

— THE —
CASK
REPORT
— 2018 / 2019 —



CASK RECONSIDERED



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FOREWORD



I'M OF THE OPINION THAT WHEN SERVED IN PRIME CONDITION, CASK REPRESENTS THE VERY BEST OF WHAT BEER CAN OFFER.

Sadly, I'm also of the opinion that this just doesn't happen often enough. I like cask. I want to order cask. But, as a regular pub-going punter, I often avoid it. This is because I have lost trust in what will be presented to me over the bar.

And it seems the British public has lost a little faith as well. Sales figures are not good. Younger drinkers are not coming into the category. Issues around image, quality, temperature, ranging and training all need to be addressed.

Things need to change to get cask back on the right path.

This year we have tried to take a different approach to the Cask Report, hence the subtitle 'Cask Reconsidered'. For a starter, under the auspices of the UK's leading beer writer Pete Brown, we have embarked on one of our most comprehensive research projects yet (see facing page).

We have held focus groups with lapsed or casual cask drinkers all over the country. This has enabled us to delve deeper into finding out what it is about cask that they find a turn off and what could potentially persuade them to give it a go.

Rather than using one writer this year, we have recruited a team to provide different voices and insights into the issues around cask.

This includes looking beyond our own bubble and out towards areas such as the craft movement, the gin renaissance and even the world of vinyl record sales, to see what we can learn.

We have to look beyond the bottom of our own pint glasses to get cask going in the right direction.

And there really are many reasons to be positive, as you will see. Golden ale is in growth, more people are including cask in their drinking repertoires and the craft movement should be seen as a wonderful opportunity, not a challenge.

There is nothing so fundamentally wrong with cask that makes people reject it once they have had a sip.

We just have to work harder to get new recruits to try it in the first place. And when we get them we have to ensure that their cask experience is one that they will want to repeat time and time again.

Cheers!

Matt Eley
Editor

METHODOLOGY

AS IS BEFITTING A REPORT SUBTITLED ‘CASK RECONSIDERED’ WE HAVE TAKEN A DIFFERENT APPROACH TO OUR RESEARCH THIS YEAR. THE NUMBER OF SOURCES WE HAVE USED AND THE NEW RESEARCH WE HAVE COMMISSIONED MAKES THIS THE BROADEST RESEARCH PROJECT WE HAVE UNDERTAKEN IN THE 12-YEAR HISTORY OF THE CASK REPORT. HERE’S HOW WE HAVE FOUND THE EVIDENCE TO HELP US COME TO OUR CONCLUSIONS.

ONEPULSE

OnePulse is an app-based research platform that asks users a variety of questions. We used OnePulse to ask UK consumers about their drinking habits and their perceptions of cask ale. More than 1,000 people took part in the survey in July and August 2018.

FOCUS GROUPS

OnePulse also enabled us to recruit attendees to focus groups we held across the country. These eight sessions were facilitated by Pete Brown and held in London, Birmingham, Manchester and Edinburgh in July and August 2018. The sessions gave us the opportunity to delve deeper into issues around cask with consumers who would not usually order it as their drink of choice. Almost 50 men and women of various ages and backgrounds took part.

YOUNG CASK REPORT SURVEY

Just over a year ago the Cask Report commissioned YouGov to undertake a comprehensive survey of the drinking habits and attitudes towards cask of more than 2,000 UK consumers. Many of the findings have not previously been published and also further helped the line of questioning in the focus groups.

LICENSEE SURVEY

More than 900 licensees across the UK responded to our 19 Survey Monkey questions covering practices and views relating to their businesses and cask ale.



FURTHER STATISTICAL INFORMATION

Detailed data has been provided by Cask Marque, CGA and the British Beer & Pub Association. We have also referred to other comprehensive studies of the sector, such as Heineken’s Project Pathway, Marston’s On Trade Beer Report 2018, Dea Latis’ The Gender Pint Gap, Long Live the Local (www.longlivethelocal.com) consumer research, Vianet’s Beer Quality Report plus further research from CAMRA, Box Steam Brewery and Molson Coors.



REALITY CHECK

THE EXTENSIVE RESEARCH WE HAVE UNDERTAKEN THIS YEAR SHOWS THAT THERE IS A HUGE AMOUNT OF LOVE AND AFFECTION ON BOTH SIDES OF THE BAR FOR CASK BEER.

However, this is not generally being reflected in sales at the pumps. The brutal truth is that cask ale sales are in decline and have been for the last two years (BBPA). Not long before that period, cask was outperforming the ale and overall on-trade beer markets but is now underperforming against both.

GLASS HALF EMPTY

MAT figures to July 2018 from the BBPA show that cask is down 6.8% in volume. And while difficulties are to be expected from a product that relies heavily on a declining pub market – in terms of outlet numbers – the situation is worse than it should be.

The BBPA figures also show that while the overall on-trade beer market has declined by 1.6% in volume over the previous 12 months, some categories are showing signs of growth, such as premium lager (up 2.2%).

This highlights how cask has failed to tap into premiumisation in the way the craft and world lagers have.

So where has it gone wrong for cask?

We will examine that in great detail over the course of this report but areas such as consistency of the product, customer perceptions about taste, and the trade's relative failure to recruit new drinkers to the category all play a part.

But it really should be doing better.

According to CAMRA, brewery numbers in the UK are at heights we have not seen since the 1930s. There is a love and interest in beer and in locally produced, crafted products. Cask ticks those boxes.

The good news is that there are no insurmountable barriers to a return to growth. In fact, there are many reasons to be cheerful about cask's future prospects. The key now is realising that some things around the way cask is presented to the public need to change.

GLASS HALF FULL

For starters, cask is still a hugely significant part of the market. It makes up 55% of the overall on-trade ale category (CGA). In turn, ale accounts for a quarter of all UK on-trade beer sales.

KEY INSIGHTS

- Overall the cask market is down 6.8% in volume.
- Golden beer is growing across the board in cask and keg formats.
- Cask is still held in high regard by licensees.
- The majority of beer drinkers include cask in their repertoires.
- Leading cask brands are outperforming the market.

The decline in cask is largely seen in the more traditional amber beers. At the same time golden beers are experiencing growth. In the last 12 months traditional golden ale volumes have grown 6% according to CGA. Golden craft (which includes some cask) is up 22% in that time, suggesting there may be even more opportunity for cask in this area.

Major brands can also play a part in the resurgence of cask sales on the bar. CGA data shows that the majority of top 10 cask brands are outperforming the overall category decline.

Familiarity with brands and consumer trust is arguably being underestimated in the on-trade.

Landlords too remain passionate about a product that remains a significant point of difference in their businesses.

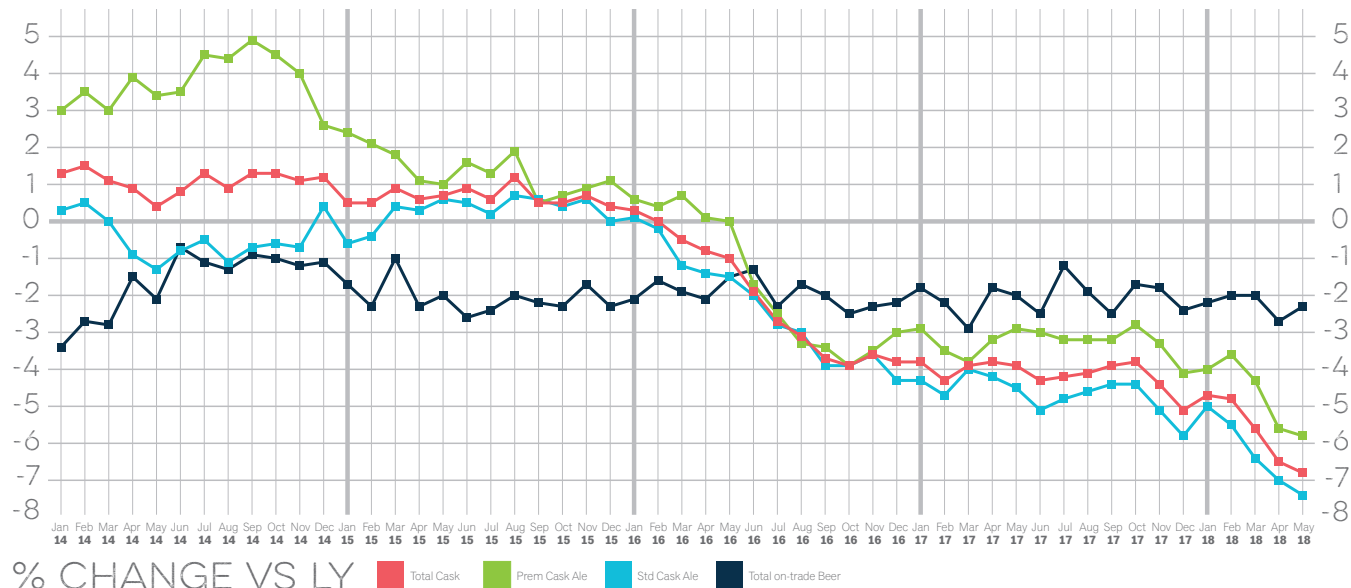
Of the 900 licensees we surveyed, 70% said they were either passionate about cask or that they thought it was a great drink. They drink it when they go out themselves so, in theory, it should be in safe hands. Only 16% of licensees had a less than positive response to cask, saying they either don't like it or are not passionate about it.

Despite the overall decline in sales, the majority of licensees say cask remains a key part of their business. 84% told us that cask is as important to their business or even more important than it was four years ago.

84%

TOLD US THAT CASK IS AS IMPORTANT TO
THEIR BUSINESS OR EVEN MORE IMPORTANT
THAN IT WAS FOUR YEARS AGO

ON-TRADE CASK AND TOTAL ON-TRADE BEER CHANGE SALES (MAT)



Nearly half (49%) say this is because of growing consumer interest (see chart, right).

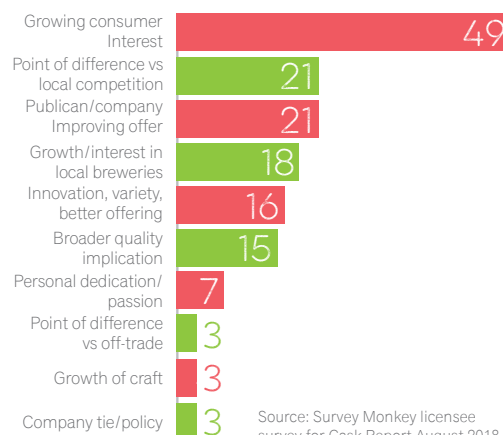
And let's not forget the consumer here. Most beer drinkers (68%) count cask as part of their repertoire. As you will see later in this report, our research indicates that more people than ever may be drinking cask, but just not as often as they used to.

