



Ride the Premium Wave

Cider Preview

Cider is on a roll. There's a rising tide of premium and craft variants, so dive in and blow the competition out of the water with a range that will float the boat of all your customers. John Porter looks at one of the most exciting categories in the ontrade

Cider is as susceptible to changing consumer trends as any drinks category, as the craft and premiumisation trends continue to drive innovation and interest in new products and authentic classics.

CGA figures for the year to 6 August 2016 show that the on-trade cider market is in growth, up 2.4% in volume, and a healthy 3.2% in value, to just under £1.8bn. A breakdown of the figures shows that the on-trade market is going through changes as well as growth:

- ▶ Flavoured/fruit cider is in strong growth, up 36.3% by volume and 31.1% by value;
- ▶ Apple cider still dominates, accounting for around 70% of on-trade cider volumes;
- ▶ Mainstream cider on tap is seeing growth – with draught cider up 5.9% by value, and standard cider up 4.4% in value;
- ▶ On-trade consumers are paying more for premium ciders, with the sub-category up 1.4% in value despite a 0.6% dip in volume;
- ▶ Independent pubs seem to have their cider offer right, with volume up 4% and value up 5.9%.

Paying a Premium

The trend towards premiumisation in the cider market "is something we are also seeing across all drinks categories," says Martyn Jones, head of on-trade at Westons. "Within cider, consumers who might have entered the market drinking a mainstream cider such as Strongbow or Magners are being tempted to try a more premium cider such as Stowford Press - which is the no. 3 apple cider in the on-trade and continues to grow ahead of the category, due to distribution gains and improving consumer recognition.

"Consumer interest in provenance and heritage has had particular relevance in premium cider, but it's also increasingly influencing the mainstream cider category"

"There is also an increasing trend into even more premium draught cider brands such as Mortimer's Orchard whose distribution in upmarket venues is increasing rapidly and the brand enjoys one of the highest rates of sale in the premium draught category."

Emma Sherwood-Smith, cider director at Strongbow owner Heineken, says: "Mainstream and classic brands are still the bedrock of the category and should be the starting point for any offering. However, for those consumers who haven't chosen their brand before they get to the bar, offer the opportunity to trade up by stocking a premium range alongside your mainstream offering, and avoid duplication of flavours and sub categories."



Buy the Bottle

The past year has seen Heineken launch a new design for the five-strong 500ml Bulmers range, along with the on-trade launch of Cidrerie Stassen, three Belgian ciders supplied in 750ml sparkling wine-style bottle, targeting 30-45-year-old adults on sharing and eating-out occasions. Also from Heineken comes the Blind Pig range, three liquor-flavoured ciders inspired by American 1920s speakeasies, supplied in 355ml bottles.

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Sherwood-Smith says: “Bottled cider is easier to store than draught, so is a great way to introduce new brands and offer a wide range of choice to drinkers.

“In addition, as bottled cider is an easy and quick serve for bar staff it can have an impact on profitability and help to reduce waiting times during busy periods. Range is key - licensees need to ensure that bottled ciders are kept chilled and given sufficient space in the fridge to display them clearly.”

Aston Manor, which has an agreement with Marston's Beer Company for the draught supply of the Kingstone Press brand, is also using the packaged format to diversify its offer. The premium Knights brand has a new design complete with swords, dragons and a Knights emblem, and the tagline ‘cider of legends’, very much targeting the Game of Thrones generation.

Provenance and Heritage

Knights Malvern Gold is available in a 500ml glass bottle as well as 20 litre bag-in-box. Aston Manor marketing controller Justin Way sees growth in the bag-in-box market as a parallel with the resurgence of cask ale, attracting customers interested in authenticity. He says: “Consumer interest in provenance and heritage has had particular relevance in premium cider, but it's also increasingly influencing the mainstream cider category. In our research, drinkers are telling us they're becoming more discerning and looking for brands with genuine regional provenance and authenticity.”

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The range of formats in the on-trade is driven by higher consumer expectations, believes David Sheppy, of Somerset family cider-maker Sheppy's Cider. “Though not yet on the same scale as craft beer, consumers are re-discovering craft and traditional cider, and are certainly demanding more.” Sheppy's bicentenary celebrations over the past year has seen the launch of Old Conky, a medium sweet cider, as well as a cider flavoured with Elderflower. Sheppy adds: “In terms of offerings - a selection of bottle and draught will cater for most tastes - along with the versatile addition of bag-in-box. The bag-in-box format has really taken off, and provides operators with the opportunity to offer a greater choice of ciders - and seasonal variants.”

