



Britvic Soft Drinks Review 2014



/ Introduction

Foreword from Paul Graham, General Manager of Britvic Soft Drinks

The Britvic Soft Drinks Review has become an annual feature in the industry calendar, and we are proud to once again be able to offer such a comprehensive look back at the UK soft drinks category. One of the things the year will be remembered for is the long-awaited return of a decent summer, which led to record sales across soft drinks and other categories. Although consumers remained cautious when it came to their purchasing habits,

the category was shaped by multiple trends, such as the demand for value-for-money, brand names, premium products and healthier propositions, which continued to cement its relevancy amongst consumers.

Despite market and economic challenges, soft drinks have once again proved their resilience. Demonstrating its unique positioning and versatility, the category has continued to attract diverse audiences and

maintained its appeal to different age groups with an array of sub-categories, brands and formats to suit all tastes, and purchasing occasions. As a result it's unsurprising that the category has topped the £10bn mark for the first time in its history. We are confident that this successful performance and the continued evolution of soft drinks is paving the way for a positive and exciting future.

About the Britvic Soft Drinks Review

The Britvic Soft Drinks Review provides an in-depth look at how the UK soft drinks market performed in the previous year, providing insight into performance in both the grocery and convenience and leisure markets. Using independent data and insight, the annual review offers an impartial view of the

manufacturers, brands and sub-categories shaping soft drinks' performance, as well as insight into the trends influencing consumer behaviour and purchasing decisions.

The 2013 review uses take-home data supplied by Nielsen to represent the total off-trade performance including

grocery, convenience and wholesale channels, whilst CGA Strategy data represents licensed on trade premises. This year we have also used data and insight from Mintel, IGD and Allegra to offer a more holistic view of the trends shaping the soft drinks market.

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State of the Nation

The 2013 Story

Signs of green shoots in 2013



The number of shoppers feeling positive about their finances rose to nearly half



The proportion of those willing to spend rose

Two sides to the 2013 soft drinks story

Still shaped by the aftermath of the recession, the economic climate remained an underlying factor in 2013, influencing consumer behaviour and overall purchasing decisions. As a result consumers remained focused on spend, seeking value-for-money propositions and continuing to be cautious with their cash.

With employee average hourly earnings now 8.5% lower than 2009^[1], shoppers continued to feel the pinch with the proportion of consumers cited as saying they have “no spare cash” rising to just over a quarter; making the UK the 11th highest ranked country according to this measure.^[2] Monetary woes also ranked highly in terms of consumer concerns, dominating the nation’s top four worries. Rising energy costs and increasing utility bills became the new number one concern, with the economy slipping to

third place and job security in second.^[3]

However, despite financial conditions shaping behaviours and purchasing decisions, there were some green shoots and signs of recovery. The number of shoppers feeling positive about their finances rose to nearly half (45%), with the proportion of those willing to spend rising to 39%.^[4] Although the majority of shoppers would rather put spare cash into savings than spend it on discretionary items, we saw an increase in the

number of consumers willing to spend money on entertainment, technology and DIY, illustrating a slight return in confidence.^[5]

In terms of food and drink, there were two clear sides to the story. Whilst the majority of consumers remained cash conscious and careful with their spending, brands remained important and there was a new willingness to spend on higher price point items, giving rise to the trend for premiumisation.

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The rise of the savvy shopper

Value for money became increasingly important to consumers and we saw a rise in the number of savvy shoppers seeking more. Dubbed the 'New Normal', large numbers of shoppers changed their spending habits to save money, with over half (58%) saying they had switched to cheaper grocery brands.^[6]

Online shopping increased in popularity as consumers sought out easier ways of purchasing goods in their own time and new ways of monitoring their spending. 22% of the UK shopped for food or groceries online, making the nation the most mature online grocery market in Europe.^[7]

Demonstrating the increasing importance of digital shopping, 2013 saw Sainsbury's follow Tesco and Waitrose to open its first-ever 'dark store', providing a facility dedicated to serving solely online sales. Not to be beaten, Tesco opened its sixth dark store at the tail end of the year, whilst Waitrose announced its second.



22% of the UK shopped for food or groceries online in 2013

"Both online and convenience retailing are reaping the rewards of our changing lifestyles as well as the rise of the savvy shopper willing to use more types of grocery formats to get the best deals."

Ben Miller
Director of Shopper Insight, IGD

Consumers choose casual dining

Consumers also remained watchful with their leisure spend. However, whilst 60% of consumers said they spent cautiously when eating out in 2012, this dropped in 2013, with 50% saying they spent vigilantly^[8], another indicator that consumer confidence was beginning to recover.



50% / the number of shoppers who said they spent vigilantly

Even though pubs continue to close as a result of cautious spending, large numbers of consumers began to look towards casual dining outlets and restaurants for reassurance when dining out-of-home. Combining good value and guaranteed quality with a great experience, consumers saw branded restaurants and casual dining outlets as a 'safe bet' for informal get-togethers with family and friends. Branded restaurants saw value sales rise by 6%, with new outlet openings taking the nation's number of venues to more than 3,890. Similarly the number of fast food chains also rose, with outlet openings increasing by 4%^[9].

The rise in savvy diners also continued, with nearly half of consumers saying they used discount vouchers more regularly in 2013, supporting the fact promotions and money-off incentives were a popular way of driving custom^[10]. Use of social media also grew in popularity amongst operators, with over 90% saying they used digital tools to drive footfall and promote their outlets online^[11].

Whilst consumers continued to view going out as a treat and demanded value from their visits to leisure outlets, they were also more willing to purchase brands which guaranteed a quality proposition for these occasions.

As a result leisure outlets sought to offer new niche brands, a range of flavours and sophisticated service to set their venues apart and cater for the treat spend.



“Closer value scrutiny has become an enduring legacy from the recession, and while we predict consumers will begin to increase their eating out frequencies, these occasions must still deliver an enhanced experience, as consumers become yet more demanding and more discerning.”

Allegra Strategies

So what did this mean for the soft drinks industry?

With the economy continuing to shape the mood of the nation, 2013 saw manufacturers strive to reassure shoppers that they were getting value for money as well as quality.



As a result soft drinks suppliers strived to offer relevancy, developing new products and formats designed to tap into new occasions and creating heavyweight promotions and advertising campaigns to keep their brands and propositions front-of-mind.

