

DRINKING SMARTER & DRINKING LESS

2021 Alcohol Trends Report



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Introduction

Consumers have had access to convenient wellness foods and beverages for decades. 62% of Americans agree that “convenient foods help [them] be healthier.” Everyday foods with healthy attributes make wellness convenient, and brands offer functional options in nearly every food and beverage category.

The functional foods and beverages trend has now reached the alcohol industry. Health and wellness surged during the COVID-19 pandemic, accelerating the already-emerging trend toward healthier alcohol choices. Beyond hard seltzers for the calorie-conscious, we now see hard kombucha, seltzers with antioxidants, and dozens of new non-alcoholic canned beverages.

There are two key trends driving alcoholic beverages for wellness: **people are drinking smarter and drinking less.** These trends are not necessarily novel, but they have taken a new direction beyond traditional low-calorie options or total alcohol abstinence. Those who are drinking less want something in their hand beyond a water or a soda. And those who are looking to drink smarter want something to improve their beverages’ nutritional or wellbeing profile. Both trends have strong roots in the millennial crowd, while younger Gen Xers are swiftly jumping on the bandwagon.

Beverage companies have the opportunity to be fast followers with these emerging trends. There’s share to be captured among consumers looking for alternative drink options as well as to keep consumers in the category. Both trends will only accelerate as people return to navigating a post-pandemic social life.

Evergi Methodology:

Consumers: The survey is fielded semi-annually online with 5,000 US consumers age 21+ (the first wave was fielded 2020). This is a general population survey, census-balanced on age, gender, and geography.

Conversations: We collect social listening data from Twitter and Instagram posts utilizing keywords related to wellness. Posts are tagged by product type and sub-type, medical conditions, ingredients, need states, and associated keywords.

Drinking Smarter

Drinking smarter is all about minimizing the bad and increasing the good. For many, this means fewer calories and more beneficial or functional ingredients. It's long been thought that drinking alcohol means letting go of wellbeing goals for the night. Contrary to this attitude, these new age consumers don't want to trade away their wellness every time they drink alcohol. Consumers want to feel good about the food and beverage choices they make—including alcohol. Low-calorie and fortified options afford them this.



Calorie-Conscious

Though the trend of low-calorie alcoholic beverage isn't new, it has ramped up as part of this trend of drinking smarter. If weight loss or maintenance is part of one's wellness goals, alcohol consumption could greatly interfere with progress. 48% of all American consumers say they are actively trying to lose weight, while slightly more (50%) of alcohol consumers say so.

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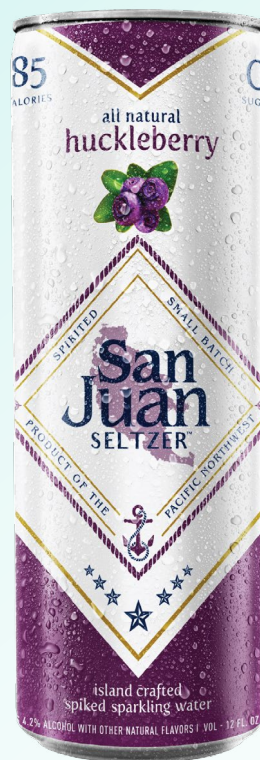
Consumers have looked for low-calorie alcoholic drinks well before the pandemic. But options like ultra-light beer and “skinny” cocktails usually meant decreasing alcohol content along with calories. Now consumers can get both. The hard seltzer craze kicked off by White Claw has spun off dozens of high-alcohol content beverages with the same low-calorie appeal.

On cans, the brands highlight low calories and lack of sugar. The fruity flavors of hard seltzers are more fun than light beers of the past, and attributes like USDA organic status further add to their wellness appeal.

Product Examples:



Henry's Hard Sparkling Water



San Juan Seltzer



Michelob ULTRA Organic Seltzer

Making the Unhealthy Healthier

The functional beverage category exploded in 2020, offering enriched drinks for relaxation, energy, and general mood modification.

