WILDE TOAST

Tequila's coming of age era - a maturing, yet nuanced, dynamic and evolving category

WILDE TOAST DRINKSIGHT CATEGORY FINDINGS ON THE TEQUILA CATEGORY

METHODOLOGY

TRADE REALITIES: LOVED BY MANY, UNDERSTOOD BY FEW

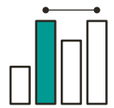
A category that is outpacing the wider drinks sector but is still finding its feet.

Yet category growth may be restricted as the appetite to learn outpaces the training available to satisfy it. And what ends up in the glass rarely reflects the passion for the category from the person pouring it.

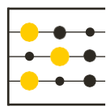
METHODOLOGY

OUR SIX STEP RESEARCH PROCESS

Survey of 25 members
from our DrinkSight Panel



Quantitative and qualitative findings to give a
future-facing perspective of the tequilla category



Menu analysis delivered by MenuMap, our
proprietary AI-driven menu analysis software

Tequila cocktail deepdive, powered by Wilde Toast
trend-watching and DrinkSight panel insights

4 hours of in-depth
interviews and discussions

Expert analysis from drinks and research industry
leaders to transform data into intelligence

TEQUILA IN NUMBERS

KEY STATS FROM THE CATEGORY

Just **1 IN 3** bartenders in leading venues regularly and successfully trade up guests in the tequila category

88% of bartenders disagree that tequila, and tequila cocktails are 'summer drinks only'

68% of bartenders state that tequila cocktails are now as reliable a marker of a great bar as a classic Martini

96% of bars are seeing strong performance from Spicy Margaritas

Outperforming classic Margaritas (84%)

100% of bartenders rate their desire to learn about tequila as higher than the availability of training across all aspects of the category

4 IN 5 bartenders agree that 'tequila cocktails are growing in popularity faster than any other spirit'

4 IN 10 listed tequila cocktails in leading On-Trade venues include the three most popular brands

x3 The average number agave cocktails listed in leading UK outlets

Higher than the equivalent for vodka (2.6) or rum (1.8)

14x Sustainability credentials are fourteen times more likely to influence bartender perceptions of a 'great tequila' than celebrity ownership

TEQUILA IN THEIR OWN WORDS

BARTENDER PERCEPTIONS OF THE CATEGORY

It's in a really interesting space. Demand is growing, and the quality of tequila has grown exponentially. However, there are some dark marks of the celebrity tequilas coming in and overshadowing the work of some truly great distilleries. That's not to say that all celebrity tequila is bad, but it has caused the market to become quite flooded. The bonus? It's now a much more approachable category and having a good tequila is now a non-negotiable for any decent bar.

TOM BYRNE, THE HOXTON

Tequila has a really strong foothold in the public's cocktail consciousness, but through quite a limited perspective. While tequila-based menu items always sell well, the intricacies of the category is sometimes lost on the general consumer, where complex profiles and unique palates are often deferred in favour of cleaner, softer flavours often associated with premium brands.

ASHOKA WALLACE, AROUND BAR

The tequila category is one of the most culturally growing, with so many more varieties coming onto the market. It's fascinating and there is lots of discussion around traditional techniques and the brands that are performing best are those that are able to show up authentically in a space with growing choice.

SIMON WEBSTER, BIRDCAGE

Growth is still there, but it's steadying, not surging. After a decade of hype-fuelled growth, it seems to have cooled and become more discerning rather than accelerating.

DENIS GHIO, THE DARK HORSE

Ah, the tequila boom! It is following a very similar trajectory to what we saw with gin. There is guest interest in more boutique products and preferences for certain brands. Next step would be enough interest/ knowledge to experiment, but the majority aren't quite there yet.

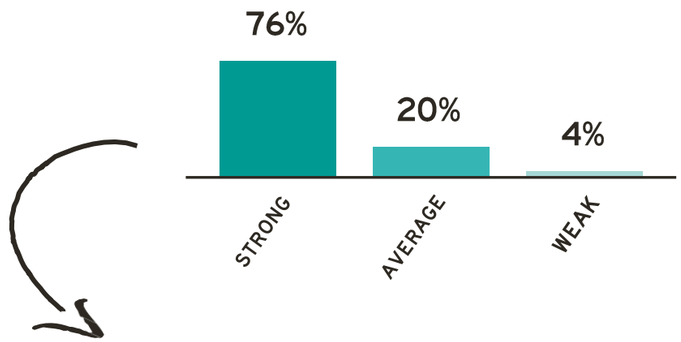
REBECCA PINK SWANN, SWIFT BARS

AT A GLANCE

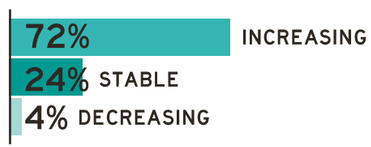
A GROWING AND HEALTHY CATEGORY, YET ONE IN WHICH RANGE – AND GUEST EXPLORATION WITH IT – IS LIMITED

Tequila performance is seen as strong across all metrics, yet leading bars are satisfied with relatively small ranges.

BARTENDER CURRENT PERCEPTIONS OF
OVERALL HEALTH OF THE TEQUILA CATEGORY

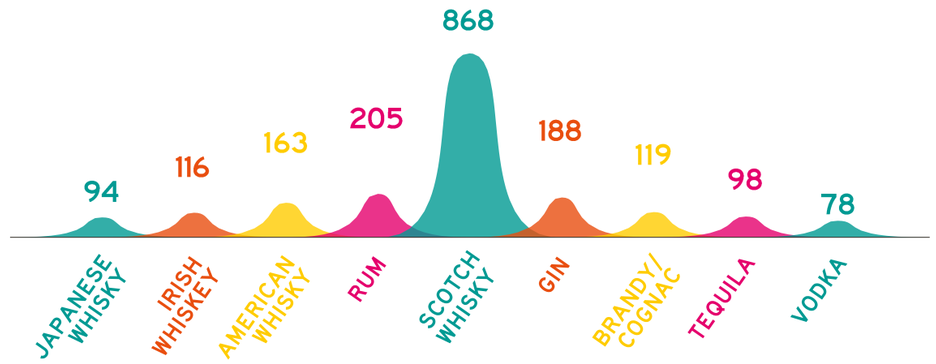


How this is changing compared to last year:



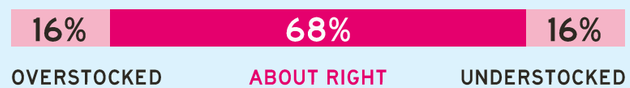
NUMBER OF BRANDS LISTED ACROSS 40 LEADING UK VENUES

Tequila has fewer entries than all other major categories, excluding vodka:



> We haven't increased our tequila selection to keep up with increased consumer interest. Part of this is because the majority of guests still don't request specific brands - they just want rail. REBECCA PINK SWANN, SWIFT BARS

BARTENDER PERCEPTIONS OF TEQUILA RANGES:

