

global drinks

intel.

FOR THE GLOBAL DRINKS EXECUTIVE | APRIL 2025



*Shifting consumer tastes reshape
the Japanese alcohol market*

Paul John
Indian
Single Malt
Whisky

DISCOVER
*The Great Indian
Single Malt*

Bringing to you, **Paul John Indian Single Malts** from the sunny Goan shores of India! Six-row barley from across the vast lands of Rajasthan and Haryana to the foothills of the Himalayas, the tropical clime of Goa, non chill-filtered with no added colours or flavours - all lend to the creation of exquisite liquid gold! Paul John Single Malt has earned global acclaim, boasting over 335 prestigious awards and a presence in more than 45 countries across the world.



[f](#) [@](#) [X](#) [in](#) [▶](#) PaulJohnWhisky



COMMENT

Joe Bates

Tariffs, tensions and tumult: Uncertain times unsettle the global drinks business, but opportunities remain

As trade tensions escalate and global alliances shift, the drinks industry finds itself caught in the crossfire — facing challenges that could reshape its future for years to come.

Another month has passed since Donald Trump took office, bringing yet more instability and uncertainty for embattled European Union (EU) drinks producers. The US president's threat last month to slap a 200% tariff on EU-made spirits in retaliation for a 50% EU tariff on US bourbon — itself a reaction to American tariffs on metal exports (see p37) — has thrown many companies into crisis as they face potential exclusion from the world's largest premium wine and spirits market.

In a move that underscored the high stakes, the EU opted to delay the 50% tariff until the middle of this month, offering a temporary reprieve and more time for further negotiations. However, the sword of Damocles still hangs perilously over the heads of Europe's nervous wine and spirits producers.

Whether it be world trade, international aid, geopolitics, the environment or hot-button cultural issues, President Trump's aggressive, break-it-and-see policies have spooked US stock markets and upended the global order in just a few short months. Which business commentator would be brave (or foolish) enough to predict where this tit-for-tat trade war might be headed?

For decades, America's support of a rules-based economic order and its sta-



Illustration: Shutterstock/Dmitry Kalashnikov

tus as the world's largest aid donor has reinforced its dominance — not just in politics and military power, but also in global brand influence. From Apple to Coca-Cola and Disney to Jim Beam, US companies have long benefited from their country's reputation as a trusted leader.

But today, rapidly shifting perceptions of the US on the world stage could have lasting effects on American exports, including its drinks sector. Some consumers are already pushing back, as seen in Canada's boycott of US spirits. Even major American brands, most notably Elon Musk's Tesla, have not been immune to this international fallout.

At the same time, other countries are seizing the moment to expand their cultural and economic influence. Multifaceted Asian 'soft power', already a rising force, continues to grow through global touchpoints like Indian yoga, Korean pop culture and Japanese anime.

Asian alcoholic beverages are on the march too. Take Japanese sake: while domestic consumption has struggled, sake exports rose by 6.4% last year, with US sales up a remarkable 25%.

American producers, such as Oishi Sake, are now making their own, using authentic Japanese ingredients — proof, if ever it were needed, that great ideas transcend borders.

For a deeper dive into which Asian spirits are poised for further global success, turn to Richard Woodard's expert analysis on p19. He makes a compelling case that countries like India and Taiwan are following Japan's path in developing premium portfolios that can compete at multiple price points.

In this issue, you'll also find a wealth of other must-read features, whether it is Henry Mathieu's piece on the outlook for luxury spirits in crucial markets like China or India (p28), Olly Wehring's interview with Fawn Weaver, the inspiring founder of Uncle Nearest American Whiskey (p33), or CGA by NIQ's Jaepil Sohn's insightful analysis into the South Korean on-trade (p41), which continues to thrive despite economic pressures.

In a world where trade wars and political manoeuvring can reshape entire industries overnight, at *Global Drinks Intel*, we feel the need for accurate, balanced reporting has never been more critical — cutting through the noise to uncover the real stories that matter to the global drinks business. **GDI**



Deep dive into unlimited news, comment and analysis with Global Drinks Intel

www.drinks-intel.com/subscribe

Contents

Global Drinks Intel Issue 62



Cover illustration:
iStock.com/kanimoken

global drinks
intel.

Editorial team

DIGITAL EDITOR

Olly Wehring
olly@drinks-intel.com

PRODUCTION & COMMISSIONING EDITOR

Kylie Martin
kylie@drinks-intel.com

SENIOR REPORTER

Henry Mathieu
henry@drinks-intel.com

RETAIL FEATURES

Joe Bates
joewbates@icloud.com

RETAIL NEWS EDITOR

Kevin Rozario
kevin@drinks-intel.com

COPY EDITOR

Thalia Fourie
thalia.fourie@gmail.com

CONTRIBUTORS

Joe Bates
Jessica Broadbent
Henry Mathieu
Charlie Mitchell
Kevin Rozario
Jaepil Sohn
Garry Stasiulevicius
Chris Tyas
Kate Wake-Walker
Olly Wehring
Richard Woodard

Commercial team

MARKETING DIRECTOR & CHIEF OPERATING OFFICER

Kate Wake-Walker
kate@drinks-intel.com

SUBSCRIPTIONS

Alastair Smith
alastair@drinks-intel.com

BUSINESS DEVELOPMENT DIRECTOR

Marcus Clark
marcus@drinks-intel.com

BUSINESS DEVELOPMENT DIRECTOR

Felicity Phillips
felicity@drinks-intel.com

Contact us

Global Drinks
Intelligence, Ltd
11 Plimsoll Road, London
N4 2EW, England, UK
editorial@drinks-intel.com
www.drinks-intel.com

Publisher

GLOBAL DRINKS INTELLIGENCE

All details contained in this publication are believed to be correct at time of going to press. All rights reserved. Nothing may be reprinted or reproduced in whole or in part without the written permission of the publisher.

Published by Global Drinks
Intelligence, Ltd 2025©
ISSN 2632-7236 (print)
ISSN 2632-7244 (online)

Registration Number:
11672026 (England)

Printed in the UK by Splash.

Up Front

05 News Briefs

06 New Products

09 ESG Roundup The latest efforts from IARD's brand-owner members

10 Chris Tyas Context counts: Why it's time for drinks marketers to rediscover the drinking experience

11 On Our Radar Drinks campaigns

Market Intel

12 Liqueurs As the category endures a 'double perfect storm', producers seize the low-ABV opportunity outside Europe

17 Liqueur Roundup Five brands on our radar

18 Five Minutes With... Heineken's global head of Desperados, Ligia Patrocinio

19 Asian Drinks Companies are breaking out of domestic markets and finding export success close to home and further afield

22 Asian Drinks Roundup Five brands on our radar

23 Branded Content India's Allied Blenders & Distillers

26 The Big Interview Q&A with Circana senior VP of global thought leadership & strategic insights, Ananda Roy

28 Luxury Spirits China still 'crucial market' for luxury spirits in Asia despite slowdown

30 Country Analysis Japan

Entrepreneur Hub

32 Craft News

33 My Story Uncle Nearest American Whiskey co-founder Fawn Weaver



p33



p18



p7



p35

35 Design The right packaging allows startups to 'engage in deeper conversations'

36 Five Lessons From A Drinkpreneur
Fellr co-founder Will Morgan

Route-to-Market

37 Retail News The hot topic at ProWein 2025? Tariffs, of course

38 Retail Sweden's Systembolaget faces first crack in state-run monopoly system

40 ShelfTrak Is single malt scotch overpriced, overranged and under-optimised in GTR?

41 CGA by NIQ Brands must adapt as Koreans move from high spirits to healthy sips

43 Charlie Mitchell Brands target the top 1% of bars with expensive listing deals and events, but are they missing a trick?

44 Berlin International Spirits Competition
The 2025 results

*Don't miss a
thing! Follow GDI
on LinkedIn*

www.linkedin.com/company/global-drinks-intel



News briefs

Catch up quickly on the global drinks stories that matter

COMPANY RESULTS

Anheuser-Busch InBev's sales in the three months to the end of December outstripped rises in the first three quarters, coming in at 3.4%. For FY24, ABI finished up by almost 3%.

Australian Vintage booked a mid-single-digit decline in sales from its latest half-year ahead of the launch of new brand Poco Vino.

The Boston Beer Co reported a 2.2% top-line lift from the three months to the end of December. Subsequently, sales for the 12 months of calendar 2024 rose by 0.2% on the corresponding period last year.

Brown-Forman reported a top-line increase of 6% in its Q3. For the year-to-date, the group's sales are up 2%.

Campari Group saw its top line come in up 3.4% on the corresponding period in 2023. The quarter outstripped the year-to-date's 2.1% sales growth rate, announced in October, resulting in a 2.4% FY increase.

Marie Brizard Wine & Spirits' sales in the three months to the end of December declined by 4.6%. The quarter undid Q3's 1.3% sales rise and was closer to the near-7% slide recorded in Q1 of last year.

Jose Cuervo brand operator **Proximo Spirits** saw its 2024 performance struggle as the year wore on, with sales in the final quarter of the year falling by double digits.

Chile's **Viña Concha y Toro** closed the book on an "exceptionally positive" full year that saw its top line rise by 14.5%.

COMPANY NEWS

Anheuser-Busch InBev appointed Yanjun Cheng as CEO of its Budweiser Brewing Co APAC regional division. Not long after, ABI countered reports that Budweiser Brewing Co APAC planned to cut operational costs by about 15% this year, including via an unspecified number of layoffs.

Anora Group settled on an internal candidate to become its next CEO: Kirsi Puntila will move into the role.

UK-based **BrewDog** has promoted its CFO,

James Taylor, to lead the company, less than a year after James Arrow was appointed CEO.

Carlsberg reunited with UEFA, Europe's governing body for football, to become the official beer sponsor of its men's and women's national competitions until 2030.

The **Coca-Cola Co** has launched vodka-based versions of Minute Maid and Pink Lemonade in its latest push into beverage alcohol.

Constellation Brands dismissed reports that it plans a complete withdrawal from the wine category as "rumours and speculation".

Diageo announced a reshuffle at executive committee level of the leads for its Africa and Europe divisions. The UK drinks giant also appointed its Ireland MD, Barry O'Sullivan, to assume the same position for Great Britain, replacing Nuno Teles.

After a "strategic review" of its approach to "early-stage venture investments", **Diageo** confirmed it would not bring any new brands into the programme run by its incubation partner Distill Ventures.

Diageo called on the US government to consider "enhanced rules of origin" for spirits in its trade negotiations as an alternative to US President Donald Trump's recent tariff moves.

Heineken acquired the remaining 20% holding in the Distell Wines & Spirits Nigeria unit through its Nigerian Breweries subsidiary. The beer major also launched its first global **GenAI laboratory** in Singapore in a move designed to improve "growth, productivity and customer engagement".

Jägermeister brand owner **Mast-Jägermeister** redrew its regional leadership structure as UK MD Michael Cleary moves up to the VP role for Northern & Western Europe.

Pernod Ricard confirmed a temporary suspension of distilling at the home of its Jameson Irish Whiskey brand.

Black-owned business accelerator **Pronghorn** bought into another spirits startup with the acquisition of Doce Mezcal.



Carlsberg CEO Jacob Aarup-Andersen with UEFA president Aleksander Čeferin

Suntory Oceania, the AUD3bn (US\$2bn) venture between Suntory Global Spirits and Frucor Suntory, has named Daisuke Minato as its CEO.

MERGERS & ACQUISITIONS

Campari Group commenced its pre-confirmed brand consolidation strategy with banana-flavoured bourbon Howler Head moving to Infinium Spirits.

Constellation Brands made another move in the alcohol-free arena, purchasing a minority holding in US-based functional ready-to-drink brand Hiyo.

Spain's **Mahou San Miguel** acquired the remaining stake of US-based Founders Brewing, having owned 90% of the craft brewer since 2020.

Italian wine group **Marchesi Antinori** purchased Arcadia Vineyard in California's Napa Valley through its Stag's Leap Wine Cellars business in the US state.

US singer Kenny Chesney agreed to sell his Blue Chair Bay Rum brand to North Carolina-based **Next Century Spirits**.

INDUSTRY NEWS

SpiritsEurope called for an immediate end to the "cycle of tit-for-tat [tariff] retaliation" after US President Trump threatened to impose a 200% tax on wine and spirits exports from the European Union.

An attempt to secure geographical indication status for **English whisky** is "entirely inconsistent" with existing rules for single malt scotch, according to the Scotch Whisky Association. **GDI**



Catch up on the latest industry news at www.drinks-intel.com



Rare Find 2025 Spring Releases

Independent bottler Gleann Mòr Spirits Co has announced the tenth-anniversary bottlings in its annual Rare Find series of single malts.

■ Scotch whiskies, single malts. Comprises Glen Garioch 16yo (Ribera del Duero finish), 55.4% ABV; Glen Ord 10yo (Chateauf-neuf-du-Pape), 57.6% ABV; Secret Lowland 11yo (sherry hogshead), 65.6% ABV; and Dailuaine 16yo (Foursquare Rum finish), 55.9% ABV.

■ On sale from 7 April in the UK off-premise.

■ SRPs of GBP70 (US\$90) for Glen Garioch (309 bottles), GBP85 for Glen Ord (318 units), GBP85 for Secret Lowland (317 bottles) and GBP105 for Dailuaine (213 units).



New products

Take stock with our roundup of the latest drinks launches

Jackson Morgan Lemon Icebox and Peaches & Cream

The launch marks the return of the two Southern Cream Liqueurs due to “popular demand”.

■ American whiskey-based cream liqueurs; both 15% ABV.

■ Available this month via the ReserveBar website and in select off-premise outlets across the US.

■ SRP of \$25.99 per 75cl bottle.



Wray & Nephew Wray's 43

The limited-edition release is “not a diluted version, but a distinct expression”, according to the Campari Group brand.

■ Rum, blend of unaged white Jamaican with with pineapple, molasses and other fruits; 43% ABV.

■ Available in the UK through Amazon and for convenience store distribution via Booker.

■ SRP of GBP25 (US\$32) per 70cl bottle.

Cîroc Colada

The fourth flavour in the Diageo brand's RTD portfolio has hit the UK — albeit at a 2% lower ABV than its US version.

■ RTD, vodka-based, features coconut and pineapple flavours; 5% ABV.

■ Launching in Cîroc's markets, including the UK, in April.

■ In the UK, SRP of GBP2.75 (US\$3.50) per 25cl can.



Lo Siento Caliente Cinnamon

The shot-focused extension of Lo Siento Tequila has Sazerac Co's Fireball cinnamon whisky in its sights.

■ Tequila, cinnamon infused; 35% ABV.

■ Debuted in Georgia ahead of wider availability “across the South and Midwest” US later this year.

■ SRP not immediately available.

The parent Lo Siento Tequila brand's Blanco and Reposado iterations are priced at “below” US\$42 each per bottle.



ENTRIES NOW OPEN

global drinks **intel** NEW PRODUCT AWARDS

Discover more at [GDInewproductawards.com](https://www.gdinewproductawards.com)

ALGIN

CO-CREATED WITH ARTIFICIAL INTELLIGENCE



BEVELAND

SPIRIT OF EXCELLENCE

NEW PRODUCTS

Ankahi Zaffran Spiced Liqueur

The initial iteration in Radico Khaitan's Ankahi Spiced Liqueur portfolio, produced by the company's Rampur Distillery, made its debut at the ProWein trade show in Germany last month.

■ Liqueur, India. Saffron-based, augmented by 21 herbs including cardamom, cinnamon and coriander; 35% ABV.

■ Launched at the start of April in the US, Europe, Asia-Pacific and the Middle East, as well as in the GTR channel.

■ SRP not immediately available; on sale in a 70cl bottle in domestic markets and a 1L bottle in GTR.



Ardbeg Smoketrails Napa Valley Edition

This marks the third release in the GTR-exclusive Smoketrails series from the Moët Hennessy-owned brand.

■ Scotch, single malt, Islay; matured for an unspecified period in ex-bourbon and cabernet sauvignon casks, the latter from California's Napa Valley; 46% ABV.

■ On sale in global travel retail only, in "key international airports", limited number of bottles also available at the distillery on Islay.

■ SRP of GBP67 (US\$87) per 1L bottle.



Fever-Tree and Papa Salt Blood Orange Gin Spritz

Fever-Tree has teamed up with Australia's Coastal Gin for a co-branded premix cocktail.

■ RTD, comprising Fever-Tree's Blood Orange Soda with Papa Salt's Coastal Gin expression; 5% ABV.

■ Released this week to the UK off-premise channel, initially available from multiple retailer Sainsbury's. Expanding to the Waitrose chain from 24 April.

■ SRP of GBP2.90 (US\$3.75) per 25cl can.

Maker's Mark The Keepers Release

The 2025 bottling from Suntory Global Spirits-owned Maker's Wood Finishing Series "celebrates the team who still rotate each and every barrel of Maker's Mark by hand".

■ American whiskey, bourbon, Kentucky; 54.6% ABV.

■ On sale in the US through the off-premise channel since late March.

■ SRP of US\$74.99 per 75cl bottle.



Aperol Spritz Ready-to-Serve

Campari Group debuts the "perfectly balanced" premix of Aperol's recommended spritz serve in the UK.

■ RTS, premix of Aperol with sparkling wine and soda; 9% ABV.

■ Rolling out to multiple retailers in the UK from April.

■ SRP of GBP13 (US\$16.90) per four-pack of 20cl bottles.



Drumshanbo Gunpowder Irish Gin with Italian Fig & Laurel

The gin was launched at ProWein 2025 in collaboration with Italian mixologist Bruno Vanzan.

■ Irish gin, flavoured with viola fig, Italian laurel and Tuscan juniper; 43% ABV.

■ Available instore and online at The Shed Distillery. The opening listing was in Metro Italia, with a global launch to follow in Q2.

■ SRP of EUR39.93 (US\$43.50) per 70cl bottle.



Dewar's Double Double 21yo Magma Stone Toasted

The latest expression from Bacardí-owned Dewar's Double Double line uses Icelandic magma stones in its barrels' preparatory process, allowing for "more precise, even toasting that gently enhances the whisky's fruit-forward character".

■ Scotch whisky, blended, 21yo. Finished in new French oak barrels stone toasted using Icelandic magma rock; 46% ABV.

■ For sale via Dewar's online shop.

■ SRP of US\$139.99 per 75cl bottle, on sale in limited — albeit unspecified — quantities.



Stay up to date with the latest drinks launches at www.drinks-intel.com



ESG roundup

Latest efforts from brand-owner members of the not-for-profit organisation International Alliance for Responsible Drinking

ENVIRONMENTAL

In **Japan**, **Asahi** was awarded a place on CDP's 'double A list' for its climate change and water security initiatives in 2024. The global NGO runs the world's only independent environmental disclosure system. Asahi also donated JPY300,000 (US\$2,007) for forest conservation activities in the country's Ehime Prefecture to fund cherry tree plantings in Maruyama Park.

Carlsberg expanded its 2023 partnership with WaterAid to support water conservation projects near its breweries in **India**. It has committed to replenishing the water used in the brewing process through off-site projects with local communities, with the new programmes expected to conserve more than 320,000m³ of water per year.

In its *Financial & Sustainability Annual Report 2024*, **Heineken** noted a 34% reduction of its Scope 1 and 2 emissions since 2022, building towards net zero across its operations by 2030, and 84% of its global operations used renewable electricity in 2024. The brewer also introduced a global circularity strategy and launched reforestation projects in Brazil, Nigeria and Ethiopia.

