Soft drinks sector in 2021: Consumer trends, market and innovations

Daniel Álvarez, *Clúster Alimentario de Galicia*

22.09.2021

Introduction

- ***Goal***: Present market data, consumer preferences and innovations in the soft drinks sector, special focus on health.
- ***Geographical focus***: Europe and AHFES countries (France, Ireland, Portugal, Spain, United Kingdom).
- ***Content***: Sales volume, production, new products development, main positionings, consumer trends and market health claims.
- ***Categories of analysis***: Waters, Carbonates and energy/stimulating drinks, Drink concentrates, mixes and meal replacements, Juice and juice drinks, and Chilled/Iced coffee and tea.
- ***Main information sources***: Innova Database, Innova Markets Insights, and databases of GlobalData and European Commission, among others. Images by Freepik. Icons by Flaticon.
- ***Second report*** of a series of "consumer, market and innovation reports" that represent one of the several innovation support services for SMEs implemented in the scope of the project AHFES.

The market

Soft drinks market size in Europe

- In Europe, sales volume of soft drinks growing since 2014 —slight decline in 2019.

Highest sales volumen

1. Germany
2. Italy
3. France

48.1% total sales in Europe

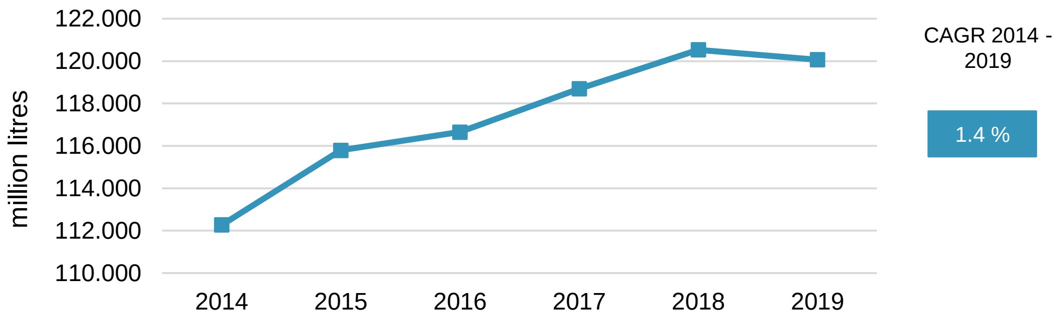
€54 billion production value

2.2%

130 billion litres

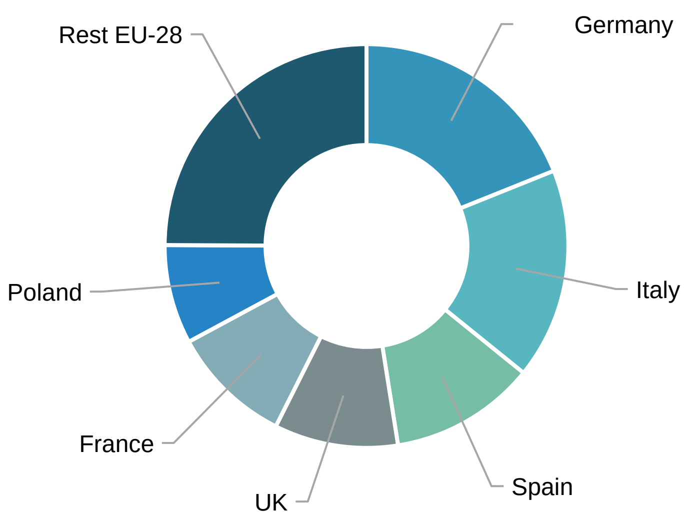
1.1%

Soft drinks sales volume evolution in Europe (2014-2019)



