



220

TwoTwenty

**KEY INSIGHTS FROM QUALITATIVE &
QUANTITATIVE ANALYSIS**

MKT 512

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220

220 should position itself as a premium brand and clarify the “Live Your 220” message

- Premium positioning highlights the most attractive qualities from qualitative research and significantly increases intent
- Live Your 220 positioning resonates with consumers but does not increase intent to purchase, consumer may like this position for reasons other than purchasing the seltzer
- The “Live Your 220” message increases favorability factors but needs clarifying according to quantitative research

Hard Seltzer consumers enjoy drinking regularly

- Focus group consumers were forthright in their interest in drinking
- 7/10 mentioned drinking at least 3 weekends a month
- Participants mostly agreed that they typically enjoy 3-5 drinks whenever they go out

“I think about my drinking as ‘work hard, play hard’”

“I like to drink seltzer with food way more than I do beer”

“I’m going for a seltzer when it’s cheaper than anything else”

“The only time I drink seltzer is when I know I’m drinking with other people”

But interest in seltzers is highly situational

- More of the men felt they'd choose beer over seltzer, while women leaned more to seltzer
- Seltzers were universally preferred based on drinking arrangement
 - Day drinking, tailgates, outside events, beaches

"If I know I have friends coming over, I will pay the premium for High Noon because I know it is good."



Brand Perceptions and Loyalty

- Low brand loyalty across the category; consumers generally choose based on flavor and price, switching brands frequently.
 - One participant is loyal to Cutwater, another participant mentioned tendency to reach for the same brand, probably High Noon.
- Low brand loyalty across the category presents an opportunity for TwoTwenty to gain market share.

"I don't care what the company is, I just look for the flavor I'm interested in"

"It's a very transactional relationship... it's really just a means to an end"

"I don't feel any real loyalty, but I definitely know the brands I don't like!"



Situational Analysis & Hypothesis

- TwoTwenty is **looking to launch in the US** by entering local markets, like LA, with dense **populations of its target consumers**
- To gain market share **TwoTwenty must identify how to position itself** to draw target consumers away from existing Hard Seltzer options
- Null Hypothesis: There is **no significant difference** between the rankings of the three positioning statements being compared
 - Live Your TwoTwenty
 - London Born
 - Premium Brand
- Alternative Hypothesis: There is **a significant difference** between the rankings of positioning variables

Positioning

Statement #1: Live Your TwoTwenty

TwoTwenty hard seltzer sticks its middle finger up to boring. Your partner in crime for the unforgettable moments. Crafted for those who live boldly, it's more than a drink—it's an attitude for people who love to seize the moment. So go to that show on a Monday, get up on the tables, and dare to live life unapologetically.



Positioning Statement #2: Premium Brand

TwoTwenty hard seltzer is made with premium, all-natural ingredients like lemons from Sicily and mangoes from the Philippines. Our vodka based drinks boast bold flavors and sleek, stylish can designs, creating the ultimate blend of authenticity and sophistication.

Positioning Statement #3: London Born

TwoTwenty hard seltzer embodies the bold, electric energy of London's music scene and nightlife. With designs inspired by the graffiti found in music venues, we channel the heartbeat of one of the world's most vibrant cities into everything that we do.



We built our quant survey around the three positions TwoTwenty is setup to launch and screened potential respondents to align with TwoTwenty's target market

We created a Qualtrics Survey that ran from 11/27- 12/2, collecting 101 responses:

1. Demographics Screening
2. Behavioral Screening
3. Positioning Statements
 - a. Respondents were shown each of the TwoTwenty positions in random order
 - b. Respondents rated the positions on a Likert Scale
4. Positioning statement vote
 - a. Respondents chose their top position

Respondent Criteria

- Any gender
- 21 - 36 years old
- Lives in or lived in Southern CA
 - Ideally places like Venice, Silverlake, Echo Park
- Must have consumed alcohol in the last 6 weeks
 - Beer, wine, hard seltzer, hard alcohol (shots or cocktails), NA cocktails

