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ON TRADE BEER REPORT 2019/20

REAL EXPERIENCE

INSIDE...

WELCOME TO THE ON TRADE BEER REPORT 2019 FROM MARSTON'S BEER COMPANY

At Marston's we are passionate about Beer and as the UK's largest Ale brewer and the licensed distributor of a selection of recognised World Beers and Craft Beers, we are well placed to offer category expertise across the entire Beer category.

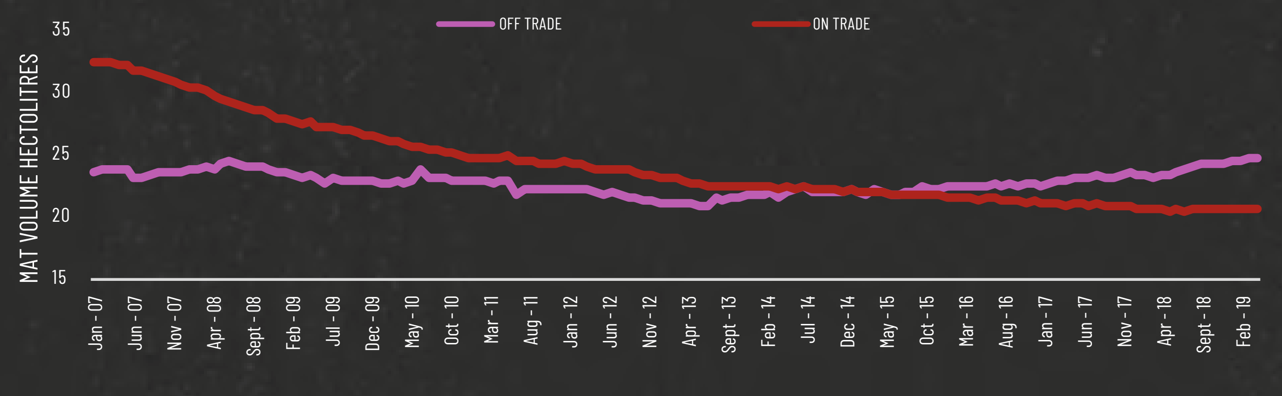
To compile this report we draw upon various quantitative and qualitative data sources across both the On Trade and Off Trade. These include CGA sales data, Kantar Worldpanel and Alcovision to understand the sales and drinker trends and 'what' is happening.

To get a deeper understanding of our drinkers we commissioned Eureka! – an independent market research company – to survey over 2,000 Ale drinkers and 2,000 Lager drinkers across the UK. This helps us to understand the 'why' behind the current and future beer trends.

We set out to make this report insightful and most importantly actionable, with recommendations to help you to grow your Beer sales in three ways: attracting more drinkers, spending more money, more often.

Kyle Le-Vins
On Trade Category Manager

TOTAL BEER VOLUME



Sources: British Beer & Pub Association (BBPA) Volume by month, IRI Market Advantage, Grocery Multiples, 52wk 29-12-18.

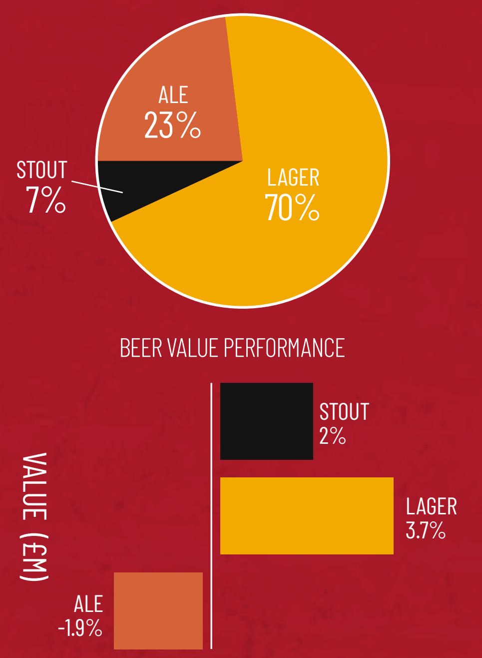
On Trade Beer volumes have levelled out in recent years after a change in drinking habits, favouring drinking at home rather than in the pub. 2018 was a fantastic year for the Beer category with the exceptionally hot weather and the World Cup providing consumers with more beer drinking occasions.

We expect to see further growth in Ale from beers influenced by Craft styles with more hoppy flavours including Contemporary Keg beers, Mainstream Craft and Niche Craft Ales. Within Lager, Classic Lager will continue to decline as consumers drink less but better and further growth will come from Mainstream Premium brands and into World Beer.

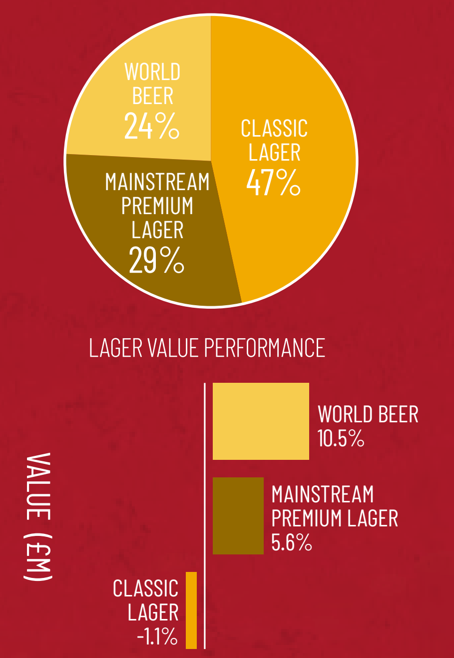
CATEGORY MARKET SNAPSHOT

BEER CATEGORY PERFORMANCE & SHARE

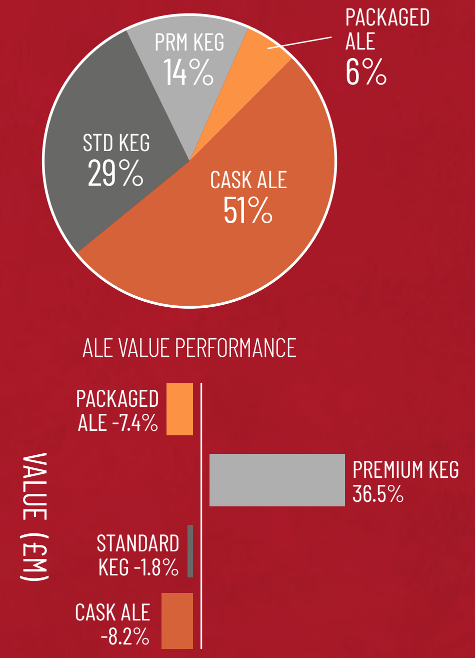
TOTAL BEER VALUE SHARE



TOTAL LAGER VALUE SHARE

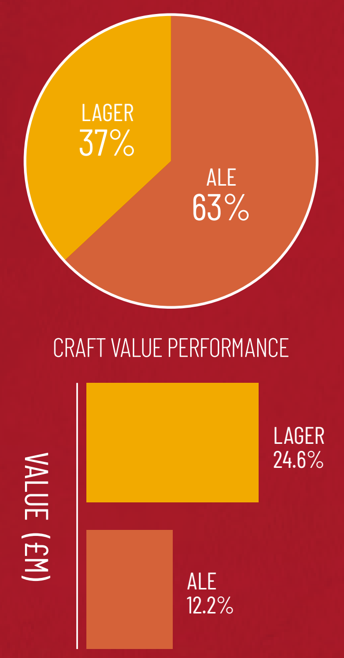


TOTAL ALE VALUE SHARE

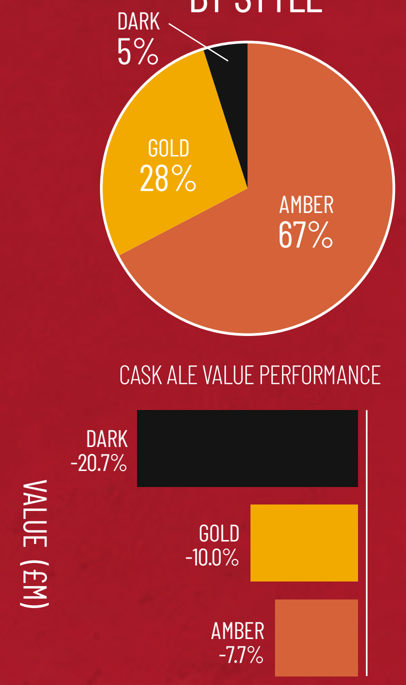


CRAFT VALUE SPLIT...

LAGER VS ALE



BY STYLE



TOP CLASSIC LAGERS

VALUE £M MAT
£3877
-1.1%

1.	▼	CARLING
2.	▼	FOSTERS
3.	▼▼	CARLSBERG
4.	▲	TENNENTS

CLASSIC LAGER CONTINUES ITS DECLINE
Drinkers are switching to premium categories. The likes of Carlsberg have relaunched to appeal to a broader consumer base and win new drinkers.

TOP 10 MAINSTREAM PREMIUM LAGER

VALUE £M MAT
£2593
+5.6%

1.	▲	STELLA ARTOIS
2.	▲▲	COORS LIGHT
3.	▲▲	AMSTEL
4.	▲	HEINEKEN PREMIUM
5.	▼	KRONENBOURG 1664
6.	▼▼	BECKS VIER
7.	▲▲	PRAVHA
8.	▲▲	BUD LIGHT
9.	▲	BUDWEISER
10.	▼▼	STELLA 4%

PREMIUM 4% IS DRIVING GROWTH
These are brands that encourage the Classic Lager drinker wanting a better flavour experience to trade up without making a large jump into World Lager or Craft beers.

