

HEREFORDSHIRE



WESTONS

WESTONS CIDER

Celebrating **140** Years
1880-2020

CIDER MAKERS

2020 represents a significant milestone on the Weston's journey.

It's been 140 years since Henry was encouraged to make more ciders by his neighbours. Fast forward & five generations later, the mill Henry Weston started is still family owned.

This year also marks the fifth edition of **WESTONS CIDER REPORT**, packed with amazing insights and data on the key consumer & market trends for cider.



www.westons-cider.co.uk

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WESTONS CIDER REPORT 2020

Celebrating **140** Years
1880-2020

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WE'D LOVE TO HEAR FROM YOU!

We would really like to hear from readers and invite you to share your thoughts.

In the past year we've had nearly 1000 downloads and would like to continue to offer insight and support and we also plan on issuing a half year update to be published October 2020. Please feedback on what is most relevant to you and what you would like to see more of.

Please feel free to contact Emily Jenkins Emily.Jenkins@westons-cider.co.uk or Tim Williams Tim.Williams@westons-cider.co.uk

Westons Cider would like to thank the following contributors to the 2020 Westons Cider Report:

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CGA Business Leaders Survey 2019

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HELEN THOMAS, MD of Westons Cider & Fourth Generation Westons Family Member

Welcome to the fifth edition of the cider report, our annual overview of cider, looking back but also looking forward to the year ahead!

At Westons, we are into our 140th year of cider making, and we are still on the farm where my great grandfather first started making cider in 1880. Today, we're proud to play our part in cider and with this report we hope to help all involved in cider face the challenges and shape the future, while ensuring continued success for such an important UK industry.

As you will see the cider industry and wider overall drinks category has had a challenging year, however, cider is as exciting as ever with many developments and opportunities for growth. Cidermakers and retailers, where possible, should attempt to learn from other categories and be able to seize the opportunities. Regularly, the opportunity comes back to offering the drinker and shopper something new and exciting.

WESTONS CIDER
Celebrating 140 Years
1880-2020



CIDER INDUSTRY HEADLINES



THE CIDER INDUSTRY IS JUST OVER A QUARTER OF THE SIZE OF THE TOTAL UK SPIRITS MARKET

CIDER IS WORTH £3.1 BILLION IN THE UK THIS IS A DECREASE OF 3.2% VERSUS LAST YEAR

ON TRADE vs OFF TRADE

CIDER VALUE SHARE

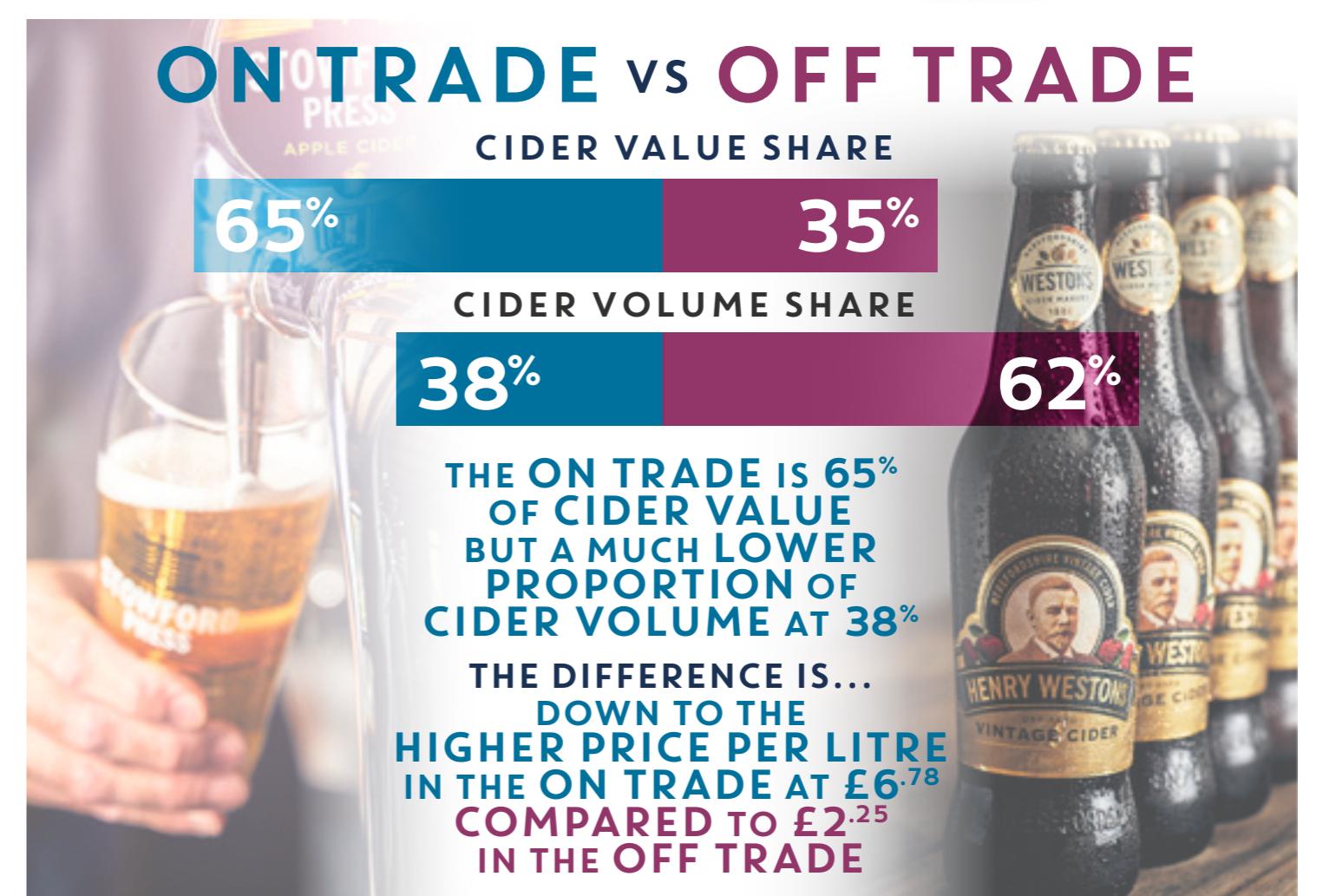
65%  35% 

CIDER VOLUME SHARE

38%  62% 

THE ON TRADE IS 65% OF CIDER VALUE BUT A MUCH LOWER PROPORTION OF CIDER VOLUME AT 38%

THE DIFFERENCE IS... DOWN TO THE HIGHER PRICE PER LITRE IN THE ON TRADE AT £6.78 COMPARED TO £2.25 IN THE OFF TRADE



MEET THE CIDER EXPERTS

Introducing the panel of experts, who we reference throughout this year's cider report



PHILL HEWETSON
BUSINESS IMPACT DIRECTOR
IRI

Pear and fruit ciders have lost a little of their appeal as apple cider gains share from both. A refocus and development of apple products will help to drive and capitalise on this trend, especially those that can boast heritage credentials that resonate with consumers' search for authenticity in the products they purchase and consume. Craft generated the beer boom and highlighted an opportunity to drive growth. Moving forward spirits took the mantle with an resurgence of unique and craft gins that have led to gin and RTD gin becoming the largest growth sectors. Over the past three years we've seen craft cider gaining share year on year at the expense of premium cider. Continued and accelerated development within craft may reignite the category and deliver growth as already experienced in beer and gin.



DAVID BREMNER
DIRECTOR OF MARKETING
ROBINSONS BREWERY

We see the opportunity for premiumisation for cider, which will help drive margin, primarily driven through a focus on quality of apple juice and brand credentials. Furthermore, as we are seeing with beer, we expect the low alcohol apple cider market to develop further in terms of innovation. Premium fonts and glassware would help cider take advantage and deliver a more premium serve, and could learn from world lager in this area.



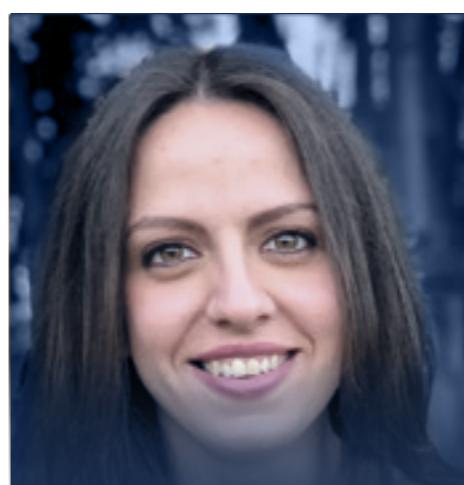
SIMON HORNER
BUSINESS UNIT DIRECTOR
ALCOHOL AND OUT
OF HOME KANTAR
WORLDPANEL

England's success, combined with fantastic weather, made for a bumper year in 2018. Cider, like the rest of the BWS category, has much to gain from big summer events this year especially Euro 2020 and the Tokyo Olympics. With England playing on home turf this year, and Wales competing too, cider should be looking to maximise its presence and relevance to consumers across both channels as summer approaches, ensuring it captures consumers' attention at every possible occasion.



FENELLA TYLER
CHIEF EXECUTIVE
NATIONAL ASSOCIATION
OF CIDER MAKERS

2020 will potentially be a year of huge change. The result of the general election in December 2019 paves the way for Brexit, and a transition period to negotiate our future relationship with the EU and beyond. All innovation that celebrates the unique heritage of our cider industry is great. Innovations that attract new consumers and bring back those who have moved away from the category are definitely needed, to keep the category fresh, interesting and relevant to consumers.



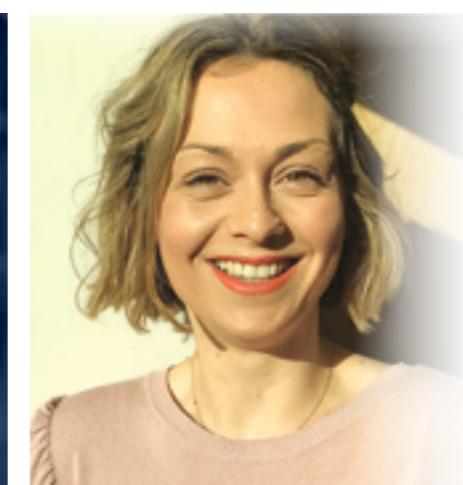
LUCREZIA MORRIS
SENIOR CLIENT MANAGER
CGA

Premiumisation within cider is a key opportunity. With this trend spreading across all categories, there is still a big opportunity there for cider, both in apple and fruit, to be exploited.

Consumers in fact continue to show high interest in the quality of drinks, with half of consumers stating that they typically choose a premium cider when out of home, which is +17ppt up compared to 2017.

A big part of driving premium cues behind brands should be to explore provenance and heritage of particularly apple cider.

There are some great stories in cider and undoubtedly some of this is already happening in above the line marketing but need to ensure this trickle down to the bar and educates licensees and consumers as to where the brand is from, what types of apples it's made from and ultimately what it tastes like.



HANNAH JOHNSON
SENIOR DRINKS
CATEGORY MANAGER
MARSTON'S PLC

During 2020 one of the main challenges across the business is to drive customer experience and really give guests a reason to visit. An opportunity for cider is to make it more relevant to more occasions and improve the experience for the guest as the category seems to change at a slower rate than other drinks categories. Spirits are better at explaining to the guest what the difference is between brands and styles whilst elevating the serve.



RICHARD YARNELL
CATEGORY MANAGER,
BEER & CIDER
MITCHELLS & BUTLERS

I think guests are seeking to explore more than ever, and they are more aware of what they are consuming than they have ever been - both areas which cider can credibly play in. However, we must also be very aware that cider is beginning to lose drinkers to other categories. Whilst looking at new opportunities we cannot forget about the core category drinkers who may be looking to explore and experiment outside of the category - what can we do to retain them? I still don't believe the majority of the UK population fully appreciates what a complex and varied category cider is, and how different styles of cider can be so diverse and rich, so there is definitely more to do on education and understanding.



SAM WARREN
SENIOR BUYER – BEER & CIDER
SAINSBURY'S

The market is well positioned for further NPD, as cider has become known in the last decade as the category for constant NPD; and Rosé will continue to play a role. Likewise mainstream apple cider at all value tiers has the opportunity to stand out, if communicated consistently and clearly to customers; be this medium, dry, sweet, etc. There is a huge amount of value to be unlocked in cider if the customer is educated more clearly as to what that value actually is. There needs to be consistency and coherence in the message communicated from cider manufacturers and from all bodies within the industry: retailers, wholesalers, governing body, manufacturers - to educate customers and create a clear message for customers to allow them to shop through the category with more confidence, rather than confusion.

MEET THE CIDER EXPERTS

WESTONS
CIDER MAKERS



JOSEPH WALKER & JIMMY CORBETT
CATEGORY BUYER & CATEGORY DEVELOPMENT PLANNER
CO OP

The main opportunities for cider are around driving occasions and relevance in the category. Extending the relevance and reach of cider through food pairings and development of new exciting areas that compete with development in spirits and soft drinks sub-categories. We're expecting the continued growth of new emerging sub-categories e.g. rosé cider that seeks to bring younger shoppers into the apple cider market.

