

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Natural sweeteners such as stevia may help to reduce these perceptions of artificiality and help to boost consumption among Millennial females." - Warren de Lima, Senior Food and Drink Analyst

This report looks at the following areas:

- Lower/no-calorie CSDs continue to provide growth opportunities
- Boosting CSD usage among Millennial females
- Increasing product transparency can also benefit CSD brands
- Food-based consumption occasions can boost sales

Carbonated soft drinks (CSDs) remains a popular category. The category's ability to cater for different tastes and interests has ensured that it continues to grow. However, the market has continued to face challenges from health-related organisations over the sugar content of many CSD products.

Coca-Cola and Pepsi continue to dominate the market but there appears to also be growing interest in other flavoured carbonates, often coming from smaller operators. The market remains a proactive one in innovation terms, with Coca-Cola's launch of a customisable carbonate machine (Keurig Cola) adding further to consumer interest in more tailored CSD products. The category remains diverse and suited to consumption across a wide variety of occasions, with value and volume growth expected to continue in a challenging soft drinks market in the coming years.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

арас +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

DID YOU KNOW?

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



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

г	Definition
	Abbreviations
Exe	ecutive Summary
Т	The market Figure 1: Forecast of Canada value retail sales of carbonated soft drinks, 2009-19
	Figure 2: Forecast of Canada volume retail sales of carbonated soft drinks, 2009-19
Ν	Market factors
	Dingoing negative media focus on sugar and sugary drinks
	Government regulations and rising material costs provide challenges for operators
	Summer provides growth opportunities
	An ageing population poses some challenges
	The consumer
	CSDs drunk by the majority of Canadians Figure 3: Usage of different types of carbonated soft drinks in the past month, May 2014
C	CSDs are most likely to be drunk with a meal or as a thirst quencher Figure 4: Occasions for drinking CSDs, May 2014
F	-lavour has a large influence in CSD decisions
C	CSDs are perceived as an artificial treat
Т	The majority of CSD users now check the packaging Figure 5: Attitudes towards CSDs, May 2014
٧	What we think
SSI	ues and Insights
L	_ower/no-calorie CSDs continue to provide growth opportunities
Т	The facts
Т	The implications
E	Boosting CSD usage among Millennial females
T	The facts
Т	The implications
I	ncreasing product transparency can also benefit CSD brands
Т	The facts
Т	The implications
F	Food-based consumption occasions can boost sales
Т	The facts
Т	The implications

BUY THIS REPORT NOW

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Т	he Big Issue
Р	rove It
E	xperience Is All
Mar	ket Drivers
K	ey points
С	SDs are being linked to growing health problems Figure 6: Body mass index, self-reported rate of being overweight or obese among Canadian adults, by gender, 2009-13
A	Iternative sweeteners
G	overnment regulations and rising material costs provide challenges for operators
Т	he 2014 'summer of sport' provides sales opportunities
С	onsumer confidence and disposable income remain resolute Figure 7: Consumer Confidence Index, monthly, January 2008-May 2014
	Figure 8: Household disposable incomes and savings in Canada, 2008-14
	Figure 9: Consumer Price Index in Canada, 2008-14
A	n ageing population poses potential issues Figure 10: Projected trends in the age structure of the Canada population, 2014-19
Т	apping into the growth of spirits
Stre	ngths and Weaknesses
S	trengths
V	/eaknesses
Com	apetitive Context
K	ey points
С	SDs continue to lead the way in the soft drinks landscape Figure 11: Value retail sales (\$ millions) in selected beverage categories in Canada, 2009-12
	Figure 12: Volume retail sales (million litres) in selected beverage categories in Canada, 2009-12
Who	o's Innovating?
K	ey points
Ρ	rivate labels challenge the CSD companies with a natural proposition Figure 13: Share of new product launches within the Canada CSD market, by ultimate company, 2010-13
С	anada Dry Mott's launches slim and tall cans
С	oca-Cola launches several special edition cans
С	oke is set to move into DIY territory
Ρ	epsiCo looks to naturally derived stevia sweetener with Pepsi Next launch
С	oca-Cola expected to respond with a naturally sweetened variant
Р	rivate labels and smaller companies launch CSDs positioned as natural

BUY THIS REPORT NOW

VISEL: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Key points

Warmer weather creates uptick in volume consumption, but also a competitive sales environment Figure 14: Canada retail value and volume sales of carbonated soft drinks, 2009-19

Health concerns look set to impact sales of CSDs

Figure 15: Forecast of Canada value retail sales of carbonated soft drinks, 2009-19

Figure 16: Forecast of Canada volume retail sales of carbonated soft drinks, 2009-19

Competition from at-home soda machines could affect sales of CSDs

Forecast methodology

Segment Performance and Market Share

Key points

Colas remain the largest segment, but other carbonates are driving growth

Figure 17: CSD retail market segmentation, by value, 2012 and 2013

Figure 18: CSD retail market segmentation, by volume, 2012 and 2013

Coca-Cola and Pepsi dominate

Figure 19: CSD retail market share, by value and volume, 2013

Figure 20: CSD retail market share, by value and volume, 2011-13

Companies and Products

Coca-Cola Limited Canada

PepsiCo

Canada Dry Mott's

Boylan

Brand Research and Social Media

Key points

Market overview

Key social media metrics

Figure 21: Key social media metrics, June 2014

Brand usage and awareness

Figure 22: Brand usage and awareness for selected carbonated soft drinks brands, May 2014

Interaction with CSD brands

Figure 23: Interactions with selected carbonated soft drinks brands, May 2014

Leading recent online campaigns

Coca-Cola leads the way

Campaigns from other selected CSD brands

What we think

Online conversations

Figure 24: Online conversations for selected carbonated soft drinks, by day, 4 June 2013-4 June 2014

Where are people talking about carbonated soft drinks brands?

