



2021

ALCOHOL INDUSTRY ASSESSMENT

NBCUniversal

WELCOME!



Introduction

Explore NBCUniversal's latest perspectives and insights into the Alcohol industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Alcohol brands and marketers as they navigate what's next.

Our Approach







At NBCUniversal, we have a legacy of working with a diverse range of Alcohol partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Auditing
- Conversations with Alcohol Advertisers and Agencies
- Continual Marketplace Analysis
- Examination of Consumer Attitudes towards the Alcohol Industry

**WE HAVE
A UNIQUE
PERSPECTIVE**

In 2021, NBCU worked with:

25+ Alcohol Industry Advertisers

 Beer	 Wine	 RTD
 Spirits	 No-to-low	 Hard Seltzer



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2021 Alcohol Year in Review

Looking Forward

NBCU Alcohol Strategic Recommendations

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2021 ALCOHOL YEAR IN REVIEW

A Look Back at 2021

In 2021, Alcohol brands have been focused on
DIVERSIFICATION
as a means of driving growth
after a year of pandemic shock



2021: ALCOHOL BRANDS FOCUS ON DIVERSIFICATION



Sales Channels Stay Mixed

While on-premise has returned, consumers continue to embrace at-home consumption habits as a mix of ecommerce and in-store purchasing becomes the new norm.



Expansion into New Flavors and Functions

Capitalizing on evolving consumer tastes and expectations, brands are diversifying their portfolios into growing demand spaces like hard seltzer, RTD, premium, imports, and functional beverages.



Alcohol Alternatives Emerge

With the rise of a sober-curious mindset and a growing wave of cannabis legalization, alcohol consumption levels are at an inflection point, leading brands to look for ways to expand into non-alcoholic alternatives.



Evolving Occasions for Alcohol

With the rise of at-home occasions and hybrid work styles, brands are looking for ways to align with diversifying consumer lifestyles and to engage them during new or evolved drinking moments.

BRANDS ACROSS ALCOHOL SUB-CATEGORIES ARE NAVIGATING NEW CONSUMER DYNAMICS FUELED BY THE PANDEMIC

Beer



While the overall beer category has seen declines, **pockets of growth have emerged in the imported and premium spaces.** Brands continue to diversify their portfolios and marketing approaches to capture share of this growth.

12%

increase in the sale of imported beer in the first half of 2021¹

Wine & Spirits



Wine and spirits sales have seen growth with the **rising popularity of craft tequila and gin, as well as an overall rise in premium.** Brands have looked to capitalize on this growth by expanding their premium offerings and flavorings of hero brands.

12%

increase in the sale of ultra-premium spirits in 2021 (94% growth compared to 2019)²

Ready-to-Drink



Consumers are demanding more flavors and convenience, while also **looking to replicate the cocktail experience in off-premise environments.** Brands are tapping into this trend by launching RTDs across new and legacy brands.

67%

growth in spirit-based RTDs in the summer of 2021, outpacing wine-based RTDs and hard seltzers²

Hard Seltzer



While the meteoric rise of hard seltzers has begun to slow, **brands continue to invest heavily in the category in the form of new flavor offerings such as iced tea and fruit punch,** as well as increased share of marketing dollars.

93%

of retailers increase shelf-space for hard seltzer in 2021³

No-to-Low Alcohol



As more younger consumers embrace a sober-curious lifestyle, sales, marketing, and **cultural norms have begun to shift towards nolo becoming a fixture in the alcohol space.**

200%

increase in non-alcoholic beer sales in 2021 on alcohol ecommerce platform Drizly⁴



LOOKING AHEAD

A Look Ahead at Key Alcohol Trends

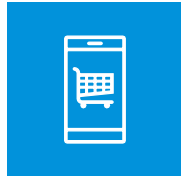
KEY FORWARD- LOOKING TRENDS



Multicultural
Fuels the Future



The Battle for
Share of Throat



Ecommerce
Goes Experiential



Beyond Alcohol
Becomes a Fixture



Culture & Occasions
Create Connection

MULTICULTURAL FUELS THE FUTURE

An increasingly multicultural consumer base will drive growth in the category and influence brands' areas of investment.

As America grows more diverse, **multicultural consumers are driving growth** in the alcohol category, with an emphasis on occasions and higher levels of brand loyalty. Additionally, **multicultural consumers are increasingly becoming tastemakers** driving the direction of new alcohol offerings and flavors.

To stay relevant, brands will continue to evaluate how best to connect with this increasingly valuable audience.

