



BRITVIC

Convenience & Impulse



Soft Drinks Review 2023



Welcome

to the Britvic Soft Drinks Review

A year of resilience, creativity and bumps in the road

The past year has been a bumpy ride. Any sighs of relief over Covid's fading in early 2022 soon turned to breaths of trepidation about the new challenges we all faced. But the soft drinks industry adeptly negotiated the bumps in the road, achieving value and volume growth in a year when many other categories struggled to grow in real terms.

This is proof of the resilience and creativity of producers, as well as the special place soft drinks hold in people's hearts. The fact that brands continue to win share in soft drinks, despite the pressure on people's finances, is testament to the quality and consistency of the drinks we produce and the reassurance and comfort our brands provide.

The soft drinks category is one of the most accessible and affordable there is. It is ubiquitous across the grocery, convenience, foodservice and licensed channels. In this, Britvic's review of the first year with no Covid-related restrictions in place since the start of the pandemic, we celebrate the successes and assess the challenges producers and their customers face.

The successes of the past year have been achieved amidst huge economic, political and social volatility. The cost of everything, everywhere, all at once – labour, energy, logistics, raw materials, CO₂, tax... you name it – has exploded, just as the industry is striving to cut its environmental impact and respond to changes in the ways people are living post-pandemic.

Continued investment in innovation, branding and building stronger routes to market to ensure soft drinks are available where and when people want them has been key over the past year. So too has developing compelling marketing campaigns that enthral and excite a new generation of consumers.

Consumer needs are changing. We must continue to change with them with wider portfolios that meet broader ranges of requirements, be they natural thirst-quenchers, exciting flavour variants, more sophisticated drinks, energising pick-me-ups or functional health shots. The following pages provide many inspirational examples of how the industry is doing this.

The industry has also made crucial progress towards building a circular packaging economy, investing in building the infrastructure that the effective running of Scotland's Deposit Return Scheme (DRS), which is due to be launched in 2024, will require.

DRS in Scotland – and in England, Wales and Northern Ireland when these nations' schemes get up and running in 2025 – will help us increase recycling, cut waste, littering and industry reliance on virgin plastic. It's imperative that support for DRS is maintained and a clear, coherent and consistent approach is followed throughout the UK.

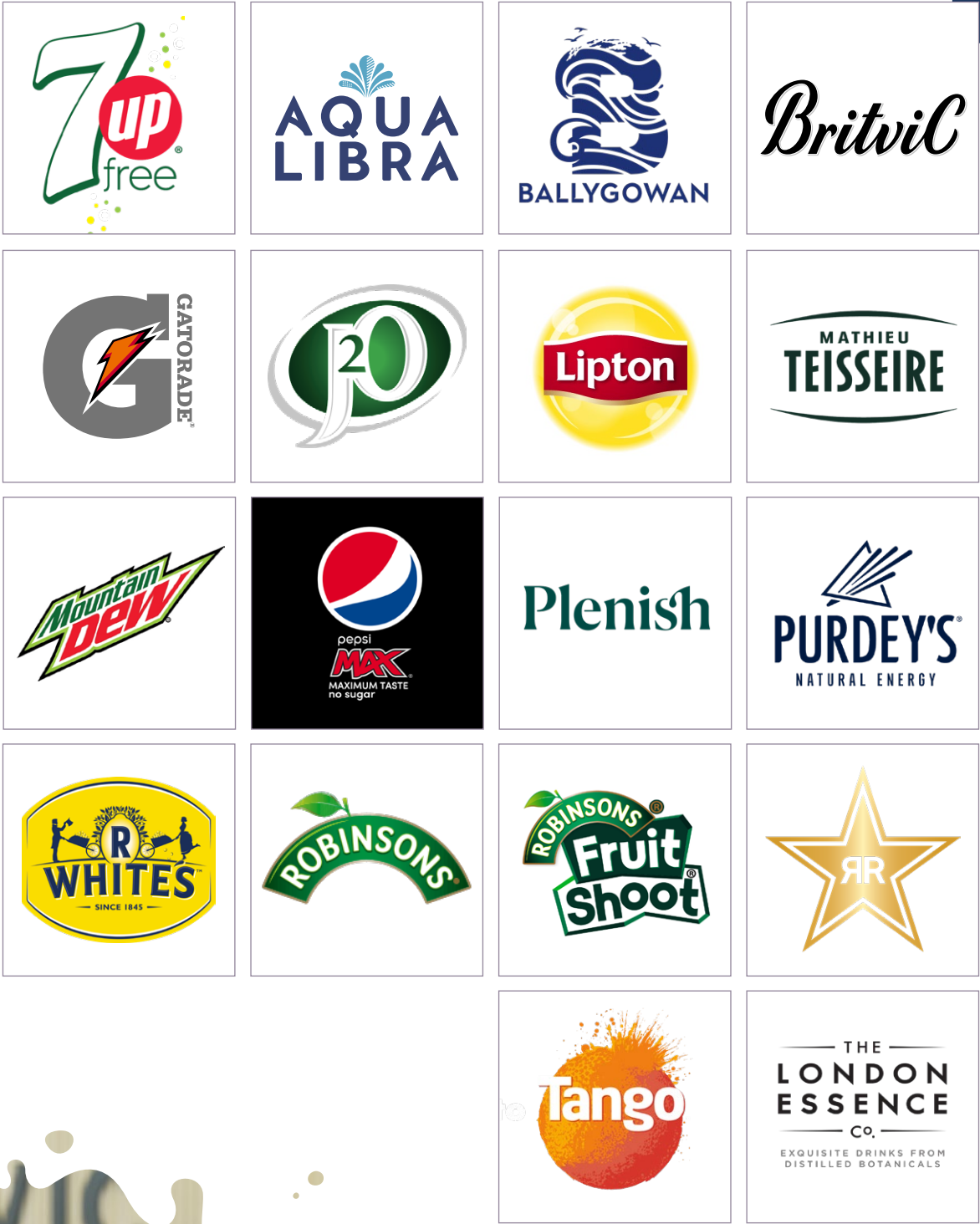
Economic, as well as environmental, challenges will remain for soft drinks producers in the coming year, of course. It's important that we rise to these challenges in partnership with the retailers and foodservice and licensed operators we supply, working together to give consumers even more reasons to continue to spend their money on soft drinks.

There will inevitably be more bumps in the road before 2023 is through. But this report gives plenty of reasons to be optimistic about the coming year. And not just for soft drinks producers. By building on our progress, producers and the businesses they supply can contribute towards making Britain a happier, healthier and more sustainable place to be.



Kind regards
Paul Graham
Managing Director





Building a circular economy

The climate crisis requires “rapid transformation of societies,”¹ the UN warned in October 2022, when it concluded that progress towards cutting carbon dioxide emissions to limit any rise in the global temperature to 1.5°C had been “woefully inadequate”.¹ In December, scientists warned that by the end of the century more than one in ten species on earth could be lost.²

Considering the dire warnings, the pace of change in the UK can seem frustratingly slow. We have a collective responsibility to make the changes required; the soft drinks industry takes the part it can play in this seriously. That’s why Britvic is committed to creating a world where packaging never becomes waste, and as a founding signatory of The UK Plastics Pact, we are committed to playing our part in achieving a circular economy for plastics and looking at solutions Beyond the Bottle.

The UK’s first DRS, scheduled to be launched in Scotland in 2024, is expected to result in 44,000 fewer plastic bottles being littered across Scotland daily and 160,000 fewer tonnes of carbon dioxide being emitted each year.³ Of course, when England, Wales

and Northern Ireland’s DRS gets underway in 2025, the savings could be even greater.⁴

While it’s true that the decision to launch Scotland’s DRS ahead of the rest of the UK adds complexity to the concept of one day having a nationwide scheme, Britvic’s commitment to the Scottish DRS continues and we welcome the opportunities it gives to significantly reduce littering, improve recycling rates and increase the availability of quality recycled material.

Scotland’s DRS will allow soft drinks producers and their customers, to take important and decisive steps towards building a circular economy and reducing their environmental impact. The scheme will apply to all soft drinks, where the volume is over 5,000 units per year, water and alcohol in single-use formats made of PET, metal and glass between 100ml and three litres in volume, currently imposing a 20p deposit on all eligible units, redeemable at the point at which drink cans and bottles are recycled.

DRS is still politically challenging, particularly in the current climate. One in three (34%) people reported



1 UN Environment Programme Emissions Gap Report 2022 - <https://www.unep.org/resources/emissions-gap-report-2022>

2 Science Advances, Strona & Bradshaw – 16/12/2022 - <https://www.science.org/doi/10.1126/sciadv.abn4345>

3 Zero Waste Scotland, unless otherwise stated: <https://depositreturnscheme.zerowastescotland.org.uk/#:~:text=With%20Scotland's%20Deposit%20Return%20Scheme,more%20about%20what%20this%20means>

4 <https://www.gov.uk/government/news/deposit-return-scheme-for-drinks-containers-moves-a-step-closer>

struggling to meet mortgage or rent payments in 2020⁵ and inflation hasn't fallen below 10% since August (it hit a 40-year high in October)⁶. It has raised questions on the wisdom of imposing additional costs on people in light of the current economic and political climate.

However, the evidence suggests broad support for DRS. 70% of people in Scotland support DRS and 86% say they will use the scheme some or all the time, according to a February 2023 poll⁷. This suggests that support for DRS has remained strong despite negative press towards the end of 2022 and the beginning of 2023.

Regulation has imposed additional costs on soft drinks consumers before. The 2018 Soft Drinks Industry Levy

on soft drinks containing 5g or more of added sugar per 100ml, added 18p to a litre of standard cola and 24p a litre to drinks containing 8g or more of added sugar per 100ml⁸. While Britvic was less exposed to this because our drinks are largely low or no calorie, it's worth noting that take home sales of soft drinks grew 5.1% in the year after the levy's launch⁹.

This suggests that sales are unlikely to take a hit because of 20p being added to the cost of a drink, particularly as that money is refundable. It's not just people in Scotland that support the idea of a DRS either. According to the forementioned survey, 72% of people support the idea of a UK-wide DRS being introduced⁷.

The lowdown on Scotland's Deposit Return Scheme¹⁰



DRS due to go live in Scotland



on single-use drinks packaging



17,000+ return points across Scotland



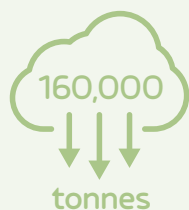
recycling rate - target for second year of DRS



16,000,000 fewer plastic bottles predicted to be dropped each year



£62m expected to be saved on tackling impact of litter each year



160,000 tonnes of greenhouse gas emissions expected to be cut each year



4 million tonnes of greenhouse gas emissions expected to be reduced in 25 years



70% of Scots in favour of DRS⁷



86% of Scots say they will use DRS⁷

5 ONS, 18/04/2023 - <https://www.ons.gov.uk/economy/inflationandpriceindices/articles/costofliving/latestinsights>

6 Office of National Statistic Consumer Price Index, 22/03/2023 - <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2023#main-points>

7 TOMRA, 03/03/2023 - <https://www.thenational.scot/news/23359679.majority-scots-support-introduction-deposit-return-scheme/>

8 The Grocer - Death of the Sugary Drink? 26/04/2019 - <https://www.thegrocer.co.uk/download?ac=160034>

9 Kantar 48 w/e 24/02/2019

10 All figures from Zero Waste Scotland, unless otherwise stated: <https://depositreturnscheme.zerowastescotland.org.uk/#:~:text=With%20Scotland's%20Deposit%20Return%20Scheme,more%20about%20what%20this%20means>

The unequivocal environmental case for DRS

The above numbers speak for themselves. The science makes it clear that humanity needs to take urgent and decisive action to reduce the impact we have on the planet, which is the “biggest threat modern humans have ever faced”.¹¹

DRS won't be enough on its own, but it's a good start. We expect it to deliver a swift reduction in the 110 million pieces of plastic that are littered across Scotland every year,¹² approximately doubling¹³ the collection and recycling of soft drinks containers bought for on-the-go consumption, which are mostly resealable plastic bottles.¹⁴ A 2019 report¹⁵ estimated that as little as 9% of material used to package on-the-go drinks in the UK is recycled. That needs to change, and fast.

UK packaging waste recycling figures are more encouraging. Provisional data for 2021 suggests that 63.2% of packaging was recycled that year; 76% of metal, 73.6% of glass, 70.6% of paper and cardboard and 44.2% of plastic.¹⁶ Still, these numbers are down on 2020's recycling rates¹⁶ and clearly need to be improved. A nationwide DRS will help by increasing household recycling rates of in scope containers.



63.2%

of UK packaging waste was recycled in 2021¹⁶

The effectiveness of DRS has been proven by the more than 50 schemes currently in operation around the world. These systems effectively recover on average 90% of drinks containers for closed loop recycling, stopping plastic, metals and other packaging materials from blighting earth's landscapes and ending up in our oceans or waterways. By the end of 2026, 748 million people could live in areas with DRS in place, more than double the population covered at the end of 2022.¹⁷



¹¹ United Nations, 23/02/2021 - <https://press.un.org/en/2021/sc14445.doc.htm>

¹² The Scottish Government, 2020 - <https://www.gov.scot/binaries/content/documents/govscot/publications/factsheet/2019/11/marine-scotland-topic-sheets-ecosystems/documents/plastic-in-scotlands-seas-published-january-2020/plastic-in-scotlands-seas-published-january-2020/govscot%3Adocument/Topic%2Bsheet%2B151%2Bv1%2B-%2BHow%2Bmuch%2Bplastic%2Benters%2BScottish%2Bseas%2Band%2Bwhere%2Bdoes%2Bit%2Bcome%2Bfrom.pdf>

¹³ Based on target for second year of DRS of 90% and 44.2% plastic packaging rate of recycling in 2021 - <https://www.statista.com/statistics/812502/plastic-packaging-waste-recycling-united-kingdom/#:~:text=The%20recycling%20rate%20of%20plastic,a%20high%20of%2047.2%20percent>

¹⁴ Gov.uk, 20/01/2023 <https://www.gov.uk/government/news/deposit-return-scheme-for-drinks-containers-moves-a-step-closer>

¹⁵ WRAP - February 2019, Drinks Recycling On-the-Go P7 - <https://wrap.org.uk/sites/default/files/2021-03/OTG%20Drinks%20Containers%20Final%20Report%20ENG017-012.pdf>

¹⁶ Defra, 11/05/2022 - <https://www.gov.uk/government/statistics/uk-waste-data/uk-statistics-on-waste>

¹⁷ Reloop, Global Deposit Book 2022 - <https://www.reloopplatform.org/global-deposit-book-2022/>

DRS – the Slovakian connection

We can learn much about the challenges and opportunities of implementing Scotland's DRS by looking east to the Slovak Republic, which launched its own scheme on 1 January 2022.

Slovakia is comparable to Scotland for several reasons: both countries have populations of approximately 5.4 million people¹⁸ and there are cultural, political and demographic similarities between the two states (both even have established bagpipe cultures!¹⁹).

What's more, Slovakia's DRS was launched during an economic downturn, just as Scotland's is likely to be, and the deposits imposed by the two schemes are similar (£0.13 versus £0.20).

The scheme allows consumers to return bottles and cans through more than 2,900 reverse vending machines in shops and supermarkets and, on average, consumers in Slovakia return 3.5 million packages daily.²⁰

Since its introduction, the DRS has enabled the collection of 820 million plastic and aluminium packages, and the

recycling rate for PET containers surged from 60% to more than 70% by the end of its first year.²¹

This performance has exceeded initial expectations and the Slovakian government expects to achieve a 90% recovery of beverage packaging by 2025, which is four years earlier than required by European legislation.²⁰ All this bodes well for Scotland's DRS.



