2014 Annual Quantification Report
Energy Drinks in South Africa
Media Feedback
# Product Definitions

<table>
<thead>
<tr>
<th>Product</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Drinks</td>
<td>Energy drinks contain a high level of caffeine and give a short-term adrenaline rush. They constitute performance enhancing products.</td>
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Market Trends

The energy drinks market, an ever expanding and ever growing industry, continues to prove its popularity with double digit growth in 2013. This market, which often has new players entering the industry, does not seem to be affected by other categories. The introduction of new sports drinks, a rival sector, did little to stop the positive movement in energy drinks.

Not only has there been an increase in imported products and brands, but a plethora of locally produced products has entered the market as well. These include the likes of O3 in Hermanus, Score from Chill Beverages, and Energade energy drink from Tiger Brands.

Metal can remained the most used packaging type in the market in 2013. Glass and PET packaging collectively saw significant growth, albeit off a small base, as there was greater usage of these pack formats by both existing players and new entrants to the market. These increases, however, still have a lot of ground to cover before posing a threat to the can industry.

Larger can sizes are increasingly popular in energy drinks. In recent months the shift from the relatively new 440ml can into the 500ml can began. The 500ml cans are more readily available in South Africa whilst the 440ml can is often imported.

Exports are fast becoming a driving factor for category volumes as SADC countries, as well as those further afield, increasingly source their stock from South Africa.

The energy drinks market is forecast to grow at much the same rate as it has done for the past few years, and is expected to triple in size by 2018.
Channel Distribution 2013

Exports from South Africa are growing although this channel currently has the smallest share. The usage of energy drinks in on consumption continues to be popular, though the channel is dominated by a few brands, contributing to tougher barriers to entry.
Local Regional Distribution 2013

Gauteng accounted for more than half of all energy drink volumes consumed during 2013. It is hypothesised that the culture of clubbing and affluence within the province underpins this regional share.

Excludes Exports

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BMi Research Services

Annual Quantifications
BMi Tracking Report Schedule 2014
Commissioned Research
Consumer Research
Eye Tracking & Shopper Insights
In Store Observation Services & Liquor In Store Pricing
Mystery Shopping
Print Ads Promotional Pricing and Share of Spend
Category Quantifications involve sizing up markets annually to see volume, value and consumption trends. The service is available for most food, beverage, confectionery and snack products. We have more than 10 years of historical data in tracking each market. Using these insights, you’re able to harness the potential in your market by understanding strategic category trends across the total market. A unique offering incorporating formal and informal market components. Total market includes retail, wholesale, foodservices, industrial and exports.

Category Quantifications
Total market quantification for 140 CPG Categories

What are the latest market trends? And…
• Sizing up markets annually to ascertain volume, value and consumption trends
• Covering most food, beverage, confectionery and snack categories
• Extensive database – over 15 years information which we use to quantify and track numerous products and markets within South Africa
• Total market includes retail, wholesale, foodservices, industrial and exports
# BMi Tracking Report Schedule 2014

## Packaging

- All reports
  - Packaging overview
  - Paper & Board
  - QPM
  - Quarterly Import

## Annual Beverage Publications

- Full Report (All reports below)

### Alcoholic Beverages
- Flavoured Alcoholic Beverages
- Malt Beer
- Sorghum Beer
- Spirits
- Wine

### Non Alcoholic Beverages
- Bottled Water
- Carbonated Soft Drinks
- Cordials and Squash
- Energy Drinks
- Fruit Juice
- Iced Tea
- Mageu
- Sports Drinks

### Dairy Beverages
- Dairy Juice Blends
- Drinking Yoghurt
- Flavoured Milk
- Maas
- Milk

## Annual Food Publications

- Canned Protein
- Dairy
- Desserts
- F&C Beverages
- Pasta
- Rice
- Wheat and Grain

## Confectionery & Snacks

- Ice Cream
- Packaging of Snack Foods
- South African Confectionery Market
- The Impulse Market in South Africa

## On Request

- Biscuits and Rusks
- Breakfast Foods
- Baked Products
- Baking Aids
- Eggs
- Fats and Oils
- Frozen and Par-Baked Products
- Premixes
- Pre-prepared Meals

- Processed Meat Products
- Protein
- Sauces
- Soup and Condiments
- Sweet and Savoury Spreads
- Value Added Meals

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*For further enquiries please contact research@bmi.co.za*
For research needs not covered by our standard set of services, we will tailor-make a study solution.

