

# Why Luxury Brands Are Investing in Insights and Innovation During Challenging Economic Times

**Ryan Fennelly**

Beam Suntory  
Global Insights Manager  
BI & Analytics

**Brett Criss**

Toluna,  
Senior VP  
Sales Business Development

*Beam* **SUNTORY**



*The last 3 years have been a roller coaster ride for luxury goods manufacturers, including manufacturers of high-end products in the alcohol beverages category.*

*A deep slump in restaurant and bar sales in 2020 and 2021 was somewhat offset by a steep increase in retail sales as more people entertained and treated themselves at home. Now, in 2023, restaurant and bar traffic is on the rise, however luxury alcohol beverage manufacturers continue grappling with changes in consumption behavior.*

*These latest changes in consumption behavior along with tightening economic policies necessitates these luxury brands to take an even closer look at consumers' mindsets, needs, and emotions as they seek to continue growing.*



# What you will learn from today's session...

- What the latest data reveals about people's attitudes and planned behaviors in relation to spending and saving across a variety of categories
- Why, even in tougher economic times, innovation remains critically important
- How Beam Suntory approaches innovation with strategic insights



# Toluna Barometer Study Background and Overview

This data was from Wave 22 of our Toluna Barometer Report. This report is done on a global basis however the information noted during this presentation is for the US only.

This report started back in 2021 and was designed to understand the ever-changing needs, opinions of consumers on various topics including Covid, inflation, health & well being, environmental /social issues, purchase behaviors and more.

