

global drinks
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FOR THE GLOBAL DRINKS EXECUTIVE | FEBRUARY 2025



**INTRODUCING OUR NEW
PRODUCT AWARDS**



Boulevard

BOULARD CALVADOS

A new stunning design
**FOR 200 YEARS OF
EXCELLENCE**



At the dawn of its 200th anniversary, Calvados Boulevard breaks with convention and unveils its new packaging - a bold reinterpretation of its heritage and a tribute to its history heralding a daring future. The world's finest Calvados, acquires a new stunning look, combining authenticity and modernity.

A design matching a unique character

The new packaging style reinvents the codes of elegance and tradition with powerful visual impact. Each detail has been carefully revisited such as the prominence of the gold and the white branded square, the emblem of Boulevard since the 70s. The matt black neck is reminiscent of the ancient iconic frosted Boulevard bottles and creates a striking contrast with the gold liquid. Further streamlining the bottle's allure, the packaging enhances each expression with a refined palette of colors, reflecting its unique character.

"We are proud to introduce this captivating new packaging, to mark the brand's 200th anniversary. This thoughtful redesign is a testament to our commitment to see Boulevard Calvados thrive for another 200 years." said Serge Der Sahaguan, CEO of Spirit France Diffusion.

www.calvados-boulevard.com



COMMENT

Joe Bates

Our new awards will highlight creativity and craftsmanship at a time when NPD has never been more challenging

Sadly, January lived down to expectations. Any optimism lingering within the drinks industry from the festive period was likely extinguished by continued economic instability in major markets, Brown-Forman axing almost 650 jobs to save US\$80m (see p13), and the threat of punitive tariffs as Donald Trump moved back into The White House.

Adding to the gloom were the countless social media posts doing the rounds on TikTok and X showing eerily quiet bars and restaurants.

Sorry, January, you won't be missed.

With the industry facing so many headwinds, can the traditional fillip of NPD save the year from the scrap heap?

This issue of *Global Drinks Intel* is brimming with exciting new launches: from the barrel-aged brilliance of Tequila Komos Reposado Cristalino to Nc'Neen's botanical barley spirit-gin. The drinks business still brims with creativity. But the path from new product development to commercial success can be complex.

The business case for investing in innovation varies widely from category to category, according to recent IWSR research.

While high-value sectors like single malt scotch thrive on a steady stream of new releases to sustain sales and engage consumers, others, such as RTDs and beer, face a tougher landscape where dominant incumbents make it harder for innovations to stand out.

Meanwhile, in categories like wine, both consumers and retailers often fa-

vour the status quo, leaving many new releases to fade into obscurity.

Flavour exploration is often hailed as the key ingredient in successful NPD and consumer recruitment.

Yet, as Luxardo export director Matteo Luxardo memorably puts it in Kristiane Sherry's excellent report on flavoured spirits (p22), predicting which flavours will strike a chord with consumers is a "mix of art, science and strategic insight".

In a rapidly deglobalising world with younger Millennial and Gen Z consumers spending many of their leisure hours siloed in social media echo chambers, the flavoured spirits market is, as Kristiane terms it, increasingly a "jigsaw of hyper-local microtrends".

A wider consumer pivot towards brands with a sense of place, authenticity and sustainability credentials is also fuelling the increasing popularity of local flavours.

More generally, the shelf life of many successful product innovations seems to be shortening, with company marketing teams scouring TikTok and Instagram for the latest trends, however fleeting.

Columnist Chris Tyas highlights two memorable recent examples on p10 — a *Squid Game*-inspired bottle label from Johnnie Walker and a limited-edition BrewDog beer can celebrating the 30th anniversary of the TV sitcom *Friends*.

Recognising the industry's ongoing challenges, *Global Drinks Intel* believes it is more important than ever to celebrate ex-



Image: iStock.com/Dan Patissey

cellence in product innovation. That's why we're thrilled to launch our inaugural New Product Awards. With liquids judged by leading mixologists and industry experts, alongside awards for outstanding design and packaging, these accolades aim to set a new benchmark in recognising the best the industry has to offer.

Our success with the *Global Drinks Intel ESG Awards*, now in their third year, has shown the value of focused and meaningful recognition in the crowded drinks industry awards arena. We're confident our New Product Awards will continue this tradition, providing an essential platform for brands to shine in an increasingly crowded market.

So is your latest product ready to take centre stage? Don't miss this opportunity to gain the recognition your innovation deserves. Turn to p7 to find out how to enter the *Global Drinks Intel New Product Awards 2025*, and let's raise a glass to the future of drinks innovation. **GDI**



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NEXT MONTH IN GLOBAL DRINKS INTEL...

The Europe Issue



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Our bumper March edition examines the current state of play for vodka, rum and sparkling wine in the European market, reports on the latest developments in wine packaging, and investigates the growth drivers behind alcoholic beverages in Spain. We also preview ProWein Düsseldorf and highlight the stands not to miss at this international trade fair for wine & spirits.

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News briefs

Catch up quickly on the global drinks stories that matter

COMPANY RESULTS

Constellation Brands reported flat sales growth in Q3 2024, reaching US\$2.46bn. This marked the end of a six-strong streak of quarterly sales rises as its wine and spirits division saw sales slide 14%. The Corona Extra brewer lowered its full-year sales outlook to between 2% and 5%.

Brown-Forman saw its Q2 2025 sales bump 3% to \$1.09bn after having posted two consecutive quarters of sales declines. However, the company flagged a 3% sales dip in its largest market, the US.

OTHER COMPANY NEWS

Brown-Forman announced a reduction of its global workforce, with almost 650 of its 5,400 employees expected to go. While costs from the move are expected to total between \$60m and \$70m, the brand owner estimates annual savings from the reduction of up to \$80m (see p13).

Diageo confirmed the closure of its UK-based Chase vodka and gin distillery, moving production to an undisclosed location. Local reports claim the namesake brand's full portfolio will be handled at Diageo's Camer-onbridge Distillery. The London-listed beverage giant was also linked to a divestment of its Ciroc Vodka brand after two years of consecutive double-digit declines.

Southern Glazer's Wine & Spirits was hit with a lawsuit filed by the Federal Trade Commission, claiming the US-based alcohol distributor uses "unfair pricing practices".

The **Spritz Society RTD** brand is set to up its presence in the US, thanks to a new distribution deal with Gallo. Spritz Society will hit the off-premise channels in Florida, Illinois, South Carolina and Texas ahead of a nationwide roll-out from March.

MERGERS & ACQUISITIONS

Australia's **Treasury Wine Estates** acquired majority ownership of Ningxia Stone & Moon Winery to build its presence in China. The transaction, valued at CNY130m (\$17.9m), saw the Penfolds brand owner take a 75% stake in the business.

The recently departed head of Campari



AI-generated Sammy Davis Jr and Frank Sinatra share a drink with Dr Dre and Snoop Dogg in a new ad for Still G.I.N.

Group, Matteo Fantacchiotti, agreed to become the chair of UK-based **Cygnnet Gin**, having purchased a stake in the company.

MARKETING NEWS

Heineken became the latest alcohol brand owner to partner with an English Premier League club as its Tiger Beer teamed up with Tottenham Hotspur.

AI-generated versions of American icons Sammy Davis Jr and Frank Sinatra were created for an advert in the US to promote **Still G.I.N. By Dre And Snoop**.

Campari Group leveraged what it calls the "Mediterranean approach" to alcohol in a new global campaign around responsible consumption.

The North American division of **Pernod Ricard** bolstered Jameson's ties with soccer, agreeing a marketing deal with Major League Soccer in the US and Canada.

GENERAL NEWS

The **Distilled Spirits Council of the United States** (Discus) called on US authorities to consider "the entire body of scientific research" before agreeing to calls for cigarette-style labelling on alcohol to highlight links with cancer.

PEOPLE ON THE MOVE

Praveen Someshwar was announced as the successor of **Diageo India** CEO Hina Nagarajan, who will step aside at the start of April. Someshwar is currently CEO of HT Media, which owns daily newspaper *Hindustan Times*.

The Duckhorn Portfolio followed its recent change of ownership with a change of leadership, with Robert Hanson taking over from CEO Deirdre Mahlan at the start of February.

Four months after vacating its CEO of Europe, Middle East & Africa and Asia-Pacific role, **Molson Coors Beverage Co** promoted its Western Europe MD Phil Whitehead to oversee operations outside North America.

Mast-Jägermeister lined up a change of CMO, with Dougal McGeorge preparing to take the recently vacated position. Wolfgang Moeller left the namesake liqueur brand owner after 12 years, almost seven of which were as global CMO.

Investment group **Kliro Capital Partners** reorganised its beverage alcohol assets, resulting in the creation of Fortitude Spirits Group. The investment group, which acquired UK-based spirits brand owner and distributor Intercontinental Brands in July last year, appointed Ed Cottrell as CEO.

Oregon's **Willamette Valley Vineyards** began its search for a new CEO as founder Jim Bernau implemented his succession plan. A "rapidly changing" wine industry has prompted Bernau to separate the president and CEO roles, with Bernau set to retain the former.

Carlsberg named Nikos Kalaitzidakis as its next regional executive VP for the Central & Eastern Europe and India regions.



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



global drinks **intel** NEW PRODUCT AWARDS

Global Drinks Intel is delighted to announce the inaugural New Product Awards for spirits.

“The inaugural *Global Drinks Intel New Product Awards 2025* celebrate the innovators shaping the future of the beverage alcohol industry,” says *GDI* chief operating officer & marketing director Kate Wake-Walker.

“In a time of ever-growing competition, these awards are dedicated to recognising excellence — from bold new products to masterfully crafted brand extensions, finishes and flavours. It’s about honouring creativity, craftsmanship and the drive to push boundaries.”

The awards are designed to recognise the very best spirits NPD, from completely new products to carefully crafted brand line extensions, finishes and flavours. They are open to any producer around the world with only two conditions: entries must be available commercially and have been launched in the last two years.

These are tasting awards and entries will be judged individually on merit.

New competition is an annual tribute to the creativity, craftsmanship and bold vision that drive the development of beverages in an ever-changing drinks market

Judging will be done blind by an independent panel of judges drawn from leading mixologists and industry experts, who will award Gold and Silver medals, as well as deciding the overall category winners. They are looking for products that embody excellence, originality and forward-thinking.

There will also be awards for best overall design and best packaging in each category (see box right), which are free to enter as part of a tasting award entry. The cost of entry is GBP145 (US\$177) per entry. Entries will open on Monday, 3 February 2025.

The winners will receive medals, plus widespread publicity with the results published in the November issue of *Global Drinks Intel Magazine*, and across all *GDI*’s digital platforms, which guarantees widespread exposure to the world’s leading buyers and importers.

The categories

- **Agave-based:** Tequila, Other Agave Spirits
- **Brandy:** Cognac, Armagnac, Eaux-de-Vie, Other Brandy
- **Fruit Eaux-de-Vie:** Calvados, Other Fruit Brandies
- **Gin:** Non-Flavoured, Flavoured
- **Liqueurs & Specialities:** Aniseed Flavoured, Bitters, Cream Liqueurs, Fruit Liqueurs, Other Liqueurs
- **Rum:** Non-Flavoured, Flavoured
- **Speciality Spirits:** Aquavit, Cachaça, Pisco
- **Vodka:** Non-Flavoured, Flavoured
- **Whisky:** American, Flavoured, Irish, Japanese, Scotch, Global
- **Low/No-Alcohol Distilled Spirits**

ENTRIES OPEN
Mon, 3 Feb 2025

ENTRY DEADLINE
Fri, 19 Sep 2025

JUDGING PERIOD
22–24 Sep 2025

RESULTS ANNOUNCED
Fri, 31 Oct 2025

Find out more at GDInewproductawards.com



New products

Take stock with our roundup of the latest drinks launches



Sazerac Co's Buffalo Trace Prohibition Collection

Stored in a wooden display case, the Prohibition Collection returns for a second year, featuring iterations of whiskeys that were permitted to be produced during Prohibition.

- American whiskeys; comprises Mirror Brook, Very Oldest Procurable (V.O.P.), Anderson's Belle, Old Fashioned Mountain Corn and Silver Wedding Rye Whiskey.
- On sale in the US since January.
- SRP of US\$999.99 per set of five 37.5cl bottles, available in limited — albeit unspecified — quantities.

Tesla Mezcal — Limited Edition

The Tesla-branded mezcal has been created in partnership with Nosotros Tequila & Mezcal.

- Mezcal, espadin joven; 43% ABV.
- On sale since mid-December online for domestic delivery in the US.
- SRP of US\$450 per 75cl bottle, specific quantities not disclosed.



Proximo Spirits' The Sexton 11yo Single Malt

This 11yo iteration — The Sexton's first line extension — debuted in Cork and Dublin airports ahead of a wider roll-out to global travel retail.

- Irish whiskey, single malt. Matured for "a minimum of" 11 years in ex-oloroso sherry French oak; 43% ABV.
- On sale exclusively in GTR since late December.
- SRP of EUR41 (US\$42) per 70cl bottle.

Suntory Global Spirits' Maru-Hi RTD

The brand owner's parent company, Suntory Holdings, is leading on the US roll-out of the new-to-market, "Japanese-inspired" RTD.

- RTD, malt-based, lemon-lime flavour, sparkling; 5% ABV.
- Launched in the US, initially in California, in January.
- SRP not disclosed, available in six and 12-pack 35.5cl cans and single 71cl cans.



Ardent Alcobeve's Dram Bell

Indian startup Ardent Alcobeve, which is co-owned by Rajasthan Liquor, has received investment from former England cricketer Kevin Pietersen. The company's strategy is to offer "bottled-in-origin" spirits to consumers in its home country.

- Scotch whiskeys, blended. Both Dram Bell Premium and Reserve (aged for five years) comprise mixes of malt and grain whiskeys; both at 40% ABV.
- Released initially in India's Maharashtra state last last year. Will "gradually" be released in "other key markets" in the north and south.
- SRPs of INR1,750 (US\$20) for Premium and INR2,450 for Reserve; both in 70cl bottles.



Heaven's Door Bootleg Series Volume VI

Heaven's Door Spirits has unveiled the sixth iteration in its namesake whiskey's Bootleg line, featuring artwork by co-founder Bob Dylan.

- American whiskey, straight bourbon, comprising 12yo, 13yo and 14yo wheated bourbons finished for an unspecified period in limousin oak cigar barrels; 46% ABV.
- In selected off-premise outlets and online in the US since late last year.
- SRP of US\$499.99 per 75cl ceramic bottle; limited to "fewer than" 5,000.



Garrard County Distilling Co's All Nations Kentucky Straight

Staghorn-owned Garrard County Distilling Co is relaunching its full portfolio, starting with this flagship expression of its Kentucky Straight that features updated packaging.

- American whiskey, bourbon, Kentucky straight; blend of 5yo–7yo whiskies; 48% ABV.
- Launched last month in the US, in Georgia, Kentucky and Tennessee.
- SRP of US\$39.99 per 75cl bottle.



Ryosan Legend 2012 Junmai Daiginjo Umami Grand Cru

Sendai Isawa Family Katsuyama Sake Brewery Co's highly limited-edition Double Umami Finish Sake is packaged in a case based on a traditional Japanese chest of drawers from the city of Sendai on the country's east coast.

- Sake, aged 12 years at -5C; 16% ABV.
- Geographic availability not immediately available.
- SRP of JPY1m (US\$6,420) per 72cl bottle; limited to 50 units.

Pernod Ricard's The Glenlivet 40yo

The 40yo is the oldest permanent line extension from The Glenlivet.

- Scotch whisky, single malt, Speyside; 40yo aged in ex-oloroso and ex-pedro ximénez; 46.9% ABV (cask strength).
- Available since mid-January online for worldwide delivery.
- SRP of GBP4,600 (US\$5,630) per 70cl bottle.



Stranahan's Founder's Release 12yo

Released to recognise December's formal definition for single malt American whiskey, Proximo Spirits' Founder's Release is "among Stranahan's highest age statements".

- American whiskey, single malt, Colorado. Aged for a minimum of 12 years in first-fill American oak with a portion finished for one to four years in ex-bourbon and ex-blond ale; 60% ABV.
- Available online in the US.
- SRP of US\$199.99 per 75cl bottle; limited release.



Stella Rosa Chocolate Hazelnut Cream Liqueur

Just over two years after extending the Stella Rosa Italian wine brand with a brandy, Riboli Family Wines has gone one further with a festive-targetted cream liqueur.

- Cream liqueur, chocolate and hazelnut flavour; 17% ABV.
- Debuted mid-December in the US.
- SRP not immediately available.



El Tequileño 65th Anniversary Extra Añejo – Limited Edition

El Tequileño is marking its 65th anniversary with a second release for its extra añejo iteration.

- Tequila, extra añejo. Contains a blend of tequilas matured for between three and four years in American and French oak.
- Rolled out to "select markets" in late December.
- SRP of US\$800 per bottle, limited to 1,000 units in total.



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



ENTRIES OPEN MONDAY 3 FEBRUARY 2025

global drinks **intel** NEW PRODUCT AWARDS

Discover more at newproductawards.drinks-intel.com



MARKETING TRENDS

Chris Tyas

Fomo marketing: How hard-working limited editions drive brand hype

One of the unexpected consequences of living in an era when everyone can be an influencer is how powerful product has become as a brand-building tool — especially in drinks marketing and the rise of the limited edition.

Historically, the blueprint for building a brand was to craft the biggest, shiniest TV ad you could afford, maybe throw in some billboards, and call it your ‘brand campaign’. Then you’d draw a line in your strategy document, with all the tactics used to drive sales, like sampling and retail promotions, sitting underneath — literally splitting the marketing strategy into above and below-the-line activity.

But the time has come to think differently about the role product plays in brand-building.

I say that as someone who’s watched probably more than 100 TikToks in the past month where creators review drinks — and exactly zero TikToks of creators pointing at their TV set critiquing an ad they’ve seen.

In a world where people love talking about products and watching others talk about them, limited editions become a no-brainer. No wonder there are so many around. But as they proliferate, brands need to be smarter than ever. Here are some recent examples that got it right.

Beyond a badging exercise

The smash-hit Netflix drama *Squid Game* returned on Boxing Day for a second series, and Johnnie Walker marked the occasion with a limited edition of its Black Label Blended Scotch Whisky (right).

The packaging design itself is fairly low-key, with the famous Striding Man brand mascot dressed in a *Squid Game* tracksuit instead of his traditional top hat and tails.

Where the marketing team has been clever is in tapping into *Squid Game*’s fandom: the bottles were assigned



numbers between 001 and 456 — echoing the contestants’ numbers in the TV show — with consumers invited to “pick their player” and maybe even seek out the bottle number of the player they’re backing to win.

The one with the can you’ll keep

Most drinks marketers are focused on appealing to younger consumers, so Brew-Dog’s Friends X Lost limited edition (right), celebrating the legendary sitcom’s 30th anniversary, might sound counterintuitive. After all, Gen Zers weren’t even born when their mums were begging their hairdressers for ‘a Rachel’.

But the trend for all things retro means young audiences know and love *Friends* almost as much as older ones, not only drawn in by the comedy, but also fascinated with the simple, pre-smartphone lifestyle it depicts. Which makes Friends X Lost a great way to attract younger consumers and build equity around a brand they feel incredibly positive about.

The themed *Friends* pub quizzes at Brew-Dog venues were a nice touch, as was the grand prize: a trip to — where else? — New York City. The beer itself sold out quickly too, and with *Friends*’ enduring popularity it might just become a collectible.

A newsworthy brew

No one will be surprised to learn there’s a big rise in alcohol-related accidents at stations and on board trains during the festive period.

Rather than rain on everyone’s festive parade, British train operator Avanti West Coast put the issue on the agenda in a far more productive way: by launching its own limited-edition, low-alcohol beer (top right).

Called Safety Thirst and created in partnership with Birmingham Brewing Company, the December launch was picked up by various national



newspapers, proving that you don’t need to spend a lot — or even be an established brand — to let your product do the marketing, as long as it’s topical and relevant.

Authentic storytelling

In the 1980s, Absolut Vodka signed a partnership with Andy Warhol, resulting in the iconic painting showing an Absolut bottle with brightly coloured, hand-drawn letters against a black background.

Few people knew, however, that Warhol also completed a second Absolut painting, this one in blue tones. It wasn’t until 2020 that this lost work came to light.

A rediscovered painting by one of the most famous 20th-century artists is a great story on its own. But if it’s a painting depicting your brand, it’s pure gold. That’s why, when Impero worked with Absolut’s owner Pernod Ricard on the marketing strategy for the Absolut Warhol Limited Edition (right), we made sure the authentic story behind it featured heavily.



Insatiable appetite for releases

With so many around, it’s tempting to ask if the strategy is too old hat and overused to be met with anything other than indifference by a public suffering limited-edition fatigue.

But the truth is influencers won’t stop wanting limited editions to talk about, so they’re a great opportunity for brands to build connections with audiences. And if they are driven by great stories and stand-out creative ideas, their talkability goes up and Fomo (fear of missing out) kicks in.

