



insights  
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# Media Feedback Report

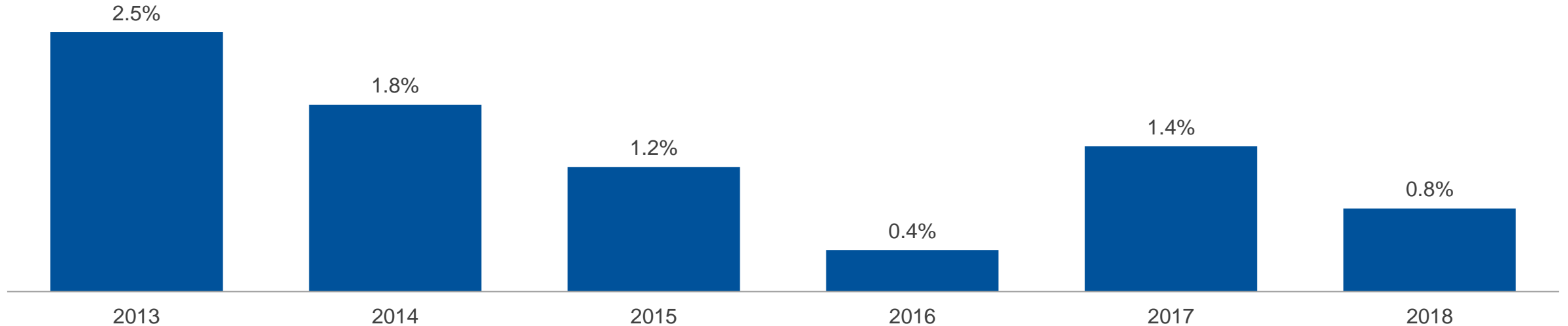
*Dilutables in South Africa*

May 2019

# South African Economy

## South Africa's Gross Domestic Product (GDP)

Constant 2010 prices

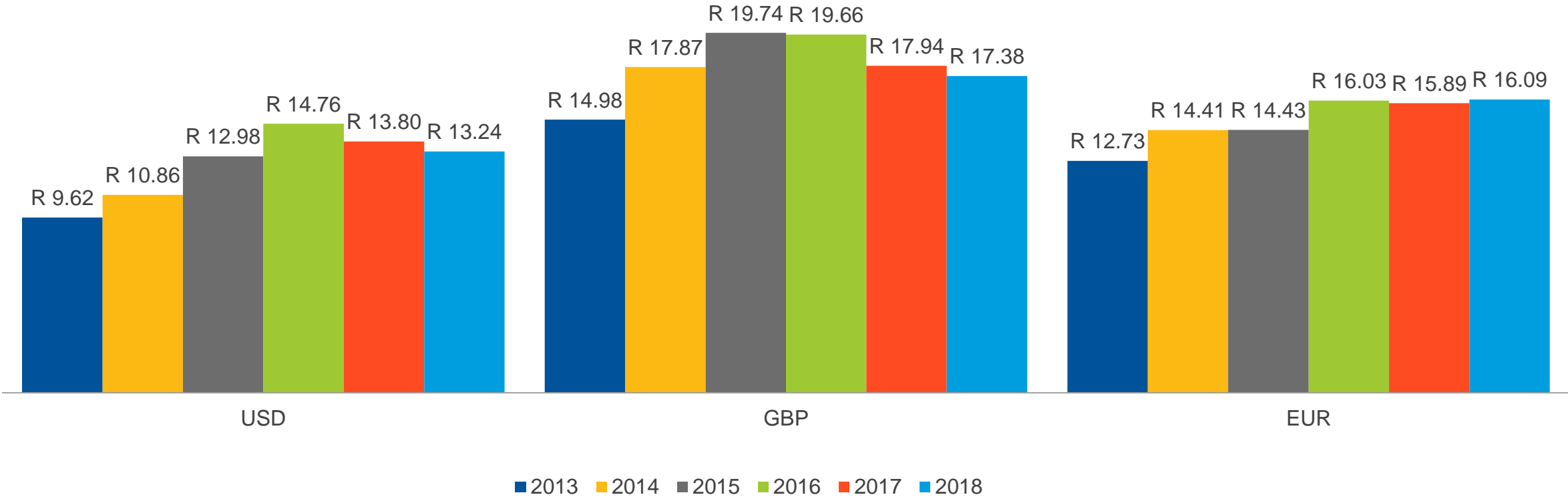


*The South African GDP was recorded at 0.8% in 2018. The growth was led by increased economic activity in finance, real estate and business services and general government services. Dilutables category volume remained stable for the same time period.*