Soft Drinks at a Glance

Total Market

A £10bn category

Soft drinks once again proved itself to be one of the most resilient categories. This was largely thanks to new product development in accordance with emerging consumer trends and one of the best summers the nation has experienced in decades, all underpinned by promotions offering significant value to the shopper.

Soft drinks fared considerably better than other categories, with value sales climbing by a steady 2% to reach £10.3bn. As an additional result of the nation basking in the heat wave, soft drinks also had the highest volume increase of all FMCG categories with sales rising by 10%.^[1,2]

£10.3bn*

Soft Drinks
category

+2%
value YOY

*First time the category has reached the £10.3 billion mark

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Trends

Value for money remained a core purchase driver, with savvy shoppers snapping up the range of branded price-marked-packs offered by manufacturers and buying on promotion, whilst in the leisure channel, consumers turned to draught carbonates as a quality, value-for-money option.

As well as seeking value, shoppers demanded more convenient and bespoke formats to meet the needs of both immediate consumption and at-home occasions. As a result, manufacturers sought to develop a variety of take-home, multi-pack and impulse formats. Britvic expanded its J2O range with the launch of a fridge-pack with 6 x 250ml slimline cans in a bid to firmly establish the brand as a must-buy for in-home socialising occasions, whilst Vimto, from Nichols Plc, added to its portfolio with a new 250ml bottle to meet the growing desire for value-for-money packs.

In contrast to the value conscious consumer, soft drinks also benefitted from the growing consumer trend for premiumisation, which despite consumer budgets remaining tight, has remained a central driver of growth across a variety of food and drink categories in recent years. Coca-Cola Enterprises successfully tapped into this demand with the launch of personalised bottles, which gave shoppers a reason to pay more, whilst emerging brands, such as ZEO from Freedrinks, continued to play on their premium positioning to resonate with consumers prepared to spend on a low-calorie soft drink.

The nation also continued to experiment with flavours and tastes. Like other categories, soft drinks benefitted from this trend, recruiting new shoppers and consumers with an explosion of new flavoured varieties including Red Bull's new Cranberry, Lime & Blueberry flavours.

Focus on health

Health remained high on the consumer agenda and the UK government continued to favour a collaborative approach within the industry.

2013 saw more soft drinks suppliers sign up to and continue to support the Public Health Responsibility Deal, enabling the industry to work together to help improve public health, whilst still offering consumers a choice of products.

As part of the Responsibility Deal, 2013 also saw the roll-out of a new, voluntary colour-coded front-of-pack nutrition labelling scheme to help consumers identify the nutritional content of their food. The system was welcomed by a number of organisations, including Britvic, PepsiCo, Mars and Nestlé who joined the major supermarkets using the scheme, while other companies chose to opt out.



Driven by the Government's campaign to improve the nation's wellbeing and amplified by coverage in mainstream media, consumers became more health aware. As a result leading manufacturers continued to expand their portfolios with new varieties to offer consumers a variety of soft drinks for all consumption occasions.

The trend for naturally sourced sweeteners continued with Coca-Cola Enterprises introducing Stevia herbal extract to Sprite in March and PepsiCo launching Trop 50, a low calorie blend of not-from-concentrate juice and water sweetened with Stevia. Red Bull Sugar-free was supported by a £2m marketing push to raise awareness amongst consumers looking for a low-calorie energy boost and Britvic introduced a category first with the launch of Mountain Dew Sugar-Free, the first sugar-free PET format in the UK energy category.

Suppliers invested heavily in new campaigns and marketing platforms to drive awareness of their low-sugar options. For example, Coca-Cola launched a major new anti-obesity push and Britvic and PepsiCo continued on-going investment in a range of high profile campaigns to highlight its low-sugar offering Pepsi MAX.



Sustainability focus

The soft drinks industry also faced pressure from an environmental angle. In July the Department for Environment, Food and Rural Affairs (DEFRA) launched a new agreement to help reduce the environmental footprint of the soft drinks sector and encourage the sustainable use of resources.

Developed in conjunction with trade associations and major soft drinks suppliers including Britvic, Coca-Cola Enterprises and PepsiCo, the Soft Drinks Sustainability Road Map was created to provide a business framework to improve sustainability. Covering the entire soft drinks production process, the plan outlines key objectives for businesses to improve their use of resources including reducing energy consumption, increasing overall production efficiency and reducing waste. As well as signing up to the agreement, manufacturers also strived to develop their own sustainability schemes, acknowledging the need to practise corporate responsibility and address the key social and environmental issues.

Soft drinks manufacturers continued to bring to market pack format innovation in order to reduce wastage and carbon costs. Sports drinks brand Iconiq launched a range of energy drinks in eco-friendly materials, designed to crush on impact. As the first brand to introduce 100% recycled bottles, Ribena continued to work alongside Tetra Pak to ensure the packaging was as green as possible, as well as working with British growers to produce the range. Coca-Cola

Enterprises announced a series of recycling initiatives for the summer, supporting Scotland's Zero Waste scheme. Launched at Rockness and the Royal Highland Show, the Happiness Recycled campaign featured interactive recycling bins to bring the environmental issue alive for consumers. Britvic pledged to achieve a 92% recycling performance across its UK factories and continued to highlight the importance of recycling via the Recycle Now logo across all its packaging.

Britvic pledged 92% recycling in UK plants

Suppliers hitting the headlines

In terms of company news, the potential merger of Britvic Plc and A.G. Barr Plc failed to come to fruition, whilst GSK sold its drinks brands Lucozade and Ribena to Suntory in a strategic decision to focus on pharmaceutical and healthcare brands.

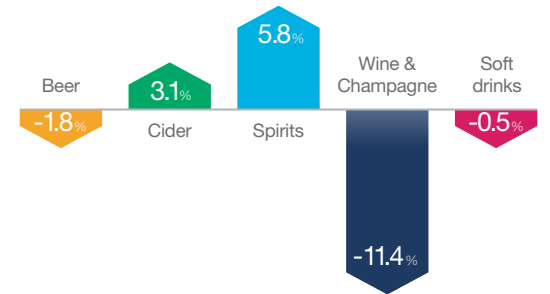
Although the Japanese company has remained quiet following the £1.35bn sale, with the Orangina and Schweppes brands already in its portfolio, the industry is likely to hear more from Suntory in 2014.