TOP 10 WORLD LAGER

VALUE £M MAT
£2253
+10.5%

1.	▲	PERONI NASTRO AZZURRO
2.	▲	SAN MIGUEL
3.	▲▲	BIRRA MORETTI
4.	▲▲	ESTRELLA DAMM
5.	▲▲	STAROPRAMEN
6.	▲▲	COBRA
7.	▼▼	KOZEL
8.	▼▼	PILSNER URQUELL
9.	▲▲	RED STRIPE
10.	▲	ASAHI SUPER DRY

MUCH OF THE GROWTH CONTINUES TO COME FROM THE TOP 4 BRANDS
Over 80% of World Lager value sits with the top 4, all of Mediterranean origin.

TOP 10 CRAFT BEER

VALUE £M MAT
£1105
+15.7%

1.	▲▲	HOP HOUSE 13
2.	▲▲	BREWDOG PUNK IPA
3.	▲▲	CAMDEN HELLS
4.	▲▲	SHIPYARD AMERICAN PALE ALE
5.	▼	MEANTIME PALE ALE
6.	▲	BROOKLYN LAGER
7.	▲▲	INNIS & GUNN LAGER
8.	▲	FULLERS FRONTIER
9.	▼	SHARPS OFFSHORE PILSNER
10.	▲▲	BEAVERTOWN NECK OIL

LITTLE CHANGE WITHIN TOP 10 BRANDS
Big Craft brands continue to show impressive growth.

TOP 10 TRADITIONAL KEG

VALUE £M MAT
£820
-1.8%

1.	▼	JOHN SMITHS
2.	▼	WORTHINGTONS
3.	▼▼	TETLEYS
4.	▼	BELHAVEN BEST
5.	▼	BODDINGTONS DRAUGHTFLOW
6.	▲▲	GREENE KING EAST COAST IPA
7.	▲	CALEDONIA BEST
8.	▲▲	BREW XI
9.	▲	BANKS'S MILD
10.	▲▲	FULLERS LONDON PRIDE

CONSUMER DRINKING BEHAVIOURS ARE CHANGING
Traditional Keg taps are being replaced with Contemporary Keg and Craft.

TOP 10 CASK ALE

VALUE £M MAT
£1475
-8 .2%

1.	▼	SHARPS DOOM BAR
2.	▼	GREENE KING IPA
3.	▼	FULLERS LONDON PRIDE
4.	▲▲	GREENE KING ABBOT ALE
5.	▲	TIMOTHY TAYLOR LANDLORD
6.	▲	WAINWRIGHT
7.	▼▼	CALEDONIAN DEUCHARS IPA
8.	▲	TRIBUTE ALE
9.	▼▼	MARSTON'S PEDIGREE
10.	▼▼	OLD SPECKLED HEN

AMBER ALES DOMINATE
Golden Ales ROS is growing faster than Amber. Top 10 brands outperform total market.

KEY:
SINGLE DIGIT GROWTH ▲ SINGLE DIGIT DECLINE ▼
DOUBLE DIGIT + GROWTH ▲▲ DOUBLE DIGIT + DECLINE ▼▼

Source: CGA OPMS w/e 23rd Feb'19

Source: CGA OPMS w/e 23rd Feb'19

UNDERSTANDING THE DRINKER

The drinker should be at the centre of every ranging decision. Understanding who they are and how they differ will make these decisions easier. Here we look at who the beer drinker is and how you can use this information.

THE ALE DRINKER

- 49% AGED 50+
- 87% MALE
- 57% ABC1
- 66% DRINK ALE AT LEAST WEEKLY
- 72% ALSO DRINK ALE AT HOME
- £21 AVERAGE SPEND PER WEEK OOH

Sources: Kantar Alcovision 31st Dec'18, Marston's Eureka! Survey'19

THE LAGER DRINKER

- 34% AGED 50+
- 77% MALE
- 56% ABC1
- 65% DRINK LAGER AT LEAST WEEKLY
- 54% ALSO DRINK LAGER AT HOME
- £23 AVERAGE SPEND PER WEEK OOH

Sources: Kantar Alcovision 31st Dec'18, Marston's Eureka! Survey'19

EXPERIMENTERS

57% PREFER TO EXPERIMENT

36% PREFER TO EXPERIMENT

STICK WITH FAVOURITES

23% PREFER TO STICK TO FAVOURITE ALES

41% PREFER TO STICK TO FAVOURITE LAGERS

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATIONS

- The Ale drinker is getting younger. Make sure you range Craft, IPA and other contemporary styles of Ale to appeal to a younger Ale drinker.
- As demographics change, so do attitudes towards drinking. Providing the correct range is key to increased sales, and with more drinkers now wanting to be able to experiment, particularly in Ale, getting the balance between choice and quality of throughput is essential.
- Lager drinkers remain relatively brand loyal however this is changing. Even in the last year we have seen "experimental Lager drinkers" grow from 10% to 25%. Experimentation within Ale is also increasing. Ranging by breadth of categories will optimise sales.

CONSUMER REPERTOIRE

Lager drinkers are more loyal to the category and stick to lager whist Ale consumers will also drink from other categories.

ALE DRINKER'S AVERAGE CATEGORY REPERTOIRE 4.2

Ale drinkers have a bigger repertoire, notably the following:

Visit late night venues 6.8
Aged 18-34 5.7
Visit casual dining venues 5.4
Are in the high spending group 4.8

LAGER DRINKER'S AVERAGE CATEGORY REPERTOIRE 3.7

Lager drinkers are more loyal to the category and more loyal to brands, so will stick with their favourites. Some groups have a bigger repertoire:

World Beer drinkers 4.1
Visit casual dining venues 4.7
Tend to experiment within beer 4.4
Aged 18-34 4.3

Source: Marston's Eureka! Survey'19

ALE DRINKER ON TRADE REPERTOIRE

LAGER DRINKER ON TRADE REPERTOIRE

UNDERSTANDING THE DRINKER

Consumers' choice of drink is not black and white. Here we look at the two key influences on drink choice: occasion and seasonality.

OCCASION

Ale drinkers are somewhat less loyal to their category, as the occasion in which they are drinking is much more influential on their drink choice.

Lager drinkers will remain within the category for the majority of occasions – premiumising up from Classic into Mainstream Premium and Mainstream Premium into World.

1 IN 4

STATE DRAUGHT ALE IS ALWAYS THEIR PREFERENCE

Source: Marston's Eureka! Survey'19

1 IN 5

STATE CLASSIC LAGER IS ALWAYS THEIR PREFERENCE

Source: Marston's Eureka! Survey'19

ALE OCCASIONS MOST LIKELY TO SWITCH

FAMILY OCCASION – switch to wine

SOCIABLE GET TOGETHER – premiumise to craft

QUIET DRINK/ CATCH UP – premiumise to craft

OUT AS A COUPLE – switch to wine

LAGER OCCASIONS MOST LIKELY TO SWITCH

FAMILY OCCASION – switch to wine

SOCIABLE GET TOGETHER – premiumise within lager

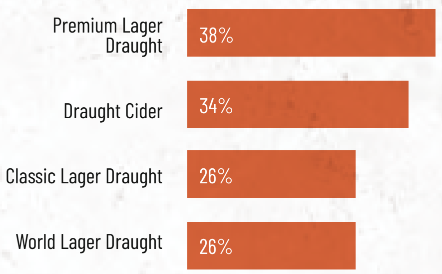
BIG NIGHT OUT – premiumise within lager

QUIET DRINK/ CATCH UP – premiumise within lager

SEASONALITY

ALE DRINKERS: HOW DOES YOUR DRINK CHOICE CHANGE IN THE SUMMER?

(% who change preference to said category below)



Source: Marston's Eureka! Survey'19

62% OF ALE DRINKERS CHANGE THEIR PREFERENCE AT SOME POINT IN THE YEAR

OF THOSE THAT DO CHANGE THEIR PREFERENCE

65% OF ALE DRINKERS CHANGE THEIR DRINK PREFERENCE IN THE SUMMER

40% IN THE WINTER OF WHICH 54% INCREASE THEIR ALE CONSUMPTION

Source: Marston's Eureka! Survey'19

LAGER DRINKERS ARE LESS INFLUENCED BY SEASONALITY. IN THE SUMMER THERE IS A SHIFT FROM CLASSIC LAGER TO CIDER WHILST PREMIUM AND WORLD LAGER DRINKERS DRINK MORE OF THE SAME CATEGORY.

KEY RECOMMENDATIONS

- **Ale drinkers want to drink more Ale in the winter months. Extend your range and promote this category more at this time of year.**
- **Ale drinkers are inclined to move out of the category in the summer months, seeking refreshment. A new chilled Cask offer will give them this refreshment whilst allowing them to remain in their preferred category. Range a Cask developed to be served chilled such as Wainwright Altitude.**

Whilst the Lager and Ale drinker does differ, within the category there are three separate spend groups. Appealing to the higher spend group will bring with it increased profit. Below is a breakdown of how drinkers differ.

