CGA MIXED DRINKS REPORT

Q3 2022

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Methodology

Utilising a combination of CGA's consumer and sales data to provide a holistic view of the GB cocktail market to inform your cocktail strategy...

Online survey of 1000 nationally representative GB On Trade cocktail drinkers

Survey in field October 2022

Exploring how cocktail consumers are engaging with the On-Premise. Deep diving into their habits, preferences, drivers, and expectations by channel and occasion.

Volumetric sales data

From over 60,000 outlets

CGA BrandTrack

5,000 nationally representative GB On Trade consumers

Contents:

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The Cocktail Market

The cocktail market has experienced a significant increase in sales over the past 12 months with value more than doubling, and outlet stocking levels and share of spirits rising off the back of a full year without restrictions

Cocktails in the GB On Trade

MAT to end of Q3 2022 | YOY Chg. vs. **Q3 2021**

£686m	44.5k	7.3%
+132.1%	+26.9%	+0.9pp
Value of cocktails in GB	Number of outlets stocked in	Share of total spirits

CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

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But in the shorter term, cocktails have slowed and struggled to outperform the successes of a year ago…

12 week value of GB On Trade cocktail market Q3 2022 | YoY % Chg

£152m

-3.8%

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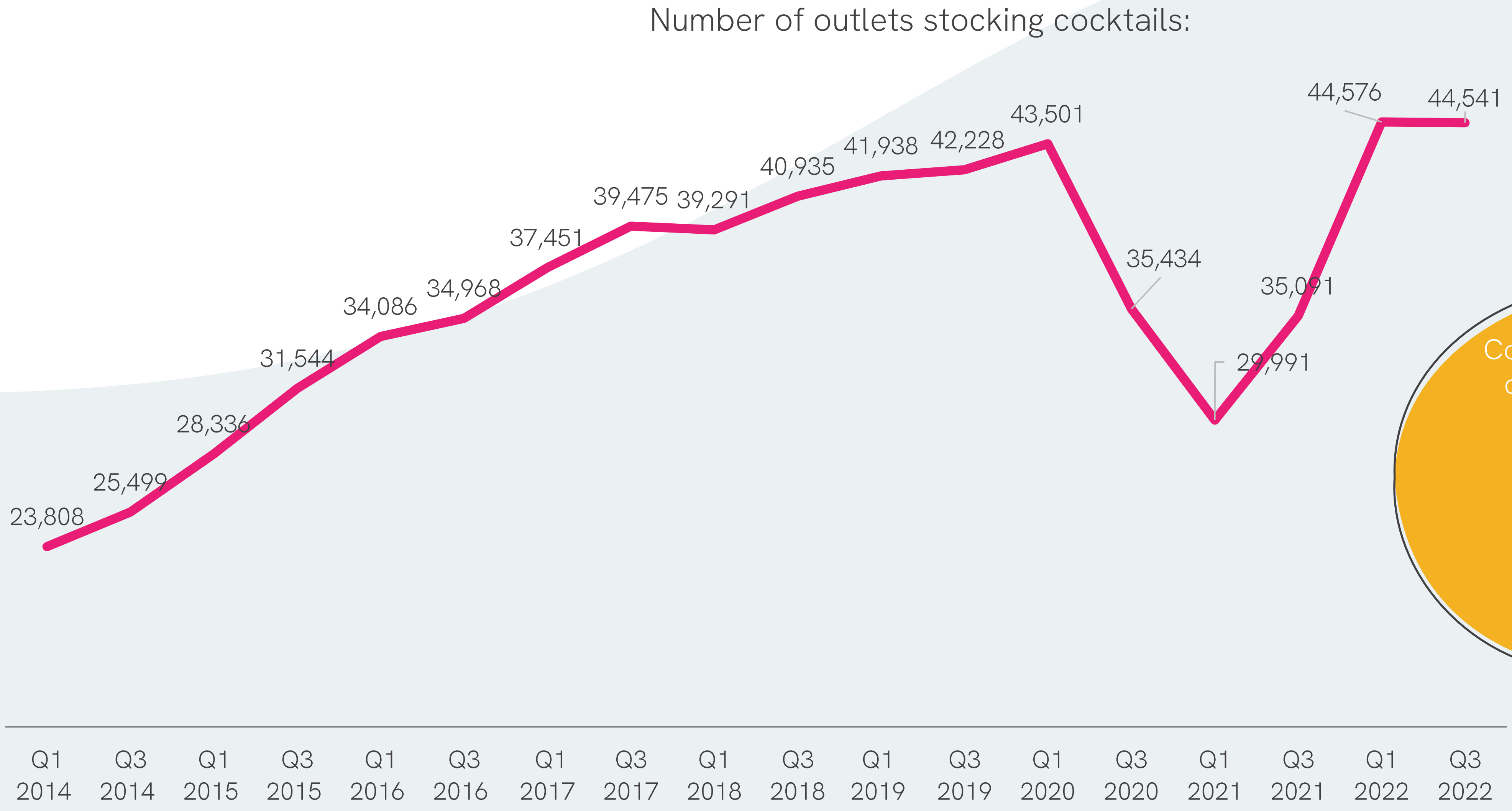
For the first time since Q1 2018, cocktail penetration appears to have plateaued, indicating whilst outlet stocking has maintained, a potential ceiling has been hit



Cocktail distribution change in outlets

+5.5%

Vs Q3 2019

CGA Mixed Drinks – Volumetric sales data

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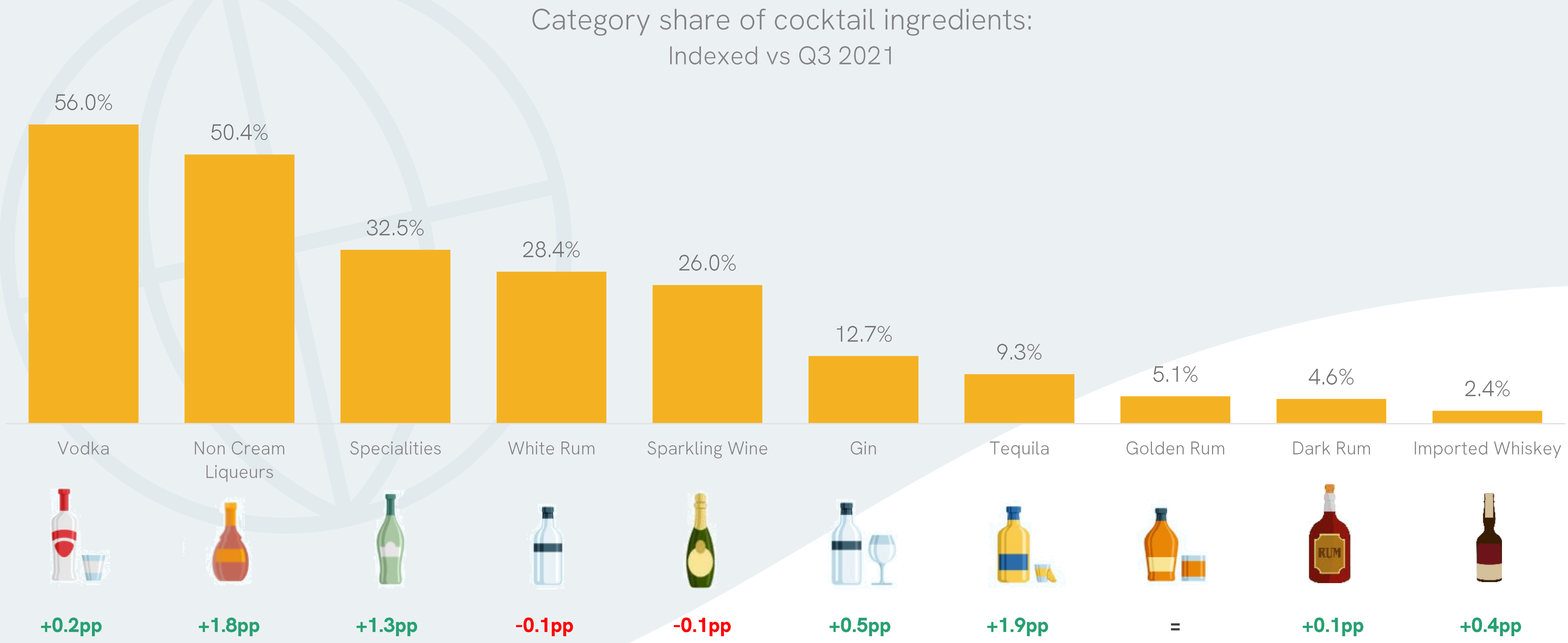
Dark spirits and Speciality drinks increase their share of serve, while Non Cream Liqueurs have also grown and are now included in half of all cocktails



CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

Staple classic cocktails decline in their overall share, while Spritz serves continue to grow in popularity with Aperol Spritz breaking back into the top 10

Top 10 mainstream cocktails based on share of serve:
Indexed vs Q3 2021

	Pornstar Martini	Sex On The Beach	Mojito	Flavoured Martini	Iced Tea	Daiquiri	Spritz	Espresso Martini	Aperol Spritz	Piña Colada
	15.5%	**7.0%**	**6.7%**	**6.3%**	**6.0%**	**5.7%**	**5.3%**	**4.8%**	**4.1%**	**3.5%**
Rank	=	+1	-1	N/A	-1	-1	=	-2	+3	-2
%	-2.5%	-0.4%	-0.8%	N/A	-0.6%	-0.4%	0.5%	-0.3%	1.6%	-0.8%

CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

Aside from Aperol Spritz gaining considerable favour, Tequila and “bubble” based cocktails too lead sales gains making them a key menu consideration

Top 3 cocktails in terms of share change versus Q3 2021|

Chg versus Q3 2021

Aperol Spritz
+1.6pp

Margarita
+0.7pp

Sparkling Cocktail
+0.3pp

Tequila based cocktails have experienced growth over the past year, now being included in almost 1 in 10 cocktails

9.3%

Of GB cocktails contain Tequila

+1.9pp vs Q3 2021

2.4%

Of GB cocktail sales are a Margarita serve

+0.7pp vs Q3 2021

1 in 3

Consumers typically drink a Tequila based cocktails

21%

Of consumers typically drink a Margarita

+3pp vs Q3 2021

CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data
Consumer survey sample size: 1004

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Consumers have on average

4.3

cocktails in their repertoire

+0.4 vs Q3 2021

Sample size: 1004

37%

of consumers purchase cocktails that they have tried before and know they like the taste of

+6pp vs Q3 2021

Sample size: 1004

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Classic cocktails grow in popularity as consumers look for serves that they know and trust and shift away from experimentation

1 in 2

Consumers prefer classic cocktail serves

+12pp vs Q3 2021

When ordering cocktails…

27%

Of consumers try a drink category that they don't typically drink (e.g. Gin, Rum, Tequila) every time or almost every time

-7pp

1 in 5

Try a new spirit brand in a cocktail every time or almost every time

-7pp

Sample size: 1004

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Consumers increasingly have 'go-to' cocktail options so operators should ensure those most popular are listed within their offering

67%

of consumers have a 'go-to' cocktail

+5pp vs Q3 2021

Sample size: 1004

	The top 5 'go-to' cocktails:		Rank indexed vs share of serve:
	#1	Pornstar Martini	=
	#2	Mojito	+1
	#3	Sex on the Beach	-1
	#4	Pina Colada	+6
	#5	Daiquiri	+1

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Cocktail Market Summary

- After a period of 12 months where minimal restrictions have been imposed, the cocktail market has doubled in value YoY and grown share of spirits, affirming the category's importance to the GB On Trade
- In the short term picture however, cocktail performance has slowed, with outlet stocking levels plateauing for the first time since Q1 2018 and 12-week value dropping 3.8% versus the equivalent period in 2021
- Pornstar Martini remains the No.1 based on share of serves, with staple classic cocktails in decline while Spritz serves continue to grow in popularity, and Aperol Spritz breaks back into the top 10
- Tequila based cocktails have been in demand, with their share of serve increasing to just under 10% of cocktail serves, which has led to 1 in 3 consumers now having a Tequila based cocktail in their repertoire
- In contrast to dynamics last year, consumers move away from experimental cocktails and instead purchase tried and trusted serves, which has translated into a growing preference for classics and "go to"" serves
- Ensuring operators stock the "go-to" options is vital with over 2 in 3 stating they have one in their repertoires, so understanding what these are and how to optimise them is key to success

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Premiumisation and Polarisation

The flavours included in cocktails and trust in their quality are key, while consumers are also interested in finding value through promotions

Important factors when choosing a particular cocktail:

#1	The flavour(s) of the cocktail
#2	If it is a cocktail I have tried before and know I like the taste of
#3	The ingredients in the cocktail
#4	Flavour descriptions/ tasting notes
#5	Whether the particular cocktail is on promotion (e.g. 2 for 1)

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Sample size: 1004

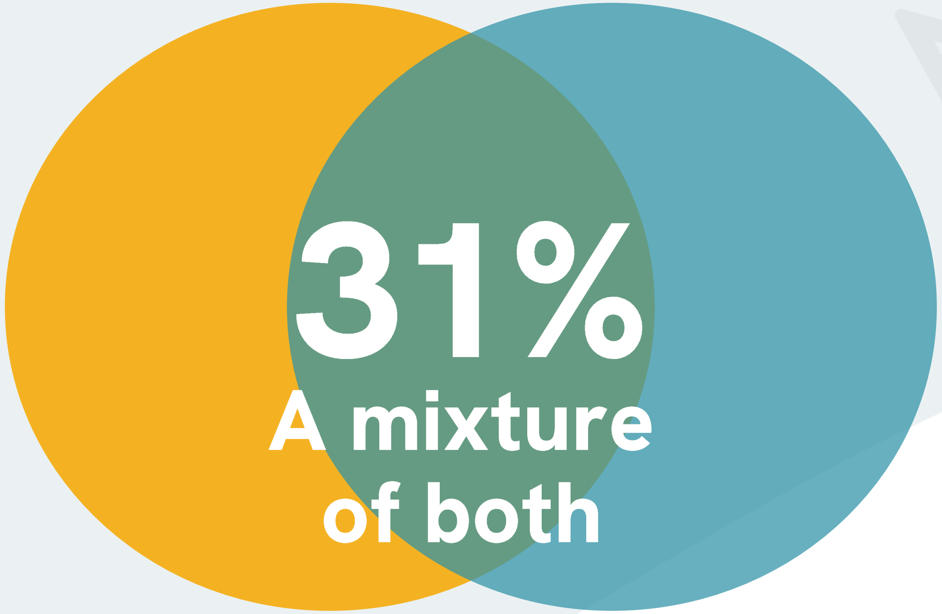
There is increasing demand for value cocktails so operators must ensure they articulate these credentials within their offering via marketing communications

