

NBCUniversal

2022

# Alcohol Industry Assessment



# Welcome!



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## 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 Alcohol partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
  - Conversations with Alcohol Advertisers and Agencies
  - Continual Marketplace Analysis
  - Examination of Consumer Attitudes towards the Alcohol Industry
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# NBCUniversal Has a Unique Perspective

In 2022, NBCU worked with:  
**20+ Alcohol Industry Portfolios**



Beer



Wine



RTD



Spirits



No-to-low



Hard Seltzer

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# 2022 Landscape

Overview of Key Alcohol  
Marketplace Dynamics



In 2022, we are seeing  
alcohol portfolios

# Diversify & Innovate

to future-proof their business  
against evolving beverage  
mindsets and preferences



# Alcohol Brands Diversify & Innovate in Response to Changing Industry Dynamics



## Consumption Habits Are Ever-Evolving

Alcohol consumption trends continue to fluctuate, as at-home drinking has retained its appeal and on-premise continues to recover but faces inflation challenges. Alcohol prices have remained relatively stable, but as costs rise brands may need to emphasize their value and points of differentiation.



## A 'Less-but-Better' Mindset Is Embraced

A greater focus on health and wellness is challenging alcohol consumption and prompting consumer exploration of premium and better-for-you options. This mindset has led to growth in premiumization across the category and an emphasis on additional functional benefits that differentiate brands and drive trial.



## New Growth Areas Continue to Emerge

Capitalizing on evolving consumer tastes and expectations, brands are diversifying their portfolios into growing demand spaces like RTD cocktails and no-to-low alcohol beverages, including CBD-infused options.



## Sales Channels Continue to Shift

While the category remains dominated by in-store sales, the ease of ordering alcohol online continues to increase digital adoption. BOPUS and curb-side options that deliver on convenience are on the rise, while ecommerce remains a critical quick option with expectations of 15% growth in 2022<sup>1</sup>.

# BRANDS ACROSS ALCOHOL SUB-CATEGORIES ARE Adapting to Evolving Preferences & Expanding Beverage Repertoires

## Beer

While overall beer consumption continues to be challenged, **pockets of growth have emerged in the form of craft, imported, and more premium options.** Brands will need to stay nimble in order to align with the continued evolution of consumer preferences.

### 21%

increase in craft beer sales in the last year<sup>1</sup>

## Wine

**Perceived health benefits and an ability to bridge both at-home and social occasions** has helped fuel growth for wine. A 'less-but-better' consumer mentality may spur growth for premium, natural, and no-to-low alcohol wine options.

### 63%

of online alcohol sales in the last year came from wine<sup>2</sup>

## Spirits

**Spirits are experiencing their fastest growth in two decades**, with revenues up 12% in 2021<sup>3</sup>. Growth was fueled by premiumization, return of on-premise, and the growth of at-home cocktail occasions. Vodka continues to lead volume, but Tequila is on a meteoric rise.

### 30%

YoY increase in Tequila/Mezcal revenue in 2021 to \$5.2B<sup>3</sup>

## RTD & Hard Seltzers

Hard seltzer market **growth has slowed due to increased competition in the form of other RTD options.** Continued RTD growth is expected, driven by an emphasis on convenience, flavor and improved quality.

### 49%

of U.S. adults aged 22+ drank RTDs in 2021, up from +40% in 2018<sup>4</sup>

## No-to-low Alcohol

The **no-to-low alcohol category continues to gain adoption** as younger generations curb their alcohol consumption. Many are incorporating low-alcohol or no-alcohol options, as well as alternatives like cannabis and CBD-infused drinks.

### 26%

of U.S. adult drinkers reported drinking less in 2021, representing a larger portion than those drinking more<sup>5</sup>

# Alcohol Forward- Looking Trends

Key Trends We Expect to Influence Alcohol  
Marketing & Media Strategies



LOOKING AHEAD,  
**Key Alcohol  
Trends We Expect  
to Influence  
Marketing &  
Media Strategies**



**Conscious Consumption**  
Creates Growth Areas

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Engaging Consumers in  
**New Places & Spaces**

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Tapping Talent to  
**Create Cultural Relevance**

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**Premiumization**  
Gets Prioritized

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**Multicultural**  
Momentum

# Conscious Consumption Creates Growth Areas

The rise of a growing wellness mindset prompts new areas of demand.

