

HUE & CRY

2023

TRENDS

REPORT

WHAT WILL IMPACT PEOPLE'S CHOICES
IN FOOD, DRINK & TRAVEL?

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2023 snapshot

Although each with their unique differences, when looking at the year to come, three shared themes can be seen across food, drink and travel.

Indulgence meets value

As consumers battle with rising inflation and a growing conscience over climate change we'll see '**indulgence meets value**'. Reduced discretionary income will see consumers rethink and reorder their priorities, and make more considered choices in terms of how and when they spend their money. This doesn't necessarily mean holding back, in fact, many consumers are willing to spend more to make sure they get exactly what they want. What it does mean, is that expectations will be higher, and brands will need to think through every detail to create elevated experiences that maximise their consumers' spending.

Authenticity reigns supreme

From the pandemic, to the cost of living crisis and political unrest, people are feeling overwhelmed. Consumers are trying to cut through the noise and connect with what's real and truly matters to them. As a result, we'll see '**authenticity reigns supreme**'. In order to connect, brands need to humanise themselves, show genuine passion whilst demonstrating and adding real value to consumers and the world around them.

Hybrid flexibility

Consumers are willing to work, rest, invest and play in new ways. Traditional boundaries continue to blur giving way to '**hybrid flexibility**' across sectors. Even under economic or environmental constraints, this is opening up new and exciting opportunities for brands to think differently about the familiar and innovate beyond traditional categories to meet consumer growing expectations in new ways.

Introduction

As we saw Covid restrictions relax around the world, 2022 was the first year businesses could start to rebuild. Although labour shortages meant that recovery was slower than anticipated, pent-up demand saw people eagerly return to hotels, bars and restaurants.

Now however, there are more challenges on the horizon. Inflation and rising prices, driven by supply chain issues and the war in Ukraine, have seen commodity, food and energy prices soar and households are already feeling the squeeze. Major economies are already in recession, or extremely close to one, with the UK particularly impacted. Add climate change to the list and, once again, it's clear that factors outside of our control are shaping how we eat, drink and travel.

But it's not all doom and gloom. In the US, disposable incomes are keeping pace with inflation, encouraging healthy growth in consumer spending. As well as this, high household incomes with lockdown savings and their desire to spend on 'feel-good' experiences will also help soften the blow. And, if there is anything the last few years have proven, it's the resilience of our industries and their ability to innovate and adapt in periods of uncertainty.

So how will people choose to spend their money in 2023? And what role will brands need to fulfil to satisfy new shifts in behaviour? Our report identifies key trends and insights from industry experts across food, drink and travel, and suggests ways that brands can adapt.



MEET THE EXPERTS

CATHERINE HANLY

Co-founder, Editor, Hot Dinners

London-based editor Catherine has been an influential reporter on the restaurant scene for the past 13 years. As co-founder of website Hot Dinners she has her finger firmly on the pulse of the city’s food and drink scene, writing about new openings, chef news and more.



SANDRAE LAWRENCE

The Cocktail Lovers

Currently positioned at number 11 in the Bar World 100, Sandrae is one half of The Cocktail Lovers, the eponymous magazine, website, podcast, events and consumer workshops company she runs with her husband Gary Sharpen. Their work, opinions and recipes also appear in leading titles such as The Daily Telegraph, London Evening Standard, Time Out and together and separately, they are regularly asked to judge cocktail competitions around the world.

JACKIE CARADONIO

Travel writer and photographer

Jackie Caradonio is a leading writer and photographer covering travel, dining, and art and design. A former editor for Departures and Robb Report magazines, she now splits her time between New York City and Far West Texas, depending on the time of year.



THE 2023 FOOD FORECAST

Introduction

In the post-Covid climate of 2022, consumers were eager to return to eating out. There were exciting new openings such as the long awaited **Tin Building** in New York, a massive Seaport food hall from chef Jean-Georges Vongerichten. Local **neighbourhood** favourites continued to expand, including the restaurant group **Kudu** which continues to elevate London's culinary offer in the Peckham neighbourhood. In the US, Greg Baxtrom's small empire of restaurants along Vanderbilt Avenue in Prospect Heights has also grown.

However, it hasn't been an easy return. Global **staff shortages** have limited opening hours, extreme weather has destroyed crops, the war in **Ukraine has caused supply chain issues** and inflation has sent running costs soaring. As a result, ingredients such as fruit, dairy and fats have increased by more than 20% year on year. And it's not just food costs. Everything from paper for menus to plumber callouts has increased, frustrating consumers with the rising prices.

So how can restaurants innovate in the face of these challenges in 2023? What will be the culinary experiences that customers are longing for in an uncertain world? We consulted Catherine Hanly, co-founder and editor of online restaurant news and review platform Hot Dinners, to identify the key trends we can expect over the coming year.

Highlights & takeaways

- 1

Rising prices have forced us to treat food more preciously, from growing our own vegetables to minimising waste. Chefs are also using simple ingredients in unusual ways, unlocking unprecedented levels of culinary creativity.
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- 2

Even in challenging times, consumers continue to seek out authentic experiences, wanting to understand who and where their food is coming from. More nuanced now, there is a shift towards wanting to understand the true representation and story behind each cuisine. As a result, regional influences are coming to the fore. Non-curated spaces like TikTok are also creating new opportunities for a new generation of foodies with a real talent and passion for what they do to be discovered.
-
- 3

While people may be eating out less, when they do visit a restaurant they expect indulgent experiences. Brands that succeed will help to deliver this sense of luxury and occasion, but without a hefty price tag.

1 Meals with more bang for your buck

Soaring inflation has forced consumers to **reconsider how they spend their money**. While this is more **pronounced in the UK** and Europe, **over half of American adults** say they've adjusted their eating habits as a result of inflation. This means that in 2023, consumers will go out less but when they do, they'll seek experiences that **feel like a treat**. **44% of UK consumers** say they'll spend more on a dining experience if it's unique.

As people look for these elevated culinary experiences that don't pull on the purse strings, fixed-price and affordable tasting menus will start to play a greater role. In the US, **first-time restaurateurs** are being attracted to the format, such as **Mr Golden from Southern Soigné** who offers a seven-course tasting menu for just \$95. Customers get a luxury experience and restaurants can showcase their best work while saving costs – it's a win-win. Fixed menus also help to fill off-peak times and attract new customers. Michelin star chef Tom Kerridge has launched a two course **£15 lunch menu**, offering an indulgent midday meal that doesn't break the bank.





44%

of UK consumers say they'll spend more
on a dining experience if it's unique

Image source: The Ninth restaurant / The Times

We've also seen people cut down on drinks, with **38% of US diners cutting back on alcohol** to keep restaurant bills down. 2023 will likely see a rise in BYOB but this doesn't mean cheap eateries. Michelin-starred restaurant **The Ninth** offers BYOB on Mondays with no corkage, while steak restaurant **Hawksmoor** throws its all-day '**Wine Club**' every Monday with £5 corkage across all sites, including New York.

