



COVID-19

Human Impact Tracker

Happy Hour

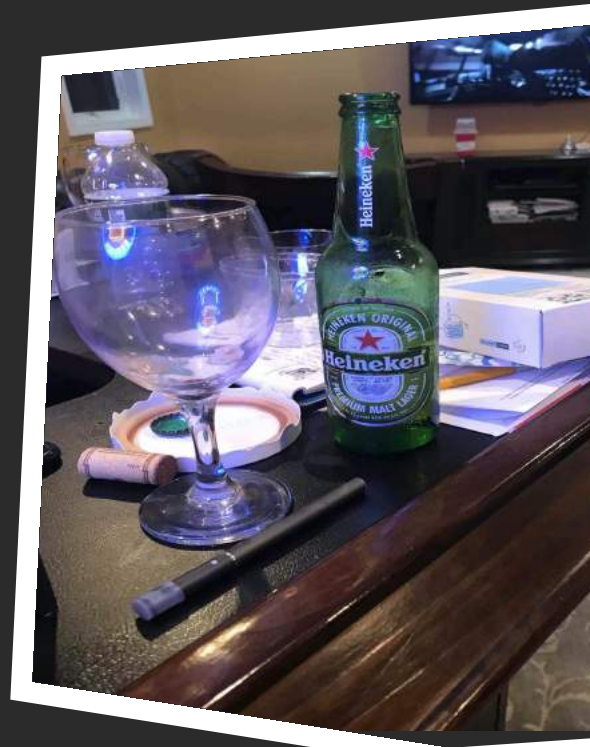
How Covid-19 Is
Transforming the
Alcohol Industry

Few industries have to contend with as much diversity in attitude and regulation as the alcohol industry. Each country has its own laws governing alcohol. And each culture has its own norms, from viewing alcohol as a taboo - such as in parts of the Middle East and Africa - to openly celebrating it - such as during Oktoberfest in Germany.

The Covid-19 pandemic has only added flux and uncertainty to what was already a complex playing field for brands. Yet it is precisely at times like these when agile businesses will find opportunities to reach new customers and deepen their relationships with old ones.

Since January 2020, Streetbees has been tracking the pandemic's impact on people's behaviors across various markets and categories. Over 80k bees (users) have shared with us how their attitudes and behaviours connected relating to alcohol have changed.

At the beginning of the year, trends like low- and no-alcohol and CBD drinks were set to be game-changers. Yet the pandemic has quickly turned the industry upside-down. Brands have had to adapt to a devastating drop in on-trade sales by switching their focus to at-home consumption. Now that out-of-home dining and drinking are on the rebound (though new lockdown measures threaten this trend), how can businesses use their data to accelerate recovery?



According to our bees, 1 in 3 consumers have changed their drinking habits during the pandemic. Understanding how and why they are changing is key, not only for brands to skillfully adapt during the pandemic, but to thrive once it has passed. Streetbees' Covid-19 Human Impact Tracker has collected over 20,000 unique alcohol occasions and moments, in which users describe what they're drinking, where they're drinking it, and why.

Covid-19 has been a catalyst for enormous change in how people socialize. And of course the role of alcohol - traditionally marketed as a "social lubricant" - has changed as well. Tracking these changes is a complicated affair. Just ask Rajiv Sharma, Head of Digital Partnerships at The Heineken Company. "Every market is going through this crisis in their own way," he says. "And that is impacting the overall industry as well."

In the Asia-Pacific region where Rajiv is based, there is immense variety in how different nations have responded to the virus. Vietnam has been quite successful in managing infection rates, with approximately 12 cases per 1 million residents. Nearby Malaysia, on the other hand, has over 750 per 1 million.

1 in 3

customers have changed their drinking habits during Covid-19



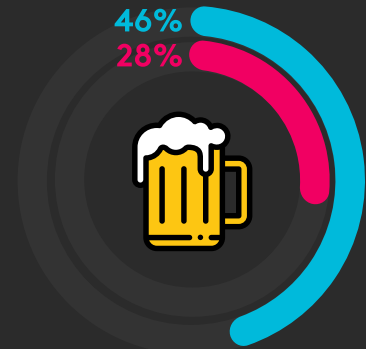
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Pandemic boredom and honestly the fact that working from home allows me to sleep in if I am too hungover in the morning and just work later in the day to make up for it.

