

Alcohol & low 2 no



Analysis

Low and no continues steady advance

As the performance of the total beverage alcohol category stutters, low & no options are continuing to surge ahead as greater moderation and duty changes impact consumption

 It was Oscar Wilde who famously said: 'Everything in moderation, including moderation'. Of course, he was rumoured to indulge a little too heavily in both romance and the drink. But the topic of moderation has been swirling around the alcohol industry for some time now as legal-drinking age (LDA) Gen Z and Millennial consumers drive the moderation trend¹.

Earlier this year, global alcohol industry research specialist IWSR examined whether the moderation trend was generational or universal, and its findings concluded that 64% of consumers across the top 10 global alcohol markets were now claiming to be moderating their alcohol consumption². However, it also revealed that the proportion of consumers moderating rises to 75% among LDA Gen Z consumers and

70% among Millennials, compared to 60% of Gen X consumers and 54% of Boomers³, which in itself tells a story.

Further, IWSR predicts that total beverage alcohol (TBA) in the UK is expected to see volume and value declines of -1% CAGR over the next five years⁴. The research business pointed to a decline of -2% in TBA volumes between 2022 and 2023, which it said capped a period of recent decline for the industry (-1% CAGR from 2018 to 2023)⁵. Meanwhile, the no- and low-alcohol segment showed volume growth of 47% between 2022 and 2023 and IWSR has forecast a volume CAGR of +19% from 2023 to 2028⁶.

The figures paint a clear picture. A combination of recent alcohol duty changes⁷ coupled with an increasingly health-conscious and moderating population are driving the success of

no and low in the face of their alcoholic counterparts.

Interestingly, it is the alcohol drinks companies themselves who command the lion's share of the no- and low-alcohol market⁸ and account for 98% of low/no beer sales in stores⁹. Realising that the writing was on the wall some time ago, they have pivoted relatively easily into no- and low-alcohol, trading off the power of existing brands, particularly in the beer and lager trade.

Putting this into context, however, the no and low sector of the TBA market is still relatively small, estimated at just under 3%¹⁰ in the UK, and for many key alcohol brands, a continued focus on their core offering remains the bedrock of their sales, with an increasing recognition of and intelligence around capitalising on occasions, seasons and specific opportunities.



So how do suppliers feel the overall category has performed of late?

The spirits market is having a tough time at the moment, with the total sector – and most of the categories within it – in decline, confirms Jamie Stewart, commercial director at LMB UK. “Overall, vodka and gin are suffering the most, and tequila is at the other end of the spectrum, showing modest to flat growth,” he says. “Whisky is somewhere in between, with decline at 8.4%¹¹. In this challenging market, our brands have been performing incredibly well. Our Speyside single malt Glen Moray Classic reported volume growth of 18% and value growth of 24.7%¹². Bardinet Brandy is also ahead of the category in terms of value growth at 7.7%¹³.”

The overall ready-to drink (RTD) sector has grown by 2%, reveals

Michael Dean, marketing director UK at White Claw, owned by Mark Anthony Brands International. “Within that, White Claw has seen “remarkable growth” surging by 21%¹⁴,” he says. In just 12 months, the brand has climbed from no.14 to no.8 in the RTD market¹⁵.” Sporting events and summer gatherings have been significant for White Claw’s sales this year, he adds. “During the Euros, with many consumers hosting BBQs, the brand saw a 36% increase in MAT at Sainsbury’s. Glastonbury weekend was another major success, with White Claw selling out both at the festival and in many local retailers.”

With a category that is so reliant on a good summer, it hasn’t been easy for the cider market – or any other category for that matter, says Kopparberg category controller Anne Morris. “The

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weather in June wasn't great and, coupled with the hottest June on record in 2023, it may seem as though cider was struggling," she says. "Despite these challenges, the latest spell of good weather, coupled with the Euros, has seen cider rebound into growth, and Kopparberg has seen significant performance during the period, growing market share to 47%¹⁶."

However, while summer is naturally a big sales period for fruit cider, seasonality has eased off over the past few years, notes Morris. "I'm sure it would be surprising for many, but Christmas sales in the three weeks pre-Christmas more often than not peak ahead of our biggest sales weeks in the summer," she says. "Kopparberg has a clear and defined seasonal strategy and works closely with its retail partners to execute it. So, as the darker nights draw in our Spiced Apple, Spiced Blackberry and Winter Punch variants take the place of our Summer Punch variant.

"The cider market has seen a lot of change this year, with some producers moving products into the lower-ABV tier to maximise on the change in duty, and others running aggressive promotional pricing campaigns," says Jon Nixon, commercial director at Thatchers Cider. "At Thatchers, we took the decision to simply remain focused on producing great-quality cider.

"Our customers want a premium experience they know they're going to enjoy and aren't willing to compromise on taste even in a cost-of-living crisis. The result is our market share continues to climb and set new records, hitting 17.6% value share over the last 52 weeks¹⁷."

