



BACARDI 2021 COCKTAIL TRENDS REPORT

Presented by Bacardi Limited in
association with The Future Laboratory





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Global premium spirits company Bacardi Limited looks ahead at the key trends impacting cocktail consumption and the spirits business in 2021, in association with The Future Laboratory. This report draws on insights from Bacardi-led consumer and brand ambassador surveys, interviews with the bar and restaurant trade, Nielsen CGA data, and The Future Laboratory's independent research.

MACRO TREND 1:

HOME PREMISE

DOMESTIC DRINKS

The global pandemic has had a profound impact on the drinks industry. It has undoubtedly expedited the at-home and e-commerce convenience culture we had already begun to enjoy, bringing more experiences straight into our homes than we could ever have imagined.

The pandemic has made home the focal point of our social lives and changed the eating and drinking landscape forever. Initiatives such as virtual happy hours and live-streamed gigs have allowed people to recreate their favorite elements of bars and

restaurants. With many bars now offering online cocktail classes and carefully concocted drinks delivered directly to our doors.

New launches from the off-trade – from ready-to-drink (RTD), cans, and pouches to drink delivery apps – have been hugely successful. Cocktails in cans have proved particularly popular. According to research by Bacardi, close to 30% of consumers claim they plan to purchase RTD cocktails or canned spirit and mixers, with portability and convenience cited as key reasons for stocking up on a pre-made drink.¹

25%

One in four U.S. respondents say they are now making cocktails at home.
(Bacardi Holiday Survey 2020)

131%

RTD cocktails show a rise of 131% in the U.S. off-trade.
(Nielsen CGA)

20%

One in five UK consumers are hosting virtual cocktail parties from their homes.
(Bacardi Holiday Survey 2020)



“Cocktails in a can are a hot trend, and the lockdowns appear to have increased their popularity as a safe and portable drink option. In addition, cocktails-to-go have really taken off, with bars and consumers embracing the trend at a fast rate as a viable choice for social occasions and this is a behavior we expect to see continue in 2021.”

Brenda Fiala - Global Vice President, Strategic Insights and Analytics for Bacardi

TOP 5 RTDS IN NORTH AMERICA ARE:

53%

VODKA SODA & FLAVORS
(up 10% from LY)

24%

MARGARITA
(up 38% from LY)

32%

MOSCOW MULE
(up 19% from LY)

34%

LOW-ABV COCKTAILS
(up 5% from LY)

33%

GIN & TONIC
(up 1% from LY)

TOP 5 RTDS IN WESTERN EUROPE ARE:

56%

G&T & TWISTS
(up 10% from LY)

35%

NEGRONI
(up 9% from LY)

31%

CLASSIC COCKTAILS
(up 21% from LY)

27%

OTHER SPRITZES
(down 5% from LY)

23%

LOW-ABV
(up 3% from LY)

(Bacardi Global Brand Ambassador Survey 2020)



Popular cocktails for takeaway include familiar and comforting classics such as the negroni, bloody mary, old fashioned, and strawberry daiquiri. 'People are looking for security when they're ordering food and drinks for delivery. You order what you know you like,' Robyn Wilkie, bar manager of Liqueur in London, told Imbibe.²

Research published in the European Journal of Social Psychology shows it takes people between 18 and 254 days to form a new habit – and, on average, 66 days for a new behavior to become automatic. This means that many of these shifts are here to stay, with consumers becoming accustomed

to the level of personalized convenience they can indulge in from the comfort of their sofa.³

Pre-pandemic, e-commerce options failed to catch the attention of spirits shoppers, but this channel is now a widely adopted solution for consumer purchase behavior.

While 2021 will no doubt herald the revival of on-premise consumption – as consumers flock back to support local businesses and with the vast majority of global bartenders feeling optimistic about the future – e-commerce has cemented its position as an important channel for spirits.