HIGH SPENDERS

- More likely to drink in wet led pubs
- The Ale drinkers who are most likely to drink Craft
- The Lager drinkers who are most likely to drink World Lager
- Most likely to drink packaged Lager and Craft and NABLAB

ALE
- Slightly above average male ratio
- Aged 35-54
- Drink in wet led pubs and city bars
- Sticks with favourite brands
- Wants a National Ale on the bar

What makes a product premium?
Ale style, ABV, an established and well known brewery

LAGER
- Slightly above average male ratio
- Aged 35-54
- Drink in wet led pubs and city bars
- Drinks Craft
- More experimental

What makes a product premium?
Price, established brand, ABV

MID SPENDERS

- More likely to drink in wet led pubs
- Ale drinker most likely to also drink Premium Lager

ALE
- Slightly above average female ratio
- Aged 18-34
- Drinking in casual dining and drinking pubs
- More experimental
- Inclined to drink Craft
- Less likely to want National Ale

LAGER
- Slightly above average male ratio
- Aged 18-34
- Drinks more at home
- Very likely to drink Craft

LOW SPENDERS

- More likely to drink in food pubs
- Ale and Lager drinker most likely to also drink wine
- Lager drinker most likely to drink soft drinks

ALE
- More likely to be female
- Aged 55+
- Drinking at home or in food pub
- Not as interested in familiar brands.

What makes a product premium?
Ale style, ABV, locally brewed

LAGER
- Female
- Aged 55+
- Drinking at home or in food pub
- Will stick with favourites

What makes a product premium?
Established brand, price, style

Source: Marston's Eureka! Survey'19

MACRO TRENDS

Within this report we consider the five key macro trends that are affecting consumer behaviour, how this is impacting the Beer category and what can be done to remain relevant in these areas and grow total sales.

PREMIUMISATION

Almost half of drinkers are readily looking to premiumise their drink choice. Consumers continue to drink less but better as demonstrated by the growth of Premium Beer categories.

Source: CGA Brandtrack

HEALTH

65% of consumers are proactively trying to lead a healthy lifestyle. Health and wellbeing are increasingly important in an age of increased responsibility. The Alcohol Free Beer and Low Alcohol category is forecast to grow further to cater for these consumers.

Source: CGA Brandtrack

AUTHENTICITY

Consumers seek out brands that lead on sustainability and responsibility credentials. This trend represents an opportunity for brewers who pride themselves on provenance and quality of ingredients as well as sustainability credentials.

CONVENIENCE

Consumers are leading busier lifestyles and are increasingly time starved. Improving the in-pub experience and making it easier for consumers will drive growth.

EXPERIENCE

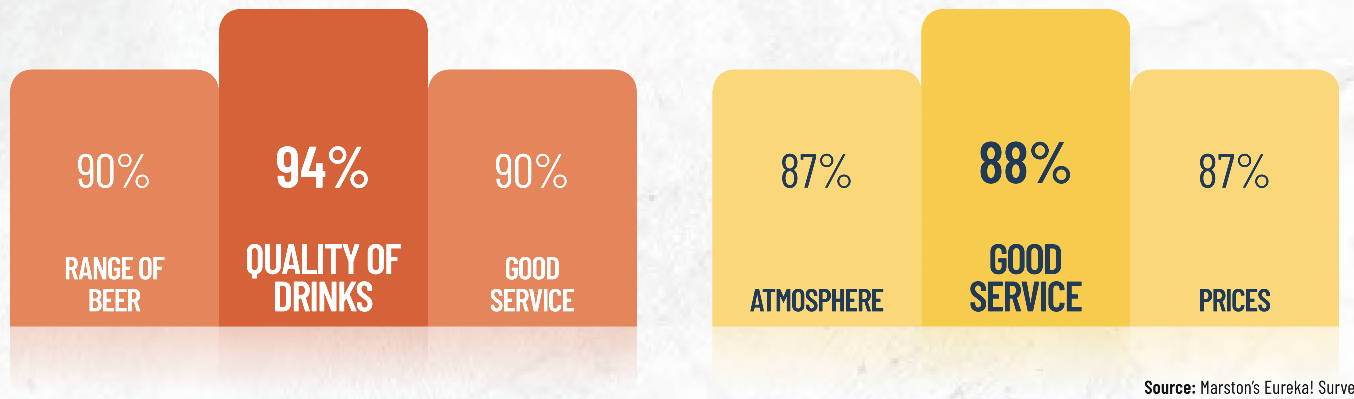
We live in an experience economy where making memories through shared moments is key. Consumers are willing to pay more for products and experiences that go the extra mile. Service, knowledge and quality are crucial to a high quality in pub experience.

EXPERIENCE

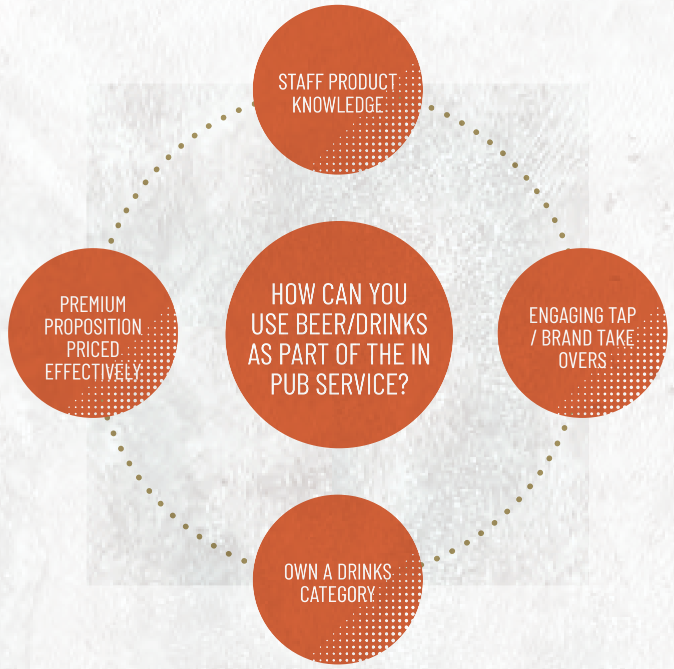
IN PUB SERVICE

When it comes to experience, the in pub service is essential. Lager drinkers in particular, are more inclined to base their choice of venue on the service they get when they are there over the range and quality of beers and drinks that are available.

MOST IMPORTANT CRITERIA IN PUB CHOICE



Source: Marston's Eureka! Survey'19



Estrella Damm Tap Takeover

KEY RECOMMENDATIONS

- **Knowing the ABV, style and a single fact about the product will go a long way to engage with an ever more knowledgeable consumer. e.g. 61 DEEP, 3.8%, Pale Ale, named after the depth of the well at Marston's brewery.**
- **Price remains an important factor to consumers. That however does not mean an offering must be "cheap", it simply means it should be of value to the consumer. Using an efficient pricing ladder will engage with consumers and allow them to premiumise at their pace. See page 21 (ranging) for more detail.**
- **Give consumers a reason to visit. This could be by specialising in one particular drink category and doing it very well, whether that be Craft Beer, Cask Ale, Gin etc. This will drive the more engaged consumer into your venue.**

EXPERIENCE

PRODUCT RANGE

Optimising the brands available on the bar will appeal to more consumers and deliver sales growth.

VENUE CHOICE IS INFLUENCED BY BRAND AVAILABILITY

42% OF ALE DRINKERS HIGHLY INFLUENCED BY BRAND AVAILABILITY

48% OF LAGER DRINKERS HIGHLY INFLUENCED BY BRAND AVAILABILITY

Strong National brands, common place in Lager for quite some time, are becoming more widespread in the Ale world. Whilst local, niche brands have come to the forefront in recent years, particularly in Cask, consumers are increasingly seeking out trusted, recognised brands.

BRANDS' INFLUENCE ON VENUE CHOICE

Drinkers whose venue choice is influenced by the availability of their favourite brands:

58% OF MORE FREQUENT ALE DRINKERS

53% OF HIGHER ALE SPENDERS

76% OF LAGER EXPERIMENTERS

60% OF HIGHER LAGER SPENDERS

Target those consumers who have a high influence on where their group visit and those who are influenced by brand availability. Knowing what else is important to them will help drive them to your venue(s).

1. **QUALITY OF DRINKS AVAILABLE**
2. **GOOD SERVICE**
3. **GOOD RANGE OF BEER**

LAGER DRINKERS WHO CLAIM TO BE MORE EXPERIMENTAL ARE ALSO MORE INFLUENCED BY BRANDS. EXPERIMENTATION IS MORE PREVALENT WHEN THERE IS THE SAFETY NET OF RECOGNISED BRANDS. MOST IMPORTANTLY, THE CONSUMERS OF BOTH ALE AND LAGER WHO ARE INFLUENCED BY BRANDS TEND TO BE THOSE THAT SPEND MORE MONEY.

Source: Marston's Eureka! Survey'19

LAGER – IMPORTANCE OF QUALITY

Lager drinkers highlight their top 3 motivators for purchasing a product are quality based. Being served chilled, being easy to drink and being of a consistent quality all come out above previous experience, ABV, quality ingredients and where it is from.

SERVED CHILLED	59%
EASY TO DRINK	58%
CONSISTENT QUALITY	48%
PREVIOUS EXPERIENCE	35%

WHO IS GLASSWARE MOST IMPORTANT TO?

Glassware is extremely important to the perfect serve, with 7 in 10 consumers highlighting it is of real importance to them when drinking in the pub.

