

POWER BRANDS

JAGERMEISTER CHIVAS BAILEYS CAPTAIN
BALLANTINE'S REGAL BAILEYS MORGAN
JOHNNIE SMIRNOFF MARTINI
WALKER SMIRNOFF JACK
DANIEL'S
POWER BRANDS MOET ET
CHANDON
ABSOLUT BACARDI CUERVO
HENNESSY

WHO'S RIDING OUT THE RECESSION AND WHO'S FALLEN OFF THE RADAR? THIS YEAR'S POWER BRANDS, THE DEFINITIVE LIST OF THE WORLD'S MOST POWERFUL WINE AND SPIRITS COMPANIES, REVEALS ALL...

DOWNTURN, RECESSION, depression, however you rate current times these terms appear in every article or discussion, and this year's Power Brands is no different – the economic climate forms the foremost issue for this list, quite simply, because falling consumer spending, globally, is the greatest change since last year's report. But what is the impact, brand by brand? Has the world order changed? Yes, but not as significantly as one might at first suspect. This is for several reasons, not least because the global nature of the recession has ensured every brand is affected to an almost equal amount – whatever the sector.

It is also because the listed labels are all "power brands", and hence, whatever their position, they are best placed to survive this toughest of tests. Then there's the fact that these results, the only international survey of wine and spirits brand power, are a record of performance in 2008, and therefore reflect only a few months of the recessionary period. "The true litmus test will be next year, when we have a full year of depression numbers in the major markets of the US and Western Europe, as well as other countries," explains Stuart Whitwell, joint managing director of Intangible Business, compilers of the survey.

Nevertheless, it should be added that the final quarter of 2008, the real deepening of the downturn, was a key sales period as it incorporated Christmas turnover. For those where volume or value has run counter to current trends, their power is confirmed. "The stronger the brand, the more resistant it is to the vagaries of the economy," states Whitwell.

Further, because no brand featured is unaffected by the economic changes, brand movements up and down the list echo changing consumer tastes, distribution agreements and company strategies more than merely altered consumer spending patterns.

This is why this list is so much more than a snapshot of year-on-year sales success – it is, as the methodology explains at the end of this report, a unique attempt to quantify brand power.

The Top 10

In particular, proof that powerful brands are better placed to ride out a recession is seen in the fact that nine out of the 10 leading brands increased in brand score, '08 versus '07. And at the top, Smirnoff appears unstoppable – ensuring last year's projection that Johnnie Walker may topple the white spirit has not been realised. "Smirnoff has done the opposite of what we expected," says Whitwell. "We thought Johnnie Walker would move ahead."

However, if one analyses the brand score, a measure of the aggregated numbers without multiplying the result by the brand's

PROOF THAT POWERFUL BRANDS ARE BETTER PLACED TO RIDE OUT A RECESSION IS SEEN IN THE FACT THAT NINE OUT OF THE 10 LEADING BRANDS INCREASED IN BRAND SCORE, '08 VERSUS '09

weighted volume, it appears Smirnoff is still vulnerable. Johnnie Walker's brand score is higher, and has shown year-on-year growth. Smirnoff's increasingly exalted position (see total score) is the result of a massive volume increase.

So, despite Johnnie Walker's continued climb in score, Smirnoff is, in Whitwell's words, "a stunner". "It has grown by two million cases in a single year, proving its pricing strategy, distribution, and flavours are working well." He also believes the brand has benefited from a period of transition for rival vodka brands such as

Absolut and Stolichnaya in the key vodka market that is the US. "Smirnoff is the victor in the vodka wars."

To return to Johnnie Walker, its immense power lies in not only its market scope and awareness among consumers, but also the brand's ability to tap into all sectors of the Scotch market, with its entry-level Red up to super-premium Blue, not forgetting a range of exclusives and special editions.

Bacardi, at number three, has "put in another incredible performance", recounts Whitwell, noting a 400,000-case sales increase in 2008, while Martini has retained volumes and increased its brand score. "I thought Martini would die out 10 years ago but it has become cool again. The rise of cocktails and the Bond factor has of course helped, and it has scale too." The brand is also managed by the same team as Bacardi – which appears especially adept at on-trade distribution and marketing.

