



Texas: Land of Opportunity for Super-Premium Gin?

by The IWSR Drinks Market Analysis, www.theiwsr.com

As the premium-plus gin boom subsides, identifying future growth opportunities can prove difficult. But a detailed comparison of IWSR's market data and consumer research can help pinpoint which parts of the world — and even individual U.S. states — might be worth exploring.

Premium-and-above gin is confronting challenges in a number of mature markets, but targeted pockets of opportunity still exist, including in one perhaps surprising territory: Texas.

A detailed analysis of IWSR data and consumer research enables brand owners to compare the market opportunities across different countries, such as Japan, the U.K., Denmark and Switzerland; but also in individual U.S. states, such as Texas, Illinois, New York and Florida, using IWSR's US Navigator tool.

Being able to pinpoint potential targets for future growth is all the more valuable at a time when premium-and-above gin volumes are struggling in a number of mature markets.

This is particularly evident in the U.K., where premium-plus gin volumes declined at a CAGR of -12% between 2020 and 2024 (with sub-premium volumes also falling at a CAGR of -11% over the same timescale).

Less pronounced declines are also seen in smaller European markets, such as Denmark, where premium-and-above gin volumes declined at a CAGR of -3% between 2020 and 2024; and in Switzerland, where they declined at a CAGR of -4% over that period.

In all three countries, the prognosis for higher-priced gin is a difficult one: premium-plus gin volumes in the U.K. are expected to decline at a CAGR of -4% between 2024 and 2029, according to IWSR forecasts; the predicted CAGR for Switzerland is also -4%, while Denmark is anticipated to be flat.

As the high-end gin boom evaporates in these territories, identifying opportunities elsewhere becomes even more important.

In Japan, gin volumes grew at a CAGR of +14% between 2020 and 2024, with premium-and-above consumption expanding at a CAGR of +18% over the same timescale from a small base. While this growth is expected to moderate in the years ahead, premium-plus volumes are still expected to increase at a CAGR of 7% between 2024 and 2029.

At first glance, the U.S. looks like a less lucrative opportunity for higher-priced gin: while premium-and-above volumes rose at a CAGR of +3% between 2020 and 2024, they are expected to be essentially flat to 2029.

But let's take a closer look.

Despite those impressive growth numbers and high overall volumes, Japan's gin market is heavily skewed towards the value and standard price tiers, with premium-and-above's share of total volumes in 2024 sitting at only 9%.

"Japan is a strong volume market for gin, but it is less mature from a premium entry standpoint," said Marten Lodewijks, President IWSR US.

What is more, local brands dominate across all price points, shrinking the opportunity for imported products.

continued on page 3

DISCUS Issues New Edition of Code of Responsible Advertising & Marketing Practices

The Distilled Spirits Council of the United States (DISCUS) has issued a new edition of the Code of Responsible Practices that includes updated provisions, establishes a new alternative complaint resolution procedure and enhances the overall clarity of the Code.

First adopted by the spirits industry within months of the repeal of Prohibition, the Code is a set of voluntary guidelines for the responsible placement and content of beverage alcohol advertising and marketing materials.

"Throughout the Code's 90-year history, provisions have been updated over time to reflect the current marketplace, social mores and evolving technology," said Courtney Armour, DISCUS Chief Legal Officer and Code Review Board Liaison. "This latest update and redesign of the Code improves clarity around certain provisions and includes a new alternative rapid complaint resolution process for marketers to demonstrate responsive action and a commitment to the Code."

Among the updates:

- **Code Now Explicitly Covers Non-Alcohol Beverages:** While DISCUS members have long advertised their non-alcohol beverage products in compliance with the Code, the Code now includes an explicit reference in its scope to make it clear that advertising or marketing activities for beverage products identified as non-alcohol versions of recognized alcohol categories or established brands is covered by the Code.

- **College Stadium Naming Rights Prohibited:** The college campus marketing section has been revised to explicitly prohibit purchasing the naming rights to a college sports stadium. Marketing on college campuses has been prohibited in the Code for some time, excluding some very limited exceptions.

- **Introduction of Rapid Action Alternative Complaint Resolution Process:** The revised Code includes a new informal inquiry alternative to the formal complaint process that allows for the submittal of concerns regarding advertising and marketing materials where an advertiser would have a 3-business day window to address the alleged violations prior to

continued on page 3