Multicultural Consumers Drive Growth

3x

Hispanic market growth
relative to U.S. overall. Over-
index in coveted 25-44 age¹

121

Index of **Hispanic consumers
for purchasing beer** (over-index
for everyday drinks)¹

Multicultural Consumers Are Taste-Makers

10%

Growth in imported
beer sales, the only beer
segment to grow in 2020²

5%

Growth in **tequila sales**
in summer 2021, the only
liquor segment to grow³

THE BATTLE FOR SHARE OF THROAT

New areas of demand and widening beverage repertoires increase the importance of capturing attention and commanding loyalty.

Consumer demand for convenience, new flavors, and functional benefits will continue to manifest in the alcohol category.

As a result, alcohol brands will likely continue to diversify their portfolios. Brands will consider strategies that help them best balance **supporting new beverage options while defending their hero offerings.**

Sources: 1. *Forbes*; 2. *Bacardi 2021 Cocktail Trends Report*



A key driver of US beverage alcohol consumption is flavor.

Flavored subcategories – from beer to vodka to US whiskey – are significantly outperforming traditional non-flavored subcategories.

Flavor is also the top consumer driver of the fast-growing ready-to-drink (RTD) category, and that's likely creating a halo effect on total alcohol as well.¹

BRANDY RAND,
IWSR's COO of the Americas

A background image for the lower right section showing several hands holding different bottles of alcohol (beer, wine, spirits) against a teal gradient background.

49%

of brand ambassadors saw increased interest from bartenders around **caffeine-based ingredients**²

20%

of U.S. consumers are **eager to sample drinks** they would have never tried pre-pandemic²

ECOMMERCE GOES EXPERIENTIAL

As the appetite for online grows, brands will look to deliver ecommerce experiences and occasions that fuel discovery and prompt purchase.

Although ecommerce still represents a small sales channel for the alcohol category, **consumer expectations around online and delivery options have been heightened** by the pandemic.

Alcohol brands will likely look to experiment with digitally-led opportunities that turn browsing into buying and enable brands to build more direct connections with consumers.

Sources: 1. [Mintel](#); 2. [The Ecommerce Manager](#); 3. [Forbes](#);

Familiarity

Nearly half of all online alcohol consumers have purchased something from an online grocery website or application compared to a third who have ordered from an immediate delivery service such as Drizly.¹

Convenience

76% of online alcohol consumers say convenience is their key priority in selecting a retailer and nine in ten will prioritize using a retail site that offers a seamless experience.²

Content

“On Shopalyst, **top alcohol brands activate content** like recipes, health, fitness, nutritional tips, and influencer marketing. These features integrate within customers’ lifestyles and feel less like traditional advertising.”³

BEYOND ALCOHOL BECOMES A FIXTURE

Brands will explore nolo and cannabis as sources of growth and ways to engage younger legal-aged consumers.

As consumers embrace a wellness mindset, many are **adopting more moderate lifestyles and embracing alcohol alternatives** such as cannabis and no-to-low alcoholic beverages.

Many alcohol portfolios have started to experiment with nolo, cannabis, and CBD offerings, and will look to **position themselves as leaders in these emerging growth categories.**

Sources: 1. *Bacardi 2021 Cocktail Trends Report*; 2. *Gallop*



As lockdown impacted our lives and routines, not only did people seek out lower-ABV cocktails, but they also enjoyed cocktails a little earlier than usual and started experimenting with alcohol-free options. That meant **mindful drinking really took off and it's here to stay.**¹

BRENDA HALA,
Global Vice President, Strategic Insights and Analytics for Bacardi

A large, faint, light-green cannabis leaf graphic is centered in the background of the right half of the slide.

63%

of U.S. consumers
plan to drink more
nolo options¹

49%

of U.S. consumers
tried cannabis in 2021²



CULTURE & OCCASIONS CREATE CONNECTION

As consumer routines become more fluid, cultural moments and occasions will become key connection points for brands to engage consumers.

As consumer routines become less predictable and some consumers choose to drink less alcohol, brands will continue to look for opportunities to **create connection and inject their brand into the cultural conversation.**

Brand presence will likely be explored across evolved social settings, sports moments, at-home 'wine'-downs, meal moments, and other new or evolved occasions and celebrations.

Mealtimes Have Become Occasions

51%

of beer is consumed during meals – and that number continues to grow¹

Rise of Home Premise

40%

of U.S. consumers are interested in make-at-home cocktail kits²

Return to Social Activities

63%

of U.S. adults have reported that they are returning to pre-pandemic social activities (bars, restaurants, and parties)³

KEY FORWARD- LOOKING TRENDS SUMMARY



Multicultural Fuels the Future

An increasingly multicultural consumer base will drive growth in the category and influence brands' areas of investment.



