

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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



“While the Sugar Levy is likely to impact heavily on CSD sales, sugary variants in particular, there is marked opportunity to move sugary CSD drinkers over to diet/light variants. Low price and proving the flavour credentials of these variants are key to encouraging switching.”
– **Alyson Parkes, Research Analyst**

This report looks at the following areas:

- Improving health credentials of L/N/R sugar variants could build trust amongst consumers
- Marked potential to move sugary CSD drinkers to L/N/R sugar variants
- Opportunity for premium CSDs to appeal to adults looking for alternatives to alcohol

Usage of CSDs remains high, and while this remains unchanged from 2016, usage of sugary CSDs has fallen, the ongoing media attention on sugar appearing to have hit these variants. Value sales in the market are estimated to grow in 2017. This slow growth in comparison to previous years has been underpinned by declining value sales in the on-premise.

Volume sales are projected to decline for the first time since 2013 in 2018 as a result of the Sugar Levy being invoked, if the government retains this policy. Cutbacks on consumption of sugary CSDs are the most likely outcome of any price rises resulting from the Sugar Levy. However, with two thirds of sugary CSD drinkers also drinking diet/light CSDs, there is potential to move many sugary CSD drinkers over to L/N/R sugar variants.

While it is unknown how much of the cost incurred by manufacturers and importers from the Levy will be passed on to consumers, any additional rise in price, along with the projected inflation, is anticipated to result in value sales growth.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@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

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market
Sales of CSDs have continued to grow
Sugar Levy expected to drive retail volume sales down
Figure 1: Forecast of UK sales of carbonated soft drinks, by value, 2012-22
Continued growth of L/N/R sugar boosts cola sales
Figure 2: Retail value and volume sales of carbonated soft drinks, by segment, 2016
Sugar is top health 'foe' – Soft Drinks Sugar Levy due in March 2018
Artificial sweeteners divide industry
Growing child population should boost the category
Rise in real consumer incomes is expected to end
Companies and brands
L/N/R sugar brands benefit from sugar concerns
Figure 3: Leading brands' shares in the UK retail carbonated soft drinks market, by value, 2015/16 and 2016/17
Britvic sees value and volume decline in the adult CSDs market
Figure 4: Leading brands' shares in the UK retail adult soft drinks market, by value, 2015/16 and 2016/17
Companies pledge to reduce sugar
Coke Zero renamed; Life culled; Fanta lightened
Brands tap into consumer demand for premium drinks
Adspend exceeds 2013 level
Coke supports Zero Sugar rebrand, Pepsi links with events
Coke enjoys highest trust
The consumer
Sugary CSD usage falls in 2016
Figure 5: Usage of carbonated soft drinks, April 2017
Low price and matching sugary CSDs' taste would most boost light CSDs
Figure 6: Factors to encourage switching to diet/light carbonated soft drinks, April 2017
Taste and quality ingredients are key attributes for premium CSDs
Figure 7: Factors deemed important in a premium carbonated soft drink, April 2017
Three in five consumers want easy sugar guidelines on-pack
Figure 8: Attitudes related to carbonated soft drinks, April 2017
'Low in calories' is top association for all 'light' labels – but far from universal
Figure 9: Selected qualities associated with L/N/R sugar carbonated soft drinks, by type, April 2017
Cutting back on consumption is the most likely reaction to levy

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Figure 10: Expected reactions to the Soft Drinks Sugar Levy on carbonated soft drinks consumption, April 2017

What we think

Issues and Insights

Improving health credentials of L/N/R sugar variants could build trust amongst consumers

The facts

The implications

Marked potential to move sugary CSD drinkers to L/N/R sugar variants

The facts

The implications

Opportunity for premium CSDs to appeal to adults looking for alternatives to alcohol

