

Blue Caterpillar spills on the spirits category, including growing movements and the debut of INVERSA



INVERSA premium Italian spritz offers all natural ingredients and classic flavors including Bergamot & Lemon, Morello Cherry and Peach & Basil for on the go

Always on the pulse of the category, *Global Travel Retail Magazine* spoke with premium spirits distributor Blue Caterpillar for an update on the impact of demographic trends on spirits. From growing movements such as “sober curious” to ready-to-drink cocktails and health-conscious alternatives, Blue Caterpillar dishes on need-to-knows in travel retail.

Product selection and marketing campaigns

Alongside convenience and premiumization, demographic trends influence product selection, marketing and promotions within duty free. While taste matters among both men and women, brand loyalty and flavored products rank higher, respectively. Christoph Henkel, Co-founder & COO, says dedicated marketing campaigns can emphasize the heritage, quality and exclusivity of brands to reinforce loyalty among males, or center on the unique and novel flavors available to draw females. Cocktail trends in the local market like the rise in popularity of the tequila-based paloma can also attract women to traditionally less explored segments.

“Tasting programs have always been a tool for success. This approach not only allows for liquid to lips, but also direct engagement with consumers to highlight aspects such as craftsmanship, origin

and exclusivity that can appeal to both men and women in different ways,” says Henkel.

“By understanding these demographic preferences, travel retail can tailor its product selection and marketing strategies to better serve and attract diverse customer groups, ultimately driving sales and customer satisfaction.”

Minimal impact of no & low

While the “drinking better, not more” trend has been gaining traction, specifically among Gen Z, the market impact of the no- and low-alcohol segment has been minimal. Henkel points out it will take several years before this segment captures a significant market share comparable to traditional alcoholic beverages in travel retail.

“Key to success in our opinion will be to work on a diverse range of no-and low-alcohol products with appealing flavors and premium ingredients. Companies will also need to invest in research and development to improve the taste and quality of these beverages to match or exceed those of traditional alcoholic drinks,” he explains.

These efforts will need to be supported by a social media strategy that targets the next generation and creates engaging and educational content about the benefits of no- and low-alcohol products. Partnering with social influencers and wellness advocates will help to amplify brand message. Separately, retail and distribution channels will need to ensure wide availability in-store and online at competitive pricing.

Blue Caterpillar has yet to venture into the cannabis space. “As a spirits company, we are of course constantly adapting and reviewing the growing demand for non-alcoholic and health-conscious alternatives, as well as new cannabis beverages. With a still inconsistent regulation and additional compliance demand on a local and federal level, this category has not been a focus point of the business for us. We will certainly monitor all legislative regulations and brands in the market to make a decision on this topic in the near future,” says Henkel.

RTD options and INVERSA debut

Ready-to-drink (RTD) cocktails, coupled with higher-end tequila and whiskey are expected to continue leading market growth. When asked about the evolution of RTD product innovation and consumption in the last five years, Henkel explains brands have prioritized using premium ingredients, catering to a more discerning base. According to him, smaller, craft producers have entered the market, offering artisanal RTD options.

Referencing Anora, Henkel introduces the ready-to-pour (RTP) concept. The Nordic wine and spirits house launched a bartender-inspired RTP cocktail range under the brand Koskenkorva. “With high quality ingredients, this has been a key driver for the brand in the region. It was key for [Anora] to put an increased focus on natural ingredients, paired with a low-calorie and low-sugar approach to appeal to health-conscious consumers,” he says.

Executing a similar idea, Italian brand INVERSA offers all natural ingredients and classic flavors. The name, which is responsible for a modern take on the traditional Prosecco spritz, will debut in travel retail at this year’s TFWA Cannes with Blue Caterpillar.

Sense of exclusivity

In some cases, Gen Z is becoming more interested in collecting spirits, rather than purchasing for consumption. To cater to this finding, the distributor has implemented several strategies to enhance₂

the sense of exclusivity in travel retail. “We periodically release limited edition bottles with our brand partners and suppliers that highlight unique flavors, rare ingredients or special collaborations. These exclusive releases create a sense of urgency and desirability among collectors and most of the time increase in value after their launch,” shares Henkel.

An additional tool that has proved successful is the availability of single casks in the whiskey category. Blue Caterpillar has already delivered three into the market this year in partnership with two different retailers in the Americas. “Together, with our brand partners, we produced unique packaging or personalized labels for the retailer’s spirits selection, making each bottle a one-of-a-kind item. A piece of memorabilia of a family trip, a unique gift or a talking point over a dinner with good friends,” says Henkel.