Lager lout? No thanks, lager's out

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June 2007 - UK - Following on from Scottish & Newcastle's recent announcement of a fall in lager sales due to the bad weather, latest research from MINTEL suggests that for the wider lager market a downward trend in sales may not be just a Summer blip.

MINTEL forecasts that following a 5% decline in volume sales since 2005, the lager market will fall by a further 8% to 2012 to reach 3.65 billion litres - some 307 million litres down on this year's sales (3.95 billion litres in 2007). This means that the average lager drinker will knock back around 11 litres or some 19 pints less in 2012 than they do today.

What is more, value sales have dropped 4% since 2005, to reach Â£10.9 billion this year and are unlikely to see any kind of recovery in the near future.

"The traditional lager lout, with his beer belly and pint in hand, may be becoming a rarer breed here in the UK, as the lager market has well and truly lost its head," explains Katy Child, senior market analyst at MINTEL.

"UK drinkers are becoming much more sophisticated when it comes to alcohol and this trend looks set to continue. We are increasingly looking for different drinks for different occasions, such as wine with a meal, cocktails in the evening and champagne for a special celebration. As people are much more aware of the wide choice available, drinkers now realise that there is more to life than just a pint of lager," she adds.

MINTEL's exclusive consumer research shows that only two in 10 (12%) adults drink lager regularly and even amongst men, only one in five (22%) enjoy this tipple. In fact, as many as four in ten (42%) never drink lager at all.

Cider with RosÃ©
While we may be turning our backs on lager, cider is enjoying its greatest resurgence for a decade, with volume sales up by a massive 14% in the last two years alone. It is no longer considered a drink only to be enjoyed in the sun, with fewer than one in five (19%) seeing it as only a summer drink.

Likewise, volume sales of wine have increased steadily, up 6% between 2005 and 2007. But it is rosÃ© wine that is the real shining light. Once frowned upon by all serious wine buffs, rosÃ© or 'blush' is the true rising star of the wine world, with volume sales having increased 188% since 2005, up from 17 billion litres to a staggering 49 million litres this year.

"Cider and rosÃ© wine in particular have sold well in the past couple of years, as people shift towards more refreshing flavours. These drinks are also often seen as less calorific, whether this is true or not, so people who are watching their waist will often choose these lighter alternatives over a pint of lager," comments Katy Child.

Home and (not) dry
One of the key trends in the lager market has been the long-term shift towards drinking lager at home rather than in pubs, bars, clubs, hotels and restaurants (on-trade). Today as much as 30% of all lager sales are made through supermarkets and off-licences (off-trade), with the remaining 70% made through on-trade channels. This split has changed considerably since 2002, when as much as 80% of all lager sales were sold through the on-trade.

"No doubt, this year's smoking ban in public places will impact further on our drinking habits, not least for lager which has always been best served down the pub with the lads," comments Katy Child.
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