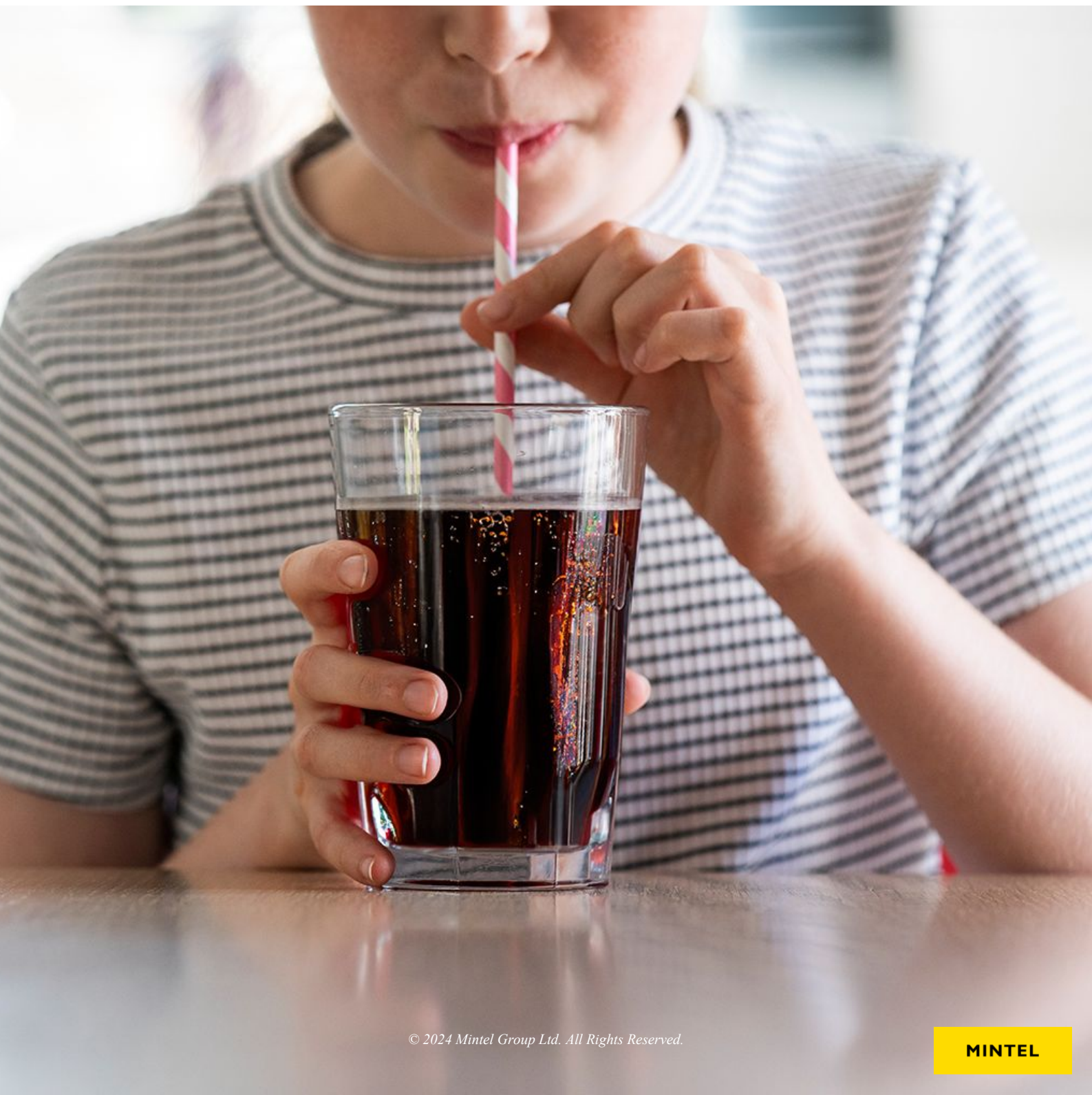


# CARBONATED SOFT DRINKS – UK – 2024

The CSDs market saw volumes fall in 2023 due to the income squeeze and absence of a hot summer. Various brands bucked the trend thanks to NPD and related marketing.



Kiti Soininen, Head of UK  
Food and Drink Research



# Carbonated Soft Drinks - UK - 2024

## This report looks at the following areas:

- The impact of the income squeeze on the market and the outlook for the next five years
- Key new product development trends in the category
- Usage of CSDs and key demographics
- Behaviours related to CSDs, including recycling and refills
- Concepts of interest in CSDs, including related to naturalness and sugar reduction
- Consumer interest in NPD and selected opportunity areas



The CSDs market saw volumes fall in 2023 due to the income squeeze and absence of a hot summer. Various brands bucked the trend thanks to NPD and related marketing.