3.5 million
packages returned
daily by Slovakian
consumers²⁰



¹⁸ National Records of Scotland, 13/07/2022 - <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2021> - Worldometers, 18/04/2023 <https://www.worldometers.info/world-population/slovakia-population/>

¹⁹ UNESCO, 2014 - <https://www.unesco.org/archives/multimedia/document-4012>

²⁰ Recycling Portal, 20/09/2022 - <https://recyclingportal.eu/Archive/75189>

²¹ TOMRA – 30/01/2023 - [https://www.tomra.com/en/discover/reverse-vending/feature-articles/slovakia-deposit-return-scheme#:~:text=Container%20return%20rates%3A%2060%25%20\(,Target%20of%2090%25%20by%202025](https://www.tomra.com/en/discover/reverse-vending/feature-articles/slovakia-deposit-return-scheme#:~:text=Container%20return%20rates%3A%2060%25%20(,Target%20of%2090%25%20by%202025)

The economic arguments for DRS

There are other benefits to the roll out of DRS in Scotland ahead of the rest of the UK. It will give retailers and producers like us the opportunity to test and learn ahead of the introduction of the UK-wide scheme in two years' time and is also expected to increase the amount of quality recycled material available for soft drinks producers to use, thereby reducing their reliance on virgin plastic.²²



There has been an explosion in demand for recycled PET (rPET) and some producers' efforts to increase their use of the material have been hampered by a lack of supply and limited access to markets outside the UK. Scotland's DRS is an important first step in securing a sustainable market for rPET in the UK and helping producers work towards increasing their use of this material.

The scheme has other economic benefits. Retailers including Tesco, Sainsbury's, Iceland, Lidl and Aldi have been trialling reverse vending machines across Scotland for the past couple of years²³ and hundreds of jobs are being created in the waste management sector.²⁴ Logistics partner, Biffa, has announced an £80m investment programme to facilitate the scheme.²⁵

As we've said, the environmental imperatives are central to the case for DRS. But the climate and cost-of-living crises are entwined. Agriculture is "one of the most exposed sectors to climate change"²⁶ and extreme weather events around the world are playing a significant role in driving up food prices.²⁷ The UK's drought last summer and unseasonably cold weather towards the end of the year in the Mediterranean and North Africa²⁸ have helped inflate food prices to their current levels.

This is significant. In 1977, the last time food inflation was running this high, the now legendary heatwave of 1976 was a major contributor to sky-high food prices.²⁹ That year, southern England baked in 16 consecutive days of temperatures above 30°C³⁰ and prolonged drought prompted water rationing and wiped out £500m of crops.²⁹

Which goes to show, we need to act to address the environmental challenges before us. Doing so could help mitigate the shorter-term economic challenges we face. Crucially, it will help sustain healthier and happier futures for all life on earth.

²² <https://depositreturnscheme.zerowastescotland.org.uk/benefits>

²³ Talking Retail, 22/08/2019 - <https://www.talkingretail.com/news/industry-news/iceland-reveals-results-reverse-vending-trial-22-08-2019/> - Convenience Retail, 29/01/2019 - <https://www.conveniencestore.co.uk/news/scottish-retailers-to-trial-reverse-vending-machines/576044.article> - Charged Retail, 27/08/2019 - <https://www.chargedretail.co.uk/2019/08/27/sainsburys-to-accept-glass-bottles-in-reverse-vending-machines-in-landmark-trial/>

²⁴ Biffa, 07/02/2023 <https://www.biffa.co.uk/media-centre/news/2023/biffa-deposit-return-scheme-aberdeen> - SLR, 07/03/2023 - <https://www.slrimg.co.uk/drs-recycling-centre-to-create-up-to-140-jobs-in-motherwell/> - Falkirk Herald, 07/11/2019 <https://www.falkirkherald.co.uk/business/firms-part-in-new-deposit-return-scheme-drs-will-create-130-jobs-in-grangemouth-3908971>

²⁵ Packaging News, 07/03/2023 - <https://www.packagingnews.co.uk/news/biffa-to-open-motherwell-facility-as-part-of-80m-drs-investment-07-03-2023>

²⁶ Stockholm Environment Institute, 16/09/2021 - <https://www.sei.org/about-sei/press-room/new-assessment-reveals-major-climate-risks-to-global-food-trade-calls-for-urgent-multilateral-action/>

²⁷ Financial Times 08/01/2022 - <https://www.ft.com/content/fd57ad0b-b98a-4e34-b6b7-f9bbae2ce12e>

²⁸ TheNationalNews.com, 22/02/2023 - <https://www.thenationalnews.com/world/uk-news/2023/02/21/britain-faces-tomato-shortage-following-harvest-problems-in-north-africa/>

²⁹ ThisisWiltshire.co.uk, July 2001 - <https://web.archive.org/web/20090708200802/http://archive.thisiswiltshire.co.uk/2001/7/4/214711.html>

³⁰ Met Office, August 2003 - <https://web.archive.org/web/20110405004808/http://www.metoffice.gov.uk/climate/uk/interesting/aug03maxtemps.html>

On the road to 100% sustainable plastic

The soft drinks industry is committed to securing a reliable and plentiful supply of quality recycled PET (rPET) and ending its reliance on virgin plastic.³¹ Our support for a UK-wide DRS is one way we are looking to do this.

The industry are looking beyond mechanical recycled PET as they look to the future, including plant based PET and enhanced recycled PET, both of which behave

like virgin plastic and do not degrade during the recycling process, meaning they are infinitely recyclable.

Industry support and investment in the establishment of DRS across the UK and research into packaging innovation, is putting soft drinks on the road to using 100% sustainable packaging in the future.



³¹ <https://www.britishtsoftdrinks.com/BSDA-View>

CATEGORY OVERVIEW

Sparkling growth in a flat year

You couldn't blame anyone for feeling a bit flat after the events of 2022. Record levels of inflation, soaring interest rates and a range of other challenges have kept most of us awake at night at one point or another in the past year. The soft drinks industry has had its share of challenges too, but its performance gives plenty of cause for cheer.

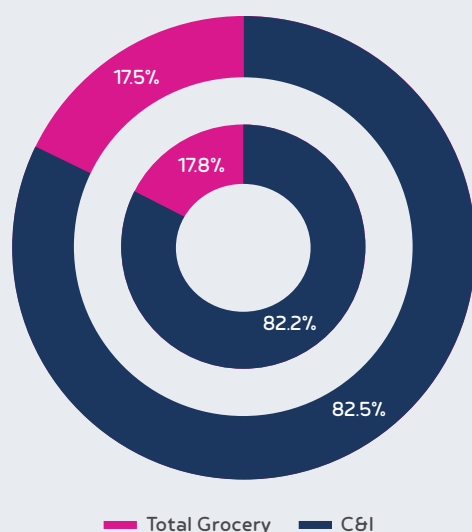
Soft drinks producers have shown remarkable adaptability, resilience and ingenuity amidst the soaring costs, supply chain turmoil and labour shortages that impacted all industries in 2022. Overall soft drinks sales across the grocery, foodservice and licensed channels

fizzed up to hit £19.2bn in 2022, a 25.6% year-on-year rise worth a staggering £3.9bn at the tills.¹

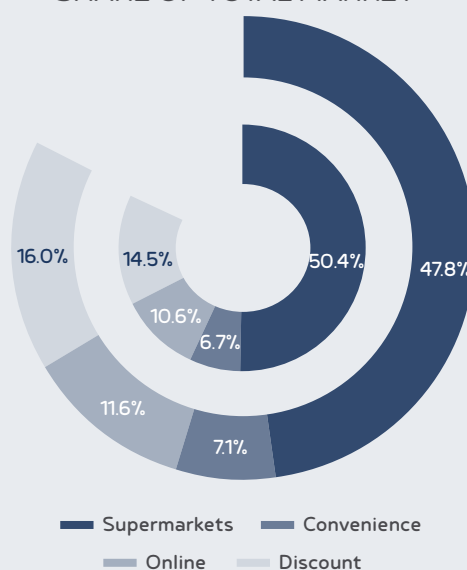
This sparkling performance represents growth of 16.6% on pre-pandemic sales during 2019.² Granted, the category's 2022 performance is cast in a better light by inflation and comparisons with 2021, when Britain was still in Covid's shadow and restrictions on movements were still in place, but it's important to note that volumes are up too. Compared to pre-pandemic sales, volume sales have grown by 6%, with discounters, convenience retailers and supermarkets all driving strong growth.³

Changing channels

SHARE OF GROCERY MARKET



SHARE OF GROCERY SUB-CHANNELS
SHARE OF TOTAL MARKET



IGD Research 2022

¹ NielsenIQ RMS, Total Coverage including discounters, MAT to 18/02/2023 (£11.7bn), CGA FS&L MAT to 31/12/2022 (£7.5bn) – percentage change calculated by comparing with NielsenIQ RMS, Total Coverage, 52 w/e 25/12/2021, Kantar Worldpanel, At Home Panel, Discounters & Online, 52 w/e 26/12/2021, CGA, Foodservice & Licensed, 52 w.e. 31/12/2021

² % change calculated from pre-Covid sales of £16.47bn – Britvic Soft Drinks Review 2022, p10 NielsenIQ RMS, Total Coverage, 52 w.e. 25.12.21 Kantar Worldpanel, At Home Panel, Discounters & Online, 52 w.e. 26.12.21 CGA, Foodservice & Licensed, 52 w.e. 31.12.21

³ Grocery Multis, Impulse & Discounters, NielsenIQ RMS - Foodservice & Licensed CGA – 52 w/e 31/12/2022 v 52 w/e 31/12/2019



A polarising market

Greater mobility delivered big gains for convenience retailers, which achieved the fastest growth of any retail channel (excluding foodservice and licensed).⁴ Soft drinks sales surged by 14.1% and delivered the greatest cash gain (£347.4m) of any category for c-store operators⁵, more than the combined growth of beer, wine, spirits, confectionery, crisps, nuts and snacks.⁶

The other big gain in grocery belonged to the discounters, which saw soft drinks sales pass the £1bn mark for the first time on the back of 14.6% growth.⁴ Mainstream supermarkets look to be facing a squeeze as shoppers polarise between immediate consumption formats bought from smaller format stores on the go and value-led propositions from the discounters.

Online sales, unsurprisingly, have fallen from the heights hit in the pandemic. 63% of people buy groceries in store and online versus 32% who shop only in store.⁷ The shift online is expected to continue. Share of soft drinks made online fall to 11% in 2022 but is expected to recover, reaching 13% in 2023 and 16% by 2027.⁷

Foodservice and licensed channels outgrew grocery as they enjoyed the first full year with no lockdowns or social distancing rules in place since 2019. Soft drinks

sales through these channels surged by 46% year-on-year to hit £7.4bn⁸. That's about £100m ahead of 2019, although volumes were 5.3% down on pre-pandemic levels⁸ as strong price inflation and waning consumer confidence prompted fewer people to eat and drink outside their homes.

The foodservice and licensed channels are also polarising. The growth seen by fast food in the pandemic has continued, with soft drinks sales up 16.7% year-on-year and 44% on 2019, thanks to higher prices and consumers trading down from pricier venues.⁸ However, there's still a thirst for premium experiences. With people visiting pubs, bars and restaurants less often, many report a growing preference for quality over quantity in terms of food & drink.⁹

It's important to note that the current crisis is not being felt equally. The Bank of England estimates that consumers – chiefly those in white collar jobs who are spending more time working from home – saved almost £200m during lockdown.¹⁰ 26% say they expect to be better off due to higher interest rates,¹¹ although it's arguable how much of this will re-enter the economy (the better off tend to save more when they're made richer).¹²

⁴ NielsenIQ RMS, Total Coverage, Value growth, Britvic Defined, MAT to 18/02/2023

⁵ IRI Convenience, Britvic Defined Soft Drinks Value, 52wks To 01/01/2023 vs. YA

⁶ Nielsen IQ RMS, Bigger picture report, Total Impulse, Value Growth YoY 52 w/e 31/12/22 vs YA

⁷ Nielsen Homescan/ IGD Research 2022

⁸ CGA, FS&L, MAT to 31.12.22

⁹ CGA, Cost of Living Consumer Pulse, December 2022, UK & Ireland – P14

¹⁰ Mintel Cost of Living 2023 P3

¹¹ Mintel Cost of Living 2023 P12

¹² IMF <https://www.imf.org/en/Blogs/Articles/2020/11/30/how-the-rich-get-richer>



Value engineering

Nevertheless, cost concerns are now almost universal. 60% of people say the cost-of-living crisis is their top concern.¹³ Although consumer confidence steadily grew in the final three months of the year after bottoming out at -49 in September – the month of Liz Truss's short spell at Number 10 – 2022 still ended with confidence down 27 points year-on-year.¹³

Operators in all channels are therefore having to adapt to attract a new breed of value-conscious consumers. Value-led messaging, promotions and loyalty programmes have become the order of the day,¹⁴ with everyone from supermarkets and fastfood operators to high-end restaurants having to think on their feet to find ways of encouraging people to spend.

Pret A Manger is selling meal deals comprising a range of sandwiches, snacks and soft drinks for as little as £2.99 – undercutting even the supermarkets, which have all migrated from the once standard £3 meal deal

price point in response to the economic crisis.¹⁵ Toby Carvery is trying to drive mid-week footfall by offering carvery roast dinners for £7.99 from Monday to Friday.¹⁴

Even renowned chefs are at it. Tom Kerridge has launched a £15 set lunch menu at his double-Michelin star pub, The Hand & Flowers.¹⁵ Kerridge has gone on record saying that the deal is similar to an offer in the 2008 recession that “made absolutely no money but filled the pub with noise, excitement and laughter.”¹⁴



Lipstick effect?

Sales data from 2022 gives further cause for excitement. Britvic concludes that while inflation inevitably drove value ahead of volume growth, this is not the only factor that's pushing top line growth. Increasingly, Britvic has found that consumers are opting for more premium drinks in formats suited for immediate consumption, which offer retailers higher margins and a higher price per litre. This suggests lucrative opportunities for category expansion in the coming year.

Sports and energy drinks contributed most to category growth, putting an extra £203m (13.6%) through tills in 2022.¹⁶ Volumes surged by 7.8%.¹⁶ Energy drinks have an average price per litre of £3.17, versus a soft drinks category average of £1.35/litre, making it clear how such products can add value to the category. So too can iced coffee and tea, which have an average price of £3.92, and are growing at 22%.¹⁷

Driven by 2022's scorching summer and consumers' growing health consciousness (more on that shortly), bottled water was the next biggest contributor to growth, with sales up £178m, followed by cola (up by £159m) and fruit carbonates (up £124m).¹⁷

Limited edition flavours and marketing, much of it aimed at recruiting Generation Z, have been key to cola and fruity fizzy drinks' growth.¹⁸

There's growing evidence that soft drinks are benefitting from the so-called “lipstick effect,” a phrase coined by Estée Lauder in the Great Depression when cosmetics sales rose as people tried to cheer themselves up by buying affordable luxuries. Not only are more expensive products such as energy drinks and RTD coffees in strong growth, but brands are growing share in many of the key soft drinks categories.



