

# FENTIMANS

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Premium Soft Drinks and Mixers  
Market Report 2024



SERVE CHILLED  
**FENTIMA**  
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NATURAL  
**ROSE LEMONADE**  
Natural Botanical Drink  
with Pure Rose Essence  
EXQUISITELY DRINK

# Introduction

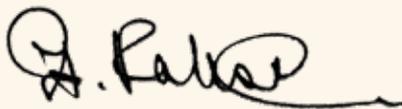
Welcome to the fifth edition of Fentimans *Premium Soft Drinks and Mixers Market Report*, in partnership with CGA by NIQ.

The last 12 months has seen another wave of extreme challenge and turbulence hit the On Premise and retail sectors to compound the impact of difficult recent years. The cost of living has continued to put pressure on consumers and our sector, but as we enter an election year and as interest rates start to drop, there is hope for a brighter 2024. Whilst it could be the end of 2025 before we see inflation returning to 'normal', the sector continues to show ingenuity and resolve to this ongoing situation.

This report explores how the sustained challenges of the last four years have shaped consumer behaviour and for the first time examines what that means for not only hospitality operators but also the retail sector.

As ever, in difficult economic times, there are opportunities to thrive and I know collectively we can find them, as we build towards a more certain future together.

We hope you find this report insightful as we all buckle up for the year of challenge that lies ahead.



**Eldon Robson**, *Founder of Fentimans Ltd*







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# About the report

The fifth annual *Fentimans Premium Soft Drinks and Mixers Market Report* delivers vital analysis of major trends and developments. It combines insights from Fentimans' 100+ years of experience in the sector with the latest consumer and business research from CGA by NIQ.

Our report presents a deep dive into the last 12 months in the market, analysis of key consumer trends, and our views at Fentimans on the likely developments and opportunities that lie ahead in 2024. We hope it helps you reflect on the market and supports your strategies for growth in the months ahead. New in the report this year is some expert analysis from the Fentimans team of how trends in the On Premise are translating to the retail sector.

As ever, we would be delighted to hear your views.





Data in the on premise section of this report is drawn from CGA by NIQ's portfolio of research sources, including:

**CGA BrandTrack**, the quarterly survey of the habits of 5,000 nationally representative British consumers, including their attitudes to several hundred eating and drinking out brands

**On Premise Measurement service (OPM)**, Britain's leading measure of sales, pricing and other metrics in pubs, bars and restaurants

The **CGA On Premise User Survey (OPUS)**, the rolling analysis of guests engagement with pubs, bars and restaurants

**The Daily Drinks Tracker**, which measures drinks sales in managed venues

The **CGA RSM Hospitality Business Tracker** and **CGA Hospitality at Home Tracker**, the benchmarks of sales for eat-in and delivery sales respectively at the UK's leading managed pub, bar and restaurant groups

The **Hospitality Market Monitor**, a guide to openings and closures in the licensed sector across Britain, produced in association with AlixPartners

The **2023 CGA and Fourth Business Leaders' Survey** and quarterly **CGA and Fourth Business Confidence Survey**, which gather the opinions of influential individuals working at senior management level

To learn more about CGA by NIQ's research, visit [www.cgastrategy.com](http://www.cgastrategy.com)

Data in the off premise section of this report is drawn from the following sources:

**NielsenIQ RMS** data for the Adult Soft Drinks and Mixers Category for the 12-month period ending 4.11.2023 for Great Britain Total Grocery Multiples Market (Copyright © 2023, Nielsen Consumer LLC ), excluding demographics insight

**Dunnhumby** data for Adult Soft Drinks Category for 12-month period ending 08.10.23 (In Home demographics insight)

All data correct as of October 2023

To learn more about Fentimans' range of drinks and support for your business, visit [www.fentimans.com](http://www.fentimans.com)

