The Grocer

Focus On: Soft drinks by Natalie Brown (natalie_brown@live.co.uk)

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The Story

The long-awaited sugar tax is finally hitting home. From 1 April, brands with more than 5g of added sugar per 100ml will be subject to a government levy. So how will this shake up the market? How are brands responding? And will they need to accept their diet versions may overtake their originals in terms of sales?

Key Themes

The market: Despite the threat of the sugar tax, spend on soft drinks is up as a whole. Nearly all the big brands have registered growth and are confident they can continue growth over the coming year. Will a host of NPD grab market share?

Diet boom: The giants have accepted their business may change and are fully prepared for its diet variants to overtake its classic variants, as diet lemonade, cola and juice drinks all soar ahead in terms of growth.

Diversification: Some brands are diversifying their portfolio to include dairy-free smoothies and iced tea – is this a smart move?

New flavours: We've had everything from mango to cucumber in a bid to attract new, young customers. So can new variants work? And what are the hottest new flavours?

All natural: While diet drinks are using the likes of aspartame to add sweetness to their formulas, others are taking a more natural tack. Will new recipes that simply use the natural sweetness of fruit to achieve the right taste appeal to consumers who want to avoid artificial options?

Price: As higher sugar variants are hit by the government levy, how will this translate to prices on the shelves?

Calories versus sugar: Given all the debate around sugar, this has been the primary focus of suppliers. But how important is sugar content to consumers compared to other factors such as calories, for example?

Bottled water: This feature will explore the factors that have led to this market's performance over the past year and weigh up what brands and own label manufacturers are doing to kickstart or maintain growth.

Sports & energy drinks: This feature will explore the factors that have led to this market's performance over the past year and weigh up what brands and own label manufacturers are doing to kickstart or maintain growth.

Juices & smoothies: This feature will explore the factors that have led to this market's performance over the past year and weigh up what brands and own label manufacturers are doing to kickstart or maintain growth.

Squashes & cordials: This feature will explore the factors that have led to this market's performance over the past year and weigh up what brands and own label manufacturers are doing to kickstart or maintain growth.

Dairy drinks: This feature will explore the factors that have led to this market's performance over the past year and weigh up what brands and own label manufacturers are doing to kickstart or maintain growth.

Packaging: This feature will explore in detail the latest innovations in soft drinks packaging from around the world, weighing up what's next for how soft drinks are packaged here in the UK and the benefits of such innovations for suppliers and consumers.

Promotions: This feature will explore how the promotional strategies of retailers and brands have changed over the past year. Attention will be paid to the promotional strategies of retailers and how this has affected average prices over the past year.

Advertising and marketing: This feature will also investigate how the marketing and advertising strategies of the category's biggest brands have evolved over the past year and how they will develop in the coming year to sustain growth or return brands to growth.

Innovations: We identify twelve new products or product ranges that have ideally not appeared in The Grocer before including image, launch date and RSP.

Key questions the feature is likely to address:

- What consumer trends have impacted the category over the past year?
- How have promotional strategies (both in terms of price and marketing) evolved?
- How have individual retailers' strategies impacted the market?
- How has merchandising changed in the market?
- What impact has own-label had on branded players?
- What's next for the category?