



BRITVIC
soft drinks

FOODSERVICE

SOFT DRINKS REVIEW

WELCOME

to the Britvic Soft Drinks Review

EXTRAORDINARY.

The only way we can describe 2020. As an industry - and community - we came together, working in close cooperation to protect our colleagues, consumers and the future of retailing. There is no denying that it has been daunting for every business, weathering the pandemic, as is clear from the numbers you will see in this report.

The foodservice and licensed channels have been severely impacted by the pandemic, but the resilient spirit of operators, coupled with the support of consumers, will see green shoots of positivity in the near future.

Throughout, the soft drinks category has remained largely buoyant with in home consumption helping to prop up losses from the closure or part-closure of the foodservice and licensed channels. It doesn't come as a surprise that products like dilutes (squash) have therefore bucked the trend and delivered impressive growth figures. Dilutes - along with cola and lemonade - have delivered the highest volume growth YOY as shoppers looked for maximum value, adding (when combined) a staggering £263.7m to the grocery and convenience channels.¹

As a society, we've been laser-focused on staying fit and healthy. As a result, low and no sugar variants have continued to perform well. Shoppers have not stepped away from the health agenda, and, if anything, COVID-19 has put the spotlight on making healthier lifestyle choices. As a category, soft drinks has already delivered significant steps in the right direction, partly accelerated by the Soft Drinks Industry levy but also by a desire to create great tasting, 'better for you' alternatives for consumers. Reports from the British Soft Drinks Association point to the fact that over the last six years, the industry has reduced take-home sugar from soft drinks by 43.5%². We are therefore well-placed to not only deal with, but also serve as a beacon to other categories as they grapple with the implications of the Government's upcoming HFSS legislation. I am in no doubt that the soft drinks category will be ready well in advance of the April 2022 deadline.

Finally, European research has showed that, despite the COVID-19 pandemic leading to new shopping habits, consumers have continued to prioritise sustainable packaging.³

A number of cross-industry collaborations continue to build towards a more sustainable future, driven by new technology and processes to create additional recycled and recyclable materials. With the appointment of Circularity Scotland, the DRS has taken a step closer to coming into force. We are a vibrant and creative category and I believe the examples of creating a sustainable future will continue to come from soft drinks manufacturers.

As part of the sustainable future discussion, we have developed a strategy that focuses on innovation 'beyond the bottle'. The first result from this strategy has seen us launch London Essence Fresh Serve, the world's first freshly infused premium tonic. Last year we also acquired The Boiling Tap Company and it rebranded to become Aqua Libra Co in March 2021.

Aqua Libra Co provides industry leading taps and technology to a wide range of commercial customers. Its state-of-the-art smart touch taps offer boiling, chilled and sparkling water.

In this report you will see the challenges that the soft drinks category faced but you will also find the incredible resilience of the category, manufacturers, operators and retailers.



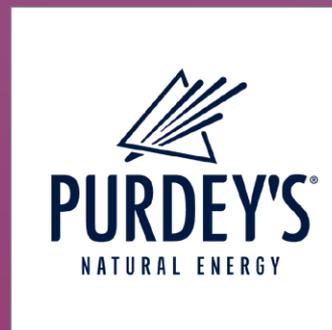
Kind regards
Paul Graham
Managing Director



¹ NielsenIQ RMS, Total Coverage, Soft Drinks Category Volume and Value Absolute Difference Comparison, 52 w.e. to 26.12.2020 vs YA

² Kantar Worldpanel data shows that take home sugar from soft drinks fell by 43.5% between March 2014 and March 2020, once volume growth has been accounted for.

³ <https://www.circularonline.co.uk/news/pandemic-cannot-mean-sustainability-takes-a-back-seat-warns-packaging-giant/>



Building a **SUSTAINABLE** future for soft drinks

The positive challenge for manufacturers

The UK soft drinks industry has proved its agility in challenging circumstances with its response to the Soft Drinks Industry Levy. Now the industry has another opportunity to be proactive, this time in the critical area of sustainability, with the UK Government set to impose taxes on soft drinks packaging. The intervention is part of the Government's Resources and Waste Strategy, published by DEFRA and the Environment Agency in December 2018 and updated in a Policy Statement in July 2020.

Establishing a circular plastic economy involves supporting recycling and accelerating the soft drinks industry's switch of its plastic packaging to recycled polyethylene (rPET). The long-term aim is ultimately to improve our carbon footprint and ensure that great packaging never becomes waste.



Tom Fiennes
Commercial Sustainability Director



Healthier People, Healthier Planet

A key part of Britvic's vision is to create a better tomorrow for all stakeholders, and this has been at the heart of Britvic's ethos since the creation of The British Vitamin Company in the 19th century. In 2020 the company refreshed its sustainability strategy, Healthier People, Healthier Planet. Having a sustainable business mindset goes far beyond measuring our carbon footprint.

Healthier People, Healthier Planet embodies the business' core values, impacting everything that is undertaken and reflects the interconnectivity between people and planet - we can't have healthier people,

without a healthier planet. As part of the strategy, healthier planet goals are given the same priority as financial performance, ensuring sustainable practices are embedded in every element of Britvic's business strategy.

Britvic healthier people, healthier planet strategy

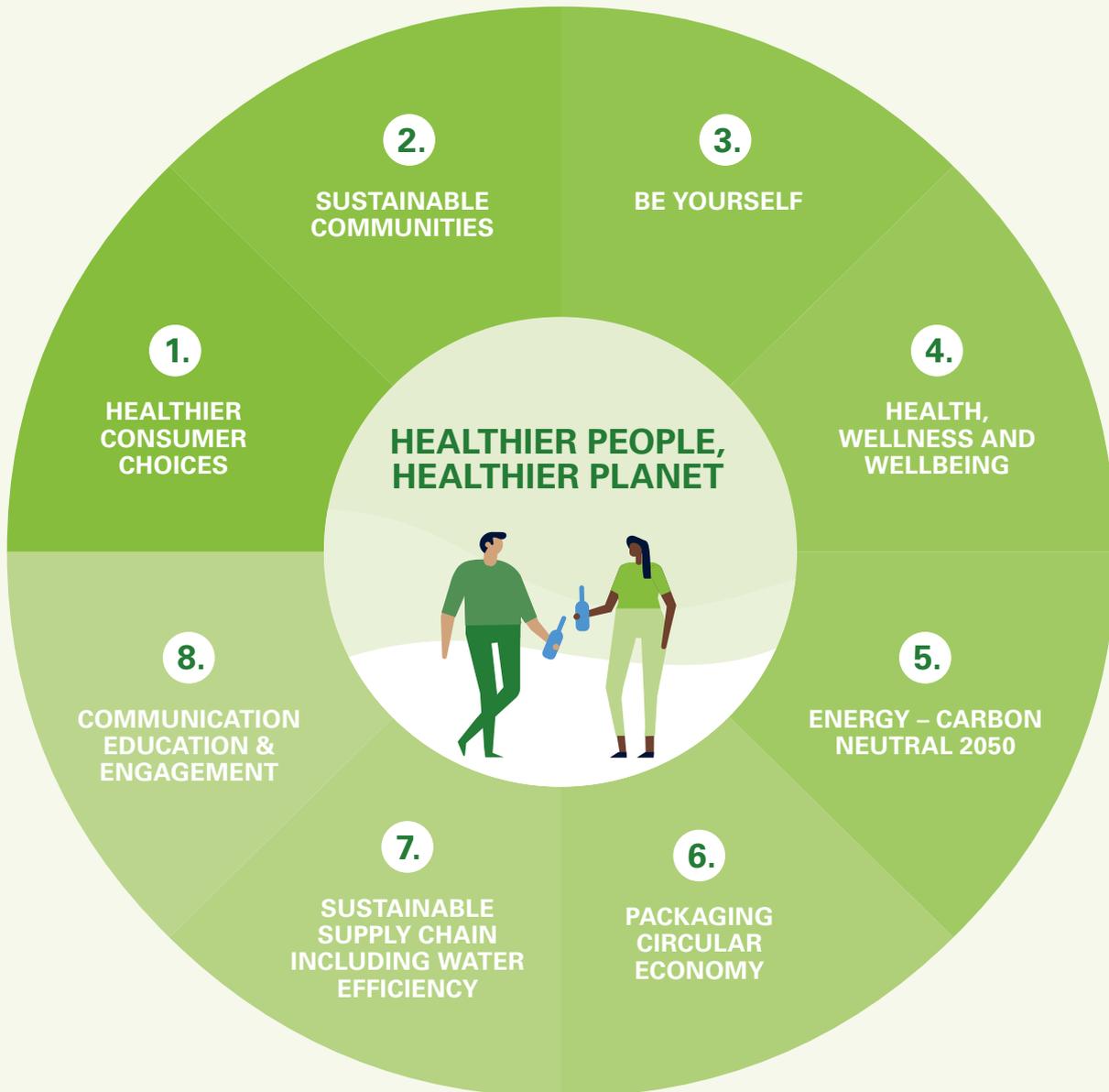
- 1.**

Give consumers healthier choices to enjoy everyday moments.
- 2.**

Making a meaningful contribution to the communities in which we operate.
- 3.**

Our employees are empowered to be their best selves to deliver great performance.
- 4.**

Give consumers healthier choices to enjoy everyday moments.



- 8.**

Use the unique reach and scale of our brands to educate and inspire change.
- 7.**

Understand the environmental and social footprint of our supply chain and drive efficient use of natural resources.
- 6.**

Create a world where great packaging never becomes waste.
- 5.**

Transition to a low carbon circular economy by maximising energy efficiency and using renewable energy sources.



100%
of Britvic bottles and cans
are recyclable

Britvic has removed over 2,000 tonnes of plastic from its supply chain since 2017¹ and was a founding signatory of The UK Plastics Pact.

THE UK
PLASTICS
PACT



Achieving true circularity, lowering carbon and ridding the environment of litter needs infrastructure and collaboration. Which is where the UK Government's Resources and Waste Strategy comes in. While the consequences of the many policies in this strategy will be hugely disruptive to our industries, they have the potential to **leave a lasting positive impact**.

Reducing plastic - sustainable solutions

Ribena is switching to paper straws on its cartons this July and is projecting a saving of 16 tonnes of plastic each year.²



Embracing the Resources and Waste Strategy

For many retailers, introducing the concept of Extended Producer Responsibility (EPR) for packaging will be the most challenging. This approach incentivises better packaging design for treatment at end of life, helping to move waste up the hierarchy and stimulating secondary

markets, delivering higher collection, recycling and recovery rates. It will undoubtedly increase costs too, as producers are to bear the full net cost of managing their products at the end of their life.

¹ Britvic Annual Report 2020

² <https://news.sky.com/story/ribena-switching-to-paper-straws-on-its-cartons-saving-16-tonnes-of-plastic-each-year-12228041>



Retail takes lead on hard to recycle plastics

In March this year, Tesco announced that it had begun rolling out soft plastic recycling points to 171 stores in the South West of England and Wales with plans to roll out to all large stores nationwide. This marks the first time that UK consumers will have a network of collection points of this size dedicated to soft plastic.

Consumers can also expect to see changes to how we recycle, as the Government strives to make local recycling collections consistent across the country, reducing residual waste and increasing the quality and quantity of recyclate that can be processed and used again.

Packaging is the area of greatest scrutiny for the soft drinks industry. It doesn't just keep products safe, secure and of optimum quality, it has become part of

modern life. With the growth in packaging has come an unintended consequence, packaging waste. Historically reducing packaging has been a light-weighting, cost cutting exercise. Today, we must do more. Our consumers demand it, our customers demand it, society demands it. There isn't a single solution to address the packaging conundrum, it requires a number of solutions, mapped to consumer insight and consumption occasions.

Waitrose: Trialling creative solutions to reduce packaging

In January this year, Waitrose announced that it would be expanding the trial of its packaging-free, refillable products after the initial trial showed that it reduced single-use packaging by 98%.³



³ <https://www.edie.net/news/12/Waitrose-Unpacked-Supermarket-unveils-next-steps-for-plastic-busting-refill-scheme/>

Deposit Return Scheme – taking learnings from Scotland

For the soft drinks industry, it is the introduction of a Deposit Return Scheme (DRS) that requires the most attention. The concept is simple and familiar to many of us that have spent time on the continent (or indeed lived long enough to remember buying and returning drinks in glass bottles). While in practice it is anything but straightforward, we know from international experience, if you get a DRS right you can see recycling rates climb far above 90%. Britvic supports a well-designed, industry-led, not-for-profit scheme that is GB-wide. It is the most efficient and effective way to achieve our circularity goals.