In **Japan**, **Kirin's** Jonohira Vineyard became the company's second vineyard to be designated a nature-symbiotic site by the country's Ministry of the Environment. Since 2023, the ministry has been designating high-biodiversity land owned by private companies as part of the country's work towards the international '30 by 30' target adopted by the UN Cop15 conference three years ago.

SOCIAL

In **Brazil**, **Anheuser-Busch InBev** emphasised moderation at Carnival 2025, with brands including Brahma, Beats and AMA encouraging responsible consumption and hydration. Brahma fronted a training programme for 30,000 street vendors on encouraging revellers to alternate alcoholic drinks with water. Beats distributed free water and provided hydration points for attendees in Salvador and São Paulo.

Diageo built on its K-pop DrinkIQ activation in **South Korea** two years ago with a new responsible drinking campaign: 'Dance Freely, Drink Responsibly'. Partnering with popular K-dance group We Dem Boyz, the company launched an interactive K-dance challenge to drive public engagement with moderate drinking through tutorial videos and behind-the-scenes footage of the group.

Heineken's aforementioned *Financial & Sustainability Annual Report 2024* highlighted its work to promote responsible drinking around the world. Last year, the company invested 15% of its media spend in moderation-focused campaigns, reaching an estimated 1.1bn consumers, and also reported 98% compliance with IARD's digital standards for responsible marketing.

In **South Korea**, **Pernod Ricard** completed a market-specific push of its 'Drink More Water' responsible drinking programme, reach-



Carlsberg has expanded its partnership with WaterAid to support water conservation

ing 17.9m consumers over six months. The campaign is part of the group's '2030 Sustainable Responsibility' targets and has been targeting Gen Z and Millennial consumers with social media ads and festival activations.

In **Australia**, **DrinkWise** ran two responsible drinking campaigns, including the latest instalment of its 'You won't miss a moment if you DrinkWise' push, featuring Australian Football League player Patrick Dangerfield.

GOVERNANCE

Bacardi launched the latest instalment of its global 'Shake Your Future' free bartender training programme in **Scotland**, offering 12 young adults the skills necessary for a career in hospitality. Students will complete a 12-week course before running the bar at the annual Glasgow Bartenders Ball next year.

Meanwhile, **Bacardi** is expanding the project with a next-level programme for bartenders already working in the hospitality sector in **Bermuda**, to further support career development and industry growth. Six leading hospitality venues have joined the project, which involves a six-week course at the European Bartender School in London.

Across the **Oceania** region, **Suntory** relaunched its 'Club Suntory' programme, which originally ran from 1986 to 2015, as a professional education and support network for hospitality workers. Now comprising a digital network, Club Suntory will provide on-premise professionals with the knowledge, techniques and inspiration they need to excel in their craft. **GDI**



We Dem Boyz features in Diageo's 'Dance Freely, Drink Responsibly' campaign in South Korea



Visit www.drinks-intel.com for a full roundup of IARD members' ESG efforts



GLOBAL DRINKS INTEL ESG AWARDS 2025

Leading the way in environmental, social and governance initiatives in the drinks industry? This is your chance to be recognised!

Discover more at GDlesgawards.com



MARKETING TRENDS

Chris Tyas

Context counts: Why it's time for drinks marketers to rediscover the drinking experience

On a recent visit to South Africa's wine region, I was reminded of the power of an important marketing lever that many drinks marketers seem to have overlooked or downgraded in recent years: the drinking experience.

In the place where I was staying, I was — literally — given the key to the establishment's private wine cellar, with plenty of time to browse the dark, cobwebbed vault before making my own selection to drink with my meal ahead of settling up at the end of my stay.

I loved the experience and hand-picked a fine pinotage. The wine tasted extraordinary, as I had hoped, and the bottle was as pricey as I expected. Then, shortly before flying home, I spotted the same bottle of wine in a local co-op on sale for GBP4.50 (US\$5.80). There is no doubt in my mind that the experience of choosing my own wine from the cellar changed my perception of the taste and the value.

It made me recall being 18 and disliking Guinness until, tired, thirsty and dehydrated at the end of a tourist tour of the Guinness Storehouse, I drank the pint included in the ticket price and it just tasted different. The experience changed my view on the taste of the Irish stout and I became a life-long Guinness fan.

Reading about bubble tea chain Mixue's shares jumping 40% when it debuted on

the Hong Kong Stock Exchange in early March, reminded me of my South African wine and Guinness experiences.

Mixue Ice Cream & Tea, in case you don't already know, has overtaken McDonald's and Starbucks as the world's largest food and beverage chain by number of stores (45,000 versus Maccies' "over 43,000" and Starbucks' 40,576). And the Chinese company has done so, in no small part, thanks to its distinctive in-store and drinking experience.

The message? Context matters and can literally change how we taste drinks and our value perception.

In fact, the setting — and the experience that goes hand-in-hand with it — can directly impact a drink or food's taste score.

It's why, for example, food consumed on an airplane tastes blander.

And it's also why in a Cornell University experiment participants who ate identical samples of blue cheese in three different virtual reality environments — a sensory booth, a park bench and a cow barn — rated the cheese as tasting most pungent when eaten in a cow barn.

Whisky distillery tasting rooms are testament to the value of context — not just as a chance to sample, but also as a way to drive long-lasting sales through the power and enjoyment of the drinking experience.

There's plenty of scope for other beverage categories to plug into this as well. Impero became Aspell Cyder's lead creative agency last year and we've been working with its pommelier (cider sommelier) to understand the brand's taste profile so that we can create advertising and experiences that dial into this.

Guinness, of course, is well aware of the power of environment — later this year it will open Guinness At Old Brewer's Yard, a microbrewery and cultural hub aiming to bring a little of that Dublin Storehouse magic to London's Covent Garden.

Some brands, however, seem to be

missing a trick, even turning their backs on the drinking experience which made them a success in the first place.

Meantime Brewing Company, founded by Alistair Hook with GBP500,000 borrowed from friends and family, is a good example. Launched in Greenwich, South East London, in 1999, Meantime built a strong local presence, owning and operating a pub, brewpub and bar, as well as opening a taproom and visitor centre at its Greenwich Brewery in 2015.

Meantime's Greenwich venues were sold off or closed one by one; the brewery taproom was the last man standing. Then last May, these were shut by current owner Asahi when it moved Meantime production to its Fuller's Brewery site in West London to "consolidate its UK operations".

This drive for efficiency over experience has left the brand, which on its website proclaims it was "proudly born in Greenwich" and always finds ways to celebrate its "roots and champion the Home of Time", without a presence there.

It's not just in the on-premise where the right approach to capitalising on context, can shape brand perceptions, change taste perceptions and drive sales. Ninja's Slushi Frozen Drink Maker — which has sold out multiple times since launching in the UK last year — is already redefining the at-home drinking experience for a growing number of people.

Meanwhile, multisensory memorable experiences are among Mintel's top flavour trends for the year ahead. "Taste amplification," suggests the market researcher, "presents a promising opportunity for brands to expand their focus and meet consumer needs."

All of which makes now the ideal time for drinks marketers of alcoholic and non-alcoholic beverage brands alike to re-think experience. **GDI**

Chris Tyas is chief strategy officer at independent creative agency Impero.
www.weareimpero.com



Queues at the opening of Mixue's first Australian store in Sydney in 2023



On our radar

Five drinks campaigns capturing the spirit of spring

As the seasons change, brands are embracing fresh energy with bold new activations. These standout campaigns had us shaking off the winter blues and springing into life



Booze and boos Green River

Green River Distilling Co revives its legacy with 'Raise Your Spirits', its first campaign in over a century. Featuring 'GR, the Ghost of Green River,' the supernatural-themed activation spans streaming TV, digital media and Major League Baseball partnerships, signalling the Bardstown Bourbon Co-owned brand's bold push to captivate whiskey drinkers and fuel its modern resurgence.

Mask off Grand Marnier

Grand Marnier's partnership with Grammy Award-winning rapper Future pushes luxury forward with the 'Remix Your Legacy, Make It Grand' campaign. Through digital shorts and giveaways, the collaboration highlights innovation, while honouring the heritage of the Campari Group-owned liqueur. Future's influence brings a fresh energy, reinforcing the brand's goal of "elevating moments with bold, unexpected experiences".



Clean label Patrón Tequila

Patrón's '100% Additive-Free Tequila' campaign spotlights purity and craftsmanship, emphasising its use of just three ingredients — agave, water and yeast. Through bold out-of-home activations in major cities, the Bacardí brand aims to educate consumers on what "truly defines high-quality tequila", reinforcing Patrón's commitment to authenticity in an industry where transparency matters.

Lights out Chivas Regal

Pernod Ricard's Chivas Regal welcomes Formula 1 star Charles Leclerc as its global brand ambassador, uniting whisky and music in a celebration of passion and precision. Kicking off with an exclusive Melbourne piano bar event, the partnership aims to "redefine success", inviting fans to savour bespoke cocktails while experiencing Leclerc's artistry beyond the racetrack.



Friday, every day Bombay Sapphire

Bombay Sapphire's 'Tastes Like It's Friday' campaign gets a fresh spin with DJ & YouTuber Rebecca Black. Her viral energy fuels the gin brand's celebration of Friday vibes, highlighted by sparkling lemonade serves and immersive events. With nationwide activations, the Bacardí-owned brand aims to make every sip feel like the start of the weekend. **GDI**



Italian producer Pallini says 'less complicated' drinks like limoncello — boosted, of course, by the spritz — are helping liqueur makers weather turbulent times

Liqueur seizes low-ABV opportunity as it endures 'double perfect storm'

As Trump's US tariff regime widens, China continues to toy with EU spirits and global economic uncertainty lingers, liqueurs face many of the same headwinds as other alcohol categories.

"A year ago, we would have projected really strong growth for liqueurs overall. Now we are being hit by a number of things that make the market uncertain," says Micaela Pallini, president & CEO of Italian liqueur maker Pallini.

Declining alcohol consumption and the increasing cost of living have created a "double perfect storm" for the liqueur category, particularly in the on-trade, she says. "And the food industry is always in the middle of all these trade wars," Pallini sighs.

But with the vast range of liqueurs comes equally diverse opportunity. Lower-ABV, "less complicated" drinks, like limoncello, are keeping their head above water outside Europe. Certain niches, such as US amaro, are bubbling away nicely, as are cream liqueurs.

Shaken: Cocktail culture

Cocktail culture is "at its peak" in US cities like New York, LA and Chicago, but classic liqueurs have work to do to remain relevant, according to Matteo Luxardo, export

director at Luxardo. "The challenge lies in maintaining [Luxardo's flagship maraschino liqueur's] classic appeal while adapting to evolving consumer tastes," he explains.

Jessica Broadbent

Outside its European heartland, the market for liqueurs is a challenge — but pockets of opportunity do exist and producers remain stoic, finds

"Bartenders address this by experimenting with maraschino liqueur in new contexts, such as adding depth to tiki-style drinks or creating innovative low-alcohol cocktails."

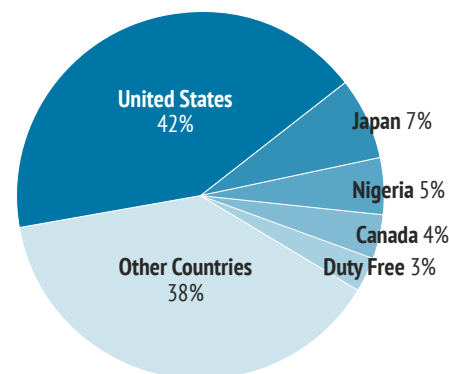
Luxardo develops products every two years and Matteo says: "The market is always eager for new flavours." Last October, the Veneto-headquartered company launched a range of cocktail bitters including coffee and bitter orange.

Bitter flavours are still stealing bartender hearts, attested by the surge of US-grown amaro in recent years.

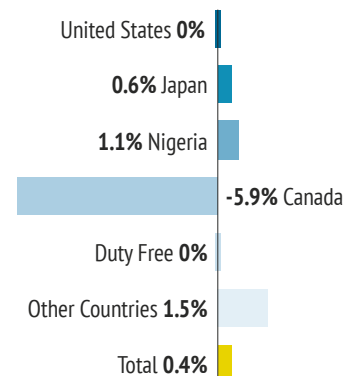
"I live in a bubble, so I'm convinced that amaro is just the hottest thing that's never going to go away," says Sierra Clark, co-founder of California's Brucato. "But I do think that there's a lot of excitement still around it."

Though Italian amari are typically »

Top 5 Non-European Markets for Liqueurs Market Share (Vol) 2023



Chg Vol 2022-23



Source: IWSR. Note: May be small differences due to rounding



« A Gold Standard »

★★★★★ / Highest Recommendation
- F. Paul Pacult's
Spirit Journal

Creator of the French Cassis

Lejay Cassis was created in 1841 by Auguste-Denis Lagoute in Dijon. The fundamentals of its all-natural recipe have never varied: cassis, time and gravity are still its core ingredients.

The original Liqueur Cassis is made from a thorough selection of French cassis following a traditional production process which ensures an incomparable aromatic intensity and its good versatility.

For more information, please visit www.lejay-cassis.com



WE ARE LOOKING FOR PARTNERS TO CONTRIBUTE TO LEJAY EXPANSION.
CONTACT: sales@lm.fr – LA MARTINIQUEAISE GROUP – www.la-martiniquaise.com – Enjoy responsibly

» drunk neat, US consumers favour them in cocktails. Brucato recommends using its Orchards Amaro as the bitter element in a negroni or swapping chartreuse for its Chaparral Amaro in a gin-based last word cocktail.

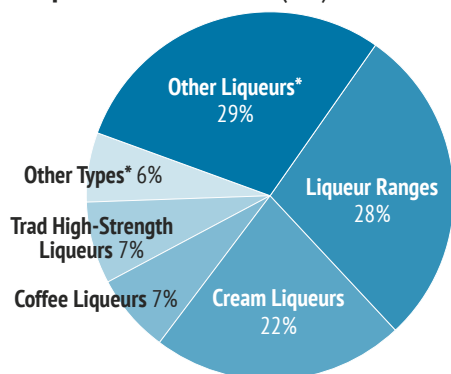
Clark says US amaro is “a new frontier for a taste of place” and expects producers to embrace regionality more, rather than “leaning on this concept of traditional Italian amaro”.

Profitability remains a challenge in this niche category, though. “The problem with amaro is people don’t drink a lot of it,” Clark says. “So just for financial reasons, it’s a really hard category to be in.”

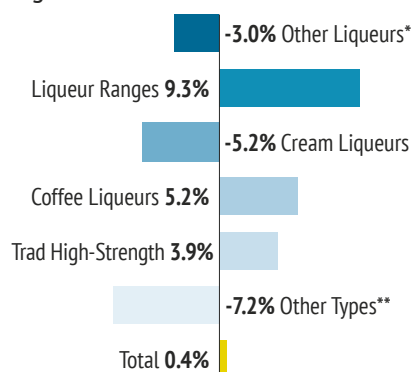
Cocktail culture is also carving inroads for liqueurs in Asia, though brands have a way to go before reaching the lofty heights of the likes of scotch.

“Asia is a difficult market due to a high percentage of the population that is still attached to classic cognacs or whiskies,” says Matteo. “They don’t know about European liqueurs, but they know about cocktails and that is where Luxardo is pointing.”

Top 5 Non-European Categories for Liqueurs Market Share (Vol) 2023



Chg Vol 2022–23



* Other Liqueurs: A group of lower-strength brands (eg Malibu).

** Other Types: All other liqueurs classified as separate classifications (eg amaretto, cassis, limoncello, etc), but not big enough to be in top 5.

Source: IWSR. Note: May be small differences due to rounding



San Francisco-based brand Brucato produces a trio of California-inspired amari — Chaparral, Orchards and Woodlands — each reflecting a specific California landscape and produced using local ingredients

Mixed: Aperitif time booms

Europe’s aperitivo-hour concept has exploded like a flame to squeezed orange peel in the US.

In its 2024 results last month, Campari cited “massive opportunity” for Aperol in the US despite a “softened market context”, with the liqueur propping up group sales in the Americas. Aperitifs drove growth in Brazil last year as well.

Aperitifs are diversifying beyond Aperol, however, and Micaela Pallini says the limoncello spritz “has become a real trend”.

Pallini has grasped this momentum to expand its limoncello brand, releasing a canned RTD spritz which is due to launch in the US “soon”. Non-alcoholic versions are also “gaining a lot of momentum” in the US and Canada, she adds. Pallini released a zero-proof limoncello called Limonzero in 2023 and Micaela says it is “really growing more than we had expected, or we would have predicted last year”.

While Luxardo’s maraschino liqueur “continues to lead in many urban centres”, the portfolio’s fastest-growing SKUs are actually its spritz-able Bitter Bianco and Limoncello.

“Our Aperitivo is selling well, but Aperol is too big to reach,” says export director Matteo. “In the spritz category, our limoncello is gaining more and more sales due to its unique lemon flavour and bright yellow colour.”

Brucato’s Clark says the simplicity of the spritz is making it a popular home serve for bitters like amaro, with St George, Spirits’ Bruto Americano and Angeleno Amaro — both Californian — gaining popularity.

“They’re easy,” Clark says. “You get some water and bubbles and drop something delicious into it, and you have a have a crowd-pleaser.”



Luxardo Maraschino Liqueur ‘continues to lead in many urban centres’

Sipped: Cream’s comeback

For a while forgotten in musty cabinets, cream liqueurs are having a moment. They tick a few boxes: naturally lower in alcohol, ready to drink and a perfect example of the affordable luxury trend that often accompanies economic turmoil. Social media trends like the mini-Guinness wave can’t have hurt sales either.

“What we’re seeing is that younger consumers are gravitating to cream liqueur as a less harsh, lower-ABV option than other spirits,” says Charmelle Conning, global brand lead for Amarula.

Part of South Africa-based Distell’s stable, Amarula was bought by Heineken in 2023 to slot into its ‘Beyond Beer’ proposition and bolster foothold in Africa. “Demand is healthy in Africa and we’re assuming that it’s going to continue to rise as it becomes »

LUXARDO®

LUXARDO *new* BITTERS RANGE, *a drop of distinction*



f @ in

@ LUXARDOOFFICIAL
WEARELUXARDO



LUXARDO.IT

» increasingly acceptable for younger women to drink there,” Conning says.

“We see cream liqueurs as a route to open that up, because it’s seen as a more sophisticated, elegant, ‘lady-like’ option versus other spirits or, in fact, beer.”

Conning says “seasonality and sessionability” are two key challenges for the cream category. Since the acquisition, Heineken has “sharpened” the brand’s image as a lighter, fruity and “more sessionable” cream liqueur, which allows it to “enjoy both a summer and winter consumption pattern”.

While the brand is very much positioned as a sipper, some markets buck the trend — like Brazil, where it is drunk with coconut water. Conning says flavour NPD “has driven growth for Amarula in key markets”, but is wary of overdoing it.

“The category has done a lot of it over the last few years, and if we look at other categories that have done a bit too much with flavours, if we think about what happened with vodka and gin, I think we need to also be cautious,” she says. “Just because you can, doesn’t mean that you should.”

