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Media Feedback
2016 Category Quantification Report
Dilutables in South Africa

Product Definitions

Product	Definition
Base	A base is a super concentrated cordial product to which you would add sugar when reconstituting. Examples of this type of product are Fouro and Sixo manufactured by Tiger Brands. These are included in cordials and squashes in this report to maintain player confidentiality
Cordial	A cordial is a concentrated beverage product that contains less than 6% fruit juice in its reconstituted form. These products may however contain up to 6% fruit juice. It is necessary to note that a cordial does not have to contain any fruit juice and may be flavoured artificially
Dairy Juice Blend	A chilled or ambient blend of fruit juice and dairy (typically skimmed milk).
Fruit Juice Concentrates	Concentrates typically have a pure fruit juice content of between 20% and 50%. In terms of dilution, a ratio of 1:4 is generally utilised
Iced Tea	As no regulatory standards presently exist regarding the definition of Iced tea, this category includes all dilutable products marketed as “iced tea”
Sports Drinks	Sports drinks are beverage products that contain nutrients and electrolytes to replace those lost by the body during physical exertion, or to improve and sustain performance. Sports drinks in this report refer only to concentrates; ready-to-drink sports drinks were excluded from the analysis
Squash	A squash is a concentrated beverage product, which by definition contains 6% fruit juice in its reconstituted form

Market Trends

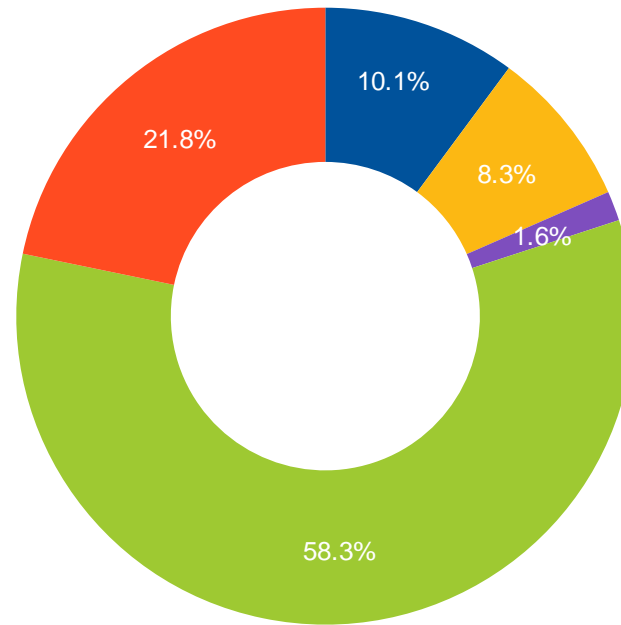
Despite the South African economy underperforming and consumer's disposable income being even more under pressure in 2015, the dilutable market showed good growth in the year under review. The dilutable category grew from 2014 to 2015 and recorded healthy growth in volume for the year. It is believed that this market movement may be attributed to the following:

- Weak Rand/Dollar exchange rate, favouring exports
- Warm weather conditions in spring and summer months, resulting in higher sales during these seasons
- Low consumer spending on expensive beverage products, shifting focus to less expensive products like dilutables

The dilutable category contributed to the economy, increasing in value from 2014 to 2015. Cordials and squashes together with dairy juice blends are the biggest contributors, both in volume and value, contributing 85.6% and 83.3% respectively to the dilutables category.

This year has seen a trend of growth in the larger pack sizes 710ml – 1Litre and the 5L and above, which would offer a bigger reconstitution rate and a better value for money offering to consumers that have felt the money pinch of limited consumer spending.