As many consumers adopt more health-focused or moderate lifestyles, better-for-you and non-alcoholic options are becoming mainstream. Interest in these options is becoming more popular year-round.

Many alcohol portfolios have started to experiment with better-for you, no-to-low, cannabis, and CBD offerings, and will look to position themselves as leaders in these emerging growth categories.

## Better-for-You



### 66%

of consumers are likely to be influenced to buy an alcoholic beverage that provides health benefits<sup>1</sup>

## No-to-Low Products



### 315%

increase in online sales of no-to-low alcohol between October 2020 and 2021, while 'alcoholic' options increased by 26%<sup>2</sup>

## Alcohol Alternatives



### 51%

of consumers in adult-use states say they have consumed cannabis in the past six months and 26% are open to the experience<sup>3</sup>

“People are approaching alcohol consumption more consciously as they have put more emphasis on moderation by drinking less, but better. No-alcohol beer fits into the consumer lifestyle of wanting to drink a beer without the effects of alcohol, leaving open more consumption occasions for the segment.”<sup>4</sup>

ADAM ROGERS, IWSR's North American Research Director<sup>4</sup>

# Engaging Consumers in New Places & Spaces

As consumer routines and preferences become more fluid, brands will seek opportunities to build connective tissue.

A combination of evolving beverage preferences, shopping behaviors, and consumption routines is **challenging alcohol portfolios to adapt and find ways to capture attention and command loyalty.**

In response, we expect brands to consider strategies that allow them to reach the most engaged audiences, embed their brand in key occasions, and align with experiences that turn browsing into buying.

Sources: 1. IRI; 2. eMarketer; 3. IWSR



## Widening of Beverage Repertoires

by acquiring and partnering with specialized startups

**27% of buyers**

are those who purchase a combination of beer, wine and spirits, comprising the largest beverage alcohol buyer group.<sup>1</sup>



## Normalization of At-Home Routines

**76% of U.S. adults**

are going to bars less often due to looming inflation, meaning that at-home consumption remains elevated.<sup>2</sup>



## Growing Comfort With Digital Adoption

**\$42 billion**

is the expected global ecommerce market size by 2025, driven by strong growth in the U.S.<sup>3</sup>

# Tapping Talent to Create Cultural Relevance

Alcohol brands turn to content and talent partnerships to generate buzz and earn cultural currency.

**1 in 4 U.S. adults believe celebrities, sports stars and influencers are effective at promoting alcoholic drinks.<sup>1</sup>**

As alcohol brands look to differentiate, prompt trial, and build loyalty, many are deploying strategies that leverage star power and association with premium content. We expect brands will continue to look for opportunities to inject their brand into the cultural conversation in the form of launches, collaborations, and endorsements.

Sources: 1. [YouGov](#)



VOGUE

Katy Perry Gets into the Wellness Game with De Soi, a Line of Non-Alcoholic Aperitifs.



Wine Spectator

NBC's 'Grand Crew' Puts Black Wine Lovers in Primetime.



AdAge

Miller Lite Continues Partnership with J Balvin in New Ads Emphasizing the Human Behind the Celebrity

# Premiumization Gets Prioritized

Consumers and brands embrace premium options as consumers lean into quality over quantity and brands seek profitability.

While consumers may be re-evaluating the volume of alcoholic beverages they consume, **many are embracing a 'fewer but better' mindset and exploring more premium options.**

Some portfolios are prioritizing their premium offerings to help fuel growth. Looking to the future, we expect many brands to consider strategies that enable them to position themselves in a more luxurious light.