Glassware is particularly important to the following groups:

- YOUNGER CONSUMERS
- THOSE ON HIGHER INCOMES
- THOSE DRINKING IN MODERN BARS
- PREMIUM LAGER DRINKERS

BENEFITS OF A PERFECT POUR

- Accentuate the flavours and aromas of the Beer
- Retain the carbonation
- Protect from oxygen
- To present a consistent and premium looking Beer

KEY RECOMMENDATIONS

- **Work with your brand partners to provide the perfect serve on Craft, Keg and World Lager.**
- **Always serve drinks in branded glassware or the right shape for the category, and ensure that glassware is clean and nucleated.**
- **Quality and service are paramount to encouraging drinkers to spend more and return.**

Source: Marston's Eureka! Survey'19

EXPERIENCE

ALE – IMPORTANCE OF QUALITY

Quality of drinks is the Ale drinker's key motivator when deciding which venue they go to, yet pubs are not always getting it right.

ONLY 10% OF BRANDS ARE DELIVERING THE RECOMMENDED THROUGHPUT

Source: CGA Managed Volume Pool 2016

70% OF ALE DRINKERS HAVE BEEN SERVED OFF OR STALE BEER

Source: Marston's Eureka! Survey'17

IMPACT OF POOR QUALITY

40% STAYED AWAY FROM THE PUB

39% STAYED AWAY FROM THAT BRAND

37% TOLD THEIR FRIENDS

40% of drinkers will avoid the pub where they experienced an off Ale, whilst 37% would tell others about it. This equates to a heavy share of drinkers both not returning and telling others not to visit a site where poor Cask Ale is served.

Source: Marston's Eureka! Survey'19

1 IN EVERY 10 PURCHASES OF ALE LEAVES THE CONSUMER DISAPPOINTED

When we take a more detailed look into consumer experience with different Beer styles, a higher proportion state Amber, Gold or Dark Beer as being average at best when in the pub rather than excellent. Only IPAs have a more positive score.

BELOW AVERAGE		EXCELLENT
37%	DARK	25%
32%	AMBER	21%
31%	GOLD	22%
25%	IPA	29%

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATIONS

- Cask Ale is facing a challenge with quality at the moment in some pubs. Be sure to take the care, time and attention to serve the perfect pint. Speak to your account or business manager to find out how Marston's can support with this through our Beer Quality Team.
- Consumers are becoming increasingly disenchanted with Ales on the bar. To engage with new drinkers use at least one recognised, consistent and trusted brand.
- Range according to your throughput and by style. Select the number of handpulls according to throughput then range by style - Amber, Gold then Dark - to maximise sales and appeal to the broadest range of drinkers.
- Amber, Gold then Dark remains the recommended style ranging. However analysis of regional preferences and rates of sale shows that a second Amber Ale will deliver higher throughputs on the third handpull, moving Dark to the fourth handpull where volumes allow.

CASK RANGING FOR QUALITY

Ranging Cask Ale can be complicated and confusing, but it is so important as the Cask drinker has a strong influence on the choice of outlet for mixed groups of drinkers. There are multiple factors to take into account to come up with a range that delivers a quality pint every time and appeals to as many people as possible to maximise sales.

THROUGHPUT IS PARAMOUNT

Once you've started pouring Cask from a conditioned firkin/pin the Beer is at its best for 3 days, therefore your range of Beers should be dictated by throughput to deliver the perfect serve and add to a great experience for the Cask drinker.

3 DAYS MAXIMUM THROUGHPUT PER CASK

CONSISTENCY IS KING

FOR DRINKERS CHOOSING A CASK ALE, CONSISTENT QUALITY IS MORE IMPORTANT THAN ABV, EASE OF DRINKING, PREVIOUS EXPERIENCE, QUALITY OF INGREDIENTS OR EVEN LOCALITY OF THE BREWERY.

Source: Marston's Eureka! Survey'19

RANGING BY STYLE

AMBER: 67% OF VOL. PREFERRED BY 41%

GOLD: 28% OF VOL. PREFERRED BY 44%

DARK: 5% OF VOL. PREFERRED BY 15%

The below chart has been created based on a large sample of outlets and is for an average outlet, use this to get the right range for both your business and your drinkers. You will need to apply your own knowledge of your pub as age, demographics, geographic location and if people drive to your outlet has an impact on the style/ABV that your customers will drink more of.

Sources: Marston's Eureka! Survey'19, CGA OPMS w/e 23rd Mar'19

2 ½ FIRKINS	5 ½ FIRKINS	8 FIRKINS	10 FIRKINS	WEEKLY CASK VOLUME
1	2	3	4	NO. OF HANDPULLS
●	●	●	●	REGULAR ABV AMBER
	●	●	●	REGULAR ABV GOLD
		●	●	HIGH/LOW ABV AMBER Range a higher or lower ABV depending on your drinkers.
			●	DARK

NEVER RANGE BEYOND YOUR MEANS, BE SURE TO SELL THROUGH A CASK WITHIN 3 DAYS AND USE A CATT TEST, CHECKING THE CLARITY, AROMA, TASTE AND TEMPERATURE OF THE BEER EACH DAY TO MANAGE QUALITY.

If you're selling more than 10 firkins a week and have spare handpulls, try a different ABV Gold Cask or a more "Craft" inspired Cask Ale, try to pick Beers that offer something different to the others.

RANGING – CASK

Style remains the most beneficial way to range Cask Ale to maximise sales and appeal to more drinkers. Once this has been achieved you can then start to overlay other factors such as ABV, National and Local to enhance the breadth of range.

1. STYLE

STYLE IT OUT

GOLDEN ALES HAVE INCREASED THEIR VOLUME SHARE BY 2% POINTS IN THE LAST TWO YEARS, AMBER STILL ACCOUNTS FOR 67% OF VOLUME.

Source: CGA OPMS w/e 23rd Mar'19

KEY RECOMMENDATION

Amber ROS by far outweighs both Golden and Dark and should be ranged first. Look to range Dark beers only when throughput warrants it and your consumer base is more experimental.

2. ABV

MIX THE STRENGTH

REGULAR ABVS (3.9-4.6) REMAIN THE GO TO SUB-CATEGORY FOR CONSUMERS, ACCOUNTING FOR THE MAJORITY OF CASK VOLUME. LOWER STRENGTH BEERS DELIVER THE SECOND HIGHEST ROS.

KEY RECOMMENDATION

Range ABVs within 3 groups: low (<3.9), regular (3.9-4.6) and high (>4.6). Consider consumer demands: 30% of consumers will drink higher strength at special occasions whilst 40% will choose lower strength when drinking at lunchtime.

3. NATIONAL

IMPORTANCE OF NATIONALS

82% OF CONSUMERS WANT A NATIONAL ALE ON THE BAR, THIS IS A 5PPT INCREASE SINCE 2016. EMPHASISING THAT CONSUMERS ARE INCREASINGLY LOOKING FOR MORE RECOGNISED BRANDS DELIVERING CONSISTENT QUALITY.

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATION

Make sure you range a Nationally recognised Ale to appeal to consumers seeking consistency.

4. LOCAL

LOCAL BALANCE

LOCAL ALE ACCOUNTS FOR ON AVERAGE 44% OF CASK ALE SALES. THIS IS MOST PROMINENT IN SCOTLAND (71%) THE SOUTH WEST (75%) AND YORKSHIRE (59%).

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATION

Striking the balance of National and Non-National is key, on average, 58% of Cask sold is Non-National brands.

Be sure to use Regional favourites alongside National brands to offer the ideal range.

Source: Marston's Eureka! Survey'19

5. CRAFT

UTILISING CRAFT SUCCESS

54% OF CRAFT ALE DRINKERS PREFER CRAFT IN THE CASK FORMAT (VS. 14% KEG, 13% SMALLER BOTTLE).

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATION

Whilst Keg is taking more points on the bar, consumers will engage with Craft on handpull. Use recognised styles (IPAs and Pale Ales) with modern, Craft like branding.

SEASONALITY SHIFT

Getting Cask range right throughout the year is key, so what are the key differences?

Unsurprisingly, Golden Ales pick up in the spring time, +13.4% vs. average throughout the year – this is Golden Ales' strongest season.

Amber Ales also pick up at this time of year, however the summer months are less kind, -7.6% vs. the average. Dark Ale's ROS is driven almost solely by performance improvements in the winter, up +33.% vs. the average.

The Amber Ale category is the most consistent and should be ranged all year round. Golden Ales require more space in the spring and summer months, whilst range Dark in the autumn and winter.

Source: CGA OPMS w/e 23rd Feb'19

63% DRINKERS WANT A GUEST ALE TO BE AVAILABLE BETWEEN 2 WEEKS AND 1 MONTH...

8% WANT IT TO BE AVAILABLE FOR "DAYS"

Source: Marston's Eureka! Survey'19

IMPORTANCE OF CASK TAKING CASK OFF THE BAR HAS A -4.4% NEGATIVE IMPACT ON VOLUME ROS ON TOTAL SALES. THIS IS A BIGGER IMPACT THAN REMOVING CLASSIC OR PREMIUM LAGER

Source: CGA OPMS w/e 23rd Feb'19

RANGING – KEG

Satisfy drinker demand by offering a breadth of range, giving the drinker an opportunity to trade up and a chance to improve margin across the range.

