"Consistency in volatile times"

Why regional drinks are still booming

Regionally produced products have been a social megatrend for about 15 years, touching numerous areas of our everyday lives. We love (regional!) Food, because it gives us a sense of security, transparency and supposed fair trade. We like to shop (again) at small weekly markets, sympathise with local vintners, brewers or craftsmen. Buying regional products makes us a little happier and gives us a good conscience. We don't want to do without regional products - despite, or perhaps precisely because of, advancing internationalisation, robotisation, and the increasing use of local products. and globally efficient process chains in the economic cycle.

Wow closely we are already interlinked globally is what we are currently experiencing in the wake of the Corona pandemic: the disease, which broke out somewhere in China, is rapidly spreading to the most diverse parts of the world. The proverbial sack of rice that fell over has lost its calming effect. Fortunately less deadly than the classic influenza, but in any case more effective in terms of perceived relevance and mass hysteria. Hamster purchases of disinfectants and detergents, toilet paper, noodles and rice are the result. It's hard to imagine what the reactions would have been like in 2001 after 9/11 if we had already been so digitally networked back then.

A little psychology of the regional

As much as consumption incentives are fuelled by digitalisation, as much as the physical availability of food is guaranteed almost all year round (e.g. fresh strawberries in January) and as inexorably the amount of information increases, the longing for and return to traditional and regional products also seems to be growing. Particularly in the case of food, regional products continue to be highly rated by consumers. In a telephone survey commissioned by the Federal Ministry of Agriculture and Food (BMLE), almost 90 percent of all consumers stated that regionality is important to them when buying their food (cf. Fig. 1). Compared to the 2017 Nutrition Report, the importance of the regionality aspect has increased further.

