

# Drinks

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October 2010

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## Can the Cannes



**A**s we close the largest issue of the year, a bumper 76-pager, thoughts turn to the Tax Free World Association World Exhibition in Cannes later this month.

I am not a huge fan, to be honest. Delightful seafront, pleasant autumnal weather – although it can be awful – but the Palais des Festivals isn't ideal. Dungeon-like lower levels with low ceilings, no natural light and endless twists and turns. Then there are the outlying "villages". Well, at least they get you outside.

Then there are the big companies with stands built like detention centres. Intimidatingly solid walls with beautiful but haughty hostesses who block your entry. "Just pop in"? I don't think so. Strictly invitation only. Frankly, it all has the feel of an airport, which these days is the nearest thing most people get to feeling like they are in prison.

There are some wonderful hotels if you are fortunate enough to have a generous expense account. Frankly, some of the scruffy backstreet two-stars leave a lot to be desired. The prospect of staying in one hardly makes you pack your glad rags with alacrity.

What I do like are all the little parties dotted along the Croisette which you can dip in and out of. Not least of which is our very own Travel Retail Awards which takes place in the early evening of the Tuesday (unashamed plug).

I would have thought the TFWA would have had some conference organisers with state-of-the-art exhibition halls from places such as Hong Kong begging to stage the main event at their place (Singapore is a much smaller event). After all isn't Asia the place to be these days?

Well, warts and all, Cannes is the place to be the week of October 17 for travel retailers and drinks industry movers and shakers everywhere. See you there.

Christian Davis *Editor*



# Campari buys William Grant trio of brands



**G**ruppo Campari has signed an agreement to acquire Carolans, Frangelico and Irish Mist from William Grant & Sons for €128.2 million.

According to Campari, the acquisition reinforces the company's "position as a fast-growing company in the US and key international premium spirits markets". The acquired business includes the Carolans, Frangelico and Irish Mist trademarks and finished goods.

The transaction was expected to close on October 1, 2010.

Bob Kunze-Concewitz, chief executive officer, said: "With Carolans, Frangelico and Irish Mist we add a high-quality and profitable business with upside potential and further enhance the group's premium offering."

"In particular, we increase our critical mass in the highly-profitable US market and strengthen our exposure to a number of key international markets, including Australia, Russia, Canada, Spain and the UK. This acquisition represents a perfect fit in our acquisition framework, in business and financial terms. Moreover, it will benefit from low risk and easy integration, as we already account for 60% of the acquired portfolio volume and we are the global source for Frangelico."

Campari said the acquired business is expected to contribute approximately one million 9-litre cases and net sales of €50 million on annual basis.

Irish cream liqueur Carolans has total volumes above 600,000 9-litre cases in approximately 60 markets.

Frangelico is an Italian hazelnut liqueur sold in some 90 markets. The US is the brand's largest market, accounting for roughly 50% of the brand's sales.

William Grant acquired all three brands from C&C Group in April.



TREASURY  
WINE ESTATES

## Foster's hangs on to Treasury

**T**he Foster's Group (Foster's) board of directors has rejected an offer for its Treasury Wine Estates. Foster's received an "unsolicited expression of interest" from an international private equity firm to acquire the wine assets of Treasury Wine Estates. The proposal involved a cash consideration of between \$2.3 billion and \$2.7 billion for 100% of the assets.

After considering the value range in the proposal, Foster's said that a separation of the wine business from the beer business through a demerger is "most likely to represent the best outcome for all Foster's shareholders".

The board said the proposed value range "significantly undervalues Treasury Wine Estates and its future prospects".



**C**oncha y Toro, the largest wine producer in South America, has announced a deal with Manchester United for its wine brands to become the official wine of the world-famous football club.

The club, known as the Red Devils, approached the Chilean company, according to global marketing manager Giancarlo Bianchetti. Its major brand, Casillero del Diablo, means "cellar of the devil".

The three-year deal comprises digital board advertising; major brands including Casillero del Diablo, Marques de Casa, Terrunyo and Don Melchor on wine lists; access to a box and tickets; guests allowed to travel with the team; and use of the club's intellectual property.

