



BRITVIC
soft drinks

CONVENIENCE & IMPULSE

SOFT DRINKS REVIEW

2021

WELCOME

to the Britvic Soft Drinks Review

EXTRAORDINARY.

The only way we can describe 2020. As an industry - and community - we came together, working in close cooperation to protect our colleagues, consumers and the future of retailing. There is no denying that it has been daunting for every business, weathering the pandemic, as is clear from the numbers you will see in this report.

The foodservice and licensed channels have been severely impacted by the pandemic, but the resilient spirit of operators, coupled with the support of consumers, will see green shoots of positivity in the near future.

Throughout, the soft drinks category has remained largely buoyant with in home consumption helping to prop up losses from the closure or part-closure of the foodservice and licensed channels. It doesn't come as a surprise that products like dilutes (squash) have therefore bucked the trend and delivered impressive growth figures. Dilutes - along with cola and lemonade - have delivered the highest volume growth YOY as shoppers looked for maximum value, adding (when combined) a staggering £263.7m to the grocery and convenience channels.¹

As a society, we've been laser-focused on staying fit and healthy. As a result, low and no sugar variants have continued to perform well. Shoppers have not stepped away from the health agenda, and, if anything, COVID-19 has put the spotlight on making healthier lifestyle choices. As a category, soft drinks has already delivered significant steps in the right direction, partly accelerated by the Soft Drinks Industry levy but also by a desire to create great tasting, 'better for you' alternatives for consumers. Reports from the British Soft Drinks Association point to the fact that over the last six years, the industry has reduced take-home sugar from soft drinks by 43.5%². We are therefore well-placed to not only deal with, but also serve as a beacon to other categories as they grapple with the implications of the Government's upcoming HFSS legislation. I am in no doubt that the soft drinks category will be ready well in advance of the April 2022 deadline.

Finally, European research has showed that, despite the COVID-19 pandemic leading to new shopping habits, consumers have continued to prioritise sustainable packaging.³

A number of cross-industry collaborations continue to build towards a more sustainable future, driven by new technology and processes to create additional recycled and recyclable materials. With the appointment of Circularity Scotland, the DRS has taken a step closer to coming into force. We are a vibrant and creative category and I believe the examples of creating a sustainable future will continue to come from soft drinks manufacturers.

As part of the sustainable future discussion, we have developed a strategy that focuses on innovation 'beyond the bottle'. The first result from this strategy has seen us launch London Essence Fresh Serve, the world's first freshly infused premium tonic. Last year we also acquired The Boiling Tap Company and it rebranded to become Aqua Libra Co in March 2021.

Aqua Libra Co provides industry leading taps and technology to a wide range of commercial customers. Its state-of-the-art smart touch taps offer boiling, chilled and sparkling water.

In this report you will see the challenges that the soft drinks category faced but you will also find the incredible resilience of the category, manufacturers, operators and retailers.



Kind regards
Paul Graham
Managing Director



¹ NielsenIQ RMS, Total Coverage, Soft Drinks Category Volume and Value Absolute Difference Comparison, 52 w.e. to 26.12.2020 vs YA

² Kantar Worldpanel data shows that take home sugar from soft drinks fell by 43.5% between March 2014 and March 2020, once volume growth has been accounted for.

³ <https://www.circularonline.co.uk/news/pandemic-cannot-mean-sustainability-takes-a-back-seat-warns-packaging-giant/>



Building a **SUSTAINABLE** future for soft drinks

The positive challenge for manufacturers

The UK soft drinks industry has proved its agility in challenging circumstances with its response to the Soft Drinks Industry Levy. Now the industry has another opportunity to be proactive, this time in the critical area of sustainability, with the UK Government set to impose taxes on soft drinks packaging. The intervention is part of the Government's Resources and Waste Strategy, published by DEFRA and the Environment Agency in December 2018 and updated in a Policy Statement in July 2020.

Establishing a circular plastic economy involves supporting recycling and accelerating the soft drinks industry's switch of its plastic packaging to recycled polyethylene (rPET). The long-term aim is ultimately to improve our carbon footprint and ensure that great packaging never becomes waste.



Tom Fiennes
Commercial Sustainability Director



Healthier People, Healthier Planet

A key part of Britvic's vision is to create a better tomorrow for all stakeholders, and this has been at the heart of Britvic's ethos since the creation of The British Vitamin Company in the 19th century. In 2020 the company refreshed its sustainability strategy, Healthier People, Healthier Planet. Having a sustainable business mindset goes far beyond measuring our carbon footprint.

Healthier People, Healthier Planet embodies the business' core values, impacting everything that is undertaken and reflects the interconnectivity between people and planet - we can't have healthier people,

without a healthier planet. As part of the strategy, healthier planet goals are given the same priority as financial performance, ensuring sustainable practices are embedded in every element of Britvic's business strategy.

Britvic healthier people, healthier planet strategy

1.

Give consumers healthier choices to enjoy everyday moments.

2.

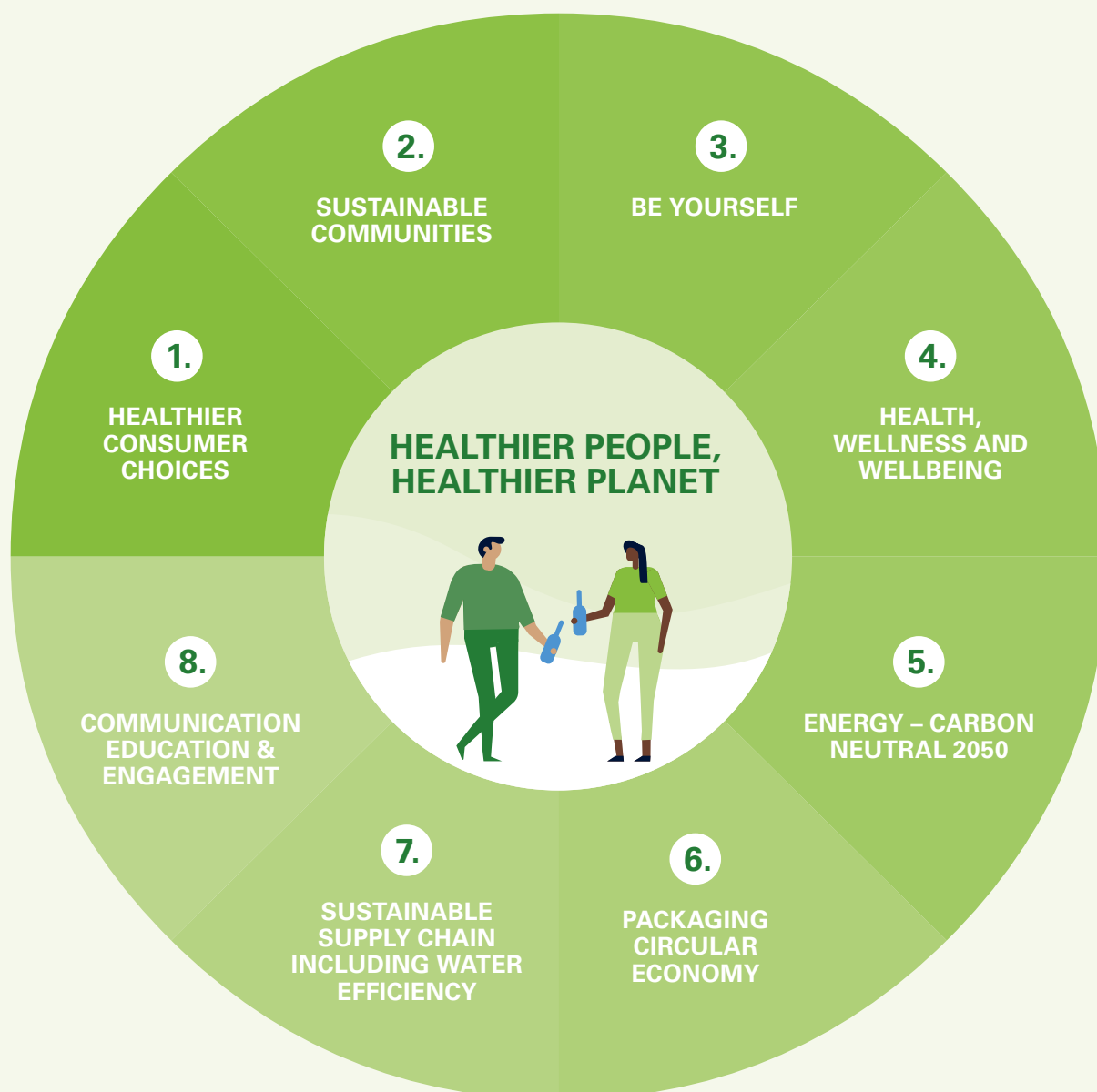
Making a meaningful contribution to the communities in which we operate.

3.

Our employees are empowered to be their best selves to deliver great performance.

4.

Give consumers healthier choices to enjoy everyday moments.



8.

Use the unique reach and scale of our brands to educate and inspire change.

7.

Understand the environmental and social footprint of our supply chain and drive efficient use of natural resources.

6.

Create a world where great packaging never becomes waste.

5.

Transition to a low carbon circular economy by maximising energy efficiency and using renewable energy sources.



100%

of Britvic bottles and cans are recyclable

Britvic has removed over 2,000 tonnes of plastic from its supply chain since 2017¹ and was a founding signatory of The UK Plastics Pact.

THE UK
PLASTICS
PACT



Achieving true circularity, lowering carbon and ridding the environment of litter needs infrastructure and collaboration. Which is where the UK Government's Resources and Waste Strategy comes in. While the consequences of the many policies in this strategy will be hugely disruptive to our industries, they have the potential to **leave a lasting positive impact**.

Reducing plastic - sustainable solutions

Ribena is switching to paper straws on its cartons this July and is projecting a saving of 16 tonnes of plastic each year.²



Embracing the Resources and Waste Strategy

For many retailers, introducing the concept of Extended Producer Responsibility (EPR) for packaging will be the most challenging. This approach incentivises better packaging design for treatment at end of life, helping to move waste up the hierarchy and stimulating secondary

markets, delivering higher collection, recycling and recovery rates. It will undoubtedly increase costs too, as producers are to bear the full net cost of managing their products at the end of their life.

¹ Britvic Annual Report 2020

² <https://news.sky.com/story/ribena-switching-to-paper-straws-on-its-cartons-saving-16-tonnes-of-plastic-each-year-12228041>



Retail takes lead on hard to recycle plastics

In March this year, Tesco announced that it had begun rolling out soft plastic recycling points to 171 stores in the South West of England and Wales with plans to roll out to all large stores nationwide. This marks the first time that UK consumers will have a network of collection points of this size dedicated to soft plastic.

Consumers can also expect to see changes to how we recycle, as the Government strives to make local recycling collections consistent across the country, reducing residual waste and increasing the quality and quantity of recyclate that can be processed and used again.

Packaging is the area of greatest scrutiny for the soft drinks industry. It doesn't just keep products safe, secure and of optimum quality, it has become part of

modern life. With the growth in packaging has come an unintended consequence, packaging waste. Historically reducing packaging has been a light-weighting, cost cutting exercise. Today, we must do more. Our consumers demand it, our customers demand it, society demands it. There isn't a single solution to address the packaging conundrum, it requires a number of solutions, mapped to consumer insight and consumption occasions.

Waitrose: Trialling creative solutions to reduce packaging

In January this year, Waitrose announced that it would be expanding the trial of its packaging-free, refillable products after the initial trial showed that it reduced single-use packaging by 98%.³



³ <https://www.edie.net/news/12/Waitrose-Unpacked-Supermarket-unveils-next-steps-for-plastic-busting-refill-scheme/>

Deposit Return Scheme – taking learnings from Scotland

For the soft drinks industry, it is the introduction of a Deposit Return Scheme (DRS) that requires the most attention. The concept is simple and familiar to many of us that have spent time on the continent (or indeed lived long enough to remember buying and returning drinks in glass bottles). While in practice it is anything but straightforward, we know from international experience, if you get a DRS right you can see recycling rates climb far above 90%. Britvic supports a well-designed, industry-led, not-for-profit scheme that is GB-wide. It is the most efficient and effective way to achieve our circularity goals.

While there is still some collaboration between drinks producers, our retail partners and policymakers to be done, much can be learned from the development of a DRS north of the border.

Alongside producers and retailers, Britvic is proud to be a founding member of Circularity Scotland – the administrator appointed by the Scottish Government to run the scheme. A sustainable future is possible for everyone, but it requires the industry to work with customers and Governments to share expertise.

We want to see a world where great packaging never becomes waste and this scheme is part of making this vision a reality. The scheme will increase the quantity and quality of packaging collected for recycling in Scotland, and what we learn will be invaluable in the long-term as we push to create better environmental outcomes right across Great Britain.

Meeting the demand for more recycled PET

A well-run DRS will play a pivotal role in increasing the availability of PET for single-use plastic bottles for recycling. Using rPET instead of virgin plastic reduces our reliance on finite resources and has a carbon benefit, which is part of the reason so many drinks companies have made long-term commitments to its use.



But the demand for rPET still vastly outstrips supply. As soon as April 2022, businesses will have to pay an additional £200 per tonne of plastic packaging they put on the market that does not contain at least 30% recycled content.

Supporting an effective DRS will help increase the availability of rPET, while making it more commercially viable for anyone that chooses to access it.

Working towards 100% rPET

Britvic has committed to have the plastic bottles of all its owned and PepsiCo branded products, produced and sold in Great Britain, made entirely from 100% recycled plastic by the end of 2022.



Reducing the industry's carbon footprint

The long-term goal of all this activity is to improve the soft drinks industry's carbon footprint. By ensuring great packaging never becomes waste and achieving circularity in packaging, we hope that will help us achieve our ultimate goal of achieving net zero carbon emissions by 2050.

We cannot do this alone. Supplier and customer engagement is key to reducing carbon emissions throughout the value chain and as more and more businesses, indeed whole industries, set these stretching targets, we can only achieve them by working collaboratively.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

A critical decade to avoid climate disaster

In 2019, Britvic set ambitious targets aligned with the Science Based Targets initiative (SBTi) – and became the first UK soft drinks company to have approved carbon reduction measures based on the very highest global standard of preventing a global temperature rise of more than 1.5°C. So far, Coca Cola European Partners and Innocent drinks have been the only soft drinks companies to follow suit.