¹³ Consumer Confidence GFK – December 2021 v December 2022

¹⁴ Lumina Intelligence, Menu & Food trends report, December 2022

¹⁵ Correct at time of print, May 2023

¹⁶ NielsenIQ RMS, Total Coverage, TSD Britvic Defined, MAT to 25/03/2023

¹⁷ NielsenIQ RMS, Total Coverage, Britvic Defined, MAT to 18/02/2023

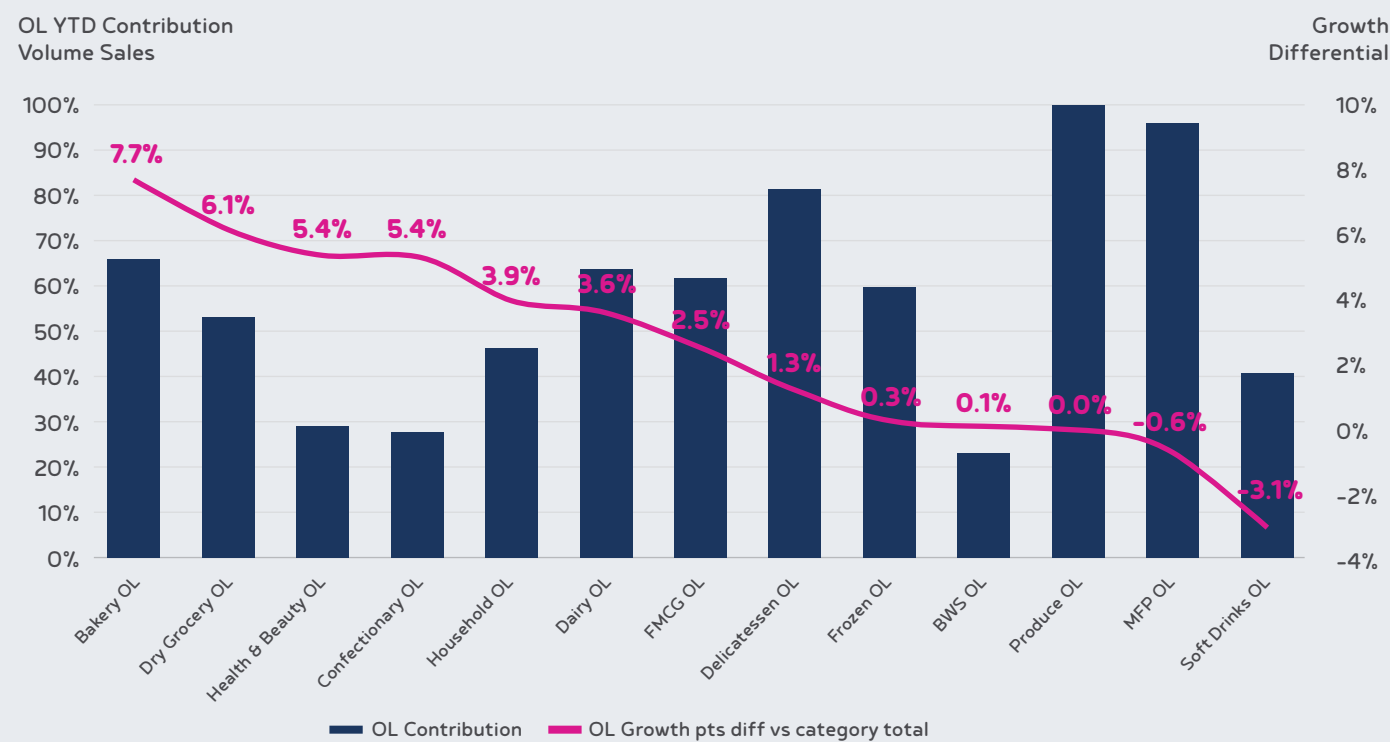
Mega brands gain share

When times are tough, many shoppers switch to own label. As the below figure shows, own label is gaining share in nearly every major grocery category. But it's a different story when it comes to soft drinks.

In soft drinks, own label is growing at a rate that's 3.1%¹⁸ points below brands. Meanwhile, own label baked goods, dried groceries and confectionery have

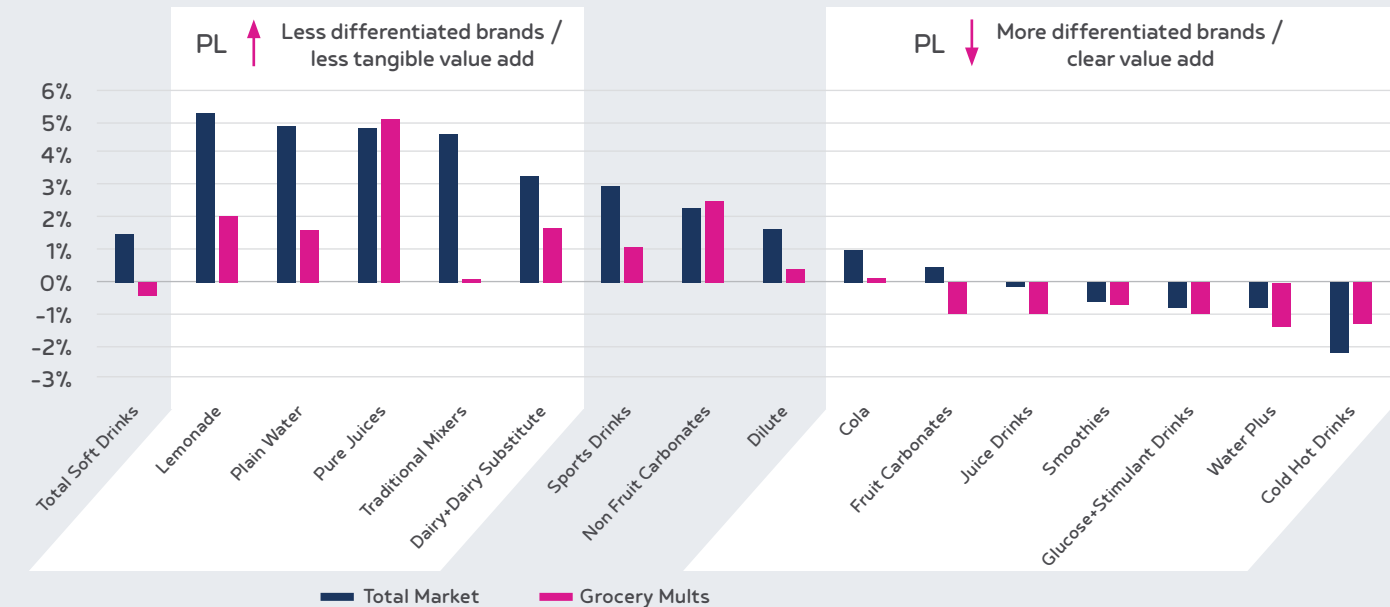
respectively grown at rates 7.7%, 6.1% and 5.4% points higher than brands.¹⁸

This is testament to the strength of soft drinks brands. It's proof that shoppers see brands such as Pepsi MAX®, Purdey's Natural Energy and Rockstar Energy as worth paying a premium for, even when times are tough.



NielsenIQ Homescan, Total GB, 52w/e 31Dec22 vs year ago

Take Home Soft Drinks – YOY Change in PL Share by sector £%



Kantar, date to 12 w/e 25-Dec-22

18 Nielsen IQ Homescan, Total GB, 52 w/e 31 Dec 22 vs year ago



Taking a longer-term view of soft drinks' performance provides more reasons to be cheerful. In grocery, soft drinks and bagged snacks have proven to be the most resilient categories in value and volume terms over the past five years, delivering consistent year-on-year growth.¹⁹ According to Global Data, total soft drinks volumes have grown in line with or ahead of GDP for the past two decades, despite periods of economic turmoil.²⁰

Healthy opportunities

Consumers are reacting to the current crisis differently to how they've responded to previous downturns. Treating oneself doesn't necessarily mean eating or drinking unhealthily anymore. Consumers are considering health benefits more than in the past and are even prepared to pay more for products they perceive to be better for them.²¹

They're drinking less alcohol too. One in three is now teetotal,²² and the proportion of people who report drinking at least once a week is less than half for the first time on record (48% in 2019, down from 52% in 2015).²³ More people may be abstaining from alcohol, but that doesn't mean they want to feel like they are missing out. The new temperance movement presents huge opportunities to drive value into the category with sophisticated, premium soft drinks.

It's crucial that retailers and their suppliers take a nuanced view of consumers' changing demands. Occasion is key – shoppers tend to be more health-conscious earlier in the day and earlier in the week,²⁴ for example. In foodservice and licensed venues, consumers with more readily disposable incomes tend to be more focused on health.²⁵ It's therefore essential that we target the right consumers at the right moments.

Given the events of the past three years, it's not surprising that health claims relating to immunity, gut health, vitamins, minerals and botanicals have become common currency. Although not yet mainstream, other functional claims are fast gaining ground with manufacturers of drinks fortified with substances such as CBD,²⁶ adaptogens²⁷ and GABA²⁸ making bold claims.

The current downturn is different to the global financial crisis that rocked the world in 2008. Back then, fewer than one in four (24%) new food and drink launches were marketed on health claims. By 2019, that number had risen to 36% and in 2022 it stood at 30%. Analysts suggest the decline is the result of greater caution around NPD in light of the current crisis.²⁹

Indeed, there is evidence to suggest that some consumers now value health claims more highly than any other attribute. For 45% of people, added health benefits are the most prized quality in food and drink, trumping low prices (at 42%). The second most prized quality is 'natural' ingredients (with 43% of the vote), which bodes well for soft drinks with claims relating to health and naturalness, as long as they taste great too.³⁰

¹⁹ 5 years, IRI, Total Store, All Outlets, Period Ending 28/01/2023

²⁰ Global Data (volume); World Bank and ONS (GDP)

²¹ Mintel: Recession and the cost-of-living crisis: Key challenges and opportunities for brands in the UK January 2023

²² Lumina Intelligence, Menu & Food Trends report, December 2022

²³ 2019 Drinkaware Study: <https://www.drinkaware.co.uk/research/alcohol-facts-and-data/alcohol-consumption-uk>

²⁴ Lumina Intelligence – Eating and Drinking Out Panel, Top Growing Reasons for choosing an Establishment, 12WE 21/303/2022-12/06/2022

²⁵ Lumina Intelligence, Eating and Drinking Out Panel, Soft Drink- Day Parts- Health Index vs Total, 12 w/e 21/03/2022 – 12/06/2022

²⁶ Health Harvard Publishing - Cannabidiol, a non-psychoactive compound found in cannabis – 24/09/2021 <https://www.health.harvard.edu/blog/cannabidiol-cbd-what-we-know-and-what-we-dont-2018082414476>

²⁷ UCLA Health - Adaptogens are "herbs, roots and other plant substances (like mushrooms) that help our bodies manage stress and restore balance after a stressful situation" – 16/02/2022 <https://www.uclahealth.org/news/what-are-adaptogens-and-should-you-be-taking-them#:~:text=Adaptogens%20are%20herbs%2C%20roots%20and,soups%2C%20smoothies%20and%20other%20foods.>

²⁸ Cleveland Clinic - Gamma-aminobutyric acid is a neurotransmitter, or chemical messenger, in the brain. GABA is known for producing a calming effect. It's thought to play a major role in controlling anxiety, stress and fear - <https://my.clevelandclinic.org/health/articles/22857-gamma-aminobutyric-acid-gaba#:~:text=other%20nerve%20cells,-,GABA%20is%20known%20for%20producing%20a%20calming%20effect.,well%20as%20other%20medical%20conditions.>

²⁹ Mintel Cost of Living 2023 P5

³⁰ Mintel: Recession and the cost-of-living crisis: Key challenges and opportunities for brands in the UK January 2023

In summary, demand for healthier, tastier and more premium soft drinks is growing despite (and in some cases because of) the travails of recent years. That's a great reason to be cheerful. Read on to find out how Britvic, our retail, foodservice and licensed partners and our peers are looking to spread the cheer.



Less than
4.5g
per 100ml



How Rockstar (and Britvic) were HFSS-ready

October 2022 saw new regulations on how and where food and drink high in fat, sugar and/or salt (HFSS) can be sold and promoted in stores. And so, many products including standard confectionery, bagged snacks and sugary soft drinks were banned from prime impulse positions in larger stores across Britain.

The soft drinks industry was ready for this and, as a result, was largely unaffected by the new legislation. In 2021, 79% of the drinks Britvic sold globally were low

or no calorie and 94% of our innovation activity that year was in low or no calorie drinks.³¹ That continued in 2022, with Rockstar Energy's six bestsellers reformulated to make them HFSS-compliant.

Rockstar Original, Xduration, Juiced El Mango, Juiced Tropical Punch, Punched Tropical Guava, Refresh Strawberry & Lime and Refresh Watermelon & Kiwi now contain less than 4.5g of sugar per 100ml.

Year in numbers

£347.4m

of soft drink sales added to convenience in 2022¹

The category is now valued at

£2.8bn¹



14.1%

total soft drinks value sales growth in 2022¹

Travel was the fastest growing channel

100.5%¹



Symbols & Independents added the most in value growth

+£219.2m

as value sales grew

+11.6% YoY¹

The top five largest value growing soft drink segments added

£292m to the convenience channel in 2022¹

The top five soft drink segments in convenience are stimulants, cola, fruit carbs, plain water and juice drinks¹



Stimulants was the winning segment in 2022, with value growth of

+14.7% YoY,
adding £96.9m to convenience¹

Immediate consumption value sales grew

17.5%
VS 2021 in convenience¹



New Tango Berry Peachy added

£3.35m
to the convenience channel last year, the biggest NPD launch of 2022¹

The top three soft drink manufacturers¹ have remained as

Coca-Cola Enterprises

BRITVIC

and



Red Bull

Red Bull has remained the top sub-brand in the convenience channel with

17.6%
value growth YoY¹



is still the third biggest sub-brand in convenience, seeing value growth of

13.3%

which equates to

£16.6m¹

Vs 2021, Total Squash sales inflate to over

£39.6m
in sales, +1.3%²

Food To Go, Daytime Meal Occasions and Treat based occasions have all seen share growth of Total Missions vs 2021³

² IRI, Total Convenience, Total Squash Britvic Defined, Value growth YoY, 52WE 01/01/2023

³ Lumina Intelligence Convenience Tracking Programme, Data 52WE 08/01/2023 vs. 52WE 09/01/2022

Convenience Category Overview

Soft drinks: the kings
of convenience



It's official: soft drinks are the kings of convenience, having delivered the greatest absolute value growth of any product category in 2022.¹ Soft drinks put an extra £347.4m¹ through the tills of c-store operators, more than the combined growth of beer, wine, spirits, confectionery, crisps, snacks and nuts.² That's a rise of 14.1%, more than three times the growth of the overall channel.¹

This is against a backdrop of relative calm for the £45.2bn convenience retail sector³ following the turmoil caused by the pandemic (emphasis on relative). While inflation pushed up prices and fuelled robust turnover growth for retailers, the channel also saw 0.6% outlet growth as the post-pandemic property boom gave operators the opportunity to expand.³

Soft drinks put an extra
£347.4m
through the tills of
c-store operators¹



¹ IRI, Convenience Britvic Defined, Soft Drinks Value, 52wks To 01/01/2023 vs. YA

² NielsenIQ RMS, Bigger Picture Report, Total Impulse, Value Growth YoY, 31/12/2022

³ UK Convenience Market Report, Lumina Intelligence, July 2022 – Channel Forecast 2022

Soft drinks, which are now worth £2.8bn to convenience retailers,⁴ have not been immune to the inflation of the past year. Growth was partly driven by higher prices but crucially, soft drinks have also delivered solid volume growth. Convenience retailers shifted an extra 67.9 million litres and 133.7 million extra units in 2022, with respective gains of 5.0% and 6.6%. That's an extra 4.2 units sold every second versus 2021.⁵

All this makes it clear: soft drinks are fundamental to the nearly 48,000 convenience retailers operating in the UK today.⁶ They are a key footfall driver, having featured in nearly one in four (22.9%) c-store shopping baskets in 2022,⁷ a rise of 2% points.⁷ What's more, soft drinks shoppers also buy more and visit more often than the average shopper in convenience.⁷ But, as we will explore, it won't all be plain sailing for soft drinks and the wider convenience channel over the coming year.

