



BACARDI

Cocktail

TRENDS REPORT 2022

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Introduction

Events of the past two years haven't just changed the world; they have accelerated the ways in which we engage with it and the technologies we use to do so. If 2021 was about the world recalibrating and finding its feet after a period of unprecedented turbulence, 2022 will be remembered as the year when the world began to flourish again.

Pent-up demand will be unleashed into a hyper-accelerated landscape by consumers with evolved needs, values, and mindsets. For cocktail consumption and the spirits business in 2022, this will transform everything from drinks desired, flavor expectations, and drinking occasions through to ethical action and ways of creating cocktails.

In this report, Bacardi Limited, the world's largest privately held spirits company, looks ahead at the key trends impacting cocktail consumption and the spirits business in 2022. This report, made in collaboration with The Future Laboratory, 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.

"We've spent our time fretting about the new normal when we should be talking about the new extra-ordinary. The pandemic has precipitated scientific advancement, championed innovation, and ushered in a new age of collaboration, challenge, and accelerated change."

Martin Raymond, co-founder of The Future Laboratory

“

There's a sense of missed moments post-lockdown, and for consumers in many markets, 2021 has been about making up for those lost moments in time.

PEOPLE ARE GOING INTO 2022 WITH A SENSE OF MINDFULNESS AROUND MAKING EACH MOMENT MORE MEANINGFUL.

Spirits and cocktails have always served to elevate these moments and are now serving to make every celebration even more special.

”

Jacob Briars, Global Advocacy Director at Bacardi



MACROTREND 1

Luxury LIBATIONS

Evolving post-pandemic attitudes are driving premiumization across drinks categories. Increasingly discerning consumers – who spent much of the past year at home improving their mixology skills – have a stronger desire for better, more luxurious spirits and are driven to seek high-quality cocktails.

SPIRITS, BETTER THAN EVER

Faced with lockdowns and stay-at-home orders, people across the world have spent the past two years experimenting with cocktail creations and learning more about the spirits they enjoy. As a result, discerning attitudes are emerging among new alcohol connoisseurs, who are seeking out high-quality drink experiences – driving another wave of premiumization across spirit categories.

According to the Bacardi Global Brand Ambassador Survey 2021, **50% of bartenders globally report that their customers are drinking more premium drinks.** This represents an evolution in bar-goers' behavior since the start of the pandemic. The Bacardi Consumer Survey 2021 reveals that 75% of people in the United States say high-quality cocktails are important to them, while 50% of spirits drinkers in India and Mexico and 30% in the United Kingdom and Brazil plan to drink more premium cocktails in 2022.

Naturally, some spirits are experiencing this luxury shift more than others. Take tequila. Interest in the spirit is being driven by its continued premiumization, with the Bacardi Global Brand Ambassador Survey 2021 revealing tequila as the top trending spirit for 62% of bartenders globally, rising to 76% in the U.S. – up 16% from last year – and tequila-based cocktails ranking fourth out of 30 in terms of global popularity.

The tequila category has seen exponential growth due to surging consumer interest in the spirit, and this trend will continue through 2022 and beyond. Tequila and agave-based spirits appeal to a diverse consumer set. In the U.S., there's been a shift in the perception of tequila from a party spirit to a sophisticated sipping serve, which now sits alongside single malts. It is also a base spirit for some of the most popular cocktails, such as the margarita, the old fashioned, the negroni, and the paloma.

As ultra-premium tequila garners increased desire, PATRÓN® remains the leader in the category and is actively working on developing tequila interest in new markets outside the U.S. and Mexico, enticing and educating consumers through cocktail experiences.

Tequila and other agave-based spirits are benefiting from increased consumer desire for experimentation, with versatile flavor profiles blending well within cocktails. **The shift toward home-premise is leading to a rise in demand for both premium tequila and mezcal.** This is also impacting the bar experience, as people return to bars with a more appreciative and adventurous approach to their cocktail orders.



THIS IS A REALLY EXCITING TIME TO BE IN THE TEQUILA BUSINESS AS IT'S CURRENTLY THE SECOND FASTEST GROWING CATEGORY IN VALUE AROUND THE WORLD.

At PATRÓN, we've been paving the way for the 100% Weber Blue Agave category, and this vision has both led to the popularity of how tequila is being enjoyed in cocktails worldwide today, and driven our own story of success; enabling us to lead market share for tequila in the U.S. and the super-premium tequila category worldwide.



Kathy Parker, CMO of PATRÓN Tequila

SPIRITS, BETTER THAN EVER

Bourbon is another spirit on the rise around the world. The premiumization and handcrafted nature of the spirit is opening doors to new audiences. Bourbon brand ANGEL'S ENVY® has seen strong growth in the U.S., with consumers captivated by its hand-finished spirits that aren't afraid to improve on the classic tradition. In 2021 the Kentucky-based brand also expanded to select bars in Paris, Berlin, and Rome.

