

365

A year in soft drinks

Britvic Soft Drinks Report 2010



INTRODUCTION



Paul Moody

Paul Moody

Chief Executive, Britvic Soft Drinks
and President of The British Soft
Drinks Association

365 DAYS A YEAR, SOMEONE, SOMEWHERE IS ENJOYING A SOFT DRINK. FROM THE BREAKFAST TABLE TO THE GYM, FROM ON-THE-GO REFRESHMENT TO A NIGHT IN THE PUB WITH FRIENDS, THE SOFT DRINKS INDUSTRY PROVIDES GREAT DRINKS TO SUIT ALL OCCASIONS AND TASTES.

Each year the Britvic Soft Drinks Report provides a comprehensive review of industry performance – based on independent data and insight from leading market researcher Nielsen.

This year's report highlights the resilience of the UK soft drinks market in 2009. Despite the doom and gloom, sales held up well with a 2% increase to £8.5bn. Although recession-hit consumers were spending less overall, soft drinks remained a key part of shopper's grocery spend despite the downturn. On the following pages we look at how the take-home and on-premise channels rose to the challenge; we also provide an insight into industry issues and an overview of international markets.

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Drinks Report and get even more content
www.softdrinksreport.com



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GLOBAL TRENDS

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DATA

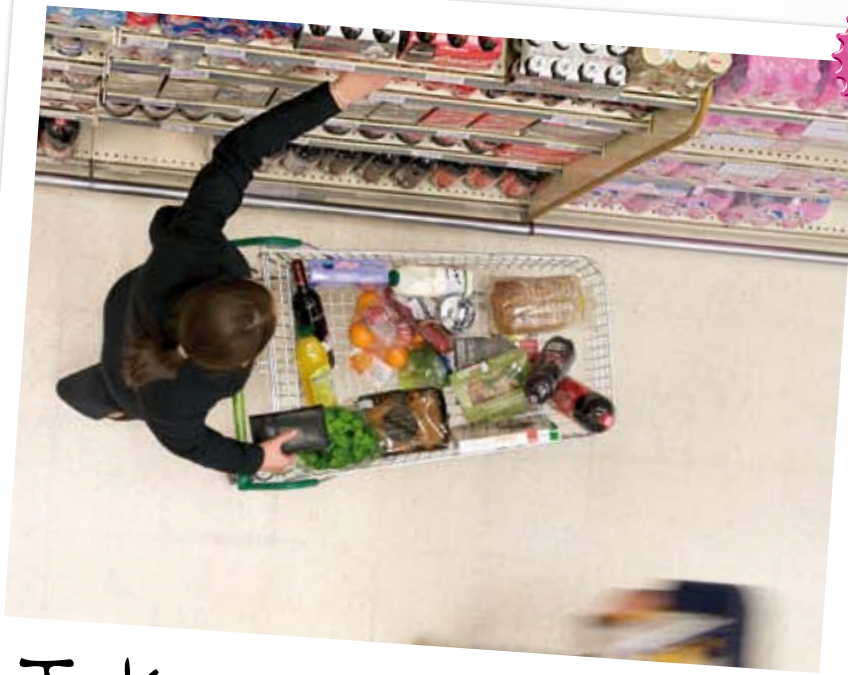
THE 2009 STORY



The 2009 story



On-premise market



Take-home market

THE 2009
STORY

£8.5bn

Value of the total soft
drinks market



Global trends

THE 2009 STORY OVERVIEW

IN 2009 THE ECONOMY CONTINUED TO CAST A CLOUD OVER CONSUMER CONFIDENCE, AS SHOPPERS PRIORITISED VALUE. WITH LESS MONEY TO SPEND, CONSUMERS COMPENSATED BY CHANGING THEIR GROCERY BUYING HABITS AND OPTING TO STAY IN MORE.

RESILIENT PERFORMANCE IN A CHALLENGING MARKETPLACE

In this tough climate, the soft drinks sector did well to weather the storm. As an affordable treat, soft drinks were well suited to the mood of the times; and with a wide range of sub-categories to choose from, the more cash-strapped consumers had no difficulty in finding alternative soft drink choices to suit their budgets. Overall sales in the UK totalled £8.5bn across all channels – 2% up on the £8.4bn in 2008.

At £6.2bn, take-home sales grew 2% in the challenging economic environment. Shoppers switched their supermarket loyalties in the search for the best prices. They also bought fewer items more frequently. Sales of smoothies slipped again and the other big-ticket categories, pure juice and sports drinks, also saw a decline.

Value was certainly top of mind with consumers, but enjoyment wasn't far behind. While many consumers downsized from pure juice to juice drinks, others blazed a trail to the diet cola shelves. This new-found favour helped boost the cola sub-category's lead position to take a 22% share of the market.



2%

Total soft drinks
market value growth

THE SOFT DRINKS MARKET

THE SOFT DRINKS MARKET

■ Value (£m) ■ Volume (m litres)

Source: Nielsen Scantrack, 26 December 2009
On-Premise Audit MAT November 2009

Value and volume		% change	% share
Take-Home	6,191	2	72
	6,934	1	93
On-Premise	2,369	3	28
	515	-1	7
Total	8,560	2	100
	7,449	1	100



SOFT DRINKS IN CONTEXT – ON-TRADE

■ Value (£m)

Source: ACNielsen On-Premise Audit, Total Brewers, MAT November 2009

	Value	% change
Beer	7,984	-5
Soft drinks	2,369	3
Spirits	2,015	-1
Wine	1,188	1
Cider	944	4
FABS	239	-12
Champagne and sparkling wine	59	0
Fortified wine	45	-1
Perry	1	39

SOFT DRINKS IN CONTEXT – TAKE-HOME

■ Value (£m)

Source: ACNielsen Scantrack, MAT 26 December 2009

	Value	% change
Soft drinks	6,219	2
Wine	5,143	7
Beer	4,079	4
Chocolate	3,492	4
Spirits	3,168	6
Snacks	2,003	6
Yogurt	1,411	3
Sugar	1,212	-1
Butter and margarine	1,158	0
Toilet tissue	1,056	2
Laundry detergents	982	2
Instant coffee	660	9
Tea	598	8

THE 2009 STORY

In responding positively to complex debates such as obesity, the UK industry is now widely acknowledged to be leading the way through its efforts around nutrition labelling, reformulation and new product development – all of which are making a real difference for consumers.

Julian Hunt, Director of Communications, Food and Drink Federation

Other strong performers were glucose and stimulant drinks, squash, non-fruit and fruit carbonates, juice drinks and water plus. Plain water sales remained flat – suggesting that consumers are reluctant to buy what is readily available from the tap at home.

The licensed channel did rather better than the grocery retailers. Sales rose 3% to £2.4bn, turning around the 4% decline in 2008 to put soft drinks at number two behind beer in the channel's performance table. In a difficult year for the on-trade, which saw increased competition from supermarket meals and drinks deals, this performance was significant. Although volumes were down 1%, soft drinks continued to benefit from the growing emphasis on food, which tends to attract more families. The winners were the usual suspects of cola, lemonade, flavoured carbonates and squash, while energy drinks, juice drinks and water continued to decline in popularity.

Shoppers' cautious mood looks set to continue in 2010. The challenge for the soft drinks industry will be to continue meeting their needs for taste and enjoyment at an affordable price. But if the economic outlook continues to brighten, will consumers maintain their thrifty ways or return to the shopping habits of happier times?

LABELLING

CONSUMERS NEED MORE CLARITY

The European Union issued its draft Food Information Regulation, which set out to overhaul the food labelling rules. The aim is to make labels clearer by proposing a minimum font size, for example. The new regulation which will replace the current Food Labelling Directive also proposes displaying key nutrition information more prominently, on the front of pre-packaged food and drinks.

Meanwhile, in the UK, the Food Standards Agency (FSA) published the results of its research on the impact of the various front-of-pack nutrition labelling schemes on the market. It concluded that shoppers would benefit from a single scheme that included the words 'high' 'medium' and 'low', traffic light colours and the percentage of Guideline Daily Amounts as well as the key nutrients the product contained. The FSA is now running a consultation on how such a scheme would work.

FREE FROM ARTIFICIAL COLOURS

The Food Standards Agency (FSA) asked the food and drinks industry to remove six controversial colours from products by the end of 2009. This was based on the results of a study by Southampton University that linked the colours to hyperactivity in children.

In addition the EU agreed that, from July 2010, labels on all food and drink containing the colours should warn consumers that they may have an adverse effect on children's behaviour.