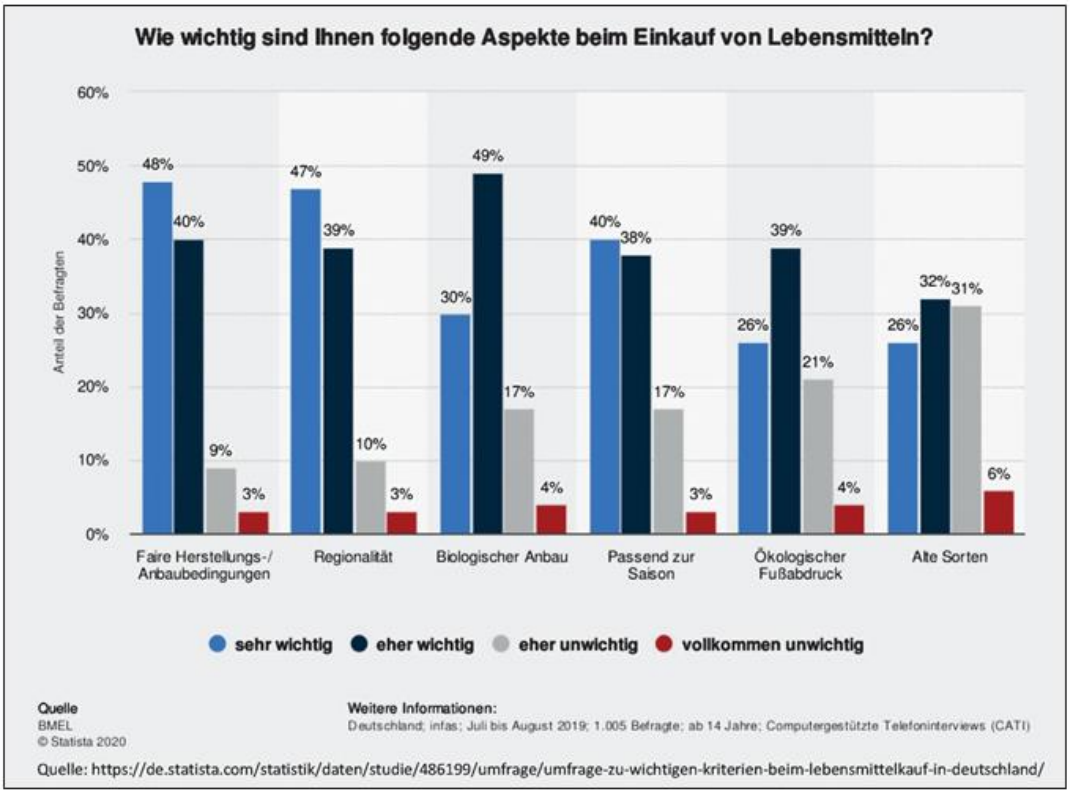

Fig. 1: Important consumer aspects in food shopping

Many other study results also confirm the unchanged high relevance of regionality in food. For example, the AWA study (2017) postulates that transparent (regional) indications of origin and fair prices for (regional) producers have a positive effect on the perception of quality. The YouGov study "Food & Health" (2018) states that the designation regionally produced has a positive effect on the (self-confessed!) purchasing behaviour of 74 percent of Germans.

Consumers do not have a 100% consistent definition of regionality in their heads: we decide intuitively whether something is regional for us or not. The key stimulus "regional" calls up psychological schemata or activates them in a very context-specific way. We know from numerous psychodrama studies that consumers associate regionality above all with transparency, craftsmanship, lived traditions, credibility and trust, honest quality and, above all, "psychological proximity". This proximity goes far beyond geographical distances and includes social emotional aspects. Due to the overlapping of factual and psychological facets, we consumers find it difficult to clearly (consciously) assign regionality.

The rule of thumb that products are regional, or better: more regional than others, if they are produced within a radius of about 100 km, still applies. The impression of regionality can also be strengthened if regionally typical visualisations are used in a targeted manner: In Germany, rhombus coats of arms or white and blue are automatically associated with Bavaria, Bavarian lifestyle and Bavarian regionality. And it is still true that emotionally charged regions with recallable imagery have an easier time than regions with vague or negative regionality. Bavaria is more appealing as a regional sender than North Rhine-Westphalia, the mountains and the Allgäu in turn are more laden with longing than Bavaria. And while Saxony-Anhalt seems rather meaningless as a sender, the Harz region evokes quick emotions (dense forests, nature, recreation, leisure).

Seasonal contexts offer a new type of regionality and a great opportunity to make regionality even more tangible among the population. Young consumers of Generation Y and Z in particular are very open to "new seasons". The best example is Halloween, which has been in second place in the confectionery business as a seasonal concept after Christmas for several years - and well ahead of the Christian-evening Easter. Seasonal concepts are welcome approaches to try out certain products or brands. The variety of regional-seasonal peculiarities of Walpurgis Night, carp season, hop-picking harvest or nostalgic steel and coal mine romance offers countless opportunities to revive forgotten or dusty traditions in a regional context and make them tangible for (young) people.

Tradition and homeland have experienced a renaissance in recent years. While it was still difficult for many people of Gen X (born between 1965 and 1979) who grew up in Germany to make public declarations of home, the Millennials, at the latest since the summer fairy tale of 2006, have become a generation that deals with such topics in a much less charged and more open manner. From the eyes of Gen YZ, home is interpreted more as being at home or coming home and is linked with the feeling that there is a home port somewhere despite globalisation. It is no coincidence that the EDEKA viral #heimkommen has now reached over 63 million contacts ...

From a psychological point of view, the success of regional products or the strong longing for home and the success of regional food can be explained above all by the fact that they promise us a reassuring feeling of stability in volatile times. In the words of psychologist Beate Mitzscherlich, things that seem to remain and have remained the same and familiar forever give us the support we need to cope with everyday life, which is characterised by change and information overload. When politically, socially, ideologically and technologically everything is in upheaval and nothing is guaranteed, it is all the better to feel secure in the small and continuous. It's kind of OK when Amazon Prime delivers groceries to my flat through the Corona chaos, as long as I can enjoy them under ironically placed stag antlers with a patchwork pattern on the sofa at home. Ideally, there's also a good sip of Mooser Liesl to go with it: "Go Liesl, you always make me weak!"