Sources: 1. IRI; 2. Winemag

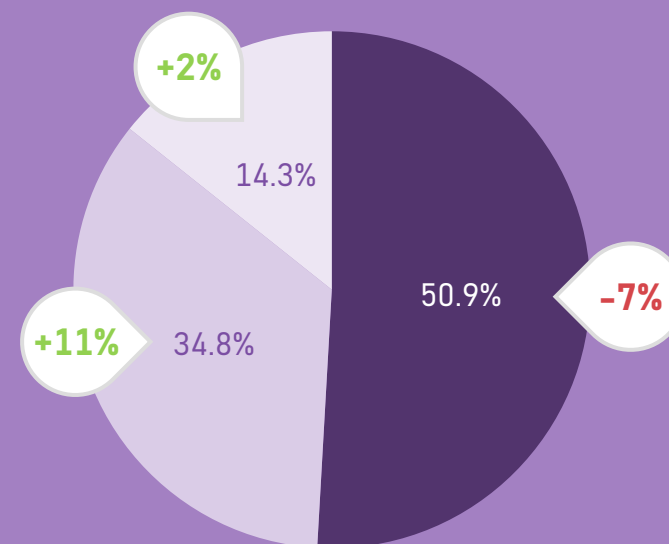
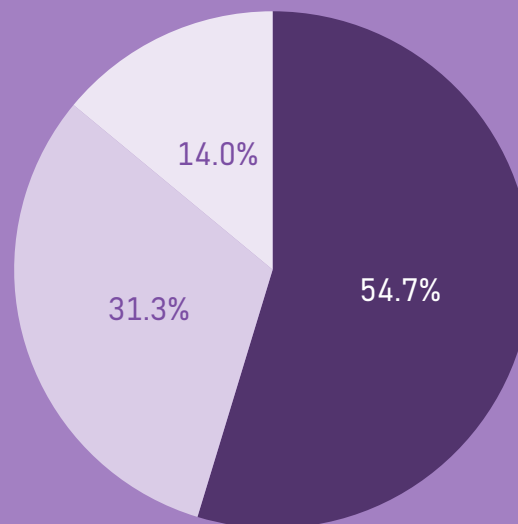
## Beer Price Tier Index

Consumers have shifted from Value to Premium<sup>1</sup>

■ Value ■ Premium ■ Super Premium

Prior Two Years

Last 52 Weeks



**82%** of the spirits sector's total revenue increase was from the sale of **high-end and super-premium spirits brand**<sup>2</sup>

# Multicultural Momentum

Multicultural consumers are increasingly becoming tastemakers and driving the direction of alcohol offerings and flavors.

The number of Black-owned alcohol brands on Drizly grew by +10% in 2021 vs. 2020, and by +115% in 2021 vs. 2019.<sup>1</sup>

An increasingly multicultural consumer base continues to drive growth in the category and influence alcohol brands' areas of investment. To stay relevant, it will be important for brands to evaluate how best to authentically connect with this increasingly valuable audience.

## BLACK Owned



## AAPI Owned



“Ask questions and get to know not only the product but also the story and individuals behind the brand, consumers look for an **authentic and real story because that translates to an authentic and real product.**”<sup>2</sup>

EDUARDO BACARDI, Director of Sales and Marketing for Ron del Barrilito



## HISPANIC Owned



## LGBTQIA+ Owned



## SUMMARY

# Key Alcohol Trends We Expect to Influence Marketing & Media Strategies



## Conscious Consumption Creates Growth Areas

The rise of a growing wellness mindset prompts new areas of demand.



## Engaging Consumers in New Places & Spaces

As consumer routines and preferences become more fluid, brands will seek opportunities to build connective tissue.



## Tapping Talent to Create Cultural Relevance

Alcohol brands turn to content and talent partnerships to generate buzz and earn cultural currency.



## Premiumization Gets Prioritized

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## Multicultural Momentum

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# NBCU Alcohol Strategic Considerations

Key Considerations for Driving  
Growth for Alcohol Brands



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# Alcohol Strategic Considerations



## 01. Amplify Your Brand Story Across Platforms

Maximize reach across platforms to tell your brand story in high impact environments with a modernized video approach.

## 02. Build Relevance Through Cultural Connection

Build cultural capital by embracing impactful opportunities like alignment with IP, events, influential talent, and social engagement.

## 03. Engage Strategic Growth Audiences

Leverage the combined power of incremental reach platforms and passion points to connect and resonate with priority audiences such as younger LDAs, multicultural audiences, or women.

## 04. Supercharge Your Data-Led Approach

Leverage data to relevantly reach audiences across platforms and reinforce brand messaging with existing or prospective customers.

## 05. Create Interactive Experiences

Get closer to point of purchase and prompt audiences to discover, engage, or buy through actionable content and commerce opportunities.

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# Alcohol Strategic Considerations



## 01. Amplify Your Brand Story Across Platforms

**Why:** In a crowded market with widening beverage repertoires, it is imperative brands broadly communicate differentiation points.

