

What are we drinking during the pandemic?

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It might not be surprising to learn but people are drinking more than usual during the pandemic.

And there's more than anecdotal evidence to back that up. According to a study conducted by the Rand Corp. and published last month in the

journal *JAMA Network Open*, American adults reported drinking 14% more than the year before.

Those findings tend to match up with previous research, including data from marketing research firm Nielsen, that has shown total alcohol sales outside of bars and restaurants increasing roughly 24% since mid-March.

The reasons for the sustained increase are pretty apparent: Having an extra glass of wine or a cocktail is a common strategy for coping with pandemic-related stress, anxiety, depression and boredom.

So does that suggest that liquor, beer and wine producers have been raking in profits while the rest of us drown our sorrows?

It's not quite that simple.

Despite consumers stocking up on alcohol at home, the rise in retail and [online sales](#) has not been enough to offset the closure of bars and restaurants, which make up approximately a third of all alcohol-related spending in the U.S.

Just as revealing as how much Americans are drinking is what they're choosing to drink.

This year, according to Nielsen sales data, the big winner has been distilled spirits, which have outpaced other beverage categories in sales by a wide margin—tequila, gin and whiskey (both domestic and imported) have seen the largest uptick.

"We've seen rises in really simple, two- to three-ingredient cocktails, anything from the Negroni to the classic martini," Tom Spaven, brand director at Bacardi-owned gin brand Bombay Sapphire, told CNBC in May, citing the company's increase in sales of "premium mixers" such as

cordials, flavored liqueurs and aperitifs.

And with some home bartenders feeling less than ambitious, sales of premixed cocktails—such as canned vodka mules and mai tais from San Diego-based Cutwater Spirits—have skyrocketed in popularity as well. Overall sales have nearly doubled since last year.

Still, most drinkers are sticking with brands with which they're already familiar: Between March 14 and April 30, the alcohol delivery platform Drizly—which allows retail customers to order for at-home delivery—said that the top five liquors sold on the platform were Tito's, Bulleit, Casamigos, Jameson and Jack Daniel's.

Veronica, a sales manager at Ramirez Liquor in Boyle Heights who declined to give her last name due to privacy concerns, said that the 12,000-square-foot beverage warehouse has been "consistently busy" since the pandemic began, with retail customers seeking popular tequila brands such as Don Julio 1942 and Clase Azul.

"The biggest challenge for us has been keeping certain products in stock, because with bars closed the demand has changed a lot," she said. "If we're out of something, customers might pick a bottle from a smaller producer, but in general the demand is for the brands that we're ordering by the pallet. We're selling a ton of Patron, a ton of Jameson, things like that."

On the other hand, Veronica said she also noticed that customers have been splurging more frequently on more expensive bottles. "Especially when the stimulus checks came in earlier this year, we saw some of the higher-priced whiskies and tequilas doing well," she said.

In the [wine industry](#), changes in consumer habits have been more focused on packaging than the product itself. Canned wine in particular

has seen an explosion in popularity, with one California-based company, Bev, reporting a 200% growth in sales each month since March.

Not to be outdone, boxed wine, that holdover from college sorority parties, has increased too, with overall sales building about 30% versus the previous year.

Market analysts say that the increase in canned and boxed wine isn't necessarily evidence that drinkers are seeking out bottom-shelf options but a sign that more established and respected wineries are expanding into formats besides bottles, a trend that was already in full swing before COVID-19 arrived.

Danelle Kosmal, vice president of the beverage alcohol practice at Nielsen, said that shift might continue as restaurants reopen this year: "As restaurants begin to expand on ideas like canned wine gardens, it will be interesting to see if this will further normalize the idea of cans and other alternative packaging for wine."

Beer sales, which have risen around 16% so far this year according to Chicago-based market research firm IRI, tend to reflect similar trends regarding quantity over quality. Early on in the pandemic, customers were snapping up cases of flagship beers from big brewers: Michelob Ultra, Miller Light, Blue Moon and Modelo Especial. Even Corona, the subject of countless memes at the start of 2020, has performed well, up 20% compared to the past year.

For craft brewers, however, the forecast is mixed. While Veronica at Ramirez Liquor believes that craft beer is "holding its own" against mass-market brews at her store, large-scale breweries have a decided advantage when dealing with pandemic market fluctuations.

Since beer has a much shorter expiration date compared to other

beverages, many small brewers spent the first few months shifting production schedules in order to transition fresh-brewed beer originally planned for draft kegs into more shelf-stable packaging such as bottles and cans.

At Smog City Brewing in Torrance, that meant thousands of gallons of beer that would normally supply sports stadiums and theme parks would now be destined for cans. Much of that product was made up of the company's "core beers," such as its Little Bo Pils and Coffee Porter, traditionally the brewery's bedrock of sales.

And, of course, it would be remiss to talk about drinking during the pandemic without mentioning hard seltzer, the unofficial drink of summer 2019 that continued to cement its popularity in summer 2020. According to Nielsen data, the sparkling beverage is now a \$2-billion industry in the U.S., with sales up a whopping 224% year-over-year.

Conglomerate-owned brands such as White Claw and Truly continue to make up 75% of the market, but that's in the process of changing—Bud Light Seltzer and Corona Seltzer both launched in 2020, and Coca-Cola recently announced it would roll out Topo Chico hard seltzer in 2021.

Given that the pandemic is far from over, it's not exactly clear how many of these trends portend a lasting change in how (and what) Americans are drinking. Online delivery orders, which shot through the roof in March, have already begun to ebb to prepandemic levels, as have mass-buying trends, which saw crowds stocking bulk quantities.

Of course, the looming threat of stricter lockdown measures heading into fall and winter, coupled with the holiday season, could mean increased demand at liquor, grocery and convenience stores as shoppers stock up once more.

"There's a visceral response to the word 'shutdown,'" said Brian Rosen, president and founder of BevStrat, an alcohol brand sales and strategy firm. "And during Q4, there are already more people drinking, so you could arguably have a perfect storm of fear, desperation, holidays and celebration."

Even when the pandemic is over, some in the hospitality industry are skeptical that the general public will quickly return to its pre-COVID ways.

"One thing we're seeing is that reservations are being made earlier in the evening and tables are not staying as long as they did before," said Hans Rockenwagner, owner of Dear John's in Culver City, which has been open for outdoor dining since June.

For restaurants, less time in seats often means reduced beverage sales. Once they reopen, the same can be said of bars. Customers who feel comfortable tend to stay longer and order more, but without that comfort level, drinking at home could easily remain the norm through the next year, while bars and restaurants do their best to entice drinkers with to-go cocktails and prepackaged drinks available under recently loosened liquor laws.

In the meantime, L.A. County cleared wineries and breweries to reopen for outdoor service at the end of September, which, coupled with a \$10-million aid package from the county, could potentially offset some of the losses sustained by the industry this year.

At Ramirez Liquor, Veronica said she expects to sell a large amount of wine during Thanksgiving, but she was surprised to see growing demand for beer kegs, which plummeted earlier in the year but recently rebounded as some Angelenos have become more complacent about social gatherings.

"It's hard to know what to expect given what the year has been like. Who really knows?" she said. "We're trying to rebuild our inventory slowly, but you get the sense that people are already looking to stock up again before the holidays."

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