As 51% of Britons are planning to spend more evenings at home over the coming months, it will open up opportunities for brands to create indulgent and memorable moments there. It's already started this Christmas with **Asda's Double Smash Cake**, which has to be cracked open to reveal extra treats. Similarly, New York-based confectionery company **Nassau Candy** has unveiled a **Christmas collection** of sweets that come with fun activities.

2 Bringing the supply chain in-house

As supply chain issues rumble on, 2023 will see more restaurants working directly with suppliers and reducing the amount of imports and ingredients. While guaranteed supply is a primary driver, it is also accelerating efforts to minimise environmental impact, appealing to the increasingly conscious diner, **78% of who are willing to pay a higher price for locally grown food.**

Urban vertical farms are one solution. Vertical farmers such as **Crate to Plate** and **Farm.One** already supply some of **London** and New York's best restaurants including **Fortnum & Mason**, **Atera** and **Hide**, whose menu features '**London Lettuce**'. Chefs can collaborate with these farmers to grow rare leaves, herbs, edible flowers and microgreens locally, simultaneously reducing their carbon footprint and improving their taste credentials. While this is more prominent in high-end retail and restaurants, in 2023 we can expect to see a **broader range of accounts** follow suit. **Scen** is a great example of this change, as the first fast-casual restaurant that's embraced the vertical farm-to-table concept. It will be happening at home too. Urban farming communities are already starting to pop up, like **Agrihood** in Silicon Valley and in Toronto's **Quayside** development.





43%

of global diners say they would pay more
for food that was sustainable

Image source: Manteca restaurant / Eater London

Meanwhile, whole animal butchery and fish mongering is moving on site, as restaurants make an effort to minimise waste and reduce costs. While historically the mainstay of steak restaurants, others, such as pasta restaurant **Manteca** and fishmonger-cum-chef's table **The Sea, The Sea**, have followed suit. With **Ennismore** partnering with **Dario Cecchini** to launch a nose-to-tail restaurant in 2023, we expect the term nose-to-fin to appear in a broader range of restaurants. Menus will feature more offal and lesser known cheaper cuts, appealing to growing numbers of diners concerned about food waste.

As high-profile chefs educate more consumers and people seek to slash grocery bills, we will see them being more creative in their own kitchens with a broader range of cuts. Waitrose has already reported a rise in popularity of fish heads, lamb neck, chicken wings and beef shin.

3 High expectations for humble ingredients

After Covid, consumers were happy with the novelty of being in a bustling restaurant again, but having had time to enjoy better cooking in their own home, eating out has become more of an extravagance. Brands have had to elevate their offering to gain their attention. People are now looking for these ‘wow’ moments, with **78% of millennials saying they prefer spending money on a unique experience.**

In 2023, chefs will see their creativity challenged as they try to create show-stopping dishes without passing on soaring costs to their guests. With **44%, of people globally saying they’re likely to eat less meat in a bid to limit their contribution to climate change**, getting creative with cheaper, plant-based ingredients can attract both vegetarians and meat-lovers alike. **Acme Fire Cult** in East London has turned the traditional concept of barbecuing on its head, with a wood-fired grill that focuses on vegetables as the main event and sustainably-sourced meat and fish as a side note. In the US, it’s the same, as **Le Jardinier returned to New York**, after opening in Geneva, Houston and Miami, with a veg-focused menu that has smaller quantities of sustainably sourced fish and meat.

In 2023, chefs will see their creativity challenged as they try to create show-stopping dishes without passing on soaring costs to their guests

As more people **reduce their meat intake to save money** on their grocery shopping, these types of restaurants and chefs will also help to shape, inspire and accelerate more plant forward, price friendly cooking at home.

Beyond this, we will see dishes that push the possibilities of other humble ingredients. At **Core**, which has two branches in London and one in Australia, pioneering Michelin triple-star chef Clare Smyth has won accolades for her ability to transform common ingredients into works of culinary art. She drives foodies into a frenzy with her interpretations of everyday grains and vegetables, such as her signature baked potato served with roe. Meanwhile, **Eleven Madison Avenue** made history by becoming the first vegan Michelin-starred restaurant by keeping their three stars after going plant-based.

These restaurants offer a good example for others to follow, getting the balancing act just right between meeting the expectations of eco-anxious diners, reducing costs and inspiring creativity.