Where are Brits shopping?

Covid led to huge changes in where Brits did their shopping. And the return to something resembling normality in 2022 drove further change. Outlets in neighbourhood and suburban locations saw sales fall as people travelled more for work and pleasure; this accelerated growth in outlets in travel hubs and town and city centre locations (some of the hardest hit during lockdown). Co-operatives and convenience multiples benefitted most from this and were boosted further by store openings and refits.⁹

Convenience market value 2022F £45.2bn (+3.2) and outlets: 47,861 (+0.6)

Unaffiliated independents	Symbol groups	Convenience multiples	Co-operatives	Forecourts
£8.1bn (+1.7%)	£17bn (+2.9%)	£8.9bn (+3.8%)	£6.8bn (+5.6%)	£4.4bn (+1.6%)
18,202 (+0.2)	16,401 (+1.3%)	5,074 (+0.4)	3,394 (+2.3)	4,790 (-1.5%)
Consumers aware what local stores can offer	Store refits and expanded store ranges	Recovery from lack of footfall in city centre locations	Strong physical expansion and OL developments	Outlet decline. New sites strong F2G offering

Lumina Intelligence, July 2022

4 IRI, Convenience Britvic Defined, Soft Drinks Value, 52wks To 01/01/2023 vs. YA

5 IRI, Convenience Britvic Defined, Soft Drinks Volume & Units, 52wks To 01/01/2023 vs. YA

6 ACS The Local Shop Report 2022 <https://www.acs.org.uk/research/local-shop-report>

7 Lumina Intelligence Convenience Tracking Programme, 52WE 09/01/2022 and 52WE 08/01/2023

For a start, shoppers are becoming increasingly cost-conscious. While 62% of shoppers visited c-stores at least once a week in 2022, up from 60% in 2021,⁸ they are doing so less often; they're also buying fewer products and spending less. Visit frequency fell by 3.7% year-on-year in 2022; average basket size shrank by 9.7% and average spend fell by 11%.⁷

Clearly, the cost-of-living crisis is being felt far and wide. Shoppers are trading down when they visit c-stores and more people are visiting discounters. By July last year, there had been a 5% point year-on-year rise in shoppers defined as "very value-led" and the percentage visiting discounters and buying own-label had increased by 2.7% points and 4% points quarter-on-quarter respectively.⁹

Soft drinks have shown remarkable resilience in the face of all this adversity. As shoppers stepped up the hunt for value in 2022, soft drinks remained a brand-dominated category and widened the gap between themselves and own label lines, which have seen sales dip by 1.3%.⁴ The category is also a key footfall driver, with growing numbers of shoppers looking for affordable treats in store.⁷

In absolute terms, energy drinks were the greatest contributor to growth in the convenience channel, boosting sales by £96.9m (14.7%).¹⁰ Cola and plain water were the next most significant contributors to growth for c-store operators, adding just over £70m each, with respective percentage gains of 11.6% and 39.4%.⁴ Developing a compelling range of chilled, well-merchandised and easily browsed soft drinks can pay huge dividends for convenience retailers.



Big spenders

KEY METRICS - 52WE 08/01/23

	 Visit frequency (per week)	 Trip spend	 Basket size
TOTAL CONVENIENCE Change vs 52WE 09/01/2022	2.6 -3.7%	£6.98 -11.0%	2.8 -9.7%
SOFT DRINKS Change vs 52WE 09/01/2022	2.8 -3.4%	£6.56 -20.3%	3.3 -10.8%

Lumina Intelligence CTP Programme 52WE 08/01/2023

⁸ UK Convenience Market Report, Lumina Intelligence, July 2022 – Channel Forecast 2022

⁹ Lumina Intelligence, July 2022

¹⁰ IRI, Convenience Channel, Total Stimulants, Value, 52WE 01/01/2023 vs YA

But what are the dynamics that have driven this growth and what do they tell us about how the market for soft drinks, the undisputed kings of convenience, is going to evolve in convenience retail over the coming year?

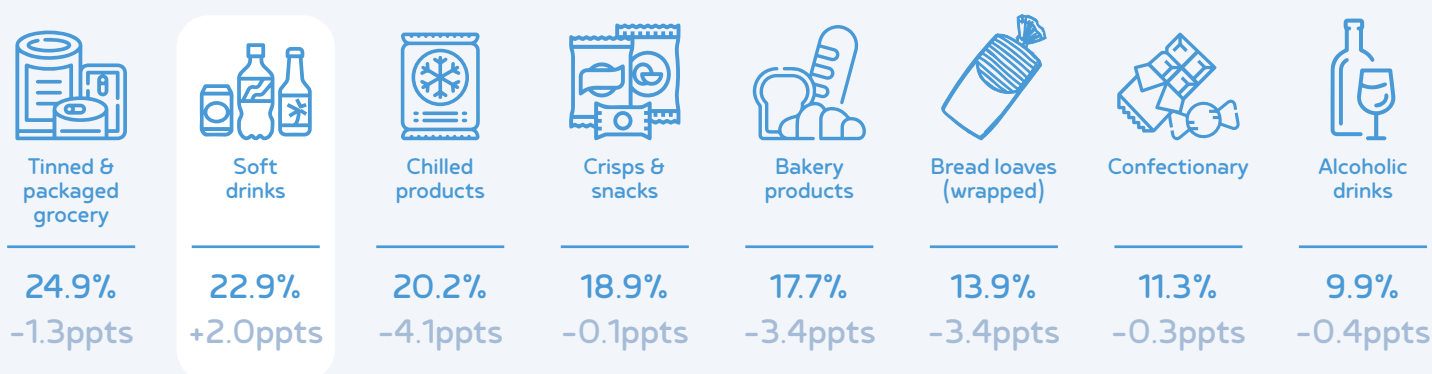
Channel champions

Soft drinks are a champion category for the convenience retail channel, featuring in nearly one in four shopping baskets purchased in 2022.¹¹ They are the only major product category to have gained share of purchase year-on-year. This figure rose by 2% points to 22.9%¹¹ as consumers spent more time outside their homes compared to 2021.

Compared to other impulse categories, this is a particularly strong performance, with crisps, bagged snacks, confectionery and alcohol all suffering purchase declines (see below).¹¹ Core top-up categories such as chilled, tinned, packaged groceries and bread loaves suffered even greater declines as shoppers drew in spend on essentials at c-stores.¹¹

BASKET ANALYSIS

TOP CATEGORIES BOUGHT %



52WE 08/01/2023
Change vs 52WE 09/01/2022

Lumina Intelligence Convenience Tracking Programme, 52WE 09/01/2022 and 52WE 08/01/2023

The return of on-the-go missions

Brits got moving again in 2022 after various lockdowns during the pandemic. And when Brits are on the move, they want food and refreshments to keep them going. On-the-go missions have seen the greatest increase in share of c-store visits in the past year, rising from 13% of visits in 2021 to 14.9% in 2022.¹¹

Soft drinks' share of these occasions also rose significantly, featuring in 48% of all food-to-go occasions, up from 44% in 2021, making them the

number one on-the-go item bought in c-stores.¹¹ Nearly a third (31.9%) of all soft drinks purchases in convenience retailers are now made as part of a food-to-go occasion, up from 28% in 2021.¹¹



¹¹ Lumina Intelligence Convenience Tracking Programme, 52WE 09/01/2022 and 52WE 08/01/2023

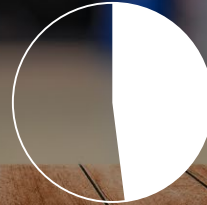
Soft drinks: the most bought on-the-go item in c-stores¹¹

2021

2022



soft drinks featured
in 44% of on-the-go
occasions



soft drinks featured
in 48% of on-the-go
occasions

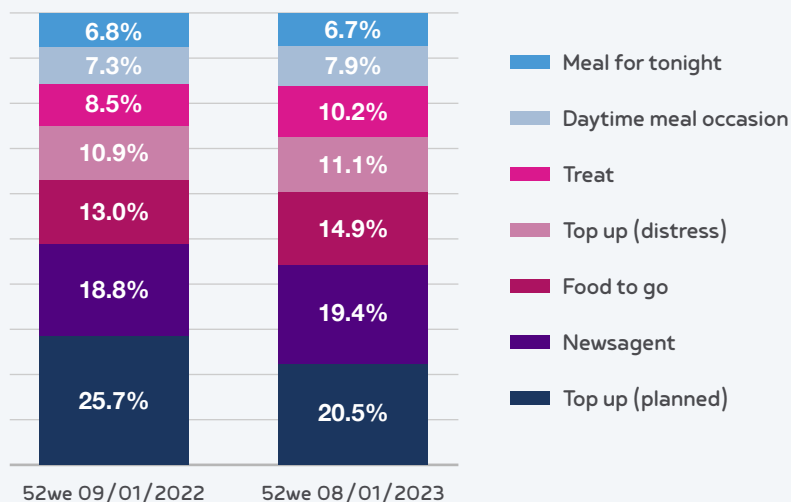
On a mission

With people's lives changing in the post-pandemic era, so too are their reasons for picking up soft drinks in c-stores. Food-to-go missions have seen the greatest growth across the convenience channel, with 14.9% of all store visits being for this reason in 2022, up from 13% in 2021. Soft drinks shoppers are twice as likely to be shopping for food to go, with 31.9% in stores for this reason, up from 28% in 2021.¹²

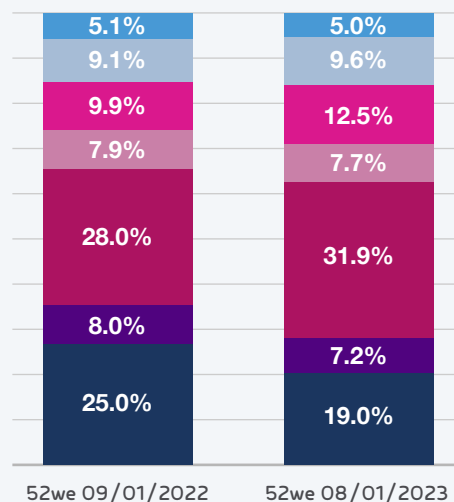
It's also worth noting that 50% of impulse shoppers do not know which brand or flavour they will choose when they enter a store.¹³ Retailers should consider linking up key categories like carbonates and juice drinks with food to create compelling snack or meal deals with products such as Pepsi MAX®, Tango or Robinsons Ready to Drink.

This presents retailers and suppliers with a key opportunity to attract trade by offering a compelling range of soft drinks that meets consumer needs and occasions. Therefore, operators should ensure soft drinks have optimal space in chiller and off shelf because this will likely encourage impulse sales.

TOTAL CONVENIENCE - TOP MISSIONS¹¹



SOFT DRINKS - TOP MISSIONS¹¹



¹² Lumina Intelligence, July 2022

¹³ Shoppercentric Britvic Bespoke Immediate Consumption Research December 2021

All this reflects fundamental changes to the ways people are living and working in the aftermath of the pandemic. Before Covid turned the world upside down, just 5.7% of UK workers exclusively worked from home (February 2020), but by April 2020 that figure had risen to 43.1%.¹⁴ By May 2022, just 14% of workers reported working exclusively from home.¹⁵

Of those who can split their working weeks between home and the office (so-called “hybrid working”), most prefer to do so; 58% of UK workers now prefer the hybrid model,¹⁵ spending an average of 1.4 days a week at the office, compared to 3.8 days pre-pandemic.¹⁶ By October 2022, average daily demand on the London Underground had returned to 82% of pre-pandemic levels.¹⁷

Key changes in soft drinks purchase trends and how c-stores should respond

These are challenging times for everyone, including c-store operators. After all, 52% of consumers say that tighter budgets are making the convenience channel less attractive.¹⁸ As a result, shoppers’ reasons for visiting c-stores are evolving. Change brings further challenges. So how should retailers adapt for different shopper missions?

Food-to-go shoppers become more value-led

- Communicate quality and value by putting power brands such as Pepsi MAX® and 7UP front and centre
- Use round pound price points and price marked packs to communicate value
- Deliver value outside lunchtime by pairing bottles or cans of Pepsi MAX®, Rockstar Energy, Tango and Robinsons Ready to Drink with snacks on link deals



Brand and price rise in importance for planned-top-up shoppers

- Prioritise multipacks cans and large bottles for top-up shoppers
- Position products in main shelves and end of aisle to drive sales
- Focus on product availability and promotions

¹⁴ Wales Institute of Social and Economic Research and Data, Homeworking in the UK: Before and During the 2020 Lockdown, August 2020 <https://wiserd.ac.uk/publication/homeworking-in-the-uk-before-and-during-the-2020-lockdown/>

¹⁵ ONS, Opinions and Lifestyle Survey (OPN), 23/06/2022 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/is-hybrid-working-heretostay/2022-05-23>

¹⁶ Advanced Workplace Associates survey, June - July 2022, <https://www.bbc.co.uk/news/business-62560520>

¹⁷ Transport for London - Travel in London report 15, trends and developments up to 2021 and into 2022 <https://board.tfl.gov.uk/documents/s19181/Travel%20in%20London%2015%20Overview.pdf>

Brands and product quality are paramount for treat-orientated shoppers

- Target treat shoppers with marketing comms – Fridays and Sundays between 12:00 and 14:00 and 18:00 and 20:00 are the sweet spot!¹⁹
- Pair soft drinks with confectionery and crisps in link deals
- Use round pound deals on single cans to encourage treat purchases



Daytime-meal shoppers become more affluent

- As consumers consider their spending more, convenience is winning trade from out-of-home – so offer premium meal deals
- Health overtrades on the daytime meal occasion; put functional health drinks such as Purdey's front and centre in your deals
- Emphasise power brands

Meal-for-tonight shoppers want restaurant experience at home

- Incorporate soft drinks in premium meal deals
- Emphasise health and premium soft drinks
- Ensure store fixtures are easy to navigate and well-merchandised
- Include larger bottles and multipacks in meal deals



As we will explore, greater mobility is driving big shifts in where people are buying their soft drinks. It's also changing dynamics in packaging formats. Unsurprisingly, single-serve soft drinks are the most important format for on-the-go shoppers; with more people buying drinks on the hoof, single-serve sales are up by 17.5% or +£307m versus last year.²⁰

On-the-go single serve sales outperformed take-home across all channels.²¹ Retailers are looking to enhance value perceptions and drive further growth into the on-the-go opportunity by tiering meal deals. For example, in February 2023, Tesco launched a premium £5 meal deal for Clubcard holders featuring drinks, snacks and mains from brands including YO! Sushi and Pollen + Grace.²²

¹⁸ Lumina Intelligence Convenience Tracking Programme, 52WE 08/01/2023

¹⁹ Lumina Intelligence, 2022

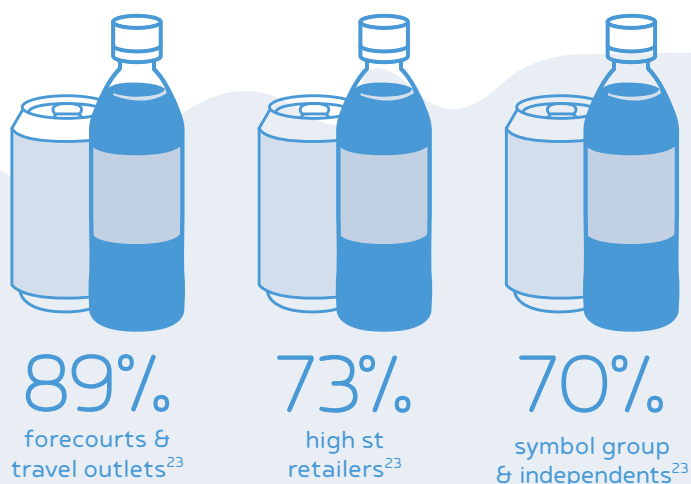
²⁰ IRI, Convenience, Soft Drinks Value, 52wks To 01/01/2023 vs. YA

²¹ Kantar WPO OOH Panel, Convenience, Soft Drinks Singles, MAT 02/01/2023 vs. Year Ago

²² The Grocer product news, 28.02.23 <https://www.thegrocer.co.uk/tesco/tesco-launches-premium-meal-deal-at-5-for-clubcard-holders/676769.article>

Single-serves

89% of soft drinks sold in forecourts and travel outlets are packaged in single-serve formats (suggesting they're more likely to be consumed on-the-go) versus 73% of those sold in high street retailers and 70% through symbol group and independent outlets.²³



Channel mix: travel retail moves into top gear

It will be no surprise that in the first full year with no lockdowns or restrictions on movements since 2020, petrol forecourts and outlets at travel hubs delivered the strongest sales growth for soft drinks as these channels have an over reliance on single serve soft drinks. Sales through forecourts and travel outlets accelerated rapidly in 2022, growing by 31.9% to £443.1m, with travel outlets' sales surging by 100.5% as footfall grew.²³

Forecourts have been through a rapid transformation since Covid first hit the UK. With lockdown putting the brakes on the transient trade this channel typically relies on, operators were forced to diversify to stay relevant.

