CA Beer Drinkers Attitudes Research Topline Report

MFour Research
February 2022
BACKGROUND & METHODOLOGY

CALIFORNIA BEER DRINKERS RESEARCH

KEY OBJECTIVES

Measure consumer satisfaction of the availability and prices of beer subcategories in off-premises channels

Specifically, the research informs the following:

- Understand consumer attitudes towards the availability of local craft and commercial beer in off-premises channels
- Compare satisfaction between beer and other product categories
- Identify differences based on demographics (age, gender, ethnicity, and political affiliation)

AUDIENCE CRITERIA

- California residents
- Ages 21+
- Past 60-day beer drinkers

SAMPLE REPRESENTATION

- N=1527
  - N=354 Local craft beer enthusiasts
  - N=1173 General beer enthusiasts
  - N=547 NorCal; N=980 SoCal residents

METHODOLOGY & ANALYSIS NOTES

10-minute, mobile based survey
Data weighted by age and gender to reflect beer drinker population
Margin of Error = 2.51 for full sample, greater for subsamples
EXECUTIVE SUMMARY

The results of the research certainly support the argument that buying local craft beer is not difficult and is a very positive experience for all beer drinkers.

- Local Craft Beer Enthusiasts report high satisfaction in the ability to find their preferred brands and the varieties available in store. These satisfaction levels are in line with their experiences buying other alcoholic beverages.
- General beer drinkers also report positive experiences in buying local craft beer products along with their preferred type.
- Satisfaction levels are overall unchanged by voting party affiliation or ethnicity.

<table>
<thead>
<tr>
<th>SATISFACTION SCORE (COMPOSITE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Craft Beer Beer</td>
</tr>
<tr>
<td>Commercial Beer</td>
</tr>
<tr>
<td>National Craft</td>
</tr>
<tr>
<td>Wine</td>
</tr>
<tr>
<td>Liquor</td>
</tr>
<tr>
<td>Snacks / Chips</td>
</tr>
<tr>
<td>Canned Cocktails</td>
</tr>
</tbody>
</table>

| Local Craft Beer Enthusiasts | 72% | 64% | 73% | 71% | 71% | 78% | 47% |
| General Beer Drinkers        | 61% | 75% | 60% | 68% | 71% | 75% | 56% |

Composite “Satisfaction Score” based on an average of three satisfaction scores – preferred brand access, availability and price.
DETAILED FINDINGS
Local Craft Beer Enthusiasts are Highly Satisfied with the Availability and Assortment of Local Craft Beer

Majority of local craft beer enthusiasts find it easy to obtain the local craft brands they prefer and feel the options available on retailer shelves are sufficient.

The price of local craft beer can be improved as only 1-in-5 say they are “very satisfied” with the cost it’s sold for in stores.

“Craft Beer” Satisfaction Ratings - Among Local Craft Enthusiasts

- Ability to get the brands I want: 78% very satisfied, 43% somewhat satisfied, 22% not at all satisfied
- The varieties of beer to choose from: 81% very satisfied, 41% somewhat satisfied, 38% not at all satisfied
- Overall price of the beer: 60% very satisfied, 22% somewhat satisfied, 38% not at all satisfied
Craft Satisfaction is Similar Across Party Affiliation & Ethnicity Groups

Retailers are meeting the needs of local craft beer enthusiasts across party lines and ethnicity. Majority are highly satisfied with the access and product availability. Hispanic/Latino and Asian drinker satisfaction is directionally higher.

Local Craft Beer Satisfaction Ratings - Among Local Craft Enthusiasts

- Ability to get the brands you want
- The varieties of beers to choose from
- Overall price of the beer

Democrat
Republican
No Party/Other

Caucasian
Black
Hispanic/Latino
Asian

Retailers are meeting the needs of local craft beer enthusiasts across party lines and ethnicity. Majority are highly satisfied with the access and product availability. Hispanic/Latino and Asian drinker satisfaction is directionally higher.
General Beer Drinker Satisfaction Remains High Across Party & Ethnicity

African-American/Black consumers have higher satisfaction towards brand availability and the price of general beer than other demographic groups.

