

## Rise of microdistilleries

Consumers not only take the bar experience back home, they are also interested in artisanal alcohols. When consumers buy alcohol to drink at home, it is not only the multinational brands that are proving popular, but domestic and local producers. According to research company Euromonitor International, 2009 was not a good year for multinational companies. Euromonitor International's Millionaires Club report ranks global sales of spirits brands with sales of over 1m nine-litre cases over all retail channels. The 2010 Millionaires ranking saw total volumes of international brands on the list fall by 5%. However, domestic/local alcohol brands saw growth of 6%, selling over 400m nine-litre cases.

This points to a growing interest in traditional, hand-crafted spirits. Examples include whiskey from Tuthilltown Spirits distillery in Gardiner, New York, vodka from Death's Door Spirits in Washington Island, liqueurs from Finger Lake Distilling in New York State and gin from Sipsmith distillery in London.

'Younger drinkers are starting to rediscover aged spirits,' says Ralph Erenzo, the owner of Tuthilltown Spirits. 'The cocktail movement has been very helpful. People are tired of vodka – by definition it has no character.'

Curiosity about food has helped the distillery, Erenzo notes. 'People want to find out where the whisky comes from and how it has been produced since the Prohibition era,' he says. 'We take our customers to the field where the ingredients are grown so they can find out for themselves.'

**Death's Door Spirits makes handcrafted vodka and gin with local ingredients. 'People increasingly want a story behind the product,' says Brian Ellison, the founder of the company. 'And they like that a story can be true.'**

Brian McKenzie, the owner of Finger Lake Distilling, agrees. 'People are becoming more adventurous,' he says. 'They want something genuine. There is so much alcohol being marketed as creating prestige. Then you find it wasn't produced in any special way.' Finger Lake produces its whisky using raw grain from local farms. The grinding, mashing and cooking that lead to the barrel-aged product all happen onsite.

In London too, microscale distilleries are proving popular. The Sipsmith distillery, which produces handmade spirits in small batches at its west London location, reports a rise in premium spirit sales to drink-at-home connoisseurs. The Sacred Spirits microdistillery makes gin and vodka by hand using a low-temperature vacuum technique, just 100 yards from the summit of London's Highgate Hill. The key ingredients of the company's Sacred Gin include juniper, cardamom and nutmeg.

**THIS PAGE, FROM LEFT: SIPSMITH VODKA AND DRY GIN; SIPSMITH DISTILLERY, HAMMERSMITH, LONDON  
OPPOSITEPAGE, FROM LEFT: BREUCKELEN GIN; DEATH'S DOOR GIN;REYKA VODKA**



# DEATH'S DOOR

The Futures Laboratory | October, 2010

... SPIRITS ...

## Nostalgic cocktails

In a time of economic uncertainty, consumers are seeking value and quality simultaneously. We have seen this elsewhere, in fields such as packaging and design. Consumers are returning to the concepts of tradition and heritage, where the stories behind the products are key. Consumers of luxury alcohol are similarly turning to nostalgia.

Mathin Lundgren, who runs Kåken, a bar that opened in Stockholm in 2009, is offering classes in Prohibition-era cocktails. 'People want a taste of 20s-style cocktails,' says Lundgren. 'Consumers want to experience this era again, having experienced a major recession.' This, he says, is a way of returning to something original and genuine. 'Whether it is fashion, design, food or alcohol, the process of making it is key,' says Lundgren.

In a similar fashion, in the UK, consumers are turning to traditional cocktails with a story to tell. The Feathers, in the Cotswold village of Woodstock, Oxfordshire, has gathered 50 gins from eight different countries, and has a gin sommelier on hand to guide drinkers through the menu of Britain's first dedicated gin bar. London's Harvey Nichols department store opened a Martini terrace on its fifth floor during summer 2010.

'Consumers love to tell a story about what they're serving. It's much harder to do that with a bottle of vodka than it is with super-premium gins,' Sam Galsworthy, founder of Sipsmith, told the Independent newspaper. 'People today love knowing about the provenance of a product, preferably with a good anecdote behind it.'



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## What This Means to Your Brand

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### Connoisseur drinkers

Today's luxury alcohol consumers are media-savvy, luxury-fatigued connoisseurs who have seen one too many luxury alcohol brands. Standing out and appealing to them will require more than simply a premium price and distilling the drink one more time.

### Tell me a story

As elsewhere in the luxury market, consumers want more than just a product. They want a story. Tell the story of your luxury brand, bring it to life and make sure that each sip of your drink makes them feel part of that story. If your brand has heritage, use it. If the brand is new, tell its new story. Consider how Sipsmith has done this with the first new copper still in London for 200 years. Crafted in Germany by a family business that has been making stills since 1869, the still even has a name – Prudence.

### Be nostalgic

Link your brand to a history that seems to come from the good old days. In these turbulent times, consumers are nostalgic for a more settled, sepia-toned era. Make your brand feel nostalgic, through its packaging, presentation and provenance.

### Educate the consumer

Help your customers – on-trade, off-trade, mixologists and innkeepers – and your consumers look good through education. Educate your customers about the brand and the category. Educate your consumers about how, when and with what to serve the drink. Teach them how to mix it, how to create cocktails they can show off to their friends. Show them when to serve it, by creating a moment based around your brand. Suggest what food to pair it with, as St Ali in Melbourne does. Could your brand do this through an app or a website? Could your consumers become involved and suggest their own? Could your brand create a luxury alcohol version of Louis Vuitton's Journey of a Man's Wardrobe, Burberry's Art of the Trench or Hermès' J'aime mon carré?

### Small is beautiful

Consumers today prefer to be one of a niche to being part of the masses. They want their brands to be the same. Invest in micro brands and micro distilleries, and deliver batches made in single casks, and in ultra-specific batch numbers. It is possible to be micro, even when you are macro.

### Learn from food and fashion

Just as consumers are concerned about the provenance of their food, so they are about the provenance of their alcohol. Be as clear as possible about where your brand is made. As Dunhill and Aquascutum celebrate where their clothes are made in east London and Corby on their websites, show off the people involved in crafting your product. And tell your consumers if your brand is innovative, as the cocktails are at 69 Colebrooke Row in London.