

# Managing Supply Chain Complexity in a Shifting Market

*Building supply chains that move as fast as your customers do*

The beverage alcohol industry is at an inflection point. After years of growth, the market has begun to soften. Shelves are crowded, consumers are choosier, and distillers — particularly small and midsize operations — are facing tighter budgets and stretched resources. At the same time, demand for variety hasn't slowed: Consumers want more options and faster, from seasonal flavors to ready-to-drink cocktails (RTDs) and wellness-oriented beverages infused with alternative ingredients.

In this environment, managing supply chain complexity is critical. Nimble strategies like smaller digital print runs, vendor-managed inventory, and cost-conscious flexibility help brands respond quickly without overextending capital or staff.

If your supply chain isn't set up to match the pace of the consumer, you're going to get left behind. You can spend years building brand loyalty, but it can be lost very quickly if you miss a shift or can't get the right product to market at the right time.



## *Consumer Shifts Drive Supply Chain Pressure*

The most pressing challenge today is rapid changes in consumer preferences. From premium bourbons to tequila-based RTDs, tastes are shifting fast, and packaging must adapt accordingly.

In the past, a distiller might have had a handful of core SKUs to manage, but now, that same distiller might need dozens — different flavors, formats, and seasonal releases. And each one requires unique packaging decisions.

RTDs illustrate this well. Unlike traditional glass bottles, RTDs require cans or smaller single-serve packaging. Distillers unfamiliar with shrink sleeves or pressure-sensitive can labels suddenly face a different supply chain. Seasonality like summer cocktails dominating warm months and spirit-forward classics performing better in winter adds another layer of complexity.

Consumers themselves are also evolving. Many younger buyers seek healthier options or experiment with cannabis-infused beverages. Others are drawn to premium products with distinctive packaging and authentic brand stories. Packaging is no longer just a vessel; it's a storytelling tool and a differentiator.





## Flexibility Through Smaller Runs and Managed Inventory

Flexibility is one of the most effective ways distillers can navigate today's volatile market. Smaller print runs allow brands to test new SKUs or respond to seasonal demand without tying up capital in packaging that may never get used.

Minimizing obsolescence is the number one benefit. If consumer tastes change, you're not stuck with outdated packaging. You can move quickly to the next project, free up cash, and reinvest in ingredients or innovation.

Vendor-managed inventory (VMI) adds another layer of support. By allowing suppliers to oversee stock levels, distillers reduce storage costs, avoid bottlenecks, and free staff from time-consuming logistics. In tight resource environments, these solutions can mean the difference between meeting demand or missing out.



## The Risks of Falling Behind

When packaging supply chains aren't built for agility, the risks are significant. If you can't adapt quickly, you miss out on sales, lose customer interest, and ultimately risk damaging your brand. Another issue is not involving your supplier from the beginning. Late supplier involvement creates unnecessary costs and headaches. A label that looks perfect on a computer screen may not adhere properly to a uniquely curved glass bottle. Without early input, these issues often only appear once the product is on shelves — a costly scenario.



## Balancing Shelf Impact with Cost Control

Packaging is often one of the biggest investments for a distiller. Balancing shelf presence with cost efficiency is a perennial challenge.

Prototyping and testing play a critical role. Like test-driving a car, small sample runs ensure the packaging functions as intended and achieves the desired aesthetic before committing to full production. This step helps distillers avoid costly reprints and provides confidence for both brand owners and suppliers.



## Looking Ahead: Packaging Trends Shaping Supply Chains

Consumer trends will continue to shape packaging requirements. Two stand out:

### *Experiences Over Possessions.*

Consumers increasingly value moments with friends over material goods. RTDs, with their portability and social appeal, fit naturally into this lifestyle. Packaging must adapt to single-serve formats, smaller SKUs, and products that travel easily.

**Consumers as Experts.** Consumers, especially in the premium segment, are hungry for detail. They want to know the story behind every bottle — where it was made, what ingredients were used, and why it's special. Packaging must deliver that information in compelling ways,

whether through label storytelling or digital enhancements like scannable QR codes. Digital printing enables one-of-a-kind packaging, variable information, and personalized storytelling that deepens consumer connection.

Packaging has to be beautiful, but the story has to be beautiful too. Consumers want something they're proud to put on the table and share — not just for how it looks, but for the meaning behind it.



## Agility as the Competitive Advantage

In a market defined by uncertainty, agility is the new competitive advantage. Distillers who embrace flexible supply chain strategies — shorter print runs, vendor-managed inventory, proactive supplier collaboration — are better equipped to keep pace with consumer demand, protect margins, and maintain brand relevance. 

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