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Energy performs strongly

Energy drinks contribute £1.2 billion to the soft drink market (IRI) and drive sales in convenience. To make the most of this category, wholesalers and their customers need to keep up with the increasing number of flavours, formats and health claims from suppliers.

This year, the food and drink industry is all about sugar reduction and responding to consumer concerns about their dietary and nutritional intake – and the energy drinks market is no exception, with estimates of future sales of £200 million for low-calorie energy drinks.

AG Barr has catered to consumer demands for choice with its Rockstar range, with a big-can format and 11 variants. “Rockstar’s wide range of flavours is the biggest in the

energy drinks category and is a key motivator for shoppers and consumers to choose Rockstar, as it doesn’t define how an energy drink should taste,” says Adrian Troy, marketing director for AG Barr.

“Big-can formats are driving growth at 4%, with 55% of big-can sales now coming

from flavours. Rockstar is currently the largest big-can flavoured energy drink in the UK convenience market, delivering over 50% of flavoured sales (AG Barr sales estimate).”

Mindful of consumer concerns over sugar consumption, AG Barr has introduced Rockstar Revolt Killer Citrus and Killer Cooler zero energy drinks this year.



‘Big-can formats are driving growth at 4%, with 55% of big-can sales now coming from flavours’

Adrian Troy, marketing director, AG Barr

“Sugar is an important component of energy delivery for the majority of consumers in the market, but a growing number of consumers are looking for a lower calorie or sugar-free option,” says Troy. The two SKUs have joined Rockstar Pure Zero to further appeal to shoppers in the low-calorie energy market, which is a segment expected to grow to £200 million over the next five years (AG Barr sales estimate).

“The new products reinforce Rockstar’s reputation as the leader in energy drink innovation and builds on the brand’s proven ability to deliver incremental category sales,” says Troy. The launch has been supported by sampling and a social media campaign.

The range is available in a 99p PMP format, a sales strategy that AG Barr feels is particularly savvy in convenience.

“Price-marked packs are hugely important for those shoppers seeking value from the soft drinks fixture and an essential tool via which retailers can grow sales,” says Troy. “Value is a key consideration when shoppers are choosing a convenience store and price-marking is a simple and visible way of demonstrating value, as well as a critical tool for retailers to offer a clear point of difference from other channels.”

Aspire lightly sparkling energy drinks are set to capitalise on the growth of the healthy energy category in 2017, which is anticipated at 15% (Nielsen), as consumers seek natural products and low sugar in the functional energy drinks market.

Aspire’s redesign reinforces the brand’s healthy credentials to consumers and highlights its natural ingredients. The drinks contain green tea extract, ginger root extract and multivitamins, and are free from fat and calories.

There are three variants: Cranberry, Apple + Acai, and Mango Lemonade. The brand is further attracting customers through marketing activity that includes sampling and promotional offers.



Coca-Cola European Partners also recognises the power of the energy drink in convenience – it is, according to Nielsen research last year, “the best-selling soft drinks sector for independents”, says Amy Burgess, trade communications manager at CCEP. “Sales are driven by a focus on innovation to ensure that there’s a choice for every consumer,” she adds. “Most recently, much of this new product development is focused on low or zero-sugar variants, helping to appeal to consumers who are increasingly demanding better-for-you options.”

With this in mind, CCEP introduced Monster Energy Ultra Citron in January, the fourth variant in its Monster Energy Ultra range. “Its launch comes after sales of low-calorie energy drinks grew by 32% over the past year, making it the highest performance within the energy sector. Since its introduction in January 2015, the Monster Energy Ultra can range can claim responsibility for 55% of the energy sector’s low-calorie growth, with Monster Energy Ultra White the biggest generator of growth in the energy sector during 2016 (Nielsen),” says Burgess. “By stocking multiple variants of reduced-sugar options, retailers are able to extend their energy drinks offering to suit any customer preference.”



[ENERGY DRINKS]

→ Continuing to focus on its Monster brand, CCEP has also announced a partnership with sporting icon Lewis Hamilton; the company is to release a signature energy drink, Monster Energy LH44, a black grape variant that has been designed and created by CCEP and the three-times



motor racing world champion Lewis Hamilton. The launch will be supported by marketing that includes in-store, digital and traditional media, and experiential – a promotional highlight will be the chance for someone to live like Lewis Hamilton for the day. "We work really hard to connect our brands

to the core consumer who buys those brands, and this is a superb example of that," says Simon Harrison, operational marketing director at CCEP.

Meanwhile, CCEP's Relentless brand recently benefited from refreshed branding and the launch of a Passion Punch variant, "helping to differentiate the brand amid a crowded and ever-expanding market place", says Burgess. Again using the price-marking tool to attract shoppers in the convenience market, the range is available in £1 PMPs.

Both brands are focusing on target audiences this year to further build on their successes. "Energy brands undoubtedly have loyal consumer bases, and we have worked to align Monster Energy with fans of motorsport and video gaming, whilst building Relentless's links with urban music and culture," she explains. "Our investment in both brands will continue in the coming months, with product development, a number of in-store promotions and striking marketing campaigns all designed to strengthen links with their respective audiences."

Following up on the success of last year's Lucozade Zero range, **Lucozade Ribena Suntory (LRS)** has now added Lucozade Zero in its iconic Original flavour. Lucozade Zero Original is available in 380ml, 500ml and one-litre bottles, including a £1 price-marked SKU.



The Orange and Pink Lemonade variants have generated sales of more than £22 million (IRI) since Lucozade Zero's launch last May – the biggest soft drinks launch of 2016 – and the Zero Original variant is expected to drive performance further.