Category giant Baileys, meanwhile, is all about capitalising on indulgence. “Following indulgence culture is key to the brand — meaning tapping into the local treating trends,” says Sarah Blake, global brand director for liqueurs at Diageo.

Though most of the brand’s key markets remain in Europe, recent years have been marked with regional and limited-edition NPD elsewhere, such as its US Cinnamon Churros launch late last year, and Diageo India’s push into desserts through a collaboration with chocolate brand Smoor in December.



Baileys is using regional and limited editions, such as Cinnamon Churros Irish Cream Liqueur (launched in the US last September), to shore up markets outside its key European heartland



Amarula says younger consumers see cream liqueurs as a ‘less harsh, lower-ABV option than other spirits’

Baileys is tackling the seasonality issue with flavour NPD. Its chocolate SKU, “strategically targeted at the February to April period”, was launched in the US in 2023 and has since been rolled out in Australia.

While the brand has gained market share in the US and Australia, where it has been “named the No.1 liqueur” in the off-trade, the proof is not yet quite in the pudding. Its H1 results saw declining net sales (-3%) globally, led by a 13% decline in North America. Latin America provided a bright spot, achieving net sales growth of 11%.

Blake attributes this success to Baileys’ NPD nimblity, as well as the region’s plentiful festivities. “Latin American culture knows how to treat like no other,” she says.

Savoured: Digestifs build steam

Digestifs, like amaro, are also gaining momentum. Others, like sambuca, less so.

“Sambuca has somehow lost its appeal, I think, for the younger consumer, because of the proof, the amount of sugar,” says Micaela Pallini. “So we are looking into developing our other products, like our amaros.”

Top 5 takeaways

- Liqueurs face similar economy driven headwinds to other alcohol categories, particularly outside their traditional European heartlands.
- However, *l’ora dell’aperitivo* (aperitif time) is booming outside Europe, especially in the US, opening opportunities for spritzable liqueurs like limoncello.
- No/low is firmly in, so while higher-ABV liqueurs may be in hot water, lower-ABV, easy-drinking liqueurs are pouring well.
- Are cream liqueurs having a moment? Diageo and Heineken say so as consumers look for lower-alc indulgence.
- NPD remains a key growth strategy, particularly for the big players, with new flavours and innovative marketing strategies encouraging experimentation with liqueurs.

Matteo Luxardo agrees. “Sambuca is a difficult product to work with. It is mainly in shots, but now we are studying new ways of drinking it in cocktails and long drinks.”

In “select markets” within Latin America, he points to a growing interest in heritage brands which is benefiting “traditional products like our sambuca and amaretto”. Volumes here will be minimal, though.

Though the macroenvironment remains turbulent, pockets of opportunity remain for liqueurs outside Europe.

“While demand is strong in regions driven by a dynamic cocktail culture and premium consumer trends, success hinges on adapting to local tastes and navigating regulatory challenges,” summarises Luxardo. “Brands that can blend innovation with tradition are well-positioned to capitalise on this evolving landscape.” **GDI**



Liqueur roundup

Five new products creating a buzz this month

Flavour innovation and cocktail RTDs dominate the liqueur NPD space right now, with everything from non-alcoholic canned cocktails to twists and updates on classic liqueurs



Diner-inspired cream liqueur

In a fun twist on classic cream liqueurs, UK-based Continental Wine And Food has released milkshake-inspired Lacey's Vodka. The 15% ABV vodka-based liqueur was made "to redefine the cream liqueur category" and broaden its appeal beyond the festive period. Comes in banana and strawberry flavours for GBP12 (US\$15.60).

De Kuyper unveils non-alc RTS

De Kuyper Royal Distillers unveiled a raft of RTS non-alcoholic drinks under its on-trade batched and draught cocktail ranges at ProWein last month. Among them, a Pornstar Martini, Mojito, Strawberry Daiquiri and a Sex On The Beach using 0.0% Peachtree Liqueur, available in Europe from June.



The Pathfinder enters RTDs

The owners of Stoli Group-backed brand The Pathfinder have released its first RTD — a negroni using the company's flagship fermented-hemp spirit Hemp and Root, red bitter and non-alc gin. The 20cl canned RTDs are available in the US in four-packs for US\$20, or 24-packs for \$114.

Mast-Jägermeister's Orange expansion

After a two-market test last year, Mast-Jägermeister this month launched its orange flavour in nine markets including Germany, South Africa and global travel retail. The 33% ABV Orange SKU is recommended "as an ice-cold shot". Mast-Jägermeister said the launch showcases "a new, lighter side of our brand".



Apero hour at Stock Spirits

Stock Spirits last month released Limoncello Aperitivo, an ode to classic Italian liqueurs amid the "thriving aperitivo category". The 14.5% ABV liqueur is made with Sicilian Femminello lemons and its signature serve is — of course — a spritz. Limoncello Aperitivo is being rolled out across European markets. [GDI](#)



with Heineken's global head of Desperados, Ligia Patrocinio

Agave spirit-flavoured Desperados is flying the flag for Heineken's 'Beyond Beer' strategy. 'While we're obsessed with beer, we're also obsessed with pioneering and innovating,' global head Ligia Patrocinio tells **Olly Wehring**

Where does Desperados sit within the group? Desperados is one of the small, but mighty, brands among the mothership. The brand launched in 1995 as the first beer to be a mix with some sort of spirit.

Consumers change and categories evolve, so what we're working to do now is reconnect with our consumers in a way that speaks to their hearts — Desperados is well-loved, especially in its strongholds, such as France. That's where we've started a complete repositioning of the brand. The Gen Z consumer is really the core for Desperados — we really needed to understand their tensions; what do they need from a brand?

The younger generations do drink beer, but they also want control. They want to have fun, but they're afraid of going overboard and being cancelled, for example. This is a very interesting tension, because Desperados is all about vibrancy, bringing people together and having a good time.

Who do you see as Desperados' competition?

We know that, according to Nielsen, we source volume from other lagers and other flavoured beers, as well as from spirits and now from RTDs. We source from different brands and different categories.

It depends not only on the market, but also on the consumption occasion and the



Ligia Patrocinio: 'We have the licence to innovate and try new things. That's one of the things I love'

consumer need. Another difference with this young generation is that they're not super-linear on what they drink; it's about the moment and what they want out of the drink.

Desperados has a unique positioning — nobody's been able to copy the liquid. For Heineken, having a brand that's so different and distinct from the rest is really interesting, but can also be a blind side on who we're competing against.

We're expanding the Desperados portfolio to fulfil consumers' needs, but we know that eventually they go away because they need something else.

What's the scale of the brand? Worldwide, Desperados is at around 4.5m hectolitres, mainly in Europe. The biggest market is France, where it was launched in 1995, second is Poland and third is Nigeria, where we only launched three years ago. We see a lot of consumer appetite for Desperados in Nigeria. The other two in the top five are Germany and the UK.

Is geography the major growth opportunity for Desperados? With Desperados, we go where the younger consumers are. Not only have we been exploring what consumers are looking for, we're also looking at where the young generation will be geographically in five to ten years — 72% of

LDA-to-35 consumers worldwide are in Africa and Asia. Now we want to expand because that's where the young generation is.

Africa & Middle East and Asia are really interesting playgrounds for Desperados in terms of expansion.

What role does innovation play for the brand?

I can't open the entire innovation pipeline for you yet. We're rebuilding the portfolio in a way that we have the core — Desperados Original and some other cocktail flavours, such as Mojito — and very soon, you're going to see lighter versions of Desperados, with fewer calories and less sugar, as well as stronger versions.

We're building the brand in a way that we can really deliver to consumer needs.

Given Heineken's heritage as a company, operating in a traditional, established category, Desperados must be seen internally as a young upstart. It's beautiful! We have the licence to innovate and try new things. That's one of the things I love about my job. While we're obsessed with beer and tradition, we're also obsessed with pioneering and innovating. Desperados has the flag to work on one of the things the company wants, which is to shape the future of beer and beyond. If there's one brand that can do that, it's Desperados.

You recently unveiled the 'The Beer with Latin Vibe' campaign aiming to boost Desperados' appeal among Gen Z and Y consumers. The global push features a specifically created track by Colombian artist Ovy On The Drums. What else can you tell us? The way we've put this campaign together is completely non-traditional in that it's being led by creators. I've never had a music producer on a campaign's creative team before. On top of that, we're collaborating with another roughly 70 influencers around the world. It's quite scary!

It's all about bringing consumers together, building their memories and trying to be a part of their day-to-day in an authentic and honest way. **GDI**

The full interview is available to subscribers. Join them at www.drinks-intel.com/subscribe



'The Beer with Latin Vibe' campaign aims to be part of consumers' day-to-day in an authentic way



Taiwanese whisky producer Kavalan believes the growing global curiosity about New World, especially Asian, whisky is linked to evolving lifestyle trends

Asian drinks have the ‘bandwidth to assimilate and succeed’ globally

As cover-all category terms go, ‘Asian drinks’ is about as vast and diverse as the continent it calls home. And, like that continent, this product space is at once exciting, surprising and extremely hard to pigeonhole. Which, given Asia’s geographic and demographic scale, plus its huge array of cultures, is exactly as it should be.

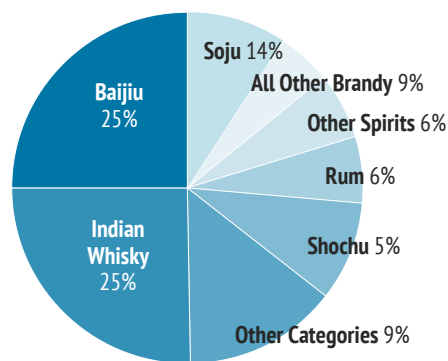
A few familiar Western products — whisky, gin, RTDs, beer — have been given their own local twist in Kyoto, Taiwan and Mumbai. And indigenous products, such as umeshu Japanese plum liqueurs, sake and shochu, are breaking out of their traditional locales and finding a curious and exploratory Western audience.

“The growing demand for Asian products is not just a passing trend, but reflects broader lifestyle changes,” says Seiji Susuki, overseas general manager for Choya, producer of the eponymous umeshu plum liqueur. “Consumers are becoming more health-conscious, embracing natural lifestyles and seeking unique cultural experiences. This shift has led to increased interest in traditional Japanese alcoholic beverages such as sake, shochu and fruit-based liqueurs, strengthening their presence in the global market.”

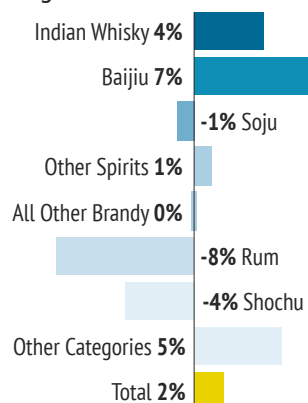
Here, arguably, Japanese whisky was the trailblazer, scooping a boatload of awards in the big Western blind tasting

Asian drinks companies are breaking out of their domestic markets and finding export success close to home and further afield, thanks to an ever more curious global audience. **Richard Woodard** reports

Global Sales of Asian-Made Spirits Market Share (Vol) 2023



Chg Vol 2022–23



Source: IWSR. Note: May be small differences due to rounding

competitions a generation ago. But others have followed. “There is a growing global curiosity about New World whisky, especially Asian whisky,” says Kaitlyn Tsai, brand ambassador & global PR officer at Taiwan’s Kavalan.

“We can say this demand is tied to evolving lifestyle trends — for example, the expansion of middle to high-income demographics and the strong culture surrounding whisky consumption have driven the growth of the premium spirits market.”

To the example of Taiwan, add India. For decades dominated by consumption of low-priced IMFL whiskies — mainly cheap local spirit teaspooned with scotch — the world’s most populous nation is now forging a reputation for quality distillation in tune with its size.

“We are confident of making great products with the best local ingredients, and do so consistently,” says Bikram Basu, chief strategy & marketing officer at Allied Blenders & Distillers (ABD). “Indian spirits winning accolades and awards with major international juries has helped convert this curiosity to consumer preference and advocacy beyond the Indian diaspora.” >>

Sake makes its mark

» Long a niche, geeky interest of a few enlightened Western sommeliers, sake is slowly attracting broader interest in what is perhaps the most esoteric of Asian drinks categories, from its centuries-old artisanal production methods to its (to most non-Japanese) indecipherable, but aesthetically pleasing, labels.

Daimon International is one of the businesses aiming to spread the sake message beyond the constraints of Japanese restaurants, offering a range of over a dozen sake products with a message that prioritises key attributes: free-flow mountain water, hand-crafted quality and umami-forward flavours.

“While we have a selection of premium sake offerings internationally in the US, Asia and parts of Europe, we have also observed a growing interest in our more accessibly priced products in certain Asian markets, which traditionally have shown a preference for higher-priced sake,” says Daimon International CEO Fergus Fung, adding that the company has detected a promising, although still nascent, increase in interest in Europe.

Neighbouring opportunities

Fung’s insight shows that, for many internationally focused Asian drinks businesses, there is sometimes as much to gain in neighbouring markets as there is in the apparently attractive destinations of the West, especially given current macroeconomic trends.

Kavalan provides a perfect example: the brand has, says Tsai, seen “remarkable growth” in South Korea since 2022, achiev-



The wellness trend has led to increased interest in traditional Japanese alcoholic beverages such as sake, shochu and fruit-based liqueurs, such as Choya Umeshu Plum Liqueur

Top 5 takeaways

- Asia’s beverage alcohol brand owners believe that their export success near and far is not a passing fad, but part of a bigger lifestyle shift.
- Japan was the pioneer of Asian whisky in the West, but other origins, such as Taiwan and an increasingly quality focused India, have joined the fray.
- Export strategies are increasingly broad, taking in neighbouring Asian countries, major Western markets and emerging destinations in Africa.
- Larger businesses have the spending power and brand equity to compete with multinationals for blue-chip sponsorship deals and marketing campaigns.
- The challenging macroeconomic backdrop has compelled companies to tweak their strategies — but many have diverse portfolios that can target a range of price points.



Ki No Bi: ‘Gin is still a category that Japanese consumers are learning to enjoy’

ing triple-digit gains in 2023 and double-digit increases last year.

“The success in South Korea is driven by strategic marketing and cultural integration,” explains Tsai. “With Korean celebrities and influencers publicly endorsing Kavalan, the brand has blended into local pop culture, appealing to younger consumers eager to explore non-traditional whisky producing regions.” The company aims to build on this by cementing its relationship with Lotte Duty Free, with plans to build a flagship store in the country.

Ki No Bi Gin is about as Japanese as it gets, thanks to the local sourcing policy and carefully chosen botanicals selected by founders Noriko Kakuda Croll, David Croll and Marcin Miller. Now owned by Pernod Ricard, Ki No Bi’s No.1 market in volume terms is Japan, where it leads the ultra-premium gin segment — but there is still work to do.

“Gin is still a category that Japanese consumers are learning to enjoy,” says brand director Adrien Timpano, adding that other mass-produced brands have aimed to shoehorn gin into Japan’s love of the highball — traditionally whisky »



Daimon International reports ‘a promising, although still nascent’, rise in interest in sake in Europe

» mixed with ice and water — in an effort to recruit people into the category.

Outside Japan, Ki No Bi's target markets include Italy — with its strong aperitivo/negroni/spritz culture — and the US, in the hope that high-end gin may soon finally fulfil its long-held potential there.

Expanding exports

As more and more markets discover Asian products, the list of countries on the to-do list of export directors is growing by the day. Kavalan's success in South Korea is supplemented by an expanded GTR footprint across key Asian key travel hubs, focusing on Lotte Duty Free stores in Vietnam, including Da Nang, Hanoi and Nha Trang, plus DFS in Ho Chi Minh City and a number of outlets in Japan.

But that's not all. Kavalan has also expanded into Africa, signing up to a strategic partnership with Arzeh Integrated Limited to make its whiskies available exclusively at Sliquors in Victoria Island, Lagos.

Tsai points to forecasts suggesting that Nigeria's whisky consumption will hit 9.89m litres by 2027, adding: "As Nigerians develop an appreciation for sophisticated drinking experiences, single malts have gained traction, and Kavalan's tropical, fruit-forward flavour profile resonates well with this emerging trend."

Some Asian drinks brands have the heft and the deep pockets to compete with category leaders. Asahi Super Dry became a worldwide partner of the Rugby World Cup in 2023, extending the deal to 2029 and, in the UK, is the Official Beer Partner of Premier League football club Manchester City. Despite the team's recent form — and the fact that the Asahi Super Dry sold in the UK is brewed in Italy — sales volumes have risen by over 20%.

Agile brand strategies

For all the positivity, these are famously difficult times, with multiple markets suffering a post-pandemic economic hangover, buffeted by geopolitical uncertainty, trade wars and conflicts in Ukraine and the Middle East. Asian drinks companies are adjusting their brand strategies in tune with this changing backdrop.

Tsai notes that Kavalan's duty free presence — previously dominated by its high-end Solist expressions — has now expanded to include lower-priced whiskies such as Master's Select, Distiller's Reserve and the Grand Reserve Series.



Buoyed by marketing spend, sales volumes of Asahi Super Dry have rocketed more than 20% in the UK

"We have observed a mixed reaction to pricing trends," observes Serdar Pala, general manager — overseas at Japanese spirits operation Kamiki Shuzou Co. "Lower-priced products are gaining traction as consumers adjust to global economic conditions and shifts in disposable income."

"Luxury and high-end products remain on a growth trajectory. While super-premium brands have seen a slight decline, the affordable luxury segment — where Kamiki is positioned — has increased in sales. This highlights a clear shift in purchasing behaviour: consumers still seek quality and exclusivity, but at a more accessible price point."

At Takara Shuzo International, Hiroyuki Ito, general manager, Europe marketing office, notes that lower-priced products, such as chu-hi (canned RTD shochu spritzer cocktails), are doing well in other Asian markets, while higher-end sparkling and premium sake (daiginjo and ginjo segments) are targeting Europe.

"Canned products are now starting to gain interest from both restaurants/bars and retailers," Ito adds, leading the company to develop a premium canned sparkling sake for the UK. There is a sense that consumers are feeling more experimental now — whereas before they would have swapped sake for grape-based wine even in Japanese restaurants.

Many larger Asian drinks businesses have the breadth of portfolio to operate in multiple price tiers, depending on market demand. ABD may be pushing hard in the premium space, but its entry level Officer's Choice IMFL Whisky has been in the top



Purchasing shift: Kamiki reports the 'affordable luxury segment has increased in sales'

three of the world's best-selling whiskies for many years, shifting 21.9m cases in 2023 (IWSR).

Basu points out that global supply chains and exchanges of expertise allow ABD and others to source the best bottles, corks and ingredients, and work with the most creative minds. "This accessibility has also helped Indian companies to produce quality brands and compete on merit with the best globally," he adds — and he could be speaking more broadly about Asia, and not just India.

"The country has always been known for its outstanding melange of craftsmanship, knowledge and local produce. Now it has the bandwidth to assimilate and succeed around the world." **GDI**



Asian drinks roundup

Five brands creating a buzz this month

From Indian and Taiwanese whisky to sustainable Japanese gin and packaging innovations in the beer and RTD space, Asian drinks businesses are breaking new ground and targeting fresh audiences



The Art of 'Ki'

Japan's Kamiki Shuzou Co has launched The Art of 'Ki' Series — a unified communication platform encompassing all of the business's key spirits brands: Kamiki (above), Umiki, Minoki, plus the craft series. The company says the new initiative will "ensure a consistent and powerful storytelling approach that resonates with consumers and reinforces our brand identity".