OBESITY

GOVERNMENT AND FSA TACKLE WEIGHTY ISSUES

The Department of Health reviewed the progress of its 'Healthy Weight, Healthy Lives' obesity strategy in a report entitled 'One Year On'. The report assessed the strategy's current level of success and looked at the next steps in the fight against obesity. These include a Healthy Schools programme to improve health and nutrition in school meals and activity during break times, as well as the 'Play Strategy' to ensure interesting and free leisure spaces are available to children to promote exercise.

In addition, The Department of Health and the Food Standards Agency (FSA) continued to work in partnership with the food industry to achieve the aims of the Healthy Food Code. This code is designed to help consumers achieve and maintain a balanced diet. It covers a range of issues, including reformulation, marketing and portion size.

Consultations were conducted on the FSA's draft recommendations for reducing saturated fat and added sugar levels in certain foods and drinks and promoting products low in fat and sugar. It is also called for increased availability of smaller portion sizes. For soft drinks, the FSA asked manufacturers to make a voluntary 4% reduction in added sugar levels by 2012.



4%

FSA's 2012 target
for sugar reduction

THE 2009
STORY

CHANGE4LIFE MOVES UP A GEAR

In January 2009 the Government launched a nationwide advertising campaign to promote Change4Life, one of the cornerstones of the Obesity Strategy. Change4Life calls for people to avoid becoming overweight by eating better and exercising more. It warns that, without radical changes to their diet, 90% of today's children could be overweight or obese by 2050. It also makes clear the link between fat and preventable illnesses. Initially targeted at families with children under 11, Change4Life has now been extended to at-risk adults. A number of soft drinks companies are supporting the initiative through Business4Life.

HEALTH

PROMOTING HEALTHIER FOOD

The Department of Health launched a pilot study on a voluntary Healthier Food Mark for public sector caterers, designed to highlight foods meeting specified nutrition and sustainability criteria.

In Scotland catering establishments are already rewarded for serving up healthier meals through the healthyliving award. The award is open to all caterers – from sandwich shops to staff restaurants. It encourages improvements in the way food is prepared and highlights healthy options.

ENVIRONMENT

SCOTLAND TO BRING BACK DEPOSIT AND RETURN BOTTLES

In June the Scottish Parliament passed the Climate Change (Scotland) Bill, with an enabling power to introduce a mandatory deposit and return scheme. By 2025 the Scottish Government wants to achieve a recycling rate of 70% and a 5% cut in waste sent to landfill and believes that giving shoppers a financial incentive for returning bottles could significantly increase levels of recycling. A minimum 90 day consultation would be required before such a scheme could be introduced.

ADVERTISING

PRODUCT PLACEMENT ON UK TV

In November 2009 the Government launched a consultation on whether to overturn the rules prohibiting product placement in programmes made for UK television. Culture Secretary Ben Bradshaw said the move recognised that the UK was one of the few countries in the world not to allow product placement and that current rules put UK broadcasters at a disadvantage against international competitors. Since the year-end, the Government has confirmed that it will allow product placement, albeit with a number of exclusions. These include foods and drinks high in fat, salt or sugar.

TAKE HOME





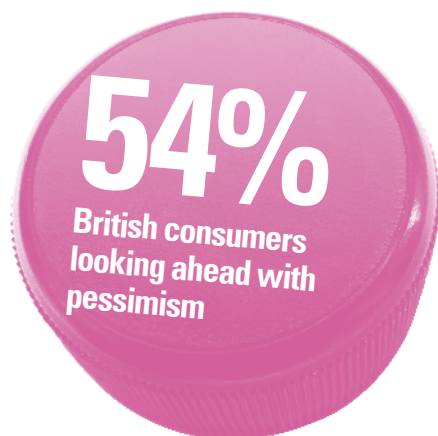
TAKE-HOME

£6.2bn

Take-home sales of
soft drinks +2% in 2009

TAKE-HOME OVERVIEW

THE DIFFICULT ECONOMIC CLIMATE, WITH CONSUMER CONFIDENCE AT A LOW, MADE 2009 ANOTHER CHALLENGING YEAR FOR SOFT DRINKS.



But there was light at the end of the tunnel as sales value grew 2% to £6.2bn and volume 1% as the second half of the year saw an overall improvement in the economic outlook.

As shoppers stretched their pounds further, smoothies proved a stretch too far: the downward trend in sales accelerated to a 27% decline, making them the hardest-hit sub-category by far. The recession also continued to impact on other premium categories, such as pure juice and sports drinks – both saw sales decline by 4%.

Consumers' search for more affordable treats produced one of the most interesting trends of the year. While the majority of shoppers switching from pure juice traded down to juice drinks, many opted for a very different soft drink choice. Low calorie cola was the main beneficiary as recession-hit consumers sought the feel-good factor but still kept an eye on their waistlines. Buoyed by this, cola increased its leadership in the take-home channel, with a 22% share of the market and value growth of 4%.

Squash and non-fruit carbonates also performed strongly, while water plus, juice drinks and fruit carbonates turned around the previous year's decline.

Value sales of plain water remained flat with a small uplift in volume sales, a marked improvement on 2008 when the sub-category experienced both value and volume decline.

The issues facing the soft drinks industry reflect broader economic trends. At the start of 2009, consumers in Britain were much more gloomy about the recession than most other Europeans, with more than half (54%) looking ahead with pessimism. This was reflected in a score of 65 on the consumer confidence index, compared to a global average of 77.

With concerns about the economy, debt and job security foremost in their minds, consumers continued to set themselves smaller budgets. This has meant cutting back, mainly by spending less on new clothes, fuel and going out – and by switching to cheaper grocery brands.

TAKE-HOME SUB CATEGORY PERFORMANCE

■ Value (£m) ■ Volume (m litres)

Source: ACNielsen Scantrack, MAT 26 December 2009

Value and volume		% change	% share
Cola	1,354	4	22
	1,674	3	24
Pure juice	1,163	-4	19
	1,104	-4	16
Glucose/ stimulant drinks	567	7	9
	274	7	4
Juice drinks	501	3	8
	380	1	6
Squash	476	7	8
	523	-3	8
Fruit carbonates	452	4	7
	537	0	8
Plain water	424	0	7
	1,005	3	15
Dairy and dairy substitutes	406	4	7
	186	7	3
Smoothies	127	-27	2
	47	-27	1
Sports drinks	164	-2	3
	107	4	2
Non-fruit carbonates	158	6	3
	235	3	3
Water plus	157	4	3
	233	9	3
Lemonade	148	4	2
	466	-3	7
Traditional mixers	115	3	2
	175	1	3
Cold hot drinks	8	-8	0
	4	-21	0
Total soft drinks	6,219	2	100
	6,949	1	100

TAKE-HOME



Consumers were also prepared to shop around for their groceries, changing their buying habits to get the best value. Out of town outlets were still favoured for the bigger trolley shops and accounted for 52% of all sales, while 20% of British households bought groceries online. Shoppers were also making more frequent, smaller purchases of 10 items or less. The basket shop accounted for 12% more visits and a 16% increase in spend.

Retailers responded to this demand for value by increasing their promotional activity – by the third quarter of 2009, 35% of grocery sales were at discounted prices. But it seemed to work: till spend at all major supermarkets showed an increase in value share over the previous year.

Towards the end of 2009 shoppers showed a greater sense of optimism, with consumer confidence rising to 72 on the index. But consumers' concerns about the economy, debt and job security look set to continue during 2010. The need to save money is as strong as ever and, with value considerations increasingly influencing buying choices, manufacturers will face some tough decisions about price structure and maintaining value perceptions. And when the economy improves, will consumers return to their pre-recession spending habits or maintain their thrifty, budget-conscious mindset?

SUPPLIERS

The top three suppliers CCE, Britvic and GSK, accounted for almost 50% of the market between them. The collective value growth of Britvic (6%) and CCE (4%) drove category growth of £111m and increased value sales by 5%, compared to the 2% growth in soft drinks overall. Third-placed GSK fared less well, with value sales down 3%. Britvic's success was driven by strong performances from Pepsi, Robinsons and drench juicy spring water. CCE's growing portfolio of energy drinks benefited from the buoyant energy category, with rising sales of Monster and Relentless. Coke was also a key contributor, with sales up 4%. GSK had a difficult year, with both Ribena and Lucozade seeing sales decline.

Also in the top 10 suppliers, Barrs saw sales value increase by 9%, with Iln Bru and new acquisitions Rockstar and Rubicon Juice Drinks leading the way. A significant increase in distribution provided a shot in the arm for Nestlé Waters' top brand Buxton and relative newcomer Pure Life.

BRANDS

The Top 10 brands accounted for nearly half of the total take-home soft drinks sales. Actimel grew the fastest in value terms, up 7%, although a higher than average price meant it did not feature in the Top 10 brands by volume.

