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BUYERS' GUIDE TO
MINDFUL
DRINKING
2019





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COMMENT

MINDFULNESS
IS HERE FOR
GOOD REASON

Drinks retailers that have noticed sliding sales of beers, wines and spirits might be inclined to lament the chasteness of those pesky millennial and generation Z consumers. "Why aren't they binge-drinking like their forebears?" they may ask. "And what, pray tell, is a protein ball?"

It is easy to blame antipathy among younger shoppers for declining volume sales within BWS: two-fifths of Brits aged 18-24 either do not drink or are trying to moderate their alcohol consumption, according to Kantar. However, it is really interesting to note that the largest group of teetotallers in Britain are women aged 50 and above. They account for a third of all people shunning alcohol.

That illustrates just how important it is for retailers to embrace the trend for mindful drinking, as demand is coming from both ends of the spectrum and it is growing each year. When we say mindful drinking, we really mean moderating alcohol consumption. This can take the form of drinking less but drinking better quality, and primarily it focuses on championing low and no-alcohol alternatives.

The craze for mindfulness continues to permeate every facet of British life. Mindful eating is all about chewing slowly and enjoying the taste and texture of every mouthful, rather than just shovelling in food. There is even mindful sex - it involves meditation, sensual stories, massage candles, sex toys, calorie counting and, ahem, fur oil, according to The Sunday Times.

Some of this noise is easy to dismiss, but mindfulness really focuses on making decisions to lead a lifestyle that is better for the wellness of your body and mind. This is important because people are living longer in a digitally enabled world, with reams of educational material on wellness at their fingertips.

People do not want the quality of their long lives to be diminished. The challenge for producers and retailers is to present drinks that are lower in alcohol or free of alcohol, but that also taste great and look great. They really should be presented in environmentally friendly packaging too.

Beers, wines and spirits have always flourished on the back of creating a sense of belonging, serving as the glue that holds social situations together. Now the challenge is to replicate that with high-quality alternatives that remove the harm and hassle from packaging, and benefit shoppers' health rather than put it at risk, while adding excitement, Instagrammability, personalisation and customisation. If retailers can crack this trend, the sector should enjoy a long and healthy future.

Martin Green, editor

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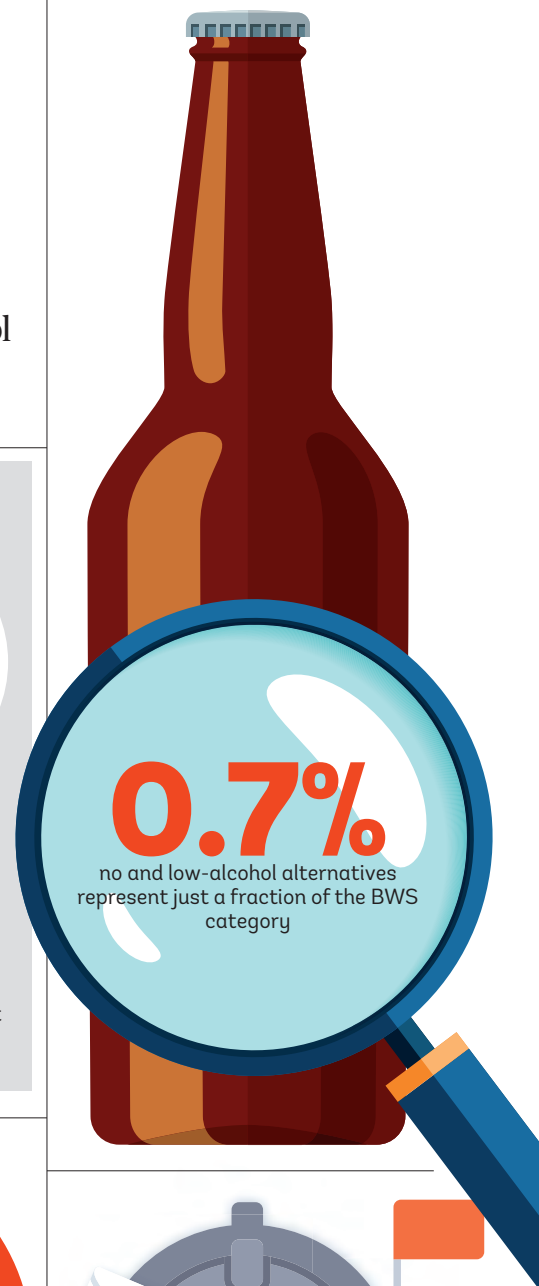
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AGENCIES



ANALYSIS: STATISTICS

MAIN FIGURES AT A GLANCE

A visual guide to how the numbers stack up for low and no-alcohol



SOURCES: NIELSEN, KANTAR, ONS



ANALYSIS: RESEARCH



BREAKING DOWN THE STATISTICS

Research by Kantar shows that consumers are prepared to pay a premium for products that fit a particular set of mindful credentials. By Martin Green

The no and low-alcohol category has seized £71 million in shopper spend from BWS over the past year, according to Kantar data. Andy Crossan, alcohol insight director at the research firm, addressed a room of mindful drinking enthusiasts at a recent Kiasco Research summit on the topic. He reports that only 2% of people who bought no and low-alcohol drinks over the past year were previously teetotal.

"It's very rare that people move from outside the BWS sector into low and no alcohol," he says. "We know that it's younger drinkers who are more likely to dabble in low and no."

"It has done well among young and affluent consumers."

"For the younger generation, it's more about moderating. Two-fifths of 18 to 24-year-olds tell us that they are actively trying to moderate their alcohol consumption. At the other end of the spectrum, the highest percentage of teetotalers per demographic group comes from 50-plus females. They account for a third of non-drinkers in Britain and that is growing."

"We have younger drinkers moderating, and the older generation cutting out alcohol altogether."

Crossan is keen to point out that the average modern consumer is "very conscious". He does not simply mean that they are awake, rather that they are mindful of the drinks they consume and the purchasing decisions they make.

"One third of shoppers try to buy products with environmentally friendly credentials," he says. "Almost half of consumers believe that manufacturers should be leading on reducing use of plastic. Carlsberg has brought out a

bottle entirely made of paper. Refillables are becoming more prominent in supermarkets."

"Low and no can offer a lot of flavour. It can offer the experience of having an alcoholic drink, but being either low or no-alcohol. It fits well into the conscious consumer element. Consciousness will continue to be a driving force for the 2020 consumer."

"Consciousness goes hand in hand with health. On average we are willing to spend 17p more on a meal when it hits that health credential. If it can market itself and touch upon enjoyment, practicality and health then a premium is really justified. One example is Nakd bars, which sell at a premium of 25% more than your average chocolate bar, despite being 40% lighter in weight."

"We can see the parallels you can draw from no and low. Justifying a premium relies on clarity and points of differentiation."

CHOOSING NOT TO DRINK

Kantar surveys 30,000 households on a regular basis and monitors why people choose not to drink alcohol. "Across all age groups, not liking the taste is either number one or number two in the list of reasons," says Crossan. "That is the biggest hurdle that alcohol brands and no and low brands have to get over."

"The good news is in 2017 a fifth of consumers said they didn't buy non-alcoholic and low-alcohol beers because they didn't like the taste, whereas in our most recent survey the highest answer for people who drink them is because they taste really good. Although there's a long way to go in this area, it's very interesting that it is shifting in a positive direction."

Many brand owners ask Crossan if shoppers are picking up alcohol-free beers by mistake, thinking they are alcoholic. "Well if they were, there's a pretty high percentage coming back, and that is a key trend in this area," he says. "If you can get your taste right, in terms of non-alcoholic beer in particular, the repeat rates tend to be very high. A few brands are touching 50% on their own in this area, so there's an opportunity in that."

He points to Adnams Ghost Ship alcohol-free as a good example of a brand enjoying strong shopper loyalty in this space. "There is nothing that premium within no and low-alcohol beer and cider,"



Low and no can offer a lot of flavour. It can offer the experience of having an alcoholic drink, but being either low or no-alcohol

he adds, highlighting an opportunity for retailers and for producers such as Big Drop and Small Beer.

"Spirits at 0% has been a real key differentiator in the market. It has found a good niche to go after and is reaping the benefits of it," he says.

Crossan adds that the wine trade can learn a lot from spirits when it comes to promoting alternative serves that help Brits moderate their alcohol consumption. "Spirits have got ahead of the game on it," he says.

"Be creative with it and think about how you can market your drinks along with a soft drink, a mixer, to bring it down in abv and bring it down to that lower alcohol."

"Wine with a mixer is growing at 8.1% year on year. It's a good area for wine to look into, considering spirits is cracking this sector considerably at the minute. The occasions that it attracts are upbeat and about socialising, an area in which low and no-alcohol does very well."

"It also attracts younger consumers - 41% of still wine serves with a mixer are 18 to 35. It could be about taking your brand, which maybe doesn't have the credentials of a no and low, but think about how you can reinvent it with a serve to attract moderators, because there is a massive opportunity to capture moderators through spritzers in particular."

"A higher percentage of those drinking these drinks are happy to consider low and no alcohol and they are trying to moderate. The average trying to moderate is 40%, but it's 51% in this area."

"For the conscious consumer, there is a pattern developing - younger consumers moderating and older consumers leaving alcohol. The 2020 consumer is very conscious, and that will continue to drive decision making in the future for purchases."



If you can get your taste right, in terms of non-alcoholic beer in particular, the repeat rates tend to be very high

ANALYSIS: LABELLING

CLARIFICATION CALLED FOR ON DEFINITIONS OF LOW AND NO

At the moment, product labelling is dependent on a variety of abv percentage levels, which creates confusion for all involved. The general consensus is that greater guidance is needed. **Martin Green** reports

Drinks producers reacted with dismay last year when a Department of Health consultation resulted in no change to guidance around labelling of no and low-alcohol drinks. That maintained a frustrating status quo. Under current guidance, only beers and wines of up to 0.05% abv can be labelled as alcohol-free. Those with an abv of 0.5% to 1.2% should be labelled as low alcohol. Anything between 0.05% and 0.5% is supposed to be described as de-alcoholised.

This is problematic for producers and retailers as it creates confusion among consumers and stifles growth in an important category. In Germany a 0.5% beer is labelled alcohol-free and in the US it is referred to as non-alcoholic. This is because a beer or wine at 0.5% abv has no physiological impact on the body. It is too weak to affect the blood alcohol level, and is safe for drivers and pregnant women to enjoy. Yet they are often left concerned by the product being described as low-alcohol rather than alcohol-free or non-alcoholic, and that deters them from making a purchase.