Ki No Bi plans sustainability drive

High-end Japanese gin Ki No Bi, owned by Pernod Ricard, is prioritising sustainability and social responsibility by working with local farmers and artisans to source most of its core ingredients. The brand is working with Kameoka — the city where its new distillery is located — to find more local farmers in an initiative designed to help sustain Japanese agricultural traditions.



Kavalan's anniversary launches

Taiwanese distillery Kavalan has unveiled 15th anniversary releases, including single malts Kavalan Ex-Bourbon Vintage 2009 and Oloroso Sherry Vintage 2009, which join other recent releases Kavalan LÁN, a port-aged single malt, and Solist Palo Cortado Sherry Cask (above), plus the newly launched Kavalan 15yo, the company's first age statement whisky.

Asahi continues bold packaging innovations

Asahi Group is aiming to drive premiumisation through packaging innovation, including RTD Mirai No Lemon Sour (meaning 'the future of lemon sour'), billed as the world's first canned lemon sour containing a lemon slice that rises up when the can is opened. It uses the same 'full-open can' format as the company's Asahi Super Dry Nama Jokki Can.



ABD delves into luxury

India's Allied Blenders & Distillers (ABD) is targeting the premium and luxury space in India and overseas with new launches and acquisitions, including Arthaus Blended Malt Scotch, Zoya Special Batch Gin (right) and Woodburns Indian Malt Whisky. New division ABD Maestro — set up with Bollywood star Ranveer Singh — aims to be a "game-changer" in high-end spirits. **GDI**



ABD shifts gears, but vows to stay true to core strengths

Allied Blenders & Distillers has no plans to abandon the mass-market segment that brought the spirits highflier success as it premiumises and expands its global presence

A new era beckons for Indian spirits powerhouse **Allied Blenders & Distillers (ABD)**, which is pursuing a robust premiumisation agenda — both as a brand owner and distributor — in the fast-changing Indian market and overseas.

ABD, the third-largest spirits company in India for sales volumes after Diageo and Pernod Ricard, has long been a strong force in the mass-market segment, thanks to the remarkable success of its hugely popular whisky brand **Officer's Choice** (below) — one of the world's best-selling whisky franchises.

Recent years have seen highly successful launches, notably **Sterling Reserve Whisky** in 2017 and **ICONIQ White Whisky** in 2022 (see infographic p24). Both products have shown remarkable growth, each surpassing the 5m-case mark since their market entries.

"We, at ABD, are on our way to premiumise," explains ABD's chief strategy & marketing officer Bikram Basu. "But when we say we are on our way to premiumise, it does not mean that we want to move away from our core strengths, which are mass-market brands."

In Basu's words, "there are many Indias" — including the high-potential, aspirational market for premium and luxury brands, and the still-huge mass market encompassing rural areas and value-conscious urban consumers. Here, Officer's Choice continues to play a vital role in graduating consumers from unbranded country liquor — laddering to ABD's broader and mid-priced segment portfolio, including Sterling Reserve and ICONIQ.

"In India's heartland, Officer's Choice is an entry point into branded liquor," says Basu. "And it's not what we want to move away from."



ABD launched Arthaus Collective last year — blended malts are a 'hot category' in the Indian market

Nonetheless, there has been a notable shift in ABD's priorities over the past few years. Aided by a successful IPO in July 2024, which helped to service debt and provide the means for further investment, the company has embarked on a series of eye-catching product launches and acquisitions.

In 2024, ABD entered the fashionable gin category with the launch of **Zoya**, made using juniper and 12 select botanicals, and also launched **Arthaus Collective**, a blended malt scotch whisky that combines single malts from the Highlands and Speyside. "We don't have more than a couple of blended malts in the Indian market — it's a hot category and we are ahead in that," says Basu. "We are looking at higher-margin products, with much better quality, targeting the young, affluent Indian consumer and the global diaspora."

In February this year, the ABD portfolio was strengthened further with the acquisition of Fullarton Brands, a Goa-based craft spirits operation that owns contemporary Indian malt whisky **Woodburns**, small-batch gin **Pumori** and **Segredo Aldeia Rum**.

For Basu, the Fullarton deal illustrates a broader trend of smaller businesses needing outside investment in order to continue to grow in the market. "Indian startup entrepreneurship has now entered the field of spirits," he explains. "These entrepreneurial trends are leading to big Indian and global companies taking interest and supporting these brands to grow, because they can't manage the scale and complexity of the Indian industry on their own."



Bikram Basu: 'There are many Indias'

'A distinctive niche'

Last year also saw the creation of a stand-alone premium brands division, **ABD Maestro**, in collaboration with Bollywood star **Ranveer Singh**, who has a 20% stake in the operation. ABD Maestro's mission is to target the fast-growing luxury spirits market in India, creating its own brands and working with business partners both in India and overseas.

"We are looking to carve out a distinctive niche for brands that we are launching ourselves, as well as acting as business partners for a very select set of top international brands which find India a complex market to deal with for regulations and distribution," explains Basu. "ABD has this expertise. We are building a fantastic on-trade team, and we are now in a position to build our own brands, take on licences or distribute for others. We >>>

Milestones Allied Blenders & Distillers



» have the ability and the calibre to do this.”

But ABD's ambitions are not merely confined to the Indian market. As the company amasses a roster of high-quality spirits brands with packaging to match, it is poised to target major Western markets, alongside parts of the rest of Asia and Australia. At the same time, ABD will continue to focus on new and existing markets for Officer's Choice — especially among the emerging economies of Africa and South America, and in countries with a large number of relatively lower-income expat Indian consumers, such as the UAE.

Evolving drinking culture

The reinvigoration of ABD's business model reflects the huge changes that have swept through the Indian spirits market in the past few years. Not only have imported spirits begun to make their mark — India was scotch whisky's largest export destination by volume in 2024 — but the nation's entire drinking culture has radically changed.

“The on-trade in India has been transformed,” says Basu. “We have casual dining, fine dining, pubs — not so many nightclubs though, but there are some. There are many, many opportunities. They are building experiences, and cocktails using local ingredients are starting to be part of that and that's setting places apart.”

He continues: “Possibly what was quite unthinkable ten to 12 years ago is happening now, with bartenders opening places and owning them, people investing in them and the community supporting strongly. Finally, this business is about people; if the bartender

has a face and is successful, that changes things — it goes beyond just selling brands. You build a different drinking culture.”

This is a sea change from the old days in India of table service and drinking whisky straight. “Now people love to sit at the bar, converse with the bartenders, who know their art,” says Basu. “People are also tending to do their own mixes at home, initiated during the pandemic. It's different compared to what India was used to, and that allows companies like ours to try innovations.”

This cultural shift encompasses demographics. Youngsters entering legal drinking age are now allowed to drink with their parents — something that would have been frowned on in the past — and more women are consuming alcohol, reports Basu.

“Because women are drinking in mixed groups, you see men, who would possibly not touch a gin normally, drinking gin, and women who wouldn't really gravitate to a single malt or an Islay malt, drinking it, holding their own and appreciating it,” he says. “Both men and women have a wider palate.”

While imported spirits remain highly aspirational for Indian consumers, there's still a strong local accent to the Indian drink's scene. “There is curiosity about Indian products, and the bartenders also know the Indian palate and what works for them,” says Basu. A particular spice might work as a cocktail ingredient in Delhi, but consumers in the south or the east of the country may vibe with a different flavour profile.

“There's been a huge amount of learning from global bartenders, with companies or-

ganising visits to India for the past 20 years,” Basu continues. “So we've had that access and we're grateful for it. But there's also a strong national pride that is coming through in Indian products. If an Indian single malt or gin or rum can hold its own against a product from a significant economy, it will get great support from the domestic consumer and from the global Indian diaspora too.”

Embracing opportunity

The Indian spirits scene is becoming more competitive by the day — hardly surprising when you consider that 65% of the population is aged under 35 and that an estimated 12m people reach legal drinking age every year.

“However, per capita alcohol consumption is still relatively low,” points out Basu. “There is a lot of opportunity in terms of experiences, quality products, value and volume.”

The evolution of ABD's business model is designed to capitalise on that opportunity, while also bringing its new wave of high-quality Indian spirits to the wider world. Basu can't go into detail about the company's future plans for launches or further acquisitions — he hints at an interest in other origins of whiskies and organic spirits — but it's clear that he and the rest of the ABD team have a busy period ahead of them.

Basu closes the discussion with: “It is important to add that the industry has done consistent and excellent work in engaging and educating consumers of moderation in drinking and this is now a norm, despite the odd exception which tells us that it's a continuous process.” **GDI**



Allied Blenders
and Distillers



Maestro



For Trade Enquiries Write To: abd.exports@abdindia.com or info@abdmaestro.com

Allied Blenders and Distillers Limited, Ashford Centre, 3rd and 4th floor, Shankarrao Naram Marg, Lower Parel (West), Mumbai - 400 013.
Website: www.abdindia.com

Q&A

*with Circana
senior VP of
global thought
leadership &
strategic insights*
Ananda Roy



Based on the current trading environment, there's a sense that beverage alcohol is at a crossroads today. That's very much the case for the alcohol category. There's an established doom-and-gloom narrative today on volume and how consumers are changing, but it's equally as much of an opportunity. All the choices a brand owner — big or small — can take at the moment are strategic, to go down the growth path. If the choice you make is to do nothing, then there's a cost to that.

The category rules are changing and so are the kinds of products and innovation that consumers are looking for. If you're going to adhere to the rules that made the category successful in the past, then that's not a call to the future.

There are six distinct opportunities for growth: evolving category code; adjacent categories; sustainability and CSR; disruptive innovation; functional beverages; and engaging audiences. You don't have to do all six, but they're critical to the next phase of growth.

What's convinced you that the cyclical trends of the past aren't applicable now? First of all, the fundamental attitude to alcohol and consumption in the younger LDA generation is

FMCG expert Ananda Roy opened this year's Wine Paris trade show with a presentation: 'Wine & Spirits — New Horizons in a Changing World'. Afterwards, he told **Olly Wehring** that 'large alcohol companies are still overly reliant on what made them successful in the last 50 years'

changing. When we looked at the consumption figures for the category, we saw a lot of repertoire behaviour among younger consumers, where they were trying many different products. Gradually, they would find their taste and maintain their loyalty.

Over the last 100 years, we've talked about generational shifts. For this generation, however, we're seeing a demand shift — we have an entire group of young people who are rejecting the category. They're either not drinking alcohol at all or if they are, they're drinking far less.

For the first time, they have a full range of innovative options for the same occasion with the same elements of taste, sustainability and experience. So they're rejecting the traditional category codes for wine and spirits. That's very different to what we've seen before.

This group of consumers looks small today, but will become mainstream in the next ten to 15 years. So it's a very fundamental shift in consumption.

How easy is it to work out how this will play out in the medium to longer term? There's a very clear trend in per capita consumption. Another thing is, from retail sales data, there are fewer new product launches now and they're not proving capable of getting the incremental volume — nor are they commanding a premium. Typically, consumers expect to pay a little bit more for a new product because there's something special about it. But we're finding with new innovation launches, they're no longer getting that premium.

Both things suggest that alcohol is at risk of looking like the tobacco category in the early 2000s. There's an opportunity here to learn lessons from that and choose different options. Otherwise you're heading into a situation where your biggest markets have ageing populations, products are going to get increasingly commodified — you're going to have to promote even more than today just to maintain volume — and regulation, taxes and tariffs are going ➤

» to rise. These are all things that you don't want a category to have.

Bear in mind that the moderation language used by tobacco back then is wasted on younger LDA alcohol consumers — they don't need to be told to moderate, because they're already drinking less and they're drinking differently.

Do you feel our industry is well-placed to be consumer-led? That's one of the reasons the industry is struggling to adapt to the changing environment. It's been exceptionally good at creating experiences, rituals and innovative products that excite consumers. The category understands consumers very well.

But now, it's very hard for them to accept that for the first time, consumers are rejecting their brands, their messaging and their innovation. Everything that's made brands successful for the last 60 years is being rejected by the consumer, and they're moving to something that's alternative.

It's hard for big brands to come to terms with that fact. I think that's the reason why a lot of folks are in denial. If you think no/low alcohol is a small trend that won't last, our point is that it's not a trend, it's reality. The category's biggest strength is now becoming its biggest barrier. They're having to move to a different horizon, and they're finding it very difficult to do so.

With ESG and DEI, are consumers saying one thing and doing another? When we do our research with consumers, it's very clear that given a choice between a sustainable product and something that's less sustainable, they will always go for the former.

However, there are two constraints. One is that these products are simply not available to buy on-shelf. The second is that when they are available, they're at a 20% to 30% premium. So you're actually not satisfying the demand of a consumer segment, particularly during a cost of living crisis.

At the moment, it's a bit chicken and egg. If premium pricing became more normal-

ised, and if sustainability cues reflected the consumer need, that's when sustainability becomes a choice and purchase driver.

Ultimately, the challenge is not the consumer, it's the retailers. In Europe, for example, they've signed up to the European Commission's Ecodesign for Sustainable Products Regulation, which requires ingredient sourcing and traceability and a net-zero direction of travel. There are financial penalties for not reaching certain targets, so the retailers are in a non-negotiable situation with sustainability.

How do you see the weight-loss drug phenomenon impacting alcohol? We're already seeing the likes of Ozempic being used by a much wider group of mainstream consumers for more than just weight reduction. The prevalence of Ozempic is only going to grow.

Ozempic has a direct impact on the consumption of alcohol. These consumers want an alcoholic beverage that is protein agnostic and doesn't cause bloating. This is another opportunity for a forward-looking liquor brand to think about.

Which category is best placed to capitalise? Spirits-based RTDs — lower alcohol content, low sugar. Then there's no/low alcohol. These are the two segments that can thrive in an Ozempic world.

Is the alcohol industry over-analysing the challenges and panicking unnecessarily? I'm a strategist by training, and I look at a whole range of variables. For the first time, I'm seeing a perfect storm developing; the things that made the category very successful for the last 60 years are losing relevance.

At the same time, what consumers value is changing — their needs, their occasions and the kinds of products they're drinking. Adjacent to the category, there's a range of alternative options. We didn't have these options in the past. Then there's a whole range of structural changes coming; taxation and regulation, for example. We've never had all these variables at one point in time.

In the history of the alcohol category, there have been peaks and troughs. If you read the numbers very literally, you could say that the decline in the category is just a return to normal following the [Covid-19] pandemic. But then what you're not seeing is how the consumer is changing significantly.

Eighteen to 25-year-old consumers today have a very different attitude to alcohol. It's a different environment. Innovation within

'Spirits-based RTDs and no/low are the two segments that can thrive in an Ozempic world'

the category isn't getting more sales and isn't commanding a premium anymore and that's bad news for the category.

What product would you bring to market if you weren't doing what you currently do? If I was starting an alcoholic product, I wouldn't invest in trying to be a big brand through advertising and promotion. I would work very closely with retailers, use first-party consumption data that never existed before to identify the shopper segments that are buying alcoholic products. Then I'd get into the kitchen and use that information to formulate an interesting product.

It would probably have an ABV of 5% or less, be in a convenient packaging format and have a more globalised taste profile — consumers today are discovering unique flavours and tastes from other parts of the world. It could even be a product that one could drink when on one's own. I would create a product for that kind of category. There is still scope for alcohol products, but by different product development means.

By doing that, even a small company today can create demand for a successful alcoholic product.

Will there still be a market for high-ABV beverages? There will be, but it's going to be increasingly concentrated in certain geographies, based around ageing populations. The risk is that it's going to be very competitive and that the pricing will get modified; you won't be able to get the same premiums as today. There will still be a place for big brands, but not by playing the old game.

I don't think the large alcohol companies are embracing the new opportunities in the category. They're still overly reliant on what made them successful in the last 40 or 50 years. They aren't showing an openness to a changing consumer and retail environment in a way that they did in the past. They're being repositioned by a category that's developing without them.

That surprises me. What is holding them back? **GDI**

The full interview is available to subscribers. Join them at www.drinks-intel.com/subscribe

'It's very clear that given a choice between a sustainable product and something that's less sustainable, [consumers] will always go for the former'



South Korea, Japan and Taiwan continue to perform strongly for Suntory Global Spirits, which describes the Asia-Pacific region as a 'bright spot'

China still 'crucial market' for luxury spirits in Asia despite slowdown

The luxury spirits market in Asia is undergoing a transformative period, driven by evolving consumer preferences, economic shifts and a growing appetite for premium products. From China's dynamic whisky scene to India's rapid premiumisation, the region's diverse landscape is offering opportunities for some of the world's leading spirits brands.

Although this is not to say that it has been smooth sailing in China for beverage alcohol of late. During the most recent results season, companies far and wide echoed the "softening market" and "weakness" in the major Asian market.

Rémy Cointreau claimed its "overall performance was penalised by a slowdown in indirect sales reflecting caution on the part of distributors" in the Asia-Pacific market.

A multitude of hindrances and headwinds have become apparent for luxury spirits in China, but it remains a key priority for major players in Asia. **Henry Mathieu** reports

This was a key contributing factor to the Rémy Martin brand owner's Q3 sales plummeting 21.5% to EUR254.1m (US\$265.1m).

Similarly, looking at Pernod Ricard's full-year results, all three of the group's reporting regions were down in the half-year, most notably Asia/Rest of World, which slipped by 5%. While the "ongoing challenging macro-economic environment and weak consumer demand" in China (-25% in sales H1) was noted, the "early signs of a very soft Chinese New Year [and] significant decline in gifting" suggested a less-than-positive prognosis for the market in H2 of fiscal 2025.

Combine this with the fact that cognac brand owners have been prevented from refilling their stock levels in China's global travel retail sales channel since the end of last year, and one can get a taste of the array of difficulties there.

Moreover, China plummeted from being the fifth most-valuable export market for scotch in 2023 to tenth last year, according to Scotch Whisky Association data, as the value of shipments to the country fell 31.5%.

However, despite a recent slowdown in the Chinese beverage alcohol market, the country remains a crucial battleground for luxury spirits, according to John O'Keeffe, Diageo's president APAC, global travel & India. "While the Chinese market has presented a more challenging landscape than



India's Radico Khaitan is considering rolling out its premium brands, like Rampur, in China

in previous years, it will remain a key driver of value growth," he says, referring to IWSR data forecasting a US\$14bn rise in the total beverage alcohol value in China by 2028.

O'Keeffe also points to the evolution of drinking culture in China, where consumers are increasingly drawn to storytelling and authenticity. "People want to connect emotionally with what they are drinking. Brands that embrace tradition, craftsmanship and heritage will have an advantage," he claims.

While traditional luxury spirits, like scotch and baijiu, continue to thrive, O'Keeffe says consumers are showing increasing interest in booming international spirits, ➤

Top 3 takeaways

- Despite GTR cognac recalls and a fall in scotch imports, IWSR forecasts that total beverage alcohol value in China will reach US\$18bn by 2028.
- India is seeing "deep societal change" which will add 25% of the global LDA consumers over the next five years, cementing its status as top priority in Asia.
- Malaysia, Indonesia, Vietnam, Singapore, Thailand, South Korea, Japan and Taiwan markets all show promise.

» such as tequila. Nevertheless, he notes that whisky is still a key beverage for younger consumers: “It is estimated that 47% of Chinese whisky drinkers belong to Gen Z.”