ONLINE SPIRITS SALES GREW

exponentially early in the pandemic, with partners such as Drizly experiencing **350% growth** according to the IWSR, which also forecasts that the e-commerce alcohol channel will be worth **\$45.5B** across the top 10 markets by 2024.⁴



NEW DRINKING CULTURES

For consumers, the pandemic has ushered in entirely new drinking cultures, ranging from Japan's on-nomi (online drinking) to walktails (cocktails to drink while walking) and making cupboard cocktails from reserves at home.

Cocktail classes and kits have seen huge success via highly visual platforms with vast audience reach, such as Instagram. The appeal of this DIY approach is echoed in data from Nielsen CGA, which shows that 40% of consumers are interested in make-at-home cocktail kits, followed by bottled pre-made and grab-and-go options (both 37%).

With more consumers globally now making cocktails at home, Bacardi created a hyper-convenient option in the UK and Germany, and coming soon to other markets. Only requiring the addition of ice and water, Twistails are innovative pre-mixed cocktail kits that allow consumers to make bar-perfect drinks simply and quickly

in the comfort of their own homes. Consumers have also taken up new hobbies and found outlets for creativity at home, with many adopting a more adventurous approach to cooking. This has also transferred across to our drinking habits, with brands stepping up to respond to this desire for originality and knowledge. Bacardi created a virtual cocktail-making series for its social audience, and its brand homes like Casa BACARDÍ in Puerto Rico and Casa MARTINI in Italy continue to offer online mixology classes that guests can sign up for to learn to create delicious rum cocktails.

Cocktail gift packs are set to be big in 2021. Knowing that people want easy shopping solutions for unique gifts this season, and that they are shopping online more than ever, companies like Bacardi have collaborated with e-commerce partners such as Cocktail Courier, Sourced Craft Cocktails and ReserveBar to create Bacardi portfolio-specific landing pages.

 **40%**

of consumers in the U.S. are interested in **MAKE-AT-HOME** cocktail kits, followed by bottled **PRE-MADE** and **GRAB-AND-GO** options (both 37%).

(Nielsen CGA On-Premise Survey)



GLOBAL



MACRO TREND 2:

PLEASURE REVOLUTION

FLAVOR SENSATIONS

When Covid-19 restrictions ease and social life resumes, consumers will seek pleasure, nostalgia, and escapism, shifting their focus from enhancement to enjoyment. During what some are predicting to be 'the second roaring 20s', we will return to bars, seeking quality over quantity and perhaps to celebrate after a tough year. It's a sentiment echoed by the Bacardi Holiday Survey 2020, with many people planning to treat themselves, their friends, and family in 2021.⁵

A desire for extremes will dictate our drink choices in 2021, with sensorial experiences that range from the striking heat of chili through to super-sweet, sour, bitter and

smoked flavor profiles. According to beverage company Flavorman, drinks that burn, cool, tingle and comfort will be in high demand in 2021.⁶

Bitter taste profiles will continue to be popular due to our palates becoming accustomed to healthier foods such as kale, which is at the more bitter end of the flavor scale. In the U.S. amaro is riding high as a bitter ingredient for cocktails, in line with consumers embracing Italian aperitivo culture.

This trend is confirmed by respondents to the Bacardi Global Brand Ambassador Survey for the North American market; bitter liqueurs were strongly trending in the top five spirits for bartenders.

33%

One in three UK consumers plan to treat themselves, their friends and their family more in 2021.

(Bacardi Holiday Survey 2020)

13%

Premium-and-above spirits forecasted to increase global volume market share to 13% by 2024 as consumers continue to favor quality over quantity, including cocktails and high-end sipping spirits.⁷

(IWSR)

26%

More than one in four U.S. consumers plan to treat themselves, their friends and their family more in 2021.

(Bacardi Holiday Survey 2020)

WESTERN
EUROPE

NORTH
AMERICA

DESIRE FOR
EXTREMES CHILLI

through to SUPERSWEET,

SOUR, BITTER and
SMOKED

flavor profiles.

