2019 Annual Report

Changing Tastes

British Soft Drinks Association

Contents

Report Methodology & Background

In line with its European colleagues, the British Soft Drinks Association commissioned food, drink and retailing data analyst Global Data to produce its 2019 report.

The key strength of Global Data's methodology is that it works in industry partnerships across the value chain, from suppliers to brand producers and both on- and off-premise channels. The research is built from brand data upwards. The 'brick-by-brick' approach ensures that the research gives insights from all angles; from brand volume through to corporate volume, flavour segmentation, packaging splits and channel distribution. The companies whose brands are featured in the individual market categories are selected through regular market observation based on the size of their output and/or their dynamism.

Sources

- Official production and trade statistics
- Face-to-face interviews with leading soft drinks producers
- Interviews with retailers, distributors and associated industries
- Consumer surveys
- Quarterly monitoring of product offered in all trade channels in selected markets

Industry terms

- Regular: 31 and over kcal per 100ml
- Mid-Calorie: 21-30 kcal per 100ml
- Low- & No-Calorie: 0-20 kcal per 100ml*

*Nutrition Claims Annex of Regulation (EC) 1924/2066

Introduction

BSDA Director General
Gavin Partington

Despite the introduction of the Soft Drinks Industry Levy (SDIL) in April 2018, the UK soft drinks sector demonstrated its resilience and continued capacity for growth with volume sales rising by 3.9% last year. Inevitably, SDIL played its part in an 8.6% increase in value sales in the same period.

Innovation abounds among our manufacturer members, many of whom have been cultivating their low- and no-calorie ranges for a significant number of years. At a time when alcohol consumption is falling, consumers have a range of exciting options that cater to their evolving tastes and dietary preferences. Meanwhile, Kantar Worldpanel data shows sugar intake from soft drinks fell by 30.4% between May 2015 and May 2019. This emphasises that the sector is taking seriously the issue of tackling obesity, and leading the way in the wider food and drink sector.

The soft drinks industry is also spearheading change on the recycling front. Our members' products are 100% recyclable, but we know more can be done. We have been working closely with the Scottish Government to develop its deposit return scheme (DRS), which is currently under construction and due to be introduced in 2021. However, we are concerned about the feasibility of introducing a well-designed and effective DRS in such a short timeframe, and we have urged the Scottish Government to reconsider its proposed timescale. We continue to believe a GB-wide full DRS for all plastic and can beverage containers remains the best way to increase recycling levels, and to this end, we will continue liaising with the UK Government in an effort to achieve this.

Overall Soft Drinks

Carbonated drinks, still and juice drinks, dilutables, fruit juices, bottled waters, sports and energy drinks.

2018 statistics

Volume M Litres 14,064	YOY Growth (%) 3.9
Litres Per Capita 211.5	Value M GBP 16,234
Value YOY Growth (%) 8.6	Value Per Capita (£) 244.2

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	13,474	13,414	13,401	13,569	13,540	14,064
YOY Growth (%)	0.7	-0.4	-0.1	1.3	-0.2	3.9
Litres Per Capita	210.2	207.7	205.8	206.9	205.1	211.5
Value M GBP	14,105	14,335	14,169	14,310	14,949	16,234
Value YOY Growth (%)	3.8	1.6	-1.2	1.0	4.5	8.6
Value Per Capita (£)	220.0	221.9	217.6	218.2	226.4	244.2

Source: Global Data

Overall Soft Drinks 2018

Calorie split

1	Low- & No-Calorie	65.3%
2	Regular	27.6%
3	Mid-Calorie	7.1%

Category split

1	Carbonated Soft Drinks	37.8%
2	Bottled Water	21.2%
3	Dilutables	21.0%
4	Still & Juice Drinks	7.4%
5	Fruit Juice	6.6%
6	Sports & Energy Drinks	6.0%

Packaging split

1	PET/Plastic	71.1%
2	Metal	12.5%
3	Carton	5.6%
4	Dispense	4.1%
5	Glass	4.1%
6	Others	2.6%

30.4% ▼

Sugar intake from overall soft drink consumption fell by 30.4% between May 2015 and May 2019.