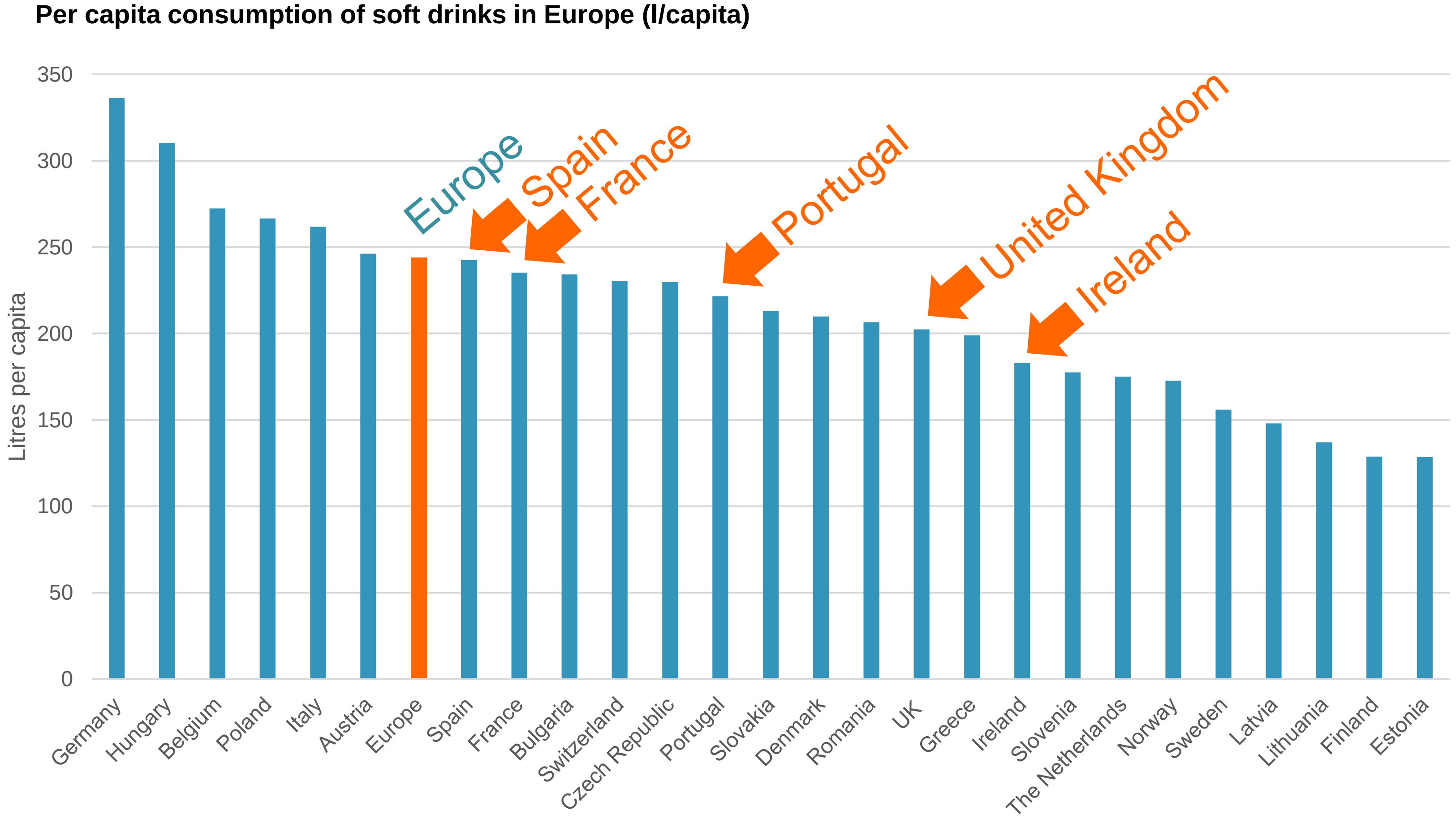
Source: UNESDA

EU-28 main soft drinks producing countries



Soft drinks market size in Europe

- Per capita consumption

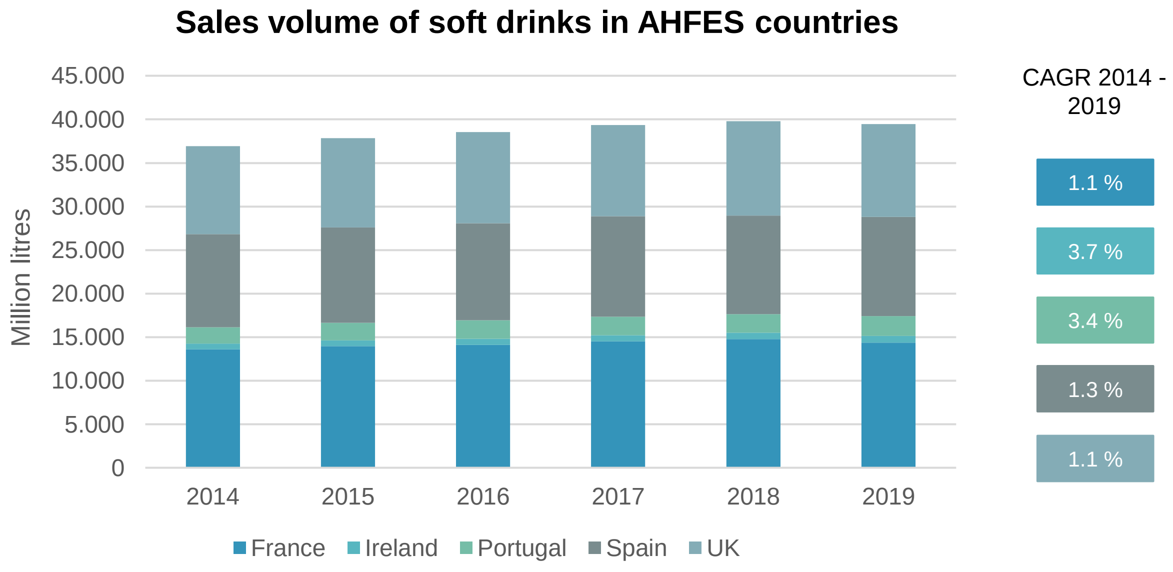


Soft drinks in AHFES countries

- Growth of sales volume in the period 2014-2019

39.5
billion litres

32.9%
of total sales volume in Europe



Source: UNESDA
**The data above was collected by industry analysts Global Data.*

International trade of soft drinks

EXPORT

- UE-28 supplied much of the international demand
- Global exports value (2019) **$39.9 billion**
- United States: top importer of EU-28 soft drinks
- Next top importers: Switzerland, Japan, China and Saudi Arabia

EU-28 main soft drinks export destination countries

IMPORT

- Global import: **$39.7 billion** ⬇ 2.6%
- United States: world's larger importer **16% share**
- Germany: second larger importer **8% share**

