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COMMENT

Joe Bates

From vine to glass: How Rémy Martin is dealing with climate change by taking a hands-on, partnership-led approach

With fields and vineyards across France battered by historic rains, winemakers and distillers are grappling with the implications of extreme weather events, falling yields and a changing terroir.

Last month, I was lucky enough to be invited to travel to South West France to explore the refurbished brand home of Rémy Martin as part of the cognac house's tricentennial celebrations. The 90-minute taxi journey north from Bordeaux Airport to the Charente region proved a sobering one, with water-logged fields and vineyards on either side of the road for much of the soggy journey.

The past few months have seen some dreadfully rainy weather hitting France, with some regions in October experiencing their worst floods in 40 years. Unsurprisingly, these high levels of precipitation have greatly impacted the country's wine industry, with France expected to produce one of the smallest vintages of the past century, according to figures recently released by the agriculture ministry.

Wine production in 2024 is estimated to have plunged 18% to a total 39.3m hectolitres — only six vintages in the past century have been smaller. With key regions such as Burgundy and the Loire Valley particularly badly affected by mildew and poor grape development due to the unusually wet start to the summer, France could well lose its position as the world's biggest wine producer to Spain.

Cognac is deeply connected to nature and the seasons in a way that grain-based spirits such as scotch whisky arguably are not. It's a spirit shaped by the unique climate and terroir of the Cognac region, as well as the tightly controlled rules surrounding harvesting, distillation and ageing stipulated by the appellation. During my stay there, I asked Rémy Martin cellar master Baptiste Loiseau how concerned he was by climate change's ongoing impact on future cognac production.

Loiseau, a Cognac native, responded that the cognac business had survived many varied crises in its long history, from the phylloxera epidemic, which de-

stroyed most of the grape production in France in the late 19th century, to freak years in the 20th century when hail or frost virtually wiped out the entire harvest. Nonetheless, he acknowledged the scale of the climate crisis facing cognac houses like Rémy Martin.

The brand is working on many fronts simultaneously, Loiseau noted, removing unnecessary secondary packaging for its key VSOP expression three years ago, the first big cognac house to do so, but also working closely with its 800 growers in the Petite and Grand Champagne cru areas to trial more eco-friendly forms of heat for the distilleries and experimenting with alternative, hardier grape varieties.

"I have a vision of creating a toolbox for the next generation showing the experiments, what did and didn't work, to help them in terms of what they will face with the weather over the next 50 years or one century," Loiseau explained.

Rémy Martin's hands-on, partnership-led approach to sustainability is typical of a renewed commitment among many forward-thinking drinks companies to find practical solutions to some of the numerous challenges created by climate change. *Global Drinks Intel* was delighted to highlight some of the leading companies in this crucial field at its second ESG Awards, which were held during the TFWA World Exhibition in Cannes in late September (see p6).

Winners in 14 categories received their responsibly sourced oak trophies on stage at a glittering cocktail party held at the Palais Stéphanie Beach. Large multinationals, such as Diageo and Rémy Cointreau, were among those collecting prizes, but there were also awards for smaller companies such as The Boatyard Distillery, SXOLLIE Cider and Tequila Komos.

There is a degree of scepticism in some quarters about the sheer amount of ESG-related marketing emanating from drinks companies, and consumers are right to be on their guard at the 'green-washing' eco-claims of some firms. Yet



Image: iStock.com/Hyper Story

the scientific evidence supporting the quickening rate of man-made climate change is now incontrovertible, which is why *GDI* is already busy planning next year's ESG Awards.

The 'E' in ESG rightfully gets plenty of attention in the alcoholic drinks sector, but the 'S' and 'G' rather less so. In a thought-provoking column in this issue (see p5), Chris Tyas argues drinks companies must start to address the elephant in the room — the harmful effects of excess alcohol consumption. Citing World Health Organization data, he reveals that alcohol is the cause of one in 11 deaths in Europe and behind more than 200 diseases.

Governments worldwide are increasingly hawkish on the issue, hiking alcohol duties and, in the case of Ireland and Scotland, introducing minimum-unit pricing. Harsher regulation could well be on the way, Tyas warns, raising the spectre of graphic cigarette-style health warnings on packaging.

The introduction of non-alcoholic line extensions and responsible drinking campaigns, while steps in the right direction, are not nearly enough, he argues. More creativity and ambition are needed, and they need to come quickly before harsher regulation becomes a reality and the drinks industry loses its agency on the issue. **GDI**

Keep up to date with the latest beverage alcohol industry news at drinks-intel.com

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MARKETING TRENDS

Chris Tyas

Drinks brands must address the thorny issue of alcohol harm — doing nothing is no longer an option

The festive party season is looming — along with the health reset, in the shape of Dry January, that now follows. But what is and isn't a healthy volume of alcohol to consume is a business issue all drinks companies must now address — whatever the time of year.

The harm caused by alcohol was highlighted in October when the World Health Organization launched a new campaign urging Europe to rethink alcohol's place in society.

With alcohol accounting for nearly one in 11 deaths in the WHO European region — due to it being linked to over 200 diseases, including seven types of cancer — the WHO has called for more work to be done to close the knowledge and awareness gap about alcohol's health impacts.

Coinciding with Breast Cancer Awareness Month, the initiative was certainly timely.

As a business issue, however, a grown-up response — and positive action — to the health harms posed by alcohol is long overdue. And the clock is ticking: the latest evidence suggests that if the industry doesn't act, governments will increasingly step in.

Consider the contentious issue of alcohol taxes.

Alcohol tax rates vary by country — and by product type — for many reasons, ranging from historically varying levels of production of different types of alcohol to protectionism, national income, politics and government reliance of duty revenue.

The public and political understanding of alcohol harm, however, also plays an important part. And although the relationship between alcohol affordability and alcohol harm levels is nuanced, many governments seek to use tax on alcohol to manage public health.

In England, for example, health leaders are calling for the introduction of a minimum unit price on alcohol after deaths attributed to cheap drink rose 10%.

Scotland introduced minimum unit pricing in 2018, with an initial minimum price of 50p a unit, which rose last month to 65p. A report in *The Lancet* last year linked the minimum unit price with a

13.4% reduction in deaths wholly attributable to alcohol consumption. Although it's not a cure-all — alcohol-related deaths in Scotland hit a 15-year high in 2023.

The Republic of Ireland introduced minimum unit pricing in January 2022 and, from 2026, all alcohol products will carry warning labels cautioning consumers about the health risks of alcohol.

Given that Ireland was the first country to pass a 'smoke-free' law, you can bet your bottom dollar that other governments will be watching closely.

In the light of all this, what are alcoholic beverage brand owners doing — other than object when talk is raised of further tax hikes? The short answer is: not enough.

True, Malibu recently launched a cheeky 'Don't Drink and Dive' campaign with British Olympic diving medallist Tom Daley.

And yes, a number of big brand owners run ongoing 'drink responsibly' strategies. Heineken, for example, recently teamed up with Formula 1 star Max Verstappen for its global push, 'When you drive, never drink'.

A widespread belief, however, seems to be that offering a low-alcohol or alcohol-free variant is enough. Which, in my view, really isn't.

Brands brave enough to tackle the health harm of alcohol consumption with their marketing head-on are, to put it politely, few and far between. And even the few that do now need to up their game.

True, self-regulation exists.

In the UK, for example, signatories to industry body the Portman Group adhere to (and often go beyond) minimum standards, such as not unduly drawing attention to higher-than-average alcoholic strength and not appealing to under-18s, and so on.

But little self-regulation addresses the important issue of the higher levels of misuse of alcohol by people in lower socio-economic groups, or — more impor-

tantly — how to address this. On top of that, as the actions of interventionist governments show, if the industry doesn't self-regulate better, it will soon be forced to act more responsibly by law.

Fail to act now and drinks companies can expect harsher regulation — perhaps in the form of being required to carry Ireland's cigarette-style health warnings; almost certainly in the shape of further tax hikes.

What, then, can *and* should alcohol companies do? First, they should address the issue more directly and apply themselves to educating consumers — as Carlsberg has with its commitment to educate to achieve what it calls 'zero irresponsible drinking'.

Highlighting the health risks of your product is a scary — and lonely — thing to do. So how about doing so collaboratively, working hand in hand with other stakeholders?

Heineken, for example, has established a partnership approach to raise the bar on responsible consumption — it's been more than a decade since it first partnered with alcohol charity Addaction.

Brand owners should also look to innovate around traditional glass sizes and standard measures. Beer consumption dropped 10% when pubs swapped pint glasses for smaller glasses two-thirds of the size, according to a recent University of Cambridge study.

Reducing volume per serving opens opportunities for premiumisation which, in turn, could widen a drink's appeal to female drinkers who find traditional larger servings, such as for beer, unwieldy.

Finally, brand owners should think laterally — as Pernod Ricard did with its 'Drink More... Water' initiative, which launched globally in 2021 to tackle the issue of binge drinking among young adults.

Whatever strategy a brand owner adopts, the message is simple: Proactively addressing the thorny issue of alcohol harm is the *only* way forward. Doing nothing is no longer an option. **GDI**

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



Avolta, Brockmans Gin and Diageo scoop GTR prizes at ESG Awards

Both startups and established brand owners were among the winners at the second annual *Global Drinks Intel ESG Awards* — the only dedicated competition in the alcoholic beverage business that recognises environment, social and governance efforts.

Avolta, Brockmans Gin and Diageo took home the global travel retail prizes when winners in 14 categories received their responsibly sourced oak trophies on stage at a cocktail party at the Palais Stéphanie Beach during TFWA World Exhibition & Conference in Cannes at the end of September.

Other winners whose innovative approaches caught the eye of *GDI*'s experienced panel of judges included The Waterford Distillery, Bruichladdich Distillery, Tequila Komos, The Boatyard Distillery, Champagne Telmont and SXOLLIE Cider.

“For the second year, we were overwhelmed by the high number of entries to the *Global Drinks Intel ESG Awards*,” says COO & marketing director Kate Wake-Walker. “We’ve always believed this initiative has an important role to play in the beverage alcohol industry — a belief supported by the strong level of engagement.”

“Over the last 12 months, drinks brands have been working hard to strengthen and amplify their ESG efforts. We are very proud to support them with these awards. We’re al-



ready looking forward to hearing about our industry’s sustainability initiatives in 2025.”

The dedicated evening awards event was attended by more than 150 industry guests and supported by: Tito’s Handmade Vodka, Brockmans Gin and Brockmans Orange Kiss, Radico Khaitan for Jaisalmer Gin and Rampur Indian Single Malt Whisky, Henkell Freixenet for Mionetto Prosecco and Aperitivo and Brown-Forman for Jack Daniel’s Old No.7 Tennessee Whiskey.



Full coverage of this year’s awards can be found at drinks-intel.com

Visit esgawards.drinks-intel.com to discover how to take part in the 2025 awards



Global Travel Retail Best Sustainable Product

Winner: Diageo for Baileys aluminium bottle

Between March and June, GTR was the home for around 30,000 units of the group’s B Corp-certified Baileys brand in aluminium. Made of 100% recycled aluminium, each bottle featured a cap made of virgin aluminium with a plastic thread that burns off in the recycled process. Weighing in at 85g per 70cl bottle, the pack is almost 19% lighter than its glass equivalent.

The judges said: “With almost 75% of the brand’s shoppers saying they prefer aluminium to the previous glass pack, this is a valuable lesson for the beverage alcohol industry to heed.”

GDI digital editor Olly Wehring (left), Diageo Global Travel corporate relations director Clemmie Raynsford and GDI COO & marketing director Kate Wake-Walker

Global Drinks Intel ESG Awards 2024 with support from



Global Travel Retail ESG Champion 2024 Brand Owner

Winner: Brockmans

UK-based Brockmans unveiled a new bottle for its namesake gin brand in July. Produced by French firm Verallia, the pack contains 51% post-consumer recycled glass, comparing favourably to the existing bottle's 0.6%. More relevantly, in a sales channel where weight is (or should be) everything, Brockmans' new bottle, which rolled out globally this month, is only 500g – a 23% weight reduction with no loss of premium cues.

The judges said: "What they've done here is fantastic. This is a bold move to counter the consumer perception that heavy equals expensive."

Special commendation: Raincheck Earth



Brockmans
Gin global
marketing
director
Eric
Sampers
(left) and
Brockmans
Gin global
brand
manager
Annie
Ingram



Global Travel Retail ESG Champion 2024 Operator

Winner: Avolta

Avolta has pulled 13 ESG areas into four zones: Create Sustainable Travel Experiences, Respect Our Planet, Empower Our People and Engage Local Communities. The strategy is based on the operator's Double Materiality Matrix, a system designed after the merger of Autogrill and Dufrý last year, that tracks and measures current performance and guides future direction.

The judges said: "Avolta's development of a Double Materiality matrix is a major step towards pushing the group's ESG strategy further and faster."

Special commendation: Lagardère Travel Retail

Dufrý Group global category director liquor, food & tobacco Eduardo Heusi (left) and Avolta chief of ESG & public affairs Camillo Rossotto

Best Sustainability Marketing Initiative

Winner: adm Group for Guinness

Brought in by Diageo to support the sustainability side of activity around St Patrick's Day, adm ran the credentials of the associated point-of-sale materials through its Green Design Tool, a platform that measures the environmental impact of physical marketing materials. The project reduced the items' overall CO2 emissions by 46% (37,795kg) and cut water usage by 68% (2.5m litres).

The judges said: "A refreshing antidote to the established view of POS as the scourge of sustainability."

adm senior vice president client services Niamh O'Neill (left) and Diageo beer & premix trade marketing & activation POS manager Steve McCluskey



Waste Reduction Achievement of the Year

Winner: Tequila Komos

Tequila Komos came up trumps with two projects that repurpose leftover agave fibre following its production process. The first sees the by-product used to make *adobe* (mud) bricks – an "age-old building technique in the region." The second sees it repurposed in compostable and biodegradable Biopall pallets via a partnership with sustainable packaging solutions provider Green Loop. Repurposing the by-product as a raw material "reduces the volume of residual agave bagasse and helps reduce tree logging by 30%–70%".

The judges said: "With so many recent efforts coming on-stream this year, Tequila Komos has worked hard to redirect its waste to good use."

Tequila Komos CEO & pioneer behind the Komos Foundation Richard Betts

Green Packaging Initiative of the Year

Winner: Bruichladdich Distillery

Rémy Cointreau's scotch whisky brand Bruichladdich worked with UK-based high-end packaging specialist James Cropper on the 'jacket' packaging for its Luxury Re/Defined line of single malts. Instead of a box, the bottles are housed in an outer wrap made from paper pulp using "100% green energy". As well as being 100% recyclable, the wrap does not use glue and is lighter than a box, all while managing to retain — even embellish — a premium feel.

The judges said: "An astounding piece of innovation that could reset the very definition of 'premium' in luxury alcohol."

Special commendation: Smurfit Westrock Bag-in-Box



Bruichladdich
global
communications
brand manager
Amy Brownlee



Waterford
Distillery
sales
director
James
Cowan

Biodiversity Achievement of the Year

Winner: Waterford Distillery

The core of Waterford's ethos is "traceable grain on a foundation of regenerative farming" — its whiskey is produced from barley grown only in Ireland and leans into this with its Single Farm Origin series of expressions. The 'local-ness' of the grain is augmented by a high priority given to organic and biodynamic agricultural processes that result in far friendlier natural habitats for birds and insects. This approach has enabled Waterford to lay claim to being the first distillery in Ireland to produce an organic whiskey and — more impressively — the first distillery in the world to release a biodynamic whiskey.

The judges said: "The use of the terroir concept in spirits is a genuine USP that taps straight into consumers' environmental priorities."

Best Responsible Drinking/Alcohol Harm Reduction Initiative

Winner: International Alliance for Responsible Drinking

Industry-funded IARD was singled out in three areas: its work with Google, Meta, Pinterest, Snap, TikTok and X on age-screening technologies to ensure online alcohol marketing targets only LDA consumers; a "pioneering partnership" with online retailers and delivery platforms to standardise alcohol sales; and a benchmark-setting Influencer Pledge — a commitment from 13 global advertising, public relations and influencer agencies to "adhere to strict standards" in the promotion of responsible drinking.

The judges said: "Credit is due to IARD for pulling together potential solutions to three well-recognised responsible-drinking problems."

Special commendation: Diageo Hungary



IARD president
partnerships &
communications
Puja Darbari



Australian
Vintage
senior brand
manager UK
Oliver Hoey
(left) and
Australian
Vintage
UK, Europe
& North
Americas
brand
manager
Emily
Waterston

Diversity/Gender Inclusion Achievement of the Year

Winner: Australian Vintage

The brand owner badges its strategy in the ESG area as 'Diversity, Inclusion & Belonging'. A set of ten tools are in play, including the formation of an Internal Belonging Committee and a mentoring framework called the Uncorked Aspiring Leadership Programme. Among the results of the strategy has been the reduction of the gender pay gap from 9% to 4%, while women now make up 40% of AV's manager/leader workforce.

