

RTD sports drinks gaining market share

Ready to drink (RTD) sports drinks were one of the few segments of the non-alcoholic beverage categories that recorded positive growth for the year 2017, according to a recent BMi Research report. The category has performed well over the past few years and sports drinks are believed to be gaining share of throat from other non-alcoholic beverages.



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The influx of category entrants to the market contributed to the volume growth for the period. It is believed that sports drink suppliers realised the latent demand for these products and channeled volumes into market, particularly into previously underserved sectors, such as on-consumption.

Export channel dominates

Top end retail remained the mainstay of the category as this channel has a large customer base compared to other sectors and promotional activities seen within this channel may have stimulated consumer buying activities. The export channel dominated the category in volume growth terms. Players are said to be looking at maximizing their profit margins and venturing into new avenues, increasing their footprint in countries that were previously underserved.

The last quarter of the year 2017 witnessed ex-president Robert Mugabe step down from his presidential seat after ruling Zimbabwe for 30 years. The change in government was received with positive feedback from investors and players in various markets. It is believed that local sports drinks players and manufacturers may see this as an opportunity to expand their products into Zimbabwe, thus increasing their African footprint.

The key metropolitan regions, namely Gauteng, KwaZulu-Natal and the Western Cape, accounted for the majority of the category volume in 2017. These regions have high population concentrations with higher than average disposable income and players are said to prioritise these regions to reach a larger consumer base and to increase profit margins. Also a number of players are situated in these regions and they tend to place their focus on areas surrounding their production plants to reduce costs associated with distribution.

PET packaging

The 500ml PET bottle remains the most prominent pack size and pack type for the RTD sports drinks category. This PET packaging looks set to continue to dominate the market in future as it is affordable and appears to be a good fit for a variety

of consumption scenarios. Players are said to prefer this pack type and denomination, indicating that the size is ideal for offering an efficient number of electrolytes to rehydrate athletes during sport activities.



Fruit juice, iced tea and bottled water grow in volume and value

28 Dec 2017



Positive household consumption expenditure index

The household consumption expenditure index showed a positive growth of 2.2% for the year 2017, up from 0.7% in 2016. This is believed to be an indication that the economy may be at a turning point and consumers may be increasing their spend. Players in the market may observe this as a positive factor and could increase supply as a result.

In addition, the industry selling price has shown positive year-on-year growth for the past five years. This category is dominated by few players and price remains competitive across brands, with promotional activities used to drive sales.

Despite the poor performance of the global and South African economies experienced during the year, the category is expected to continue to perform well in the medium to long term. The positive outlook of the economy, given the factors listed above amongst others, and promotional activities, are some of the driving factors associated with the projected volume growth.

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