

September 2021

## PERNOD RICARD UK PREDICTS COCKTAIL AND DIGITAL SKILLS PERFECTED IN LOCKDOWN WILL DRIVE PREMIUM SPIRITS AND WINE SALES THIS CHRISTMAS



Pernod Ricard UK is urging retailers to respond to consumer trends accelerated by the last 18 months to capitalise on the huge opportunity within Premium Spirits and Wines this Christmas. At-home cocktail making and online inspiration, such as masterclasses, will be key levers to driving incremental trade-up within Premium Spirits and Wine over the festive period.

Pernod Ricard UK is supporting the grocery channel capitalise on this opportunity by adding QR codes, which we have all grown accustomed to using over the last 18 months, to gift packs, shelf barkers, shippers and advertising both in customer magazines or on eCommerce sites. The QR codes will transport consumers to over 75 brand new online cocktail masterclasses for Pernod Ricard UK's leading spirits brands including Absolut, Beefeater, Jameson and Havana Club throughout November and December.

Rather than prompting new behaviour, the On-Trade closures accelerated several market trends that were already evident in the market pre-COVID. There are now more online shoppers, and a broader demographic of people shopping locally due to a sustained increase in working-from-home<sup>1</sup>. There

1 Kantar WPO Spirits Buyers Online 52 w/e 13-Jun-21, Kantar WPO Convenience Buyers Total Spirits 52w 13-Jun-21 vs. YA and 2YA

has also been a further increase in Spirits Premiumisation that has seen Premium+ Spirits value growing more than twice as fast as Total Spirits (+21% vs. +15%) as shoppers treat themselves to affordable luxuries both at home and when meeting up with friends and family<sup>2</sup>. Finally, consumer engagement has also continued to grow; it now takes more Spirits brands, and more different types of Spirits, to make up 90% of Grocery value sales than it did this time last year<sup>3</sup>.

Chris Shead, Off-Trade Channel Director, comments: “The Off-Trade is likely to retain an inflated share of the total BWS market this year but the Christmas season will start earlier, as friends and family make up for lost time. This year, more than ever, it’s about breadth of range. Consumers upskilled during lockdown, they tried more cocktails at home, experimented with new flavours, and treated themselves to the new product or flavours from their favourite brands. We’re supporting retailers capitalise on the opportunity this presents with a wide range of Premium options for gifting, hosting and perfecting cocktail skills at home through our brand new range of online cocktail masterclasses.”

Hosting and gifting represent two huge opportunities for Off-Trade retailers within Premium Spirits and Wines. Research conducted by Pernod Ricard UK revealed two out of three adult consumers who made cocktails at home during lockdown will continue to do so and over 50% of all consumers 19-55+ drank cocktails at home in the six months to March this year<sup>4</sup>. When it comes to gifting, 48% of shoppers expect to give alcohol as a Christmas present<sup>5</sup>.

Having been kept apart from those we love over Christmas last year, consumers are going to be looking for more ways to make the time we spend with our friends and family that bit more special and celebratory in 2021. Christmas has always been a peak time for at-home cocktail making, but with 53% of Spirits shoppers now owning a cocktail shaker and new skills mastered during the lockdowns, cocktails are set to become a fundamental part of hosting this festive season<sup>1</sup>. For these reasons, retailers must be able to cater for a wider variety of both occasions and drinks recipes than in the past, and offer premium options that will make visibly generous and special party contributions.

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<sup>2</sup> Nielsen Q Total Grocery Value Sales 52we 19/06/21 vs. YA

<sup>3</sup> Nielsen Q Total Grocery Cumulative Value Sales Sub-sector level – 52we 19/06/21 vs. YA

<sup>4</sup> Pernod Ricard UK Tokuna Cocktails at Home Survey March 2021

<sup>5</sup> The Source, Christmas Research 2019, 1970 participants

## Pernod Ricard UK's 'What to Stock the Christmas' list

### Premium Spirits

- **Jameson Irish Whiskey**, the UK's number one Irish Whiskey, is growing 19.8% in Total Off-Trade<sup>6</sup>
- **Jameson Orange** is a zesty new expression and new to the market, combining the finest triple-distilled Jameson Irish Whiskey infused with natural orange flavouring
- **Havana Club 7** is driving growth for Havana Club (+48.4%) in Total Off-Trade<sup>7</sup>, thanks to its recent successful partnership with Skepta
- **Havana Club Cuban Spiced** is also new to market and the first spiced product from Havana Club. It's made with 100% Cuban rum that has been enriched with spices and natural tropical flavours. Flavoured and Spiced Rum was a big winner last Christmas, continuing to grow this year, and Pernod Ricard UK predicts the category will achieve the same demand in 2021
- **Absolut** is growing +28.2% overall in Total Off-Trade and its flavours range is skyrocketing with +41.7% growth in the last 12 months<sup>8</sup>. Flavoured Vodka growth is set to continue into Christmas as the versatile Spirit is perfect for at-home cocktail making. Best-selling flavours **Absolut Passionfruit**, **Absolut Rapberri** and **Absolut Vanilia** were joined this summer by **Absolut Watermelon**, tapping into the increased demand for watermelon flavour alcoholic drinks, which has grown +63%<sup>9</sup>
- **Beefeater London Dry Gin** introduced a timeless and premium new bottle design across its range earlier this year, which proudly heroes its position as the World's Most Awarded Gin<sup>10</sup>, and features optimised sustainability credentials.
- **Beefeater Pink Strawberry**, **Beefeater Blood Orange** and **Beefeater Peach & Raspberry** provide the perfect versatile cocktail base for Instagrammable at-home serves
- **Malfy gin Rosa** is flying off the shelves in Total Off-Trade, growing +139%<sup>11</sup>
- **The Glenlivet** is growing +43.3% and **Chivas** is growing +22% in Total Off-Trade, with both being the perfect gift to take to a party for hosts or place under the Christmas tree

