

Euromonitor International

Soft Drinks 2021ed: How will COVID-19
impact this industry?

Jun 2021

OVERVIEW

- **COVID-19 impact recap and forecast**
- **Soft Drinks market in Thailand**
- **Channel and beverage opportunities**





COVID-19 impact recap and forecast

Four Areas Impacting the World of Beverages in Light of COVID-19

Macro-environment + Legislation



- Negative macro-economic impact (↑ unemployment, closure of sectors of the economy)
- Enforced lockdowns

Supply Chain



- Shifts of supply chain (↑ demand)
- Borders closed and controls in place

Channel



- Shutdown of foodservice and institutional channels
- Shifts to in-store retailing
- ↑ E-commerce

Consumer + Consumption



- Stockpiling
- Fewer trips and larger baskets
- Larger pack sizes

Consumers' behaviour changes in 2020

Channel Shifting



Consumer Foodservice



Retail



Schools & Workplaces

Health Routine



- Reduced sugar
- Unsweeten
- Functional
- Natural
- Nutritional



- Premium
- Sweeten
- Extravagant
- Unhealthy

Unit Price

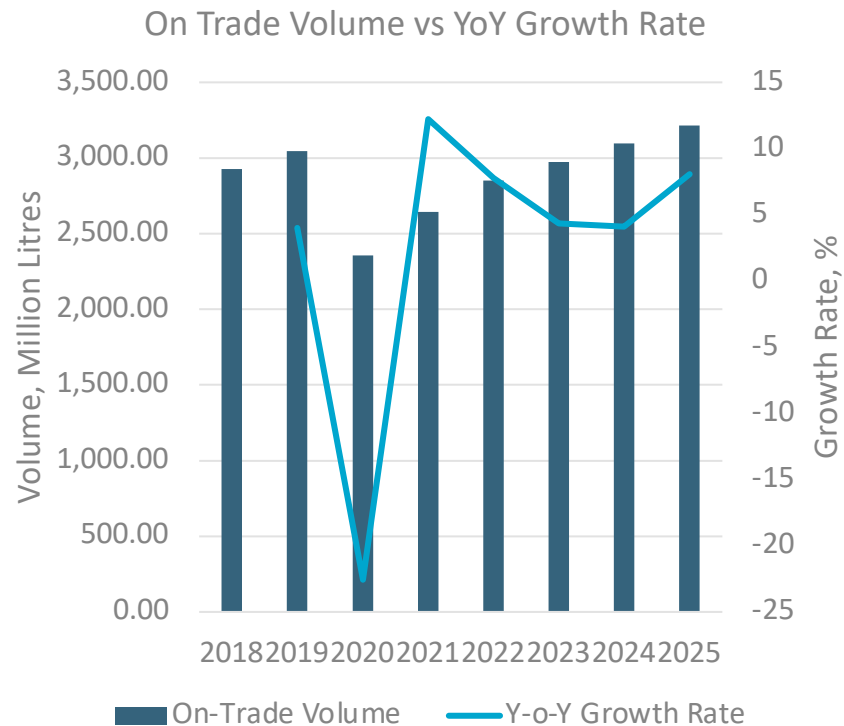
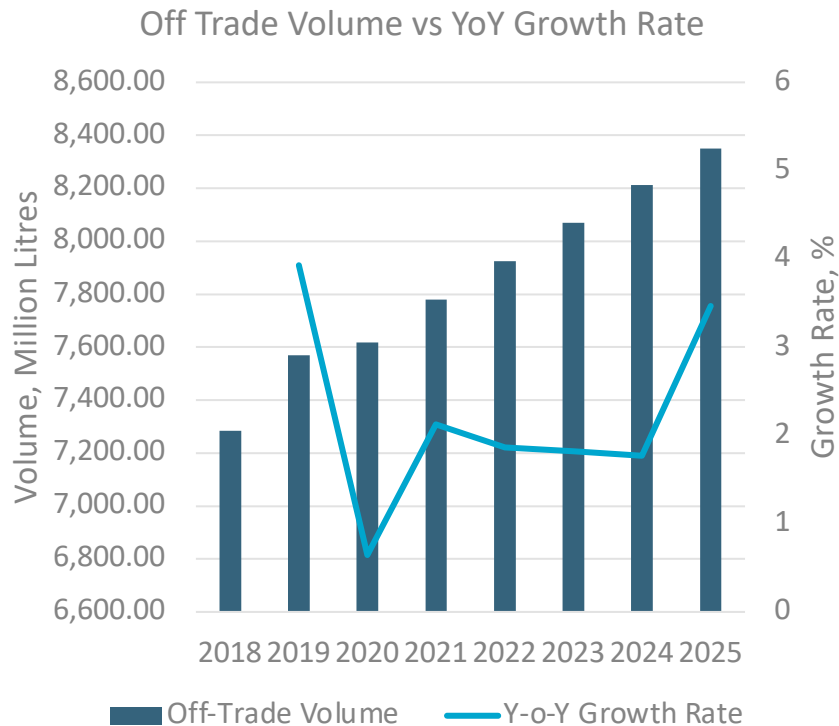


