



Trend report 2020



# Responsible choices and **good vibes**

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**ALKO IS FULL** of experts who are passionate about food and drink culture and want to share their enthusiasm with others. This trend report is just one example of this. Our experts have put together a one-stop guide to the beverage trends and phenomena that everyone is talking about.

Two big topics for debate are the responsibility and the impact of consumer habits on the climate crisis. More and more people are paying attention to their wellbeing, which is steering drinking culture in a more responsible direction and towards milder beverages. Other hot topics include enthusiasts and pleasure-seekers,

genuineness, craft, the stories behind products and quotidian consumption.

Finnish alcohol consumption is quite polarised: Some consumers drink great quantities of alcohol to get drunk, and low prices are a major factor in their choice of beverage. Although binge drinking has decreased slightly, people in Finland still drink large volumes of alcohol in one go compared to the rest of Europe. More than half a million Finns are exceeding the risk limit.

Some Finns are teetotal or have clearly limited their alcohol consumption.

Interest in milder beverages is increasing.

Binge drinking has declined to some extent, particularly among young people. The ways and situations in which alcohol is drunk have become more varied, and drinking has become commonplace. In general, there has been a decrease in weekday drinking in recent years, although drinking at home has increased.

Premiumisation is another international trend that has been around for a while: people place an increased focus on quality and champagne has become an ordinary luxury – a permissible moment of pleasure in an otherwise busy day.

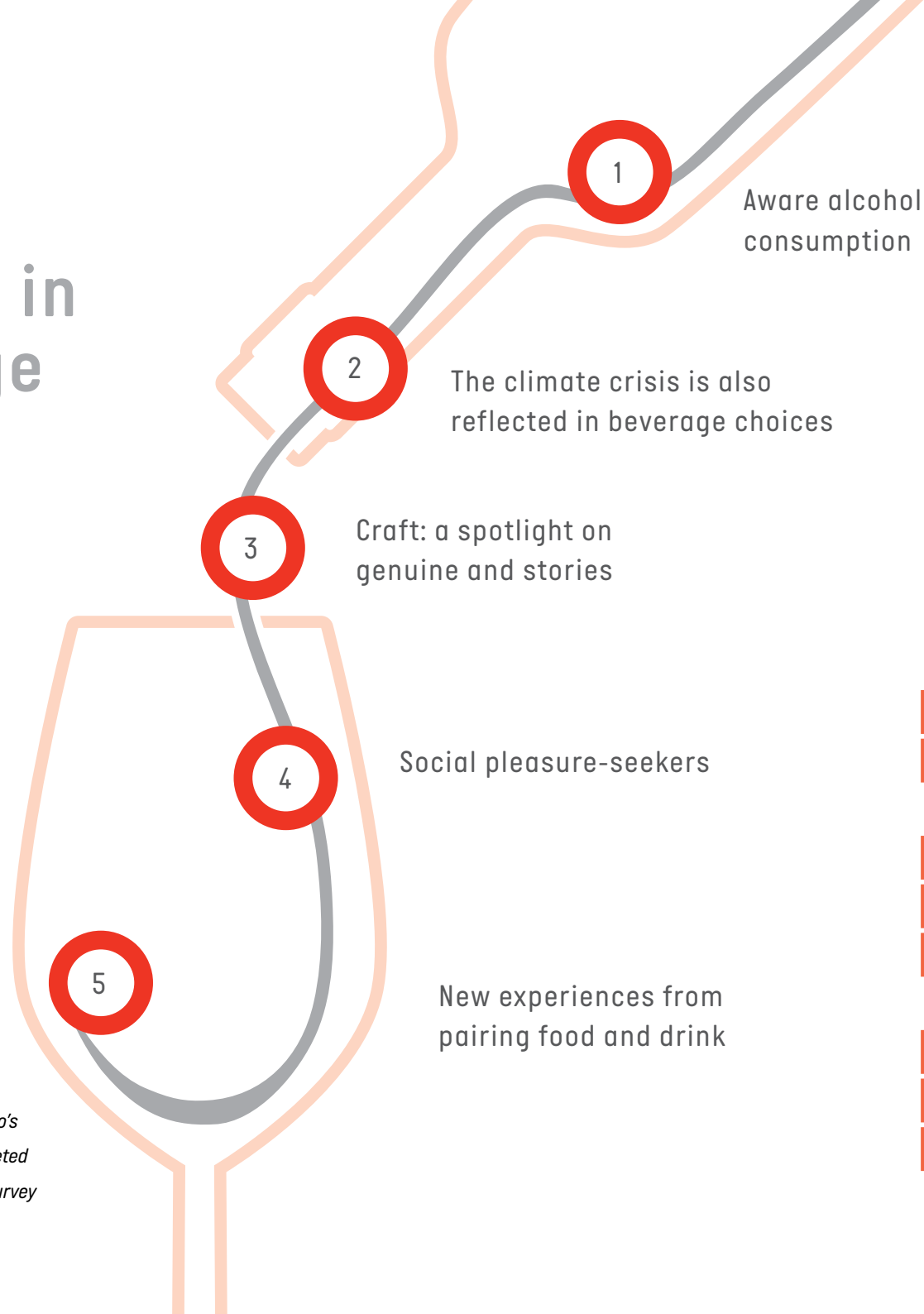
We hope this guide inspires you!



