier Planet strategy through a wide range of initiatives, including our ongoing calorie-

reduction efforts, development of drinks with functional health benefits and efforts to cut our reliance on fossil fuels, as well as our alignment with the United Nations' Sustainable Development Goals.

After that, we delve into the dynamics that have been shaping the soft drinks market over the past year, as well as the initiatives of Britvic, our partners, and our peers. We then dig deeper into specific categories and our strategies for unlocking further growth, including our latest innovations, marketing campaigns and merchandising and promotional initiatives.

Despite the uncertainty that exists in the world today, we are looking forward with a sense of renewed strength and optimism. We look forward to continuing to grow one of FMCG's most exciting and vibrant categories and helping people enjoy life's everyday moments. We'll be crossing our fingers for a little more normality; our soft drinks, however, will always be extraordinary.



Kind regards
Paul Graham
Managing Director





Sustainability

Healthier People, Healthier Planet

It's fewer than 50 years since the word *sustainability* was first used in the sense that most people use it today; in short, to “describe human activity in which environmental degradation is minimised”.¹ The soft drinks industry takes this seriously. We are all working towards ambitious targets.

Sustainability shouldn't only be seen in the context of the planet and the creatures humanity shares it with, however. It's widely accepted that sustainability should also be seen in relation to the health of people. “Health and sustainability are mutually enabling and constraining,” state the authors of one influential study.² Healthy people need a healthy planet, and vice versa. The forementioned study recommends the integration of health and sustainability initiatives.

That's what we've done. At Britvic we use the phrase *Healthier People, Healthier Planet* to encapsulate our approach to sustainability. We're proud to be working with our peers across the industry to aim to reduce our impact on the environment and help improve people's health. But what does that mean in practice? And what progress has been made over the past year?

¹ OED - https://www.oed.com/dictionary/sustainable_adj

² Health Promotion International, 8 January 2013 - <https://academic.oup.com/heapro/article/29/3/558/754800>





Healthier people

We're going to start with the people part of the equation, partly because social and economic aspects are often overlooked when it comes to sustainability. Any organisation that's serious about being sustainable must consider these factors in conjunction with the environment. We see helping people live healthier, happier, more fulfilling lives as one of our key duties.

This work takes many forms. At Britvic we have made significant progress in terms of cutting the amount of sugar our products contain. Each 250ml serve we produce in Great Britain contains an average of 12.5 calories³. Globally, that figure stands at 22 calories⁴, meaning that we have already beaten our target of cutting calorie count to fewer than 30 per serve by 2025.

Our peers are also cutting calories. Coca-Cola Europacific Partners (CCEP) cut the sugar content of the drinks it sells across Europe by 4.7% against a 2019 baseline in 2023.⁵ Last year, 48.4% of CCEP drinks sold in Europe were low or no calorie.⁶ Suntory Beverage & Food GB&I says it's on course to have doubled its volume of drinks containing 5g of sugar or fewer per 100ml by 2025 (versus 2015).⁷

Of course, helping people get healthier relies on more than cutting sugar content. We can also fortify with ingredients that offer functional health benefits, such as vitamins or minerals. The imperatives for this are commercial as well as ethical. Nearly half of people say they would prefer to boost their vitamin intake through the food and drink they consume rather than supplements.⁸

Britvic is meeting growing demand for healthier drinks and investing in its wellness brand portfolio. In 2024, we extended our Plenish range with the additions of Plenish Mango Sunshine and Beet Balance, With Mango Sunshine offering 100% of the recommended intake (RI) of vitamin D and Beet Balance designed to support overall women's health with 100% RI of vitamin B6, the two new additions give shoppers even more choice to proactively support their health. The flavours will join Ginger Immunity, Berry Gut Health, Turmeric Recovery and Spirulina Detox, ensuring consumers have a daily shot for a variety of health needs.

There are many more examples of the vibrancy of the wellness drinks space right now. Brands like Hip Pop and Remedy helped fuel kombucha's strong growth in 2023,⁹ as more people picked up the fermented tea for its purported gut health benefits and naturally low sugar content. Retailers see this as a growing opportunity. Tesco has introduced functional health drinks bays, stocking CBD drinks brand Goodrays and vitamin drinks from VitHit alongside kombucha brands Nexba and Remedy.¹⁰



³ <https://www.britvic.com/media/krpdotmg/britvic-annual-report-and-accounts-2023.pdf>

⁴ https://www.britvic.com/media/do0hc0p2/britvic-plc_sustainability-performance-datasheet-2023.pdf. The 2023 figure was independently assured by Deloitte LLP for 2023. Basis of reporting, plus assurance report from Deloitte

⁵ Coca-Cola Europacific Partners - <https://www.cocacolaep.com/sustainability/this-is-forward/forward-on-drinks/#:~:text=We'll%20aim%20for%2050,options%20via%20our%20menu%20deals>.

⁶ Coca-Cola Europacific Partners - <https://www.cocacolaep.com/sustainability/this-is-forward/forward-on-drinks/#:~:text=We'll%20aim%20for%2050,options%20via%20our%20menu%20deals>.

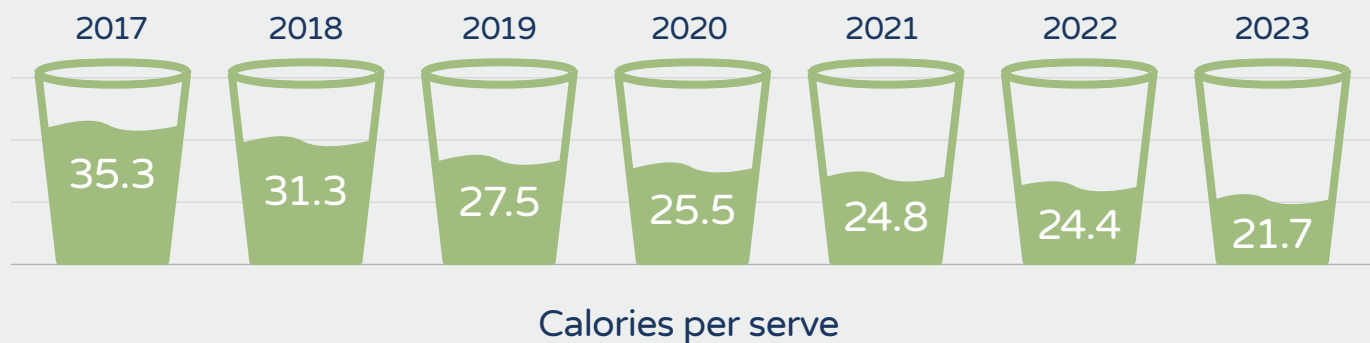
⁷ Suntory Beverage & Food GB&I - <https://www.suntorybeverageandfood-europe.com/en-GB/gbi/sustainability/products/>

⁸ Xampla/The Grocer - <https://www.thegrocer.co.uk/opinion/functional-food-and-drink-claims-must-stand-up-to-growing-scrutiny/676207.article>

⁹ NielsenIQ 52 w/e 7 October 2023 - The Grocer - <https://www.thegrocer.co.uk/category-reports/is-booch-about-to-boom/686297.article>

¹⁰ The Grocer - <https://www.thegrocer.co.uk/soft-drinks/tesco-rolls-out-functional-bays-for-kombucha-and-cbd-drinks/690019.article>

Cutting calories¹¹



Clearly, wellness doesn't only relate to physical health. Mental wellbeing and social inclusivity are also crucial. We are taking steps to promote these both within our organisation and in wider society. For example, in September 2023, Tango entered its second year of partnership with youth charity, The Prince's Trust, to help young people develop essential life skills and access job opportunities.

In the first year of the partnership, Tango donated £100,000 to the Trust to help empower young people with the skills and knowledge to allow them to find work and build brighter futures. In the partnership's second year, which was ushered in with an event hosted by YouTuber and musician Yung Filly, Tango will donate a further £120,000 to support the charity.

Research for Britvic in 2023 also shone a light on the need for greater emotional support in schools. Three in five (58%) parents say they are concerned about their child's mental resilience and emotional wellbeing; and 81% believe mental health should be on the curriculum in primary and secondary schools.¹² Only 33% of teachers say they have the skills to support children with issues around mental wellbeing.¹²

We're committed to changing this. In May 2023, we announced a multi-year partnership with the wellbeing charity, Bounce Forward, which included our employees nominating almost 150 schools in their home communities to receive fully funded support from the organisation to support pupils' mental resilience and emotional wellbeing.



¹¹ https://www.britvic.com/media/do0hc0p2/britvic-plc_sustainability-performance-datasheet-2023.pdf

¹² Opinion poll for Britvic and Bounce Forward - 6 April to 17 April 2023; 2,000 UK parents with children at primary or secondary school; 326 teachers of children at primary or secondary schools

Levelling the field

Despite the progress of recent decades in addressing social inequalities, society still has a long way to go before the field is levelled. So does the food and drink industry: between 2009 and 2019, 42% of venture capital funding in the sector went to firms founded by people from “elite educational backgrounds” – just 2.3% went to all-female teams and only 0.3% went to Black-owned start-ups.¹³

The industry is helping to redress the balance. Sainsbury's, for example, is running the Thrive with Sainsbury's incubator scheme, which offers funding, support and mentorship for Black-led food and drink businesses. In February 2023, it announced the first three businesses to have won a listing at the retailer as part of the scheme.¹⁴

Further examples from the past year include Deliveroo and its restaurant partners' campaign with charity, Albert Kennedy Trust to support vulnerable LGBTQIA+ people facing homelessness, Lidl's sponsorship of Birmingham Pride 2023 (complete with a Lidl Pride bus on which staff members rode) and Ocado's decision to join the Career Accelerator LGBTQIA+ business mentoring programme.¹⁵

At Britvic, we believe we all have a part to play in making the world a more equal and inclusive place. And not just because it's the right thing to do; by ensuring people from all backgrounds and of all points of view are included in all aspects of life, we all stand to benefit.



Our work with the National Autistic Society to support the launch of Robinsons Fruit Shoot's easier to recycle sports caps in 2024 is also pertinent. We developed videos, storyboards and online materials with the National Autistic Society to help neurodivergent children and their families manage the transition to the new cap. We targeted autism-related media, parenting publications and influencers to explain the changes, raise awareness of the challenges faced by those with autism and show how brands can support this community.

The campaign was a huge success, achieving an earned media reach of more than 1.5 million people and a social media reach of 4 million people. Internally, Britvic continues to develop and expand neurodiversity training and continue its commitment to develop inclusive marketing campaigns that resonate with diverse consumer groups, including the neurodivergent community.

¹³ The Grocer - <https://www.thegrocer.co.uk/saturday-essay/why-is-food-and-drink-innovation-only-accessible-to-the-privileged-few/678675.article>

¹⁴ The Grocer - <https://www.thegrocer.co.uk/buying-and-supplying/sainsburys-thrive-scheme-lists-its-first-black-founded-brands/676106.article>

¹⁵ The Grocer - <https://www.thegrocer.co.uk/marketing/15-ways-supermarkets-and-grocery-are-celebrating-pride-month/679697.article>



Thankfully, we're not alone in working to make the world a more inclusive, happier place. Coca-Cola GB, for example, was official sponsor of Pride in London and Brighton Pride in 2023 and teamed up with Gay Times to create Breakthrough with Coke Studio, a campaign giving unsigned LGBTQIA+ musicians the chance to gain the recognition and support they deserve. Coca-Cola is also working with myGwork, the business community for LGBTQIA+ professionals and inclusive employers.

At Britvic, we share these values and are working hard to maintain and build an inclusive culture that embraces all, prioritises wellbeing and rewards dynamism. Examples of how we are doing this can be seen in the work that we're doing with network groups such as B-Proud, which connect and support LGBTQIA+ employees and straight allies throughout our organisation, and B-Seen, which is focused on attracting, retaining and championing employees with disabilities and diverse abilities.

We're also continuing to focus on helping young people build brighter futures by investing in internships, apprenticeships and graduate schemes. Through our partnerships with Solihull College and the charities upReach and KARE Ireland, we are offering a variety of workplace opportunities to people with disabilities and diverse abilities and those from disadvantaged backgrounds. This year, we welcomed seven upReach students to shadow our employees in a variety of roles.¹⁶

To ensure employees feel energised and happy and encourage dialogue about how our organisation evolves, we conduct anonymous employee surveys. Our engagement scores are stable, high and consistently above global benchmarks, standing at 78 in 2023.¹⁷ This indicates that Britvic is a happy, inclusive and engaging place to work where people feel a sense of belonging.



