



TRIPPING ON ALCO-BEV

A growing drinking culture with innovative drinks is making the alcohol-beverage industry exciting and entertaining

BY BINDU GOPAL RAO

➔ Home-grown craft liquor, premiumisation of beer and ready-to-drink or ready-to-serve premixed cocktails are becoming popular.

The alco-bev space is shaking things up in restaurants and hotels as new categories of drinks, and innovations are spicing up the segment.

MAKING NEWS

The F&B industry has constantly been changing, and today people have an appetite for experiences rather than just ordinary basic drinks. What is new is the blurring of lines between many alcoholic and non-alcoholic beverages, with the taste emerging quite like each other with numerous brands out with products in the market. Craft Beers have made consumers re-evaluate their current category and brand of choice. As much as the food and drinks need to be on point, the holistic dining experience is what matters eventually and creates word of mouth.

"Pricing also plays a key role; these days, it is all about serving the correct portion size at the right price to attain maximum impact. All the clubbed trends mentioned above become key talking points for customers to visit the venues. If your F&B venue lacks a story, then the place is not capitalising on its full potential," says Gautam Khanna, Director of Food & Beverage, Pullman New Delhi Aerocity.

REVENUE DRIVERS

The F&B space, especially bars, restaurants and hotels, is



➔ Ready to drink beverages with tropical flavours are gradually gaining popularity.



➔ Abhimanyu Jakhar, MD, Interurban Hotels and Café



➔ Anirudh Khanna, MD, IBC



➔ Kunal Patel, MD, Monika Alcobev Limited.

ever-evolving, but one of the key catalysts for such drivers is the alcobev brands. Premium products and complex flavours are expected to generate sales in the coming years. Today, cocktails, single malts, IMFL and many foreign brands of whiskeys have taken the fancy of the audiences. Gin and scotch are well-received by audiences today, and their consumption has increased over the years.

Sandip Katiyar, CEO and Director, The Finch, reveals, "We have increased 15% revenues from alcohol sales in the F&B space, finger foods and side dishes have also evolved into a highly curated menu at many hotels and restaurants, including ours. Today anyone would prefer to head to a place that serves alcohol and has a bar; hence most fancy places in the city have a separate bar menu for their patrons. Cocktails are the rage; newer trendy blends from our mixologist are always engaging the consumers, be it for our Wednesday Divas night, where we share tips on making cocktails for beginners or our special cocktails for Halloween and other occasions."

TRENDING NOW

Many beverage companies are expanding their product lines to increase sales. Globally there is a shift happening where many consumers are demanding alcohol-beverages with lower calories and with high-quality ingredients, thus showing that they are cognizant of their choices. The culture of guilt-free drinking has already emerged and is growing at an accelerated pace, with taste reigning as the supreme factor, along with intriguing flavour profiles.

Sales of non-alcoholic drinks rose 33% to \$331 million, while the non-al-

➔ The younger generation, especially, is looking out for new, innovative drinks.



➡ Increasing interest in spirits like gin and tequila, have made them must-haves on cocktail bar menus.

coholic spirits category is expected to grow 35% by 2023. Arijit Bose, Co-Founder, CounterTop, clarifies that "The Indian craft spirit industry is seeing a massive spike with big brands investing in them, which means the experiments paid off and the business environment for homegrown craft spirits is getting lucrative and will see a lot more enthusiastic entrepreneurs jumping in. Ice is playing a major role in this, and bars in Goa, Mumbai and Delhi now have big transparent, high-quality clear ice for top-shelf spirits and cocktails."

HEALTH FACTOR

Although, in general, alcoholic beverages are not usually labelled 'healthy', consumers look for 'better-for-you' alternatives to cut down on their sugar intake. "Hard seltzer has a crisp lightness, the perfect 'guilt-free' drink that contains as much alcohol as beer but little to no added carbs/sugars, hence packing in much fewer calories (<110 cals for an entire bottle). Hard Seltzers, at some level, are a bridge between beer, wine, and cocktails keeping in mind the health-conscious emotion of the consumer," says Anish Reddy, CEO and Founder, Pursue Hard Seltzer.

Drinks like shunya, and volley seltzer in fizz and normal format are also being played around in different flavours. They are widely available for customers to suit their preferences and taste. Fruit seccos and fruit wine-based cocktails with refreshing flavours and combinations, regardless of whether they are alcoholic or non-alcoholic, have made their way to the Indian markets.

Iced tea with alcohol is a fast-growing segment, with classic flavours of lemon and peach currently dominating the shelves. Harsha Malik, Head of Marketing, Bored Beverages, says, "With No Label, we have introduced mead, a relatively new category of alcohol. The No Label Mead Original is an alcohol made by fermenting honey with added orange peels



➡ Arijit Bose, Co-founder, CounterTop.



➡ Ashok Jain, Chairman, NV Group



➡ Hitesh Sangwan, Director of Food & Beverage, The St. Regis Mumbai



➡ With the growth of consumer space and demand in the field of alco-bev, more players are expected to make an entry into this segment.

for flavour. Unlike beer, it is gluten, and glycerine free, which makes it a choice of beverage for the new age consumers." A lot of innovative and healthy options are available for consumers in the market, from Gluten-free to vegan, lactose-free to low-calorie drinks to indulge in.