The over 50s are the most likely to have tried cask and the under 30s the least likely. This means the onus is now firmly on the trade to attract new people to the category. *By Matt Eley*

CONSIDER THIS

- Have you the correct range for the customers you wish to attract?
- Does your cask offer appeal to new entrants to the category?
- Do you have a recognised cask brand on the bar?

LICENSEES SAY WHY CASK IS BECOMING MORE IMPORTANT



Source: Survey Monkey licensee survey for Cask Report August 2018.

THE PUB

BUSINESS RATES AND BEER DUTY HIKES, RISING COSTS, SUPERMARKET PRICING AND CHANGING CUSTOMER HABITS ARE JUST A FEW OF THE FACTORS THAT HAVE COMBINED TO CREATE A 'PERFECT STORM' FOR THE PUB TRADE TO CONTEND WITH OVER THE LAST DECADE OR SO.

This, in turn, has put pressure on overall beer volumes. However, cask remains a key point of difference for the on-trade and a product that many licensees are passionate about.

PUB CLOSURES

The national story around pubs has generally focussed on closures – up to 18 per week according to CAMRA (August 2018), though this figure does not account for pub openings.

Over the last 18 years the number of pubs in the UK has dropped by 20% – from 60,800 in 2000 to 48,350 last year (BBPA).

UK PUB LANDSCAPE

	2000	2017
MANAGED:	14,400	9,400
TENANTED & LEASED:	27,200	16,300
FREEHOUSE:	19,200	22,650
TOTAL:	60,800	48,350

Source: BBPA.

BEER IS A CROWD PULLER

Beer remains an important attraction for those going to the pub. 40% of people say a great beer range makes a great pub. It is also the favourite pub drink of 44% of people. Source: Long Live the Local.

While freehouses are the only sub-sector that has gone up in numbers since the turn of the century, cask is actually becoming more important to managed houses.



£23.1BN

THE AMOUNT PUBS CONTRIBUTE
ANNUALLY TO THE ECONOMY Source: CAMRA.

Half of managed houses (50%) say cask is a little or much more important to their business than it was four years ago. This number falls to 43% for tenanted and leased pubs and 37% for freehouses. However, licensees clearly still see the value in cask with 85% saying it is more or as important to their pubs than four years go.

Source: Survey Monkey licensee survey Cask Report 2018.

PUB VISITS

The frequency of pub visits has dipped.

YouGov research for the Cask Report reveals that 32% of people visited a pub more than once a month in 2017. This was down from 35% in 2015.

Demographics that are traditionally keen on cask are visiting pubs less often than others. Our OnePulse consumer survey shows that 65% of those aged between 35 and 44 are likely to drink cask on a pub visit – but only 25% of that age group go to the pub as often as once a fortnight.

Younger adults are more likely to go to the pub but are less likely to drink cask. 42% of those aged between 18 and 24 are likely to visit the pub every couple of weeks but two-thirds (66%) have never even tried cask ale.

THE PULL OF THE PUB

Consumers are generally going to the pub less. Many reasons for this came up in our focus groups, such as 'having less money', 'settling down and having kids' and 'pubs being less welcoming than they used to be'.

When people do go out they are often looking for events and experiences.

Nearly half of pub goers have been for a planned meal or drink with family and friends (57%). This is significantly higher than the 47% who did the same thing spontaneously over the same 12-month period.

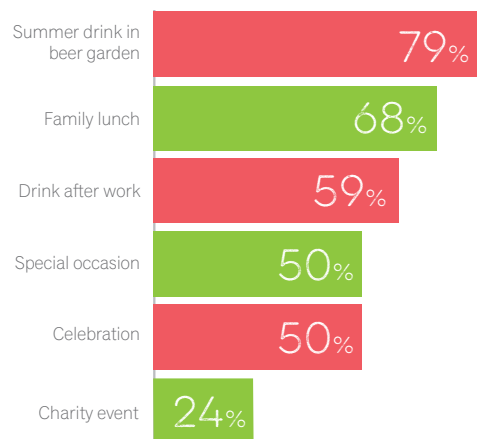
Other popular reasons for going to the pub are birthday parties (29%), work socials (28%) and dinner deals (22%). Source: YouGov Survey, Cask Report 2017.

Activities people have seen in pubs in the last year include pub quizzes (66%), karaoke (37%), gigs (36%), comedy (26%) open mic (26%).

Source: Long Live the Local.

By Matt Eley

WHAT EVENTS ARE BEST SUITED TO A GREAT LOCAL?



Source: Long Live the Local.



KEY INSIGHTS

- ◆ Pub numbers are in decline and the reasons for customer visits are changing.
- ◆ Events and experiences index highly as reasons for pub visits
- ◆ Beer remains synonymous with the pub experience
- ◆ Younger people are more likely to visit the pub regularly, but less likely to drink cask

CONSIDER THIS

- ◆ Make cask serving suggestions with meals.
- ◆ Beer based events such as festivals, tap takeovers, tutored tastings and meet the brewer nights.
- ◆ Organise events in your pub to attract a wider audience.



THE CASK DRINKER

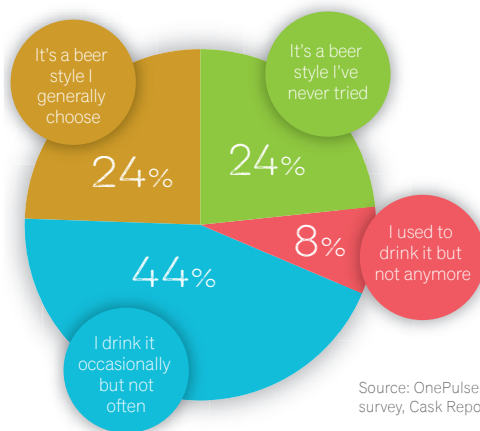


CLOSE YOUR EYES FOR A MOMENT AND PICTURE A TYPICAL CASK DRINKER. WHAT DID YOU SEE? MAN? WHITE? OVER 50?

The evidence tends to point in that direction too. This has some advantages. Cask drinkers are happy to spend money at the pub and can be the people who influence where the group goes out.

However, the downside is that if cask does not start to recruit new drinkers soon it will be heading to the grave along with its predominant fan base.

What's more, cask drinkers, like most pub goers these days, are repertoire drinkers who are not solely committed to ordering from the handpumps. So not only does cask have to bring new people in, it needs to do more to encourage the mainstay to keep loyal.



Source: OnePulse consumer survey, Cask Report 2018.

ACROSS THE COUNTRY

Cask features in the repertoire of 70% of beer drinkers, but its popularity varies across the country.

The regions where people are least likely to have tried cask are the North West (29% have never tried it), Scotland (28%) and the North East (28%). The more loyal cask drinkers – those who generally choose to drink it – will be found in Yorkshire (28%), East England (28%) and the South West (27%).

One thing that remains consistent across the country is that in every region more people picked the option 'it's a beer I drink occasionally but not often' than picked any other.

Source: OnePulse consumer survey Cask Report 2018.

AGE

As a general rule, the older the customer the more likely they are to be loyal to cask.

At the upper end of the age categories 33% of 55 to 64-year-olds say that it is a beer style that they generally choose to drink. This percentage is almost chopped in half when it comes to those who are just starting out on their pub experience with only 18% of 18 to 20-year-olds generally opting for cask as their preferred beer style.

That age group is also the least likely to have tried cask: 29% having never sampled it. Similarly, 28% of 21 to 24-year-olds have not drunk cask. That number falls to 21% for 25 to 34-year-olds.

The numbers make it clear that more needs to be done to get younger drinkers to sample cask to grow the category.

But if younger adults are also more likely to work behind the bar are they going to have the confidence or knowledge to recommend cask?

Another issue cask faces is those that are most likely to order it are among the least likely to go to the pub.

65% of 35 to 44-year-olds would 'always' or 'often' order cask. However, only 25% of that group go to the pub once a fortnight or more – the least of any age category we talked to.

MALE V FEMALE

Men are more likely to be committed cask drinkers but more than half of women have it every now and then or choose cask regularly.

	MALE	FEMALE
IT'S THE BEER STYLE I GENERALLY CHOOSE	31.1	15.7
I HAVE IT EVERY NOW AND THEN	46	41.4
I USED TO, BUT NOT ANYMORE	8.2	7.8
NEVER TRIED IT	14.6	35.2

35% of women told the Cask Report they had never tried cask, compared to 15% of men. The main reasons being 'it never occurred to me' (27%) and 'I don't think I would like the taste' (25%).

Source: YouGov survey Cask Report 2017.



KEY INSIGHTS

- ◆ Loyal cask drinkers tend to be in the older age brackets.
- ◆ Men are more likely to drink cask but more than half of women are open to drinking it.
- ◆ Younger pub goers are the least likely to have tried cask.
- ◆ Those who are most likely to order cask are among the least frequent pub visitors.

BACK IN THE PUB

42% of cask ale drinkers go to the pub once a week or more, compared to 20% of the total survey sample and 26% of men (13% of women).

SOCIAL CLASS AND WORKING STATUS

There is a slight class bias towards the middle and upper class when it comes to cask.

39% of ABC1 respondents have tried cask, compare to 32% of C2DE drinkers. 25% of ABC1 consumers had 'drunk cask in the last three months' compared to 15% of C2DE drinkers. **By Matt Eley**

Source: YouGov survey, Cask Report 2017.

CONSIDER THIS

- ◆ Offer try before you buy samples to encourage new recruits to try cask.
- ◆ Does your cask offer have appeal beyond your core drinker?
- ◆ Train bar staff to sample and understand cask so they are more likely to recommend it.
- ◆ What do you need to offer to encourage more cask drinkers into the pub? (See page 9).

THE CASK OCCASION

EVERY VISIT TO A VENUE WITH A CASK OFFERING IS A POTENTIAL CASK OCCASION BUT FOR MANY CONSUMERS CASK IS OFTEN ASSOCIATED ONLY WITH SPECIAL EVENTS.