¹⁶ Britvic Job Experience for Students with Special Education Needs - Solihull College & University Centre

¹⁷ Employee Heartbeat is a twice yearly employee survey, providing us with valuable insights on employee engagement, what works well in the organisation, and what we can improve. Employees respond to statements on a five point scale ranging from strongly disagree to strongly agree. Their individual responses are then converted to a number on a rating scale going from 0 (strongly disagree) through 25, 50 and 75 to 100 (strongly agree). The overall score shown is the average of all these ratings

Championing diversity

At Britvic we believe that diversity makes us stronger. That's why we've created five diversity network groups to support colleagues from all backgrounds and of varying abilities.



B-Diverse promotes increased racial, ethical and cultural diversity in the business and supports Black, Asian and ethnically diverse employees in bringing their true selves to work.



B-Seen is passionate about Britvic attracting, retaining and championing employees with disabilities and diverse abilities.



B-Empowered champions gender equality and gender parity. It supports the attraction, development and retention of great female talent.



B-Well is the name we give our supportive network of Mental Health First Aiders and Wellbeing Warriors. Its aim is to bring together the various support programmes that exist in Britvic, to create the conditions for a healthier and caring work environment, in which we all feel supported and understood. B-Well offers a guiding hand to anyone who may be struggling with mental, emotional or physical wellness issues, as well as being here to help us all manage our energy and recovery in building resilience to cope with life's everyday challenges.



B-Proud connects and supports LGBTQIA+ employees and straight allies.



Healthier planet

Healthier people need a healthy planet. At Britvic, we're committed to achieving net zero carbon emissions by 2050, in line with global efforts to restrict global temperatures rising by no more than 1.5°C. We were the first UK soft drinks producer to have this goal approved by the Science Based Targets initiative. So far, we've cut our Scope 1 and Scope 2 market-based emissions by 32.6% since 2017.¹⁸

We're continuing to make progress. With the support of the Department for Energy Security and Net Zero's Industrial Energy Transformation Fund (IETF), we invested £8m in a heat recovery system at our Beckton site (the IETF provided approximately half of this funding). This will cut emissions by an estimated 1,200 tonnes a year – about the same amount as the energy used by 11,500 homes a year.¹⁹

Last year, we worked with solar energy provider Atrato Onsite Energy and Squeaky Energy, to generate and deliver clean energy exclusively for our sites in Great Britain via a 10-year agreement. This agreement covers 75% of the electricity Britvic gets from the National Grid in Great Britain – powering current operations, including its Beckton and Leeds factories, which can produce 2,000 recyclable bottles per minute.

We want to continue to invest in renewable energy sources and energy efficiency projects, to reach net zero throughout our operations, as well as stepping up efforts to become more efficient in terms of packaging and water use and protecting biodiversity.²⁰

Britvic has teamed up with The Rivers Trust to fund wetland restoration projects and using our volunteer days to support litter picks, clearing rivers and tree planting. In 2023, our employees in Great Britain and Ireland contributed more than 6,300 hours to community causes, including those aimed at protecting and improving the natural environments and biodiversity.²⁰

As a business that primarily relies on sales of packaged soft drinks, we continue our support for the roll out of a UK-wide deposit return scheme (DRS), a move that will increase recycling rates, reduce littering and ensure greater availability of quality recycled PET plastic. We welcomed the April announcement that a nationwide DRS will go live across England, Scotland, Northern Ireland and Wales in October 2027. This is a crucial step in building a truly circular economy in which packaging never becomes waste.



¹⁸ <https://sciencebasedtargets.org/target-dashboard>;
Britvic plc Sustainability Performance Datasheet 2023

¹⁹ IETF Phase 2, Autumn 2021: competition winners - GOV.UK (www.gov.uk)

²⁰ Britvic plc Sustainability Performance Datasheet 2023- 788 volunteering days as taken by Britvic employees. Assuming an eight hour working day: 788 x 8 = 6,304 hours

DRS: Lessons from the Emerald Isle

As UK governments and the industry continue to work towards the introduction of a deposit return scheme (DRS) on drinks packaging, Britvic is proud to have been part of a cross-industry board that oversaw the February 2024 launch of DRS over in Ireland.

The scheme covers plastic bottles and aluminium and steel drinks cans and has seen more than 2,000 reverse vending machines installed in supermarkets, convenience stores and forecourts across the country.

Shoppers pay deposits of between €15 and €25 on drinks, which can be redeemed for food and drink vouchers in store.

The aim of the scheme is to increase Irish recycling rates, which was estimated to be between 60% and 70% pre-DRS, to 77% for plastic bottles by 2025 and 90% to 2029.²¹ So far, the scheme has been heralded a roaring success, with more than 20 million containers returned via the DRS by the beginning of April.²²



Meanwhile, we continue to make strides to offer a range of packaging formats. To this end, in January, we launched plain Aqua Libra Still and Sparkling water in 330ml infinitely recyclable aluminium cans. Aqua Libra continues to reinvent hydration, with having served in excess of 1 million serves in just 18 months through the innovative dispense system, The Flavour Tap.³

Through our partnership with environmental services company, Ocean Co, we are supporting projects that create the most impact for communities across the globe, clearing rivers and waterways and collecting plastic to be recycled, upcycled or co-processed through a fully traceable system.

²¹ The Grocer: <https://www.thegrocer.co.uk/deposit-return-schemes/inside-irelands-new-deposit-return-scheme/687901.article#:~:text=Recycling%20rates&text=As%20a%20result%2C%20DRS%20is,works%20for%20three%20years%20now.>

²² <https://dublingazette.com/dublinlocalmatters/news/deposit-return-cans-55533/>

²³ Total serves of Flavour tap through data collected 1/1/23-8/5/24



Another way we're working to reduce packaging waste includes the accelerated roll out of London Essence Company's Freshly Infused founts in pubs and restaurants. This system can yield a reduction in drinks packaging of 99% for our partners, which reduces our water usage and haulage space for transportation.²⁴ Highly concentrated squashes and syrups, such as super strength Robinsons in innovative 89% plant-based packaging concept, Ecopack, is another example of how we're reducing packaging waste.

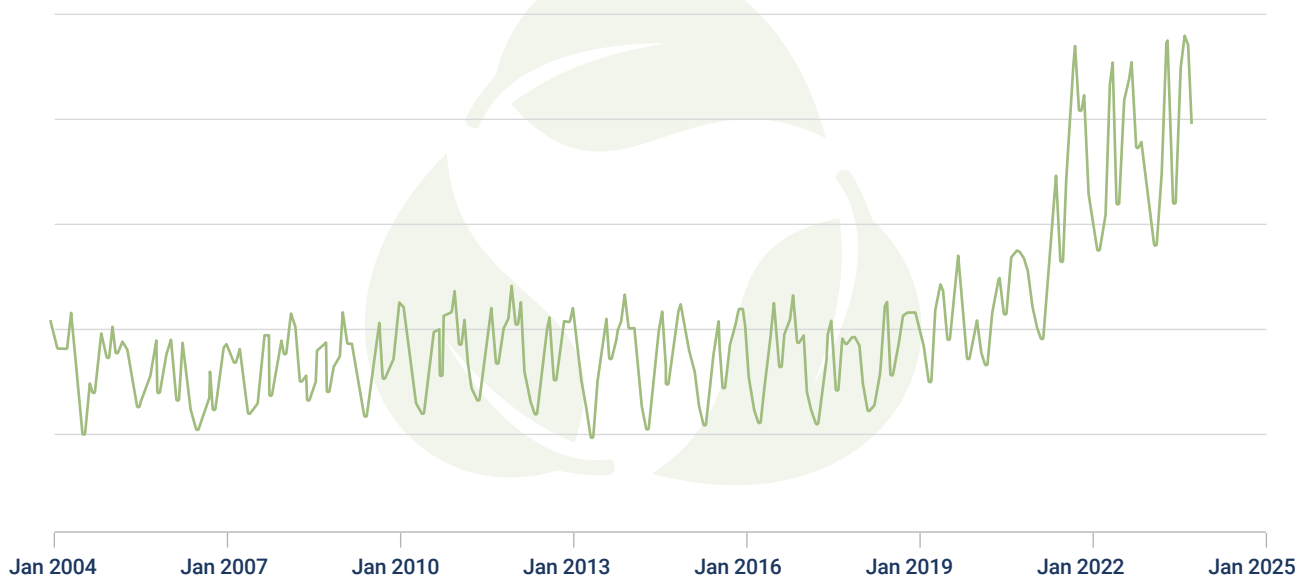
Sustainability is a growing concern for everyone. We will continue to strive to make our operations more sustainable and share stories of the steps we are taking to our consumers, growing numbers of whom are affiliating themselves with brands that represent their values and abandoning those that don't.²⁵ Over the coming chapters, we will share stories of other ways we're engaging with shoppers and driving growth for our partners.



Searching for sustainability

Sustainability matters. Growing concern is illustrated by the surge in Google searches for the term over the past two decades. Searches have peaked in the past three years²⁶ as evidence of the toll humanity is taking on the planet and discourse around the need for change at a global level have mounted.

Interest over time²⁶



²⁴ Based on 1000 cases of LEC NRB Tonic water transitioning to dispense- equal to reduced packaging of 4.6 tonnes

²⁵ Mintel 2024 Global Consumer Trends - https://insights.mintel.com/rs/193-JGD-439/images/Mintel_2024_Global_Consumer_Trends_English.pdf?mkt_tok=MTkzLUpHRC00MzkAAAGPuzHpdt90_082JTAJCI7YNUncIkZbZhvTYJ4c2DzBqE1xyLSSYLFs-X9owpyW5hk8TE1iUOwHa59GIPazrFhQJfHv-BJCJzwKotRX8tHtEB7o

²⁶ <https://trends.google.com/trends/explore?date=all&geo=GB&q=sustainability&hl=en>

Category overview

Performing under pressure

Put enough pressure on anything for long enough and it will change. The past year has shown how this law of physics applies to food and drink. Last February, inflation hit a height not seen since the 1970s¹, and prices continued to rise (although at a falling rate) throughout 2023.² As a consequence, people have reined in spend and volumes have fallen for many categories.³

Despite this pressure, soft drinks have performed well. Overall sales of soft drinks through the UK's out-of-home outlets, supermarkets, convenience stores and discounters grew by 6.5% to just over £20.3bn; volumes slipped by 1.5%.⁴ After the wild swings in sales seen since 2020, this represents a resumption of business as usual for the category.



¹ ONS - <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2023>

² ONS - <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costoflivinginsights/food>

³ The Grocer – Top Products - <https://www.thegrocer.co.uk/reports/rankings/top-products>

⁴ NielsenIQ RMS - grocery, impulse & convenience and discounters 52 w/e 30.12.23 - combined with CGA by NielsenIQ - out-of-home 52 w/e 31.12.23 vs a year ago



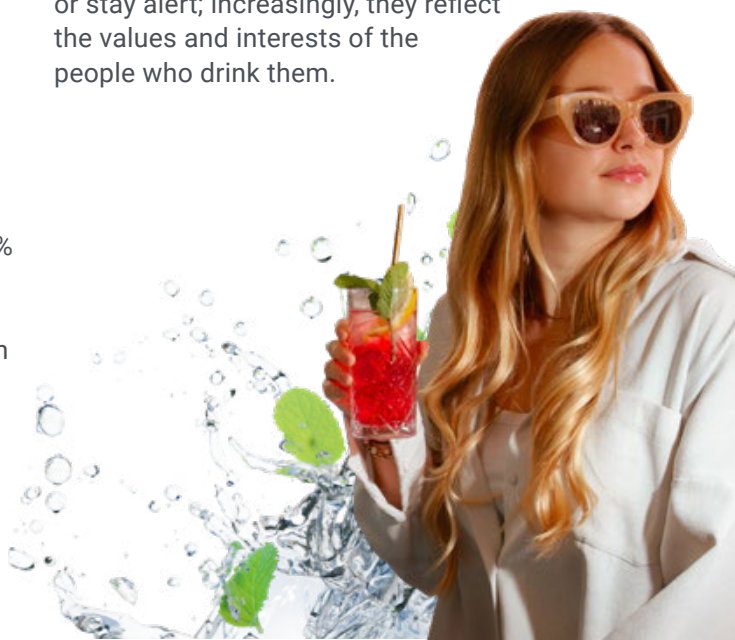
Well, almost. Beneath the headline figures, significant changes are still taking place. With disposable incomes being squeezed hard by inflation, soft drinks volumes saw sharp declines in grocery multiples (down 3.7%)⁵ and licensed venues (down 3.5%)⁶ throughout the year as people switched to cheaper outlets and went out to eat and drink less often. Recent months have been more positive, with grocery volumes growing in 2023's final quarter and volume growth returned to a positive 2.4% in the first quarter of 2024.⁷

The discounters and foodservice – particularly fast food operators – have benefitted most. Soft drinks volumes have grown in these channels by 4.6%⁵ and 0.8%⁶ respectively. While convenience and impulse retailers have seen soft drinks volumes slip by 1.8%,⁵ the category is still fuelling strong growth for petrol forecourts, where soft drinks sales have grown by 9.9% on volumes up 1.6%.⁵

These performances take on a different light when seen in a wider context. As we explored in the 2023 Britvic Soft Drinks Review, category sales boomed in grocery and convenience during the turmoil of Covid and out-of-home saw strong growth as pubs and restaurants

reopened after the pandemic. Crucially, soft drinks value sales are 12.6% higher than they were in 2019 and 3.7% higher in volume⁸.

