

# Sweet success in a dry market as cider sees the fruits of innovation

By [Mintel Oxygen](#)

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LONDON, UK: While in the not too distant past, drinking cider may have been associated with images of rural pastures, old fashioned drinking and unsophisticated palates, latest research from Mintel reveals that a combined push from the industry, coupled with consumer demand has seen cider beat the economic squeeze to become a favourite with the British consumer.



Indeed, at a time when alcohol consumption in the UK is declining, cider has gone from strength to strength, experiencing value sales growth of 60% between 2005 and 2010 to stand at £2.2 billion (about R23 billion).

While penetration of alcohol drinkers in the UK has declined from 88% to 83% over this period\*, conversely, cider has managed to grow its user base from 18% to 27% of UK adults - a phenomenal achievement and an outlier in an otherwise declining UK alcohol market. It has grown its volume sales from 574 million litres in 2005 to 840 million litres in 2010, a rise of 46% - in spite of rising alcohol taxation, the worst recession since the 1930s and pubs (for whom it relies on for 45% of its value sales) closing at record rates.

## Growth in sales predicted

Furthermore, Mintel forecasts that cider will grow by an impressive 23% in volume sales and 45% in value sales between 2010 and 2015 and the sector also has rich potential to grow its user base further, with 10.4 million UK adults prepared to consider drinking it in the future.

In addition, it seems continued innovation has also helped bolster the sector. Indeed, some 70% of UK consumers say they like the variety of different flavoured ciders available, compared to 45% of consumers who say they prefer traditional Apple cider. Pear and fruit cider is also attracting a new type of cider drinker who eschews traditional apple cider, as Mintel estimates there are around 2.3million cider drinkers - primarily 18-24-year-old women - who are being attracted to the newer pear or other fruit ciders while showing no interest in drinking traditional variants. This group of 'solus' pear or fruit cider drinkers are 90% more likely to be aged 18-24 according to Mintel's research and around a third more likely to be female, switching from categories such as wine and alcopops.

## Innovation breeds success

Jonny Forsyth, senior drinks analyst at Mintel, said: "Cider's success has been in constantly innovating to attract a new audience of drinkers - particularly a younger and more female crowd. While 'on ice' serves initially led to consumers re-appraising what was once a somewhat tired category, the market has not rested on its laurels and continued innovation, particularly around flavours, has kept the momentum going. This is a particularly impressive performance in the context of falling alcohol sales and sharp duty increases across the whole of the alcohol sector."

"With consumers currently more interested in pear or fruit cider than traditional apple, Mintel forecasts that the cider sector will continue to see impressive growth - of 23% in volume sales - over the next five years. Its major challenge is to stay ahead of the curve on innovation, so as to keep its young audience interested, but this is something it has thus far excelled

at," Forsyth continues.

## **Cider busy recruiting new fans, but...**

When it comes to consumption, despite the difficulties facing the pub industry, cider has continued to perform well in this channel and pubs account for close to half (45%) of its overall revenue, with the on/off trade market share standing at 61% versus 39%. Nightclubs account for almost a tenth of revenue, a reflection that cider's core users are 18-24-year-olds.

However, while cider is recruiting many new and primarily younger drinkers into the category, Mintel's research shows that the majority (65%) of cider drinkers only have it when they feel like a change from their usual drinks. Indeed, its lack of USP (Unique Selling Point) is also putting off those outside of the category. For example, 67% of male drinkers would rather have beer if they are going to have a pint, while almost half (47%) of women are put off by the volume of cider, preferring not to drink cider in pints or large 568ml bottles. While twice as many cider drinkers now see it as a year-round rather than as a summer-only drink, there are still 4.4 million drinkers who only drink cider in warm weather.

"While cider has increased in popularity, it nevertheless remains a long way behind wine and lager in sales and frequency of usage. Our research shows that too often people view it as a 'repertoire drink' rather than something to drink all night. It also lacks ownership of an occasion for drinking beyond summer days in the pub garden. It is therefore crucial that cider builds a stronger association with mealtime occasions now that the UK has more 'food-led' pubs than ever, and consumers are adopting a more continental approach to sensible drinking," Forsyth concludes.

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