



# Soft drinks soar in summer

Experience shows the hotter it gets, the more soft drinks are sold in the convenience store sector. Mike Dennis looks at the summer sales opportunity

**R**etailers who get their ranging right on energy drinks and colas should literally be halfway to making a success of their soft drinks fixtures.

The summer soft drinks season is well under way and it is vital that independent retailers get it right because this is the time of year when convenience

**£2.bn**  
value of soft  
drinks in impulse  
sector

stores can really score over the major multiples as hot weather drives impulse purchases. Where better to get a cold drink than from the nearest convenience store or newsagents?

Simon Harrison, wholesale director at Coca-Cola Enterprises (CCE), says: "With many people looking for a drink they can have right away, retailers should look to keep their chillers well stocked with a wide range of soft drinks. A choice of formats and variants, as well as a selection of lower- or zero-sugar options, will give consumers the variety they want.

"Summer is a time when brands invest

in their products and introduce new or special edition variants. It's wise to keep a lookout for this kind of activity, as it can lead to more interest from the consumer," he says. "Prominent displays of bestsellers or special offers in prominent locations, such as the front of the store or by the tills, can also help to maximise sales."

## Top categories

The Britvic Soft Drinks Review, using Nielsen data to the end of 2014, shows energy drinks comprising 25.6% of impulse channel sales, just ahead of colas on 23.5% – making up almost half the value sales of soft drinks in convenience stores. The top five categories of energy drinks – colas, fruit carbonates, bottled waters and juice drinks – account for more than three-quarters (77.9%) of value sales in the convenience sector.

Georgina Thomas, category director at Lucozade Ribena Suntory, says: "Sports and energy drinks remain a significant part of the market and should play a

## KEYPOINTS

- Independents can grow impulse purchases during the summer with chilled soft drinks
- Bottled water is in double-digit growth
- Consumers are increasingly looking for more exotic flavours
- Linking soft drinks with snacks and confectionery grows sales
- Energy drinks now comprise the biggest soft drinks category in the impulse channel





key role in driving value into the soft drinks category. In particular, shoppers aged under 34 years represent 41.9% of on-the-go sports drinks' purchases and they are spending more versus a year ago."

The soft drinks market in the convenience sector entered 2015 in pretty good health, with annual sales of £2.1bn and growing by 2.8% in 2014. However, there are signs the market has slowed somewhat in the first few months of this year, although it is in the summer when local shops can really cash in on the sale of soft drinks.



**Under attack**

Value sales of colas (up 0.4% in 2014) are fairly steady, but the big growth segments are bottled water (up 10.4%), the so-called 'water-plus' drinks (up 10.9%), juice drinks (up 7.9%), smoothies (up 11.5%) and iced teas and coffees (up 31.1%). Fruit carbonates (down 1.5%) comprise the third-biggest category and sectors in decline include sports drinks (down 2.8%), pure juices (down 6.9%), non-fruit carbonates (down 1.8%) and lemonade (down 1.4%).

The market has come under attack from the health lobby over the last year or so with even demands for a "sugar tax" on soft drinks and a ban on the sale of energy drinks to children.

It seems unlikely this pressure on the industry will go away over the next few years, although the British Soft Drinks Association has defended its corner by pointing out that sugar levels in soft drinks have fallen by more than 8% over the last three years. The association says its code of practice says suppliers should not promote energy drinks to children aged under 16 years.



**25.6%**  
value share of energy drinks

“ Sports and energy drinks remain a significant part of the market and should play a key role in driving value into the soft drinks category

Georgina Thomas, category director, Lucozade Ribena Suntory

The big soft drinks companies are also doing their bit to combat the criticism. Coca-Cola Great Britain, for instance, has said it will adopt the government's front-of-pack nutrition labelling scheme across all its brands in the UK. Coca-Cola Life, with one-third less sugar and one-third fewer calories than standard colas, was launched last September to appeal to consumers looking for a cola sweetened from natural sources, in this case stevia leaf extract.

**Key trends**

AG Barr, which includes Irn-Bru, Rubicon and the Rockstar energy drink in its portfolio, says retailers should focus on the key consumer trends, including value and convenience.

Adrian Troy, head of marketing at AG Barr, says: "Shoppers are still looking to spend less, but they are reluctant to compromise on taste. Stocking a good quality range of price-marked packs is a great way to deliver both."

The impulse sector is not all about single cans, as shoppers are looking for more convenient pack formats. Troy says four-pack cans are now growing by 65% in the convenience sector.

Vimto Soft Drinks advises retailers to ensure they stock the big-selling brands, but they should also be aware of the latest

trends in the market. "A key trend for 2015 is exotic flavours, with the UK drinks market continuing to experience tremendous growth for these drinks, which have developed into a category in their own right," says Emma Hunt, Vimto's UK marketing controller.