## Overview

The CSDs market was hit in 2023 by the income squeeze. The discretionary nature of the drinks and their rapidly rising prices prompted consumers to cut back on them, the poor summer weather adding to this. Inflation ensured continued value growth, tempered by trading down.

The recent spotlight on UPFs and the WHO advising against the use of non-sugar sweeteners (NSS) to control body weight and classifying aspartame as "possibly carcinogenic to humans" stand to pose a threat to the category, should they gain further attention from the media, or from consumers once rebounding incomes allow health and naturalness become more front of mind.

**BUY THIS REPORT NOW**


**€2600.00 | £2195.00 | \$2995.00\***

[store.mintel.com](https://store.mintel.com) | [store@mintel.com](mailto:store@mintel.com)

Americas: +1 (312) 932 0400  
China: +86 (21) 6032 7300  
Germany: +49 (0) 211 3399 7411  
India: +91 22 4445 1045  
Singapore: +65 6653 3600  
Thailand: +66 2 821 5122  
UK: +44 (0) 20 7606 4533

\*These prices are correct at time of publication, but are subject to change due to currency fluctuations.

**MINTEL**



Strong consumer interest in new flavours in the category has underpinned the impressive sales performance of various recent launches. CSD brands are using NPD, and building buzz around it, to drive engagement. This active approach to innovation is helping them to maintain and build share of throat.

**BUY THIS REPORT NOW**

**€2600.00 | £2195.00 | \$2995.00\***

[store.mintel.com](https://store.mintel.com) | [store@intel.com](mailto:store@intel.com)

Americas: +1 (312) 932 0400  
China: +86 (21) 6032 7300  
Germany: +49 (0) 211 3399 7411  
India: +91 22 4445 1045  
Singapore: +65 6653 3600  
Thailand: +66 2 821 5122  
UK: +44 (0) 20 7606 4533

\*These prices are correct at time of publication, but are subject to change due to currency fluctuations.

**MINTEL**

# Report Content

### Key issues covered in this Report

- Overview

## EXECUTIVE SUMMARY

### Opportunities for the carbonated soft drinks market

- Flavour NPD remains crucial to drive interest
- Higher juice content and less sweet flavours can help to meet demand for naturalness
- DRS and refills offer routes to combat packaging concerns

### Market dynamics and outlook

- The five-year outlook for carbonated soft drinks
- Modest volume growth forecast for CSDs, value growth fuelled by trading up and inflation
- Crushes buck volume decline in 2023
  - Graph 1: retail sales of CSDs and adult soft drinks, by segment, 2021-23
- Fanta, Tango and Dr Pepper are among the star performers
  - Graph 2: leading brands' sales in the CSDs retail market, by value, 2020/21-2022/23
- Limited impact from HFSS; interest in naturalness and sustainability to regain interest

### What consumers want and why

- Four in five people drink CSDs
  - Graph 3: usage of CSDs, by type, 2020-23
- Flavour NPD remains a necessity, scope for refills to combat packaging concerns
  - Graph 4: behaviours related to carbonated soft drinks, 2023
- Naturalness appeals widely
  - Graph 5: concepts of interest in carbonated soft drinks, 2023
- Retro features and brand collaborations hold potential for NPD
  - Graph 6: behaviours related to carbonated soft drinks, 2023

### Innovation and marketing

- 2022 sees uptick in HFSS-compliant launches
  - Graph 7: CSDs launches by sugar content per 100ml, 2019-23
- Limited editions and revamps attract NPD in 2023...
- ...including from leading brands like Coke, Pepsi and Fanta
- Adspend set to fall further in 2023
  - Graph 8: above-the-line, online display and direct mail advertising expenditure on CSDs, by advertiser 2019-22

- Leading brands enjoy near-universal awareness but low current usage
  - Graph 9: selected key metrics for selected leading brands, 2023

## MARKET DYNAMICS

### Market size

- Income squeeze and damp summer hit CSDs in 2023
  - Graph 10: total value and volume sales of CSDs, 2018-23
- Value growth is fuelled by inflation but softened by trading down

### Market forecast

- Trading up and inflation will propel accelerating value growth for CSDs
- CSDs volume growth to regain momentum with rising incomes
- Once household incomes regain momentum, so will CSDs
- Continued efforts on health, sustainability and flavour remain crucial
- Learnings from the last income squeeze
  - Graph 11: value and volume sales of CSDs, annual change, 2008-14
- A strong 2009-11, declines over 2011-14

