A New Era of Drinking

Heineken Beer Report

2024

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Will Rice

On-Trade Sales Director, HEINEKEN UK

> **"What matters to consumers, matters to you as operators and therefore, it matters to us. That's why we put so much of our time and resources into research, data and insight."**

Our annual Beer Report is a way of sharing this wealth of information with the wider industry to help build better businesses and a thriving on-trade market. In this, our third Beer Report, with several years of post-Covid data to look back on, plus two years of the cost-of-living crisis in our (somewhat emptier) pockets, we can begin to see where behaviours are changing for the long term and how this is affecting the way we socialise and drink.

And, despite what headlines may say, there's reason to be optimistic. There are several trends and behavioural shifts that we can predict will be positive for the industry and for beer – a category that remains, after all, the UK's favourite alcoholic drink by some distance.

From maximising growing trends like Spanish lager; to emerging consumer expectations and how to meet them; to the lowdown on the role each beer plays on the bar, we hope this report provides valuable insights to help run your pubs and bars more profitably and keep your customers even happier.

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Buoyancy in the Beer Market

The UK on-trade beer category continues to outperform the drinks market, growing ahead of spirits and wine, and is now worth £13.5bn, equivalent to 17 million hectolitres or nearly 3bn pints[1].

Excluding cider, which posts a flat performance, other drinks categories are in year-on-year decline. The biggest losers include ready-to-drink (RTD) options down 10% in value, white spirits down 6.3%, and dark spirits down 3.4%[2].

Beer remains by far the largest category in the UK on-trade in volume and value and, as an affordable treat, all the signs suggest that it will continue to perform well, despite the impact of rising costs on spending.

A recent UKHospitality report shows that for 65% of people in the UK eating and drinking out remains a priority[3] and, as a result, we would expect overall on-trade beer sales to remain resilient, as they have done through previous crises. Nevertheless, as the cost-of-living continues to bite, consumer behaviours will evolve and operators need to react to meet new needs.

This means beer offerings must be tailored to suit each individual outlet; there is no longer 'one size that fits all' when it comes to beer. A selection that comprises standard and premium pricing to encourage trade up and which covers much-loved brands as well as some new and exciting beers is a good place to start, but the brands and price points included within this will differ from venue to venue.

£13.5bn **Total Beer and Cider Market Size**[4]

65% **Say eating and drinking out is a prority**[5]

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1 CGA OPMS GB Total Beer MAT 15.06.24 - 2 CGA OPMS GB Total WET MAT 15.06.24
3 GO Technology: The Value of Hospitality. March 2024 - 4 CGA OPMS GB Total Beer MAT 15.06.24 - 5 GO Technology: The Value of Hospitality. March 2024

Evolution of the On-Trade

A workforce crisis and soaring costs are already changing the way operators are running their businesses, with some resorting to shorter trading hours or opening fewer days of the week[6].

Indeed, a recent survey revealed that 32% of businesses in the sector have reduced their hours due to operating costs, with Monday to Wednesday being the days most impacted.

At the same time, outlet closures remain high, with now 14% fewer venues than pre-Covid[7]. In the past 12 months, nightclubs, casual dining outlets, and independent restaurants have been particularly badly hit, with numbers down 13%, 7% and 7% respectively[8].

There are bright spots, however. Wet-let pubs have experienced fewest closures in the sector and we've seen growth in competitive socialising as well – think interactive darts, crazy golf or shuffleboard.

This is good news for the pub industry, indicating a sustained interest in drinking in the on-trade, particularly when it comes to beer.

Our data on beer consumption backs this up, showing that drinkers continue to consistently engage with the category in the on-trade, buying on average 1.5 times per week and drinking 3.1 servings per occasion[9].

Licensees wanting to tap into this can look at streamlining their beer selection, prioritising the best-selling lager, stout and ale on the bar and using the fridge to offer further variety and alternative choices *(more on this on pages 14, 15 and 16)*.

> “The last few years have presented incredible challenges for pubs, with Covid closures, sky high inflation on food, drink, energy and staffing, as well as the current cost of living crisis. Trading for many has now returned to pre-pandemic levels but converting that business into profit remains incredibly tough.
>
> Quality, attention to detail and going above and beyond for customers is now the expectation, so more than ever, pubs must find a way to provide a great experience every time, or risk losing loyal customers.
>
> The operators at the heart of our sector are, however, adaptable, resilient and tenacious, evolving and reinventing their businesses to ensure they remain relevant in their towns, high streets and communities.
>
> Embracing the changes in consumer behaviours we are seeing, and repositioning pub businesses to ensure they are making the most of every potential customer, will be essential to their future success. Understanding the need to focus on building a sustainable business, supporting and developing their teams, and finding new ways to connect and engage with their communities will be at the heart of this success.”
>
> **Steve Alton,**
> CEO, British Institute of Innkeeping

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6 UKHospitality Member Survey. March 24 · 7 CGA by NiQ Outlet Index, December 23
8 Beer Report Market Size and Scale (tab IFT out seg Rolling Dist) · 9 Kantar Alcovision On Trade Total Beer 12me 31.03.24

How to Exceed Expectations

As wallets continue to be squeezed, consumers are becoming more demanding of their on-trade experiences as, in line with previous economic downturns, they are going out less but looking to treat themselves when they do.

