



HANG IN THERE

Whether improving customer retention, differentiating your cocktail menu, or simply generating additional revenue, the benefits of bringing hangover remedies into your on-premise business plans are too good to ignore.

Keep in mind, there was a time, not so long ago, when nobody in the nightlife industry knew what an “energy drink” was, and had never heard of a Red Bull. But it seemed to catch on.

That said, if the energy drink mixer category could take off the way it did based on the notion of giving your customers more pep to stay out drinking longer, one would have to believe that a similar campaign based on a beverage that can help patrons feel better the next day could have a similar trajectory of success. So why aren't you on board yet?

As any bar owner knows, the hangover is part of this business. All it does is prevent customers from coming out the next night, and it may even stain their memory of your bar as being “that place” that “made” them so hungover. In that case, business-wise, the old adage rings true: This is going to hurt you as much as it hurts them. But it doesn't have to be that way, for either party.

By Chris Ytuarte

REX

The last few years have seen a boom in development, manufacturing, and marketing from a diverse range of companies investing their time and energy to create hangover remedies, for both the retail market and on-premise. Akin to the flurry of activity in the energy drink realm this past decade (and similarly, the vodka and tequila segments today), hangover remedies and recovery drinks aim to present a new mixer or add-on product as an additional revenue stream with ancillary benefits for bar owners. Just a small sampling: Last Shot Hangover Remedy (www.nuvilex.com), GTOX™ Hangover Blocker (www.gtoxnow.com), Cheerz IntelliShot™ (www.cheerzhangover.com), B1 Hangover Patch (www.buyb1.com), Nutri-Mastic (www.impactfusion.com), and Sprayology (www.sprayology.com).

“People are starting to understand the concept of hangover remedies, especially the ones that seem to work a little bit better,” says Erik Cornett, co-founder of Liquid Potions, LLC, which developed Boozer (www.boozerdog.com), a canned mixer-flavored drink. “And there are some good products out there.”

Cornett, a pharmacist who specialized in vitamins and herbs before launching Boozer, realized along with his Boozer partner Gerad Harsy (also a pharmacist) that the on-premise hangover market was ripe for innovation. “With the on-premise guys, we know they have a ton of mixers and energy drinks,” he says, “and we want to be able to offer them yet another angle with our product. With Boozer being caffeine-free, with a citrus flavor, we thought we could create a different angle on beverages that are maybe not the top money makers right now.” For example, Boozer is developing a customized shot that features their product mixed with a particular type of Schnapps, and we all know that brand is not exactly jumping off the shelves. Hence, an opportunity to open a revenue stream with a bottle that may as well be welded shut in most bars today.

Anthony Adams is President of Apollo Nutrition, LLC, which manufactures the self-explanatory remedy known as The Hangover Cure (THC) (www.drinkthc.com). With its dark-red coloring and small vial packaging, you might think you’re receiving a blood sample as opposed to a potent hangover solution. But Adams is working to develop an integrated approach for bar owners to work THC into their overall mixology menu.

“When we started out we tried to think of innovative ways we could get it into bars,” says Adams. “The first was just to sell it by itself as an end-of-the-night drink—last call rolls around and you have bartenders pitching patrons on how they might need one of these. But a lot of owners were reluctant to sell a drink in that manner, where it’s 2 a.m. and it’s a ‘Drink this and you

should be fine’ type of thing. There was too much liability for drivers, etc.”

So Adams began developing THC as a mixer and add-on. He explained to bar owners that when someone ordered a potent cocktail, bar staff could offer the customer an add-on special of THC to help assuage some of the negative effects. “They attach a vial of THC to the cocktail glass using these special-made rubber bands—similar to those yellow Live Strong bracelets. And now, instead of charging, let’s say, \$8.00 for a Long Island Iced Tea, you charge \$12.00 with the THC special.”

As a mixer, Adams has created a specialty cocktail featuring THC that he dubs a Last Call (“it’s essentially a screwdriver with half a vial of THC mixed in,” he says). With its tropical flavoring, 25 calories, and six grams of sugar, THC works well with vodka and orange juice, and makes for an easy sell for bartenders. “The main ingredient is an amino acid called L-cysteine, which reduces the amount of toxic byproduct from your liver when its metabolizing alcohol.”