The judges said: "A comprehensive programme of diversity and inclusion activity that evidently shapes many of the company's internal processes."

Special commendation: Illegal Mezcal (Bacardi)

Water Preservation Achievement of the Year

Winner: Diageo

Reducing water use is a priority for the brand owner, with targets including efficiency improvements of 40% in water-stressed areas and 30% across the group. The optimisation of water recovery capabilities at its East African Breweries sites and the recommissioning of an aqueous treatment plant in Scotland were standouts. Diageo also completed 30 water replenishment projects in ten countries this year, taking a “multi-stakeholder” approach that brings NGOs and the public sector closer to its water-based projects.

The judges said: “They clearly know their numbers and the year-on-year improvements stand out.”

Special commendations: Heaven Hill Brands and Raincheck Earth



Diageo
Global
Travel
corporate
relations
director
Clemmie
Raynsford



Champagne
Telmont
project
manager
Justin Meade

Sustainable Wine Product of the Year

Winner: Champagne Telmont

When Rémy Cointreau acquired majority control of Telmont in late 2020, its ambition was to make the champagne house 100% organic within ten years. A journey it has embraced — unveiling Réserve de la Terre, produced using 100% organic grapes, in March, a month after starting its ‘193,000 shades of green’ initiative, whereby 193,000 of its bottles each year are sourced from those usually discarded during production. Credit also goes to Telmont’s refusal to use gift boxes, not to mention its plans to use wind-powered Neoline ships for transportation from next year, underlining its zero-air freight policy.

The judges said: “Telmont carries itself as an industry leader, approaching sustainability less as a challenge and more as an opportunity to innovate.”

Special commendation: Santa Rita Estates



THE
BOATYARD
DISTILLERY
LOUGH ERNE

www.boatyarddistillery.com

The
Boatyard
Distillery
founder
Joe McGirr



Sustainable Spirits Product of the Year

Winner: The Boatyard Distillery

Operating on a farm-to-bottle basis, Boatyard makes its spirit from organically grown wheat, with the botanicals in its namesake gin also certified organic. Much of its sustainability focus is on the packaging side — corks are made of wood from sustainably managed forests and labels are made from recycled, unvarnished paper from the only remaining paper mill in the UK. While 2.8L eco-pouches are used across the spirits range for the on-premise, Boatyard also runs a refill programme at its distillery and reuses milk jars to stock the bar.

The judges said: “This company is working hard to embed eco-friendly measures across its business in the most holistic way we’ve seen.”

Special Commendation: Waterford Distillery

Alexander Smith Grand Prix Award for Sustainable Beer, Cider or RTD Producer of the Year

Winner: SXOLLIE Cider

SXOLLIE — pronounced ‘skollie’ — debuted in South Africa nine years ago, expanding to the UK in 2017 and now based in London. The B Corp-certified company’s cider is made solely from eating apples, with no added sugar. SXOLLIE has removed 48 tonnes of sugar from the UK market, equating to 300 tonnes of CO₂ “if you account for the supply chain and production”. Judges were taken by the cidemaker’s use of ‘wonky’ apples — in 2023, almost 900 tonnes of apples were diverted from waste streams by SXOLLIE.

The judges said: “The no-added-sugar USP is a major societal benefit that also adds value from a health and wellness perspective for consumers.”



SXOLLIE
Cider head
of supply
chain Harj
Aujlay

Australian
Vintage
senior brand
manager
UK Oliver
Hoey and
Australian
Vintage
UK, Europe
& North
Americas
brand
manager
Emily
Waterston



Alexander Smith Grand Prix Award for Sustainable Wine Producer of the Year

Winner: Australian Vintage

The McGuigan brand owner was certified B Corp in February, “one of only 60 publicly listed B Corps” and one of “only three wine companies in Australia holding this prestigious certification”. The group’s submission carried three banners: ‘Thriving People’, ‘Nurture Nature’ and ‘Meaningful Growth’. All three featured credible, independent and verifiable performance measures. Turning to nature, for example, the group completed the transition to 100% renewable electricity across all of its sites this year, while 98% of all packaging is recyclable (it expects to hit 100% in 2025).

The judges said: “This company isn’t just making ESG-related assertions, it is quantifying everything it is saying.”

Alexander Smith Grand Prix Award for Sustainable Spirits Producer of the Year

Winner: Conrad Distillery

Queensland-based Conrad Distillery produces its namesake gin, vodka and coffee liqueur from rescued wine. Since commencing operations around two years ago, the company has saved 20 tonnes of wine from landfill and is “well on our way to triple this figure by next year”. Other sustainable measures include a water recycling and catchment system that saves “over 15 tonnes of water annually”, and an energy-efficient still with on-site solar panels contributing to a carbon-neutral production process.

The judges said: “A very strong awareness of their CO₂ impact, coupled with the use of energy-efficient stills and a healthy focus on water conservation.”

Special commendation: The Boatyard Distillery



Conrad
Distillery
representative
Leo Baub

How long can consumer curiosity shelter global malts from economic headwinds?

Creative malt distilleries have sprung up around the world, going toe-to-toe with established players. The challenges they face are plenty – but even in a bleak financial climate, optimism runs deep, writes **Kristiane Sherry**

It was a dark day for world whisky-makers. On 19 August 2024, reports broke that Swedish distilling pioneer Mackmyra had filed for bankruptcy. It was a “regrettable” decision, said acting CEO Patrick Björsjö at the time. Profitability and cash flow had become so strained that it was “not possible” for the business to continue.

The news sent murmurings through the whisky industry. Yes, scotch had been having a tough time of late, and other sectors were struggling too. It made sense that, in a crowded market of small craft producers, the world whisky scene would see closures at some point. But *Mackmyra*?

Thankfully, the distillery was bought out of bankruptcy in October by Lennart Hero, the distillery’s main shareholder, and investment firm No.1 Capital.

“Our vision is to lift Mackmyra to the next level,” a press statement read. “By adding both capital and strategic expertise, we plan to further develop and refine the brand, with a continued strong anchoring in Swedish whisky tradition. Our goal is to make Mackmyra an even more prominent player on the global stage of the whisky market.”

The industry wishes them well. But the episode shows that the fledgling global malt whisky sector is perhaps more vulnerable than thought to the cocktail of challenges the entire industry is facing right now.

“The last 12 months have thrown up a number of challenges influenced mostly by external factors,” outlines Simon Roffe, director of business development at Welsh whisky-maker Penderyn. Political unrest and the impact of the stuttering economy on demand and the supply chain are such huge issues, he says, that production at Penderyn’s third distillery was halted in August.

“The business overall is in good shape,” he affirms, citing “very strong” e-commerce performance, as well as enhanced positions in UK grocery and specialist channels.



White Peak Distillery founders Max and Claire Vaughan (above). Last year, Penderyn released its first blended malt, Patagonia (inset), a collaboration between the Welsh distillery and Argentina’s La Alazana Distillery

While internationally, sales are “more of a mixed bag”, he points to “rapid growth” in Ukraine, Taiwan, Japan and Latin America. Key to riding this momentum is meeting the demands of an “emerging cohort” of single malt drinkers who want innovation and differentiation.

It’s a similar story over the border in England — White Peak Distillery founders Max and Claire Vaughan are clearly feeling the pressure. But the day we speak, there was surprise good news: UK inflation is finally on the way down. Even before this, the duo was seeing surprising resilience in the tourism side of the business. “We found that, notwithstanding the economic headwinds, people still want to spend some money on that experiential side of their pastimes,” explains Max.

One of the biggest shifts in the past year has been a growing sense of tentativeness from trade partners. “A lot are being cautious about their own working capital,” Max says. “Our sense is that people are carrying less stock, even if they’re potentially interested in putting in new lines.”

As a “relatively new challenger brand”, getting in that door has become more difficult. England remains a dominant focus, but there is now a small export business too.

White Peak is present in Singapore, Taiwan and Japan, and Max is about to embark on a trip to South Korea.

“Talking to the companies that we’re working with out there, the importers are facing similar economic conditions to what we are,” he says. “If it’s a challenging time right now as an English whisky to develop English trade channels with our domestic partners, then that’s just going to be another level more difficult when you’re overseas.”

Market by market: Boom time in India — on paper at least

It’s a different story for Indian malt whisky distillers — although even in a market where GDP is forecast to climb 7% in 2024, brands are proceeding with caution.

On paper, it’s boom time for Radico Khaitan’s Rampur Indian Single Malt brand. Distillery expansion means that more malt is available (demand has exceeded supply for some time), but suppressed US and European markets are forcing international business president Sanjeev Banga to explore new territories.

“If I look at the positives out of that for us, there’s India,” he states. Until now, the vast majority of Rampur’s stock has been exported. But now disposable incomes are on the rise at home. Distribution within the market is “limited”. “I have a huge canvas to operate on,” Banga states. >>



» He's also looking at the potential for the brand across South America and Africa. Radico Khaitan already enjoys robust distribution across both regions, but now customers are willing to trade up. "They consume, they travel, they consume some of the finest spirits in the world. We are now offering them the finest from India as well," he details. "It's a slow burn, but the initial response has been very good to support our endeavours."

Perhaps one of the biggest boosts to Indian single malt is yet to come. In July, the Indian Malt Whisky Association was officially formed, led by the so-called 'big four' in India: Paul John, Amrut, Rampur's Radico Khaitan and Indri. "In a couple of months, we will come out with our draft regulations," Banga says. It's seen as a boon for the category: a defined set of rules will add a new level of credibility. It's a sentiment shared by Amrut managing director Rakshit N Jagdale.

"Currently, the definition for Indian single malt whisky is just in a single line," Jagdale explains. "They say it has to be made from malted barley, and it has to mature only for a year, which is highly unacceptable to us." The association wants to see a three-year minimum, with the remaining criteria broadly in line with scotch. "We don't want anybody else coming in and undermining the category, which we have painstakingly built over the past two decades."

The rapid growth of the industry means it needs a GI too, he adds. Ferocious demand brings its own challenges for Amrut, which is exploring options to ramp up supply. Expansion in 2018 saw expansion triple to 1m

litres of alcohol per year, and work scheduled for December 2024 will see that figure hit 1.3m. But that alone doesn't come close to solving the problem.

"The other option is to acquire capabilities that are already there in India," Jagdale states. If the board agrees, he thinks a deal could close in 2026. "The other option is to set up a whole new distillery, which we are also looking at."

An American dream

Another region grappling with the lack of legal recognition for its single malts is America. Since 2022, the US Tax and Trade Bureau (TTB) has been mulling over the formal definition for the category — a widely reported delay that is a source of frustration. Even so, excitement is bubbling up from both industry and consumers for the emergent style.

For Ana Hinz, business development manager at Westland Distillery, it's the inherent newness that's driving appeal. "American single malt provides an entry point into new and exciting flavour profiles not typically found in other American whiskey styles. In an era where all American whiskey roads seem to veer toward bourbon, Westland and the rest of the American Single Malt Whiskey Commission are encouraging taking the roads less taken."

She's picked up on something more experiential too. "The stories behind each bottle, from grain to glass, become a form of social currency, reflecting a passion for quality and a deeper understanding of craft spirits," explains Hinz. The category scratches an "adventurous itch" for whisky drinkers.

Georgie Bell, co-founder & CEO at UK-based independent bottler The Heart Cut, agrees. The brand has released an American single malt from Westward Whiskey, as well as 'experimental malts' from California's St George Distillery.

"From both a production and enjoyment perspective, we're seeing an opening up in the idea of single malt, and dissociation with 'scotch' and 'single malt'," Bell details. "Don't get me wrong, they will always be synonymous, but through education we're seeing a more fluid understanding that a single malt doesn't have to come to Scotland." For her, the big focus right now is the US.

At retailer The Whisky Exchange, head buyer Dawn Davies is determined to get ahead of the trend. "In the UK, we have a natural affinity with all things



Buzz about American malt: The Heart Cut's Georgie Bell (top), Westland Distillery's Ana Hinz and The Whisky Exchange's Dawn Davies



Amrut Spectrum 004 Single Malt (above) and Radico Khaitan's Rampur Barrel Blush Indian Single Malt

American and a natural understanding of single malts due to whiskies that we see every day from our own shores," she reckons. "It seems a good fit that the two worlds collide, especially as Scottish single malt prices are only heading in one direction."

She does, however, see the lack of clarification from the TTB as a challenge. "America has so long been known for bourbon that even single malt gets lumped into this category, which makes it hard to tell the tale of American single malt," says Davies. "However, we are seeing more of the larger American distillers exploring single malt as a category, and that can only be a good thing, as it brings more recognition to the style."

It's a fascinating moment for global malts. Demand is certainly there, but from macroeconomic challenges and supply issues to a lack of legal definitions, so too are the challenges. How long the optimism in the trade lasts will likely depend on how quickly those issues can be resolved. **GDI**

Calvados seeks the global spotlight

Among wood-aged spirits, calvados is often overlooked by consumers despite its craft credentials. Producers are working hard to put the apple brandy front and centre. By **Joe Bates**

Calvados struggles for international attention. Normandy's famous apple (and pear) brandy boasts a rich history dating to the 16th century, excellent quality liquid at competitive prices and impeccable sustainability credentials.

Yet the spirit, produced by a patchwork of predominantly modestly sized family businesses hailing from three appellations (Calvados, Pays d'Auge and Domfrontais), remains overshadowed by larger, better-funded rivals.

To make matters worse, trading conditions have been challenging of late. The Interprofession des Appellations Cidricoles (IDAC) reports that calvados sales declined in 2023, after a strong 4.7% recovery in 2022 driven by post-pandemic restocking by bars and restaurants and a stellar 70% showing from the US. However, last year, global sales fell 1.2% internationally and 2% in France, which still accounts for nearly half of all calvados sales.

"Some regions have faced economic headwinds which have impacted demand, particularly in Europe," admits Camille Bourgault, marketing & innovation manager at Spirit France, the owner of the Père Magloire, Lecompte and Boulard calvados brands. "Nevertheless, where some markets show less potential, others are opening up. We've identified exciting growth opportunities in emerging markets across South East Asia and parts of North America."

Q1 2024 was also "marked by difficult business conditions", agrees Guillaume Drouin, the president & CEO of Calvados Christian Drouin, another of the larger producers. "Although the market remains highly price-sensitive, and is still very cautious, our figures have improved significantly from April onwards," he says. "It is a global trend which we are seeing in all markets."

Faced with both short and long-term challenges, calvados producers are making »



Star of the show: the Avallen appletini. Bartender Nico Cruz Mermey (below) says calvados has 'enormous potential to grow' in the cocktail world

Calvados and cocktails are a dream match

Calvados and cocktails have a long history. Harry Craddock's legendary 1930 *The Savoy Cocktail Book* features several calvados-based cocktails, including the angel face, delicious sour and the normandy.

In France, calvados is more often enjoyed as a digestive, but producers are now having success in marketing younger calvados brandies as a cocktail ingredient.

"It turns out bartenders are fluent in calvados; they just haven't had enough brands engaging them directly over the years," says Stephanie Jordan, co-founder of Avallen Calvados. "We've seen Avallen used in all sorts of cocktails, from split-base drinks to classics where apple takes the spotlight. For instance, you'll find the angel face with Avallen back at The Savoy, but the real star of the show is the Avallen appletini — one of our first-ever listings in 2019 at Panda & Sons [bar] in Edinburgh. Today, you'll find it in bars across Hong Kong, Singapore, Amsterdam and more!"

Spirit France has also had "significant success" in getting its calvados brands featured in craft cocktails, thanks to its efforts in engaging with bartenders and mixologists, according to marketing &



innovation manager Camille Bourgault. "Calvados adds a unique, fruity complexity to cocktails, making it an ideal base for both classics and new creations," she says. "The normandy old fashioned and calvados mule have proven particularly popular, while the apple sour is gaining traction as a refreshing twist on a well-known format."

And the on-premise is hungry for more. "Calvados has an enormous potential to grow as a spirit and even more in the cocktail world," says Nico Cruz Mermey, a Mexico-based French bartender with a strong interest in calvados. "Train bartenders, there's demand for knowledge," he urges. "[Give] more budget to marketing and communications so that the word can be spread and by the end of 2025, the category can show some consequential growth."

» a concerted effort to attract younger LDA consumers through a focus on mixology (see box p13), championing the brandy's sustainable production and collaborating with IDAC on marketing initiatives in key markets such as the US — the world's most important premium spirits market and now the second-largest calvados market behind Germany with a 5.6% share.

Spotlight on the States

"The US remains one of our most important growth markets," confirms Spirit France's Bourgault. "Over the past year, we've actively worked to strengthen our position there by collaborating with key distributors and expanding our visibility in premium bars and restaurants. Our strategy focuses on educating both trade and consumers about the versatility of calvados in cocktails and as a sipping spirit, positioning it as a sophisticated alternative to whisky or cognac.

"Additionally, we've targeted the craft cocktail scene, which has been instrumental in introducing calvados to a younger, adventurous audience. Our goal is to further expand retail availability, especially in cities with thriving culinary cultures, like New York, San Francisco and Miami."