Low 2 no outperforms category

Low 2 no's surging popularity is clear in the attention that the sub-category is garnering from suppliers, retailers and consumers alike.

Overall, the no- and low-alcohol category is worth £152m in grocery and £18.6m in impulse¹⁸, with no- and low-alcohol cider worth £18m, and no- and low-alcohol beer worth £154m in the total market¹⁹, reveals Alexander Wilson, category & commercial strategy director at Heineken. "As a result of this growing consumer demand, data reveals the low- and no-alcohol category overall is outperforming total beer and cider



performance in value by 21.8% versus a year ago²⁰ and is now worth 3% of total beer and cider value sales²¹," he says. "The no- and low-alcohol beer and cider category presents retailers with a huge opportunity to grow profits this year, as more and more consumers seek to moderate their alcohol intake, or choose to abstain, by switching to no- and low-alcohol alternatives of their favourite beer and cider brands."

More than £30m was added to the no- and low-alcohol beer category last year, and this was in part due to prices having risen ahead of the total beer category (+8.2%)²², with non-alcoholic beer having grown by 11.8% on average in terms of price litre²³, he adds "However, sales increases can also be attributed to health trends pervading the market, where we have seen more younger people conscious of how much they are drinking, and so are opting for non-alcoholic versions of their favourite brands,

such as Heineken® 0.0, which is the biggest non-alcohol lager in 2024²⁴."

As people look for convenient and consistently great-tasting lower-ABV drinks RTDs are performing very strongly in the spirits sector, says LMB UK's Stewart. "We responded with the launch of the Bardinet & Ginger RTD, which is the market's first brandy serve in this format. Bringing innovative new formats to market is crucial to keep our brand in growth and to engage and inspire drinkers in what has been quite a traditional category."

Low & no-alcohol options are indeed becoming mainstream, says White Claw's Dean. "However, there is also a strong trend towards lower-ABV products that offer a balanced drinking experience," he says.

"For White Claw, our Hard Seltzer, with its sessionable 4.5% ABV, hits the sweet spot for daytime drinking. This makes it a relevant choice for those seeking a lighter, refreshing beverage,



Understanding consumers

Brands that invest in understanding their shoppers and consumers, and keep an ear to the ground, will tend to be the ones that are successful, says Kopparberg's Salvesen. "This year Kopparberg made its biggest investment into shopper segmentation and the results are paying dividends – allowing us to tailor messaging and NPd to those segments in the market that offer the biggest opportunities to grow the category. This approach coupled with a £6m investment into brand marketing is what takes this brand to the next level. Brand marketing is focused on three

key areas – brand building, recruitment into the brand, and new and light shoppers during key sales periods."

With Glen Moray Classic, LMB UK has a single malt that is a great entry point for people looking to get into the whisky category due to the accessibility of the liquid, as well as the great price, says Stewart. "We then have options for consumers to experiment – for example with our 2023 launch of Twisted Vine, a single malt matured in Cognac casks featuring striking packaging. We launched this with a more influencer- and social media-led

strategy to engage younger audiences."

"Connecting with our target community is crucial for our brand," says Degen Distillery's Verghese. "To resonate effectively, brands have to immerse themselves in their audience's world, engaging with their passions and interests, whether it's sports, festivals or other everyday passions. This means meeting customers where they are and building genuine relationships, which in time, generate sales.

"Degen excels at this by involving our community as co-creators," he explains. "This deep

understanding of the audience's needs and desires enables them to align our brand with relevant cultural moments, creating authentic connections."

Rather than focusing solely on younger demographics, Degen Distillery has opted to target like-minded individuals passionate about the intersection of technology and spirits, he adds. "Today, consumers seek more than just products; they connect with brands that embody a lifestyle. Building a synergy between the brand and the individual is key to fostering long-term loyalty, regardless of age."

while still enjoying a flavourful experience."

As to whether the low & no sub-category is now becoming mainstream, the statistics answer this question loud and clear, says Thatchers' Nixon. "Thatchers Zero, the No.1 alcohol-free apple cider is up 116% year on year²⁵, making it the first choice for people who don't want to compromise on taste," he says. "But it's not just the off-trade where this trend is soaring; it's popular in pubs and bars with hundreds of new stockists coming on board every month.

"Alcohol-free drinks are thriving and showing dynamic growth, currently accounting for around £304m of the take-home market and surging by 13.5% in value in the past year²⁶, " he observes. "There has also been an increase of 439,000 buyers in the same period, growing the total number of households buying low & no products to around 9 million²⁷. With the majority

of cider sales being apple cider, making sure you have a great-tasting low or no apple cider is key."

The alcohol-free category shows no signs of slowing down, agrees Kopparberg's Morris. "Kopparberg is now the no. 3 best-selling brand by value behind Guinness and Heineken and the no.1 brand by units²⁸. Our recent Variety Pack, also launched in alcohol-free, has been a huge success."