General Beer Satisfaction Ratings - Among General Beer Drinkers

- Ability to get the brands you want: Democrats 81%, Republicans 79%, No Party/Other 78%
- The varieties of beers to choose from: Democrats 79%, Republicans 77%, No Party/Other 78%
- Overall price of the beer: Democrats 70%, Republicans 66%, No Party/Other 63%

African-American/Black consumers have higher satisfaction towards brand availability and the price of general beer than other demographic groups.
Craft & General Beer Satisfaction is Strong Among Hispanic Drinkers

Ratings on availability and selection is directionally higher among Hispanic craft beer drinkers. Hispanic/Latino General beer drinkers are more likely to feel their beer is better priced.

![Bar chart showing satisfaction levels]

- Ability to get the brands you want: 85% Hispanic/Latino Craft Drinkers vs. 78% Hispanic/Latino General Drinkers
- The varieties of beers to choose from: 82% Hispanic/Latino Craft Drinkers vs. 75% Hispanic/Latino General Drinkers
- Overall price of the beer: 60% Hispanic/Latino Craft Drinkers vs. 66% Hispanic/Latino General Drinkers
Satisfaction Ratings are On Par Between Local Craft Enthusiasts and General Beer Drinkers

Both groups register the same level of satisfaction on the ability to get their preferred brands and the assortment currently available in stores.

Price is the only significant difference as craft beer enthusiasts are less satisfied with the product cost compared to their general beer counterpart.
LOCAL CRAFT BEER SATISFACTION RATING ARE CONSISTENT WITH MOST OTHER PRODUCT CATEGORIES

Local craft beer enthusiasts’ satisfaction with the availability and assortment of their beer are like other alcoholic beverage categories. Canned cocktails is the only product that needs improvement among this group.

Snacks and chips register the highest levels of satisfaction in terms of cost.

Product Category Satisfaction Ratings - Among Local Craft Enthusiasts

<table>
<thead>
<tr>
<th></th>
<th>Local Craft Beer</th>
<th>Commercial Beer</th>
<th>National Craft</th>
<th>Wine</th>
<th>Liquor</th>
<th>Snacks/Chips</th>
<th>Canned Cocktails</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to get brands I want</td>
<td>78%</td>
<td>69%</td>
<td>75%</td>
<td>77%</td>
<td>79%</td>
<td>82%</td>
<td>49%</td>
</tr>
<tr>
<td>Varieties of beer to choose from</td>
<td>78%</td>
<td>63%</td>
<td>79%</td>
<td>77%</td>
<td>78%</td>
<td>83%</td>
<td>50%</td>
</tr>
<tr>
<td>Overall price of the beer</td>
<td>59%</td>
<td>59%</td>
<td>64%</td>
<td>60%</td>
<td>57%</td>
<td>69%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Q1. How satisfied you are with each of the following as it relates to purchasing domestic or import beer (Budweiser, Coors, Heineken, etc.)?
Q1b. How satisfied you are with each of the following as it relates to purchasing national craft beer (Fat Tire, Sierra Nevada, Goose Islands, etc.)?
Q1c. How satisfied are you with each of the following as it relates to purchasing local craft beer (small or regional brewers you wouldn't expect to find in another state)?
Q1d. How satisfied you are with each of the following as it relates to purchasing wine?
Q1e. How satisfied you are with each of the following as it relates to purchasing liquor?
Q1f. How satisfied you are with each of the following as it relates to purchasing snacks/chips?
Q1g. How satisfied you are with each of the following as it relates to purchasing ready to drink canned cocktails (not seltzers)?

MFour Research – California Beer Drinkers Research January 2022
Base: Local Craft Beer Enthusiasts (N=354)

Q1d, Q1e, Q1f, Q1g: Significantly higher/lower than Craft Beer Drinkers at a 90% level of confidence or higher
Local Investment & Small, Handcrafted Batches Motivate Local Craft Beer Purchases

About 8-in-10 local craft beer enthusiasts buy a product to support and invest in the local community – an indicator that most prefer exclusivity and limited stock.

