

power brands



HIGH and low

This year's rundown of Power Brands is characterised by a polarisation in consumer demand, reports **Patrick Schmitt**

THE TOP 10

Rank	Brand	Sub-category	Owner	Country	Total score	Change	Brand score	Change
1 ↔	SMIRNOFF	Vodka	Diageo	UK	88.9%	-5%	75%	-2%
2 ▲1	BACARDI	Rum/cane	Bacardi	Puerto Rico	77.7%	5%	80%	2%
3 ▼-1	JOHNNIE WALKER	Blended Scotch	Diageo	Scotland	75.4%	1%	83%	4%
4 ↔	MARTINI VERMOUTH	Light aperitif	Bacardi	Italy	54.0%	2%	68%	0%
5 ▲2	ABSOLUT	Vodka	Pernod Ricard	Sweden	39.3%	2%	75%	2%
6 ↔	JACK DANIEL'S	US whiskey	Brown-Forman	USA	39.1%	1%	81%	2%
7 ▼-2	HENNESSY	Cognac	LVMH	France	38.9%	1%	79%	6%
8 ↔	CHIVAS REGAL	Blended Scotch	Pernod Ricard	Scotland	31.0%	2%	73%	5%
9 ↔	CAPTAIN MORGAN	Rum/cane	Diageo	Puerto Rico	30.4%	3%	70%	4%
10 ↔	BALLANTINE'S	Blended Scotch	Pernod Ricard	Scotland	24.7%	-2%	65%	0%

FOR THOSE who remember, this time last year we were recounting the impact of the recession on the drinks world's largest labels and, for the most part, it wasn't pleasant reading. But while we could clearly see the immediate effect of the global economic crisis on consumer behaviour, we couldn't ascertain the long-term implications. Would, we asked, pre-recessionary trends resume as the recovery kicked in? Or would that buzzword of the noughties, "premiumisation", die with the closing of the decade?

DRAGGING THE TOP END OUT FROM THE DEPTHS OF THE DOWNTURN IS DEMAND FROM THE EAST, NOTABLY CHINA

Now we have another year's worth of wine and spirits sales data, we can see that many big names have arrested 2009's falls. But, as the resulting Power Brands 2011 proves, it's not a comprehensive comeback. Rather than witnessing an even resurgence, we can see a polarising global marketplace – with a strong performance from certain upmarket names, like Hennessy and, at the same time, rapid growth from affordable lines, such as Svedka.

Dragging the top end out from the depths of the downturn is, not surprisingly,

demand from the east, notably China, although it's also from the south, as Latin America emerges as a new El Dorado for luxury labels. On the other hand, driving the entry-level lines, often at the expense of standard or "premium" brands, is a consumer in the US and Europe that is either still short of cash, or lacking the confidence that fuelled the lavish spending before the economic crash of October 2008.

As market analyst at Euromonitor International Spiros Malandrakis says: "Overall spirits volumes essentially doubled their 2009 volume growth rates in 2010." But, he adds: "The improving top-line figures mask widening discrepancies between the industry's performance in emerging and mature markets – a sharp bounceback for the former is juxtaposed with anaemic growth for the latter." Indeed, if one were to take the consumption in the so-called new markets out of the results, very few of these Power Brands would enter into positive territory.

And, further illustrating the role of Asia in the comeback of not just drinks but luxury goods as a whole, Richard Brown, founder partner at Cognosis Consulting, when speaking at *the drinks business* conference in March, said that within three years China will be a bigger luxury market than Japan, and that by 2020 it will be worth over \$75bn, accounting for almost 20% of global sales.

No. 1: Smirnoff

Taking top spot for the sixth year running is Smirnoff, although in 2011's survey the brand has lost five points from its total score. This is because, while the vodka has almost arrested the declines it suffered during the recession, it has lost a little of its brand power in the process. Nevertheless, it still scores highly for market share: it shifts almost 24 million cases; for market scope: it sells in 130 countries; heritage: founder Piotr Smirnov began distilling the spirit in 1860; awareness: Smirnoff was 007's vodka of choice in *Casino Royale*; and relevancy: the bar-friendly brand has a range of variants including an ever expanding number of flavours and RTDs.

Not only that, but he pointed out that 55% of the luxury goods bought by Chinese people are purchased outside the mainland to avoid high tariffs and counterfeiting. Hence, allowing for this, he stated: "By 2020 China's share of the global luxury market will triple to 44%."

But it's not just China that's boosting the sales of global brands. Cognosis projections of imported spirits growth in the next 10 years show the BRICs accounting for nearly 40% of the international growth potential, while currently Euromonitor picks out Latin