Elsewhere, we've also witnessed the growth of premium cognac, a shift encapsulated by the success of D'USSÉ®, co-owned by rapper Jay-Z and Bacardi. A bottle of the brand's ultra-rare Grande Champagne Cognac sold for more than \$50,000 at Sotheby's earlier this year.

A post-pandemic desire for luxury experiences is being felt across sectors beyond spirits, too. In China, the pandemic spurred a 10% boost in sales of luxury goods, according to Boston Consulting Group. It's not just about 'new' luxury either – \$25.4bn growth is also forecast in the secondhand market for personal luxury goods, according to Matter of Form.

“The average consumer typically follows the spirits categories that are igniting bartender enthusiasm. This is what's driving the current desire for bourbon and tequila, fueled by the popularity of the old fashioned and margarita. That, coupled with greater consumer understanding and appreciation of the character of these spirits, is intensifying desire. In the case of tequila, the education around 100% agave has driven drinker awareness and enhanced base-level expectations for quality, in turn moving the needle up a notch on consumer spend.”

Jacob Briars, Global Advocacy Director at Bacardi

SPIRITS CATEGORIES THAT ARE EXPERIENCING

premiumizing

TEQUILA

RUM – DARK

WHISKY – SINGLE MALTS

GIN

MEZCAL



GLOBAL



TOP 10 SPIRITS CONSUMERS EXPECT TO DRINK IN THE NEXT 12 MONTHS



PREMIUM PREPARED COCKTAILS

It isn't just spirits in bottles undergoing a premium revolution. Ready-to-drink (RTD) options have moved on from those available in the 1980s and 1990s. A focus on natural, low-calorie, and sophisticatedly flavored RTD options is emerging to meet the needs of discerning drinkers, who also want a great-tasting cocktail wherever they would like to have it.

People are gravitating toward premium prepared cocktails because they desire quality spirits, convenience, and portability. These latter characteristics proved integral to RTD growth in 2021 as the world became used to drinking outside or at home, and social occasions evolved. According to the Bacardi Consumer Survey 2021, **14% of consumers tried RTDs for the first time during the last 12 months**, with Nielsen revealing that the spirit-based RTD market alone surged 132% over the same period.

Looking ahead to 2022, the RTD phenomenon is set to grow further as offerings become increasingly focused on spirit-based prepared cocktails, moving beyond the initial popularity of malt-based and hard options. This is starting to happen on a global scale: Bacardi research shows that **41% of consumers across the world expect to be drinking RTDs in 2022**. In the U.S., 80% of consumers plan on drinking RTD cocktails in 2022, with two-thirds of respondents in India saying the same, followed by 56% in South Africa, 51% in the U.K., and close to half (47%) in Israel.

What kind of RTDs are exciting consumers? As the fastest-growing segment within the RTD category, spirit-based RTDs represent the go-to option. But, importantly, it's a case of the more premium, the better, with RTD offerings improving vastly in terms of quality. As a result, options such as BACARDÍ® rum canned cocktails and BOMBAY SAPPHIRE® Gin & Tonics through to PLUME AND PETAL® vodka RTDs and CAZADORES® 100% agave tequila RTDs are set to dominate consumers' choices in 2022.

The importance of the presence of premium spirits is brought into focus when comparing the performance of RTDs with other convenient options such as hard seltzers. RTDs' market share is growing at 15 times the rate of hard seltzer's share, according to spirits e-commerce delivery platform Drizly, showing just how vital premium spirits, as well as the associated quality and taste, are in the market.

“The RTD category will continue its ascent in 2022 as it unshackles itself from the bright, sticky, and cheap concoctions that defined its birth. Look forward to beautiful packaging, challenging flavor profiles, and quality ingredients superbly calibrated for maximum enjoyment.”

Chris Sanderson, The Future Laboratory

With forecasts from IWSR Drinks Market Analysis estimating that the **RTD category is expected to increase its market share to 8% of the total alcohol sector by 2025** across 10 key markets, up from a 4% market share in 2020, winemakers are investing in the ready-to-drink sector, while seltzer brands themselves branch out into spritzes and wine-based blends. As this market matures, expect to see RTDs make inroads within the on-premise as well.



MACROTREND 2

Digital DRINKING

The world of digital is redefining drinking, enabling cocktail enthusiasts to master mixology while delivering spirits directly to their doors.

AUGMENTED MIXOLOGY

During 2021 mixology moved into the home, with a generation of cocktail enthusiasts inspired by the constraints of the pandemic to become ‘at-home mixologists’. According to CGA, **47% of cocktail drinkers continue to explore domestic mixology in the post-pandemic world.** In 2022, expect to see people harness technology and digital platforms in the quest to create the perfect cocktails from the comfort of their homes.

