

INTELLIGENCE REPORT

THE POWER OF THE SERVE

Serve Strategy Success in the Off Trade

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WHAT'S INSIDE?

In our last Intelligence Report we looked at how drinks brands have harnessed the power of a killer serve in the On Trade to cement themselves on bar menus and build consumer fans.

We've watched more and more brands see success with well-executed serve strategies in the On Trade, but we know that the real opportunity for growth comes from building scale in the Off Trade.

In a time when the the home drinking occasion has never been more important for drinks brands this report asks consumers about their at home drinking habits to help define the important considerations in deploying an effective serve strategy through the Off Trade.

We consider the growing importance of e-commerce, and showcase those brands that are nailing this strategy!

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**THE HOME
SERVE HAS
NEVER BEEN
A MORE
POWERFUL
TOOL FOR
DRINKS
BRANDS.**

Shifts in consumer habits in recent years has seen the rise of far more discerning home-drinking habits.

The products people are buying, the cocktails they are making and their drinks knowledge has diversified.

With this appetite for creativity comes the opportunity for established drinks brands to cement themselves as home classics or for new brands to make their names in the Off Trade.

Until now, the only thing that has held brands back from seizing this opportunity is the question of whether they can take the risk of diverting focus from building presence in the On Trade.

THE BACKDROP

Enter Covid 19.

With the arrival of this pandemic and the closure of bars, this question has disappeared. Brands have been forced to invest in selling more directly to consumers in order to survive.

And what we have seen is that the opportunity to perfect your Off Trade strategy has never been stronger.

The same appetite for quality and creativity persists and in addition, consumers now have more time to engage with brands and more inclination to treat themselves

– if you can't go to the bar, bring the bar to you.

In this report we will dissect what makes the perfect home serve and how to put that serve into action.



OUR APPROACH

We have looked at the drinks universe to gather some learnings from the brands that have made a big impression in the Off Trade.



We took into consideration brands both big and small, in order to see how their strategies, goals and needs differed.

We've conducted some primary research with a consumer focus group to build some insight into the key trends, and factors that influence purchase habits.

Our findings have led us to 3 core principles brands must consider to benefit from the power of a serve in the at home environment.

KEY TRENDS FROM A CONSUMER PERSPECTIVE

// OCCASION IS KING

While the simple serve is dominant for the at home occasion, with the G&T unsurprisingly leading the way, 84% of the consumers in our group had experimented with making classic cocktails at home and 15% had favourite go-to cocktails for special occasions.

// THE LUXURY HOME SERVE

Bars remain the place for experimentation, trying new spirits and new cocktails, seeking a unique experience, but consumers enjoy more expensive spirits at home. Due to higher prices in bars, consumers will often choose to indulge in premium quality spirits to have at home so they can have complete control over their perfect serve and avoid the mark up in price.

// A RISE IN DRINKING LESS, BUT BETTER

While under lockdown, 37% of the people we asked said they were drinking less, but buying better quality products and experimenting more. Some simply trying new and better wines or beers, while others found themselves playing around with cocktails. The reasons for this ranged from increased awareness of health impacts, just wanting a special treat and the removal of social drinking occasions cutting their consumption.

“I love drinking pisco sours in bars and it felt like a perfect fresh summery cocktail to treat myself to at home”

“I love making my own G&T at home with my favourite garnishes. I don't order G&T when I'm out, as I always find them disappointing or the fear of wasting money on a pricey drink I might not enjoy...”

“I always like to try something unusual at a bar, something that I know I couldn't recreate at home. At home I stick to classic cocktails that are relatively easy to make and that I know I enjoy.”

“I'm drinking less as I normally save drinking to social catch ups. However I have been sampling different gins”

“I've barely drank anything during lockdown. Definitely a social drinker / enjoy drinking out the house”

THE QUESTIONS TO CONSIDER
TO IDENTIFY YOUR PERFECT
HOME SERVE

01

THE CORE PILLARS FOR A SUCCESSFUL AT-HOME SERVE STRATEGY

Our research findings can be summarised into three simple considerations that drinks brands should harness when defining a serve strategy for execution in the Off Trade, or e-commerce channels.