Cola had another good year, with Coke and Pepsi both performing well. But the leading light was Pepsi Max, with value sales up 9% making it the fastest growing major cola brand. Robinsons increased its dominance in the squash market, contributing more than a third of the sub-category's overall growth.

On the downside, Tropicana was impacted by the trend of trading down from pure juice, with sales down 5.7%.

Brands and promotions played a key role in delivering a value for money message in 2009. A return to the safety of big brands coupled with the launch of Essential Waitrose provided a great platform for growth. These elements combined with our most successful expansion programme in any year have delivered a genuine broadening in our consumer reach.

Suzanna Duke, Director – Ambient Buying, Waitrose

RETAILERS

With consumers more determined than ever to make every penny count in 2009, the search for low prices meant more shopping around – and retailer loyalty suffered.

Ultimately, supermarkets won the battle, with sales value up 4% driven by the exceptional performance of the big four in a tough market. Promotions certainly helped, to the extent that discounters such as Aldi and Lidl saw their market share grow more slowly than last year. 61% of the population bought from a discounter in 2009 – nearly the same as from Morrison's – but if consumer confidence continues to grow and shoppers return to their former habits, discounters may find it challenging to maintain their recent growth.

An increase in promotions, led by retailers, was certainly evident in the soft drinks sector – 49% of sales for later consumption were on promotion, an increase of 3%.

The well-publicised challenges faced by impulse outlets were reflected in a 3% drop in soft drinks sales. Hardest hit were local and high street newsagents, with value down 20%, and multiple off-licences, down 11% by value due to the collapse of First Quench group, owner of Thresher and Wine Rack. High street shops, independents and multiple forecourts also suffered a decline.

But it wasn't all doom and gloom for small stores, with the convenience channel (stores of <280 sq m) enjoying a 2% increase in sales.

TAKE-HOME

49%

Soft drinks sold on
promotion (deferred)

TAKE-HOME SOFT DRINKS SUB-CATEGORIES



COLA **STILL GAINING GROUND**

Cola remained the top sub-category after yet another strong performance. Value growth of 4%, for a second year running, took total cola sales to £1.35bn – a 22% share of the take-home soft drinks market.

Cola seems to have benefited from tight economic conditions, as many shoppers switched their spending from higher priced smoothies and fruit juice. These switchers predominantly favoured low-cal variants.

Pepsi continued to grow sales faster than Coke, with 5% value growth taking sales to £271m. But Coke was not far behind, with sales up 4% to just over £16m. Pepsi Max was again the star performer, with sales value growing 9%.



PURE JUICE **LOSING THE VALUE-CONSCIOUS SHOPPERS**

Pure juice remained the No2 category by a large margin, with total sales of £1.16bn. But sales declined by 4% – equivalent to £41m – as consumers turned to less expensive alternatives. While most of the switchers traded down to juice drinks, many moved to entirely different sub-categories in search of value-for-money enjoyment – and cola was the main beneficiary. Not all juice brands were in the doldrums, though: Princes grew 47%, picking up an extra £6m of sales.



GLUCOSE/STIMULANT DRINKS **MONSTERING THE MARKET**

With a healthy 7% increase in sales to £567m, glucose/stimulant drinks was once again the top-performing sub-category. Although its growth was down on the 12% achieved in 2008, it remains the third largest sub-category with a growing share of the total soft drinks market.

The big stimulus was provided by Relentless and Monster, which together accounted for 58% of the growth. The key to stimulant drinks' remorseless rise is increased distribution, for both new and existing lines. Overall, distribution rose by 12%, with new brand Monster accounting for a quarter of this.

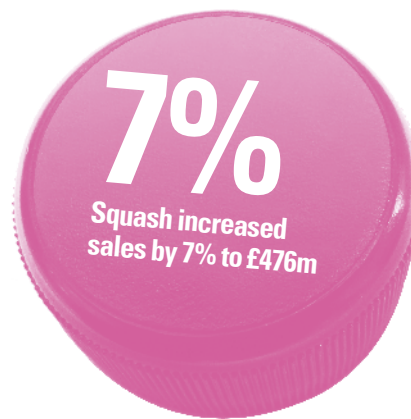
In 2009's price conscious environment, maintaining growth for this high-ticket subcategory was also a marketing challenge. One key to success was a 20% uplift in promotional support, raising the proportion of sales on promotion by a third to 42%. The other was a sharp rise in packs at sub-£2 price points. These drove two-thirds of the sub-category's 2009 growth and now account for 29% of sales.



JUICE DRINKS **VALUE WINS OUT**

Juice drinks sales returned to growth – up 3% to £501m – after declining by 1% in 2008. The sub-category benefited from pure juice shoppers trading down in search of taste and fruit content at a lower price.

Driving category growth within the top 10 brands was Rubicon, up a significant 54%, Oasis 6%, Capri Sun 11% and J₂O 5%. Value conscious shoppers gave private label a 15% increase in sales.



SQUASH **CONCENTRATING ON GROWTH**

A slightly better summer brought a ray of sunshine to squash sales, with value growth of 7% to £476m. This was a real improvement on the 2008 performance of 2% and injected an additional £30m into the sub-category.

The success of double-concentrate sales returned private label to value growth but complicated the volume story. On the face of it, sales volume dropped slightly – but “equivalised volume” (diluting double concentrate to the same strength as normal squash) shows that in reality volume was growing.

Market leader Robinsons had a good year, with value sales up 6% to £208m, representing a third of the sub-category’s growth of around £12m.



FRUIT FLAVOURED CARBONATES **TANGO AND VIMTO ADD FIZZ**

Fruit flavoured carbonates had a strong year, returning to value growth of 4% to £452m after a 1% decline in 2008.

The top 10 grew significantly, with four in particular – 7UP, Tango, Schloer and Vimto – into double digits. Of these the stars were Tango at 18% and Vimto, up 27%. However, No1 brand Fanta bucked the trend, losing 4% sales. Lilt was also down 1%.



PLAIN WATER **STAYING AFLOAT**

Water stemmed the decline of the last two years with value sales flat at £424m in 2009. The change in fortunes was largely down to increased promotional activity, which lifted supermarket sales by 3%.

A 300% increase in distribution lifted sales of Nestle’s relative newcomer Pure Life. Highland Spring and Buxton also performed well.



DAIRY DRINKS **CONSUMERS PRO PROBIOTICS**

Dairy drinks doubled their growth to 4%, bringing sales for the year to £406m. This success was a combination of existing consumers buying more and others adding dairy drinks to their basket for the first time.

Top brand Actimel grew by 7% but the big success story came from the second and third placed brands. Frijj surged ahead by 17% to £44m, closely followed by Benecol, up 15% to £35m.



SPORTS DRINKS **HITTING THE WALL**

After three years of growth that pitched sports drinks into the second fastest-growing sub-category, 2009 was a different story. Sales were down 2% to £164m. This was due partly to the two-pronged effect of smaller brands being lost in distribution cuts and a decline in sales of Lucozade Sports and Hydroactive.