While there is still some collaboration between drinks producers, our retail partners and policymakers to be done, much can be learned from the development of a DRS north of the border.

Alongside producers and retailers, Britvic is proud to be a founding member of Circularity Scotland – the administrator appointed by the Scottish Government to run the scheme. A sustainable future is possible for everyone, but it requires the industry to work with customers and Governments to share expertise.

We want to see a world where great packaging never becomes waste and this scheme is part of making this vision a reality. The scheme will increase the quantity and quality of packaging collected for recycling in Scotland, and what we learn will be invaluable in the long-term as we push to create better environmental outcomes right across Great Britain.

Meeting the demand for more recycled PET

A well-run DRS will play a pivotal role in increasing the availability of PET for single-use plastic bottles for recycling. Using rPET instead of virgin plastic reduces our reliance on finite resources and has a carbon benefit, which is part of the reason so many drinks companies have made long-term commitments to its use.



But the demand for rPET still vastly outstrips supply. As soon as April 2022, businesses will have to pay an additional £200 per tonne of plastic packaging they put on the market that does not contain at least 30% recycled content.

Supporting an effective DRS will help increase the availability of rPET, while making it more commercially viable for anyone that chooses to access it.

Working towards 100% rPET

Britvic has committed to have the plastic bottles of all its owned and PepsiCo branded products, produced and sold in Great Britain, made entirely from 100% recycled plastic by the end of 2022.



Reducing the industry's carbon footprint

The long-term goal of all this activity is to improve the soft drinks industry's carbon footprint. By ensuring great packaging never becomes waste and achieving circularity in packaging, we hope that will help us achieve our ultimate goal of achieving net zero carbon emissions by 2050.

We cannot do this alone. Supplier and customer engagement is key to reducing carbon emissions throughout the value chain and as more and more businesses, indeed whole industries, set these stretching targets, we can only achieve them by working collaboratively.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

A critical decade to avoid climate disaster

In 2019, Britvic set ambitious targets aligned with the Science Based Targets initiative (SBTi) – and became the first UK soft drinks company to have approved carbon reduction measures based on the very highest global standard of preventing a global temperature rise of more than 1.5°C. So far, Coca Cola European Partners and Innocent drinks have been the only soft drinks companies to follow suit.

By December 2019, the soft drinks category was worth a staggering

£15.77bn and growing +1.3%¹

Despite a series of national and local lockdowns, soft drinks' performance stabilised by the end of 2020 at

£12.2bn and -22.6%²

...a resilient performance in an extraordinarily challenging market.

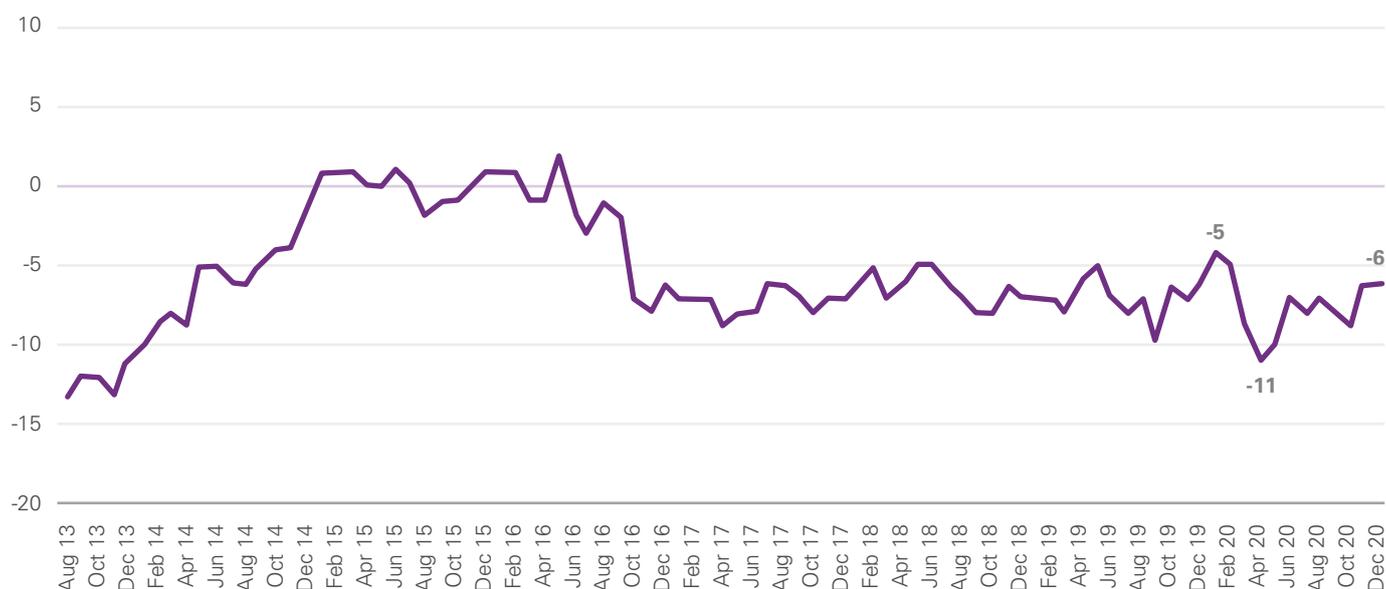
¹ Combined data: NielsenIQ RMS, Grocery Multis, Total Soft Drinks, Value 52wk to 28.12.2019, IRI Total Convenience, Total Soft Drinks, Value 52wk to 29.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2019 Vs YA

² Combined data: NielsenIQ RMS, Grocery Multis, Total Soft Drinks, Value 52wk to 26.12.2020, IRI Total Convenience, Total Soft Drinks, Value 52wk to 27.12.2020, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020 Vs YA

A year UNLIKE any other

2020 began with consumer confidence falling over Brexit uncertainty, and spending squeezed by rising transport and housing costs, and six-year-high³ food price inflation. Soft drinks' strength against these headwinds led to value growth plateauing at -0.2%⁴ in 2020's first two months.

Consumer confidence dipped sharply in April to the lowest point since 2013⁵



In March it was all change. As the pandemic hit, soft drinks' performance fractured overnight into a divided picture. For the channels staying fully open, namely online, supermarkets and convenience, soft drinks' value picked up +1.6%⁶ (volume +4.1%⁷) in the first lockdown (March-June).

In the channels that were predominantly closed, led by leisure and licensed venues, soft drinks' value shrank

78%⁸. In normal times, these out of home channels are disproportionately important for soft drinks, with 46% value share pre COVID-19⁹. These closures inevitably prevented soft drinks, along with other categories, reaching growth.

³ British Retail Consortium (data to March 2019) quoted in <https://www.bbc.co.uk/news/business-47796177>

⁴ Combined data: NielsenIQ RMS, Total Coverage, Total Soft Drinks, Value, 9 w.e. 29.02.2020 v YA, CGA Total OOH, Total Soft Drinks, Value, 9 w.e. 29.02.2020 vs YA

⁵ IGD Shopper Confidence Index January 2021

⁶ NielsenIQ RMS, Total Coverage, Total Soft Drinks, Value Sales, 17 w.e. 04.07.2020 vs YA

⁷ NielsenIQ RMS, Total Coverage, Total Soft Drinks, Volume Sales, 17 w.e. 04.07.2020 vs YA

⁸ CGA Total Soft Drinks, Value, % Change YA, 01.03.2020 – 30.06.2020 vs YA

⁹ Total Market Combined: NielsenIQ RMS, Grocery Multis, Total Soft Drinks, Value 52wk to 28.12.2019, IRI Total Convenience, Total Soft Drinks, Value 52wk to 29.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2019 vs YA. Share relates to Foodservice and Licensed share of Total Market value in 2019. Disproportionate refers to value share at 46% vs volume share of 20%,

Recessionary behaviours

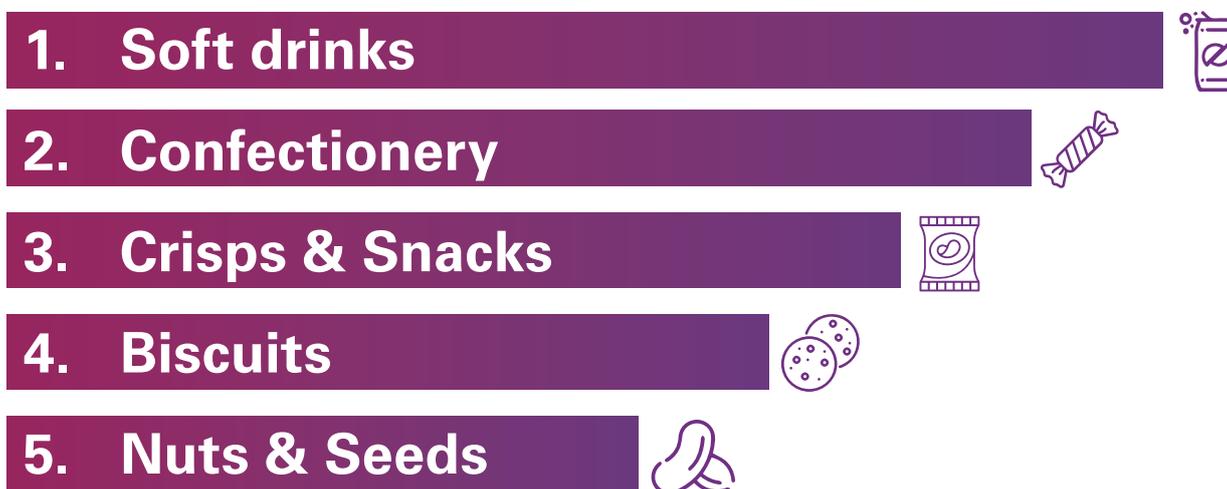
During 2019, consumers were demonstrating recessionary behaviours. Going into 2020, consumer confidence was already impacted by Brexit worries and the arrival of COVID-19. 828,000 immediate job losses¹⁰ and many more furloughed, meant that saving cash inevitably came into focus.

The interesting point though is that research suggests that 82% of household finances weren't affected by COVID-19¹¹. In fact, overall household expenditure may have reduced £55 per week on average (£2,800 per year), driven by lower spend on transport, leisure

and holidays¹². Although some consumers have been negatively impacted by the pandemic, there is confidence that soft drinks' value growth can still be unlocked by responding to changing consumer and shopper behaviour. This is particularly so given that soft drinks is an accessible treat at just 26 pence per serve, on average¹³.

Soft drinks is the largest impulse category, bigger than confectionery, crisps and snacks, and biscuits.¹⁴ 39% of people buy soft drinks on impulse,¹⁵ making visibility crucial to trigger unplanned purchases.

Top 5 impulse categories



NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, Latest MAT to 27.03.2021

With value a priority for shoppers in this climate, unsurprisingly cola, lemonade and dilutes saw the highest volume growth YOY, adding £263.7m to grocery and convenience channels¹⁶. Spending more time at home with water 'on tap' boosted dilutes value +12.8%,

with Robinsons adding most of the category growth at £21.5m, followed by Own Label at £15.5m¹⁷. Dilutes has soft drinks' lowest pence per serve¹⁸, making it universally accessible and is the most chosen soft drink for adults and kids alike¹⁹.

¹⁰ ONS statistics quoted in 'UK jobs market moves fast as COVID-19 policies launch and unravel' article. <https://www.theguardian.com/business/2021/jan/26/uk-jobs-market-COVID-19-unemployment-rate> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2021>

¹¹ IGD ShopperVista Post-coronavirus (COVID-19): revert to savvy shopping behaviour, August 2020

¹² Kantar, Worldpanel Plus and ONS Household Expenditure Survey 2018 (2018 used as a benchmark, Worldpanel plus used to assess shifts post COVID-19)

¹³ Kantar Usage Panel, All Consumers, Soft Drinks, Average Cost per Serve, 52 w.e. to 29.11.2020

¹⁴ NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, Latest MAT to 27.03.2021

¹⁵ Touchstone Shopper Decision Hierarchy Research 2019. Impulse refers to not planning to buy soft drinks and only buying as they saw it in outlet.

¹⁶ NielsenIQ RMS, Total Coverage, Soft Drinks Category Volume and Value Absolute Difference Comparison, 52 w.e. to 26.12.2020 vs YA

¹⁷ NielsenIQ RMS, Total Coverage, Dilutes Value Absolute Change YOY, 52 w.e. to 26.12.2020 vs YA

¹⁸ Kantar Usage Panel, All Consumers, Cost per Serve Comparison, Dilutes vs other Soft Drinks, 52 w.e. to 29.11.2020

¹⁹ Kantar Usage Panel, Total Soft Drinks, Usage Servings (mil) share, 52 w.e. to 29.11.2020. Favourite refers to share of consumption.