Would you say the cocktail(s) you typically drink are mostly…

28%

Premium high-quality cocktails

-5pp vs Q3 2021



-4pp vs Q3 2021

41%

Value cocktails

+9pp vs Q3 2021

Sample size: 1004

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Consumers who choose premium cocktails are naturally focused on overall quality and less concerned with price

Important factors when choosing a particular cocktail for consumers who primarily choose **premium/ high quality cocktails:**

Indexed vs the average cocktail consumer

#1	The flavour(s) of the cocktail	-4pp
#2	The ingredients in the cocktail	+6pp
#3	If it is a cocktail I have tried before and know I like the taste of	+2pp
#4	Flavour descriptions / tasting notes	+2pp
#5	The quality of the ingredients included in the cocktail	+6pp

Sample size: 281

On average consumers who primarily drink **Premium Cocktails** expect to spend

£9.94

on a cocktail

+£0.89 compared with the average cocktail consumer

Sample size: 281

74%

of **Premium Cocktail** consumers are likely to pay more for a better quality cocktail

+7pp vs Q3 2021

VS

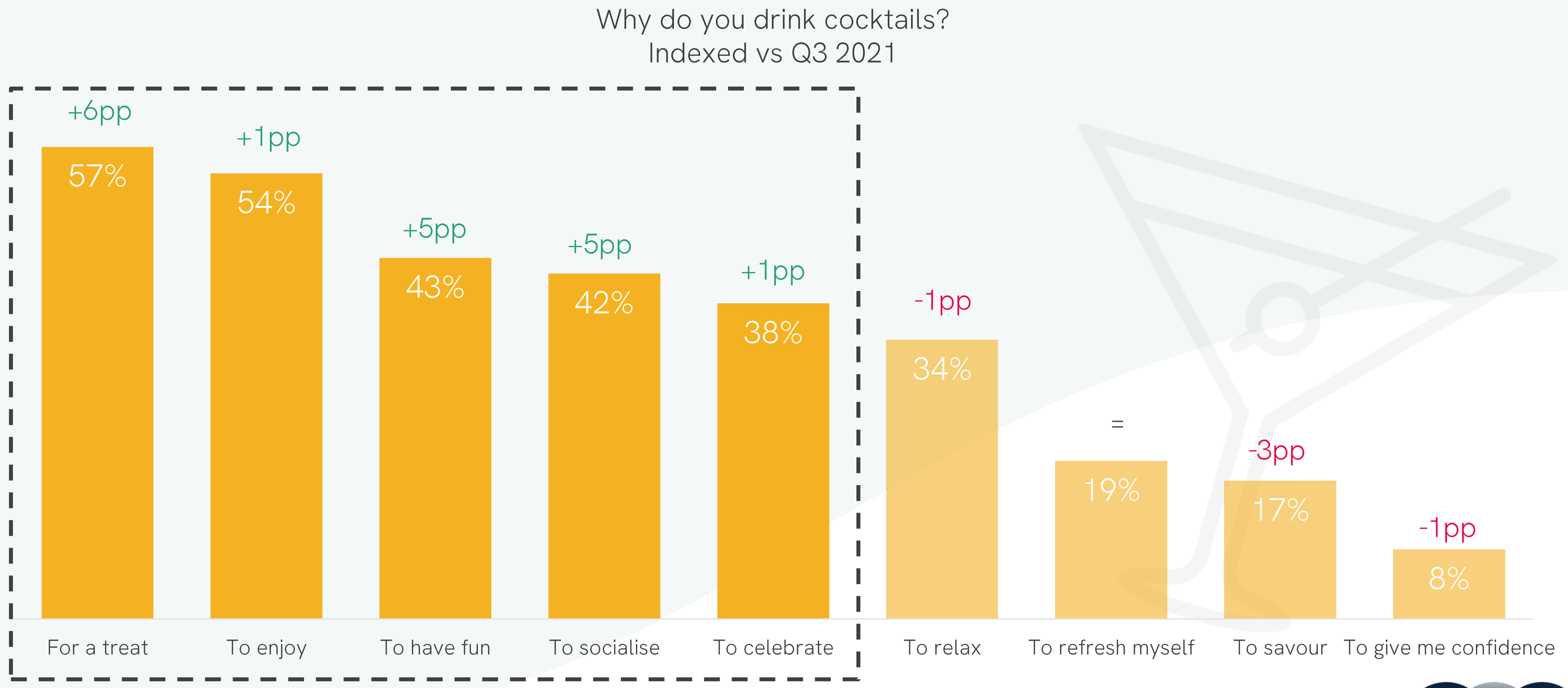
51%

of **Value Cocktail** consumers are likely to pay more for a better quality cocktail

-13pp vs Q3 2021

Sample size: 695

Despite the rising cost of living, consumers still want to celebrate and treat themselves which suppliers should accommodate for through promotional activity



Sample size: 1004

Consumers who choose value cocktails are looking for quality but at the right price

Important factors when choosing a particular cocktail for consumers who primarily choose **value cocktails:**
Indexed vs the average cocktail consumer

#1	The flavour(s) of the cocktail	**-3pp**
#2	If it is a cocktail I have tried before and know I like the taste of	**-5pp**
#3	Whether the particular cocktail is on promotion (e.g. 2 for 1)	**+5pp**
#4	The ingredients in the cocktail	**-5pp**
#5	The price of the cocktail compared to other cocktails	**+5pp**

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Sample size: 414

On average consumers who primarily drink **Value Cocktails** expect to spend

£8.76

on a cocktail

-£0.29 compared with the average cocktail consumer

Sample size: 414

54%

of consumers purchase cocktails on promotion every time or almost every time they go out for cocktails

+4pp vs Q3 2021

Sample size: 1004

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Price is both a key barrier and potential driver to greater category engagement, demonstrating value to consumers is crucial to attracting a larger customer base

Top 3 reasons consumers don't drink cocktails:

#1 I prefer other drinks categories

#2 They are too expensive

#3 They don't suit the occasions I go out for

Top 3 factors that could make consumers drink cocktails:

#1 If they were better value for money

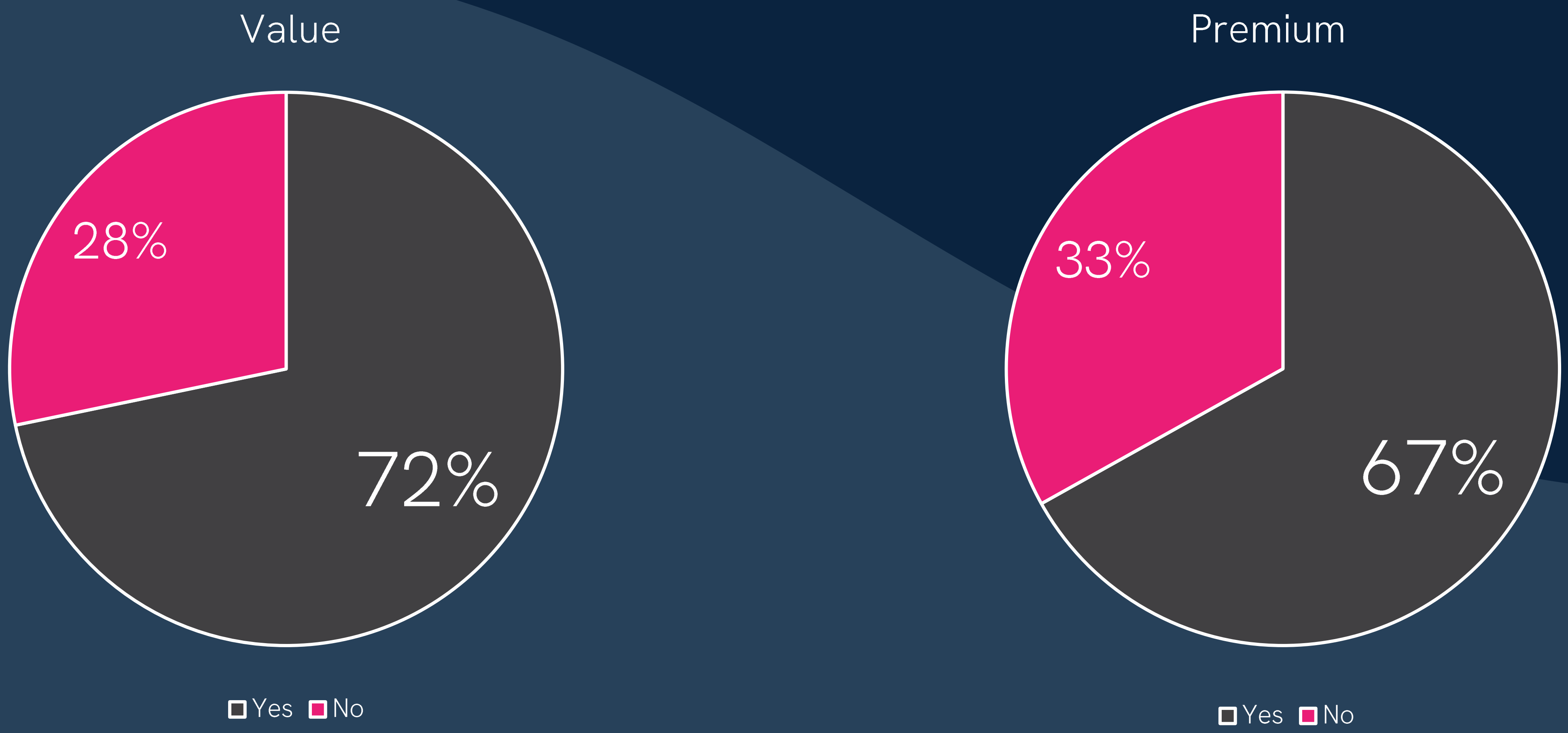
#2 If they were on offer

#3 If there more low sugar cocktail options available

Sample size: 71

Value & Premium-led cocktail consumers are more likely to have a “go-to” cocktail but there is still headroom for experimentation across both profiles to tap into

Do you have a 'go-to' cocktail?



Sample size: Value, 414; Premium, 281

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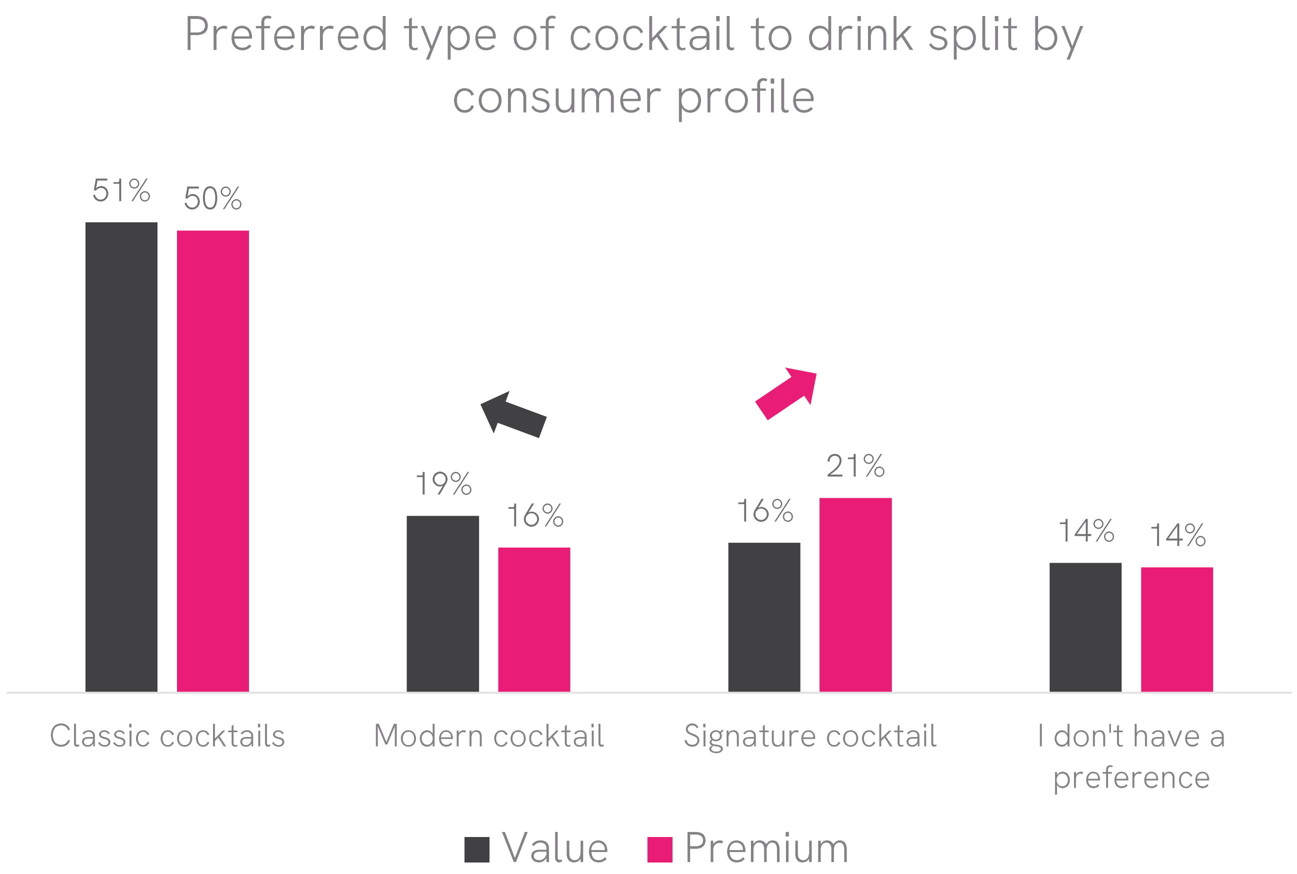
Classics are key, but those typically opting for premium options have more appetite for signature serves, versus those opting for value-led more likely to choose modern takes



Sample size: Value, 414; Premium, 281

The serve strategy should be nuanced to accommodate style & experimentation preference by consumer profile, be it a modern or signature take on a classic

Top 5 "go-to" cocktails in each consumer types repertoire...

