

Revolution or passing fad: What do publicans think about alcohol-free drinks?

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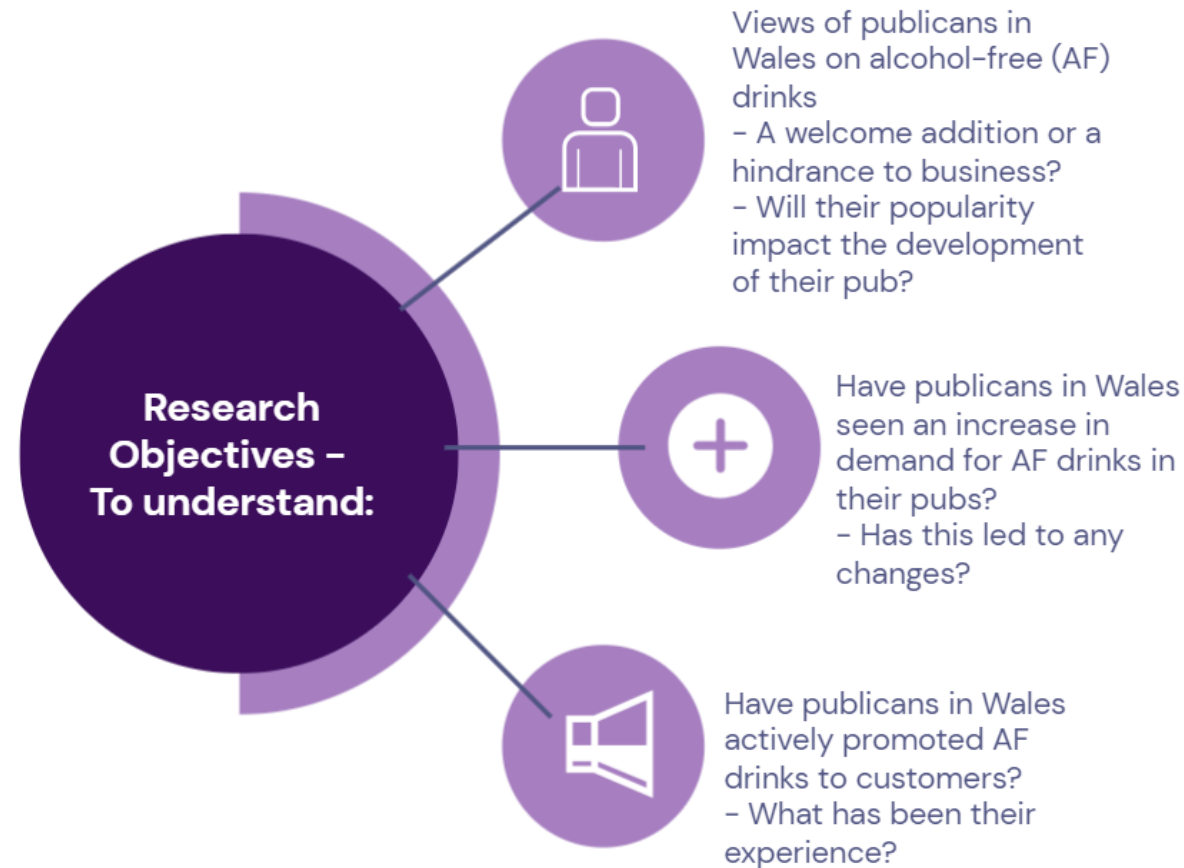
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The Commission

In November 2023, ORS was commissioned by Alcohol Change UK to conduct qualitative research into the views of publicans in Wales regarding their views on alcohol-free drinks



What we did

















**Interviewed 11
owners and
managers of
pubs in Wales**

December 2023 –
January 2024

**8 in-person
3 telephone
depth-
interviews**

Average 45 minutes
length

Who took part?

Location	Business type	Offer
Rural  5	Traditional free house 4 	Drink-led (with limited food)  6
Urban (town)  3	Chain pub 2 	Drink-led (only drinks & bar snacks)  2
Urban (city)  2	Tied pub 1 	Food-led  2
Fringe  1	Live music venue (not tied) 1 	50/50 split of drinks and food  1
	Independent brewery bar 2 	
	Independent working men's club 1 	

Publicans have a positive view of AF drinks...

Publicans gave overwhelmingly positive views of AF drinks, and said that their opinion had improved over recent years



Most agreed that:



The range of AF drinks available has increased



The quality of AF drinks in general has improved



Customers are more likely to have an AF drink over a soft drink than in the past



Main Findings – AF Stock

AF Beer is stocked far more than wine...

2 to 4

Amount of AF drinks
publicans tend
to stock



**Beer,
Lager, Cider**

Types of AF drinks
typically stocked

Those who sell
AF wine or spirits
say sales are low,
most said they
do not offer
them



*"We got rid of
the gin because
nobody wanted,
it; but the beer:
we're flying
through it."
Chain, Urban*

Chain pubs tend to have a bigger range...

All publicans agree that chain pubs likely have a bigger range of AF drinks than independent and tied pubs

Independent publicans - especially in urban areas, believe their curated AF drinks selection sets them apart from other independent pubs in the area

However...