By December 2019, the soft drinks category was worth a staggering

£15.77bn and growing +1.3%¹

Despite a series of national and local lockdowns, soft drinks' performance stabilised by the end of 2020 at

£12.2bn and -22.6%²

...a resilient performance in an extraordinarily challenging market.

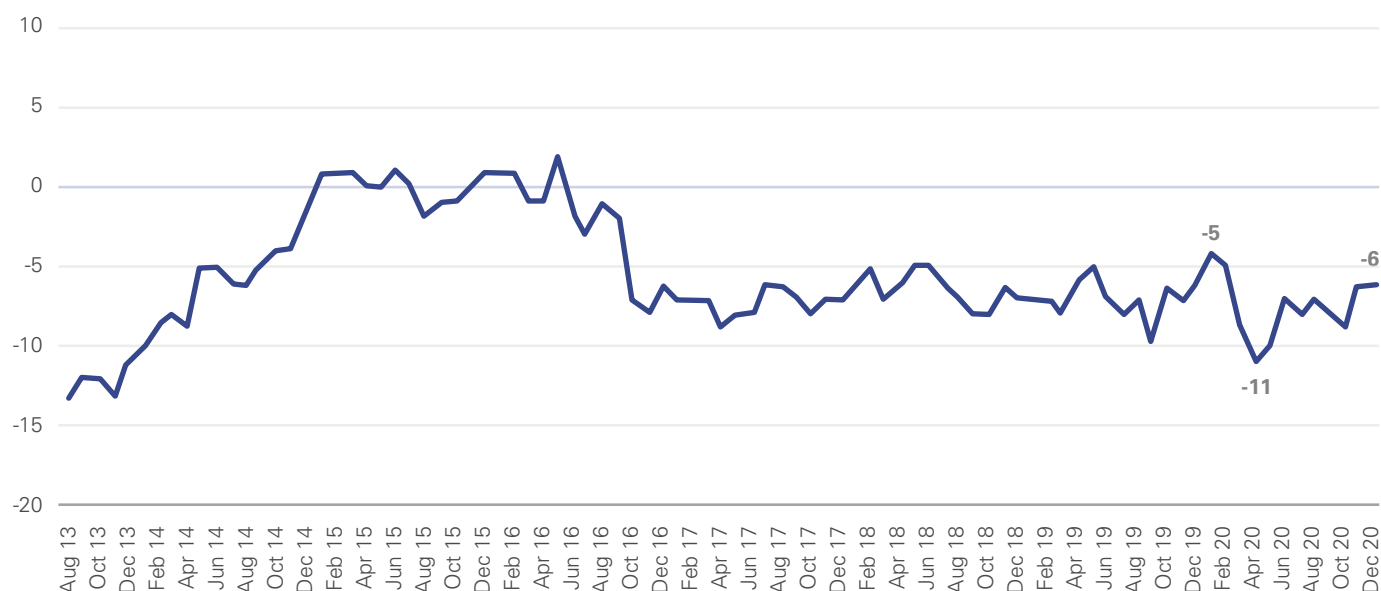
¹ Combined data: NielsenIQ RMS, Grocery Mults, Total Soft Drinks, Value 52wk to 28.12.2019, IRI Total Convenience, Total Soft Drinks, Value 52wk to 29.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2019 Vs YA

² Combined data: NielsenIQ RMS, Grocery Mults, Total Soft Drinks, Value 52wk to 26.12.2020, IRI Total Convenience, Total Soft Drinks, Value 52wk to 27.12.2020, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020 Vs YA

A year UNLIKE any other

2020 began with consumer confidence falling over Brexit uncertainty, and spending squeezed by rising transport and housing costs, and six-year-high³ food price inflation. Soft drinks' strength against these headwinds led to value growth plateauing at -0.2%⁴ in 2020's first two months.

Consumer confidence dipped sharply in April to the lowest point since 2013⁵



In March it was all change. As the pandemic hit, soft drinks' performance fractured overnight into a divided picture. For the channels staying fully open, namely online, supermarkets and convenience, soft drinks' value picked up +1.6%⁶ (volume +4.1%⁷) in the first lockdown (March-June).

In the channels that were predominantly closed, led by leisure and licensed venues, soft drinks' value shrank

78%⁸. In normal times, these out of home channels are disproportionately important for soft drinks, with 46% value share pre COVID-19⁹. These closures inevitably prevented soft drinks, along with other categories, reaching growth.

³ British Retail Consortium (data to March 2019) quoted in <https://www.bbc.co.uk/news/business-47796177>

⁴ Combined data: NielsenIQ RMS, Total Coverage, Total Soft Drinks, Value, 9 w.e. 29.02.2020 v YA, CGA Total OOH, Total Soft Drinks, Value, 9 w.e. 29.02.2020 vs YA

⁵ IGD Shopper Confidence Index January 2021

⁶ NielsenIQ RMS, Total Coverage, Total Soft Drinks, Value Sales, 17 w.e. 04.07.2020 vs YA

⁷ NielsenIQ RMS, Total Coverage, Total Soft Drinks, Volume Sales, 17 w.e. 04.07.2020 vs YA

⁸ CGA Total Soft Drinks, Value, % Change YA, 01.03.2020 – 30.06.2020 vs YA

⁹ Total Market Combined: NielsenIQ RMS, Grocery Multis, Total Soft Drinks, Value 52wk to 28.12.2019, IRI Total Convenience, Total Soft Drinks, Value 52wk to 29.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2019 vs YA. Share relates to Foodservice and Licensed share of Total Market value in 2019. Disproportionate refers to value share at 46% vs volume share of 20%,

Recessionary behaviours

During 2019, consumers were demonstrating recessionary behaviours. Going into 2020, consumer confidence was already impacted by Brexit worries and the arrival of COVID-19. 828,000 immediate job losses¹⁰ and many more furloughed, meant that saving cash inevitably came into focus.

The interesting point though is that research suggests that 82% of household finances weren't affected by COVID-19¹¹. In fact, overall household expenditure may have reduced £55 per week on average (£2,800 per year), driven by lower spend on transport, leisure

and holidays¹². Although some consumers have been negatively impacted by the pandemic, there is confidence that soft drinks' value growth can still be unlocked by responding to changing consumer and shopper behaviour. This is particularly so given that soft drinks is an accessible treat at just 26 pence per serve, on average¹³.

Soft drinks is the largest impulse category, bigger than confectionery, crisps and snacks, and biscuits.¹⁴ 39% of people buy soft drinks on impulse,¹⁵ making visibility crucial to trigger unplanned purchases.

Top 5 impulse categories

1. Soft drinks



2. Confectionery



3. Crisps & Snacks



4. Biscuits



5. Nuts & Seeds



NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, Latest MAT to 27.03.2021

With value a priority for shoppers in this climate, unsurprisingly cola, lemonade and dilutes saw the highest volume growth YOY, adding £263.7m to grocery and convenience channels¹⁶. Spending more time at home with water 'on tap' boosted dilutes value +12.8%,

with Robinsons adding most of the category growth at £21.5m, followed by Own Label at £15.5m¹⁷. Dilutes has soft drinks' lowest pence per serve¹⁸, making it universally accessible and is the most chosen soft drink for adults and kids alike¹⁹.

¹⁰ ONS statistics quoted in 'UK jobs market moves fast as COVID-19 policies launch and unravel' article. <https://www.theguardian.com/business/2021/jan/26/uk-jobs-market-COVID-19-unemployment-rate> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2021>

¹¹ IGD ShopperVista Post-coronavirus (COVID-19): revert to savvy shopping behaviour, August 2020

¹² Kantar, Worldpanel Plus and ONS Household Expenditure Survey 2018 (2018 used as a benchmark, Worldpanel plus used to assess shifts post COVID-19)

¹³ Kantar Usage Panel, All Consumers, Soft Drinks, Average Cost per Serve, 52 w.e. to 29.11.2020

¹⁴ NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, Latest MAT to 27.03.2021

¹⁵ Touchstone Shopper Decision Hierarchy Research 2019. Impulse refers to not planning to buy soft drinks and only buying as they saw it in outlet.

¹⁶ NielsenIQ RMS, Total Coverage, Soft Drinks Category Volume and Value Absolute Difference Comparison, 52 w.e. to 26.12.2020 vs YA

¹⁷ NielsenIQ RMS, Total Coverage, Dilutes Value Absolute Change YOY, 52 w.e. to 26.12.2020 vs YA

¹⁸ Kantar Usage Panel, All Consumers, Cost per Serve Comparison, Dilutes vs other Soft Drinks, 52 w.e. to 29.11.2020

¹⁹ Kantar Usage Panel, Total Soft Drinks, Usage Servings (ml) share, 52 w.e. to 29.11.2020. Favourite refers to share of consumption.

Back to the future (and the past)

From the start of the first national lockdown, there was a natural shift from out of home consumption such as workplaces, pubs and restaurants to in home consumption. Reducing exposure to COVID-19 when shopping became the priority and led to a return to bigger baskets²⁰, less frequent²¹, and more planned shopping²².

Online was the clear winner from COVID-19. The breadth of online options exploded to include cook-at-home meal kits from restaurants alongside providers like Hello Fresh and Gousto, as well as an influx of delivery opportunities through aggregators such as Uber Eats and Deliveroo.

25% of people shopped their closest store more often, driving growth for convenience²³.

22 million shoppers are now using delivery services



leading to delivery value reaching £3.2 billion over the 24 weeks to September 2020, a staggering increase of +£2 billion pre COVID-19²⁵.

Accelerated growth came from a desire to avoid being in-store, as well as more operators adopting online, driving both increased choice and availability.

Online growth accelerated for soft drinks at +58.1% YOY, 4.5x faster than average²⁶

37% of shoppers would consider rapid delivery for non-alcoholic drinks²⁷, highlighting the need to stretch thinking on different missions and occasions to grow soft drinks in the 'new normal'.

²⁰ IGD ShopperVista Top 10 post COVID-19 channel shopper habits report, August 2020

²¹ Kantar, FMCG Panel, Frequency, 12 w.e. to 17.05.2020

²² IGD ShopperVista Top 10 post COVID-19 channel shopper habits report, August 2020

²³ NielsenIQ RMS Homescan COVID-19 Survey April 2020 / NielsenIQ RMS, Total Impulse, Value % Change, 12 w.e. to 23.05.2020

²⁴ Kantar OOH Panel, Delivery, Total KPIs, 24 w.e. September 2020 - vs 24 w.e. March 2020

²⁵ Kantar OOH Panel, Delivery, Total KPIs, 24 w.e. September 2020 - vs 24 w.e. March 2020

²⁶ Kantar Take Home Panel, Online vs Total Stores, Value and % Growth, 52 w.e. to 27.12.2020

²⁷ IGD ShopperVista The opportunity of last milers, October 2020

The impact of COVID-19 on out of home and food to go

While online was the biggest winner in the pandemic, the UK hospitality industry was hit hardest. The industry as a whole dropped 54% in sales, contracting from £133.5bn in 2019 to just £61.7bn in 2020, the equivalent of almost £200m lost each day²⁸, and 5,975 licensed premises closed permanently²⁹. At the same time soft drinks value declined -51.7% (-£3.76bn)³⁰ and recovery is expected to take longer here than in other channels as a result.

With the reduction in out of home trips, on the go drink formats were disproportionately impacted through the pandemic. However, it's important to note that even with the restrictions, some 28m consumers still bought drinks on the go³¹. Frequency was down 21.5%, but average frequency was still high at 44 times per year³², highlighting drinks on the go's continued importance for consumers.

As food to go is expected to significantly outperform traditional food and grocery going into 2022³³, winning 'drinks with food occasions' will be a key driver of total outlet and soft drinks' growth.

Evolving health in 2021 and beyond

COVID-19 has placed health at the forefront of consumers' minds

with 66% of consumers citing 'added ingredients to make it healthier' as important vs 60% pre-COVID-19³⁴ and 31% of consumers interested in buying premium soft drinks with functional benefits³⁵.

Health remains a key macro trend, with the majority of the population wanting to make their diet healthier.

With 50% of the population actively reducing their sugar intake³⁶ and new planned Government legislation on the horizon to restrict volume promotions, such as multibuy and the location of certain HFSS products in some outlets, it's never been more important to offer a range of great-tasting, low or no sugar drinks.

The Soft Drinks Industry Levy (SDIL) has put soft drinks in a strong position as we head into the HFSS restrictions, set to go live in April 2022, as it accelerated a shift from higher sugar drinks into low and no sugar. By September 2019, the SDIL had helped to strip 37.5 billion kilocalories from the nation's diet³⁷ and this trend has continued with volume growth of below levy products outstripping above levy since 2019³⁸. 77% of category value is already HFSS compliant at the time of publication, which is significantly higher than crisps, confectionery and biscuits, where it's typically less than 10%.³⁹

²⁸ CGA Pandemic and lockdowns cost hospitality £200m a day in 2020, 28.01.2021

²⁹ CGA Nearly 6,000 licensed premises lost in Britain's year of lockdowns, 22.01.2021

³⁰ CGA Total OOH Value Sales and % Change YA, 52 w.e. 31.12.2020 vs YA

³¹ Kantar OOH Purchase Panel, Total Market, Total Soft Drinks Single Serve, 52 w.e. 27.12.2020

³² Kantar OOH Purchase Panel, Total Market, Total Soft Drinks Single Serve, 52 w.e. 27.12.2020

³³ IGD Retail Analysis, UK food to go market 2020-22, September 2020

³⁴ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020

³⁵ Mintel Attitudes towards Premium Soft Drinks: Inc Impact of COVID-19 UK April 2020

³⁶ IGD ShopperVista Where do shoppers stand with sugar in 2020? Report, June 2020

³⁷ Public Health England Report September 2019 'https://www.gov.uk/government/news/new-report-shows-further-sugar-reduction-progress-by-food-industry-1

³⁸ NielsenIQ RMS, Total Coverage, Above Levy (High and Medium Sugar) vs Below Levy (Moderate Sugar, Low Sugar, Sugar Free), Volume Absolute Change, 52 w.e. 27.03.2021 vs 2YA

³⁹ Kantar, Total Food & Drink, % Spend on HFSS products, 52 w.e. 21.02.2021. Savoury Snacks = 10.4%, Biscuits = 4.2%, Total Confectionery = 2.6%

Cola is a key success story as the largest soft drinks category,⁴⁰ with 59% volume sales now in sugar free, led by no sugar Pepsi MAX⁴¹. Alongside no sugar cola brands, most soft drinks categories have products that can be promoted and displayed in prominent locations such as gondola ends or online equivalents to drive category sales, for example category leaders J2O, Fruit Shoot and Robinsons⁴². By contrast some 'sugary' impulse categories, such as confectionery, could be heavily impacted by HFSS if they do not have low fat, salt, sugar products, as they will lose the ability to gain extra visibility to drive unplanned purchases.