We self-selected many respondents to match the target consumer profile

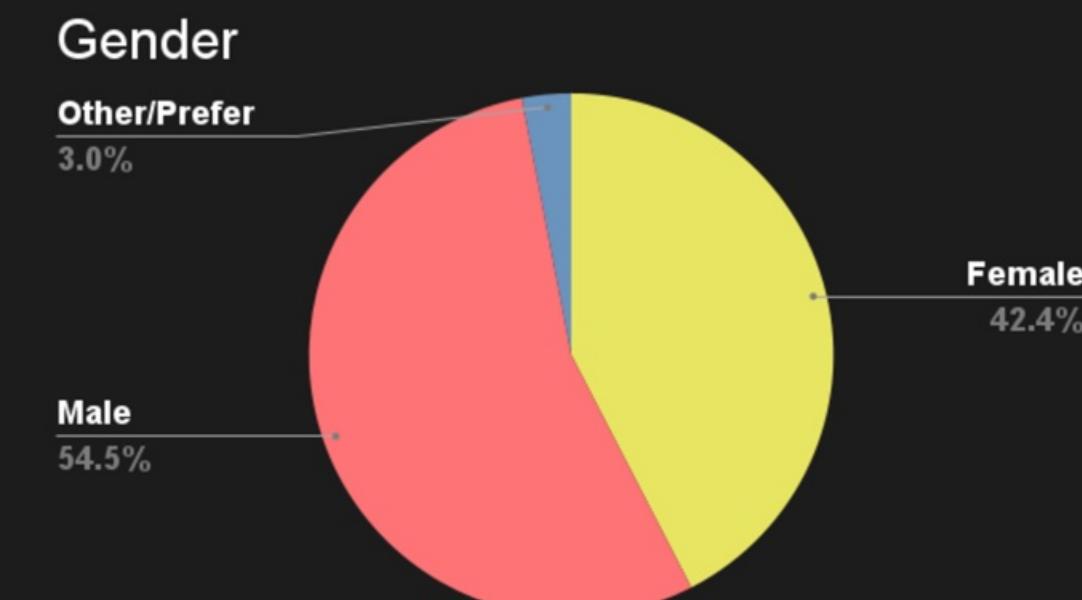
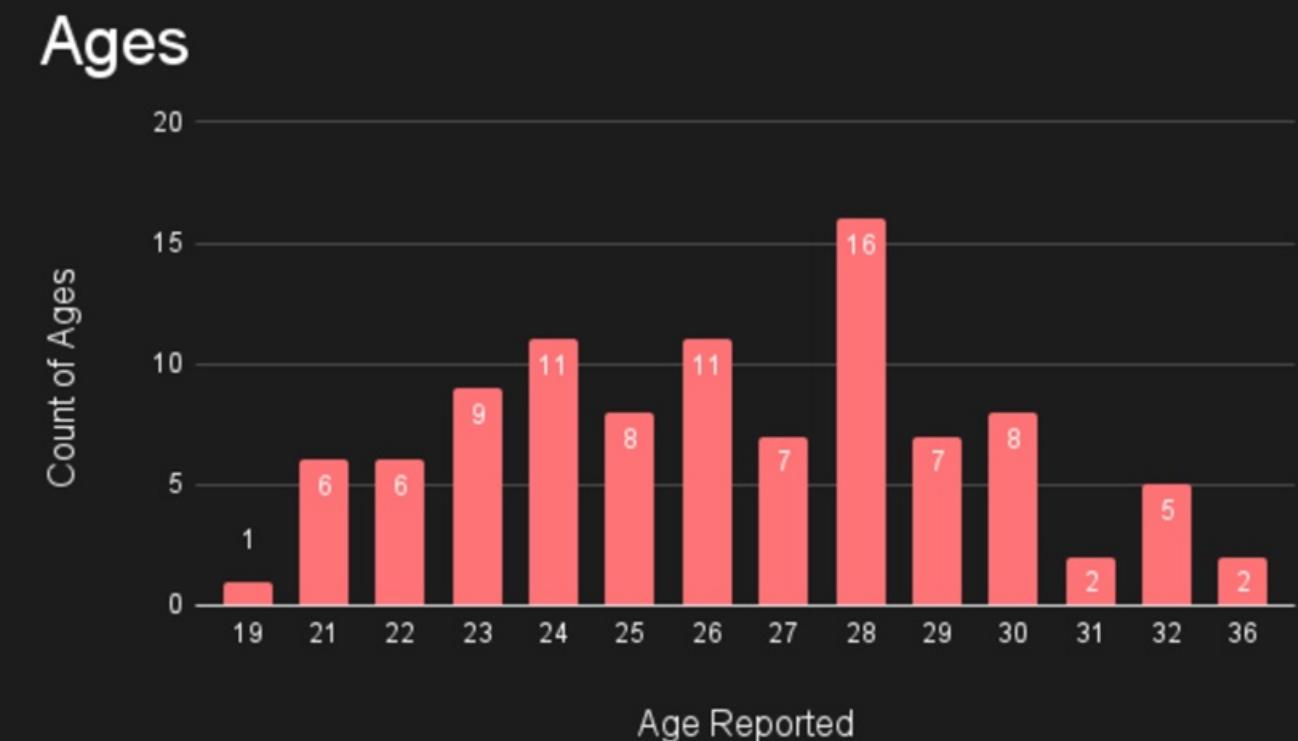
- Enjoys dance music, music festivals, live music, sports events
- Shops at nice grocery stores: Erewhon, Sprouts, WholeFoods, Bristol Farms
- Wears fashionable clothing and spends money on expensive smoothies/coffee



