

First decline for RTD fruit juice in five years

According to a recent BMi Research report, in 2017 the RTD fruit juice category saw its first decline in five years. The category is possibly not a priority purchase for consumers who are financially strained by the difficult position the South African economy is in, as evidenced by the slowing performance.



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Segments with fewer perceived health advantages (“Other” – i.e. carbonated), make up only a small portion of category sales. This may be the association a consumer makes of carbonated fruit juice to sparkling soft drinks. The rest of the market volumes, accounting for more than a 90% share, entail long life aseptic juices and short life juices.

Top end retail comprised close to half of all category volume sales for 2017 and continues to see growth. Wholesale was the next largest channel in volume terms. Promotional activity in these store formats may have contributed to volume growth, though the ease of reaching a greater number of consumers through established means, makes these channels more attractive too.

The greatest growth shown, came through bottom end retail (though this was still fairly slow). It is hypothesised that cash-strapped consumers shifted to purchasing in more convenient channels, and that this was a driver of the performance seen within the bottom end.



Dilutables beverage category declines in volume in 2017

21 May 2018



South Africa's three key major metropolitan regions dominated the volume share for the fruit juice category. High per capita population, as well as demographic profile in these regions, drives sales here. Gauteng is the dominant region and declined as North West, KwaZulu-Natal and the Eastern Cape experienced growth. The shift to top end retail in these regions may drive this dynamic.

Rigid plastic and carton are the prevailing pack formats within the fruit juice industry, where larger “sharing” pack sizes (1L – 1.5L) are dominant.

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