



# Market Report

A Snapshot of your Market Sector

## Juice & Smoothie Bar

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2022**. 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:

- ◆ The juice and smoothie bar industry revenue in the UK is estimated to contract at a compound annual rate of 1.6% over the five years through 2021-22 to **£74.5 million**, and is then expected to increase at a compound annual rate of 7.8% over the five years through 2026-27 to reach **£108.3 million**. The industry is expected to recover from the COVID-19 pandemic over the period, primarily owing to rising health consciousness. Industry operators are likely to continue to innovate to improve their products in order to capitalise on health trends. **Smoothies account for 48.1% of industry revenue** in 2021-22, with the sale of juices expected to account for **41.3%**. (IBISWorld, *Juice & Smoothie Bars in the UK*, February 2022).
- ◆ Volume and value sales of fruit juice, juice drinks and smoothies are estimated to have risen by 6% and 18% year-on-year respectively in 2021 to **1.55 billion litres** and **£3.9 billion**. This was primarily driven by the on-trade channel, which regained a lot – but far from all – of the ground it lost when trading was disrupted in 2020. The market is expected to see continuous growth in value sales over the next five years, these **forecast to increase by 35% to reach £5.2 billion in 2026**. The on-trade, however, will struggle to regain the share of sales it held pre-pandemic thanks to the long-term shift towards working at home, this also curbing demand for higher-value on-the-go products in retail. This will dampen total volume and value sales. (Mintel, *Fruit Juice, Juice Drinks and Smoothies – UK*, February 2022).
- ◆ The value of the juice/smoothie bar market in the UK was £66.6 million in 2021 and is estimated to grow to £85.5 million in 2026. Chained juice/smoothie bars accounted for £61 million of the market value in 2021, and this is expected to grow to £77.7 million in 2026. Independent juice/smoothie bars accounted for £5.6 million of market value in 2021 and this is expected to grow to £8.1 million in 2026. (Euromonitor, *Cafés/Bars in the United Kingdom*, March 2022).
- ◆ The juice production industry was disrupted by the COVID-19 pandemic in 2020-21, which weighed on demand from the hospitality sector, as well as demand for on-the-go products. However, the industry is expected to recover over the two years through 2022-23, with revenue forecast to grow by 1.9% during the current year to reach **£553.2 million**. Over the five years through 2027-28, industry revenue is projected to rise at a compound annual rate of 1.6% to reach £600.3 million. (IBISWorld, *Juice Production in the UK*, November 2022).
- ◆ Industry bodies include the [British Fruit Juice Association](#), [Scotland Food & Drink](#), [UK Hospitality](#), the [Food & Drink Federation](#), and the [British Soft Drinks Association](#).

## Where can I find more information on my market?

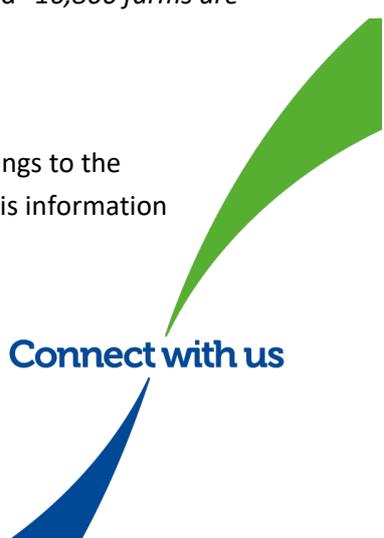
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **IBISWorld - Juice & Smoothie Bars in the UK (December 2022 update).** Food price inflation reached 16.2% in the year through October 2022, the highest level since September 1977 according to data from the Office for National Statistics, making food and non-alcoholic beverages one of the largest contributors to the Consumer Price Index. Increases have been driven by price increases across many of the detailed classes, particularly bread and cereals, meat, milk, cheese and eggs. This has contributed to the cost-of-living crisis in the UK and a fall in real household disposable income. Although this may benefit operators in food production and service industries in the short-term in terms of revenue, bottom lines remain under pressure as price increases may not be wholly passed on to consumers.
- ◆ **IBISWorld - Juice & Smoothie Bars in the UK (February 2022).** Demand for smoothies and juices is largely determined by economic conditions and consumers' willingness to spend on discretionary items. The industry is sensitive to seasonal changes in demand, as consumers are more likely to purchase juice in the summer and hot drinks during the winter. Some operators combat this by offering a selection of hot drinks and snacks and opening locations in covered areas. The level of health consciousness also affects industry demand. A health-conscious population is more likely to purchase fruit juices and smoothies, as a nutritious diet has been said to lower the risk of several chronic diseases. Juices and smoothies can help consumers who struggle to eat enough fruit and vegetables and also add new vitamins to their diets.
- ◆ **Mintel - Fruit Juice, Juice Drinks and Smoothies – UK - February 2022.** Usage of fruit juice, juice drinks and smoothies remains heavily skewed towards younger demographics, reflecting the wider pattern in the soft drinks market, partly due to the sweeter tooth of younger generations. Overall usage peaks at 97% of under-25s, falling to a low of 67% among over-65s. Usage is also significantly higher than average among parents of under-18s (91%) and city dwellers (89%). This highlights the family appeal of these products and the importance of on-the-go users respectively. These groups also display the most frequent usage of these products.

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

- ◆ **Food Standards Scotland** ([tinyurl.com/y4k3pj5s](https://tinyurl.com/y4k3pj5s)) offers industry updates, advice on food regulation and industry research publications.
- ◆ **British Soft Drinks Association** infographics ([tinyurl.com/y26b5s2z](https://tinyurl.com/y26b5s2z)) offer useful market statistics, such as “*Low/No Calories Soft Drinks accounted for 69.2% of sales in the market in 2021*” and “*16,866 farms are supported by the UK soft drinks industry*”.

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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](mailto: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](mailto: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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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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**Updated by:** Alanna

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