The Battle for Share of Throat

New areas of demand and widening beverage repertoires increase the importance of capturing attention and commanding loyalty.



Ecommerce Goes Experiential

As the appetite for online grows, brands will look to deliver ecommerce experiences and occasions that fuel discovery and prompt purchase.



Beyond Alcohol Becomes a Fixture

Brands will explore nolo and cannabis as sources of growth and ways to engage younger legal-aged consumers.



Culture & Occasions Create Connection

As consumers routines become more fluid, cultural moments and occasions will become key connection points for brands to engage consumers.



NBCU ALCOHOL STRATEGIC RECOMMENDATIONS

Driving Growth for Alcohol Brands

KEY STRATEGIC RECOMMENDATIONS

1. Synchronize Your Brand Storytelling

Coordinate brand storytelling across your local, national, and global footprint to maximize reach and deliver tailored messaging to new or redefined target audiences.

2. Engage Younger LDAs

Connect with younger LDAs by leaning into relevant content, modernized video consumption, and purpose-oriented messaging.

3. Align With Passion Points & Major Moments

Leverage passion point environments such as sports, music, entertainment, and cooking to connect with consumers, drive trial, and build brand affinity.

4. Build Cultural Momentum

Build cultural capital, tell your brand story, and inspire trial by embracing high impact storytelling approaches like alignment with IP, commercial innovation, influential talent, and social engagement.

5. Trigger Audiences to Act

Get closer to point of purchase and prompt audiences to discover, sign-up, search, download, or buy through actionable content and/or commerce opportunities.

1. SYNCHRONIZE YOUR BRAND STORYTELLING

Why

As the Alcohol landscape becomes more crowded and disrupted, it's increasingly difficult to move consumers down the funnel. As such, many brands are evaluating how best to coordinate messaging to high value audiences across markets.

What

Coordinate brand storytelling across your local, national, and global footprint to maximize reach and deliver tailored messaging to new or redefined target audiences.



Mass Reach
Media



Audience
Targeting



Local to
Global

Goals

Awareness | Consideration | Purchase Intent | Incremental Reach | Targeted Reach | Launches |

1. SYNCHRONIZE YOUR BRAND STORYTELLING

Pair Broad Reach with Tailored Messaging

Stay top of mind via
always-on NBCU
premium content



Tailor brand message with
understanding of locally
relevant mindsets & behaviors



Distribute Through Local-to-Global Channels

Local

Respond to evolving
consumer behaviors
through local
coordination and
customization in priority
markets.

National

Scale brand messaging
to high value audiences
in brand-safe, premium
content and events.

Global

Create connections
by aligning with global
passion-points like
entertainment,
sports, and news.

2. ENGAGE YOUNGER LDAs

Why

Younger LDAs are a core audience target for both current and future alcohol sales. By engaging this high value audience when they are establishing their loyalty, brands can maximize lifetime value. LDA Gen Z and multicultural audiences are also looked to as tastemakers that have a halo effect on other consumers.

What

Connect with younger LDAs by leaning into relevant content, modernized video consumption, and purpose-oriented messaging.



Integrated or
Custom Content



Streaming



Audience
Targeting

Goals

Awareness | Consideration | Purchase Intent | Targeted Reach | Customer Lifetime Value

2. ENGAGE YOUNGER LDAs

Right Message

**Purpose-led Messages
that Resonate**



Core Values & Beliefs



Health & Wellness



Sustainability

Right Content

**Culturally Relevant, High
Attention Platforms**



Authentically tap into the content, events, and celebrations that define today.

Alcohol brands can lead the cultural conversation, capture attention, and create deeper connections with (increasingly fragmented) consumers who are forming their brand preferences and behaviors.

Right Place

**Cross-Platform Media
Consumption**



National Linear TV



Set-Top Box VOD



Connected TV



Desktop



Mobile

3. ALIGN WITH PASSION POINTS & MAJOR MOMENTS

Why

Consumers are more receptive to ads they see positioned alongside the content they love. Aligning with passion point programming empowers brands to relevantly reach and engage high value audiences.

What

Leverage passion point environments such as sports, music, entertainment, and cooking to connect with consumers, drive trial, and build brand affinity.