In addition the development of no and low ciders to support wider category focus, that whilst still a very small part of the market is beginning to deliver credible rates of sale.

for the facts drinkaware.co.uk

HASAN PARVEZ
RESEARCH AND INSIGHT MANAGER, DRINKAWARE

Is no and low having a midlife moment?

Established thinking suggests the greatest area of opportunity for lower strength alcohol products sits with younger drinkers. Indeed, Drinkaware's research shows that 68% of drinkers aged 18-44 currently drink, have drunk, or would consider drinking lower strength alcohol products.

Perhaps more surprisingly, our 2020 data shows that 66% of midlife drinkers (aged 45 and above) reported similar attitudes and experiences. This has been a relatively dramatic shift – an increase of 15% in just two years. The change challenges the notion that lower strength alcohol drinks belong in the domain of younger consumers and suggests these products increasingly have a place amongst midlife and older drinkers who are looking to lower strength alcohol products to moderate their alcohol intake, look after their health or who simply prefer lower ABV drinks.

Given older drinkers are more likely to drink regularly and exhibit increasingly positive attitudes towards lower strength products, we can expect to see the rapidly expanding no and low sector reach out beyond its original target audience and include an increasingly demographically diverse group of drinkers.



WESTONS
CIDER MAKERS

TRENDS

Some of the major trends in the cider market, that will be referred to throughout this report, are:

PREMIUMISATION

In both the on and the off trade value sales are growing ahead of volume and 51% of consumers are likely to pay extra for a better quality drink when out of home. The 2019 Mintel Cider Report tells us that half of cider drinkers/buyers say that small price differences between premium and standard cider make it worth trading up. Crafted cider, the most premium tier, is the fastest growing YOY. We have also seen premiumisation in the on trade within draught fruit cider, as Strongbow Dark Fruit declines YOY while Stowford Press Mixed Berries and Old Mout Berries and Cherries show strong growth. Finally, when compared with other categories, cider has not yet seen the same level of premiumisation as other categories such as lager and spirits.



AUTHENTICITY & CRAFT

In both the on and off trade, crafted cider is the fastest growing sector highlighting the importance of quality and heritage. In an IGD survey 30% of shoppers said that British/locally produced were attributes that helped identify a product as being higher quality. Barrel-aged cider appeals to a quarter of drinkers.



CONVENIENCE SHOPPING

In a year in which the market has struggled to match 2018 performance, the sector that has proved most resilient is convenience. While total market value was -8.2% YOY, the convenience multiples were more stable at -5.4%. The Co-op grew volume 6.9% in the latest 52 weeks bucking the trend seen in total market.



CONTINUED APPETITE FOR NEW

This year has seen the almost overnight emergence of rosé/pink cider (pink colour apple cider) as a subcategory in the off trade. In the latest 52 weeks rosé cider was worth £7.3m, with brands such as Thatchers, Kopparberg and Angry Orchard launching SKUs. In the on trade we have yet to see rosé on draught, but we continue to see new draught fruit products such as Old Mout Berries and Cherries. There were 250 new cider products in the last three years in the on trade.



LOW & NO ALCOHOL CIDER

For the on trade 41% of business leaders believe no and low alcoholic beverages will continue as a key trend this year. In the off trade no and low alcohol cider volume has grown 34% in the last year with increased penetration driving this growth. 500K more adults attempted Dry January in 2019 and we expect this to have increased further this year.



ON TRADE OCCASIONS

Here we use Alcovision data to look at the cider drinking occasions and motivations in the on trade and off trade.

OCCASION

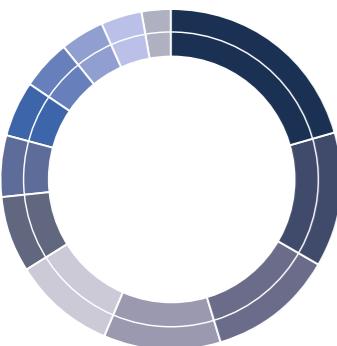


The number one cider drinking occasion is a sociable get together at 17.8% of on trade serves. This has decreased from 20.5% of serves in 2018, the next four occasions have all increased their proportion of serves in the latest year. The top five are all fairly low tempo occasions, higher tempo events such as 'big night out' and 'going clubbing' account for a relatively low % of serves at 3.7% and 2.7% respectively.

SOCIAL GET TOGETHER	17.8%	LIVE EVENT	4.8%
CATCH UP	12%	PART OF ANOTHER OCCASION	4.2%
QUIET DRINK	9.8%	BIG NIGHT OUT	3.7%
GOING OUT AS A COUPLE	7.7%	BREAK FROM WORK	3.4%
REGULAR/EVERYDAY DRINK	7.4%	GOING CLUBBING	2.7%
SPECIAL CELEBRATION	6.6%	ON A DATE	1.8%
FAMILY OCCASION	5.4%	OUT ON THE PULL/CHATTING UP	1.6%
DRINK AFTER WORK	5.1%	BUSINESS DRINK/MEAL	1.0%
NONE OF THE ABOVE	4.9%		



MOTIVATIONS



The number one motivation for drinking cider in the on trade is 'to have a laugh', this has decreased from 23.1% of serves a year ago. To spend quality time in third place has increased significantly from 8.8% of serves last year to 11.9% this year. To feel part of a group has increased from 8.3% of serves to 9.6%. Having a laugh and bonding with others account for almost a third of all cider serves emphasising the importance of social interaction to cider. This is also confirmed when looking at the group structures – 60.3% of cider serves are within a group whereas only 4.8% are drinking alone.

HAVE A LAUGH	20.6%	TREAT OR REWARD MYSELF	5.8%
BOND WITH OTHERS	12.8%	REFRESH	5.2%
SPEND QUALITY TIME	11.9%	HAVE TIME FOR MYSELF	4.8%
WIND DOWN OR CHILL OUT	11.1%	LET GO	4.2%
FEEL PART OF A GROUP	9.6%	NONE OF THE ABOVE	3.9%
HAVE A BREAK	7.4%	RECHARGE OR INVIGORATE	2.5%



WITH FOOD



In the on trade 39.5% of cider serves are with food, this is a significant increase from 33.0% last year. Consuming cider with snacks has increased from 5.8% of serves last year, to 8.7%. The majority of serves continue to be wet-led occasions without food. This may present an opportunity to do more work around food-pairing and having cider as an accompaniment to a meal.

CRISPS/NUTS/BAGGED SNACKS	8.7%	BAR MEAL	6.4%
SANDWICH/BAGUETTE/PANINI	7.6%	RESTAURANT MEAL	9.3%
LIGHT SNACK/BAR SNACK	7.6%	NO FOOD	60.5%



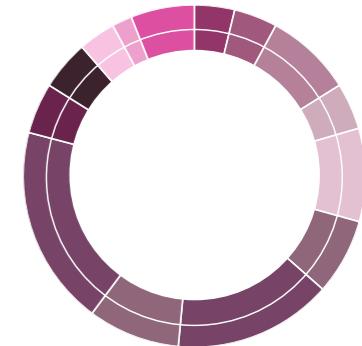
OFF TRADE OCCASIONS

The biggest drinking occasion is quiet night in at 19.0% of serves, this has however decreased over time from 20% in 2018 and 22% in 2017; as other occasions such as a catch-up or BBQ/picnic grow share of serves. Catching up has increased to 9% of serves from 7% last year.

BIG NIGHT IN	4%	STAYING IN AS A COUPLE	9%
CELEBRATION	4%	QUIET NIGHT IN	19%
PLANNED OCCASION	8%	BEFORE GOING OUT	5%
FRIENDS/FAMILY UNPLANNED	4%	ROUNDING OFF THE EVENING	5%
CATCH-UP	9%	BARBECUE/PICNIC	4%
DRINK AFTER WORK	7%	OUTDOOR EVENT	2%
REGULAR/EVERYDAY DRINK	15%	NONE OF THE ABOVE	6%



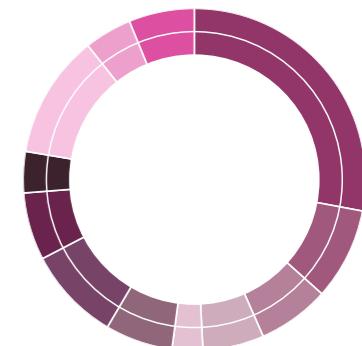
OCCASION



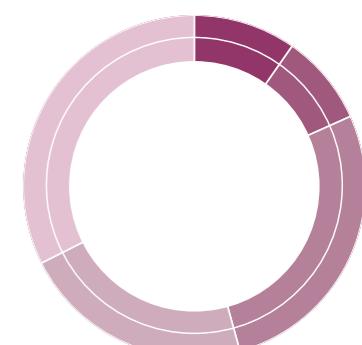
The fastest growing motivation is 'to have time for myself' this was 6% of serves in 2017 and is now 9%. The largest percentage of serves are still 'to wind down or chill out'. This clearly shows that relaxation is a significant motivator for cider drinking. Refreshment is the sixth biggest motivator at 6% of cider serves, this was 8% in 2017 so we could be seeing the growth of ready-to-drink and pink gin for example, taking some refreshment occasions.

CHILL OUT	28%	QUALITY TIME	9%
TIME FOR MYSELF	9%	BONDING	6%
TREAT OR REWARD	7%	PART OF A GROUP	4%
HAVE A BREAK	6%	HAVE A LAUGH	12%
RECHARGE	3%	LET GO	5%
REFRESH	6%	NONE OF THE ABOVE	6%

MOTIVATIONS



WITH FOOD



68% of cider serves are with food, up from 65% last year. A very encouraging change has been the increase in the proportion of serves that are accompanied by a formal meal – from 6% last year to 10%. Dinner parties also account for 9% of serves, the two combine to mean almost one in every five cider serves are more formal dining occasions. This highlights the improved quality perception of cider and shows that there is no reason why a quality cider offering can't be part of a retailer meal deal promotion as an alternative to a bottle of wine.

FORMAL MEAL	10%	LIGHT SNACK	22%
DINNER PARTY	9%	NO FOOD	32%
INFORMAL MEAL	27%		

UNDERSTANDING THE DRINKERS

We know cider drinkers have a broad repertoire of ciders, but also regularly choose other categories. They rarely exclusively drink cider, and are likely to swap into beer, wine and spirits. We've taken a piece of Westons commissioned research by Cambridge Market Research to help identify and prioritise the consumer segments that offer the biggest growth opportunities – collectively they represent 66% of cider drinkers.



FRUIT CIDER FANATICS

24% OF CIDER DRINKERS

- Younger females in the main, aged 18-34, drinking cider in and out of home
- Sweeter taste and flavour variant are most important when choice is offered
- Less engaged in craft credentials and very rarely choose apple cider
- No and low drinks are of interest
- Brands prompted – Kopparberg, Rekorderlig, Strongbow Dark Fruits, Bulmers, Old Mout

CIDER ENTHUSIASTS

13% OF CIDER DRINKERS

- Both male and female, younger drinkers under 34
- Less broad repertoire of drinks – cider is their favourite drink
- Will drink both apple and sweeter fruit ciders – taste is more important than level of ABV
- More likely to have 3+ drinks in one sitting however no and low drinks are of interest
- Brands prompted – Bulmers, Kopparberg, Aspall, Strongbow, Henry Westons

CRAFT REPERTOIRE DRINKERS

29% OF CIDER DRINKERS

- More likely to be more upmarket males, aged 35-54. Willing to pay more for good quality cider when they shop for home and when drinking out of home
- Distinctly dislike sweet ciders – wide repertoire outside of cider, including beer and wines
- No and low drinks are of interest, while they are also more likely to drink cider with a meal
- Apple cider including cloudy variants is chosen 85% of the time
- Brands prompted – Strongbow, Magners, Thatchers Gold, Stowford Press (they lean towards famous brands)

EXPERT OPINION SIMON HORNER, KANTAR

It has long been known that cider appeals strongly to both men and women, especially in comparison to its sister category, beer. Looking forward, manufacturers should continue to exploit cider's cross-gender appeal, particularly when trying to secure listings with venues who are looking to entice a wider variety of consumers.