Refusing to put a price on the sponsorship, Bianchetti said Concha y Toro would benefit from Manchester United's

fanatical following in Asia while the company could help the club raise its profile in South America. The two would benefit from working together in eastern Europe, Scandinavia and Africa.

He said the approach began with him receiving a box from the club containing a ball with the logos of the two companies together. They met last January and, after various phone calls, by the end of May the deal was all but done, said Bianchetti.

Concha y Toro is the fourth largest wine producer in the world with global sales of 3 million. It is 130 years old and its products are available in 135 countries.

Manchester United is 132 years old and claims to have 333 million fans worldwide. It is one of, if not the, largest and most profitable football clubs in the world.

## Comolli resigns

**J**ean-Dominique Comolli has resigned from the board of directors at Pernod Ricard.

His resignation follows his appointment as "commissioner of state holdings" to the French minister for the economy, industry and employment, which took effect on 15 September.

The board of directors will submit the appointment of Susan Murray as a new independent director for approval by the shareholders at the annual general meeting to be held on November 10.

Jean-Dominique Comolli was chairman of the remuneration and appointments committees. The board has decided these duties will now be entrusted to Nicole Bouton, an independent director.



Pernod Ricard UK is investing in a second burst of advertising for its vodka brand Absolut. The campaign, entitled **Absolut Manifesto**, is said to “spell out the brand’s philosophy for life and drives home the belief that ‘doing things differently leads to something exceptional’”. The ads will continue to air this month.

## Amrut begins roll-out of limited edition whiskies



Indian distiller Amrut is to launch its first ‘Intermediate Sherry Matured’ whisky.

The product will be a limited edition of 275 cases.

Amrut Distilleries is to launch each of its limited edition products with a different international importer.

La Maison Du Whisky, its French importer, is to launch the latest limited edition – Amrut Intermediate Sherry Matured single malt.

The whisky features malt aged in sherry casks between periods maturing in either bourbon or virgin casks at Amrut’s Bangalore distillery.

The product will retail at £65.

# World’s Elite Brands get even more exclusive

The number of brands meeting the criteria of The IWSR’s Elite Brands has fallen from 22 in 2009 to just 10 in 2010. Ukrainian vodka Nemiroff has taken the top spot.

Five brands have managed to earn the title of Elite Brand every year since the first list was published in 2007 – Jägermeister, Finlandia, Havana Club, Jameson and Buchanan’s.

The consistent top four Elite Brands – Smirnoff, Johnnie Walker, Absolut and Jack Daniel’s – all fell from the list in 2010 due to the effects of the global economic crisis.

Vodka has the most entrants on the list – a total of four out of 10.

This year’s Elite Brands top spot goes to Nemiroff, which, according to IWSR, has maintained strong growth in its top two markets – Russia and Ukraine.

A statement from IWSR said: “Despite a presence in more than 32 countries, Nemiroff is one of the most geographically concentrated brands on the list; 92% of volume consumed in its top two markets. Nemiroff first entered the list in 2008 and maintained the number five spot until climbing to number one in 2010.”

Finlandia, Sobieski and Russian Standard also made the list, with Russian Standard

being the only newcomer to this year’s Elite Brands. The success of these four brands shows the continuing popularity of vodka, which has allowed them to expand in export markets.

Only two Scotch whiskies made the list – William Lawson’s and Buchanan’s, the only brands from Bacardi-Martini and Diageo on the list. Buchanan’s has featured on the list since it began in 2007; William Lawson’s entered the list in 2008.

William Lawson’s, positioned as a value Scotch in many of its main markets, saw an increase in sales

of 133,000 cases, growing in all of its top 10 markets; the largest gains were in France and Russia. William Lawson’s achieved the second-highest growth in the list after Nemiroff.

Jägermeister came in at number two and Pernod Ricard-owned Havana Club at number three. Smirnoff, Absolut, Eristoff and Bombay Sapphire all fell from the list.