**Mika Kauppinen**

Senior Category Manager and acting Assortment and Purchasing Director

# Trends and phenomena in the beverage industry



11 percent of Finns do not drink alcohol at all.

11 percent drink alcohol either daily or 4–6 times per week.

62 percent say they invest more in beverage quality than quantity.

*The figures used in this report are based on Alko's June 2019 consumer survey, which was completed by 1,604 Finnish respondents of full-age. The survey was implemented by Dagmar Drive.*

# Aware alcohol consumption – towards a **better quality of life** and a healthy lifestyle

CONSUMERS WANT TO FOSTER their health and wellbeing. As awareness of the harmful health-related effects of alcohol increases, more people are considering moderate alcohol use and the impacts of alcohol consumption. Some are teetotal, while others are knowingly limiting their alcohol consumption.

Healthy everyday habits – such as exercising, getting a good night's sleep, tracking your health, and maintaining a good work-life balance – create an overall lifestyle that also influences Alko customers' purchasing decisions.

As people become increasingly aware of alcohol's high-calorie count, there has been increased interest in lighter, lower-alcohol products and complete alcohol-free products. Customers want to know about both allergens and energy content. These days, there are a broad variety of high-quality non-alcoholic alternatives available. Alko had 84 non-alcoholic products in its selection in 2015, compared to more than 170 at the end of 2019. The popularity of small bottles has also increased.



**75 percent have cut back on binge drinking.**

**67 percent pay more attention to how food and drink affect their wellbeing.**

**33 percent consume more non-alcoholic beverages in situations in which they previously drank alcohol.**

*Aware alcohol consumption was everywhere in 2019: An alcohol-free cocktail bar (Getaway) opened in New York, and an alcohol-free pub in Dublin. 69 new non-alcoholic beverage brands entered the UK market in the first seven months of the year alone. Young people are drinking less than their parents, and overall alcohol consumption is decreasing.*

*Non-alcoholic beers have long been popular and of high quality. Wines and ciders are following suit, and even non-alcoholic spirits are quickly becoming a familiar sight. The sales of all these beverages have been growing rapidly in many Western countries.*

*So what next? Brand-new kinds of drinks targeted at adults will be entering the market, such as wine substitutes that have been made without grapes, fermented beverages, and tea- and coffee-based drinks. Non-alcoholic and, in particular, lower-alcohol beverages will become standard choices for everyone – not just the most aware pioneers.*

**Jussi Tolvi**, Soda Club\*

*\*Soda Club is a social movement and community that was born in the UK. It seeks to support and inspire both those who want to quit drinking completely and those who want to cut back.*





## The climate crisis is also being reflected in beverage choices

43 percent think that environmentally friendly beverage packaging is important.

47 percent pay attention to the environmental impact of their carbon footprint and consumption.