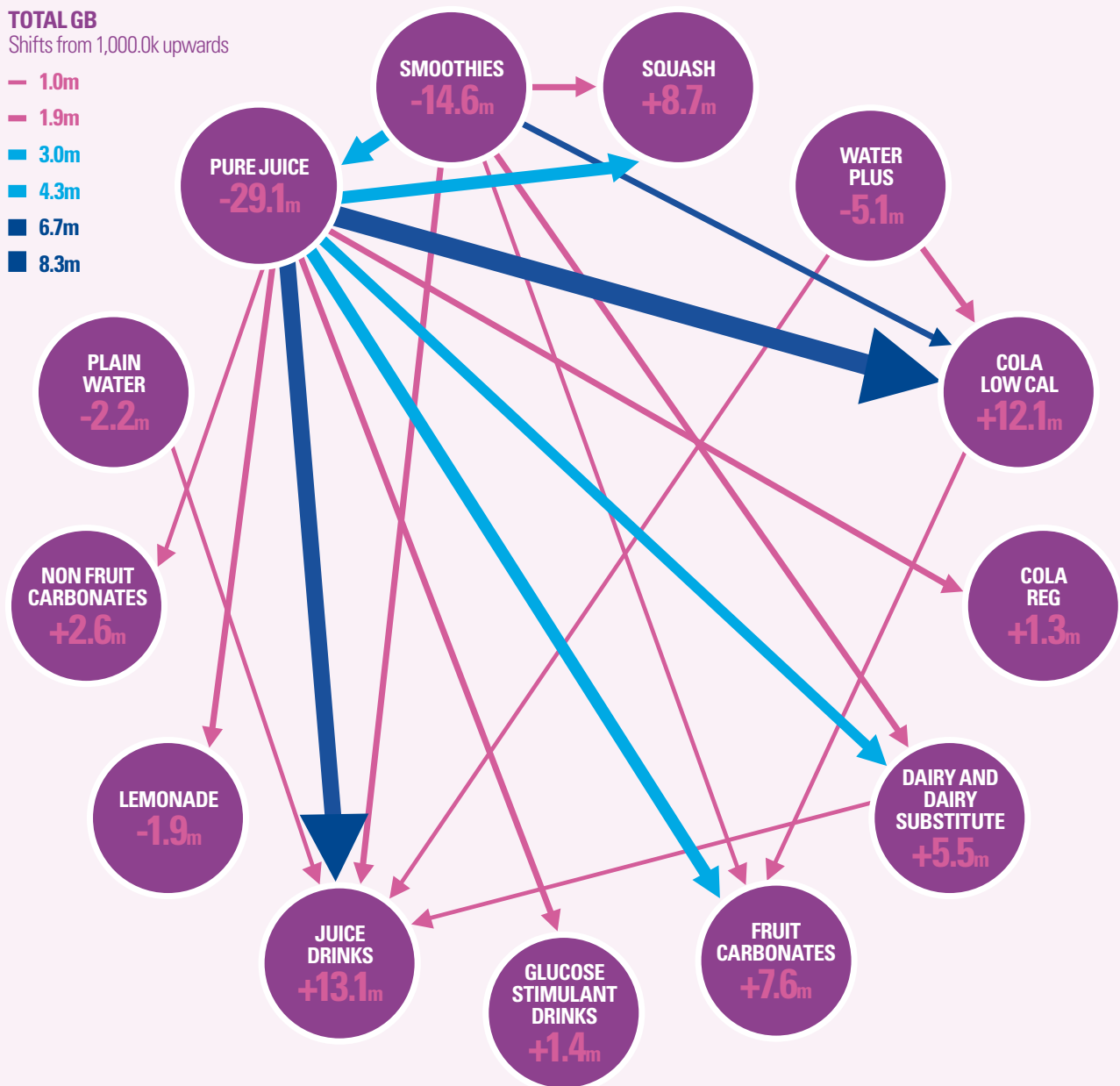
The two brands driving sales growth were Gatorade, up 40% to £2m, and relative newcomer Euroshopper Isotonic. Its low price attracted value-conscious consumers, resulting in a significant sales increase to £2m.

HOW CONSUMERS SWITCH BETWEEN SOFT DRINKS SUB-CATEGORIES

TOTAL GB

Shifts from 1,000.0k upwards

- 1.0m
- 1.9m
- 3.0m
- 4.3m
- 6.7m
- 8.3m



TAKE-HOME SOFT DRINKS SUB-CATEGORIES



NON-FRUIT CARBONATES **IRN BRU KEEPS AN IRON GRIP**

With sales up 6% this sub-category experienced one of the fastest growth rates in the soft drinks market, with sales of £158m taking it close to overtaking sports drinks.

Irn Bru remained the dominant brand with sales of £95.3m although sales growth slowed versus last year to 4%. In a sub-category characterised by distinctive products with loyal buyers, the brands driving growth in 2009 were D&G Jamaica (up 13%) and Barrs' originals range of cream soda, dandelion and burdock, ginger beer and shandy (up 6%).



WATER PLUS **FROM MINUSTO PLUS**

Sales of water plus increased by 4% to £157m – the first year of growth since 2006. Now running neck and neck with non-fruit carbs, water plus grew sales volume (up 9%) considerably faster than value – indicating some flexing of prices to attract value-conscious consumers. While flavoured water still accounts for some 96% of water plus, the big success story was water with functional ingredients – turning the previous year's 42% decline into a 72% increase. The heroes in this turnaround story were relative newcomer Glaceau Vitamin Water, with sales up by nearly £5m and VWater, up 143% to just over £1m.



LEMONADE **PREMIUM BRANDS CLEAN UP**

Lemonade saw value growth of 4% to £148m. This was helped by an increased demand for the multi-pack format and retailers increasing distribution of such lines.

R Whites was the big winner with sales up 17% in value terms, with Schweppes attaining a respectable 5% growth – between them driving 83% of the sub-category's growth.



SMOOTHIES **ANOTHER BUMPY RIDE**

The reversal of fortunes continued for smoothies as recession-hit shoppers switched to lower price pure juice and other sub-categories. Sales dropped by 27% to £127m, outpacing the previous year's 20% fall.



TRADITIONAL MIXERS **JUST THE TONIC**

Tonic water and soda water continued to achieve value growth, with sales increases of 5% a piece. Overall value sales in the sub-category grew on a par with 2008 at 3% to £115m.



COLD HOT DRINKS **SALES STILL COOLING**

This sub-category continued its downward trend, with sales declining 8% to £1m. Kenco was the main casualty, with sales down 83%.



ON-PREMISE





ON-PREMISE

3%

Rise in total
on-premise
soft drink sales
to £2.4bn

ON-PREMISE OVERVIEW

AFTER 2008'S 4% DECLINE, SOFT DRINKS REBOUNDED IN 2009, WITH SALES VALUE UP 3% TO £2.4BN. THEY OVERTOOK SPIRITS TO BECOME THE LICENSED TRADE'S SECOND BEST PERFORMING CATEGORY BEHIND BEER.



Although volume was still down by 1% this was a vast improvement on the previous year's 6% decline.

The big success story of 2009 was Pepsi Cola, which beat its rival Coke to first place in the cola sub-category, with sales up 10% to £475m. Lemonade, flavoured carbonates and squash performed well, while sales of juice drinks, energy drinks and water lost ground.

Generally it was another tough year for the on-trade – overall sales of beers, wines and spirits were down 8% by volume and 5% by value. Pubs continued to close at a rapid rate as the recession bit. Some commentators suggest the fall in property prices has placed a question mark over the major pub companies' lease/tenanted model as some pubco's were forced into selling parts of their estates to pay-off debt.

With less disposable income available, consumers were more inclined to stay in. Licensed outlets quickly caught on to the idea that "staying in is the new going out" and targeted the leisure pound more aggressively with attractively priced meal deals and drinks to combat heavily-marketed supermarket take-home deals.

Many of the high street managed chains have made food an increasingly important part of their trading mix, seeing profits rise in this sector of their business. Focusing on the quality and value of their food offering has attracted more customers, especially families and mixed groups. In turn, the growth in family-friendly establishments has increased the market for soft drinks – which may help to explain the category's resilience.

Soft drinks has been the best performing category within Whitbread over the last year, showing strong growth. Value for money has become increasingly important to our customers but the quality of the offer is also very important – it's not always about price. The importance of soft drinks within our business has grown significantly over the last few years and we anticipate that it will continue to do so.

Paul Clutton, Head of Procurement – drinks, supplies and services, Whitbread

ON-PREMISE SUB CATEGORY PERFORMANCE

■ Value (£m) ■ Volume (m litres)

Source: Nielsen On-Premise Audit, Total Brewers MAT November 2009

Value and volume		% change	% share
Cola	982	4	41
	249	1	48
Lemonade	437	4	18
	112	-2	22
Juice drinks	228	-2	10
	40	-4	8
Squash	178	5	8
	16	0	3
Mixers	160	1	7
	25	-3	5
Pure juice	153	1	6
	25	-1	5
Energy and sport	107	-2	4
	15	-1	3
Water	67	-6	3
	17	-10	3
Flavoured carbonates	57	10	2
	17	1	3
Total Soft Drinks	2,369	+3	100
	515	-1	100

ON-PREMISE

Top On-Premise Brands			
Value		£ millions	% change
1	Pepsi Cola	475	10
2	Coca-Cola	446	-1
3	R Whites Lemonade	209	8
4	Britvic J ₂ O	174	-2
5	Schweppes Lemonade	158	1
6	Red Bull energy	92	-5
7	Britvic mixers	75	7
8	Schweppes mixers	68	-4
9	Britvic squash/cordials	68	6
10	Britvic pure juice mixers	54	6

Top On-Premise Brands			
Volume		litres millions	% change
1	Pepsi Cola	115	10
2	Coca-Cola	114	-9
3	R Whites Lemonade	50	4
4	Schweppes Lemonade	40	-11
5	Britvic J ₂ O still juice drinks	29	-6
6	Red Bull energy	12	-5
7	Britvic mixers	12	6
8	Schweppes mixers	10	-11
9	Britvic pure juice mixers	8	15
10	Britvic squash/cordials	7	6

ON-PREMISE SOFT DRINK SUB-CATEGORIES



PUBS AND BARS

MANAGED SECTOR LEADSTHEWAY

The growing emphasis on food may explain why soft drinks sales increased most strongly in managed pubs – up 6%, reversing the 4% loss in 2008. In leased and tenanted outlets sales increased more slowly, by 2% – but this was still a marked improvement on the previous year's 7% decline. Sales in the independent sector grew slightly at 1%, turning around last year's slight decline.