# The soft drinks and mixers market - At a glance

## £30.7bn

Value of On Premise drinks sales in the 12 months to October 2023



## 1.3%

Year-on-year increase in drinks sales



## £4.6bn

Value of soft drinks and mixers sales



## 3.8%

Year-on-year increase in soft drinks and mixers sales



## £450m

Value of the premium soft drinks and mixers market

## 14.8%

Soft drinks' share of the total drinks market



## 6.3%

Premium soft drinks and mixers' share of the total soft drinks market

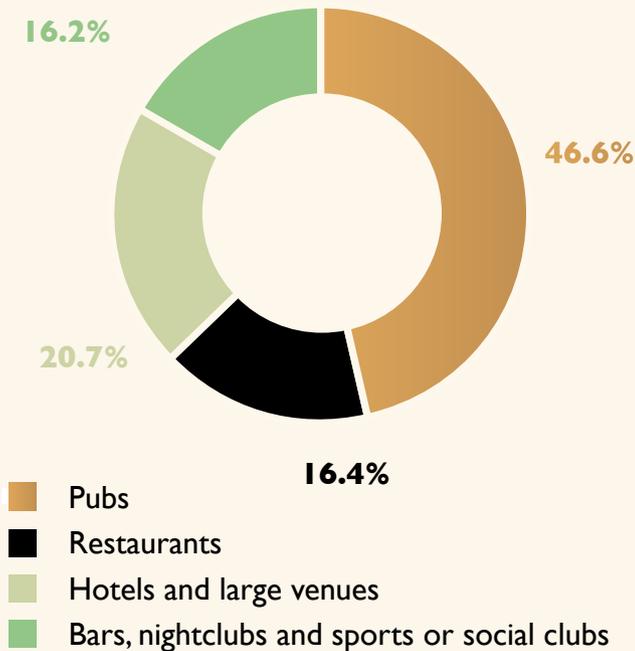


## 97,532

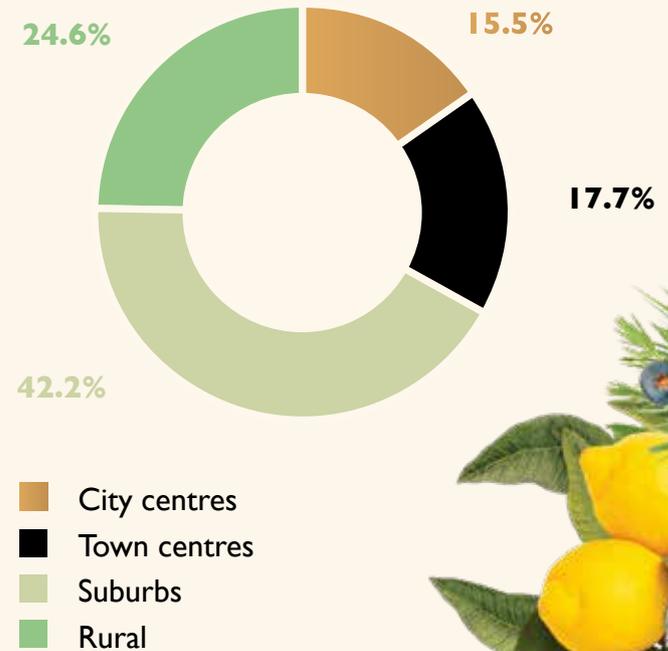
Licensed premises selling soft drinks at October 2023



## Premium soft drinks sales by venue type

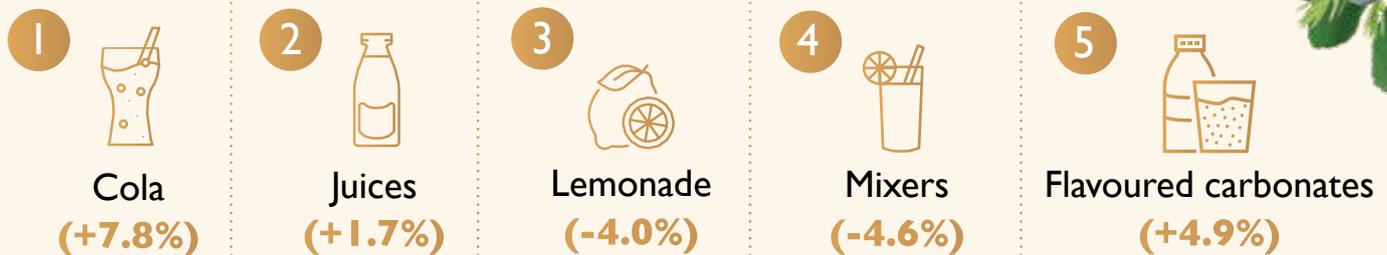


## Premium soft drinks sales by location



## Top five soft drinks categories

Numbers in brackets indicate year-on-year change in sales





## 1. Market snapshot: CGA by NIQ's expert overview of out-of-home drinking

The first four editions of the *Fentimans Premium Soft Drinks and Mixers Market Report* have shown how On Premise drinks operators and suppliers have responded with impressive resilience to the dual challenges of COVID-19 and the cost of living crisis. Now, as we mark the fifth year of the report, we can look ahead with optimism about the future of our dynamic industry—especially within the soft drinks segment.

## Total sales: Back in growth

Last year's report showed how hospitality had built back well from all the upheaval of COVID lockdowns, as consumers' pent-up demand for eating and drinking out was released. Despite the cost of living crisis that has followed over the last two years, the industry achieved more reasonable growth in 2023. CGA's sales measurement service shows On Premise drinks sales in the 12 months to October 2023 totaled £31.3bn—a **1.3%** increase from the previous 12 months.

The CGA RSM Hospitality Business Tracker, which measures the monthly food and drink sales of Britain's leading managed pub, bar and restaurant groups, has meanwhile shown year-on-year growth for 13 consecutive months between October 2022 and October 2023. The pub and restaurant channels have been particularly buoyant, and growth in London—where COVID had a particularly significant impact on footfall—has outpaced the rest of Britain for well over a year now.



