

Report finds continued growth in RTD Fruit Juice

According to recent findings from BMi Research, the RTD fruit juice has continued to grow in volume despite tough economic conditions.



The category grew by 2.7% in volume in 2015. The industry selling price grew at the same rate as the inflation rate. The long-life fruit juice segment accounted for 54.8% of total volume distributed.

The smaller pack size group (up to 750ml) continued to grow at a higher rate than the bigger pack size group (751ml and above).

The following factors were believed to have contributed to category growth:

- New products and flavours that entered the market;
- Notable increase in promotional and marketing activities;
- Warmer temperatures in certain regions; and
- Weaker rand exchange rates that promoted exports.

The following factors may have hampered category growth:

- Increase in raw material pricing affecting product price;
- Increase in fuel prices affecting product distribution;
- Increase in electricity prices and load shedding, affecting production;
- Shortage of water in certain regions, affecting production; and
- The category is expected to remain under pressure in the short to medium term as the economic growth remains low and consumer spending will be limited.

The Gauteng and Western Cape regions accounted for more than half of the total volume distributed locally.

Top-end retail remained the primary distributing channel of the product followed by the wholesale channel. These channels were characterised by promotional and marketing activities, attracting more customers to their store.

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