

# IRI LIQUOR KNOWLEDGE

This month's IRI Insights take a slightly different look at the market, detailing how the total off-premise market has performed over the last 12 months to March (03/03/19).

## LIQUOR GROWTH

The trend of consumers drinking less, but drinking better has continued in the 12 months to 3 March 2019, and is demonstrated with a 2.9 per cent dollar growth, but a 0.3 per cent volume decline. The total retail liquor market is now worth \$18.1bn, and that dollar growth is worth \$0.5bn.

This trend is evident across multiple categories, with particular emphasis on beer and full bottled spirits.

While the beer category does still command the highest levels of growth, as the mid-strength and craft beer segments begin to slow down, the influence of beer on the overall growth of liquor is beginning to wane. Wine is now starting to become the key area for growth in the liquor category and is helping to move the market forward. Rosé and sparkling in particular are two key segments fuelling growth in wine and the overall liquor category, which highlights the potential of the new Brown Brothers Prosecco Rosé, which brings together two key trending wine styles – see brand spotlight.

Despite the slowdown in mid-strength and craft beer, coming off a very high base, and despite the continued decline in the classic beer segment, at 36 per cent beer still has the highest percentage of all the categories in liquor.

Wine is continuing to see strong growth with rosé and prosecco remaining buoyant. Canned wine is coming off a small base but is also a segment which is starting to deliver for the wine category as a whole, giving wine a 26 per cent share of the overall market.

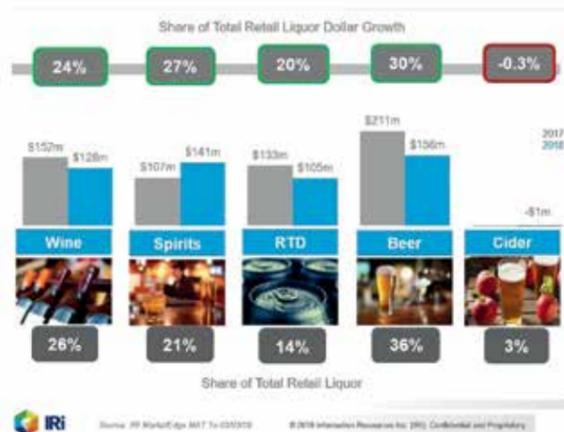
The Ginnaissance has continued over the last 12 months, delivering over 40 per cent of the value growth in the spirits category. Scotch remains the biggest segment in spirits with Single Malt helping to drive growth, although World whiskies, primarily Canadian, Irish and Japanese are becoming increasingly influential as spirits have 21 per cent of the market share.

While Bourbon continues to dominate the RTD segment, Ready to Drink gin is benefiting

from strong brand recognition in glass spirits and brand extensions in the convenience of a premixed alcoholic beverage. Commonly RTDs segment is the domain of trail Gin drinkers are tapping into single serve occasions, and RTD has 14 per cent market share.

Challenges remain for the cider category, which declined slightly in 2018, with -0.3 per cent share of overall growth. With further canned products becoming increasingly available and a lot of work from Cider Australia on identifying Australian-grown and 100 per cent fruit ciders, there is hope that the cider category can reverse this trend and add to its three per cent market share.

## MARKET SHARE



## LIQUOR CATEGORY PERFORMANCE

CATEGORY	DOLLAR GROWTH	VALUE
Beer	2.4%	\$6.6B
Wine	2.8%	\$4.6B
Glass Spirits	3.9%	\$4.4B
Ready To Drink	4.4%	\$2.5B
Cider	-0.3%	\$493K

## CATEGORY BREAKDOWN



## CATEGORY STANDOUTS

### WINE

Rosé sales continue to surge and the overwhelming popularity of this varietal is apparent, with 31 per cent of the growth in bottled wine coming from rosé. All pricing brackets are growing with \$12-\$16 the highest contributor.

Prosecco was responsible for one in two incremental dollars spent on the sparkling wine category and enjoyed a stronger trajectory over the summer period. The Brown Brothers range represents the number one brand to drive growth in Prosecco.

Canned wine sales are growing strongly and are now valued at \$9.7m as a pack type. The pack format is conducive to Australian drinkers' outdoor culture (in addition to glass free sites) and form an ideal size for a small serve occasion where opening and consuming a full bottle of wine is prohibitive.



### BEER AND CIDER

Contemporary Beer was easily the highest growth sub category. As a comparison Classic Beer has experienced a sales decline of -5.7 per cent and continues to trend lower.

Craft Beer delivered 8.2 per cent growth in the latest MAT with continued experimentation of drinkers into this segment. Total Craft is valued at \$686M, adding \$52M to the segment in the latest MAT.

The changes in the moderation and craft styles of beer are being offset by the high ABV cider choices.

### SPIRITS & RTD

Drinkers' love affair with Gin continued in 2019. Gin generated over \$4 in every \$10 of category growth from just seven per cent of category sales. The influence of social media should not be underestimated with the highly 'Instagramable' nature of Pink Gin for example a contributing factor in Pink Gin's \$9m growth.

Whisky drinkers have really demonstrated an interest in World Whisky outside the traditional spectrum of Bourbon and Scotch. Excluding Bourbon and Scotch, World Whisky's growth was driven by Canadian Whisky and Irish and the strong growing Japanese Whisky range.

Scotch is the biggest sub category in glass spirits for just over 20 per cent of category sales. Single Malt Scotch is the growth driver generating 15 per cent year on year dollar growth. Blended Scotch still accounted for 84 per cent of Scotch sales in the latest MAT but experiencing a -1.7 per cent year on year dollar sales decline.

Bourbon dominates strongly in Ready To Drink and continues to enjoy growth through ABV changes. The strength of Canadian Club continues to dominate in RTD with 15 per cent MAT growth recorded in the segment.



### Brown Brothers Prosecco Rosé aptly fuses two trending wine styles



## BRAND SPOTLIGHT

### BROWN BROTHERS PROSECCO ROSÉ

Brown Brothers has looked to make the most of two key growth areas in the wine category with the launch of its Prosecco Rosé. Winemakers have added a touch of Cienna to the category-leading Brown Brothers Prosecco to create a sparkling wine with a softer, rounder side to the palate. With consumers embracing experimentation, actively seeking out new experiences and not afraid to try grapes they have never heard of, this hybrid represents everything they want and also marries two simultaneously popular segments.