Hennessy has shown some slowdown in volume growth, a result no doubt of the economic climate in the last quarter of 2008, but its brand strength hasn't suffered – the brandy dominates its category in every major Cognac market, and in some countries, it is the market.

In sixth place, Absolut has done well considering its change in distributor at the end of last summer. "We can assume there was very little disruption on transmission," says Whitwell of the handover, who believes in the long term Absolut "should do better under Pernod's management – not

the Top 10									
Rank	Change	Brand	Sub category	Owner	Country	Total score	Change	Brand	
1	0	SMIRNOFF	Vodka	Diageo	Russia	96.9%	7%	69%	0%
2	0	JOHNNIE WALKER	Blended Scotch	Diageo	Scotland	93.8%	6%	83%	2%
3	0	BACARDI	Rum / Cane	Bacardi-Martini	Cuba	85.4%	5%	81%	3%
4	0	MARTINI VERMOUTH	Light Aperitif	Bacardi-Martini	Italy	57.8%	6%		70% 8%
5	0	HENNESSY	Cognac	LVMH	France	48.6%	4%	82%	5%
6	0	ABSOLUT	Vodka	Pernod Ricard	Sweden	45.3%	4%	74%	3%

POWER BRANDS

POWER BRANDS: 11-50

Rank	Change	Brand	Sub category	Owner	Country	Total score	Change	Brand score	Change
11	1	CAPTAIN MORGAN	Rum / Cane	Diageo	Dominican Republic	30.0%	3%	66%	2%
12	-1	CUERVO	Tequila	Diageo	Mexico	25.7%	-2%	69%	-2%
13	4	JAGERMEISTER	Bitters / Spirit Apéritifs	Mast-Jägermeister	Germany	22.8%	5%	66%	6%
14	0	MOET ET CHANDON	Champagne	LVMH	France	20.0%	0%	76%	-2%
15	0	DEWARS	Blended Scotch	Bacardi-Martini	Scotland	19.9%	1%	54%	3%
16	0	J & B	Blended Scotch	Diageo	Scotland	19.0%	1%	58%	1%
17	-4	JIM BEAM	US Whiskey	Beam Global	USA	19.0%	-1%	60%	-2%
18	0	GALLO	Still Light Wine	Gallo	USA	17.8%	1%	57%	3%
19	0	HARDYS	Still Light Wine	Constellation	Australia	17.3%	1%	58%	2%
20	0	CROWN ROYAL	Canadian Whisky	Diageo	Canada	17.2%	3%	61%	6%
21	4	RICARD	Aniseed	Pernod Ricard	France	16.1%	3%	53%	10%
22	-1	CONCHA Y TORO	Still Light Wine	Concha y Toro	Chile	15.9%	1%	62%	4%
23	0	GREY GOOSE	Vodka	Bacardi-Martini	France	15.5%	1%	64%	5%
24	2	VEUVE CLICQUOT	Champagne	LVMH	France	13.7%	1%	70%	5%
25	-3	GORDON'S	Gin / Genever	Diageo	England	13.5%	-1%	56%	-3%
26	-2	DE KUYPER	Liqueurs	De Kuyper	Holland	13.3%	0%	52%	1%
27	0	GRANT'S	Blended Scotch	William Grant & Sons	Scotland	12.9%	0%	54%	2%
28	0	JAMESON	Blended Irish Whiskey	Pernod Ricard	Ireland	12.4%	1%	70%	3%
29	0	MALIBU	Liqueurs	Pernod Ricard	USA	11.7%	1%	59%	2%
30	2	STOLICHNAYA	Vodka	SPI	Russia	11.6%	1%	63%	7%
31	-1	MARTELL	Cognac	Pernod Ricard	France	11.4%	0%	66%	2%
32	-1	HAVANA CLUB	Rum / Cane	Pernod Ricard	Cuba	11.2%	1%	65%	2%
33	0	REMY MARTIN	Cognac	Rémy Cointreau	France	10.4%	1%	68%	3%
34	1	PATRON	Tequila	Patrón Group	Mexico	10.2%	1%	55%	4%
35	3	YELLOW TAIL	Still Light Wine	Casella Wines	Australia	9.8%	2%	54%	6%
36	-2	SAUZA	Tequila	Beam Global	Mexico	9.7%	1%	58%	5%
37	-1	ROBERT MONDAVI	Still Light Wine	Constellation	USA	9.7%	1%	59%	2%
38	8	SKYY	Vodka	Campari	USA	9.6%	3%	55%	10%
39	0	BRANCA FERNET	Bitters / Spirit Apéritifs	Frantelli Branca	Italy	8.8%	1%	51%	4%
40	-3	FAMOUS GROUSE	Blended Scotch	Edrington Group	Scotland	8.2%	0%	53%	0%
41	2	FINLANDIA	Vodka	Bacardi-Martini	Finland	8.0%	0%	53%	1%
42	2	BERINGER	Still Light Wine	Foster's	USA	7.8%	0%	52%	0%
43	-3	TANQUERAY	Gin / Genever	Diageo	England	7.7%	0%	54%	-2%
44	-2	DREHER	Other Brandy	Gruppo Campari	Brazil	7.4%	0%	38%	0%
45	0	BEEFEATER	Gin / Genever	Pernod Ricard	England	7.4%	0%	57%	3%
46	1	JACOB'S CREEK	Still Light Wine	Pernod Ricard	Australia	7.3%	0%	57%	1%
47	2	FREIXENET	Other Sparkling	Freixenet	Spain	7.2%	1%	58%	4%
48	-7	SEAGRAM	Gin / Genever	Pernod Ricard	USA	7.2%	-1%	39%	-3%
49	-1	SOUTHERN COMFORT	Liqueurs	Brown-Forman	USA	7.1%	0%	53%	3%
50	0	BOMBAY	Gin / Genever	Bacardi-Martini	England	6.4%	0%	59%	3%

