



Beyond Bourbon: Capitalising on International Whiskey in the US On Premise

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Originally published in *Global Drinks*
Intel. Magazine





Whiskey remains a captivating and promising spirits category in the US market, offering exciting opportunities for brands and operators across various On Premise venues. Building on CGA's latest research data, **Andrew Hummel**, CGA's Client Solutions Director for the Americas, delves into sales performance and consumer trends, providing a comprehensive overview and shedding light on the **prospects for brands, suppliers, and operators** in the upcoming months.

Whiskey remains a prominent category in the thriving spirits market of the United States. Domestically produced varieties hold a special place in consumers' hearts, yet there is **growing demand for the International whiskey category** too, with nearly 15% of consumers favouring this category.

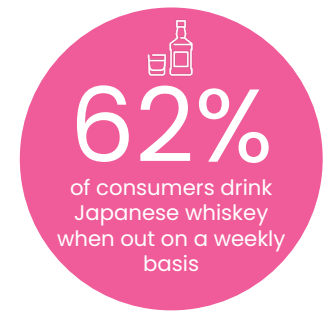
Insights derived from CGA's BeverageTrak reveals that the Whiskey category experienced a significant 16% uplift in Q4 of 2022 compared to the previous quarter. The **Winter season** in particular **demonstrated robust growth**, with Q1 of 2023 exhibiting an impressive 11% increase compared to Q3 of 2022.

This uplift outperformed the overall spirits market, which witnessed a 9% velocity increment during Q1 compared to Q4, and a 7% increase compared to Q3 of 2022. Florida and New York showed the most substantial growth (31% and 26% respectively) between Q3 2022 and Q1 2023.

When examining International whiskey subcategories, **Canadian, Irish, and Scotch whiskies emerge as the most popular choices**, collectively selected by just over 7% of American On Premise consumers. Of these, Canadian whiskey holds a slightly higher appeal, chosen by 7.4% of drinkers. In contrast, Japanese whiskey remains relatively

niche, with only 2.6% of drinkers engaging with it.

Despite its smaller market share, **Japanese whiskey still presents opportunities for operators**. Its drinkers tend to visit the On Premise more frequently than their peers, as a substantial 62% consume their preferred when out on a weekly basis. In comparison, the weekly consumption rate for international and other whiskey categories hovers around 50%.



The whiskey category witnessed a decline in consumption last Fall, but it rebounded during the following Spring. International whiskey followed a comparable pattern, with 75% of consumers opting for it in the Fall of 2022, compared to 77% in the Spring of the same year. Canadian whiskey stood out as it showed a slight improvement in performance. Its consumption increased to 39% during the Fall of 2022, representing a 1pp rise from the previous period.

International whiskey's robust performance is attributable to increased sales within **eating outlets, a preferred occasion for Scotch and Japanese whiskey drinkers**. Japanese whiskey, in particular, is prominently selected during celebratory meals (59%), in food-centred business meetings (28%), and over meals involving children (18%).

Consumption patterns within the rest of the international whiskey category demonstrate relatively more homogeneity. Around 64% of Canadian, Irish, and Scotch whiskey drinkers choose to enjoy their drams during meals with friends, and nearly 50% during meals with family.



The **total Whiskey** category experienced **significant growth in fine dining establishments**, with a remarkable 39% increase in the period between Q3 and Q4 of last year and a velocity that remained relatively stable heading into Q1 of 2023. Japanese whiskey emerged as the preferred subcategory in this setting, chosen by 35% of On Premise users, closely followed by Scotch (32%).





Meanwhile, **Canadian and Irish whiskey outperformed the wider International Whiskey category in casual dining chains.**

There, Canadian whiskey was selected by 51% of On Premise users, while Irish whiskey was favoured by 49%. This contrasts with the average of 46% for the International Whiskey category.

An important trend emerged from our OPUS tool is the **significant increase in value of whiskey-based cocktails**, whose velocity rose by an impressive 35% between Q3 and Q4 of 2022. This surge played a pivotal role in the overall growth of total cocktails, which saw a 7% increase during the same period. This trend is particularly pronounced for Japanese and Irish whiskey, both highly favoured in cocktail bars, with 24% and an impressive 32% of whiskey drinkers respectively choosing them in this venue type.



An important trend from our OPUS tool revealed a significant increase in value of **whiskey-based cocktails**, whose velocity rose by an impressive 35% between Q3 and Q4 of 2022.

The data clearly indicates that the **International Whiskey category presents a multitude of prospects** for suppliers, operators, and brands to capitalise on. By incorporating current insights into their strategic planning, stakeholders can effectively harness the category's potential and achieve substantial gains in the dynamic American On Premise market. Adapting swiftly and implementing optimal strategies will be crucial in seizing the opportunities that lie ahead in the upcoming months.

CGA by NIQ's OPUS research provides a rich resource of data and insights that helps manufacturers, suppliers and operators answer category, channel, occasion, and brand questions, and optimise sales and marketing strategies across the US' On Premise industry. Meanwhile, **BeverageTrak** data combines powerful datasets to provide an ultra-granular view of how drinks categories are being ordered and distributed across the US.



CGA's expert team can also provide **bespoke analysis to pinpoint opportunities** for individual brands and sub-categories. To learn more about CGA's capabilities across the On Premise industry, visit www.cgastrategy.com and email CGA **Andrew Hummel, Client Solutions Director**, Americas at Andrew.Hummel@nielseniq.com.

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