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CORONAVIRUS

Americans Say They Won't Drink Corona Beer Because of Coronavirus. Sales Are Up 5% Anyway.

By [Al Root](#) Updated March 7, 2020 3:12 pm ET / Original March 7, 2020 2:49 pm ET



Photograph by Cindy Ord/Getty Images for NYCWFF

Americans not drinking Corona beer because of the [coronavirus](#) made [headlines recently](#). It was fodder for talk-show hosts about the collective American intellect (or lack of). [Constellation Brands](#), the company that markets Corona beer in the U.S., shot back [immediately](#), pointing out Corona beer sales

rose 5% over the four-week period ending February 16.

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Americans, it seems, aren't as dumb as the Twitterverse made us seem. But the episode still raises the question: If 38% of Americans say they wouldn't buy Corona beer "under any circumstances," how are sales up 5% in the U.S.?

5W Public Relations, the company that conducted the survey, didn't respond to a *Barron's* request for the actual survey questions. That leaves us wondering if the entire episode was a manifestation of the old saw "there are lies, damn lies, and statistics."

The original [news release](#) from February 27 says 5W conducted phone surveys with 737 American beer drinkers. The survey made three claims. First, "38% of Americans wouldn't buy Corona under any circumstances now." Next, "Among those who said they usually drink Corona, only 4% said they would stop drinking Corona, but 14% said they wouldn't order Corona in a public venue." Finally, "16% of beer-drinking Americans were confused about whether Corona beer is related to the coronavirus."

In one spin of the survey results, Corona beer retained 96% of its customers. Not bad. Wall Street analysts praised retail giant [Costco Wholesale](#) (COST) in Friday [research reports](#) for retaining 90.9% of its members in the U.S. and Canada over the past three months.

Another interpretation: Non-Corona drinkers are still non-Corona drinkers.

Still, about 120 people
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between coronavirus and Corona beer. Confused about what? What

question were they asked, and what answers were provided? Then there is the sticky mathematical issue of adjusting for the bias inherent in people taking the phone survey. Response rates for phone surveys have plummeted over recent years, according to the [Pew Research Center](#). Pew was looking at politics, but the problem of bias remains for any survey drawing broad conclusions when response rates are low.

In the end, of course, there is no connection between the beer and the virus. A coronavirus is named for the "[crown like spikes](#)" on its surface, according to the Centers for Disease Control and Prevention. Common cold viruses are coronaviruses. The virus causing so much turmoil today is "novel Covid-19."

Investors, it seems, never bought into the survey. Constellation Brands (STZ) stock is down about 6% year to date—putting it ahead of the [Dow Jones Industrial Average](#) and [S&P 500](#), both of which are down about 10% over the same span.

The [Consumer Staples Select Sector SPDR ETF \(XLP\)](#) is down about 4% year to date. Costco, on the other hand, is up almost 4% year to date, boosted in part by U.S. consumers shopping more at the big-box retailer, prepping for a protracted battle with the virus.

There is nothing surprising about the relative moves of any of the stocks, indexes or ETF given the recent market volatility. Although, even that conclusion, based on numbers, is open to interpretation.

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