"A range of formats is also key. Retailers need to make sure they stock enough ready-to-drinks in the fridge for thirsty customers looking for refreshment 'on-the-go' as well as large packs, like two-litre carbonates and big squash bottles, for people grabbing drinks for an impromptu barbecue or picnic.

"Small pack formats designed for kids are also good options to stock, with healthier, no-added sugar products, like 250ml Vimto Minis and Panda juice drinks and waters, options that mums would feel happy to pick up for their children," she says.

**At-home entertaining**

Nigel Paine, commercial director for out-of-home at Britvic, says independents should take advantage of demand for at-home entertaining, such as a 'big night in', by creating displays for snacks, soft drinks and "sweet treats".

Research, he says, shows 67% of snacks and soft drinks are consumed at the same time, but





**£488.6m**  
value of colas  
in convenience  
market

only 13% are sold together in-store. However, a Britvic trial using retail EPoS data revealed that linking soft drinks and bagged snacks increased sales by up to 16% for on-the-go soft drinks and 34% for two-litre bottles of Pepsi.

To make the most of this opportunity, says Paine, retailers should position snacks next to a chiller or on displays that bring the categories together for the shopper.

At-home entertaining has "provided a big opportunity for convenience retailers to meet the demand for drinks and snacks that go hand-in-hand with these

sorts of social occasions," says Amanda Grabham, marketing director for soft drinks at SHS Drinks.

"While alcohol may top the list of purchases for consumers on an 'entertaining at home' shopping mission in convenience stores, a rather sizeable 21% of shoppers purchasing for these occasions are buying soft drinks. To put this into context, that's only 4% fewer than those purchasing beer and lager," she adds.

Harrison at Coca-Cola Enterprises says: "At this time of year, people also enjoy spur-of-the-moment social gatherings like barbecues or picnics, as well as watching high-profile sporting events, including cricket and tennis, plus the Rugby World Cup. Retailers can make the most of this opportunity by making space in the chiller for multi-packs of cans, or large bottles (such as Coca-Cola's 1.75-litre PET bottle), encouraging people to make last-minute purchases they can share with friends or family straight away."

### Starting point

Grabham says: "Whatever the size of the store, in terms of soft drinks range the principles are the same and the main consideration should be to ensure that each sector in the soft drinks category is represented - fruit juice, cola, fruit



carbonates, still and juice drinks, energy drinks, sports drinks, water and last, but by no means least, adult soft drinks, which shouldn't be overlooked.

"The difference between a larger and smaller convenience store will be in the actual number of SKUs stocked in each sector," she says. "The brand leader in each sector is a 'must-stock' in all stores as the starting point and then the number of lines in each sector should be expanded to offer as much choice and variety of flavours as can be accommodated on the soft drinks fixture and in the chiller."

Small stores, in particular, should avoid any duplication, so they are still able to offer a good selection of styles and flavours. Grabham also advises retailers to refresh the range regularly by introducing new lines and limited editions to keep consumers interested. ▣



### Soft drinks in the impulse channel

	Value	% share	% change
Energy drinks	£532.8m	25.6%	3.9%
Colas	£488.6m	23.5%	0.4%
Fruit carbonates	£202.7m	9.7%	-1.5%
Bottled waters	£201.8m	9.7%	10.4%
Juice drinks	£196.7m	9.4%	7.9%
Sports drinks	£86.9m	4.2%	-2.8%
Pure juices	£72.3m	3.5%	-6.9%
Water-plus drinks	£65.5m	3.1%	10.9%
Dairy drinks	£62.5m	3%	1.7%
Non-fruit carbonates	£57.5m	2.8%	-1.8%
Squashes	£39.8m	1.9%	-2.8%
Lemonade	£29.1m	1.4%	-1.4%
Iced teas and coffees	£18.2m	0.9%	31.1%
Smoothies	£15.6m	0.7%	11.5%
Traditional mixers	£13.8m	0.7%	1.2%
<b>Total soft drinks</b>	<b>£2.1bn</b>		<b>2.8%</b>

Source: Britvic Soft Drinks Review/Nielsen data to 27 December 2014



“ Shoppers are still looking to spend less, but they are reluctant to compromise on taste

Adrian Troy, head of marketing, AG Barr

## IN FOCUS Soft drinks

Retailers also need to do everything they can to encourage impulse purchases, says Thomas at Lucozade Ribena Suntory. "Interrupting the shopper journey is a fundamental way to encourage additional sales. With 17% of shoppers buying a product on impulse, there is a wealth of opportunity to drive sales by ensuring the soft drinks fixture is as appealing as possible, such as through the use of POS and well-signposted segments, such as low-sugar."

She says 65% of shoppers claimed to have bought something from a secondary location on their last store visit, "demonstrating the opportunity available to retailers from stocking soft drinks in alternative locations to the soft drinks fixture".

### Summer sales

"A wide range of chilled best-selling soft drinks can help retailers unlock vital summer sales," says Thomas. "As temperatures rise in the summer months, retailers must be prepared for an increase in demand for chilled soft drinks, including carbonated soft drinks. Rising temperatures present an excellent incremental sales opportunity for retailers."