Orange juice typically has an abv of 0.5% as a result of natural fermentation, as does a banana and a loaf of bread. "You can currently buy kombucha that's 1.2% abv in Waitrose without age ID, so who knows what the rules really are at the moment?" asks Laura Willoughby,



Everything 0.5% and below should be no-alcohol. That's where it is across the rest of the world



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founder of consumer group Club Soda.

The Department of Health has seemingly realised that its decision not to change the guidance is an error, and it has just finished another consultation with Public Health England about the benefits of telling people that drinks at an abv of 0.5% and below are alcohol-free.

"I am hoping it will come out with the right suggestion, bearing in mind one of its strategies is to promote more low and no-alcohol as a way of helping people reduce their drinking," says Willoughby. "Everything 0.5% and below should be no-alcohol. That's where it is across the rest of the world. At the moment, when producers are asked about it being 0.5%, they go, 'oh I don't know, it's the same as a banana', and everyone panics.

"Spain and Germany have such buoyant, accepted alcohol-free beer markets, because the pregnancy groups, the driving groups, the government and everyone else were aligned on what was alcohol-free, how much you can drink and these were OK if you're pregnant and driving and so on.

"It's a bit ridiculous anyway, because they're only guidelines. It's up to Trading Standards to decide on. There's no comeback at the minute. Nobody has told anybody off, nobody has asked anybody to re-label their products. Nanny State [which is 0.5% abv] is still called alcohol-free on the label. If a minister can be kept in the Department of Health for long enough it might help."

BACKING CHANGE

Some producers of 0.0% abv have warned that it would be misleading and dangerous to refer to 0.5% abv beers as alcohol-free beer. However, the British Beer & Pub Association and the Portman Group have backed a change in guidance. "We're seeing a real boom in the popularity of low and no-alcohol products," says Portman Group chief executive John Timothy. "The impending expiration of current guidance around their definitions has acted as a catalyst for a rethink of descriptors for this important category of drinks.

"We feel strongly that more support should be given to the development of low and no-alcohol drinks because of the role they play in encouraging people to drink responsibly. There are currently four descriptors in use, which are confusing for both producers and consumers to navigate.

"Bringing the UK's alcohol-free threshold up to 0.5% from where it currently sits at 0.05% will bring UK regulations in line with existing practice in the majority of European countries - this will create a level playing field for UK producers and will also give consumers



We feel strongly that more support should be given to the development of low and no-alcohol drinks because of the role they play in encouraging people to drink responsibly

greater clarity as they make purchasing choices."

Willoughby can offer some intriguing examples of just how muddled the current guidance around labelling is.

"At the minute, as an alcohol-free beer you have to say what you are [alcohol-free or low-alcohol]. But if you are a soft drink, the rules don't apply, you can be 0.5%," she says. "Equally there's no sugar tax on Kopparberg alcohol-free, because it's an alcohol-free cider, but if it was a soft drink it would have sugar tax.

"So every soft drink should call itself an alcohol-free version of an alcoholic drink to get out of sugar tax, and every alcohol-free beer should call itself a soft drink and then it can have whatever abv on it," she says. "That's the weird situation at the minute.

"Consistency around messages needs to change. I hope that will change. If the government really thinks people are at risk when consuming things at 0.5% abv, then it really needs to look at other drink types."

The government is a bit tied up with election fever and Brexit right now, but it should eventually get around to tightening up its alcohol strategy and labelling guidance.

"Once it has changed, the sector needs to come together and work out how it talks to those other key influencers in the sector, to have a very clear and consistent message," says Willoughby. "Who looks after this sector? There isn't a trade association in place. The existing trade associations such as SIBA have some responsibility in this space, but there are some new things to discuss, and nobody is bringing the concerns up for wider discussion.

"There will be perception hurdles as well as regulatory hurdles that need to be discussed." 🍷



SEEKING COHESION IN A FRAGMENTED CATEGORY

While it's a tiny market at the moment, no and low-alcohol is only going to grow, our roundtable experts agree. But the trade needs to work together to properly define the sector and ensure a smooth journey into the future. **Martin Green** reports from the event

ANALYSIS: ROUNDTABLE

THE PANEL



ZOEY HENDERSON
Head of operations, Redemption



RICHARD JONES
Managing director, Reh Kendermann



LAURA WILLOUGHBY
Founder, Club Soda



DAWN DAVIES MW
Head buyer, the Whisky Exchange

Sales of beer, wine and spirits are declining each year as increasing numbers of Brits strive to moderate their alcohol consumption and lead healthier lives. Drinks retailers can help preserve the future health of our industry by championing the mindful drinking movement that is sweeping the nation.

Sales of low and no-alcohol alternatives account for just 0.7% of the BWS category, while annual sales of adult soft drinks currently stand at just £202 million per year (Nielsen and Kantar). However, there is a great deal of potential for this flourishing sector. Consumer demand is rising, it has the potential to offer high margins and it is important for retailers to back it from a responsibility standpoint.

Yet right now the category is embryonic, muddled and fragmented, so it is important to bring the trade together to share best practice and to work on a blueprint for shaping a successful future.

With that in mind we assembled a heavyweight panel covering many different facets of the trade to discuss the potential of this sector and how to ensure that it thrives long into the future.

It comprised: Dawn Davies MW, head buyer at the Whisky Exchange and Speciality Drinks; Freddie Cobb, buyer at Vagabond Wines; Zoey Henderson, head of operations at Redemption, a



The messaging, the education and labelling are in a bit of a mess right now, but it will become much clearer in future

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THE VENUE

Thank you to Vagabond Wines for hosting DRN's roundtable discussion about mindful drinking.

VAGABOND

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group of alcohol-free, gluten-free, vegan bars; Richard Jones, managing director of Black Tower supplier Reh Kendermann and chairman of Yapp Brothers; Nick Worthington, commercial director at Big Drop; and Laura Willoughby, founder of Club Soda, an organisation of 45,000 members that encourages mindful drinking and runs festivals to that end.

Willoughby's research suggests that 8.6 million people are moderating their drinking this year, and she aims to create a society in which nobody has to feel out of place not drinking. She is concerned that nobody is looking after this sector, and no trade body is taking ownership of it. "There are perception hurdles as well as regulatory hurdles that need to be discussed," she says.

DISJOINTED SECTOR

The no and low-alcohol sector certainly seems extremely disjointed. There is little consistency around merchandising in the retail channel, shoppers are often unsure where to find these drinks and terms such as low-alcohol and alcohol-free can be confusing for consumers. The pricing is polarised, with alcohol-free wine typically selling below £4 per bottle and the likes of Seedlip, Ceder's and Aecorn pushing towards super-premium price points.

The category clearly has a long way to go, and there are many obstacles to be overcome, but the trade clearly recognises its potential. "I am seeing increasing sales and increasing numbers of products coming through, but I am seeing increasingly bad products and I am seeing a need for more clarity around the topic," says Davies, who launched Seedlip at Selfridges and then at the Whisky Exchange when she changed jobs.

Henderson adds: "It's in such a unique place and it's in such infancy. The messaging, the education and labelling are in a bit of a mess right now, but it will become much clearer in future. We have to drive it."



NICK WORTHINGTON
Commercial director, Big Drop



FREDDIE COBB
Buyer, Vagabond Wines



SONYA HOOK
Deputy editor, DRN



MARTIN GREEN
Editor, DRN

Davies is pleased to be making high margins by selling drinks that mimic spirits, but unsure if it is ethical. "I wonder if no and low is ripping off the consumer," she says. "We make very high margins on no and low. It is huge. It's good for me to make a higher margin, but is it right?"

Jones argues that the trade needs higher-margin products if it is to survive, and urges buyers to champion this category. "The drinks industry, compared with a lot of retail industries, especially in the off-trade, has one of the lowest margins," he says. "One of the reasons there are very few large specialist chains left in the industry is that it's not sustainable to run a shop on the margins that are currently out there. As an industry we need to have exciting products that enable the trade to actually make a living.

"At the moment, if you look at the commercials of running most drinks companies, as a specialist it's extremely difficult to make a living. As a grocer it's great, because if people buy a whole basket of groceries and then add alcohol to it, that's an additional sale. But if you are surviving purely on selling alcoholic products, the industry really needs another 10% margin to be really healthy. It's great if they are offering that margin. Take it."

CRUCIAL ALTERNATIVES

Jones has worked in the wine trade for more than 40 years and he believes low and no-alcohol products are crucial to its sustainability. "This is really critical for us, particularly for the wine industry," he says. "Having had a glorious 50 years of growing wine sales as it was demystified and the supermarkets started selling it and sales grew enormously, wine sales have been reducing for at least five years now, and we need to sell something. Lower alcohol is how we can offer alternatives."

Cobb worked in wine production before becoming a buyer at Vagabond, and he says he is still to find an alcohol-free wine of the requisite quality to stock and put on its Enomatic machines. "I'm yet to taste anything that we would be proud enough to put our names to, so that's a concern," he says.

The beer category has enjoyed greater success within the low and no-alcohol sector as it has come closer to replicating the taste, texture and experience of drinking a lager or an ale. "Beer seems to be the easiest transition for people to understand," says Worthington. "As long as there are brews out there that taste pretty close to alcoholic beer. It's about choice, not compromise. You don't have to compromise on flavour or quality, you just open up a choice of having alcohol or not.

"When you are naturally brewed - we

don't dealcoholise, we don't extract, we don't use reverse osmosis - we go through the full brewing process and you end up with a beer that tastes like a beer and you are not compromising at all.

"We make beer to taste like beer, but without the alcohol, and we are very much quality driven. Looking after yourself is a massive trend now, and not drinking no longer carries a stigma. It seemed to be ridiculous that there wasn't great beer out there without alcohol in it, so we created Big Drop.

"The demand is there now from consumers for quality products."

Redemption was ahead of the market when it first launched bars selling alcohol-free drinks and vegan, gluten-free food six years ago. "Now, thankfully, the trends have caught up with our offer and we are very much on brand," says Henderson. "At the start it was all about imitating alcohol and imitating meat, as that's how you get



Davies: "We have to be responsible as buyers to give the consumer a good product"



The whole soft drinks category needs to be flipped on its head. No retailer worth its salt should sell cola or lemonade



people into it. But ultimately many people don't want imitation.

"Some people still want something that tastes a bit like rum or tastes a bit like gin, and you get those flavour profiles. Then you get the plant spirit category, where they are more like botanical tinctures. It's a cross between alchemy and mixology, and it sits in a different category."

Davies agrees with this sentiment. "They are two separate categories and they need to be looked at in very different ways," she says. "It has to be two very distinct things to educate the consumer in the right way."