For Normandy-born Alexandre Vingtier, a global spirits consultant & writer with an extensive knowledge of calvados, the main

challenge facing the category is to expand the typical offers at bars and stores across France, especially in Paris, as well as in London and key US cities.

"Like the Scots and their malts, we'd better work together to achieve more visibility," he says. "That's often an issue — outlets usually have one single brand when they carry calvados. We should encourage them to extend the shelf to special casks, vintages or small-batch finishes to bring more life and attention to this section. When people discover the diversity of calvados, some usually fall in love with the category and want to connect with the brand, the distillery, the farm — the sense of place," he argues.

Vingtier also highlights the crucial role that enthusiastic brand ambassadors can play in spreading the word. He cites the notable example of Hiroyuki Takayama, whose famous Tokyo-based Bar Calvador boasts one of the world's most extensive collections of old and rare calvados brandies. With more than 300 bottles on display, this tiny Kyoto bar even features collectable expressions dating back to the 1900s.

Rise of spirits tourism

Spirits tourism is also a growing and important revenue source for calvados. "We welcome over 35,000 visitors to our distillery every year," reveals Drouin. Distillery-related revenue for Christian Drouin Calvados has tripled over the past decade.

"We are fortunate to be located on a magnificent site, a 17th-century farmhouse with typical architecture from the Pays d'Auge [appellation]," he says. "We try to introduce visitors to the history of calvados, its traditions and origins, as well as to the way it is consumed around the world today."

The company's tours are free and can be booked year-round. More advanced, fee-paying packages, such as exceptional tours and blending courses, are also available. This summer, Christian Drouin extended its offering with a gourmet crêperie called Le Pré-Verger, which served traditional Normandy recipes such as galettes and crêpes made with the producer's products.

Sustainability credentials

Numerous studies have confirmed that calvados is one of the most environmentally friendly spirits: the apple and pear orchards protect the land from intensive agriculture and are a haven for flora and fauna. The sustainable aspect of calvados is heavily accentuated by Avallen Calvados, co-founded in 2019 by ex-Diageo executive Stephanie Jordan in partnership with Coquerel Distillery.

Born in London and raised in Beaujolais,



The latest release in the Christian Drouin Experimental Series, Drouin Springbank Angels

Jordan developed a passion for creating a truly sustainable spirit. She devised comprehensive evaluation criteria, focusing on carbon emissions, water consumption, biodiversity and waste management, and concluded that calvados was the most sustainable spirit available globally.

"Even in a time of high costs and squeezed spending, citizens are still keen to invest in brands with a purpose and a positive impact," explains Jordan. "For us, this means focusing on the on-premise sector, where we can price Avallen competitively through bulk solutions, cutting down on dry goods costs. Additionally, more bars are embedding sustainability into their operations, like Paradiso in Barcelona and Cambridge Public House in Paris, who are all working with B Corp-certified brands and supporting regenerative agriculture."

Jordan reveals Avallen has increased its volumes by 30% this year, with the company focusing on increasing sales of its paper bottles and bulk formats through circular solutions such as EcoSpirits, the closed-loop distributor. The B Corp-certified brand is available in 15 markets worldwide and aims to sell 20,000 cases by 2028.

Avallen is not alone in injecting some much-needed dynamism into the category, whether it be ultra-premium offerings from brands such as Distillerie des Ambres and Château Crèvecœur, or the more mixology-oriented 30&40. Yet for calvados to register on the international spirits scene, the deep pockets a multinational can provide could prove invaluable. While the likes of Diageo and Pernod were once active in the category, today only French multinational La Martiniquaise-Bardinet (Busnel) has skin in the game.

Vingtier believes the big boys are missing a trick. "It's such a farm and craft industry that some of the large groups weren't ready 20 years ago and were keener to work with large distilleries and invest in whisky," he recalls.

"But now, looking at the success of tequila, and even mezcal and other craft spirits, calvados is definitely a legitimate category, from the tree to the bottle with generations of tradition and astonishing eco-credentials." **GDI**



Calvados champion Alexandre Vingtier (above). Spirit France promotes Boulard in the craft cocktail scene





Boulevard

THE WORLD'S FINEST
Calvados



Mezcal leads the way for alternative agave spirits

Mezcal may be dominating the spotlight right now, but more niche agave subcategories — such as sotol, raicilla and bacanora — have also set their sights on international expansion. **Joe Bates** reports

It would have been unthinkable for a mezcal to partner with a luxury Swiss watch brand like Breitling for a promotion a decade ago — such upscale collaborations were confined to tequila. But this is exactly what Ojo de Tigre, a super-premium mezcal Pernod Ricard invested in four years ago, did this August, creating a limited Breitling bottle designed by the celebrated Mexican artist & illustrator Cocolvú to mark the watch brand's debut in the Mexican market.

Mezcal, once a humble artisanal spirit, is going up in the world. While alternative agave spirits such as bacanora, raicilla and sotol are just beginning to appear outside of Mexico, mezcal is fast following in the footsteps of tequila — IWSR forecasts it will enjoy a CAGR of 7% over the next four years, two percentage points higher than tequila, while specialist mezcal website Mezcalistas estimates exports grew from 4m litres in 2020 to 7.5m litres last year.

Multinational investment moves the dial for mezcal

IWSR research director Jose Luis Hermoso believes the recent investment of multinationals such as Pernod Ricard (Maguey and Ojo de



Bacardí acquired full ownership of Illegal Mezcal in September last year, cementing a partnership it said went back to 2015

Tigre), Diageo (Unión) and Bacardí (Illegal) have proved decisive in moving the dial for mezcal. “Above everything else, there is a strong multinational investment now behind the mezcal category,” he explains. “These companies have the distribution networks to boost mezcal’s exposure globally.”

The Lost Explorer, a brand founded in 2020 by British adventurer David de Rothschild and Icelandic businessman Thor Björgólfsson, in partnership with maestro mezcalero Don Fortino Ramos, is one of many mezcal brands on a sharp upward growth curve.

Chief marketing officer Naira Shields reveals the brand’s presence has been expanding in several key global markets, including the US, Mexico, Europe and Australia. She highlights especially significant growth in the UK, where agave spirits have been gaining popularity, and The Lost Explorer’s focus on sustainability and luxury

has resonated with conscientious consumers.

“This year, we expanded into several new markets, including South Africa and Singapore, which are showing strong interest in premium mezcal,” she adds. “We are also looking to enter global travel retail next year — the category is growing significantly in that channel, as consumers are confidently returning to leisure travel.

“The premium hotel channel has been a key growth channel for us, leading us to sponsor The World’s 50 Best Hotels Awards for the last two years, and we are proudly available in many of the incredible hotels on that list.”

The mezcal consumer

While mezcal’s rise to international stardom appears to ape that of tequila, the spirit actually attracts a less style-conscious and celebrity-focused consumer.

“Mezcal appeals to people who love flavour and are happy to experiment,” says Dawn Davies, head of buying at UK online retailer The Whisky Exchange, which stocks 443 mezcal lines. “I liken the mezcal drinker to the natural wine drinker. This customer is seeking out new flavours, and they want purity of the spirit, as well as ‘craft’ and provenance in the products they buy.

“This customer is curious and adventurous and is the next generation of spirits geeks,” she says. “They are the travellers ➤



The Lost Explorer Mezcal is hand-bottled at the brand’s palenque (distillery) in Oaxaca



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» and people who love to explore, and are at home at the end of a bar or in the latest coffee shop trying the newest blend.”

When it comes to more niche tequila alternatives such as bacanora, raicilla and sotol, award-winning US mixologist Nikki Bonkowski argues that newcomers tend to have previously liked either bourbon or scotch whisky. “These are consumers who want to taste the process of its production, from the beginning to the end,” she says.

“The people who appreciate the process of how an agave plant is used to make so many variations of liquors and being able to taste the difference in each of their productions. Laying them all out on the bar side by side and seeing how they all stand up against one another. It’s the consumers who care about quality that will keep the non-tequila agave liquors trending.”

‘Brighter and smoother’ sotol

Strictly speaking, sotol is not an agave spirit. The smoky, vanilla-flavoured spirit is made from the dasylirion cactus — a plant from the asparagus family more commonly re-

ferred to as ‘sotol’, which grows wild in the Chihuahuan Desert of Northern Mexico.

Used in religious ceremonies and as a medicine by the local population for centuries, sotol hearts began to be distilled by Spanish colonists in the 16th century and soon became a moonshine-like tippie made by rural distillers.

In the 20th century, sotol was illegal in Mexico for 50 years before the government overturned the ban in 1994, granting the spirit a denomination of origin eight years later. Today, production is centred on three states — Durango, Coahuila and Chihuahua, with the latter accounting for 75% of total production.

The lack of commercial plantations of sotol and the high costs associated with cultivating wild plants remain key challenges for this niche category.

Nonetheless, IWSR forecasts sotol will achieve a steady CAGR of 3% over the next four years, and commercial releases targeted at the US, the world’s biggest market for agave spirits, are becoming more common.

A recent case in point is female-led start-up Acrónimo Spirits, founded by CEO Alesandra Camino Creel and her brother Jose Luis Creel, which launched its first product in the US in September. Distilled at 42% ABV, Acrónimo Sotol Blanco has picked up gold medals at the 2024 International Wine & Spirits Competition and the 2024 San Francisco World Spirits Competition.

The spirit is produced in Chihuahua in the traditional way in a copper pot still over a cylindrical volcanic rock fire pit, but its flavour profile has been made smoother and less heavy than traditional sotols to appeal to category newcomers. Available in Florida and California, as well as via the company’s website, it has an SRP of US\$59.99.

“Those who haven’t tried sotol will find it a very appealing alternative to other Mexican spirits,” says Jose Luis. “The flavour is brighter and smoother than tequila, and much less smoky than mezcal. Sotol was outlawed until 1994, so we are excited to introduce US consumers to this unique spirit from the Chihuahuan Desert.”

Raicilla-makers target US

Once virtually unknown outside of rural Jalisco, raicilla, meaning ‘little root’, is creating a buzz among mezcal and cocktail aficionados. Yet its availability outside of Mexico remains limited.

Historically, many types of agave have been used to make this mezcal-like spirit and production is focused on two Jalisco regions: the coastal area south of Puerto Vallarta and further inland around the municipalities



US newcomers: Acrónimo Sotol Blanco (top) and Viamundi Mezcal Artesanal, Sotol and Raicilla

of Mascota and San Sebastián del Oeste.

Most often produced in basic open-air distilleries where agave hearts are cooked in stone or earthen pits, raicilla can offer a wide variety of flavours, but commercial styles are often milder than mezcal and have a more fruity and floral character.

Despite boasting a denomination of origin from the Mexican government since 2019, most raicilla brands are not available outside the country, although some labels such as La Venenosa, produced by maestro *tabernero* Don Alberto Hernández in the coastal region of Cabo Corrientes, have begun to gain a presence.

From a very low base, IWSR optimistically predicts a CAGR of 3% for raicilla over the next four years. Unsurprisingly, the US is the key target market for export-ready producers — brothers and third-generation *raicilleros* Benito and Jose Salcedo Rios recently launched Viamundi Raicilla there as part of a three-strong collection of agave spirits.

Produced in the remote mountain town of El Mosco, Viamundi Raicilla is made with agave maximiliana, one of the five native agave species that can be used to make the spirit.

“Our No.1 goal is to showcase and bring to the forefront the multi-generational, hard-working families that have been creating these spirits and sharing their incredible product with the world,” says Viamundi co-founder Adam Castelsky.

“We want to provide a platform where they can shine and allow the wider world to discover the outstanding liquid that they’ve been creating for generations.” **GDI**

No alt-agave supply shortage on horizon

International interest in alternative agave spirits, particularly mezcal, is undoubtedly growing. Given the still-fragmented, artisanal nature of the business, is this fledgling category in danger of overheating with an eventual shortage of liquid and spiralling prices, as seen with tequila?

Reassuringly, IWSR research director Jose Luis Hermoso thinks not: “Prices for agave both in Jalisco (tequila) and Guerrero (mezcal) have moderated markedly as demand in the US, the main market for both categories, has slowed down. New plantings are coming into the production cycle, and bacanora and raicilla producers are also better at planning their future needs and are less reliant on wild-grown agave. As such, it’s unlikely that there will be shortages or spiralling prices in the short to medium term, as demand is unlikely to outstrip supplies.

“In the long term, if the global economy and disposable incomes improve, this could boost demand for agave-based alternatives,” he concludes. “If this happens, this could of course change the market dynamics, but for now, it’s unlikely.”

Gen Z and Millennials turn to craft for ‘more personal, local experiences’

The jury may be out on an exact definition for ‘craft’, but it doesn’t matter. The category is resonating with the all-important younger LDA consumer. **Jaq Bayles** reports

Currently valued at around US\$21.4bn, the global craft spirits market is forecast to grow to \$117.4bn by 2030, with Millennials touted to be the main drivers of consumption.

This is according to a report by Grand View Research, which expects the sector to achieve a CAGR of 28.4% from 2024–30, citing rising demand, an increase in the number of craft distilleries and rising disposable income as the primary reasons for growth. “The Millennial population with considerable purchasing power is expected to drive market growth,” states the report.

Other key takeaways include:

- Craft whisky accounted for revenue of US\$9.5bn in 2023.
- Gin is forecast to be the “most lucrative product segment” and register the “fastest growth during the forecast period” with a projected CAGR of 31.5% from 2024–30.
- North America was the largest revenue-generating craft spirits market in 2023, with a share of 59%.
- Saudi Arabia is the fastest-growing regional market and is projected to reach US\$157.8m by 2030.

Although such projections might suggest that now couldn’t be a better time to get into the craft spirits business, the sector is not without its challenges, and these often vary from country to country.

For example, the American Craft Spirits Association’s 2024 Craft Spirits Data Project



Hong Kong-based Milestone Beverages’ portfolio includes Stateless American Whiskey, an independent brand that ‘recreates rare whiskies using AI, chemical analysis and advanced molecular technology’

(CSDP) last year reported a decline in volumes for the first time since its 2016 inception — a substantial 500,000-case drop from 14m in 2022 to 13.5m in 2023.

There have been “a significant number of craft distillery closures”, found the CSDP, although “the number of active craft distillers in the US still grew, albeit at a slower rate — up 11.5% to reach a total of 3,069 producers”. The project further reports: “Less than 2% of craft spirits distillers are responsible for more than 54% of the cases produced, while 90% of producers are classified as small and are responsible for approximately 11% of cases produced.”

‘The most important thing about craft distilling is identity — knowing where they’re made and who makes them’

Can ‘craft’ be defined?

These barriers to success are not deterring enterprising businesses from attempting to capitalise on the global craft boom. In Britain alone, the number of registered craft spirits distilleries grew by 54 in 2023, according to national accountancy group UHY Hacker Young, so the appetite is certainly there. But what exactly defines a craft spirit?

Michael Vachon, co-founder of UK-based distributor Maverick Drinks, says: “That’s the thing — there is no globally recognised definition. That said, I’m not sure ‘craft spirits’ need a definition.

“Over the past decade we’ve seen dozens of high-profile acquisitions of craft spirits by strategic partners, but does that mean their products are any less ‘craft’ the next day? Equally, there are producers who manufacture at scale through replication — »

That Boutique-y Whisky Company is one of several independent brands distributed by Maverick Drinks



» more stills, not bigger stills. The most important thing about craft distilling is identity — knowing where they're made and who makes them.'

Fielden Whisky of England CEO Dave Smith is inclined to agree: "Traditionally, craft spirits are made in small batches with tender love and care by the distiller. On the other hand, any spirit made with purpose and integrity, even at scale, is surely craft too?"

"It might be easier to think of craft spirits from the consumer viewpoint rather than the producer's — craft brands might be ones which tap into culture [myth, traditions], production methodologies [using environmentally sound distilling, packaging and local ingredients] or the owner's attitude [beliefs and subsequent ways of behaving]."

Key Millennial and Gen Z market

This is where two of craft spirits' biggest target audiences come into play — Millennials and Gen Z, defined by the managing director of Hong Kong-based distributor Milestone Beverages as "independent, discerning consumers who are looking for good quality".

Smaller craft brands will argue that the younger generations are distrusting of big corporations and seek out products they see as being ethical, sustainable and natural. This tracks with what Monte Carlo Vermont director Edouard Eme has to say about them. "These generations have been fed cheap mass-produced goo their entire life and are fed up with it," he says. "They are now aiming for a type of consumption that is more respectful of the flavours, the traditions and the environment."

Cygnat Distillery in Wales, founded by singer Katherine Jenkins, markets its gin as a brand "where luxury and sustainability co-exist", and head of marketing Libby Wilding says this concept is particularly attractive to younger generations.

"These two generations are both drawn to the authenticity and transparency that are core to our brand — knowing that we go to great lengths to ensure quality, from the botanicals we use to the hand-finishing of each bottle. This attention to detail translates into a product that feels genuinely premium and exclusive.