Power Brands: 11-50

Rank	Brand	Sub category	Owner	Country	Total score	Change	Brand score	Change
11	▲2 JÄGERMEISTER	BITTERS/SPIRIT APERITIFS	MAST-JÄGERMEISTER	GERMANY	23.4%	3%	71%	6%
12	▼-1 JOSÉ CUERVO	TEQUILA	BECKMANN FAMILY	MEXICO	20.8%	-5%	70%	-1%
13	▼-1 BAILEYS	LIQUEURS	DIAGEO	IRELAND	19.5%	-4%	68%	-4%
14	▲2 DEWAR'S	BLENDED SCOTCH	BACARDI	SCOTLAND	18.1%	2%	53%	2%
15	▲3 MOËT ET CHANDON	CHAMPAGNE	LVMH	FRANCE	17.9%	2%	77%	1%
16	▼-2 GALLO	STILL LIGHT WINE	GALLO	US	17.4%	-1%	57%	-5%
17	▲3 RICARD	ANISEED	PERNOD RICARD	FRANCE	16.7%	2%	62%	8%
18	▼-1 CONCHA Y TORO	STILL LIGHT WINE	CONCHA Y TORO	CHILE	16.1%	0%	63%	-2%
19	▼-4 JIM BEAM	US WHISKEY	BEAM GLOBAL	US	15.7%	-3%	60%	-4%
20	▲1 GREY GOOSE	VODKA	BACARDI	FRANCE	15.5%	1%	67%	1%
21	▲1 CROWN ROYAL	CANADIAN WHISKY	DIAGEO	CANADA	14.4%	1%	60%	4%
22	▲4 JAMESON	BLENDED IRISH WHISKEY	PERNOD RICARD	IRELAND	12.9%	2%	70%	5%
23	▲9 GRANT'S	BLENDED SCOTCH	WILLIAM GRANT & SONS	SCOTLAND	12.6%	3%	50%	-1%
24	↔ DE KUYPER	LIQUEURS	DE KUYPER	HOLLAND	12.5%	1%	53%	0%
25	▼-2 GORDON'S GIN	GIN/GENEVER	DIAGEO	ENGLAND	12.3%	0%	57%	0%
26	▲2 VEUVE CLICQUOT	CHAMPAGNE	LVMH	FRANCE	12.2%	2%	71%	1%
27	▼-8 J&B	BLENDED SCOTCH	DIAGEO	SCOTLAND	12.0%	-3%	55%	-2%
28	▼-3 HAVANA CLUB	RUM/CANE	PERNOD RICARD	CUBA	11.3%	0%	65%	-1%
29	▲17 SVEDKA	VODKA	CONSTELLATION	SWEDEN	10.8%	4%	63%	18%
30	▼-1 PATRÓN	TEQUILA	PATRÓN GROUP	MEXICO	10.6%	1%	58%	0%
31	▲5 MARTELL	COGNAC	PERNOD RICARD	FRANCE	10.2%	2%	65%	7%
32	▼-1 ROBERT MONDAVI	STILL LIGHT WINE	CONSTELLATION	US	9.9%	0%	64%	0%
33	▼-3 MALIBU	LIQUEURS	PERNOD RICARD	US	9.7%	0%	58%	0%
34	▲6 SAUZA	TEQUILA	BEAM GLOBAL	MEXICO	9.6%	2%	60%	1%
35	▼-2 STOLICHNAYA	VODKA	SPI	RUSSIA	9.6%	1%	57%	-3%
36	▼-1 SKYY	VODKA	CAMPARI	US	9.3%	1%	57%	4%
37	▼-3 YELLOW TAIL	STILL LIGHT WINE	CASELLA WINES	AUSTRALIA	8.3%	-1%	49%	-4%
38	↔ FINLANDIA	VODKA	BROWN-FORMAN	FINLAND	8.1%	0%	54%	-1%
39	▼-2 HARDYS	STILL LIGHT WINE	ACCOLADE WINES	AUSTRALIA	8.0%	0%	55%	-5%
40	▼-1 THE FAMOUS GROUSE	BLENDED SCOTCH	EDRINGTON GROUP	SCOTLAND	7.8%	0%	58%	0%
41	▲11 BOMBAY SAPPHIRE	GIN/GENEVER	BACARDI	ENGLAND	7.2%	1%	66%	5%
42	▼-1 FERNET-BRANCA	BITTERS/SPIRIT APERITIFS	FRATELLI BRANCA	ITALY	7.2%	-1%	45%	-6%
43	▲2 BEEFEATER	GIN/GENEVER	PERNOD RICARD	ENGLAND	6.9%	0%	61%	2%
44	▲10 RUSSIAN STANDARD	VODKA	RUSSIAN STANDARD	RUSSIA	6.9%	1%	55%	3%
45	▲3 TANQUERAY	GIN/GENEVER	DIAGEO	ENGLAND	6.8%	0%	60%	5%
46	▲4 SOUTHERN COMFORT	LIQUEURS	BROWN-FORMAN	US	6.6%	0%	60%	5%
47	▼-3 DREHER	OTHER BRANDY	CAMPARI	BRAZIL	6.3%	-1%	36%	-4%
48	▲16 E&J BRANDY	OTHER BRANDY	GALLO	US	6.3%	2%	41%	1%
49	▼-7 BERINGER	STILL LIGHT WINE	FOSTERS	US	6.3%	-1%	51%	-3%
50	▲3 KETEL ONE	VODKA	DIAGEO AND NOLET FAMILY	HOLLAND	6.2%	0%	54%	1%

America, Africa and the Middle East as key sources of sales, alongside Asia. Hence those drinks with strong distribution and healthy reputations in any of these areas are performing well.

On the other hand, markets such as those in North America and western Europe are, as Malandrakis says, "still facing the combined forces of ageing demographics, tax hikes, unemployment and restrictive legislation". And, although some luxury brands such as Champagne are enjoying positive sales in Russia, he warns of "massive tax hikes and an increasingly anti-alcohol rhetoric".

THIS SURVEY ALSO PORTRAYS AN INGRAINED SEARCH FOR THE AFFORDABLE

Hence this survey, while it shows that the pre-recessionary profit driver of "premiumisation" is resurfacing, above all in emerging economies, also portrays an ingrained search for the affordable – drinkers in developed markets are shunning the showy.

MOST POWERFUL BRAND OWNERS

Always one of the most interesting tables of this extensive report is the one listing the most powerful brand owners (see page 28). This year, while we can see that the large declines of the previous survey have been stemmed, Diageo is still