The biggest obstacle for her is texture. "With no alcohol in it, texture is often an issue," says Davies. "Texture is really important in the whole experience of alcohol. The only product I have come across that gives me texture and good flavour is Aecorn. That's really interesting and a really important part of the journey.

Natuero by Torres is also a very good product.

"It's not all about replicating, but giving someone who normally drinks alcohol the experience of drinking alcohol, getting as close as possible to that sensation in terms of taste and texture. It's hugely important. It's less important for someone who was never a drinker."

Cobb adds: "The low and no-alcohol wines I've tasted just don't have the texture and mouthfeel. People are moving away from crisp, light wines such as Pinot Grigio. They want something that has a bit more body to it. Not necessarily more alcohol, but more body, texture and mouthfeel to it."

REDUCING SUGAR

Some producers use sugar to provide texture when creating alcohol-free drinks, but Redemption is also a sugar-free bar. "A big reason for people not drinking alcohol is they want to reduce their sugar," says Henderson. "We know how much sugar alcohol contains. It's finding that balance and finding products that can mimic the flavour profiles and textures of alcohol without using sugars.

"But for us it all boils down to education, because people are unaware of the percentages, what's in the drinks, how to drink it and how to mentally assess price points. With vegan food, people attributed the meat on the plate to the value, but it's actually the creation of the dish and the flavours, and with non-alcoholic drinks it's the process, the herbs, botanicals, textures and flavours. All of those combined. You have to start a whole new education process.

"The whole soft drinks category needs to be flipped on its head. No retailer worth its salt should sell cola or lemonade. They're not good products. They're full of chemicals. They're bad for you. If the other drinks on your menu are shining examples of provenance and taste, and then you automatically stick cola on the menu, that's got to stop."

Jones is also keen to point out that alcohol-free and low-alcohol wine allows consumers to significantly cut back on calorie intake. "Zero-alcohol products tend to have about less than half the calories of the full-alcohol product," he says. "Our 5.5% abv wine has only 55 calories, and our zero-alcohol wine has 45 calories a glass. With the average 13.5% abv wine, you are probably looking at about 135 calories for a dry wine.

"Alcohol carries twice as many calories per gram as sugar, because the calories are very concentrated. For those who are reducing calorie count, low or lower are extremely good."

He appreciates that spirits and beer have an advantage over wine when it



Henderson (top right): "You have to start a whole new education process"

comes to communicating with consumers in the no and low-alcohol sector.

"Some of the companies in the spirits industry are masters of branding," he says. "Diageo [which recently took over Seedlip] is probably one of the best branding companies in the world, but it also has the financial resources to invest massively. The wine industry is incredibly fragmented. There are hundreds of thousands of wine producers, and the investment in brands is relatively small, because no company has the financial might of Diageo to do it.

"The company with the largest market share in the UK is 5%. That compared to most FMCG sectors is very small. Trying to get new concepts to consumers requires communication. The fastest way is advertising. If you've got a very small budget, it's much slower and more difficult to get the message across, so you've got to be very canny. We have a very fragmented industry.

"There will be very exciting things



that suddenly poke their head up. Seedlip is one of the most interesting things that has happened, because it has created its own category. It's another Hoover or Dyson or Biro, it really has been very clever.

"Trying to do that in wine is very difficult. The brands are all quite small. Beer is four times bigger than wine is in this sector because the big brands are behind it."

Most major brewers have piled into this space and secured listings with the multiple retailers, but Worthington warns that this is not necessarily beneficial for the future health of the category.

"The big brands are behind it, but that's not always good," he says. "They often don't know what to do, and they dealcoholise it, and you end up with a poor product. Their consumer has to compromise, and it doesn't always help the category."

"We were told by one of the big retailers recently that if one of the big guys came in with their alcohol-free version of their biggest selling product we would be out the door immediately. We know that product coming out would not even be a fifth the quality we have put in, but it has a brand name. There is a risk in the beer space that the big brands are piling into the retail space and squashing out the earlier alcohol-free brands that were more craft and quality driven."

"The retailers were quicker to pick up on consumer demand than the on-trade. The on-trade has been much slower and the barriers have been up. The consumer

demand has not followed through, but it's changing this year. The on-trade is now looking for better quality."

"The retailers were quicker onto the trend than the on-trade, but the on-trade is now catching up."

SERIOUS MOVES

Jones believes the grocers are now taking this category very seriously. "There is now a specific buyer for low and no-alcohol wine," he says. "The beer buyer will buy the low and no-alcohol beer. A wine buyer will be given certain countries to buy, and tacked on will be low and no-alcohol. There is some thought being given to it, and most supermarkets now have some sort of low and no section. It might just be wine, or it might be all together. The consumer now has something that is reasonably well signposted. Lower-alcohol will tend to be put into the main category as a sub-category. In the earlier days, it was a real problem. You don't put it with Coca-Cola, because it's a very different drink to the soft drinks."

"The major retailers are taking this very seriously, because they are selling more and more each year. Money drives these things, and space. We have probably been through the most difficult stage - the infancy, where people weren't quite sure - and now people are sure, and we see a lot of big multiples with their own-label range, but for the category to grow you need brands, because they tend to be more innovative, more exciting."

Davies says that promoting simple serves that shoppers can easily make at

Cobb: "People are moving away from crisp, light wines such as Pinot Grigio. They want something that has a bit more body to it"

home will be crucial to the success of the category, particularly for the drinks that mimic spirits. "Aecorn and soda is simple, fresh, low-sugar, low-calorie, easy to make. Those simple serves are very strong in the market. That's why gin has done well."

She believes it is the big brand owners that will drive growth in this sector. "Why are Moët, Tanqueray and Ciroc so popular?" she asks. "They have marketing budgets and advocates such as Beyoncé. The hope is that with Diageo now taking on Seedlip, that may change. It is doing that mass market branding. The big brand owners will drive the mass market."

"There are some awesome brands that are doing some funky stuff that is changing the industry and how people perceive wine. They are making it more consumer friendly and reducing alcohol levels. Wine is not standing still, it's just working in a small parameter."

Yet she argues that buyers need to serve as gatekeepers for the category and ensure that it retains integrity going forward. "It cannot go the way of gin."



We see multiples with their own-label range, but for the category to grow you need brands, because they tend to be more innovative

There are gins out there that are not fucking gins, because they have no juniper in them. If we don't act now, the industry will be 10 miles down the road.

"If it's not a gin, it shouldn't be referred to as a gin. You can liken it to something. I said to one producer, I am not going to sell your product, because by EU definition you cannot call it a triple sec, you cannot call it a liqueur, because you are by law wrong, and if I don't stand up for that then I am allowing these people to do what happened with gin. They are changing the labels now, because I said it's illegal, you can't do this. It's up to me as someone who knows what the law should be to help safeguard the consumer.

"There have to be rules put in place, people defining what is an alcohol-free product. I have to stand up for what

Willoughby:
"Supermarkets actually have a lot of space. You could do tastings of your ranges"

the law tells me a product is. We have to be responsible as buyers, to give the consumer a good product and to help the consumer to understand what that product is. We are responsible as retailers and bars for the consumer, but the producer has a responsibility to say, 'this is my category, is this an acceptable product?' and then drive it."

MARKET DRIVERS

Worthington believes the category will be driven by a combination of PR, marketing, online activity and partnerships between suppliers and retailers. "Communication is definitely an issue in a retail environment," he says. "Online it's easy, because you can present more information about the product than what's just on the pack. Driving trial is big for us, because once they taste it they say, 'wow, that is not what I expected, it's much better'."

Henderson says sampling can be tricky in a retail space. "It's difficult in a supermarket environment, because you get a thimble of it, it's warm and it's not very exciting," she says. "You want it in a nice glass with a garnish. Retailers can work with brands to do little pop-ups and masterclasses, to get the people from the brand in to give the staff an education. That's really important, to give that support.

"The brands can then use their online space to build resources, and there's also a responsibility of working with PR and press to create more noise about it, and to have more mindful drinking festivals, to re-educate people about it."

Willoughby has seen multiple retail buyers join her group to research what consumers want in this space. "Supermarkets actually have a lot of

space," she says. "You could do tastings of your ranges. We know that if you do a beer tasting or botanical tasting, these events are full. People will buy a brand of alcohol they haven't tasted before, because they know what it does. They won't spend £1.50 on an alcohol-free drink unless they know they definitely like it, which is why we do the festivals."

Henderson was impressed by Sainsbury's decision to launch a pop-up bar in London called the Clean Vic. "That was an amazing thing to do," she says. "The smaller brands can piggyback on that. If big brands are smashing loads of marketing budgets and having celebrities endorsing low and no-alcohol brands and putting huge spend on online advertising and above-the-line advertising, then that's educating consumers, and they can then get into the smaller brands."

She feels many of the challenges that dogged the sector in its infancy are starting to be ironed out. "It has been a logistical challenge," she says. "We now use a non-alcoholic wholesaler we can get all our products from. At the start there were independent brands, and you would have their product in for a couple of weeks, then you couldn't get hold of them, then they would disappear, you would be waiting for the next batch to be made.

"In its infancy there were so many problems with routes to market. Low and no-alcohol wholesalers have been a massive help, because you can get it all from one place. That's a huge barrier lifted."

This trend for moderation looks likely to accelerate in the future and it is becoming easier than ever to make a success of it. Retailers that embrace it could reap the rewards in the years ahead. It might even help them stay in business. ☺



**ANALYSIS: ALE**

HOW BEER GOT RECAST AS A LOW AND NO ROLE MODEL

Once little more than the butt of many jokes, this category has now become a hero of the reduced-abv movement, showing how it's possible to retain flavour and quality in the absence of alcohol. Nigel Huddleston reports

The early-1980s comedy sketch show *Not The Nine O'Clock News* captured the public mood around alcohol-free beer in a spoof commercial for Barbarian, a send-up of Barbian, then the market leader in the UK. You can find it on Youtube. The sketch sees Rowan Atkinson impersonate Lawrie McMenemy, the football manager who advertised the real thing, in a voiceover for a film in which Atkinson and co-stars Griff Rhys Jones and Mel Smith play a group of dockers working up a sweat during a heavy shift.

They retire to the pub at the end of the day for a glass of the beer which the voiceover tells us is "clear, cool, flavourless but, above all, refreshing, pint after pint". The trio then demonstrate its cool, refreshing properties... by pouring it over their heads. Cut to Atkinson in a bath of the stuff and the commentary advising: "But mind, don't confuse it with beer."

The sketch summed up the feeling



about alcohol-free and low-alcohol beers at that time: that they were laughable, pallid imitations of proper beer, even the landfill lagers that were increasingly taking hold of the UK market.