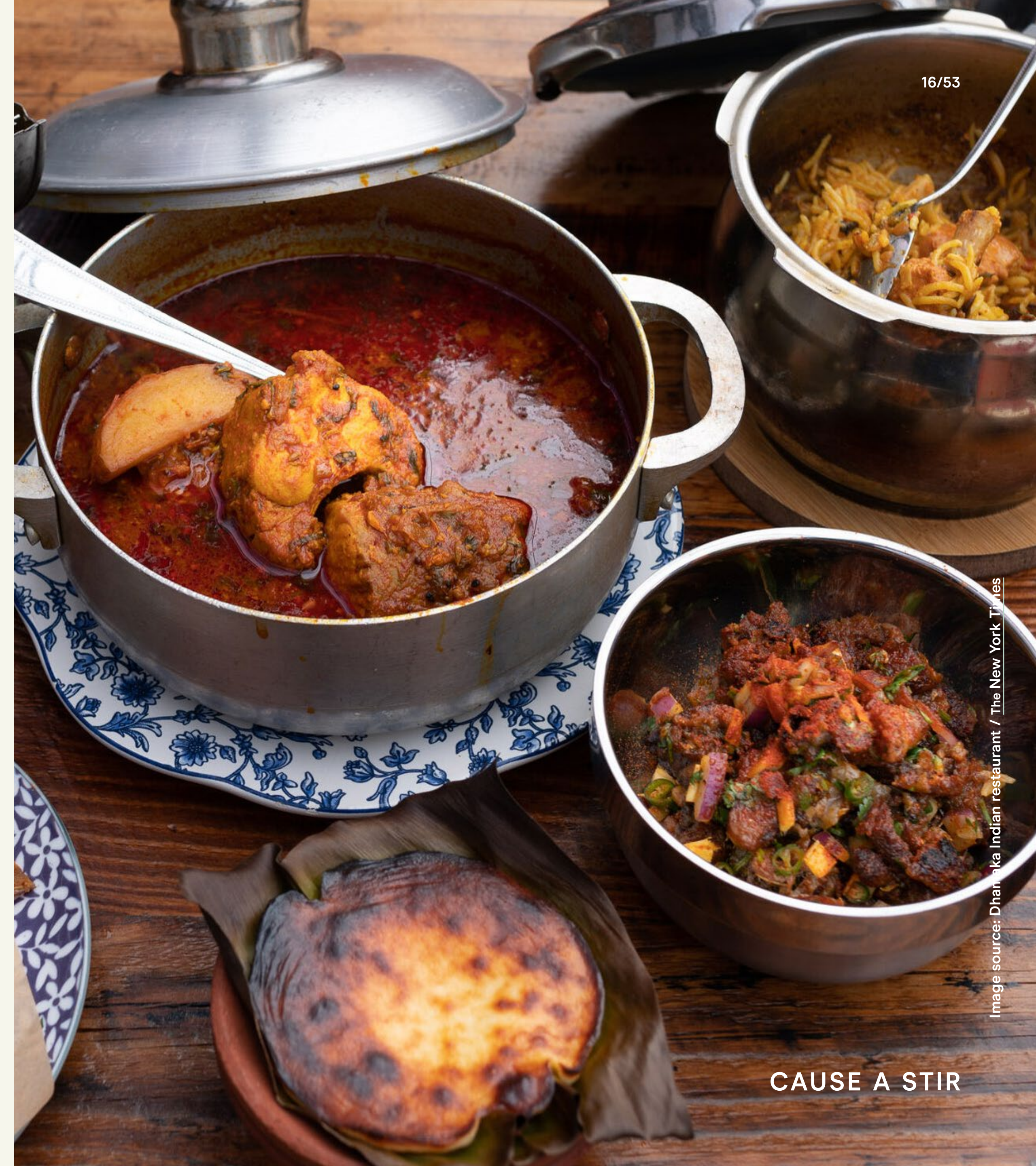


Image source: Clare Smyth's potato and roe / London Eater

4 An appetite for regional nuance

Throughout 2022, an explosion of less-explored, diverse and culturally representative cuisines was championed by inventive chefs, brands and food influencers. The appetite for the unknown is there as **71% of global consumers** say they want to try unusual flavours, with multicultural Gen Z leading the way. Travel has become a key driver for this with **62% of travellers** listing **dining out as the major focus for their next trip**. Social media platforms, such as TikTok, are also playing an important part in this discovery, empowering consumers to expand their food knowledge and understand the cultures behind them.

Discovery through food is nothing new, but what we expect to see in 2023 is consumers cultivating their palates with more regional specificity. It's no longer going to be enough to call something 'Japanese' or 'Italian'; people will want to understand the regional nuances and influences.





71%

of global consumers say they want to try unusual flavours

Image source: Fi'Lia at SLS Dubai restaurant / Fact Magazine

For example, **chef Chintan Pandya of Dhamaka** creates authentic dishes that are rarely served in restaurants, even in India. Recipes come **from urban street stalls and mother-in-laws' dining rooms with no tikka masalas in sight**. And it's popular – they have opened two new restaurants in New York City with another due to open before the end of the year. Similarly, female-led **Fi'Lia at SLS Dubai** brings ingredients, flavours and cooking processes from Hispanic, Black, Aboriginal and Native American dishes into mainstream circles.

People want to understand more about these dishes and hear from the creators behind them. This is giving rise to pop-ups and supper clubs where chefs can accurately represent their home country and help educate their guests. Just look at **Spoons'** London supper club, which sold out in seconds. Founding chef, **Rahel Stephanie**, started out wanting to share the food of her home country, Indonesia, and has now gained a cult-like following. The same goes for **Din Din** in New York, which, due to its popularity, has now found permanent residence on the Lower East Side. Coupled with economic constraints these types of dining formats are likely to grow in popularity in 2023.

5 It's anyone's kitchen

The growing influence of TikTok on global palates is undeniable. From cloud bread to butter boards, the platform is spawning some of the biggest **food trends** for an eager #FoodTok community. But TikTok is more than a hitmaker. It has become a hotbed for fresh talent, such as **@doobydobap**, **@poppycooks** and **@jonkung**. It's also providing top chefs like Gordon Ramsey, Jamie Oliver and Nick DiGiovanni with new ways to engage with their fans.

With 40% of Gen Z now choosing **TikTok for search over Google** and 32% of TikTok's global users now between the ages of **25-34**, it's changing who tells us what we eat and how to cook. In the UK, users are now able to **purchase fresh food directly through TikTok Shop** and in the US the platform is partnering with Virtual Dining Concepts (VDC) to launch delivery service **TikTok Kitchens**.

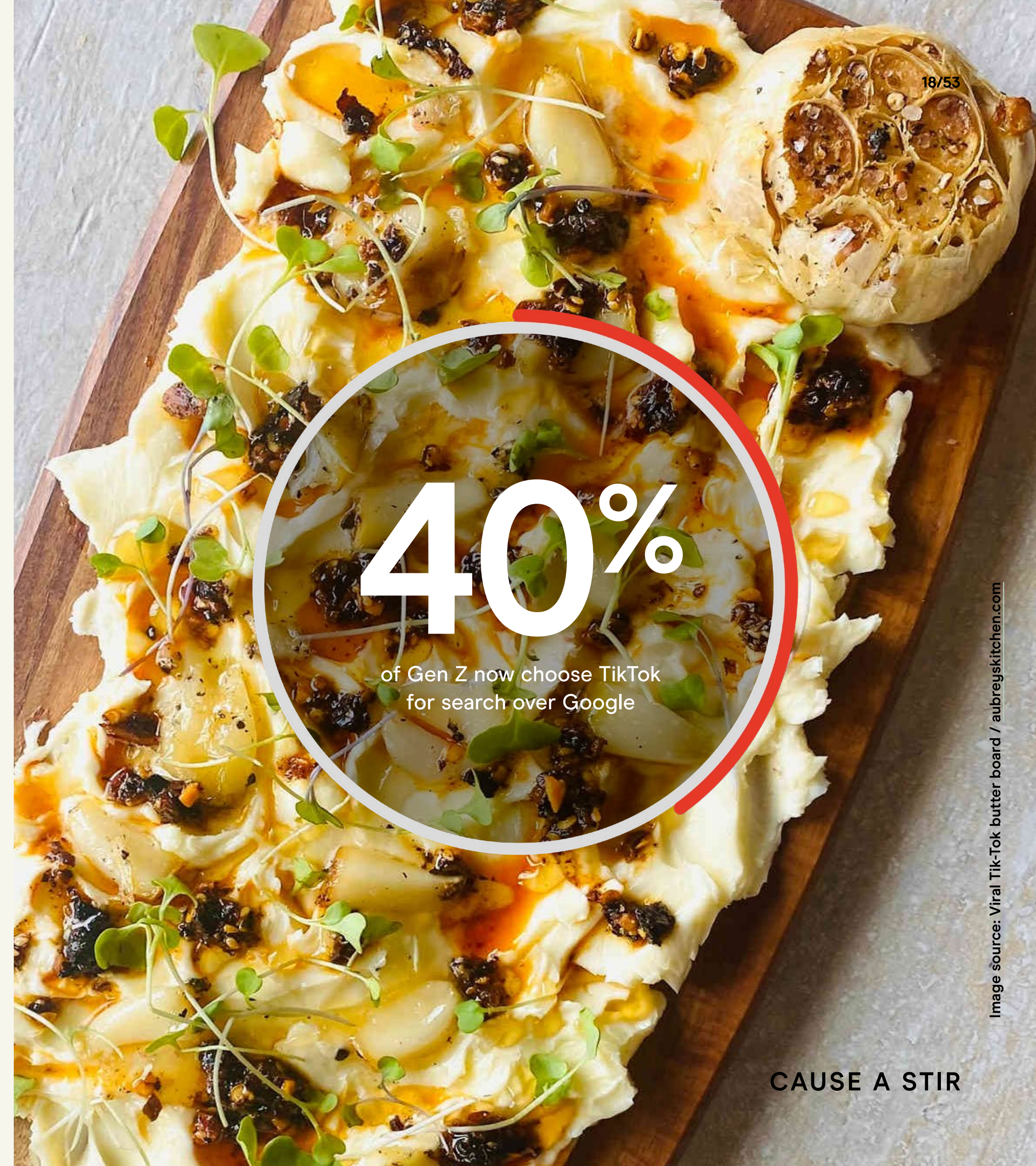




Image source: Rahim Mohamed / New York Post

What's more, a survey showed that 36% of TikTok users visit or order food from a restaurant after seeing a video about it. This opens up growing opportunities for new restaurants, chefs and food brands. The platform is transforming who and how quickly restaurants come to fame, from bodegas, such as **Rahim Mohamed**, being featured by New York Times Cooking, to sandwich aficionados like **Bread & Truffle** and **Dom's Subs** becoming London institutions. It also fuels discovery of lesser known restaurants, with "Not this place but that place" recommending **Maine Mayfair** over big names like **Sketch**. It's clear that consumers want **authentic content**, so restaurants that find ways to leverage the platform and humanise themselves will do well.