**Fieldwork took place:**

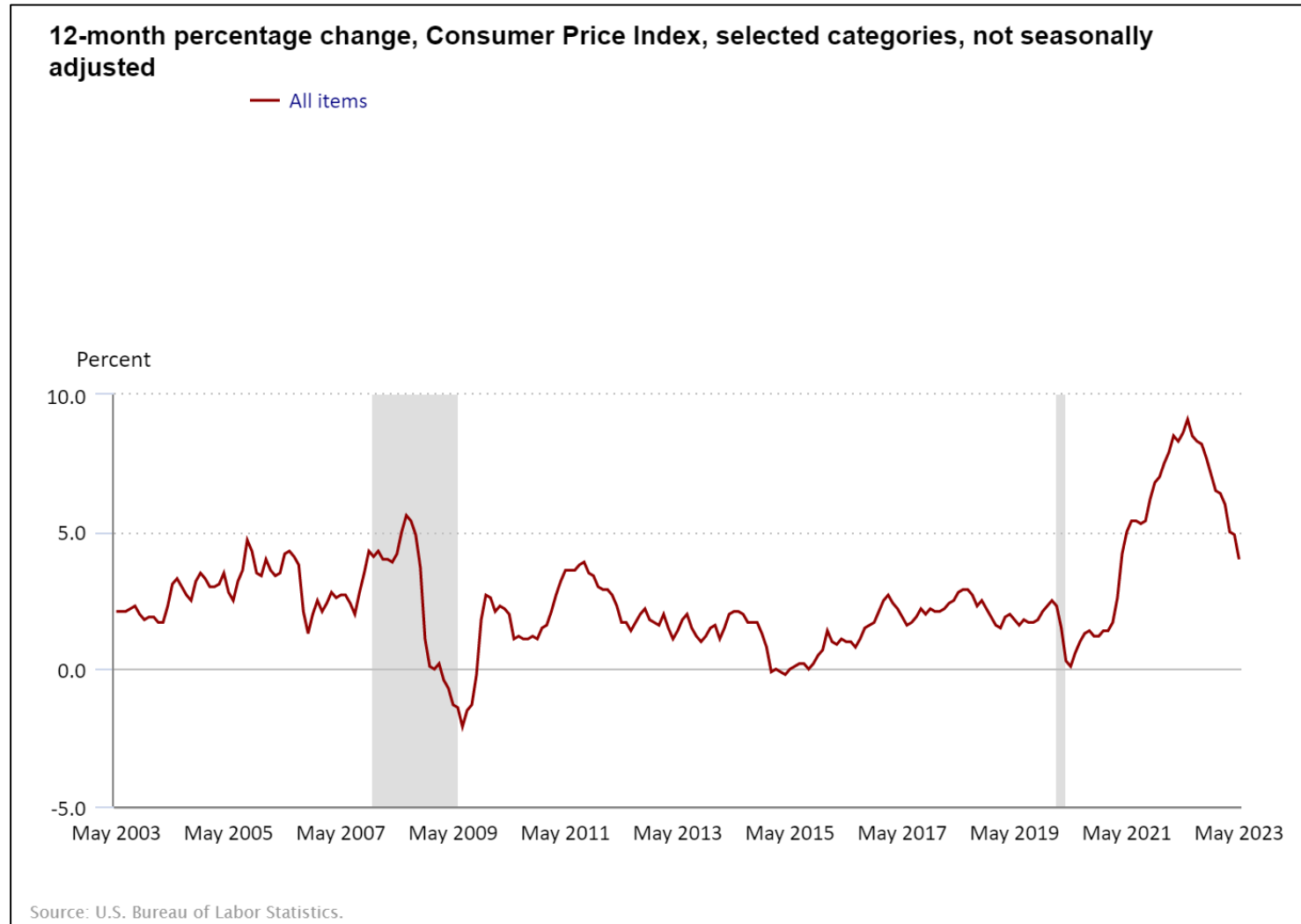
May, 2023

**US sample:** N=1021

**Target:** Gen Pop, adults 18+,  
census representative

Data has been weighted by  
age and gender

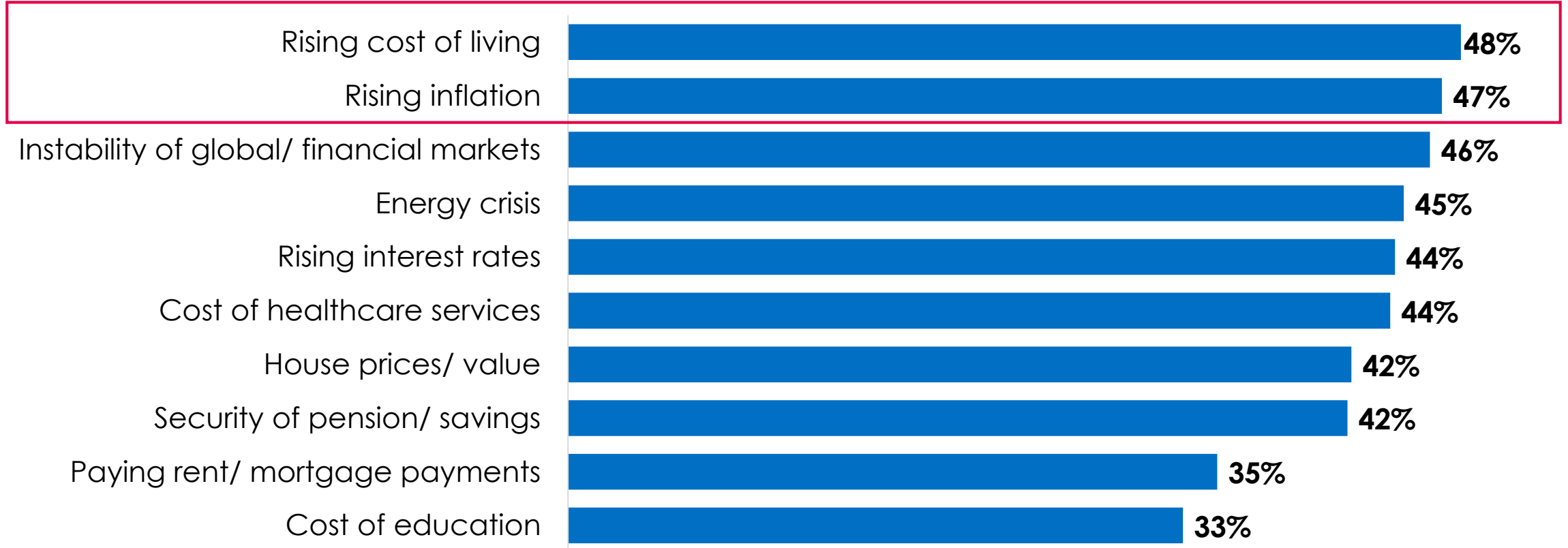
# Although improving, the Consumer Price Index remains above 10-year averages.