Although low and no sugar drinks appeal to many consumers, some seek 'no additives / preservatives' and 'made with natural ingredients'. It's important to complement sugar free ranges, which often use artificial sweeteners, with products that don't, such as unsweetened, infused water products like Aqua Libra, Ugly and Dash, containing neither sugar nor sweeteners. With on the go formats priced 18% higher than average single serve⁴³, these drinks are well placed to capture additional value for soft drinks.

Added benefit wellness drinks have grown in popularity⁴⁴, appealing to those looking to enhance their diet or feel they're adding goodness into their body. These drinks benefits range from an energy pick-me-up to added protein, immune or gut health, general multivitamin health or rehydration.

Wellness drinks are worth £240.1m⁴⁵ and shoppers are willing to pay more than double the average price of a soft drink⁴⁶ or 34% more⁴⁷ than the average single serve, which is already priced at a premium.

Wellness drinks such as Purdey's and Innocent Super Smoothies offer a trade up opportunity for soft drinks at a time when single serve drinks are suffering from fewer buyers and reduced frequency. Penetration sits at just 14.2%⁴⁸ despite double this proportion of consumers wanting premium drinks with added benefits⁴⁹. Merchandising wellness drinks together and educating shoppers is key to unlocking growth from this exciting category.



90% of the population doesn't buy stimulant drinks. The key reasons given are they contain too much sugar or caffeine or too many artificial ingredients⁵¹.

Energy is the third fastest growing reason to choose a soft drink⁵⁰ as our lives get ever-busier. This is reflected in the high growth in stimulant drinks and the desire for wellness drinks with vitality or energising claims.

Offering healthier products that claim natural energy benefits or a gentle pick-me-up can fill a much-needed gap for the 59% of the population that often feel tired all the time⁵². It will also provide a broad appeal for shoppers versus products with more niche health benefits. With HFSS on the horizon at the time of publication, ensuring stimulants ranges offer low and no sugar variants can also help reduce risks for this traditionally high sugar segment, particularly in front-of-store chillers.

⁴⁰ Total Market Combined: NielsenIQ RMS, Total Coverage, Cola, Value 52wk to 28.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020 Vs YA.

⁴¹ Total Market Combined: NielsenIQ RMS, Total Coverage, Cola, Volume 52wk to 28.12.2019, CGA Foodservice and Licensed, Cola, Volume, 52wk to 31.12.2020 Vs YA. Pepsi MAX is highest no sugar product, ahead of Diet Coke, Coke Zero and Diet Pepsi.

⁴² Total Market Combined: NielsenIQ RMS, Total Coverage, Value 52wk to 28.12.2019, CGA Foodservice and Licensed, Total Soft Drinks, Value 52wk to 31.12.2020. Category leader defined based on Adult drinks, Kids drinks and Dilutes.

⁴³ NielsenIQ RMS, Total Coverage, Total Category Infused Water vs Single Serve Soft Drinks - £/l, 52 w.e. 02.01.2021 vs 2YA

⁴⁴ Kantar OOH Panel, Total Market, Britvic Defined Wellness Drinks Penetration growth from 13.1% (52 w.e. to 23.02.2020) to 14.2% (52 w.e. to 21.02.2021)

⁴⁵ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks, Value Sales, 52 w.e. to 02.01.2021

⁴⁶ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks £/l comparison to Total Soft Drinks, 52 w.e. to 02.01.2021

⁴⁷ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks Single Serve £/l comparison to Single Serve Soft Drinks, 52 w.e. to 02.01.2021

⁴⁸ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks, Value Sales, 52 w.e. to 02.01.2021

⁴⁹ Mintel Attitudes towards Premium Soft Drinks: Inc Impact of COVID-19 - UK - April 2020 (Kantar Penetration = 14.2%, 31% interested in premium soft drinks with functional benefits)

⁵⁰ Kantar Usage Panel IH/CO, Total Consumers, Reasons for Choosing Soft Drinks Servings % Growth 4YR CAGR to 21.02.2021

⁵¹ Kantar OOH Purchase Panel, Stimulants, Penetration, 52 w.e. to 27.12.2020

⁵² Mintel Sports and Energy Drinks UK July 2019

Premium redefined

Elevating experiences is a key macro trend that was accelerating pre-COVID-19 as consumers wanted time out to relax and unwind or a way to break free from the mundane everyday.⁵³

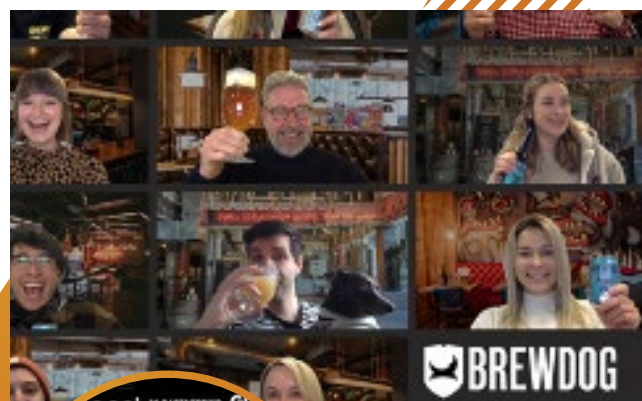
This trend has driven consumers to choose more premium drinks more often, creating trade up opportunities for all drinks categories, including soft drinks. With almost one in three adults planning to reduce alcohol consumption in 2021⁵⁴, there are great opportunities to offer more premium and exciting soft drinks to emulate the alcohol occasion, as soft drinks are the no.1 category chosen when moderating alcohol⁵⁵.



Throughout COVID-19, consumers sought new ways to lift their mood and plug the enjoyment gap previously filled by leisure and social experiences. With more time at home, 'insperiences' came to the fore, as people attempted to re-create experiences traditionally offered out of home. Some visited pop up virtual bars like Brewdog Open Arms, while others attended live-stream festivals like Pepsi Global Citizen or simply set up a zoom call quiz night or birthday party with friends and family.

For any event - big or small – drinks played a central role, whether a more premium, adult soft drink, such as a J2O or Appletiser or a mixer to add to alcohol, such as Fever Tree or The London Essence Company, to cater to the 28% people drinking more alcohol during lockdown⁵⁶.

Shoppers were willing to spend more than double the average price of a soft drink on an adult product⁵⁷ and as the number one adult drink, J2O successfully drove adult performance at +2.1% value (vs Adult +1.5%)⁵⁸.



⁵³ Kantar Futures Consumer Macro Trends to 2025 (Britvic bespoke research) 2020

⁵⁴ KAM Media Low and No Report 2021 (statistic quoted in email sent on 29.01.2021). 1 in 3 refers to 32%.

⁵⁵ Kantar Worldpanel Alcovision, 52 w.e. to 30.09.2020

⁵⁶ <https://alcoholchange.org.uk/blog/2020/drinking-in-the-uk-during-lockdown-and-beyond>

⁵⁷ NielsenIQ RMS, Total Coverage, Britvic Defined Adult and Total Soft Drinks £/l comparison, 52 w.e. to 21.01.2021 vs YA

⁵⁸ NielsenIQ RMS, Total Coverage, Britvic Defined Adult and J2O, Value Sales, 52 w.e. to 26.12.2020 vs YA

Mixers added +£66.1m to soft drinks (+23.6%)⁵⁹ sales.

With over double the penetration of adult soft drinks⁶⁰, mixers feature more regularly in the shopping basket and have been experiencing huge premiumisation growth.

Premium now accounts for 42% of all mixers' value, growing +20% YOY⁶¹, spearheaded by Fever Tree, Fentimans and The London Essence Company⁶². In mixers, flavours have also boosted growth as flavour buyers spend more than double versus non-flavour buyers' purchases⁶³. As flavoured mixers are also more likely to be enjoyed on their own than plain mixers⁶⁴, they cater to more potential occasions than non-flavours. As a nation wanting to reduce sugar in our diet⁶⁵, less-sweet, more adult drinks and flavoured mixers are well placed to deliver against this need.

The rise of in home food consumption, with soft drinks a perfect partner, has also created new growth opportunities.

In the first 12 weeks of lockdown, there were +3.6bn in home eating occasions and +3.4bn occasions with at least two people present⁶⁶.

With taste and enjoyment the number one reason for choosing a soft drink⁶⁷, it was well-placed to meet consumer desire for indulgence, treat and discovery⁶⁸. Dilutes benefited as the soft drink most consumed with food in home⁶⁹. As taste became even more important, growth came not only through core dilutes but also 'better' and 'best' price tiers (+10.8% and +13.6% respectively)⁷⁰.

Despite a challenging year, there are many reasons to believe in the soft drinks category's long-term success, if we continue to adapt to the changing marketplace and put delighting consumers at the heart of innovation.



Better dilutes costs 1.7x more than core dilutes and best dilutes 5x more than core⁷¹.

Meaning that trading shoppers up creates significant growth opportunities for the lowest pence per serve category⁷².

⁵⁹ NielsenIQ RMS, Total Coverage, Traditional Mixers, Value and Absolute Value Growth, 52 w.e. to 26.12.2020 vs YA

⁶⁰ Kantar Take Home Panel, 4-weekly rolling penetration 17.05.2020 – 01.11.2020 (16-20% penetration)

⁶¹ NielsenIQ RMS, Total Coverage, Britvic Defined Premium Mixers Value, 52 w.e. to 26.12.2020 vs 2YA

⁶² NielsenIQ RMS, Total Coverage, Britvic Defined Premium Mixers – Top 3 Growth Brands based on Absolute Value Change, 52 w.e. to 26.12.2020 vs 2YA

⁶³ Kantar Worldpanel, Take Home Panel, Total Market 52wks, Data to w.e. to 09.08.2020

⁶⁴ Kantar Worldpanel, Take Home Usage Panel, Total Demographics, 52wks, Data to w.e. 03.11.2019

⁶⁵ IGD ShopperVista Where do shoppers stand with sugar in 2020? Report, June 2020

⁶⁶ Kantar, Usage Panel, 12 w.e. 17.05.2020 vs YA.

⁶⁷ Kantar Usage Panel, Total Soft Drinks, Usage Servings (mil) share, 52 w.e. to 29.11.2020

⁶⁸ Kantar Post-lockdown grocery missions: what is here to stay? Article published 30.09.2020

⁶⁹ Kantar Usage Panel, Dilutes vs all other Soft Drinks, Weighted Servings (m), 52 w.e. 09.08.2020

⁷⁰ NielsenIQ RMS, Total Coverage, Dilutes value % change by price tier, 52 w.e. to 26.12.2020 vs YA

⁷¹ NielsenIQ RMS, Total Coverage, Dilutes £/l by price tier, comparison of better vs good and best vs good (excludes pocket squash), 52 w.e. to 26.12.2020 vs YA

⁷² Kantar Usage Panel, All Consumers, Cost per Serve Comparison, Dilutes vs other Soft Drinks, 52 w.e. to 29.11.2020

Snapshot view of soft drinks in total convenience in 2020

Sales value in the convenience channel¹: **£2.3bn**



- Soft drinks ended the year -1.6%, outperforming impulse counterparts confectionery and snacks.²
- Take home formats fuelled growth to 19.0%, while on the go single formats declined -9.2%.¹
- Symbols, independents and forecourts were the big channel winners with forecourts growing fastest at +8.2%, while travel tumbled by two thirds of its value (-60%). Symbols and independents added the most value to the channel - £98.8m.¹
- Both standard and diet soft drinks declined with standard outperforming diet (-1.5% standard, -1.8% diet).¹
- Top 5 categories remained cola, stimulants, fruit carbonates, plain water, juice drinks.¹
- Within the Top 5 categories, stimulants, cola and fruit carbonates alone added £80.3m growth, with stimulants as the star contributor to channel sales.¹
- Soft drinks was a top 5 category online, 37% more likely to be purchased.³
- Britvic and CCEP held their positions as leading suppliers and Red Bull climbed to third place, overtaking Suntory Beverage and Food GB&I, who declined -£30.9m, driven by Ribena and Lucozade.¹
- Pepsi MAX is now the third biggest sub-brand in convenience, overtaking Lucozade Energy. Pepsi MAX added £7.8m to the channel, outperforming competitor sugar free cola brands Coke Zero and Diet Coke (which lost a combined -£7.6m.)¹

¹ IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

² IRI Marketplace, Total Convenience, Food To Go Categories Performance, Value Change, 52 weeks to 27th December 2020 vs YA (Food To Go categories defined as: Soft Drinks, Confectionery, Snacks, Biscuits, Ready to Eat Sandwiches, Sushi and Salads, Muffins and Snacks defined as Crisps, Nuts, Mixes, Popcorn, Tortillas, Dips, Meat Snacks, Baked)

³ Lumina Intelligence CTP Online 4 w.e 13.12.2020

Soft drinks in convenience: A quick overview

Category performance reflected consumer needs

- Energy boost - the stimulants segment was the star performer, growing +11.6%, adding over £50m to soft drinks in 2020⁴
- The pandemic boosted in home refreshment and socialising, benefiting carbonates and mixers⁴
- Hydration took a new stance, water declining while squash grew⁴



⁴ IRI Marketplace, Total Soft Drinks, Total Convenience Value, 52 weeks to 27th December 2020 vs YA

Total soft drinks/take home/single serve: Annual changes

	Value/bn	Value growth actual YA/£m	Value growth % YA	Units	Units growth actual YA	Units growth % YA
Total soft drinks	£2.3	-£35.9	-1.6%	1.9	-146.1	-7.3%
Total take home	£0.7	£117.9	19.0%	0.4	47.9	12.1%
Total on the go	£1.5	-£153.7	-9.2%	1.4	-194.0	-12.0%

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Soft drinks sub-channel performance in convenience