Rob Salvesen, head of marketing at Kopparberg, adds: "We can firmly say that low & no is now mainstream. There is no denying that younger adults are increasingly choosing to moderate their alcohol intake. This year a significant portion of our media, creative and shopper marketing budget was allocated to alcohol-free and I can only see the focus on the category increasing over the coming years. We continue to develop alcohol-free versions of our best-selling variants and this dual approach to

variant development is no longer an afterthought.

"As the market evolves into 2025, expect to see some exciting things from Kopparberg, with a particular focus from the brand on alcohol-free, moderation and health & wellness – watch this space," he adds.

Effect of change in duty

Duty changes, introduced from 1 August 2023²⁹ have begun to have an impact on the market, encouraging the development of lower-ABV products. However, suppliers are employing different strategies to deal with this, depending on their individual brands – and not all are willing to adopt a different approach, instead favouring the retention of existing brand loyalty.

Recent duty changes have affected the market, says Kopparberg's Morris. "It has been hugely encouraging to see shoppers shop our various ABV offerings in much the same way they

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always have. Those retailers who manage their margin mix to offer great value across categories and ranges through price promotion are seeing the biggest gains with single bottles, benefiting from being ranged together in the same multi-buy offer and 4-packs and multipacks working best on a high low strategy.”

Duty changes that came into effect in August 2023 have already triggered ABV changes and new launches, agrees Heineken’s Wilson. “As the middle ground between no- and low-alcohol and traditional brands with full strength alcohol is closing, we can expect low-alcohol products to increasingly form part of consumers’ repertoire.”

“Research from the Portman Group highlights the huge rise in 18- to 24-year-olds considering themselves either regular or occasional drinkers of no- and low-alcohol products³⁰.”

With a significant change in duty, any producer had to consider the strength of their drinks, but for Thatchers it was an easy decision to make, says Nixon. “We’re keeping the ABVs of our ciders exactly as they are and retaining the premium nature of Thatchers products that customers love.”

Premium vs value

With the marketplace still quite tough, consumers are watching their wallets, but are also keen to indulge in self-treating from time to time, say suppliers.

“It’s no secret consumers are watching their spend due to economic circumstances but they are still prepared to treat themselves, which is why a reason for trading up is key,” says Sammy Verghese, CEO and co-founder of Degen Distillery. “In regards to premiumisation, it’s primarily about enhancing product quality and delivering exceptional brand experiences. Consumers are more willing to pay a premium when a brand offers more than just a product and enhances their lifestyle. This includes access to a community, exclusive events, or the ability to create an out-of-home experience at home.”

Across the sector, consumers are looking for great-quality liquids at great-value prices, says LMB UK’s Stewart. “Many consumers have an upper limit as to how much they are prepared to pay – or can afford to pay – per bottle in the spirits aisle. But they



still want quality and a brand they can trust,” he says. “They don’t want to take the risk of trading down. That is why our sales are so strong in an otherwise extremely challenging market. Glen Moray and Bardinet deliver on both quality and value.”

For many consumers these days, every penny counts and this means consumers are spending more time understanding the products they are buying and the value they get in return, says Kopparberg’s Morris. “Our research and performance of the category indicates that yes, consumers are drinking less as a whole, but they are turning to premium propositions to add value to their in-home occasions. In cider, the biggest trend we have seen is that, as price gaps have closed, value and mid-tier brands have taken a hit, driven by the treating nature of the category and people still wanting to treat themselves in an unstable economy.”

The cost-of-living crisis has significantly impacted consumer behaviour, with many opting for more budget-friendly socialising, says White Claw’s Dean. “We’ve observed a noticeable shift, with a 44% increase in consumers attending house parties³¹, indicating that at-home entertaining continues to thrive, despite a slight upturn in the economy.”

Home or away?

The off-trade is likely still benefiting from the tail end of the consumer trend of opting to entertain at home and big nights in, says Degen’s Verghese. “While the global pandemic-induced surge in home entertaining has undoubtedly cooled down, the knock-on influence can still be felt in the off-trade,” he says. “Between the hybrid work culture and economic pressures, many are still looking to host their own social events – which has meant people are buying products

Formats and flavours

Getting the right format in the right location is key to successful sales and cans have become exceptionally popular in convenience outlets, says Kopparberg's Morris. "Having 500ml cans in convenience (mainly forecourts and pureplay convenience) is proving to be a big success. The 'drink for now' mission is a big driver of this and this insight was driven from the simple observation that shoppers were buying bottle openers with their purchases through basket analysis," she says.

"Switching from bottles to cans in Tesco Express (MF & S&L) has seen value

sales increase by 9.2% vs the same period last yearⁱ. £ROS has also grown by 12.3%ⁱⁱ," she reveals. "Switching to Pear vintage cans from pear 4.5% bottles has seen even bigger results in convenience mults (Express, Local), with ROS growing by 40.8% vs the same period last yearⁱⁱⁱ."