The real question is: If you don’t have a limited edition planned for 2025, what are you waiting for? **GDI**

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



On our radar

Five drinks campaigns cheering us into the new year

As we rolled into 2025, drinks companies looked to kick off the new year with a bang. From non-alcoholic promotions to reimagining Dry January, these campaigns caught our eye



Don't rush to judge Heineken 0.0

Amid surging global recognition of Dry January (see p40), Heineken's '0.0 Reasons Needed' campaign aims to shatter the stigma around not drinking alcohol. The Dutch beer giant's three TV adverts, themed around working, driving and dieting, question whether abstinence months are needed to opt for an alcohol-free choice. The message to consumers is clear: if someone goes alc-free, it doesn't matter why — it's their choice.



Timeless taste Tanqueray

Diageo has made a social media push for its Tanqueray Gin brand with its 'Classic or Nothing' campaign. The initiative debuted in the US ahead of the festive break with the aim of positioning the gin in "modern culture while staying true to its heritage". It is a bold declaration that some things never go out of style.

Nun-alcoholic beer Lucky Saint

UK-based Lucky Saint has brought back its trademark nun advert, which first appeared in 2019, to urge consumers to 'Drink Religiously'.

The latest campaign centres around the call to arms, inviting everyone to embrace the non-alcoholic beer not just this January, but all through the year. The brewer also activated



its 'Thou Shalt Go To The Pub' movement, giving away 100,000 pints of Lucky Saint.



Reimagined reset Athletic Brewing

The largest dedicated non-alcoholic brewer in the US has put its own spin on Dry January, reimagining it as 'Athletic January'. The campaign invites consumers to

rethink their routines and shift their focus to what they reap rather than what they relinquish. "There's nothing dry about it" stands as a powerful tagline as the brewer encourages mindfulness and moderation all year long.



Marquee signing Jameson

Pernod Ricard's Jameson Whiskey has partnered with UK-based Drinkaware and former professional footballer Jay Bothroyd to encourage people to better understand their drinking.

The official drinks partner of the English Football League promotes responsible drinking with a transfer-themed video campaign, in which Bothroyd dons a Jameson-sponsored Drinkaware kit to push football fans to check their drinking habits.



ESG roundup

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

ENVIRONMENTAL

Brown-Forman, Diageo and Suntory Global Spirits have joined in a five-year, US\$2.8m initiative in **the US** to help Kentucky's corn farmers implement regenerative farming practices. The Kentucky Distillers' Association-led partnership will support farmers by hiring additional conservation specialists to help them analyse data and implement environmental and economic improvements.

Also in **the US**, **Brown-Forman** achieved its initial sustainable agriculture goal of engaging with 100% of its direct farmers on regenerative agricultural practices. The brand owner is ahead of schedule in meeting the target, part of its commitment to a resilient and agile agricultural supply chain through long-term sustainability investments.

Kirin launched a service in **Japan** that predicts carbon stocks on farmland in its supply chains, as part of efforts to address Forest, Land and Agriculture (FLAG) emissions. The Kirin Supply Chain Environmental Program helps reduce greenhouse gas (GHG) emissions by promoting regenerative agriculture. FLAG emissions account for almost 25% of total GHG emissions.

In **South Korea**, **Lotte Chilsung** is working with maritime organisations to restore a sea forest in Chungcheongnam-do province. The Cultivate the Sea Forest project recently transplanted 10,000 carbon-absorbent sea-squirt plants in the waters of Tae-an-gun.

The Scottish Parliament has recognised a marine life restoration project launched by **Moët Hennessy's** Glenmorangie brand in the UK 11 years ago. Glenmorangie partnered with the Marine Conservation Society and Heriot-Watt University on the Dornoch Environmental Enhancement Project, which has been restoring a once-extinct oyster reef in the Dornoch Firth in **Scotland**.

SOCIAL

Heineken launched a global campaign to address the social stigma that can discourage younger LDA consumers from choosing no- and low-alcohol options. The '0.0 Reasons Needed' activation (see p11) is based on mindful drinking research by the University of Oxford which found that many young Gen Z adults feel a need to justify their choices, and would find it easier to choose no-alcohol drinks if their friends also did so.

The beer giant also relaunched its 'Route 0.0' streetcar activation in Toronto, **Canada**, as part of a campaign to promote alcohol-free enjoyment. For three weekends in January, the **Heineken** branded streetcar is touring the city's nightspots with live DJ sets and complimentary no-alcohol drinks.

In the **UK**, **Pernod Ricard's** Jameson Irish Whiskey brand partnered with alcohol harm charity Drinkaware on a campaign to promote responsible drinking within football culture featuring Jay Bothroyd (see p11). The former England international player is encouraging fans to take a free 'Drinking Check' online alcohol quiz to help them understand their drinking habits.

Pernod Ricard introduced its 'eLabel' for bottle labels in **Cambodia**, following successful launches in Singapore and Vietnam. The digital labels empower consumers to make informed choices by scanning a QR code to access detailed product information and recommendations for moderate drinking.

And in **Zimbabwe**, the group began an awareness campaign in partnership with **Mast-Jägermeister** to warn consumers of the hidden dangers of counterfeit alcohol. #BuyOriginal highlights the absence of safety standards in counterfeit or illicit alcohol, which often contain toxic chemicals and harmful substances like methanol.



An American Red Cross disaster relief worker surveys destruction in Southern California

GOVERNANCE

Bacardi and Molson Coors Beverage Co donated US\$100,000 each to relief efforts in **the US** after wildfires caused massive destruction across Los Angeles in Southern California. Bacardi's donation will support Red Cross relief efforts on the ground, while Molson Coors' funds will be distributed between several initiatives and projects, providing financial support to first responders and service industry workers.

Anheuser-Busch InBev's OB Beer unit donated KRW15m (US\$10,260) to the Bitgoeul Scholarship Foundation in Gwangju, **South Korea**, to fund college scholarships to foster local talent. OB Beer has been donating annual scholarships in Gwangju since 2003 and has contributed KRW655m (US\$450,000) over the last 22 years. The foundation has provided scholarships to nearly 6,000 local middle-school, high-school and college students during this period.

Finally, **Brown-Forman and Molson Coors** were both accredited for their workplace policies. In **Australia**, Brown-Forman was certified by Great Place to Work for the third consecutive year, while Molson Coors received Top Employer status for its operations in **Europe**, as well as several awards at a national level that included its 12th year of certification in **the UK**.



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Brown-Forman job cuts — prudent rightsizing or industry death cycle?

News that analysts view the shakeup as 'thoughtful, long-term oriented' decision-making will reassure not just Brown-Forman, but the spirits industry at large.

By **Henry Mathieu**

Jack Daniel's owner Brown-Forman started the year in consolidatory form, announcing it would reduce its global headcount of 5,400 by 12%, almost 650 employees.

The move, one of a brace of what the company described as "strategic initiatives for growth", has understandably been linked to not only the group's recent performance, but also the general state of the spirits industry in the US — Brown-Forman's biggest (and home) market.

First things first: there's a human element to this decision that should not be overlooked. There's never a good time to be told you're going to lose your job, but redundancies so soon after the festive period feels particularly harsh. That said, credit should go to Brown-Forman for being upfront about the matter.

On a purely mathematical basis, however, the announcement garnered an optimistic consensus among industry analysts.

'Perfect storm' ahead?

Examining the company's recent results, the workforce reduction appears somewhat drastic — flatlining sales from the six months to the end of October isn't actually that bad a showing for a spirits brand owner.

Indeed, Brown-Forman is by no means as deeply mired in the doldrums as some of its peers. Moët Hennessy, for example, was down 7% in sales terms in both the second and third quarters of 2024, while Rémy Cointreau slumped by 16% in the six months to the end of September.

Underlining the "drastic" claim yet further is the fact that, over the last ten quarters, Brown-Forman's average sales performance sits at 4%. Then there's the company's claim, made alongside its December results, that the long-standing pressure felt from overstocking by US distributors finally appears to be drawing to a close.

Evidence for the prosecution, however, is



The Jack Daniel's brand owner hopes to cut costs by US\$80m a year

starting to build — from the industry's recognition that today's consumer is more sensitive than usual to price, to the now-former US Surgeon General Vivek Murthy joining the phalanx of ever-louder anti-alcohol voices calling for cigarette-style health risk warnings on alcoholic beverages.

Throw in both the threat of import tariffs by the Trump administration and the disinterest in alcohol exhibited by younger LDA consumers, and spirits in the US could be entering 'perfect storm' territory in 2025.

Equity analysts have acknowledged the downbeat mood music for spirits in the US. "The pessimist would argue that [Brown-Forman's] announcement might imply that some challenges the spirits industry faces today are permanent, and is adjusting the business accordingly," Nadine Sarwat, an analyst at Bernstein wrote in a note to clients.

Indeed, speaking to *Global Drinks Intel* last month, Brown-Forman CEO Lawson Whiting sounded — for a fleeting moment at least — like one of those pessimists. "These are definitely some of the most challenging conditions that I have seen in my career," he admitted.

That said, Sarwat also offered a counter-view: "The optimist would argue that cost-savings programmes are a normal [and healthy] part of doing business for staples and that the announcement shows welcome proactivity by management.

"We lean slightly more positive on this news," she concluded. "One thing is for sure, though — regardless of today's news — Brown-Forman faces a long road ahead."

Also banging the upbeat drum was investment bank Citi, whose analysts view the restructuring "favourably, as a way to respond to the difficult external environment and protect profitability and earnings".

Elsewhere, analysts at Barclays, led by managing director Lauren Lieberman, credited Brown-Forman with making "thoughtful, long-term oriented decisions to support the growth profile of the evolved portfolio — not a knee jerk reaction to any recent short-term industry trends".

They also noted that the job cuts were "only the second large-scale RIF [reduction in force] in the company's history", the first round landing in 2009.

Sensible decision-making?

Another way to consider the move is reflected in Brown-Forman's divestment of the Finlandia Vodka brand (and subsequent exit from the volume-driven category) 19 months ago — just as consumers are choosing to drink less but better, are there grounds for brand owners to take the same approach with their employees?

That aside, it's clear that in the near term at least, the future for spirits in the US doesn't look great. Brown-Forman believes its actions — which also include closing the company's Louisville cooperage — will generate cost savings of up to US\$80m a year to plough back into the business.

If the investment community is right, rather than ringing alarm bells, the brand owner's bold move should be seen as a sign of sensible decision-making. **GDI**



CEO Lawson Whiting: 'Challenging conditions'

Where do you sit within the founding family and in the company's history? The company was founded by my grandfather, although the family used to produce syrups and liquors before that. I'm the third generation for MG Destilerías, but the fifth in making alcohol.

It feels like MG has expanded quite rapidly in recent years. Our initial brand was Gin MG, which has been very popular in Spain; in the 1970s, we were selling around 400,000 nine-litre cases a year. Since then, the market's become much broader with many more gin brands.

As well as being experts in gin, we've been involved in rum for a long time — we started importing Havana Club into Spain in 1993, and bottled the rum for Europe from 1993 to 1997. When I joined the company, I saw that the MG brand was very popular, but the market was very competitive. So we started to create more brands.

How do you keep gin fresh, when you're based in the category's most mature market? In 2008, we created Gin Mare and launched in 2010. That was a very good time for the gin market in Spain — and for the rest of Europe — thanks to the category exploding. That lasted for about ten years; now, the category is very saturated. There are around 400 gin brands in Spain at the moment — it's crazy.

Gin is the origin of our company, so we still believe in the category. In this sense, we aren't a company that takes notice of the category's trends. We still invest behind our gin brands in Spain. When a category isn't flourishing, I believe that there is an opportunity to grow.

Why did you sell Gin Mare [in 2022 to Brown-Forman]? I prefer to say they came to buy Gin Mare! I think it's a lovely brand with an authentic, original DNA. But sometimes you cannot say no.

Did the departure of Gin Mare create a gap in the category for MG? Not in operational terms, because we still produce and bottle Gin Mare, but in terms of sales, marketing and distribution, yes. But we now have more time to focus on the brands in our portfolio that we believe in.

Late last year you launched a high-end, limited-edition expression from your gin brand Le Tribute. What do you think is the opportu-



Manu Giró: 'We now have more time to focus on the brands in our portfolio that we believe in'



with MG Destilerías CEO Manu Giró

Founded 190 years ago, family-owned MG Destilerías has grown beyond its gin origins. **Olly Wehring** chats with CEO — and family member — Manu Giró to learn more about the Spanish group's past, present and future

nity at gin's premium-plus end? It's quite niche, but we wanted to bring some new news to the category. It's more for competing with whiskies, really.

The company also has its own Cuban rum brand. With our knowledge of Cuban rum through the Havana Club partnership, we developed and launched Santísima Trinidad de Cuba six years ago in a 50/50 arrangement with the Cuban government.

We think Cuba has a lot to share with the world — it's a lovely country that's been frozen in time.

What opportunity did you identify that Havana Club wasn't filling? Rum from Cuba is quite heavy, because it contains a lot of aguardiente, which is distilled at a lower temperature. That means it's not as easy to drink. What we've tried to do with Santísima Trinidad is create the first light Cuban rum. We use a special process with the aguardiente to hold its strong flavour.

The brand is available around the world — Spain is a market that we know better,

but the ambition for Santísima Trinidad is international.

Also in rum, we acquired 50% of Ron Barceló in the Dominican Republic in 2000.

Do you have an appetite to grow the company in other categories? We bought the Coppa Cocktails brand last year. It's a very attractive brand — not only does it cover both topical and classic cocktails, it's also in a category that has been growing in recent years. Coppa is one of our bets for the future; good quality and very convenient for today's consumers.

Surely you want to add a tequila to your portfolio? I think it's a little bit late to join tequila! The best time was probably around ten years ago. The category is growing a lot, but it's starting to get a little bit saturated in some markets. It's very expensive to enter today. We're a bit late, but tequila's a good category. **GDI**



Read the full version of this interview at www.drinks-intel.com

AI-driven trends to transform social drinking in 2025, says Diageo

Drinks giant's *Distilled 2025* report also finds younger consumers want to drink in moderation and are increasingly willing to spend more money on unique experiences

Zebra striping, one-off experiences and AI integration are among the trends shaping how people will drink and socialise in the year ahead, according to Diageo's *Distilled 2025* report.

The now-annual report debuted last year, recognising five macrorends shaping global consumer behaviour: neo-hedonism, conscious wellbeing, expanding reality, collective belonging and betterment brands.

This year's study looks more deeply at these key trends, examining how they have evolved, identifying microtrends and predicting what will happen next.

"People socialising goes back thousands of years — by tracking how it evolves, it helps us, and our brands, stay deeply connected with consumers," said Diageo CMO Cristina Diezhandino.

The AI-driven study utilised Diageo's Foresight System — developed with data and insight partners Share Creative and Kantar — to track and analyse more than 160m online conversations between July 2021 and July 2024. It found that in 2025 we will see a further rise in consumers:

■ Practising moderate drinking by zebra striping — alternating between alcoholic and non-alcoholic drinks.

This reflects the broader rise the report uncovered in online conversations around self-care, wellness and slower social interactions: a 79% year-on-year growth in discussions around 'decelerated occasions' (one of the largest increases identified) and a 37% rise in discussions around 'celebrating self-love'.

■ Spending more time and money on single unique products or experiences — or making the most of 'one night only' to create once-in-a-lifetime memories.

The report found conversations about making the most of unique products and events have risen 83% year on year (5.6m conversations) alongside a 42% increase in



Zebra striping is practiced by nearly a quarter of UK drinkers in the on-premise, according to Kam Media

consumers talking about alternative social spaces such as virtual reality gaming lounges, hybrid physical-digital venues or pop-up bars — all offering new ways for people to connect and socialise.

■ Integrating AI into their daily lives.

As AI evolves, finds the report, it will likely become a more trusted aid in navigating daily choices. This is already being seen through everyday consumer applications — from banking digital assistants to fitness apps with personalised training plans and real-time health insights — transforming the relationship between consumers and brands as a result.

A big step up from enabling better banking, conversations around AI-enabled relationships have risen across every region globally — 83% worldwide with the largest growth in Europe (96%) and North America (91%). This shows consumers are engaging with advanced AI companions that can maintain long-term relationships with humans, moderate their emotions and induce purchase.

■ Seeking deeper connections in online and offline communities.

The report shows a 121% surge globally in discussions about connecting passionate fandoms — over 32m conversations and

the highest conversation increase identified. Markets such as LAC (Latin America and Caribbean) and North America saw increases of 135% and 126%, respectively.

On the flipside, consumers are craving that human touch in a world where technology is everywhere. Finding 'your people' has never been more important, says the report.

As social platforms multiply, consumers are building 'tribes' more creatively, whether that's linking up with K-pop fans online or joining local activism groups making real change. It's way beyond clicking 'like' — these are deep connections where people show up for what they believe in.

■ Demonstrations of local love.

A growing sense of local pride in many regions around the world is leading consumers to be on the lookout for hyper-locally produced products, reflecting a desire for authenticity and quality over quantity.

Connected to this is the concept of 'local wealth', a newer trend emerging from the wider conversation on sustainability. There has been a 59% year-on-year growth in these conversations, with them being particularly pronounced in regions like Africa (85%).

In Europe, it is manifesting itself via consumers increasingly buying goods second hand, indulging in thrift store challenges or using websites like Vinted.com **GDI**



Padre Azul agave fields in the Amatitán Valley in Jalisco, Mexico. The alkaline soil is high in basalt, which gives the tequila distinctive vanilla and pineapple notes

‘Tequila is no longer just a North American darling, it’s a global spirit’

The tequila category’s success has been built squarely on the huge US market but, as demand there softens, brand owners are looking further afield for future growth. **Richard Woodard** examines their global strategies

While tequila has been the biggest success story of the 21st-century spirits market, that status has always been accompanied by a significant caveat: the fact that the US accounts for more than 80% of export volumes. The next-biggest markets — Spain and Germany — can’t even muster 2% each. Now, as the agave boom ends in North America, could that be about to change?

Brand owners are certainly talking a good game. “While the US continues to be a crucial market, the cooling demand for tequila underscores the necessity for a diversified global growth strategy,” says Michael Merolli, CEO of Pernod Ricard’s House of Tequila, encompassing brands including Altos, Olmeca, Avión and Código 1530.

“By expanding our portfolio in high-potential markets across Europe, Asia and Latin America, we can tap into the increasing consumer interest in premium spirits, extend our geographical footprint, and drive growth while leveraging the strength of the Pernod Ricard distribution network

and the existing positive footprint of our tequila brands in these markets.”

Padre Azul founder Hans-Peter Eder sounds a similar note. “In the light of the US tequila market’s recent demand slowdown and ballooning inventories, it is increasingly important for Padre Azul to diversify geographically,” he reports.

“While the North American market remains critical for us, we see 2025 as a pivotal year to accelerate our efforts in Europe and Asia. By focusing on international expansion, we are both mitigating risk from a single core market and leveraging opportunities in regions where consumers are now embracing tequila at an early stage in the category’s development.”

Early days it may be, but tequila is already posting some impressive numbers. Hendrik Schatz, chief marketing officer at Stock Germany, owner of Sierra Tequila, highlights IWSR data showing that tequila volumes in Europe grew by 49.9% between 2019 and 2023; in APAC and Africa/Middle East, the trajectory was even steeper, at

Top 5 takeaways

- As the US tequila boom ends, brand owners are eyeing export markets across Europe, Asia and beyond to fill the void.
- Recruitment into the category could be aided by the presence of tequila-based liqueurs with approachable flavours and lower alcohol.
- While the margarita remains a key tequila cocktail, the bitter flavours of the paloma are resonating with consumers, especially in Southern Europe.
- Consumers in more developed markets are already beginning to progress from cocktails to neat consumption of añejo and extra añejo tequilas.
- However, some brand owners believe that the category needs to be established at scale before pushing luxury products.

61.2% and 85.7%, respectively. This growth has occurred off a small base but, as Schatz says: “In these regions, tequila is just taking off.” »

» Potential is spread across a range of markets. “We are seeing the continued emergence of premium tequila across Europe, and we’re excited about the potential in Asian markets, particularly China, where the younger generation is engaging more with mixable spirits,” says Chris Richards, global marketing director of Varnos Drinks/Cazcabel Tequila.

Recruitment, he adds, is aided by the presence of flavoured Cazcabel tequila liqueurs, which can drive trial among wary consumers. In similar fashion, Stock has been pushing a new Sierra variant over the past 18 months: Sierra Tropical Chilli is an 18% ABV liqueur combining flavours of chilli and tropical fruit. Schatz says: “Consumer response to Sierra Tropical was fantastic, and the product has helped to recruit new consumers to the tequila category.”

The paloma opportunity

Pernod Ricard’s House of Tequila offers a diverse portfolio of products capable of tapping into a range of different market trends, from premium brand Olmeca through super-premium Altos to Avión and ultra-premium Código 1530. Merolli detects a growing appreciation for 100% agave tequila and for cocktails such as margaritas, palomas and twisted negronis and martinis.

“This shift is evident in markets like the UK, Italy and Australia, where consumers now view tequila as a premium spirit meant for savouring neat or in sophisticated cocktails, rather than as a low-quality shot,” he says. “Additionally, there has



On-trend flavoured extensions, like Sierra Tropical Chilli (above), can help recruit new consumers



Patrón paloma: The Bacardí brand is one of many tapping into the popularity of the cocktail

been a rise in the consumption of paloma cocktails, which are grapefruit-based, due to the bitter flavour, especially in Southern Europe, mainly in Italy, Spain and Greece.”