This is testament to the resilience and ingenuity of producers and retailers, as well as the increasingly diverse roles soft drinks play in people's lives. Soft drinks can be affordable treats, refreshing pick-me-ups and sophisticated alternatives to alcohol. They can help enable a more balanced lifestyle, help people calm down or stay alert; increasingly, they reflect the values and interests of the people who drink them.



Channel hopping⁹

Total soft drinks
£20.3bn, +6.5% value change, -1.5% volume change

Discounters	Convenience & impulse	Grocery multiples	Foodservice outlets	Licensed outlets
£1.2bn	£4.2bn	£7.2bn	£3bn	£4.6bn
Value % change 17.5	Value % change 10.3	Value % change 7.4	Value % change 4.0	Value % change 1.4
Volume % change 4.6	Volume % change -1.8	Volume % change -3.7	Volume % change 0.8	Volume % change -3.5

⁵ NielsenIQ RMS, Total Soft Drinks, Value and Volume Sales, grocery, impulse & convenience and discounters, 52 w/e to 30th Dec 2023

⁶ CGA by NielsenIQ RMS – out of home data, Total Soft Drinks, Value and Volume Sales, 52 w/e 30.12.23

⁷ NielsenIQ RMS, Total Soft Drinks, grocery, impulse & convenience and discounters, volume sales, 12 w/e to 30th March 2024

⁸ Kantar Worldpanel - Combined TH & OOH Purchase Panel data - Total Soft Drinks 52we 22.01.2023 Vs 27.01.2019

⁹ NielsenIQ RMS - grocery, impulse & convenience and discounters 52 w/e 30.12.23 - combined with CGA by NielsenIQ - out-of-home 52 w/e 31.12.23 vs a year ago

Pulling power

The fact that discounters have seen the strongest growth of any retail channel¹⁰ is not surprising, given the current economic climate. By November 2023, 56.6% of UK consumers reported being moderately or severely affected by the soaring cost of living, up from 53.6% in November 2022.¹¹ The number of people reporting being severely affected rose from 11.4% to 14.4% during this period.¹²

The financial pressure people are under is impacting the out-of-home market as well as retail. In November 2023, 32% of people said they were going out to eat and drink less often because of concerns about the cost-of-living crisis.¹³ As we've seen, the UK's pubs, bars and restaurants have borne the brunt of this, while fast food operators have proven more resilient.

It's crucial that all operators are seen to be offering value. The number of people who identify as being value-led inched up from 75.7% in 2022 to 76.3% last year.¹⁴ As we explore in later chapters, this fact hasn't been missed by retailers or licensed and foodservice operators, all of whom are upping their efforts to keep people coming through their doors with meal deal promotions and loyalty schemes.

Operators increasingly recognise that the soft drinks they stock help determine people's choice of store or venue. That's why Britvic has launched ready-to-drink versions of Tango Ice Blast flavours, Raspberry Blast and Cherry Blast, exclusively into the convenience channel. But bold flavours, striking colours and eye-catching packaging aren't the only ways to attract shoppers.

Despite growing value consciousness, 86% of people still think that good quality has a price and 73% of people are happy to pay more for higher quality.¹⁴ Clearly, value means different things to different people, whether it's a sophisticated mocktail or house cooler served at their favourite bar or the latest offering from a social media sensation. People are still prepared to pay for drinks that tick their boxes.

Just look at the frenzied scenes¹⁵ at stores that were stocking the latest Prime Hydration launches in 2023 for further proof of the remarkable pulling power of soft drinks. Despite a fall in sales for Prime in 2024,¹⁶ retailers are still banking on the brand to create a buzz. Iceland, for example, was keen to spread the word when it became the first UK stockist of Prime Banana & Strawberry in April.¹⁷



10 CGA by NielsenIQ RMS - out-of-home 52 w/e 31.12.23

11 NielsenIQ RMS Homescan Survey - November 2023 - Question: How much is the cost-of-living crisis impacting you at the moment?

12 NielsenIQ RMS Homescan Survey - November 2023 v November 2022 - Question: How much is the cost-of-living crisis impacting you at the moment?

13 NielsenIQ RMS and CGA by NielsenIQ Homescan Survey - November 2023

14 Lumina Intelligence Eating & Drinking Out Panel 52 w/e 25.12.22 v 52 w/e 24.12.23

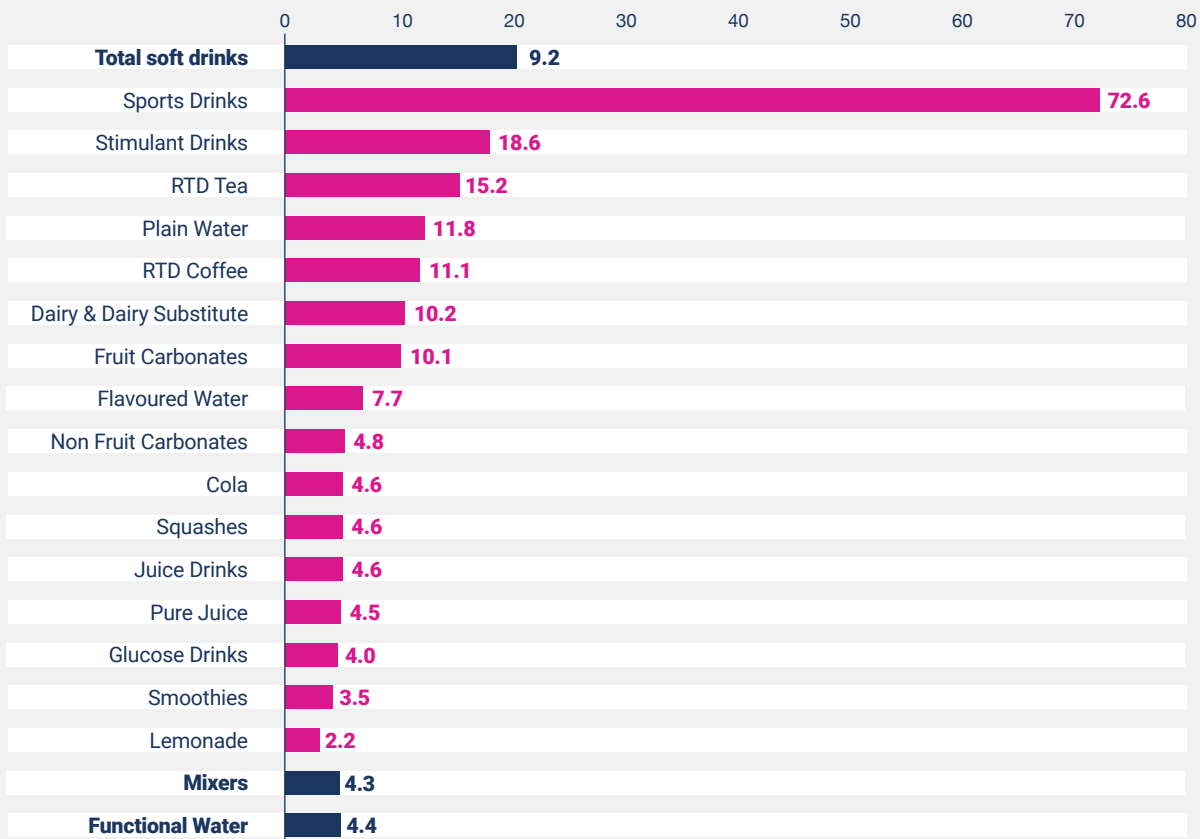
15 The Grocer - <https://www.thegrocer.co.uk/aldi/prime-hydration-drink-back-in-aldi-stores/678341.article>

16 The Grocer - <https://www.thegrocer.co.uk/soft-drinks/prime-sales-in-freefall-with-bottles-reduced-in-tesco-to-just-31p/689987.article>

17 Grocery Gazette - <https://www.grocerygazette.co.uk/2024/04/02/prime-strawberry-iceland/>

Soft drinks sales growth: sector by sector¹⁸

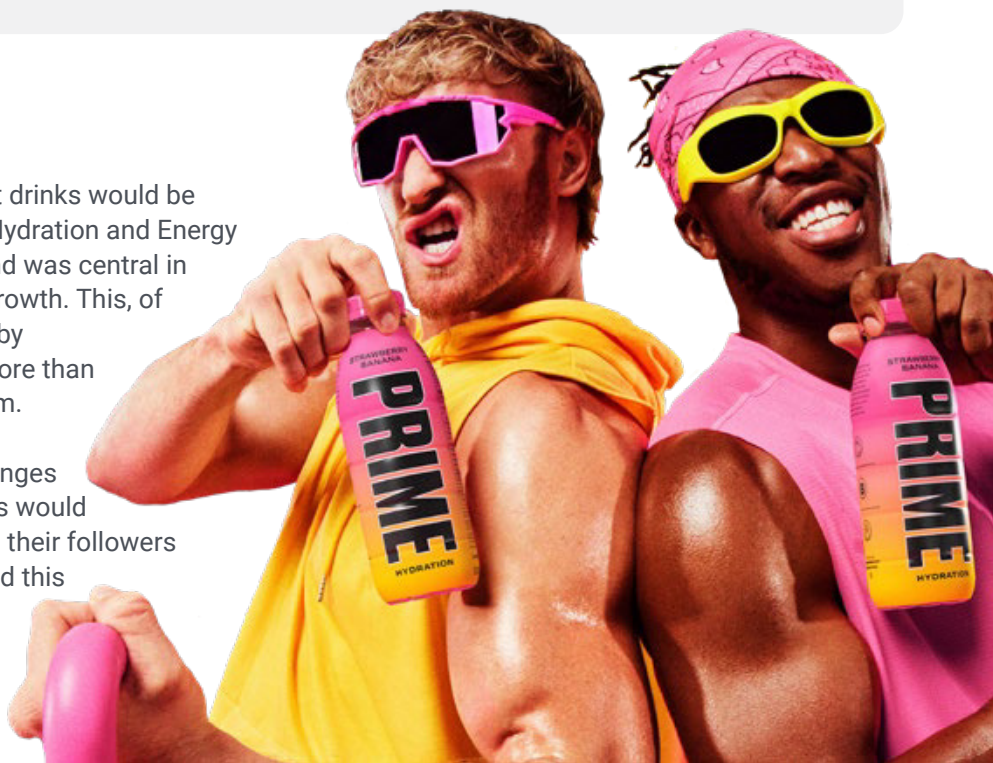
Value % change



Prime numbers

Any discussion about the past year for soft drinks would be incomplete without mention of the Prime Hydration and Energy lines. Prime racked up £55.7m in 2023¹⁹ and was central in driving the sports drinks category's huge growth. This, of course, is thanks to the hype driven online by founders, KSI and Logan Paul, who have more than 60m subscribers on YouTube between them.

The rise of Prime reflects fundamental changes to the world of branding. In the past, brands would recruit celebrities in the hope of converting their followers into buyers. KSI and Logan Paul have turned this upside down. They are the brand. Prime took 1.3% of soft drinks value in grocery, convenience and discounters in 2023.²⁰ However, share has fallen to 0.5% since the start of 2024.²¹



¹⁸ NielsenIQ RMS - grocery, impulse & convenience and discounters 52 w/e 30.12.23 - combined with CGA by NielsenIQ - out-of-home 52 w/e 31.12.23 vs a year ago

¹⁹ Circana Total Convenience, Total Soft Drinks, Value growth YoY, 52WE 31.12.23

²⁰ NielsenIQ RMS - Total Coverage Inc. Discounters, Total Soft Drinks, Value share of sales, Calendar year 2023 w/e 30.12.2023

²¹ NielsenIQ RMS - Total Coverage Inc. Discounters, Total Soft Drinks, Value share of sales, Latest 12 weeks to 30.03.2024

Having said that, many established FMCG brands could still learn a lot from Prime about creating a buzz online with a steady flow of new products. After all, seven of the top 20 soft drinks launches in 2023 were from Prime.²² And it doesn't stop there. Prime clearly has big ambitions, having registered its logo against beers, wines and spirits, vaping equipment and CBD preparations with the UK Intellectual Property Office in 2023.²³

Limited editions have gained currency among established brands too. Limited Edition Tango Sugar Free Paradise Punch, for example, racked up sales of £4.2m²² after launching in February 2023. What's crucial is that such products drive incremental growth and shoppers continue to buy once the novelty has worn off.



