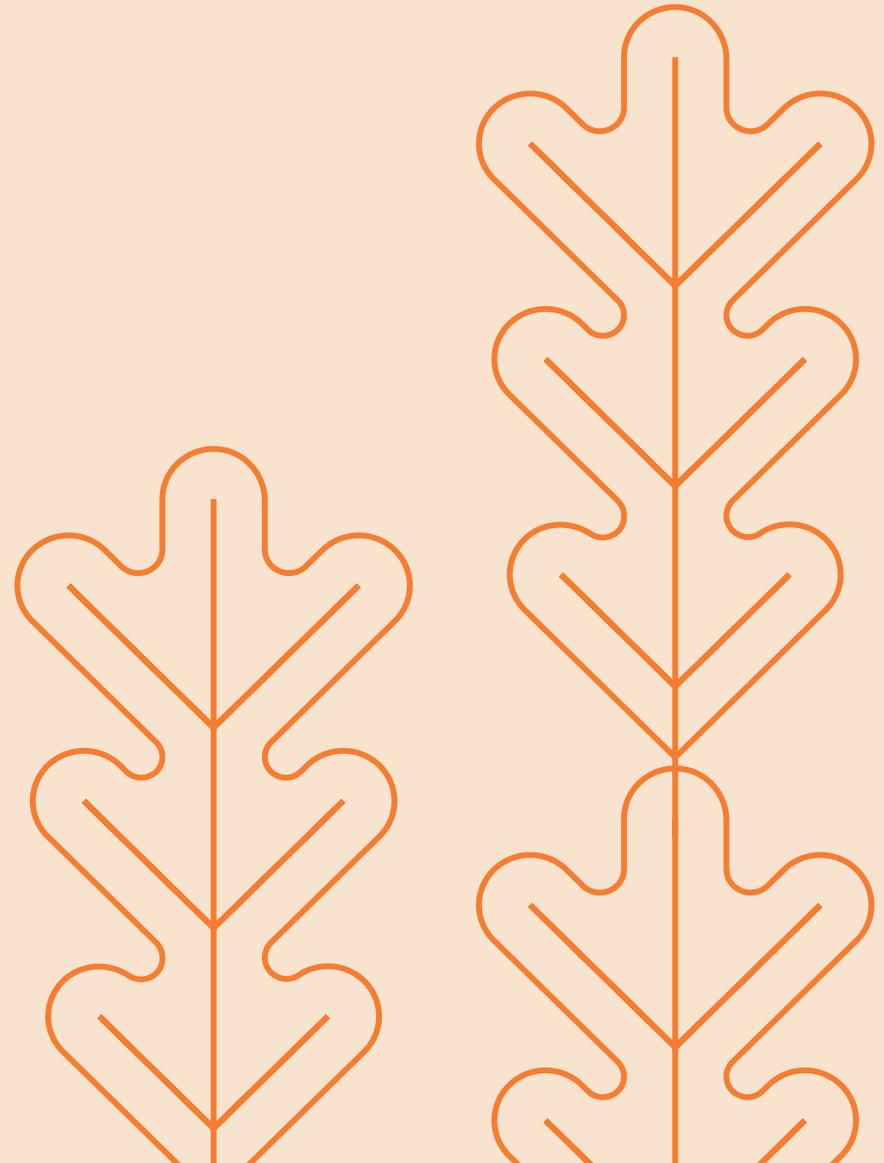


# Spirits Trends

2021



# What to Expect in 2021

“The New Normal?”

**There Is No Such  
Thing as Normal**

What a year 2020 was. A global pandemic shook the world, particularly the service industry. Consumers adopted many new behaviors, and businesses pivoted accordingly. From online shopping to takeout cocktails, these new behaviors and business practices are here to stay even if COVID-19 isn't. So even if this year was one no one saw coming, the following trends can help us better predict what 2021 may bring.

Trend 1

# Uncompromisable Convenience

COVID-19 created a need for at-home alternatives to on-premise drinking, like to-go cocktails and RTDs. These alternatives are now increasing in popularity – not just out of necessity, but because of the convenience they provide.

Trend 1

## Uncompromisable Convenience

### Now

#### COVID-19 Constraints

Coronavirus and quarantine have driven the adoption and preference of new alcohol purchasing methods and innovative at-home drink products, like RTDs and to-go cocktails.

