

# Spirited lessons in strong focus

Comparing ad spend growth and consumption patterns in the alcoholic drinks sector provides a valuable lesson for all marketers – strong brands and careful targeting are essential for success

The Campaign for Real Ale (Camra) is gearing up for a new ad campaign to attract younger drinkers (*MW* last week), and alcohol advertisements have been coming in thick and fast. However, there appear to have been few IPA Advertising Effectiveness Award winners in the alcoholic drinks sector recently. Is this due to the drinks industry keeping a low profile, or is it due to the lack of compelling ads?

A comparison between the growth in ad spend and the growth in average consumption in this sector shows that ad spend increased – up 12% from 2003 to 2005 – while consumption of alcohol among UK adults was up by just 1.4% for the same period. Penetration of any alcohol drinking among the adult population also increased by 1% from 2003 to 2005. However, hidden within these rather low figures there are some definite winners and losers, and comparing ad spend and consumption within this sector provides some interesting lessons for marketers

across the packaged goods sector.

This data is taken from the TNS AlcoVision survey and is based on interviews with 20,000 adults a year, representing consumption of alcohol both inside and outside the home – essential for a sector with important on-trade and growing off-trade sales.

The biggest winner in terms of average consumption levels is lager – up 9% from 2003 to 2005, to six servings a week per drinker. This is an increase exactly matched by a 9% growth in lager ad spend, which rose to £82.6m in 2005.

Advertising has always played an important role in this market – it is said in lager-land that “People don’t drink lager; they drink advertising”. Heineken, with its famous “Refreshes the parts other beers cannot reach” campaign, was the first brand to focus attention on lager’s ability to refresh. Interbrew’s Stella Artois “Reassuringly expensive” ads have played an important role in positioning the

brand as upmarket and sophisticated – and in fact this long-running campaign did win an Advertising Effectiveness Award in 2002.

The latest advertising for Carling, number one in the market, is more gender-neutral than the brand has been in the past, associating Carling with the emotional benefit of “belonging” – the television ad uses the analogy of flocks of birds – and so tapping into the inherent social context of drinking.

Other alcohol sectors appear to be trying to spend their way out of trouble. Looking at gin, as the most depressed sector with average consumption down 13%, ad spend has conversely increased by a substantial 23% to £4.7m. Although average consumption of the spirit is decreasing, penetration is up among the over-35s. Gin has apparently failed to become fashionable in the way that vodka has, particularly with the younger generation of drinkers.

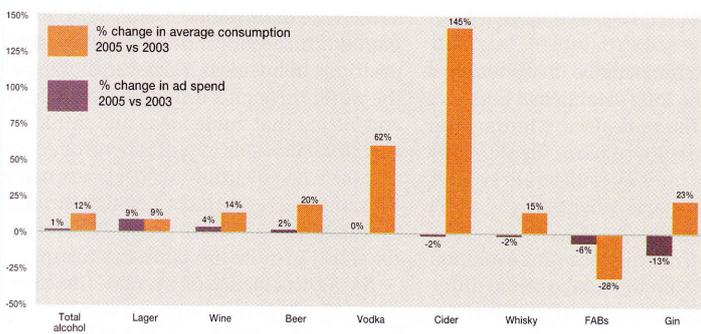
Although the change in average

consumption of vodka was flat from 2003 to 2005, in 2006 it increased by 9%. Advertising for vodka has also shown the second-highest level of growth, with an increase of 62% to £6.6m during the same period. However, the promotion of vodka bars such as Icebar – and the popularity of vodka ice luges – must also be playing a part in this spirit’s success.

Much criticised for encouraging underage drinkers to over-indulge, the alcopops sector is actually decreasing in terms of consumption, which is down 6%. This may reflect a 28% fall in ad spend in this sector, but also relates to a decline in “high-energy clubbing” occasions and to other drinks, such as vodka, being thought of as more sophisticated.

