

Beer Shopper Fundamentals

Basic Beer Shopper Facts

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2009



Overview

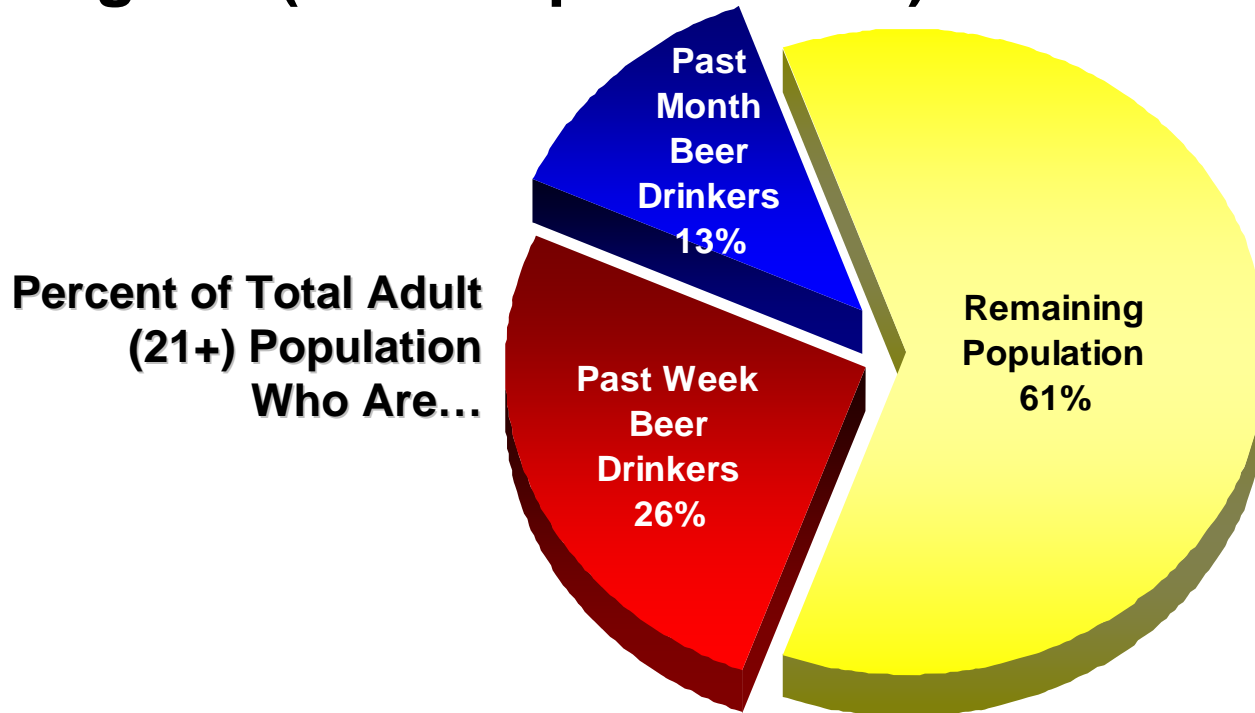
- ***This sales tool covers the basics about Beer shoppers and their off-premise Beer buying behavior.***
- ***Potential Applications:***
 - **Highlight the importance of the beer category**
 - **Focus on demographics that drive beer sales growth**
 - **Target the right shoppers**
 - **Understand shoppers' beer channel choices**

Highlights

- **Beer is widely consumed; 39% of US adults are past-month beer drinkers.**
- **Beer is broadly enjoyed across all key demographic segments.**
- **Beer is the most widely purchased alcohol beverage, but beer shoppers also purchase other alcohol beverages.**
- **The Beer industry is projected to grow steadily--fueled by the growth of key demographic segments.**
- **Most Beer Shoppers are also Beer Consumers; and Beer Shoppers (like Beer Consumers) are primarily male.**
- **Grocery is the most popular channel for beer purchasing, followed by Liquor Stores and C-Stores.**
- **Where available, Shoppers prefer to buy cold beer.**

Beer Is Widely and Regularly Consumed

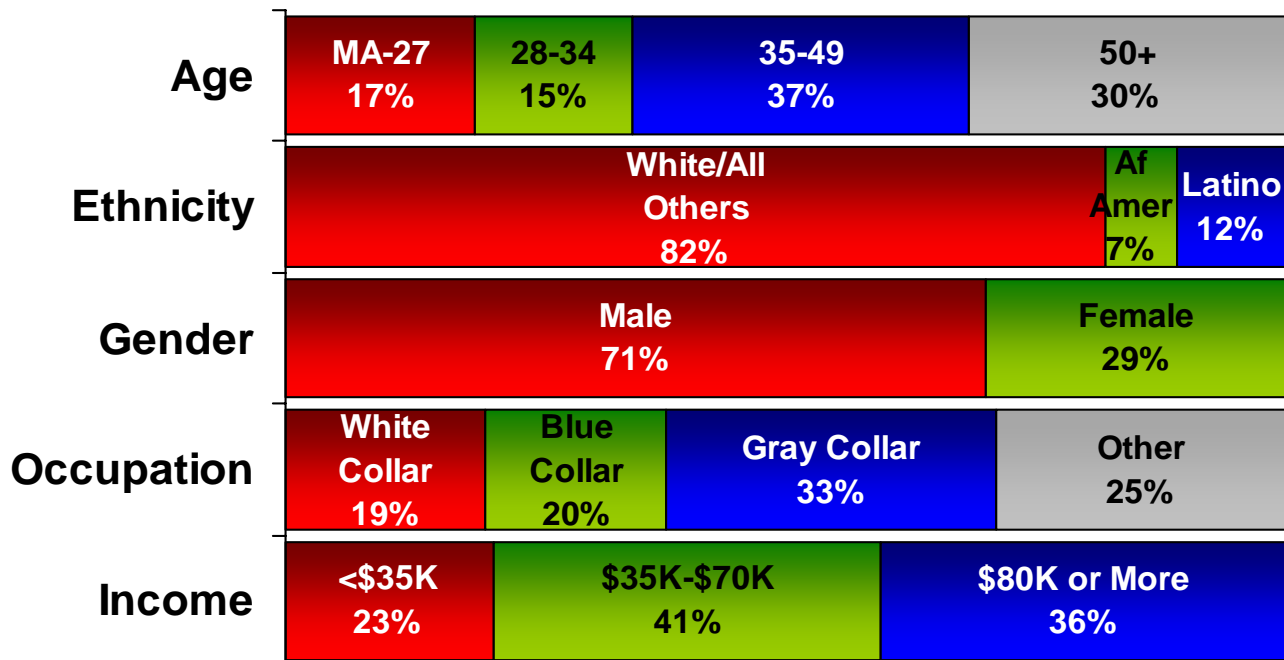
- **Nearly two out of five (39%) U.S. adults 21+ are regular (at least past month) Beer drinkers.**



