

Tea and Other Hot Drinks - UK - July 2019

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“With tea and hot chocolate continuing to suffer from competition from coffee and soft drinks, brands in these categories need to look to new formats and more variety to tempt younger people who have a wide repertoire of drinks.”

– **Richard Caines, Senior Food and Drink Analyst**

This report looks at the following areas:

- **Focus on health and wellbeing benefits will encourage trading up**
- **New formats and more variety will help hot drink brands grow sales**
- **Ethical considerations warrant continuing attention**

The tea, hot chocolate and malted drinks market continues to suffer from competition from coffee and soft drinks. The hot summer weather particularly impacted tea sales in 2018, with volumes down 3% and the value of the market dipping by 0.6% to £645 million. The hot chocolate and malted drinks category saw an even steeper decline in sales, continuing the long-term trend.

This continuing decline in sales highlights the need for brands in these categories to look to new formats and more variety to increase frequency of drinking and encourage trading up to grow sales. Products focused on health and wellbeing, those targeting different needs at different times of the day, more cold versions of hot drinks and pods are some of the opportunity areas for boosting growth.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The facts

The implications

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Eight in 10 UK adults drink tea

Drinking of speciality, green and herbal/fruit shows younger bias

Hot chocolate is more of a rare treat

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- Strong interest in tea offering health and wellness benefits
- More room to market teas for different times of day
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- Gifting opportunities

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