Nearly four decades of knocking at the door later and low-alcohol and alcohol-free beers appear finally to have made it over the threshold from joke category to become serious contenders for British consumers' affections.

In the UK, Barbican has been consigned to history - though the brand is still brewed in Dubai and popular in Malaysia



We've developed innovative techniques and turned to ingredients that include specialist yeast and grain selection

CORE PRINCIPLES

Not only have low-alcohol beers changed beyond recognition but the range of reasons for seeking them out has widened as well.

What was once a single-function product - looking like you were having a beer when you had to drive home - is now a multi-purpose one.

John Hadingham, managing director of Suffolk's St Peter's Brewery, which has been seeing success in supermarkets with its Without alcohol-free brand, says modern health concerns are playing more into the hands of completely alcohol-free products than the low-alcohol band above 0.5%.

"There is more interest in 0.0% and 0.5% abv than the low-alcohol sector, with one in three young adults shunning alcohol and one in five British adults now being teetotal," he says.

"The surge in demand is definitely driven

by four factors: lifestyle, health, religion and drinking occasions."

Graham Archibald at Morgenrot adds: "It started with the health-conscious and abstainer, but there is undoubtedly a younger generation who aren't as interested in alcohol as previous ones helping to drive further interest and growth."

Rob Fink at Big Drop says: "In a customer survey we found that only a fifth of respondents chose not to drink alcohol at all. Most are simply looking at ways to moderate their drinking without giving up beer altogether."

"The underlying reasons for that could be general health and wellbeing or any number of specific things, such as training for a sporting event, corporate policy for working hours or pregnancy."

ACTION POINTS FOR RETAILERS

TOP TIPS

"Just as you'd make suggestions on alcoholic drinks, start driving interested consumers to your no and low ranges. Consider shelf-talkers, signage and in-store promotions that drive trial. For smaller stores, tastings are a great way to dispel any myths about quality and taste. Low and no drinks are a world apart from how many of us may remember them, thankfully."

JOHN HADINGHAM, ST PETER'S

"As with any drink sector there is good and bad out there so make sure you try before you buy. Even better, get some of your customers to blind taste some. We're confident our beers will more than stand up. If you can start by offering three or four differing styles that really deliver on quality, you can then adapt and expand where necessary. A quality lager has to be the first concern, then a weizen and maybe then look at a couple of craft ales."

STEPHAN KOFLER, KROMBACHER UK

"Take the time to understand what it is you're offering your customers. Engage your suppliers in training for your staff and activations for your customers. Also think about ranging. These options aren't 'diet' or 'light'; they're first and foremost for drinking occasions, so they should be treated as such. Think about milk: full-fat and skimmed sit side by side, not in completely different aisles."

JAMES GRUNDY, SMALL BEER



- but the category as a whole is enjoying massive growth on the back of huge shifts in consumer drinking habits and perception of such products.

What's more, the products themselves have actually changed. The fashion for bigger, bolder flavours in full-strength beers have inspired a new generation of brewers to create low-alcohol brews that deliver more character and body.

The 0.5% abv specialist Big Drop is just one example, adopting different processes from those early Barbicans to get flavour and body into the beer rather than take it out.

INNOVATIVE TECHNIQUES

Founder and chief executive Rob Fink says: "There's a world of difference between what we do - brew to strength so there's no extraction of alcohol after the event - versus what other brewers do with, say, their reverse osmosis kits."

"We've developed innovative techniques and turned to ingredients that include specialist yeast and grain selection - more than 20 different varieties - with brewing temperatures that, well, go against the grain."

"We sometimes add lactose which boosts the mouthfeel and avoids the watery texture that blights many alcohol-free beers."

Martyn Railton, managing director at speciality beer importer Euroboozer, says its sales growth in no-low was around 500% in 2018 and that's accelerated to 650% this year.

Railton reports particular success for gluten-free low-alcohol beers from Stiegl in Austria and a 0.3% range from Mikkeller of Denmark.

"No and low alcohol lagers and wheat beers have been the early pacesetters but I think we're seeing different beer styles and abvs now fighting back," he adds.

"The depth of beers now available



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and the innovation being shown from brewers is remarkable.

"Our range now includes more than 20 different beers and we're always actively on the lookout for others."

Its recent deal to represent the Danish brewer To Øl in the UK has brought the producer's 0.4% abv Under The Radar into the fold.

"We now have no/low-alcohol wild fruit beers and stouts too," adds Railton. "This sort of thought, creativity and innovation around low-alcohol beers has never been seen before so it's a great time to drink beer, whether you want alcohol or not."

RIISING TO THE CHALLENGE

There's little doubt that some supermarkets' support for low-alcohol beer, with dedicated bays and greater choice, have propelled the category forward over the past five years or so.

Railton thinks the low-alcohol challenge is now being taken up further down the retail food chain.

"When it comes to the big brands, the supermarkets are leading the way in terms of volume, but when it comes to choice, variety, different beer styles and limited-edition beers, independent bottle shops and online retailers are doing a fantastic job," he says.

Multiples' ranges still tend to focus

more on low-strength lagers, particularly alternatives to big brands such as Budweiser Prohibition, Peroni Libera, Heineken 0.0 and Beck's Blue.

Fink at Big Drop says Sainsbury's recent pop-up, alcohol-free Clean Vic pub in London's Holborn was a sign that multiple buyers are starting to "get it" more but thinks independent retailers have been central to helping the category diversify.

He adds: "At first, I was often met with a blank look, even from the most progressive of independent craft beer shops."

"Now, after just three years, it would be pretty unimaginable not to have a decent alcohol-free section in a craft beer shop and the multiples are playing catch-up on that."

"We've always aimed to give people choice so they can still drink whatever style of beer they like, whenever they like, rather than being forced down the route of not-so-great-lagers."

"We're expanding our range with a new Golden Ale, available in 50cl bottles, and a series of 0.5% abv collaborations with well-known breweries to broaden our craft credentials, so that their customers can better understand that the alcohol-free label no longer means watery or watery."

It's also just released a quartet



DEFINITIONS

With the market for lighter abv drinks diversifying at a rapid pace, descriptions such as "no-alcohol", "alcohol-free" and "low-alcohol" are often used as if they are interchangeable.

The Department of Health & Social Care issued new "descriptors guidance" in a bid to help consumers and businesses make sense of this area in December 2018.

The definitions it lays down are paraphrased as follows:

- Low-alcohol: 1.2% abv or less
- De-alcoholised: 0.5% abv or less and only applied to a drink where the alcohol has been extracted
- Alcohol-free: 0.05% abv or less where the alcohol has been extracted

In addition, the term non-alcoholic shouldn't be used in conjunction with a name commonly associated with an alcoholic drink, hence Heineken 0.0 is more accurately alcohol-free than non-alcoholic.

There are exceptions around spirits which makes the whole new Seedlip-inspired category a hot potato and one reason many brands in it shy away from using the word "spirit" at all.

In addition, all products, whichever slot they fall into, are required to state their actual abv anyway, or that they contain no alcohol where they don't.

The new guidance was issued last year and replaced legal definitions that had been in place since 1996 under the Food Labelling Regulations. Effectively, the labels are now voluntary and offer more wiggle room for producers, but local trading standards will use the guidance to "help determine compliance" where they believe labelling is misleading, inaccurate or unclear.

The quasi-voluntary nature of the guidance, bending to convention rather than rules, is why some brewers freely move between the categories even where their abvs don't match the prescribed definitions. For example, Big Drop calls its 0.5% beer alcohol-free, as does Adnams with its 0.5% version of Ghost Ship ale.

Big Drop's Rob Fink says: "There's a big education piece and, whether talking to trade contacts or customers, there are plenty of myths we like to bust. Alcohol-free doesn't necessarily mean it has to be 0%. An abv of up to 0.5% is universally acceptable, with plenty of unlabelled foods having a similar or higher alcohol content, such as ripe bananas and burger buns."



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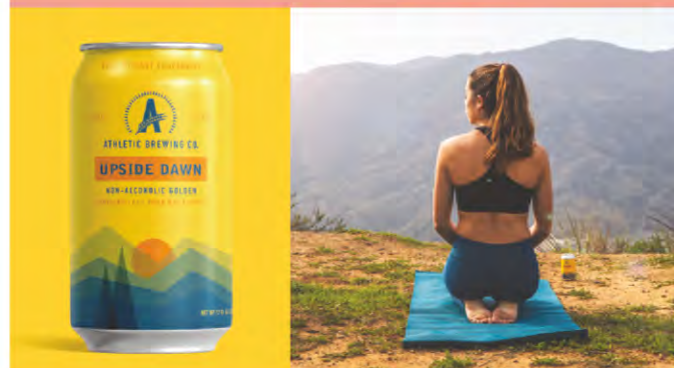


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of collaborations - with Fyne Ales, Fourpure, Harbour and Salt - comprising a raspberry gose, a black IPA, a hibiscus saison and an India pale lager.

Lowlander added a Wit Beer to its alcohol-free range of botanically-brewed beers in the spring, joining American Pale Ale, IPA, Winter IPA and Poorter.

Founder Frederik Kampman says: "The switch into low/no is being led by 18 to 24-year-olds. But while the trend towards moderation is being led by younger consumers it is gaining traction with the mass market and more affluent consumers."

German brewer Krombacher extended its UK range this year with the launch of Pils 0.0% and Weizen non-alcoholic in response to market demand.

Stephan Kofler, sales and marketing director of Krombacher UK, concedes that some shoppers and retailers might still need convincing.

"I would tell them to give them a try



Let's be honest, the choice when it came to the no and low- alcohol category was pretty dismal up until three or four years ago

and make a decision on the low and no-alcohol beers of today, not the dross of the past," he says.

"While I'm sure many people will still prefer a full abv drink, many are realising that they don't want or can't afford the alcohol hit every time.

"In these scenarios, it was probably better before to have a cup of tea or a soft drink. Now that is not the case."

Morgenrot, which handles Krombacher's UK distribution, launched the Dutch brewer Vandestreek's Playground Non-Alcoholic IPA this year and has now added a raspberry and blueberry sour beer called Fruit Machine.

Sales director Graham Archibald says interest in it has gone "through the roof".

He adds: "Let's be honest, the choice when it came to the no and low- alcohol category was pretty dismal up until three or four years ago. It was almost a badge of shame buying a no-alcohol beer.

"The landscape is massively different now with some incredible innovation, meaning the choice in terms of quality and beer styles on offer to consumers is staggering.

"The trend for health continues to be a big driver of the category but without the investment from brewers in quality, we would never be where we are today." 🍷



SMALL BEER

The thirst for lower-strength alternatives to mainstream alcohol brands has seen a surge in popularity for beers above the 0.5% abv low-alcohol cut-off but below the 3% abv level that traditionally typifies "proper" beer.