Power Brands: 51-100

Rank	Brand	Sub category	Owner	Country	Total score	Change	Brand score	Change
51	▼-8 FREIXENET	OTHER SPARKLING	FREIXENET	SPAIN	6.2%	-1%	55%	-6%
52	▼-3 SEAGRAM'S GIN	GIN/GENEVER	PERNOD RICARD	US	6.0%	0%	41%	-1%
53	▼-26 RÉMY MARTIN	COGNAC	RÉMY COINTREAU	FRANCE	5.9%	-5%	60%	-5%
54	▲4 SEAGRAM'S 7 CROWN	US WHISKEY	PERNOD RICARD	US	5.8%	1%	40%	-3%
55	▲1 BELL'S	BLENDED SCOTCH	DIAGEO	SCOTLAND	5.7%	0%	47%	0%
56	▼-5 SUTTER HOME	STILL LIGHT WINE	SUTTER HOME WINERY	US	5.7%	0%	47%	-4%
57	▼-10 JACOB'S CREEK	STILL LIGHT WINE	PERNOD RICARD	AUSTRALIA	5.5%	-1%	52%	-5%
58	▼-3 LINDEMANS	STILL LIGHT WINE	FOSTERS	AUSTRALIA	5.3%	0%	52%	-2%
59	▼-2 CANADIAN CLUB	CANADIAN WHISKY	BEAM GLOBAL	CANADA	5.2%	0%	55%	1%
60	▲5 BLOSSOM HILL	STILL LIGHT WINE	DIAGEO	US	4.9%	0%	53%	5%
61	▲2 KAHLÚA	LIQUEURS	PERNOD RICARD	MEXICO	4.8%	0%	55%	1%
62	▲4 MAKER'S MARK	US WHISKEY	BEAM GLOBAL	US	4.8%	0%	63%	2%
63	▼-1 TEACHER'S	BLENDED SCOTCH	BEAM GLOBAL	SCOTLAND	4.7%	0%	51%	0%
64	▼-4 CAMPARI BITTERS	BITTERS/SPIRIT APERITIFS	CAMPARI	ITALY	4.6%	0%	59%	-1%
65	▼-4 GLENFIDDICH	MALT SCOTCH	WILLIAM GRANT & SONS	SCOTLAND	4.6%	0%	64%	2%
66	▲1 BLACK VELVET	CANADIAN WHISKY	CONSTELLATION	CANADA	4.4%	0%	42%	0%
67	▲4 CINZANO VERMOUTH	LIGHT APERITIF	CAMPARI	ITALY	4.4%	1%	48%	0%
68	▲2 APEROL	LIGHT APERITIF	CAMPARI	ITALY	4.0%	0%	43%	-2%
69	▼-10 WYBOROWA	VODKA	PERNOD RICARD	POLAND	4.0%	-1%	44%	-3%
70	▲6 COURVOISIER	COGNAC	BEAM GLOBAL	FRANCE	3.8%	0%	58%	1%
71	▲7 WILLIAM LAWSON'S	BLENDED SCOTCH	BACARDI	SCOTLAND	3.6%	0%	43%	0%
72	▲1 CLAN CAMPBELL	BLENDED SCOTCH	PERNOD RICARD	SCOTLAND	3.5%	0%	40%	-2%
73	▼-1 CANADIAN MIST	CANADIAN WHISKY	BROWN-FORMAN	CANADA	3.5%	0%	38%	-3%
74	▲5 TORRES WINE	STILL LIGHT WINE	TORRES FAMILY	SPAIN	3.3%	0%	56%	-1%
75	▼-7 100 PIPERS	BLENDED SCOTCH	PERNOD RICARD	SCOTLAND	3.3%	-1%	38%	-1%
76	▼-7 CACIQUE	RUM/CANE	DIAGEO	VENEZUELA	3.3%	-1%	39%	-6%
77	▲4 BOLS LIQUEURS	LIQUEURS	RÉMY COINTREAU	HOLLAND	3.2%	0%	45%	-1%
78	▲7 ERISTOFF	VODKA	BACARDI	GEORGIA	3.2%	0%	42%	-3%
79	▲3 CUTTY SARK	BLENDED SCOTCH	EDRINGTON GROUP	SCOTLAND	3.1%	0%	50%	4%
80	▲10 THE GLENLIVET	MALT SCOTCH	PERNOD RICARD	SCOTLAND	3.0%	0%	63%	3%
81	▲2 KENDALL-JACKSON	STILL LIGHT WINE	JACKSON FAMILY WINES	US	3.0%	0%	52%	-3%
82	▲7 CLAN MACGREGOR	BLENDED SCOTCH	WILLIAM GRANT & SONS	SCOTLAND	2.9%	0%	51%	12%
83	▲8 PAUL MASSON	OTHER BRANDY	CONSTELLATION	US	2.9%	0%	42%	4%
84	▲14 DISARONNO	LIQUEURS	ILLVA SARONNO	ITALY	2.9%	1%	58%	10%
85	▼-8 MUMM	CHAMPAGNE	PERNOD RICARD	FRANCE	2.8%	-1%	57%	-3%
86	▲1 LAURENT-PERRIER	CHAMPAGNE	BERNARD DE NONANCOURT	FRANCE	2.8%	0%	50%	-6%
87	▲7 THREE OLIVES	VODKA	PROXIMO SPIRITS	ENGLAND	2.7%	0%	40%	2%
88	▼-4 MARTINI SPARKLING WINE	OTHER SPARKLING	BACARDI	ITALY	2.6%	0%	50%	-7%
89	▼-15 GRAND MARNIER	LIQUEURS	ALEXANDRE MARNIER-LAPOSTOLLE	FRANCE	2.6%	-1%	58%	1%
90	▼-4 WOLF BLASS	STILL LIGHT WINE	TREASURY WINE ESTATES	AUSTRALIA	2.6%	0%	54%	-2%
91	▼-16 COINTREAU	LIQUEURS	RÉMY COINTREAU	FRANCE	2.6%	-1%	52%	-5%
92	New RAMAZZOTTI AMARI	BITTERS/SPIRIT APERITIFS	PERNOD RICARD	ITALY	2.6%	1%	42%	1%
93	▲6 EL JIMADOR	TEQUILA	BROWN-FORMAN	MEXICO	2.4%	0%	45%	2%
94	▲1 INGLENOOK	STILL LIGHT WINE	THE WINE GROUP	US	2.4%	0%	39%	-3%
95	▼-3 PIPER-HEIDSIECK	CHAMPAGNE	RÉMY COINTREAU	FRANCE	2.3%	0%	50%	-4%
96	▼-8 PASTIS 51	ANISEED	PERNOD RICARD	FRANCE	2.3%	0%	36%	-4%
97	▼-17 METAXA	OTHER BRANDY	RÉMY COINTREAU	GREECE	2.3%	-1%	41%	-2%
98	New LARIOS	GIN/GENEVER	BEAM GLOBAL	SPAIN	2.3%	1%	42%	7%
99	▼-3 PENFOLDS	STILL LIGHT WINE	TREASURY WINE ESTATES	AUSTRALIA	2.2%	0%	56%	-3%
100	↔ WILD TURKEY	US WHISKEY	CAMPARI	US	2.2%	0%	53%	-2%

suffering from a falling total score. Why? Essentially the strong recovery in emerging markets is yet to counter-balance the difficulties in Europe, where Diageo is affected by intense competition and pressure on margins. For this reason, as reported at its half-year results to 31

December, the company's European net sales fell by 3% and operating profit dropped by 9%. While the company has enjoyed growth in Russia, it suffered a double-digit net sales decline in Iberia, Greece and Ireland. In Britain, net sales grew by 1%, but margins were eroded.

However, Diageo is confident that in the full financial year the group will improve on the organic operating profit it delivered in fiscal 2010 and that, longer term, difficulties in the European market for Scotch, where demand is more focused on standard blends, would allow ▶

power brands

New Entrants

Brand	Rank
RAMAZZOTTI AMARI	92
LARIOS	98

Exits

Brand	Total score	Change
MOSKOWSKAYA	1.2%	-1%
SEAGRAM V.O.	2.2%	0%

Biggest Risers

Brand	Change (total score)
BACARDI	5%
SVEDKA	4%
GRANT'S	3%
JÄGERMEISTER	3%
CAPTAIN MORGAN	3%
MARTINI VERMOUTH	2%
CHIVAS REGAL	2%
MOËT ET CHANDON	2%
RICARD	2%
ABSOLUT	2%

Biggest Fallers

Brand	Change (total score)
RÉMY MARTIN	-5%
JOSÉ CUERVO	-5%
SMIRNOFF	-5%
BAILEYS	-4%
J&B	-3%
JIM BEAM	-3%
BALLANTINE'S	-2%
COINTREAU	-1%
GRAND MARNIER	-1%
GALLO	-1%

Strongest Brands

Rank	Brand	Brand score 2011	Change
1	JOHNNIE WALKER	83%	4%
2	JACK DANIEL'S	81%	2%
3	BACARDI	80%	2%
4	HENNESSY	79%	6%
5	MOËT ET CHANDON	77%	1%
6	ABSOLUT	75%	2%
7	SMIRNOFF	75%	-2%
8	CHIVAS REGAL	73%	5%
9	JÄGERMEISTER	71%	6%
10	VEUVE CLICQUOT	71%	1%

Strongest brands

Note that this list is titled "strongest" and not "most powerful". This is because the chart ranks the leading brands according to the aggregated scores from the eight measures (see methodology) without multiplying by each brand's weighted volume to give you brand "power". According to this measure, this year we see Johnnie Walker climb back to top spot having shown remarkable growth over the last 12 months, primarily driven by its following in the Far East. Last year's leader Jack Daniel's has still seen a growth in its brand score, however, helped by its trendy image, mixability, and mid-price; nevertheless, it can't keep pace with the top Scotch.