When it comes to pack sizes, we have identified growth of bigger packs as a key trend in the category, indicating shoppers are willing to spend more money as the category matures, says Heineken's Wilson. "As such, we expect to see more brands move into bigger packs over the next couple of years."

According to Thatchers' Nixon, the cider category was ready for a shake-up and in need of a product that could appeal to the 20-something audience, both in terms of appearance and quality as well as sustainability. The company has introduced Juicy Apple, inspired by "the experience of biting into a crisp mouth-wateringly sweet apple", he says.

At LMB UK, Bardinet Brandy has adopted a strategy to welcome consumers into the brand with a modern cocktail-focused SKU Bardinet Inspirations and its newly launched RTD format,

Bardinet Brandy & Ginger, reveals Stewart.

Meanwhile, Degen's Verghese says: "Vodka in particular lends itself to exciting flavour innovations and we have big plans for our innovation pipeline, not just within the UK but for the global market. The amazing point of difference about our brand is that we are built on co-creation; our community will work with us on developing our new flavours, be that within the vodka or other spirits categories. For the time being, we are focusing on our 721 Vodka, but there is lots more to come."

from off-trade retailers, or direct from the brand. This means that, more than ever, community – and by association, brand loyalty – is king, whether it's on or off-trade."

In the burgeoning RTD spirits category, White Claw is extending into the vodka category while also unveiling new flavours for its hard seltzer products, reveals Dean. He says key trends in the marketplace include a growing demand for brand-first innovations, modernisation in flavour profiles and a rise in home mixology with consumers seeking low-sugar, high-quality ingredients. "Retailers should address these trends by offering innovative, health-conscious options like White Claw's hard seltzers and new vodka, which cater to the shift towards healthier drinking habits while delivering premium flavours and versatility," he notes.

Recreating premium occasions at home and providing shoppers with

exciting ways to enjoy their drinks will see brands rise to the top, says Kopparberg's Morris. "It's nothing new for brands to focus on occasions, but really diving deep into understanding a brand's role in those occasions will help brands and retailers achieve standout performance. Kopparberg's recent segmentation work has identified 'Weekend Treaters' as a key must-win segment to target with big night in and meal deals."

Heineken's best advice for retailers looking to grow sales in the low- and no-alcohol category is to consider merchandising and ranging those options separate to their alcoholic counterparts, says Wilson. "Having a separate display clearly signposts to consumers that they can rely on the store to provide them no- and low-alcohol products, and that the store owner has put effort into curating the category, and therefore will have the latest products available."

2024 and beyond

At Heineken UK, we believe that the no- and low-alcohol trend is here to stay, and it will only continue to grow in 2024 and beyond. There are more brewers and brands investing in the category and launching products, and the quality of the beverages is improving greatly, says Wilson.

One lesson for the festive season this year is from Nielsen's consumer insights, which showed that in the four weeks to December 2023, the category grew by a huge 43% in value, adding £4.2m in sales³², he adds. "This is in comparison to overall beer category growth of just 0.6%, making it clear that many people were not waiting until January to moderate their alcohol consumption.

"Low alcoholic options – drinks with an ABV of 3.4% or less – are also gaining traction, but this is largely due to bigger brands switching to lower ABV rather than new products coming

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to the market. We do expect more products to enter this segment. In fact, earlier this year we introduced Foster's Proper Shandy, the first innovation in the classic lager category for several years and with a low ABV of 3%."

Kopparberg's Salvesen highlights three key opportunities in the year ahead: flavour innovation, health & wellness, and seasonality. "In a category where flavour excitement is always at the top of the agenda for shoppers and buyers alike, expect to see new and exciting variants and flavour combinations enter the market. "Consumers don't want another 'me-too' or flavour duplication of their favourite brands – it just takes up space on shelf and adds nothing to the category to grow it," he says.

"Expect alcohol-free and lower-ABV products to be an area of growth both in the wider market, but also in terms of attracting new and light shoppers into the category and BWS as a whole, he adds. "And with environmental factors no longer as predictable as they once were, brands will need to adapt their offerings to ensure they have the right packs and products for all occasions as they navigate the UK's unpredictable weather."

At LMB UK, Stewart says spirits are not massively impacted by big TV sporting occasions. "We have turned to sport for Glen Moray, however, in an exciting new partnership with The Senior Open championship. "Whisky and golf are a great partnership and we'll be investing in some exciting activations over the next few years to maximise this opportunity, in the UK and globally.

"For the Bardinet range, our focus has been on taking the brand to a number of UK food and drink festivals to showcase the flavour and quality, and to break down some of the perceptions of brandy as an old-fashioned drink. People have been pleasantly surprised as to how delicious and versatile Bardinet is for cocktails, long serves and for pairing with food. For both brands, these activities have put us in a great position going into the important entertaining and gifting season."

For White Claw, meanwhile, future opportunity lies within continuing to enhance consumer engagement, launching timely product innovations



and expanding its on-premise presence with a larger sales team – 10 on-premise field sales specialists – to drive growth and market adoption, says Dean. "Upcoming challenges include financial pressures on consumers, rising raw material costs, and increasing moderation trends that could impact alcohol consumption and spending habits," he says.

