



Market Report

A Snapshot of your Market Sector

Craft Gin

This pack has been designed to provide information on setting up a business in the **Craft Gin** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2024**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Craft Gin market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Gin Production revenue is forecast to **grow at a compound annual rate of 3.4% to £646.3 million** over the five years **through 2028-29**. Other spirits will continue to pose a greater threat to demand for gin, particularly rum and vodka-based drinks, with distillers likely to have to appeal to a younger demographic to ensure long-term growth. Recent hikes to spirit duty are likely to add to cost pressures, limiting growth in profitability in the coming years. (IBISWorld, *Gin Production in the UK*, September 2023).
- ◆ Following the surge in off-trade demand for gin during the first year of the pandemic, volume sales of this spirit continued to fall in 2023, a continuation of a trend since 2021. Whilst some level of stabilisation and decline was always likely following the double-digit growth witnessed pre-pandemic, this drop-off has been notable. **Gin fatigue is particularly evident in the UK**, with consumers seeking alternatives, such as other white spirits – for instance, flavoured vodka – as well as rum. (Euromonitor, *Spirits in the United Kingdom*, June 2024).
- ◆ **Volume sales of all types of white spirits declined in both the off- and on-trade in 2023** as consumers cut back on these expensive, discretionary items. Gin volume sales fell sharply in both channels in 2023 as the gin boom continued to run out of steam. Gin did, conversely, receive the largest boost from the Coronation of any alcoholic drink in both retail and the on-trade. However, this momentum rapidly dissipated. Limited real income growth in 2024 will continue to encourage people to limit their alcohol consumption. Once real income growth regains momentum, this will see consumers' health focus revive, many people deprioritising healthy eating when money is tight. This will further encourage alcohol moderation. (Mintel, *White Spirits and RTDs - UK*, February 2024).
- ◆ The national organisation for this industry is [The Scottish Distillers Association](#). Other industry bodies include [The Gin Guild](#), [Gin Club Scotland](#) and [The Wine and Spirit Trade Association](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Gin Production in the UK (Sept 2023)**. IBISWorld reports that gin has fallen behind vodka, liqueurs and speciality drinks in terms of popularity since the pandemic, while some former gin drinkers are turning to rum due to its expanding menu of flavours. Growing moderation among health-conscious consumers also presents a threat to demand across the spirit production sector. Although sales are likely to remain sluggish, opportunities remain in the market for flavoured gins, particularly more sophisticated flavours.
- ◆ **Euromonitor – Spirits in the United Kingdom (June 2024)**. The main theme of the forecast period for spirits in the UK is uncertainty, with off-trade volume and value sales (at constant 2023 prices) set to largely stagnate, although on-trade offers a marginally stronger outlook. When consumers spend time outside of the home socialising, they will increasingly demand a different experience – this is especially relevant for younger adults. Some consumers will be attracted by new ingredients, innovative cocktails and premium drinks, and some will be inclined to spend more on a high-quality drink, especially as part of celebrations. Therefore, greater premiumisation may develop in the on-trade channel.
- ◆ **Mintel – White Spirits and RTDs – UK (February 2024)**. Usage of all types of white spirits, and of white spirits overall, is higher among under-35s than older groups. Under-35s who drink white spirits are also more likely (42%) than older people (30%) to do so once a week or more. White spirits' popularity in mixed serves and cocktails also allows them to tap into various social media-driven trends. This undoubtedly also contributes, as under-35s are the most likely to follow food/drink trends and the highest users of social media.

There are also a number of online resources you may find helpful:

- ◆ [Scotland Food & Drink](#) is an organisation that provides support to businesses in the food and drink industry in Scotland.
- ◆ [Visit Scotland](#) provides information on Scottish gin distilleries, tours and tastings as well as facts about the drink.
- ◆ [The Scottish Gin Society, Scottish Gin Distillery Map](#). This interactive map allows you to learn about the gin distilleries across the country.
- ◆ [Exporting Is Great](#). This is a tool to help those trying to export their product, providing many resources for those new to exporting to help deal with research, routes to market, finances, shipping and logistics.
- ◆ [The Drinks Report](#). An industry magazine for the wine, beer and spirits trade. They provide news, views and ideas for the industry with a focus on marketing and packaging.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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