	Convenience	Symbols & independents	Petrol	High street	Travel
Size of channel	£2.3bn	£1.7bn	£227.4m	£240.4m	£67.4m
Take home vs on the go £%	33% / 67%	36% / 64%	17% / 83%	33% / 67%	6% / 94%
% Growth	-1.6	+6.1	+8.2	-18.0	-59.5
Actual growth	-£35.9m	£98.8m	£17.3m	-£52.7m	-£99.2m

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Soft drinks category winners & losers (categories in growth and decline)

2020 categories in growth	£	% Change
Stimulants	+£57.2m	+11.6%
Cola	+£20.5m	+3.5%
Mixers	+£9.8m	+47.8%
Lemonade	+£8.9m	+26%
Squash	+£8.2m	+21.1%
Flavoured carbs	+£2.1	+0.7%
Pure juice	+£0.2	+0.3%

2020 categories in decline	£	% Change
Plain water	-£58.7m	-27%
Water plus	-£33.9m	-28.9%
Glucose	-£15.4m	-10.7%
Juice drinks	-£14.7m	-10.2%
Sports	-£9.7m	-10.8%
Smoothies	-£8.8m	-38.8%
Cold hot	-£1.6m	-10.1%

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Top 10 brand winners in convenience: Ranked by value change vs year ago

	Value	Value growth actual YA	Value change % YA
Total Red Bull	£239,835,856	£21,688,769	9.9%
Total Coca Cola	£259,299,632	£19,013,392	7.9%
Total Monster Juice	£42,852,245	£15,180,482	54.9%
Total Monster Ultra	£39,725,845	£9,210,332	30.2%
Total Pepsi MAX	£122,147,794	£7,755,379	6.8%
Total Barrs	£31,889,378	£7,436,346	30.4%
Total Monster Punch	£34,180,431	£7,139,383	26.4%
Total Schweppes	£26,529,063	£6,936,128	35.4%
Total Retailer Own Label	£89,635,720	£4,533,976	5.3%
Total Reign	£4,572,882	£4,422,530	2941.5%

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Top 10 brand losers in convenience: Ranked by value change vs year ago

	Value	Value growth actual YA	Value change % YA
Total Highland Spring	£24,277,649	-£16,179,614	-40.0%
Total Glaceau Smartwater	£14,876,621	-£15,988,700	-51.8%
Total Lucozade Energy	£116,324,484	-£11,979,499	-9.3%
Total Evian	£43,723,336	-£11,420,472	-20.7%
Total Lucozade Sport	£50,884,007	-£7,558,435	-12.9%
Total Brecon Carreg	£3,472,147	-£6,214,119	-64.2%
Total Volvic	£32,289,604	-£5,833,427	-15.3%
Total Ribena	£34,160,792	-£5,518,448	-13.9%
Total Buxton	£20,966,317	-£5,245,485	-20.0%
Total Diet Coke	£100,902,824	-£5,105,746	-4.8%

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Top 25 NPD launches in 2020

	Value
Total Diet Coke Cola Cola/Lime	£1,759,208
Total Lucozade Energy Glucose Citrus	£1,483,288
Total Red Bull Stimulants Watermelon	£1,335,794
Total Fanta Zero Fruit Carbs Raspberry	£896,219
Total Lucozade Revive Glucose Orange/Passion Fruit	£792,758
Total Lucozade Revive Glucose Lemon/Lime	£680,577
Total Ribena Fruit Carbs Blackcurrant	£522,990
Total Vimto Fizzy Remix Fruit Carbs Lime/Orange/Strawberry	£496,515
Total Vimto Still Remix Juice Drinks Lime/Orange/Strawberry	£389,123
Total Ribena Fruit Carbs Raspberry	£279,919
Total 7up Free Fruit Carbs Cherry/Lemon/Lime	£275,662
Total Innocent Super Smoothie Smoothies Appl/Banana/Crrot/Ccnut/Guava/Pssionfruit	£241,547
Total Monster Ultra Stimulants Black Cherry	£197,676
Total Avant Plain Water Unflavoured	£185,860
Total Tesco Hints of Water Plus Elderflower/Lemon	£146,244
Total Oasis Juice Drinks Apple/Cherry	£137,409
Total Coca Cola Energy Stimulants Cherry/Cola	£135,711
Total Robinsons Fruit Creations Squash Blackberry/Blueberry	£131,815
Total Bottle Up Plain Water Unflavoured	£129,495
Total Tropical Vibes Juice Drinks Blackberry/Blueberry/Lemon/Raspberry	£128,740
Total Emerge Energy Glucose Cherry	£125,215
Total Tesco Hints of Water Plus Lemon/Lime	£106,068
Total Mirinda Mix It Fruit Carbs Blueberry/Orange	£103,033
Total Innocent Super Smoothie Smoothies Apple/Coconut/Ginger/Mango	£102,802
Total Dr Pepper Fruit Carbs Cream Soda	£101,356

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA

Manufacturer performance (top ten) convenience GB

	Value	Value growth % YA
CC Enterprises	£880,374,912	4.0%
Britvic UK	£314,568,512	0.7%
Red Bull	£240,876,634	10.2%
Suntory	£213,942,144	-12.6%
Own Label	£134,194,168	0.4%
Danone Waters	£115,325,129	-16.1%
A G Barr PLC	£110,030,520	1.9%
Nestle Waters	£31,835,206	-16.2%
Vimto Drinks	£28,260,133	0.8%
Highland Spring	£24,306,468	-40.0%

IRI Marketplace, Total Convenience, Total Soft Drinks, Value/Volume, 52 weeks to 27th December 2020 vs YA



Convenience – the local lifeline

Impact of COVID-19 on convenience shopper behaviour

Convenience's market value grew £3.8bn to £45.2bn (+9.2%): Outlet numbers held firm, slipping just -0.3%.⁵

Unaffiliated independents	Symbol groups	Convenience multiples	Co-operatives	Forecourts
£8.4bn (+9.9%) 17,900 (-0.5%)	£16.8bn (+10.9%) 15,560 (+0.1%)	£11.3bn (+6.2%) 5,035 (+0.1%)	£5.9bn (+11.0%) 3,160 (+1.6%)	£2.7bn (+6.0%) 4,986 (-2.4%)
				

In 2019, convenience sales were predicted to reach £45.8bn by 2022⁶, led by food to go. The pandemic hit convenience stores' food to go business, but the channel proved resilient, achieving a strong performance close to the original predictions in an accelerated time frame.

Convenience retailers were well placed to be shoppers' local lifeline, growing in importance for shoppers looking to top up on essentials and a growing destination for services⁷.

The pandemic changed consumers' lives unimaginably and impacted shopping habits in ways that could never have been forecasted.

Millions switched to working from home, dampening lunchtime trade. At the peak of the pandemic in April 2020, 60% of convenience shoppers were working from home⁸. Kantar estimated that we spent £17bn less than 2019 on food and drink out of home, making fewer trips and relying on our home kitchens for meals and snacks as bigger baskets came to the fore⁹. This move created a change in dynamic for shopper missions, with planned top ups shops becoming more important at the expense of on the go food and drink⁷.



Planned top up missions grew in importance from 18% in 2019 to 24% by October 2020.⁷

⁵ Lumina Intelligence, Convenience Market Report Update September 2020

⁶ HIM/MCA research & insight 2019

⁷ Lumina Intelligence CTP 2020 – Convenience Shopper Missions - October 2020 vs 2019

⁸ Lumina Intelligence Channel Pulse – Data from 15.06.2020

⁹ Kantar FMCG Data, MAT data to w.e. 27.12.2020 vs YA

Shopping habits shifted sharply from little and often to less frequent, bigger baskets. Supermarkets fought for our loyalty; the average household spending £470 more annually in the grocery sector¹⁰. City centre transient locations were hardest hit, while online won¹¹, and discounters and local convenience stores all benefited¹², especially during the first lockdown when supermarkets and online adjusted to the increased demand.

The top up mission accelerated its position as the number one reason to visit a convenience store and the share of planned top ups grew¹³, demonstrating shoppers were using convenience stores as mini supermarket shops, planning their visit to top up and buying things for the next few days. Distress top up shopping fell from 13% to 8% between 2019 and October 2020.¹⁴

All sub-channels that met these shopper missions saw growth. Outlets catering to grocery top up needs outperformed the market, namely co-ops, symbols and independents.¹⁵



Symbols and independents' growth boosted retail wholesalers' sales by a fifth to £19.0 billion, the largest contribution (+£1.2bn) from beers, wines and spirits, boosted by on-trade closures.¹⁶



39%
of soft drinks shoppers
visited convenience stores
on top up missions.¹³



¹⁰ Kantar FMCG Data, Total Grocery, Shopper KPIs, MAT data to w.e. 27.12.2020 vs YA

¹¹ Kantar FMCG Data, MAT data to w.e. 27.12.2020 vs YA

¹² Kantar Data, Total Grocery, Value Share of Trade Change %, MAT data to w.e. 27.12.2020 vs YA

¹³ Lumina Intelligence CTP 2020 – Convenience Shopper Missions - October 2020 vs 2019

¹⁴ Lumina Intelligence CTP 2020 – Soft Drink Shopper Missions - October 2020 vs 2019

¹⁵ Lumina Intelligence Convenience Market Report - Update September 2020

¹⁶ IRI, UK grocery & foodservice wholesaling 2021, February 2021

2020 saw many examples of convenience retailers' agility, adapting to changing shopper missions. Activities included range optimisation, fulfilling core take home needs and moving from convenience's traditional impulse and food for now focus. Retailers responded with value ranges, PMPs and larger formats, enhancing shopper experiences with innovations like Coop Fakeaways.

Nisa unveiled a new meal for tonight promotion this year which offered a chilled Co-op pizza, freshly cut fries and a choice of Gü desserts for £5.



Kepak's Rustlers brand has launched a range of four new food to go formats to suit different stores. Retailers are provided with the equipment, as well as range recommendations, category advice and POS kit.

Retailers also tapped into on the online trend, partnering with delivery providers, resulting in **7% of convenience shopping involving websites, apps or click and collect.**²⁰



snappy shopper
Local store to door

Online convenience store delivery platform Snappy Shopper enjoyed a record 2020 performance.

Prior to the pandemic, the app was available from 40 stores. This rose to over 650. Average basket spend on the platform currently sits at £26.62.²¹

¹⁷ Lumina Intelligence CRPT Online 4 w.e. 13.12.2020

¹⁸ Lumina Intelligence Channel Pulse, Lumina Intelligence ODC report 2020, Lumina Intelligence Future of Convenience Bespoke Research 2021

A tale of two halves for soft drinks sales:

On the go dips as take home booms



Take home soft drinks shoppers are hugely valuable to convenience versus an average shopper, spending £894 a year versus £446 on average with spend growing by £58 in 2020.¹⁹



On the go soft drinks shoppers are hugely valuable to convenience versus an average shopper, spending £60 a year versus £55 average with spend marginally dropping by £3 in 2020.²⁰

Soft drinks started 2020 strongly in convenience, growing in January and February, but in April it saw the biggest monthly decline as we became largely confined to our homes, losing £18.5m of sales as the bottom fell out of single serve, on the go formats²¹.

As the pandemic set in out of home soft drinks declined as fewer shoppers (-23%) bought less often (-12%).²⁰ Soft drinks remains the #1 category bought on a food to go mission²².

These declines partially recovered in the reopening phase, peaking from June to August, normally soft drinks' high season. Hopes of convenience sales growing further faded in the final quarter with colder weather and competition from supermarkets and discounters. This was compounded by a second wave of lockdown restrictions and tiering, triggering four months of decline.²³

Take home, larger format soft drinks were one of the channel's outstanding categories, reaching a third of soft drinks sales, growing 19% (+£117.9m)²⁴, as three out of 10 UK households shopped the category during the pandemic²⁵. The winning convenience channels proved able to flex their soft drinks offer²⁶, growing in both take home and single serve²⁷.

Take home soft drinks growth was driven by more shoppers (+8%) buying more (+10%) at a premium (+2.6%).¹⁹

Over a fifth of top up baskets contained a soft drink, more than fruit and veg, alcohol, confectionery, and crisps and snacks.²²

Soft drinks also ranked in the top five product categories likely to be purchased online via convenience outlets, indexing 37% above the average, broadly in line with crisps (39%) and significantly ahead of confectionery (21%).²⁸

Soft drinks in convenience ended 2020 worth £2.3bn, down -1.6% performing ahead of rival impulse categories, snacks and confectionery.²⁹

2020 Category growth rates in convenience: Value %²⁹

	Total convenience
Food to go categories	-24.2%
Soft drinks	-1.6%
Snacks	-2.0%
Confectionery	-9.9%

¹⁹ Kantar Worldpanel, Take Home Panel, Soft Drinks, Convenience, MAT to 27.12.2020 vs Yr Ago

²⁰ Kantar Worldpanel, OOH Soft Drinks, Convenience, MAT to 27.12.2020 vs Yr Ago

²¹ IRI Marketplace, Total Soft Drinks, Value Change, Trended 4 weeks to 27th December 2020 vs YA

²² Lumina Intelligence CTP 2020 – Soft Drink Share of Shopper Missions - October 2020 vs 2019

²³ IRI Marketplace, Total Soft Drinks, Value Change, Trended 4 weeks to 27th December 2020 vs YA and www.metoffice.gov.uk

²⁴ IRI Total Convenience, Total Soft Drinks, Value Sales, Data to 27th December 2020 vs Yr Ago

²⁵ Lumina Intelligence, Convenience Market Report Update September 2020

²⁶ IRI Marketplace, Total Soft Drinks, Symbols & Independents, Value, 52 weeks to 27th December 2020 vs YA

²⁷ Lumina Intelligence CTP Online 4 w.e. 13.12.2020

²⁸ IRI Marketplace, Total Convenience, Food To Go Categories Performance, Value Change, 52 weeks to 27th December 2020 vs YA (Food To Go categories defined as: Soft Drinks, Confectionery, Snacks, Biscuits, Ready to Eat Sandwiches, Sushi and Salads, Muffins and Snacks defined as Crisps, Nuts, Mixes, Popcorn, Tortillas, Dips, Meat Snacks, Baked)

Symbols & independents were the biggest driver of growth, adding £98.8m

Top 5 categories shifted from 2019 to 2020 with glucose falling to sixth place behind juice drinks:

2019	2020
Cola	Cola
Stimulants	Stimulants
Fruit carbs	Fruit carbs
Plain water	Plain water
Glucose	Juice drinks

IRI Marketplace, Total Soft Drinks, Symbols & Independents, Value, 52 weeks to 27th December 2020 vs YA



Retail wholesalers' soft drinks sales grew, up +9.5% despite less impulse purchasing on the go³¹.



