

BRAND FOOTPRINT

THE UK RANKING OF THE MOST CHOSEN BEVERAGE BRANDS

MAY 2017



BEVERAGES

Introduction

Health and the 'S' word has been the dominant theme of the beverages category over the last year. In a similar way to the food brands, we're seeing a growing focus on health, whether in the form of taking things out, adding them in, or avoiding them altogether. Consequently CRP movements in this broad sector varied widely. Just under half the brands in the top 20 saw declines, partly due to changing tastes, but this is balanced with some breakout successes where manufacturers have responded well to changes in consumer preferences.

Taking out

The noise around sugar being more of a contributor to obesity than fat has been growing in volume over the last few years. In anticipation of the sugar levy, due for implementation in 2018, virtually all the manufacturers affected – those producing soft drinks, fruit juice drinks and squashes – are realigning portfolios and focusing on sugar reduction or sugar-free versions.

All the growth for carbonates this year is coming from diet and zero lines, with relaunches from Fanta, Irn Bru and Lucozade, as brands try to offer consumers the chance to choose the healthier version of their favourite drink rather than lose them to a competitor.

Amongst the biggest two brands, it's Pepsi which is victorious in this year's Brand Footprint, growing CRPs by 5% with a consistent focus on the Pepsi Max brand across all communications. Pepsi Max Cherry grew in 2016 by attracting 8.4% of the population, up from 7.2% the previous year, as well as being bought more frequently. Pepsi will be looking to build on this performance in 2017 with the launch of Pepsi Max Ginger. Coca-Cola should not be underestimated though, remaining the biggest beverages brand by some way despite a decrease this year. In the latter part of 2016 communications became very focused

UK Top 20 table		CONSUMER REACH POINTS (MILLIONS)		
		2015	2016	YR/YR %
1	COCA-COLA (COKE)	167	152	-9
2	PEPSI	126	133	5
3	NESCAFE	117	124	5
4	ROBINSONS	104	95	-9
5	CRAVENDALE	69	73	6
6	LUCOZADE	56	61	9
7	TROPICANA	47	49	4
8	INNOCENT	42	47	12
9	ALPRO	39	47	21
10	WISEMAN	49	45	-8
11	P.G.TIPS	47	43	-8
12	ACTIMEL	36	43	18
13	SCHWEPES	42	42	1
14	TETLEY TEA	37	39	5
15	STELLA ARTOIS	39	35	-12
16	KENCO	40	34	-16
17	TWININGS	33	32	-5
18	HARDYS	30	31	2
19	LACTOFREE	22	29	29
20	VIMTO	28	28	0

52 w/e October 2016

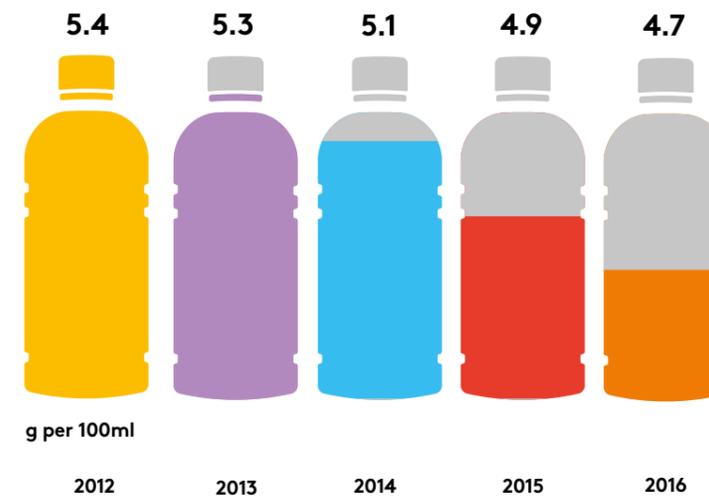
on newly launched Coke Zero Sugar – making its sugar-free credentials crystal clear.

And it's not just the manufacturers changing their plans; the retailers too are phasing out multi-buys leading to lower sales volumes for some products.

Instead they are focusing promotional activity more on price cut offers.

The trend of taking elements out of products is also seen in the focus on calorie content which we see starting to creep through. Coffee shops are now showing the calorie content of all their

SIGNIFICANT REDUCTION IN SOFT DRINKS SUGAR CONTENT



products and, in a first for the alcohol category, AB InBev announced at the beginning of 2016 that they would include full nutritional information on all their products.