Nielsen research shows for every degree the temperature rises above 14°C, there is a 2% to 5% increase in sales, which varies by segment. "Once the temperature reaches 20°C retailers can expect to see a

strong sales uplift across all key categories," she says.

Incremental sales can be expected across the top five sectors, with bottled waters up 34%, carbonates up 22%, juices up 20%, sports and energy drinks up 18%, and colas up 15%. "We advise retailers to maintain chilled availability on key segments and brands," she says.

### Price-marked packs

Price-marked packs (PMPs) are growing in importance in soft drinks as they "clearly indicate value for shoppers and represent an important profit opportunity for retailers," says Troy at AG Barr.

"Over 50% of soft drinks growth is being driven by PMPs, with the biggest growth coming from carbonates (at 60%)," says Troy. "Ninety-eight percent of consumers would buy a soft drink in a PMP from a convenience store.

"With PMPs being used more frequently as manufacturers across all categories realise their importance, there is a need to continually innovate to maintain impact and continue to deliver great value to shoppers," he says.

AG Barr claims it is taking PMPs to another stage by incorporating an additional multi-buy element. "This benefits retailers as it encourages



additional purchases, while still delivering profit, and consumers feel like they are getting even better value," says Troy.

This idea was initially trialled on Rubicon one-litre cartons, which were offered with a "£1.29 for two" on a £2 PMP. "This additional multi-buy element has proved so successful that it is now

used on Irn-Bru and Barr flavours and is being repeated on Rubicon and also rolled out on Sun Exotic and KA one-litre cartons.

"This trial clearly demonstrates that price-marking is a winning strategy for retailers," says Troy. "It drives footfall and rate-of-sale, builds shopper loyalty and, when managed correctly, is a proven way to drive incremental category growth."

### Energy growth

Energy drinks are now the most important soft drinks category for the independent trade, which outsells the major multiples because of the impulse nature of the drinks. C-store sector sales were worth £532.8m last year (up 3.9%), compared with £435.4m (up 5.6%) in grocery multiples, according to Nielsen data.

Market leader Red Bull estimates there is an additional £605m to be gained in extra sales in the sports and energy categories over the next three to five years, having already delivered 40% of soft drinks growth over the last three years. This growth has come, says Red



Bull, despite the decline in sales of sports drinks.

Red Bull believes energy and functional drinks will grow by 24% over the next five years, making it "one of the key growth sectors in soft drinks".

Rich Fisher, category development manager for the off-trade at Red Bull, says: "By listening to the needs of our consumers, we have identified three key barriers to purchase, including health, flavour and price, but also the key areas we need to work on as a category to deliver this anticipated expansion."

He says sports and energy drinks remains one of the most impulsively purchased categories in the convenience market, just behind crisps and snacks and confectionery. Key sales drivers for retailers include increasing availability and maximising visibility in-store.

### Consumer activities

Red Bull says educating shoppers about the benefits of "positive energy" by linking energy drinks to occasions such as studying, driving and working will help to grow the category. Brand owners also need to inform consumers about the benefits associated with the drinks, as well as overcoming health concerns related to the products.

It is up to the big brands, such as Red Bull and Lucozade, to bring the excitement generated by their consumer activities – such as Red Bull's Global Air Race Championships – into stores, says Fisher.



The on-the-go energy drinks consumer is a key driver for the market, so getting chilled availability is vital for c-stores, especially as consumers are shopping more often in the impulse channel. Fisher says the 'drink-at-home' occasion is about making the most of multi-pack sales, in which energy drinks tend to under-trade.

The "last hurdle" to overcome to generate sales growth is ensuring the range is sold at the right price and promoted to drive incremental sales and merchandised correctly.

### Flavour development

According to Troy at AG Barr, the key trend in energy drinks is the development of flavours. In the 500ml 'big can' format, he says, flavours are growing by 33% year on year, with seven of the top 10 fastest-selling variants being from the Rockstar range. For instance, he says, last year's launch of Rockstar SuperSours has already delivered sales of more than £12m.

CCE says its two energy drink brands, Relentless and Monster, are benefiting from continued innovation in flavours and styles.

Relentless is said to have grown by 13.6% in the independent sector last year and Monster Energy was up by 9.1%.

"Innovation has been one of the pillars of the brand's [Relentless] success and the introduction of Relentless Mango Ultra in February caters not only to the demand for tropical



flavours during summer, but also for the ongoing popularity of sugar-free variants," says Harrison.


CCE has this year extended the Monster brand with the introduction of Mega Monster, in a larger 550ml can with a re-sealable cap, following research that showed 75% of people liked the idea of a re-sealable can.

Research by Mintel suggests most energy and sports drinks are being consumed at home. Lisa Marraffa, marketing director at iPro Sport, says there is now an opportunity to position an ambient offering near the counter to encourage impulse take-home purchases.

