CROSSIP x CGA
Leading the way in No/Low Spirits

November 2022

“As a bartender I created many award winning alcohol based menus, but I was always interested in the non-alc world. I felt there was a disparity in the quality of liquids for those wanting to create quality drinks even if the consumer wasn’t ‘drinking’. This lead to a decade of obsession to redress this imbalance in my beloved industry. As a team as CROSSIP, we have loved being part of the No&Lo industry growth story, as evidenced by numerous consumer surveys revealing the lowering stigma and open-mindedness of those looking to explore non-alcoholic beers, spirits, wines and ciders.

However, we feel this only tells one side of the story. We felt it was **now time to get the views and opinions of those behind the bar**. We feel qualified and motivated to go and speak to this community thanks to the acclaimed on-trade background of both myself and co-founder, Tim Blake (after all, CROSSIP was “Born in a Bar, Not in a Boardroom”!).

While it may seem bars, hotels and restaurants may respond to consumer demand, we know that those in the front- and back-of-house control where drinks and drink trends are created. They are the true purveyors of the No&Lo message to consumers .

With 88% of on-trade venues now offering No and Low Alcoholic Alternatives, we believe that there is no-one as well-versed in the category as these hospitality professionals.

This survey has spoken to a broad mix of industry professionals, across the different regions and venue styles that we have in the UK. We’re excited to partner with CGA, the UK’s Leading On-Trade Insight Consultancy, to bring this ground-breaking piece of research to the industry. In our bid to support our friends in the on-trade during a difficult trading climate, we have intentionally made this report freely available to all so that all Bartenders and bar owners can benefit from our insight and findings to help develop their businesses.

•**94%** of Bartenders either **currently stock** No&Lo Beverages or plan to in the future
•**75%** of Bartenders **personally drink** No&Lo Beverages
•**97%** of Bartenders see the importance in **stocking both Non-Alc** and **Low ABV products**
•**82%** of Bartenders plan to **increase** their No&Lo offering in the next 12 months, with around 85% of which targeting No&Lo spirits
•**80%** of Bartenders agree No&Lo **adds new occasions to existing** alcohol occasions, rather than replacing them
•**80%** of Bartenders agree that their Primary Consumer Target for No&Lo are those who are **not** solely teetotal

The CGA x CROSSIP No&Lo On-Trade Survey shows that not only have bars and restaurants enhanced their No&Lo offering over recent years**, but it’s going to develop even further!** It’s clear that venues will be expanding their No&Lo ranges further to cover a full spectrum of price points, flavour varieties and levels of quality. Gone are the days of mindlessly placing a single No&Lo beer in your fridge or spirit on your back bar. No&Lo options are now standing toe-to-toe with their alcoholic counterparts in the range and variety they offer, satisfying any customer that walks into their venue, extending to bespoke menu visibility and the training support that Bartenders now receive.

We’re excited for you to read through our findings in this report and discover the No&Lo trends across the on-trade that will help your business flourish in the future and look forward to talking to more of you next year!

Carl Anthony Brown - CROSSIP Founder & Master of Liquid. ”

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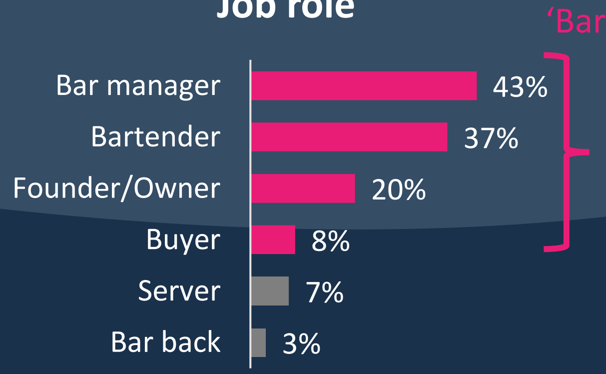
To understand the research objectives a survey has been done with the below specifications

Methodology: Quantitative online survey

Target Audience: Hospitality professionals

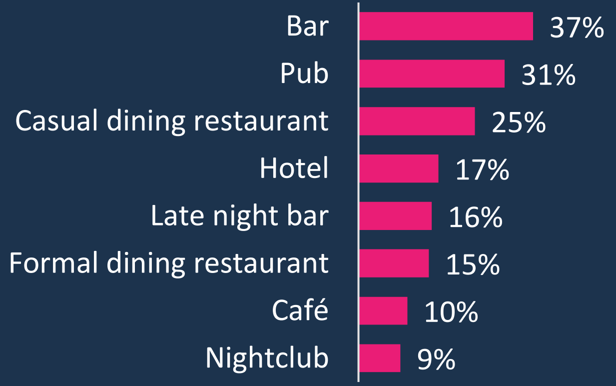
When was the FW conducted?: October 2022

Job role



46%	21%	15%	9%	8%
City centre	Town centre	City outskirts	Rural	Suburban

Types of venues

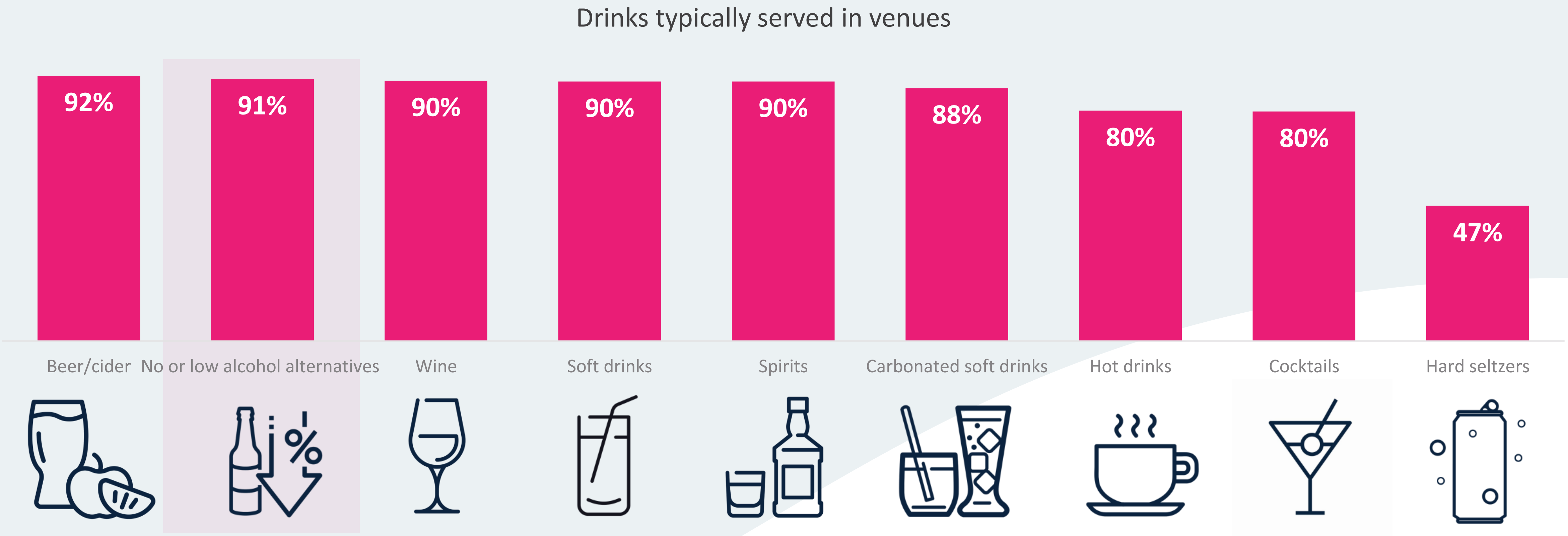


Introduction into the No/low Category

Research questions covered in this section

- What are the drinks typically served in venues?
- Which no/low categories are stocked?
- When are no/low drinks most likely to be drunk?
- Are Bartenders aware of the difference between no and low alcohol categories?
- Is no/low category popular amongst Bartenders?

The no/low category is integral to stocking, with 91% of Bartenders already serving no/low alcohol alternatives - particularly in bars and nightclubs



Venue type

+3pp for bars, late night bars, and nightclubs

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The category is highly competitive, however is equipped to offer variety and profitability vs their main competitors

Main competitors to no/low products

#1	#2	#3	#4	#5	#6	#7
Beer/Cider	Carbonated soft drinks	Soft drinks	Cocktails	Spirits	Wine	Hot drinks

94%

Of Bartenders either currently stock **no/low alcohol alternatives** or **plan to in future**

+3pp for those who have had training
-3pp vs pubs, cafés and casual dining

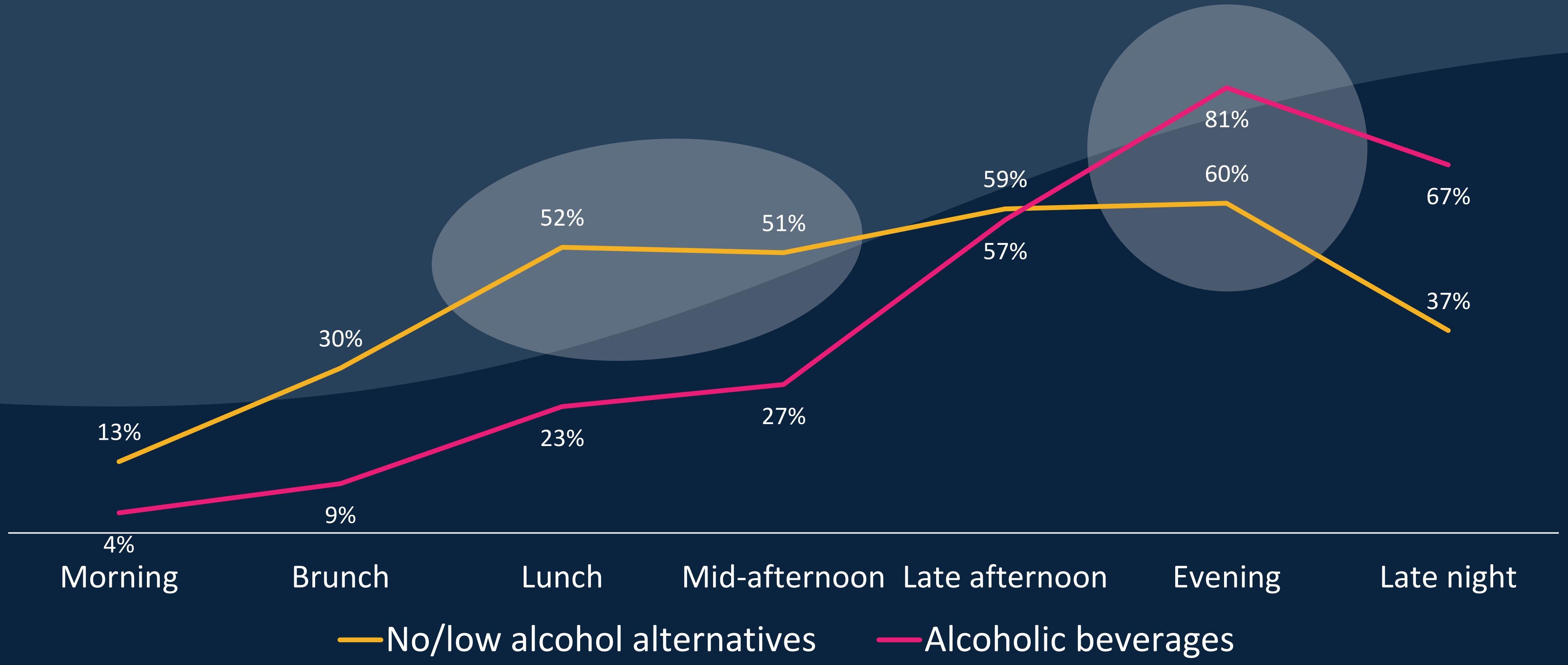
Whilst no/low beer is the furthest along in its growth, higher tempo venues are expanding their range and driving no/low spirit growth

Drink categories stocked in venues

	No/low alcohol beer	No/low alcohol spirits	No/low alcohol wine	No/low alcohol cider
	92%	**61%**	**57%**	**48%**
Venue type	**+2pp** for pubs, cafés, casual dining	**+8pp** for bar, late night bar, night club	**+7pp** for bar, late night bar, night club	
Location	**+1** for town, city center, city outskirts		**+3pp** for town, city center, city outskirts	+2pp for suburban and rural

No/low alcohol is highly versatile - Bartenders agree it is suited for consumption not only in the evening, but throughout the day, much more so than traditional alcoholic beverages

Time of the day best suited to drinking



Bartenders are confident in the varieties of both no and low and training can increase this further

87%

Of Bartenders are <u>confident</u> in the difference between no alcohol and low alcohol products

+7pp for those who have had training
-9pp for those who have not had training

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88%

Of Bartenders feel confident to effectively market and sell no/low products currently

+8pp for those who have had training

75%

Of Bartenders drink no/low drinks

Introduction into the No/low Category

No/low Category Overview

- A great opportunity can be seen within the no/low category with the majority of Bartenders **(91%) currently serving no/low alcohol alternatives.**

No/low category is more likely to be served in bars and night clubs (+3pp)

- Being served by most of the Bartenders, **high current stocking** along with many upcoming plans to stock can be seen amongst 94% of the Bartenders.

- **Beer** is the most established within this category, with **92% stocking**, compared to **#2** spirits **at 61%.**

Higher tempo venues are driving the no/low serves for **most** of the no/low alcohol categories.

- Looking into no/low alcohol drinking habits, they are not as popular as alcoholic serves during the evening, however it is **more versatile and there are more opportunities to drink it throughout the day**

Focusing on Bartenders

- Bartenders have **good knowledge** about the no/low category which can be seen across different aspects:
  - The majority are **confident** in the difference between no alcohol and low alcohol products.
  - 88% feel **confident to effectively market** and sell no/low products currently

- The category is highly popular amongst Bartenders-**75% of Bartenders drink** no/low alcohol drinks.

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The Current No/low Market

Research questions covered in this section

- What is the percentage of Bartenders that are currently stocking no/low alcohol alternatives?
- How many brands do Bartenders stock for each no/low category?
- How is offering a range of no/low products important? Has this importance changed?
- What are the changes in wholesalers' involvement in the stocking of no/low?