The Cask Report focus groups were comprised of people from outside the beer bubble, those who are not committed to cask but could be tempted.

Ordering a pint of cask is not something they would normally do but they might when:

- “a knowledgeable cask ale drinker is in charge of ordering”
- “on holiday or in a country pub”
- “at home for Christmas with mum and dad”

The first occasion points to a lack of knowledge about cask and a fear of getting it wrong.

The second two examples tie-in more with special occasions and events, which are increasingly the predominant reasons for people going to the pub.

TIME OF YEAR

Cask mirrors the rest of the UK beer market in that sales peak in December and are at their lowest in January. This clearly shows the importance of Christmas and New Year to the UK on trade.

BBPA stats indicate that April is consistently cask's second best performing month of the year, which will be related to Easter and St George's Day celebrations.

Halloween has become an increasingly important event for the on-trade.

23% of people went to the pub last year for a special event such as Christmas or Halloween. This increases to 35% for cask ale drinkers.

Source: YouGov Cask Report survey 2017.

SPECIAL OCCASIONS

Events such as birthdays, work socials, and pub quizzes are all reasons people state for attending the pub. Cask drinkers are more likely to attend these than the rest of the general public.

REASON FOR VISITING A PUB	ALL	CASK DRINKERS
BIRTHDAY	29%	35%
WORK SOCIAL	24%	38%
PUB QUIZ	17%	30%
PLANNED DRINK OR MEAL	58%	78%

And cask drinkers will spend more than average at events too. 15% of people spend £50+ at a special occasion. That increases to 23% for cask drinkers – more than is paid out by lager, cider, wine or spirit drinkers.

Source: YouGov Survey Cask Report 2017.

WEEKEND V WEEKDAY

Cask drinkers are looking for a different experience at certain points in the week.

At the weekend 59% of cask drinkers want to order beers with an ABV between 4% and 6%. On midweek lunchtimes 40% of cask drinkers do not drink at all. Those that do, want something less strong with 41% opting for a beer between 2% and 4% ABV.

This changes again on weekday evenings when 34% of cask drinkers want something between 2 and 4%, and 48% go for a 4-6% ABV beer.

Source: YouGov survey Cask Report 2017.

FOOD

Cask beer is not a high-energy occasion drink, with just 2% of all ale sold in nightclubs and music venues. It is more associated with food.

Source: Kantar Alcovision Dec 17.

72% of ale drinkers visit wet led bars and 68% will also visit pubs that serve food. This is higher than lager drinkers on both counts (65% and 63%).

Most ale is sold in traditional pubs (37%) and community pubs (17%) but the 13% sold in food led pubs is a significant chunk and ranks even higher than social clubs (12%).

30% of cask drinkers have visited a pub for a dinner deal, compared to 22% of the wider general public. Source: YouGov Cask Report survey 2017.



KEY INSIGHTS

- ◆ Infrequent cask drinkers see it as a 'special occasion' drink.
- ◆ What cask drinkers want varies throughout the week.
- ◆ Events are key drivers of business and cask drinkers are more likely to be at these events.

AT THE BAR

Would more people order cask if they felt less pressure at the bar? This was a common theme in the focus groups.

"If I look at that array of different beers I'll end up going: 'Err...' and then just get something that I know. I feel like I have to make a quick decision. I don't know enough about real ales to know 'that's the one to get for me' or 'that's the one I'll like!'"

Cask Report Focus Group 2018.

Would there be more cask occasions if cask was more visible among the bright and dominant lager fonts? **By Matt Eley**

CONSIDER THIS

- ◆ Match your cask offer to occasions and events.
- ◆ If you have a large function discuss cask options with the contact.
- ◆ More signposting and information could create more cask occasions.
- ◆ Think about cask options for different times of day as well as the season.
- ◆ Have a range of ABVs to satisfy lunchtime and evening drinkers.

PERCEPTIONS OF CASK

OPPORTUNITIES FOR CASK ALE TO BECOME MORE INTRIGUING, RELEVANT AND EXCITING TO A BROADER AUDIENCE CERTAINLY EXIST. BUT, TO UNLOCK THEM, ITS IMAGE MUST BE DEVELOPED TO LOOK AND SOUND MORE APPEALING TO NON-CASK DRINKERS.

Cask ale meets the needs of many topical consumer food and drink trends, but is still not identified as relevant to the average consumer.

Focus groups of men and women gathered in four cities across the nation were, in a series of interviews, asked for their views on cask ale, beer, going out and their drinking preferences. Their responses revealed new insights into how the industry can help people understand cask ale. And not just find it more interesting, but compelling enough to select it as a lifestyle choice.

YOU'VE NEVER TRIED CASK ALE, BUT WHAT DO YOU THINK IT TASTES LIKE?

Asking people who don't drink cask ale to describe its flavour is quite telling. Some people say things like "hoppy" or "bitter" but without really likening it to anything. And others choose to explain its flavour by using words and terms that don't describe its taste. "It's brown"... "it's hit or miss"... "it isn't as gassy as lager"... "it's warm"... "it's flat"

But what is clear is that non-cask ale drinkers do not think it is tasty or delicious and that is why most avoid ordering it.

Cask ale, to people who do not drink it, remains a mystery. Whether that is positive or negative. There is work to be done. People would benefit from understanding more about different beer styles and the nuances of flavours. This could be achieved by describing things they know and love. Like honey, chocolate, brioche, roasted coffee or sharp citrus – since the myriad of flavours across beer styles can be very different. People really need cask ale to be likened to things they already know and understand.

WHY PEOPLE DON'T ORDER CASK ALE

It is understandably the case that when people don't know about something, they are unlikely to get enthusiastic about it. It makes them feel foolish and unknowing – feelings they do not want to experience while out socialising.

It makes sense therefore that the primary barrier to people not ordering cask ale is a mix of 'fear of the unknown' combined with an off-putting 'old fashioned' image.

To the uninitiated, it's daunting to ask to try a drink before committing to buying it. Even more so if it is a drink where ambivalence is already a factor.

Asking for tasters makes people apprehensive: "Ordering a beer is a bit of a scary process", said one female respondent, explaining: "I know a lot about wine and I know a lot about gin, but if you have something new you need to say: 'Can you pour me a little bit of that, so I can try it?' And I find that is a bit of a difficult situation. I'd be fine doing it with wine or gin, but with beer I think there's more of a barrier."

For a drink that has historically been marketed to men and not women, it is understandable that it is not hugely approachable to all people equally and this needs improvement.





SMALL CAN BE BEAUTIFUL

Another aspect that does not work in its favour in terms of perception is cask ale's pint glass measure. People admitted that committing to a big glass of beer made them fret. If they made a bad ale choice they would be stuck drinking an enormous volume of beer they didn't really enjoy. "If you buy a pint and you don't like it, it's a waste," said one man. People like to feel informed, and generally don't want to look like they need help. This barrier can be removed if people can read something that identifies typical flavours of each new beer on cask as well as know that smaller-sized glasses are available.

Cask ale's image can be revitalised by improved marketing that considers an audience of pub goers who are looking for a fresh, natural and flavoursome drink. Currently, cask ale is being marketed to cask ale converts and not those who are new to beer or non-beer drinkers looking for a change. It fails to target millennials or Generation Z, despite answering their desires for a low alcohol drink that is good value and full of flavour. Cask ale has potential for further growth if its image is rejuvenated. *By Jessica Mason*



