



ACNielsen

TEN



TOP 10 ALCOHOLIC DRINKS

It's hard to imagine a more competitive and diverse market than alcoholic drinks, a sector that is still used as a foothold driver by many leading retailers. Pulling in the opposite direction are some brand owners keen to see more value added back into the market and less emphasis on the big price discounts. Only time will tell whether the twin shall meet.

The Ten Top 10 alcoholic drinks tables do reflect the market dynamics of 2005. Price platforms for categories such as lager and wine seem inevitable for the immediate future at least, while discounting tends to be used more strategically in the other categories. Brewers and branded wine owners are generally keen to see a market change as regards to price. Beer promotions at Christmas of two cases for £20 were seen across the board, but how much profit was in such deals? It's difficult to sell some branded New World wines off promotion these days in the major multiples, with an estimated 90% of Australian wine being retailled at a discount.

Stella Artois, the leading alcoholic drinks brand by some distance, is a case in point. The premium lager grew quickly in the 1990s and the opening years of this century to leave all rivals far behind on a clever platform of price positioning on targeted SKUs, while still marketing the brand as "reassuringly expensive".

But Interbrew UK is now taking the stance that more value needs to be injected back into the brand and the lager market and so succeeded in actually raising the average per litre price over the important Christmas period – while many rivals saw yet another downturn over the festive season. The result, however, has been a slight fall in both value and volume, although Interbrew UK claims it and the retailers have made more profit out of the brand over the last year.

Scottish Courage Brands (SCB) took a similar stance a couple of years ago on Kronenbourg 1664, a move that initially saw a decline in sales but SCB now has a brand in good growth. SCB is now going through the same process with Foster's, which has for many years been one of the fastest growing lager brands.

Wine still remains a volatile category, where price plays a significant role for many brands.

The *Checkout/ACNielsen* Ten Top 10 alcoholic drinks tables reveal yet again the dynamic nature of the take-home market. **Mike Dennis** analyses the brands that have gone up and the brands that have come down over the last 12 months

But branded wines from the New World continue to fuel the steady growth enjoyed by the wine category in the UK and are likely to do so for the next few years. The Hardys range of Australian wines is the biggest brand this year, but such is the nature of the market that any number of brands could surpass it over the next 12 months.

Of the other categories, white spirits are seeing healthy growth figures, with the leading gin brands enjoying the resurgence of interest in a sector once seen as staid and old-fashioned. There are interesting dynamics in the dark spirits sector, with a 'modern' brand such as Jack Daniel's continuing to grow apace, while a more 'traditional' malt whisky such as Glenmorangie is now a Top 10 dark spirit. Cognac is also seeing steady growth when only recently the sector was in decline.

Champagne, for the time being at least, is a sector where price is less of an issue for many drinkers, except for those people looking to provide bubbly for weddings and other celebrations. Ale, apart from the premium end of the market, is in decline. Cider is seeing some renewed consumer interest, but the future looks grim for alcoholic ready-to-drinks while fortified wines continue to decline in importance, despite some investment in recent years by brand owners. ▶

METHODOLOGY

All figures in the *Checkout/ACNielsen* Ten Top 10 alcoholic drinks league tables are reflective of the UK off-trade and are sourced from ACNielsen's Scan Track service which monitors weekly sales from a network of EPoS checkout scanners. Scan Track includes data covering the whole of the UK from grocery multiples, convenience multiples, independents, multiple forecourts, impulse multiples, Co-ops and symbol group stores. In total over 82,000 stores are covered. ACNielsen's retail measurement service provides comprehensive information on actual purchases, market shares, distribution, pricing and promotional activities – it is the fastest and most accurate monitor of consumer sales in Europe.

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TOP 10 LAGER BRANDS

	Sales £m	% change
Stella Artois, Interbrew UK	585.41	-3.3
Carling, Coors Brewers	337.06	8.9
Foster's, Scottish Courage Brands	248.87	-6.2
Budweiser, Anheuser-Busch	154.39	4.8
Carlsberg, Carlsberg UK	150.67	56.9
Grolsch, Coors Brewers	127.60	10.1
Kronenbourg 1664, Scottish Courage Brands	119.77	7.2
Carlsberg Export, Carlsberg UK	100.41	32.2
Tennent's Lager, Interbrew UK	59.58	-3.7
Carlsberg Special Brew, Carlsberg UK	51.84	-0.2

THE BIG news in lager would appear to be the losses suffered by leading brand Stella Artois (down 3.3%) and number three brand Foster's (down 6.2%), both of which have enjoyed many years of sustained growth.