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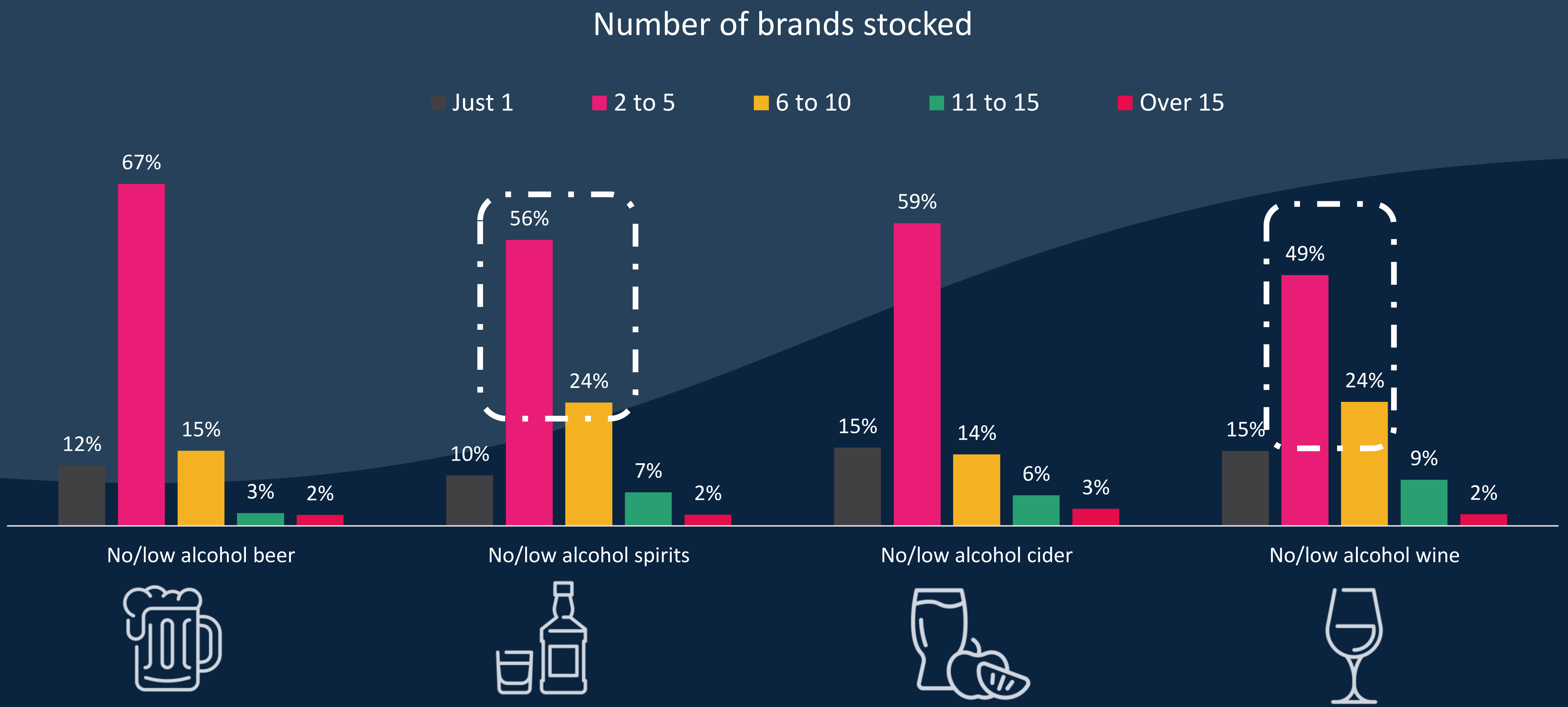
Bartenders are more likely to stock 2 to 5 brands from each category, whilst wine and spirits are stocked with the most range, so variety is key



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 150-279

Bartenders are open to increasing the brands they stock, as a wide range of no/low products is pivotal

67%

Of Bartenders say this has increased in the last year

+5pp for those trained in no/low

89%

Of Bartenders say that offering a range of no/low products is important

+7pp for those trained in no/low

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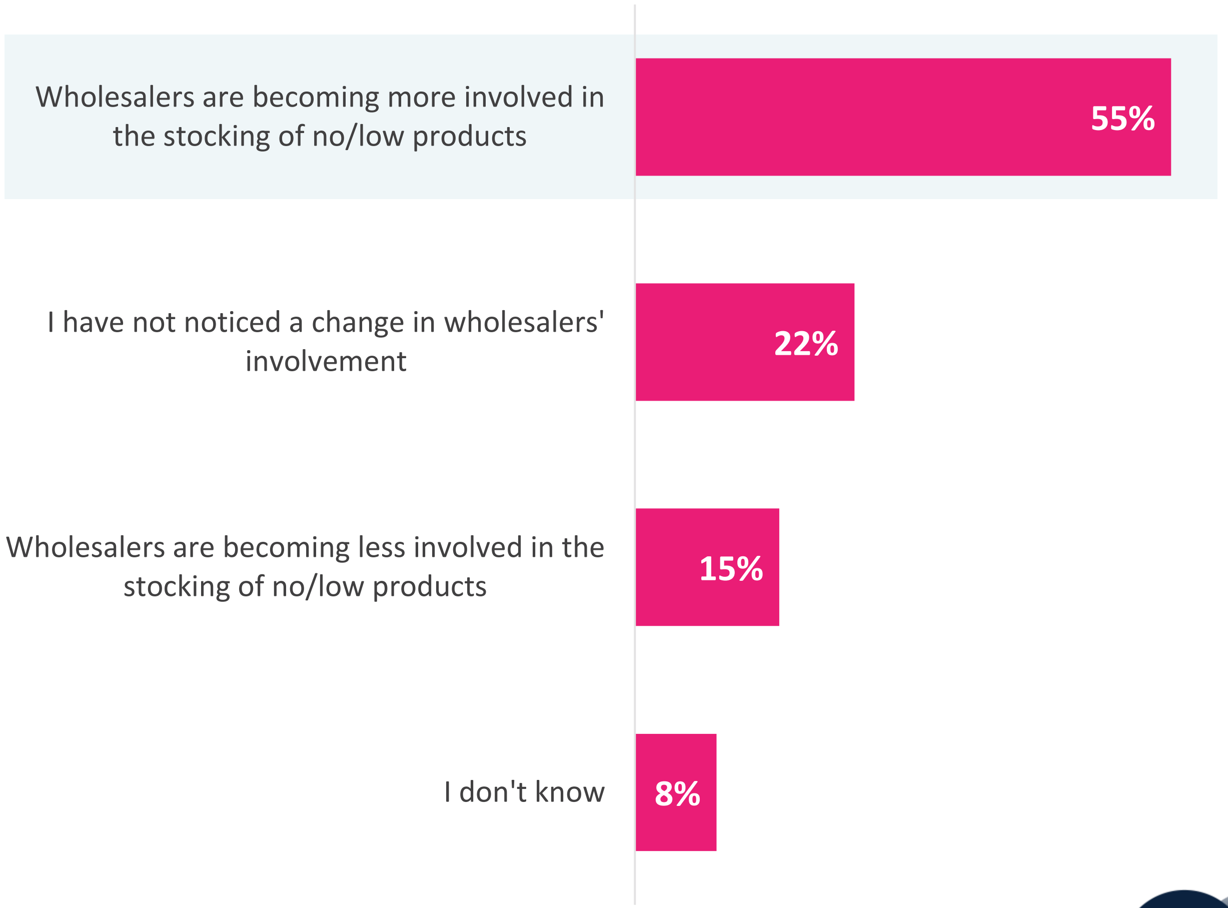
Wholesalers are driving the no/low category, with higher involvement particularly in high tempo venues

Changes in wholesalers' involvement in the stocking of no/low



+9pp for bars, late night bars and nightclubs

Current no/low stock

- No/low category is very well established with around 91% of Bartenders **currently stocking** no/low alternatives.
- Bartenders are more likely to stock **2 to 5 brands** from each category, whilst wine and spirits are stocked with the most range.
- **Stocking a range of no/low products is vital-89%** of Bartenders agreed that it is **important to offer a range** of no/low products. Thus, they are open to increasing the number of brands they stock which can be **a great opportunity** for CROSSIP to grow, especially with 67% stating this importance has grown since last year.
- With the increase of wholesalers' involvement in the stocking of no/low products particularly in high tempo venues, there is a high potential for brand growth through approaching more wholesalers.

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What are venues looking for when stocking no/low products?

Research questions covered in this section

- How important is stocking both no alcohol and low products?
- Do Bartenders prefer stocking big or small brands?
- Which products do Bartenders prefer to stock? Do they prefer more complex no/low products or just the no/low alcohol versions of spirits?
- What are the key drivers behind offering no/low products in the venues?
- What are the most important factors when choosing which no/low products to stock?

97%

Of Bartenders see importance in stocking **both** **no alcohol** and **low alcohol** products

-4pp for suburban and rural

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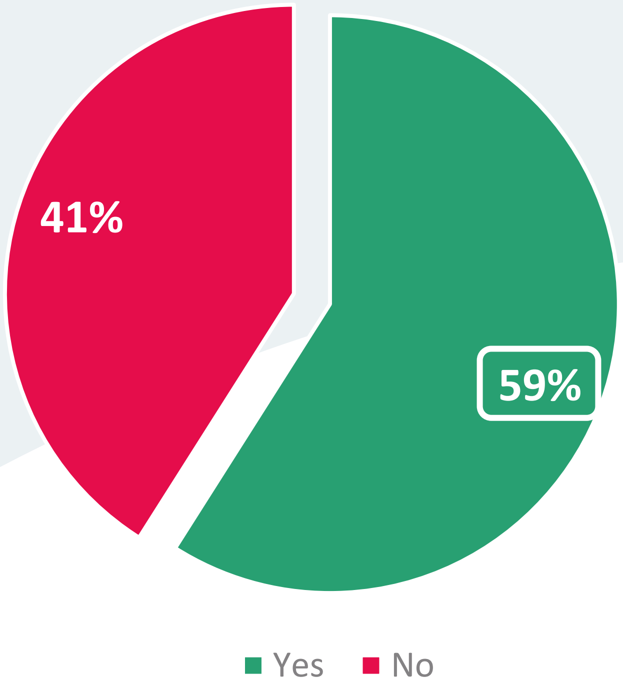
In line with the importance of range, it is important to stock varied types of both no and low, and be transparent with this

88%

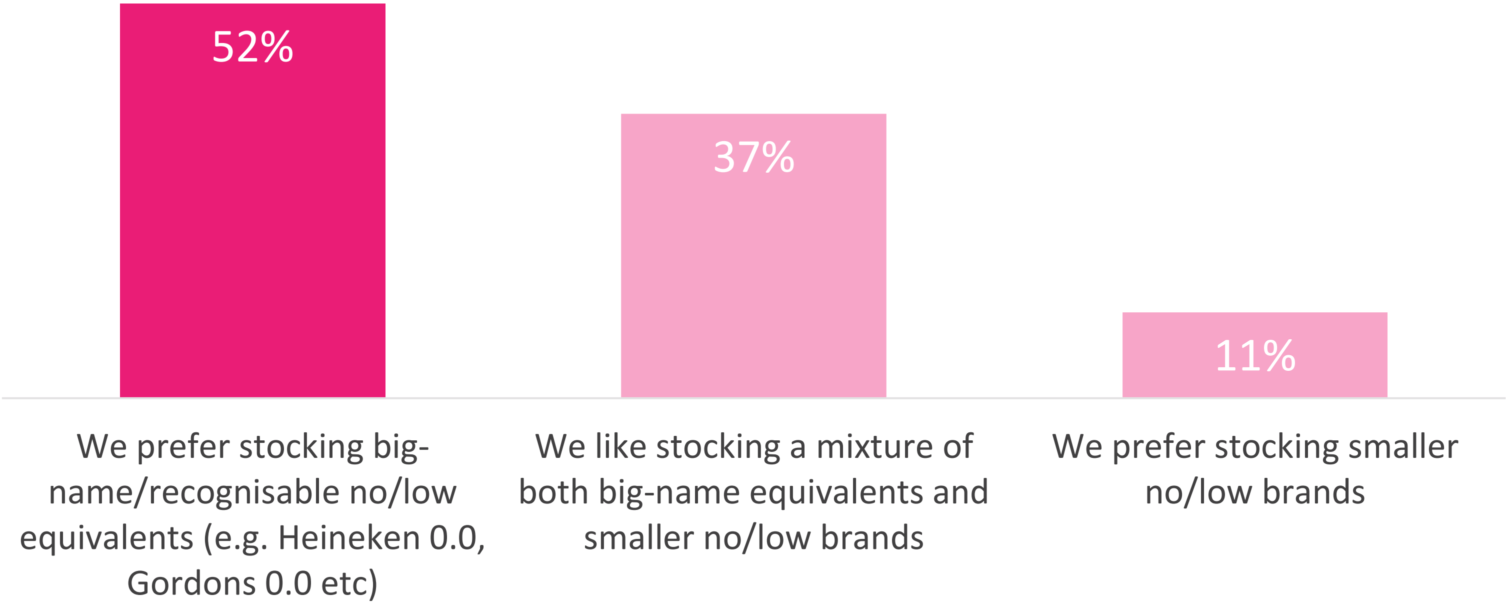
Of Bartenders think it's <u>important</u> to have **<u>moderated "low" drinks</u>** for the growth of the non-alcoholic category

Would it be a barrier if brands marketed as "alcohol free" were in fact 0.05% ABV?



There is a clear demand for smaller brands, although the current preference is big name brands

Which of the following statements best applies to your venue when it comes to stocking no/low products?



By venue type	**-7pp** for bars, late night bars and nightclubs	**+5pp** for bars, late night bars and nightclubs	**+2pp** for bars, late night bars and nightclubs

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 312

Unique brands are sought after, with

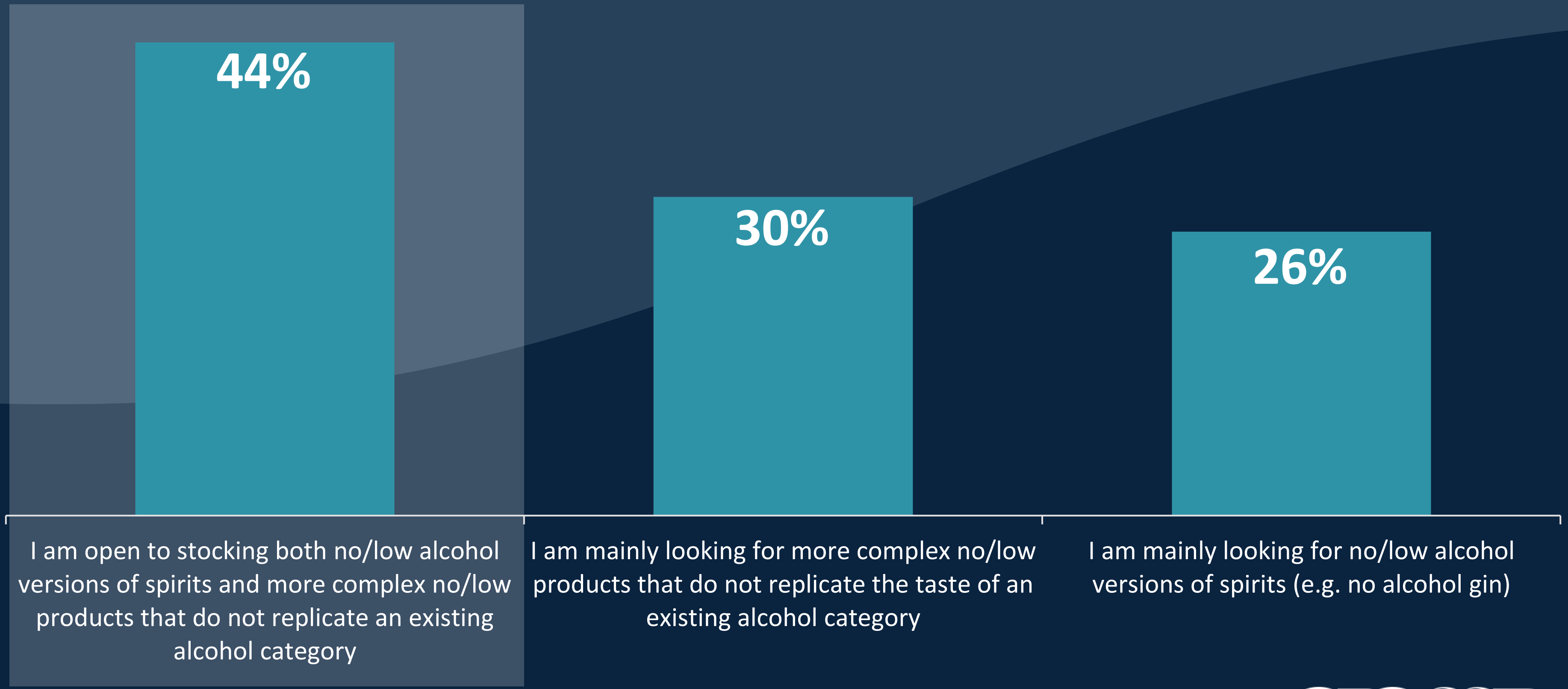
48%

Of Bartenders preferring to include at least some smaller no/low brands in their stock

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 312

As expansion continues, Bartenders will look for a variety of both complex products and replicates, with a slight preference for unique, innovative products, indicating a gap in the market

Which of the following best describes your preference towards the no/low products your venue would stock?



