



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 **October 2020**. 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:

- ◆ In 2020, due to the impact of closures during the coronavirus pandemic, the United Kingdom juice and smoothie bars market was forecast to have a value of **£52.0million, a decrease of 34%** from 2019. However, Euromonitor forecasts a **recovery to £64.3million** in 2021. The health and wellness trend means that an increasing number of consumers are in pursuit of a healthier lifestyle, offering growth opportunities for juice and smoothie bars. (Euromonitor Passport, *Cafés/Bars in the United Kingdom*, April 2020).
- ◆ Industry profitability is expected to **contract from 5.5% in 2018-19 to 3.1% in 2020-21**. As daily coronavirus cases started to weaken, consumer demand for takeaways provided some recovery income. Nevertheless, industry **revenue is expected to contract by 28.5%** in the current year. The main driver is rising health consciousness among consumers, heightened during the pandemic. As a result, industry revenue is expected to increase at a compound annual rate of **6.1% over the five years through 2025-26**, reaching **£89.5 million**, including growth of 6.2% in 2025-26. (IBISWorld, *Juice & Smoothie Bars in the UK*, July 2020).
- ◆ Fruit juice value sales in the UK **fell to £2.5 billion in 2019** as they remain under pressure for their sugar content. Juice drinks sales **declined to £1.6 billion**. Sales of smoothies continued to **rise**, reaching **£482 million**. Over the next five years, with continued scrutiny of sugar and single-use packaging, the previous volume decline is expected to continue with sales falling by 7% to **1.5 billion litres in 2024**. However, rising prices are forecast to aid a small growth of 1.4% in **sales values to £4.7billion** for the market as a whole. (Mintel, *Fruit Juice, Juice Drinks and Smoothies UK*, January 2020).
- ◆ Juice industry revenue is expected to increase strongly, at a compound annual rate of **7.9%** over the next five years to total **£552.4 million**. Growth is expected to slow significantly in the current year, however, with revenue forecast to rise by **just 1.3%**. Over the five years though 2025-26, industry exports are forecast to increase at a compound annual rate of 1.8%. The European Union is currently the industry's most significant export market, accounting for approximately 87.3% of export revenue, however both exports and imports will be impacted by any trade deals negotiated post-Brexit. (IBISWorld, *Juice Production in the UK*, August 2020).
- ◆ The national organisation for this industry is the [British Fruit Juice Association](http://www.bfja.org) (www.bfja.org). Other industry bodies include [Scotland Food & Drink](http://www.foodanddrink.scot) (www.foodanddrink.scot); [Food & Drink Federation](http://www.fdf.org.uk) (www.fdf.org.uk) and [British Soft Drinks Association](http://www.britishtsoftdrinks.com) (www.britishtsoftdrinks.com).

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 UK (January 2020).** Innocent remains the dominant brand in smoothies, taking over half of total sales by value and volume. Naked noticeably outperformed the segment in 2018/19, its new packaging design in summer 2018 appearing to strike a chord. Health was a key focus for Innocent and Tropicana's high-profile launches in 2019. Tropicana's new Whole Fruit range of juice drinks uses a new pressing process for a higher fibre content. Innocent meanwhile launched the Plus range of drinks which contain fruit juice, botanicals and added vitamins. Interest in thicker, 'spoonable' smoothies rose to 63% among smoothie buyers, signalling potential for such format development to drive interest and unlock new usage occasions.
- ◆ **IBISWorld – Juice & Smoothie Bars in the UK (July 2020).** The government's stance on single-use plastics may mean that juice and smoothie prices rise as they are often served in plastic cups, possibly leading to a decrease in industry demand as products are already fairly expensive. The growing number of small enterprises has stimulated competition between smoothie bars. Operators often aim to differentiate themselves from other establishments through the price and quality of drinks served, as well as their use of niche ingredients. Smoothie bars also compete on the basis of location. Larger juice and smoothie chains such as Joe & the Juice are able to leverage their economies of scale to undercut rivals on prices, whilst many cafes and coffee shops, such as Pret A Manger and Eat, have also begun to offer a range of smoothies and juices, capturing seasonal demand and increasing industry competition.
- ◆ **IBISWorld – Juice Production in the UK (August 2020).** Growing consumer focus on the high sugar content of juices has damaged the healthy reputation of industry products, with many operators now investing in new formulations to limit the calorie content of fruit juices. Young consumers in particular want blends that are both healthy and flavoursome. Innovative ranges of juices using ingredients classed as superfruits such as pomegranate, and other healthy ingredients such as ginger and flax seeds have entered the market. Over the past five years, robust demand for innovative products, which often carry higher price tags, has supported an increase in average industry profit margins.

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

- ◆ **British Soft Drinks Association** infographics (tinyurl.com/y26b5s2z) offer useful market statistics, such as *'Low/No Calorie Soft Drinks accounted for 68.2% of sales in the market in 2019.'*
- ◆ **The Fruit Juices and Fruit Nectars (Scotland) Regulations 2013** (tinyurl.com/y2p3c7nw) is the relevant legislation governing the sales of Fruit Juices in Scotland, in accordance with Food Standards.
- ◆ **Food Standards Scotland** (tinyurl.com/y4k3pj5s) offers industry updates, advice on food regulation and industry research publications.

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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**

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 [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 websites, 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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