### Near

#### New Expectations

Despite the unease that COVID-19 created, the convenient solutions that emerged will increase expectations for ease in every aspect of life. Expectations for easy-to-order, -transport, -drink, -create and -consume alcoholic beverages will continue to rise.

### Next

#### Convenience

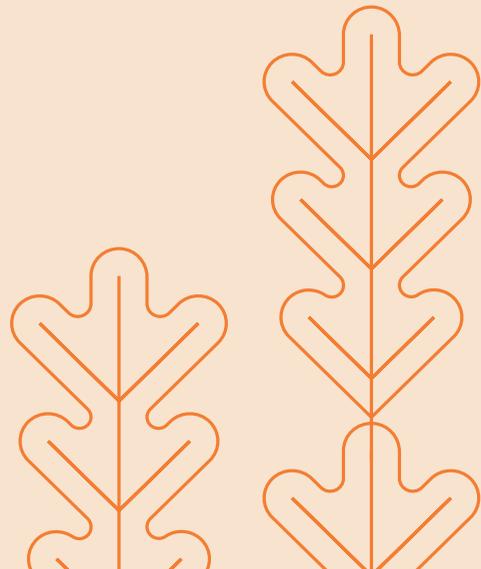
As expectations for convenient drinking experiences increase, so will an unwillingness to compromise quality. Consumers will refuse to compromise beverage taste and drinking experience for convenience. So expectations for super-premium brands to provide convenient drinks will also rise.