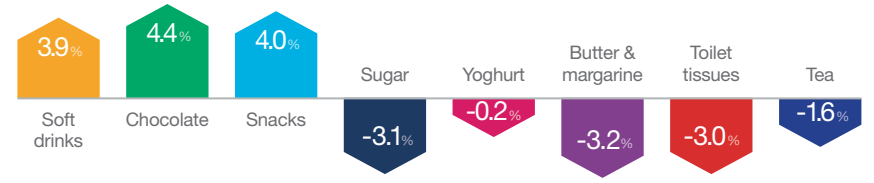
Value sales comparison



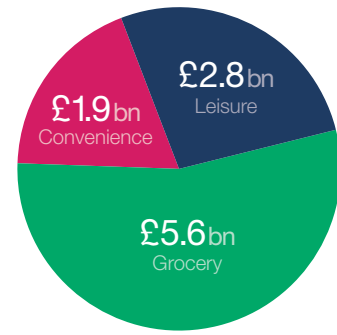
Value change in Leisure market



Value change in Grocery and Convenience channel



Channel split



/ Grocery and Convenience

Consumer trends

Driven by the continuing multiple trends for at-home entertaining, top-up and on-the-go consumption, and combined with the warm summer weather, soft drinks saw steady growth in the grocery and convenience channel, rising by 4% value and 2% volume in 2013.

With sales totalling more than £7.5bn, soft drinks saw the highest value sales growth of all FMCG categories, demonstrating the continued relevancy and versatility of the category.

The convenience sector experienced the strongest value growth, with sales rising by 5% compared to 3% in grocery multiples, indicating that consumers were increasingly looking to purchase soft drinks as part of top-up shops or for on-the-go consumption occasions. However the grocery channel remained the largest, accounting for more than three quarters of all soft drinks value sales.

It was a similar story in terms of volume, with the convenience channel growing by 5% against the grocery sector's slight rise of 1%, although grocery value sales again retained the largest share with 75%.

Within the wholesale market, delivered grocery saw the fastest growth, with value sales rising 3%.

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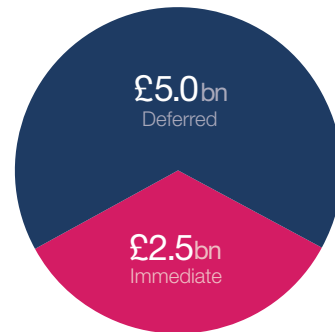
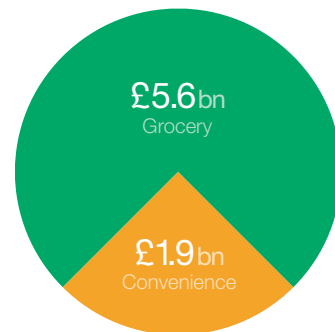
Types of stores

In terms of store types, grocery multiples reigned supreme as consumers continued to purchase soft drinks as part of their stock-up shopping trips, with value sales totalling over £5.6bn. Mirroring this purchasing trend, out-of-town stores held on to the highest share of the soft drinks sector, closely followed by high street stores.

However, convenience stores witnessed the highest soft drinks value and volume share increase, rising by 8%.

Multiple impulse stores remained key to the impulse channel, with value and volume sales of soft drinks growing by 7%. Independents faced another challenging year; however the channel remained defiant, experiencing a relatively flat year in terms of soft drinks and declining by a slight 0.8% in value and 1% volume, testament to the trend for convenience shopping.

Whilst deferred purchases retained the prominent share of soft drinks in the UK grocery and convenience channels, immediate purchases rose by 9% in value and 7% in volume, again suggesting that shoppers were increasingly looking for soft drinks to meet on-the-go consumption and out-of-home refreshment needs.

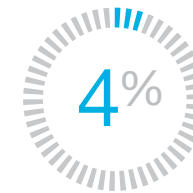


Suppliers

Private label retained the second largest share, but saw decline in both value and volume sales as consumers looked towards trusted brand names as an antidote to their financial concerns.

In terms of branded suppliers, Britvic and Coca-Cola Enterprises continued to lead the market with Coca-Cola Enterprises in number one position and Britvic in second.

However, Britvic grew its category share by a slightly greater margin, growing by 4% in value versus Coca-Cola Enterprises' growth of 3%. Experiencing the fastest growth of all suppliers, Nestlé Waters saw a 21% increase in value sales and a 15% rise in volume as its portfolio of leading water brands benefited from consumer demand for bottled water. Red Bull continued to experience strong growth, with value sales rising by 7% and volume sales up by 13%, placing it in second place in 2013's fastest-growing suppliers chart.



Britvic
increase in
category
share



Coca-Cola
Enterprises
increase in
category
share

Sub-categories and brands

Water

After being held back during the early stages of the recession, the water segment cemented its return to growth in 2013, partially attributed to the favourably warm summer. Plain water saw the highest growth within the segment, with value sales climbing by 13% to £573m, whilst water plus grew by 8% in value. However, it was the grocery segment that witnessed the largest growth, suggesting that shoppers were stocking up on water purchases for at-home consumption or in anticipation of the hot summer occasions. Volvic saw the highest growth of all water brands, placing it amongst the category's Top 10 bestsellers. Other news included Britvic's announcement that it would remove the Drench and Pennine Spring brands from its portfolio and introduce its Irish water brand, Ballygowan, to the GB market following its success in Ireland.

Plain water has grown by **13%** in value

Cola

Cola continued to provide the bedrock of the category with value sales totalling more than £1.6bn. Tapping into on-the-go and top-up occasions, a credible performance came from the convenience channel, where cola sales grew by 3% value. Coca-Cola and Pepsi remained the

nation's favourites, growing their value share. Whilst standard diet variants saw marginal decline, both no sugar Pepsi Max and Coke Zero saw a rise in value sales as a result of heavyweight marketing campaigns and the nation's increased focus on healthier options.

Cola sales of over **£1.6bn**

Glucose and energy drinks

With the nation leading increasingly busy lives, glucose and energy drinks continued to grow. Within the convenience channel alone the segment remained bigger than cola for the second year running, demonstrating the need for energy-boosting solutions when on-the-go.

Within the total grocery and convenience sector, the segment was driven by Lucozade and Red Bull, retaining its position as third biggest within soft drinks, and increasing value sales by 7%.

Red Bull outperformed Lucozade rising 7% to more than £252m in value sales; however, Lucozade held fast as the segment's bestseller with a 32% share and value sales of over £296m. Both Monster and Mountain Dew experienced growth, growing ahead of the category at more than 20% in value sales, as well as increasing volume sales.