While figuring out which new behaviors will sustain post-pandemic can prove difficult, it’s clear that the desire to experiment with cocktails is here to stay. Promisingly, consumers have never been better equipped to do so. In the U.S., 50% of consumers have a cocktail shaker, jigger, and strainer in their home, while in the U.K., 43% have a cocktail shaker at home, 37% own a spirit measure, and 35% have a strainer, according to the Bacardi Consumer Survey 2021.

Conditions are ripe for digital platforms to play in the sweet spot between this cocktail craving and at-home mixology. While last year we explored the role of Instagram in fostering new drinking cultures, now it’s all about TikTok, with cocktail content thriving on the video-sharing app.

Leveraging the popularity of the home-premise and desire for experimentation amongst resident mixologists, Bacardi created Mix Lab, an app launched initially in the U.K. and U.S., to provide more than 300 cocktail recipes to consumers making drinks at home, including classic serves and unique cocktails.

The innovative app gives consumers the experience of a personalized, well-crafted cocktail at home and the ability to create new drinks based on the ingredients they have on hand. Mix Lab also offers personalized recommendations curated by the platform and easy-to-follow video tutorials from expert bartenders to give people the tools they need to make cocktails like a pro.

Expect to see people taking to Mix Lab to find riffs on gin and tonics, margaritas, vodka sodas, and mojitos – the top cocktails consumers anticipate preparing in their home in 2022, according to the Bacardi Consumer Survey 2021. Other vodka-based cocktails – from espresso martinis to Moscow mules – should grow in popularity too, with vodka as the number one spirit consumers expect to be drinking globally in 2022. Also, expect to see people visit for connection, with Mix Lab supporting the bartending industry by giving them a platform to practice and share their craft with fellow cocktail enthusiasts.



EXPECT TO SEE PEOPLE TAKING TO MIX LAB TO FIND RIFFS ON GIN AND TONICS, MARGARITAS, VODKA SODAS, AND MOJITOS.



BRING IT TO ME

According to McKinsey, society experienced five years of digital transformation in the first eight months of the pandemic alone. This acceleration, combined with the rise in consumers creating cocktails at home, has expedited the sale of spirits online and brought an e-commerce era into focus.

“The number of people who’ve had their first e-commerce experience of buying liquor online has accelerated the timeline for this channel in an unprecedented way and will create a permanent change in our industry structure.”

John Burke, Global Chief Marketing Officer at Bacardi (about the first few months of the pandemic)

This perspective is now being realized, with **IWSR forecasting the total value of alcohol e-commerce across ten global markets to exceed \$40bn by 2024 – up from \$5.6bn in 2020 and \$3bn in 2019.**

Much of this growth is being driven by the U.S. More than 65% of consumers in the country use an online service to purchase alcohol, while 46% shop through supermarket and liquor store websites or apps and 30% through spirits e-commerce delivery platforms such as Drizly, Reserve Bar, and Cocktail Courier, according to the Bacardi Consumer Survey 2021.

With an increasing number of consumers relying on e-commerce, there is a need for logistics solutions that are fast, efficient, secure, and convenient. As alcohol e-commerce continues to boom, 2022 will see third-party services elevate, expedite, and secure the delivery of online orders, offering novel fulfillment options that meet enhanced expectations.

New concepts are already proliferating. We’ve seen static mailboxes reimaged as multi-functional storage for e-commerce deliveries and returns, brands turn logistics hubs into spaces for consumers to experience new products while picking up their packages, and services provide greater transparency to e-commerce order tracking in real time.

Hyper-local delivery will become another expectation as consumers seek to balance their desire for convenience with their desire for sustainable solutions. While the majority of consumers who shopped online during the pandemic used traditional shipping methods, roughly 28% received items through local delivery, according to Shopify, with new platforms like FastAF able to deliver goods to local customers in an average of 27 minutes. Appetite for such concepts is evident in the growth of start-ups like the U.K. based Getir, which promises to ship groceries to customers’ doors in just 10 minutes and is now valued at \$7.5bn.



MACROTREND 3

SEEKING

Sustainability

Consumers are developing a more holistic understanding of sustainability. Instead of focusing purely on environmental factors, 2022 will see consumers demand innovative, ethical, long-term solutions that deliver real social change.

COMMUNITY SPIRITS

Social responsibility has never been more important to consumers, with the pandemic pushing people to seek out brands that empower and support diverse communities, from local businesses through to social justice movements.

New attitudes sit at the heart of this shift. In the U.K., research from Accenture shows that four in five people feel more or as connected to their communities than they did at the beginning of the pandemic, with 88% expecting these connections to stay intact long after the pandemic has passed.