Value

#1	Sex On The Beach
#2	Pornstar Martini
#3	Mojito
#4	Pina Colada
#5	Daiquiri

Premium

#1	Pornstar Martini
#2	Mojito
#3	Daiquiri
#4	Pina Colada
#5	Espresso Martini

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Premiumisation and Polarisation Summary

- Cost of living concerns along with rising prices for cocktails have led many consumers to switch to more value-led cocktails and more frequently utilise deals and promotions
- But 3 in 4 consumers who choose premium cocktails, and half of those who choose value cocktails are willing to pay extra for better quality serves reinforcing treat and quality credentials of the category
- Due to rising prices, high quality serves are expected, making flavour profiles and ingredients key in choice of cocktail, and leading both value and premium focused consumers to opt for tried and trusted options
- Over 1 in 2 consumers are engaging with cocktails via promotion at least every time or almost every time they go out for cocktails which against a backdrop of a cost of living crisis makes this a vital mechanic
- With price a barrier to wider engagement with cocktails, and many non-cocktail drinkers unconvinced they justify their price, operators can highlight their value for money credentials via marcomms to address this
- Despite the rising cost-of-living, consumers still want to celebrate and treat themselves which can be accommodated through promotional activity that activates and protects high quality associations

The Cocktail Consumer

9.6 million

GB consumers typically drink cocktails out-of-home

Equating to **20.4%** of the population

Or **1 in 5** On-Premise consumers

+2.4 million (+5.2pp) Vs Q3 2021

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Sample size: 5001

37%

Of consumers drink cocktails at least once a week

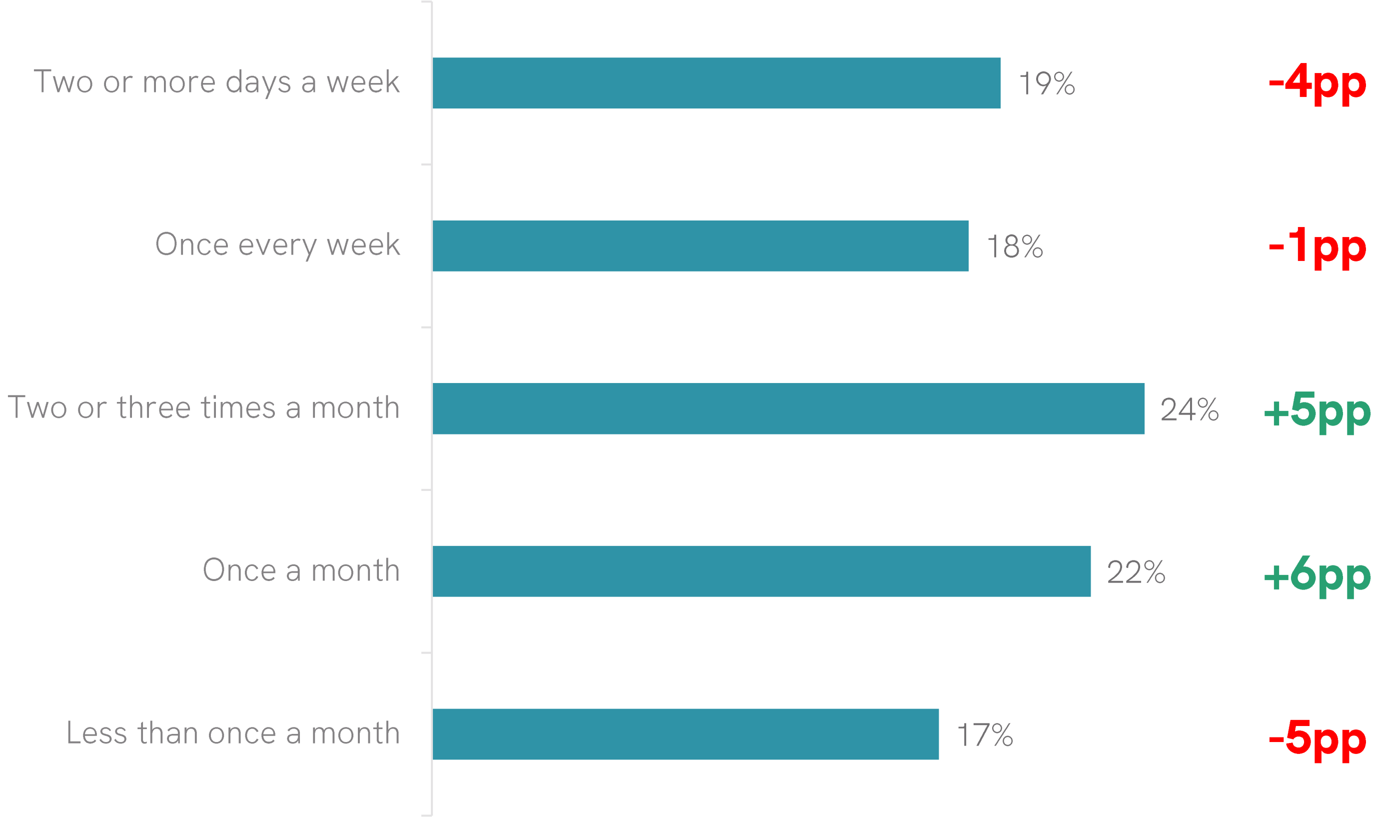
-6pp vs Q3 2021

Sample size: 1004

Despite a decline in weekly engagement, more than 4 in 5 consumers are now engaging with cocktails on a monthly basis

Frequency drinking cocktails when out:

Indexed vs Q3 2021:



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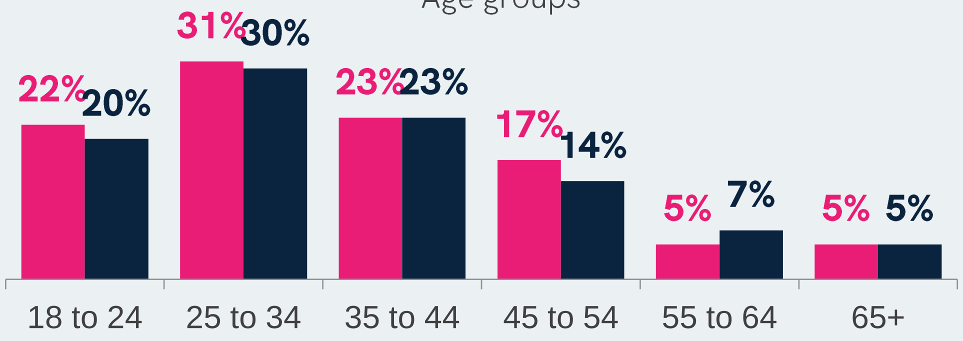
Cost of living pressures have led cocktail consumers to reduce their average spend and visitation frequency, despite having higher annual incomes

Cocktails drinkers | Cocktail drinkers in 2021

Age groups



Household income

£47,627 | £43,129

Average monthly spend eating/drinking out

£99.71 | £104.04

White collar professionals

69% | 62%

Gender

Female: 79% | 69%

Male: 21% | 31%

Eating/ drinking weekly

53% | 64%

Sample size: Cocktail drinkers 2022 1015. Cocktail drinkers 2021 758

On average consumers expect to spend

£9.05

on a cocktail

+£0.08 compared with Q3 2021

Sample size: 1004

Despite Cost-of-Living pressures...

24%

Of consumers are consuming more cocktails when they are out

32%

of consumers have increased their overall spend on cocktails

Sample size: 1004

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And quality is still key with...

92%

of consumers' now choosing cocktails that are better quality, or of the same quality when they go out

Sample size: 1004

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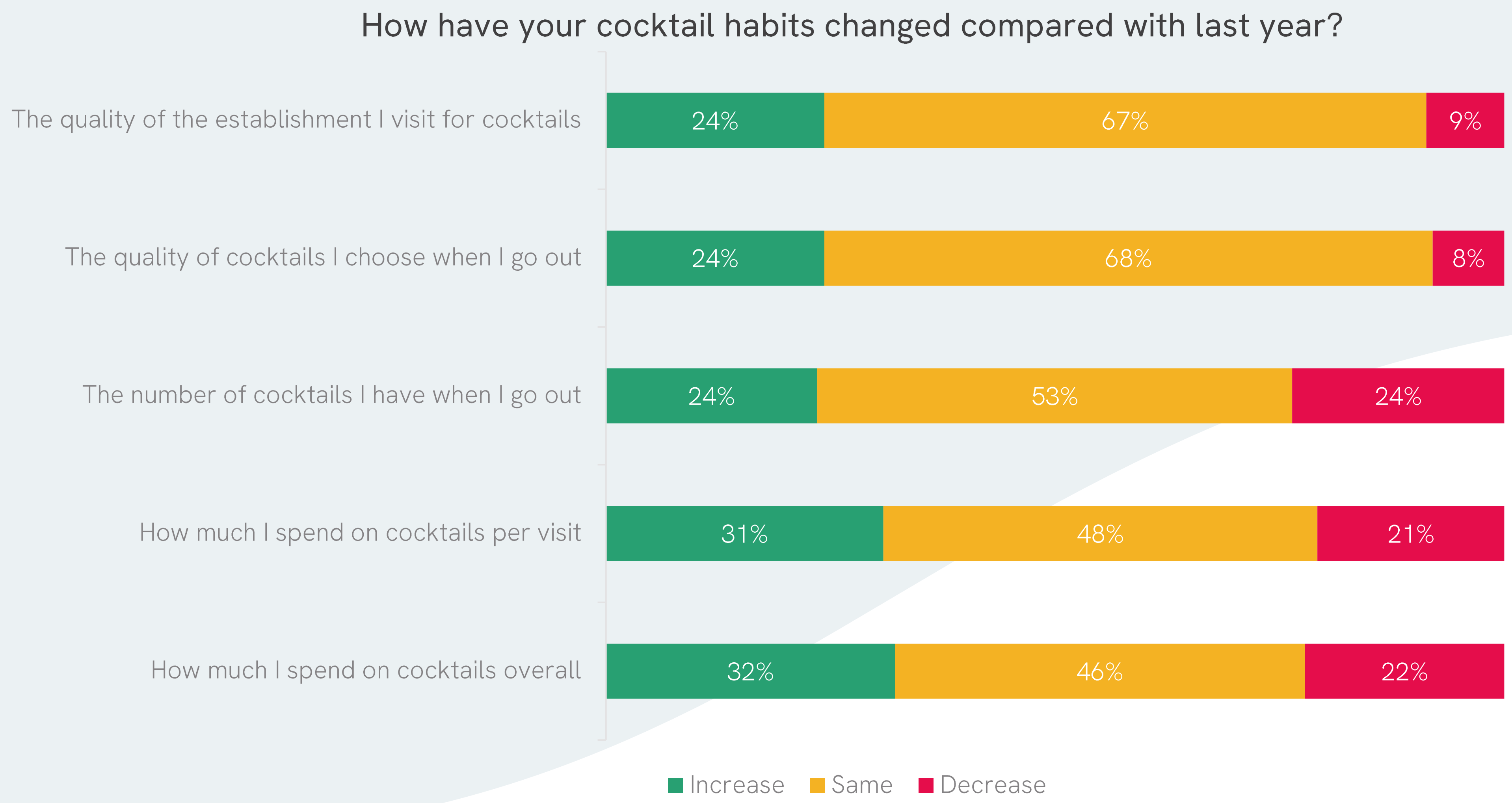
Consumers have overwhelmingly prioritised quality and been willing to pay higher prices for it despite rising costs outside of the On-Premise



Sample size: 1004

39%

Of consumers believe they are drinking cocktails more often than they were last year

Sample size: 1004

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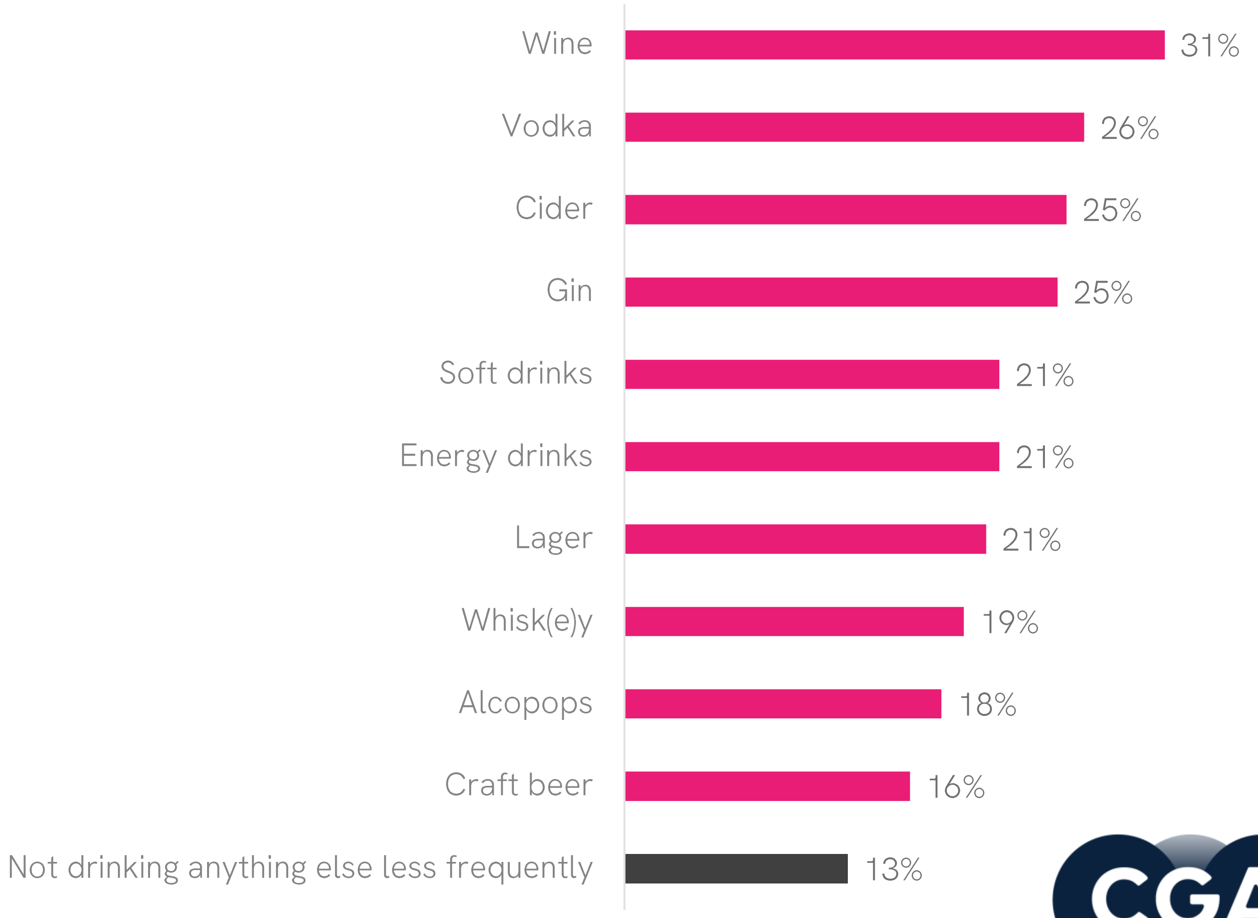
Sample size: 391