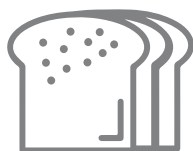
³⁰ IRI Marketplace, Total Soft Drinks, Symbols & Independents, Value, 52 weeks to 27th December 2020 vs YA

³¹ IGD UK grocery & foodservice wholesaling 2021, February 2021

Forecourts becomes fastest growing convenience channel

Soft drinks is the third most important category in forecourts.³²

% of baskets containing category
Average convenience shopper vs Forecourt shopper



Bakery
33% vs 34%



Chilled foods (excl. milk)
28% vs 33%



Soft drinks
19% vs 25%

Forecourts were well placed as a destination for food to go missions³³, bucking the market trend as the only convenience channel to see an increase in shoppers entering on a food to go mission pre, versus during COVID-19³⁴. Although cars remained the primary mode of transport, over a quarter of people walked into forecourts during peak lockdown (27%).³²

Forecourts were the fastest growing convenience channel for soft drinks (+8.2%), adding +£17.3m, not

only growing in on the go and take home formats, but also leading the channel growth on single serve.³⁵ Take home formats grew by +21.7%, while single formats grew by +5.8%³⁵ as a third of food to go was consumed in a car or van³⁶.

Forecourts gained shoppers who were seeking better stocked and less busy shopping options. It resulted in growth of 'top up' and 'buy on the go food and drink to consume on the same day' shopping missions.³³

Forecourts sees shift in Top 5 soft drinks segments

The Top 5 categories shifted from 2019 to 2020 with fruit carbonates jumping ahead to fourth place as plain water, glucose and juice drinks reduced in importance, subsequently pushing juice drinks out of the Top 5.³⁵

2019:

Stimulants
Cola
Plain water
Glucose
Juice drinks

2020:

Stimulants
Cola
Plain water
Fruit carbonates
Glucose

Within the Top 5 categories, stimulants, cola and fruit carbonates alone added £19.5m growth³⁵

Both standard and diet soft drinks grew with standard outperforming diet (+4.0% vs +2.7%)³⁵



³² Lumina Intelligence Convenience Tracking Programme 16 w.e. 07.03.2021

³³ Lumina Intelligence Channel Pulse 2020 – September 2020 vs May 2020

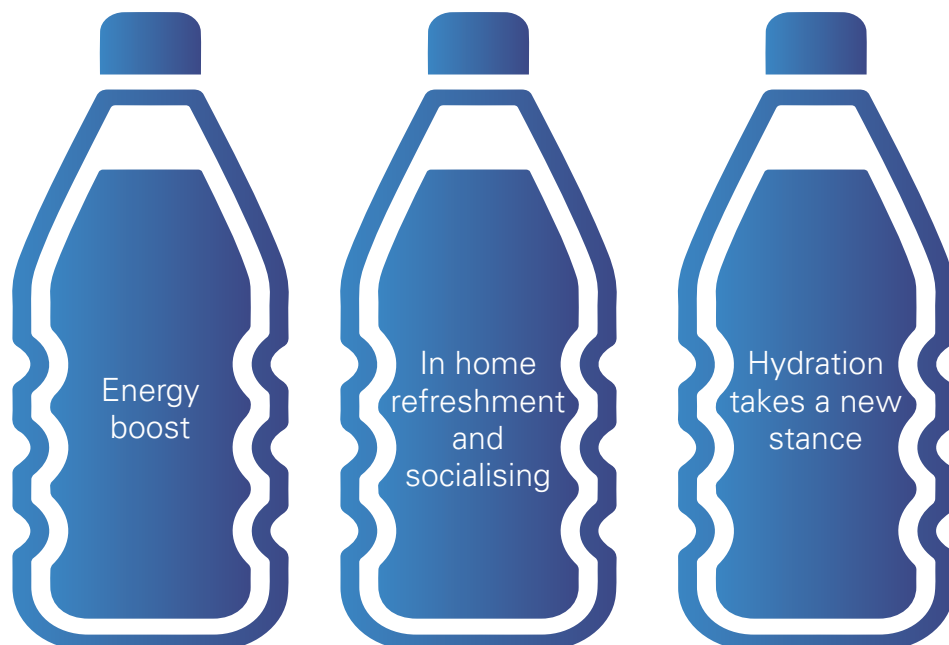
³⁴ IGD Convenience retailers compared 2020 – the impact of COVID-19, 2020

³⁵ IRI Marketplace, Total Soft Drinks, Roadside Petrol Multis, Value, 52 weeks to 27th December 2020 vs YA

³⁶ Lumina Intelligence Eating Out Panel, March – August 2020

Soft drinks segment performance: Need states change during pandemic

Three key soft drinks needs emerged in 2020:



Consumers needed an energy boost, boosting stimulants

Consumers sought 'pick me ups' as they adjusted to the 'new normal'.³⁷ Stimulants, the leading soft drinks category in convenience³⁸, was well placed to benefit. 2020's biggest success story, stimulants grew in both take home and on the go, bucking the single serve trend.³⁹

Stimulants grew 11.6%, adding £57.2m³⁸ to the channel, outgrowing all other soft drinks combined, attracting shoppers to buy more volume per trip at a higher price.⁴⁰ They did especially well in symbols and forecourts, which provided 90% of category growth.⁴¹ Power brands Monster Energy and Red Bull led the way as the top brands to drive channel growth.⁴²



³⁷ Lumina Intelligence Future of Convenience Report 2021

³⁸ IRI Marketplace, Stimulants, Total Convenience, Value, 52 weeks to 27th December 2020 vs YA

³⁹ IRI Marketplace, Stimulants, Total Convenience, Value %, 52 weeks to 27th December 2020 vs YA

⁴⁰ Kantar Worldpanel, Stimulants, Total Convenience, Shopper Metrics, 52 weeks to 27th December 2020 vs YA

⁴¹ IRI Marketplace, Stimulants, Total Symbols & Total Forecourts, Value Contribution to Growth %, 52 weeks to 27th December 2020 vs YA

⁴² IRI Marketplace, Stimulants, Total Convenience, Value Contribution to Growth %, 52 weeks to 27th December 2020 vs YA



The category saw a change of hands with Rockstar, the third largest stimulant brand in convenience⁴³, changing ownership from AG Barr to PepsiCo in a record-breaking £3.19bn deal.

Sports and glucose did less well, with decline driven by Lucozade Sport and Lucozade Energy, both in the bottom 10 brands.⁴⁴ This resulted in a change in supplier rank in the channel with Suntory Beverage and Food GB&I falling from third to fourth place, overtaken by Red Bull.⁴⁵

In home refreshment and socialising fizzed up carbonates and mixers

Carbonates and mixers also outperformed soft drinks overall, playing a key role in refreshment and socialising at home, boosted by alcohol's growth in the pandemic.⁴⁶

Traditional mixers were convenience's fastest growing category, up +47.8%, followed by Lemonade (+26%).⁴⁷ Both are key for mixing occasions, with Schweppes the major brand driver⁴⁷. Despite this strong growth, convenience has clear headroom for further premiumisation⁴⁸, highlighting opportunities to give greater range and space to premium choices in convenience stores.



Cola is the number eight category bought in top up baskets (10%) and bought more frequently than bread.⁴⁹

Cola was the largest contributor to carbonates' growth in convenience, adding £20.5m to channel sales, 10 times more than flavoured carbonates⁵⁰. This was driven by more shoppers buying more, more often⁵¹, with a strong growth bias towards original cola variants and take home formats, particularly large multipack cans⁵⁰, perfect when socialising at home or to have with meals.

Full sugar cola, synonymous with symbols and independents, outperformed sugar free, now accounting for 51% of the cola category from 49% in 2019.⁵⁰

⁴³ IRI Marketplace, Total Stimulants, Value, MAT 28th March 2021

⁴⁴ IRI Marketplace, Sports & Glucose, Total Convenience, Value Contribution to Growth %, 52 weeks to 27th December 2020 vs YA

⁴⁵ IRI Marketplace, Total Convenience, Value, 52 weeks to 27th December 2020 vs YA

⁴⁶ IRI Marketplace, Total Convenience, Total Alcohol, Value, 52 weeks to 27th December 2020 vs YA (+33.2%)

⁴⁷ IRI Marketplace, Total Convenience, Soft Drinks, Value, MAT 27th December 2020 vs Yr Ago

⁴⁸ NielsenIQ RMS, Total Impulse vs Total Grocery Multis, Value Share of Premium Mixers, MAT 27.12.2020 vs Yr Ago

⁴⁹ Lumina Intelligence CTP 4 w.e. data from w.c. 16.11.2020 to w.c. 1st March 2021

⁵⁰ IRI Marketplace, Total Convenience, Total Cola, Value, MAT 27th December 2020 vs Yr Ago

⁵¹ Kantar Worldpanel, Take Home Panel, Total Convenience, Cola, MAT 52 wks 27.12.2020 vs YA

Regular colas grew strongly, led by Coke Regular, the channel's second biggest driver, adding £19m, along with Pepsi Regular, the fastest growing major cola variant (+8.4%). This was at the expense of diet products, which declined significantly, Diet Coke and Diet Pepsi lost a combined -£7.3m.⁵²



Offsetting this, Pepsi MAX, the No. 1 sugar free cola in convenience, grew £7.8m and overtook Lucozade Energy to become the third biggest sub-brand in the convenience market in 2020.⁵² This shining performance meant Pepsi won the cola wars in 2020 as the fastest growing major cola brand, outperforming Coke⁵³ as rival Coke Zero slid by -£2.5m.⁵³

Hydration takes a new stance as consumers turn to taps, elevating squash

Plain water and flavoured hydration – such as juice drinks, ice tea and water plus - had a difficult 2020. They were historically strong in on the go formats, transient channels and locations like high street and travel, both hit hard by the pandemic⁵⁴. Another challenge was consumers' concerns around plastic, with six in 10 trying to reduce consumption⁵⁵, driving growth in refillable solutions on the go which are more accessible with refill stations increasing from 1,500, in 2018 to more than 20,000 in 2020, according to trade association Water UK⁵⁶.

These trends helped shift everyday hydration needs from plain bottled water, which continued to drain the category, showing the market's biggest decline of -£58.7m, down 27%⁵⁴. Highland Spring was the biggest loser, in the bottom 10 brands with Evian, Volvic, Brecon Carreg and Buxton⁵⁴.



⁵² IRI Marketplace, Total Convenience, Total Cola, Value, 27th December 2020 vs Yr Ago

⁵³ IRI Marketplace, Total Convenience, Total Soft Drinks, Value, 27th December 2020

⁵⁴ IRI Marketplace, Total Soft Drinks, Value, 52 weeks to 27th December 2020 vs YA

⁵⁵ NielsenIQ RMS, SOTN Homescan Survey 2021

⁵⁶ The Grocer, The rise and fall: bottled water category report 2020



Flavoured hydration also declined strongly (£49.6m), dragged down by water plus and juice drinks falling -28.9% and -10.2%⁵⁷ respectively, with Glaceau Smart Water and Ribena among the biggest fallers.⁵⁷

There were growth pockets in flavoured hydration. Take home multipacks in kids RTD and large multiserve ice tea both grew⁵⁸, showing continuing demand for flavoured hydration in the home.

Squash was the in home hydration hero as consumers turned to the tap, accelerating +21.1% (+£8.2m)⁵⁹, with 7.7% of households buying squash more than plain water and water plus. Robinsons was 2020's leading squash brand and biggest growth contributor, through its single concentrate and double concentrate ranges and Creations. Vimto and Own Label outperformed the category, both growing a third⁵⁹.



⁵⁷ IRI Marketplace, Flavoured Hydration (Juice Drinks, Ice Tea, Water Plus), Value, 52 weeks to 27th December 2020 vs YA

⁵⁸ IRI Marketplace, Total Soft Drinks, Value, 52 weeks to 27th December 2020 vs YA

⁵⁹ IRI Marketplace, Dilutes, Value, 52 weeks to 27th December 2020 vs YA

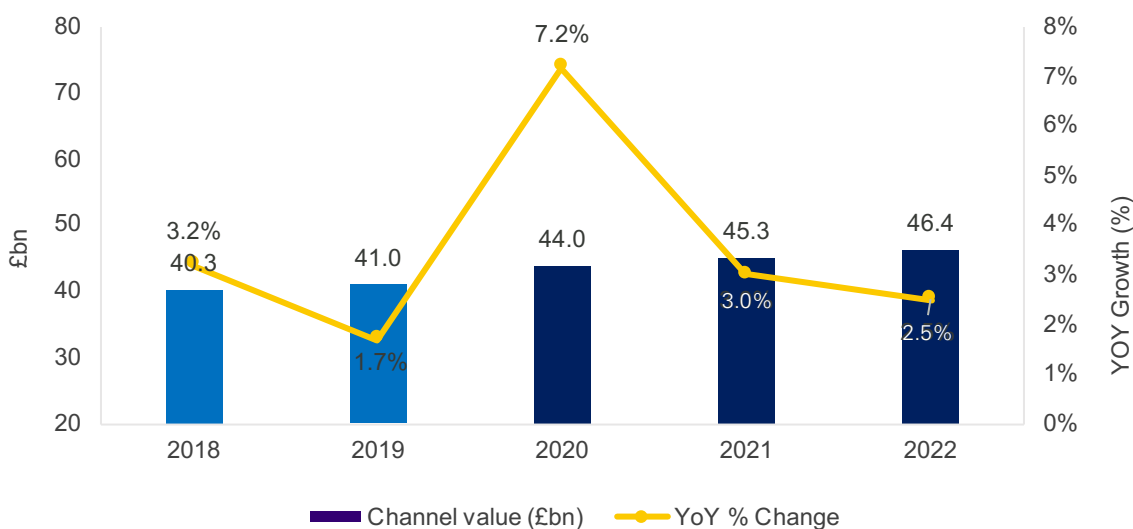
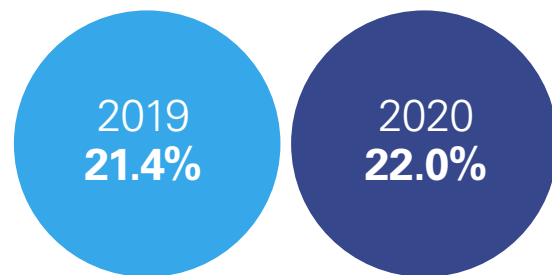
Steps to success in 2021

There is reason to be cautiously optimistic - predictions by the IGD⁶⁰ sees the channel grow to 22% share of the grocery market by 2022:

2019-22 channel performance



Share of grocery market



⁶⁰ IGD Research 2021

1. Protect loyalty in take home

The uplifts in convenience in 2020 are the result of exceptional circumstances. As competitive normality returns, retailers must adapt to consolidate these gains.⁶¹

The intensified interaction between convenience stores and their communities has created significant goodwill for their committed support in the pandemic. Retailers must maintain this connection to retain long-term loyalty.⁶¹

With convenience stores perceived as 'premium' and 91% of shoppers wanting to save money on groceries⁶², value will be a major defence against the supermarkets and discounters' renewed onslaught. With over three in five consumers having either no more or less disposable income⁶³, good deals that offer value for money will be key for shoppers. Research by the IGD identified that half of shoppers are buying more on promotion to save money⁶⁴.