"Even in the summer months, a secondary ambient display should be considered in addition to chilled offerings, if space allows," she says.

Marraffa says: "Many pro-active retailers are now placing sports and energy drinks at eye level within the chillers, as they recognise they have become one of the most popular sectors of the soft drinks category. Retailers should ensure the category is clearly signposted, and for extra sales they should create off-shelf presence with clear messaging that highlights the USPs [unique selling points] of the products on offer."

### Biggest category

Colas remain the biggest soft drinks category across the total grocery market, with Coca-Cola the biggest brand by some distance. Coca-Cola Enterprises has this year embarked on a "one-brand strategy" to promote the different variants: Coca-Cola, Diet Coke, 



Coca-Cola Zero and Coca-Cola Life. "What this means for retailers is that we've introduced new pack designs that will emphasise the benefits of each Coca-Cola product, making the choice easier and simpler for consumers," says Harrison.

Bottled waters and flavoured and functional waters are among the fastest-growing sectors of the soft drinks market, with both categories in double-digit growth in the impulse channel.

Research by the Zenith International specialist consultancy shows the bottled water market is now 40 times bigger than it was 30 years ago, with consumption now at 40 litres per head per year.

The growing consumer demand for healthier drinks, as well as the bad publicity over the high sugar content of many soft drinks, is helping fuel the growth of bottled waters.

"It is really encouraging to see another year of growth in the bottled water category and more evidence that people are choosing to drink water," says Kinvara Carey, general manager at the Natural Hydration Council.

"Naturally sourced still and sparkling waters have zero calories or sugar and are one of the healthiest ways to hydrate," she says. "We believe this shift is making a positive impact on the nation's health."

### Smaller formats

Zenith International says still water accounts for 83% of sales, with sparkling water on 17%. The leading bottled water brands, says the consultancy, are Evian, Highland Spring, Buxton, Volvic and Nestlé Pure Life, with Volvic Touch of Fruit, Calypso Clear and Drench Juicy the leading 'water-plus' brands.

James Cain, managing director at Harrogate Water Brands, which owns the Harrogate Spring Water and Thirsty

**50%**

of soft drinks sales are driven by price-marked packs

**£532.8m**  
value of energy drinks in c-store sector

### HOW TO SELL MORE BOTTLED WATER

- Still and sparkling waters should be separated out and different pack sizes should be displayed to cater for different occasions.
- Buying British waters remain important for many consumers; retailers should ensure enough space is dedicated to recognised home-grown brands.
- Ensure enough space is allocated to best-selling brands to guarantee sufficient availability.
- Use the big brands to "define and enhance" the overall bottled water presentation.
- Give more space to growing segments and provide different price-points to attract shoppers.
- Use signage to help shoppers navigate the fixture.

Source: Harrogate Water Brands

Planet brands, says the 500ml PET bottle is the company's biggest selling SKU, but there is also growth in the 750ml and 1.5-litre formats. He says there is also growing demand for its 330ml bottle for people wanting to drink water on-the-go.

"Many people keep bottled water on their desks to encourage and measure their consumption during the day," he says. "It's important for retailers to reserve space in the chiller to reflect the growing demand for bottled water on-the-go. Smaller formats sell well in the lunch chillers, as people want to hydrate through the day and want the choice of healthier options."

### Growing understanding

Plain and flavoured waters are the fastest-growing sectors of the soft drinks market in the impulse channel as, says Cain, people have made a "substantial change in attitudes towards purchasing healthier sugar-free soft drinks."

"It's important for retailers to be able to offer a variety of formats to suit different occasions - from on-the-go packs for kids and adults to large take-home packs for families and to sports-cap packs for active consumers," he says.

Zenith International predicts the UK bottled market will grow by one-third (32%) by 2019. Cain at Harrogate Water Brands says: "Consumers are showing a growing understanding of the health benefits of staying hydrated and this



will only develop further. Naturally sourced bottled water will continue to take shelf space from energy drinks and sugary, fizzy soft drinks."

The UK still trails the rest of Europe when it comes to consumption of bottled water, but many more people now see water as an "essential component of their diets and a lifestyle choice".

The launch of Coca-Cola's Glacéau Smartwater, says Cain, shows a "strong response" by the major soft drinks companies to the potential of the bottled water market.

"Over the next 12 months, we'll begin to see more marketing and advertising spend from some of the biggest brands to safeguard their position in the industry and ensure their messaging remains relevant to consumers," says Cain. "Water brands will have to demonstrate a commitment to quality and purity, as well as innovative approaches to packaging and branding to stay ahead."

### Brand provenance

He says own-label has a part to play in the bottled water category, but more consumers are interested in the provenance of the leading brands. "Premium waters are becoming more popular as consumers become more focused on quality and aesthetics. Some brands are now offering a contemporary take on naturally sourced bottled

“ Consumers are showing a growing understanding of the health benefits of staying hydrated and this will only develop further

James Cain, managing director, Harrogate Water Brands

**BRANDNEWS**

**Shloer success**

SHS Drinks has introduced "Eid-specific" activity in wholesalers for its Shloer adult soft drinks brand, highlighting that it is a "time that is spent with family and friends".