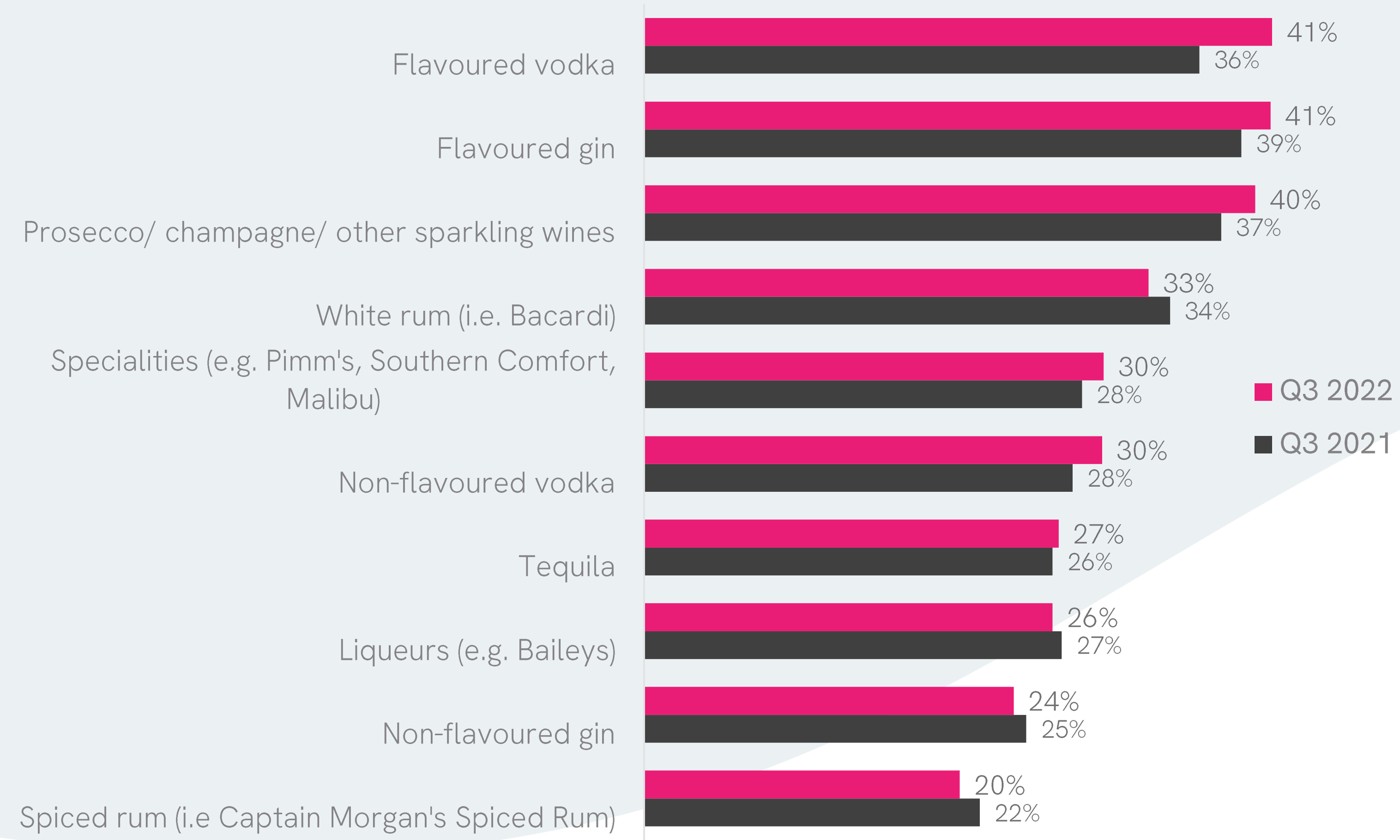
To balance an increase in cocktail consumption many consumers have reduced their frequency of drinking other categories

You have said that you are drinking cocktails more frequently, are there any drinks categories you are now drinking less off because of this?



Flavoured spirits grow significantly as sweeter tasting spirit profiles become more appealing, while sparkling wines also become more popular with the continued growth of Spritz serves

Types of alcohol consumers typically drink in their cocktails out-of-home
Indexed vs Q3 2021



Although some consumers are cutting back on Vodka and Wine in place of cocktails, they are increasingly consuming them within cocktail serves

Sample size: 1004

Taste preferences have increasingly moved towards fruity and sweeter cocktails which are essential to include within Cocktail menus

Cocktail tastes drank when out: Indexed vs Q3 2021

Berry	51%	+2pp	Coffee	27%	+4pp	Ginger	15%	-5pp
Fruity	48%	+6pp	Boozy	18%	-3pp	Bitter	12%	-3pp
Refreshing	46%	=	Creamy	18%	-3pp	Smoky	10%	-4pp
Citrus	43%	+2pp	Sour	17%	-3pp	Hot Cocktails	9%	-6pp
Fizzy	37%	+1pp	Cider	15%	-1pp	Beer cocktails	9%	-5pp

Sample size: 1004

Berry flavours remain consumers favourite cocktail choices while passion fruit sees the biggest growth

Flavours of cocktails drank when out:
Indexed vs Q3 2021

Strawberry	42%	=	Lime	26%	-1pp
Raspberry	39%	+3pp	Orange	26%	=
Passion fruit	37%	+5pp	Cherry	25%	-3pp
Pineapple	30%	+1pp	Apple	24%	=
Mango	28%	-3pp	Peaches	23%	=
Lemon	27%	+2pp	Vanilla	22%	-2pp

Sample size: 1004

Cocktail consumer summary

- The proportion of consumers who typically drink cocktails has increased to 1 in 5, enabling the growth in sales, maintained outlet stocking levels, and cocktail's share of spirits gains
- Although weekly engagement has declined slightly, 4 in 5 cocktail consumers are now going out for cocktails at least once a month
- Cost of living pressures have led cocktail consumers to reduce overall visiting frequency & spend, but are prioritising cocktails when they do go out, with category spend being maintained or increased
- Quality is just as important despite financial constraints with 92% of consumers choosing cocktails that they believe are of as good, or of better quality than they were last year
- With consumers now expecting to pay more on average per serve, meeting quality expectations is crucial for suppliers and operators so should be clearly communicated as part of offer
- Taste preferences show a demand for fruity and sweeter cocktails has increased making them a key consideration for cocktail flavour positioning

Channel Interaction and Occasions

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Over 2 in 5 Pubs now stock the cocktail category with substantial headroom still to go after provided there is a solution that fits with the outlet

Outlet penetration

% of outlet type stocking

Number of outlets

Bars	Hotel	Food pub	Restaurant	Drink-led Pub	Sports / social clubs
78.4%	53.5%	56.9%	37.4%	47.5%	11.7%
7,504	4,194	7,312	8,600	12,697	2,623

CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

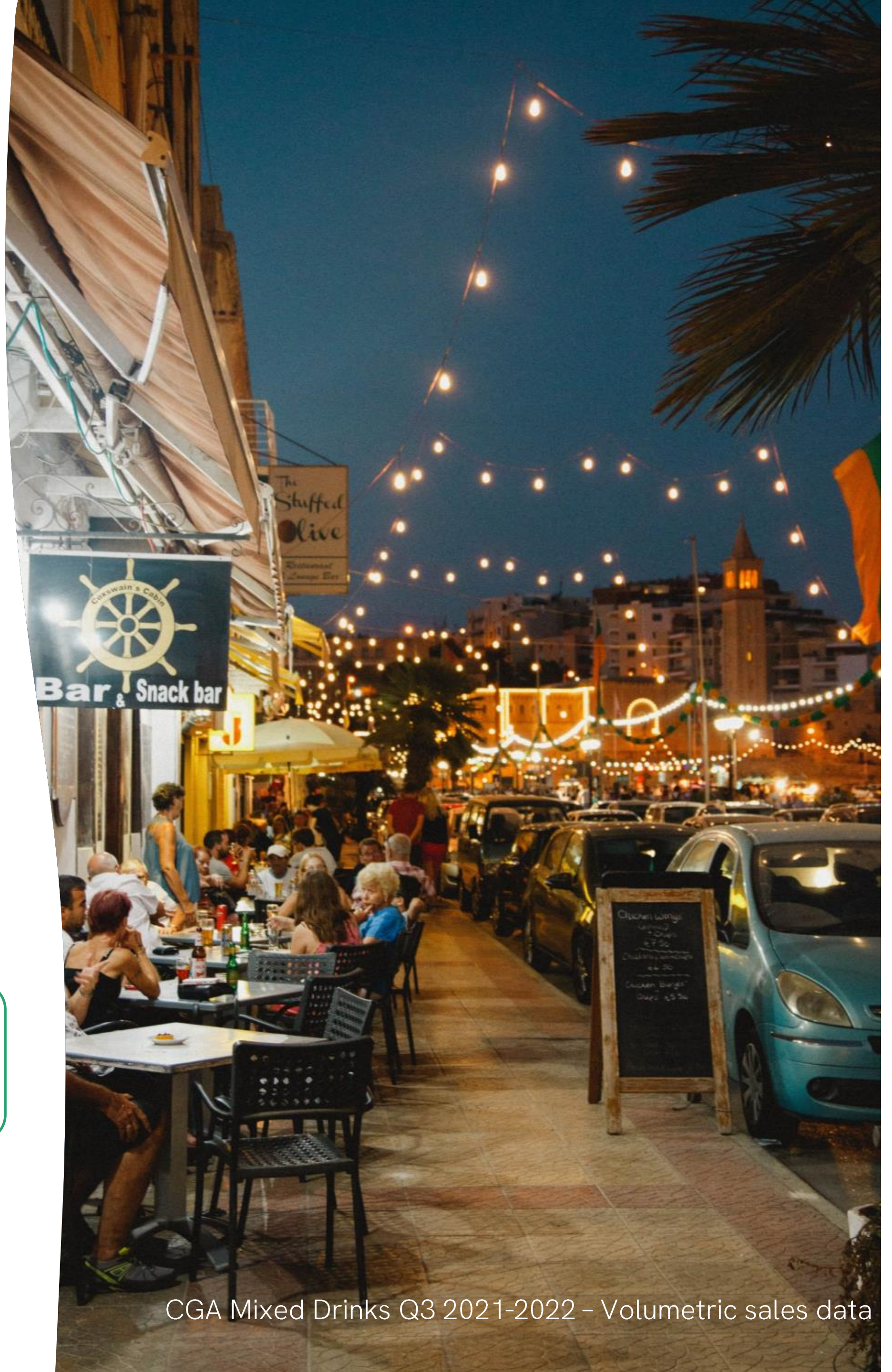
CGA Powered by NielsenIQ

A full year without restrictions on hospitality venues has resulted in a huge increase in the value of cocktails in bars, pubs, and restaurants

Total Cocktail Value

Top 4 Channels Share of sales
(YoY% Cocktail value change)

Bars	Food pub	Restaurant	Drink-led Pub
£378m	£69m	£95m	£54m
55.1%	10.0%	13.8%	7.9%
+166%	+122%	+100%	+107%



CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

CGA Powered by NielsenIQ

But in the short term, certain channels have struggled to lap a strong Q3 in 2021, despite green shoots of growth outside traditional cocktail heartlands

Q3 2022 12-week cocktail value by channel YoY % Chg

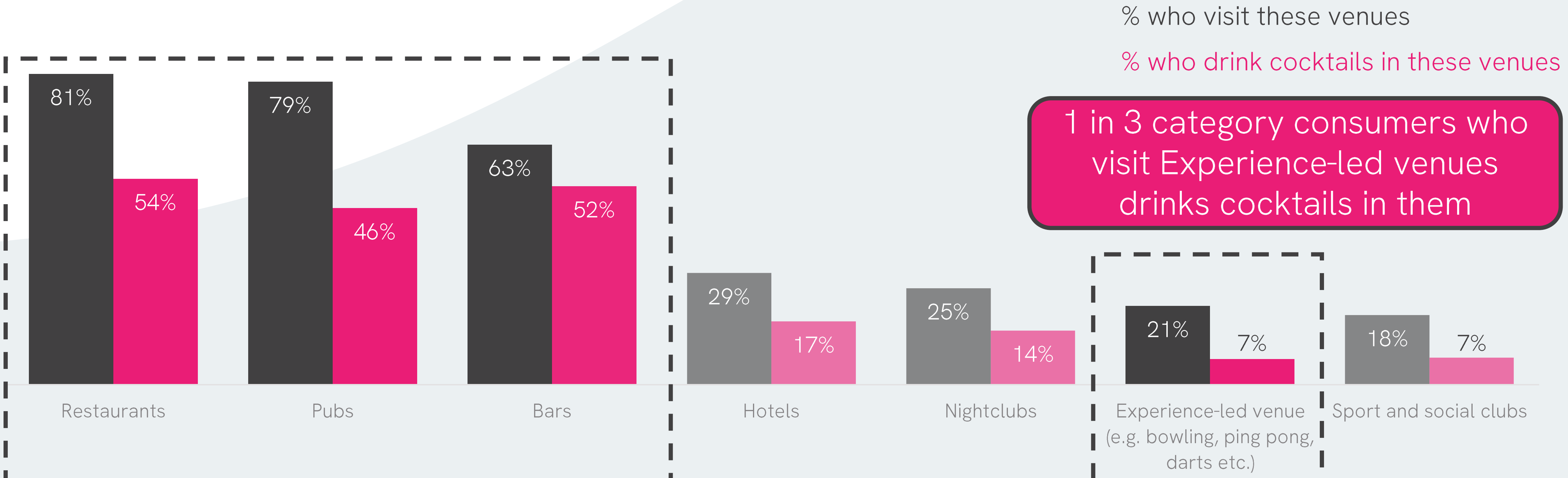
Bars	Hotel	Food pub
+0%	-22%	+14%

Restaurant	Drink-led Pub	Sports / social clubs
-3%	-3%	+2%

CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

Category conversion in Restaurants, Bars, and Pubs has increased, while Experience-led venues have also emerged as a popular choice for cocktails

Proportion of consumers visiting these channels and the proportion of them who drink cocktails in them:
Indexed vs Q3 2021



1 in 3 category consumers who visit Experience-led venues drinks cocktails in them

	Restaurants	Pubs	Bars	Hotels	Nightclubs	Experience-led venue	Sport and social clubs
Visit index:	+2pp	+1pp	+5pp	-3pp	-3pp	+1pp	=
Drink cocktails index:	+3pp	+8pp	+8pp	-5pp	=	+4pp	=

Sample size: 1004

Bars unsurprisingly offer the best quality and range of cocktails, while Pubs have room for improvement as consumption increases

How do you rate....