Consecutive months of year-on-year growth in the CGA RSM Hospitality Business Tracker







CGA's Daily Drinks Tracker, which measures drinks sales in managed venues, has shown a similar performance, with year-on-year growth throughout much of 2023. While sales were hampered by persistently damp weather, there were spikes during weeks of high temperatures and over holiday seasons and special occasions like the King's Coronation. This reminded us of the special appeal of pubs and bars when the sun shines, and when communities come together to celebrate important national occasions. Sales of some drinks categories rose substantially during the Rugby World Cup too, as consumers went out to watch games with friends and family.

In parallel with this resilience in the eating and drinking out market, hospitality businesses have seen growth in the home delivery and takeaway sector. Sales plateaued as consumers returned to eating and drinking out after COVID lockdowns, but after 18 months of negative year-on-year numbers, CGA's Hospitality at Home Tracker has revealed six months of like-for-like growth in a row, which bodes well for 2024. Drinks currently account for about 10 pence in every pound spent on deliveries and takeaways, and there are good opportunities to increase this in the future.



## Soft drinks sales: A standout year

Category-wise, soft drinks have been among the drinks market's winners over the last 12 months. CGA data shows year-on-year growth of **3.8%** in the soft drinks and mixers segment—nearly three times the growth of **1.3%** in the drinks market as a whole. Soft drinks now attract nearly **15** pence in every pound spent on drinks in Britain's On Premise.

Soft drinks' strong trading is also above growth in other core categories like wine (**up 0.8%**). As we see in this report, it reflects a trend of drinkers reducing their alcohol consumption in favour of soft drinks and no or low alcohol alternatives.

There was a particularly impressive leap in soft drinks sales over the 2022 festive season and the 'Dry January' that followed. We saw stronger trading in key periods like the run-up to Easter, when soft drinks sales were up by **24%** year-on-year. Unfortunately, summer weather was broadly disappointing, and kept consumers away from outdoor drinking areas for extended periods—though heatwaves in early June and September caused weekly sales to surge by as much as **24%** as consumers sought refreshment.

Within soft drinks, the last 12 months have delivered winners and losers. For example, CGA's data has shown that juices overtook lemonade as consumers' second top choice after cola, while flavoured carbonates leapfrogged energy drinks in fifth position, with year-on-year growth of **4.9%**. Energy drinks' sales fell by **10.9%** in the 12-month period, suggesting that consumer interest in them may have peaked, and that some of their drinkers are turning to more healthy options.



# 3.8%



Year-on-year sales growth by value in the soft drinks and mixers market





## Business confidence: On the rise

The tone of optimism in hospitality as we enter 2024 is echoed by findings from the quarterly Business Confidence Survey from CGA and Fourth.

Levels of confidence have risen for four quarters in a row, and **62%** of industry leaders now feel optimistic about prospects for their business over the next 12 months—an increase of **eight** percentage points from mid-2023. Those feeling confident about the hospitality market in general have meanwhile risen sharply by **ten** percentage points to **49%**. This is a very welcome vote of confidence in Britain's hospitality sector for 2024.

The sector remains under pressure from various challenges (see page 15), and pubs, bars and restaurants and their suppliers will have to work hard for further growth in the months ahead. But confidence among operators, suppliers and investors alike rightly remains high, especially after a solid Christmas for bars, pubs and restaurants. With consumers as eager as ever to drink out, and the recent dramatic increases in their household bills and mortgage payments starting to ease, there are solid grounds for cautious confidence about prospects for the next 12 months.

## Business challenges: Costs and labour

While long-term optimism about hospitality remains good, businesses continue to face some difficult headwinds.

They include problems with recruitment and retention. These have been an issue since Brexit, which prompted widespread shortages of staff, and they were accelerated during COVID, when many workers from outside the UK returned home. And while pressures have eased over the last 12 months, problems persist. The latest Business Confidence Survey from CGA and Fourth showed that **91%** of leaders are concerned about staff shortages, and **38%** are very concerned by this year's increases in the National Living Wage. Employers have increased pay levels by an average of **10%** in the last 12 months, and around one in 12 (**8%**) roles are currently vacant and open for applications.

A higher payroll adds to a wide range of extra business costs in hospitality. All leaders told the survey that they are concerned to some extent about inflation in food and drink, while more than nine in ten are concerned about energy prices and contracts (**96%**) and interest rates (**91%**).



**62%** 

Of leaders are optimistic about  
their business' prospects over  
the next year



## The channel landscape: Three key changes

COVID took a heavy toll on the number of licensed premises in Britain. The Hospitality Market Monitor from CGA and AlixPartners, which tracks openings and closures across the sector, showed a **9%** net drop in restaurants, pubs, bars and other licensed outlets between March 2020 and the end of 2021. Media reports this year have noted closures of Britain's pubs in particular.

