

# Market Intelligence Digest

Volume 2 Issue No. 18 | May 2020



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## Mintel Trends

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## Drinks in a Post-COVID-19 World

by Jenny Zegler

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30 April 2020

*When the worst of the pandemic is over, consumers will make drinks at home to save money and will re-prioritize sustainable and healthy beverages.*



## Mintel's Perspective

### New at-home drink behaviors are forming

Stay-at-home orders and on-premise closures have transformed households into coffeehouses, workplaces, gyms, and bars.

As COVID-19 restrictions ease, an economic recession will find more consumers voluntarily staying at home in order to save money.

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## Sustainability priorities will return

Consumer priorities for sustainability were put on pause as the pandemic hit in favor of safety and saving money. However, companies need to stay steadfast to their commitments to the environment and responsible business practices because consumer attention will make a comeback.

## Get back to the basics of health

Staying healthy has taken on a vital and pressing meaning during the pandemic, moving consumer focus away from value-added health claims. As "the new normal" takes hold in markets, consumers will once again scrutinize beverage formulations for sugar content, nutrition, and other factual health claims.



Photo by Nadi Lindsay from Pexels



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## The road to 'the new normal' will be long

In early 2020, government restrictions to slow the spread of COVID-19 in many markets altered life as usual, and along with it, beverage purchases. With the ultimate goal of saving lives, these policies have both immediate and long-lasting impacts on consumers and economies worldwide.

Consumers will be looking for beverages that help them save money by staying at home, affordable drinks that support ethical and environmental causes, and formulations that help them invest in their health.

## New at home drink behaviors are forming

Stay-at-home orders and on-premise closures transformed households into coffeehouses, workplaces, schools, gyms, and bars. During this time, many consumers formed new at-home beverage behaviors and potentially learned new drink skills.

LIFESTYLE CONCERNS

# 56%

of Chinese adults are extremely or moderately worried about the impact COVID-19 will have on their lifestyle as of April 2020

*Base:* 1,200 internet users aged 18-59

*Source:* [KuRunData/Mintel](#)

The at-home barista and bartender skills that were born out of necessity (or boredom) have the long-term advantages of being budget-friendly compared to paying on-premise prices.

As stay-at-home restrictions ease, the need to spend less, save time, and find permissible treats will lead to voluntary extensions of at-home habits.

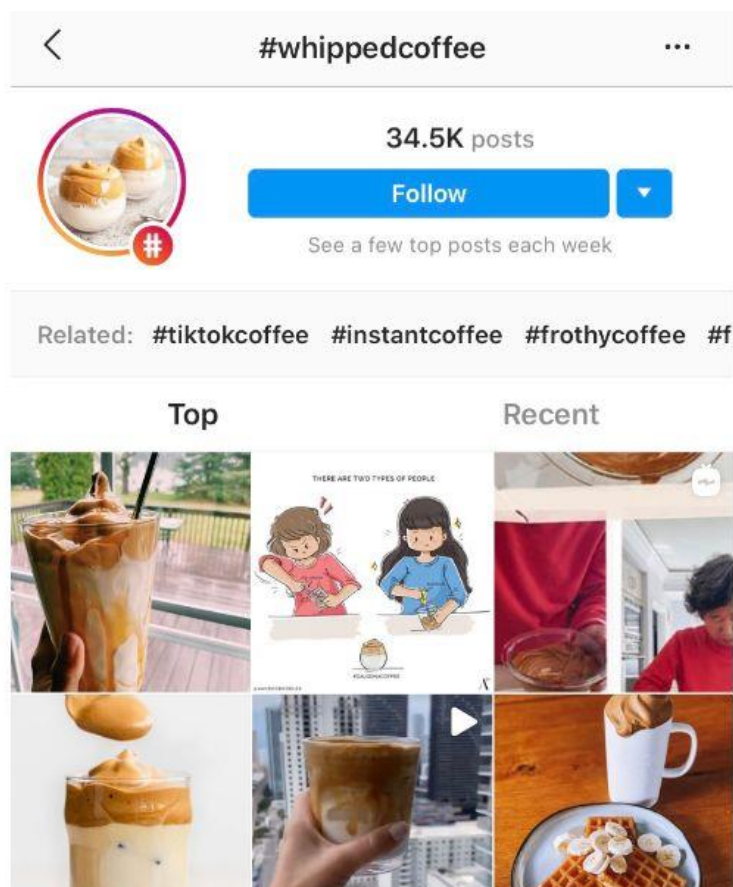
# Market Intelligence Digest

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## Stay-at-home orders create new beverage habits

Many consumers had to drink what they had or could make at home as governments restricted movements and closed cafés, restaurants, and bars. This unique situation motivated some consumers to learn new beverage skills out of necessity or boredom.