BRANDS

PEPSI OVERTAKES COKE

Pepsi overtook Coca-Cola to become the top-selling brand. The brand grew 10% in value to £475m while Coke saw a decline of 1%. R Whites beat J₂O into third place, while Britvic mixers and squash both lifted sales by 6%.

SUPPLIERS

BRITVIC STILL NO1

Britvic remained the top supplier to the licensed channel: sales grew 6% to £1.1bn, representing a value share of 47%. Volume share was 46%, an increase of five percentage points.

Second placed CCE lost market share to 33%, with sales and volume down by 1% and 6% respectively.

HORECA (HOTELS, RESTAURANTS AND CATERING)

CAFÉS MAKETHE RUNNING

After seeing sales growth slow to 1% in the previous year, the HORECA channel slipped into reverse in 2009 as sales reduced by 3%.

Some outlets fared better than others. Fast food outlets and cafés performed well, with sales rising 10% to £30m. But the largest channel, workplace catering, had a real reversal of fortune – after 8% growth in 2008, sales fell to a 5% loss in 2009. This marked decline was driven by an increase in people bringing packed lunches to work to save money.

Cola, enjoying a great year all round, was the channel's fastest growing sub-category with sales up 8%. It strengthened its hold on the No3 position behind fruit juice and fruit drinks, while fourth-placed still water saw a heavy decline of 11%.

HORECA AND LEISURE SUB-CHANNEL PERFORMANCE – VALUE

■ Value (£m)

Source: Nielsen Delivered Catering Wholesale, MAT December 2009

	Value	% change
Work place catering	59	-5
Fast food and cafes	34	12
Education	33	-5
Travel and leisure	29	-1
Hotels	28	-10
Health and welfare	26	-6
Restaurants	23	2

HORECA AND LEISURE SUB-CATEGORY PERFORMANCE – VALUE

■ Value (£m)

Source: Nielsen Delivered Catering Wholesale, MAT December 2009

	Value	% change
Fruit juice	69	-3
Fruit drinks	40	3
Cola	34	6
Still water	27	-10
Energy drinks	22	-8
Other carbonates	17	-1
Squash	10	-6
Sparkling water	6	-10
Flavoured water	3	-13
Lemonade	2	9
Mixers	1	49
Total Soft Drinks	231	-3

ON-PREMISE

ON-PREMISE SOFT DRINK SUB-CATEGORIES



COLA **PEPSI SURGES AHEAD**

Cola maintained its position as the licensed trade's largest sub-category, with value growth of 4% to £982m lifting its market share to 41% as consumers looked for value in cash-strapped times.

The two leading brands, Coke and Pepsi, accounted for 94% of value sales. Once again, Pepsi had the better year, taking 2.8 share points to knock Coke off the No1 spot. Pepsi's £475m sales included good performances from both regular and diet variants.

Draught cola grew significantly ahead of packaged cola, with 5% value growth taking 82% of the cola market, highlighting the demand from both licensees and consumers for draught soft drinks.



LEMONADE **MARKET TURNS AROUND**

Lemonade – the second largest sub-category, with an 18% value share – was in good shape in 2009. Sales were up 4% to £437m, turning around the previous year's 6% decline.

No1 brand R Whites further strengthened its leadership, with sales up 9% to £209m, and increased its share of the sub-category to 48%. By comparison CCE Schweppes grew sales by just 1% and saw its share slip to 36%.

While diet variants represent just 1% of the market, sales of diet lemonade are growing swiftly – 39% in 2009 – reflecting consumer desire for healthier soft drinks options.



JUICE DRINKS **FEELING THE SQUEEZE**

While the increased emphasis on providing meals in a family-friendly environment has done much to boost the soft drinks market, sales of juice drinks fell by 2% to £228m. J₂O continued to lead the field, with a bold flavours portfolio and sales of £174m, but still declined in line with the market. Fruit Shoot saw strong gains as pubs focused on the family occasion to up spend, growing 9% in value to just over £14m as did Capri Sun, growing 55% off a small base to just over £1m.



SQUASH **SCHWEPPE'S EDGES UP ON BRITVIC**

Juice drinks' loss was probably squash's gain as consumers sought more value within their leisure spend. As a result squash returned to growth – up 5% to £178m – after declining 1% in 2008.

Britvic Cordial and CCE Schweppes Squash both saw increased sales. Brand leader Britvic Cordial grew 6% by value to £68m, but lost market share marginally to 38%. Schweppes Squash sales were up 7% to £38m, retaining a 21% share of the market.



MIXERS **JUST THE TONIC**

Mixers picked up in 2009, transforming 2008's 4% decline into a 1% increase in sales value to £160m. Britvic's star performance, with sales of £75m – 7% up against a decline of 4% in 2008 – put the brand in No1 position ahead of Schweppes, which saw sales drop 4% to £68m.



FRUIT JUICE **A FRUITFUL PERFORMANCE**

Pure juice turned its performance around, with sales up 1% to £153m, driven by 20% growth in managed pubs. Mixers, rather than free pour led the growth in this sector as licensees looked to packaged products for a premium serve.

Britvic juices held on to their No1 position with sales up 4% by volume and 6% by value to £54m. By contrast, second-placed CCE Schweppes juices saw declines in value (5%) and volume (8%).



ENERGY AND SPORT **WINGS CLIPPED**

Energy drinks continued to run out of steam although at a slower rate. Sales followed 2008's 7% decline with a 2% fall to £107m. Red Bull still leads the field with an 87% market share, but the brand is declining ahead of its peer group at 5%, as the "vodka and Red Bull" trend slides further out of vogue.



MINERAL WATER **WATER LEVELS DOWN**

Sales of bottled water continued their downward trend, as budget-conscious consumers turned to tap water to save money. Water dropped 6% by value to £67m and 10% by volume. The biggest loser was Highland Spring, which declined by a massive 25%. Strathmore and Abbeywell – the sub-category's key players – declined by 5% and 1% respectively. Requests for tap water vs bottled water may to some extent reflect consumer confidence; if so, demand for bottled water might improve in line with economic recovery, as suggested by its return to value growth (+5%) in the last quarter 2009.



FLAVOURED CARBONATES **BUBBLING UP**

With sales up 10% to £57m, this was the top performing sub-category. Its startling turnaround after the previous year's 1% decline could be the result of flavoured carbonates' growing popularity as an accompaniment to meals in food-focused establishments.

Irn Bru achieved a creditable 5% growth in sales value, but this was no match for its 10% performance in 2008. The big success story was 7UP – up 26%.

2009 was a good year for smaller brands as Ben Shaw's grew 19%, a 2% increase on the previous year, taking the brand to sales of £817k. Dispense soft drinks supplier Cabana also saw good growth, with sales up 74% to £7.2m.

GLOBAL TRENDS





77pts

Nielsen Consumer
Confidence Index down
to lowest level since it
began in 2004

GLOBAL
TRENDS

GLOBAL TRENDS OVERVIEW

LOOKING TO 2010...

While purse strings may be loosening in some markets, there's clearly a big difference in the pace of expected recovery between the emerging and developed markets. In the more developed economies, consumers' increased confidence is not yet translating into a widespread readiness to start spending.

James Russo, Vice President, Global Consumer Insights, The Nielsen Company

Around the world, fears for the economy and job security were foremost in consumers' minds as the recession began to bite. At the start of 2009 the global average on the Nielsen Consumer Confidence Index was down to 77 points – the lowest level since the company launched its worldwide consumer confidence survey in 2004.

Although the index increased five points in the second quarter, consumers remained pessimistic. As in the UK, they responded by spending less on fuel, clothing, entertainment and groceries.

However, while the economic concerns remained broadly consistent, their influence on purchasing behaviour was strongest in countries with more mature soft drinks markets. In less developed markets, sales continued to thrive.

In the saturated United States market the picture was almost uniformly negative. Consumer confidence was below the global average and soft drinks sales value and volumes dropped, reversing the promising performance of 2008. In the Republic of Ireland, one of the countries hardest hit by the recession, deflationary pressure on many consumer categories, including soft drinks, made for a difficult time.

This was in marked contrast with Brazil and India: growth in these two confident, developing nations continued unabated. In India sales of soft drinks soared, with fruit/vegetable still drinks leading the way. Health was also high on the agenda in South Africa, where there is growing enthusiasm for pure juice and diet carbonates.

Sports and energy drinks surged in popularity, with double-digit sales increases in the less developed markets of India, South Africa, Brazil – and France, where bottled water is still the dominant soft drink sub-category.