Rockstar Energy® to rock six UK festivals

Rockstar by name; Rockstar by nature! In April, Rockstar Energy® signed a multi-year partnership with Live Nation, organiser of the Reading, Leeds, Parklife, TRNSMT, Creamfields and Wireless music festivals. This marks the next phase of the brand's musical journey, which saw the launch of the Rockstar Energy® Press Play platform and activations with artists including Stormzy and Raye in 2023.

For the first time, Live Nation will welcome one headline partner across the six UK festivals, with the name of each featuring the tag "Rockstar Energy® Drinks Presents..." The partnership will include on-pack promotional Rockstar Energy® VIP Wristbands on selected cans, offering a range of special prizes and perks, including festival and concert tickets, queue jumps and backstage passes.

Festival-goers will be able to grab rapid energy boosts from Rockstar Energy® sampling points at each of the six festivals this summer, helping to enhance the festival experience while cementing the brand's appeal with consumers, particularly those belonging to Generation Z (people born between 1997 and 2010), who are most likely to frequent festivals.²⁴



²² Circana Total Convenience, Total Soft Drinks, Value Sales, 52WE 31.12.23

²³ The Grocer - <https://www.thegrocer.co.uk/new-product-development/prime-planning-extensions-into-vaping-cbd-booze-and-more/686445.article>

²⁴ Pew Research Centre - Defining generations: Where Millennials end and Generation Z begins, 17/01/2019 <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

Jimmy's joins Britvic

Britvic entered the booming Ready-to-Drink Coffee market in July 2023 with the acquisition of Jimmy's Iced Coffee. In a category that is now growing at 10.4%,²⁵ Jimmy's Iced Coffee is the perfect fit for Britvic, completing our quartet of energy-boosting drinks, which includes power boosts in the shape of Rockstar Energy® and Purdey's Natural Energy Drinks, as well as plant-powered pick-me-ups with Plenish Health Shots.

Since adding Jimmy's to our portfolio, we've boosted the brand's functional credentials with the addition of two new products in collaboration with Myprotein. Available in Original Iced Coffee and Caramel Iced Coffee, the co-branded Myprotein lines pack 5.6 grams of protein per 100ml and have been designed to help convenience retailers cash in on growing demand for protein-enriched drinks.



²⁵ NielsenIQ RMS, Total Coverage Inc. Discounters, RTD Coffee Britvic Defined, Value Sales, L52 Weeks to 13.04.2024

Why health and product quality still matter

Drumming up excitement with new flavours, celebrity partnerships and store exclusives isn't the only way to drive growth in soft drinks, of course. Demand for premium soft drinks and those that offer additional health benefits or reduced sugar content continues to surge, fuelling growth for a range of Britvic brands including London Essence Company, Plenish and Pepsi MAX®.²⁶

Research shows that the importance of health to people when they're choosing what to eat or drink is partly informed by how confident they're feeling about their finances.²⁷ However, although recent economic shocks have dragged down the number of food and drink products consumed for health reasons, one in five soft drinks is still consumed on health grounds.²⁶

What's more, in each of the final four months of 2023, the importance of health consistently grew. More people bought items for health benefits such as added vitamins and minerals, natural or less processed credentials, or to get one of their five a day.²⁸ This is benefitting soft drinks categories such as plain and infused water, health shots and natural energy drinks.

That's not all: the growing numbers who are moderating their alcohol intake bode well for health-orientated, premium soft drinks. Currently, 46% of drinkers say they're trying to consume less alcohol, yet only one in nine say they're doing this by switching to soft drinks²⁸.

This presents businesses like ours, and the partners we supply, with more opportunities. Read on to discover how we're unlocking them...



²⁶ NielsenIQ RMS - grocery, impulse & convenience and discounters 52 w/e 30.12.23

²⁷ Kantar Usage - total soft drinks 52 w/e 26.12.23

²⁸ Kantar Usage Panel - total food and drink; health needs and servings versus previous year; 12 w/e periods

The year in numbers

Soft drinks
volume down

-3.5%

vs 2022¹

Soft drinks
value up

+1.3%

vs 2022²

23.8m

litres less than 2022¹



-1ppt

vs 2022

Licensed
made up

38.2%

of total soft
drinks volume
sales in 2023³

Soft drinks
made up

23.1%

of total licensed
drink serves sales
in 2023³

-3.1ppt

vs 2022³

Representing

61%

of value sales
(flat vs 2022)³

Representing

14.7%

of value sales
(+0.1ppt vs 2022)³



¹ CGA by NielsenIQ, Licensed, Volume Data, Soft Drinks Britvic Defined, MAT to 31.12.2023

² CGA by NielsenIQ, Licensed, Value Data, Soft Drinks Britvic Defined, MAT to 31.12.2023

³ CGA by NielsenIQ, Licensed, Volume and Value Data, Soft Drinks Britvic Defined, MAT to 31.12.2023

Hotels and Clubs
have gained
volume share
of soft drinks
vs 2022¹

Hotels 17.4% | +1.4ppt

Clubs 19.2% | +0.1ppt

Cola has been
the standout
winner versus
2022

48.4%
of volume¹

+1.7
ppt
vs 2022¹



Packaged was
the winning
format at

46%
vs 2022
(+0.9ppt)¹



led by
glass
bottles
+0.5ppt
and cans
+0.3ppt¹

52%
of population
bought a soft drink
in the licensed
channel⁴

+2.0ppt
vs 2022⁴

This equates to
27.2m +2.5%
buyers vs 2022⁴

321m +4.7%
trips vs 2022⁴

Spend per trip
£5.19
+2.5% vs 2022⁴

Frequency
+2.1%
vs 2022⁴

Licensed category overview

Licensed to thrill



For all the difficulties of recent years, the UK's pubs, bars, clubs and restaurants still hold a special place in people's hearts. Many communities still revolve around their local pubs, and few would disagree about the importance of going out with friends to celebrate, catch up and let off steam every so often.

In fact, it's easy to argue that going out to eat or drink with friends is even more important when times are tough – 70% of people say that going out for a bite to eat or a few drinks is the treat they look forward to most,¹ and more than half (59%) say that visiting the likes of pubs and restaurants is their favourite way to socialise.¹

Of course, none of this means the licensed trade has escaped the economic headwinds we've all been facing in recent years. By September 2023, the total number of licensed outlets trading in Britain had fallen below the 100,000-mark for the first time since records began, falling by 3.6% year-on-year to 99,916 venues.² Still, shorter term trends give some cause for (cautious) optimism: the number of managed venues grew by 0.5% between June and September 2023.²



¹ CGA by NielsenIQ - Cost of Living Consumer Pulse (1,006 UK&I Consumers) November 2023

² CGA by NielsenIQ - CGA_Hospitality-Market-Monitor-October_2023.pdf

There are several significant changes to note, however. One is that soft drinks are playing a more central role in licensed outlets' sales. In 2023, total sales through licensed outlets were flat year-on-year.³ Alcohol sales dipped by 0.2% on volumes down 1.7%, while total soft drinks sales grew by 1.3% and put an extra £61.6m through operators' tills.³ Increases in footfall and price inflation⁴ were the key drivers of this growth – soft drinks volumes fell by 3.5%.³

This is against a backdrop of growing price sensitivity. Three in four people (75%) now describe themselves as "value-conscious," a year-on-year rise of 4% pts⁵. The good

news is the number of people visiting pubs and restaurants at least once a week remains flat, as does trip frequency.⁶ However, average spend per trip has inched up by just 1%, despite much higher levels of inflation,⁶ indicating that people are cutting back on spend inside venues.

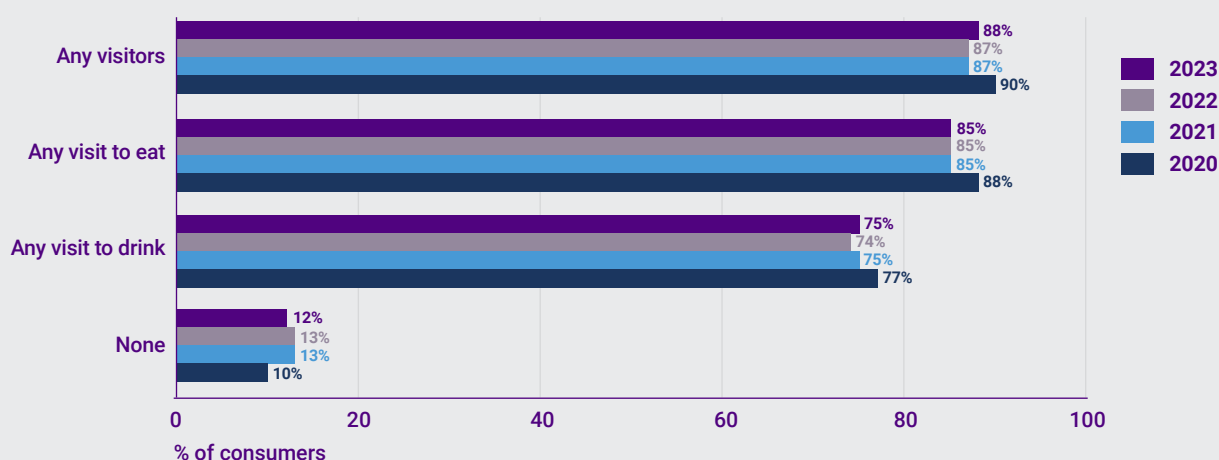
What people want from a night out at a pub or a meal at a restaurant is changing too. That means venues also need to change. As we're about to explore, soft drinks are playing an increasingly important role in helping people choose certain venues over others, delighting them when they get there and keeping them coming back for more. Read on to explore how you can use soft drinks to do the same!

Nearly 90% of Brits are pubgoers⁷



Pub going remains an essential British past-time

UK: pub/bar visiting to eat or drink, 2023⁷



Base: 1,967 internet users aged 18+ Source: Kantar Profiles/Mintel, August 2023

3 CGA by NielsenIQ –Licensed Market - Total Soft Drinks Britvic Defined, 30.12.23 MAT

4 CGA by NielsenIQ - CGA Licensed On premise report, 30.12.23 MAT

5 Lumina Intelligence UK Pub & Bar Market Report- June 2023

6 Lumina Intelligence Eating & Drinking Out Panel, data collected 12 w/e 15.05.22 and 12 w/e 15.05.23

7 Mintel pub-visiting-uk-2023 P14 – Source: Kantar Profiles/Mintel, August 2023

8 KAM Low/No Report 2023

Adapt to ~~survive~~ thrive!

It's not necessarily the fittest that survive in times of change. It's the most adaptable. Here at Britvic, we're working with our licensed partners to help them do just that. We're helping them realise the opportunities that are arising from the changes we're seeing. As a result, many are doing much more than simply surviving. **They're thriving.**

We only need look back to the years following the 2008 recession to see the last time hospitality went through such momentous change. That financial squeeze coincided with the imposition of the smoking ban, prompting a steep decline in pub visitor numbers and a spike in pub closures.⁹ But the impact of these events was far from equal.

Venues that elevated their food and drink offerings, spruced up their venues and focused on service were able

to attract a wider clientele – in particular, families and more affluent people that had previously under-traded in pub visits. By 2012, 22.4% of Brits said they were visiting pubs more regularly as a direct result of the 2007 smoking ban and 70% of parents said they were more likely to visit with their kids since the ban.¹⁰ For pubs, it was a case of survival of the most adaptable.

Similar dynamics are at play again. This time around, success is coming to operators that are striking the right balance between value and quality. Despite the growth in the number of people who identify as “value conscious”,¹¹ it's clear that quality is still crucial. Indeed, the quality of the food and drink on offer at venues was the most important factor in deciding where to visit for 27% of people in October 2023.¹² That's a rise of 4% pts from July 2023.¹²

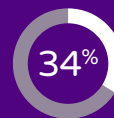
Family affairs

Things have come a long way since the days when pubs were off limits to kids. They no longer have to make do with a bag of crisps in the garden. More than a third (34%) of families with kids go to the pub at least once a week to eat and 14% go out to eat twice a week or more.¹³

And when families eat out, they're looking for excitement and good value in equal measure. Indeed, research¹⁴ shows that families with children are the most value-led consumer group in the UK, so it's crucial that operators of family-friendly venues offer attractive deals and elevated experiences.

So, operators are dialling up their deals for families. Brewers Fayre, for example, runs a “kids eat free breakfast” deal to cash in on growth in people eating breakfast out⁵ (more on that in the next chapter), Sizzling Pubs has a “kids eat for £1” deal and Hungry Horse has a “feed the family for £15.”