Source: Kantar Worldpanel

Bottled Water

Still, sparkling and lightly carbonated natural mineral waters, spring waters and bottled drinking waters packaged in sizes of 10 litres or below; water for coolers in sizes of 10.1 litres and above.

2018 statistics

Volume M Litres **2,988**	YOY Growth (%) **6.1**
Litres Per Capita **44.9**	Value M GBP **1,520**
Value YOY Growth (%) **4.9**	Value Per Capita (£) **22.9**
Share of Total Soft Drinks (%) **21.2**	

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	2,066	2,263	2,465	2,694	2,815	2,988
YOY Growth (%)	5.4	9.6	8.9	9.3	4.5	6.1
Litres Per Capita	32.2	35.0	37.9	41.1	42.6	44.9
Value M GBP	1,066	1,179	1,274	1,353	1,448	1,520
Value YOY Growth (%)	6.8	10.6	8.1	6.2	7.0	4.9
Value Per Capita (£)	16.6	18.3	19.6	20.6	21.9	22.9
Share of Total Soft Drinks (%)	15.3	16.9	18.4	19.9	20.8	21.2

Source: Global Data

Bottled Water 2018

Water source split

1	Mineral	65.0%
2	Spring	29.9%
3	Bottled Drinking Water	5.1%

Water type split

1	Still	75.6%
2	Sparkling	14.1%
3	Cooler	10.3%

Packaging split

1	PET/Plastic	95.1%
2	Glass	4.9%

6.1%▲

Bottled Water remains one of the fastest-growing soft drinks categories. In 2018, volume sales increased by 6.1%

Source: Global Data

Carbonates

Ready-to-drink carbonates, including draught and home dispense: regular-, mid- and low- & no-calorie; cola; lemon, including lemonade; lemon-lime; mixers, including tonic and bitter drinks; orange; shandy; sparkling juices; and others including various carbonated fruit flavours, sparkling flavoured water, health drinks and herbal drinks.

2018 statistics

Volume M Litres 5,314	YOY Growth (%) 2.8
Litres Per Capita 79.9	Value M GBP 7,950
Value YOY Growth (%) 12.6	Value Per Capita (£) 119.6
Share of Total Soft Drinks (%) 37.8	

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	5,351	5,240	5,201	5,192	5,168	5,314
YOY Growth (%)	-0.2	-2.1	-0.7	-0.2	-0.5	2.8
Litres Per Capita	83.5	81.1	79.9	79.2	78.3	79.9
Value M GBP	6,558	6,493	6,473	6,443	7,060	7,950
Value YOY Growth (%)	3.0	-1.0	-0.3	-0.5	9.6	12.6
Value Per Capita (£)	102.3	100.5	99.4	98.3	106.9	119.6
Share of Total Soft Drinks (%)	39.7	39.1	38.8	38.3	38.2	37.8

