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WHAT
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# WHAT IS MY ALTERNATIVE

The focus on health among UK consumers is increasing and shows little sign of slowing. Gluten free, vegan and dairy free are just three of the many diets more and more consumers are beginning to choose, and manufacturers are reacting quickly to this. Tesco, for example, recently launched its own range of vegan ready meals to meet consumer demand[1]. Our changing food choices are now translating into the drinks sector, and the industry must respond to capitalise on this opportunity. In a category with a typically less than healthy reputation, alcoholic drinks have an interesting challenge. For many, alcohol is an effective social lubricant, where we can rid ourselves of our inhibitions and simply live in the moment. For this reason, health conscious consumers are not abandoning alcohol completely, but we do see an increased desire for that alternative option, whether this is low alcohol, organic, vegan, gluten free or otherwise, which plays to their wants/needs.

In particular, young people are more health conscious than ever before; Our Global Trends Survey[2], found more than two thirds of 16-34 year olds (68%) saying they worry about their health as they get older. This is reflected in our recent millennials report which found that this generation are drinking less. Only a quarter of millennials (25%) drink over 14 units of alcohol per week (classed as an increased risk) compared with 31% of baby boomers and 30% of generation X drinking the same amount at present.[2]

It is little surprise therefore, that younger people are more interested and open to engaging with alternative options of alcoholic drinks. The results from our recent survey of 867 alcoholic drink consumers support this trend; 18-24 year olds are significantly more likely to consider choosing a low alcohol, vegan, or gluten free drink alternative when compared to people aged over 45. A low alcohol option is most popular, with over a quarter (28%) of millennials saying that they would consider it, compared to just 18% of over 35's.[3]

These findings provide an exciting opportunity for the industry. Millennials are drinking less frequently, but drinking far more when they do. On the heaviest drinking day, 28% of millennials consume over the recommended daily limit, slightly more than generation X (24%) and baby boomers (20%).[4] Therefore, low alcohol, vegan and gluten free varieties would allow consumers to enjoy socialising whilst still being able to make healthier choices. Indeed, when we asked consumers why they would choose an alternative option, health reasons were most commonly cited (18% of responses), including maintaining a healthy balance and to avoid over consumption. The notion of going completely tee total (although becoming increasingly common) won't satisfy those whose motivation is to "drink alcohol to enjoy a night out".[3]

Organic alternatives were significantly more popular amongst 45-55 year olds. Indeed, nearly a fifth of wine drinkers across all age groups we surveyed say they would consider this.[3] It's particularly interesting when we analyse this in the context of our Global Trends Survey, where we see a low engagement for organic in the UK vs. the rest of the world[2] – although organic alcohol is two times the size of the total UK organic market (14.3% last year)[5], which obviously bucks this trend.

It is commonly believed, but not proven, that organic wine varieties have a purer taste due to lack of chemicals, and reduced levels of sulphites is known to lessen the effects of a hangover.[6] The cost differences between organic and non-organic wine is also minimal, a barrier to many products in the organic food sphere where products can be three times more expensive.

Desk research looking at the availability of organic wine varieties shows that of the 1182 wines available in Waitrose's portfolio, 45 (or 3.8%) are organic. In Sainsburys, this figure is just 1.3% (8/629 products) and in Tesco, just 1 organic wine product was found. Demand for organic wine is clearly there, but the industry is yet to meet it – providing a wider range of products, communicating the organic status in a more explicit manner and allowing consumers to fully understand the benefits will be key.

Whilst the non-alcoholic beverage market is innovating to address consumer interest in healthy alternatives, taste and flavour remain the most important consideration when the products are purchased. Overwhelmingly, one fifth of consumers cited taste, or perceived taste as a barrier to alternative products. Non-alcoholic wine in particular was deemed to be far too sweet and sugary. Of those who wouldn't consider an alternative, soft drink options such as cola or orange juice were more desirable due to the drink tasting nicer for only 7% of consumers.[3]

Brands need to focus on communicating flavour as well as the more functional health benefits which are desired. Taste testing new products before a consumer is asked to make a purchase is an obvious way to help shift attitudes whether at a bar or within the retail environment. Our research has shown a clear disparity between what consumers say they want (health benefits) and what they *actually* want (a nice tasting product). Manufacturers must be aware of this and respond if they are to satisfy the ever more complicated consumer.

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We are passionately curious about people, markets, brands and society. We deliver information and analysis that makes our complex world easier and faster to navigate and inspires our clients to make smarter decisions.