

# Gin's Revival

Gin has greatly benefited from the cocktail renaissance, with craft and established brands, like E.&J. Gallo's New Amsterdam (Teas Knees cocktail pictured), exploring its mixability.



Despite a rough 2017, brands like Bombay (London x Tokyo cocktail pictured left) and Tanqueray (Laid Back cocktail middle) have had relatively steady business. But it's boutique gins such as Plymouth (Shady Dame From Seville cocktail right) that are surging in popularity.

In terms of total volume, the past year wasn't very kind to gin: Overall consumption in the U.S. continued to decline, and total sales were down 2.5%. Of the ten top-selling brands, only one brand—Hendrick's—posted a gain, according to Impact Databank.

Brands that had been faring well over the last few years took sudden dips in 2017. Following years of growth, Tanqueray (\$25 a 750-ml.) was down 0.2% to 1.49 million 9-liter cases. After surging 18% in 2016, the Bombay franchise

U.S. market. Plymouth (\$30-\$35) jumped 8.6%, Boodles (\$24) posted a 16% gain, and Martin Miller's (\$27-\$49) expanded by 14%.

## Risk Versus Reward

Despite solid gains from many newer gin entries, it's still a gamble to take on additional brands at the retail level, says James Woodard, owner of Cool Springs Wine and Spirits in Franklin, Tennessee. "With 39 different brands bringing in just

*The craft craze and revitalized cocktail culture have made gin relevant once again* BY SALLY KRAL

slipped 4.9% to 1.12 million cases. Bombay's super-premium offshoot, Sapphire (\$27), was primed to cross the 1-million-case mark this year but instead was down 5.4% to 933,000 cases. But even with this year's setbacks, Bombay has expanded steadily and Tanqueray has stayed mostly level over the last ten years, while Seagram's (\$12) has dipped significantly, down from 3.13 million cases sold in 2007 to 1.93 million cases in 2017, despite remaining the category leader.

Today's consumers by and large favor the premium-end of the spirits category and gin is no exception. "Gin drinkers are willing to spend more than \$30 for a bottle of gin at retail—and on a repeat basis if they think the product has a unique taste and is great for mixing," says Guillaume Lamy, vice president of the Americas for Maison Ferrand, producer of Citadelle gin. "They're also open to different and new styles of gin."

Indeed, consumer trends reveal a high level of exploration within gin, as smaller labels continue to outpace more established brands. A boutique French import, Citadelle (\$25 a 750-ml.) was up 14.5% last year, according to Impact Databank. With Hendrick's (\$36) paving the way, other boutique labels are generating significant buzz in the

4.8% of our total revenue in 2017, gin poses a risk-reward challenge," he says, adding that in recent years he's added smaller brands, including Nolet's, Corsair, Bulldog, Fords, Calyx, St. George, and Eden Mill. "I feel there are real efforts happening with these brands to make gin exciting and interesting."

But Woodard is starting to see more interest and exploration happening with gin despite revenue remaining low. "It's a small category, but I think customers are getting interested in the different taste profiles gin offers—I've personally been a fan of gin for years."

At Cool Springs, the pricing sweet spot, whether for a 750-ml. or a 1.75-liter, is around \$25. "We're located in Williamson county, which is the seventh-wealthiest county in America, so much of our customer base is affluent with a high average income," Woodard notes. Tanqueray is the top-selling gin in the 1.75-liter format (\$37), while Hendrick's leads the 750-ml. offerings (\$30). In addition to these, Woodard is seeing interest rising in Bombay Sapphire (\$23 a 750-ml.), as well as domestic labels like the Sonoma, California-based Uncle Val's (\$35) and Nashville, Tennessee's own Corsair (\$29).

