


Americans are saying “Cheers” more often

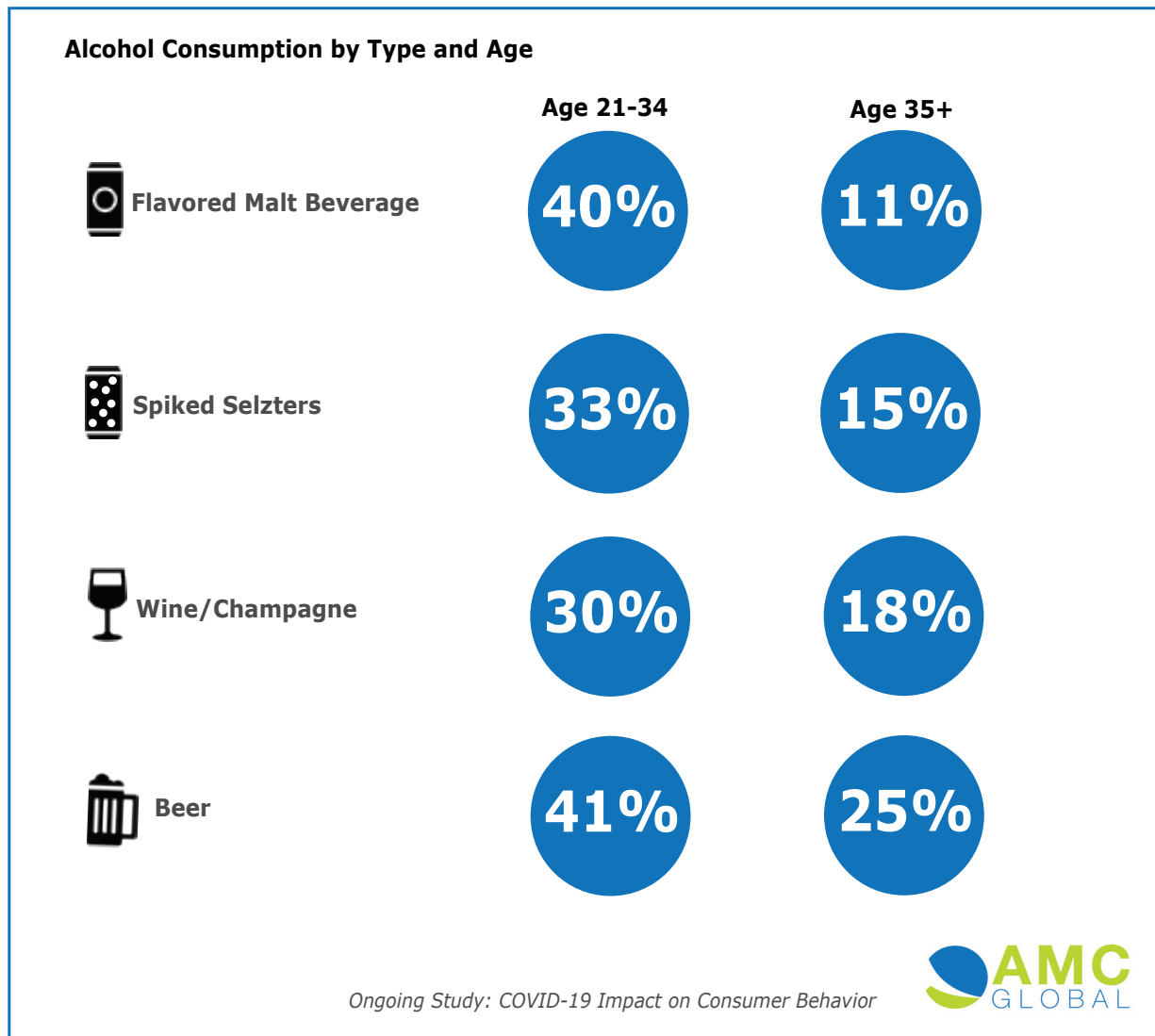
New data dives into emerging habits for alcoholic beverage consumption

In one way or another, we’ve all changed our behaviors due to the global pandemic. At the very least, most people are staying home more often, driving up the consumption of things like streaming entertainment, basic online services and, you guessed it, alcoholic beverages!

A close-up photograph of a hand holding a clear glass filled with amber-colored whiskey and several ice cubes. The background is blurred, showing a person's hand holding a smartphone. The scene is set on a wooden surface.