The demand for value-focused offerings meant that Rockstar emerged as the segment's star performer growing by 84% in value and 90% volume.

7% increase in convenience value sales

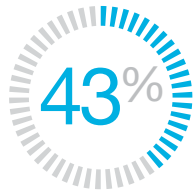


Cold hot drinks

For the fourth year running cold hot drinks had the highest growth of soft drinks sub-categories. Offering an affordable and unique treat, the segment saw value and volume sales rise by more than 43%, driven by Lipton Ice Tea and Starbuck's range of on-the-go coffees.

Jimmy's Coffee experienced the fastest growth, rising by 308% value and 286% volume albeit from a very small base, and private label brands also grew ahead of the

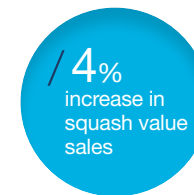
category. This illustrates that whilst there is a trend amongst consumers who trade up to more luxurious brands, value for money still remains a core purchase driver.



/ rise in cold hot drink segment

Squash

Squash performance remained consistent, with value sales increasing by 4% on last year, and Robinsons retaining its number one position. Unsurprisingly, the biggest value growth came from the grocery segment as shoppers continued to purchase squash brands as part of their stock-up shop; however, the rise of double concentrate variants from brands like Robinsons meant that the channel saw a slight volume decrease. In contrast to this, the introduction of new smaller formats, such as Robinsons 500ml double concentrate bottles, meant that the convenience channel saw squash rise by 2% in value and 3% in volume during 2013. The dynamics of the category may change again in 2014 as shoppers increasingly look to enhance on-the-go consumption occasions.



Tapping into the trend for flavour experimentation, premium brands Belvoir Fruit Farms and Bottle Green both increased value sales growth ahead of the segment.



Pure juices

Pure juice held on to its position as the second largest sub-category, however the rising cost of raw materials forced price increases that impacted upon volume growth. Tropicana retained its position as number one brand; however, own label held the largest value share of 51%. The convenience channel once again proved to be the segment's Achilles heel, with shoppers often viewing juice as more expensive than other immediate refreshment options, leading to a dip in both value and volume sales. Consumers were motivated to purchase by health propositions, with Vita Coco experiencing the highest value and volume growth. Boosted by celebrity endorsements and the introduction of its first multi-pack into the grocery channel, the natural coconut water continued to grow ahead of the segment and soft drinks category, rising by 125% in value. Private label brands dropped by 8% value and 10% volume; however, premium offers such as Copella and Innocent increased both value and volume sales.

Private label brands dropped by 8% value

Juice drinks

Juice drinks remained one of the category's success stories, experiencing overall value growth of 12%. Both value and volume sales grew in grocery; however the convenience channel saw value sales peaks of 15% making it the second fastest-growing sub-segment. Driven by the trend for value-for-money food and drinks with broad appeal, juice drinks

proved popular amongst consumers purchasing products for breakfast and lunch out-of-home. Fruit Shoot had a strong year, rising back to pre-recall levels in terms of market share, household penetration and consumer brand equity, thanks to a high-impact marketing and awareness campaign.

12% increase in juice value sales

Smoothies

Smoothies continued to struggle as shoppers migrated to other options, declining by 4% value. Innocent's range fell in terms of both value and volume; however sales of organic smoothies or those with added health benefits, rose. The Naked range of antioxidant and 'super-food' smoothies saw the fastest growth, with value sales rising by 71%. However, like other segments, it was a tale of two halves, with value remaining an established reason for purchase. To this end, value sales of Happy Shopper smoothies rose by 45% value.



Fruit carbonates

Fruit-flavoured carbonates experienced value growth across both grocery and convenience. However the majority of brands within the segment saw a dip in value sales, whilst private label increased value sales by 2%. Fanta emerged as the segment's fastest-growing brand, followed by Dr Pepper.

3%
increase in
fruit
carbonate
value sales

Non-fruit carbonates

Non-fruit carbonates rose slightly in grocery value sales, although declined in the convenience sector, once again suggesting that shoppers were looking for healthier or functional on-the-go soft drinks. Private label brands fell slightly, whilst premium carbonates from Belvoir Fruit Farms and Bottle Green grew in value and volume.

2%
increase in
non-fruit
carbonate
value sales



Lemonade

Lemonade witnessed only marginal growth, with private label brands holding on to the largest share of the segment with 45% of value sales. Shoppers looking for value propositions turned towards Happy Shopper, which experienced the second highest growth in the segment. However, it was again a case of shoppers trading up, with premium brand Fentimans growing ahead of the category, increasing value sales by 35%. Schweppes retained the largest segment share by a brand followed by R Whites.

1%
increase in
value sales





Static but stable

Soft drinks once again bucked the decline seen in the early years of the recession, however even with the sunshine summer the category remained static. With value sales reaching more than £2.8bn, the category remained integral to pubs, clubs and restaurants, retaining its position as the third largest category after beer and spirits, however volume sales dipped slightly in 2013.

Food-led outlets also dominated the total market, with sales growing by 4% value and reaching more than £2bn and supporting the casual dining trend.

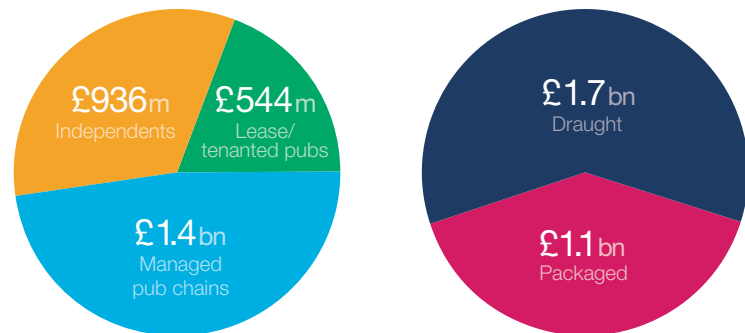
Late night venues saw slight decline, whilst wet led venues remained static in terms of both value and volume. Unsurprisingly, draught sales accounted for more than half of soft drink sales in the channel, with value sales of more than £1.7bn.

Carbonates remained the most popular type of soft drink, with a 77% share and increased their value sales by 2% to more than £2.2bn.

Value sales out-performed volume across the sector, with only managed pubs experiencing volume and value growth. Managed pub chains held fast as the leader of the segment, increasing value sales by 2% to more than £1.4bn, successfully tapping into the trend for casual dining and value for money.