Westons cider stocking guide

Draught:

- ▶ As a minimum, outlets should stock an entry point draught cider, usually a mainstream cider,
- ▶ If a second cider tap is available, make it a trade up cider brand.
- ▶ If there are three or more cider taps, then a bag-in-box Traditional / Craft cider should be considered, to widen consumer choice, premiumise the offer and support drinkers who want to try something different.

Packaged:

- ▶ To be in line with the category profile outlets should stocking two apple, two fruit and one pear cider in the fridge.
- ▶ Block brands in the fridge, so consumers can make their choice as easily as possible.
- ▶ A drinks menu helps consumers to browse before visiting the bar, and to educate consumers about the ciders stocked.

Source: Westons Cider Report 2016



Martin Thatcher, fourth generation cider maker at Thatchers Cider, says: "Packaged ciders allow trial within an outlet to test a brand before installing it on draught – this is something we are working on with operators for Thatchers Haze, for example. Our experience has shown that once it has transferred from the fridge to the bar, sales have taken off."

Haze is a naturally cloudy premium cider, offered on draught as well as in 500ml bottles alongside the flagship Thatchers Gold, now the number two draught cider behind Strongbow Original. Thatcher adds: "The trends are all about going back to cider's roots to embrace the drink's heritage. So, we are seeing consumers increasingly turn to apple cider, and they have embraced contemporary cloudy cider over the last year."

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Cider on the Table

The company has also launched Thatchers Family Reserve, an 11% sparkling 'apple wine', made with the first pressed juice of the Katy dessert apple. Thatcher says: "These type of products allow operators to offer a greater variety of styles to pair with food and to extend the drinking experience from the bar to the restaurant. Bottles are great for sharing at table, and styles can be selected according to the menu. As the on-trade gets more food-focussed, this is only going to become more important for pubs."

Another cider maker spotlighting the gastronomic credentials of their range is Aspell. Alongside Premier Cru, a long-standing gastro-pub favourite, more recently the Suffolk company has added 'cyders' including John Barrington, recommended as a match for fish or white meat, and Clement's Four, which pairs with Greek and Spanish dishes.

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Aspell's Henry Chevallier Guild believes "the key is education of on-trade operators to understand the difference between a genuine fresh, high juice cider vs the more mainstream or mass produced ciders.

There's really nothing that goes as well with pork belly as a high juice cider, and we'd like to see our products on the wine list. It can still be quite a hard sell, there's still this idea that cider is something that is only drunk by the pint."

Also expanding its cider portfolio is Carlsberg UK, whose Bad Apple brand bills itself as "a cider from the uglier, darker end of the orchard", made with the small and gnarly apples that are too sharp to eat without wincing. The outcome is a cider with sweet notes, a sharp tang and a short dry finish, targeting a younger, more affluent on-trade consumer.

Flavour

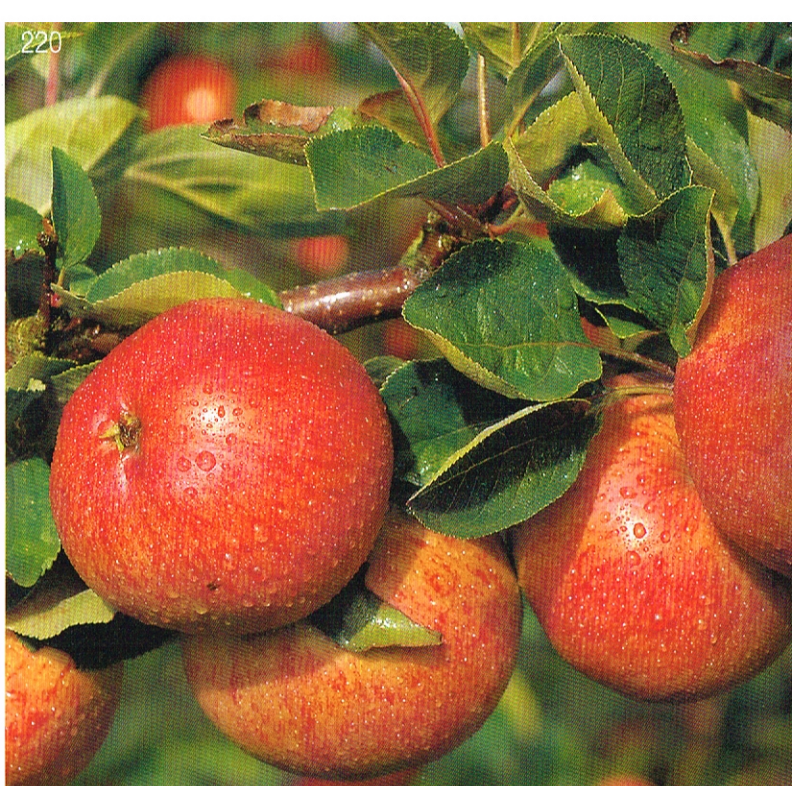
The continued popularity of flavoured ciders is also driving NPD. The Fuller's-owned Cornish Orchards brand added a Blush variety, flavoured with raspberries, during 2016, while Aspell now has Isabel's Berry, with redcurrant and raspberry, alongside its existing Perronelle's Blush blackberry variety.