Periods of economic uncertainty are often where innovative and industry-first products are born, says Degen's Verghese. "While consumer spending habits are a consideration, it's an opportunity to think differently about what they really want. At Degen we're putting community and their involvement as co-creators of the distillery as our top priority. In a nutshell, we want to co-create the future of the spirits industry.

"Web3 offers unprecedented opportunities for sales channel expansion – community is at the core, which is why Degen Distillery is heavily rooted within web3 channels," he explains. "At the heart of

brand loyalty lies a strong community. By deeply integrating customers into the brand journey and lifestyle, businesses can significantly accelerate market growth.

"Unexpected and reactive partnerships are still a relatively untapped opportunity which can be impactful if timed right. Being part of the cultural zeitgeist, particularly for younger generations, is a strong catalyst for brand awareness."

Sources

¹³ <https://tinyurl.com/452dach4>

⁴⁻⁶ <https://tinyurl.com/5ajj6t4y>

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⁸⁻⁹ <https://tinyurl.com/3spz3be7>

¹⁰ <https://tinyurl.com/5ehe6pvs>

¹¹⁻¹³ Nielsen, 52 w/e 10.08.24

¹⁴ Circana, All Outlets UK, Total

Flavoured Alcoholic Beverages,

MAT to 07.07.24, Value Growth

% YA

¹⁵ Circana, All Outlets UK, Total

Flavoured Alcoholic Beverages,

w/e 07.07.24

¹⁶ IRI Market Advantage, Major

Multiples, Fruit Cider, 52 w/e

13.07.24

¹⁷ Circana, Value Share, Category,

52 w/e 13.07.24

¹⁸⁻¹⁹ Nielsen IQ, Full year 2023

²⁰⁻²¹ Nielsen, YTD to 06.07.24

²²⁻²³ NIQ Scantrack, Total

Coverage, MAT to 30.12.23

vs YA

²⁴ See 20-21

²⁵ Circana, 52 w/e 13.07.24

²⁶⁻²⁷ Kantar, 52 w/e 21.01.24

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Multiples, Total Low/No BWS,

52 w/e 13.07.24

²⁹ See 7

³⁰ <https://tinyurl.com/4k7ad3xe>

³¹ White Claw proprietary

research, winter 2023

³² Nielsen, 4 w/e ending

December 2023

Formats and flavours

¹⁴⁰ Dunnhumby data, Tesco

Express, bottles vs cans

12.02.24 to 30.05.24

¹⁴¹ IRI Market Advantage,

Convenience multis, ACV

Weighted Value rate of sale, 12

wks to 13.07.24

Mark Anthony Brands International

White Claw extends into vodka arena

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Over the past year, White Claw has introduced significant innovations in the BWS sector, including the launch of White Claw Vodka this September, extending the brand into more drinking occasions while keeping hard seltzer a core focus.

Following its successful US debut, White Claw Vodka has already garnered acclaim, including a Double Gold at the New York International Spirits Competition. This launch features the world's first Triple Wave Filtered™ vodka in four varieties – Premium, Black Cherry, Pineapple, and Mango – all with less sugar than other flavoured vodkas. These aim to meet consumer demand for more flavour, lower sugar and versatile drink options.

White Claw has also launched new flavours for its existing hard seltzers, which are growing 10 x faster than the RTD category¹, including Pineapple, Passionfruit and Watermelon. A brand new flavour is coming in October too.

Source

¹ Circana, All Outlets UK, Total Flavoured Alcoholic Beverages, MAT to 07.07.24, Value Growth % YA



“The launch of White Claw Vodka extends the brand into more drinking occasions”

– Michael Dean

White Claw, synonymous with the hard seltzer space, invests heavily to build long-term brand equity with consumers. Activations, such as festival sponsorships, a collaboration with streetwear brand Aries and the Claw-ner Shop pop-up collaboration with international artist Romy, ensure it remains a leader in the RTD category, achieving 54% national awareness.



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*Source: IWSR 2023

Degen Distillery

Talking about a revolution

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721 Vodka

“You won’t have seen anything like Degen Distillery before – you might be able to tell from the volt-green bottle. It is not a typical spirits company and is here to shake up the industry,” says Sammy Verghese, CEO and co-founder. “We are building the world’s first lifestyle spirits brand powered by advanced technology. With origins in web3, it’s leveraging blockchain technology to revolutionise the spirits market,” he says.

721, Degen Distillery’s flagship product, is a super-premium vodka crafted with precision. Filtered once to preserve its character, 721 offers a smooth, warm palate with subtle spice and a lingering sweet finish, reveals Verghese. “721 takes its name from ERC-721, paying homage to the groundbreaking moment when digital collectables became a reality, and reflects Degen Distillery’s commitment to embracing the future,” he says. “But it’s not just about making great vodka – it’s about creating a lifestyle,” he adds.

