

Beer: Inc Impact of COVID-19 - UK - November 2020

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- The impact of COVID-19 on the drinking and buying of beer.
- Types and variants of beer drunk, and where beer purchased.
- New launch activity in beer, and factors most likely to prompt the buying of a new beer.
- Perceptions and usage of brands in the beer market.
- Behaviours and attitudes related to the drinking and buying of beer.

Offering some good news for beer during a time of limited social occasions, 42% of people who drink and buy beer enjoy drinking it while remote socialising with friends/family, making this a key occasion for brands to target. Putting a spotlight on the shared sensory experience of enjoying the same drink could tap into the demand for a connection beyond the virtual.

Beer sales are estimated to fall by 9% by volume and 26% by value in 2020, to 4 billion litres and £14.1 billion. The temporary closures of pubs, bars and restaurants due to COVID-19, and restrictions on these venues when they've been able to operate, are estimated to see beer sales through the on-trade halve. Some of this has shifted to retail, but many occasions have been lost.

The alcohol moderation trend is a threat to sales of beer. An increase in product choice in low-/non-alcoholic beers over the last few years encouraged 25% of beer drinkers to drink these in the 3 months to September 2020. Among these drinkers, 56% claim to be drinking more low- and non-alcoholic beers since the COVID-19 outbreak, showing they are gaining ground to help support beer sales.

Brand extension, including flavour development, is an opportunity for brands, given that 65% of people who buy and drink beer like to try new beers from their favourite brands and illustrates the importance to brands of new launches to keep existing brand users engaged and buying. Learnings from cider and



"Beer sales have been hit hard by the closure of pubs and bars and restrictions during the COVID-19 pandemic, with the increased sales through retail not enough to make up for lost sales through the on-trade. This will mean a bigger emphasis for beer brands on beer drinking at home, including tapping into remote socialising occasions."

– Richard Caines, Senior Food and Drink Analyst

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white spirits underline the potential for more fruit-flavoured variants, for example.

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- New launches are needed to retain engagement

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