

White Spirits and RTDs - UK - December 2017

Report Price: £1995.00 | \$2648.76 | €2273.70

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“Recommendations, either from friends/family or from drinks professionals, are pivotal in bringing new users to white spirits. Shared discounts and marketing themed around shared knowledge offer viable means for companies to persuade people to recommend their products. The influence of bartenders also offers venues scope to encourage trading up.”
 – Alice Baker, Research Analyst

This report looks at the following areas:

- Friend and family recommendations are key to recruiting new users
- Good opportunities for premium and less sugary RTDs
- Tangible ethical claims have strong appeal

For the purpose of this Report, the following definitions have been used throughout:

Vodka

is a clear, colourless, almost odourless spirit made from the distillation of potatoes, and sometime from corn, rye, wheat, sugar beet molasses or other agricultural matter. The European Union requires that vodka must have a minimum ABV (Alcohol by Volume) of 37.5%. Flavoured vodkas such as Smirnoff Blueberry and Absolut Raspberri Vodka, which are simple flavoured versions of the base spirits, are included in this Report.

Gin

predominantly derives its flavour from juniper berries and falls into two distinct categories: distilled gin is made from re-distilling the neutral spirit of agricultural origin with juniper berries and other botanicals, while compound gin is made by flavouring the neutral spirit with flavourings without re-distilling it and is hence typically considered inferior in quality.

White rum

is produced from sugarcane juice and molasses. Unlike dark rum, it is aged in plain oak casks or stainless steel tanks. Bacardi and Malibu are the two best-known brands in this segment.

Tequila

is a distilled beverage made from the blue agave plant, primarily in the area surrounding the city of the same name in Mexico. Tequila is most often made at 38-40% ABV but can also be produced at 31-55%. Mezcal is made from the Maguey plant, a type of agave plant, although it remains decidedly niche in the UK.

RTDs

is a trade term used to describe any drink featuring an alcoholic drink and a mixer sold pre-mixed typically either in bottles or cans. They include fruit-, herb-, soda- or water-based, still or carbonated drinks combined with at least one base spirit, and usually have an ABV of 4-6%. Mintel uses the terms RTDs and pre-mixed drinks interchangeably in this Report.

Not all RTDs are made from white spirits (eg Jack Daniel’s & Coke in a can), although white spirits have traditionally been the base spirit for this category. This Report will analyse the whole RTD market, not just those products with white spirits as a base.

The market size includes both on-trade and off-trade sales.

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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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Good opportunities for premium and less sugary RTDs

The facts

The implications

Tangible ethical claims have strong appeal

The facts

The implications

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Crossover brands enter the market

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Multiple brands promoted in link-up with Amazon
 Bacardi positions Grey Goose as ideal gift in Christmas advert
 New Bacardi campaign celebrates the carnival
 Pernod Ricard supports its rum brands
 Malibu projects aspirational 'perfect summer' image
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 Ageing UK population to impede growth for both segments

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Vodka enjoys varied usage, while gin is associated with relaxing at home
 Price and promotions are key influences on white spirits buying
 Recommendations and gifting are key to recruiting new users
 Calorie labelling per serving on-pack and on menus could appeal to health-conscious drinkers

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