Beer is a very important category, regardless of channel, because of its wide appeal.

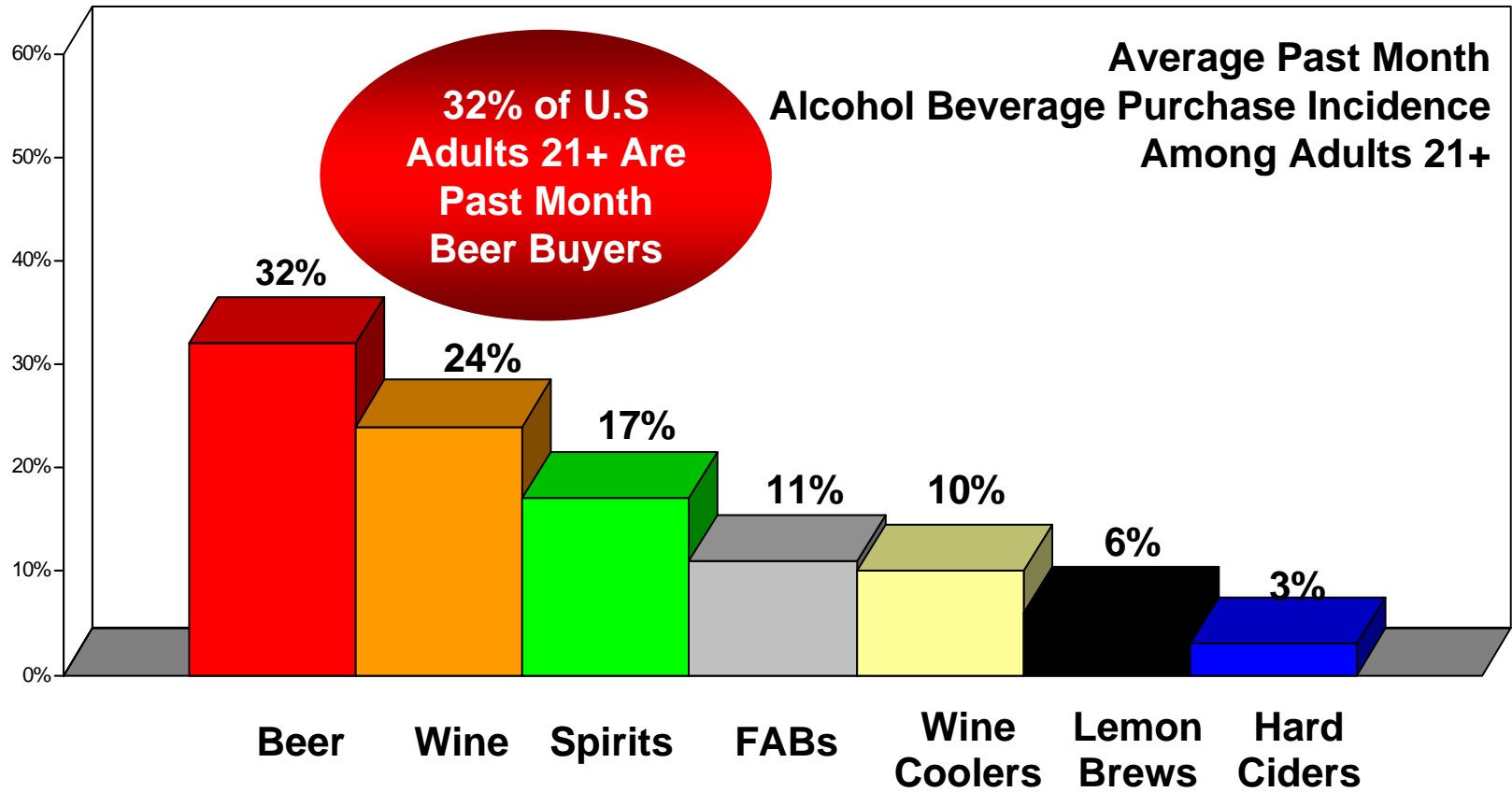
Beer Is Broadly Enjoyed By All Types of Consumers

% of Total Beer Consumers in Each Demographic Segment



Beer Consumers skew Male and Anglo, but otherwise fairly well distributed across major demographic segments.

