



emmaTM alcoholic beverages trends & insights

July 2016

DRINK UP!

Distilling Australians' tastes, consumption and attitudes towards alcohol.

emma

Raise your glass

Alcohol is part of Australian culture. In fact 71 per cent of adult women and 82 per cent of adult men say they've consumed an alcoholic beverage in the past four weeks.

Health and safety issues, and the trend towards drinking 'less but better', have led per capita consumption to fall and around half of people aged 18 and over say they're drinking less now than they used to. Yet the move to premium beverages means Australians are actually spending more per head for their favourite tippie, underscoring the importance of effective brand positioning and marketing.

Tastes are also changing: wine is rapidly growing in popularity, though men up to age 65 still opt for beer. While widely enjoyed, cider and spirits are well behind wine and beer, as are pre-mixed drinks. Preferences also vary by consumer group, as illustrated by Ipsos Scope 10 segmentation (see opposite).

With alcohol part of so many people's social lives, it's not surprising to see a shift in the places and occasions on which Australians most frequently drink as they move through their life stages. Attitudes towards alcohol – including health concerns, perceptions of value and purchasing behaviour – also evolve as people age.

This short report draws on emma™ (Enhanced Media Metrics Australia) data to explore the changing mindsets, preferences and behaviours of Australian adults towards alcohol.

¹ For the complete list of consumer segmentations, attitudinal and category data within emma™ please email support@emma.com.au

*Based on what drink consumed within the last four weeks indexed highest amongst each group compared with the rest of Australia 18+

In good company

emma™ data shows four consumer segments¹ - representing 35 per cent of Australia's adult population - who are most likely to drink any alcohol more than once a week.



Educated Ambition

7.8 per cent of population 18+

44 per cent more likely than the population average to drink more than once a week.

The highest earners and most educated of all segments, success and career achievement are these consumers' top priorities. Mostly urban and without children living at home, this segment skews strongly towards go-getting mid-life women. Frequently socialising outside the home, they are very likely to go to the theatre or an art exhibition and to dine at licensed restaurants. They also go to the cinema and eat out at cafes more often than the population average. They are relatively big drinkers of white wine and champagne and significantly more likely to drink gin* than other people.



Social Creatives

5.4 per cent of population 18+

11 per cent more likely than the population average to drink more than once a week.

Australia's young, highly educated and affluent urbanites comprise this category, which is heavily skewed towards young males who place upmost importance on success and lifestyle. These achievers are hyper-engaged with technology and social media. Socialising outside the home and engaging in arts/culture are priorities for this group, who are much more likely than the population average to eat out at licensed restaurants, cafes and pubs. Social Creatives are more likely to consume tequila* than any other social segment.



Serene Seclusion

10.6 per cent of population 18+

9 per cent more likely than the population average to drink more than once a week.

This group typically includes people at or near retirement living 'away from it all' in regional and rural Australia. They most probably own their home outright and have lower engagement with new technology than the population average. Health and wellbeing – both for themselves personally and in general – are priorities. Introverted and conservative, they are generally content with life. Brandy and cognac* index highly for this segment.



Conscientious Consumption

11.4 per cent of population 18+

9 per cent more likely than the population average to drink more than once a week.

These middle/upper middle class families are parented by highly educated, big earners who are strongly engaged with technology (particularly smartphones and tablets) and social media. They do not however place great importance on social status and consumption and are fiscally conservative. They are also very home and health-focused and above average readers of food and entertaining magazines. Cider* ranks higher with this segment than any other group, reflecting a 'craft' orientation in their food and beverage choices.

Have a drink, mate

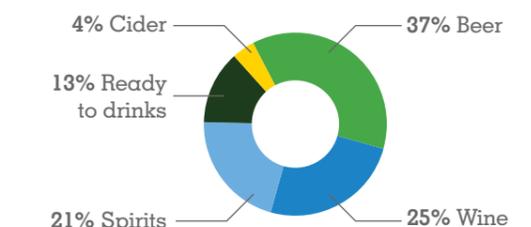
Few images conjure up the iconic Aussie lifestyle more than friends gathered for a barbeque and enjoying a drink or two. Alcohol is such a part of social life that around three quarters of Australian adults say they have drunk alcohol in the past four weeks.