Meanwhile, Sanjeev Banga, president of international business at Radico Khaitan, reveals that while the Indian spirits major’s brands — which include Rampur Single Malt Whisky — are not yet available in China, it is actively considering entry. “We are receiving a lot of inquiries and would be delighted to showcase our luxury portfolio to discerning Chinese consumers,” he says.

High spirits in India

India has emerged as a standout performer in Asia’s luxury spirits market. In February, the country cut its tariff rate on bourbon imports from the US from 150% to 100%. In a time where the ‘T-word’ appears to be all that spirits brands can think about, this marked a pretty noteworthy vote of confidence for the Indian market.

Diageo India has seen “significant growth”, with net sales doubling over a three-year period, according to O’Keeffe. “Our focus remains on premiumisation, with our prestige-and-above segment contributing 87.4% to total net sales for FY24,” he adds.

The Diageo executive says that “India is in the middle of deep societal change led by rising affluence, women and youths”, with the country set to contribute “25% of global LDA consumers over the next five years”.

Pernod Ricard India CEO Jean Touboul emphasised India’s strategic significance in a recent interview with *India Today*. “India is already our second-largest market globally in net sales,” he claimed. Touboul credited this to rising affluence, a booming young population and shifting consumer preferences. “With 20m to 25m people reaching LDA annually, the potential for premium spirits in India is enormous,” he noted.

Banga echoes this sentiment, citing a 27% increase in Radico Khaitan’s consolidated net profit and an 8% rise in revenue in the quarter finishing at the end of December. “Our prestige-and-above brands vol-

ume was up 17.7%, and we see continued growth in demand,” he adds.

Touboul further emphasised India’s increasing role in luxury spirits marketing strategies. “We have seen greater willingness among Indian consumers to experiment with new tastes, whether it’s premium whisky, gin or even cognac,” he told *India Today*. “The aspirational lifestyle associated with these spirits is now a key driver for sales growth.”

To cater to this growing demand, brands are investing heavily in exclusive events and premium retail experiences. “Our exclusive The Glenlivet Whisky dinners have seen incredible success, combining curated food pairings with insights into the whisky’s craftsmanship,” Touboul said.

Emerging markets show potential

Beyond China and India, smaller Asian markets are increasingly driving growth for luxury spirits. O’Keeffe believes “the projected sharp rise of high-net-worth individuals in Malaysia, Indonesia and Vietnam will fuel the growing premiumisation trend”.

For example, adds O’Keeffe, Diageo’s Ron Zacapa launch in Singapore’s ‘house above the clouds’ offered guests an interactive brand heritage experience. Meanwhile, in Thailand, the Johnnie Walker Blue Label Immersive Lounge showcased the role of social culture in luxury spirits experiences.

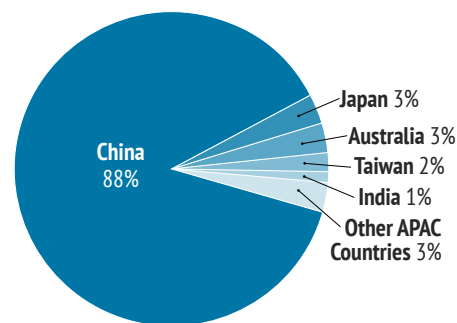
Suntory Global Spirits VP of APAC strategy Clare O’Dowd adds that Korea, Japan and Taiwan continue to perform strongly. “We saw double-digit growth in Japan and South Korea in 2024, and strong single-digit growth in Taiwan,” she says.

Suntory Holdings, the owner of Suntory Global Spirits and brands including Jim Beam Bourbon and Roku Japanese Gin, recently posted a 1% lift in sales from its combined alcohol businesses for FY2024. The group said: “While performance in North America and International were challenged, Asia-Pacific continues to be a bright spot, driven by strong sales in South Korea and Japan. In Japan, the company succeeded in growing the business by working on creating Western liquor culture, with a focus on whisky and gin.”

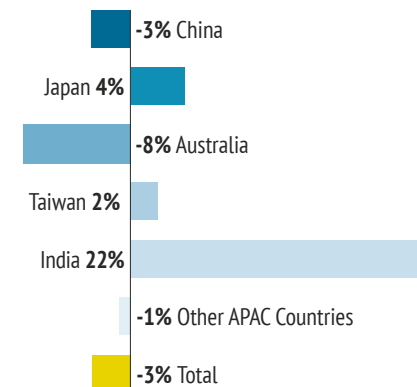
Banga also speaks enthusiastically about Vietnam’s growing significance, noting that “premium spirits consumption [there] is rising fast, driven by increasing disposable incomes and consumer interest in social gatherings where spirits are often shared”.

Radico Khaitan’s Jaisalmer Indian Craft Gin appeals to the ‘adventurous’ younger LDA cohort

Top 5 Spirits Markets for Luxury Brands: Asia-Pacific Market Share (Vol) 2023



Chg Vol 2022–23



Source: IWSR. Note: May be small differences due to rounding

Rise of experimentation

As younger consumers in Asia develop more sophisticated palates, brands are innovating. “Consumers are drinking less but better,” says Banga. “Our Rampur Indian Single Malt and Jaisalmer Indian Craft Gin are well-positioned to appeal to these adventurous drinkers.”

O’Dowd echoes this shift toward new categories: “Whisky still leads the international spirits category in APAC, but we are also seeing growth in tequila and rum.” Suntory has introduced innovative extensions like Jim Beam Grapefruit and Lemon Highball RTDs in Korea, targeting younger consumers seeking casual drinking experiences, she notes.

Innovation is also reflected in packaging design. “Younger consumers want spirits to feel special,” says Banga. “Our premium products are presented in handcrafted bottles with detailed stories behind the brand’s creation.”

Banga also highlights the role of social media in driving curiosity about experimental products. “Consumers are actively seeking new spirits trends they discover online, making it crucial for brands to maintain a strong digital presence,” he adds.

With the all-important Chinese market set to remain tough, perhaps the most crucial keys to growth for luxury spirits in the region in the short term will be Asia’s promising smaller markets, India’s premium surge and brands’ ability to appeal to younger LDA consumers. **GDI**



Shifting consumer tastes reshape Japanese alcohol market

Japan's alcohol market is undergoing a seismic shift as health-conscious consumers, bold innovation and surging demand for RTDs challenge decades-old drinking traditions. By **Joe Bates**

The Japanese alcoholic beverage market is undergoing a significant transformation, yet it remains firmly in the hands of four domestic giants: Asahi Group Holdings, Sapporo Holdings, Suntory Group and Kirin.

A shift towards healthier lifestyles among younger LDA consumers, coupled with new government guidelines promoting responsible consumption, is reshaping the industry. These factors are dampening sales of wine and high-strength shochu, while boosting demand for beer, low-ABV RTDs and alcohol-free alternatives.

Meanwhile, Japan's long-stagnant economy is showing signs of life, with GDP expected to rebound by 1.5% this year, according to the Organisation for Economic Co-operation and Development. Slowing inflation should also spur consumer spending.

Against this more promising economic backdrop, producers are seizing opportunities in the fast-growing gin, RTD and no/low-alcohol segments, as well as leveraging digital technology for more personalised consumer engagement.

RTDs: A category on fire

The rise of RTDs in Japan has been decades in the making, driven by convenience, appeal to younger consumers and an increase in at-home drinking.

Popular styles range from malt-based



Bar Bota at the Four Seasons Osaka Hotel and its clarified milk punch dotonbori slider (below)



Cabin Nakameguro's Sullivan Gouvea (left): 'It's an exciting time to be a bartender in Japan'

Local flavours bring a twist to cocktails

Japan's dynamic cocktail scene, long dominated by the popular whisky highball, is poised to enter a new chapter with an increased focus on sustainability, hyper-personalisation and alternative spirits, as well as a fusion of Japanese ingredients and techniques with modern mixology trends.

"Japanese cocktail lovers appreciate balance and precision, but they're also incredibly adventurous," says Sullivan Gouvea, head bartender at Tokyo's Cabin Nakameguro cocktail bar, which specialises in serving classic cocktails with a Japanese twist. "At Cabin, we've seen growing interest in amaro, cachaça and mezcal, alongside the continued popularity of Japanese whisky. It's an exciting time to be a bartender in Japan."

Meanwhile, at Bar Bota, on the seventh floor of the Four Seasons Osaka Hotel, the menu takes inspiration from Osaka's reputation as the "kitchen of Japan". Bar manager Andrei Marcu says: "I am very excited to be able to work mostly with hyperlocal produce and have direct contact with the producers and farmers."

Bar Bota's fusion-style cocktail list blends Japanese inspiration with innovative techniques. Highlights include the dotonbori slider, a clarified milk punch with Midori and citrus; the matcha & yuzu highball with smoky whisky and sherry; and the umeboshi martini featuring red ume-washed gin and umami bitters.

beverages — resembling flavoured beer or chuhai (shochu highballs) — to spirit-based and wine-based options. Major players like Suntory, Asahi and Kirin are actively expanding their RTD portfolios, fuelling the market's rapid growth.

IWSR research director for Eastern Europe & Japan Piotr Poznanski says: "All of Japan's major RTD suppliers are launching new products with innovative flavours and lower alcohol content. Attractive pricing and a tax hike on beer-like beverages, such

as happoshu, are pushing consumers toward RTDs.

Asahi's 2024 results illustrate this trend clearly, with RTD sales soaring 27.6% in volume. In contrast, the group's high-strength shochu and wine sales dropped by 8.3% and 0.2%, respectively. Among Asahi's biggest RTD hits last year was Mirai No Lemon Sour, a limited-release shochu-based drink featuring an innovative pull-off lid and a real slice of lemon (see Asian Drinks Roundup p22). >>

Gin's momentum builds

» Japan's nascent gin market is booming, growing 350% since 2019 to reach JPY25bn (US\$166.7m) last year, according to Suntory Spirits. The success of pioneering domestic brands like Ki No Bi (part-owned by Pernod Ricard) and Suntory's Roku Gin has sparked interest in local botanicals such as green tea and sansho pepper, paving the way for a new wave of Japanese gins.

"Gin is still a category that Japanese consumers are discovering," notes Adrien Timpano, global marketing manager at Ki No Bi. "Some mass-market brands have built on the popular way of enjoying whisky in Japan, the highball. It is a less sweet version of the G&T, which matches better the palate of Japanese consumers and fits into the local drinking habits."

Investment in the category is growing. Pernod Ricard is constructing a new EUR25m (US\$26.8m) carbon-neutral distillery for Ki No Bi, set to increase production fivefold by late 2025. Meanwhile, Suntory Spirits has committed JPY6.5bn to expanding its Osaka Spirits & Craft Distillery, the production site for Roku, aiming to more than double production capacity and elevate Japan's gin market to JPY45bn by 2030.

Despite its growing consumer base and investment by the likes of Pernod Ricard and Suntory Spirits, gin remains an occasional purchase, however, with only about 10% of Japanese consumers reporting they had gin in the past six months, according to IWSR data.

Top 3 takeaways

■ Japan's alcohol market is shifting as younger consumers embrace RTDs, no/low-alcohol options and premium spirits, while traditional beer and high-strength shochu face declining demand.

■ Major producers like Asahi and Suntory are investing in innovation, with RTDs and Japanese gin experiencing rapid growth driven by evolving tastes and convenient at-home consumption.

■ Despite whisky's global success, rising costs and moderation trends are slowing domestic growth, though the whisky highball and boutique distilleries continue to energise the category.

Breaking into Japan's intricate market

For international drinks companies looking to export successfully to Japan, this complex market can present lucrative opportunities, but also notable challenges.

Cultural considerations such as the need to build trust and confidence among consumers who value authenticity and craftsmanship, as well as overcoming regulatory hurdles like labelling, advertising and taxation policy are two key areas to master, according to exporters.

"Having the right distributor is also critical to gaining access to key players in the market," counsels Eric Heerema, owner & CEO of the Nyetimber Group, which last year acquired English craft whisky producer The Lakes Distillery. "Japan has a complex and layered distribution system, and working with

[our distributor] Oyama means that we can reach a Japanese audience that values both the premium branding and high quality of our whiskies."

Dan Szor, founder of Cotswolds Distillery, says Japanese consumers have readily warmed to the company's Cotswolds Gin as the gin category enjoys a spike in popularity.

"The beauty of Japan is that it is a market where consumers are discerning more than status-seeking, which means they care more about what's inside the bottle than what is on the outside," says Szor. "This means that they are more open to try new and lesser-known brands, regardless of origin, and they will typically respond well to authenticity and craft credentials."

Japanese whisky: A global darling, a local challenge

Inspired by Scottish traditions, Japanese whisky has carved out its own distinct path, with the industry's dedication to precision and innovation creating a surge in demand from overseas. At home, however, producers face a more uncertain future. "Our preliminary data indicates Japanese whisky grew a small amount in 2024," reveals IWSR's Poznanski.

He attributes this poor showing to rising production costs, distillery expansions and increasing ingredient prices, which are leading to price hikes and slowing local demand. An ageing consumer base and more health-conscious younger generations are additional challenges.

Despite these headwinds, Poznanski concedes that the whisky highball remains a strong driver of category growth. Japan's whisky boom has also fostered a new wave of boutique distilleries, with over 140 now in operation — more than double a decade ago.

Chichibu Distillery, founded in 2004, was one of the pioneers of this movement. The brand's flavour-led blends draw a cult-like following and last year it marked its 20th anniversary with a commemorative domestic release. "Smaller distilleries should highlight their unique characteristics rather than compete directly with the big brands," says global ambassador Yumi Yoshikawa.

Beer holds ground amid changes

Although still a major alcohol category, beer has seen a gradual decline as younger consumers pivot toward RTDs and spirits. Still, it retains a 55% market share, according to Ki-



Established in 2004, Chichibu Distillery is located 100km from Tokyo in Saitama Prefecture

rin Brewery, which reported a near 2% drop in beer sales to 111.8m cases in 2024.

Recent tax changes have made traditional beer more competitive against beer-like beverages such as happoshu, according to Poznanski. He also believes Japanese craft breweries face an uphill battle, as Japan's mainstream beer brands are already of high quality, making it difficult for smaller players to justify premium pricing.

In contrast, non-alcoholic beer is thriving, driven by health-conscious consumers and broader product variety. Asahi Group saw its beer and beer-like sales decline by 3% last year, yet its alcohol-free Asahi Zero Beer exceeded expectations, selling 1.72m cases — 186% above its target.

Japan's alcoholic beverage market is undergoing a period of transition, ramping up production to meet overseas demand, while battling shifting consumer trends and an ageing domestic market. But, with a thriving RTD sector and improving economy buoyed by record tourist numbers, the home front is not without bright spots. **GDI**

Distil starts strategic review to 'stabilise the business'

UK-based spirits brand owner Distil is undertaking a strategic review “to stabilise the business and drive long-term shareholder value”, but says it is “not actively considering an offer for the company”.

The company, which holds RedLeg Spiced Rum, Blackwoods Gin and Blavod Vodka in its portfolio, announced the review after disclosing a forecast 31% slide in sales — on an expected 32% volume decline — for the fiscal year to the end of March.

Distil highlighted a “challenging Christmas period across the UK trade”, as well as duty increases and on-premise headwinds as having prompted the move.

“We are currently exploring all aspects of cost management to ensure we manage both external inflationary pressures and reduce discretionary expenditure wherever possible,” the group said in a London Stock Exchange filing on 13 March.

“As part of this review, the team is work-

ing diligently to recalibrate the cost base in order to balance future growth with the ongoing cash needs of the business.”

Among the areas under consideration are “exit options for non-core brands” and the “potential sale of unused intellectual property”, while also investigating “near-term funding”.

“In order to stabilise the business and deliver shareholder value, we are taking aggressive cost-cutting measures, as well as undertaking a review of strategic options,” said chair Don Goulding. “We are committed to finding the best solution for the business, and to open and ongoing communication with our shareholders.”

The London-headquartered company expects to return to growth in the next three years, thanks in part to its UK and Ireland distribution arrangement with Global Brands, which was expanded to cover all the markets’ sales channels last month.

UK business launches Crayfish Gin

Kennet Crayfish Company has unveiled a unique craft gin infused with crayfish claw shells, developed in collaboration with UK-based Hawkridge Distillers. The distillation process releases a crayfish oil that smooths botanical flavours, creating a premium, mellow gin. Beyond its distinctive taste, the gin supports ecological efforts to protect Britain’s rare Kennet chalk stream. Available in 5cl (GBP6.50) and 70cl (GBP40) bottles, Kennet Crayfish Gin (right) will be sold through retailers, hospitality venues and online at the company’s website.



St Austell Brewery set to cut up to 40 jobs

An independent English brewer is consulting staff over a possible “reduction of up to 40 roles” — 2% of its workforce.

St Austell Brewery, which employs more than 2,000 people in the South West, is “reviewing its operational structure” because employment costs introduced by the UK government will place “significant additional financial strain” on the 174-year-old business.

St Austell chief executive Kevin Georgel said: “The brewing and hospitality sector has had an extraordinarily difficult few years — one of the most challenging periods in our history. We have successfully navigated these challenges, but they have been compounded by the significant increases in Na-

tional Insurance [a tax reserved for social security benefits] effective from April.”

“The decision to explore redundancies is not one that has been taken lightly. The proposed changes reflect a considered and measured response to the challenges we face, and will help ensure the business remains fit for the future.” Georgel added that St Austell is still profitable, but “financial headwinds” mean it must reduce its “fixed cost base”.

The independent business operates breweries in St Austell and Warmley, as well as around 160 pubs. A “collective consultation” will run for 30 days with employees across multiple departments, excluding the employees in St Austell’s managed pubs.

Compass Box names ex-Diageo exec Nishat Gupte as CEO

Compass Box has confirmed the external appointment of its next CEO as Nishat Gupte replaces Maurice Doyle. The London-based company said that Gupte will take on the role, overseeing “strategy, operations and market development”. Gupte joins Compass Box from New York-based Betty Buzz and Betty Booze, the soft drinks & alcoholic RTD company founded by actor Blake Lively.

Shaquille O’Neal partners with BeatBox Beverages RTD

Former NBA basketball player Shaquille O’Neal has collaborated with US-based BeatBox Beverages to launch a new ‘spiked’ RTD. O’Neal, who has also made an unspecified investment in the drinks company, has overseen the release of a Blueberry Lemonade variant of the BeatBox brand at an ABV of 11.1%.

Cincoro partners with AC Milan for anniversary añejo bottle

High-end tequila Cincoro commemorated the anniversary of marketing partner AC Milan with a limited edition bottle for the Italian soccer club’s fans. The Cincoro Añejo x AC Milan pack is limited to 125 units — one for each year of the club’s existence. Priced at EUR295 (US\$320), the bottles are available now from AC Milan’s official store in the Italian city.

El Bandido Yankee Tequila lures new GM from Casa Komos

US-based El Bandido Yankee Tequila Co has appointed Matthew Slosek as its GM. Slosek joins the company from Casa Komos Brand Group, where he held the position of president, overseeing the Superbird tequila and RTD line. Prior to this, he spent almost 14 years at Bacardi and ten with Moët Hennessy.

Keystone Brewing Group names Steve Cox as new head

Keystone Brewing Group has named Steve Cox as its next CEO, following a spending spree in recent months. Cox was most recently head of In Good Company, the drinks business from which Keystone acquired the Magic Rock and Fourpure beer brands earlier this year. He replaces current CEO Mark Williams, who will return to his role as shareholder & board member of parent company Breal Group.