(Flavorman)



GLOBALLY POPULAR COCKTAILS

(Bacardi Global Brand Ambassador Survey 2020)

LOW-ABV COCKTAILS - 47%



OTHER SPRITZES - 45%



NEGRONI - 41%



CLASSIC COCKTAILS WITH A TWIST - 39%



GIN & TONIC (AND TWISTS) - 31%



NON-ALCOHOLIC COCKTAILS - 31%



WHISKY HIGHBALL - 29%



ESPRESSO MARTINI - 26%



OLD FASHIONED - 23%



VERMOUTH COCKTAILS - 23%



NOSTALGIC CLASSICS

In terms of spirits, various trends are emerging among classic categories such as gin, tequila and rum, and interesting differentials are arising across markets.

As staples of classic cocktails that consumers are replicating at home, tequila and gin are enjoying record growth. The popularity of the margarita is surging in North America, and global interest in the negroni and gin and tonic remains high. While interest in rum is driven by consumers in Latin America and the Caribbean, the popularity of the spirit soared globally in the summer months when, with the relative safety of al fresco hospitality, the piña colada and mojito topped the list of desired cocktails.

The monotony of lockdown life is driving people to experiment with classics, seeking out fun twists on staples they know they can rely on. According to bartenders, almost two in five consumers are interested in classic cocktails with a twist.

Gin, tequila, and rum represent the best premiumization opportunities in many markets, with their role and importance growing during uncertain times. After a tough year, classic cocktails can provide a sense of comfort and nostalgia – and none more so than spirit-forward cocktails. Featuring a base spirit, a modifier such as vermouth, port, or sherry, and often other ingredients such as liqueurs, syrups, or bitters, these drinks were first developed in the 1880s and continue to offer simple, bold flavors.

At the other end of the flavor scale, 2021 will see a return to light-hearted drinks and flavor-filled indulgences, inviting us to lose our preconceptions about, and a serious attitude towards, cocktails. We will embrace cocktails that remind us of easier times, such as summer holidays and nights out.

A desire for comfort and indulgence will see consumers seek nostalgic drinks Flavorman predicts that

In the UK, more than one in four (28%) consumers would like to incorporate maple syrup or honey into their cocktails, according to the Bacardi Holiday Survey 2020.



GLOBAL

POPULAR INGREDIENTS

(Bacardi Global Brands Ambassador Survey 2020)

43% FERMENTS
(E.g. Kombucha/Kefir)

43% ZERO-WASTE INGREDIENTS

38% COFFEE

33% FLAVORED TONICS

31% FLAVORED SODA

30% FRESH FRUIT/BERRIES

30% HERBS/HERBAL

27% AROMATIC/FLAVORED BITTERS

26% COCONUT WATER

23% FERMENTS
(E.g. Beer/Cider/Ale)

22% TEA

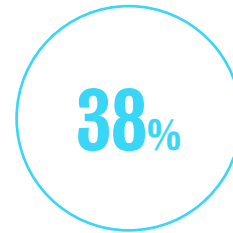
this will result in innovative takes on comforting classics, such as smoky vanilla cold brew and bubble gum seltzer.⁸

Julian de Féral, an award-winning bartender who is now an international drinks consultant, echoed this sentiment in an article for Imbibe, forecasting a return to tiki and disco drinks that he believes are the 'great survivors' of the modern cocktail landscape. 'These were styles born of a need for escapism during times of economic depression, so in fact, history would indicate we might indeed see a continued rebirth of these drinks, albeit with some fine-tuning.'⁹

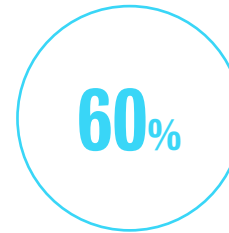
Bubbles reflect this escapist mood, with sparkling drinks such as gin

and tonic and spritzes among the majority of the Western Europe market's top five RTD and ready-to-serve (RTS) options. Ice-laden drinks are set to satisfy our desire for the taste of summer, whether we're traveling abroad or not. Evolving from the previous year's frosé and champagne slushies and frozen fruit beers, hard slushies in 2021 will offer fresh flavor profiles and creative takes.