It's also notable how well Champagne brands perform without the volume element incorporated, proving the strength of labels such as Moët and Veuve Clicquot, and the rapid recovery of fizz after the recession. These are brands with enviable global awareness, truly international distribution, with a high price positioning and an upmarket image centred on celebration. Such performance would of course be better if China embraced Champagne. For now, however, it's still the mature western markets that consume the most, although Latin America – Brazil in particular – is emerging as an important source of growing sales.

the group to age its stocks for longer to take advantage of the increasing call for premium offerings with much higher margins in emerging markets. As for growth through acquisitions, a major takeover would be challenging to achieve because there are not many gaps in this giant's portfolio. For this reason, Diageo is much more likely to seek bolt-on acquisitions in emerging markets, giving it access to local brands and providing control of its routes to market. This explains Diageo's frustration that

*PERNOD RICARD
CONTINUES TO GROW
ITS SCORE, PRIMARILY
DUE TO ITS IMPROVING
PRESENCE IN CHINA*

the £610m bid to take control of China's Sui Jing Fang is still awaiting approval from Beijing over a year after the deal was announced.

Meanwhile, Pernod Ricard continues to grow its score, primarily due to its improving presence in China, where the company now has over 2,000 people working for it full-time, according to chief executive Pierre Pringuet. The company claims that it holds more than 50% of the Scotch whisky market in China, and Pringuet said earlier this year: "We don't sell standard brands in China, only super-premiums." And, unlike Diageo, all of Pernod's geographic regions in the six months to the end of December made gains in organic sales growth, including western Europe, although the prime driver was Asia. Further, eight of Pernod's top 14 priority brands achieved double-digit organic sales growth: for example, Martell was 32% up, and Jameson put on 18%. Absolut, however, shed 1%, but is now growing again.

As for company changes further down the table, major shifts since last year come ▶

Most Powerful Brand Owners

Rank	Change	Owner	Total score	Change	Brand score	Change	Number in top 100
1	↔	DIAGEO	294%	-12%	737%	8%	12
2	↔	PERNOD RICARD	206%	5%	1100%	14%	20
3	↔	BACARDI	182%	12%	470%	-1%	8
4	↔	LVMH	69%	5%	226%	8%	3
5	↔	BROWN-FORMAN	60%	1%	278%	4%	5
6	↔	BEAM GLOBAL	46%	2%	388%	43%	7
7	▲1	CAMPARI	31%	1%	296%	-5%	6
8	▼-1	CONSTELLATION	28%	-3%	211%	-38%	4
9	▲1	GALLO	24%	1%	97%	-5%	2
10	▲1	MAST-JÄGERMEISTER	23%	3%	71%	6%	1
11	▲2	WILLIAM GRANT & SONS	20%	3%	165%	14%	3
12	↔	FOSTER'S/TREASURY	16%	-2%	213%	-9%	4
13	▼-4	RÉMY COINTREAU	16%	-7%	248%	-17%	5
14	↔	CONCHA Y TORO	16%	0%	63%	-2%	1
15	▲1	DE KUYPER	12%	1%	53%	0%	1
16	▲1	EDRINGTON GROUP	11%	0%	108%	4%	2
17	▲1	PATRÓN GROUP	11%	1%	58%	0%	1
18	▼-3	SPI	10%	-2%	57%	-41%	1
19	↔	CASELLA WINES	8%	-1%	49%	-4%	1
20	NEW	ACCOLADE WINES	8%	8%	55%	55%	1
21	▼-1	FRATELLI BRANCA	7%	-1%	45%	-6%	1
22	▲2	RUSSIAN STANDARD	7%	1%	55%	3%	1
23	↔	DIAGEO AND NOLET FAMILY	6%	0%	54%	1%	1
24	▼-3	FREIXENET	6%	-1%	55%	-6%	1
25	▼-3	SUTTER HOME WINERY	6%	0%	47%	-4%	1
26	↔	TORRES FAMILY	3%	0%	56%	-1%	1
27	↔	JACKSON FAMILY WINES	3%	0%	52%	-3%	1
28	▲3	ILVA SARONNO	3%	1%	58%	10%	1
29	▼-1	BERNARD DE NONANCOURT	3%	0%	50%	-6%	1
30	▼-1	PROXIMO SPIRITS	3%	0%	40%	2%	1
31	▼-6	ALEXANDRE MARNIER-LAPOSTOLLE	3%	-1%	58%	1%	1
32	▼-2	THE WINE GROUP	2%	0%	39%	-3%	1

from firstly Rémy Cointreau, which has off-loaded its Champagne business including Piper and Charles Heidsieck to French luxury brands group Société Européenne de Participations Industrielles (EPI); secondly, from Constellation, which has sold its wine operations in Australia, the UK and South Africa to Champ Private Equity, which is trading this division under the name Accolade Wines.

CATEGORY PERFORMANCE

Considering the performance of individual brands according to category, we can see that whisk(e)y is retaining its place as most powerful sector in this survey, and heading this once more is

Johnnie Walker. Stuart Whitwell, joint MD of Intangible Business, compiler of the survey (see biographies, page 39), is in

CHIVAS REGAL HAS BENEFITED FROM THE STRONG ECONOMIES OF ASIA AND US RECOVERY

awe of this brand's power. "It hasn't stopped motoring," he says, which he ascribes to its following in the Far East,

particularly for its upper-tier blends. "It is in the right part of the world," he says, "and this is a fantastic performance."

Similarly, Chivas Regal has benefited from the strong economies of Asia and an element of recovery in the US, while Ballantine's, Whitwell believes, has benefited from sales of its aged variants in South Korea and Japanese travel retail, as well as a move into China.

J&B has however performed less well, primarily because, as Whitwell explains, "it is stuck in continental Europe", while he also believes that it suffers from being in the same portfolio as Johnnie Walker, under Diageo. ▶

Most Powerful Sectors

Rank	Change	Sector	Total score	Total brand score	Brands in top 100
1	-	WHISKY	324%	1,446%	26
2	-	VODKA	205%	684%	12
3	1	RUM/CANE	123%	254%	4
4	-1	FLAVOURED SPIRITS	121%	820%	15
5	-	STILL LIGHT WINE	101%	798%	15
6	-	BRANDY	77%	421%	8
7	-	LIGHT APERITIF	62%	159%	3
8	1	SPARKLING	47%	409%	7
9	-1	TEQUILA	43%	232%	4
10	-	GIN/GENEVER	41%	326%	6

Quite simply, the priority is the latter label with its 14m-plus case volume and strong presence in China and South Korea, where the focus is on the luxury and aged end of the Scotch scale.