	Bars	Restaurants	Hotels	Nightclubs	Pubs	Sport and social clubs
the **quality** of cocktails in the venues you visit?	88%	82%	80%	62%	61%	56%
the **range** of cocktails available in the venues you visit?	84%	77%	80%	64%	59%	51%

Sample size: 1004

Greater engagement with cocktails, often in more value-led outlets has come with higher quality expectations, highlighting ensuring serve quality and staff training is key

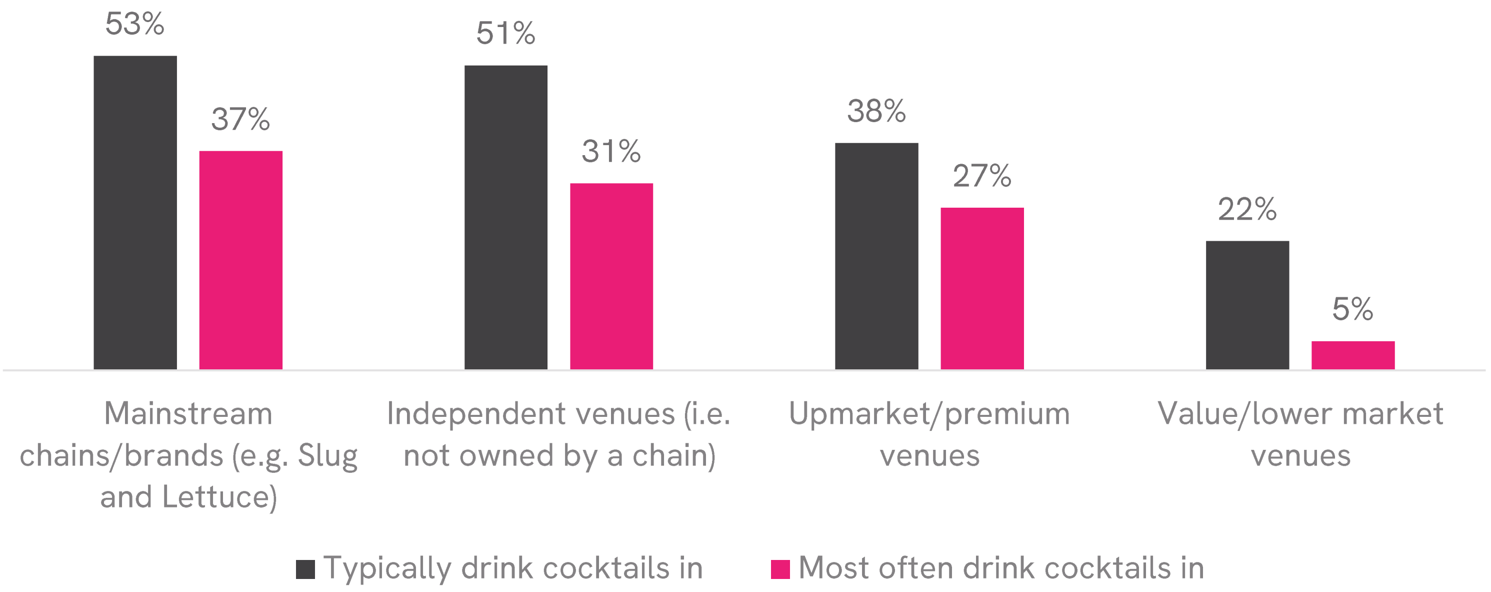
How do you rate....

	Bars	Restaurants	Hotels	Nightclubs	Pubs	Sport and social clubs
the **quality** of cocktails in the venues you visit?	**88%**	**82%**	**80%**	**62%**	**61%**	**56%**
	-1pp	-5pp	-8pp	-19pp	-14pp	-26pp
the **range** of cocktails available in the venues you visit?	**84%**	**77%**	**80%**	**64%**	**59%**	**51%**
	-3pp	+2pp	-2pp	-12pp	-9pp	-20pp

Sample size: 1004

Consumers typically visit a range of outlet types for cocktails, with mainstream chains the most frequently visited

In what type of outlets do you typically drink / most often drink cocktails in?



Mainstream chains/ brands

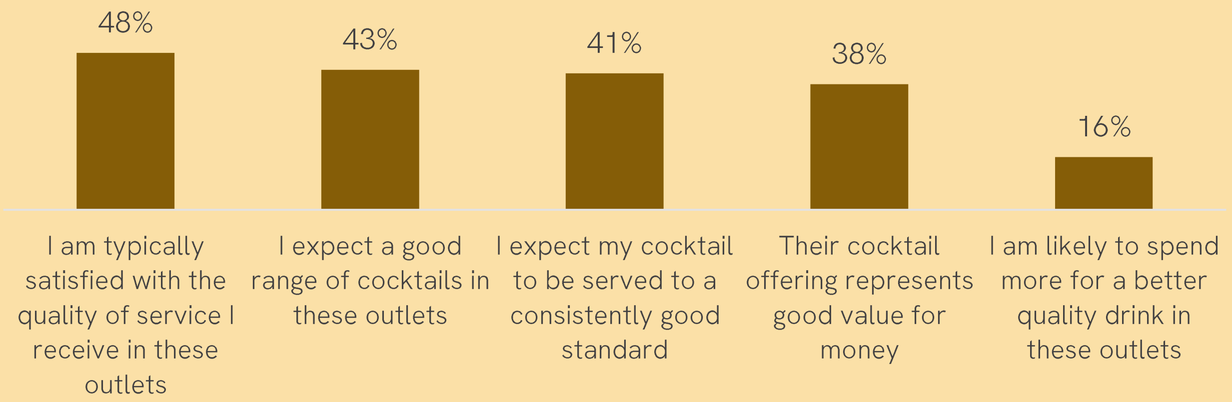
53%

Of consumers typically drink cocktails in mainstream chains/ brands

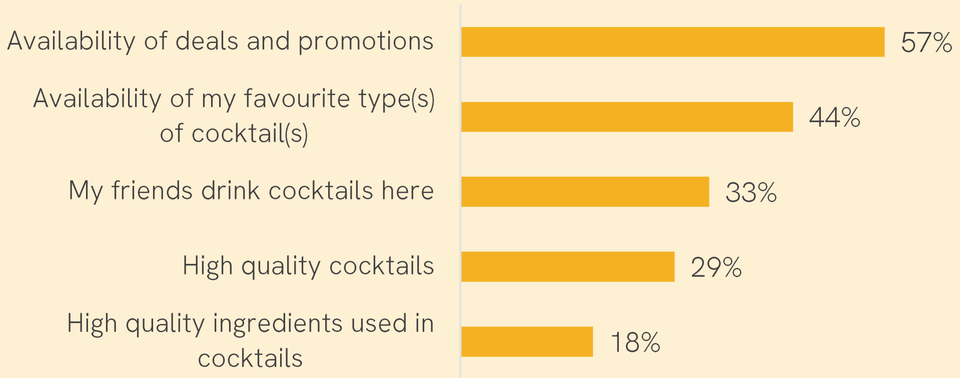
18%

Of consumers who drink cocktails in Mainstream chains/ brands are doing so more frequently than they were last year

Statements that reflect consumers views in Mainstream outlets:



Why consumers choose cocktails in Mainstream outlets:



Sample size: 528

Mainstream outlets are frequently visited due to offering consumers their favourite cocktails at discounted prices.

36%

of consumers would be willing to pay more for a cocktail in a Mainstream chain/ brand vs other outlets

Independent venues

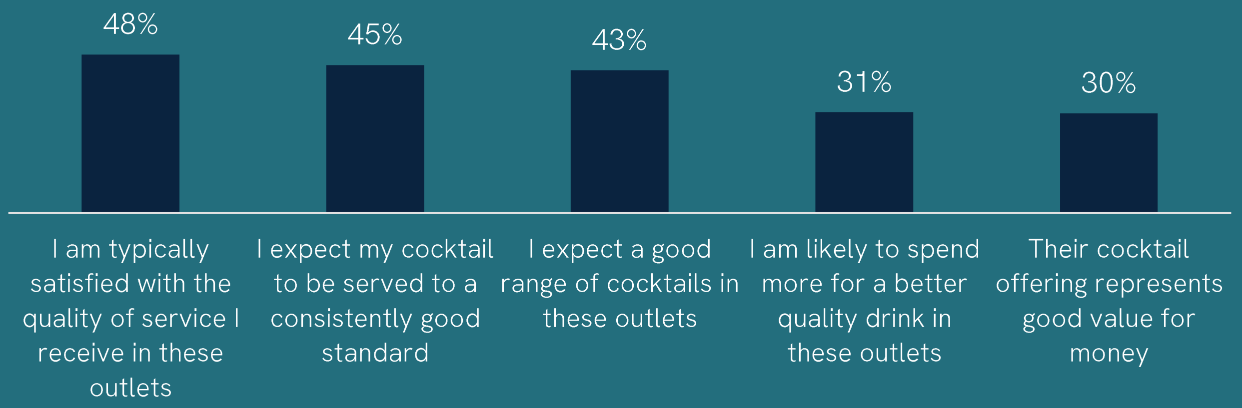
51%

Of consumers typically drink cocktails in independent venues

19%

Of consumers who drink cocktails in Independent venues are doing so more frequently than they were last year

Statements that reflect consumers views in Independent outlets:



Why consumers choose cocktails in Independent outlets:

Sample size: 511

Consumers are drawn to Independent venues due to the availability of a good range of high quality cocktails serves combined with good service.

47%

of consumers would be willing to pay more for a cocktail in an Independent venue vs other outlets

Upmarket/ premium venues

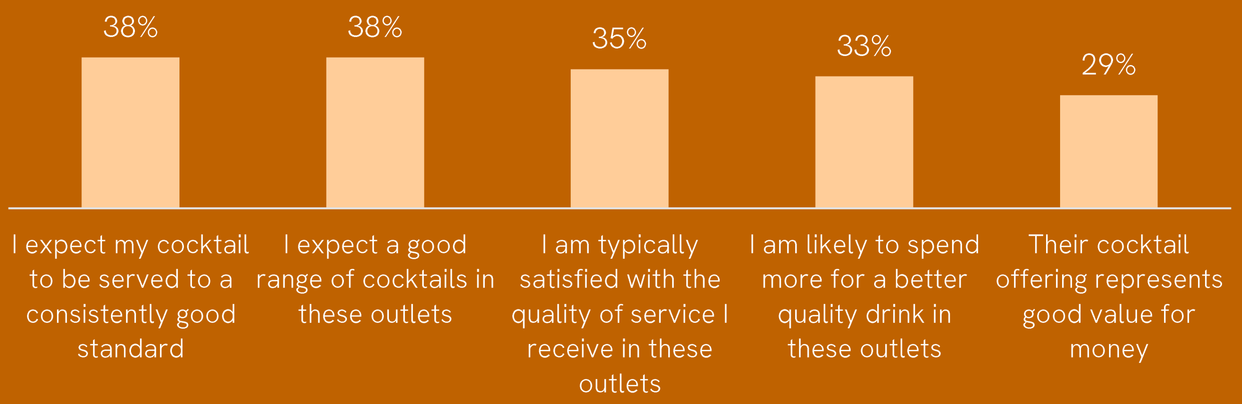
38%

Of consumers typically drink cocktails in upmarket/premium venues

21%

Of consumers who drink cocktails in Upmarket/ premium venues are doing so more frequently than they were last year

Statements that reflect consumers views in Upmarket outlets:



Why consumers choose cocktails in Upmarket outlets:

Sample size: 384

The quality of cocktails and the ingredients included in them are key drivers for visiting Upmarket/ premium venues. This association needs to be met with consistently well served cocktails to encourage consumers to trade up their serves.

73%

of consumers would be willing to pay more for a cocktail in an Upmarket/ premium venue vs other outlets

Value/ lower market venues

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22%

Of consumers typically drink cocktails in value/lower market venues

24%

Of consumers who drink cocktails in Value/ lower market venues are doing so more frequently than they were last year

Statements that reflect consumers views in Value outlets:

Why consumers choose cocktails in Value outlets:

Sample size: 217

Value/ lower market venues are attracting more consumers due to the appeal of being given more for your money than you would in other outlets. Stressing the value of their offering while ensuring good quality service will enable continued growth.

31%

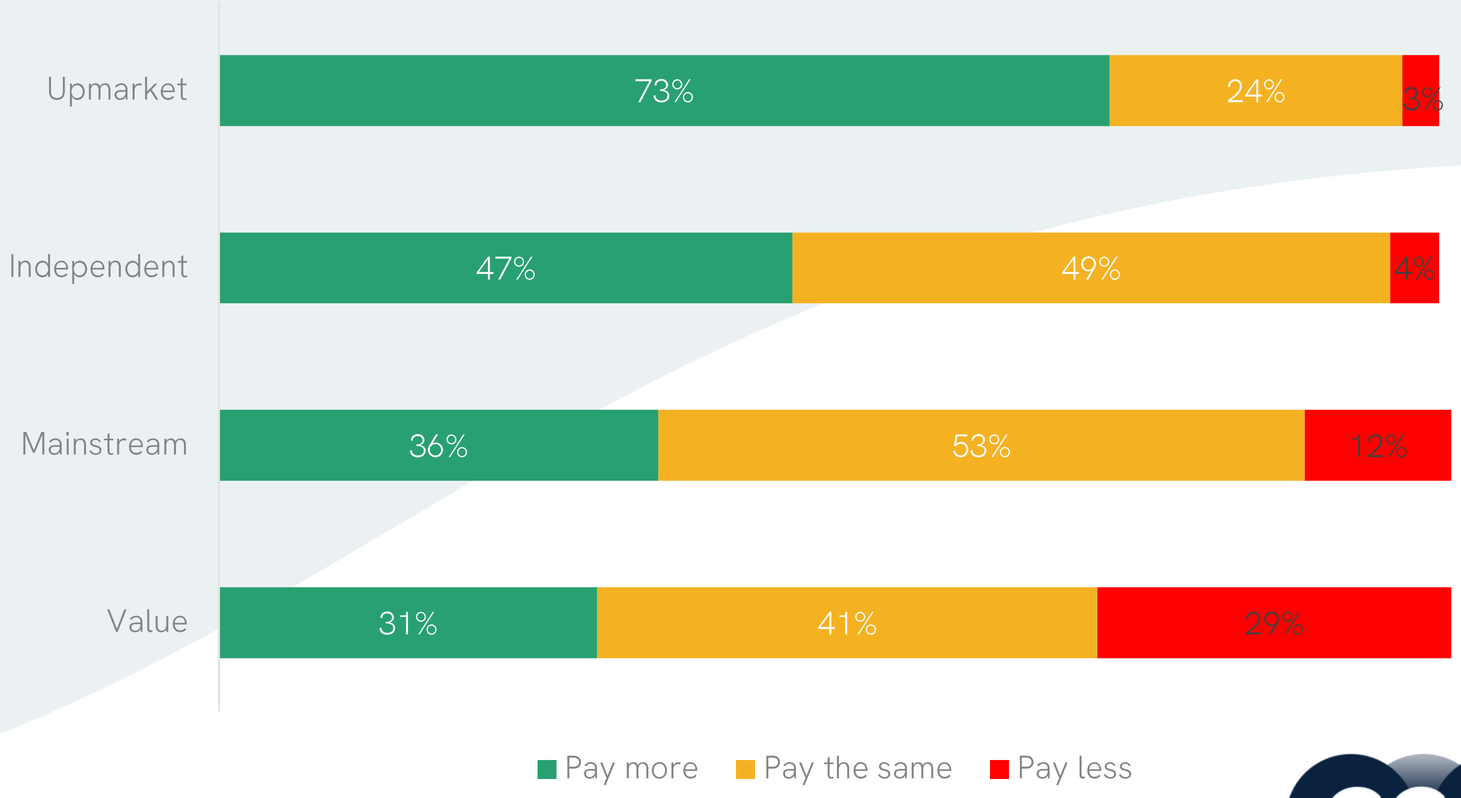
of consumers would be willing to pay more for a cocktail in a Value/ lower market venue vs other outlets