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*Changes in the climate are also changing beverage production. Extreme weather phenomena (such as frosts and hailstorms in Central Europe, floods and droughts) are making ingredient procurement and cultivation increasingly unpredictable. Climate change may require a change of grape variety and cultivation methods in certain wine regions, that is, introducing varieties that can better stand warmer climates. This has already happened in the Bordeaux region, which now allows new grape varieties from countries such as Portugal.*

*Climate change will also give birth to new wine regions. Finnish shopping carts will increasingly contain sparkling wines from countries such as England. And the future may even hold Swedish white wines.*

**Laura Varpasuo**

Sustainable Development Manager, Alko

# Wine in a PET plastic bottle the most environmentally friendly bottle

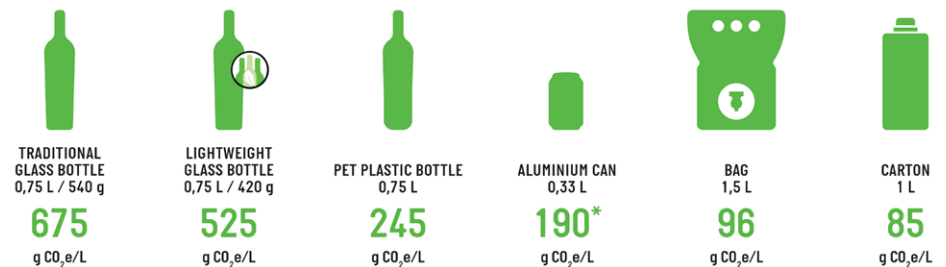
PEOPLE ARE BECOMING INCREASINGLY concerned about the impacts of consumption on both the environment and the climate. “Which wine has the smallest carbon footprint? Do you have any organic products?” Alko sales staff are increasingly answering questions like these, and customers also want to know about traceability and transparency throughout the beverage supply chain.

The largest environmental impacts of wine production are caused by beverage packaging. The lighter and more recyclable the packaging, the smaller its climate impacts. Lightweight glass bottles, tetra packs and other packaging with a smaller carbon footprint have all increased their share of Alko's total sales. This trend is expected to grow as people become more aware of the carbon footprints of various types of packaging.

BEVERAGE PACKAGING IS far from irrelevant. The most significant climate impacts of wine production are caused by the manufacture of beverage packaging.

Plastic bottles have a smaller carbon footprint than glass bottles because their manufacture requires less energy. The glass manufacturing process requires extremely high

temperatures, of about 1,400–1,600 degrees Celsius, which consumes a great deal of energy.



1 MINUTE SHOWER EQUALS ABOUT 80 g CO<sub>2</sub>e

\*ALUMINIUM CAN, DEVIANT DATA SOURCES WERE USED FOR THE ALUMINIUM CALCULATION

# Craft: a spotlight on genuineness and the stories behind products

CRAFT originally referred to skilled work that involves making things by hand, in the alcohol industry in particular, the term is automatically linked to small-batch production, hand-made products, and production premises located in a garage or the corner of a barn with equipment salvaged from a defunct dairy or a village school kitchen. These days, the term is more about attitude than the scale of production. How it looks defines whether or not it is craft. The stories behind products are essential, and they emphasise

the producers, the production method, localness, or other aspects that are easy to identify with.

Size is not an obstacle. The lines are blurring as small producers have grown larger and large producers have established or acquired smaller ones. This has also spawned a new term in the sector: industrial craft, in which major breweries produce small-batch special editions. This has changed attitudes towards artisanal production. Genuineness has become even

more important than before, and speaks to people no matter the size of the producer.

What is genuineness? Something that is genuine has a known, undistorted and authentic origin. Genuineness means honesty with regard to origin – in terms of both the product itself and its ingredients. The fact that the juniper berries used to make a gin were gathered in the wilderness of Lapland, or that a beverage's malting barley was grown on a family farm in Savonia, give consumers a feeling of surety and authenticity.



36 percent say that they are more interested in what they buy: a product's background and story are important.

The newest term in the sector is industrial craft – small-batch special editions produced by major breweries.