"However, as rightfully so, there is a level of scepticism on 'craft' and how authentic this concept is. This has been contested in the industry with spotlights being shone on larger [companies] who have perhaps stretched their application of the definition of 'hand-crafted', but what's been great in recent years is that interest in sustainability has grown with ethical sourcing mattering greatly to these generations. They



Maverick Drinks co-founder Michael Vachon (left) and Fielden Whisky CEO Dave Smith believe identity is the most important aspect of craft distilling. Fielden Whisky of England Rye (top) is made with heritage grains

appreciate that we take no shortcuts in our process."

Milestone's Milner brings up the oft-cited drinking-less-but-better habits of Gen Zers and Millennials, adding that they are looking for "more personal, local experiences" which craft spirits offer. "Just like the craft beer boom, spirits will follow," he says.

Given the breadth of the category, which spirits are proving most appealing to younger LDA consumers? It depends on who you talk to and which region you're addressing. Milner believes tequila and whisky will "lead the charge", while gin will become static and vodka will see a resurgence. But the biggest opportunity, he feels, will be in flavoured spirits. "For example, flavoured whisky. It's a huge white board for innovation and under-represented by the big multinationals."

Maverick's Vachon puts his money on gin. "In the UK, without a doubt, craft gin has seen the biggest growth," he says. "With over 800 operating distilleries, there's hardly a corner of the country that doesn't have a distillery UK consumers can easily visit.

"Globally, craft gins can also be found on every continent, but craft distilling is led by vodka and whisky in the US and more regional spirits globally, where artisanal practices and communities of small producers have long been the norm."

Millennials and Gen Z are 'drawn to authenticity and transparency'

Too much liquid? Too few buyers?

With so many new small craft operators setting up around the world, there is a danger of saturation, according to Milner. "With the significant boom, there is simply too much competition in this space," he warns.

"There is only so much shelf space in a bar or a retail shop for spirits. Due to small productions, you don't have the economies of scale, so cost of goods will be high, and in this environment where consumer sentiment is down, it can make it very challenging.

"You will need a very strong domestic strategy, as exporting at high price points will be challenging."

This leads to the question of whether there is too much liquid chasing too few consumers. Again, opinion is somewhat divided. Milner says the answer is a categorical 'yes', especially in white spirits, and "as consumers get smarter, this is where categories like tequila and whisky will boom".

However, Fielden's Smith reckons: "On »

» paper, there's probably enough demand to allow the survival of more craft spirits. But then there is the minefield of consumer behaviours, market structures and economic factors resulting in what actually happens.

"Not all craft spirits can survive and thrive. This has been conclusively proven by decades of entrepreneurial belief and then subsequent failure or success."

Wilding doesn't see the market as over-saturated for Cygnet. "The way we've positioned Cygnet 22 as a luxury sipping gin means we're not necessarily competing with other craft brands or, indeed, just gins for the same consumers," she says. "Instead, we're carving out our own space, offering a unique product that redefines how people think about and enjoy gin."

Maverick's Vachon suggests the important thing is for craft spirits producers to be realistic in their ambitions. "If your goal is to service a local community and be the best producer in that community, there is every chance that it can be a perfectly sustainable — if small — business."

"However, if the intention is to scale into the next global brand, they might need a reality check — it's never been harder to scale and



Making their mark: Singer Katherine Jenkins launched Cygnet Gin (left) late last year, while Monte Carlo Vermouth, a premium craft spirit created in Monaco, debuted in 2022

large drinks companies with declining sales are being more aggressive than ever on price, so craft spirits producers will need to be evermore creative and innovative if they're going to succeed."

With craft brands coming in at a far higher

price than their mass-produced counterparts, even that Millennial and Gen Z spending power could be in danger of running out of steam. But this is unlikely to dampen the obvious passion of so many small producers — and you can't put a price on that. **GDI**



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Camus aims ‘to break the ceiling of how far cognac can go’ creatively

Camus Cognac CEO Cyril Camus tells **Richard Woodard** about his company’s journey to become the ‘most aromatic cognac on the market’ and his faith in the category’s prospects in China

Ask Cyril Camus where he lives and he’ll tell you his home is in Shanghai, the office is in Cognac — and he’s usually somewhere in between. When we meet (virtually) after having missed each other in London, the Camus PR reckons he’s probably still somewhere in Europe, but it turns out that he’s on the east coast of the US. When you’re the fifth-generation CEO of cognac’s biggest wholly family-owned business, clocking up the air miles is inevitable.

Camus has lived in China for 30 years, during which time cognac has established itself as the country’s favourite imported luxury spirit. For its part, China has played a vital role in the evolution of Camus cognacs, in particular the house style of “aromatic intensity”.

“That notion of intensity came from my experience of Chinese baijiu,” Camus explains. “You pour one small glass of, say, Moutai in a restaurant, and within a few minutes the whole room is filled with the aroma of baijiu. That’s what started this journey of becoming the most aromatic cognac on the market.”

Fruit-forward eaux-de-vie

When Camus came into the business, he asked its customers what made a great cognac, and they said intensity of floral and fruity aromas, but not too much oak. “We have spent the past 25-plus years reviewing and reworking every aspect of production,” he says. The primary goals? High levels of terpenes (floral aromas) and esters (fruity notes).

Today, Camus reckons his cognacs have at least double the aromatic intensity of any other on the market, and sometimes seven times more. He ascribes this to the house’s penchant for the fruit-forward eaux-de-vie of the small Borderies cru (Camus is the biggest vineyard owner there), and its championing of the folle blanche grape variety.

While folle blanche only accounts for 0.5% of the total cognac vineyard, it comprises 5% of Camus’s plantings, and rising:



CEO Cyril Camus says bringing ancillary crafts in-house allowed Camus Cognac to harness creativity at a level that had ‘never been seen in the industry’

as the company replants, 10% of new vines are folle blanche.

Meanwhile, Camus’s patented distillation method extracts highly aromatic compounds from the ‘heads’ — the first unstable 25 litres of the distillation cycle, usually discarded. “Some of the compounds are pretty horrible, but some are amazing, because the concentration of esters is out of this world,” Camus says.

Evolving approach to luxury

This transformation of Camus in flavour terms has been accompanied by an evolving approach to luxury. The house was always skewed to the premium VSOP and XO clas-

‘Where does cognac go next? I believe that, for cognac, the new China is China. There is still so much untapped potential’

sifications but, says Camus: “We have wanted to push that even more and break the ceiling of how far cognac can go in terms of creativity.”

The company established Les Ateliers Camus, bringing in-house ancillary crafts »

» associated with luxury: glass engraving, bottle dressing, label printing, leather cutting and sewing. “What that has really allowed us to do is to harness creativity at a level that I think has never been seen in the industry, and apply it to the exploration of different themes and concepts,” says Camus.

“We used to be in the same field as Louis XIII or Richard Hennessy — that kind of rare, amazing cognac that you put on the market year after year. But there are constraints, because you can only go as high in terms of greatness as you can go again the next year, and the year after that.”

Liberated from those constraints, Camus cellar master Julie Landreau has created a series of one-off concept cognacs, released every two to three years, with only 300 to 1,000 bottles available, and priced at EUR6,000–EUR13,000 (US\$6,540–\$7,630). The latest collection, Voyages Extraordinaires, centres on the fiction of the 19th-century French writer Jules Verne.

The first release, L’Île Cognac, is a GBP60,000 (\$78,550) blend of four eaux-de-vie: one from Borderies, two from Bons Bois (both folle blanche), and a 65yo Grande Champagne, presented on a tasting table with three types of glass and a tasting book.

Nor is that the apex of the Camus luxury pyramid; these are the private commissions — one-of-one cognacs created by the Ateliers and Landreau, often to mark a special occasion, and based on extensive research into the recipient’s life, hobbies and personality. “That’s taken us into really amazing areas of creativity,” says Camus. “It allows us to explore new materials and design styles, and that, in turn, influences the other things we do.”

The approach makes Landreau an atypical — and extremely busy — cognac cellar master. “Whereas a master blender might be creating a new blend every two to five years, Julie is creating anything from 20 to 30 blends a year,” says Camus. “She has developed a skill that I think is unmatched in the region.”

‘Innovation and diversity are a very long-term concern’

Unmatched in cognac, but that rapid cadence of innovation would be familiar to the master distillers at The Macallan, Glenfiddich or The Glenlivet, who typically have dozens of projects in play at any time. Is cognac being stifled by its lack of innovation?

“Frankly, cognac has become quite monotonous in terms of taste diversity,” says Camus. “As a result, people own only one bottle of cognac, where they might own five or six bottles of single malt. But we have that range of organoleptic characters — we have that diversity.”

Camus is mystified by the fact that, while cognac producers are allowed to ‘finish’ their products in, say, port or bordeaux casks, they can’t advertise that fact on the label. So will the rules be changed?

“I do hope in the current market conditions there will be less opposition [to that],” says Camus. “Is there an interest in developing finishes? We have to let the market tell us, and open the door to more experimentation.”

“Innovation and diversity are a very long-term concern. It can be a solution to a downward sales trend, but that was obviously not a problem until two years ago, because demand was outstripping supply, and

our main concern was how we could meet that demand.”

In the US, soaring sales during the Covid-19 pandemic conspired with logistical pressures to create supply constraints, which in turn fuelled price rises. More recently, overstocked inventories and softer demand have created the kind of slump that cognac has not seen in a generation.

“Very clearly, prices got too high,” says Camus. “There are other factors, but I think the main one is that we priced ourselves out of the market. Pricing is now being adjusted — it’s a pretty violent adjustment, pretty brutal, but we will find the right balance again.”

“This is where it gets difficult to keep pushing towards innovation. When things are going very well, there is less appetite for it. But we need to increase the diversity in the tasting experience, because other categories are doing it.”

China’s ‘untapped potential’

Talking of other categories, Camus recently joined forces with baijiu producer GuJingGong to build Guqi, a \$30m whisky distillery in Bozhou, China. The stated aim — with echoes of the Camus house style — is to produce “the world’s most aromatic whiskies”, with production possibly starting at the end of this year.

The idea is to combine the expertise of three countries: France for blending and maturation, Scotland for distillation and China for fermentation.

“Chinese baijiu companies are way ahead of anyone else in the world with their fermentation techniques,” Camus says. “It’s the only country I can think of where you can get a bachelor’s degree in fermentation. We want to do a very distinctively Chinese whisky, and aromatic intensity is key to that.”

As we wait for the first Guqi whisky, there is cognac’s future to consider, at a time when its two main markets — China and the US — are beset by challenges, and few countries appear ready to step forward and fill the gap.

For all that, Camus points out that cognac consumption in China remains highly regional — largely confined to the Guangdong and Fujian provinces. And that, at least, gives him optimism for the future of the category that he has spent the past few decades travelling the world to promote.

“Cognac represents 60% or so of the value of imported spirits in China, but only 2%–3% of the total,” Camus says. “You ask me where does cognac go next? I believe that, for cognac, the new China is China. There is still so much untapped potential.” **GDI**



Voyages Extraordinaires L’Île Cognac takes inspiration from a series of adventure novels by Jules Verne

Q&A *with DioniLife co-founder Damian McKinney*

Spirits industry veteran Damian McKinney has unveiled his latest venture — DioniLife, a company focused on non-alcoholic adult drinks brands. DioniLife launched in September with the acquisition of UK-based no-alcohol beer Mash Gang. **Olly Wehring** catches up with the co-founder & CEO to learn about his aspirations for the business

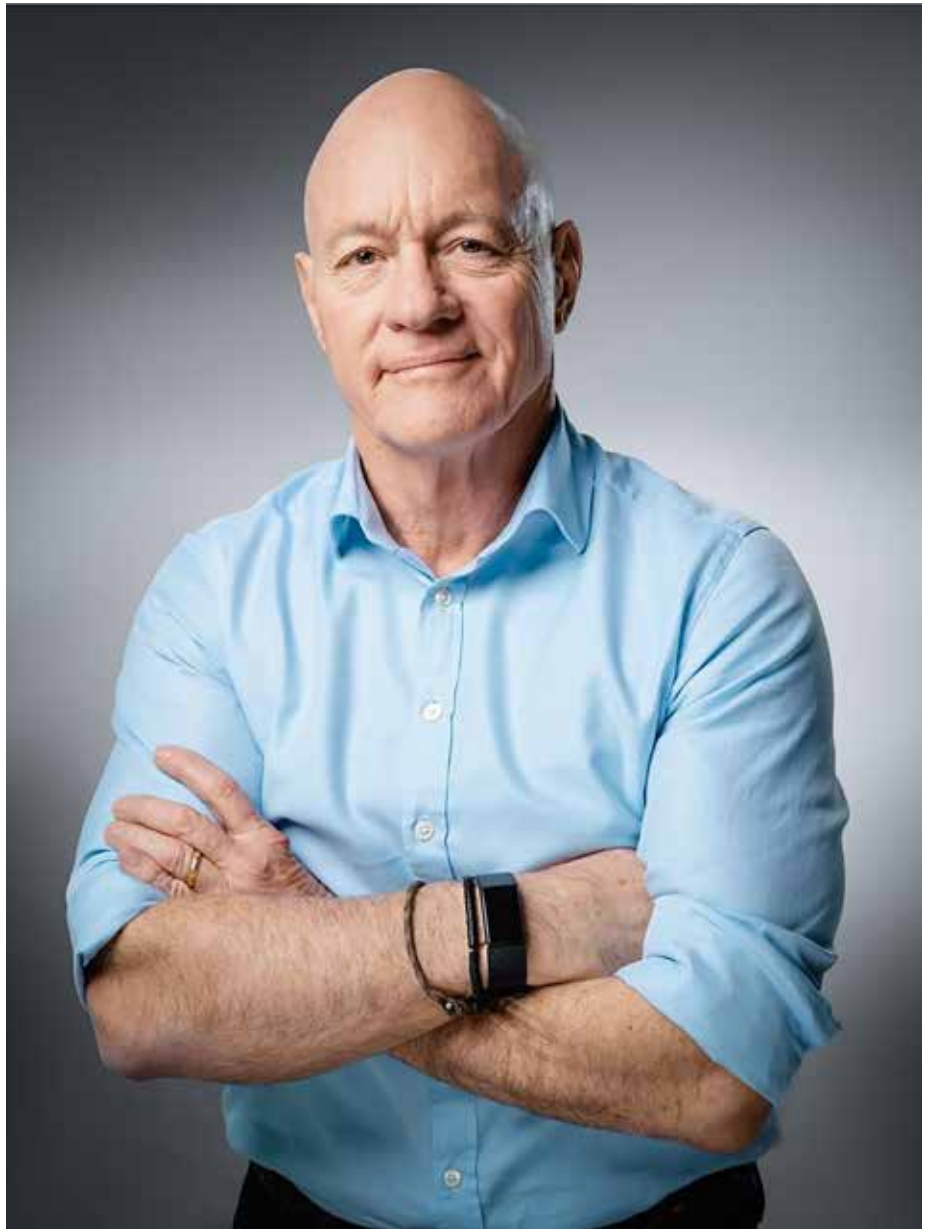
It's been 15 months since you left Stoli Group [McKinney stepped down as CEO in July 2023]. What have you been up to? I didn't leave Stoli because it's a bad company. What's become even more important to me is a sense of building a company that isn't just about commercial success — a Patagonia-type organisation. That's what I've been looking at.

Last September, I had lunch with the then-CEO of IWSR and we were talking about this. He suggested I look at the non-alc area, because it fits. There's a whole dataset that suggests the consumer movement into non-alc, but one can look somebody in the eye and say they're not trying to poison them! That triggered a thought — wouldn't it be great to create a company that has no baggage, a full portfolio and breaks the stigma around people who don't drink?

It's still about fun and socialising, but doing it in a different way. This feels like a once-in-a-lifetime opportunity.

Isn't that stigma only really around older LDA consumers? That's very true. However, it's still out there. There's a shift among younger drinkers, but culturally it's still out there that having fun equates to consuming alcohol.

At the beginning of last year, when I was still with Stoli, we were starting to see sales decline. There were lots of reasons being given — the supply issues due to the Ukraine war and Suez Canal blockage, the overstocking in the run-up to Christmas, but every time I turned the stone over, these weren't



Damian McKinney is keen to build a 'Patagonia-type organisation' that isn't 'just about commercial success'

the reasons. There was something else going on that I'd never seen before, and it was that people are choosing to moderate. It felt like there was a reaction to the excesses that went on during the pandemic.

Then there's IWSR data showing that in the US, 54% of 21 to 30-year-olds haven't touched a drop of alcohol in six months. That's staggering! The consumer is voting >>

'The consumer is voting with their feet and wants to see alcohol in a very different way'

» with their feet and wants to see alcohol in a very different way. That doesn't mean they don't want to socialise; they want to moderate in a healthy way. So, for me, it suddenly became so obvious that this is the way to go.

