Monitoring and Evaluating Scotland’s Alcohol Strategy

Annual update of alcohol sales and price band analyses

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Table of contents

Summary and key points ........................................................................................................ i

1. Introduction .................................................................................................................. 1

2. Methods ...................................................................................................................... 2

3. Alcohol retail sales ...................................................................................................... 4
   - Per adult alcohol sales, 1994-2014 ........................................................................ 4
   - Per adult alcohol sales by market sector, 1994-2014 ........................................ 4
   - Per adult alcohol sales by drink type, 1994-2014 .............................................. 6
   - Alcohol retail sales in Scotland, 2014 .................................................................. 8
   - Average price per unit of alcohol, 2000-2014 .................................................... 10

4. Price distribution (%) of alcohol sold through the off-trade in Scotland, 2014 .......... 12
   - Spirits ....................................................................................................................... 13
   - Spirits: Vodka ......................................................................................................... 13
   - Spirits: Whisky ........................................................................................................ 14
   - Wine ......................................................................................................................... 14
   - Beer ......................................................................................................................... 15
     - Beer: Premium beer (ABV 4.3-7.5%) ................................................................. 15
     - Beer: Standard beer (ABV 3.2-4.2%) ............................................................... 16
   - Cider ......................................................................................................................... 16

5. Price distribution (%) of alcohol sold through the off-trade in Scotland, 2009-2014 ... 19

6. Price distribution (L per adult) of alcohol sold through the off-trade in Scotland and England & Wales, 2014 ................................................................. 21
Summary and key points

Purpose
The purpose of this report is to contribute to the development and evaluation of Scotland’s alcohol strategy by providing accurate and up-to-date analyses of data on alcohol sales and price in Scotland and England & Wales.

Methods
Pure alcohol sales data derived from electronic sales records and retail outlet sampling were provided by market research specialists, Nielsen and CGA Strategy, and used to describe trends in per adult (aged ≥16 years) alcohol sales in Scotland and England & Wales. Estimates of sales by discount retailers were not available from 2011 onwards. Adjustment factors were therefore applied using market share estimates derived from Nielsen’s ‘HomeScan’ consumer panel data. The volume of pure alcohol sold off-trade in each of a range of price bands (pence per unit (ppu) of alcohol) was also provided for 2009-2014 for all main drink categories (excluding discount retailers). This provided a price band profile for the volume of pure alcohol sold in each drink category, enabling changes in the price distribution of off-trade alcohol sold in Scotland to be assessed over time. Assumptions were made to allow an assessment of the impact that including alcohol sales by discounters may have on the proportion of alcohol sold below different price thresholds.

Results
- In 2014, 10.7 litres (L) of pure alcohol were sold per adult in Scotland (20.5 units per adult per week).
- Although since 2009 the overall trend in per adult alcohol sales has been downward, analysis of the most recent data suggests that this may be flattening.
- In 2014, per adult sales in Scotland were 6% higher than the beginning of the time series in 1994.
- In Scotland, the volume of pure alcohol sold per adult through the on-trade decreased by 39% from 4.8L in 1994 to 3.0L in 2014, whereas off-trade sales increased by 48% over the same time period, from 5.2L in 1994 to 7.7L in 2014. It is estimated that 72% of all pure alcohol sold in Scotland in 2014 was sold through the off-trade, the highest market share observed over the time period analysed.
- The downward trend in off-trade sales in Scotland between 2010 and 2012 has not continued with the most recent data providing an early indication that off-trade sales may be returning to an upward trend.
- In general, similar patterns were observed in England & Wales: the downward trend in total per adult sales seems to have stalled due to off-trade sales levelling off between 2013 and 2014.
- In 2014:
  - 1.6L more pure alcohol per adult were sold in Scotland (10.7L) compared to England & Wales (9.0L); per adult sales in Scotland were 18% higher.
  - 94% of the total difference in per adult sales between Scotland and England & Wales was due to higher off-trade sales in Scotland.
- 58% of the off-trade difference was due to higher per adult sales of spirits in Scotland.
- Vodka explained 33% of the difference in off-trade sales; per adult sales of vodka through the off-trade in Scotland were 2.1 times higher than in England & Wales.
- The average price of a unit of alcohol sold through the off-trade in Scotland was 52 pence per unit (ppu). This was the same as in 2013, the first time since 2007 that the average pence per unit of off-trade alcohol sold in Scotland has not increased annually since 2007. The average price of alcohol sold through the on-trade in 2014 in Scotland was 166ppu.
  - Between 2013 and 2014, the price distribution of off-trade alcohol sales was very similar. For beer and cider, a higher proportion of alcohol was sold at below 50ppu in 2014 compared with the previous year.
  - Compared with England & Wales, higher off-trade sales were common across the entire price distribution in Scotland and across most drink types. However, this was particularly marked in the 35-54.9ppu range, especially for spirits.