The facts

The implications

The Market – What You Need to Know

Sales of CSDs have continued to grow

Sugar Levy expected to drive retail volume sales down

Continued growth of L/N/R sugar boosts cola sales

Sugar is top health 'foe' – Soft Drinks Sugar Levy due in March 2018

Safety of artificial sweeteners divides industry

Growing child population should boost the category

Rise in real consumer incomes is expected to end

Market Size and Forecast

Sales of CSDs have continued to grow

Figure 11: Forecast of UK sales of carbonated soft drinks, by volume, 2012-22

Value sales expected to keep climbing

Figure 12: Forecast of UK sales of carbonated soft drinks, by value, 2012-22

Sugar Levy expected to drive retail volume sales down

Figure 13: Forecast of UK retail sales of carbonated soft drinks, by volume, 2012-22

Figure 14: Forecast of UK retail sales of carbonated soft drinks, by value, 2012-22

On-premise sales of CSDs slide

Figure 15: Forecast of UK on-premise sales of carbonated soft drinks, by value, 2012-22

Figure 16: Forecast of UK on-premise sales of carbonated soft drinks, by volume, 2012-22

Forecast methodology

Market Segmentation

Continued growth of L/N/R sugar options boosts cola sales

Figure 17: Retail value and volume sales of carbonated soft drinks and adult soft drinks, by segment, 2014-16

Mixer drinks were the strongest performers in 2016

Fall in sales of lemonade continues

Market Drivers

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Sugar is the key driver of change in the category
Soft Drinks Sugar Industry Levy to be invoked in March 2018
Sugar is top health 'foe'
The industry responds with sugar reduction and recipe reformulation
NHS to cut the sales of sugary drinks
Safety of artificial sweeteners divides industry
Reduced alcohol consumption provides an opportunity for CSDs
Growing child population should boost the category
Rise in real consumer incomes is expected to end

Companies and Brands – What You Need to Know

L/N/R sugar brands benefits from sugar concerns
Britvic sees value and volume decline in the adult CSDs market
Companies pledge to reduce sugar
Coca-Cola Zero renamed, Life culled, Fanta lightened
Brands tap into consumer demand for premium drinks
Adspend exceeds 2013 level
Coca-Cola supports Zero Sugar rebrand; Pepsi links with events
Coca-Cola enjoys highest trust

Market Share

L/N/R sugar brands benefit from sugar concerns
Standard Coke struggles, Zero Sugar rebrand drives growth
Figure 18: Leading brands' sales and shares in the UK retail carbonated soft drinks market, by value and volume, 2015/16 and 2016/17
Xtra variant helps Irn-Bru grows
PepsiCo enjoys sales growth as Pepsi Max gains value share
Fever-Tree sees substantial growth as mixer drinks continue to grow
Figure 19: Leading manufacturers' sales and shares in the UK retail carbonated soft drinks market, by value and volume, 2015/16 and 2016/17
Britvic sees value and volume decline in the adult soft drinks market
Premium brands buck the downward trend
Figure 20: Leading brands' sales and shares in the UK retail adult carbonated soft drinks market, by value and volume, 2015/16 and 2016/17

Launch Activity and Innovation

NPD in the CSDs market falls behind juice and tea
Figure 21: Share of new product launches in the UK non-alcoholic drinks market, by category, 2013-16
Companies pledge to make sizeable sugar reductions
Figure 22: Share of new product launches in the carbonated soft drinks market with L/N/R sugar claims, 2013-17
New recipe and new look for Fanta
Success of Coca-Cola Zero Sugar leads to brand extension...
Figure 23: Share of new product launches in the UK carbonated soft drink market, by top companies (sorted by 2016), 2013-17
...but the end of Coca-Cola Life

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

PepsiCo unveils UK's first ginger and cola combination
Brands tap into consumer demand for premium drinks
Cans and anniversary packaging for Schweppes mixers
Fever-Tree expands tonic range and adds a cola variant to its offering
Appletiser launches premium cans
M&S add two premium CSDs to its Spirit of Summer range
R White's lemonade rebranding accompanied by new flavour additions
Revived Victorian brand looks to take on Fever-Tree with premium tonic range
London-based Dalston's continues craft soda revolution
Welsh craft soda Lurvill's Delight resurrected following craft movement
Juice group launches exclusive charcoal lemonade

