

The background of the entire page is a photograph of two glasses filled with a red, bubbly beverage, likely a spritz, garnished with ice cubes and lemon slices. The glasses are on a wooden table in an outdoor setting, with a blurred background of buildings and a clear blue sky. A semi-transparent purple gradient overlay covers the bottom half of the image, providing a backdrop for the text.

The great **summer** spritz opportunity

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The **global cocktail market** has performed strongly following the re-opening of the On Premise sector, with drinkers keen to enjoy what they had not been able to experience at home due to COVID-19 restrictions in place. **Graeme Loudon**, CGA managing director EMEA, explores post-pandemic consumer trends in the cocktails segment, and highlights how brands and operators can **capitalise on Spritz serves** in the upcoming summer season.

As the world's pubs, bars and restaurants come back to life, it is crucial for brands and operators to stay on top of fast-changing consumer behaviours. With the sector on its road to recovery, cocktails and summery spritz serves offer plenty of reasons for suppliers and operators to be optimistic about the future.

Market overview

Globally, cocktails are key to the success of On Premise venues. According to CGA's Research & Analyse Consumers in Hospitality survey (REACH), which brings together key consumer metrics in 24 leading markets at varying stages of recovery, **a quarter of all average consumers across the globe drink cocktails** when out-of-home.

 **25%**
of all average consumers across the globe drink cocktails in the On Premise

When looking at specific markets however, there is considerable variation in the penetration of cocktails. The percentage of people who show regular cocktail consumption is higher in regions such as Switzerland, Russia, and Mexico. There, a third of drinkers say that they consume mixed drinks in a non-domestic environment. The **global cocktail consumption, however, is led by Italian drinkers**, with 36% saying that they opt for mixed drinks when out-of-home higher than the global average.

In Great Britain, the positive performance of mixable spirits categories such as liquors & specialties, vodka, and rum endorses the growing potential of cocktails in the On Premise. Data from CGA's 2022 OPMS shows that **vodka is still the country's leading spirits category** by value. Sitting at 29.1% market share, it has grown by +2.9pp compared to its 2019 value. Non-cream liqueurs and specialty spirits

have also shown convincing growth, up +2.6pp share of spirits from 2019. The category now sits as the second biggest by value at 19.9%, ahead of gin, which has lost a remarkable -4.9pp share and drops into third position with 18.2% value share, as a result of consumer fatigue with the category over COVID-19 lockdowns. Whisk(e)y meanwhile has also seen share loss across imported, blended and malts, amounting to -2.3pp, leaving it fifth at 12.2%. This puts it behind the rum category, which now sits at 13.2%, with growth particularly coming from the accessible spiced rum subcategory.

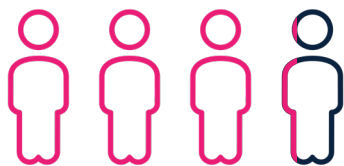


Spritz serves season

While the entire cocktail category is experiencing global prosperity, **Spritz serves in particular should be a crucial focus for brands** and On Premise operators looking to capitalise on the upcoming summer season.

According to CGA BeverageTrak, **in the US the average outlet earned +16% more** during 2019's summer months (June to September) than across the rest of the year from spritz sales. And by 2021, the number had gone up by 3pp.

CGA's REACH insights show that cocktail drinkers across the globe have a high engagement with spritz serves such as the Aperol Spritz, Bellini, French 75, Kir Royale, Mimosa, Gin Fizz, and Tom Collins.



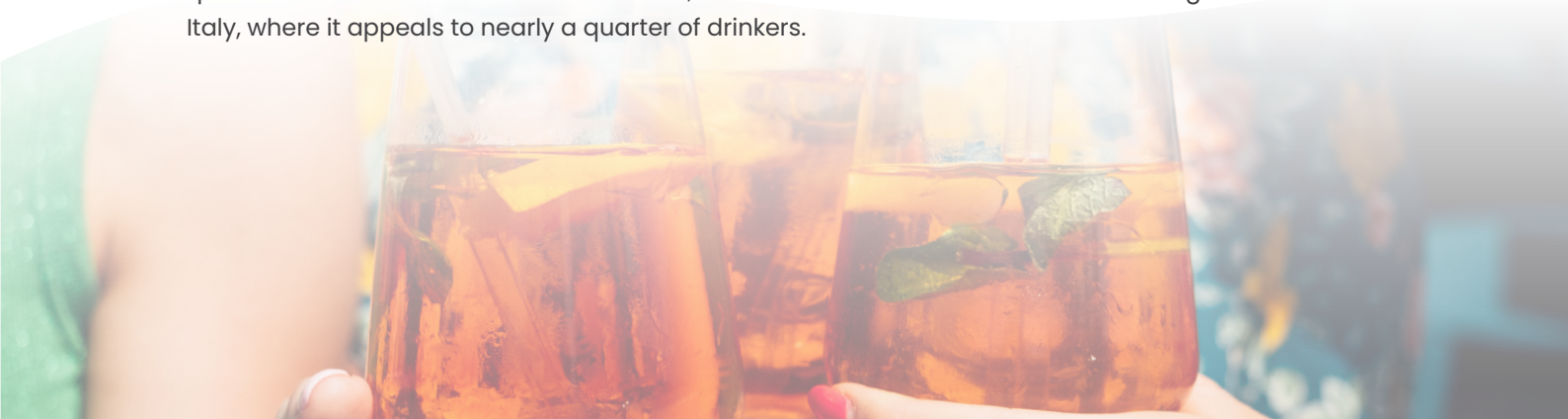
83% of Italian On Premise consumers opt for spritzes

When asked which cocktails consumers choose when drinking out of home, spritzes were picked by nearly half of respondents in South Africa (47%), the Netherlands (47%), Canada (48%), Australia (48%), France (59%), and Great Britain (59%). Spritz serves were chosen by 50% of drinkers in Northern Ireland, and well over half in Germany, New Zealand, Thailand, and China. Belgian and Swiss consumers show marked interest in the category with two thirds choosing it

when out, while **in Italy a significant 83% of respondents say they opt for spritzes** when in bars, pubs, or restaurants.