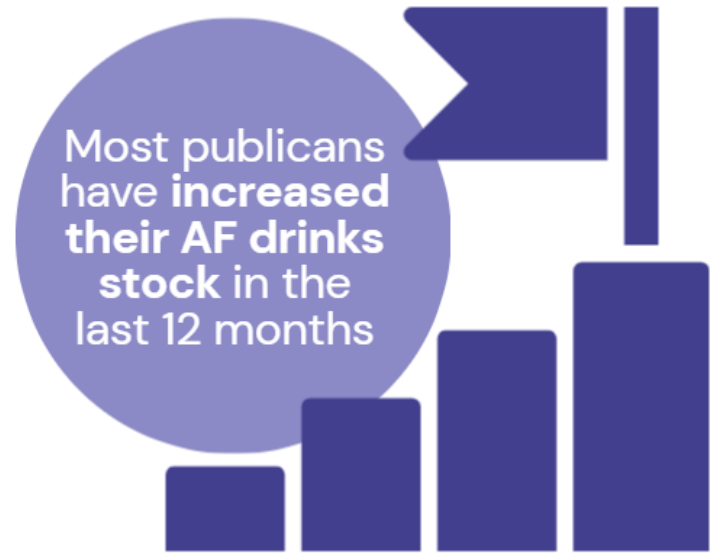


Rural publicans - more likely to feel their AF drinks range is more limited - not enough demand to merit stocking a wider range

Independent pubs - agreed that supermarkets have a wider range of AF drinks than they provide

Chain pubs - the selection of AF drinks is likely similar to that found in smaller supermarkets, but smaller than larger stores

Publicans are increasing their AF selection...



Almost all publicans said that AF drinks now account for up to **5%** of their total drinks selection, while two said that AF drinks now make up around **10% - 15%** of their selection excluding soft drinks.

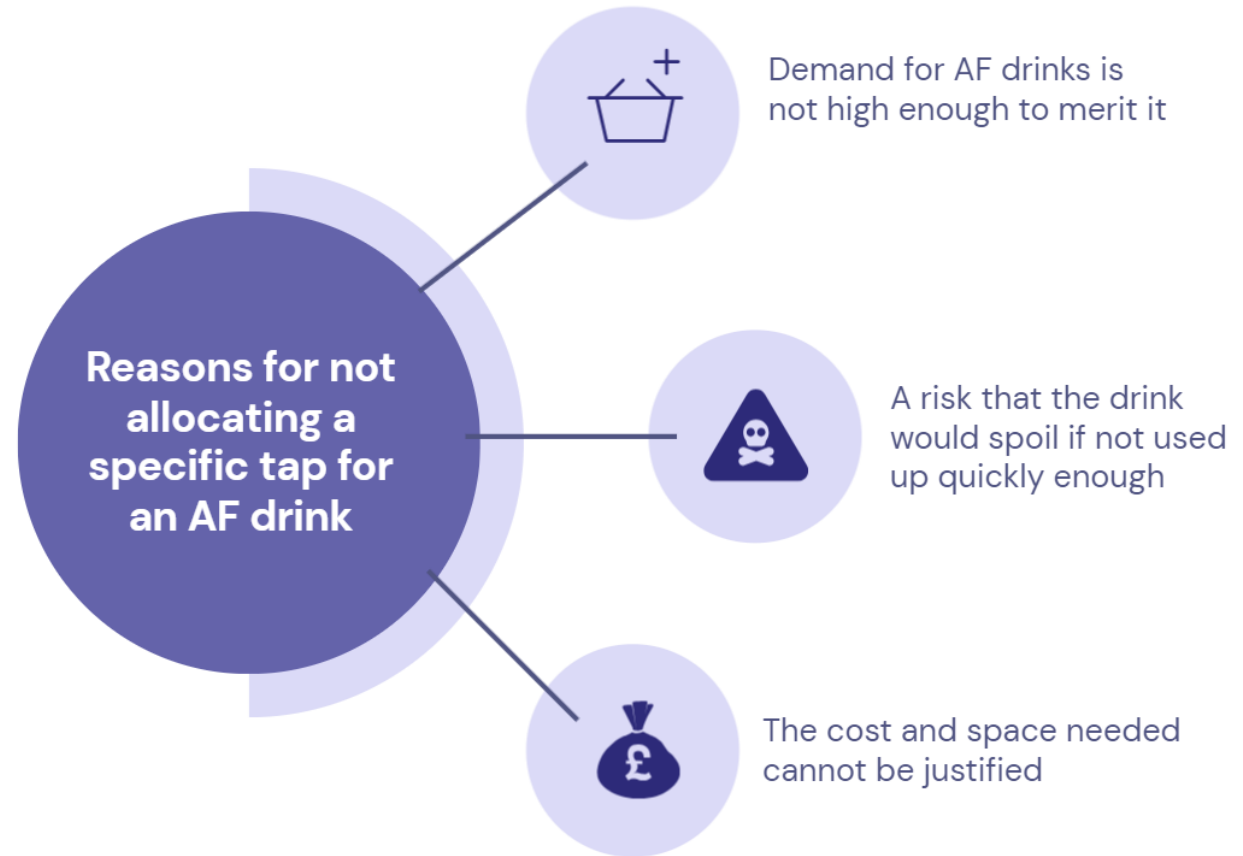


Stocking AF drinks on draught is not currently cost effective...

