“Talking about the use of specific apple/pear varieties in a similar way as beer is now doing with hops could further build premium cues by strengthening an image of quality ingredients.”

– Chris Wisson, Senior Drinks Analyst

This report looks at the following areas:

- Up the apples and pears
- Leveraging the appeal of a ‘craft’ proposition
- Driving category growth with flavour
- Realigning cider with food

Following several years of strong growth, 2014 was a far more challenging year for the cider market. A surprising 1% dip in volumes ended a sustained period of growth when cider’s penetration in the UK has risen significantly. Over half of Brits reported to drink cider in the 12 months to October 2014 and while apple is the most popular variant and dominates sales, it saw a 1% dip in values in off-trade values last year. Pear is faring even worse, with off-trade values declining by more than a quarter, with fruit-flavoured ciders appearing to be picking up much of this business.

Cider’s muted 2014 performance is also likely to be the result of a rejuvenated beer category which saw volumes bounce back into growth for the first time since the 2008/09 onset of the economic recession. Despite another hot summer, cider only saw limited benefit as the increasingly innovative beer market also saw an uplift from the football World Cup.

Much of the innovation in the cider market has been more predictable, with a slew of new flavours adding little incremental growth to the category. Developing a more dynamic craft segment as well as giving greater emphasis to ingredient quality and heritage are two possible ways for brands to drive the cider market back into growth in 2015 and beyond.
Table of Contents

Introduction

Definition
Excluded
Abbreviations

Executive Summary

The market
Figure 1: Forecast of UK value sales of cider, 2009-19

Market factors
Alcohol consumption is in decline
Rising duty adds pressures on cider producers
A sunny outlook
Cider is seen as a unisex drink
Population changes bring threats and opportunities
Companies, brands and innovation
Figure 2: Value sales of top-selling cider brands in the off-trade, 2013/14

Cider adspend continues to rise

The consumer
Apple remains the most popular type of cider
Figure 3: Usage of cider, by type, October 2014
Glass bottles are much more popular than cans
Figure 4: Preferences regarding various attributes of cider, October 2014
Apple cider scores well on many metrics but has room for improvement
High-quality ingredients are key to projecting a premium image
Figure 5: Factors associated with premium cider (any ranking 1-5), October 2014

Scope for growth for food and cider matching
Figure 6: Attitudes towards cider, October 2014

What we think

Issues and Insights

Up the apples and pears
The facts
The implications
Leveraging the appeal of a ‘craft’ proposition
The facts
The implications
Driving category growth with flavour
The facts

BUY THIS REPORT NOW
The implications
Realigning cider with food
The facts
The implications

Trend Application
Prove It
Sense of the Intense
Objectify

Market Drivers
Key points
Alcoholic drink prices continue to rise
  Figure 7: RPI indexed annual change for alcoholic drinks prices versus all items except housing, 2000-13
  Figure 8: UK excise duty rates for selected alcoholic drinks, 2003-14
Cider and seasonality
  Figure 9: Hours of sunshine in the UK, by month, 2009-14
Cider enjoys unisex appeal
Financial health recovers but remains fragile
An ageing population could pose a threat to the cider market
  Figure 10: Projected trends in the age structure of the UK population, 2014-19

Competitive Context
Key points
UK consumers continue to cut back on alcohol
  Figure 11: Trends in UK per capita consumption of 100% alcohol, 2006-13
  Figure 12: HM Treasury estimated changes in volume consumption of alcohol over 2014/15-2018/19 following changes to alcohol duty in Budget 2014, April 2014
Cider has been the strongest performer since 2009
  Figure 13: Value sales of selected alcoholic drinks categories, 2009-14

Strengths and Weaknesses
Strengths
Weaknesses

Who’s Innovating?
Key points
Cider innovation continues to revolve mainly around flavour

Market Size and Forecast
Key points
Cider’s growth grinds to a halt in 2014
  Figure 14: UK value and volume sales of cider, at current and constant prices, 2009-19
  Figure 15: Forecast of UK value sales of cider, 2009-19

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: reports@mintel.com

reports.mintel.com © 2015 Mintel Group Ltd. All Rights Reserved. Confidential to Mintel.
Forecast methodology

**Channel and Segment Performance**

**Key points**

Volumes slip into decline in both channels

Figure 17: UK value and volume sales of cider in the on-trade, at current and constant prices, 2009-14

Figure 18: UK value and volume sales of cider in the off-trade, at current and constant prices, 2009-14

Flavoured cider driving off-trade growth

Figure 19: Off-trade value sales of cider, by flavour/type, 2013/14

Is 2014 a one-off or a warning of things to come?

