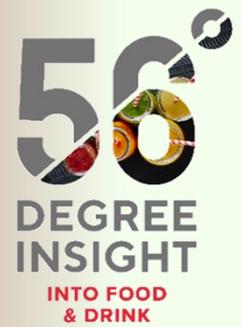


# Consumer insights that hit the sweet spot



**At 56 Degree Insight we bring expertise developed over many years working with clients in a range of sectors. As we approach our launch in June we'll be sharing some details on our offer, points of view and experiences in each of these areas. Let's look at Food & Drink.**

When AG Barr announced in 2017 that they would be reformulating the recipe for IRN-BRU, reducing sugar content by more than half, Scottish consumers were outraged. At least that's what the media coverage suggested...

Admittedly, the plans to reformulate in advance of the implementation of the Soft Drink Industry Levy (or 'Sugar Tax') attracted a lot of interest. Over 50,000 people signed the 'Hands off our IRN-BRU' petition, many vented their anger online and Scottish celebrities - from Loraine Kelly to Ally McCoist - weighed in to support the campaign.

The message seemed clear, Scots would rather pay the extra 8 pence per can than see a sugar content reduction and loss of the special flavour of their favourite soft drink.

However, if we look beyond the hype, data on the actual views and behaviours of the Scottish population reveal a different picture.

Firstly, the level of concern at AG Barr's plans to change the recipe was unsurprising. The population surveys we had undertaken, using Kantar's omnibus the Scottish Opinion Survey, consistently showed the huge strength of the brand. In a recent survey when Scots were asked to name the first Scottish brand they could think of, IRN-BRU was mentioned far more often than any other brand (3 times more than the 2<sup>nd</sup> most mentioned brand Tunnocks). IRN-BRU is a treasured symbol of our national identity so the reformulation plans were bound to attract attention.

Other population surveying, including regular tracking undertaken for Food Standards Scotland until 2018,

showed how a healthy diet was increasingly important to Scots. This research also found that 9 in 10 Scots recognised obesity as a serious problem in Scotland and agreed that action needed to be taken.

Reflecting these changing consumer needs, sales of zero and low sugar soft drinks were already increasing prior to the introduction of the sugar tax, as consumers actively chose to reduce their sugar consumption and manufacturers responded by offering products which met this demand. Across the border, Public Health England data for the period before the levy was introduced showed that sugar intake from soft drinks declined significantly, especially amongst teenagers.

Back in Scotland, AG Barr did not respond to the petitions and media pressure and launched the new formulation IRN-BRU in January 2018. Blind taste tests, found that the vast majority of consumers could not tell the difference between the old and new recipe and financial results for 2018 released by AG Barr last month showed that, despite the reformulation and surrounding furore, sales had increased.

**The IRN-BRU case illustrates how a robust understanding of your consumer's needs can support and ensure the commercial success of a reformulation strategy. Get in touch to find out how we can support you in this area.**

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