



Where Consumers Shop for Soft Drinks

February 2023

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Key findings

INDUSTRY SNAPSHOT

Global off-trade value growth rate returns to pre-pandemic levels in 2022

Reduced-sugar energy drinks seeing particularly strong growth in 2022

Industry players explore different ways of mitigating rising supply chain costs

The many drivers of inflation within soft drinks

The soft drinks industry begins to move the needle on sugar, led by low/zero alternatives

Sustainability concerns making a mark on consumption and consumer decision-making

CHANNEL SHIFTS

Offline retail continues to dominate soft drinks, despite recent e-commerce gains

Australasia, Asia Pacific and Western Europe with the biggest e-commerce shares

Middle East and Africa lacking the infrastructure for greater online sales

New consumer behaviour fuels Deliveroo's growth and quick commerce

STORE-BASED CHANNELS

Small local grocers still have an important role to play

In spite of pressure from e-commerce, supermarkets performing strongly

C-stores record a healthy 2017-2022 CAGR despite the impact of the pandemic

Pressure on margins for players in an inflationary environment?

Grocery retailers still dominate sales of soft drinks

Aldi has moved up to join Lidl in the top three modern grocery retailers

Strong growth in actual sales of private label bottled water over 2017-2022

North America and Western Europe account for the bulk of private label sales

Private label now up to a 50% share of still bottled water sales in the US

NON-STORE CHANNELS

Strong e-commerce growth due to the pandemic...

...but e-commerce remains a relatively undeveloped sales channel in soft drinks

Bottled water continues to clearly lead e-commerce sales of soft drinks

E-commerce still a relatively minor retail distribution channel in soft drinks

Latin America and Eastern Europe record the strongest CAGRs

Pinduoduo continues moving up the rankings

Asia Pacific and North America the biggest regions for vending

Japanese players dominate the top five vending companies

NON-RETAIL CHANNELS

On-trade continues its gradual recovery in 2022

High inflation rates likely to hit both off- and on-trade sales

FUTURE DEVELOPMENTS

Inflation a short-term trend, cutting sugar intake and sustainability are long-term trends

Key takeaways

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