

Are South Africans really saying no to fizzy drinks?

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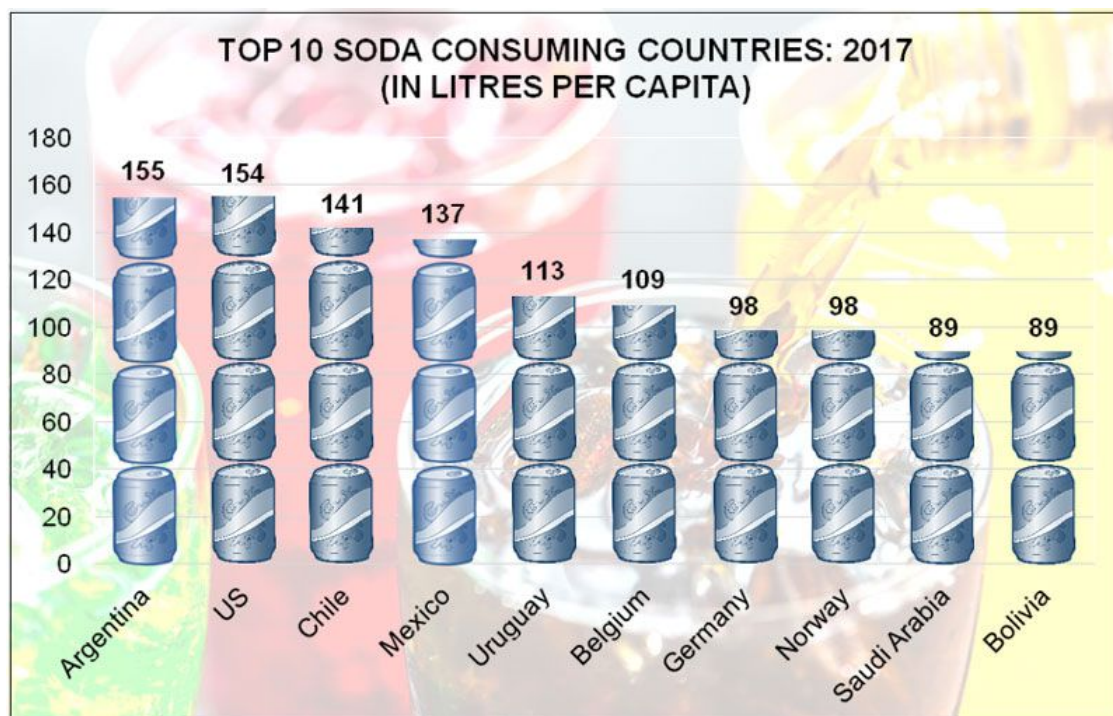
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Although South African consumers' move towards healthier lifestyles, as well as the introduction of sugar tax, may have slightly tarnished the positive feelings once associated with 'Enjoy the feeling' and other refreshing moments, the carbonated soft drinks industry remains relatively optimistic, and many industry professionals believe that the category will continue to grow over the coming years.

Insight Survey's latest *SA Carbonated Soft Drinks Industry Landscape Report 2019* carefully unfolds the global and local carbonated soft drinks markets based on the latest information and research. It examines the market drivers and restraints as well as global and local market trends to present an objective insight into the South African carbonated soft drinks industry environment, market dynamics and its future.

Globally, the carbonated soft drinks market was worth US\$379.6 billion in April 2018. The market was also expected to increase at a CAGR of 2.8% to reach US\$435.8 billion by 2023. Worldwide there are numerous countries that still show a strong preference for carbonated soft drinks.

The graph below illustrates the top 10 soda-consuming countries in terms of per-capita consumption. In 2017 the top three countries globally were Argentina, the United States and Chile, with per capita consumptions of 155 litres, 154 litres and 141 litres, respectively.



Source: WorldAtlas; Graphics by Insight Survey

Manufacturers are investing heavily in advertising and this could be one of the key reasons why carbonated soft drink markets continue to show growth. Soft drink manufacturers are strategically using mass media, billboards, sport stadia and public events to promote their products.

In South Africa, **Twizza** has partnered with Primedia Outdoor to brand a large fleet of taxis and raise awareness for its "Summer Fo Sho" competition. The campaign commenced in November 2018 and focused on the key commuter routes in four of South Africa's provinces – the Western Cape, Eastern Cape, Free State and North West.

Furthermore, with their recent '**Share-a-Coke**' campaign, Coca-Cola has once again proven that it is one of the most innovative brands around. The campaign features a number of unique South African names on the actual Coke cans and encourages South Africans to learn how to pronounce each other's names correctly.

The South African carbonated soft drinks market experienced value growth of 4.2% and volume growth of 4.7% between 2017 and 2018 - and is expected to continue to show positive growth over the next five years. Although the implementation of the 2018 Sugar Tax will more than likely have some influence on the industry, manufacturers have used various strategies to reduce the number of calories in their products and, thereby, ensure they remain relevant. Some of these strategies will include the reformulation of existing products, revising pack sizes, and introducing low-calorie products.

Low-calorie alternatives will probably be one of the most important strategies to ensure that soft drink manufacturers in South Africa remain relevant. Although low-calorie carbonates currently comprise only 12.2% of the South African cola carbonates market, this segment is expected to grow at a CAGR of 4.7% between 2019 and 2023. Most manufacturers have introduced some form of a low-calorie alternative to the market. Coca-Cola, for example, offers Coke Zero, Coke Light, as well as Coke Life, which is a beverage with 37% less sugar that contains stevia leaf extract. Refreshhh also offers five sugar-free alternatives in a number of flavours, such as apple, ginger beer, cola, orange, and lemon.

Although the South Africa carbonated soft drinks industry will continue to face numerous challenges in the future, consumers' infatuation with fizzy drinks will more than likely continue to drive sales. It will, however, be key for manufacturers to understand changes within the industry, as well as the dynamic needs of consumers, to develop innovative South African products.

The ***South African Carbonated Soft Drinks Industry Landscape Report 2019*** (140 pages) provides a dynamic synthesis of industry research, examining the local and global carbonated soft drinks industry from a uniquely holistic perspective, with detailed insights into the entire value chain – from manufacturing and importing to retailing, consumption, pricing analysis, and purchasing trends.

Some key questions the report will help you to answer:

- What are the key factors that are driving and restraining the growth of the local and global markets?
- What are the latest South African carbonated soft drinks industry trends, drivers and challenges?
- What are the current market dynamics (key brands, market size, market value, market volumes: 2012-2023) of the SA carbonated soft drinks industry?
- Who are the key manufacturing and retail players in the SA carbonated soft drinks industry?
- What are the prices of popular carbonated soft drink brands across South African retail outlets?

Please note that the 140-page report is available for purchase for R30,000 (excluding VAT). Alternatively, individual sections can be purchased for R10,000 (excluding VAT). For additional information simply contact us at info@insightsurvey.co.za or directly on (0)21 045-0202.

For a full brochure please go to: [**South African Carbonated Soft Drinks Industry Landscape Report 2019**](#).

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Our bespoke Competitive Business Intelligence Research can help give you the edge in a global marketplace, empowering

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