In 2023, we also expect more platforms like **DELLI**, from the team behind Depop, to uncover the next generation of food brands. The community-based app is on a mission to bring good food to every table via independent food makers. And with millennials and Gen X as **the most likely to support local businesses by shopping online alone**, 2023 will require a change of tack from some businesses if they want to keep up.

Insights & opportunities

Add glamour to cost cutting

Don't make it feel like people are making a sacrifice – there are easy ways to make things appear better. Bring a touch of theatre to service and embellish humble ingredients or new flavours to create those ‘wow’ moments and get punters back into the restaurant. Take **Apricity** for example. The low-waste restaurant in Mayfair gives as much flavour, substance and style to aubergine, salad and cabbage as it does to any of its meat cuts. It's a good example of how vegetarian dishes can be a number one choice for everyone, including meat-eaters.



Image source: Le Jardinier, New York / Robb Report



Image: Apricity restaurant / Elite Traveller



Image source: Spoons supper club / thegoodfoodguide

Bare your soul

People want authentic food experiences and to understand the nuances behind them. This is about uncovering new insights into different cultures, showing how one region differs to another. In order to connect, brands need to humanise themselves. This can be done through social media platforms, like TikTok. The appeal is that it's a non-curated space where users don't know what to expect, where relevance, as opposed to reach, is king. It's where search options are more relatable, convenient and experiential. For example, Detroit-based chef [@jonkung](#), posts 60-second cross-cultural cooking lessons, with everything from frozen dumplings to two-minute noodles.

Make home an experience

With more people spending time at home, brands have the opportunity to inject some fun into cooking and eating. This isn't Covid 2.0 but people will be looking for treat-yourself moments and wanting to splurge on indulgence without breaking the bank. Brands should build on the opportunity to create elevated experiences and aid discovery in the way restaurants normally would, through exciting interactive experiences. Around **45% of people are determined to make this Christmas bigger and better than ever**, so there's no time like the present.



Image source: Asda double smash cake / Yahoo

THE 2023 DRINKS FORECAST



Introduction

It's been a turbulent year for the drinks industry. The sector has had to deal with a series of challenges such as disruptions to the **supply chain**, staff shortages forcing reduced opening hours, as well as skyrocketing energy, ingredient and material costs. Despite this, the post-pandemic demand is outweighing the impact of inflation, and the demand for alcoholic beverages has continued to rise, with **GlobalData** predicting volume and value growth of 4% and 12% respectively by the end of 2022.

Meanwhile, the cost of living crisis has appeared as a sobering prospect for hospitality. Companies have been left with little choice but to raise prices to protect their profit margins and pass these costs onto consumers, who will likely spend less, buy less or switch categories in 2023 as a result. Of course, the entire drinks industry will be affected, from production to distribution, but hospitality is once again likely to take the biggest hit. However, regardless of the economic backdrop, people will still be looking for elevated experiences and **options that are better** for them and the planet. So what can companies do to keep up? We spoke to Sandrae Lawrence from Cocktail Lovers, to get a steer on what's next for drinking in 2023.

Highlights & takeaways

- 1

The industry has been resilient through tough times as drinkers continue to drink less but better. There’s an opportunity to create elevated and indulgent experiences that meet drinkers values in terms of authenticity, sustainability and better-for-you credentials.
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- 2

With a heightened awareness of health, drinkers continue to shun sweeter, sugary taste profiles. This is giving way to more bitter and savoury serves with Vermouth leading the way. There’s also an openness to more food-led cocktails, featuring ingredients that historically wouldn’t have appealed in liquid form.
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- 3

A more diverse industry is giving way to influences from all ends of the world. As consumers continue to seek out authentic experiences, this will see an increase of local spirits flowing into the mainstream and the world’s leading bars popping up outside of traditional cities.

1 Time to shine for fortified wine and vermouth

Vermouth may be loved by bartenders and martini lovers alike, but it has long been treated by the masses as an undervalued but essential component of countless cocktails. That's all about to change. With **aperitivo-style drinking** and lower ABV serves continuing in popularity, drinks like the **Negroni** and low-alcohol spritz-styles are still gaining traction. This has been marked by the fact that, after eight years in second place, the Negroni finally unseated the Old Fashioned as the number one global cocktail in 2022. With Emma D'Arcy using TikTok to announce their favourite cocktail was the '**Negroni Sbagliato**', the post was viewed more than 9.8 million times, showing that this is a cocktail that isn't going anywhere.





69%

of global consumers say that
it's important for food and drink
to be all-natural

Image source: Aker English Rosé / chapeldown.com

With this backdrop, 2023 is set to be the year of vermouth. In fact, the global Vermouth market is expected to expand by a compound annual growth rate **(CAGR) of 7.46%** between 2021 and 2027. Alongside this, consumers are showing a more nuanced interest in the provenance of wine bases and the specific botanicals used to create new flavours. As **the natural flavours market is expected to grow globally at 6.3% CAGR, from 2021 to 2028**, it's opening up space for new products. For example, the market welcomed **Cordusio**, the world's first red berry aperitivo, made from 100% natural locally-sourced botanicals. Products like these will appeal to drinkers who care about how their drinks are made.

While classic Italian and French fortified wines aren't going anywhere, in 2023 we expect to see more new entrants challenging household names. They are set to appeal to the modern wellness and eco-conscious drinker with **69% of global consumers saying that it's important for food and drink to be all-natural** and **48% of millennials favouring local products**. We've already seen **Aker**, for example, collaborate with two English producers, Capreolus Distillery and wine producer Chapel Down, to launch a range of uniquely English vermouth.

As we head into 2023, the trend shows no signs of slowing with **fortified wine expected to reach US\$27.3 billion by 2028**. With this we expect to see more interest in the broader fortified wine category, with the likes of Fino sherries, aperitivos and Amaro after-dinner digestifs gaining traction.

2 Fewer but more indulgent experiences

After an initial recovery from Covid, the pace of recovery for on-premise has slowed. In the face of rising prices, **47% of people in the UK** are spending less on drinking in pubs, bars and nightclubs, and in the **US about three-quarters said they are going out to bars less often**. That said, off-premise sales indicate that consumers are continuing to trade up; Diageo reported premium-plus brands contributed 57% of reported net sales.