STOUT	CLASSIC LAGER	SMOOTH / CONTEMPORARY KEG	MAINSTREAM PREMIUM / PREMIUM 4%	MEDITERRANEAN / DISCOVERY / SPECIALITY	CRAFT LAGER / CRAFT ALE
STOUT IS DISTRIBUTED IN 66% OF ALL ON TRADE VENUES THAT SELL BEER. WHILST ROS IS LOW, STOUT DRINKERS ARE LOYAL.	WHILST STANDARD (INC. SMOOTH) KEG IS IN DECLINE OF -5%, THIS IS DRIVEN ALMOST ENTIRELY BY THE TOP 3 TRADITIONAL KEG BRANDS (JOHN SMITHS, TETLEYS AND WORTHINGTONS).	IT IS PREMIUM LAGER DRIVING THE TOTAL LAGER GROWTH SPECIFICALLY PREMIUM 4% AND WORLD BEER CATEGORIES. WITHIN WORLD BEER, MEDITERRANEAN LAGERS NOW ACCOUNT FOR 77% OF VOLUME.		ALTHOUGH DISCOVERY AND SPECIALITY CATEGORIES WILL HAVE A SMALL SHARE OF THE BAR, THEY APPEAL TO EXPERIMENTERS WHO ARE USUALLY THE DECIDER OF VENUE FOR A GROUP, CONTRIBUTING TO DRIVING RATE OF SALE FOR ALL OTHER CATEGORIES ON THE BAR.	CRAFT KEG ALE IS IN 36% YOY VOLUME GROWTH. AS PALE ALES AND IPAS ENTER THE MAINSTREAM, CRAFT LAGER IS ALSO SHOWING STRONG GROWTH 27% YOY AND IS NOW 1/4 THE SIZE OF WORLD BEER.
KEY RECOMMENDATION Stout ROS is a lot lower than the likes of Cask Ale and Standard Keg. If your throughputs are low, consider removing and introducing packaged Stout and range darker Cask or Mild Keg.	**KEY RECOMMENDATION** Outside of the top 3, Standard Keg is in 6% growth.Moving towards a contemporary keg brand like 61 Deep will provide a premium option to traditional drinkers without alienating them like a Craft Beer would.	**KEY RECOMMENDATION** It is essential to list Premium Lagers to offer the drinker a trade up from Classic categories and an option to treat themselves.		**KEY RECOMMENDATION** Consider ranging these categories when you have strong Premium Lager sales and looking to target the more experimental and affluent consumer.	**KEY RECOMMENDATION** If you cannot currently range Craft Ale, use either Contemporary Keg or Cask Craft styles to get your consumers on the premiumisation journey.

Source: CGA OPMS w/e 23rd Mar'19

BREADTH BEFORE DEPTH

To make the most of the space available you should look to satisfy a breadth of categories before a depth of categories.

BREADTH

DEPTH

CLASSIC LAGER	SMOOTH / CONTEMPORARY KEG	MAINSTREAM PREMIUM	WORLD: MEDITERRANEAN	WORLD: DISCOVERY	WORLD: SUNSHINE	WORLD: SPECIALITY	CRAFT ALE	CRAFT LAGER

You should satisfy drinker demand by increasing breadth of range through offering as many brands from left to right of this diagram, covering multiple sub-categories, but ensuring you are getting good throughput from all brands, before offering a depth of categories that already exist which your outlet might sell particularly well.

GETTING YOUR FRIDGE RIGHT

Beer currently accounts for 32% of fridge space and is growing driven by Craft. Non Craft Beer is down -0.7pp.

- MEDITERRANEAN
- SUNSHINE
- CRAFT BOTTLE 70/30 CAN
- PBA
- NABLAB / SPECIALITY
- PREMIUM LAGER

World Lager accounts for 44% of all Packaged Beer sold. Be sure to range and stock a high amount of Mediterranean and Sunshine Lagers (Sol, Corona etc.)

Twice as many consumers expect Craft in bottle as they do in can and 3 times as many prefer it

PBA accounts for 12% of packaged beer and is by nature an experimental category. Use your fridge to increase choice of Ales

NABLAB, although small, is in 28% growth. See page 27 on how to utilise this growing trend

Accounting for 23% Premium Lager is an important category for your fridge. Moving consumers into World will be more profitable however

1 IN 4 HIGH SPENDERS WILL BUY PACKAGED

This fridge planogram is for Beer alone and does not take into account Cider, Wine, Softs and RTDs

Sources: CGA OPMS w/e 23rd Mar'19, Marston's Eureka! Survey'19

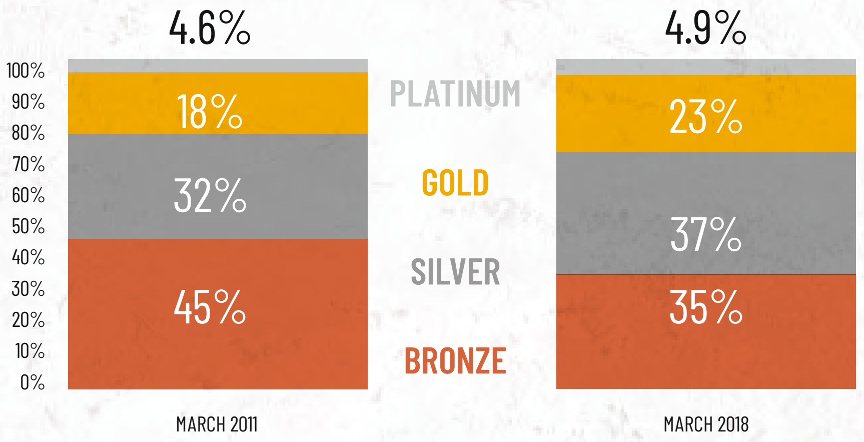
PREMIUMISATION

WHAT DOES PREMIUM MEAN?

Premiumisation is impacting the Beer industry through drinkers drinking less but better. This is most evident at a top line level with drinkers in the On Trade consuming 66.5 million fewer pints of Beer than they did last year, but spending an extra £177.8m on the Beer they drank this year.

Sources: Kantar Alcovision 30th Sept'18

OUTLET QUALITY



Source: CGA OPMS w/e 23rd Feb'19

OVER THE PAST 7 YEARS PLATINUM AND GOLD HAS INCREASED ITS SHARE OF OUTLETS WHILST BRONZE HAVE DECLINED.

DRINKERS AREN'T JUST SEARCHING FOR MORE PREMIUM DRINKS, THEY ARE ALSO GOING TO MORE PREMIUM OUTLETS AND THE INDUSTRY IS REACTING TO THIS BY UPGRADING OUTLETS TO SATISFY THE DEMAND.

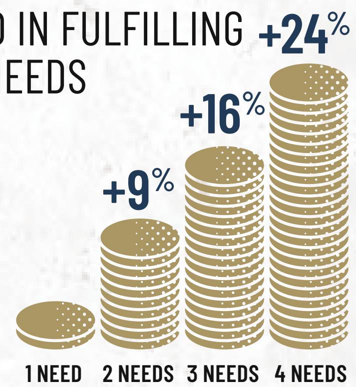
72% OF LAGER NPD IS PREMIUM

Source: CGA OPM

37% OF GLOBAL DRINKERS ARE WILLING TO PAY EXTRA FOR AN ALCOHOLIC DRINK THAT WILL BRING EXTRA LEVELS OF ENJOYMENT AND INDULGENCE

Source: GlobalData, 2019

PREMIUM PAID IN FULFILLING ADDITIONAL NEEDS



EXAMPLE CHECKLIST

- FOOD
- PREMIUM DRINKS RANGE
- HIGH SERVICE LEVELS
- ATMOSPHERE
- DÉCOR
- ZONING
- LIVE SPORT
- LIVE MUSIC
- PUB GAMES
- TAP TAKEOVER

KEY RECOMMENDATIONS

- Offering more than just food and drink will increase total spend.
- There are big opportunities for growth if we can understand and cater for the evolving consumer needs and occasions.
- Consumers are willing to trade up and spend more money on what matters to them. You can capitalise on this by offering a breadth of Beer range alongside a premium food offering, so that the consumer has no reason to move on elsewhere. This generates more money in the till and offers an improved pub experience.

TRAITS OF A PREMIUM PRODUCT

Here we look at why consumers say they are switching to more premium Beers, with Ale and Lager drinkers having different reasons for trading up.

ALE DRINKERS	
47%	DEPTH OF TASTE
46%	SOMETHING DIFFERENT
43%	SUPPORT SMALLER BREWERS

LAGER DRINKERS	
41%	BETTER QUALITY
36%	DEPTH OF TASTE
35%	SOMETHING DIFFERENT

Source: Marston's Eureka! Survey'19

WHAT MAKES A BEER PREMIUM

FOR ALE DRINKERS IT IS THE STYLE THAT DICTATES IF THEY CONSIDER IT TO BE PREMIUM, SO THEY ARE LOOKING FOR CUES SUCH AS IPA, PALE, WHEAT ETC. ABV AND PRICE ARE ALSO IMPORTANT

LAGER DRINKERS JUDGE THEIR BEERS DIFFERENTLY, IT IS LESS ABOUT THE DRINK AND MORE ABOUT THE POSITIONING WITH PRICE BEING THE STRONGEST INDICATOR, FOLLOWED BY BRAND AND ABV

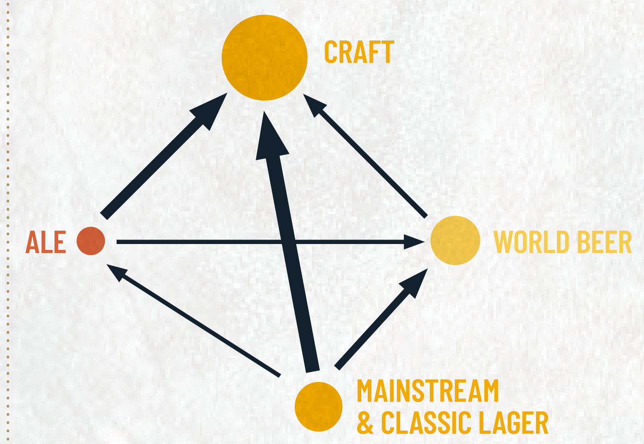
LESS BUT BETTER

NUMBER OF CONSUMERS DRINKING PREMIUM AND STANDARD BRANDS VS 2 YA

STANDARD **-6%**

PREMIUM **+1.3%**

Source: CGA BrandTrack



Drinkers are looking for better quality and switching into multiple categories, with the largest switching coming from Mainstream Lager.