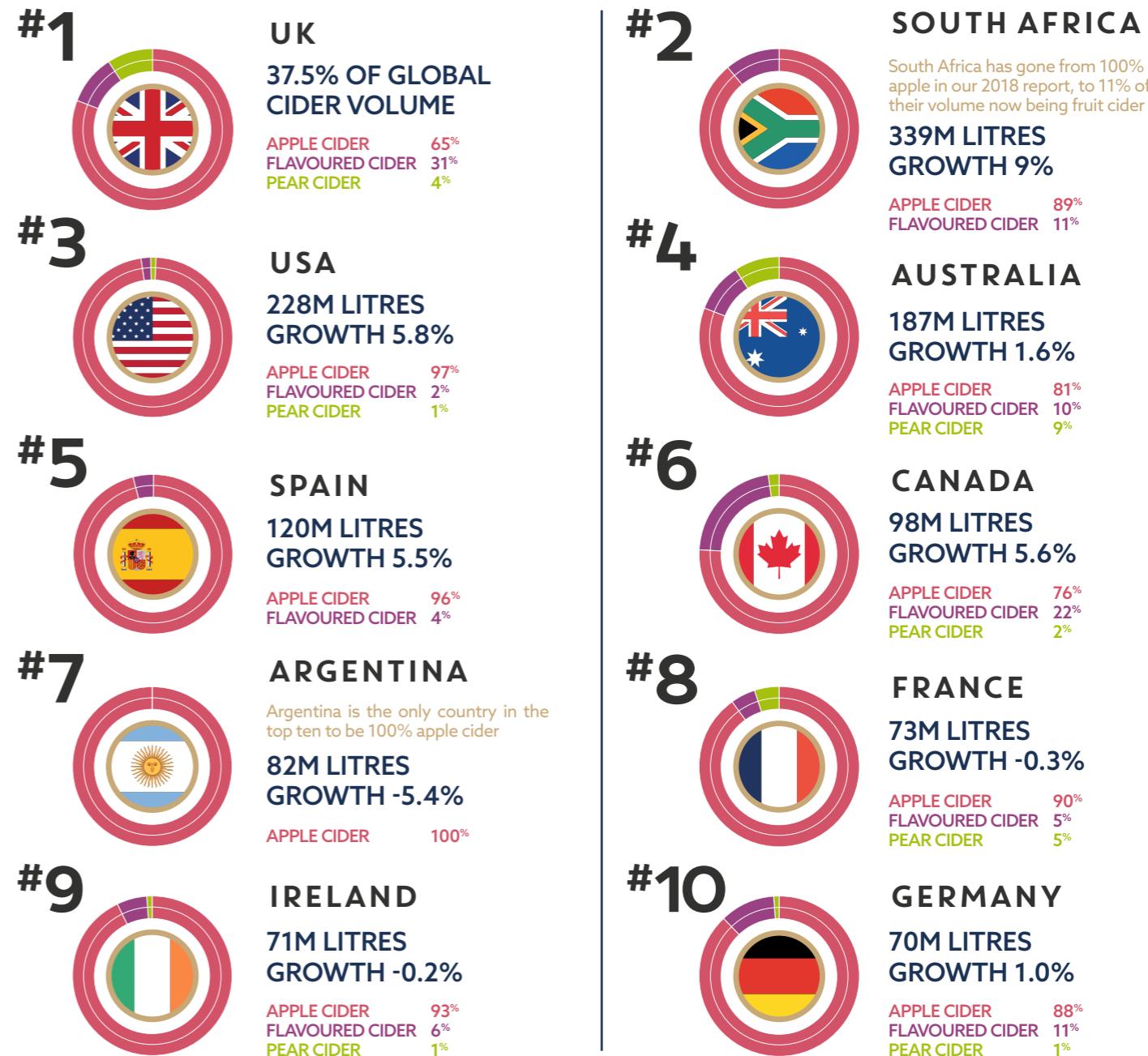
WESTONS CIDER MAKERS

INTERNATIONAL SNAPSHOT

This section gives a view of cider performance internationally, using information sourced from Globaldata. The UK is the number one cider consuming country, with South Africa in second place showing the strongest YOY growth of the top ten. Seven of the top ten ranked countries are in growth versus last year, highlighting the potential opportunities in the global marketplace.

TOP TEN CIDER CONSUMING COUNTRIES

SINCE 2018, THE TOP 10 CIDER COUNTRIES HAVE SEEN A 17.6% GROWTH IN VOLUME.



EXPERT OPINION RICHARD YARNELL, M&B

If you cast a glance over to the USA, you will see one of the most exciting and diverse cider categories in the world with all sorts of styles of "hard cider" playing a role in developing and growing the category.



WESTONS CIDER MAKERS ON TRADE MARKETPLACE

Cider in the on trade has fared better in terms of YOY comparisons than the off trade. The market is worth £2.0 billion and is relatively static compared to last year at -0.2%. Volume is down 2.5% so value continues to outperform volume, average price per pint has increased £0.09 to £3.85.

Looking at other on trade categories spirits have seen the most growth with value up 6.8% and volume up 3.5%. Ready-to-drink (RTD) has also seen an increase in value at +3.2% YOY however volume is down 1.1%.

Delving deeper into the cider category, the main driver of growth is fruit cider specifically draught fruit. Fruit makes up 40% of on trade cider volume and is worth £853m with value up 2.3% YOY.

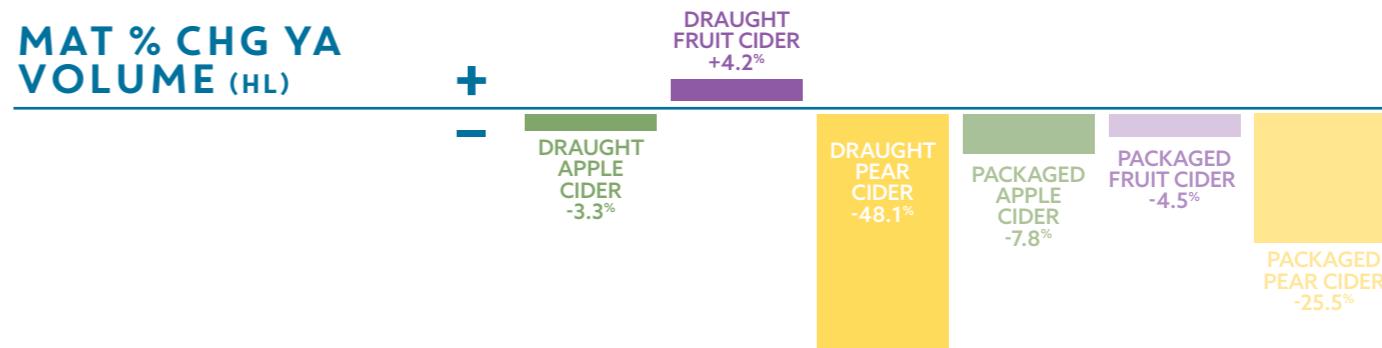
DRAUGHT FRUIT IS 22% OF ON TRADE CIDER VOLUME, VALUE IS UP 8.4% AND VOLUME UP 4.2%.

This is a huge growth rate considering the overall challenging trading environment. Strongbow Dark Fruit is still the market leader with 73.4% of volume, however volume is 8.1% down versus last year as drinkers perhaps look for some variety. We have seen new draught fruit products enter the market – with YOY growth coming from Carling Black Fruits, Magners Dark Fruit, Stowford Press Mixed Berries, and Old Mout Berries and Cherries.

Interestingly, when looking at draught fruit, it has seen an increase in average price per pint from £3.42 to £3.55 but is still behind the draught apple average of £3.57. This suggests there may be scope to trade up draught fruit drinkers to more premium draught fruit brands.

Crafted cider in the on trade has a relatively small share at 11% of volume but is the only sector in growth and is showing a strong YOY performance of +11.9%, value is up 14.8% YOY. This is where growth opportunities for apple draught cider lie; in the more premium, heritage, provenance brands. This sector includes brands such as Thatchers Haze, Aspall and Mortimer's Orchard. In terms of volume, Thatchers Haze is the largest crafted and the largest cloudy cider and is showing value growth of 39.3% YOY."

As we have seen in previous reports, packaged cider continues to decline with this category worth £29 million less than this time last year. Declines are across packaged apple, fruit and pear cider variants. With RTD and soft drinks/mixers in value growth there is increased competition for space in the fridge.

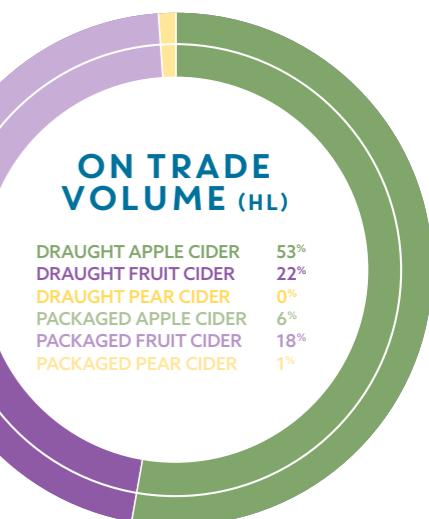


FRUIT CIDER IN THE NORTH

One of the interesting dynamics within draught fruit cider is the skewing of volume towards the North. Whereas in total in Great Britain fruit cider makes up 40% of volume, in Lancashire it is 56%, in the North East 50%, and in Scotland fruit cider is 49% of all cider volume. Scotland is seeing strong YOY growth in fruit cider, up 8.3% vs. last year.

If you total these three most northern regions, they account for 31.3% of all fruit cider volume sold.

It is likely it is the sweeter taste profile that appeals, so if we were to encourage these drinkers into apple cider it would be through sweeter products such as a contemporary cloudy cider.



ON TRADE SNAPSHOT

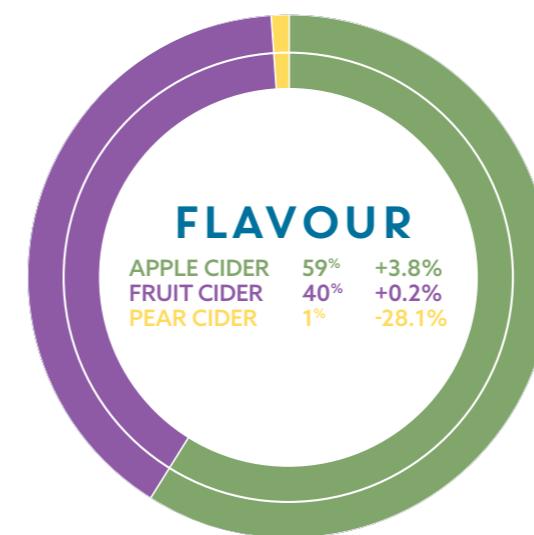
£2 BILLION

IS SPENT ON CIDER IN THE ON TRADE

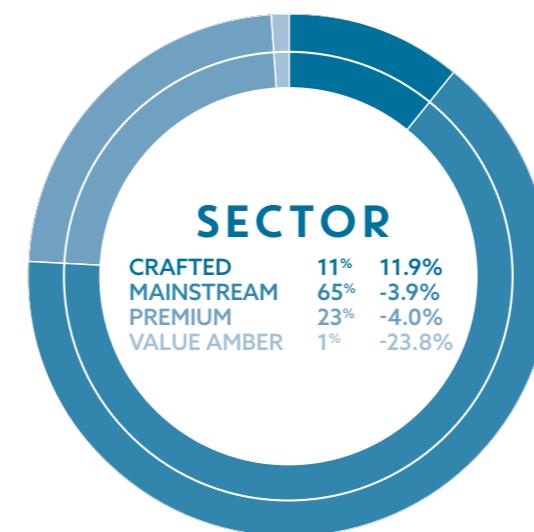
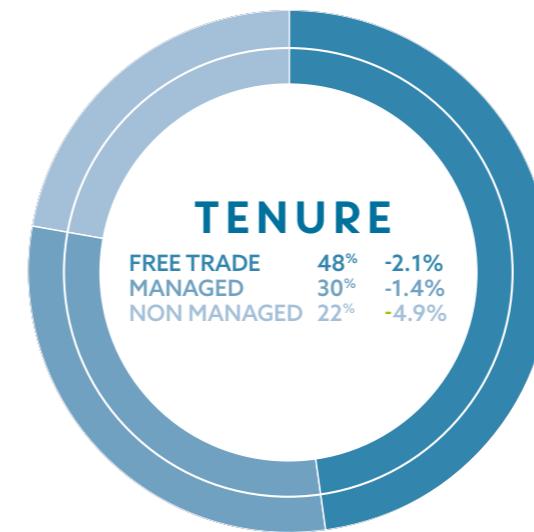
TOTAL VOLUME 297 MILLION LITRES PURCHASED, DOWN -2.5% YOY