Overall, Whitwell says: "The Power Brands in Scotch have performed very

further up the table: "Because they are limited by stocks, they are not pushed in the same way as the blends." In fact, he adds: "If they had the stocks they would go a lot further - these brands are particularly powerful."

Within US whiskey "Jack Daniel's continues to motor," says Whitwell, who describes its sustained growth as "quite phenomenal". As for Jim Beam, this he believes "has done better than the numbers suggest and the brand has pulled itself back in the US and particularly in Australia" where, according to brand owner Beam Global, it is the largest spirit and RTD in volume and value.

Finally, representing Irish whiskey is Jameson, which "is powering ahead", according to Whitwell, driven by its popularity in the US and, overall, it has increased its global sales by 0.5m cases year-on-year.

VODKA

As ever, vodka proves the most dynamic of categories, and this year it was home to the survey's biggest riser by brand score and rank, Svedka. Although it hasn't

well with the notable exception of J&B."

When it comes to the single malt sub-category, it is The Glenlivet which stands out as a strong story, up 10 places and a sign, believes Whitwell, that the US market, where much of this brand is sold, is "bouncing back". This label, and others such as The Macallan, Glenmorangie and Laphroaig, are performing well despite high prices. And, while Asia is unquestionably accounting for growth, Whitwell explains why the malts are not

What is global?

One of the key measures for brand power is market scope, or the number of countries where the world's largest wine and spirits brands have significant representation. However, as Cognosis Consulting has pointed out, 80% of global spirits volume is accounted for by just 20% of the world's countries. Furthermore, looking at each of the world's 10 leading spirits brands, Cognosis notes that only one, Johnnie Walker, is truly global. The other brands are big, but this is because of their tremendous strength in just a few markets. For example, Cognosis stress that the world's biggest brand, Smirnoff sells 80% of its volume in just 10% of countries.

For the future, Cognosis has also used IMF market-by-market GDP forecasts between now and 2020 and its own model of volume/GDP elasticity to project the growth potential of the top 10 brands. This shows Smirnoff continuing to power ahead, and Johnnie Walker growing strongly to take the world number two slot from Bacardi. Otherwise, the consultancy records that the global brand order is stable.

shown the same rate of growth as last year, its affordable price positioning has still prevented category leviathan Smirnoff from enjoying a full recovery. "Svedka has carved out a lasting group of supporters in the US and it is hitting Smirnoff straight where it hurts," states Whitwell. On the other hand, Absolut has made a convincing comeback and so has Grey Goose. Other brands of note include Russian Standard, which has now hit the 2.5m-case mark, but Whitwell adds that it will need to crack the US market now to maintain growth. Presently, he says that as much as half its volume is sold in Russia, where taxation hikes are unfavourably affecting the category. Then there's Ketel One, "which is flying" and Eristoff, "which has put in a fantastic performance",

power brands

Most Powerful Whisk(e)y Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	JOHNNIE WALKER	3	75%	1%	83%	4%
2	JACK DANIEL'S	6	39%	1%	81%	2%
3	CHIVAS REGAL	8	31%	2%	73%	5%
4	BALLANTINE'S	10	25%	-2%	65%	0%
5	DEWAR'S	14	18%	2%	53%	2%
6	JIM BEAM	19	16%	-3%	60%	-4%
7	CROWN ROYAL	21	14%	1%	60%	4%
8	JAMESON	22	13%	2%	70%	5%
9	GRANT'S	23	13%	3%	50%	-1%
10	J&B	27	12%	-3%	55%	-2%
11	THE FAMOUS GROUSE	40	8%	0%	58%	0%
12	SEAGRAM'S 7 CROWN	54	6%	1%	40%	-3%
13	BELL'S	55	6%	0%	47%	0%
14	CANADIAN CLUB	59	5%	0%	55%	1%
15	MAKER'S MARK	62	5%	0%	63%	2%
16	TEACHER'S	63	5%	0%	51%	0%
17	GLENFIDDICH	65	5%	0%	64%	2%
18	BLACK VELVET	66	4%	0%	42%	0%
19	WILLIAM LAWSON'S	71	4%	0%	43%	0%
20	CLAN CAMPBELL	72	4%	0%	40%	-2%
21	CANADIAN MIST	73	3%	0%	38%	-3%
22	100 PIPERS	75	3%	-1%	38%	-1%
23	CUTTY SARK	79	3%	0%	50%	4%
24	THE GLENLIVET	80	3%	0%	63%	3%
25	CLAN MACGREGOR	82	3%	0%	51%	12%
26	WILD TURKEY	100	2%	0%	53%	-2%

Most Powerful Vodka Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	SMIRNOFF	1	89%	-5%	75%	-2%
2	ABSOLUT	5	39%	2%	75%	2%
3	GREY GOOSE	20	16%	1%	67%	1%
4	SVEDKA	29	11%	4%	63%	18%
5	STOLICHNAYA	35	10%	1%	57%	-3%
6	SKYY	36	9%	1%	57%	4%
7	FINLANDIA	38	8%	0%	54%	-1%
8	RUSSIAN STANDARD	44	7%	1%	55%	3%
9	KETEL ONE	50	6%	0%	54%	1%
10	WYBOROWA	69	4%	-1%	44%	-3%
11	ERISTOFF	78	3%	0%	42%	-3%
12	THREE OLIVES	87	3%	0%	40%	2%

Most Powerful Rum Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	BACARDI	2	78%	5%	80%	2%
2	CAPTAIN MORGAN	9	30%	3%	70%	4%
3	HAVANA CLUB	28	11%	0%	65%	-1%
4	CACIQUE	76	3%	-1%	39%	-6%

Most Powerful Flavoured Spirits Brands

Rank	Brand	Overall Rank	Total score	Change	Brand score	Change
1	JÄGERMEISTER	11	23%	3%	71%	6%
2	BAILEYS	13	20%	-4%	68%	-4%
3	RICARD	17	17%	2%	62%	8%
4	DE KUYPER	24	12%	1%	53%	0%
5	MALIBU	33	10%	0%	58%	0%
6	FERNET-BRANCA	42	7%	-1%	45%	-6%
7	SOUTHERN COMFORT	46	7%	0%	60%	5%
8	KAHLUA	61	5%	0%	55%	1%
9	CAMPARI BITTERS	64	5%	0%	59%	-1%
10	BOLS LIQUEURS	77	3%	0%	45%	-1%
11	DISARONNO	84	3%	1%	58%	10%
12	GRAND MARNIER	89	3%	-1%	58%	1%
13	COINTREAU	91	3%	-1%	52%	-5%
14	RAMAZZOTTI AMARI	92	3%	New entry	42%	New entry
15	PASTIS 51	96	2%	0%	36%	-4%

and that's despite its relatively new status in the US market, where Bacardi is controlling its distribution alongside the more upmarket Grey Goose.

