

## Tea and Other Hot Drinks - UK - July 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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“UK retail value sales of tea have been in decline, with growth in sales of green, fruit/herbal and speciality teas not enough to make up for a fall in sales of standard black tea that dominates the market. Tea brands need to increase the appeal of their products to 16-34-year-olds who have a stronger preference for more indulgent hot drinks.”  
Richard Caines, Senior Food & Drink Analyst

### This report looks at the following areas:

- NPD needed to drive more tea drinking among younger generation
- Adding value to tea market through wider repertoires and trading up
- New features and formats needed in hot chocolate and malted drinks to develop new usage occasions

Sales of tea, hot chocolate and hot malted drinks declined by 4% in 2015. The market continued to be impacted by falling consumption of standard black tea, as well as price activity. The tea market is changing though, with growth in sales of green, herbal/fruit and speciality teas leading to mainstream brands such as PG Tips and Tetley expanding their product offers.

The growth in these segments of the tea market is not currently enough though to make up for the reductions seen in sales of standard black tea. Encouraging trading up in the latter area and encouraging more drinking of black tea among younger people will be important to stem the decline. Tea competes against a wide range of other drinks, so a focus on new flavours and functional benefits can increase appeal.

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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

#### Decline in total sales of tea and other hot drinks

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- Long-term decline in tea consumption continues
- Green tea the biggest boost to the tea market
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- Big focus on flavour extensions in tea
- Increasing choice of green and speciality teas
- Confectionery brands extend hot chocolate offer
- Darker or more indulgent hot drinks and different formats

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- Increase in 2015 advertising for teas
- PG Tips the most trusted brand
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Half of people drink standard black tea daily

Younger, more affluent bias to drinking of other teas

Room to encourage more drinking of hot chocolate

Drinking standard black tea spread throughout most of day

Strong brand loyalty in tea buying

Low price and promotions exert a big influence

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- Strong interest in tea with added health benefits
- A wider variety of flavours can increase the appeal of tea
- Speciality teas can appeal as a treat and encourage trading up
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