In 2023, we will see this ‘less but better’ approach carry through into on-premise. **59% of people agree that they’d rather pay more for a higher quality product than less for average quality**.

As a result, consumers are also likely to spend more time planning a night out than the night itself, looking for unique experiences that perfectly meet the occasion and are worth their spend. Bars must find a distinctive proposition that fulfils a particular need, for example, **The Savoy’s newly reopened Beaufort Bar**, comes with a nightly programme of DJs and a sophisticated party atmosphere. In New York, **Eavesdrop** has a living room-like feel kitted out with high-end audio equipment and vinyl records to bring Brooklyn’s community of music-lovers together.

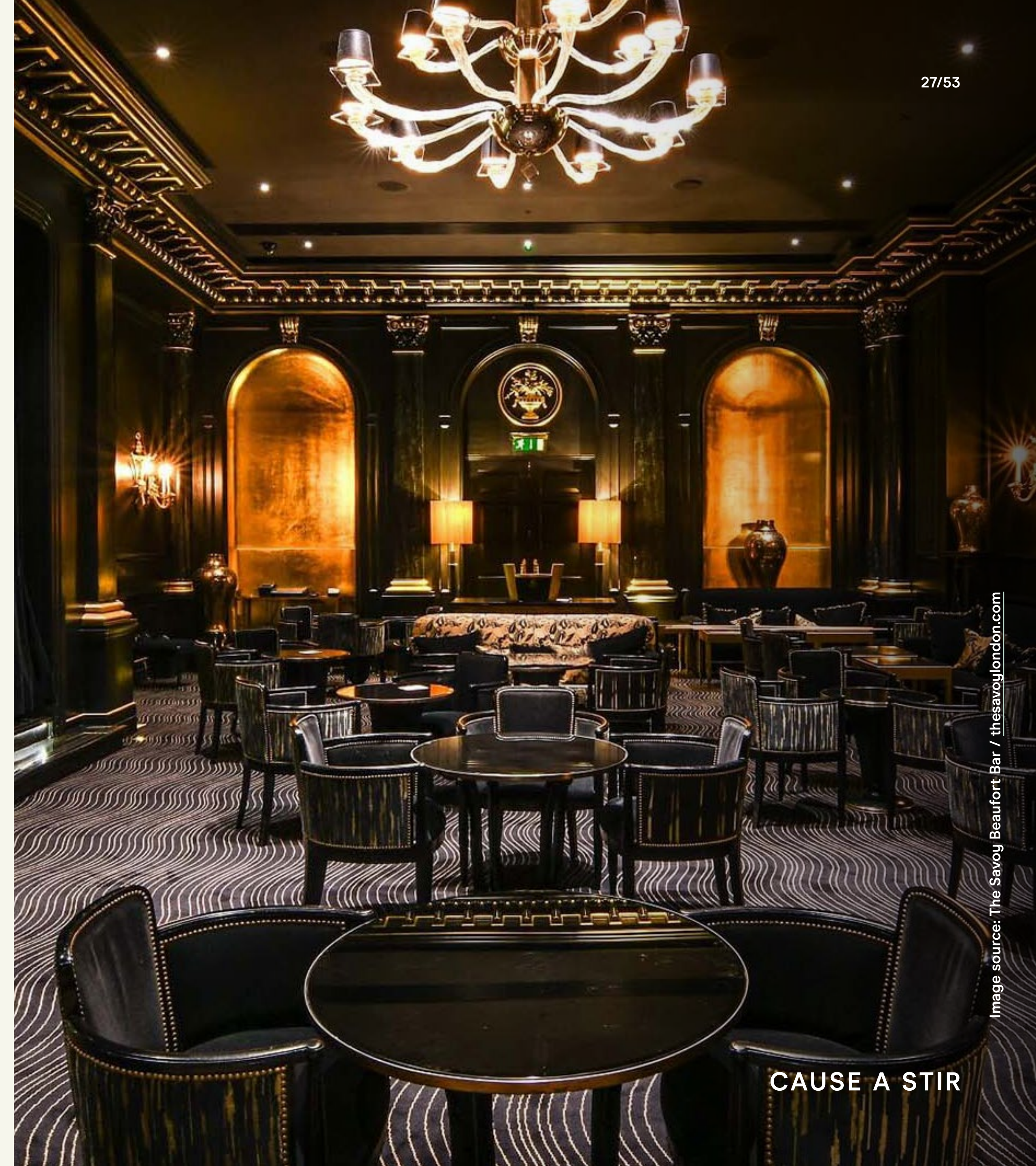




Image source: Lyaness non-alcoholic cocktails / London Unattached

With people going out less frequently, they'll want to make it count when they do. There'll be more group outings as people plan ahead to come together, optimising time and money as they do. Bars will need to be inclusive and cater well for individual needs, elevating every experience, whether it includes alcohol or not. In Europe, **60%** of alcohol drinkers are actively reducing their alcohol intake, while sales of non-alcoholic spirits in the US leapt by **116%** in the year ending May 2022. Largely motivated by wellness, it means bars need to offer a good range of sophisticated, complex and flavour-first low and no ABV serves.

Great examples of this in action include The **Lyaness'** non-alcoholic (and flavourful) alternatives for every cocktail on their list, as well as José Andrés' new **Nubeluz cocktail bar** in New York, where non-alcoholic cocktails are prioritised at the front of the menu. As drinkers look for natural or alternative mood enhancers, stimulants such as **Yaupon**, a caffeinated plant with a mild, earthy flavour, or cannabis will be seen on more menus. We can see this with the cannabis-infused **Artet** bottles and **Ceria Brewing's** cannabis beers, positioned as sophisticated and wellness-oriented alternatives to alcohol. And for those looking to eliminate alcohol completely, there's New York City's very first sober dive bar **Hekate Café and Elixir Lounge**, safe spaces for sober relaxation and socialising that have no focus on alcohol at all.

3 A taste for kitchen cocktails

For years, we've been conditioned to sip sweetened cocktails, but as increasingly health-conscious drinkers shift away from overly sugary tipples we've seen more savoury cocktails on the menu. These progressively savoury palettes have paved the way for **the vegetable martini**. In London it's been seen at **Isabels**, **Three Sheets** and **The Wigmore**, whose vodka martini includes tomato water and porcini mushrooms. In New York it's the same, with the likes of the olive oil martinis at Temple Bar.

In 2023, as bars focus on local sourcing to reduce costs and supply chain issues, they'll need to look beyond traditional cocktail ingredients and get creative with what's on their doorsteps. Solutions are already being adopted by many top-end bars, but we expect to see all levels of the trade follow suit, a leading example being the Peach Pubs collection which won Best Sustainable Pub Company in 2022. Food-led ingredients are also likely to lead new and interesting libations. We've already seen this at **Little Red Door in Paris**, where they've launched a local farm-to-glass cocktail menu centred around a single ingredient, such as carrot or walnut.