Tailor-made promotions are running across Shloer in selected cash and carry depots and with wholesalers during 2015, along with "one-day-only" promotional deals at cash and carry trade shows during the summer.

"Shloer is particularly popular with mums-to-be and enjoys a high profile with this audience through partnerships and initiatives with baby and parenting social media sites and retailers," says Amanda Grabham, marketing director for soft drinks. "It is also a popular choice among the Asian community, where it is often served at wedding celebrations and family occasions."

SHS Drinks is also introducing a number of initiatives for Shloer this year as part of its "Say it with Shloer" campaign to emphasise the brand's association with gifting and social occasions.

For example, consumers will be given the chance via social media to win bottles of Shloer Red, White or Rosé or Shloer Celebration in gift bags on key social occasions right up to Christmas.

☎ 01452 378500



**Canned launch**

Qcumber, the cucumber-flavoured soft drink that was originally launched in 330ml and 750ml glass bottles, is now available in 250ml cans to make the brand "more relevant to the convenience shopper".

It is not being marketed as a flavoured water and brand creator Graham Carr-Smith at Essential Health Products says Qcumber can be used as a mixer for spirits and should be merchandised on the main soft drinks fixture.

"Our customer support is aimed at making this a successful first summer for the 250ml can," he says. Qcumber is available in 12x250ml shrink-wrap trays, with individual cans having a £1.35 recommended retail price.

POS, which emphasises that Qcumber is a blend of natural cucumber essence and sparkling spring water, is available for retailers. The drink contains no artificial sweeteners, colours, preservatives or flavourings.

➔ [www.q-cumber.co.uk](http://www.q-cumber.co.uk)



The brand is being handled in the UK by Refresco Gerber and talks are said to be ongoing with Spar wholesaler AF Blakemore for potential listings later this year.

The drink is available in three variants: Coconut & Lime, Citrus & Zest and Cranberry & Apple. Each 440ml bottle contains fewer than 60 calories. Pow has a recommended retail price of £1.49.

Brand founder Ed Woolner says: "Existing energy drinks are still high in sugar and artificial ingredients, so I wanted to create a product to fill the gap for a healthier energy drink that is cool, credible and made from natural ingredients."

"We talked to a lot of young adults while researching the Pow concept and there is a clear gap in the market for a natural alternative to existing energy drinks."

➔ [www.powerfulwater.co.uk](http://www.powerfulwater.co.uk)



**Water goes Pow**

Pow, claimed to be the first low-calorie and low-sugar sparkling energy water, is being launched into the convenience trade by the Powerful Water Company.



water, appealing to consumers who value design just as highly as taste and quality," he says.

What is being marketed as the "water-plus" category, which includes flavoured waters and waters with added vitamins and minerals, is also in double-digit growth in the impulse trade.

Maurice Newton, sales and marketing director at CBL Drinks, says: "This trend looks set to continue, with huge retailer

focus on enhanced waters both in the traditional flavoured water and the enhanced water market looking likely."

Consumption per head of flavoured water is growing year on year and the forecast is for 10% growth annually for the next two years, according to Zenith International.

"Retailers should look to develop the category so they are offering a wide range of brands at the right price-points," says Newton. "Functional waters have also experienced impressive growth, with consumers actively seeking out brands that offer added functional benefits to supplement their busy lifestyles.

"As a result," he says, "products such as Bio-Synergy's Skinny Water have started to gain huge interest from national retailers and independents alike. Skinny Water utilises ingredients such

as Chromium and Raspberry Ketone, minerals with approved claims relating to weight management."

**Price premium**

Impulse stores should also stock at least one branded flavoured spring water, says Newton, in order to appeal to the growing number of consumers seeking a "more interesting water solution".

"The flavoured water sector is one of the fastest-growing sectors in the soft drinks market and one that can command a price premium, delivering greater value for retailers," he says. "A range of five or six 500ml flavours should be chosen, with a minimum of two sparkling options."

It has taken a while, but the adult soft drinks sector is finally establishing itself in the convenience sector, with Nielsen data showing volume sales up by 20% ☑

## BRANDNEWS

### Holiday prize

AG Barr is backing its Irn-Bru carbonates brand this summer with its biggest-ever on-pack promotion, giving consumers the chance to win an "all-expenses-paid trip of a lifetime".

The "Bru-Planet" promotion is running through this month (July) and August, offering two consumers the opportunity to each win a personalised holiday, valued at £20,000, to anywhere in the world.

In addition, more than 15,000 Irn-Bru selfie sticks will be on offer, with AG Barr estimating one will be won every 10 minutes throughout the duration of the promotion.