Upmarket and Independent venues provide the best opportunity to encourage consumers to trade up to more premium serves

Average price consumers are willing to pay for a cocktail:

£9.05

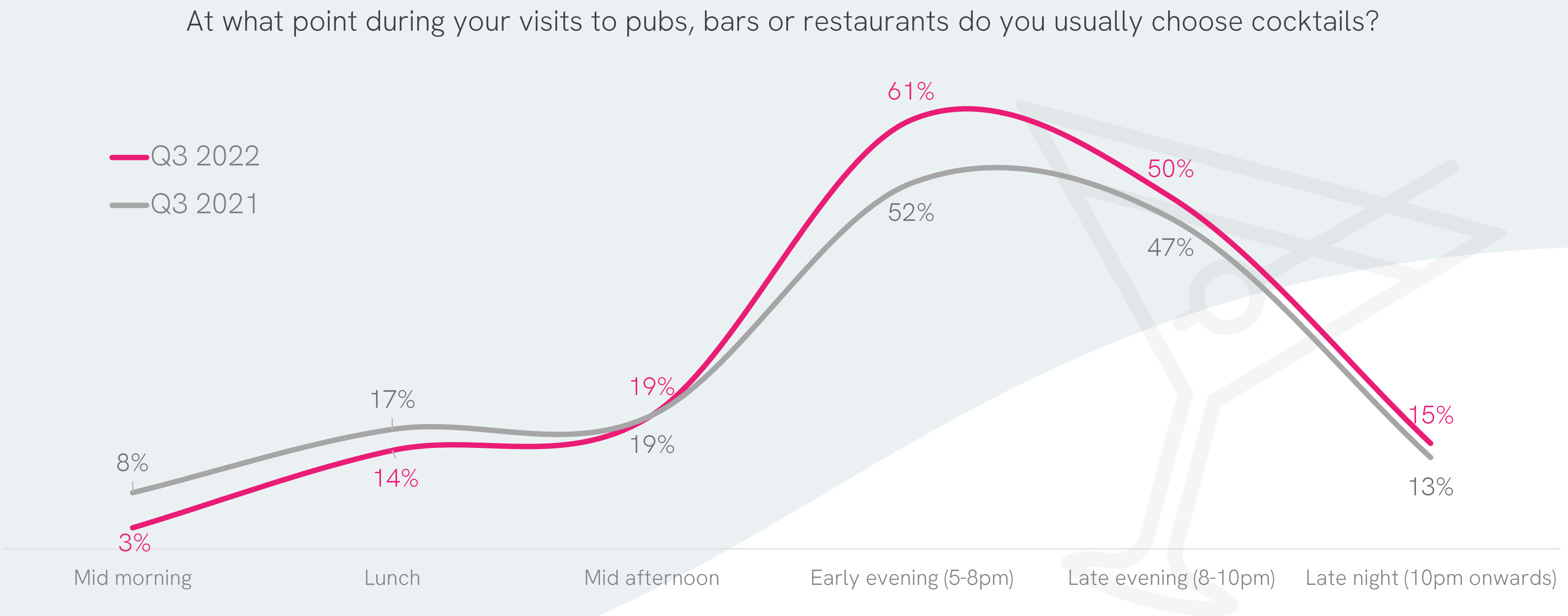
Would you be willing to pay more or less for a cocktail in each outlet type for cocktails than you typically would for a cocktail in other outlets?



Sample size: 1004

Cocktail Occasions

Engagement with cocktails is increasingly focused on early-late evening periods of the day which now account for more than 2 in 3 cocktails consumed



Sample size: 1004

Cocktails grow as a category for social and celebratory events as well as for more intimate occasions

Occasions that consumers typically drink cocktails on:
Indexed vs Q3 2021

A sociable get together	Special occasion	Treat/reward	Out as a couple	Big night out/clubbing	After work drink	For a regular/every day drink
59%	54%	41%	41%	30%	21%	16%
+7pp	+3pp	-3pp	+4pp	-1pp	-1pp	-4pp

Sample size: 1004

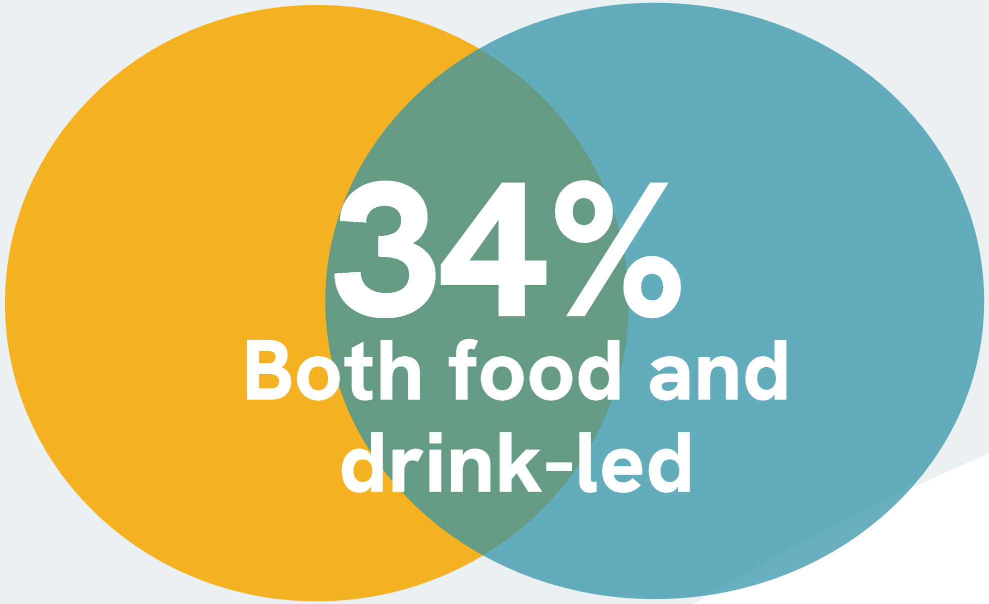
Cocktails remain most frequently consumed on drink-led occasions, deals, promotions and recommended food pairings may encourage consumption when consumers are out on food-led visits

On which occasions would you typically drink cocktails?

19%

Food-led occasions

-1pp vs Q3 2021



+1pp vs Q3 2021

47%

Drink-led occasions

=pp vs Q3 2021

Sample size: 1004

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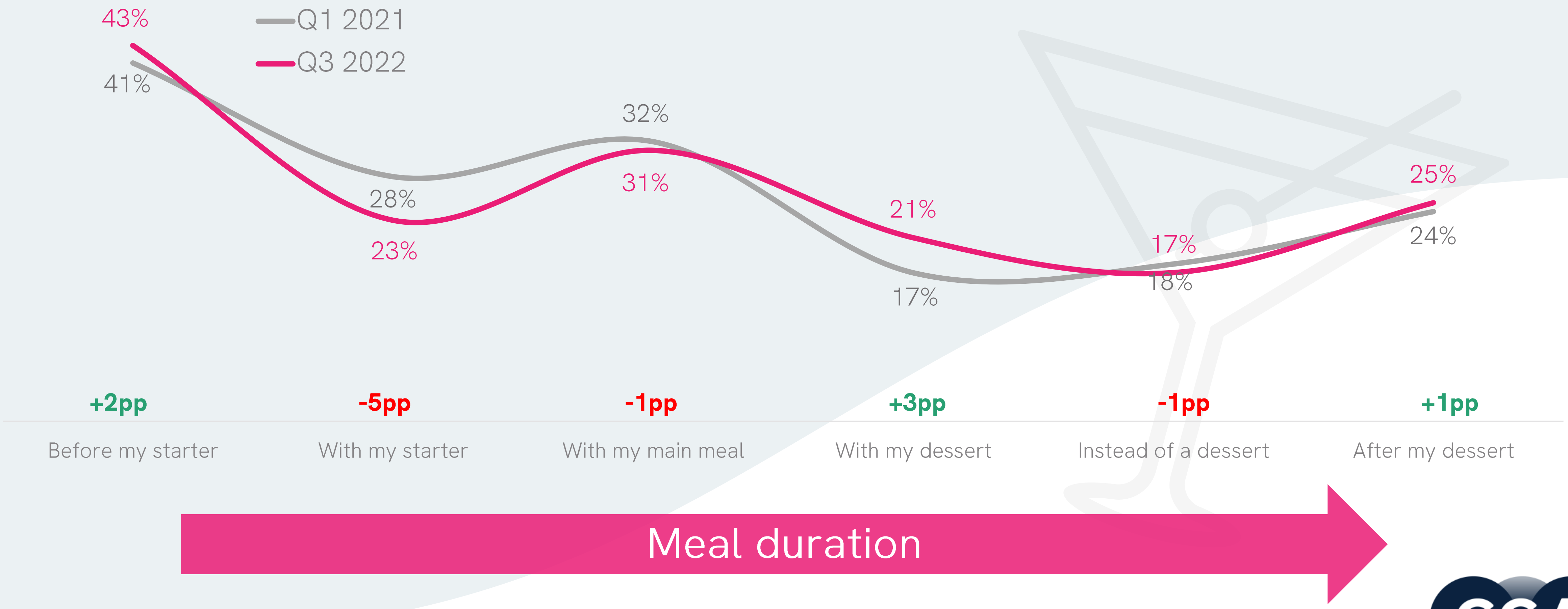
Operators should look to offer serves that can pair well with desserts with cocktails being consumed more frequently during later stages of food-led visits

At what point during a food-led occasion would you consider purchasing a cocktail?

Trended vs Q3 2021



Sample size: 534

Cocktail Channels and Occasions summary

- A year unhindered by significant restrictions has resulted in growth in cocktail sales and stocking levels across all channels but especially in Bars, Pubs and Restaurants

- But in the latest 12-weeks, certain channels have struggled to lap a strong Q3 in 2021, despite green shoots of growth in Pubs & Sport/Social Clubs, outside traditional cocktail heartlands of Bar's & Hotels

- Pubs have become core channels for cocktails as value is pursued by consumers, but proliferation into Pubs has come with higher expectations for cocktail quality which needs to be met to retain consumers

- Experience-led venues offer a dynamic that suits cocktails; typically visited for social occasions and in an environment where consumers can be encouraged to purchase cocktails as well as to trade-up serves
    - This has led to more category consumers visiting Experience-led channels, and a higher conversion to cocktails which could continue to grow in the future

- Cocktails continue to be key for consumers to celebrate with, and category engagement is now even more concentrated around early to late evening periods making these the vital cocktail operational points

COCKTAIL DRIVERS & PATH TO PURCHASE

Cocktails remain predominantly a spontaneous choice but pre-planning too plays a role for 2 in 5 so having a dual strategy to accommodate both is key

40%

of consumers drink choices are pre-planned knowing before entering the venue they will drink cocktails

+1pp vs Q3 2021

60%

of consumers spontaneously decide to drink cocktails when at the bar

-1pp vs Q3 2021

Sample size: 1004

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Overview of key drivers and influences through consumers Path to Purchase:

Where

Influences on outlet choice

- Online presence
- Quality and trust

What

Factors in cocktail choice

- Habit
- Menu
- Price and promotion

Why

Why cocktails

- For a treat
- Aesthetic Appeal

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Where

Influences on outlet choice

- Online presence
- Quality and Trust

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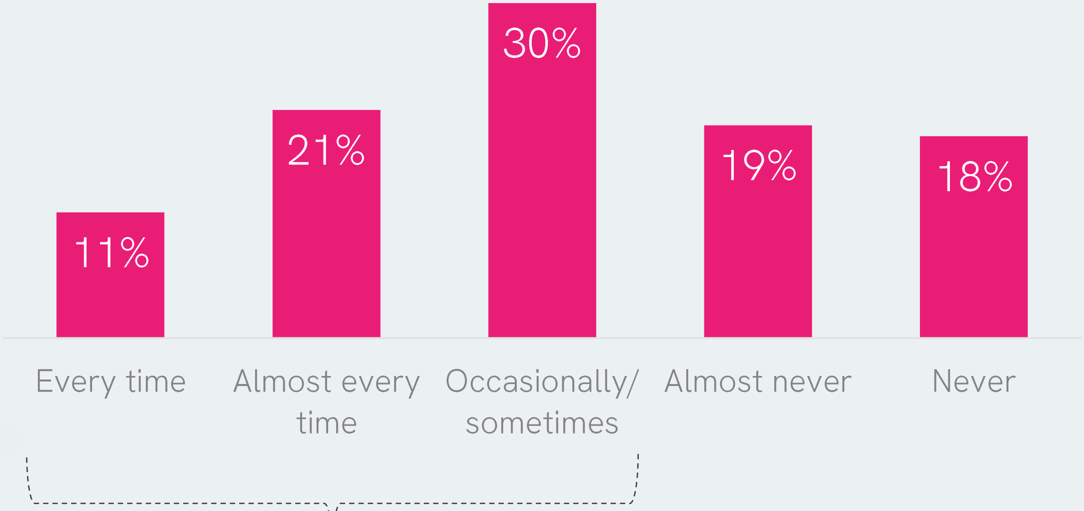
3 in 5 consumers look online to see how their cocktails look prior to ordering, evidencing the importance of a strong online presence for brands and operators

