



Sector:
CPG



Solution:
Category Growth



Client:
Global beverage brand

Key highlights

- ▶ Global beverage brand wanted to tap into ready to drink market
- ▶ Engaged The Smart Cube to undertake an analysis of the potential opportunities
- ▶ Examined over 70 datasets and conducted 35,000 consumer surveys in order to construct a detailed analysis
- ▶ 5 key areas identified that could generate an additional €200 million through expansion activities.

CASE STUDY

Identifying major growth opportunities for a multinational drinks brand

Business challenge

With the worldwide ready to drink (RTD) tea and coffee market expected to reach over \$116 billion by 2024, it's a huge area of opportunity for established drinks industry giants and agile new entrants alike.

Driven by a surge in demand for healthy drinks across the region, a significant amount of the RTD market's growth is expected to happen in Europe – at a predicted 5.4% CAGR over the next five years.

Motivated by this growing opportunity, a global beverage brand was ready to expand more into EMEA, with a particular focus on becoming a market leader in key Western European countries including the UK, France, Germany and Spain.

The brand came to The Smart Cube with the aim of expanding its RTD business in EMEA over the next five years. The initiative was lead by the leadership team in EMEA, who wanted expert support to dig into consumer trends, market data and industry dynamics that would help build a robust and detailed strategy for growth.

The Smart Cube solution

The client was looking for a partner with a wide range of skills across research, analytics, and business consulting. The Smart Cube – and, more specifically, our Category Growth Solution – was the perfect fit.

A dedicated team was created for the project, comprised of category specialists, business analysts, data engineers, and visualisation experts. Our project team identified five key areas of the RTD coffee and wider non-alcoholic beverage industry to research and analyse:

- ▶ The total addressable market
- ▶ Pricing, product assortment and promotions
- ▶ Channel distribution and development
- ▶ Shopper and consumer dynamics
- ▶ The competitive landscape
- ▶ Trends in innovation and media spend

As well as doing an extensive overview of the EMEA market and surrounding areas, the team focused in-depth on key markets that presented the greater opportunity for expansion.

The research covered a range of potential categories for the brand to target, including milk alternatives, protein drinks, juices and smoothies, and RTD coffee.

The team gathered over 70 datasets on the beverage industry from specialist research agencies such as Nielsen, Euromonitor and Innova, and brought in primary data by conducting over 35,000 consumer surveys.

Results

The analysis helped the brand understand consumer behaviours such as price sensitivity, need states and purchase frequency for RTD and other non-alcoholic beverages.

It also flagged five channels that could help the CPG team drive growth in EMEA:

- ▶ **Grocery**, including supermarkets and hypermarkets,
- ▶ **Discounters**, which could allow the chain to flex its pricing
- ▶ **Convenience**, such as small local shops and fuel stations
- ▶ **Institutional food services**, including universities and hospitals
- ▶ **Consumer food services**, including cinemas and cafés

Value delivered

Using the data, analysis output, and support from our team, the client now has a roadmap for expansion in EMEA, with significant potential for growth in the next five years:

- ▶ **By maintaining its current market share**, the brand would see an increase in revenue of around €70 million
- ▶ **By expanding its presence in the 5 channels in 5 key markets within EMEA**, it could see as much as an extra €200 million in business

The Smart Cube is now working closely with the country teams within EMEA to detail out key actionable steps and formalise the strategy by market and channel for the RTD category. Based on the success of this analysis, the brand is now extending the support into other markets globally.

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