Back to the future (and the past)

From the start of the first national lockdown, there was a natural shift from out of home consumption such as workplaces, pubs and restaurants to in home consumption. Reducing exposure to COVID-19 when shopping became the priority and led to a return to bigger baskets²⁰, less frequent²¹, and more planned shopping²².

Online was the clear winner from COVID-19. The breadth of online options exploded to include cook-at-home meal kits from restaurants alongside providers like Hello Fresh and Gousto, as well as an influx of delivery opportunities through aggregators such as Uber Eats and Deliveroo.

25% of people shopped their closest store more often, driving growth for convenience²³.

22 million shoppers are now using delivery services



8.2 million more than pre COVID-19²⁴,

leading to delivery value reaching £3.2 billion over the 24 weeks to September 2020, a staggering increase of +£2 billion pre COVID-19²⁵.

Accelerated growth came from a desire to avoid being in-store, as well as more operators adopting online, driving both increased choice and availability.

Online growth accelerated for soft drinks at +58.1% YOY, 4.5x faster than average²⁶

37% of shoppers would consider rapid delivery for non-alcoholic drinks²⁷, highlighting the need to stretch thinking on different missions and occasions to grow soft drinks in the 'new normal'.

²⁰ IGD ShopperVista Top 10 post COVID-19 channel shopper habits report, August 2020

²¹ Kantar, FMCG Panel, Frequency, 12 w.e. to 17.05.2020

²² IGD ShopperVista Top 10 post COVID-19 channel shopper habits report, August 2020

²³ NielsenIQ RMS, Homescan COVID-19 Survey April 2020 / NielsenIQ RMS, Total Impulse, Value % Change, 12 w.e. to 23.05.2020

²⁴ Kantar OOH Panel, Delivery, Total KPIs, 24 w.e. September 2020 - vs 24 w.e. March 2020

²⁵ Kantar OOH Panel, Delivery, Total KPIs, 24 w.e. September 2020 - vs 24 w.e. March 2020

²⁶ Kantar Take Home Panel, Online vs Total Stores, Value and % Growth, 52 w.e. to 27.12.2020

²⁷ IGD ShopperVista The opportunity of last milers, October 2020

The impact of COVID-19 on out of home and food to go

While online was the biggest winner in the pandemic, the UK hospitality industry was hit hardest. The industry as a whole dropped 54% in sales, contracting from £133.5bn in 2019 to just £61.7bn in 2020, the equivalent of almost £200m lost each day²⁸, and 5,975 licensed premises closed permanently²⁹. At the same time soft drinks value declined -51.7% (-£3.76bn)³⁰ and recovery is expected to take longer here than in other channels as a result.

With the reduction in out of home trips, on the go drink formats were disproportionately impacted through the pandemic. However, it's important to note that even with the restrictions, some 28m consumers still bought drinks on the go³¹. Frequency was down 21.5%, but average frequency was still high at 44 times per year³², highlighting drinks on the go's continued importance for consumers.

As food to go is expected to significantly outperform traditional food and grocery going into 2022³³, winning 'drinks with food occasions' will be a key driver of total outlet and soft drinks' growth.

Evolving health in 2021 and beyond

COVID-19 has placed health at the forefront of consumers' minds

with 66% of consumers citing 'added ingredients to make it healthier' as important vs 60% pre-COVID-19³⁴ and 31% of consumers interested in buying premium soft drinks with functional benefits³⁵.

Health remains a key macro trend, with the majority of the population wanting to make their diet healthier.

With 50% of the population actively reducing their sugar intake³⁶ and new planned Government legislation on the horizon to restrict volume promotions, such as multibuys and the location of certain HFSS products in some outlets, it's never been more important to offer a range of great-tasting, low or no sugar drinks.

The Soft Drinks Industry Levy (SDIL) has put soft drinks in a strong position as we head into the HFSS restrictions, set to go live in April 2022, as it accelerated a shift from higher sugar drinks into low and no sugar. By September 2019, the SDIL had helped to strip 37.5 billion kilocalories from the nation's diet³⁷ and this trend has continued with volume growth of below levy products outstripping above levy since 2019³⁸. 77% of category value is already HFSS compliant at the time of publication, which is significantly higher than crisps, confectionery and biscuits, where it's typically less than 10%.³⁹

²⁸ CGA Pandemic and lockdowns cost hospitality £200m a day in 2020, 28.01.2021

²⁹ CGA Nearly 6,000 licensed premises lost in Britain's year of lockdowns, 22.01.2021

³⁰ CGA Total OOH Value Sales and % Change YA, 52 w.e. 31.12.2020 vs YA

³¹ Kantar OOH Purchase Panel, Total Market, Total Soft Drinks Single Serve, 52 w.e. 27.12.2020

³² Kantar OOH Purchase Panel, Total Market, Total Soft Drinks Single Serve, 52 w.e. 27.12.2020

³³ IGD Retail Analysis UK food to go market 2020-22, September 2020

³⁴ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020

³⁵ Mintel Attitudes towards Premium Soft Drinks: Inc Impact of COVID-19 UK April 2020

³⁶ IGD ShopperVista Where do shoppers stand with sugar in 2020? Report, June 2020

³⁷ Public Health England Report September 2019 'https://www.gov.uk/government/news/new-report-shows-further-sugar-reduction-progress-by-food-industry-1

³⁸ NielsenIQ RMS, Total Coverage, Above Levy (High and Medium Sugar) vs Below Levy (Moderate Sugar, Low Sugar, Sugar Free), Volume Absolute Change, 52 w.e. 27.03.2021 vs 2YA

³⁹ Kantar, Total Food & Drink, % Spend on HFSS products, 52 w.e. 21.02.2021. Savoury Snacks = 10.4%, Biscuits = 4.2%, Total Confectionery = 2.6%

Cola is a key success story as the largest soft drinks category,⁴⁰ with 59% volume sales now in sugar free, led by no sugar Pepsi MAX⁴¹. Alongside no sugar cola brands, most soft drinks categories have products that can be promoted and displayed in prominent locations such as gondola ends or online equivalents to drive category sales, for example category leaders J2O, Fruit Shoot and Robinsons⁴². By contrast some 'sugary' impulse categories, such as confectionery, could be heavily impacted by HFSS if they do not have low fat, salt, sugar products, as they will lose the ability to gain extra visibility to drive unplanned purchases.

Although low and no sugar drinks appeal to many consumers, some seek 'no additives / preservatives' and 'made with natural ingredients'. It's important to complement sugar free ranges, which often use artificial sweeteners, with products that don't, such as unsweetened, infused water products like Aqua Libra, Ugly and Dash, containing neither sugar nor sweeteners. With on the go formats priced 18% higher than average single serve⁴³, these drinks are well placed to capture additional value for soft drinks.

Added benefit wellness drinks have grown in popularity⁴⁴, appealing to those looking to enhance their diet or feel they're adding goodness into their body. These drinks benefits range from an energy pick-me-up to added protein, immune or gut health, general multivitamin health or rehydration.

Wellness drinks are worth £240.1m⁴⁵ and shoppers are willing to pay more than double the average price of a soft drink⁴⁶ or 34% more⁴⁷ than the average single serve, which is already priced at a premium.

Wellness drinks such as Purdey's and Innocent Super Smoothies offer a trade up opportunity for soft drinks at a time when single serve drinks are suffering from fewer buyers and reduced frequency. Penetration sits at just 14.2%⁴⁸ despite double this proportion of consumers wanting premium drinks with added benefits⁴⁹. Merchandising wellness drinks together and educating shoppers is key to unlocking growth from this exciting category.



90% of the population doesn't buy stimulant drinks. The key reasons given are they contain too much sugar or caffeine or too many artificial ingredients⁵¹.

Energy is the third fastest growing reason to choose a soft drink⁵⁰ as our lives get ever-busier. This is reflected in the high growth in stimulant drinks and the desire for wellness drinks with vitality or energising claims.

Offering healthier products that claim natural energy benefits or a gentle pick-me-up can fill a much-needed gap for the 59% of the population that often feel tired all the time⁵². It will also provide a broad appeal for shoppers versus products with more niche health benefits. With HFSS on the horizon at the time of publication, ensuring stimulants ranges offer low and no sugar variants can also help reduce risks for this traditionally high sugar segment, particularly in front-of-store chillers.

⁴⁰ Total Market Combined: NielsenIQ RMS, Total Coverage, Cola, Value 52wk to 28.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020 Vs YA.

⁴¹ Total Market Combined: NielsenIQ RMS, Total Coverage, Cola, Volume 52wk to 28.12.2019, CGA Foodservice and Licensed, Cola, Volume, 52wk to 31.12.2020 Vs YA. Pepsi MAX is highest no sugar product, ahead of Diet Coke, Coke Zero and Diet Pepsi.

⁴² Total Market Combined: NielsenIQ RMS, Total Coverage, Value 52wk to 28.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020. Category leader defined based on Adult drinks, Kids drinks and Dilutes.

⁴³ NielsenIQ RMS, Total Coverage – Total Category Infused Water vs Single Serve Soft Drinks - £/l, 52 w.e. 02.01.2021 vs 2YA

⁴⁴ Kantar OOH Panel, Total Market, Britvic Defined Wellness Drinks Penetration growth from 13.1% (52 w.e. to 23.02.2020) to 14.2% (52 w.e. to 21.02.2021)

⁴⁵ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks, Value Sales, 52 w.e. to 02.01.2021

⁴⁶ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks £/l comparison to Total Soft Drinks, 52 w.e. to 02.01.2021

⁴⁷ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks Single Serve £/l comparison to Single Serve Soft Drinks, 52 w.e. to 02.01.2021

⁴⁸ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks, Value Sales, 52 w.e. to 02.01.2021

⁴⁹ Mintel Attitudes towards Premium Soft Drinks: Inc Impact of COVID-19 - UK - April 2020 (Kantar Penetration = 14.2%, 31% interested in premium soft drinks with functional benefits)

⁵⁰ Kantar Usage Panel IH/CO, Total Consumers, Reasons for Choosing Soft Drinks Servings % Growth 4YR CAGR to 21.02.2021

⁵¹ Kantar OOH Purchase Panel, Stimulants, Penetration, 52 w.e. to 27.12.2020

⁵² Mintel Sports and Energy Drinks UK July 2019

Premium redefined

Elevating experiences is a key macro trend that was accelerating pre-COVID-19 as consumers wanted time out to relax and unwind or a way to break free from the mundane everyday.⁵³

This trend has driven consumers to choose more premium drinks more often, creating trade up opportunities for all drinks categories, including soft drinks. With almost one in three adults planning to reduce alcohol consumption in 2021⁵⁴, there are great opportunities to offer more premium and exciting soft drinks to emulate the alcohol occasion, as soft drinks are the no.1 category chosen when moderating alcohol⁵⁵.



Throughout COVID-19, consumers sought new ways to lift their mood and plug the enjoyment gap previously filled by leisure and social experiences. With more time at home, 'insperiences' came to the fore, as people attempted to re-create experiences traditionally offered out of home. Some visited pop up virtual bars like Brewdog Open Arms, while others attended live-stream festivals like Pepsi Global Citizen or simply set up a zoom call quiz night or birthday party with friends and family.

For any event - big or small – drinks played a central role, whether a more premium, adult soft drink, such as a J2O or Appletiser or a mixer to add to alcohol, such as Fever Tree or The London Essence Company, to cater to the 28% people drinking more alcohol during lockdown⁵⁶.

Shoppers were willing to spend more than double the average price of a soft drink on an adult product⁵⁷ and as the number one adult drink, J2O successfully drove adult performance at +2.1% value (vs Adult +1.5%)⁵⁸.



⁵³ Kantar Futures Consumer Macro Trends to 2025 (Britvic bespoke research) 2020

⁵⁴ KAM Media Low and No Report 2021 (statistic quoted in email sent on 29.01.2021). 1 in 3 refers to 32%.

⁵⁵ Kantar Worldpanel Alcovision, 52 w.e. to 30.09.2020

⁵⁶ <https://alcoholchange.org.uk/blog/2020/drinking-in-the-uk-during-lockdown-and-beyond>

⁵⁷ NielsenIQ RMS, Total Coverage, Britvic Defined Adult and Total Soft Drinks £/l comparison, 52 w.e. to 21.01.2021 vs YA

⁵⁸ NielsenIQ RMS, Total Coverage, Britvic Defined Adult and J2O, Value Sales, 52 w.e. to 26.12.2020 vs YA

Mixers added +£66.1m to soft drinks (+23.6%)⁵⁹ sales.