As the world emerges from recession and consumer confidence grows, it will be interesting to see how long consumers maintain their cautious spending patterns. Meanwhile, as we have seen in the past, strong brands are likely to continue showing their resilience in tough economic conditions.



GLOBAL TRENDS

NATIONAL MARKETS

IRELAND

A TALE OF TWO CURRENCIES

Economic gloom continued in the Irish Republic as market conditions curtailed consumer spending even further in 2009. Although prices were cut by 13%; this was not enough to halt the flow of consumers crossing into Northern Ireland to take advantage of the pound's weakness against the euro. In the last 12 weeks of the year, Republic of Ireland shoppers accounted for 18% of Sainsbury's sales and 17% of Asda's in Northern Ireland.

The licensed channel was hit hardest, with volume and value both down 20%. Take-Home sales dropped 10%, on volumes down 3%.

Deflationary pressure was most evident in the water sub-category: all major brands lowered their prices in 2009, with the most dramatic decreases coming in the final quarter as retailers looked to drive sales around the important Christmas period. One of the few bright spots was squash, which achieved 8% volume growth over the year while losing only 2% of sales value.

The market recovered slightly in the final quarter with volumes rising for water (6%), sports drinks (1%), juice drinks (3%) and squash (22%). However this was not mirrored in sales value, which was down 11%, 17%, 15% and 4% respectively.

In marked contrast with its neighbour, Northern Ireland experienced 9% growth in volume and value in the take-home channel. Cola, mixers, energy drinks and squash all saw double-digit value and volume growth. Squash was the top performer, with sales value up 17% and volume up 10%. However, the licensed channel followed a similar trend to the Irish Republic, with value down 11% and volume down 15%.

SOUTH AFRICA

HEALTH IS FOREMOST

Although consumer confidence in South Africa was in line with global averages, high inflation continued to affect the market. This was evident in soft drinks, where sales value growth of 13% reflected steady underlying volume growth of 4% – boosted by price rises averaging over 8%.

South Africans' growing interest in health and wellbeing was demonstrated in a 25% increase in value sales of diet carbonates and 20% value growth in chilled pure juice.

GLOBAL TRENDS

NATIONAL MARKETS

LOOKING TO 2010...

It's going to take a lot for the US consumer to come fully off the sideline, as scepticism regarding a recovery remains high. With a weak labour market, record foreclosures and tight credit, the consumer has a lot to work through before a sustained recovery is seen.

James Russo, Vice President, Global Consumer Insights, The Nielsen Company

UNITED STATES

CARBONATES STAY STRONG AS WATER AND JUICE WEAKEN

After starting 2009 three points ahead of the global average on the Consumer Confidence Index, American consumer confidence fell by five points by the end of the year. Almost 50% of those polled listed the economy in their top two concerns.

The resulting belt-tightening sent the well-developed soft drinks market into reverse. Sales value was down marginally, compared to a 1% increase in 2008. However, the 2% drop in volume was an improvement on the previous year's 3% fall.

This decline was felt in all sub-categories except carbonates, which continued to account for 46% of consumption. The worst performers were ambient juice, with value sales down 2%, and bottled water, which saw sales fall by 8%.

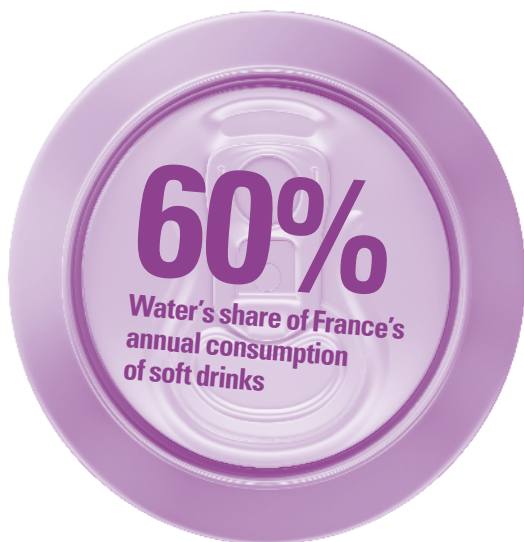
FRANCE

COLA AND ENERGY DRINKS BOOST SALES

At just 60 points, France had one of the weakest scores on the global Consumer Confidence Index. But, despite this, the soft drinks market saw a marked improvement.

Volumes rose by 2% – after falling more than 4% in 2008 – and sales value was up 5%. There was growth in nearly all sub-categories, with cola and fruit juice/drinks leading the way: their sales were up 7% and 5% respectively. Energy drinks, a relatively small sub-category in France, saw sales rocket by 40% with the introduction of Red Bull.

Water levels are still high, making up 60% of the nation's 130-litres-a-head annual consumption. Following 2008's 5% value and 8% volume decline, water sales stabilised to grow 1% in value while slipping 1% by volume.





INDIA

FRUITFUL GROWTH

India was the second most confident nation in the 2009 Consumer Confidence Index (only Indonesia was higher). It scored well above the global average, despite major concerns over rising food prices. Encouraged by low unemployment, 83% of consumers thought that job prospects would be excellent or good in 2010.

The 4% price rises in soft drinks did nothing to halt the double-digit upward trend of 2009: sales value increased 28% on volumes up 23%.

Fruit/vegetable drinks appeal strongly to Indian consumers and have a 14% share of the market by value. The sub-category is punching well above its weight: last year it contributed 18% of the overall value growth in a booming soft drinks market.

BRAZIL

SPORTS AND ENERGY DRINKS PROVIDE THE STIMULUS

Enthusiasm for sport and energy drinks is high in Brazil, driving runaway growth of 21% and 41% respectively. The mineral water market, though under-developed, is bucking the downward trend in other countries: volume and value were both up 15%.

Soft drinks as a whole increased 8% in value terms and 2% by volume. All sub-categories performed well – except diet carbonates, which declined by 3%.

Brazil was also one of the most confident nations in 2009, ranked third in the global Consumer Confidence Index. This confidence is set to continue in 2010, as Brazilian consumers are among the most likely to go on a post-recession spending spree.

www.softdrinksreport.com

GLOBAL
TRENDS

DATA

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MAGAZINES
NEWSPAPERS

TOTAL

MULTIBUY SAVINGS
2 FOR £4.00
SQUASH

1.00
2.00
0.50
17.72

TOTAL

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NEWSPAPERS

SUB-TOTAL

MULTIBUY SAVING
FIN* 2 FOR £4.00
ROBS SQUASH 1LTR 2 F 1.50

1.64
£1.05
2.10
0.65
4.29
0.74
1.59
0.89
0.85
2.65
2.65
2.45
1.72

PEC FIVE
Starters
10.50 21.00
21.00
16.50 33.00
36.75 3.75
6.00 6.00
4.00
4.75
2.75
1.00
6.50
19.00

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Desserts

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MULIFLOWER CHEESE
Main Course

TABLE

10.50 21.00
21.00
16.50 33.00
36.75 3.75

CLUBCARD STATEMENT

CARD NUMBER 6340040220039
THIS VISIT
EXTRA POINTS
CLUBCARD BAG RE-USE
12/11/09
CARD POINT

TOTAL

VISA DEBIT SALE
AID : A0000000031010
NUMBER : *****2129
PAN SEQ NO : 07
AUTH CODE : 805320
MERCHANT : 46246942
START : 11/09 EXPIRY : 11/11
Cardholder PIN Verified
CHANGE DUE

MULTIBUY SAVINGS

KNORR STOCKPOT BS 2FOR£2 -1.96
TOTAL SAVINGS -1.96
TOTAL TO PAY 28.69
NEWSPAPERS 0.80
TOTAL 29.49
BAG RE-USE * 0.00
2 0.00

TOTAL 29.49

VISA DEBIT SALE 29.49

ICC
J'S
POT
POT

SUB-TOTAL

29.49

TOTAL 29.49

16.09
16.09

SUB-TOTAL

29.49

1.64
£1.05
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2.65
2.45
1.72

TOTAL

16.09
16.09

SUB-TOTAL

29.49

TOTAL 29.49

VISA DEBIT SALE 29.49

ICC

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1609
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DATA



The Old Boat House
Cotswold Water Park
01285 864111
CHECK #134652

Server: Kris
Table: DRINKS Covers: 99
12/11/2009 12:04 AM

- 1 Seal Still Water
- 1 Lime Cordial
- 18 Pt Guinness
- 28 Pt 6X
- 31 Smirnoff Vodka
- 23 Gordons Gin
- 1 Diet Tonic
- 1 Diet Tonic
- 1 Budweiser
- 1 Ginger Ale
- 1 J20 Orange - Passionfruit
- 1 Tonic
- 1 Woods Dark Rum
- 1 Dash Pepsi
- 1 Pt Cobra
- 1 Tonic
- 1 J20 Apple - Rasp
- 1 Diet Tonic
- 1 Becard
- 1 Tonic

