GLOBAL INSIGHT SERIES

# Beer - The Path to Premium

NUTRITION · HEALTH · SUSTAINABLE LIVING

DSM
BRIGHT SCIENCE. BRIGHTER LIVING.

*There is one unarguable fact that will never change for the world's brewers:*

***PEOPLE LOVE BEER***

*(and they always will).*



# An opportunity brewing?

In recent months, the brewing landscape has become complex as home drinking and internet orders have, in many cases, spiked; while social drinking has (of course) declined.

- **So, what insights can we draw from consumer behaviour and feelings about drinking beer?**
- **We know that consumers want more beer choice – but what specifically are they choosing?**
- **And what are the specific measures that manufacturers could take to meet changing patterns of preference and consumption?**

In early 2020, the team at DSM Food Specialities commissioned a quantitative consumer research study across 20 countries (conducted by FMCG Gurus) to gauge the perception of beer (augmented by our research on 'The Future of Food').

Many of the findings regarding health concerns, ingredient knowledge and label claims seem **more relevant now than ever**. Which is why we decided to summarize them in this, our latest Global Insights Series.

We hope you find it...insightful.

# 6 Key Takeaways

We asked a series of questions to some 1,000 regular beer drinkers across Europe, the United States, Africa and Asia.

## Our main conclusion:

**59%** of consumers are **concerned about the health aspect of drinking beer** – and this is the main reason behind reducing consumption.

**Weight gain** is by far the **biggest concern** among active beer drinkers.

There is a **clear appetite for beer** that delivers **premium benefits** (lower calories and gluten and better, more local ingredients).

And there is a **willingness to pay for it,** with our consumers heavily influenced by ingredient claims.

But only if the **taste is right**. Not surprising this scored as the number one criterion for our beer drinkers.

**Almost half** of those we surveyed said that despite any dissatisfaction, they could see **no viable substitute for beer**.

This final point is perhaps the most interesting. In many cases, there is no other beverage that measures up to beer in the mind of the beer drinker.
**The greatest threat to any beer brand? Other beer.**

### Following pages cover the key three areas where we see these emerging trends:

CAL Low-calorie beer

Gluten-free beer

Local Ingredients

**65%** of beer drinkers are **concerned** about its effects on **their health** say they are (very) concerned about **weight gain**.

**45%** of all beer drinkers see **no viable substitute** for beer, despite their potential health concerns.

CAL

# 1. Low-calorie, high demand

**Weight gain was by far the biggest concern among our sample group, with 60% of this group indicating that they at least sometimes calorie-count when drinking beer. Around half (48%) are reducing their consumption as a result.**

## The DSM View:

## "An opportunity for lighter beer"

"This is firmly in line with the wider trend we're seeing now at DSM across the entire food and beverage portfolio. What's really fascinating is that nearly half of these consumers see no other option to beer. This represents a great opportunity for brewers to develop a new generation of low-calorie beers, provided the product tastes and feels good."

**Joana Carneiro,** Business Director Beverages & More

## One way to achieve it...

Our enzymes like **Amigase® Mega L** help you control the amount of fermentable sugars derived/made from the brewing grain - giving you the freedom and flexibility to create light beers across the entire mouthfeel spectrum.




# 2. We're going for gluten-free

**The global gluten-free beer market is expected to register a CAGR of 13.72% during the forecast period to 2024(1). Our research bears out the popularity (and indeed curiosity) among consumers when it comes to gluten-free benefits. Most importantly, these consumers are willing to vote with their wallets and pay more for gluten-free beer.**

## The DSM View:

## "Gluten-free is worth paying for"

"The demand for gluten-free beers continues to increase as consumers make a connection between gluten and weight gain. The big news for brewers is that more people are interested in gluten-free beer - and price does not appear to be a barrier. This is especially interesting for craft brewers looking to innovate with new recipes to meet changing consumer demand."

**Theo Wijsman,**
Beverage Application Expert

## One way to achieve it...

Our **Brewers Clarex®** brewing enzyme breaks down the gluten protein in beer – which in turn enables you to create a gluten-free product with no compromise on product quality, beer foam and taste.

* For gluten-free claims refer to local regulations.

**54%** of consumers are heavily **influenced by ingredient claims**.

**39%** of them want to pay for a beer **containing local ingredients**.



# 3. Demand for local ingredients

**In our previous Consumer Insights Report on craft brewing (2) we found that claims covering 'local' and 'local ingredients' scored extremely highly with craft beer drinkers. Now we are seeing this trend spread into mainstream beer drinking. In fact, over next three years, some 40% of our consumers want to pay more attention to beer ingredients. Clearly, consumers are expecting beer brands to change the way beer is produced – especially in relation to reducing their carbon footprint.**

## The DSM View:
## "Sustainability becomes a differentiator"

"This trend is being driven primarily by sustainability. We are increasingly seeing climate change coming to the forefront in food and beverage claims – and in the case of beer, this is a clear differentiator for brewers. The fact is that our industry is already running great initiatives here (I recently sampled a beer that had been produced using solar energy, for example). The next step now is to make sure we communicate this to consumers – and continue to reinforce the link between local ingredients and a more sustainable product."
**Joana Carneiro** (Business Director Beverages & More)

## One way to achieve it...

Our range of brewing enzymes (**Brewers Compass®, Filtrase® NL Fast, Amigase® Mega, MATS L Classic, Maxazyme® NNP DS, Maxadjunct™ ß L**) lets you use new and different local beer ingredients; overcoming the challenges and fluctuations in crop quality and improving your wort viscosity and filterability.

# The path to premium: beyond taste

In our previous Global Insights Report on (craft) brewing, some **75% of our 3,300 respondents were attracted** to beer based on one single word: **Premium.** But 'Premium' is not just about taste anymore. Our research indicates a strong demand for low-calorie, gluten-free beers, and 'local' beers.

## About the research in this report

Our research consisted of an online quantitative panel study in 20 countries on the perception of beer, commissioned by DSM and coordinated and conducted by FMCG Gurus in late 2019. It covered adult (18+) beer drinkers across 20 countries and four continents via a standardized questionnaire, translated into the local language. Gender was split was virtually 50/50 as were age demographics from 18-65+ years.


**Sources**

1. Global Gluten-Free Beer Market - Growth, Trends, and Forecasts (2019 - 2024) by Mordor Intelligence. www.mordorintelligence.com/industry-reports/gluten-free-beer-market
2. "The Craft Revolution in Brewing" by DSM, July 2018
3. IWRS Low Alcohol and non-Alcohol strategic Study, May 2020 www.theiwsr.com/global-low-and-no-alcohol-strategic-study
4. DSM's proprietary research with InSitesConsulting in Jan 2020
   a. quantitative survey across 10 countries in Europe, Africa, Asia, North America & South Africa with n=500 per market.
   b. The goal was to identify all emerging and (newly) established trends in food/drink consumption on an aggregate and product category level.