Who's the ideal consumer for Dionilife? At the moment, it's the moderator — those who choose not to drink during the week, for example, or prefers to bookend their evenings out with non-alcoholic drinks so that they don't feel the negative effects the next morning. That's the typical audience, in most cases. It's certainly true that there are a lot of people coming through now who've never drunk alcohol, and that cohort is definitely growing. But there's still a massive group of consumers out there that I call moderators or substitutors.

They'll likely give you short/medium-term success, but how will you position the company for younger consumers? The way in which people are engaging with adult beverages is going to be very different in ten years' time to the way we're experiencing it today. Part of our role will be to watch that journey and try to work with it.

With non-alc today, I believe there's a bit of 'gatewaying' going on — that's why I'm concerned about the 'zero' on the bottle. On the other hand, all the big alcohol companies spend a lot of time and effort trying to understand what the consumer likes to drink.

We all know that adult consumers have a preference for the taste of alcohol. It's not necessarily the alcohol 'high'; it's the smell, the taste, the mouthfeel. It's almost gastro-nomic! There may be some truth in the belief that consumers are going to drink something completely different, but we don't have to throw the baby out with the bathwater.

On top of all of that, people are looking for healthier alternatives and they want to know the ingredients of what they're drinking. The functional benefits, then, are absolutely where we're going to be working.

DioniLife looks to be quite asset-light. What's the company structure? Our original model was to create a stable, then go out and find the best of the best and bring them in. Then we'd look to get the best brand builders, the best route-to-market, the best liquid experts, everything. We'd just enhance it and then away we'd go.

What we found in the end was that it's not quite so simple! It's easier with beer, which is why Mash Gang is the first to come in. But we struggled when it came to spirits. We actually had three spirits that we were working

through due diligence to buy, but we kept going back to the liquid.

That was the moment where we said, 'What the hell are we doing? Why are we trying to compromise?' We must have that gold standard; it's just not good enough. So we're going to create our own new-to-world spirits brands, unless we come across something that absolutely meets the bar.

We have a 15 to 20-year horizon. I've never had one that long before! We went out and talked to a lot of financiers — we deliberately kept away from venture capital, because of the length of the plan. We don't want to have to go out every year to look for more funding.

We're not doing this to sell as fast as we can — that in itself creates a flaw in your system. Nor are we looking to own breweries and distilleries. We want to build deep foundations with real consumer pull and rate of sale.

So you need a partner who's evergreen, with a reputation for hanging in there and building with you. I'd not come across (equity investment company) Invus before; they're famous for buying into the Blue Buffalo pet food brand when it had annual sales of US\$5m and made a profit from its sale 12 years later of \$5bn.

They tend to look for companies that break the mould and typically invest in one company a year — they really put us through our paces!

How confident are you that DioniLife can succeed against the alcohol-free extensions of existing beverage alcohol brands which have a head start on you? Of course they do. The pandemic took a lot of people back to trusted brands. However, who'd have ever thought a company could produce a premium tonic, for example, and become one of the biggest in mixers? I'm not worried about that. I don't need to worry about alcohol and non-alcohol sales. I can just focus on my non-alc portfolio and make sure I'm producing the best liquids and brands.

The way the big companies have built their brands has been phenomenal. But this is a different category and a different way of thinking. We've come in as an outsider, but I've never been afraid to take on the big guys. This is an opportunity, but we need to do it in our own way.

What was the appeal of your first acquisition, Mash Gang? There's been a lot of compromise in this category around liquid experience, which has been one of its biggest obstacles. But it's been abating faster in beer, where non-alc beers have become



Founded in the UK in 2020, Mash Gang's brews include Chug Non-Alcoholic IPA

successful because they taste like real beer.

If we wanted to get a bit of a head start, what we needed to do was find a great-tasting liquid with a brand that speaks to culture and cuts through. We looked at a lot of US non-alc beers, some of which are already out of our range. Then we came across Mash Gang by accident, because it's almost too small. This was a diamond in the rough; when I first tasted it, I didn't know it was a non-alc beer.

Then there's its branding, which jumps off the shelf. In beer, a lot of the branding is actually quite bland. The folks behind Mash Gang are band people — they're into heavy metal, they have tattoos. These are creative individuals with lots of passion and expression. And it came across in the pack.

How will you be looking to flesh out the DioniLife portfolio? Spirits is next. Without giving the game away, you can look at one of the most popular spirits categories in the US and one of the most popular cocktails — that's where we're going to be heading.

How does a fledgling non-alc brand get onto your radar? LinkedIn has been extraordinary! If you really want to reach that gold standard, then I'm definitely interested.

One thing I've learned is that single brands on their own are very hard. At some point you need to go into a system and you need to be part of a team.

That's where we can really help and add a lot of value. **GDI**

The full version of this interview is available to Global Drinks Intel subscribers. To join them, visit www.drinks-intel.com/subscribe

Gen Z vs Millennials: What makes them tick when it comes to beverage alcohol?

Yes, they are drinking less alcohol, but do they like the same things in the same settings at the same times? Or do the two groups have wildly different consumption occasions and needs?

Jaq Bayles delves into the research

Attempting to pinpoint the reasons why Millennials (born between 1981 and 1996) and Gen Zers (1997–2012) are drinking less has preoccupied drinks companies for some time now, so it's no surprise to find a plethora of studies devoted to the subject.

Offering a global view, IWSR Bevtrac product lead Ivana Mitic says: "Younger LDA consumers growing up in the smartphone era have a fundamentally different set of needs from alcohol compared to the pre-smartphone generations.

"The need for socialising among this cohort remains very strong, but the main differences are the need for control at the occasion, which means monitoring alcohol intake, and the need to demonstrate the »



Image: iStock.com/SeventyFour

A need for control when socialising may be one of the reasons younger LDA consumers drink less alcohol

Inside view Experiential marketing and small formats help Tovaritch! reach younger drinkers

Gen Zers may drink less alcohol compared with other generations, but not all abstain completely. In fact, younger LDA consumers are now the key drivers of cocktail culture in markets with the highest penetration of cocktail consumption, such as India, Mexico, South Africa, Brazil, the US and Italy, according to IWSR Bevtrac data.

Unlike Millennials — who display a tendency to experiment with whisky-based mixology — Gen Z consumers currently show a stronger preference for white spirits-based cocktails. This creates opportunities for white spirits producers — if they can engage this younger cohort of LDA drinkers.

Celebrities and social media are the two big engagement drivers, according to CGA by NIQ research. Fifty-eight per cent of Gen Zers say they are likely to purchase an F&B product if it has been endorsed by a well-known person, while 83% have purchased F&B they saw on social media platforms like Instagram and TikTok, 17% above the average. Big brands

with big budgets can maintain high social media visibility and there's no shortage of celebrity tie-ins, but what about more boutique producers? One way to generate publicity is through experiential marketing — 54% of Gen Zers are more likely to visit an on-premise venue that offers an 'experience' of some sort, according to CGA by NIQ.

Boutique vodka brand Tovaritch! has gone this route by targeting urban festivals with a cooling machine that reduces the vodka's temperature to -20°C, and has also built a strong presence at the immersive Tomorrowland festival in Belgium.

The brand is also taking a unique approach to capitalise on the less-but-better trend embraced by both Millennials and Gen Zers: smaller bottles. Founder & CEO Eugenio Litta Modignani says its 20cl bottle is very popular with 18 to 25-year-olds, particularly in the Swiss market. The brand is bringing in a 50cl format too. "Sometimes you don't need to buy 70cl — 50cl is enough," he says.



Tovaritch! Vodka is focusing on small formats

Offering smaller formats make better-quality liquid affordable to younger LDA consumers. Modignani explains: "We connect into this new generation, because we offer a very competitive price for a super high-end quality. From a financial point of view, for the young generation, it is important for them not to have only industrial quality at a competitive price."

» virtues of the era, which means taking care of oneself in such public settings.”

IWSR Bevtrac research released in May, *How is Gen Z Approaching Beverage Alcohol?*, examined 15 key markets (Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Mexico, South Africa, Spain, Taiwan, the UK and the US) and found Japan shows the highest level of abstention among Gen Z (aged 18–26) consumers, with 63% claiming not to have drunk alcohol in the past six months, followed by the US (54%) and Canada (44%).

Drilling down into the US market, IWSR Bevtrac's latest data show that 13% of drinkers consumed both full-strength and no-alcohol products in April 2024, up from 7% a year earlier. Among Millennials, the rate was 22%, ahead of Gen Zers (15%).

IWSR Bevtrac senior insights manager Nastya Timofeeva explains in the report: “The no-alcohol category is gaining popularity among drinkers in the US, with participation rates doubling since April 2023 — much of this increase is being driven by Millennials. Greater product availability, especially in retail, has boosted momentum of the no-alcohol category in general: no-alcohol volumes grew 20% in 2023, with a forecast volume CAGR of 17%, 2023–28.”

Economics also come into the mix for Gen Z, who, according to IWSR's *How Might Gen Z Reshape Beverage Alcohol in the US?*, are “likely to be disproportionately affected by cost of living pressures and student loan payments”. But they are also likely to spend more when they can, “displaying more hedonistic spending patterns and behaviours — driven both by social needs and peer pressure to keep up with the latest trends”.

Moderation is key

In the UK, Gen Z is “rejecting alcohol more significantly than other generations”, claims *Gen Z: The Sober Curious Generation*, a report released by Mintel in March. It found “a distinct pattern emerges when examining age groups, revealing that British consumers aged 20–24 are almost half as likely to prioritise spending on alcoholic drinks for the home than consumers aged over 75. This suggests that a significant number of Gen Z are shifting their focus away from drinking alcohol, both inside and outside the home, and opting instead for sober socialising”.

This is backed up by the findings in *Millennials and Gen Z: A Comprehensive Study of Alcohol and Non-Alcohol Beverage Purchase and Consumption Behavior*, a joint venture between the Business of Drinks podcast and Research & Marketing Strategies in the US.

“The key takeaway for us was that social norms around drinks in general are chang-

Inside view Lyme Bay targets alcohol-shy gen to revive an ancient, fermented honey drink

One of the world's oldest alcoholic beverages, mead — a fermented honey drink — may seem an unlikely contender to excite younger generations' taste buds, but UK-based Lyme Bay Winery is convinced it is on track to do just that.

Steven Sturgeon, the company's head of sales & marketing, brought 160 international students aged 25–30 together to try mead and says the results were incontrovertible. “As soon as they tried it, they loved it. Unanimously! And part of their feedback was, ‘No one's ever educated us about this. No one's ever said to us what it is. No one's actually put liquid on lips and got us to taste it.’”

For Sturgeon, the reason mead is so popular with those who try it is because it's accessible. “It doesn't have any of the issues that a whisky or a bourbon might have and it's very easy to drink. It's very pleasant. Most of our meads are about 11% ABV, so it starts to become a much more accessible lower-alcohol drink.

“The comparisons I would draw are with wine. If you look at wine now, they're moving from 14% ABV down to 13%, 12% and 11%. There's this kind of groundswell which is common to both, which is more common to Millennials, but something that's easy to drink and lowerish alcohol.”

Sturgeon says mead “has the same level of versatility as rum”. He explains: “You can drink it neat, sip and savour. You can have it on the rocks. You can have it as a ‘plus one’, like a rum-and-cola. You can have a mead-and-ginger ale. Or you can put it into a cocktail. The cocktail area is exciting for us, because with what's happening for Millennials, it's giving them a chance to try it in a cocktail environment they're familiar with.”

Education is going to be a big part of getting consumers to understand this ancient alcoholic drink and social media is “uber-important”, with the brand starting to look for influencers to advocate for it.

“We've never used TikTok, but because we're trying to reimagine this oldest drink, platforms like TikTok will become really important,” says Sturgeon. “Look

ing,” says Business of Drinks co-founder Erica Duecy, who adds that the findings have “huge implications” for the way that alcoholic beverages are marketed to new audiences.

The report found that soft drinks are the most consumed beverages by both Millennials and Gen Z at “just about every social



Lyme Bay Winery's range of mead includes Black Cherry, Rhubarb (above) and Chilli

what happened to Guinness with ‘splitting the G’. So you can change or influence trends. It really is, get our story together, find partners who are willing to participate, and then look at those channels more specific to Millennials or Gen Z, which is to say live events and things like TikTok.”

He admits it's going to be a “slow process”, but points out that mead has been around for thousands of years, so 12 or 18 months is nothing in the great scheme of things.

There's also the obvious honey angle to hook environmentally conscious Zillennials in. “They're an endangered species, so I'm trying to find ways where we can get involved in protecting bees without it being greenwashing. If you're looking at those age groups, they are so switched on to what is real and authentic versus what's just greenwashing. Anything that we do in that space has to be generally rooted in something which is giving back.”

Will the ‘nectar of the gods’ win over the alcohol-shy generations? Maybe Lyme Bay Winery's range of mead flavours — including Black Cherry, Rhubarb and Chilli — will be the divine intervention their palates crave.

occasion”. What 75% of respondents like about them is their flavours, while two-thirds appreciate how easy they are to find. Over and over, respondents emphasised the importance of flavour, says the report. “While flavour is extremely important to both segments, it's especially important for »

» Millennials; just over 80% of this group said that flavour was extremely or very important to them. But don't discount its importance for Gen Z, who consistently rank flavour as among their most desired attributes. In our study, flavour came in as extremely or very important 75% of the time for Gen Z."

In a warning for the wine industry, many respondents said that wine does not deliver the flavour goods they seek. Cost is also an issue — with less money to spend than older drinkers, value for money counts for a lot among Gen Zers and Millennials, but 75% do not think wine offers good value, opting for major beer brands and hard seltzers instead.

The report also found that Millennials drink more alcohol than Gen Z: "After soft drinks, wine and major beer brands were tied in second place for Millennials; wine was in second place for Gen Z, followed by major beer brands, spirits and hard seltzers. Overall, Millennials reported drinking more alcohol, across all categories. The only category that Gen Zers consumed more of were non-alcoholic cocktails."

When Gen Zers do drink alcohol, they are "over-represented in RTDs (especially in the US and Canada), white spirits-based cocktails, liqueurs (particularly in Spain) and aperitifs", according to IWSR research. They are also "the key drivers of cocktail culture in markets with the highest penetration of cocktail consumption, such as India, Mexico, South Africa, Brazil, the US and Italy".

IWSR continues: "Unlike Millennials — who display a tendency to experiment with whisky-based mixology — Gen Z consumers currently show a stronger preference for white spirits-based cocktails. Beyond these general global trends, Gen Z preferences are nuanced by region and market."

And Gen Z certainly do not let moderation curtail their out-of-home drinking occasions. In the UK, CGA by NIQ research found that Gen Z consumers "seek out lively, fun and exciting venues where they can gather with friends, enjoy value-for-money drinks, and create memories. One in five Gen Zers, and two in three Millennials, are more likely to visit pubs with karaoke sessions, themed events, games and live music, which significantly outperform traditional Sunday lunches and beer tastings for younger consumers. In particular, live sports are a major driver of visits for three-quarters of Gen Z pub-goers".

It seems the sober-curiousness of younger generations isn't sounding the death knell for alcohol just yet. Instead, it's leading them to mix up their consumption habits and rituals as they continue to show a willingness to experiment and socialise — with and without alcohol. **GDI**



Daniel Soos, founder & CEO of Zooz, says 'people are realising that alcohol is just not a very great drug'

Insider view Rise of functional energy drinks that 'elevate your mind and your body'

Younger LDA drinking is in decline across most high-income countries — Gen Zers consume about 20% less beverage alcohol than Millennials, who also drink less than the previous generation, according to research by investment bank Berenberg.

This shift in behaviour is mainly due to increased awareness of the effects of alcohol and the rise of health-consciousness as a lifestyle. In fact, Berenberg found an overwhelming 86% of Gen Z consumers believe their mental health is as significant as their physical health when considering drinking alcohol.

But Gen Z consumers still seek a buzz from their beverages, as evidenced by the rise in energy drinks. Mintel data show the number of energy drinks in the global market has increased by 20.8% since 2021, with leading brands like Red Bull and Monster enjoying consistently strong revenues in global markets.

Gen Z consumers drink energy drinks on a night out more than twice as much as older groups, according to Mintel. This heightened consumption could be attributed to the energy boost these drinks provide, which offers a similar effect to drinking alcohol when partying.

But with the shift towards health and wellness, energy drinks must provide more than just a pick-me-up — Gen Zers want them to deliver other functional benefits, such as enhanced hydration or mental stimulation. A successful example of this is UK energy drink brand Purdey's, according to Mintel, which has expanded its range with a bigger focus on mental stimulation.

A new product tapping into this trend is UK-based Zooz, a 0% ABV mushroom-based drink from former personal trainer Daniel Soos. Billed as "natural, invigorating and sustainable", Zooz was created as a "clean energy drink", but was soon

remarketed to appeal to those who abstain from or want to move away from alcohol.