Frequency consumers look online (e.g. at a venues website/ social media) to see what cocktails looks like before ordering



62%

use them at least sometimes

Sample size: 1003

Poor serves won't be tolerated so its essential to ensure consistency of good cocktail serves to secure consumer revisits and positive reputation

If I was served a poor quality cocktail when out, I would:

Be less likely to order cocktails in that specific venue again	**55%**
Be less likely to order that cocktail again	**47%**
Be less likely to order cocktails generally in pubs, bars and restaurants in the future	**8%**
None of the above	**3%**

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Sample size: 1002

What

Factors in cocktail choice

- Habit
- Menu
- Price and Promotion

18%

of consumers usually buy a particular cocktail out of habit

+2pp vs Q3 2021

37%

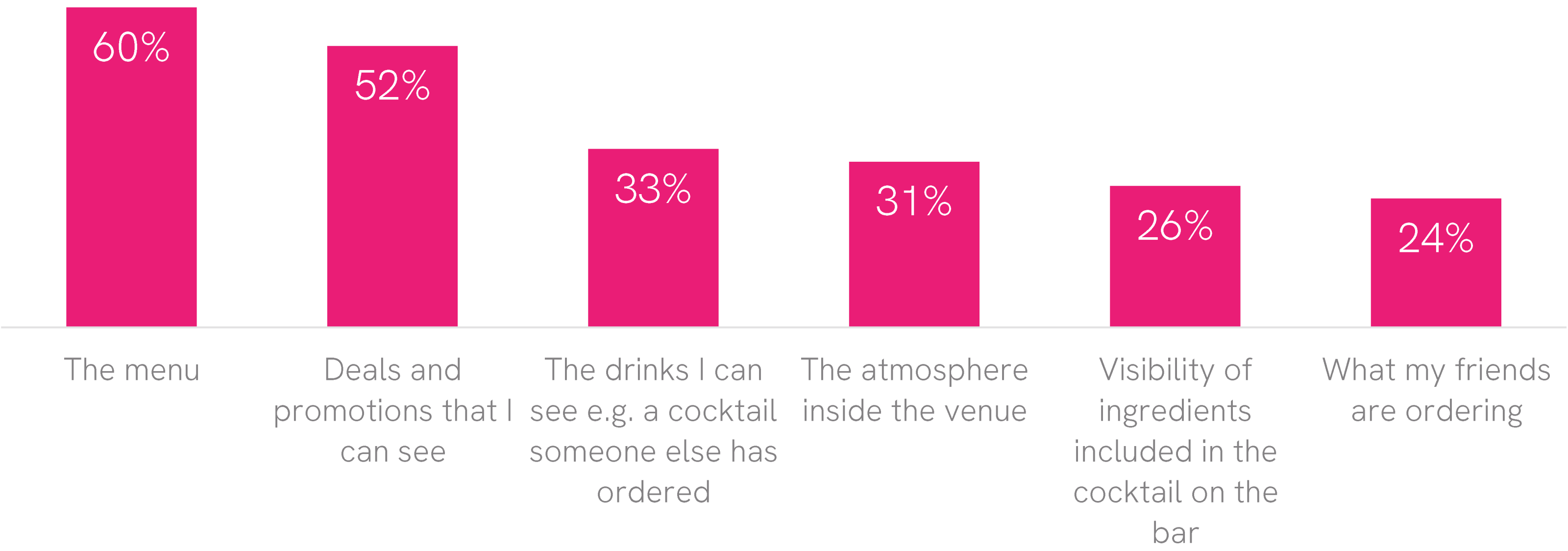
of consumers purchase cocktails that they have tried before and know they like the taste of

+6pp vs Q3 2021

Sample size: 1004

A strong brand presence on the menu is vital for ensuring you capture consumers at key points of sale

When first arriving at a venue and walk up to the bar, what influences you to choose cocktails?



Sample size: 600

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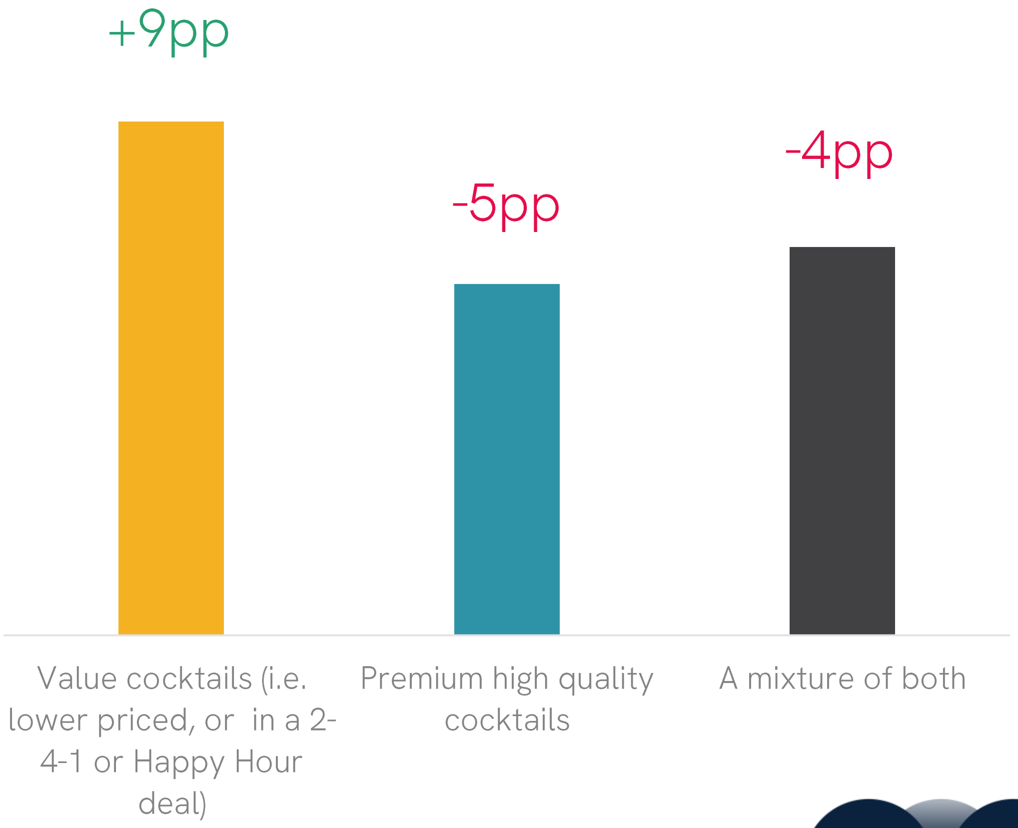
Against a backdrop of cost of living pressures, value is becoming increasingly important in cocktail choice

Sample size: 1004

Would you say the cocktail(s) you typically drink are mostly…



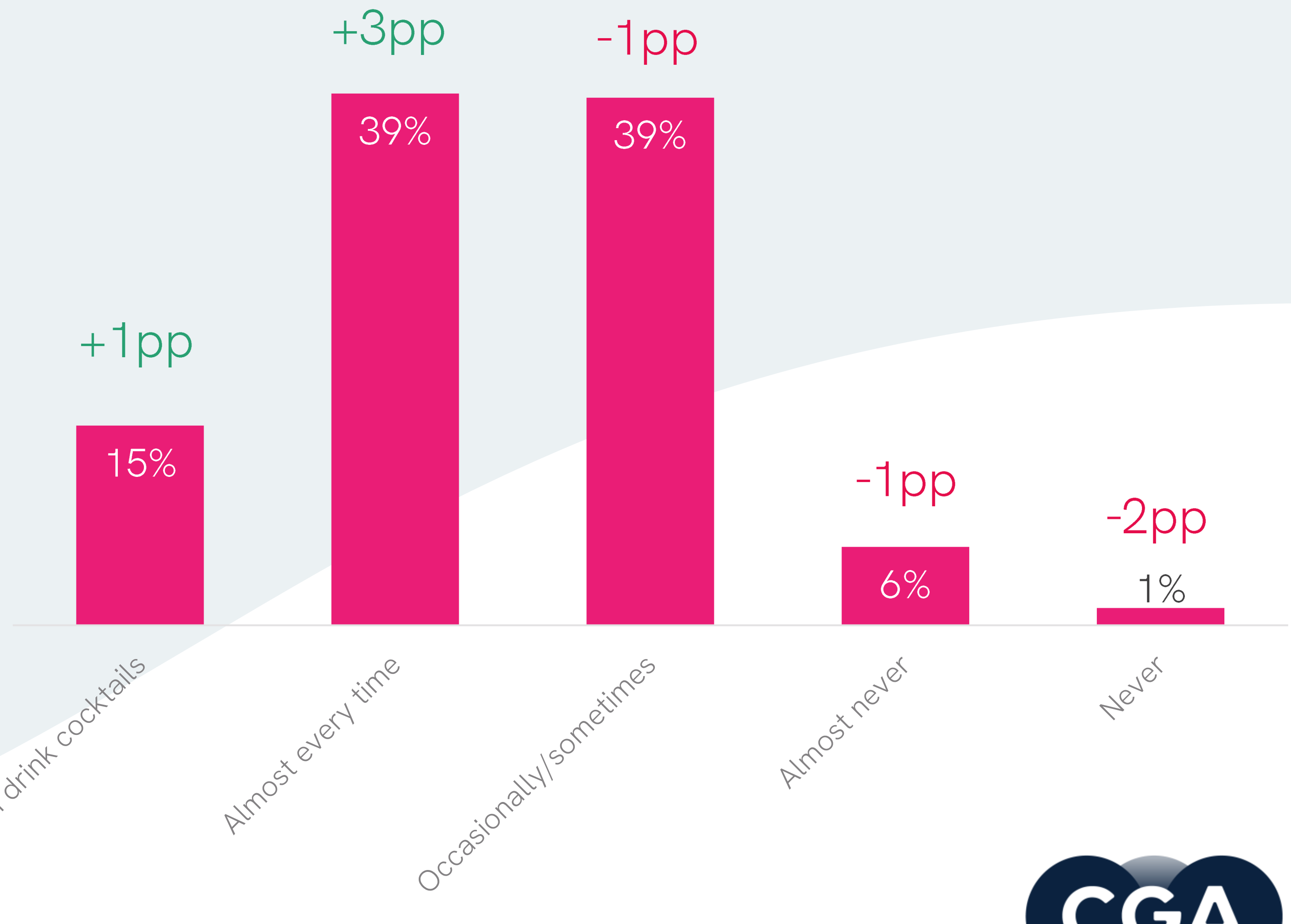
9 in10 consumers buy cocktails on promotion at least occasionally so working with customers to accommodate this appetite would help maximise purchase potential

93%

Buy cocktails on promotion at least occasionally

+3pp vs Q3 2021

How often do you buy cocktails on promotion?



Sample size: 1004

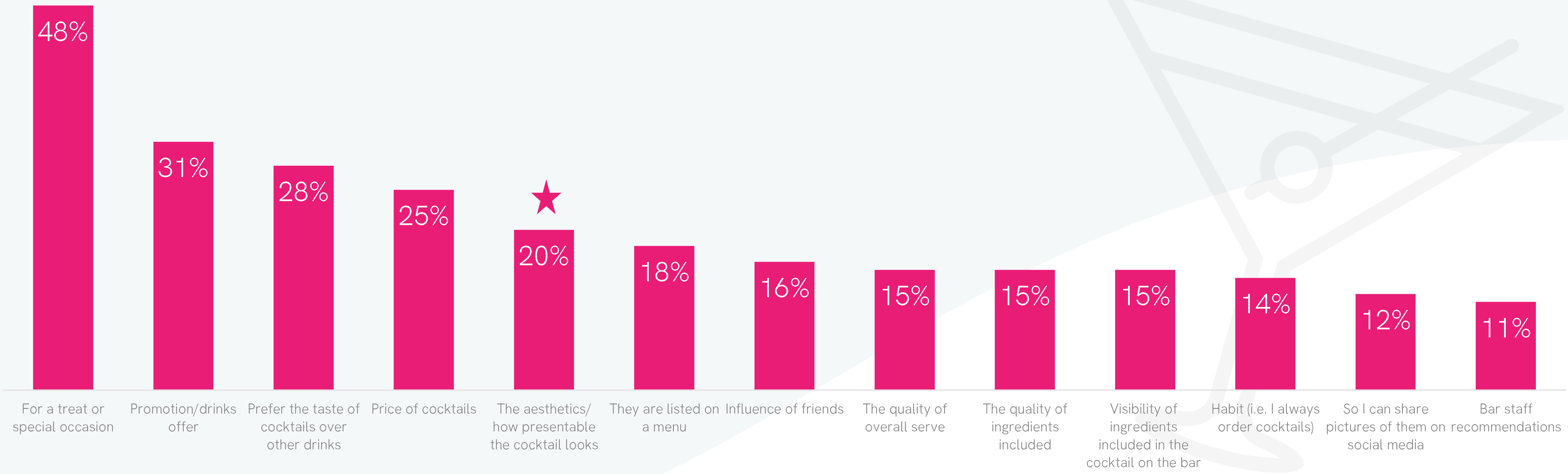
Why

Why Cocktails

- For a treat
- Aesthetic Appeal

Cocktails remains associated with the treat occasion, but taste and aesthetics too play a key role and should be factored into an outlet's marcomms strategy

Why do you choose to drink cocktails when out rather than another drink category? Please select all that apply…



★ New answer value

Sample size: 1004

Over 1 in 3 consumers expectations of an 'instagrammable' serve highlight the need to provide a visually stimulating high quality serve

37%

of consumers take a picture of their cocktail and post it on social media 'every time' or 'almost every time' they order cocktails

-1pp vs Q3 2021

12%

of consumers choose cocktails over other drinks category so they can share pictures of them on social media

+2pp vs Q3 2021

Sample size: 1004

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Cocktail Drivers and Path to Purchase Summary

- Engagement with cocktails remains very spontaneous, but decision making can still be influenced markedly before a consumer visit, so understanding the role you can play pre-visit and mechanics to pull upon is key

- Promotional offers are being used increasingly as consumers look for ways to get more value out of their On Premise spend
    - Appealing to this and providing consumers with a sense of getting ‘more for less’ will enable operators to attract more value-focused consumers

- Ensuring good serve quality is vital, as many consumers won’t revisit a venue for cocktails if they are given a poorly served cocktail, making staff training and effective cocktail selections crucial
    - Especially when factoring in that for many consumers, cocktails are a ‘go-to’ drink for a treat or celebratory occasion so there is no room for poor quality serves