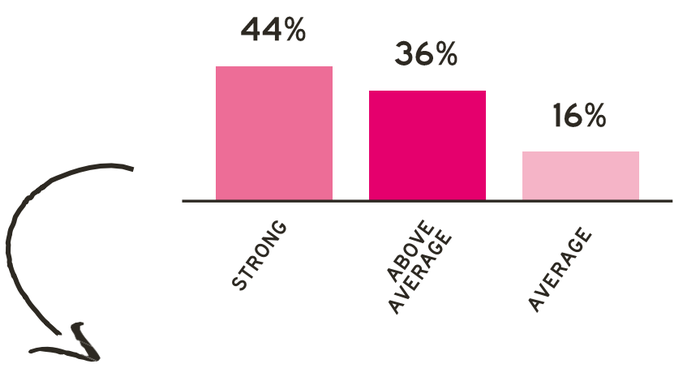


AT A GLANCE

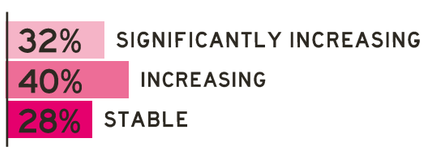
NO LONGER THE SOLE DOMAIN OF THE TRADE, GUEST INTEREST IS CATCHING UP WITH BARTENDER INTEREST IN TEQUILA

While current interest in the category is more than twice as high amongst staff than guests, the direction of travel indicates that consumer interest in the category is increasing at a faster rate than that of bartenders.

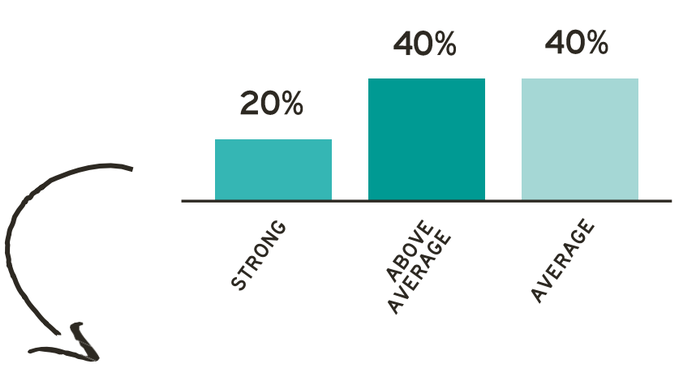
BARTENDER CURRENT PERCEPTIONS OF STAFF INTEREST IN TEQUILA



How this is changing compared to last year:



BARTENDER CURRENT PERCEPTIONS OF GUEST INTEREST IN TEQUILA



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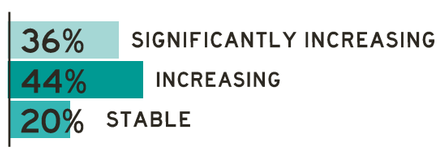
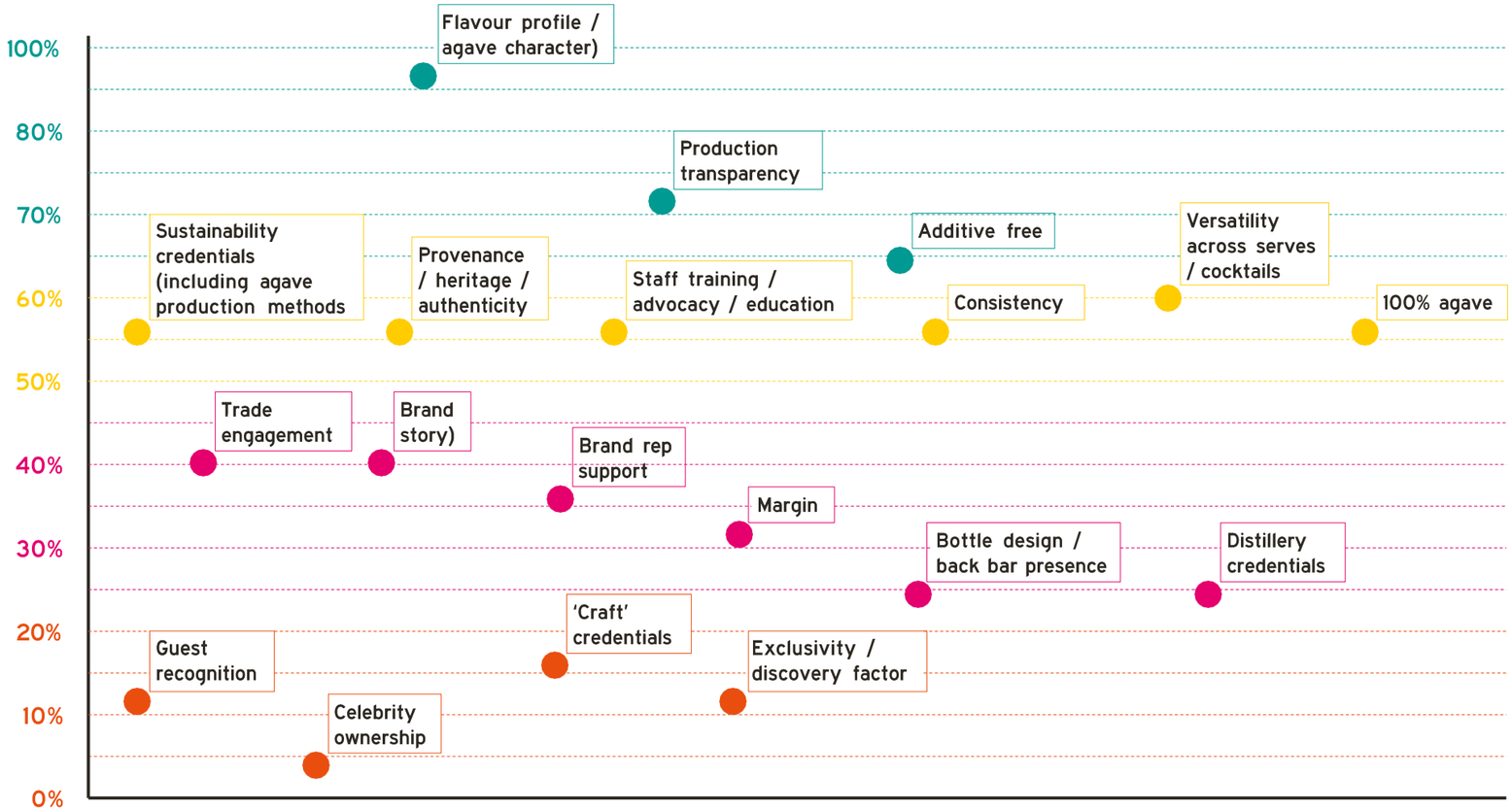


> It seems to me that over the last couple of years tequila has finally made the jump from bartender favourite to something consumers are enjoy and ordering.
> SIMON WEBSTER, BIRDCAGE

AT A GLANCE

BALANCING PRODUCTION, FLAVOUR AND VERSATILITY IS WHAT BARTENDERS LOOK FOR IN GREAT TEQUILA

Alongside flavour profile, bartenders are interrogating the credentials of tequila when assessing the quality of tequila, while celebrity ownership comes at the bottom of the list.