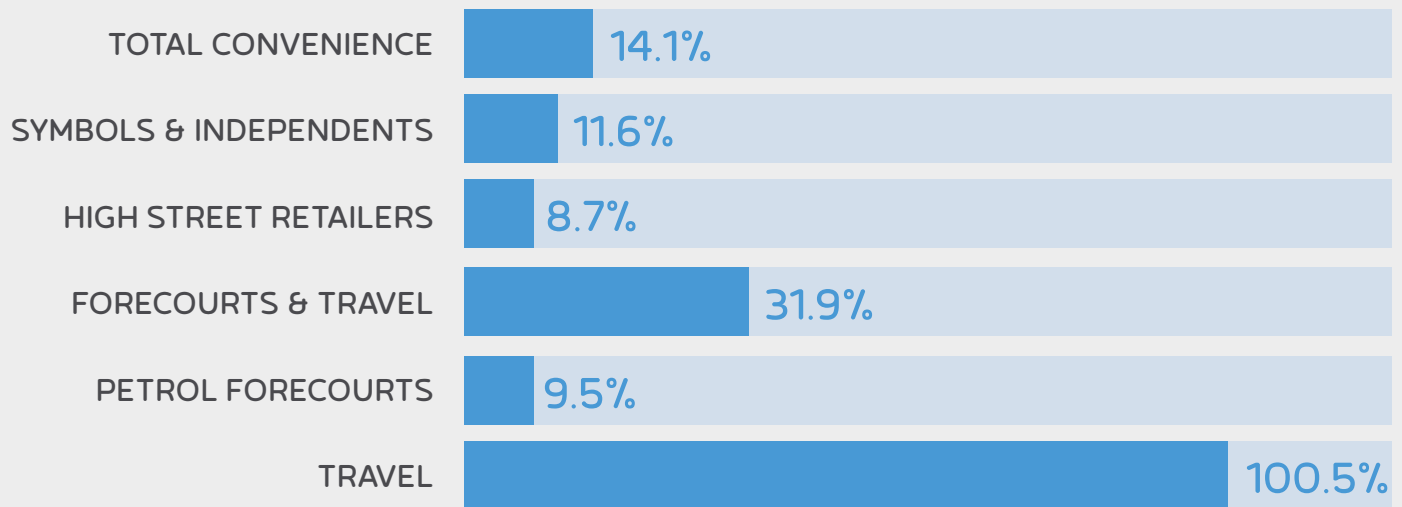
Ranges were expanded and new mechanisms, such as online delivery, were adopted to allow petrol forecourts to win greater share of top-up missions.

Forecourts' transformation into more diverse retail destinations that increasingly cater for deferred as well as immediate consumption presents new opportunities for soft drinks. While single-serve formats (up 9.4%²³) drove the most growth in the channel, thanks partly to the resurgence of on-the-go trade, there is an opportunity to grow larger formats suited for at-home consumption, which achieved strong growth of 9.9% in 2022.²³



Channel hopping

Sales of soft drinks through forecourts and travel outlets rose by nearly a third in 2022 as Britain got moving again.²³



What are shoppers drinking?

When the sun shines, people get thirsty. The sun certainly shone in 2022, the year that gave Britain its hottest summer on record.²⁴ The scorching weather, combined with the aforementioned factors such as changing shopper missions and shifts in the kind of outlets consumers are shopping in, led to significant share gains for bottled water and energy drinks.

In percentage value terms, plain water was the fastest growing category in convenience.²³ Sales surged by 39.4% to £250.3m²³ while water plus (that's flavoured or fortified water) grew by 25.9% to £120.6m.²³ Indeed, demand was such that during the height of the heatwave last summer some wholesalers reported supply shortages of some bottled water brands.²⁵

In cash terms, energy drinks delivered most growth for convenience retailers in 2022. They were responsible for £96.9m (28%) of the category's £347.4m growth.²⁶ Britain's biggest energy drink brand, Red Bull, has contributed the most to channel growth, with sales surging by £50.4m (+17.6%). Monster Energy achieved growth worth £32.7m (48.7%).²³

²⁴ Met Office press office, 28/12/2022: <https://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2022/2022-provisionally-warmest-year-on-record-for-uk>

²⁵ The Grocer, convenience news, 25/08/2022 <https://www.thegrocer.co.uk/convenience/bottled-water-shortage-disrupting-sales-for-convenience-retailers/670812.article>

²⁶ IRI, Convenience Channel, Total Soft Drinks Britvic Defined, Absolute value growth, 52WE 01/01/2023 vs YA

Rock on with Rockstar

Rockstar set out a new creative direction when PepsiCo signed the energy drink brand to its global portfolio back in March 2020. PepsiCo went on to unveil an “emboldened new look and attitude” for Rockstar, with modernised, metallic livery of black and gold for the brand’s packaging and marketing aimed at celebrating “hardworking, passionate hustlers who want to get things done”.

Rockstar has certainly been getting things done in the UK. In 2022, its bestselling lines were reformulated to make them compliant with the new HFSS regulations, £1.29 price-marked packs were rolled into convenience, 900k free samples were handed out during freshers’ week and a new partnership with Xbox cemented the brand’s following amongst gamers. Rockstar Refresh also entered the scene, with Strawberry & Lime and Watermelon & Kiwi flavours launched in February 2023.

The brand’s sales have reached over £16m in the past year.²⁷ Rock on!

The growth in bottled water and energy drinks reflects changes in consumer need states as Brits went back on the move and basked in the hot sun during 2022. Clearly, bottled water is primarily consumed to provide hydration, while energy drinks are consumed to provide energy (the clue is in the name). Growth in sales through forecourts and travel outlets and the rise in food-to-go, which tend to overtrade in bottled water and energy drinks, accelerated growth for these types of drinks.

Cola, fruit carbonates and juice drinks, meanwhile, tend to be consumed for refreshment. All showed double digit growth in the convenience channel in 2022, but lost share of the category as shoppers’ hydration and energy needs bounced back. Cola contributed £70.6m to category growth as sales grew by 11.6%; fruit carbonates delivered £32m with sales up 11.7% and juice drinks grew by £21.7m (13.8%).²⁷

KEY TO DRIVING FUTURE GROWTH IS OFFERING DRINKS THAT SATISFY A RANGE OF DIFFERENT NEED STATES IN A VARIETY OF FORMATS TO SUIT DIFFERENT CONSUMPTION OCCASIONS.



²⁷ IRI, Convenience, Britvic Defined Soft Drinks Value, 52wks To 01/01/2023 vs. YA

Sparkling growth

Convenience retail's five bestselling soft drinks categories – energy drinks, cola, fruit carbonates, plain bottled water and juice drinks – delivered growth worth +£292m in 2022. In cash terms, energy drinks turned in the strongest growth, with sales up by a whopping £96.9m (14.7%).²⁷

	Value Growth % YA	Units Growth % YA
Energy drinks	14.7%	8.9%
Cola	11.6%	5.2%
Fruit carbonates	11.7%	3.6%
Plain bottled water	39.4%	25.5%
Juice drinks	13.8%	7.2%
Glucose drinks	8.0%	0.3%
Water plus	25.9%	13.1%
Sports drinks	18.0%	3.3%
Pure juice	13.0%	8.4%
Non-fruit carbonates	-17.2%	-21.6%
Squash	-1.3%	-6.0%
Lemonade	-1.5%	-10.4%
Ice tea	27.1%	20.5%
Mixers	-10.0%	-16.9%
Smoothies	15.9%	7.7%

The fantastic five²⁷

The five most valuable brands to convenience retailers in total sales terms are Red Bull, Coca-Cola, Pepsi MAX®, Lucozade Energy and Diet Coke.



£336.1M
↑ +17.6%



£304.0M
↑ +14.3%



£141.6M
↑ +13.3%



£126.1M
↑ +8.1%



£101.2M
↑ +3.4%

No compromise flavours are paramount in soft drinks. Just look at the performance of the biggest brands in no-sugar cola. Maximum taste, no sugar cola Pepsi MAX® is Britain's bestselling sugar-free cola and delivered the most growth to the sugar free cola category with sales surging by £16.6m (13.3%) followed by Coke Zero Sugar, which contributed £10.4m to category growth after its sales grew by 18.1%.²⁸ Diet variants lost share.²⁸

Sugar-free colas didn't have it all their own way, however. Coca-Cola Regular was the largest contributor to the overall category, with sales growing by £38.1m (+14.3%).²⁹ This was partly down to shifts in channel mix. Full-sugar colas outperform in symbol group and independent retailers. Because of this channel's growth and its sheer scale, full-sugar cola grew by 12.8% and no-sugar cola grew 10.3%.²⁸



Flavour saviour

Adding interesting, limited-edition flavours into the mix can pay big dividends in driving impulse sales in the on-the-go market. Just look at the success of Limited Edition Tango Berry Peachy Sugar Free, which was launched in March 2022 in time for the summer season.

The product was the number one launch of 2022 and achieved sales worth £3.35m.³⁰ It helped to drive 49.3% growth for the Tango Sugar Free range.³¹ That's more than twice the rate of growth achieved by the Fanta Zero range.³⁰ We're looking to repeat that success in 2023 with the launch of Limited Edition Tango Paradise Punch Sugar Free.

More proof of the importance of flavour can be seen in the performance on Pepsi MAX®'s flavoured cola lines, which were bolstered by the launch of Pepsi MAX® Lime in June 2021. The brand's trio of flavoured colas – Cherry, Raspberry and Lime – grew by £6.3m (+16.9%) in 2022, delivering more growth for convenience retailers than all other flavoured sugar free colas combined.³²

Berry, peach and apricot variants are 'flavour of the month' right now. Robinsons Ready to Drink Blackberry & Blueberry was the number one fruit juice drink launch of 2022, helping to propel the brand's RTD range to total sales of £8.1m, overtaking the Ribena Really Light Range, which racked up sales worth £7.3m. Red Bull Apricot & Strawberry was the number one launch in energy drinks behind Tango Sugar Free Berry Peachy.³⁰



28 IRI, Convenience, Britvic Defined Soft Drinks, Value, MAT 25/12/2022 vs. YA

29 IRI, Convenience, Total Coca Cola Brand, Value, 52WE 01/01/2023 vs YA

30 IRI, Convenience, Britvic Defined Soft Drinks, Value, 52wks To 01/01/2023 vs. YA

31 IRI, Convenience, Carbonated Soft Drinks Britvic Defined, Value sales, 52WE 01/01/2023 vs YA

32 IRI, Convenience, Total Cola Britvic Defined, Value, MAT 01/01/2023 vs YA

Top 10 launches of 2022

Ranking the most successful product launches of 2022 shines a light on current flavour trends in soft drinks. Berry, peach and apricot flavours are clearly in vogue.

TOP 10 NPD IN CONVENIENCE³⁰

	Value
Tango Sugar Free Berry Peachy	£3,352,421
Red Bull Apricot & Strawberry Stimulant	£1,848,956
Monster Energy Pineapple Stimulant	£1,821,704
Relentless Raspberry Stimulant	£1,767,278
Robinsons Ready To Drink Blackberry & Blueberry Juice Drink	£1,407,005
Relentless Peach Stimulant	£1,196,919
Lucozade Alert Original Stimulant	£1,041,496
Vimto Still Remix Orange, Passionfruit & Raspberry Juice Drink	£802,325
Ribena Juice Drinks Passionfruit & Pineapple	£761,760
Boost Mango & Tropical Stimulant	£664,345

Delving into delivery

The convenience channel has been reinvigorated by the advent of online delivery apps such as Uber Eats and Deliveroo. The ability to serve customers in their own homes helped retailers thrive during the pandemic and, although share has fallen since the height of lockdown as the economy slowed and fears about Covid subsided, delivery still accounts for 6.7% of convenience occasions.³³

Delivery presents valuable opportunities to retailers and soft drinks suppliers alike. The delivered route to market attracts affluent shoppers who spend considerably more per transaction compared to the average store visit. They also shop more often and buy more items.³⁴ Soft drinks are one of the top 10 categories bought using delivery apps, ahead of hot drinks and confectionery.³⁴

KEY METRICS, IN-STORE SHOPPER VS DELIVERY SHOPPER - 52WE 29/05/22³⁴

	Average basket size	2.7 items	4.0 items (+48%)
	Average basket spend	£6.79	£15.88 (+134%)
	Visit frequency	2.7 times	3.7 times (+37%)

³³ Lumina Intelligence Convenience Tracking Programme, 52WE 08/01/2023

³⁴ Lumina Intelligence Convenience Tracking Programme, data collected 52 WE 29/05/2022

Despite all this, value is still the most important driver for delivery shoppers, who prioritise good prices, low delivery costs and promotions more than in-store shoppers.³⁵ The importance of price has increased by 7% points year-on-year for these shoppers.³⁶ This illustrates the importance of offering compelling deals for those shopping via delivery apps.

However, successful promotions aren't just about rock-bottom prices. Identifying why people are opting for delivery and tailoring your offerings accordingly can also pay dividends. Top-up, meal occasions, treat,

entertainment and gifting are the top over-indexing missions for convenience delivery shoppers, compared to total convenience.³⁵ Tapping into these occasions is key.