### Retail segmentation

- The crushes segment bucks wider volume declines in 2023
  - Graph 12: retail sales of CSDs and adult soft drinks, by segment, 2021-23
- Cola continues its dominance in retail, as crushes buck volume declines

### Channels to market

- Inflation fuels value growth in 2023
  - Graph 13: volume sales of CSDs, by channel, 2019-23
  - Graph 14: value sales of CSDs, by channel, 2019-23
- Retail channel gains share amid income squeeze

### Market share

- Cola stalwarts continue to dominate CSDs sales in retail
  - Graph 15: leading brands' sales in the CSDs retail market, by value, 2020/21-2022/23
- Stalwart cola brands retain top positions
- Fanta, Tango and Dr Pepper buck segment's volume decline
- J2O retains top position in adult soft drinks
  - Graph 16: leading brands' sales in the adult soft drinks retail market, by value, 2020/21-2022/23

### Macro-economic factors

- The UK has avoided recession, but economic output has stagnated since the cost of living crisis began

# Carbonated Soft Drinks – UK – 2024

---

- Graph 17: GDP, 2021-23
- Inflation is still the key factor affecting consumers' finances
  - Graph 18: CPI inflation rate, 2021-23
- Interest rates will rise in importance over the remainder of 2023 and into 2024
- Food and drink prices still top the list of consumer concerns
  - Graph 19: "Have you been affected by any of these issues over the last two months? Please select all that apply.", 2023
- Soft drinks inflation slows
  - Graph 20: CPI annual rate for soft drinks and food, 2019-23
- Consumer sentiment: The recovery is continuing...
  - Graph 21: The financial wellbeing index, 2016-23
- ...and people feel more confident about their financial prospects
  - Graph 22: The financial confidence index, 2016-23

## Social, environmental and legal factors

- Government measures on HFSS food and drink are slow to roll out
- HFSS is defined by category and nutrient profile
- Sugar reduction sees most CSDs avoid restrictions
- WHO advises against sweeteners and labels aspartame 'possibly carcinogenic'
- UPFs make headlines
- Strong consumer interest in healthy eating
  - Graph 23: how often people try to eat healthily, 2018-22
- People are divided on permissibility of light CSDs
- Aspartame coverage has caught people's eye
  - Graph 24: Google Trends search index for selected terms, January 2022-December 2023
- Interest in sustainability expected to rebound
- DRS for all UK nations pencilled in for 2025
- DRS could discourage drinks sales
- Decline in 20-34s to pose a headwind, over-55s warrant focus
  - Graph 25: trends in the age structure of the UK population, 2018-28

## WHAT CONSUMERS WANT AND WHY

### Usage of CSDs

- Four in five people drink CSDs
  - Graph 26: usage of CSDs, by type, 2020-23
- Diet variants gain usage in both channels since 2020
  - Graph 27: where carbonated soft drinks have been drunk in the last month (net), by type, 2020-23
- One in five people drink each type of CSDs daily

# Carbonated Soft Drinks – UK – 2024

---

- Graph 28: frequency of drinking diet and non-diet CSDs, 2022 and 2023
- 16-34s are core users of CSDs
  - Graph 29: drinking diet and non-diet CSDs at least once a day, by age, 2023
- The affordability of CSDs fuels usage, irrespective of finances
  - Graph 30: CSDs usage and switching to cheaper variants, by financial health, 2023

## Behaviours related to carbonated soft drinks

- Flavour NPD remains a necessity, scope for refills to combat packaging concerns
  - Graph 31: behaviours related to carbonated soft drinks, 2023
- Flavour NPD remains crucial to drive interest
- Flavour NPD can reap sizeable rewards, but the space is getting busier
- "Limited editions get people excited and talking"
- Curiosity drives purchases in CSDs
- Single-use packaging waste remains a deterrent
- DRS and refills offer routes to combat packaging concerns
- Appetite for refills to reusable vessels...
- ...points to scope to expand the concept beyond theme parks

## Concepts of interest in carbonated soft drinks

- Naturalness boasts a wide appeal among consumers
  - Graph 32: concepts of interest in carbonated soft drinks, 2023
- Natural cues enjoy wide appeal...
  - Graph 33: interest in CSDs with natural flavourings and no artificial sweeteners among users and non-users of CSDs, 2023
- ...but offer little standout
  - Graph 34: CSDs launches with free from added/artificial flavours and ingredients claims, 2019-23
- Higher juice content and less sweet flavours can help to meet demand for naturalness
- Opportunities for mainstream brands to spotlight juice content
- Own-brand and international examples showcase the potential of juice
- Artificial sweeteners divide opinions
- Opportunities for less sweet variants