Source: Global Data

Carbonates 2018

Calorie split

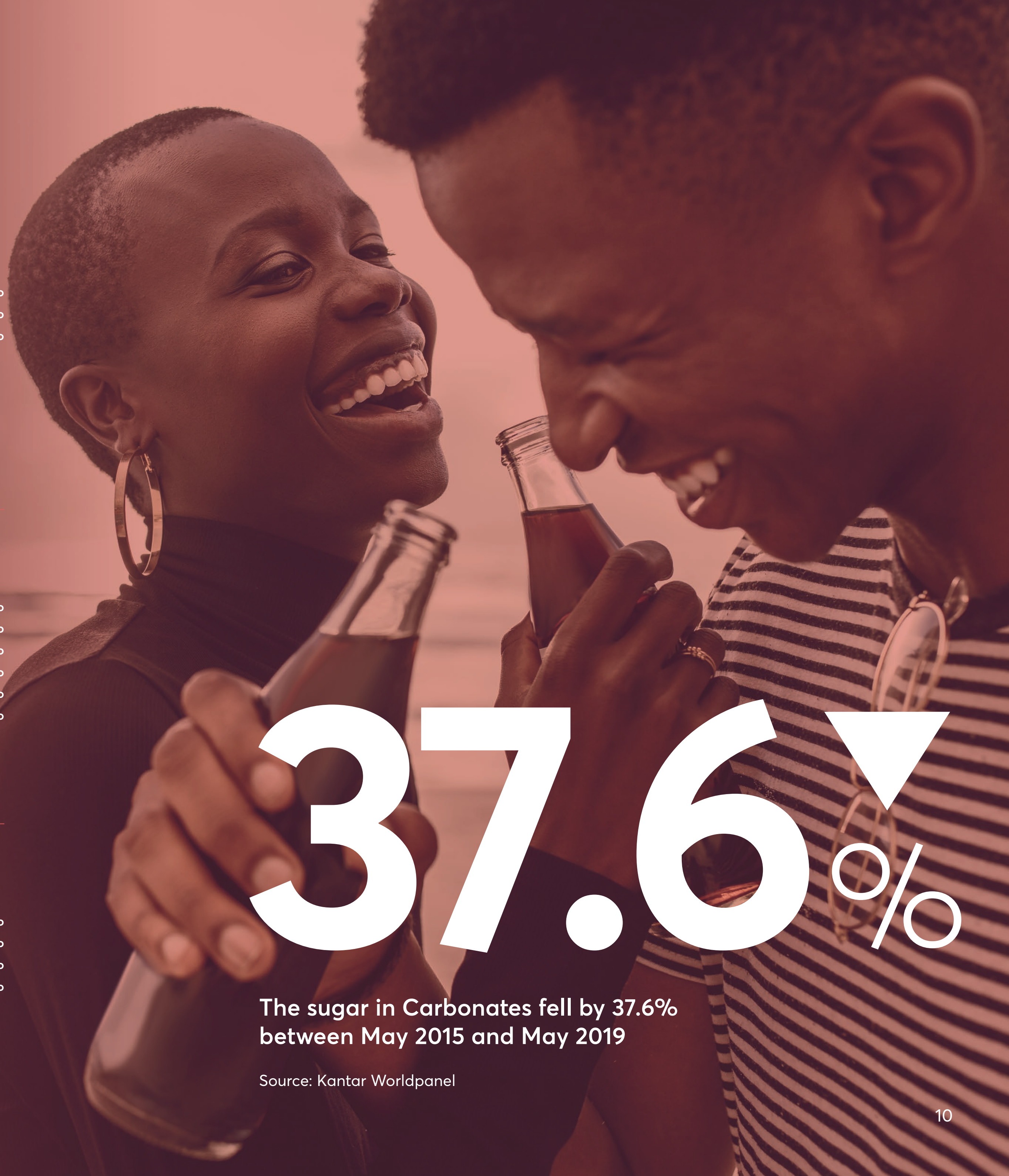
1	Low- & No-Calorie	54.5%
2	Regular	37.5%
3	Mid-Calorie	8%

Flavour split

1	Cola	55.8%
2	Others	19.8%
3	Clear Lemonade	8.2%
4	Orange	6.6%
5	Tonic, Mixers & Bitters	5.4%
6	Lemon-Lime	4.2%

Packaging split

1	PET/Plastic	57.4%
2	Metal	27.2%
2	Dispense	10.9%
3	Glass	4.5%



The sugar in Carbonates fell by 37.6% between May 2015 and May 2019

Source: Kantar Worldpanel

Dilutables

Squashes, cordials, powders and other concentrates for dilution to taste by consumers, expressed as ready to drink (RTD). Typically adding four parts water to one part product for single concentrates, nine parts water to one part product for double concentrates and varying amounts for super concentrates with 50-70ml making 5-7 litres RTD.

2018 statistics

Volume M Litres 2,947	YOY Growth (%) 6.4
Litres Per Capita 44.3	Value M GBP 859
Value YOY Growth (%) 15.9	Value Per Capita (£) 12.9
Share of Total Soft Drinks (%) 21.0	

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	3,173	3,041	2,882	2,827	2,768	2,947
YOY Growth (%)	-0.7	-4.2	-5.2	-1.9	-2.1	6.4
Litres Per Capita	49.5	47.1	44.3	43.1	41.9	44.3
Value M GBP	851	881	757	768	741	859
Value YOY Growth (%)	3.5	3.4	-14.0	1.4	-3.5	15.9
Value Per Capita (£)	13.3	13.6	11.6	11.7	11.2	12.9
Share of Total Soft Drinks (%)	23.5	22.7	21.5	20.8	20.4	21.0

