

# Attitudes towards Premium Alcoholic Drinks: Inc Impact of COVID-19 - UK - August 2020

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## This report looks at the following areas:

- The impact of COVID-19 on the premium alcoholic drinks market and consumer behaviours.
- Premium cues being used in the latest new product launches and consumer interest in different product features.
- Factors most important to consumers in making an alcoholic drink premium.
- How consumers would respond to a worsening financial position in their buying of alcoholic drinks.
- Reasons for buying and consumer behaviour surrounding premium alcoholic drinks.

Spending on alcoholic drinks is vulnerable to the financial position of category buyers worsening, as 50% say they would cut back on their spending on alcoholic drinks under such circumstances. A further 28% say they would stop buying alcoholic drinks altogether. The role of alcoholic drinks as inherently non-essential underpins this.

Clearly such changes to spending on alcoholic drinks would depend on how sharply an individual's financial position worsened. Nonetheless, the level of response does show that expenditure on alcoholic drinks, including premium drinks, is at risk of cutbacks during the recession triggered by COVID-19 and any related income squeeze.

The COVID-19 pandemic has also put a spotlight on health and the effect of lifestyle choices on this, with 31% of adults putting a greater emphasis on healthy eating since the outbreak. This is also likely to mean more people reassessing how much alcohol they are drinking, impacting future consumption, although premium drinks' special occasion and treat status should help insulate them to some extent.



“Sales of alcoholic drinks have been hit hard by the COVID-19 pandemic, and encouraging consumers to pay more for drinks will be challenging during a recession.”

– Richard Caines, Senior Food & Drink Analyst

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Premium versions hold strong potential for popular mass-market brands as a means to drive value growth, given consumer openness. 63% of buyers of premium alcoholic drinks would pay more for a premium version of their favourite brand of alcoholic drink. Limited editions offer a good way to test interest in potential new products for brands, given interest in them from 30% of alcohol buyers.

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