On the other hand, Skyy, historically an impressive performer, appears to be plateauing, while Finlandia, Whitwell says, "is standing still". Also, in the same way that Johnnie Walker's strength has overshadowed J&B, Pernod's focus on Absolut seems to have prevented Wyborowa from performing better, and the brand is still locked into continental Europe. Finally, while last year's new entrant Three Olives remains in the chart, the hotly tipped Pinnacle vodka brand has not made it in this year, despite its success in the US with the whipped cream variant.

In essence, the vodka category highlights the continued drive to value in the crucial US spirits market, as well as the resilience of the leading power brands: Smirnoff, Absolut and Grey Goose.

RUM

Rum's mixability and fashionable status in the US and, increasingly, the Far East too, is helping this category to continue to expand. Brand leader Bacardi has retained its lustre and Whitwell suggests this is due to its performance in the US, Mexico and Brazil. "It has a very powerful distribution network," he adds, "and benefits from not having to compete with a large number of powerful brands in its own category like Smirnoff does in vodka." Captain Morgan and Havana Club have also built on strong past performances and highlight the resilience of this category, although Bacardi does dominate: it now sells over 19m cases compared to nearest rival Captain Morgan's 9.6m total.

FLAVOURED SPIRITS

Despite its challenging taste, Jägermeister has for the first time ever overtaken the lusciously sweet Baileys liqueur in the flavoured spirits category. We noted last year the German bitter's

power brands

Most Powerful Wine Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	GALLO	16	17%	-1%	57%	-5%
2	CONCHA Y TORO	18	16%	0%	63%	-2%
3	ROBERT MONDAVI	32	10%	0%	64%	0%
4	YELLOW TAIL	37	8%	-1%	49%	-4%
5	HARDYS	39	8%	0%	55%	-5%
6	BERINGER	49	6%	-1%	51%	-3%
7	SUTTER HOME	56	6%	0%	47%	-4%
8	JACOB'S CREEK	57	5%	-1%	52%	-5%
9	LINDEMANS	58	5%	0%	52%	-2%
10	BLOSSOM HILL	60	5%	0%	53%	5%
11	TORRES	74	3%	0%	56%	-1%
12	KENDALL-JACKSON	81	3%	0%	52%	-3%
13	WOLF BLASS	90	3%	0%	54%	-2%
14	INGLENOOK	94	2%	0%	39%	-3%
15	PENFOLDS	99	2%	0%	56%	-3%

Most Powerful Brandy Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	HENNESSY	7	39%	1%	79%	6%
2	MARTELL	31	10%	2%	65%	7%
3	DREHER	47	6%	-1%	36%	-4%
4	E&J BRANDY	48	6%	2%	41%	1%
5	RÉMY MARTIN	53	6%	-5%	60%	-5%
6	COURVOISIER	70	4%	0%	58%	1%
7	PAUL MASSON	83	3%	0%	42%	4%
8	METAXA	97	2%	-1%	41%	-2%

Most Powerful Tequila Brands

Rank	Brand	Overall rank	Total score	Change	Brand score	Change
1	JOSÉ CUERVO	12	21%	-5%	70%	-1%
2	PATRÓN	30	11%	1%	58%	0%
3	SAUZA	34	10%	2%	60%	1%
4	EL JIMADOR	93	2%	0%	45%	2%

Most Powerful Champagne & Sparkling Wine Brands

Rank	Brand	Overall Rank	Total score	Change	Brand score	Change
1	MOËT ET CHANDON	15	18%	2%	77%	1%
2	VEUVE CLICQUOT	26	12%	2%	71%	1%
3	FREIXENET	51	6%	-1%	55%	-6%
4	MUMM	85	3%	-1%	57%	-3%
5	LAURENT-PERRIER	86	3%	0%	50%	-6%
6	MARTINI SPARKLING WINE	88	3%	0%	50%	-7%
7	PIPER-HEIDSIECK	95	2%	0%	50%	-4%

Most Powerful Gin Brands

Rank	Brand	Overall Rank	Total score	Change	Brand score	Change
1	GORDON'S GIN	25	12%	0%	57%	0%
2	BOMBAY SAPPHIRE	41	7%	1%	66%	5%
3	BEEFEATER	43	7%	0%	61%	2%
4	TANQUERAY	45	7%	0%	60%	5%
5	SEAGRAM'S GIN	52	6%	0%	41%	-1%
6	LARIOS	98	2%	New entry	42%	New entry

surprising resilience to recessionary trading, and it has no doubt been helped by the US market's gradual recovery, but can it sustain such growth? As for Baileys, there's a feeling this brand may have peaked. "It hit the wall last year and this year it has fallen further," says Whitwell. Indeed, Malibu, he believes, "shows more resilience, and even Kahlúa has bounced back in the US". This eclectic category is also home to new entry Ramazzotti Amaro, which is part of Pernod Ricard's portfolio.

WINE BRANDS

Wine brands have failed to keep pace with the growth in value and volume from their spirits sector compatriots, and hence there are few positive stories from this category. As Whitwell sums up: "There are a few strong brands, but even these have come to a grinding halt. Yellow Tail is struggling to maintain volumes and, while Mondavi is doing well, it is still only back to 2008 levels." Concha y Toro "stands out" and Gallo is "uniquely powerful", but overall this is a category that has struggled with currency issues, taxation, and supply side problems. In particular, Australian brands have suffered, from Wolf Blass to Hardys and Penfolds.

BRANDY

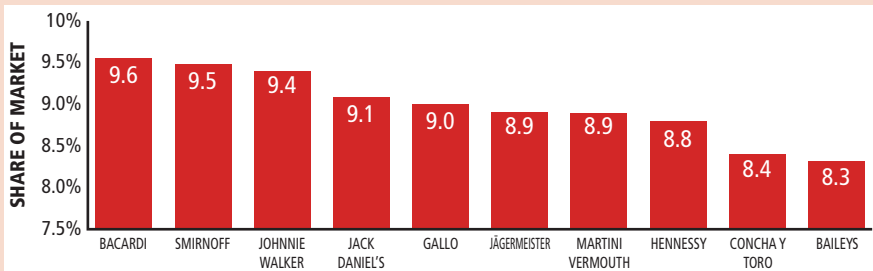
The leading Cognac brands have all bounced back and shown impressive strength over the last year, fuelled by increasing demand in the US and the Far East in particular – they are not dependent on a European market. At the top, Hennessy has managed to claw back sales to beyond its 2007 levels and Whitwell describes its performance as "miraculous". In short, these leading labels are enjoying skyrocketing sales in Asia.