Conclusions
- There is evidence to suggest that the downward trend in the volume of pure alcohol sold per adult in Scotland since 2009 is flattening.
- There is an early indication that off-trade sales are increasing after several years of decline. This has been driven primarily by higher wine, beer and cider sales.
- A higher volume of pure alcohol is sold per adult in Scotland than in England & Wales. This is driven by higher off-trade sales of spirits, particularly lower priced vodka.
- The average price per unit of off-trade alcohol in Scotland did not increase between 2013 and 2014. This is reflected in a similar proportion of alcohol being sold at different price thresholds across both years.
1. Introduction

NHS Health Scotland has been tasked by the Scottish Government to lead on the evaluation of Scotland’s alcohol strategy. A portfolio of studies has been developed and is being implemented under the Monitoring and Evaluating Scotland’s Alcohol Strategy (MESAS) workstream. Summary information on each of the studies and reports published to date can be found on the MESAS pages of the NHS Health Scotland website:
www.healthscotland.com/scotlands-health/evaluation/planning/MESAS.aspx

Reducing population levels of alcohol consumption is a key outcome of Scotland’s alcohol strategy. Sales data provide the most accurate available means for estimating average levels of alcohol consumption in a country and are recommended by the World Health Organization (WHO).\(^1\) MESAS uses alcohol retail sales data obtained from market research specialists, Nielsen and CGA Strategy, to show trends in per adult consumption in Scotland and England & Wales. The validity and reliability of these data for this purpose has been assessed in a previous MESAS report. It was concluded that retail sales data offer a robust source of data for monitoring population consumption in Scotland, although estimates are still likely to underestimate true levels of alcohol consumption.\(^2\) This conclusion was reaffirmed in a recent update to the original report published alongside this update.\(^3\)

In this report, previously reported trends in per adult alcohol consumption, average price per unit, and the price distribution of off-trade alcohol (including comparisons between Scotland and England & Wales) are updated using retail sales data for 2014.
2. Methods

Alcohol retail sales
Annual data on alcohol retail sales in Scotland and England & Wales were obtained from market research specialists, Nielsen and CGA Strategy (CGA) (hereafter ‘Nielsen/CGA’), for 1994, 1995 and 2000-2014. The volume of alcohol sold (litres) was provided for the on-trade by CGA and for the off-trade by Nielsen across eight alcoholic drink categories: spirits, wine, beer, cider, ready to drink beverages (RTDs), perry, fortified wine and ‘other’. The volume of each drink category sold was converted into pure alcohol volume using a category-specific percentage alcohol by volume (ABV). The ABV used was based on the typical strength of drinks sold in that category (except for wine where the same standard ABV was applied across all years due to the complexity of the wine market) and was provided by the data suppliers. Per adult alcohol sales were calculated by dividing pure alcohol volumes (litres of pure alcohol) by the total population aged ≥16 years. Mid-year population estimates for Scotland were obtained from National Records of Scotland and for England & Wales from the Office for National Statistics. A detailed description of the methods used by Nielsen/CGA to produce alcohol retail sales estimates is provided in an earlier MESAS report. From September 2011, Nielsen was no longer able to estimate off-trade sales by discount retailers Aldi and Lidl. As such, all off-trade sales data provided since September 2011 (including estimates for the full 2011 calendar year) have been defined as “Off-trade excluding discount retailers”. To enable continuation of the time series presented in earlier reports, adjustment factors have been applied to off-trade sales estimates from 2011 onwards. Adjustment factors were provided by Nielsen and were based on the market share of Aldi/Lidl drawn from Nielsen’s ‘HomeScan’ consumer panel data. Market share estimates were provided separately for Scotland and England & Wales and, where possible, for individual drink categories.

Retail sales estimates may differ slightly to those previously published as they continue to be improved retrospectively after being supplied. Consequently, the most recent data provided by Nielsen/CGA is considered the best available because it provides the most robust review of the alcohol trade.

Alcohol retail sales data: average (mean) price
Average (mean) sales price was calculated using Nielsen/CGA data by dividing retail sales value (£) by pure alcohol volumes for the period 2000 to 2014. Prices are expressed as price per unit of alcohol (ppu).