None of the publicans interviewed currently stock AF drinks on draught, with one saying that they had tried this in the past and had to stop due to insufficient demand

We did go down the road of trying to get it on tap, but the initial outlay would've been astronomical because it has to have a completely different system... it has to be new lines and everything.

— Free House, Rural



Dry January provides an opportunity for exposure...

Despite not seeing increased demand for AF drinks during previous Januarys, both independent brewery bars said that they would provide one AF beer on draught over January, aimed at customers taking part in 'Dry January'



We're trying to bring in Guinness O on tap because so many people are asking for it. It's so popular... Six nations is coming up and we sell lots of Guinness then... lots of customers are asking if we can get it in.


— Chain pub, Urban

A chain pub is hoping to offer an AF beer in the spring when they expect beer sales in general to increase. However, they said their request to do this would have to be confirmed by the company.



How stocking decisions are made depends on the type of pub...

All independent publicans said that they make stocking decisions themselves.



stocking decisions are based on:

- ✓ An expectation that demand will increase further
- ✓ The fact that the quality and range of AF drinks is increasing
- ✓ Input from customers and/or staff

Publicans from **tied or chain pubs** said that stocking decisions are made by the company and that they **themselves have very little input on these decisions**

They have a purchasing team who work with us... Either they look for it or they get approached, but they'll only look for it if enough suggestions come in from customers and staff.
— Chain, Urban

It's head office. They go to the suppliers. We don't get much of a say in it as say, a small independent company.
— Chain, Fringe

A photograph of a busy cafe interior. In the foreground, a man in a blue shirt is seen from the back, looking towards the counter. Other customers are visible behind him. The counter is lined with various coffee-making equipment. Behind the counter, several menu boards are displayed, including one for 'SANDWICHES' and another for 'SOUPS'. The cafe has a rustic feel with wooden beams on the ceiling and pendant lights hanging from the ceiling. A woman in a striped shirt and sunglasses is visible on the right side of the frame.

Main Findings – Customer base for AF drinks

The AF customer base is diverse...



Designated Drivers

Most likely consumers of AF drinks in all pub types



All ages and genders

Make up the AF customer base



Younger People

Including students – more likely to buy AF drinks in urban pubs

AF drinks are not just a choice for designated drivers...

Designated drivers and people who can't have alcohol for other reasons e.g. medical, were said to choose AF drinks so that they can still feel included in the pub atmosphere

It's mostly people who are driving. One or two don't want to drink alcohol through the week if they're working the next day, but driving mostly.

— Working men's club, Rural

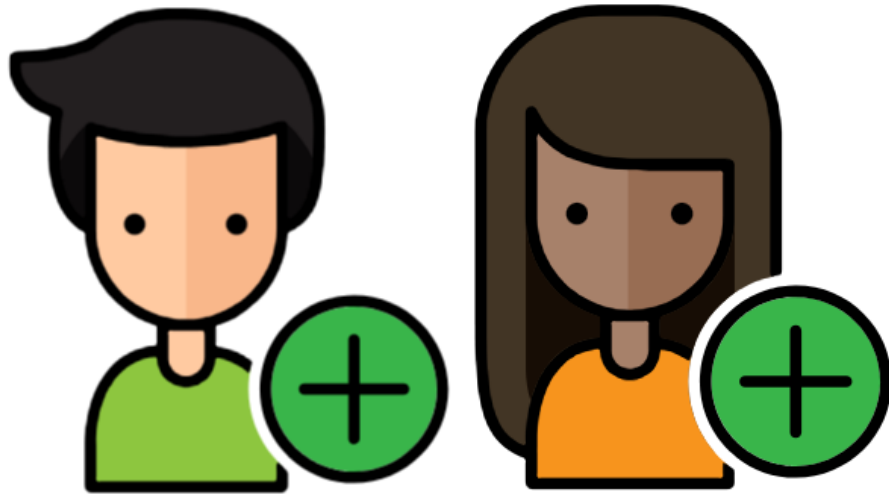
20-30 year olds still in education, PHD students and so on. A lot of those will have non-alcoholic beers... I think its mainly what you're doing the next day that decides it.

— Free House

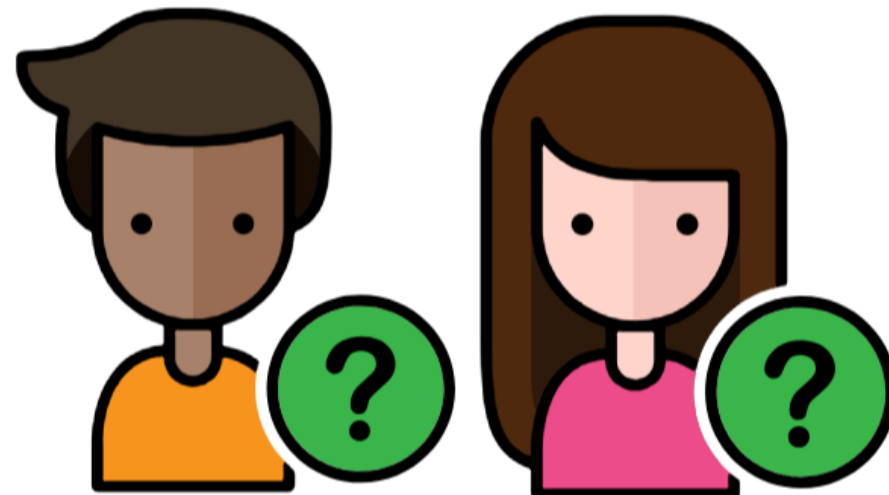
A range of people were said to be more likely to buy AF drinks to avoid hangovers when they have work or other plans the next morning.