However, recent editions of the Monitor have indicated that the pace of closures may be slowing, with the third quarter of 2023 bringing a drop of only **0.3%**. Many of the units that were vacated recently have been swiftly reoccupied by other operators—especially emerging bar and restaurant groups. Across Britain, there are now just under 100,000 licensed premises—a significant drop from a decade ago, but a number that may better reflect the demand for eating and drinking out. If that is the case, we can expect to see the rate of venue closures continue to slow down.



Beneath these headline figures there have been some subtle but significant shifts in the venues that people use. Here are three.

## 1. The late-night market moves from clubs to bars

COVID restrictions hit Britain's nightclub sector harder than any other channel, and CGA's Hospitality Market Monitor with AlixPartners reveals a **30%** drop in their numbers between the start of the COVID-19 pandemic in March 2020 and mid-2023. This is more than double the drop in total licensed premises over the same period.

But people haven't stopped going out late at night, and many have turned instead to bars. The Hospitality Market Monitor shows bar numbers have fallen by only **3%** since March 2020—a tenth of the rate of the drop in clubs. This shift has also changed late-night drinking habits, moving some consumers away from mainstream spirits and towards more premium spirit, mixer and soft drinks brands.

## 2. Consumers stay closer to home

A desire to save money and the new frequency of working from home has increased interest in local venues. This has been bad news for after-work drinks in city and town centres, but good news for venues in suburban and other residential areas. Ongoing rail strikes have also reduced consumers' desire to travel, and with nearly half (**47%**) of consumers telling CGA's BrandTrack survey that they will continue to prioritise local visits to reduce spend, this trend is likely to be with us for some time.





### 3. The rise of experience-led and multi-functional venues

The last few years have brought a surge in demand for experience-led occasions in the On Premise. This is partly a result of the move away from nightclubs for socialising in big groups, and partly due to the cost of living crisis, which has led people to seek full value for their trips out. They are looking beyond food and drink and searching for fuller experiences that create lasting memories.

Of the many different competitive socialising venues now, CGA's OPUS data shows that bowling venues like Hollywood Bowl are the most popular, followed by arcades and amusement bars including retro style NQ64 and Four Quarters and crazy or mini golf sites like Junk Yard. Some more traditional operators have incorporated more events and activities—like quizzes, music and community events—and turned their venues into multi-functional spaces. Drinks are an important element of all these venues, and it's a segment of the market that is likely to grow further.



## Britain's On Premise: The Fentimans View

The On Premise enters 2024 on the back of one of the most difficult three-year periods for hospitality in recent times. This period has gone some way to shaping consumer behaviour that operators must now cater to. Successfully delivering on new consumer needs will help to make for a more positive 2024 and beyond.

The sustained reduction in alcohol consumption provides both a challenge and an opportunity for the industry. It is important for operators to address alcohol reduction head-on, and ensure the alternatives are clear and obvious—or otherwise risk ‘bar panic’ setting in and a value purchase being made. Operators can provide no-alcohol occasions with stand-out soft serves but also appeal to drinking flexitarians with lower ABV serves where the ‘best of both’ can be achieved. Whichever route operators take, it is important to remember that when consumers are changing their usual behaviour, making alternative options overtly obvious and appealing is important. Otherwise, the risk for operators is that consumers trade out of alcohol and choose low value soft drinks which impacts revenue and experience. Carefully curated no and low alcohol options do not have to feel like a compromise to the consumer.

As consumers become more choiceful with their spend, they are looking for additional value to be delivered in both quality and experience. It is clear the demand and expectation consumers are now putting on venues to deliver on all fronts is huge. This is especially hard for operators when they are also battling with higher labour costs, energy costs and inflationary rises in the cost of goods. The rise in multi-functional, experience-led venues also provides a challenge for those who aren't set up to deliver experiential moments.

Operators should consider how they can add moments of experience in a realistic way, including through stand-out serves with garnishes that delight beyond expectation, or by capitalising on key occasions throughout the year like Easter or Christmas. The data in this year's report is evidence that squeezing the most from occasions is top of mind for consumers. Operators should consider how experience can be delivered during seasonal events, when many are looking to spend more freely and have a desire to taste, eat and drink the season. As well as increasing spend, experiences provide those snap and share moments that help promote the venue.

Whether it is delivering on ‘no and low’ or catering to increased need for experience, the data in this report suggests quality and genuine premiumisation must underpin everything. This means it is key for operators to carry the correct range as consumers may visit less but will expect to ‘drink better’ when they do. As the battle to get guests from street to seat will be as competitive as ever in 2024, we should all be ready to trade up and delight.







## 2. Consumers: Six trends and opportunities

All of CGA by NIQ's research in 2023 points to the enduring appeal of pubs, bars and restaurants. During the cost of living crisis, people have been reluctant to give up their out-of-home meals and drinks. While some consumers have reduced their visits, we can be confident that footfall will bounce back as soon as inflation and household bills ease and they feel more money in their pockets.

While demand is consistent, drinking habits change. Understanding these and responding accordingly is vital. Here are six significant consumer trends—and their accompanying sales opportunities—to track in 2024.