Interbrew UK and Scottish Courage Brands (SCB), along with other brewers, are keen to bring some value back into take-home lager or, as SCB puts it, "achieve sustainable market pricing". The long-term aim is to rely less on price discounting and the early signs are that some brewers are being more successful than others.

Stella Artois, by far the biggest take-home alcoholic drinks brand, and Foster's are seeing slightly bigger volume declines, indicating a better balance between price and volume, but there is still a long way for the lager market to go as some of the other contenders are seeing greater volume increases.

Interbrew has said retailers made more money out of Stella Artois last year than they did in 2003, despite lower volume sales.

The main success story is Carlsberg UK with three brands in the top 10 lager list and the two biggest growth brands, Carlsberg (up 56.9%) and Carlsberg Export (up 32.2%), helped during Euro 2004 year by the Carlsberg link to football. Carlsberg Special Brew, once a leading contender in the off-trade, makes a surprise return to the top 10 and cements its position as the leading superstrength lager.

Carling, Budweiser, Grolsch and Kronenbourg 1664 are all in growth, showing the continuing trend from ale to lager, which now accounts for the vast majority of take-home beer sales. This year, all the major brewers are looking to invest in their leading brands, in advertising, promotions, sponsorship and packaging innovations.



TOP 10 WINES

	Sales £m	% change
Hardys, Constellation Europe	220.41	4.4
Blossom Hill, Diageo	181.79	13.1
E&J Gallo, E&J Gallo Winery	162.40	18.7
Jacob's Creek, Pernod Ricard	156.32	11.1
Stowells, Constellation Europe	99.73	19.8
Kumala, Western Wines	97.70	21.7
Lindemans, Southcorp Wines Europe	74.73	11.5
Banrock Station, Constellation Europe	60.03	-1.7
Wolf Blass, Beringer Blass	51.62	77.4
Rosemount, Southcorp Wines Europe	42.98	-22.5

A COMBINATION of strong branding, regular price promotions and easy-to-understand wine styles is keeping the New World at the top of the branded wine league.

Of the top 10 brands, only Blossom Hill (up 13.1% in value), Jacob's Creek (up 11.1%) and Kumala (up 21.7%) are growing value ahead of volume growth, indicating that price promotions are still a vital element for wine in the major multiples.

The Wolf Blass range of premium Australian wines is the fastest-growing brand in the top 10, with value sales up 77.4% and volume sales almost doubling with the help of some generous consumer promotions. This summer the brand will be high profile with its status as the "Official Wine of the Test Match Grounds", with perimeter advertising and on-site sampling opportunities during the Ashes series against Australia. TV advertising is a possibility later in

the year.

The Hardys range, taking in all the Hardys branded variants, maintains its number one position, but Blossom Hill, the E&J Gallo range (up 18.7%) and Jacob's Creek are all closing in. Stowells (up 19.8%), with wines from around the world, is also having a good time, while Lindemans (up 11.6%) is being helped by its ongoing TV drama sponsorship.

Banrock Station (down 1.7%) is one of the few fallers in the top 10, but later this year brand owner Constellation Europe is lining up the launch of Banrock Station Reserve, featuring a blended white and a blended red retailing around £7.49.

Rosemount (down 22%) is the only major casualty after being one of the most heavily promoted brands in recent years. Brand owner Southcorp is in the process of introducing new-label labels across the single and dual varietal wines.

TOP 10 FORTIFIED WINES

	Sales £m	% change
Harveys Bristol Cream, Allied Domecq	28.04	-11.3
Croft Original, First Drinks Brands	20.75	-5.0
Martini Extra Dry, Bacardi-Martini	14.35	-7.4
QC, Constellation Europe	10.61	-4.6
Cockburn's Special Reserve, Allied Domecq	8.78	-20.4
Martini Rosso, Bacardi-Martini	7.19	-6.7
Stone's Original, Constellation Europe	6.23	-6.5
Martini Bianco, Bacardi-Martini	6.02	-2.9
Taylor's Select Port, Mentzendorff	4.91	-9.6
VP, Constellation Europe	4.65	50.0

IT IS pretty much gloom all around in the fortified wine market with nine of the 10 leading brands recording big losses. Only VP British fortified wine (up 50%) is in growth, more than making up for the losses suffered by Constellation Europe stablemate QC (down 4.6%).

