Unlocking Gin's On Premise potential

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Gin is one of the **most popular spirits** categories in On Premise venues across a number of markets, with plenty of potential to grow further over the coming months. **Graeme Loudon**, managing director, EMEA shares some of the latest gin **consumer trends across Italy, Great Britain, Canada, United States, Australia, and New Zealand**, to help brands and operators inform their strategies.

Gin's widespread appeal, combined with its versatility, offers abundant opportunities to bounce back from the struggles of COVID-19. Yet suppliers, brands, and operators should resort to data to appreciate the category's nuanced complexities and ensure they capitalise on gin's potential.

Market overview

CGA's On Premise Measurement (OPM) research and On Premise User Survey (OPUS) shows that **gin is an exceptionally popular category in a number of key markets across the globe**, including Great Britain, Italy, Canada, Australia, New Zealand, and the USA.

In Britain, nearly a quarter of all On Premise consumers drink unflavoured gin when out, and a remarkable **40.4% go for flavoured expressions**. The category benefits from very high consumer loyalty too, with 54.6% drinking flavoured gin every – or almost every time – they visit On Premise venues, while non-flavoured gin is consumed on all, or nearly all occasions by nearly 45% of Britain's On Premise drinkers. The figures translate into a considerable gin presence in bars, restaurants, pubs, and clubs; in the latest quarter, a whopping 94% of Britain's backbars stocked gin expressions.

But the category's popularity extends well beyond the English Channel. **Over a quarter of Italian On Premise consumers drink gin** – significantly more than those who drink whisky, vodka, rum, brandy, or Cognac – and more than a third of them order it with very high frequency, or even every time they go out.

40.4%

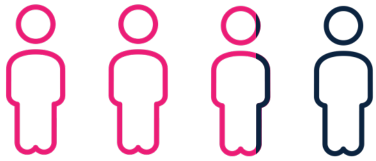
Of British consumers choose flavoured gins

Gin is also highly appreciated in Oceania's largest markets. Over a fifth of all On Premise consumers in Australia and New Zealand drink flavoured gin, while around 18% choose non-flavoured expressions. Within these groups, non-flavoured and flavoured gins are consumed regularly, if not all the time, by over a third and around 40% of consumers respectively.

Frequency of flavoured gin consumption is also on the up in New Zealand and in Britain, with **33.9% and 28.1% of gin lovers claiming they drink it more often than a year ago**. Gin does not enjoy the same degree of popularity in North American markets as it does in Great Britain or Italy, but it is nonetheless chosen by 18% of drinkers in Canada, and by 8% of consumers in the USA.

Who's drinking?

On Premise **gin consumers are largely female**. Both in Britain and in New Zealand, over 70% of gin drinkers are indeed women, and just a little less – around two thirds – in Australia and Canada. Gender-based segmentation is not as unbalanced in Italy, with gin consumers more evenly split between males and females.



In Britain and New Zealand 70% of gin drinkers are women

The USA on the other hand, presents a rather singular scenario, with **a disproportionately male (68%) gin drinking population**.

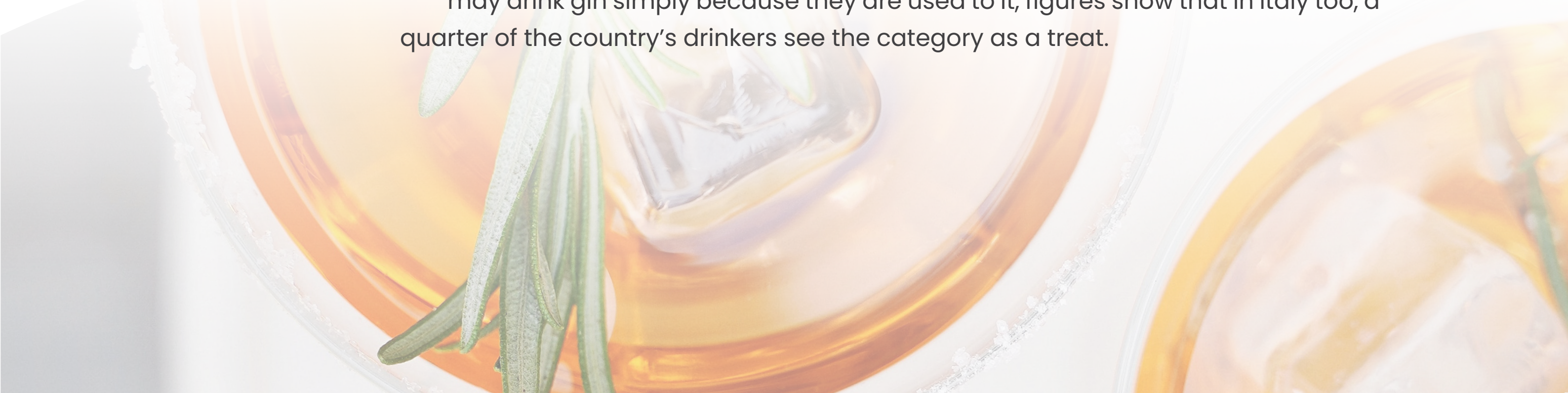
Across these markets, **gin tends to appeal to younger generations**. In New Zealand and in Italy, more than 74% of the On Premise gin audience is under 44 years of age, 70.6% in Australia, a smaller yet still significant 58.4% in Great Britain and, remarkably, 42% of all gin drinkers in the USA are under 34. The majority of Canadian gin drinkers (62%) on the other hand, belong to the 35-54 year old segment. Regardless of age or gender, **North American gin drinkers tend to be wealthier than the average consumer**, their household income being $20,000 higher than average in the US, and some $48,000 higher in Canada.