Promotional price



Bulk package buy

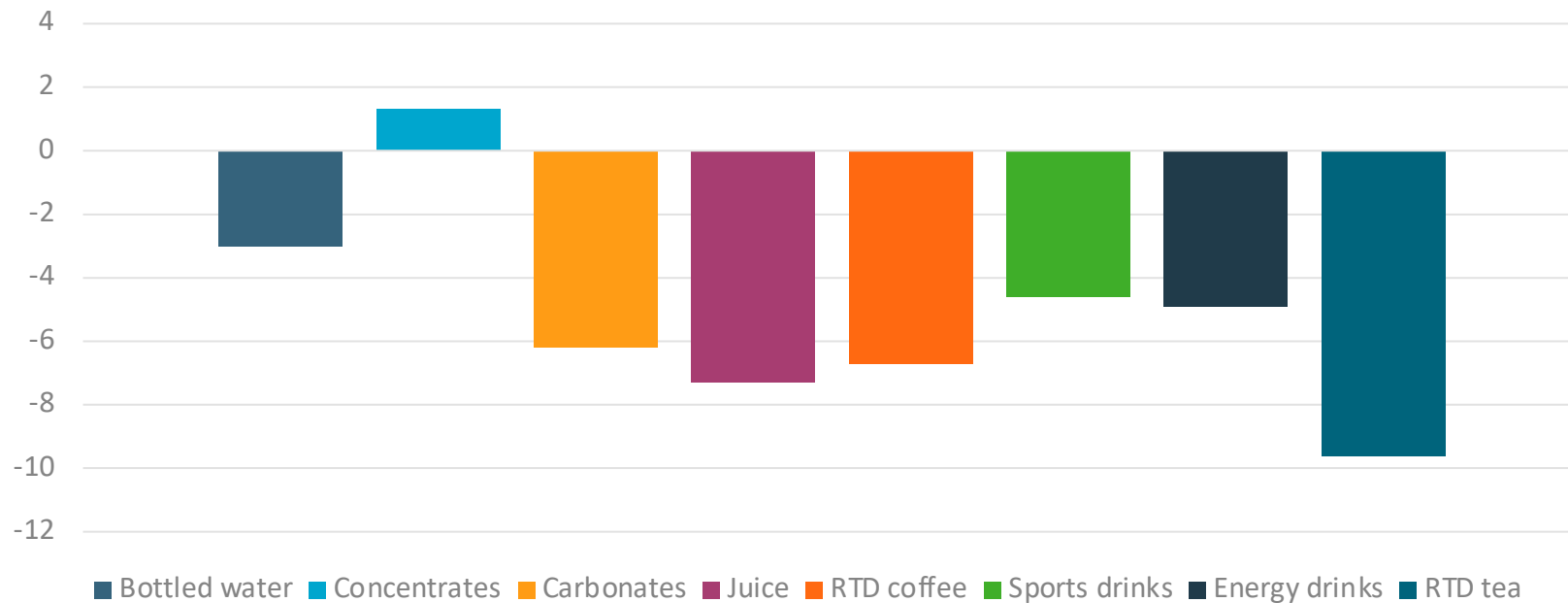
Soft drinks in Thailand: on-trade recovery in 3-4 years?



