



Market Report

A Snapshot of your Market Sector

Craft Gin

Cost of Doing Business Support

For information on reducing the cost of running your business, the [Find Business Support](#) website has links to advice, funding and regional support.

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 **September 2022**. 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:

- ◆ Industry revenue is expected to **increase** at a compound annual rate of **0.4%** over the five years through **2022-23** to reach **£542.9 million**. A shift in consumer preferences towards more premium drink choices has supported a surge in demand for gin, facilitating a rapid rise in the number of craft distillers and the introduction of a broad range of flavoured gins. (IBISWorld, *Gin Production in the UK, July 2022*).
- ◆ Alcoholic drinks discretionary nature puts them in the firing line for cutbacks of **2022-2023** amid pressure on household incomes. Around **64%** of adults who buy alcohol report that needing to save money would prompt them to cut back on the amount they buy. Some **53%** of people who would change their buying habits to save money say that money concerns would cause them to “buy less but buy better quality alcoholic drinks” (Mintel, *Alcoholic Drinks May Review, 2022*).
- ◆ Consumers who are not influenced by a favourite brand show an interest in quality awards and sustainable production, with both features appealing to **22%** of this cohort. Recommendations are valued by 18-34's at **39%** compared with **29%** of 35 -54's and **27%** of over 55's. Adults aged 18-34 are more likely to buy white spirits from discounters at **39%** compared with **32%** of 35-54's. (Mintel, *White Spirits and RTDS, February 2022*).
- ◆ During the year through October 2020, the WSTA expects **UK consumers** to have **spent £2.2 billion** on gin, compared with £2.6 billion in the same period in 2019. Exports of gin are similarly expected to have **fallen** by at least **20%**, from £672.9 million in 2019, to £531 million in 2020, according to HM Revenue and Customs trade figures. However, this figure remains higher than the £421.2 million worth of gin sold abroad in 2015 (IBISWorld, *Spirit Production in the UK, March 2022*).
- ◆ 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](#).

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 (March 2022).** The expanded range of gin products on offer and the strong uptake of these products have helped mitigate several factors that threatened demand for alcohol.
- ◆ **Mintel – White Spirits and RTDS (February 2022).** While Gin values remained in growth due to revived on-trade sales in the second half of 2021, volume sales fell due to poor weather over spring/summer. While the impact of Brexit has been mostly limited, it played a role, among other factors, in the decline of UK gin exports of 25% over 2019-21.
- ◆ **IBISWorld – Spirit Production in the UK (March 2022).** A significant number of micro distilleries have entered the industry to capture a share of the craft spirit market. The end products of these distilleries appeal to consumers with a taste for artisan, locally produced spirits.
- ◆ **Euromonitor – Gin in the United Kingdom.** We can provide statistics on the market size, company shares, brand shares, on-trade v off-trade sales and pricing.

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 (foodanddrink.scot).
- ◆ **Visit Scotland, Scottish Gin Map** (tinyurl.com/48pn6kux). This interactive map allows you to learn about the gin distilleries across the country.
- ◆ **Exporting Is Great** (great.gov.uk). 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** (tinyurl.com/es8nm8wa). 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 website, 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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