Another factor that can add value and drive loyalty is the addition of delivery options. Delivery services launched in the pandemic have typically been ad hoc, driven by short term needs. To be sustainable, retailers must take a systematic approach to these services, ensuring cost effectiveness going forward.⁶¹

Savvy shopping

61% are 'very' or 'extremely' aware of product prices in convenience stores

Locking in loyalty

43% are 'likely' or 'highly likely' to join a loyalty scheme if it offered personalised offers

Lumina Intelligence Future of Convenience Report 2020

Delivery services offer a strong opportunity to convenience stores to grow loyalty:

70% of consumers say they will be using delivery more from a convenience store

50% would use convenience store delivery on a distress mission

90% would be satisfied with delivery in a specified time slot the same day

47% would replace ordering takeaway with a delivery from convenience stores

Lumina Intelligence Future of Convenience Report 2020

⁶¹ IGD Research 2021

⁶² The Conference Board Global Consumer Confidence Survey conducted in collaboration with NielsenIQ RMS, Q2 2020 & NielsenIQ RMS, State of the Nation Homescan Survey 2021

⁶³ CGA Brand Track June 2020

⁶⁴ IGD ShopperVista Top 10 post COVID channel shopper habits report, August 2020

2. Recover and reset food to go sales

After the changes in shopper missions during the pandemic, convenience stores must switch back to their usual focus on impulse and food for now as key footfall drivers, encouraging shoppers to visit more often.⁶⁵

Soft drinks is the #1 impulse category overall⁶⁶ and the leading category bought on a food to go mission⁶⁷.

% of food to go shoppers who bought...⁶⁷



Single serve drinks' role is hugely important as we move towards normality. With food to go demand dampened in 2020,⁶⁸ the category must find ways to reignite interest in this broad appeal⁶⁹, high value⁷⁰ sector, whose prosperity is critical to soft drinks' future⁶⁹.

Retailers need to adapt their offer with strong food and drink to go propositions, resisting competition from foodservice operations. With two in three previous commuters looking to work more from home⁷¹, avoiding city centres and widespread home working are the top two trends business leaders say are impacting their planning,⁷² alongside fragile consumer confidence⁷². This will have implications for soft drinks too – adapting ranges to meet consumer needs, new footfall patterns and opportunities as increased working from home becomes the 'norm'.

Food to go missions are just as likely to occur in village locations (19%) as city centres (18%).⁷³ This highlights an opportunity for convenience stores to develop a strong food to go offering, targeting the home worker, with soft drinks the leading food to go category bought in village locations.

Target missions in village locations should include hot food and drink to go as well as heat at home dinner options, given over a fifth of village shoppers are on a food to go mission between 6pm – 8pm.⁸⁶



One in four shoppers 'may' return to buying food to go once they return to the office⁷⁴, making meal solutions for different missions an imperative. Lumina Intelligence predicts that 2021 will be positive for food to go and at worst, the mission should return to similar levels as 2018.⁷⁵

⁶⁵ IGD Research 2021

⁶⁶ NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, Latest MAT to 27.03.2021

⁶⁷ Lumina Intelligence CTP 2020 – Soft Drink Share of Shopper Missions, FTG - October 2020

⁶⁸ IRI Marketplace, Total Single Serve Soft Drinks, Value Change %, 52 weeks to 27th December 2020 vs YA

⁶⁹ Kantar OOH Panel, Total Market, Total Soft Drinks Single Serve Packaged 52 w.e. 27.12.2020 (compared to Kantar TH Panel – Total Market – Deferred Soft Drinks, 52 w.e. 27.12.2020;

⁷⁰ IRI Marketplace, Total Soft Drinks, Price Per Litre Index Single Serve vs Total Soft Drinks, 52 weeks to 27th December 2020

⁷¹ CGA Brand Track June 2020

⁷² CGA & Fourth Business Confidence Survey Q3 2020

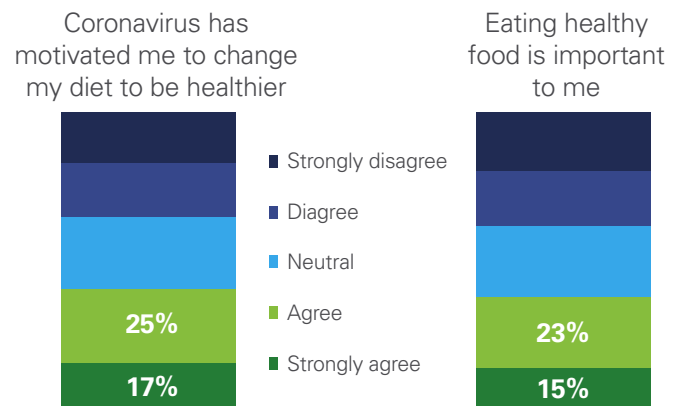
⁷³ Lumina Intelligence Forecourt Report 2021

⁷⁴ Lumina Intelligence Food To Go Attitudes, w.c. w.c. 24.08.2020

⁷⁵ Lumina Intelligence Expected growth for FTG mission in Convenience, 2020

3. Hero functional wellness to drive more value per drink

42% of consumers agree that the coronavirus has motivated them to have a healthier diet with a link between obesity and coronavirus complications re-focusing healthy eating in 2020.⁷⁶



As we recover after COVID-19, 2021 and beyond should see consumers resetting their focus on health and wellbeing, especially as mental health has been shown to be significantly impacted by lockdown measures and anxiety around the pandemic.

Functional wellness drinks offer a chance to drive up the cost per drink and in the next section we will explore the opportunity that this segment presents to the convenience channel.

Looking forward – the year ahead

It is undeniable that it has been a fight for survival throughout 2020 but the convenience channel has proven its resilience, embracing and adapting to the pivot in shoppers' needs and the formats they were looking for.

Ongoing it will be key for convenience outlets to take the learnings from 2020 to stretch themselves to cater for the expanse of consumer needs on all shopping missions, take home and on the go.

This laser focus will put the channel in good stead to grow share as the on trade and foodservice markets reopen. The aforementioned channels will undoubtedly up their game to claw back lost trade, competing for on the go and in outlet spend.

Online will continue to accelerate its momentum to retain new and existing shoppers by competing with the c-store on breadth of range and delivery proposition,

while discounters and grocers will continue to hero value credentials through the recession to capture bigger baskets.

Looking forward, the convenience channel needs to continue moving with agility, owning its 'convenience' USP and elevating its position to become not only a local lifeline which 'saved the day' but also a destination for local community needs which shoppers cannot do without. This extends to the weekly main shop - not just as a top up, a working lunch delivered to their front door reinventing on the go offers but also a great evening in having a restaurant experience 'fakeaway'.

The channel must strive to continue doing all it can to remain competitive.

⁷⁶ Lumina Intelligence Channel Pulse 2020

7 steps to drive soft drinks success along the shopper journey:



Outlet of choice: customers know why to visit your outlet over any other for their mission or occasion - ensure your soft drinks offer stands out from the crowd



Easy to navigate: customers quickly and easily find their way to where soft drinks are located

- Soft drinks categories are grouped by need, with core categories clearly signposted with brand beacons and emerging categories highlighted with education and signage



Hot on hotspots: customers notice soft drinks at multiple points on their journey, influencing their decision to buy

- Ensure soft drinks are visible beyond the fixture to drive impulse purchasing outside the planned shopping mission



Range for today & tomorrow: customers see a great soft drinks range that caters for their current and future needs

- Balance availability of core ranges while driving excitement with emerging categories.
- Ensure ranges adapt to be more healthy, sustainable and premium to better meet consumer needs
- 'Good, better, best' product tiering can be a key opportunity to drive value.
- Offer formats driving value for money perceptions, such as PMPs or larger packs



Connect complementary categories: customers spot cross-category solutions that nudge them to buy soft drinks on more occasions

- Partner drinks in meal deals and cross-category solutions to drive basket spend



Making moments memorable: customers enjoy an elevated experience, encouraging them to buy more soft drinks

- Drive purchase through relevant activation and offers linking to seasons, events and occasions



Focus on fundamentals: customers have a smooth, hassle-free journey from start to finish, with all barriers removed to get to a great tasting offer

FUNCTIONAL WELLNESS:

Meeting the demand for healthy soft drinks

66% state 'added ingredients' are more important post COVID-19 (+6% pts vs YA)¹

27% want to reduce sugar, while **26%** look to drink more fluids², a switch from increased full sugar drink consumption in 2020.

63% of consumers say it's important/very important to support food and drink retailers who advocate support for mental health.³

Health - an important and growing trend

Health and wellbeing are well documented consumer trends in the UK, with the majority of people striving to be 'healthier'⁴.

In early 2020, just before the pandemic struck, health was already top of mind for consumers, with 65% of shoppers saying they wanted to be healthier, 20% up on 2014⁵. Manufacturers and retailers were busy addressing this appetite with specifically healthy product ranges and dedicated store sections.

Since then, COVID-19 has caused a shift in how we want to live our lives now and in the future. 64% of consumers are prioritising health⁶ and seeking to integrate wellbeing into nearly all aspects of their lives.⁶

This desire for wellbeing has become more important than ever in our efforts to stay safe and well, with 70%

of consumers saying they are 'prepared to make short term sacrifices for the sake of my long-term health'⁷.

As we acclimatise to the new normal, people are adopting different food, drink and exercise habits. 51% of UK adults are using some form of health technology such as health, exercise, nutrition or meditation apps⁷. 59% are shopping more health-consciously since the pandemic and say they will continue to do so going forward.⁸

The good news is, improving our health and wellbeing needn't be drastic. The IGD⁹ have found shoppers are looking to take small steps to make marginal gains which feel achievable, rather than major lifestyle changes.¹⁰

¹ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020

² IGD ShopperVista 2021 Shopper Trends to Watch, January 2021

³ Lumina Intelligence Future of Convenience Report 2021

⁴ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020. 55% agree they will make a change or changes to my diet for the better

⁵ Savvy Shopper Insights Panel, January 2020

⁶ Mintel Drinks to address post COVID-19 lifestyle and need state, June 2020

⁷ Mintel Wellbeing 2021: Health Undefined, November 2020

⁸ Accenture COVID-19 Consumer Research, conducted March 19–25 and April 2–6, 2020

⁹ IGD 2021: Shopper Trends To Watch, January 2021

¹⁰ IGD ShopperVista; Base: 1,000+ ALL shoppers, October 2020 IGD Appetite for Change, December 2020

Mintel identified three considerations that healthy drinks need to address in a post-COVID-19 world, to support consumers' lifestyle demands and needs:

- affordable healthy drinks for the family
- relaxing drinks for alcohol moderators
- drinks offering wellbeing benefits

The last two are especially important for 'Generation Z' 18-24s, the key soft drinks purchasers in convenience¹².



With health meaning different things to different people, soft drinks must cater for different consumer needs along the health spectrum, whether it be for those seeking to manage their health through low and no sugar alternatives, natural drinks, alcohol alternatives or enhance their health through drinks with functional added benefits.

Managing health through sugar free & natural drinks

Our growing desire to manage our health is driving sugar free and natural drinks' mainstream appeal. With 50% of us actively reducing our sugar intake¹³, great-tasting low or no sugar drinks have never been so attractive.

The Soft Drinks Industry Levy (SDIL) has helped make soft drinks a healthier proposition all round, speeding the shift from higher sugar drinks to low and no sugar and helping strip 37.5 billion calories from our diet by September 2019¹⁴.

Since the SDIL, higher sugar ('above levy') carbonates have been showing value and volume share declines in favour of low or no sugar carbonated drinks ('below levy')¹⁵.

Cola is a key success story: almost half of UK cola sales are now sugar free¹⁶, led by Pepsi MAX, the leading no sugar brand in convenience¹⁷.

The COVID-19 downturn has seen consumers tightening budgets and parents keen to ensure their families follow healthy diets¹¹. In frequently consumed soft drinks categories like cola and squash¹⁸ consumers look for health credentials like sugar free and natural ingredients alongside value.

¹¹ Mintel Drinks to address post COVID-19 Lifestyle and need state, June 2020

¹² Mintel, Drinks to Address Post COVID-19 Lifestyle need states, June 2020

¹³ IGD ShopperVista Where do shoppers stand with sugar in 2020, May 2020

¹⁴ Public Health England Sugar Reduction Report, September 2019

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839756/Sugar_reduction_yr2_progress_report.pdf

¹⁵ NielsenIQ RMS, Total Coverage, above levy vs below levy volume % change, 52 w.e. 23.01.2021 vs 26.01.2019

¹⁶ IRI Total Convenience, Cola, Sugar Free Value Sales %, MAT 27th December 2020 vs YA

¹⁷ IRI Total Convenience, Cola, Value Sales, MAT 27th December 2020 vs YA

¹⁸ Kantar Worldpanel Consumption Panel, Soft Drinks In / Out of Home, MAT March 2021

Growing numbers of consumers seek products with no additives or preservatives and made with natural ingredients. It's important to complement sugar free ranges - which often use artificial sweeteners - with products that don't.