‘Coming into this industry has been challenging on every side’

Fawn Weaver founded Uncle Nearest American Whiskey with her husband, Keith, in 2017. The brand, she tells **Olly Wehring**, was inspired by the first African-American master distiller — a so-called ‘illiterate’ born into slavery circa 1820 called Nathan ‘Nearest’ Green

What was it about the spirits industry that appealed to you? It wasn’t the industry, so much as it was the story of the first African-American master distiller.

During the era of the slave trade, the census stated that all these Africans who came to America couldn’t read or write. Historically in our country, that’s caused people to believe that we were illiterate and weren’t intelligent. What people fail to understand is we simply didn’t understand English and no one would teach it to us.

One of the things that’s been really important to me is that — even in my own culture — people need to understand that we don’t come from a history of ignorance and illiteracy. We were just brought to a country and not taught the language. Trying to reverse that psychology of African-Americans in America has always been really important to me.

With Nearest Green, we’re still talking about him now because of the legacy of excellence that he created that became Jack Daniel’s. This ‘illiterate’ was able to teach the most famous American whiskey maker of all time. I travel around the world and when I say I’m from Tennessee, everyone says, ‘Jack!’ Or at least they did, before Nearest became more known.

What drew me to his story is that here in the US, it was the enslaved people that were doing the distilling. There’s a photo of Jack Daniel from 1904 and to his immediate right is an African-American who we know now to be Nearest Green’s son, George Green (see p34). Jack was not in the centre of the photo; it was George. What was Jack trying to say?

Throughout Jack Daniel’s biography, written in 1967, Nearest Green and his sons, George and Eli, are mentioned more times than Jack’s own family. All of this suggested to me that Jack was one of the



Fawn Weaver: ‘I was coming in with an absolute resolve to not sell. So, for my purposes, the advice I was given was garbage. I had to create a new roadmap and learn from scratch’

first cases of allyship that we know of. If we could prove that there was camaraderie among blacks and whites in Lynchburg, Tennessee, with the most famous American whiskey maker of all time being taught by an enslaved man and then choosing him as the first master distiller, then we have a different storyline coming out of the South regarding African-Americans and whites. That’s the story I was chasing.

Up to the point when Uncle Nearest entered the market in July 2017, there had never been a bottle that commemorated an African-American, even though we had been working in the industry for 400 years. My interest in the spirits space was exclusively limited to wanting to cement the legacy of Nearest Green.

In spirits, 99.9% of new products fail. I had to figure out how to make this one succeed to such an extent that when I’m finished building it, it’s so large that the next generation can’t screw it up! There was no way that this thing would be able to grow if it wasn’t the most awarded and if it wasn’t something that people enjoyed drinking.

All those things had to happen in order for this to work.

How did you get the business operational? I raised US\$3m from friends and family, then hired Sherrie Moore, the former director of whiskey operations at Jack Daniel’s. When Sherrie retired, after 31 years, she also had an interest in seeing the story of Nearest Green told.

Then I brought in Katharine Jerkens as head of sales & marketing to start to understand how the second tier works in our country. The distributor tier is where most small and independent brands die.

For the first four years, we were sourcing our product — we opened our Nearest Green Distillery in Tennessee in September 2019.

How did the historical connection with Brown-Forman play out? At the beginning, we took a ‘Tasmanian devil’ approach, because I didn’t know how they would respond. What that means is, if we were doing so many things in so many different places and rolling out to so many states »

» so quickly, if they tried to land bombs over here, then we would already be over there.

Even though they didn't respond how I thought they were going to respond, which I'm really grateful for, it set the course for us to continue with this strategy of always making sure we're running ahead and moving too quick to be able to attack.

The thought of what they might do propelled us to move much faster than anyone would usually build in this industry. In less than two years, we were in all 50 states.

I knew that our superpower would be what I have been doing for the last 30 years, which is PR. I've never looked at the press as being their job to tell our story. I've always looked at it as my job to give their readers a reason to view in higher numbers. I knew that I would be able to craft individual storylines for every major media outlet in this country.

Most national outlets don't want to report on something that's regional. One of the reasons a lot of new brands die so fast is because they'll start in one state, then try to push into a second. They're having to pay all that money for paid media, but they'll never be able to compete with the big guys that are going to outspend them in every single state.

The strategy of moving into all 50 states in less than two years was risky as heck and it cost a lot of money. But it allowed me to talk to the press non-stop and tell the different aspects of the Uncle Nearest story in a way that would be interesting to their readers.

That's why you've seen us grow so fast — except for Tito's Handmade Vodka, that had never been done by an independent brand before us.

Has it been a smooth journey? Not a chance! There's nothing smooth about growing this fast in an industry that's been locked down



Nearest Green's son George (middle row, fifth from the left) sits next to Jack Daniel in this 1904 photo

by the same group of people for 400 years. There is a reason why no woman or person of colour had ever succeeded in this industry before me. The irony is, it has less to do with race or gender; I've seen more white men fail in this industry since I've come in than any other group of people.

I think it's because there's one group of people and their descendants that have essentially run this entire industry for so long. In the US, over 90% of the alcohol sales volumes come from six companies. Coming into this industry has been challenging on every side.

What other impressions of the industry did you have? It wasn't until I came into the industry that I learned that every single one of the bourbons that I liked were all from one distillery — Buffalo Trace. I'm sipping all of these bourbons and thinking they were made by independents. It was like, wait a minute; y'all own everything!

I had no preconceived notions of the industry, but now that I'm in it, I absolutely find it to be welcoming. It's a friendly competition. We all compete — there's a very limited amount of shelf space — but I haven't come across anybody who I wouldn't want to sit down and have a drink with.

Do you feel that your ethnicity and gender have been a challenge to overcome? I think it's neutral — one thing cancels out the other. Most bourbon consumers in this country are white men. When you look at who people tend to gravitate toward, it's familiarity. That familiarity begins with our ancestors and having to look at everything that is not like you as a potential threat.

Here, you have an African-American woman with a product that historically has been consumed by one group of people. I have to make them familiar and comfortable with who I am, and I look nothing like the consumer.

'There's nothing smooth about growing this fast in an industry that's been locked down by the same group of people for 400 years'

Where it has been helpful is when I'm talking to the press, most of whom are white men who have been media trained. They're using the same talking points and the same style. Then they come to me, who's not had media training, who looks different and whose swagger is different. My talking points are different from everyone else's, because I'm looking at it from a different vantage point.

What's been the best advice you've received? None! We've been so successful because I disregarded every bit of advice I received from the experts. The industry had never seen an outsider succeed, so it didn't make sense to receive advice from insiders because they kept the outsiders out for a really long time.

It goes back to what I was saying about focusing on one state at a time. Most people that have done that journey have failed. If by any chance they don't fail along the way, they end up having to sell to one of the spirits conglomerates.

The advice I was being given makes sense if your plan is to flip the company, to sell to one of the big guys. I came in with an absolute resolve to not sell. So, for my purposes, the advice I was given was garbage. I would say the best piece of advice I received came from me. I had to create a new roadmap and learn from scratch instead of learning from other people.

Are you enjoying yourself? I absolutely love what I'm doing. [GDI](#)



Uncle Nearest was being distributed in all 50 US states in 'less than two years'

The right packaging allows startups to ‘engage in deeper conversations’

By spending strategically and viewing constraints as opportunities, startups can create innovative, high-impact packaging strategies on a budget.

Henry Mathieu finds out how

Strategic planning

Understanding your brand’s journey before diving into design is essential. Roiby Gonzalez, North America VP at creative design agency Oveja & Remi, which has worked with the likes of Stella Artois and Chivas Regal, emphasises the importance of early discussions with your creative partner.

“Whether creating from scratch, extending a product line or evolving existing branding, it’s crucial to discuss the details,” he says. “Are Cogs changing? Will you be moving manufacturing? These details make a big difference in creative and production recommendations.”

Startups, Gonzalez advises, should prioritise transparency to ensure their packaging aligns with long-term business goals.

Leverage industry connections

A well-connected creative partner can be a game-changer, streamlining the process and helping to secure better deals.

“We’ve connected clients with distribution partners, found inventory in specific regions and even secured discounts,” says Gonzalez. “Talk to your creative partner about their connections within the industry — it could make a significant difference.”

Spend strategically

Limited funds don’t have to mean uninspired packaging, according to Kevin Shaw, founder of alcoholic beverage design company Stranger & Stranger, which has worked with brands including Tequila Ocho, Bushmills Irish Whiskey and Don Papa Rum.

“A tight budget should be no obstacle to success,” he says. “The Kraken, Italicus and Compass Box were all small-budget jobs, and they’ve become iconic.”

Shaw suggests working with experienced designers rather than cutting corners with amateur work. “An expert, even doing a stripped-down service, will get you way more for way less in the long run,” he says.

Think Bold Studio co-founder Viktoriya



Oveja & Remi captures the spirit of the sea with a barnacle-encrusted bottle for Marum, a rum-based spirit aged off the coast of Sylt Island, Germany



Stranger & Stranger's bottle design for Italicus captures the striking colour of Capri's Blue Grotto and has 20 curves, one for each region in Italy

Dolomanova advises strategic spending: “Utilise distinctive stock bottles rather than custom moulds; consider cross-category bottle shapes; employ digital printing for labels; and invest selectively in custom closures for differentiation.” Thoughtful decisions in production, she adds, can maintain quality while keeping costs manageable.

Stock bottles do not equal boring

Customisation is not always necessary. Gonzalez reassures startups that “stock

doesn’t mean boring” and suggests browsing vendor catalogues.

“You’d be surprised how often you find a bottle that fits your original idea,” he says. “And if you meet the minimum order quantities, you could even customise it by updating the moulds.” By focusing on volume-based goals, startups can gradually introduce custom features as they grow.

Abigail Barlow, founder of UK-based Barlow & Co, also advocates for simple yet impactful changes. “Can you make an impact by using one element of your packaging differently?” she asks. “A funky cap or unique label substrate can go a long way.”

Such cost-effective tweaks can make packaging memorable without a hefty price tag. Barlow adds that exploring different finishes, embossing or textural effects can add a premium feel without stretching the budget too thin.

Balance creativity and practicality

Shaw warns against blindly following trends — striking a balance between innovation and commercial appeal is crucial.

“Stand out, but don’t try to be trendy,” he says. “Too often we see brand launches and say, ‘Oh, that’s just like...’ If a designer shows you something that would fit right in on a Costco shelf, just say no or you’ll be dead on arrival.” Unique, timeless design choices, Shaw explains, help brands maintain longevity and distinctiveness.

Barlow echoes the importance of smart design choices. Thoughtful colour selection, he says, can elevate a brand without inflating costs: “Be smart with colour — either go big and print CMYK (cyan, magenta, yellow and key) digitally, or pick one or two Pantones that have impact and print flexo.”

Embrace your agility

Unlike established brands, startups can pivot quickly. Gonzalez encourages emerging brands to embrace their flexibility: “It’s easier to turn a speedboat than an oil tanker. Smaller runs can mean regional or themed packaging, collaborations, etc.

“Big brands spend millions building genuine connections, but startups can engage in deeper conversations with their audience through packaging.” **GDI**



Five lessons from a drinkpreneur

Fellr co-founder Will Morgan

Will Morgan co-founded Australian malt-based beverage brand Fellr in 2020. A runaway success, the company reported 40% growth in FY24, with sales set to surpass AUD18m (US\$11.3m) this year. Interview by **Henry Mathieu**

Stand out, don't blend in

Building a successful hard seltzer business is no easy feat, especially in an increasingly saturated market, but that's exactly what Will Morgan and co-founder Andy Skora have achieved with Fellr (named after the colloquial Australian greeting 'Hey fella').

The ex-Pernod Ricard execs grew Fellr into Australia's leading independent hard seltzer brand in just four years. Now stocked in more than 5,000 stores and venues Australia-wide, Fellr is on track to sell over 5.5m cans and draught serves this year. So what learnings can they pass on?

The Australian seltzer market was about to explode, says Morgan, so creating a distinctive brand was essential. "We knew a lot of people were going to copy the White Claw model — slimline white cans, round logos. For us, it was about standing out rather than blending in," he explains.

Instead of following the trend, Fellr took a bold approach. "We went with a beer-style can, creating a lifestyle brand with a bright, eye-catching design," says Morgan. "The gradient colours are inspired by Australian beach culture and sunsets."

They also made sure the product was gender neutral. "A lot of low-calorie drinks are marketed primarily to women," explains Morgan, "but we wanted something that appealed equally to men and women. The beer can format helped with that."

The result was a low-calorie, low-sugar, 'sessionable' alternative to beer — Fellr's core range comes in at 4% ABV and 83 cals per can — that has built a cult following among the key 18 to 24-year-old demographic in its home market.

Focus on solutions

Starting a business is challenging enough, but launching Fellr in early 2020 came with a unique set of obstacles — namely, the Covid-19 pandemic.



Will Morgan: 'Roll with the punches'

"We quit our jobs, threw our life savings into this, and launched with a massive on-premise strategy. Then six weeks later, we were locked down," Morgan recalls. "We both had newborns during all this, sleepless nights while running a company, plus cost of living pressures — staying solution-focused and positive was key."

With bars and restaurants closed, they had to pivot quickly. "We had to shift our focus entirely to retail, figuring out how to get into stores without in-person meetings or sampling," says Morgan. "But the pandemic also levelled the playing field — the big brands couldn't do their usual massive launches either, so digital tactics became even more important."

Focus on your liquid

No amount of branding can compensate for a subpar product; Morgan stresses that the quality of the drink itself is what keeps customers coming back. "A strong brand will get you the first purchase, but if the liquid isn't great, you won't get repeat sales," he says.

Fellr took an innovative approach to product development. "We brewed our alcohol differently from the start, experimenting with methods to create the best-tasting light premix drink," says Morgan. "We use the best

ingredients and don't cut corners on flavour costs." Such a commitment to quality pays off: "We've won international awards for our liquid. If you make a great product, people will share it with their friends, and word-of-mouth will do some of the heavy lifting for you."

Run lean and build organically

While some brands launch with millions in funding, Fellr chose a different path. "We self-funded for the first two to three years, running incredibly lean," says Morgan. "That meant focusing on our core market first and building a loyal following."

This approach had long-term benefits: "A lot of brands raised big funds, accelerated fast and got celebrity endorsements, but we've gradually caught up and overtaken them by staying true to our strategy. We tested everything in our home market, built strong loyalty and expanded from there."

Rather than splurging on massive marketing campaigns, Fellr invested in digital marketing, trade partnerships and brand-building at bars and festivals. "When you don't have big budgets, you have to make every marketing dollar count," says Morgan. "But it also meant we didn't have to answer to investors, so could move quickly and make decisions that were right for us."

Authenticity is everything

Authenticity is at the heart of Fellr's brand strategy. "We avoided influencer marketing at the start because if someone's promoting us one day and another brand the next, it just feels fake," argues Morgan.

Instead, Fellr focused on building genuine partnerships. "We work with artists, musicians and people who genuinely love our brand. It's about creating long-term relationships that align with our values."

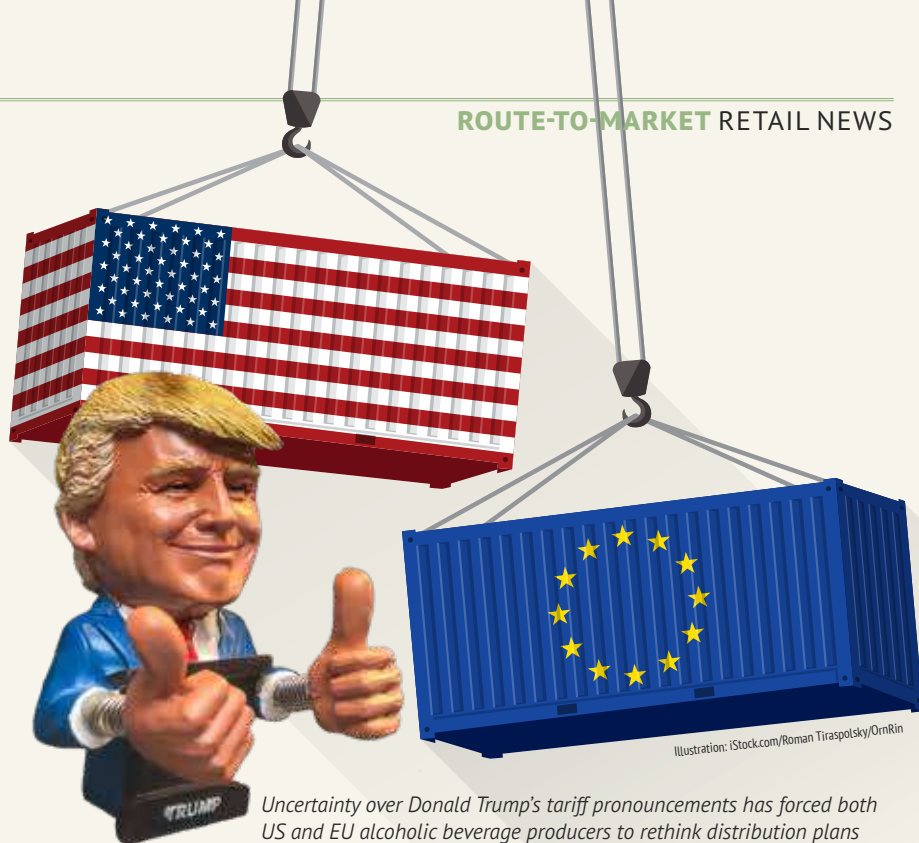
Social media plays a big role in this. "We try to give a real behind-the-scenes look — our struggles, our wins, how we set up festivals," reveals Morgan. "It makes people feel like they're part of our journey."

A last word of advice to drinkpreneurs just starting out: "Roll with the punches, focus on what makes you different and never compromise on quality. If you do that, your brand will stand the test of time." **GDI**



Even without 200% tariffs, real damage is already being done

Escalating threats of tariffs from the Trump administration have sent shivers through the drinks industry in Europe. The topic was hotly debated at ProWein in March. **Kevin Rozario** reports



Uncertainty over Donald Trump's tariff pronouncements has forced both US and EU alcoholic beverage producers to rethink distribution plans

Donald Trump's threatened 200% tariff on wine and spirits from European Union countries was the talk of the stands at ProWein in Germany last month.

The threat was the latest salvo in the escalating global trade war started by the US president against the country's biggest trading partners. The tariffs on alcoholic products from the bloc, Trump said would be retaliation for a "nasty" 50% levy on American bourbon announced by the EU.

The EU's action against bourbon whiskey — due to come into force on 1 April — was itself part of a EUR26bn (US\$28bn) response to Trump's 25% tariffs on steel and aluminium imports, which came into effect last month.

The 200% levy had not been imposed as *Global Drinks Intel* went to press, and many we spoke to at ProWein felt that such an onerous tax would not ultimately be levied. Its arrival would kill off consumer consumption, they claimed, as retail prices would rise and smaller importers could go under.

The Distilled Spirits Council of the US has urged the EU and US to reach a zero-for-zero tariff deal on spirits to safeguard both the drinks and hospitality sectors. However, the uncertainty Trump has unleashed is having immediate consequences.

