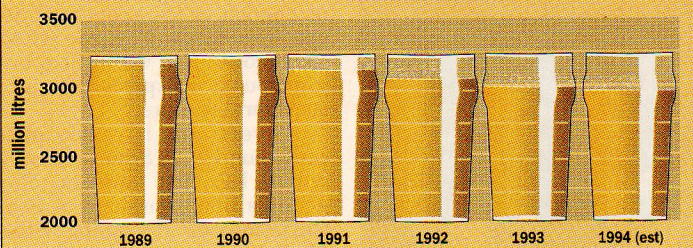


SALES OF LAGER 1989 - 1994



Source: Brewers' Society / CSO / Mintel

Lager sales slip by 'ten per cent'

By David Benady

Lager sales plummeted by ten per cent in value between 1989 and 1994, according to a new report from Mintel.

The Market Intelligence report says there is little hope of lager sales growth returning to the levels of the Eighties.

A fall in the number of young drinkers, growing competition from wine and the decline of drinking in pubs have all contributed to the drop in lager volumes.

Between 1989 and 1994, the volume of lager sales dropped from 3.18 million litres to 2.95 million litres, a seven per cent fall.

The move towards buying lager to drink at home has wiped value from the market as off-sales are cheaper than sales made in pubs and bars.

But the news is not all bad for leading manufacturers. Lager is increasing its share of the total beer market, and is preferred to ales and stouts for

drinking at home. Mintel downplays the threat posed by widget technology for ales.

However, manufacturers have slashed advertising spending by 17 per cent during the past five years, with budgets falling from £72.7m to £60m between 1989 and 1994. Advertising as a percentage of sales has dropped from 1.2 to 0.8 per cent.

Carling Black Label continues to dominate the on-trade with a 13 per cent market share, followed by Foster's with 11 per cent and Heineken at eight per cent. The fastest declining lager has been Skol, with a 40 per cent volume decline between 1989 and 1994. Heineken lost 28 points and Carlsberg Pilsner 26 points. Strongest growth came from Castlemaine XXXX, which grew 25 per cent.

The off-trade has three lagers in top position; Carling Black Label, Carlsberg Special and Heineken - each with eight per cent.

Virtual reality technology could cut research costs

Visionary Shopper, a US PC-based computer simulation system, is offering manufacturers the prospect of consumer research at a fraction of the expense of the traditional consumer panel method.

It uses elements of virtual reality to allow shoppers to "walk" down store aisles on a computer screen, remove goods from a shelf, examine labels and react to layout changes without going near a shop.

Consumers use a track ball to move around the image of a store. Touching a product on screen brings it to the fore and enlarges the image. Turning the

ball makes the product turn as well. Nutritional information can be read and the product put into a "virtual" trolley.

Suppliers pay for the installation of the Visionary hardware, which scans products into the system.

Companies will be able to use the data to analyse purchase behaviour and optimise pricing, promotions, packaging and new product concepts.

In the US a basic test on the new system, produced by Simulation Research, would cost about \$40,000 (£27,000), while a conventional survey is priced at about £250,000.

Speculation that Unilever planned to take over Heinz has come to the fore again. Both companies refuse to comment.

Burger King chief executive David Nash has left the firm to join American rival Flagstar. He will be replaced temporarily by David Nash, chairman and chief executive of Grand Metropolitan's food division.

Whitbread Inns is rolling out its Hotshots pub format, and has appointed agency Clark & Taylor to handle an advertising budget which sources say will top £1m. So far, the brewery and pub group has converted 12 community pubs to the new brand - aimed at young people aged 18 to 30.

Waterstone's has appointed Martin Lee marketing director to replace John Mitchinson, who leaves to become managing director of The Harvill Press. Lee is product group manager for buying and marketing adult books at WH Smith, where he has worked on promotions such as 'Fresh Talent' and 'Thumping Good Read'.

Britvic has begun a £12m marketing support programme for its Tango brand, £1m of which will be used to launch Tango Blackcurrant.

Yardley has appointed Sue Binnie director of marketing. Binnie was previously director of global marketing for Avon Cosmetics.

ICI Paints is to try to revive the paints market with the launch in February of two new ranges, Naturals and Signatures. But none of its £10m ad budget will go on its 12-year-old Natural Hints range.

Unilever's Van den Bergh Foods has launched a spray version of its I Can't Believe It's Not Butter margarine in the US, backed by a \$10m (£6.75m) ad campaign through McCann-Erickson.

Don Marketing, the sales promotion company in a legal dispute with Shell UK, is taking out an advertisement in Service Station Magazine. The ad asks for people who are concerned about the ethical conduct of Shell to join a Shell corporate conscience pressure group.

Mazda has signed up as supplier sponsor to British Athletics in a £500,000 three-year deal negotiated by Alan Pascoe Associates.

Kaliber is to sponsor the 1995 Billy Connolly Tour which starts on January 20 (Friday).