Alcohol retail sales data: price distribution
Annual estimates of the volume of alcohol sold off-trade in different price bands were provided by Nielsen for 2009–2014. The natural volume of each item sold was converted into units of alcohol using its percentage ABV, enabling the ppu of alcohol to be calculated. The item was then coded into one of seventeen price bands. Estimates were provided for all alcohol and by drink type.
In the 2014 MESAS annual report, it was possible, for the first time, to adjust the off-trade price band data provided by Nielsen to account for the exclusion of sales by Aldi and Lidl.\(^4\) This was because data were obtained on the proportion of alcohol sold at different prices by a discount retailer in Scotland between 2009 and 2013. However, it has not been possible to obtain an update to these data for 2014. Price band data for 2014 were therefore initially adjusted under three assumptions:

1. There has been no change in the price distribution of discounter alcohol sales between 2013 and 2014.
2. The change in the price distribution of discounter alcohol sales is the same as the change in the rest of the off-trade market (as indicated by the Nielsen price band dataset).
3. The change in the price distribution of discounter alcohol sales between 2013 and 2014 is the same as between 2012 and 2013.

Adjustment was applied to the price distribution of all alcohol and to individual drink types. After performing the analysis, the adjustment made under assumption three above was not considered robust due to the highly variable year-on-year changes for the small discounter sales volumes within particular price bands. As such, price band adjustments based on assumption one and two only are presented in this report.

All data were analysed descriptively and are available in a dataset accompanying this report. Due to rounding, absolute and relative differences stated throughout the report may not exactly equal those calculated using the figures presented.
3. Alcohol retail sales

Per adult alcohol sales, 1994-2014
In 2014, 10.7L of pure alcohol were sold per adult (20.5 units per adult per week) compared with 10.1L in 1994, an overall increase of 6% (Figure 3.1). Most of this increase occurred between 1994 and 2005. There was then a broadly stable trend to 2009 followed by a 9% decline between 2009 and 2013. Analysis of 2014 data suggests that there may have been a levelling off in the recent downward trend in per adult sales in Scotland.

In England & Wales, annual per adult sales did not decline for the first time since 2005. In 2014, the volume of pure alcohol sold per adult in England & Wales was 9.0L per adult (17.4 units per adult per week), the same level as in 2013. Thus, in 2014, 18% more alcohol was sold per adult in Scotland than in England & Wales (Figure 3.1).

Figure 3.1: Litres of pure alcohol sold per adult (aged ≥16 years) in Scotland and England & Wales, 1994-2014

Source: Nielsen/CGA sales dataset (off-trade sales from 2011 onwards adjusted to account for the loss of discount retailers).

Per adult alcohol sales by market sector, 1994-2014
The volume of pure alcohol sold per adult through the off-trade in Scotland increased from 5.2L in 1994 to 7.7L in 2014, an overall increase of 48%. In contrast, on-trade sales per adult decreased by 39% over the same time period, from 4.8L in 1994 to 3.0L in 2014. Thus, of the total volume of pure alcohol sold in Scotland in 2014, 72% was sold through the off-trade, compared with 52% in
1994 (Figure 3.2). This represents the highest off-trade market share over the time period analysed.

The downward trend in off-trade sales in Scotland between 2010 and 2012 has not continued with the most recent data providing an early indication that off-trade sales may be returning to an upward trend.

In England & Wales, 3.8L of pure alcohol per adult were sold through the off-trade in 1994 compared with on-trade sales of 5.2L. By 2014, off-trade sales increased by 61% to 6.2L per adult, while on-trade sales decreased by 45% to 2.9L per adult. The off-trade market now accounts for 68% of the total volume of alcohol sold in England & Wales, compared with 42% in 1994 (Figure 3.2). Consistent with trends seen in Scotland, off-trade sales in England & Wales increased between 2013 and 2014, bucking a downward trend that started in 2010.

Between 1994 and 2014, there has been a consistent pattern of higher off-trade sales in Scotland. In 2014, 25% more pure alcohol was sold per adult through the off-trade in Scotland compared with the rest of Great Britain, accounting for 94% of the total difference in on- and off-trade sales combined. On-trade sales per adult were broadly similar in Scotland and England & Wales between 1994 and 2006. Between 2006 and 2010 the decline in on-trade sales in Scotland was slower than in England & Wales. Since 2010 there has been a slight convergence in trends, but in 2014 on-trade sales remained 4% higher in Scotland (Figure 3.2).

Figure 3.2: Litres of pure alcohol sold per adult (aged ≥16 years) in Scotland and England & Wales, by market sector, 1994-2014

Source: Nielsen/CGA sales dataset (off-trade sales from 2011 onwards were adjusted to account for the loss of discount retailers).
Per adult alcohol sales by drink type, 1994-2014

Figure 3.3 shows trends in per adult sales of pure alcohol sold as the main drink types in Scotland and England & Wales. Trends in ‘Other’ drink types are not shown but are available in the accompanying dataset.