"There's a huge group of people right now who don't want to dissociate — they don't want the toxic effects of alcohol," says Soos. "At the moment, the way that the market is reacting to the demand is basically by just introducing non-alcoholic versions of things — you have mocktails, non-alcoholic beers, non-alcoholic spirits. Because change is difficult, innovation takes time. What we're saying is this is a product that is nourishing, that elevates you on all levels — your mind and your body."

So far, the drink has been trialled in high-end cocktail bars including Nightjar, TT Liquor and Le Petit Beefbar in London and three cocktails — interestingly, two of which are alcoholic — have been created to showcase its flavours and effects.

As part of his on-trade strategy, Soos is focusing on what he calls "the knowledge exchange — a 21st-century meeting of the minds". He explains: "It's 30 to 50 people, invite-only, to an intimate gathering where everyone comes in with the intention to share one nugget of information with someone else. We're creating this kind of elevated environment that way. And the evening turns into light live music."

So he's ticking off another Gen Z trend: real-life experiences. They may have been born into a digital world, but 83% want to experience real over digital life, with 87% saying they are seeking out real-world connections now more than ever before, according to a recent study released by Live Nation.

"People are realising that alcohol is just not a very great drug, and they're very much enjoying and sort of being high off of improving themselves and making themselves more vibrant and improving their vitality," says Soos.

Q&A with Noblewood Group managing director Andreas Ioannides

The expansion of high-end vodka brand **Beluga** has been ‘phenomenal’ in some markets, says Andreas Ioannides, managing director at its owner, **Noblewood Group**

How have Noblewood and Beluga been doing since we last spoke in December last year?

Last year, the TFWA Exhibition in Cannes was a big milestone for us, with the relaunch of Beluga and the marketing campaign we ran along the whole of La Croisette. We had the opportunity at last year’s show to have discussions with new partners and also managed to get many of our listings back with the big players in global travel retail.

Since then, we’ve been expanding Beluga’s presence into new markets and territories, we relaunched in the UK and we’ve had a number of distribution changes – in Germany and France, for example.

On the partnerships side, we teamed Beluga with St Moritz [in Switzerland], which includes a special-edition Beluga Noble Winter St Moritz bottle, and a series of activations including an ice igloo in partnership with Grand Hotel Des Bains Kempinski and the brand’s title sponsorship of the 40th Snow Polo competition.

At the same time, we have ‘The House of Beluga by Twiga’, a nightclub in London that’s fully sponsored by the brand. Then there’s been the expansion of our ‘Beluga Gold Martini’ programme in five-star hotel bars across the top cities in the world.

I’d say we’re on the right track in the development of Beluga. We’re expanding as



Noblewood MD Andreas Ioannides: ‘We’re on the right track in the development of Beluga’

fast as we can and in some markets the expansion has been phenomenal. The next step is to implement a few tweaks in some markets and regions, then it’s really full steam ahead to capitalise on our long-term distribution agreements with our partners.

We’re coming to the end of all the changes we needed to put in place, so our focus will be on business development.

Beluga’s marketing presence around the last two TFWA Cannes shows was quite high-profile. How do you measure the return on investment for this?

Beluga is a high-value brand, so it’s hypothetical to consider what we gain from it. The return from TFWA is much more than just financial – the opportunity for personal meet-ups with current clients as well as the chance to establish new connections and potential partnerships ultimately all contribute to the success of our distribution expansion.

The show has always been seen by many people as the window to the world, and that’s still the case. It’s been important to convey a clear message to the trade about how serious

Beluga Epicure Series II is the brand’s second collaboration with renowned crystal-maker Lalique

we are about Beluga’s brand equity and to explain to everybody that this is where we’re coming from, and this is where we want to go.

You’ve just announced Beluga’s second collaboration with Lalique. Beluga Epicure Series II, which comprises 888 handmade decanters, will be on the shelves in December. The price will be around EUR20,000 (US\$21,900) per individually numbered decanter. It’s a very important partnership for us – two luxury brands coming together to create the best in both packaging and vodka quality.

Is the cost of living squeeze having an effect on your target consumer for Beluga? Sales-wise, Beluga is yet to recover some market share lost in early 2022. While it’s fair to say that like any other brand, Beluga’s not immune to the wider economic conditions, we’re looking at how we’re getting our share back country by country. In the UK, for instance, we have nothing to compare to from before, because this is a relaunch that’s going at full speed.

We insist on consistent price-positioning globally – we don’t want to sacrifice Beluga’s equity for price.

Have you seen the dynamics shift at all in vodka more generally? In recent years, we saw super-premium gin steal share from super-premium vodka. More recently, gin has stabilised, but we’re starting to see super-premium tequila steal share. There have been declines in the standard segment, while in super-premium, you need to look at it market by market. Generally, we see the super-premium vodka category increasing, but in some instances it’s increasing due to competitors’ price reductions. Beluga’s share is increasing in some declining markets – that’s the case in many of the brand’s markets. In some markets, we’re still underdeveloped and we need to implement actions to get to that point.

At the end of the day, for us, the category is all about super-premium.

In which markets is Beluga having a good 2024? In Europe, Italy, Spain and Greece are coming up quickly, as is the UK. In the Middle East and Asia, the UAE and India are coming back into the game for us.

Elsewhere, we’re growing ahead of our super-premium competition in the US. **GDI**



Organiser upbeat about future non-alc competitions after promising debut

With an already established track record of international beer, spirits and wine competitions, the organiser of the annual International Non-Alcoholic Competition is reassuredly pleased with the inaugural round of the awards, the winners of which were announced last month.

"We were very excited with the debut of this competition," Adam Levy tells *Global Drinks Intel*. "The competition was open to products from around the world and we were very happy to see entries come in from literally everywhere."

Not only was the quantity of entries a cause for celebration, but so was the quality. "Our judges were especially impressed by the high quality of non-alc RTDs," Levy adds,

"not to mention the multiple flavours, which no longer come off as tasting synthetic, thanks to the move to natural juice."

Also among the medal winners, all of whom emerged victorious from blind tasting sessions by a panel of trade buyers who judge "as if buying it for their business", were several alcohol-free wines that "retained a good quality".

"De-alcoholised wine is definitely getting very close to the required quality standard," notes Levy. "It's not at its most sophisticated at this point; while we're not talking US\$80 bordeaux,



Adam Levy: Entries came in from 'literally everywhere'

we're talking \$15-\$20 sauvignon blanc, chardonnay or red wine blends. We're also seeing established brand owners start to enter their own versions of de-alcoholised wine."

As for the future of the competition, Levy maintains a not-unexpected upbeat outlook: "We fully plan on running the competition again next year," he says. "We'll look to open the window earlier for entries than this year, probably in the spring."

Discover all the brands that wowed the judge's taste buds this year, at nonalcoholcomp.com



International Non-Alcoholic Competition Individual Winners 2024

Non-Alcoholic Agave of the Year
Tomonotomo Tobalá

Non-Alcoholic Aperitif of the Year
Babylon Spritz

Non-Alcoholic Bellini RTD Producer of the Year
Mingle Mocktails

Non-Alcoholic Bitter Producer of the Year
All The Bitter

Non-Alcoholic British Ale Style Brewery of the Year
Momentum Brewery

Non-Alcoholic Chardonnay Producer of the Year
No Alcohol Company

Non-Alcoholic Dry Red Blend Producer of the Year
Grüvi

Non-Alcoholic European Whisky of the Year
Nassau Free

Non-Alcoholic Non-Carbonated Mixer of the Year
Simple Times Mixers

Non-Alcoholic Functional RTD Producer of the Year
Luna Bay Drinks

Non-Alcoholic IPA Brewery of the Year
RationAle Brewing

Non-Alcoholic Kölsch Brewery of the Year
Momentum Brewing

Non-Alcoholic Liqueur of the Year
Mëshil

Non-Alcoholic Mai Tai RTD of the Year
Improv Booze-Free
Tropical Mai Tai

Non-Alcoholic Martini RTD of the Year
Better Than Booze
Lemon Drop Martini

Non-Alcoholic Mimosa RTD Producer of the Year
Blind Tiger Spirit-Free

Non-Alcoholic Negroni RTD of the Year
Per Se Negroni

Non-Alcoholic Pilsner Brewery of the Year
Notch Brewing

Non-Alcoholic Sangria of the Year
Grüvi Sangria

Non-Alcoholic Shrub Producer of the Year
Mother Shrub

Non-Alcoholic Sparkling Brut of the Year
SemiPlume Feather
Light Sparkling Brut

Non-Alcoholic Sparkling Rosé of the Year
AF Sparkling Rosé

Non-Alcoholic Syrup of the Year
Absinthia Caged
Heat Craft Mixer

Non-Alcoholic American Whiskey of the Year
NKD Distillery

Australia Non-Alcoholic Beer Producer of the Year
Heaps Normal

Canada Bitter Producer of the Year
Bark & Bitter

Canada Non-Alcoholic RTD Producer of the Year
Edna's Non-Alcoholic
Cocktail Co

Germany Non-Alcoholic Winery of the Year
Goodvines

Germany Non-Alcoholic Riesling Winery of the Year
Kolonne Null

Ireland Non-Alcoholic Beer of the Year
Fierce Mild Non-Alc

Italy Non-Alcoholic Amaro of the Year
Namari

Italy Non-Alcoholic Gin Distillery of the Year
Milano Distillery

Italy Non-Alcoholic Wine Producer of the Year
Canter Italia

Mexico Non-Alcoholic Mezcal of the Year
Runneght Mezquila

Netherlands Non-Alcoholic

RTD Producer of the Year
Sir.James 101

New Zealand RTD of the Year
AF Aperio Spritz

Norway Non-Alcoholic Producer of the Year
Villbrygg

Spanish Non-Alcoholic Wine Producer of the Year
Bolle

UK Bitter Producer of the Year
Season

UK IPA Brewery of the Year
Big Drop Brewing Co

US Non-Alcoholic Amaro of the Year
Dr Zero Zero AmarNo

US Non-Alcoholic Gin of the Year
Cut Above Gin

Colorado Non-Alcoholic Brewery of the Year
Ceria Brewing Company

Massachusetts Non-Alcoholic Brewery of the Year
Notch Brewing

International Non-Alcoholic Competition Gold Medal Winners 2024



Brand Name	Product Type	Product Name	Product Category
AF	Ready-to-Drink	Apero Spritz	Non-Functional Ready-to-Drink
All The Bitter	Bitters	Aromatic Bitters	Bitters
All The Bitter	Bitters	Lavender Bitters	Bitters
All The Bitter	Bitters	New Orleans Bitters	Bitters
All The Bitter	Bitters	Orange Bitters	Bitters
Canter	Wine	Bianco Dry	Pinot Gris
Canter	Wine	Sparkling Bianco Extra Dry	Sparkling Wine
Edna's	Ready-to-Drink	Mezcalita	Non-Functional Ready-to-Drink
Edna's	Ready-to-Drink	Mojito	Non-Functional Ready-to-Drink
Goodvines	Wine	GlühVine Red	Fortified Wine
Goodvines	Wine	Sauvignon Blanc	Sauvignon Blanc
Joni	Ready-to-Drink	Verjus Drink Rouge	Non-Functional Ready-to-Drink
Luna Bay	Ready-to-Drink	Blueberry Mint Mojito	Functional Ready-to-Drink
Luna Bay	Ready-to-Drink	Raspberry Rambler	Functional Ready-to-Drink
Méshil	Spirits	Méshil (50cl)	Liqueur
Milano Distillery	Spirits	Imagine	Gin
Mother Shrub	Shrub	Vanilla Hickory Pear	Shrub
NKD Distillery	Spirits	Non-Alcoholic Whiskey Alternative	American Whiskey
Notch	Beer	Non-Alcoholic Craft Pils	European Lager
Seasn	Bitters	Dark Cocktail Bitters	Bitters
Seasn	Bitters	Light Cocktail Bitters	Bitters
Villbrygg	Wine	Fjell 01	Wine Alternatives



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Canter Bianco Dry
Canter Sparkling Bianco Extra Dry



Canter Il Rosso Perfetto
Canter Sparkling Bianco Dry



International Non-Alcoholic Competition Silver Medal Winners 2024



Brand Name	Product Type	Product Name	Product Category
Absinthia Cocktail Syrups	Mixers Non-Carbonated	Caged Heat	Other Non-Carbonated Mixer
Aêlo	Ready-to-Drink	Aperitivo Spritz	Non-Functional Ready-to-Drink
AF	Ready-to-Drink	Whiskey Ginger	Non-Functional Ready-to-Drink
Babylon	Spirits	Babylon Spritz	Aperitif
Bark & Bitter	Bitters	Honestly Aromatic Bitters	Bitters
Bark & Bitter	Bitters	New Orleans Bywater Bitters	Bitters
Bark & Bitter	Bitters	Overtly Orange Bitters	Bitters
Better Than Booze	CBD-Infused Drinks	CBD + THC Lemon Drop Martini	THC-Infused Ready-to-Drink
Blind Tiger Spirit-Free	Ready-to-Drink	Southside Mojito	Non-Functional Ready-to-Drink
Blind Tiger Spirit-Free	Ready-to-Drink	Sidecar Mimosa	Non-Functional Ready-to-Drink
Bolle	Wine	Blanc de Blancs	Sparkling Wine
Canter	Wine	Il Rosso Perfetto	Merlot
Canter	Wine	Sparkling Bianco Dry	Sparkling Wine
Cut Above	Spirits	Agave Blanco Tequila Zero Proof Spirit	Tequila
Cut Above	Spirits	Gin Zero Proof Spirit	Gin
Cut Above	Spirits	Mezcal Zero Proof Spirit	Mezcal
Cut Above	Spirits	Whiskey Zero Proof Spirit	American Whiskey
Dr Zero Zero	Spirits	AmarNo	Amaro
Edna's	Ready-to-Drink	Mule	Non-Functional Ready-to-Drink
Edna's	Ready-to-Drink	Paloma	Non-Functional Ready-to-Drink
Fierce Mild Non-Alc	Beer	XPA <0.5% ABV	IPA
Flyers Cocktail Company	Ready-to-Drink	THC Apéro Spritz	Functional Ready-to-Drink
Flyers Cocktail Company	Ready-to-Drink	THC Sunset Spritz Mango Guava	Functional Ready-to-Drink
Goodvines	Wine	Merlot Rosé	Blush/Pink/Rosé
Goodvines	Wine	Sparkling Riesling	Sparkling Wine
Grüvi	Beer	Golden Lager	North American Lager
Grüvi	Beer	Juicy IPA	IPA
Grüvi	Wine	Red Blend	Dry Red Blends
Heaps Normal	Beer	Another Lager	Other Lager
Heaps Normal	Beer	Half Day Hazy	North American Ale
Heaps Normal	Beer	Quiet XPA	Other Beer
Joni	Ready-to-Drink	Verjus Drink Blanc	Non-Functional Ready-to-Drink
Kolonne Null	Wine	Cuvée Blanc Sparkling N°01	Sparkling Wine
Kolonne Null	Wine	Cuvée Rouge N°02	All Other Red Varietals
Kolonne Null	Wine	Riesling 2023	Riesling
Mingle Mocktails	Ready-to-Drink	Non-Alcoholic Cucumber Melon Mojito	Non-Functional Ready-to-Drink
Mockly	Ready-to-Drink	Eye Opener	Non-Functional Ready-to-Drink
Momentum Brewery	Beer	Hazy IPA	North American Ale
Momentum Brewery	Beer	Kölsch	German Ale
Momentum Brewery	Beer	Golden	British Ale Styles
Namari	Spirits	Namari	Amaro
No Alcohol Company	Wine	Non-Alcoholic Chardonnay	Chardonnay
No.ah	Spirits	No.ah	White Spirits
Per Se	Ready-to-Drink	Hibiscus Margarita	Non-Functional Ready-to-Drink
Per Se	Ready-to-Drink	Negroni	Non-Functional Ready-to-Drink
Per Se	Ready-to-Drink	Paloma	Non-Functional Ready-to-Drink
RationAle Brewing	Beer	Hazy IPA	IPA
RationAle Brewing	Beer	Mexican Cerveza	Other Lager
RationAle Brewing	Beer	West Coast IPA	IPA
RSRV Collective	Ready-to-Drink	Botanica	Non-Functional Ready-to-Drink
Runneght	Spirits	Runneght Mezquila	Mezcal
SemiPlume	Wine	Feather-Light Sparkling Brut	Sparkling Wine
Seraphim Social Beverage	Wine	Cacao Calm + Clear Blend	Blush/Pink/Rosé
Seraphim Social Beverage	Wine	Cassia Healthy + Happy	Wine Alternatives
Simple Times Mixers	Mixers Non-Carbonated	Pineapple Mule	Fruit Mix
Simple Times Mixers	Mixers Non-Carbonated	Simple Margarita	Margarita Mix
Tilden	Ready-to-Drink	Lacewing	Non-Functional Ready-to-Drink
Tilden	Ready-to-Drink	Tandem	Non-Functional Ready-to-Drink
Tomonotomo	Spirits	Tobalá	Agave
Tropink	CBD-Infused Drinks	Pining for Paradise	Functional Drinks Category
Villbrygg	Wine	Skog 03	Wine Alternatives



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Five minutes with International Beverage senior sales manager Mathieu Jeannin

Mathieu Jeannin took on the role of senior sales manager – global travel retail at International Beverage in January, after three years overseeing sales in North Asia. **Olly Wehring** catches up with him to find out about the company's GTR strategy

How large a priority is the global travel retail channel to International Beverage? Global travel retail is one of our top five markets. We have a clear focus to develop our brands and their visibility in the channel over the coming years. Our main brands in GTR are single malts Old Pulteney, Speyburn and Balblair, as well as Caorunn Gin, Larsen Cognac and Phraya Rum from Thailand.