Customer reactions are largely positive...



All, apart from one publican, said customers react positively to the AF drinks range they have available

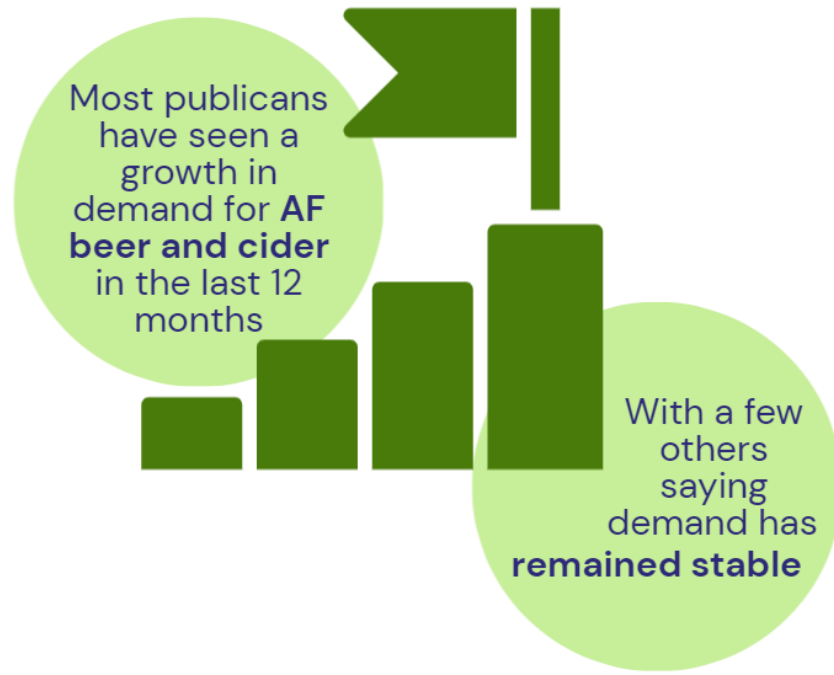


Requests from customers to provide more AF drinks are uncommon. However, a few said they had been asked to provide a wider selection of AF drinks

A photograph of a bar with three shelves of liquor bottles. The top shelf has about 15 bottles, the middle shelf is packed with many more, and the bottom shelf also has several bottles and a decorative plant. The text 'Main Findings – Demand' is overlaid on the left side of the image.

Main Findings – Demand

Demand has grown over the last 12 months...



They agreed that demand for AF drinks makes up only a small part of demand for drinks in pubs overall. However, the demand was said to be enough to merit stocking AF drinks.

There is a lack of demand for AF wines and spirits meaning pubs have either limited or no stock of these

We sell enough to merit what stock we bring in. It's definitely worth having it... A few years ago, we had a tiny range and sold next to nothing.

— Chain, Urban

I've not seen the spirits take off... Our range is limited because demand isn't as much as beers and ciders.

— Chain, Fringe

Health and lifestyle is driving customer demand...



Most publicans said that the main factor driving an increased customer demand for AF drinks is the wider **health and wellness trend**.

While people have traditionally chosen not to drink due to medical issues or being designated driver, there is a new consumer making a conscious choice to change habits and choose AF options



This coupled with improving quality and range of AF drinks is driving up demand.

I'd say the main thing for us is that people have to drive to us. But then, also people who might be pregnant or on medication: people who would normally have a drink but can't and still want to feel included. They want to socialise with their friends but not have the alcohol.

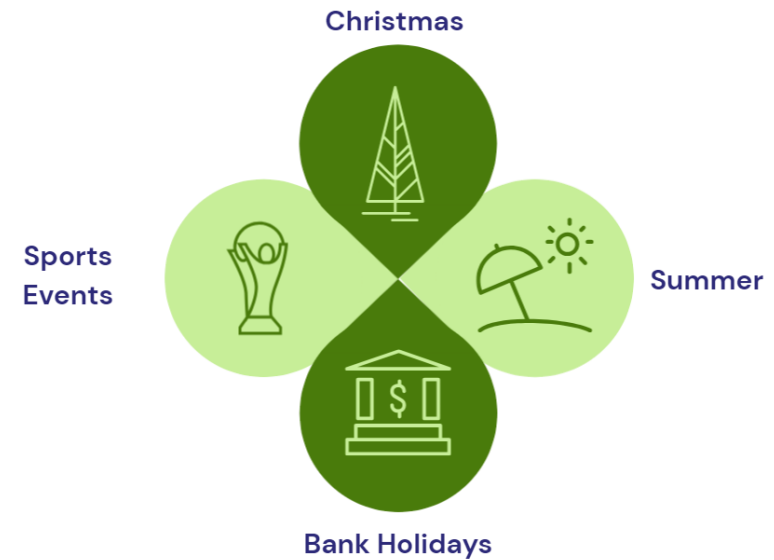
— Chain, Fringe

I think that it's mostly health-conscious driven. Habits have changed from going down to the pub every evening to maybe once or twice a week.