Regional products from the bottle

In addition to dairy products and vegetables, it was above all beverages that gave a boom to consumer desire for regional products. Breweries in particular are benefiting from the change in demand. If we look back to the turn of the millennium, for example, regional breweries were rather ticked off until around the mid-2000s: Small, regional village breweries were unattractive compared to the advertising-splashy large and corporate breweries with their premium claims. In their appearance and brand experience, they seemed unfashionable, unsexy, as if they had fallen out of time - and in some regions, a general brewery death was raging, also in view of the declining per capita consumption of beer.
Interestingly, progressive globalisation with its tendency towards standardisation and increased efficiency has brought about the turnaround in the negative trend without having to forego the advantages of the global, modern world. In 2006, not only was the iPhone introduced, which revolutionised our world of life in a very short time through the continuous availability of information (Google), consumption (Amazon) and social contacts (Facebook & Co.). At the same time, the World Cup took place in Germany, which was triggered by the unconventional, relaxed way of celebrating and waving German flags among millennials, presenting a new, colourful and fun-loving image of Germany and Germans worldwide. Gen Y in particular had a playful, dogma-free approach to Germany and its inhabitants in the sense of trying being German - without falling into backward-looking, dull, German-national behaviour patterns.

This phase, in which Bionade was cult and the star of the uniquely true began to burn out, also saw the rediscovery of regionally typical products and events. Oktoberfest, Landlust and the interest of the new generation of consumers in reinterpreting the old (traditional) were suddenly in vogue, from which the German craft beer movement could also benefit: It was in again to prefer unadapted beers from the region to the German 08/15 beer standard with a Pils focus.

Beers from small breweries, whether a (rediscovered) village brewery, a new home or garage brewery or a craft brewer inspired by international contacts: In contrast to the general beer trend of decreasing hectolitre numbers, the sales volumes of microbreweries have developed very positively (Fig. 2).

Much more important than output quantities, however, is the fact that the purchase of regional brands is less strongly driven by price. Consumers are more willing to spend more money on regional products. This does not mean, however, that they do not respond to cheaper alternatives for regional products (more expensive original: Tegernseer or cheaper Chiemseer). Table 1 compares brand and price relevance for the most important beverage categories. On average, consumers in Germany are only about 20 percent more likely to buy branded food products. In this comparison, beer has a similarly positive starting position as confectionery - even though more than one third of consumers stated that they do not buy beer at all. By contrast, the situation is less positive for AfG, which, comparable to frozen food, has a similarly high proportion of purely price-driven buyers - despite the affinity to regional and local brand manufacturers that applies here as well.

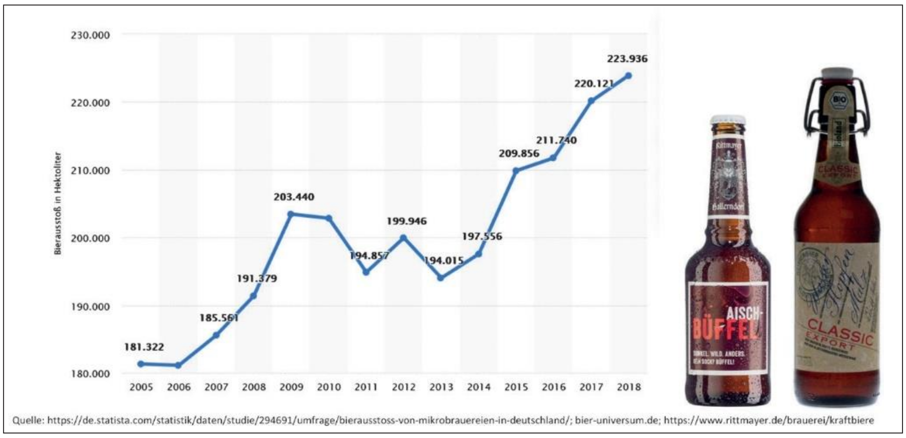

Fig. 2: Output of the microbreweries

New regional Drink Stars at AfG

The regional card can be played differently for beverages. Just being regional is by far not enough. Themes related to regionality will become more differentiated in the branding of individual beverage offerings. In addition to artisanal production (in the sense of a new craft as an antipole to global mass-produced goods) and neo-traditionalism with a cosmopolitan communication of social proximity, home, humanity, regional identities and values, new, interesting taste styles with quality and drinkability are just as much a part of this as beverage-specific new consumption occasions. The stronger focus on the contextual reference, taking into account the product characteristics, applies equally to beers, non-alcoholic beer and non-alcoholic soft drinks. Such thinking facilitates access for consumers, but also enables new drinking occasions and moods. These can be relatively simple seasonal event accesses, but also everyday contexts that are cross-thought out by the consumer. An approach that is less oriented towards sales volumes makes it easier for regional suppliers to deal boldly with the diverse regional characteristics. From the consumer's point of view, the following applies to them: if you are small (in size) and fine (in craftsmanship), you can be different.