Source: Global Data

Dilutables 2018

Calorie split

1	Low- & No-Calorie	88.3%
2	Mid-Calorie	6.7%
3	Regular	5.0%

Flavour split

1	Orange	33.8%
2	Flavour Mixes	31.0%
3	Apple	14.7%
4	Others	13.9%
5	Berries	6.6%

Packaging split

1	PET/Plastic	95.7%
2	Glass/Others	4.3%

54.6% ▼

The sugar in Dilutables decreased by 54.6% between May 2015 and May 2019

Source: Kantar Worldpanel

Fruit Juice

100% fruit content equivalent, sometimes referred to as pure juice or 100% juice. Chilled juice comprises four main types: freshly squeezed juice; not from concentrate juice; chilled from concentrate (which can be from concentrate or part from concentrate); and smoothies. Ambient or long-life juices are mainly from concentrate.

2018 statistics

Statistic	2018
Volume M Litres	929
YOY Growth (%)	0.2
Litres Per Capita	14.0
Value M GBP	1,787
Value YOY Growth (%)	-0.8
Value Per Capita (£)	26.9
Share of Total Soft Drinks (%)	6.6

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	1,095	1,012	960	940	927	929
YOY Growth (%)	-5.6	-7.6	-5.1	-2.0	-1.5	0.2
Litres Per Capita	17.1	15.7	14.7	14.3	14.0	14.0
Value M GBP	1,972	1,929	1,800	1,823	1,801	1,787
Value YOY Growth (%)	1.6	-2.2	-6.7	1.3	-1.2	-0.8
Value Per Capita (£)	30.8	29.9	27.6	27.8	27.3	26.9
Share of Total Soft Drinks (%)	8.1	7.5	7.2	6.9	6.8	6.6

Source: Global Data

Fruit Juice 2018

FC/NFC split

1	From Concentrate	60.8%
2	Not From Concentrate	39.2%

Flavour split

1	Orange	62.4%
2	Others	16.2%
3	Apple	13.7%
4	Pineapple	4.0%
5	Berries	3.7%

Packaging split

1	Carton	66.9%
2	PET/Plastic	31.5%
3	Glass/Others	1.6%

0.2% ▲

Fruit Juice saw volume sales grow by 0.2% in 2018

Source: Global Data

Sports & Energy Drinks

Carbonated Sports Drinks

Drinks that enhance physical performance before, during or after physical/sporting activity. Sports drinks replace fluids and electrolytes/minerals lost by sweating and supply a boost of carbohydrate: isotonic (fluid, electrolytes and 6-8% carbohydrate), hypotonic (fluids, electrolytes and a low level of carbohydrate) and hypertonic (a high level of carbohydrate).

Energy Drinks

Traditional glucose-based energy drinks: functional or stimulation energy drinks which claim a particular energy boost from caffeine, guarana, taurine and ginseng or other herbs or some combination of these ingredients.

2018 statistics

Volume M Litres	YOY Growth (%)
844	5.2
Litres Per Capita	**Value M GBP**
12.7	2,442
Value YOY Growth (%)	**Value Per Capita (£)**
7.2	36.7
Share of Total Soft Drinks (%)	
6.0	

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	740	772	794	802	802	844
YOY Growth (%)	4.1	4.3	2.8	1.0	0.1	5.2
Litres Per Capita	11.5	12.0	12.2	12.2	12.2	12.7
Value M GBP	2,046	2,176	2,223	2,252	2,278	2,442
Value YOY Growth (%)	5.8	6.4	2.2	1.3	1.2	7.2
Value Per Capita (£)	31.9	33.7	34.1	34.3	34.5	36.7
Share of Total Soft Drinks (%)	5.5	5.8	5.9	5.9	5.9	6.0

Source: Global Data

Sports & Energy Drinks 2018

Sports/Energy split

1	Energy Drinks	83.4%
2	Sports Drinks	16.6%

Calorie split

1	Regular	62.0%
2	Mid-Calorie	21.9%
3	Low- & No-Calorie	16.1%

Packaging split

1	Metal	52.9%
2	PET/Plastic/Glass	47.1%

5.2%

Energy Drinks achieved a volume sales growth of 5.2% in 2018

Source: Global Data

Still & Juice Drinks

High fruit juice (25-99% fruit content); juice drinks including juicy water (5-30% fruit content) and other still drinks (0-5%) including iced tea, still flavoured water and non-fruit drinks.