71%

Agree that a wider no/low offering would **increase sales** in the venue where they work

+7pp for those who have had training
+6pp for those bars, late night bars and nightclubs
+5pp for city center, outskirts or town center

67%

Agree that a wider no/low offering would **raise the profile of the venue** they work at

+9pp for bars, late night bars and nightclubs

No/low products allow Bartenders to stay up to date with consumer trends, whilst being a lucrative category that promotes inclusivity

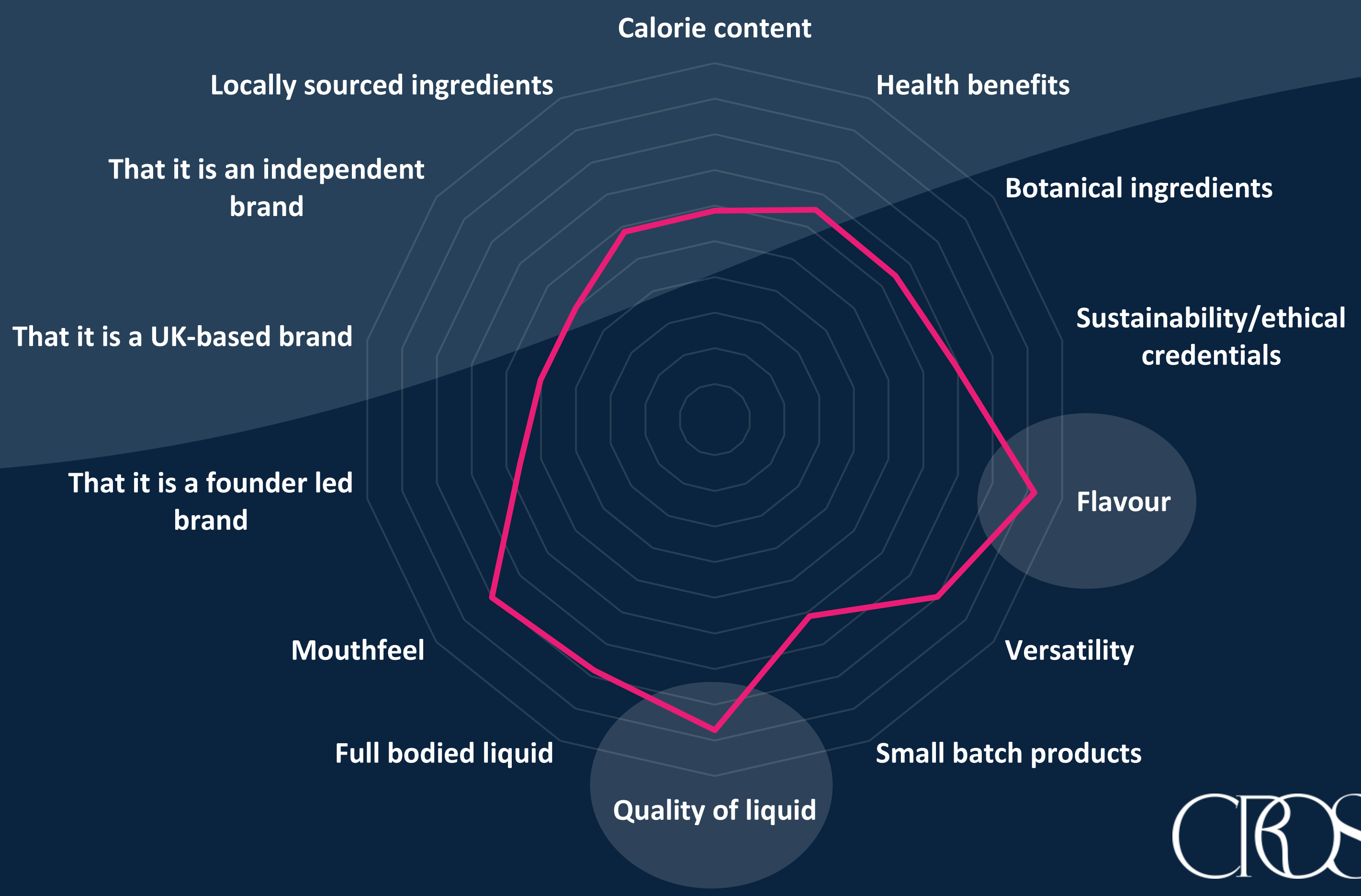
Key drivers behind offering no/low products in venues

+4pp for pubs, cafés and casual dining

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 313

Being the key factors influencing the no/low products choice decision, focusing on both flavour and quality of products is crucial to drive more sales

Important factors when choosing which no/low products to stock
(Very important or somewhat important)



Stocking no/low brands is most likely to be a personal choice amongst Bartenders, making it vital to appeal to them

No/low category decision making

I stock no/low products out of choice	42%
I stock some no/low products by choice, but some as part of my pouring deal/brand agreement	27%
I am obliged to stock no/low products as part of my pouring deal/brand agreement	25%
I don't know	6%

What are venues looking for when stocking no/low products?

Range of products to be stocked

- Stocking a wide range of products is crucial within this category. These variations can be based on several factors:
  - **Alcohol content:** Almost all of the Bartenders see the importance of stocking both no alcohol and low alcohol products.
    Being transparent with alcohol content in the products is necessary, as **59%** have seen it as a barrier if brands marketed as "alcohol free" were in fact 0.05% ABV
  - Brands: **48%** of Bartenders prefer to stock at least some smaller no/low brands.
  - **Type of products (complex vs. no alcohol version of spirits):** 44% are open to stocking both **no/low alcohol versions of spirits and more complex no/low** products that do not replicate an existing alcohol category. Slight preference for complex non-replicates (30% vs 26%) suggesting a gap in the market.
- Offering a wider range of no/low products is believed to have a positive impact.
  - 71% agree that offering a wider range would **increase sales e**specially for high tempo venues, and city centre, outskirts and town centre.
  - 67% agree that it would **raise the profile** of venue they work in.

No/low category drivers and factors affecting no/low products' choice

- Focusing on no/low alcohol category allows Bartenders to cope with the **increasing consumer demands and promote inclusivity.**
- The key factors influencing Bartenders when choosing which brand to stock are **quality and flavours**. Thus, focusing on promoting product quality and CROSSIP's unique flavour can help in maximizing sales.
- Choosing to stock no/low products tends to be a choice made by the bartender rather than being influenced by brand deals. This shows the importance of marketing activities and educating the Bartenders which can result in a positive impact on brands' sales.

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Benefits of Stocking No/low Products

Research questions covered in this section

- Is the no/low category perceived to be innovative? Which categories are the most innovative?
- What are the potential occasions for the no/low category to thrive in?
- Which seasons are no/low categories best suited to?
- Can developing no/low menu result in any positive effects?
- Which consumers are Bartenders targeting when stocking no/low products?

The no/low category is believed to be innovative with no/low alcohol spirits leading this innovation

88%

Of Bartenders perceive the no/low category to be **innovative**

How innovative are the following types of no/low alcohol?

No/low alcohol spirits	83%
No/low alcohol beer	81%
No/low alcohol wine	76%
No/low alcohol cider	74%

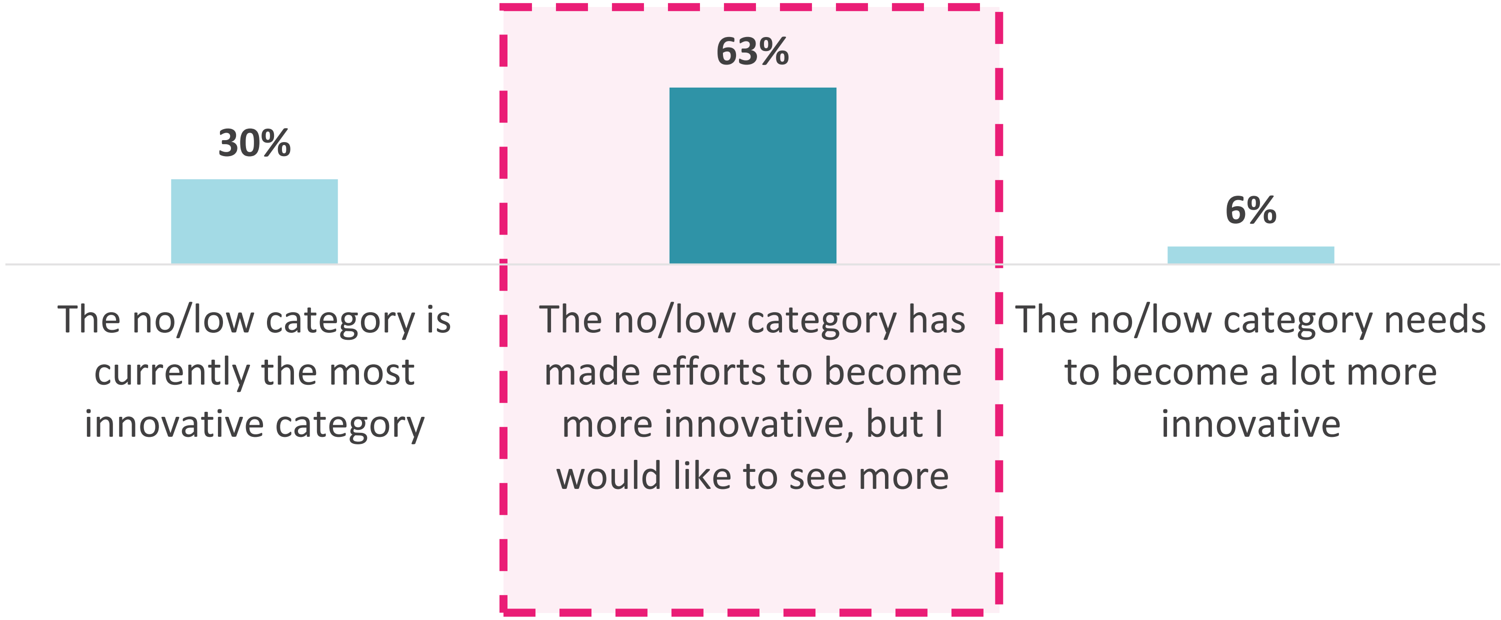
Nearly

1 in 3

Bartenders see the no/low category as **the most innovative** in the market

Although already seen as innovative by many, Bartenders would like to see more from the no/low category

Which of the following statements do you agree with the most?



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 342

83%

Of Bartenders agree that No/low alcohol products are versatile and **well suited to different occasions throughout the day**

78%

Of Bartenders agree that No/low alcohol products **add new occasions to existing alcohol occasions** rather than replacing them

+14pp for those who have had training on how to target customers with no/low products depending on the time of day

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Times have changed away from ‘Dry January’ and ‘Sober October’ being perceived “hotspots” for the no/low category, now seen as a refreshing change in the summer, but again is suited for all year round

Seasons no/low products are best suited to

All year round	55%
Summer	31%
Spring	17%
Winter	14%
Autumn	12%

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 345

Developing flavours to meet seasonal changes can enhance the seasonality of the no/low category

What flavour trends do you see opportunities for in the no/low category?

*‘In the summer I see people moving towards more **light and fruity** drinks and then come autumn and as we get into winter people want more dense flavours and the addition of spices and warmth’*

*‘I would look to develop a range of drinks which were **particular for the time of the year** that they were served’*

*‘With winter coming, **deeper flavour blends warm berries** etc’*

*‘Interesting spirits that are **seasonal like toffee, cranberry flavours for winter**’*

*‘I think flavoured gins would fit well but you could do seasonal eg **spiced apple rum**’*

‘Seasonal’

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Investing time in your no/low menus is worthwhile and expected to result in increased trading hours for over half – with a sharp increase for those more knowledgeable Bartenders

Would your venue be able to trade for more hours if there was a more developed no/low menu in place?

As there are more opportunities to drink no/low alternatives compared to regular alcohol

52%

Of Bartenders stated that developing no/low menus can result in **increased trading hours**

+22% for those who have had training on creating menus

+14pp for those who have had training

+6pp for bars, late night bars and nightclubs

+4pp for venues located in towns, city centres and outskirts

Bartenders see upselling as a huge opportunity, which increases with no/low category knowledge…

79%

Of Bartenders agree that no/low alcohol products can help **increase profit margins** by upselling standard soft drinks

+7pp for those who have had training
+5pp for bars, late night bars and nightclubs

79%

Of Bartenders agree that No/low alcohol products are a great substitution for standard soft/hot drinks

+3pp for those who have had training
+3pp for bars, late night bars and nightclubs

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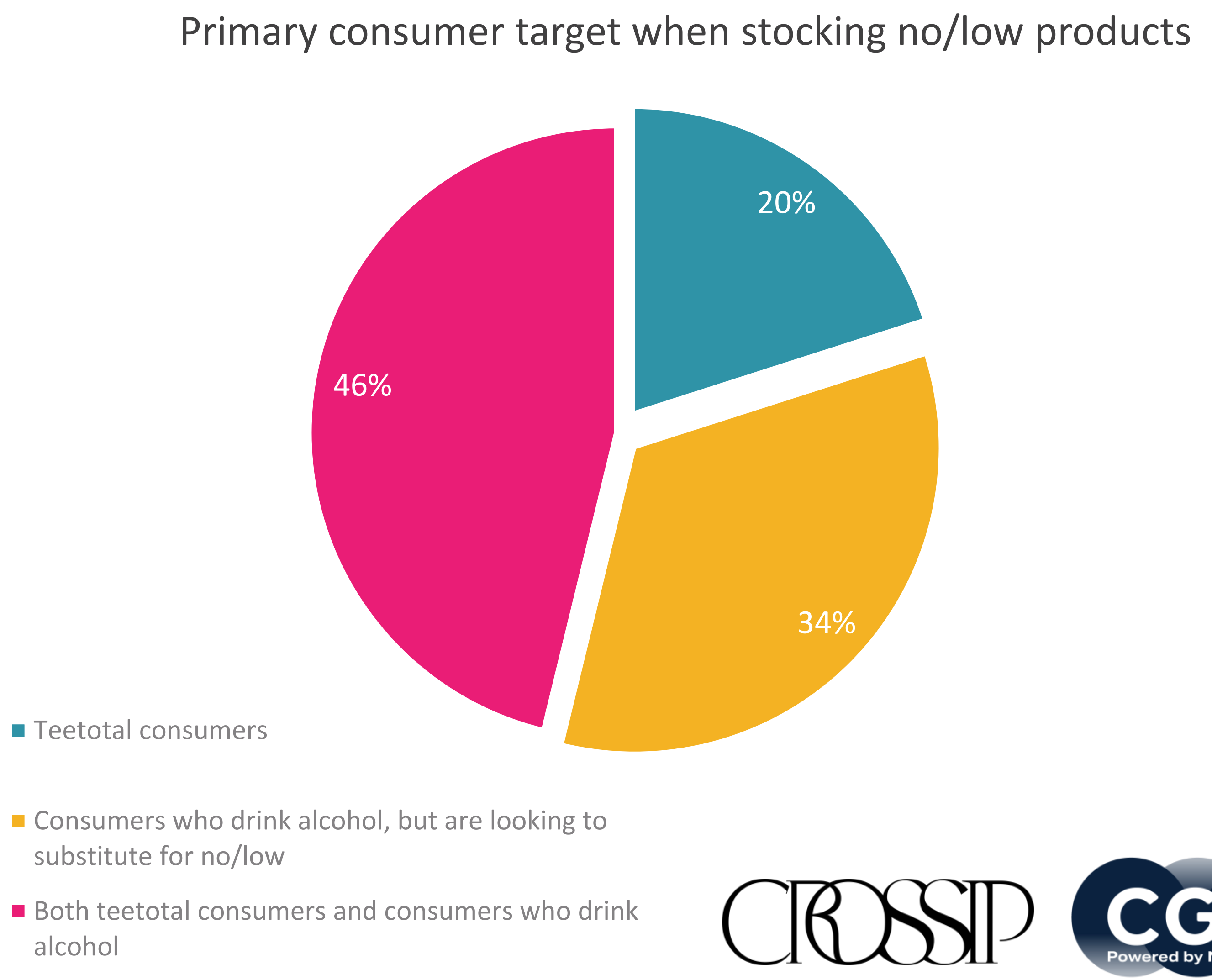
No/low offerings appeal to a varied consumer base and should not be reduced just to teetotal consumers



