

# Shelf Talk

## A REPORT ON CIDER



DRY

DRY

BITTER  
SWEETNESS

CRUNCHY  
SWEETNESS

NATURAL  
SWEETNESS

SWEET

FRUITY

SWEET

# CIDER: STATE OF THE NATION



## EDITOR'S NOTE

Welcome to the second edition of 'Shelf Talk' by HEINEKEN UK – the latest in a series of industry reports designed to support the off-trade in boosting their profits. With summer underway, this issue takes a look at the booming Cider category, which has seen continued growth in recent years, with several key players enjoying monumental success. Summer presents the biggest opportunity for the category; the longer and (hopefully) warmer days come hand in hand with an increased number of drinking occasions that retailers can capitalise on, making for a profitable season. What's more, Cider isn't just for summer either, with the category offering a plethora of different tastes and varieties that ensure it can be enjoyed year-round. In this report we observe the key trends shaping the category, provide tips on the types of cider to stock for summer and beyond, and look at the tactics you can use to maximise sales at a time when competition is rife. It's a hugely exciting time for the category, so we hope you find this report useful and here's to a balmy season ahead!

*Toby* Toby Lancaster, Category & Shopper Marketing Director

## CATEGORY PERFORMANCE



**£1BN**

The Cider market is worth £1 billion in the Off-Trade and has grown +3% in the past year<sup>2</sup>

**35%**

HEINEKEN UK is responsible for 35% of all cider sales in the UK<sup>3</sup>

**13%**

13% of Beer & Cider buyers only buy cider (2.67m shoppers)<sup>5</sup>

**48%**

48% of the UK population drink cider, with key seasonal spikes over the summer<sup>6</sup>

**+8.1M**

The Cider category has +8.1m shoppers YTD<sup>6</sup>



## TIP: How can you capitalise on cider sales during the summer months?

- Retailers should consider stocking both a core range of ciders, such as Strongbow Original, as well as a premium option for shoppers looking to trade up. Bulmers, made with 100% British apples, provides the perfect option for those willing to spend a little bit more, in return for provenance
- Weather is a key factor when anticipating fluctuations in demand. Keep an eye on the forecast to ensure that chillers and fixtures are prepared for impromptu occasions such as the ever-popular summer BBQ
- With a third of all drinking occasions now including food<sup>7</sup>, cross-merchandising is a revenue stream which cannot be ignored. Implementing cross-category merchandising for ciders that are *Great with Food*, for example positioning Strongbow Cloudy Apple alongside picnic merchandise, is guaranteed to uplift sales as consumers make the natural link between the two

# KEY PLAYERS WITHIN THE INDUSTRY



## THE TOP 5 performing cider brands in the off-trade: (000's)

1	2	3	4	5
£163,212 MAT Value sales <sup>1</sup>	£131,901 MAT Value sales <sup>1</sup>	£60,914 MAT Value sales <sup>1</sup>	£58,029 MAT Value sales <sup>1</sup>	£51,544 MAT Value sales <sup>1</sup>

## FASTEST GROWING YTD brands in the off-trade: (000's)

1	2	3	4	5
£2,180 Sales growth vs YA <sup>1</sup>	£1,893 Sales growth vs YA <sup>1</sup>	£1,710 Sales growth vs YA <sup>1</sup>	£1,630 Sales growth vs YA <sup>1</sup>	£1,562 Sales growth vs YA <sup>1</sup>

In May 2019, Aspath Cyder teamed up with Waitrose to launch new fruit cider duo **Pip & Wild** in an aim to continue driving innovation within the premium cider category

**Old Mout Pineapple & Raspberry** is currently the largest NPD in the category with a total worth of £2.1m; in March 2019 Old Mout launched a Pineapple & Raspberry variant, driving the trend that millennials prefer exotic flavours

**Magners Rosé**  
Inspired by the success of pink gin and rosé wine, Magners launched a new rosé variant in a bid to be the ideal choice for brunching, lunching and casual dining

In March 2019, Bulmers unveiled **Orchard Pioneers**, a new 330ml offering encouraging consumption straight from the bottle – the biggest shake-up of the category since the 'over-ice' serve



**JANE PEYTON** - The UK's first cider pommelier and an award-winning beer sommelier, writer, broadcaster and founder of the School of Booze – a drinks consultancy and corporate events production company. Jane was Britain's first Beer Sommelier of the Year and is the instigator and driving force of the UK's annual national beer day – Beer Day Britain

## What makes cider so unique?

Apples! There are hundreds of apple varieties each with their own characteristics and this means there are countless flavour profiles and several different styles.