**Good For:** Awareness | Consideration | Salience | Broad Reach | Storytelling | Launch

## 02. Build Relevance Through Cultural Connection

**Why:** Cultural relevance enables brands to capture attention and build deeper consumer connections.

**Good For:** Awareness | Consideration | Familiarity | Brand Perception | Trial | Familiarity | Purchase Intent

## 03. Engage Strategic Growth Audiences

**Why:** Emerging platforms can help reach elusive audiences, while passion point content & contextual strategies capture attention.

**Good For:** Awareness | Targeted Reach | Brand Perception | Consideration | Loyalty | Ad Recall

## 04. Supercharge Your Data-Led Approach

**Why:** Data-driven approaches can help identify sources of growth, improve targeting, and tailor messaging.

**Good For:** Awareness | Targeted Reach | Incremental Reach | Conversion

## 05. Create Interactive Experiences

**Why:** As the alcohol shopper journey continues to evolve, brands must align with content experiences that both create and convert demand.

**Good For:** Consideration | Discovery | Engagement | Conversion | CRM / Lead Generation

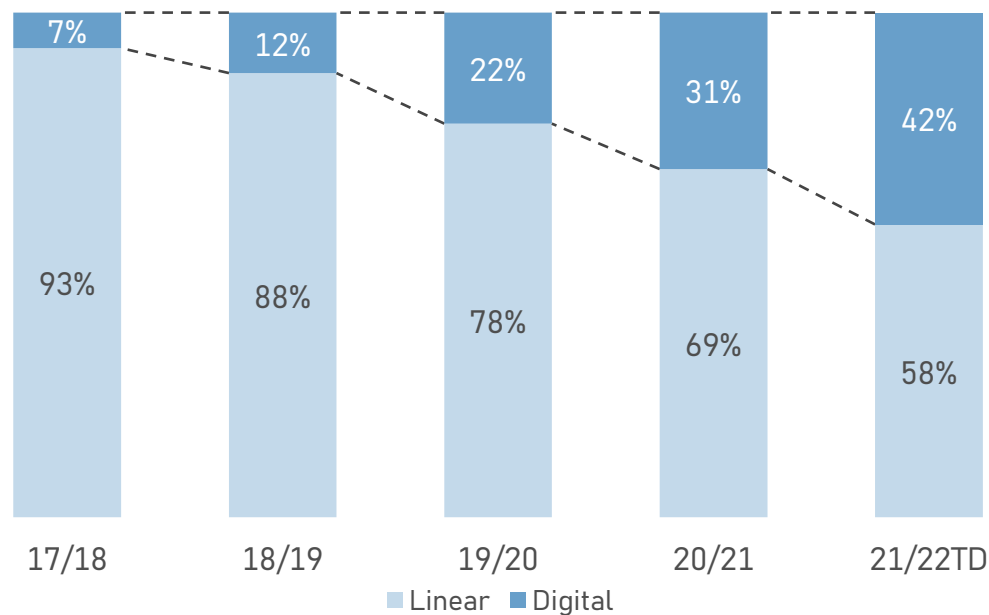
# 01. Amplify Your Brand Story Across Platforms

Maximize reach across platforms to tell your brand story in high impact environments with a modernized video approach.

The way content is being consumed continues to evolve.

## NBCU One Platform – Share Of Minutes

P21-49, reflects aggregate viewership across NBCU portfolio



Source: Traditional TV (MVPD): Nielsen Media Research, L7, Time Spend Viewing TV = AA\*Duration. Non-Traditional TV (Streaming/Digital): DAVD and PAVO. Includes all available and measured consumption across the portfolio, where data is available; 21/22 based on 4Q21-2Q22, 22/23 and 23/24 are projections based on internal estimates.

Expand your brand's message and relevantly reach audiences by adopting a cross-platform approach.



## 02. Build Relevance Through Cultural Connection

Build cultural capital by embracing impactful opportunities like alignment with IP, events, influential talent, and social engagement.



### Alignment with IP

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



### Premier Live Events

Tap into the breakthrough moments and events that shape today's cultural conversation.



### Cultural Heritage Celebrations

Celebrate Multicultural audiences and drive impact by aligning with moments that matter year-round.



### Talent Room

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

## 03. Engage Strategic Growth Audiences

Leverage the combined power of incremental reach platforms and passion points to connect and resonate with priority audiences.