IN YOUR OPINION, WHAT MAKES A GREAT TEQUILA?

> There is so much discussion around traditional tequila distilling which is wonderful to see, especially community and traditional methods and the brands that are performing best are those that are able to show up authentically and with quality
>
> ASHOKA WALLACE, AROUND BAR

TEQUILA - REPORT INSIGHTS...

THE KNOWLEDGE GAP

Bartenders want deeper, brand-agnostic category education, but training is difficult to come by and the knowledge gap is costing brands and guests alike in the form of better options.

BLANCO WINS, BUT SUB-CATEGORY CONFUSION REIGNS

Blanco is the bartender favourite, but in a category with confused frameworks, there is no consensus about how, or why, different styles of tequila should best be used.

THE BATTLE BETWEEN BRAND & LIQUID

Bartender preferences lie towards liquid-led tequilas; however, brand heritage and brand associations are what bartenders are currently using to justify premium serves.

SUSTAINABILITY MATTERS

Sustainability and farmer-welfare credentials now rival 100% agave itself as a marker of quality, and directly shape which brands get recommended.

THE NEXT GENERATION OF TEQUILAS GENERATE BOTH EXCITEMENT & SCEPTICISM

Rosado and Cristalino styles hold interest from bartenders, but there is cynicism about the true drivers of their growth.

A SECOND WAVE OF TEQUILA COCKTAILS ARE COMING

Tequila cocktails are booming with interest growing beyond the current favourites. Beyond Picantes and Palomas, a sub-set of tequila cocktails are emerging

...AND WHAT THEY MEAN FOR TEQUILA BRANDS

THE KNOWLEDGE GAP

INVEST IN TRADE EDUCATION, RATHER THAN JUST MARKETING TO THE TRADE

Tequila brands that offer genuine, interesting and insightful category training, beyond sales pitches, will earn increased advocacy and capitalise on missed trade-up opportunities.

BLANCO WINS, BUT SUB-CATEGORY CONFUSION REIGNS

BUILD THE MISSING TEQUILA CATEGORY FRAMEWORKS

Give bartenders and guests a clear, flavour-led logic for each expression, to empower best-in-class tequila serve strategy and delivery.

THE BATTLE BETWEEN BRAND & LIQUID

WIN WITH BOTH COMMERCIAL & PERSONAL PERSPECTIVES

In a climate where house pours dominate, liquid credentials alone are not sufficient.
To win in tequila commercial deals and menu listings need to accompany bartender respect to drive sales.

SUSTAINABILITY MATTERS

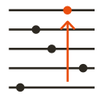
TRANSPARENCY & INVESTMENT INTO SUSTAINABILITY AND FARMER WELFARE BENEFITS ALL

Claims are disputed and scepticism reigns in the murky world of tequila, so double down on sustainability and ESG to ensure that the 84% of bartenders who use these credentials to shape recommendations choose you brands.

NEXT GEN TEQUILAS GENERATE EXCITEMENT & SCEPTICISM

LEAD WITH SUBSTANCE TO EARN TRUST

To win with Rosado and Cristalino, there is a need to tackle cynicism head-on.
Form approaches that combine style and substance to gain bartender and consumer trust.



A SECOND WAVE OF TEQUILA COCKTAILS ARE COMING

THE TEQUILA COCKTAILS OF TOMORROW ARE READY TO BE OWNED

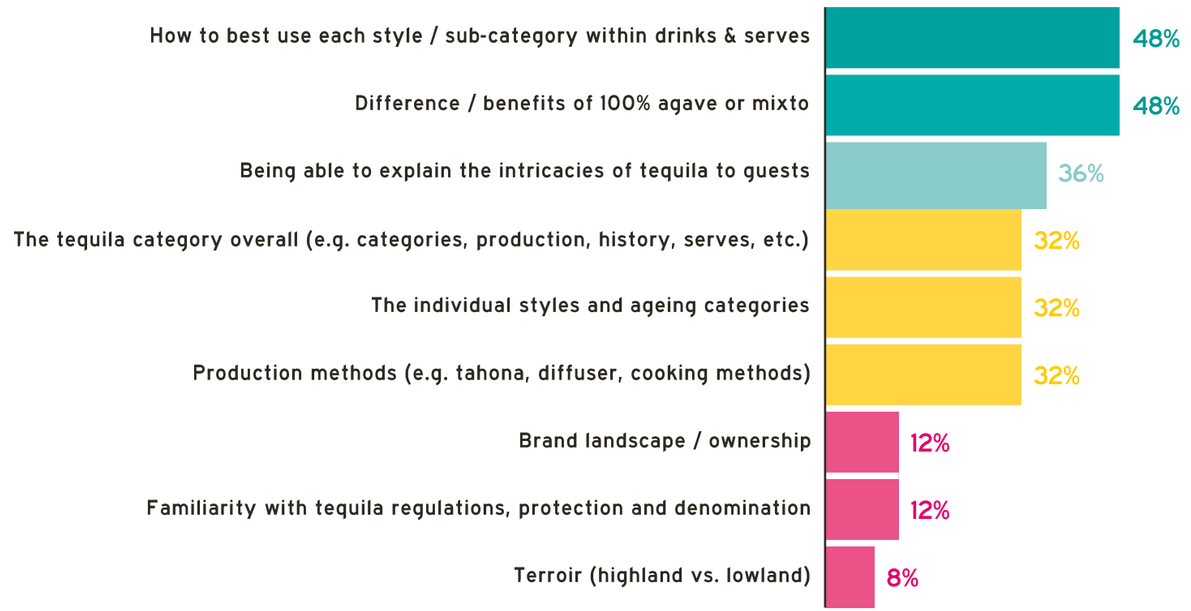
There are first-mover opportunities across tequila cocktails serves yet to explode. Inspiration for tomorrow's serves may come from yesteryear, with Toreador, El Diablo and Batanga all rising in popularity, alongside contemporary serves such as Ranch Water.

TEQUILA - REPORT INSIGHTS #1

THE KNOWLEDGE GAP – BARTENDERS ARE LOOKING FOR MUCH-NEEDED AND ELUSIVE CATEGORY EDUCATION

Even in the best bars in the UK, bartenders acknowledge their knowledge of tequila as lacking, with knowledge gaps translating into missed opportunities to trade guests up.

PROPORTION OF LEADING BARTENDERS WHO RATE THEMSELVES AS 'VERY KNOWLEDGEABLE' ACROSS THE FOLLOWING ASPECTS OF TEQUILA:



Just **32%** of bartenders regularly and successfully trade guests up

"I think we're at the beginning of agave education across UK hospitality but brands still seem quite closed off as to their production methods, sustainability and histories.