June '22 → 9.1

May '23 → 4.0

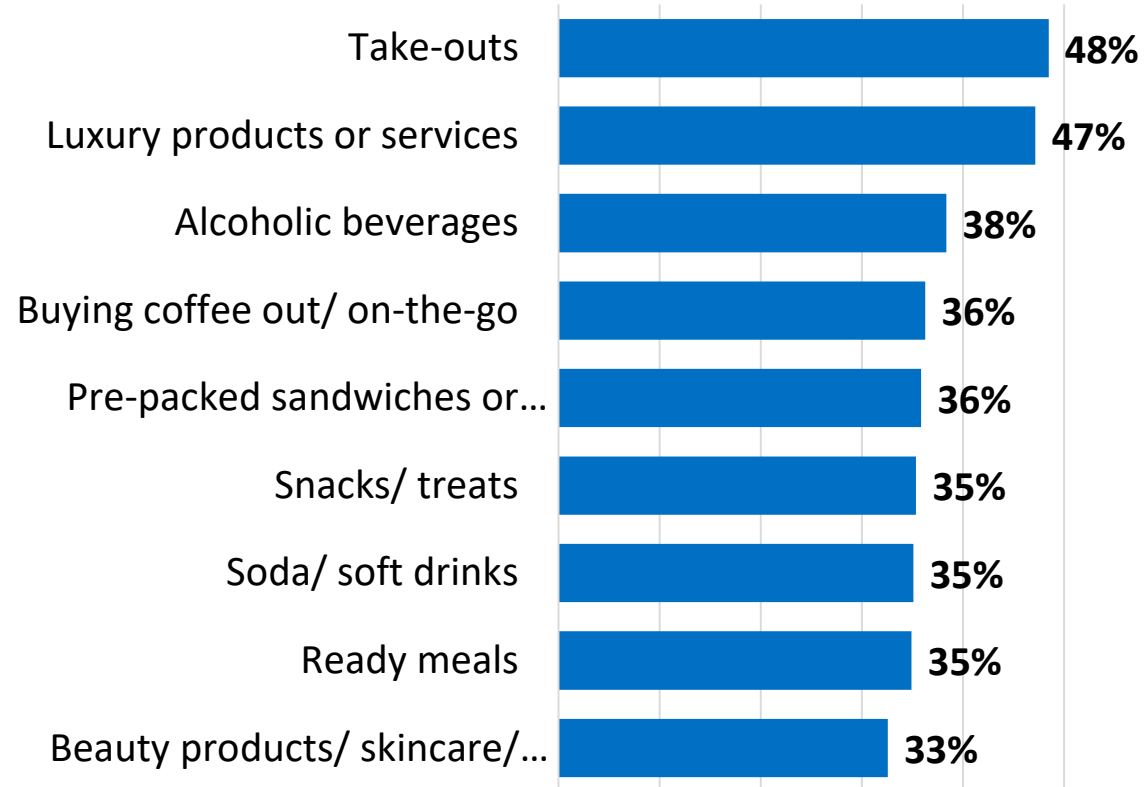
# The rising cost of living and inflation continue to trouble Americans.





