

BEER – UK – 2023

The beer market has faced cutbacks amid the income squeeze. Aligning with the alcohol moderation trend will be crucial looking ahead.



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Beer - UK - 2023

This report looks at the following areas:

- The impact of the cost-of-living crisis on value and volume sales of beer
- Shifts in purchase channels for beer over 2021-23
- Trends in launch activity for beer, and opportunities for further innovation
- Principal barriers to drinking beer
- Factors deemed worth paying more for in beer
- Occasions for which people would choose a premium/craft beer



The beer market has faced cutbacks amid the income squeeze. Aligning with the alcohol moderation trend will be crucial looking ahead.

Overview

The beer market saw volumes decline in 2023 as the income squeeze hit discretionary spending, inflation in the category exacerbating this. The latter was only partly mitigated by trading down from on-trade to retail and within channels, this going some way to dampen value growth. The market should, however, be well-positioned to regain ground once real incomes gain momentum.

The alcohol moderation trend poses a significant threat to the market, this and alcohol avoidance being the primary barriers for drinking beer. The moderation trend is expected to grow as rising incomes see health become more front of mind. Worryingly for the category, low-/no-alcohol variants are failing to stop curbs to beer drinking for many people. Combatting doubts over their taste is crucial.

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The wide range of occasions when people are open to choosing a craft/premium beer points to strong potential for these to rebuild usage once household incomes improve, with opportunities for them to gain ground in celebrations. However, further nudges are needed to translate this positive sentiment into action amidst competition from other drinks.

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Report Content



Key issues covered in this report

- Overview

EXECUTIVE SUMMARY

Opportunities for the beer market

- Focus on role as enhancing at-home occasions to drive relevance and trading up amid income squeeze
- Convince consumers of low-/no-alcohol beers' taste to capitalise on the alcohol moderation trend
- Traditional drinks mixing beer with soft drinks warrant further exploration

Market dynamics and outlook

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Innovation and marketing

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- ...and people feel more confident about their financial prospects
 - Graph 25: the financial confidence index, 2016-23
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- Craft brewery numbers continue to decline in 2023

Social, environmental and legal factors

- Alcohol duties rise for packaged beers but remain unchanged for draught beers
- New alcohol duty system raises prices for higher-ABV products
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WHAT CONSUMERS WANT AND WHY

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Occasions for which people would buy a craft/premium beer

- Good opportunities to drive purchase of craft/premium beers
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- Many people are prepared to buy premium/craft for celebrations, but they do not always act on this
- Give prompts in retail and the on-trade to put beer front of mind at the right time
- Guinness looks to build associations with Christmas celebrations with giveaway promotion
- Packaging aesthetics are especially relevant amid cost-of-living crisis
- Free glasses and gift boxes are among means used to make beers more appealing for gifting and celebrations
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INNOVATION AND MARKETING TRENDS

Launch activity and innovation

- Brands continue to emphasize how no-alcohol beers deliver on flavour
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- Changes to alcohol duty rates boost the relevance of lower-alcohol launches
- Craft brands put the focus on sustainability
- Brands from other categories extend into beer
- Beer brands extend into new segments, and European brands enter the UK
- Fruit flavours remain a key flavour trend in 2023
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- Music collaborations can tap into celebrity star power

Advertising and marketing activity

- Advertising spend on beer soars in 2022
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- Molson Coors' brands celebrate friendship
- Heineken recruits F1 driver as it again encourages responsible drinking
- Beavertown marks Halloween 2023 with new cinema advert
- San Miguel celebrates those who "seek, explore and feed their eager minds"
- Aspirational lifestyle marketing can prove lucrative for beer brands
- Peroni looks to encourage more year-round drinking

- Stella Artois and Birra Moretti look to build a lifestyle positioning with glass giveaways
- Gipsy Hill Brewery highlights its eco-friendly credentials
- Beer brands highlight their heritage

BRAND RESEARCH

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- Appendix: ale/stout/bitter value sales – brands
- Appendix: ale/stout/bitter volume sales – brands
- Appendix: ale/stout/bitter value sales – brand owners
- Appendix: ale/stout/bitter volume sales – brands

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