Advertising and Marketing Activity

Adspend exceeds 2013 level
Figure 24: Total above-the-line, online display and direct mail advertising expenditure in the UK carbonated soft drinks market, by top 10 Advertisers, 2013-17
Coca-Cola Zero re-brands to avoid consumer confusion over sugar
Figure 25: Total above-the-line, online display and direct mail advertising expenditure in the UK carbonated soft drinks market, by top 10 brands, 2013-17
TV personality Holly Willoughby appointed as Diet Coke brand ambassador
'Share a Coke' campaign returns with top holiday destinations
Old Jamaica launches summer campaign
'Talking Rubbish' social experiment from Coca-Cola
Coca-Cola continues to support charity FareShare with Christmas campaign
PepsiCo focuses on football fans for 2017 UEFA sponsorship
Pepsi Max targets Millennials with 'Summer of Music' campaign
Brands look to new usage occasions for CSDs
J2O Spritz makes first TV appearance
Fever-Tree uses history of gin and tonic to raise awareness over malaria
Nielsen Ad Intel coverage

Brand Research

What you need to know
Brand map
Figure 26: Attitudes towards and usage of selected drinks brands, April 2017
Key brand metrics
Figure 27: Key metrics for selected drinks brands, April 2017
Brand attitudes: Coca-Cola excels on quality image and reputation
Figure 28: Attitudes, by drinks brand, April 2017
Brand personality: Fever Tree most widely seen as exclusive and ethical
Figure 29: Brand personality – Macro image, April 2017
Coca-Cola has strong ties with authenticity and the most traditional image
Figure 30: Brand personality – Micro image, April 2017

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100 |
EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Brand analysis

Fever-Tree stands out on a sophisticated and stylish image

Figure 31: User profile of Fever-Tree, April 2017

Coca-Cola is the most trusted brand, with strongest quality image

Figure 32: User profile of Coca-Cola, April 2017

Despite low usage, Coca-Cola Zero Sugar enjoys strong endorsement

Figure 33: User profile of Coca-Cola Zero Sugar, April 2017

Sprite stands out as refreshing

Figure 34: User profile of Sprite, April 2017

Diet Coke enjoys high levels of commitment

Figure 35: User profile of Diet Coke, April 2017

Pepsi Max lacks a clearly differentiated image

Figure 36: User profile of Pepsi Max, April 2017

Tango has a strong fun image despite being most widely seen as falling behind

Figure 37: User profile of Tango, April 2017

The Consumer – What You Need to Know

Sugary CSDs usage falls in 2016

Low price and matching sugary CSDs' taste would most boost light CSDs

Taste and quality ingredients are key attributes for a premium CSD

Three in five consumers want easy sugar guidelines on-pack

Scope for mainstream brands to offer premium carbonated soft drinks

Low in calories is top association for all labels – but far from universal

Most labels are widely associated with being artificially sweetened

Cutting back on consumption is the most likely reaction

Usage of Carbonated Soft Drinks

Most diet CSD drinkers also drink standard variants

Figure 38: Usage of carbonated soft drinks, April 2017

CSD usage retains youth bias

Figure 39: Usage of non-diet and diet/light carbonated soft drinks, by age, April 2017

Diet/light CSDs are drunk more frequently

Figure 40: Frequency of drinking carbonated soft drinks, by type, April 2017

CSDs are most commonly drunk at home

Figure 41: Usage of carbonated soft drinks, by location, April 2017

Two in five have drunk CSDs in the on-premise channel

Factors to Encourage Drinking of Diet/light Carbonated Soft Drinks

Low price would most boost light CSDs

Matching sugary CSDs' taste would sway two in five

Figure 42: Factors to encourage drinking of diet/light carbonated soft drinks, April 2017

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Over-65s most drawn to no artificial colourings or flavourings

Endorsements from health bodies chime most with younger age groups and parents of under-5s

