Lumina Intelligence

CATEGORY SPOTLIGHT

The rise of Low2No drinks

Lumina Intelligence

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THE RISE OF LOW2NO DRINKS

Last year saw a definite increase of the Low2No category that has carried on throughout 2022. An interest in health consciousness in conjunction with changes in missions involving alcohol triggered by the pandemic has resulted in a reduction of consumption, especially amongst the 18-35 age category.

A wealth of new Low2No products, from both small producers, and established brands that have included new zero products has continued to drive the market.

Supermarkets are the primary place that consumers purchase the low2 no category, with other channels including pubs and convenience stores remaining behind.

Source: Lumina Intelligence, June 2021

Pricing and visibility are the greatest barriers to purchase. Visibility of choice is a strength of the supermarket channel and more can be done to de-risk and reach new consumers through sampling.

42%

amongst the 18-24 demographic have reduced their alcohol consumption

Motivations:

Reflecting the impact of Coronavirus on daily lives, “ease of consuming at home” was the top driver for the increase in consumption.

Restrictions aside, **saving money** and **health-conscious** consumers were also driving factors behind drinking less.

Top motivation for drinking zero alcohol products is driving.

Driving is followed closely by “appealing products”. To begin with, consumers demand more choice within the category.

Branding can be a major motivator for consumers, especially for products associated to treat occasions like alcohol. So buyers require the Low2No counterparts of spirits, wines and beer, to have that extra pizzazz in order to influence them towards final purchase.

Interestingly, rather than “driving”, a product “looking appealing” is the most important motivation for buying Low2No in the **on-trade in London**, reflecting both lower car ownership as well as a more developed Low2No offer in the capital.

In the off-trade the strongest motivations are a desire to **try something new** (12%) and as a **healthier option** (12%).

Health focus can also be driven forward by yearly occasions such as **Sober October**, and **New Year** resolutions.

CHALLENGES

Pricing and visibility are the greatest barriers to purchase.

Many still consider the category too expensive (16%) and poor value for money (14%) –with consumers expecting the price to be equal or lower than full strength alcohol.

Not seeing the product in the store/bar; not being able to find what they are looking for; and a lack of selection of well-known brands are barriers to purchase –meaning the category will be inhibited until signposting, visibility and choice improves.