In the most recent wave of our ongoing consumer behavior survey, we found that consumption of alcoholic beverages has shifted as the pandemic continues—with 27% of respondents¹ reporting that they have been drinking more.

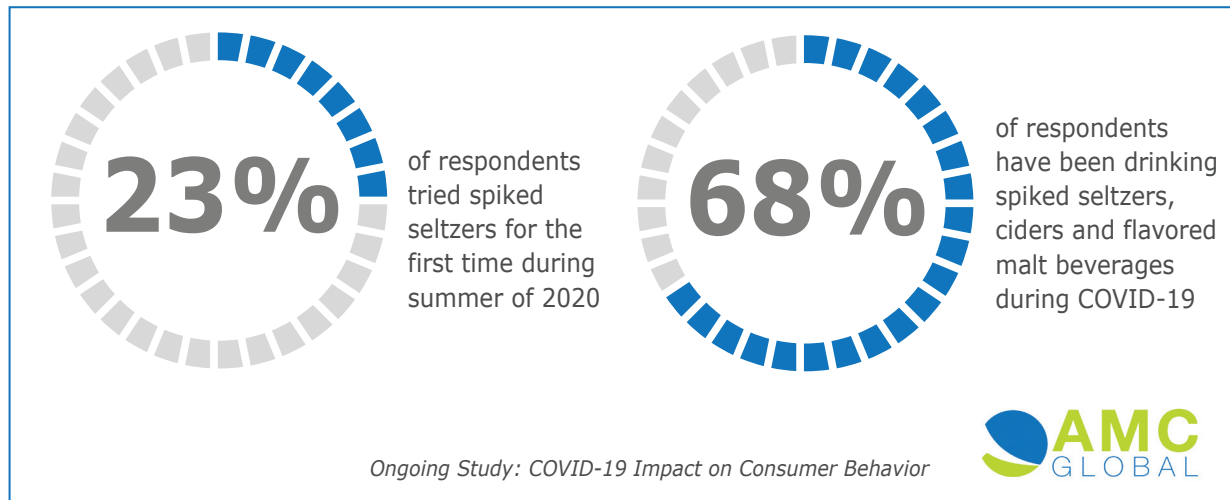
Other studies corroborate our findings, with a CNBC report² indicating that during major lockdown, when bars closed, sales of alcohol from retail outlets were much higher this year than in previous years during the same time period. This behavior wasn't ubiquitous across all demographics though—we found that most of those drinking more alcohol fell into younger age groups, ranging from ages 21 to 34³.



The beverage menu expands

During the pandemic, we have seen people mixing cocktails at home, and they are also choosing what are perceived as “healthier” or lighter varieties of packaged alcoholic beverages. Some are choosing lower ABV wines (12% or 13% max), spritzes and spirit-free cocktails⁴ to keep down sugar intake and lessen negative health impacts. Of course, not all new choices are driven by health concerns, with 33% of people trying new beers, 20% trying new wines, and 14% trying flavored malt beverages, according to our ongoing consumer behavior study.

This spirit of experimentation is pervasive, as we found that 23% of consumers are also trying new-to-market or new-to-them beverages like spiked seltzers. We know that these seltzers have skyrocketed⁵ in popularity—with many new brands hitting shelves to capitalize on the craze. This trend is coming from large global brands, as well as smaller localized brands where we are even seeing regional craft beer manufacturers⁶ branch out into the hard seltzer space.



There are also other “hot” alcoholic beverage categories that people seem increasingly willing to try—and brands are stepping up to deliver. There has been a surge of spiked nitro⁷ and cold brew options coming on the market, mostly consisting of liquor or liqueur mixed with a richly flavored coffee containing higher-than-average caffeine. In addition, we are seeing large brands come out with more ready-to-drink cocktail⁸ options, including new flavors and mixtures.