81%

of Gen Z and millennials like to experiment and look for unique and unusual flavours

Image source: Double Chicken Please 'Beet Salad' cocktail / Grub Street

Taking this avenue could also lead to a more joined-up approach between chefs and bartenders, such as at **Nomad, where each drinks list has been planned and crafted with the kitchen team to reduce waste.** As bartenders continue to prove that good taste can be sustainably created, the demand will filter through to home. Consumers can already buy Toast's pale ale, brewed with stale bread from bakeries, and Dash Water which adds wonky veg to its spring water.

As the scope of ingredients used in cocktails evolves, the inspiration for them will also continue to expand, blurring the lines between food and drink – which certainly **appeals to the 81% of Gen Z and millennials who like to experiment and look for unique and unusual flavours.** Proving the concept is **Double Chicken Please**, debuting at number 6 in the 'World's 50 Best', with a menu that deconstructs and rebuilds iconic dishes such as Japanese Cold Noodle and Cold Pizza into liquid form. In 2023, we expect more bars to look beyond the usual confines of inspiration.

4 Bringing home the drinks

During the Covid pandemic, people from cities predominantly moved back to their home country or city. In England this was exacerbated by Brexit and 60% of the people who moved home are still there. **Outbound migration most heavily impacted London with 21% of people (1.6 million) leaving the capital.** This has been echoed in the millennial migration to US towns in states ringed by North Dakota, Oklahoma, Alabama and Michigan. Now, many people and specifically emigrants have chosen to remain, particularly as expensive mega-cities stayed quiet.

Naturally, much talent in the bar industry moved too, which saw a renaissance of **local bars and cafes**. Take Simone Caporale and Marc Alvarex who created **Sips in Barcelona in 2021**. They conceived the idea while working in London and took it back home to a ‘very enthusiastic local crowd’. This shift towards a ‘micropolitan’ migration away from mega-cities has given rise to a greater desire for authentic, local venues that are urban cool and foster close community with **local breweries and distilleries** also benefiting.





Image source: Féfé RTD cans / Féfé

Bartenders are now more invested in local flavours to give their drinks a fresh edge. Renowned Parisian speakeasy, **Le Syndicat**, has introduced new ready-to-drink (RTD) cans of cocktails reimaged with French spirits. **Kent Gin Co** has just opened a bar championing Kent spirits, beers, ciders and wines, and **Bar Libre** in Tokyo is turning to smaller, Japan-based booze brands. It suits customers who want to be immersed in cultures through local beers and wines, particularly among younger generations, where 48% of millennials and 40% of Gen Zs favour that approach.

Sparkling wine is also a category set to benefit from the burgeoning confidence to recommend local products and drinkers willingness to explore. Reduced yields are impacting wine supply, with Champagne being the hardest hit. So instead, consumers are looking to experience sparkling wines that drink like Champagne but hail from outside of the region. Spanish Cava emerged as a winner in 2021 as shipments to the US skyrocketed, ending the year with a record **1.98 million cases**. While in the UK, **Chapel Down** is on track to double in size by 2026.

2022 marked the first time a bar outside of New York or London earned the No. 1 spot on the World's 50 Best Bars list. Looking ahead, we expect the industry influence to be more global and broader, as we celebrate difference the world over. With this, we should see local spirits and drinks and styles of serves grow.

5 NFT perks

Once a niche of the art and music worlds, non-fungible tokens (NFTs) for alcohol brands offer consumers new ways to engage and invest. **Adults between the ages of 18 and 24 are more likely to have traded NFTs than any other age group (8.6%),** indicating that younger people are now helping to shape alcohol brands as power shifts back towards the people. NFTs offer a great opportunity to build relationships with a generation that no longer looks towards traditional ways to invest.

From a brand point of view, attaching NFTs is a great way to make a splash when launching a new product, such as Bud Light's N3XT and Bacardi's Reserva Ocho Sherry Cask Finish. Another is helping drinks brands **combat counterfeiting**. A key pioneer and driving force in this space is BlockBar, the world's first direct-to-consumer NFT marketplace for luxury wines and spirits. Brands reserve limited editions for **BlockBar**, which then mints them as NFTs and releases NFT bottle collections on its platform. High-end brands like Hennessy and Rémy Martin have already used the platform, which **hit \$7million** in sales within its first year. And with revenue expected to more than triple in 2023, it showcases the increased demand for NFTs.



Once a niche of the art and music worlds, non-fungible tokens (NFTs) for alcohol brands offer consumers new ways to engage and invest

Image source: NFT Bar Botanica / Eater San Diego

While NFTs help drive discovery and offer traceability, they can also allow alcohol companies to build a variety of exclusive experiences through smart contracts. For example, Mezcal brand **Ojo de Dios** launched an **NFT members club**, The Odd Squad, to offer 360 experiences for mezcal lovers and there's a Napa-based NFT wine club that's building an exclusive community in the metaverse.

With NFT alcohol brands moving into experiences, it's no surprise that bartenders are getting creative beyond the bar and collaborating with artists too. They have the opportunity to translate their talent to the digital space for unique experiences, many of which also link to philanthropic causes. We've already seen it in London at **Adam Handling's Eve Bar**, where 13 NFTs have been made in collaboration with local artists and bartenders, and in San Diego, where **Be Saha Hospitality Group** opened an NFT bar Botanica that will see NFT sales go to the Mexican nonprofit Create Purpose.

2023 will also see the rise of NFT member clubs. At Australia's **Bar Lulu**, memberships are purchased on the blockchain as a Non-Fungible-Token (NFT) and owned by the token-holder, bringing access to exclusive events and unique culinary and social experiences. As a new technology, NFTs offer consumers, bartenders and brands unique opportunities to generate income, loyalty and exclusive access to top-tier events. So far, there are few rules, making this a very exciting space to watch.

Insights & opportunities

Create a distinctive point of difference

As people will be taking more time planning where to go out, in 2023, having a unique proposition will be crucial in standing out and adding value. Drinkers will seek bars with a distinctive vision. Not only that, they'll be looking for spaces that will be ideal for groups, so inclusive menus and environments that showcase just as exciting low-alcohol and no-alcohol options, as well as the expected alcoholic varieties, will be key.



Image source: Hekate NYC, sober bar / Food & Wine



Image source: Eavesdrop bar NYC / Time Out



Make new products out of old problems

Reducing the environmental impact of the industry is still at the top of the agenda. Although there are already great solutions within individual bars, some are leading the charge with community initiatives. For example, **Re bar** in Sydney is launching 'Never Wasted' where they collect food waste and by-products from other prominent venues and suppliers and repurpose them into cocktails. Think how you can go beyond your immediate impact and help drive the industry as a whole towards a greener and less costly future.

Find fresh sources of creativity

NFTs are opening up new ways for consumers to invest and connect with a brand's success. Into 2023 and beyond, brands will need to keep these loyal investors in mind and cater to their niche identities, turning legacy brands into smaller, focused parts. Bartenders are also rising to the challenge, pushing their creativity to excite consumers. From NFTs to a metaverse masterclass, they're adding new dimensions to the drinking experience. Now is the time to look beyond the traditional and delight a consumer who is much more open to exploring new and different things.