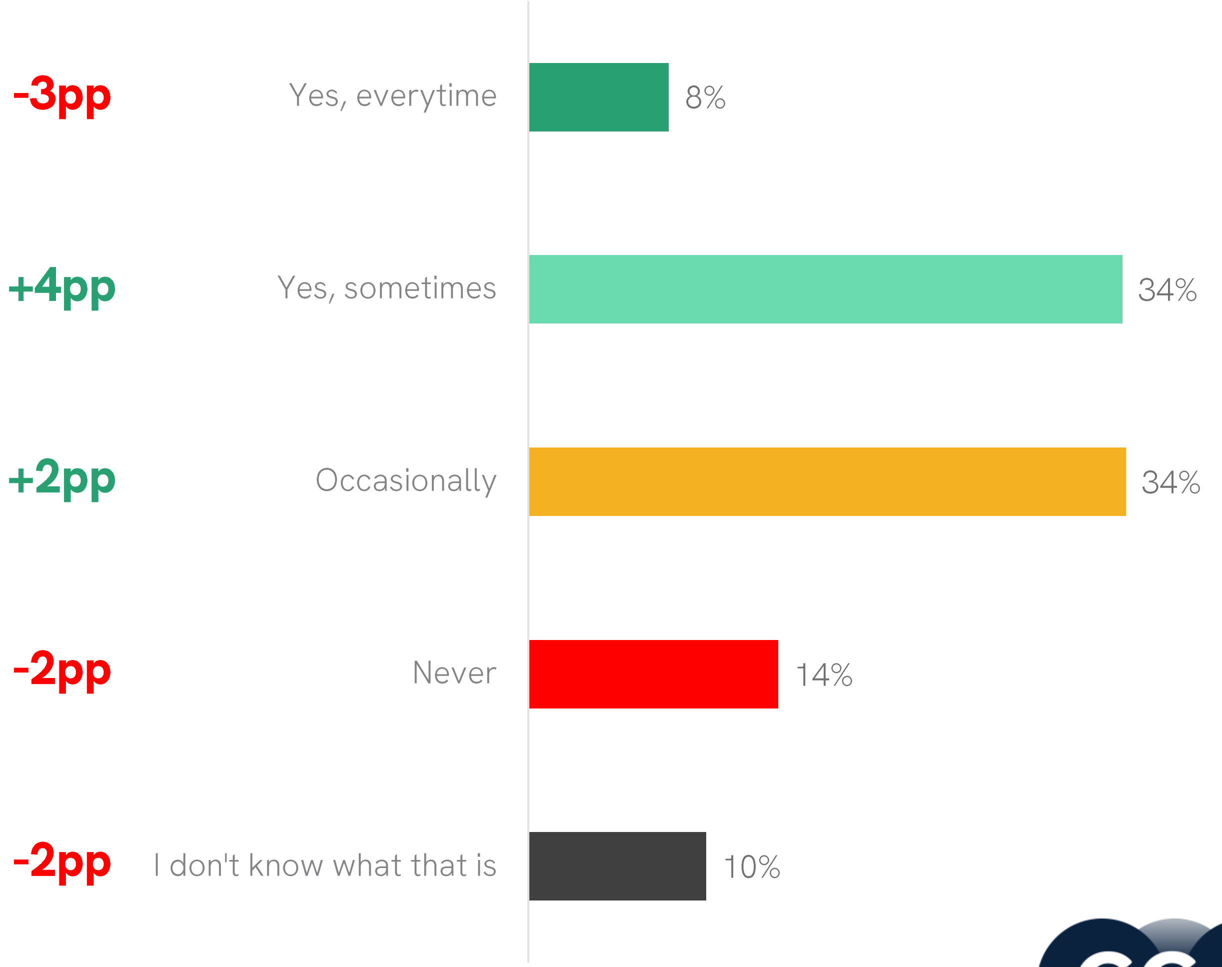
- It is important too that cocktails are presented in an aesthetically pleasing way as this influences not only where they choose to go for cocktails, but also why they choose cocktails over other drinks categories

Cocktail Trends

Spritz

Spritz serves continue to grow with 3 in 4 consumers choosing one at least occasionally

Would you choose to drink a 'spritz' serve when out?



Sample size: 1004

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Continued growth in popularity has seen Spritz serves grow their share of serve

Spritz serves now account for

9.4%

Of GB cocktails

		Share of serve	Indexed vs Q3 2021:
	Aperol Spritz	4.1%	+1.6pp
	Other Spritz serves	5.3%	+0.5pp

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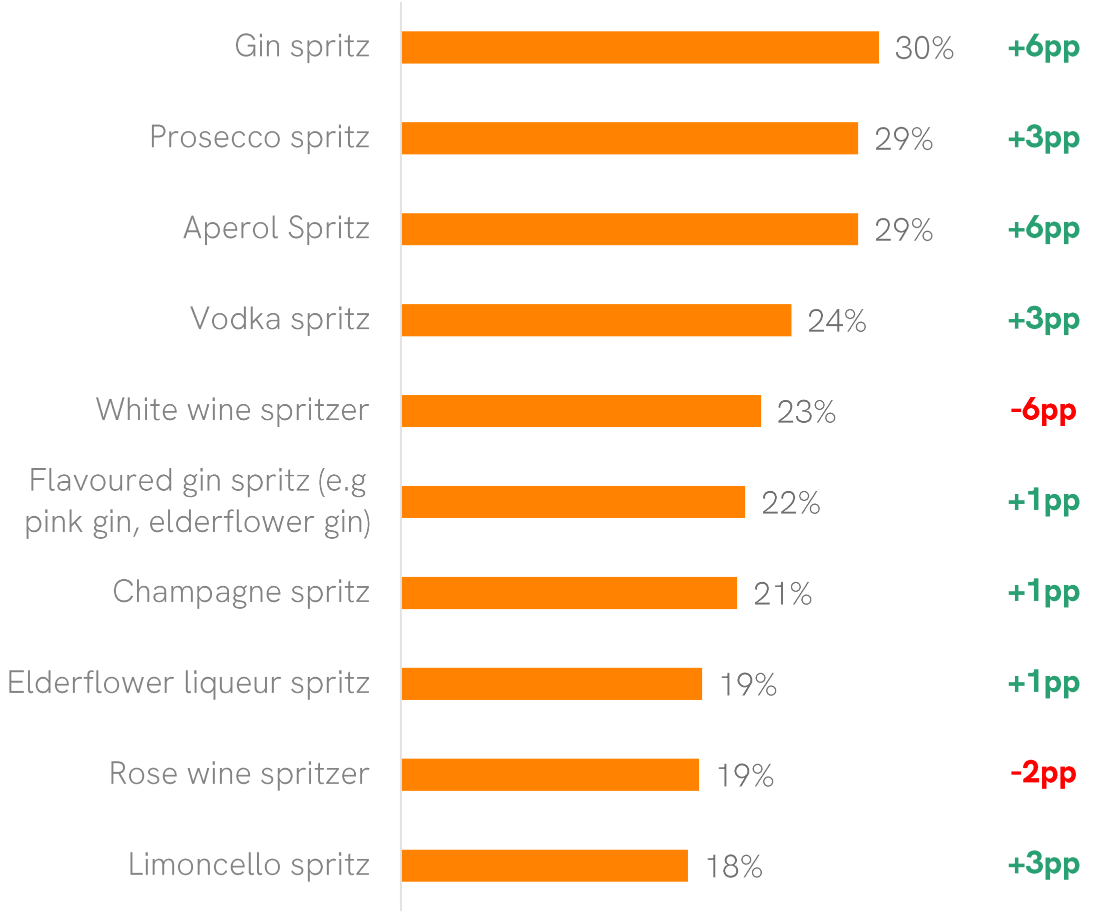
CGA Mixed Drinks Q3 2021-2022 – Volumetric sales data

Operators should offer a variety of Spritz serves to cater to growing demand from consumers

Which of the following 'spritz' serves would you find appealing?



Sample size: 1004

Draught Cocktails

37%

Of consumers have seen Draught cocktails out

-6pp vs Q3 2021

of whom

64%

have purchased a Draught cocktail

-6pp vs Q3 2021

Sample size: 506, 189.

Aside from speed of serve and value associations, Draught cocktails need to work on affirming taste and quality credentials to encourage interaction

Top 5 statements that reflect views on draught cocktails

#1	They are quicker to purchase
#2	They don't taste as nice as regular cocktails
#3	They are good value for money
#4	I wouldn't order a draught cocktail over a traditional cocktail
#5	They are poor quality

Sample size: 121

Sample size: 506, 121

Without consumers having trust in the quality of Draught cocktails, brands are struggling to both encourage trial and retain consumers

36%

Of consumers would be likely to order a draught cocktail

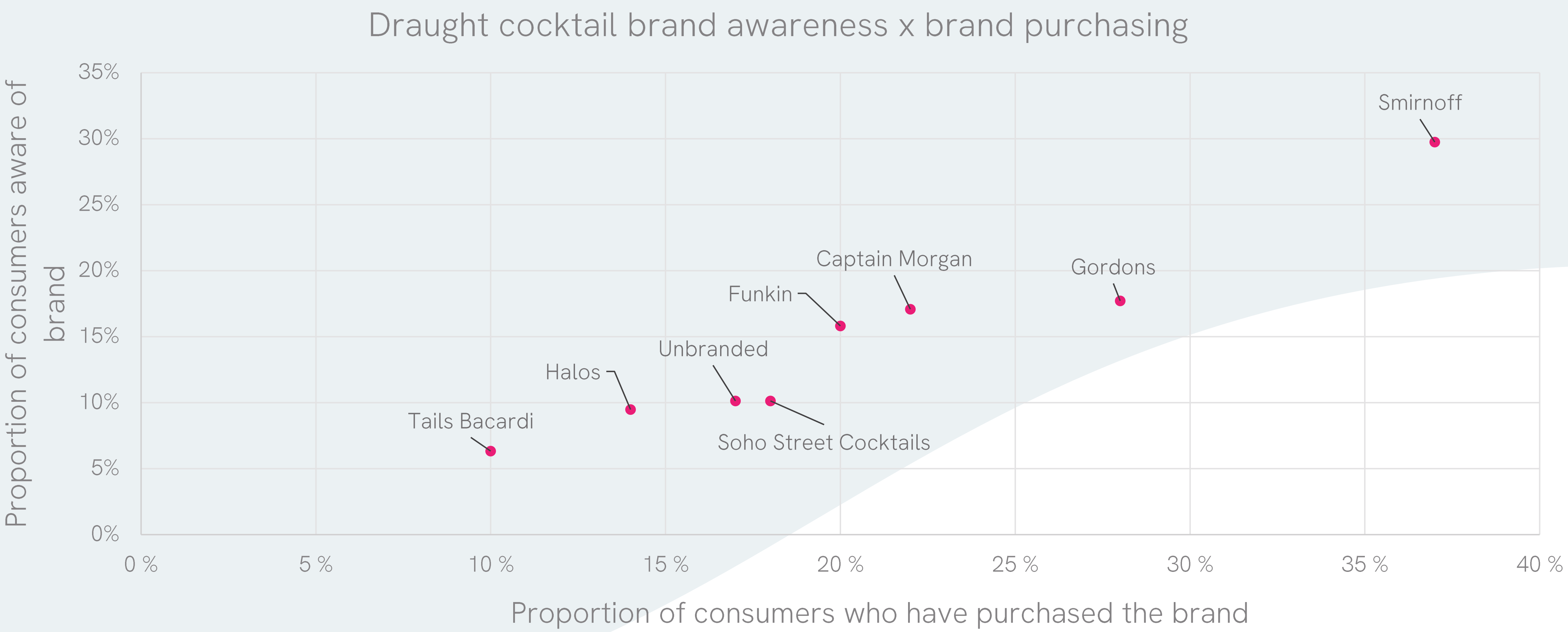
-11pp vs Q3 2021

63%

Of consumers who have ordered a draught cocktail in the past, would do so in the future

-13pp vs Q3 2021

Smirnoff's draught Passion fruit and Espresso Martini's have been the most widely noticed brands, and seen the highest conversion of awareness to trial



Sample size: 189

56%

Of consumers have seen Pre-batched cocktails out

+14pp vs Q3 2021

of whom

74%

have purchased a Pre-batched cocktail

-2pp vs Q3 2021

Sample size: 509, 283.

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Cocktail Trends Summary

- There has been continued growth in Spritz serves, with Aperol and other Spritz cocktails claiming a combined 9.4% of all cocktails served over the past year

- There is an interest from consumers in purchasing a variety of Spritz options, which highlights that operators can look to diversify their own Spritz offering and take advantage of this growth in demand

- Draught cocktails have seen a decline in both awareness and purchase as they continue to be hindered by a lack of trust in their quality
    - These perceptions need to be addressed along with stressing the advantages draught offers compared with regular cocktails like their value and speed of service to increase trial and retain sales

- More than half of consumers are seeing Pre-batched cocktails while out, but only 3 in 4 of those aware are purchasing them.
    - Pre-batched brands need to increase awareness of their presence in the On-Premise, and position themselves as a solution to consumers demand for value cocktails.

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Executive Summary

- After a period of 12 months where minimal restrictions have been imposed, the cocktail market has doubled in value YoY and grown share of spirits, affirming the category's importance to the GB On Trade
  - In the short term picture however, cocktail performance has slowed, with outlet stocking levels plateauing for the first time since Q1 2018 and 12-week value dropping 3.8% versus the equivalent period in 2021

- The proportion of consumers who typically drink cocktails has increased to 1 in 5, enabling the growth in sales, maintained outlet stocking levels, and cocktail's share of spirits gains
  - Although weekly engagement has declined slightly, 4 in 5 cocktail consumers are now going out for cocktails at least once a month

- Cocktail preferences have seen a significant shift with value and tried & trusted quality serves impacting desire for experimentation, and greater availability of "go-to" choices becoming more important
  - The "go-to" serve strategy should be nuanced to accommodate style & experimentation preference by consumer profile, be it a modern or signature take on a classic

- Cost of living concerns along with rising prices for cocktails have led many consumers to switch to more value-led cocktails and more frequently utilise deals and promotions
  - But 3 in 4 consumers who choose premium cocktails, and half of those who choose value cocktails are willing to pay extra for better quality serves reinforcing treat and quality credentials of the category

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Executive Summary Continued...

- Experience-led venues offer a dynamic that suits cocktails; typically visited for social occasions and in an environment where consumers can be encouraged to purchase cocktails as well as to trade-up serves
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- Promotional offers are being used increasingly as consumers look for ways to get more value out of their On Premise spend
    - Appealing to this and providing consumers with a sense of getting 'more for less' will enable operators to attract more value-focused consumers

- The Aesthetic appeal of cocktails continues to be a key influence on why consumers choose cocktails, while also affecting where consumers choose to go and which serves they purchase

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