Male, 45, Germany

GLOBAL CHANGE IN ALCOHOL CONSUMPTION

■ Drinking more ■ Drinking less



Still, certain changes in drinking trends are evident across nations and cultures. Notably, 46% of consumers claim to be drinking more than they did pre-pandemic, with many citing a need to relax or improve mood as their main motivation. At the same time, another sizable percentage - 28% - claim to be drinking less.

A number of contextual factors are driving these behavioural shifts. For starters, people have changed their drinking habits because they have been spending so much time at home, often involuntarily due to lockdown restrictions. Yet this short-term motivation will fade once these measures are eased.

Other, more nuanced motivations, however, will likely outlive the pandemic conditions that inspired them. For example, both groups - those drinking less and those drinking more - cite health reasons for the change to their habits. Some feel that their mental health depends on finding ways to relieve stress and boredom. For them, alcohol can be an important tool. Others, though, feel compelled to look after their physical health by drinking less alcohol.



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After the start of lockdown we were not getting alcohol at all as all the shops were closed. But once the shops started to open, we had less to spend . . . I have personally not stopped drinking alcohol but I have reduced it drastically.

Male, 26, India

Streetbees' COVID-19 Human Impact Tracker
20,000+ individual alcohol moments

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Age is a significant factor as well. Globally, older people are much more likely to be drinking more during the pandemic, while younger adults are more likely to be cutting down. This is partly due to a lack of social gatherings, but also we're seeing that it's the younger generations who have a strong interest in healthier lifestyles.

In places where legal cannabis is available, such as parts of the United States, younger consumers are more likely to view it as the healthier choice over alcohol. A recent study at the University of Washington indicated that people between the ages of 18 and 25 in the state of Washington, where recreational cannabis is legal, were using cannabis in lieu of alcohol on an almost 2-to-1 basis.

Here we find an instance of Covid-19 accelerating a trend that was already underway before the virus appeared. As the lockdown forced people to stay at home, shutting down traditional venues for alcohol consumption, two former adjacent categories - alcohol and cannabis - have come more into direct competition.

Streetbees' COVID-19 Human Impact Tracker
20,000+ individual alcohol moments

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Health reasons, I was an alcoholic. I used to drink anything straight out of the bottle. But once a year I'm sure I'd celebrate with a shot of whiskey or beer. Alcohol is good until it's not good to you.

Male, 26, US

“

When I switched to hard seltzers instead of wine, it made a huge difference in how much I drank. Plus, I am trying to lose weight so I can be healthier so that is another reason I cut down on alcohol.

Female, 29, UK

“

I spent the first few months of the year actively trying to cut back on my alcohol intake, and even though my drinking has increased since quarantine, it is still currently at a lower level than it was at this time last year. I track my alcohol intake, so I have the data to back this up.

Female, 31, France

Changing Venues

In response to the pandemic, 16% of our bees are purchasing more beer. This is the largest increase to any type of alcohol - followed by red wine at 7%. And for some, beer has become adjacent to tea and coffee as a staple of relaxation routines.

Currently 32% of consumers are having alcoholic drinks outside the home - with the most commonly cited places being restaurants (37%), common outdoor areas e.g. parks (18%), and bars (18%). Alfresco dining has also seen boost in popularity. However, recovery will be slow with new waves of the virus emerging.

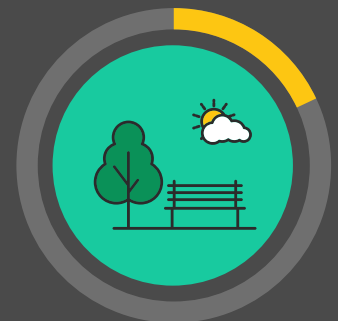
It's not just the where that's changing, but the why. High-energy drinking experiences - like concerts and festivals - have been replaced by low-energy ones, most often at home. In fact, 37% of all drinking moments have been driven by a desire to relax.

Richard Blau, Global Chair of Alcohol and Beverage at Gray Robinson, says "Having to stay at home with family, manage a personal life, and work under one roof is a stressful situation — one that cries out for relaxing momenta to responsibly consume alcoholic beverages."