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Although no/low drinks are expected to cost less, they can bring value through upselling regular soft drinks

On average, I think a no/low spirit and mixer serve should cost…

£6.62

On average, I think an alcoholic spirit serve should cost…

£7.45

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CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: Alcoholic: 295, No/low: 309

Benefits of stocking no/low products

Stocking no/low products can have various benefits:

- Helps Bartenders stay up-to-date, being perceived to be **highly innovative**.
  - No/low **spirits** are believed to be the most **innovative category**.
  - Although the no/low category is believed to be innovative, almost **two thirds of the Bartenders would like to see more** from the category.
- Being **highly versatile**, the no/low category can provide a great opportunity for venues to grow. Not only is the category suited to different occasions throughout day but also throughout the year. Developing no/low menus is believed by half of the Bartenders to result in increased trading hours- with a sharp increase for those more knowledgeable Bartenders. There are numerous occasions that no/low category can thrive in, casual occasions having the highest potential.
- No/low alcohol products can play a vital role in **increasing profitability** by upselling standard soft drinks, with **79%** of Bartenders agreeing that No/low alcohol products are a great substitution for standard soft/hot drinks.

Future Growth Opportunities in the No/low alcohol Category

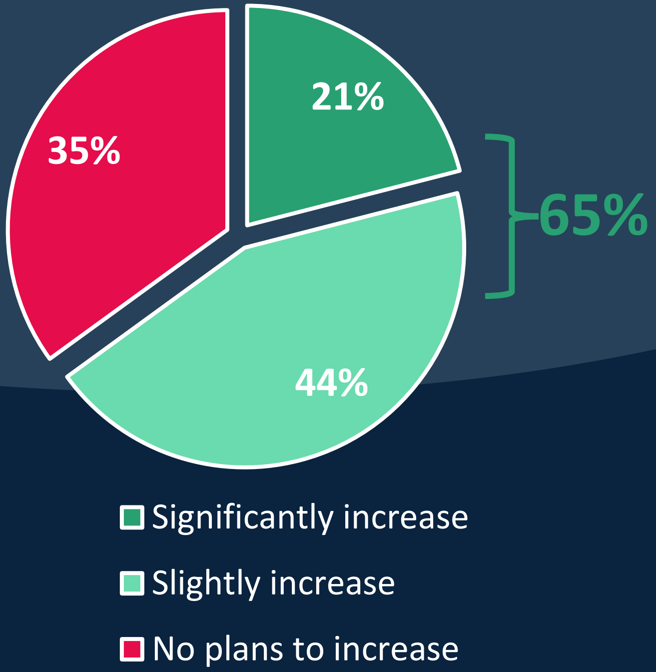
Research questions covered in this section

- Do Bartenders have any future plans to stock additional no/low brands?
- Which category will see the biggest growth over the next few years?
- Is there a demand for premium no/low products?
- Is there a clear distinction between value and premium no/low products?
- What is the impact of dry January on footfall and revenues at the venue?

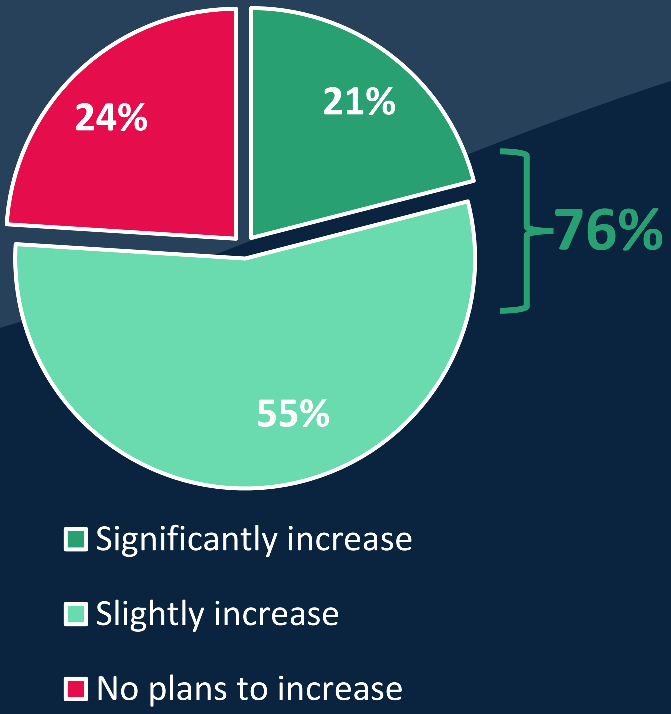
The next year will see a sharp increase in the no/low category, so it is important to keep up with this

Do you plan on stocking additional no/low brands in the next...

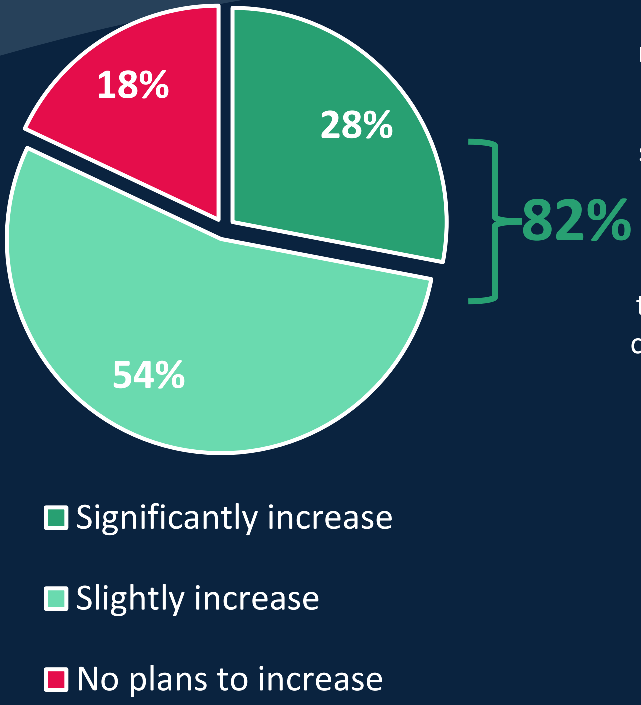
3 months



6 months



12 months



+2pp for bars, late night bars and nightclubs

-9pp for suburban and rural

+2pp for town, city centre and city outskirts

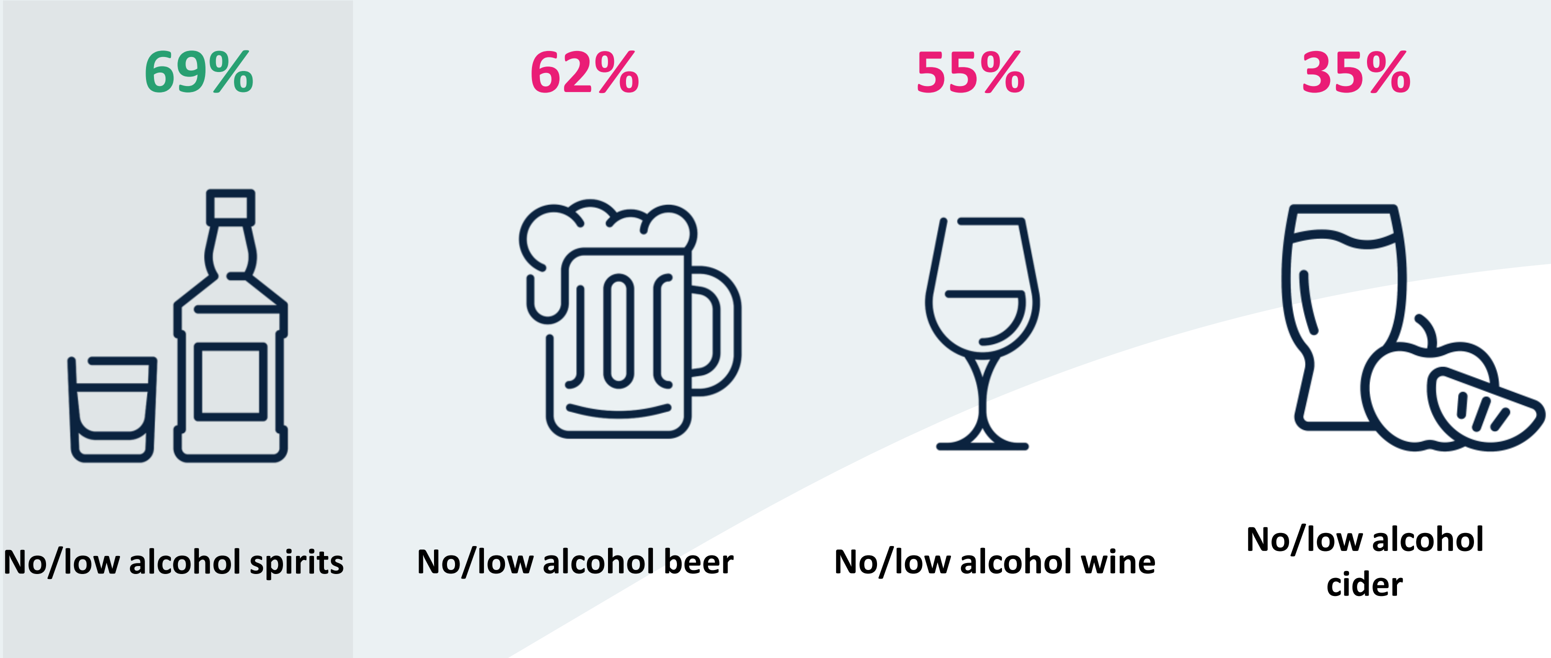
Spirits are expected to see the most increase, overtaking the already thriving no/low beer, particularly by trained Bartenders in bars, late night bars and nightclubs

Which types of no/low products will you increase?

+7pp for bars, late night bars and nightclubs

+3pp for those who **have had** training

-6pp for those who **have not** had training



Growth opportunities lie within multiple different venues, as well as other interesting themes such as changing diet culture and unique flavoring

Growth opportunities as consumer attitudes on drinking and diet change

*"As a **teetotaler** myself I'm trying to push no and low alcohol drinks"*

*"**Younger people** are drinking less and caring about their **health and mental wellbeing** more"*

*"Everybody is **health conscious** nowadays"*

*"The changing tastes of the population and the **changing structure of life and dietary aspects**"*

Taste, variety and USPs

*"Many young people's pursuit of **taste** and love this **variety**"*

*"A drinker who likes **unique** flavours"*

*"We need more marketing around the actual **taste** of them and how they taste just as good."*

Growth opportunities in a multitude of venues

*"**Cafes, coffee shops** with liquor licenses selling them with **lunch or brunch**, also **restaurants & pubs** at lunch time"*

*"**Coffee shop** is ideal as customers aren't necessarily arriving for an alcoholic drink anyway"*

"hotels, casino(s)"

*"**Rural pubs** where you need to be able to drive after"*

Fruity flavours are seen as the most popular, and Bartenders want alternatives that replicate the taste of alcohol

What flavour trends do you see opportunities for in the no/low category?

*"The **fruit flavor** is more appealing"*

*"Just more **fruit-based** options, copying the **flavoured gins**"*

*"**Beer, wine and cider** as people of all ages drink these"*

*"**Spirits like to replicate what's popular**. For example, pink gin etc "*

*"So they taste like the **full alcohol version** "*

By far, Bartenders want to develop the quality and range of flavours, but advertising and appealing to consumers is also important

If you were in charge of AF spirit innovation, what areas would you look to develop?