TEQUILA

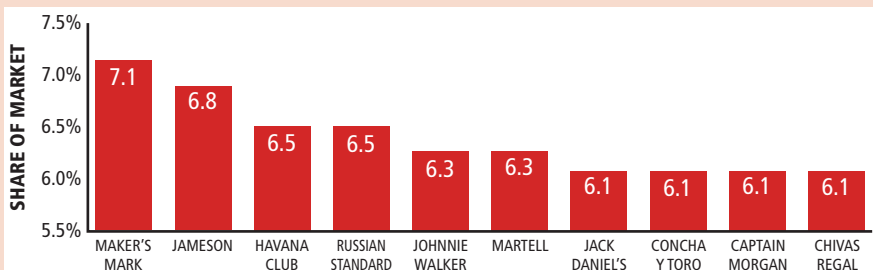
Within Tequila, Sauza stands out and has managed to grow impressively in Mexico and the US, according to Whitwell. In the latter market in particular, he says the brand has got its distribution right in the last 18 months after former problems. Patrón continues ▶

power brands

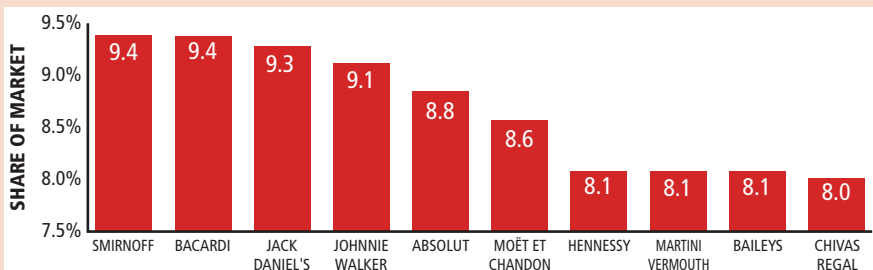
Power Brands: By Share of Market



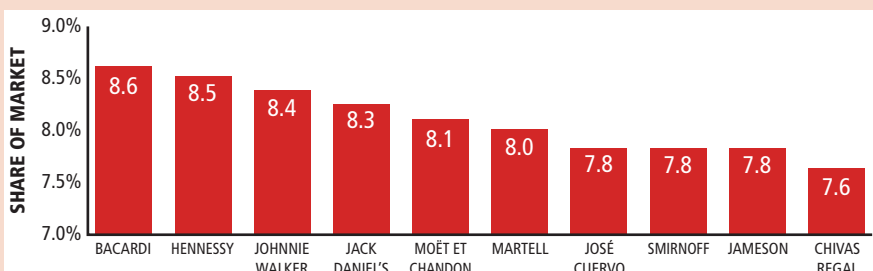
Power Brands: By Future Growth



Power Brands: By Awareness



Power Brands: By Heritage



SMIRNOFF, ALTHOUGH THE BIGGEST BRAND IN THE SURVEY, DERIVES 80% OF ITS SALES FROM ONLY 10% OF THE WORLD'S COUNTRIES

to shine with its high price point and upmarket retail and bar positioning, as well as brand extensions and increasingly global reach.

CHAMPAGNE

Considering the drop in Champagne's fortunes during the depths of the economic crisis, the world's leading fizz brands have shown a remarkable comeback – that is for the most part. As Whitwell points out: "Moët and Veuve Clicquot have bounced back in virtually every market – they have got the stock and the brand equity." However, fellow big brand Mumm is "still disappointing" and Whitwell thinks that Pernod still needs to "improve its image". Some of the luxury labels such as Bollinger, Dom Pérignon or Krug fail to feature because they "are limited by stock".

GIN

Helped by packaging and product innovation and advertising, leading gin brands have remained relevant and Bombay Sapphire has done particularly well this year, growing in volume and ranking. Interestingly, Larios, strong in Spain, has managed to finally arrest the decline and re-entered the survey. Gordon's, at the top with 4.3m cases, up almost 200,000 cases since last year, still dominates the category.

MARKET SHARE

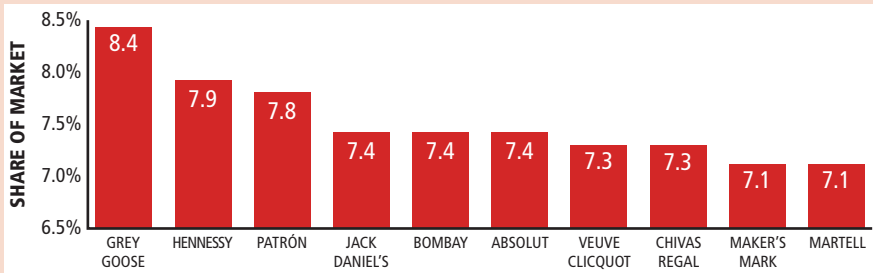
If you look at the bar chart top left, it is clear that Bacardi unquestionably dominates its category and this year takes over from Smirnoff as the most powerful brand when judged according to market share alone. This is because Smirnoff has slipped as more affordable vodkas appear to be eating into its share of the market, particularly in the US.

FUTURE GROWTH

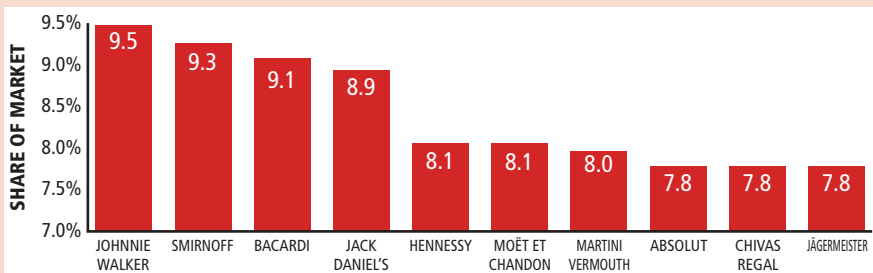
Loved by bartenders and bourbon drinkers worldwide, it has long been felt that if the wax-capped Maker's Mark could overcome its supply constraints and strict production criteria it would quickly have a much larger presence on the international stage, and hence this brand's first place when labels are rated according to future growth. ▶

power brands

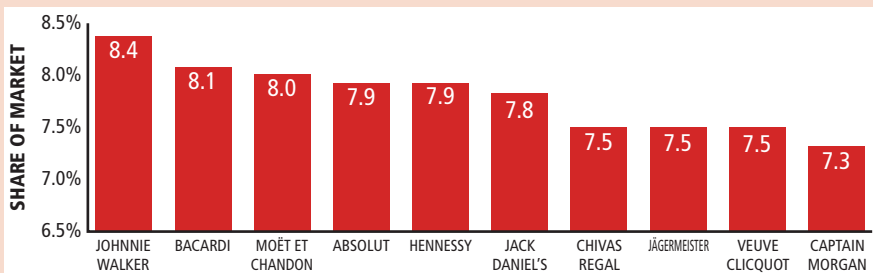
Power Brands: By Premium Price Positioning