After cleaning the data, we finished with 99 usable results

We used standard techniques to clean the data

1. Checked for errors with screenings
2. Corrected structural issues
3. Checked number of outliers
4. Removed irrelevant metadata
5. Imputed missing data for nulls
 - a. Used MICE imputation to create values for the data where respondents had left blank or skipped answering questions



We used factor analysis to coalesce our variables across all 3 treatments

EFA allowed us to evaluate our survey questions illuminating potential overlaps in our experimental design

- Each treatment contained 8 questions with high KMO values
- Eigenvalues for each treatment indicated a 2-factor solution
 - Significant variability could be explained by our first factor
- Factors were identified as Positioning Appeal and Positioning Persuasiveness

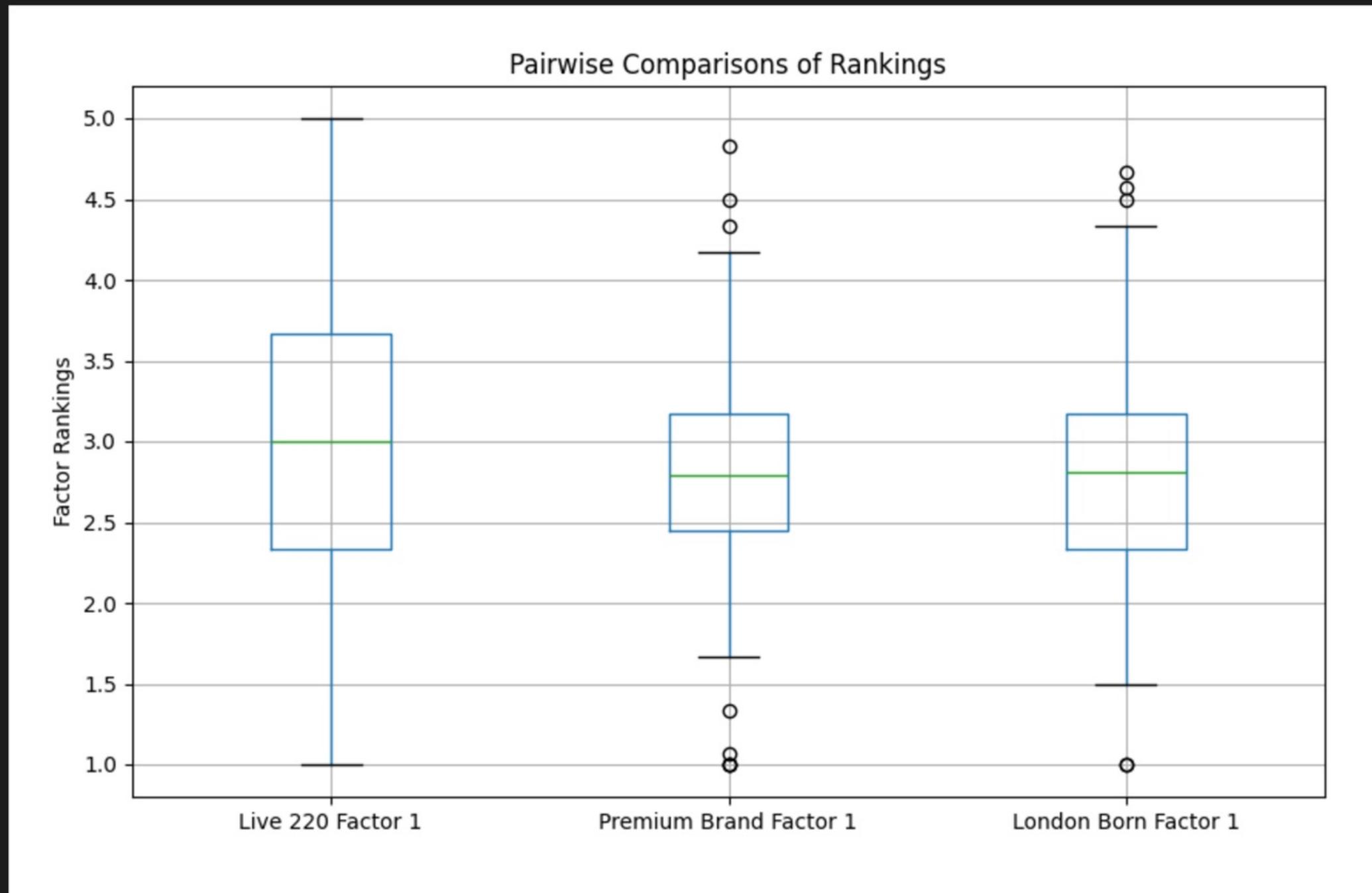
	Factor1	Factor2
Positive Reaction	0.658956	0.314697
Like dislike	0.976470	0.194271
Purchase Intent	0.581697	0.481752
Unique	0.657732	0.367594
Believability	0.158577	0.715240
Personal Relevance	0.480918	0.619535
Better Option	0.602381	0.555611
Desirability	0.484961	0.435255