Our volume driver in GTR is our blended scotch, Hankey Bannister, which has historically sold well in Eastern Europe and Turkey because of its popularity with Russian travellers.

How's International Beverage doing in GTR? While premium is still a long-term trend, we've seen quite a downturn recently, with people spending less on alcohol compared to before Covid. The average basket spend for alcohol in airports is at about US\$80, compared to \$90 before the pandemic.

Most of the data we have shows a clear long-term trend for premiumisation, which is why we're heavily invested in offering more premium whiskies.



International Beverage's GTR trio of Speyburn single malt scotch whiskies was unveiled at TFWA Cannes



Mathieu Jeannin joined International Beverage in July 2021, after a seven-year spell with Hine

The company has recently unveiled a three-strong range from Speyburn based on the identification of a price-related opportunity in GTR. The trend for spirits in the channel has been – and continues to be – to go more premium. Many of our competitors have gone upmarket with their brands. Our idea here is to market Speyburn to the entrant consumer – those that know a bit about whisky, but tend to stay in the blended segment and aren't that accustomed to single malts. We want Speyburn to be accessible and easy to understand for the untrained consumer. We've priced the range at between EUR30 (\$33) and EUR50 for consumers who aren't ready to spend too much, but want to experience something at the right price.

Do you feel you're fighting against the tide in the channel with the Speyburn strategy? In a sense, yes, but we have a brand for each type of consumer. Balblair and Old Pulteney, for example, are very premium. We think it's very important to have a brand that targets entrant consumers, because there aren't many brands that are doing this.

Which brands are exciting you the most and which are causing concern? Obviously, Speyburn's exciting, because of the new range. The brand needs better visibility – it's quite strong in many domestic markets, but has been historically quite weak in travel retail, so this is a key opportunity and we really

want to make sure we do it right. We want to find our right consumer base in the channel.

Old Pulteney is a priority brand that's more established. In our portfolio, many consumers know the brand and we've been building its story and image to emphasise its connection with the sea. We've recently secured new listings for the single malt in France, Italy and Turkey, as well as in Dubai. We're on the right track to make Old Pulteney more of a global brand.

If I had to pick one particular challenge, I'd say it's in the gin category. Caorunn is a premium Scottish gin, so it's quite niche. The brand has done well in the UK, but the category is declining almost all around the world. Operators have become more selective and we're at risk of losing some of our listings, because some brands are investing more than we are. It's also exceptionally competitive – many craft gins have come into the market in the past ten years.

Which spirits categories are delivering growth that International Beverage can capitalise on? While rum is quite small in travel retail, there's a global trend of rising rum consumption. We have a premium brand in Phraya, which is available in GTR in Thailand – our parent company, ThaiBev, is based there and is a beverage industry leader in South East Asia. Phraya isn't present in the European GTR channel yet, but we hope to realise this opportunity soon.

How is International Beverage able to leverage its parent's strength? Many of the large GTR operators have made requests of us to support them in their journey in Asia with brands that appeal to Asian consumers. Phraya could be a very good addition for the operators who want to develop their presence in the region in airports such as Hong Kong or Singapore, or even on Hainan duty-free island.

Through ThaiBev, we have a good understanding of the region and we have the capabilities to provide our partners with what they're looking for, so it's very beneficial for us. **GDJ**

The full version of this interview is available to Global Drinks Intel subscribers. To join them, visit www.drinks-intel.com/subscribe

RETAIL REVIEW

INSIDE

HOW BRANDS AND VENUES CAN
WIN IN AN EVOLVING ON-PREMISE
CITYSCAPES: MADRID



The Glenlivet pop-up incorporated designs by Red Hong Yi, inspired by her 'extraordinary travels and meaningful places around the world' from Borneo to LA

The Glenlivet's first (of four) creative collaborations showcased at Changi Airport with Lotte Duty Free

Pernod Ricard whisky brand The Glenlivet has released its first-ever collaboration – a travel retail exclusive called The Groundbreaker Collection.

The first edition of the series of four Speyside single malts, Chapter One: The Journey Inward (pictured below), was crafted in collaboration with Chinese-Malaysian artist Red Hong Yi. Known as the artist

who 'paints without a brush', Hong Yi's unusual methods include using fire to char traditional Chinese pigment paper – a technique she applied to create the designs for Chapter One's packaging.

The whisky, finished in double-charred American oak and European red wine casks – another first for The Glenlivet – debuted via an experiential pop-up with Lotte Duty Free at Singapore Changi Airport T1 from mid-September until the end of October.

The pop-up was designed to emulate Chapter One's packaging, for which Hong Yi created four charred canvases depicting aerial scenes of places that have positively influenced her: the Borneo mountains, the streets of Shanghai, the shores of Los Angeles and Scotland's Livet Valley.

Travellers at Changi Airport were able to discover The Groundbreaker Collection through a bespoke app using in-store tablets. They could create their own artworks on a

digital postcard, printable onsite, and take in the sweet and charred scent of the liquid from an aromatiser before a guided tasting.

Pernod Ricard Global Travel Retail VP global marketing Liya Zhang said the series would bring innovation to the ultra-premium single malt category, "subtly trading shoppers up into the world of prestige whiskies".

Commenting on the project, Lotte Duty Free Singapore MD Jeff Jeong Soongyu said: "This collaboration with Red Hong Yi and Pernod Ricard marks an exciting new chapter. The pop-up brings a fresh, artistic approach that we believe will captivate whisky enthusiasts and casual travellers alike."

The Glenlivet Groundbreaker Collection has an SRP of US\$100 and is being rolled out to select travel retail locations globally.

The rest of the collection will celebrate other creatives who, through travel, have set new standards in their artistic endeavours.

Kevin Rozario



Take stock: Our roundup of the latest spirits launches



El Tesoro Mundial Basil Hayden Toast — Limited Edition

The third iteration in El Tesoro's Mundial line echoes its predecessors in having spent time in barrels previously used by other distilleries owned by Suntory Global Spirits.

■ Tequila, reposado. Matured for “nearly” six months in oak barrels previously used by Suntory Global Spirits’ Basil Hayden bourbon brand that have been toasted then flash-charred; 40% ABV.

■ On sale in limited — unspecified — numbers in the US.

■ SRP of US\$175 per 75cl bottle.



Martell Noblige Noir

Pernod Ricard-owned Martell's Noblige line has a second permanent SKU in the form of this GTR-only iteration which debuted at Hong Kong International Airport in partnership with Duty Free by CDF last month.

■ Cognac. The liquid has been in contact with charred wood.

■ On sale exclusively in the global travel retail channel.

■ SRP not immediately available.



Beluga Epicure Series II — Limited Edition

Beluga owner Noblewood Group has partnered with Alsace-based Lalique for a second time in the brand's Epicure line of limited bottlings.

■ Vodka. Produced in Montenegro using grain from the Baltic states, the liquid has been “rested” for 100 days prior to bottling.

■ Available to purchase in December.

■ SRP of EUR15,000 (US\$16,260) per decanter. Limited to 888 units.

Fielden Whisky's Hedgerow — Limited Edition

Hedgerow will be the first in a four-part line of limited editions from Fielden, with each bottling “celebrating the terroir of the English countryside where Fielden farms its rye, wheat and barley for making whisky”.

■ English rye whisky, no age statement. Contains liquid that was matured in four different casks — two “used” American oak barrels, an ex-sauternes barrique and an ex-vintage port barrique that previously held champagne; 46.1% ABV.

■ On sale online and through spirits specialists in the UK off-premise.

■ SRP of GBP100 (US\$130) per 70cl bottle. Limited to 1,000 numbered units.



Acrónimo Gin

Acrónimo Spirits follows its debut sotol blanco with a gin, finished with a near-15% proportion of the domestic spirit.

■ Gin, Mexico, produced by sotol specialist Casa Ruelas Distillery. Features local botanicals including juniper from the Sierra Tarahumara region, cardamom, anise and black, red and white pepper. “Finished” with 17% sotol blanco; 42% ABV.

■ Launching in the off-premise channels in California and Florida.

■ SRP of US\$54.99 per 70cl bottle.



Alc-A-Chino Oat Milk Hard Latte

New Jersey-based alcoholic iced coffee brand Alc-A-Chino has expanded its offering for lactose-intolerant consumers.

■ RTD, alcoholic dairy-free iced coffee.

On sale in original and vanilla latte flavours; 6% ABV.

■ Released in the US in Connecticut, Massachusetts, New Hampshire, Pennsylvania and Rhode Island.

■ SRP not immediately available; on sale in four-packs of 34cl cans.



Angostura 200-Year Anniversary — Limited Edition

Trinidad & Tobago-based Angostura marks its 200th anniversary with this one-off version of its namesake bitters brand.



■ Bitters. Liquid also contains Angostura aged rum for the first time; 48% ABV.

■ Available worldwide.

■ SRP not disclosed. Limited to 120,000 20cl bottles.



Catch up on the latest new product launches at www.drinks-intel.com

Can celebrity and premium releases boost gin in global travel retail?

The gin category is overrun with newcomers and variants, but premiumising — and a pretty face — can still catch the eye of travel retail shoppers, argues **Kevin Rozario**

Gin is a tough product category in global travel retail right now. It may not be the largest spirits segment in GTR, but it has driven spirits' recovery charge in the channel since the Covid-19 pandemic — IWSR figures show its 2022 volume rise was 112%, compared with scotch whisky's 77% and vodka's 68%.

The result of this, of course, is brands fighting for shelf space and demand-driven price variations. Last issue, *Global Drinks Intel* reported that Bombay Sapphire, for example, is subject to price variations of more than 40% in airport stores — a telltale sign of the competition in the category.

Producers are stepping up, reimagining the juniper-led spirit to make it more memorable and exciting for travellers. Three arrivals unveiled at the recent TFWA World Exhibition in Cannes last month just might make category buyers sit up and take note.

Aviation American Gin

Aviation American Gin — fronted by *Deadpool* actor Ryan Reynolds — has entered GTR for the first time with a channel exclusive. The gin has achieved huge market share in the super-premium segment (US\$25-plus for 75cl) in the US, where it was the third bestseller by volume in 2023, according to Impact Databank.

Diageo bought the brand for \$610m in 2020 from Reynolds and other shareholders, and is banking on the star's appeal to drive airport sales. Diageo Global Travel managing director Andrew Cowan commented: "Suffice to say we are thrilled to be introducing Aviation to travel retail globally — and with an exclusive."

Expedition Strength is bottled at 46.5% ABV and rolling out in a 1L bottle. The liquid has the brand's original blend of seven botanicals, but is more concentrated, delivering brighter citrus notes and a bolder taste. At World Duty Free stores at London Gat-



High-profile TFWA Cannes gin launches: Aviation American Gin, Brockmans Wyl'd and Le Tribute Gin



wick it costs GBP29.89 (\$39.14) and at Heinemann's Copenhagen Airport store it costs DKK379 (\$55.40).

The large promotional images of Reynolds accompanying the product are likely to generate sales. Throughout October, Aviation American Gin ran a pop-up at Barcelona Airport Terminal 1, offering travellers the chance to sample two signature cocktails: the negro-ni upgrade and bee's knees. More will follow.

Brockmans Wyl'd

Forget super-premium, Brockmans goes to another level with Wyl'd, its eccentric but innovative launch designed to shake up the gin category. The GBP350 (\$460), 70cl gin debuted at the Carlton Hotel during TFWA Cannes.

The bottle is flamboyant and almost double the height of a normal gin (at 37cm), while the liquor inside is said to be "ultra-exclusive" — the kind of which has never been showcased before". It is made from 15 botanicals "hand-foraged by local communities from far-flung corners of the world".

Only 3,000 bottles will be released in 2025, and Brockmans' plans a new vintage annually "to echo the natural changes in the ingredients' environments, from the growing location, soil type and microclimate". It means every collection will be a little different, though the core flavour profile will epitomise the classic London Dry style.

Brockmans Gin managing director Jean-Dominique Andreu told *GDI*: "We are putting gin in the same category as high-end tequila by elevating gin to an ultra-premium level.

For travel retail, we are looking at locations like Ibiza, Mykonos, Dubai, Las Vegas and New York."

Wyl'd will be available in the channel through travel retail brand builder JP-GTR.

Le Tribute Gin

'Old but new' is the brand's catchphrase. The core Le Tribute line is a citrus-led herbal gin made by family-owned MG Destilerías since 2016, though the company's gin-making history dates back to 1940. Le Tribute is already available in more than 50 countries, but is now making its way into travel retail with a 1L travel retail exclusive.

The brand has the benefit of having its own "perfectly matched" tonic water under the same branding and design. This could stand out well on-shelf in any airport store's gin section, though MG Destilerías has yet to decide on this concept.

The bottle's squarish shape and vertical grooves are both elegant and distinctive. Category buyers might also be swayed by the fact that MG Destilerías still makes another highly regarded brand — Gin Mare, which was sold to Brown-Forman in 2022.

The company owners want to move MG Destilerías into premium channels like travel retail, with cruise ships and high-end hotels a target. The brand's premium mixers will also play their part. Leading the charge is MG Destilerías USA president José Chao. He is well known in the channel having been a former VP of travel marketing at Bacardí for more than 12 years until 2010. **GDI**

How brands and venues can win in an evolving on-premise

As social-currency hungry consumers seek new on-premise experiences, CGA by NIQ's **Jonathan Jones** analyses the trends that can help both beverage brands and venues encourage them to step through the door

The global on-premise sector is thriving, with venues continuing to play a key role in people's lives, according to CGA by NIQ's Global Reach consumer study, which surveys more than 30,000 individuals across 38 countries.

Despite ongoing economic uncertainties, drinkers are going out more frequently than last year, with many viewing it as an essential treat at the end of a work week.

Engagement with bars, pubs and restaurants is markedly strong: 83% of respondents visit venues at least once within a three-month period, while one in three go out weekly, representing a one percentage point (pp) increase from last year.

The on-premise sector is especially central to the lifestyle of younger consumers from legal drinking age (LDA) up to 34. A significant 42% of this demographic say they love eating and drinking out and would feel disappointed if they could no longer do so.

Even more striking, one in five state that they would feel lost without the on-premise. This age group accounts for 60% of all footfall, so businesses must carefully study and effectively target this engaged demographic.

Quest for social currency and novel experiences

This data confirms how consumers — including younger Gen Z drinkers — still love going out. But what exactly are they looking for when they do visit the on-premise? And what keeps them coming back?

The Reach Survey shows that people value the social connections these spaces enable. Nearly half of respondents say

their primary reason for going out is to spend time with loved ones — family, friends or colleagues — while some have some specific socialisation targets. For example, 18% visit venues to meet like-minded individuals, a figure that rises to one in four among Gen Z.

Meanwhile, 15% want to meet new people, and nearly one in ten say they visit the on-premise to feel connected to and support their local community — evidence that the sector is shaped by human connections.

This offers potential for long-term brand equity for brands and suppliers, yet businesses must focus on building strong relationships and providing exceptional experiences to capture customer loyalty.

This approach has become more critical as consumers increasingly prioritise experiences that enhance their social status, driven by an insatiable need for social currency, seeking validation through likes and shares.

Hospitality professionals clearly recognise the critical need to meet this key consumer demand by offering enhanced, high-quality experiences. Eighty-four per cent of operators acknowledge that the quality of a guest's experience is a major factor in determining which venues users choose to visit.

What is really crucial, however, is the perceived value of the overall experience, with 70% of operators believing it to be nearly as important as value for money,



Consumers increasingly expect draught RTDs. In the UK, RTD company Black Lines offers cocktails on tap to the on-premise, with nine serves available in 20L kegs that connect to an existing draught system (left)

Data drop: Who visits the on-premise and why?

■ **83%** of LDA consumers visit on-premise venues at least once every three months (based on a survey of 30,000 individuals across 38 countries for CGA by NIQ's Global Reach consumer study).

■ **42%** of younger consumers from legal drinking age (LDA) up to 34 say they love the on-premise and would be disappointed if they could no longer visit.

■ **One in five** consumers from legal drinking age (LDA) up to 34 say they would feel lost without the on-premise.

■ Spending time with loved ones is the main reason **nearly half** of Global Reach respondents go out, while **18%** visit venues to meet like-minded individuals, a figure that rises to **one in four** among Gen Z, and **15%** want to meet new people.

