

## White Spirits and RTDs - UK - January 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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“Fuelled by exponential growth in the popularity of gin, the white spirits category has elevated innovation in recent years to explore new flavours, colours and ingredients.

However, brands will need to aim for uniqueness, sustainable credentials and provenance going forward to create premium, standout products that can weather increasing competition.”

– **Richard Caines, Senior Food & Drink Analyst**

This report looks at the following areas:

- **Harness uniqueness to create premium spirits**
- **Leverage low/no alcohol trend as an opportunity**
- **Canned format can reinvigorate RTDs**

Estimated at £7.9 billion in 2019, the total UK white spirits and RTDs market grew by 40.9% over 2014-19, driven by inflation, premiumisation and volume sales growth. Once again gin fuelled the majority of this growth, with value sales up 13% over 2018-19. Increasing competition saw a slowdown on previous years though as gin brands promoted heavily, bringing down average prices. Vodka struggled to achieve more than modest growth despite a raft of new innovation, while RTDs were up 6.5% in value.

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The implications

Canned format can reinvigorate RTDs

The facts

The implications

## The Market – What You Need to Know

Inflation and innovation fuel growth in white spirits

Value and volume growth set to slow

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No-deal Brexit could see relaxation of duty-free policies

Politics remains a major source of uncertainty for spirits

Wage growth pulls ahead of inflation

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Patron Tequila uses Day of the Dead to encourage use in cocktails

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Smirnoff Infusions launches with plans to reach 94% of UK adults

Infamous marks first global campaign for Smirnoff Original

Ketel-One encourages 'thoughtful' drinking

Pernod Ricard on track to double advertising spend in 2019

Beefeater creates themed campaigns for flavoured gin launch

Malibu Rum targets Millennials with 'snackable' content

William Grant & Sons continues to boost spend behind Hendrick's Gin

Quintessential Brands Group supports Greenall's

Gin boom prompts craft brands to prioritise marketing spend

Lidl flags up improved white spirits offer

RTD brands push a more premium positioning

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Nielsen Ad Intel coverage

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A third would pay more for eco-credentials

Explore natural low sugar recipes in RTDs

Use RTD format to appeal to low/no alcohol trend

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Gin has overtaken vodka to become the most popular white spirit

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Gin resonates across all ages – but young consumers lead

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Unique ingredients offer a way to stand out

Avoid artificiality or sweeteners

Blur the lines in white spirits

Provenance can add a new dimension to premium white spirits

Source local ingredients

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Make more of naturalness in white spirits

Half of consumers are put off by artificial ingredients

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Make more of 'free from' claims

Flavoured variants could raise added concerns about artificiality

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UK drinkers are stuck in a rut with RTD mixers

Collaborate to create new but familiar combinations

Plug new flavours with strategic promotions

Target winter drinking occasions

Create clearer tiers in white spirits

Take inspiration from tiers in dark spirit brands

Draw distinctions with rare ingredients or number of filtrations

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Low/no alcohol white spirits are attractive to those looking to cut back

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...but perceptions persist that white spirits are high ABV

Demand for lower ABV options could complement RTD format

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- Avoid overly sweet RTD mixers
- Half feel most RTDs are too sweet
- Flag up low sugar in flavoured variants
- Provide nutritional breakdowns on pack

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