

Soft drink brands need more effective insights to understand whether Britons are losing their fizz

Contributed by Bonamy Finch
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Changes in the way British people are consuming soft drinks should encourage brands to look more closely at the attitudes of their current and potential customer bases as doing so will ensure that the products they are bringing to market are informed by insights on these changing consumer habits.

Consumer insights and analytics specialist Bonamy Finch was commenting on new research which shows that Britons are moving away from cola in all its various formats and are turning instead towards energy drinks, water and smoothies. Figures from Britvic show that last year the UK soft drinks market was up 2% year on year with people looking for alternatives to traditional fizzy drinks. Sales of energy drinks have doubled in the past ten years with the Britvic study showing energy drinks dominating sales in convenience stores outselling cola for the second year, although we still drink almost 2.5 billion litres of cola every year, compared to 0.5 billion litres of energy drinks*.

Bonamy Finch says that brands whose NPD or marketing strategy has been based on fragments of data from multiple sources may be working with serious gaps in their knowledge. They may be unclear about who their primary target groups actually are, and importantly, the financial value of groups whose needs they are not currently addressing.

Leigh Morris, Founder and Managing Director of Bonamy Finch, says that adopting a Market Tier Definition approach identifies and places a value on discrete market tiers. These range from the Core and Secondary (those at the heartland of the category), to the Periphery (with potential to bring more value to the category), to those who are ultimately (for now at least) Out of Market. Understanding the structure of the market in this way provides a sound commercial foundation for marketing initiatives.

“We all know that fizzy drinks have developed something of an image problem,” explains Morris. “Full sugar versions suffered as people started to reduce their intake because of sugar levels and concerns about weight gain. Now diet versions have started to suffer as we become concerned about artificial sweeteners. Against this background, brands need insights that genuinely help them understand how we are consuming soft drinks so they can structure their commercial focus and research accordingly.

Morris says that within the population there will be several different groups of consumers who differ fundamentally in terms of their engagement with the soft drinks category. The first might drink a certain type of soft drink several times a week and be attitudinally positive towards it. There might have a second group who consume it weekly and a further group who aren’t regular fizzy drink drinkers due to specific psychological or functional barriers. Brand owners wishing to understand the strengths of their brand, and where it might be differentiated, may only recruit to their core or secondary groups to get really effective working insights. If there is strong untapped financial potential in the periphery group, they may focus on these people to understand the barriers that are blocking category growth. The Market Tier approach means brands don’t waste money and other resources talking to 100% of the “market” regardless of the business issue. Instead they use their Market Tier structure to design more effective/efficient research. By adopting a market tier approach to research they can gain insight that not only address the prospects for soft drinks in general but specifically for the type of drink or drinks that they produce.

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