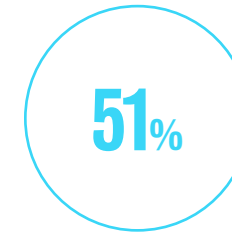
Interestingly, caffeine-laden drinks are also growing in popularity. In North America, 46% of Bacardi brand ambassadors noticed increased interest from bartenders for coffee and tea ingredients.



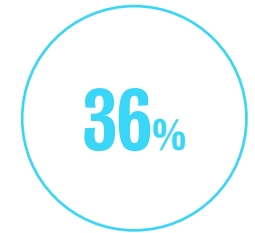
38% of U.S. consumers state that they would be most interested in reinventing, revisiting or creating more margaritas, up from 11% from the previous year.



The best premiumization opportunities in North America lie in tequila (60%), dark rum (32%) and mezcal (29%)



Gin still dominates global markets (51%), with bartenders in the UK showing 58% interest. Gin and tonics still riding high as drink of choice.



In Western Europe, 36% of bartenders see gin as a huge opportunity for premiumization.



TEQUILA TRENDING HIGH IN NORTH AMERICA

- Tequila interest in North America is the strongest in the world and still growing (up 28%) driven by a resurgence in margaritas (+27%) and other tequila cocktails (21%)
- Tequila continues to premiumize globally, up another 15% from last year. Margaritas are emerging as a strong cocktail and RTD trend

GIN IS BOOMING IN EUROPE

- Globally, gin is the spirit of most interest to bartenders, up 10% from LY
- Western Europe bartenders are among the biggest Gin fans globally (sales growth in UK, France, Italy and Germany)



(Bacardi Global Brand Ambassador Survey 2020)

DARK SPIRITS CONTINUE TO RISE GLOBALLY

45%

VODKA SODA & FLAVORS

Rum is very steady compared to last year (26%) – 7th place globally, strongest in Latin America

12%

BOURBON

Bourbon interest surged 12% in North America

24%

SINGLE MALTS

Single Malts is at 24% global interest (+7%), with the highest growth in Latin America (33%) and North America (22%)

12%

PREMIUM WHISKY

Blended premium whisky interest jumped 12% in Western Europe

7TH

WHISKY HIGHBALL

7th globally trending cocktail with greater excitement in Eastern Europe



GLOBAL

HEAT will be KEY, with cocktails such as the CHILITINI, CHILI WHISKEY SOUR, CHILI LIBRE and CHILI BLOODY MARY. This also reflects a wider shift toward FRESH ingredients, including GINGER.⁹



TRADITIONAL COCKTAILS WITH A TWIST

New and creative ingredients will add a fresh perspective to classic drinks when we're back at the bar. As reported in the McCormick Flavor Forecast, heat will be key, with cocktails such as the chilitini, French chili 75, chili whiskey sour, chili libre, and chili bloody mary. This also reflects a wider shift toward fresh ingredients, including ginger.¹⁰

Undoubtedly, our palettes will expand further as premium spirits markets develop in Africa, the Middle East, and Asia. Cocktails will become a way to travel the

world, as restrictions drive consumers to seek new ways of experiencing international tastes and cultures. Drinks will offer escapism through flavor and will offer moments of everyday luxury.

Our diets are driving an appreciation of complex flavors that we cannot replicate at home, and cocktails will offer new profiles to meet these desires. The 2021 Culinary and Cocktail Trend Forecast, produced by Kimpton Hotels and Restaurants, states that with fewer drinking occasions available, we'll opt for more unusual and elaborate cocktails.¹¹

MACRO TREND 3:

BAR REINVENTION

THE DRINKTELLIGENT GENERATION

Post-lockdown, consumers armed with newfound knowledge and appreciation of spirits and cocktails will fuel a reinvention of the bar. Venues will step up to offer more personalized and unique concepts for this spirits-savvy customer, who will seek out deeper connections with bartenders in order to learn even more.