Note: Interim data as of Aug 2020, subject to changes

2020 forecasted soft drinks retail performance in Thailand

2020 Thailand retail volume % growth rate (forecasted)



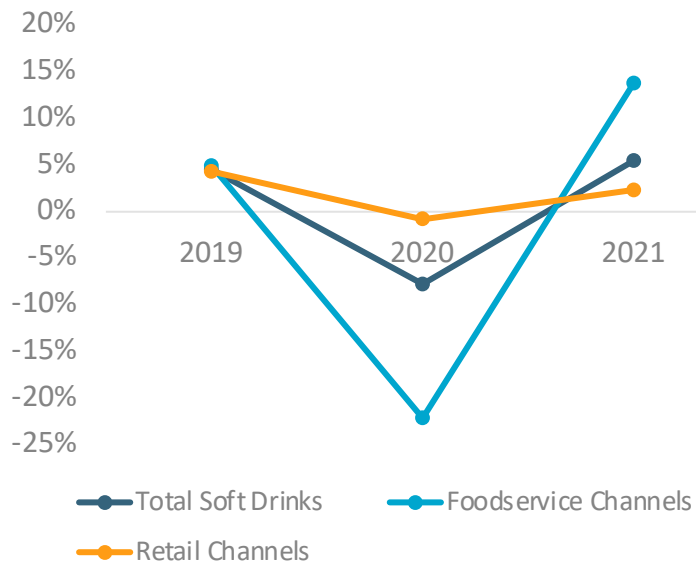
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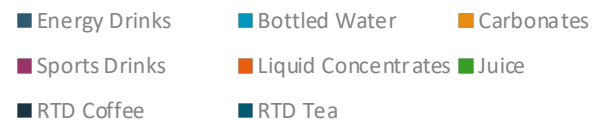
Soft Drinks market in Thailand

Soft Drinks market performance

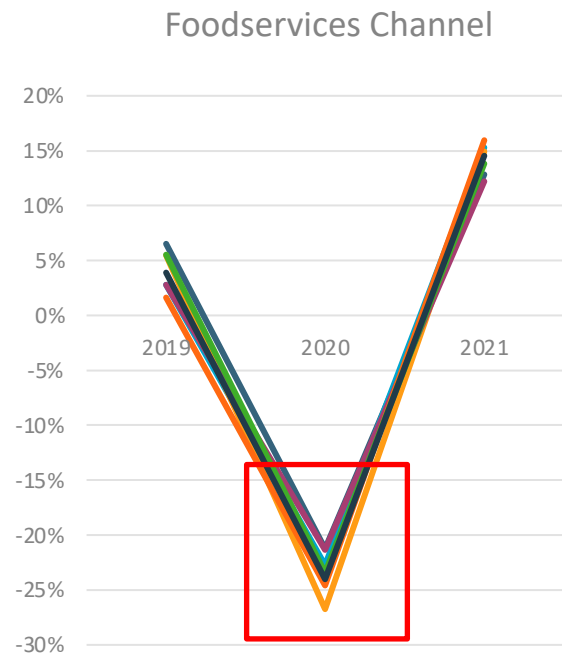
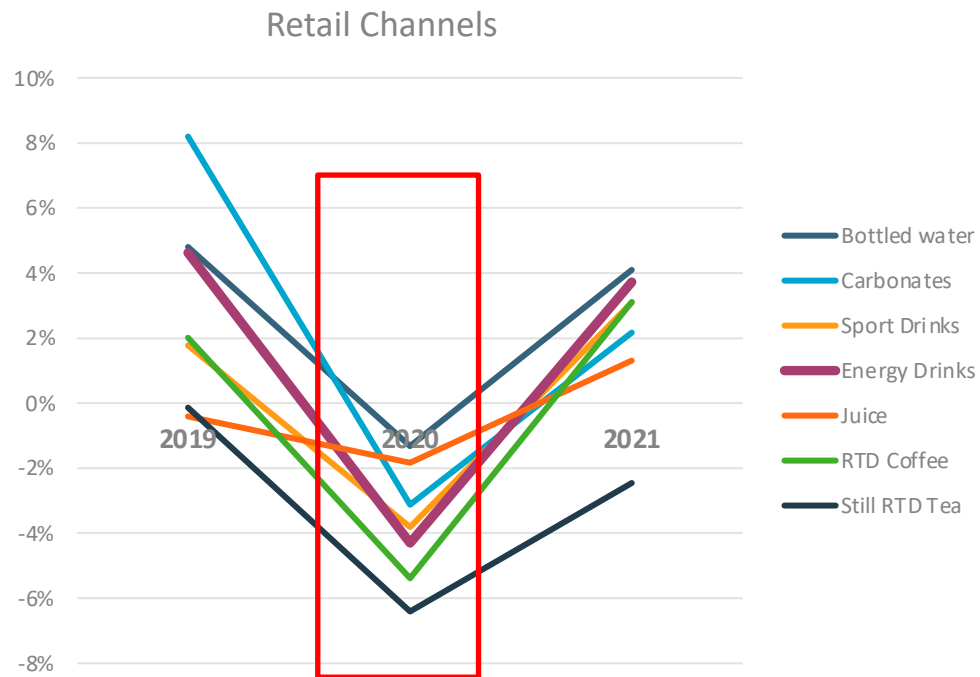
% Growth