As the focus on getting a value for money experience increases, getting the basics right has become even more crucial – recent CGA figures show that more than half (52%) of consumers say they now have higher expectations of the hospitality venues to which they are loyal, due to the cost-of-living crisis[10].

For licensees looking to exceed expectations, new experiences, great presentation of food and drinks and exclusive offers are what will impress customers – but only once basic hygiene factors have been fulfilled (for example, clean toilets and a safe environment).

Going beyond expectations need not involve substantial investments, either. Offering new experiences can be as simple as organising gaming nights or a humble pub quiz, while good presentation of food and drink can be achieved through refreshing staff training, particularly around the perfect serve. Stocking and promoting more premium options to encourage customers to treat themselves will also help exceed expectations and boost profits.

10 Go Technology Report, The New Loyalty Landscape: How the cost-of-living crisis impacts hospitality, 2024

A Taste for Spain and Stout

HEINEKEN maintains the position as top brewer in the on-trade this year, accounting for well over a quarter (28%) of the on-trade market by value. Second is Molson Coors with 24% share, followed by the Budweiser Brewing Group UK&I with 11%.[11].

Diageo has posted the biggest growth among the brewers this year, gaining 1.4% in value share, driven by the recent surge in the popularity of Guinness, but remains a smaller player in the beer sector with just 8% of the market in total[12].

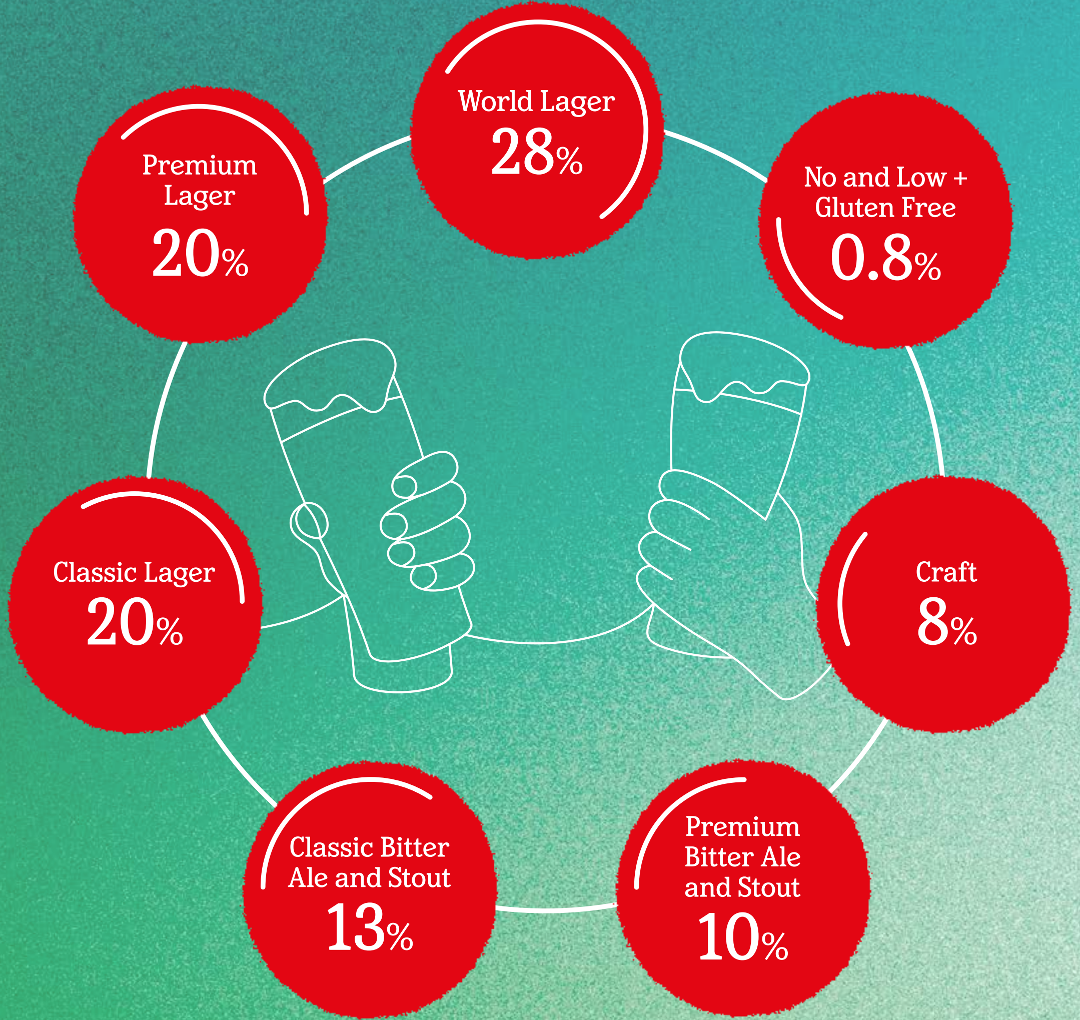
Despite the recruitment of younger drinkers and women to the stout category, lager remains by far the UK's favourite alcoholic drink, accounting for a whopping 57% of the beer and cider market by value[13] within this, classic lager continues to decline (-7%)

But there are nevertheless winners here, including premium lager (+1.3% value share) and No and Low Alcohol beer, up 40% in value share albeit off a small base, to take 1% of the market[14]

A variety of options across several segments of the beer category is therefore what's needed on the bar and in the fridge to satisfy current consumer demands.

