



SCOTTISH WHOLESale ASSOCIATION

The voice of the Scottish Food, Drink and Allied Trades

DELIVERING GROWTH THROUGH WHOLESale

Case study – Lost Loch Spirits



LOSTLOCH
• SPIRITS •



Pete's Journey

With a turnover of more than £500,000 and growing, Lost Loch Spirits is an ambitious business that has "local" at its core, driven by innovation and the passion of its owners who grew up and live near the distillery and visitor centre in rural Aberdeenshire.

Lost Loch Spirits, nestling in the heart of Royal Deeside about 30 miles from Aberdeen, is the brainchild of friends Pete Dignan and Rich Pierce who launched the business in 2017.

Today, the company's three-pronged approach means that in addition to producing its own popular brands it also has a growing contract distilling arm while the third string to its bow is its "experiences" – Lost Loch Live, Lost Loch Spirit School, and Tours & Tastings.

Pete, whose family worked in distilling in the Dufftown and Tomintoul areas, had been looking to start up a business close to home.

"We both still work in the oil industry so Lost Loch Spirits was initially a 'weekend business' producing a liqueur using local whisky, brambles and honey in my shed in 2016," he says.

"We realised there was a demand for artisan spirits and because everyone was producing gin, we decided to go left field and create the first Scottish absinthe – Murmichan, named after a wicked Scots fairy."

There is also a gin – eeNoo – named after an Inuit who ventured to Aberdeenshire in the 1800s. Distilled with Royal Deeside honey, botanicals and Aberdeenshire ingredients such as berries, it also uses Deeside Water from an ancient spring in the Cairngorms National Park.

Haroosh is its whisky, honey and bramble liqueur while the Singular Series completes the range.



"I learned what the distributor/wholesaler expects and wants from suppliers"

Lost Loch Spirits – Delivering Growth Through Wholesale

Pete Dignan's interest in the Delivering Growth Through Wholesale Programme (DGTW) was piqued after an approach from the Scottish Wholesale Association (SWA) as he had already been planning to explore more opportunities in the wholesale channel.



"I thought it was a good opportunity," he explains. "We had some business wholesale through Huffmans, the Perth-based drinks supplier, who we still work with, but we were keen to develop new routes to market."

Pete completed DGTW in January 2022 and has since started trading with two new wholesalers, achieved four new product listings, and increased total sales through wholesale by £10,000.

"The workshop gave me insight into what wholesalers require from suppliers," he points out. "We made good contacts which is important because there are a lot of spirit brands on the market but only a limited number of distribution routes in Scotland. We now research our wholesalers to make sure they are correct for our brands."

"I learned what the distributor/wholesaler expects and wants from suppliers," Pete continues. "We got an understanding of margins so we now know at what price point we should be pitching at and our product positioning in the market. Another thing we've learned is the importance of marketing, point of sale material, and a good bank of product images and sample packs for wholesalers to utilise."

Another key takeaway for Pete is that price point is important. He said that the wholesaler needs a margin that makes it worthwhile for them and which reflects the cost saving to the supplier. "We need to have a pricing policy that is transparent and sensible for the wholesaler – we need to make a margin but so does the wholesaler and the retailer. It's also about understanding the investment required to drive products."

Pete adds that the DGTW training also helped the company to understand its USP within the wholesale marketplace. In Lost Loch Spirits' case, that USP is that it creates products that other people aren't making – it's absinthe Murmichan, for example, and its use of local ingredients from Aberdeenshire in all its products.

"We need to make a margin but so does the wholesaler and the retailer"



Benefits Of Doing Business With Wholesale

Wholesale is now a key route to market for Lost Loch Spirits. Says Pete:

"We are very good at making our brands but not so good at selling it and my experience of DGTW has helped us focus on areas of the business where we need more expertise."

"We're at the stage now where we're ambitious to grow our business although our main focus this year is on Glasgow, Edinburgh and the central belt."

"We're at the stage now where we're ambitious to grow our business"

Pete added that the business is also ready to start dealing with pub chains and make more connections south of the Border – something that wholesalers can help with.

About Delivering Growth Through Wholesale

The SWA Delivering Growth Through Wholesale Programme (DGTW) was launched in 2021 to educate and engage with producers on the opportunities provided by the wholesale sector.

Designed in conjunction with SAOS and Scotland Food & Drink, and supported by the Scottish Government, the initiative equips local Scottish producers with the insights and strategies needed to successfully navigate the landscape of the Scottish wholesale channel.

The training consists of two half-day virtual workshops, followed by bespoke one-to-one support, covering content such as navigating the diversity of Scottish wholesale, recognising the value of wholesale as a vital route to market, developing an effective Scottish wholesale strategy, and other tools for success.

As of March 2024, there have been over 230 new Scottish product listings via 59 new wholesale partnerships – with both producers and wholesalers working together to bring exciting and innovative products to a wider audience.

To find out more, contact us at info@scottishwholesale.co.uk



The Scottish Wholesale Association (SWA) is the official trade body for Scotland's food and drink wholesaling industry. SWA members are 'the wheels to Scotland's food and drink industry', supplying products to over 5,000 independent convenience stores, 30,000 catering, hospitality, tourism and leisure businesses, and the majority of public sector establishments across Scotland.

Scottish Wholesale Association

30 McDonald Place

Edinburgh EH7 4NH

0131 556 8753

scottishwholesale.co.uk

scottishwholesaledirectory.co.uk