A shift away from passive sustainability practices toward deeper and more substantial actions that make a lasting impact is likely in 2022. Importantly, no organizations are better placed to act than businesses. According to Edelman's Trust Barometer, three in five consumers (61%) trust business – making it the most trusted institution globally, ahead of governments, NGOs, and the media, and the only institution seen as ethical and competent.

With research from Kantar finding that **almost two-thirds of consumers (65%) now prefer to buy goods and services from their own country**, initiatives that empower communities and fuel localism will grow in importance – and cocktail culture will contribute. According to the Bacardi Global Brand Ambassador Survey 2021, 57% of bartenders see an emphasis on local brands, products, and ingredients as a permanent change in focus for the industry, while bars and clubs themselves represent integral parts of local communities. The survey also revealed that in the U.S., bartenders feel that working with more local partners and businesses will be the top priority for 2022.

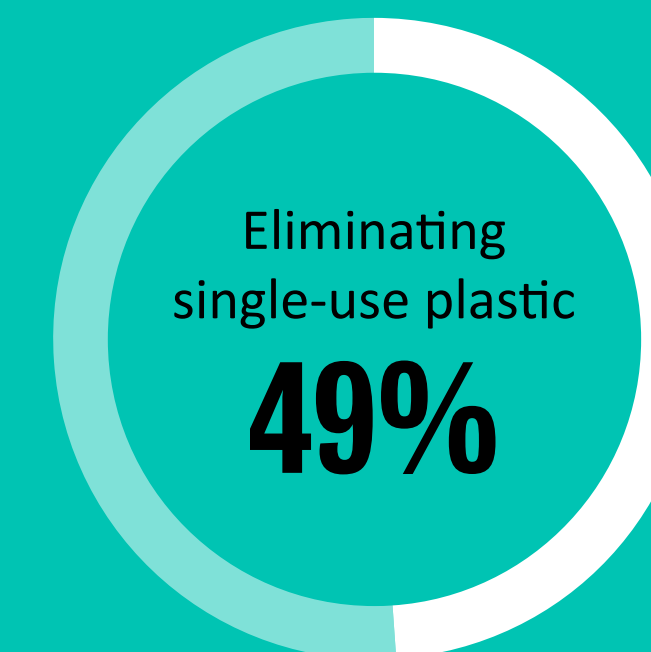
Showing how spirits brands can empower communities and the people behind them, Bacardi teamed up with the NAACP to create grants for Black-owned businesses in the U.S. within the beverage alcohol service, sales, and hospitality industries. Bacardi also recently celebrated Black-owned bars and restaurants in Bermuda, home of the company's global headquarters, with the release of a digital magazine entitled Bacardi Celebrates, published as a guide to the local bar and restaurant scene. It's the first in a series, with future editions to focus on women-owned businesses and the LGBTQ+ community, highlighting the diverse landscape and rich cultural heritage of the island.

Such concepts are now so close to consumers' hearts that **30% globally are willing to pay up to 10% above the listed purchase price for brands that support social justice or sustainability causes**, according to the Bacardi Consumer Survey 2021. It's an attitude that also indexes strongly in emerging markets such as India and Mexico, with 35% of respondents willing to spend 10% more for brands doing good.

Over the next year, consumers will be on the lookout for brands to place their community credentials front and center of their operations and wherever consumers engage, from on-premise to online.

ASPECTS OF SUSTAINABILITY THAT ARE GENERATING THE MOST INTEREST FROM BARTENDERS

GLOBAL



REGENERATIVE REFRESHMENTS

The Bacardi Consumer Survey 2021 showed that more than 50% of respondents globally are focused on using recyclable packaging and the reduction of single-use plastic as key themes in the space of sustainability. Bacardi has been investing heavily in this space for some time now with actions to diminish its environmental footprint through the Bacardi Good Spirited programs.

The company has a goal to eliminate plastics in point-of-sale materials and secondary packaging by 2023 and achieve zero plastics by 2030. As a spirits company, it is also focused on reducing its water consumption, with a goal to reduce water use from operations by 25% by 2025.

Globally, a majority of people agree that spirits brands that stand for sustainability are important to them. In contrast, **in the U.S., one-third of people plan to drink more sustainably created cocktails in 2022.** At the same time, awareness is growing around the fact that real impact requires entire systems change, rather than just shifts in people's behavior, with new focus placed on ethical sourcing and sustainable farming.

According to a 2021 OpenText survey of more than 25,000 consumers across 12 countries, **88% felt that purchasing ethically sourced or produced products matters.** Even more promisingly, **83% of respondents said they would be willing to pay more for a product they could be sure was ethically sourced, with 17% willing to pay a 50% premium.**

In the spirits space, premium gin brand BOMBAY SAPPHIRE has been making significant strides in this area and is on a mission to become the world's most sustainable gin. It is set to be the first major spirits brand to have 100% sustainably sourced botanicals by the end of 2021.