In certain markets, brands and distributors could look at food-led venues as an opportunity to maximise sales. Indeed, around 20% of the gin drinking population in Australia and over 16% in Great Britain and New Zealand, consume the category when food is the principal reason for going out. Meanwhile in Italy, over 70% go out to eat at least once a week, but Italians mostly associate gin consumption with drink-led occasions. Over two thirds order it when out for drinks rather than food, less than a fifth when out for both drinks and food, and just over 13% when they go for a meal.

40%

of New Zealand consumers see gin as a drink for a special occassion

CGA's research shows that **consumers often see the gin drinking occasion as a treat**. Over 40% of New Zealand drinkers for instance, look at gin as a category for special occasions. Gin is also considered a treat by around a third of On Premise consumers in Great Britain and in New Zealand, and by up to 41.5% in Australia, although in the latter and in Britain imbibers are also drawn to the category by its taste profile. While 18% of Italians claim that they may drink gin simply because they are used to it, figures show that in Italy too, a quarter of the country's drinkers see the category as a treat.



Brands' communication strategies, however, should also take into account that gin drinking is seen by some Italian consumers as a pleasurable experience, an opportunity to wind down and ease stress; over 28% say that they imbibe it to have fun or to relax, and a third claim that they drink it to enjoy.

A versatile spirit

Gin is a highly versatile spirit. It is widely consumed mixed with tonics and sodas or blended with multiple ingredients in a cocktail, from classic Negronis and French 75s to more innovative serves. **Drinking flavoured and unflavoured gin with a mixer – either bottled or on draught – is the overwhelmingly most popular choice in Britain**. Italian drinkers like gin blended with mixers too (49.51%), yet they are also enthusiastic about cocktail serves (43.84%), and **one in two like to have it neat, with ice, or as a shot.**

Some markets are particularly keen on the uncompromising juniper-led flavour of straight-up serves. **In Australia, On Premise consumers like to enjoy both non-flavoured (38.2%) and flavoured gin (44.6%) on its own.** Gin is also drunk on its own in North America. In the United States, around 15% of consumers like it neat and 9% drink it as a shot. This habit, however, is more marked in Canada, where 16% of On Premise gin consumers like it neat and a sizeable 31% as a shot.

27%
of US gin drinkers say happy hour influences their gin purchase

In some markets price plays a pivotal role in driving purchase decisions. In Great Britain, Australia, New Zealand, and in the USA, between a quarter and a third of all On Premise consumers look for good value for money brands. In Great Britain and in New Zealand, 22.6% and 26.6% of gin lovers respectively look for special offers and discounts when choosing their brand, while **happy hours influence gin purchases for 27% of imbibers in the USA**. On the other hand, price does not play quite as big a role in Italy. There, only 20.5% say that good value for money affects their decision-making process. Meanwhile in Canada, a mere 17% look at the price when selecting a gin brand and only 12% are influenced by special offers and discounts.

Across a number of markets, peers are often significantly more influential than price. In Italy, more than one in four gin drinkers let friends affect their purchase decisions.

Consumers are similarly influenced by peers in Canada, yet nearly a **fifth of Canadians also rely on social media when choosing a brand**.

One in five Canadians

Rely on social media when choosing a brand

In Italy, Australia, and New Zealand people are willing to take recommendations from bar staff, but in the latter two gin drinkers are considerably more welcoming to suggestions on flavoured expressions, and less open to advice on non-flavoured gin. Paired with a marked interest in new and interesting brands – as claimed by **23.7% of Australian and 19.8% of Kiwi gin drinkers** – such a welcoming attitude towards flavoured expressions makes the sub-category's adventurous audience the ideal target for innovative brands. North American markets differ in that peers' opinion does not play as substantial a role as the reputation of the brand and the perceived quality of the product.

23.7% Australian and **19.8%** of Kiwi drinkers have an interest in trying new, interesting brands

Gin is a **thriving spirits category across several key On Premise markets**. It is, however, a rather competitive one too. For those looking to capitalise on its potential, it is paramount to appreciate its complexities, understand the dynamics of consumers' preferences and market trends, and, crucially, employ data and in-market knowledge to inform sales strategies as well as marketing and communication decisions.

CGA's suite of research services, including the On Premise Measurement tool (OPM) and On Premise User Survey (OPUS), combine to provide suppliers and operators with an unrivalled and holistic view of the gin On Premise sector across a number of different markets. CGA's expert team can also provide bespoke analysis to pinpoint opportunities for individual brands and sub-categories.

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If you would like to find out about CGA's global capabilities across the On Premise or to learn more about CGA's other sources of consumer insights for operators and suppliers, visit www.cgastrategy.com or email Graeme Loudon at graeme.loudon@cgastrategy.com.