



Shifting Habits: Drinking Occasions and Channel Mix

June 2023

INTRODUCTION

Scope

Key takeaways (1)

Exploring shifting habits: Drinking occasions and channel mix

Drivers of shifting habits, drinking occasions and channel mix

Drinking occasions uncovered

THE CONSUMER ECONOMY AND SOCIAL OCCASIONS

The cost of living crisis is being disproportionately felt by lower income consumers

Consumers are moving to discount grocers, buying second-hand products and private label

Gains in disposable income are partly offset or entirely erased by rising prices

Rising prices fuel the growth of household debt, as consumers bridge the gap through credit

On-trade is the biggest source of drinks price inflation and expected consumer cutbacks

Case study: Hey Tea pledges to cap prices to win back Chinese consumers

Price inflation has bolstered the profits of global consumables suppliers, as volume ebbs

Case study: Campa Cola capitalises on nostalgia and value-seeking Indian consumers

Premium retail alcohol as an affordable alternative to on-trade consumption

A freer spending upper-middle income consumer sustains on-trade recovery and outlook

Case study: Fundacion Si and the importance of social engagement and integration

Rising prices and widening inequality are the biggest short-term threats to social occasions

NEW PHYSICAL BOUNDARIES OF OCCASIONS

Hybrid work models, new daytime populations and ongoing disruption to on-trade channels

Expectation of work from home flexibility consistent across geographies

Case study: HyVee & Marianos and Kroger exploring hybrid retail and foodservice concepts

Generational attitudes sever the link between socialising and drinking occasion

Case study: The New Bar and alcohol free on-premise occasions

Case study: Ranch Rider and Spindrift differentiate via ingredient quality in US seltzers

The loss of social occasions contributes to rising social isolation and loneliness

Case study: Chatty Café Scheme and Kletska lanes aim to counter community loneliness

New priorities shaping our occasions: Values, identity and time with family and friends

Case study: Family, connection and nostalgia characterises beverage marketing in 2023

A new geography of beverage occasions, as populations, priorities and values evolve

OUR NEW DRINKING ROUTINES

New beverage routines are being established around five important pillars

Pillar 1: Maximising affordability by balancing price, pack and channel mix

Case study: Coca-Cola Value Collection and price/package/channel optimisation strategy

Pillar 2: Reigniting experiential beverage consumption, both physical and digital

Case study: Australian Treasury Wine Estates targets consumers with AR experience

Pillar 3: Creating “shareable” and buzz-worthy beverage ingredients and brands

Case study: Ocean Spray and Campari among the beverages boosted by viral moments

Case study: Starbucks Japan utilises bright, visual ingredients to boost online buzz

Pillar 4: Generating community-based drinking occasions

Case study: Heineken campaigns to reach gamers, avoiding stereotype and cliché

Pillar 5: Function and wellness culture is creating new occasions for beverages

Case study: Athletic Brewing becomes a success story by crafting a “wellness” brand

Case study: Sentia and the possibilities of alternative hero ingredients and need-states

The five pillars of the future beverage routine

CONCLUSION

Key takeaways (2)

Shifting habits: How to adapt

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