What are people talking about?

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 25: Topics of conversation around selected carbonated soft drinks brands, 5 June 2013-4 June 2014

The Consumer – Usage of CSDs

Key points

CSDs drunk by the majority of Canadians

Figure 26: Consumption of carbonated soft drinks in the past month, May 2014

Standard/Regular cola leads the way

Figure 27: Usage of different types of carbonated soft drinks in the past month, May 2014

Figure 28: In-home and out-of-home usage of different types of carbonated soft drinks in the past month, May 2014

Low/no-calorie colas have potential to expand

Opportunities also exist for low/no-calorie flavoured CSDs

A quarter of Canadians drink regular fruit-flavoured CSDs

Tonic/soda water and other carbonates drunk by three in 10

One in five Canadians adopt a wide CSD repertoire

Figure 29: Repertoire of usage of types of CSDs, May 2014

The Consumer – Occasions for Drinking CSDs

Key points

CSDs are most likely to be drunk with a meal or as a thirst quencher

Figure 30: Occasions for drinking CSDs, May 2014

More than two in five drink CSDs to quench thirst and for refreshment

Many consumers also drink CSDs as a treat

The relationship between CSDs and alcohol

CSDs may also be able to grow in the exercise category

The Consumer – Reasons for Choosing Different Types of CSDs

Key points

Flavour has a large influence in CSD decisions Figure 31: Reasons for drinking CSDs, May 2014

Price also plays a large part in shaping purchase trends

The importance of lower calorie and portability

The Consumer – Perceptions of Soft Drinks

Key points

CSDs are perceived as an artificial treat

Figure 32: Attributes associated with carbonated soft drinks, May 2014

Refreshment cited by two in five adults

CSDs remain competitive on price

Correspondence mapping of soft drinks

Figure 33: Attributes associated with different types of soft drinks, May 2014

Figure 34: Correspondence analysis, July 2014

The Consumer – Attitudes towards CSDs

BUY THIS REPORT NOW

VISIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMAIL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Key points

Summary of attitudes towards CSDs

Figure 35: Attitudes towards CSDs, May 2014

Over half of CSD drinkers check the ingredients

Figure 36: Health and taste-related attitudes towards CSDs, May 2014

A third prefer the taste of 'lighter' CSDs

CSDs can further leverage functionality

Figure 37: Functionality-related attitudes towards CSDs, May 2014

CSDs can tap into the popularity of alcoholic drinks

Figure 38: Attitudes towards CSDs in pubs/bars/restaurants, May 2014

Recommendations can entice a quarter to try something new

Figure 39: Innovation and newness-related attitudes towards CSDs, May 2014

The Consumer – CSDs and Chinese Canadians

Key points

A third of Chinese Canadians drink five or more types of CSDs

Figure 40: Number of types of CSDs consumed - Overall vs Chinese Canadians, May 2014

Figure 41: CSD consumption among the overall population vs Chinese Canadians, May 2014

New flavours, high fruit content and functional benefits all resonate among Chinese Canadians

Figure 42: Significant difference in CSD purchase motivation – Overall vs Chinese Canadians, May 2014

The Consumer – Target Groups

Key points

Four target groups

Figure 43: Target groups for CSDs, May 2014

Fanatics (30%)

Conflicted Indulgers (26%)

Disengaged (23%)

Moderators (21%)

Appendix – Who's Innovating?

Figure 44: New product launches in the Canada CSDs market, by claim, 2010-14

Appendix – Market Size and Forecast

Figure 45: Best- and worst-case forecasts for the Canada CSD retail market, by value, 2014-19

Figure 46: Best- and worst-case forecasts for the Canada CSD retail market, by volume, 2014-19

Appendix - Brand Research and Social Media

Brand usage or awareness

Figure 47: Brand usage or awareness, May 2014

Figure 48: Coca-Cola usage or awareness, by demographics, May 2014

Figure 49: Pepsi usage or awareness, by demographics, May 2014

Figure 50: Dr Pepper usage or awareness, by demographics, May 2014

BUY THIS REPORT NOW

VISII: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMAIL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 51: Sprite usage or awareness, by demographics, May 2014