Source: Statssa

# Currency

## Performance of the South African Rand

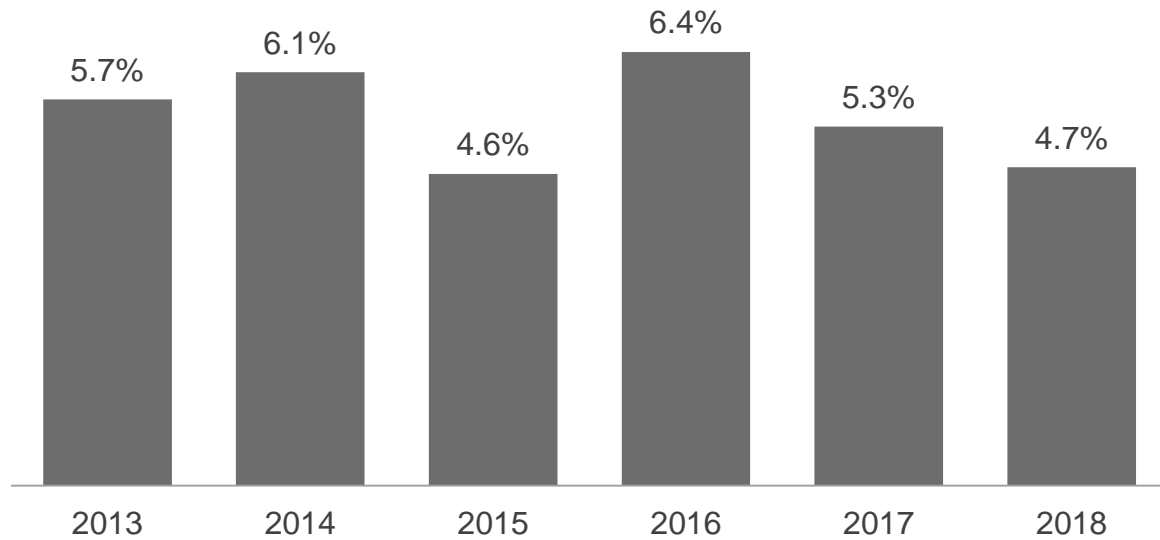


Source: Exchange Rate

# South African Economy

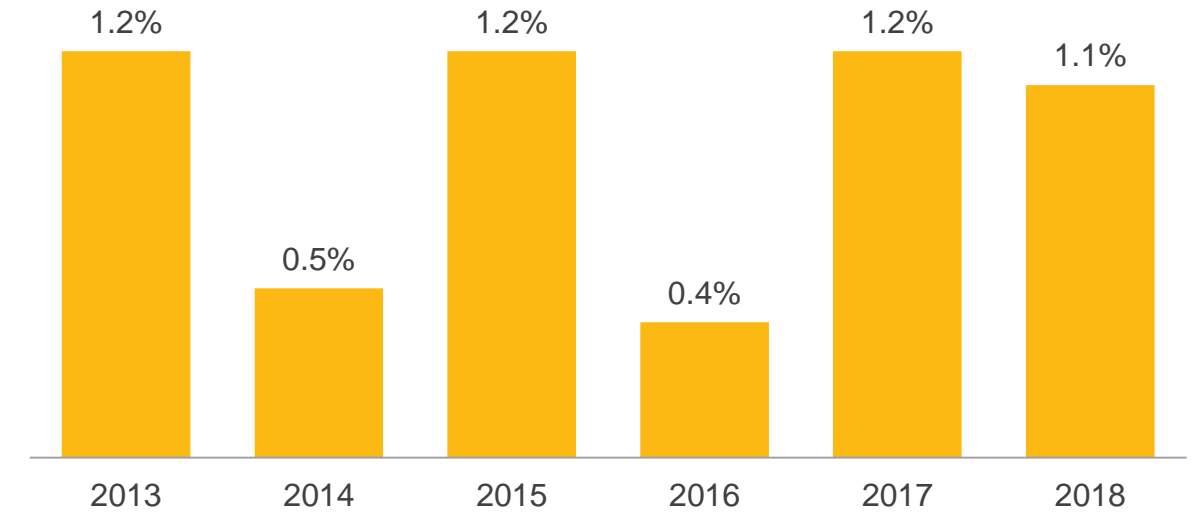
## Consumer Price Index (CPI)

Dec 2016=100



## Household Consumption Expenditure (HCE)

Constant 2010 Prices



# Market Trends

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The dilutables category is known to perform well when the economy is strained due to its affordability and the value it offers. However, for the past two years this has not been the case. The substantial increase in the average industry selling price across the different subcategories is believed to be associated with the reduced demand for dilutables.

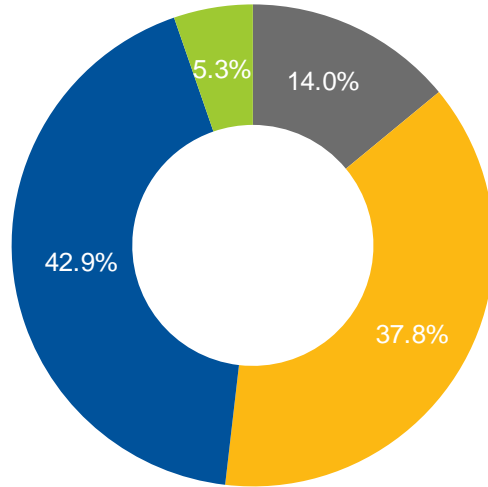
The dilutable dairy juice blends subcategory continued to hold the largest share of packaged and reconstituted volume for dilutables. This subcategory is cheaper on a rand per litre basis and has a high reconstitution factor compared to the other subcategories. In an economy where consumers are looking for ways to stretch their budgets on products