OVERALL SOFT DRINK MARKET IN 2020

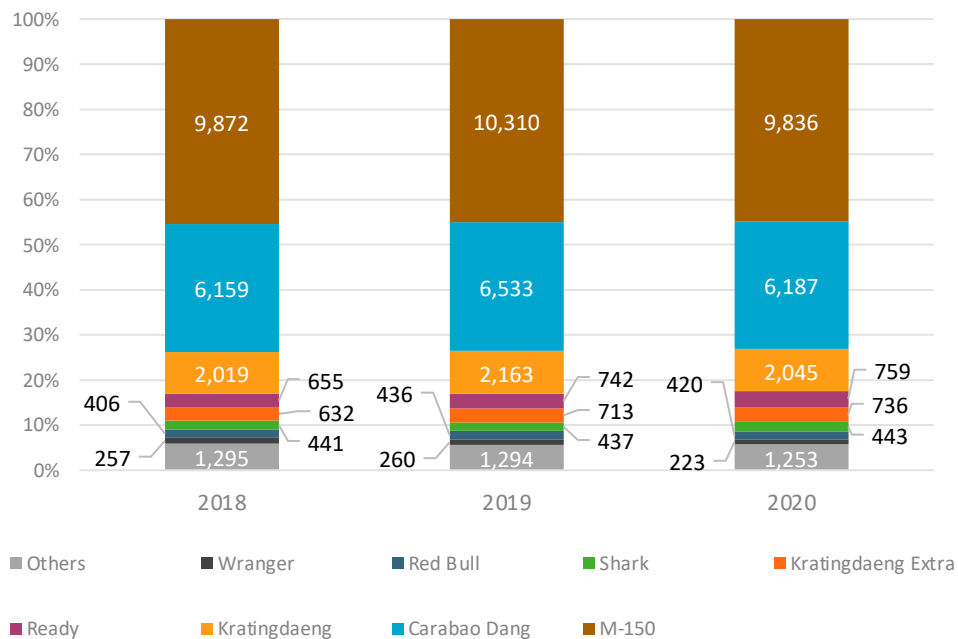


Soft Drinks market performance

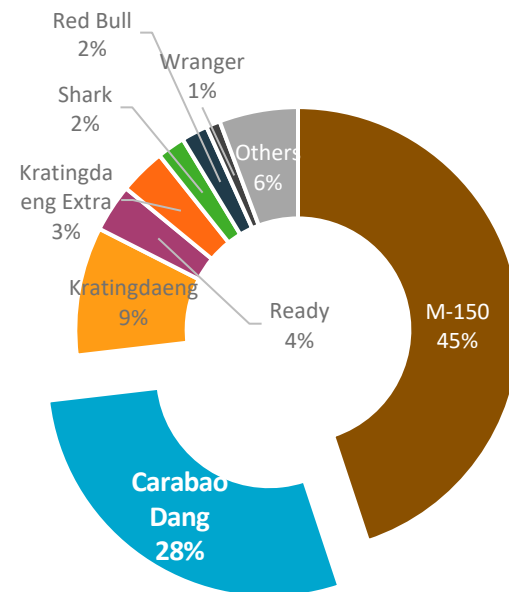


Energy Drinks Market

Energy drink Company Rankings, 2020 (retail value sales)



