

FOOD AND BEVERAGE

Cognac flatlines, whiskey soars with Q3 luxury liquor sales up 15pc y-o-y: report

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Despite related marketing efforts Rmy Martin's National Cognac Day celebration pictured above flatlining y-o-y sales could concern a range of luxury cognac players. Image courtesy of Rmy Martin

By MARYBETH CONNAUGHTON

With a pandemic finally behind and the threat of recession continuing to loom, spirit profits are raised, according to new data.

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Analysis of six spirit varieties on behalf of the Distilled Spirits Council of the United States (DISCUS) reflects that high-end spirits brands have shown 15 percent growth in the third quarter of 2022, as compared to Q3 2021. Experts note that luxury American Whiskey and Tequila showed the largest increases in annual growth rate in the third quarter.

"While inflation continues to cut into consumers' discretionary incomes, a special bottle of spirits remains an attainable luxury that brings great pleasure to many adults," said Christine LoCascio, chief of public policy at the **Distilled Spirits Council of the United States** (DISCUS), in a statement.

"Sales of luxury spirits are also being buoyed by the resurgence of restaurants and bars coming out of the pandemic, as well as consumers elevating their cocktail experiences and bars at home."

The coalition sources results from The Luxury Brand Index (LBI), an owned industry tool created to analyze sales of spirits brands at the top end of the distilled spirits market, released quarterly to provide insight to the beverage business community, analysts and media. The LBI tracks the performance of spirits brands that have a 750ml retail price of \$50 or more.

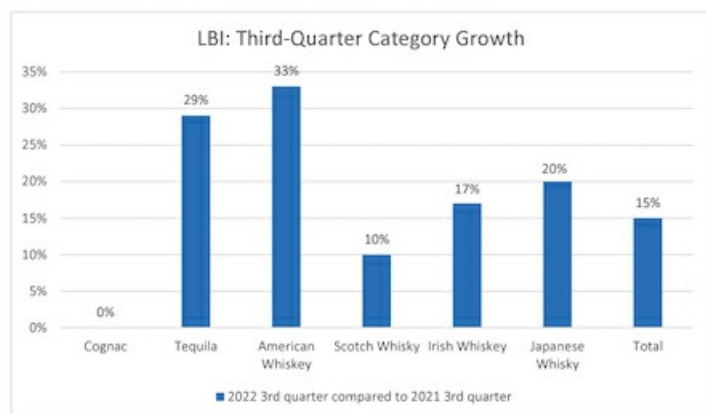
Top Shelf

For the broader beverage industry, growth has been underwhelming, largely due to inflation and other economy-related challenges.

Figures from the Washington D.C.-based trade association, which has represented distillers and marketers of spirits for nearly fifty years, says sales of high-end spirits including cognac, tequila, scotch and other whiskeys, however, have experienced vigorous Q3 growth.

DISCUS notes that increases are bolstered, in part, by on-premise sales, perhaps due to more people continuing to venture back out to bars and restaurants.

2022 THIRD-QUARTER CATEGORY TRENDS



American Whiskey leads in Q3 2022: Image Credit: DISCUS

American Whiskey led the trend showing a 33 percent increase in the third quarter of 2022 when compared to the same quarter in 2021.

Japanese Whisky grew 20 percent by the same measure, followed by Irish whiskey at 17 percent and Scotch whisky – brands such as The Macallan ([see story](#)) fall into this category at 10 percent.

Tequila showed the second-largest Q3 increase, at 29 percent.

Zooming out to the last five years, tequila experienced the largest amount of growth, at 44 percent, according to the LBI. American Whiskey was just behind at 43 percent.

The [Luxury Brand Index: 2022 Third Quarter Report](#) is now live and available for review at DISCUS' site.

Complementary Tastes

Though luxury spirits trended upward from July through September of this year, growth did not surpass rates between 2021 and 2020, when the industry hit highs driven by homebound consumers.

Last year, that growth leader was cognac.

Of note this year, the brandy variety has flatlined completely, showcasing a zero percent growth in Q3 that could concern maisons such as Rmy Martin ([see story](#)) and the LVMH-owned Hennessy ([see story](#)).

Conversely, a number of timely tequila and whiskey campaigns are riding high on the popularity and sales boosts that DISCUS discusses.



Primarily crafted with Extra Aejo and blended with Aejo and Reposado tequilas each aged to their maximum potential, make Patrón El Alto distinct from the offerings in the market. Image credit: Patrón

For example, Patrón, the world's top producer of super-premium tequila, entered the prestige category last month with an El Alto blend, a "masterfully aged" combination of Anejo and Reposado ([see story](#)).

Regarding the latter liquor, British automaker Bentley Motors and Scottish whiskey maker The Macallan collaborated to announce the release of The Macallan Horizon, a limited-edition single malt whiskey that will be made available

during the summer of 2023.



An image from Bentley's "The Macallan Horizon a remarkable collaboration," campaign video.

The sleek bottle emphasized a design flair from both luxury brands and echoes the horizontal standards of the automotive industry with an unique lack of a standing base (
[see story](#)
).

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