PHOTOS BY (PREVIOUS) JASON VARNEY; THIS PAGE, (MIDDLE) SHANNON STURGIS; (RIGHT) LIZZIE MUNRO



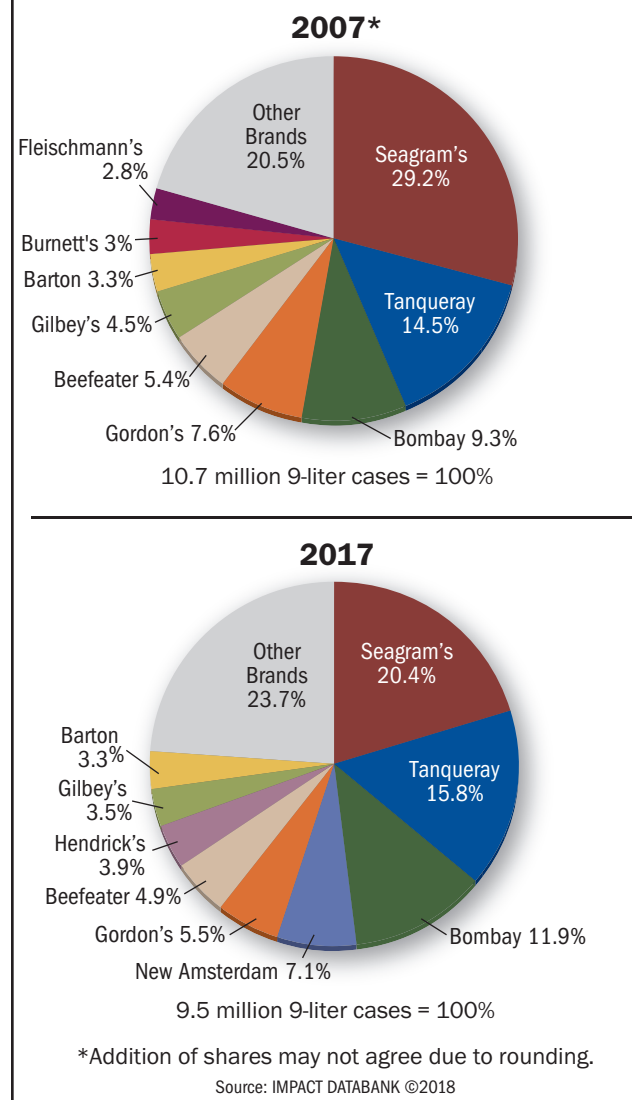
Gin is beloved at Chicago-based bar Scofflaw (shelves pictured), which focuses predominantly on the spirit. Popular offerings include local brands such as North Shore, Death's Door, and Letherbee.

Support for local craft brands is apparent at Lisa's Liquor Barn in Penfield, New York, says Jon D'Etto, director of web store operations, pointing to gins from New York state distilleries, including Black Button (\$31 a 750-ml.), Tommyrotter (\$31), and Honeoye Falls (\$25), as the top picks. He adds that while everyday gin drinkers who favor big name brands like Tanqueray, Seagram's, and Beefeater skew older, customers who are drawn to smaller boutique labels are millennials in their mid-to-late twenties spending \$30-\$35 a 750-ml. "There's definitely a large movement of younger consumers toward these craft gin brands, with a concentration on dark Old Tom gins and Bourbon barrel aged expressions," he says. "Consumers love spirits that are barrel aged or have a different barrel used than normal, so that's key in attracting new customers."

In 2016, Citadelle added an Old Tom gin (\$55 a 750-ml.) to its lineup. "No Mistake Old Tom is a small-batch of Citadelle that was aged in oak and sweetened with aged sugars," Lamy says. Only 3,000 bottles were released to the U.S. market, but the brand continues to experiment with aging. "We've been working on our latest Reserve bottling for a

### LEADING BRANDS' SHARE OF THE U.S. GIN MARKET—2007 VS. 2017

(share of depletions)



long time now, and I can say that we've found the gem we were looking for. It's aged in several different casks—including French Oak, Cognac, and Pineau des Charentes—and it's finished in an 8-foot tall, egg-shaped oak barrel. It's the only aged gin made this way." The Reserve retails at \$45, and the company will be making around 13,000 bottles a year.

Lamy notes that despite Citadelle's steady growth, competition poses challenges for smaller brands. "It's always been and likely always will be very tough, as the category is still dominated by three major brands, leaving little room for newcomers," he explains, adding that his main focus is on educating retail partners and consumers through in-store tastings. "These are always very important to keep our momentum going in stores. We're trying to enter the big world of floor displays, but it's still difficult for us to implement as we lack marketing tools."

Despite the premium end becoming increasingly crowded, major players have decided that the risk is worth it: In 2016, Beam Suntory acquired a controlling stake in U.K. craft gin label Sipsmith (\$33-\$48 a 750-ml.) and New York-based Davos Brands purchased Aviation Gin (\$30) from Oregon craft distiller House Spirits. More recently, Gruppo Campari purchased Bulldog Gin (\$27) for roughly \$58 million last February, and Brooklyn's Greenhook Ginsmiths (\$34-\$50) joined the portfolio of TD Artisan Spirits, the joint venture between Terlato Artisan Spirits and Distell USA, last April.

