

# U.S. Beverage Industry is 'Recession-Resilient'



Steve Raye speaks on U.S. internet options for brands.

“The economic crisis we’re going through is certainly having an impact on the business, but the research results clearly demonstrated that the U.S. beverage alcohol industry is recession-resilient,” said Mike Ginley, president of Next Level Marketing, at the recent U.S. Drinks Conference in London. American suppliers gathered at the event to gain insights for marketing brands stateside.

“This was the second year that we’ve put on the event in London, and this year we had a larger number of delegates from even more

countries,” said Steve Raye of Brand Action Team, the conference organizer. The roster of speakers included some of the top executives in the American drinks market including Rudy Ruiz, EVP of Southern Wine & Spirits; John McDonnell, COO of Patrón Spirits; Bill Earle, president of the National Association of Beverage Importers; and conference co-organizer John Beaudette, president of MHW Ltd. The subject matter included case histories and lessons learned by brands that have been successful in the United States, and a wealth of data on the American market structure.

Jeff Grindrod, managing partner at Brand Action Team, and Ginley presented results of “hot off the presses” research on consumer trends and preferences.

Several themes recurred throughout the conference, including the impact of the global financial crisis on the drinks industry, aligning distributor and supplier expectations and the shift in marketing strategies toward more online and non-traditional spending.

“We see continued growth in volume and revenue, albeit slowing, and a shift in consumption from on-premise to off-premise,” Grindrod said. “Perhaps the most interesting thing we found is that for those folks going out to restaurants, the last thing they tend to cut out is the cocktail, wine or beer part of the meal.”

Beaudette reported that imports continue to drive growth across all beverage alcohol categories.

“Considering the emergence of Eastern Europe, the Far East and the rest of the world, we recognize that suppliers have many options in terms of investing behind new or existing brands,” he said. “America is still the primary destination (suppliers) should target.”