## The Old World strikes back

*The New World, which has long dominated our wine markets, is now making way for the Old World, that is, the classic wine countries of Europe. Today's consumers are interested in the distinctive styles of grape varieties found in countries such as Italy and Portugal. There is a style to suit every taste, from light and fresh white and sparkling wines to robust, rich-tasting reds. Although Chile retained its status as the most popular wine country in 2019, Italy is already nipping at its heels. Spain is the third most popular wine country and number one for sparkling wines. Thanks to the Prosecco boom, Italy has established itself at number two in sparkling wine sales, and champagne has also retained its popularity.*

*However, we have yet to see the full potential of the Old World. "The new Old World" is already peeping around the corner: how about some orange wine made in a qvevri (an earthenware vessel buried in the ground) or red wine with the aroma of Tenerife's volcanic soil?*

**Taina Viikuna**, Product Communications Manager, Alko



**Instagram is a place to find fun, experiences and visibility – also for beverages.**

## Enjoyment and social pleasure-seekers

**BEVERAGE ENTHUSIASTS ARE** splitting into ever smaller subgroups. Wine enthusiasts can focus on champagnes from small producers or even natural wines. A beer enthusiast can take an interest in IPAs from all around the world, while someone else may delve exclusively into the secrets of whisky or rum. There are numerous different events, festivals, and tastings that are easily accessible, even to novices.

One growing international trend is for social pleasure-seekers to seek enjoyment with the aid of visually impressive beverages. People are increasingly focusing on quality over quantity, and are seeking fun, new experiences, and visibility that are also being highlighted in social media. When considering a beverage for the dining table or a weekend party, its packaging is an important criterion for many people. If the colours and shapes of the food and drinks are in harmony, you'll end up with a beautiful table setting and some wonderfully atmospheric pictures.

The opinions of celebrities and friends are also important, and peer reviews are being sought from Vivino, Wine-Searcher and other beverage-industry apps. You can also find ideas and inspiration in many social media channels, such as Instagram. The supremacy of the old wine critics is crumbling, and no one is waiting for a new Robert Parker.



# 2020 food trends

*New experiences*  
Responsibility  
Fermentation  
**Environmental impacts**  
Small producers Techniques Classics  
French  
Climate awareness  
Domestic Indian  
Safe African  
Food waste Grandmas  
Traditional dishes Hunter-gatherers  
Filipino  
**Vegetarian** \*  
Sharing

**Carbon footprint**

*\* Musings on food trends by the food and drink industry writers and bloggers from Alka's Tasty Content training.*



# Seeking **new experiences** from pairing food and drink

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**NEW EXPERIENCES** are at the fore when recipes from grandma's day are updated for the modern world. More and more people value local production and the purity of Finnish ingredients. Procuring the ingredients is also part of the experience, and people are spending their leisure time picking berries and mushrooms in the forest. And they also want to fill their glasses with a premium beverage to complement the high-quality ingredients that required an effort to acquire. People are making bolder and more experimental choices for the dining table.

Red or white wine are no longer the automatic options – they are being replaced by a variety of different styles of beverages. People are happily enjoying sake with sushi, and rosés are no longer limited to the summer season, now being considered a highly adaptable gastronomic wine style. Sparkling wines are increasingly providing a delightfully light and fresh alternative to accompany food.



**96 percent try to liven up their daily routine with little things, such as better food or drinks.**

**Consumers are interested not only in a product's flavour but also in its origin and ethics.**

*Pairing beer with food is exciting, as the options are almost endless and you can now try out these combinations in all kinds of places – even at the world's top restaurants. Customers are interested not only in a beer's flavour but also in its origin and ethics and artisan beers have found their way to foodies' hearts. Some taste explorers have already fallen in love with trendy wine-beers, such as rosé beer.*

*Quality is replacing quantity, light and low-alcohol versions are appealing, and restaurants have begun to invest in individual recommendations.*

*If you want to be surprised, how about enjoying some stout with ice cream or liquorice, barley wine with toffee or crème brûlée, or Belgium ale with Asian food? For a non-alcoholic surprise, you could try German wheat beer with cheesecake or a goat cheese salad.*

