Brand Shares in RA Carbonated Soft Drinks Market

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Ամփոփագիր. Հոդվածի նպատակն է դիտարկել և հաշվարկել Հայաստանում գազավորված զովացուցիչ ըմպելիքների ապրանքանիշերի դարակաշարերի մասնաբաժինները 2021 թվականի հոկտեմբեր-դեկտեմբեր ժամանակահատվածում և վերլուծել դարակաշարերի մասնաբաժինների տվյալները՝ բացահայտելով զովացուցիչ գազավորված ըմպելիքների շուկայի առաջատար ապրանքանիշերն ու ապրանքները և դրանց մասնաբաժինները: Նախ վերլուծության է ենթարկվում գազավորված զովացուցիչ ըմպելիքների համաշխարհային շուկան՝ բացահայտելով աշխարհի առաջատար ընկերությունները, բրենդերը, առաջատար ընկերությունների կառուցվածքը և այլն: Համաշխարհային շուկայի վերլուծությունից հետո կազմվել են դիտորդական խմբեր: Տվյալների ստացման համար դիտորդական խմբերը 2021թ. հոկտեմբերից դեկտեմբեր ժամանակահատվածում դիտարկել են առաջատար հայկական սուպերմարկետները: Տվյալների ստացումից հետո դրանք ամփոփվել են և հաշվարկվել դարակաշարերի մասնաբաժինների ցուցանիշները: Որպես արդյունք ստացվել են երկու ցուցանիշներ: Դրանցից առաջինը հիմնված է արտադրանքի միայն ֆիզիկական քանակի վրա: Երկրորդը ֆիզիկական քանակից բացի, ներառում է նաև ապրանքների գինը: Վերջում բացահայտվել են գազավորված ըմպելիքների առաջատար ապրանքանիշերը և ապրանքներն ըստ դարակաշարերի մասնաբաժինների:
Հանգուցաբառեր՝ գազավորված ըմպլեիքներ, շուկայի մասնաբաժին, ապրանքանիշ, դարակաշարի մասնաբաժին, շուկայի վերլուծություն, հայկական խմիչքների ապրանքանիշներ:

Доли брендов на рынке газированных безалкогольных напитков Армении

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Аннотация: Цель статьи является отслеживание и рассчет данных о доле брендов газированных безалкогольных напитков на полок в Армении за период с октября по декабрь 2021 года и анализ данных о долях, выявляя ведущие бренды и продукты газированных безалкогольных напитков, а также их доли на полках. Вначале проводится анализ мирового рынка газированных безалкогольных напитков с выявлением ведущих компаний, мировых брендов, структур ведущих компаний и т. д. После анализа глобального рынка были сформированы группы наблюдения. Чтобы получить данные, группы сделали наблюдения в ведущих армянских супермаркетах с октября по декабрь 2021 года и получали еженедельные данные о долях брэндо на полках магазинов. После того, как данные были получены, они были обобщены и общие показатели доли на полке были рассчитаны. По результатам наблюдений выводились два показателя. Один из них основан только на физических количествах продуктов. Второй включает также цены продуктов в дополнение к физическим количествам. В итоге выявляются ведущие бренды и продукты газированных безалкогольных напитков с указанием их доли на полке.

Ключевые слова: безалкогольные газированные напитки, доля рынка, бренд, доля полки, анализ рынка, армянские бренды напитков.

Introduction

The aim of the article is the observation and calculation of shelf shares data of carbonated soft drinks brands in Armenia within October to December 2021 timeframe and analysis of shelf shares data revealing top carbonated soft drinks brands and products and their shelf shares. At the beginning global carbonated soft drinks market is analysed revealing top companies, brands worldwide, the structures of the leading companies, etc. After the global market analysis observation groups were formed. To derive the data groups observed leading Armenian supermarkets from October to December 2021 and derived shelf shares weekly data. After the data was derived it was summarized and total shelf shares indicators were calculated. Two indicators are derived as results of observations. One of them is based on only physical quantities of products. The second one incorporates also pricing of products in addition to physical quantities. In the end leading carbonated soft drinks brands and products are revealed with their shelf shares.

