

Out-of-home Drinking - UK - September 2009

Report Price: £1500 / \$3000 / €2250

What is this report about?

This is the first time Mintel has produced a separate report looking at the market for and developments in on-trade alcohol. On-trade alcohol sales have grown steadily during the past decade but this disguises an underlying trend of decline in real terms – much of the increase being due to tax and price increases rather than volume growth.



Key issues covered in the analysis

- On-trade alcohol sales are worth £29bn in 2009. Growth of 24% in current terms since 1998 has been driven by price and duty rises as volume sales are in decline. Off-trade sales, by comparison, have risen by 55% in real terms. Out-of-home spend now equates to 63% of total alcohol spend compared to 77% in 1998.
- On-trade drinking has over the years been impacted by societal factors such as disapproval of drinking and driving (and heavier enforcement), the smoking ban and lunchtime drinking by workers being frowned upon, or even prohibited. Pubs have also been closing in record numbers as their costs have increased due to hikes in energy prices, the minimum wage, food costs and rents. 7.4m people are finding it harder to justify the expense of drinking out these days.
- The most valuable consumers for on-trade drinking are ABC1s, aged 18-24yrs old, no children, ie young, single and affluent. Although pubs have come a long way in appealing to women, men remain at the heart of their customer base. Feeling a part of the community is an important role of the pub for 4m people.
- 2.3m alcohol drinkers now drink more out of home (as at April 2009) compared to a year ago but this is outweighed by the 11m who drink less out of home. 18-24 year olds have not cut back on drinking out as much as the less affluent 25-64 year olds with a family. The majority (22 million) have not changed their drinking habits since the recession.
- Food is likely to become even more important to the pub trade as over 6m now prefer food-based venues when drinking out, more than five million think pub food is a cheap option compared to restaurants and a similar number (just under five million) are more likely to eat in pubs because of improvements to the standard of the food.
- Ambience is also important factor behind pub visiting. Just under ten million people think drinking out is more enjoyable since the smoking ban, over 5m are

Mintel Oxygen - Quality market and consumer insight

Mintel Oxygen isn't just another source for market research data - it's your business guide towards successful growth and profitability.

Mintel Oxygen - All you need to know about your market:

- Opportunities and risks
- Product innovation
- Brand analysis
- Consumer trends
- Company profiles and analysis
- News and commentary
- Overviews, PowerPoint presentations, Search function

Use Mintel Oxygen to:

- Gain fresh market insight every day
- Drive your business forward based on consumer trends
- Stand out in new business pitches
- Support your decision-making
- Validate your approach with solid data and expert opinion
- Benchmark competitive activity
- Monitor international developments

If you have any questions or require further information, send an email to oxygen@mintel.com or call us on +44 (0)20 7606 6000.

put off going to the pub because of loud music and just over 2m don't think pubs are as friendly as they used to be.

- Mintel classifies nearly 7m drinkers as the 'New Breed' because they enjoy drinking out more in the wake of the smoking ban and for whom the general environment of a pub is very important, with factors such as loud music and TV on a big screen being a deterrent.
- The 'Squeezed' (over 5m drinkers) and 'Value Diners' (4m drinkers) are both influenced by the increasing cost (both in real terms and relative to drinking at home) of on-trade drinking, with Value Diners offering more opportunities for value-based meal offers, whereas the Squeezed will be more attracted by lower drinks prices.

Scope of the report

The report covers the purchasing of alcohol for consumption in on-trade outlets (mainly pubs) outside of the home. It does not include consumption in the home, nor does it cover sales of soft drinks or hot beverages.