Another craft-style gin that's new to the market is Thomas Dakin, imported from the U.K. by Domaine Select Wine & Spirits and owned by Quintessential Brands. Thomas Dakin (\$35 a 750-ml.) launched in April and is initially available in New York and New Jersey, with plans for expansion into Florida, Colorado, and California. The brand honors Thomas Dakin, an 18th century distiller who operated in Warrington, near Manchester, and is considered among the forefathers of modern English gin. Its signature ingredient is "red cole," an 18th century English term for locally grown horseradish. The packaging is red, recalling the red brick of Manchester's buildings and colors of its famed soccer team, Manchester United. Thomas Dakin is distilled at the G.&J. Distillers facility in Warrington, but a new craft distillery in downtown Manchester will open next spring. That facility will include a bar, gift shop, and the Thomas Dakin Gin Academy, which will train a new generation of gin makers.

Elsewhere, Massachusetts-based M.S. Walker is importing Whitley Neil Gin (\$35), a traditional English gin owned by U.K. producer Halewood International. Whitley Neill is a traditional English gin crafted by 8th-generation gin distiller Johnny Neill in England's oldest copper pot still. The gin has nine botanicals including orange peel, juniper, coriander, lemon peel, Orris bark and Angelica root, as well as two South African botanicals—Baobab fruit from the symbolic Baobab tree and Cape gooseberries. Fifty Pounds (\$30-\$33), another English entry whose name derives from the £50 tax that was levied in England as part of the Gin Act of 1736, is being sold across all major U.S. markets.

But even as more artisanal gin brands enter the market, retail shelf space has not widened accordingly. "Most of the movement toward craft gin that we've noticed is in wholesale sales due to the increased popularity of craft cocktails," says Orlando Spencer, marketing director at the Odessa, Texas-based retailer Pinkie's. "We haven't yet seen the same growth coming from the retail side. Less than 10% of our sales come from gin, which is a very small category compared to vodka, Bourbon, and Tequila."



Premium craft gin labels like Thomas Dakin (bottle pictured), which honors an 18th century English distiller, continue to seek differentiation in an increasingly crowded market.

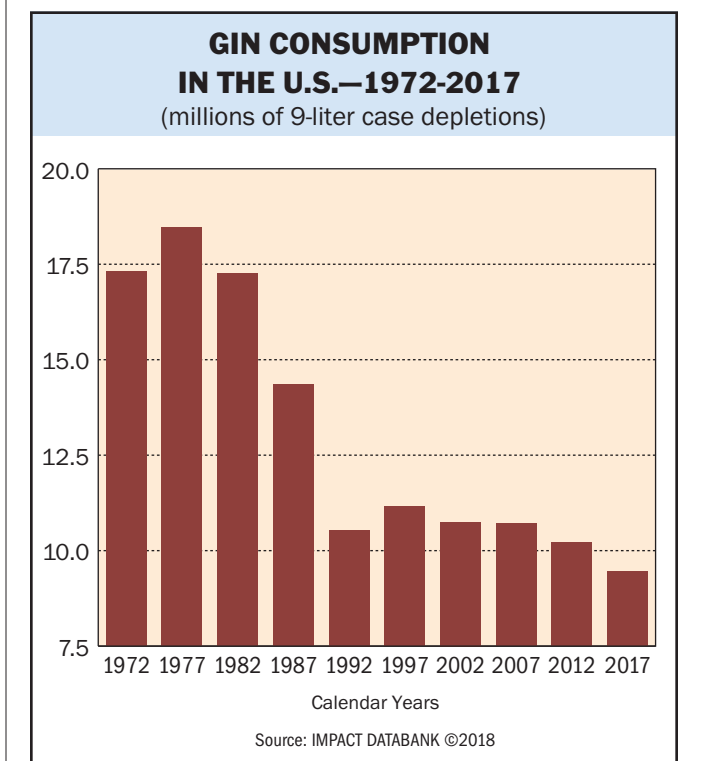
### Cocktail Classic

Gin might lag behind other spirits at retail, but it's beloved at the bar. "We enjoy working with gin because it's extremely versatile and varied—no two are the same, which keeps it consistently fun for us," says Danny Shapiro, partner at the Chicago-based Scofflaw Group, which owns the gin-focused bar Scofflaw, among other venues throughout the city.