■ Nearly **one in ten** respondents visit the on-premise to feel connected to and support their local community.

highlighting the increasing focus on providing on-premise adventures that people feel are truly worthwhile.

A key means to meet such a need is by consistently offering new experiences — »

» something that most consumers now expect or at least see as a desirable bonus.

Not only do these experiences directly influence individual decisions, but they also impact their broader social circles too, as people share recommendations on social media.

Nearly two in three young consumers report that they browse their friends' social media for ideas on where to eat or drink, so such a tendency to influence peer behaviour is very much justified.

The visual appeal of drinks, for example, is a crucial factor that can entice people to visit a venue: they want their own photos to look stunning to maximise the potential of gaining social currency when sharing their experiences online. Bartenders are well aware of this expectation, with over a third stating that cocktails need to be visually appealing and social media friendly.

In search of novelties

Mere aesthetic, however, is not all when it comes to choosing a venue. Once again, an element of novelty is essential, as most consumers — especially younger ones — prefer not to find the same drinks they can have or make at home when they go out.

Businesses may view the need for continuous innovation as a daunting challenge, but CGA by NIQ research indicates that investing in the on-premise as a hub for new product development (NPD) and brand-building yields long-term benefits.

The sector has become a vital environment for fostering brand loyalty, influencing consumers' choices at home, with 69% of global consumers likely to repurchase a drink for home consumption after trying and enjoying it in a bar, pub or restaurant.

On-premise settings serve as incubators for brands and their new offerings. In the UK market, the on-premise has driven 82%



Matcha's Insta-worthiness is being used to create new serves, such as this Baileys sun-kissed matcha

of sales for the top ten new NPDs in long alcoholic drinks since 2021.

There are, however, associated risks that businesses must consider. As noted, people seek something different when they visit bars, pubs and restaurants. This means that once a drink or serve becomes established and transitions to the off-premise, brands must keep innovating and staying ahead of trends to ensure that consumers can always find new and exciting options when they go out.

The flavours of tomorrow

Acknowledging the urgent need for introducing fresh offerings to consumers, research has examined the origins of trending flavours to support brands in their innovation efforts. South Korea and Japan emerge as significant trendsetters.

For instance, matcha initially took hold in the coffee and confectionery sectors, but has expanded into various beverage categories and is poised to impact alcoholic drinks as well, thanks to its bold, visually appealing qualities that resonate on social media.

Another emerging trend from the wider Asian region is draught ready-to-drink (RTD) beverages. This is already spreading to nearby markets, such as Australia, where consumers increasingly expect products like RTDs, premixed spirits and cocktails to be available on draught, particularly in nightclubs, hotels and bars. It is a shift that presents great opportunities for these categories to capture additional market share and recruit new drinkers.

Meanwhile, in Europe, we are witnessing the rise of beer-based drinks flavoured with lemonade or other fruity sodas. These beverages have long been popular in European markets, but are now gaining traction in other regions.

The research

CGA by NIQ's suite of research services offers brands, suppliers and operators an unparalleled and comprehensive view of the global on-premise industry.

The Global Reach survey compares key on-premise consumer metrics across 38 markets, uncovering global trends and providing insights into how consumer attitudes, motivations and need-states drive on-premise behaviours and category dynamics.

To discuss how Global Reach research can support your global strategies, or to learn more about CGA's other sources of consumer insights for brands, operators and suppliers, visit www.cgastrategy.com or email Jonathan Jones, managing director of international markets at CGA by NIQ, at jonathan.jones@nielseniq.com

This is perhaps unsurprising, as these serves align perfectly with today's consumer preferences, offering lower alcohol content, strong visual allure — great for sharing pictures on social media — and cross-gender appeal.

Mexico is another highly influential region for food and drinks. We have seen it clearly with the margarita craze: once a traditional serve, this cocktail gained immense popularity across North America, fuelled by the success of tequila. It has since crossed the Atlantic and become a staple on cocktail menus globally, with bartenders always eager to create their own interpretations.

The spotlight is now on the spicy tamarind serve — a dusting of tamarind powder on the rim of the glass — that is taking the country by storm. This idea not only offers high margins for the venue, but also delivers a fun experience and is highly Instagrammable.

All of these trends should be carefully evaluated by brands, suppliers and operators, as they offer valuable insight to create much-needed NPDs that can keep drinkers, driven by their quest for social media validation, returning to the on-premise.

Indeed, businesses should view the sector as more than just a sales channel. Central to people's pursuit of enhanced social currency, companies should consider over-investing in the on-premise as part of their marketing and brand-building strategy. **GDI**

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Tamarind margaritas — like this Gran Patrón Smoky serve — are proving a hit in on-premise venues



Salmón Gurú earned itself a spot on The World 50 Best Bars List 2024 with cocktails like chipotle chillón, a spicy mezcal sour served with test tubes of lemonade



It's hard not to be sociable in Madrid, for the city offers numerous ways to entertain outside the home. More than 80% of Madrileños live in flats, so gatherings happen mostly in the on-premise. Drinking in Spain, from the aperitivo to the post-dinner shot, is often paired with food. This might explain why even though Spaniards are among the top alcohol consumers within the Organisation for Economic Co-operation and Development's 38 member countries (10.5 litres a year per capita), they are at the bottom percentile of heavy drinkers.

With a residential population of 3.4m, the Spanish capital welcomed 10.6m visitors last year, and the overall population is growing fast — more than 120,500 new residents joined in 2023, according to official data from the National Statistics Institute (INE). The city is becoming increasingly multicultural: in the affluent Madrid Centro district, 40% of its 145,400 residents were born abroad, and the overall average for the city is 28.8%.

Mass tourism is becoming an issue in many European destinations and Madrid is no exception. According to data published by the City Council of Madrid, one in three people who stay in the city centre is a tourist. Gentrification not only disturbs tenants (the rent in hip central neighbourhoods like Lavapiés has increased more than 70% in the last decade), but also businesses, especially new ones, as it's trickier to find venues with affordable rents.

The region of Madrid has lost 26.3% of its bars since 2010, according to INE data, above the Spanish average of 17%. Still, the figures for venues serving food and beverages remain consistent, and the hospitality industry is a significant employer: 236,871 people work in the sector. Most popular bars, including Salmón Gurú, La Venencia, Viva Madrid and La Caníbal, are in central neighbourhoods, such as La Latina, Barrio de Las Letras and Chueca.

CityScapes

MADRID

With a well-deserved reputation as a city with a rich bar culture, when it comes to drinks the Spanish capital's vibrant scene doesn't disappoint. By **Mónica R Goya**

The trends

Madrid soaks up more than 2,900 hours of sunshine per year, double the London average of 1,400, which might explain why the terraces are packed even beyond the warmer months.

New habits of socialising — including *tardeo*, which broadly means a daytime night out — are paving the way to more diverse ways of drinking. "The concept of aperitivo and enjoying together is growing significantly, and *tardeo* is also in vogue," says Diego Cabrera, bartender & owner of Salmón Gurú (No.23 on The World 50 Best Bars List 2024), Viva Madrid and Guru Lab.

The cocktail scene is enjoying a sweet moment in Madrid," he says. "Young talented bartenders don't need to move to New York or London as they used to — Madrid has grown considerably and is now attracting international bartenders, who are moving here bringing their knowledge with them. This diversity of techniques and perspectives has wildly enriched the cocktail scene."

When it comes to spirits, "whisky continues to lead the way, with gin and rum following", says Álvaro Álvarez, CEO of importer and distribution company Álvarez Brands.

Mexican spirits and cocktails are also being embraced in the Spanish capital, says Álvarez. "Both tequila and mezcal are hav-

ing huge success in Spain and enjoying double-digit growth year on year," he says, noting that the category's success is "bigger than the sales volume". He explains: "There is a lot of interest, but it doesn't reach every sector of the hospitality industry."

Spanish Spirits Drinks Association data shows that tequila has seen a huge growth in 2022, 30% compared to 2021, but its market share is just 0.6%.

"Mezcal is lesser known than tequila; it's only available in mostly middle-range and high-end hospitality for now," says Álvarez. "Actually, even tequila isn't that present in common bars and restaurants." He mentions the tequila-based paloma cocktail as an under-the-radar trend coming up.

In the wine scene, sherry is having somewhat of a resurgence, reveals Cabrera. "I'd say that all the products from Jerez, from brandy to sherry wines, are achieving a good positioning both at home and abroad," says Cabrera. DO Vino de Jerez data confirms the former: 44.5% of sherry produced in 2023 remained in Spain, up from 34.4% in 2022.

The trend has increased footfall at old-school tavernas like La Venencia, a storied sherry bar by Puerta del Sol founded in 1928, as well as led the wine to pop up more often on cocktail menus at venues such as Angelita »

» (No.65 on The World 50 Best Bars List 2024).

Meanwhile, the natural wine movement may be in its infancy, but it is carving out a niche for itself in the capital, with established bars like La Caníbal and newcomers like La Alquimia paving the way.

Carlos Campillo, operations director at La Caníbal, a craft beer and natural wine bar, says: “Years ago, people didn’t know what natural wine was, but now there is a new understanding of what it is and younger generations are looking for this sort of wine.”

Local and international players

The ritual of vermouth, one of Spain’s most revered tipples, is enjoying a glorious comeback after some decades out of fashion, though the culture around it has changed.

Jorge Cuesta, director of Zecchini, a family business that has produced vermouth in

The very Madrileño tradition of ‘*ir de cañas*’ (literally meaning ‘go out to have some beers’) is still going strong, even though Spaniards are consuming less beer than before the Covid pandemic — data from the *Socioeconomic Report of the Beer Sector in Spain 2023* shows domestic consumption fell 3.5% in 2023, even though the rise of tourism drove overall consumption up 2.8%. In bars and restaurants, beer consumption increased by 6.8% due to the tourism boost. (Foreigners upped their intake by 22.5%, while residents reduced it by 4.3%.)

The country’s beer production grew by 0.8% in 2023, reaching 41.3m litres (+5% compared with 2019), consolidating its spot as the second-largest producer in Europe, behind Germany and ahead of the UK.

Two of the most important companies in terms of global beer production have bases

Despite this growth in popularity, AECAI data shows craft beer’s market share is just 1.1%, well below the UK (5%) and Germany (11%). Interestingly, the country leads the global consumption of non-alcoholic beer (13%, Spanish Ministry of Agriculture data).

Challenges and opportunities

Alcohol consumption in Spain hasn’t yet reached pre-pandemic figures — after two years on the rise, in 2023 figures declined 5.9%, according to the Spanish Spirits Association. The cost of living crisis, alcohol price rises and changing consumption habits are listed among the potential causes. Consumers still drink more outside the home, but Nielsen IQ data show on-premise demand for alcoholic beverages dropped 1.4% last year.

As well as this challenging trading environment, Madrid’s hospitality sector is nav-



Left to right: ‘People are drinking vermouth again’, says Zecchini’s director; La Caníbal craft beer and natural wine bar; and Diego Cabrera at his bar Viva Madrid

Madrid since the 1940s, says: “People are ordering vermouth again, but what has changed compared with the ‘60s is that it’s no longer an aperitivo drink to have on Sundays after Mass. People have it through the day, on tap, mixed in cocktails... Vermouth consumption has risen in general.”

Large drinks groups like Pernod Ricard Spain, which added its first local vermouth brand, St Petroni, to its portfolio in 2020, are taking notice. “Vermouth is having a boom, not only in Madrid, but globally,” says Cabrera. “Proof of this is the emergence of many new vermouth brands focusing exclusively on mixology.

“Using a good vermouth for your cocktails is no longer enough; you need to choose the best one for each cocktail. Bars are ensuring they stock vermouths that stand out — we make our own — and offering good vermouth on tap makes a difference.”

in Madrid — Mahou San Miguel and Heineken España. (Spain’s other big global player, Estrella Damm-maker Damm, is headquartered in Barcelona).

Meanwhile, craft beer is gaining ground — data from the Spanish Association of Independent Craft Beer Producers (AECAI) shows there were just 70 artisan breweries in the country in 2020, while a decade later there were 420. In the capital, craft beer is more widely available in the on-premise than previously and several specialist bars have opened their doors — in addition to La Caníbal, highlights include Fábrica Maravillas (the only brewery in central Madrid) and La Tape.

“[In Madrid,] beer was just something light and refreshing for the summer; now youngsters want to distinguish themselves and are looking to discover new brands,” says La Caníbal’s Campillo.

igating structural changes as on-premise venues join forces to maximise opportunities and the focus switches to the premium drinks sector.

“In the city, there are barely any independent spots anymore — bars and restaurants are grouping together,” says Álvarez. “For brands, it’s not the same to negotiate with just one bar as it is with a group of 30. Additionally, most new bars opening these days have a focus on the premium segment linked to premium spirits and a strong emphasis on their cocktail lists.”

Cabrera believes cocktails may soon rival beer and wine in food pairings in Madrid and beyond. The key lies in working with local producers to expand the creative cocktail offer.

“The more creative we become, the more unique we’ll be,” Cabrera explains. “I am convinced that this will set the mixology course in the coming years.” **GDI**



VIEW FROM THE ON-PREMISE

Charlie Mitchell

Authentic, disconnected connections — the future of the on-premise?

With digital platforms and social media increasingly shaping how, why and when we connect, should the on-premise be the sector in which we disconnect digitally and immerse ourselves in the art of experience?

Every now and then, a chart goes viral and for a fleeting moment a good graph hogs the limelight. That is what happened recently, when a chart about love hit our feeds. You might have seen it. It documented the ways in which people met their potential spouses over the past 100 years.

Back in the 1930s introductions through family topped the list, but as time went on and familial structures evolved, the influence of friends and co-workers increased, pushing family introductions down to fourth. In third place were bars and restaurants — which in the 1990s accounted for over one in six encounters between future partners.

Fast forward to 2007 and a new player entered the game. The world of online dating began to dominate, overtaking the on-premise and rapidly grew, to the point that it now dwarfs all other ways in which we meet partners.

All this begs the question: in a new world in which connections are happening digitally, what is the role of the on-premise?

A sector which has, for centuries, existed purely to facilitate in-person interactions is potentially at risk, given that this is increasingly occurring virtually.

In practice, this has fundamentally altered the role of the hospitality sector and shifted the focus away from bringing people together into the very core of the sector itself; being taken care of and having a good time, or, put simply, hospitality and experience. Encase this core with a sense of human connection and socialisation and it creates something far more powerful than any digital platform can.

In fact, one may argue that this sector, more than most, has already embraced (and benefited from) the new world of virtual socialising. Those best-in-class hospitality experiences no longer solely live in the present moment, but instead are shared, amplified and augmented, utilising the exact digital platforms and social media sites that, on first glance, seem an existential threat.

It is in this context in which some of our top operators are thriving. In the UK, two London-based operators have caught the eye for their superior delivery of hospitality experiences.

The first, Inception Group, is behind the likes of Mr Fogg's and Cahoots. Its mission statement is all about "creating unique and memorable experiences" and it has curated venues that give consumers a reason to come and visit. They are themed (from a 1950s power station to a Margaret Thatcher-inspired 1980s nightclub), but the vibes are authentic, encouraging connection, either in-person, or to post to social media.

The second, Incipio Group, similarly promotes a sense of escapism and fosters unique, authentic experiences that will resonate both in-person and online. With a tagline of 'escape the ordinary', their objective is to "curate beautiful spaces with vibrant atmospheres for great times" through the likes of secret gardens and all-too-Instagrammable rooftop oases.

But in my hometown of Manchester, another exceptional operator is taking a different approach. Permanently Unique run the fabulous (and very Insta-famous) Tattu and Fenix venues — luxurious, elegant and modern drinking and dining experiences that hold just as much appeal with serious foodies as they do for the TikTok generation looking for some social kudos.

Their latest opening, Louis, is exactly what you would expect from a hospitality operator at the top of their game, with the experience dialled up once again amid a classic New York Italian-American theme, incorporating live music, tiered seating and, of course, the all-important social media-friendly décor.

Here comes the twist: Louis operates a no-phones policy. No snaps, no uploads. Regardless of how delectable the PB&J old fashioned looks, you ain't taking a picture. Want to record the big band and jazz covers? I'm sorry. And no, you can't video the exclusive trolley service "designed to elevate your dining experience to new heights of sophistication and pleasure".

Why is this? Well, it is to keep a sense of authenticity. To ensure that those hospitality experiences are pure, are lived in the moment and are a genuine escape. It allows for a much-needed disconnection from the virtual reality in which much of us live. Ironically, it allows us to connect.

Of course, the need for consumers to use the channel as a way to document experiences on social media will remain, but don't be surprised to see more venues following suit and providing offline, disconnected, authentic, in-the-moment experiences. **GDI**

Charlie Mitchell is research & insight director at CGA by NIQ. His Global Drinks Intel columns provide perspective from the on-premise, based on the most up-to-date and definitive data available. For more details, contact charlie.mitchell@cgastrategy.com



Cahoots Postal Office, the latest outpost of the Cahoots Scoundrels Network, opened last month



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