Sherry's fortunes seem to have taken a turn for the worse again over the last couple of years after looking to have turned the corner, thanks to market investment by Allied Domecq on leading brand Harveys Bristol Cream and its other Harveys variants. Harveys Bristol Cream (down 11.3%) continues to suffer, while at least Croft Original has turned the

double digit decline of 2003 into a more modest 5% fall.

Bacardi-Martini is still struggling to turn around the fortunes of leading vermouth Martini, with its Extra Dry, Rosso and Bianco variants all seeing sales falls.

Port has proved to be a resilient market for many years, but brand leader Cockburn's Special is down a devastating 20% in a category that has seen big price discounting initiatives at key times of the year, especially around Christmas when many LBV (late bottled vintage) brands are promoted in the major multiples. Even Taylor's Select Port, which is only available on a price platform at certain periods of the year, is finding it hard to compete, with sales down 9.6%.



TOP 10 ALES AND STOUTS

	Sales £m	change %
Guinness Draught, Diageo	65.03	1.0
John Smith's Extra Smooth, Scottish Courage Brands	54.14	20.3
Boddingtons Draught, Interbrew UK	36.99	0.4
Guinness Original, Diageo	34.03	-6.4
John Smith's Original, Scottish Courage Brands	22.81	-3.2
McEwan's Export, Scottish Courage Brands	21.06	-12.4
Caffrey's, Coors Brewers	18.90	-26.8
Newcastle Brown Ale, Scottish Courage Brands	18.23	2.0
Old Speckled Hen, Greene King	16.62	5.7
Tetley's Original, Carlsberg UK	13.55	-7.2

SCOTTISH Courage Brands seem to have backed the winner in the ales and stouts stakes with the John Smith's brand, which this year began a three-year sponsorship of the Grand National. The brand now has Guinness within its sights, thanks to yet another 20%-plus increase in sales of John Smith's Extra Smooth.

The John Smith's advertising, featuring comedian Peter Kay, has been an important element in the brand's success in an ale market that has been in decline for some time. Boddingtons Draught is static, but other

mainstream brands such as John Smith's Original, McEwan's Export, Caffrey's and Tetley's Original are all losing value.

The premium end of the market, with brands such as Newcastle Brown Ale (up 2%) and Old Speckled Hen (up 5.7%), is still in growth but there are indications that the premium ale sector is starting to slow up.

Guinness is still an important off-trade brand, with the growth in Guinness Draught (up 1%) off-setting the continued decline of Guinness Original (down 6.4%). ▶



TOP 10 LIQUEURS AND SPECIALITY DRINKS

	Sales £m	% change
Baileys, Diageo	104.54	14.5
Southern Comfort, Bacardi Brown-Forman	23.31	6.3
Pimm's No 1, Diageo	20.20	-7.3
Tia Maria, Allied Domecq	19.37	-1.5
Malibu, Allied Domecq	17.27	10.1
Archers Peach, Diageo	11.98	-4.7
Cointreau, Maxxium UK	8.46	2.7
Drambuie, Bacardi Brown-Forman	6.80	10.4
Irish Meadow, Halewood International	5.52	0.9
Irish Knights Country Cream, First Ireland Spirits Co	5.21	-3.7



BAILEYS goes from strength to strength following a blip the previous year when off-trade sales were running just 2% ahead. Diageo invested £5m above the line at Christmas 2004, twice the spend of the previous year, and that investment is certainly paying off for the category leader, up 14.5% year-on-year.

The brand virtually has the cream liqueur market to itself, with Allied Domecq's Tia Lusso having fallen out of the top 10 and behind more value-for-money brands in Irish Meadow and Irish Knights.

Diageo may want to de-seasonalise some of the sales of Baileys, but it knows the summer remains all important for Pimm's

No1. Sales were down last summer, but that was against a phenomenal performance in the sizzling summer of 2003, when sales grew by more than 50%. This summer around £4m is going behind Pimm's, including new TV and radio advertising featuring the brand's 'Harry' character and a new website (www.anyoneforpimms.com).

Other big movers in the category include Southern Comfort (up 6.3% into second place) and Malibu (up 10% for the second year running). The more traditional liqueurs, Cointreau (up 2.7%) and Drambuie (10.4%), are proving particularly resilient, helped in some way by the growing consumer interest in cocktails and long drinks.