Using our two factor model we evaluated the three positions against one another

We used the Wilcoxon Test to compare each position against another

- We chose Wilcoxon over Anova as our data lacked normality
 - Checked normality using the Shapiro-Wilk test
- We found that across both factors we could reject the null hypothesis
 - Null hypotheses- all positions
- There were statistically significant differences between the positions for factor 1 and factor 2
 - Factor 1 (Appeal): Live your TwoTwenty was statistically significantly ranked higher among respondents compared to other positions
 - Factor 2 (Persuasiveness): Live your TwoTwenty was significantly ranked higher than Premium Brand

Boxplot Results of Factor 1 (Appeal) Test



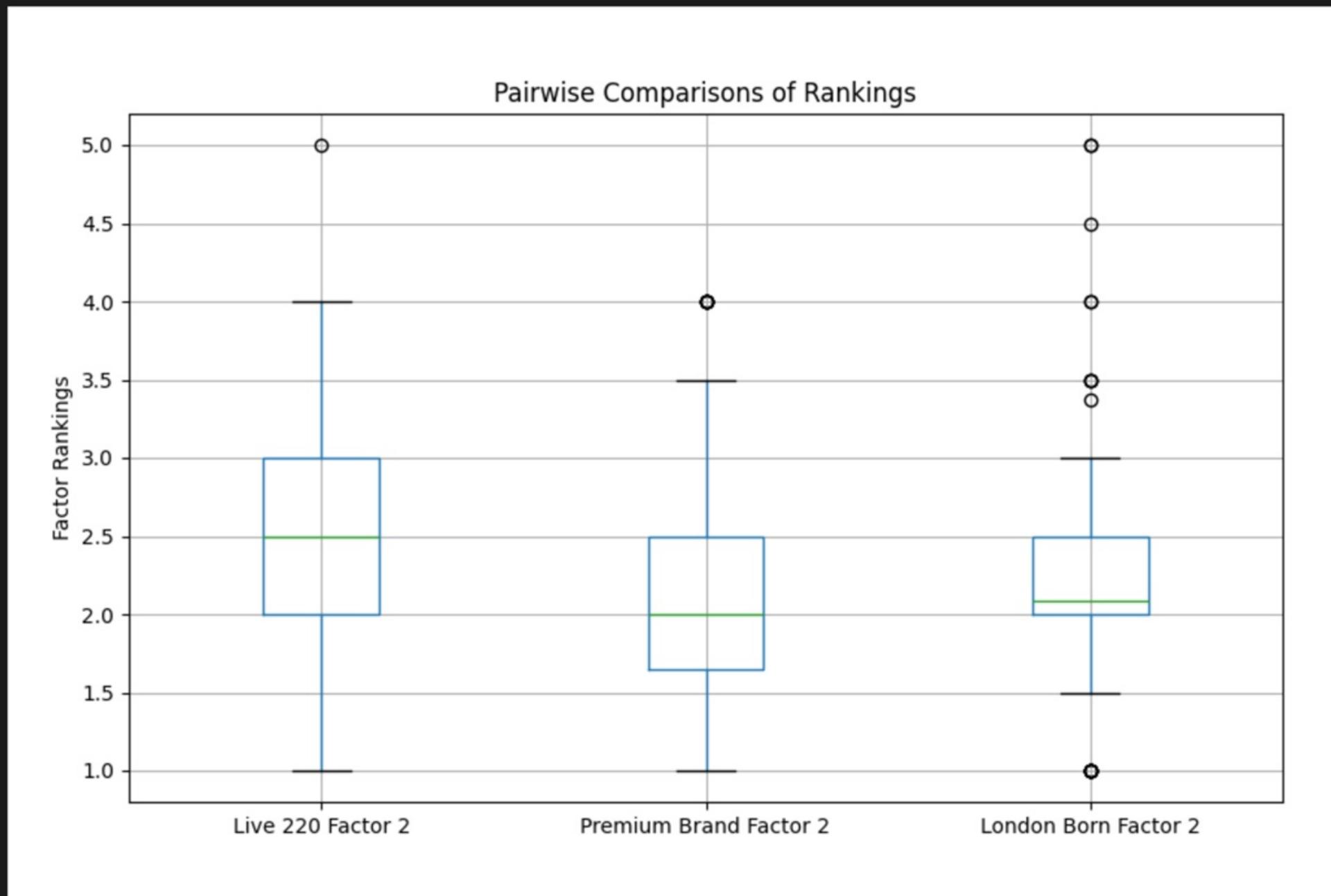
Insights:

- Premium Brand Factor 1 has the least variability of the positions, but the worst median outcome.
- Live your 220 Factor 1 and London Born Factor 1 have more variability compared to premium brand but higher median values suggesting they were consistently ranked better
- Live your 220 Factor 1 showing the most variability, but was consistently ranked higher.

Conclusion:

Live your 220 was the best performing, efforts needed to improve marketing consistency to limit variance.

Boxplot Results of Factor 2 (Persuasiveness) Test



Insights:

- London Born Factor 2 performed best in terms of consistency but had many outliers and a lower median ranking
- Premium Brand Factor 2 had greater variance with the lowest median ranking
- Live your 220 Factor 2, again showed the greatest variability but the highest median ranking

Conclusion:

Live your 220 showed the median highest ranking across all positionings, indicating high persuasiveness. Efforts to improve Live 220 Factor 2 might be necessary, due to its significant variability.

Regression Analysis of Intent of Purchase based on Product Positioning 1: Live your TwoTwenty

OLS Regression Results									
Dep. Variable:	Intent 1	R-squared:	0.240						
Model:	OLS	Adj. R-squared:	0.074						
Method:	Least Squares	F-statistic:	1.444						
Date:	Sat, 07 Dec 2024	Prob (F-statistic):	0.159						
Time:	17:15:52	Log-Likelihood:	-99.164						
No. Observations:	79	AIC:	228.3						
Df Residuals:	64	BIC:	263.9						
Df Model:	14								
Covariance Type:	nonrobust								
	coef	std err	t	P> t	[0.025	0.975]			
const	2.0261	0.668	3.035	0.003	0.692	3.360			
Q1001 What is your age?	-0.0191	0.027	-0.710	0.480	-0.073	0.035			
Q1004 Gender	-0.2239	0.185	-1.210	0.231	-0.594	0.146			
Q1012 Do you currently reside in Southern California?	-0.2050	0.353	-0.580	0.564	-0.911	0.501			
Q19 Which of the following positionings appeals to you the most?	0.3007	0.115	2.615	0.011	0.071	0.530			
Race_Asian	0.6668	0.278	2.398	0.019	0.111	1.222			
Race_Asian,Native Hawaiian or Pacific Islander	1.7057	0.918	1.858	0.068	-0.128	3.540			
Race_Black or African American	0.5379	0.898	0.599	0.551	-1.257	2.333			
Race_Latinx	-0.1001	0.645	-0.155	0.877	-1.389	1.189			
Race_Native Hawaiian or Pacific Islander	-1.1464	0.883	-1.299	0.199	-2.909	0.617			
Race_White	0.3473	0.287	1.211	0.230	-0.226	0.920			
Race_White,Asian	0.5966	0.543	1.098	0.276	-0.489	1.682			
Race_White,Latinx	-0.5819	0.901	-0.646	0.521	-2.381	1.217			
Income_\$100,000 to \$149,999	0.5593	0.208	2.691	0.009	0.144	0.974			
Income_\$150,000 or more	0.7023	0.326	2.152	0.035	0.050	1.354			
Income_\$70,000 to \$99,999	0.2278	0.260	0.877	0.384	-0.291	0.747			
Income_Less than \$70,000	0.5367	0.320	1.680	0.098	-0.102	1.175			
Omnibus:	0.619	Durbin-Watson:	1.947						
Prob(Omnibus):	0.734	Jarque-Bera (JB):	0.753						
Skew:	0.137	Prob(JB):	0.686						
Kurtosis:	2.608	Cond. No.	3.72e+17						
Notes:									
[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.									
[2] The smallest eigenvalue is 4.36e-31. This might indicate that there are strong multicollinearity problems or that the design matrix is singular.									