But fortified food and beverages are nothing new. A generation has grown up enjoying juice with added calcium, cereal with vitamin K, and snack bars with iron. Foods and beverages with little nutritional value on their own are fortified to create healthier offerings for consumers—or at least a product that feels healthier.

Functional alcoholic beverages are just beginning to emerge. Added vitamins and natural ingredients help offset the perceived negative health effects of alcohol consumption. Consumers can feel like they're doing something good for themselves while still having a drink.

Keeping health-conscious consumers interested in the category may be achievable with wellness ingredient-infused alcoholic beverages.



Hard kombucha is one of the “healthy-feeling” options. It carries the wellness connotations of regular kombucha; it’s made from tea and has probiotics that could be good for digestion. Only 1% of consumers report purchasing hard kombucha in the past 3 months, but 79% of the general population agrees that wellbeing is tied to gut health. This belief is slightly more prevalent among alcohol consumers (81%), which could be contributing to hard kombucha’s popularity.

79% of the general population agrees that wellbeing is tied to gut health

Hard kombucha has been on shelves for over a decade, but interest in the product picked up in 2020. **Evergi Conversations saw social posts mentioning hard kombucha grow 25% from October 2020 to February 2021.** It’s so popular that in February 2021, 10 hard kombucha brands came together to celebrate World Kombucha day with influencer campaigns including social infographics and giveaways.

The hard seltzer category is also beginning to go beyond low-calories and into added functional ingredients. Molson Coors launched Vizzy Hard Seltzer “with antioxidant vitamin C from acerola superfruit” in April 2021. Even craft beer brands are brewing with interesting ingredients, like Harpoon Brewery’s Rec. League brewed with buckwheat kasha, chia seeds, and sea salt.

Product Examples:



June Shine
Hard Kombucha



Vizzy Hard
Seltzer



Harpoon Brewery
Rec. League

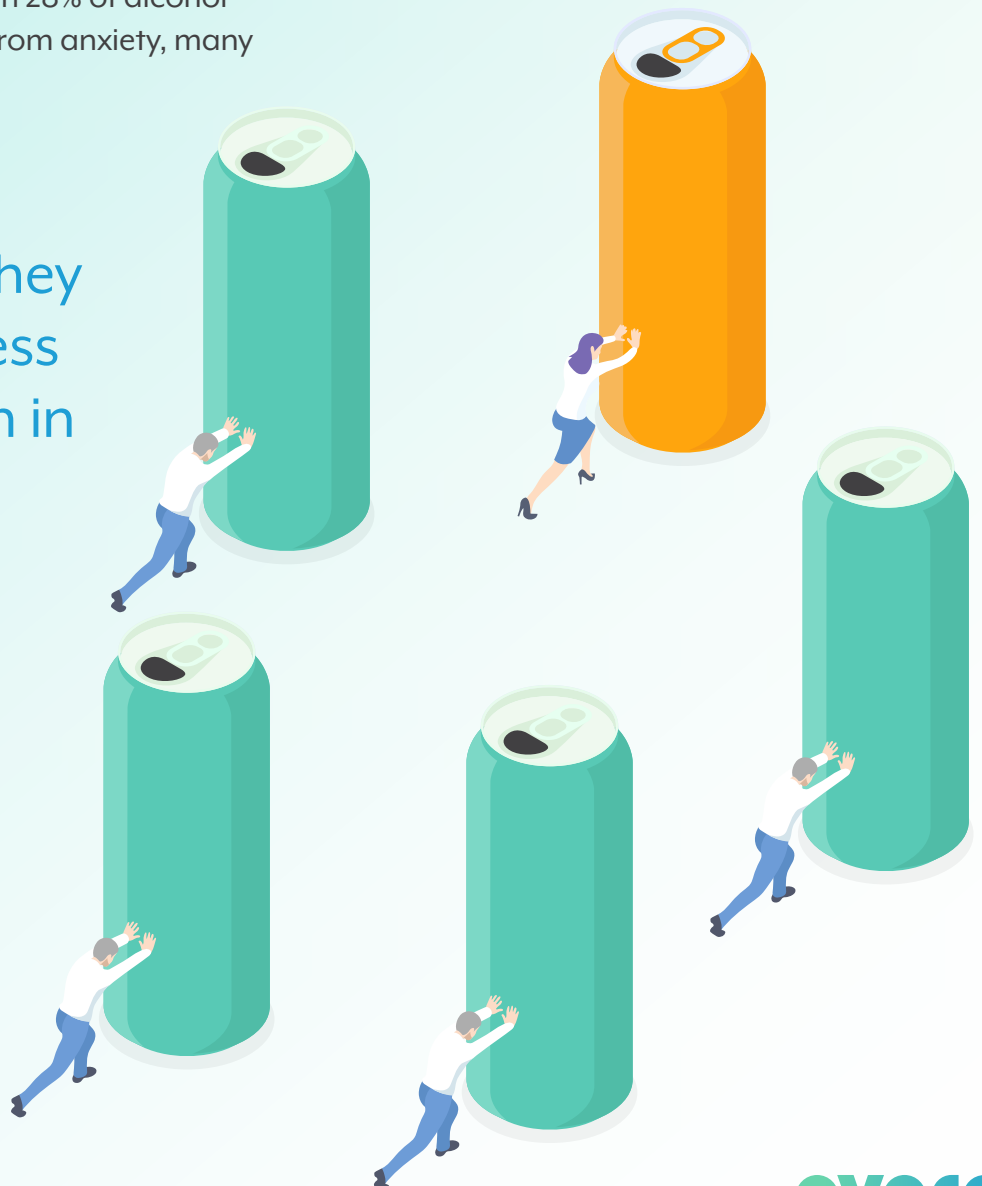
Drinking Less

There is an emerging trend toward drinking less among consumer. 64% say they are consuming less alcohol than in the past. Alcohol sales increased in spring 2020 as consumers coped with the pandemic. It is striking that nearly two-thirds of consumers have decided to curb their alcohol consumption or even cut it out completely.

Regular drinking and more time alone to reflect during lockdown seems to have caused many to reassess their alcohol usage, especially as it relates to impact on mental health. With 28% of alcohol consumers reporting suffering from anxiety, many

are looking to alleviate this and similar conditions by drinking less. For example, those who report trying to drink less are **12% more likely to say they are “focused on mental health”** compared to all alcohol consumers.

64% of alcohol consumers say they are consuming less alcohol now than in the past.



At the same time, the cutback may have not been exclusively health-related. There are fewer social settings for drinking in a social-distanced world. With a lower tolerance for alcohol, pre-pandemic drinking habits likely won't return immediately. Some consumers could look to pace themselves with non-alcoholic beverages or choose them to avoid hangovers all together.

Of consumers who report drinking less, a whopping 75% wish there were more non-alcoholic options

for social gatherings. This emerging trend points to an opportunity with non-alcoholic beer and spirits that consumers are outright asking for.

75% of consumers who report drinking less wish there were more non-alcoholic options for social gatherings

Beer brands have already started catering to this need. There's a history of NA beers, especially outside of the US. The narrative around NA beer now is around incorporating it with normal alcohol consumption.



Labatt promoted its NA beer during the 2020 holiday season with a campaign that *“encourages beer drinkers to swap out six alcoholic beverages for non-alcoholic beer throughout the holidays.”*

“We’re calling Labatt NA: The Official Beer of Tomorrow, because replacing a couple alcoholic drinks with a non-alcoholic option can make the next day better.”

— Janine Schoos, Brand Director for Labatt

Similar messages were promoted by [Samuel Adams](#) during 2021 March Madness. The company created the “*Insulated Pacing Apparatus*” to launch its new Just The Haze IPA that “*just so happens to be non-alcoholic.*” The device is a special beer koozie that lights up after every two beers to remind users to swap in a NA beer. Samuel Adams’ goal is “*to help drinkers pace with taste during drinking occasions much like long-duration basketball tournaments.*”