Figure 3.3 Litres of pure alcohol sold per adult (aged ≥16 years) in Scotland and England & Wales, by drink category, 1994-2014

Source: Nielsen/CGA sales dataset (off-trade sales from 2011 onwards have been adjusted to account for the loss of discount retailers).

**Beer**

In Scotland, the volume of pure alcohol sold per adult as beer decreased steadily from 4.4L in 1994 to 3.3L in 2014, a decline of 26%. A similar trend has been seen in England & Wales though beer sales have fallen at a faster rate. Despite this overall downward trend, in 2014 per adult beer sales did not decline in both Scotland and England & Wales for the first time since 2004. This was mainly due to an increase in off-trade beer sales (see accompanying dataset).

**Wine**

The volume of wine sold per adult in Scotland more than doubled over the time series, from 1.4L in 1994 to 3.3L in 2014. In the last MESAS annual report, it was reported that wine sales slightly declined in Scotland between 2010 and 2013, which followed annual increases from 1994. Analysis of 2014 data indicates that this decline may have ceased. In England & Wales per adult wine sales also increased dramatically at the start of the time series, but the upward trend stabilised in 2003 before falling from 2009. This has led to a divergence in trends over the past decade: in 2014 19% more wine was sold per adult in Scotland than in England & Wales.
**Spirits**
Per adult sales of spirits remained broadly stable in Scotland between 1994 and 2009, mostly fluctuating between 3.3L and 3.5L per adult. There has since been an established downward trend in spirits sales in Scotland, declining by 12% in the past five years to 3.0L in 2014. This is the lowest volume recorded over the 21-year time period and reflects declining spirits sales in both the on-and off-trade sectors in Scotland (see accompanying dataset). In England & Wales, spirits sales increased between 1994 and 2003 but have remained at 1.8-1.9L per adult for the past ten years. Despite the convergence in trends, spirits sales in Scotland remained 62% higher than in England & Wales in 2014.

**Cider**
Although the volume of cider sold per adult is relatively low compared with other drink categories, the volume sold in 2014 (0.8L per adult) was double that sold in 1994 (0.4L per adult), with steady annual increases since the mid-2000s. Similar trends are evident in England & Wales.

**Market share**
In Scotland, beer accounted for 44% of the total volume of pure alcohol sold in 1994, spirits for 35%, wine for 13% and cider for 4%. In 2014, beer accounted for 31%, spirits for 28%, wine for 31% and cider for 7%.

In England & Wales, beer accounted for 58% of the total alcohol market share in 1994, wine for 17%, spirits for 16% and cider for 5%. By 2014, beer accounted for 38%, wine for 30%, spirits for 20% and cider for 8%.

**Differences between Scotland and England & Wales**
In 2014, of the additional volume of alcohol sold off-trade in Scotland, the majority (58%) was attributable to higher spirits sales. This represents 54% of the total difference in on- and off-trade sales combined. The most notable difference was in off-trade sales of vodka, which were 2.1 times higher in Scotland than in England & Wales (1.0L versus 0.5L per adult), while whisky sales were 1.5 times higher than those in England & Wales (0.7L versus 0.5L per adult).\(^1\) Per adult sales of all other drink types sold through the off-trade were also higher in Scotland (with the exception of 'other spirits'), although the differences were less marked (Table 3.1).

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\(^1\) Due to rounding, absolute and relative differences stated throughout the report may not exactly equal those calculated using the figures presented.
Table 3.1: Differences between Scotland and England & Wales in the volume of pure alcohol sold off-trade per adult (aged ≥16), by drink type, 2014

<table>
<thead>
<tr>
<th>Drink Type</th>
<th>Scotland off-trade sales (L per adult)</th>
<th>England &amp; Wales off-trade sales (L per adult)</th>
<th>Difference in volume (L per adult)</th>
<th>% of the total difference in off-trade sales (1.5L per adult)</th>
<th>% of the total difference in on- and off-trade sales combined (1.6L per adult)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spirits</td>
<td>2.4</td>
<td>1.5</td>
<td>0.9</td>
<td>58</td>
<td>54</td>
</tr>
<tr>
<td>Vodka</td>
<td>1.0</td>
<td>0.5</td>
<td>0.5</td>
<td>33</td>
<td>31</td>
</tr>
<tr>
<td>Whisky</td>
<td>0.7</td>
<td>0.5</td>
<td>0.2</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>Gin</td>
<td>0.2</td>
<td>0.2</td>
<td>0.1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Rum</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Other spirits</td>
<td>0.3</td>
<td>0.3</td>
<td>0.0</td>
<td>-1</td>
<td>-1</td>
</tr>
<tr>
<td>Wine</td>
<td>2.7</td>
<td>2.3</td>
<td>0.4</td>
<td>26</td>
<td>24</td>
</tr>
<tr>
<td>Beer</td>
<td>1.7</td>
<td>1.7</td>
<td>0.1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Cider</td>
<td>0.6</td>
<td>0.5</td>
<td>0.1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>0.3</td>
<td>0.2</td>
<td>0.1</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>7.7</td>
<td>6.2</td>
<td>1.5</td>
<td>100</td>
<td>94</td>
</tr>
</tbody>
</table>

