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News Release

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FOR IMMEDIATE RELEASE

**NIELSEN: DESPITE IMPROVING ECONOMY, ALCOHOL BEVERAGE
CONSUMERS CAUTIOUSLY INDULGE**

**Consumers Who Trade Down Satisfied with Quality, Likely to Continue
to Buy Less Expensive Alcohol Beverages**

LAS VEGAS – June 16, 2010 - - There may be cause for celebration as the economy shows some signs of improvement, but U.S. consumers remain somewhat cautious about their alcohol beverage spending. The Nielsen Company presented the new insights at its Consumer 360 Conference, the global intersection of what consumers watch and buy.

Nielsen's research shows that a significant percentage of consumers claim they are going out less often now than before the economic downturn. Nearly half of consumers (47 percent) report going to bars or clubs less often, while an even greater number say they are paying fewer visits to casual (58 percent) and fine dining (60 percent) establishments. On the other hand, when asked how they will change their habits as the economy improves, 37 percent of consumers say they will visit casual restaurants more often, while less than a third of consumers will make frequent returns to fine dining (27 percent) and bars or nightclubs (16 percent). Interestingly, the results showed a significant Generation divide – younger Millennial consumers(aged 21-27) signaled their intent to go out much more often as the economy improved, while consumers 55+ were much less optimistic about their future "going out" prospects.

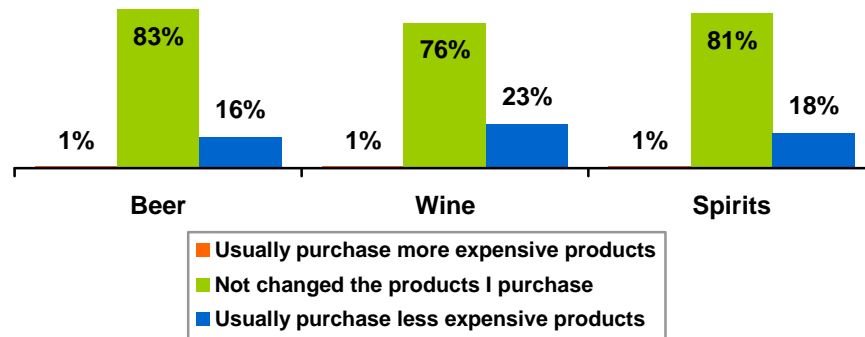
"Staying in continues to be the new night out," said Danny Brager, vice president, group client director, Beverage Alcohol, The Nielsen Company. "As the economy worsened, consumers turned to at-home dining and entertaining, and now that the economy is starting to improve, uncertainty about the extent of the recovery continues to dampen the consumer 'rush' to go out more often. While this shift represents a serious challenge for restaurants, this trend continues to serve as a significant

opportunity for alcohol beverage retailers, who are actively promoting products and beverages that can help enhance consumers' 'night out' at home."

Standing Pat

While "trading down" has been the buzz of the economic downturn, more than three-quarters of consumers surveyed claim they have not changed their alcohol beverage purchases because of price. Of that group, one-quarter of these consumers are simply buying less often. A lesser amount (13 percent) continue to buy the same products, but wait until they go on sale. Twenty percent tried less expensive products but weren't happy with the quality or experience.

How have your purchases changed in regards to price compared to before the start of the economic downturn?



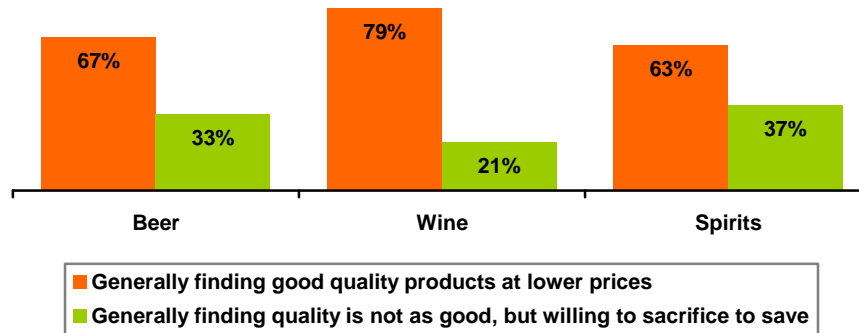
"While the majority of consumers say they have stayed the course, we do see evidence of alcohol beverage consumers adjusting to new realities and evaluating what, where and how often they buy. They're much more conscious of the choices they make," said Brager, echoing themes presented by others at the conference.

Compared to before the start of the economic downturn, 16 percent of beer consumers, 18 percent of spirit consumers and 23 percent of wine consumers say they usually purchase less expensive products.

A Trade Up Comeback?

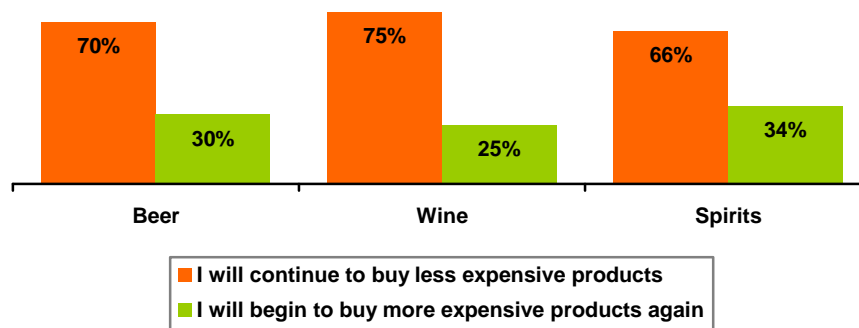
Of those that did trade down, more than two-thirds (79 percent of wine consumers, 67 percent of beer consumers and 63 percent of spirits consumers) say they can generally find good products at lower prices. And for those that are not finding the quality as good? They're willing to sacrifice some quality in order to save.

Which best describes your experiences with less expensive products?



The majority of trading down consumers tell Nielsen they will continue to buy less expensive products as the economy continues to improve (75 percent of wine consumers, 70 percent of beer consumers and 66 percent of spirits consumers). When examining those consumers that report that they would trade back up, Millennials (age 21 – 34) in particular, are relatively more likely to trade back up, compared to other age groups across all alcohol beverage categories.

As the economy improves, what best describes what you will do...



“Although trading down activity dominated the recession discussion, especially among wine consumers, a large segment of consumers stood pat in their price selections,” said Brager. “That said, there is a noteworthy segment of consumers who did trade down, and it appears that we probably won’t see much of a trade up comeback from that group. Alcohol beverage companies need to determine how to deal with consumers whose trading down actions are more entrenched. Are these consumers affecting their business and if so what strategies do they employ to impact that behavior, whether it be new products, assortment strategies, differentiated channel strategies, price and promotion activity or precision merchandising?”



Planned Purchases

Compared to the start of the economic downturn, about one-third (36 percent) of consumers say their purchases are more planned, and less on impulse.

“Instead of picking up their favorite beverage on a whim, some consumers, particularly spirits consumers, are now more planful about their purchases,” said Brager. “This presents tremendous opportunities for alcohol beverage manufacturers and retailers to reach these consumers before they enter the store.”

About Nielsen’s Beverage Alcohol Consumer Survey

Nielsen surveyed approximately 7,500 U.S. alcohol beverage consumers of legal drinking age in April/May 2010. Responses from the online survey are across age groups, income level and gender.

About The Nielsen Company

The Nielsen Company is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The privately held company is active in approximately 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

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