

A NEW WORLD DISORDER?

Navigating the polycrisis

Key Takeouts for
the ALCOHOL
SECTOR

GLOBAL
TRENDS
2023

TRACKING HOW ARE PEOPLE CHANGING

Since 2013 Ipsos has been tracking the values, attitudes and behaviours of people around the world via our Ipsos Global Trends service (IGT). This year's survey, conducted at the end of 2022, is our biggest ever, comprising some 48,000+ interviews across 50 markets, with strong representation across all regions, allowing us an unprecedented window into the lives and concerns of the public.

Understanding change within any sector is about understanding both top-down and bottom-up change:

- **Top-down change** refers to broad cross-category changes. These affect people irrespective of their relationship with specific product categories but will have different impacts from one sector to another
- **Bottom-up change** refers to specific changes within individual categories – both changes in what users need and want, and changes in what those in category bring to the market and how they do so

Ipsos Global Trends is a hugely valuable resource to understand top-down change. Our 2023 report entitled “**A NEW WORLD DISORDER? Navigating the polycrisis**” is available for download and covers the key dimensions driving change, including 6 Macro Forces (that cover 26 more detailed themes) and 12 consumer trends that we have been tracking since 2019.



At a glance: the Ipsos Global Trends

In 2019 we used advanced analytics and perspectives from our team of trends and foresight experts to analyse 370 questions across 36 markets, identifying 36 global values and 12 trends, which we have been tracking ever since.

Since then, our annual updates have highlighted how our 12 trends (which cover populism, brand-building, climate change, technology, data security, politics and social issues) have changed – or not changed – over time.

We are delighted to be able to share with you what they look like in 2023, blending our latest data, local signals, our updated Macro Forces and some thought-starter provocations on what they might mean for your organisation, whether it is a government department, a corporation or an NGO.

We hope you find these insights thought-provoking.



WHAT DOES THIS MEAN FOR THE ALCOHOL SECTOR?

In this document, our **Trends and Foresight team** have evaluated the macro force and trend dimensions covered in IGT and identified the key factors that will shape the **Alcohol sector** during 2023 and beyond.

From these, we have identified **seven key drivers of change** and brainstormed some thought-starter implications for each.

Once you have digested these, please:

- Download our free Global Trends report for 2023 for more insight, data, marketplace signals and thought-starters relating to the Macro Forces and trends described in this document, : <https://www.ipsos.com/en/global-trends>
- Contact us to discuss how we can help you navigate the polycrisis and beyond.
- Alcohol preferences and consumption behaviours are highly driven by cultural factors and tradition. The trends we have outlined in this document are global in nature but, of course, will vary widely from one market to another. We can leverage our 50 country dataset to help you understand what these trends look like in the markets you care about.



IPSOS GLOBAL TRENDS COVERS SIX MACRO FORCES (INCLUDES 26 DETAILED THEMES) AND 12 GLOBAL TRENDS



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THESE BROADER MACRO FORCES AND GLOBAL TRENDS DRIVE CHANGE IN THE ALCOHOL SECTOR



DRIVERS OF CHANGE IN THE ALCOHOL SECTOR

EDUCATED CONSUMERS

CURIOSITY ABOUT TRANSFORMING INGREDIENTS

INTENTIONAL SOCIALISING

GENERATIONAL DIVIDES IN CONSUMPTION

TECH ENABLED ENGAGEMENT

APPRECIATING AUTHENTIC CRAFT AND TRACEABLE INGREDIENTS

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EDUCATED CONSUMERS

THE WHAT?

What trends drive educated consumers?

Macro Forces: **Well-rounded Well-being**

Trends: **Conscientious Health and Choices over Healthcare**

Health is becoming more holistic, taking into account multiple meanings of well-being. People are actively engaging in taking care of their mental and physical health.

While the pandemic understandably required governmental-level oversight, legislation and enforcement, the longer-term trend has been for people to want more direct access to healthcare and more control over their solutions and outcomes. Consumers continue to want more access to providers and specialists, regardless of their location, and more control over their well-being..

86%

say they need to do more to look after themselves physically

83%

would like more control over decisions about their health

72%

will sacrifice convenience if it means getting healthier products

THE “SO WHAT”?

What might this mean for the Alcohol sector?

People place a high value on both mental and physical health. There continues to be more and more information published about what people should and should not consume, to support their health, leading people to think more carefully about their consumption habits, and long term health. Limiting alcohol intake is increasingly becoming top of mind for many consumers, especially the younger generations, and no lo alcohol options have made it easier to achieve this over the years, especially with the recent flavour innovations in non alcoholic spirits. People also want to control their consumption of other ingredients in alcohol such as sugar, carbohydrates and gluten.