BOMBAY SAPPHIRE also looks after the wellbeing of farmers and invests in sustainable farming practices to help protect the environment and the farmers' livelihoods for generations to come. To further this cause, Italian sparkling wine and vermouth brand MARTINI® is working closely with its Asti grape suppliers to be certified sustainable in 2021. These milestones represent a major step for Bacardi to achieve the goal of sourcing 100% of key ingredients from sustainably certified suppliers by 2025.

"Today, the conversation on sustainability has moved on from how companies can minimize their environmental damage to how they can actively create a positive impact.

The lockdown allowed people to reevaluate the influence of large-scale issues like the climate crisis and social injustice and intensified their desire to consciously contribute towards a better world.

Consumers are looking for brands to do the same and seeking companies that create positive change through their actions. At Bacardi, being 'Good Spirited' and doing the right thing is second nature to us. We continue to reinforce our commitment every day to become the most responsible spirits company globally, and this is fundamental to the way we operate."

Jamie Lippman, Corporate Responsibility Director at Bacardi

SUSTAINABILITY REMAINS A PRIMARY CONCERN OF CONSUMERS ACROSS THE GLOBE. BUT WHILE RECYCLABILITY AND ZERO-WASTE COCKTAILS FORMED THE THRUST OF SUSTAINABLE ACTION IN 2021, 2022 WILL SEE MORE INITIATIVES SHAPED BY A FOCUS ON HOW SPIRITS ARE MADE.

NATURAL SELECTIONS

The past year has seen a renewed appreciation for nature among consumers, with the natural world providing a vital retreat from the stresses of the pandemic. In the U.S., 58% of people say they didn't appreciate nature as much as they should have before Covid-19, according to the Recreational Boating & Fishing Foundation.

This newfound appreciation is positively impacting people's desire for natural ingredients and is set to influence spirit consumption behavior in a significant way as we look ahead to 2022. The Bacardi Consumer Survey 2021 has the data points to prove this, with **one-third of people in the U.S. planning to drink more cocktails with natural ingredients in the next year, and more than 50% of U.K. respondents considering whether a cocktail is made with natural ingredients an important factor in consumption.** The survey also saw consumers in emerging markets such as India, Mexico, South Africa, and Israel shift their choices toward more natural selections.

A nature revival is also reflected in trending ingredients. According to global bartenders, aromatics represent the top trending ingredient globally, with coconut water, coffee, and dried fruits also in the top five. In the U.S., aromatics are followed in popularity by fresh fruit, herbs, coffee, and natural juices. In addition, **more than a third of consumers responding to the Bacardi Consumer Survey 2021 also said that fresh fruit and berries were the top ingredients they added to cocktails.**

Already, products are emerging that will give 2022's consumers their natural fix. GREY GOOSE® has introduced GREY GOOSE Essences, an all-new line of low-calorie vodkas infused with real fruit and botanical essences, which offers an alcohol by volume rating (ABV) of 30% and contains no artificial ingredients, sugar, or carbs.

Along these lines, PATRÓN has a commitment to preserving the traditional means of tequila making coupled with a precise handcrafted production process that creates a super-premium tequila that requires no sugar, no glycerine, no caramel coloring, and no artificial ingredients.

BOMBAY SAPPHIRE Premier Cru Murcian Lemon, a new super-premium expression by the gin brand, shines a light on the long-standing relationships the brand has forged with its dedicated suppliers and farmers and their produce.



THE TOP *ingredients* PIQUING BARTENDER INTEREST

1. AROMATIC/
FLAVORED
BITTERS
2. BRINE
3. COCONUT
WATER
4. COFFEE
5. DRIED/
DEHYDRATED
FRUITS
6. FERMENTS –
SUCH AS BEER/
CIDER/ALE
7. FERMENTS –
SUCH AS
KOMBUCHA/KEFIR
8. FLAVORED
SODA
9. FLAVORED
TONICS
10. FLORALS

A close-up photograph of a bar setup. In the center is a large, ornate crystal chalice filled with water. To its right is a bottle of St-Germain elderflower liqueur. In the foreground, several glasses are arranged on a tray, including a wine glass with white wine and a martini glass. The background is softly blurred, showing warm bokeh lights and a vase of white flowers.

MACROTREND 4

CONSUMPTION

Reconsidered

People are reconsidering their consumption in all areas of their life, including exploring new flexible approaches to sobriety, while favoring unique cocktails and spirits when they do decide to drink.

RISE OF THE SOBER-CURIOUS

Sober-curious people – those who are intrigued by the full spectrum of 0-50% ABV cocktails and desire a broader portfolio of choices – are set to increase in number through 2022, with new mindsets driving the continued growth of non-alcoholic and low-ABV cocktails (NoLo).