# 1 Drinking less but drinking better

**Top takeaway** Some consumers are reducing visits to pubs, bars and restaurants—but they're spending more when they do go out

The cost of living crisis has dented consumers' confidence, and a fifth (**21%**) of consumers told CGA's November Pulse survey that they were still severely affected by it. Two fifths (**41%**) said they were going out less frequently than usual—twice the number (**21%**) who were going out more.

One particularly important side-effect of this is that instead of going out on both Friday and Saturday nights, some drinkers are choosing one over the other. But fewer visits doesn't necessarily mean they will be spending less money. People might be reducing the volume of drinks they consume, but they will be looking for higher quality choices when they do go out. While **41%** have cut the number of drinks they buy when they go out, only **17%** have reduced the quality of those drinks. Encouragingly, the On Premise remains a top priority for consumers: **43%** say they will prioritise it for spending if their disposable income falls—more than the number who will prioritise things like clothing (**34%**), home improvements (**32%**) or international travel (**30%**).

Pressure on spending and the desire to keep drinking out makes premium soft drinks and mixer brands a vital part of ranging strategies. Many consumers perceive these to be very good value for money, especially by comparison to options like cocktails, wine or beer, so spending is less likely to be reduced. Well over two thirds (**71%**) of Fentimans drinkers say they will be making the most of their visits in the months ahead, and nearly a quarter (**24%**) will be prioritising high quality / premium drinks over cheap options—a sign of the potential for venues to achieve trade-ups if the combination of quality and price is right.

**43%** 

Of consumers will prioritise eating and drinking out if their disposable income falls





**70%**   
Of consumers proactively try to  
lead a healthy lifestyle

## 2. Focus on health continues

**Top takeaway** Many consumers—but not all—are more interested in the wellbeing-related aspects of their food and drink

Previous editions of the *Fentimans Premium Soft Drinks and Mixers Market Report* have highlighted consumers' growing interest in healthy eating and drinking. Having been accelerated by the COVID-19 pandemic, which brought public health into sharp focus, more drinkers than ever are conscious of what they are putting into their bodies.

Earlier in 2023, CGA's BrandTrack survey showed more than two thirds (**70%**) of consumers proactively try to lead a healthy lifestyle—a figure that is unchanged from last year. More than a third (**35%**) of all consumers—and **38%** of Fentimans' drinkers—say calorie counts influence their choice of what to eat. Two thirds (**65%**) say they understand how many calories are in different foods.

Health considerations are influencing drinks as well as food. Nearly a third (**31%**) of consumers say they prioritise drinks that are healthy, and the number rises to **35%** among Fentimans drinkers. More than a quarter (**29%**) of consumers told CGA's OPUS research at the start of 2023 that calorie content is a factor in their drinks choice.

It's important to remember that not all consumers are so focused on health. More than two in five (**44%**) say their out-of-home food choices aren't influenced by calorie counts, and the majority don't prioritise drinks that are healthy. The treat mentality remains strong, and pubs, bars and restaurants' ranges reflect that. Nevertheless, the healthy eating and drinking segment has become a large part of the On Premise landscape, and brands and venues that can communicate the health aspects of drinks—like natural ingredients or sweeteners, energy boosts and improved digestion—are well-placed to capitalise.

### 3. A surge in no and low alcohol

**Top takeaway** Numbers drinking alcohol-free or low-alcohol alternatives are soaring—especially in cocktails

A big side-effect of the health trend has been growing interest in no or low alcohol alternatives within key drinks categories like beer, spirits and cocktails. This also brings implications and opportunities for mixers.

CGA's research shows how consumption has rocketed. The BrandTrack survey found that two in five (**41%**) consumers have chosen a no or low alcohol beer in the last 12 months, while smaller but significant numbers have also tried no and low alternatives in cider (**17%**), spirits (**12%**) and wine (**12%**). All these numbers have increased dramatically in recent years. But perhaps the most eye-catching growth is in the cocktail category, with half (**50%**) of consumers buying a 'mocktail' or 'virgin' alternative—up from **35%** just 12 months earlier.

This growth isn't just down to consumers abstaining from alcohol. It also reflects the rise of the 'drinking flexitarian'—people who still enjoy alcoholic drinks but who are seeking alternatives more often than they did in the past—especially on everyday casual eating or drinking occasions with family and friends. CGA's OPUS survey shows more than a fifth (**22%**) of consumers have cut

**50%** 

Of consumers have drunk a 'mocktail' or 'virgin' cocktail in the last 12 months

down the amount of alcohol they drink in an average week, and nearly half (**47%**) say alcohol content is a factor in their choices. Interest in alternatives is also being fuelled by price, and a desire to save money without compromising on the quality of drinks. The emergence of alcohol-free festivals and initiatives like the Sober Girl Society has focused people's minds even further.