Respondents to the Nielsen CGA On-Premise Survey concur, predicting that many of the creative solutions developed in 2020 – cocktails-to-go, delivery of cocktail and meal kits, and escalation of e-commerce – will endure when restrictions ease. We could

“Last year saw many people practice the art of mixology at home, using what they had on hand to master some classic cocktails. We think in 2021 that knowledge will lead them to experiment more, upgrading their home bars with premium spirits, seeking out new drinks and flavors, and once it is safe to do so, heading to their favorite bars with new appreciation and thirst for cocktails created by their local bartender.”

Jacob Briars - Head of Advocacy for Bacardi

see venues and bartenders playing with menus, offering changing weekly options according to stock levels, and special drink deals as well as virtual classes, tastings and happy hours.

According to the Bacardi Holiday Survey 2020, this new consumer mindset is already visible, with 20% of customers now keen to sample drinks that they would never have tried pre-lockdown. This attitude will see consumers keen to experience new flavors as they reacquaint themselves with their favorite hospitality venues, many of which will have dramatically changed.

In response, we'll see cocktails-



GLOBAL

20% OF CUSTOMERS NOW KEEN TO SAMPLE DRINKS THAT THEY WOULD NEVER HAVE TRIED PRE-LOCKDOWN.

(Bacardi Holiday Survey 2020)



THE SPIRITS BARTENDERS ARE SEEING CONSUMERS ORDER FOR THEIR COCKTAILS-TO-GO GLOBALLY ARE GIN (64%), RUM (55%), TEQUILA (52%) AND VODKA (43%)

(Bacardi Global Brand Ambassador Survey 2020)



GLOBAL

“I think home bartending is a good thing for the bar industry. It could be a catalyst to bolster consumer and home bartender knowledge, and appreciation of spirits, cocktails and bars in general.”

Richard Boccato – Owner of renowned New York City cocktail bar Dutch Kills.¹²



to-go elevated to premium products, while personalized experiences will emerge and become mainstream. Bars will make, store, and refine your preferred cocktail batch to ensure it's always ready and waiting.

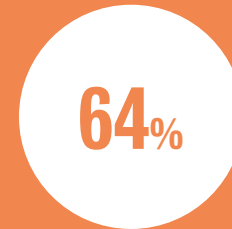
Sommeliers will evolve beyond the confines of the wine category into the premium spirits' sphere. They will have a place in the developing cocktail markets in Africa and the Middle East, and will introduce consumers in other parts of the world to new choices: for example, African-distilled gin has already been embraced by London's The Savoy, The Connaught and Dukes

Bar, and Sydney bars Maybe Sammy and The Barbershop.

This will help improve flavor profiles and free up precious time for bartenders. Concepts like pre-batched cocktail brand, TAILS, which has pioneered a hassle-free approach to serving pre-made premium cocktails, will likely rise in popularity as bartenders seek ways to serve great-tasting cocktails easily, quickly, consistently, and at scale.



In the UK, 48% interested in ordering drinks from pubs, bars and restaurants for delivery.¹³
(Statista)



The Eastern Europe market focused on gin for to-go options, while in Latin America the focus was on rum and tequila for cocktails-to-go choices.
(Bacardi Global Brand Ambassador Survey 2020)



GLOBAL

DEMOCRATIZING THE BAR

As an industry, hospitality has been slow to embrace digital transformation, but the pandemic has resulted in a multitude of new digital platforms. Apps now enable easy ordering and payment through a range of methods, and bars are being demystified through better online menus.

While digital platforms can't replace human contact, the Bacardi Global Brand Ambassador Survey shows that bartenders were exploring digital solutions in late 2020 and will continue to do so into 2021. As we move through this decade, these solutions, combined with new emerging technologies, will facilitate a new level of comfort for customers and make bars more accessible to everyone.

There will be a more open and positive bar culture that seeks

to address issues, including the gendered stereotypes and tropes that are inherent to cocktail culture. Inspired by similar movements in genderless beauty, alcohol bottles for post-category drinks will be redesigned. Masculine and feminine stereotypes will be removed in favor of genderless designs, such as medicine-style bottle shapes.