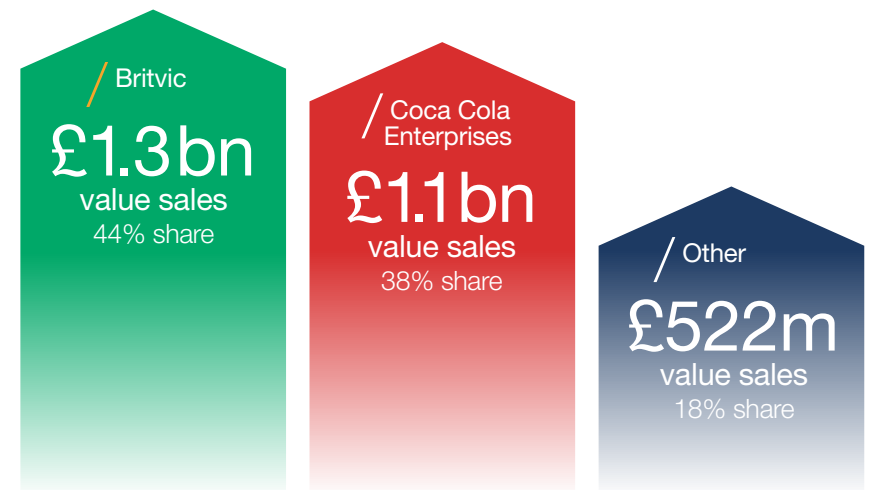
Independent pubs continued to feel the pressure with value dipping marginally. Within the hotel, restaurant and catering sector (HORECA), restaurants saw strong growth with value sales rising by 3%.

Wholesale operators specialising in delivery service to the leisure industry benefited from the rise in casual dining, with value rising by 2% to take sales to £9.7m^[15]. Free trade drinks represented 39% of the total, worth over £4m in wholesale value^[16].



Suppliers

Despite strong value and volume growth, Coca-Cola Enterprises was unable to knock Britvic off the top spot, and Britvic remained the number one supplier, with value sales of more than £1.3bn compared to £1.1bn for Coca-Cola Enterprises.



Sub-categories and brands

Cola

Once again cola took the top spot in terms of share, rising by 1% in value to more than £1.2bn and accounting for nearly half of all soft drinks sales in the leisure channel. Highlighting the demand for quality as well as value-for-money amongst consumers, packaged colas out-performed draught variants, growing ahead of the category at 3% value.

The Pepsi trademark remained the jewel in the cola crown, worth over £406m and retaining its number one position.

Regular propositions outperformed diet, growing value sales by 1% to over £788m and retaining the greater segment share. However, demonstrating an increased focus on health and wellbeing, Diet Pepsi and Diet Coke both experienced an increase in value sales, further highlighting consumer demand for low-sugar options.



Lemonade

Reversing the static figures seen in 2012, the year saw lemonade grow by 4% in value to be worth over £416m. Regular variants delivered the majority of growth, rising by 4% value and 2% volume, whilst diet variants remained unchanged in value and declined marginally in volume.

Led by R Whites, the segment's best-selling brand, and Schweppes, lemonade retained the second largest share of soft drinks. The trend for premiumisation also fuelled growth for packaged propositions, with brands like Fever Tree seeing strong growth. Barrs saw the greatest decline with sales dropping in terms of both value and volume.

/ 4%
increase in
value sales

Mixers

The growth experienced in the spirits category gave lift to mixers, which grew by 2% in value with sales totalling more than £200m. With Schweppes and Britvic maintaining poll positions, draught grew by 7% value and 6% volume. Whilst packaged variants experienced modest growth of 1% value they declined by 2% in volume, suggesting growth came largely from the higher prices as opposed to the number of consumers purchasing bottled options.

/ 2%
increase in
value sales

Energy

Value sales of energy drinks remained flat in 2013, however volume increased by 2%. Unsurprisingly the segment was driven by packaged variants, which experienced a 2% increase in value sales. Red Bull continued to dominate the market with more than half of the segment share; however, Monster emerged as the segment's star performer, growing ahead of the segment, rising by 4% value and 5% volume.

2%
increase
in volume
sales

Flavoured carbonates

Sales of flavoured carbonates were once again affected by the trend for premium brands and healthier drink options. With many viewing flavoured carbonates as high in sugar and favouring the versatility of lemonade as a mixer, the segment dropped 2% in value and dipped by nearly 7% in volume. Draught saw the

greatest decline with value sales falling by over 25% however, the demand for more premium products led to a rise in sales of packaged variations, which increased in value by 3%. Worth over £112m, the segment was also buoyed by the growth of diet versions like 7UP Free.

Worth over
112m

Juice drinks

Juice drinks remained static in terms of value and experienced a minor drop in volume sales. Diet options saw strong growth with sales rising by 14% in value. J2O remained the segment's frontrunner with over half of the value share, whilst Appletiser experienced the fastest segment growth rising by 20% in value. Robinsons Fruit Shoot was back in growth and reaffirmed its position as number one children's drink thanks to a strong marketing campaign. In fact the core Fruit Shoot range rose 6% in value, whilst the newer Fruit Shoot My 5 range grew by 19%.

14%
increase in
value sales of
diet option



Fruit juice

Despite remaining the third largest segment, worth over £230m, fruit juice also declined in the leisure sector. Frobishers emerged as one-to-watch as it successfully tapped into the premiumisation trend to grow value and volume sales.

Worth over
£230m



Squash

Squash sales continued to decline, with value sales dropping by 7%. Totalling over £180m, the segment was overtaken by other emerging segments and fell to seventh position. Despite all brands feeling the pressure and witnessing decline in value sales, Robinsons surfaced as the most resilient with value sales remaining static and volume increasing by 6%.

Worth over
£180m



Water

Water remained the smallest sub-category as consumers continued to view visits to pubs and clubs as a treat, favouring brands and soft drinks that reflect this. The segment continued to feel the effects of the 2010 legislation which made provision of tap water mandatory for licensees, and despite the demand for healthier products, value and volume sales dropped by 3%. No sugar Fruit Shoot Hydro experienced modest growth as parents favoured healthier drinks purchases for their children, growing by 7% in value, and Highland Spring saw the fastest growth increasing by 8% value and 8% volume.