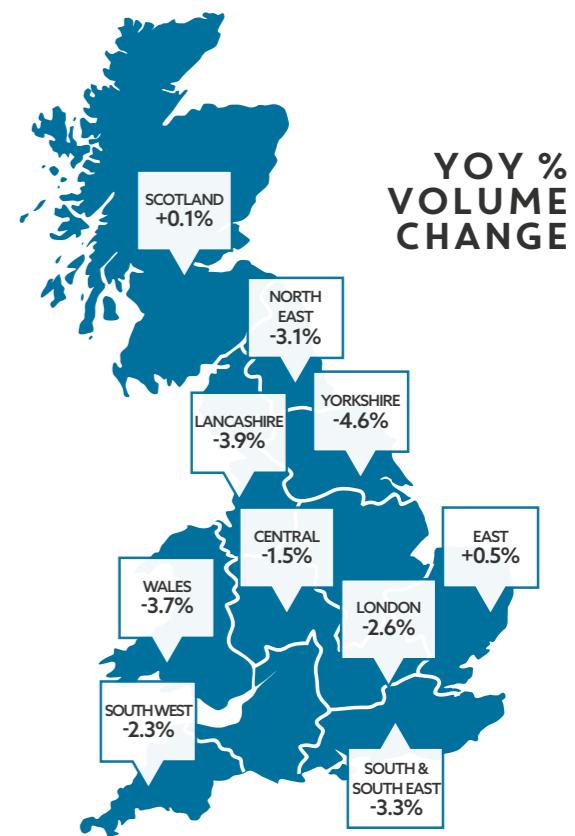
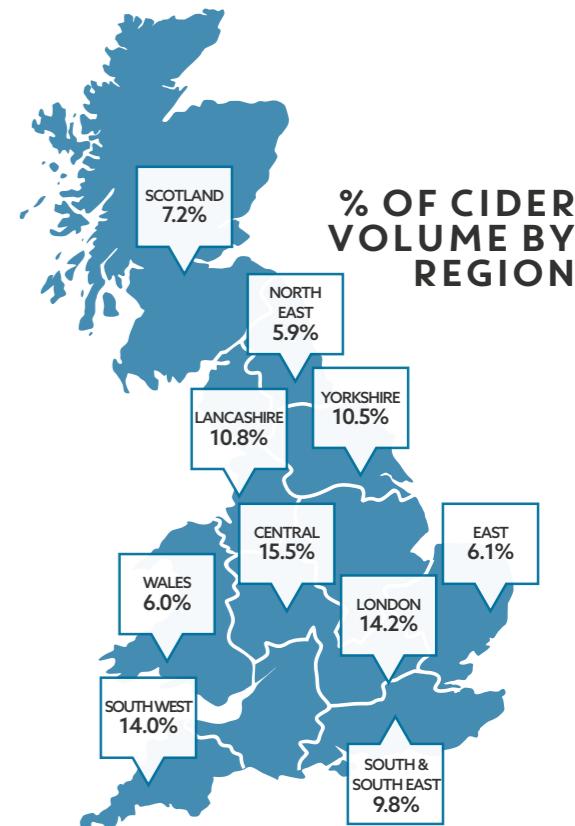
CIDER VOLUME BY...



CLOUDY DRAUGHT APPLE CIDER NOW REPRESENTS 5% OF ALL DRAUGHT, AND IS GROWING AT 14.2% IN THE PAST YEAR



REGIONAL PATTERNS OF CONSUMPTION



THE TOP 5...



DRAUGHT APPLE CIDERS

While in decline in volume terms, apple cider still represents 70% of all draught. The top five apple ciders represent 51% of the total draught volume, and represent 76% share of all apple draught. Outside the top five, Thatchers Haze and Aspall Cyder Draught have seen volume growth in the past year, while Carling British cider has seen a significant decline.



DRAUGHT FRUIT CIDERS

Fruit cider, while growing significantly, represents 30% of all draught volume, with the top five draught fruit ciders representing 29% share of all volume.

Many new draught fruit variants, including Carling Black Fruits and Magners Dark Fruit have gained significant traction in a relatively short space of time, hampering the growth of Strongbow Dark Fruit.



THE ON TRADE DRINKER

Consumers are moving towards fruit cider, with fewer opting to drink both apple and fruit cider. 46% only drink apple, 26% only drink fruit and 28% both

PACKAGED CIDERS

We saw on the previous page that packaged cider was down 1%, now representing only 25% of all cider sold in the on trade. 77% of packaged is fruit flavoured. Decline in this category remains, with the continued growth of draught fruit. We see Rekorderlig move up to 3rd year on year, with Magners moving down a place, as drinkers opt for the recognisable sweeter brands, rather than apple. Overall packaged apple has lost distribution with fruit gaining distribution.



EXPERT OPINION LUCREZIA MORRIS, CGA

Putting cider performance into context, it is known that cider still relies heavily on summer with share vs beer increasing from 10.5% to 12.0% during the summer months.

In 2018, warm weather combined with a major football tournament boosted YOY growth in cider even more, growing 8% on the quarter versus the previous year, which meant that the category has struggled to replicate this in 2019 with no major tournament and poorer weather. That has undoubtedly contributed to the fact that for the first time in four years, cider is in decline on the MAT and behind beer which is down -0.6, with trends driven by a slowdown in draught and decline in packaged.

Nevertheless, with Euro 2020 just around the corner, it is not unlikely for cider to replicate, if not enhance, its 2018 performance and really exploit the new UEFA competition to boost value sales.



THE BAG IN BOX OPPORTUNITY

Bag-in-box is often an overlooked format and opportunity for cider outlets, while also having great environmental credentials. This flexible format, in the main, is ranged in either a 20L (35 pint) and 10L (17 pint) box. The latter being fridge friendly and visible to the guest.

This format offers a still, more traditional cider and is often a permanent offering in the right outlet. However, BIBs are also incredibly flexible for outlets and are therefore the backbone of many cider festivals. BIBs also allow smaller cider suppliers to experiment with more exciting fruit flavoured ciders to attract younger drinks to this sub-category. BIB cider is the ultimate parallel to how craft is viewed within the beer category; high quality local UK ingredients, small batch production, not made by the big brewers, and produced with care over a long time, and we know that 27% of consumers will choose cider with craft credentials.

90.9%
OF THE VOLUME OF
BIB CIDER IS FOUND
WITHIN OUTLETS
CLASSIFIED AS PUBS



WHY BIB?

- A wide range of tastes, profiles and ABV's available
- Flexibility and a choice of dispense - handpull, back of bar and from the chiller
- Perfect for events that give drinkers a reason to visit
- Compared to cask, a longer shelf life - 12 months unopened and 6-8 weeks once opened - ensuring a consistent and great taste

KEY RECOMMENDATIONS FOR OUTLETS

- Know the ABV, style and a descriptor flavour about the product. Many of the customers who are looking to drink this category are explorers and are looking for a little bit of interest
- Drive appeal through good value
Draught cider is always on - give them a reason to discover and try
- Use a cider festival and make an occasion for more than just a single day or weekend but for several weeks.
For little risk, range several complimenting BIB's from different cider makers, therefore encouraging repeat visits, to try the entire range

HOW TO SERVE?

Serve chilled if possible. If your cellar is cold enough, store them in there, and run them through a hand pull.

#1 HANDPULL
Front of bar, with a distinctive pump clip

#2 BACK OF BAR
with brand friendly formats that catch the eye of drinkers

#3 FRIDGE OR CHILLER



ON TRADE RECOMMENDATIONS

RECOMMENDED DRAUGHT STOCKING

Draught cider is now 70% of all serves, which is up nearly 2% YOY. Draught fruit cider continues to grow in importance and within 2019, was the only draught flavour to offer any value or volume increase, however it's very difficult to recommend a one size fits all approach for outlets. Outlets having only one tap of draught cider were down last year by nearly 5000 outlets, while outlets stocking two taps and three or more taps, were up 800 and 1600 respectively. Apple lost share of space on the bar, down -4.9% to 72.6% with fruit gaining 5.2%, to 27% - there is still opportunity for more fruit taps across the on trade, as it lags behind the overall fruit share.

One Cider Tap

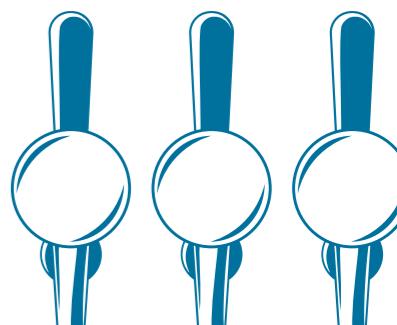
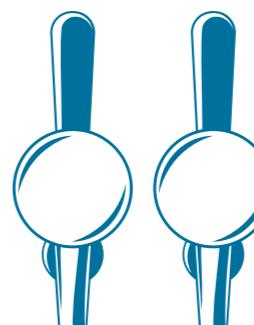
Outlets with one cider tap represent 30% of all outlets. If there is only one cider tap on the bar, likelihood that a variant of apple is the right option, but as fruit continues to grow in importance for more drinkers, and if the outlet positioning allows, a single fruit tap is not unreasonable, but currently only 8% of outlets stock a single fruit tap.

Two Cider Taps

Increasing in number to 40%, outlets with two taps, allows for the obvious opportunity for both an apple and a fruit cider. Within these outlets, fruit taps are up 51% share of all fruit taps across the market. Due to fruit now having developed with many more brands in the market, depending on the outlet, it is now possible to offer either a more mainstream apple and trade up fruit or vice versa, and there is also the possibility to have trade up versions of both apple and fruit for premium outlets.

Three or More Taps

Outlets with three or more taps, represents 29% and are growing. These outlets will be high volume cider outlets, and provide the opportunity for further variety and trade ups. In these outlets, choosing a cloudy apple cider, which are on the sweeter side, and reflect fruit more, would be a pragmatic approach.



RECOMMENDED PACKAGED STOCKING

Discussed earlier in this report, packaged cider continues a long term decline in the on trade. Fruit ciders are 59.5% of facings in the fridge and are still gaining distribution (+230 outlets YOY), but seeing a volume decline of -4.5% overall. Apple represents 33% of the facings in the fridge with pear taking the remaining 7%, with both losing distribution overall across the on trade. Pear cider is over faced compared to the volumes sold, with 3.5% volume share versus the 7% of facings, therefore, we would recommend aligning fridge space to the category shares.

Cider is under pressure from other categories in the fridge such as world beers and adult soft drinks. Cider overall in the fridge on average, is down to 9.6 facings. When choosing, consider what the mix is on the bar in draught and ensure there is no repetition or similar stocking. If fruit and apple are represented on the taps, then there is the opportunity to stock something different that suits the outlet, whether it's a showcase UK craft cider or a world cider.

And in 2020, stocking a no and low cider is now a must for any outlet.

**ACROSS ALL SPACE
ON THE BAR,
CIDER HAS
INCREASED TAPS TO
18.8%, +0.5%,
BUT HAS LOST 0.5%
OF THE FRIDGE
SPACE, TO 12.4%
OF ALL FRIDGE
CAPACITY (CGA OCT 2019)**

EXPERT OPINION LUCREZIA MORRIS, CGA

“Another pocket of innovation sits within the no and low market with 32% of consumers claiming to have bought a no and low alternative in the last six months. No and low cider has a 0.2% share of cider at the moment, but distribution is up 50%+ vs YA and stocked in over 12k outlets.”





WESTONS OFF TRADE MARKETPLACE

In the off trade, cider is worth £1.1bn, a decrease of 8.2% compared to last year. 2019 was categorised by tough comparisons annualising against a sunny World Cup summer. Additional shoppers who bought into cider during summer 2018 have left the category and the loss of 744K shoppers has taken its toll on performance.

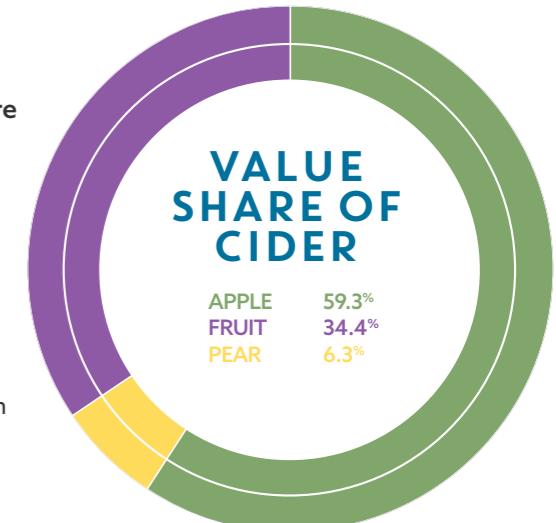
However, as we talk about on page six there is reason for optimism in the year ahead. We also have pockets of growth in crafted cider, as well as other categories such as cloudy, rosé and no and low that, although small at the moment, are all showing growth.



MARKET SHARE BY FLAVOUR

Apple remains the largest part of the market and has increased in share from 57% last year. It is outperforming fruit and pear cider at -4.1% YOY. Because fruit had the biggest uplift last summer, the challenging comparisons and declines are more apparent versus apple.

Fruit continues to have higher household penetration than apple cider but as we saw in last year's report apple cider shoppers have a much higher average spend than fruit cider shoppers. In the last 52 weeks apple cider shoppers spend has increased 15.3% to £74.80 per year, whereas fruit cider shoppers spend has decreased 5.0% to £31.57. So the gap has widened to make apple shoppers even more valuable to the category, that's not to diminish fruit in anyway as it has an important role in widening the appeal of cider.



MARKET SHARE BY SEGMENT



Looking at our segmentation of the cider market reveals that despite a headline decline in cider value, crafted is seeing strong growth of +9.4%. At 11.6% share it's still a relatively small part of the market but growing fast.

This sector includes products such as Henry Westons Vintage (+7.0% YOY), Aspall Premier Cru (-0.3% YOY) and Thatchers Katy (+28.7% YOY). An important part of returning cider to growth will be leveraging our strengths i.e. the strong performance of crafted.

