

22<sup>nd</sup> August 2019

## Pernod Ricard UK identifies £15.5m Premium Spirits opportunity for convenience retailers this Christmas

- Premium Spirits increase in share over Christmas, however, convenience retailers continue to miss out in crucial trading weeks
- Pernod Ricard UK is investing over £5m to encourage more festive moments of conviviality and drive higher spend
- Spend on spirits within the convenience channel has increased 33% more than any other category in the last year and with more people visiting smaller stores than ever before<sup>1</sup>, there's no reason retailers can't win big this year



Pernod Ricard UK is urging convenience retailers to give stronger visibility to premium wine and spirit brands this Christmas in order to win back share from grocery and capitalise on the £15.5m opportunity available to them. The convenience channel increased its value share of Premium Spirits by just +3% in the last quarter of 2018, versus grocery +8%, and even lost 1% versus the previous year, widening the gap and losing valuable share during a crucial sales period<sup>2</sup>.

Within Premium Spirits, there are five key categories Pernod Ricard UK recommends retailers focus on getting right: Gin, Irish Whiskey, Blended Scotch, Vodka and Wine. These categories lend themselves to two key consumer drinking occasions at Christmas: giving the perfect gift and being the best hosts at home.

To drive awareness of these categories and propel consumers into store, Pernod Ricard UK is also increasing its above the line advertising spend by 38%, with campaigns going live from October for Jameson, Plymouth, Chivas and Campo Viejo. This contributes to an overall investment in the Christmas occasion of more than £5m, nearly 70% more than last year.

<sup>1</sup> HIM CTP 2019

<sup>2</sup> Nielsen 15<sup>th</sup> June 2019 – Premium % share rest of year vs. Premium % share 12 weeks to Christmas

Consumer behaviour at Christmas is changing, with more households, each buying more products, visiting convenience stores<sup>3</sup>. During these shopping trips, people are buying less products but spending more and the leading premiumising product is Spirits<sup>4</sup>.

Consumer confidence declined in 2018, reaching a low at Christmas, meaning more people spent time entertaining friends and family at home. Home meal occasions, for example, were up +752m and dinner parties +38m in 2018 versus the previous five years<sup>5</sup>. This has contributed to the rise of consumers wanting to re-create their favourite cocktails and mixed drinks at home, with Google searches for the Espresso Martini up 156% over the last three years.

So why is convenience still missing out? As excitement builds over the festive period, so does the average spend on premium wine and spirits, however, growth happens later in the month of December for convenience, as opposed to grocery and the on-trade, and the key to growing sales time is encourage sales of Premium Spirits earlier in the month.

Chris Shead, Off-Trade Channel Director for Pernod Ricard UK, comments: “It was a good Christmas for the convenience channel last year, however, it continued to fall behind grocery as retailers failed to maximise the Premium Spirits opportunity. The data all points towards a third Gin-dominated Christmas this year, however, we also anticipate this year to be driven by gifting outside of traditional categories, such as Gin and our new Plymouth Gift Box, as well as lead-ingredients for popular cocktails and mixed drinks. That’s why we are investing significantly this year to encourage more moments of conviviality, to get consumers spending more time with family and friends, as well as more money in the convenience channel on premium wines and spirits.”

### Pernod Ricard UK’s Gifting Range

**Plymouth Gift Box:** 44% of UK consumers gave Gin as a gift last year and to capitalise on this growing trend, Plymouth – which is growing +6.1%<sup>6</sup> - has been given a premium gift box suitable for gin lovers looking for a British-made, craft gift. Available from November, RRP: £26.69.

**Chivas 12 YO Giftbox:** Scotch is a traditionally gifted category and Chivas, the number one premium blended whisky in the UK<sup>7</sup>, has the perfect range to encourage trade-up as its taste falls somewhere between a Single Malt and a Blend. Pernod Ricard UK recommends merchandising the full Chivas range (Chivas 12, Chivas Extra, Chivas XV) on the top shelf, with Single Malts and Jameson Irish Whiskey on either side.

**Campo Viejo and Brancott Estate:** Premium wine volume peaks at Christmas, as consumers buy slightly more and look to trade-up<sup>8</sup>. Campo Viejo, the UK’s number one red wine, and

---

<sup>3</sup> Nielsen Homescan | Total Coverage | 12we 29.12.18 | Price is from Scantrack 12we 05.01.19

<sup>4</sup>Him! Shopper

<sup>5</sup> Kantar Worldpanel – 52 March 19

<sup>6</sup> Nielsen GIN, Total Coverage, Period Ending: WE 23.03.19

<sup>7</sup> June RQ, Nemo Total Chivas 12 Grocery Period Ending 01/06/19

<sup>8</sup> Nielsen 1 we 15.06.19

Brancott Estate, the UK's number two white wine, are recognisable brand's hosts will welcome receiving. Campo Viejo is also the only brand in convenience with a clearly colour-coded price ladder. Range Campo Viejo Tempranillo, Campo Viejo Reserva and Campo Viejo Gran Reserve next to each other to encourage trade-up into a higher price point.

### Being the Best Hosts At Home

**Beefeater Blood Orange and Beefeater Pink:** Flavoured Gin is driving 58% of the sales value within Total Gin<sup>9</sup>, and therefore, will be the big money maker this year, so make sure it is visible on the middle shelf from the end of November through to New Year's Eve. Stocking tonic in close proximity and offering garnishes, such as strawberries and oranges will encourage increased basket spend.

**Jameson:** Irish Whiskey is the second fastest growing category behind Gin and is gaining momentum due to the decline of American Whiskey, with Irish Whiskey growing 10 times faster than American over the last two years<sup>10</sup>. Over 49% value growth is forecasted between now and 2023, and so should be given prominence on the top shelf next to Single Malts and Premium Imported Whiskies.

**Absolut and Kahlua:** from mid-December to New Year's Eve, more and more consumers will be looking for at-home cocktails and the Espresso Martini is a Top 10 cocktail consumers want to re-create at home, with one in three households now owning an espresso machine. Standard Vodka is having a tough time, however, Absolut continues to drive growth of Premium+ Vodka (+14% vs. +6.5% total category). Stocking Kahlua next to Absolut will drive incremental sales, with 15% of Kahlua shoppers already purchasing Absolut.

**-ENDS-**

For more information please contact: [charlotte.sylvester@pernod-ricard.com](mailto:charlotte.sylvester@pernod-ricard.com).

### Notes to editors

#### **About Pernod Ricard UK**

Pernod Ricard UK is part of Pernod Ricard, number two in wines and spirits with sales of €8,987m in 2017/2018. Created in 1975 by the merger of Ricard and Pernod, the Group has undergone sustained development, based on both organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008).

Pernod Ricard holds one of the most prestigious brand portfolios in the sector, including 19 brands among the top 100 worldwide. Pernod Ricard UK has identified the following key priority brands in the UK market: Absolut, Jameson, Chivas, The Glenlivet, Plymouth Gin, Monkey 47, Malibu, Perrier-Jouët, Kahlúa, Beefeater, Campo Viejo, Brancott Estate, Olmeca, Havana Club, Martell, Aberlour,

---

<sup>9</sup> Nielsen 52 Weeks of data to 29<sup>th</sup> September 18 vs YAGO

<sup>10</sup> Nielsen MAT 15.06.19



Jacob's Creek, Lamb's, Ballantine's, G.H. Mumm, Graffigna and Wyborowa. Pernod Ricard UK is a member of The Portman Group promoting responsible drinking.

For latest news and information:

Website - [www.pernod-ricard-uk.com](http://www.pernod-ricard-uk.com)

Twitter - @pernodricarduk