BRANDON AINSWORTH, SPROUT BAR

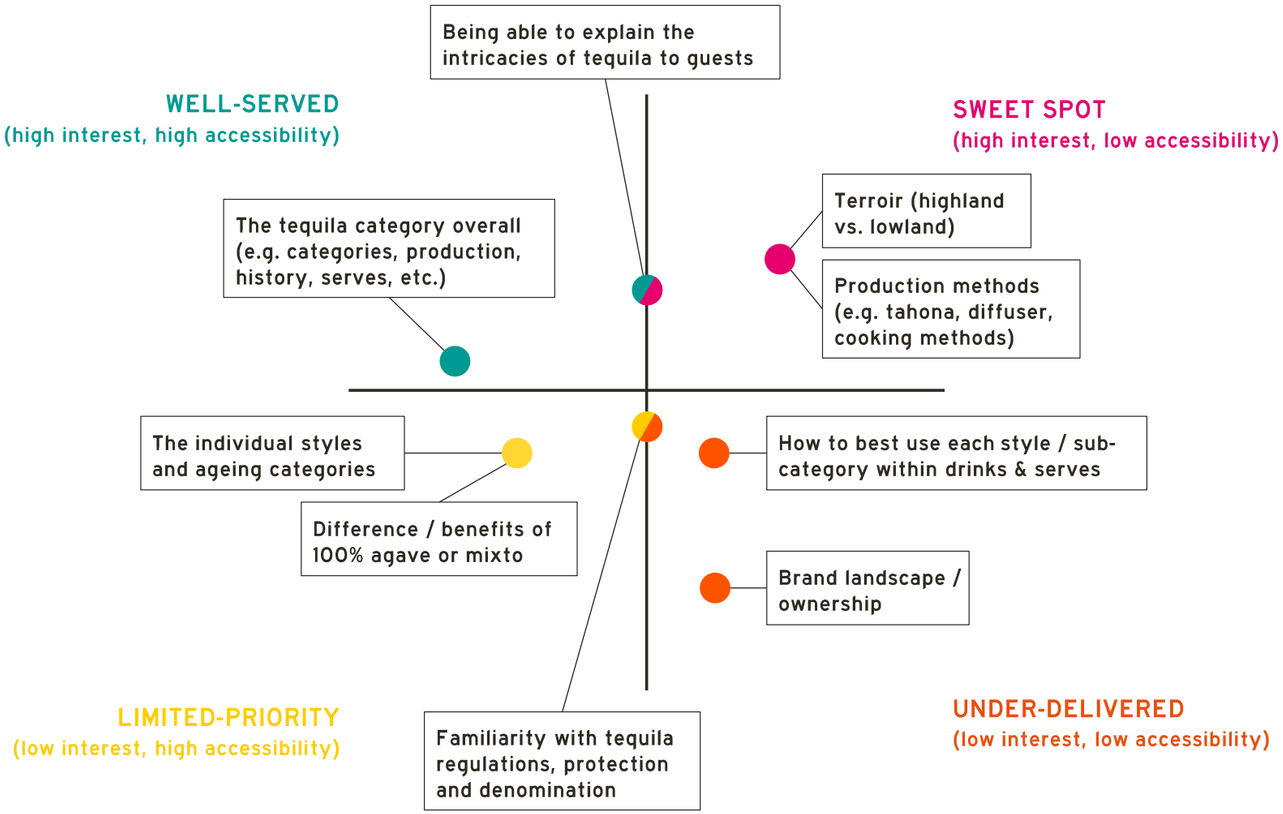
Brands need to stop giving generic sales pitches. Instead, they should provide real, technical details about how the tequila is made, cooked, and distilled.

ANDREI POPESCU, 180 HOUSE, SOHO HOUSE

TEQUILA - REPORT INSIGHTS #1

THE KNOWLEDGE GAP – BARTENDERS ARE LOOKING FOR MUCH-NEEDED AND ELUSIVE CATEGORY EDUCATION

There is a gap between interest and access to training, across all aspects, with terroir and production methods in particular, both appealing and hard to find.



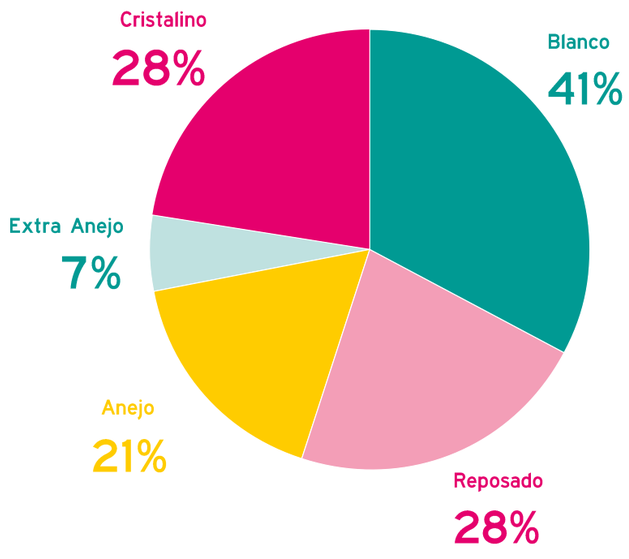
> It can be challenging to receive impartial information surrounding agave, as a lot of training is driven by larger brands and producers, which can often come with a more romanticised version of events surrounding their specific production methods and brand specific tasting notes, rather than opportunities to compare multiple brands across the category in a singular space.
>
> JAY HARDY, SCHOFIELD'S

TEQUILA - REPORT INSIGHTS #2

SUB-CATEGORY CONFUSION: BLANCO IS THE BARTENDER FAVOURITE, BUT THERE IS NO CONSENSUS ON LADDERING AND POSITIONING

Bartenders agree on blanco as a preference – due to versatility and availability – and little else, with no consistency around selecting styles for serves or for recommending to guests. A new way to communicate is required.

Tequila listings in 40 leading venues by style:



1 IN 2

bartenders have no consistent rule for matching style of tequila to serve

Bartenders use blanco in, on average,

2.3 DIFFERENT WAYS

compared to the wider tequila average of 1.3

Blanco is the favourite of

44%

beating Reposado (32%)

Just

1 IN 3

bartenders ask guests about the style of tequila they like when making a recommendation