This latter trend is also identified by a Diageo spokesperson, who explains: “In Europe, we identified that the paloma was an emerging cocktail of choice for bartenders and brand ambassadors. We jumped on this by showcasing the Casamigos paloma across Europe, including in Great Britain, through huge activations at various events such as the British Summer Time Festival and All Points East.”

Bacardí’s Patrón is also eyeing opportunities in Europe, Asia and Latin America. Ariel Suffern, VP of international markets for the brand, says 2025 will be a year of “balancing and expanding our global footprint”, adding: “Spain, in particular, boasts a substantial and influential Mexican community that significantly contributes to the evolution of tequila. The country also features a sophisticated and refined on-premise sector, particularly in cosmopolitan cities like Madrid and Barcelona.”

Jimadors in the Cazcabel agave fields just outside Atotonilco El Alto in the Jalisco Mountains, Mexico

Top 15 Tequila Export Markets 2024 '000s of Nine-Litre Cases

	1. United States Market Share: 83.3%	37,192.97 ▲ 4.1% vs 2023
	2. Spain Market Share: 1.9%	849.31 ▼ -7.9% vs 2023
	3. Germany Market Share: 1.8%	806.44 ▼ -9.9% vs 2023
	4. Canada Market Share: 1.4%	635.92 ▲ 23.8% vs 2023
	5. United Kingdom Market Share: 1.0%	440.58 ▼ -27.7% vs 2023
	6. Japan Market Share: 0.9%	423.80 ▼ -0.8% vs 2023
	7. France Market Share: 0.9%	397.00 ▼ -42.7% vs 2023
	8. Italy Market Share: 0.9%	387.39 ▼ -19.3% vs 2023
	9. Australia Market Share: 0.6%	265.50 ▼ -29.2% vs 2023
	10. Colombia Market Share: 0.5%	223.09 ▼ -43.0% vs 2023
	11. China Market Share: 0.5%	208.43 ▲ 21.1% vs 2023
	12. Panama Market Share: 0.5%	202.77 ▲ 63.4% vs 2023
	13. Netherlands Market Share: 0.4%	190.66 ▼ -30.5% vs 2023
	14. South Africa Market Share: 0.3%	139.79 ▼ -43.9% vs 2023
	15. India Market Share: 0.3%	129.00 ▲ 9.3% vs 2023
	Rest of World Market Share: 4.9%	2,180.68 ▼ -17.0% vs 2023
	Global Total Market Share: 100.0%	44,673.31 ▲ 0.2% vs 2023

Source: *Global Drinks Intel* calculations based on Consejo Regulador del Tequila (CRT) data.

Notes: 2024 figures were taken on 6–7 January 2025 and may not be full-year for all countries – judging by the declines. Russia may still be a top ten market if shipments to Latvia are taken into account, although there was a steep fall in 2024.

Local market nuances

While tequila has potential in a host of markets, brand owners are cognisant of the need to adapt their strategies to local conditions. “While North America is driven by younger, aspirational drinkers, international markets often see an older, more »



» affluent consumer who's already familiar with premium spirits and ready to expand their repertoire," says Christophe Hermet, international marketing director at Casa Komos Brands Group (CKBG), owner of Tequila Komos.

"Consumption occasions differ too. In Europe, we initially saw people enjoying tequila in high-end cocktails, but now see people enjoying them as a digestif, as they would a cognac. In Japan, the focus is more on deliberate, neat enjoyment."

The sense is that, in the most developed markets, some consumers are already moving beyond cocktails to neat consumption. Padre Azul's Eder reports a similar progression — alongside new shot variations at high-end ski resorts in the Alps — while Patrón's Suffern predicts a "continued but accelerated shift" towards aged expressions and more sophisticated consumption habits.

The obvious temptation is to try to globalise the success of ultra-premium tequila in the US, but Cazcabel's Richards is wary of moving too fast here. "The tequila boom in more super-premium products in North America only happened once the category was established and there was consumer understanding of the category," he explains. "I believe the biggest opportunity lies in establishing the category at scale in global markets before there is a push for luxury products."



Clockwise from top: ultra-premium brands Pernod Ricard's Código 1530 and 'hyper' US-focused Mijenta; super-premium Padre Azul; and entry-level Cazcabel, whose range includes flavoured tequila liqueurs

For this reason, ultra-premium brand Mijenta remains "hyper-focused" on the US market, according to CEO Michael Dolan, who says: "We take a very targeted approach with international markets, which are a few years behind where the US is in terms of category maturity."

"Overall, there is a bit more price sensitivity, so we're focused on winning in the

top end of the on-trade as we enter key cities around the world."

In this rarefied part of the market, the focus is not so much on countries as individual cities and the finest bars within those cities. "A few key places where we've found that Mijenta resonates include London, Madrid and Barcelona, Amsterdam, and Dubai, all of which have thriving bar cultures," Dolan explains. "We're also gaining more traction in resort areas across Central America and the Caribbean, which we see as another ripe area for growth in tequila consumption."

Going global

The transformation of tequila into a globally significant spirits category will take time, money and energy, but brand owners are sounding increasingly confident and determined that it can and will happen.

"Given tequila's versatility and the wide array of options available — from silver to reposado and añejo, to the diverse price points — it has the potential to surpass the popularity of gin," says Bacardi's Suffern.

"Tequila is no longer just a North American darling, it's a global spirit," adds CKBG's Hermet. "We're finding the world is increasingly curious about high-quality agave spirits, especially in Europe and Asia. With continued education and increased availability, tequila will achieve a global cultural footprint similar to whisky or cognac." **GDI**

Is celebrity tequila on the way out?

Even as brand owners focus on building the tequila category around the world, many of them — including Mijenta Tequila CEO Michael Dolan — remain "hyper-focused" on the US market.

Given that IWSR projects a CAGR of more than 10% for ultra-premium tequila here through 2028, that's hardly surprising. "Looking at sales data from another angle, the other thing we see is really a tale of two cities in the category," says Dolan. "On the one hand, sales of celebrity tequilas are falling off dramatically. At the same time, additive-free brands [including Mijenta] are growing at ten times the rate of the tequila category overall."

This victory of substance over style is echoed by Christophe Hermet, international marketing director at Casa Komos Brands Group (CKBG), owner of Tequila Komos, who reports consumer "fatigue" around celebrity driven tequilas.

"That's why we are leaning into thoughtful marketing and focusing on value, not just price," Hermet explains. "That means amplifying our story. We are doubling down on our commitment to sustainability with our Komos Foundation, where we are using waste from agave production to build schoolhouses in Tequila, Mexico."

The foundation repurposes agave waste into adobe bricks, which are used to build local infrastructure. The charity recently opened its first completed schoolhouse in Amatitán, and plans to build six more in the region during 2025.



On our radar

TEQUILA The growing maturity of the category around the world is reflected in a raft of new product launches and marketing activity from brand owners large and small



Tequila Komos Reposado Cristalino

Casa Komos Brands Group has unveiled a new GTR exclusive, Tequila Komos Reposado Cristalino, aged for six months in ex-red and ex-white wine casks, then filtered through charcoal and gently aerated to create a softer, smoother mouthfeel and to add richness and roundness. The packaging — a metallised silver ceramic bottle — aims to evoke the Mediterranean.



Padre Azul Artist Edition

In late 2024, Padre Azul launched its latest small-batch Artist Edition Joven Tequila Blanco — an annual release, this year in collaboration with Benji Rodriguez, a rising star in Mexican contemporary art. The 3,000-bottle release donates a proportion of its sales to the Ramon Por Vida Foundation, helping Mexican communities in need.



Patrón El Alto expands

Bacardí-owned Patrón is about to launch luxury expression Patrón El Alto in select markets in Western Europe (the UK, Spain, France) and AMEA (the UAE, Australia, Bali). The expansion — coming two years after El Alto was introduced in the US — reflects the company's conviction that these markets are now ready to embrace prestige tequila.

Olmeca limited edition

Pernod Ricard's premium tequila brand, Olmeca, introduced its first global limited edition in autumn 2024, said by House of Tequila CEO Michael Merolli, to evoke "mystical *tonas* and *nahuales*". Available in all markets where the brand has a significant footprint, the limited edition was created in collaboration with Oaxacan workshop Inspiración de mi Vida.

Sierra Antiguo Reposado

Stock Spirits' Sierra Tequila has expanded its offer with Sierra Antiguo Reposado, a 100% agave expression created in partnership with a team from two German bars — Friedrich in Heidelberg and Hagestolz in Mannheim. The new Sierra variant was launched at the Bar Convent Berlin event in October 2024.





Bushmills' higher age statement offerings pair with its original blend to target both ends of the price spectrum

Q&A with Proximo Spirits MD EMEA, APAC & GTR *Shane Hoyne*

How did you get to where you are today with Proximo? My whole career has been in the alcohol industry, starting with Heineken in Ireland and then to the head office in Amsterdam, before five years in the US. I moved to William Grant & Sons when it acquired Tullamore Dew [from C&C Group in 2010] and got that whole entity up.

I followed that with two years as Europe CMO with Bacardí, where global travel retail was in my remit. After that, I went to Quintessential Brands, again as CMO. For the last three years, I helped set up and establish Mijenta Tequila around the world with Mike Dolan.

I joined Proximo in June and I'm really pleased to be here. It's a phenomenal company with an incredible portfolio of brands that lean into where the industry is going, especially in tequila.

Which brands are leading the way for Proximo in your markets? We have three principle categories: tequila, Irish whiskey and spiced rum, which is The Kraken. They have all been in growth.

The Kraken is focused on the UK and Australia and has become a very big player in spiced rum in those markets.

Our real growth engine over the last four or five years has been tequila — the global appetite has grown, as has consumer knowledge and demand. Proximo is at the front end of that, with a portfolio like nobody else's, from an entry tequila through to ultra-premium. All our tequila brands have

Industry veteran Shane Hoyne started his career in alcohol with Heineken in 1999; spells at William Grant, Bacardí, Quintessential Brands and Mijenta Tequila followed. Last year he joined Proximo Spirits. It's a 'phenomenal company with an incredible portfolio of brands', he tells **Olly Wehring**

experienced significant international growth. Jose Cuervo Especial and 1800 have globalised footprints, and then there are geographical pockets of good performances. We're fortunate that our portfolio is so well-structured, no matter where the consumer is on their tequila journey.

Irish whiskey continues to grow. Our work to evolve Bushmills into single malt has pulled the brand away from the category's traditional structure, which was dominated by blends — although we also have blended offerings with Bushmills Original and Black Bush. We've just launched the oldest-ever Irish single malt in Bushmills 46yo, and we're also innovating with a limited-edition 26yo crystal malt made using a unique malting process for Irish whiskey.

In a way, we're very deep in tequila and expansive in Irish whiskey. We don't have a wide portfolio in my region, but we're quite focused.

Does that work for you? It's worked so far!

Do you look at other spirits categories with a sense of Fomo [fear of missing out]? It's in the DNA of everybody who works in the spirits industry to constantly look at other categories — everyone's always looking at



Shane Hoyne has spent his entire career in the alcohol industry, starting out with Heineken

something. We're pretty happy with where we are.

Looking to the future, we're really well-positioned with our range of mezcals [400 Conejos and Creyente], which we're starting to give more consideration to in my region. Mezcal is small, but continues to grow off the back of greater understanding of the category. We also have a ➤

» range of American single malt whiskies (which includes Stranahan's), which we're now starting to explore the opportunity for internationally.

In the realms of what we do currently, the focus on tequila and Irish whiskey keeps us pretty occupied.

Do you feel any internal pressure to kick on in tequila internationally? The significant scale that tequila has grown to in the US isn't linked in any way to what's happening internationally.

We all know that what happens in the US influences a lot of trends in many international markets, but the category is so young outside the US and Mexico. There are two completely separate dynamics. In some markets, the energy's at Jose Cuervo Especial level, but in others, the energy's at 1800 and above. I would struggle to connect the two dynamics.

From a company perspective, we see a lot of headroom in the US for tequila that we're well-positioned to play in. There's also significant headroom internationally, and we're in as good a place as we could be to tap into that. It's about being choiceful about which brand we want to focus on in which market, based on where the category is at and where it's going. We spend a lot of time thinking about that.

We've been very successful so far, with a good roadmap ahead. I can't claim any of the credit yet!

It sounds like you've got an easy gig! The word 'easy' has never entered my mind in this industry. If you think something is easy, then you're missing something!

I was really excited to join Proximo. In my time with Tullamore Dew, I could really appreciate where the Irish whiskey category could go. Even so, I'd never use the word 'easy'.

Specifically in GTR, where does the Jose Cuervo brand sit, when Proximo has plenty of premium-plus brands it can play with? The key for us is to provide a solution for passengers who are going through an airport. They have different need states and we need to make sure we're lining our propositions up against each one.

Jose Cuervo Especial is there for someone who wants a tequila to have fun with their friends. We need to make sure we have an activation and the education in place. Further up the triangle, it's much more around education. Cristalino, for ex-

ample, accounts for 25% of tequila sales in Mexico, but it's relatively unknown internationally. We're starting to grow our cristalino footprint, but we need to educate our passengers.

Which need states have you identified that need working on? The work we need to do is around the differences in the key styles of tequila. It's, why are the styles different? How do you drink them? What's the occasion?

For a relatively simple tequila-based drink, such as the paloma or margarita, we offer specific packs that give the educational notes. For more traditional tequila serves, we've got that well-covered in how we educate and inform consumers.

Further up the price ladder, if you're a connoisseur, you know that when you go to certain travel retail stores, you can find the best spirits available. A part of everything we do is to have the best tequilas in the world available. That's always been important for us, as a company with our heritage, our mission in tequila and our global presence. We're really proud that we can do that.

For Proximo, is the GTR channel proving resistant to the wider economic climate that's affecting domestic performances for beverage alcohol? We're well-placed in the current economic environment, because we have a range that goes from core propositions at accessible price points all the way up to luxury offerings — in travel retail, we continue to see growth at both ends.

With Bushmills, for example, we have Bushmills Original, which does a really good job at an accessible price. Equally, we have higher age statements that sit in the luxury areas in GTR. If you have really good brands with really good liquid, it gives you the permission to cover both ends of the spectrum.

More broadly, what's the hardest part of your job? I wouldn't say it's hard, but when you're in an industry where there's so much opportunity for growth, it's important to be constantly choiceful about where you focus and what criteria you put in place.

I joined in June, so I'm still getting to understand it all. The team that [CEO] Juan Domingo Beckmann has built are all masters of their own briefs — they know exactly what they're doing. That gives me time to think about what we can do for the future.



'Jose Cuervo Especial is there for someone who wants a tequila to have fun with their friends'

What's the first data set that you look at in the morning? That's quite a multifaceted question! The scale of category growth is important. Tequila needs to be growing strongly on value; this is a category that will be driven by premiumisation. We need to ensure that we, as a company, are at the forefront of that growth, building scale and building value. We have a lot of conversations about how that happens. Irish whiskey is pretty much the same. Our strategy is to premiumise through our single malts, so value growth is really important.

If you ask anybody in any company, they'll probably give you the same answer — build scale, build value.

With Bushmills' single malt proposition, your competitive set must be larger than just the Irish whiskey category. Yes. By default, our ambition in Irish whiskey takes Bushmills into a broader competitive set.

Because tequila's at such a young development stage, the source of business is not that of a tequila brand. The category's attracting people that would have traditionally drunk vodka or gin, for example. We have a multi-vertical view of the world — that's the nature of the category as well. We look at the industry at a very broad level to understand how we grow in the future.

Proximo is publicly listed but majority owned by the Beckmann family. Who do you feel you work for? Juan Domingo Beckmann is my boss — and he's the CEO! **GDI**

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Predicting flavour trends is a ‘mix of art, science and strategic insight’

Flavoured spirits and liqueurs offer a fast-track to complexity, especially in cocktails. But can producers find consistency amid chequered trading conditions and an increasingly fickle consumer, asks **Kristiane Sherry**

When it comes to flavoured spirits and liqueurs, one thing is certain: that nothing is. From the breadth of offering to the speed at which trends emerge (hello, social media), it's a category that's difficult to predict, and even harder to manage an NPD line for.

Factor in the very real variance in geographic taste preferences and traditions, and it feels like the 2025 flavoured spirits market is a jigsaw of hyper-local micro-trends. While a few overarching themes prevail, the key takeaway is this: there's lots going on, but it's not always consistent.

The financial performance

The numbers speak to this patchy performance. According to IWSR data (see charts p24), flavoured vodka saw 3% volume growth globally in 2023, as did whisky. Rum, however, was flat. And within those key categories there were some surprising regional winners and losers. While India, the third-biggest market for flavoured vodka with a 13% share, saw sales soar by 21%, the US (a 35% share) witnessed 7% declines.

There were mixed fortunes for markets elsewhere. For flavoured whisky, Brazil posted a 34% increase, while others were flat or in low single-digit growth. Rum was the most unpredictable, with India (a stalwart for many categories) the only major market in growth. There were far more uniform declines elsewhere.

The beacon lighting the way for all is — unsurprisingly — the no/low-alcohol category. Yes, the base is far, far smaller, and the category's history barely a few chapters long (brand pioneer Seedlip was only founded ten years ago, see our interview with its founder on p38). But that doesn't take the edge off its rapid growth.

Globally, volume sales rocketed by 15% in 2023. Every major market aside from France saw strong double-digit growth.



Nemiroff believes 'single-note' flavours are a turnoff for modern consumers who prefer 'more depth and character', such as the Ukrainian brand's Burning Pear expression with notes of pear, honey and pepper

Even the US, the Achilles heel for many brands in recent times, posted 38% gains. With many dealing in flavoured variants, it's party time for no/low-alc makers — and one seemingly without a hangover.

For everyone else, there's a challenge afoot. "2024 was not easy," attests Benoit de Truchis, export director at drinks group Spiribam. The company's product portfolio spans rums, via its Saint Lucia Distillers,

and liqueurs with Joseph Cartron. There should be more momentum by mid-2025, De Truchis predicts. Others feel similarly.

But when there's inherently so much variation in flavoured spirits, how do you achieve cut-through? How do you even develop product when trend cycles are increasingly rapid? It's a fascinating conundrum. And one that brings in an array of wider cultural, environmental and commercial trends too. >>

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The fickleness of consumers

» “Predicting which flavours will resonate with an audience is a mix of art, science and strategic insight,” says Luxardo export director Matteo Luxardo. “It requires understanding consumer behaviour, analysing trends and anticipating shifts in preferences.”

Forecasting these shifts ahead of time is the tricky part. As an example, who saw the massive trend for cocktail floats coming until it took over TikTok?

Spiribam’s De Truchis is making a bet on the revival of cassis for the coming year. And why not? It’s brightly coloured, very easily mixable, sweet and tasty, and, importantly, relatively low-alc. “What we have noticed is fun,” he adds.

The vision? To hack a new way of drinking cassis, with the cassis crush a central serve. It’s simply cassis, lemon juice, sparkling water and a little salt — easy, eye-catching and with a broad appeal.



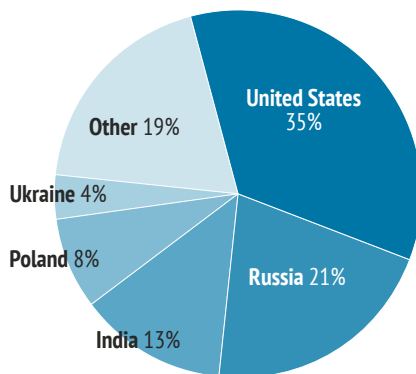
Cartron Crème de Cassis: Spiribam thinks a revival of blackcurrant liqueur will inject a little ‘fun’

Ukrainian vodka brand Nemiroff is taking a different approach, especially in markets that have yet to reach peak saturation. “While predicting trends isn’t easy, we’ve found that simple, single-note flavours have limited potential,” notes CEO Yuriy Sorochynskiy.