Channel Distribution 2015



■ Bottom End Retail

■ Export

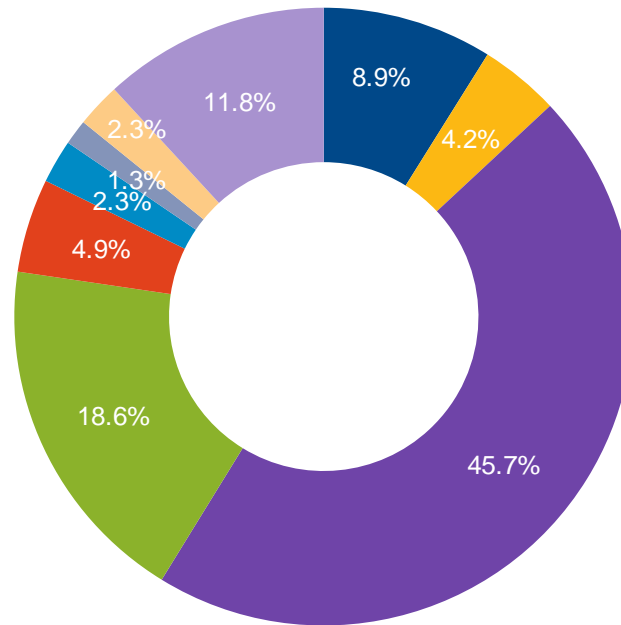
■ On-Consumption

■ Top End Retail

■ Wholesale

Top-end retail remains the mainstay and preferred channel to drive dilutable sales through showing positive growth from 2014 to 2015. Wholesale took 21.8% of the channel share in the year under review and showed a very healthy growth from the previous year.

Local Regional Distribution 2015

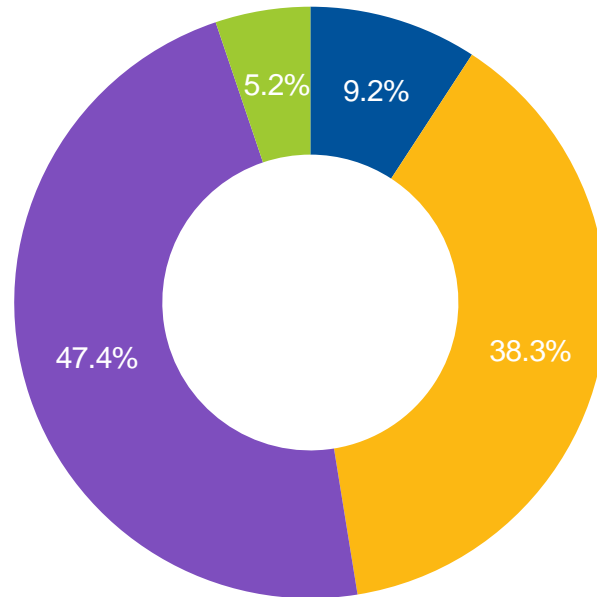


■ E Cape ■ Free State ■ Gauteng ■ KwaZulu-Natal ■ Limpopo ■ Mpumalanga ■ N Cape ■ North West Prov. ■ W Cape

Although Gauteng has the highest consumption of dilutables with a 45.7% share, regions such as Limpopo, North West Province and Northern Cape has showed healthy growth in 2015 against 2014. These provinces have a larger population of a lower income, where consumer spending would be a focus point of getting a better value for money offering that would last longer in households, than a ready-to-drink alternative.