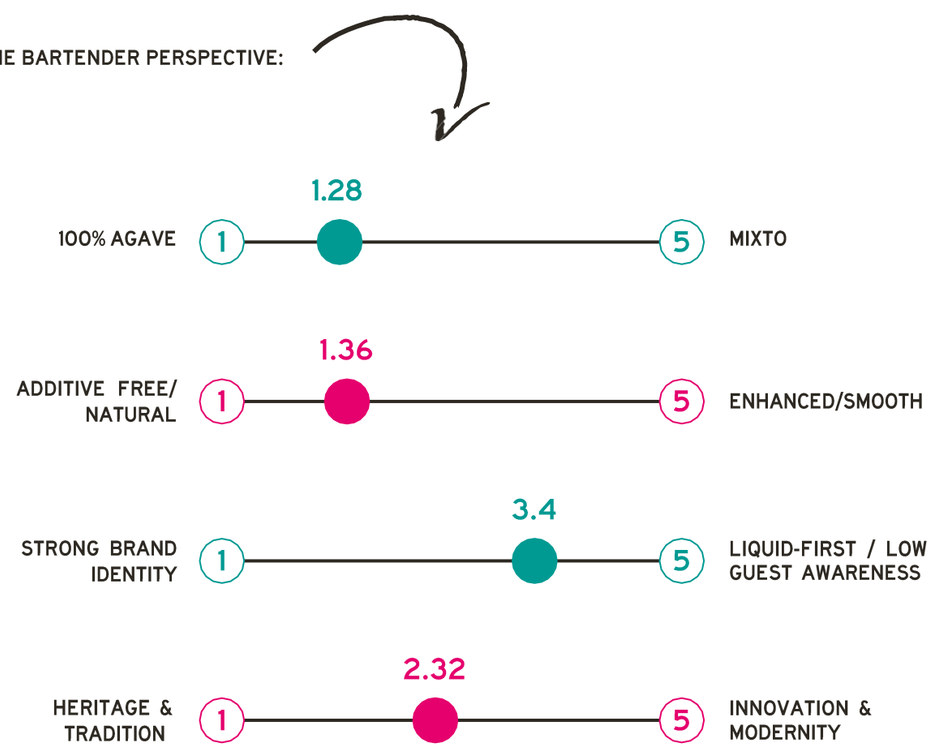
> There has never been an agreed shared framework for tequila and if they all have the same flavour profile, what's the point? Wouldn't it be better to have different flavour profiles on the menu instead? MILLIE MILLIKEN

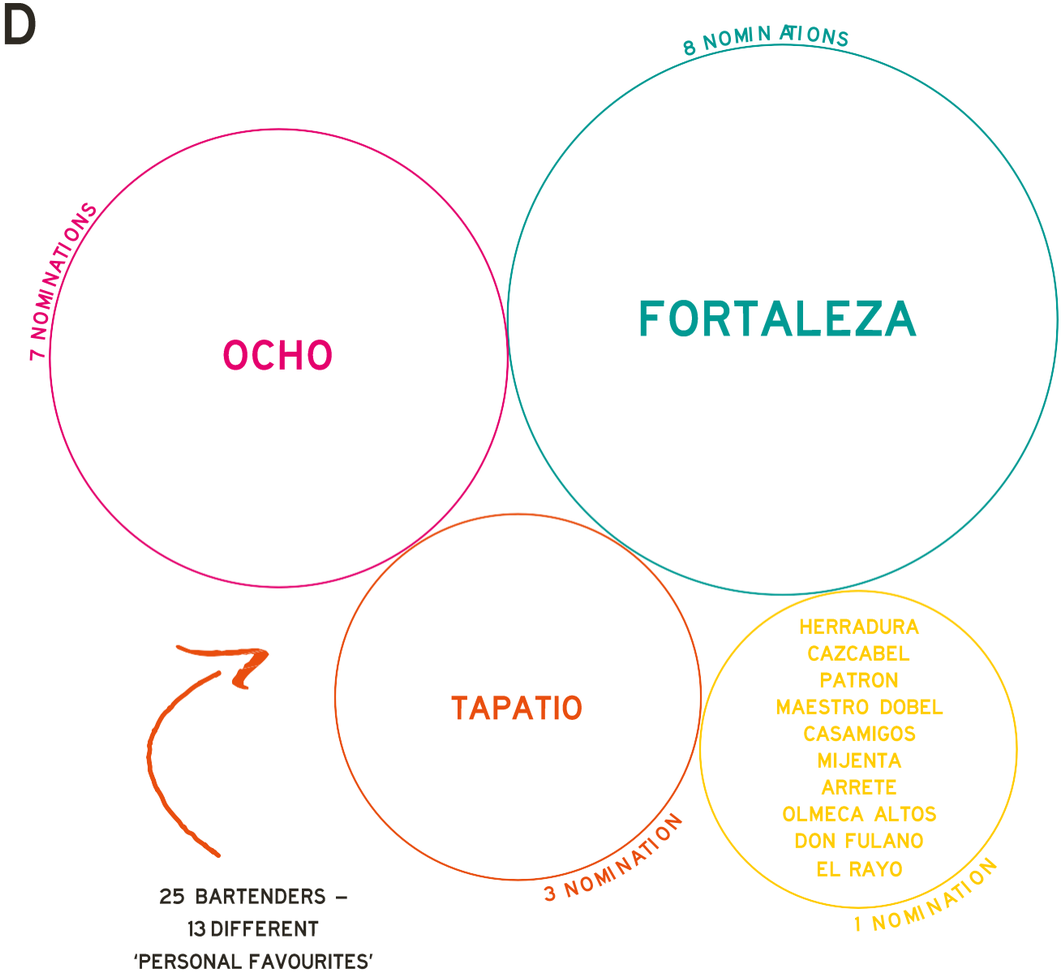
TEQUILA - REPORT INSIGHTS #3

THE TEQUILA CATEGORY LIVES IN A TENSION BETWEEN BRAND AND LIQUID

Preferences are clearly weighted towards liquid over brand.

THE BARTENDER PERSPECTIVE:





TEQUILA - REPORT INSIGHTS #3

THE TEQUILA CATEGORY LIVES IN A TENSION BETWEEN BRAND AND LIQUID

Bartenders who regularly and successfully trade up are far more likely to focus on liquid than brand, demonstrating the need for category education.

For the **32%** who successfully trade up guests...

...**2 IN 3** point to liquid or craftsmanship as the main factor that differentiates a good tequila from a great one (#1 factor)

Whereas for those that do not regularly trade up guests in tequila,

1 IN 2 suggest brand heritage as the main factor (#1 choice)

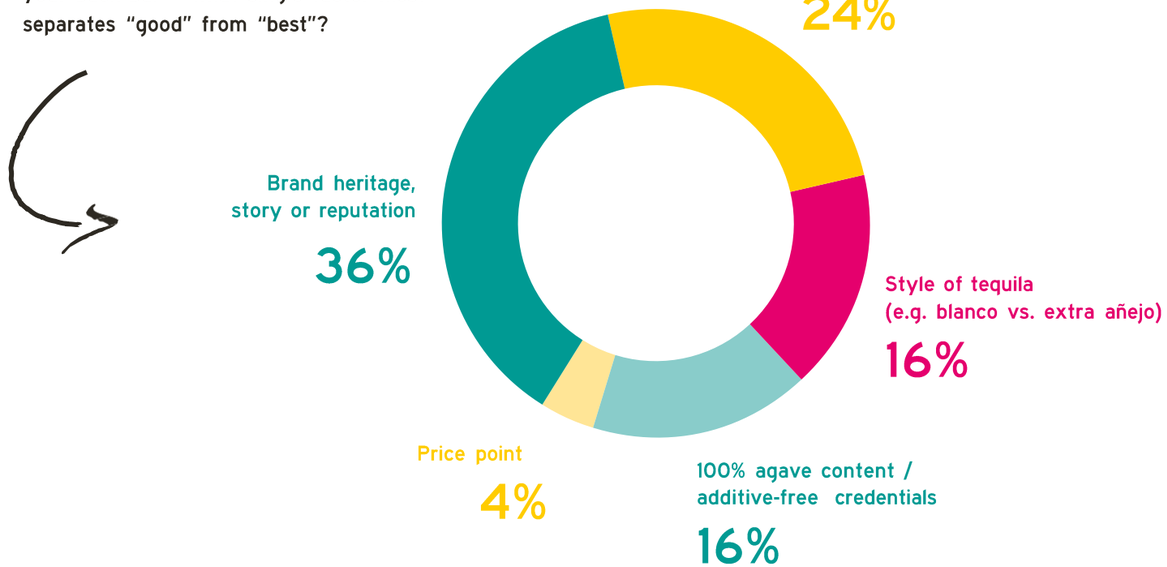
> I don't believe tequila needs to scale exponentially in cost like other categories, and I don't even believe ageing tequila benefits it all that much. My favourite brands are quite pure with their methods, affordable, and focus on agave character rather than barrel notes. MILEY PENNDRAGON, THE DOMINO CLUB