Important Factors in Premium Carbonated Soft Drinks

Taste is the key attribute for a premium CSD

Unusual flavours could differentiate products

Figure 43: Factors deemed important in a premium carbonated soft drink, April 2017

High-quality ingredients lie not far behind

Natural ingredients are also a key factor

Figure 44: Share of new product launches in the carbonated soft drinks market carrying an all-natural product claim, 2013-17

16-24s most drawn to attractive packaging

Attitudes Related to Carbonated Soft Drinks

Three in five consumers want easy sugar guidelines on-pack

Figure 45: Attitudes related to carbonated soft drinks, April 2017

High interest in drinks with British fruit, but low current availability

Scope for mainstream brands to offer premium carbonated soft drinks

Figure 46: Carbonated soft drinks – CHAID – Tree output, April 2017

Methodology

Added texture interests a quarter; younger consumers are the most receptive

Qualities Associated with L/N/R Sugar and Energy Labels in Carbonated Soft Drinks

EFSA regulations of L/N/R sugar and energy claims

Figure 47: EFSA permitted nutrition claims regarding L/N/R sugar and energy in liquids, April 2017

Low in calories is top associations for all labels – but far from universal

Most labels are widely associated with being artificially sweetened

Figure 48: Qualities associated with carbonated soft drinks, by type, April 2017

Few see any of the drinks as tasty

Expected Reactions to the Soft Drinks Sugar Levy

Methodology

Cutting back on consumption is the most likely reaction

Over a third would not change their drinking habits at all

Figure 49: Expected reactions to the Soft Drinks Sugar Levy on carbonated soft drinks consumption, April 2017

Other soft drinks may benefit from CSD cutbacks

Figure 50: Expected behavioural change of those who would cut back or stop drinking carbonated soft drinks, April 2017

Small opportunity to encourage trading up

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Carbonated Soft Drinks - UK - June 2017

Report Price: £1995.00 | \$2583.33 | €2370.86

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

Figure 51: Forecast of UK sales of carbonated soft drinks, by value and volume, 2012-22

Figure 52: Forecast of UK retail sales of carbonated soft drinks, by value and volume, 2012-22

Figure 53: Forecast of UK on-premise sales of carbonated soft drinks, by value and volume, 2012-22

Forecast methodology

Appendix – Launch Activity and Innovation

Figure 54: New product launches in the carbonated soft drinks market with a real fruit claim, 2013-17

Appendix – Advertising and Marketing Activity

Figure 55: Leading manufacturers' sales and shares in the UK retail adult soft drinks market, by value and volume, 2015/16 and 2016/17

Figure 56: Share of above-the-line, online display and direct mail advertising in the UK carbonated soft drinks market, by top 10 advertisers, 2013-17

Figure 57: Share of above-the-line, online display and direct mail advertising in the UK carbonated soft drinks market, by top 10 brands, 2013-17

Figure 58: Above-the-line, online display and direct mail advertising in the UK carbonated soft drinks market, by parent company and brand, 2013-16

Appendix – The Consumer

Figure 59: Usage of non-diet and diet/light carbonated soft drinks, by usage occasion, April 2017

Figure 60: Factors to encourage switching to diet/light carbonated soft drinks, April 2017

Figure 61: Factors to encourage switching to diet/light carbonated soft drinks, April 2017

Figure 62: Carbonated soft drinks – CHAID – Table output, April 2017

Figure 63: Qualities associated with types of carbonated soft drinks, by light formats, April 2017

Figure 64: Qualities associated with types of carbonated soft drinks, by no added sugar formats, April 2017

Figure 65: Qualities associated with types of carbonated soft drinks, by diet formats, April 2017

Figure 66: Qualities associated with types of carbonated soft drinks, by zero sugar, April 2017

Figure 67: Qualities associated with types of carbonated soft drinks, by sugar free formats, April 2017

EFSA permitted nutrition claims related to LNR sugar and energy claims

Low energy

Energy-reduced

Energy-free

Low sugars

Sugars-free

No added sugars

Reduced [Name of the nutrient]

Light/lite

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com