

Cordials and Squashes - UK - July 2010

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What is this report about?

The squash/cordials market was in slow but steady decline until the economic downturn radically changed consumer purchasing habits, with value overriding the desire for premium and healthy soft drink products.

However, whether the market can sustain its current level of growth beyond the current economic downturn is largely down to whether it sufficiently develops its premium cordial segment, an area for growth that has so far been vastly under-realised.

What have we found out?

- The squash sector has benefited from a consumer re-evaluation of what constitutes value for money, growing by 7% in 2009 to reach £463m. The niche cordials market, worth just £12m in 2009 fared less well due primarily to its upmarket positioning.
- A lack of investment by the major soft drinks players (i.e. Britvic, Coca Cola Enterprises) lies behind the cordials sector's niche status however, as a product cordial remains on trend with many key drivers in the soft drinks market such as premiumisation, naturalness and health.
- Squash and cordials are still perceived as fundamentally unhealthy with purchases driven primarily by value and flavour. Only 30% (8.5m) of its buyers think squash/cordials are healthy compared to 68% (15.5m) for buyers of fruit juice.
- Consumer interest in health credentials; seven in ten buyers of squash/cordials would prefer that they do not contain additives, is not translating into purchases as only a fifth purchase them because they think they consist of good quality ingredients.
- Four in five squash buyers appreciate the fact they can control the strength of squash/cordials and customise it to their palate. This is a USP that major brands are currently failing to push.
- More needs to be done to educate consumers about new innovations in the market. Currently, few understand the difference between a squash and cordial and why they should pay more for the latter. Also, many believe that double-concentrate squash, while a good idea in theory, may actually be a false economy.

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