TOP 10 CHAMPAGNES

	Sales £m	% change
Moët & Chandon, Moët & Hennessy UK	44.50	0.7
Veuve Clicquot, Moët & Hennessy UK	23.37	29.4
Lanson, Lanson International UK	20.50	4.3
Laurent-Perrier, Laurent-Perrier UK	14.72	15.9
Bollinger, Mentzendorff	10.17	-15.5
Taittinger, Hatch Mansfield	9.22	21.9
Nicolas Feuillatte, Thierry's Wine Agencies	9.11	30.0
Etienne Dumont, Sainsbury's	8.69	-15.5
Piper Heidsieck, Maxxium UK	7.67	-4.4
Mumm Cordon Rouge, Allied Domecq Wine	7.27	-33.9



CHAMPAGNE is managing to achieve what many big branded still wines cannot and that is to raise prices and still see increased sales. The UK remains the biggest export market by far with almost 35m bottles being imported last year, up 1.4%, and prices rising in-store by around £1 a bottle.

There are some industry pundits who believe this rosy scene cannot be sustained and some time soon the point will be reached when consumers say Champagne is not offering the same good value as it used to.

At the moment, retailers do not have to rock the bubbly boat too much and demand big price discounts for those mainstream brands in the £15 to £20 price

bracket. Time will tell if that stance can continue, especially if sales do start to taper off.

Moët & Chandon remains by some way the leading Champagne but, like number three brand Lanson, it is experiencing a slight volume downturn but a slight increase in value.

Veuve Clicquot (up 29.4%) is now the number two brand but the market is also seeing double digit growth for other Champagnes, including Laurent-Perrier (up 15.9%), Taittinger (up 21.9%) and Nicolas Feuillatte (up 30%).

Champagne, however, remains a volatile market at brand level and the losers include two of the most well-known brand names, in Bollinger (down 15.5%) and Mumm Cordon Rouge (down 33.9%).

TOP 10 READY TO DRINKS

	Sales £m	% change
Smirnoff Ice, Diageo	61.59	-8.5
Bacardi Breezer, Bacardi-Martini	53.64	-19.4
WKD, Beverage Brands	47.58	-1.0
Red Square, Halewood International	20.59	-23.0
Archers Aqua, Diageo	20.31	-15.5
Reef, Coors Brewers	19.88	-26.7
VHF, Asda	7.60	-27.7
Baileys Glide	6.25	n/a
Mudshake, Independent Distillers UK	5.05	75.5
Caribbean Twist, Halewood International	4.90	11.4



THE ALCOHOLIC ready-to-drinks (RTDs) market may seem to be in terminal freefall but this is not preventing the main players from trying to revive the sector with new products and initiatives.

The seven leading brands are all in decline, although Beverage Brands' WKD only fell by 1% and it could even overtake number two brand Bacardi Breezer over the next year if present trends continue. The more male appeal of WKD, along with hard-hitting consumer advertising, may well be helping to restrict any losses in sales.

Market leader Smirnoff Ice widened the gap over Bacardi Breezer despite an 8.5% dip in sales. Red Square, Archers Aqua, Reef and Asda's VHF all saw double digit declines.

But Mudshake showed there is room for brands that offer a point of difference in the RTD market. A

massive 75% increase in sales propelled the brand into the top 10 for the first time. Halewood International's Caribbean Twist revived its fortunes by competing effectively at the more value end of the market.

Diageo and Bacardi-Martini have not given up on the category if recent brand initiatives are anything to go by. Diageo launched the Archers Vea sparkling RTD in three flavours with the backing of a £4m TV, poster and sampling campaign in May.

At the same time, Bacardi-Martini introduced Bacardi Half Sugar in Zesty Lemon, Refreshing Raspberry and Crisp Apple flavours, with a £2.5m summer campaign including press advertising, consumer promotions and sampling activity. The range is being pitched as a lower calorie alternative to beer, wine and

TOP 10 CIDERS AND PERRIES

	Sales £m	% change
Strongbow, Scottish Courage Brands	107.94	9.2
Lambrini, Halewood International	49.47	7.2
White Lightning, Scottish Courage Brands	25.85	-6.7
Gaymer's Old English, Constellation Europe	21.02	-4.2
Scrumpy Jack, Scottish Courage Brands	17.97	0.2
Blackthorn, Constellation Europe	15.55	-11.8
Diamond White, Constellation Europe	13.17	-17.5
Woodpecker, Scottish Courage Brands	11.24	-11.0
Country Manor, Constellation Europe	10.49	5.4
Frosty Jack's, Aston Manor Brewery	10.42	13.5

SCOTTISH Courage Brands (SCB) is well on the way to bringing added value back to the cider market with the value growth of both market leader Strongbow and leading premium cider Scrumpy Jack outgrowing volume increases.