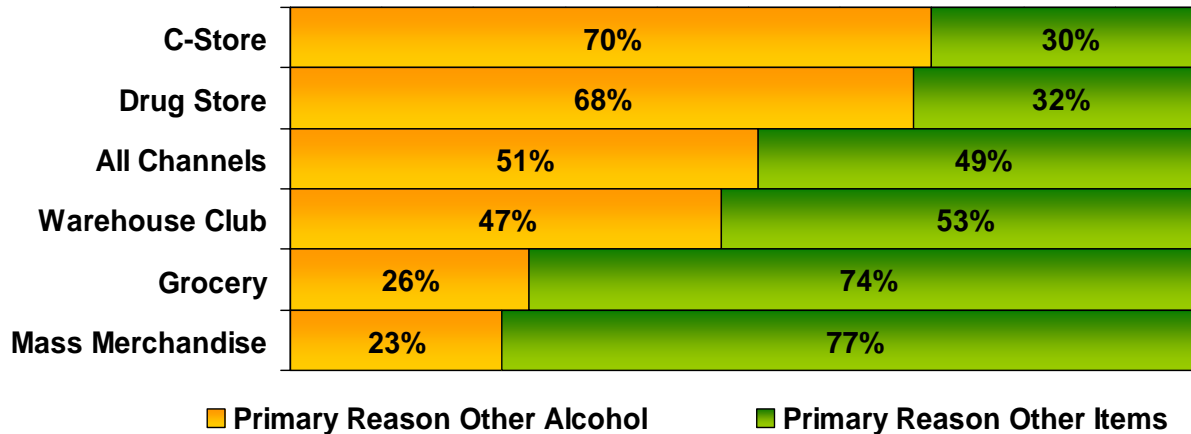
Beer is the Most Widely Purchased Alcohol Beverage



Beer is an important category at retail and is more widely purchased than any other type of alcohol beverage.

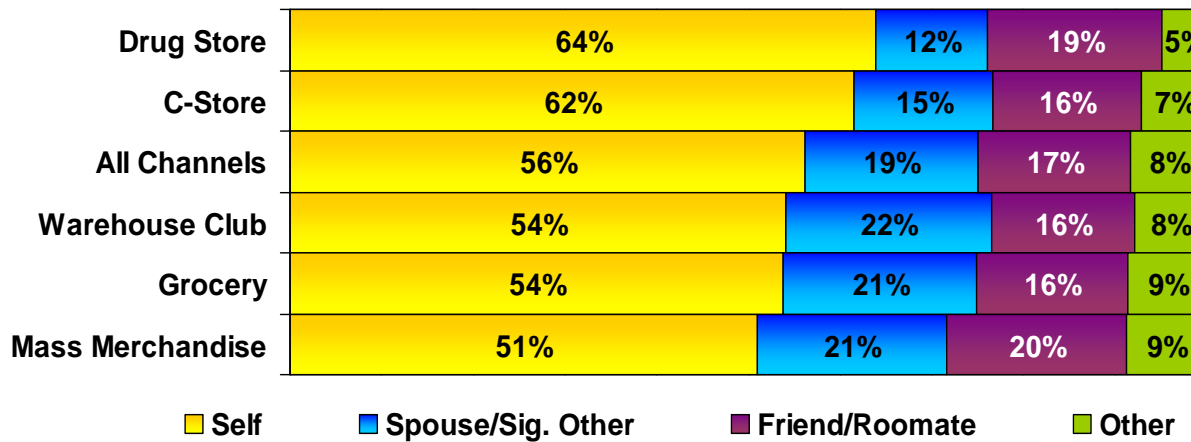
Beer Shopper Mindset by Channel

Reason for Going on Shopping Trip



Retailers have a big opportunity in the Alcohol Beverage category, especially for Beer, given its “destination” nature, especially in C-Stores and Drug stores.

Beer purchased was for...

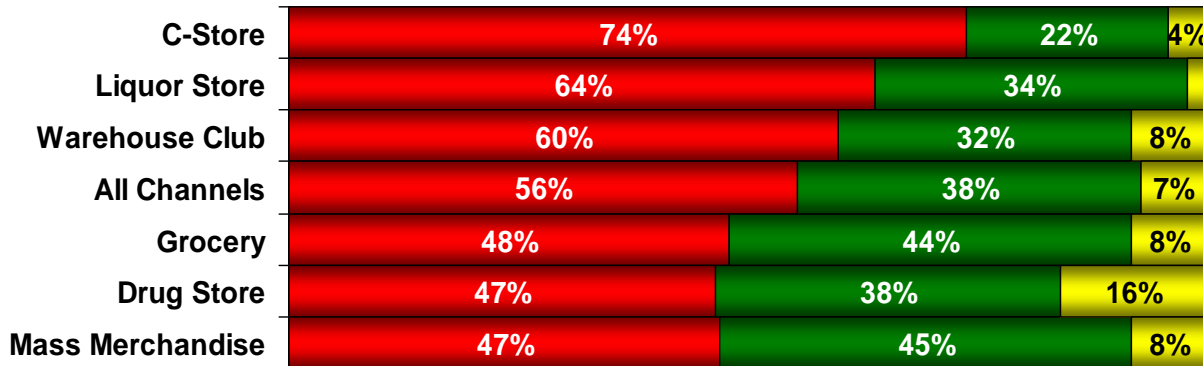


Across most channels, the majority of shoppers are also the consumers. In-Store brand and lifestyle imagery should be balanced with straight price messages, as appropriate, to resonate with shoppers’ mindsets.

(Note the Mass Merch “self” tendency...counter to current paradigm.)