- "Positioning appeal" (Q19), "Race_Asian," and "Income > \$150k" are the strongest predictors of intent, with statistically significant positive impacts
 - This validates our target market - customers with higher income.
- The model explains only 24% of the variance, indicating other factors may influence intent

Regression Analysis of Intent of Purchase based on Product Positioning 2: Premium Branding

OLS Regression Results									
Dep. Variable:	Intent 2	R-squared:	0.235						
Model:	OLS	Adj. R-squared:	0.068						
Method:	Least Squares	F-statistic:	1.407						
Date:	Sat, 07 Dec 2024	Prob (F-statistic):	0.176						
Time:	17:17:32	Log-Likelihood:	-88.008						
No. Observations:	79	AIC:	206.0						
Df Residuals:	64	BIC:	241.6						
Df Model:	14								
Covariance Type:	nonrobust								
	coef	std err	t	P> t	[0.025	0.975]			
const	1.7687	0.580	3.051	0.003	0.611	2.927			
Q1001 What is your age?	-0.0072	0.023	-0.309	0.758	-0.054	0.039			
Q1004 Gender	-0.1113	0.161	-0.693	0.491	-0.432	0.210			
Q1012 Do you currently reside in Southern California?	-0.5295	0.307	-1.727	0.089	-1.142	0.083			
Q19 Which of the following positionings appeals to you the most?	0.0445	0.100	0.445	0.658	-0.155	0.244			
Race_Asian	0.7974	0.241	3.303	0.002	0.315	1.280			
Race_Asian,Native Hawaiian or Pacific Islander	-0.4749	0.797	-0.596	0.553	-2.067	1.118			
Race_Black or African American	-0.0203	0.780	-0.026	0.979	-1.579	1.538			
Race_Latinx	0.6027	0.560	1.076	0.286	-0.516	1.722			
Race_Native Hawaiian or Pacific Islander	-0.4882	0.766	-0.637	0.526	-2.019	1.043			
Race_White	0.9700	0.249	3.895	0.000	0.472	1.468			
Race_White,Asian	1.0097	0.472	2.141	0.036	0.067	1.952			
Race_White,Latinx	-0.6277	0.782	-0.803	0.425	-2.190	0.935			
Income_\$100,000 to \$149,999	0.4066	0.180	2.253	0.028	0.046	0.767			
Income_\$150,000 or more	0.2182	0.283	0.770	0.444	-0.348	0.784			
Income_\$70,000 to \$99,999	0.5210	0.226	2.310	0.024	0.070	0.972			
Income_Less than \$70,000	0.6229	0.277	2.245	0.028	0.069	1.177			
Omnibus:	13.343	Durbin-Watson:	1.979						
Prob(Omnibus):	0.001	Jarque-Bera (JB):	18.171						
Skew:	0.726	Prob(JB):	0.000113						
Kurtosis:	4.847	Cond. No.	3.72e+17						
Notes:									
[1] Standard Errors assume that the covariance matrix of the errors is correctly specified.									
[2] The smallest eigenvalue is 4.36e-31. This might indicate that there are strong multicollinearity problems or that the design matrix is singular.									