necessarily in the US market but elsewhere where Beam had no power".

Jack Daniel's has "had another fantastic year, but the test will be in the 2009 numbers – some of the worst aspects of the recession in the US aren't reflected in the 2008 figures".

As for Chivas Regal, it's still growing, even at 4.5 million cases. "Pernod have got it well under their banner now," Whitwell says.

Then there's Bailey's, a "steady ship" according to Whitwell, who does wonder whether the brand is reaching maturity. As for the final entry in the top 10, Ballantine's is doing well in volume – it has grown by 230,000 cases – but it has suffered a slight decline in brand score. Whitwell questions whether the panelists have fully appreciated the loyal following in Korea and Japan for this Scotch's 17-year-old expression.

BACARDI AND ABSOLUT STAND OUT IN THEIR CONNECTION WITH AN EDGY MUSIC SCENE. IT'S PROVING A WINNING FORMULA FOR THEM

Is there a trend at the top? For Whitwell, "Bacardi and Absolut stand out in their connection with an edgy music scene. It's proving a winning formula for them." As for the rest, as noted at the outset, and reiterated by Whitwell, "the most powerful brands in difficult times stand taller than ever before".

Major movers

Brands outside the top 10 showing noteworthy gains in power include Jägermeister, which, even without the clout of a major MNC drinks company behind it, appears increasingly powerful. It has successfully tapped into the music scene in the US market in particular, according to Whitwell, who describes it as an "event- and activity-based brand". "Its only problem," he adds, "is that it is very US-centric, but the brand is just so strong in ▶