Share of shelf is a metric that compares the facings of a given brand to the total facings positions available. Share of shelf quantifies the display prominence of a brand [**1**]. The formula bellow is used for evaluations based on physical quantities of brands.

$$Shelf\ Share\ \% = \frac{Facings\ of\ brand}{Total\ facings} \times 100$$

The article also includes another measure of shelf shares which incorporates the prices of brands. Shelf share formula based on brand values is shown bellow.

$$Shelf\ Share\ \% = \frac{\sum Foacings\ of\ brands\ \times Price}{\sum Total\ Facings\ \times Price} \times 100$$

It is worth to mention that other sectors such as HORECA may have different distribution of shares than stores and estimates can have significant bias if extrapolated to be an estimate for overall brand shares in the market. Also, the observations were only made in the city of Yerevan while regional distribution may also differ from possible picture for the country. Final results are correct estimates of brand shelf shares in supermarkets, while they can also be sufficiently approximated into shelf shares for all the stores [**2**].

Analysis

Soft drink is a drink that usually contains water (often carbonated), a sweetener, and a natural and/or artificial flavouring. The sweetener may be a sugar, high-fructose corn syrup, fruit juice, a sugar substitute (in the case of diet drinks), or some combination of these. Soft drinks may also contain caffeine, colourings, preservatives, and/or other ingredients. Carbonated soft drink terminology refers to soft drinks which include carbonated water instead of regular water.

The market segment of soft drinks covers all types of water-based non-alcoholic drinks with added sugar. This includes carbonated soft drinks like cola and lemonade, non-carbonated soft drinks like fruit nectars, fruit juice drinks, flavoured water and ready-to-drink (RTD) tea and coffee, and energy & sports drinks. While carbonated soft drinks have been on the wane for quite some time now as health-oriented consumers shift to low-sugar diets, smaller segments of non-carbonated drinks like RTD tea and coffee especially have taken up some of this slack.

Revenue in the soft drinks segment is estimated to be 823,558 million USD in 2021. The market is expected to grow annually by 5.37% compound annual growth rate in 2021-2026 period. Most of the revenue is generated by United States followed by Japan, China, United Kingdom, Germany. Soft drinks segment is divided into 3 smaller segments: carbonated soft drinks, energy and sports drinks, non-carbonated soft drinks. Largest share belongs to carbonated soft drinks subsegment which has 51.6% share, then non-carbonated soft drinks with 41.1% share and the smallest segment is energy and sports drinks with 7.2% share [**6**].

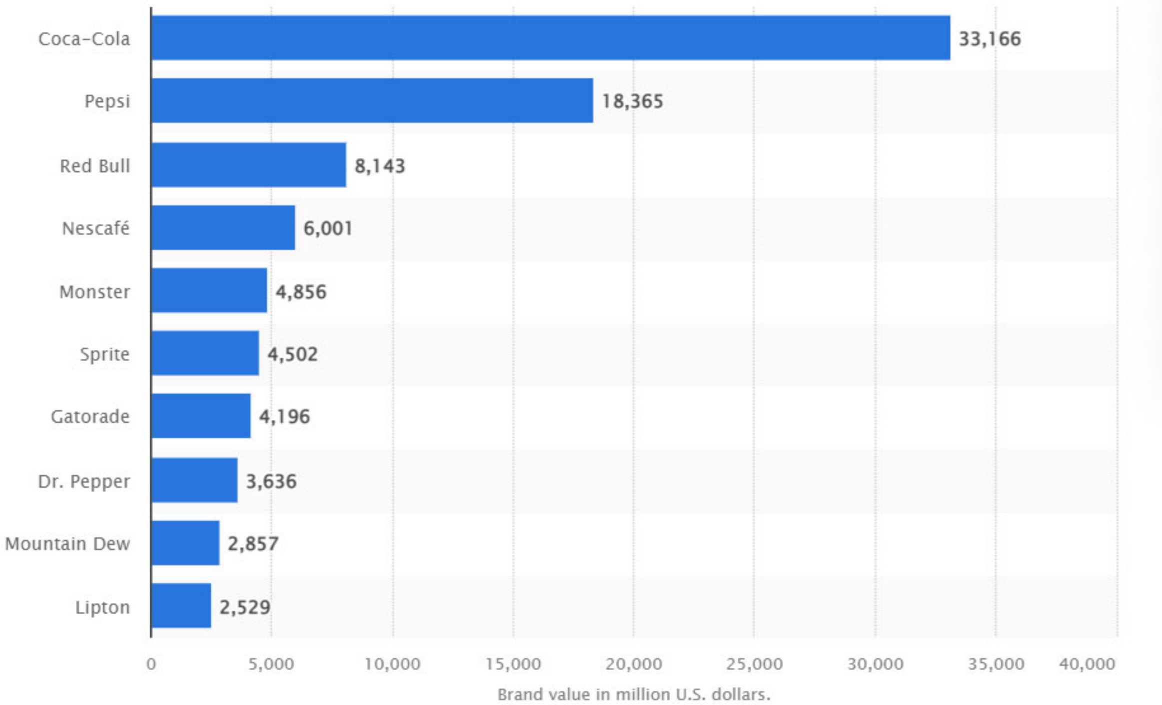
The leader of the carbonated soft drinks market is Coca-Cola. The Coca-Cola Company is a beverage company incorporated and operating in the United States since 1886. Their products are now sold in more than 200 countries and territories. They own or license and market numerous non-alcoholic beverage brands, which are grouped into the following category clusters: sparkling soft drinks; water, enhanced water and sports drinks; juice, dairy and plant-based beverages; tea and coffee; and energy drinks. The company markets, manufactures and sells beverage concentrates, sometimes referred to as "beverage bases," and syrups, including fountain syrups but also finished sparkling soft drinks and other non-alcoholic beverages. Concentrates are sold to independent bottling companies which produce finished products and sell it at their markets. Five largest bottlers include Coca-Cola FEMSA; S.A.B. de C.V.; Coca-Cola European Partners plc, Arca Continental, S.A.B. de C.V.; Swire Beverages and Coca-Cola HBC AG which is the bottler operating in the Republic of Armenia. Top worldwide brands of Coca-Cola in sparkling soft drinks segment include Coca-Cola, Diet Coke/Coca-Cola Light, Coca-Cola Zero Sugar, Fanta, Fresca, Schweppes,* Sprite, Thums Up, etc. [**3**].