The exact range will vary from venue to venue, of course but a selection of brands and differing price points will drive interest and encourage trade-up.

Biggest UK Beer segments by value share[15]



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11 Top Performers Excel (tab: Val Share Top 20 LMP) 12 Top Performers Excel (tab: Val Share Top 20 LMP) 13 Top Performers Excel (tab: category performance) 14 Top Performers Excel (tab: category performance) 15 CGA OPMS GB Share of Total Beer MAT 15.06.24

A World of Beer

World beer has become the UK's most popular pint, enjoying more than a quarter (28%) of the beer market[16]. Within this, there is little doubt that it is Italian and Spanish beers which have driven excitement and growth over the past 12 months. Birra Moretti is now the UK's most popular pint. Spanish lager has, for example, seen a remarkable 27% increase in value year on year[17].

This demonstrates how tastes evolve over time, especially when this growth is compared to the performance of other continental lagers, namely those from France and Germany which are witnessing a decline in popularity, down 47% and 25%, respectively[18].

It's essential that on-trade beer ranges reflect these shifts, if consumers are to continue to find the category exciting, and so Spanish and Italian lagers should be stocked alongside old favourites.

Spanish Success

Spanish brands San Miguel and Estrella Damm have been part of the UK beer scene for decades, so why the recent trend for Spanish lager?

We can date this current boom to the post - pandemic launch of Molson Coors' Madri in late 2020. As ever, timing is important and Madri's launch in the middle of the pandemic coincided with a time when we were all stuck at home experiencing wanderlust.

Brands that evoke happy memories and holiday vibes were therefore set to do well and this was further fuelled by the launch of HEINEKEN UK's Cruzcampo® last summer. These two brands hit the sweet spot for consumers looking for something new and exciting, that tastes great and at an affordable price. Salud!

Premium and World Beer Brands by value[19]

1. Birra Moretti – Italian
2. Madri Excepcional – Spanish
3. Peroni – Italian
4. Coors Light – American
5. San Miguel – Spanish
6. Stella Artois – Belgian
7. Amstel – Dutch
8. Cruzcampo – Spanish
9. Corona Extra – Mexican
10. Estrella Damm – Spanish

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16 CGA OPMS GB Share of Total Beer MAT 15.06.24 17 CGA OPMS GB 15.06.24
18 CGA OPMS GB 15.06.24 MAT Premium and World Lager 19 CGA OPMS GB 15.06.24 MAT Premium and World Lager

How Consumer Behaviours are Evolving

The tumult of recent years has changed us. Lockdown forced us to look inward and find ways of entertaining ourselves indoors, the cost-of-living crisis has forced us to limit the money we are able to put towards luxuries, and working from home means going out more locally.

All of this has fundamentally changed the way we socialise and our relationship with alcohol. We've learned to slow down and appreciate the joy to be found in the little things; we've nurtured more personal interests (a third of UK adults took up hobbies in lockdown),[20] and we've shifted to spending on the things we find nourish, rather than excite us.

As a result of this, five new macro trends affecting consumer behaviour in the on-trade have emerged.

1 Lasting Loss Aversion

People remain financially cautious and will continue to closely monitor what they spend. However, this will be tempered by moments of splurging, particularly during the summer or at Christmas, so operators should look to ensure they are promoting any events or offers linked to key calendar dates to drive footfall.

2 Healthier Choices

As consumers continue to regulate what they drink as part of a shift to healthier choices, alcohol has moved from the sole focus of a night out to just one part of it. No and Low Alcohol options should therefore be made more visible not just in venues (via PoS and on menus, etc.) but also promoted in social media content, on websites and advertising materials.

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20 Heineken x Monday Project, spring 2024

3 Making Memories

Covid showed us that shared experiences were more important than possessions. We've taken this forward with a shift to buying less but buying better, and choosing to drink for pleasure rather than to relieve stress. More premium products have a place here as they help to elevate experiences and make them more special, as does offering trade up options such as balloons for the table for a birthday booking or drinks packages.

4 The Cozy Club

Home is the new centre of our world and is increasingly where we want to spend our time. Even out of home, keeping that low-key vibe is important and so people are heading for their local pub and casual dining brands. Tapping into this idea of café culture by offering coffee and pastries in the morning or tea and cake during the afternoon, for example, will help lure in consumers and extend trading hours.

5 City Limits

Working from home has impacted where we spend our time and reduced our visits to town and city centres. For special occasions, though, the high street still beckons and Instagram-worthy drinks, food and décor will help attract these customers. Exceptional service and activities such as live music or karaoke will then encourage people to stay longer.

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What does the Future Hold?

