

Soft Drink Trends – China – October 2019

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This report looks at the following areas:

- High demand for fitter, healthier, and prettier body fuelling premiumisation
- Busy lifestyles creating opportunities for on-the-go occasions
- Allaying doubt and negative perceptions by offering more functionality

China's soft drinks market has experienced a stable growth rate in 2019 thanks to premiumised-priced product selections and consumers' growing urge for healthier options. The total market value stood at RMB875 billion in 2019 with a projected CAGR of 7.4% between 2019 and 2024. The tea and infusions, bottled water, and juice sub-categories account for a dominant proportion of market share by value. Ingredient innovation and advances in manufacturing technology that enhance the quality and nutrition of soft drinks will have the potential to disrupt the current market. While some sub-categories are facing stiff competition from the foodservice sector, they could find room to expand in on-the-go consumption occasions with consumers busier than ever.



"The ongoing demand for premium quality and healthy, functional soft drinks is a key driver behind a 7.6% growth rate in market value from 2018 to 2019. 'Plus' factors such as added nutrients, freshness from upgraded processing techniques, and beauty enhancements could be critical for brands and companies to stay competitive, as products with only one premium cue struggle to satisfy consumers."

Wenxin Xu, Senior Analyst
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