POWER BRANDS

POWER BRANDS: 51-100

Rank	Change	Brand	Sub-category	Owner	Country	Total score 09	Change	Brand score 09	Change
51	2	CANADIAN CLUB	Canadian Whisky	Beam Global	Canada	6.2%	0%	57%	5%
52	0	SUTTER HOME	Still Light Wine	Sutter Home Winery	USA	6.1%	0%	46%	1%
53	1	GLENFIDDICH	Malt Scotch	William Grant & Sons	Scotland	6.0%	0%	67%	2%
54	13	COINTREAU	Liqueurs	Rémy Cointreau	France	5.9%	2%	58%	1%
55	2	CAMPARI BITTERS	Bitters / Spirit Apéritifs	Gruppo Campari	Italy	5.9%	0%	61%	3%
56	2	TEACHER'S	Blended Scotch	Beam Global	Scotland	5.9%	1%	56%	5%
57	-6	KETEL ONE	Vodka	Diageo/Nolet family	Holland	5.7%	0%	50%	2%
58	-2	KAHLUA	Liqueurs	Pernod Ricard	Mexico	5.7%	0%	51%	1%
59	-4	BELLS	Blended Scotch	Diageo	Scotland	5.7%	0%	48%	1%
60	5	CINZANO VERMOUTH	Light Apéritif	Gruppo Campari	Italy	5.6%	1%	51%	5%
61	1	SEAGRAM'S 7 CROWN	US Whiskey	Pernod Ricard	USA	5.5%	1%	41%	5%
62	4	EL JIMADOR	Tequila	Brown-Forman	Mexico	5.2%	1%	48%	6%
63	-3	LINDEMANS	Still Light Wine	Foster's	Australia	5.0%	0%	49%	-1%
64	0	COURVOISIER	Cognac	Beam Global	France	5.0%	0%	62%	3%
65	-6	100 PIPERS	Blended Scotch	Pernod Ricard	Scotland	4.6%	-1%	38%	0%
66	-5	E & J BRANDY	Other Brandy	Gallo	USA	4.5%	0%	35%	-2%
67	1	CUTTY SARK	Blended Scotch	Berry Bros. & Rudd	Scotland	4.3%	0%	48%	5%
68	2	MAKER'S MARK	US Whiskey	Beam Global	USA	4.3%	1%	63%	4%
69	-6	BLOSSOM HILL	Still Light Wine	Diageo	USA	4.2%	-1%	43%	-2%
70	-1	BLACK VELVET	Canadian Whisky	Constellation	Canada	3.9%	0%	37%	3%
71	0	CANADIAN MIST	Canadian Whisky	Brown-Forman	Canada	3.9%	0%	38%	5%
72	4	MUMM CHAMPAGNE	Champagne	Pernod Ricard	France	3.7%	1%	59%	2%
73	0	LAURENT-PERRIER	Champagne	Famille de Nonancourt	France	3.5%	0%	57%	4%
74	-2	CACIQUE RUM	Rum / Cane	Diageo	Venezuela	3.4%	0%	37%	0%
75	0	WOLF BLASS	Still Light Wine	Foster's	Australia	3.3%	0%	57%	2%
76	19	THE GLENLIVET	Malt Scotch	Pernod Ricard	Scotland	3.3%	1%	68%	9%
77	11	TORRES	Still Light Wine	Miguel Torres	Spain	3.2%	1%	55%	3%
78	-4	PIPER-HEIDSIECK	Champagne	Rémy Cointreau	France	3.1%	0%	54%	-1%
79	0	DOM PERIGNON	Champagne	LVMH	France	2.9%	0%	71%	0%
80	17	NICOLAS FEUILLATTE	Champagne	CV-CNF	France	2.8%	1%	50%	4%
81	-1	MOSKOWSKAYA	Vodka	SPI	Russia	2.8%	0%	35%	2%
82	0	KENDALL JACKSON	Still Light Wine	Jackson Family Wines	USA	2.8%	0%	47%	2%
83	6	RAMAZZOTTI AMARI	Bitters / Spirit Apéritifs	Pernod Ricard	Italy	2.8%	0%	40%	4%
84	2	INGLENOOK	Still Light Wine	The Wine Group	USA	2.7%	0%	42%	3%
85	14	CASTILLO	Rum / Cane	Bacardi-Martini	Cuba	2.7%	0%	33%	2%
86	-5	GRAND MARNIER	Liqueurs	Marnier-Lapostolle	France	2.7%	0%	49%	-2%
87	4	TAITTINGER	Champagne	Taittinger	France	2.7%	0%	60%	5%
88	10	KUMALA	Still Light Wine	Constellation	South Africa	2.6%	0%	43%	6%
89	-6	BANROCK STATION	Still Light Wine	Constellation	USA	2.6%	0%	43%	3%
90	-6	PENFOLDS	Still Light Wine	Foster's	Australia	2.6%	0%	55%	-1%
91	-1	THE MACALLAN	Malt Scotch	Edrington Group	Scotland	2.6%	0%	65%	1%
92	-15	SEAGRAM V.O.	Canadian Whisky	Pernod Ricard	Canada	2.6%	0%	37%	-5%
93	-15	PASTIS 51	Aniseed	Pernod Ricard	France	2.5%	0%	33%	-3%
94	9	ERISTOFF	Vodka	Bacardi-Martini	Russia	2.5%	0%	40%	4%
95	5	MARTINI SPARKLING WINE	Other Sparkling	Bacardi-Martini	Italy	2.4%	0%	49%	5%
96	-9	DISARONNO	Liqueurs	Ilva Saronno	Italy	2.4%	0%	44%	-3%
97	-12	METAXA	Other Brandy	Rémy Cointreau	Greece	2.3%	0%	36%	-4%
98	-4	BOLS LIQUEURS	Liqueurs	Rémy Cointreau	Holland	2.3%	0%	39%	-1%
99	-3	PAUL MASSON	Other Brandy	Constellation	USA	2.2%	0%	31%	-2%
100	6	LANSON	Champagne	Lanson Int.	France	2.1%	0%	47%	2%