Despite what the newspapers may lead us to believe, there remains a sense of optimism[21] – although it would be true to say this is less a sense of ‘things can only get better’ and more a feeling that ‘we’ve made it through the worst of the storm’.

Most UK adults think there’ll be a return to prosperity before the decade is out[22] and, when this starts to happen, we can expect consumers to return to more spontaneous behaviours, indulging themselves more and experimenting again – all of which is positive news for the on-trade.

There are even more reasons to be optimistic. Our research shows that even if things take a turn for the worst again, positivity may well prevail, as people:

Feel better prepared:
they’ve developed the skills and techniques to weather the storm again

Feel stronger:
they’ve come this far and have the resilience to do it again

Have more perspective:
they’ve learned what’s important in life (people, not things)

The hospitality industry can build on this more positive outlook to boost growth. Looking at ways to evolve the offer as consumer confidence rises and encouraging people to visit more often and spend a little more when they do, by tweaking product ranges and creating must-attend events.

The Top 3 emerging on-trade occasions

Several occasions to visit the on-trade that were popular back in 2019 are now less popular or have dropped out of the calendar completely. These include midweek dinners and post-work drinks, while lunchtime and between 7pm and 9pm are becoming the most valuable trading times for pubs and bars. As a result, the three biggest emerging on-trade occasions are now:

1. Brunch
2. Sunday Roast
3. Big Night Out

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21 Heineken x Monday Project, spring 2024 22 Heineken x Monday Project, spring 2024

"Why would I spend money on something that's going to make me feel terrible the following day?"

The dual concerns of health and finances are currently driving growth in the No and Low Alcohol sector and beer is a huge beneficiary of this.

Our consumer research[23] shows that in line with a growing awareness of physical and mental health, there is a strong feeling that drinking alcohol is an unhealthy habit that can affect your mental and physical wellbeing.

On top of this, it's increasingly perceived as expensive and, as consumers are watching the purse strings, they are finding it more and more difficult to justify drinking for the sake of it. Customers are looking to extract more value from time with friends and family, particularly in the on-trade. In fact, new research from KAM shows that saving money is now the number one reason Brits moderate their alcohol consumption[24].

In addition to this, post Covid, there is more of a feeling that quality connections can happen with or without alcohol. As a result, the No and Low Alcohol beer category is up by 40% in value across the UK on-trade[25], ahead of No and Low Alcohol cider, which itself is up an impressive 45%.

This still represents a mere 1% of the market, however, so there's a huge opportunity still out there. Shifting the focus of promotions and advertising from the drinks to the occasion and the socialising elements involved will be beneficial for operators looking to tap into this. At the same time, a greater focus on the whole scope of your offer and what it delivers for drinkers and non-drinkers alike, will help bring in more people.

"I tend to drink with my old school friends, but there's often two to three of us not drinking when we go to a restaurant – I don't feel the pressure to drink if everyone else is[26]"

Consumer research,
spring 2024

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23 Heineken x Monday Project, spring 2024 24 KAM Low + No Report 2024
25 CGA OPMS GB Beer and Cider MAT 15.06.24 26 Heineken x Monday Project, spring 2024

No Go For No And Low?

With the majority of UK adults (77%) moderating how much they drink and now one in three pub visits do not include alcohol[27], the future is looking very bright for the No and Low Alcohol category.

However, cost-of-living is having an effect here, as elsewhere, and there are signs of a small, but growing, resistance to the category in the on-trade. This is being driven by the perceived high price of No and Low Alcohol drinks – an echo of the attitude to mocktails that we have seen previously ("why pay more when it's just fruit juice?").

This is particularly true among younger drinkers, who are more comfortable not drinking in front of others and are therefore confused about the higher price of an alcohol alterative compared to a soft drink.

We know from previous research that for a quarter of consumers the default option when not drinking is to turn to tap water – representing £800m in missed sales for the on-trade[28]. As No and Low Alcohol beers already have a good reputation as a great tasting alternative for those looking to abstain or moderate, operators can lean on this to lure customers away from a default order of tap water, thereby boosting profits.

With many of the big brands now offering a No and Low Alcohol alternative, a compelling offer covering a No and Low Alcohol lager, ale and (in some venues) a craft option as well, should be simple to curate and reap rewards.

However, ensuring visibility of what's available is key – if customers can't easily see what alternatives are available, they are more likely to panic order that tap water. No and Low Alcohol brands should therefore be given prominence in the fridge, as well as on marketing (PoS) materials on the bar and on tables. Training bar staff to make recommendations of No and Low Alcohol alternatives will also help drive extra spend.

For more food-led outlets, putting No and Low Alcohol beers on menus, with suggested food pairings is a powerful prompt, particularly around key abstinence occasions such as lunch time or family meals. Or operators could look to tap into the health trend, for example suggesting a Low and No Alcohol lager with lighter fish and chicken dishes.

"There is relationship between the brewers, operators, drinks brands and consumers that can be better exploited in order to further grow the No and Low Alcohol category. Key to this will be a shift in our approach and a need to be more creative – if it was just a case of us doing more of the same then I think we would be doing better by now.

