



## Macaran in the Spirits Sector

# Helping Brands Tell Their Stories

Over the past half-decade the U.S. spirits market has steadily increased year over year. According to the Distilled Spirits Council, overall retail sales for spirits in the U.S. topped \$72 billion with high end and super premium brands witnessing highest growth rates.

With the annual growth rate of whiskey sales leading all categories, other spirits sectors have to work harder than ever to achieve on-the-shelf differentiation in front of consumers. Packaging plays a critical role and Macaran's long history and expertise in the spirits sector provides brands with innovative labeling solutions to help them tell their stories and appeal to today's consumers.

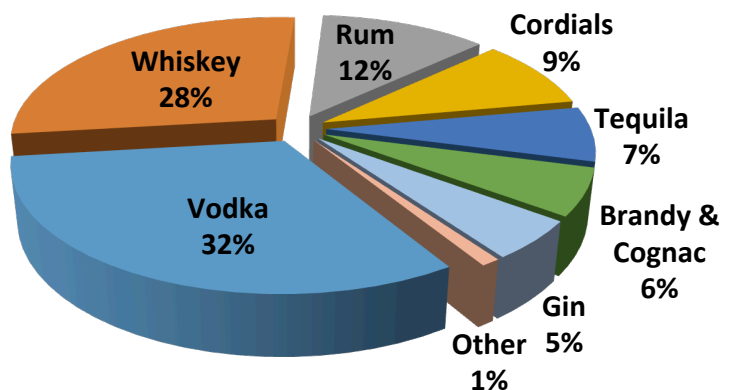
In a recently published Q&A Macaran President and CEO, Nick Van Alstine, talks about his company's presence in the spirits sector and how he sees printed packaging demands changing.

*What are spirits brands looking for in their label suppliers given the landscape of today's market?*

Our customers want label suppliers who are innovative, cost effective, flexible and have a wide variety of decorating capabilities. They need label companies with extensive printing and application expertise to help guide them in the best choice for product decoration and performance.

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### U.S. Spirits Market by Volume



We are also seeing spirits companies need more managed inventory expertise. Consumer tastes are changing in this sector and as companies strive to effectively market to Millennials we are seeing sharp increases in new brand introductions, brand line extensions and more and more SKUs. Macaran has been offering Vendor Managed Inventory (VMI) services to our customers for more than 20 years and we have a high level of expertise in this area with a number of our customers in the spirits sector having customized VMI programs in place.



***What are some of the label trends you are seeing in the spirits sector, what decoration elements are important to these companies?***

It is a combination of things. We see a lot of hot and cold foiling and specialty varnishes being used right now. Spirits companies are always looking for something new, an innovative new labeling look, and one of our strengths is taking the current decoration techniques available and enhancing them or tweaking them slightly so that our customers can showcase something truly unique on their products. This is one of the reasons we have been so successful in this sector.

However, label suppliers also need to be cost effective and flexible with lead times. Printed packaging suppliers to spirits brands have to not only understand the printing expertise involved in producing these products, they must also have deep application experience as well. They need to understand optimal adhesives, substrates and the technical details of the different types of label application equipment in the market.

***How is Macaran expanding in this sector, and what are your plans for 2017?***

Part of our continuing success in the spirits sector comes from paying close attention to market trends. We recently commissioned some independent research that involved both the largest brands, and regional players as well, across the U.S. We asked companies what they consider to be the most important decoration trends for their products today, and how they see these trends changing in

the future. The need for more innovation topped nearly every spirits company list. These companies are prioritizing different material constructions, thinner films, environmental labeling solutions and expanded decoration techniques.

Consumer preferences in this sector are shifting at the category level. The market for flavored vodkas is leveling off after years of expansion while tequila and whiskey volumes are growing at higher rates. This is creating a new dynamic on retail shelves and Macaran is dedicated to help our spirits customers succeed as the market continues to change.

***Note to readers: The results of Macaran's 2017 Spirits Packaging Research Study will be available to spirits companies in the U.S. The research includes benchmarking data that has never been previously available in the marketplace. To receive a free copy of the research results, please contact: [custservice@macaran.com](mailto:custservice@macaran.com).***



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