Figure 52: Mountain Dew usage or awareness, by demographics, May 2014

Figure 53: Canada Dry usage or awareness, by demographics, May 2014

Activities done

Figure 54: Activities done, May 2014

Brand analysis

Figure 55: Brand name key social media metrics - Coca-Cola, Ju	ine 2014				
Figure 56: Brand name key social media metrics - Pepsi, June 2	014				
Figure 57: Brand name key social media metrics - Dr Pepper, Ju	ine 2014				
Figure 58: Brand name key social media metrics - Mountain Dev	v, June 2014				
Figure 59: Brand name key social media metrics - Sprite, June 2	2014				
Figure 60: Brand name key social media metrics - Canada Dry,	June 2014				

Appendix – The Consumer – Usage of CSDs

	Figure 61:	CSDs consumed in the past month, May 2014
	Figure 62:	CSDs consumed in the past month – Any cola (net), by demographics, May 2014
	Figure 63:	CSDs consumed in the past month – Any flavour (net), by demographics, May 2014
	Figure 64:	CSDs consumed in the past month – Any low calorie (net), by demographics, May 2014
	Figure 65:	CSDs consumed in the past month – Standard/regular cola, by demographics, May 2014
	Figure 66:	CSDs consumed in the past month – Low or no-calorie/diet cola, by demographics, May 2014
	Figure 67:	CSDs consumed in the past month – Regular flavoured soft drink, by demographics, May 2014
	Figure 68:	CSDs consumed in the past month – Low or no-calorie/diet flavoured soft drinks, by demographics, May 2014
	Figure 69:	CSDs consumed in the past month – Other standard fruit-flavoured carbonated soft drinks, by demographics, May 2014
	Figure 70: May 2014	CSDs consumed in the past month – Other low or no-calorie/diet fruit-flavoured carbonated soft drinks, by demographics,
		CSDs consumed in the past month – Carbonated fruit juice and juice drinks, by demographics, May 2014
	Figure 72:	CSDs consumed in the past month – Tonic/soda water, by demographics, May 2014
	Figure 73:	CSDs consumed in the past month – Other carbonated soft drink, by demographics, May 2014

Repertoire

Figure 74: Repertoire of CSDs consumed in the past month, by demographics, May 2014

Appendix – The Consumer – Occasions for Drinking CSDs Figure 75: Occasions for drinking CSDs, May 2014 Figure 76: Most popular occasions for drinking CSDs, by demographics, May 2014

Figure 77: Next most popular occasions for drinking CSDs, by demographics, May 2014

Figure 78: Other occasions for drinking CSDs, by demographics, May 2014

Appendix – The Consumer – Reasons for Choosing Different Types of CSDs

Figure 79: Reasons for choosing different types of CSDs, May 2014

Figure 80: Most popular reasons for choosing different types of CSDs, by demographics, May 2014

Figure 81: Next most popular reasons for choosing different types of CSDs, by demographics, May 2014

Figure 82: Other reasons for choosing different types of CSDs, by demographics, May 2014

BUY THIS REPORT NOW

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: oxygen@mintel.com



Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – The Consumer – Perceptions of Soft Drinks

Figure 83: Perceptions of different types of beverage categories, May 2014

Figure 84: Most popular attributes associated with carbonated soft drinks, by demographics, May 2014

Figure 85: Next most popular attributes associated with carbonated soft drinks, by demographics, May 2014

Appendix – The Consumer – Attitudes towards CSDs

Figure 86: Attitudes towards CSDs, May 2014

Figure 87: Agreement with the statements 'I like to check the ingredients on the packaging of carbonated soft drinks' and 'Carbonated soft drinks with less sweet flavours would complement a meal better', by demographics, May 2014 Figure 88: Agreement with the statements 'Carbonated soft drinks are acceptable as an occasional treat for children' and 'I would be interested in buying carbonated soft drinks that aid digestion', by demographics, May 2014 Figure 89: Agreement with the statements 'I'd be interested in buying carbonated soft drinks containing botanical extracts' and 'I prefer the taste of diet/light carbonated soft drinks to regular/standard variants', by demographics, May 2014 Figure 90: Agreement with the statements 'Bars/pubs/restaurants should make carbonated soft drinks more visible to customers' and 'I am interested in buying high-quality mixers to go with spirits^', by demographics, May 2014 Figure 91: Agreement with the statements 'Recommendations from friends/family encourage me to try new types of carbonated soft drinks' and 'Carbonated soft drinks which are less fizzy appeal to me', by demographics, May 2014 Figure 92: Agreement with the statements 'I like to make my own carbonated soft drinks at home' and 'I would be interested in trying a carbonated soft drinks with a thicker texture', by demographics, May 2014

Appendix – The Consumer – CSDs and Chinese Canadians

Figure 93: Selected demographics, by total population against Chinese Canadians, May 2014

Appendix – The Consumer – Target Groups

Figure 94: Target groups, May 2014

Figure 95: Target groups, by demographics, May 2014

Figure 96: CSDs consumed in the past month, by target groups, May 2014

Figure 97: Occasions for drinking CSDs, by target groups, May 2014

Figure 98: Reasons for choosing different types of CSDs, by target groups, May 2014

Figure 99: Attributes associated with soft drinks, by target groups, May 2014

Figure 100: Attitudes towards CSDs, by target groups, May 2014

BUY THIS REPORT NOW

VI SIT: store.mintel.com CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100 EMALL: oxygen@mintel.com