With over double the penetration of adult soft drinks⁶⁰, mixers feature more regularly in the shopping basket and have been experiencing huge premiumisation growth.

Premium now accounts for 42% of all mixers' value, growing +20% YOY⁶¹, spearheaded by Fever Tree, Fentimans and The London Essence Company⁶². In mixers, flavours have also boosted growth as flavour buyers spend more than double versus non-flavour buyers' purchases⁶³. As flavoured mixers are also more likely to be enjoyed on their own than plain mixers⁶⁴, they cater to more potential occasions than non-flavours. As a nation wanting to reduce sugar in our diet⁶⁵, less-sweet, more adult drinks and flavoured mixers are well placed to deliver against this need.

The rise of in home food consumption, with soft drinks a perfect partner, has also created new growth opportunities.

In the first 12 weeks of lockdown, there were +3.6bn in home eating occasions and +3.4bn occasions with at least two people present⁶⁶.

With taste and enjoyment the number one reason for choosing a soft drink⁶⁷, it was well-placed to meet consumer desire for indulgence, treat and discovery⁶⁸. Dilutes benefited as the soft drink most consumed with food in home⁶⁹. As taste became even more important, growth came not only through core dilutes but also 'better' and 'best' price tiers (+10.8% and +13.6% respectively)⁷⁰.

Despite a challenging year, there are many reasons to believe in the soft drinks category's long-term success, if we continue to adapt to the changing marketplace and put delighting consumers at the heart of innovation.



Better dilutes costs 1.7x more than core dilutes and best dilutes 5x more than core⁷¹.

Meaning that trading shoppers up creates significant growth opportunities for the lowest pence per serve category⁷².

⁵⁹ NielsenIQ RMS, Total Coverage, Traditional Mixers, Value and Absolute Value Growth, 52 w.e. to 26.12.2020 vs YA

⁶⁰ Kantar Take Home Panel, 4-weekly rolling penetration 17.05.2020 – 01.11.2020 (16-20% penetration)

⁶¹ NielsenIQ RMS, Total Coverage, Britvic Defined Premium Mixers Value, 52 w.e. to 26.12.2020 vs 2YA

⁶² NielsenIQ RMS, Total Coverage, Britvic Defined Premium Mixers – Top 3 Growth Brands based on Absolute Value Change, 52 w.e. to 26.12.2020 vs 2YA

⁶³ Kantar Worldpanel, Take Home Panel, Total Market 52wks, Data to w.e. to 09.08.2020

⁶⁴ Kantar Worldpanel, Take Home Usage Panel, Total Demographics, 52wks, Data to w.e. 03.11.2019

⁶⁵ IGD ShopperVista Where do shoppers stand with sugar in 2020? Report, June 2020

⁶⁶ Kantar, Usage Panel, 12 w.e. 17.05.2020 vs YA.

⁶⁷ Kantar Usage Panel, Total Soft Drinks, Usage Servings (mil) share, 52 w.e. to 29.11.2020

⁶⁸ Kantar Post-lockdown grocery missions: what is here to stay? Article published 30.09.2020

⁶⁹ Kantar Usage Panel, Dilutes vs all other Soft Drinks, Weighted Servings (m), 52 w.e. 09.08.2020

⁷⁰ NielsenIQ RMS, Total Coverage, Dilutes value % change by price tier, 52 w.e. to 26.12.2020 vs YA

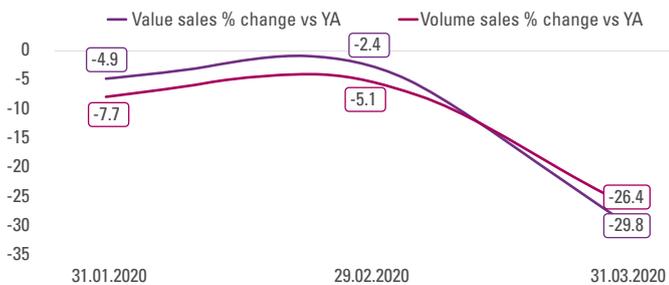
⁷¹ NielsenIQ RMS, Total Coverage, Dilutes £/l by price tier, comparison of better vs good and best vs good (excludes pocket squash), 52 w.e. to 26.12.2020 vs YA

⁷² Kantar Usage Panel, All Consumers, Cost per Serve Comparison, Dilutes vs other Soft Drinks, 52 w.e. to 29.11.2020

2020 - A fragmented year with extremely mixed f

PRE-LOCKDOWN	LOCKDOWN 1
January to March 2020	End-March To end-June 2020

Soft drinks monthly value & volume % change vs YA



CGA Foodservice, Volume and Value, QTR w.e. 31.03.2020

The first quarter of 2020 was highly challenging for foodservice, with consumer participation and frequency declining across all times of day. As health and safety concerns grew, health-conscious consumers were snacking less in the eating out market.¹

March saw the transition from pre-lockdown to the peak of Lockdown 1. With consumers mindful of social distancing and eating out restricted at month end to takeaway and delivery, foodservice participation decreased -9% against March 2019.²

By the time the lockdown was announced in March, UK retail footfall was down over 34%³.

As consumers stayed home, delivery aggregators such as Just Eat and Uber Eats played a key role helping independent and mid-small size foodservice chains explore strategies to maintain cash flow. By the end of March, 37% of consumers had ordered delivered food in the last two weeks, vs 34% the year before.⁴

During the first quarter of the year, with soft drinks declining vs. 2019 (volume -13.4% value -12.9%) as concerns grew and footfall fell, cola remained the no.1 category with 41.1% value share growing +0.7ppt alongside the no.2 category, flavoured carbs at 19.3% value share up +0.3ppt. While achieving modest gains, these core staples along with glucose and stimulants - up +0.5ppt from a small share of 4.7% - played to their delivery and "on the go" strengths to steal share from water (value down -1.1ppt), dilutes (-0.6ppt), and pure juice (-0.3ppt) as shoppers pulled away from busy high streets and transport hubs.⁵

¹ Lumina Intelligence Eating Out Panel, Q1 2020 Report

² Lumina Intelligence Eating Out Panel, March 2020 vs March 2019

³ Statista - Impact of COVID-19 on year-on-year change in footfall in retail locations in the United Kingdom (UK) during March 2020, by region in <https://www.statista.com/statistics/1107894/y-o-y-footfall-growth-during-coronavirus-in-the-uk-by-region/>

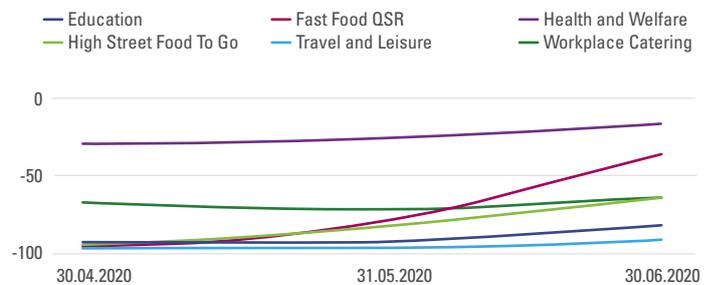
⁴ CGA COVID-19 Weekly Survey 29.03.2020

⁵ CGA Foodservice, Value and Volume, 3 months, w.e. 31.03.2020

⁶ Lumina Intelligence, Eating Out Panel Q2 2020

⁷ CGA Foodservice, Value and Volume, 3months, w.e. 30.06.2020

Soft drinks monthly value % change vs YA



CGA Foodservice, Volume and Value, QTR 30.04.2020 to 30.06.2020

Less than half the population consumed food or drinks out of home between April and June as active participation declined from 69% to 49%.⁶

Eating out-related soft drinks sales shrank -75% and -67% in value and volume respectively.⁷

With most places of education, office workplaces and high street locations closed, almost all branded foodservice operators closed in the first lockdown but started to re-open progressively, offering takeaway/ collection or delivery. Pizza delivery operators like Domino's, Papa John's and Pizza Hut saw sales accelerate, as they already offered delivery.

Most foodservice channels remained closed except for health and welfare, which saw soft drinks demand increase progressively over the period as the pressure on QSR grew, which quickly adapted to serve through delivery takeaway, click and collect and drive through.

Some operators and independents started to push towards take away and delivery solutions, but many stopped in the first week due to operational and cost challenges. Only a few parts of foodservice remained open throughout March and April, mainly pizza operators.

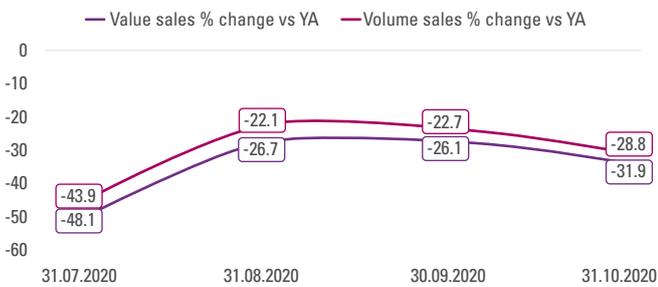
By mid-May the major UK QSR and high street food to go operators were starting to reopen for delivery and takeaway, with newly implemented Health and Safety measures.

Fortunes

RETAIL RE-OPENING (including the introduction of tiered restrictions)

July 2020 to end-October 2020

Soft drinks monthly value & volume % change vs YA



CGA Foodservice, Volume and Value, QTR 31.07.2020 to 31.10.2020

By July, high street food to go outlets and QSR operators were up to speed, easing the overall foodservice decline, but the market was operating at 67% and 70% of its value and volume respectively versus 2019.⁸

The VAT cuts and the Government's Eat Out to Help Out (EOHO) Scheme to incentivise visits and spend to the sector were significant initiatives to increase activity and drive footfall.

During August, footfall saw a significant uplift, peaking on Bank Holiday Monday, with dining out footfall 150% up on pre COVID-19 levels. Diners claimed 100 million 'EOHO' meals in the month.⁹

In the channels that were open, colas and carbonates showed their resilience to change due to availability, reliable brand portfolios and being the perfect pairing for burgers, pizzas, and sandwiches. Colas won +3.3ppt in value share: carbonates added +1.8ppt. Water (-2.0%), juices (-1.0%) and pure juices (-0.8%) all saw shares decline as consumers breakfasted at home and food to go occasions reduced.¹⁰

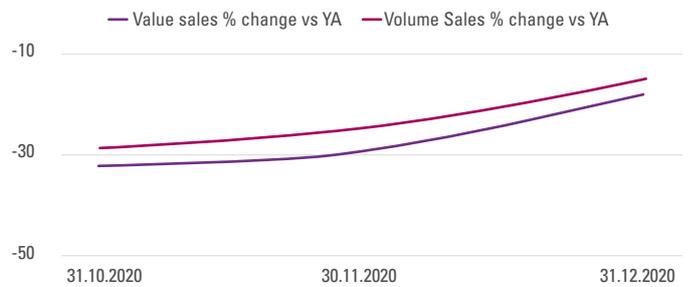
Britvic was the only manufacturer to gain value share, reaching a new high of 17.2%, +3.1ppt up on the same period the year before.¹⁰

All the trusted colas and flavoured carbonates brands won relevance, with Pepsi seeing the biggest share growth, +1.8% on 2019.¹⁰

LOCKDOWN 2 (including major tiered restrictions)

November 2020 to end-December 2020

Monthly value & volume % change vs YA



CGA Foodservice, Volume and Value, QTR 31.10.2020 to 31.12.2020

November saw the introduction of the tiered system and a second national lockdown in England from 5 November to 2 December 2020, with a return to stricter tiers and ending December with many areas in tier 4.

Foodservice soft drinks sales were still down on 2019 during this period, but continued to show improvements. A major factor was food delivery becoming habitual for consumers, in line with other trends like cook-at-home meal kits from the licensed channel, e.g. Dishoom and Pizza Express.

**27% of consumers ordered hot food deliveries over the festive period¹¹,
18% used drive-thru facilities and
10% ordered pick-up or click-and-collect.¹¹**

69% of people who ordered deliveries or collections over the festive period said they would continue to do so.¹¹ Delivery accounted for a quarter of all food and drink occasions in November¹², providing a huge opportunity for operators to recoup lost sales from outlet closures.