Manufacturers who focus on healthier drinks with no or low levels of sugar are well placed to drive soft drinks growth. Britvic has 99.5% of its own brands below

the sugar levy¹⁹, with its market leading sugar free cola brand Pepsi MAX and Robinsons, the number one squash brand²⁰. Robinsons' squash range has no added sugar and natural credentials, promising 'real fruit in every drop'.

Convenience retailers typically under-trade in healthier propositions and their soft drinks ranges are weighted to full sugar. To profit from the healthier trend they need to rebalance their mix, offering a choice of great tasting sugar and sugar free alternatives and products with natural ingredients and dialling up value through format or product benefits.

Soft Drinks - key to winning through HFSS

Set to go live in April 2022, the UK Government is bringing in new rules restricting promotions and secondary displays of High Fat Salt Sugar products. By including soft drinks with 4.6g of sugar or more per 100 ml, the rules will support consumers in making healthier choices at a better value.

For those retailers with over 50 employees the impacts will vary depending on store size. If they are under 2,000 sq ft they are still allowed to display HFSS products. It does give these outlets an opportunity to drive soft drinks' visibility as the largest impulse category and continue to capture sales from promotions and secondary displays if they fit under the size threshold. Anyone over 2,000 sq ft is prohibited from displaying or promoting HFSS products.

Different retailers will be impacted in different ways

		Able to use display on HFSS products?	Able to use volume-based promotions e.g. 2 for £x?
Medium & large retail	Retailer* employing under 50 employees Any size store	✓	✓ Except free refills on HFSS products
	Retailer* employing 50 or more employees Stores under 2,000 sq ft	✓	✗
	Retailer* employing 50 or more employees Stores over 2,000 sq ft	✗	✗

* "Retailer" includes franchises or symbol group arrangements i.e. refers to the total number of employees operating that business name

¹⁹ Britvic litres sold as consumed by customers, Total Market, 52 w.e. 30.09.2020

²⁰ IRI Total Convenience, Soft Drinks, Value Sales, MAT 27th December 2020 vs YA

Managed health - alcohol alternatives

Recent research shows nearly half of UK adults who have limited or reduced their alcohol consumption, did so to improve their health. Saving money was the second biggest motivation²¹. In this context soft drinks designed as alcohol alternatives need to highlight their 'better for you' qualities. Flagging their low calorie and sugar content per serving will make alcohol alternatives resonate with the health conscious, especially since soft drinks are the number one alternative to alcohol²².

With 36% of Generation Z (18-24s) consumers drinking less alcohol due to COVID-19, there's a clear opportunity for retailers to win them over with healthier non-alcoholic alternatives, especially as 98% of those switching to 'low and no' in 2021 plan to stick to it²¹. Healthier alternatives also need to help with relaxation, these consumers' primary motivation for drinking alcohol²³.

With Generation Z shoppers less satisfied by convenience stores' low and no alcohol ranges than those in supermarkets, restaurants and pubs²¹, there is a clear call to action for convenience stores to improve their range of healthy alcohol alternatives and sophisticated soft drinks offers to increase value sales.



The functional wellness opportunity: Added benefits = added £27.2m opportunity

The functional wellness market is currently worth £240.1m, equal to 2.7% of soft drinks sales²⁴.

Functional wellness drinks have grown in popularity²⁵, and appeal to people looking to enhance their diet and put goodness into their body. Their benefits range from energy pick-me-ups to enhanced rehydration, immunity or gut health and general multivitamin health.



²¹ KAM media, Low and No Alcohol Opportunity for UK on and off trade, January 2020

²² Kantar Panel Data: 52 w.e.16.06.2019

²³ Mintel Drinks to address post COVID-19 lifestyle and need state, June 2020

²⁴ NielsenIQ RMS, Total Coverage, Britvic Defined Wellness Drinks, Value Sales, 52 w.e. to 02.01.2021

²⁵ Kantar OOH Panel, Total Market, Britvic Defined Wellness Drinks Penetration growth from 12.2% (52 w.e. 23.02.2020) to 16.6% (52 w.e. 09.08.2020)

Key segments of functional wellness and scale of each segment

	Vitality soft drinks with added vitamins and minerals or give consumers energy, reduce fatigue or support overall wellbeing	Gut health soft drinks with added ingredients to support overall digestive health or detoxing properties, e.g. contains added fibre, kefir	Rehydrate soft drinks with added ingredients to increase hydration, e.g. zinc and/or electrolytes aiming to be more hydrating than just plain water	Relax soft drinks with added ingredients to support relaxation and winding down, e.g. added CBD	Body image soft drinks with added ingredients to support hair, skin and nails, e.g. added collagen to benefit complexion
					
Total market share of sales	77.1	13.1	9.6	0.1	0
Total impulse share of sales	65.0	2.8	31.6	0.6	0

NielsenIQ RMS, Total Coverage vs. Total Impulse, Britvic Defined Functional Wellness, Value Share of, 52 w.e. 02.01.2021 vs. Yr Ago

37% of people are positively interested in premium soft drinks with added benefits²⁶. Shoppers are willing to pay more than double the average price of a soft drink for these products²⁷, or 34% more²⁸ than the average single serve drink, which is already priced at a premium. Therefore it can help drive the recovery of on the go soft drinks which have been in decline as a result of the pandemic.

Functional wellness products' price point vs single serve soft drinks, multipacks and multiserves

	Price per litre	Price index vs soft drinks
Functional wellness	£2.75	240
Single serve	£3.39	134
Multipack	£1.29	118
Multiserve	£3.14	125

NielsenIQ RMS, Total Coverage, Britvic Defined Functional Wellness, Price Per Litre (absolute and index vs Total Soft Drinks), 52 w.e. 02.01.2021 vs. Yr Ago



²⁶ Mintel Attitudes towards Premium Soft Drinks: Inc Impact of COVID-19 - UK - April 2020

²⁷ NielsenIQ RMS, Total Coverage Britvic Defined Wellness Drinks £/l vs Soft Drinks average £/l, 52 w.e. to 02.01.2021

²⁸ NielsenIQ RMS, Total Coverage Britvic Defined Single Serve Wellness Drinks £/l vs Single Serve Soft Drinks average £/l, 52 w.e. 02.01.2021

Recent functional launches

In 2019, 221 new 'added benefit' SKUs launched in the convenience channel²⁹

Functional wellness drinks' emergence in 2019 was high profile, creating noise and excitement in the soft drinks arena as a stream of launches flooded the market. Their arrival generated interest and pace, with sales growing 18 times faster than the category, ending 2019 up +13.2% against total soft drinks' +0.7%.³¹

The pandemic has put enhanced health front of mind. 66% of consumers now see 'added ingredients to make it healthier' as important versus 60% before COVID-19³⁶. Even so, the lockdowns hit functional wellness drinks hard. The category declined -17.2%³² due to its reliance on single serve formats, which contribute £3 in every £5 sold³³. On the go format purchases fell -26.5%³², while take home purchases grew +3.0%³².

Fewer buyers and reduced purchase frequency³⁴ for single serve drinks means functional wellness drinks offer retailers an important opportunity to trade up and reignite growth. With the top 10 brands commanding over 80% of sales, stocking a small range stands to drive up basket spend³⁵.



Top 10 functional wellness brands – ranked by value sales

	Size in £m's	% sales
Naked Smoothies	50.7	21.1
Innocent Super Smoothie	42.2	17.6
Innocent Plus	32.3	13.5
Glaceau Smartwater	21.0	8.7
Rubicon Spring	18.5	7.7
Bio-Tiful Dairy Kefir	17.9	7.5
Purdeys	10.9	4.5
Tropicana Essentials & Multivitamins	10.1	4.2
Moju	4.8	2.0
Lucozade Revive	4.0	1.7

NielsenIQ RMS, Total Coverage Britvic Defined Wellness Drinks Value Sales 52 w.e. 02.01.2021

²⁹ NielsenIQ RMS, Total Coverage Soft Drinks vs Britvic Defined Wellness Drinks Value % 52 w.e. 04.01.2019 vs Yr Ago

³⁰ NielsenIQ RMS, Total Coverage Single Serve SKU level ACV Distribution MAT data to 23.11.2019 where ACV Distribution >1%

³¹ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020

³² NielsenIQ RMS, Total Coverage, Britvic Defined Functional Wellness Drinks, Value % 52 w.e. 04.01.2019 vs Yr Ago

³³ NielsenIQ RMS, Total Coverage Britvic Defined Functional Wellness Drinks Value, 52 w.e. 02.01.2021

³⁴ Kantar OOH Purchase Panel, Total Market, Total Soft Drinks Single Serve, 52 w.e. 27.12.2020

³⁵ NielsenIQ RMS, Total Coverage Britvic Defined Wellness Drinks £/l vs Soft Drinks average £/l, 52 w.e. to 23.01.2021

Pre COVID-19 the convenience channel generated over a quarter of functional wellness sales. This has since fallen back to 16.2% (2020 versus 2019), highlighting the potential for convenience to grow and capture its fair share (27.6%) or **£27.2m of this emerging market**³⁶.

£7 in every £10 spent on functional drinks is in the vitality segment. The impulse channel under-trades here, being weighted towards rehydration,³⁷ which has a lower price per litre³⁸. Shifting retailers' product mix to higher value segments, like vitality, where the energy need is growing³⁹, will fuel growth and boost category value.



1 in 5 people
have begun to take vitamins
since the start of the first
lockdown⁴⁰



47% of people
agree they will eat more
foods to support their
immune system⁴⁰



46% of shoppers
agree the number of new
products makes shopping for
health foods confusing⁴⁴.

Retailers must also address functional wellness's availability and visibility, to drive awareness of these premium products. This is especially so in under-trading sub channels like multiple forecourts, symbols and independents.

As a relatively new segment, functional wellness drinks' have headroom to attract more shoppers as they are only converting one in 10 take-home shoppers and a quarter of on the go shoppers into the functional wellness category, despite a greater proportion wanting premium drinks with added benefits.

Functional wellness sales by product type vs total soft drinks

	Total market		Impulse		Impulse share of trade	Share index	Fair share size of prize
Total soft drinks	8,882,113.8	2.3	2,448,901.5	-0.7	27.6%	100	£0
Functional wellness	240,155.7	-17.2	38,991.3	-40.8	16.2%	59	£27,222
Vitality	185,153.9	-14.8	25,347.6	-31.9	13.7%	50	£25,701
Gut health	31,538.8	32.0	12,321.7	-54.5	39.1%	142	-£3,626
Rehydrate	23,172.8	-52.2	1,099.8	-12.1	4.7%	17	£5,289
Relax	290.0	-26.9	222.1	-26.3	76.6%	278	-£142
Body image	0.2	-73.5	0.0	-100.0	0.0%	0	£0

NielsenIQ RMS, Total Impulse, Value Share of Soft Drinks vs Functional Wellness – opportunity calculated based on functional wellness and sub categories matching fair share of soft drinks, 52 w.e. 02.01.2021 vs. Yr Ago

³⁶ NielsenIQ RMS, Total Impulse, Value Share of Soft Drinks vs Functional Wellness – opportunity calculated based on functional wellness matching fair share of soft drinks, 52 w.e. 04.01.2020 vs Yr Ago

³⁷ NielsenIQ RMS, Total Coverage vs Total Impulse Britvic Defined Wellness Drinks Value Share by Segment % 52 w.e. 02.01.2021

³⁸ NielsenIQ RMS, Total Impulse Britvic Defined Wellness Drinks 'Rehydrate' Price Per Litre 52 w.e. 02.01.2020

³⁹ Kantar Usage Panel Reasons for Choosing Soft Drinks Servings % Growth 5YR CAGR to 29.11.2020

⁴⁰ IGD ShopperVista, Has COVID-19 kick-started new health trends? 10.09.2020

⁴¹ NielsenIQ RMS, Total Coverage Britvic Defined Wellness Drinks vs Soft Drinks Value Share of Trade, 52 w.e. to 02.01.2021

⁴² Kantar Worldpanel, Take Home Panel, Total Convenience vs Total Stores, Britvic Defined Wellness Drinks, Conversion %, 52 w.e. 21.02.2021

⁴³ Kantar Worldpanel, OOH Panel, Total Convenience vs Total Stores, Britvic Defined Wellness Drinks, Conversion %, 52 w.e. 21.02.2021

⁴⁴ Mintel Health Food Retailing UK March 2020

7 steps to unlocking an additional £812 functional wellness opportunity per store

Offering a clear range of best-selling, great-tasting functional wellness drinks merchandised together, and clearly communicating why they are worth paying more for, is pivotal to unlocking the estimated **£812 opportunity** open to every convenience store selling soft drinks⁴⁵.

However, it will be critical for brand owners and retailers to work in partnership to drive category awareness, availability and visibility. To help unlock the functional wellness opportunity instore or online, read our Seven Steps To Success.

Purdey's – The beacon of functional wellness

With our increasingly busy lives, the need for energy is becoming the quickest reason to choose a soft drink⁴⁷. This is reflected by the biggest growth in soft drinks coming from stimulants, the leading soft drinks category in convenience⁴⁸.

Meanwhile 90% of the UK population don't buy stimulant drinks, rising to 96% in convenience stores⁴⁹. The reasons most often given are, they contain too much sugar, too much caffeine and artificial ingredients⁵⁰.

Healthier products which claim natural energy benefits or a gentle pick me up fill a much needed gap for the 59% of the population who feel tired all the time,⁵⁰ and provide a broad appeal versus products with more niche health benefits.

Purdey's is the original natural energy drink. A sparkling blend of fruit juices, botanicals and B vitamins provide a functional benefit with great taste. Purdey's is targeting all those people (nine out of 10) who reject hard energy drinks and are looking for a healthier drink to give them a more natural lift.

Purdey's is perfectly placed to lead the wellness soft drinks category as the leading sparkling vitality brand. Made with naturally sourced ingredients - real fruit juice, boosted by botanicals and energising B vitamins - it offers a no added sugar energy lift.