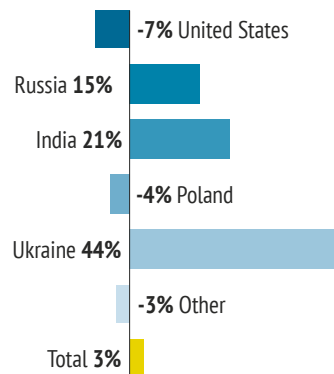
The theory here? That modern con-»

Top 5 Flavoured Vodka Markets

Market Share (Vol) 2023

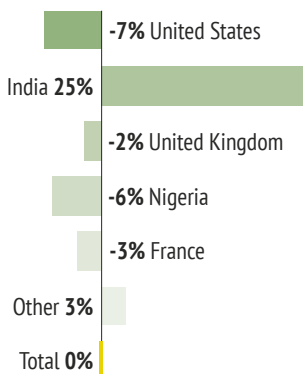


Chg Vol 2022–23

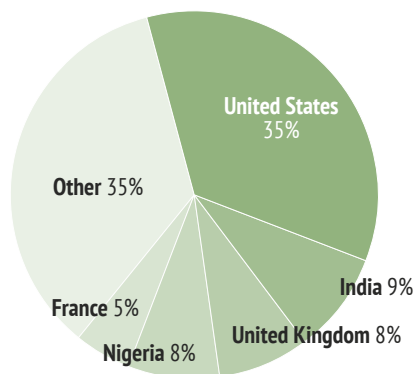


Top 5 Flavoured Rum Markets

Chg Vol 2022–23

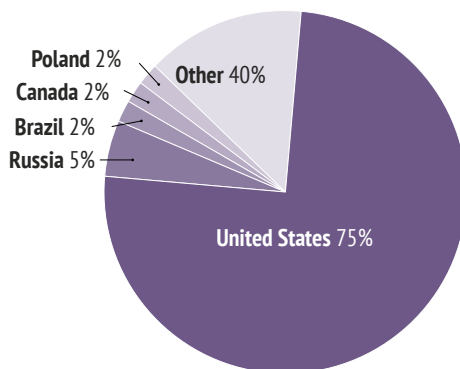


Market Share (Vol) 2023

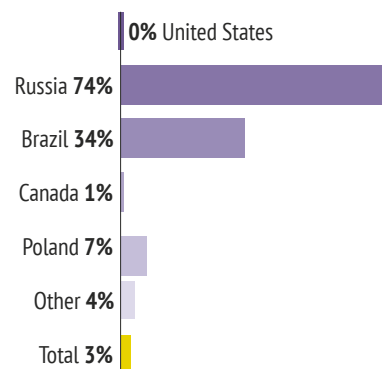


Top 5 Flavoured Whisky Markets

Market Share (Vol) 2023

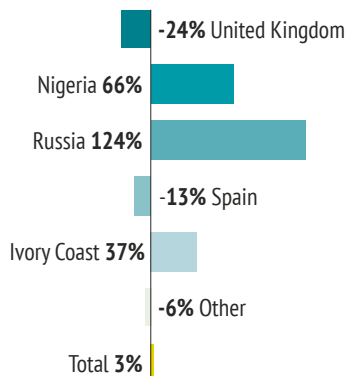


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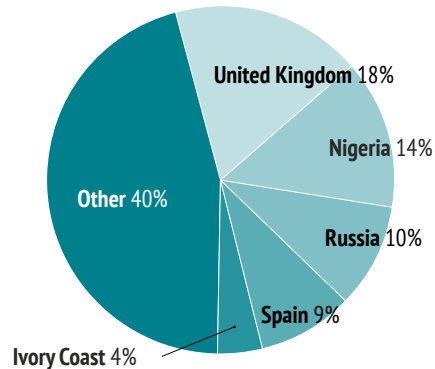


Top 5 Flavoured Gin & Genever Markets

Chg Vol 2022–23



Market Share (Vol) 2023



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

» sumers are drawn to more complex combinations. “Flavours with more depth and character,” he continues, citing Nemiroff Burning Pear with its pear, honey and pepper recipe (see p22).

Havana Club is embracing this fickleness and using flavours to recruit consumers from other categories.

“Finishing rum in unusual casks, like with Havana Club Smoky, aged in Islay malt whisky barrels, allows us to engage drinkers from categories such as cognac or peated whisky,” reckons Nathalie Parthe, Havana Club international marketing director. “This approach offers a bridge for consumers.”

Don’t overlook locality

A fascinating trend observed almost universally is how trends and tastes have become increasingly localised. While it’s always been true that what works in one market may not resonate in another (cultures are not homogeneous!), the differences are starker than ever.

This geographical — and subcultural — movement is of particular note to Nemiroff. In the UK and Benelux, where The Inked Collection is performing well, “bold, rich flavours and natural ingredients” are driving consumer choices. But in the brand’s native Ukrainian market, it’s all about berry flavours.

“This reflects local preferences rooted in traditional liqueurs, and it’s where products like Nemiroff The Inked Collection Wild Cranberry shine,” Sorochnyskiy says. Cit-



Aged Havana Club Smoky (left) helps draw whisky drinkers to the rum brand’s other expressions



Ukrainian consumers prefer the Wild Cranberry iteration of Nemiroff The Inked Collection

rus flavours follow berries here, but there is more of a singularity that resonates.

It goes both ways. While consumers in different regions want different things, there’s a sense-of-place element too. “Consumers increasingly value authenticity, sustainability and cultural connection,” adds Luxardo. “Products that emphasise local ingredients or a sense of place resonate strongly across multiple demographics.”

A trend that taps into this sense more than any other is the increasing importance of culinary whims. This isn’t a literal drink-and-food-pairing association. It’s about popular ingredients and flavour families translating evermore seamlessly from the kitchen to the bar. “The rise of global cuisine has introduced consumers to unique flavours, for example, yuzu, pandan or turmeric, that are now being adapted into liqueurs,” attests Luxardo. Hence the development of infused spirits, liqueurs and mixers.

Take the fig leaf. For flavoured sodas brand Three Cents, it’s been a major UK trend throughout 2024. It’s popped up on menus up and down the country, from curries to desserts. In response, it launched its Fig Leaf Soda (see p27).

“Fig Leaf has long been a favourite in the culinary scene and it’s starting to make a name for itself in cocktails,” reckons founder George Bagos. “We believe it’ll be the flavour profile of 2025.”

For him, its sweet-fruity-earthly profile gives bartenders an array of opportunities to get creative with flavour. Suggested serves include old fashioned, tequila long drinks, or as a mixer with bitters and vermouths. Versatile indeed. »



Spiribam-owned Rhum Clément last year added a third flavour — Bana Canne — to its collection of French Caribbean liqueurs. Mahina Coco and Créole Shrub round out the trio

» Looking to food for inspiration tracks the shift to more savoury cocktails that we've witnessed in recent years. In the non-alc space, a brand that's made waves is Botivo. The 2021-founded aperitivo is made using apple cider vinegar and honey specifically for mixing.

A new variation was launched in early 2025 in partnership with Berry Bros & Rudd, where a slightly tweaked recipe was aged in ex-Islay whisky barrels for three years (see p27).

While co-founder Sam Paget Steavenson wasn't looking to replicate a whisky, the savoury profile has proved popular. "I've always been into more savoury botanical flavours versus the sweeter ones," he says. "While that is a personal preference of mine, I do think it's becoming more common now." Expect more to follow in this space.

The sustainability conundrum

The topic that divided opinion more than any other is the role sustainability plays in consumer choice. There are more options among spirits, no/low-alc brands and mixers than ever before. Does a maker's green credentials help sway that choice?



Products like Luxardo Limoncello, that convey a sense of place, resonate across demographics



Aperitivo Botivo is spearheading a move toward more savoury botanical flavours

For Havana Club, it's a yes. "Sustainability is no longer a 'nice-to-have'. It's a decisive factor for today's consumers," Parte is emphatic. Many are willing to pay a premium for products that align with their values, she says, and it's a rapidly growing trend. In response, the brand has cut the weight of its glass bottles by as much as 16%, resulting in a saving of 2.3 kilotons of CO2 a year. "While flavour remains king, sustainability can absolutely tip the scales when consumers are faced with a choice."

Spiribam's De Truchis agrees, adding that the on-trade is invested too. Its Cartron liqueurs are available in 5L and 10L formats, with shipping in bulk cutting down its carbon footprint dramatically. But others aren't so sure.

"The sustainability credentials of a liqueur increasingly influence purchasing decisions, but whether they override flavour preference depends on several factors," Luxardo reckons. The target audience, category, perceived trade-off and price might in actuality prove to be more important, he adds.

Nemiroff sees a difference between trade, which prioritises working with value-driven companies, and consumers, who are less so. "In the vodka category, we observe only a minor influence of sustainability on direct consumer purchasing decisions, with quality, flavour and price remaining the main drivers," So-rochynskiy assesses.

With sustainability proving an increasingly divisive issue at election boxes and

Top 5 takeaways

- The only thing certain is uncertainty. Trends are becoming more micro, and consumers remain fickle. Being able to adapt rapidly is key.
- Sustainability is less relevant than it has been. Consumers are feeling the pinch and are less likely to invest in green products. Couple this with anti-eco political rhetoric, and there's an uphill battle.
- Keep an eye on the kitchen. Food trends are leaping into drinks and cocktails – this is an opportunity for brands to stay ahead.
- No/low alcohol is well ahead. Adapt to lower-ABV serves for cut-through.
- There's optimism that the market will pick up this year. Keep the faith!

cost-of-living increases remaining stubbornly high in many markets, it's unsurprising that sustainability seems to have slipped down the priority lists.

It's unclear whether or not this will change. But looking to the year ahead, brands seem keen to bet on local flavours, savoury elements and complex flavours driving appeal. Against a contradictory backdrop, it seems flavoured spirits could go anywhere in the year ahead. [GDI](#)



On our radar

FLAVOURS Low/no-alcohol innovation and dynamic categories are at the forefront of flavour. Here are five recent releases that pack in both creativity and boldness



Betty Booze RTDs

There's been much discussion in recent weeks about celebrity brands. Is there any point in an era of controversies? Blake Lively has smartly walked the line between alc and non-alc flavours with both Betty Booze and Betty Buzz. With A-listers rallying around her after her recent allegations, expect the brand to shine bright.



Three Cents Fig Leaf Soda

Another flavour pioneer in the mixing space, Three Leaf has looked to the kitchen to develop this versatile release. Ideal for both boozy and non-alc drinks, it's made using an extraction method to capture the aroma of fresh, ripe figs alongside an earthy taste. It illustrates how mixers are an integral part of flavour trends.



Nc'Neen Botanical Spirit

Flavour can come from unexpected places — for scotch whisky distillery Nc'Neen, it comes in the form of its new make spirit. Its Botanical Spirit release could be described as a barley spirit-gin hybrid, with its Scottish botanicals. Another category straddler that has the potential to bring its flavour to a wider audience as a result.



Botivo x Berry Bros & Rudd Barrel-Aged Aperitivo

What do you get when you take an apple cider and honey-based aperitivo and age it for three years in Islay casks? This vibrantly flavoursome 1% ABV release that pairs savoury richness and a kombucha-esque tang along with a subtle smoke. Made for mixing an array of ultra-low-alcohol cocktails.

Adriatico Roasted Amaretto Planetary Rum Cask

A fascinating example of how category crossovers can drive both flavour and recruitment, amaretto brand Adriatico has teamed up with Planetary Fiji Rum for a cask-aged expression. After eight months in oak, there's a fusion of chocolate, ginger and banana notes. A brilliant way to get on rum drinkers' radars.





with Island Rum Brands commercial & marketing director *Helena Zakmane*

After growing sales of its Black Tears Cuban spiced rum brand in the UK, Island Rum Brands is eyeing opportunities in other markets. The company's Helena Zakmane updates **Olly Wehring** on its progress

What's the history of Island Rum Brands and its portfolio? The Black Tears Cuban spiced rum brand was created back in 2012 by a group of Norwegian, Swedish and Cuban entrepreneurs. They started off by creating the first spiced Cuban rum. Innovation and uniqueness have been at the core of the company since the beginning.

In 2019, they had the opportunity to create a joint venture with the Cuban government, called Ron Vigia. We are the only company — along with [Pernod Ricard's] Havana Club — to have this kind of arrangement. Our bottling plant is in the province of Ciego de Ávila, in central Cuba, and we have our own aguardiente purchasing, ageing, blending and finished rum distribution operation.

Subsequently, the liquid for Black Tears was improved, and the packaging was changed to a proprietary bottle that looks great on the shelf. At the same time, a second brand was created — La Progresiva is a super-premium sipping Cuban rum.

Black Tears is our main strategic — and largest — brand. The spiced rum is present in over 40 markets globally. We've been focusing our efforts on the UK for a while now with our exclusive distributor, Cask Liquid Marketing. Last year, despite a very challenging industry situation, we saw sales growth of 44% in the UK versus 2023.

We're particularly happy with our per-



Helena Zakmane says 'innovation and uniqueness' have always 'been at the core' of Island Rum Brands

formance in the Waitrose retail chain, which doubled its distribution of Black Tears in August from roughly 100 to 200 stores. As well as providing us with the title of the fastest-growing rum in the multiple grocery subcategory, the latest Nielsen data show a 150% rise in volume and 109% growth in value. Black Tears is establishing itself as a brand that's very much appreciated for home consumption, not just as a preferred bartender product, which it has been for quite a few years already.

What proportion of Black Tears' sales are from the UK and Cuba? At the moment, we're selling about 15% of our international volumes in the UK. In Cuba, Black Tears is the third-largest premium rum brand, and our sales are about 100,000 nine-litre cases a year globally.

What are the top international markets for the brand? After the UK, one of the biggest volume markets for us is Ukraine. We've also seen significant growth in 2024 in global travel retail for both of our brands, notably with Gebr Heinemann. Another big market is France, where both premium and dark rum are growing. We see a real opportunity there.

Black Tears Rum saw UK sales up 44% in 2024

Despite rum being a relatively new category in South East Asia, Black Tears is strong in several of the region's markets, namely Singapore, Indonesia and Malaysia.

How do you differentiate Black Tears from its competitors? We are communicating our unique origin and taste profile — less sugar, and the spice element comes from coffee, cocoa and *aji dulce*, a sweet chilli pepper from Cuba.

Our recommended home serve is a spiced cuba libre, an easy-to-prepare and very tasty cocktail: Black Tears, cola and lime.

What's the price positioning for the brand? We're in the affordable premium segment. In the UK off-premise, for example, the regular price is GBP31 [US\$38.60].

Is the current economic environment playing to Black Tears' strengths? Black Tears is positioned as an affordable, premium-quality spirit. We're in the development phase, so we're focusing a lot on encouraging consumers to taste the brand. By promoting regularly in terms of pricing, we can allow that trial to happen, even in the situation of reduced purchasing power.

Who is Black Tears' main competitor? We're always conscious of what our friends at [Proximo Spirits'] The Kraken are doing. We'd like to capture the part of their consumer base that is attentive to sugar levels — Black Tears contains only 9g of sugar per litre, which makes the taste profile significantly different.

What prospects do you see for spiced rum going forward? The level of consumer interest in spiced and flavoured rum in our main markets is growing. Another trend is the general switch from white to dark rum; in consumers' minds, spiced frequently falls into the dark rum segment.

Does Black Tears' past performance serve as an indicator of its future results? The brand has managed to gain a footing in several key geographies, and we'll continue identifying the brand's growth spots and investing in that momentum in 2025 and beyond. **GDI**





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'People are looking for healthier, more mindful drinking options, and the [no/low] market is booming,' according to alcohol-free producer Lyre's

No more half measures: Meeting the rising demand for no/low

As no/low drinks gain wider acceptance, it's an exciting time for the sector, says Benedicta Tornieri, European marketing lead at alcohol-free spirits, wine & RTD producer Lyre's.

"People are looking for healthier, more mindful drinking options, and the market is booming. Trends like 'zebra striping' — alternating between alcoholic and non-alcoholic drinks — are catching on, especially with younger people. It's great to see non-alcoholic drinks becoming more mainstream."

Founder & CEO of alcohol-free wine brand Zeno David Hodgson agrees: "The segment has evolved from being sobriety focused to a stand-alone drinks segment, embracing lifestyle and nutrition trends, which has helped to take the stigma out of its image."

This change in attitudes represents a significant cultural shift, both challenging

The no/low category is becoming increasingly sophisticated and better defined as innovation abounds and mindful drinking goes mainstream, writes **Sandra Newman**

traditional notions of social drinking and helping to move the fledging category beyond the realm of temporary abstinence months (see p40).

Fergus Fitzgerald, head of production at brewer Adnams, which produces 0.5% ABV beer, wine and cider, feels "people have built no/low alcohol into their normal drinking and socialising". With Adnams' Ghost Ship 0.5% beer enjoying its biggest-ever sales month in December 2024, the trend appears to be category-wide.

The moderation trend underpinning no/low alcohol's growth shows no sign of slowing down, says Laura Willoughby, co-founder of UK-based retailer & mindful drinking advocate Club Soda. "Seventy-four per cent of UK adults are cutting back on alcohol, according to Kam Insights, »

Top 5 takeaways

- No/low becoming a 'stand-alone drinks segment' as global moderation trend continues to drive growth.
- Increase in no/low range and quality also a driver of increasing consumer engagement and awareness.
- Advances in de-alcoholisation tech and reduction in sugar levels underpinning alc-free wine improvements and NPD.
- Alc-free spirits 'most versatile' sub-segment and offers significant growth and innovation potential.
- Development of mid-strength drinks segment may challenge alcohol-free movement in terms of volume.

» and predictions are that alcohol reduction will be a key health conversation in 2025,” she points out.

On-premise visibility of alcohol-free drinks is also growing, adds Willoughby, and the retail sector is starting to play a more prominent role. “I am hoping smaller and specialist retailers will follow the lead of [UK wine retailer] Majestic, who have just launched a Club Soda Collection in their stores, offering diverse alcohol-free options beyond global brand extensions,” she says.

Better-quality products drive greater engagement

Growing openness to no/low drinks has been driven at least in part by rapid innovation within the category.

With investor and consumer engagement increasing “as no/low becomes a stand-alone drinks segment,” Zeno’s Hodgson says “massive growth from a small base, with hundreds of new product launches” has led to improvements in the quality and choice of products, as well as premiumisation.

“Better products and brand presentation facilitate increased pricing and yield for the segment and, of course, better products and choice for consumers,” he says.

CEO & founder of non-alc producer Spirits of Virtue, Roddy Nicoll, notes that “the presentation and quality of the products being offered has changed beyond recognition across all sectors” since his company was founded in 2018.

Despite this emergence of “high-quality sophisticated non-alcoholic drinks”, Nicoll says the no/low category is “still very new to most consumers”.

But consumers who do embrace no/low are keen to experiment, so category development continues apace, points out Zeno’s Tornieri. “The increasing availability and variety of non-alcoholic options have encouraged consumers to explore different products, leading to a more dynamic and innovative market landscape,” she says.

Alcohol-free ‘spirits are redefining the category’

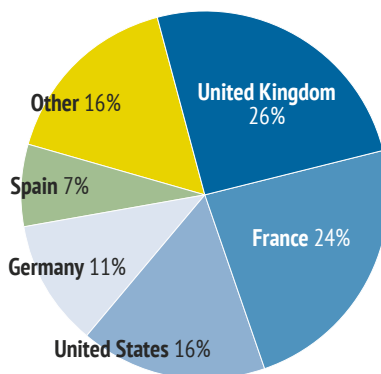
With non-alcoholic gins and botanical spirits well-established, Nicoll says rapidly growing interest in dark spirits, led by rum and malt, is a key category trend. Spirits of Virtue is well placed to benefit, with alcohol-free whiskies and rum.

The company’s business & product development director Angela Mount also re-

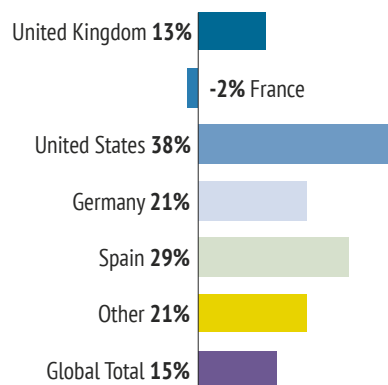


Founded in Scotland in 2018, Spirits of Virtue has a portfolio of six alcohol-free spirits brands

Top 5 No-Alcohol Spirits Markets Market Share (Vol) 2023



Top 5 No-Alcohol Spirits Markets Chg Vol 2022–23



Source for both charts: IWSR
Note: May be small differences due to rounding

ports the growth of alcohol-free tequila, mirroring trends for alcoholic drinks. “We’ve seen huge interest in our three-strong range of non-alcoholic agave drinks under the Seven Giants brand,” she says. Mount feels the non-alcoholic spirits segment holds “massive potential”, and sees it

as “probably the most versatile of the sectors, allowing producers to become extremely creative and innovative with flavour profiles and use of ingredients”.

Lyre’s Tornieri also feels no/low spirits offer greater potential for further growth and innovation than wine or beer. “Spirits have such versatility; you can craft cocktails that are just as sophisticated and flavourful as their boozy counterparts. There’s a lot of room to grow and innovate in this space, which is exciting for both brands and consumers.”

She says Lyre’s portfolio continues to develop and includes alcohol-free alternatives to tequila, gin, whisky, amaretto and rum, as well as a sparkling wine and a range of cocktail RTDs. Launched in Australia five years ago, the brand is now available in more than 60 countries and claims to sell a bottle every 30 seconds. “We’ve been keeping the innovation flowing,” says Tornieri. “Since our launch in 2019, Lyre’s has developed one of the most impressive ranges of non-alcoholic spirits.”

Alcohol-free “spirits are redefining the category”, says Club Soda’s Willoughby, noting the “innovative alternatives to traditional spirits styles” offered by brands such as Three Spirit UK, Everleaf and Botivo, and an increase in functional non-alc options with potential health or mood-boosting benefits, like Smiling Wolf’s range of functional spirits launched last autumn.

New tech helps non-alc wine join the race after a slow start

Wine has also seen significant growth and is the biggest-selling category in Club Soda’s Tasting Room. “Wine contributed most of the 600% increase in alcohol-»

» free sales for Majestic last year, which is why they have invested in expanding their range, especially in wine,” she reveals.

There’s been “a huge leap in taste and quality”, explains Willoughby, with UK brand Noughty and “European trailblazers” like France’s Moderato and Spain’s Zeno “leading the way”.

Zeno’s Hodgson says recent improvements in technology have allowed companies to create better-quality non-alcoholic wines. “Wine was a late starter purely because of its complexity. It’s incredibly difficult to get right, hence Zeno taking over three years of R&D before we launched.