The main beneficiaries of premiumisation have been Craft Beer and World Beer, growing by 194,000 and 218,000 pints respectively, despite these categories commanding the highest price points.

Sources: Kantar Worldpanel Division 52w/e 28th Jan'18, CGA OPMS w/e 23rd Feb'19

PREMIUMISATION

PREMIUM CATEGORIES: CRAFT

It is important to provide consumers with a premiumsation ladder so that they can trade up. Here we take a look at the growing impact of Craft.

A CLOSER LOOK AT CRAFT

The perception of Craft varies depending on the usual repetoire of the drinker...

When asking drinkers to name the first Craft Beer that comes to mind, the Hobgoblin brand was recalled more than Beavertown, Camden and Innis & Gunn combined.

CONSUMER PERCEPTION OF CRAFT

When speaking to consumers this became very clear someone that has grown up drinking Smooth or Mild will consider brands like Hobgoblin to be Craft whereas someone that has been drinking Craft for many years and is passionate about it sees hard to find beers and niche styles like sours and imperial IPAs as Craft.

US Craft denotes a very particular Beer culture and flavour profile with a typically bolder, stronger hop characteristic

Source: MBC Razor Research 2018

I UNDERSTAND WHAT "CRAFT BEER" IS & DRINK IT...	2016	2017	2019
	30%	49%	58%

Source: Marston's Eureka! Survey'19

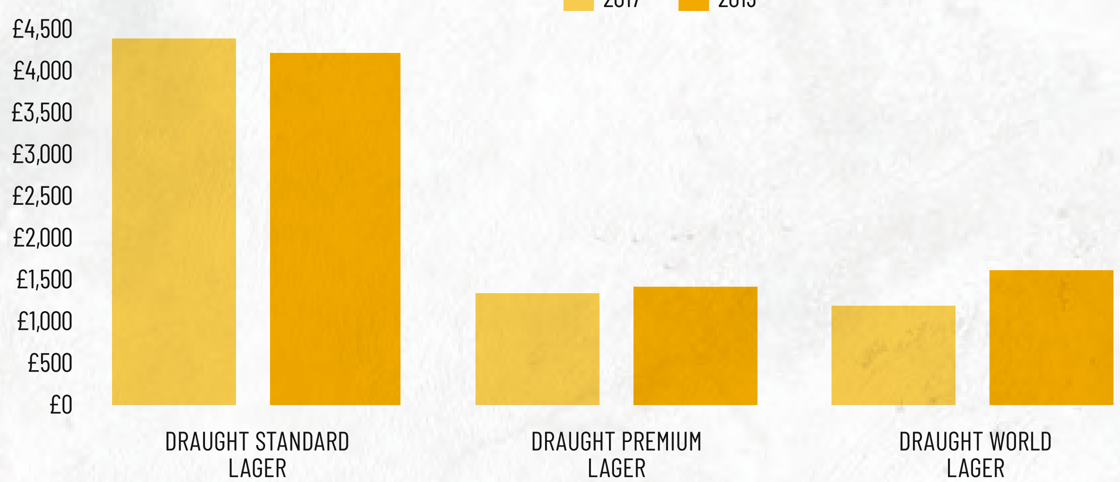
KEY RECOMMENDATIONS

- Include Craft in your range to extend the appeal to more consumers and provide the premiumisation ladder to encourage them to trade up. It also gives your team an up-selling opportunity.
- If you have not got space on your Keg lineup, use both Cask and Packaged to provide additional choice for Craft drinkers.
- Communicate the availability of Craft to attract a wider drinker audience who are more engaged with the Beer category.
- Range the level of Craft that is appropriate for your audience, whether that be mainstream Craft or Niche Craft.

PREMIUM CATEGORIES: WORLD LAGER

The Lager category continues to see World and Premium areas growing ahead of the declining Classic Lager category. Over 80% of the value sits within the top 4 brands which are all of Mediterranean origin.

MAT LAGER VALUE PERFORMANCE



Source: CGA OPMS w/e 23rd Feb'19

I WILL PURCHASE MORE IN PUBS/ BARS THAN THE LAST 12 MONTHS	CRAFT	WORLD
% AGREE	48%	50%
% DISAGREE	12%	15%

Source: Marston's Eureka! Survey'19

KEY RECOMMENDATIONS

- Drinkers will continue to buy more Craft and World Beer, range these to keep up with demand.
- If you haven't ranged Craft and World Beer yet or your volumes are low, be patient, Craft and World Beer sales are growing faster than any other category and consumers say they will drink more in the future.

PREMIUMISATION

DRAUGHT BEER PRICING LADDER

To get full value out of your different draught Beers, the price to the consumer must be correct. The entry price in an outlet, which is based on Classic Lager in most outlets, is set by environmental factors such as the type of outlet (eg. wet let pub vs. restaurant), quality of outlet, location (high vs. low property value area) and other factors. But the percentage jump between different categories should always be the same to drive satisfaction for all drinkers, whether they are Smooth Ale drinkers or Niche Craft Beer drinkers.

EXAMPLE PRICE PER PINT		PRICE/PINT %CHANGE VS CLASSIC LAGER	
£5.48	NICHE CRAFT BEER	+70%	
£4.99		+55%	SPECIALITY BEER
£4.51	CRAFT LAGER	+40%	MEDITERRANEAN LAGER
£4.35	CRAFT ALE	+35%	
£4.19		+30%	DISCOVERY LAGER
£3.87	MAINSTREAM PREMIUM LAGER	+20%	STOUT
£3.54		+10%	CASK ALE
£3.22	CLASSIC LAGER	0%	
£2.90		-10%	SMOOTH ALE

Source: CGA OPMS w/e 23rd Feb'19. NB. Price stated is indicative only of market, %change rounded to nearest 5.

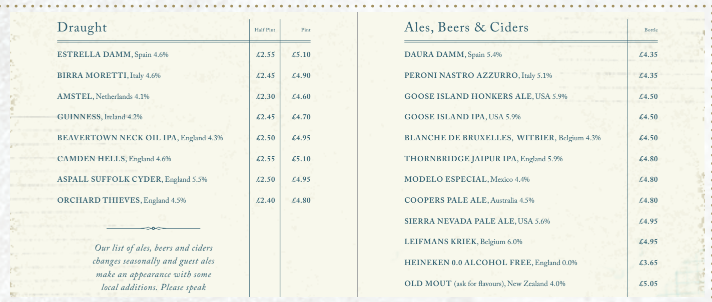
KEY RECOMMENDATIONS

- To premiumise your Beer range, start by adding World Beer, if that works try a Craft Ale and then a Craft Lager.
- Craft is now larger than Stout, when ranging Craft for the first time start with a more highly hopped Cask Ale as a low risk option then progress up through Contemporary Keg to Niche Craft, if throughputs are low go back to the previous tier of Craft that was working.
- If removing a Keg line to range a Craft Beer use the "breadth not depth" thinking to remove a Beer that is satisfying the same consumers as another beer you have on draught.
- Be patient when premiumising your range, you may have to invest in some wastage to maintain quality but in the end you will have more profit once awareness of your range has increased.
- Decide price of your entry draught Beer then price the rest using the pricing ladder above to satisfy all drinkers.

CONVENIENCE

The Convenience Macro trend is as much about making things easier than it is making things quicker, so in the On Trade it's mostly about ranging and communication.

MAKE SURE THAT ALL DRAUGHT & PACKAGED DRINKS FEATURE ON THE MAIN MENU, OR SEPARATE DRINKS MENU, SO THAT DRINKERS FEEL HAPPY THEY'VE MADE THE CORRECT CHOICE, RATHER THAN MAKING A RUSHED DECISION AT THE BAR



Draught	Half Pint	Pint
ESTRELLA DAMM, Spain 4.6%	£2.55	£5.10
BIRRA MORETTI, Italy 4.6%	£2.45	£4.90
AMSTEL, Netherlands 4.1%	£2.30	£4.60
GUINNESS, Ireland 4.2%	£2.45	£4.70
BEAVERTOWN NECK OIL IPA, England 4.3%	£2.50	£4.95
CAMDEN HELLS, England 4.6%	£2.55	£5.10
ASPALL SUFFOLK CYDER, England 5.5%	£2.50	£4.95
ORCHARD THIEVES, England 4.5%	£2.40	£4.80

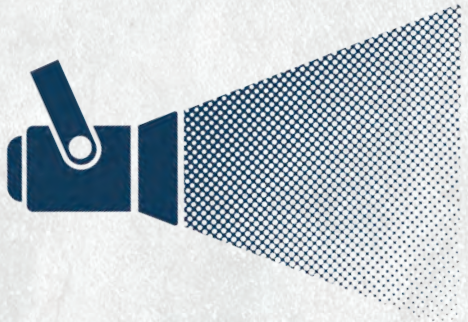
Our list of ales, beers and ciders changes seasonally and guest ales make an appearance with some local additions. Please speak