All this has led to a new wave of no and low alcohol brands, across beer, cider, spirits and wine. The surge in demand for alcohol-free cocktails has also raised the importance of high-quality soft drinks and mixers that can combine in attractive mocktails and virgin cocktails. Whichever way they are consumed, non-alcoholic drinks need to leave buyers satisfied that they are getting experiences as good as those received by people drinking alcoholic drinks. Premium drinks with distinctive flavours that go above and beyond more standard soft drinks brands can help to satisfy the **29%** of consumers who think it is hard to find a tasty non-alcoholic drink in bars.





## 4. Craft drives the premiumisation trend

**Top takeaway** While more consumers are looking for value, the provenance and quality of drinks remain important

There has been long-term growth in consumers' interest in the provenance and heritage of the food they eat and drink, and this has sustained the trend for more premium choices and higher price points. Pressure on disposable incomes has inevitably led some people to reduce their spending, and two fifths (**42%**) of consumers say they are more motivated by value than they were a year ago. But with other people less affected by inflation, the demand for crafted, artisanal and more premium options goes on.

Nearly a third (**29%**) of consumers told CGA's OPUS survey that they are likely to pay more for a better quality drink—a number that is only slightly down from **31%** in the same survey 12 months ago. More than half (**53%**) say the quality of ingredients influences their choice of drink.

This trend is particularly evident in soft drinks. CGA's OPUS survey shows a fifth (**21%**) of consumers think quality is an important factor when they choose a drink, and while this is below value (**33%**), it is ahead of other factors like special offers (**14%**) and visibility in a venue (**7%**).



Interest in provenance has also driven demand for locally produced drinks. One in six (**16%**) consumers says it is more important to them that a drink is local than it was a year ago, and a similar number (**18%**) think British origins are more significant. While these consumers are still in a minority, they are usually more affluent and more frequent visitors to pubs, bars and restaurants. They should be a high-priority demographic for all drinks venues, which makes it important to stock premium and craft-style soft drinks and mixers with good ingredients and a strong heritage.

**29%** 

Of consumers are likely to pay more for a better quality drink





## 5. A rise in casual food-led occasions

**Top takeaway** *Soft drinks have become an important element of everyday meals out*

The shift towards more food-focused and casual occasions to restaurants, pubs and bars, identified in the last edition of the *Fentimans Premium Soft Drinks and Mixers Market Report*, has continued over the last 12 months. More people are now making food the main focus of a visit—though drinks remain a very important element of those occasions of course.

CGA's BrandTrack survey shows **44%** of consumers have been out for food-led family occasions in the last six months, while those eating out for an everyday occasion has increase by two percentage points to **22%**. As people eat out more regularly, they have become better educated about food and drink. More than half (**51%**) of consumers say they take a keen interest in food and drink and consider themselves knowledgeable about the subject, and **44%** consider themselves 'foodies'.

Food-led occasions bring excellent opportunities for soft drinks sales, especially to guests who have driven to a restaurant or pub for a meal and those who are focusing on health and alcohol moderation.

Positioning soft drinks as an ideal accompaniment to food, through both menus and recommendations, can unlock extra sales.

**44%** 

Of consumers have been out for food-led family occasions in the last six months



## 6. The enduring appeal of celebratory occasions

**Top takeaway** Consumers want to mark special occasions in pubs, bars and restaurants—and soft drinks are an important part of their mix

While casual occasions are more important than ever, celebrations remain an integral part of consumers' engagement with the On Premise too. Pubs, bars and restaurants offer opportunities for birthdays and other celebratory events that simply can't be replicated anywhere else.

CGA's BrandTrack survey found that two in five (**42%**) consumers have been out for food-led special or celebratory occasion in the last three months—up from **33%** just 12 months ago. And while wine is the most frequent choice of drink on these occasions, with **35%** typically choosing it, in second place is soft drinks (**26%**). This makes soft drinks a more popular category than lager (**23%**) or cider (**12%**). Cocktails (**15%**) are another common choice.

Consumers tend to treat themselves during celebrations, and more than a quarter (**27%**) say quality is a factor in their choices on special occasions—up by four percentage points year-on-year. Repeat purchases are common too, with three quarters (**75%**) of consumers drinking soft drinks buying more than just one on a special occasion.

Because of this, providing a range of good premium soft drinks options can deliver trade-ups. The popularity of cocktails also points to the need for a good variety of mixers, with the emphasis again on the premium end of the category.