### Incremental Reach

Expand distribution by including platforms tailored toward more elusive and strategic audiences.

#### EXAMPLES:

Audience	Platform
Young LDAs	Peacock
Travelers	ReachTV
Gamers	Anzu
Mobile Shoppers	Apple News

### Passion Points

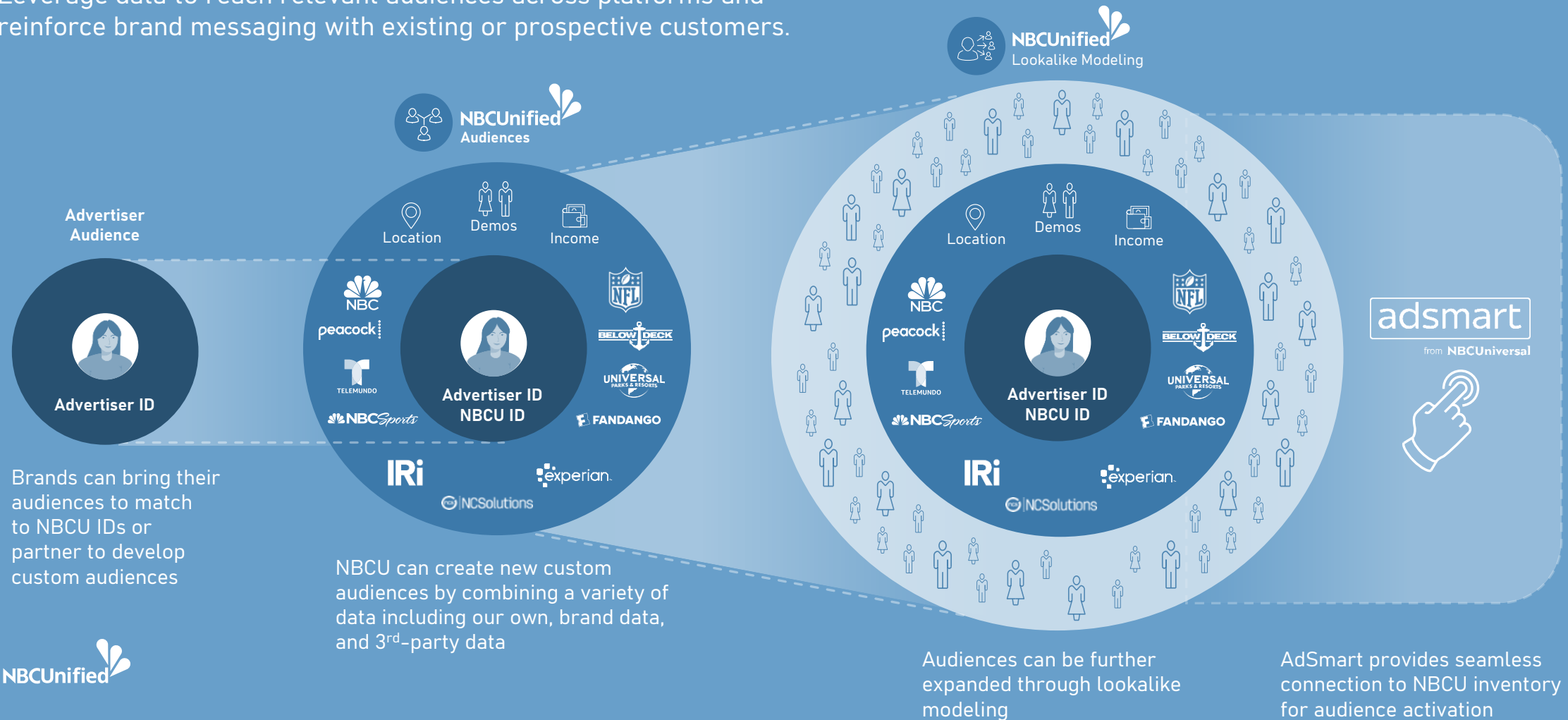
Understanding audience interests creates an opportunity for your brand to build new connection points with consumers.