One brewer, Small Beer, has even appropriated the generic name for such products that dates back to the 18th century for a range that comprises 2.7% abv Steam, 2.5% abv Session Pale, 2.1% abv Lager and 1% abv Dark Lager.

Co-founder James Grundy says: "We see ourselves as lower-alcohol, which is entirely different to low. In our minds, low suggests that the abv is the leading factor for what's being served. We prioritise flavour first and foremost, and then work extremely hard to achieve this at a sociable strength."

Surrey brewer Hogs Back has opted for 2.8% abv for its mid-strength proposition Little Swine ale.

"The starting point is that I've not yet tasted a 0.5% beer that offers all the flavour," says chairman Rupert Thompson.

"They are getting better, definitely. But there's a trade-off between living with a decent flavour that isn't exactly what you're looking for, and having less alcohol."



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ANALYSIS: ALCOHOL-FREE SPIRITS

FUNCTIONALITY IS THE WATCHWORD

Spirits without alcohol may appear an odd concept, but producers are focusing on delivering NPD with 'benefits', says **Sonya Hook**

The idea of a spirit being "alcohol-free" may not have made sense to consumers a few years ago, and indeed many are yet to discover the concept.

Unlike beer and wine however, alcohol-free spirits have the advantage of being just one component in a drink, with premium mixers working to enhance the spirit's flavour profile while also helping to mask the absence of alcohol.

And the rise in consumers drinking more mindfully - and therefore seeking lower alcohol, lower sugar, cleaner ingredients and sometimes alcohol-free products - has neatly coincided with a cocktail boom and a growing trend for

premium craft spirits and high-quality mixers. These two trends have helped cement a rapid consumer acceptance of this fledgling category, so much so that since Seedlip first introduced the concept of a spirit without alcohol four years ago, a huge wave of newcomers has emerged.

In this month alone a number of new products have appeared in this space.

Senser Spirits is one of these, and the brand currently comprises a trio of 0% abv "plant spirits" in 50cl bottles, which the producer says contains active blends of natural botanicals to capture the "spirit" of the plants.

The three in the range are: Power, a blend of bitter orange, spiced cacao and vanilla caramel with a smoked black cardamom finish; Love, which has berries

Alcohol-free spirits are enhanced by the use of premium mixers

and floral flavours; and Joy, a blend of floral notes and a subtle damiana scent with a citrus and berry finish.

The drinks have recently been launched into the on-trade and online retail.

Also new for autumn 2019 is Amplify, which claims to bring "a unique taste and strong attitude" to the market.

Like traditional spirits Amplify is distilled and made with ingredients such as juniper berries, coriander seeds, angelica root, lemon peel, lemongrass and ginseng root. The drink is recommended served with tonic, but it can also be used as a base for a number of classic cocktail recipes. Amplify has already secured listings in Morrisons stores, priced at £15 a bottle.

Clare Gibson, marketing director, says: "Amplify is all about making the most of your experiences. Amplifying your senses without the alcohol, which means you are sharper, more in the moment and able to take in your surroundings. It is a great-tasting, non-alcoholic alternative which appeals to the young at heart who are thirsty for new experiences. Whether choosing not to drink or overcome with curiosity, Amplify is always a positive choice. The feedback we have had so far has been fantastic, so we are really looking forward to bringing Amplify to a wider audience as we celebrate our launch."

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The biggest impact for the consumer is that there is more choice and probably more confusion about when and how these drinks should be drunk



A raft of new products has hit the market recently, including Atopia (see over) and Senser

And another of these “new wave” alcohol-free spirits - ones that focus on flavour and functional ingredients that are derived from plants and herbs - is Three Spirit.

TURNING TIDE

Tatiana Mercer, co-founder, says: “The tide is turning towards alcohol alternatives that fit less neatly into a specific sub-category. There is a new trend towards functional drinks that are not imitating alcohol and stand on their own flavour-wise, and Three Spirit is one of the first to do this. Consumers have responded well to a new taste and also love that it offers an effect.

“The trend towards unique function and adult flavour is what’s behind the growing popularity of drinks such as kombucha, which offers a flavoursome, grown-up drinking experience with added gut health benefits. Similarly, we

add coconut vinegar into our drink for its natural probiotic function and delicious woody flavours.”

As with kombucha, Mercer highlights cold-brew coffee as an example of this trend in the soft drink space. The production process for cold-brew coffee is said to remove bitterness and improve the flavour, therefore reducing the need to mix with milk. There is a trend for consuming this drink before a workout for extra energy, and some producers are therefore repositioning their brands as energy drinks.

She says: “The biggest impact for the consumer is that there is more choice and probably more confusion about when and how these drinks should be drunk. But that will change over time with more education.

“The function of drinks will play an even bigger part in the zero-alcohol movement as consumers demand more from their drinks and this is where Three Spirit is ahead of the curve.

“Within five to 10 years, we will start to see drinks producers continue their fascination with natural sources of function through the use of medicinal mushrooms. In Three Spirit

we use lion’s mane which has been used in Chinese medicine for years, and more recently is an increasingly sought superfood that has huge functional benefits but also has great milk chocolate/umami flavour.”

Mercer believes the use of plants, herbs and mushrooms as functional ingredients will “become commonplace” in drinks.

“Three Spirit uses 11 plants, herbs and mushrooms used for centuries in rituals and ceremonies - including lion’s mane, cacao, damiana, matcha, yerba mate, tulsi and passionflower - all with their individual functions and distinct flavours. We also use a natural probiotic from coconut vinegar. We combine these ingredients to create a synergistic and ultimately pleasurable experience for the drinker in terms of flavour, texture and mouthfeel, but also in terms of mental feeling and body function. We’re one of the first to combine plants for both flavour and effect in this way, and certainly the first in a ‘spirit’ format, but many more brands will be following suit as the benefits of these ingredients become more understood and demanded by consumers.

“We have two new drinks, the Livener and the Nightcap, both with very different flavour profiles and functions. We have been amazed by the response and we are busy keeping up with the demand.” 🍷



We will start to see drinks producers continue their fascination with natural sources of function





ANALYSIS: ALCOHOL-FREE SPIRITS

GROWTH SEGMENTS IN AN EVOLVING CATEGORY

This new category is proving versatile and innovative in targeting a variety of occasions and formats. By Sonya Hook

Some of the more recently launched products in alcohol-free spirits - brands such as Amplify, Senser and Three Spirits - indicate that the category is quickly evolving, with drinks focused on flavour and ingredient blends while also, increasingly, using ingredients that help to stimulate the senses.

Another way the category is developing is via RTD options, and many think this is an area where we will see more activity going forwards.

As an example, in September the Original Free Drinks Company launched Highball Cocktails, described as "the UK's first range of 0% ready-to-drink cocktails" in a number of flavours, including alcohol-free G&T and Pink G&T, Mojito, Ginger Dram, Italian Spritz as well as seasonal limited editions.

Red Johnson, co-founder of Highball Cocktails, says: "We are seeing a substantial increase in the number of alcohol-free 'spirit' brands, which divide into two categories - those which replicate the existing spirits and others which create new formulas and experiences."

"The premixed alcohol-free spirits category, in which Highball Cocktails sits, is relatively new and we are already seeing substantial demand from customers who

want to simplify and de-risk purchasing decisions. They are on the lookout for a product that is familiar to them and offers an alcohol-free alternative to a drink that they already enjoy, similar to alcohol-free beer.

"Over the coming months, it is also likely that existing spirit brands will extend to alcohol-free alternatives, again similarly to how mainstream beer brands have done.

"Consumers are choosing alcohol-free or lower-alcohol alternatives for myriad reasons. We see them choosing Highball Cocktails because they are avoiding alcohol, looking for a lower-calorie option, driving or perhaps choosing to avoid the morning-after foggiest often associated with even small amounts of alcohol consumed the night before.

"We have also identified that consumers tend to have a mix and match approach towards opting for no alcohol drinks. Instead of being drinkers or teetotalers, most people are both, maybe on different nights of the week or even on the same evening with an alcohol-free cocktail before dinner and a glass of wine with food. This creates an opportunity for new brands to capitalise on the increasing interest in what alternatives are available. The drinking experience can be the same, with exciting and authentic cocktails and alcohol or 0% abv becoming an option."



Consumers are choosing alcohol-free or lower-alcohol alternatives for myriad reasons

LOWER-ABV SPIRITS

It is important to remember that this category attracts those looking to reduce their alcohol intake, not just those who wish to eliminate it. Therefore it is no surprise that there are products which tap specifically into this occasion.

Nick Johnson is the founder of Spirit of Bermondsey, which launched Trinity 25 earlier this year. At 25% abv this botanical spirit is described as "a lighter alternative to gin", with three key spices of cardamom, coriander and black pepper.

He says: "There seem to be two complementary trends going on - some people are simply drinking less alcohol for reasons of health and wellbeing, at the same time, people are also looking to drinks that they can enjoy all night long without carrying the penalty of a heavy alcohol content. In many ways, this is a shift in the UK towards the long-established drinking patterns of other European countries, where a well-established aperitivo culture exists - with people seeking very high quality, 'mid-level' alcoholic drinks at 10-25% abv - hence the huge growth in the popularity of Spritzes, Prosecco and, of course, Trinity 25, which at 25% is the lighter alternative to gin."

"It is best stocked alongside gin rather than alcohol-free - at 25% abv, Trinity 25 still packs a punch."



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ANALYSIS: ALCOHOL-FREE SPIRITS

Increased competition is driving growth and awareness - and bigger players are joining the fray. **Sonya Hook** reports

With so many new entrants to this market there is a danger that lower-priced products could cut value from the category. And, with this being a fledgling sector with a lot of launches, it is also important that products can deliver the same levels of quality as their counterparts so that consumers don't reject the category altogether.

Pioneer Seedlip understands these challenges, but equally brand owner Ben Branson is aware this increased competition is helping to drive growth and bring in new consumers to the overall category.

He confirms there is "definitely a growing acceptance that better no-alcohol options need to be considered and offered", but stresses that it is still early days.

He says: "I think overall there will be more awareness of drinking less, drinking better and therefore more opportunities for non-alcoholic occasions.

"We'll see more savoury, sour and bitter options as people move away from sweetness. We have just launched a bottled version of our Nogroni, which is one of our most complex and popular non-alcoholic cocktails.

"There will be more flavoured mixers and more adult flavour profiles. Look out for salt, smoke and shrubs to be in.

"The world is at the beginning of a paradigm shift in the role alcohol plays in people's lives and, with global sugary soft drink and alcohol volumes both declining, there is a need for considered, grown-up alternatives.