26%



Of consumers choose soft drinks on celebratory occasions

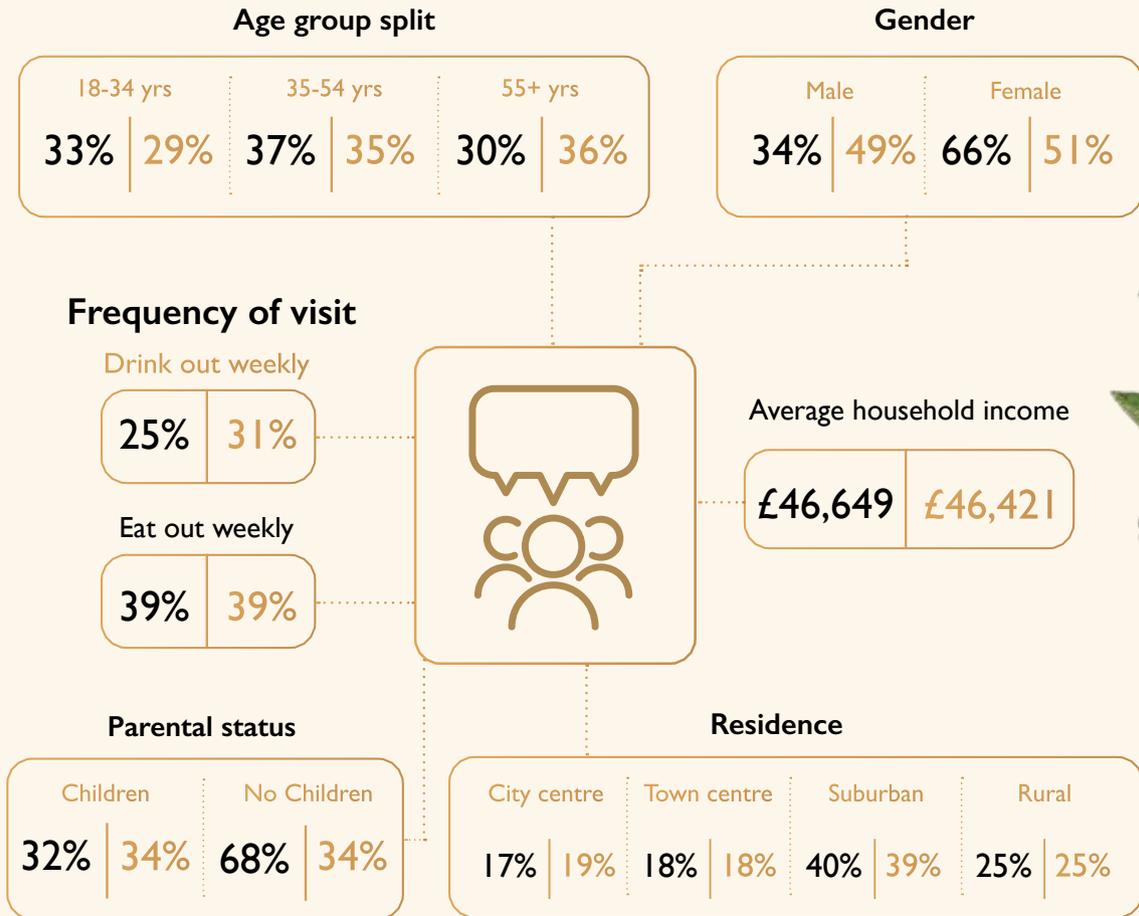




# The premium soft drinks and mixers consumer

Who is behind the growing popularity of premium options in drinking-out? This exclusive data reveals the key demographics of premium soft drinks and mixers consumers, and compares them to Britain-wide averages for all consumers.

■ Premium consumers    ■ All-consumer averages





## 3. Grocery Retail: Soft drinks and mixers at home



The On Premise is a crucial springboard for sales of soft drinks and mixers to the at-home market, and data for this report reveals key trading trends in this segment.

### Sales

Combined in-home adult soft drinks and mixers sales totalled £470m in the 12 months to the end of October. Adult softs account for **38%** of this market at £177m of sales, up by **2%** on the previous 12 months. The mixers market is worth £293m, though this is down by **5%** year-on-year.

### Prices and deals

The average price per unit within the in-home adult softs and mixers market has increased over the last two years—by **10%** to £2.28 in adult soft drinks, and by **16%** to £1.54 in mixers. This is the result of rising costs across the board for manufacturers and suppliers, including in key areas like ingredients, energy, labour and transportation.

These rising prices have led to more emphasis on promotional deals. Half (**50%**) of units were sold as part of a deal in the last 12 months—a three-year high. We have also seen a move towards bigger packs, as consumers seek the best value for money.



## Premiumisation

Despite the cost of living crisis, the trend towards more premium drinks also continues in the grocery sector—though the adult soft drinks category has been more resilient than mixers.

In the at-home adult soft drinks segment, premium brands had a **37%** share of sales in the last 12 months, while mainstream brands took **63%**. Premium's share has actually increased over the last two years, by one percentage point—proof that consumers remain willing to pay extra for high quality if the price is right.

The picture is slightly different in mixers. Here, premium's share of total sales has fallen slightly, from **41%** two years ago to **38%** now. This suggests that some consumers have been trading down from premium mixer brands to more mainstream ones as they seek to make savings. However, as inflation and household bills start to ease, and consumers' discretionary spending rises, we can expect to see premium's share increase again. Seasonal occasions like Christmas are a key time for the premium market, as households trade up.

