



30 March 2010

TAKE-HOME SOFT DRINKS GROW 2% TO £6.2 BILLION IN RECESSION

A challenging year as shoppers make their pounds stretch further...

Sales of soft drinks in the UK again proved resilient within the take-home channel against a tough economic backdrop, growing by 2% in value to £6.2bn and 1% in volume according to the 2010 Britvic Soft Drinks Report published today. The report demonstrates that there was a clear trend in 2009 of consumers switching out of the more expensive sub-categories including smoothies, pure juice and sport drinks and trading down to cola, juice drinks and squash, helping value-hungry consumer stretch spend further.

Growth from value-for-money sub-categories

For the second year running cola (worth £1,354m) increased its leadership by growing 4% in value and increasing its share of the market to 22%. A notable performance came from low calorie cola and in particular Pepsi Max, which grew by 9%. Up 7% in volume and value, glucose and stimulant drinks (worth £567m) retained its title as the fastest growing sub-category, while water plus, juice drinks and fruit carbonates returned to growth after declining in 2008. Squash and non-fruit carbonates also performed strongly and water delivered a flat year, which is a marked improvement on the 2009 performance. Smoothies were yet again the hardest hit, with a double digit drop of 27% in value and volume as consumers continued to switch into more budget-friendly sub-categories.

Murray Harris, Sales Director at Britvic, commented: "Despite the economy casting a cloud over consumer confidence, it is clear from the report that soft drinks tap into consumers' evolving shopping behaviour by offering choice and affordable options. The wide-range of sub-categories means there is something for even the tightest of budgets."

Value overtakes loyalty

Research commissioned for the report showed that big trolley shops in out of town outlets accounted for 52% of grocery sales, while 20% of British households bought groceries online. Consumers were also prepared to shop around and change their buying habits to get the best value from their grocery shop. This impacted upon shopper loyalty to both brand and retailers and resulted in an increase in promotions. Within soft drinks alone promotions on later consumption formats increased by 3% to 49%. Supermarkets won this battle, discounters' growth slowed and sales of soft drinks in impulse

outlets declined in value by 3%, however convenience stores of over 280 sq m enjoyed a 2% increase in sales.

Pepsi overtakes Tropicana as fourth biggest brand

Coca-Cola, Lucozade and Robinsons retained their places as the top three brands by value in take-home, with Robinsons closing the gap on second place. Tropicana's 6% value decline meant that the fastest growing cola brand of 2009, Pepsi edged forward and snatched fourth place. CCE, Britvic and GSK accounted for almost 50% of the market with the No.1 performance coming from Britvic, which grew by 6% in 2009 equating to £66m of category growth.

TOP TEN BRANDS

Value		%change
1. Coca-Cola	£1,018m	+4
2. Lucozade	£339m	-3
3. Robinsons	£307m	+2
4. Pepsi-Cola	£271m	+4
5. Tropicana	£270m	-6
6. Red Bull energy	£92m	0
7. Ribena	£75m	-3
8. Schweppes	£68m	+4
9. Actimel	£68m	+7
10. Volvic	£54m	-7

"For the second year in a row, the soft drinks category has proven that the secret to resilience is providing good old fashioned value for money, but not ignoring the fact enjoyment is still a huge motivational factor. The big question now is that as the economy improves will consumers return to their pre-recession spending habits or is the budget mindset here to stay?" concludes Murray Harris.

- Ends -

To view the online version of the report & to download charts or a full pdf please go to

www.softdrinksreport.com

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