Beer Shopper Mindset by Channel

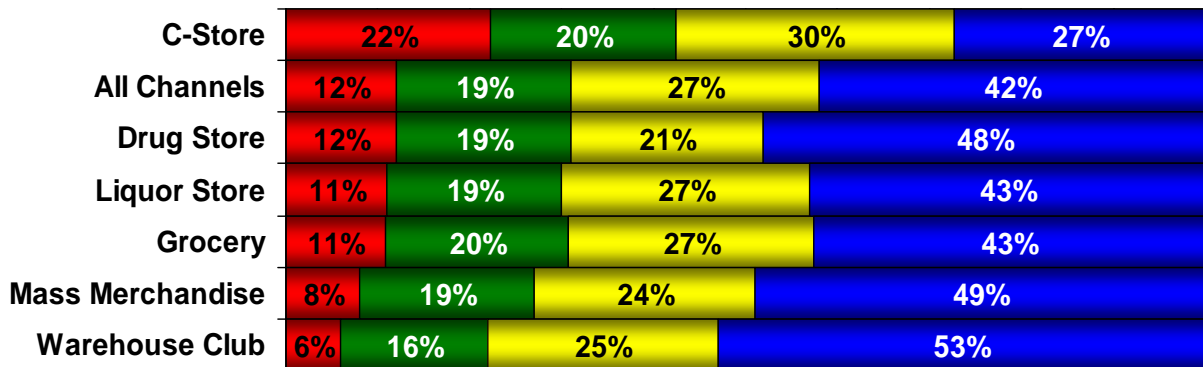
Planned vs. Impulse Beer Purchasing



■ Pre-Planned Beer, Brand, and Size ■ Decided Brand and/or Size In Store
■ Purchased Beer on Impulse

The biggest opportunities for in-store influence are in Mass Merchandise and Grocery Stores.

of Intended Drinkers / # of Intended Drinking Occasions

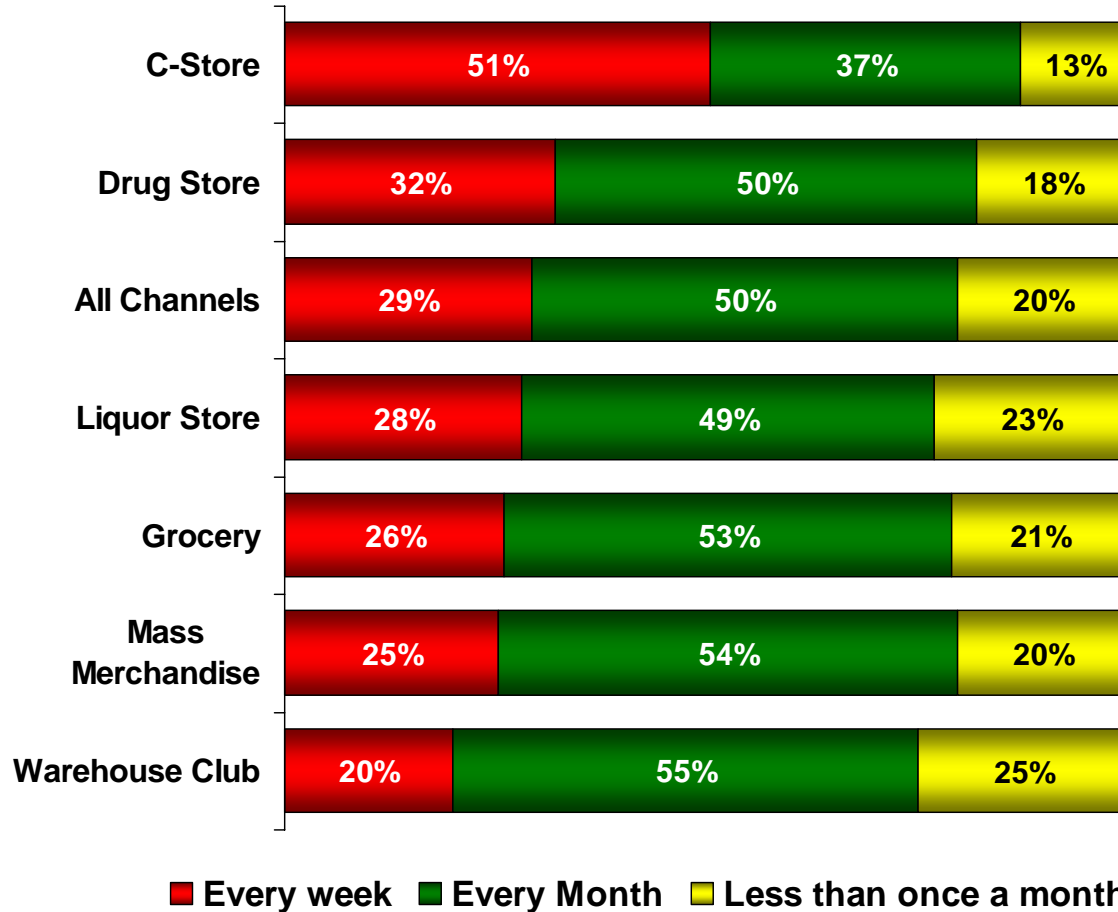


■ 1 Drinker, 1 Occasion (For Me, For Now) ■ 1 Drinker, 2+ Occasions (Self-Replenishment)
■ 2+ Drinkers, 1 Occasion (Party/Gathering) ■ 2+ Drinkers, 2+ Occasions (Household Replenishment)

Brand / size assortment, as well as merchandising and POS materials, should reflect the nature of the shoppers' intended consumption occasions in each channel.