that offer value for money, this becomes an attractive option for them. Dilutable sports drink/dilutable iced tea subcategory contributed the lowest share in packaged and reconstituted volume. This subcategory holds the highest average industry selling price and has a niche target market.

Bottom end retail, exports and wholesale were the only channels that showed growth in the base year. The largest growth was recorded by the bottom end retail channel for the base year. This sector is convenient for many consumers as it is located in close proximity to consumer's homes. The outlet has less red tape compared to others, and players are not bound to long term contracts. Therefore, it is easier for players to distribute their products to this sector.

The outlook on dilutables is positive as players are confident that their proposed marketing strategies and innovations will positively impact the performance of the category.

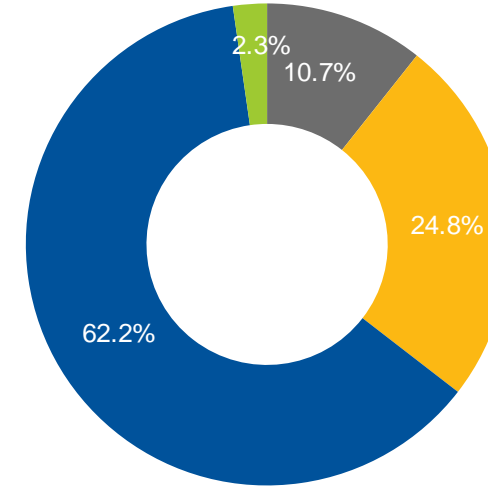
# Market Breakdown 2018

2018 Packaged Volume



- Concentrated Fruit Juice
- Cordials/Squashes/Bases
- Dil Dairy Juice Blends
- Dil Sports Drinks/Dil Iced Tea