Alcohol brands could broaden their non-alcoholic options, utilize new ingredients and innovative brewing/distilling methods, as well as communicate transparently about their product's ingredients.

WHO IS ALREADY ACTING ON THIS?

Brands are offering new products and experiences to support the consumer who wants to be mindful of their consumption



Prime time is a low calorie, low carb, gluten free, vegan and low sugar, premium lager, with the same amount of alcohol as a standard lager. It was created for the purpose of providing people a beer that meant that didn't have to sacrifice their health goals. They even have a caffeine infused version!



Leitz 'Eins Zwei Zero' Alcohol Free Sparkling Riesling is a new no lo product produced by award-winning German winemaker Johannes Leitz. He has used high quality Riesling grapes to produce a wine full of flavour, but which then goes through a gentle dealcoholisation method to produce a 0% alcohol free sparkling wine.

CURIOSITY ABOUT TRANSFORMING INGREDIENTS

THE WHAT?

What trends drive the interest in transforming ingredients?

Macro Forces: **Growing Mental Health Crisis**

Trends: **Conscientious Health** and **Search for Simplicity and Meaning**

Most people's lives experienced a change of pace during the pandemic. Their lives were forced to become slower and less hectic due to lockdown restrictions. As we are now returning to normal life, many people are re thinking the structure of their lives – how much they are spending, their goals and hopes, and hoping to maintain some of the simplicity they achieved during the pandemic.

Involved in this is a more mindful consideration of health. People are viewing it as more holistic, considering various interpretations of well-being, and alternative ingredients and forms of medicine are becoming more widely accepted.

73%

say they wish their life was more simple

80%

say they need to do more to look after their mental wellbeing

THE “SO WHAT”?

What might this mean for the Alcohol sector?

Holistic health is becoming a priority and people are looking for ways to create moments of calm in their lives in a bid to take care of their health, especially their mental health. Ingredients and products, particularly functional ones, that help them achieve this are being welcomed. Brands should leverage functional ingredients, for example CBD, to support consumers' health goals. However, they must recognise that people want to see the use of these ingredients backed up by science.

Functional drinks have been around for decades, but they have recently become newly aligned with the non-alcoholic category. Therefore, there are opportunities for alcohol brands to combine innovations in no lo alcohol products with the use of functional ingredients.

Will functional, mood changing drinks become the new ‘no lo’?

WHO IS ALREADY ACTING ON THIS?

Ingredient innovations are making waves



[Sentia](#) claims to be the new generation of mood enhancing spirits (without the alcohol). This ‘GABA’ spirit, made with complex botanicals has been designed with all natural ingredients by a team of scientists and innovators to provide the connection and harmony alcohol drinkers desire, but without the downsides.



[Little Saints](#) is a new US non alcoholic drinks brand that was born out of the pandemic. It sells a range of transformative, non-alcoholic cocktails which have uplifting functional benefits. Each mocktail contains a ‘magic’ stack of plant ingredients such as CBD, botanical terpenes and Reishi mushroom extract.

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INTENTIONAL SOCIALISING

THE WHAT?

What trends are driving intentional socialising?

Macro Forces: **Impacts of inflation and Life Stage Evolution**

Trends: **Search for Simplicity and Meaning and Reactions to Uncertainty**

Uncertainty has become the only certainty. People in many markets are facing economic instability as currencies shift in value, inflation rises, supply chains continue to be disrupted, and governments change. Where can people turn to find confidence, and how can they hedge their bets in an uncertain climate?

The pandemic forced people's lives to slow down - gone was the daily commute, the hectic social life and the frantic juggling of commitments. Now, as lives go back to normal, many people are now coming to re-evaluate their life, their hopes and ambitions, and their spending patterns, and redefining their life as smaller, yet more fulfilling, than it was before.

83%

think the world is changing too fast

61%

increasingly feel the need to spend time alone

THE “SO WHAT”?

What might this mean for the Alcohol sector?

As the cost of living crisis forces spending habits to be re thought and consumers reevaluate how they are spending their time post pandemic, the intensity of social drinking and going out has shifted. People are thinking more carefully about when they are socialising out of home, to save money and to ensure they maintain balance in their life. As such, at home socialising is becoming a common option, which means that are opportunities for alcohol brands to create new RTD offerings.