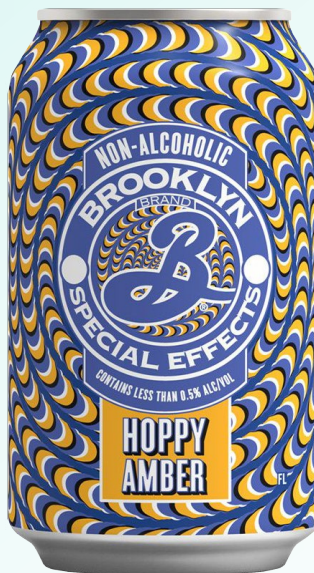


Non-alcoholic options will be important to keeping consumers spending in the beverage market. Consumers will need more than one NA beer on a menu or on shelf. Staying in the market requires NA beverages that can delight consumers and stand on their own. NA beers are marketing themselves as tasty, full-bodied beverages that won’t leave you missing the taste of alcoholic beer.

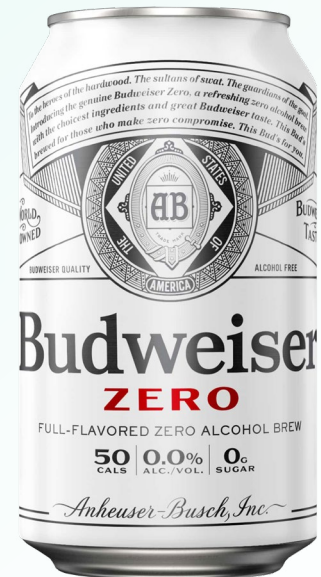
Product Examples:



Brewdog Wake Up Call Stout



Brooklyn Special Effect Hoppy Amber



Budweiser Zero Full-Flavored Zero Alcohol Brew

Conclusion

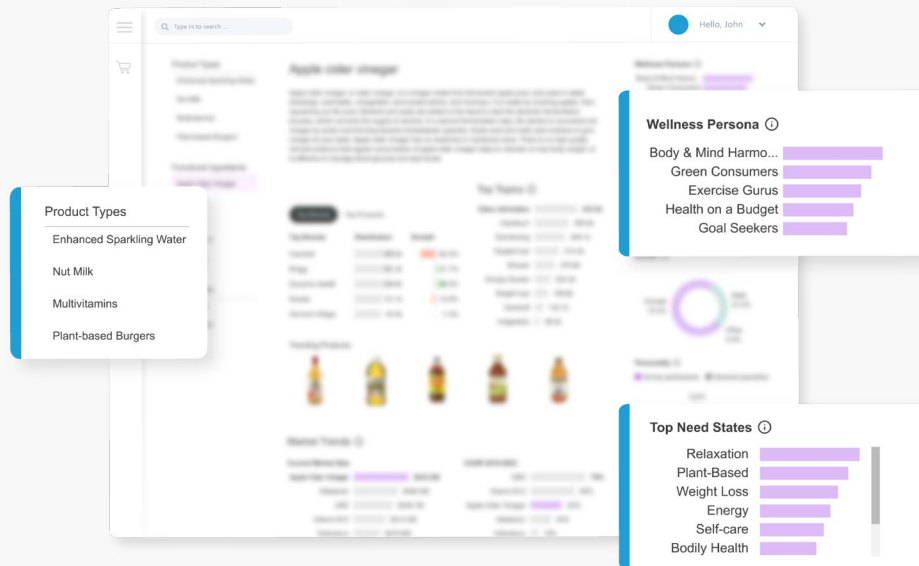
The trend of drinking smarter and less will continue in a post-pandemic world where it's increasingly important to stay well. Alcohol brands should ask themselves—what does my brand offer to these health-conscious consumers? Does a current product fit these consumers' needs or can I create a line extension to win a share of these growing consumers? Being a fast follower takes knowing the trend, leveraging existing brand attributes, and pinning down the best target consumer.

Non-alcoholic beverage brands should consider how they can capture consumers looking for healthier socializing or relaxation beverages. Wellness beverages can market themselves to meet the needs alcohol once filled as loyalty for alcoholic beverages wanes.

Aligning drinking habits with wellness goals is a consumer trend that's here to stay. Now is the time to win over these consumers while they continue to explore what it means to stay well.

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