Beer is unique in the No and Low Alcohol space as it is can make some claims around health and nutrition. As a sector, all stakeholders need to come together around this, to find and free up some language to maximise this messaging, as this will help the sector tap into health spend, a very valuable segment of the market.

We also need to work together on educating consumers about the category but again, we need a fresh approach. Get it right and there are big rewards for both the drinks and hospitality sectors."

Laura Willoughby MBE,
co-founder, Club Soda

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27 KAM Low + No Report 2024 28 KAM No + Low Report 2023

New Brands Buoy the Beer Market

Over the past few years, product launches have spearheaded growth in the beer category, accounting for 9% of Beer Value.* No doubt that, without the success of these new beers, the category would be in more significant decline.

Of the launches to hit the market last year, the top three include Guinness Draught 0.0, Stella Artois Unfiltered, and – in the top spot – Sevillian lager Cruzcampo®, which has successfully hit the sweet spot for consumers looking to discover great tasting, refreshing and good value beer *(for more on this and the boom in Spanish lager, see page 6).*

3 **Beer Launches of 2023****

FULL YEAR 2023

Value (£M)

£122.8
Cruzcampo®

£7.5
Stella Artois Unfiltered Lager

£4.8
Guinness Draught 0.0

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*CGA GB Total Beer Full year 2020 – 2023. **CGA OPMS GB Data Full Year to 2023.

Most Valuable Draught Beer Brands

Three of the top five beer brands sold on tap in pubs and bars in the UK are now worth over £1bn[29]. Guinness tops the bill at £1.3bn, up 22% in value, following the surge in stout sales this year. Carling comes next, albeit down 6% in value to £1.1bn, and Birra Moretti makes up the trio having increased 3% in value to hit over £1bn in sales.

Brands that have contributed the most to value growth in the category include Guinness and Birra Moretti. Madri Excepcional has also put in a good performance, up 47% in value. Likewise, Beavertown Neck Oil is up 14%, and Cruzcampo® which, from launch just last year, has reached £255m in sales in the on-trade alone.

All of which very much underlines the consumer search for (and therefore the need for operators to stock) 'discovery brands' - those beers that offer customers something exciting and tasty at just the right price point.

Top 10 Value

Percentage change[30]

Guinness Draught	22
Carling	-6
Birra Moretti	3
Peroni Nastro Azzurro	-8
Madri Excepcional	47
Foster's	-7
Coors Light	-5
San Miguel	-6
Stella Artois	-1
Carlsberg Danish Pilsner	-5

29 CGA OPMS GB MAT 15.06.24 30 CGA OPMS GB MAT 15.06.24

Beer Roles and Responsibilities

To ensure every customer can find a beer they want to drink in your pub or bar, it is beneficial to think about the role each category of beer plays – assessing for which customers and on which occasions each would be the beer of choice.

Not all categories are relevant to all outlets but by thinking about this, you can ensure there is always something for everyone and so drive more sales.

Lager is the most important beer category for pubs, comprising several flavour profiles and price points, so deserves particular attention as it's crucial to get the balance on the bar right.

Classic Lager[31]

Role: The main cash generator for the majority of mainstream pubs. Customers buying these brands are looking for great tasting and sessionable beers.

Brand examples: Carling, Foster's

Average price per pint: **£3.76**

Average sales value per pub per year: **£42,000**

World Beer[33]

Role: Aimed at more discerning drinkers but, for some, also offer a trade up option from premium lagers.

Brand examples: Madri Excepcional, Birra Moretti

Average price per pint: **£5.17**
Average sales value per pub per year: **£52,000**

Premium Lager[32]

Role: These have a broad appeal among lager drinkers and offer a variety of flavours. They are well-known brands that offer consumers a quality experience.

Brand examples: Heineken®, Stella Artois, Cruzcampo

Average price per pint: **£4.31**

Average sales value per pub per year: **£36,000**

Sub-categories of premium lager include:

- **Premium 4%**
(brands include Amstel and Pravha).

These brands have a dual role – either driving trade up from classic lager in mainstream pubs, or adopting the entry price point in more premium outlets. Worth around £18,000 in sales per pub per year, with an average price per pint of **£4.46**[33]

- **Premium Light**
(brands include Coors and Heineken® Silver).

These lighter tasting lagers bring younger drinkers into the beer category. Worth around **£19,000** in sales per pub per year and have an average price per pint of **£3.87**[34]

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31 All figures are Total Classic Lager CGA OPM GB 2023 32 All figures are Total Premium Lager CGA OPM GB 2023
33 All figures are Total Premium 4% Lager CGA OPM GB 2023 34 *All figures are Total Premium Light Lager CGA OPM GB 2023*

Beer Roles and Responsibilities Beyond Lager

The beer category is more than lager, of course, and craft, cask and keg also have key roles to play in a complete offer.

Craft Beer[36]

Role: This category is popular with affluent consumers but is becoming more mainstream.