Trend 1

## Uncompromisable Convenience

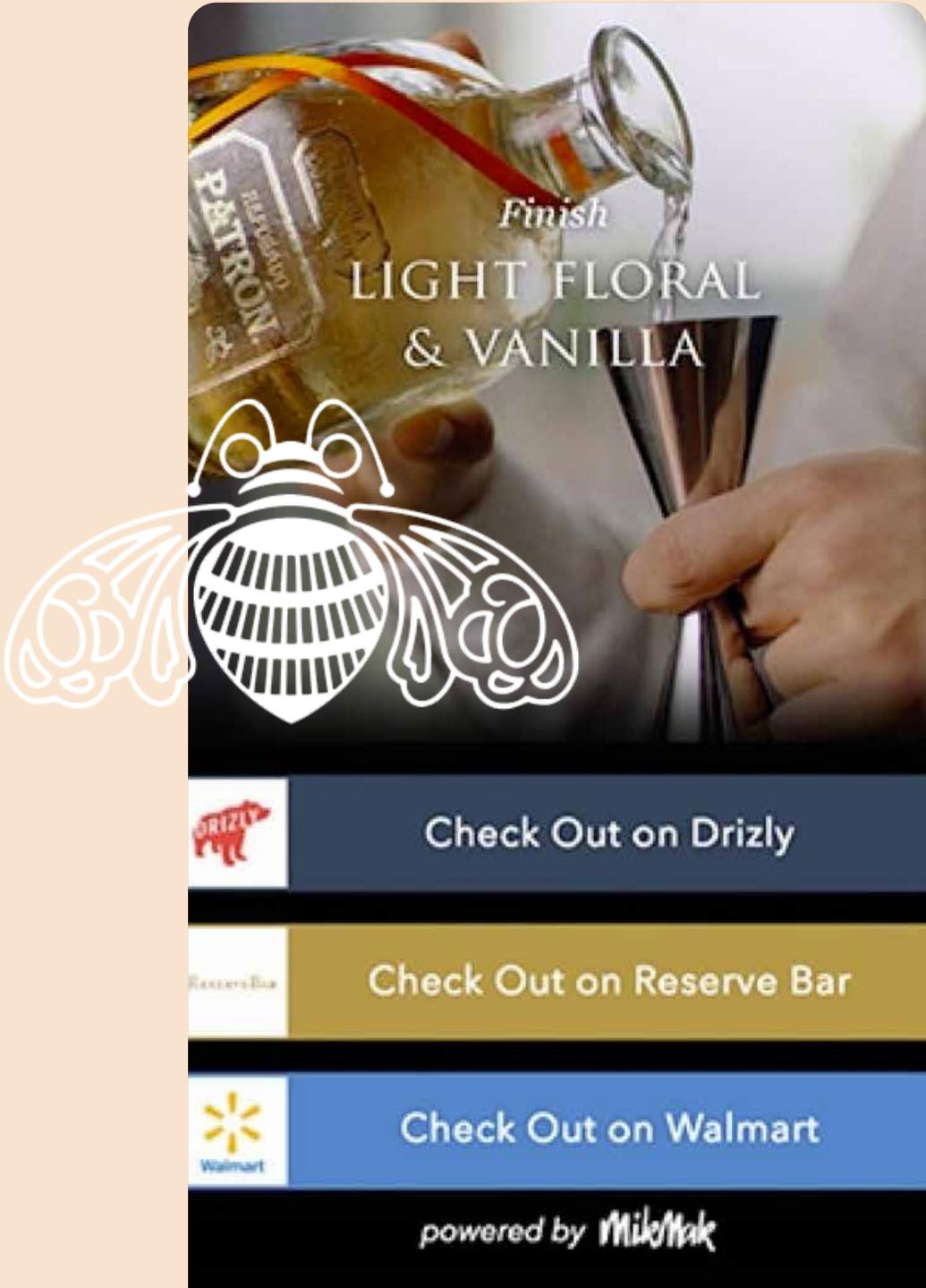
48%

of online alcohol shoppers say they purchased alcohol online to avoid shopping in-store due to the coronavirus.



# Swipe Up for Shots

PATRÓN TEQUILA



TEQUILA  
**PATRÓN**



Patrón used Instagram Stories to create on-demand tequila delivery.

Users in 48 states can now “swipe up” on Patrón’s Instagram Stories’ ads to order tequila through Drizly, Instacart or ReserveBar.



During the U.S. Open, Grey Goose partnered with Sourced, a company that specializes in delivered cocktail kits, to deliver consumers the ingredients to make the Honey Deuce, the signature drink of the U.S. Open.



GREY GOOSE X SOURCED

**U.S. Open Cocktail Kits**

# Scotch in a Can

PURE SCOT AUSTRALIA



PURE SCOT®

Pure Scot's Signature & Tonic is available in two different high-strength, all-natural, premium canned cocktails. With the rise of in-home consumption in the wake of the pandemic, Pure Scot Whisky decided to bring its favorite recipes to consumers in a ready-to-drink format. A light refreshing taste that will bring scotch to a new group of drinkers.

Trend 1

## Uncompromisable Convenience

### Takeaways

#### 1 Online Alcohol Retailing

As consumers continue to purchase alcohol online, newer brands will have to work extra hard to be discovered by finding innovative ways (like smaller bottles, discount codes and virtual tastings) to drive trial. Established brands should encourage repeat purchase through online retailers by integrating them into their digital channels and even encouraging subscription.

#### 2 Premium Convenience

As expectations for convenience without compromise increase, consumers will look to premium brands to make their drink experience more accessible with products like RTDs and to-go cocktails.

#### 3 At-Home Cocktailing

Despite the demand for convenience, consumers are intrigued by the art of mixology and have grown their at-home bars accordingly.

Tap into this new desire to cocktail conveniently by providing consumers with cocktail kits and tips to make their mixology experiences easier.

Trend 2

# Value Redefined

Increasing economic uncertainty has made consumers re-evaluate what is important to them and what they spend their money on.

However, they still want to treat themselves with elevated products from time to time. So they may need an extra nudge from brands to justify these indulgences.

Trend 2

Value

Redefined

## Now

### Less But More

Consumers are purchasing less alcohol but aren't purchasing cheaper alcohol. Many consumers are still purchasing the brands they love or are even treating themselves to more premium liquid.

## Near

### Redefining Premium

While heritage cues have traditionally indicated premium spirits, younger affluent consumers are looking for new premium cues such as modern packaging and locations where available (e.g., exclusive bars).

## Next

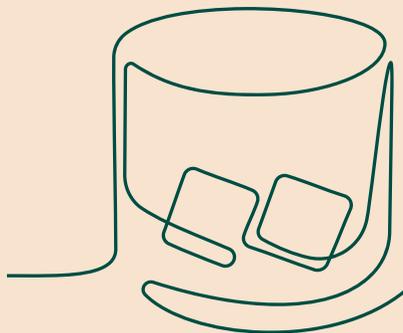
### Value With Values

Consumers are willing to spend slightly more on ethical or environmental brands that can be substantiated. They will start to expect value products with ethical values.

# Evidence

## New Attributes Indicating Premium-ness

Premium Spirit Indicators, by Spirit Consumer Segmentation, September 2020  
“Which of the following attributes indicate a spirit is premium? Please select all that apply.”