— Brewery bar, Urban

Demand fluctuates along with other sector trends...

Demand for AF drinks was said to fluctuate along with drinks sales in general. Therefore, sales were said to increase during the following periods:

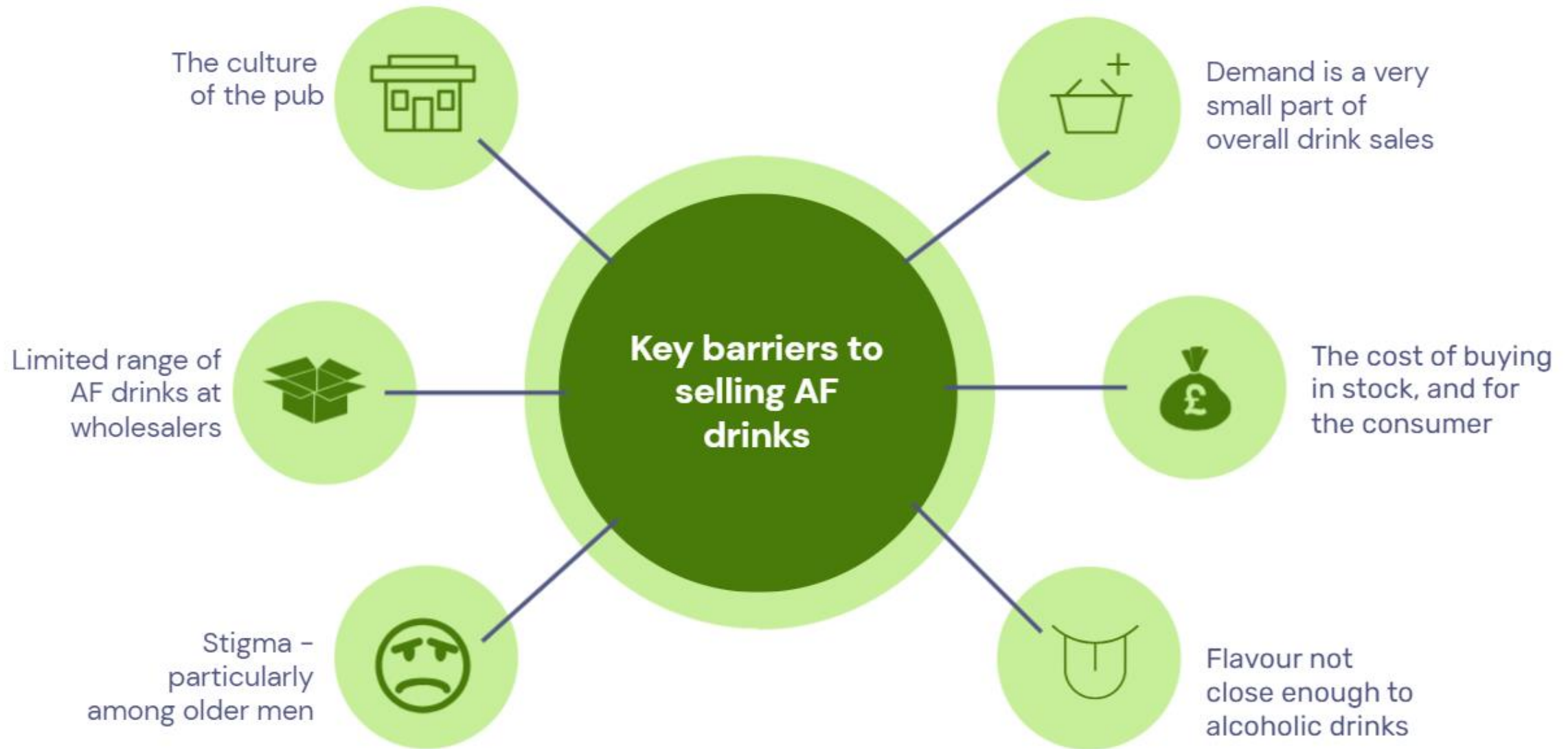


People doing Dry January don't come here, to be honest. I know a few who are doing it and have said they're not coming for that reason.

— Tied, Urban

Publicans generally felt that campaigns including 'Stoptober' and 'Dry January' are yet to translate to an increase in demand for AF drinks. Most were supportive of the campaigns, with only a couple feeling it defers people from coming to their pub.

Although there is demand, there are many barriers to selling AF drinks...