At the heart of Degen Distillery is its community of risk-takers, creators and disruptors – the ‘Degeneration’ – who are redefining the relationship between brand and consumer and turning their audience into co-creators who play an active role in shaping the brand’s evolution. “This community-driven approach sets Degen Distillery apart from its competitors,” notes Verghese.

Making its debut at Goodwood’s Three Friday Nights, the brand set the tone for a three-year partnership with the iconic racecourse. Further building its presence with ‘Degenerates’ across the UK, it was also served exclusively in the VIP area at Brighton on the Beach Festival, headlined by artists including The Libertines, Carl Cox and BICEP.



“We are building the world’s first lifestyle spirits brand powered by advanced technology. With origins in web3, it’s leveraging blockchain technology to revolutionise spirits”



Product differentiation begins with the unique design of the volt-green 721 bottle, which has garnered significant attention. Designed to stand out on both shelf and back bar, the bottle has become a visual symbol of the brand’s bold and disruptive ethos.

The brand is now expanding its Web3 ecosystem through tokenisation, introducing \$DRINK tokens that offer holders exclusive access to events and experiences – a new way to deepen consumer engagement and build lasting connections, he adds. “With backing from the likes of Brewdog and Google, our goal is to become the fastest-growing spirits brand. With a community of over 1.7 million people already, the brand recently launched into the UK on-trade and convenience with the aim of building a strong off-trade presence in early 2025.

“Traditional leaders in the drinks industry have played it safe, waiting their turn to be ‘on trend’ and playing by the rules,” he says. “Degen Distillery is the antithesis of this. People want the products they buy to reflect their values. We are using technology not just to create great spirits, but to build a community and a lifestyle that resonates – welcoming Degenerates, old and young, into this new movement.”

OUR SPIRIT CANNOT BE DILUTED

**WE'RE NOT JUST
ANOTHER SPIRITS BRAND.**

We're here to build a playground for the misfits, creators, artists and weirdos. We are Degen and the spirit of rebellion runs through our veins.

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Degen

HEINEKEN UK

Staying strong in no and low

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Birra Moretti Zero
Inch's
Old Mout Cider
Old Mout Alcohol Free Cider
Strongbow

↙ The no- and low-alcohol beer and cider category is growing in popularity in the UK as customers seek to moderate their consumption, and innovative launches in the segment give greater choice for drinkers to explore. As a result of this growing consumer demand, data reveals the category is outperforming total beer and cider performance in value by 21.8% versus a year ago¹, and is now worth 3% of total beer and cider value sales², meaning that now is the time for retailers – grocery, convenience and wholesale – to capitalise, says Alexander Wilson, category & commercial strategy director at Heineken.

“Heineken UK is in a strong position to help retailers achieve sales in this category,” notes Wilson. “There should always be a choice available for shoppers between alcoholic beers and cider and their no- and low-alcohol equivalents,” he says. “As consumers moderate for health and lifestyle reasons, they don’t want to compromise on taste, and our portfolio of zero-alcohol brands is able to meet a vast range of needs. Our brands include Heineken 0.0, the biggest non-alcohol lager in 2024³, alongside Birra Moretti Zero and Old Mout Alcohol Free Cider, the latter of which is available in popular fruit-flavoured variants, which over-indexes in the summer.”

Availability of lines

Demand for no- and low-alcohol tends to stay the same throughout the year, but like other alcohol categories, peaks during the summer and festive periods. “To capitalise, we suggest retailers prepare in advance for the influx of no- and low-alcohol options ahead of the peak trading times to ensure they have maximum availability, and a fully stocked shelf,” adds Wilson.

Consumer research also reveals that, in the four weeks to December 2023, the category grew by 43% in value, adding £4.2m in sales⁴. “This is in comparison to overall beer category growth of just 0.6%, making it clear that many people were not waiting until January to moderate their alcohol consumption,” says Wilson. “So, having availability



“As consumers moderate for health and lifestyle reasons, they don’t want to compromise on taste, and our portfolio of zero-alcohol brands is able to meet a vast range of needs”



is important to the success of this category, as nearly 25% of individuals who drink have reduced their alcohol intake due to the availability of non-alcohol alternatives⁵.”

Merchandising and ranging

Wilson explains that his best advice for retailers looking to grow sales in the category is to consider merchandising and ranging no- and low-alcohol separate to its alcoholic counterparts, but grouped together as a category of its own, and to use Heineken 0.0 as the signpost brand. “Having a separate display clearly indicates to consumers that they can rely on the store to provide no- and low-alcohol lines, and that the store has put effort into curating the category, and therefore will have the latest products available,” he says.

“During peak trading seasons, retailers can take this a step further by positioning their no- and low-alcohol range to be one of the first categories that their customers see within the alcohol space. People don’t always like to walk past alcoholic options to the no- and low-alcohol counterparts, so this will make that consideration for the no- and low-alcohol category even easier.”