Adrian Troy, head of marketing at AG Barr, says: "Irn-Bru on-pack promotions are proven to increase sales and we expect 'Bru-Planet' to drive shoppers to the fixture in the knowledge they could win a once-in-a-lifetime trip anywhere on the planet, with family or friends."

The promotion runs cross both Irn-Bru price-marked and plain packs, on regular and sugar-free versions and on single packs, 8x330ml cans and 500ml and two-litre bottles.

"Bru-Planet" is part of a £6m investment in the brand this year, which also includes national TV advertising, along with social media support and Irn-Bru's role as the Official Soft Drink Partner of the Football League.

☎ 01204 664295



### Perfectly new

CBL Drinks is marking the 20th anniversary of the Perfectly Clear soft drinks brand with the launch of a new range of premium sparkling flavoured waters.

The Clear Sensation range is available in a 500ml bottle and is being launched in four flavours: Lemon & Mint, Strawberry & Raspberry, Pomegranate & Blueberry and Apple & Pear.

The range is targeting the "ever-growing number of health-conscious consumers". Each variant is made with spring water, contains no sugar, uses natural flavours and is said to contain two-thirds of the daily guideline amount of key vitamins.

Maurice Newton, sales and marketing director at CBL Drinks, says the launch comes at a time when there is "little innovation" within the category and when 56% of consumers believe sparkling water is a good alternative to carbonated soft drinks.

➔ [www.perfectlyclear.com](http://www.perfectlyclear.com)



than 40,000 people to Cofton Park, Birmingham, in August.

Retailer support includes POS featuring a consumer competition to win tickets to the family music festival, with cash prizes for retailers with the best POS displays.

Vimto will be at the festival with branding and sampling activities to target its core teenage audience and their families.

The brand's "Seriously Mixed-Up Fruit" campaign is in full swing over the summer, with the "Vimtoad" character appearing on TV, video-on-demand and social media platforms.

☎ 01942 272800

### New packaging

New packaging is being introduced for Vita Coco Kids, the children's variant of Vita Coco 100% Natural Coconut Water, for its Apple & Blackcurrant and Mango & Pineapple flavours.

The packaging on the 180ml four-packs is said to "emphasise the product's all-natural, fresh-tasting and low-sugar content".

Chief executive Giles Brook says the packaging change comes in response to consumer demand for a "greater level of clarity and understanding of what their children should be drinking".

Vita Coco Kids has a recommended retail price of £2.99 for a four-pack.

➔ [www.vitacoco.com](http://www.vitacoco.com)



### Midlands burst

Vimto is launching promotional activity in 1,400 Spar Blakemore and Londis stores in the Midlands this month (July).

The activity is designed to help retailers benefit from the brand's sponsorship of the Fusion Festival, which is expected to attract more

and value sales increasing by 5% in the year to 23 May. The category now generates £7m in revenue for impulse retailers.

Amanda Grabham at SHS Drinks says sales of its Shloer brand have "just



24%

value share of  
cola drinks

started to plateau" in the convenience channel after two years of double-digit growth. "This is largely due to the relatively low distribution levels in impulse stores – only 28% of impulse retailers are stocking Shloer, despite it being the top-selling adult soft drink.

"Impulse retailers who are stocking the brand are reaping the benefits as they have seen Shloer rates of sale increase by almost a fifth (19%) during the year and we are confident sales will accelerate again during the summer months, which is a key sales period for Shloer."

### Healthier drinking

She says adult soft drinks are benefiting from the trend for healthier eating and drinking. "Around half of UK shoppers already buy adult soft drinks and

the number of purchasers is steadily increasing as more health-conscious consumers are drinking less alcohol.

"More than one-in-five adults (21%) don't drink alcohol at all, and in addition to this there are those who aren't drinking alcohol for religious or health reasons or on specific occasions, such as when they are driving or they are mums-to-be," says Grabham.

"Consumers are turning to adult soft drinks because they want flavours which are alternatives to wine and are more suited and attuned to the adult palate. That's why flavours such as grape, elderflower and pomegranate are so popular, and why you are seeing growth coming from exotic flavour combinations such as mango and coconut," says Grabham. ☑



## Levi Roots meets independent retailers

Levi Roots, famous for his Reggae Reggae Sauce that was backed on the BBC's *Dragons' Den* programme, has been out and about in independent stores in Birmingham promoting his soft drinks offering.

He joined the sales team, which visited hundreds of retailers across the Midlands as part of a van sales drive with special offers on the soft drinks range as the key summer sales period got under way.

The distribution drive included deals on Levi Roots' top-selling Caribbean Crunch 500ml bottle and the new Jamaican Sunset 500ml £1 price-marked pack, which are being supported by POS, including stickers, shelf



strips and signage and branded merchandise.

The Levi Roots brand of soft drinks was launched in 2011 and is now said to be worth £5m in retail sales.

Roots first met retailers at the East End Foods cash and carry depot in Birmingham and he even helped them load vans with soft drinks before

visiting six local stores, including Pak Supermarket in the Lozells area of the city.

