

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“Encouraging consumers to trade up to better quality is possible given that 62% of drinkers think that it is worth paying more for better quality. The key to this is conveying tangible reasons for the higher price, for example the use of high-quality ingredients or limited batches.”

– Chris Wisson, Senior Drinks Analyst

This report looks at the following areas:

- The decline in alcohol consumption prompts need to encourage trading up
- Lessons to learn from cider
- Projecting sophistication to progress in dining occasions
- Scope for growth for specialist outlets

Drinking at home remains popular among the majority of adults in the UK. This has helped the off-trade market to perform more strongly than the on-trade which has seen a significant decline in recent years, primarily the result of the significantly higher prices.

However, the value growth masks a marginal volume sales decline since 2009 which is expected to persist over the next five years. Government intervention to remove most of the alcohol tax escalators in 2014 was good news for the industry. However, consumers are continuing to cut back further on drinking, primarily on financial and health grounds.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
oxygen@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Definition
Excluded
Abbreviations

Executive Summary

The market

Figure 1: Forecast for value sales of in-home alcoholic drinks, 2009-19

Still wine leads the way in the off-trade

Figure 2: Share of retail value sales of different alcoholic drinks, 2013

Market factors

Alcohol consumption is in decline
Consumer confidence bounces back
Government involvement looks set to continue
Population changes also have an influence
Companies, brands and innovation
NPD in decline...

...along with advertising

The consumer

58% of adults drink at home at least once a week

Figure 3: Frequency of drinking alcoholic drinks at home, May 2014

Still wine remains the most popular in-home drink

Figure 4: Types of alcoholic drinks drunk at home, May 2014

More than half of in-home drinkers spend less than £10 per week

Figure 5: Spend per week on alcoholic drinks for drinking in the home, May 2014

Large supermarket stores dominate alcoholic drink sales

Wine remains the most popular drink but lager is close behind

Sharing of drinks and stocking up are popular

Discounts/special offers the best route to encouraging consumers to try new drinks

The in-home channel can mine associations to relaxation

Figure 6: Attitudes towards drinking at home, May 2014

What we think

Issues and Insights

The decline in alcohol consumption prompts need to encourage trading up

The facts

The implications

Lessons to learn from cider

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The facts
The implications
Projecting sophistication to progress in dining occasions
The facts
The implications
Scope for growth for specialist outlets
The facts
The implications

Trend Application

Guiding Choice
Many Mes
Mintel Futures: Old Gold

Market Drivers

Key points
Consumer confidence bounces back
Figure 7: UK GDP, by quarter, 2008-14
Figure 8: Consumer confidence index, monthly, January 2007-May 2014
Alcohol consumption is in decline
Figure 9: Trends in UK per capita consumption of 100% alcohol, 2000-13
Figure 10: Index of affordability of alcohol on a per capita basis, 1980-2012
Health considerations play a part in curbing drinking
Binge drinking remains an issue
Figure 11: Hospital admissions with a primary diagnosis attributable to alcohol consumption in England, 2002/03-2011/12
On-trade prices remain ahead of off-trade prices
Figure 12: Index of price of beer and wine in the on- and off-trade, 2007-13
Good news from the government
Figure 13: UK excise duty rates for selected alcoholic drinks, 2003-14
The weather and World Cup could prove to boost the industry
Figure 14: Hours of sunshine in the UK, by month, 2008-14
An ageing population is less problematic for the off-trade than the on-trade
Figure 15: Projected trends in the age structure of the UK population, 2014-19
C2s could hold the key to growth

Who's Innovating?

Key points
New product launches drop off
Figure 16: Share of alcoholic drinks NPD, 2009-14
Figure 17: Alcoholic drinks NPD in the UK, by launch type, 2009-14
Figure 18: Alcoholic drinks NPD in the UK, by brand and own-label, 2009-14

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Beer rises to the top of the NPD list

Figure 19: Share of alcoholic drinks NPD in the UK, by category, 2009-14

Limited editions become more prevalent

Market Size and Forecast

Key points

In-home sales continue to increase

Figure 20: Value and volume sales of in-home alcoholic drinks, 2009-19

Forecasts

Figure 21: Forecast for value sales of in-home alcoholic drinks, 2009-19

Figure 22: Forecast for volume sales of in-home alcoholic drinks, 2009-19

Forecast methodology

Segment Performance

Key points

Still wine is the leading off-trade category

Figure 23: Share of retail value sales of different alcoholic drinks, 2013

Figure 24: Share of retail volume sales of different alcoholic drinks, 2013

Figure 25: Retail value and volume performance of alcoholic drinks categories, 2012 and 2013

Has beer turned the corner?