Beer Purchase Frequency

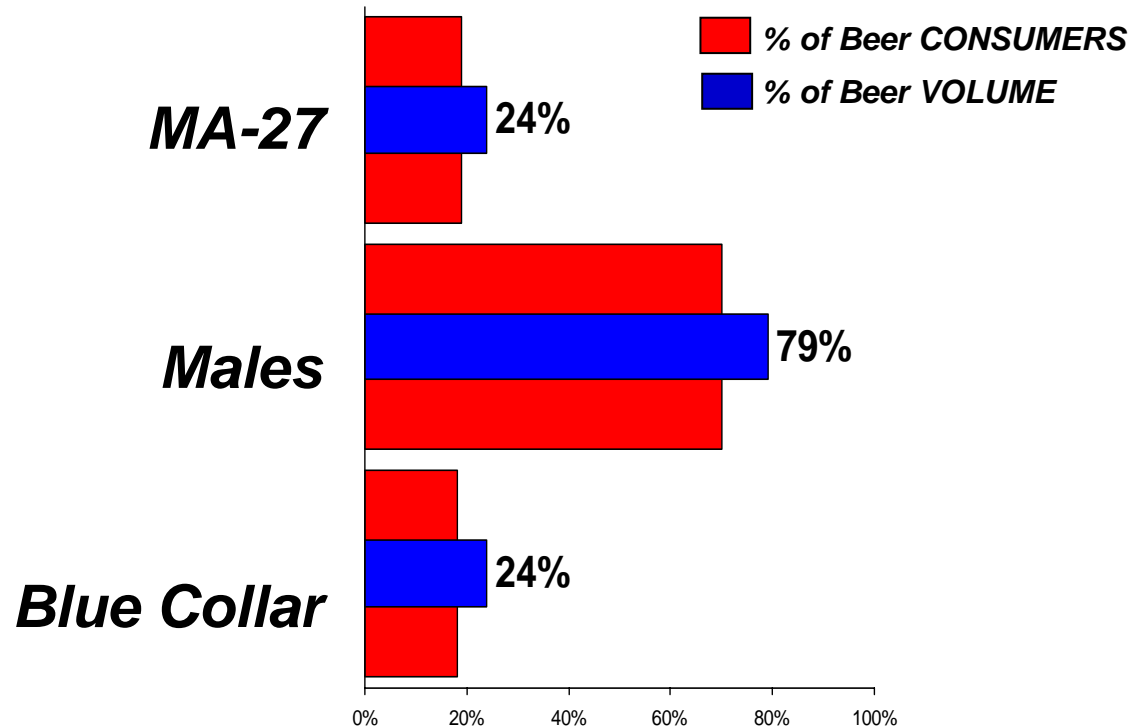
Claimed Beer Purchase Frequency
Among "Most Often" Shoppers in Each Channel



Across channels, beer shopping is a fairly regular routine.

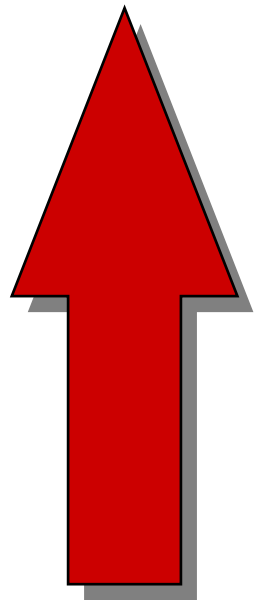
C-Store beer shoppers are the most frequent shoppers.

Some Consumer Segments Account For Disproportionate Beer Volume



Versus their size in the Beer-consuming population, disproportionate Beer volume is consumed by MA-27s, Males, and Blue Collar demographic groups.