"We are proud and determined to lead the way and continue to pioneer the category."

Earlier this year the company launched Aecorn Aperitifs, now headed up by Claire Warner. The brand comprises non-alcoholic aperitifs, designed to offer an alternative to wine with food.

BIGGER PLAYERS

Seedlip continues to innovate, but it is not just small players entering this market. The brand, now under the umbrella of Diageo, is up against products such as Pernod Ricard's alcohol-free Ceder's and William



Grant & Son's Atopia. The latter is available in two flavours - Spiced Citrus and Wild Blossom, priced at £25 a bottle. It has listings with Sainsbury's and Ocado, while Ceder's has secured a number of listings, with retailers including Sainsbury's, Morrisons and Fortnum & Mason.

And, although there is a growing trend for alcohol-free spirits that are flavour focused and are often described as "botanical spirits", there are also producers that are seeing success with products that attempt to directly recreate the flavours of their alcoholic counterparts, indicating that there are different consumer needs in the alcohol-free spirits sector.

This is the route that Funkin founder Alex Carlton chose to go down with his alcohol-free spirit range Stryk, which includes Stryk Not Rum, and Stryk Not Gin.

Seedlip's Ben Branson predicts a move away from sweetness



Increased competition is driving category growth

Similarly, independent UK importer Hops, Grapes & Spirits introduced a range of drinks into the UK earlier this year from Danish producer Ish Drinks. The range secured early listings in Holland & Barrett. The first in the range to hit the UK were alcohol-free alternatives to gin and rum, called Ginish and Rumish.

HG&S founder David Smith says the drinks are well placed to appeal to the current trend of consumers seeking out low and no-alcohol drinks.

"Ginish and Rumish are well placed to appeal to current trends, having a clear brand as being like gin and rum, indicated by 'ish'. Ginish and Rumish also have authentic flavours that are incredibly close to their equivalent alcoholic spirits, meaning that discerning drinkers are not having to compromise on taste.

"Mixologists are also interested in products such as Ginish and Rumish to create authentic cocktails, which appeal to these consumers.

"Both are selling well, particularly through our collaboration with Holland & Barrett, but also through independent retailers looking to offer a genuine alcohol-free alternative that tastes like the real spirit.

"We're aiming to add to our portfolio with ready-to-drink alcohol-free mixers such as Gin & Tonic and Spritzers.

"This will make it even easier for consumers to select an alcohol-free alternative in a single package, rather than combining alcohol-free products with mixers that are normally associated with spirits." 🍷

ANALYSIS: KOMBUCHA

David Begg founded the brand Real Kombucha in 2016, fuelled by a desire to make the highest quality kombucha for the UK market and with the aim of positioning the drink as a low-sugar and tasty alternative to alcohol.

In just three years it has secured a number of key on-trade listings and can be found in dozens of Michelin-starred restaurants - including Heston Blumenthal's the Fat Duck, Nathan Outlaw, Sat Bains and L'Enclume - as well as all Greene King and Fuller's pubs, plus various other restaurants, premium bars and hotels.

Real Kombucha has wholesale listings with Amathus, Cambridge Wine Merchants, Enotria & Coe, Speciality Drinks and more, but Begg has deliberately kept a tight rein on off-trade listings in favour of a concerted push into the on-trade. "It sits in BWS and that is the only area we are interested in," he says. "And that is why we haven't yet gone into the multiple retailers.

"Kombucha grew in popularity via the rise in awareness of gut health, and consequently consumers started coming across it in health stores and health-focused areas of stores.

"But if it gets swallowed into soft drinks, or a kombucha aisle or - god forbid - the yoghurt fridge, where a lot of gut health products end up, then you are killing that potential for what we want.

"Real Kombucha is designed for the evening sector and it is not aimed at following the same path as the ones that came through the gut health sector."

YOUNG CATEGORY

With the kombucha category still in its infancy in the UK, Begg's strategy of positioning his brand as an alternative to alcohol is a bold one, but clearly it has been successful via the on-trade route and as a result the company now produces around 180,000 bottles a month.

He says: "We are the leading on-trade kombucha and we are in 60 Michelin-starred restaurants in the UK alone. We started with the high-end on-trade and it worked because we are low in sugar and high in acidity, so it makes the drink a great match for many foods.

"We wanted the drink to be top quality so we built our own kombucha brewery. There are a lot of kombucha products out there that aren't even brewed.

"But ours goes through the fermentation process, just like beer and wine. And we brew ours in a way that is similar to wine or Champagne. We treat our trees in the way winemakers treat grapes. There are at least three yeast



PUSHING TEA INTO HIGH-END SECTORS

Kombucha-based drinks are seen by some as the perfect alternative to alcohol, including top eateries, finds Sonya Hook

strains and acetobacters in ours and we have spent a long time understanding these. We DNA test our cultures, just like wine and beer makers do. It's microbiology, but unfortunately a lot of kombucha makers don't do this.

"There is a lack of understanding out there, and fermentation sounds horrible to some people, so there is still some consumer education needed. But over time I think sour will replace sweet, and this is the direction consumer tastes are heading."

Begg started the brand because he wanted to find an alternative to alcohol to tap into the growing number of 16 to

24-year-olds who don't drink, as well as older generations who are giving up or cutting down on their alcohol intake.

He says: "Alcohol is a learned thing and an acquired taste. For many generations it started with peer pressure, but what's the tipping point? What if there's no peer pressure anymore? We are seeing really mind-blowing changes in how people are drinking or choosing not to drink.

"The primary barrier to reducing alcohol though is the quality of the alternative offer. The quality of alcohol-free beer is getting much better but other than that there hasn't been much choice.

"Our biggest concern at the moment is sugar. So many adults are obese or overweight and so much of the sugar we need for one single day can come from just one soft drink. We as an industry need to take responsibility for this.

"Real Kombucha fits that specific customer need: it is naturally sparkling, it has a unique flavour, it has acidity like the acid in white wine, so it pairs well with food. It is also exceptionally good for making both alcoholic or non-alcoholic cocktails, and it is fewer than 50 calories a bottle." 🍷

WHAT IS KOMBUCHA?

Kombucha is fermented tea. It is a combined yeast and bacterial fermentation that results in a drink that is slightly tart, has a very small amount of alcohol (left over from the yeast fermentation) and only a small quantity of remaining sugars.



The primary barrier to reducing alcohol is the quality of the alternative offer. There hasn't been much choice

ANALYSIS: LOWER ALCOHOL

CELEBRATING THE LIGHTER SIDE OF WINE

Lower-abv wine alternatives are growing in popularity and improving in quality, but there is still a long way to go before it reaches a similar level to that achieved by beer. **Martin Green** reports

The five basic characteristics of wine are sweetness, acidity, tannin, alcohol and body. An outstanding wine perfectly balances these elements, while providing high levels of complexity, magnificent depth of flavour and a glorious reflection of its terroir. It is difficult to achieve this harmony when you take out one of the key characteristics - alcohol. You risk being left with a thin drink that lacks texture, and many winemakers ramp up the sugar in order to overcome that obstacle.

Yet people cutting down on their alcohol consumption are unlikely to embrace an increase in their sugar intake, as they are generally trying to be healthier, lose weight and take a more mindful approach to what they are putting into their bodies. Wine has therefore struggled to make the same sort of impact in the mindful drinking arena beer has enjoyed.

Zoey Henderson was a wine drinker before she became head of operations at alcohol-free bar group Redemption. Now she rarely drinks alcohol, and has turned to alcohol-free beer instead of wine as she feels it better replicates the full alcohol product. "A lot of beers taste almost exactly the same," she says. "The non-alcoholic beer sector is amazing right now. I never drank beer before, so it is opening up lots of markets."

"We don't have a still wine on the menu. We have a sparkling from Thomson & Scott called Naughty, which is the best one I've tasted. It's dealcoholised sparkling wine, made in Germany. It has the mouthfeel, the effervescence, and it's an amazing product. That's one of our bestsellers."

Younger consumers are opting for 5.5%-abv wines while older generations seem to be reaching for zero alcohol

However, wine is the most popular alcoholic beverage in the UK and the 8.6 million Brits seeking to moderate their drinking are hoping for high-quality alternatives.

Dawn Davies MW, head buyer at the Whisky Exchange, points to Natuero by Torres as a strong non-alcoholic brand, but she admits that quality offerings are thin on the ground. "It tends to be the more aromatic low-abv ones that have a better taste profile, but then people don't love aromatic varieties in the way that they love a Chardonnay or a Cabernet, so it's about people's wine understanding and what they are drinking," she says.

BROADENING MARKET

For decades Eisberg was the main alcohol-free wine on offer in the UK and it had little competition, but the category is starting to open up.

Black Tower supplier Reh Kendermann has enjoyed great success with its B by Black Tower range at 5.5% abv - the level at which you receive a duty break under EU law - and also its sub 0.5%-abv range.

"Recently we have seen the lower-alcohol sector really starting to grow," says managing director Richard Jones. "We have played a large part in the wine



If we don't produce sensible alternatives to alcohol, the government may start regulating, as we have seen with minimum unit pricing



area, from 0.05% to 0.5%, and at 5.5% abv. All these areas are growing significantly. We also do private label with a number of retailers, which has been successful.

"It's a very important area for the industry. If we don't produce sensible alternatives to alcohol, the government may start regulating, as we have seen with minimum unit pricing."

Jones has a fine wine background and he admits there are product issues with alcohol-free wine. "When you take out alcohol, the whole weight and mouthfeel of the product is different, and



Without the sugar and alcohol, you end up with quite a thin product, so you have to be quite clever with the way you make the wine

it's difficult to get an absolute match," he says. "Some increase the sugar levels to get the weight, but not everybody wants to have high levels of sugar. Without the sugar and alcohol, you end up with quite a thin product, so you have to be quite clever with the way you make the wine to emulate it."

Jones believes the quality is increasing all the time, and he feels there is a huge opportunity for this category. He says it is not worth targeting Brits who have never consumed alcohol, but he sees a huge target market of wine-loving shoppers

who are keen to reduce their alcohol intake.

"I have a neighbour who enjoys wine enormously, but during the week he has a fairly heavy job," says Jones. "He likes to open a bottle of wine, but it's zero alcohol, so he has the pleasure of pouring a bottle of red wine without actually feeling he is missing out on what was probably a habit for 30 years. He accepts it's not as good as his rather nice Rhône he enjoys at the weekend, but it still gives him that moment in the week."