- 48.00
- 8.00
- 0.00
- 0.50
- 60.30
- 92.40
- 63.75
- 79.05
- 1.50
- 21.35
- 4.50
- 4.00
- 1.95
- 1.00
- 10.20
- 1.50
- 12.00
- 1.90

STATEMENT

4402200397012* 35
BAG RE-USE 4
10/05/09 1021
SUBCARD POINTS 1

FOR SCHOOLS CLUBS 2009

Junico
PIZZERIA
Y STREET, EPPING

Table 7
03/09/09
Unpaid
COLETTES

TOTAL

Handwritten total: 240.00

THE GROVE
COLETTE'S
CHANDLERS CROSS
HERTFORDSHIRE, ENGLAND WD3 4TG
01923 607807

Check 402 /1
Guests 4 CASHIER C.
Open: 08:17 pm
Colettes

- 1 TARTAR £0.00
- 1 SCALLOP £0.00
- 1 RABBIT £0.00
- 1 COLLETTE £0.00
- 1 CHEESE SUPPLEMENT £240.00
- 1 COLETTE'S DINNER £0.00
- 1 BRILL £0.00
- 1 LAMB £0.00
- 1 DARK CHERRIES £14.50
- 1 LOUIS ROEDERER BRUT GL £6.90
- 1 DIET BOTTLE £10.50
- 1 PLYMOUTH £10.50
- 1 tonic bt1
- 1 TANGUERAY
- 1 slimline bt1 £44.00
- 1 ISABEL SAUVIGNON GLS £9.30
- 1 EVIAN £7.50
- 1 10YR TAWNY GL

VAT 2.49
DRIVE THRU £19.14
CREDIT/DEBIT CARD £19.14
Amount Due £0.00

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DATA INTRODUCTION

THE DATA IN THIS REPORT IS SUPPLIED BY LEADING MARKET ANALYSTS WHO ARE CONTINUALLY WORKING TO IMPROVE ACCURACY, RESULTING IN SLIGHTLY DIFFERENT SAMPLES EACH YEAR.

This creates an artificial level for trend analysis year-on-year across all channels. However, the sample is adjusted retrospectively and change percentages are accurate, although value and volume data should not be compared to last year's report.

Unless otherwise stated all volumes represented are "as sold" not "as drunk". For ease of use some figures have been rounded to whole numbers. This may result in small discrepancies in chart totals but does not affect the accuracy of the background data.

Data is correct at time of going to print.

THE SOFT DRINKS MARKET

The Soft Drinks Market

Value	£ millions	% share	% change
Take-Home	6,191	72	2
On-Trade	2,369	28	3
Total	8,560	100	2
Volume	litres millions	% share	% change
Take-Home	6,934	93	1
On-Trade	515	7	-1
Total	7,449	100	1

Source: Nielsen Scantrack, MAT 26 December 2009, On-Premise Audit
Total Brewers MAT November 2009

Soft Drinks In Context – Take-Home

	£ millions	% change
Soft drinks	6,219	2
Wine	5,143	7
Beer	4,079	4
Chocolate	3,492	4
Spirits	3,186	6
Snacks	2,003	6
Yogurt	1,411	3
Sugar	1,212	-1
Butter and margarine	1,158	0
Toilet tissue	1,056	2
Laundry detergents	982	2
Instant coffee	660	9
Tea	598	8

Source: ACNielsen Scantrack, MAT 26 December 2009

Soft Drinks In Context – On-Trade

Total Brewers	£ millions	% change
Beer	7,984	-5
Soft drinks	2,369	3
Spirits	2,015	-1
Wine	1,188	1
Cider	944	4
FABS	239	-12
Champagne and sparkling wine	59	0
Fortified Wine	45	-1
Perry	1	39

Source: ACNielsen On-Premise Audit MAT November 2009

TAKE-HOME

Total Sub-Category Performance

Value	£ millions	% share	% change
1 Cola	1,354	22	4
2 Pure juice	1,163	19	-4
3 Glucose/stimulant drinks	567	9	7
4 Juice drinks	501	8	3
5 Squash	476	8	7
6 Fruit carbonates	452	7	4
7 Plain water	424	7	0
8 Dairy and dairy substitutes	406	7	4
9 Sports drinks	164	3	-2
10 Non-fruit carbonates	158	3	6
11 Water plus	157	3	4
12 Lemonade	148	2	4
13 Smoothies	127	2	-27
14 Traditional mixers	115	2	3
15 Cold hot drinks	8	0	-8
Total Soft Drinks	6,219	100	+2

Volume	litres millions	% share	% change
1 Cola	1,674	24	3
2 Pure juice	1,104	16	-4
3 Plain water	1,005	15	3
4 Fruit carbonates	537	8	0
5 Squash	523	8	-3
6 Lemonade	466	7	-3
7 Juice drinks	380	6	1
8 Glucose/stimulant drinks	274	4	7
9 Non-fruit carbonates	235	3	3
10 Water plus	233	3	9
11 Dairy and dairy substitutes	186	3	7
12 Traditional mixers	175	3	1
13 Sports drinks	107	2	4
14 Smoothies	47	1	-27
15 Cold hot drinks	4	0	-21
Total Soft Drinks	6,949	100	+1

Source: ACNielsen Scantrack, MAT 26 December 2009

Total Carbonated v Still

Value	£ millions	% share	% change
Carbonated	2795	45	5
Still	3424	55	-1
Volume	litres millions	% share	% change
Carbonated	3361	48	2
Still	3588	52	0

Source: Nielsen Scantrack, MAT 26 December 2009

TAKE-HOME

Total Top Suppliers

Value		£ millions	% change
1	CCE	1,710	4
2	Britvic	728	6
3	GlaxoSmithKline	468	-3
4	Danone	325	-3
5	Tropicana UK	301	-7
6	Red Bull	186	0
7	Barrs	160	9
8	Innocent	107	-4
9	Gerber Foods	63	-13
10	Nestle Waters	63	12

Volume		litres millions	% change
1	CCE	1,725	1
2	Britvic	847	2
3	Danone	350	1
4	GlaxoSmithKline	271	-2
5	Tropicana UK	186	-9
6	Barrs	178	8
7	Highland Spring	111	1
8	Nestle Waters	109	32
9	Princes Soft Drinks	94	34
10	Gerber Foods	58	-17

Source: Nielsen Scantrack, MAT 26 December 2009

Top Brands

Volume		litres millions	% change
1	Coca-Cola	1,079	4
2	Pepsi Cola	393	3
3	Robinsons	301	-5
4	Lucozade	201	-0
5	Schweppes	181	-8
6	Tropicana	170	-8
7	Volvic	152	1
8	Evian	151	-2
9	Highland Spring	111	1
10	Fanta	110	-10

Source: Nielsen Scantrack, Total Coverage, MAT 26 December 2009

Total Take-Home Split

Value		£ millions	% share	% change
1	Out of town	2,827	46	3
2	Convenience	2,020	33	2
3	High street	1,369	22	-1

Volume		litres millions	% share	% change
1	Out of town	3,760	54	1
2	High street	1,661	24	-1
3	Convenience	1,516	22	2

Source: Nielsen Scantrack, MAT 26 December 2009

Top Brands

Value		£ millions	% change
1	Coca-Cola	1,018	4
2	Lucozade	339	-3
3	Robinsons	307	2
4	Pepsi Cola	271	5
5	Tropicana	270	-6
6	Red Bull	186	0
7	Ribena	127	-3
8	Schweppes	126	4
9	Actimel	116	7
10	Volvic	111	-7

Source: Nielsen Scantrack, MAT 26 December 2009

The Take-Home Channel

Value		£ millions	% share	% change
1	Grocery multiples	4,382	70	4
2	Impulse	1,837	30	-3
Total coverage		6,219	100	+2

Volume		litres millions	% share	% change
1	Grocery multiples	5,588	80	2
2	Impulse	1,361	20	-4
Total coverage		6,948	100	+1

Source: Nielsen Scantrack, Retail View, MAT 26 December 2009

TAKE-HOME

Grocery Multiples Sub-Category Performance

Value	£ millions	% share	% change
1 Still juice	1,028	23	-3
2 Cola	850	19	9
3 Squash	417	10	8
4 Dairy and dairy substitute	339	8	6
5 Juice drinks	335	8	8
6 Plain water	285	6	3
7 Fruit carbonates	282	6	10
8 Glucose/stimulant drinks	233	5	12
9 Smoothies	116	3	-27
10 Water plus	116	3	8
11 Lemonade	112	3	5
12 Non-fruit carbonates	97	2	12
13 Traditional mixers	95	2	4
14 Sports drinks	73	2	4
15 Cold hot drinks	6	0.1	-16
Total Soft Drinks	4,382	100	+4