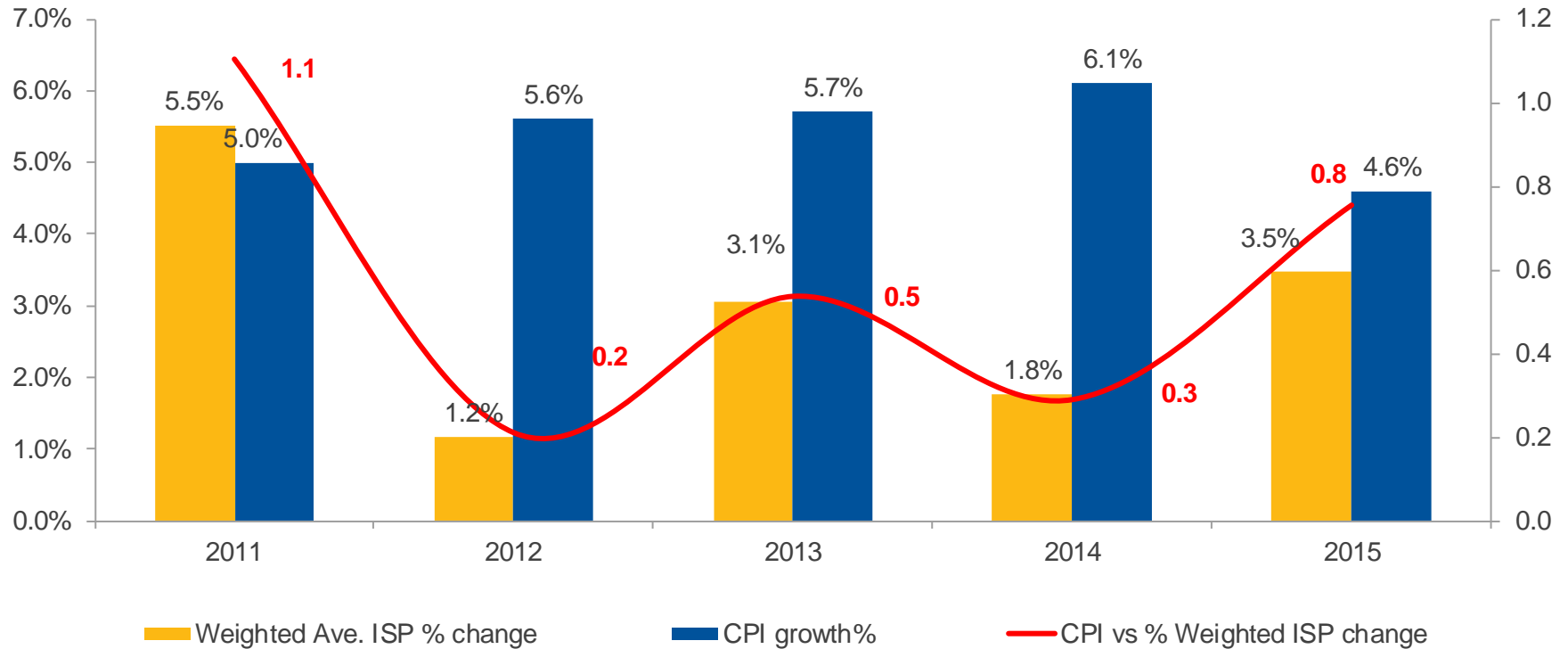
Excludes Exports

Market Breakdown 2015



- FJ Concentrates
- Cordials and Squashes
- Dil Dairy Juice Blends
- Dil Iced Tea/Sports Drinks

Historical Average Industry Selling Price



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BMi Tracking Report Schedule 2016

Packaging		Annual Beverage Publications		
All reports	Full Report (All reports below)			
<ul style="list-style-type: none"> • Packaging overview • Paper & Board • QPM • Quarterly Import 	<i>Alcoholic Beverages</i> <ul style="list-style-type: none"> • Flavoured Alcoholic Beverages • Malt Beer • Sorghum Beer • Spirits • Wine 	<i>Non Alcoholic Beverages</i> <ul style="list-style-type: none"> • Bottled Water • Carbonated Soft Drinks • Cordials and Squash • Energy Drinks • Fruit Juice • Iced Tea • Mageu • Sports Drinks 	<i>Dairy Beverages</i> <ul style="list-style-type: none"> • Dairy Juice Blends • Drinking Yoghurt • Flavoured Milk • Maas • Milk 	
Annual Food Publications		Confectionery & Snacks	On Request	
<ul style="list-style-type: none"> • Canned Protein • Dairy • Desserts • F&C Beverages • Pasta • Rice • Wheat and Grain 	<ul style="list-style-type: none"> • Ice Cream • Packaging of Snack Foods • South African Confectionery Market • The Impulse Market in South Africa 	<ul style="list-style-type: none"> • Biscuits and Rusks • Breakfast Foods • Baked Products • Baking Aids • Eggs • Fats and Oils • Frozen and Par-Baked Products • Premixes • Pre-prepared Meals 	<ul style="list-style-type: none"> • Processed Meat Products • Protein • Sauces • Soup and Condiments • Sweet and Savoury Spreads • Value Added Meals 	



Solutions



Commissioned



Consumer Insights

Shopper Insights

Business Insights

Instore



Promotional Effectiveness



Category Ranging



Mystery Shopping



Instore Compliance



Shopper Insights

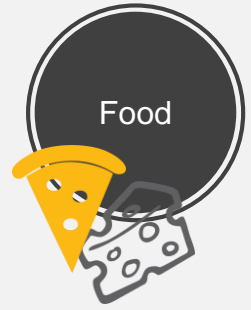


Shelf & Promotional Price Surveys

Category Quantification



Beverages



Food



Packaging

Competitive Advertising Tracking



Advertising & Campaign Testing

Omni Channel



Advertising

Advanced Analytics

Predictive Analytics



Competitive Pricing Simulation



Price Sensitivity



Statistical Optimisation Model



Promotional Effectiveness

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