the North American market." In general, brands such as Grey Goose, Skyy, Jägermeister, Bacardi, Stolichnaya, Patrón and Crown Royal, among others, are highly dependent on US consumers and "it will be interesting to see how these brands hold up", says Whitwell of future performance.

Tequila El Jimador (62) is another label that has shown growth in this year's survey, in particular by brand score. Why? "It has benefited from the Bacardi marketing machine and fits in well in the company's portfolio."

BRANDS SUCH AS GREY GOOSE, SKYY, JAGERMEISTER AND PATRON ARE HIGHLY DEPENDENT ON USA CONSUMERS AND IT WILL BE INTERESTING TO SEE HOW THEY HOLD UP

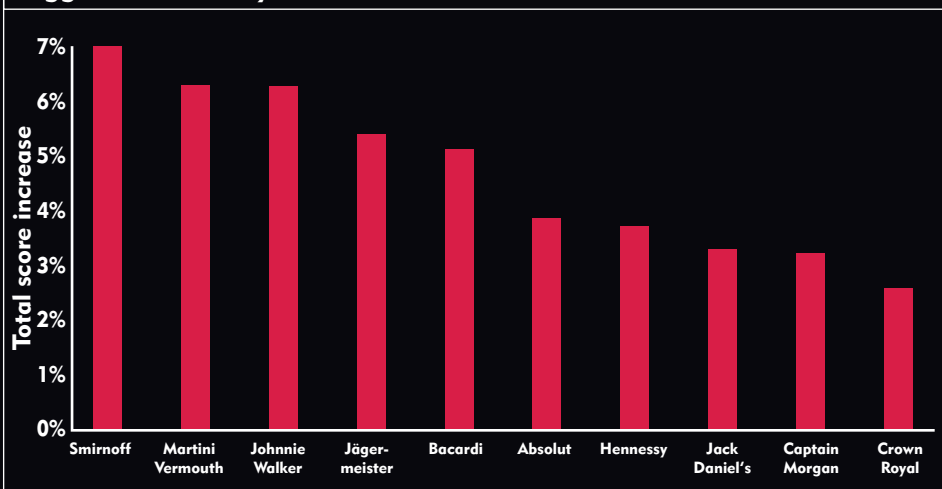
Another brand enjoying the benefits of Bacardi distribution is Eristoff (94), up nine places this year. "It seems to have picked up pace, demonstrating equity and strength – it looks to be having a resurgence."

In rum, Captain Morgan's performance is "unbelievable", exclaims Whitwell. "It has shown very strong volume growth, up over 600,000 cases in 2008.

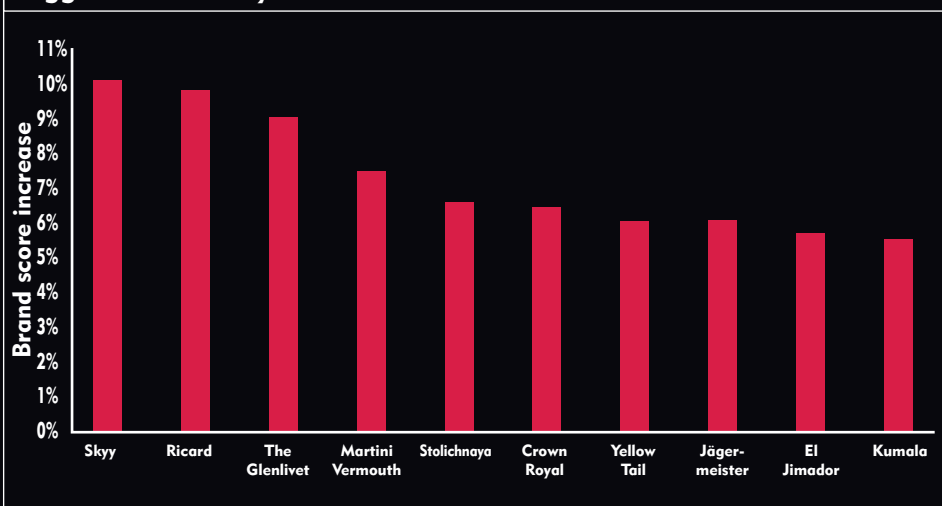
Jameson's too has shown growth. "It's a nice brand doing well under the Pernod Ricard umbrella – the company knows how to manage brands."