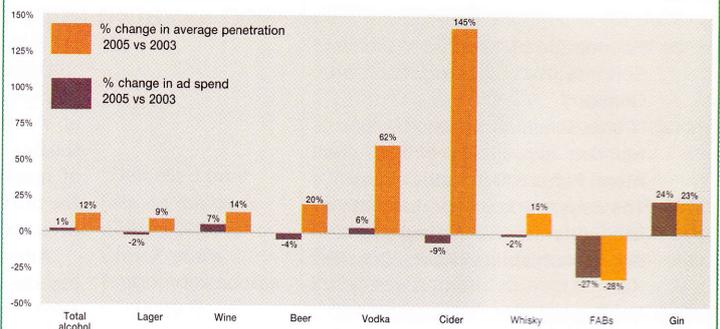
Whereas the growth in average vodka consumption can be associated with activity from two leading brands (Smirnoff and Absolut), in the cider sector one brand alone – Magners Irish – has had the greatest effect. First launched in Glasgow in 2003, it

Change in consumption levels vs change in ad spend



Sources: Consumption - TNS AlcoVision. Ad spend - WARC

Change in penetration levels vs change in ad spend



Sources: Consumption - TNS AlcoVision. Ad spend - WARC

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Magners: A significant presence

now has a significant presence, helped by a powerful and sustained ad campaign.

Among all adults, average consumption of cider fell by 2% in 2005 compared to 2003, but showed good growth in 2006 which was driven by the 18- to 35-year-olds, with average consumption up by 44%. Magners' ad campaign focuses on serving cider over ice and the benefit of "time for me" – a concept that was previously used to market chocolate to time-starved mothers.

Glenmorangie won an IPA Advertising Effectiveness Award in 2002, as did The Famous Grouse in 2006 – but there are losers as well as winners in the whisky sector. Average whisky consumption is slightly down (by 2% from 2003 to 2005) and although penetration of whisky drinking is highest among the over-50s, penetration growth is actually coming from the 18 to 34-year-old group, while levels of consumption are falling among over-35s.

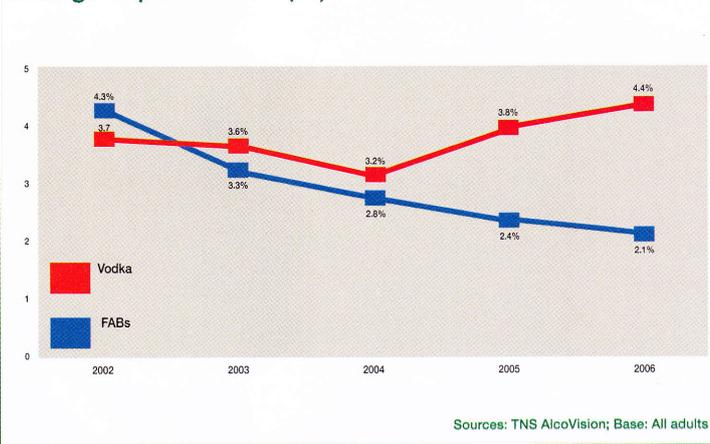
The final sector to examine is wine, where a close link seems apparent between ad spend and consumption levels. Wine consumption increased by 4% between 2003 and 2005, while penetration showed an overall growth of 7%. Ad spend increased by 14% to £20.5m during the same period, although this figure does not include wine advertising by supermarkets and off-licences. The majority of spend is by New World labels – wines from France do not appear able to compete with such recognisable brands in character or advertising terms.

The New World brands have carved memorable images for themselves as being more readily accessible – delivering personality, familiarity and fun – and there is no doubt that advertising has had a key role in pushing this image to consumers.

The emerging ad spend and consumption patterns in the alcoholic drinks sector, with definite winners and losers, provide some interesting lessons and are noteworthy in an area where both on-trade and off-trade sales are growing.

**Sue Burden, head of Brand & Ad Research at TNS UK, contributed to this week's Trends Insight**

Change in penetration (%) vodka and FABs



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