Source: Nielsen/CGA sales dataset (off-trade sales from 2011 onwards were adjusted to account for the loss of discount retailers). Note: A standard adjustment factor was used for all spirits subtypes based on the discounter market share provided for the overall spirits category. Due to rounding, differences may not exactly equal those calculated using the figures presented.

Alcohol retail sales in Scotland, 2014

A total of 47.3 million litres of pure alcohol were sold in Scotland in 2014: 72% (34.2 million litres) was sold through the off-trade and 28% (13.1 million litres) through the on-trade. Most spirits (80%), wine (82%), and cider (76%) were sold through the off-trade (Figure 3.4). In addition, the most recent data indicate that the majority of beer (53%) is now sold through the off-trade.

Of the total volume of pure alcohol sold through the on-trade in Scotland in 2014, 52% was sold as beer, 21% as spirits, 19% as wine, 6% as cider and 1% as ‘other’. By comparison, 22% of the total volume of pure alcohol sold through the off-trade was sold as beer, 31% as spirits, 35% as wine, 8% as cider and 4% as ‘other’ (Figure 3.5).

The price band dataset provided by Nielsen for the off-trade can be further broken down into drink subtypes, as shown in Figure 3.6.
Figure 3.4: Proportion of each drink category (litres of pure alcohol) sold through the on- and off-trade (Scotland, 2014)

Source: Nielsen/CGA sales dataset (off-trade sales adjusted to account for the loss of discount retailers).

Figure 3.5: Proportion of alcohol sales (litres of pure alcohol) through the on- and off-trade, by drink category (Scotland, 2014)

Sources: Nielsen/CGA sales dataset (off-trade sales adjusted to account for the loss of discount retailers).
Figure 3.6: Proportion of off-trade alcohol sales (litres of pure alcohol), by drink category and type (Scotland, 2014)

Source: Nielsen price band dataset. Off-trade sales were adjusted to account for the loss of discount retailers; category adjustment factors were used for each category subtype. Note: RTD=Ready to Drink beverages. Beer subtypes differ by strength (%ABV): Commodity (0-1.2%); Standard (1.3-3.3%); Premium (3.4-7.5%); Super strength (>7.5%).

Average price per unit of alcohol, 2000-2014
In Scotland, the average price of alcohol sold in the on- and off-trade combined increased by 36% between 2000 and 2014, from 61ppu to 84ppu. Most of this increase is attributable to a 71ppu (74%) rise in on-trade prices, from 95ppu in 2000 to 166ppu in 2014. In contrast, off-trade prices have increased more slowly, from 39ppu to 52ppu (35%) over the same time period. The difference between average on- and off-trade prices has therefore widened, from 56ppu in 2000 to 113ppu in 2014.

In 2014, average on-trade prices were higher in Scotland (166ppu) than in England & Wales (160ppu). Across the time period analysed (2000-2014), however, the pattern and rate of changes in average alcohol retail prices were very similar in Scotland and England & Wales (Figure 3.7). In both areas, average off-trade prices were very similar in 2013 and 2014 after a six year period of annual increases.

It is important to note that trends in average alcohol prices derived from retail sales data potentially reflect both the effect of price changes and the effect of changed consumption patterns, between and within drink categories. They are therefore not directly comparable with trends in the alcohol retail price index, which are a more direct measure of changes in prices charged by retailers.
Figure 3.7: Average price per unit of alcohol sold in Scotland and England & Wales, by market sector, 2000-2014

Source: Nielsen/CGA sales dataset (off-trade sales from 2011 onwards were adjusted to account for the loss of discount retailers). Note: Average price data are not inflation adjusted. The trend line for off-trade prices in England & Wales is concealed by the trend line for Scotland.
4. Price distribution (%) of alcohol sold through the off-trade in Scotland, 2014

Of the total volume of pure alcohol sold through the off-trade (excluding discount retailers) in Scotland in 2014, 20% was sold below 40ppu, 52% below 50ppu, 77% below 60ppu and 87% below 70ppu (Figure 4.1).

Figure 4.1: Price distribution (%) of pure alcohol sold off-trade in Scotland, 2014

Numbers above the bars indicate cumulative percentages.

Source: Nielsen off-trade price band dataset (excluding discount retailers).