**Maria Markus**, Beer Sommelier and freelance journalist




# Bubbling under the surface



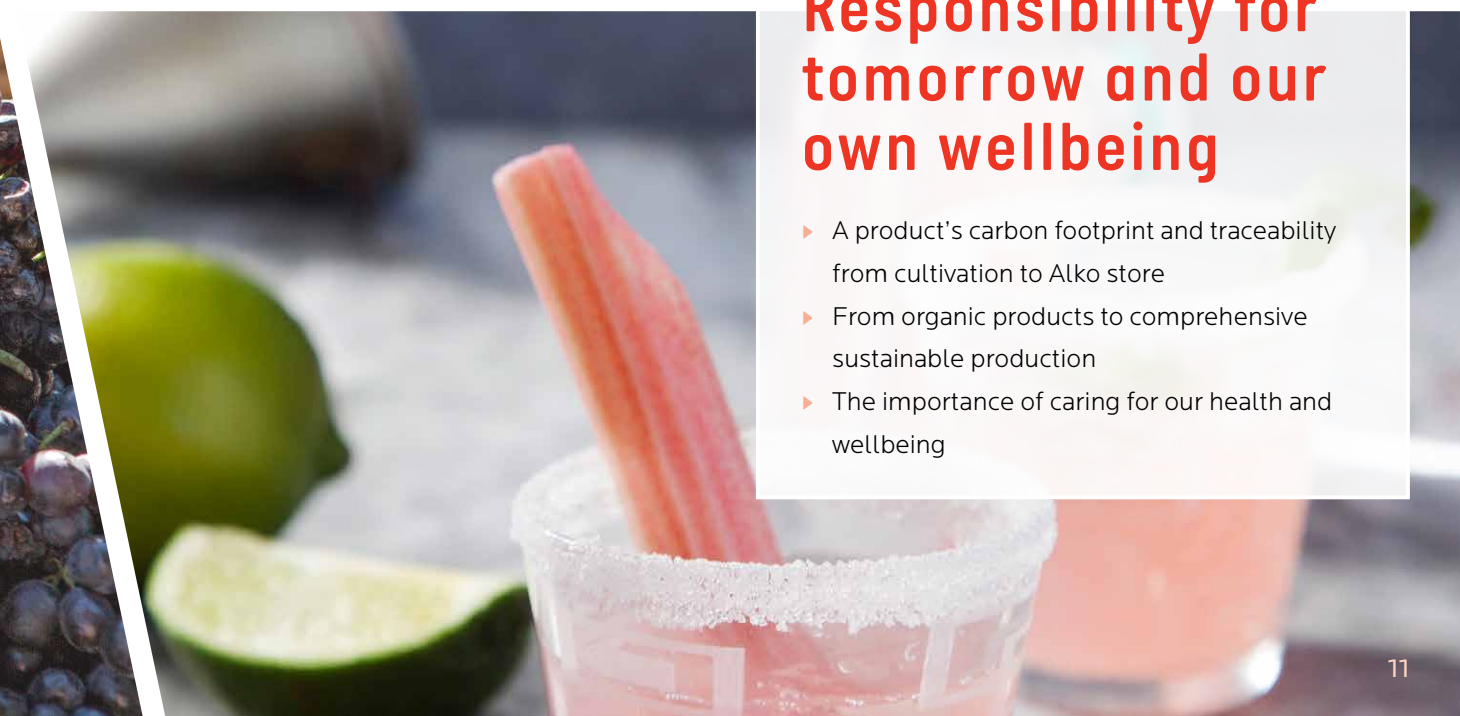
## Beverage phenomena

- ▶ Emerging, old-new wine countries: Greece, Slovenia, Croatia, and Georgia
- ▶ Lesser-known wine regions: Portugal's Vinho Verde and France's Jura
- ▶ Small producers of premium wines in Southern Spain and Southern Italy
- ▶ Grape varieties: Assyrtiko, Rkatsiteli, Alvarinho
- ▶ Spirits, wines and brewery products from Asia
- ▶ Alcoholic mixed drinks
- ▶ Non-alcoholic adult sodas that are made with genuine ingredients and have a positive impact on health
- ▶ Domestic: beers are already here, with ciders and berry wines on the way
- ▶ Natural wines

## Consumers' thirst for knowledge

- ▶ Re-corking time, maturation seasons, oak aging, grape variety ratios or yeasts
  - ▶ Additives
  - ▶ AI-assisted branding
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## Responsibility for tomorrow and our own wellbeing

- ▶ A product's carbon footprint and traceability from cultivation to Alko store
  - ▶ From organic products to comprehensive sustainable production
  - ▶ The importance of caring for our health and wellbeing
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Alko's experts share their passion for the responsible promotion of food and drink culture.

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