

Drinking to the Future

Trends in the Spirits Industry



>>> The perfect mix

Innovation

Key to generate excitement & attract new consumers

Flavours

In the US, the flavoured vodka category expanded by 25% between 2010 and 2011

Mixed-category variants

New combinations of different spirits in one bottle, like Malibu Red: Malibu + Tequila

Packaging

Ready-to drink mixed cans and pouches allow for greater convenience for the consumer



Premiumisation

Premium spirits are growing despite a lack of economic growth in developed markets

Affordable luxury

88% of consumers consider spirits an affordable luxury, they look for quality & value

Craft spirits

Provenance helps to reinforce premiumness. There are more than 250 craft distillers in US (vs. 24 in 2000)

Super-premium brands

Sales are rising, as consumers look for ways to stand out from the crowd

Redefining marketing

Finding new ways to resonate better with consumers

Aspirational advertising

Aimed to generate greater emotional engagement, relating to things drinkers care about

Online engagement

Use of social media and apps to connect with younger consumers and create excitement

>>> Opportunities: emerging markets are thirsty for imported spirits



16% growth of sales of imported spirits in 2012. 250% growth since 2001



25% growth of imported spirits per year



10% annual growth of consumption of imported spirits



48% rise of Brazil's scotch imports in 2011

>>> A potential threat: prospect of increased regulation in key markets



Potential new law enforcing a minimum cost of 45p per unit in England & Wales



Alcohol advertising has been banned, along with drinking in public places