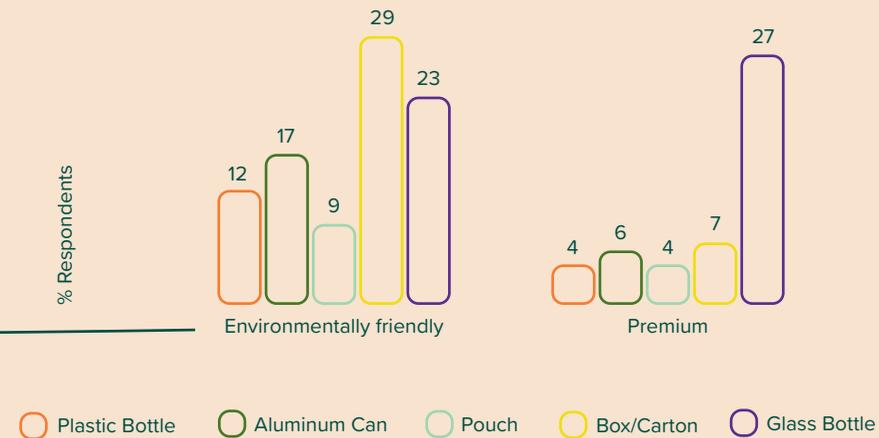
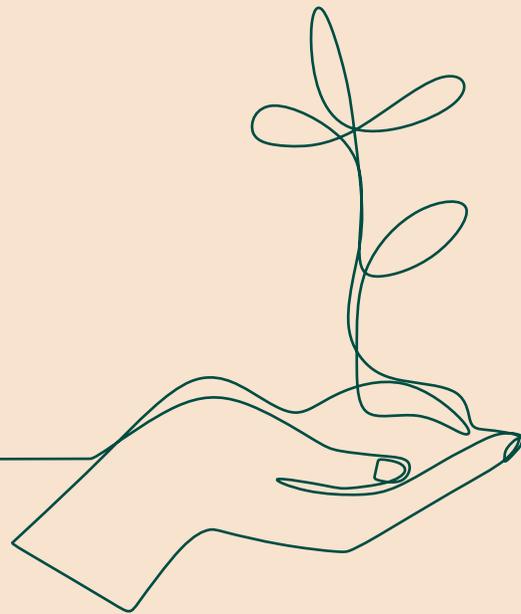


# Evidence

## Environmentally Friendly Packaging Gaining Traction

### Beverage Packaging Type Associations, April 2020

“Which of the following words/phrases do you associate with each of these beverage packaging types? Please select all that apply for each packaging type”





To avoid leftover beer going to waste, Ethical Spirits recycled 80,000 beers and turned them into a spirit that is thicker than traditionally produced gin. A portion of proceeds from REVIVE Gin will be going toward Music Cross, a nonprofit aid fund that supports Japan's live music industry.



ANHEUSER-BUSCH X ETHICAL SPIRITS (JAPAN)

# Revive Gin

# CommUNITY ITO

MAKER'S MARK



The LEE Initiative, in partnership with Maker's Mark, released a limited-edition "CommUNITY Batch." This special release was created exclusively to support trade and hospitality partners across the country. 100% of bottle proceeds will be benefiting The LEE Initiative in its mission to create a more diverse and equitable restaurant industry.



# Drinking Less But Treating Ourselves

Despite market volatility, consumer interest in premium spirits remains an overarching trend that will outlast the pandemic.



Trend 2

Value

Redefined

## Takeaways

1

### Value Isn't Static

The environment and disruption to it redefine how consumers define value. The disruption from DTC brands and the increasing importance of community and brand purpose forced legacy brands to pivot.

2

### Ethical Expectations

In the next five years, consumers will use brands' commitment to sustainability and ethics to evaluate the brands' values. Brands will be held to a higher standard and will be expected to prove their commitment to CSR efforts.

3

### A New Style of Premium

Visual cues of premium in the spirits market are shifting. From dark, traditional, textured visIDs that signal heritage to fresh, modern, sleek IDs that signal innovation and progression. Brands should re-evaluate what they are signalling to the new generation of spirits drinkers.

Trend 3

# United By Brands

COVID-19 strengthened consumers' sense of community. As the need for connection and support increases, consumers will organize in like-minded communities.