A focus on flavour development

"Offer more drinks with different flavours"

"Try and improve flavours to get closer to the real thing"

"I would be interested in developing more flavours "

A focus on marketing development

"More flavours and better advertising"

"More visibility and education"

"The product branding"

"Marketing, including advertising and maybe the look of packaging. Price also may bring more sales in"

"Change the packaging to attract more customers and increase sales"

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59%

Of Bartenders agree that there is currently a demand for more premium no/low products being available in the venue

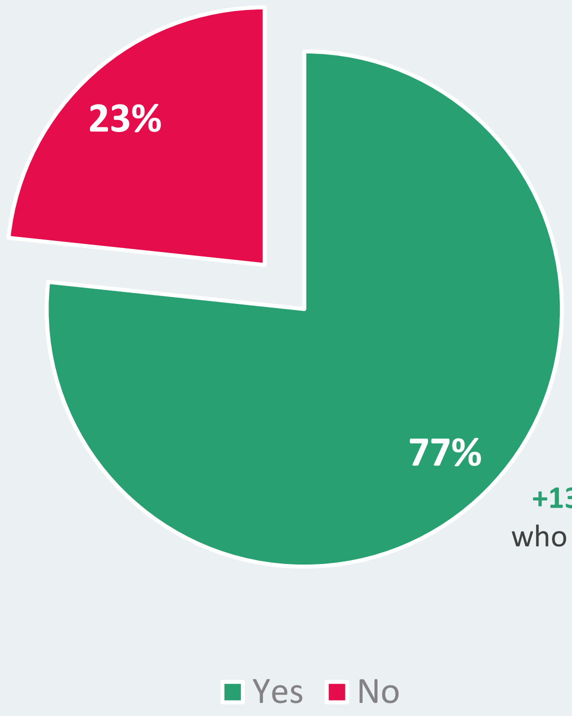
+7pp for those who work in bars, late night bars or nightclubs

+4pp for those who work in town centre, city centre or outskirts

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 345

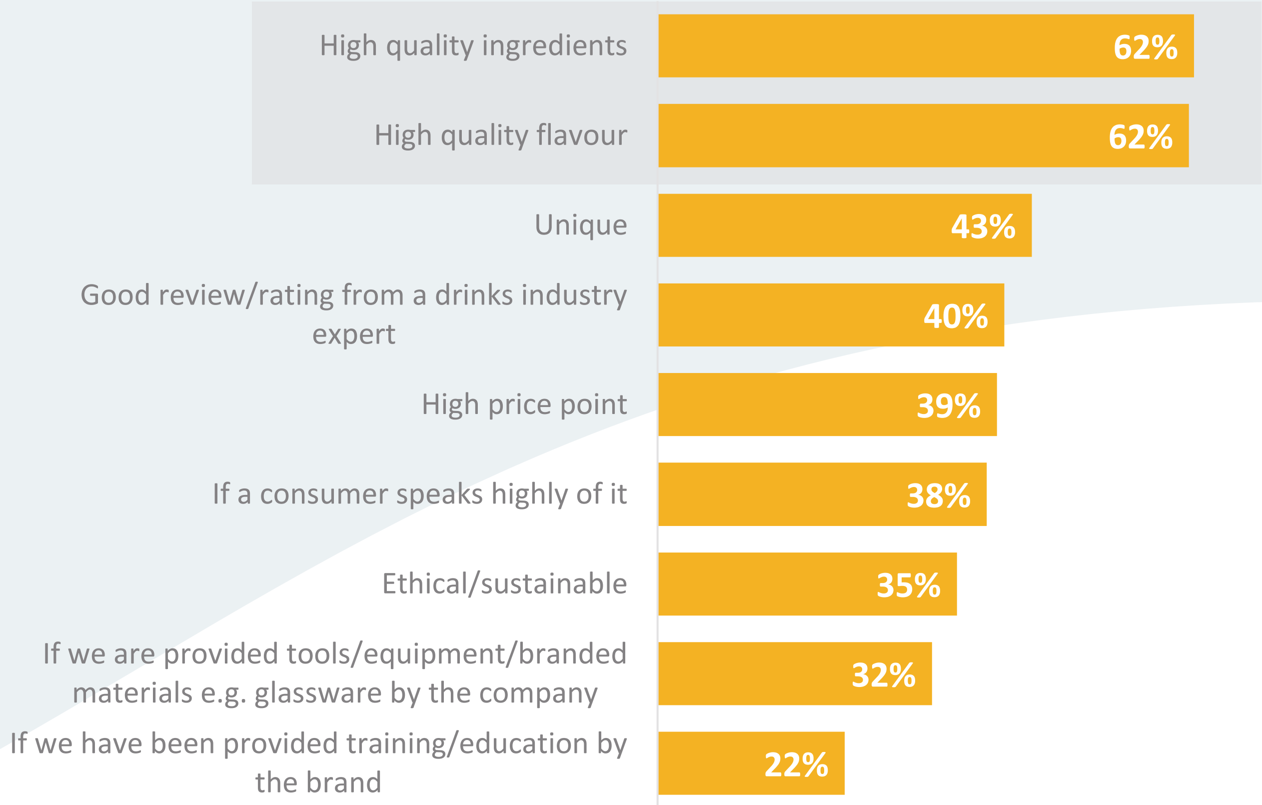
With the majority being able to distinguish between value and premium products, focusing on high quality flavours and ingredients is crucial

Is there a clear distinction between which no/low products are value and which are premium?



+13pp for those who had training in the past

Factors that would make you think a no/low alcohol brand is premium



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 343, 345

Providing answers to the research objectives in this section

Future growth opportunity

- There is a **great opportunity** to invest more in the no/low category over the next year with more than three quarters of the Bartenders **planning to increase** the number of brands they stock.
- This jump will mostly be led by **no/low spirits** category especially for bars, late night bars and nightclubs.
- With the increasing demand for more **premium no/low** products, focusing on products' development and improvement specifically on quality of flavours and ingredients, can help increase products' demand.

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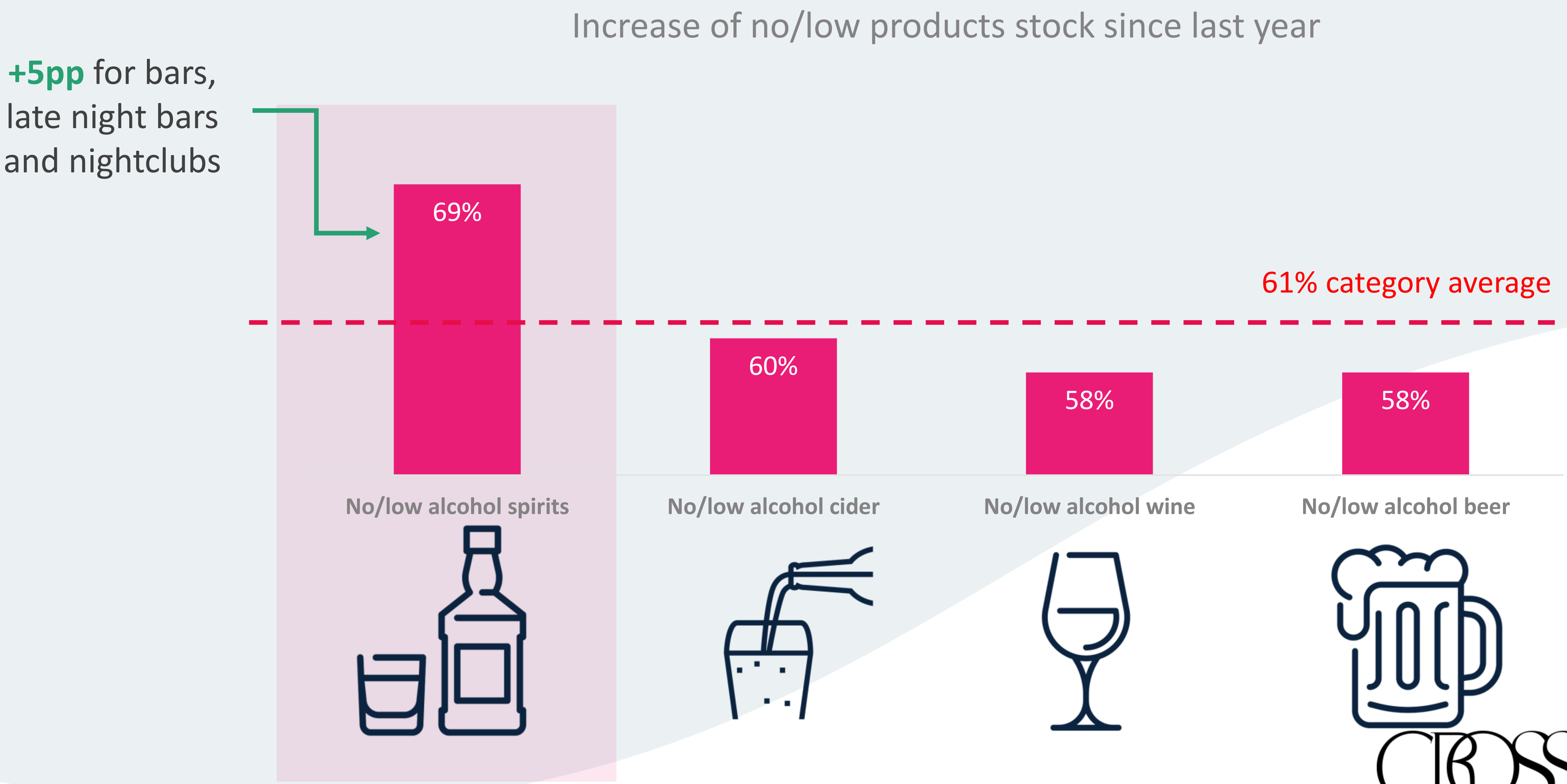
Specific Focus on No/low Spirits

Research questions covered in this section

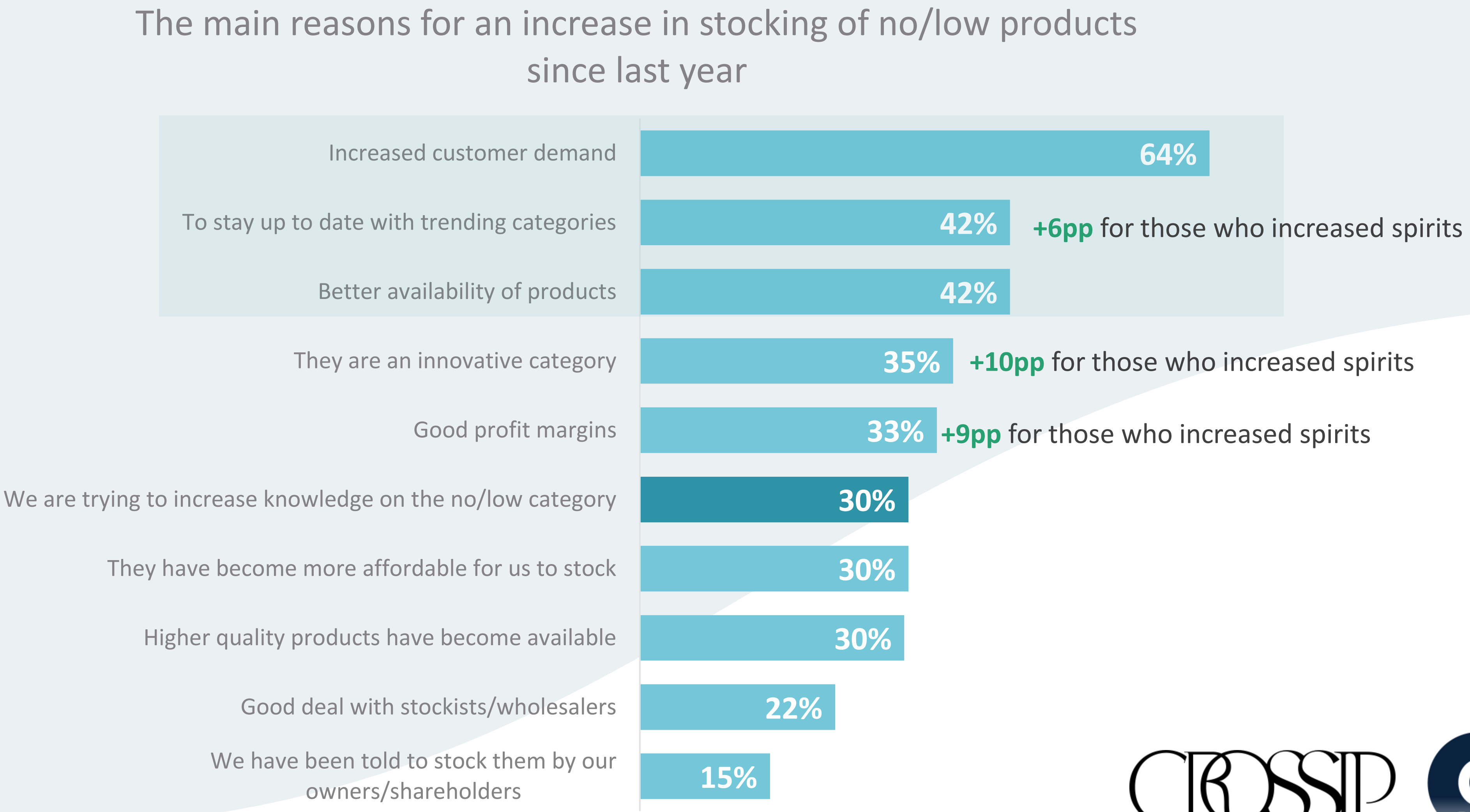
- How has spirits grown since last year?
- What are the main reasons for the increase in stocking of no/low products since last year?
- How no/low spirits are served?

No/low spirits have seen the biggest increase since last year, exceeding the category average – particularly in high tempo venues



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 190, 151, 179, 288

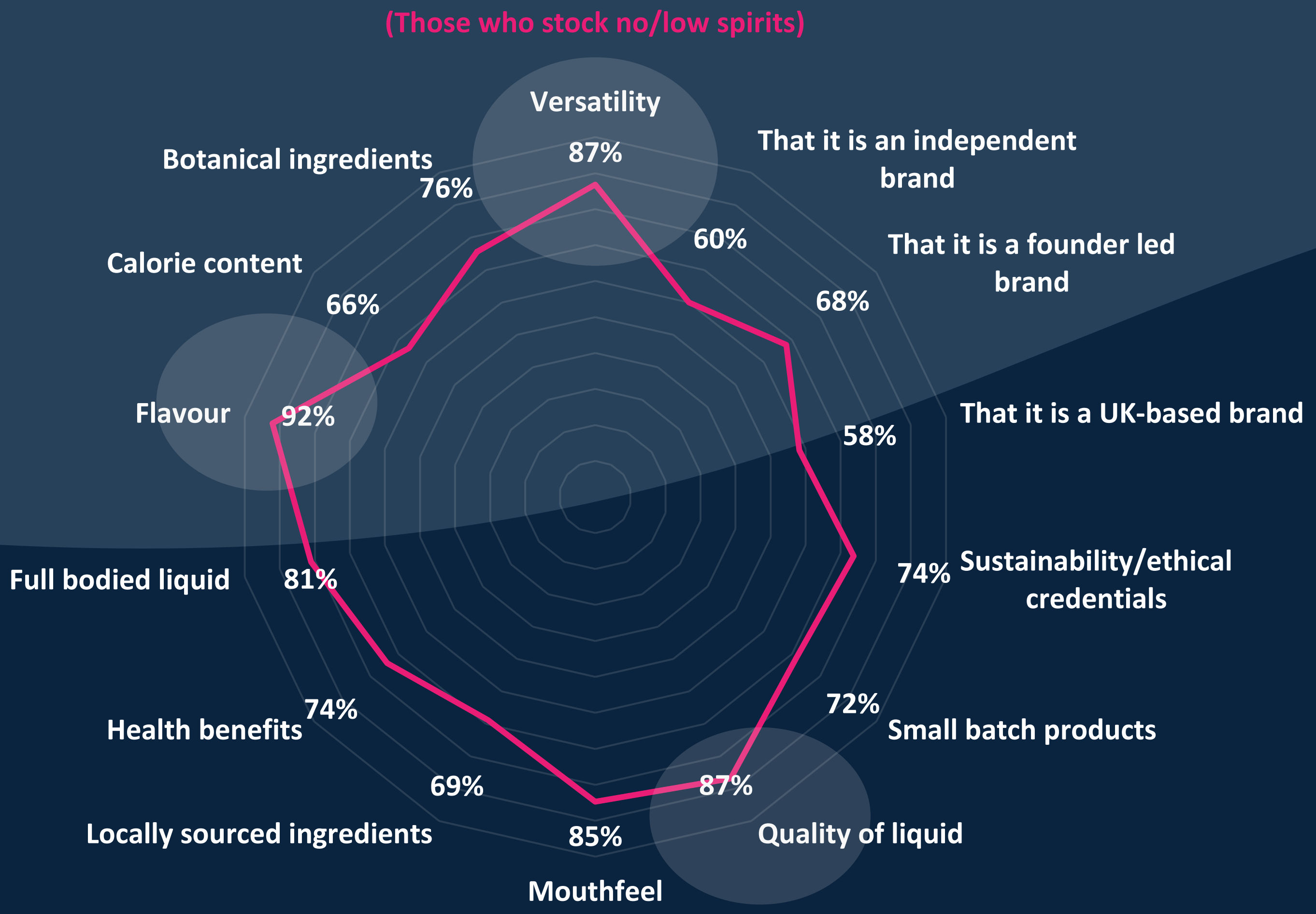
Consumers are driving the overall increase of the no/low category, whilst Bartenders see no/low spirits, in particular, as an innovative and lucrative investment



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 218

Bartenders look for developed, independent brands that are flavourful, multifunctional and healthier

Important factors when choosing which no/low products to stock
(Very important or somewhat important)



Top over-indexing for those who stock spirits vs average

Driven by brand:
Founder led brand **+12pp**
Small batch production **+11pp**
Independent brand **+10pp**
UK based brand **+8pp**

Driven by health trends:
Health benefits **+9pp**
Calorie content **+7pp**
Botanical ingredients **+11pp**

"We need more marketing around the actual taste of them and how they taste just as good."