Some clues to this direction can already be seen in the huge popularity of drinks such as hard seltzers among men and women in the North American market, appealing to the health-conscious and those seeking convenience. 53% of U.S. bartenders agree there is interest in hard seltzers compared with 25% globally.¹⁴ The trend is yet to take off in Western Europe but did experience a small increase of 6% last year, with room for growth in 2021 and beyond.¹⁵



40 million

Women in the UK now drink 40 million more glasses of whisky a year than they did in 2010, a rise of 15%, compared with a decline of 6% among men, according to market research firm Kantar.¹⁶



GLOBAL

MACRO TREND 4:

POST-PURPOSE BRANDS

WHOLE SYSTEMS THINKING

Pushing back against purpose-washing and jumping on the bandwagon, spirits brands will embrace imperfection and focus on improving sustainability and transparency in 2021 and beyond. As consumers become increasingly aware of the impact of alcohol

production on the environment, brands are responding. Bespoken Spirits has developed technology to precisely tailor spirits for aroma, color, and taste in just days without the need for maturation or distilling. This removes the need for traditional processes, such as barrel aging, and reduces waste.

“We know that people are increasingly thinking about the green credentials of the drinks they choose to enjoy. Doing the right thing by the planet and our customers is incredibly important to us. So from reducing energy and water use during production, to working with online retailers to reduce packaging, to launching the world’s first 100% biodegradable spirits bottle in 2023, we’re doing everything we can to do just that.”

Jean-Marc Lambert - Senior Vice President, Global Operations for Bacardi

 **34%**
**of UK consumers plan to
be more environmentally
friendly in 2021.**

(Bacardi Holiday Survey 2020)



The very real threat of climate change has seen some companies pivot in response. Following wildfires in their respective regions, the Hoopes Vineyard in California and Archie Rose Distillery in Australia turned their smoke-tainted grapes into brandy and vermouth as a way to rescue their produce.


Moving into 2021, plastic packaging and the environmental impact of home deliveries will be at the forefront of people's

minds as they emerge from lockdowns, which necessitated a reliance on e-commerce.

Spirit brands are responding, and there are notable developments from premium names. Bacardi is paving the way, recently announcing the development of a biodegradable bottle – the world's most sustainable spirits bottle – which will be rolled out by 2023, replacing 80M plastic bottles every year.



GLOBAL



Nearly 70% of consumers in the U.S. and Canada think it is important that a brand is sustainable or eco-friendly, according to a study by IBM and the National Retail Federation.¹⁷

(IBM and the National Retail Federation)



GLOBAL

HYPERLOCAL DRINKS

While the move toward local drinks has been gaining ground in recent years, driven by a desire for sustainability, the pandemic has exposed the reliance on global supply chains.

Restaurants and bars heavily reliant on imports faced grave challenges. Andrew Yap of the Old Man Singapore bar told The Drinks Business that he experienced longer waiting times for some spirits and ingredients, such as kaffir lime.²⁶ Such scenarios mean that bars and restaurants are accelerating their use of local ingredients and creating more agile supply chains.

New production methods can help to shrink supply chains. An innovative

Austrian company, Print a Drink, has developed a method of 3D printing that suspends micro-flavor droplets in cocktails – thought to be a world-first in the field of beverages and liquid foods, as reported by Stir.²⁷

In 2021 we will see consumers follow through on their desire to support local brands and businesses, including bars and restaurants, which they developed during the Covid-19 crisis. According to a May 2020 survey by ZypMedia¹⁸, more than two-thirds (68%) of the 53% of U.S. consumers who bought from local businesses during the pandemic stated they would continue to do so post-crisis.

27%

27% of UK consumers want to support local shops, bars and restaurants in 2021, while one in five (20%) want to do more for their local communities.

(Bacardi Holiday Survey 2020)

36%

36% of U.S. consumers state they will continue to buy from local businesses instead of a national retailer post-pandemic.¹⁸

(ZypMedia)



58% of brand ambassadors in North America noticed increased bartender interest in **ZERO-WASTE INGREDIENTS**, according to the Bacardi Global Brand Ambassador Survey 2020.