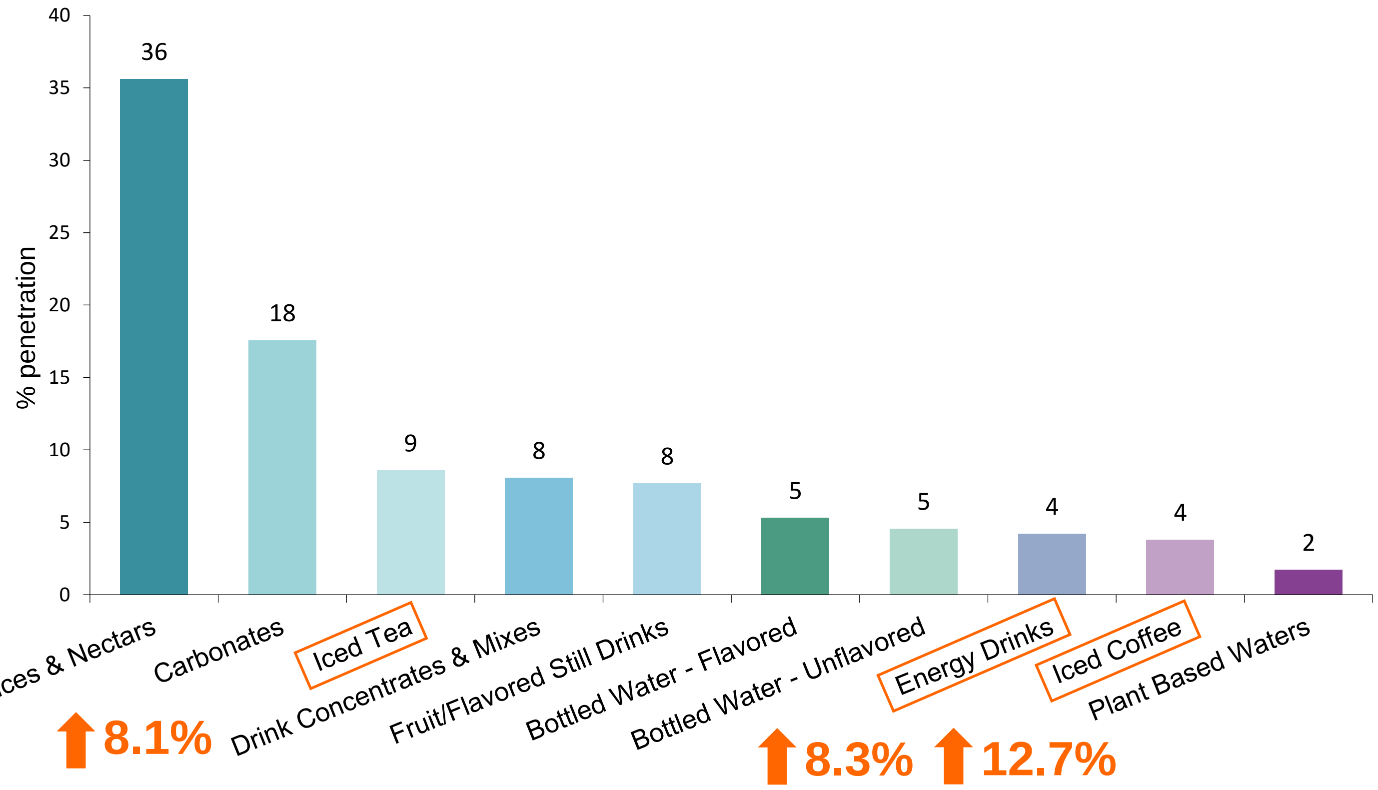
Top brands globally

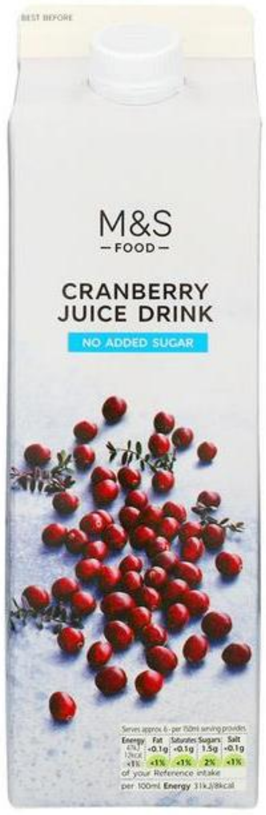
2020	Company name	Turnover (USD billion)*
1	Coca-Cola	71,701
2	Red Bull	12,751
3	Diet Coke	12,315
4	Pepsi	11,123
5	Yili	9,203
6	Lipton	9,100
7	Nespresso	8,214
8	Nescafé	8,072
9	Mengniu	6,831
10	Fanta	6,433

Healthy soft drinks new products and positioning

Soft drinks NPD in Europe

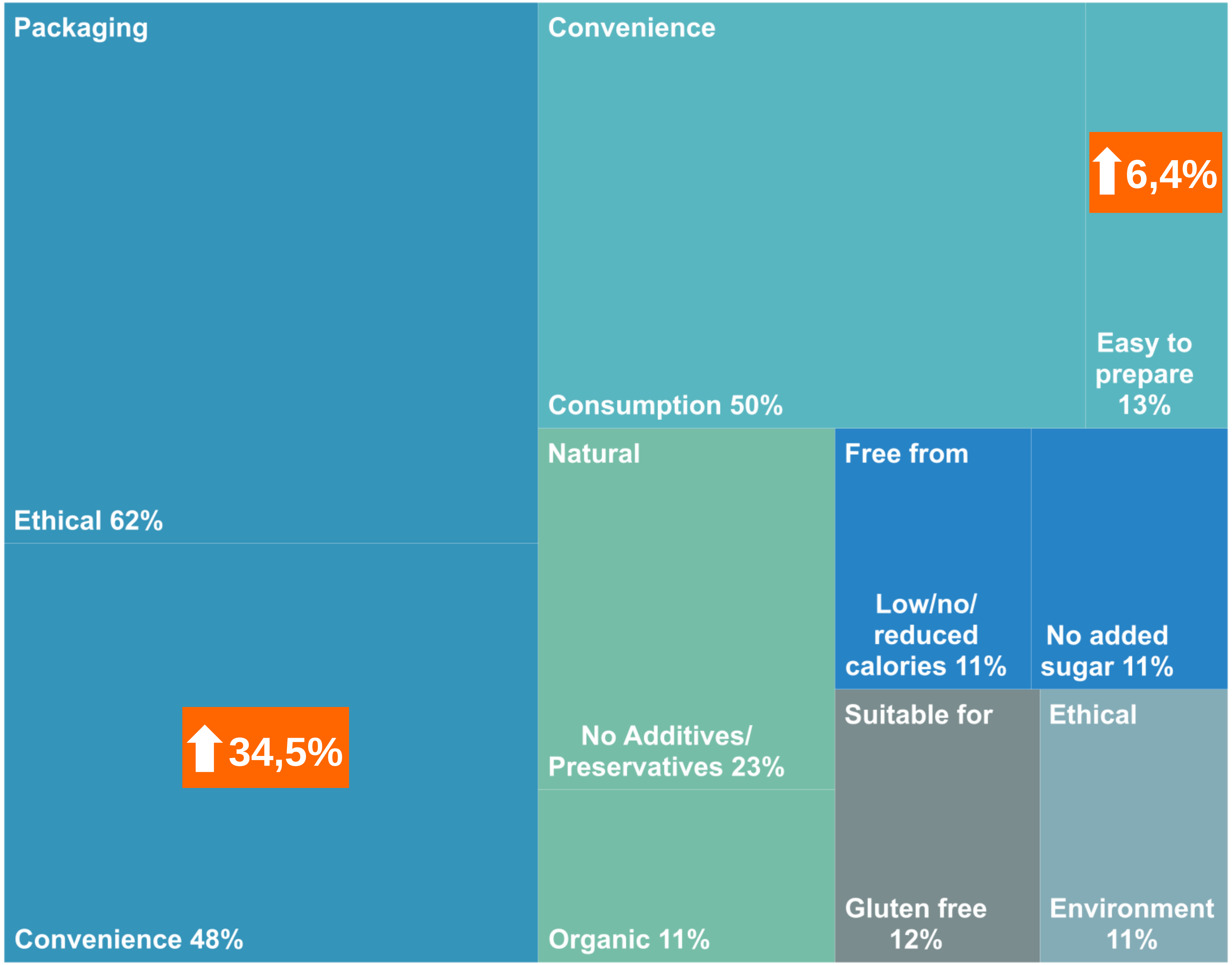
1. Juices & Nectars
2. Carbonates
3. Iced Tea





Cranberry juice drink
(United Kingdom).