Key Demographic Groups Are Driving U.S Population Growth



21-27 Year Old

**5-Year
Growth Estimate**

+5%

Latino

+18%

Asian

+18%

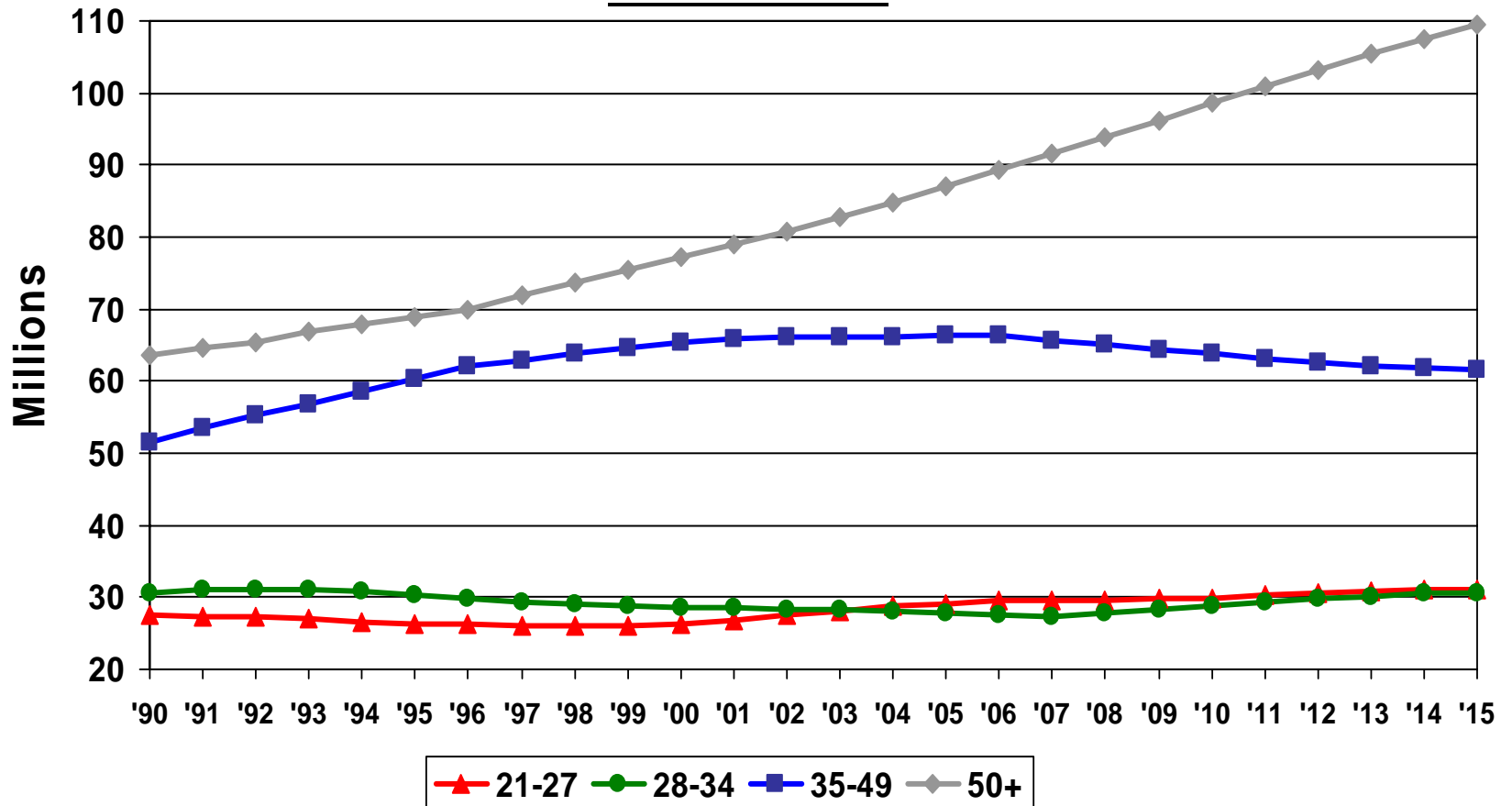
50+ Population

+15%

Growth of these key consumer groups will impact beer category growth.

