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The Gin Game

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Crafty Competition has raised the bar for small and large gins alike—elevating the profile of the whole category.



Tanqueray's Basil Smash cocktail

When a handful of bartenders and journalists gathered at an old Italian restaurant on a chilly Manhattan evening last December, they taste-traveled back in time. In their glasses that night: martinis made with bottles of [Tanqueray](#) gin sealed in the 1960s. That same night, the gossip about the return of an almost forgotten line extension of the brand had spread as well.

In other words, there was a lot of buzz being built in a category that until recently had practically grown accustomed to being ignored. It would have been hard to imagine when that line extension, Tanqueray Malacca, was first launched in the late 1990s that it would become one of those rare bottles that bartenders would haunt spirits shops and auctions seeking out. Then, gin was in the midst of a losing battle to hold share as vodka continued to expand its hold on the average American drinker.

Today, gin as a category still fights year to year to stem the flow of consumers to less bold-flavored spirits; in 2012, though, it managed to grow a respectable 1.5%, doing especially well (up nearly 20%) in the premium sub-category and up 2% in the high-end premium price grouping, according to numbers released by the Distilled Spirits Council of the U.S. ([DISCUS](#)). While producers anticipate volume growth to inch along, consumers continue to flock to the higher end, making an attractive target for newcomers.

UNIQUE AS A CATEGORY: TWO IN ONE

But who drinks gin, and where, is also important. According to the [Technomic](#) "Trends in Adult Beverage" survey conducted February 2013, 26% of consumers report drinking gin in mixed drinks once a month or more often in bars and restaurants, 35% of them in the 21-34 year old age bracket.

"Gin is a unique category in that the spirit is an important element of classic cocktails, but continues to struggle with finding ways to engage new consumers," says Donna Hood Crecca, senior director of Technomic's adult beverage resource group. "Several brands are being successful with less juniper-forward flavor profiles and more contemporary positioning, which does bring attention, especially in the on-premise segment."

As David King, who as president of Anchor Distilling oversees a three gin portfolio (junipery Junipero, Dutch Genever-style Genevieve and the recently introduced London Dry-style No. 3), points out, the current U.S. gin market is split into two major segments. There is the shrinking traditional market favoring value pricing and large formats, and a new premium gin market led by bartenders and new products. "People are challenging the boundaries of what gin can and should be," he says. "If you just looked at the broad brush view of the gin market you'd be discouraged from introducing anything new. But a brand like Hendrick's deserves credit for challenging what gin was about, and its growth probably is what gives one encouragement to bring a new gin into the market."

In the last few years, new gins like Hendrick's and Citadelle grew more interesting to bartenders, and those from America's many micro-distillers started to grab precious bar and shelf space. Brands like Bulldog, Nolet's and Farmer's Organic came to market with slight twists—Bulldog with the inclusion of lotus and poppyseed; Nolet's with roses, peaches and raspberries; Farmer's with elderflower, lemongrass and an organic hook. Even the "skinny" craze has hit the gin world—Slim Gin, made from 14 botanicals and bottled at 60 proof, claims to have 25% fewer calories than most brands, 48 calories per serving. One of the pioneers of the less juniper-forward American-made gins, Aviation, made by House Spirits, recently gained placement in nearly 50 Kimpton Hotel restaurant units, known for quality dining and advanced cocktail concepts.

ON-PREMISE BATTLEGROUND

As most of the brands focus on selling their wares by attracting the key driver of super-premium spirits—the American bartender—the fight is intensified. That's because the contemporary interest in gin is almost entirely underpinned by the cocktail renaissance.

Where once the biggest brands could be expected to dominate a drink menu, bartenders now seek to incorporate the many gin flavor profiles into their house recipes. Led by the example of less junipery gins, the recent explosion of small distiller brands and gin-ish botanical spirits has started to crowd the back bar. At popular cocktail-centric places like Saxon + Parole in Manhattan, upwards of 15 gins are prominently displayed and many used in the often-changing drink menu.

