

# AN INTERVIEW WITH... BILL GAMELLI, FOUNDER & CEO MOCKTAIL BEVERAGES INC.



**Moderation and teetotalism is on the rise globally, and Covid has accelerated the trends. Well-known statistics report that in the US the FDA and CDC agree that 45% of adults do not drink alcohol in any given month, in the UK 1/3 of under 25 year olds drink zero alcohol, in Germany it is estimated that as many as 1 in 15 beers sold is alcohol-free, while in Spain non- alcoholic beer accounts for 14% of total sales. So, with an increasing number of On and Off Premise locations serving the 'sober curious' consumer, we caught up with Bill Gamelli, CEO of Mocktail Beverages, whose premium products are sold on 3 continents, to find out what some of the drivers are for launching alcohol free drinks, and how staying completely focussed on your consumer will get you a long way to your goal.**

**Hi Bill, as a thought leader in the space, it is a pleasure to welcome you to the first of its kind, Lo & No Beverage Summit in the US. Can you give us a brief introduction to Mocktail Beverages and your product offerings.**

Thank you, it's my pleasure. Mocktails was born from a genuine need within our own families to find a solution to the great divide between alcohol options and service, and all other drink options. It started with my wife, Tracy, who had stopped drinking during her athletic career and then again during pregnancy, as so many millions in the US

do. It turns out that our closest friends were also feeling the challenges of trying to enjoy both work functions and pure social functions when, as non-drinkers, their options were soda, water, lemonade, the dreaded cranberry seltzer, and iced tea. The rest of us were enjoying not only our craft beer, curated wines, and mixology quality cocktails, but also getting great service along with it, and simply enjoying the party. They felt separated, that the drink options were not even close to being comparable, and over time were less likely to want to socialize. It's no fun when you feel like you're an afterthought for any reason, but we as drinkers were oblivious to the problem. It turns out that within our 3 founding families, 3 adults were primarily non-drinkers and 3 were drinkers, so we knew we needed to find a solution.

We searched the globe for appropriate products to bring us all together socially rather than separate us based on the alcohol, and there was simply nothing available. So, we set to work to solve the problem for our own families, as well as the millions around the world looking for that premium social experience.

**Low and No alcohol brands are showing significant growth as consumers are increasingly seeking healthier alternatives and ways to reduce their alcohol intake. Of course, Covid has focussed the consumer on health and wellness like never before.**

**What were the key drivers you identified to justify launching, and how has it changed since lockdown?**

It turns out, the hospitality industry needed a solution as well as the consumer because the overreliance on alcohol for decades has caused a gap in offerings, and a loss of business from anyone, in fact everyone not "drinking". Consumers often choose to drink only water, designated drivers are inclined to leave earlier taking the drinkers with them, and if feeling unwelcomed, non-drinkers simply chose not to come into establishments at all. We saw this loud and clear in London during Dry January the last two years. As the Dry January trend grows across the world, this will be felt more acutely and become evident throughout the year.

It was key that we did not put some new version of sugar water in a bottle and try to trick the consumer with fancy marketing. We compared the care and passion applied to premium alcohol products to the absolute void of alternatives. We had been told many times by bar staff that it is much harder, and usually more expensive to produce a great mocktail experience, than to produce a great cocktail experience, and the need became so clear for a credible truly premium alcohol-free option. So, we knew taste innovation was going to be critical, and to do it right, it was not going to be easy.

What has changed since lockdown is the mindset of the Trade. The consumers have wanted credible options available to them for quite awhile. Now the Trade has started to realize that they need to provide it. Every dollar of revenue matters in this new environment. As an operator, you just can take a quarter of all adult consumers for granted. Those consumers want to be engaged on the same level as drinkers. It's simple to understand, everyone wants to be treated like an adult, and to have an experience.

**Brands are positioning themselves as premium alternatives, with complex flavour profiles and a drink that is built for a sense of occasion. How have you worked on building your brand strategy to support the premium nature of the sector?**

When you experience our products properly served at home, or in the hotel/bar/restaurant or catered event like a wedding, you understand immediately that they were created to bring the non-drinkers into the occasion with everyone enjoying being social, and also having a drink paired with the beautiful food being served. *The common super sweet concoctions and soda options undermine a food experience, while the addition of a premium adult drink to the menu elevates the dining experience.* We love food and people, so our goal was to bring everyone together for these occasions.

Additionally, the research here in the US and in the UK is very clear. Consumers are looking for a cleaner label, so we asked ourselves; Why can't you produce and deliver drinks with only the best ingredients, no HFCS, no Chemicals, or Preservatives and do it with balanced adult taste profiles?

**What advice would you give to a company who is considering launching a Low and No alcohol drink in 2020? What do you think the key is to a successful launch?**

Well, that is impossible to sum up succinctly given how many moving parts there are, but having passion and staying completely focussed on your consumer will get you a long way to your goal. The authenticity of your drive will connect you to your consumer, and make you really tune in. Don't take the short cuts that some may pitch as efficiencies, after all, that's sort of how we ended up with vast oceans of products that do not satisfy so many of today's consumers in the first place. *Be different, be creative, be yourself.*

**What do you think the future of Low and No looks like?**

The future is very bright indeed. The consumer has an evolving taste for products, and these are not fads. The trends have sped up because of Covid, and are only growing with each new generation. For example, the number of businesses selling non-alcoholic cocktails in the U.S. has increased by 130% from end of 2018 to the beginning of 2020, according to Square, and the amount of money spent on these

alternatives has increased 600%. Demographics do help us understand some of it, however the larger mega-trend is simply mindful consumer behavior globally. I'll be addressing the Lo & No Beverage Summit on Day 1 discussing exactly this phenomenon. Consumer Psychographics in the beverage industry are in the midst of permanent change, the products and services we all engage with, rather than just consume, will look very different in 10 and 20 years from now. We are barely seeing the tip of the iceberg right now. I recommend attending the Summit to see the future taking shape right now.

**We are excited to bring together multinationals, start-ups and independent brands in the space. Who are you looking to connect with at the summit and why?**

This is the first true Lo & No Beverage Summit in North America of its kind, so in a way, the category is just forming now in the US. I'll be there with everyone else to play my part as the category comes to fruition for the US industry. I wouldn't miss it, and I'm happy to meet everyone attending. People attending this first Summit are the leaders and future leaders in the space.

**One of the key challenges in this space is forming Partnerships with On and Off trade buyers to get drinks in the consumers hands. What do you think could be done to improve the selection of Low and No drinks in venues?**

The business of serving drinks is in the midst of unprecedented change. Honestly, I think On and Off Premise buyers, wholesalers, and distributors interested in seeing how the status quo has changed should attend, and establish relationships with brands who are adding value to the industry by serving consumers needs. Hearts and minds are opening even faster now around the world to Low and No, and this whole category is coming to the US. As an example, there are probably 30 brands of non-alcoholic beer across Europe that even those in the trade here in the US are unaware of. Those outlets that understand what guests/consumers want, and help deliver that assortment can drive more revenue for themselves and shape the future. If you are a trade buyer and you are not seeing these trends yet, you will be soon. Why not get a glimpse of what's to come? We have a panel of thought leaders in the business addressing this very topic of Partnerships on Day 2.

**Hear from Bill and other leaders in the field at the Virtual Lo & No Beverage Summit November 4,5 & 9**

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