

Premium Soft Drinks - UK - January 2010

Report Price: £1500 / \$3000 / €2250



What is this report about?

Premium soft drinks may only be a niche sector but it has already grown to an estimated £105 million in value sales and has the potential to grow considerably in the future. With people increasingly keen to look after their health and happier to pay more for quality, there is demand for a more sophisticated alternative to alcohol and a more natural alternative to carbonated soft drinks.

What have we found out?

- Although small, this market is growing quickly and is now worth £105million. Premium soft drinks are more upmarket, adult soft drinks which usually come in premium packaged glass bottles and generally contain natural, more unusual and better quality ingredients e.g. Shloer's white grape and elderflower juice and Belvoir organic ginger beer.
- Demand for more adult/better quality soft drinks has grown from, among other things: a rise in ABC1s, meaning that as many as seven in ten now think it is "worth paying extra for quality goods" (TGI data); and legislative changes limiting advertising to kids e.g. the ban on advertising less healthy soft drinks on TV for under under-16s.
- Currently, the market struggles from low consumer awareness. For example, a fifth of the UK population have not heard of any brands within the sector, while only the long-established brand leaders (Shloer and Appletiser) are recognised by more than half the population.
- That many players in the market are small, local, farming companies may mean less resources for building awareness, but offers a chance to tap into growing consumer desire for more authentic, locally produced British products. For example, TGI data shows that 48% of people buy goods produced in their own country whenever they can, an increase of 10 % points since 2005.
- Health benefits are most likely to persuade consumers to dig deeper into their pockets. For example, 18 million UK consumers would be willing to pay more for a soft drink with natural ingredients; while, 16 million would do so if the drink contained healthier ingredients; or if there was low sugar/calorie content without compromising taste.
- Targeting mealtime occasions either in-home or the on-trade is a prime opportunity. For example, 20 million UK adults are most likely to buy a soft drink to accompany a meal in pubs/bars/restaurants, with 18 million doing the same for meals at home.

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