# Consumers have cut spending on eating out and luxury products or services

## Claimed Reduced Spending by Category



# Consumers still plan on reducing unnecessary purchases and saving money.

**43%**

I plan to reduce unnecessary purchase

**39%**

The current economic/financial climate is impacting my spending habits

**31%**

I expect to have less disposable income over the coming months

**39%**

I am trying to save more money due to economic uncertainty

**29%**

I expect to save less over the coming months

**21%**

I am worried about paying off debts





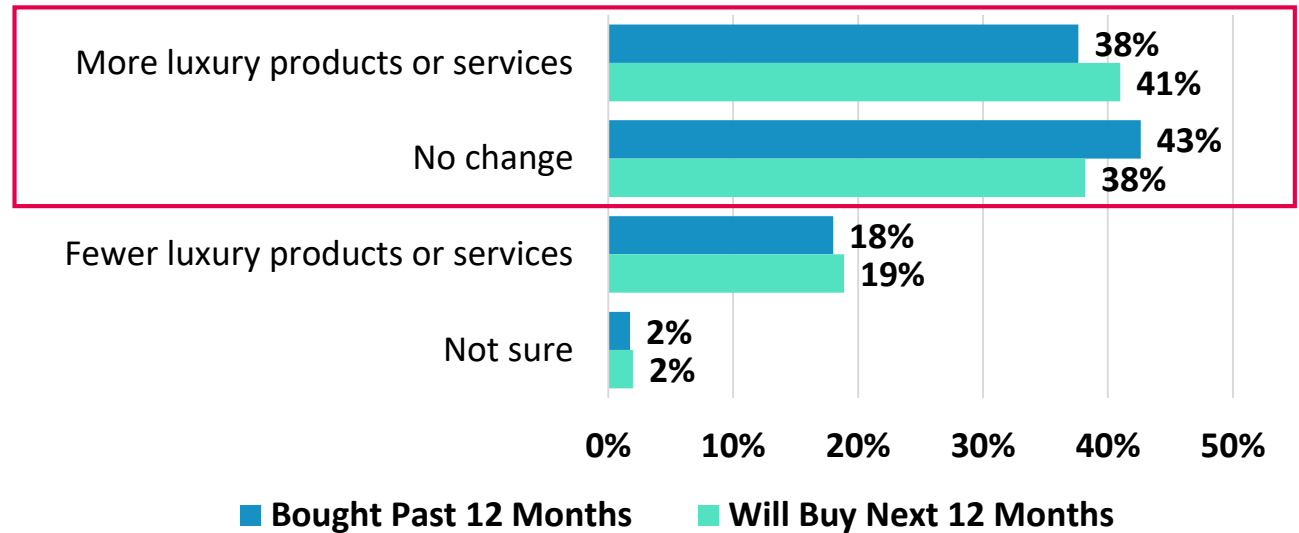
# 40%+

of US consumers have bought or plan to buy luxury items.

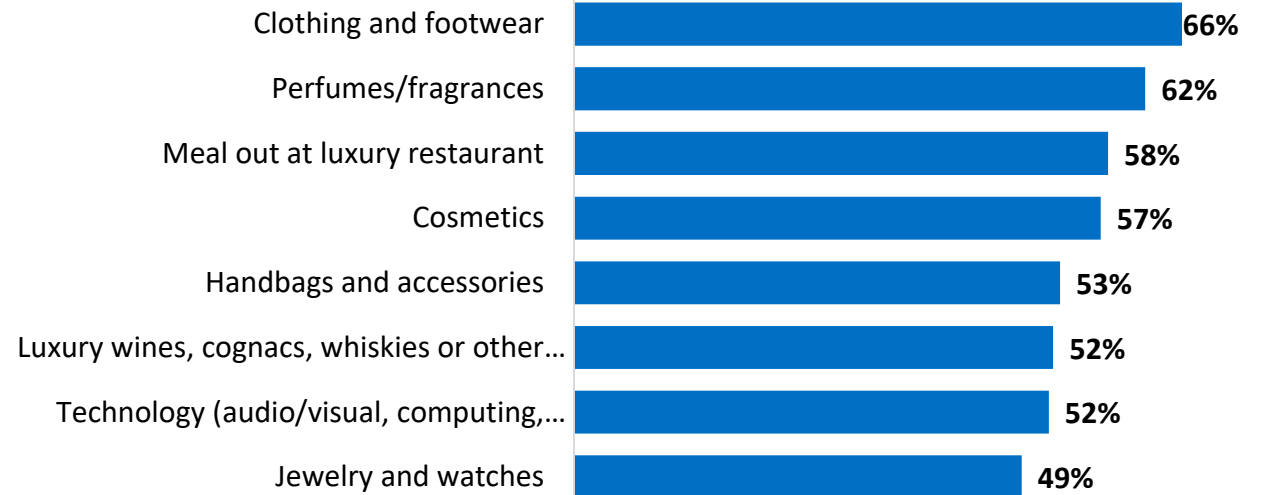
52% have bought or plan to buy luxury alcoholic beverages