Volume	litres millions	% share	% change
1 Cola	1,243	22	5
2 Still juice	1,006	18	-3
3 Plain water	833	15	4
4 Squash	469	8	-3
5 Fruit carbonates	406	7	2
6 Lemonade	393	7	-3
7 Juice drinks	295	5	4
8 Water plus	201	4	12
9 Non-fruit carbonates	176	3	6
10 Dairy and dairy substitute	155	3	10
11 Traditional mixers	153	3	2
12 Glucose/stimulant drinks	150	3	9
13 Sports drinks	63	1	8
14 Smoothies	43	1	-28
15 Cold hot drinks	3	0.1	-32
Total Soft Drinks	5,588	100	+2

Source: Nielsen Scantrack, MAT 26 December 2009

Impulse Sub-Category Performance

Value	£ millions	% share	% change
1 Cola	504	27	-3
2 Glucose/stimulant drinks	334	18	4
3 Fruit carbonates	170	9	-5
4 Juice drinks	166	9	-4
5 Plain water	139	8	-6
6 Still juice	135	7	-10
7 Sports drinks	92	5	-7
8 Dairy and dairy substitute	67	4	-5
9 Non-fruit carbonates	61	3	-3
10 Squash	59	3	-6
11 Water plus	40	2	-7
12 Lemonade	37	2	0
13 Traditional mixers	20	1	-1
14 Smoothies	11	1	-26
15 Cold hot drinks	2	0.1	22
Total Soft Drinks	1,837	100	-3

Volume	litres millions	% share	% change
1 Cola	431	32	-4
2 Plain water	172	13	-4
3 Fruit carbonates	131	10	-5
4 Glucose/stimulant drinks	124	9	4
5 Still juice	98	7	-7
6 Juice drinks	85	6	-6
7 Lemonade	73	5	-6
8 Non-fruit carbonates	59	4	-5
9 Squash	54	4	-4
10 Sports drinks	45	3	-2
11 Water plus	33	2	-6
12 Dairy and dairy substitute	31	2	-5
13 Traditional mixers	22	2	-7
14 Smoothies	4	0.3	-22
15 Cold hot drinks	1	0.1	39
Total Soft Drinks	1,361	100	-4

Source: Nielsen Scantrack, MAT 26 December 2009

TAKE-HOME

Impulse Channel Split				
Value	£ millions	% share	% change	
1 Co-ops & symbols	758	41	2	
2 Independents	704	38	-4	
3 Total multiples forecourts	197	11	-8	
4 Other impulse multiples	100	5	-20	
5 Total multiples split offs GB	46	3	-11	
Total Impulse GB	1837	100	-3	
Volume	litres millions	% share	% change	
1 Co-ops & symbols	664	49	0	
2 Independents	482	35	-4	
3 Total multiples forecourts	104	8	-9	
4 Other impulse multiples	59	4	-26	
5 Total multiples split offs GB	40	3	-16	
Total Soft Drinks	1,361	100	-4	

Source: Nielsen Scantrack Impulse, MAT 26 December 2009

Deferred v Immediate				
Value	£ millions	% share	% change	
Deferred	4,319	69	2	
Immediate	1,900	31	0	
Volume	litres millions	% share	% change	
Deferred	5,868	85	1	
Immediate	1,080	15	0	

Source: Nielsen Scantrack, MAT 26 December 2009

ON-PREMISE

Total Sub-Category Performance				
Value	£ millions	% share	% change	
1 Cola	982	41	4	
2 Lemonade	437	18	4	
3 Juice drinks	228	10	-2	
4 Squash	178	8	5	
5 Mixers	160	7	1	
6 Pure Juice	153	6	1	
7 Energy and sport	107	4	-2	
8 Water	67	3	-6	
9 Flavoured carbonates	57	2	10	
Total Soft Drinks	2,369	100	+3	
Volume	litres millions	% share	% change	
1 Cola	249	48	1	
2 Lemonade	112	22	-2	
3 Juice drinks	40	8	-4	
4 Squash	16	3	0	
5 Mixers	25	5	-3	
6 Pure Juice	25	5	-1	
7 Energy and sport	15	3	-1	
8 Water	17	3	-10	
9 Flavoured carbonates	17	3	1	
Total Soft Drinks	515	100	-1	

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

On-Premise Suppliers				
Value	£ millions	% share	% change	
1 Britvic	1,121	47	6	
2 CCE	783	33	-1	
3 Other	465	1	-1	
Total Soft Drinks	2,369	100	+3	
Volume	litres millions	% share	% change	
1 Britvic	236	46	5	
2 CCE	179	35	-6	
3 Other	100	4	5	
Total Soft Drinks	515	100	-1	

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

ON-PREMISE

Top On-Premise Brands

Value		£ millions	% change
1	Pepsi Cola	475	10
2	Coca-Cola	446	-1
3	R Whites Lemonade	209	8
4	Britvic J ₂ O	174	-2
5	Schweppes Lemonade	158	1
6	Red Bull energy	92	-5
7	Britvic mixers	75	7
8	Schweppes mixers	68	-4
9	Britvic squash/cordials	68	6
10	Britvic pure juice mixers	54	6

Volume		litres millions	% change
1	Pepsi Cola	115	10
2	Coca-Cola	114	-9
3	R Whites Lemonade	50	4
4	Schweppes Lemonade	40	-11
5	Britvic J ₂ O	29	-6
6	Red Bull energy	12	-5
7	Britvic mixers	12	6
8	Schweppes mixers	10	-11
9	Britvic pure juice mixers	8	15
10	Britvic squash/cordials	7	6

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

Total On-Premise Channel Split

Value	£ millions	% share	% change	
1	Independents	886	37	0
2	Lease/tenanted pubs	751	32	2
3	Managed pub chains	732	31	6
Total Soft Drinks		2,369	100	+3

Volume	litres millions	% share	% change	
1	Independents	221	43	-3
2	Lease/tenanted pubs	156	30	-1
3	Managed pub chains	138	27	2
Total Soft Drinks		515	100	-1

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

Total Brewers Draught v Packaged

Value	£ millions	% share	% change	
Draught	1,275	54	5	
Packaged	1,094	46	0	
Volume		litres millions	% share	% change
Draught	316	61	1	
Packaged	199	39	-3	

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

Total Brewers Low Calorie v Standard

Value	£ millions	% share	% change	
Diet	488	21	5	
Regular	1,881	79	2	
Volume		litres millions	% share	% change
Diet	120	23	2	
Regular	395	77	-2	

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

Total Brewers Carbonated v Still

Value	£ millions	% share	% change	
Carbonated	1,745	74	3	
Still	624	26	0	
Volume		litres millions	% share	% change
Carbonated	418	81	0	
Still	97	19	-4	

Source: Nielsen On-Premise Audit, Total Brewers, MAT November 2009

HORECA and Leisure Sub-Channel Performance – Value

	£ millions	% change
Work place catering	59	-5
Fast food and cafes	34	12
Education	33	-5
Travel and leisure	29	-1
Hotels	28	-10
Health and welfare	26	-6
Restaurants	23	2

Source: Nielsen Delivered Catering Wholesale, MAT December 2009

HORECA and Leisure Sub-Category Performance – Value

	£ millions	% change
Fruit juice	69	-3
Fruit drinks	40	3
Cola	34	6
Still water	27	-10
Energy drinks	22	-8
Other carbonates	17	-1
Squash	10	-6
Sparkling water	6	-10
Flavoured water	3	-13
Lemonade	2	9
Mixers	1	49
Total	231	-3

Source: Nielsen Delivered Catering Wholesale, MAT December 2009

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 CARBONATES

Fruit flavoured carbonated drinks. 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 the unique 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 and Red Devil, 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.

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).

HORECA/FOODSERVICE

Hotels, restaurants and catering.

DATA SOURCES

All sources are indicated in the charts and graphs, and detailed sources are available to all references in the text.

Take-home data relates to MAT 26 December 2009 and is taken from Nielsen's Scantrack Impulse service, which monitors weekly data from EPOS checkout scanners. All sales figures are in £millions, all volumes in million litres.

Nielsen's On-Premise Audit Total Brewers and relates to MAT November 2009. All sales figures are in £millions, all volumes in million litres.

Other data provided by Mintel.

Producers: Britvic Soft Drinks Britvic House, Broomfield Road, Chelmsford, Essex CM1 1TU 01245 261871.

For press information call the Britvic press office on 01245 261871 or email pressoffice@britvic.co.uk

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