Trend 3

United

By Brands

## Now

### Engaging Fans

By creating content and experiences that help brands tap into their consumer identities, brands can find ways to become parts of their identities.

Like providing consumers with new ways to define and express themselves through their favorite drinks.

## Near

### Facilitate Connections

Brands will look to facilitate connections between fans based on the fans' shared interest, their brand. Brands should provide platforms for fans to engage with each other and share their common interests and passions.

## Next

### Be Mobilized

Once brand fans have been connected, they will look to the brand for guidance on how to collectively make a difference – whether that be donating, volunteering or helping the brand make a positive impact.

# Congga Challenge

BACARDÍ X DIVERSITY



**BACARDÍ**®

Members of UK dance troupe Diversity have partnered with Bacardí to deliver online dance classes. Ticket holders are invited to submit videos of themselves during the classes for inclusion in a music video.



# National Girls Night In

KETEL ONE BOTANICAL X NGNI



## Ketel One VODKA

One Botanicals Spirit launched a National Girls' Night In to provide discount and activity ideas for groups of girls to have the perfect night in (even if it has to happen virtually). From discounted spa treatments to healthy recipes, the brand hopes to encourage like-minded women to embrace self-care culture.

**Ketel One**  
BOTANICAL  
*Real Botanicals. Real Flavors.*

### ROSY GLOW

*Slightly spicy, zesty and aromatic, this cocktail is the perfect summer so-fall for any Girls' Night In.*

#### RECIPES

1.5 oz. Ketel One Botanical Grapefruit & Rose  
1 oz. Fresh Lemon Juice  
3 dashes Agave Syrup  
1 oz. Fever Tree Botanicals Light Ginger Beer  
2-3 Raspberries  
1 slice Ginger  
1 slice Lime

#### PREP

Lightly muddle raspberries and combine with the first three ingredients in a shaker.  
Add ice and shake vigorously.  
Strain contents into a wine glass over fresh ice and top with ginger beer.  
Garnish with fresh ginger and lime.

PLEASE DRINK RESPONSIBLY

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During quarantine in the UK, virtual trivia nights blew up. BrewDog, the Scottish craft beer brand, jumped on this trend and created weekly “virtual bars” where users could participate in pub trivia and socialize safely with each other.



BREWDOG

# Virtual Bar and Pub Trivia

# Online Tip Club

SKOL



## **SKOL**

September 2020 saw Brazil-based beer brand Skol partner with Zé drinks delivery to launch Clube da Gorjeta (“Tip club”): an initiative to help servers impacted by the pandemic.

When customers order Skol products through the Zé delivery app or website, they can send their invoices to the Clube da Gorjeta platform. 10% of the sale is sent to servers they know personally or to a fund equally distributing the tip money to registered professionals.

Servers automatically receive their tips after signing up for the cashback and coupon platform Méliuz.

Trend 3

United

By Brands

## Takeaways

1

### Take Interest to Engage

The pandemic has emphasized the impact of content on consumption behaviors. The most impactful is engaging content that appeals to consumers' personal interests. Brands need to start taking interest in consumers' interests to produce engaging content.

2

### Facilitate Don't Force

Successful brands will provide platforms that will help their consumers connect with each other in organic ways. If brands try to force connections, it will feel inauthentic and consumers will resist.

3

### Activism Resource

It's clear that consumers are expecting brands to make a difference. However, the most effective brands won't be those that select a cause to support. It will be those that provide their consumers with the resources and platform to support and mobilize the causes they believe in.

Bonus Trend

# Power of Partnerships

Consumers expect brands to provide them with unique, memorable products and experiences at the snap of their fingers. These expectations are driving brands to link up with other brands and share resources to meet these expectations in an agile manner.

# Partnership Examples

Partnerships allow brands to create engaging experiences and innovative products and distribute their products in new ways to achieve their goals.

## Experience Partnerships



## Product Partnerships



## Distribution Partnerships

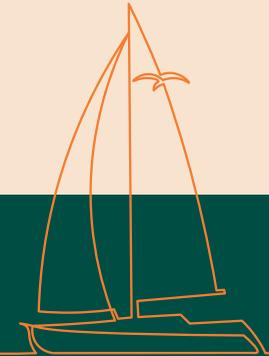


## Purpose Partnerships



Mintel, 2020  
& Trend-watching, 2020

## Takeaway



No brand  
is an island.

Consumers are excited about  
the outcome of partnerships  
between brands.

# Questions?

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