Felt and lived otherness succeeds through consistent authenticity with high relevance in certain customer segments or also via psychological schema breaks that leave the viewer amazed again and again. As consumers, we marvel at experiences, people and brand messages when two forces come together: On the one hand, it succeeds in waking us up from a neutral state and outwitting the attention screw in our brain that exists due to the general information overload. On the other hand, we are amazed when we realise about the stimulus that it is not only novel, but more relevant to us personally than other possibilities. What is already quite successful with regional beers still has a lot of room for improvement with AfG, as can be seen from the current price sensitivity of consumers (Tab. 1).

	Vor allem Preis	Eher Preis	Sowohl Preis als auch Marke	Eher Marke	Vor allem Marke	Kaufe ich nie
Lebensmittel allgemein	**7,1**	**15,0**	**32,4**	**15,7**	**4,2**	5,1
Alkoholfreie Erfrischungsgetränke	8,7	$\boxed{18,4}$	**41,5**	17,4	5,9	7,7
Bier	3,3	5,9	23,7	$\boxed{\textbf{29,5}}$	$\boxed{\textbf{10,1}}$	$\boxed{\textbf{36,1}}$
Wein	3,6	10,2	27,9	13,2	5,6	39,2
Spirituosen	2,7	7,2	22,2	14,7	6,6	45,8
Tiefkühlkost	6,7	$\boxed{19,6}$	43,3	15,8	3,6	10,6

Q135: Unabhängig davon, wie häufig sie folgende Produkte kaufen: Achten Sie beim Kauf von solchen Produkten eher auf den Preis oder eher auf die Marke
Quelle: B4P Berichtsband 2019

Tab. 1: Brand and price relevance for food products

Nevertheless, some regional AfG brands have already established themselves credibly as beverage alternatives to national / international suppliers. While the organic brand NOW, which originates from the Upper Palatinate, is distributed quasi nationwide via organic retailers, numerous small heroic stories of regional AfG brands can be told. Whether the Pyraser Waldquelle (from the depths of the Franconian forests), wita in the Augsburg area (with the butterfly as a natural eye-catcher) or the cult brand Club Mate - all AfG brands from medium-sized regional breweries.

Cult alone is of course too little for sustainable brand management. Just as trends come and go, a cult can also be only a transitional phenomenon in the worst case. All the more important that brands manage to remain convincing from a cult start-up phase.

Fig. 3: fritz-kola in public

The outstanding prime example in the AfG segment is fritz-kola. Produced as a cult start-up in inexpensive reusable containers, with a strong caffeine effect, eye-catching black-and-white look and trendy appearance, the brand has succeeded in positioning itself not only as a German cola - and as a regional product and brand alternative to Coke and Pepsi. Through fritz-kulturgüter®, it also differentiates itself from other AfG brands in its attitude. The claim "Willkommen im Wach" (Welcome to the awake) not only addresses the stimulating effect of lots and lots of caffeine, but also an awake-mind mentality: fritz-kola and its users are allowed to put their finger in the wound, are independent, do not look away, are rebellious and rebellious, speak their minds about social grievances and provide food for thought. A coherent concept for the brand, its culture of thought and product policy (bottle, reusable, vegan, etc.). And a concept that is particularly popular with Gen YZ (including Fridays for Future).

Not every regional soft drink producer is as successful as fritz-kola. Nevertheless, especially the smaller producers have a number of options to try out the beverage and corporate philosophy with the consumer. Precisely because the differences in the products of lemonades, spritzers, colas, iced teas, energy drinks, etc. are not always immediately recognisable to consumers who are willing to try them, it is the brand presentations that are conspicuously designed through breaks in the scheme and the specifically stimulated contexts of brand use that must arouse the curiosity of young consumers in particular. All it often takes is a little more courage, consumer understanding and a strong backbone.

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