

Sports and Energy Drinks - UK - August 2016

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"Sugar continues to be an issue in the market and the upcoming sugar tax in 2018 is expected to have an adverse effect on volume sales. 52% of users would cut back or stop drinking sugary sports and energy drinks if the price went up."

– Amy Price, Senior Food and Drink Analyst

This report looks at the following areas:

- The sugar tax provides a challenge and an opportunity
- The trend for category blurring opens the market up to a wider audience
- Low-caffeine energy drinks could provide an alternative solution

Estimated to be worth £1.4 billion in 2016, the sports and energy drinks market has seen 17.2% value growth over the last five years, while volumes have seen a 12.7% jump. This has been driven by energy drinks, which account for almost 90% in value sales and more than 80% of the total market in volume terms, typically coming at a higher cost per litre than sports drinks.

Sugar continues to be an issue in the market and the upcoming sugar tax in 2018 is expected to have an adverse effect on volume and value sales. 52% of users would cut back or stop drinking sugary sports and energy drinks if the price went up. However, 37% of the users who said that they'd reduce consumption would switch to low/no-sugar versions, offering an ongoing incentive for product innovation in this area as a way to keep consumers buying into the category.

There is marked interest in alternative sweeteners to refined sugar in sports and energy drinks, as well as those made with plant-derived sweeteners such as stevia, appealing to 25% and 29% of people respectively, offering potential for reformulation.

Low-caffeine formats also offer a route to innovation, appealing to 22% of people and 38% of sports and energy drinks users.

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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 Market – What You Need to Know

- Growth set to slow in 2016
- Sports drinks continue to struggle
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Around half of UK adults drink sports and energy drinks, especially young men

Branded variants are the most popular and drunk the most frequently

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Almost two in five would not change their habits following sugar tax

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Almost two in five would not change their habits following sugar tax

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