Tentpole
Moments



Contextual
Alignment



Fan Based
Opportunities

Goals

Awareness | Consideration | Brand Perception | Brand Memorability |
Brand Affinity | Launches | Search Traffic

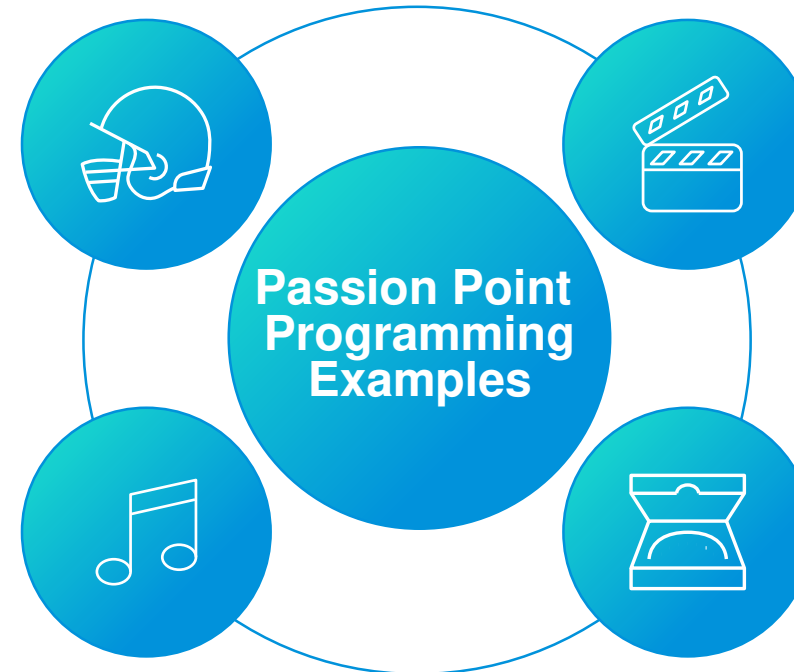
3. ALIGN WITH PASSION POINTS & MAJOR MOMENTS

Sports

Sports programming and tentpoles can deliver mass, immediate reach, and remain relatively stable in drawing sizable live audiences.

Entertainment

Sponsorships and adjacencies to the entertainment and lifestyle content fans love can drive brand affinity via association.



Music

Music-focused programming such as Award Shows, The Voice, and American Song Contest capture attention and deliver relevant reach.

Cooking

Culinary-oriented programming provides heightened relevancy and can inspire use cases as alcohol becomes embedded within meal moments.

4. BUILD CULTURAL MOMENTUM

Why

As consumer routines become less predictable and some consumers choose to drink less alcohol, alcohol portfolios will need to consider opportunities that create connection and inject their brand(s) into the cultural conversation. Establishing relevance and sparking conversation have become even more important for driving brand momentum and trial.

What

Build cultural capital, tell your brand story, and inspire trial by embracing high impact storytelling approaches like alignment with IP, commercial innovation, influential talent, and social engagement.



Integrated or
Custom Content



Talent



Social



Innovative
Storytelling

Goals

Awareness | Consideration | Brand Perception | Brand Memorability | Search Traffic | Launches | Trial |

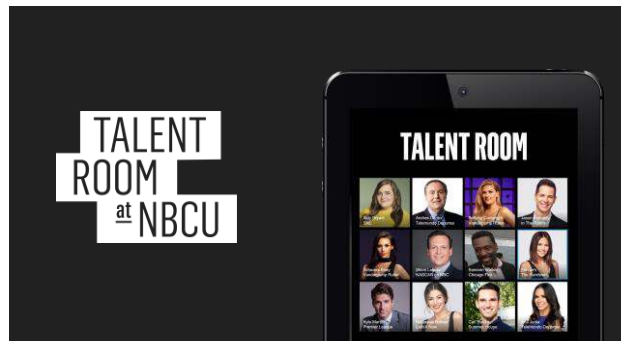
4. BUILD CULTURAL MOMENTUM



Alignment with IP

Align your brand with NBCU's premium, brand-safe content via sponsorship and integration opportunities.

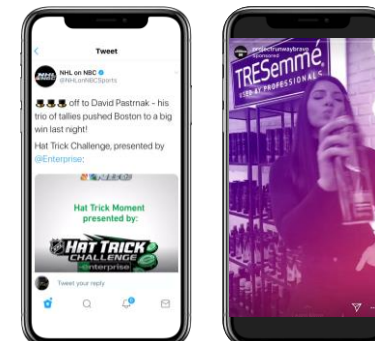
Leverage NBCU's talent in front of and behind the camera to create custom content that connects with fans alongside the content they love.



Talent Room

NBCU's premium content is home to diverse talent who can become influencers and create an emotional connection between you and your audience.

The Talent Room is NBCU's influencer hub, a standalone website connecting brands with the right talent to authentically share their brand story.



Social Extension

Leverage NBCU's social platforms to deliver on advertiser objectives through innovative ad formats that can extend the impact and engagement of creative.