Figures 4.2-4.9 present the price distributions of each of the main drink categories: sprits, wine, beer and cider. The price distributions of drink types within categories that constitute at least 5% of the total volume of pure alcohol sold through the off-trade are also presented: vodka, whisky, and premium and standard beer (Figure 3.6). Table wine and regular cider are an exception to this because they account for the vast majority of the total volume of alcohol sold in their respective categories (table wine = 89% of all wine; regular cider = 79% of all cider).
Spirits (all types)
Twelve percent of spirits sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 63% below 50ppu, 81% below 60ppu and 89% below 70ppu (Figure 4.2).

Figure 4.2: Price distribution (%) of pure alcohol sold off-trade as spirits in Scotland, 2014

![Price distribution graph for spirits](source)

Source: Nielsen off-trade price band dataset (excluding discount retailers).

Spirits: Vodka
Eight percent of vodka sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 74% below 50ppu, 93% below 60ppu and 98% below 70ppu (Figure 4.3).

Figure 4.3: Price distribution (%) of pure alcohol sold off-trade as vodka in Scotland, 2014

![Price distribution graph for vodka](source)

Source: Nielsen off-trade price band dataset (excluding discount retailers). Note: y-axis is not consistent with the rest of the charts in this section.
Spirits: Whisky
Eighteen percent of whisky sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 58% below 50ppu, 75% below 60ppu and 82% below 70ppu (Figure 4.4).

Figure 4.4: Price distribution (%) of pure alcohol sold off-trade as whisky in Scotland, 2014

Wine
Six percent of wine (includes table wine, sparkling wine and champagne) sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 30% below 50ppu, 67% below 60ppu and 82% below 70ppu (Figure 4.5).

Figure 4.5: Price distribution (%) of pure alcohol sold off-trade as wine in Scotland, 2014

Source: Nielsen off-trade price band dataset (excluding discount retailers).
Beer (all types)
Thirty-six percent of beer sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 64% below 50ppu, 85% below 60ppu, and 93% below 70ppu (Figure 4.6).

Figure 4.6: Price distribution (%) of pure alcohol sold off-trade as beer in Scotland, 2014

Source: Nielsen off-trade price band dataset (excluding discount retailers).

Beer: Premium beer (ABV 4.3-7.5%)
Twenty-seven percent of premium beer sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 59% below 50ppu, 79% below 60ppu and 90% below 70ppu (Figure 4.7).

Figure 4.7: Price distribution (%) of pure alcohol sold off-trade as premium beer in Scotland, 2014

Source: Nielsen off-trade price band dataset (excluding discount retailers).
Beer: Standard beer (ABV 3.2-4.2%)  
Forty-nine percent of standard beer sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 72% below 50ppu, 93% below 60ppu and 98% below 70ppu (Figure 4.8).

Figure 4.8: Price distribution (%) of pure alcohol sold off-trade as standard beer in Scotland, 2014

Source: Nielsen off-trade price band dataset (excluding discount retailers).

Cider  
Fifty-seven percent of cider sold through the off-trade in Scotland in 2014 was sold at below 40ppu, 74% below 50ppu, 83% below 60ppu and 88% below 70ppu (Figure 4.9).

Figure 4.9: Price distribution (%) of pure alcohol sold off-trade as cider in Scotland, 2014

Source: Nielsen off-trade price band dataset (excluding discount retailers).
Figures 4.2-4.9 provide useful information regarding the proportion of alcohol sold within different price bands for individual drink categories, enabling the price distributions to be compared. However, each drink category accounts for a different share of the overall off-trade market (Figure 3.3). For example, although 74% of cider is sold below 50ppu, this represents only 11% of all off-trade alcohol sold below this price threshold. Figure 4.10 therefore presents the volume of pure alcohol sold through the off-trade per adult in Scotland, within each drink category across the price distribution. In 2014, cider (53%) and beer (26%) accounted for the highest proportions of alcohol sold off-trade at below 30ppu, although the total volume of pure alcohol sold at below 30ppu was small (0.3L per adult). Most off-trade alcohol was sold at between 35-54.9ppu (4.1L per adult; 60% of total), of which spirits accounted for 41%, wine for 29%, beer for 23%, cider for 4% and other drink categories for the remaining 2%. Of the 2.1L of off-trade alcohol sold per adult at 55ppu and above, 46% was wine, 25% was spirits, 18% was beer, 5% was cider and 6% was other.

**Figure 4.10:** Litres of pure alcohol sold per adult (aged ≥16 years) in Scotland, by price band, 2014

Source: Nielsen off-trade price band dataset (excludes discount retailers).