Tesco Whoosh does this by organising its website and app by specific missions such as Dinner for Tonight and Seasonal Treats and, through its partnership with Uber Eats, Londis targets occasions such as Lunch and Big Night In. Soft drinks are a key category purchase on top-up and meal occasions, appearing in 20% of the former and 15% of the latter.³⁵

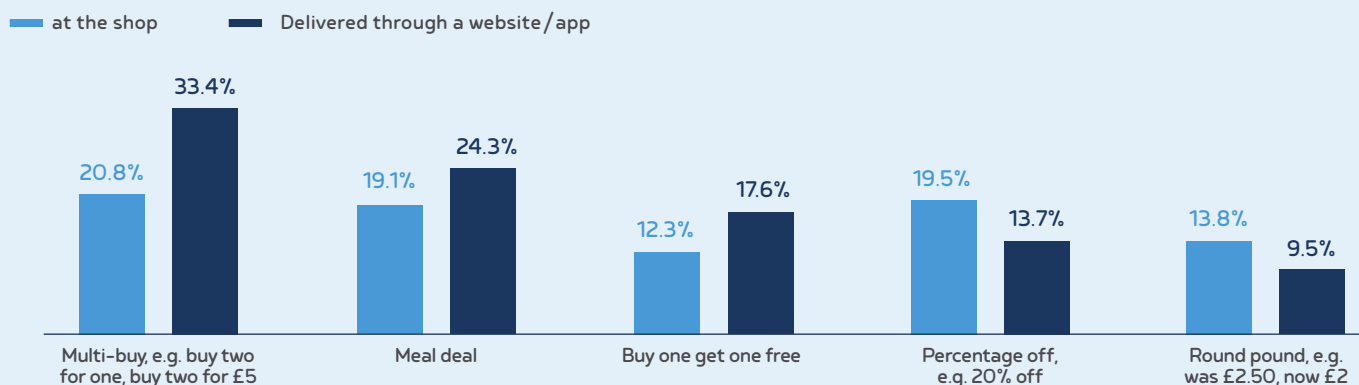
Delivering big nights in

Londis has been using Uber Eats to deliver great value "big nights in" to its customers. Link deals on 2-litre bottles of Pepsi MAX[®] with snacks including Doritos and Maltesers helped shoppers kick their FIFA World Cup gatherings off in style during December while lunchtime deals offering sandwiches, Pepsi MAX[®] and snacks powered them through the working week.

Multibuy promotions and meal deals are the most prevalent deals on delivery apps, with the former accounting for 33.4% of mechanics (versus 20.8% in store) and the latter accounting for 24.3% (versus 19.1% in store). BOGOF (buy one get one free) deals are also more important in delivery: 17.6% of deals used this mechanic versus 12.3% in store.³⁷



SOFT DRINKS - PROMOTION TYPE



Lumina Intelligence Convenience Tracking Programme, data collected 12WE 08/01/2023

³⁵ Lumina Intelligence Convenience Tracking Programme, data collected 52WE 11/12/2022

³⁶ Lumina Intelligence, UK Convenience Delivery Report, January 2023

³⁷ Lumina Intelligence Convenience Tracking Programme, data collected 12WE 08/01/2023

Last year ended with a bang for grocery retailers when the FIFA World Cup coincided with the build up to Christmas for the first time, boosting “treat” and “meal for tonight” delivered convenience occasions.³⁵ With the cost-of-living crisis continuing to bite, these occasions will continue to offer soft drinks opportunities, as consumers switch from eating out to eating in.

Convenience delivery – five key take-outs³⁶

1.

Shoppers are more likely to be male, younger and more affluent

2.

Consumers in the ABC1 socioeconomic bracket overtrade by 10% points in delivery

3.

Treats (up 2% points) and food-to-go (up 1% point) saw the greatest share increases

4.

52% of deliveries are influenced by online display

5.

Families spend 8% more on treat occasions than all other consumers

The future

Challenges and opportunities will abound in equal measure for convenience retailers and soft drinks suppliers over the coming year. The channel is expected to achieve a compound annual growth rate of 2.6% over the next two years with sales hitting £48.6bn in 2025.³⁸ While inflationary pressures are likely to continue to mount for retailers in 2023,³⁹ energy prices are expected to level out towards the end of the year, fostering stronger income growth in real terms in 2024.³⁸

Operators should capitalise on their proximity to shoppers – and consumers’ growing reticence to drive to the shops as a result of environmental concerns and the rising price of fuel – by investing in store models and innovating. Grocery, food-to-go, service and delivery-led will be key market drivers over the next three years.³⁸ In the shorter term, events such as the Women’s Football World Cup and the Rugby World Cup present significant opportunities.

Read on to find out how Britvic intends to tap into them.

³⁸ Lumina Intelligence, July 2022

³⁹ Office for Budget Responsibility, November 2022



Convenience Deep Dive:

Immediate consumption: a £1bn opportunity

Few things hit the spot like cracking open an ice-cold can of pop on a hot day. Opportunities to give that gratification are growing. People are on the move again but, as we explored in the previous chapter, where they're shopping and what they're drinking is changing. So how can retailers meet growing demand for soft drinks intended for immediate consumption?

This is the £1 billion question. We calculate that immediate consumption occasions (that's soft drinks consumed on-the-go) present an opportunity to increase overall soft drinks sales value by £1bn a year by 2025, with the convenience retail channel poised to take £400m of that growth.¹ That equates to a sales boost of £8,400 per year for each of the nearly 48,000 c-stores² operating in the UK today.³



¹ Britvic IC Category Vision January 2023. Impulse size of prize based on NielsenIQ RMS, MAT 2022 Impulse share of soft drinks (40%) multiplied by Britvic market opportunity. Impulse size of prize per store calculated by dividing by Lumina 2022 estimated number of impulse outlets 47,861

² Britvic defines convenience stores as all independent, symbol group, CNT, petrol forecourt, travel retail and multiple grocer-owned c-stores in the UK

³ ACS The 2022 Local Shop Report, September 2022, <https://www.acs.org.uk/research/local-shop-report>

Why immediate consumption matters



There are considerable hurdles to overcome first, of course. Grocery price inflation hit a record 16.7% in January 2023, with UK households facing an extra £788 being added to their annual shopping bills if they don't change their behaviour to cut costs.⁸ Clearly, convenience retailers will need to continue to communicate value to maximise the prize.

There are other challenges too. C-store operators faced shortages of bottled water in the summer of 2022,⁹ a situation exacerbated by staff shortages throughout the supply chain and delays at ports arising from Brexit.¹⁰ Investment in stock and storage, the price of which has risen significantly after a 30% business rate hike,¹¹ is needed to avoid future shortages.

Doing so is vital. Poor availability is estimated to have cost retailers between £60m and £80m in lost sales of soft drinks for immediate consumption in 2022.¹² Addressing these issues and developing ranges that appeal to a wider range of people will unlock a valuable prize. Total soft drinks attract 89.6% of consumers; immediate consumption attracts 62.6%. This means there's an opportunity to attract a further 14 million people.¹³

We're therefore confident about the future of soft drinks in convenience retail. We've identified five key drivers that convenience retailers should bear in mind as they try to tap into more immediate consumption occasions and take their rightful slice of the £400m sales opportunity convenience retail is facing.¹ These are:

Recruiting Generation Z	Winning with food	Maximising health	Simplifying shopping experiences	Evolving energy
Size of prize: +£72m or £1,504/store¹⁴	Size of prize: +£80m or £1,672/store¹⁴	Size of prize: +£52m or £1,086/store¹⁴	Size of prize: +£96m or £2,006/store¹⁴	Size of prize: +£100m or £2,089/store¹⁴

⁴ COMBINED: NielsenIQ RMS, Total Coverage, Value, Single Serve Soft Drinks, 52we 21/10/2022, CGA UK, Foodservice, Value, Soft Drinks (packaged), 52we 30/6/2022

⁵ Equivalent COMBINED: NielsenIQ RMS, Total Coverage, Volume, Single Serve Soft Drinks, 52we 21/10/2022, CGA UK, Foodservice, Volume, Soft Drinks (packaged), 52we 30/6/2022 / Number of seconds in a year

⁶ Kantar Worldpanel online, Out of Home, Total Single Serve Soft Drinks, Penetration, 52Wk October 2022

⁷ NielsenIQ RMS, Total Coverage, Single Serve Soft Drinks & Take Home Soft Drinks, Price per Litre, L52wks 03/12/2022

⁸ Kantar, 4w/e 22/01/2023 - <https://www.kantar.com/uki/inspiration/fmcg/2023-wp-grocery-price-inflation-rises-to-record-16-7>

⁹ The Grocer, Bottled water shortage disrupting sales for convenience retailers, 25/08/2022 <https://www.thegrocer.co.uk/convenience/bottled-water-shortage-disrupting-sales-for-convenience-retailers/670812.article>

¹⁰ The Grocer, How bottled water can escape the supply maelstrom: bottled water category report 2023, 16/21/2023 <https://www.thegrocer.co.uk/soft-drinks/how-bottled-water-can-escape-the-supply-maelstrom-bottled-water-category-report-2023/676378.article>

¹¹ The Grocer, Why ready meals have entered a new ice age: category report 2023, 16/01/2023 <https://www.thegrocer.co.uk/category-reports/why-ready-meals-have-entered-a-new-ice-age-category-report-2023/675006.article>

¹² Britvic Internal Research 2022

¹³ Kantar Worldpanel online, GB OOH Panel, Soft Drinks Categories, Total Single Serve & Total Soft Drinks, Penetration, 52we 27/11/2022

¹⁴ Britvic IC Category Vision January 2023. Impulse size of prize based on NielsenIQ RMS, MAT 2022, Impulse share of soft drinks (40%) multiplied by market opportunity. Impulse size of prize per store calculated by dividing by Lumina 2022 estimated number of impulse outlets 47,861

How to recruit Generation Z

Anyone born between 1997 and 2010 belongs to Generation Z.¹⁵ Superlatives are unavoidable when discussing this group, which makes up 15% of the population and has 10 million UK members.¹⁶ It's the first generation raised with near universal internet access;¹⁷ the least likely in history to drink alcohol¹⁸ and the most concerned with mental health¹⁹ and environmental and social justice issues.²⁰

We believe they are also more conscientious when deciding which products they put in their shopping baskets. They expect brands to demonstrate genuine ethical behaviour, with 62% of Gen-Zers agreeing that brands should be involved in campaigning for social justice.¹⁶ 58% say they are worried about the environment.¹⁶

Brands must be where Gen-Zers are. 97% of Gen-Zers own a smart phone¹⁶ and they spend more time online

than any other age group, accessing the internet for an average of 5.9 hours a day on their phones and 10.6 hours overall (gaming, streaming, online learning, etc).²¹ They spend an average of three hours a day on social media.²¹

But their choice of social media platforms differs widely from those of their parents' generations. 71% of Gen-Zers interact with Instagram on a daily basis, making it this generation's most popular platform; next are TikTok, YouTube (both with 68%) and Snapchat (67%)²². Just 46% use Facebook and only a third (33%) uses Twitter daily.²²

Clearly, attracting and maintaining Generation Z's loyalty is crucial for brands. Doing so requires a new approach and a lighter touch. Building a genuine emotional connection with Gen-Zers and exciting them with new flavours, promotions and propositions is key.



¹⁵ Pew Research Centre, Defining generations: Where Millennials end and Generation Z begins, 17/01/2019 <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

¹⁶ Mintel, UK Lifestyles of Generation Z Market Report 2023, <https://store.mintel.com/report/uk-lifestyles-of-generation-z-market-report#:~:text=How%20many%20Gen%20Z's%20are,around%2015%25%20of%20the%20population>

¹⁷ Insider Intelligence, US Generation Z Technology and Media Use, 11/11/2021 <https://www.insiderintelligence.com/content/us-generation-z-technology-and-media-use>

¹⁸ ONS, Who is the most sober generation? Gen Z, 09/09/2023 <https://www.deseret.com/2022/9/23/23366775/gen-z-more-sober-than-older-generations>

¹⁹ The Economist, Generation Z is stressed, depressed and exam-obsessed, 27/02/2019 <https://www.economist.com/graphic-detail/2019/02/27/generation-z-is-stressed-depressed-and-exam-obsessed>

²⁰ Deloitte, Gen Z And Environmental Issues: How To Earn Young Consumers' Trust, 01/06/2022 <https://www.forbes.com/sites/forbescommunicationscouncil/2022/06/01/gen-z-and-environmental-issues-how-to-earn-young-consumers-trust/>

²¹ Adobe, How Much Time Does Gen Z Spend Online? <https://wearearise.com/generation-z-spend-10-6-hours-a-day-engaging-with-online-content-every-day>

²² Statista, Share of Gen Z users in the United Kingdom engaging with selected social media platforms daily in October 2022 - <https://www.statista.com/statistics/1341903/social-media-daily-usage-uk-gen-z/#:~:text=Daily%20social%20media%20usage%20among,the%20UK%202022%2C%20by%20platform&text=According%20to%20a%20survey%20of,daily%20as%20of%20October%202022.>

Finding fearlessness with Tango

Generation Z is going through a crisis of confidence. One in four young adults believe their lives will amount to nothing and a third expect to fail in life, research by The Prince's Trust – the largest UK charity supporting young people in education and employment – has found.²³

There is hope, however; one in three says more self-belief would help them achieve their goals.²³ That's why Tango announced a three-year partnership with The Prince's Trust in September 2022, with a promise to donate £100,000 in the first year alone, to help young people overcome self-doubt and find their fearlessness.

To mark the partnership, limited-edition cans of Tango Orange, Tango Apple and Tango Dark Berry Sugar Free with a bold new look highlighted the work of The Prince's Trust. On-pack QR codes sent consumers to the Trust's website, where they can find inspiration, help and support.



Generation Z buys more soft drinks in formats designed for immediate consumption occasions than any other age group; penetration has risen 4% points since 2020 to hit 68.5%.²⁴ There's clearly more headroom for growth. Convincing more Gen-Zers to buy single serve formats will deliver an extra £200m in retail sales value to the overall market and £72m to convenience retailers by 2025.²⁵

Gen-Zers rate new flavours as the top influence on purchase decisions,²⁶ so Britvic is using a growing range of limited-edition and permanent brand extensions to drive excitement. These include HFSS-compliant Tango Paradise Punch Sugar Free Limited Edition, successor to last year's hugely successful Berry Peachy, Pepsi MAX® Lime and Rockstar Energy Strawberry & Lime and Watermelon & Kiwi.



²³ The Prince's Trust NatWest Youth Index, 23/02/2022

²⁴ Kantar, OOH Panel, Penetration by life stage, 52 w/e 27/11/2022

²⁵ Britvic IC Category Vision January 2023. Impulse size of prize based on NielsenIQ RMS, MAT 2022 Impulse share of soft drinks (40%) multiplied by market opportunity. Impulse size of prize per store calculated by dividing by Lumina 2022 estimated number of impulse outlets 47,861

²⁶ Shoppercentric Britvic Bespoke Immediate Consumption Research, December 2021

Game on!

What do a Spartan super soldier from the year 2560, an elven warrior from the fantasy realm of Skyrim and a mutant from a dystopian wasteland somewhere in a post-apocalyptic United States have in common?

They were all featured on limited-edition cans of Rockstar Energy launched in December 2022 as the brand looked to cement ties with the gaming community. The appearance of the characters – from games, Halo Infinite, Elder Scrolls and Fallout – was part of an on-pack promotion offering a swathe of unmissable gaming prizes.

Up for grabs were one-month Xbox Game Pass Ultimate Memberships and a range of Xbox goodies, including the next generation Xbox Series S console. Gaming is almost universal amongst Generation Z.²⁷ That's why we think it's all to play for when it comes to connecting with younger consumers with initiatives like these.



Ensuring brands are where Gen-Zers spend most of their day is vital. That means being online. See the hysteria caused by the UK launch of Prime Hydration at the end of 2022,²⁸ by YouTubers Logan Paul and KSI, who have a combined following of more than 39 million subscribers.²⁹ The pair claims that the drinks have netted US\$250m worldwide.²⁹ Prime Energy launched in the UK in April 2023.³⁰

Britvic has connected with Gen-Zers through initiatives such as Rockstar Energy's Xbox promotion, as well as the brand's tie-ups with musicians and social media content producers, and Tango's partnership with The Prince's Trust. Initiatives such as Aqua Libra Flavour Tap's sponsorship of the Blue Earth Summit are the right thing to do; they also echo the priorities of the next generation of consumers.