**Market Share**

**Key points**

Heineken dominates the off-trade

Figure 20: Leading manufacturers’ shares of cider sales in the off-trade, by value and volume, 2013/14

Figure 21: Value sales of top-selling cider brands in the off-trade, 2012/13 and 2013/14

Figure 22: Volume sales of top-selling cider brands in the off-trade, 2012/13 and 2013/14

Fruit ciders continue to drive market growth

Several other brands are also enjoying strong growth...

...while others are struggling

**Companies and Products**

AB InBev
Overview and product range
Recent activity

Aspall
Overview and product range
Recent activity

C&C Group
Overview and product range
Recent activity

Distell
Overview and product range

Heineken
Overview and product range
Recent activity

Kopparberg UK (Cider of Sweden Limited)
Overview and product range
Recent activity

Rekorderlig (Chilli Marketing)
Overview and product range
Recent activity
Westons Cider
Overview and product range
Recent activity

Brand Communication and Promotion

Key points
Cider adspend sees a significant upturn in 2013
Heineken dominates cider adspend
Brewers continue to support their new cider brands
Thatchers investing in brand growth
TV falling from favour

Brand Research

Brand map
Correspondence analysis
Brand attitudes
Brand personality
Brand experience
Brand recommendation

The Consumer – Usage of Cider

Key points
Apple remains the most popular type of cider

BUY THIS REPORT NOW
Tough times for pear
Fruit-flavoured ciders hitting the sweet spot
Innovation in smaller cider segments looks set to drive growth
A third of adults drink one or two types of cider
Figure 39: Repertoire of usage of different types of ciders, October 2014
41% of cider drinkers enjoy the drink weekly
Figure 40: Frequency of usage of cider, October 2014

The Consumer – Cider Preferences

Key points
Glass bottles are much more popular than cans
Figure 41: Preferences regarding selected attributes of cider, October 2014
Figure 42: Preferences in cider bottle size, October 2014
Figure 43: Preferences in cider can size, October 2014
Apple is the most popular cider type but fruit is growing
Figure 44: Quantity of cider and made wine (hectolitres) released for consumption in the UK, 2004/05-2013/14
Mainstream ciders still preferred by more drinkers than small producers’
Only a third prefer cheaper ciders
Serving and carbonation preferences are split

The Consumer – Qualities Associated with Different Types of Cider

Key points
Apple cider scores well for many metrics but has room for improvement
Figure 45: Qualities associated with different types of cider and beer, October 2014
Fruit-flavoured ciders evoke fewer associations
Pear fails to 'own' associations
Beer viewed surprisingly negatively
Correspondence analysis
Methodology
Figure 46: Correspondence map, October 2014

The Consumer – Factors Associated with Premium Cider

Key points
High-quality ingredients are key to projecting a premium image
Figure 47: Factors associated with premium cider (any ranking 1-5), October 2014
Figure 48: Qualities associated with premium cider (rank 1), October 2014
A compelling backstory can resonate
Packaging and availability can provide supplementary premium cues

The Consumer – Attitudes towards Cider

Key points
Cider and food: a match made in heaven?
Figure 49: Attitudes towards cider, October 2014

Are there signs of NPD fatigue?
Figure 50: Agreement with selected statements regarding new cider products, by gender, October 2014

Growth potential for boxed ciders and those leveraging juice content

The Consumer – Target Groups

Key points
Four target groups
Figure 51: Target groups for cider, October 2014

Adventurers (31%)
Disengaged (29%)
Traditionalists (20%)
Moderators (20%)

Appendix – Market Size and Forecast

Figure 52: Best- and worst-case forecasts for the UK cider market, by value, 2014-19
Figure 53: Best- and worst-case forecasts for the UK cider market, by volume, 2014-19