The second biggest player in carbonated soft drinks market is PepsiCo which is a leading food and beverage company. The company makes, markets, distributes and sells a wide variety of convenient beverages, foods and snacks, serving customers and consumers in more than 200 countries and territories through their operations, authorized bottlers, contract manufacturers and other third parties. It is organized into seven reportable segments (also referred to as divisions): Frito-Lay North America (FLNA), which includes branded food and snack businesses in the United States and Canada; Quaker Foods North America (QFNA), which includes cereal, rice, pasta and other branded food businesses in the United States and Canada; PepsiCo Beverages North America (PBNA), which includes beverage businesses in the United States and Canada; Latin America (LatAm), which includes all of beverage, food and snack businesses in Latin America; Europe, which includes all of beverage, food and snack businesses in Europe; Africa, Middle East and South Asia (AMESA), which includes all of beverage, food and snack businesses in Africa, the Middle East and South Asia; Asia Pacific, Australia and New Zealand and China Region (APAC), which includes all of beverage, food and snack businesses in Asia Pacific, Australia and New Zealand, and China region. Top PepsiCo brands worldwide include Pepsi, Diet Pepsi, Mountain Dew, Lay's, Gatorade, Tropicana, 7 Up, Doritos, Brisk, Quaker Foods, Cheetos, Mirinda, Ruffles, Aquafina, Naked, etc [**5**].

Keurig Dr Pepper Inc. is a leading beverage company in North America, with a diverse portfolio of flavored (non-cola) CSDs, NCBs, including water (enhanced and flavored), ready-to-drink tea and coffee, juice, juice drinks, mixers and specialty coffee, and is a leading producer of innovative single serve brewing systems. With a wide range of hot and cold beverages that meet virtually any consumer need, KDP key brands include Keurig, Dr Pepper, Canada Dry, Snapple, Bai, Mott's, Core, Green Mountain and The Original Donut Shop. KDP has some of the most recognized beverage brands in North America, with significant consumer awareness levels and long histories that evoke strong emotional connections with consumers. KDP offers more than 125 owned, licensed and partner brands, including the top ten best-selling coffee brands and Dr Pepper as a leading flavored CSD in the U.S. according to IRI, available nearly everywhere people shop and consume beverages. Keurig Dr Pepper is also operating through third party bottlers manufacturing and selling concentrates [**4**].

Most valuable brands in non-alcoholic beverage market worldwide are considered the following: Coca-Cola, Pepsi, Red Bull, Nescafe, Monster, Sprite, Gatorade, Dr. Pepper, Mountain Dew, Lipton.