## Demographics

Just like in out-of-home channels, premium and mainstream consumers have different demographics. Families over-index with mainstream brands, while premium options tend to appeal more to adults without children or with older ones. Affluent post-children adults also consume a wider variety of flavours and formats in soft drinks and mixers, whereas families seek familiar flavours and value from larger packs.\*

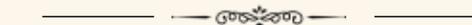
## Flavours

More than four fifths (**83%**) of at-home adult soft drinks sales in the last 12 months came from just five flavours: apple, orange, lemonade, grape and ginger. Their share has increased by two percentage points over the last two years, as some consumers turn to familiar flavours that they know will provide value for money.

Big flavours remain broadly consistent all year round, though there are some fluctuations by season with refreshing flavours like citrus and elderflower gaining share in summer and darker fruits like grape, berry and cherry picking up sales during the winter months.

£470m 

At-home sales of adult soft drinks and mixers  
in the 12 months to end-October



26% 

Year-on-year increase in adult soft drinks sales

\*In Home demographics data based on Dunnhumby data for Adult Soft Drinks Category for 12-month period ending 08.10.23.

## Christmas

As is the case in pubs, bars and restaurants, Christmas is a crucial trading period for soft drinks and mixers in the retail sector. Sales begin to rise from early November, and the final eight weeks of the year account for **25%** and **20%** of annual adult soft drink and mixer sales respectively (average of the last **two** full years of data from 2021 and 2022). Average weekly adult soft drinks sales in December are **125%** higher than the weekly average over the rest of the year, while mixer sales leap **45%**.

Consumers cater for bigger family gatherings in adult soft drinks across the seasonal period as multipack share increases, specifically glass multipack. Bigger glass bottles (750ml) also see an uptick in share during December (**39%**) versus the rest of the year (**37%**) as consumers look to trade up from smaller formats to cater for the bigger audiences. In mixers customers turn in particular towards more premium mixers as they seek to treat themselves over the holidays with share of premium mixers rising to **42%** in the month of December versus the average in the rest of the year of **36%**. Sales rise around other seasonal occasions too, like Easter and Valentines, Mothers and Fathers Day—but nothing comes close to the Christmas spike.

**£470m** 

At-home sales of adult soft drinks and mixers in the 12 months to end-October

**£2.28** 

Average price of adult soft drinks

**£1.54** 

Year-on-year increase in adult soft drinks sales

**37%** 

Premium brands' share of total adult soft drinks sales

**83%** 

Adult soft drinks sales shared by five flavours: apple, orange, lemonade, grape and ginger



# Retail: The Fentimans View

Volume is challenged at the moment in retail, as consumers feel the squeeze and reduce their basket sizes. However, despite the cost pressures customers are also looking for small ways to treat themselves and feel better during these uncertain times, and the treat occasion remains vast in the retail environment. Adult soft drinks and mixers have significant competition from more mainstream soft drinks as well as other treat categories like chilled desserts, chocolate and biscuits.

To stand out in the competitive retail landscape, adult softs and mixers need to remain competitive on value. But they also need to be visible and front of mind for example through the likes of secondary features or value-add cross-category solutions. Keeping it mainstream and low risk remains important in a retail environment where a habitual mindset is more prevalent, compared to a more experimental mindset in the On Premise.





Helping customers to bring their On Premise experiences to life in the home is key to making the adult softs and mixers category stand out and achieve cut-through in the busy retail environment. In-store features that bring together mixers, alcohols, garnishes and glassware in order can make the mission both easy and enjoyable for retail customers whilst adding value to their at-home serve. This same approach can be applied to non-alcoholic occasions and food and drink pairings.

Seasonal occasions are critical to the adult softs and mixers category, and capitalising on this remains key to success. Premium brands are well suited to supporting customers here, and from Valentines Day to Easter to Summer to the festive period, there are opportunities across the year. Taking the pressure off customers with easy mission-based solutions that allow them to elevate occasions in home is important and will enable the category to increase weight of purchase with customer-focused solutions.



# Flavour trends

Our forecasts for preferences in 2024



# Fruit

Consumer palettes desire experimental and new flavours as diets become more broad and wider ranging. It is no surprise to see the likes of kiwi and lychee becoming more in demand.

## Expect to see

- Blueberry
- Blackberry
- Apricot
- Pomegranate
- Passonfruit
- Mango
- Kiwi
- Black Cherry
- Yuzu





## Nostalgia

We have seen nostalgia playing out across lots of sectors over the last 18 months, as we often do in tough economic times. From film to fashion, we expect the trend to continue to develop across drinks.

## Expect to see

- **Rhubarb**
- **Blackcurrent**
- **Bramble**
- **Honey**



## Floral

The gin category has been one of the key contributors in the rise of floral flavours. Floral aromas allow for a delicate but diverse range of flavours but can also lend them selves to increased and experimental colours, which fit perfectly in times when consumers are looking for surprise and delight.

## Expect to see

- **Passionflower**
- **Lavender**
- **Hibiscus/ Roselle**
- **Cherry Blossom**



# Key contributors



This report has been compiled by Fentimans with the support of CGA by NIQ.

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