

# SOFT DRINKS – INDIAN CONSUMER – 2019

Offer soft drinks that are not too sugary yet taste good. Couple these with new flavours and functions to improve health credentials of CSDs and retain consumers.



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# Report Content



- What you need to know

## EXECUTIVE SUMMARY

- Focus on localisation of flavours, added health benefits and deeper market penetration
- India offers opportunities, with strong forecast value growth over the next five years
- Market landscape: CSDs
- Consumption of soft drinks
  - Graph 1: Soft drink consumption in the last six months, Sep 2019
- Carbonated soft drink habits in India
- Offer new flavours and keep CSDs fun
- Key takeaways

## KEY TRENDS

### Key drivers

- India offers opportunities with positive growth for CSDs
  - Graph 2: Projected CSD retail market volume consumption per capita (population) in litres, 2019
- Rural electrification and growing cold-chain infrastructure will boost CSD penetration
- FSSAI proposes a ban on junk food promotion in and around school premises
- Coca-Cola's fruit circular economy bodes well with consumer demand
- CSD brands work towards environmental responsibility

### Global trends and how they are playing out in India

- In line with global trends, the average sugar content in Indian CSDs is declining
- CSD brands breaking into other categories to drive growth
- Carbonated soft drinks meet Mintel Trends

## CONSUMER INSIGHTS

- What you need to know

### CSD consumption

- Who are the consumers?
  - Graph 3: Consumption of different CSDs, by age group, region and city tier, Sep 2019
- CSDs have the potential to acquire market share in Tier 3 and lower

## Soft Drinks – Indian Consumer – 2019

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- Graph 4: Consumption of CSDs versus nimbu paani (lemonade), by city tier, Sep 2019
- Focus on 'health' and 'natural' attributes, be sure that taste is paramount
  - Graph 5: Select CSD attributes, Sep 2019
- L/N/R sugar products will remain niche

### Changes in consumption

- What are CSD consumers moving to?
  - Graph 6: "Which types of drinks have you replaced/are you trying to replace carbonated soft drinks with?", Sep 2019
- Fruit flavours entice young adults
  - Graph 7: % of consumers who have replaced or are trying to replace carbonated soft drinks with juices, by age group, Sep 2019
- Opportunity for energy-boosting CSDs
  - Graph 8: Energy-related drinks replaced/trying to replace carbonated soft drinks with, Sep 2019
- Carbonated coconut water could appeal metro and Tier 1 consumers
- Take inspiration from fizzy coconut water launches in other markets

### Innovation focus

- Offer exciting flavours, nutrients and functionality
  - Graph 9: Interest in CSD features, September 2019
- CSD consumers seek products with added nutrients
- Fortification is necessary to boost consumption among SEC A consumers
  - Graph 10: Interest in added protein and added vitamins when choosing a CSD, by socioeconomic class, Sep 2019
- Create better-for-you CSDs with natural flavours
- Innovate around savoury and spicy flavours for the North and West
  - Graph 11: Interest in savoury and spicy CSD flavours, Sep 2019
- Digestive health benefits in CSDs could appeal South Indians
  - Graph 12: Interest in 'high-fibre' claim when choosing a CSD, Sep 2019

## MARKET APPLICATIONS

- Key areas of focus

### Market opportunities

- Capitalise on Indian consumers' familiarity with Ayurveda and their demand for 'natural'
- Healthier CSDs have an opportunity to thrive
- Added vitamins and minerals can bolster the health credentials of CSDs
- Go hyper-local with ethnic flavours
- Create novelty in the category with calming and relaxing CSDs
- Tap into the non-alcoholic beer segment

### Who's innovating

- Indian brands make the Ayurveda and natural connection
- Indian CSD brands actively drive sugar reduction in their launches

### Global innovations

- A new Pepsi range: mango, lime and berry
- Good Night CSD helps consumers relieve stress and aid sleep
- Brands could leverage the power of adaptogens in CSDs to help consumers calm and relax
- Grain-based sparkling drink can tap into the "better-for-you" CSD market

### APPENDIX

- Consumer survey methodology

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02

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03

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