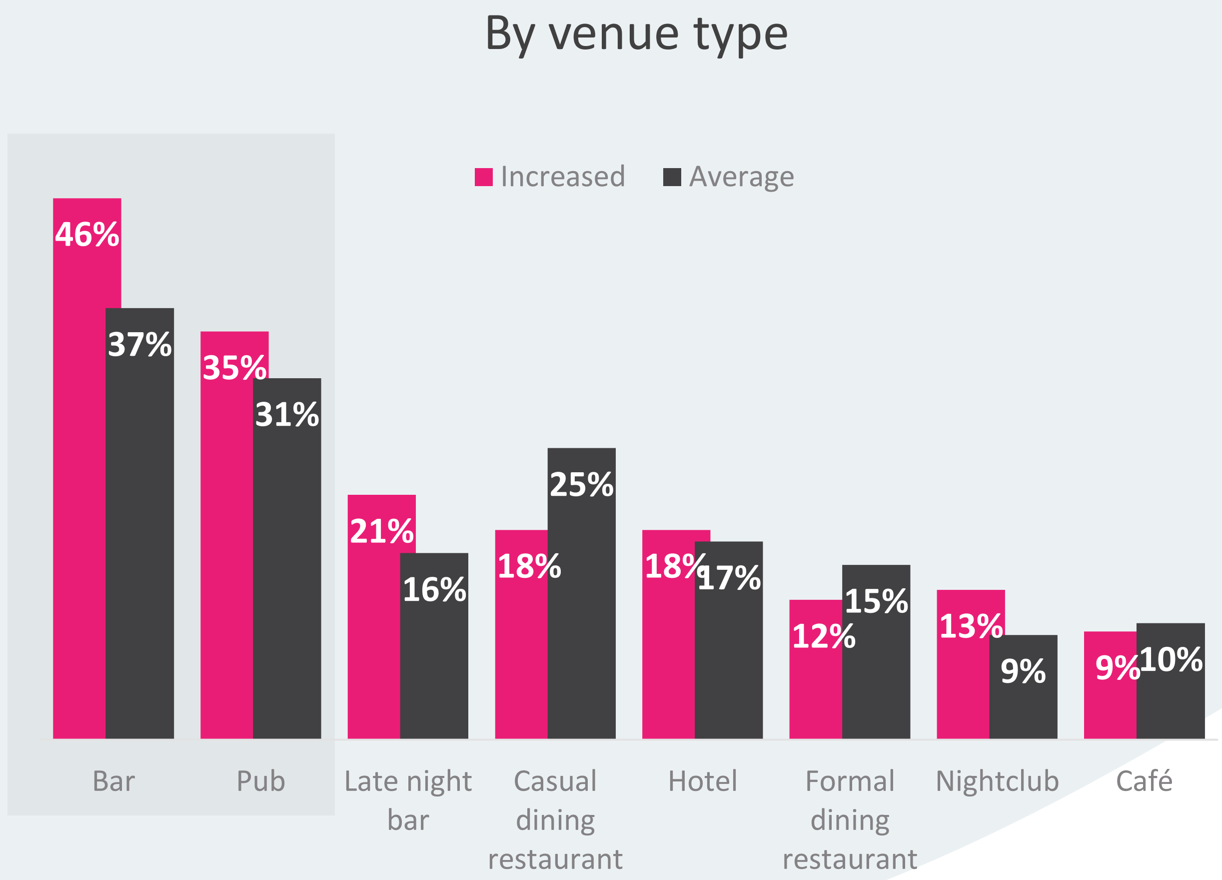
"Being perfectly honest, no and low spirits need to simply taste better"

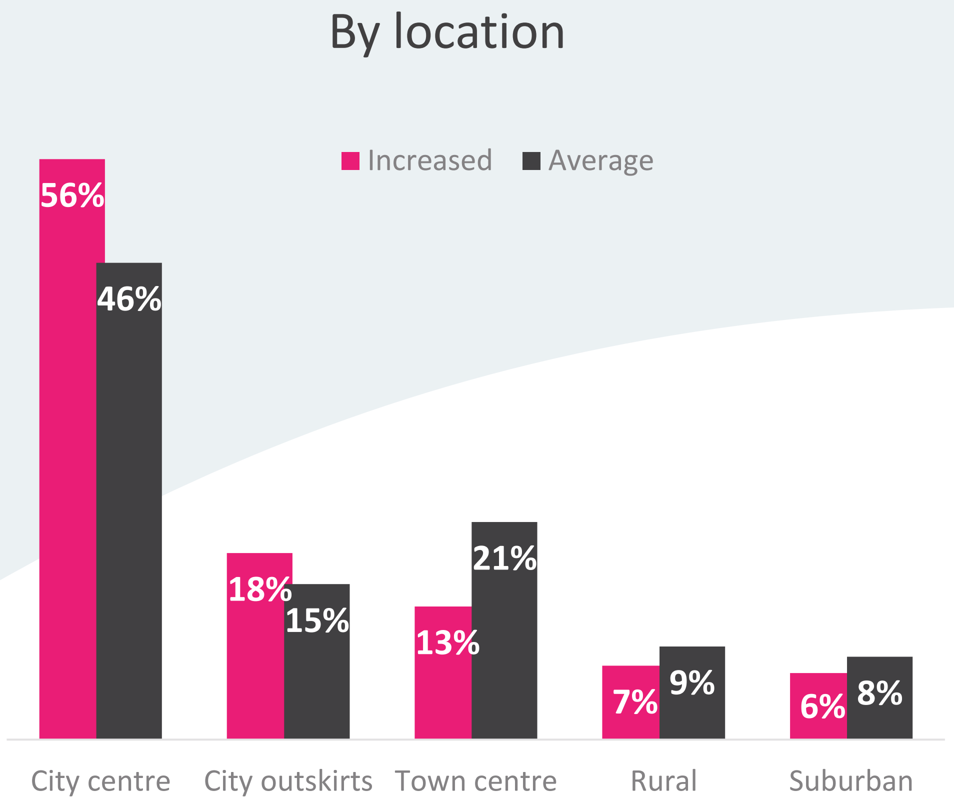
"A popular trend for healthier options"

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 311- 314

Drink-led, high tempo venues in city centres are hot spots that will drive the no/low spirits rise. Although currently casual venues are behind, Bartenders see a real opportunity here and is expected to follow

No/low spirits increased vs 1YA | Average





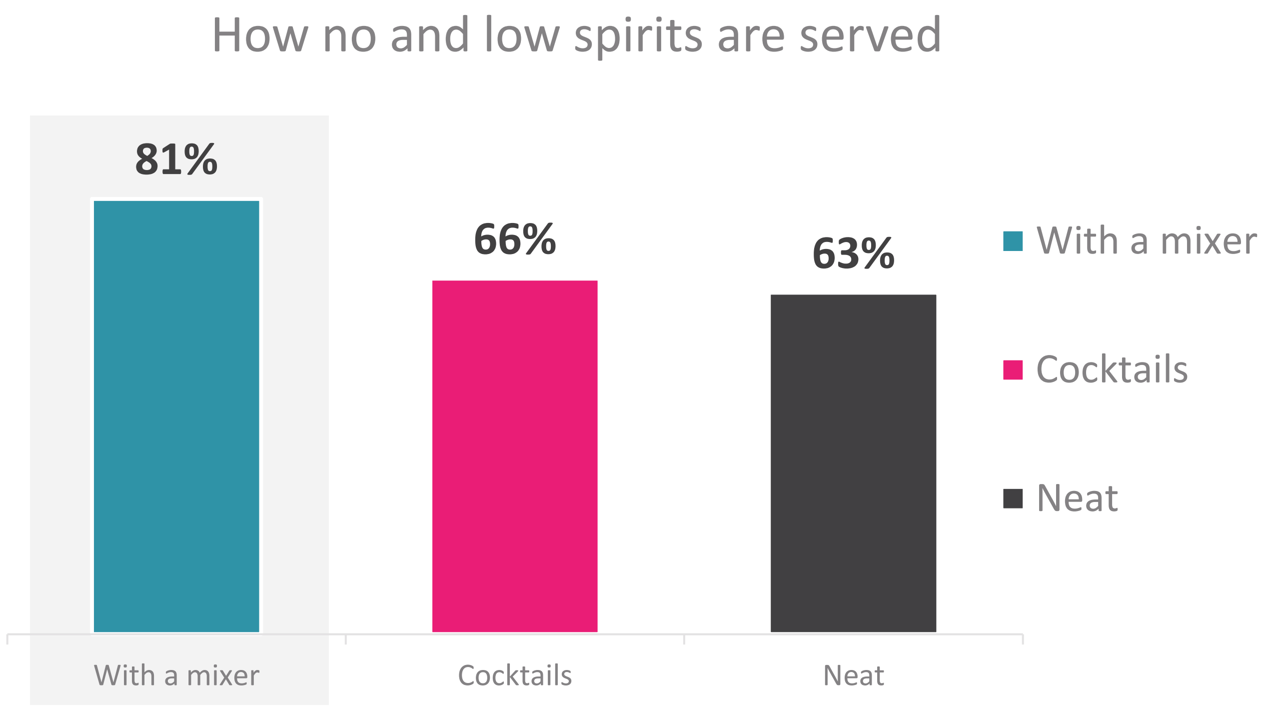
CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 345

Spirit categories are expected to have the biggest potential growth opportunity in the future

Over the next five years, which of the following do you believe will see the biggest growth in the non-alcoholic industry?

No/low Spirits	No/low Beer	No/low Wine	No/low Cider
41%	**24%**	**23%**	**12%**

No/low spirits offer versatility with their multi-functionality



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 190

No/low spirit deep dive

- Since last year, **no/low spirits have seen the highest jump** within the no/low category by 69%, exceeding the category average. This increase was higher for bars, late night bars and nightclubs.
- **Increasing consumer demand** has played a major role in the no/low category growth since last year. Beside the consumer demand, Bartenders also see the no/low spirits category as an innovative and lucrative investment.
- Spirits category will still be leading the no/low category growth over the **next 5 years**.
- The high growth of the no/low spirits category can be explained by its high demand, being the most versatile and innovative within the no/low category.

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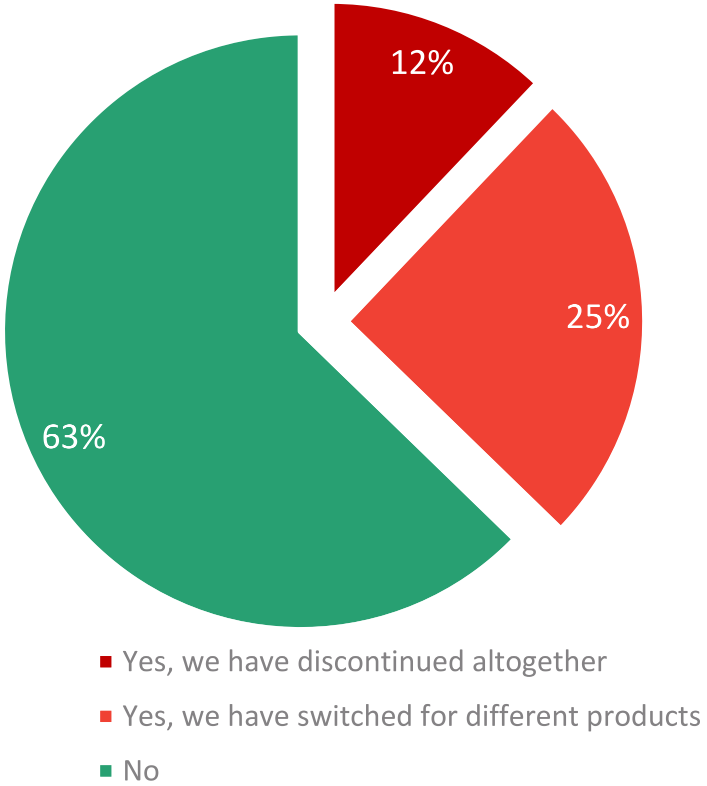
Perceived Barriers to Stocking No/low

Research questions covered in this section

- Have the Bartenders discontinued any products since last year?
- What are the drawbacks of stocking no/low alcohol products vs alcoholic counterparts?
- Is there any lingering stigma around offering a range of no/low options? Has this stigma changed over years?

Competition is rife, with nearly 2 in 5 Bartenders discontinuing products in the past year

Have you discontinued any no/low products from your offering in the past year?