“Technology is continuously improving and we’re banking more experience that we reinvest in NPD and increased sophistication in our products,” he says. “Alcohol-free wine is improving across the board.”

A trend towards lower sugar levels in no/low products is also producing more versatile wines, says Hodgson. “We’ve worked hard to reduce the RS [residual sugar] in our wines, which enhances food-pairing,” he says, explaining that Zeno has “developed new techniques for palate balance and texture” without relying on sugar. “Our latest release wines are mainly just 1.8g/100ml RS,” Hodgson reveals.

Crafting alc-free still red wine is tricky,



Zeno says it has ‘developed new techniques for palate balance and texture’ that do not rely on sugar

because the liquid’s interplay of flavours, aromas and texture is intricately tied to its alcohol content. But Danish non-alc drinks producer Muri has developed a unique approach which could be a gamechanger. Last October it launched a non-alcoholic still red wine made using “multi-layered fermentation techniques”, in partnership with New York wine bar The Four Horsemen, which is renowned for its wine list.

“It’s super-cool somewhere as esteemed as The Four Horsemen has come on board with the new wave of drinks in our category,” says Muri founder Murray Paterson. “Still reds are particularly challenging to make when they do not contain alcohol, so our collaboration has been great, as we’ve proven you can create texture and velvety mouthfeel without the booze.

“There are obviously many companies doing single fermentations very well [like kombucha], but in terms of the complexity of blending multiple fermentations together, I believe we are the only one.”

The challenger: Mid-strength spirits to ‘overtake alcohol-free’?

Alcohol-free spirits may be leading category innovation right now, but there is a challenger on the horizon.

A new segment of mid-strength ABV brands is rapidly developing which could eventually “overtake the alcohol-free movement in terms of volume”, according to Session Spirit CEO Brad Crompton.

He believes mid-strength will be “the next big trend in the lower-ABV sector”, pointing to last year’s successful relaunch of its Session Spirit made with London Dry gin.

“[In 2024] we saw a huge 427% increase in our direct-to-consumer sales alone,” he says, claiming the product’s 25% ABV offers the “perfect balance between strength and moderation”. The company is focusing on



Muri x The Four Horsemen ‘proves you can create texture and velvety mouthfeel without the booze’

the UK market before expanding overseas, he explains. “The UK is the biggest market for gin, with around 11m gin drinkers, and, with up to 90% looking to moderate, according to Drinkaware, it’s prime for the mid-strength acceleration that will begin to gather pace in 2025.

“I expect to see more mid-strength brands burst onto the scene in the coming years across a variety of different alcohol types, followed by one of the bigger brands. I also see a shift towards premiumisation.”

Muri’s Paterson also thinks the no/low sector could look very different in the future. “I believe Muri is part of a trend where more drinks companies look to ideas and techniques normally associated with gastronomy,” he says.

“With the normalisation of more mindful drinking, I hope the reductive term ‘non-alcoholic’ will become a thing of the past, as drinks become categorised on craft and deliciousness rather than ABV.” **GDI**



Session Spirit rebranded and relaunched its 25% ABV London Dry onto the UK market last year

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The sun rises over Paris, but there will be few rays of sunshine for France's spirits market this year, with most categories facing declines in volume

Ailing French spirits market clings to rays of light amid a gloomy outlook

As new year festivities recede in the rearview mirror, spare a thought for embattled French spirits producers as a year of political and economic uncertainty stretches ahead.

Overseas, companies look set to encounter US tariffs from the Donald Trump presidency, while brandy suppliers face continued fallout from China's anti-dumping measures on EU brandy imports and sluggish trading conditions across Asia.

At home, 2024 was a year of significant political upheaval in France, with Presi-

Falling inflation and growing interest in French whiskies, rum arrangé and cocktails are set to lighten the gloom for the French spirits market, but most spirits categories will face volume declines this year. **Joe Bates** reports

dent Emmanuel Macron's government facing social unrest, economic challenges and the loss of its parliamentary majority.

Despite initial concerns about its preparedness, France hosted a successful Olympic Games, but poor summer weather dampened much of the feel-good factor the hospitality sector had been hoping for.

French whisky's whirlwind rise

With 2025 well underway, where can spirits producers look for crumbs of comfort? IWSR market analyst for France Arthur Derail says the vast majority of spirits categories are likely to decline in volume terms this year, but he does point to pockets of growth, such as the rise of French whisky.

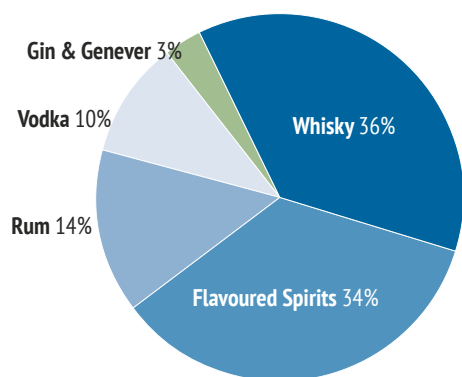
There are now around 100 whisky-making distilleries located around the country, with 115 brands available on the market, according to the Fédération du Whisky.

"French whiskies are on the rise," Derail remarks. "It is difficult to call this a boom as the consumer base remains small, but more and more people are interested in the category, as it echoes the notion of 'terroir' [every region has its local brand]."

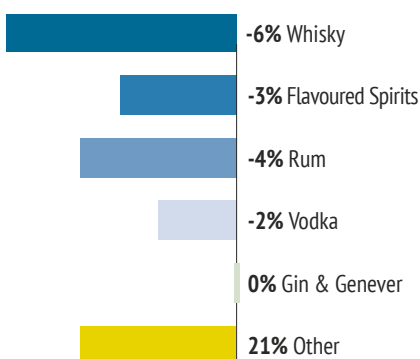
Pride in supporting local brands, consumer awareness that supporting local companies is also an eco-friendly habit, and the novelty factor still surrounding French whisky are other factors fuelling the trend, he believes.

Derail also forecasts that bitters, spirits-based aperitifs and liqueurs will ➤

Top 5 Spirits Categories in France Market Share (Vol) 2023



Chg Vol 2022-23



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

» remain resilient this year, buoyed by the trends toward more mindful alcohol consumption and the dynamism of the cocktail market — a trend which is also proving beneficial for vodka.

Consumer interest in no/low-alcohol products is “emerging”, Derail notes, but the market is not as developed as in other countries yet.

Inflation eases, optimism grows

Spirits producers remain cautious regarding their home market, but many note a slight improvement in trading conditions.

“In the global and French context of inflation and economic slowdown, and following the growth of spirits during the Covid-19 period, the spirits industry has faced a slowdown,” admits Marianne Loing, managing director of leading spirits distributor Dugas, owned by Stock Spirits Group since 2023.

“However, some segments have shown resilience in the off-trade, such as vodka [+0.3% in volume] and bitters [+0.9%],” Loing adds. “Others are also still growing strongly, such as super-premium spiced rums, rum arrangé, flavoured rum with fruit maceration, French whisky and spritz-style products.

Loing also notes the slowdown in inflation across France in the second half of last year, a benign trend that she expects to continue into 2025. She believes that price stabilisation could help boost spirits consumption.

In March, Société Dugas will respond to recent market trends in France with two major launches backed by strong advertising and promotional support — Poland’s Żołądkowa Vodka, which will be rolled out into the on-premise, and the spritz-style Limoncé Aperitivo, which is being launched in both the on and off-premise.

Calvados comeback for Christian Drouin

Normandy-based Calvados Christian Drouin reveals the family-owned firm returned to growth in both the on-premise and off-trade last year, with wine merchants proving the most successful channel of distribution.

Nevertheless, president Guillaume Drouin admits that consumers remain cautious about spending, a trend he says started before France’s political instability.

“It’s very difficult now to imagine what the market may be like as political and ge-

Opportunities emerge in the on-premise

Sales in France’s bars and restaurants were under pressure last year, according to the latest data from CGA by NIQ. “There is no doubt trading conditions in France’s bars and restaurants were challenging,” says client solutions director for France Julien Veyron. “However, it remains a much-loved part of consumers’ lives, and with cost pressures easing, new opportunities are starting to emerge.” Here are three takeaways from recent CGA by NIQ data:

■ **Spending under pressure, but conditions improving.** High inflation has hit the confidence of French consumers — 77% told NIQ’s Homescan survey they were worried about price rises, and some had cut their eating and drinking out. On-premise sales fell as a result, but with inflation now easing, spending power should start to increase.

■ **Prices rising.** Inflation has forced suppliers and venues to push up the cost of drinks. CGA’s On Premise Measurement solution has indicated an average year-on-year increase of 3.8%, with the soft drinks category rising even faster at 5.9%. However, average beer prices have risen much slower at 0.2%, and after post-Covid increases, there are signs that pricing is now stabilising.

■ **A desire for quality over quantity.** CGA’s On Premise User Survey shows rising menu prices have led many guests to choose fewer but better drinks when they go out. Asked about their plans with a fixed amount of money, 76% said they would choose one or two high-quality drinks — far more than the number (24%) who would opt for three, four or five lower-priced ones.

opolitical uncertainty is high,” he warns. “However, we can see every day that calvados is getting back into French people’s hearts. Nowadays, we have much more optimism in the calvados industry than ever before, and so I remain optimistic in the evolution of the market.”

Calvados Christian Drouin puts a lot of store into delivering a steady stream of new releases into the French market and 2025 will be no exception. The company has already launched ABC de Christian Drouin, a 17% ABV apple-based vermouthe-like aperitif flavoured with plants and spices, such as quinquina, mugwort, cinnamon, orange, elderflower and yuzu.

This year will also see two more expressions added to the company’s Experimental de Christian Drouin range of cask-finished calvados, including the Japanese whisky cask-finished Chichibu Angels.

Coastal cognac proves national favourite

Camus Cognac, the largest remaining independent Cognac house, is best known for its strategic focus and success in the Asian market, especially in China.

Yet global commercial director Anne Blois also reveals the family-owned house enjoyed a successful year domestically, thanks in large part to the continued success of the Camus Île de Ré expression in the off-premise.

A unique offering from the Camus portfolio, Camus Île de Ré, a single-origin cognac made with grapes grown on the Île de Ré, an island off the west coast of France, a



Calvados aperitif: ABC de Christian Drouin

maritime terroir characterised by sandy soils and subtle salinity and minerality created by the effects of sea spray and seaweed on the grapes.

“Île de Ré Cognac has been recognised as a significant innovation since its introduction in 2003 and is today our best seller in the French market,” says Blois, who reveals the company launched a major domestic ad campaign to support the product last year.

“This unique single-cru cognac features a distinctive marine taste profile deeply connected to its island origins and provides a one-of-a-kind tasting experience. »

» It pairs excellently with seafood and can be enjoyed as an aperitif or drizzled over fresh oysters for an unexpected treat.”

The less-but-better drinking trend is benefiting the category, says Blois. “Alcohol consumption is decreasing; however, in the prestigious trade where cognac is primarily consumed, consumers are prioritising quality over quantity,” she says.

“Camus has partnered with [famous Parisian restaurant] La Tour d’Argent to create a special cognac for Bar des Maillets, which is renowned as the best cognac bar in Paris. The popularity of cocktails and cognac continues to rise in this place.”

Dugas zeros in on Clan Campbell

Camus’s domestic success looks like an outlier, however. If anything, 2025 is expected to be a tough year for some of France’s traditionally most popular spirits, such as aniseed-based liquids, brandy and scotch. IWSR’s Deraill says all three categories



Digital OOH advertising for Camus Île de Ré single-origin cognac at Gare Montparnasse in Paris

continue to fall victim to the country’s economic travails and their inability to recruit a wider audience, especially younger LDA consumers and women.

Despite this challenging backdrop, distributor Dugas has big ambitions to grow sales of Clan Campbell Blended Scotch Whisky, France’s fourth biggest-selling spirits brand in 2023, with sales of 1.2m cases.

Now part of the Stock Spirits portfolio, Clan Campbell was relaunched into the

French market last May and, according to Dugas, is now outperforming the wider blended scotch segment.

Marketing director Anne Martin says the relaunch was supported by several initiatives, such as a global marketing campaign and product innovations, including Clan Campbell Honey and Lime expressions and ready-to-drink cola and ginger ale variants. The brand also launched a tour programme featuring the whisky’s global brand ambassador — Torquhil Campbell, the 13th Duke of Argyll and chief of the Clan Campbell.

La Martiniquaise bets on mixology for growth amid market turmoil

La Martiniquaise, one of France’s biggest spirits producers, says it finished 2024 in “a strong position” versus its main rivals. Nonetheless, the owner of brands such as Poliakov Vodka, Label 5 Scotch Whisky and Saint James Rum, admits current trading conditions are far from ideal.

Category management director Clément Lépine says: “In 2024, La Martiniquaise was

the main winner in terms of market share, both in volume and value. For example, we strengthened our position in prosecco with the Perlino brand and doubled our sales of the La French SVP mixer.”

La Martiniquaise believes the overall French spirits market will continue to decline in volume terms this year, but is confident that the company’s expertise in mixology and growing consumer interest in homemade cocktails will drive growth.

The company continues to invest heavily in Poliakov Vodka (left), focusing on the classic mule cocktail, and the brand recently passed the 10m-litre sales mark. Another strong performer for the French spirits group is the Rivière du Mât Arrangé rum range from the Indian Ocean island of Réunion, which now sells 1m litres annually and boasts a new Onctueux Cream Liqueur range.

“We are also going to develop the highball [cocktail] with blended Scotch Label 5 and will continue to invest in the ‘port-and-tonic’ [serve] with the Porto Cruz brand,” adds a spokesperson. “Finally in 2025, we will be celebrating the 250th anniversary of the Saint James Rum brand with a series of limited editions.”



Dugas hopes the relaunch of Clan Campbell Blended Scotch Whisky will boost sales in France

As 2025 begins in earnest, the outlook for the French spirits market, which Statista values at US\$11.8bn, remains mixed.

Consumer confidence is likely to stay weak, with the Bank of France forecasting GDP growth of only 0.9% this year.

Conversely, inflation is slowing. Throw in some good summer weather, always an important but often neglected factor, and 2025 could exceed expectations. **GDI**

Australian Gin-uary Festival bucks Dry Jan trend

Tasmania's annual Gin-uary Festival returned last month, as one of few not buying into the growing Dry January campaign. The eighth edition of the festival was held over two days and featured more than 30 local and regional distillers.

Ex-cricketer Kevin Pietersen backs Ardent Alcobeve

Former England international cricketer Kevin Pietersen has invested in Indian startup Ardent Alcobeve, which is co-owned by Rajasthan Liquor. The news came as the company launched Dram Bell Scotch Whisky. Both Dram Bell Premium and Reserve (aged for five years) comprise mixes of malt and grain whiskies, both at 40% ABV.

Rebecca Jago steps down from Last Drop Distillers

Rebecca Jago departed her role as MD of Last Drop Distillers, which was snapped up by Sazerac in 2016, at the end of 2024. The company was founded in 2008 by James Espey and Rebecca Jago's late father, Tom Jago, who died in 2018 at the age of 93.

Belgium's Huyghe Brewery acquires Het Anker

Huyghe Brewery has snapped up fellow Belgian brewer Het Anker for an undisclosed sum. Het Anker, which brews Gouden Carolus, plans to expand into international markets following the acquisition. In 2023, Het Anker turned over EUR20m (US\$20.53m) through a combination of beer and whisky production.

Emma Watson's Renais Gin secures fresh funding

Renais Gin, founded by actress Emma Watson and her brother Alex, has raised GBP4.95m (US\$6.04m) from a clutch of investors, including US-based InvestBev and Jean-Sébastien Robicquet of Maison Villevert. The funds will support international expansion and continued growth in the US with a focus on distribution to new states. Upcoming international launches include France, Spain, Dubai and Canada.

'Landmark ruling' as American single malt officially recognised

US distillers celebrated a "momentous day" as the US government officially recognised American single malt as a whiskey subcategory last month.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) approved the 'American single malt' and 'straight American single malt' classifications before Christmas; the definitions became official on 19 January.

Recognition of the category comes after seven years of campaigning by distillers — including XO Alambic, Rémy Cointreau and Rémy's Westland Distillery — and the American Single Malt Whiskey Commission (ASMWC) requesting "the establishment of a standard of identity to define the 'American single malt whiskey' category for producers and consumers alike".

Under the ruling, the term 'American single malt' can only be applied to whiskey made from 100% malted barley produced in the US, distilled to no more than 80% ABV and made entirely at a single distillery in the US. The liquid can only be stored in used, charred new, or uncharred new oak barrels of 700L maximum; must contain no



Ruling the start of a 'bright future' for subcategory

neutral spirit, colouring, flavouring or blending materials (except for caramel colouring if disclosed on the label); and bottled at a minimum of 40% ABV.

"This is a landmark ruling that further cements our standing on the global stage of whiskey," said ASMWC president Steve Hawley. "We applaud TTB for formalising a definition that supports and protects our producers both here and abroad.

"It's a momentous day for American single malt whiskey and the beginning of a bright future for the category."

California's Redwood Empire expands production

Redwood Empire Whiskey will expand production and tap into the popularity of spirits tourism after snapping up Californian distillery Savage & Cooke in a "pivotal investment".

The move will solidify Redwood Empire's position as a "serious American whiskey player", while allowing it to "meet soaring demand" and create a visitor centre, said parent company Purple Brands. The ten-year-old spirits brand saw volumes soar by 30% to 55,000 nine-litre cases in 2024.

In addition to the Mare Island distillery, the acquisition includes all spirits brand assets, warehousing, tasting room, bar, restaurant and event space. Financial details were not disclosed.

Merger of New England craft beer pioneers

New England craft beer pioneers Mass Bay Brewing Company and Finestkind Brewing have merged to form Barrel One Collective.

The combined company will operate 14 brands and eight brewery taprooms across four US states (Massachusetts, New Hampshire, New York and Vermont).

With annual production of nearly 165,000 barrels, the merger positions the new company as the largest craft producer in New England and the 14th largest in the US, according to Brewers Association 2023 data.

Mass Bay brings to Barrel One several of

its own beers including Harpoon, UFO, Long Trail, Clown Shoes, Otter Creek, Catamount and The Shed. Finestkind adds Smuttynose, Wachusett and Five Boroughs.

Dan Kenary, co-founder & CEO of Mass Bay, will serve as chief executive of Barrel One, which will be headquartered in Boston, with offices in Hampton, New Hampshire and Windsor, Vermont. Finestkind CEO Steve Kierstead will become COO.

Barrel One will temporarily pause large-scale production at its Hampton brewery, but "hopes to restart at a future date".

Seedlip's Ben Branson: 'Fortune favours the brave, hopefully'

After revolutionising drinking with the first distilled non-alcoholic spirits brand, Seedlip founder Ben Branson has a new endeavour — Pollen Projects, a 'venture studio dedicated to the non-alc category'. He tells **Olly Wehring** about his journey so far

What is the Seedlip story? I grew up in the countryside in a farming family of 320 years. My father worked in design. Growing up, I didn't know what I wanted to do, but went into the design industry, working with lots of founders and their brands. I had the itch of wanting to start something myself one day, although I had no idea what.

I was growing loads of herbs and stuff at home, and learning about natural history. I came across herbal remedies and that took me to *The Art of Distillation*, a book written in 1651 that was basically a manual for distilling herbs and plants and making medicine, some of which contained alcohol. I was intrigued, so I bought a little still off the internet and started playing around at evenings and on weekends.

One evening, I went out in London and had a really bad mocktail that I didn't want to finish — the non-alc options were rubbish. The dots started to join up very slowly afterwards; maybe there's something in what I'm doing at home, maybe this could be a little side project. That morphed into maybe I could launch my own thing. Over the next two years, I left the design business, put my life savings in and decided to go for it with a non-alcoholic spirit.

In 2015, I met with the buyer at Selfridges and went round the top cocktail bars in London with Seedlip — people were loving it, mostly! I doubled my first production run and launched in November, and it kept selling out — in the first three months, I heard from 100 countries. At this point, I needed to recruit, I needed investment and I needed to scale production. We got [Diageo-backed business accelerator] Distill Ventures on board, started recruiting a team and found an office — all that good startup stuff. We took Seedlip to 35 countries in three-and-a-half years.

In August 2019, I sold the majority to Di-



Ben Branson on Pollen Projects: 'We're trying to do all the things that people tell you not to do'

ageo. I'm still a minority shareholder and still involved, just not with the weight of it all on my shoulders.

What was the tipping point that brought Diageo in? I've learnt through this that I'm really good at creating and starting stuff. I'm not interested in scale — that's not how my brain works. I'm not the person that gets excited about sales. I was aware that »

'You're no longer just competing within drinks; you're competing with everything that people are exposed to. You have to be more entrepreneurial'

» if I wanted to make change and offer choice — that was my deluded, lofty, scary dream! — I'd need help to do that at scale. I'd need a partner who knew all about being a commercial operation. I couldn't do that if it was just me doing it.

How did those conversations come about?

There are loads of different ways this happens. In my case, a guy I know who runs some restaurants in London was at a Diageo cocktail event and got talking to James Ashall, who was director of Diageo's Futures unit. Seedlip came up in conversation and James was really interested. My friend put us in touch, so the conversation started quite organically.

I was aware of Diageo and thought they would be a great partner, given they know a lot about spirits and cocktail culture.