In the same way that flexitarians take a fluid approach to vegan and vegetarian diets, sober-curious consumers are increasingly happy to switch between sober nights and drinking occasions. It's a shift evident in research from IWSR, which reveals that the no-alcohol category is outpacing the growth of the low-alcohol segment.

Nielsen CGA research reveals evidence of the trend for sober-curiosity globally, with their survey showing 58% of people drinking more NoLo than a year ago and 79% eager to introduce more NoLo options. In the U.S. and the U.K. specifically, a quarter of consumers are planning to drink cocktails with lower alcohol content, with a similar percentage planning to drink more non-alcoholic cocktails too. It's similar in Brazil and Mexico, where around one-third plan to drink cocktails with lower alcohol content, while 23% feel the same in Israel.

Interestingly, in the U.S. and the U.K., people are ready to embark on this flexible journey during the holidays, with more than two-thirds (67%) planning to opt for a no- or low-alcohol drink for Christmas, up from 53% in 2020. Come 2022, and they'll be joined by the 53% of global consumers who intend to follow Dry January, with 38% doing so to be more mindful with their drinking habits, according to the Bacardi Holiday Survey 2021.

As more people are exposed to NoLo options, awareness is also growing that NoLo spirits no longer compromise on taste, with the days of overly sweet or tasteless mocktails long gone. Instead, consumers can now enjoy the same quality cocktail experience whether the spirit is alcoholic or not, a possibility

facilitated by new options like MARTINI Non-Alcoholic Vibrante and Non-Alcoholic Floreale.

"Flexitarian drinking represents a new direction in the drinks market," says The Future Laboratory's Chris Sanderson, "and the impact of an increasingly influential sober-curious cohort will manifest in new offerings and on-premise in 2022." Indeed, the influence Sanderson speaks of is already visible, with **low-ABV cocktails among the top five trending cocktails globally, low alcohol in the third most popular cocktail in France, and mocktails appearing in the top five on-trade cocktails in India.**



The NoLo category has evolved tremendously in the last couple of years, boosted by the trend for premiumization.

PEOPLE ARE SEEKING HIGH-QUALITY NOLO COCKTAIL OPTIONS AND ESTABLISHED BRANDS ARE STEPPING UP TO THE PLATE TO DELIVER.

We're also seeing the category built further on the back of increased spotlight within the menus at popular bars and restaurants. Furthermore, as people continue experimenting with mixology at home, many have added NoLo cocktails to their repertoire. Having tried them in that setting, they are now more comfortable ordering them when they're back in the bars and have greater expectations around their taste and presentation. We've watched this space grow globally and continue to invest in creating a premium range of flavorful non-alcoholic and low-alcohol spirits that elevate drinking occasions and delight our sober-curious consumers. ”

Marine Rozenfeld, Innovation Development Lead for Western Europe, Australia and New Zealand at Bacardi



SMALL BATCH SIPS

People's curiosity extends far beyond non-alcoholic and low-ABV cocktails, with demand for unique cocktails also on the rise. According to the Bacardi Consumer Survey 2021, **in the U.S., 44% of people are planning to drink new spirit/liquor-based cocktails in the coming year**, while spirits trends in South Africa, India, and Israel are being driven by discovery and innovation as consumers look for new spirit-based cocktails.

2022 WILL BECOME THE YEAR OF 'SMALL BATCH SIPS', AS A WAVE OF UNIQUE SPIRITS GAINS MOMENTUM IN DIFFERENT REGIONS ACROSS THE GLOBE.

Bacardi is already pushing the envelope on this front, with the launch of the limited-edition BACARDÍ Reserva Ocho Sherry Cask Finish. This new rare rum offering marks the start of a five-year collection, which will see Bacardi unveil a new cask finish offering annually through 2025, with the cask finish changing each year based on the type of barrel used for the additional aging.

One of the oldest wines in the world, sherry has seen a resurgence in recent years, making its way into cocktail recipes at the most popular bars in cities across the globe. PATRÓN tequila has also just launch the PATRÓN Sherry Cask Aged Añejo. The innovative limited-edition expression is the first new PATRÓN release in two years. It's matured for more than two years in Spanish oak barrels once used to produce the finest oloroso sherry, showcasing the brand's dedication to innovation and craftsmanship.

When it comes to spirits leading the charge, whisky is right at the front of the queue. The Exceptional Cask Series is a collection of superlative bottlings from ABERFELDY specially chosen by Malt Master, Stephanie Macloed. Every now and then, Macloed discovers a cask so flavorsome and brimming with distillery character that she deems the whisky to be an exceptional cask. Award-winning masterpieces and unique bottlings from ANGEL'S ENVY are a result of Co-Founder & Chief Innovation Officer Wes Henderson's passion to experiment and improve. Each barrel is sampled throughout every step of the finishing process and only released when deemed special enough.