KEY INSIGHTS

- ◆ Few people really know the difference in how cask ale is made compared to other beers. What they do know has largely been grappled from bits and pieces picked up from hearsay. They don't feel cask ale is relevant to them or aligns with their tastes or lifestyle.
- ◆ The majority of non-cask ale drinkers think cask ale is flat and warm. They believe beer needs to be served at a very cold temperature to be flavoursome and refreshing.
- ◆ Cask ale is perceived to be a drink enjoyed mainly by old men. As such, it lacks aspirational intrigue and appears to be a little stuck in the past. Invariably, this means it is not coveted in terms of its image. Or rather, it doesn't make people look good if they order it. That needs to change.



~~~~~ CONSIDER THIS ~~~~~

- ◆ Initiate tastings in small measures. Place a short description of the flavours of each beer on the bar. Offer try before you buy. Pour out small shot glasses of each beer and place them in front of the pumps for people to see the colour of the beer. Encourage people to try new cask beers that are available. People just want to avoid confusion over what they are ordering. During one of the focus groups, one of the women said: "I think sometimes it helps when they've got a colour of what it will actually look like – then you can think: 'Okay, that helps me understand what it might be like'".
- ◆ Showcase your smaller half pint or two-third pint glassware. If your glassware needs updating, consider investing in some new ones with a short stem and tulip shaped to trap all the aromas. Go for elegant and stylish over large and chunky to help present the beer as more indulgent and enticing.
- ◆ When people approach the bar they often have no idea what they will order, so revert to their default choice or something they recognise. There's a chance they would choose differently if they knew a few things about the cask ale you have available. One way to tackle this might be to chalk up a few pointers in eye line. For example: Most local beer; best value beer; lowest ABV beer; tasting great right now; bartender's choice.



LESSONS FROM...VINYL

MUSIC JOURNALIST ANDREW HARRISON LOOKS AT THE LESSONS CASK CAN LEARN FROM VINYL'S RETURN TO FAVOUR.

If your industry deals in products that stand against the mass produced, then recent sales figures for music on vinyl should give you hope.

Vinyl sales for 2017 were the highest in 25 years according to the British Phonographic Industry, up 27% on 2016. Customers skew surprisingly young too, with a Kantar Worldpanel survey finding that under-25s accounted for 26% of vinyl sales in 2018's first quarter against only 18% of CD purchases.

In truth vinyl remains a niche phenomenon, selling only 4m units or 3% of the UK music market in 2017 compared to over 40m CDs. But it remains an example of how connoisseur products can punch above their weight and – potentially – a test case for brewers looking to gain traction in the market.

Matt Beaumont of long-established Leeds retailer Jumbo Records has collaborated with Kirkstall Brewery, Zapato and Revolution to produce annual Jumbo beers for Record Store Day.

"Vinyl is about quality but also it's about identity," says Beaumont. "When you buy a vinyl record you're showing people who you are. It's different, it's got character, it exists outside the mainstream and it's about really high quality.

"To me, that's the advantage that craft and cask ales have in the market. They're a badge. What you drink and what you listen to is all about expressing who you are."

Others in the music industry think that small brewers can learn from indie record labels – the scrappy, fast-moving DIY outfits that discover trends early and gave British music everything from Joy Division to Altern 8 to the Arctic Monkeys.

"Indie labels and indie brewers are very similar creative businesses and they have the same challenge," says Adrian Pope, Head of Digital at PIAS, which runs its own record labels and distributes over 100 indies. "How do you get that special, unique product to market and let its identity shine without compromising it? How do you compete without selling out?"

Vinyl, he says, is “hugely important” to PIAS’s labels as a way to establish authenticity in the market and create excitement. “People will buy and cherish a vinyl pressing because it’s a beautiful artefact, they feel they’re supporting the artist and there’s a sense of ownership. Vinyl gives meaning to your purchase.”

The lesson for brewers is clear: create covetable objects that build a sense of community, as well as great beer. “It’s about turning a customer into a fan and an advocate.”

Pope also cites the “huge potential” in direct-to-consumer sales where independent creators can create truly bespoke, limited or specialist products that customers will be happy to pay a premium for. If record labels can super-serve fans with exquisitely-designed collectors’ vinyl box sets, could indie brewers capitalise on their own history with box sets of limited run spin-offs from beloved beers, with appropriate merchandise?

For Rich Walker, Strategy Director at 4AD – legendary indie label and home to The Cocteau Twins, Pixies and now The Lemon Twigs – the surge in independent brewing is almost an exact replay of what happened in music in the late 70s and early 80s. “Indie labels appeared in the late 70s because people could finally make and distribute records the way they wanted, and play the majors at their own game,” he says. “It’s exactly what craft beer brewers have been doing. When you see Beavertown and Camden Brewery being bought up, or Guinness launching Hop House, it’s exactly what the major record labels did to try to cope with the indies.”

In the 1980s 4AD carved out a worldwide reputation based on Vaughan Oliver’s uniquely beautiful and complex artwork, a factor which remains integral to the label’s success. “We’re built on a strong aesthetic,” says Walker, “and physical product is a key way of getting that out there.” The difference now is that the album artwork will also become an Instagram post and a tour poster – the point around which all activity will pivot, and a trick that indie brewers could easily borrow. 4AD’s own fondness for beer extends to a relationship with Orbit Brewery who have created a Pixies beer and one called Ivo, named after 4AD founder Ivo Watts-Russell.

As Walker points out, the vinyl boom is just one aspect of music “superfans” ever-changing affair with bespoke – and ideally rare – physical product. An Entertainment Retailers Association survey in May showed that a hardcore of superfans are responsible for 72% of vinyl purchases. “Superfans will spend up to £40-£50 on a rare special edition, maybe bundled with a t-shirt or art prints,” says Walker, “and lot of fans would rather buy direct from the artist. If you’ve got 1,000 superfans who are really keen on your stuff, you’ve got the basis of a business.”

Whether it’s vinyl or cask ale, superfans can’t make a business huge on their own. But they can become a solid foundation that, if you treat them right, will never desert you.

“You want them to feel a part of what you’re doing,” says Rich Walker. “You want them to be your fan club.”



CRAFT AND CASK

CASK ALE AND CRAFT BEER HAVE A TROUBLED RELATIONSHIP. ARE THEY TWO TERMS FOR THE SAME THING? MORTAL ENEMIES? OR COMPLEMENTARY ALLIES IN THE TREND TOWARDS BEERS OF FLAVOUR AND CHARACTER?

Few terms polarise people in the beer and pub industry like 'craft beer'. To some, it's a hipster fad, to others, the best thing that's happened to beer in generations. You may think it's a product of marketing hype. You may even be one of those people who, despite an awful lot of evidence to the contrary, insists that there is actually no such thing as craft beer, that it doesn't exist at all, because it lacks a universally agreed technical definition.

Whatever your personal views, craft beer undoubtedly exists, because according to Mintel, 13 million British adults say they drink it. Those people are not experiencing a mass hallucination.

After a decade of debate, those still fretting that craft needs a technical definition on a par with that for cask ale can relax: according to research conducted for Marston's, 98% of ale drinkers say they are aware of craft beer, and 67% say they understand what it is. Almost half of them say they drink it. So craft seems to be doing just fine without a technical definition.

By contrast, cask ale has a technical definition that doesn't seem to be doing it much good. Research for the Cask Report found that most drinkers were unaware of the strict definition of cask, and remained confused and uncertain when it was shown to them.

Drinkers are more interested in the characteristics of beer rather than definitions of it. The characteristics of both craft and cask are clearly understood by drinkers, and they have a lot in common. Both craft and cask are perceived as being quality, flavourful beers produced on a smaller, local scale than big industrial beers.

CRAFT AND CASK HAVE A SIGNIFICANT OVERLAP IN TERMS OF PERCEPTION

WHAT DO 'CRAFT BEER' AND 'REAL ALE' MEAN TO YOU?



Source: Big Beer Ballot 2018, Colour and Thing for Box Stream Brewery.

In the past, the Cask Report has argued that cask and craft are interlinked, and this has divided opinion. But if consumers are telling us that cask and craft are two aspects of the same thing, it doesn't matter what the industry thinks: consumer opinion is the only one that matters. In qualitative research for the Cask Report, consumers would refer to BrewDog as a 'real ale brewer' even though they famously produce no cask ale. Others interpreted craft beer as an updating, a modernisation of cask ale. These are loose, hazy concepts in the consumer's mind.

Where craft and cask differ is in their image: cask ale is widely thought of as an 'old man's drink', in a way that is fond rather than negative, but still means it lacks relevance for younger drinkers. Craft can be seen negatively as a trendy hipster fad, but more often, its modernity makes it more relevant and appealing.

Here's the issue for cask ale: cask is recessive on the bar. It tends not to get noticed. There's nothing to challenge the perception of it as an old man's drink. Whereas craft – especially in cans – is eye-catching and intriguing and gets noticed more. There is a long-term trend towards more interesting and flavourful beers. This trend once benefitted cask ale, which a few years ago returned to growth after





KEY INSIGHTS

- ◆ Cask ale and craft beer overlap in drinkers' minds.
- ◆ Craft beer potentially repositions cask as old-fashioned and out-of-touch.
- ◆ But cask is the godfather of craft beer – which is why it is still revered by craft beer fans and brewers in the US and all over the world.

a long period of decline. When we segment cask drinkers by age, there's a bump in drinkers aged 35-44. Five to 10 years ago, these were the drinkers in their twenties who came into cask as they graduated from lager to more interesting beer. But today's under-30s are being recruited into craft instead.

Volumetric analysis shows that the growth of craft is taking volume mainly from lager. But that's because there's so much volume in lager to take from. Craft is also taking drinkers and occasions from cask ale. When people dismiss craft as only accounting for 5 or 6% of on-trade beer volume, it should be pointed out that this makes it already one-third the size of cask ale after just a decade. When we asked licensees who say they are selling less cask ale than they used to why that is the case, almost unanimously they cited the growth of craft in keg and other formats.

From a licensee point of view, apart from customer demand, the margins for craft are also greater. And given that most bar staff tend to be in the generation that is being recruited to craft, they are more likely to champion it over cask.