⁴⁵ NielsenIQ RMS, Total Impulse Britvic Defined Wellness Drinks Fair Share Opportunity (£27.2m)/ Number of ACS members (33,500)

⁴⁷ Kantar Usage Panel Reasons for Choosing Soft Drinks Servings % Growth 5YR CAGR to 29.11.2020

⁴⁸ IRI Total Convenience Stimulants Value % 52 w.e. 27.12.2020 vs Yr Ago

⁴⁹ Kantar OOH, Total Market, Stimulants Penetration, 52 w.e. 27.12.2020

⁵⁰ Mintel Sport and Energy Drinks Report September 2019

7 steps to success

Steps	Task	Execution
	Customers know why to visit your outlet online or in store over any other for their functional wellness needs	Drive footfall to your store by championing your functional wellness credentials, communicating relevant messages at key times of the day or year
	Customers quickly and easily find their way to where functional wellness drinks are located	Merchandise Wellness drinks together grouped by claimed benefit ⁴⁶ on shelf or in a 'wellness zone' providing educational signage to support shoppers to meet their needs 
	Customers notice functional wellness drinks at multiple points on their journey, influencing their decision to buy	Create theatre around wellness drinks in outlet or online through specific zoning or framing to drive impulse purchasing across key hotspots like the chiller, end of aisle displays or online pages

⁴⁶ Touchstone Shopper Decision Hierarchy Research 2019

Steps	Task	Execution
	Customers see a great functional wellness range that caters for their current and future needs	Ensure you stock a range of single serve and take-home wellness drinks. Prioritise established segments vitality and rehydration while adapting space to integrate emerging segments like relax, gut health and body image.
	Customers spot cross-category wellness solutions that nudge them to buy functional wellness drinks on more occasions	Bundle wellness products together to drive a integrated experience for shoppers linking with food or non-food 
	Customers enjoy an elevated experience, encouraging them to buy more functional wellness drinks	Work with brands to activate functional wellness clearly calling out the enhanced benefit message to consumers 
	Customers have a smooth, hassle-free journey from start to finish, with all barriers removed	Ensure availability of wellness in your stores as if it isn't stocked it is a missed incremental opportunity to the soft drinks category

All data and tables: IRI Britvic Convenience 52 weeks to 27.12.2020

Segment performance convenience GB

	Value	Value growth actual YA	Value growth % YA	Litres YA	Litres	Litres growth actual YA
Total soft drinks	£2,257,068,032	-£35,868,160	-1.6%	1,340,863,360	1,326,983,936	(13,879,424)
Total cola	£599,217,472	£20,489,024	3.5%	359,725,152	383,737,056	24,011,904
Total iced tea	£13,868,622	-£1,556,260	-10.1%	6,047,269	5,705,648	(341,621)
Total fruit carbs	£252,581,936	£2,593,888	1.0%	155,254,000	162,923,280	7,669,280
Total glucose	£128,268,256	-£15,422,288	-10.7%	61,956,628	56,193,916	(5,762,712)
Total juice drinks	£129,247,568	-£14,704,016	-10.2%	68,196,768	63,530,260	(4,666,508)
Total lemonade	£43,088,816	£8,904,488	26.0%	53,165,300	66,136,432	12,971,132
Total non-fruit carbs	£61,286,004	-£515,392	-0.8%	54,254,200	54,671,004	416,804
Total plain water	£158,650,800	-£58,691,728	-27.0%	195,841,840	154,658,976	(41,182,864)
Total pure juice	£65,456,592	£167,480	0.3%	31,188,672	35,200,836	4,012,164
Total smoothies	£13,826,415	-£8,782,571	-38.8%	4,725,238	2,913,110	(1,812,128)
Total sports	£80,077,872	-£9,704,384	-10.8%	55,718,424	46,262,756	(9,455,668)
Total squash	£47,152,632	£8,227,552	21.1%	27,166,238	31,486,530	4,320,292
Total stimulants	£550,924,288	£57,217,408	11.6%	173,346,352	182,058,096	8,711,744
Total traditional mixers	£30,206,040	£9,768,970	47.8%	16,904,104	22,408,758	5,504,654
Total water plus	£83,214,664	-£33,860,480	-28.9%	77,373,144	59,097,228	(18,275,916)

Segment performance high street

	Value	Value growth actual YA	Value growth % YA	Litres YA	Litres	Litres growth actual YA
Total soft drinks	£240,448,672	-£52,719,424	-18.0%	179,005,120	154,527,168	(24,477,952)
Total cola	£74,283,480	-£10,120,392	-12.0%	57,364,528	54,257,764	(3,106,764)
Total iced tea	£1,316,276	-£276,037	-17.3%	618,582	556,525	(62,057)
Total fruit carbs	£25,601,804	-£3,152,864	-11.0%	18,166,044	17,856,886	(309,158)
Total glucose	£14,805,859	-£4,222,493	-22.2%	9,342,614	8,067,032	(1,275,582)
Total juice drinks	£15,052,437	-£5,192,741	-25.6%	9,107,125	7,887,621	(1,219,505)
Total lemonade	£3,517,319	-£161,322	-4.4%	6,743,758	6,784,941	41,183
Total non-fruit carbs	£5,356,826	-£1,253,811	-19.0%	4,940,468	4,085,298	(855,170)
Total plain water	£13,923,536	-£10,182,344	-42.2%	24,981,446	16,001,975	(8,979,471)
Total pure juice	£7,538,389	-£2,961,661	-28.2%	4,549,731	3,434,771	(1,114,960)
Total smoothies	£4,219,849	-£3,471,540	-45.1%	1,942,662	1,050,531	(892,131)
Total sports	£6,760,262	-£1,743,888	-20.5%	3,772,183	2,844,348	(927,836)
Total squash	£4,891,198	-£180,551	-3.6%	3,480,757	3,490,157	9,400
Total stimulants	£50,027,784	-£1,818,252	-3.5%	18,393,626	17,545,874	(847,752)
Total traditional mixers	£2,107,919	£229,968	12.2%	1,955,237	2,073,594	118,357
Total water plus	£11,045,734	-£8,211,488	-42.6%	13,646,366	8,589,851	(5,056,515)

Segment performance forecourts

	Value	Value growth actual YA	Value growth % YA	Litres YA	Litres	Litres growth actual YA
Total soft drinks	£227,376,832	£17,251,696	8.2%	84,128,264	3,009,192	3.7%
Total cola	£50,966,512	£4,614,284	10.0%	20,830,670	1,788,242	9.4%
Total iced tea	£2,111,552	£87,373	4.3%	648,254	4,608	0.7%
Total fruit carbs	£15,736,971	£3,139,498	24.9%	6,456,319	1,223,578	23.4%
Total glucose	£13,723,297	-£714,469	-4.9%	4,386,021	(380,465)	-8.0%
Total juice drinks	£12,343,179	-£624,042	-4.8%	3,788,567	(375,085)	-9.0%
Total lemonade	£2,018,268	£477,358	31.0%	2,033,646	540,878	36.2%
Total non-fruit carbs	£1,645,092	-£196,564	-10.7%	710,678	(103,923)	-12.8%
Total plain water	£26,951,824	-£1,962,848	-6.8%	18,540,344	(1,866,134)	-9.1%
Total pure juice	£6,475,542	£875,767	15.6%	2,034,029	391,097	23.8%
Total smoothies	£2,951,025	-£164,482	-5.3%	464,403	(40,495)	-8.0%
Total sports	£8,217,262	£367,691	4.7%	2,694,810	(60,284)	-2.2%
Total squash	£993,057	£304,507	44.2%	560,354	149,572	36.4%
Total stimulants	£73,433,120	£11,730,356	19.0%	16,134,112	2,173,728	15.6%
Total traditional mixers	£1,080,232	£503,687	87.4%	476,805	159,503	50.3%
Total water plus	£8,729,903	-£1,186,419	-12.0%	4,369,255	(595,629)	-12.0%

Segment performance travel

	Value	Value growth actual YA	Value growth % YA	Litres YA	Litres	Litres growth actual YA
Total soft drinks	£67,448,432	-£99,159,488	-59.5%	23,976,900	(36,808,440)	-60.6%
Total cola	£12,543,170	-£14,476,940	-53.6%	4,245,537	(4,644,986)	-52.2%
Total iced tea	£1,352,766	-£1,593,129	-54.1%	411,511	(433,455)	-51.3%
Total fruit carbs	£5,518,283	-£6,896,718	-55.6%	1,876,517	(2,123,266)	-53.1%
Total glucose	£2,654,314	-£3,227,429	-54.9%	758,839	(952,799)	-55.7%
Total juice drinks	£4,380,475	-£6,082,293	-58.1%	1,285,705	(1,732,405)	-57.4%
Total lemonade	£94,653	-£202,423	-68.1%	41,933	(76,645)	-64.6%
Total non-fruit carbs	£1,052,513	-£1,196,279	-53.2%	381,488	(420,794)	-52.4%
Total plain water	£16,384,929	-£35,012,823	-68.1%	8,326,591	(17,289,124)	-67.5%
Total pure juice	£2,755,819	-£4,683,386	-63.0%	649,675	(1,030,394)	-61.3%
Total smoothies	£2,160,515	-£3,423,081	-61.3%	337,629	(528,676)	-61.0%
Total sports	£1,290,206	-£1,519,648	-54.1%	379,267	(439,285)	-53.7%
Total squash	£142,359	-£238,069	-62.6%	61,514	(85,677)	-58.2%
Total stimulants	£8,894,642	-£5,379,247	-37.7%	1,835,604	(955,278)	-34.2%
Total traditional mixers	£2,493	-£15,640	-86.3%	1,073	(3,171)	-74.7%
Total water plus	£8,221,297	-£15,212,381	-64.9%	3,384,016	(6,092,490)	-64.3%

Segment performance symbols & independents

	Value	Value growth actual YA	Value growth % YA	Litres YA	Litres	Litres growth actual YA
Total soft drinks	£1,721,794,048	£98,758,912	6.1%	1,019,953,792	1,064,351,552	44,397,760
Total cola	£461,424,352	£40,472,128	9.6%	274,427,680	304,403,104	29,975,424
Total iced tea	£9,088,029	£225,533	2.5%	3,940,074	4,089,358	149,284
Total fruit carbs	£205,724,880	£9,503,968	4.8%	127,855,432	136,733,552	8,878,120
Total glucose	£97,084,792	-£7,257,896	-7.0%	46,135,892	42,982,020	(3,153,872)
Total juice drinks	£97,471,472	-£2,804,952	-2.8%	51,907,876	50,568,368	(1,339,508)
Total lemonade	£37,458,576	£8,790,872	30.7%	44,810,196	57,275,912	12,465,716
Total non-fruit carbs	£53,231,576	£2,131,264	4.2%	47,696,848	49,493,540	1,796,692
Total plain water	£101,390,504	-£11,533,720	-10.2%	124,838,200	111,790,072	(13,048,128)
Total pure juice	£48,686,844	£6,936,764	16.6%	23,315,938	29,082,360	5,766,422
Total smoothies	£4,495,026	-£1,723,470	-27.7%	1,411,373	1,060,547	(350,826)
Total sports	£63,810,144	-£6,808,536	-9.6%	48,372,596	40,344,332	(8,028,264)
Total squash	£41,126,020	£8,341,668	25.4%	23,127,508	27,374,506	4,246,998
Total stimulants	£418,568,768	£52,684,576	14.4%	138,201,456	146,542,496	8,341,040
Total traditional mixers	£27,015,396	£9,050,954	50.4%	14,627,321	19,857,286	5,229,965
Total water plus	£55,217,728	-£9,250,196	-14.3%	49,285,388	42,754,108	(6,531,280)

Glossary

Cola

Cola-flavoured carbonated drinks, including cola with flavours such as cherry, twist of lemon, etc. Includes all clear and coloured colas

Cold hot drinks

Ice tea and ice coffee. IRI data cold hot drinks refers to only ice tea.

Diet vs standard

Diet Brands and NAS Brands. Diet Brands (e.g. Diet Coke) are items described as Low Calorie/Low Sugar or Caffeine Free and NAS brands = Zero brands (e.g. Pepsi MAX and Coke Zero) are items described as No Added Sugar, NAS, N.A.S, or Sugar Free. Standard - All other products, including plain water

Dilutes (also see Squash)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Flavoured carbonates

Flavours are typically orange, cherry, lime, blackcurrant, apple, pineapple and grapefruit, lemon, lemon and lime, tropical and other mixed fruit flavours. Also includes Tizer, Dr Pepper and Vimto, as these brands contain fruit

Gen Z

The demographic cohort after Millennials. Most of Gen Z have used the Internet since a young age and are comfortable with tech and social media. There is no precise date for when Gen Z begins, but demographers and researchers typically use the mid-1990s to mid-2000s as starting birth years

Juice drinks

A non-carbonated drink which generally contains fruit juice (some may not) plus added water or other ingredients

Lemonade

All conventional clear and cloudy or traditional, carbonated lemonade; flavoured with lemon juice and additional fruit flavours to produce coloured lemonade

Millennials

A term used to describe individuals born between the mid-1980s to the mid-1990s, those who are now aged between their mid-twenties and mid-thirties. This is the generation that entered adulthood during the first decade of the millennium

Missions (also shopper missions)

The purpose for which a shopper visits an outlet.

Mixers

All drinks intended to dilute an alcoholic beverage, as well as being consumed as a standalone soft drink

Natural energy

Any product that calls out energy/boost/lift/pick me up/power/tiredness

reduction as the primary benefit AND either specifically calls out natural/organic ingredients OR only contains pure ingredients (e.g. juices). In addition to this rule, we are assuming that espresso is naturally seen as energy giving so any espresso-based product, unless filled with added artificial ingredients, or where the primary need state is indulgence, would be included

Non-fruit flavoured carbonates

Non-fruit flavoured carbonates, excluding cola but including Irn Bru. Also includes traditionals such as cream soda, ginger beer and shandy

Occasions

The reason for consumption, e.g. routine meal together

OOH

Out of Home. Includes Retail, Travel & Leisure

Pure juice (other)

A non-carbonated 100% pure juice or other juice blend with no added water or sweetener, that may be chilled or longlife. Includes all concentrated juices, with the exception of frozen juice

Smoothies

Generally drinks described as smoothie, either in brand name or as a descriptor on the packaging

Sports drinks

Drinks that are specifically designed to replace minerals, sugars, trace elements and fluids as a result of exercise. Can include dilutables and powders

Squash (also see Dilutes)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Stills

Collective term for the non-carbonated segments

Stimulants

All 'energy boosting' drinks such as Red Bull, normally fizzy

Water

Still or sparkling water with nothing else added

Water plus / Flavoured water

Sparkling or still flavoured water

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