Did you make any mistakes along the way?

So I don't have any regrets. Hindsight's weird — I don't think back on stuff like that, although I definitely take a lot of learnings forward.

We built a very big — and very young — team and had three offices on three continents. That's not what I'm doing with Pollen Projects, where we've got the most experienced non-alc team in the world and there's only six of us. I don't think having a big headcount at Seedlip and having three offices was wrong — it was right for what we needed to do, but I'm not doing that again.

The world has changed since then. I didn't have D2C (direct-to-consumer) with Seedlip, I was really against it to begin with. Now, you wouldn't dream of not having D2C. There weren't paid-for influencers then, and the world of social [media] wasn't what it is now.

Is it more entrepreneur-friendly nowadays with all these extra levers?

Getting people's attention, which largely happens online, has never been more saturated and competitive. What's changed is that you're no longer just competing within drinks; you're competing with everything that people are exposed to. That does level the playing field and means it's not all about big budgets. So you have to be more entrepreneurial.

How much of Seedlip's success was down to being in the right place at the right time?

There are blessings and curses that come with being first. Seedlip was the only non-alcoholic spirit until around 2018, I



Pollen Projects aims to disrupt with brands in slightly different categories: Sylva (above), a non-alc aged spirit, and non-alc bitters Seasn (below). A third will launch 'in another massive category' this year



believe, so we spent a lot of that time on our own. Being first is a massive advantage, but we were doing all the category and education work. Most of our interactions with whoever for the first three years were focused on talking about non-alc, moderation and the need — not about Seedlip.

There always has to be luck — look at the chance meeting with James at Diageo, which led to the Distill Ventures investment.

Is it as much a blessing as a curse launching something now, in a category that's much bigger?

Definitely. There's probably 1,000 non-alc brands out there now globally, and a new one launching every week. But only about 20% are great — that needs to be more like 50% for us to have a really exciting, properly competitive category.

What's your point of difference with Pollen Projects?

We're trying to do all the things that people tell you not to do! The received

wisdom on entrepreneurship is to do one thing well and have a single-minded focus. We have two brands — Seasn and Sylva — and we have a third launching in a few months' time, and they're all in slightly different categories.

We want to disrupt lazy or under-leveraged, stagnant opportunities with first-class non-alc liquids. Seasn is a non-alc bitters, while Sylva is a non-alc aged spirit. We've rather deludedly decided we're going to enter those two spaces. The third will be in another massive category that's heavily dominated by established brands.

Fortune favours the brave, hopefully.

Do you have people around you that keep you heading in the right direction?

I'm driven by a fear of failure rather than a pursuit of achievement. I'm compelled to create, regardless of whether that works or not.

I have a great team of experienced people around me, which is different to Seedlip. Besides, it needs to be different because lots of people now know a lot more about non-alc. Our naivety back then was incredibly important, but we can't say the same now.

What's the best piece of advice you've received?

One boring piece of advice that I'd never thought of was to protect your IP. The value of your brand is a piece of paper that says you own your trademark. That's what has value and that's what people are paying for. They're not buying the product, they're buying the brand. It's really important you make sure you protect it. **GDI**

Tips to keep LDA consumers reaching for non-alc alternatives all year long

A quarter of people who signed up to Dry January are expected to have turned to non-alc alternatives. But what happens next? **Henry Mathieu** explores ways for non-alc producers to keep the momentum going

Dry January — the month-long no-alcohol challenge — is now a global phenomenon. The campaign championed by Alcohol Change UK in 2013 launched with about 4,000 participants. This year, 15.5m Brits (29% of the UK population) pledged to abstain, according to the British charity.

In 2024, the challenge spanned 184 countries, including Switzerland, Germany, Norway, Australia, South Africa, Iceland, France, the Netherlands and the US, with Europe accounting for 33% of sign-ups.

Topping the motivations for those attempting the break from alcohol is a desire to save money (24%), followed by better sleep (18%), improving overall health (including losing weight, 16%).

With studies showing that nearly a quarter of participants embrace non-alc alternatives during Dry January, the event offers non-alc beverage makers the chance to reach LDA consumers who do not usually opt for an alcohol-free product.

But what happens when the calendar turns over to February? Are there ways for non-alc brand owners to continue this momentum throughout the year?

Diageo-backed spirits accelerator Distill Ventures brought together a panel of no/low experts for the 'Marketing Beyond Dry January' discussion to explore this very issue last year.

"Dry January has a huge impact," said panel host & founder of mindful drinking company Positive Damage Derek Brown. "Now we're starting to see extensions — Dry July, Sober October and other temporary abstinence months. The question is, how do we take it from one month and turn it into an enduring culture where non-alcoholic drinks are part of our everyday lifestyle?"

Securing accurate category data

It is "very important" that non-alc businesses integrate accurate positive data into marketing and business strategies,



The challenge for non-alcoholic brands is to take seasonal periods of abstinence and turn them into 'an enduring culture where non-alcoholic drinks are part of our everyday lifestyle'

Adult Non-Alcoholic Beverage Association CEO Marcos Salazar told the panel.

The key is "to really get clear" on what the data is — about where consumers are going, where they're purchasing — then "integrate that data into your overall strategy, whether that's a business strategy as well as a marketing strategy. You don't want to have hope as a strategy", he said. "You really want to ensure that you're making data-driven decisions in order to reach your customers and grow your business."

Salazar echoed the thoughts of Distill Ventures CEO Heidi Dillon, who pointed to data showing that a person who drinks non-alc beverages is "also drinking spirited drinks and spending twice as much".

She claimed that a consumer who moderates their drinking (with non-alc alternatives) spends US\$800 a year compared with someone who only drinks spirits spending around \$450 per year.

"That incrementality of what consumers who are interested in no/low offerings is almost potentially doubling your business, either at retail or in the on-trade," explained Dillon. "The statistics just keep rolling in. This is all about incrementality, and I encourage founders as much as possible to get that data in front of your

Key takeaways

- Look beyond your product and communicate the impact that your business wants to have — **Anika Sawani**
- Work on getting accurate category data and integrating it into marketing and business strategies — **Marcos Salazar**
- Continue building digital communities and exploring non-traditional marketing opportunities — **Heidi Dillon**
- Educate bartenders and hospitality staff on properly utilising non-alcoholic products in cocktails and drinks — **LP O'Brien**

buyers and partners, because being able to show that business case just makes it such a no-brainer."

Non-alcoholic beverage volumes are set to grow at a CAGR of 7% over the next few years, while total beverage alcohol is expected to rise just 1%, according to Brandy Rand, founder of beverage advisory firm »

» ThirstWell. “That’s a big difference,” she said during a recent Distill Ventures No & Low Summit. “When you look at what’s happening in the alcohol landscape and some of the trends around why it’s happening, and then look at the alcohol category, which has been softening.”

Educate bartenders

Consumers have generally become more aware of non-alc alternatives due to ongoing health and wellness trends, but the ‘Marketing Beyond Dry January’ panel heard there is much work to be done on non-alcoholic serves in the on-premise.

LP O’Brien, beverage consultant & winner of season one of Netflix’s *Drink Masters*, noted: “It can look beautiful, but if it doesn’t taste good, if all of the individuals who have spent so much time creating these non-alcoholic spirits and products don’t have an opportunity to truly shine in the serves that are created, whether it be lack of education or just not understanding the way to utilise these products, we’re doing ourselves a disservice.”

In “the same way that we spend time and investment in understanding classic cocktails” as a baseline before transitioning into “creating our own speciality serves with alcohol”, adds O’Brien, “it takes a little bit more effort to really place ourselves in a position of subject matter experts to understand the very versatile portfolio of non-alcoholic offerings”.

It is lazy to take a non-alcoholic offering and “plug it” in the same way as a spirit, said O’Brien, because the products are not made in the same way at all.



LP O'Brien: 'It can look beautiful, but if it doesn't taste good, we're doing ourselves a disservice'

“We really place a lot of emphasis on that education up front, because we are currently existing and living in a world where this category is being created, and that’s really awesome and cool,” she added. “That responsibility comes with ensuring that we’re doing our due diligence to play a really impactful part in that.”

On, off and ‘non-premise’

Targeting the correct channel after Dry January plays another significant role in enticing consumers outside of temporary abstinence months. Anika Sawni, founder of non-alc beer and wine producer Grüvi, claims that building a brand through off-premise routes is the best way forward.

“When we look to the on and off-premise, I think starting to build your brand through off-premise channels [is most effective],” she said. “Maybe that’s the smaller indie liquor shops before you’re able to get your foot into the door of some of the bigger chains. Then you really make this transition into bars and restaurants.

“To me, it creates this full life cycle for the consumer as well. If you have your product in a bar or restaurant and consumers love it, but there’s no easy means for them to head to their grocery store and pick it up, you’re cutting them off at the knees — they’re not able to finish that cycle.”

Building digital communities and exploring non-traditional marketing opportunities, especially access to e-commerce, are key, said Distill Venture’s Dillon. “Something to remember is community building through digital and online — you can use that via [both the] on and off-premise to bring people back into the community.”

Describing everything that does not fall within the on-premise and off-premise as the ‘non-premise’, she added: “Thinking about who your consumers are and getting really sharp on all the opportunities that are showing up in their life, and how you might be able to get your product exposed to them, is another great way to think about how you can combine a marketing and sales strategy.”

Working the calendar around alcohol-free

Dillon is conscious that “a lot of the [no-alc] entry points” have been around Dry January, which is neatly timed just before the Super Bowl in the US. “Dry January is such a great point in time when accounts in both the on-premise and off-premise



Heidi Dillon: 'Create these moments of what's the occasion and who's the consumer we're talking to?'

need some momentum before the Super Bowl,” she said. “That tends to be the next big thing after the holidays. Again, consumers are demanding it.

“They’re coming in, and it’s a great programmatic way to open the door beyond that. You really can start to lay out your annual calendar to say that once you’ve gotten in the door there, what is the programming that can keep connecting the dots with consumers year-round?”

Dillon believes that it is crucial for no/low companies to cash in on the summer season by connecting with the “wellness halo” that surrounds the period. “Look to create these moments of what’s the occasion, who’s the consumer we’re talking to and what is the way in which they might be drinking?” she said.

Small but mighty influencers

Partnerships with influencers can help keep alc-free products front of mind long after Dry January — and they don’t have to have millions of followers. Sarah Pretorius, co-founder of non-alc beverage marketing firm Sip Steady, believes that there is value in influencers with smaller followings, labelling them ‘nano-influencers’.

“I try to emphasise to brands not to discredit the power that a nano-influencer carries, because they are usually hyper-niche,” she said. “They are building a really engaged and trusted community around them.

“Whatever they recommend is going to carry much more weight than someone with 500,000 followers, who has an affiliate code and who is selling something new every day of the week. People are tired of being sold to.”

Grüvi’s Sawni agreed, adding that today’s consumer is “so smart and savvy, they sniff out inauthentic brands easily”. Therefore, it is so important to consider “the bigger picture and impact that your business wants to have, other than just the product that it is providing”. **GDI**



'Painting with flavours': The team behind Silent Pool wanted to 'create a contemporary version of an English classic; restrained but proportionate'

'We're taking Silent Pool up a level' with William Grant & Sons deal

What led you to set up Silent Pool? I'd had a 30-year career in television and came out after a regime change too many. During my time in TV, my job was to get the money in. Too often, my time with clients was in an office block with a spreadsheet, talking about something in the abstract.

If you live in [the English county of] Surrey — I'm Surrey born and bred — you never really see people truly making something and that was something I wanted to do. The transferable bit from TV is that the programmes that make money are dramas — the viewer is emotionally invested. So I wanted to make something that also involved an emotional attachment.

In 2012, I went for dinner at a neighbour's house, where I met Christian Rose, who at the time was the chief executive of Greenall's, the largest contract gin distiller in the UK. We got to talking about gin, which I'd always liked, and that was my actual lightbulb moment.

This will start to sound slightly ridiculous, but I mentioned this to a friend whose dentist's father was Geoff Palmer, the emeritus professor of distilling at Heriot-Watt University in Edinburgh. My friend and I went to meet him and he gave us a

The sale of Silent Pool Distillers and its namesake gin brand to William Grant & Sons last year wasn't part of a grand exit strategy. The ten-year-old UK business was looking for 'a partner to provide a sales footprint' to propel the brand forward. Co-founder & MD Ian McCulloch tells **Olly Wehring** why

crash course in how to distil spirit. As part of our research, we sectioned up the gin market — old boring ones, weird ones, novelty ones and so on. We identified a quadrant that was really interesting, more accessible and more enigmatic — brands like Monkey 47, Gin Mare and The Botanist. That's where we wanted to play.

The line we used was 'painting with flavours'. We wanted to create a contemporary version of an English classic — like how the Aston Martin DB11 is to the DB5; restrained but proportionate.

We spent a year thinking, shall we or shan't we? Then, in 2013, we found a site for our distillery — our landlord is the Duke of Northumberland, who's been unbelievably supportive. We sourced a still from Germany, and secured a bottle design from a company we found that appeared regularly on packing awards websites.

Where did your funding come from? We've been self-funded.



Ian McCulloch: 'We were seen as the naughty boys in the woods making booze!'

What pace did the brand grow at? Covid notwithstanding, the annual growth rate has been enormous. We started shortly after >>

» Sipsmith [also based in the UK and acquired by Suntory Global Spirits eight years ago], and when we saw them grow, I thought that was the whole gin boom gone, but it was just the start.

One of the other things we've been lucky with is that, when you start a business, you'll often end up at the immovable object stage — you need lots of money, a special licence or a large production site. We never hit that point, so we just kept moving forward.

Our first glass bottle order was for 1,800 units and we thought that could be a year's stock — they all went in about three weeks. For the first two years, we were under-ordering everything. It takes you a while to get in front of things.

I was selling Silent Pool from the back of the car locally and people were really supportive — we were seen as the naughty boys in the woods making booze! It helped that we're based in Surrey, which is known as 'the gin and Jag belt'.

Has Silent Pool been small enough to be immune to the recent downturn in gin? Immune might be a bit strong, but we are small. We have headroom that we can't see. Silent Pool isn't everywhere. Because of our price point, which is driven by how we make our gin and its ingredients, we sort of self-select — we can tell quite quickly if a bar or pub is or isn't right for Silent Pool.

We've found that the brand is massive in gifting. We understand that when you give somebody something, it's sending a message about what you think of that person. With Silent Pool, it shows that you've done your homework!

Was the sale to a larger brand owner part of your exit strategy all along? We wanted to take it as far as we could, but it's very common to reach a point when you need resources that you can't fund yourself, unless you come from a rich background. We were looking for a partner to provide a sales footprint, primarily.

I was aware of William Grant's products, but I didn't really know the company. I was introduced to the chairman, Glenn Gordon, and he just loved the brand. He could also see where Silent Pool could fit strategically in the company.

Even with Hendrick's already on the group's brand roster? Look at where the pricing is. There's a cluster of gin brands at around GBP22 [US\$28] and another cluster at



Silent Pool's lakeside distillery is in a beauty spot known as — you guessed it — Silent Pool, said to be the county's most-haunted body of water thanks to nightly visits from the ghost of a drowned maiden

around GBP30 [\$38] — above that price level, it gets quite rarefied. If gin is like the whisky category, what's the single malt of gin? Where does the category go on a price or desirability ladder? The strategy is about owning ultra-premium spirits.

Had Silent Pool hit a ceiling by the time William Grant arrived? No, but you need to grow. If you're not swimming forwards, then you're sinking! There's still much more headroom for Silent Pool in the UK — there's a whole unexploited market out there. At the same time, we were shipping to 30 countries, but were only building out the brand at a rate that our cash flow allowed. You can't really dump a lot of money in front of sales.

It seems quite early in the brand's development for it to be acquired, though. The big companies are often less good at NPD than they are at producing their core brands.

My background's in sales and marketing — 85% of what we do is try to turn gin into money. Until you can pay staff in cases of gin, you have to turn it into money. That's the tricky bit and it requires storytelling, a narrative and honesty. It's exactly the same for the larger brand owners.

People won't drink Silent Pool because they're thirsty or because they want to get drunk quickly — it's too expensive! They'll drink it because it tastes good, it's well-made and it says something about them.

What advice would you give to secure an approach from a larger brand owner? You

'When you start a business, you'll often end up at the immovable object stage. We never hit that point, so we just kept moving forward'

must know what you are and you must be honest about that. If you're going to go through eight months of due diligence, you have to be honest.

You also have to try to weigh up what they bring to the table other than money — there are many vendors of money. What we wanted was a world-class sales operation in America that has boots on the ground selling high-end liquid. We wanted someone that calls on 15,000 bars a year in the UK and has relationships in the travel retail business. That's the proper strategic fit.

It would have taken us forever to have achieved that on our own.

What's next for you? I have another two-and-a-half years to go with Silent Pool and this is a performance-related transaction. I'm pushing it as hard as I can — I want to make it work.

We're plugging into their resources, which provides a different set of challenges, but we're taking Silent Pool up a level. Besides, I'm invested emotionally.

Will you be sad to leave? I don't know. We'll see when we get there! [GDI](#)

Lotte brings first robot bartender to a South Korean airport

The robots are coming and Lotte Duty Free is facilitating the charge. Following an introduction at its showcase wine and spirits store at Singapore Changi Airport more than a year ago, the South Korean travel retailer has introduced a robot bartender at Gimpo Airport in South Korea. The gateway is the secondary airport for the capital Seoul (behind Incheon).

The bartender, created in collaboration with Doosan Robotics, started work in mid-January by passing out liquor ‘tasting tickets’ to passengers who took part in events connected to the Hennessy and Glenfiddich brands. Customers can choose the liquor they want to taste and also receive recommendations from the robot.

The machine takes a picture of the customer’s face, uses it to analyse their emotions via AI, then recommends and serves alcoholic beverages based on these data inputs. It can work in four languages: Korean, English, Chinese and Japanese.

Lotte Duty Free launched a temporary Gimpo Airport liquor store last April following a seven-year concession win, and in December the retailer upgraded it with a permanent unit. The travel retailer also



Lotte's robot bartender analyses a customer's face before recommending and serving drinks

operates premium spaces for Japanese whisky House of Suntory and Les Caves de Champagne, a speciality store featuring several prestige champagne brands including Krug and Dom Pérignon.

In total, Lotte offers more than 100 liquor and tobacco brands, among them whiskies such as Ballantine’s, Johnnie Walker and Royal Salute.

New DKG hire to drive EMEA and GTR growth

UK drinks company and creative agency Drinksology Kirker Greer (DKG) has recruited industry veteran Gordon Buchanan to lead its global growth drive. Buchanan has been named as the company’s regional director for Europe, Middle East and Africa (EMEA) and global travel retail.

Buchanan brings 30 years of drinks experience to the Belfast-based firm, having held senior commercial and marketing roles at Bacardi, Beam Suntory, Treasury Wine Estates and, most recently, BrewDog.

His appointment is part of a three-year strategic growth plan, according to DKG chief commercial & strategy officer Ryan McFarland. “Over the past 24 months, we have been strengthening our team, building our long-term plans and steadily advancing into our next phase of growth,” he



Gordon Buchanan will focus on core brands

explained. “Gordon’s ability to engage with distributors and consumers across key regions will be instrumental in achieving our growth objectives.”

Buchanan was regional controller at BrewDog, where he managed EMEA and international business for about six years while the Scottish brewer become one of Europe’s highest-profile craft beer brands. (Plans for a BrewDog flotation have been postponed, but are still on the horizon.)

At DKG, Buchanan will collaborate with “high-performing” distribution partners in premium spirits across the on-premise and off-trade channels, as well as in airports, cruise lines and airlines. His focus will be on DKG’s core brands, including Ukiyo Japanese Spirits, Jawbox Gin, Born Irish Whiskey, Bowsaw American Whiskey and Kadoo Rum.

Dubai Duty Free debuts Tequila Komos

Fast-growing ultra-luxury Tequila Komos has debuted with Dubai Duty Free (DDF) as the brand continues its push into the airport channel.

Komos Reposado Rosa and Komos Añejo Cristalino were rolled out across Dubai International Airport’s duty free shops run by DDF at the end of 2024, bolstered by international demand for top-end agave spirits and the distribution network of MMI Group in the region.

DDF senior vice president for purchasing Sharon Beecham said: “Komos will enrich our luxury spirits selection and enhance travellers’ shopping experiences.” The brand has already been well-received in the local market, according to MMI.

Leslie Serrero, international managing director at Komos owner CKBG (Casa Komos Brands Group), added: “Agave spirits continue to see tremendous growth in the travel retail market, with ultra-premium tequila gaining additional share.”

Komos launched in GTR at New York’s JFK Airport last summer. The Middle East, especially DDF, is the next target due to the numbers of affluent consumers who pass through.



Suntory opens shop-in-shop at Delhi Airport

Suntory Global Spirits has partnered with Delhi Duty Free to open a shop-in-shop (above) in Terminal 3 of Delhi’s Indira Gandhi International Airport, the busiest gateway in India.

The space “sets a new benchmark for luxury and innovation in Indian duty free”, said Suntory. Kigumi, the traditional Japanese craft of jointing wood, has been used as a unique floor-to-ceiling design feature for the shop-in-shop. The lattice structure houses rare aged whisky expressions from Yamazaki, Hakushu and Hibiki.