Zero-waste bars are taking a holistic approach by focusing on the careful use of each ingredient, with less elaborate garnishes on cocktails, minimizing packaging and recycling or reusing. Bars committed to the zero-waste practice include Bisou in Paris, The Perennial in San Francisco, London's Sexy Fish, and Vesper in Amsterdam.

The Bacardi range of sustainable cocktails was

available exclusively at some of the UK's leading bars for Zero Waste Week 2020. During the event, customers were able to order all-new 'conscious cocktails': the Super Sustainable, which repurposes ingredients left over from other cocktails, was available at the Stratford Hotel, while the Problem Solved – a whiskey-based cocktail featuring grapefruit, orange and lemon peels – was offered at Edinburgh's Panda & Sons.

“We look at every ingredient, whether it is a garnish, a distillate or a preparation such as a cordial and ask whether we are getting the most flavor and utility out it.”

Rich Wood, - Head bartender Scout, author 'The Cocktail Guy'



MACRO TREND 5:

MINDFUL CONSUMPTION

RESILIENCE DRINKING

The no- and low-alcohol market shows no signs of slowing down in 2021. Embraced not only by non-drinkers but also those looking for more options, the no-and low-alcohol market is set to expand. Sober-curious consumers are emerging as a strong cohort. Similar

to flexitarians, who take a flexible approach to vegan and vegetarian diets, these people are embracing the full spectrum of 0-50 alcohol by volume (ABV) content available to them, adapting their choices to suit specific drinking occasions. Low-ABV are globally the most engaging cocktails to influential bartenders.

55%

Globally 22% consumers are drinking less, while 55% of mindful drinkers are consuming low-ABV drinks.

(Bacardi Global Brand Ambassador Survey 2020)

63%

In 2020, 63% of U.S. consumers planned to drink or offer more no- and low-alcohol options.

(Bacardi Global Brand Ambassador Survey 2020)

36%

More than a third (36%) of consumers across the UK, France and Germany planned on enjoying more no- and low-alcohol cocktails in December 2020.

(Bacardi Holiday Survey 2020)

-10%

Overall alcohol consumption was set to decline by 10% in the UK in 2020, a gap that could potentially be filled by the no- and low-alcohol market.¹⁸

(IWSR 2019)

24%

In Germany, 24% of consumers are planning to take part in Dry January. Only 6.8% say they have done so before, representing a clear increase in interest.

(Bacardi Holiday Survey 2020)



“We know people are stepping up their cocktail game with premium spirits, putting quality over quantity, and at the same time, are intrigued by the explosion of new alcohol-free spirits available to choose from.”

Marine Rozenfeld - Innovation Development Lead for Bacardi for Western Europe, Australia & New Zealand



“What really stands out in our insights is how huge mindful drinking has become in Western Europe this year – it is the NoLo capital of the world. As lockdown impacted our lives and routines, not only did people begin to seek out lower-ABV cocktails, they also enjoyed cocktails a little earlier than usual and started experimenting with longer drinks and alcohol-free options. That meant mindful drinking really took off and it’s here to stay.”

Brenda Viala – Global Vice President, Strategic Insights and Analytics for Bacardi

This flexible approach has led to low-ABV cocktails, which provide an alternative daytime drink for those who are keen to reduce their alcohol consumption. We’ve already seen the rise of spritz culture, with people embracing the low-proof, leisurely drinking afforded by a ST-GERMAIN® Red Zinger Spritz, for instance, and this looks set to continue.

Globally, 0% ABV spirits have received more interest than any other spirits category – for the second year running. And despite headlines surrounding increased alcohol consumption last year, the Bacardi Global Brand Ambassador Survey 2020 reveals bartenders feel that the pandemic has accelerated the 0% trend, with consumers more

open to trying 0% options as their usual routines are upended, more experimental ways of living emerge and new goals are set.

This market is now in exponential growth. Bacardi forecasts that the no- and low-alcohol spirits category will grow by from \$100M to \$500M RSV in Western Europe by 2024¹⁹, while brands such as Everleaf and Haus are catering to a Millennial and Generation Z consumer who is mindful of their physical and mental health.