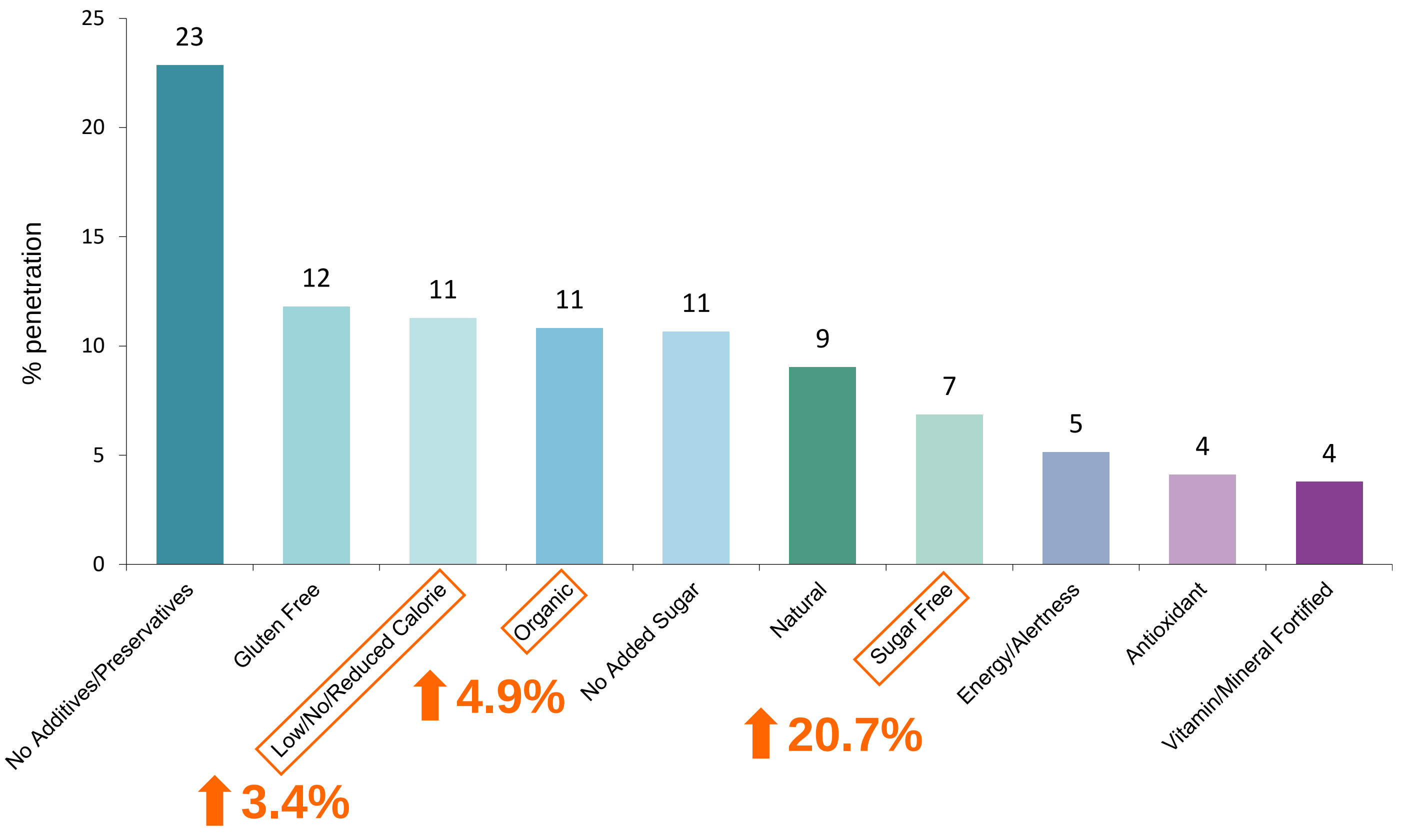
Positioning in the European soft drinks market



Lemon flavored black iced tea **(France)**.

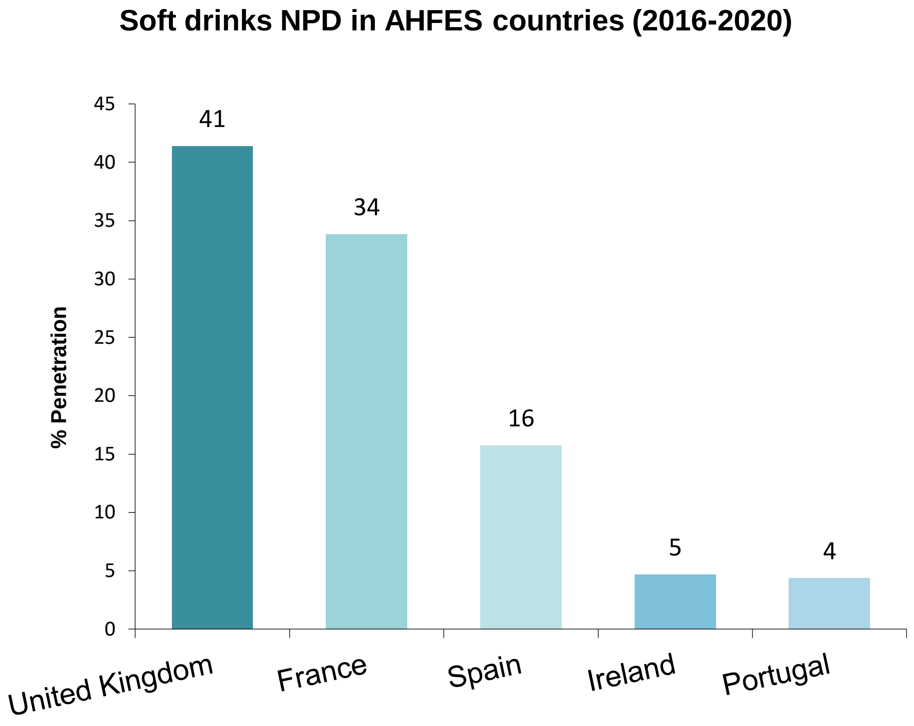
Health claims

- The most popular health claim is *No additives/preservatives*, present in a quarter of NPD.