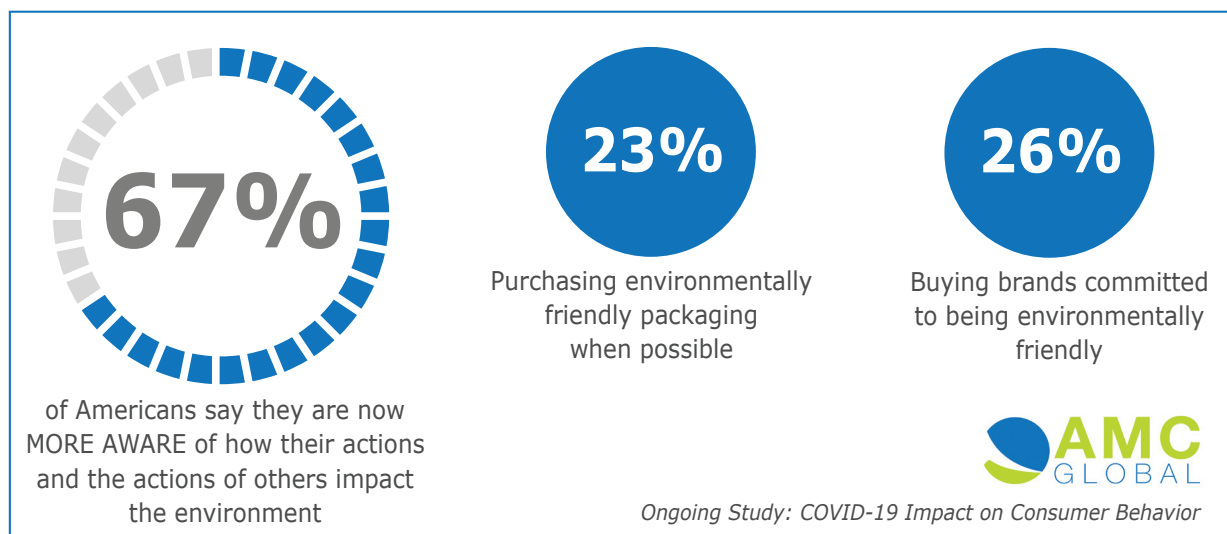


The Future of CBD-Infused Beverages

Increased interest in healthy choices and new beverage categories have helped bolster the emerging CBD-infused beverage market. CBD is a non-psychoactive cannabis product, and it does not intoxicate like THC. These beverages claim to provide wellness benefits such as pain relief, relaxation and mood balancing effects. While unfamiliarity of CBD-infused beverages⁹ has caused a somewhat delayed adoption despite purported health benefits, the market share of this beverage category is predicted to grow as cannabis becomes more widely legalized.

Alcoholic beverage packaging and sustainability

As people shift toward the purchase of convenient beverages, packaging is coming under greater scrutiny. During the pandemic, there has been a renewed focus on product sustainability and the “impact of environmental sustainability on food purchases jumped significantly¹⁰.” A recent wave of our study showed that 67% of consumers are now more aware of how their actions and the actions of others impact the environment, including the use of sustainable packaging.



While convenience has played a role in consumer choice during the pandemic, brands need to consider seeking “a good sustainability narrative¹¹”—choosing environmentally sound packaging options and communicating this commitment to their audiences.

In the alcoholic beverage category, the slowing of on-premise sales has had a clear impact on sales of single serve units (although some studies are showing this trend is softening¹²). This means brands will need to have a renewed focus on sustainable packaging, choosing materials that can lessen their carbon footprint. New technology and innovations in the packaging sector¹³ hold some promise for the future, and several larger brands are setting a precedent for eco-friendly packaging.

Can canmakers keep up?

Aluminum has been often cited as a sustainable option for beverage manufacturers due to its recyclability and light weight for shipping. However, a shortage of aluminium cans in 2020 could translate to an alcoholic beverage shortage for brands seeking alternative options for packages. Manufacturers just were not prepared for the sudden onslaught of home purchasing for beverages once the pandemic hit and stay-at-home orders were issued. Some companies focused on production of most popular products during this time of shortage.



And importantly, new behaviors may be here to stay!

As with many new attitudes and behaviors formed under influences from the pandemic, a shift in alcoholic beverage consumption habits may be here to stay.

While most of our respondents¹⁴ indicated that they would go back to the same or less than their “pre-pandemic” drinking from an amount standpoint, there is a small percentage (9%) who will continue to drink more. Still, even with more businesses opening across the country, only 18% of respondents¹⁵ have been to a bar, indicating that packaged, retail beverages will remain popular for the foreseeable future. When it comes to overall beverage choice, consumers have expanded their horizons into new categories and may continue to demand this level of diverse options.



Want to learn more about consumer behavior trends and how your brand can keep up? Reach out:

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Reference Links

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