Source

^{1,3} Nielsen, YTD, 06.07.24
⁴ Nielsen, Consumer Insights, four weeks to December 2023
⁵ Portman Group, <https://www.portmangroup.org.uk/youngov-survey-shows-rise-in-popularity-of-low-and-no-alcohol-alternatives-with-young-adults-now-the-biggest-consumers>

GREAT TASTE, MORE GOOD TIMES



Kopparberg

Leading the fruit cider category

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KEY BRANDS

Kopparberg
Strawberry & Lime
Kopparberg Mixed Fruit,
Kopparberg Variety Pack

 Kopparberg continues to make significant strides in new product development (NPD), reveals category controller Anne Morris. A standout innovation is the Kopparberg Variety Pack, which offers a mix of popular flavours like Strawberry & Lime and Mixed Fruit, catering to both loyal consumers and those new to the brand, she says. “This product was developed in response to consumer demand for flavour variety, particularly among light shoppers and its success is evident as it has become the best-selling variety pack¹ in the total beer, wines & spirits (BWS) category,” she reveals.

Looking ahead, Kopparberg plans to expand its portfolio, focusing on areas such as alcohol-free, moderation, and health & wellness trends. “The brand’s seasonal strategy also continues to drive success,” notes Morris. “Over the past year, Kopparberg has introduced a variety of exciting rotational flavours, demonstrating that cider is versatile – and not just for summer,” she says. “For the upcoming winter season, we rotate from summer favourites like Summer Punch to Winter Punch and a Spiced range featuring Spiced Apple and Spiced Blackberry, which can be enjoyed hot or cold, adding a festive touch to colder months.”

Rob Salvesen, head of marketing, says: “To stand out in a competitive market, we focus on innovative packaging and unique partnerships. For the third year running, we’ve teamed up with Ravensbourne University to create limited-edition packaging for our Strawberry & Lime and Mixed Fruit flavours. Each year, one outstanding student’s design is selected to feature on our packaging and benefits from a year’s free tuition and an internship. This



“Over the past year Kopparberg has introduced a variety of exciting flavours, demonstrating that cider is versatile – and not just for summer”

partnership both supports emerging talent and ensures our packaging remains dynamic and engaging, helping us stand out on the shelf.”

Morris continues: “Kopparberg’s success in the alcohol-free segment, now the best-selling fruit cider in the category², demonstrates its ability to attract a broad range of consumers, from those moderating alcohol intake to those seeking variety. Working closely with retail partners has ensured these products are well-positioned and effectively promoted, enhancing their visibility and appeal. Young adults are increasingly choosing to moderate their alcohol intake, making no and low products a critical growth area.”

Meanwhile, despite financial pressures, shoppers are opting for higher-quality, premium products to enhance their at-home experiences,” says Morris. “We’ve catered to this demand by offering premium imported fruit ciders and have a firm eye on NPD in this area in the years ahead.”



Source

¹ IRI Market Advantage, Major Multiples, BWS Variety Packs, CWD wtd value ROS, 12 wks to 13.07.24

² IRI Market Advantage, Major Multiples, Total Low/No BWS, 52 wks to 13.07.24

A flavour for everyone with Kopparberg's Variety Pack

Stock up on the bestselling variety pack



Source: IRI Market Advantage, Total BWS Variety Packs, CWD Wtd Value Rate of Sale, 12wks to 13.07.24.

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KOPPARBERG

LMB UK

Suiting all tastes and budgets

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KEY BRANDS

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Bardinet Brandy
Cutty Sark Blended Whisky
Label 5 Blended Whisky
El Galipote
Sobieski Polish Vodka
Marie Brizard

As peak spirits season draws near, LMB UK – the UK arm of leading global spirits business La Martiniquaise-Bardinet – is continuing to invest in a diverse portfolio of award-winning products, offering quality liquids at great value, says UK commercial director Jamie Stewart.

In a challenging market, this approach is delivering strong sales for LMB’s brands right across the spirits aisle, he notes. “A good example? The company’s single malt Scotch whisky Glen Moray Classic, which recently stormed into the UK’s top three best-selling single malts, delivering volume growth of 18% and value growth of 24.7%¹ against single malt Scotch whisky’s decline at 8.4%²,” he reveals.

For Stewart, it is about great-quality liquid tied to a close understanding of the needs of shoppers and trade partners. “Today’s consumers are still being very careful with their spending, but they don’t want to trade down,” he notes. “They still want to enjoy the premium brands they know and trust at a price they can afford, and we work hard to meet that demand and deliver commercial value for our customers.

“One example of this strategy is Glen Moray, an exceptional single malt representing the best of whisky’s famous Speyside region. It is accessible in price compared to competitors, but without compromising on quality. And it stands out, thanks to investment in a recent packaging refresh and the buzz around our first nationwide sponsorship as the official whisky of The Senior Open golf championship.”