To note, the decline in the premium tier reflects that this sector is largely fruit cider which, as previously mentioned, has suffered more than apple in terms of YOY performance.

OFF TRADE SNAPSHOT

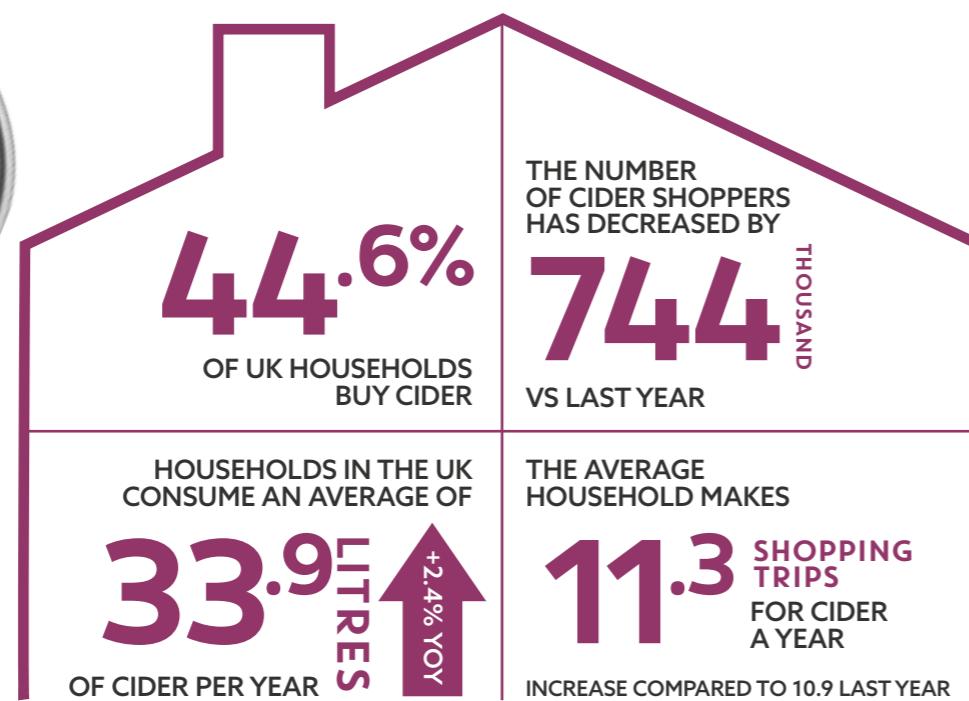
WESTONS
CIDER MAKERS

£11 BILLION THE CIDER MARKET IS WORTH
↓ 8.2% YOY



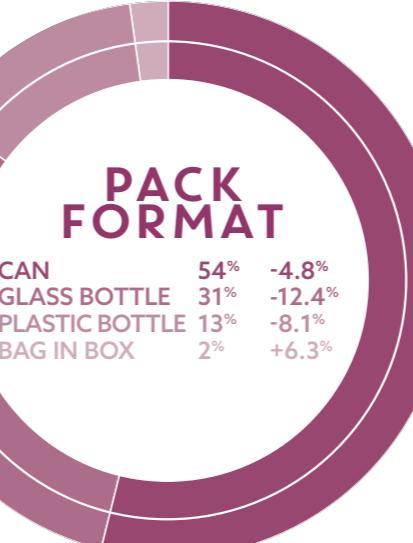
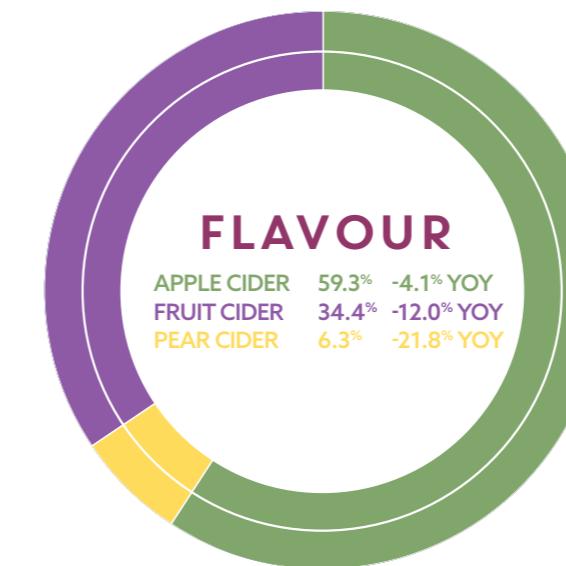
THE
“BIG 4” ACCOUNT FOR **59.4%** OF ALL CIDER SALES
COMPARED TO 64% IN OUR 2019 REPORT

AVERAGE PRICE OF CIDER PER LITRE IS **£2.25**
THIS HAS REMAINED STATIC VS. LAST YEAR



WESTONS
CIDER MAKERS

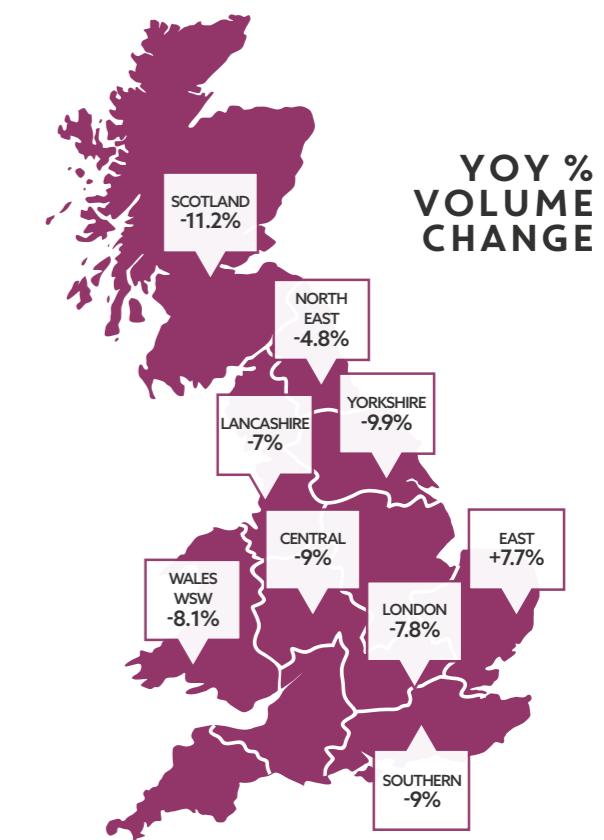
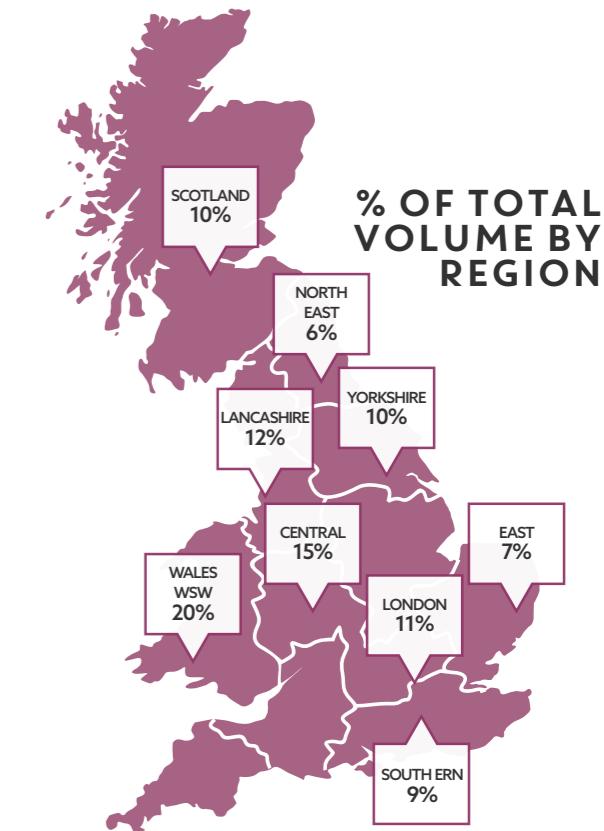
CIDER
VALUE BY...



RETAILER



PERFORMANCE OF
TOTAL CIDER



KEY TALKING POINTS

ROSÉ/PINK CIDER AND THE CONTINUED GROWTH OF CLOUDY

Apple cider has been bolstered on two fronts this year by the continued growth of cloudy, and the seemingly overnight emergence of rosé/pink cider (pink colour apple cider) as a sub-category in the off trade. In the latest 52 weeks rosé/pink cider was worth £7.3m (IRI), with brands such as Thatchers, Kopparberg and Angry Orchard launching SKUs. It is too early to say for sure, but sales were at their highest in July, August and September so it's likely to follow a similar profile to fruit cider with hot weather being a driver of sales.

Cloudy is more established in the market and is worth £38.5m in the latest 52 weeks, up 20.4% on the previous year. Cloudy currently has higher household penetration than rosé at 4.1% vs 1.4% (Kantar Worldpanel Purchase 52 w/e 8 Sep 2019). Cloudy also has a higher average spend per household and frequency of purchase. Of course, it is still early days for rosé cider so this may change.

Rosé and cloudy ciders are both attracting younger shoppers to the category, with the majority being more upmarket than the average cider drinker.



EXPERT OPINION SIMON HORNER, KANTAR

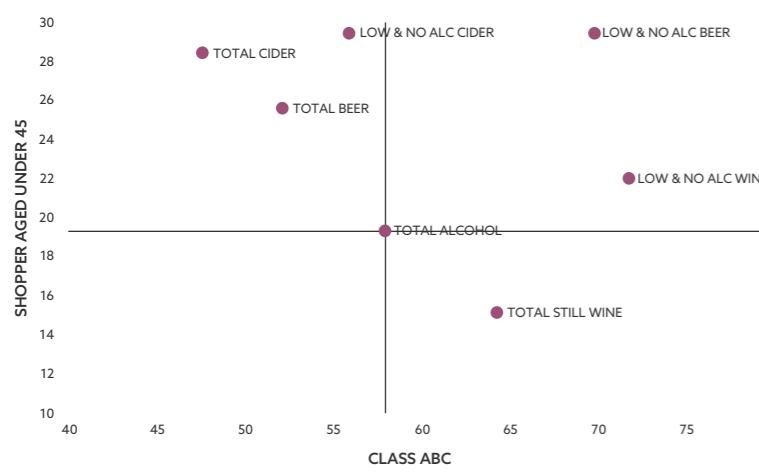
With the runaway success of pink gin and the emergence of rosé cider this year, I'm expecting to see some further innovation in these styles in 2020. With so much competition across BWS, it will be important for new variants and brands in this space to clearly define their purpose to the consumer for the best chance of success and to stand out in the crowd.

NO AND LOW ALCOHOL CIDER

Although still relatively small at £17.1m, no and low alcohol is attracting a lot of attention and seeing some strong growth. Value is up 30.4% and volume up 34% vs last year. This growth has been driven by the increase in households buying into the category with penetration now at 4.4%. Volume per trip and frequency of purchase have also increased. This trend mirrors no and low alcohol beer which has seen spend grow 40%.

No and low cider is dominated by brands who account for 92% of spend – up from 85% last year. Fruit makes up 67.6% of total no and low cider spend, more so in branded where fruit has 73.5% share. In terms of pack format, cans have increased their share compared to last year, but glass bottles continue to dominate with 91.4% share of spend.

No and low attracts a younger and more affluent shopper than total cider.



56%
ABC 1
(OVER-INDEX 117
vs TOTAL CIDER)
12.2%
28 - 34
(OVER-INDEX 145
vs TOTAL CIDER)

A NOTE ON MUP

Minimum unit pricing has come into effect in Wales from 2nd March 2020 – we will be following this closely and will be updating on this in next year's report. There are some differences in Wales; i.e. they currently have multibuy which was not the case in Scotland, so the dynamics may differ slightly in that some products may no longer financially be viable in an X for £Y deal so products that fared well in Scotland may have a different experience in Wales.

WESTONS CIDER MAKERS

OFF TRADE CIDER FORMATS

TOTAL CIDER BY PACK FORMAT

Three years ago, cans made up 50% of cider value, in the last 52 weeks this is now 54%. The majority of can value comes from the mainstream cider tier however cans are increasingly being bought into in crafted cider.

Glass bottles continue to be an important part of the market at just under a third of value sales. Other packaging is largely made up of 5L mini kegs – these had a big 2018 and were worth £13.2m but in the latest year this had dropped to £4.4m. They had been afforded a lot of space instore and we saw a wide proliferation of SKUs, however this seems to have scaled back. An increasingly savvy shopper would be aware that they were paying on average £2.71 per litre for a mini keg, compared to £2.25/L as a cider average.

Plastic bottles saw declines when minimum unit pricing took effect in Scotland as value products such as 3L PET suddenly became a lot more expensive. We would expect a similar picture in Wales from 2nd March 2020. This is a good opportunity for retailers in Wales to move away from the value end of the market.