## Attitudes towards carbonated soft drinks

- Retro features and brand collaborations have wide appeal
  - Graph 35: behaviours related to carbonated soft drinks, 2023
- Cocktail and retro flavours hold potential for NPD
- Mocktail NPD appears timely
- Collaborations can tap into retro appeal
- On-premise venues can leverage consumers' love of newness

## INNOVATION AND MARKETING TRENDS

### Launch activity and innovation

- 2022 sees uptick in HFSS-compliant launches
  - Graph 36: CSDs launches by sugar content per 100ml, 2019-23
- Pepsi reformulates its classic variant in 2023
- LNR-calorie products account for half of launches
  - Graph 37: sugar and calorie claims in CSDs launches, 2019-23
- A handful of launches make positive health claims
  - Graph 38: functional and fortified claims in CSDs launches, 2019-23
- Immune and gut health feature in functional launches
- Seasonal and limited edition launches record an uptick
  - Graph 39: seasonal and limited edition launches in CSDs, 2019-23
- Coke and Fanta continue recent high-profile activity
- Fruit and sweet-inspired flavours continue to inspire launches
- Alcohol flavours are small but growing
- Packaging updates make up half of launches
  - Graph 40: CSDs launches by launch type, 2019-23
- Pepsi rebrands in 2024, following Sprite and 7UP
- Lilt becomes Fanta, Dr Pepper refreshes to express its personality and flavour
- Recycling claims abound
  - Graph 41: ethical claims in CSDs launches, 2019-23
- Coke looks to refills, Sprite goes label-less in trials
- Smaller brands elevate their ethical credentials
- Various CSD brands extend into adjacent categories

### Advertising and marketing activity

- Adspend set to fall further in 2023
  - Graph 42: above-the-line, online display and direct mail advertising expenditure on CSDs, by advertiser 2019-22
- Coca-Cola looks to shared meals
- Coke celebrates shared meals
- A new approach to sampling for Coca-Cola Zero Sugar
- Coca-Cola continues tie-ups
- Fanta continues to celebrate Mystery Flavours and Halloween
- Marketing campaigns support Dr Pepper and Sprite relaunches
- Pepsi Max puts the Taste Challenge in focus in 2023...
- ...and highlights meal pairings



- Tango spotlights its 'dangerously potent' flavour

## BRAND RESEARCH

- Near-universal awareness but low current usage
- A minority perceive leading brands as high quality
  - Graph 43: attitudes towards selected brands in the CSDs market, 2023
- Top brands enjoy strong fun connotations
  - Graph 44: brand personality - macro image, selected brands in the CSDs market, 2023
- Low associations with refreshment
  - Graph 45: brand personality - micro image of selected brands in the CSDs market, 2023

## APPENDIX

### Supplementary data – market segmentation

- Retail sales of CSDs, by segment, 2021-23
- Retail sales of CSDs, by segment, 2021-23

### Supplementary data – market share

- UK: leading brands' sales and shares in the retail CSDs market, by value, 2020/21-2022/23
- UK: leading brands' sales and shares in the retail CSDs market, by volume, 2020/21-2022/23
- UK: leading manufacturers' sales and shares in the retail CSDs market, by value and volume, 2020/21-2022/23
- UK: leading brands' sales and shares in the retail adult soft drinks market, by value and volume, 2020/21-2022/23
- UK: leading manufacturers' sales and shares in the retail adult soft drinks market, by value and volume, 2020/21-2022/23

### Supplementary data – social, environmental and legal factors

- WHO advises against sweeteners...
- ...and labels aspartame 'possibly carcinogenic'

### Supplementary data – innovation

- Fruit and sweet flavour components gain share of launches

### Market forecast data and methodology

- Market value forecast
- Market volume forecast
- Market forecast prediction intervals – value
- Market forecast prediction intervals – volume
- Forecast methodology

### Report scope and definitions

- Market definition

- Abbreviations and terms

## **Methodology**

- Consumer research methodology
- Nielsen Ad Intel coverage
- Forecast methodology

### Disclaimer

This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by a UK licensed market survey agent ([see Research Methodology Europe for more information](#)).

### Terms and Conditions of use

Any use and/or copying of this document is subject to Mintel's standard terms and conditions, which are available at <http://www.mintel.com/terms>

If you have any questions regarding usage of this document please contact your account manager or call your local helpdesk.

### Published by Mintel Group Ltd

[www.mintel.com](http://www.mintel.com)

email: [store@mintel.com](mailto:store@mintel.com)

### Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850