I. DEFINE YOUR DESIRABILITY

Before you can create your home serve, there are questions you need to ask about your audience:

What are their needs?

- Does your serve need to be tailored to a health-conscious crowd.
- Are you trying to compete with a lot of other similar brands for their attention.

What is the best occasion for them to enjoy your product?

- Is your product particularly suited to a season.
- What is your perfect consumption occasion.

Through these questions you can better understand what your serve needs to offer.

Perhaps a low alcohol summer spritz will be your perfect home serve or a year round go to spirit and mixer that showcases the best of your product.

CONSUMER INSIGHTS

58% of the consumers we asked listed prosecco and champagne as their drink of choice for special occasions, but none would drink it on a normal occasion.

37% of our consumers decreased their alcohol consumption during lockdown, but were experimenting more with higher quality drinks and summer spritzes.

“Beer or glass of wine 3-4 times a week. Pimms when the weather is nice”



2. CREATE SIMPLICITY

The next and most vital step is to make your home serve is to make it simple and approachable, whatever the style.

Google “Home Drinks” and you’ll find hundreds of links talking about home serves that are easy and cheap.

Most consumers aren’t looking to create a difficult cocktail, but when you can translate a drink that tastes bar-quality and make it home-friendly, your serve will fly.

Heroing one style of key serve for your brand allows the consistency of communication that will help consumers understand your brand.

Our recommendation is to use one of the 3 Key Home Serves:

- +1 mixer serve: use simple measures or ratios and a bespoke garnish.
- Sharing serve: use ratio measures and make it interactive.
- Simple cocktail: keep it traditional and familiar – think negroni or old fashioned.

CONSUMER INSIGHTS

We asked bartenders what the most important factor for a successful home serve is and every one of them said simplicity.

G&Ts, beer and wine rose as the the dominant go-to home drinks for our consumers, with 50% of them listing gin as their favourite.

“I like to keep it simple at home, nothing that’s too complicated or requires a lot of ingredients”



3. PROVIDE ATTAINABLE PREMIUMISATION

The trend of craft has been one of the dominating patterns of the last decade, with a boom of craft gin and craft beer, consumers drinking less but drinking better.

In short, brands are expected to offer MORE.

Demonstrate how you add value for your customers by clearly defining your liquid's unique value.

- A non-alcoholic product with more flavour.
- A gin with unique botanicals.
- A better quality of mixer.

Then add an extra layer of value in the information you can give them.

- Educate them on how to create better quality drinks.
- Give them information so they are better informed about the category.
- Show them how to use garnish to elevate their drinks.

CONSUMER INSIGHTS

60% of the consumers we asked said they don't actively look for new drinks recipes to try out, but 68% of them said they'd make a recipe if it was supplied with their bottle.

“I love making my own G&T at home with my favorite garnishes”

“I have been dabbling more in white wine at home, and buying nicer cans of IPA”



LEARNINGS FROM BRANDS
THAT HAVE PERFECTED THEIR
HOME SERVE

02

PIMM'S NO.1 CUP/JUG

Before Aperol arrived to dominate the sessionable drink category, Pimm's was the long held favourite and continues to be one of the world's most recognisable drinks, but how did it reach this place of dominance?

// DEFINE YOUR DESIRABILITY

Pimm's became the icon through owning its occasion to become the quintessential British Summer garden drink. The events they sponsor, the PR activations they organise and their "Pimm's O'Clock" tagline all tie back to being the best choice for this moment.

// CREATE SIMPLICITY

Heroing their sharing pitchers allowed them to solidify this occasion. A simple recipe using a ratio of 1 part Pimm's to 3 parts lemonade facilitating ease scaling up for sharing serves at home, maximising the social appeal.

// PROVIDE ATTAINABLE PREMIUMISATION

A sophisticated drink made using simple ingredients. A core element to Pimm's appeal is the use of plenty of fresh fruit, making the drink uniquely interactive and customizable while remaining consistent in execution.



APEROL

We couldn't look at the power of the serve and not include one of the greatest brand success stories. Aperol showed the world how the right serve strategy can create its own occasion and rejuvenate a cocktail category.