## Past/Future Purchase of Luxury Goods

LUXURY



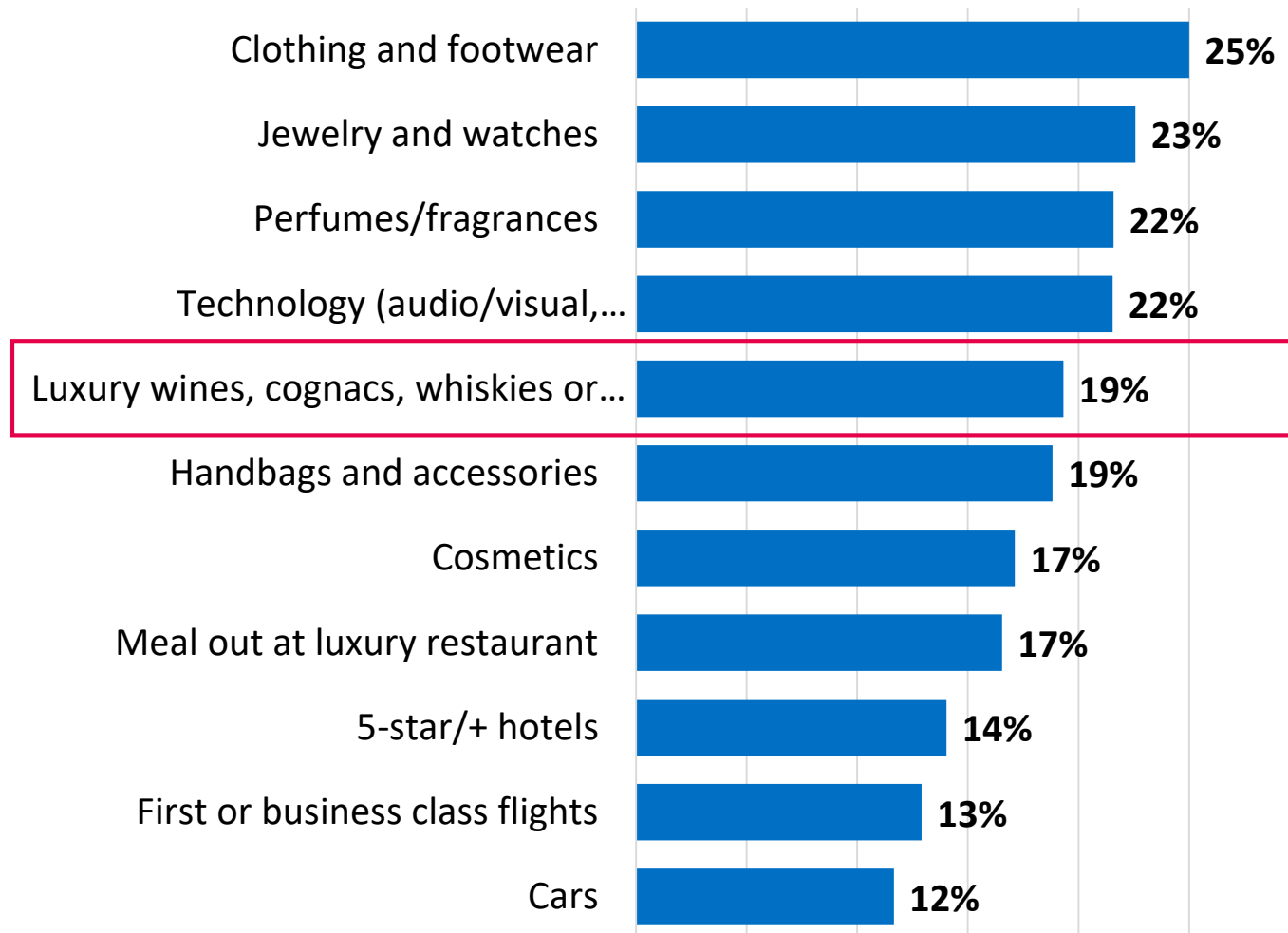
## Bought/Plan to Buy Specific Luxury Goods