It's also worth noting that 39% of parents of children aged under 18 are interested in themed menus when they take the little ones out.¹³ This presents an opportunity to offer specific cuisines such as Indian or Italian, with paired soft drinks choices, on different nights of the week.



of families with kids eat out at the pub at least once a week¹³



of families with kids eat out at the pub twice a week or more¹³



of families with kids are interested in themed menus¹³



9 Institute of Economic Affairs - <https://iea.org.uk/blog/is-the-smoking-ban-to-blame-for-the-high-rate-of-pub-closures>, 07.09.10

10 Market Force Information - <https://www.restaurantonline.co.uk/Article/2012/07/05/Smoking-ban-pubs#>, 04.07.12

11 Lumina Intelligence UK Pub & Bar Market Report- June 2023

12 Mintel pub-visiting-uk-2023 P16 – Source: Kantar Profiles/Mintel, August 2023

13 Mintel pub-visiting-uk-2023 P54 – Source: Kantar Profiles/Mintel, August 2023

14 Lumina Intelligence Eating and Drinking Out Panel, data collected 52WE 23.01.23 and 52WE 22.01.24

Shoot for the moon with Fruit Shoot!

Three, two, one... blast off! Britvic teamed up with licensed operators including Brewers Fayre, Greene King and Marston's in 2023 for an out-of-this-world augmented reality promotion that featured a fun game and instructions for converting Fruit Shoot bottles into space rockets, as well as giving kids the chance to win their "dream thing".

This was Fruit Shoot's biggest ever hospitality campaign, landing in 800 outlets across the UK. It certainly hit the mark, fuelling strong growth and giving kids a fun activity to do during their meals (and allowing parents to relax). More operators have signed up for similar activities in the coming year.



Of course, different people value different things, and this changes over time. Value is clearly no longer purely about price¹⁵. Pub and restaurant-goers are becoming more conscious of their health and sustainability.¹⁶ They're less likely to drink alcohol and more likely to want to take part in games. As we explored in Britvic's 2023 Soft Drinks Review, this is fuelling the rise of "competitive socialising" venues where soft drinks and low and no alcohol options are more popular.

By rethinking their soft drinks ranges and how they market them behind the bar and on tables, licensed operators are unlocking new growth. Marston's, for example, has incorporated 20oz serves of Pepsi MAX[®] into its weeknight meal deals. The pub group also uses tabletop materials to promote its Strawberry & Peach and Passion Fruit Refreshers, non-alcoholic house sodas made with Teisseire syrups, and long drinks mixed with London Essence Company sodas and tonics.

Evenings out for Generation Z (born between 1997 and 2012¹⁷) and Millennials (born between 1981 and 1996¹⁸) are less likely to revolve around the consumption of alcohol. More than a fifth (21%) of people in these groups are motivated to visit one pub over another by the selection of soft drinks on offer.¹⁵ One in four (25%) pubgoers only order non-alcoholic drinks and 24% order a mix of soft and alcoholic drinks¹⁹.

This presents both challenges and opportunities. Note that one in four adults switches to tap water when they're not drinking alcohol²⁰ – because more people are cutting back on alcohol, it's clear that operators need to provide attractive alternatives to tap water to avoid losing sales. Infused sparkling water and sustainably packaged still and sparkling water from Aqua Libra and cordials and flavoured syrups from Robinson's and Teisseire help encourage tap water drinkers to trade up, as does developing a range of house sodas (soda and cordial served in attractive glassware and garnished).



One in four (25%)
pubgoers only order
tap water when not
drinking alcohol



¹⁵ Mintel pub-visiting-uk-2023 – Source: Kantar Profiles/Mintel, August 2023

¹⁶ Mintel pub-visiting-uk-2023 P83 – Source: Kantar Profiles/Mintel, August 2023

¹⁷ <https://www.statista.com/topics/11047/generation-z-in-the-uk/>, 20.12.23

¹⁸ <https://www.statista.com/statistics/528577/uk-population-by-generation/>, 05.02.24

¹⁹ Mintel pub-visiting-uk-2023 P67 - Source: Kantar Profiles/Mintel, August 2023

²⁰ KAM REPORT – Low & No 2023: The Consumer Perspective

How soft drinks choices are evolving

Soft drinks choices in pubs and restaurants are changing, and fast. While classics such as Pepsi, Tango and 7UP remain king with 31% of people saying they were most likely to choose fizzy drinks like these in 2023 (the same number as in 2022), several other categories are also enjoying growing popularity.²¹

Research shows that 9% of people reported often choosing bottled water in licensed venues, up from 7% in 2022²². To help operators capitalise on this growth, Britvic has launched Aqua Libra Pure Filtered Still and Sparkling Water into infinitely recyclable aluminium cans, a premium looking alternative to PET. Aqua Libra Pure Filtered water is finely filtered and sourced from the UK, eradicating the need for unnecessary transportation miles.

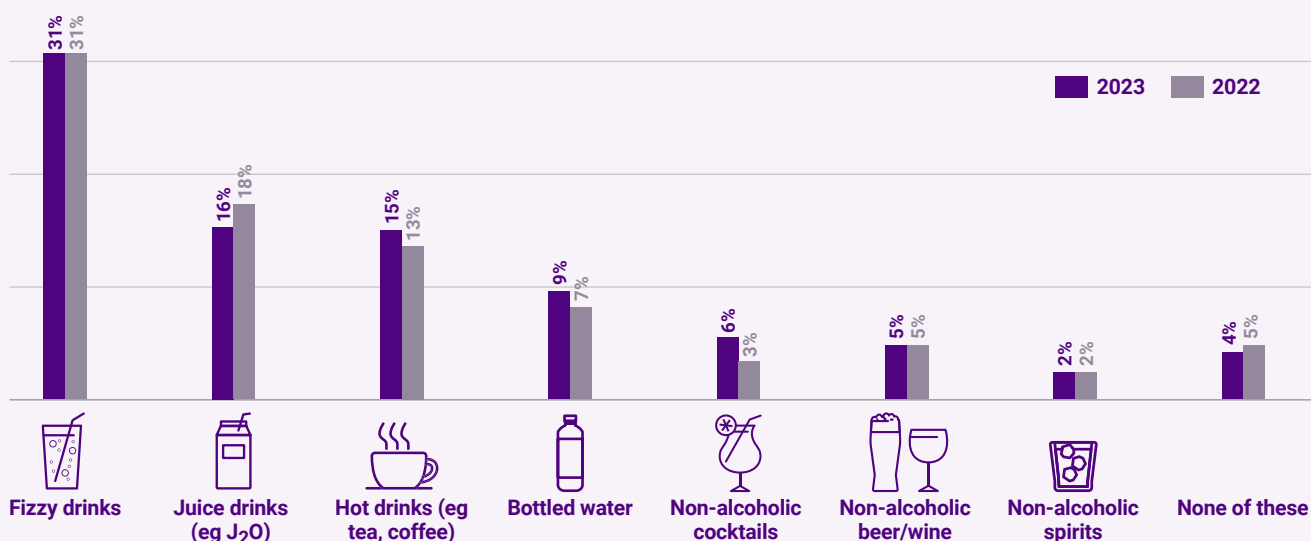
Hot drinks are also on the rise, with 15% saying they most often ordered these (up from 13% in 2022)²¹. As

hot beverages grow in popularity, so too do the variety of drinks people are demanding. Savvy operators are using Teisseire syrups to pep up their hot drinks with a wider range of flavours.

It's also worth noting that the number of people who said they often order non-alcoholic cocktails has doubled, albeit from a small base - 6% now often order them,²¹ and we predict that this number will continue to grow. Read on to find out how to cash in!

Soft drinks remain more popular than non-alcoholic alternatives¹⁵

'Which of these drinks do you order most often from pubs/bars? Please select up to five.'



Base: 1,727 internet users aged 18+ who visit pubs/bars
Source: Kantar Profiles/Mintel, August 2023

There's value in values

People don't leave their values at the door of pubs and restaurants when they go out to eat or drink. Increasingly, they expect the venues they visit to reflect their own values when it comes to environmental and social sustainability.

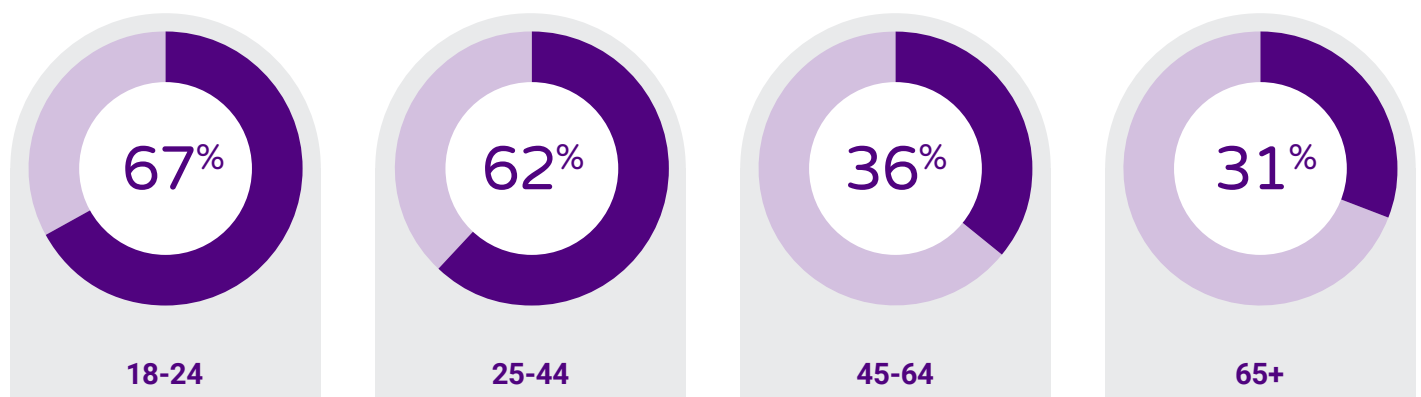
This puts operators that can demonstrate commitment to doing things more sustainably in a strong position. More than two thirds (67%) of people aged 18 to 24 and 62% of those aged between 25 and 44 say they're prepared to pay more for sustainable food in pubs and restaurants.²²

That's why more outlets are attracting crowds by running zero food waste events. But what about drinks? By switching from premium glass bottled mixers to the London Essence Company Freshly Infused dispense system, operators with the right level of footfall can cut packaging waste by 99%.²³



Sustainability resonates more with younger consumers

"I would pay more for sustainable food options at pub/bars."²²



UK, AGE DISTRIBUTION, 2023

²² Mintel pub-visiting-uk-2023 P83 – Source: Kantar Profiles/Mintel, August 2023

²³ Britvic analysis

Everything in moderation

However, it's important not to overstate the scale of the moderation movement. Yes, 60% of adults now either do not drink alcohol or have reduced how much they drink, but most people still drink alcohol at least occasionally²⁴. Press reports that Gen-Z stands for "Generation Zero Alcohol" are overblown – 79% of young adults still drink alcohol.²⁵ That's why having a compelling range of alcoholic and non-alcoholic drinks is so important.

When people do drink, quality is taking precedence over quantity for many. As we've seen, cocktails and long mixed drinks continue to draw crowds, while offering venues high margins. Indeed, outlets that offer a compelling range of cocktails have proven more resilient than others in the past year.²⁶ Despite a dip in the number of licensed venues operating in the UK, the share of those that serve cocktails has grown significantly.²⁶

Here at Britvic, we're not leaving this to chance. Our mixologists are constantly dreaming up drop dead gorgeous serves (with or without alcohol), using drinks from our London Essence Company, J2O, Teisseire and other ranges as bases. Take the Pink Grapefruit Paloma – a heady blend of tequila, pink grapefruit and lime juice, agave and London Essence Pink Grapefruit Crafted Soda – as an example; or the alcohol-free Noloma for those who are not drinking.



Cocktails help operators weather the storm²⁶

Cocktails passed a key milestone in the UK pub trade in 2023: more than half (50.6%) of pubs now serve them, up from 47.6% in 2022²⁶. In fact, the percentage share of venues that serve cocktails has risen across all key licensed channels, with the greatest gains in bars (up from 78.4% to 84.1%) and food-led pubs (up from 56.9% to 61.7%).²⁶ This is against a backdrop of declining outlet numbers, suggesting that operators that serve cocktails have been more resilient than those that don't.