The irony is that cask ale gave birth to modern craft beer. Most of the early pioneers of the American craft beer movement cite cask as their inspiration, and express their admiration for it still. Cask ale festivals in cities such as Toronto and Boston are seen as rare chances to enjoy this exotic beer by US craft fans.

SO HOW COULD THIS HELP REVIVE THE FORTUNES OF CASK?

It would be a mistake for cask ale to simply clothe itself in craft beer branding (but not as big a mistake as simply attacking craft as the enemy of cask beer.) Cask needs to tell its story proudly, and use the overlap with craft beer to recruit new, younger drinkers. Energy and confidence are the difference between being old-fashioned, 'old-man beer' belonging to a bygone age, and being seen as old-school, classic, influential, even legendary. As the craft beer world increasingly seeks more 'sessionable' beers, there's no reason cask ale should not be relevant to the younger cask drinker. *By Pete Brown*

CONSIDER THIS

- ◆ Celebrate the overlap, draw attention to the commonalities between cask and craft.
- ◆ Tell the story of cask ale as the continuing inspiration for craft beer to highlight its relevance.
- ◆ Use cask's position in the US to reframe perceptions of it here.
- ◆ Promote cask ale's sessionable strength. (Many drinkers wrongly perceive it to be stronger on average than other beers.)

TEMPERATURE

IS IT TIME TO CONSIDER COOLING CASK TO SEE IF IT CAN TURN UP THE TEMPERATURE ON SALES?

Our own research along with another study by Molson Coors indicates that there is indeed an appetite for cask served at a cooler temperature.

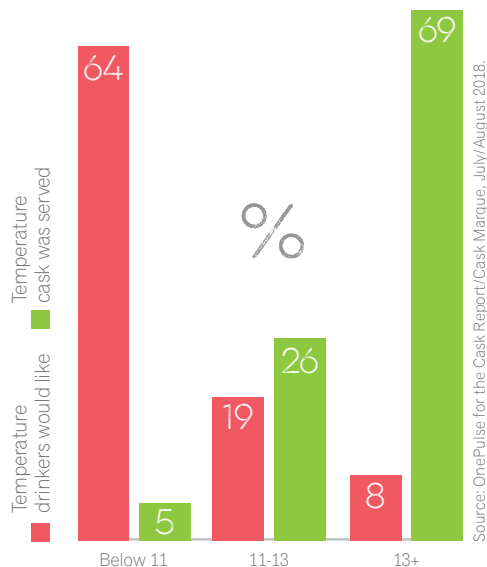
All this comes against a backdrop of pubs struggling to maintain recommended serving temperatures, particularly in the summer months.

'Cooler' cask would not only create a point of difference at the bar but could be a way of recruiting new drinkers to cask who will be more familiar and comfortable with the colder servings of craft beers and lager.

Two-thirds of cask drinkers told us they would prefer cask to be served at a cooler temperature than the recommended 11-13°C.

And this is not just occasional cask drinkers. More than half (56%) who say cask is their favourite beer style say they would prefer it served cooler than 11°C, while only 29% say they prefer it at the recommended serving temperature of 11-13°C.

CASK IS SERVED FAR WARMER THAN THE VAST MAJORITY OF DRINKERS WOULD LIKE



The preference for a cooler temperature is consistent among all age groups up to those aged 55+. Similarly, those who drink cask regularly are more likely to be happy with cellar temperatures as they currently should be. This points to a scenario where the baby should not be thrown out with the bath water.

Alternative serves should be considered rather than simply dropping the temperature from current recommended guidelines as this runs the risk of alienating core customers.

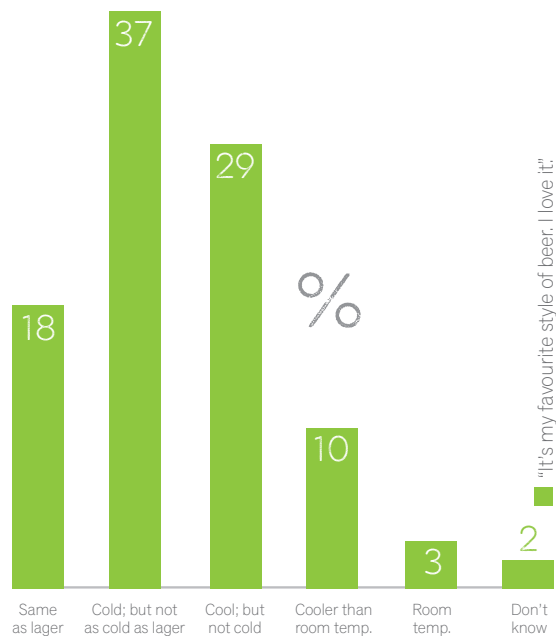
The Molson Coors study reinforces that there is an appetite for cask served at lower temperatures. Reasons given were that it would be more refreshing, preferable in the summer and could appeal to a younger audience.

Further to that, 12% of people said that one of the reasons they are put off the category is being served a warm pint of beer.

It was the third most stated reason, behind cask being poorly kept (31%) and cask being poorly served (29%).

All three reasons again highlight the importance of looking after cask, training staff to deliver it properly and giving customers what they demand.

WHAT WOULD YOU PREFER THE TEMPERATURE OF CASK ALE TO BE?



TOO HOT TO HANDLE

Not only does the evidence suggest that customers would like cooler cask but that there are also too many examples of it being served above recommended temperatures.

During the month the Cask Report research took place, cask volumes fell by 10% versus the previous year.

Meanwhile, Cask Marque monitoring during July 2018 showed that almost 7 in 10 pints of cask were served warmer than the recommended temperature of 11-13°C.

Only 26% were served at the recommended temperature and 5% were served below 5°C.

Worryingly, 2% were served above 20°C.

Hot weather clearly makes it tougher to maintain cellar temperatures. Further Cask Marque analysis shows that in June, 25% of cask dispensed was at 14°C +. In January the figure was 17%.



These figures suggest that some pubs have difficulty all year round in maintaining cellar temperatures.

Some of this makes for gloomy reading. The action that needs to be taken on temperature is clear.

And cooler cask is likely to create a significant volume uplift.

By Pete Brown and Matt Eley

KEY INSIGHTS

- Most cask ale is served far warmer than even devoted cask drinkers would like.
- Pubs are struggling to serve beer at recommended temperatures.

CONSIDER THIS

- Buy a beer thermometer.
- Use thermometers to regularly check the temperature of beer in the glass is 11-13°C.
- Trialling cask served at a lower temperature.
- Selling the same beer at different temperatures, one with a 'cooler cask' option.

CASK QUALITY

THE IMPORTANCE OF QUALITY IN CASK ALE IS A MANTRA TO THE PUB INDUSTRY. BUT LIKE MANY MANTRAS IN THEIR ORIGINAL RELIGIOUS SENSE, IT CAN SOMETIMES FEEL LIKE WE UTTER THE WORDS BY ROTE WITHOUT REALLY THINKING ABOUT WHAT THEY MEAN.

Any responsible publican knows that cask ale takes a little extra effort to keep well. When asked, they'll say it's worth that effort. Some of them will even mean it. So why does the quality of cask remain so variable?

Partly it's because many publicans know what they should be doing, but feel they know better or can get away with not seeing the details through. When the Cask Report asked, over 90% of publicans said they were aware of advice on how to keep cask well and did their best to follow it, or didn't even need such advice because they were expert cellarman themselves.



40%

OF CUSTOMERS WOULD NEVER
COME BACK AFTER A BAD PINT

When it came to some of the detail, two-thirds of the sample said their cask ales never stayed on sale for more than three days. And yet, research carried out by Vianet, who monitored the actual flow of beer thorough the pumps, revealed that the majority of pubs sell less than 72 or 88 pints per tap per week – which means standard-sized cask is typically on sale for seven days or more.

This knowing nod to best practice continues around the thorny issue of what happens when a customer brings a sub-standard pint back to the bar. Our research showed that 89% of publicans claim to have a policy in place for when this happens. Almost all said they would offer the customer a replacement or refund. Yet a separate piece of consumer research, showed that in reality this only happens 77% of the time. 80% of publicans said they would taste the pint themselves to check it, whereas drinkers said this only happened 39% of the time. 59% said they would take the beer off sale, but only 23% of drinkers claim this happened when they complained.

The broader worry behind this is that according to Vianet, only 34% of customers complain about a bad pint in the first place. Compare that to the 40% who say they would simply leave the pub and not come back, and the scale of the hidden problem of quality becomes apparent.

So why do two-thirds of drinkers served a bad pint never complain? The answer to that helps us unpick the true nature of the quality problem.

While there may be the occasional issue with filthy lines or infected beer, in the vast majority of cases quality is a question of degree. Between 'perfect' and 'completely undrinkable', there are degrees of dullness, flatness, staleness or sourness. Maybe the beer has been on too long as Vianet has shown. Maybe it's been put on sale too early after tapping and venting (58% of publicans say they put cask on sale before its recommended three days cellar conditioning) or maybe it's being served at the wrong temperature (see pages 22-23).

The issue is, most cask drinkers only drink it occasionally, and so they simply don't know enough about cask, and therefore don't feel confident enough to complain about a substandard pint.

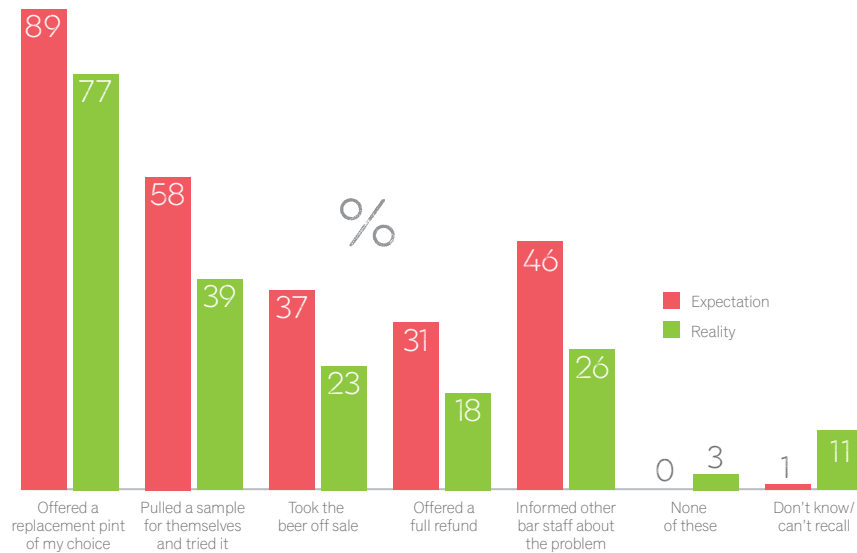


THE OCCASIONAL CASK DRINKER' DYNAMIC

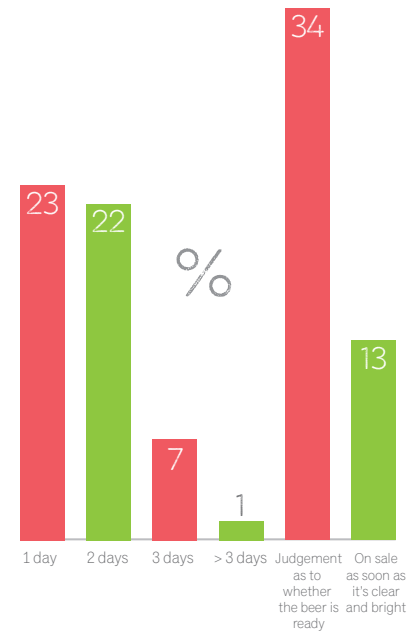


Source: Cask Report 2018
Licensee and Consumer Research.

THINKING ABOUT WHEN YOU HAVE COMPLAINED ABOUT A 'BAD PINT'...WHICH, IF ANY, OF THE FOLLOWING ACTIONS WOULD YOU EXPECT BAR STAFF TO TAKE? AND WHICH DID THEY TAKE?



ONCE YOU'VE TAPPED AND VENTED A CASK, HOW LONG DOES IT STAY IN THE CELLAR BEFORE YOU PUT IT ON SALE?



Because cask ale can be recessive on the bar compared to other beer and cider taps, they don't order it very often. That means they don't learn much about this complex drink. Because they don't know much about it, if they get a pint they don't like, they don't know if this is because the beer is 'off' or that it simply doesn't appeal to their tastes. (This is exacerbated by untrained staff saying thing like 'It's real ale; it's supposed to be like that.') This creates uncertainty that makes the drinker more likely to choose more consistent beers, even if they're potentially less interesting. Which makes them less likely to order cask next time they're in a pub. And so it goes on.

TRAINING

This is where training comes in because while licensees say they have a policy in place and, in most scenarios, will replace a beer if a customer complains, it is worth considering if this is being filtered down to all staff.

Whether licensees admit it or not, training around cask is crucial to its future. 70% of licensees told us they were happy or very happy with the training and support they receive on cask. That leaves 30% who are either neutral or not satisfied. That number needs to shrink.

That happiness is also skewed towards bigger pubs. The bigger the pub the happier they are with cask training.

In pubs with a turnover below £4k, 33% of licensees are very happy with cask training. This compares to 64% of those with a turnover of more than £20k.

Gaining Cask Marque accreditation would be a step in the right direction. Only 9% of Cask Marque pubs would fail the Cask Marque inspection, compared to half (49%) of non Cask Marque pubs.

The Cask Marque plaque is recognised by 77% of drinkers.

Similarly, pubs should consider the 'Score on the Cellar Door'. The cellar is to beer as the kitchen is to food. Gaining a 4 or 5-star rating on your cellar sees yields and quality improve 7%+ and 2% respectively.

GLASSWARE

It's another oft-repeated mantra but cask must come in the right glass to be considered a 'perfect' pint.

Nobody wants a beer served in a glass representing another brand, yet this still happens frequently.

Is it time for the industry to collectively consider backing or creating a 'This is Cask' branded glass to celebrate and promote the drink?

PASSION FOR CASK

As for publicans walking the walk on cask ale quality rather than just mouthing platitudes, our research showed one very clear indicator on quality. Among publicans who love drinking cask ale themselves, every single quality measure is significantly better than those who are personally indifferent towards or don't like cask.

A lot of cask ale training consists of telling people about the tasks they need to do. If the industry instead focused on enthusing licensees and bar staff about cask, selling them on what makes cask different and special, encouraging them to care and to enjoy it themselves rather than simply telling them what to do, they would be far more motivated to put in the extra work, and take genuine pride in the quality of their cask ale. *By Pete Brown*

KEY INSIGHTS

- ◆ Quality is a hidden problem – most drinkers don't feel confident enough to complain about a bad pint.
- ◆ Old, stale or unconditioned beer is a bigger problem than faulty beer.
- ◆ Most publicans know what they should be doing to keep cask well, but many don't follow through.
- ◆ There is a gap between what licensees say they do and the experience of customers when it comes to returning a pint.