At Scofflaw, the current top-selling gin drinks are the Jacuzzi Frost (\$8), made with Martin Miller's gin, Dolin Blanc vermouth, Salers aperitif, kiwi, lime juice, and sesame oil, and the Ruby Thief (\$10), featuring Letherbee gin, Green Chartreuse liqueur, and apple juice. Shapiro notes that local Chicago gin brands like Letherbee, North Shore, and Death's Door are most popular with guests.

As a spirit not typically consumed neat like whisk(e)y, gin has benefited perhaps more than any other spirit from the cocktail boom. "The current cocktail renaissance has had a huge impact on the gin

category—the emergence of the craft gin segment is directly related to it," says D'Etto of Lisa's Liquor Barn. "There are several cocktails that are gin-centric that have become staples, such as the Negroni—what a resurgence it has had. It's on every major cocktail list now." Maison Ferrand's Lamy agrees, noting that bartenders' interest in classic, gin-based



**U.S. — TOP TEN GIN BRANDS<sup>1</sup>**  
(thousands of 9-liter cases)

Rank	Brand	Company	2013	2014	2015	2016	2017	Percent Change <sup>2</sup> 2016-2017
1	Seagram's	Pernod Ricard USA	2,321	2,199	2,055	2,014	1,934	-4.0%
	Extra Dry		2,033	1,913	1,764	1,732	1,667	-3.7
	Twisted		258	258	263	254	239	-5.7
	Distiller's Reserve		29	28	28	28	28	-2.2
2	Tanqueray	Diageo North America	1,447	1,466	1,470	1,497	1,494	-0.2
3	Bombay	Bacardi USA	1,027	1,061	1,000	1,182	1,123	-4.9
	Sapphire		841	874	817	987	933	-5.4
	Original		186	188	183	195	190	-2.5
4	New Amsterdam	E. & J. Distillers	750	735	720	695	670	-3.5
5	Gordon's	Diageo North America	674	610	577	547	520	-4.9
6	Beefeater <sup>3</sup>	Pernod Ricard USA	513	494	483	472	467	-1.2
7	Hendrick's	William Grant & Sons USA	215	246	294	341	370	8.5
8	Barton	Sazerac Co.	340	345	345	335	330	-1.5
9	Gilbey's	Beam Suntory Inc.	365	356	338	320	310	-3.0
10	Burnett's	Heaven Hill Brands	275	296	287	275	255	-7.3
	<b>Total Top Ten<sup>4</sup></b>		<b>7,927</b>	<b>7,807</b>	<b>7,570</b>	<b>7,677</b>	<b>7,474</b>	<b>-2.6</b>
	Other Brands		2,143	2,073	2,060	2,028	1,991	-1.8
	<b>Total Gin Market</b>		<b>10,070</b>	<b>9,880</b>	<b>9,630</b>	<b>9,705</b>	<b>9,465</b>	<b>-2.5%</b>

<sup>1</sup> Includes flavors  
<sup>2</sup> Based on unrounded data  
<sup>3</sup> Includes Burrough's Reserve and 24  
<sup>4</sup> Addition of columns may not agree due to rounding.

Source: IMPACT DATABANK ©2018

**U.S. — OTHER IMPORTED GIN BRANDS**  
(thousands of 9-liter case depletions)

Brand	Importer	2010	2015	2016	2017	AACGR <sup>1</sup> 2010-2015	Percent Change <sup>2</sup> 2015-2016	2016-2017
Boodles	Proximo Spirits	13	44	53	62	27.6%	20.5%	16.0%
Plymouth	Pernod Ricard USA	24	30	32	35	4.7	7.0	8.6
Martin Miller's	Blue Ridge Wine & Spirits	9	30	30	35	28.3	2.5	16.5
Citadelle	Cognac Ferrand USA	15	27	30	35	12.8	10.0	14.5
Greenall's	Prestige Beverage Group	4	25	27	25	43.9	8.0	-4.4
Pinnacle	Beam Suntory Inc.	30	23	22	20	-4.8	-7.7	-9.7
	<b>Total Other Imports<sup>3</sup></b>	<b>95</b>	<b>179</b>	<b>194</b>	<b>211</b>	<b>13.6%</b>	<b>8.2%</b>	<b>9.0%</b>

<sup>1</sup> Average annual compound growth rate  
<sup>2</sup> Based on unrounded data  
<sup>3</sup> Addition of columns may not agree due to rounding.