#### EXAMPLES:

Audience	Passion Point
Social Drinkers	BravoCon
Hispanic	World Cup on Telemundo
Female Millennial / Gen Z	The Rundown on E!
Sports Enthusiasts	Sunday Night Football

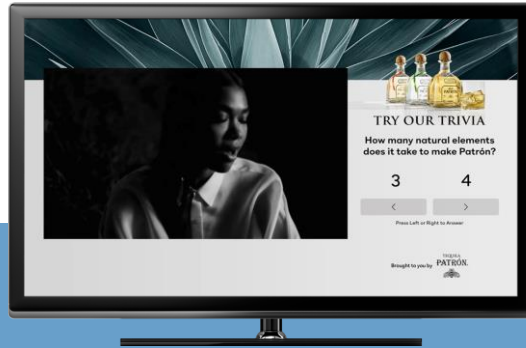
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Leverage data to reach relevant audiences across platforms and reinforce brand messaging with existing or prospective customers.



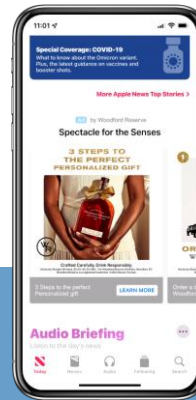
## 05. Create Interactive Experiences

Get closer to point of purchase and prompt audiences to discover, engage, or buy through actionable content and commerce opportunities.



### Prompt Interaction with Commercial Innovation

- Seamlessly blend advertising and content to better engage the consumer and create interactive viewing experiences.
- Formats include but are not limited to PIP, Interactive Countdown Clock, Pause Ads, Engagement Ads, In-Scene Ads etc.



### Influence Behavior via Apple News Actionable Ad Formats

- 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 NBCU Commerce

- Create seamless and meaningful shopping experiences for consumers.
- NBCU commerce opportunities include but are not limited to experiential, social commerce, ShoppableTV, and Interactive web.

*Note: Activation feasibility would require further discussion*

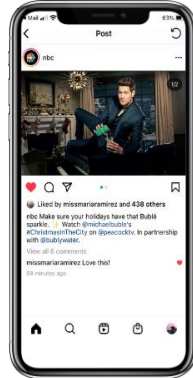
# NBCU Relevant Materials

Example Beverage Industry Partnerships



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## Beverage Partnership Examples



**bubly**  
sparkling water

michael bublé's  
**CHRISTMAS**  
IN THE CITY



**Heineken**  
0.0%  
ALCOHOL FREE

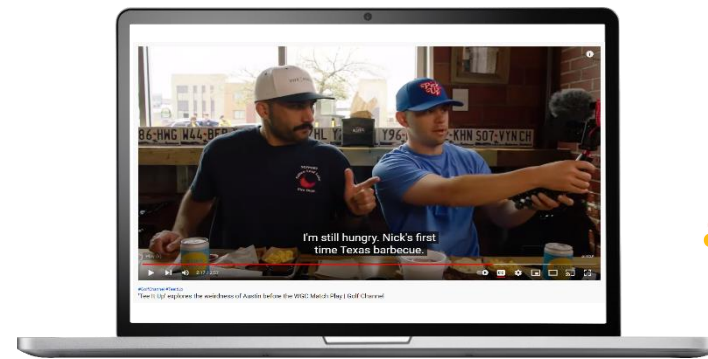
**LATE NIGHT**  
WITH SETH MEYERS



**S.PELLEGRINO**

**TOP CHEF**

**bravo**



**GOLF**

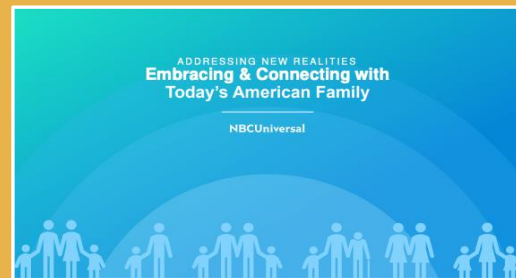


# NBCU Beverage Industry Content TOGETHER SITE

## Category Content & Strategies



Fueling the Cultural Conversation:  
Premier Live Events



Embracing & Connecting with  
Today's American Family



Blending of Worlds:  
Rise of a Global Culture



A Marketer's Guide  
to the Metaverse

## Beverage Case Studies



AdSmart Data-Driven Linear +  
Beverage Brand



Kentucky Derby +  
Woodford Reserve



AdSmart Data-Driven Linear +  
Beverage Brand



AdSmart Data-Driven Linear +  
Alcohol Beverage Brand

# 2022 Alcohol Industry Assessment

**NBCUniversal**

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