People talk about the humble apple, but apples are anything but humble. They feature prominently in humans' diets, but also in culture including language (for instance A is for Apple, you are the apple of my eye, etc), literature and art. They feature in many ancient myths for instance in Norse mythology, gods owed their immortality to apples. And not least in health – an apple a

day keeps the doctor away!

Historically, sparkling wine became popular through the endeavours of west country England cider makers in the 17th century when they experimented with secondary fermentation in the bottle. This was later adopted by wine makers in the Champagne region of France. You could say that cider was the original sparkling wine - after all cider is made the same way that grape wine is, so it is apple wine.

**Why should cider be included in a core range and how can it stand out against beer?**

Britain is the biggest producer of cider in the world and cider is an integral drink in British culture - in fact, **56%** of apples grown in the UK are used to make cider. Cider has always been a British alcoholic drink and that fact alone should persuade every retailer to include cider in their range.

The only common denominator that cider and beer have is the pack format they are served in. Cider is not apple beer! To make cider stand out against beer, the differences in flavour, taste, body and texture should be highlighted, which retailers should be educated about in order to drive further sales.

Cider is also an international drink made in dozens of countries around the world, so with many retailers often highlighting their 'World Beers', they should remember that they can do the same with cider.

Finally, with people increasingly concerned about alcohol units, cider has a heightened appeal due to its lower alcohol formulation. It is also an excellent alternative to wine, especially when served in a wine glass.

## What are the latest cider trends?

There are a few that stand out such as how Fruit Cider is continuing to be popular, with producers creating exotic combinations that particularly appeal to a younger demographic.

No and low alcohol ciders are also here to stay and more producers are introducing their own versions, which is helping to grow the sector, as well as driving sales for retailers.

Producers are even starting to promote home-grown apples. For example, social enterprises across the UK such as The Orchard Project are planting, and/or restoring community orchards, to produce cider with the apples grown.

Finally, hazy/cloudy ciders are also maintaining popularity.

## Where do you think we are going to start seeing the most interesting innovation across the cider category?

Innovation is coming from small independent craft cider producers who are creating ciders with additional ingredients such as hops or spices. Many are experimenting with co-fermentation - for instance, apple juice and beer wort are fermented together to create a drink called a Graff. They are fermenting apple juice with red wine grape skins and then producing the cider in

the Champagne method. One producer is even using a qvevri to ferment the cider in. A qvevri is a large clay amphora that is buried under the soil, which is historically a wine making technique from the country of Georgia.

Other innovations include Thatchers experimenting with Rosé and HEINEKEN UK launching new drinking formats such as Bulmers Orchard Pioneers.

## How do we bring cider out of its silo as a 'summer drink'?

To associate cider with other seasons, we should remind people that even though cider is not apple beer, millions of people drink long, light, refreshing pale lager beers year-round. Pale lagers are the nearest beer equivalent to the properties that make cider associated with summer (chilled and refreshing). Or to use a wine equivalent, remind people that sparkling wine is consumed year-round and that cider was the original sparkling wine.

Furthermore, we should stop only marketing cider with the summer season and promote it during autumn and winter as well. One way to do this is to encourage customers to pair it with food throughout the year, not just at BBQs and summer gatherings.

Finally, other formats of cider should be highlighted over the year, such as cider cocktails and mulled cider, which will enable its appeal to last year-long, as opposed to just one season out of the year.

## How can we begin engaging the younger generation with more traditional apple ciders?

Talk up the fact that cider is a natural drink. Refer to provenance, apple varieties - and their characteristics, where were they grown, who the grower/orchardist is. Tell a story about the apples and the orchard.

Cider has some really interesting 'Wow - I never knew that' stories, which help people to perceive cider as being more than a drink made from apples. They are the sort of stories that people like to tell their friends, which in turn, will help to make cider a more interesting proposition.

We should also highlight the individual flavours and characteristics of the particular apple varietal used in cider. This helps people make purchasing decisions if they come across an apple they particularly like. To put this in perspective, few people would buy a wine without knowing what grape it was made from - it's the knowledge of grapes that drinkers know and like that informs their purchasing decision.