Looking at pack sizes, 44.6% of market value is bought in singles with 4 pack and 10 pack being the next most popular options. 18 pack is the fourth most popular pack size, value has grown 7.9% YOY and with an average price per litre of £1.40 it is clear that shoppers are attracted to the competitive price points available. In Wales and Scotland an 18x440ml pack of 5.0% abv cider would cost £19.80 so is unlikely to hold the same appeal. This again highlights the need for bespoke ranges for stores located in Wales.

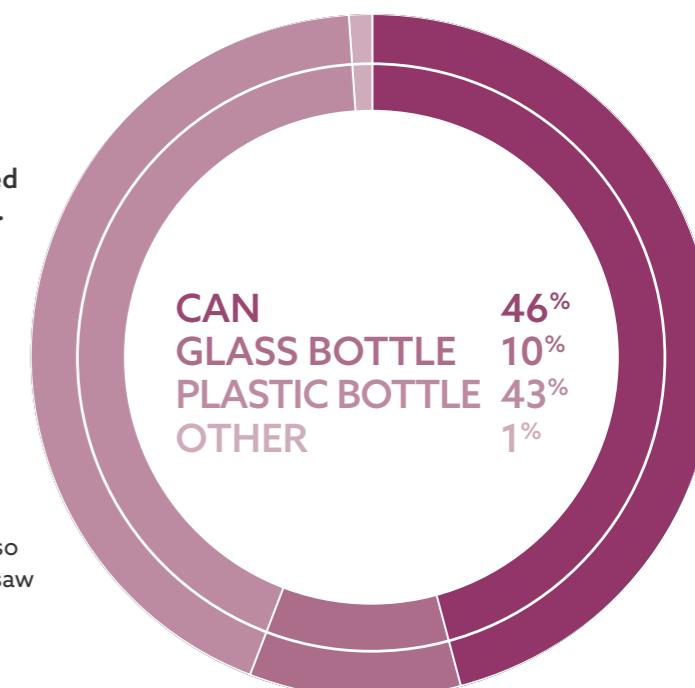


OWN LABEL CIDER

Own label has 8.6% of total cider value. This has remained relatively consistent over time with share at 8.7% last year. Own label has seen a similar YOY decline to the market at -9.6% vs -8.2%.

There are pockets of growth within this however as own label can is up 7.5% YOY. Can makes up 46% of own label compared to just 39% a year ago. We have seen a swing from plastic bottle into can, as plastic bottle has lost 6 percentage points of share going from 49% to 43%. Own label apple can 4x440ml as a total is worth £22.2m and is up 25.6% in the latest year – in a year in which growth is challenging to come by this is a notable performance.

Own label is 92% apple, and this has remained consistent YOY, so this is a sector that undertrades on fruit cider. Own label fruit saw strong growth from 2018 to 2019, but in the latest year is -5.0%.

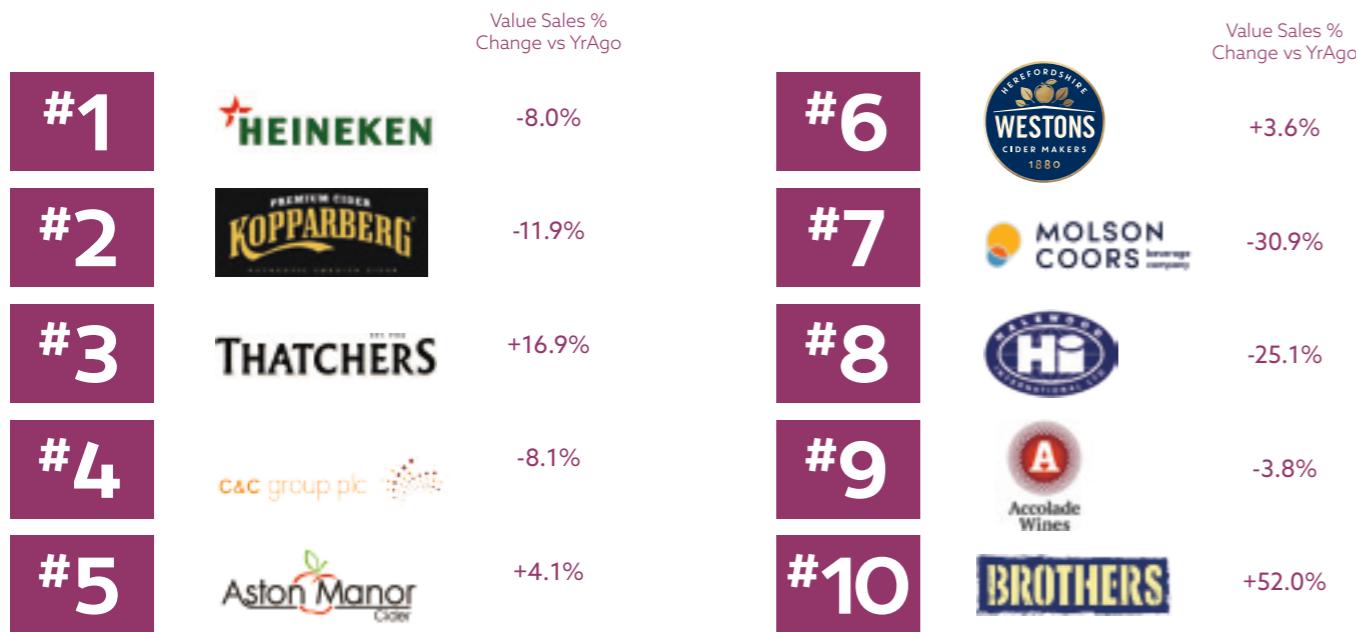


THE TOP 10...

OFF TRADE CIDER MANUFACTURERS (excl. Own Label)

The top ten cider makers account for 82.5% of sales. Heineken continue to be the number one ranked manufacturer with over a third of the market (36.3%).

Only three of the top ten are in growth: Thatchers, Westons and Brothers. Brothers are a new entrant to the top ten this year having seen a year of significant growth (value is up 52.0% vs. last year). Their two largest SKUs Toffee Apple and Rhubarb & Custard 500ml glass bottles and the launch of Malletts cans have driven this performance. Diageo have dropped out of the top ten this year as Smirnoff cider declines in the market.

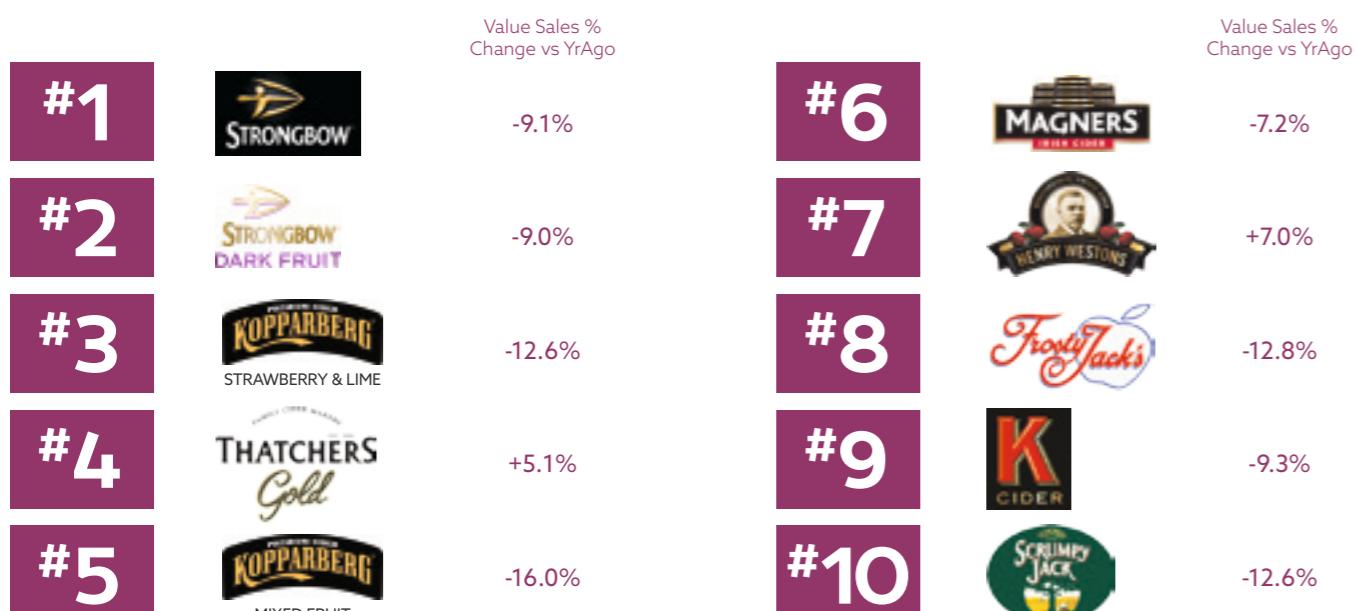


OFF TRADE CIDER BRANDS (excl. Own Label)

Strongbow Original remains the largest brand and is worth £175.9m, -5.7% YOY. Strongbow Dark Fruit in second place is worth £134.1m, more than twice the size of the third place brand.

In the latest year only two of the top ten are in growth – Thatchers Gold and Henry Westons Vintage.

When comparing to last year's top ten we have seen K Cider replace Lambrini. With limited presence in the major retailers – the scale of K Cider again highlights just how importance the convenience channel is.



THE TOP 5...

APPLE CIDER BRANDS

Apple cider remains the largest flavour variant and it's performance has been more resilient than fruit at -4.1% vs. -12.0%. Strongbow is still the highest value apple cider brand. Magners and Thatchers Gold have exchanged places since our last report as Magners declines while Thatchers Gold shows growth. Frosty Jacks remains in the top five despite a 12.8% decline, its almost £7m ahead of K Cider in 6th place.



FRUIT CIDER BRANDS

Our top five have stayed the same since the 2016 report with only the order changing slightly. All are seeing a decline YOY in line with what we are seeing in total cider and particularly in fruit, partly down to annualising against a sunny World Cup summer.

A product of note is Kopparberg Mixed Fruit Alcohol Free in 10th place growing +26.2% YOY which highlights the growing no and low alcohol trend.



THE TOP 5...

PEAR CIDER BRANDS

Pear now makes up just 6.3% of cider category value and is in long term decline. It suffers from a bit of an identity problem in that a) it can be seen as just another fruit flavour variant and b) it is dominated by value propositions that would look equally at home in the wine category. There are no traditional crafted perries in the top five brands. Since last year Bulmers Pear has dropped out of the top five and been replaced by Le Soleil (Broadland Drinks) which is stocked in Asda and B&M.



INNOVATION

We have selected the most interesting new product launches, sorted by value, however some have been excluded due to them being an abv change/swap with an existing SKU. The top new launch by far in terms of value in 2019 was Old Mout Pineapple and Raspberry, worth £8.4m in the latest 52 weeks. Both Pineapple and Passionfruit in second place are fresh tropical flavours rather than the more traditional berry, it will be interesting to see if we have more of these types of flavours launching in the future.

Last year all five new products were fruit variants, so it is encouraging to see three apple variants in this list. Kopparberg Rosé is part of the trend towards sweeter apple ciders, started by cloudy cider, and carried on by these pink/rosé ciders we've seen launch in the past year. Thatchers Rosé also deserves a mention, it was launched just before the start of 2019 so wasn't included in this list - but has gone on to become worth £6.3m in the latest 52 weeks.



The value of cider NPD coming to market has grown to the value of £28.9mn, which is up 2.1% on the previous year, and equated to 2.8% of total sales (IRI Aug 2019).

Overall, the cider category has lost approximately 744k shoppers over 2019, but innovation has shown that while it can bring value, it can also drive shopper growth. Kantar shows that Old Mout Pineapple and Raspberry, Alska Rhubarb & Grapefruit, Brothers Parma Violet and Thatchers Rosé, reached new shoppers with their launches; 3.7% of households purchased the new Old Mout variant in the 52 weeks to 8 Sept 2019. However, looking beyond initial launch, year on year, from 2018, cloudy variants Strongbow Cloudy and Thatchers Haze, and new flavours for Brothers Rhubarb & Custard and Old Mout Berries and Cherries show that they are still attracting new shoppers well after launch.

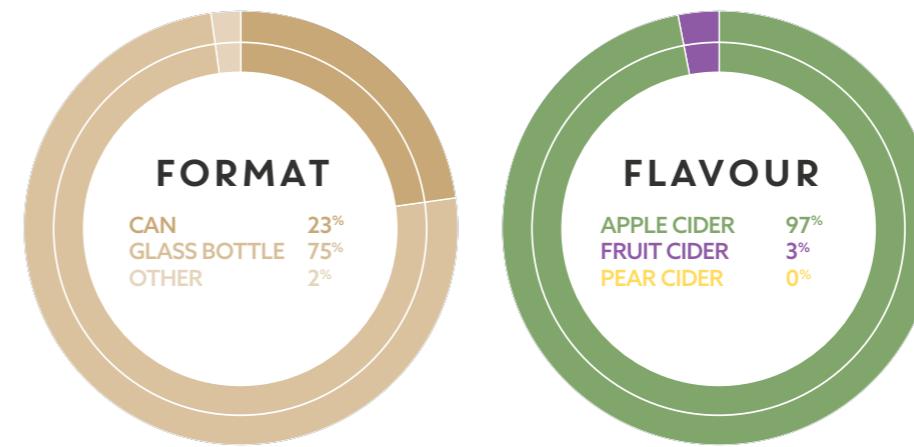


CRAFTED CIDER

The crafted category is the only category in the off trade that is showing growth with 11.6% of total cider value, it's proving itself to be a category with a massive potential championing high quality ciders with a higher price per litre, £3.26.