As interest in tequila and agave-based spirits booms, small-batch mezcal is also being thrust into the mainstream and rebranded for a new global audience. Mezcal is often referred to as tequila's smoky cousin, and its popularity is starting to soar, with its appeal lying in the fact that that it remains a small, developing niche sector. In fact, it's the second top trending spirit among bartenders, according to the Bacardi Global Brand Ambassador Survey 2021, sitting closely behind its agave-based neighbor, tequila.





MACROTREND 5 TRANSFORMATIVE

In 2022, people will seek out cocktail experiences that deliver transformation, celebrate the power of social connection, embrace new experiences and strive for learning and personal growth.

Times



CULTURAL CONNECTIONS

Across the globe, a wealth of pent-up demand for social experiences will drive new, celebratory directions when it comes to drinking in 2022, as people seek out convivial cocktail experiences that help them reconnect, empower their relationships, and deliver a sense of belonging.

This desire to head out, celebrate, and create meaningful memories is evident in their attitudes. According to the Bacardi Consumer Survey 2021, more than 40% of global consumers plan to spend more time going out to late-night bars, pubs, and restaurants in 2022.

“Wherever people head, they’ll expect to be wowed. Over the past two years, consumers have proudly shared their flourishing cocktail-making skills. Now they are coming together to go back into bars and restaurants and are looking for even more premium and delicious offerings that are different or better than they can now make at home. The local quarantines have really upped the game for our bartenders, and we can’t wait to see how they will surprise and delight us in 2022.”

Brenda Fiala, global vice president of insights at Bacardi

The Bacardi Holiday Survey 2021 also reveals that 32% of people surveyed want to spend more time with family and friends in 2022 – the most popular resolution overall. In Israel, making up for lost time and getting back to celebratory moments is the leading resolution for the year ahead for 68% of consumers, with 44% of consumers in India taking the same view.

Whatever the choice, it’s all about making memories. **“The post-lockdown drinker in the inter-Covid era is looking for meaningful nights out and social experiences. Prepared to invest, they’re opting for quality, especially in crafted cocktails that can be enjoyed and savored rather than downed and forgotten.”**

Chris Sanderson, The Future Laboratory

Aware of just how important convivial celebrations are to consumers, MARTINI has collaborated with photographer Greg Williams to curate a once-in-a-lifetime digital photography series of friends reuniting, with people asked to submit images from their in-real-life meetups as people come together in a truly unique moment.

“We’ve all missed meeting with friends over the past year, but finally, as restrictions ease, we can now enjoy those incomparable face-to-face moments with the ones we love. We want people to celebrate reconnecting and help us capture this extraordinary moment in time.”

Victoria Morris, vice president of MARTINI vermouths and sparkling wines

Cocktail-based celebratory culture is also being carried forward into Christmas. **More than one in four (27%) say that Christmas cocktails are the new tradition they’ll be embracing in 2021**, with 29% planning to spend the holidays with friends and family they couldn’t see in 2022, according to the Bacardi Holiday Survey 2021.

TIMELY DELIGHTS

As we emerge out of lockdowns across the world, the appetite for new nightlife and social experiences is peaking, with almost six in 10 people saying that something new and different is an important factor in choosing a cocktail at a bar, club or restaurant. To meet this demand, 2022 will see brands drive customers to bricks-and-mortar locations through temporary pop-up alcohol and nightlife partnerships that capitalize on an experiential boom.

TOP *cocktails* CONSUMERS WILL BE ASKING FOR IN THE BARS IN 2022

 **MOJITO 36%**

 **MARGARITA 34%**

 **GIN AND TONIC 32%**

 **PINA COLADA 29%**

 **VODKA SODA 28%**

 **RUM AND COKE 28%**

 **MARTINI 24%**

 **BLOODY MARY 21%**

 **DAIQUIRI 21%**

 **IRISH COFFEE 21%**

With the experience economy becoming increasingly saturated, **the incoming pop-up renaissance represents a way for drinks brands to keep offerings fresh, provide consumers with hyper-curated environments that are impactful, and test the waters of a market in flux.**

Take the BACARDÍ summertime Thames-side pop-up in London, which dispensed frozen cocktails from an OOH-style billboard, giving passersby an all-new experience and the opportunity to sample fruity drinks made with BACARDÍ Coconut and BACARDÍ Raspberry.

In similar vein, ST-GERMAIN® elderflower liqueur created Fleuriste, a temporary flower shop and cocktail lounge experience in New York. At the pop-up, co-creative director of Monse and Oscar de la Renta, Laura Kim, and James Whiteside, principal dancer at the American Ballet Theatre, welcomed talented friends such as Tina Leung, Prabal Gurung, Phillip Lim, and Ezra William to sip specialty ST-GERMAIN drinks in the French salon-inspired setting.