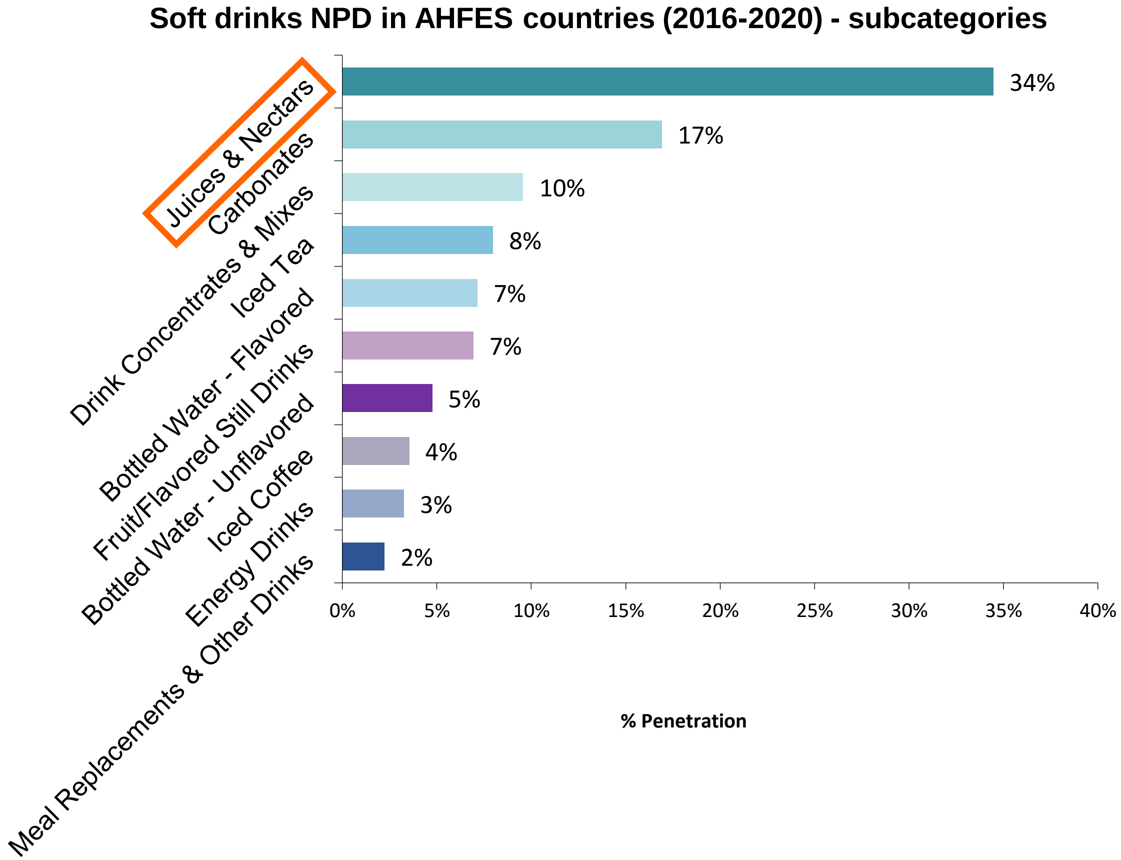


Peach and grape juice **with no preservatives** **(Spain)**.

Soft drinks NPD in AHFES countries



- **Juices & Nectars** is the category with the highest market penetration, followed by carbonates



Main health claims in AHFES countries

Top 10 Health Claims by country (2016-2020)

Region	1. No Additives/ Preservatives	2. No added sugar	3. Low/No/ Reduced Calories	4. Gluten Free	5. Natural	6. Sugar Free	7. Energy/ Alertness	8. Organic	9. Reduced Sugar	10. Inmune Health
Spain	16%*	14%*	11%*	16%*	14%	6%*	3%	13%*		
Portugal	18%	14%*	15%	6%*	12%*	6%*	7%*	6%*	3%	
France	23%	14%*	7%*	5%*	7%	4%*	4%	30%*	3%*	
United Kingdom	27%	20%*	18%*	11%*	13%	11%*	8%	9%		5%
Ireland	24%*	17%	20%	6%	8%	11%	12%		4%	6%*

*growing trend #1 #2 #3
Colour code highlighting Top 1-3 health claims:
Percentages indicate the % of new products carrying the claim

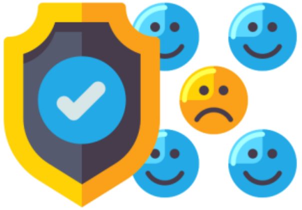
Strawberry and banana smoothie with no added sugars **(Spain)**.

Cappuccino coffee drink with almond milk zero preservatives **(France)**.

Original kombucha with zero sugar and zero calories **(Portugal)**.

Top trends

1. Health and immune system



- Immune health, among key health trends for 2020 and beyond.
- Increase of consumption of functional drinks.
- Pandemic: prioritization of immune health and rise in immune health marketing positions.
- Beverages high in nutrients and antioxidants that support immune health (vitamin A, zinc).

1 in 3

Global consumers say that their **concerns about immune health have increased in 2020 over 2019**

Source: Innova Consumer Survey 2020

Blackcurrant and elderberry flavored carbonate drink with zinc and strength vitamins to support a healthy immune function **(United Kingdom)**.

Mango, coconut milk, apple and ginger smoothie with rich in vitamins C and B6 which help the normal functioning of the immune system **(France)**.

Carbonated drink with a blend of vitamins and minerals and ashwagandha plant to boost the immune response **(Ireland)**.

Frozen smoothie high in vitamin C and source of vitamin A and minerals to support the immune system **(Ireland)**.

2. Clean label and sustainability

- Beverages with natural ingredients and a short ingredients list are popular.
- Increased growth in local foods.
- A meaningful storytelling is appreciated to meet the evolving clean label consumer demand.

+12% Growth in food & beverages tracked with a claim related to **sustainable sourcing of farming globally**

Ginger Ale **from organic European farming and packaging optimization to respect the environment** (**France**).

Apple juice from **100% ecologic fruit from Navarra región and no additives** (**Spain**).

- Both major companies and smaller start-ups are releasing beverage designed to minimize environmental impact.

2. Clean label and sustainability

- Consumer awareness is driving companies to more sustainable methods and environmentally friendly ethics.
- Brands are increasingly looking for innovative ways to utilize food waste to produce new beverage products.

"I expect companies to invest in sustainability"

2018

65% of global consumers

2019

87% of global consumers

Source: Innova Consumer Survey 2019

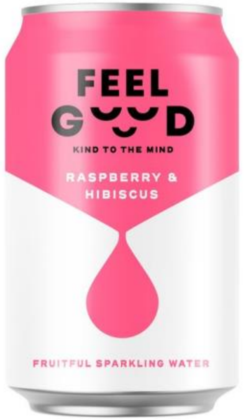
38% Of global consumers would consider a **sustainable or more ethical alternative** over a conventional product

Sparkling spring water with cucumber & raspberry extract, **reducing food waste using wonky fruits and misfits.** (**United Kingdom**).