*For more information on Cider flavours, please go to page 10.*

As such, we can make them feel as though they are discovering something. Give them simple educational information so they are having an experience when they drink apple cider. For instance - education about the difference between a cider made from cider apples and a cider made from eating apples - there are distinct differences. Some drinkers might prefer eating cider apples and others might prefer drinking apple cider. This educational information helps them make an informed purchasing decision but it also enlightens them so they can pass on the knowledge to others.

Content produced in partnership with Jane Peyton [www.jane-peyton.com](http://www.jane-peyton.com)

# HIGHLIGHTS OF THE YEAR

## SUGAR REDUCTION

HEINEKEN is leading the way on reducing sugar through natural techniques without adding artificial sweeteners. Pioneering the change is Bulmers Original cider, which relaunched with a new and improved recipe made with 100% British apples from Herefordshire, and is free from artificial flavourings, colours and sweeteners. With 30% less sugar, the natural sweetness of the cider and its refreshing, crisp taste is derived purely from the apples themselves.



## CALORIE AND NUTRITIONAL LABELLING

In June 2019, HEINEKEN, the UK's leading cider maker, announced that it will be adding calorie and nutritional information labelling to all of its cider packaging. The move enables consumers to easily find the ingredients and calorie content of their drinks and is a key pillar of HEINEKEN's commitment to lead a more sustainable cider category.



## WWF PARTNERSHIP

In May 2019, Old Mout Cider, one of the UK's most sustainable ciders, and the world's leading independent conservation organisation, the World Wildlife Fund (WWF), announced they were joining forces for a brand-new campaign which will help to protect half a million acres of habitat around the world. The partnership is the next chapter in Old Mout's sustainability agenda, which has already seen the New Zealand-born cider help protect its native country's national icon, the kiwi, that sits proudly on all Old Mout packaging.



## LIGHTER CANS

In April 2019, Thatchers announced it will be launching lighter weight cans for its cider, allowing the brand to save the equivalent of 5.9 million empty cans a year. The latest in a string of sustainability initiatives, this change will see around 70 tons of aluminium saved each year, saving approximately 381 tons of CO2 in 2019 by using only the lighter weight cans.



## STRONGBOW NO ARTIFICIALS

In June 2019, Strongbow, number one in the Cider category, announced its Strongbow Original, Strongbow Cloudy Apple and Strongbow Dark Fruit variants are now made without artificial sweeteners, colours or flavours. Leading from the front, Strongbow aims to transform the Cider category in 2019 and the move to focus on more natural products is just the first step in achieving this.



## THE ORCHARD PROJECT

As a cider that proudly uses 100% British apples and has a passion for orcharding, Bulmers has worked with The Orchard Project for five years and in June 2019, it helped restore a rundown urban orchard in Manchester's Platt Field Park to its former glory – to become a tranquil green space benefitting the local community. Within seven hours, a team of 35 local volunteers from Bulmers and The Orchard Project, rallied together to plant trees, pave paths, restore signs and remove weeds - in time to hand back the orchard to the community in the evening with a celebration.



## CIDER STRAIGHT FROM THE BOTTLE

In March 2019, Orchard Pioneers, in collaboration with Bulmers and two passionate apple growers, revolutionised consumers' enjoyment and perception of apple cider by encouraging consumption straight from the bottle – a pioneering shake-up of the category since the introduction of cider 'over-ice' more than a decade ago. Opening up a wealth of drinking occasions, the new contemporary-designed 330ml bottles offer consumers a smaller, easy-drinking format and a convenient way of consuming cider, without the need to pour into a glass with ice.



## NEW FLAVOURS

On the back of consumer demand for pink gin and rosé wine, Magners Irish Cider has introduced Magners Rosé, a light blush apple cider. After proving popular in other parts of the world, Magners Rosé is designed to accompany brunch, lunch and casual dining alike, and comes in a 330ml bottle at 4% ABV.

## ORCHARD GROWTH

Thatchers plans to increase to 500 acres of orchard this year, as it looks to plant 13 new acres totalling more than 5,000 new trees. As part of this, the brand is also establishing its 100 Tree Trial, which is a trial of more than 40 acres of apples trees made up of varieties that haven't been used in its cidermaking before.