### Premium Wines

- **Campo Viejo Reserva** (+22% Total Off-Trade) and **Campo Viejo Gran Reserva** (+15.3% Total Off-Trade<sup>12</sup>) are expected to continue growing in popularity

<sup>6</sup> AC Nielsen, IRISH Total Coverage Value Sales, Period Ending WE 19.06.21

<sup>7</sup> AC Nielsen Golden Rum Total Coverage Period Ending WE 19.06.21

<sup>8</sup> AC Nielsen Vodka Total Coverage Period Ending WE 19.06.21

<sup>9</sup> GNPD Mintel Q1 2019

<sup>10</sup> Based on International Spirits Awards for Beefeater London Dry only from 2004-2019

<sup>11</sup> AC Nielsen Premium+ Gin, Total Coverage, Period Ending WE 19.06.21

<sup>12</sup> AC Nielsen Campo Viejo Total Coverage Period Ending 19.06.21

- **Campo Viejo Winemakers' Blend** is the brand new wine from the UK's No.1 Spanish wine brand<sup>13</sup>. The wine blends the experience and craftsmanship of Campo Viejo's three female winemakers to create the ultimate red blend that is smooth and vibrant, with red fruit richness and elegant intensity, and the vibrant, purple bottle creates fantastic stand-out on shelf
- **Jacob's Creek Double Barrel** is accelerating since its launch with its Shiraz variant growing +74.3% in Total Off-Trade<sup>14</sup>
- **JC Reserves** hit the shelves with a fresh new look earlier this year with a range of four classic varietals – Sauvignon Blanc, Chardonnay, Shiraz and Cabernet Sauvignon. Pernod Ricard UK is investing in the UK's best-known wine brand<sup>15</sup> and best-selling wine in Australia<sup>16</sup>, to reclaim the number one spot in the Australian wine category
- **Stoneleigh** is new to Pernod Ricard UK's wine portfolio and is New Zealand's number one wine brand<sup>17</sup>, a growing Country of Origin in the UK (+12.2%)<sup>18</sup>
- **Rutas de Cafayate Malbec** is brand new this year and is set to capitalise on the popularity of Argentinian wine as the fastest growing Country of Origin, which is up by +28.5% in value sales, with Malbec also growing +28.9% in value<sup>19</sup>
- **Leaps & Bounds** is a range of Australian wines inspired by our love of our canine companions and also brand new to market this year. The brand started its journey with a simple insight – 80% of UK wine drinkers love dogs – and has been created to inject character into the wine space and bring new consumers to the category
- **Champagne** outperformed sparkling wine and Total Wines last Christmas in Grocery (+22% vs. sparkling +10% and total wines +14%)<sup>20</sup> and has sustained its strong performance throughout 2021, growing +63%<sup>21</sup>

**-ENDS-**

## Notes to Editors

### About Pernod Ricard UK

Pernod Ricard UK is part of Pernod Ricard, number two in wines and spirits with sales of €8,824m in 2020/2021. 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, Lillet, Malibu, Malfy, KI NO BI, Italicus, Del Maguey,

<sup>13</sup> AC Nielsen Total Off-Trade Value Share MAT date to 02.01.2021

<sup>14</sup> AC Nielsen Jacob's Creek Total Coverage Period Ending WE 19.06.21

<sup>15</sup> Wine Intelligence, Vinitrac UK, October 2020

<sup>16</sup> IRI MAT Value Sales 07.03.21

<sup>17</sup> IRI NZ Grocery, MAT to 09.08.20

<sup>18</sup> AC Nielsen New Zealand Total Coverage Period Ending WE 19.06.21

<sup>19</sup> AC Nielsen Total Off-Trade Value Sales MAT to 19.06.21

<sup>20</sup> Source: NielsenIQ, Grocery Multiples, Value Sales % Change vs. YA 12we 02/01/2021

<sup>21</sup> NielsenIQ, Grocery Multiples, Value Sales % Change vs. YA 03/01/2021-19/06/2021

Perrier-Jouët, Kahlúa, Beefeater, Campo Viejo, Brancott Estate, Olmeca, Havana Club, Martell, Jacob's Creek, Lamb's, Ballantine's, G.H. Mumm and Wyborowa. Pernod Ricard UK is a member of The Portman Group promoting responsible drinking.

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