/ Data Tables

Neilson and CGA data

Collated to illustrate the 2013 soft drinks market

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The Grocery and Convenience Soft Drinks Market

Value	£ millions	% share	% change
Grocery, and impulse	7,485.0	100%	3.9%

Volume	litres millions	% share	% change
Grocery, and impulse	7,108.9	100%	1.9%

Source : Nielsen Scantrack 52we 28th December 2013

The Grocery and Convenience Soft Drinks Market in Context

Value	£ millions	% change
Soft drinks	7,485.0	3.9
Chocolate	3,632.7	4.4
Snacks	2,727.7	4.0
Sugar	317.8	-3.1
Yoghurt	342.0	-0.2
Butter & margarine	1,225.1	-3.2
Toilet tissues	1,074.8	-3.0
Tea	614.2	-1.6

Source : Nielsen Scantrack 52we 28th December 2013

Total Grocery & Convenience Sub-category Performance

Value	£ millions	% share	% change
Cola	1,610.1	21.5	2.7
Cold hot drinks	50.7	0.7	47.0
Dairy and dairy substitute	413.8	5.5	-0.5
Fruit carbonates	556.0	7.4	2.8
Glucose stimulant drinks	923.9	12.3	7.3
Juice drinks	652.0	8.7	11.5
Lemonade	157.8	2.1	1.0
Non fruit carbonates	171.8	2.3	2.3
Plain water	572.9	7.7	13.1
Pure juice	1,170.7	15.6	-1.9
Smoothies	153.1	2.0	-4.0
Sports drinks	169.3	2.3	-2.8
Squashes	534.3	7.1	3.8
Traditional mixers	134.8	1.8	3.8
Water plus	213.9	2.9	7.7

Volume	Litres millions	% share	% change
Cola	1,706.0	24.0	0.4
Cold hot drinks	15.1	0.2	43.4
Dairy and dairy substitute	190.7	2.7	-0.8
Fruit carbonates	557.1	7.8	-0.3
Glucose stimulant drinks	421.1	5.9	6.1
Juice drinks	460.0	6.5	7.4
Lemonade	375.9	5.3	-1.5
Non fruit carbonates	206.4	2.9	-2.4
Plain water	1,241.5	17.5	9.9
Pure juice	868.4	12.2	-5.5
Smoothies	49.5	0.7	-5.1
Sports drinks	110.9	1.6	-3.1
Squashes	446.0	6.3	-0.7
Traditional mixers	172.7	2.4	3.9
Unidentified	0.0	0.0	-66.7
Water plus	287.5	4.0	7.8

Source : Nielsen Scantrack 52we 28th December 2013

Total Carbs vs Still

Value	£ millions	% share	% change
Carbonated	3,554.4	47.5	3.8
Still	3,930.6	52.5	3.9

Volume	litres millions	% share	% change
Carbonated	3,439.3	48.4	0.7
Still	3,669.6	51.6	3.0

Source : Nielsen Scantrack 52we 28th December 2013

Grocery & Convenience Channel Split

Value	£ millions	% share	% change
Grocery multiples	5,607.4	74.9	3.4
Total impulse	1,877.5	25.1	5.4
Total coverage	7,485.0	100.0	3.9

volume	Litres millions	% share	% change
Grocery multiples	5,949.1	83.7	1.3
Total impulse	1,159.7	16.3	5.1
Total Coverage	7,108.9	100.0	1.9

Source : Nielsen Scantrack 52we 28th December 2013

Grocery & Convenience Types of Store

Value	£ millions	% share	% change
Out of Town stores	3,278.0	43.8	0.9
High Street stores	1,491.8	19.9	2.4
Convenience	2,720.9	36.4	8.5

Volume	litres millions	% share	% change
Out of Town stores	3,763.8	52.9	-0.6
High Street stores	1,468.5	20.7	0.9
Convenience	1,881.6	26.5	8.0

Source : Nielsen Scantrack 52we 28th December 2013

Impulse Channel Split

Value	£ millions	% share	% change
Independents	425.8	5.7	-0.8
Multiple Impulse	1,451.8	19.4	7.4
Total Impulse	1,877.5	25.1	5.4

Volume	litres millions	% share	% change
Independents	265.0	3.7	-1.0
Multiple Impulse	894.7	12.6	7.1
Total Impulse	1,159.7	16.3	5.1

Top Grocery & Convenience Brands

Value	£ millions	% share	% change
Private Label	1,510.2	20.2	-1.8
Coca Cola (all variants)	1,193.3	15.9	3.4
Lucozade	408.5	5.5	5.5
Pepsi (all variants)	362.0	4.8	2.7
Tropicana	265.9	3.6	-2.5
Red Bull	252.6	3.4	7.1
Robinsons Squash	220.8	3.0	0.7
Innocent	216.4	2.9	1.4
Ribena	158.4	2.1	5.6
Volvic	156.9	2.1	18.4

Volume	litres millions	% share	% change
Private Label	2,270.0	31.9	-1.5
Coca Cola (all variants)	1,097.0	15.4	3.3
Pepsi (all variants)	460.2	6.5	-2.4
Lucozade	232.8	3.3	3.3
Robinsons Squash	176.1	2.5	-5.9
Volvic	171.6	2.4	14.7
Tropicana	133.8	1.9	-3.3
Innocent	98.7	1.4	0.2
Ribena	77.1	1.1	2.1
Red Bull	54.6	0.8	12.8

Source : Nielsen Scantrack 52we 28th December 2013

Top Grocery & Convenience Distributors

Value	£ millions	% share	% change
CCE	2,050.7	27.4	3.0
Private Label	1,510.2	20.2	-1.8
Britvic	844.5	11.3	3.9
Glaxosmithkline	566.9	7.6	5.5
Danone	365.3	4.9	7.5
Tropicana UK	344.9	4.6	6.8
Red Bull	252.6	3.4	7.1
Innocent	229.7	3.1	1.8
Barrs	228.8	3.1	9.3
Nestlé Waters	119.5	1.6	20.7

Volume	litres millions	% share	% change
CCE	1,761.5	24.8	2.8
Private Label	2,270.0	31.9	-1.5
Britvic	827.4	11.6	-2.7
Glaxosmithkline	309.9	4.4	3.0
Danone	379.9	5.3	9.7
Tropicana UK	182.3	2.6	8.2
Red Bull	54.6	0.8	12.8
Innocent	104.5	1.5	0.4
Barrs	216.6	3.0	3.2
Nestlé Waters	211.2	3.0	15.3