3. Improved mood health

- The care for brain health opened new potential for supporting well-being and cognitive and mental health.
- Beverage companies are innovating with new ingredients to manufacture products with functional benefits.

Raspberry and hibiscus flavored sparkling water infused with ginseng, kind to the mind (**United Kingdom**).

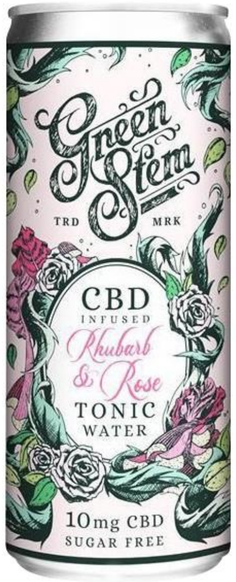


Iced tea with rose, green tea, chamomile, passion flower, and valerian, that help to reduce tension, anxiety, stress and nervous agitation (**France**).

- Many consumers turn towards healthier options tackling “extra” stress produced by the pandemic.

+36% Growth in **food & beverage** launches tracked with adaptogens

Rhubarb and Rose Tonic Water with CBD for its well being-enhancing properties (**United Kingdom**).



4. Reformulation for less calories

- Increasing demand by consumers and pressure by authorities: creation of sugar-reduced versions.

Sugar and calorie free carbonated soft drink (**United Kingdom**).

Tonic water with zero calories. (**Portugal**).

Sugar free sparkling drink with natural flavors of lemon and lime. (**France**).

Carbonated soft drink with sweeteners. (**Spain**).

5. Fusion of global ingredients

- Availability of information
- Easy access to ingredients
- Consumer awareness for health
- Fusion enabled by globalization

Open access to novel ingredients with diverse benefits and functions

Turmeric and lemon juice (**France**).

Yuzu flavoured tonic water (**Spain**).

Ginger, turmeric, and cayenne flavoured kefir soda (**United Kingdom**).

Trendy ingredients and flavours

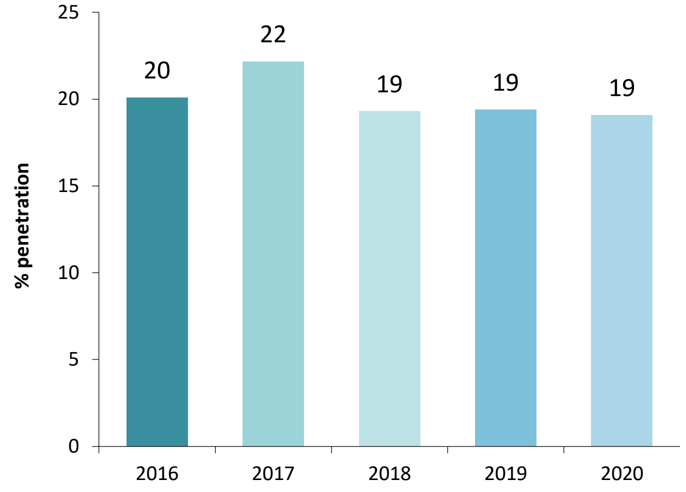
Type	Examples
Botanicals/roots	*Turmeric*
	Ginger
	Hibiscus
	Rose
Adaptogens	*CBD*
	L-theanine
	Ashwagandha
Popular flavours	*Elderflower*
	Elderberry
	Yuzu
	Blackcurrant

Categories

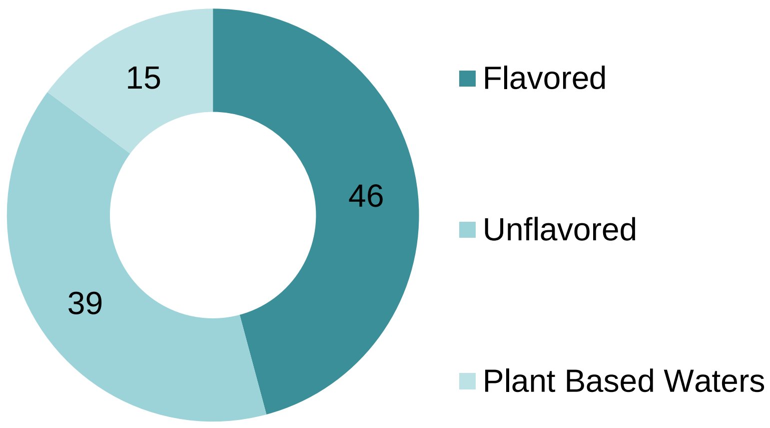
Waters

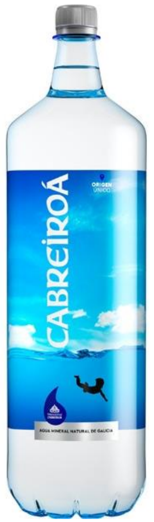
Launches and health claims

Bottled Water launches in AHFES countries (2016-2020)



CAGR
(2016-2020)
-1.3 %





Natural mineral water from Galicia (**Spain**).

Top 10 health claims in AHFES countries

Region	1. Natural	2. No Additives/ Preservatives	3. Low/No/ Reduced Calories	4. Sugar Free	5. No added sugar	6. Energy/Alertness	7. Gluten Free	8. Organic	9. Low/no/ reduced sodium	10. Vitamin/ Mineral Fortified
Spain	39%	12%	9%	6%	7%		9%	7%*	17%*	
Portugal	21%*	25%*	12%	8%				12%		
France	33%	24%*	16%*	16%*	4%	2%*	4%	18%*	4%	
United Kingdom	18%	33%	28%	25%*	20%	6%	8%	6%		4%
Ireland	28%	25%	34%*	16%	7%	9%				10%
EUROPE	26%	20%	19%*	11%*	9%	3%	7%	9%	6%	4%

Natural **and** ***No preservatives/additives*** **are the more recurrent claims among AHFES countries**

Sparkling **natural** mineral water of Quezac (**France**).

Sparkling water infused with cucumber, mint, and lime, and **no artificials** (**United Kingdom**).

Redcurrant flavoured sparkling **natural** mineral water (**Portugal**).