THE 2023 TRAVEL FORECAST



Introduction

Despite having to sail through significant headwinds including inflation, the drop-off in business travel and a looming recession, the travel industry is close to pre-pandemic levels. Research shows that the sector is nearing full recovery at **just 15% below 2019 levels, while US passenger movement is back to 95% of 2019 levels.**

Covid restrictions made people realise just how important travel is to them and they're not willing to give it up easily. Despite concerns about inflation, in higher income households consumers are cash-rich and travel-hungry. **38% of UK consumers are planning to spend their savings on holidays** which will help to cushion any slowdown in the travel sector. Similarly, in the US, Americans accumulated **more than \$2 trillion** excess savings during the pandemic, helping to fund the suppressed travel demand. While inflation is a concern, the demand for 2023 and beyond looks strong with higher income households and blended travel cushioning the effects of a slowing economy. We're already witnessing this boost as average transaction values have been most pronounced within 5-star properties, suggesting that the luxury end of the hospitality market is less likely to be affected by the cost of living crisis.

How will people want to travel in 2023? Which kinds of destinations and experiences will they want to seek out? We spoke to Jackie Caradonio, a writer and photographer covering travel, dining, art and design to find out.

Highlights & takeaways

- 1

People have been burnt by the stressful travel experiences of 2022. Coupled with the current economic backdrop, going forward, they'll be more conscious of how and where they spend their money. This opens up new opportunities for brands to use their inside knowledge, relieve travel stress and make sure customers get the most from every element of trips.
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Having witnessed 'Instagram vs reality' first-hand, travellers want to go off-grid to get to the authentic heart of a destination. Disillusioned by the idealised versions of places they've been sold, their desire is for authenticity, even if that comes with a certain amount of grit, rather than Instagram perfection.
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- 3

Why, how and when people travel is in flux. Remote working, climate change, overtourism and blended travel are opening up new opportunities for hotels and travel providers to innovate and inspire flexible travellers with even greater freedom.

1 The search for new frontiers

Pent-up demand after the pandemic reflected the need to escape, turning 2022 into the year of FOMO travel. This fear of missing out was exacerbated by social media. **Around 76% of people who scroll social media for travel say it's made them want to travel more, and roughly 40% of millennials pick holiday destinations based on how Instagrammable the pics will be.**

However, as travellers checked destinations off their hit list, they also experienced overcrowding first-hand and faced the stark juxtaposition of 'Instagram vs reality'. For example, **in Hawaii, hospitality worker shortages, congested roads and 90-minute restaurant waiting times were just some of the problems the travellers tried to navigate in the summer.**

In 2023, travellers will be looking for the antithesis of this experience, opting for remote locations where they can steer clear of crowds and escape from reality with destinations such as **Alaska** or Vermont higher on the **wishlist**.



Nature will be a big draw, bringing a sense of escape that comes with **mental and physical benefits**. We're already seeing some companies innovate to help guests reconnect with the simplicity and power of nature. **District Hive**, the world's first fully autonomous module, is bringing access to locations that were previously uninhabitable. As long as there is sun every four days, it can survive in the harshest environments. However, going to remote locations doesn't mean everyone wants to rough it; around **48% will only consider travelling 'off-grid'** for a more indulgent stay. High-end expedition companies, such as **Explora in South America**, have the knowledge and expertise to guide people through remote locations but also offer a taste of luxury. At the super-luxe end of the scale, the **Six Senses Svart** resort, which is launching in 2024, will produce more energy than it requires to offer net-zero luxury, completely off-grid, in the wilds of the arctic circle. In 2023, companies offering this mix of off-grid adventure with a luxurious edge will be sought after by consumers and do well.

2 Farewell to picture perfect

There's a growing shift in the way people approach travel; it's a relationship that's becoming more purposeful, responsible and less extractive. In fact, 54% said that seeing the visible impact tourism can have on destinations serves as their inspiration to travel more sustainably. Consumers are more aware of the impact of over-tourism and its long-term risk of destroying the very environment and culture they want to experience. In Venice, for example, the population is expected to drop below 50,000 for the first time as remaining inhabitants, dwarfed by mass tourism, report a feeling of being "relics in an open museum".

There are many other well-trodden holiday spots that only exist to meet the needs of tourists. In 2023, we expect travellers to find alternatives with 81% saying they want to visit destinations where they can immerse themselves in local culture. They want authentic experiences in real-life communities.

There's a growing shift in the way people approach travel; it's a relationship that's becoming more purposeful, responsible and less extractive





47%

of travellers will seek out a destination with completely different cultural experiences and languages to their home country

This may mean having to step outside their **comfort** zone, move away from the idealised versions of destinations on social media or leave behind some home comforts. In 2023, **47% of travellers will seek out a destination with completely different cultural experiences and languages to their home country** such as **Brazil** or **Japan**, or go beyond traditional experiences like safari to **explore other areas of Africa**. With a focus on “authentic experience and local flavour”, **Culture Trip** has curated a series of mini trips that combine immersive activities led by locals on the ground.

Consumers will also be more interested in where their money is going and how it is supporting the destination, with **81% wanting their travel spend to go back to local communities**. The newly-reopened **Gangtey Lodge in Bhutan**, for example, not only offers immersive experiences for guests but also takes an active part in supporting local infrastructure. By hiring locally, donating fees and supporting local producers, it helps to make sure that funds go back into the local economy.

Indigineous travel and experiences run by locals will also continue to thrive. **In America’s National Parks, indigenous entrepreneurs offer adventures, such as river tours in hand-carved canoes, that reveal forgotten histories**. In 2023, these impactful, meaningful experiences will set businesses apart.

3 Maxing out every journey

Two years of major disruption and pent-up demand has left an indelible mark on travellers. **Nearly six in 10 consumers are worried about cancellations and disruptions impacting their next trip.** Against the backdrop of a challenging economy where every penny counts, it's understandable that they'll want to make the right decisions and avoid wasting time or money on any aspect of a vacation they've waited so long for. **Around half of consumers agreed that they are concerned by the cost of travel and a similar proportion are spending more time looking for deals.** Nevertheless, when they find what they're looking for, consumers are willing to splash out.

To make every part of a journey count, many travellers are willing to dial up their spend on some or all of their trip **with 73% of travellers** willing to spend more for the exact travel itinerary that they want. This is **particularly** true for millennials, who are way out in front of other generations for saying vacations are very or extremely important to them, making them a key segment for luxury travel operators to target.



Image source: Echo - White Desert / Elite Traveller

Those who can help take the stress out of travel, provide expert and insider knowledge alongside VIP perks will do well. In 2023, 43% of Gen Z and Millennials are likely to use a professional travel expert for vacation planning. As part of this, we will see an increase in the number of bookings made with private members’ services such as **Prior** or **Essentialist**. They offer curated experiences designed by on the ground journalists, experts and tastemakers as well as offer members-only perks that ensure every moment of travel is elevated. We’ll also see an increase in popularity in tour platforms, such as the Berlin-based Get Your Guide, that help travellers find a range of unforgettable experiences wherever they are.