NOVEL NUANCES

The gin revolution, the return of whiskey, and the arrival of all things 'Made in India' are shaking up the alco-bev scene. Home-grown Craft Liquor, premiumisation of Beer and Ready-to-drink or ready-to-serve premixed cocktails are also trending. "In India we have witnessed a massive change in drinking culture and behaviour. It is important to disrupt the monotony; this space is getting more innovative with its drinks. Be it infusing it with fruits or even a protein beer. Some brands have even hopped on the trend of mixing alcoholic beverages with coffee or tea," explains Hitesh Sangwan, Director of Food & Beverage, The St. Regis Mumbai.

As per the Indian Council for Research on International Economic Relations's 2021 report, India is



➡ Creative storytelling is the new thing observed in the alco-bev space.

one of the fastest-growing alcoholic beverages markets globally, with an estimated market size of 52.5 billion dollars. The younger generation, especially, is looking out for new, innovative drinks. Kunal Patel, Managing Director, Monika Alcobev Limited, points out, "Sipping tequila is another rising trend in the alco-bev space. This is basically drinking it in small sips rather than taking a shot. Anejo is one of the best sipping tequila in the world because it is aged for longer than other labels. Tequila can be used in a wide variety of drinks, making them delicious. The tequila market is expected to grow with the increasing demand in the coming years."

BEING DIFFERENT

Many companies are bridging the gap between different product categories by developing new products by mixing the top qualities of existing drinks. Arundeeep Singla, Chairman and Managing Director, Alcostar Group of Companies, adds, "The ready-to-drink beverage market has taken the alco-beverage industry by storm with diversified offerings. RTD beverages are in high demand as they offer consumers a hassle-free and on-the-go drinking experience. There is a hike in demand for convenient canned cocktails made with gin, tequila, or rum and mixed with quality local ingredients like guava, pomegranate, mango, and the like."

TECHNOLOGY PUSH

Technology is driving change in operations and strategy - right from crop analysis to smartphones scanning product labels. Big data and analytics have also been major drivers for the alco-bev industry when it comes to improving insights across the supply chain. "Creative storytelling is the new thing observed in the alco-bev space; content has emerged as an undoubted differentiator for brands in the age of information overload and saturated brand exposure. Analytics is playing a vital role in accessing the demand and trends in the market, which further leads to accurate calculation and prediction of the market demand, assisting in cost optimisation of inventory planning," says Ashok Jain, Chairman, NV Group. Having in place solutions to provide real-time insights can help identify the largest problems at hand and find ways to optimise production and maintain quality. Innovative technologies have enabled us to use this data to understand our customers better and evaluate the brand's position in the market, monitoring customer acquisition and retention. Abhimanyu Jakhar Managing Director, Interurban Hotels and Café, says, "The innovation that has enabled the products in this market to capture the taste of customers would not be possible without an adequate advancement catalysed by technology. Any product that is successfully established in the market can deliver the right taste with the right benefits only because of the rigorous R&D done with technology."

In today's digital world, technology plays a major part in this space. Advanced technology is used to drive efficiency in operations and management. Be it electronic payments, data analysis, consumer tracking or e-commerce. E-commerce is a very important source for this industry as it provides a platform for the upcoming players who are keeping up with the



➡ Innovative cocktails combined with new menus and exciting offers help to retain customers and drive revenues for an F&B space.



➡ Arundeeep Singla, Chairman & Managing Director, Alcostar Group of Companies



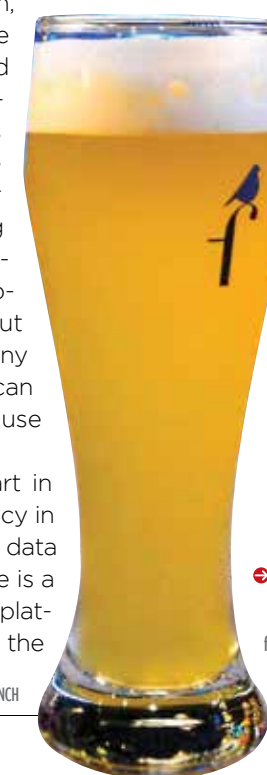
➡ Gautam Khanna, Director of Food & Beverage, Pullman New Delhi Aerocity.

trends and trying to provide something innovative to the consumers.

FUTURE PERFECT

Looking ahead into 2023, market trend analysis and prediction research in terms of the alco-Bev space are grounded by observations of the key drivers of consumer behaviour patterns. In 2023, consumer behaviour across the food and drink landscape is expected to shift and evolve.

The upcoming years will see more gins on the way. Roaring Tequila and Mezcal are fuelling new spirit categories and expressions beyond the Indian market. "There are now 'agave-influenced' spirits in the market, including whiskey aged in Tequila and Mezcal casks and even Agave Vodka. Tequila is the next big thing after gin. Moving forward, alcoholic beverages will be lighter, more varied, and more sustainable. Alcoholic drinks with a reduced alcohol content also want to provide refreshment. Alcoholic beverages that contain less alcohol and fewer calories are supposed to put less strain on the organism and, at the same time, bring new, fruity taste experiences. Ready-to-drink beverages with tropical flavours are gradually gaining popularity. Market estimates predict that the global market for beverage cans will grow 2.3 times by 2031, and that the importance of beverage delivery and online retailing for beverages will also increase," says w Khanna, Managing Director, IBC. Time to raise a desi toast! 🍷



➡ Mulled Wine and dry champagne are also favoured options