For drinks brands, pop-ups represent an opportunity to trial new palates and concepts. **In 2022, citrus flavors are likely to remain in the limelight, driven forward by grapefruit and blood orange. A focus on spice from the food space is also impacting the world of cocktails** with a rise in globally inspired flavors, such as tajin (increasing in use by 42% since 2020), furikake (+70%), and even hot mustard (+29%) in 2022, according to Datassential.

This ability for brands to test is gaining traction, with Berlin's start-up supermarket KaDeTe to become the first store to only sell items that haven't yet made it to retail or wholesale. Young brand manufacturers can sell their products there, with more than 200 innovative food manufacturers already applying for a location.

Established retailers are also getting in on the action, transforming retail spaces into ephemeral, experiential hangouts suitable for socializing – a conversion crucial to making the most of physical store spaces in the post-Covid period. Showing how to turn the store into a social space, Vans recently partnered with vintage retailer Teejerker on a London pop-up bar, Better Days, complete with pool table, vending machine, and after-hours dive bar vibes.

With a 2021 Research Gate survey of retailers worldwide finding that more than 80% considered the pop-up shops they had opened successful, they are driving a much-needed boost for footfall post lockdown.

As we move through 2022, brands will also look to the metaverse for answers, creating virtual pop-ups with real-world elements to offer next-level escapism, from digital music festivals linked to local, real-world food and drinks stands and delivery services to virtual nightclubs created in gaming platforms like Fortnite.

Already leveraging this opportunity in the art space, BOMBAY SAPPHIRE hosted the world's first Sensory Auction in October 2021, collaborating with artist Dan Lam to allow fans with the strongest sensory reaction to a piece of art to take it home, ensuring that the person with the deepest connection to the piece became its owner. To find the artwork's true owner, bidders were fitted with neuro-aesthetic technology to measure their subconscious sensory reactions to the artwork, electrodes placed along the scalp conducted brain wave readings, skin galvanic response technologies detected sweat drops, and eye-tracking technology measured focus and engagement.





LIQUID LEARNING

Desire for personal transformation will see 2022's consumers demand edifying experiences when it comes to cocktails, as they seek to learn all they can about the category, from how to make the best concoctions through to the heritage and history of the spirits on their shelves.

This trend represents the next iteration of the skills revolution spurred by the pandemic, which saw consumers take to new hobbies and find new outlets for creativity. Cocktails were, and remain, a key part of this shift. **According to the Bacardi Consumer Survey 2021, around one-third more U.S. consumers and a quarter more U.K. consumers have learned to make new spirit-based cocktails compared to a year ago, while in South Africa, India, and Israel, more than a third want to learn more about making spirit-based cocktails in 2022.**

After offering virtual mixology classes in 2020, Bacardi is now creating learning experiences outside the world of spirits that enable consumers to get their learning fix. For instance, London Cocktail Week 2021 saw Bacardi brands such as MARTINI host a series of creative masterclasses offering myriad activities, from screen-printing workshops to flower arranging.

When it comes to drinks, consumers aren't just seeking information on how best to use spirits, but also on the history, heritage, and stories behind products themselves. BOMBAY SAPPHIRE recently introduced a cinema room and interactive cocktail bar at the brand distillery in Laverstoke. It offers visitors an immersive and engaging experience as they learn about the process of creating the premium gin.

To mark its 175th anniversary, DEWAR'S® blended Scotch whisky leaned into its history, launching a limited edition of 175 casks in May 2021, crafted using whiskies chosen in celebration of its craft and tradition.

This is a trend indexing particularly strongly in China, **WHERE MORE THAN 50% OF CONSUMERS PROACTIVELY LEARN ABOUT BRAND HISTORIES TO SEE WHETHER THEIR OWN VALUES ARE REFLECTED,** according to Boston Consulting Group and Tencent.

The New Extraordinary

“ As the world reemerges with optimism and fresh perspectives in 2022, people are coming together with a strong desire to ‘Make Moments Matter.’ As a family of premium spirits brands, we are driven by this purpose – uniquely positioned to evoke emotions, catalyze experiences, and play an integral role in fostering connections, encouraging celebration, and enabling exploration. Our brands have the opportunity to be even more relevant for consumers through new, immersive platforms and innovative premium solutions.

BACARDI IS ‘GOOD SPIRITED,’ AND WE WILL CONTINUE TO PUSH THE BOUNDARIES, ENSURING WE ENHANCE EXPERIENCES FOR INDIVIDUALS AND POSITIVELY IMPACT COMMUNITIES AND THE PLANET AS A WHOLE.

What the world needs today is not a return to a ‘new normal,’ and we will play our part instead in creating the new extraordinary. ”

Tony Latham, Executive Vice President and Chief Financial Officer at Bacardi.



BACARDI

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