The coffee house-inspired whipped or Dalgona coffee trend that started in Asia became a global social media sensation in March and April 2020 as more people tried it at home. Meanwhile, bars and restaurants offered online tutorials about cocktail-making or wine-tasting.



Whipped coffee trended on social media in March and April 2020

**Source:** [Instagram/#whippedcoffee](https://www.instagram.com/explore/tags/whippedcoffee/)

In the long-term, these newfound at-home barista or bartending skills will help people save money, a benefit of greater importance in a harsher economic context. Both brands and private label can continue to build consumers' food service-inspired knowledge with tutorials, discounts, and out-of-home-inspired innovations.

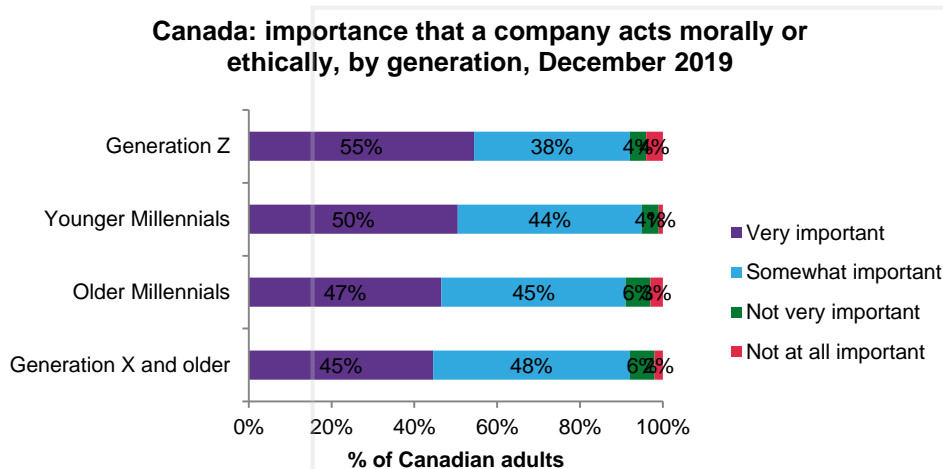
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## Sustainability priorities will return

Consumer priorities towards sustainability were put on pause when shopping during COVID-19 elevated the need for safety and security. The subsequent economic downturn will elevate the importance of price. Although consumers are not focused on sustainability in the short-term, companies need to stay steadfast to their commitments to the environment and ethical business practices. As economic pressure recedes, consumers will want to know the gains made on ethical treatment of people and improvements in the environment have been maintained, if not improved.

## Responsibility is essential to connect with Generation Z



As the outlook for COVID-19 and economic performance improves, consumer interest in environmentally friendly corporate actions will return.

This is especially true to Generation Z adults and younger Millennials who expect companies to act morally and ethically. In the next few years, drinks companies will need to maintain or add new environmental and ethical commitments, such as Fairtrade, B Corporation certification, and charity partnerships.

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## Get back to the basics of health

Staying healthy has taken on a vital and pressing meaning during the pandemic. During the outbreak and the ensuing recession, consumers will be most focused on not catching the virus and saving money than seeking out better-for-you claims when shopping. As "the new normal" takes hold in markets, consumers will once again scrutinize beverages for sugar content, nutrition, and other factual health claims. Health-conscious habits also will lead to a resurgence in low, no, and reduced alcoholic beverages.

## Health will be a focus for drink launches

During COVID-19, some people bought more vitamin C-rich fruit juice for immune health, but beverages were not as central in their health focus as avoiding the virus.

As "the new normal" emerges, a holistic definition of health will return, and with it more attention on beverage formulations. People will want to know the beverages they are buying are nutritious and have low, no, or reduced sugar content. Sugar will be a key concern for consumers and governments because diabetes is considered to be a risk factor for COVID-19.

Furthermore, consumers will expect clear and honest communication about ingredients, nutrition, and health claims. In fact, the prevalence of misinformation about COVID-19 creates an environment in which consumers will be even more skeptical of health claims. As Mintel's Prove It Trend says: the need for brands to be transparent has never been higher.

### SUGAR IN THE SPOTLIGHT

# 52%

of Brazilian adult non-alcoholic drink consumers say low sugar is important when choosing a non-alcoholic drink

*Base: 1,470 internet users aged 16+ who have consumed non-alcoholic drinks in the six months to April 2019*

Source: [Lightspeed/Mintel](#)