Brand examples: Brixton Brewery, Beavertown

Average price per pint: **£5.31**

Average sales value per pub per year: **£25,000**

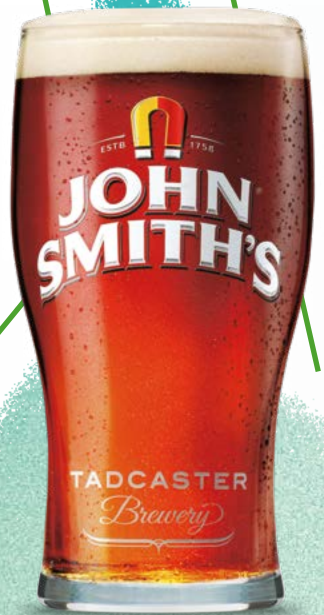
Cask Ale[37]

Role: Enhances a pub's reputation for quality and authenticity, when properly looked after and served.

Brand examples: Theakston's Best Bitter

Average price per pint: **£3.98**

Average sales value per pub per year: **£27,000**



Keg Classic Ale[38]

Role: Easier to store and serve compared to cask ale, this offers consumers a fresh and consistent pint at a lower price.

Brand examples: John Smith's, Tetley's

Average price per pint: **£3.31**

Average sales value per pub per year: **£15,000**

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36 All figures are Total Craft Lager CGA OPM GB 2023
37 All figures are Total Craft Lager CGA OPM 38 All figures are Total Craft Lager CGA OPM

Beer Roles and Responsibilities Beyond Lager

Keg Premium Ale[39]

Role: Appeals to a broad audience and enables outlets to charge a premium price for ale

Brand examples: Theakston Pale

Average price per pint: **£4.09**

Average sales value per pub per year: **£25,000**

Stout[40]

Role: Stout adds diversity to a beer selection and is a popular and iconic beer style

Brand examples: Guinness, Murphy's

Average price per pint: **£4.46**

Average sales value per pub per year: **£20,000**

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39 All figures are Total Craft Lager CGA OPM 40 All figures are Draught Classic Stout CGA OPM GB 2023

How Consumers Decide which Beer to Order

To maximise sales of beer, we need to understand how drinkers are behaving, what they are looking for, and where they are looking when they approach the bar. Using technology that tracks customer eye movements, we were able to identify the ‘hot spots’ for brands in venues.

As soon as consumers approach the bar, they begin to search out what’s available. Looking firstly at the taps, then spotting bar staff, before looking in the fridges and only after that at any visible PoS materials.

With space on the bar valuable real estate for brands, the temptation is to continuously change the offer, adding new brands to generate interest and boost sales. However, our insight shows that positioning is the real key to driving sales so identifying the brands you want to sell more of and making them as visible as possible, alongside the most popular choices, will be more likely to maximise profits.

“Our insight shows that, where possible, people will try to avoid making any more effort than needed to find the information they require to make an order – once they’ve found a place to stop at the bar, for example, they won’t move around in order to see more of the brands available and will just choose from what they can see from that spot. Making sure brands are clearly visible for as many customers as possible is therefore extremely important.

We also know from our eye-tracking research that T-Bar founts are the default location for those searching to find the available choice of draught brands. Stand-alone or icon founts, meanwhile, are considered to be reserved for premium brands or special edition beers and are therefore just as (if not more) valuable. Ideally however, icon and T-bar founts should still be sited closely together to ensure all are considered within the decision-making process. They should be repeated on longer bars so customers can easily view the full range from wherever they are ordering.”

Serena Smith,
Head of Category – On-Trade,
HEINEKEN UK

How Consumers Decide which Beer to Order

The Beer Purchasing Journey

While each journey is very dependent on the layout of the bar, the business of the pub and the buyer's mood and preferences, there are some common themes that emerge.

Time to first contact: The lower the numbers, the earlier the different elements are looked at on average. | Stats are only for the first purchase journey, from entry to bar to sitting at the table.

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Pole Position

Optimum positioning of brands on the bar is crucial for licensees looking to boost beer sales and encourage customers to trade up.

However, with the insight showing that visibility of brands on the bar is key to decision making, there are also some watch outs.

A cluttered bar for example, indicates a lack of care and thought, while a crowded and busy bar can cause frustration as consumers struggle to see what's available. Likewise, limited visibility of T-Bar founts, one of the first things customers look for, also causes stress as they crane to gain sight of brands. This is further exacerbated if their desired drink isn't available, as they have to seek further information and make a new decision.