Source: IMPACT DATABANK ©2018

cocktails has propelled small producers like Citadelle into a number of cocktail programs.

Brands are taking note of gin's natural mixability by partnering with on-premise players to create both classic and unique cocktails. "We have expert mixologists that continually work with our on-premise accounts to offer innovative cocktails," says Michael Sachs, director of spirits marketing at E. & J. Gallo. Chris Chamberlain serves as national beverage development manager for E. & J. Gallo and works on creating cocktails showcasing New Amsterdam gin's versatility. His Tea's Knees comprises chamomile tea-infused New Amsterdam, lemon

juice, and honey syrup, while the Watermelon Negroni blends the gin with Gallo sweet vermouth, bitter Italian aperitif (brand varies), and fresh watermelon.

For the past 11 years, Bombay Sapphire has hosted the Most Imaginative Bartender Competition in partnership with the United States Bartenders' Guild to keep its connection with the mixology community strong. This past August, Columbus, Ohio-based bartender Annie Williams Pierce beat out 11 other finalists to be crowned the winner for her inventive London X Tokyo cocktail, featuring Bombay Sapphire washed with Persian lime-infused olive oil, sugar snap pea-infused



Unique and updated takes on tradition are key to gaining new gin customers: Citadelle Reserve gin is finished in an egg-shaped oak barrel (pictured above), while the Negroni (right) is being interpreted in new and unusual ways.



Martini & Rossi Bianco vermouth, verjus, and shiso-infused olive oil.

The mixability of Hendrick's gin is at the heart of its latest marketing campaign. Last summer the brand launched "The Hendrick's Grand Garnisher," a cucumber-slicing device that traveled the country atop a hybrid powertrain for seven months, offering Hendrick's cocktails garnished with freshly sliced cucumbers. The garnisher visited 21 cities, handing out such original Hendrick's cocktails as the Cucumber Basil Smash, featuring the brand with fresh lemon juice, simple syrup, basil, and cucumber, and the Unusual Negroni, mixing the gin with Lillet Blanc and Aperol aperitifs.

This year, Tanqueray is continuing its partnership with hip-hop icon Snoop Dogg to "recruit and regain relevance among millennial consumers, reinforcing Tanqueray No. Ten as the go-to spirit for Gin & Juice cocktails," according to Keenan Towns, Diageo's head of influencer brands. Since naming Snoop Dogg brand ambassador for the super-premium No. Ten (\$34 a 750-ml.) in 2016, Towns says, the expression has grown 5%. The Laid Back cocktail is Snoop Dogg's own take on the Gin & Juice, featuring No. Ten, Cîroc Apple vodka, fresh pineapple juice, and club soda.

Plymouth gin similarly takes a cocktail-centered marketing approach. "We continue to focus on the Martini, as Plymouth has a deep-rooted history with this drink going back to the

1900s," says Jennifer Marks, business leader for the brand. "With our Martini Master Classes we use this cocktail to highlight the approachability and versatility of Plymouth and to get liquid to lips." The brand started offering these classes last year, hosting a total of 12 events in New York City and Los Angeles. This year Plymouth will host 14 classes in Los Angeles, New York City, Miami, Orlando, and Washington, D.C., with plans to expand the program further in 2019.

In addition, Plymouth has partnered with Punch Creative to release "The Gin Companion," a book that spans the history of Plymouth and its use in cocktails throughout the years. "It contains a suite of cocktail recipes from top-tier

bartenders around the world who are ardent fans of the brand," Marks says. "This book is an evergreen piece of content that will appeal to industry professionals and consumers alike."

The book—available for pre-order on Amazon in June—offers drinks such as the Secret Service, created by New York City-based mixologist Sother Teague, which highlights Plymouth with Maurin Quina aperitif, Ancho Reyes Ancho chile liqueur, and Bittermens Xocolatl Mole bitters, and the Shady Dame From Seville by New Orleans mixologist Abigail Gullo, which blends Plymouth, Cappelletti Amaro Sfumato Rabarbaro, Spanish red vermouth, Grand Poppy amaro, and Lustau East India Solera Reserva Sherry.

"In this age of the cocktail culture, consumers are turning to spirits that shine in innovative recipes, as well as in classic cocktails," Marks says. "They're looking for spirits that provide new, refreshing taste experiences."

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