Out of home grew its share of lunch meal occasions from 2.9% in November to 5.7% in December.¹³

Consumers averaged 2.2 meal deliveries a week: 'Wanting a treat' was the biggest mission at 33%, followed by 'feeling too lazy to cook' at 17%.¹³

⁸ CGA Foodservice, Volume and Value, Latest 4 months, w.e. 31.12.2020

⁹ Kantar World Panel Plus Data 12th September 2020 and <https://www.bbc.co.uk/news/business-54015221#:~:text=Restaurants%20have%20claimed%20more%20than,Out%20scheme%2C%20Treasury%20figures%20show>

¹⁰ CGA Foodservice, Volume and Value, 4 months, w.e. 31.12.2020

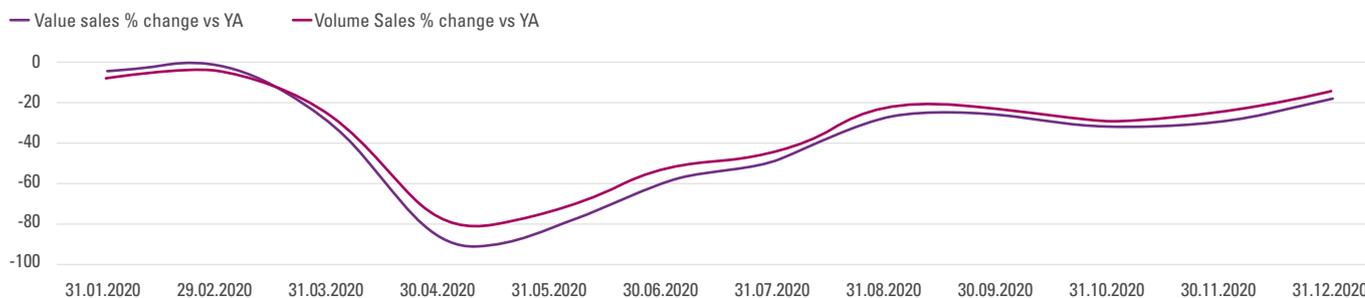
¹¹ CGA 2021 Hospitality Consumer Forecast <https://www.cga.co.uk/2021/02/05/delivery-thrives-again-in-lockdown/>

¹² Lumina Intelligence <https://www.mca-insight.com/analysis-and-insight/delivery-returns-to-top-of-the-menu/651933.article>

¹³ Lumina Intelligence, Channel Pulse Monthly Report, 4 w.e. 27.12.2020

Snapshot view of the foodservice channel & soft drinks category in 2020

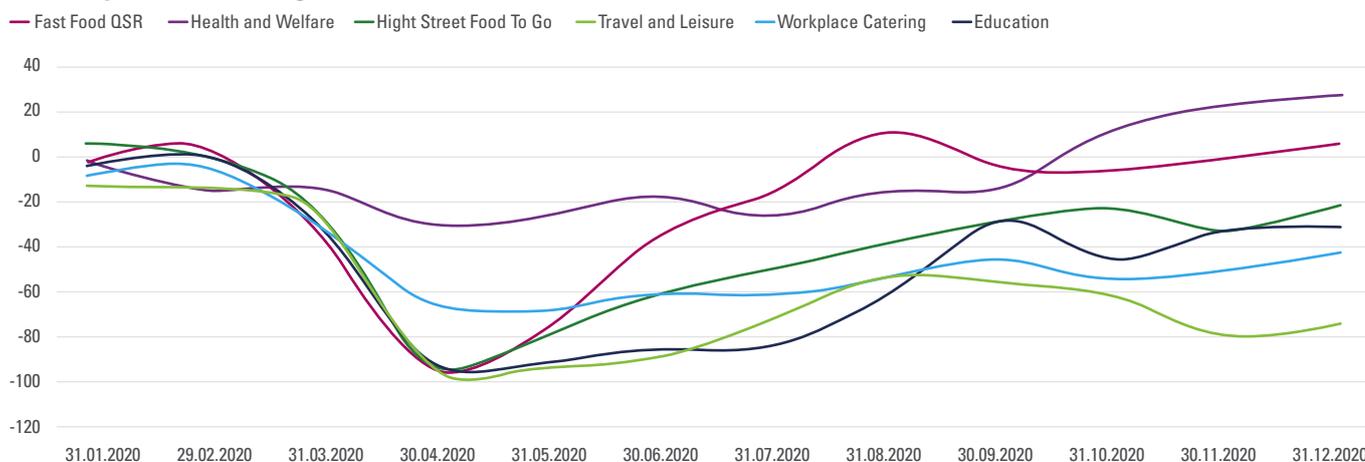
Monthly value & volume % change vs YA



	MAT TY	MAT % change YA	MAT change YA
Value sales (£m)	1,689.8	-37.2	-1,002.1
Volume sales (000's L)	719,737.9	-33.5	-362,088.7

CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

Monthly value % change vs YA



CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

Channel share of trade % change MAT w.e. 31.12.2020

	Channel share of trade			
	Val share 2020	Val share change	Vol share 2020	Vol share change
Fast food QSR	44.4	↑ 8.9	38	↑ 6.0
Workplace catering	16.3	↓ -3.0	13.4	↓ -3.8
High street food to go	15.3	→ -0.5	10.5	↓ -1.3
Education	14.0	↓ -2.4	14.4	↓ -3.1
Travel and leisure	6.1	↓ -4.2	4.7	↓ -3.3
Health and welfare	3.9	↑ 1.2	19.0	↑ 5.5

CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

Category share % change MAT w.e. 31.12.2020

	Category val share/change		Category vol share/change	
	2020	Change	2020	Change
Cola	43.3	↑ 0.9	36.1	↓ -1.1
Flavoured carbs	20.8	↑ 1.2	17.9	→ 0.3
Water	10.8	↓ -1.2	14.1	↓ -0.9
Juice drinks	9.2	↓ -0.6	6.7	↓ -1.1
Pure juice	8.7	→ 0.0	8.7	→ 0.5
Glucose stimulants sport	4.1	→ 0.0	2.1	→ -0.2
Squash	1.6	→ -0.3	13.0	↑ 2.7
Other	1.4	→ -0.0	1.3	→ -0.1

CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

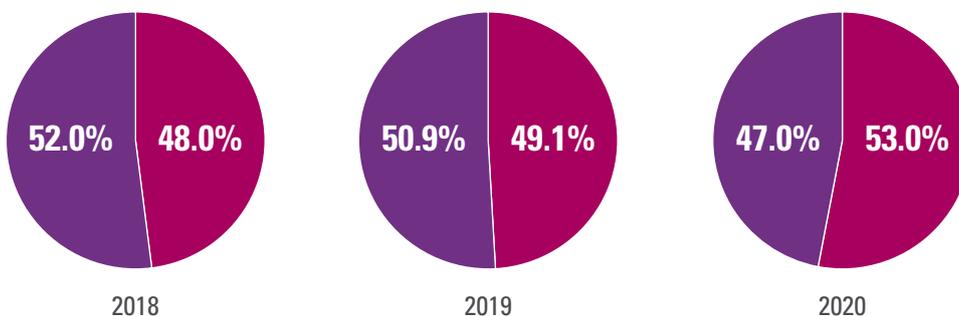
Supplier share of foodservice % change MAT w.e. 31.12.2020

	Value share		Volume share	
	2020	Change	2020	Change
CCGB	53.5	↓ -1.7	43.3	↓ -4.2
All other	23.1	→ -0.3	33.9	↑ 2.6
Britvic	16.3	↑ 2.8	15.1	↑ 2.2
Radnor Fruit Farms	3.1	→ -0.1	3.7	→ 0.2
Suntory Beverage and Food GBI	2.3	↓ -0.7	1.8	↓ -0.6
COTT Beverages	1.8	→ -0.1	2.3	→ -0.2

CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

Volume sugar content share of soft drinks

High sugar Low sugar



CGA Foodservice, Volume, MAT TY w.e. 31.12.2020

A year of transformation and adaptation



Lost soft drinks sales amounted to 362.1 million litres over the year, equivalent to about **145 Olympic swimming pools**.

STAY HOME
PROTECT
THE NHS
SAVE LIVES

The COVID-19 pandemic and restrictions had an enormous impact on the channel - and therefore the soft drinks category - due to closures and limited footfall in the UK foodservice channel. This part of the soft drinks market closed 2020 at -37.2% in value and -33.5% in volume versus 2019¹⁴.

The level of contraction in soft drinks sales that started with the first lockdown varied across the different foodservice sub-channels. Due to travel restrictions and the 'stay at home' rule, travel and leisure were the most impacted, followed by workplaces, education and high streets as workers and students avoided commuting and stopped going to offices, schools, colleges and universities.

Quick service restaurants (QSR) proved to be the most resilient foodservice channel for soft drinks, gaining +8.9 ppt share in value and +6.0ppt share in volume. QSR accounted for 44.4% of total foodservice value sales in 2020, versus 35.5% in 2019.¹⁴



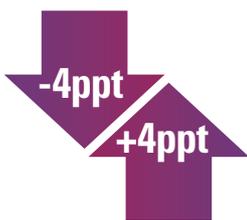
¹⁴ CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

QSR's buoyancy meant the trusted cola and flavoured carbonates brands thrived in this channel over this period as ideal pairings with food.

All the soft drinks manufacturers saw significant losses in volume and value. Suntory Beverage and Food GB&I was hit particularly hard, as its key brands - Lucozade, Ribena and Highland Spring – heavily rely on the most impacted channels in this sector. Meanwhile Britvic's strength in QSR meant it outperformed competitors in pure delivery players like Papa John's, Pizza Hut and KFC.¹⁵



In 2020...



High sugar variants' share of soft drinks consumption fell -4ppt¹⁶

Low sugar variants' share grew +4ppt¹⁶

Looking at cola and carbonates brands, Pepsi* won +3.1% value share and +3.8% volume share against Coca Cola*, which lost -3.2% in value and -4.0% in volume.¹⁵ Tango and 7UP performed strongly in flavoured carbonates, growing +3.0% and +2.6% in value share. Fanta held its ground, slightly declining against Sprite, which lost -1.9% in value and -1.1% in volume.¹⁵

* Total brand portfolio

A fragmented year that impacted soft drinks sales significantly

The Office for National Statistics' figures revealed that the UK economy shrank -9.9% in 2020, with output in the accommodation and foodservice sector down -51.8% versus 2019¹⁷. The industry faced a challenging scenario, as Government policies and consumer response varied over the year.

As lockdown approached, with fear of missing out, over half of consumers visited the out of home market for a last time¹⁸. After that, work, school, entertainment, drinking and eating all moved inside people's homes, leaving the licensed and foodservice channels almost completely closed.

Workplaces and education canteens were forced to close and major QSR operators closed their estates as the Government announced they would pay up to 80% of wages for workers at risk of being laid off. But by May high street and QSR operators started reopening for delivery and click and collect, while grocery and convenience sales boomed.



¹⁵ CGA Foodservice, Value and Volume, MAT TY w.e. 31.12.2020

¹⁶ CGA Foodservice, Volume, MAT TY w.e. 31.12.2020

¹⁷ MCA Insights "Hospitality a 'brake' on UK growth rate" by Georgina Cronin in <https://www.mca-insight.com/finance/hospitality-a-brake-on-uk-growth-rate/653135.article>

¹⁸ CGA consumer snap survey, 29.03.2020 in <https://www.cga.co.uk/wp-content/uploads/2020/04/CGA-Covid-19-Survey-Consumer-in-Lockdown-FINAL-web.pdf>

Eat Out
— TO —
HELP OUT



With the foodservice channel reopening on 4 July - for what would turn out to be 17 weeks - consumer confidence in the sector gradually improved. Encouragement came from the summer weather, the health and safety measures adopted by operators, the Government's Eat Out to Help Out scheme and the VAT cut on food and non-alcoholic drinks to keep prices down.

Towards November, before the second National Lockdown was imposed, England, Wales and Scotland were already under Tier restrictions. By December most parts of the UK were highly restricted, leaving the on-trade unable to take advantage of traditionally the year's biggest season, Christmas.

QSR kept soft drinks sales buoyant in second half of 2020

Soft drinks saw strong growth in fast food quick service restaurants, with the foodservice channel's soft drinks volume share up +9.6% in November/December 2020¹⁹. QSR's volume share of cola increased +13.3% versus 2019, while its flavoured carbonates share grew +9.3%, highlighting how this channel has been a lockdown lifeline for these categories and a go-to choice for consumers.¹⁹

In November and December QSR increased its share of cola foodservice sales by +21.3%, showing a potential over reliance for colas in this channel. QSR's share of flavoured carbonates remains around the 9.3% mark.¹⁹

At a total foodservice level during lockdown 2, flavoured carbs and juice drinks were the stand out categories, gaining value share in this period through strong performances in QSR, as well as flavoured carbs seeing growth in health and welfare. Despite its strong QSR performance, cola's share losses in other channels like travel & leisure and high street meant it lost share at a total channel level.