2018 statistics

Volume M Litres 1,042	YOY Growth (%) -1.6
Litres Per Capita 15.7	Value M GBP 1,676
Value YOY Growth (%) 3.4	Value Per Capita (£) 25.2
Share of Total Soft Drinks (%) 7.4	

Six-year comparison

	2013	2014	2015	2016	2017	2018
Volume M Litres	1,049	1,087	1,100	1,114	1,059	1,042
YOY Growth (%)	5.0	3.6	1.2	1.3	-4.9	-1.6
Litres Per Capita	16.4	16.8	16.9	17.0	16.0	15.7
Value M GBP	1,612	1,678	1,642	1,671	1,621	1,676
Value YOY Growth (%)	5.4	4.1	-2.2	1.8	-3.0	3.4
Value Per Capita (£)	25.2	26.0	25.2	25.5	24.5	25.2
Share of Total Soft Drinks (%)	7.8	8.1	8.2	8.2	7.8	7.4

Source: Global Data

Still & Juice Drinks 2018

Calorie split

1	Low- & No-Calorie	51.3%
2	Regular	31.6%
3	Mid-Calorie	17.1%

Category split

1	Still Drinks	47.9%
2	Flavoured Waters	30.9%
3	High Fruit Juice (Nectars)	14.3%
4	Juicy Waters	6.9%

Packaging split

1	PET/Plastic	69.6%
2	Carton	18.2%
3	Foil Pouch	7.1%
4	Glass/Metal	5.1%

54.0% ▼

The sugar in Still & Juice Drinks fell by 54.0% between May 2015 and May 2019

Source: Kantar Worldpanel

Member Initiatives

PepsiCo

PepsiCo has supported the launch of the 'Keep it, Bin it' anti-litter partnership between Defra and Keep Britain Tidy.

The campaign uses shocking images to call time on the millions of pieces of litter dropped each day across England.

Launched by Environment Secretary Michael Gove and Keep Britain Tidy, Keep it, Bin it features poignant images of wildlife eating and getting tangled in litter, contrasted against typical excuses people give for dropping litter.

The aim is to make littering culturally unacceptable within a generation. To support the campaign, PepsiCo has donated advertising space in cinemas nationwide. The advertisements seek to encourage young people to put their litter in a bin or keep hold of it until they see one.

In addition to cinemas, the campaign has been on display in train stations nationwide, including commuter hubs such as London Euston, Manchester Piccadilly and Birmingham New Street, across partners' social media channels and at till-points in Gregg's stores.

Member Initiatives

Lucozade Ribena Suntory

Lucozade Ribena Suntory (LRS) has joined forces with 'sport for development charity' Active Communities Network to launch B Active and bring to life a shared ambition of inspiring young people through sport.

The sports programme, backed by the LRS Movement Fund, is geared towards improving the lives and prospects of thousands of young people aged between 16 and 24 by providing regular access to sport and education.

Those engaged with the programme have had the opportunity to enjoy sessions in a range of physical activities including football, basketball, fitness and netball. The sessions run five days a week, 50 weeks of the year across areas of Britain where levels of social and economic deprivation are high.

As well as offering the physical benefits of sport and physical exercise, B Active is giving young people the opportunity to broaden their horizons through a range of vocational courses. It has so far awarded accreditation to more than 1,000 young adults, a third of whom have gone on to secure employment through the programme.

Ensuring B Active leaves a lasting legacy on UK communities, LRS has also invested in a three-year academic study to closely examine behavioural change over this period. The findings will be used to inform government policy and demonstrate the value of sport for development programmes.

British Soft Drinks Association
20-22 Bedford Row
London
WC1R 4EB

Telephone +44 (0) 20 7405 0300
Email bsda@britishsoftdrinks.com
Website www.britishsoftdrinks.com
Twitter @BritSoftDrinks