Strongbow (up 9.2%), which has almost a one-third share of the take-home cider market, is benefiting from increased investment by SCB, which this year will include a £12m advertising spend and new-look packaging. New product development, linked to the Strongbow brand is expected in the summer. SCB's Woodpecker brand (down 11%) is having a more difficult time.

The first signs of a fall in sales of White Lightning (down 6.7%) are being seen since SCB dropped

all extra free offers on two-litre PETs, although the brand is still the biggest white cider by some margin. Aston Manor seems to be benefiting most from SCB's stance, with Frosty Jack's (up 13.5%) and back in the top 10.

The cider market is showing some signs of a revival, but Constellation Europe's three main brands, Gaymer's Olde English, Blackthorn and Diamond White are all in decline.

It will be interesting to see next year what the impact of the UK roll out of Magners Irish cider, complete with TV advertising, will have at the premium end of the market.

There are obviously still plenty of Girls Who Want To Have Fun as leading perry brand Lambrini (up 7.2%) continues to grow strongly and is now almost a £50m take-home brand. ▶





TOP 10 WHITE SPIRITS

	Sales £m	% change
Smirnoff Red Label, Diageo	159.28	8.8
Gordon's Gin, Diageo	93.27	7.2
Glen's Vodka, Glen Catrine	86.16	13.6
Bacardi, Bacardi-Martini	84.43	4.8
Chekov Imperial, Booker	19.70	1.5
Royal Czar, Winerite	16.29	-5.0
Vladivar Classic, Whyte and Mackay	16.03	23.1
Bombay Sapphire, Bacardi-Martini	15.11	7.4
Red Square, Halewood International	11.79	45.5
Prince Consort Vodka, Landmark	10.94	11.0

SUCCESS in the vodka market is all about recruiting 'legal drinking age' consumers and keeping them for as many years as possible. Gin, on the other hand, is about innovation and persuading (slightly) older drinkers that it is a category worth returning to or investigating for the first time.

These are strategies that appear to be working for both categories. Smirnoff Red Label (up 8.8%) remains the leading spirits brand by some distance, with the promotional emphasis in the major multiples on the one-litre pack. Heavy advertising support and a recent repackaging exercise are both helping to keep the brand on top.

Glen's Vodka (up 13.6%) is the clear leader in the value-for-money category, while Vladivar Classic (up 23.1%) is making

great strides in the mainstream vodka market.

Interest in gin is now high, with more and more new products being launched into the market, mainly in the premium sector. The big revival is with Gordon's Gin (up 7.2%), which seems to be reaping the years of investment made by Diageo. A recent innovation is the 40% alcohol by volume Gordon's Distiller's Cut, being supported over the summer by a poster campaign.

Bombay Sapphire (up 7.4%) remains the leading premium gin brand, while Bacardi (up 4.8%) is benefiting from the move away from alcoholic ready-to-drinks and back into mainstream spirits.



TOP 10 DARK SPIRITS

	Sales £m	% change
Bell's 8 Yr Old, Diageo	116.40	-3.2
The Famous Grouse, Maxxium UK	103.14	9.3
Teacher's, Allied Domecq	61.75	-14.2
Jack Daniel's, Bacardi Brown-Forman	49.89	11.4
William Grant's, First Drinks Brands	45.15	9.1
Courvoisier, Allied Domecq	29.65	7.4
Three Barrels, Diageo	27.04	-1.1
Martell VS, Pernod Ricard	25.74	0.4
Whyte and Mackay, Whyte and Mackay	25.26	-3.3
Glenmorangie 10 Yr Old	20.74	18.2

A SEA-CHANGE in the dark spirits market is at hand with The Famous Grouse poised to overtake Bell's as the leading blended whisky brand in the UK for the first time. A repeat of the performances over the last 12 months will see the two brands neck and neck in a year's time.

In recent years, Bell's has lost its long-held position as the off-trade's biggest drinks brand and since then has had its crown as the largest spirits brand stolen by fellow Diageo stablemate Smirnoff Red Label. Now four branded wines are more valuable than Bell's.

Other blended whisky brands, Teacher's and

Whyte and Mackay, are also declining. But it is not all doom and gloom in the Scotch whisky market, with William Grant's growing strongly and Glenmorangie malt whisky breaking into the top 10 for the first time.

There are other bright points in the top 10, with Jack Daniel's continuing to build sales in the off-trade impressively on the back of widespread distribution in the on-trade, where a JD and Coke is still a familiar bar call.

Cognac continues its revival with both Courvoisier and Martell VS (all be it slightly) in positive growth, while sales of French brandy brand Three Barrels are slightly down. ☞