It is important to appeal directly to both consumers and Bartenders, and keep up to date with trends and consumer preference, as products can easily be discontinued and changed

Reasons for discontinuing some no/low products since last year

Decline in sales

“They were not selling”

“Sales were poor and there was no profit”

“Customers were not buying the product ”

“Was not very popular”

“Flavour profiles”

Switching to other brands/products

“We switched to other popular brands”

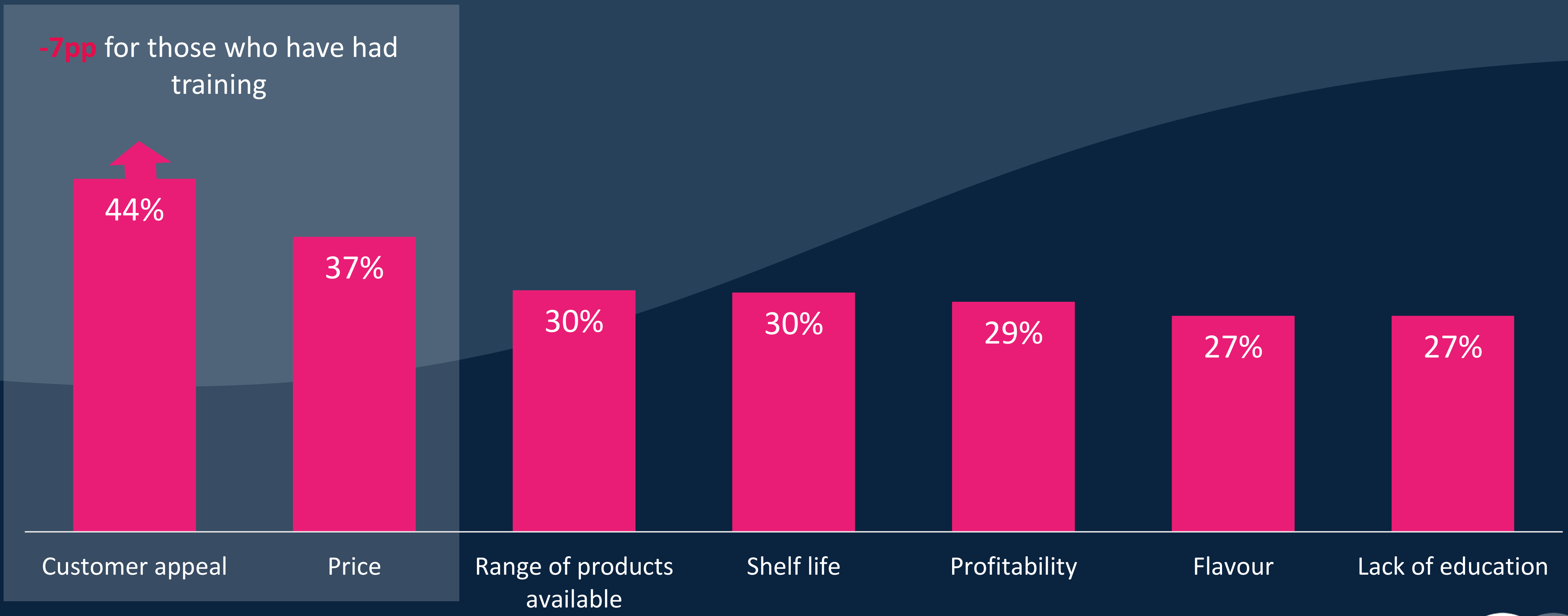
“To change up the options we offer”

“Better products became available”

“Better products, more fitting to our needs became available”

Staying up to date with consumer trends is key to focus on customer appeal as well as profitability. Knowledge and education is key to stay on top of these concerns

Drawbacks of stocking no/low products vs alcoholic counterparts



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 343

57%

Agreed that there is **lingering stigma** among on-trade operators around offering a range of **no/low options**

+5pp for bars, late night bars and nightclubs

29%

neither agreed or disagreed

14%

disagreed

Even though there seems to be a lingering stigma around offering a range of no/low products, this stigma has been decreasing over the past year

How stigma has changed over the past year

20%	39%	31%	10%
Increased	No change	Decreased	Don't know

However, Bartenders are still open to stocking no/low, again, seeing a potential increase in casual venues

38%

Of venues who don't currently stock are planning to stock no/low products in the future

#1: 46% Casual dining restaurant
#2: 29% Café
#3: 12% Pub

Perceived barriers to stocking no/low

- Competition is rife- around 37% discontinued no/low products from their offering in the past year, of whom **25%** switched. **Decline in sales and switching to other brands** top the reasons that have influenced bartender to discontinue no/low products
- There is a lingering stigma amongst on-trade operators around offering a range of no/low options. However, stigma has witnessed a decline by 31% over the past year.
- Nearly 2 in 5 Bartenders who do not currently stock no/low products are planning to stock in future with casual dining restaurants coming out on top here.

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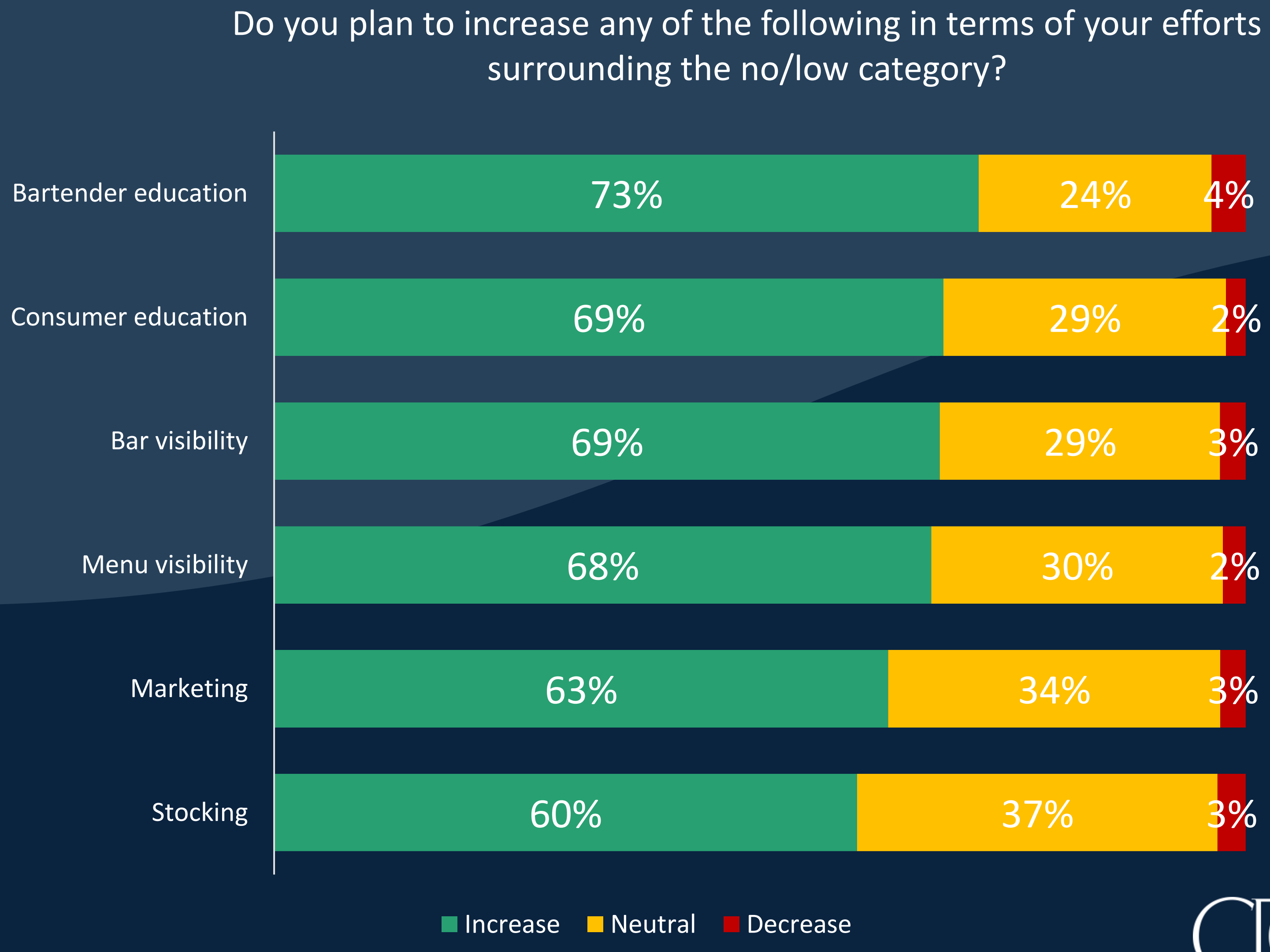
How can no/low suppliers facilitate growth?

Research questions covered in this section

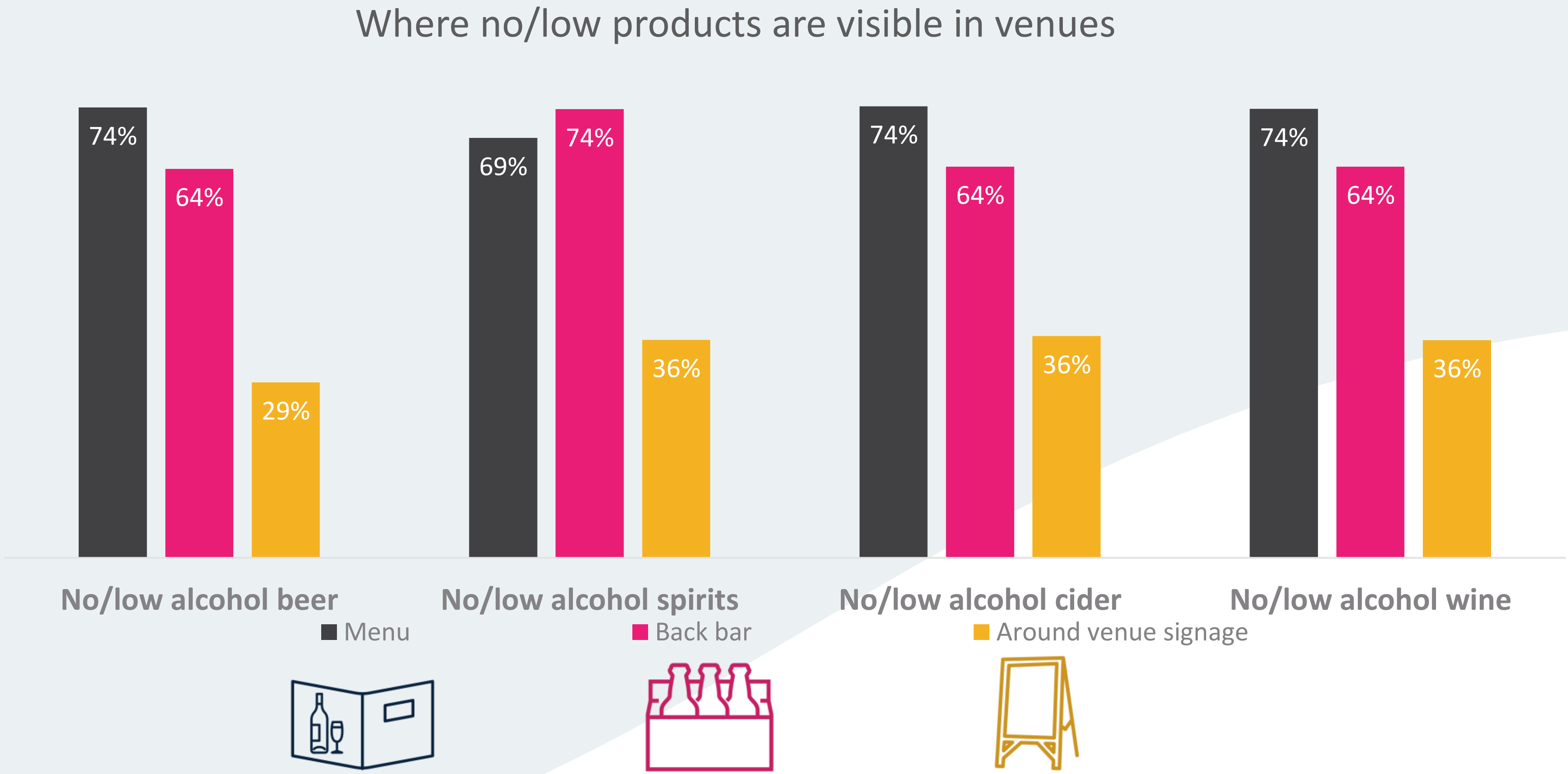
- What are the future plans Bartenders are willing to increase to facilitate growth?
- Where are no/low products visible in the venue?
- How do no/low products feature on the menu?
- What is the importance of menu and bar visibility for creating sales of no/low products?
- Is there sufficient training surrounding the no/low category?
- Did they have any previous trainings? What was it?
- What are the types of trainings that are needed in the future?
- What could no/low producers do to help drive more footfall into your venue?

Many future plans are in place to encourage the growth of the no/low category across different areas with specific focus on educating both Bartenders and consumers



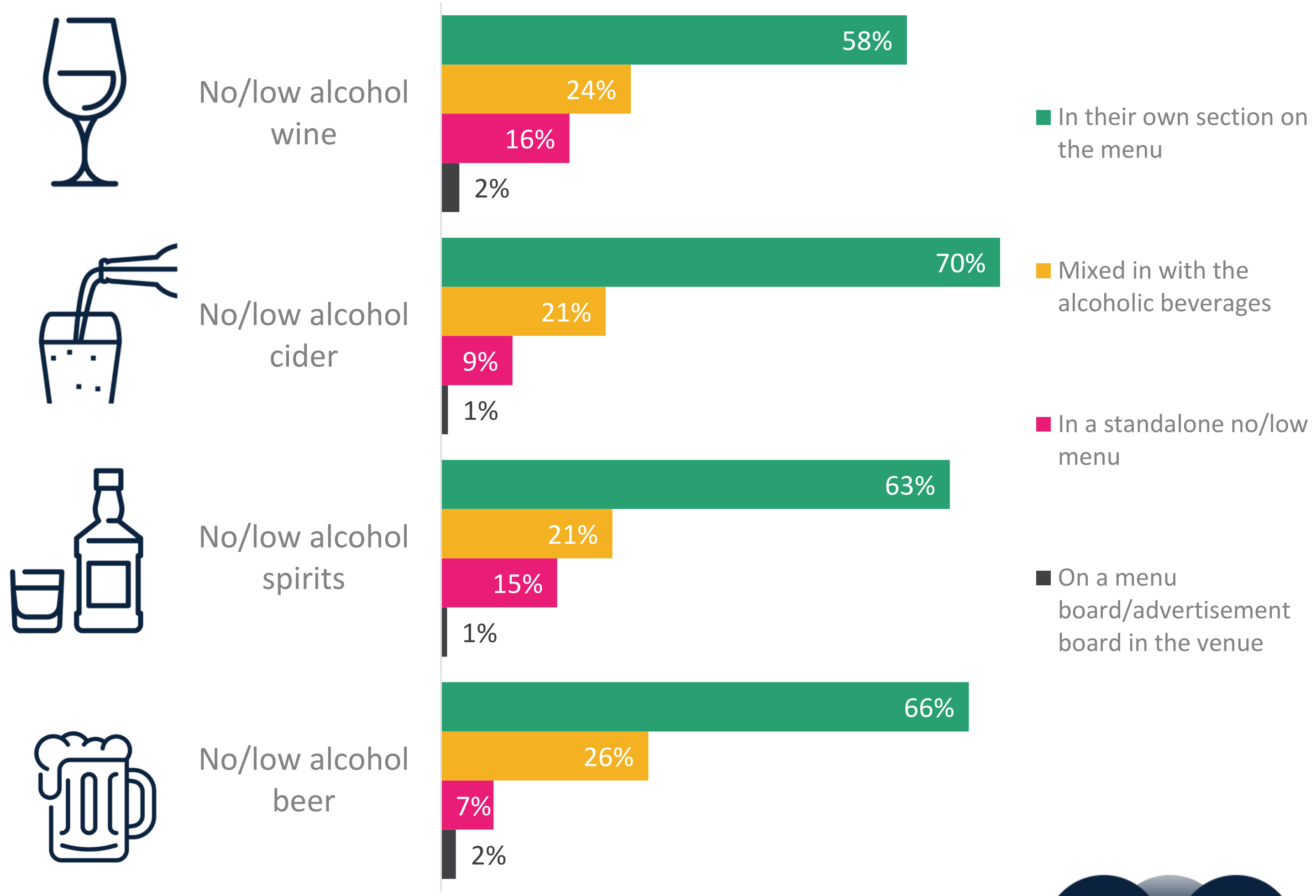
CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 342-345

With the highest visibility of no/low products on the menus, focusing on featuring these products on the menus is the key to increase consumer engagement



Again, importance of menu is emphasised, with all no low drinks being featured on main menus

How no/low products feature on menus



CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 – Sample size: 213, 131, 112, 131

Over

1 in 3

Bartenders who have no/low spirits stocked on **menus** see **increased sales** outside regular alcohol occasions

+8pp vs those **who do not have no/low spirits** on menus

Over

1 in 3

Bartenders who have no/low spirits **visible on the back bar** see **increased sales** outside regular alcohol occasions

+11pp vs those who do not have no/low spirits visible on the back bar

CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 185

Bartenders see back bar and menu visibility as equally important, suggesting they need more help with back bar visibility

86%

See **back bar** visibility as important to create sales for no/ low products

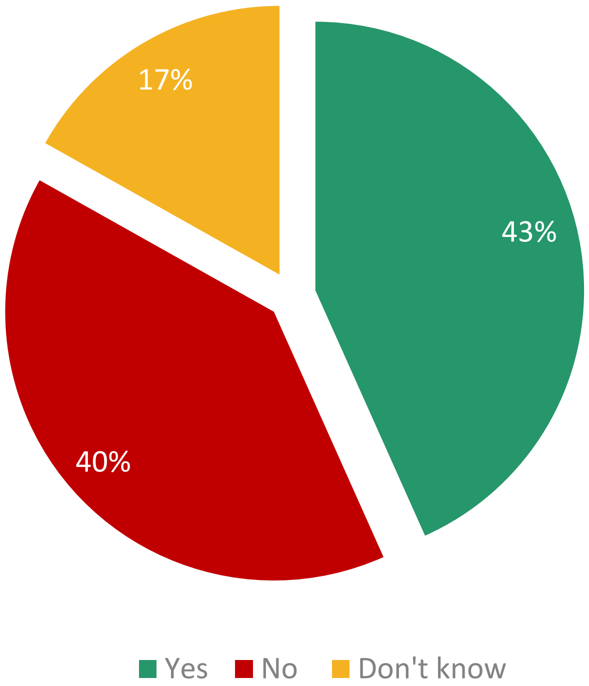
86%

See **menu** visibility as important to create sales for no/ low products

+8pp for those who have had training on how to build a no/low alcohol full menu

Future training has proved vital and a worthwhile investment

Whether or not there is sufficient training surrounding the no/low category



Previous trainings have been of great help, with almost all of the Bartenders finding the trainings really helpful.

