



FEBRUARY 2024

Spirits Packaging Trends

A look at the trends influencing spirits packaging design and innovation.

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Introduction

The US spirits sector is expected to grow from \$122.6 billion in 2022 to \$171.5 billion by 2027, at a CAGR of 6.9%. Spirits have been relatively resilient amidst inflationary pressures, economic challenges, and global unrest.

However, the ongoing sense of “permacrisis” is taking its toll and impacting the category. Consumers are watching their budgets more closely, are interested in products that add value, and are looking for products that provide a sense of escape.

**The brands mentioned in this report are trademarks of their respective owners. Inclusion of these brands in this report is not meant to imply an association with or endorsement from the respective trademark owners.*

Flavor Creativity

People are becoming more adventurous in what they eat and drink and looking for more playful and unique products and experiences. This is driving flavor innovation and the growth of novel, trendy, and unusual spirits. NielsenIQ lists “Flavor Forward” as one of the alcoholic beverage trends to watch in 2024, noting, “Suppliers are adapting with a dynamic approach to flavor exploration with shorter product lifecycles, and the introduction of entirely new styles.” The proliferation of unique flavors can be seen in ready-to-drinks as well as “traditional spirits” like whiskeys and tequila. According to SevenFiftyDaily, “American consumers are becoming more curious generally about spirits distilled from a broader range of base ingredients,” which is creating interest in Asian spirits.

The idea of innovation and product differentiation extends to packaging. Unique shapes and forms reflect a product’s sense of creativity and can pique consumer interest. Playful and colorful brand design suggests a fun and flavorful product inside. Berlin Packaging’s Studio One Eleven® design and innovation division develops award-winning solutions that stand out on shelf and win with consumers.

27% of global consumers say they typically choose “trendy” or unusual flavors in alcoholic drinks. (GlobalData)

27%

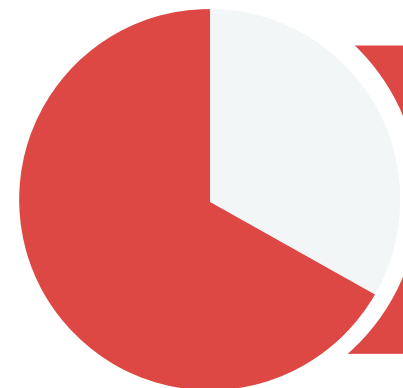




Monetary Moderation

The moderation movement has been gaining momentum for years, demonstrated by the growth and mainstreaming of non-alcoholic spirits (last year Walmart rolled out Ritual Zero Proof spirits in 400 stores nationwide). However, the motivation for moderation is shifting. According to IWSR, “previously driven mostly by health and wellness concerns, moderation in alcohol consumption is now increasingly being spurred by economic worries and a need to cut household spending.”

NielsenIQ data shows that 41% of Gen Z and Millennials choose non-alcoholic drinks when “out” to be healthier, and 35% choose them to save money. On the other end of the demographic spectrum, baby boomers are reaching retirement age and managing their disposable income more carefully. It’s important to note that moderation in volume allows for premiumization. Alcohol remains a small luxury, and shoppers are still willing to pay for premium products, preferring quality over quantity. Premium packaging, smaller bottle sizes at a lower price point, larger bottle sizes with a better price-per-unit, and single-serve packs support this trend toward alcohol and economic moderation.



Two-thirds of adults are moderating their alcohol consumption. (IWSR)

Digitalization

Today's consumers are always "on" and connected, looking for digital tools that help them save time and money, select the right products, reassure them of product quality and safety, and create unique user experiences. According to GlobalData, 42% of consumers are always or often influenced by how digitally advanced a product or service is. This is especially true among younger consumers, with one in four Gen Z and Millennials saying that interactive packaging is a key purchase driver (GlobalData).

Spirits brands are taking notice. TrendHunter found that digitized products are trending in alcoholic beverages: "Companies are creating collectible NFTs alongside their physical products to build a presence in the virtual space and develop an intersection between the tangible and the digital worlds." Smart packaging – like augmented reality labels, QR codes, and NFC tags – allows brands to provide virtual distillery tours, information about their products & ingredients, games, and more to create interactive experiences.



Over 40% of US respondents are interested in trying new products and services in the virtual world. (Euromonitor)

40%



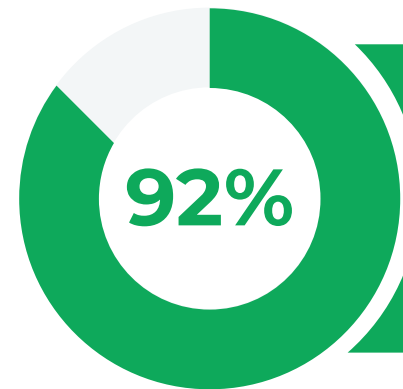
Eco-Friendly Frugal Bottle



Responsible Initiatives

Consumers want to support brands that align with their values and lifestyle choices, driving demand for environmentally and socially responsible products. Alcoholic beverage products with eco-friendly certifications increased dollar share by 32% this year, and those with socially responsible qualifications increased dollar share by 10% (NielsenIQ). Younger generations are especially conscious of environmental and social causes. As Gen Z reaches the drinking age, spirits brands must pay attention to their practices and priorities.

Demand for sustainable packaging is as high as ever, including containers and closures made with recycled or recyclable materials, refill models, and lightweight solutions with reduced carbon footprint. Environmentally friendly label materials and inks can also make a difference, as well as optimized secondary packaging. Berlin Packaging's sustainability team conducts lifecycle analyses (LCA) to help our customers quantify their product's environmental impact over the course of its entire lifecycle.



92% of consumers say sustainability is important when choosing a brand today. (NielsenIQ)



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Our Business Model

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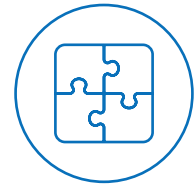
Best Elements of
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& Logistics

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Value-Added Specialty Services

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