Source : Nielsen Scantrack 52we 28th December 2013

Deferred vs Immediate

Value	£ millions	% share	% change
Deferred	4,953.6	66.2	1.6
Immediate	2,531.3	33.8	8.5

Source : Nielsen Scantrack 52we 28th December 2013

Volume	litres millions	% share	% change
Deferred	5,926.9	83.4	1.0
Immediate	1,181.9	16.6	6.6

Source : Nielsen Scantrack 52we 28th December 2013

Grocery Multiples Sub-category Performance

Value	£ millions	% share	% change
Cola	1,157.2	20.6	2.2
Cold hot drinks	38.6	0.7	52.7
Dairy and dairy substitute	356.1	6.4	-1.0
Fruit carbonates	375.5	6.7	3.0
Glucose stimulant drinks	432.5	7.7	7.9
Juice drinks	485.5	8.7	10.2
Lemonade	130.0	2.3	1.4
Non fruit carbonates	115.7	2.1	4.3
Plain water	415.8	7.4	13.3
Pure juice	1,095.5	19.5	-1.8
Smoothies	140.0	2.5	-4.7
Sports drinks	87.4	1.6	-5.3
Squashes	495.9	8.8	4.0
Traditional mixers	121.3	2.2	4.3
Water plus	160.6	2.9	9.4
Total soft drinks	5,609.1	100.0	3.2

Volume	Litres millions	% share	% change
Cola	1,391.8	23.4	-0.2
Cold hot drinks	11.1	0.2	53.8
Dairy and dairy substitute	166.3	2.8	-1.3
Fruit carbonates	433.7	7.3	-1.1
Glucose stimulant drinks	228.7	3.8	3.6
Juice drinks	382.4	6.4	5.5
Lemonade	330.0	5.5	-1.5
Non fruit carbonates	156.5	2.6	-2.2
Plain water	1,081.6	18.2	10.0
Pure juice	828.7	13.9	-5.5
Smoothies	46.5	0.8	-5.8
Sports drinks	63.6	1.1	-8.0
Squashes	415.6	7.0	-1.0
Traditional mixers	160.8	2.7	3.9
Water plus	251.7	4.2	8.1
Total soft drinks	5,950.9	100.0	1.2

Source : Nielsen Scantrack 52we 28th December 2013

Impulse Sub-category Performance

Value	£ millions	% share	% change
Cola	452.9	24.1	4.0
Cold hot drinks	12.1	0.6	31.4
Dairy and dairy substitute	57.7	3.1	2.2
Fruit carbonates	180.5	9.6	2.3
Glucose stimulant drinks	491.4	26.2	6.8
Juice drinks	166.5	8.9	15.3
Lemonade	27.9	1.5	-1.0
Non fruit carbonates	56.1	3.0	-1.5
Plain water	157.1	8.4	12.6
Pure juice	75.2	4.0	-2.7
Smoothies	13.1	0.7	3.9
Sports drinks	81.9	4.4	0.0
Squashes	38.4	2.0	1.9
Traditional mixers	13.6	0.7	-1.1
Water plus	53.3	2.8	3.0

Volume	Litres millions	% share	% change
Cola	314.2	27.1	3.2
Cold hot drinks	4.0	0.3	20.4
Dairy and dairy substitute	24.4	2.1	2.8
Fruit carbonates	123.4	10.6	2.4
Glucose stimulant drinks	192.3	16.6	9.2
Juice drinks	77.7	6.7	18.1
Lemonade	45.9	4.0	-1.7
Non fruit carbonates	49.9	4.3	-3.1
Plain water	159.9	13.8	9.5
Pure juice	39.6	3.4	-4.3
Smoothies	3.0	0.3	8.6
Sports drinks	47.3	4.1	4.3
Squashes	30.4	2.6	2.7
Traditional mixers	11.9	1.0	3.1
Water plus	35.7	3.1	5.3

Source : Nielsen Scantrack 52we 28th December 2013

The Soft Drinks Market

Value	£ millions	% share	% change
Pubs and clubs	2,863.1	100.0	-0.5
Volume	litres millions	% share	% change
Pubs and clubs	5,182,960.0	100.0	1.8

Source : CGA Strategy Data we 28th December 2013

The Pubs and Clubs Soft Drinks Market in Context

Value	£ millions	% change
Soft drinks	2,863.1	-0.5
Beer	11,101.7	-1.8
Cider	1,520.1	3.1
Spirits	4,023.0	5.8
Wine & Champagne	2,369.7	-11.4

Source : CGA Strategy Data we 28th December 2013

Total Pubs and Clubs Sub-category Performance

Value	£ millions	% share	% change
Cola	1,225.8	43.0	1.0
Regular	788.8	28.0	1.0
Diet	436.9	15.0	1.1
Lemonade	416.7	15.0	4.0
Regular	416.3	15.0	4.0
Diet	0.4	0.0	-10.8
Fruit juice	230.8	8.0	-8.7
Regular	230.8	8.0	-8.7
Diet	0.0	0.0	0.0
Squash	179.7	6.0	-7.4
Regular	179.7	6.0	-7.4
Diet	0.0	0.0	0.0
Mixers	200.5	7.0	2.4
Regular	138.5	5.0	2.3
Diet	62.0	2.0	2.5
Juice drinks	210.4	7.0	-1.7
Regular	181.0	6.0	-3.8
Diet	29.4	1.0	14.0
Energy	191.0	7.0	-0.9
Regular	185.6	7.0	-2.3
Diet	5.4	0.0	98.2
Flavoured carbs (Excl. energy)	112.3	4.0	-2.4
Regular	103.6	4.0	-3.4
Diet	8.7	0.0	11.1
Water	82.4	3.0	-2.6
Regular	1.0	0.0	-56.2
Diet	81.3	3.0	-1.1
Total soft drinks	2849.7	100.0	0.0