# TACKLING THE BIG ISSUES

## Tailoring to trends



**“With so many changing tastes and attitudes amongst young people, such as the trend of exotic flavours, how can I ensure I stock the correct products to attract younger shoppers to my store?”**

Toby says: “To attract younger shoppers into store, it's essential to stay ahead of emerging trends. For example, retailers should ensure they stock exotic variants of cider as these are continuing to go from strength to strength, driven by a younger generation who are looking for fruit ciders in original, unique flavours. The growth has been spearheaded by brands like Kopparberg and Old Mout, which recently launched a Pineapple & Raspberry variant. What's more, with younger consumers conscious of their carbon footprint, 100% recyclable brands such as Old Mout are ideal to stock to cater for the growing audience. As a final tip, ensure you're using your store's social media channels to speak to younger shoppers and remind them of the key moments to stock up for.”

**Mainstream categories make up 47% of all cider sales**

## Getting the basics right



**“My colleagues are convinced we should stock less of the 'basics'. How important is it to maintain a mainstream offering in a market dominated by Premiumisation and Premium Flavoured Ciders?”**

Toby says: “It's critical that retailers do not ignore the Mainstream Apple Cider (+6% growth) and Mainstream Flavoured Cider (+15% growth) categories<sup>1</sup>. Combined the mainstream categories make up 47% of all cider sales, proving their popularity amongst consumers<sup>1</sup>. One such brand which is currently evolving with the landscape is Strongbow. The brand recently announced that its Original, Cloudy Apple and Dark Fruit variants are now made with no artificial sweeteners, colours or flavours, setting it apart from competitors. What's more, Strongbow Original holds the crown as number one brand in the category, currently worth £163m<sup>2</sup>, demonstrating its importance as a must-stock for retailers. Overall, stocking a core range of ciders is paramount to ensuring customers have a staple choice, balanced with a robust selection of Premium flavoured and Premium Apple Cider alternatives to maximise sales to provide shoppers optimum range of choice.”

## Standing out from the crowd



**“With so many stores in my area, I sometimes struggle to compete with competitors in the vicinity of my shop. What merchandising tricks can I use to capitalise on the inevitable summer cider boom?”**

Toby says: “While it might sometimes seem like an uphill battle to ensure your store stands out amongst competitors, you must play up to your strengths of convenient location and your local knowledge, where you can. To complement this, savvy merchandising is a key area to nail. Often shoppers visit their local store to purchase cider for consumption within a few hours, as such, it's essential that you keep an eye on weather forecasts to predict the peaks and troughs in demand, allowing time to stock up when a sunny spell is on the horizon. In addition, given that 70% of cider sales are generated from single or small packs<sup>3</sup>, it's important that customer favourites are stocked in the right pack size; small packs and large single bottles should be the focus as they are quick to chill and easy to carry. Seasonal events such as big sporting occasions and bank holidays should also be promoted in-store via creative POS, signs and social media, to remind customers of key drinking occasions.”

# WHICH FORMAT IS BEST?

## SMALLER FORMAT BOTTLES

We've been used to drinking cider over ice for a decade, but, since then, there's been no indication that the apple cider category has evolved. There is nothing quite like a chilled cider over ice whilst relaxing outdoors on a summer's day, but some consumers are now telling us that often the large bottles can be too much. Co-created by Bulmers and two passionate British apple cider growers, Orchard Pioneers has revolutionised the design and format to re-engage apple cider drinkers and suit growing occasions. Bringing a fresh take on taste, the two variants, Red Apple and Green Apple, are available in new, easy-drinking 330ml bottles.



## SINGLE BOTTLES

A whopping 43% of cider sales are sold in single bottles<sup>1</sup> and with many shoppers looking to consume drinks as soon as two hours after purchase, single bottles are ideal as they offer a convenient, yet premium, format. As such, it's essential for retailers to stock the right pack sizes and ensure the chillers are filled to the brim. After all, summer is a prime time for the spontaneous BBQ or summer get together. Bulmers and Old Mout both provide strong choices to help retailers boost sales!



## CANS

For those picking up supplies to take to family gatherings and outdoor dining occasions, 4-pack formats, available in brands such as Strongbow Original and Strongbow Cloudy Apple, are ideal as they are quick to chill and easy to carry. Appealing to all tastebuds, Strongbow Original is a bittersweet cider with a subtle apple character suited to customers looking for a dry cider, whilst Strongbow Cloudy Apple offers an intensely refreshing, fruity apple flavour, perfect for providing apple refreshment.