Brand Shares 2020



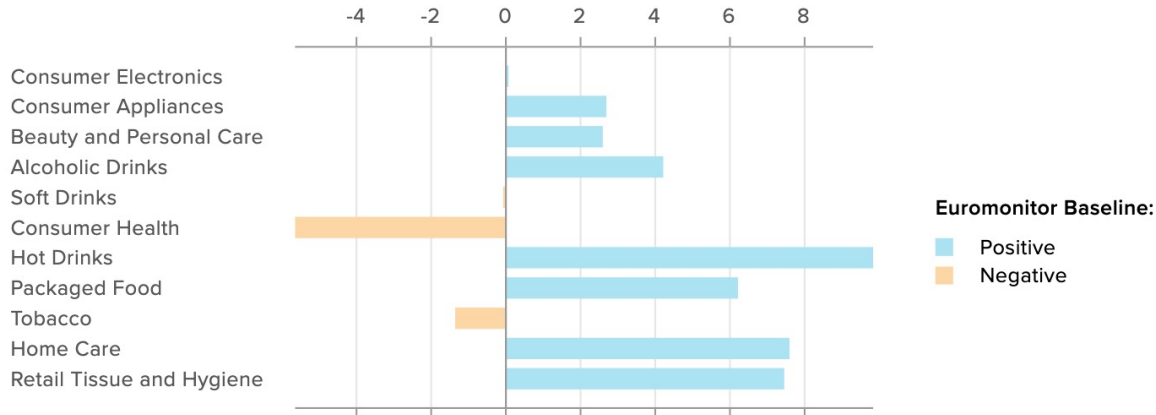


Channel and beverage opportunities

Economic Scenario by category

THAILAND BASELINE SCENARIO FORECAST | Estimated probability: 55-65%

Industry Level Retail Sales 2019-2021, % growth, constant prices, fixed year exchange rate ⓘ



Five Consumer Trends Influencing Business Strategies in 2021

Source: <https://blog.euromonitor.com/five-consumer-trends-influencing-business-strategies-in-2021/>

*N=3541



Five Consumer Trends Influencing Business Strategies in 2021

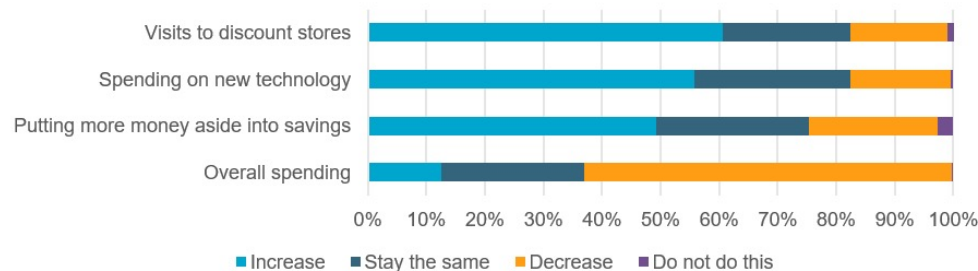
Source: <https://blog.euromonitor.com/five-consumer-trends-influencing-business-strategies-in-2021/>

71%

NEW SHOPPER JOURNEY AND SPENDING HABITS

- There is a move to more value-based purchasing and conscious saving
- While low prices and private label will be important as budgets are stretched, consumers will also invest in quality, value add products and services, buying less, but buying better.
- Safety remains a key concern and retailers will need to continue to innovate and invest in health, hygiene, and safety features

Anticipated Change in Customer Spending Habits in the Next 12 Months 2020



Five Consumer Trends Influencing Business Strategies in 2021

Source: <https://blog.euromonitor.com/five-consumer-trends-influencing-business-strategies-in-2021/>

68%

FOCUS ON HEALTHY LIVING

- COVID-19 has accelerated **adoption of healthier lifestyles** even further.
- 48% of industry professionals expect consumers **to spend more on medical-related costs** in the next 12 months.
- **Health and physical wellbeing** clearly needs to be a key strategic consideration for companies across industries

56%

A MORE PERSONALISED CONSUMER-CENTRIC STRATEGY IS NEEDED

- Consumers have increased expectations for **personalised experiences**.
- Companies and brands across industries need to invest in a more tailored customer-centric strategy and emotion-driven engagement in order to resonate with these consumers.

Thank you

A background image showing two hands clinking beer bottles against a warm, orange-yellow sunset sky. The bottles are dark and the hands are silhouetted against the bright light.

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