

Attitudes towards Craft Alcoholic Drinks - UK - August 2018

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“Where craft brands enjoy a decided advantage over standard ones is the positive emotions they spark among users. Underpinning this is a perception of craft brands as supporting their local economy. Marketing messages presenting their company as part of a wider community would help craft producers to leverage this perception.”

– **Alice Baker, Research Analyst**

This report looks at the following areas:

- Perception that acquisitions lead to a decline in quality pose an issue for large companies taking over craft brands
- Craft drinks in on-trend flavours should appeal
- Scope to further mine the feel-good factor around craft drinks

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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 facts

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Scope to further mine the feel-good factor around craft drinks

The facts

The implications

The Market – What You Need to Know

Consumer cutbacks on alcohol affect the craft segment

Ageing UK population to hinder craft drinks

New craft entrants heat up the competition in alcoholic drinks

Market Drivers

'Craft' term remains unregulated

Multiple factors affect alcohol prices

Inflation hits the category

Scotland introduces minimum unit price for alcohol

Stronger craft cider could be hit by extra duties

A third of buyers have cut back on alcohol for health reasons

Ageing UK population offers little support to craft drinks

Smaller brands benefit from supermarkets expanding their craft ranges

Continued growth in breweries and distilleries

Companies and Brands – What You Need to Know

Leading players continue to acquire craft brands

Few alcohol launches use the term 'craft' on-pack

Larger companies look to tap into the craft trend

NPD trends include standout packaging, flavours and low/no alcohol

Craft brands raise their profile by linking with music and movies

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Acquisitions of smaller brands in various alcoholic drinks sectors from 2013-18

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Beer

Heineken moves on two craft brands

Beavertown acquisition provokes a backlash in some quarters

Carlsberg snaps up troubled London Fields

Fullers takes over Dark Star

Lion of Australia buys Fourpure

White Spirits

Beam Suntory looks to reassure consumers after Sipsmith acquisition

Cider

Molson Coors acquires Aspell

BrewDog looks to shake up the cider market with Hawkes investment

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Launch Activity and Innovation

Few alcohol launches use the 'craft' term on pack

Gin boom drives rise in small-batch gins

Figure 8: UK alcoholic drinks launches, by selected terms featured on-pack, 2014-18 (sorted by 2017)

Heineken puts the spotlight on its brewers with Maltsmiths

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Pub chains collaborate with craft brewers

Retailers expand their own-label alcohol ranges with craft products

Beer

White spirits

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Craft brewers extend into other categories

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Giving further detail on low/no alcohol products' flavour

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The Uncommon launches English wine in a can

Beer Hawk adds to Beer Bullets range

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Craft brands take inspiration from a variety of sources

Ethical products from craft brands should boost feelgood associations

McGuigan launches small-batch wines

Advertising and Marketing Activity

BrewDog republishes its recipe book

Maltsmiths highlights its perfectionism

Camden Town launches its first TV campaign

Outdoor campaign focuses on pleasure

Craft brands raise their profile at cultural events

Linking with music and film

Music event with craft beers promoted as way for people to support local industry

Tiny Rebel sponsors Spotify playlists

Whitley Neill invites people to inhale 'gin mist'

The Consumer – What You Need to Know

Three in 10 adults buy craft drinks

Price and brand are key influences on alcohol buying

Craft labels have little influence even on craft buyers

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Strong links between craft alcohol buying and foodie-ism
 Unique flavour and quality ingredients are the most widely seen as important for craft
 Flavour profile labelling and quality awards can help craft drinks to win new users
 Craft drinks enjoy a strong feelgood factor
 Consumers are split on the importance of heritage

Buying of Standard and Craft Alcoholic Drinks

Three in 10 adults buy craft alcohol drinks
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 Craft label has little influence even on craft buyers

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 Need for large companies acquiring craft brands to reassure the public
 Small-batch production is associated with craft by three in 10
 Small-batch production carries some quality associations ...
 ...but has little effect on buying

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Behaviours relating to Craft Alcoholic Drinks

Various opportunities for craft drinks to attract new users

On-shelf labelling on flavour profile appeals particularly to under-35s ...

Figure 19: Behaviours relating to craft alcoholic drinks, June 2018

... and would encourage 40% of non-users to buy craft

Quality awards would encourage half of alcohol buyers to buy craft

Collaborative drinks enjoy wide appeal

Craft Alcohol Buyers' Behaviours

Strong feel-good factor for craft drinks

Figure 20: Craft alcohol buyers' behaviours, June 2018

Recommendations are key to driving trial of craft drinks

'Shared wisdom' marketing messages can allow brands to harness the power of recommendations

Attitudes towards Craft Alcoholic Drinks

Consumers are split on the importance of heritage

Good opportunities for small-batch variants from established brands

Figure 21: Attitudes towards craft alcoholic drinks, June 2018

Only a minority feel that own-label drinks cannot be craft

Tangible references to production methods can help own-label to build a craft positioning

Collaborations between own-label and craft brands should appeal

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