The company’s Bardinet Brandy is also one to watch, adds Stewart. As Cognacs and Armagnacs fall out of reach for some brandy consumers, the appeal of a premium, authentic French-style brandy at an affordable price point is rising. Hailing from Bardinet’s cellars just outside Bordeaux, the brand’s core VSOP SKU is distinguished on shelf by its authentic ‘Crafted with French Passion’ positioning and is ahead of the sector in value growth terms, up 7.7%³.

Bardinet is also working hard to modernise and extend brandy’s overall consumer appeal. “As the UK’s No.2



“We brought to market the UK’s first brandy RTD – Bardinet Brandy and Ginger Ale”



best-selling brandy⁴, we understand the need for investment and innovation,” he says. “We successfully launched the contemporary Bardinet Inspirations SKU in 2023 to tap into the post-pandemic home mixology trend. And, most recently, we brought to market the UK’s first brandy RTD – Bardinet Brandy and Ginger Ale. This stylishly packaged 250ml format is in response to rising demand for convenient, refreshing, lower-ABV options– forecast to develop significantly in the next few years.”

LMB UK is also delivering high-quality products in other areas of the spirits aisle – from the launch of the new ‘Bourbon Barrel’ variant from our top 10 best-selling⁴ blended Scotch whisky Label 5 to the striking Polish vodka Sobieski and El Galipote Rums. “We bring excellent heritage, quality and taste across all our brands,” he says. “This, combined with our focus on consumer trends, customer needs and spirits trends, are key to our success.”

Source
^{1,2,3} Nielsen, 52 weeks to 10.08.24

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BARDINET
— MAISON FONDÉE EN 1857 —

*Source: Nielsen GB Total Coverage - Latest 52 Weeks MAT - WE 10/08/2024

Thatchers Cider

Shaking up the cider category

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Commercial Director

KEY BRANDS

Thatchers Juicy Apple
– available as a single 500ml bottle (RRP £2.50), 4 x 440ml can packs (RRP £5.75) and 10 x 440ml can packs (RRP £11)
Thatchers Gold
Thatchers Haze
Thatchers Blood Orange
Thatchers Apple & Blackcurrant
Thatchers Cloudy Lemon
Thatchers Katy
Thatchers Vintage
Thatchers Rose
Thatchers Zero

As the cider maker adding more growth to the category than anyone else¹, Thatchers Cider has just launched Thatchers Juicy Apple – the latest instalment in a string of hugely successful innovations including Thatchers Zero, Thatchers Apple & Blackcurrant and Thatchers Blood Orange, reveals Jon Nixon, commercial director at the company.

“The cider category was ready for a shake-up and in need of a product that could appeal to the 20-something audience in terms of appearance, quality and sustainability,” he says. “We saw a gap in the market for a cider made specifically for the next generation, by the next generation, that could bring in new shoppers.”

Inspired by the experience of biting into a crisp, mouthwateringly sweet apple, Juicy Apple is a new and contemporary creation, designed by Eleanor Thatcher, the fifth generation of the Thatcher family to make cider at Myrtle Farm. “At 4% ABV, Juicy Apple is perfect for those who are yet to discover the taste of apple cider, and cider lovers alike,” says Thatcher. “It has excited everyone who has tried it.”

Since launching in pubs and bars in April this year, the sustainable cider has been reinvigorating the apple cider category and, thanks to demand, it is now available in retail too.

Eco cool

Juicy Apple is made using 100% renewable electricity, including power generated from the 3,500 solar panels at Thatchers’ Myrtle Farm in Somerset. “In every way, this is a drink for the next generation,” notes Thatcher. “Juicy Apple’s mouthwatering taste is powered by sunshine, made using the



“We saw a gap in the market for a cider that’s made specifically for the next generation, by the next generation, that could bring in new shoppers”

juiciest, sun-drenched apples and 100% renewable electricity. That means it is as good for the environment as it tastes.”

Thatchers is making a positive difference for the environment with this NPD, which also sees the CO₂ produced in the fermentation process captured and used as bubbles in the cider.

Stand-out appeal

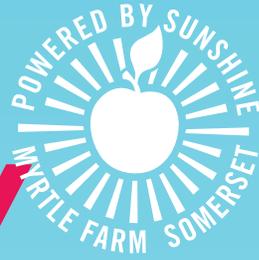
The product’s vibrant look and feel give it great shelf stand-out and intrigue, and the fresh new colours and taste are designed to attract those who are yet to discover the deliciousness of apple cider, adds Thatcher.

The launch is being supported by a large-scale PR and digital advertising campaign that will reach over half of all 20-somethings in the UK, supported by a nationwide media splash. “It’s a great time for retailers to capitalise on the marketing and PR investment behind the launch,” says Philip McTeer, head of marketing at Thatchers. “The campaign will drive footfall and bring new drinkers to the category. It will put Juicy Apple front and centre in the minds of shoppers in-store, helping to drive sales and boost value for retailers.”



Source

¹ Circana, Cider & Perry, Volume, 52 w/e 10.08.24



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