
The Independent News

Junked: Sales of Fizzy Drinks and Unhealthy Foods Slump

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On the shop shelves, in canteens and, most importantly, in our homes, a quiet revolution is taking place. We are eating more healthily and starting to avoid foods that lead to obesity and illness.

The signs of a profound shift in our shopping and eating habits are growing apace. This week, evidence has abounded of a decisive move away from a fatty, sugary diet. The latest sales figures from a string of fast-food manufacturers reveal a dramatic slump. Britvic, the soft drinks company, lost £136m in share value yesterday, after acknowledging that the fizzy drink market was in clear decline.

Market research shows that a sharp divide has opened up between the sales of healthy and unhealthy foods. Amid growing concern about obesity, the market research firm AC Nielsen's barcode data from 83,000 shops revealed sales of crisps, chocolate, fizzy drinks and other treat products are hemorrhaging.

The trend appears to be a vindication of a government-sponsored public information campaigns on healthy eating, frequently criticized as evidence of an overly intrusive "nanny state".

In a new initiative, government advisers recommended yesterday that chocolates, sweets and fizzy drinks should be outlawed from all school tuck shops and vending machines.

Instead, the schools should stock up on fromage frais, yoghurts and healthier foods to avoid childhood obesity "spiralling out of control".

The recommendations come from the School Food Trust, set up by ministers after Jamie Oliver's Channel 4 series about school dinners last year, to promote healthy eating in youngsters.

Research published by the Food Standards Agency showed 12 million more adults are aware of the need to eat at least five portions of fresh fruit and vegetables a day than five years ago.

The Consumer Attitude to Food survey of 3,000 Britons paints a picture of rising consumption of fresh produce, more home cooking and a return to family meals. Far more people are totally avoiding ready meals, which tend to be loaded with salt, fat, sugar and additives. Fourteen million adults now claim never to eat them - a leap of 65 percent in a year.

Such deep changes are ensuring strong demand for fresh produce, nuts, beans and fruit juices and the shunning of burgers, cakes and frozen pizzas. Where once people may have munched crisps, they now snack on dried fruit.

Britvic appears to be the latest corporate casualty of the national health drive. It admitted yesterday the market for its sugary, fizzy drinks was "very difficult and challenging". The trend appears to be accelerating, with widespread consequences for the nation's health and big business.

Paul Moody, head of Britvic, which makes drinks such as Tango and 7Up, said: "The decline we have seen this year in January and February has been more severe than anything we have seen in the past."

McDonald's is another casualty. It revealed this week that falling UK sales had damaged global profits and announced the closure of 25 UK restaurants. The fast-food giant's decline comes despite the introduction of salads and a marketing relaunch with the slogan "We're lovin' it".

With makers of unhealthy foods losing tens of millions of pounds of sales, a scramble has begun in the food industry to reformulate products to appeal to health-conscious shoppers.

Cadbury has launched a chocolate bar with just 99 calories, Walkers has cut fat in its crisps, fizzy drinks makers are buying up water and juice companies.

By the same token, new products are marketed for their healthiness rather than taste. Probiotic drinks and spreads that lower cholesterol - as well as Omega 3-enriched dairy products - are recording annual sales rises of up to 170 percent.

Britain's biggest grocer, Tesco, reports buoyant sales of fresh produce, particularly brightly-coloured vegetables with high vitamin content. A spokeswoman said: "People are becoming more adventurous in the fruits and vegetables they choose and how they eat them - for example, using fruit to whizz up into a smoothie."

Eleni Nicholas, of AC Nielsen UK, said the trend for healthy products was driving "the most dramatic changes" in food.

Dominic Weaver, deputy editor of the trade magazine Checkout, which published AC Nielsen's data, believes health-consciousness has had a significant effect on shopping trends. "This year, we've again seen a marked increase in sales of products that consumers perceive are better for them, such as probiotic yogurt, waters and juices," he said.

"On the whole, sectors such as confectionery, crisps and carbonated drinks are finding the going increasing tough with sales static or falling."

The Food Standards Agency believes its survey is evidence that its campaigns are working. Its findings reinforce a survey by the National Consumer Council in which people claimed to be eating more sensibly and doing more exercise. It is too early to say whether the changes will improve health - a survey this week showed obesity had risen to affect one in seven children by 2003. But the healthy eating drive does appear to be under way.

Off the menu

BURGERS

American-style fast food is falling out of favor. A sales slump is forcing McDonald's to close 25 restaurants in Britain and sell 50 others to private operators. The fall, announced this week, comes despite the introduction of salads.

FIZZY DRINKS

Fizzy drinks have lost their sparkle. Shares in Britvic fell yesterday after the group said that its market was "very challenging". It is switching to healthier drinks. Coca-Cola scraped a paltry sales rise of 1 percent, while sales of diet colas are rising faster.

CHOCOLATE

Customers are shunning the most sugary brands such as Mars and Snickers, down by 6 percent. They prefer "lighter" brands - Aero sales were up a third and Cadbury's Flake by a quarter. Mr Kipling made some exceedingly unpopular cakes in 2005 - sales slid 7 percent.

CRISPS

Golden Wonder went into administration this year. Walkers had a 7 percent sales fall - losing £28m. Sales of Pringles shrunk by 4 percent.

READY MEALS

Sales of frozen products and ready meals have fallen. Bird's Eye frozen ready meals lost 13 percent sales in 2005. Overall sales of frozen meals were down 12 percent, frozen desserts 7 percent, and frozen pizzas 5 percent.

On the menu

FRUIT

Britons have rediscovered a taste for fresh fruit, and are exploring more exotic fruits. Up to 8 percent of people eat more fruit and veg than they did in 2004. And some fruits have acquired a startling popularity - we bought 70 percent more mangos last year.

VEGETABLES

Consumers are more aware of the five-portions-a-day guideline. Tesco's vegetable sales are up 8 percent on 2004. Carrots, beetroot and sweet potato have all found favor.

WHOLE FOODS

Supermarkets report booming sales of lentils, beans and nuts. The popularity of the GI diet, which uses food that releases its energy slowly, has boosted previously unfashionable fare. Sainsbury's sales of lentils are up 150 per cent and dried fruit 123 percent on last year.

HEALTH FOODS

We are buying more products that boast special claims to make us healthier - or brainier. Probiotic drinks that reputedly help the gut jumped - Actimel recorded a 25 percent sales rise last year. Sales of Danone's new yoghurt, Activia, jumped by almost 70 percent.

FRUIT JUICE AND WATER

People with busy lives have found smoothies a convenient way of loading up on fruit; sales of the Innocent brand trebled last year. Sales of bottled water rose 10 percent in 2005.