"Tariffs will be bad for everyone, from distributors and restaurants that serve our wines, to the American consumer," said Matteo Lunelli, president & CEO of Italian sparkling wine producer Ferrari Trento. "Some big US retailers have already stopped their orders of Italian wines because of tariff uncertainty."

That is a worry, as the US is Ferrari Trento's biggest export market. But the CEO pointed out that there aren't many spar-

klung wine options, volume-wise, for the US if high tariffs ever hit the EU. The stakes are therefore high.

Hans Peter Eder, the Vienna-based co-founder of Padre Azul Tequila, which also has a strong US market presence, took a positive view. "For us, it's OK because we are in the ultra-premium segment, but for brands selling at \$30-\$40 it will be difficult," he explained.

"We are very focused on the on-trade and in clubs (including Ushuaia and Hi in Ibiza)," he said. Tequila will benefit because any tariff hit on imports from Mexico are not expected to be high.

Canadian opportunities

The US is an important market for the craft whisky and foraged gin produced by Irish brand Glendalough, part of Vancouver-based Mark Anthony Group. Global marketing manager Nicola Martin said: "If tariffs come in, that's going to be a real challenge. But there are opportunities in Canada, where real localisation and protectionism is happening."

With bourbons stripped from Canadian retail shelves, whiskies can possibly fill that gap. "The door isn't wide open, but it's ajar for the likes of ourselves and other Irish brands," added Martin. "We're also looking at emerging markets around the world, for example India and Nigeria."

MacDuff International, whose portfolio includes InchDairnie Distillery's RyeLaw, a Scottish rye whisky distributed in several US states, takes a similar view. "If opportunities open in other markets, like Canada, hopefully we will capitalise on those," said head of sales Andy Boughey.

Tennessee whiskey Uncle Nearest (see interview p33) has delayed its European launch until next year — partly because it feels it is not worth risking the cost of bottling for export, a heavy outlay of about \$500,000, when tariffs could leave the stock languishing in warehousing.

Tariff uncertainty has also affected US plans at Netherlands-based Navy Island Rum. Owner Jacco Kroon said: "We had a chance to offer one of our products to Total Wine & More, a retail group. But the cost of investment has made me think again. I am waiting for clarity."

Proactive shipping

Many brands are playing the same waiting game — which means business is stalling — but others have been proactive and moved stocks to the US ahead of time. Spanish cava producer Raventós Codorníu is one of them, even though its European export exposure to the US is limited to 4% of global sales.

"When the tariff rumours started, we shipped product and then stopped," said CEO Sergio Fuster. "We will send nothing else until the situation is clearer. Even if tariffs are implemented, they probably won't last long, and as for 200% tariffs — that would be equivalent to a prohibition."

Michael Scully, managing director at Clonakilty Distillery in Ireland, summed up the general feeling: "Tariffs are an unwelcome development. They hurt everybody — the producers, suppliers and consumers in the relevant countries. But they haven't come in yet, so there's no point in panicking, because it may not happen." **GDI**

Sweden's Systembolaget faces first crack in state-run monopoly system

Systembolaget has long dominated Sweden's alcohol market, making it one of Europe's biggest drinks retailers. But as new reforms take effect, is the state-owned giant's monopoly beginning to crumble? **Joe Bates** reports

For 70 years, Sweden's state-owned liquor retailer, Systembolaget, has held a firm grip on the Scandinavian country's alcohol sales, aiming not only to regulate the market, but also to minimise the harmful effects of drinking.

Unlike most of the European Union (EU), Sweden — along with its Nordic neighbours Finland and Norway — has long maintained a strict monopoly on off-trade sales of alcohol over 3.5% ABV in strength.

'Farm sales': A historic shift

But on 1 June, that grip will loosen a little. A long-debated reform will allow so-called 'farm sales', permitting small-scale breweries, distilleries and vineyards to sell directly to visiting customers.

Swedish Prime Minister Ulf Kristersson hailed the move as a "freedom reform", saying it would make Sweden "a little more like the rest of Europe".

The change, though limited and under review for six years, is historic, nonetheless. About 600 small-scale producers stand to benefit, according to local press reports, with strict production caps and purchase limits in place to maintain control. Spirits sales, for example, will be restricted to just 0.7 litres per customer, while wine, beer and other alcoholic drinks are limited to three litres each.

While Systembolaget's monopoly remains largely intact, the looming reform marks a symbolic shift in Sweden's traditionally cautious approach to alcohol — a sign that the country may be inching toward a more open market. It would be a mistake, however, to conclude there is a groundswell of Swedish public opinion agitating for the company's monopoly to be broken up.

Persistent public support

In fact, according to Systembolaget's 2024 annual report, 68% of Swedes support the current monopoly system, up from 66.5%



Sweden's state-owned retailer Systembolaget has dominated the country's alcohol sales for 70 years

the previous year. Moreover, in October last year, independent research firm Evi-metrix announced that Systembolaget was Sweden's "most trusted brand", topping the rankings in its annual consumer survey based on interviews with 4,500 randomly selected individuals.

In the annual poll, Systembolaget bested the likes of Swedish homeware chain Ikea and discount retailer Gekås Ullared, improving significantly on its fifth-ranked position in the 2023 survey. Systembolaget CEO Ann Carlsson Meyer declared the award was proof of the "dedicated work" the company's employees do every day, "where creativity and drive" have been crucial to its success.

Legacy of controlled alcohol sales

Systembolaget was created in 1955 when the country's regional alcohol monopolies were merged and a long period of alcohol rationing was abolished.

Reflecting long-standing government fears about the public harms of alcohol consumption, customers were originally required to ask staff to fetch their intended products, the rationale being that face-to-face interaction would discourage large purchases. Self-service was only gradually introduced from 1991 onwards.



Ann Carlsson Meyer: Being named most trusted brand is proof of Systembolaget's 'dedicated work'

When it joined the EU in 1995, Sweden (like Finland) was allowed to maintain its monopoly system provided it did not discriminate between different producers.

However, imports cannot be restricted under EU law, which meant that direct-to-consumer sales offered consumers a new way to avoid the monopoly system in addition to duty-free sales onboard ferries and at airports, which have long been popular across high-tax Scandinavia. >>

Moving with the times

» Today, the non-profit retailer presents a more welcoming face to consumers with 452 stores across all 290 Swedish municipalities, along with 461 agents for order pick-ups and an online home delivery service covering 96% of the population.

Nonetheless, Systembolaget continues to make health and responsible alcohol consumption core strategic focus areas. Last year, ID age checks at the retailer's stores reached 97.8%, up from 97.4% in 2023, while in-store health messaging initiatives were also trialled.

Sustainability is another prime focus area for Systembolaget, with the retailer pledging to halve its carbon emissions by 2030 by focusing the company's entire value chain from production to packaging and transport. Last year, the firm began collecting data from suppliers on the carbon footprint of individual products, as well as collaborating with other Nordic alcohol monopolies to develop a common methodology for climate calculations.

In March, these efforts were recognised when Systembolaget was announced as the most sustainable brand in Sweden in the annual Sustainable Brand Index survey, based on interviews with 25,000 respondents. "Systembolaget has continued to communicate sustainability persistently, even when other companies have toned down their message," said Erik Elvingsson Hedén, founder of the Sustainable Brand Index, announcing this year's winners.

"In troubled times, Swedes value reliability and transparency, and Systembolaget has managed to maintain and strengthen consumer trust," he added.

Digital expansion

Last year, Systembolaget stepped up its efforts to enhance its digital customer experience, ensuring that 128 out of its 459 stores now offer a full range of products online. The retailer is also integrating digital tools into the physical shopping environment to meet changing customer expectations.

Systembolaget's financial performance in 2024 saw net sales grow 3.2% to SEK39,407m (US\$3,936m), driven by higher alcohol taxes and increased volumes. Yet the retailer's net profits fell 19.1% to SEK338m, a slump attributed to inflation-driven costs and a shift in the sales mix away from spirits and wine towards beer, mixed drinks and non-alcoholic products.

In a press statement, the company said it



Beer, alcohol-free and mixed drinks sales are up at Systembolaget, but wine and spirits are struggling

Top 3 takeaways

- Sweden's limited alcohol reform allows small producers to sell directly, but strict purchase caps and a six-year review period prevent major disruption to Systembolaget's monopoly.
- Despite calls for further liberalisation, 68% of Swedes support Systembolaget's monopoly, and it remains Sweden's most trusted brand, ahead of household names like Ikea and Gekås Ullared.
- Shifting consumer trends favour beer, mixed drinks and non-alcoholic products, while wine and spirits decline, contributing to Systembolaget's 19.1% drop in net profits in 2024.

had met all its financial targets for the year and that productivity in its stores and depots had been "high and stable".

Beer grows; spirits and wine fall

Beer was a relatively strong performer for Systembolaget last year, with sales growing 2.7%, driven both by imported varieties (+1%) and especially Swedish (+3%) lines. In contrast, the wine category, reflecting wider international trends, had a tougher time, dropping 1.1%, with fortified wine plummeting an even steeper 6.4%. Spirits also struggled (-1.1%).

In contrast, mixed drinks (*blanddrycker*) surged 9.3% for the retailer last year, reflecting a continuation of increasing consumer interest in premixed cocktails, flavoured alcoholic beverages and RTD products. The category was beaten only by non-alcoholic products, which emerged as Systembolaget's star performer for 2024, growing 10.4%.

Taking a closer look at Systembolaget's wine business, Italy remained the most popular country of origin, with over 53.2m



The retailer is modernising by integrating digital tools into the physical shopping experience

litres sold, despite a 3.7% drop. French wine gained ground, increasing 3.1% to around 33.2m litres, strengthening its No.2 position. The standout surprise, however, was Moldovan wine, which surged 278.8%, albeit from a low base.

Red wine remains dominant, with about 91.4m litres purchased in 2024, though down 3.4% year on year. Italian red still leads the way with over a 40% market share, but sales dropped 3.2%. In contrast, French red grew an impressive 4.7%. White wine saw a modest 1% volume increase, with the biggest gains recorded by Chile (+11.4%) and Portugal (+11.2%).

Safe future (for now)

While many private retailers, both foreign and domestic, would undoubtedly like to see Systembolaget's monopoly dismantled for good, its core messaging on responsible alcohol consumption continues to resonate with the Swedish public.

The introduction of farm sales is unlikely to threaten the monopoly's survival in the short term. Instead, Systembolaget remains a trusted institution, adapting to modern retail expectations while upholding its public health mission. **GDI**

Is single malt scotch overpriced, over-ranged and under-optimised in GTR?

Scottish single malts remain a pillar of the GTR whisky category, but the latest ShelfTrak analysis suggests excessive assortment and inconsistent execution may dilute effectiveness.

Garry Stasiulevicius reports

Global travel retail is seen as a key market for Scottish single malt whisky brands, with premiumisation and exclusivity driving both demand and assortment.

However, the latest ShelfTrak analysis suggests that the category may be suffering from over-assortment, SKU proliferation and inefficient space allocation.

While retailers continue to stock extensive whisky ranges, there is growing evidence that an overly complex category structure may be diluting impact and reducing the effectiveness of core brand messaging.

Challenge of SKU proliferation

According to ShelfTrak's latest review, the sheer number of malt whisky SKUs in travel retail is staggering. Across key GTR hubs, the category encompasses 985 unique brand variants, spread across 54 brand owners and 125 distinct brands. Some locations — particularly in Asia — have excessively broad ranges, with the top three stores stocking more than 230 malt whisky SKUs each:

- **Hong Kong Duty Zero:** 269 SKUs
- **Taipei Everrich:** 238 SKUs
- **Singapore T3 Lotte:** 233 SKUs

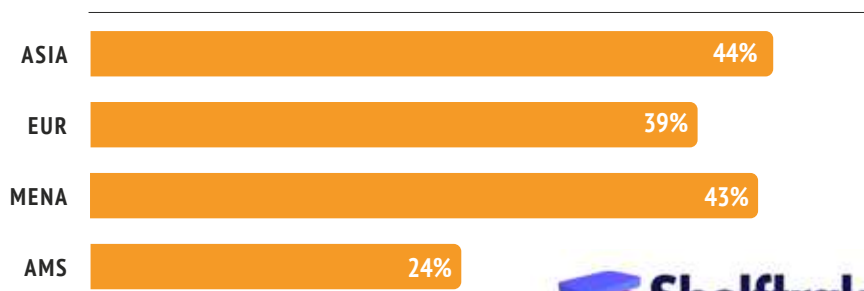
This level of range complexity can dilute visibility for core brands, making it harder for shoppers to navigate the category. Furthermore, the significant SKU count raises concerns about over-reliance on limited editions and exclusive variants at the expense of strong, recognisable brand icons.

In contrast, some stores in the Americas, such as Vancouver and Chicago, stock as few as 20–26 malt whisky SKUs. This highlights a stark contrast in retail strategies, where these markets focus on curation, while others risk overwhelming consumers with choice.

Space allocation

The allocation of space within the whisky category further underscores differences in retail execution and strategy. Across travel retail, Scottish single malts command 38%

Single Malt Space Share of Total Whisky By Region



Source: ShelfTrak Q4 2024



of total whisky shelf space, slightly ahead of blended scotch. However, there are stark regional differences:

- **Asia:** 44% of whisky space given to malts
- **Middle East & Africa:** 43%
- **Europe:** 39%
- **Americas:** just 24%

At the retailer level, the differences are even greater. China Duty Free Group dedicates 63% of whisky space to malts, while Duty Free Americas (23%) and Nuance (24%) allocate far less. This suggests certain retailers have very different strategies and views on the strength of the single malt category, while others may be overly invested, possibly at the expense of other key categories.

Brand dominance and space control

The data also highlights the competitive landscape within the space. The largest players — William Grant & Sons (14.9%), Pernod Ricard (13.9%) and Diageo (13.7%) — command a significant share of malt whisky facings. However, within individual retailers, some brands dominate:

- **Glenfiddich** leads with an 8.2% share of malt whisky facings, followed by **The Glenlivet** (7.9%) and **The Macallan** (7.4%).
- Some brands, like **Bowmore** (3.7%) and **Talisker** (3.6%), have a much smaller footprint despite strong reputations.

This imbalance in distribution presents an opportunity for challenger brands to negotiate better positioning in stores where the market leaders dominate.

The premiumisation dilemma

Price positioning remains a key factor in the single malt category, with GTR often

used as a channel to promote high-value and duty-free exclusives. However, the broad range of SKUs often leads to inconsistencies in pricing, with some key brands experiencing wide price disparities across markets. For example:

- The same whisky SKU can vary in price across Asia, Europe and the Americas.
- Premiumisation has driven average price points higher, but there is evidence of price fatigue among consumers in some locations.

This raises the question: is the category truly driving incremental value, or is it simply inflating retail complexity without delivering real sales growth?

The path forward

The findings from ShelfTrak's data point to three clear opportunities for optimising the single malt scotch category in GTR:

- **SKU rationalisation:** Retailers must assess whether extensive ranges are delivering value or adding confusion. A streamlined core range, supplemented by strategic exclusives, may improve category efficiency.
- **Smarter space allocation:** Disparities in shelf share suggest a need for more balanced space strategies that align with actual demand and growth potential.
- **Price harmonisation:** Addressing pricing inconsistencies will be crucial in maintaining consumer confidence and ensuring long-term brand equity. **GDI**

Garry Stasiulevicius is MD of ShelfTrak, an AI-powered business that transforms data into actionable insights by analysing store-level execution across the leading 50 airports and 70-plus stores. www.shelftrak.com



More than a third of on-premise users visit food-led venues in South Korea, but post-work drinks are now equally as important and attract 36% of visitors

Brands must adapt as Koreans move from high spirits to healthy sips

The South Korean market is one of the most dynamic in the Asia-Pacific (APAC) region, with strong potential for both local and international brands.

At the moment, however, the country finds itself in a delicate position, grappling with the effects of major disruptions to the global supply chain and significant shifts in consumer behaviour and purchasing patterns in the wake of the Covid-19 pandemic.

Inflation, along with international political and economic instability, has further strained the economy — a trend that we are admittedly seeing globally — creating an unpredictable market. With rising product prices driving monetary growth, a recession is now anticipated as inflation continues to deplete consumer disposable income.

Despite the broader economic challenges, the food and beverage sector in South Korea is showing resilience. NIQ's Market Track data suggests beverages are growing at a rate of 2.5%, while alcoholic drinks are experiencing only a slight decline (-0.5%).

The on-premise sector is certainly playing a role in this landscape, remaining a crucial part of South Korean society. CGA by NIQ research shows that 86% of consumers have visited on-premise venues in the past three months, and 65% do so weekly. While overall visits have declined compared with previous years, per capita spending increased by 16% in 2024.

EXCLUSIVE CGA by NIQ client solutions director **Jaepil Sohn** leverages insights from the newly launched On Premise Measurement for South Korea to offer an unparalleled perspective on the country's on-premise landscape and pinpoint the most promising opportunities for businesses across trending drinks categories

This suggests that consumers are prioritising quality experiences, aiming to make the most of their reduced disposable income when dining or drinking out. They like to visit the on-premise not in spite of these challenging times, but precisely because of them. They value it as a space for meaningful connections with family, friends and colleagues.

For businesses, this presents a unique opportunity to create experiences that consumers appreciate and seek out, helping to build brand equity even in challenging times.

The opportunities

The first step for drinks businesses aiming to better position themselves in South Korea's dynamic on-premise market is to examine specific channels. Venues offering Korean food are some of the most popular, with 53% of on-premise users visiting them. Similarly, classic pork belly houses attract about half of the users. Other popular establishments include those serving lunch, HOF bars, casual spots that offer drinks and snacks, as well as raw fish and Japanese restaurants.

These food-led venues all represent key areas for drinks businesses to target in this

Top 5 takeaways

- Beverages are growing at 2.5% in South Korea, while alcoholic drinks are seeing a slight decline (-0.5%).
- 65% of Koreans now visit the on-premise every week, while per capita spending increased by 16% in 2024.
- Food-led venues remain key, but after-work drinks are on the rise and attract 36% of on-premise users.
- Spirits account for 78% of beverages sold in the Korean on-premise, with whisky the most ordered spirit (71%).
- No/low-alcohol opportunities are expanding — 45% of on-premise users visit the channel to "be healthier".

competitive market. Indeed, while eating out occasions have seen a slight decline, eateries remain incredibly important in South Korea, with more than a third of all »

» on-premise users visiting these venues for dinner and casual dining.

But CGA by NIQ's data also shows appealing opportunities in more wet-led establishments. After-work drinks have increased by ten percentage points (pp) since last year, with the occasion now attracting 36% of on-premise users. Brands, suppliers and operators can capitalise on this trend by focusing on products that align with the informality of this setting.

Relaxed and quiet drinking occasions have also grown by 2pp and now appeal to a significant 28% of all users. The opportunity for businesses here lies, once again, in the informality of the drinks, but also in their potential for fostering shareability and social connection.

High spirits

While they represent less than half of all beverages sold, spirits play a key role in the Korean on-premise, accounting for a staggering 78% of the value. Overall, the category is experiencing a slight decline: spirits volumes have decreased by 9.2% year on year, and value has dropped too (-5.5%).

The downward trend is evident across most spirits categories, including whisky, vodka, gin and tequila. Rum, which only accounts for 3% of the Korean spirits market, has been the hardest hit, with declines of 18% in volume and 16.4% in value.

The decline has also affected Korea's national drink, soju. Consumed by over half of all on-premise users, soju has seen a 6% drop in volume and a 5.2% decrease in value.