Another entry into the market is Code Blue (www.drinkcodeblue.com), which defines itself as a “recovery drink” more so than just a hangover remedy. “We designed Code Blue for people who stay out late but need to wake up feeling refreshed,” says Michael Sachs, Co-founder and President of Code Blue and a former brand manager at Grey Goose Vodka. The non-carbonated Code Blue beverage contains no caffeine, 40 calories, and nine grams of sugar, and the sleek 12-ounce cans are aesthetically eye catching behind the bar.

“I think in terms of on-premise, our can design helps because bartenders are used to Red Bull and other energy drinks in cans,” says Sachs. “And to make the transition from an energy drink to our drink was easy. The challenge is to educate people on what our drink is, because no one knows what a recovery

Hangover remedies and recovery drinks come in many forms, shapes, packages, and flavors, offering bar owners dozens of on-premise options.



“You need your bartenders to be actively mixing drinks with a hangover remedy. Just putting it out there on the back shelf—it will die. Nothing will happen.”

drink does, and the first thing they think is that it’s an energy drink. But there’s no caffeine, it’s low calorie, and it’s an all-natural product that’s good for you.”

Sachs brings up a key word for bar owners considering hangover remedies and recovery drinks for their venue—education. The bottom line is that, in the same way bar-goers jumped all over energy drinks as mixers, they can be convinced (and educated) of the benefits of hangover remedies, and your sales can spike. “If individuals are drinking these products as a mixed drink or a shot, they’re in-taking the nutrients they need to avoid a hangover,” says Cornett. “So it’s kind of a double-whammy for the on-premise guys because not only are they getting the additional sell with a higher mark-up, but also the clientele is going to realize they feel better the next day.”

“With Code Blue, our job is to educate the bartenders on the brand,” says Sachs. “Have them try it, be brand ambassadors themselves, and then hopefully they’ll want to impart that knowledge to their consumers and give them something that’s going to make them feel better.”

The approach at Boozer is a similar, word-of-mouth philosophy. “When we send our people in to bars, we try to have them do some educating” says Cornett. “We know everyone is cramped for time, but if we can explain how it actually works and the benefits of promoting it, whether it’s at last call or throughout the evening, and help the staff inform customers, it makes a big difference.”

The various advantages of incorporating hangover remedies and recovery drinks into your menu should be apparent by now: Customers feeling better and returning to your bar, and invigorating your cocktail list with a new product. But it’s the additional revenue stream that should appeal to the smart bar owner more than anything else.

“Code Blue has some citrus flavors, so it mixes with tequila, rum, and vodka, and I think the easiest thing for a bar to do is up-sell it over water,” says Sachs. “It’s definitely a premium drink that people can see the benefits of, and it takes about one second to tell someone, ‘Hey, instead of drinking water, this is a drink that’s formulated to make you feel better the next day.’ It’s a very simple up-sell.

“We tell bars to price it comparably with Red Bull, which usually comes in eight ounces, and we’re a twelve ounce can, so they actually get more pours and more cocktails from our drink. I think people are used to paying a premium price for a functional drink, so it’s really not a tough sell for a bar that’s already carrying an energy drink.”

“The biggest thing we tell owners is that we are giving them an opportunity to make money,” says Cornett. “If your last call spans thirty minutes, and you’re not selling any booze in those

thirty minutes, you can still generate revenue with this product. That might be an extra couple of hundred dollars there.”

Mike Aschs is the owner of several New York City bars, including Off The Wagon and Down The Hatch, and has been successfully selling Code Blue on-premise for a few months. “It offers the same benefits that come with selling anything, really,” he says. “As long as we’re buying it at a reasonable price and we’re charging similar mark-ups to what we would on beer, liquor, etc., it’s no different. And the customers are feeling great and they’re more loyal to the bar, more loyal to the bartender, and they’re tipping better for the staff.”

Bar owners should start doing their research now—figure out which product would work best for your venue. If you do a lot of business in bottle service, inclusion of a hangover remedy or recovery drink in the set-up can be an add-on to your package price; if you do a lot of business in beers and shots, a hangover remedy that goes down in a gulp could be right for you; or if you have a lot of female customers ordering mixed liquor cocktails, a remedy or recovery drink that blends well may fit your needs best. Either way, keep in mind the energy drink boom of the last decade and what it did for business, and consider the possibility of hangover remedies doing the same.

“It’s a challenge to the market,” says Cornett. “People are always looking for that next niche, and they want it to be instantaneous—like the energy drinks. But this is going to take some time.” **Y**