Predictions for 2014

Beer

Cider

Still, sparkling and fortified wines

Spirits and liqueurs

Brand Performance

Key points

Beer brands dominate the off-trade leaders

Figure 26: Top 30 off-trade alcoholic drink brands in the UK, value sales, 2011-13

Figure 27: Value and volume change in the sales of the top 30 off-trade alcoholic drink brands in the UK, 2012-13

Cider picks up some of beer's business

Spirits also play a significant role

Hardys outperforms a struggling wine category

The influence of own-label

Figure 28: Share of own-label sales per alcoholic drinks category, 2012/13*

Figure 29: Value and volume performance of alcoholic drinks markets, 2011/12 vs 2012/13

Brand Communication and Promotion

Key points

Adspend on alcoholic drinks is in decline

Figure 30: Total above-the-line adspend for beers, wines and spirits, 2010-14

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Beer/Cider becomes more dominant in the advertising landscape

Figure 31: Above-the-line adspend in the UK beers, wines and spirits market, by category, 2010-14

Heineken continues to lead the way

Figure 32: Top 10 beers, wines and spirits advertisers in the UK, 2010-14

TV becomes even more dominant

Figure 33: Above-the-line adspend in the UK, by media type, 2010-14

The Consumer – Frequency of Drinking at Home

Key points

58% of adults drink at home at least once a week

Figure 34: Frequency of drinking alcoholic drinks at home, May 2014

Figure 35: Frequency of drinking alcoholic drinks at home, by age, May 2014

People drink more frequently at home than out

Figure 36: In-home vs out-of-home consumption of alcoholic drinks, by frequency, May 2014

The Consumer – Types of Alcoholic Drinks Drunk at Home

Key points

Still wine remains the most popular in-home drink

Figure 37: Types of alcoholic drinks drunk at home, May 2014

Figure 38: Types of alcoholic drinks drunk at home, May 2014 vs April 2013

Figure 39: Consumption of different types of alcoholic drinks among those who drink at home at least once a week, May 2014

Half of in-home drinkers drink lager

Cider is the star performer in the off-trade

Little change in spirit categories

Almost half of in-home drinkers stick to one or two types of drinks

Figure 40: Repertoire of types of alcoholic drinks drunk at home, May 2014

The Consumer – In-home Spend on Alcoholic Drinks

Key points

More than half of in-home drinkers spend less than £10 per week on alcohol

Figure 41: Spend per week on alcoholic drinks for drinking in the home, May 2014

36% of in-home drinkers spend between £10 and £30

The Consumer – Locations for Buying Alcoholic Drinks

Key points

Large supermarkets dominate alcoholic drink sales

Figure 42: Stores used for buying alcoholic drinks for drinking at home, May 2014

22% of in-home drinkers buy drinks online or from societies/clubs

Figure 43: Other channels used for buying alcoholic drinks for drinking at home, May 2014

The Consumer – Drinking on Meal Occasions

Key points

Wine remains the most popular drink but lager is close behind

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 44: Alcoholic drinks drunk on meal occasions, May 2014

Figure 45: Consumption of still wine on meal occasions, by gender, age and socio-economic group, May 2014

Cider is the third main drink for dining occasions...

...all other drinks only garner niche usage with meals

The Consumer – Drinking Habits

Key points

Summary of in-home drinking habits

Figure 46: Drinking habits, May 2014

A quarter of adults are cutting back on alcohol at home

Health plays a part in shaping drinking habits

Only a minority of drinkers read the labels

The Consumer – Enticements for Trying New Drinks

Key points

Discounts/special offers the best route to encourage trying new drinks

Figure 47: Enticements to trying new drinks at home, May 2014

Recommendations and tastings can also entice

Other factors only carry limited influence...