TEQUILA - REPORT INSIGHTS #3

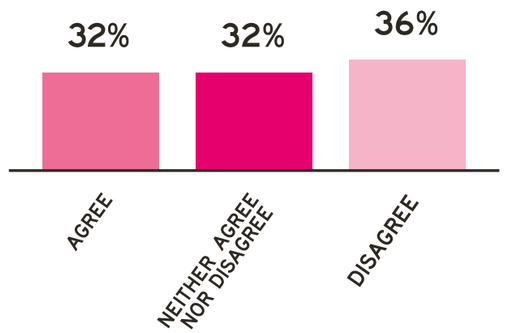
THE TEQUILA CATEGORY LIVES IN A TENSION BETWEEN BRAND AND LIQUID

Although bartender preferences sit towards liquid over brand, when pressed on what differentiates a great tequila from a good one, brand is the most important aspect.

Thinking about the gap between an entry-level, mid-range and top-shelf tequila on your back bar — what single factor most separates "good" from "best"?



Bartenders are almost exactly split:
'BRANDING IS FAR MORE IMPORTANT IN THE TEQUILA CATEGORY THAN IN ANY OTHER'

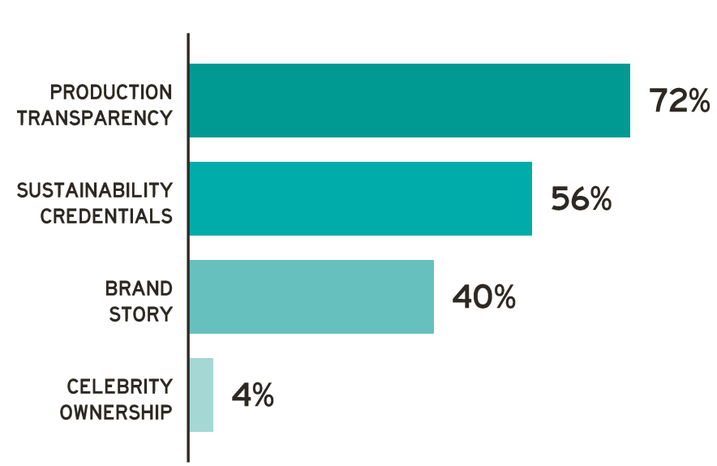


TEQUILA - REPORT INSIGHTS #4

SUSTAINABILITY MATTERS – A PERCEPTION DRIVER AND A GENUINE DRIVER OF RECOMMENDATIONS

As important as 100% agave itself, sustainability credentials are cited by 56% of bartenders as a factor of what makes a great tequila.
No longer a soft ESG add-on, bartenders are increasing emphasis on transparent production methods, environmental and social practices of tequila producers.

In your opinion, what makes a great tequila?



84%

of bartenders state that 'SUSTAINABILITY AND FARMER-WELFARE' credentials influence which brands they actually recommend"

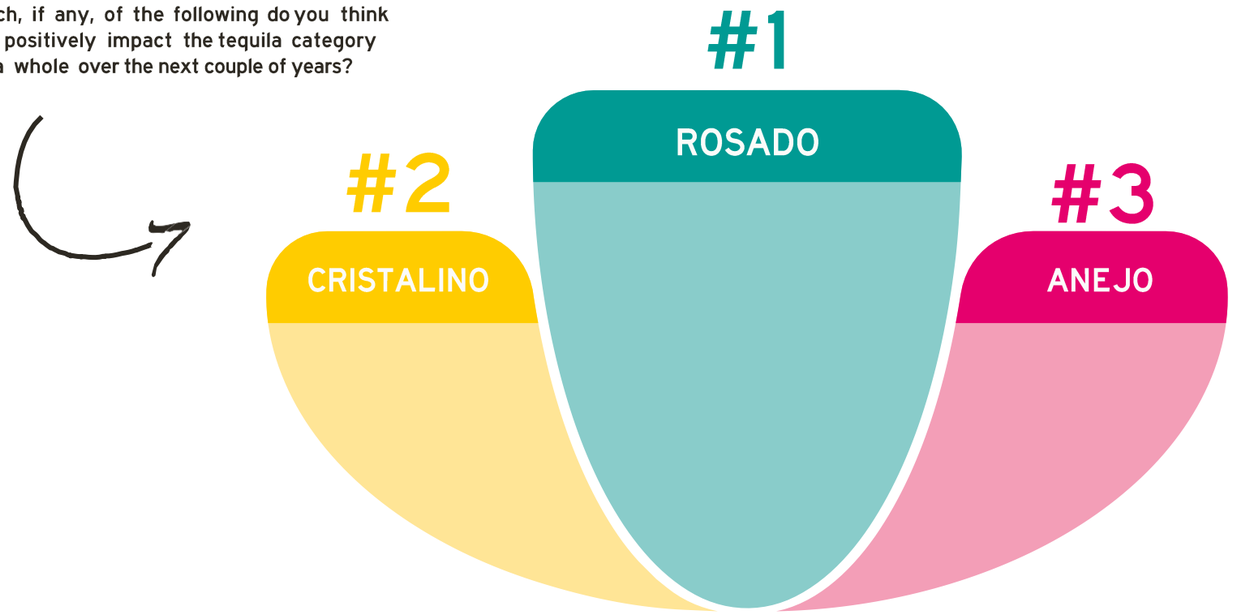
> Forward-thinking distilleries are now recycling their leftover agave fibre waste, turning it into clean energy to power their ovens and protect the environment. It is all about making tequila more authentic, honest, and green. ANDREI POPESCU, 180 HOUSE, SOHO HOUSE

TEQUILA - REPORT INSIGHTS #5

DESPITE GROWTH POTENTIAL, EMERGING TEQUILA CATEGORIES ARE VIEWED WITH SCEPTICISM BY THE TRADE

New styles and categories of tequila are further invigorating and driving interest to an already dynamic category, with bartenders calling out rosado and cristalino as future-facing trends.

Which, if any, of the following do you think will positively impact the tequila category as a whole over the next couple of years?



What, if anything, excites you in the world of tequila right now?

Cristalino and Rosado tequilas – regardless of the reasons a brand has for releasing them – I still find exciting to taste and compare. It's interesting to see how different producers approach these styles and how the category continues to evolve. I also think they're great conversation starters behind the bar.