// DEFINE YOUR DESIRABILITY

Perhaps Aperol's greatest strength is how they seized an occasion, identifying the consumer appeal of the Aperitivo hour and setting out to own it with an approachable and iconic spritz. "It Starts with Aperol".

// CREATE SIMPLICITY

Making this iconic spritz understandable required simplicity and consistency and the brand's early adverts perfectly cemented the serve in the minds of consumers with their "Easy as 3-2-1" slogan. The message was so well driven – most consumers can now make the drink at home without needing to reference a recipe or even understand what defines a spritz.

// PROVIDE ATTAINABLE PREMIUMISATION

The added value lies in the occasion, served with light food pairings and the social setting. Aperol created a way to bring the refreshing and sophisticated aperitif occasion home, rather than being confined to bars.



HENDRICKS

The gin brand that led the gin boom. Hendricks built their recognition over years in On Trade and have now become one of the top 10 best selling gin brands in the world for the Off Trade – all because of a cucumber.

// DEFINE YOUR DESIRABILITY

The brand's growth started with the recognition for the need to be more than just another gin, creating a distinct personality for the brand. They built their individuality with a Victorian style, manifested in the use of the then uncommon garnish of cucumber.

// CREATE SIMPLICITY

The power of the cucumber also became the core of their home serve strategy, served as the garnish for their signature G&T. This allowed consumers to enjoy a perfect serve that required minimal preparation and boosted brand recognition.

// PROVIDE ATTAINABLE PREMIUMISATION

The iconic cucumber garnish also acts to elevate the serve, making it unmistakably Hendricks and unmistakably premium. Promoting education on how to prepare their cucumber garnishes helped consumers use it as a sign of the quality in the drink they were making at home and a signpost to the people they shared them with.



FEVER-TREE

Fever-Tree has become one of the biggest names of the moment in the beverage market, rising from underdog to market leader thanks to their contribution to revolutionising the home serve.

// DEFINE YOUR DESIRABILITY

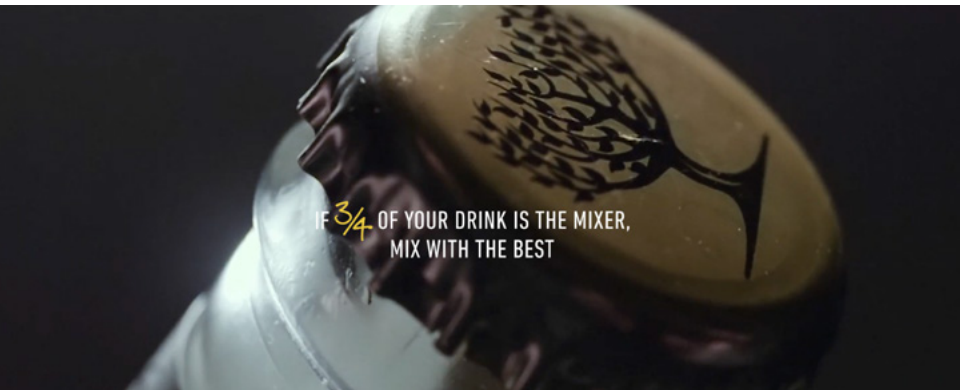
Fever-Tree's astronomic rise can largely be attributed to confidence and insight. The growth of the gin market left a gap for a premium mixer. Consumers needed a higher quality tonic to mix with the booming gin selection and Fever-Tree answered with their bold slogan of "If $\frac{3}{4}$ of your drink is the mixer, make sure you use the best".

// CREATE SIMPLICITY

Serves don't get much simpler than a G&T, but Fever-Tree added an extra depth, providing different flavor profiles tailored to each gin profile, all laid out with their branded flavour wheel. This upgrade to tonic brought a level of flavour customization and playfulness that you'd expect from a bar into the home serve.

// PROVIDE ATTAINABLE PREMIUMISATION

The impact of these elevated G&Ts was further solidified by encouraging more creative use of garnishes, creating a new level ritual around the G&T. Fever-Tree offered a full package of education on how to use their products for the perfect pairing and how to use garnishes to boost the quality of their drinks. This created an atmosphere of home expertise that has kept fans loyal to the brand.