Have you had any training on the no/low category?

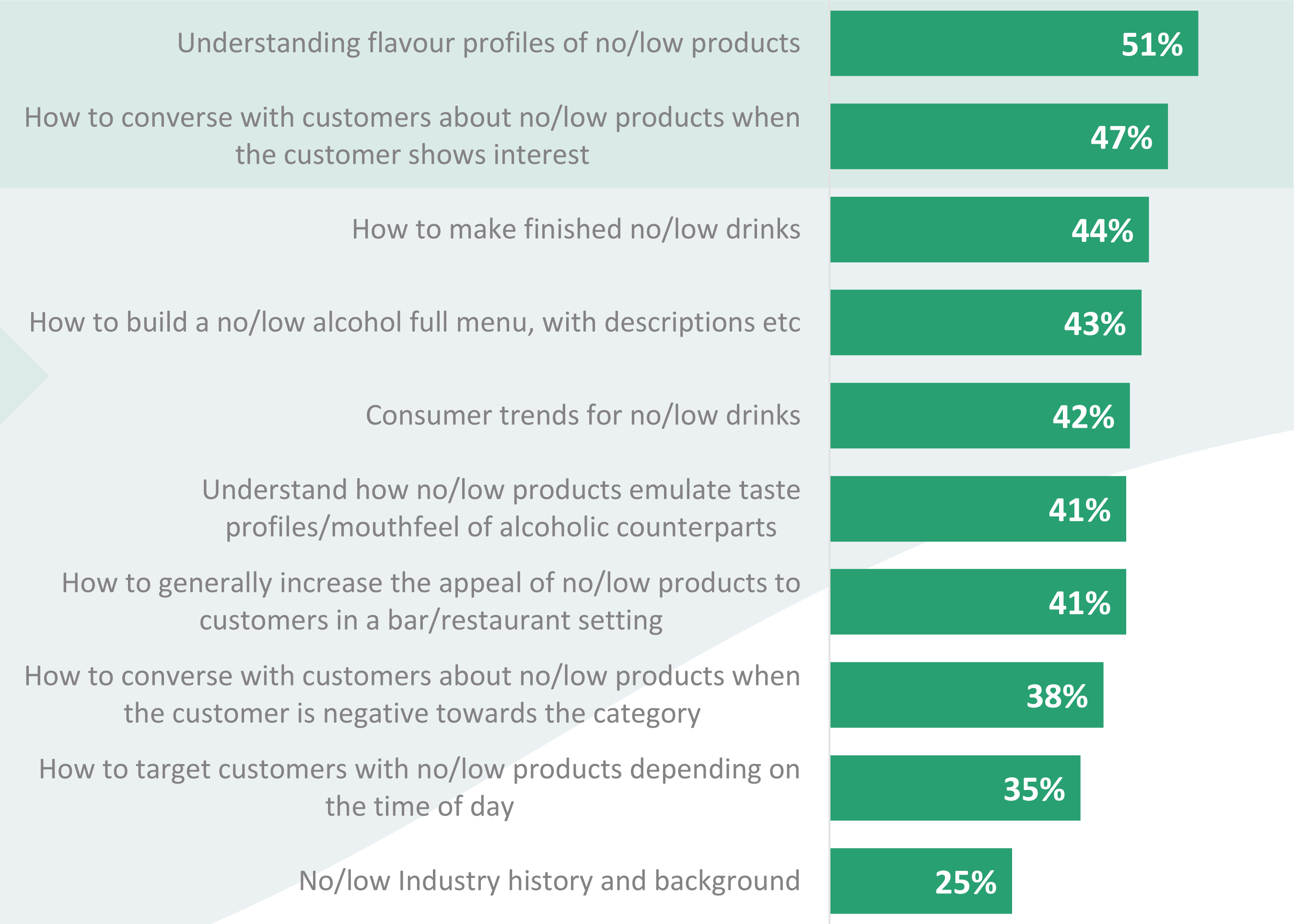
YES 55%

+2pp for bars, late night bars and nightclubs

+5pp for towns, city centres and outskirts

NO 45%

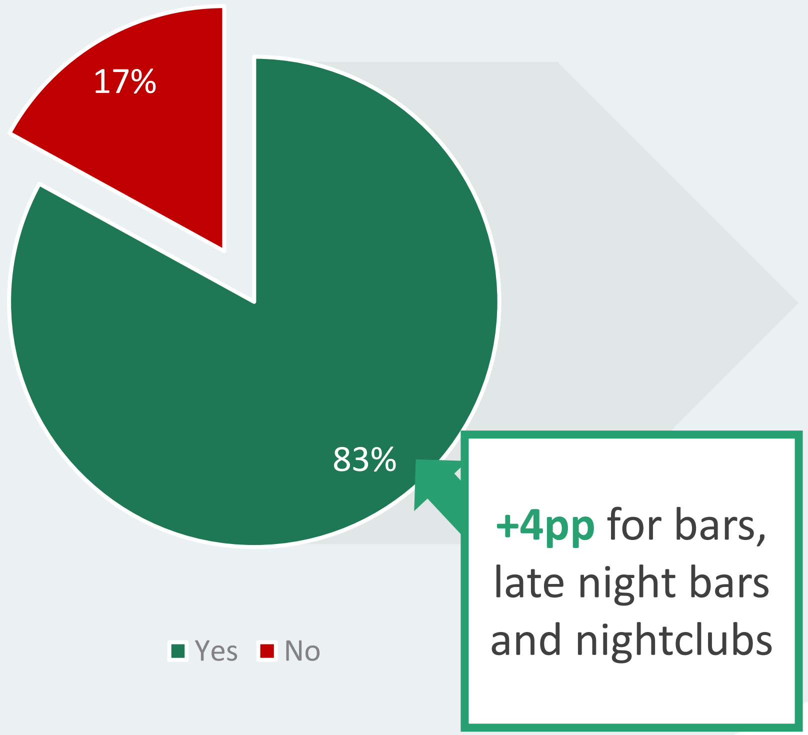
What was this training?



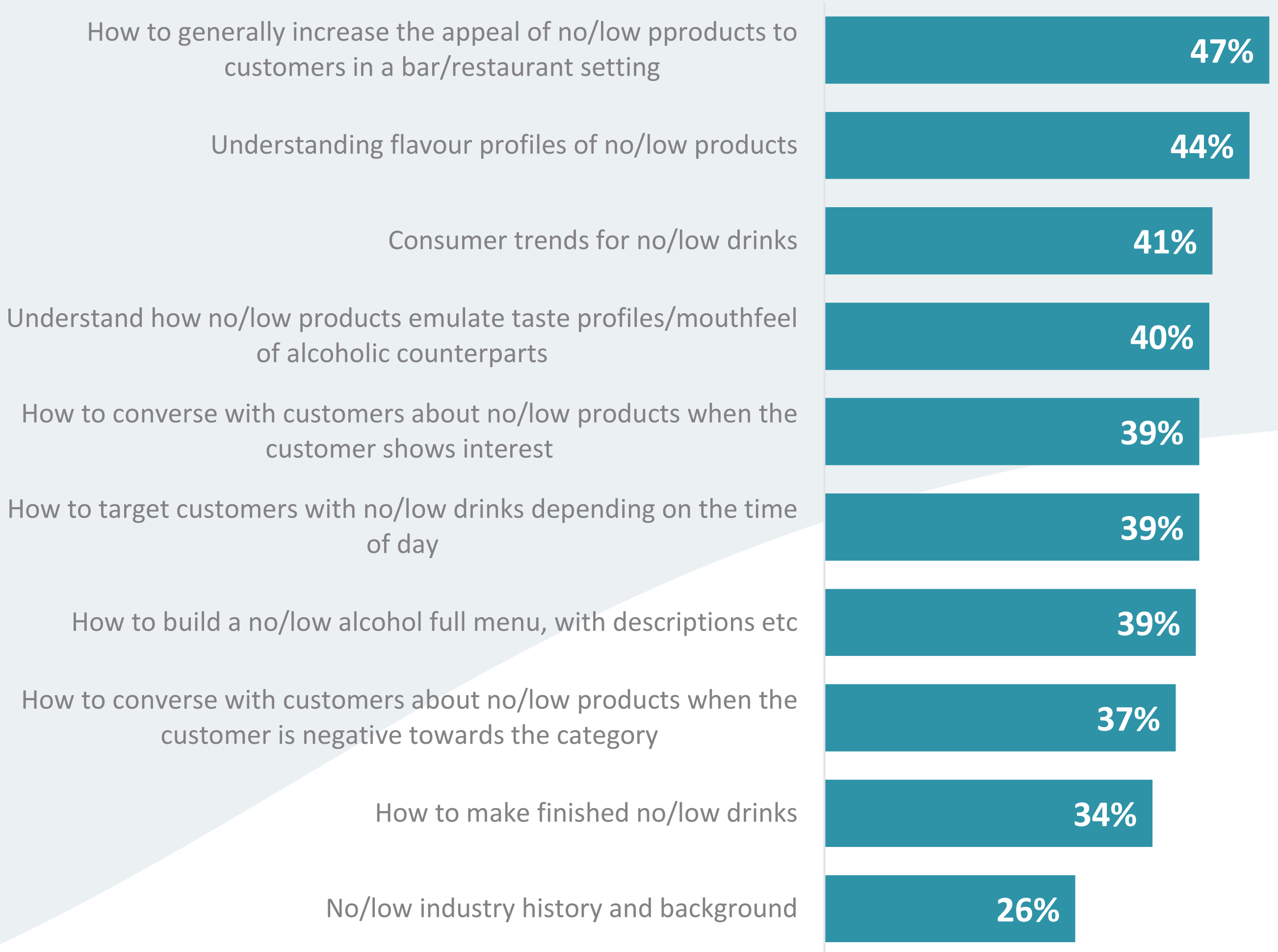
97% said the training was helpful

Having a significant positive impact on raising awareness as well as confidence amongst Bartenders, focusing on providing a multitude of trainings within this category can play a very important role in the category growth

Would you like training in the future?



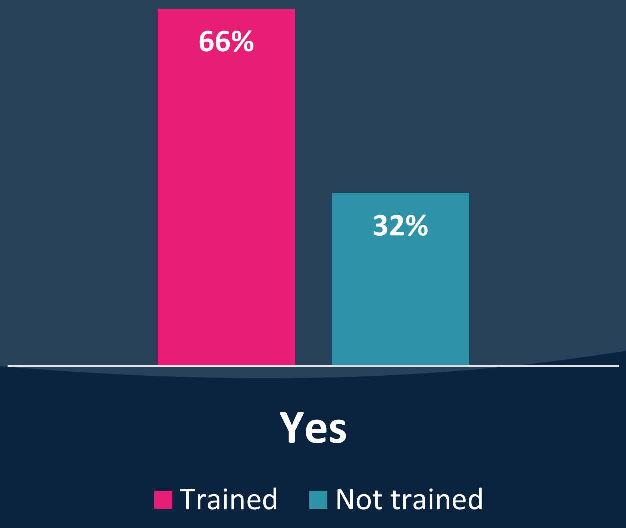
Types of training that would help



Training equips Bartenders with the confidence and knowledge needed for the most success in the no/low category

Trained | Not trained

Would your venue be able to trade for more hours if there was a more developed no/low menu in place? E.g. open in the morning and afternoon



A wider no/low offering would raise the profile of the venue I work at

79% **51%**

A wider no/low offering would increase sales in the venue I work at

78% **62%**

How confident do you feel that you can/could effectively market and sell no/low products currently?

96% **77%**

Stocking	66%	53%
Marketing	70%	54%
Menu visibility	75%	58%
Bar visibility	71%	65%
Customer education	74%	63%
Bartender education	77%	67%

Advocacy is the key to drive more footfall, thus educating the consumer about the category and providing more sampling will have a great impact

What could no/low producers do to help drive more footfall into your venue?

More consumer awareness/education	55%	**+6pp** for bars, late night bars and nightclubs
More sampling	46%	
More events in venues	50%	
More visibility/POS	28%	**+6pp** for pubs, cafes and casual dining restaurants

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CROSSIP x CGA: Leading the way in No/Low Spirits Bartender survey 2022 - Sample size: 345

How can no/low suppliers facilitate growth?

- Many future plans are in favour of the no/low category, with plans to increase education both Bartenders and consumers.
- Focusing on the menu visibility across all no/low categories is key to increase consumer engagement followed closely by back bar visibility. They are equally important in creating sales for no/low category.
- Advocacy is the key to drive more footfall, thus educating the consumer about the category and providing more sampling will have a great impact

- **Trainings**
- More trainings in this category will be r**eally helpful. There is a demand** to better **understand flavour profiles** of no/low products and **how to increase the appeal** of no/low products to customers in venues.
- Trainings have had a great impact, helping Bartenders to be much more confident in effectively marketing and selling no/low products

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Summary

- The no/low category is thriving, with **<u>no/low spirits</u>** seeing the biggest growth in the last year, as well as the biggest potential to grow further in the future. This growth has been mainly driven by the increased consumer demand. High tempo venues in city centres are hot spots that will drive the no/low spirits rise.

- The no/low category is perceived **<u>to be innovative</u>** with **<u>spirits</u>** as the most innovative. This has encouraged Bartenders to stock no/low products aiming to stay up to date.

- No/low alcohol is highly versatile, it is suited for consumption not only in the evening, but throughout the day. It is also suited to all year round.

- There is currently a demand for <u>more premium</u> no/low products being available in venues.

- **<u>Bartenders and wholesalers are driving stocking</u>**, with 91% currently stocking a range of no/low types. Varied range is increasing in importance, so **<u>investing time into no/low menus is vital.</u>**

- **<u>Previous training has had a very positive impact</u>** on enriching the knowledge of the Bartenders helping them to feel more confident to effectively market and sell no/low products. In addition to that, trained Bartenders are more likely to increase efforts surrounding the no/low category.