The dynamics are different to total market in that it is led by glass bottle (however, cans are increasingly seen as an acceptable and premium format), and this category is predominantly apple cider. However we define this category, whether it is 'crafted', 'heritage', 'traditional' or 'authentic ciders', it does reflect a premium 'craft' appeal for shoppers. The producers offer provenance and heritage, and the tastes and ABV levels can be bolder and with that, the category offers the opportunity to try, compare and savour.

VALUE SALES...



EXPERT OPINION

JOSEPH WALKER & JIMMY CORBETT CATEGORY BUYER & CATEGORY DEVELOPMENT PLANNER CO OP

“The industry needs to play on heritage/story and the craft nature of production to appeal to younger audience that is looking for experiential occasions. **”**



THE TOP 10 BRANDS, BY VALUE REPRESENT 84% OF THE CRAFTED CATEGORY



WHO DRINKS THE CRAFTED SEGMENT?

When cider drinkers are segmented, across all occasions, in and out of home, we can see that the drinkers that are most likely to shop crafted cider, can be classified as 'Traditional At Home Drinkers'. This segment was identified in the Westons Cambridge Market Research, and is a significant share of drinkers. While much NPD in the drinks and cider market focuses on recruiting new and younger drinkers, this large group of current drinkers shouldn't be ignored as an opportunity.

- Males & females, more likely to be 50+ and they drink cider at home only
- They have large repertoires, and cider is a part of this, but not their first choice
- Most likely to drink traditional ciders, with bottle being preference
- Apple is preferred choice, but they do drink fruit flavours
- Brands drinking - Henry Westons, Thatchers, Aspall, Bulmers, Kopparberg

TRADITIONAL AT HOME DRINKERS ARE THE

2ND

LARGEST SEGMENT OF DRINKERS ACROSS ALL CIDER OCCASIONS WITH

26%

CIDER RETAILERS



CONVENIENCE VS SUPERMARKETS

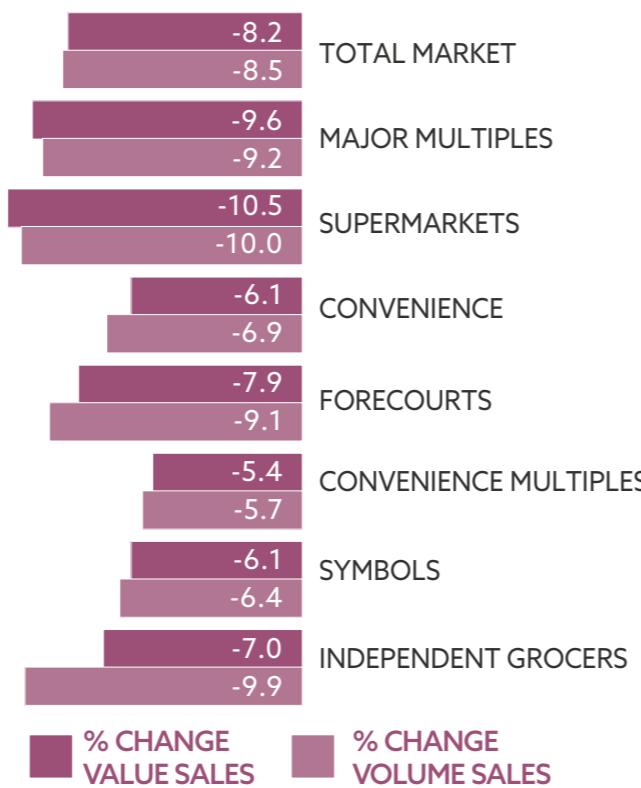
As we all know it has been a challenging year for the cider market, as we've annualised against a very strong 2018.

However, within this it is the Convenience channel that has been the least affected by declines. Convenience Multiples (includes The Co-op, Tesco Express etc.) have seen the smallest YOY decline at 5.4%.

By comparison it is Supermarkets who have suffered the most with a 10.5% drop in value versus last year.

In terms of scale, Convenience accounts for just over 50% of total cider value and 48% of volume. The average price per litre in Convenience is £2.35, £0.10 higher than in total market and £0.22 higher than the Supermarket average.

As a point of interest, as a whole the Convenience channel currently undertrades in crafted cider at 8.1% share vs. 11.6% in total market. Crafted value grew 17.6% in Convenience last year, ahead of total market at 9.4%, so if they continue to overperform and start to build crafted share to match the market we can expect to see this outperformance in terms of YOYs and also price per litre continue and even accelerate.



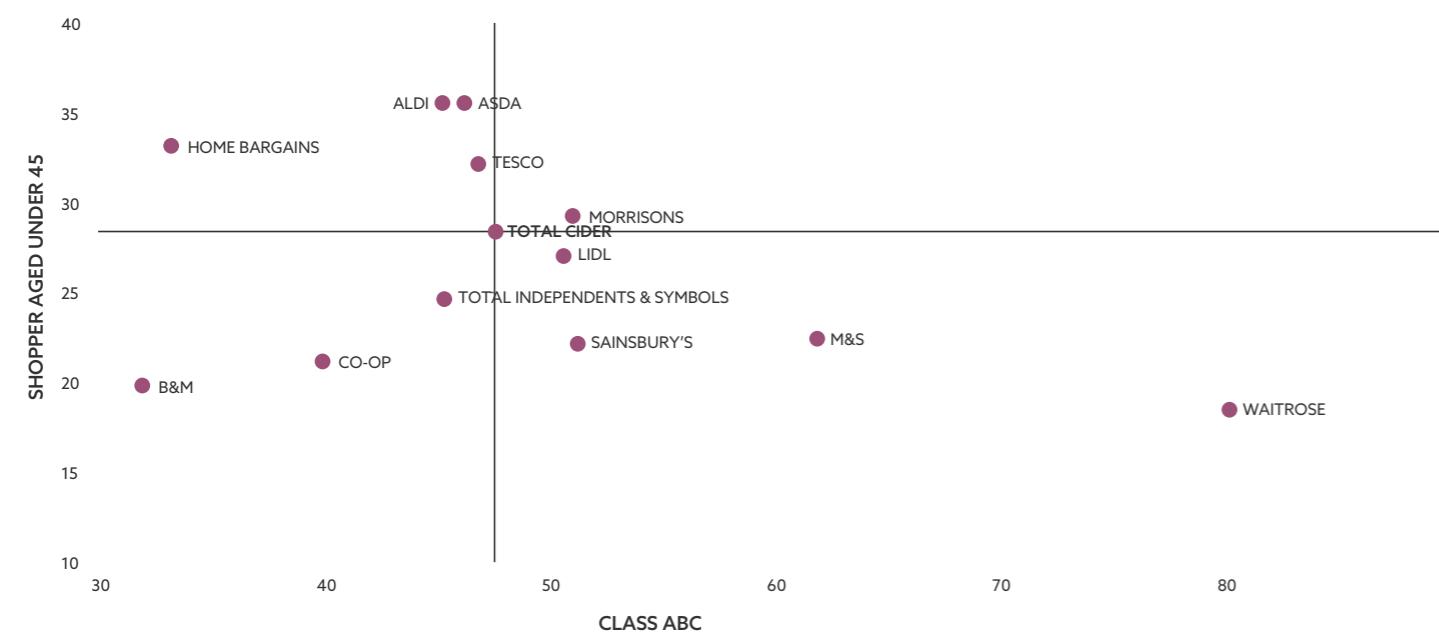
CIDER SHOPPING DEMOGRAPHICS BY RETAILER

By mapping the age and demographic profile of the shoppers in each retailer we can start to get an idea of shopper type. As expected, Tesco with by far the highest share of cider sits close to the category average.

Aldi and Asda have the youngest shoppers while Waitrose and The Co-op are at the older end of the scale.

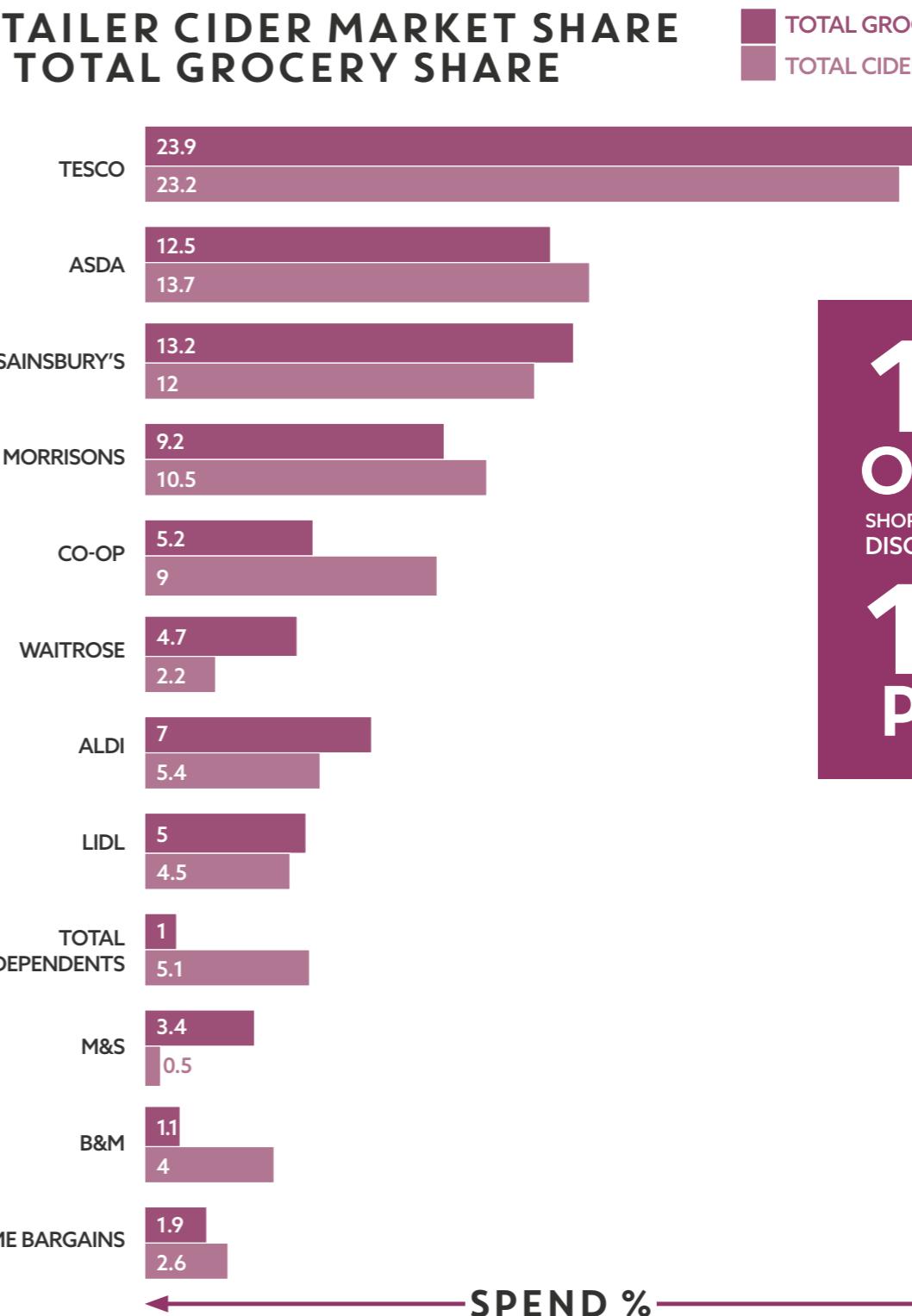
As we would expect M&S and Waitrose have the highest proportion of ABC1 shoppers.

We have included B&M and Home Bargains this year as they have an increasing influence on the cider market. They both sit at the lower end of the ABC1 scale but have different age profiles with Home Bargains attracting a younger shopper.



CIDER RETAILERS

RETAILER CIDER MARKET SHARE VS TOTAL GROCERY SHARE



14.1%
OF CIDER
SHOPPERS ONLY SHOP IN THE
DISOUNTERS WHICH IS
1.77MN
PEOPLE

Highlighting points made earlier about the importance of Convenience, you can see here that The Co-op and the Independents overtrade significantly in cider. The Co-op has 9% share of cider market value compared to 5.2% of total Grocery. In the 2019 report The Co-op had 8.4% share of cider underlining their strong performance that year.