An interesting take on how to handle the inherent sugar in fruit juice was the little glass campaign launched by Tropicana, which has seen CRPs increase 4%. This campaign focused on the health benefits of fruit juice as part of a balanced diet; promoting just a little glass of the juice, taken every day.

Adding in

Hot beverages overall are hit by a phase of decline as younger people are drinking them less than their parents and grandparents. A boom in coffee shop culture over recent years has led to both innovation and premiumisation in the coffee category. This has rejuvenated brands which have brought some of this experience in-home, for example Nescafe Azera created an entirely new prepare in-home/drink out of home category (see focus).

The tea category in contrast finds itself struggling and in response, brands are trying to find new ways to stay relevant for younger tastes. Tetley has launched fruit flavour variants and successfully

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reached new shoppers at a lower price point. The brand is also meeting shopper's functional needs with their added vitamin Super Tea range, which is a clear differentiator in the market. So far this move is proving successful and we see an increase in CRPs of 5% for Tetley this year.

Also addressing the positive health trend, Naked and Innocent have started to include vegetables such as carrots and beetroot alongside fruit in the Innocent Kids range.

Seeking alternatives

As well as hot drinks, younger generations are shying away from

Brand Focus: Nescafe Azera

Coffee culture changed forever in the UK with the arrival of Starbucks in 1998. The concept of a luxury freshly-ground coffee to drink in or take away was markedly different to what had gone before. What started in the out-of-home sector soon moved in-home with premium coffee blends and innovative ways to prepare it.

Nescafe Azera, having launched the micro ground innovation five years ago are now taking the concept a stage further.

In 2016 Nescafe Azera coffee-to-go was launched: A box of four cups and lids ready-filled with a powdered milk and coffee mixture that the user can make-up with hot water at home and then carry out with them.

Because the brand is addressing a completely different occasion it encouraged existing coffee buyers to make additional trips, resulting in 42% of sales being incremental to the take home coffee category. This made it the single most incremental FMCG launch of last year as measured by additional category sales, a welcome boost for retailers at a time of falling prices.

alcohol more than the generations before them. The number of 16-24 year-olds in Britain who do not drink rose by more than 40% between 2005 and 2013. And whilst drinking less often, they are drinking higher quality products, driving an increase in demand for premium alcohol and the mixers that accompany them. Fever Tree for example has doubled penetration in the last year despite selling at a price premium. The

super-premium cider brand Kopparberg has experienced a growth of 24% in CRPs this year as people switch from beers and other drinks to the fruit-flavoured cider brand.

The overall focus on health and reduced consumption of alcohol is leading to people choosing soft drinks over alcoholic drinks in the on-trade, so drinks are competing cross-sector as well as within category.

Whilst as many as one in five of us believe we have an allergy, experts believe it is actually closer to 1-2%. Whichever is correct, people are actively searching for substitutes. Lactofree, a milk without lactose, has benefitted from this trend with an increase in CRP of 29%.

There are those who want to go a stage further and avoid dairy altogether; one driver behind the free-from sector's rapid growth over recent years.

Possible Disruptors



LEGISLATION



BREXIT-LED INFLATION



ADDING IN GOODNESS

Alpro, the producer of plant-based alternatives, has seen a significant increase in their product being chosen at the shelf, with a CRP growth of 21% in 2016. Traditionally a provider of soya-based products Alpro also sells almond and coconut milks. In March 2016 the brand targeted a new occasion, the "grab and go" market with the launch of its "Fusion" line of fruity-flavoured drinks. The brand also expanded across categories this year launching yoghurts, ice-creams and desserts.

The beverages sector is very much affected by both changing tastes and the environment in which the products are sold. There is room for growth for manufacturers who can respond to these changes in a way that resonates with the consumer, particularly thinking about new targets such as people who prefer dairy-free even though they don't need it, or tapping into new occasions by providing the existing products in new formats.

About Brand Footprint

Kantar Worldpanel believe that in order to grow brands need to be chosen more often by more people.

There are five strategic levers which we have identified that lead to brand growth.

Now in its fifth year, Brand Footprint is our global study of which brands shoppers are choosing to buy, and why. The metric used to measure this is called Consumer Reach Points (CRP) and it is calculated by looking at penetration and frequency in combination with the number of households in the country.



Find the full global report at www.kantarworldpanel.com/brand-footprint-ranking