Drive conversation through video extensions, product discovery experiences, and branded content storytelling.

5. TRIGGER AUDIENCES TO ACT

Why

As the Alcohol shopper journey continues to evolve, there is an opportunity for brands to align with content experiences that both create and convert demand. Innovative formats can be leveraged to invite users to learn more and continue to normalize digital shopping experiences.

What

Get closer to point of purchase and prompt audiences to discover, sign-up, search, download, or buy through actional content and/or commerce opportunities.



Integrated or
Custom Content



Innovative/
Actionable
Content



Social

Goals

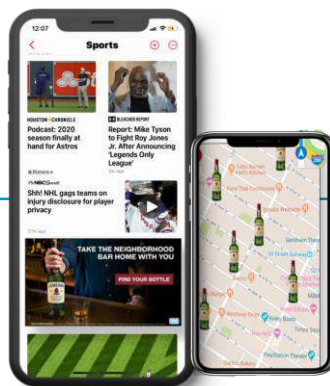
Consideration | Purchase Intent | App Download | Search Traffic | Launches | Trial

5. TRIGGER AUDIENCES TO ACT



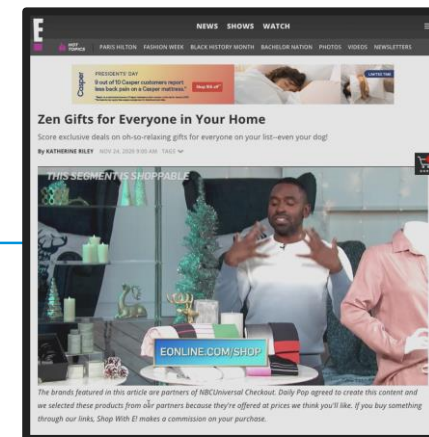
Fuel Interactivity with Commercial Innovation

- Seamlessly blend advertising and content to better engage the consumer and create interactive viewing experiences.
- Innovation formats include but are not limited to Must Hear TV, Stay in Show, Choose Your Destiny etc.



Influence Behavior via Apple News Tap-to-Capabilities

- Reinforce messaging and generate quality leads via Apple News engaging ad solutions.
- Tap-to capabilities can drive users to site, app download, deep link within app, email, chat, map, wallet etc.



Collapse the Funnel via One Platform Commerce

- Get closer to point of purchase through actionable content experiences that fuel discovery and trigger consumer behavior.
- One Platform Commerce solutions include but are not limited to Social Commerce, ShoppableTV, and NBCU Checkout.



NBCU ALCOHOL RELEVANT MATERIALS

NBCU Alcohol Industry Content

KEY BEVERAGE PARTNERSHIPS @ NBCU

Telemundo
@Telemundo

Alix y Nas nos cuentan quien es su pareja perfecta en los #LatinAMAs. @pepsi te quiere presentar a la tuya! #EsLoQueQuiero #ad

0:18 / 1:26

La pareja perfecta

Alix y Nas nos cuentan quien es su pareja perfecta en los #LatinAMAs. @pepsi te quiere presentar a la tuya! #EsLoQueQuiero #ad

7:39 PM · Apr 15, 2021 · Twitter Media Studio

3 Retweets 1 Quote Tweet 20 Likes

pepsi

Es Lo Que Quiero

THE TONIGHT SHOW

WVHL Clubhouse Ave

ALL NEW Original

bravo

©2021 HEINEKEN® Lager Beer. Brewed in Holland. Imported by HEINEKEN USA, White Plains, N.Y.

Father's Day

bubly sparkling water

bravo

chefmelissaking
Paid partnership with starbucks

Melissa King
Winner, Bravo's Top Chef All-Stars
When I first opened the

Liked by humanniet and others
chefmelissaking Spring is my favorite time to try new recipes. Check out my spring-inspired Dutch pancake... more
View all 70 comments

COFFEE AT home

TOP CHEF

Starbucks At Home

Dry January

NBCU BEVERAGE INDUSTRY CONTENT

TOGETHER SITE

Category Content & Strategies



The Power of Tentpoles



Purpose & Purchase



The CBD Opportunity



Dry January Overview

Beverage Case Studies



Kentucky Derby + Woodford Reserve



AdSmart Data-drive Linear + Alcoholic Beverage Brand



AdSmart Data-driven Linear + Beverage Brand



Pepsi + Telemundo



2021

ALCOHOL INDUSTRY ASSESSMENT

NBCUniversal

NBCU ALCOHOL CLIENT STRATEGY TEAM:

Caitlin Collins, Nick Cafiero, Eitamar Nadler, Meghan Valeriani