Ales, Beers & Ciders	Bottle
DAURA DAMM, Spain 5.4%	£4.35
PERONI NASTRO AZZURRO, Italy 5.1%	£4.35
GOOSE ISLAND HONKERS ALE, USA 5.9%	£4.50
GOOSE ISLAND IPA, USA 5.9%	£4.50
BLANCHE DE BRUXELLES, WITBIER, Belgium 4.3%	£4.50
THORNBRIDGE JAIPUR IPA, England 5.9%	£4.80
MODELO ESPECIAL, Mexico 4.4%	£4.80
COOPERS PALE ALE, Australia 4.5%	£4.80
SIERRA NEVADA PALE ALE, USA 5.6%	£4.95
LEIFMANS KRIEK, Belgium 6.0%	£4.95
HEINEKEN 0.0 ALCOHOL FREE, England 0.0%	£3.65
OLD MOUT (ask for flavours), New Zealand 4.0%	£5.05

MAKE THE BEER DECISION EASIER BY ENSURING ALL FONT LENS BACKLIGHTS ARE WORKING SO THE FULL RANGE IS EASIER TO SEE

USE A PUMP CLIP OR FONT HALO TO HIGHLIGHT NEW BEERS OR TO TELL THE DRINKERS SOMETHING ENTICING ABOUT THE BEER

IF YOUR CASK AND CRAFT ALE RANGES CHANGE FREQUENTLY, DISPLAY A CHALK BOARD WITH BRAND, BREWERY, ABV AND BEER STYLE IN PROMINENT LOCATIONS IN THE OUTLET



MAXIMISE THE USE OF SPOTLIGHTS TO HIGHLIGHT CHALK BOARDS AND OTHER INFORMATION TO MAKE DECIDING ON A BEER AS EASY AS POSSIBLE

IT CAN BE HARD TO SEE THE COMPLETE RANGE IN THE FRIDGE, IF POSSIBLE HAVE YOUR PACKAGED RANGE ON SHOW ON THE BACK BAR

KNOWLEDGEABLE STAFF MAKE DECIDING ON A BEER TO DRINK MUCH EASIER, BAR STAFF SHOULD KNOW 3 THINGS ABOUT ALL BEERS:

1 BEER STYLE 2 ABV 3 INTERESTING FACT

OFFER 1/3 PINT FLIGHTS OF BEER AT A FIXED PRICE AND CLEARLY DISPLAY THESE, MAKING IT EASIER THAN A SMALLER TASTER TO CHOOSE A BEER FOR THE REST OF THE EVENING.

HEALTH

MODERATION

Consumers are increasingly concerned about health and wellbeing which extends to their leisure time and drinking out behaviours. Alcohol consumption has reduced overall in the past 15 years with fewer adults drinking weekly and many choosing to cut it out completely or opt for drink free days.

ATTITUDES TOWARDS ABV

LOWER ABV ALES

Easy to drink	47%
Afternoon drinking	39%
Refreshing	38%
Cheaper	35%
Better for me	30%
Early evening drinking	27%
Better tasting	14%
Late evening drinking	13%

LOWER ABV LAGER

Easy to drink	36%
Afternoon drinking	26%
Refreshing	33%
Cheaper	39%
Better for me	31%
Early evening drinking	14%
Better tasting	18%
Late evening drinking	6%

WITH DRINKERS SAYING THAT THEY PREFER LOWER ABV BEERS IN THE AFTERNOON, AND FINDING THEM EASY TO DRINK, BY INCLUDING THESE WITHIN YOUR RANGE YOU WILL CATER FOR WORKING WEEK, LUNCH AND AFTER WORK TRADE.

Source: Marston's Eureka! Survey'19

HEALTHIEST DAYS OF THE WEEK

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
54%	47%	50%	24%	16%	17%	22%

Source: Him! January 2019

66% OF CONSUMERS HAVE VISITED A LICENSED VENUE ON A NIGHT OUT AND NOT DRUNK ALCOHOL

Source: CGA Consumer Panel September 2017

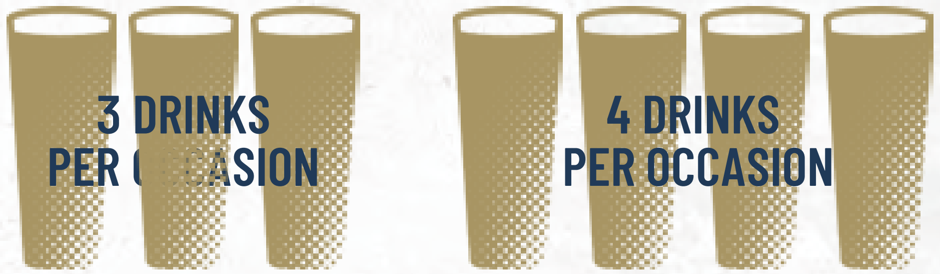
33% OF CONSUMERS SAID THEIR ALCOHOL CONSUMPTION HAS DECREASED IN THE LAST 6 MONTHS

Source: CGA Brandtrack

DRY JANUARY®

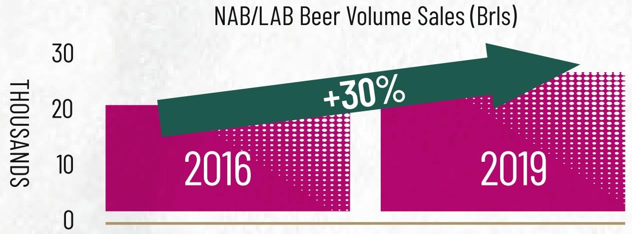
Half of drinkers who participate in Dry January are happy to consider Low/No alcohol, with this annual event largely appealing to affluent millennials, who are aged between 18-34.

Those who have participated are typically more engaged with the On Trade, they also tend to be heavier drinkers when they do drink.



Source: Kantar Alcovision 30th Sept'18

NO OR LOW



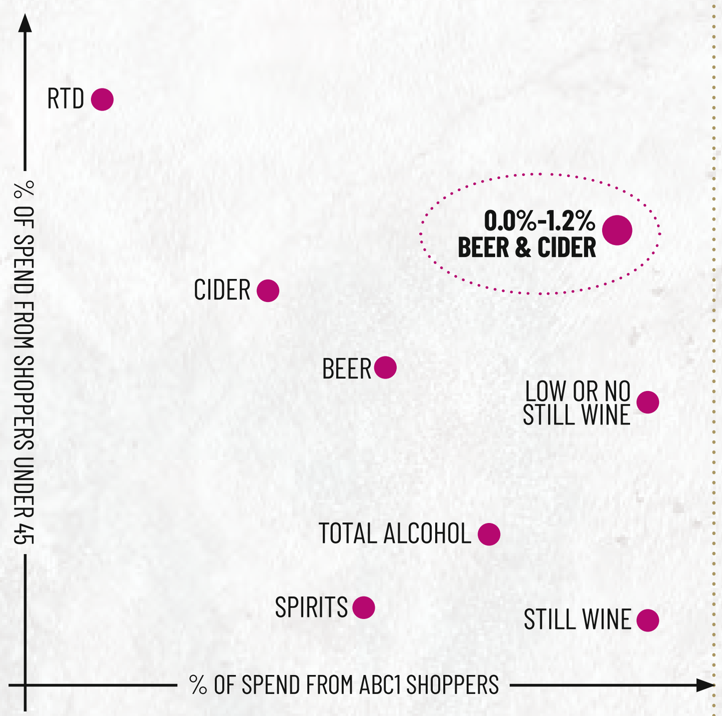
+30% THE GROWTH OF NO/LOW ALCOHOL BEER WITHIN THE ON TRADE SINCE 2016

Source: CGA OPMS, Volume MAT Dec 2018

The switch into Low / No Alcohol is being led by 18-24 year olds with almost 1 in 10 (9%) having already switched out of Alcohol and those between 18-34 being the most likely to consider switching (22%). **Source:** Portman Group.

Whilst the trend towards moderation is being led by younger consumers it is gaining traction with the mass market and more affluent consumers.

LOW/NO ALCOHOLIC DRINKERS ARE YOUNGER & MORE AFFLUENT THAN DRINKERS IN OTHER CATEGORIES



Source: Kantar Worldpanel Division 52w/e 27th Jan'19

WHY WOULD YOU NOT HAVE CONSIDERED BUYING A LOW-ALCOHOL ALTERNATIVE ON THIS OCCASION?

I don't like the taste	19%
Low Alcohol drinks aren't as satisfying	15%
No Low Alcohol version of what I wanted	14%
It's not a proper drink	14%
Not the same feeling of relaxation with Low Alcohol drinks	13%
The quality is poorer	8%

Source: Kantar Worldpanel Plus Survey – Sept 2017

IN 2017 NEARLY 50% OF DRINKERS SAID THAT THEY WOULD NOT CONSIDER A LOW ALCOHOL ALTERNATIVE BECAUSE OF TASTE OR LACK OF AVAILABILITY. SINCE THEN THERE HAVE BEEN OVER 40 NEW LAUNCHES IN THE OFF TRADE WITH DIFFERENT STYLES TO CATER FOR DIFFERENT NEEDS AND OCCASIONS. THIS CHOICE IS NOW EXPANDING INTO THE ON TRADE.

KEY RECOMMENDATIONS

- Consumer behaviour is changing, so include both lower Alcohol and No/Low Alcohol beers in your range.
- Take advantage of lunch and mid week evenings to offer No/Low Beer and lower Alcohol as an alternative to softs and minerals.
- Offer World and Craft Alcohol Free options to give the drinker a reason to purchase when they are seeking enhanced taste and refreshment.
- Increase your range of No/Low Beer during Dry January to appeal to the heavier drinkers who are participating.
- By including World Lager and Craft Low ABV options such as Erdinger Alkoholfrei and Shipyard Low Tide you are providing the non alcoholic drinker a reason to purchase and experience beers with quality flavour profiles.

