

Attitudes towards Premium Alcoholic Drinks - UK - 2022

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- The impact of COVID-19 on the premium alcoholic drinks sub-category.
- Attributes most widely seen by consumers as defining premium alcoholic drinks.
- Established approaches and emerging trends in launches of alcoholic drinks with a premium positioning, and opportunities for further innovation.
- Occasions for which premium alcoholic drinks are bought, and how brands can best approach these in their marketing.
- Means by which companies can prompt purchase of premium alcoholic drinks.
- Consumers' perceptions of premium alcoholic drinks in terms of ethics and the environment.

It is crucial for premium drinks brands to spell out their environmental credentials in order to support their quality image; 64% of alcohol buyers expect premium alcoholic drinks to have more sustainable practices than standard ones. Consumers' increased eco-consciousness as a result of the pandemic adds further urgency for companies to prove their commitment to sustainability.

Premium alcoholic drinks' retail sales benefited from the overall growth in retail alcoholic drinks sales. Meanwhile, their on-premise sales were severely hit and hospitality and leisure sectors were closed or operating under restrictions in 2020 and 2021 due to COVID-19. Premium brands were also able to garner new users, despite the economic impact of the pandemic, from shoppers trading up in retail.

Pressure on household incomes in 2022 poses a threat to sales of premium alcoholic drinks, likely prompting people to cut back on discretionary purchases, including alcohol, or to trade down within the category. Longer term, the alcohol moderation trend and ageing UK population will also serve to erode sales. Premium low/non-alcoholic drinks offer one way for brands to tap



“Although losing on-trade sales, premium alcoholic drinks' retail sales benefited from the overall growth in retail alcohol drinks sales in 2020, sustained in 2021, amid the COVID-19 restrictions. The segment also gained users from shoppers trading up. However, sales are now under threat amid the income squeeze.”

– Alice Baker, Senior Food & Drink Analyst

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into the alcohol moderation trend, with 41% of alcohol buyers wanting to see more of these.

Harnessing friends'/family recommendations and gifting stand out as key means for brands to drive purchase of premium products. These would prompt 39% and 36% of alcohol buyers respectively to buy a new premium alcoholic drink. These drivers' strong appeal to over-55s also points to these as invaluable for brands in engaging this growing and typically wealthy group.

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- Good opportunities for long-standing brands to release low/non-alcoholic versions
- Quality awards and focus on production methods can enhance the appeal of low/non-alcoholic variants
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