CALEÑO

Caleño is one of the most notable new introductions to the growing non-alcoholic market. A “Tropical Free Spirit” infused with inca berry, juniper and tropical spices which has stood out from the crowd.

// DEFINE YOUR DESIRABILITY

The non-alcoholic category has seen a boom, alongside rising health trends, but the quality of products has been catching up. Caleño recognised the need for a non-alcoholic product with bright flavour and personality, helping its audience to not feel like they're missing out on social drinking occasions.

// CREATE SIMPLICITY

Getting consumers to understand a new product can be a challenge for young brands, but by using but by using a serve that feels familiar Caleño have managed to rapidly make an impression in the Off Trade. Consistently heroing their tonic serve has allowed them to position themselves as a simple and approachable brand and viable alternative to the traditional G&T.

// PROVIDE ATTAINABLE PREMIUMISATION

While the tonic hero serve creates a simplicity for the brand, their use of inca berry / physalis as their signature garnish adds a level of unique allure for the brand. A non-alcoholic product that provides a stand-out level of quality with a garnish to match.



CLEAN LIQUOR

Clean Liquor are one of the newest arrivals to the low and no alcohol category, and on our top brands to watch over the next few years, producing a range distilled low alcohol alternatives to gin, rum and flavoured gins.

// DEFINE YOUR DESIRABILITY

Recognising the need for flexibility in healthier drinking trends, Clean liquor created a range 1.2% abv spirit alternatives, including gin, rum and 3 flavoured gins. Creating low alcohol spirit substitutes, rather than shunning alcohol entirely allows their products to feel familiar and approachable, rather than alienating consumers.

// CREATE SIMPLICITY

Their home serves reflect this importance of individual choice, heroing a range of traditional and simple consumer favourite cocktails, appealing to the home bartender and allowing easy substitution of drinking habits without sacrificing creativity.

// PROVIDE ATTAINABLE PREMIUMISATION

Their simple cocktails are heroed on social media, celebrating the vibrance and versatility of their range. Doing this demonstrates how their serves can match the quality and occasion of alcoholic cocktails, allowing consumers pick up easy inspiration, switching from scrolling social media to purchasing for home use through swipe to shop as a strong direct to consumer e-commerce approach.



PEDRINO

While the Spritz and Aperitivo serves have been going from strength to strength in the bar world, they have struggled to enter the home drinking occasion. Pedrino, however, in just a few years have managed to infiltrate the consumer market with their simple RTDs.

// DEFINE YOUR DESIRABILITY

The aperitif moment is one of the strongest consumption occasions, with huge home serve potential, poor consumer knowledge of the category prevent brands from bringing it home. By creating a range of pre-mixed sherry and tonics, Pedrino have managed to answer this problem, creating “The Perfect Spritz. Every Time”.

// CREATE SIMPLICITY

By creating simple RTDs, they allowed consumers to treat themselves and enjoy a bar quality Aperitivo at home. Simply paired with the right garnish, served over ice or used to create cocktails, paired with other brands, using Pedrino’s cocktail pairing wheel.

// PROVIDE ATTAINABLE PREMIUMISATION

Their simple spritz approach sets them apart, allowing more complex spritz flavour profiles to become attainable. What elevates them still further is in the value of educating consumers on how to take their products further in creating cocktails, demystifying the spritz and allowing them to create bar standard cocktails for the full impact of the aperitif occasion.



CONCLUSION

Rounding up our findings

03

OUR CONCLUSION

In this report we've explored the power that serves have outside of bars as a means of encouraging home consumption.

A strong home serve strategy has always been essential and its building blocks have remained consistent, but the tools available to brands to maximise their impact are constantly shifting.