Figure 1: *Top non-alcoholic beverage brands worldwide*

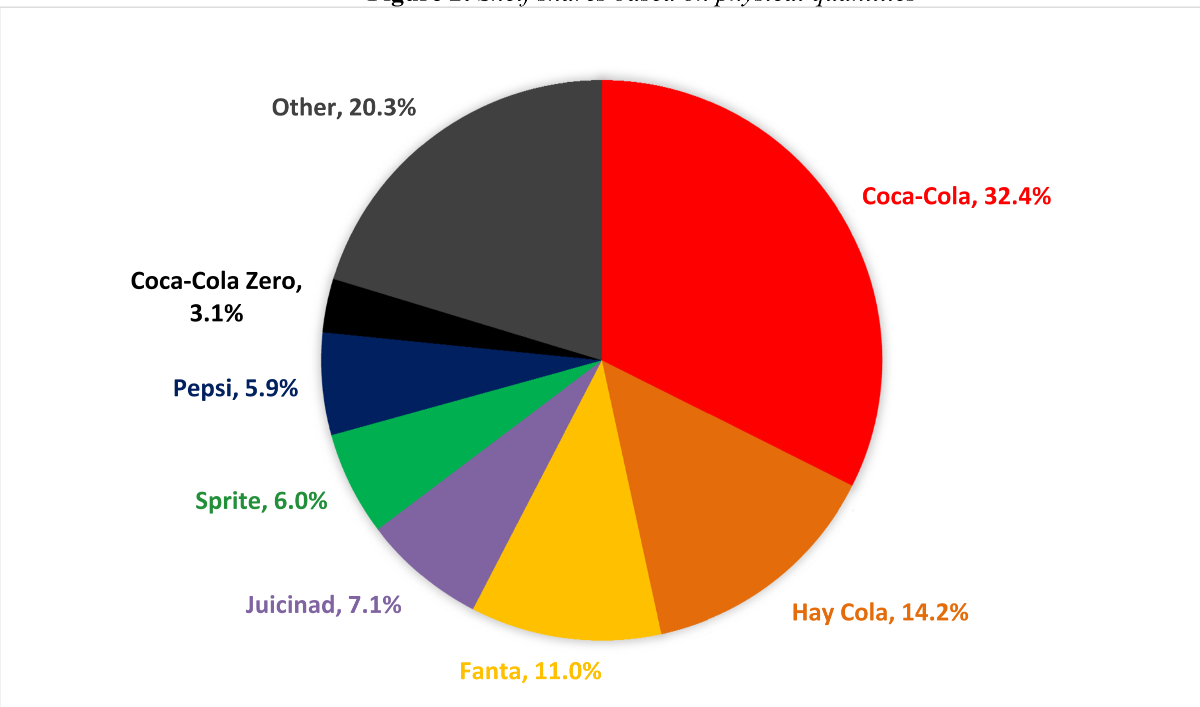


Top companies operating in Armenian carbonated soft drinks market include both international brands such as Coca-Cola and PepsiCo and local brands. The leading player in Armenian market is Coca-Cola Hellenic Bottling Company Armenia which is part of Coca-Cola HBC which operates in 29 countries in 3 continents and is one of the biggest Coca-Cola bottlers. The next important player is JERMUK INTERNATIONAL PEPSI-COLA BOTTLER LLC which is one of the most significant companies within the fast-moving consumer goods (FMCG) industry in Armenia and is the franchise partner of PepsiCo. As it was discussed above these companies are considered to be independent bottlers cooperating with brand owners as part of their manufacturing and distribution chains. Brand owners sell concentrate to these companies which are then manufactured into finished goods and are sold by bottlers within their countries. One of the key local players include UNION Limited Liability Company (LLC), the producer of HAY COLA brand. The rest of the market is distributed between other local brands.

To estimate the shares stores were observed by observation groups which calculated shelf shares of brands in those stores after which this data was grouped and summarized by the formulas mentioned above. The objects which were observed included top supermarkets in Yerevan: SAS, Yerevan City, Nor Zovq, Tsiran, Kaiser, Evrika, MG, Parma, Carrefour, Arev, Krpak. The stores were weekly observed within Oct – Dec 2021 period. During observations groups calculated shelf shares of carbonated soft drinks brands.