Downward trends, however, do not mean that suppliers should abandon these cate-

gories, especially if they still represent a significant share of the market.

Whisky, for example, accounts for a dominant 71% of all spirits sold in Korea's on-premise and is associated with several positive attributes for consumers. For 37% of consumers, it helps "set the tone" for an occasion, 34% drink it to "savour the experience", while nearly a quarter imbibe whisky to "take a break" or even to "energise".

Scotch remains by far the largest whisky subcategory in Korea, accounting for nearly 80% of all bottles sold; American whiskey comes second (11.3%). Interestingly, it is the only subcategory to have seen a mild increase in recent years, with a nearly 1pp rise between 2023 and 2024.

Given whisky's slight dip in the past year, brands and suppliers should focus on identifying the channels where there is still significant potential for this category.

For example, 50% of whisky is consumed in venues that offer Korean food, so these should remain a top priority. Pubs and bars represent great opportunities too, accounting for 10% and 17% of whisky consumption, respectively. CGA by NIQ research also indicates that whisky consumption in bars has increased by 1pp over the past year, further underscoring the category's growth potential in this channel.

As far as broader spirits groups are concerned, brandy and cognac are the only spirits segments to have seen positive growth, with a 4.5% increase in volume and an impressive 7% growth in value. This suggests that while overall consumption may be decreasing, consumers are still willing to splurge on special occasions.

In Korea, brandy and cognac account for only 1.5% of the spirits market — less than the global average — indicating significant growth potential, so this is a category that suppliers and brands should closely monitor.

Korean wellness

At the other end of the ABV spectrum, opportunities for no/low-alcohol options are expanding in South Korea. Consumers are becoming more health-conscious, showing a growing interest in low-calorie, low-fat beverages made with locally sourced, health-focused ingredients.

These trends have gained significant momentum post-Covid and the 'quality and better-for-you' mindset appears to now be the primary driver for beverage and alcohol buyers.

To capitalise on this opportunity, busi-



Diageo Korea ad for Johnnie Walker Blonde

nesses must focus on the nuances of this consumer trend, understanding not just what drives purchasing decisions, but also what motivates people to visit the on-premise in the first place. Combining these two factors is the most effective strategy for maximising revenue growth.

The no and low-alcohol subcategories should not be viewed as necessarily catering to the same consumer base, drinking occasion or venue. Low-alcohol spirits, for instance, have largely extended post-Covid at-home drinking habits, being primarily consumed alone or during weekend meals. In contrast, zero-ABV products are carving out entirely new occasions for alcohol alternatives, such as lunch breaks.

It is also important that brands understand how Korean consumers perceive wellness, which increasingly encompasses not only physical health, but also mental wellbeing, emotional satisfaction and enjoyment.

In fact, 45% of on-premise users state that they visit the channel to "be healthier". This finding should be interpreted as a search for both mental wellbeing, as well as for physical health, with 32% of Korean drinkers planning to opt for healthier choices and 27% intending to abstain from alcohol during their on-premise visits this year.

This mindful consumer base is already significant: 11% of Koreans currently consume no/low-alcohol options in the on-premise. They also demonstrate strong spending power, with nearly a third willing to pay a premium for products that offer "health-related benefits".

South Korea's on-premise sector offers significant opportunities across several growing categories, notably no/low-alcohol, whisky, brandy and cognac. By tapping into these trending segments, businesses can drive revenue by expanding drinking occasions across different settings, from social gatherings to personal leisure, and from work-related occasions to entertainment. **GD**

The research

CGA by NIQ's On Premise Measurement (OMP) service provides deep insights into alcohol sales within the dining and drinking channels across South Korea. OPM covers Korea's 17 administrative divisions, enables businesses to address key questions related to category, channel and occasion, and to optimise their sales and marketing strategies.

To explore how OPM can enhance your strategies or to learn more about CGA's other solutions for brands, operators and suppliers, visit www.cgastrategy.com or contact Jaepil Sohn, client director, South Korea, at Jaepil.Sohn@nielseniq.com



VIEW FROM THE ON-PREMISE

Charlie Mitchell

Brands target the top 1% of bars with expensive listing deals and events, but are they missing a trick?

It was an absolute pleasure to host the 'Bars in 2035' Pernod Ricard SIP roundtable late last year (see *Global Drinks Intel*, March 2025) — a first-of-a-kind meeting of minds that brought together the most well-known, innovative and celebrated bartenders in the world, all of whom had cut their teeth and enhanced their reputations at the most prestigious and influential venues around.

The attendees were fantastic value, providing cutting-edge opinion and genuine insight, but their profile is reflective of a relentless focus from drinks brands on the very highest echelon of bartender and bar. And it makes sense. The theory goes that by cosyng up to this top 1%, showcasing the best of your products and telling the stories to develop emotional relationships, they too will then spread the good word.

But it got me thinking: Is it time to shake up bartender advocacy?

Even in the heady days of social media influencers, there is nobody better to advocate for drinks brands than the maestros of the sector: the bartenders who turn products into experiences and liquids into stories. Indeed, the sphere of influence of the very best bartenders extends far and wide, in both the sector bubble of fellow bartenders and to the educated consumers who seek out celebrity bartenders like a butterfly collector travelling to remote ends of the earth in pursuit of the crowning jewel to their bulging collection.

However, the theory is so well established that highly influential bartenders are in even higher demand, with major companies falling over themselves to woo the very best, resulting in a fierce competition for their advocacy.

That is not to say that bartender advocacy programs cannot be fruitful. Perhaps we just need to broaden our horizons and look beyond the very top table. Indeed, one of the attendees at the



Illustration: iStock.com/Nueng

roundtable event has often spoken of a concept of a thriving underbelly of bars and bartenders that keep the cocktail scene of any city vibrant. François Monti, the renowned bar consultant, vermouth expert & author, talks of the importance of the 'second division' of venues. The tier below the 'premier league', at which more regular, localised, but just as relevant, visits occur.

This is something that the wonderful Tom Bronock from UK-based creative drinks agency Wilde Toast has often spoken about. An ex-bartender himself, Tom suggests that the biggest opportunity to drive engagement is with the bartenders with the most to learn, the staff working at the thousands of venues that serve premium brands, but who know little to nothing about, other than what is written on the label.

These bartenders, he argues, want to learn and are less influenced by the head bartender at the fanciest venue around, than by their peers, experiences and learning events, which can be easily facilitated by drinks brands. Influencing an army of bartenders isn't necessarily achieved by targeting the very best — a more successful route is to directly en-

gage the middle-tier through grassroots training and experience, which will naturally spread via word-of-mouth.

He makes a fantastic point, and what's more, points to the sheer volume opportunity that may be missed. With more than half (55%) of on-premise consumers globally suggesting that they would pay more for a better quality of drink, the sphere of trade-up opportunity is far greater than the 'premier league' and spans all the way down the pyramid.

Just imagine how big a premium brand could become by leveraging that army of advocates in middle-tier venues to effectively convert trade-up opportunities.

At CGA by NIQ, we also use a sporting metaphor for outlet quality. Gold, silver and bronze outlets are joined by a platinum tier, which represents the top 5% of venues. But interestingly, it is the gold tier which most punches above its weight for spirits sales. Despite numbering 24% of UK outlets, the tier accounts for 29% of spirits sales, a five percentage point over-index compared with the 4pp equivalent for platinum.

The message is clear: a focus on the 'second division', or gold tier, can prove fruitful, in terms of influence, advocacy and sales, but also perhaps in terms of staff. As in sport, rough diamonds are often uncovered languishing in the lower leagues and just require that higher level of support and training to excel.

Of course, high-end bartenders will proportionally always exert more influence on the trade than any others, but instead of banking on a trickle-down effect, why not do both? Maybe a bottom-up influence will shake up the world of mixology. **GDI**

Charlie Mitchell is CGA by NIQ's global head of insight & consumer research. His GDI columns provide perspective from the on-premise, based on the most up-to-date and definitive data available. To learn more, email Charlie.Mitchell@nielseniq.com



Berlin comp sees rise in entries from ‘new producers from new countries’

As canaries in coal mines go, industry competitions are excellent indicators of the mood of their respective industries. Amid all the turbulence buffeting beverage alcohol right now, you’d expect — not unjustifiably — that Adam Levy, the organizer of the Berlin International Spirits Competition, has had a challenging start to his year.

Not a bit of it.

“We were very happy with the increased number of entries this year,” he tells *Global Drinks Intel*. “Our judges enjoyed the wide range of liquors submitted to this year’s competition.”

Adding to the reassurance emanating from the German capital’s spirits awards — now in their 12th year — is the impressive level of entries submitted by “new producers from new countries”, according to Levy.

“Several of the new producers are also winners in our other wine and spirits com-



Image: iStock.com/JohnSow

petitions in New York, Melbourne and Asia,” he notes.

Curiously, the return of Donald Trump to the White House in January has impacted even Levy’s competitions.

“We were fortunate that the entry deadline for the Berlin competition was before the proposed tariffs were announced,” he ex-

plains. “We are seeing the impact on the possible number of entries from Europe to the New York competitions with the uncertainty of tariffs on both sides of the Atlantic.”

Here, then, are the individual and gold medal winners of this year’s Berlin competition. For the complete list of winners, visit berlininternationalspiritscompetition.com



THE SPIRIT OF *South America*

COLONIA DEL SACRAMENTO **SUR 34 GIN**

Born in Uruguay, Sur 34 Gin blends contemporary craft with London Dry elegance. Made with Patagonian juniper and 14 premium botanicals. Its bold character and citrusy flavor, given by the criolla mandarin, create a smooth balance with layers of spice and herbal depth.

Follow us on

→ @GIN.SUR34

→ SUR34GIN.COM





Berlin International Spirits Competition Individual Awards 2025

Caribbean Rum Producer of the Year
Bardinet

Chile Gin of the Year
Gin Malcriado

Pisco Producer of the Year
Tipico Pisco

Croatia Distillery of the Year
Aura

Croatia Brandy Distillery of the Year
Šušnjar

Czech Distillery of the Year
Foneka

Czech Gin Distillery of the Year
Little Urban Distillery

Czech Liqueur Distillery of the Year
Bernard Family Brewery

France Gin of the Year
Epiculture Spirit Gin

Hungary Distillery of the Year
Zimek Pálinka

India Agave Distillery of the Year
Maya Pistola Agavepura

India Gin of the Year
Terai India Craft Gin

India Whisky of the Year
Dôaab India Craft Whisky

Ireland Bitters Producer of the Year
Beara Bitters

Ireland Blended Whiskey Distillery of the Year
Beara Distillery

Ireland Gin of the Year
Muckross Irish Gin

Ireland Single Malt Distillery of the Year
Tipperary Boutique Distillery

Israel Distillery of the Year
Olgar Distillery

Amaro of the Year
Amaro del Carso

Aperitif of the Year
Italicus

Italy Gin of the Year
Vagin Lover

Japan Fruit Liqueur of the Year
Île Four

Luxembourg Gin of the Year
Entre Nous

Blanco Tequila of the Year
Bandero Blanco

Moldova Distillery of the Year
Zernoff Vodka

Netherlands Distillery of the Year
Bottle Distillery

New Zealand Distillery of the Year
Coromandel Distilling Co

Poland Gin Distillery of the Year
3city Distillery

Poland Whisky Distillery of the Year
Ima Distillery

Portugal Brandy Distillery of the Year
Palmanhac

Serbia Cream Liqueur Distillery of the Year
Destilerija Draganić

Spain Rum of the Year
Mentidero Rum

Switzerland Vodka of the Year
Vodka 57

Thailand Gin of the Year
Saneha

Thailand Rum of the Year
Chalong Bay

Ukraine Brandy Distillery of the Year
Aznauri

Uruguay Gin of the Year
Sur 34 Gin

American Blended Whiskey Producer of the Year
Old Ozarkian Distillery

US Distillery of the Year
Hidden Ships Distillery

US Rum Distillery of the Year
Bacardi

US Whiskey Distillery of the Year
Uncle Nearest

US Vodka Distillery of the Year
Holistic Spirits Co

Venezuela Rum of the Year
1905 5yo Ron Añejo Rare Old Rum >>

THIS IS THE WORLD'S BEST SCOTCH

D'YAVOL Inception Blended Malt Scotch Whisky



Gold
Berlin International Spirits
Competition 2025



Best Overall Scotch
New York World Spirits
Competition 2024



Double Gold
New York World Spirits
Competition 2024



Blended Scotch of the Year
Asia International Spirits
Competition 2024



Great Gold
International Wine and
Spirits Awards 2024



Gold
International Spirits
Competition 2024





Berlin International Spirits Competition Gold Medal Winners 2025

Brand/Company Name	Product Type	Product Name	Product Category	Price Category US\$
Amaro del Carso	Liqueurs & Others	Amaro del Carso	Herbal/Botanical Liqueur	\$26–\$40
Anton Kaapl	Liqueurs & Others	Anton Kaapl Legionär with Blackcurrant	Unlisted Spirit	\$25 or less
Anton Kaapl	Vodka	Anton Kaapl Legionär Vodka	Vodka, Corn	\$25 or less
Aura	Gin	Karbun Premium Istrian Dry Gin	Dry, London Dry	\$26–\$40
Aura	Liqueurs & Others	Aura Limoncello	Fruit Liqueur	\$26–\$40
Awildian	Gin	Awildian Coromandel Mānuka Gin	Distilled, Old Tom	\$41 or more
Aznauri	Brandy	Aznauri VSOP Black Barrel	Other Brandy	\$31–\$50
Bacardí	Rum	Bacardí Diez	Rum White, 9–15 years	\$25 or less
Bacardí	Rum	Bacardí Mojito RTD	Rum White, up to 8 years	\$25 or less
Bacardí	Rum	Bacardí Superior	Rum White, up to 8 years	\$25 or less
Bandero	Agave/Tequila	Bandero Blanco	100% de Agave Tequila Blanco, Highlands, up to 10 years	\$31–\$50
Beara Bitters	Liqueurs & Others	Beara Bitters Smoked Pear	Unlisted Spirit	\$41 or more
Beara Distillery	Whisky/Whiskey	Beara Black Cask Blend Irish Whiskey	Blended Irish Whiskey, Highlands, up to 10 years	\$41–\$70
Bernard Family Brewery	Liqueurs & Others	Bernard Beer Spirit	Unlisted Spirit	\$26–\$40
Carly's	Gin	Carly's London Dry Gin	Dry, London Dry	\$25 or less
Carly's	Vodka	Carly's Vodka	Vodka, Corn	\$25 or less
Chalong Bay	Rum	Chalong Bay Pure Series	Rum White, up to 8 years	\$26–\$40
D'Yavol	Whisky/Whiskey	D'Yavol Inception	Blended Malt Scotch Whisky, Speyside, up to 10 years	\$71–\$100
Destilerija Draganić	Liqueurs & Others	Kleopatra	Cream/Dairy Liqueur	\$41 or more
Dillon	Rhum Agricole	Dillon Rhum Vieux Agricole 5ans	Rhum Extra Aged (16 years)	\$26–\$40
Dōaab India Craft Whisky	Whisky/Whiskey	01 Six Blind Men and the Elephant	Highlands, International Single Malt, up to 10 years	\$41–\$70
Hidden Ships Distillery	Gin	Hidden Ships Gin	Dry, New Western	\$26–\$40
Hidden Ships Distillery	Whisky/Whiskey	Hidden Ships Bourbon	Highlands, Small-Batch Bourbon, up to 10 years	\$41–\$70
Holistic Spirits Co	Vodka	Origen Specialty Vodka	Vodka, Wheat	\$26–\$40
Île Four	Liqueurs & Others	Île Four Yuzu	Fruit Liqueur	\$25 or less
Ima Distillery	Liqueurs & Others	Mirabelle Plum And Dogwood Liqueur	Fruit Liqueur	\$26–\$40
Ima Distillery	Whisky/Whiskey	Bies Whiskey Single Malt Polish Wine Cask Finish – Qvevri Cask	Highlands, Single Malt Irish Whiskey, up to 10 years	\$71–\$100
Italicus	Liqueurs & Others	Italicus Rosolio di Bergamotto	Aperitifs	\$26–\$40
Maya Pistola Agavepura	Agave/Tequila	Maya Pistola Agavepura Añejo	Highlands, Other Agave Spirit, up to 10 years	\$30 or less
Mendeleev	Vodka	Mendeleev Vodka	Vodka, Wheat	\$25 or less
Mentidero	Rum	Mentidero Rum	Rum Dark, 9–15 years	\$41 or more
Old Ozarkian Distillery	Whisky/Whiskey	Priority Missouri Straight Whiskey	American Blended Whiskey, Highlands, up to 10 years	\$41–\$70
Palmanhac	Brandy	Palmanhac Bebida Espirituosa de Morango	Fruit Brandy Other Than Grape Brandy	\$30 or less
Sur 34 Gin	Gin	Sur 34 Gin	Dry, New Western	\$41 or more
Šušnjar	Brandy	Šušnjar VSOP Premium Plum Brandy	Fruit Brandy Other Than Grape Brandy	\$51 or more
Terai India Craft Gin	Gin	The Bagh Explorations – Expression 01: Fresh Litchis & Mulberries	Distilled, Dry	\$26–\$40
The Muckcross Wild Irish Spirits Co	Gin	Muckcross Irish Gin	Distilled, Dry	\$26–\$40
The Rum28 Company	Rum	The Rum28 Cask Extra Strength	Rum Overproof, 9–15 years	\$41 or more
Tipico Pisco	Brandy	Tipico Pisco	Pisco	\$30 or less
Tipperary Boutique Distillery	Whisky/Whiskey	Watershed Single Malt Irish Whiskey	Highlands, Single Malt Irish Whiskey, up to 10 years	\$41–\$70
Uncle Nearest Premium Whiskey	Whisky/Whiskey	Single Barrel Whiskey Batch 905	Highlands, Single Barrel American Whiskey, up to 10 years	\$71–\$100
Uncle Nearest Premium Whiskey	Whisky/Whiskey	Uncle Nearest Master Blend Edition Batch 032	Highlands, Tennessee Whiskey, up to 10 years	\$101+
Vodka 57 Pure Glacier Vodka	Vodka	Vodka 57	Vodka, Wheat	\$41 or more
Vodka After Golf	Vodka	Vodka After Golf	Vodka, Potato	\$26–\$40
Zernoff Vodka	Vodka	Petrovskaia Premium Platinum	Vodka, Wheat	\$25 or less
Zernoff Vodka	Vodka	Zernoff Original	Vodka, Wheat	\$25 or less

The **CHOYA** FRENCH OAK

ブランデー樽熟成



DELICIOUSLY NEW. UNMISTAKABLY CHOYA

Using only high-quality Nanko ume fruit, we age the liqueur in a simple, yet time-honored method. We steep the fruit in cane spirit and sugar for three years before transferring them to world-renowned French cognac oak barrels for additional two years. The casks are toasted inside with oak charcoal, which gives this elegantly aged Umeshu a smoky and luxurious bouquet.



RAMPUR

INDIAN SINGLE MALT WHISKY
NON-CHILL FILTERED

BARREL BLUSH

Indian Craftsmanship meets Australian Terroir

*An extraordinary single malt with intricate flavors.
Matured in the heart of American Bourbon Barrels and graced
with a final touch in Australian Shiraz Wine Casks.*