Outlet penetration

vs Q3 2022



BAR

84.1%

+5.7%



DRINK LED PUB

50.6%

+3.0%



FOOD PUB

61.7%

+4.8%



RESTAURANT

39.3%

+1.9%



HOTEL

57.0%

+3.6%



SPORTS / SOCIAL CLUBS

16.4%

+4.7%

²⁴ Mintel pub-visiting-uk-2023 P12 – Source: Kantar Profiles/Mintel, August 2023

²⁵ Drinkaware - <https://www.drinkaware.co.uk/news/young-adults-are-more-likely-to-drink-at-high-risk-levels-despite-growth-in-non-drinkers>, 06.10.23

²⁶ CGA by NielsenIQ - Mixed Drinks Report Q3 2023 P8

How to shake things up with cocktails and mocktails

Quality matters to cocktail drinkers. To the extent that 72% say quality trumps price when they're deciding what to drink.²⁷ Quality is also increasingly important to people when it comes to alternatives to alcohol – 42% of people say they're put off visiting pubs and restaurants where there are limited soft drinks options.²⁸ This rises to 63% of people aged 18 to 24.²⁸

That's why we're using our premium brands to create drinks that cause a stir, whether they contain alcohol or not. For example, at Center Parcs, we've devised a range of glow-in-the-dark UV cocktails and mocktails using the Teisseire range of syrups. We're also using the London Essence Company's range of Crafted Sodas as the base for a growing range of exciting long drinks.

The Pink Grapefruit Paloma/Noloma

Pour 25ml of premium tequila blanco (leave out if you're mixing a Noloma!), 25ml of pink grapefruit juice, 15ml of lime juice and 10ml of agave syrup in a shaker. Shake hard for 10 seconds. Double strain over large ice cubes into a chilled highball glass and top up with London Essence Company Pink Grapefruit Crafted Soda. Garnish with a twist of pink grapefruit zest. Hey presto – a cool and zesty refresher, with or without the alcohol!

Starlight Fizz

Add 10ml of Teisseire Peach Syrup to ice in a highball glass, squeeze over a lime wedge and discard and pour 7UP Zero almost to the top. Top with 10ml of Teisseire Strawberry Syrup to create a hazy visual effect similar to that seen in a Tequila Sunrise. Garnish with a lime wedge or sprig of mint (add a dusting of icing sugar for extra wow factor!). Voilà, a fruity, fizzy and fun drink that glows under UV light!

Gin Fizz

For a crisp and refreshing long drink that's bound to turn heads, fill a copa or highball glass with ice and pour over 50ml of Empress 1908 butterfly pea gin, 20ml of Teisseire Elderflower Syrup and 10ml of lemon juice. Top up with Britvic Indian Tonic Water. Garnish with a wedge of orange or spiral of orange zest and fire up the UV lights – the indigo gin will glow an out of this world vibrant purple! As an alternative, try with orange-flavoured gin.



²⁷ CGA by NielsenIQ – Mixed Drinks Report Q3 2023 P10

²⁸ Kam Low & No Report 2023

72%

say they prefer high quality over cheaper cocktails³¹



The enduring popularity of cocktails makes sense in the current climate. Remember that 70% of people say that visiting pubs and restaurants is “the treat they look forward to most”²⁹. It’s no coincidence then that the number one reason that one in five on-premise customers³⁰ regularly drink cocktails is “for a treat”.³¹ Note also that quality is key for cocktail drinkers: 72% say they prefer high quality over cheaper cocktails³¹.

There’s plenty to suggest this trend will continue. The fact that 38% of people who reduced their alcohol intake in the year to April 2023 due to financial reasons³² suggests that, as the economy improves, some will start to drink more in the on-trade. Ongoing duty relief for the hospitality sector from the government also bodes well³³.

Economic omens are looking up too. Wage growth outpaced inflation for the first time in two years in September 2023³⁴. By October 2023, 31% of consumers described themselves as having healthy finances, and 43% said that their finances are at least OK³⁴. While it’s

true that most people feel less secure than they did before the crisis hit, it does seem that the worst could be behind us³⁵.

It’s clear that licensed operators need to balance consumer demands for value and indulgence to continue to thrive in 2024, all the while demonstrating real value and responding to consumers’ evolving priorities. Read on to dive deeper into three ways soft drinks can help operators entice their guests and keep them coming back for more...

29 CGA by NielsenIQ – Cost of Living Consumer Pulse (1,006 UK&I Consumers), November 2023

30 CGA by NielsenIQ – Mixed Drinks Report Q3 2023 P9

31 CGA by NielsenIQ – Mixed Drinks Report Q3 2023 P10

32 Mintel pub-visiting-uk-2023 P45 – Source: Kantar Profiles/Mintel, August 2023

33 Mintel pub-visiting-uk-2023 P46 – Source: Kantar Profiles/Mintel, August 2023

34 Mintel pub-visiting-uk-2023 P41 [1] <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2023>, 15.11.23

35 Mintel pub-visiting-uk-2023 P42– Source: Kantar Profiles/Mintel, August 2023

Licensed deep dive

Three steps to sensational growth in 2024 and beyond



We've established that soft drinks play a crucial role in driving revenues and profitability for Great Britain's licensed operators.

Because more people are moderating their alcohol consumption and thinking more about their health, yet still craving sensational drinks that give a sense of indulgence and discovery, we expect soft drinks' importance to pubs and restaurants to continue to grow.

Here at Britvic, we're keeping a keen eye on how people's priorities and behaviours are changing and how this relates to the wider soft drinks market. Doing so means the changes we make to our product portfolio, marketing and promotions are backed by genuine insight. It also means we can share these insights with our licensed trade partners to help them thrive too.

So, here are three steps we think operators of pubs, bars, clubs and restaurants should be taking to tap into the key trends that are shaping soft drinks and hospitality right now.



STEP
1

Reframe sobriety

You can tell a lot about society by its language. That the word **sober** is defined by the Oxford English Dictionary as ‘serious, sensible, and solemn’ (in other words, a bit boring), as well as ‘unaffected by alcohol’, says a lot about how Britain views sobriety. So too does the fact that people can become ‘merry’ (among other things) when they drink alcohol. We think it’s time to reframe sobriety.



That’s because times are changing. Sure, most people still drink at least occasionally,¹ but it is clear that alcohol is not the rite of passage it once was. Younger people are half as likely to only drink alcohol in licensed premises than older people.¹ Nearly two-thirds of people aged over 65 exclusively drink alcoholic drinks in pubs, compared to just a third of people aged 18 to 24.¹ The number of people who identify as non drinkers has grown 1.6% ppts year on year driven by purchases of soft drinks and non alcoholic beer.²

Pub, bar and restaurant staff have a vital role to play in advising people on their soft drinks choices. More than a fifth (22%) of adults asked bar staff for advice on soft drinks in 2023 and 85% were pleased with the response.³ However, younger drinkers were more likely to ask and less likely to be satisfied with the advice,³ suggesting that those who are more engaged with the category want more. Clearly, staff need to ensure that their knowledge of the soft drinks on offer remains up to date – including how they’re served, food pairings etc.

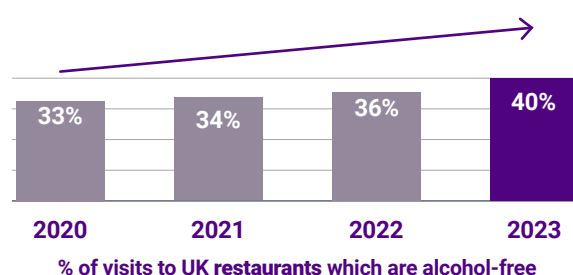
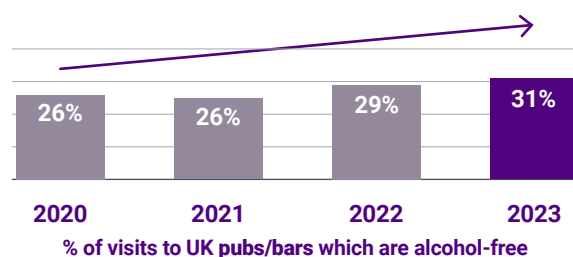
Teetotal pub visits are on the rise

More than one in three visits to the on-trade – 31% of pub trips and 40% of visits to restaurants – are now alcohol-free.³ The sober curious revolution is gathering pace and people are demanding more from venues in terms of the soft drinks and low and no alcohol alternatives they serve.

More than three-quarters (76%) of people say they want to see pubs and bars offering more healthy food and drink options and 17% say functional health benefits such as added vitamins, minerals and probiotics would encourage them to buy low and no alcohol drinks.³

Younger people are at the forefront of this trend.³ Operators including Greene King and Fuller’s are looking to appeal to this crowd by adding wellness-focused soft drinks to their menus. We expect this movement to continue to grow in the coming year.

1 in 3

More than 1-in-3 visits to the on-trade are now alcohol free³

¹ Mintel pub-visiting-uk-2023 - Source: Kantar Profiles/Mintel, August 2023

² Lumina Intelligence UK Pub & Bar Market Report – June 2023

³ KAM – Low & No 2023: The Customer Perspective

We're developing sensational alternatives to alcohol with zero compromise, as well as sophisticated ways of serving them. Take the Crafted Sodas range from the London Essence Company, which was the UK licensed trade's fastest growing mixer brand in 2023:⁴ the sodas layer fruit and botanical flavours such as Raspberry & Rose and Aromatic Orange & Fig and are designed to appeal to adult tastes.

Understanding that people are not prepared to accept second best just because they're not drinking alcohol is growing. 82% of bartenders said they were planning on increasing their low and no alcohol options in the next 12 months in 2023.⁵ We've got their back. In 2023, we launched the J2O Mocktails range – Strawberry & Orange Blossom Mojito, Blackberry & Blueberry Martini and White Peach & Mango Daiquiri – to add some wow to operators' low and no ranges.

Celebrating sobriety with crowd-pulling drinks and events

The new generation of drinkers sees sobriety as something worth celebrating. Just look at the rise of sober events such as Dry Disco and Club Soda for proof. By raising their game in low and no alcohol and partnering with businesses like this, licensed operators can attract younger drinkers to their premises and increase soft drinks revenues and profits. Not that you need special events to offer guests sophisticated soft drinks serves. Here's how to serve up the new J2O Mocktails at any time:



J2O White Peach & Mango Daiquiri



Grab a rocks glass and fill with cubed ice. Crack a can of J2O White Peach & Mango Daiquiri and pour over the ice. Top with a twist of lemon. Add a shot of rum for an alcoholic version.

J2O Strawberry & Orange Blossom Mojito



For this one you'll need a highball glass filled with ice cubes. Pour in a can of J2O Strawberry & Orange Blossom Mojito and top with strawberry and a sprig of mint. Add rum for an alcoholic version.

J2O Blackberry & Blueberry Martini



Empty a can of J2O Blackberry & Blueberry Martini into a well-chilled Martini glass and garnish with blueberries. Add vodka or gin to pep up or serve as is. Voilà, the height of sophistication!

⁴ CGA by NielsenIQ – Mixed Drinks Licensed Report – 23.11.23 MAT

⁵ KAM – Low & No 2023

Alcohol-free: How our partners are doing it

The experience venues offer is becoming increasingly important, particularly for younger people. 63% of younger people now define themselves as “very experience-led” when it comes to choosing a place to go to eat and drink.⁶

This hasn't gone unnoticed by our licensed partners, many of whom have increased their range of non-alcoholic cocktails and long drinks. For example, Table Table offered No-Passion-Tini, Brewers Fayre has the Raspberry

& Rhubarb Soda and the Lounges' alcohol-free range includes a Strawberry & Amaretti Smash.

We have the Teisseire, Robinsons and Britvic ranges of syrups and cordials – as well as the London Essence Company and J2O ranges of sophisticated sodas, spritzes and mixers – to help our partners get creative with their alcohol-free drinks ranges.

VIRGIN COCKTAIL

No-Passion-Tini
STRVKK Not Vanilla Vodka shaken with passion fruit mix and served with a shot of elderflower soda (124kcal)

MOCKTAILS

Apple & Raspberry Smash
Apple juice mixed with cranberry, raspberry syrup, topped with Fever-Tree Ginger Ale (83kcal)

Passion & Spice
Passion fruit mixed with lime juice and topped with ginger ale (82kcal)

Orange Fizz
Orange juice and cranberry topped with Schweppes Slimline Lemonade (111kcal)

Cherry Bakewell
A twist on the classic. Cranberry mixed with cherry and amaretto syrups, finished with a cocktail cherry (138kcal)

LOUNGES

ALCOHOL FREE

Strawberry & Amaretti Smash
Lyre's Amaretti shaken hard with strawberry purée, apple juice and lime - short, elegant and refreshing 122kcal

Apple & Elderflower Tonic
Long and elegant combining Tanqueray 0.0%, apple juice, raspberry syrup and Fever Tree Elderflower Tonic 136kcal

Coconut & Pineapple Punch
Looking for some Latin flavour? This one's for you - Caneño Dark & Spicy shaken with pineapple & coconut syrup and pineapple juice 112kcal

Brewers fayre

NEW Our refreshing and light house sodas, with your choice of flavoured syrup. Choose from Lemon Sherbet (90kcal), Raspberry (184kcal), Watermelon (158kcal)

Posh Lime & Soda
Robinsons Crushed Lime & Mint Fruit Cordial with soda, finished with a lime wheel and mint sprig (5kcal)

Raspberry, Rhubarb & Orange Blossom Soda
Robinsons Raspberry, Rhubarb & Orange Blossom Fruit Cordial with soda, garnished with an orange wheel and raspberry (8kcal)

Beefeater Since 1794

Apple & Raspberry Smash
Apple juice mixed with cranberry, raspberry syrup topped with Fever-Tree Ginger Ale (83kcal)

Passion & Spice
Passion fruit mixed with lime juice and topped with Fever-Tree Ginger Ale (82kcal)

Orange Fizz
Orange juice and cranberry topped with Schweppes Slimline Lemonade (111kcal)

Cherry Bakewell
A twist on the classic. Cranberry mixed with cherry and amaretto syrups, finished with a cocktail cherry (138kcal)

EMBER INNS

Meet the new additions to our growing range:

- Bodega Bay: Hard Seltzer Cherry:** 3 simple ingredients, nothing artificial, naturally vegan, gluten free and intensely refreshing. Only 73 calories and 4% ABV without compromises on taste!
- Tanqueray Alcohol Free 0.0%:** All the citrusy flavours and enjoyment of your favourite G&T without the alcohol. Magic!