AUTHENTICITY

Consumers' purchase behaviour is increasingly influenced by origin and sustainability issues, so authenticity remains important in their brand and drink choices.

CONSUMERS WHO SEEK QUALITY INGREDIENTS WILL SPEND MORE.
THIS IS HIGHER THAN THOSE CLASSED AS EXPERIMENTERS, GENERAL DEMOGRAPHICS (AGE, GENDER) AND THOSE WITH A WIDE RANGE OF DRINKS IN THEIR REPERTOIRE.
SUSTAINABILITY AND ENVIRONMENTAL ISSUES HAVE FURTHER GAINED IN IMPORTANCE TO CONSUMERS WHO WILL CHOOSE BRANDS ON THE BASIS OF THEIR RESPONSIBILITY CREDENTIALS. SEVERAL CRAFT BEERS HAVE BUILT THEIR BRANDS AROUND A SUSTAINABILITY MESSAGE LIKE TOAST WHOSE ETHOS IS BASED ON SOCIAL RESPONSIBILITY.

HOW DOES THIS APPLY TO ALE?

The traditional, British nature of Cask Ale sits hand in hand with this trend, holding a number of authentic credentials:

- Brewed the same way for centuries using only traditional ingredients (malted barley, water, hops and yeast).
- A live product unlike Keg Beer, its character and flavour continue to develop in the Cask.
- Cask Ale is naturally conditioned and undergoes a secondary fermentation inside the cask allowing the beer to naturally develop carbonation.
- Training teams on the key features and benefits of Cask Ale will engage them that bit more and demonstrate that knowledge and passion to consumers.

THE HANDPULL
permanent POS that informs why the handpull is different to keg font

THE CELLAR PROCESS
use your empty hand pulls to tell the story

THE BRITISHNESS
celebrate the British ingredients and tell drinkers where they're from

AUTHENTICITY WITHIN ALE IS ALSO REFLECTED IN CRAFT AND THE NUMBER ONE ATTRIBUTE ASSOCIATED WITH THE CATEGORY ACCORDING TO 38% OF GLOBAL CONSUMERS

AUTHENTIC	LOCALLY MADE	MADE BY SMALL INDEPENDENT PRODUCER	MADE IN SMALL BATCHES
38%	36%	30%	23%

Source: GlobalData. 2019

CONSUMER PERCEPTION

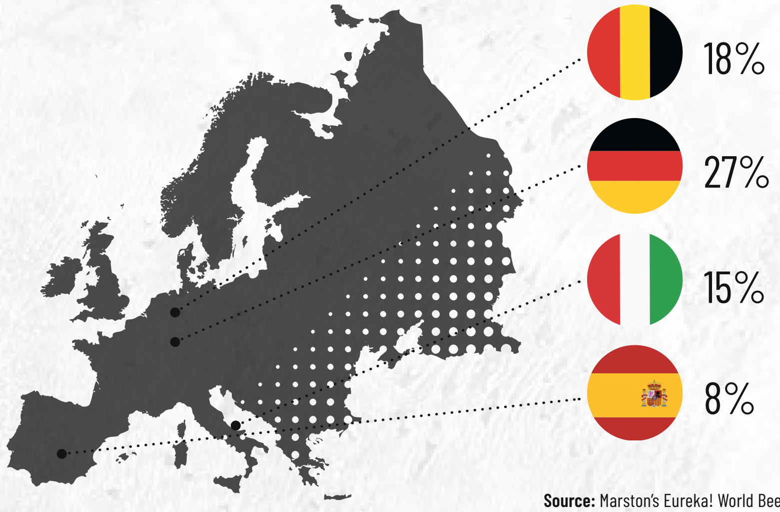
41% OF LAGER DRINKERS STATE THE COUNTRY OF ORIGIN CONTRIBUTES TO A BRAND BEING PERCEIVED AS PREMIUM

Consistent quality is a lot more important than perceived independence. **Source:** Marston's Eureka! Survey'19.

ALMOST HALF OF CONSUMERS BELIEVE CAMDEN TOWN IS AN INDEPENDENT BREWERY. HIGHLIGHTING THAT AWARENESS IS LIMITED AND THE MAJORITY OF CONSUMERS ARE UNAWARE OF MACRO BREWER ACQUISITIONS.

61% OF CONSUMERS AND 69% OF 18-34 YEAR OLDS WOULD PAY MORE FOR A LAGER IF THEY KNEW IT WAS IMPORTED INTO THE UK

AND WHAT COUNTRY IS PERCEIVED TO BREW "THE BEST" LAGER?



Source: Marston's Eureka! World Beer Research Dec 18

32% of World Lager drinkers say where a beer is brewed is important to know when making a new purchase.

Mediterranean Lagers continue to drive performance in the World Lager category with their links to sunshine, beaches and holidays, whilst German and Belgian Lagers play on their strengths of authenticity and heritage.

KEY RECOMMENDATIONS

- Those consumers who care most about the quality of ingredients are more inclined to spend more. Educate staff and consumers (through drinks menus or POS) on what ingredients go into your beer range.
- Consumer knowledge of imported vs. UK brewed beers is minimal. To appeal to the younger, more discerning consumers and to drive increased RSP, communicate the brewing origin of the beer. The authentic nature of German and Belgian Lagers will appeal to the more affluent consumer.
- Be proud and passionate about serving great Cask Ale. Keep the cellar clean, the beer conditioned which takes 2-3 days and the cellar temperature at an optimum level of between 11-13 °C. Educate staff how to check the perfect pour by performing a CATT, checking clarity, aroma, taste and temperature.

SUMMARY

UNDERSTANDING THE DRINKER

- Understanding the drinker will help pubs to sell more beer by ensuring the right brands are in the right outlets.
- Providing the correct range is key to increased sales, and with more drinkers now wanting to be able to experiment, getting the balance between choice and quality of throughputs is essential.
- With Ale drinkers switching to other categories in the summer in search of chilled refreshment, range a Cask developed to be served chilled such as Wainwright Altitude.

RANGING - KEG

- Ranging by Breadth Before Depth will optimise Keg sales.
- It is essential to range Mainstream Premium and World Beer to offer the drinker a trade up from Classic Lager.
- Consider ranging Discovery and Speciality categories when you have strong Premium Lager sales.
- If you do not currently range Craft Ale, use either Contemporary Keg or Cask Craft styles to get your consumers on the premiumisation journey.
- Moving towards a Contemporary Keg brand like 61 Deep will provide a premium option to traditional drinkers without alienating them like a Craft Beer might.

RANGING - CASK

- To maintain quality Ale, never range beyond your means and be sure to sell through a Cask within three days.
- Amber ROS by far outweighs both Golden and Dark and should be ranged first. Look to range Amber, Gold, then another Amber and a Dark Cask only when throughput warrants it. Remember Amber, Gold, Amber, Dark (A.G.A.D).
- If you don't have a spare line for Craft, keg consumers will engage with Craft on hand pull.
- Make sure you range a Nationally recognised Ale along with Regional favourites to offer the ideal range.

EXPERIENCE & PREMIUMISATION

- Drive higher margins by upselling to more premium categories.
- Knowing the ABV, style and a single fact about the product will go a long way to engage with an ever more knowledgeable consumer.
- Using a clear pricing ladder delivers fair prices and allows consumers to premiumise at their pace.
- Range the level of Craft that is appropriate for your audience, whether that be mainstream Craft or Niche Craft.
- To premiumise your Beer range, start by adding World Beer, if that works try a Craft Ale and then a Craft Lager.

AUTHENTICITY, CONVENIENCE & HEALTH

- Be proud and passionate about serving great quality Cask Ale. Keep the cellar clean, the beer conditioned which takes 2-3 days and the cellar temperature at an optimum level of between 11-13 ºC.
- Consumer behaviour is changing, so include both Lower Alcohol and No/Low Alcohol beers in your packaged range.
- In the On Trade the convenience trend is all about making choice easier by ranging through breadth before depth and communication.

FUTURE

- It is important to understand how lifestyle trends will affect the future of innovation in beer, bringing the consumer into the heart of everything we do.
- Consumers are becoming more health conscious so we will be exploring solutions with further expansion in the NABLAB category, releasing Shipyard Low Tide, a low alcohol Craft Ale.
- Addressing the Cask Ale challenge, recruiting new drinkers whilst retaining current drinkers that may switch in summer, we will launch Wainwright Altitude, a pale ale brewed to be served chilled, addressing the consumer desire for refreshment whilst retaining all the tradition and care of a traditional cask ale.

NATIONAL

No.1 Golden Cask Ale in the UK

BOMBARDIER
HOBGOBLIN
PEDIGREE
61 DEEP

Source: CGA OPMS MAT data to 1 Dec 2018

LOCAL

Home to 45 award-winning ales from around the UK, including:

RINGWOOD
JENNINGS
BANKS'S
YOUNG'S
COURAGE
BRAKSPEAR
EAGLE
THWAITES
McEWAN'S

WORLD BEER & CIDER

Fastest growing brand (+40%) in the fastest growing category

WARSTEINER
KIRIN ICHIBAN
ERDINGER
KALTENBERG
KINGSTONE PRESS
FRIELS CIDER

CRAFT

Shipyard American Pale Ale's accessibility and wide appeal is driving category leading value of +35%

FOUNDERS
DE14
REVISIONIST

Source: CGA OPMS up to 1st Dec 2018 & YOY % Chg. Craft over 1000 Distribution Points

If you have any queries about the Marston's 2019/20 Beer Report, please contact:
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