NORBERT DROZDOWSKI, RICK STEIN, SEAFOOD RESTAURANT

More styles (Cristalino/Rosado) breaking through shows an interest in the category as a whole.

TOM BYRNE, THE HOXTON HOLBORN

I just came back from a trip to Mexico visiting a couple of distilleries, and I really focused my attention on tequila rosado, which I think could be a very interesting trend.

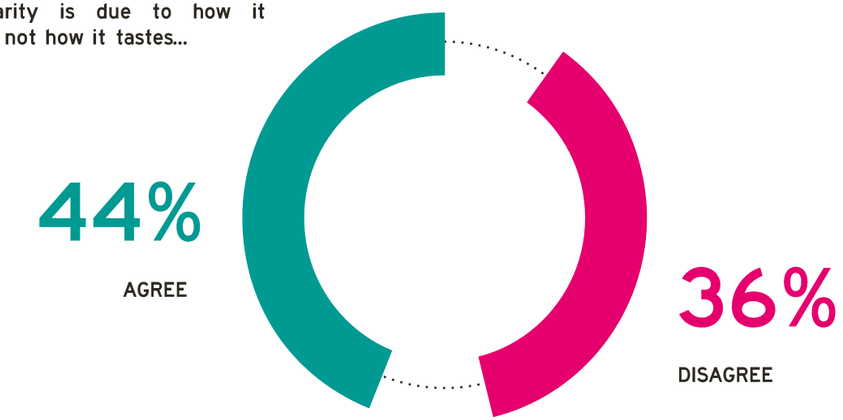
DENIS GHIO, THE DARK HORSE

TEQUILA - REPORT INSIGHTS #5

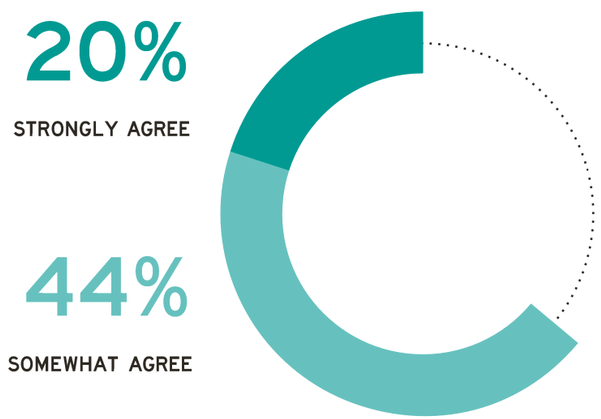
DESPITE GROWTH POTENTIAL, EMERGING TEQUILA CATEGORIES ARE VIEWED WITH SCEPTICISM BY THE TRADE

In order to capitalise on interest, rosado and – particularly – cristalino need to overcome the evident cynicism.

Rosado tequila's increased popularity is due to how it looks, not how it tastes...



Cristalino's growth is being driven by bottle service and status...



Industry perspective
MILLIE MILLIKEN

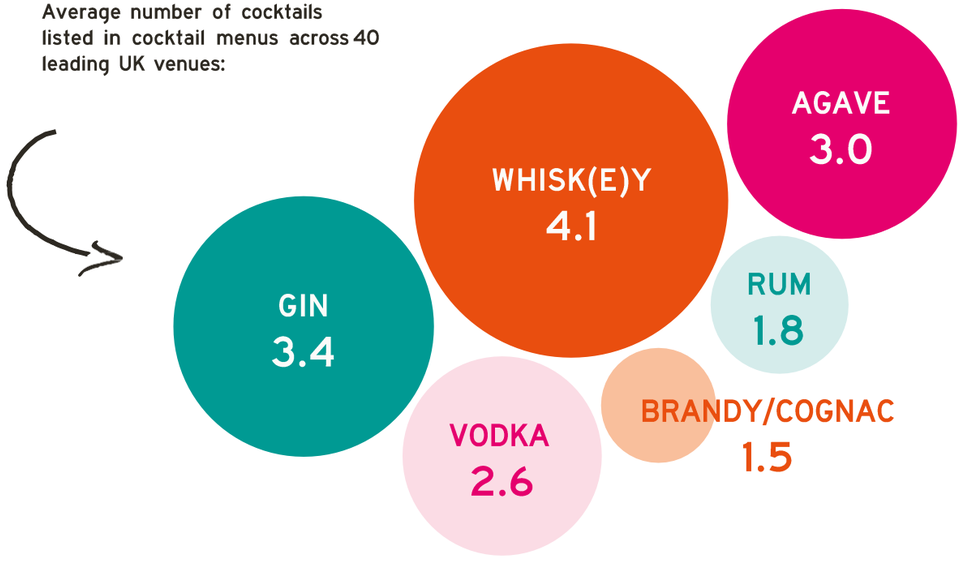
I think Rosados are really interesting as well. I really like them. And I think they're a nice bridge for wine lovers to come into the category. However, there's probably not enough on the market for bartenders to have a full enough range to explore. Most bartenders are going to say they don't like Cristalinos because that's the general consensus. Whereas actually, when I was in Mexico, Cristalinos were described as being drunk in clubs in the same way we world perhaps have table bottles of vodka.
These days, the young kids in Mexico are drinking Cristalino like that and I can see that translating here.

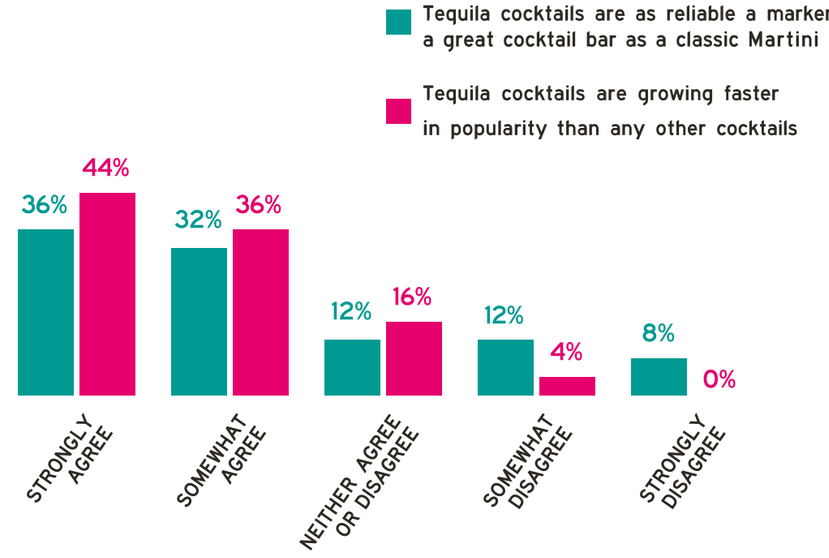
TEQUILA - REPORT INSIGHTS #6

AGAVE COCKTAILS ARE DIVERSIFYING BEYOND THE MARGARITA AS POPULARITY SWELLS

The average leading venue lists more agave based cocktails than rum, vodka or cognac based cocktails as tequila cocktails continue to grow in both stature and performance.