An addition for this year is the 'soft discounters' B&M and Home Bargains who are proving to be somewhat of a disrupter to the cider market. This is evident here particularly in B&M who have 4% share of cider spend compared to just 1.1% share of grocery. With a combined cider share of 6.6% this sector is bigger than Independents and Symbols.

In terms of the big four retailers Asda and Morrisons overtrade in cider, whereas Tesco and Sainsbury's undertrade. The big four retailers account for 59.4% of all cider sales compared to 64% in our 2019 report.

In the last report, Lidl had 4.2% share of cider and this has now increased to 4.5%, so we are seeing them make gains.

OFF TRADE RECOMMENDATIONS

Typically, a Convenience store will have a 2.5 metre refrigerated unit for beers, wines and cider, and cider will command approximately only one third of the space available. Space remains a premium for Convenience, but we know this channel is key for cider, so getting it right is important.

No and low alternatives are no longer reserved just for big stores, and many shoppers will expect low alcohol variants, for apple and fruit. Fruit cider is 34% of overall cider, and so should take up approximately a third of the available space. A rosé should be favoured over pear cider given its continued decline. Pear cider should only be included where space permits or if there is customer demand for it in that particular store.

RECOMMENDED CONVENIENCE FIXTURE FOR A 2.5 METRE REFRIGERATED UNIT

BEST BETTER GOOD	WINE		BOTTLED CRAFTED CIDERS E.G. HENRY WESTONS VINTAGE	BEERS	
	WINE	PREMIUM BOTTLED AND CANNED CIDERS E.G. KOPPARBERG OR OLD MOUT	LOW ALCOHOL APPLE VARIANT E.G. STOWFORD PRESS LOW ALCOHOL	BEERS	
	WINE	4 PACK CANNED CIDERS - BOTH APPLE & FRUIT CIDER E.G. STRONGBOW		BEERS	
	WINE		LARGE PACK MAINSTREAM - APPLE & FRUIT E.G. STRONGBOW	BEERS	

The average UK supermarket has four bays for a cider fixture, and therefore the recommendations are based on four bays of cider. Apple cider is still the dominant cider type, and this should be reflected in the ranging with approximately two thirds of the space. While giving the shopper choice is always key, avoid duplication, particularly within the fruit flavours of cider, and increase facings of the best performing lines to reduce out of stocks.

While crafted apple 330ml cans offered newness and excitement within the supermarket ranges for the past few years, these listings should be limited to only the best sellers. Newness going forward can be found within rosé, several lines should be considered as the sub-category develops and shoppers discover it.

For no and low, within the big stores, shoppers will now expect a wider selection and so space can still be afforded within the cider fixture, even if there is a separate main 'No and Low Zone' elsewhere in store.

RECOMMENDED FOUR BAY SUPERMARKET CIDER FIXTURE

BEST BETTER GOOD	BAY 1	BAY 2	BAY 3	BAY 4
	SINGLE BOTTLED CRAFTED CIDERS E.G. HENRY WESTONS VINTAGE	SINGLE BOTTLED CRAFTED CIDERS E.G. HENRY WESTONS VINTAGE	SINGLE BOTTLED FRUIT CIDERS	UNIQUE & DISTINCTIVE BRANDS & FORMATS AND/OR WORLD CIDER OPTIONS
	SINGLE BOTTLED MAINSTREAM/PREMIUM CIDERS E.G. BULMERS	SINGLE BOTTLED MAINSTREAM/PREMIUM CIDERS E.G. BULMERS	4 PACK BOTTLED FRUIT CIDERS E.G. KOPPARBERG & REKORDERLIG	NO AND LOW APPLE CIDER
	4 PACK CANNED MAINSTREAM CIDERS E.G. STRONGBOW	4 PACK CANNED MAINSTREAM CIDERS E.G. MAGNERS	4 PACK CANNED FRUIT CIDERS E.G. STRONGBOW DARKFRUIT	4 PACK CANNED FRUIT CIDERS E.G. STRONGBOW DARKFRUIT
LARGE PACK CRAFTED CIDERS E.G. HENRY WESTONS MULTIPACK		MULITPACK MAINSTREAM CANNED CIDERS E.G. STRONGBOW	MULITPACK MAINSTREAM & PREMIUM BOTTLED & CANNED CIDERS E.G. BULMERS & MAGNERS	MULTIPACK FRUIT CIDERS E.G. STRONGBOW DARKFRUIT & KOPPARBERG

EXPERT OPINION SIMON HORNER, KANTAR

Cider can learn from beer, which has embraced the trend towards healthier lifestyles and moderation through offering a wide range of quality no and low alcohol products which – most importantly – taste great too. Offerings across the cider category are not at the level or variety of beer at present, so I'd like to see cider taking this challenge on in 2020 and embracing the opportunities that no and low offers.



THE YEAR AHEAD

As covered previously in the last year we as an industry have seen volume fall and a number of shoppers leave the cider category. However, looking to the year ahead there are opportunities for growth and reason for optimism. Here we take a look at the effect of events on sales, and how apple and fruit cider respond differently.

When we looked at the best-selling (on trade) cider days in the 2018 cider report this was of course weighted towards the football World Cup, the England v Sweden World Cup Quarter Final where we saw sales 344.2% above average, and with Euro 2020 to look forward to this summer we expect more of the same. Other sporting events include the Tokyo Olympics in July, however with events likely to be showing on television between 11pm and 11am UK time, it's expected that the benefit to cider sales will be minimal.

We can also take some learnings from the best-selling cider days in 2019, shown below:

DATE	DAY NAME	EVENT	EVENT DAY	£ VAL ROS	£ VAL ROS VS DAILY AVG %
19 Apr 2019	Fri	Easter	Easter - Good Friday	£201	218.1%
24 Aug 2019	Sat	Summer Bank Holiday	Saturday before	£200	216.9%
20 Apr 2019	Sat	Easter	Easter - Holy Saturday	£196	212.8%
25 Aug 2019	Sun	Summer Bank Holiday	Sunday before	£186	201.8%
21 Apr 2019	Sun	Easter	Easter - Easter Sunday	£180	195.4%
20 Dec 2019	Fri	Christmas	Mad Friday 2	£177	192.6%
16 Mar 2019	Sat	St Patrick's Day	St Patrick's Day/6 Nations - Nearest Saturday/Wales vs Ireland and England vs Scotland	£175	189.9%
21 Sep 2019	Sat	Rugby World Cup	Pool D Australia vs Fiji, Pool C France vs Argentina, Pool B New Zealand vs South Africa	£172	186.5%
25 May 2019	Sat	Spring Bank Holiday	Saturday before	£165	179.5%
24 Dec 2019	Tue	Christmas	Christmas Eve	£165	178.9%
02 Nov 2019	Sat	Halloween	Saturday after	£165	178.8%
02 Nov 2019	Sat	Bonfire Night	Saturday before	£165	178.8%
02 Nov 2019	Sat	Rugby World Cup	Final England vs South Africa	£165	178.8%
06 Apr 2019	Sat	The Grand National	Day of	£162	175.8%
23 Aug 2019	Fri	Summer Bank Holiday	Friday before	£162	175.6%
09 Mar 2019	Sat	Six Nations	Six Nations - Scotland Vs Wales	£160	174.0%
28 Sep 2019	Sat	Rugby World Cup	Pool C Argentina vs Tonga, Pool A Japan vs Ireland, Pool B South Africa vs Namibia	£153	166.1%
18 May 2019	Sat	FA Cup Final	Day of	£151	163.9%
19 Oct 2019	Sat	Rugby World Cup	Quarter-Finals England vs Australia, Quarter-Finals New Zealand vs Ireland	£150	162.3%
05 Oct 2019	Sat	Rugby World Cup	Pool D Australia vs Uruguay, Pool C England vs Argentina, Pool A Japan vs Samoa	£146	158.8%
23 Mar 2019	Sat	St Patrick's Day	Saturday after	£146	158.4%
05 May 2019	Sun	Early May Bank Holiday	Sunday before	£146	158.1%



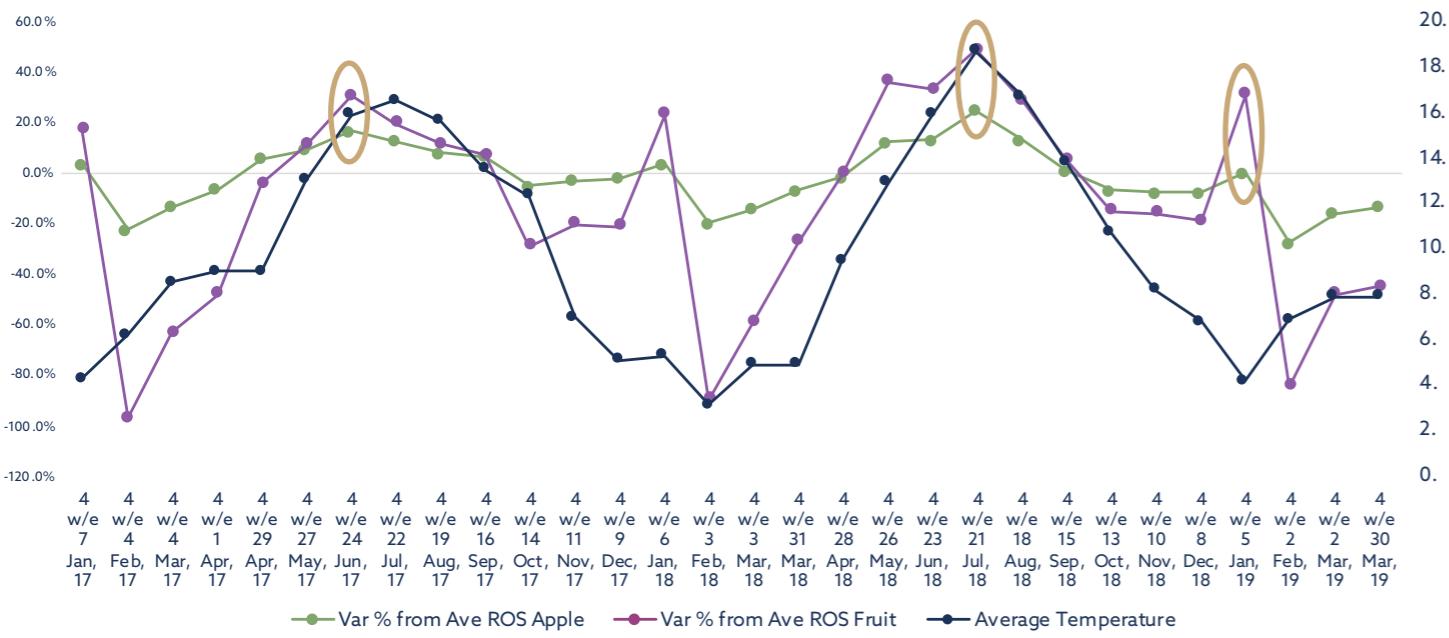
Easter and the summer bank holidays were key drivers of rate of sale in 2019, showing that bank holidays should not be underestimated in terms of their ability to drive sales. We also see an uplift around Halloween and Bonfire Night and of course sports events also feature. This should widen our focus outside of just football tournaments, hot weather, and Christmas. These events are important but should be supported throughout the year by also tapping into the more overlooked occasions. An example is Father's Day in June, which doesn't feature in this list, which is potentially a great opportunity for crafted cider. By broadening the cider drinking occasions and making the most of key events we can extend the cider season and maximise sales all year round.

THE YEAR AHEAD



There are also differences by fruit type. Fruit is much more reactive to temperature while apple is more stable year-round so flexing range and promotions at key periods to reflect this will maximise sales and availability. By mapping variances in rate of sale (off trade) against average temperature we can see fruit has the largest percentage uplift at high temperatures and when celebrating at Christmas. Apple has a smoother profile and more consistent rate of sale – it does also see uplifts in warm weather but not to the same extremes. When hot weather is expected it would make sense to flex secondary displays and stacks to reflect this.

FRUIT MORE REACTIVE TO TEMPERATURE (& CHRISTMAS) THAN APPLE



KEY THEMES FOR THE YEAR AHEAD

Euros! We know from previous years that a successful run for a home nation, hopefully together with good weather, provides a big spike in sales for cider. Ensure larger pack sizes and sufficient stock is ready to go.

- Bank holidays can be key volume drivers – ensuring availability across the weekend will maximise sales.
- Christmas is still always going to be big for the alcohol industry. However, there were 1.2m fewer trips for alcohol this year vs 2018 (Kantar 12w/e 29th December 2019), and as behaviour and habits change we should attempt to even out sales throughout the year by always being ready to capitalise on spells of hot weather and making the most of events such as summer bank holidays, Father's Day and Halloween/Bonfire Night.
- Minimum Unit Pricing on alcohol came in on 2nd March in Wales – in Scotland there was a 15% drop in volume in the first year after MUP came in (IRI 52w/e 27 April 2019). Retailers with a lot of Welsh stores will need to monitor trading and adjust ranging to reflect the new dynamics. We saw value sales increase in Scotland, so this is an opportunity to premiumise ranges.



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