Despite the faltering economy, gin brands in every price category have found ways to increase sales. The trick, it seems, is focusing marketing efforts on the right audience for each product.

“You can find brands in every segment of the category that are growing and brands that aren’t. Despite the economic downturn the positive momentum in gin still seems to be there,” says Bill Topf, vice president of marketing for gin at Diageo.

Topf’s comment is a good overview of the gin market these days. The economic forecast is still rather dreary, yet there is good news and rapid growth for some brands in the gin category. According to the February figures released by DISCUS, in the distilled spirits category overall there was a 3% volume decline of gin in the on-premise and a 2.2% volume growth in the off-premise.

To take advantage of this, several established brands are focusing on the home consumer. Nick Boyce, senior brand manager for the House of Bombay, says, “There has definitely been a shift towards the off-premise. Given this trend we have tailored our programs to facilitate cocktail making and at-home usage. One key growth driver has been that Sapphire Collins enables consumers to entertain friends with the perfect summer cocktail.” Additionally, the home entertain-
The theme was reinforced at a recent hands-on class at Brooklyn Kitchen’s Meat Hook. Here, Bombay Sapphire’s master mixologist, James Moreland, teamed up with butcher Tom Mylan to show how signature Bombay cocktails complemented Porterhouse.

Other brands have also been focusing on “homemade” gin cocktails. New Amsterdam, for example, is running a promotion with Schweppes tonic water, and Tanqueray is highlighting both the Tanqueray & Tonic and “unsimple” variations created by top bartenders.

Hendrick’s, meanwhile, continues to present innovative seasonal cocktails to both the trade and consumers. A visit to the Hendrick’s web site shows future hosts just how simple it is to whip up a Cucumber Lemonade or Meadow Mule for summer parties.

ROOM AT THE TOP

Across all categories, consumers are undoubtedly trading down from more expensive to less expensive brands, and gin is no exception. Volume grew by 4.2% in the lowest-cost value category but fell in all others: by 5% in premium, 8.2% in high-end premium and 18.9% in the super-premium categories according to DISCUS reports.

There have been some exciting new introductions in the super-premium category, though, and these might have the potential to stimulate the price tier. Maria Pribble-Puente, senior brand manager for Plymouth and Beefeater gins at Pernod Ricard USA, said that Beefeater 24—which launched in April and May of last year in just five cities, and has now hit Las Vegas and Chicago, sold 1,200 nine-liter cases. “Through education we’re trying to reinvigorate the Beefeater brand, and the Beefeater 24 launch has definitely helped. It’s getting consumers to revisit the brand and think about it when they’re out at the bars and ordering a bold gin cocktail,” says Pribble-Puente.

And Beefeater continues to innovate, with the launch of the seasonal Beefeater Summer this June, tweaking the botanical recipe with the addition of elderflower, hibiscus and black currant.

Bacardi also released a super-premium gin last year but instead of inserting it into the Bombay line—which already features the high-end premium Bombay Sapphire—Oxley is positioned as an “English gin with an intense classic gin taste,” according to Oxley’s senior brand manager Christine Moll. The gin is made with a high-tech “cold distillation” process that has already brought it a good deal of attention. The small-batch gin launched in just four U.S. markets since its release, focusing on hand-sells rather than a large promotional program.

Diageo owns brands at several price points: the value brand Gordon’s, high-end premium Tanqueray and super-premium Tanqueray No. Ten, which helped create the category. “We have a nice position in each of these markets and we need to keep driving, keep learning about what consumers love about each of them. It’s nice to have a portfolio of brands so you don’t have to try to make one everything to everyone,” shares Topf.

Pernod Ricard USA has also diversified its gin portfolio with Seagram’s. The Extra Dry gin, known for flavors like Raspberry Twisted and Grape Twisted, reaches a different audience, targeting non-traditional gin drinkers.

FOCUSED MARKETING

For each of Diageo’s brands, Topf describes different marketing strategies: “For Tanqueray No. Ten we’ll be doing a lot of work with bartenders in the mixology community, showcasing it as the perfect base for fancy cocktails. Tanqueray No. Ten really is at that ultra-premium end. It’s not necessarily only about drinking in the on-premise, but that’s really where people are going to get turned on by it.” Gordon’s marketing, meanwhile, is focused on the off-premise. “We will continue to have it out there for consumers, and remind people primarily in-store,” says Topf. However, he adds, “In the last six to nine months we’ve been really growing our investment in Tanqueray. We started this past year getting back out there with the fabulous message around the Tanqueray and tonic—still one of the top bar calls that’s out there. And then we’re driving that further with a ‘best twist on the T&T’ contest in over 20 markets this summer.”

Boycie also notes the range of target drinkers for each of his brands. “There is very little switching between the two Bombay brands, as the mindset of each
consumer is very different,” he reveals. “The Bombay Sapphire drinker enjoys the worldliness and sophistication of the brand and usually sips it in a Martini while enjoying a night out at an upscale lounge or having dinner at a white tablecloth account. The Bombay Dry consumer, on the other hand, appreciates a more casual atmosphere such as a neighborhood bar and prefers to have their Bombay Dry mixed with tonic.”

“Oxley and Bombay are both London Dry gins, however, each delivers a very distinct taste profile,” adds Moll. “Oxley has a classic, bold, yet fresh and flavorful gin taste. Bombay gins were designed specifically to deliver a lighter, more refined gin taste profile that would appeal to gin and non-gin drinkers alike.”

Pernod Ricard uses a different tactic, promoting Beefeater and Plymouth simultaneously. “The approach we’re taking with the premium gin portfolio is to lead the industry in gin education in general,” explains Pribble-Puente. “I think it’s important to educate both the trade and consumer about gin. There are different styles—old and new world gins, Plymouth versus London dry—and the trade is really eager to learn about this.” In addition to promoting bartender education through the BarSmarts program, they developed the Gin Symposium, a full day devoted to learning about the white spirit in several American cities with top bartenders, historians and Beefeater and Plymouth master distillers.

Bulldog Gin saw a 65% volume increase in 2009, according to founder and CEO Anshuman Vohra. The brand launched in the U.S. in 2007, and is so far available on the Northeastern seaboard including New York where it sells the most cases. Vohra plans for a gradual expansion over the next two years. With its funky, spiked-collar bottle and enticing botanicals including dragon eye, poppy and lotus leaves, the brand has managed to split sales 50-50 on and off-premise, according to Vohra.

Super premium G’Vine also made its U.S. debut in 2007, and greatly increased distribution in 2009. A recent brand promotion is the G’Vine Gin Connoisseur program, an international mixology contest with a strong gin education component. Audrey Fort, marketing & business development director for brand owner Eurowinegate, says that more than 320 contestants from 29 countries enrolled in the contest. “One of the criteria is to create a cocktail. It has enabled us to list G’Vine in bars which were not stocking it before, and raise our sales by at least 30% when G’Vine entered the menu. I guess one of the main reasons for the brand’s success is that we offered an opportunity to the bars to taste it and adopt.”

While most new brands are built on-premise, the premium brand New Amsterdam has made pushes into the retail sector with great success. Sales volumes were 100,000 cases in 2007, 450,000 in 2008 and over 800,000 cases in 2009. Robert Ruijssenaars, senior marketing manager for the brand, says, “We conduct in-store demos and tastings throughout the country to induce trial. We want consumers to experience the superior smoothness of New Amsterdam firsthand.”

Tasting, whether through the promotion of simple cocktails for home entertaining, or with interactive mixology contests, is key to growth—gin brands are making headway by getting their products into the hands (and mouths) of consumers and bartenders.