"Following the initial launch of Lucozade Zero, we saw a huge demand for the Original flavour to be added to the range. We have had fantastic feedback to date with more than half of consumers stating that they would purchase Lucozade Zero Original," says Charlotte Flook, senior brand manager for Lucozade Energy.

The launch is supported by a £7 million marketing campaign that will incorporate outdoor and digital activity predicted to reach 93% of the population. There will also be consumer sampling, with three million mini cans offered across the nation, along with PoS material for the trade.

On the back of last year's 15-year anniversary and the

Boost wholesale and retail sales



Simon Gray (pictured), founder and managing director of Boost Drinks, offers five tips to help wholesalers maximise their energy drinks sales:

1. Have the right mix of products to give retailers choice.
2. What you stock should reflect the local market.
3. Advise retailers to stock PMPs, which will show their customers good value for money and, in turn, drive purchasing both now and on repeat visits.
4. Push 250ml cans and 500ml cans and bottles as great products for the chiller, as this makes them more appealing to impulse customers.
5. Advise retailers to offer a strong product range with a focus on known popular selling brands.

FWD's 'Service to Retailers' award, **Boost Drinks** continues to back its challenger brand Boost in the wholesale sector with new products, promotions and guidance. "We have developed specific collateral for wholesalers to help them promote the Boost range to retailers, with easy reference tools that highlight the key benefits of stocking Boost such as its attractive price point for the consumer and great margins for the trade," explains managing director Simon Gray.

The company's sales team attends wholesale trade days with 'free stock' deals along with a sampling stand showcasing key lines and NPD. The sales team also discusses the wholesalers' requirements and gives advice on the use of merchandising materials such as in-depot banners and tower-end displays.

In its latest development, Boost Drinks has updated its isotonic sport drinks range with striking new packaging, a new recipe and an additional flavour, Citrus, which is a direct response to consumer tastes for a lighter, zingier flavour. It joins the existing Orange, Tropical Berry and Mixed Berry variants.

The new Boost Sport look is more in line →



[ENERGY DRINKS]

→ with that of a sports product. In a different colourway for each flavour, the new packaging will create stand-out on shelf.

The bottle has also taken on a new shape that is more reflective of the isotonic sport drinks sub-category. This enhancement of Boost Sport is part of wider brand refresh across other ranges and includes the new Boost logo.

Boost Sport, which rehydrates and gives customers the fuel to perform better for longer, comes in 500ml bottles, price-marked at 50p.

Aware of the difficulties PMPs can present when it comes to retailer margins, Boost recognises there is line that needs to be considered when using price marking as a strategy. "Comparing price-marked and non-price-marked packs, the PMPs are growing considerably faster than plain packs, indicating this is the format preferred by the consumer. PMPs make absolute sense for independent retailers, as long as the retail price point is competitive and the retailer margin is maintained," says Gray.

The increasing demand for sugar-free drinks has also been taken into consideration by Boost, which offers Sugar-free Pink Lemonade as well as its Boost Sugar Free Original variant. Currently in the top five of sugar-free energy drink sales by volume, Boost's Sugar Free price-marked 49p 250ml SKU increased its sales by 12.5% in the 12 months to 4 December, while sales of the one-litre bottle were up by over 40% in the same period (IRI).



Wholesalers need to ensure they are stocking a range of formats and variants, including low and no-sugar versions.

Red Bull is currently growing by 8.6% in value and 10% in volume year to date, while the sports & energy drinks category is expanding at a slower rate – 2.8% in value and 1.9% in volume – cementing Red Bull's position as the leading functional energy drink (IRI).

Through its field sales team, the company continues to assist wholesalers in making the most of the sports & energy drink category. "Red Bull provides wholesalers with a full suite of tools to use in depot, including display units, PoS, signage, bay branding and tower ends," says category development manager Rich Fisher. "As well as this, Red Bull is on hand to deliver category insight and merchandising principles to the wholesaler and the retailer."



Advice to cash & carries includes using best-selling brands to signpost the category, blocking brands vertically within a product category and double-facing best-sellers to maximise stand out. Red Bull also emphasises the importance of price-marked packs and advises C&C/wholesalers to promote PMPs to retailers using a profit-on-return message.

When it comes to shopper habits, the company has also identified size as a consideration for consumers, as well as the importance of choice in sugar content and flavours – three of the top 10 functional SKUs are Red Bull Original 250ml, 355ml and 473ml (IRI). "For the shopper, size creates loyalty," explains Fisher. "Red Bull Original 250ml has a broad target group of 18-35 year-old professionals, Red Bull Original 355ml has an older, more male consumer aged 25-35, and Red Bull Original 473ml has a younger, less affluent and predominantly male shopper (Amia & Accenture)."

The brand is also a strong performer in the diet energy sector with Red Bull Sugar Free Original and Red Bull Zero. The extension of the Editions range to include the Red Bull Orange Edition variant last year further expands the choice available to meet consumer trends, joining the previous year's addition of Red Bull Tropical Edition – which was the biggest new energy SKU to be launched in 2015.

Sun Mark has also looked into the increasing consumer demands for an energy drink, and has targeted its activity accordingly. Its Bulldog Power drink has been reformulated and rebranded for this year, and now has added amino acids that the company says "will promote muscle protein synthesis and aid in the prevention of fatigue in novice athletes".

The new 49p price-marked Bulldog Power Energy Drink with amino acids and taurine is available in both Regular and Sugar-Free variants, with the reformulation highlighted on the can.



"The team at Bulldog Power, when deciding on the rebrand, were committed to providing a unique offering to the mainstream market," says Dharmesh Sorathiya, business development manager at Sun Mark.

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