He reports that the 5.5% abv range is

popular among younger consumers who enjoy the parent brand, and still want to feel some effect of alcohol, but find better value for money. "People buying at 5.5% want an alcoholic drink," he says. "Half a bottle isn't going to put you over the drink-drive limit or cause you difficulties the next day. If it tastes broadly similar to the parent brand and they get the same enjoyment at 5.5%, they are very similar. Because of the tax advantage, it can be sold at a sensible price, under £4. A lot of people out there want value for money."

GOOD VALUE

"It's a younger consumer to that of zero alcohol, which in wine is being drunk by quite prosperous but older wine drinkers as a substitute. They don't want to give up the wine habit. It gives them something they can enjoy so they feel they're not missing out. 5.5% abv is more bought by people who want a similar experience to drinking full-strength wine. It's a very near match, and they're good value."

The tax band at 5.5% abv seems somewhat arbitrary, and it could change if and when the UK leaves the EU. Some in the trade want to see it increased to around 10% abv, which would encourage the trade to champion lighter styles that do not have to be dealcoholised.

Another issue for the wine trade is format. "When it comes to wine people mention format," says Laura Willoughby, founder of the Mindful Drinking Festival. "You have to buy a full bottle and they are not always going to drink a full bottle. In Finland you can get half a bottle of alcohol-free wine, so there's a format issue."

Henderson says retailers should simply look elsewhere if they cannot find something of the requisite quality. "You are not right now going to get a non-alcoholic wine that is going to match the profiles of your wine, so you shouldn't put it on the menu," she says. "You should offer a kombucha or a non-alcoholic beer, or a non-alcoholic sparkling wine that is up there with Prosecco, or a shrub."

Davies adds: "There is a change in attitude in the wine industry, but it moves 10 times slower than the spirits industry, and it is not willing to learn in the same way. I did a symposium with the Institute of Masters of Wine and I said, 'can I bring a spirits speaker?'"

"Because the wine industry needs to learn a lot of things from spirits, such as packaging and how to market into the industry. The response was, 'we can't learn anything from the spirits industry'. I said, that's why we are where we are today. They should be at the forefront of leading people into the wine category. For me it's a massive issue. It's not the wine drinker, it's the gatekeepers." 🍷

ANALYSIS: LIGHT WINE

PIONEERS OF TEXTURE AND FLAVOUR IN LOW ABV

Lower-abv wines are often accused of lacking some of the fundamentals of their more traditional abv counterparts. But some producers are breaking the mould, says **Martin Green**



kiwi winemaker Dr John Forrest pulled off a significant feat when he managed to produce a prototypical Marlborough

Sauvignon Blanc at just 9.5% abv. He created a method of restricting a plant's ability to make sugar, ensuring grape ripeness despite lower alcohol content. The Doctors' Sauvignon Blanc has impressed plenty of British buyers and secured listings at Waitrose, Tesco and Booths, where it retails at a relatively premium price point of around £9.

Our columnist and resident wine expert Richard Hemming MW calls it a "flavourful, crowd-pleasing wine made in a style that appeals to millions", noting that it delivers all the high-definition gooseberry, nettle and citrus that you would expect from a New Zealand Sauvignon Blanc, plus sabre-toothed acidity.

These sorts of releases are game changers for the wine trade's ability to compete in the mindful drinking arena. Many consumers are put off by the lack of texture and flavour in wines at 0.5% and 5.5% abv, and often find them too sweet. If the wine industry can help people moderate their alcohol and calorie consumption with naturally produced wines that maintain their flavour then it could herald a golden future.

SERIOUS INVESTMENT

The New Zealand government is investing millions in a scheme to help producers make lower-abv wines in a serious fashion. Villa Maria is among the producers getting involved, and Wines of New Zealand hosted a lighter wine tasting in London this month.

"I wanted to achieve a Sauvignon Blanc that smells and tastes like a Sauvignon Blanc, as I know the customer is very unforgiving when it comes to lower-alcohol wine," says Forrest, whose wines are distributed by Seckford Agencies in the UK. "People want to eat less fat but still want a juicy steak and it is the same with alcohol. The person who wants lower-



New Zealand wants to be the leading country. We are very busy trying to scale up before the market catches up



alcohol wine is also looking for something premium.

"I was a medical researcher in my previous career so this is The Doctors' range of different experimental wines."

It started with Sauvignon Blanc and Riesling, and it now has a Pinot Noir and a rosé made from Pinot Noir, all of which are gaining traction in the UK market. "Our sales are growing and we are excited by what we see about the potential for this range," says Forrest. "I gave the technique to the industry, but in essence it is simple to understand. New Zealand wants to be the leading country. We are very busy trying to scale up before the market catches up."

Wines from Germany and Vinho Verde are also historically strong in this department, but other countries are taking it seriously too.

Yellow Tail, by Casella Family Brands, is the latest brand to tap into the demand for lower-alcohol options by bringing out a lighter-style wine. The 8.5% abv Yellow Tail Pure Bright is being introduced to the UK, which will be the first market globally to launch this wine, with initial listings in Tesco stores, with an rrp of £7. The first

Forrest: "I gave the technique to the industry"

in the range is Pure Bright Pinot Grigio, which contains just 79 calories per 12.5cl serve.

Michael Sergeant, head of strategy and innovation, says: "The moderation trend, underpinned by health and social drivers, is impacting the wine category in many ways. People are drinking less frequently, abstaining or just drinking less volume when they do drink. However, these wine drinkers are still looking for quality, flavour and varietal character in lower-alcohol wine."

"Through our global consumer research, we found that in most developed wine markets, including the UK, US and Australia, taste concerns were the key barrier for trial and consumer acceptance of lighter-style wines, hence our focus on this space with Yellow Tail Pure Bright. We believe it has real potential to add tremendous value to the wine category by offering a light style of wine within the range of the UK's third largest wine brand."

Others in the range may join the Pinot Grigio in the UK at a later stage. The full portfolio also includes a Sauvignon Blanc, Chardonnay and rosé. 🍷

ANALYSIS: DRINKAWARE

CONSUMERS READY FOR MORE DRINK-FREE DAYS

Martin Green looks at how Drinkaware's 2019 campaign aims to involve retailers as well as shoppers by championing the commercial opportunities available

This autumn saw Drinkaware launch a £1 million marketing campaign designed to encourage more Brits to take drink-free days throughout the week. Chief executive Elaine Hindal hopes that retailers will back it by championing alcohol-free beers, wines and spirits, as she highlights the commercial opportunity as well as the responsibility angle.

"There's genuinely a commercial opportunity in no and low-alcohol alternatives," says Hindal. "The beer category has been leading that with 0% abv beers, but we are now seeing some great-tasting wines coming on board as well."

"Don't just assume that only younger adults are going to be interested in no and low products. You've also got a slightly older shopper for whom this could be a great strategy. We would like to see these no and low products used as a moderation strategy."

"Our experience is that people buy both. They buy regular beer and wine, and no and low-alcohol options too. It helps people support that pattern, where you still feel and look like you're having a drink. It helps heavy drinkers who are worried about peer pressure."

"It will only be sustainable if it makes commercial sense, and I think it will. We are seeing price parity with alcoholic versions, but without the duty. I think genuinely this is a commercial opportunity they want to grasp. If it's a win for the consumer and for their profitability, that's great. It makes it much more sustainable."

"Shoppers are interested. There's a genuine customer interest. More and more of our retail funders are looking holistically at health and wellbeing. This fits that holistic approach really well. It's not isolating alcohol."

"Ten years ago, we didn't have the best tasting options. They have improved massively, particularly in the beer space. The quality of the offer is phenomenal now. It's here to stay. There's enough



interest by consumers. We see that in our web traffic. People are looking for lower-alcohol and lower-calorie options."

"Consumers are ready for this. They are more knowledgeable. It's a great way to enjoy the experience and look like you're having an alcoholic drink, but without the alcohol and the calories."

BUILDING A CAMPAIGN

The initiative from Drinkaware builds on the Drink Free Days campaign launched last year, when Public Health England and former Liverpool and England footballer John Barnes signed on as partners. The campaign turned unexpectedly

Hindal: "It will only be sustainable if it makes commercial sense"

controversial when public health figures Ian Gilmore and John Britton threatened to quit their roles as advisors to Public Health England over its partnership with Drinkaware, an industry-funded charity.

Yet Public Health England refused to back down and the campaign was a success, as 335,155 people completed the Drink Compare Calculator; more than 400,000 visited the Drinkaware website for information and 25,337 users downloaded the Drinkaware app.

This year's campaign features a series of radio ads and there are also video ads running on social media, which focus on exercise, health and wellness. The idea is to offer people suggestions for what to do when avoiding alcohol for the day.

The campaign is specifically targeted at Brits aged 40 to 64, a demographic that drinks more in general than the younger age groups.

"We want people in the off-trade to amplify it for us, whether it's through their social media channels or in store," she says. "All of the major supermarkets fund us, and the opportunity for getting the message across is there." 🍷



There's a genuine customer interest. More and more of our retail funders are looking holistically at health and wellbeing

ANALYSIS: BUYERS

JOINING FORCES – ONLY THE BRAVE

Buyers in the small low and no-alcohol sector have their work cut out, but are working together to move forward, says Sonya Hook

Sainsbury's and Holland & Barrett are among the retailers spearheading the drive to encourage British shoppers to embrace low-alcohol alternatives.

Tom Elliott heads up the Future Brands team at Sainsbury's and he says he is particularly excited about the potential for this category. His team has already introduced a number of brands.

Fiona Davies, national buyer at Holland & Barrett, created an alcohol-free drinks section at the health store chain in January 2019 and she reports surging sales. These leading buyers were part of a panel discussion called How to Connect with a Brave Buyer at Kiasco Research's recent Lo & No Beverage Summit in London, while Redemption's head of operations Zoey Henderson represented the on-trade and Tim Coles from Coles Trading spoke about the wholesale channel.

These alcohol-free buyers have been labelled as "brave" for supporting brands in a category that still only accounts for a small sector of the drinks market. But Elliott says these drinks can attract a lot of in-store attention.

"I don't think we are that brave, being buyers of non-alcoholic drinks," he says. "When we talk about no and low it sells itself well, so it is easy really. There are plenty of new customers and high incremental sales.

"These drinks play to the wellness and health trends we see in the whole of our estate. We can see data for the brands that we have launched and they are doing really well, plus we know this market is here to stay.

"Yes, we were brave to get into it in the first place but now we have to grow the category. The mistake to be aware of is not to back the wrong horses. There are lots of brands jumping on the bandwagon so as buyers we have to be careful."

Davies agrees that it was brave to move into this sector in the first place, but she

says bravery is a common theme across the whole category, from suppliers to retailers. "It's still a small category so we need to work together to take share from the alcohol industry," she says. "There is still a lot we need to communicate to the customer. For example, Seedlip doesn't say that it tastes like gin. It claims to be an alcohol-free spirit with natural ingredients, but some of our customers still expect it to taste like gin. It can be challenging to communicate this through our shelves.