**Adjustment for Aldi and Lidl**

The impact of adjusting Nielsen price band data - to account for alcohol sold by discount retailers - on the proportion of off-trade alcohol sold below different price thresholds is shown in Table 4.1. Assumption one is that there has been no change in the price distribution of discounter alcohol sales between 2013 and 2014. Assumption two is that the change in the price distribution of discounter alcohol sales is the same as the change in the rest of the off-trade market (as indicated by the Nielsen price band dataset). Under both assumptions, adjustment has only a small impact on the proportion of all alcohol sold at below
different price thresholds although there are some larger differences by drink type.

**Table 4.1:** Proportion of pure alcohol sold off-trade in Scotland with and without adjustment for sales by discount retailers, 2014

<table>
<thead>
<tr>
<th>%</th>
<th>Spirits</th>
<th>Wine</th>
<th>Beer</th>
<th>Cider</th>
<th>All alcohol</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30ppu</td>
<td>Original</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Assumption 1</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Assumption 2</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>35</td>
</tr>
<tr>
<td>&lt;40ppu</td>
<td>Original</td>
<td>12</td>
<td>6</td>
<td>36</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Assumption 1</td>
<td>17</td>
<td>15</td>
<td>39</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>Assumption 2</td>
<td>14</td>
<td>9</td>
<td>37</td>
<td>58</td>
</tr>
<tr>
<td>&lt;50ppu</td>
<td>Original</td>
<td>63</td>
<td>30</td>
<td>64</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>Assumption 1</td>
<td>65</td>
<td>39</td>
<td>66</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td>Assumption 2</td>
<td>63</td>
<td>33</td>
<td>65</td>
<td>75</td>
</tr>
<tr>
<td>&lt;60ppu</td>
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<td>Assumption 1</td>
<td>83</td>
<td>71</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>Assumption 2</td>
<td>82</td>
<td>68</td>
<td>85</td>
<td>84</td>
</tr>
</tbody>
</table>

Source: Nielsen off-trade price band dataset, adjusted using confidential discount retailer data. Assumption 1: there has been no change in the price distribution of discounter alcohol sales between 2013 and 2014. Assumption 2: the change in the price distribution of discounter alcohol sales is the same as the change in the rest of the off-trade market (as indicated by the Nielsen price band dataset).
5. **Price distribution (%) of alcohol sold through the off-trade in Scotland, 2009-2014**

An increase in the average price of alcohol was noted earlier (Figure 3.7). Although the upward trend was more marked in the on-trade, average off-trade sales prices increased by 36% between 2000 and 2014. This is reflected in the price band data for 2009-2014. Figure 5.1 shows the changes in proportions of all off-trade alcohol sold within each price band over this 5-year period. Of the total volume of pure alcohol sold through the off-trade (excluding discount retailers) in Scotland in 2014, 20% was sold below 40ppu, 52% below 50ppu, 77% below 60ppu and 87% below 70ppu, whereas in 2009, 50% of off-trade alcohol was sold at less than 40ppu, 77% at less than 50ppu, 89% at less than 60ppu and 95% less than 70ppu.

Overall, therefore, there has been an upward shift in the price distribution of the volume of alcohol sold off-trade in Scotland between 2009 and 2014, with the most notable changes at the lower price bands. However, unlike changes across earlier years, there was little change in the price distribution between 2013 and 2014.

**Figure 5.1:** Price distribution (%) of pure alcohol sold off-trade in Scotland, 2009-2014

Source: Nielsen off-trade price band dataset (excludes discount retailers). Note: Price distribution data have not been adjusted for inflation.
There has been some notable variation in the extent to which the proportion of alcohol sold as different drink types has changed over time (Table 5.1). For example, there has been a large decrease in the proportion of spirits sold at below 40ppu between 2009 and 2014, from 63% to 12%, with the proportion being sold at below 30ppu in 2014 being almost zero (<1%). The proportion of beer sold at below 30ppu has also fallen sharply over the past five years; however, between 2013 and 2014, the proportion of beer sold at below 30ppu, 40ppu and 50ppu increased. In 2014, cider was the only drink type with a substantial share (33%) of its volume sold at below 30ppu, an increase from 26% in 2013. For wine, the proportion sold below 50ppu has more than halved over time, from 68% in 2009 to 30% in 2014, with an increasing proportion now being sold at between 50-60ppu. As noted earlier, the net effect of the changes in the past year is that the proportion of alcohol sold at below different price thresholds has remained broadly the same, which contrasts with the steady annual declines observed between 2009 and 2013.