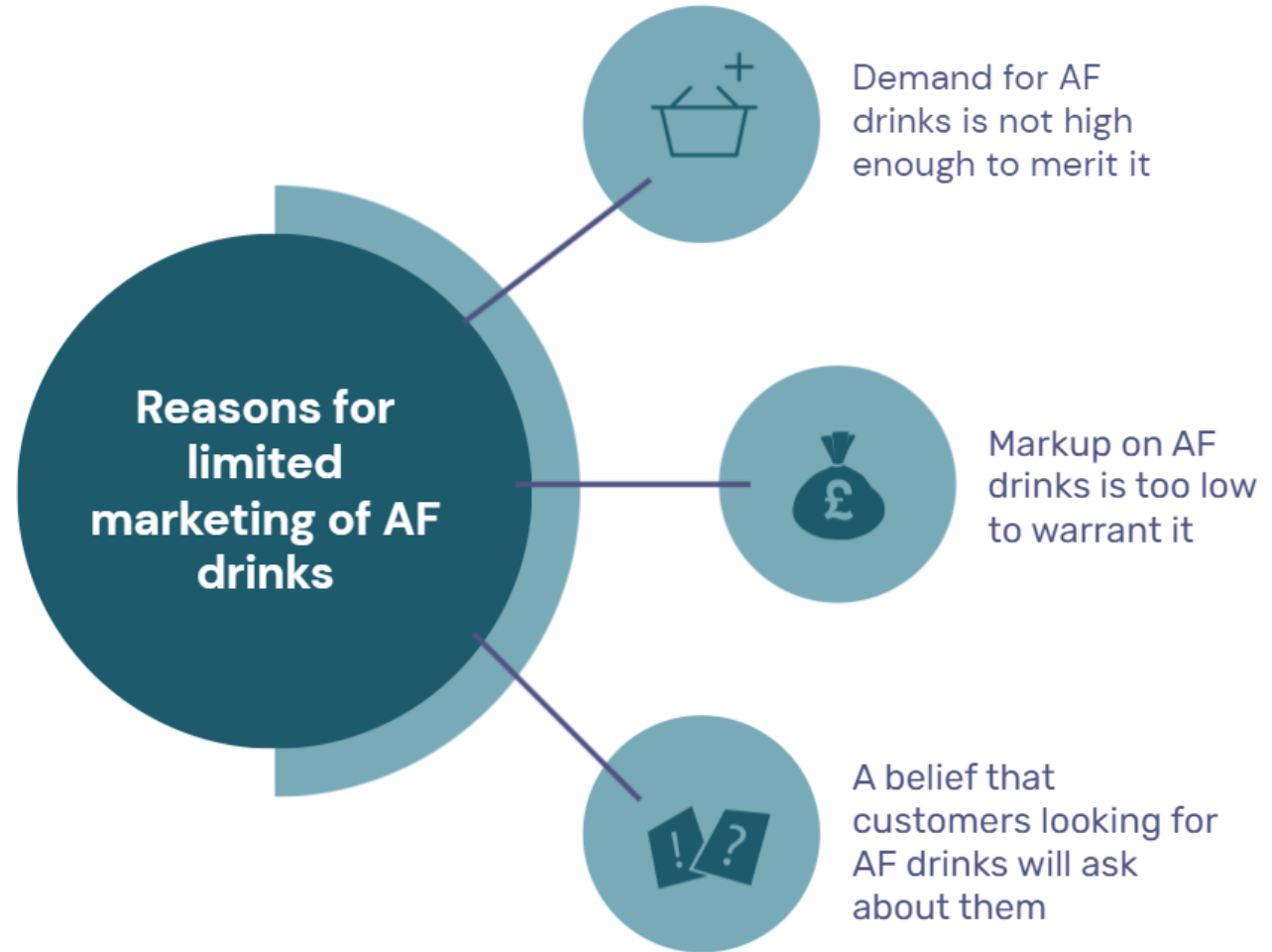




Main Findings – Marketing and Training

Marketing efforts are minimal for AF drinks...

Overwhelmingly, publicans said that **marketing of AF drinks is limited** to making products visible on shelves and discussing them with customers who ask about their selection. When marketing is done, customers react positively.



Most pubs provide some staff training of AF options...



All participating publicans inform staff of their AF stock so they can make customer recommendations



Staff generally respond well to training, show interest and ask questions



Some pubs offer more in depth training, including:

- AF tasting sessions for staff
- Training staff to offer AF options before soft drinks

A hand holding a crystal ball against a sunset background. The crystal ball is held in the center, reflecting the sunset colors. The background is a soft, out-of-focus sunset over a body of water.

Main Findings – Looking ahead

Publicans are confident their AF stock will keep growing...

All apart from one publican agreed that their AF drinks stock is likely to grow in the next 12 months due to a combination of a greater demand and an increase in the quality and range available.

...Maybe there'll be more, not alcohol-free drinks but more lagers and ciders with a lower alcohol percentage. I've noticed us getting more lagers in with reduced percentage.

— Free house, rural

I can see us getting more in. Compared to two years ago we're probably selling more than double what we used to.

