BOTTOMS UP

The Greek alcoholic beverages industry is worth a whopping €8bn a year. This figure has shot up in the past five years by about a third, because of the price hikes implemented by retailers following the introduction of the euro. However, the volume of consumption is growing only modestly at around 2% a year as most sectors are relatively mature. Changes in market shares depend largely on preference or new product launches – both of which are supported by massive advertising and promotion expenditure.

Greek per capita consumption of alcoholic beverages is below the EU average, approximately 5.3 litres/capita for spirits (placing Greece 19th) and 40 litres for beer which is well below the EU average of 80 litres.

But there are particularities. Greece shares the honours with South Korea for the world's highest per capita consumption of whiskey – the import sells twice as much as domestically-produced ouzo – and the Greek market is something of a bellwether for international trends.

Greece, e.g., has been a key focus for the development and promotion of flavoured alcoholic beverages (FABs) and it now looks like leading a trend toward mid-range, ready-to-drink products – pre-mixed drinks with a hard liquor base but a reduced alcohol content.

Greeks are the drinks trade's ideal customers. They drink often but not too much. Many, particularly in the 18-30 age range, go out three or more times a week to meet with friends for one or two drinks. Thereafter, many will go on to *bouzoukia* or clubs to listen to music or dance till the small hours.

But the pace of liquor consumption is usually measured and there is little binge drinking. Boisterous public behaviour, that in northern Europe is often alcohol-fuelled and leads to belligerence, in Greece is usually a combination of natural ebullience lubricated with a modicum of alcohol. Drunkenness is frowned upon and alcoholism, though it exists, is not a major problem.

Until the end of the last century about 75% (possibly more) of all alcoholic drinks were consumed in restaurants, bars and nightclubs – the so-called on-trade. Latterly, however, as greedy bar and club owners have rounded up their prices in the course of the transition from drachmas to euros while employers have translated salaries at a strict official exchange rate ratio, the on-trade has been diminishing. Many people simply can no longer afford as many – in some cases any – evenings out.

The proportion of drink bought in shops for consumption at home – the off- trade – is steadily growing, with the overall split having drifted to 65 on and 35 off, or 55-45, depending upon the sector and who you talk to.

As more people eat and entertain at home, the off-trade in wine and beer has grown. Spirits still tend to be consumed in bars and clubs though there has been a drift in the off-trade towards premium brands, as people buy more expensive whiskeys and liqueurs to share with friends at home – particularly on occasions involving a celebration, such as a birthday or anniversary.

The drinks market is highly seasonal, particularly for beer where up to 60% of the sales are made during 40% of the year (May – September).[1]

Local producers tend not to mix their drinks, with most wine-makers producing only wine and brewers producing only beer. The beer market is dominated by Heineken NV of the Netherlands, which is reputed to have a market share of 83%.

The wine trade is dominated by four large industrial scale producers – Malamatina, Kourtakis, Boutari and Tsantali, which focus on the middle to mass market and exports to Greeks of the diaspora. This sector, however, is more diffuse and there are some 300 wineries each with production of less than a million bottles a year making wines of ever-increasing quality – and cost. Boutari is the only company that does both wine and beer.

The formal spirits trade is pre-dominantly imports and is dominated by six companies, only one of which is Greek owned – all the others being subsidiaries or divisions of multinationals. In addition, though there is extensive bulk trade in domestically-produced ouzo, brandy and *tsipouro*, which is largely unorganised and difficult to monitor both in terms of production and consumption.

As globally, mixers are dominated by the multinationals Coke and Pepsi with Coke having a commanding lead in Greece of over 80%. The water market, a growth sector, is considerably more fragmented with a local source bottler, Zagori, being market leader but the multinationals Coca-Cola, Nestlé and Pepsi occupying the next three places.

The present survey concentrates on alcoholic and related beverages markets. It does not deal with juices, fluid milk, coffee and tea. It is far from comprehensive and some major brand owners (such as Metaxas) and distributors (such as Karoulias) declined to co-operate. But it is, hopefully indicative of trends that have occurred or are developing in the sector.

[1] *Market leader Athenian Brewery says that up to 68% of its sales are generated during this five-month period.*