Water with passive health claims

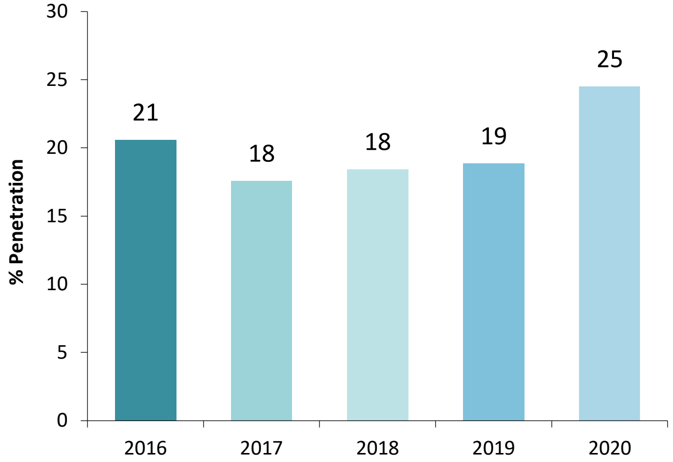
Sparkling lemon and lime flavoured water with **zero calories**. (**Ireland**).

Mint flavoured natural mineral water **calories free** (**Spain**).

Carbonates and energy/stimulating drinks

Launches and health claims

Carbonate and energy drinks launches in AHFES countries (2016-2020)



CAGR (2016-2020)
4.4%

Mango and passion fruit flavoured sparkling drink with **CBD** (**France**).

Top 10 health claims in AHFES countries

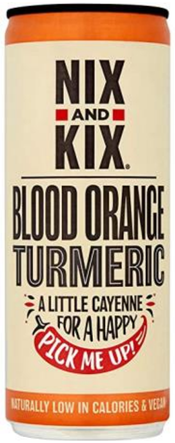
Region	1. Low/No/ Reduced Calories	2. No Additives/ Preservatives	3. Sugar Free	4. Energy/ Alertness	5. No added sugar	6. Natural	7. Gluten Free	8. Reduced Sugar	9. Low sugar	10. Vitamin/ Mineral Fortified
Spain	20%	10%	16%*	10%	9%	8%	10%		1%	1%
Portugal	27%*	12%	29%*	30%*	9%*	20%	2%	3%	1%	6%*
France	10%*	20%*	11%	10%	3%	5%		3%	3%	2%
United Kingdom	29%*	32%	16%*	14%*	12%*	15%	8%*	4%	3%	
Ireland	34%	26%*	24%	25%	9%*	5%	10%	10%*	5%	4%
EUROPE	18%*	17%	16%*	15%	6%*	7%	6%*	3%*		4%*

No additives/preservatives **is one of the most popular claims in AHFES countries**

Carbonated lemon-lime soft drink with **no preservatives and colourings** (**Spain**).

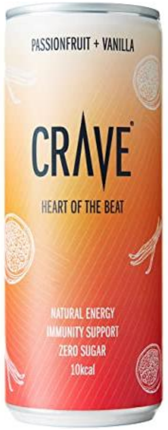
Organic carbonated pomegranate drink with **no preservative colour or artificial flavour** (**France**).

Low in calories **and** ***Sugar free*** **are recurrent and growing claims**



Lightly sparkling natural blood orange and turmeric drink **naturally low in calories** (**Ireland**).

Green apple flavoured carbonated soft drink with fruit juice **with no sugar added** (**Portugal**).

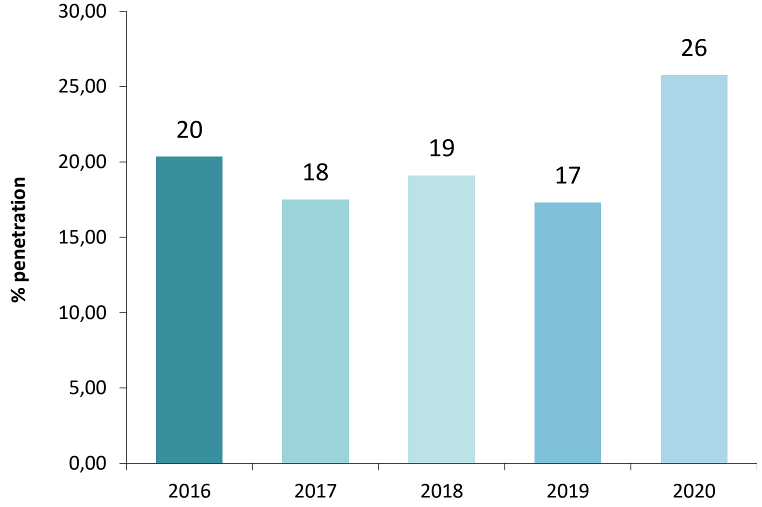


Sparkling passionfruit and vanilla flavoured energy drink with **zero sugar** (**United Kingdom**).

Drink concentrates, mixes and meal replacements

Launches and health claims

Drink Concentrates & Mixes, Meal Replacements & Other Drinks launches in AHFES countries (2016-2020)



CAGR (2016-2020)
6.1%

Acai, beets, apple, and ginger lunch shake (**United Kingdom**).

Top 10 health claims in AHFES countries

Region	1. No Additives/ Preservatives	2. Gluten Free	3. Organic	4.High/ source of protein	5. No added sugar	6. Low/No/Reduced Calories	7.High/ source of fiber	8. Weight management	9. Natural	10. Energy/ Alertness
Spain	17%*	29%	13%	19%*		13%*	22%*	44%*	9%	14%*
Portugal	35%*	50%*	45%*	35%	45%*		50%*		40%	30%
France	25%*	17%*	26%*	15%*	8%	7%*	10%	7%		
United Kingdom	30%	23%*	10%	21%*	27%*	16%	15%*	12%	14%	
Ireland	24%*	17%*	15%*	10%*	26%	18%*				9%
EUROPE	25%*	20%*	18%*	17%*	14%*	12%	13%*	11%*	8%*	

Launches and health claims

High/source of protein **is a claim present in all AHFES countries in NPD**

Coconut flavoured meal drink high in protein (**United Kingdom**).

Gluten free **is a popular growing claim**

Gluten free ready-to-drink meal drink with vanilla flavour (**France**).