Although overall liquor sales volume fell by 0.6 per cent in 2015, the dollar value of sales rose 1.5 per cent.² Explaining the change, The Australian Liquor Stores Association noted that while the figures illustrate a "challenging retail environment ... (value) growth across all beverage categories reflects today's variety, and quality-seeking Australian drinkers incorporating different alcoholic beverages into their repertoire."

While Australia historically has been a beer-drinking nation, people increasingly prefer wine. According to the Australian Bureau of Statistics, by 2013/14 beer made up 41 per cent of all alcohol consumed – down from 75 per cent 50 years ago – with wine's share growing from 12 to 38 per cent over the same period.³

emma™ data shows that across the population, people choose wine over beer. Beer is our second most popular drink overall, though on a male/female split men put beer first until around age 65. Cider is third, with whiskey or scotch fourth and other varieties well behind.

% Australian Liquor Industry sales by value, 2015-16



Source: IBISWorld Liquor Retailing in Australia, March 2016

On a gender basis, the extent to which women of all ages prefer wine to other alcoholic drinks is marked: they opt for wine more than twice as often as other drinks whereas men are more varied in their consumption patterns.

As wine has become increasingly popular, Australians have become more adventurous, embracing a variety of grape and wine making styles. Overall white wine edges out red as the most consumed (43 per cent of people 18+ say they drink white compared to 41 per cent for red) with 23 per cent enjoying sparkling or champagne.

Make mine a...

Top three tipples by age*

	#1	#2	#3
Gen Z (18+ only)	Wine 41%	Beer 39%	Cider 24%
Gen Y	Wine 49%	Beer 42%	Cider 23%
Gen X	Wine 54%	Beer 45%	Cider 16%
Baby Boomers	Wine 60%	Beer 40%	Cider 14%
Pre-Boomers	Wine 66%	Beer 35%	Cider 14%



*Type of alcohol consumed in last four weeks.

² Australian Liquor Stores Association State of the Industry Report. March, 2016.

³ Australian Bureau of Statistics Apparent Consumption of Alcohol, 43070.55.001 - Australia, 2013-14. 6 May 2015.

There's a time and a place

"One constant is Australians enjoy drinking alcohol when with their friends."