- "Race_White", "Race_Asian," and "Race_White,Asian", "Income < \$150,000" are the strongest predictors of intent, with statistically significant positive impacts
- The model explains only 23.5% of the variance, indicating other factors may influence intent

Regression Analysis of Intent of Purchase based on Product Positioning 3: London Born

OLS Regression Results									
Dep. Variable:	Intent 3	R-squared:	0.134						
Model:	OLS	Adj. R-squared:	-0.055						
Method:	Least Squares	F-statistic:	0.7087						
Date:	Sat, 07 Dec 2024	Prob (F-statistic):	0.758						
Time:	17:17:43	Log-Likelihood:	-88.377						
No. Observations:	79	AIC:	206.8						
Df Residuals:	64	BIC:	242.3						
Df Model:	14								
Covariance Type:	nonrobust								
	coef	std err	t	P> t	[0.025	0.975]			
const	2.3652	0.582	4.061	0.000	1.202	3.529			
Q1001 What is your age?	-0.0163	0.023	-0.694	0.490	-0.063	0.031			
Q1004 Gender	-0.3542	0.161	-2.194	0.032	-0.677	-0.032			
Q1012 Do you currently reside in Southern California?	-0.2217	0.308	-0.719	0.475	-0.837	0.394			
Q19 Which of the following positionings appeals to you the most?	-0.0502	0.100	-0.500	0.619	-0.251	0.150			
Race_Asian	0.3848	0.243	1.587	0.118	-0.100	0.869			
Race_Asian,Native Hawaiian or Pacific Islander	-0.0090	0.801	-0.011	0.991	-1.609	1.591			
Race_Black or African American	0.9190	0.784	1.173	0.245	-0.647	2.485			
Race_Latinx	1.0223	0.563	1.817	0.074	-0.102	2.147			
Race_Native Hawaiian or Pacific Islander	-0.1894	0.770	-0.246	0.806	-1.727	1.349			
Race_White	0.2121	0.250	0.848	0.400	-0.288	0.712			
Race_White,Asian	0.2284	0.474	0.482	0.632	-0.718	1.175			
Race_White,Latinx	-0.2030	0.786	-0.258	0.797	-1.773	1.367			
Income_\$100,000 to \$149,999	0.5519	0.181	3.044	0.003	0.190	0.914			
Income_\$150,000 or more	0.5834	0.285	2.049	0.045	0.015	1.152			
Income_\$70,000 to \$99,999	0.4850	0.227	2.140	0.036	0.032	0.938			
Income_Less than \$70,000	0.7449	0.279	2.672	0.010	0.188	1.302			
Omnibus:	16.671	Durbin-Watson:	2.173						
Prob(Omnibus):	0.000	Jarque-Bera (JB):	23.341						
Skew:	0.895	Prob(JB):	8.54e-06						
Kurtosis:	4.971	Cond. No.	3.72e+17						

Notes:

- [1] Standard Errors assume that the covariance matrix of the errors is correctly specified.
- [2] The smallest eigenvalue is 4.36e-31. This might indicate that there are strong multicollinearity problems or that the design matrix is singular.

- Gender and all income levels are the significant predictors
- The model explains only 13.4% of the variance, indicating other factors may influence intent

Errors and future experimental design



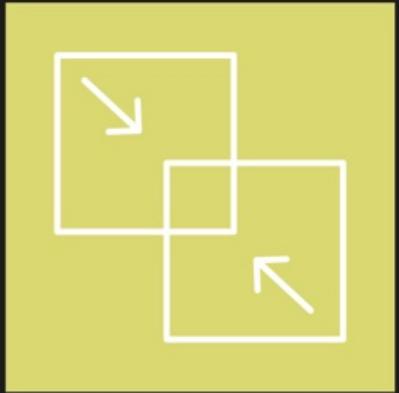
Sample
Representativeness



Incomplete
Responses



Multicollinear
Variables



1 Factor
Solutions



Further
Analysis

Conclusion 220 should focus on a two-pronged approach

1. Clarify and promote the “Live Your 220” branding to increase the favorability measures of the brand
2. Focus on a premium positioning, targeting consumers apt to purchase premium products before targeting lifestyle and cultural consumers, whose interests in the product may justify a premium price point.

Appendix & References

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QUESTION GUIDE

Discussion Notes

Secondary Research