¹⁹ CGA Foodservice, Volume and Value, Latest 2 months, w.e. 31.12.2020

What does 2021 hold in store for the foodservice channel and the soft drinks category?

2020 was unlike any other year that the current generation of business leaders have weathered. Continuous uncertainty is now part of business planning. There is no guarantee that we'll return to a 'normal' world before the end of 2021. The easing of lockdown has been met with jubilation as proclaimed by newspapers mid-April. If consumer confidence follows the same pattern as the last lockdown easing over the summer²⁰, there could be a modest uptick in the coming weeks and months.

According to CGA²¹, there is a view that the market may become polarised - some consumers seeking value while others look to trade up their experiences, representing a real opportunity for foodservice outlets that can adapt their offer to serve both audiences.

Additionally, two in three UK employees who commuted to work pre-COVID-19 now look to work from home more often²¹. Again, this could significantly impact foodservice outlets along travel corridors and in city centres, making it crucial for operators to review their offer and the ability to weather a slow return to pre-COVID-19 patterns.

2021 will continue to see a greater focus on order and pay technology, changing the traditional path to purchase.²² The pandemic has accelerated the online trend by 10 years and is seemingly here to stay with the current conditions.²² Coupled with the growing demand for delivered, this presents both an opportunity and threat to foodservice outlets. Some, like QSR will continue to deliver strong results while other segments will need to adapt their service offer even further.

All is not doom and gloom though – consumers have shown that they are desperate to reengage with the channel, looking for quality, safety and most important the fun and exciting socialising occasions they missed out on in 2021.

As we'll go on to discuss in the next section, the soft drinks category has a vital role to play as consumers moderate their alcohol intake out of home and hunt for healthier hydration options.



²⁰ GFK Consumer Confidence Index, Monthly Confidence to January 2021

²¹ CGA Brand Track June 2020

²² CGA & Zonal Go Technology November 2020 (1 & 3) CGAs Business Confidence Q3 2020

Pandemic makes HEALTH & WELLBEING segment a soft drinks priority



We have talked about the importance of health and wellbeing in the last few Britvic Soft Drinks Reviews, and with interest growing, accelerated by the COVID-19 pandemic, this trend remains in the spotlight. Consumers are continuing to seek out healthier lifestyles, centred on healthier food and drink consumption¹.

With 97% of the UK population trying to be healthy in some way² and 74% of consumers stating they are eating and drinking more healthily than before the pandemic³, it is important that operators and manufacturers satisfy this demand.

Food and drink are enablers to consumers achieving healthier lifestyles⁴. The wellness drinks category is worth a huge £240.1m⁵ and has further potential for growth. Confirming this trend in foodservice, Deliveroo has reported a +181% increase in healthy orders on its platform in the last three years⁶, reflecting the demand for healthy options as part of the 'treat' occasion.

Deliveroo also lists over 4,000 healthy restaurants on its platform, a +257% increase over the past three years⁷. With soft drinks currently under-indexing in delivery, healthy drinks that are different from what's in consumers' fridges present a great opportunity to drive additional value into the delivery occasion.

The desire for healthy choices is particularly prevalent among young people. Nine in ten 18-24s say they would buy food for delivery more regularly if offered a wider selection of healthy meals⁷. 16-34s are also more likely to count the calories they consume, making it more important than ever for menus to feature healthier options.⁸ These younger consumers pave the way for future generations, and getting it right with them sets the precedent for future trends.



¹ IRI Hot Topic – A look into healthier NPD - 2018

² IGD ShopperVista Health: Shopper priorities and changing attitudes to health, September 2019

³ Lumina Intelligence channel pulse 2020

⁴ IGD ShopperVista Health: Shopper priorities and changing attitudes to health, MCA & HIM Healthier Eating survey, November 2018

⁵ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks Penetration Value Sales, 52 w.e. to 02.01.2021

⁶ MCA: Inside Deliveroo's new health-focused delivery-only service, 02.03.2020

⁷ Deliveroo Newsroom. January 2020

⁸ Mintel Menu Trends, UK, January 2021

60% of soft drinks consumers state they opt for healthy drinks most of the time, but flavour remains the top attribute in making choices⁹.



Leading with calorie claims is not new, of course. Soft drinks like Pepsi MAX have offered 'No Sugar, Maximum taste' for many years. We have also seen the likes of San Pellegrino and Lucozade offering less sugar. In the snack categories there are overtly healthy products like Snack-a-Jacks. The trend is expanding elsewhere, with guilt free products appearing in more and more categories¹².

Health remains important, but not if it's to the detriment of taste, with 73% caring more about what their food and drink tastes like than its calorie content. Therefore, operators need to choose drinks that satisfy consumers' desire for health but also taste great, or they won't sell.¹⁰

It is important to note that health and wellbeing means different things to different people, but sugar remains top consideration when it comes to soft drinks' perceived healthiness.⁹ The foodservice channel has recently seen huge sales increases for low and no sugar soft drinks. This trend has continued in the pandemic, with sugar free growing +4.5% in value and full sugar losing -3.6%¹¹.

Manufacturers continue to take varying approaches to sugar. In soft drinks this means offering products with reduced sugar or sweeteners, but also products naturally sweetened with no sugar. Foodservice operators have evolved their ranges accordingly, such as KFC leading with Pepsi MAX no sugar. This is a sensible strategy, with one in three consumers avoiding outlets without healthy options¹².



⁹ Mintel Soft drinks report 2019

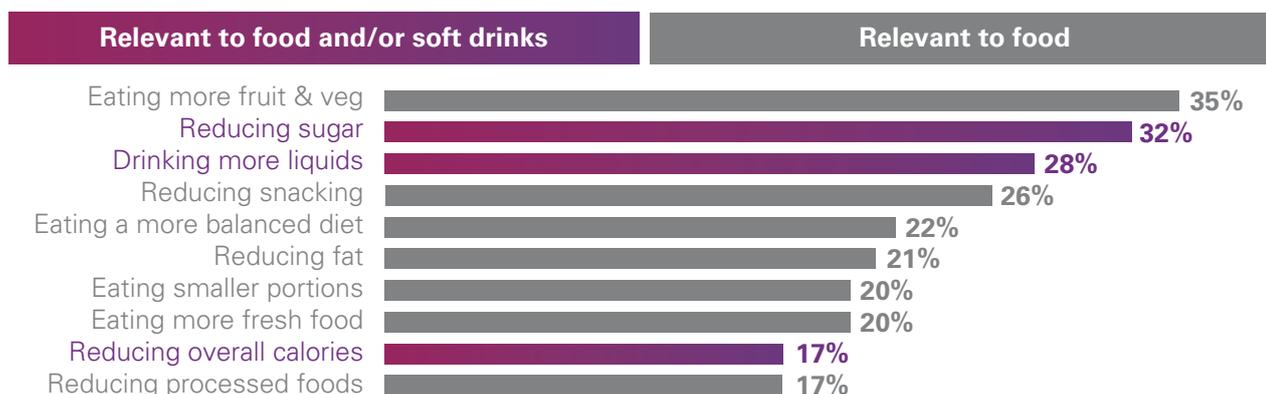
¹⁰ Mintel Report Eating Out Review: Inc Impact of COVID-19 – UK, December 2020

¹¹ CGA Total FS&L Update 31.12.2020 / MAT

¹² MCA & HIM Healthier Eating survey, November 2018

Health: Sugar remains the #1 concern for consumers. The UK is taking active steps to reduce consumption

Top 10 food & drink actions taken to be healthier (UK)

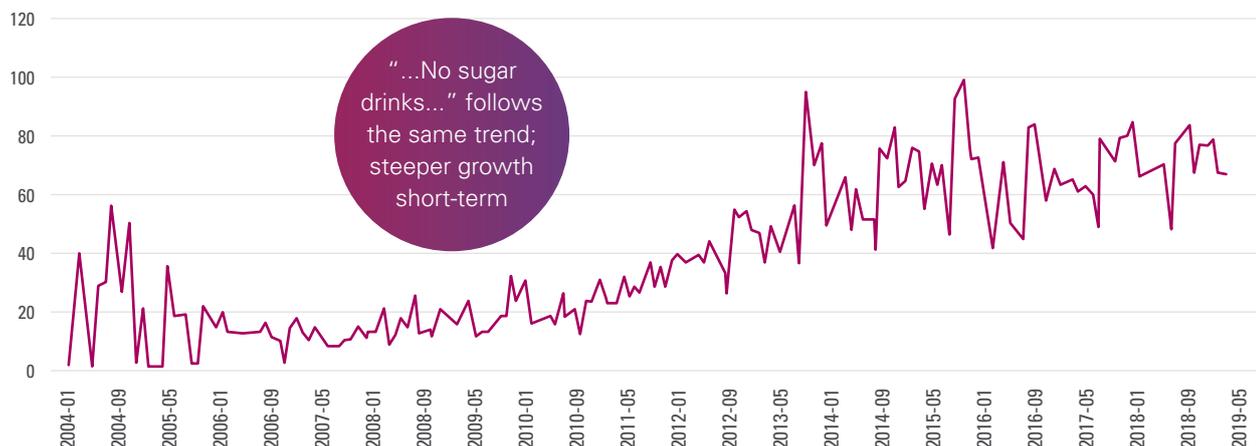


1 in 3 people has actively made changes to their diet in order to reduce the amount of sugar they consume

IGD ShopperVista - Health, Nutrition and Ethics Monthly Shopper - September 2019

Online search term "Is sugar bad?" activity

Engagement Index over 15 years, UK



UK population are increasingly educating themselves about sugar, proactively looking to understand the effects

Google Trends - Is sugar bad? - Data Retrieved September 2019

Outside of the sugar debate, the health and wellness category in soft drinks is largely split into two main sub sectors: performance and wellness. Performance is an established category, including drinks focused on energy and sports. Wellness is an emerging category, focusing on vitality and rehydration but including the developing subcategories, gut health, body image and relaxation¹³.

¹³ Touchstone Shopper Decision Hierarchy Research 2019 (qualitative understanding)

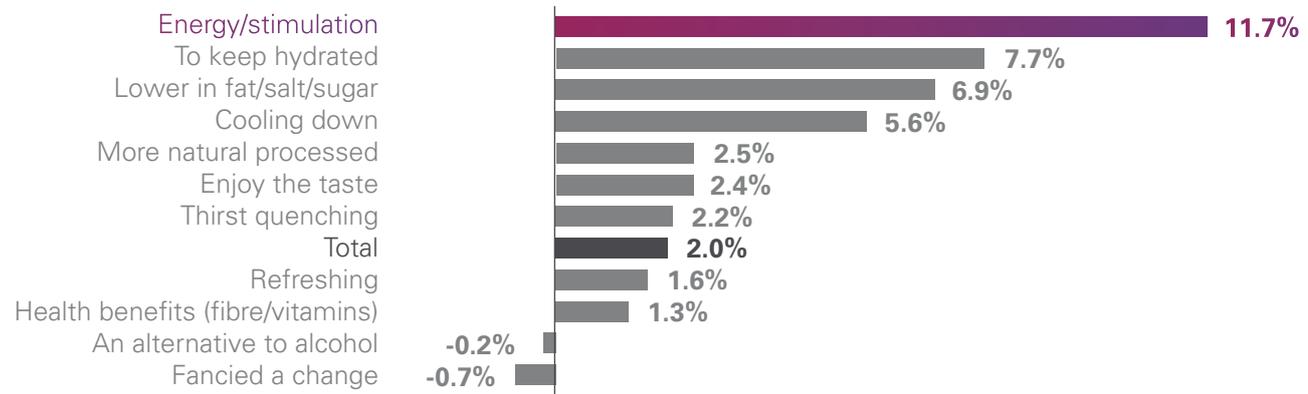
Performance based drinks

Our increasingly busy lifestyles have led to the UK population increasingly feeling tired and seeking options to gain energy. Tiredness is an epidemic in its own right, with 59% claiming they feel tired 'all the time' and many combating mounting work pressures¹⁴. Drinking soft drinks for energy or stimulation' is the fastest growing reason given for consumption over the last few years.¹⁵

Energy brands are diversifying their portfolios to meet changing consumer needs at different times of day. The available range of options is broad, including high caffeine or caffeine-free, and stimulants with natural ingredients or vitamins delivering a softer pick me up. Operators should look to include relevant ranges in meal and snack deals to increase sales.