At Molson Coors, which holds the UK rights to Sweden's Rekorderlig, brand director portfolio Ali Pickering, says: "Flavoured cider continues to drive growth in the category, and thanks to brands like Rekorderlig, there are a plethora of exciting SKUs available to licensees."

Rekorderlig Strawberry and Lime grew by 7.5% in the year to July 2016, and is the sixth biggest packaged cider in the UK on-trade.

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Each Rekorderlig variant has a perfect serve recipe, and the brand has also developed cider cocktails, described by Pickering as "a relatively new innovation, but one that Rekorderlig is at the forefront of. We've worked closely with account holders to devise exciting new recipes, which offer customers a wider choice of drinks without taking up any more space in the fridge."



Back to the Apple

However, Amy Burns, UK Marketing Manager at Magners, argues that the flavour trend may be on the wane. "Research is showing consumers are suffering from flavour fatigue in the cider market. With so much choice, but little resemblance to cider, consumers appear to be tiring of flavoured ciders in the same way they did with alcopops."

The brand has replaced the Magners Golden Draught variant across the on-trade with Magners Original, based on taste tests which saw 62 per cent of participants preferring Magners Original to the market leader.

Diageo, which has launched flavoured ciders under both the Pimm's and Smirnoff brands, understandably calls the market differently. Daf Pugh Williams, senior innovation commercialisation manager at Diageo GB, says: "Flavoured ciders are successfully recruiting a new generation into the category, providing consumers with a credible and authentic way to enjoy sweeter liquids."

Citing Pimm's Cider as delivering "an accessible fruity taste" but at the same time "a more mature taste profile" than other fruit cider brands, Williams says: "There is an inescapable excitement currently around products with authenticity, craftsmanship and character. Craft ciders will no doubt follow this trend and it is our challenge as suppliers to speak to consumers in the right way to convey these traits to them."

Crafty and Quirky

This growing consumer interest in premium craft ciders has prompted Shepherd Neame to form a distribution partnership with New York brand Angry Orchard Crisp Apple, the number one cider in the US. A range of cocktail recipes which combine the brand with flavours such as cinnamon and orange have been developed.

Samantha Catford, brand manager for Angry Orchard at Shepherd Neame, says: "Premium craft ciders offer pubs and bars a high-quality

drink and can also be combined with other ingredients in a cocktail to offer seasonal twists and fulfil consumer demand for variety."

For operators looking for support in navigating the cider category, the Perfectly Picked Cider collection from wholesaler Matthew Clark includes more than 60 ciders, including English brands such as Sheppy's and international ciders including Angry Orchard.

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Provided they get the range right, the much-reported advent of the promiscuous consumer should probably concern brand owners more than it does operators.

While some drinkers may have forsaken their 'usual' big-name brand for an ever-changing array of craft, artisan and small-batch drinks, as long as operators can match their range to customers' aspirations, the cash all goes in the same till.

Hop to it

With consumer interest in hops helping to drive sales of craft beer, cider makers clearly see an opportunity to drive some interest. Hopped ciders, relatively common in the US, are starting to appear over here:

- ▶ Aston Manor has launched a hop-infused variant of its craft Friels brand in a 330ml can, combining a fruity-medium dry cider with a mix of Challenger, Sterling and Archer hops.
- ▶ Warwickshire-based Purity Brewing Company has collaborated with Westons to launch Pure Hopped, a craft cider made with Herefordshire apple juice combined with Worcestershire hops and available in both 330ml cans and on draught.
- ▶ As part of its Innovation range of ciders supplied in key kegs, Warwickshire-based Hogan's Cider offers Hip Hop, a bittersweet fresh pressed cider with a hint of aromatic English hops adding a zingy citrus and grapefruit note.

Aspall's Henry Chevallier Guild sounds a note of caution on the trend. He says: "In the US, there seems to be a default position that because there is not an abundance of apples that are good for making cider with, something else has to be added to the liquid to make it interesting for the consumer. Sometimes it works, often it doesn't."

"Based on a minority of the examples I have tasted, I have no doubt that hopped ciders can add some value to the market; but if they follow the US mantra "because we can", then I'm not sure they will add much in terms of helping the consumer navigate the choice on offer in the on-trade."