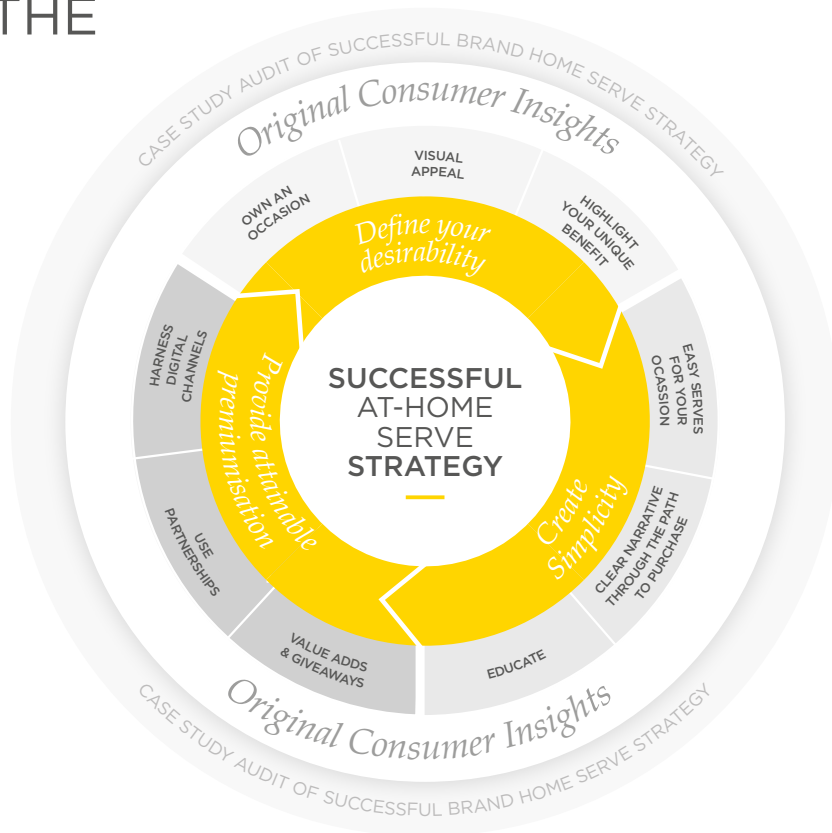
Brands are more directly connected than ever to their audience and the 2020 pandemic has been the final push forcing the drinks industry to evaluate the role of direct to consumer sales tactics.

Our core pillars of the home serve can help to dissect what makes an appealing consumer serve as a sense check while creating your brand's hero serve.

While it can seem deceptively simple, the key from there is consistent and confident promotion of that serve strategy, using the communication channels available to maximise awareness and trial.



THE POWER OF THE AT-HOME SERVE



THE POWER OF THE AT HOME SERVE - BLUEPRINT

Define your desirability

Own an Occasion

You don't have to own every occasion, but be clear with your consumer here your serve fits into their life – is it brunch drink - is it a summer sharer? Work out what makes your serve desirable and own it.

Visual Appeal

Consumers drink with their eyes. Make sure you sell the drink and the moment. Maximise the visual appeal of your serve so people are excited to try it.

Highlight Your Unique Benefit

Be confident in what makes your product special, be that in flavour, quality or function. Let your customers know what your drink will do for them.

Create simplicity

Easy Serves for Your Occasion

Maximum quality for minimum effort. Use perfect mixer pairings or simple ratio-based mixed drinks to allow your customers to make bar quality drinks at home.

Clear Narrative Through the Path to Purchase

Build the story of your serve from the first time consumers see your product to the point of purchase. Consider how your serve shows up in e-commerce and retail and make sure you're building one clear expectation.

Educate

Show how simple and effective your serve is across each available channel – through your website, social media, on-pack recipes, in-store visibility etc.

Provide attainable premiumisation

Value Adds & Giveaways

Use Value-Added Packs and Gifts With Purchase to provide all the tools your customers need to elevate their serve at home. Mixer kits, peelers, stirrers and bespoke glasses will help make their drink luxurious and encourage gifting.

Use Partnerships

Use cross merchandising and brand collaborations to help solidify your credibility. The right partnership to promote a serve or create an in store display can help boost your appeal.

Harness Digital Channels

Capture your audience with serve focussed attractive content. Direct digital communication between brands and consumers is stronger than ever, so use live masterclasses, serve recipe posts to help your customers become home bartenders.

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