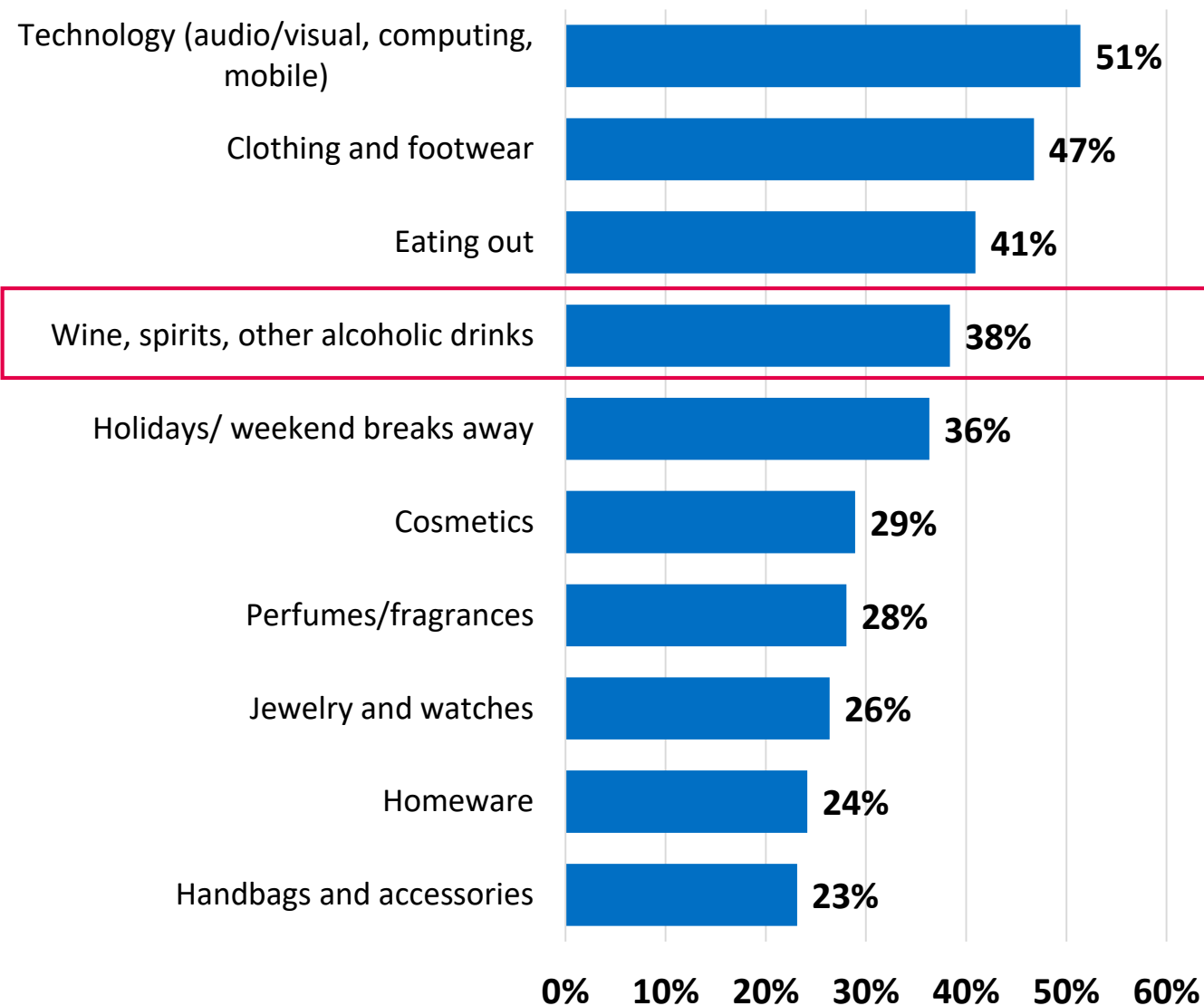
# 19%

of luxury shoppers will purchase **more** luxury alcoholic beverages.

## Categories Expect to Buy More Of Next 12 Months



## Categories Can't Live Without



# 38%

of US luxury shoppers  
can't live without luxury  
alcoholic beverages



# Q&A

Thank you!



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Strawberry  
Shrub

toluna 



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City Harvest programs bring fresh, nutritious food to communities across the five boroughs, free of charge, to help feed New Yorkers who are experiencing food insecurity. For 40 years, they have worked to feed the city, one day, one meal, and one New Yorker at a time.

Learn more at [CityHarvest.org](http://CityHarvest.org)