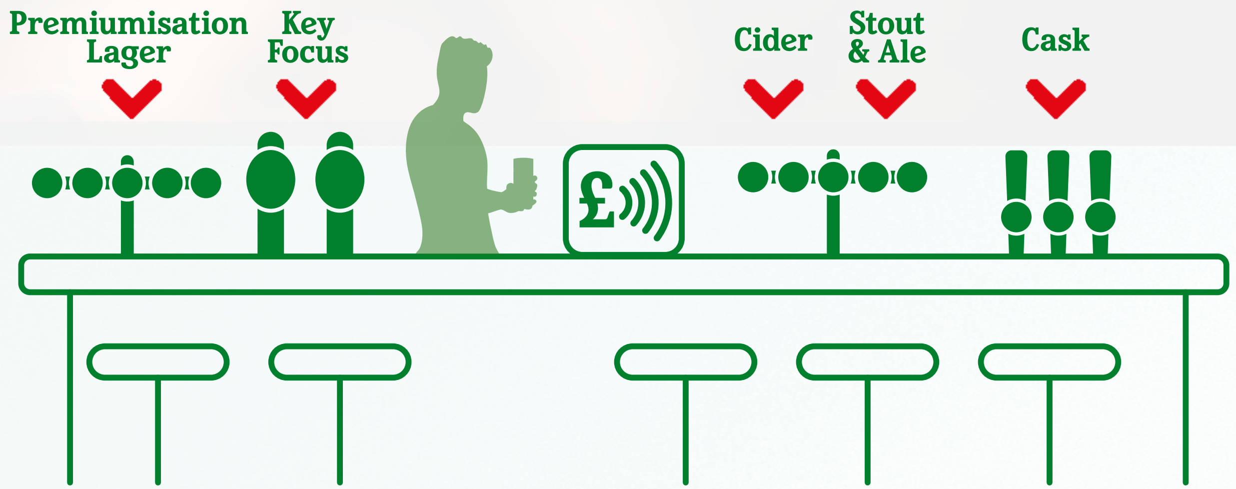
Spot the Hot Spots

Where customers stop is crucial to their purchasing decision as it impacts their field of vision, therefore the position of your most popular and valuable brands will need to differ depending on the shape and length of your bar. For example, in longer bars the 'hot spot' is the middle, whereas in smaller bars it's where the guest enters.

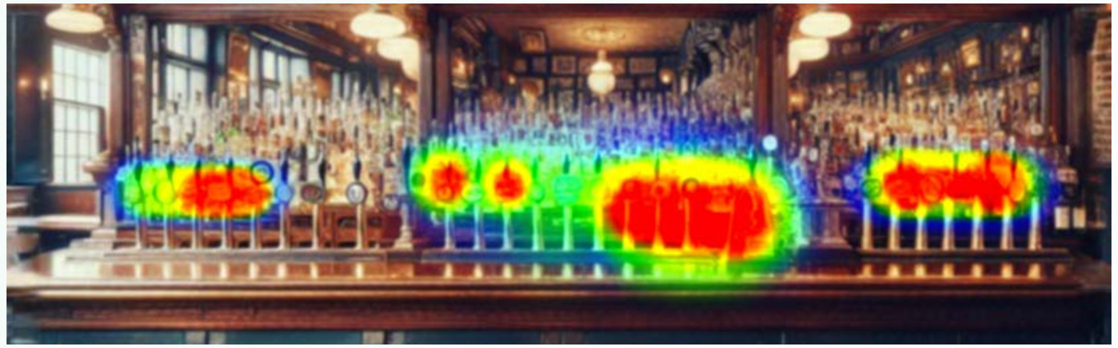
Interestingly, once a position at the bar has been chosen customers will rarely move from their spot, instead looking around to try and gain as much information as possible about the brands available and to optimise their chance of getting served.

Ideal merchandising principles

- Easier for guests to compare like for like
- Premium by the serve point higher visibility
- Standalones delivering key brand visibility
- Easier to maintain taps need to be switched



Guests gravitate towards the middle



Seating area ← Entrance

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Fridge Focus

Customers are programmed to look at the bar first. Based on eye-tracking research, once they've checked out the founts on the bar, 90% of guests will look at what beers are available in the fridge. In fact, sight of the fridge happens on average around 25.7 seconds after they've entered the premises, a mere 14.1 seconds after they've seen the draught selection.

However, most people only take a glance at the fridge, with data showing the average length of time is a paltry 6.4 seconds compared to the 22.4 seconds looking at the taps.

This means the fridge has to work harder than the bar founts to attract attention.

Ideal merchandising principles

Are the fridge lights on & working?

Is there a drinks menu or drinks board available?

Are you using bar mats to advertise what's in the fridge?

The view of the fridge is further obscured by the founts and PoS on the bar itself. So, in order to get the best view of what's on offer, customers need to get up close to the bar and peer over.

Therefore – perhaps unsurprisingly – the top shelf is prime retail estate, so it's essential to carefully consider what brands should be stocked here. Categories such as World Lager, which consumers are currently searching out and which have a great deal of variety within them, should be given pride of place here alongside flavoured ciders, soft drinks and alcohol alternatives.

To make customers aware of the full fridge offer, licensees can employ other tricks to promote what's stocked, such as putting brands on food and drink menus, drip mats, chalk boards, and other PoS.

HeatMaps show where the focus is:

The top shelf is key to visibility. Due to the physical bar/T bars what people can see is limited.

Communicating the range is critical to maximise sales of the full range available.

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Save the Date

Bank holidays, sporting events and 'mad Friday' during the festive period are the big winners for beer sales in the on-trade and account for most of the 10 key dates on which operators can capitalise.

Unsurprisingly, drinks-led venues benefit more from high tempo days such as 'mad Friday' and St Patrick's Day than food-led venues.

Bank Holiday weekends, however, are extremely valuable across both, with the Early May Bank Holiday proving the most valuable date in the on-trade calendar and the Sunday of any bank holiday weekend proving the most valuable of a three-day weekend.

