

The Harder the Seltzer...

New AlcoPops or New Drink Trends?

Like many other trends, Hard Seltzer also comes from the USA and is breaking one sales record after another there. No wonder that the beverage industry in Germany, which has been shaken up by Corona, senses a great opportunity. Hard Seltzer - a new boom that can be pulled across the Atlantic to Europe without a second thought, or just a brief twitch in the market like Fassbrause?

Seltzer is nothing other than "seltzers" and thus water with carbonic acid. The adjective "hard" means it is not a soft drink, but a drink "with alcohol". In other words, it is water mixed with alcohol. To make the "hard water" taste like something, it is often enriched with flavourings. The first hard seltzer products were fermented, i.e. ultimately brewed products. In the USA, mostly sugar cane-based alcohol or corn was used for this, although the preparation is not exactly defined in detail.

What occasions does Hard Seltzer go with?

The special feature compared to other alcoholic drinks is the low calorie content: as the drink consists only of water, alcohol and flavourings, 100 ml of Hard Seltzer contain only 25 to 30 calories. This puts it well below other alcoholic drinks such as beer (40 calories) and wine (> 60 calories).

In addition to the low calorie content, Hard Seltzer has other characteristics that go down well with the health-conscious, hip urban population that is always looking for new trends (and ~~drinks~~ young): it is vegan, virtually sugar-free, ready to drink from a can/bottle and does not contain an excessive amount of alcohol. In appearance, the drink is not explicitly aimed at women or men, but embodies an attitude to life - to keep a clear conscience even during long party nights and to do something (more or less) good for one's body. If we follow these thoughts, Hard Seltzer can be perceived as a "healthy" alternative with only a little alcohol in many different ways.

contexts. In addition to nightly parties, this can include boat trips, sailing trips, golf events, pre-glowing in the "Tanke" or chilling out on the roof terrace. Ultimately, many contexts of use are possible and conceivable. Unfortunately, there are almost too many to anchor it as the new in-drink in Central Europe as quickly and as widely as possible.

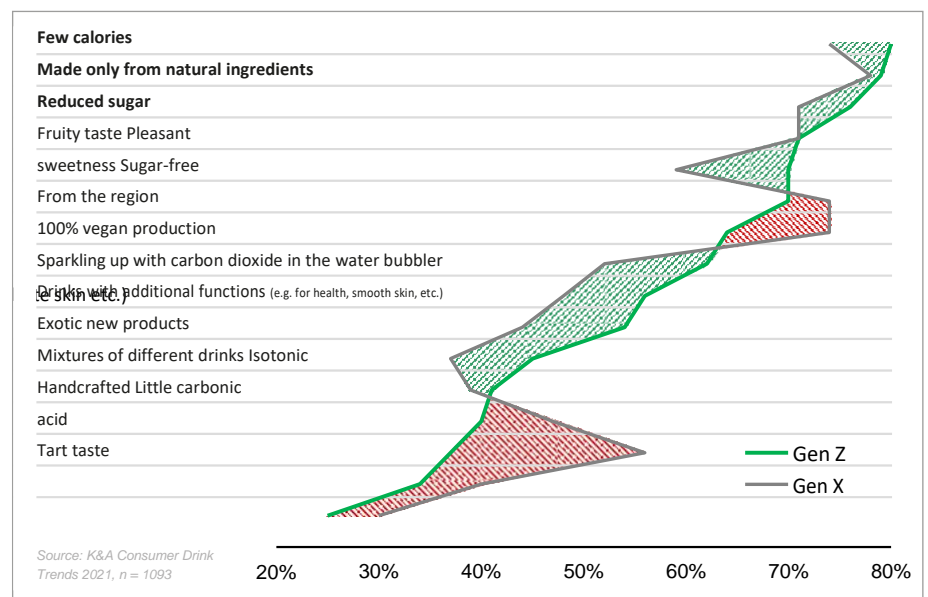
Hard Seltzer in Germany

Before the development of concrete marketing concepts could begin, the tax framework in Germany had to be clarified. In addition to the so-called alcohol tax, there are separate taxes for spirits, sparkling wine, beer, intermediate products and alcopops. In particular, the alcopops tax introduced in 2004, which is a good four times as high as the alcohol tax, is intended to

manufacturers should avoid at all costs in order to market Hard Seltzer profitably. At present, it is still unclear whether the so-called "special tax on alcoholic sweet drinks for the protection of young people" will also apply to Hard Seltzer.