Organic **and** ***No additives/preservatives*** **are growing claims present in all AHFES countries**

Organic spirulina powder mix for smoothies (**Ireland**)

Energize smoothie mix with no additives added (**Portugal**)

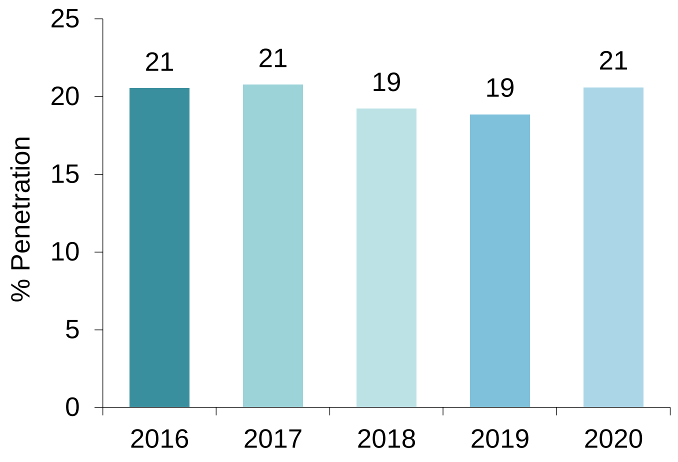
Products with passive health claims

Brekkie shake with coconut, almond and chai spice, Low in salt and sugars. (**United Kingdom**).

Juice and juice drinks

Launches and health claims

Fruit/Flavoured Still Drinks, Juices & Nectars and Plant based waters launches in AHFES countries (2016-2020)



CAGR (2016-2020)
0.1%

Peach nectar (**Portugal**).

Top 10 health claims in AHFES countries

Region	1. No added sugar	2. No Additives/ Preservatives	3. Organic	4. Natural	5. Antioxidant	6. Vitamin/ Mineral Fortified	7. Gluten Free	8. Low/No/ Reduced Calories	9. Energy/ Alertness	10. Inmune Health
Spain	21%*	15%*	16%*	8%	5%	3%	14%	7%		3%
Portugal	14%*	15%	5%	14%*	1%		4%	10%		
France	24%*	21%	37%*	3%	3%*	3%*	2%		3%*	
United Kingdom	26%	23%	8%	6%	5%	8%*	7%	7%	6%	11%
Ireland	22%	22%		5%	3%	13%*		7%*	7%	8%
EUROPE	17%*	23%	17%*	7%	3%	6%	6%*	4%	3%	4%

No added sugar, the main claim

Cold pressed sweet and sour apple juice with no added sugar (**United Kingdom**).

Squeezed yellow grapefruit juice with no added sugar (**France**).

Organic, *Natural* and *No additives/preservatives* are among the most popular health claims

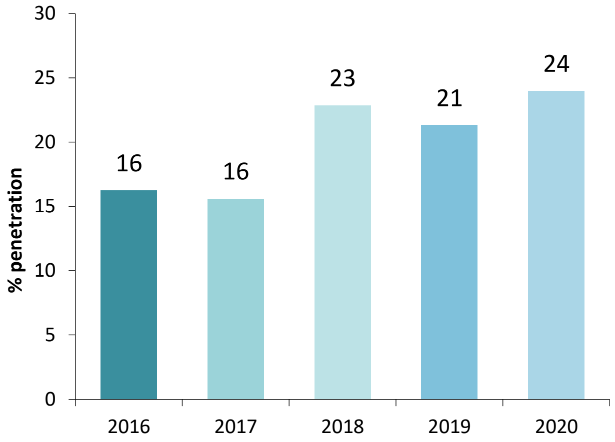
Cold pressed carrot, apple, orange, ginger, and lemon juice, organic and with no preservatives (**Spain**).

Organic grape juice organic and with no flavouring or any artificial colouring (**Portugal**).

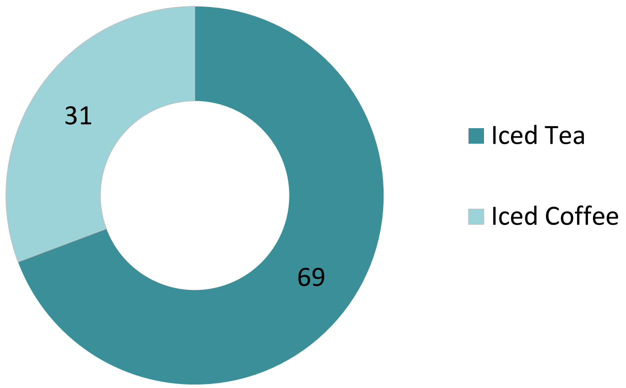
Mango and passion fruit juice drink from concentrate with no added sugar or sweeteners (**Ireland**).

Chilled/Iced coffee and tea

Launches and health claims



CAGR (2016-2020)
10.2%



Hibiscus mint with raspberry leaves infusion (**France**).

Top 10 health claims in AHFES countries

Region	1. Organic	2. No Additives/ Preservatives	3. Low/No/ Reduced Calories	4. Gluten Free	5. Sugar Free	6. No added sugar	7. Natural	8. Low sugar	9. Lactose Free	10. Antioxidant
Spain	22%*	31%*	16%*	38%*	10%*	9%	10%*	4%	10%*	4%
Portugal	9%	27%	16%	9%	2%	13%*	8%	3%	6%	2%
France	38%*	34%	21%	4%*	3%	7%	6%*	5%		
United Kingdom	26%*	19%	11%*	13%*	15%*	11%	14%*			
Ireland	14%	25%	11%	7%	18%	18%	14%	6%*		4%
EUROPE	22%*	22%	16%*	12%*	7%*	6%*	8%*		6%*	

Organic, and *No additives/preservatives* are recurrent claims

Organic kombucha with mandarin flavour (**Spain**).

Organic caffe latte (**Portugal**).

Green tea, yuzu and bitter orange botanical tea drink with **no artificial flavours and sweeteners** (**Ireland**).

Passive health claims are present in almost all launches

Mocha iced coffee **with no added sugar** (**United Kingdom**).

Organic raspberry and hibiscus flavoured black tea infusion **low in calories** (**France**).

Conclusions

- The soft drinks industry has shown consistent growth.
- In AHFES countries, France leads sales volume, and Spain production and per capita consumption.
- Juices & nectars, category with the most innovation, followed by carbonates.
- Ethical packaging and convenience, main positioning strategies.
- Strong presence of passive health claims and bioactive ingredients.
- Strong presence of natural products with no additives or preservatives.

Great scope for innovation of healthy products in the soft drinks sector: RTD products with an ethical packaging and natural ingredients, blends of traditional flavours with bioactive ingredients as well as mood modulators for a personal experience.

Thank you for your attention!

Contact: ahfes@clusaga.org

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