The preference for smaller, quality batches also suggests that mass production may be a barrier for craft beer products.

“Craft Beer” Attitudinal Agreement - Among Local Craft Enthusiasts

I buy craft beer to support the local community

I prefer to have beers that are made in small, handcrafted batches

78%

69%
APPENDIX
### Demographics

#### Race

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caucasian</td>
<td>62%</td>
<td>47%</td>
</tr>
<tr>
<td>Black</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>15%</td>
<td>32%</td>
</tr>
<tr>
<td>Asian</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
<td>7%</td>
</tr>
</tbody>
</table>

#### Gender

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>71%</td>
<td>67%</td>
</tr>
<tr>
<td>Female</td>
<td>29%</td>
<td>33%</td>
</tr>
</tbody>
</table>

#### Education

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some College or Less (Net)</td>
<td>36%</td>
<td>61%</td>
</tr>
<tr>
<td>College Graduate+ (Net)</td>
<td>64%</td>
<td>39%</td>
</tr>
</tbody>
</table>

#### Income

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50K</td>
<td>28%</td>
<td>48%</td>
</tr>
<tr>
<td>Over $50K</td>
<td>72%</td>
<td>52%</td>
</tr>
</tbody>
</table>

#### Age

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 45</td>
<td>64%</td>
<td>54%</td>
</tr>
<tr>
<td>Over 45</td>
<td>36%</td>
<td>46%</td>
</tr>
</tbody>
</table>

#### Employment Status

<table>
<thead>
<tr>
<th></th>
<th>Craft</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Separated/Divorced</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Widowed</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>In a Relationship</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>Living With a Domestic Partner</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Single</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Employed (Net)</td>
<td>76%</td>
<td>66%</td>
</tr>
<tr>
<td>Retired/Homemaker/Student</td>
<td>14%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Base: Craft Beer Enthusiasts (354), General Beer Drinkers (1173)

☐/☐ Significantly higher / lower than Unexposed at a 90% level of confidence or higher
General Beer Drinkers Rate Craft Beer Similarly Across Party & Ethnicity

Local Craft Beer Satisfaction Ratings - Among General Beer Drinkers

- Ability to get the brands you want:
  - Democrat: 61%
  - Republican: 63%
  - No Party/Other: 67%
  - Caucasian: 68%
  - Black: 64%
  - Hispanic/Latino: 67%
  - Asian: 48%

- The varieties of beers to choose from:
  - Democrat: 50%
  - Republican: 67%
  - No Party/Other: 67%
  - Caucasian: 64%
  - Black: 67%
  - Hispanic/Latino: 69%
  - Asian: 49%

- Overall price of the beer:
  - Democrat: 45%
  - Republican: 52%
  - No Party/Other: 57%
  - Caucasian: 63%
  - Black: 66%
  - Hispanic/Latino: 66%
  - Asian: 58%

MFour Research – California Beer Drinkers Research January 2022
Base: General Beer Drinkers – Democrats (572), Republicans (337), No Party/Other (264); Caucasian (555), Black (121), Hispanic/Latino (375), Asian (151)
Q1c. How satisfied are you with each of the following as it relates to purchasing local craft beer (small or regional brewers you wouldn’t expect to find in another state)?
Craft Beer Ratings are Strongest Among Hispanic/Latino Craft Beer Drinkers

Local Craft Beer Satisfaction Ratings

- Ability to get the brands you want
  - Hispanic/Latino Craft Drinkers: 85%
  - Hispanic/Latino General Drinkers: 63%

- The varieties of beers to choose from
  - Hispanic/Latino Craft Drinkers: 82%
  - Hispanic/Latino General Drinkers: 67%

- Overall price of the beer
  - Hispanic/Latino Craft Drinkers: 60%
  - Hispanic/Latino General Drinkers: 59%
Choose better market research.