Reason for drinking soft drink - servings

(% growth - 5 Yr CAGR)



Kantar Worldpanel, Usage Panel, 52wk vs 4YA, Total Consumers, Data to 11.08.2019

The traditional energy category was worth £94m in foodservice in 2019, stable in this channel before the pandemic at +0.1% growth¹⁶. Traditional energy can often be the signifier for the category and using established brands – like Monster, Red Bull or Rockstar - to hero the energy message will attract consumers to the chiller.



¹⁴ Independent 2018 - Study by onepoll.com of 2,000 respondents <https://www.independent.co.uk/life-style/stress-work-pressures-busy-social-calenders-financial-worries-survey-a8167446.html>

¹⁵ Kantar Worldpanel, Usage Panel, 52wk vs 4YA, Total Consumers, Data to 11.08.2019

¹⁶ CGA foodservice data MAT 31.12.2019



However, not all consumers want the traditional energy fix as they explore wellness holistically. Looking at other performance drink options, naturally energising drinks attract those health-conscious consumers who reject stimulants. Natural energy products like Tenzing still deliver a 'hard' boost rather than a 'softer' pick me up¹⁷, while appealing to the 75% of consumers concerned about artificial ingredients in energy drinks¹⁷.

Health-conscious consumers are also attracted to natural energy drinks containing ingredients known for their health benefits, like ginseng, guarana and maca root. Drinks such as Virtue Clean Energy tap into these trends.

Virtue Clean Energy

Three years after its first release, UK-based Virtue Drinks has reformulated and relaunched its Virtue Energy Water as Virtue Clean Energy.

With zero calories and no artificial ingredients, the new Virtue Clean Energy range contains 80mg of natural caffeine from green coffee beans, equivalent to a single cup of coffee. Sweetened with agave nectar and stevia, the range continues to be offered in two flavors (Lemon & Lime, and Berries) and to be enriched with vitamins B3, B6, B7 and B12.



¹⁷ Mintel Sports and Energy Drinks, July 2019

Wellness-based drinks

Wellness-based drinks are an emerging category, with vast potential. 88% of consumers are taking steps to improve their health, with some of these consumers looking for products that contain added benefits such as vitamins or minerals.¹⁸

Drinks with added benefits cover a broad range of qualities, from vitality and rehydration to gut health, body image and relaxation. Vitality remains the largest part of the category, with a 77% value share¹⁹, driven by well-known established brands like Innocent, offering broad benefits which are easy to comprehend. These benefits include multivitamins and ingredients that provide an energising boost.²⁰

Shopping more health consciously is set to continue after the pandemic, with 59% of consumers²¹ stating they will continue to do so in future. This creates an opportunity for the emerging wellness segment to recruit more buyers into soft drinks offering health and wellness benefits without compromising on taste.

The perception of energy drinks as having too many artificial ingredients and/or too much caffeine is among the top reasons people give for using them rarely or not at all. The opportunity for energy drinks with more natural ingredients was the inspiration for Britvic to develop Purdey's.

Positively Purdey's

As the UK's leading sparkling vitality brand, Purdey's is perfectly placed to lead the wellness soft drinks category. Made with naturally sourced ingredients - real fruit juice, boosted by botanicals and energising B vitamins - it offers a no added sugar energy lift.

Purdey's is based on the belief that everyone needs positive energy to embrace what life has to offer. At the same time, energy drinks shouldn't feel like a compromise. Harnessing the power of nature in a drink, the brand gives consumers energy they can feel good about. Naturally boosted by fruit juice, natural botanicals including Chinese ginseng and energising B vitamins, Purdey's is a great natural energy drink for foodservice operators to include in their range.



¹⁸ IGD ShopperVista, Health, Nutrition and Ethics Monthly Shopper, September 2019

¹⁹ NielsenIQ RMS, Total Coverage, Britvic Functional Drinks "Wellness" Segmentation - Value, 52 w.e. 28.03.2020

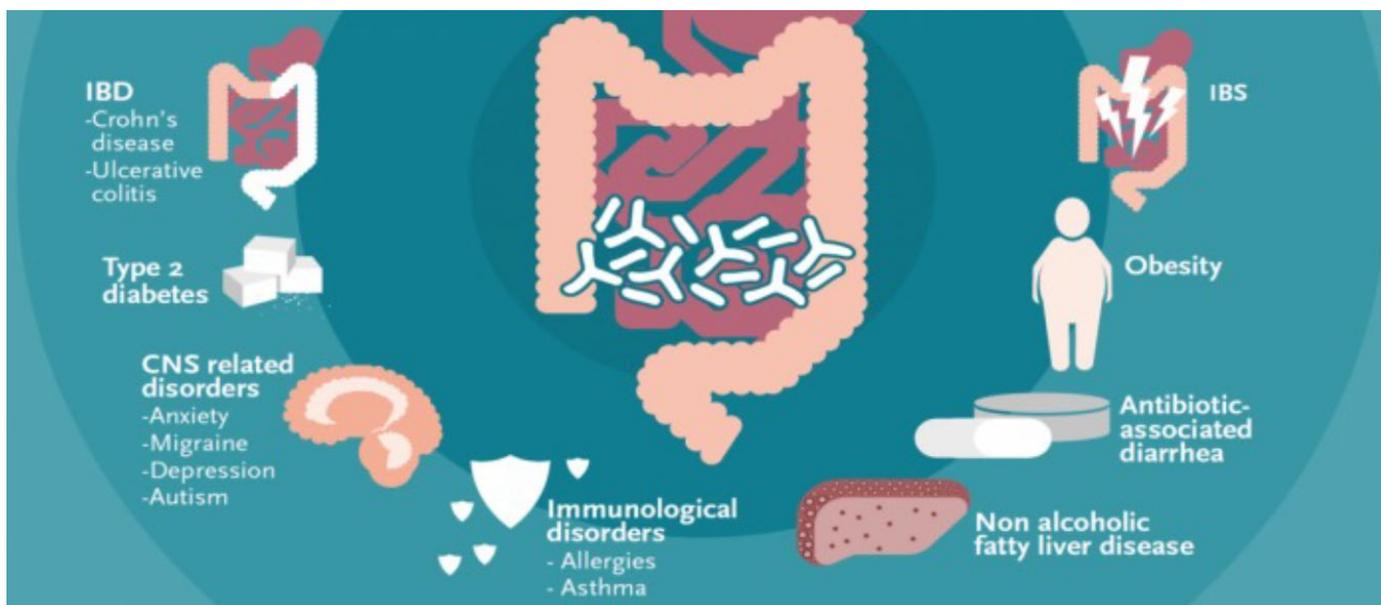
²⁰ NielsenIQ RMS, Total Coverage, Value & Volume, Wellness Drinks (defined by Britvic), 52 w.e. 22.03.2020

²¹ Accenture COVID-19 Consumer Research, conducted March 19–25 and April 2–6, 2020

Gut health

With 68% of adults thinking that actively looking after your gut is essential for overall health, foodservice outlets need to have a range that caters for these consumers²². Healthy and varied gut flora is important for immune system function, good mental health and combating obesity.

Importance of a healthy gut: 68% of adults think that actively looking after your gut is essential for overall health²³



<https://www.winloveprobiotics.com/health-areas/gut-health>

As the balance between work and home shifts, soft drinks with neurological benefits are becoming every bit as important as the typical energy drinks found in many office environments. Nootropics are substances that improve cognitive functions like memory, focus, creativity or motivation. Caffeine is considered the most common one, but others include B vitamins, choline, l-theanine, MCT oils and Omega-3s.

Wow Focus Nootropic Mixed berry drink is one such proposition, with the 'supports mental performance' benefit clearly spelt out on the pack.

Nootropics have wide growth as we increasingly switch to cerebral rather than physical work. According to Mintel²³, brain health will become a more important factor as we live and work longer, facing increased risk of brain-related ageing diseases such as dementia or Alzheimer's.



²² Mintel Attitudes Towards Healthy Eating, February 2019

²³ Mintel 2030 Food Trends Smart Diets report

Relaxation with CBD drinks

Another piece of research by Mintel, carried out just before the pandemic, showed that if asked to make their own drink, 41% of people would like a drink that helps them relax. The next highest scoring factor was fighting tiredness, at 38%²⁴.

As our lives continue to be busy, drinks to aid relaxation are also becoming increasingly important. In research, of those adults who had heard of CBD, 39% associated vitamins or supplements containing it with aiding relaxation²⁵.

Vita Coco's entry into this space in November 2019 with three sparkling soft drinks infused with CBD brings CBD-based soft drinks firmly into the mainstream and paves the way for more high-profile activity featuring this ingredient.

Vita Coco's initial variants – Lemon Cardamom, Apple Ginger and Cloved orange - are made with a coconut water base, sparkling water, natural flavourings and contain 20mg of broad-spectrum CBD per 330ml can.²⁵



Plant-based's popularity is powering soft drinks too

Another reason for foodservice operators to look at wellness-based drinks is that plant-based solutions are also becoming more popular, especially in quick service restaurants (QSR).

Some 44% of consumers would like burger and chicken outlets and restaurants to offer more dishes with meat alternatives, with 60% of 25-34s expressing interest²⁶.

Meat substitutes' growing popularity on the menu will introduce new allergen risks based on the plant-based ingredients in these items, such as seitan (wheat), pea and peanut proteins, making it vital to prioritise menu and nutritional labelling for diners. Meanwhile operators should take a look at pairing plant-based meals and drinks in meal deals, to provide a total package for their guests.²⁶

²⁴ Mintel Coffee Shops, November 2019

²⁵ Mintel Carbonated Soft Drinks: Inc Impact of COVID-19, UK, December 2020

²⁶ Mintel Burger and Chicken Restaurants, UK, August 2019

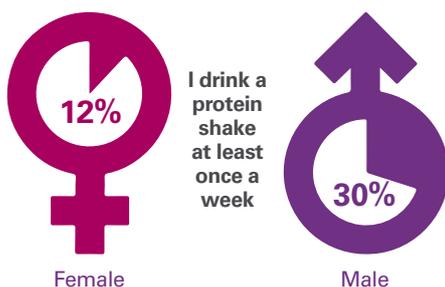
Steps to success

The key to driving sales of wellness drinks in foodservice is good communication in these outlets, educating and informing consumers about these products and what's in them.

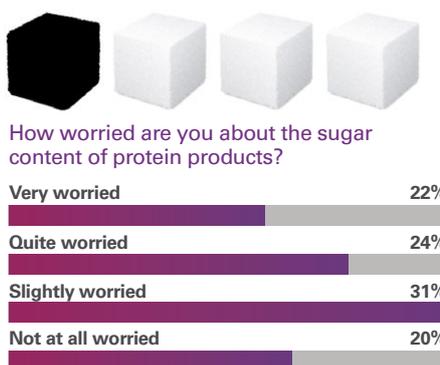
Of the top 10 food trends predicted by business leaders, eight out of 10 are linked to health and sustainability²⁷ and consumers are willing to pay more for them.²⁸ Having a range of health and wellness drinks will be essential in foodservice, to complement the growing range of healthy food to go options entering the market. This is particularly important in on the go, where more consumers adhere to dietary requirements than in total out of home.

Educating shoppers about ingredients is key in overcoming barriers to consumption, even existing users have concerns

Men are far more likely to drink protein shakes

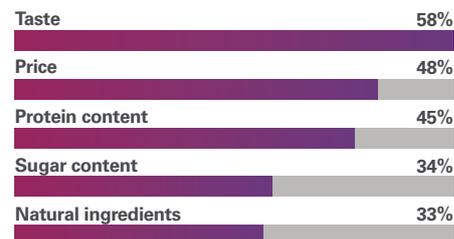


Sugar is a concern for ¾ of users



Taste is most important; protein content is #3, but confusion about how much

When it comes to buying protein bars or shakes, which of the following factors are important to you?



Users of protein products report concerns regarding sugar content Brands must educate consumers on content in products

HIM! survey of 1,000 consumers (445 of whom buy protein shakes & bars), August 2019, reported in <https://www.thegrocer.co.uk/trend-reports/gender-bias-health-concerns-and-sports-shy-consumers-10-charts-explaining-uk-attitudes-to-protein/598311.article>

Men are more likely than women to drink protein shakes, at 30% versus 12%. However, users of protein products report concerns regarding sugar content, so brands need to educate consumers about the facts. Consumers rate protein content less important than taste or price, so it can't just do you good, it's got to taste good.