~~~~~ **CONSIDER THIS** ~~~~~

- ◆ Take pins for the slowest moving beers.
- ◆ At the beginning of the week, when quiet, stock fewer beers.
- ◆ Telling bar staff how to serve cask is not enough – the best way to improve quality is to enthuse them.
- ◆ Ensure staff know which beers should be hazy or clear.
- ◆ Sample beers before each session.
- ◆ Have a policy in place about the return of beer. Ensure customers and staff are aware of this policy.
- ◆ Get your glassware right. The eye judges before the beer is raised to the lips.
- ◆ Download the Cask Finder app to help improve the cask knowledge of staff. Customers using the app can scan pumpclips to see Cyclops descriptions of the beer and brewers' notes.

MAKE MORE PROFIT FROM BEER



The cellar is to beer as the kitchen is to food. Using best practice in the cellar can improve yields (7%+) and beer quality with the latter leading to an increase in sales (2%) both significantly contributing to bottom line profitability.

With kitchens we have food hygiene ratings and now with beer we have a 5 star rating for cellars called Scores on the Cellar Doors. To have your cellar star rated costs just £25+VAT when linked to a Cask Marque inspection. The cellar will be checked by an experienced Cask Marque assessor against 11 key objectives. Join the assessor as they carry out the assessment and learn more about how you can improve your behaviours. This is almost a free training session.

Over the last 18 months 2,500 pubs have joined the Scores on the Cellar Door scheme and soon the star rating window stickers will be recognised by beer drinkers as another endorsement of a quality establishment.

To learn more about Scores on the Cellar Doors ring Cask Marque on **01206 752212**.

THE CHAT THAT LEADS TO SALES

Over **61%** of cask ale drinkers talk to staff about the beer.



Our survey shows only **36%** of bar staff have an understanding of cask. When staff can have a conversation:

- **50%** will return to the pub
- **31%** will stay for another drink
- **46%** will recommend the pub to their friends

This is why Cask Marque are trialing a Bar Staff Training Programme delivered by the assessor, a trained brewer, when undertaking their Cask Marque visit. The 60 minute talk to bar staff covers:

- Basic knowledge of cellar management and equipment.
- Knowledge of beer ingredients.

- Difference between cask and keg beer.
- Characteristics of cask and packaged beer.
- The importance of glassware.
- Beer styles and brands.

This will allow bar staff to engage with their customers on the topic of beers they have on sale. Costs are just £75+VAT per session when linked to the Cask Marque visit.

Any retailer interested in learning more please contact Carol at the Cask Marque office on **01206 752212** or email carol@cask-marque.co.uk

RANGING

WITH MORE THAN 2,000 BREWERIES OPERATING IN THE UK THERE IS A VAST RANGE OF BEERS FOR CUSTOMERS TO CONSIDER AT THE BAR.

But too much choice can be a dangerous thing, particularly at a time when we face a declining beer market.

Too many handpumps and too few customers will result in beer not being sold quickly enough and being wasted or kept on for too long. This will have an inevitable impact on quality, customer experiences and the reputation of pubs, brands and breweries.

Ranging is an essential factor where pubs and bars have to get the quantity and styles just right – but there are a lot of things to take into consideration to get the perfect line-up.

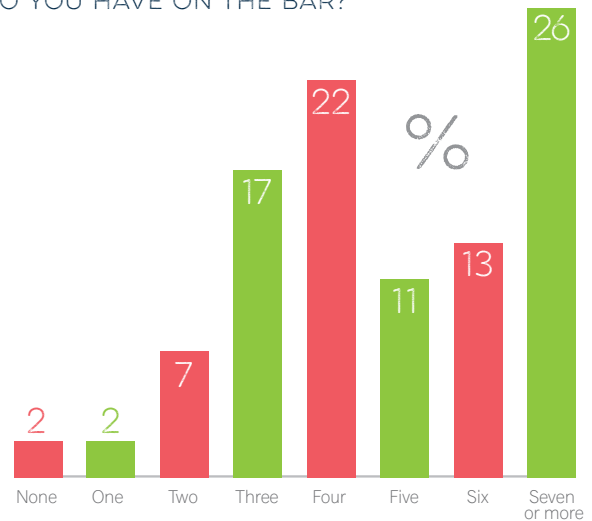
HOW MUCH CASK ARE PUBS STOCKING?

According to Vianet's Beer Quality Report 2017, pubs in the UK are over-ranging on beers across the board by an average of three taps each. Each wasted tap adds up to an extra £500 on cleaning, wastage and running costs. To put it another way, it's costing the sector around £73m a year.

The report also suggests that one in seven cask handpulls is dispensing less than 20 pints per week.

Our own evidence reinforces that there are too many cask taps for the amount of beer going through them.

HOW MANY CASK ALE HANDPUMPS DO YOU HAVE ON THE BAR?



Source: Survey Monkey Licensee Survey Cask Report 2018.

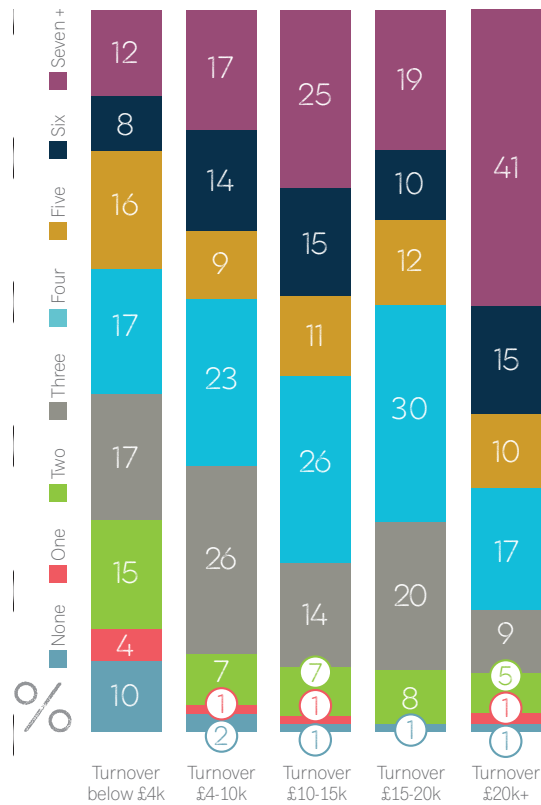
Some may argue that the more handpumps the better because visibility at the bar is essential for cask to get noticed. It was also raised in focus groups that traditional handpumps do not grab the eye in the same way as the bright and dominant lager fonts.

However, not every pub has the throughput to handle seven or more fonts, which a surprisingly high 26% of our licensee respondents said they currently have.



ARE PUBS OVER-STOCKING?

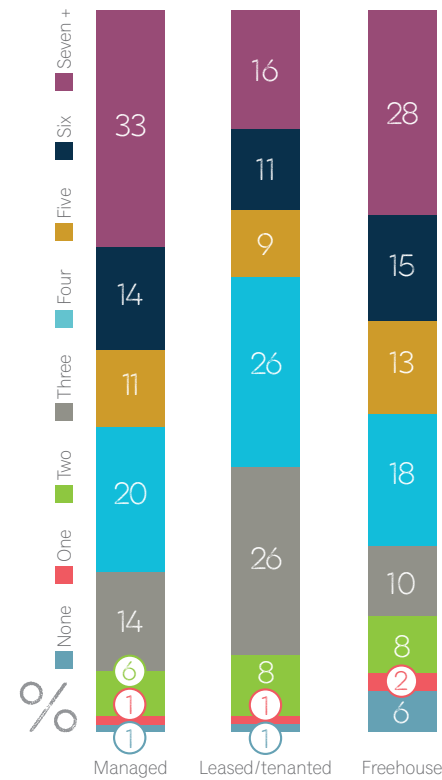
HOW MANY CASK ALE HANDPUMPS DO YOU HAVE ON THE BAR?



Judging whether a pub has too many taps on turnover alone is not an exact science but it gives an indication. For example, it seems unlikely that the 12% of pubs with a turnover below £4,000 a week that have seven lines will all be getting through their firkins in the recommended three days.

At the other end of the scale, depending on the business model, is there room for more than three handpulls at the 16% of pubs with a turnover in excess of £20,000 that currently have zero to three cask beers on offer?

HOW MANY CASK ALE HANDPUMPS DO YOU HAVE ON THE BAR?



Freehouses and managed houses are the most likely to have the highest number of cask ale taps.

However, as freehouses will generally have a lower turnover than managed houses, how many of the 43% that have six or more handpumps will be overstocking?



STOCKING BY STYLE

Getting the right balance on the bar is essential, with 10% of customers saying they would go elsewhere if their favourite style was not available.

According to CGA there is a fairly equal split as to the styles that ale drinkers will drink.

44% will drink golden ale

52% will drink amber ale

40% will drink dark ale

On top of that, 40% of ale drinkers claim IPA or pale ales are favourite styles so should be considered a sub-category of golden.

According to CGA data a third of pubs now stock more than one golden ale.