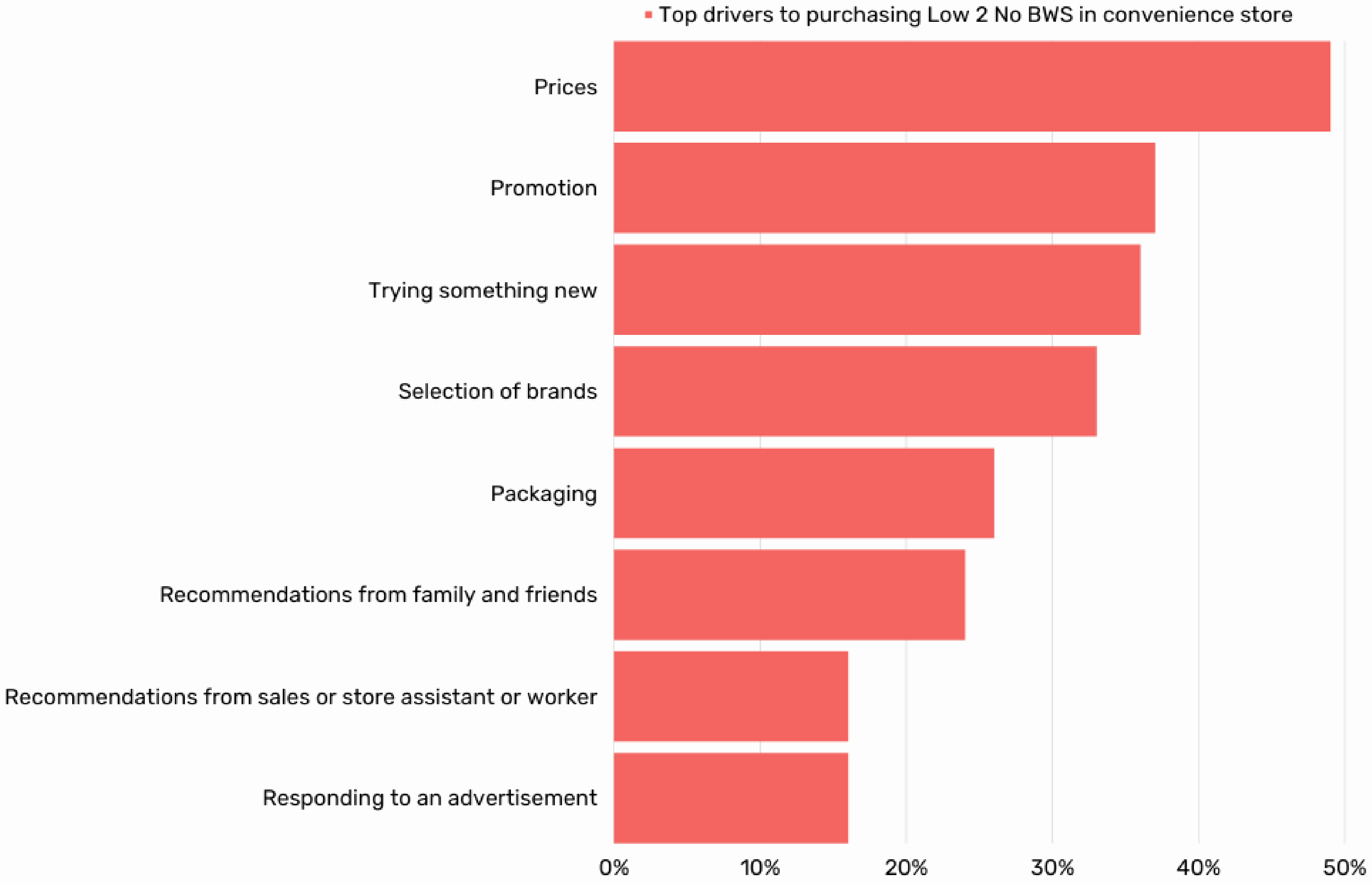
16%

25-34 cite not being able to find Low2Now products

Source: Lumina Intelligence, June 2021

HOW TO DRIVE THE LOW2NO SHOPPER INTO C-STORES

Convenience is a key channel for Low2No products. Developing a channel specific shopper strategy will drive increased frequency to the category.



- **Clear merchandising**, **POS** and **packaging**, so shoppers can **easily navigate** to the category in store and easily identify new products through **informative POS** and packaging.
- **Older shoppers** (65+) are the **most brand driven** (+3%) demographic when purchasing Low2No. 65+ purchase wine the most, so ensure that there is a wide brand selection of **Low2No wine brand alternatives** to increase frequency of purchase in stores where there is a higher older demographic, such as **non-urban locations.**
- Low2No shoppers **value recommendations from store assistants** more than hard seltzer shoppers. Equipping staff with **category knowledge** which they can share with shoppers will be an effective way to engage this shopper.

Source: Lumina Intelligence, June 2021

THE RISE OF LOW2NO DRINKS

Promotions as an incentive and a way to de-risk the purchase experience influence consumers

18%

of consumers purchased an alcohol-free beer (on trade) because there was a promotion

15%

Non-alcoholic wine consumers purchased because it was a cheaper option

Men are more likely to perceive Low2No as too expensive or **poor value for money**. They are also more likely to be cynical about the health benefits.

Male consumers are twice as likely as women to cite **driving** as the motivation for buying a Low2No product.

Women, meanwhile, are less likely to **find the category** or what they are specifically looking for.

Female consumers are more likely to buy Low2No in the on trade if it is part of a **promotional offer**, as well as for **health/control** reasons.

C2DE consumers show a great desire to **stay in control** as a reason for choosing a Low2No product. They are also more likely to be driven by promotions and saving money, whereas **ABC1**'s are more motivated by **product appeal**.

16%

of C2DE consumers wanting to stay in control

9%

Of ABC1's choosing Low2No because a "product looked appealing"

Source: Lumina Intelligence, June 2021

WANT TO KNOW MORE ABOUT LUMINA?

Lumina Intelligence inspires the global food and drink sector with deep, actionable insights powered by the world's best analytics technology. Our products and services are used by the major brands and organisations in these fast moving and growing markets to support business planning, strategic marketing and new product development.

Part of the **William Reed group**, you can trust our market knowledge. We are committed to providing all our customers with up to date accurate information to support critical decision making. We are the experts in market and consumer insight across the food & drink and nutrition markets.

3 ways we can support you

Track prices of your competitors across food & drink items

Understand your consumer needs and how this compares to your competitors

Delve into the impact of seasonality on consumer behaviour to inspire your marketing campaigns

LOW 2 NO BEV

24 - 26 April 2023 - **NEC, Birmingham**

2 - 4 October 2023 - **Olympia London**

Low2NoBev - wow what a show!

The low and no alcohol industry truly united at Olympia London at Low2NoBev Show. There was a real buzz with a fantastic selection of innovative products and lively discussion from inspiring leaders on The Stage and at The Workshop. Thanks to our visitors, exhibitors, sponsors, speakers and supporters for a fantastic event.

Dates for your diary Low2NoBev Zone at The UK Food & Drink Shows from 24-26 April 2023 at NEC, Birmingham and the Low2NoBevShow returns to Olympia London from 2-4 October 2023, co-located with The Restaurant Show.

Get In Touch

To find out more about Lumina Intelligence repots visit store.lumina-intelligence.com or get in touch using the contact details below.

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