Since the middle of 2020, the first providers have been coming out of the woodwork and launching new products on the market based on the successful US model. In addition to innovative start-ups such as Holy, Suaro or Berlin Seltzer, big players such as the US pioneer White Claw and Coca-Cola with its Topo Chico brand have also thrown their hat into the ring. Lidl also tried its hand with its own "Sunrise" brand in October 2020. While the market for Hard Seltzer in the USA has grown to a turnover of more than 1.5 billion dollars, Hard Seltzer has not yet been able to establish itself in Germany.

Fig. 1: Trends in non-alcoholic beverages - Generation Z deviations



Possible beverage trends as an opportunity?

In Germany, the importance of conscious nutrition and topics such as "free from", vegetarian, vegan and functional nutrition has increased significantly over the last few years and has become a central topic for individual lifestyles, especially in the younger generations. The results of the representative Consumer Drink Trends study by K&A BrandResearch (September 2021) underline this overriding trend in non-alcoholic beverages. Functional aspects such as sugar-reduced/free, low calorie and added vitamins, proteins and minerals as well as regionality and origin have overtaken the pure pleasure and taste experience. The sweet temptation between meals is increasingly becoming a means of body optimisation with a clear conscience (Fig. 1).

In the aforementioned study, respondents were asked not only about health and trends in connection with non-alcoholic beverages, but also about alcoholic beverages. While in the non-alcoholic segment functionality comes before enjoyment, in the case of alcoholic beverages enjoyable topics such as taste, pleasant sweetness and mixing with other beverages are more relevant than thoughts about sugar and calorie content and additional benefits. Beer mixes and "ready to drink" cocktails straight from the can or bottle address these needs exactly.

Besides the functionality of beverages and the effect on one's own body, the search for naturalness is an almost even more significant criterion for nutrition and drinking behaviour. Natural fruits, berries and the avoidance of artificial ingredients are very relevant topics for many consumers when buying food. We can currently observe this in the steadily increasing sales of (supposedly "good") organic food or in the boom of natural bicycles.

In the currently very sober and cleanly designed cans and bottles, Hard Seltzer makes a clear statement for a hip, urban lifestyle drink (Fig. 2). It rehearses the transfer of functionality from the consciously consumed alcohol-free world to the more mood-driven world of alcoholic beverages. In the USA, the sales figures prove this concept right - it has now become firmly established. In Germany, Hard Seltzer is still a niche product despite promotion in the trade and the first own-market concepts. Only 2 per cent of the representative beverage consumers surveyed have tried it in the last three months, with the focus of the users concentrated on Gen Z. The product is then interestingly sold to the general public. Interestingly, however, the product is then consumed disproportionately often in Gen Z. This means that if it is possible to convince consumers contextually of Hard Seltzer, then ways can be found into everyday life.

More Context Thinking®, more Hard Seltzer!

The question that has hardly been answered so far is what overarching context Hard Seltzer can occupy for itself. Where, when, with whom and for what purpose do young people in Germany drink Hard Seltzer? Is it an exuberant party setting, a chilled lounge atmosphere or an exhilarating evening of gambling with bros. Currently, Hard Seltzer is in the phase of initial experimentation, which underlines the high proportion of Gen Z. The question is whether Hard Seltzer will become established on a broad scale. To gain widespread acceptance, such a completely new concept must occupy contexts that intuitively suggest Hard Seltzer as the most viable solution. The current approach of simply copying the successful America does not seem to be enough: Independent concepts must be developed.

The implosion of the craft beer scene may be a warning of hype without resounding sales. Actual craft beers have never really emerged from the tasting and connoisseurstadium and have usually been able to at least



Fig. 2: Attentively "other" Hard Seltzer

establish a real widespread effect. Due to the medial presence, however, the "Craft Force" provided the impetus for brewers to get more involved with the production of their beers again and to largely leave the path of nationally distributed standard beers. Ultimately, this also prepared the ground for successful natural cyclists.

Making unknown products like Hard Seltzer palatable and suitable for everyday use requires more than drawing board designs by marketing experts or simple question-and-answer games with fans from one's own environment.

Context Thinking® can be used to gain unconventional and all-round access to potential consumers and to develop concepts on how brands or new products can be better developed through contexts. For example, solutions can be found as to how Hard Seltzer of brand XY is preferred to alternatives such as Beck's Lemon, fritz-kola or Gösser Naturradler in a club or bar.

Fast-moving everyday life reveals to us day after day that the key to success is an understanding of the consumer's context and needs, which in the end is more efficient than blindly copying concepts without contextual reference.



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