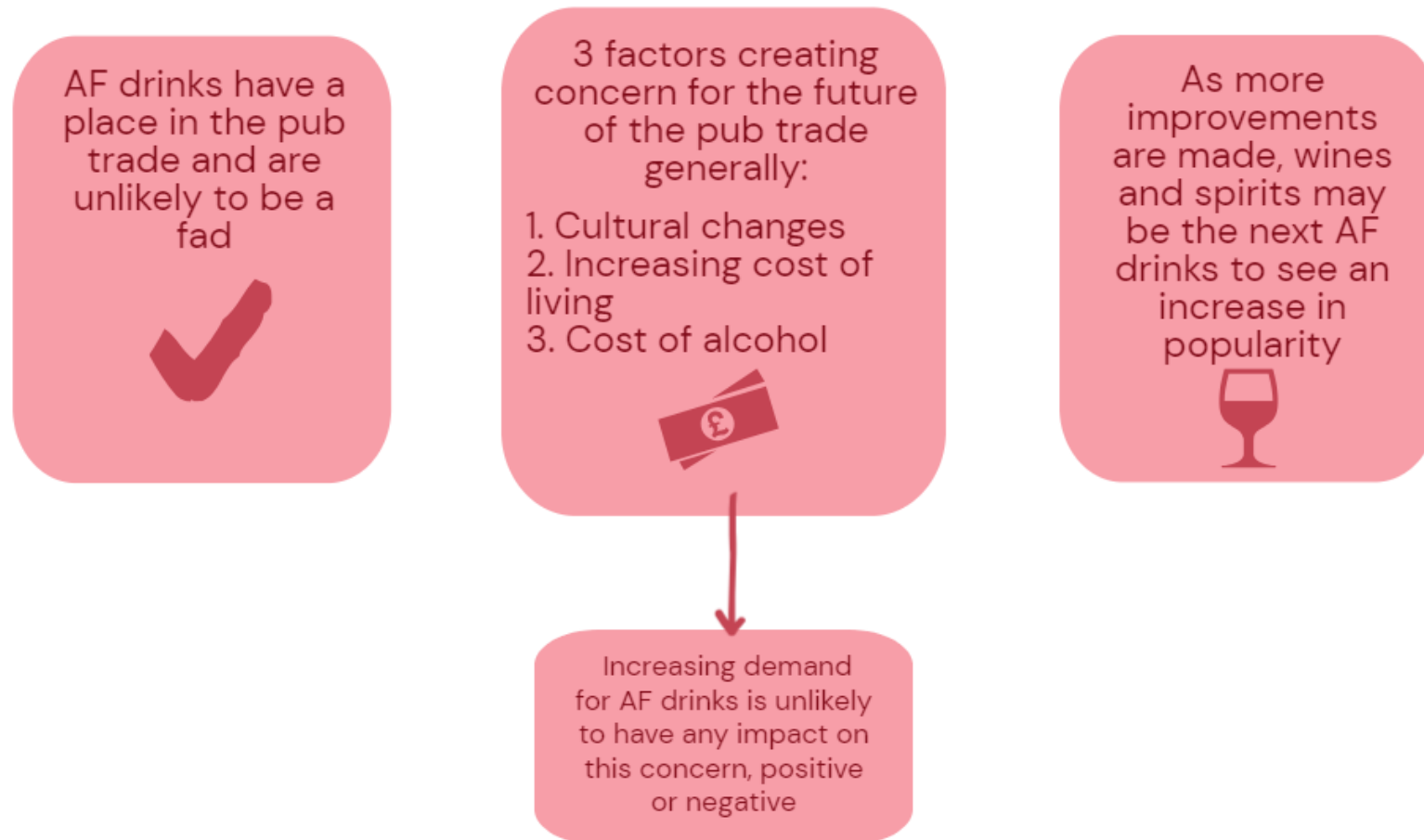
— Chain, Urban

However, the one publican that doubted their AF drinks stock would change, did feel that their stock of lower ABV beer would increase.



The future of AF drinks is dependent on trends in the wider pub industry...

When asked how the increased popularity of AF drinks might impact the pub trade over the next few years, publicans said:



Looking to the future...



"In terms of the trade, I can't see much of an impact apart from us having to offer a wider range of products..." (Chain, Fringe)



"I think they'll keep increasing in demand. Spirits might be the main area in growth in the next few years because we've already seen growth in beers..." (Chain, Fringe)

"I think it's going to grow because the options are better... Hopefully it will grow and encourage people to spend money... even one drink helps in the grand scheme of things." (Brewery bar, City)



"When more people try them I think more people will have them a few nights a week - not necessarily stop drinking alcohol but at least have alcohol free nights for health benefits." (Free House, Rural)



"I think they've got their place and they've improved. Some of the bigger suppliers should promote them a bit more because there isn't a lot of promotion of AF drinks" (Free House, Urban)