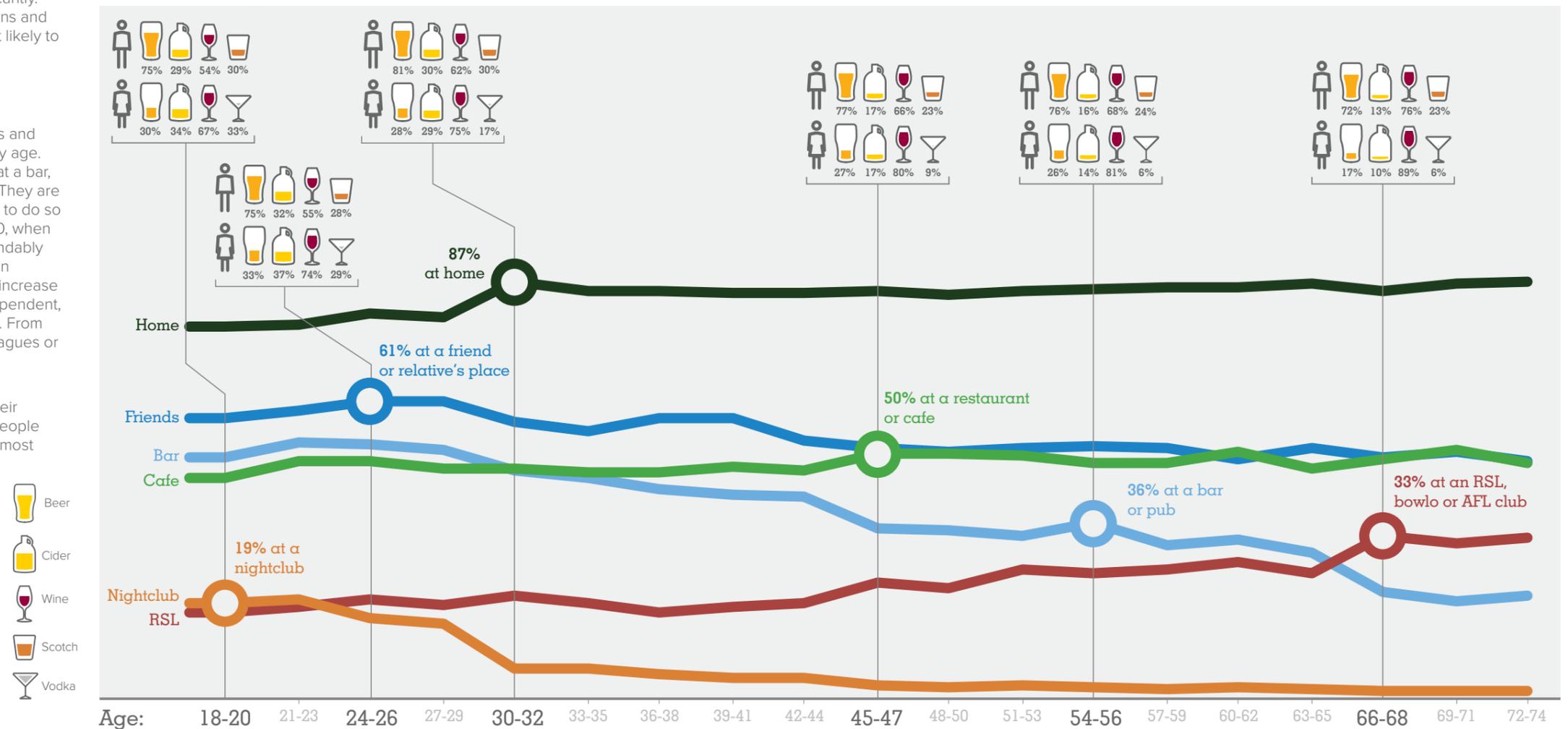
It's not just people's tastes in alcohol that evolve as they age; attitudes towards drinking and the places at which they generally do so also change significantly. This has an impact on both consumption patterns and the environments in which Australians are most likely to enjoy a social drink or two at various stages of adulthood.

See you at...

Alcohol features in most Australians' social lives and accordingly the places where they drink vary by age. Younger people are much more likely to drink at a bar, pub or nightclub than their older counterparts. They are relatively less likely to drink at home but happy to do so at a friend or relative's house. At around age 30, when they begin their own families, people understandably tend to stay home more, and that includes when socialising. From mid-forties, as incomes often increase and children living at home become more independent, Australians begin to frequent restaurants again. From retirement their tendency to drink at an RSL, leagues or bowling club jumps sharply.

Though the venue may differ, one constant is Australians enjoy drinking alcohol when with their friends: across the age groups around half of people say they like to do so, with 21-29 year-olds the most likely to feel this way.

Location and amount of alcohol consumption

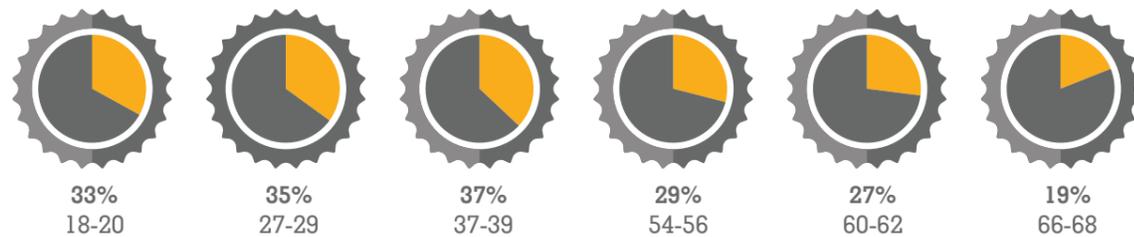


Why travel when the best is right here?

As noted earlier, Australians increasingly tend to drink less but better. Perceptions of value and quality change as people age however, and emma™ data shows older people are more likely to believe Australian wine is better than that from overseas. They are less likely to try foreign beers, too.