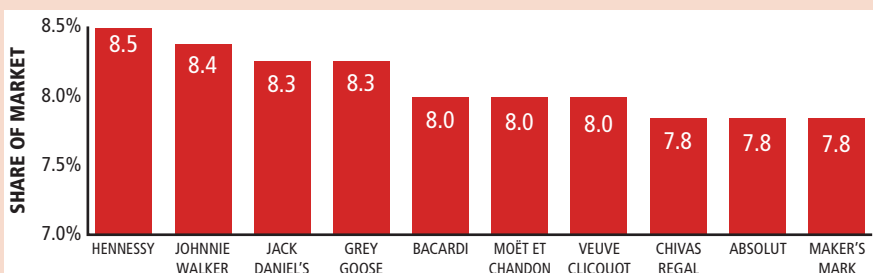
Power Brands: By Market Scope



Power Brands: By Relevance



Power Brands: By Brand Perception



WITH ITS HERITAGE, RANGE OF LABELS AND "KEEP WALKING" CAMPAIGN, JOHNNIE WALKER HAS REMAINED RELEVANT TO TODAY'S CONSUMER

AWARENESS

As the biggest international spirits brand in the world, it's not surprising that Smirnoff tops the chart when it comes to awareness. However, this year it is joined by Bacardi which, with its volume growth and memorable branding, is just as widely recognised.

HERITAGE

Founded in the 1830s when Spanish wine merchant Facundo Bacardi emigrated to Cuba and decided to make a more mellow rum, Bacardi is deemed a winning label when scored for heritage. Nowadays it's well-known for its bat logo and Latin spirit.

PRICE

Despite cut-throat competition in the US vodka category, Grey Goose has retained its "super-premium" positioning. Meanwhile, Hennessy has jumped ahead of Patrón Tequila.

MARKET SCOPE

As reported in the box-out on page 30, Johnnie Walker is, according to Cognosis Consulting, the only truly global brand, while Smirnoff, although bigger, derives 80% of its sales from only 10% of the world's countries. Any of these brands, however, has an enviable international distribution network.

RELEVANCE

With its Scottish heritage, wide range of labels and aspirational "Keep Walking" marketing campaign, Johnnie Walker has remained highly relevant to today's consumer, whether they are a luxury label drinker in Asia or spirits enthusiast in Europe.

BRAND PERCEPTION

Hennessy takes the highest score when this year's Power Brands are ranked according to perception, due to its luxury image, particularly in the Far East, and innovative approach, helped by the launch of new variants such as "Black" to entice the club-going crowd.

THE PANEL

Employed to score the brands was an extremely powerful panel of people at the top of the global drinks industry. Its members have been involved with all of the major drinks companies and held positions of responsibility in virtually every market. Between them, they hold detailed financial and marketing knowledge of each brand covered in this report.

- **Stuart Whitwell** spent 10 years with Hiram Walker in Europe and Asia Pacific, specialising in brand and market development projects. He then set up a consultancy undertaking projects for Brown-Forman, Pernod Ricard and José Estevez in China and the Philippines, as well as for Allied, Fortune Brands and Angostura. He is co-founder and joint MD of Intangible Business, which specialises in valuing intangible assets, such as brands,

*THE PANEL'S MEMBERS HAVE
HELD POSITIONS OF
RESPONSIBILITY IN VIRTUALLY
EVERY MARKET*

for financial, management and litigation purposes.

- **Alan Craig** has spent his working life in the drinks industry, working at drinks companies including Whitbread and Allied Domecq. He has held numerous senior positions, such as head of customer services for Long John Whisky Distillers, financial controller for brands such as Ballantine's and Teacher's, and was finance director for a number of spirits brands including Beefeater and Lamb's. He is a director at Intangible Business.
- **Allan Caldwell** has considerable international experience and was most recently finance and commercial services director for Allied Domecq's

duty-free division. Like Craig, Caldwell is a director at Intangible Business.

- **Angus McPherson** is the export sales manager at Casella Wines, and formerly worked at Brown-Forman in New Jersey, California, Manchester and London. McPherson plays an active role in wine industry issues, sitting on the board of the Winemakers Federation of Australia. He holds an economics degree, with a masters in business studies.
- **Charles Richardson** has spent his entire career in the wine and spirits industry, latterly as president of Allied Domecq duty free for 11 years. He is now a consultant for Intangible Business.
- **Lou Applebaum** is senior vice president for strategy and business development at Constellation Brands. Applebaum oversees the global marketing council and focuses on commercial aspects of mergers and acquisitions and corporate strategy at Constellation Brands.
- **Malcolm Davis** has held many senior positions in international drinks management, notably in Asia Pacific markets. He has worked at Hiram Walker and Allied Domecq and was a senior director at Harveys of Bristol, Suntory and Baskin-Robbins. Davis is a director of Duval-Leroy Champagne and Intangible Business.
- **Patrick Gillon's** specialist markets are continental Europe and Latin America. His career spans senior marketing and management positions in UDV, Hiram Walker and Allied Domecq, with whom he was president of Latin America for four years. Gillon was also involved in valuing Allied Domecq's brands as part of its acquisition by Pernod Ricard and Fortune Brands.
- *the drinks business* also joined the panel. 

Scoring system**METHODOLOGY**

Nearly 200 of the largest brands in the wine and spirits industries were scored by 9 panellists to derive a list of the 100 most powerful alcoholic drinks brands. Power is defined by a brand's ability to generate value for its owner. Value is classified by a series of measures as identified below.

HARD MEASURES

- Share of market: volume-based measure of market share
- Brand growth: projected growth based on five years' historical data and future trends
- Price positioning: a measure of a brand's ability to command a premium
- Market scope: the number of markets in which the brand has a significant presence

SOFT MEASURES

- Brand awareness: a combination of both prompted and spontaneous awareness
- Brand relevancy: capacity to relate to the brand and a propensity to purchase
- Brand heritage: a brand's longevity and a measure of how it is embedded in local culture
- Brand perception: loyalty and how close a strong brand image is to a desire for ownership

A panel independently ranked each brand out of 10 on the above measures (10 = high, 0 = low). The scores were aggregated and averaged to reach a total score for each brand. A total score was achieved by multiplying a brand's weighted volume by its brand score (a derivative of the eight measures of brand strength), within a defined range. The weighting is designed to adjust the volumes to a comparable level.