However, brands **are** able to entice people out of home if they are able to provide unique or stimulating experiences, so **innovations in flavour and bespoke drink and venue creations should be considered**

WHO IS ALREADY ACTING ON THIS?

Brands are adapting to consumer's shifting interpretation of socialising



Intercontinental Brands has launched a new passion fruit liqueur, **Apollo**, is a value alternative to the leading Passion Fruit liqueur brands. Not only does this enable the on-trade to produce the highly popular cocktail at a more affordable price, but it also makes cocktail mixing more affordable for consumers who want to make it at home.



In January 2023 travel brand **Dharma** launched its 'Spirited Stories' travel brand – a tour operator offering trips in partnership with alcohol giants to create trips that shine a light on local culture, all through the lens of wines and spirits. This brand partnership shifts the focus away from mindless to intentional consumption.

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GENERATIONAL DIVIDES IN CONSUMPTION

THE WHAT?

What trends are influencing the generational divide?

Macro Forces: **Well – rounded Well-being** and **Generational Wealth Disparities**

Trends: **Conscientious Health** and **Reactions to Uncertainty and Inequality**

Health is becoming more of a top priority, especially amongst the younger generations. Alongside this, uncertainty prevails as people in many markets are facing the pressures on inflation.

The younger generation who are being hit harder by inflation and are struggling more with their mental health are readdressing their consumption habits.

82% of Gen Z
say they need to more to
look after their mental health
compared to **73%**
of Baby Boomers

20%
less alcohol is
being drunk per
capita by US Gen Z
than Millennials

THE “SO WHAT”?

What might this mean for the Alcohol sector?

We are currently witnessing a cultural shift when it comes to alcohol consumption. Generation Z are consuming far less alcohol than any other generation, and clearly shying away from excessive drinking. Instead they are prioritising their mental and physical health. This shift may also be driven by the current economic uncertainty, which is proving to be more of a pressure for the younger generation.

This is seen to be a major long term threat to the sector and something the industry must prepare for. Exploring no lo alcohol options, functional beverages and experiential/ premium offerings, like ‘instagramable’ drinks may be necessary for brands to attract younger consumers. Thinking more about a differentiated generational offerings might also be key.

How do brands diversify to ensure they can bridge the divide?

WHO IS ALREADY ACTING ON THIS?

Brands and venues are breaking the mould to target younger generations



Coachella, a music festival extremely popular amongst the younger generations, added a non alcoholic bar to its list of F&B partners for 2023. [‘The New Bar’](#) serves cocktails mixed with Seedlip, a non alcoholic spirit, and other leading non alcoholic brands. Many popular celebrities like model Cara Delavigne were regulars at the bar, a sign that it was being marketed to the younger generation. The 2023 festival also featured its first-ever campsite for #soberchella patrons.

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TECH ENABLED ENGAGEMENT

THE WHAT?

What trends drive tech enabled engagement?

Macro Forces: **The Immersive Frontier**

Trends: **The Tech Dimension** and **Data Dilemmas**

The rapid pace of technological change and disruption over the past few decades cannot be understated. However, years on, many people are wondering whether the promises made by Big Tech have been kept, and what we need to do collectively to harness the potential of tech – and mitigate its risks.

71%

can't imagine life without the internet

400

million monthly active users on the Metaverse

THE “SO WHAT”?

What might this mean for the Alcohol sector?

The speed of which technology is changing means that brands have to work hard to keep up - this has been the story for many years now, with the rise of e commerce and social media for example. However, recent developments with the Metaverse have been disruptive, and alcohol brands have been leading the charge in making use of this new medium. The Metaverse is being widely regarded as the next frontier in digital commerce, but currently it is being used as a marketing ploy by brands. Alcohol brands could make the most of their head start and find new ways to use this exciting and expansive platform, especially when you take into account the findings of ‘intentional socialising’. Utilising the metaverse should come with caution since regulatory pressures still apply and due to its rapid growth, age restrictions might not always be in place.

How can brands seek out new, meaningful and useful opportunities in the metaverse in the face of regulatory scrutiny?

WHO IS ALREADY ACTING ON THIS?

Brands are showcasing their products in the Metaverse



Miller Lite launched a metaverse-based bar in time for the Super Bowl 2022. Visitors to the Miller Lite Metaverse Bar had exclusive access to the brand's 2022 Super Bowl ad, which did not air during the televised game. Other perks for visitors included rewards for select virtual patrons and other ways to engage.



