Cool down for alco-pops

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Latest research from MINTEL finds that the bubble has burst for the once fashionable alco-pop or flavoured alcoholic beverage (FABs). After an impressive value increase of as much as 70% between 2000 and 2002, sales have plummeted by 22% from ?1.6 billion in 2002 to just ?1.2 billion this year.
"These once trendy beverages are clearly no longer seen as cool by the fickle target market of the 18 to 34 year olds, who have now ditched FABs for more fashionable and sophisticated alternatives, such as cocktails. Clearly, manufacturers have just not been quick enough to keep ahead of the decline, believing that simply tweaking flavour, ABV levels and packaging would be enough to keep market share," comments James McCoy, senior market analyst at MINTEL.
Another reason for this decline has been the excise duty increases, which have seriously inflated the price of FABs, causing consumers to view them as being poor value for money. Indeed, as many as 25% of adults feel they 'are too expensive for what they are', rising to a third (34%) amongst the key 18 - 24 year old age group.
In general, almost one in ten (8%) adults drink FABs, but this rises to over one in five (22%) amongst the 18 - 24 year olds and declines sharply after this age. Women (11%) are more than twice as likely as men (5%) to drink these alco-pops.
A FAB-ulous future?
MINTEL forecasts that the market for FABs will continue its decline, albeit at a less dramatic rate than seen over the past few years, decreasing by a further 18% between 2005 and 2010 to a value of ?1 billion.
The biggest reason for the continued decline in value sales will be the downward pressure put on prices as a result of heavy discounting and price wars among supermarkets. Other factors will include increased legislation and greater controls on advertising.
"It looks likely that the FABs market is moving into a new phase, one of consolidation and new product development. Innovation, however, will no longer focus purely on flavour, but on where the â€˜next big thingâ€™ will come from. Rather than this being a totally new category, it will come from hybrid products, merging FABs with other successful drinks markets. This will allow the category to evolve to satisfy a larger target audience, even reaching out to those who dislike sweet drinks," explains James McCoy.

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