Much of these are likely to be Aperol-based, as the **Aperol Spritz is enjoyed by a whopping 73%** of Italian cocktail drinkers. But while the cocktail is beloved in its homeland, it is also widely popular across the globe, drunk by over one in five cocktail consumers in France, Great Britain, Australia, the Netherlands, and Belgium, while one out of three drinkers choose it in Germany and almost one in two in Switzerland.

As the Aperol Spritz's positive performance in Italy suggests, brands and operators should be aware that the **appeal of a cocktail's base alcohol itself often plays a crucial role** in determining the demand of specific spritz serves across different markets. The Champagne-based Kir Royale is overwhelmingly popular in France, where it is chosen by 38% of all cocktail consumers; the Gin Fizz is enjoyed by over a quarter of cocktail drinkers in Great Britain; and the Prosecco-based Bellini is once again favoured in Italy, where it appeals to nearly a quarter of drinkers.



A consumer with premium potential

The spritz cocktail audience is an increasingly lucrative segment whose market potential has enlarged significantly following the reopening of the hospitality sector. **Some spritz drinkers (36%) are drinking more cocktails when out-of-home** (10% more) and drinking a wider range of drinks too compared to the total of cocktail drinkers.

Spritz drinkers tend to be more open to a varied array of drinks categories, saying that they enjoy wine (+27% compared to the global average), beer (+12%), and soft drinks (+11%). Furthermore, they consume more neat spirits (+15%), as well as cider (+12%), and no and low alcohol alternative beverages (+9%). Not only do they show cross-category flexibility, spritz cocktail consumers are also more likely to choose premium drinks and cocktail brands than the global average consumer. **Eighteen percent of them claim that they would be willing to pay more for a premium drink**: that is 3% more than the total of cocktail drinkers, and a significant 7% more than the global average consumer.



Spritz drinkers were already more prone to trade-up than cocktail or average consumers in the pre-pandemic period, particularly in the Brazilian, Australian, Russian and South Korean markets. Yet data shows that **this audience's potential has increased since the reopening of the On Premise** sector, with 22% of spritz drinkers—particularly in Canada, Nigeria, and China—claiming that they have purchased premium or more expensive cocktails since bars, pubs and restaurants have resumed operations. Nearly half of all spritz cocktail drinkers say that they have paid more for a cocktail specifically described as being of better quality; an especially significant figure that is 10pp and 19pp higher than the total cocktail drinker and the global average respectively.

A promising audience

CGA's Mixed Drinks 2021 report shows that **72% of consumers in Great Britain say that they would choose to drink a spritz serve when out**, illustrating this category's growth promise within the British market.

Spritzes are yet to enjoy widespread loyalty in the country—although this has grown since 2020—with only 11% saying that they consume it every time they go out. Combined with the category's overall popularity however, such a lack of consumer loyalty means that there is still plenty of unexplored potential that brands and operators can tap into.





Additionally, the array of spritz serves that appeal to British drinkers ranges widely: white wine spritzers are chosen by almost a third of drinkers, while nearly a quarter look at gin- and Aperol-based serves with interest. **Flavoured gin should be looked at as a tempting playground**

for new product development, as flavoured gin spritzes appeal to a fifth of

British consumers. While competition within the spritz category is intensifying, British consumers are indeed open to a variety of twists on the category to be enjoyed both in conventional cocktail bars as well as in less traditional spritz venues.

Brands and operators should look closely at the spritz category ahead of the upcoming warmer months. Not only can businesses **capitalise on spritz consumers' welcoming attitude towards riffs on classic serves**, spritz imbibers' pursuit of premium drinking experiences and openness towards alternative beverage categories represent compelling opportunities to maximise revenues from each consumer visit. With spritzes representing such a key component of cocktail consumers' summer drinking habits – and with the category boasting such a widespread appeal across a number of markets – the summer looks bright for drinks brands and operators.



CGA's suite of research services provides brands and operators with an unrivalled and holistic view of the global On Premise industry and of the cocktail category. **CGA's REACH survey** compares key On Premise consumer metrics across 24 markets to uncover global trends and understand how consumer attitudes, motivations, and need states are **driving On Premise behaviours and category dynamics**.

CGA OPUS is a nationally representative survey of On Premise users designed to help brands and operators understand where and **how to reach target consumers**. Other aspects of CGA's market intelligence include **Mixed Drinks Report**, which features an overview of the British cocktail market, as well as in-depth analysis of consumer profiles, paths to purchase, channels, occasions and trends. CGA's expert team can also provide bespoke analysis to pinpoint opportunities for individual brands and operators.



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If you would like to discuss how **REACH insights into 24 markets** can support your **global strategies**, or to learn more about CGA's other sources of consumer insights for operators and suppliers, visit www.cgastrategy.com and email Graeme Loudon at graeme.loudon@cgastrategy.com.