Get mixing with Britvic

Big commercial opportunities can be unlocked by offering elevated long mixed drinks. In fact, we calculate that adding extra flair to these drinks can raise their value to as much as 40% of outlets' revenues.⁷ The rewards for operators are higher margins and elevated experiences for their guests.

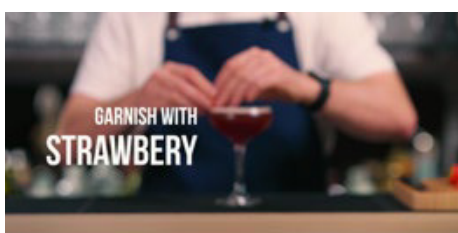
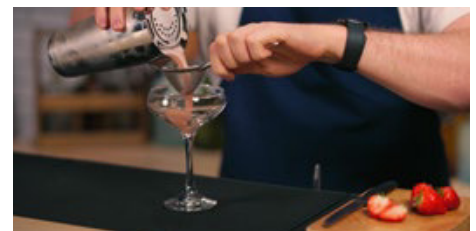
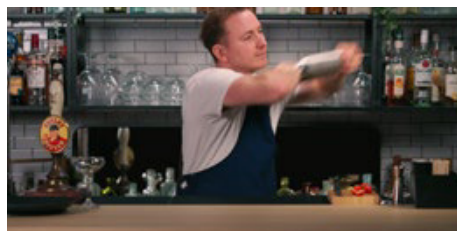
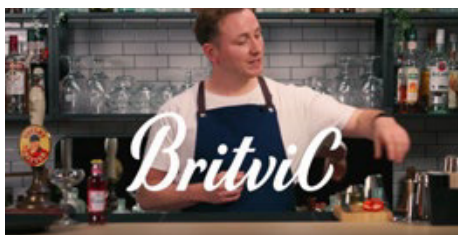
But the opportunity isn't only in long mixed drinks. Our aim is to elevate all familiar drinks – everything from coffees and sodas to milkshakes and non-alcoholic cocktails – by adding exciting new flavours and dialling up the pizzazz in their presentation.

That's why we've launched the Mix with Britvic online platform. The mission is simple: to make every drink

(whether it contains alcohol or not) more memorable by helping bar staff stay ahead of trends and giving them the skills to mix the perfect drink every time.

We will be helping our licensed partners achieve greater commercial success by realising the full strength of the Teisseire, London Essence Company, Pepsi, Britvic and R White's ranges. We'll be sharing inspirational videos featuring revered mixologists to help upskill staff and inspire them to create their own masterpieces and we'll be running regular masterclasses to get the creative juices flowing.

www.mixwithbritvic.com



⁷ Hedonist/Mix with Britvic – CGA by NielsenIQ articles on sales mixes 2022/23

STEP
2

Delight throughout the day

Visits to pubs, bars and restaurants don't just take place in the evenings, of course. More people are eating and drinking in the UK's licensed venues during the day, with breakfast, brunch and lunch occasions all increasing over the past year⁸ (see below). This presents huge opportunities for operators to increase spend and encourage repeat visits by offering a wider range of soft drinks.

Savvy operators are offering link deals on breakfast and lunch dishes with soft drinks to realise the opportunity. For example, all main dishes served at JD Wetherspoon from 11:30 to 23:00 come with a drink as standard and others are using digital loyalty schemes to encourage customers to trade up and make return visits.

Stonegate uses its digital platform MiXR to allow customers to find venues and book tables, unlock access to unique experiences and collect loyalty rewards. The MiXR platform

also has digital connectivity with screens at Stonegate's outlets, allowing customers to be prompted with suggested drinks serves and food pairings at the point of purchase.

It's worth noting that 84% of restaurant consumers budget for food with drink when dining out.⁹ Favourites such as Pepsi MAX®, Tango and 7UP will always be popular, of course, but because breakfast, brunch and lunch occasions are on the rise, there is a clear opportunity for operators to offer more tailored drinks pairings to reflect the time of the day.

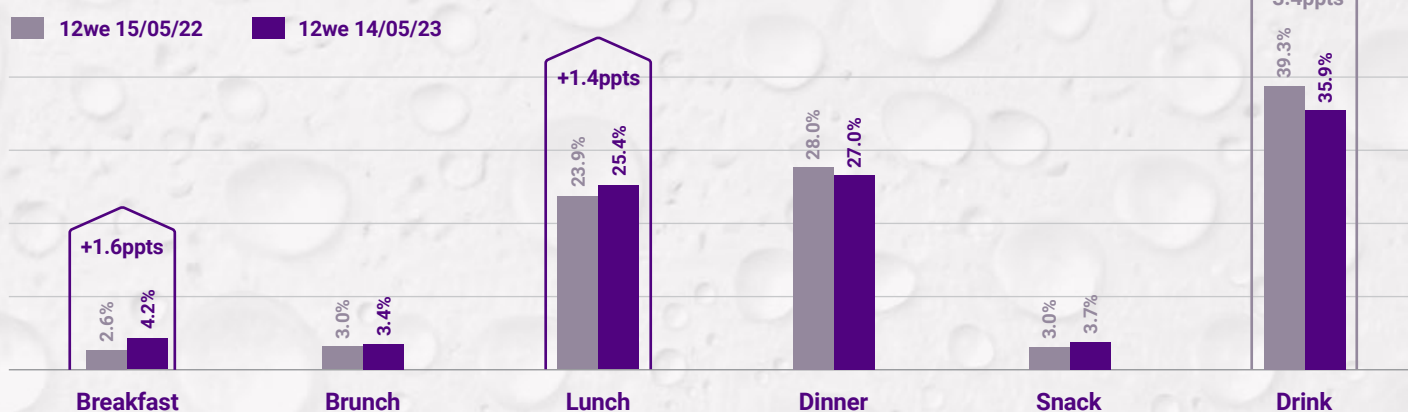
The Plenish functional juices and health shots range offers a great addition to breakfast and brunch menus, appealing to health-conscious consumers, while the Jimmy's Iced Coffee range provides a cool alternative to hot drinks at breakfast and brunch. Then there's Aqua Libra infused sparkling water, with no added sugar or artificial sweeteners, which provides a great tasting accompaniment to healthy lunch dishes. Purdey's Natural Energy Drinks, meanwhile, can help give guests a lift when served with a working lunch or an afternoon bite to eat. Natural energy drinks are also playing a broader role and appealing to different customers vs traditional energy drinks.

Teetotal pub visits are on the rise

The UK is going out for lunch more often. Lunch now accounts for more than a quarter (25.4%) of eating or drinking occasions in pubs and restaurants, up from 23.9% of occasions in 2022.⁸ That makes going out to lunch almost as popular as dinners out, which account for 27% of occasions (down from 28% in 2022).⁸

Eating breakfast and brunch out is also on the rise. These meals account for 7.6% of all occasions combined, up from 5.6% in 2022.⁸ With more people abstaining from alcohol, drink-only occasions have seen the steepest decline in share, from 39.3% to 35.9%.⁸ This means that focusing on healthier soft drinks and low and no alternatives is becoming more important for operators.

Pubs & bars share of eating/drinking out occasions, by day part⁸



⁸ Lumina Intelligence Eating & Drinking Out Panel, data collected 12 w/e 15.05.22 and 12 w/e 14.05.23

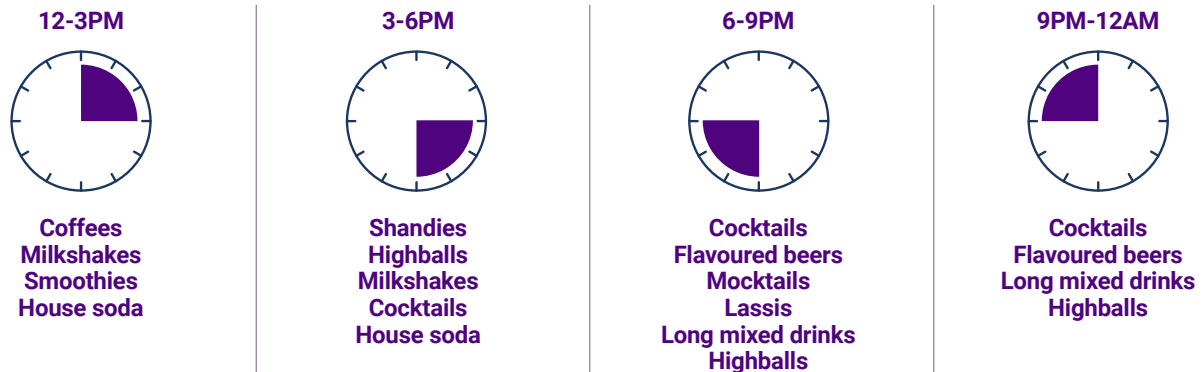
⁹ Lumina Intelligence Eating & Drinking Out Panel, data collected 52 WE 02/10/2022 and 01/10/2023

All-day opportunities

Offering a wider range of soft drinks and low and no alcohol alternatives throughout the day and paying closer attention to how they are served can drive greater profits. We calculate that elevating hot drinks with shots of Teisseire flavoured syrups and toppings can boost

margins by around 50p per serve; making house sodas more sophisticated with garnishes and quality glassware can add around £1 per serve; giving your cocktails a makeover could add a further £2 per serve.¹⁰

Elevating mixed serves is an all day opportunity



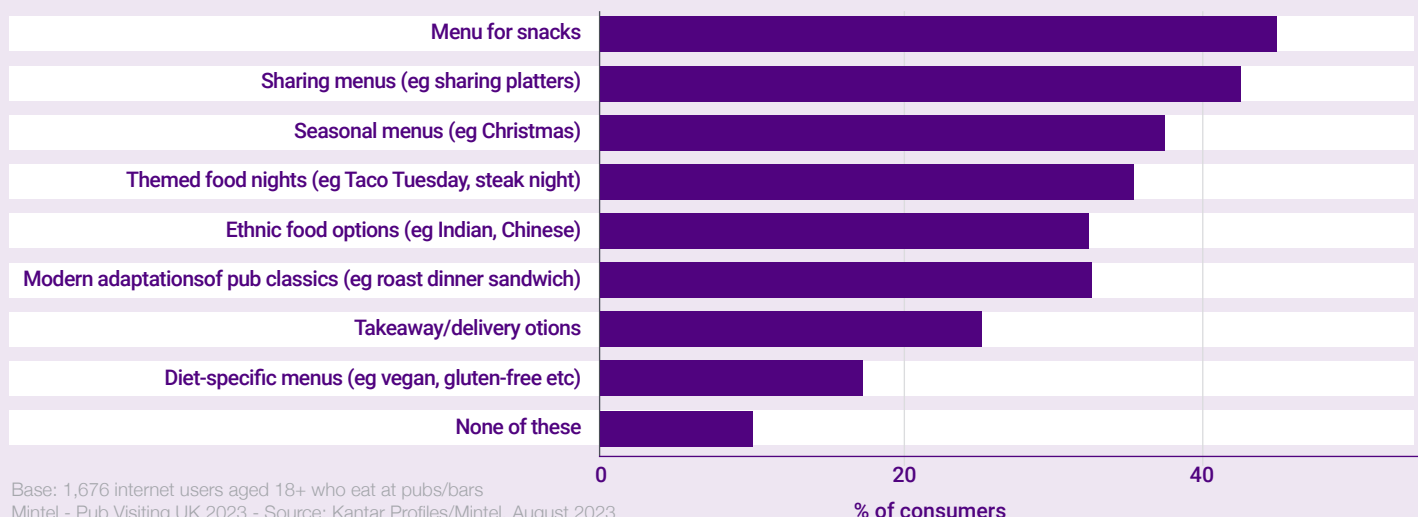
Serving snacks with drinks throughout the day is another key opportunity for operators, particularly as many are still feeling the pinch financially. Almost half of people (47%) who say they spend under £20 when they visit a pub say they would be interested in seeing a snack menu, making this the most popular proposition for people in this group.¹¹

To capitalise on this opportunity, operators should consider offering link deals on snacks and drinks. For example, set price deals on sliders and pints of Pepsi MAX®, healthier snacks and Aqua Libra infused sparkling water or breakfast pastries and Jimmy's Iced Coffee would appeal to guests that are watching the pennies, while helping to raise average spend.

