



Euromonitor
International

Affordability, Value and Soft Drinks

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Table of Contents

EXECUTIVE SUMMARY

Why read this report?

Key findings

INTRODUCTION: HOW AFFORDABILITY HAS IMPACTED THE OUTLOOK IN GLOBAL SOFT DRINKS

The industry begins 2025 facing a two-year volume slump in developed markets
Since 2018, non-alcoholic beverage expenditure has outpaced disposable income
In Europe, retail non-alcohol spending is relatively low, but has spiked since 2018
Meanwhile, retail volume grinds to a halt across Western Europe and North America
In the US, most categories of soft drinks have outpaced CPI - particularly CSDs
Lower-income consumers have faced the brunt of price inflation in non-alcohol
Lower-income consumers will continue to pull back from on-trade and impulse
Brands adapt to navigate channel shifts, as consumers shop around and trade down
Demographic changes will further alter the perception of affordability and value
Soft drinks in 2025: The two-step approach to driving both volume and value
A two-step affordability challenge for the global soft drinks industry

HEALTH AS WEALTH: HOW CONSUMERS ARE REAPPRAISING VALUE

Health and price are essential to consumers' definition of value
GLP-1 will also change how some consumers think about health and engage with drinks
Hydration powders and gut-health CSDs have been post-pandemic success stories
Superoot electrolyte mix exemplifies the blurring beverage-supplement line
Despite tighter budgets, Chinese consumers remain focused on healthier products
For lower-income consumers, health and diet also remain key priorities

UNMET POTENTIAL: AFFORDABILITY FOR THE RISING CONSUMER CLASS

Measuring affordability in global soft drinks: Price, wages and consumption
Middle East and Africa and emerging APAC are the primary sources of future volume
There remains huge unrealised potential for commercial beverages globally
Mastery of small, fragmented and independent retail will prove essential
Varun and PepsiCo's Sting Energy demonstrates the disruptive potential of affordability
The on-premise market for soft drinks will also fragment, as online delivery thrives
Convenience and mobility drive post-pandemic smart vending across Asia
Demand for affordability drives a preference for local and regional alternative brands

LIFESTYLE EFFECT: FASHION AND AESTHETICS RESHAPE THE VALUE EQUATION

Prime is the first lifestyle beverage brand born online, but not the last
Non-alcoholic beer, spirits, RTDs and mixers are emerging as "top shelf" soft drinks
Rising wellness culture invites a "lipstick effect" for functional lifestyle drinks
Beverage brands as lifestyle symbols and fashion accessories

CONCLUSION

Recommendations/opportunities for growth
Evolution of affordability, value and soft drinks
Questions we are asking

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For more information on this report, further enquiries can be directed via this link www.euromonitor.com/affordability-value-and-soft-drinks/report.