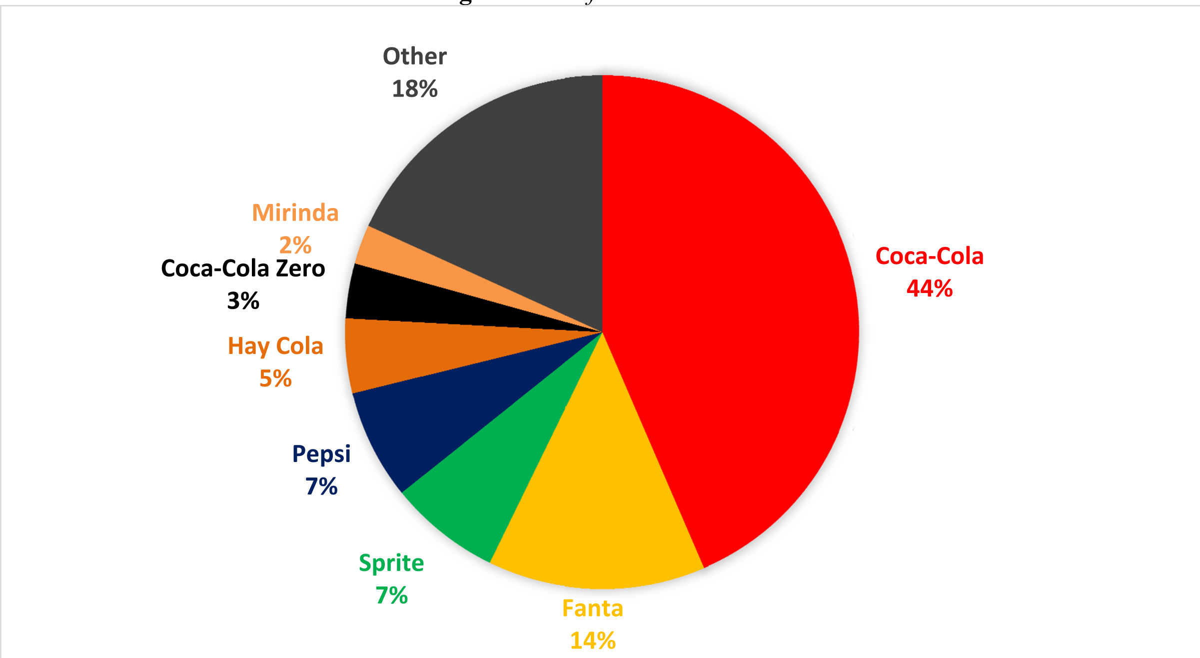
Firstly, shelf shares based on physical quantities are computed and analysed. The absolute leading brand in of the category is classical Coca-Cola with 32.4% shelf share which is more than twice the number of the second highest indicator. The second highest shelf shares belong to Hay Cola which occupies 14.2% of stores in carbonated soft drinks category. The third top brand is Fanta with 11% and followed by Juicinad, Sprite, Pepsi, Coca-Cola Zero. It is noticed that Coca-Cola is absolute leader of the market having 4 brands in top 7, while their rivals Pepsi is only sixth. It is interesting that both Fanta and Sprite which are considered secondary brands of Coca-Cola are ahead of Pepsis primary brand based on shelf shares. It is also noticed that two local brands are present in top seven: Hay Cola and Juicinad. The shelf shares data is shown in Figure 2 presented bellow.

Figure 2: *Shelf shares based on physical quantities*



The second indicator incorporates also the prices in addition to quantities. The absolute leading brand is again Coca-Cola with 44% followed by other brands of the company such as Fanta with 14% and Sprite 7% shelf shares. Pepsi has more shelf share based on value than Hay Cola which is the indication of price effect as Pepsi is more expensive than Hay Cola. The shelf share data based on values is shown in the figure bellow.

Figure 3. *Shelf shares based on values*



Conclusions

Soft drink is a drink that usually contains water (often carbonated), a sweetener, and a natural and/or artificial flavouring. The market segment of soft drinks covers all types of water-based non-alcoholic drinks with added sugar. Revenue in the soft drinks segment is estimated to be 823,558 million USD in 2021. The market is expected to grow annually by 5.37% compound annual growth rate in 2021-2026 period. Most of the revenue is generated by United States followed by Japan, China, United Kingdom, Germany. The leading companies worldwide are Coca-Cola, PepsiCo Keurig Dr Pepper Inc. Most valuable brands worldwide include Coca-Cola, Pepsi, Red Bull, Nescafe, Monster, Sprite, Gatorade, Dr. Pepper, Mountain Dew, Lipton. Top Armenian companies include Coca Cola HBC Armenia, JERMUK INTERNATIONAL PEPSI-COLA BOTTLER LLC, UNION Limited Liability Company (LLC). As a result of the analysis top brands based on physical shelf shares are the following: Coca-Cola, Hay Cola, Fanta, Juicinad, Sprite, Pepsi, Coca-Cola Zero. Top brands according to shelf shares based on values are the following: Coca-Cola, Fanta, Sprite, Pepsi, Hay Cola, Coca-Cola Zero, Mirinda.

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