Bars are starting to take note of this huge shift, with many bars beginning to adopt hybrid menus that offer all drinks in both alcoholic and non-alcoholic versions.



GLOBAL

83%

In Eastern Europe, 83% of brand ambassadors stated that bars were offering low-ABV cocktails, compared to 37% globally.

(Bacardi Global Brand Ambassador Survey)



FREE-FROM

A shift towards a more mindful approach has seen the same care we take when choosing what we eat slowly filter down to encompass what we drink. Consumers who desire to eat less processed food with fewer artificial additives and reduced refined sugar are applying this logic to drinks, with future-thinking brands emerging to tap into this growing base.

Nordic Spirits Lab produces a distilled gin with akvavit botanicals (coriander, angelica, lemon peel, caraway or dill) and

an aperitif featuring the taste of raspberries and rhubarb, avoiding the use of artificial sweeteners, additives, and flavorings.

Other spirits are embracing a free-from approach too. Mezcal is emerging as a strong favorite; the spirit is a cleaner drink as by legal requirement it is made from 100% agave, and offers small-batch artisan credibility, much like the craft beer scene, which has become an important part of the drinks industry in recent years.



75%

Almost three quarters of people worldwide plan to eat and drink more consciously as a result of the pandemic.²⁰

(Beneo)

FUNCTIONAL ELIXIRS

The pandemic has ushered in a new focus on mindfulness and wellbeing, with anti-viral diets being favored by many who prioritize a minimum five-a-day fruit and vegetable intake alongside plant and botanical ingredients and superfoods.

This shift has sparked a wave of cookbooks catering to our desire to get more use from food - from anti-inflammatory to brain-boosting diets. Healthy gut bacteria has become a popular area of focus, as it is thought to multiple aspects of wellbeing.

Jin Jin cordial offers to bring the benefits of cultured enzymes to drinks. The cordial uses a traditional fermentation technique from Japan and combines more than 35 fruits,

vegetables, and mushrooms as well as lactobacillus – a ‘super probiotic’ that defends the body from unwanted bacteria, aids digestion, and bolsters nutrient absorption. Molson Coors’ recent probiotic and non-alcoholic seltzer launch is an important milestone in this movement going mainstream.

Immune-system boosting ingredients have come to the fore, providing a way for consumers to feel reassured they are doing their best to maintain their health. “Immunity is one of the hottest topics out there right now, and flavors that consumers recognize as immunity-boosting, such as turmeric, elderberry, echinacea, citrus and berry flavors, will perform well with people who are looking for a quick fix in their diet,” says Alex Massumoto, marketing associate at Synergy Flavors.²¹

23%

23% of Britons saying they are eating more fruit and vegetables since the outbreak of the virus.²²

(Mintel)

“The global functional beverages market size is predicted to have a CAGR of 8.66% in the period of 2019–2024, rising to \$208.13 billion by 2024.”²³

(KPMG Insights)

WESTERN
EUROPE

NORTH
AMERICA

63% of respondents stated there was an interest in ferments such as **KOMBUCHA** and **KEFIR** in Eastern Europe, according to the Bacardi Global Brand Ambassador Survey 2020.



The market for functional ingredients is further evidenced by the Bacardi Global Ambassador Survey which reveals that ingredients of interest among bartenders are ferments (such as kombucha and kefir), herbs and fresh berries.

In the wine market, alternative vintners are emerging that offer a way to combine non-alcoholic wines with health-benefiting ingredients. Ambijus, from Norway's leading non-alcoholic specialist Leske, is an alcohol-free alternative to wine made with apples, juniper berries, herbs and roots and using fermentation, cold brewing and steeping. Similar innovation is expected to reach the cocktail market soon.

“In the 14 weeks to 6 June, U.S. sales of ginger rose by 94%, while turmeric and garlic sales were up by 68% and 62%, respectively, compared with the same period in 2019.²⁴

(Global Wellness Institute)

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