Nadeem Ghafoor, whose family has run the store since 2001, says: "We chatted about how sales are doing in the supermarket and traded stories on our backgrounds and how we each started in business.

"It's really important to get my soft drinks stock right, especially for summer trading, and the Levi Roots range goes down well with my customers, especially because it offers a price-marked pack," says Ghafoor.

Roots says: "It's important for me to keep in touch with the trade and understand what they need from manufacturers to make sure their business remains profitable."

"These factors bode well for convenience retailers and all of the trends point to adult soft drinks playing a bigger role within convenience stores' soft drinks fixtures. We'd recommend retailers review their soft drinks range to ensure it includes adult soft drinks, with Shloer as a 'must-stock', to meet this emerging growth opportunity."

### Unusual flavours

Graham Carr-Smith, creator of the Qcumber cucumber-flavoured soft drink, believes flavours in soft drinks will become "more subtle over time". "The soft drinks category is experiencing ever-increasing consumer interest in new and unusual flavours," he says.



**67%**  
of soft drinks  
and snacks  
are consumed  
together

## Adult tastes have become sophisticated, wanting lighter refreshment options and flavours that are more premium

**Nigel Paine**, commercial director for out-of-home, Britvic

"People are constantly searching for something innovative and a little bit different."

Nigel Paine, commercial director for out-of-home at Britvic, says: "Adult tastes have become sophisticated, wanting lighter refreshment options and flavours that are more premium." He says the J2O Garden Rose variant, which is a blend of apple, raspberry and rose flavours, falls into this premium category.

### Increased demand

Consumers are looking for more exotic flavours as soft drinks begin to reflect the increased demand in the UK for world foods, according to Troy at AG Barr, which markets the Rubicon range of tropical drinks, with sales in this new category growing by 40% over the last two years.

"Flavours are important in the ethnic juices sector, highlighted by the fact that three out of four shoppers would like to see more choice in world cuisines," he says. Rubicon has a range of flavours, including Mango,

Passion, Guava, Lychee, Pomegranate, Watermelon, Guanabana and Papaya.

"Exotic flavours have seen a rapid growth in recent years as consumers seek new, authentic flavours," says Troy. "Mango-flavour drinks are now outselling apple-flavour drinks by 18%. Within juices, exotic flavours have grown the category by 17% in the last two years."

### Growth area

The Levi Roots soft drinks range is said to be worth £5m and is growing by 30%, helped by the recent addition of the watermelon and guava-flavoured Jamaican Sunset.



In a recent UK-wide survey carried out by the brand, more than one-third (36%) of consumers chose barbecues as their favourite smell of the summer. The poll revealed that, second only to alcohol, almost one-third like to sip sparkling drinks with their burger (29%) and 10% said their barbecue would be ruined without enough drinks to cater for everyone.

A big growth area over the last



**22%**

**increase in carbonate sales in hot weather**

year or two has been coconut water and there are now a few brands competing in the sector. Giles Brook, chief executive at Vita Coco Europe, says: "There has been a noticeable shift in consumer attitudes over the past year and continuing into 2015, with customers becoming ever more health-conscious, looking for drinks that are low in calories and sugar and from more natural sources.

"This is in part due to the negative sugar press, with the health lobby urging consumers to switch to healthier versions of sugary pop.

"This has resulted in a large volume switch within the soft drinks category as people move away from juice, juice drinks and smoothies and into sectors such as coconut water. Vita Coco, as a brand, has benefited hugely from this shift in consumer attitudes."

AG Barr recently entered the coconut



**SOFT DRINKS MERCHANDISING TIPS**

- Group sub-categories together to make it easier for shoppers to find what they are looking for and make soft drinks a part of "relevant occasions and events".
- Make the soft drinks fixture visible, as 49% of people do not see soft drinks when they are in a convenience store. It helps to have the main chiller in a high-traffic area, because 56% of shoppers buy soft drinks when they do see the fixture.
- Encourage shoppers to buy soft drinks with promotions and highlight these offers with POS.
- Serve it cold, because 85% of consumers say they want their soft drinks to be chilled, with 53% saying they would pay more for a soft drink if it was cold.
- Where possible, use additional chillers to drive impulse purchases.

Source: Britvic Soft Drinks

water sub-sector with a product trading under the Rubicon brand. "The UK's coconut water market has grown five-fold in the last 12 months," says Troy. "However, it is still very small, as many consumers are priced out of the market at present."

He claims Rubicon Coconut Water will "open up the coconut water market to all shoppers as it is the first authentic product available at an accessible price-point."

The variant is available in one-litre take-home packs and 330ml 'drink-now' impulse packs in both plain and price-marked versions and is being supported by a £2m campaign throughout the summer, including an outdoor media campaign and consumer sampling to drive trial and awareness.

Consumer interest in more unusual flavours is being seen across the soft drinks market, such as the Juiceburst juice brand from Purity Soft Drinks with its Blood Orange and Orange & Carrot,

which is the brand's best-selling line after its Orange variant.