²⁷ The Grocer, Gaming and Gaga: how brands can target gen Z, 24/01/2023 - <https://www.thegrocer.co.uk/consumer-trends/gaming-and-gaga-how-brands-can-target-gen-z/675519.article>

²⁸ The Huffington Post, What Is Prime Hydration And Why Are People Fighting In Aldi Over It?, 30/12/2022 https://www.huffingtonpost.co.uk/entry/what-is-prime-hydration-drink_uk_63aeb64ae4b0b2e1505fa304

²⁹ The Conversation, Prime: a YouTuber expert explains how Logan Paul and KSI's drink became so popular, 17/03/2023, <https://theconversation.com/prime-a-youtuber-expert-explains-how-logan-paul-and-ksis-drink-became-so-popular-201792#:~:text=YouTubers%20Logan%20Paul%20and%20KSI,that%20in%20January%202023%20alone.>

³⁰ The Daily Record, 05/01/2023, <https://www.dailyrecord.co.uk/lifestyle/food-drink/new-prime-energy-drinks-uk-28879486>

How to win with food

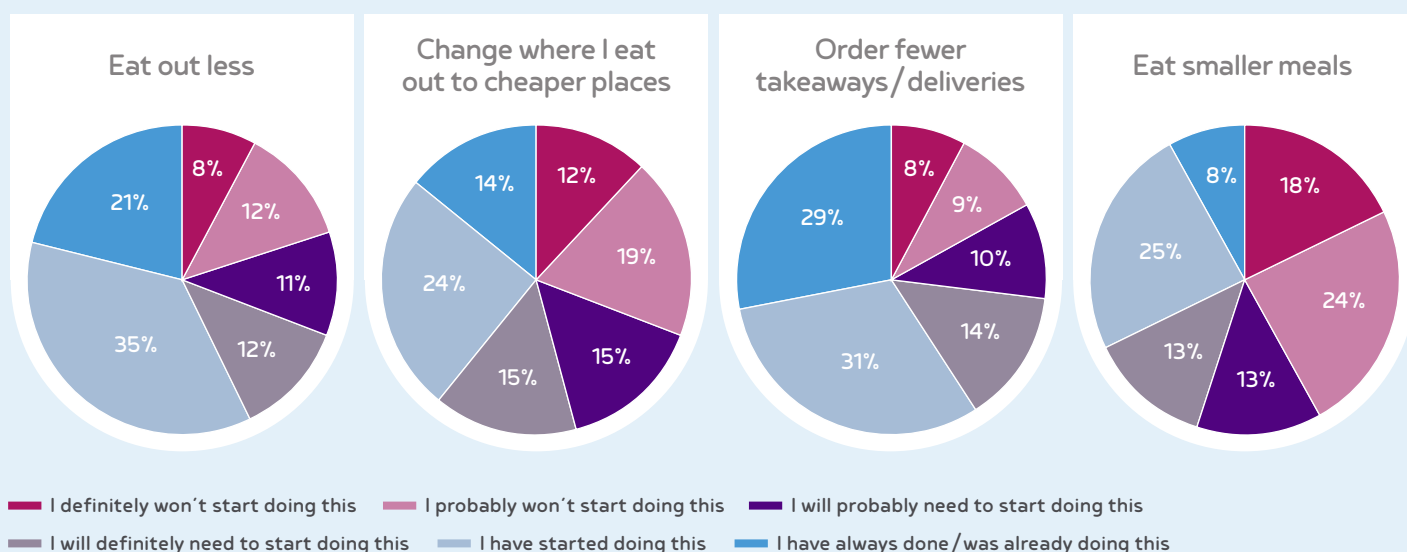
As we explored in the previous chapter, soft drinks feature in nearly half of all food-to-go purchases and their share of this occasion is rising.³¹ In the past year, Brits have drunk soft drinks as an accompaniment to food on 65 billion occasions.³² Most of these occasions, unsurprisingly, were at lunch and dinner time,³² but soft drinks consumption with afternoon snacks is growing, up 11.8%.³³

There are many opportunities to drive growth in sales of soft drinks with food. With household budgets and disposable incomes continuing to be squeezed, shoppers are adjusting their spending behaviour. 35% of shoppers have already started to eat out less and 31% say they are ordering fewer takeaways or delivered meals.³⁴

Tightening belts

Consumers are tightening their belts. More than a third are eating out less and ordering fewer takeaways and nearly a quarter are changing where they eat out.³⁴

THINKING AHEAD FOR THE NEXT FEW MONTHS, WHICH OF THE FOLLOWING MIGHT APPLY TO YOU...³⁴



³¹ Lumina Intelligence Convenience Tracking Programme, 52WE 09/01/2022 and 52WE 08/01/2023

³² Kantar Worldpanel, Usage, Total Soft Drinks Occasions, 52w 07/08/2022

³³ Kantar Worldpanel Online, Usage IH/CO Occasions, 52 w/e 07/08/2022 vs. 2019

³⁴ IGD, When will eating out become eating in Part 1 & 2, 1,747 British shoppers, 18-19/07/2022

Convenience retail, as a cheaper alternative to restaurants and fast food, stands to benefit from this. But how much of an uplift this drives depends on retailers and their suppliers encouraging shoppers to pair food with soft drinks. Identifying shopper missions and offering compelling deals will play an important role in this.

At Britvic, we've devised concepts such as Hunger Busters – paired two-for-£2 promos on products such as bottles of Tango and cans of Pepsi MAX® with Walkers Crisps and Doritos – to help retailers capitalise on afternoon snacking.

Simple steps like ensuring communication is clear and simple (utilising digital signage is effective at achieving this) and reminding customers as they checkout, can also

pay dividends. So too can using free-standing display units and other secondary displays – after all, food-to-go sales over-index on products picked from in-store displays by 14%.³⁵

We calculate that the size of the total prize available by selling more soft drinks with food is £140m a year by 2025.³⁶ For the convenience channel, that equates to an £80m opportunity.³⁶ For the nearly 48,000 convenience stores operating in the UK today, that represents an opportunity to increase sales of soft drinks with food by £1,672 per store, per year.³⁶

That's what we call winning with food!

7UP ups the ante with Uber Eats

27% of drinks bought through food deliveries are flavoured fizzy drinks.³⁷ 7UP is on a mission to increase that number. During summer 2022, the brand teamed up with food delivery app, Uber Eats in an exciting on-pack promotion.

From May to September, consumers had the chance to win Uber Eats vouchers, 50% off Uber Eats grocery shops and 500ml and two-litre bottles of 7UP by scanning QR codes on promotional packs.



³⁵ Mintel, Carbonated Soft Drinks 2022

³⁶ Britvic IC Category Vision January 2023. Impulse size of prize based on NielsenIQ RMS, MAT 2022 Impulse share of soft drinks (40%) multiplied by market opportunity. Impulse size of prize per store calculated by dividing by Lumina 2022 estimated number of impulse outlets 47,861

³⁷ Lumina, Occasions by HOW, delivery company used and WHAT, Cola/lemonade/mixer brand, 12w/e data to 27/02/2022

How to maximise health and wellness

Health, quite literally, is wealth. 92% of people say they are conscious of the need to eat healthily, with 63% saying they try to eat healthily some or all of the time.³⁸ More than half (58%) say they want to see healthier soft drinks in retailers' ranges and 65% of people who drink carbonated soft drinks say added health benefits would make them buy more often.³⁵ Healthier drinks also command higher prices.³⁹

But health and wellness mean different things to different people. These concepts can mean the absence of sugar, fat or animal-based ingredients in a product. The success of Pepsi MAX®, Britain's bestselling sugar-free cola,⁴⁰ 7UP Zero Sugar and the Tango Sugar Free range attests to consumer demand for such products.

But, increasingly, consumers are looking for the presence of specific ingredients and functional attributes, such as vitamins, minerals, fibre, probiotics and prebiotics. 62% of people say they would like their favourite soft drinks brands to offer added health benefits and 73% would like to see variants with all natural ingredients.³⁵

Health needs also depend on time of day. Purdey's Natural Energy's range, for example, are perfectly poised as pick-me-ups for pre and post-work gym goers while Plenish health shots cater for a variety of needs. Alternatively, Aqua Libra can serve as a naturally refreshing, sugar-free livener with a healthy snack in the afternoon.

Pairing healthy drinks and snacks with promotions and rotating offers at different times of the day, balancing ranges between indulgent and health-orientated drinks and providing education at fixture are all tactics that could pay off. For example, our Work Out Ready concept pairs Purdey's Natural Energy with products such as Kind Protein Bars and Quaker Oats-So-Simple Pouches.⁴¹

Taking steps like this will help convenience retailers yield an annual sales boost worth £52m by 2025³⁶, we calculate. That equates to an extra £1,086 going through the tills of each of Britain's c-stores every year.³⁶ See what we mean about health being wealth in soft drinks?



Finding a home for health in store

Grouping wellness products together in store boosts sales by an average of 10%.⁴² Well signposted fixtures like this can help retailers maximise the opportunities of the health and wellness movement.



³⁸ Mintel, Attitudes towards healthy eating UK 2023

³⁹ Kantar OOH Panel, Single serve soft drinks categories penetration and price per litre 52 w/e 27/11/2022

⁴⁰ IRI, Convenience Soft Drinks, Value, 52wks To 01/01/2023 vs. YA

⁴¹ Britvic Soft Drinks with Food Concept Ideas - 2022

⁴² Britvic Kantar Planogram Effectiveness Research April 2022 sample: 1,350

How to simplify the shopping process

Simplifying the shopping process could deliver a further £96m, or £2,006 per store, in annual soft drinks sales by 2025.⁴³ That means paying close attention to the fundamentals of retail. Out of stock products cost the category £80m a year in lost immediate consumption sales⁴⁴ with 44% of shoppers saying they'll go elsewhere if they can't find the drinks they want.⁴⁵

Fixture layout is key to driving sales. Our research shows that by ensuring fixtures have clear blocking and are optimised to improve the shopper journey, can increase volumes sales by as much as 12.5%.⁴⁶ A minimum of two facings helps to ensure availability; allocating space depending on a category's size and growth potential ensures optimal fixture performance.

It's also important to prioritise chiller space for drinks that shoppers want to consume cold. What's more, if a retailer has limited chiller space in store, it would make sense to move lower value products, like plain water, to ambient shelves and prioritise higher margin drinks.



Secondary chillers drive store success

Trials by Britvic revealed that adding an additional chiller into stores can drive significantly higher sales of soft drinks designed for immediate consumption. These stores outperform the market average by as much as 10% points!⁴⁷

⁴³ Britvic IC Category Vision January 2023. Impulse size of prize based on NielsenIQ RMS, MAT 2022 Impulse share of soft drinks (40%) multiplied by market opportunity. Impulse size of prize per store calculated by dividing by Lumina 2022 estimated number of impulse outlets 47,861

⁴⁴ Britvic Internal Data Analysis 2023

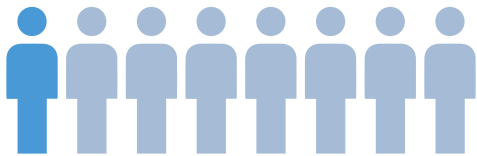
⁴⁵ IGD Shopper Vista Food-to-go, How are shoppers adapting? January 2021

⁴⁶ Britvic Kantar Planogram Effectiveness Research April 2022 sample: 1,350

⁴⁷ Shoppercentric Britvic Bespoke Immediate Consumption Research December 2021

How to keep pace with the evolution of energy drinks

We've already explored the huge growth of energy drinks in 2022. The good news is that there is still significant room for growth. The £96.9m growth in energy drinks last year⁴⁸ was achieved despite the fact that only 8% of shoppers currently buy them in convenience.⁴⁹ Offering a wider array of energy drinks would attract more people to the category.



1 in 8 adults says they feel tired all the time

There certainly seems to be a market for them. One in eight UK adults says they feel tired all the time, another quarter say they feel tired most of the time and a third report feeling weary around half the time.⁵⁰ Two in five people are so tired they would rather sleep than spend time with family.⁵⁰ Parents are most likely to feel tired. 22% of people with at least one child aged under 18 report feeling tired all the time.⁵⁰

Retailers have a role to play in helping shoppers manage their energy needs throughout the day. Providing a wider array of products – from more conventional energy drinks and ready to drink coffees through to natural energy lines like Purdey's, fortified with B vitamins, minerals and ingredients like guarana and ginseng, and health shots from Plenish – will allow them to do just that.

Retailers can also help allay shopper concerns about sugar content by balancing conventional energy drinks with products that comply with the new regulations on food and drink deemed too high in fat, salt and sugar (HFSS). The Rockstar Energy range, for example, is HFSS-compliant, meaning that it does not face the same restrictions as standard energy drinks on certain deal mechanics and feature space in larger stores.

Retailers should prioritise energy drinks in their fixtures – it is the largest and fastest growing soft drinks category in cash terms,⁴⁸ after all – and use beacon brands to signpost to shoppers looking for a drink on-the-go. Get all this right, and energy drinks could add an extra £100m to convenience retailers' annual sales – that's an extra £2,089 per store – by 2025.⁴³

How's that for energising?