Today's modern Liquor Control Board of Ontario stores are a far cry from the government-owned retailer's early outlets where alcohol was kept hidden

Shaken and stirred: Testing time of transformation at Canada's LCBO

Change and conflict were near-constant forces on the turbulent Canadian political scene last year and this year has started with more of the same.

The country's markets faced twin political shocks last month — the resignation of Prime Minister Justin Trudeau, followed by a press conference in which US President Donald Trump threatened to use “economic force” to make Canada the 51st state.

Amid this political turmoil, the largest purchaser of alcohol in the world, the Liquor Control Board of Ontario (LCBO) has also been making headlines.

In one of the most dramatic years in its 97-year history, 2024 saw the loosening of the LCBO's monopoly on wine and beer sales, a major strike by its unionised members and a legal dispute with suppliers.

The board was back in the news last month when the premier of Ontario, Canada's most populous state, suggested he could order it to halt buying American products over Trump's tariff threat.

LCBO's legacy of control and contribution

The LCBO is, of course, a familiar name to Ontarians. Established in 1927 after 11 years of prohibition, the arrival of the LCBO marked the easing of the province's temperance movement.

With their stark design, the early outlets were a far cry from the retailer's modern-

As one of the world's largest alcohol retailers, the Liquor Control Board of Ontario is an economic powerhouse. But 2024 was a year of profound upheaval for this Ontarian institution. **Joe Bates** asks what's next

day boutiques and alcohol purchases were actively discouraged.

For years, the system maintained distinctive traces of temperance-era policy. Alcohol was not openly displayed. Stores were hidden away from main streets, and purchases were packed in discreet paper bags. Until 1958, customers even had to have a permit book in which they recorded the liquor they bought, and clerks could reject any order they believed was too large.

Today, the LCBO is one of the world's largest and most modern alcohol retailers, with an ambition to be a “best-in-class retailer” and to “give back to the province of Ontario”.

The government-owned retailer sells products annually from 76 countries, operates more than 680 retail stores, and supplies 449 wholesale grocers and 18,000 off-premise venues in Canada's most populous province, which has a population of over 15.9m people.

All the net income from LCBO goes to Ontario's government in the form of an annual dividend to fund key local and provincial public programmes and services, including healthcare, education and infrastructure.

In the LCBO's most recent annual report

(for 2022–23), the organisation contributed a record CAD2.58bn (US\$1.79bn) dividend and sold over 1.1bn litres of alcoholic beverages, with a value of over CAD10bn.

The era of monopoly ends

While the LCBO's monopoly once seemed unshakable, regulatory changes in 2024 marked a turning point for Ontario's alcohol retail landscape.

In October, the Ontario government loosened the LCBO's grip on alcohol sales, allowing grocery stores, big-box retailers and licensed convenience stores to sell wine, beer, cider and RTD beverages. This policy change was hailed as a win for consumers and local producers.

“It's great news that craft brewers will now have access to more retail locations,” said Scott Simmons, president of the Ontario Craft Brewers trade body. “We have been relentless in advocating for a new retail system that puts consumers first and makes it easier to find local beer.”

The move was welcomed by the Retail Council of Canada, which said it would make it “easier to retail alcoholic beverages, allowing stores like Costco to participate in the market”. President & CEO Diane J. Brisebois said: “This is a major »

» step forward, as the participation of grocery stores is important to encouraging diversity of the sale of local growers' wine and locally produced craft beer."

However, not everyone was celebrating. The Ontario Public Service Employees Union, representing 10,000 LCBO workers, criticised the changes, citing fears of store closures and job losses. A two-week strike in July — the first in the LCBO's nearly century-long history — brought operations to a halt.

The dispute ended with a new contract guaranteeing no store closures until 2027, pay increases and the creation of extra part-time and full-time positions. While a resolution was reached, the strike highlighted the perhaps inevitable tensions between market liberalisation and job security.



The liquor board has guaranteed not to close any stores until 2027 and is creating new jobs

Legal battles and pricing policies

Another significant flashpoint last year was the LCBO's controversial "most favoured customer" pricing policy, which requires suppliers to offer the retailer the lowest price in Canada.

Trade body Spirits Canada, representing distillers including Diageo, Proximo Spirits and Bacardí, argued the policy was unfair, particularly when paired with Ontario's minimum alcohol pricing regulations, which dictate annual increases.

The dispute escalated to legal action in July, with Spirits Canada filing a complaint with the Competition Bureau and a case in the Ontario Superior Court, accusing the LCBO of abusing its market dominance.

While the LCBO defended its policies as necessary for consumer protection, the legal proceedings underscore ongoing tensions between suppliers and the retailer.

What lies ahead for the LCBO?

The LCBO's future is uncertain as Ontario's alcohol retail regulations continue to

Adventurous customers opt for 'lighter and smaller'

Ontarians are becoming more adventurous in their purchasing behaviour at LCBO outlets, according to the retailer's 2024 internal sales data, with Asian spirits such as Korean soju and Japanese whiskies showing an uptick in popularity.

Nonetheless, mainstream categories continued to performed well, with American whiskey sales up 7%, driven in part by a steady stream of limited releases throughout the year. Tequila also did well, rising 6%, but a long way behind 2023's 16% increase in sales.

Cocktails were the LCBO's best-performing category last year, growing 17% year on year. Customers took advantage of variety packs that allowed them to try different flavours from their favourite brands. RTDs, including premixed cocktails and coolers, remained popular throughout the year.

Within the wine category, the LCBO noted a shift away from heavier wines towards fresher styles, including lighter reds, low and alcohol-free wines and refreshing white varietals such as sauvignon blanc and pinot grigio.

Bucking this trend towards lighter wines and lower alcohol levels, Canadian ice wine continued to perform well for LCBO, with sales growing 7% in 2024.

There are now only around ten approved ice wine producers in Ontario, down from more than 40 in pre-Covid-19 2019. Yet the province's annual ice wine production grew 19% in the 12 months ending March 2024 to reach 43,795 cases, and LCBO sales have risen 29% since 2022, suggesting the late-harvest wine is staging a modest recovery.

evolve. While the retailer retains its monopoly on spirits and supply to on-trade venues across the province, trade bodies like Spirits Canada are pushing for broader deregulation, including the sale of spirits at grocery and convenience stores.

Internally, the LCBO is exploring ways to modernise, from launching pop-up stores to entering new markets. But main-



LCBO has expanded its selection of smaller bottle sizes in response to consumer demand

Within the beer department, customers increasingly opted for robust, characterful beer styles such as strong ales, stouts and porters, which proved particularly popular during the colder months.

Non-alcoholic beer was a standout performer, growing nearly 70% over the year. This upswing was supported by a stream of non-alc releases such as Guinness 0.0, as well as local brands such as Bellwoods Jelly King Non-Alcoholic Sour and Muskoka Brewery Veer Lager With Lime.

Reflecting an increased consumer trend towards moderation, the LCBO noted a marked increase in the popularity of smaller packaging formats for both wine and spirits in 2024. In response to the trend, the LCBO expanded its selection of smaller bottle sizes; the retailer now offers 43 37.5cl wines and 200 3.75cl-and-under spirits.

Lighter options, including low-sugar and no/low-alcohol brands, continue to grow in popularity, with no-alc products soaring 73% in 2024. This in-demand category has grown an astonishing 189% for the LCBO since 2022.

"The year's product trends could be described as Ontarians seeking products that were unique, lighter and smaller," says LCBO vice president merchandising Abhay Garg, summing up the year's big macrotrend. "We watch trends closely and aim to curate an assortment that provides perfect choices for everyone."

taining public ownership while adapting to market demands is a complex balancing act, as demonstrated by last year's strike and legal disputes.

One thing is clear: the LCBO's path forward will be shaped by how well it can navigate a changing regulatory landscape, meet shifting consumer preferences and maintain its pivotal role in Ontario's economy. **GDI**

‘Impossible to overstate crucial role flavour plays in global on-premise’

The world of spirits is a richly diverse landscape, with an array of spirits categories that differ in everything from raw ingredients to production techniques. But CGA by NIQ’s **Jonny Jones** argues that one overarching trend unites them all: flavour

January has traditionally been a slower month for the on-premise sector as the revelry and indulgence of the festive season give way to a period of natural moderation and new year’s resolutions. While 2025’s inaugural month is no exception, the overall outlook for the global on-premise landscape remains notably positive.

On-premise venues continue to hold a central role in people’s lives, according to CGA by NIQ’s Global Reach consumer study, which surveys over 30,000 individuals across 38 countries. Indeed, engagement with bars, pubs and restaurants remains robust, with 83% of people visiting venues at least once every three months, and one in three going out weekly.

When people go out, spirits are one of their go-to alcoholic drink categories. Whisky leads the pack, with nearly 30% of on-premise drinkers worldwide choosing it when ordering at the bar.

Close behind is vodka, preferred by 27% of on-premise users, followed by gin, which is enjoyed by one in five. Tequila is another favourite, consumed by 19% of drinkers, while brandy, rum, liqueurs and other spirits also hold significant appeal, with each category attracting 17% of users.



Ten per cent of drinkers plan to increase their consumption of flavoured gin expressions this year

Compared with traditional alcoholic beverages such as wine and beer, consumers interact with the spirits category in distinct ways. Some prefer to enjoy spirits neat — CGA by NIQ’s research shows this applies to about 12% of on-premise drinkers globally — but mixed drinks are considerably more popular. Their appeal lies in their versatility.

Not only can mixing spirits with other liquids reduce their alcoholic strength, making them more sessionable as a result, it opens the door to endless flavour combinations too, allowing drinkers to explore a wide array of tastes.

Flavour is king

Reach results show that flavour exploration is becoming increasingly crucial in the drinks industry for attracting and retaining consumers.

Offering diverse taste options provides greater choice and keeps consumers engaged. It is a dynamic that encourages them to remain loyal to a category they appreciate or even try a particular beverage they might not be familiar with yet.

Indeed, one in five on-premise consumers indicate that access to more experimental spirit options would motivate them to engage with a category more frequently.

This trend is particularly evident in the gin category, where innovation and unique flavour profiles have significantly driven consumer interest and growth over the past few years. Currently, non-flavoured gin expressions are consumed slightly more frequently (31%) than flavoured ones (24%). That said, 10% of drinkers plan to increase their consumption of the latter over the next year, compared to just 7% who intend to drink more non-flavoured gin.

There’s a growing interest in diverse and innovative products within this category, so brands should prioritise the appeal of flavour exploration when targeting consumers. To truly stand out, they can pair flavour innovation with other key factors that influence consumers to try new drinks.

These factors can include price sensitivity, as value for money is crucial for one in three consumers, while offers and promotions appeal to 31% of drinkers. But they can also provide health-conscious options — such as low-calorie or organic products — which resonate with 21% of on-premise users globally.

The no/low-alcohol category offers brands the ideal playground to embrace an approach that combines flavour innovation with health consciousness. When asked what would encourage them to order no/low-»

Data drop

■ Whisky is the most ordered spirit, selected by 30% of on-premise users, followed by vodka (27%), tequila (19%) and brandy, rum, liqueurs and other spirits (17%).

■ The top five qualities consumers look for in an alcoholic drink are (in order of importance): healthiness, freshness, reliability, authenticity and uniqueness.

■ Nearly one in four consumers enjoy drinking alcohol to experiment with different tastes or try various types of alcoholic drinks.

» ABV options more often in bars, restaurants or similar venues, 13% of consumers cite the availability of greater flavour variety or more creative and innovative offerings, including exciting new flavours.

But why does innovation and flavour experimentation play such a crucial role in keeping consumers engaged with a drink? The answer lies in the growing consumer desire for uniqueness and authenticity — concepts that resonate deeply with people worldwide, even if their definitions may vary considerably from person to person.

Providing consumers with distinct and innovative flavours allows brands, operators and suppliers to cater to this appetite for individuality, creating a sense of novelty and personal connection that keeps drinkers coming back for more.

Admittedly, the top three qualities consumers seek in an alcoholic drink when visiting on-premise venues are healthiness, freshness and reliability, but authenticity and uniqueness closely follow as the fourth and fifth most valued attributes, meaning they should not be underestimated.

Notably, one-fifth of consumers specifically say they look for uniqueness in their drink, which proves the importance of offering distinctive and memorable options to capture people's interest.

The value of innovation

Certain categories are widely regarded as more innovative than others. Cocktails, for instance, are seen as the most innovative alcoholic beverage of all. This might be because, while classic recipes like the mojito, negroni or gin-and-tonic are rather ubiquitous, bartenders like to create unique cocktail programmes to differentiate their venues from the competition, which can stimulate more footfall.

Hard seltzers are perceived as the second-most innovative category, likely due to their relatively recent emergence. With no deep-rooted heritage or historical baggage, the category is also simple enough to allow for swift innovation without significant barriers, neither originating from producers, nor from the public.

As these categories are perceived as innovative, consumers have come to expect continuous innovation within them. This has set the bar for experimentation particularly high, with drinkers now anticipating fresh and exciting options that push boundaries, making it essential for brands and bars to consistently deliver new and creative experiences to meet these evolving expectations.



Evolving expectations: consumers view cocktails as the most innovative alcoholic beverage of all

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

To learn more about CGA by NIQ's other sources of consumer and measurement insights for brands, operators and suppliers, visit www.cgastrategy.com or email Jonny Jones, managing director of international markets at jonny.jones@nielseniq.com

riences to meet these evolving expectations.

In comparison, Reach research indicates that consumers view both spirits and no/low-alcohol alternatives as relatively less innovative. This, however, should not be seen as a challenge. On the contrary, it is an opportunity for brands to stand out more easily from the crowd: by leveraging creativity and differentiation, they can seize consumer interest and drive growth.

Spirits rank third in CGA by NIQ's 'perceived innovation' chart, so there is still significant potential for experimentation to give new distillates a 'wow' factor that can capture consumer attention. Even more potential lies within the no/low-alcohol category, which, as noted earlier, could resonate strongly with drinkers when approached through flavour exploration.

With the broader no/low-alcohol segment ranking seventh in terms of perceived innovation, the opportunities for brands to experiment to stand out are vast and untapped.

It really is impossible to overstate the

crucial role that beverage flavour plays — and will likely continue to play — in the global on-premise. Nearly one in four consumers worldwide say they enjoy drinking alcohol specifically because they like experimenting with different tastes or trying various types of alcoholic drinks.

In other words, they are constantly eager to provide their palates with new and exciting flavour experiences.

Brands, suppliers and operators should take note of this trend and swiftly adapt their research, development and promotion strategies to align with people's growing appetite for flavour exploration, as meeting this demand will be key to staying competitive in the ever-evolving on-premise market over the coming months.

They should be mindful, of course, that while flavour is essential, it is not necessarily sufficient on its own to attract consumers and drive engagement with a drink. Other factors always play a role in shaping purchasing decisions and encouraging repeat consumption.

These include value, perceived brand authenticity and — perhaps most importantly — presentation. For instance, CGA by NIQ's research shows that a drink's flavour description can heavily influence consumer choices at the bar, with 14% of on-premise users globally indicating that they would appreciate more tasting notes or product explanations on menus. In short: consumers are certainly eager to experiment, but they like their choices to be informed and guided.

When it comes to flavour, businesses must look beyond product development and focus on the liquid's entire journey to the consumer — greater collaboration across the supply chain to develop tailored strategies for reaching target consumers can really maximise the potential of flavour exploration. **GDI**

Jonny Jones is MD of international markets at CGA by NIQ. jonny.jones@nielseniq.com

Duty Free Holdings to expand lucrative niche in Americas

Wealthy consumers on tap and an average ticket price closing in on US\$3,000 is what drinks retailers' dreams are made of. **Kevin Rozario** reports

Duty Free Holdings (DFH) is one of those players in the Americas travel retail sphere that is not in the limelight, but has been quietly building its presence. The company is a wholesaler and retailer with a strong liquor component to its business.

DFH operates a few airport outlets — at John Wayne Airport in Orange County, California and Cleveland Hopkins Airport in Ohio, for example, with its La Boutique brand — as well as duty-free stores on the western Mexico-US border. Significantly, in August last year, DFH appointed a new president, James Mullaney, to spearhead growth.

The former CEO of fashion accessories brand Furla USA is tasked with accelerating DFH's global expansion. This will be done by building the footprint of its Executive Retail shops and La Boutique stores across the US, as well as developing new distribution channels in all regions of the Americas.

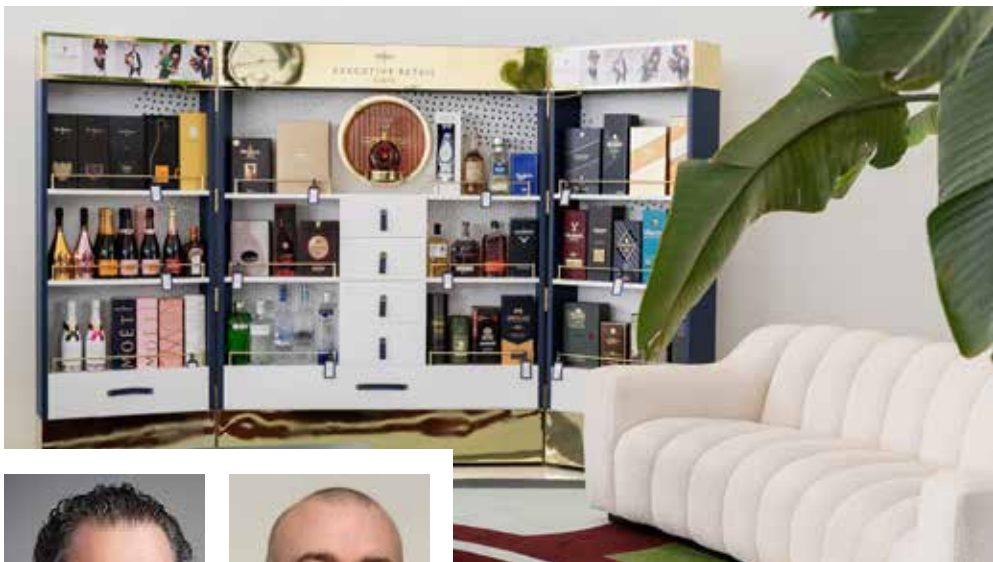
Philippe Dray, CEO & owner of DFH, says one objective is to bring "an elevated duty-free shopping experience" to consumers to "solidify our position as the leader in the global duty-free market". The latter aim is a tall order considering some of the rival regional operators in the same channel.

Duty Free Americas, for example, is said to be a US\$2bn turnover company, about ten times the size of DFH's annual sales, while there are also some big border players in Latin America. DFH is looking to more than double its sales by 2026 to compete.

A novel niche

To achieve this, new openings, new locations and/or acquisitions will be essential. Where Miami-based DFH has some advantages are its business model, a tight logistics set-up, and its focus on a niche that is under-explored by retailers.

DFH's Executive Retail shops are essentially semi-permanent pop-ups that serve consumers using private jets. These compact luxury retail stations — they are styled like Louis Vuitton's traditional trunks — currently focus on top-end spirits like Johnnie Walker Blue Label, Rémy Martin XO,



Duty Free Holdings' mobile Executive Retail store



DFH's Philippe Dray (left) and James Mullaney

Hennessey XO, Glenmorangie Signet, Glenfiddich 25yo, Zacapa Rum and Don Julio Tequila. Other categories are available online through a click-and-collect service.

The company has struck deals across at least four general aviation/private jet airports in the Miami and Fort Lauderdale areas to operate Executive Retail shops through existing fixed-base operators (FBOs).

With more FBOs serving these cities, DFH has room to grow in this small, though very wealthy, part of the US. An FBO like Signature has more than 100 locations in the US and double that worldwide. The opportunities for rapid expansion are enormous.

Wealthy consumers on tap

Given the high-spending customer target, the physical stores are filled to the brim with predominantly high-margin luxury liquor brands, as well as a few champagnes. The model works well. "We invented the private jet market and our average ticket is about \$2,700," Dray says.

While that figure may not be sustainable if an expansion drive takes off and DFH diversifies its product selection, it offers a solid base. The company entered general

aviation airports just before the Covid-19 pandemic and private jet use boomed, and it is still a growing market.

DFH persuaded FBOs at these airports that a new revenue stream would add value to their business. Mullaney comments: "They've embraced this idea and now we're making it more of a lifestyle experience by widening the offer and emphasising luxury gifting."

There are, however, some critical aspects of retailing at general aviation gateways. Operators want passengers to depart and arrive as swiftly as possible, which means fast product delivery and turnaround times. "Our distribution allows us to get to these luxury consumers quickly," says Mullaney. "The flying experience is private, so our luxury service must not inconvenience them."

DFH operates the outlets and supplies them. The company delivers products ordered online to a location within an hour.

As it expands away from its Miami base, matching this delivery time will be a key priority. This aspect, as well as partnering with the FBO and the airport operators for other elements like concept approval, plus obtaining US customs clearance, makes the private jet market a tricky and complex play.

Having cracked it, DFH is confident it can replicate its model without the worry of rival duty-free operators also stepping into the niche. Twenty-five locations are targeted by 2026, which is good news for producers of luxury spirits. **GDI**

The not-to-miss liquor exhibitors

The Summit of the Americas provides a valuable opportunity for spirits companies to engage with global travel retail. Some plan to promote specific parts of their portfolios, such as ultra-premium expressions targeted at the channel, or to demonstrate their sustainability credentials. *Global Drinks Intel* caught up with five exhibitors to ask what they are bringing to the show.