Jon Evans, marketing director at Purity Soft Drinks, says: "Research we commissioned this year shows 70% of juice buyers value taste as the most important factor when considering a juice or juice drink."

He says company research indicates some consumers are moving out of carbonated soft drinks in a bid to be healthier. "With this in mind, we would recommend stocking juice and juice drinks alongside fizzy drinks in-store to encourage swapping a fizzy drink for a juice drink," he says.

"In terms of how the product is sold, our research shows it is more important for a juice or juice drink to be chilled than other soft drinks," says Evans, "as consumers not only want a cold drink, they expect juices to be chilled to protect the shelf life, even though this isn't necessarily the case with ambient juices." ■

**£202.7m**  
value of fruit carbonates in impulse sector



WHAT ARE THE BIG BRANDS UP TO THIS SUMMER?

The summer is obviously a key period of the year for soft drinks sales in convenience stores and the major suppliers have lined up a raft of new products, offers and promotions for the next couple of months or so.

**Britvic Soft Drinks** has returned with its Taste of Summer promotion, which runs through this month (July) with the aim of driving impulse sales of 15 core SKUs across the Tango, 7Up, Mountain Dew, Ballygowan, Lipton Ice Tea and Juicy Drench brands. The campaign is being supported by media activity and in-store POS.

**Lipton Ice Tea** is being further supported with its biggest-ever summer campaign targeting the brand's core 18- to 34-year-old drinkers in London. Support has included live gigs and other consumer events.

The brand has recently been extended with the launch of a new raspberry variant, which joins the existing peach, lemon and mango flavours.

The **Tango** flavoured carbonate has been backed since May with TV advertising with the theme "Tango is back". The commercial is also on video-on-demand as well as on social media platforms such as Facebook, Twitter and YouTube.

**Lucozade Energy** is being supported with its biggest-ever campaign, a £14m support package that includes outdoor advertising, TV sponsorship and experiential activities. "The Find Your Flow" initiative is being backed with in-store POS and free-standing display units.



Lucozade Ribena Suntory has given **Orangina** a "complete update", including new-look 420ml PET bottles, with a recommended retail price of £1.20. A £4m marketing support campaign includes TV advertising.

Last month (June), Coca-Cola Enterprises (CCE) launched its summer Ibiza Rocks promotion for the **Monster Energy** brand with the chance to win two VIP tickets to the Ibiza Rocks Hotel in September. The competition includes a four-night stay, gig tickets, a pool party and access to a private VIP area, as well as flights and transfers.

Monster Energy is also introducing a pack extension with the launch on 15 August of the 8x500ml Monster Energy Green pack, with a recommended retail price of £7.79.

**Coca-Cola Enterprises** has introduced new 12x500ml PET packs for the convenience trade across its flavoured carbonates, including Fanta, Sprite, Dr Pepper, Lilt and Cherry Coke, and comprising both standard and £1 price-marked packs.

The launch follows last year's introduction of a 12x500ml PET pack for Coca-Cola Zero and Coca-Cola Life variants. Coca-Cola and Diet Coke will remain available in the larger 24x500ml packs.

The second phase of the "Choose Happiness" campaign broke last month (June) and includes a TV commercial for the entire **Coca-Cola** range. The ad carries the strapline "Choose Coca-Cola". Poster



advertising featuring London landmarks is also running across the capital.

A new Coca-Cola promotion across the summer on 500ml bottles offers up to one million selfie sticks to consumers and activity will be held in the run-up to the Rugby World Cup in September.

The flavour rotation on CCE's **Fanta** brand continues in 2015 with the introduction of Fanta Apple & Sour Cherry. Last year, the limited edition Raspberry & Passionfruit is said to have added £2.5m in additional sales.

CCE has extended its Schweppes brand with the launch of **Schweppes Sparkling Juice Drinks** in Grapefruit & Blood Orange, Orange & Cranberry and Lemon & Eiderflower variants. A consumer advertising campaign included on-demand TV, cinema, digital and posters.

**Vimto** has re-launched its Vimto Minis 250ml still ready-to-drink variants with a new pack design to appeal to the "needs of kids on-the-go". The packaging makes clearer its "no-added sugar credentials". The recommended retail price in the convenience channel is 59p.

More than 55,000 bottles of the no-added-sugar **Vimto Squeazy** bottles were given out at festivals, events and promotions earlier in the summer in the north-west of England.

England cricketers Ravi Bopara and Moeen Ali are the brand ambassadors for the **iPro Sport** sports and energy drink. Support includes in-store appearances as well as consumer competitions to win a range of prizes, including tickets to sporting events.

Soft drinks company **Refresco Gerber** is running sampling campaigns for its Del Monte, Umbongo, Sunpride and Cherry Good brands at 13 events over the summer. It is estimated that 200,000 samples will be given out, along with discount vouchers that consumers can redeem in-store. **IRN**