"There is a lot of work to be done to communicate these messages to our customers. Plus, some drinks do command a higher price point but this is all about getting customers to know what it is they are buying."

ON-TRADE HARD SELL

Coles Trading is a wholesaler that also has a pop-up store with a big range of low and no alcohol products. The company supplies a lot of its products to Redemption bars.

Coles says: "The on-trade is proving quite a hard sell. That is where the challenge is and there are a lot of conversations, but the sheer invoicing and logistics is a challenge."

Henderson recommends suppliers give as much support as they can, for example by giving details about how the drink is made. "Our customers care about how it is made and what they are putting into their bodies. Does the drink contain botanicals? Which ones? And how are they sourced? This is of interest to our customers.

"It is very easy to market a drink that is



There are lots of brands jumping on the bandwagon so as buyers we have to be careful



ISTOCK.COM/ZORANN

around the alcohol sector but why should a customer choose this alcohol-free drink? It is no longer about drinking to get drunk or to get the effects of alcohol, this is about the flavour."

Davies agrees and suggests suppliers should come with a brand plan. "How are you going to get customers to buy it when it's on shelf?" she asks. "How are retailers going to get customers to come into the shop to buy your product?"

Elliott says this is why education is a necessity for those in this industry. "There are three things I look for. First, the product needs to look good, as that is the initial interaction with a customer when they go into a store. Second, it needs to taste good and it has to be a world-class product, because there is a lot of competition out there. And now it helps if it can 'do good'.

"This is a criteria we look at nowadays. It is not essential and it doesn't have to be saving the world, but purpose is very important these days.

"There are lots of brands so you need a USP. There are so many brands now operating in this space and we just have one shelf available in 600 stores, which equates to about four brands really



What is interesting is brands such as Seedlip that are bringing out small formats. This is not diluting the price but making it more accessible

cannibalising existing products when new ones are added in.

“Technically it could just take share from something else, and you can’t grow the size of the store, so it’s also important to note that retailers really want customers to pick up more than one thing, and therefore adding something new might mean it needs to be something a bit different.”

DEDICATED AREAS

Sainsbury’s has a dedicated area of its stores for no and low-alcohol products, and Elliott says this makes his life easier. “If we put Seedlip next to Sipsmith gin then Seedlip could potentially die, but instead people are able to look at other alcohol alternatives in this section.”

He says that people have been prepared to pay high prices for drinks in this section, although he believes it is a case of not being too greedy with margins. “I think £28 a bottle [the price for a 70cl bottle of Seedlip] is probably a ceiling. You will find a lot of brands moving into this space will take value out but generally people are prepared to pay for a quality drink.”

Elliott also notes that Sainsbury’s is doing more sampling activity for alcohol-free drinks, but warns: “Sainsbury’s has 40,000 brands, so it would be a circus if we let every brand sample, but what is interesting is brands such as Seedlip that are bringing out small formats. This is not diluting the price but making it more accessible to more people.

“There are also brands moving into the RTD space and then they can give out samples more easily. I wouldn’t pay £28 after having had a teeny sample so producers need to make it easier to convert sampling into sales.”

Davies notes that there are a lot of “me-too brands” and she believes there needs to be more innovation.

“There is a lot of innovation in functional drinks, although we are seeing a lot of bad CBD drinks, but I think the opportunity for alcohol-free in this space is good. We need more night-time options. Something that can take the place of a decaff coffee or a sweet soft drink. So I think there is room to grow there. And RTDs because they work for the younger generation.”

Elliott also believes functional ingredients will be the next growth area for alcohol-free drinks.

“The reason people drink alcohol is because it does something to your body. There are so many brands such as Seedlip which are making the brand experience work, but I think next will be drink that can alter your state of mind without getting high or drunk. Functional ingredients that can replace some of the effects of alcohol.” 🍷



because we have a system of multiple facings in drinks.

“But as a retailer we are maturing and we know we are catering for something different that is not already being catered for, so we are at a good starting point.

“We can’t yet give it more space because it is still a small part of the market. It is a few percentage points and the same thing happened in beer.

Craft beer was just a small percentage of the market but we are now starting to open up more space as this category has developed, and that took about five years. We are learning and evolving, but it is not going to be an overnight thing where suddenly we can expand to six shelves. It is also about volumes.”

Davies at Holland & Barrett says retailers also need to be wary of

ANALYSIS: MERCHANDISING

THE RIGHT PLACE FOR THE RIGHT LINE

As a relatively new category, no and low-alcohol can be difficult for retailers to place and confusing for consumers to shop. Sonya Hook picks up a few choice tips on finding a balance

Getting into a consumer's head and trying to ascertain where they might best find a product they might not even know exists must be a constant headache for supermarket buyers.

Once there are enough products in a new category it can make sense to dedicate a whole fixture to this, as many supermarkets have now done with no and low-alcohol drinks.

For the convenience sector though, where space is very limited and where shoppers are often in a hurry, it can be more of a challenge.

Sonny Saini, who runs a Londis store in Barnes, London, has only recently managed to stock Seedlip, and he had to make some major changes in store in order to create space.

He says: "We started selling Seedlip recently - it was a product we were able to find space for when we refitted our whole spirits area. Basically we moved the cigarette gantry to under the counter and this gave us more space for spirits behind the counter.

"Seedlip is pricey but people buy it. Our customers are buying alcohol-free wines and beers and now Seedlip more often from Monday to Wednesday. Then, towards the weekend, they go back to their normal alcoholic drinks.

"As wine replacements we have Belvoir Shiraz Without The Hangover and Eisberg."

REMOVING CONFUSION

It could be argued that it is easier to site alcohol-free beers alongside their alcoholic counterparts as beer consumers are more accustomed to looking through a brewer's range of beers, and they are more likely to look at the abv.

But placing an alcohol-free spirit among gins and whiskies could be confusing for shoppers.

Saini says: "Seedlip is interesting. You have to shout about it because if you put it in with the spirits it would get lost. So



we tend to put it with the others but with a banner highlighting the fact it is alcohol-free. And our staff members talk about it to customers as well.

"Really these drinks need a specific area, but this is too difficult in our size of store at the moment, so we add it to the normal display but with the banner to highlight what it is about. And we have three variants of Seedlip, which each have four facings."

As the alcohol-free sector evolves, retailers are being presented with drinks that are not designed to resemble

If non-alcoholic spirits are ranged with their alcoholic counterparts it's a good idea to clearly signpost the difference

gin or wine, but they are geared more towards occasions - for example, alcohol-free drinks that may not taste like wine but could be paired with food in the same way.

James Morgan, who looks after business development at Nine Elms, says: "Nine Elms No.18 is not an alcoholic spirit, nor is it trying to emulate wine. However, it does have some key characteristics that enable it to complement food, namely:

tannin, acidity and complexity.

Rather than making a 'non-alcoholic wine' we took the approach that it was preferable to create an entirely new category.

"Merchandising for alcohol-free is a learning process. At the moment we would suggest grouping premium no and low-alcohol drinks together and back this up with a prominent display and clear signage with strong staff training and consumer tastings. Ultimately we might see a shift towards drinks being categorised by use occasion (eg cocktails, aperitifs or with food), rather than by being alcoholic or not."

SPECIALIST RETAILERS

Other producers say they have had success by starting with specialist retailers whose customers may be more likely to be seeking these products.

Tatiana Mercer, co-founder of Three Spirit, says: "The new wave of non-alcoholic drinks can be confusing.

"They look like alcoholic drinks so if sat in the same aisle they need to be clearly labeled as non-alcoholic, and with drinks such as ours the consumer needs educating as to the options and variables on offer.

"Where it gets interesting for us is the specialist retailers such as Planet Organic or Daylesford, where they sell healthy functional plant supplements or ingredients that we also use in our drinks, so it is in this environment that the consumer and staff are likely better suited to drinks using functional ingredients that are not currently found in mainstream retailers." 🍷

THE PRODUCERS DIRECTORY

WANT TO INCREASE SALES? Advertising can work. Contact the DRN sales team to find out more information about effective marketing solutions. T: +44 (0) 1293 558132 E: erica.stuart@agilemedia.co.uk



ATHLETIC BREWING CO.

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Pioneers in revolutionizing beer for the modern healthy & active adult.

We believe you shouldn't have to sacrifice your ability to be healthy, active, and at your best to enjoy great beer – so we created our innovative lineup of refreshing, non-alcoholic craft beers. Our beers are certified organic, 50-70 calories, and made from 4 all natural ingredients.

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The Leather Market
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Launching as the world's first exclusively Alcohol Free brewer in 2016, Big Drop is the vanguard of the sector. It fully-ferments its beer to <0.5% ABV using closely-guarded brewing techniques, thus retaining all the aroma and flavours. The result is an award-winning range of craft beers - available in bottles, cans & kegs.



FORREST WINES

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Seckford Agencies are the exclusive UK agent for Forrest Wines. Innovative winegrowing techniques, allows for harvesting at full ripeness but with significantly lower sugars, producing the perfect Marlboro style wines with 30-40% less alcohol. The Doctors' wines are award winning wines at reputable International Wine Shows, the range include a Riesling, Sauvignon Blanc, a Rosé and just released a lower alcohol Pinot Noir.



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HEINEKEN is Britain's leading cider and beer business employing around 2,200 people. We are passionate about our cider and beer brands and the outstanding service that we offer to our customers. Our unrivalled portfolio of brands includes Foster's, Heineken®, Strongbow, Desperados, Kronenbourg1664, John Smith's, Bulmers, Old Mout Cider, Birra Moretti and Amstel backed by a full range of niche and speciality brands.



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Morgenrot are the importer of vandeStreek's low alcohol Playground IPA and Fruit Machine beers. These form part of an impressive portfolio that includes leading brands Krombacher (with a 0.0% Pils), Alhambra, Windhoek and Quilmes; craft breweries BeerCat and Mala Gissona from Spain and Cape Brewing Company from South Africa; plus a sublime selection of wines, ciders and spirits – all supplied nationally.



REH KENDERMANN

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One of the largest and modern wineries in Germany, Reh Kendermann is famous for producing premium branded wines and premium private/own labels for major retailers. Reh Kendermann's experience, quality and winemaking skills guarantee outstanding wines which are fruity, aromatic and lively, with a freshness of colour and taste. The company's high quality, strict controls and sustainable farming approach in the vineyards, make Reh Kendermann's wines extra special. The company lists a number of wines within the UK, including Black Tower, the most successful export wine brand from Germany.



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