

For Consumers, A Big Night In Replaces A Big Night Out

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The recession that has gripped much of the world over the last year has caused consumers to seek out entertainment that provides the best value for money, and one way they have done so stayed in and enjoyed their alcoholic beverages at home. This new dynamic was a key theme of the inaugural Nielsen Global Liquor Symposium and Global Wine Forum recently held in Sydney. The 200 attendees heard from a variety of speakers about consumer trends in different regions, new products and marketing to today's consumers.

"It was resoundingly clear from the presentations that we have a new consumer on our hands, one that has emerged from the financial crisis with what could be a permanent shift in their values, spending habits and lifestyle choices and affecting the way they consumer and purchase alcohol. They are more frugal and demanding value. Investing in new product development should be an essential part of any suppliers' strategy in counteracting consumers' heavy reliance on price discounts as a key purchase driver," said Michael Walton, Executive Director, Nielsen Liquor Group in the Pacific.

Nielsen's regional experts also provided a snapshot of trends in their respective markets. The four key topics that were common across regions were:

- Low carb and low sugar: new products and brand extensions in this category are performing relatively well.
- Marketing to the over 50s demographic: This group makes up between 40-50 percent of alcohol consumers in the UK, US, Australia and New Zealand, yet are often overlooked when it comes to marketing in favor of a millennial focus.
- Online consumers: New ways and approaches to marketing to the technologically savvy consumer.
- New product development: A critical pathway to improve returns and drive real category growth.

Gavin Humphreys noted that just 57 percent of British beer drinkers popped over to the pub in 2009, compared to 70.5 percent in 1998. In fact, the off-trade sector looks set to overtake share of beer consumption over the next two years. While beer remains the favorite, wine is rapidly gaining share, driven by its link with in-home entertaining and also the availability of cheaper South African, Italian and Chilean varietals.

In the U.S., Danny Brager noted that more than 50 percent of Americans choose to entertain and eat at home more often. Consumers are often trading down in an effort to find the best value, favoring domestic offerings and sticking with brands they know and trust.

Paul Kirby said that almost half of Australian drinkers claimed to be going out less often compared to last year, but are actually trading up when they do go out, sparking growth in premium and super premium alcohol segments (imported beer, international wine and bottled wine priced over \$20). Almost half of all packaged liquor was sold on promotion and 77 percent of alcohol consumers selecting their choice of outlet because it offered great promotions.

Just to the southeast, 60 percent of New Zealanders claimed to be going out less often compared to last year, according to David Hanson. Annual sales for the off-premise market grew by 10 percent in value terms and 7 percent in volume. More than three-quarters (77%) of all beer sales were sold on promotion.

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