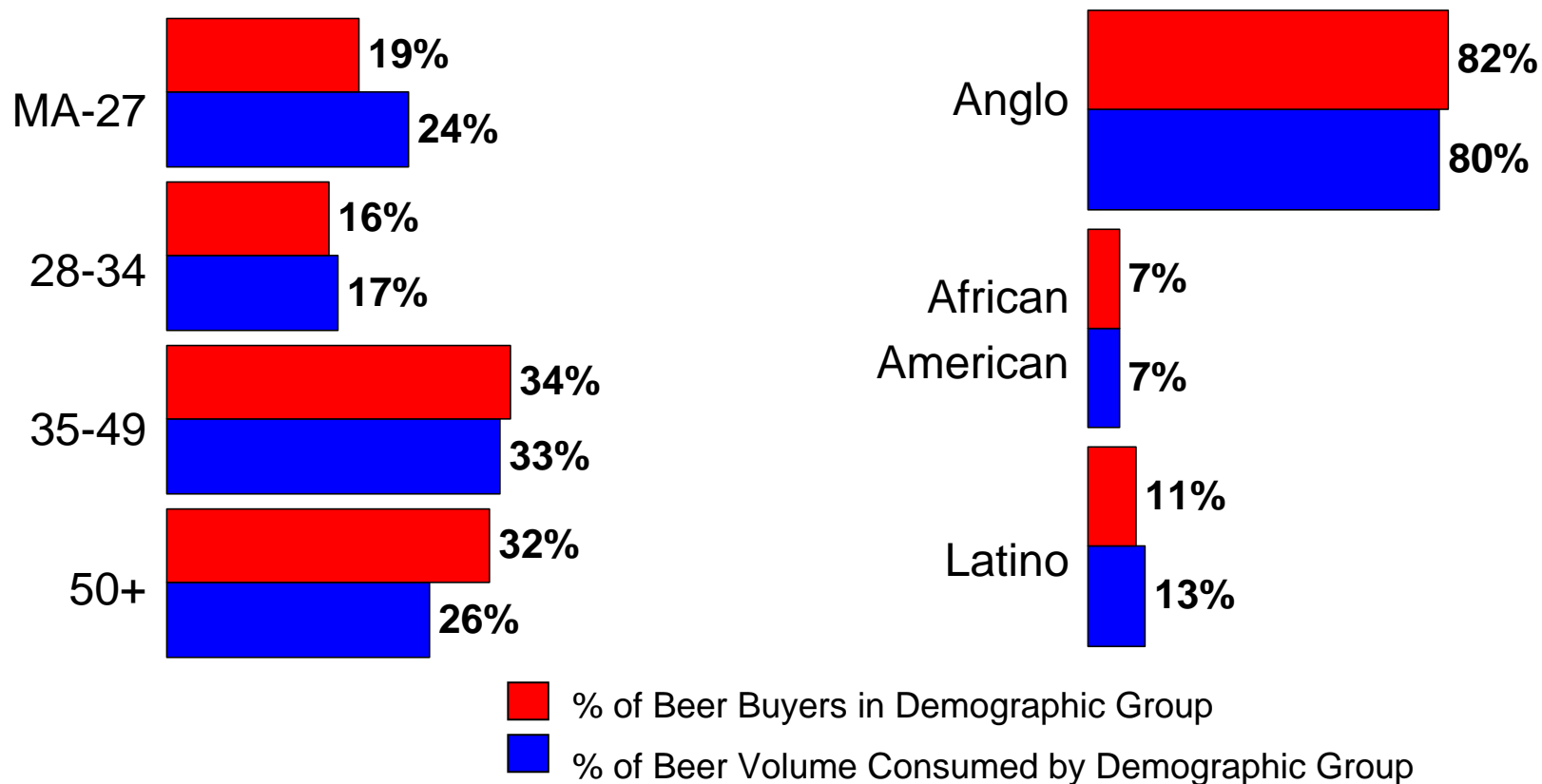
Population Breakdown by Age Groups

1990 - 2015



The Highest Growth Rate is Projected for Age 50+

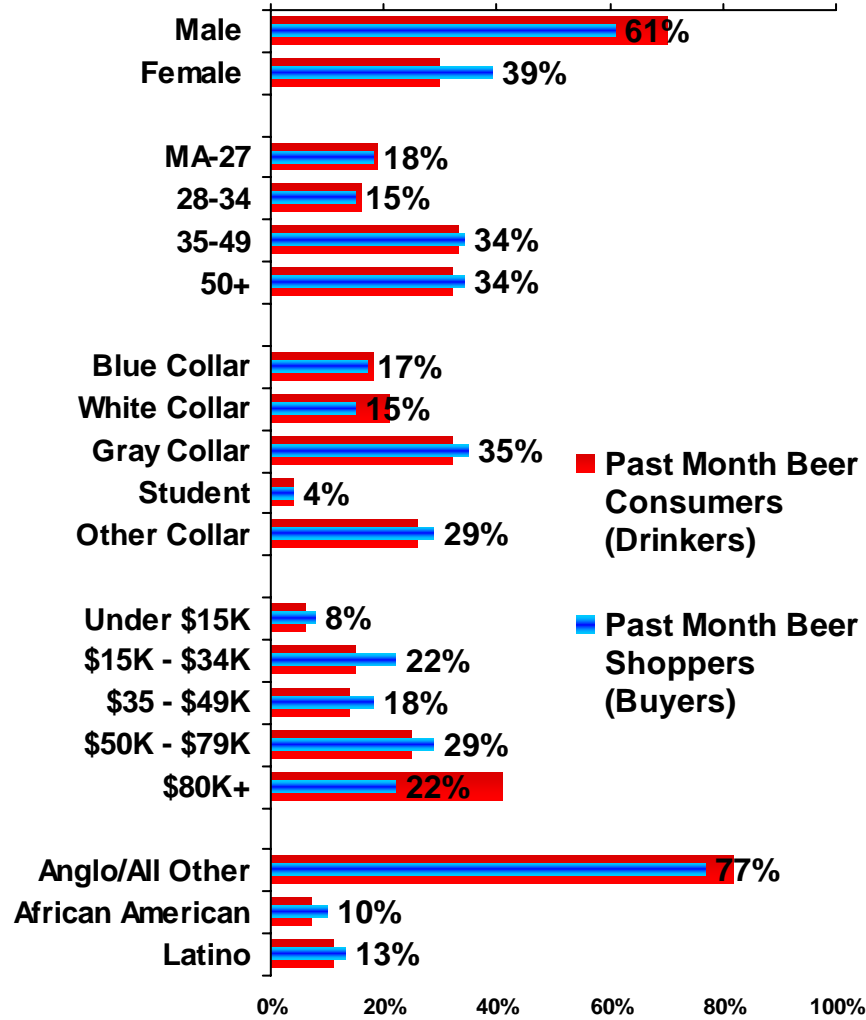
MA-27 Year Olds Are a Large and High Volume Base of Beer Consumers



21-27 Year Olds Consume Close to 1/4 of Total Beer Volume, 26% more relative to their size in the population.

Beer Shoppers (Buyers) are Very Similar To Beer Consumers (Drinkers)

Demographic Profile of Beer Consumers vs. Beer Shoppers



Versus Beer Drinkers, Beer Shoppers skew female, lower to middle household incomes, and ethnic. However, the Beer shopper is still predominantly male.



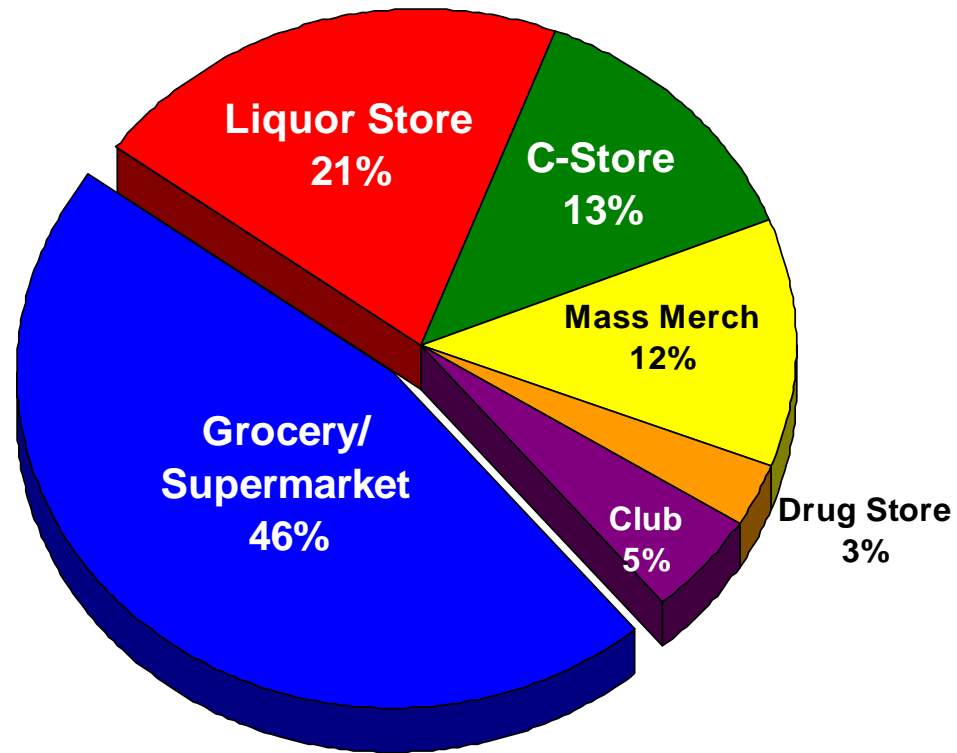
Beer Shoppers are Beer Consumers

	Drug Store	C-Store	Grocery	All Channels	Mass Merchandise	Liquor Store	Warehouse Club
Shopper Consumer	99%	98%	97%	97%	96%	96%	96%
Shopper Non-Consumer	1%	2%	3%	3%	4%	4%	4%

The vast majority of beer shoppers are also beer consumers. In-store merchandising and POS should speak to a beer consumer's mindset.

