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Pernod Ricard USA restructures commercial strategy to target growth in ready-to-drink and emerging brands

New divisions and distributor partnerships aim to boost market share as consumer preferences shift and global sales fluctuate

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Pernod Ricard USA has announced a significant overhaul of its route-to-market strategy, signaling a major shift in how the company plans to grow its business in the United States. The move comes after Paul Basford took over as chief commercial officer in December 2024. Under his leadership, the company is focusing on ready-to-drink (RTD) beverages and what it calls “high-potential” brands, aiming to capture new growth opportunities in a changing market.

Basford explained that the new approach centers on focusing efforts and building strong partnerships with leading distributors. He emphasized that Pernod Ricard’s portfolio includes some of the most recognized brands in the industry, and that the new strategy is designed to sharpen this focus while working closely with respected distribution partners. The company’s long-standing relationships with major distributors such as Southern Glazer’s Wine & Spirits, Republic National Distributing Company, Martignetti Companies, Breakthru Beverage Group, Allied Beverage Group, Empire Distributors, Fedway Associates, and Georgia/Tennessee Crown Distributing will remain central to its operations. These partners will continue to handle most of Pernod Ricard USA’s commercial volume.

As part of the transformation, Pernod Ricard USA has created two new commercial divisions. The first is the RTD Division, which is dedicated to the rapidly expanding ready-to-drink category. This division began operating on May 1 and includes new partnerships with Reyes Beverage Group and Crescent Crown Distributing, along with their network partners across seven states. These new partners join existing RTD distributors Southern Glazer’s and RNDC. The division will focus on supporting brands like Malibu, Jameson, and the recently launched Absolut Ocean Spray RTD line.

The second new unit is called the GEM Division. Its mission is to scale up emerging brands that Pernod Ricard sees as having high potential for future growth. This division will use a customized state-by-state distribution model and will introduce Crescent Crown and Johnson Brothers/Maverick as new partners. It will also expand relationships with Southern Glazer’s, RNDC, Breakthru, Heidelberg Distributing, and Martignetti Companies. The GEM Division officially launches on September 1.

Pernod Ricard says this new structure is designed to provide targeted support for fast-growing segments like RTDs while maintaining the strength of its existing wholesaler partnerships. The company is also investing in its commercial capabilities as part of the strategy. This includes expanding its on-premise division to increase visibility in bars and restaurants, strengthening revenue growth management through advanced analytics, and investing in developing commercial talent.

Basford described the reorganization as an effort to build a commercial organization that is prepared for both current challenges and future opportunities. He said it goes beyond simply changing structures; it is about achieving world-class execution, fostering a winning mindset, ensuring clear accountability, and building meaningful partnerships.

The announcement comes at a time when Pernod Ricard's global performance has been mixed. Just one day before unveiling its U.S. strategy overhaul, Pernod Ricard shares rose 5% in Paris after the company gave an optimistic outlook for medium-term growth. Despite a 6% drop in U.S. sales and a 21% decline in China, Pernod Ricard reaffirmed its target of 3-6% organic sales growth between 2027 and 2029 and committed to delivering €1 billion in cost savings over four years.

Chairman and CEO Alexandre Ricard described the current financial year as "one of transition," but said he remains confident about the group's long-term prospects. India continues to be a bright spot for Pernod Ricard globally, with Jameson now ranked as the country's largest imported spirit.

The changes at Pernod Ricard USA reflect broader shifts in consumer preferences toward convenience-driven products like RTDs and highlight the company's commitment to adapting its business model for sustained growth in a competitive market.