...while 10% of in-home drinkers cannot be persuaded to try something new

The Consumer – Attitudes Towards Drinking In Home

Key points

Summary of attitudes towards drinking in home

Figure 48: Attitudes towards drinking at home, May 2014

Drinking at home benefits from associations with relaxation

Quality is seen as worth paying more for

Limited editions appeal to more than two in five drinkers

38% of drinkers want more information about responsible drinking

Helping consumers to recreate out-of-home experiences should appeal

Appendix – Market Size and Segmentation

Figure 49: Best- and worst-case forecasts for the in-home alcoholic drinks market, by value, 2014-19

Figure 50: Best- and worst-case forecasts for the in-home alcoholic drinks market, by volume, 2014-19

Appendix – Brand Performance

Figure 51: Top 30 off-trade alcoholic drink brands in the UK, volume sales, 2013

Appendix – The Consumer – Frequency of Drinking at Home

Figure 52: Highest frequencies of drinking alcoholic drinks in home, by demographics, May 2014

Figure 53: Other frequencies of drinking alcoholic drinks in home, by demographics, May 2014

Figure 54: Purchase of alcoholic drinks drunk in home, May 2014

Figure 55: Purchase of alcoholic drinks drunk in home, by demographics, May 2014

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Appendix – The Consumer – Types of Alcoholic Drinks Drunk at Home

- Figure 56: Types of alcoholic drinks drunk in home, May 2014
- Figure 57: Most popular types of alcoholic drinks drunk in home, by demographics, May 2014
- Figure 58: Next most popular types of alcoholic drinks drunk in home, by demographics, May 2014
- Figure 59: Other types of alcoholic drinks drunk in home, by demographics, May 2014
- Figure 60: Types of alcoholic drinks drunk in home, by frequency of drinking alcoholic drinks in home, May 2014
- Figure 61: Types of alcoholic drinks drunk in home, by outlets used to buy alcoholic drinks (in-store), May 2014
- Figure 62: Types of alcoholic drinks drunk in home, by outlets used to buy alcoholic drinks (online/society/club), May 2014

Repertoire analysis

- Figure 63: Repertoire of types of alcoholic drinks drunk in home, May 2014
- Figure 64: Repertoire of types of alcoholic drinks drunk in home, by demographics, May 2014
- Figure 65: Types of alcoholic drinks drunk in home, by repertoire of types of alcoholic drinks drunk in home, May 2014

Appendix – The Consumer – In-home Spend on Alcoholic Drinks

- Figure 66: Spend per week on alcoholic drinks for drinking in the home, May 2014
- Figure 67: Highest spend per week on alcoholic drinks for drinking in the home, by demographics, May 2014
- Figure 68: Next highest spend per week on alcoholic drinks for drinking in the home, by demographics, May 2014

Appendix – The Consumer – Locations for Buying Alcoholic Drinks

- Figure 69: Outlets used to buy alcoholic drinks, May 2014
- Figure 70: Most popular outlets used to buy alcoholic drinks (in-store), by demographics, May 2014
- Figure 71: Next most popular outlets used to buy alcoholic drinks (in-store), by demographics, May 2014
- Figure 72: Outlets used to buy alcoholic drinks (online/society/club), by demographics, May 2014

Appendix – The Consumer – Drinking on Meal Occasions

- Figure 73: Alcoholic drinks drunk with meals, May 2014
- Figure 74: Most popular alcoholic drinks drunk with meals, by demographics, May 2014
- Figure 75: Next most popular alcoholic drinks drunk with meals, by demographics, May 2014
- Figure 76: Other alcoholic drinks drunk with meals, by demographics, May 2014

Appendix – The Consumer – In-home Drinking Habits

- Figure 77: In-home drinking habits, May 2014
- Figure 78: Most popular in-home drinking habits, by demographics, May 2014
- Figure 79: Next most popular in-home drinking habits, by demographics, May 2014

Appendix – The Consumer – Enticements for Trying New Drinks

- Figure 80: Reasons for trying new drinks, May 2014
- Figure 81: Most popular reasons for trying new drinks, by demographics, May 2014
- Figure 82: Other reasons for trying new drinks, by demographics, May 2014

Appendix – The Consumer – Attitudes Towards Drinking In Home

- Figure 83: Attitudes towards drinking in home, May 2014
- Figure 84: Agreement with the statements 'Drinking at home is more relaxing than drinking out of home' and 'It is worth paying more for better quality alcoholic drinks', by demographics, May 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: oxygen@mintel.com

Drinking in the Home - UK - June 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 85: Agreement with the statements 'I am more likely to try a premium brand/drink at home than out of home' and 'Limited/special editions of alcoholic drinks appeal to me', by demographics, May 2014

Figure 86: Agreement with the statements 'I would like to see more information on packaging about responsible drinking' and 'I would be interested in buying cocktail mixes that just need alcohol added to them for drinking at home', by demographics, May 2014

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: oxygen@mintel.com