Volume	£ millions	% share	% change
Cola	244.0	48.0	-1.3
Regular	156.5	31.0	0.9
Diet	87.6	17.0	-5.1
Lemonade	94.8	19.0	1.5
Regular	94.8	19.0	1.5
Diet	0.1	0.0	-12.8
Fruit juice	28.5	6.0	-9.8
Regular	28.5	6.0	-9.8
Diet	0.0	0.0	0.0
Squash	12.3	2.0	-4.2
Regular	12.3	2.0	-4.2
Diet	0.0	0.0	0.0
Mixers	24.5	5.0	0.6
Regular	17.0	3.0	0.7
Diet	7.5	1.0	0.2
Juice drinks	32.3	6.0	-5.1
Regular	27.1	5.0	-7.1
Diet	5.3	1.0	6.5
Energy	27.9	5.0	1.5
Regular	27.0	5.0	-0.1
Diet	0.8	0.0	117.8
Flavoured carbs (Excl. energy)	25.2	5.0	-6.9
Regular	23.5	5.0	-8.1
Diet	1.7	0.0	14.6
Water	19.6	4.0	-3.3
Regular	0.1	0.0	-57.6
Diet	19.5	4.0	-2.4
Total soft drinks	509.1	100.0	0.0

Source : CGA Strategy Data we 28th December 2013

Total Pubs and Clubs Draught vs Packaged

Value	£ millions	% share	% change
Cola	1225.8	43.0	1.0
Draught	989.5	35.0	0.7
Packaged	236.3	8.0	2.6
Lemonade	416.7	15.0	4.0
Draught	368.9	13.0	4.0
Packaged	47.8	2.0	3.5
Fruit juice	230.8	8.0	-8.7
Draught	102.5	4.0	-12.1
Packaged	128.3	5.0	-5.7
Squash	179.7	6.0	-7.4
Draught	179.7	6.0	-7.4
Packaged	0.0	0.0	0.0
Mixers	200.5	7.0	2.4
Draught	54.9	2.0	6.9
Packaged	145.7	5.0	0.8
Juice drinks	210.4	7.0	-1.7
Draught	2.8	0.0	-51.6
Packaged	207.6	7.0	-0.3
Energy	191.0	7.0	-0.9
Draught	7.6	0.0	-38.6
Packaged	183.4	6.0	1.7
Flavoured carbs (Excl. energy)	112.3	4.0	-2.4
Draught	16.9	1.0	-25.3
Packaged	95.4	3.0	3.2
Water	82.4	3.0	-2.6
Draught	0.0	0.0	0.0
Packaged	82.4	3.0	-2.6
Total soft drinks	2849.7	100.0	-0.5

Volume	£ millions	% share	% change
Cola	244.0	48.0	-1.3
Draught	195.3	38.0	-1.1
Packaged	48.8	10.0	-2.1
Lemonade	94.8	19.0	1.5
Draught	85.6	17.0	1.9
Packaged	9.2	2.0	-1.4
Fruit juice	28.5	6.0	-9.8
Draught	13.2	3.0	-11.8
Packaged	15.3	3.0	-8.1
Squash	12.3	2.0	-4.2
Draught	12.3	2.0	-4.2
Packaged	0.0	0.0	0.0
Mixers	24.5	5.0	0.6
Draught	7.3	1.0	5.8
Packaged	17.2	3.0	-1.5
Juice drinks	32.3	6.0	-5.1
Draught	0.8	0.0	-61.1
Packaged	31.6	6.0	-1.7
Energy	27.9	5.0	1.5
Draught	0.7	0.0	-23.8
Packaged	27.1	5.0	2.4
Flavoured carbs (Excl. energy)	25.2	5.0	-6.9
Draught	4.6	1.0	-31.1
Packaged	20.6	4.0	1.2
Water	19.6	4.0	-3.3
Draught	0.0	0.0	0.0
Packaged	19.6	4.0	-3.3
Total soft drinks	509.1	100.0	-1.8

Source : CGA Strategy Data we 28th December 2013

Total Pubs and Clubs Suppliers

Value	£ millions	% share	% change
Britvic	1,253.1	44.0	-3.0
CCE	1,077.5	38.0	5.2
Other	519.1	18.0	-5.3
Total soft drinks	2,849.7	100.0	-0.5

Source : CGA Strategy Data we 28th December 2013

Volume	Litres millions	% share	% change
Britvic	226.6	45.0	-2.6
CCE	187.4	37.0	1.3
Other	95.1	19.0	-5.5
Total soft drinks	509.1	100.0	-1.8

Source : CGA Strategy Data we 28th December 2013

Total Pubs and Clubs Channel Split

Value	£ millions	% share	% change
Managed pub chains	1,369.9	48.0	1.7
Independents	936.0	33.0	-3.0
Lease / Tenanted pubs	543.7	19.0	-1.4
Total soft drinks	2,849.7	100.0	-0.5

Source : CGA Strategy Data we 28th December 2013

Volume	Litres millions	% share	% change
Managed pub chains	217.7	43.0	0.3
Independents	194.7	38.0	-4.1
Lease / Tenanted pubs	96.8	19.0	-1.5
Total soft drinks	509.1	100.0	-1.8

Source : CGA Strategy Data we 28th December 2013

Definitions/Glossary

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.

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 now contain fruit.

NON-FRUIT CARBONATES

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

LEMONADE

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

GLUCOSE AND STIMULANT DRINKS

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

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

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

TRADITIONAL MIXERS

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

COLD HOT DRINKS

Includes cold soft drinks that are tea and coffee based such as Lipton Ice Tea.

SMOOTHIES

Generally drinks described as smoothie, either in brand name or as a descriptor on the packaging. Drinks described as thickie will also be included.

DAIRY DRINKS

Ready to drink milk or milk substitute to which flavouring or juice has been added. May consist of any type of milk regardless of fat content.

JUICE DRINKS

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

PURE JUICE

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

PLAIN WATER

Still or sparkling water with nothing else added.

WATER PLUS

Sparkling or still flavoured water, or functional water (excluding sports water).

Convenience in this report equals Nielsen Scantrack Total Impulse.

Source: ^[1]Nielsen Consumer Confidence Survey Q3 2013
^[2]Nielsen Consumer Confidence Survey Q3 2013
^[3]Nielsen Consumer Confidence Survey Q3 2013
^[4]Nielsen Consumer Confidence Survey Q3 2013
^[5]Nielsen Consumer Confidence Survey Q3 2013
^[6]Nielsen Consumer Confidence Survey Q3 2013
^[7]Eurostat data October 2013

^[8]Allegra 2013 Project Restaurant
^[9]Allegra 2013 Project Restaurant
^[10]Allegra 2013 Project Restaurant
^[11]Allegra 2013 Project Restaurant
^[12]Nielsen Homescan Total Market 12 w/e 31.08.13 vs YA
^[13]IGD Data 2013
^[14]CGA Strategy and IGD Data 2013



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