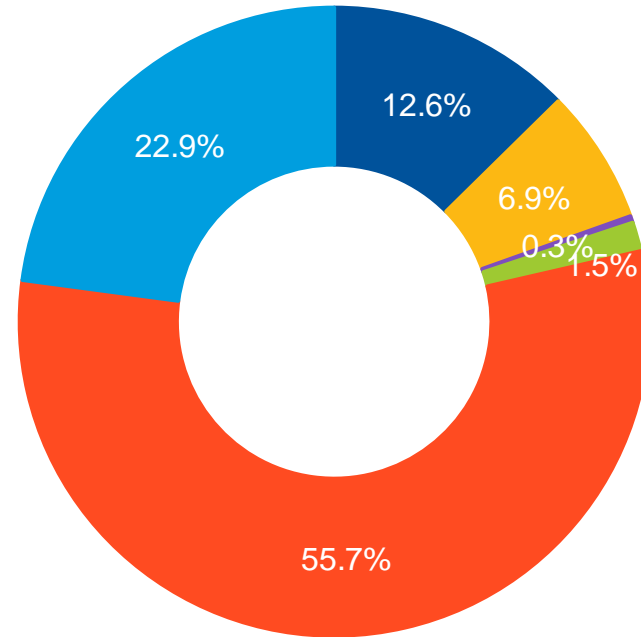
2018 Reconstituted Volume



- Concentrated Fruit Juice
- Cordials/Squashes/Bases
- Dil Dairy Juice Blends
- Dil Sports Drinks/Dil Iced Tea

*Dilutable sports drinks/dilutable iced tea have the smallest share for packaged and reconstituted volume. Products in this subcategory have a higher average selling industry price compared to the other subcategories and thus may have limited mass market appeal. The category has limited players that have established themselves as market leaders in this subcategory. It is believed that this may be making it difficult for new players to penetrate the subcategory.*

# Channel Distribution



■ Bottom End Retail   ■ Export   ■ Garage Forecourts   ■ On Consumption   ■ Top End Retail   ■ Wholesale

*Top end retail is the mainstay for the dilutables category, holding over half of the total volume share in the base year. This channel is known to run promotional activities in store and has a wide range of consumer products. Players may be distributing most of their volumes to this channel to reach a larger base as it has large footprint nationwide. However, it has been noted that the outlet has lost share to other sectors in 2018.*

# Thought Starters...

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*As a result of the sugar tax, RTD vegetable juice is becoming increasingly popular, could we be expecting vegetable concentrate juice to increase? Is there a market for concentrated vegetables juice and if so, will it pose a threat to the fruit juice concentrate market?*



*PET has been getting a lot of backlash for the impact it has on the environment. As one of the major pack types in dilutables, will players shift to other pack types or will PET continue to dominate the category?*





- Analytics Solution
- Dashboards

- Beverages
- Food
- Packaging



- Advertising & Campaign Testing
- Brand Competitive Advertising Tracking
- Omnichannel

Advertising

Category Quantification

Business Research B2B

- Business Insights
- Market Quantifications



# Solutions

Print Ads

Consumer Research

- Consumer Insights
- Shopper Insights



- Print Promotional Pricing Tracker
- Number of Promotional Ads
- Adspend Value
- Print Ads Mobile App
- Promotional Effectiveness

Mystery Shopping

Instore

- Category Ranging
- Compliance Tracker
- Shelf & Promotional Price Surveys
- Shelf Health



- Brand Compliance
- Store Compliance
- Staff Compliance
- Promotional Compliance

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