Top 10 Value Weekends (Friday - Sunday) 2022 - 2023 Value RoS (£/outlet)[41]

Value RoS	Dates	Month	Event
£10,964	28th - 30th	MAY 2023	Early May Bank Holiday weekend
£10,210	26th - 28th	MAY 2023	Spring Bank Holiday weekend
£9,944	9th - 11th	DEC 2022	Mad Friday 1 weekend
£9,938	7th - 10th	APRIL 2023	Easter weekend
£9,399	5th - 8th	MAY 2023	Kings Coronation Bank Holiday
£9,398	16th - 18th	DEC 2022	Mad Friday 2 weekend
£9,237	26th - 29th	AUG 2022	Summer Bank Holiday weekend
£9,205	17th - 19th	MARCH 2023	St Patricks Day Mothers Day Six Nations Final
£8,681	2nd - 4th	JUNE 2023	FA Cup Final weekend
£8,561	28th - 31st	OCT 2022	Halloween weekend

[41] CGA by NielsenIQ EPOS Data

Save the Date

With public holidays and sport being significant drivers of footfall and sales, encouraging customers to stay longer and spend more is the aim of the game – a game that could be termed as one of three halves.

Before

Operators should promote opening times, special events (e.g. Mother's Day) or sports fixtures they are screening in advance; ensure their reservation systems are optimised, and encourage pre-match ordering for food and drink to help with speed of service.

During

If showing entertainment such as films, music or sports, position screens and stages to ensure the maximum number of people can see and ensure the volume level is correct to ensure a great guest experience. Offer table service to speed up service and think about adding menu options that can be hand-held so easily eaten standing up.

After

Make the space ready for those arriving after the key event; keep the kitchen open for meals, and keep staff on to encourage guests to stay in venue.

In addition, think about how to drive return visits. What can be done to prompt people to rebook before they leave, perhaps tempt them back with the offer of a free drink or a pudding? Or flag that anyone leaving a positive online review will receive a reward. It's often the small adjustments that can make the most significant difference.

The Importance of Sport

When it comes to occasions, sport is a winner, driving significant footfall into pubs and bars and delivering valuable customers.

Amongst fans watching live sport in pubs:

83% Watch once a month

75% Watch with a large group of friends

90% Stay out longer when a game is on[41]

The Operator View

“With occasions like Christmas it can be a little more predictable, but with sports it isn’t as much – there is another layer of complexity - you don’t always know how things will pan out for your customers’ teams.

You therefore need a contingency plan in place. If you’re staking your whole summer performance on the Euros, for example, you need to have a plan for all scenarios – from the number of staff you might need, to ensuring you have full availability of the bestselling beer brands.

A lot of people like to watch the games as a big group, and as such, we hosted Fan Zones for the Euros 2024, offering drinks, food and big screens. This isn’t where people tend to watch games, so there is a lot of effort that goes into the planning of it, so people are aware that this is happening.

If you get them to attend, then the return is great but you can’t assume people will change their habits and attend a Fan Zone unless you promote it properly.

Michelle Anderson,
Director of Marketing, Powerleague”

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41 CGA PubTrack 2023, CGA OPUS 2023

Dates for the Diary 2024/25

HUK Recommendations for 2024/2025

AUGUST BANK HOLIDAY
26th August 2024
Activations should be spread over the bank holiday weekend, with Friday & Saturdays bringing in the largest amount of cash to the till

HALLOWEEN
31st October 2024
Halloween falls on Thursday therefore consumers are more likely to celebrate this in the on-trade - consider Saturday which typically sees the largest uplift

BONFIRE NIGHT
5th November 2024
Falls on Tuesday therefore uplift may be smaller, however, be cautious as uplift can be weather dependent

MAD FRIDAY
20th December 2024
Typically sees one of the highest RoS throughout the year and the majority of people will have finished work for Christmas. However, be aware of more people working from home

SIX NATIONS
31st Janaury 2025
Kicks off on Friday 31st January Opportunity to engage guests during the quieter months

VALENTINE'S DAY
14th February 2025
Falls on a Friday and therefore consumers are more likely to celebrate this in the on-trade

ST PATRICKS DAY
17th March 2025
St Patricks Day is set to fall on a Monday and therefore venues should look to activate over the weekend to maximise celebrations

MOTHER'S DAY
30th March 2025
Important for the Trade but beer, does not benefit from this date, as consumers go to other categories like wine & champagne

EASTER SUNDAY
20th April 2025
Venues should ensure they capture the incremental sales from Easter as consumers enjoy the long weekend - It's later so it's likely to be warmer!

SPRING BANK HOLIDAYS
5th May + 26th May 2025
Venues should look to activate on the Saturday of the May bank holidays as it sees the highest RoS over the weekend

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Beer by Numbers

£13.5bn
Size of the total UK on-trade beer market

70%
Lager's share of the on-trade beer market by value

22%
Increase in value of Spanish lager

40%
Growth in No and Low Alcohol beer sales by value

11.6 seconds
After they enter a venue, customers look at bar founts

£10,964
Average sales per outlet generated over May Day Bank Holiday 2023

77%
Of sports fans watch football when out for drinks

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For More insight, information and resources come and talk to us