Grocery is The Most Common Beer Channel Choice

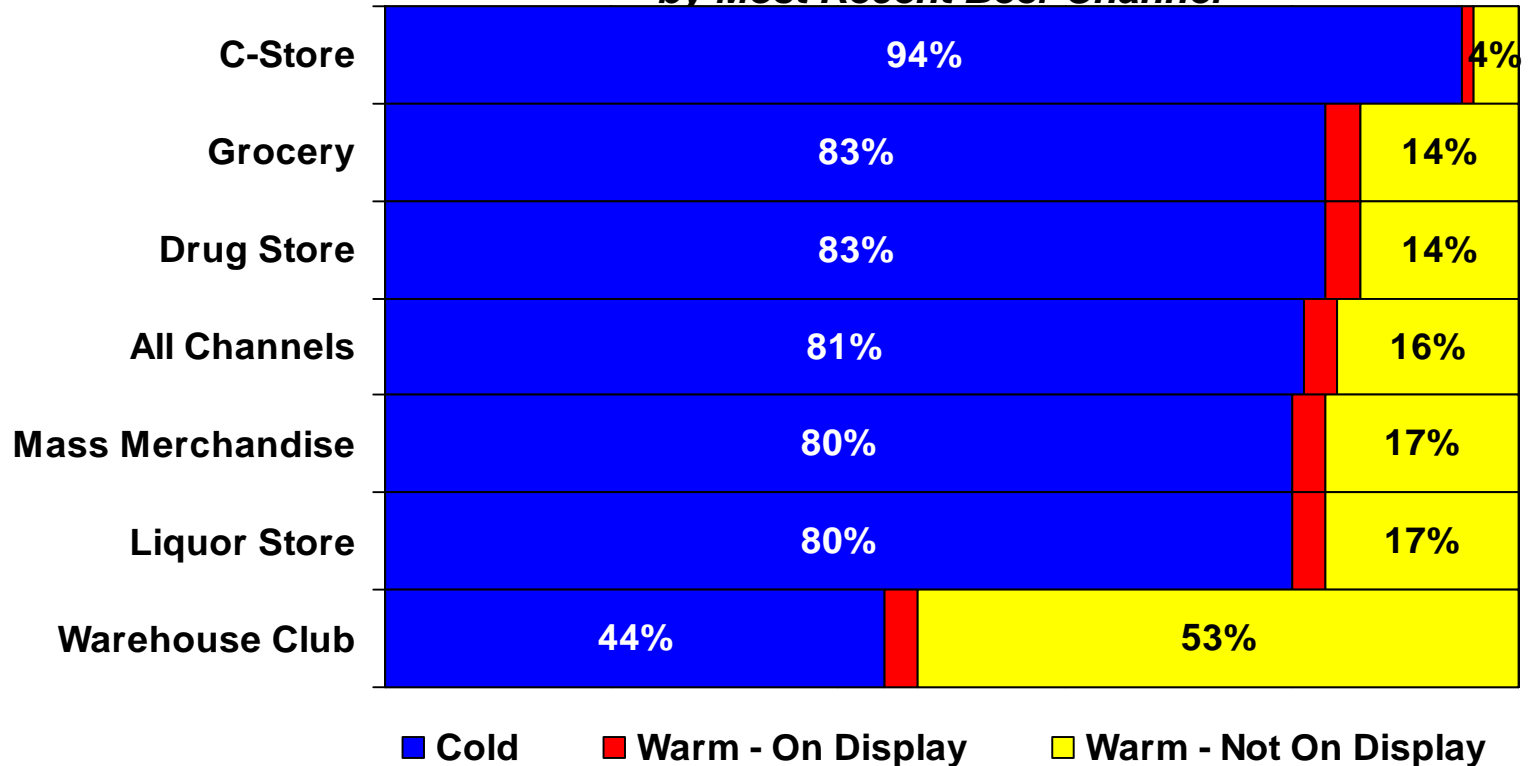
Where do you most often buy Beer?



Grocery is the channel of choice for almost half of Beer shoppers.

Given a Choice, Beer Shoppers Prefer To Purchase Cold Beer

**Temperature and Location of Most Recent Beer Purchase
by Most Recent Beer Channel**



***Proper COLD BEER space allocation and assortment is imperative!
In channels where cold Beer is available,
shoppers prefer to buy cold Beer.***

Beer Shopper Fundamentals: Implications

- **Beer is a very important category at retail**
 - **Broad appeal across demographic segments**
 - **More widely purchased than any other type of alcohol beverage**
- **Beer is a growth industry**
 - **Fastest growing demographic groups: 50+ year olds, Latinos, and Asians.**
 - **Retail Beer shopping environments should be relevant to MA-27s**
 - **MA-27s consume 26% more Beer volume vs. their size in the population**

Beer Shopper Fundamentals: Implications

- **The Beer *Shopper* is usually the Beer *Consumer***
 - **Beer Shoppers (Buyers) are very similar to Beer Consumers (Drinkers)**
 - Beer Shoppers skew female, lower to middle incomes and ethnic, however, the Beer Shoppers are still predominantly male.
 - Over 9 out of 10 Beer Shoppers are also Beer Consumers. So the retail Beer marketing environment should speak to a Beer *Consumer's* mindset (occasion anticipation, emotion) more so than strictly a *Shopper's* (functional, price-oriented) mindset.
- **Grocery is the channel of choice for nearly half of Beer Shoppers**
- **Proper Cold Beer space and assortment are imperative**
 - Where it's available, Shoppers overwhelmingly prefer to buy cold Beer