

# Focus - The Power 100: Top Wine & Spirits Trends in the Last Ten Years

By Stuart Whitwell at Intangible Business | 10 June 2015

[For the full list of Intangible Business' Power 100, click here](#)

Earlier today, brand valuation consultancy Intangible Business released the results of its latest survey of the world's wine and spirits brands. In this excerpt from the full report, [which can be downloaded here](#), the company considers the consumer trends that have shaped the wine and spirits categories in the last ten years.

As it's the tenth anniversary of The Power 100, we decided to sift through the masses of data collated over the years and provide a retrospective look at the top trends over the last decade.

It has been a period epitomised by transformation in the drinks industry and this can be examined under four broad categories: globalisation, consolidation, the recession and innovation. Each category exemplifies a key trend that has led to increased competition and value in the wine and spirits industry as a whole.

## *Globalisation*

Whilst alcohol has had a global presence for centuries, the influx of trade treaties and multinational companies over the last ten years has aided in the commercialisation of alcohol brands and played a large part in the proliferation of local brands entering the global market.

Brands such as Jägermeister, Grey Goose and [Russian Standard](#) all began as regional brands that gained momentum through various distribution deals and acquisitions and have grown exponentially to become the international brands we now see the world over.

Vodka and gin brands have particularly benefitted from this globalisation, due to the relatively short time it takes to distil the spirit. This has contributed to a saturated vodka market and a reduction in premium pricing for brands such as [Smirnoff](#) and [Absolut](#), who are now competing with newer brands like Cîroc and [Skyy](#).

## *Consolidation*

A direct consequence of globalisation was the move towards consolidating the market, resulting in a spate of large international mergers and acquisitions occurring over the last decade. This saw some of the leading brand owners, including [Fortune Brands](#), Allied Domeq and more recently [Beam Global](#) being acquired to create drinks brand powerhouses such as [Pernod Ricard](#) and Beam [Suntory](#).

These global drinks firms have the resource and finance to grow, develop and manage an array of wine and spirits brands, which has increased the number of firms with brands in every major drinks category, rather than a series of smaller independent brand owners. This is highlighted by the fact that [Diageo](#), Pernod Ricard, [Bacardi](#), Martini and Beam Global/[Beam Suntory](#) have dominated the brand-owner leader board over the last decade.

## *The Recession*

The global recession had a profound impact on the drinks industry between 2008 and 2011. Every company and brand was affected by the depressed economy and the resulting changes in consumer behaviour. The top ten brands saw dramatic losses in terms of total score, with [Johnnie Walker](#), Bacardi, Hennessy and Absolut all amongst the biggest fallers in the Power 100, 2010.

But, through adversity comes opportunity, and many brands were able to capitalise on the stagnant market and attract consumers with attractive value propositions, including [Eristoff](#), Svedka and Russian Standard.

## *Innovation*

Finally, innovation became a key theme within the mature white spirits sector - vodka, gin and white rum struggled to compete with the more fashionable dark, aged spirits. Innovation came in the form of flavoured variants with Smirnoff extending its existing flavours range with more unusual combinations such as white grape, caramel kiss and fluffed marshmallow. Gordon's Gin, meanwhile, introduced Gordon's Crisp Cucumber and Gordon's With A Spot of Elderflower.

Whilst flavoured variants were already common, brand extensions for white spirits, dark spirits and liqueurs are also testing the waters the likes of Jack Daniel's Honey, Jägermeister Spice and [Captain Morgan](#) Spiced rum.

*What does the future hold?*

As we look to the next ten years, we asked our panel what trends they expect to see. Here are some of the topics and trends they highlighted:

- › Irish and American whiskey to capture market share from Scotch whisky
- › China's growth will moderate
- › Latin America will offer the biggest opportunity for growth
- › Beam Suntory, [Campari](#) and Proximo Spirits are expected to acquire more brands
- › More innovation as sophisticated consumers widen their repertoire
- › More brands will target the female demographic