

Attitudes towards Craft Alcoholic Drinks - UK - February 2016

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

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“Consumers are likely to become increasingly demanding of brands which claim to be ‘craft’, and the onus is on the brands to ensure that they can provide clear evidence of their craft credentials.”

– Chris Wisson, Senior Drinks Analyst

This report looks at the following areas:

- The ongoing issue of defining ‘craft’
- Does ‘craft’ growth risk putting family and medium-sized companies out of business?
- Online is a good fit for craft drink sales
- Craft needs to convey value for money

‘Craft’ is currently one of the buzzwords within the alcoholic drinks industry, with landlords and retailers alike looking to tap into the popularity of craft drinks. Craft beer is particularly big business, with new breweries opening each week. While some brands such as Guinness are looking to tap into the trend via internal projects, the acquisitions of Meantime and Camden Town in 2015 by SABMiller and InBev, respectively, are unlikely to be the last time a large brewery looks to buy its way into the segment.

A lack of a definition has not hindered the growth of craft drinks to date, with no imminent sign of this trend slowing down. However, with more operators entering the market, consumers are likely to become even more demanding of craft brands to prove their credentials and show that they are not just jumping on the bandwagon.

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DID YOU KNOW?

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

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The implications

The Market – What You Need to Know

- Alcoholic drink prices continue to rise
- UK consumers continue to cut back on alcohol
- The ongoing rise of craft drinks
- Population changes could also impact the market

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- Partnerships and takeovers
- Craft spirits set for a profile boost

Launch Activity and Innovation

- Packaging and design innovation
- Flavour and ingredients
- Partnerships and takeovers
- Craft spirits set for a profile boost

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- Consumers are most likely to associate craft drinks with a unique flavour
- Mainstream repertoires are wider than craft ones
- Only 24% of beer buyers are willing to spend £4+ on pints of craft beer
- Cost could be a barrier to the growth of craft
- 59% of drink buyers think that 'craft' needs to be defined

Consumer Definitions of Craft Alcoholic Drinks

- Unique flavour most widely seen as mark of craft drink
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- Small volumes
- Independently owned and produced
- Only 23% define craft drinks on price grounds
- Younger drinkers respond to NPD and a modern look
- 22% do not know what craft drinks are

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Purchase of Craft and Mainstream Alcoholic Drinks

Mainstream drinks repertoires are wider than craft ones

Figure 7: Repertoire of types of craft and mainstream alcoholic drinks bought, November 2015

Beer performs best for craft purchases ...

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Only 24% of beer buyers are willing to spend £4+ on a pint of craft beer

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Attitudes towards Craft Alcoholic Drinks

Cost could be a barrier to the growth of craft ...

Figure 12: Attitudes towards craft alcoholic drinks, November 2015

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Dedicated 'craft' sections could aid choice

Figure 13: An example of Wetherspoon Craftwork display, October 2015

... while taste does not appear to be a barrier

More information about taste welcomed

Further Attitudes towards Craft Alcoholic Drinks

59% of drink buyers think that 'craft' needs to be defined

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Craft is only preferred by one in four

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Consumer research methodology

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