Table 5.1: Proportion each drinks category sold in the off-trade below different prices per unit, 2009-2014

<table>
<thead>
<tr>
<th></th>
<th>All alcohol</th>
<th>Spirits</th>
<th>Wine</th>
<th>Beer</th>
<th>Cider</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30ppu</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>14</td>
<td>13</td>
<td>4</td>
<td>18</td>
<td>46</td>
</tr>
<tr>
<td>2010</td>
<td>10</td>
<td>3</td>
<td>2</td>
<td>18</td>
<td>43</td>
</tr>
<tr>
<td>2011</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>2012</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>26</td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>2014</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>&lt;40ppu</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>50</td>
<td>63</td>
<td>34</td>
<td>50</td>
<td>74</td>
</tr>
<tr>
<td>2010</td>
<td>43</td>
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<td>25</td>
<td>48</td>
<td>70</td>
</tr>
<tr>
<td>2011</td>
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<tr>
<td>&lt;50ppu</td>
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<td>2009</td>
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<td>2014</td>
<td>52</td>
<td>63</td>
<td>30</td>
<td>64</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: Nielsen off-trade price band dataset (excludes discount retailers). Note: Price distribution data have not been adjusted for inflation.
6. **Price distribution (L per adult) of alcohol sold through the off-trade in Scotland and England & Wales, 2014**

The price distributions for Scotland and England & Wales in 2014, when expressed as a percentage of the total volume of pure alcohol sold off-trade, are shown in Figure 6.1. Of the total volume of pure alcohol sold off-trade in Scotland in 2014, 20% was sold below 40ppu, 52% below 50ppu, 77% below 60ppu and 87% below 70ppu. In England & Wales, 21% was sold below 40ppu, 50% below 50ppu, 74% below 60ppu and 85% below 70ppu. The price distributions are broadly similar with the only notable difference being a higher proportion of alcohol sold at between 40-44.9ppu in Scotland.

**Figure 6.1:** Price distribution (%) of pure alcohol sold off-trade in Scotland and England & Wales, 2014

![Price distribution chart](image)

Source: Nielsen off-trade price band dataset (excludes discount retailers).

Section 3 showed that the volume of pure alcohol sold off-trade per adult in Scotland is substantially higher than in England & Wales. Figure 6.2, which expresses the price distribution of off-trade sales as the volume of pure alcohol sold per adult (as opposed to a proportion of total off-trade sales), reveals that the additional volume of alcohol sold in Scotland was not spread evenly across the price bands. The majority (62%) of the total disparity was due to alcohol sold between 35-49.9ppu, while 79% of the difference was accounted for by alcohol sold between 35-54.9ppu.
Analysis of the price distribution of spirits reveals that 71% of the additional volume sold per adult in Scotland was sold at below 50ppu (Figure 6.3). This accounts for over half (51%) of the total difference in off-trade sales. This pattern was largely driven by vodka with 2.4 times more vodka being sold off-trade at below 50ppu in Scotland than in England & Wales. The additional whisky sold per adult in Scotland compared with England & Wales is also explained by higher sales at the cheaper end of the price distribution. For example, 57% more whisky was sold per adult in Scotland at below 50ppu, equivalent to less than £14 for a 70cl bottle.
Figure 6.3: Price distribution (L per adult) of pure alcohol sold off-trade as spirits in Scotland and England & Wales, 2014

Source: Nielsen off-trade price band dataset (excludes discount retailers).
7. Summary

Analysis of the most recent data suggests that the downward in per adult sales of pure alcohol in Scotland since 2009 may be flattening. Similarly, in England & Wales, the downward trend in per adult sales observed since 2005 stalled in 2014. In both areas, this was largely due to an increase in off-trade sales in the past year, particularly of beer and cider (though off-trade wine sales also increased in Scotland). Future data will be needed to establish if these changes mark the return of an upward trend in off-trade sales across Great Britain.

The longstanding gap in population alcohol consumption levels between Scotland and England & Wales remained in 2014. In Scotland, 18% more alcohol was sold per adult than in the rest of Great Britain. This was almost entirely due to higher off-trade sales in Scotland, accounting for 94% of the difference in total per adult sales. Data on the price distribution of alcohol sold off-trade shows that the higher off-trade sales in Scotland are particularly marked in the 35-54.9ppu range. This was largely driven by higher spirits sales in Scotland within this price range, particularly vodka.

In all previous MESAS reports, the price distribution of alcohol sold off-trade in Scotland has shifted upwards over time. In other words, there has been a decreasing percentage of alcohol sold at below particular price thresholds, such as <30ppu, <40ppu and <50ppu. Between 2013 and 2014, however, the price distribution of off-trade alcohol sales was very similar. For beer and cider, a higher proportion of alcohol purchased was sold at below 50ppu in 2014 compared with the previous year, offset by a continuing (but slower than in previous years) fall in the proportion of wine and spirits purchased at below 50ppu.
References