In 2022, Heineken launched the world's first virtual beer 'Heineken Silver' on the Metaverse platform 'Decentraland'. This was a marketing strategy with the plan to deliver a physical campaign that blended seamlessly with the virtual launch – the physical iteration was as reminiscent as possible with the Decentraland one.

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APPRECIATING AUTHENTIC CRAFT AND TRACEABLE INGREDIENTS

THE WHAT?

What trends drive brand loyalty?

Macro Forces: **Plateau of Globalisation** and **A Greener Way of Thinking**

Trends: **Peak Globalisation, Authenticity is King** and **The Enduring Appeal of Nostalgia**

Increasingly, consumers are asking hard questions surrounding companies values, actions and ESG (environmental, social and governance) policies. Their answers are now often determining their marketplace success.

The world remains divided on the benefits of globalisation. There is tension between local and global since consumers see the value in both during different situations.

People all over the world, and of all ages, are finding solace in the past. While this is a constant feature of being human, it increases at times of uncertainty, like now.

52%

are willing to pay extra for a brand image that appeals to them

65%

prefer local brands made in a specific region or city to global brands

THE “SO WHAT”?

What might this mean for the Food and Beverage sector?

Products that are transparent with their ingredients, locally made and involve a nostalgic element are very attractive to consumers. Companies and products with these characteristics display authenticity and care for society and the planet, something consumers desire during these uncertain times. Alcohol brands should find ways to use local ingredients where they can and could explore more stripped back and closer to home brewing, distilling and winemaking processes. Craft beer and spirits are expected to continue to do well, however in the current cost of living crisis this may dwindle. There is also value in promoting the sustainability aspect of craft processes.

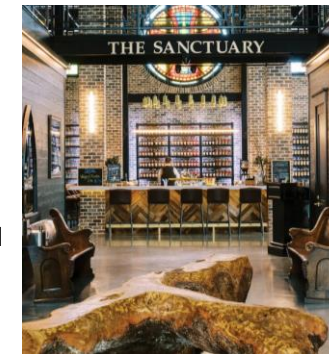
How can brands find more affordable ways to make authentic products with local ingredients?

WHO IS ALREADY ACTING ON THIS?

Brands are using local and sustainable ingredients to create unique and authentic products



The CRUST group's mission is to empower businesses in Singapore to upcycle their food waste and loss into unique products. They have recently partnered with 'Cold Storage' in Singapore. The partnership will see CRUST using surplus bread from CS Fresh to produce Born & Bread, a pilsner-style beer that is light and refreshing, with crisp notes of malt and cereal.



Burnt Church Distillery, in South Carolina, US, aims to be far more than just a bar. Since opening in 2021, it has made a meaningful contribution to the spirits industry and its community by crafting spirits that pay tribute to and keep the history and culture of the South Carolina Lowcountry alive.

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Every crisis can be an opportunity to improve your organisation, and people's lives

We can help you leverage the trends:

Beyond this public report, get in touch with the The Global Trends and Foresight Team to discuss:

- **In-depth analysis** of the trends or a specific market's attitudes – and how they will change
- **A custom presentation** tailored with data & signals for your organisation and key countries
- **Workshops & activations** to apply the trends to your strategic planning processes
- **Data access** through your Ipsos team, or directly via our Portal for up to 50 markets
- **Macro Forces** with supporting data, to feed into your own foresight processes
- **Market-specific highlights** to inform your global footprint and strategy

We can help you shape the future:

Beyond the trends, our advisory services in trends and foresight consulting include:

- **'Future of...'** foresight consulting to prepare for the obstacles and opportunities ahead
- **Trend Tracking** to monitor trend evolution and scale
- **Custom trends frameworks**, inspired by Ipsos Global Trends but customised for your organisation
- **Scenario building** and horizon scanning to consult with your organisation on preparation
- **Innovation sprints** to turn the trends into platforms for growth and to develop concepts



About Ipsos

In our world of rapid change, the need for reliable information to make confident decisions has never been greater.

At Ipsos we believe our clients need more than a data supplier, they need a partner who can produce accurate and relevant information and turn it into actionable truth.

This is why our passionately curious experts not only provide the most precise measurement, but shape it to provide a True Understanding of Society, Markets and People. To do this we use the best of science, technology and know-how and apply the principles of security, simplicity, speed and substance to everything we do. So that our clients can act faster, smarter and bolder. Ultimately, success comes down to a simple truth: You act better when you are sure.

GLOBAL TRENDS 2023

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GAME CHANGERS

