

FOCUS ON...

LAGER The Spanish beer trade association Cerveceros claimed that around 30% of the beer purchased in Spain is done by tourists. This leaves the Spanish beer market very exposed to fluctuations in tourist numbers, but leaves nothing to the imagination concerning what British people think of Spanish beer. British people represent a large proportion of the tourists who visit Spain every year.

Beer is expected to be shaped in the future by economic performance, which means that the future of Spanish beer in Spain may not be too bright. This makes it a necessity for Spanish brands to look abroad, the UK seeming the obvious target market.¹

Heineken, the market leader in Spain, accounted for 32% of total consumption in Spain 2010. This is because the company offers a mixture of continental beers like Amstel and Heineken but it also owns Spanish brand **Cruzcampo**.² Cruzcampo lost out somewhat in 2010 due to their focus on being a premium lager. They faced stiff competition from the rise of cheaper brands.

Grupo Mahou-San Miguel is emerging as one of Heineken's biggest competitors in Spain. **Mahou** bought **San Miguel** from the **Danone Group** in 2000, creating an all-Spanish brewery group.

Mahou has become the number one beer in Spain, where it has a market share of 18%. Since 2011 its influence has grown,



as it has been distributed by **Carlsberg** and has become the official beer of Real Madrid and La Liga. A recent survey on Toluna suggests that Mahou has become more popular than Cruzcampo in Spain, because it's a lot cheaper, and therefore increasingly popular with a

growing number of unemployed young citizens.³ Mahou, with its different brews and popularity in Spain, has the potential to become a very popular lager in the UK future. One can make this assumption because recently **Alhambra**, another Spanish brewer, has had great popularity in the UK with a range of darker lagers called Negra and Mezquita.⁴

San Miguel has expanded throughout Europe, with a presence in shops, restaurants and pubs. It has also become Asia's largest publicly listed food, beverage and packaging company, employing 15,000 people in over 100 facilities. Based in the Philippines, it has become one of the country's largest conglomerates.

If Grupo Mahou-San Miguel could combine their success in Asia with their obvious high quality beers, they could begin to make Mahou a name in the UK and push the San Miguel brand further into people's mainstream.

Another large brand in the Spanish lager market is **Estrella-Damm**, a Catalan pilsner brewed in Barcelona since 1876, readily available in the UK. Inedit, one of its newest creations, blends malt, wheat, coriander, orange peel and liquorice and is the first beer purposefully created to accompany food. This demonstrates the innovative nature of the company and the extent to which they are prepared to try new things in attempt to resuscitate a flagging industry.

Estrella-Damm also gets involved in many trendy and unique festivals, appealing to a younger audience. For example, they

sponsor Spain's **Sonar** festival which, this year and last, focused predominantly on British acts, giving them greater exposure to a young audience; a good market for any lager. Seemingly, they are winning over the British market, as Estrella-Damm is sold in more than 1,200 restaurants in the UK, as well as being heavily advertised in cinemas nationwide.

Estrella Galicia, is also now making waves over in the UK hosting high profile parties at some of London's most highly regarded venues such as Kensington roof gardens.

Spanish lager may be just a few beers in the sea of continental and exotic drinks that have flooded the UK market in recent years, but with established brands, a large commercial history and considerable backing coupled with innovative new brands, the future looks bright. Having proved popular in Spain, despite Spain's more conservative drinking culture, there is no reason why Spanish lagers like Mahou and Estrella-Damm cannot become another feature in our pubs and restaurants alongside their French, German and Australian counterparts.

THE LOW AND ZERO ALCOHOL LAGER MARKET

There is a growing market in the UK in low and zero alcohol lagers, the leading brand currently being Becks Blue. Although it's aimed at a more mature consumer, rather than youths, the female consumer is the one who is spending more on alcohol from supermarkets than bars. The off-licence (especially through the main supermarkets) is the key target opportunity for low and zero alcohol Spanish lagers.

¹ http://www.cerveceros.org/ingles/q_somos.asp

² <http://www.euromonitor.com/beer-in-spain/report>

³ <http://www.ensg.toluna.com/polls/1255030/-Mahou-Cruz-Campo.htm>

⁴ http://www.museumstuff.com/learn/topics/Grupo_Mahou-San_Miguel::sub::History