NUMBER OF TAPS IN PUB	1	2	3	4
AMBER	49%	26%	13%	12%
GOLDEN	68%	20%	6%	6%
DARK	87%	11%	1%	1%

Source: CGA, July 2018.

85%

OF LICENSEES WHO SAY STOCKING
CASK IS A BIT OF EXTRA WORK BUT THEY
TAKE PRIDE IN HOW IT TURNS OUT

Source: Survey Monkey Cask Report 2018 Licensee Survey.

RANGING BY ABV

Ranging by style and ABV are two of the two most important factors to consider. We have already seen how cask drinkers will opt for different strength beers at different occasions in the week.

This is also true of people of different ages at different times of the week.

For example, 51% of 25 to 34-year-olds are looking for a drink with an ABV between 4 and 6% on a weekend night out. This falls to 36% on a midweek night out. YouGov Cask Report 2017.

Knowing your own customer base and target customer base is essential in getting the range right but there are some useful guidelines you can follow.

- 81% of ale drinkers will choose a regular ABV
- 11% will choose high ABV
- 8% will choose a low ABV
- 30% of ale drinkers prefer to drink high ABV for a special occasion.

Source: (CGA).

CASK ALE DRINKERS ABV OF CHOICE - WEEKEND NIGHT OUT

I DON'T USUALLY DRINK AT THIS TIME	2%
0.5 - 2% ABV	2%
2-4%	19%
4-6%	59%
6+	16%
DON'T KNOW	2%

RANGING BY BRANDS

With the top 10 cask brands generally outperforming the decline in the market (CGA) having recognisable cask brands should not be underestimated.

Ale drinkers like a mixture between national, local and guest. 84% of ale drinkers want to see at least one nationally recognised ale brand on the bar. This is set against a backdrop of more than 1,000 new ale brands coming to market in the last three years.

63% of ale drinkers want a guest on for two weeks before a new guest replaces it, only 8% want it on for days.

"I always stick to what I know, because there's so much variety and if the bar is busy as well, I just want something I know rather than something different because I don't want to sit there and not enjoy it."

Cask Report focus group 2018.

CASK IN OVERALL RANGE

Getting your cask range right is one thing but it has to be considered as part of your overall beer offer.

Affluent drinkers are more likely to choose cask, world lagers or craft beer. Younger beer drinkers tend to veer towards craft, speciality and mainstream lager.

Craft keg bridges the gap between cask and lager so the styles and strengths you choose need to be considered across the board.

By Matt Eley

KEY INSIGHTS

- Too many underused beer taps are costing the industry millions.
- Over ranging leads to a drop in cask quality.
- Customers want a mixture of styles and strength.

CONSIDER THIS

- Stock a range for both your current drinkers and those who you want to attract.
- Occasions play an important part in what people drink so think about stocking beers for specific events or groups.
- Range by style, ABV strength and brand.
- Work wastage into your costs.
- Always stock a familiar beer brand around 4% ABV.





LESSONS FROM...GIN

COULD CASK ALE BE REJUVENATED IN A SIMILAR WAY TO HOW GIN HAS UNDERGONE ITS RENAISSANCE?

Looking to other drinks categories and how they have been effectively repositioned, proves there is a way forward for drinks that had once been seen as old fashioned. Gin is the prime example of this in recent years. Its image and sales have been transformed – making it Britain's most popular spirit, according to the Wine and Spirit Trade Association (WSTA).

"It was not so many years ago that the perception of gin was that it was only drunk by a much older generation – enjoyed by grandparents, aunts and uncles etc. and indeed with an image of twinset, tweed and Bertie Woosterish characterisation.

"The products available were a comparatively small range, and were what we in current parlance might describe as Juniper forward. A profile not for everybody, and largely being served without a great deal of flair, excitement or enthusiasm," says Nicholas Cook, director general of The Gin Guild.

But, "in recent years, the spirit has meanwhile masterfully engaged with a much wider demographic. Drinkers of all ages are now enjoying gin."

LIFTING SPIRITS

The numbers reveal the picture. According to HMRC figures there are 315 gin distilleries in the UK – that's double the number there were in 2013. Last year alone 49 new distilleries opened. There are now nearly 100 gin brands in the market and, according to the WSTA a record breaking 51 million bottles of gin were sold in the UK last year.

And it hasn't gone unnoticed. In fact, respondents from our consumer focus groups identified links between beer and gin, pointing out that: "The new hipster culture is just a new revamp of beer. People used to drink lots of gin years ago and then they didn't, but now it's also really trendy again as well!"

But can cask ale do the same?

The revival of gin reflects multiple key influences, but the first thing to happen was that the craft trend began – much like in beer – and more and more craft offerings emerged.

"First of course is a shout out to Bombay and Hendrick's for their contributions to expanding the then-existing narrow gin ranges. Bombay's lighter profile and distillation process and detailed explanation of the botanicals involved, and Hendrick's very brave decision to produce a gin that was not technically a London Dry model (and with the then somewhat radical additions of rose and cucumber), introduced new consumers to the category as a whole," adds Cook.

"Next up for a plaudit has to be Sipsmith who in 2009 pioneered small gin distilleries (and, as to post 2009 brand expansion, the rest as they say is history)"

CRAFT IS KEY

We have already seen independents and microbreweries innovating within the sector – many across cask as well as other dispense methods. But what seems important here is to recognise this not as a threat to the order of things, but to notice how it brings new customers into the category who would otherwise never have been interested in it at all.

To follow, there's the notion of presenting the product at its best. For gin, the advent of premium mixers that were "designed as complementary to gins and which allowed their individuality to shine through meant that consumers could actively enjoy individual products and experience different flavour profiles," explains Cook.

For the beer category, this 'best presentation' and 'awareness of flavour' can be achieved through a better range of glassware and some updated flavour information about individual beer styles in general. People need to begin considering cask ale in terms of its versatility. This is what can help broaden its reach.

Social media needs to play a role too. Marketing needs to be targeted specifically with online platforms and images of desirable drinks need to be shared to stay relevant to the next generation drinkers.

As Cook highlights, for gin "the internet has played a large part in promotion, both as to social media coverage and by providing smaller brands with exposure to consumers which in the past they could not have hoped to have secured with their smaller marketing budgets."

Amidst all of this, cask ale needs to make connections with people who influence stocking decisions within pubs and bars who can play a part in showcasing cask ale in its best light.



PEOPLE POWER

Cook identifies that the last part of the jigsaw was to see the value of people and suggests that meant utilising the "re-engagement and lead from influencers in the on-trade, who re-discovered the versatility and sophistication of gin as an adaptable spirit, whether served as a stylish G&T or as a cocktail!" This, he reminds "has been supported by the gin industry that has helped by providing serve training and guidance."

After all, when a category is rejuvenated, it's a joint effort. And, as such, everyone who helps rebuild it benefits when it flourishes.

By Jessica Mason

KEY INSIGHTS

- ◆ Communicating flavour versatility encourages people to seek out a style that suits them. Gin, much like cask ale, has many options available. From this basis gin has been able "to build a following," says Cook, "with consumers being prepared to follow a selected brand with a style and taste profile which they enjoy."
- ◆ The craft revolution can have a halo effect on traditional as well as modern products. "Gin brands can bring consumer intrigue and interest, whether through their production, botanicals or back-story. This applies not only to the smaller distillers but also the brand leaders," says Cook.
- ◆ Selling drinks is a competitive business and those doing the selling need to really be invested in getting results. He describes how those who are "quieter and have secured less exposure may struggle to build or hold market share." The future of cask ale is as much about having a voice as it is about believing in the product.

MONEY

BEER PRICING MAKES HEADLINES IN NATIONAL NEWSPAPERS WITH FREQUENT STORIES HIGHLIGHTING HOW A SPECIFIC CRAFT BEER IS PRICED AT MANY TIMES THE COST OF AN AVERAGE PINT OF BEER.

While these £20-plus pints of beer remain a rarity the fact that they exist at all shows how the pricing differential across the various beer formats is massively diverse.

Often the media likes to compare these outlandish highly priced brews with traditional cask ale because cask remains competitively priced. CGA data shows that across amber, dark and golden the price of a pint of cask is £3.39, £3.33 and £3.46 respectively. This rises for what is described as 'craft cask' by CGA where the pricing across these three styles is £3.64, £3.58 and £3.64.

The prices of these two types of cask ale are markedly cheaper than craft beers in keg format that are priced at £5.16, £4.92 and £4.65 for the three styles. Craft keg has also enjoyed a healthy price rise over the past year with an average across the three styles of 5.3% whereas for traditional cask the price has risen by only 2.4% in the past 12 months.

The most notable price rise over the past year has been for traditional 'mainstream' keg lager that has risen by 9.4% to £3.96, which puts it well above the price of any cask beers and also at a more significant premium to other traditional keg styles with amber at £2.96 and dark at a much lesser £2.89.

This average of £3.96 for mainstream lager puts it at a higher level than the price of cask ale throughout all regions of Britain. Cask ranges from the lowest price of £2.94 in Wales to £3.82 in London, with other areas coming in between at £3.07 in Lancashire, £3.27 in the Midlands, £3.70 in Scotland and £3.14 in Yorkshire.

The biggest price changes for cask beer over the past year have been in Southern England where it has risen 8.2% followed by London and Scotland with increases of 4.1% and 3.6% respectively. In contrast, there were two regions that experienced price declines, with the cost of a pint of cask ale in Wales falling 6.4% and in the North East it slipped 2.7%.

With such disparities of pricing between cask ale compared with mainstream lager – as well as craft keg – the big question is: what is the potential for cask to be pitched at a higher price point?