## LARGE SHARING BOTTLES

Remember our love of sparkling wine? We couldn't get enough of large sharing bottles of fizz, but sales started to slow down as consumers went on the lookout for new, alternative tipples to expand their repertoire. As such, premium options started to rise. Large sharing bottles of cider have reinvented the category, marrying bottle and cork closures with a focus on food pairings. Why not encourage customers to swap their usual sharing bottles of wine in favour of discovering the sophisticated taste of modern ciders?



# CIDER FLAVOURS

## SOUR & SWEET

### Orchard Pioneers Red Apple Cider

Juicy red apples shine forth in this sour sweet spritzy cider

**Three words:** Sour, sweet, spritzy

**Food match:** Lasagne (meat or vegetarian)

**Mortimer's Orchard (Weston's)**

## TANGY SWEETNESS

### Orchard Pioneers Green Apple Cider

Crisp green apple flavours are the stars in this effervescent cider with an invigorating tang

**Three words:** Tangy, sweet, effervescent

**Food match:** Fish & chips

**Kingstone Press**

## JUICY SWEETNESS

### Bulmers Original

Sweet green apple flavours are balanced with a refreshing tang

**Three words:** Juicy, sweet, tangy

**Food match:** Fish tacos

**Magners Original**

SOUR & SWEET



TANGY SWEETNESS



JUICY SWEETNESS



LUSCIOUS SWEETNESS



FRUITY NECTAR



MEDIUM DRY



## LUSCIOUS SWEETNESS

### Strongbow Cloudy Apple

Apple pie in a glass! Lightly tart apples are balanced with a sweet vanilla flavour for ramped-up refreshment

**Three words:** Appley, sweet, sparkling

**Food match:** Chicken or vegetable korma

**Thatchers Haze**

## FRUITY NECTAR

### Old Mout Pineapple & Raspberry

Tropical pineapple and rich raspberry combine in a sherbet sweet cider

**Three words:** Tropical, fruity, sweet

**Food match:** Hawaiian pizza

### Old Mout Kiwi & Lime

Tangy kiwi fruit meets zesty lime in a lush sweet cider

**Three words:** Tropical, fruity, sweet

**Food match:** Kiwi fruit cheesecake

**Thatchers Rosé, Kopparberg Mixed Fruit**

## MEDIUM DRY

### Strongbow Original Cider

Ripe green apple flavours are the stars in this refreshing effervescent cider with a crisp finish

**Three words:** Sour, sweet, crisp

**Food match:** Pasta Alfredo

**Thatchers Gold, Stowford Press (Weston's)**

# BEYOND THE CORE SEASON



**Whilst cider is typically perceived as a summer-only offering, it's important for retailers and wholesalers not to underestimate the value of the category, all year long.**

As cider is a particularly popular choice among 18-25 year olds, the start of university and events like fresher's week, drives a spike in sales with students opting for more refreshing and fruity tastes. Throughout these occasions, students are likely to be purchasing cider to enjoy with friends ahead of going out, often

alongside crisps or snacks. In these instances, cross-category merchandising between cider and snacking foods can help stores capitalise on the opportunity, as shoppers make the natural link between the two categories. Equally, with students often making spontaneous visits into stores to stock up ahead of social gatherings, ensuring a good range of the basics, and that correct pack formats (such as small packs) are properly chilled, is crucial to ensuring that new shoppers don't venture elsewhere.

**Retailers should also ensure that they are well stocked with a variety of options, including premium options,** in order to secure maximum sales and establish themselves as the go-to store for students throughout their time at university.

Moving into October, **Halloween is the second biggest drinking occasion, after New Year's Eve<sup>1</sup>,** which naturally presents a huge opportunity for stores to drive cider sales between autumn and Christmas. For Halloween, fruity ciders, such as Strongbow Dark Fruit, are a

must-stock due to their synonymous association with the holiday. With shoppers around Halloween purchasing cider to take to social occasions, small packs and large single bottles are the perfect size to stock for shoppers looking for last minute top-up purchases before heading out. Furthermore, retailers should also consider stocking no or low alcohol options, with clear signage to zero zones, for those shoppers who wish to feel part of the drinking occasion but want to moderate their alcohol intake.