As part of these experiences, a major draw will be offering guests exclusive access to connect with local communities and environments in a new way. To keep up, companies need to find ways to create extra-memorable and over-the-top experiences. **Four Seasons** recently partnered with naturalists to offer a luxury safari in Yellowstone National park, spotting hard-to-find, wild wolves, while in Antarctica, tour operator **White Desert** is launching Echo, a new astronaut-inspired camp that will see guests sleep in in futuristic sleeping pods.

4 The end of travel seasons

The impact of climate change, over-tourism and rising costs will create an appetite for more imaginative itineraries in 2023. This is leading to the end of traditional travel seasons with Airbnb reporting that **40% of people come to the site with no destination or date range in mind**. Going forward, companies can use this to their advantage, creating an opportunity to attract visitors all year round.

A surge in European bookings has some destinations, like Italy, **the second-most popular spot for autumn travel**, concerned about the effects of over-tourism. As such, hotels are urging travellers to visit off-season, an approach made entirely possible by remote working policies and **the rise in blended travel**.

The impact of climate change, over-tourism and rising costs will create an appetite for more imaginative itineraries in 2023



Image source: Wildfire in Avila, Spain (July 18, 2022) / Salon

71%

of people in the UK think that parts of Europe would be too hot to visit over summer by 2027

Climate change will also become a greater influence on when and where people choose to travel. Polls show that people are already thinking about travelling at different times to avoid the heat waves and droughts seen during summer 2022 - **71% of people in the UK think that parts of Europe will be too hot to visit over summer by 2027**. In 2023, savvy travellers will seek out cooler previously overlooked destinations. In Europe, this could mean cities such as **Copenhagen** or Stockholm and in North America, places like Maine or the Upper Peninsula of Michigan will gain traction.

As more people choose to travel in off-peak or shoulder seasons, travellers will begin to experience destinations in a new light. Safari operators like **The Wild Source** have started recommending that people travel during a shoulder season like June or early November. This gives travellers the chance to enjoy near-peak wildlife with fewer visitors. The same goes for the Cape Cod Islands, which are also riding the shoulder season wave, promoting places like **Nantucket** as more appealing with fewer people, mild weather and a more accessible restaurant scene.

These shifts are good news for travellers and hotels alike who can take advantage of a steady flow of tourism throughout the year, elevating experiences and relieving travel stress for consumers and pressure on local businesses.

5 Needs blur into blended travel

As we predicted in our previous report, the amalgamation of business and leisure travel has entered the mainstream. Since **89% of companies have either introduced a remote working policy or are considering one**, the demand is certainly there. In fact, American Airlines reported that **45% of its third quarter revenue was made from blended trips** and by the end of 2022, the blended travel market is expected to reach **\$497.5 billion**.

To take advantage of this new opportunity, travel providers need to think about what's important to blended travellers - and it's more than just installing wifi. This new cohort of remote workers are interested in being immersed in culture, meeting new people and enjoying a life that's well-balanced.





89%

of companies have either introduced
a remote working policy or are
considering one

Image source: Marriott's Design Lab / hospitalitynet

65% of US consumers now see no issue in bringing family, friends or a significant other along on a business trip, and as such in 2023, hotels will need to innovate to satisfy different needs and mindsets. We may see 'kids stay free' offers, curated activities to keep children or partners entertained, and accommodation that flexes between business and personal needs. Accor's capitalising on the trend with the launch of its **"All-Inclusive Collection"** which will incorporate culinary experiences, entertainment programs, and sporting activities.

Another innovative response has been Marriott's state-of-the-art Design Lab, an R&D playground that recently saw a partnership with architecture and robotics company, Ori, to create a guest-room prototype that seamlessly transitioned from bedroom to office.

With new locations being seen as an opportunity to spark fresh ideas and increase productivity, businesses need to respond by creating communal spaces that foster both productivity and in-person interaction. Locke's newly opened **Buckle Street Studio** for example, has an on-site concept store, zen co-working space, soon-to-open podcast room, and a talking-point residency for inspirational talks.

Although most companies are encouraging remote working policies, they're also recognising that they can increase collaboration and strengthen relationships by bringing hybrid work teams together in new locations. UK's **Outside** is building a membership community that connects workers together through group walks in nature, while **Hyatt** has announced "Work from Hyatt: Offsite", a corporate retreat concept giving colleagues the opportunity to connect in person.

Insights & opportunities

Paint a different picture of destinations

Social media has drastically transformed the way we interact in the world, while increasingly dictating consumer choices. Now, however, people are reconsidering the motivations behind their desire to travel and they want to seek more genuine travel experiences. Luxury tourism brands have traditionally marketed idealised versions of destinations and promised to shield travellers from discomfort, resulting in often homogenised experiences. The future points towards offering insider knowledge and authentic connections with locals, communities, and the environment that surrounds them, even if it means nudging consumers out of their comfort zones.



Image: Culture Trip 'Authentic Columbia' guide / Culture Trip



Image: Gangtey Lodge, Bhutan / Health Travel



Image source: Nantucket, USA / The Washington Post

Innovate beyond destination

The line between work and play is merging and giving way to a much more flexible approach to travel. Where, how, why, when and who we travel with is much more fluid. Targeting a ‘type’ of trip or a traditional destination is now much too restrictive. Instead, brands need to better match consumer needs and inspire them with relevant options that were previously off the radar. That could mean introducing a lesser-known destination or showcasing somewhere popular in a new light during a traditionally ‘low’ season. Not only that, brands will have to understand how they can adapt their offer to meet varying needs as blended travel goes mainstream.

Show genuine care

Travellers have seen first-hand the impact of climate change and the detrimental impact of overtourism on destinations. Now more than ever, consumer mindsets are shifting towards more responsible and less extractive relationships with destinations, with **81% of global travellers wanting their travel spend to go back to local communities**. Brands need to show that they truly care about the local culture, environment and community by growing and regenerating destinations. For example, **American Express** has created five new customisable itineraries for their Platinum Card members, geared towards cultural exchange and supporting local communities across Denmark, Kenya, Peru, South Africa and Vietnam.



Image source: Giving back in Peru / teva.com

CONCLUSION

There's no doubt that we're living through times with huge challenges on the horizon. From the monumental threat of climate change to the immediate problem of rising inflation, consumers are rethinking and reordering their priorities. Even if the pandemic is largely behind us, the repercussions are still being felt and the way we work and live seems changed forever.

As consumers refocus on themselves and cut through the noise to connect to things they care about, they've become very intentional about the way they spend money or use their time. The themes of blended travel, branded NFTs and nuanced, regional cuisine are all great indicators

of this shift in mindset. In the face of challenge, there's also a huge unlocking of creativity and innovation, accelerating efforts towards a more sustainable world. Consumers may have been through plenty in the past couple of years - but there's more to come. They want to protect themselves financially, environmentally and psychologically and feel that they're making the right choices and giving something back.

In 2023, successful brands will be able to understand these consumer values and demonstrate that they match up in a real, authentic and creative way. Despite the challenges ahead, brands can help consumers to take centre stage, shaping the world they want to live in for the better.



Hue & Cry is an insight-led creative communications consultancy with expertise in food, drink and travel.

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