MOST COMMONLY CITED PLACES TO HAVE ALCOHOLIC DRINKS OUTSIDE THE HOME



Restaurants
37%



Streets/parks
18%



Bars
18%



Pubs
5%

A New Kind of Beer Run

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As people continue to spend more time at home, they're looking for ways to enjoy the simple pleasure of life without having to venture outside.

The adoption of online shopping for alcohol has increased globally this year. China leads the way with 15% of all alcohol purchases taking place through online channels. However, a key driver for in-person shopping is a perceived lack of variety for online deliveries. In fact, only 14% of consumers who purchased alcohol online did so for the variety of products available, compared to almost half of those who made their purchases in person at alcohol stores or large supermarkets.

Regulations pose another roadblock. In the US, vast and intricate regulations govern the transport and delivery of alcohol products. These regulations even differ by state. Similar challenges exist in the Asia-Pacific region. In Vietnam, beer can be delivered, but not much else, as the government has capped delivery at 14% ABV.

Nonetheless, alcohol delivered straight to the home is definitely here to stay. Over half (55%) of consumers intend to continue ordering the same amount of their alcoholic beverages online even once all lockdown restrictions have been lifted.



“

I am drinking a lot more at home so we've been trying different brands and buying whatever is on offer, so I bought this Greenalls as the flavor 'Wild Berry' sounded a bit different and is a brand I'd not tried before!

Female, 24, UK



55%

**of consumers
intend to continue
ordering alcohol
online**

Has the industry changed

The economic impacts of Covid-19 will no doubt last longer than the pandemic itself - especially in parts of the world hit hardest by the disease, such as the United States. Globally, 53% of consumers are spending less than normal. Despite alcohol's historical resistance to recession, the industry is experiencing some contraction, with 17% of people claiming to spend less on in-store alcohol purchases during the pandemic and 25% are spending less online.

Yet the desire to socialise remains strong. Brands should be wary of knee-jerk reactions to current patterns. Even during lockdown conditions, successful messaging still centers on the social aspect of drinking. And of course, one day the pandemic will end. Consumers will not be content to stay at home with their drinks forever, bored and isolated.



ALCOHOL PURCHASING



17%
spending less
in-store



25%
spending less
online

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There will be a surge in enthusiasm for the more high-energy alcohol experiences from pre-Covid days. When that day finally arrives, the most successful brands will be ready. In the meantime, here's some valuable advice from the experts:



Rajiv Sharma

Head of Digital Partnerships
at The Heineken Company

"Beer is always about socialising - about happy occasions. What's increasingly happening now is that the messaging is becoming about drink-at-home and party-at-home occasions. So you create your own locations at home. If it's about a celebration, beer can be a part of it. You'll watch a game - all by yourself or with your friends - and beer can be a part of it. The messaging is still about socialising, but the direction has changed. Instead of going out and having it in a big group, the messaging is about having it in your safe space - having it in your happy space."



Richard Blau

Global Chair of Alcohol and
Beverage at Gray Robinson

"There's a lot of data harvesting going on now — more than ever. Companies are beginning to recognize the value of those data and are working to make sure that they have access to those data from their business partners, whether as distributors or as retailers. Smart industry members will look for opportunities to maximize the commercialization of their products to a consumer base that is really hungry to recapture those entertainment experiences. There are going to be new venues — non-traditional venues that industry members, looking ahead, will capitalise on."





Streetbees helps the world's leading brands grow by building an Always ON connection with consumers.

OBSERVE THE MOMENT OF TRUTH

Real life behaviour captured at the moment a consumer makes a decision. Never rely on claims.

GET CLOSE TO CONSUMERS AT SCALE

Access rich data with photos and videos from millions of demographically representative consumers.

AI DRIVEN GROWTH

Streetbees identifies hidden growth opportunities by applying AI to millions of real life observations from real consumers.

3.5 Million

BEEES

2.5 Billion

DATA POINTS

190

COUNTRIES



MARKET LEADING BRANDS USE STREETBEEES TO UNLOCK GROWTH



L'ORÉAL®



MARS

BBC

GET IN TOUCH