Tito's Handmade Vodka is set to showcase the brand's wide range of package sizes which it says meet "every individual need" in duty free, along with the new 2025 edition of the brand's collectable red, white and blue Tito's bottle bag. Naturally, if you attend the stand, Tito's is sure to be pouring cocktails during the show.

Elsewhere, **Heaven Hill** will mark the debut of its newly established Global Travel Retail Division. A spokesperson said: "The event offers a fantastic opportunity to showcase Heaven Hill's specific approach to travel retail and feature exclusive products developed specifically for the channel."

Looking towards the opportunity for ultra-premium products in GTR, **Pernod Ricard** will highlight the opportunity for the group's agave portfolio centred around its tequila brand Código 1530. The spirits giant will also promote rum brand Bumbu, as well as scotch whisky brands Chivas Regal and The Deacon. Following The Deacon's strong performance in Europe, Pernod Ricard's GTR team says it is eager to see how this disruptive new entrant to the blended scotch category — created by Sovereign Brands — is received in Americas travel retail.

Italian winemaker **Bottega** will present a Prosecco Doc Extra Brut named Bottega Gold Diamond, as well as other releases from its prestigious Prosecco Premium Vintage Collection. The producer says it aims to make sparkling wines of the "highest quality" by extending fermentation time to create wines with more complex character and good longevity.

Finally, Japan's **Choya Umesu** is looking to highlight three of its recent award-winning fruit-based liqueurs, all of which won Double Gold Awards at the 2024 San Francisco World Spirits Competition.



The summit's new home, the InterContinental Miami, overlooks Biscayne Bay and the Atlantic Ocean

Americas summit makes Miami debut

LATAM market expert & Americas Market Intelligence managing director John Price will be the keynote speaker at the 56th edition of the IAADFS Summit of the Americas when it makes its Miami debut this March

The International Association of Airport Duty Free Stores (IAADFS) Summit of the Americas has a new home for 2025 — the InterContinental Miami, after three years at West Palm Beach.

IAADFS chairman René Riedi told delegates at the 2024 event that Miami's "dynamic energy, ease of access and global appeal" aligned "seamlessly" with the association's "commitment to innovation and growth".

Taking place between 8 and 11 March, the summit serves as a prime platform for the travel retail and duty-free industry to come together, exchange insights and address both challenges and opportunities shaping the sector's future.

Americas Market Intelligence (AMI) managing director John Price will take centre stage at the event, kicking off the conference session programme of the summit Sunday, 9 March. Price will deliver an "insightful and thought-provoking" session that examines the political, economic and social trends shaping Latin America's travel sector.

A veteran of Latin America market consulting and one of the leading public speakers and thought leaders in the region, Price has completed more than 4,000 consulting engagements across the region. He is also a prolific writer with more than 100 published articles and a regular column in *Latin Trade*, making him a go-to authority for understanding the region's evolving landscape.

Attendees can expect an in-depth explo-



Latin America market expert John Price

ration of recent travel patterns, the rise of affluent and mass-affluent Latin American travellers and the region's economic forecast. Price will also uncover longer-term trends poised to redefine the future of travel in Latin America.

"We look forward to John's engaging and informative presentation, which will provide valuable and actionable intelligence to our 2025 summit attendees," said IAADFS president & CEO Michael Payne.

This year's summit will build on the success of the 2024 event, with suppliers taking space in an exhibit hall and a limited number of private meeting rooms. Exhibition spaces are now sold out; arrangements for the wider conference programme sessions are "almost finalised", according to IAADFS, and will be revealed soon.



2025 Summit of the Americas, 8–11 March. www.iaadfs.org

Cross-border comeback: IGL Duty Free charts bright future

After years of disruption caused by the pandemic, Canada's border duty-free retailers are bouncing back, with IGL Duty Free leading the way through innovation, adaptability and customer focus. **Joe Bates** reports

Few travel retail sectors worldwide were hit as hard by the Covid-19 pandemic as the Canadian duty-free border operators.

With the US/Canada border closed to non-essential traffic for more than 16 months and Covid-19 restrictions not fully lifted until October 2022, the country's 28 independent border shop owners suffered severe disruption and financial hardship.

Many stores were forced to close, with operators complaining they didn't qualify for government relief programmes.

However, traffic levels are finally recovering, which leaves border store retailers, such as Québec-based Importations Guay Ltée (IGL Duty Free), in a much better place.

The family-owned company, now in its third generation, operates two stores: a main outlet at Saint-Bernard-de-Lacolle, on the highway between Montréal and New York, and a smaller store at Stanstead, on the road between Montréal and Boston.

"We remain optimistic about 2025 and anticipate a steady recovery in travel volumes," says an upbeat Justin Guay, IGL Duty Free vice president. "There is a growing interest in cross-border shopping and tourism. We do recognise the challenges posed by rising costs of goods and ongoing labour shortages, and we are actively exploring operational efficiencies."

Exchange rates: a key metric for success

Something like normal business conditions have resumed and one key metric border retailers such as IGL Duty Free invariably keep a keen eye on is the fluctuating US/Canadian dollar exchange rate.

Throughout 2024, the US dollar generally strengthened against its Canadian counterpart, reaching a six-month high point in December when US\$1 was worth CAD1.4462.

"The depreciation of the Canadian dollar against the US dollar has had a noticeable impact on travel and spending patterns,"



IGL Duty Free remains 'optimistic about 2025' and anticipates a 'steady recovery in travel volumes'

admits Guay. "We've actually seen no reduction in the number of Canadian travellers heading south.

"However, they are often more selective in their purchases, focusing on high-value items where duty-free pricing offers significant savings. Conversely, we've experienced a substantial uptick in visitors from the US, who benefit from the stronger dollar."

Shifting customer demographics

The post-pandemic period has brought about changes in customer demographics which have required IGL to adapt its product assortment and marketing strategies to cater to new customer groups.

While the number of Chinese tourists has significantly decreased, IGL Duty Free has seen a marked increase in visitors from other Asian countries — including Korea, Taiwan, Vietnam and Malaysia — many of them travelling on organised tours and in motorcoach groups.

Notably, high-spending Indian tour groups are emerging as a significant segment, especially within the liquor business.

Guay notes this shift: "Indian tour groups are emerging as a growing segment, particularly within the liquor category. We have added specific premium whiskies to

Key takeaways

- **Shifting consumer demographics:** Emergence of high-spending Indian tour groups, and an increase in visitors from Korea, Taiwan, Vietnam and Malaysia.
- **Exchange rate fluctuations:** Depreciation of the Canadian dollar against the US dollar having an impact on travel and spending patterns.
- **Global trends:** Increased focus on wellness has boosted demand for alcohol-free beer, as well as craft and premium offerings.

our assortment, ensuring we have something for everyone."

IGL places a strong emphasis on customer service and engagement, offering regular programmes and tastings to enhance consumers' shopping experience. While staffing remains a challenge, IGL says it prioritises hiring individuals passionate about customer service.

Guay emphasises the importance of staff training: "It is integral to our success, particularly in guiding customers through >>

» our extensive liquor selection. Training programmes emphasise product knowledge, customer engagement and upselling techniques, enabling our team to provide personalised recommendations and enhance the overall shopping experience.”

Liquor: A pillar of revenue

Liquor remains a central pillar of IGL’s operations, representing nearly 40% of the retailer’s total sales. Within this segment, spirits lead the way, followed by a growing wine category; beer holds a smaller market share, but maintains a steady presence.

Although the overall whisky category continues to expand, reveals Guay, the ultra-premium segment has faced challenges due to allocation constraints.

Despite this obstacle, the retailer’s top-end single malt offer remains impressive, with the January 2025 lineup including The Dalmore Rare & Fine 30yo at CAD9,607.95 (US\$6,696.74), Glenfiddich 40yo at CAD5,695, Talisker 44yo at CAD4,947.95 and The Singleton of Glendullan 38yo at CAD2,695.

Canadian whisky, a category dominated by the likes of Canadian Club, Crown Royal and Wiser’s, has seen a slight dip in sales, while US bourbons are enjoying a surge in popularity, driven by their global appeal, Guay notes.

IGL Duty Free’s US whiskey offer includes well-known brands such as Jack Daniel’s, Jim Beam, Bulleit and Wild Turkey, but also more *recherché* offerings such as Redwood Empire Lost Monarch from California, Garrison Brothers Texas Straight Single Barrel and George Remus Repeal Reserve Series VI from Indiana.

White spirits and emerging trends

In the white spirits category, Guay says tequila is a standout performer, fuelled by premiumisation on both sides of the bor-



Liquor represents 40% of IGL Duty Free’s sales

der and a growing interest in mixology. IGL Duty Free’s tequila lineup includes high-end lines such as Patrón Extra Añejo Laliq at CAD7,023, a collector’s item, and Casa Obsidiana Tequila Blanco at CAD249.95.

Gin is also gaining traction, Guay observes, particularly among younger consumers, while vodka maintains steady sales due to its broad appeal.

IGL’s beer business is experiencing a rising demand for craft and premium offerings, alongside the growing popularity of alcohol-free beer. This aligns with broader consumer trends in both Canada and the US toward low-ABV and wellness products.

Competitive pricing remains a key sales driver in this segment — deals offered online in January included ‘buy three and save CAD8.10’ on 24x330ml-can packs of Budweiser, and ‘buy three and save CAD8.10’ on 24x341ml bottle boxes of Labatt 50.

Showcasing local products

IGL is committed to showcasing local products, particularly Canadian ice wine, which traditionally offer retailers high margins while taking up limited shelf space. The local focus adds a distinctive element to the duty-free shopping experience.

“We are proud to highlight Canadian ice wine through in-store promotions, tastings and educational materials that ex-

plain the unique production process,” says Guay. “These initiatives help us connect customers with the story behind the product, enhancing their overall shopping experience.”

To prepare for peak travel periods, such as holidays and summer vacations, IGL increases stock levels, introduces targeted promotions and ensures adequate staffing. Seasonal displays and festive packaging also contribute to driving sales during these key periods, Guay reveals.

IGL is also embracing technology to enhance the customer experience. IGL is reportedly experimenting with AI, including a custom ChatGPT for inventory management. There are also plans for a customer-facing avatar capable of providing personalised recommendations in the shape of an in-store podium that can meet and greet both English and French-speaking customers.

Staying connected — and relevant

Since opening in 1984, IGL Duty Free has constantly adapted to an evolving trading landscape to remain relevant to customers. A huge part of this has revolved around sourcing new products and exclusive lines in an industry where, traditionally, the big airport retailers get the first bite of the cherry.

The retailer aims to be as competitive on pricing as possible, according to Guay, as it competes directly with the New York state and New Hampshire domestic markets.

To stay ahead, IGL regularly participates in global travel retail trade shows and conferences in Singapore, Cannes and Dubai, ensuring the Canadian retailer is attuned to emerging trends and best practices. IGL has also had success developing its online presence and pre-order capabilities.

Its forward-thinking, proactive approach has attracted international acclaim, winning the company a coveted Frontier Award for Border, Downtown or Port Retailer of the Year in 2022, and a further nomination in 2024. These accolades underscore its commitment to excellence in an ever-evolving industry.

Despite the sizeable challenges of the past few years, IGL Duty Free has emerged stronger, blending tradition with innovation to meet the needs of an evolving customer base. With its proactive approach, the retailer is well-positioned to continue thriving in a competitive industry, showcasing Canadian excellence on the GTR stage. **GDI**

IGL is embracing technology to enhance the customer experience, including experimenting with AI



Missed opportunity: Airport retail loses out by not embracing no/low

The no/low-alcohol movement is driving a revolution in drinking culture, but many airport retailers are leaving consumers high and dry by failing to capitalise on this rising trend. Pi Insight's **Garry Stasiulevicius** reports

The no/low-alcohol trend is revolutionising the global drinks market, driven by health-conscious consumers and shifting demographics. However, this burgeoning category remains significantly under-represented in travel retail. While demand for no/low beverages has soared in domestic markets, major airport retailers are failing to capitalise on this trend, leaving key demographics underserved.

A snapshot of the category's presence in travel retail

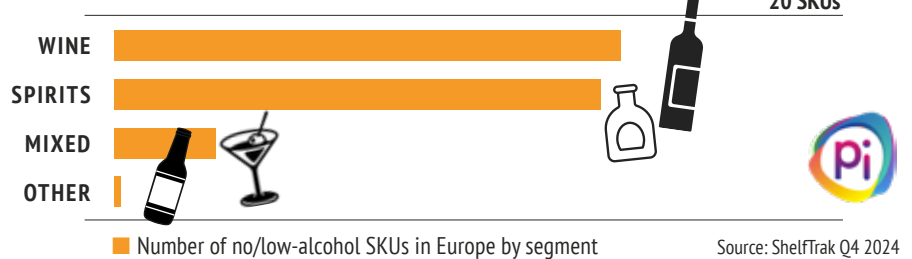
A stark disparity exists across regions in the availability of no/low options in GTR stores (see chart below). Europe (EUR) leads with 35 SKUs across 18 airports, reflecting a stronger alignment with consumer demand.

In contrast, the Americas (AMS) has just eight SKUs spread across five airports, while Asia lags with six SKUs across four locations. The Middle East & North Africa (MENA) region has only one SKU, found at Mumbai International Airport. These figures highlight a significant gap in the offering, especially in regions where wellness and moderation trends are gaining traction.

Missed demographics and market potential

Airport retailers in regions such as Asia, the Americas and MENA are missing a significant opportunity to cater to health-conscious travellers. Millennials and Gen Zers are driving the no/low-alcohol movement, with many prioritising wellness, mindful-

No/Low-Alcohol SKUs By Segment In Europe



ness and socialising without excess. A lack of options in major hubs such as New York's JFK, Brazil's São Paulo/Guarulhos and Singapore Changi raises the question: are airport retailers falling behind the curve?

No/low-alcohol beverages are not just a niche category; they represent a cultural shift. According to recent industry reports, the global market for non-alcoholic spirits is expected to grow at a CAGR of 7.1% through 2026. Brands such as Lyre's, Tanqueray 0.0% and Bottega have been successful in tapping into this demand, but their limited presence in travel retail indicates untapped potential.

European leadership in the category

Europe stands out as the only region where no/low-alcohol beverages have a notable presence in travel retail. Brands such as Tanqueray 0.0% Alcohol Free, Bottega 0 Rosé and Seedlip Spice 94 feature across multiple airports. This presence is likely driven by a more established market for wellness-oriented products in European domestic retail, but even here, opportunities for expansion remain.

Insights from regional offerings

■ **Americas:** Only eight SKUs, including Lyre's Non-Alcoholic American Malt and Tanqueray 0.0% Alcohol Free, indicate min-

imal availability across major airports like JFK and San Francisco International. This is surprising given the rising health-conscious demographic in the US.

■ **Asia:** With just six SKUs, including Gordon's Pink 0.0% Alcohol Free, the category lacks visibility in prominent hubs like Bangkok's Suvannabhumi and Singapore Changi.

■ **MENA:** A single SKU, Jacob's Creek Unvined Alcohol Free Shiraz, underscores the lack of attention to this category in a region where many consumers already avoid alcohol for cultural reasons.

■ **Europe:** A wide range of SKUs, including innovative products like Atopia Spiced Citrus Ultra Low Alcohol Spirit and Bottega 0 Rosé, sets the benchmark for other regions.

The way forward

Airport retailers have a significant opportunity to embrace the no/low-alcohol trend. Expanding the range of SKUs, introducing prominent displays and offering tastings could draw attention to this underdeveloped category.

Additionally, leveraging regional data to understand consumer preferences and tailoring the assortment accordingly would ensure this trend is maximised.

Failing to act risks leaving a key segment of travellers unsupported and losing out on a rising trend that is reshaping the beverage industry. It's time for travel retail to align with consumer demand and fully embrace the no/low-alcohol revolution. **GDI**

Garry Stasiulevicius is commercial director at leading GTR expert Pi Insight, a technology-led business that transforms data into actionable insight. The company's ShelfTrak tool captures data on store-level execution across the leading 50 airports and 70-plus stores. www.pi-insight.com

No/Low-Alcohol SKUs By Region





VIEW FROM THE ON-PREMISE

Charlie Mitchell

The breakthrough star of on-premise trends in 2025? There may be none

As ever at this time of year, social media feeds and opinion pieces are full of prophecies and projections around the latest trends set to take the on-premise by storm, but breaking through into the consciousness of the mainstream masses is a difficult task. Will 2025 be the year in which cut-through innovation takes a back seat?

The success story of the drinks sector post-Covid-19 is not a new concept, a flavour extension or a cut-through new brand or serve. Instead, it is a brand that was in near-terminal decline in the not too distant past, but has been a staple of on-premise outlets for centuries: Guinness.

Yes, the Irish stout has grown in popularity and volumes to such an extent that there was near-national outrage when shortages hit the UK sector in December. That's right, a nearly 300-year-old brand was universally the biggest drinks trend of 2024, without the need to innovate across new extensions or categories.

Guinness was able to capitalise on multiple favourable factors to drive growth: an instantly recognisable product, a brand with genuine authenticity and heritage, a ritual and perfect serve that is loved by aficionados and, of course, as is ever the case with Guinness, a world-leading marketing, strategy and activation team.

Other success stories follow a similar pattern; all the above can be applied to the flourishing behemoth that is Aperol, while the No.1 winning beer brand in Germany is Augustiner, a brand that meticulously ensures that it is only served in venues that provide the perfect draught experience, telling its story of authen-

ticity and heritage at every opportunity.

A perfect serve and iconic glass have also fuelled the beer growth of the likes of Loburg in France and Asahi in the UK.

Could 2025 therefore be the year that Stella Artois — founded 600 years ago and retaining an iconic serve — tops the trend charts? Or how about the martini — a long-established marker of quality and sophistication, with a ubiquitously identifiable and traditional cocktail serve? Indeed, one trend that recently caught my eye has been that of 'mini-tinis', gulp-sized versions of the cocktail appearing on menus across the globe in the past year or so.

As appealing as it is to gulp my way through different martini variations, like a grown-up pick'n'mix is, it's hardly a new category or brand that is shaking things up. And that lack of successful innovation does pose a genuine worry for the sector. Yes, consumers are looking for tried and trusted options, but it is excitement and innovation that keeps the sector healthy and brings consumers back for more.

As TikTok feeds overflow with bubble tea, Korean beauty products and Persian fruit leather (I've no idea either...), there is a drift of consumers from the on-premise to other channels to experience the latest new trend.

Of course, innovation should never die in what is an intrinsically creative sector. Even a quick glance at the menus of the best bars in the world will highlight that we are blessed with a swathe of world-leading mixologists possessing the most inspired minds and original souls across any creative sector.

It is often flavour, the theme of this very *Global Drinks Intel* edition, where this imaginative spark reveals itself.

A skim of the drinks list from London's ever-innovative Lyaness, winner of the Siete Misterios Best Cocktail Menu Award

2024 (part of The World's 50 Best Bars programme), showcases flavour innovation in abundance. Featuring the likes of Szechuan spice, cornflake liqueur and even a "peated parsnip amazake", sticking to the traditional is not something that could be levelled at the mastermind behind the bar, Ryan Chetiyawardana, better known as Mr Lyan.

Closer to the mainstream, don't be surprised to see continued innovation around spicy drinks and yuzu-inspired cocktails penetrate more conventional drinks menus this year.

Outside of cocktails, the no/low-alcohol category has plenty of headroom for further growth and will continue to develop and emerge. However, the narrative and marketing around this particular category is far too gloomy, much like the dark January nights in which it gains the greatest share of the limelight in the Northern Hemisphere.

Brands within the category are too often positioned as a miserable alternative, a choice of abstinence, moderation and self-restraint, rather than celebrated as products that actually are enjoyable and can be celebrated. With this in mind, it is no surprise to see products such as Botivo Non-Alcoholic Aperitif and Lucky Saint Alcohol-Free Beer, that enthusiastically promote their exceptional products, continue to grow.

For alcohol brands, curating authentic experiences through storytelling and activation will remain the most successful path to growth. Of course, we will continue to be attracted by the 'here today, gone tomorrow' fads and trends that explode from a very small base (and then consequently collapse), but don't be surprised if the big trend of 2025 is something that we have loved for decades. **GDI**

Charlie Mitchell is CGA by NIQ's global head of insight & consumer research. His GDI columns provide perspective from the on-premise, based on the most up-to-date and definitive data available. For more details, contact charlie.mitchell@cgastrategy.com

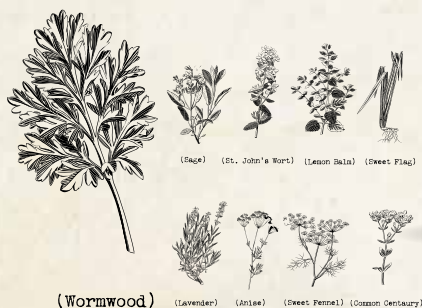
Marketing around the perfect serve of Guinness has helped fuel growth



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RECIPE SINCE
1862
CRAFTED LEGEND

40
NATURAL HERBS,
FRUITS, ROOTS
AND BLOSSOMS

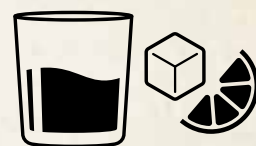


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