POWER BRANDS

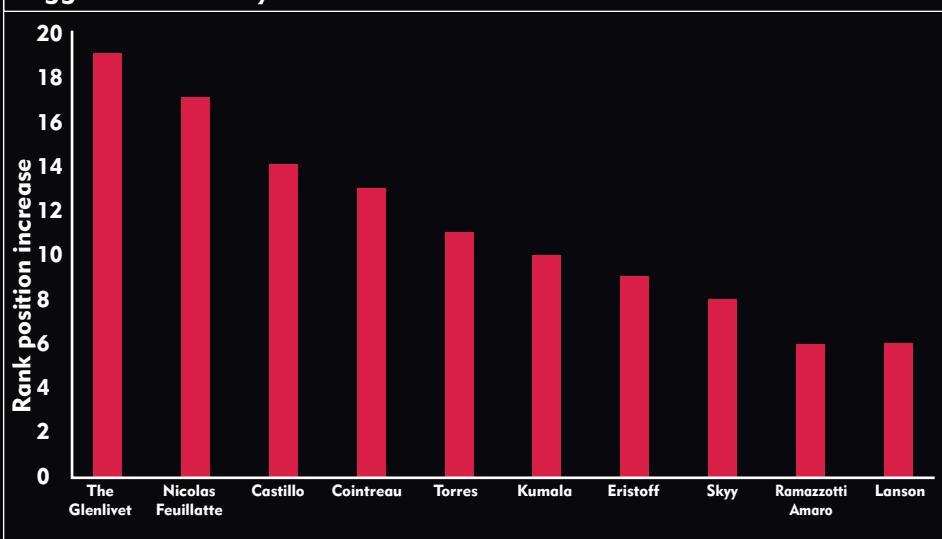
Biggest climbers by total score



Biggest climbers by brand score



Biggest climbers by rank



Up two is Stolichnaya, although Whitwell reckons the brand will slip in 2009 – “I don’t think its owners have invested well in the brand” – while altered distribution in the crucial US market will test its brand power still further.

Last year’s star performer, “Patrón is still growing nicely,” according to Whitwell, while wine brand Yellow Tail is up three places. “It’s still a story,” he says, “and has successfully expanded out of the US into other markets such as the UK.”

Skyy vodka has had “another stellar performance”, overtaking Grey Goose in volume – proving both the strength of the white spirit sector in the US, but also Gruppo Campari’s growing power as a brand owner. “Campari is starting to take over from Beam,” believes Whitwell. “It has three million cases of Skyy and now owns Wild Turkey – it’s getting big in the US.”

Stalwarts include Malibu, still at 29, and Fernet Branca, which retains its position at 39. “Fernet Branca is a brand loved by Europeans, mostly Italians, Germans and Swiss, and that’s not going to change – it’s locked in.” As for Malibu: “It is very US- and female-centric, but it has a strong presence in the on-premise, where the brand is the category.”

Held back by supply constraints is Maker’s Mark. “It takes six years to make – it’s got the demand, but it’s on allocation.”

In the sparkling category Codorníu stands out, and that’s “despite the fact the Spanish market has caught a cold”. As for Champagne, Whitwell is particularly optimistic for GH Mumm. “I’m liking this, I think it’s going to do well – I believe it will be one of Pernod Ricard’s stars for the future.” He also sees Nicolas Feuillatte “doing good things – and its volume growth is outperforming the market”.