⁴⁸ IRI, Convenience, Soft Drinks Value, 52wks To 01/01/2023 vs. YA

⁴⁹ Kantar, OOH Panel, Stimulants, Penetration 52w/e 19/03/2023

⁵⁰ YouGov Survey of 1,684 UK adults, January 2022



TOTAL SOFT DRINKS/TAKE HOME/SINGLE SERVE: ANNUAL CHANGES

	Value/£m	Value growth actual YA/£m	Value growth % YA	Litres	Litres growth actual YA	Litres growth % YA
Total soft drinks	£2,810	£347	14.1%	1430	68	5%
Total take home	£746	£41	5.7%	657	3	-0.5%
Total on the go	£2,063	£307	17.5%	772	71	10.1%

IRI – Total Convenience – Total Soft Drink, Deferred & Immediate – Value/ Volume – 52we 01/01/2023 vs YA

SOFT DRINK CATEGORY WINNERS & LOSERS

2022 categories in growth	Value	Value Growth Actual YA	Value Growth % YA
Total stimulants	£757,220,352	£96,895,936	14.7%
Total cola	£679,693,696	£70,602,240	11.6%
Total fruit carbs	£306,332,832	£32,067,392	11.7%
Total plain water	£250,343,104	£70,794,816	39.4%
Total juice drinks	£179,191,840	£21,662,288	13.8%
Total glucose	£138,166,096	£10,233,824	8.0%
Total water plus	£120,622,576	£24,843,080	25.9%
Total sports	£116,222,408	£17,714,568	18.0%
Total pure juice	£74,823,448	£8,629,436	13.0%
Total squash	£39,600,732	£519,196	1.3%
Total cold hot drinks	£23,123,242	£4,932,636	27.1%
Total smoothies	£15,761,021	£2,161,366	15.9%

IRI – Total Convenience – Total Soft Drink Categories Britvic Defined – Value Sales – 52we 01/01/2023 vs YA

2022 categories in decline	Value	Value Growth Actual YA	Value Growth % YA
Total non-fruit carbs	£51,373,464	-£10,685,012	-17.2%
Total lemonade	£35,666,700	-£555,016	-1.5%
Total traditional mixers	£21,601,298	-£2,402,186	-10.0%

IRI – Total Convenience – Total Soft Drink Categories Britvic Defined – Value Sales – 52we 01/01/2023 vs YA

TOP 10 BRAND WINNER IN CONVENIENCE: RANKED BY VALUE CHANGE VS YEAR AGO

	Value YA	Value/£m	Value growth actual YA/£m	Value growth % YA
Total Red Bull	£285,724,580	£336,108,450	£50,383,870	17.6%
Total Coca Cola	£265,935,553	£304,083,253	£38,147,700	14.3%
Total Monster Energy	£67,160,192	£99,870,913	£32,710,722	48.7%
Total Buxton	£21,701,997	£51,073,958	£29,371,960	135.3%
Total Pepsi Max®	£124,979,043	£141,633,932	£16,654,888	13.3%
Total Lucozade Sport	£61,859,850	£74,912,817	£13,052,967	21.1%
Total Coca Cola Zero	£57,213,381	£67,575,208	£10,361,827	18.1%
Total Evian	£49,695,054	£60,056,669	£10,361,615	20.9%
Total Glaceau Smartwater	£20,577,681	£30,402,035	£9,824,354	47.7%
Total Lucozade Energy	£116,648,656	£126,119,997	£9,471,341	8.1%

IRI – Total Convenience – Total Soft Drink Brands Britvic Defined – Value Sales – 52we 01/01/2023

TOP 25 NPD

	Value
Total Tango Sugar Free Fruit Carbs Berry/Peach	£3,352,421
Total Red Bull Stimulants Apricot/Strawberry	£1,848,956
Total Monster Energy Stimulants Pineapple	£1,821,704
Total Relentless Stimulants Raspberry	£1,767,278
Total Robinsons Ready To Drink Juice Drinks Blackberry/Blueberry	£1,407,005
Total Relentless Stimulants Peach	£1,196,919
Total Lucozade Alert Stimulants Original	£1,041,496
Total Vimto Still Remix Juice Drinks Orange/Passionfruit/Raspberry	£802,325
Total Ribena Juice Drinks Passionfruit/Pineapple	£761,760
Total Boost Energy Stimulants Mango/Tropical	£664,345
Total Boost Energy Stimulants Lime/Watermelon	£612,822
Total Retailer Own Label Stimulants Original	£599,784
Total Boost Energy Stimulants Guava/Pineapple	£595,516
Total Fanta Zero Fruit Carbs Kiwi/Strawberry	£572,252
Total Rubicon Raw Energy Stimulants Apple/Guava	£546,978
Total Emerge Sport Sports Cherry	£497,154
Total Jacks Juice Drinks Apple	£444,158
Total Vimto Squash Remix Squash Blackcurrant/Raspberry	£394,905
Total Emerge Sport Sports Strawberry/Watermelon	£335,681
Total Retailer Own Label Smoothies Banana/Strawberry	£322,689
Total Boost Energy Stimulants Fruit Punch	£320,513
Total Volvic Touch of Fruit Sf Water Plus Peach/Raspberry	£271,312
Total Boost Energy Stimulants Sour Punch	£249,548
Total Jacks Smoothies Mango	£233,350
Total Other Brand Pure Juice Cranberry	£223,811

IRI – Total Convenience – Soft Drink NPD – 52we 01/01/2023

MANUFACTURER PERFORMANCE (TOP TEN) CONVENIENCE GB

	Value	Value Growth Actual YA	Value Growth % YA
Total CC Enterprises Ltd	£1,092,805,888	£117,448,320	12.0%
Total Britvic UK PLC	£347,469,440	£35,243,360	11.3%
Total Red Bull Ltd	£338,996,566	£51,006,821	17.7%
Total Suntory Beverage & Food GB&I	£255,852,160	£26,668,400	11.6%
Total Danone Waters Ltd	£165,169,939	£28,846,548	21.2%
Total Own Label Ltd	£129,039,768	-£1,653,840	-1.3%
Total A G Barr PLC	£121,997,552	£531,912	0.4%
Total Nestle Waters Ltd	£66,300,072	£32,566,034	96.5%
Total Vimto Drinks Ltd	£35,610,039	£4,961,574	16.2%
Total Boost Drinks Ltd	£33,281,597	£7,734,989	30.3%

Total Convenience – Total Soft Drink by Manufacturer - Value sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE CONVENIENCE GB

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£2,809,742,848	£347,414,528	14.1%	1,429,662,976	67,860,096	5.0%
Total stimulants	£757,220,352	£96,895,936	14.7%	226,581,744	19,658,208	9.5%
Total cola	£679,693,696	£70,602,240	11.6%	375,754,976	5,762,880	1.6%
Total fruit carbs	£306,332,832	£32,067,392	11.7%	173,880,528	10,743,680	6.6%
Total plain water	£250,343,104	£70,794,816	39.4%	209,540,192	40,544,480	24.0%
Total juice drinks	£179,191,840	£21,662,288	13.8%	77,220,240	3,784,128	5.2%
Total glucose	£138,166,096	£10,233,824	8.0%	56,138,700	151,344	0.3%
Total water plus	£120,622,576	£24,843,080	25.9%	81,551,848	9,214,296	12.7%
Total sports	£116,222,408	£17,714,568	18.0%	56,765,684	1,041,304	1.9%
Total pure juice	£74,823,448	£8,629,436	13.0%	33,813,728	261,794	0.8%
Total non-fruit carbs	£51,373,464	-£10,685,012	-17.2%	39,340,144	-13,211,068	-25.1%
Total squash	£39,600,732	£519,196	1.3%	25,045,790	-1,314,294	-5.0%
Total lemonade	£35,666,700	-£555,016	-1.5%	48,129,804	-7,274,244	-13.1%
Total cold hot drinks	£23,123,242	£4,932,636	27.1%	8,965,569	1,536,911	20.7%
Total traditional mixers	£21,601,298	-£2,402,186	-10.0%	14,122,252	-2,982,550	-17.4%
Total smoothies	£15,761,021	£2,161,366	15.9%	2,811,738	-56,754	-2.0%

IRI – Total Convenience– Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE HIGH STREET

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£261,981,168	£20,978,176	8.7%	139,186,112	-4,055,056	-2.8%
Total stimulants	£57,956,252	£5,783,784	11.1%	18,145,574	1,017,568	5.9%
Total cola	£75,675,520	£4,466,536	6.3%	45,026,664	-3,209,784	-6.7%
Total fruit carbs	£30,370,386	£3,246,814	12.0%	18,009,962	-43,072	-0.2%
Total plain water	£17,237,818	£3,017,379	21.2%	15,621,818	1,413,404	9.9%
Total juice drinks	£17,592,652	£1,648,841	10.3%	7,531,404	-456,044	-5.7%
Total glucose	£13,657,848	-£72,113	-0.5%	5,923,583	-830,978	-12.3%
Total water plus	£14,252,036	£2,539,639	21.7%	9,448,869	780,478	9.0%
Total sports	£9,290,176	£1,353,395	17.1%	3,480,478	90,592	2.7%
Total pure juice	£8,598,090	£926,437	12.1%	3,488,662	155,731	4.7%
Total non-fruit carbs	£3,796,703	-£1,249,562	-24.8%	2,542,014	-1,183,584	-31.8%
Total squash	£3,717,092	-£171,929	-4.4%	2,450,771	-406,421	-14.2%
Total lemonade	£2,492,539	-£382,517	-13.3%	4,762,801	-869,885	-15.4%
Total cold hot drinks	£1,596,915	-£27,823	-1.7%	617,770	-46,760	-7.0%
Total traditional mixers	£1,476,196	-£210,382	-12.5%	1,261,868	-345,483	-21.5%
Total smoothies	£4,270,946	£109,678	2.6%	873,870	-120,828	-12.1%

IRI –Total High Street – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE SYMBOLS & INDEPENDENTS

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£2,104,618,880	£219,258,752	11.6%	1,134,686,848	37,917,696	3.5%
Total stimulants	£586,590,144	£75,398,688	14.7%	183,326,368	14,637,376	8.7%
Total cola	£519,611,488	£50,526,592	10.8%	300,589,440	5,791,264	2.0%
Total fruit carbs	£240,050,000	£18,973,344	8.6%	143,370,576	8,211,712	6.1%
Total plain water	£149,537,632	£30,796,816	25.9%	147,098,752	21,118,712	16.8%
Total juice drinks	£135,306,032	£14,488,304	12.0%	62,016,200	2,972,984	5.0%
Total glucose	£104,799,848	£7,433,336	7.6%	44,621,204	691,628	1.6%
Total water plus	£75,632,496	£12,657,680	20.1%	58,920,116	5,459,216	10.2%
Total sports	£91,114,960	£12,387,688	15.7%	48,595,932	95,616	0.2%
Total pure juice	£53,070,984	£5,131,448	10.7%	27,098,386	-186,874	-0.7%
Total non-fruit carbs	£43,056,988	-£10,629,968	-19.8%	35,269,136	-12,248,272	-25.8%
Total squash	£34,772,008	£605,284	1.8%	22,093,946	-872,084	-3.8%
Total lemonade	£31,096,388	-£351,260	-1.1%	41,470,228	-6,332,544	-13.2%
Total cold hot drinks	£15,899,962	£3,779,605	31.2%	6,683,128	1,307,481	24.3%
Total traditional mixers	£19,187,752	-£2,172,952	-10.2%	12,494,827	-2,616,938	-17.3%
Total smoothies	£4,892,172	£234,190	5.0%	1,038,575	-111,563	-9.7%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE PETROL & TRAVEL

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£443,142,752	£107,177,536	31.9%	155,789,984	33,997,432	27.9%
Total stimulants	£112,673,944	£15,713,416	16.2%	25,109,802	4,003,266	19.0%
Total cola	£84,406,688	£15,609,128	22.7%	30,138,842	3,181,370	11.8%
Total fruit carbs	£35,912,440	£9,847,222	37.8%	12,499,988	2,575,041	25.9%
Total plain water	£83,567,648	£36,980,620	79.4%	46,819,628	18,012,376	62.5%
Total juice drinks	£26,293,144	£5,525,138	26.6%	7,672,636	1,267,187	19.8%
Total glucose	£19,708,396	£2,872,594	17.1%	5,593,916	290,697	5.5%
Total water plus	£30,738,050	£9,645,770	45.7%	13,182,859	2,974,597	29.1%
Total sports	£15,817,272	£3,973,480	33.5%	4,689,277	855,099	22.3%
Total pure juice	£13,154,370	£2,571,547	24.3%	3,226,681	292,936	10.0%
Total non-fruit carbs	£4,519,776	£1,194,521	35.9%	1,528,992	220,785	16.9%
Total squash	£1,111,635	£85,845	8.4%	501,074	-35,790	-6.7%
Total lemonade	£2,077,776	£178,763	9.4%	1,896,775	-71,818	-3.6%
Total cold hot drinks	£5,626,365	£1,180,855	26.6%	1,664,671	276,190	19.9%
Total traditional mixers	£937,349	-£18,854	-2.0%	365,558	-20,129	-5.2%
Total smoothies	£6,597,904	£1,817,498	38.0%	899,293	175,637	24.3%

IRI –Total Petrol & Travel – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE PETROL MULTIPLES

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£277,344,000	£24,054,352	9.5%	100,511,592	6,769,728	7.2%
Total stimulants	£93,813,896	£8,920,992	10.5%	21,504,788	2,842,700	15.2%
Total cola	£56,273,904	£2,857,696	5.3%	22,034,686	123,702	0.6%
Total fruit carbs	£20,808,190	£2,477,190	13.5%	8,045,043	654,079	8.8%
Total plain water	£35,338,676	£5,318,780	17.7%	23,313,386	2,583,612	12.5%
Total juice drinks	£16,199,421	£881,084	5.8%	4,933,166	175,052	3.7%
Total glucose	£14,275,837	£555,506	4.0%	4,240,424	-226,834	-5.1%
Total water plus	£10,080,650	£475,013	4.9%	5,842,463	423,229	7.8%
Total sports	£12,392,793	£2,388,121	23.9%	3,821,073	502,082	15.1%
Total pure juice	£7,096,347	-£88,889	-1.2%	2,097,454	-112,816	-5.1%
Total non-fruit carbs	£2,117,877	£174,478	9.0%	822,261	-23,283	-2.8%
Total squash	£828,626	-£64,178	-7.2%	440,856	-40,661	-8.4%
Total lemonade	£2,043,270	£198,126	10.7%	1,877,063	-60,178	-3.1%
Total cold hot drinks	£2,713,911	£187,223	7.4%	807,834	-4,906	-0.6%
Total traditional mixers	£932,553	-£18,735	-2.0%	363,192	-20,540	-5.4%
Total smoothies	£2,428,038	-£208,071	-7.9%	367,904	-45,512	-11.0%

IRI –Total Petrol Multiples – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE TRAVEL

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£165,798,752	£83,123,200	100.5%	55,278,400	27,227,716	97.1%
Total stimulants	£18,860,046	£6,792,427	56.3%	3,605,015	1,160,567	47.5%
Total cola	£28,132,780	£12,751,427	82.9%	8,104,156	3,057,667	60.6%
Total fruit carbs	£15,104,248	£7,370,030	95.3%	4,454,945	1,920,962	75.8%
Total plain water	£48,228,972	£31,661,841	191.1%	23,506,240	15,428,762	191.0%
Total juice drinks	£10,093,723	£4,644,055	85.2%	2,739,470	1,092,135	66.3%
Total glucose	£5,432,559	£2,317,089	74.4%	1,353,492	517,531	61.9%
Total water plus	£20,657,400	£9,170,757	79.8%	7,340,397	2,551,369	53.3%
Total sports	£3,424,479	£1,585,359	86.2%	868,204	353,017	68.5%
Total pure juice	£6,058,023	£2,660,436	78.3%	1,129,227	405,752	56.1%
Total non-fruit carbs	£2,401,899	£1,020,042	73.8%	706,731	244,068	52.8%
Total squash	£283,009	£150,023	112.8%	60,217	4,872	8.8%
Total lemonade	£34,506	-£19,362	-35.9%	19,713	-11,640	-37.1%
Total cold hot drinks	£2,912,454	£993,631	51.8%	856,837	281,096	48.8%
Total traditional mixers	£4,796	-£119	-2.4%	2,366	411	21.0%
Total smoothies	£4,169,866	£2,025,569	94.5%	531,389	221,149	71.3%

IRI –Total Travel – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

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

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

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

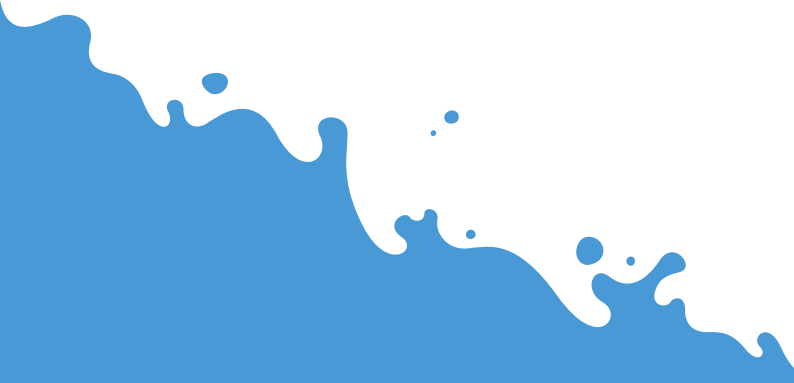
All 'energy boosting' drinks such as Red Bull, normally fizzy

WATER

Still or sparkling water with nothing else added

WATER PLUS / FLAVOURED WATER

Sparkling or still flavoured water



BRITVIČ