This complicates things for the big gin makers, as the opportunity to dominate a menu with one gin is past. Not surprisingly, the giant brands (primarily Beefeater, Bombay and Tanqueray on-premise, with the addition of Seagram's off-premise) have fought back to protect their share of the category.

Bombay added Bombay Sapphire East, made with lemongrass and black pepper, and to bolster production has unveiled plans for its own distillery that should be operating by summer 2013. (The brand has long been produced at G&J Greenall in the northwest of England.)

Tanqueray in the past few years reinforced its popularity through increased attention to bartender training on behalf of its classic junipery London Dry, along with its two citrusy variants, Tanqueray No. 10 and Tanqueray Rangpur. Beefeater introduced Beefeater 24, notable for the inclusion of grapefruit and tea, and two limited-edition seasonal gins, Beefeater Summer and Winter, and spent heavily to build bartender loyalty to both Beefeater and Plymouth.

EAST MEETS WEST

All this resuscitative innovation was sparked by the challenge coming from the so-called New Western gins. Lower in juniper and more citrusy, the gins run from semi-obscure to new powerhouses like New Amsterdam.

“Both on- and off-premise there is opportunity for education of both the trade and consumers,” says Guillaume Lamy, vice president Cognac Ferrand, owner of Citadelle Gin. “What retail store would arrange a gin seminar ten years ago? None that I know of. Now, we have some retailer partners that are willing to book a 50-seat classroom and let us present history, distillation techniques and other craft distiller’s secrets to gin fans who want to know more about what is actually happening behind the still.”

“I think all these gins help to promote the gin category, and by attracting new consumers within the category it a fantastic opportunity for brands like us to attract new consumers,” says Nik Fordham, newly named master distiller of Bombay Spirits Company. “I think it’s wonderful that we have these new artisanal gins which are coming from throughout the world. I do believe, though, that they help to demonstrate the consistency and quality of the more iconic brands like Bombay Sapphire.”

Fordham hits on an important point concerning many of the newborn American gins: reports of bottle and batch variations are rampant, and some reveal an insufficient understanding of botanical manipulation and sourcing.



BIG vs. LITTLE

Even in bars where local gins dominate, the big brands get plenty of play. In Idaho, the three Bardenay restaurants distill their own vodka, gin and rum. And even though their own gin is the biggest seller, younger customers learning about cocktails like to have the option to select from classic brands for their martinis and increasingly Negronis, says owner Kevin Settles.

But as Charlotte Voisey, portfolio ambassador for William Grant & Sons, points out, “People like the idea of local and minuscule batch and craft and artisanal, but when it comes down to it, quality comes first.”

So, what do the big gins do to compete in a market where the attention of mixologists is key to any gin’s success? Mostly keep hustling, but humbly enough to appreciate that attention to the category as a whole is likely to help their readily available brands. With bartenders steering the bus, so to speak, big and small brands alike can hope to impress more passengers with gin’s versatility and flavorful distinctions from other spirits.

Voisey says maintaining Hendrick’s as a bartender’s gin takes consistent focus: “Lots of effort goes into relationships that Hendrick’s built, and that’s our strength.”

In the case of the recent Tanqueray Malacca re-introduction, brand owner Diageo was responding to bartenders' interest in the extension for its similarity to an Old Tom gin, slightly sweeter than classic London dry.

"In my first few years as brand ambassador, one of the commonly asked questions from bartenders was 'When are you going to bring back Malacca?'" says Tanqueray's Angus Winchester. But it was only when a bartender cornered someone high up in the company that master distiller Tom Nicol was asked to dig into the company's archives and make the gin as it was originally designed.

To satisfy their bartender friends, Tanqueray plans to limit the 100,000 liter supply to the on-premise. That's not a lot for such a worldwide brand, but if it keeps the brand's bartender friends happy, it will have done its job.