Other movers include The Glenlivet – “a great brand, Pernod has done an excellent job repositioning this” – and Kumala, which “has kept in good shape in a tough market”.

To pinpoint any overall patterns it does appear the classics of Campari, Martini and Cinzano are back in fashion. These brands appeared to have acquired a sort of retro-chic appeal.

MOST POWERFUL BRAND OWNERS

Rank	Owner	Total score total	Brand score total	Brands in Top 100
1	Diageo	348%	716.6%	12
2	Pernod Ricard	226%	1044.4%	19
3	Bacardi-Martini	201%	501%	9
4	LVMH	85%	298.4%	4
5	Brown-Forman	56%	217.9%	4
6	Beam Global	50%	356.4%	6
7	Constellation	39%	270.2%	5
8	Gruppo Campari	28%	205.7%	4
9	Rémy Martin	24%	255.5%	5
10	Mast-Jägermeister	23%	65.9%	1
11	Gallo	22%	92.1%	2
12	William Grant & Sons	19%	121.3%	2
13	Foster's	19%	213.9%	4
14	Concha y Toro	16%	62.0%	1
15	SPI	14%	98.4%	2
16	De Kuyper	13%	52.1%	1
17	Edrington Group	11%	117.9%	2
18	Patrón Group	10%	54.6%	1
19	Casella Wines	10%	54.1%	1
20	Frantelli Branca	9%	51.4%	1
21	Freixenet	7%	57.5%	1
22	Sutter Home Winery	6%	45.7%	1
23	Diageo and Nolet family	6%	49.8%	1
24	Berry Bros. & Rudd	4%	48.2%	1
25	Famille de Nonancourt	4%	57.0%	1
26	Miguel Torres	3%	54.6%	1
27	CV-CNF	3%	50.2%	1
28	Jackson Family Wines	3%	46.8%	1
29	The Wine Group	3%	41.8%	1
30	Marnier-Lapostolle	3%	49.5%	1
31	Taittinger	3%	60.0%	1
32	Illva Saronno	2%	44.1%	1
33	Lanson International	2%	47.3%	1

Brand owners

The most significant change this year is Pernod Ricard's move into second place, bumping Bacardi-Martini into third spot. This is a direct result of the successful integration of Absolut into the Pernod portfolio.

Gruppo Campari has also moved up a place, and Whitwell believes that this company, "will, with Wild Turkey [its latest acquisition], be closing in on its poor relations in the top 10". Continuing, he says, "Campari is on the up, showing stunning management of Skyy and a well-timed acquisition of Wild Turkey."

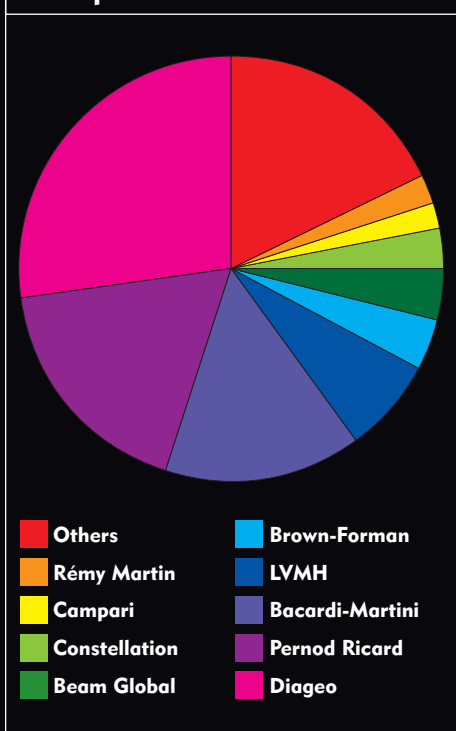
It's also important to note the rise of Mast-Jägermeister (from 14th to 10th place) – "a phenomenal performance", according to Whitwell, and one which proves the possibilities for single-brand companies.

Patrón is a further example, which, again, "shows what can be done with dedicated management in a single-brand company". Back to the top of the brand owner list, it is interesting to note the rise of Pernod's power and rumours at time of writing that Diageo is interested in buying its remaining 66% share in Moët-Hennessy. Could such discussions be prompted by Diageo's distaste at Pernod's claim to be "co-leader" in the global drinks arena? And what would be the implications of Diageo absorbing the luxury drinks company? To address the latter question, such an acquisition would ensure even Pernod would have half the score of the leader, and only a combination of Pernod and Bacardi could once more rival Diageo's clout.