BMi’s Commissioned Research is designed specifically to answer questions in your particular market. From industrial assessments to traditional consumer studies, we have the expertise to grow your business.

Commissioned Research

Need to investigate the market regarding other issues? Examples including…

• Service quality measurement (SQM)
• Utilising previous methodology and extensive in house database, any market may be assessed on a commissioned or adhoc basis
• Respondents incentive to participate is complimentary feedback provided at conclusion of research project which is usually top line market sizes
Consumer Division has a passionate focus on consumer behaviour, combining professional skills with optimal technology and products to complement insights. Project teams are hand picked based on their knowledge and expertise of the subject matter and offers a range of research methodologies that aim to give you a multi-dimensional and insightful solution to the understanding of your product/brand. The division has the ability to draw on BMi Research’s established experience in the retail and wholesale sectors, providing a unique and customized solution to understanding consumer behaviour.

Consumer Research

Getting into the hearts and minds of Consumers through interaction, stimulation and discussion

We offer the following products to uncover Shopper Insights:

- Depth Interviews
- Eye Tracking
- Field and Tab
- Focus Groups
- Intercept surveys
- Online Research
- Quota Sample Surveys
- Regional/national representative surveys
- Taste Testing
- Workshops
Eye tracking is a unique research method to evaluate how consumers perceive retail environments, packaging and communication messages in different media by measuring at what they are actually looking. Its ability to unobtrusively measure consumer attention and capture subconscious behaviour is what really makes eye tracking a strong complement to other research methods. Eye tracking is established as standard practice among many of the leading market researchers that cater to brand owners all over the world.

**Eye Tracking**

*Help brand owners, product developers and marketers to better understand consumer interest in their products*

**Different Type of Studies including:**
- Packaging Studies
- Shopper Studies
- Communication Studies
- Digital User Experience Studies
In Store Observations

**In Store Shelf Health:**
- In Store Observation gives first-hand insight into brand’s performance in store.
- In Store Observation monitors products versus competitors to assess performance and remedy gaps.
- Ensuring accurate data which translates into tactical competitive advantages.
  - Product availability on shelf
  - Brand shelf space assessment
  - Product listing and availability in store
  - Actual promotional advert in store
  - Promotional activity in that particular store
  - In Store compliance
  - Verification Audits
Mystery Shopping

The primary objective of this research type is to evaluate a company’s products and/or services from a customer perspective, providing strategic insights around service and compliance standards.

Uncover Mystery Shopping Insights around:

- Service levels, including staff presentation and attitude, product knowledge and selling skills
- Store environment, including store and surrounds, store atmosphere
- Product, merchandise, brand: Compliance/meeting standards

In order to:

- Recognise and reward outstanding performance
- Identify areas of weaknesses and strength (own and competitor)
- Test effectiveness of training programmes
- Determine adherence to organisational standards
- Verify promotional compliance
Covers all brands advertised in all regions by retailer by month. The analysis provides an inside picture of the retail promotional environment. Track competitor promotions and pricing, offering top line or granular data.

Assess whether brand is gaining sufficient share, relative to your spend on promotional print advertising. Track competitor promotional pricing to tactically react on own product pricing.

**PrintAds**

**Promotional pricing & share of print spend:**
- Print Ads covers all brands advertised in all regions by retailer by month
- Analysis provides an inside picture of the retail promotional environment
- Tracks competitor promotions
- Provides Rand value to advertising spend versus competitor brands
- Coverage: National, weekly newspapers, weekly community newspapers, consumer magazines, in-store broadsheets
Consumer behaviour doesn’t always predict shopping behaviour. BMi Research’s Consumer Research division taps into shopping behaviour in order to understand the repertoires of brands that shoppers consider and the triggers in store that can potentially influence their behaviour.

Shopper Insights can be used to better understand the purchasing process and factors impacting product and brand choice when in store. Additionally, they can be used to identify sales opportunities for categories and brands and can provide insights around triggers and influences when consumers are in “Shopper Mode”.

**Shopper Insights**

*Understanding Shopper behaviour through observation, interaction and discussion*

**Qualitative and Quantitative solutions including:**
- Accompanied Shopping Trips
- Eye Tracking
- Observations
- Point of Purchase (POP) Interviews
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