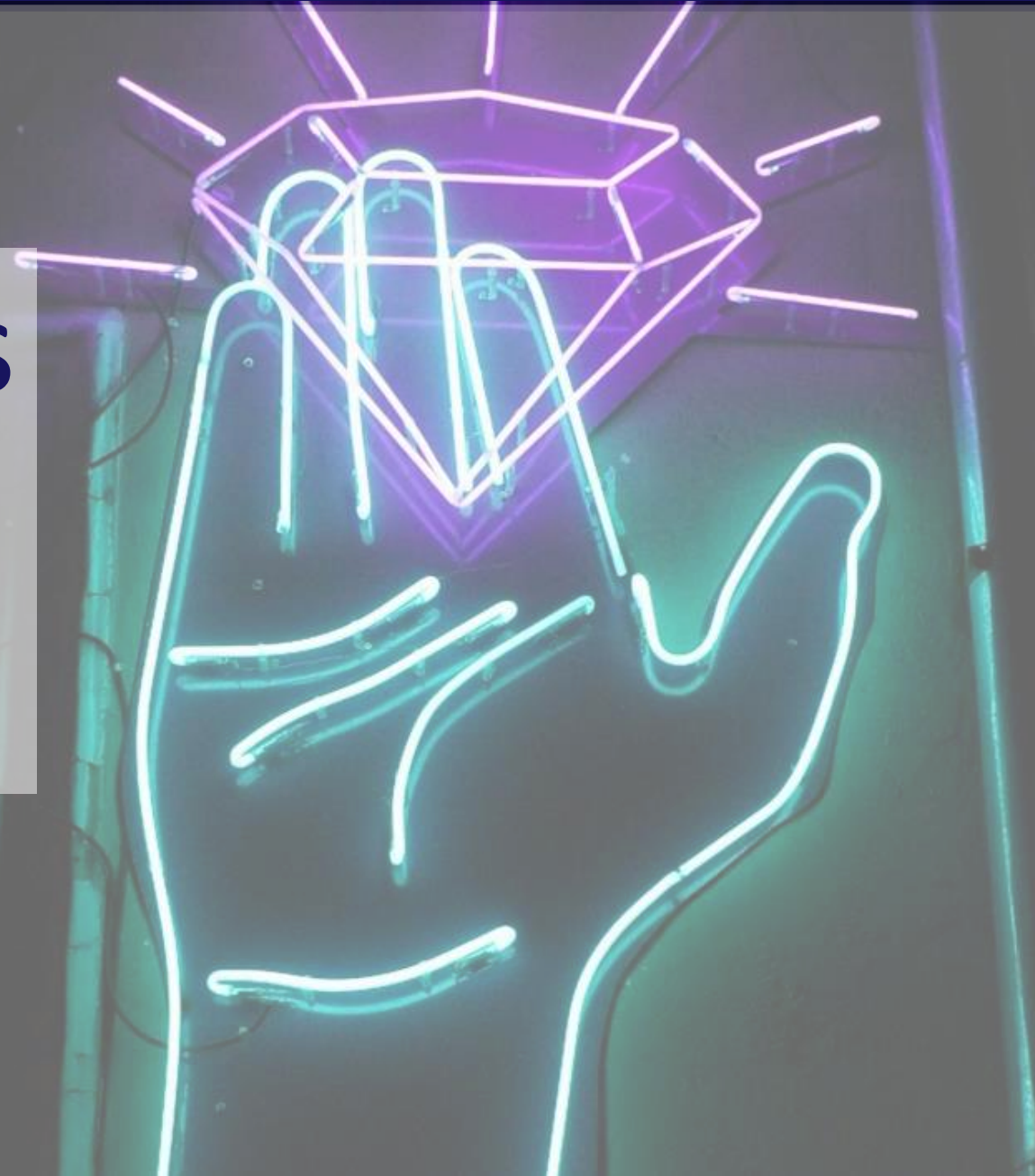
"I think it's only positive... If you're still hitting your markets by selling the AF drinks then you're still making the money and keeping the business... If anything, you will get more people buying from you which is a bonus." (Free House, Urban)



"I think a lot more breweries will be making them, and a lot more pubs will be serving them." (Free House, Urban)

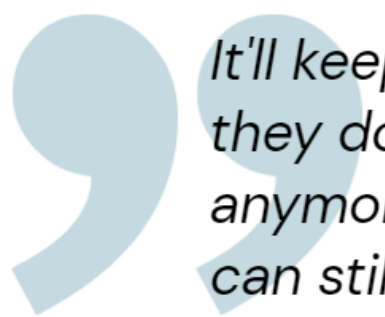


Conclusions and key learning



AF drinks – a welcome addition or a hindrance?

- Publicans welcome the addition of AF drinks into pubs and expect them to remain part of the trade long-term
- They also believe that breweries and wholesalers are likely to increase the range of AF drinks available
- Publicans expect the demand for AF drinks to continue increasing, and for stigma around AF drinks to continue to diminish
- Due to cultural changes, the increasing cost of living, and the cost of alcohol, publicans are concerned about the future of the trade generally and do not expect increasing demand for AF drinks to impact this concern, positively or negatively



It'll keep people coming in if they don't want to drink anymore or can't drink. They can still come in and have an AF drink

— Free house, rural

What are the trends in demand for AF drinks?

- Publicans' stock of AF beer and cider has increased over recent years due to increased customer demand, and expect their stock to increase further in the future
- Publicans have noticed that customers who cannot drink or don't wish to drink alcohol have become more likely to buy AF drinks rather than soft drink

I think they've got their place and I think they've improved. Some of the bigger suppliers should promote them a bit more because there isn't a lot of promotion around AF drinks.

— Free house, rural

- Generally, publicans don't expect demand to increase enough to provide AF drinks on draught, though this might be possible in popular chains



Experiences of marketing AF drinks

- Independent publicans have done little to promote AF drinks to customers outside of making them visible and discussing them with customers when they enquire



We inform customers that we have it, our fridges are on display for people to look at, [and] staff know about them, so if someone asks we can explain the range to them... we always make sure we're stocked...

— Brewery bar, urban

- Independent publicans feel that customers interested in AF drinks are likely ask about / to discuss their selection with them, and that customers respond well to this
- Large chains are more likely to actively promote AF drinks in special offers and advertisements, with customers responding positively