However, present speculation centres on a Bacardi and Brown-Forman tie-up, although such a merger would be made extremely complicated by family ownership in each case. If a deal was finalised, it would take the newly united company ahead of Pernod in this list.

Overall, in the year ahead, there is little doubt there's more opportunity for consolidation – essentially because those companies without the cash flow to manage debt will look to sell off brands, or sell their business altogether. And, as Whitwell predicts, "The stronger balance sheets of Diageo, Bacardi and Campari will serve them well."

Most powerful brand owners



**THERE IS LITTLE DOUBT
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 OPPORTUNITY FOR
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POWER BRANDS

MOST POWERFUL COUNTRIES OF ORIGIN

Rank	Country of origin	Total score total	Total brand score	Brands in top 100
1	Scotland	251%	830%	14
2	USA	173%	1001%	20
2	France	173%	1080%	18
4	Russia	114%	207%	4
5	Cuba	99%	179%	3
6	Italy	80%	305%	6
7	Mexico	57%	280%	5
8	Australia	45%	331%	6
9	Sweden	45%	74%	1
10	Ireland	44%	144%	2
11	England	35%	226%	4
12	Canada	31%	193%	4
13	Dominican Republic	30%	66%	1
14	Germany	23%	66%	1
15	Holland	21%	141%	3
16	Chile	16%	62%	1
17	Spain	10%	112%	2
18	Finland	8%	53%	1
19	Brazil	7%	38%	1
20	Venezuela	3%	37%	1
21	South Africa	3%	43%	1
22	Greece	2%	36%	1

Might one expect France – master of luxury goods manufacture and marketing – to be at the top? The likes of Cognac and Champagne brands may have high prices, but their volumes are too small. “Scotland uses its water well,” jokes Whitwell.

The US on the other hand, in joint second place, contains powerful Californian wine brands as well as a strong whiskey culture, developed by the likes of Beam, Jack Daniel’s, Heaven Hill and Early Times. Also, the US itself consumes large quantities of such products – “The country likes its own brands and Americans drink a lot of the hard stuff, straight up. It goes back to the mentality of working hard and playing hard.”

Fastest fallers

It’s worth penning just a quick note on some of the brands that slipped the most this year. For example, Ketel One suffered a six-place drop, mainly due to a volume decline in 2008. “It has come off its plinth which is not surprising considering it is a US-centric super-premium vodka and price sensitivity in that market has kicked in. Nevertheless, the brand is still seen as strong.”

Then there’s Scotch brand Bell’s which has shown a dip because it’s “too UK-centric”, according to Whitwell. “It’s a nice brand that’s well managed but too closely allied to an unhealthy price-sensitive market.”

Cutty Sark is another that appears to be gradually going down the list. “It’s too tied into Portugal and Greece and that won’t do the brand any good in the long term.”

As for those brands in the Canadian whiskey category, Whitwell sees the whole sector suffering from a gradual decline, and in wine, certain brands such as Blossom Hill are not rated highly enough on either price or market spread.

Pastis 21 Whitwell believes is too localised, while, similarly, Metaxa “has no market scope – the decline reflects its inability to break out of its traditional market”. Finally, he notes the once-proud Larious gin as exhibiting a “disturbing volume decline”.

Overall, any brand that has a localised consumer base appears to be suffering. “Brands that didn’t expand into international markets are all in terminal decline,” concludes Whitwell, further citing labels such as Seagram and Hiram Walker. ▶

Most powerful sectors (% within top 100)



BRANDS THAT DIDN'T EXPAND INTO INTERNATIONAL MARKETS ARE ALL IN TERMINAL DECLINE

Countries of origin

Scotland increases its power this year, proving the power of Scotch whisky in world markets. It is a country behind a category of immense strength – derived from Scotch brands’ long histories, high prices and in many cases, MNC ownership. The country’s lead, however,

is surprising for such a small land mass, but as Whitwell records, “Scotland produced the first spirits brands to take the world by storm – whisky went round the world first. A brand like Teacher’s was the biggest Scotch brand in the US in the early 1900s – it was a pioneer of its day.”