²⁷ The Value Engineers Need States & Path to Purchase 2019

²⁸ MCA Food to Go Report 2020

Steps to success: Winning ways with wellness drinks

Foodservice operators need to ensure their ranges reflect consumers' needs for caffeine-free products that still deliver an afternoon boost.

Wellness drinks are good news in foodservice for two main reasons:

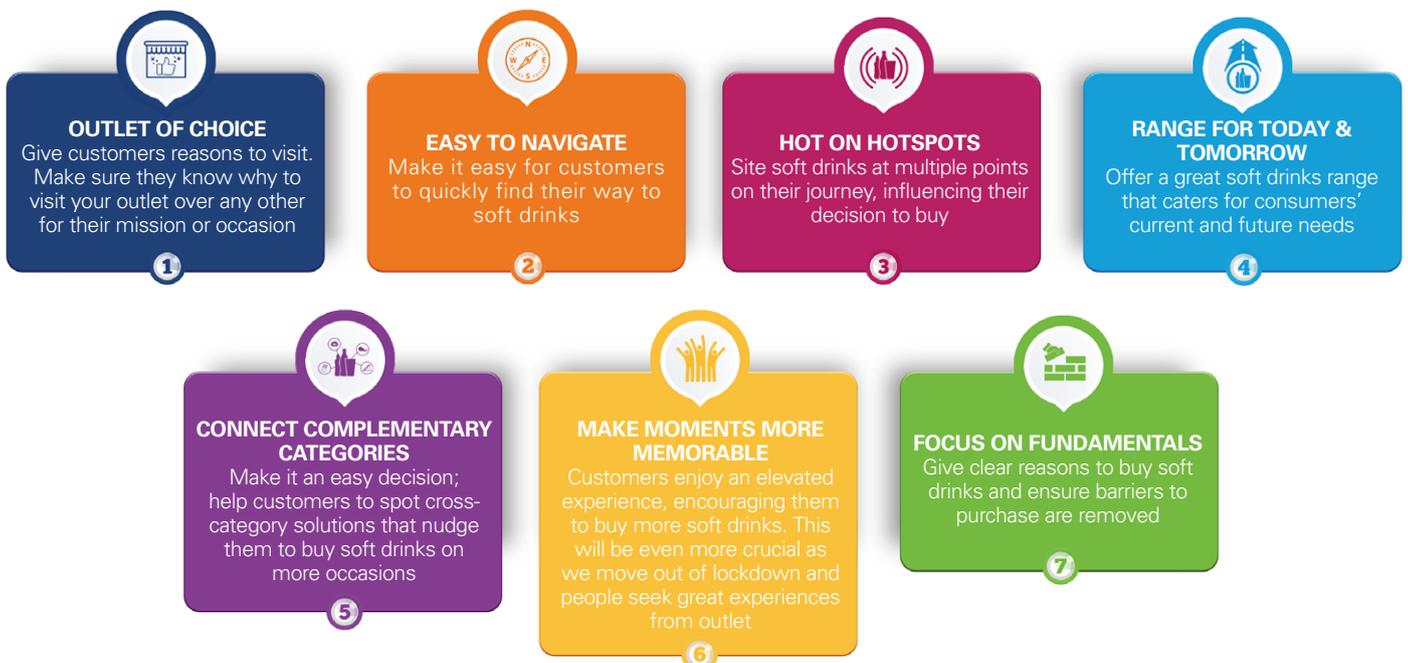
- Consumers who buy into wellness out of home have a higher spend per trip (+15%) compared to total single serve drinks out of home²⁹.
- Wellness products have a higher price per litre³⁰ than soft drinks overall, so increasing their presence out of home will drive soft drinks value sales.

Take these merchandising tips for best results:

- Locate wellness products together in dedicated self-serve wellness spaces in the outlet or on the menu or the menu board, separating them from traditional energy and sports drinks.
- Activate wellness products with point-of-sale material wherever possible, to aid comprehension and recognition of this emerging segment.
- Consider different health and wellness drinks' role at different times of day and their inclusion in meal deals or snack deals, for example natural energy in the morning, lower caffeine in the afternoon
- Explore larger pack sizes, especially in food to go

7 steps to successful soft drinks sales in your outlet

Britvic has analysed the influences that impact successful path to purchase for consumers and it has led to the creation of seven steps to improve soft drink sales in the foodservice channel.



²⁹ Kantar Out of Home Panel, KPIs, Wellness & Total Single Serve Drinks, 52 w.e. 09.08.2020

³⁰ NielsenIQ RMS, Total Coverage, Britvic Functional Drinks "Wellness" Segmentation and Total Soft Drinks, Value and Volume data, PPL, 52 w.e. to 02.01.2021 vs previous years

Channel performance

UK eating out market value

£3,476,581

-52.5% YA

224,892 total no. outlets in 2020

-21.7% decline

All data tables sourced from: CGA Foodservice and Licensed, Volume and Value data, MAT w.e. 31.12.2020
Value in (£'000)

Hotels, pubs, bars & restaurants	Retail, travel & leisure	Contract catering
£1,786,814 Value sales	£1,113,248 Value sales	£576,519 Value sales
-61.4% Value decline	-32.9% Value decline	-44.2% Value decline
90,686 Outlets	54,581 Outlets	79,625 Outlets
-17.8% Outlet decline	-28.1% Outlet decline	-21.2% Outlet decline

Retail includes Fast Food QSR and High Street Food to Go Value in (£'000)

Value in (£'000) pubs & bars inc (bar, bar rest, community pub, food pub, hs pub, nightclub) restaurants in. (casual dining restaurants, restaurants)

Hotels	Pub & bars	Service led restaurants	Fast food QSR	Contract catering	High street food to go	Leisure & travel
	Managed £478,168 9,724 Outlets	Independent & free of tie (inc. Non managed) £189,018 16,017 Outlets		Education £235,837 23,454 Outlets		
	Independent & free of tie £278,148 16,397 Outlets	Managed £118,311 4,964 Outlets		Health & welfare £66,007 31,728 Outlets		
	Tenanted & leased £242,975 16,650 Outlets			Workplace £274,675 24,443 Outlets		
	Sports social clubs £172,040 18,457 Outlets					
Total value £308,814 6,610 Outlets	Total value (exc. Sports social) £999,291 42,771 Outlets	Total value £307,329 20,981 Outlets	Total value £750,968 22,965 Outlets	Total value £576,519 79,625 Outlets	Total value £258,678 24,831 Outlets	Total value £103,602 6,785 Outlets
Total value decline -66.7%	Total value decline -57.6%	Total value decline -57.7%	Total value decline -21.4%	Total value decline -44.2%	Total value decline -39.0%	Total value decline -62.8%

The year in numbers
Soft drinks value performance

Total foodservice

£1,689,767

-37.2%

Contract catering	Fast food QSR	High st. food-to-go	Leisure & travel
£576,519 -44.2%	£750,968 -21.4%	£258,678 -39.0%	£103,602 -62.8%

Category performance

	Value (£'000)	% change vs YA
Cola	731,892	-35.9%
Flavoured carbs	352,146	-33.3%
Lemonade	13,421	-46.9%
Mixers	2,294	-41.5%
Plain water	149,994	-42.1%
Still juice drinks	149,096	-40.7%
Pure juice other	124,427	-36.4%
Gluc stim	61,551	-34.9%
Squash	27,276	-48.1%
Pure juice mixers	22,396	-41.5%
Water plus	32,320	-49.7%
Carbonated juice drinks	7,004	-45.7%
Sport	8,045	-48.2%

Draught vs packaged

	Value (£'000)	% change vs YA
Draught	733,716	-29.4%
Packaged	948,657	-42.4%

Sugar content

	Value (£'000)	% change vs YA
High sugar	882,433	-37.5%
Low sugar	445,674	-34.7%

High Sugar inc. (high sugar, medium sugar, moderate sugar, natural high sugar) Low Sugar inc. (low sugar, sugar free)

Still vs sparkling

	Value (£'000)	% change vs YA
Still	448,581	-40.6%
Sparkling	1,201,186	-35.8%

Top 5 manufacturers in foodservice

	Value (£'000)	% change vs YA
CCGB	903,435	-39.2%
Britvic	275,312	-24.0%
Other suppliers	147,604	-29.6%
Radnor Fruit Farms	52,321	-38.9%
Suntory Beverage and Food GBI	38,930	-51.2%

Other Suppliers include smaller niche companies that are grouped together

Biggest segments in foodservice

	Value (£'000)	% change vs YA
Cola	395,621	-37.6
Flav carbs	130,482	-43.2
Plain water	113,368	-31.5
Still juice drinks	81,536	-31.5
Pure juice	64,304	-19.4

Foodservice – 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	2,691,855	1,689,767	-37.2	1,081,827	719,738	-33.5
Draught	1,038,921	733,716	-29.4	505,553	383,533	-24.1
Packaged	1,646,987	948,657	-42.4	574,608	332,898	-42.1

Soft drinks categories in foodservice

	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 cola	1,141,674	731,892	-35.9	402,980	260,008	-35.5
Total soft drinks flavoured carbs	527,759	352,146	-33.3	190,617	128,911	-32.4
Total soft drinks gluc stim sport	110,089	69,596	-36.8	25,411	15,360	-39.6
Total soft drinks juice drinks	264,188	156,100	-40.9	84,923	48,316	-43.1
Total soft drinks lemonade	25,285	13,421	-46.9	13,196	8,239	-37.6
Total soft drinks mixers	3,920	2,294	-41.5	814	395	-51.5
Total soft drinks pure juice	233,782	146,822	-37.2	88,731	62,368	-29.7
Total soft drinks squash	52,541	27,276	-48.1	111,908	93,528	-16.4
Total soft drinks water	323,096	182,314	-43.6	162,228	101,752	-37.3

Top 10 brands in foodservice

	Value sales (£'000)			Volume sales (000's L)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
Coca Cola	633,962	395,621	-37.6	214,435	133,207	-37.9
Diet Coke	229,901	130,482	-43.2	82,364	46,588	-43.4
Fanta	165,417	113,368	-31.5	58,614	40,738	-30.5
Coke Zero	118,976	81,536	-31.5	40,731	27,726	-31.9
Pepsi	79,805	64,304	-19.4	31,302	25,421	-18.8
Pepsi MAX	52,514	42,902	-18.3	23,811	19,745	-17.1
Tango Sugar Free	51,131	38,949	-23.8	20,189	15,277	-24.3
Oasis	56,600	33,320	-41.1	19,664	11,463	-41.7
Tango	30,598	26,133	-14.6	11,573	9,847	-14.9
Harrogate Spa	48,700	25,591	-47.5	29,942	15,753	-47.4

Top 5 manufacturers in foodservice

	Value sales (£'000)			Volume sales (000's L)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
CCGB	1,485,740	903,435	-39.2	513,509	311,510	-39.3
Britvic	362,214	275,312	-24.0	139,809	108,966	-22.1
Other suppliers	209,797	147,604	-29.6	168,577	142,650	-15.4
Radnor Fruit Farms	85,565	52,321	-38.9	37,993	26,599	-30.0
Suntory Beverage and Food GBI	79,727	38,930	-51.2	25,988	12,788	-50.8

Total soft drinks by format in foodservice

	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 high sugar	1,413,000	882,433	-37.5%	480,596	297,702	-38.1%
Total soft drinks low sugar	682,480	445,674	-34.7%	268,530	185,857	-30.8%

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

Contract catering

On site catering provided within public sector and workplace environments. Canteen/restaurant catering
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

Foodservice

Defined in this report as Education, Health and Welfare, Workplace Catering, Travel and Leisure, High Street food to go, Quick Service Restaurants

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

Juice drinks

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

Leisure

Sports Clubs / Event Catering / Stadia / Visitor Attractions / Entertainment Venues

Lemonade

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

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

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

Natural energy

Any product that calls out energy/boost/lift/pick me up/power/tiredness reduction as the primary benefit AND either specifically calls out natural/organic ingredients OR only contains pure ingredients (e.g. juices). In addition to this rule, we are assuming that espresso is naturally seen as energy giving so any espresso-based product, unless filled with added artificial ingredients, or where the primary need state is indulgence, would be included

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

Public sector

Defence / Justice / Healthcare / Local Authorities / Oil Rigs

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

Retail

Coffee Shops / Sandwich Bars / Bakery Stores / Department Stores / Supermarket Cafes / Supermarket Grab and Go/ Convenience Grab and Go

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

Water

Still or sparkling water with nothing else added

Water plus / Flavoured water

Sparkling or still flavoured water