The people want snacks!

“Which of the following would you be interested in seeing at pubs/bars? Please select all that apply.”

UK: menu options at pubs/bars, 2023



10 Hedonist/Mix with Britvic – estimates based on menu analysis across 50x outlets comparing standard & premium options

11 Mintel – Pub Visiting UK 2023 - Source: Kantar Profiles/Mintel, August 2023

STEP
3

Up your game in healthier hydration

Britain is on a health kick. According to a recent poll, 94% of people “make efforts to be healthy” and nearly a quarter (23%) “put a lot of effort into being healthy”.¹² As we’ve seen, this is driving many people to drink less alcohol (60% either don’t drink at all or are cutting back¹²); it also means that more people are looking for drinks with functional health benefits.

Hence the growing number of soft drinks containing functional ingredients such as CBD and adaptogens¹³ on the market. Granted, these are still niche, but drinks with botanicals and natural vitamin sources have been reshaping the mainstream for some time. Purdey’s Natural Energy and Plenish are an example of this, attracting the 17% of people who say added health benefits such as vitamins, minerals and probiotics encourage them to buy more soft drinks.¹²



Demand for healthier drinks is combining with the growing number of daytime visits to pubs and restaurants to fuel an uplift in sales of water in licensed venues. While still a relatively small sub-category in pubs, bars and restaurants, plain water sales have grown by 11%, with volumes up 6%¹⁴, and we’re predicting continued growth for sustainably packaged plain, sparkling and infused water over the coming year.

The fact that one in four adults still chooses tap water when not drinking alcohol in pubs and restaurants – representing £800m in lost annual revenue¹⁵ – illustrates the scale of the opportunity for licensed operators. By serving sustainably packaged water, operators can not only raise top line sales but also elevate customer perceptions in terms of quality vs tap water, with almost half of bottled water drinkers (46%) worrying that tap water might be contaminated (e.g. with toxins, bacteria), rising to 58% of those aged under 35.¹⁶ If the water is UK-sourced, all the better: 45% of people believe water from the UK is more sustainable.¹⁷



¹² Mintel – Pub Visiting UK 2023 – Source: Kantar Profiles/Mintel, August 2023

¹³ Adaptogens are natural agents that reportedly helps the body cope with stress

¹⁴ CGA by Nielsen IQ, Total Licensed, Plain Water Britvic defined, MAT data to 30.12.23

¹⁵ KAM – Low & No 2023: The Consumer Perspective

¹⁶ Kantar Profiles/Mintel, March 2022

¹⁷ Mintel Bottled Water Report 2023

We're helping our partners realise this opportunity with Aqua Libra. Aqua Libra supplies UK sourced plain, sparkling and infused water in infinitely recyclable aluminium cans, as well as offering pure filtered table bottling solutions that deliver taste and quality for hospitality operators. Aqua Libra also delivers the "at the table" experience for guests and operators with beautifully designed, refillable glass bottles.

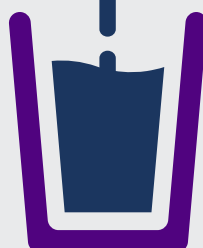
Some might see the falling numbers of people who drink alcohol and the high proportion that order tap water as a challenge to long-term prospects of the licensed trade. Not us. We see these trends as opportunities to drive growth for our business and those of our partners, while encouraging healthier and more sustainable habits for society. Why not join us on that journey?



An £800m opportunity¹⁵

1 in 4 adults choose a tap water as their drink of choice if they are not drinking alcohol when visiting pubs, bars and restaurants

£800m Missed annual revenue opportunity for venues when consumers order tap water



Channel performance

UK eating out market value

£7,662,941

+2.4% YA

282,257 Total no. Outlets in 2023

-1.5% decline

All tables sourced from CGA by NielsenIQ, Foodservice & Licensed, Volume and Value, MAT w.e. 31.12.2023 (value in £'000) unless otherwise stated. All YoY % chg is vs MAT YA.

Hotels, pubs, bars & restaurants	Retail, travel & leisure	Contract catering
£4,644,843 Value sales	£2,054,979 Value sales	£963,120 Value sales
1.3% Value growth	0.9% Value growth	11.3% Value growth
96,652 Outlets	98,383 Outlets	87,221 Outlets
-4.2% Outlet growth	2.2% Outlet growth	-2.5% Outlet growth

Retail includes Fast Food QSR and High Street Food To Go

Pubs and Bars includes Bar, Bar Restaurant, Community Pub, Food Pub, High Street Pub, Nightclub),

Service-led Restaurant includes Casual Dining and Restaurants

Hotels	Pub & bars	Service-led restaurants
	Managed £1,133,909 10,814 Outlets	Managed £261,471 4,870 Outlets
	Independent & free of tie £685,967 18,202 Outlets	Independent & free of tie (inc. non managed) £380,315 16,785 Outlets
	Tenanted & leased £579,813 16,982 Outlets	Tenanted & leased £5,109 193 Outlets
	Sports social clubs £514,230 20,134 Outlets	
Total value £936,947 7,163 Outlets	Total value (exc. Sports social) £2,403,261 44,548 Outlets	Total value £648,791 20,410 Outlets
Total value growth 8.9%	Total value growth -0.2%	Total value growth -0.2%

Channel performance

Hotels	Pubs	Restaurants
£936,947 8.9%	£2,403,261 -0.2%	£648,791 -0.2%

Category performance

	Value (£'000)	% change vs YA
Cola	2,076,510	5.1
Flavoured carbs	244,235	2.4
Lemonade	518,697	-8.3
Mixers	473,347	-7.3
Plain water	182,238	6.1
Still juice drinks	339,409	3.1
Pure juice other	175,603	-2.1
Gluc stim	219,867	-9.1
Squash	205,163	-0.1
Pure juice mixers	39,107	-4.0
Water plus	1,749	-23.0
Carbonated juice drinks	18,203	-22.8
Sport	8,423	37.4

Draught vs packaged

	Value (£'000)	% change vs YA
Draught	2,151,914	1.5
Packaged	2,492,929	1.2

Sugar content

	Value (£'000)	% change vs YA
High sugar	2,513,319	1.3
Low sugar	1,567,421	0.9

High Sugar includes high sugar, medium sugar, moderate sugar, naturally high sugar

Low Sugar includes low sugar and sugar free

Based on static soft drinks levy coding in 2018

Still vs sparkling

	Value (£'000)	% change vs YA
Still	3,637,557	0.1
Sparkling	1,007,285	6.3

Top 5 manufacturers in licensed

	Value (£'000)	% change vs YA
CCGB	2,062,391	3.9
Britvic	1,295,724	-1.5
Fever Tree	268,011	-4.7
Other suppliers	279,188	3.4
Red Bull	192,864	-7.7

Other Suppliers includes regional companies that are grouped together

Top 10 brands in licensed

	Value (£'000)	% change vs YA
Coca Cola	665,764	7.9
Diet Coke	487,411	1.0
Pepsi Max®	304,701	10.1
Fever Tree Mixers	268,011	-4.7
Schweppes Lemonade	247,394	-5.2
J2O	237,088	2.1
Coke Zero	227,832	26.5
Pepsi	212,833	2.3
R Whites Lemonade	184,221	-12.1
Red Bull	144,823	-6.4

Biggest segments in licensed

	Value (£'000)	% change vs YA
Cola	2,076,510	5.1
Lemonade	518,697	-8.3
Mixers	473,347	-7.3
Still juice drinks	339,409	3.1
Flavoured carbs	244,235	2.4

Licensed – total soft drinks

	Value sales (£'000)			Volume sales (000's L)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
Total soft drinks	4,583,233	4,644,843	1.3	675,669	651,832	-3.5
Draught	2,119,870	2,151,914	1.5	370,635	351,691	-5.1
Packaged	2,463,363	2,492,929	1.2	305,033	300,141	-1.6

Soft drinks categories in licensed

	Value sales (£'000)			Volume sales (000's L)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
Total soft drinks	4,583,233	4,644,843	1.3	675,669	651,832	-3.5
Total soft drinks beverage syrups	91,896	142,197	54.7	1,213	2,142	76.6
Total soft drinks coffee	191	93	-51.1	24	11	-52.5
Total soft drinks cola	1,976,219	2,076,510	5.1	315,953	315,712	-0.1
Total soft drinks flavoured carbs	238,403	244,235	2.4	36,218	34,949	-3.5
Total soft drinks gluc stim sport	248,110	228,290	-8.0	25,385	22,840	-10.0
Total soft drinks juice drinks	352,774	357,612	1.4	42,863	41,708	-2.7
Total soft drinks lemonade	565,516	518,697	-8.3	94,193	83,374	-11.5
Total soft drinks mixers	510,722	473,347	-7.3	48,861	43,839	-10.3
Total soft drinks pure juice	220,078	214,710	-2.4	26,175	24,752	-5.4
Total soft drinks squash	205,293	205,163	-0.1	53,712	51,344	-4.4
Total soft drinks water	174,032	183,987	5.7	31,072	31,161	0.3

Glossary

Business and Industry

Contracted / In-House

Carbonates

A drink made predominantly from carbonated water to which juice or flavourings have been added

Cola

Cola-flavoured carbonated drinks, including cola with flavours such as cherry, twist of lemon, etc. Includes all clear and coloured colas

Dilutes (also see Squash)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Energy drinks

All 'energy boosting' drinks such as Red Bull, normally fizzy

Food-led pubs

Outlets that have a dining menu of some description

Fruit flavoured carbonates

Flavours are typically orange, cherry, lime, blackcurrant, apple, pineapple and grapefruit, lemon, lemon and lime, tropical and other mixed fruit flavours. Also includes Tizer, Dr Pepper and Vimto, as these brands contain fruit

Gen-Z

The demographic cohort after Millennials. Most of Gen-Z have used the Internet since a young age and are comfortable with tech and social media. There is no precise date for when Gen-Z begins, but demographers and researchers typically use the mid-1990s to mid-2000s as starting birth years

Iced coffee

A ready-to-drink packaged coffee beverage, containing coffee, that is usually consumed chilled

Juice drinks

A non-carbonated drink which generally contains fruit juice (some may not) plus added water or other ingredients

Leased

Landlords of leased pubs have a long-term (traditionally 10-25 year) commercial and assignable lease

Lemonade

All conventional clear and cloudy or traditional, carbonated lemonade; flavoured with lemon juice and additional fruit flavours to produce coloured lemonade

Managed

A brewery appoints a salaried manager, while retaining ownership of the pub; this arrangement is a "managed house"

Millennials

A term used to describe individuals born between the mid-1980s to the mid-1990s, those who are now aged between their mid-twenties and mid-thirties. This is the generation that entered adulthood during the first decade of the millennium

Mixers

Drinks intended to dilute an alcoholic beverage, as well as being consumed as a standalone soft drink

Natural energy

Natural Energy are Energy drinks which contain stimulants from a natural source

Non-fruit flavoured carbonates

Non-fruit flavoured carbonates, excluding cola but including Irn Bru. Also includes traditionals such as cream soda, ginger beer and shandy

OOH

Out of Home. Includes Retail, Travel & Leisure



Pure juice (other)

A non-carbonated 100% pure juice or other juice blend with no added water or sweetener, that may be chilled or longlife. Includes all concentrated juices, with the exception of frozen juice

Sports drinks

Drinks that are specifically designed to replace minerals, sugars, trace elements and fluids as a result of exercise. Can include dilutables and powders

Squash (also see Dilutes)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Stills

Collective term for the non-carbonated segments

Stimulants

All 'energy boosting' drinks such as Red Bull, normally fizzy

Tenanted

Landlords of tenanted pubs are more likely to have shorter-term agreement which is contracted outside of the Landlord and Tenant Act (meaning that the term is fixed)

Total licensed

Defined in this report as Restaurants, Food-Led Pubs, Wet-Led Pubs, Sport / Social Clubs, Wine Bars, Circuit Bars, Proprietary Clubs, Hotels. Travel Roadside and MSA / Petrol Forecourts / Railway Stations / Airports / Ports

Water

Still or sparkling water with nothing else added

Water plus / Flavoured water

Sparkling or still flavoured water

Wet-led pubs

'Wet-led' pubs are outlets that don't sell food (other than over-the-counter snacks such as packaged crisps)

