

Tea and Other Hot Drinks - UK - July 2017

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“Although black tea is still drunk by the vast majority of people, competition from other tea types, as well as coffee and soft drinks, has chipped away at its role as Britons’ go-to drink. Indulgent flavours could help to sidestep younger consumers’ dislike of tea bitterness, while highlighting their sugar-free credentials could allow flavoured teas to foster a role as an alternative to sugary drinks.”

– **Anita Winther, Research Analyst**

This report looks at the following areas:

- **Dessert flavours and functional benefits could entice the young to tea**
- **Fostering new usage occasions for tea as alternative to sugary drinks and with savoury pairings**
- **Alternative sugars and wider uses warrant attention for hot chocolate and malted drinks**

The long-running volume decline in tea sales accelerated in 2016, while price inflation was not enough to prop up value sales to growth. Further volume decline is estimated in 2017, though less severe than in 2016, while rising prices are expected to see value sales stagnate.

Green, herbal/fruit and speciality teas continue to post growth, with demand for the former supported by a health halo that taps into the current positive nutrition trends. However, with a low value share, these are unable to counter the woes of standard black tea bags, and indeed are posting stiff competition to the dominant segment, together with coffee and soft drinks.

The small size of the hot chocolate and hot malted drinks market reflects infrequent usage of these products. Limited NPD (New Product Development) or marketing has done little to ensure the visibility of these categories.

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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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