In addition, there is strong evidence that a price increase is possible because of the lack of recognition of current pricing by many drinkers. Only 32% of people correctly identify that cask is cheaper than mainstream lager whereas 30% believe the two beer formats are priced the same and a further 24% think cask is actually more expensive than mainstream lager.

~~~~~ KEY INSIGHTS ~~~~~

- ◆ Findings from research by OnePulse for the Cask Report suggest an opportunity for some price elasticity for cask as it reveals that as many as 14% of people think cask is priced too cheaply whereas a mere 7% believe it is too expensive.
- ◆ The people who state they are very or fairly likely to pay more for a pint of cask ale cut across all demographics with 68% in the ABC1s and 66% among the C2DEs.
- ◆ A quarter of people think cask is more expensive than mainstream lager.

ON A TYPICAL BAR IN A PUB NEAR YOU, HOW DO YOU THINK THE PRICE OF A PINT OF CASK ALE COMPARES WITH A MAINSTREAM LAGER?



Source: OnePulse Cask Report Survey 2018.



This lack of knowledge of pricing would be understandable among infrequent drinkers of cask but the research also found that many of cask's core drinkers are also unable to identify where it and mainstream lager sit on the relative pricing scale.

The figures show that only 40% of these people correctly believe it is cheaper than lager. Whereas a hefty 52% of these committed cask drinkers wrongly believe their preferred tipple is the same price or more expensive than lager.

Among core cask drinkers and some occasional cask imbibers who know it is cheaper than lager, more than half (55%) reckon cask should be pitched at a higher price than its current level in the marketplace.

CONSIDER THIS

- ◆ If most people believe cask is or should be the same price as mainstream lager then can you raise prices accordingly?
- ◆ Think about the demographics of your own customer base and their potential willingness to pay more for a pint.
- ◆ Premiumisation has worked in other categories but has cask truly capitalised on this trend?
- ◆ Price is closely linked to customer service and quality of product. Without consistency with the latter it is hard to justify imposing any price increases.

The opportunity for some level of price increase is clear when also taking into account Cask Marque research that shows as many as 67% of people state that they would be very or fairly likely to pay more for a pint of cask ale that has been well looked after.

This willingness is predominantly found among men, with 71% willing to pay more versus 55% of women. But it does stretch across all age ranges for both sexes, with the highest willingness among the 35-44-year-old grouping where a significant 73% would pay more for a pint of well kept pint of cask ale.

It is also worth remembering that the typical cask customer spends more than most in a pub each year.

Our 2017 research shows that cask drinkers spend £1,030 a year in the pub which is 30% more than other consumers. *By Glynn Davis*



AVERAGE PRICE OF A PINT OF CASK ACROSS THE UK

	2018	2017
ANGLIA	£3.41	£3.36
SOUTH-WEST	£3.39	£3.32
WALES	£2.94	£3.14
LANCASHIRE	£3.07	£3.01
LONDON	£3.82	£3.67
MIDLANDS	£3.27	£3.22
NORTH EAST	£3.25	£3.34
SCOTLAND	£3.70	£3.57
SOUTHERN	£3.69	£3.41
YORKSHIRE	£3.14	£3.15

Source: CGA.



PUMP CLIP RECOGNITION

Using the free CaskFinder app, developed by Cask Marque, you can now scan a pump clip on your phone and it will give you the Cyclops description of the beer.

This is an important innovation because when a customer goes to the bar they are often confronted with an array of beers with little knowledge as to whether they suit their palate. With this consumer empowerment it may also encourage bar staff to learn via the app the tasting notes of the beers they have on sale, so they can interact with their customers.

TO THE BREWER:

- Ensure that all your beers are listed on the Cyclops website together with the latest Cyclops artwork. This is where the CaskFinder app gathers its information. If you don't have a password to login to update your Cyclops data call the Cask Marque office on **01206 752212**.
- Any new beers need to be added immediately so that their availability is communicated to the outside world.



TO THE RETAILER:

- Ensure your bar staff download the free app to their mobile phone and scan the beers you have on sale. They can also learn details about the brewer and other interesting facts about the beer.
- Have a beer tasting for the staff to discuss their views on the flavour profiles of the beers on sales against those suggested by Cyclops.
- Use the app to identify future beers you may wish to stock and ensure you have a range of colours, ABV and taste profiles.

Do enjoy this latest piece of technology.

DEFINITIONS OF CASK

"GOOD WORDS ARE WORTH MUCH, AND COST LITTLE." SO SAID GEORGE HERBERT BACK IN THE 17TH CENTURY. BUT IT APPEARS THAT THE LANGUAGE AROUND CASK COULD POTENTIALLY BE PREVENTING NEW RECRUITS COMING TO THE CATEGORY.

As part of our focus groups we discussed various definitions of cask with attendees and it became apparent which words were hitting the mark and which ones left a sour taste in the mouth.

THE MEANINGLESS

There are words used in the trade to describe cask that may resonate with those in the know but can be a barrier to entry to those on the outside.

Phrases such as 'secondary fermentation' and 'reduction in gravity' left many consumers bewildered or at best confused.

THE NEGATIVE

Some words that have long been associated with the positives around cask may be having the opposite effect.

It was commented that 'unpasteurised' can have positive or negative connotations. Some questioned why you would drink 'unpasteurised' beer when you are told not to drink unpasteurised milk.' 'Unfiltered' provoked a similar response.

Other people questioned why promoting a beer as 'non-carbonated' was seen as a good thing when other beers that they do like are carbonated.

'Unfiltered', 'unpasteurised' and 'not-carbonated' were also seen as terms that tell you what cask isn't rather than what it is.

THE GOOD

Some words did strike a chord such as those that describe ingredients and flavours. 'Full of flavour' 'fresh' and 'natural' provoked a positive reaction. One of the keys when describing cask is to make it sound 'old school' and cool rather than old fashioned. 'Traditional' is another word that people liked.

CUSTOMER COMMENTS

We also asked people taking our OnePulse survey to tell us the words they would use to describe cask.

You can see the range in the word cloud below. The bigger the word, the more often they were used.



Popular words used to describe cask by all respondents to our OnePulse survey included 'tasty', 'strong' and 'traditional'.

This changed slightly by gender, with women more likely to describe cask as 'tasty' or 'bitter'.

With lapsed cask drinkers, words such as 'bitter' 'strong' or 'old fashioned' came through more strongly.

For those who have never tried it the word 'expensive' appeared more prominently in the word cloud.

The importance of the language we use to communicate messaging around cask is not to be underestimated and what has worked in the past may not be appropriate in recruiting new drinkers.

But a word of caution, we must also refrain from saying too much. As Voltaire said, "The secret of being boring is to say everything."

FINAL THOUGHTS



WITH CASK ALE SALES DECLINING AT TWICE THE RATE OF THE OVERALL ON-TRADE BEER MARKET WE ARE REACHING A CROSSROADS. THIS REPORT HIGHLIGHTS THE MANY CAUSES OF CASK'S CURRENT DECLINE:

- Pubs are closing and consumers are visiting pubs less frequently.
- More people are becoming repertoire drinkers and are less loyal to the category.
- The drinkers responsible for the growth of cask over the last few years are now in the 30-40 age group with family commitments and financial pressures.
- Cask is not attracting younger drinkers.

What can we do about it?

We need to attract people back into pubs. The report shows why and when people go to the pub (Page 8) and pubs need to make the most of these occasions.

Secondly, when consumers are in the pub how do we attract them to cask?

Temperature is a key issue. Brewers recommend serving cask beer at 11-13°C. When Cask Marque inspected pubs focused on cask this summer, 25% were selling beer at 14°C+. This adds little refreshment value and almost encourages consumers to drink other products in the summer and return to the category in the winter months. Once sent elsewhere do they return? Pubs need to check temperature of beer in the glass at least twice a week.

We need bar staff to be advocates. Frequently these people are the very age group we need to attract to cask. This is why Cask Marque is trialling a bar staff training programme.

Range is important and, in particular, colour and ABV. Pubs need to ensure their range caters for occasions such as midweek and weekend lunch and evening drinkers.

Is the presentation to the consumer delivering a premium image? Use branded glassware wherever possible. Invest in quality half pint glassware to attract that wider audience.

And we need to talk about cask. Use Cyclops tasting notes, blackboards, beer menus and 'try me' stickers. Make the choice easier for the customer. Have staff training to improve the communication with the customers.

Lastly, we need to address profitability on cask:

Pricing is an issue as it leads to a reduction in margin in comparison with other beers. Our research shows that only 32% of people correctly identify cask as being cheaper than mainstream lagers whereas 30% believe that the two beer formats are priced the same. A further 24% think cask is actually more expensive than mainstream lager. Is there an opportunity here to increase margin? But you can only do this if you have great quality of beer in the glass and knowledgeable bar staff to go with it.

Remember the cask ale drinker visits the pub more often, spends more money and actively recommends pubs to their crowd. You need to attract these drinkers by holding events that match their demand.

This report is packed with ideas and recommendations.

Brewers and retailers need to learn from this and take action, both to support the pub but also to make cask relevant to the next generation of drinkers.

Paul Nunny

Cask Marque

KEY FINDINGS

SALES OF CASK ALE ARE DECLINING FASTER THAN OVERALL ON-TRADE BEER SALES

CASK IS STILL Hugely Valuable to the ON-TRADE. ONE IN SEVEN PINTS OF BEER SOLD IS CASK AND AT £1.6BN IT IS DOUBLE THE SIZE OF GIN IN THE ON-TRADE (£0.77BN)

PUBS ARE STRUGGLING TO MAINTAIN RECOMMENDED CASK SERVING TEMPERATURES. THERE IS ALSO AN APPETITE FOR CASK SERVED AT LOWER TEMPERATURES

GOLDEN ALE SALES ARE IN GROWTH

THE TOP 10 CASK BRANDS ARE GENERALLY OUTPERFORMING THE MARKET

MORE PEOPLE ARE INCLUDING CASK IN THEIR REPERTOIRES - BUT THEY DRINK IT LESS FREQUENTLY

THOSE AGED UNDER 30 ARE LEAST LIKELY TO HAVE TRIED CASK

LOYAL CASK DRINKERS TEND TO BE AT THE UPPER END OF AGE DEMOGRAPHICS



IN THE MINDS OF MANY CONSUMERS THERE IS AN OVERLAP BETWEEN CASK AND 'CRAFT' BEER BUT CRAFT POTENTIALLY REPOSITIONS CASK AS OLD FASHIONED AND OUT OF TOUCH

THERE IS A GAP BETWEEN THE CUSTOMER'S PERCEPTION OF QUALITY AND THAT OF THE LICENSEE. MANY CUSTOMERS DO NOT RETURN PINTS THEY ARE UNHAPPY WITH

HALF OF COMMITTED CASK DRINKERS BELIEVE IT IS THE SAME PRICE AS MAINSTREAM LAGER, INDICATING CASK COULD BE UNDERVALUED ON THE BAR

MANY PUBS HAVE TOO MANY HANDPUMPS FOR THE AMOUNT OF CASK THEY CAN SELL

MANY PEOPLE AVOID CASK DUE TO PERCEPTIONS ABOUT FLAVOUR OR BELIEVING IT TO BE AN OLD-FASHIONED DRINK

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