



Market Report

A Snapshot of your Market Sector

Juice & Smoothie Bar

This pack has been designed to provide information on setting up a business in the Juice & Smoothie Bar industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in July 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Juice & Smoothie Bar market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Estimated at £5.1 billion in 2017, total sales of fruit juice, juice drinks and smoothies grew by **6.6% over 2012-17**, while volumes saw a decline of 9.6%. An increase in average price has propped up sales, while consumer confusion over sugar has seen cutbacks in usage of fruit juice continue (Mintel, *Fruit Juice, Juice Drink and Smoothies*, November 2017).
- ◆ The industry is expected to continue to grow strongly at a compound annual rate of 5.4% over the next five years, **to reach £100 million in 2022-23**, as the number of new stores surges and consumer demand for healthy, convenient beverages rises. Increasing health consciousness is anticipated to result in operators expanding their range of products, introducing juices and smoothies that contain ingredients like superfruits, additives, vegetables and coffee (IBISWorld, *Juice & Smoothie Bars*, October 2017).
- ◆ The Juice Production industry has been squeezed over the past five years. Mounting concerns about the high sugar content of fruit juice have weighed on sales since 2013-14. Revenue is expected to **contract by 1.8% in 2017-18**, with fruit juice sales significantly underperforming those of soft drinks and other beverages (IBISWorld, *Juice Production in the UK*, October 2017).
- ◆ In 2020, the United Kingdom juices market is forecast to have a value of \$2,769.6 million, **a decrease of 11.1% since 2015**. The United Kingdom accounts for 19.1% of the European juices market value. The UK juices market is concentrated, with the top four leading players accounting for 60.3% of the market's value, indicating moderate levels of rivalry between players (Marketline, *United Kingdom – Juices*, November 2016).
- ◆ The national organisation for this industry is [British Fruit Juice Association](#). Other industry bodies include [Food & Drink Federation](#), [British Soft Drinks Association](#), [British Hospitality Association](#) and [Scotland Food & Drink](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – *Fruit Juice, Juice Drinks and Smoothies (November 2017)***. Fruit juices and smoothies have not been able to avoid scrutiny over their sugar content, however, marketing has started to focus on the health benefits offered by these drinks such as their vitamin content in a bid to shift the attention away from sugar. Meanwhile NPD has looked to improve their health credentials with a focus on 'positive nutrition', such as through adding vegetables or other ingredients enjoying media buzz as healthy.
- ◆ **IBISWorld – *Juice & Smoothie Bars in the UK (October 2017)***. Revenue growth has been driven by increases in health awareness and consumer demand for healthy, convenient, on-the-go beverages. Over the past five years, Fuel Juice Bars Ltd has expanded rapidly, increasing from eight stores in 2011 to 39 in 2017, which has boosted industry revenue. There has also been an increase in the number of small independent operators and as a result, the number of establishments is expected to nearly triple over the 10 years through 2022-23. Industry profitability is high, though some major players have reported growing pressure from competition, increasing input costs and high levels of investment in new stores.
- ◆ **IBISWorld – *Juice Production in the UK (October 2017)***. Demand for fruit and vegetable juice is largely dependent on consumer taste and the level of health consciousness. Demand is also sensitive to price, since the industry's products are relatively homogenous. Moreover, fruit and vegetable juices are discretionary items. Therefore, when disposable income is high, consumers are more likely to purchase the industry's products.

There are also a number of online resources you may find helpful:

- ◆ **The Telegraph, *Fruit juice ban for ads aimed at children in sugar crackdown, March 2018*** (tinyurl.com/y7f39tpr). The vast majority of fruit juices will be banned from advertising aimed at children in a bid to cut down on juvenile obesity, the Government has proposed.
- ◆ **Scottish Grocer, *Juice the answer at breakfast time, May 2017*** (tinyurl.com/ycar35n3). Chilled fruit juice generates 60% of total juice sales, says Pepsico, and, quoting Nielsen research, it says sales are currently growing at 1.7% with sales in the impulse channel doing even better and growing at 2%.
- ◆ **British Soft Drinks Association, *Making it Happen, Annual Report 2017, November 2017*** (tinyurl.com/y86xyllq). This report provides an overview of the industry and latest developments.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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