Average number of cocktails listed in cocktail menus across 40 leading UK venues:



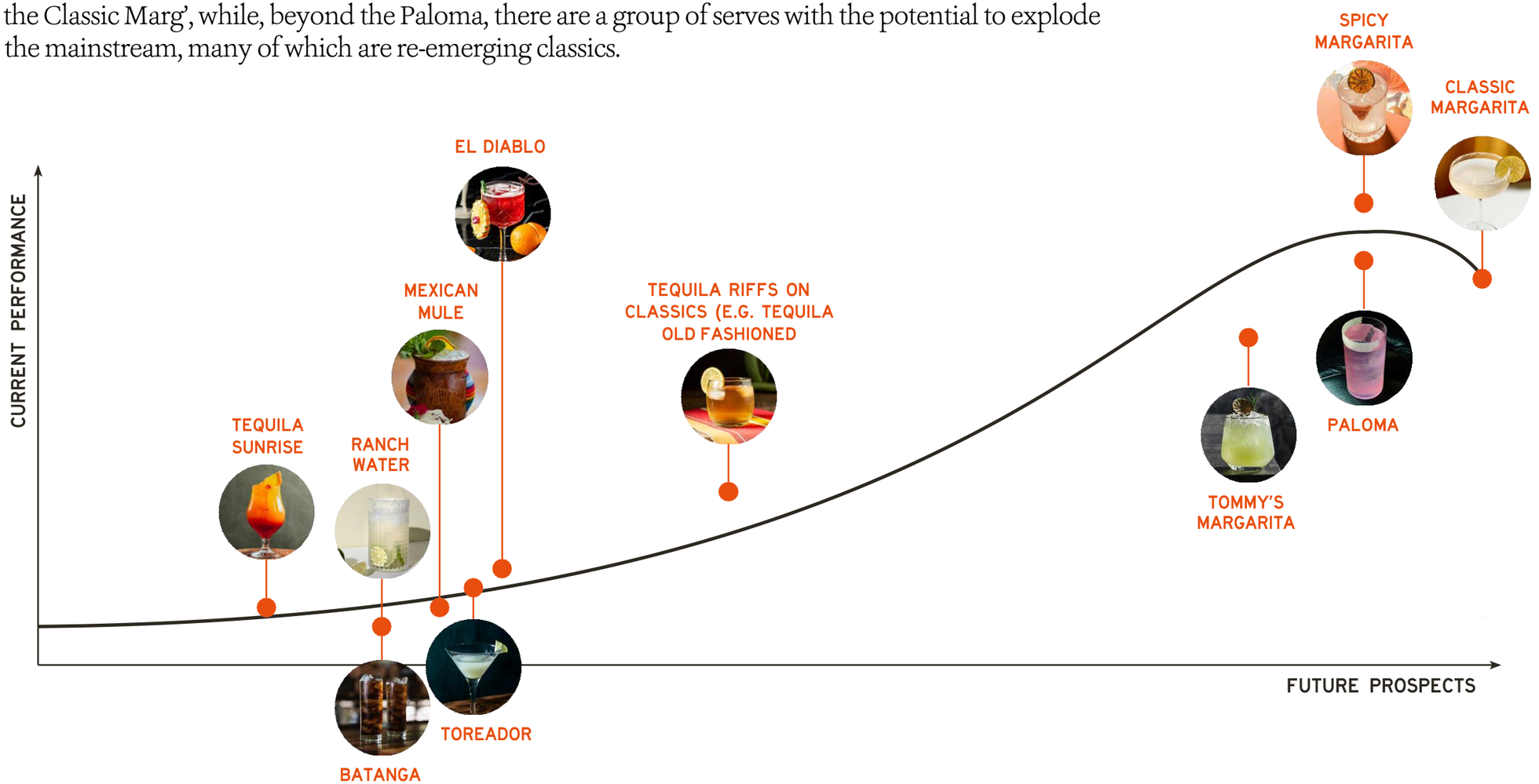


> The Margarita is becoming a marker. If you are behind a bar, you need to know how to make it well, because you're going to be making a lot of them. It could be make or break as to whether people come back. MILLIE MILLIKEN

TEQUILA - REPORT INSIGHTS #6

THE HEAVYWEIGHTS OF TEQUILA COCKTAILS ARE VARIANTS OF MARGS AND THE PALOMA, BUT A SECOND WAVE IS BRACED TO FOLLOW

The Spicy Margarita is now seen by bartenders as both better performing and better placed for the future than the Classic Marg', while, beyond the Paloma, there are a group of serves with the potential to explode onto the mainstream, many of which are re-emerging classics.



THE OPPORTUNITY FOR TEQUILA BRANDS...

Not only ride the wave of current success in the tequila category, but to guarantee future category growth by investing in education, advocacy and innovation programmes that allow those behind the bar to tell the authentic and inspirational stories that the quality of liquid in the category deserves.

Build brand association and long-term growth by investing in the tequila serves of tomorrow, taking inspiration from the serves of yesterday. Build brand and serve love with consumers and the trade alike by activating with the cocktails that have great future prospects.

A NEW APPROACH TO DRINKS INSIGHT, TELLING YOU WHAT IS HAPPENING. NOT WHAT HAS HAPPENED. RESEARCH FROM WHERE THE ACTION HAPPENS TO INFORM STRATEGY THAT WORKS.

Ready to delve into the findings further and explore how your brand can win in the new reality?
To explore further , or to arrange a call to discuss our findings reach out to Charlie Mitchell.

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DRINKSIGHT

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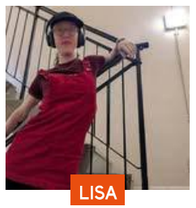

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MENUMAP - OUR PROPRIETRY AI POWERED MENU ANALYSIS SOFTWARE TO ASSESS THE FOLLOWING VENUE DRINKS MENUS

Tequila Category Insights

We are Wilde Toast

	AMARO BAR	THE AMERICAN BAR	AMERICAN BAR AT THE SAVOY LONDON, UK	THE AMERICAN BAR AT THE STAFFORD	ARTESIAN	BAR PRINCE	
Bramble Bar & Lounge		CONNAUGHT	THE DEVIL'S ADVOCATE	DISREPUTE	DONOVAN BAR	DOVER YARD	Experimental Cocktail Club
FITZ'S RUSSELL SQ.	FOX & CHANCE	Hey Palu Modern Italian Bar	THE BAR	KELVINGROVE CAFE	KIKI LOUNGE	22	Lowkey
Lyan—ess	THE COCKTAIL BAR AT THE MERCHANT HOTEL BELFAST, UK		NORTON BAR & COURTYARD	PANDA & SONS	42	SCARFES BAR	SCHOFIELD'S
SEED LIBRARY	SIDE HUSTLE	St James BAR	SWIFT	THE GLASSHOUSE EDINBURGH	THE SPY BAR AT RAFFLES LONDON, UK	THREE SHEETS LONDON	VESPER BAR AT THE DORCHESTER LONDON, UK