This quest for value creates a notable exception to the trend towards higher-priced alcoholic drinks: older Australians are more inclined to buy one of the less expensive wine brands. While this may be surprising, people often build their wine knowledge as they age, coming to appreciate various wines for their specific attributes. Along the way, many people discover new favourites that are relatively inexpensive, often from Australian vineyards.

I like to try beers from overseas



Australian wine is better than wine from overseas



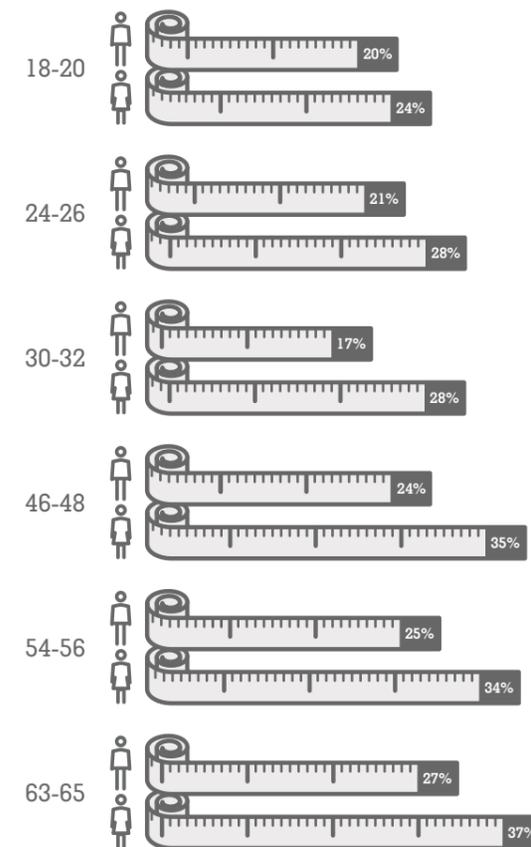
I usually buy one of the less expensive wine brands



I love it (but it doesn't love me back)

Across the age groups, 45 to 55 per cent of Australians say they are drinking less now than they used to. Popular 'get healthy' campaigns – such as Feb Fast and Dry July – may also have raised awareness of alcohol's caloric content: women in particular are increasingly conscious of this as they mature.

Conscious of the calories



Find your beach

As seen in the previous section, few Australian women drink beer. Two in three have not done so recently, even though their awareness of individual beer brands is high.

One beer however has managed to cut through with women: Corona. 28 per cent of Corona's consumer base in the last four weeks was female, and 4.2 per cent drank a bottle – nearly double that of the nearest challenger (Carlton Draught).

Corona's marketing is highly inclusive of the female audience, and rather than selling the beer promotes the idea of enjoying one on a beachside holiday. The emphasis is on fun, sun and surf, kicking back and enjoying an ice-cold, lime wedge-garnished beer in a tropical paradise. Corona's successful brand positioning strongly aligns with their target consumer's travel intentions, too:

Female Corona drinkers



*more likely than women 18+ on average.

Bottoms up!

The trend towards 'drinking better' offers growth opportunities to premium brands that can identify and tap the mindset of their target consumers, as Corona's success with women illustrates. At the same time, negative stories about alcohol are frequently in the news – from health concerns, to drink-driving and alcohol-related crime and violence. So alcohol brands and the venues that serve them may need to be increasingly vocal proponents of responsible consumption. This 'enjoy with restraint' message is a delicate balance.

With rich insights into Australians' evolving attitudes, preferences and behaviours towards alcohol, emma™ data will continue to guide marketers looking to communicate with a large and diverse consumer base spanning many life stages.

Explore and discover

The observations and analysis in this short report are based on data from Ipsos' emma™ survey. The emma™ survey is completed by 54,000 Australians per year and is accurately matched to total population across gender, location and demographic variables.

Detailed responses are collected across all aspects of consumers' attitudes and activities found both online and offline.

To find out more or to arrange a tailored presentation for your brand please contact info@emma.com.au or visit emma.com.au

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Source:

emma™ Conducted by Ipsos Connect (March 2015 – February 2016), Sample of all respondents 18+ n=66,456.