To become an Elite Brand, brands must sell more than a million cases worldwide, with at least 40% of sales outside their main market to demonstrate international presence, and must also maintain a compound annual growth rate (CAGR) of at least 5% for the last five years of growth – ie 2004-2009 – to demonstrate sustained growth.



**WILLIAM GRANT & SONS**, which recently acquired C&C’s Irish spirits and liqueurs for €300m, has announced the establishment of a global marketing office in Dublin.

The organisers of the **NEDERBURG** auction in South Africa have announced sales at the world famous wine auction were up 41% on last year. A new record price for a South African wine was set when a Nigerian importer paid R62,000 for a case of Nederburg ‘Port’ 1964.

**BLAVOD WINES & SPIRITS** will no longer distribute Cockspur rum in the UK market. Blavod & West Indies Rum Distillery, owner of Cockspur, have reached a mutual agreement to terminate the contract.

Romanian gin **WEMBLEY DRY** has reported volume and value growth in its home market. Latest Nielsen figures (April/May 2010) show it has a 45% volume share of the Romanian gin market, as well as a 51% value share. In the previous year market share was 41% in volume and 45% in value.

## TOP 5 STORIES ON DRINKSINT.COM

1. Campari’s new acquisitions
2. International Cider Challenge results
3. Elite Brands 2010
4. Diageo launches Baileys Hazelnut
5. India: Amrut whisky launch



## Appointments

Family-owned distiller William Grant & Sons has appointed a global brand ambassador for The Balvenie single malt scotch whisky. **Dr Samuel J Simmons** PhD, who is a doctor of whisky, is taking the role. Simmons joined William Grant & Sons in 2008 as the The Balvenie US ambassador. He will now be responsible for sharing his expertise with media, trade partners, whisky experts and malt enthusiasts throughout the world. Simmons said: "Whisky has been bringing people together for more than 500 years and I am looking forward to meeting whisky connoisseurs from around the world. "It is a unique opportunity to share my knowledge and passion for whisky in general and The Balvenie handcrafted single malts in particular."



**Sam Simmons**

J Wray & Nephew, owner of the Appleton Estate Jamaica rum brand, has announced the expansion of several roles within the international division. According to a statement, this is "in keeping with the company's commitment to expand the brand's reach into emerging markets and solidify its position in NAFTA (North American Free Trade Agreement)".

**Peter Martin**, who was previously responsible for European markets, will now be responsible for Europe and

Africa, and **Allen McCormick**, who was previously responsible for the company's New Zealand and Australia operations, will now also be responsible for Asia. In addition a new role has been created to oversee the NAFTA markets of Mexico, Canada and the US and **Peter Hottmann**, previously Appleton Estate's global consumer marketing manager, will assume this position. All three will report to **David McConnell**, Appleton Estate Jamaica rum's managing director for global marketing.

SPI Group has announced the appointment of **Marco Ferrari** as chief marketing officer.

Ferrari's job will be to push Stolichnaya vodka's global marketing strategy. Previously, Ferrari was director of marketing & strategic development at Fratelli Branca Distillerie, Italy, where he was responsible for brands such as Fernet-Branca, Brancamenta, Sambuca Oro Borghetti and Carpano vermouth range.



**Marco Ferrari**

Mont Tauch, Fitou's largest cooperative, has appointed **Jean-Philippe Trollet**, voted the IWC's Red Winemaker of the Year 2009 for his work at Caves Saint Pierre, as the cooperative's new head winemaker. The creation of the position is part of a strategic change in the way the winery is organised.

Wine merchant Justerini & Brooks (J&B) has appointed **Jacqueline Barfoot** brand executive for its champagne development team.

Diageo has appointed **Sheila Stanziale** to the position of president, Diageo-Guinness USA (DGUSA). In her new role, Stanziale will have full responsibility for the growth and development of the company's beer business in the US, including the brands Guinness, Red Stripe, Smithwick's, Harp and Kilkeny as well as the Smirnoff Ice flavoured malt beverages (PABs) and the newly launched Smirnoff Premium Malt Mixed drinks. Stanziale will serve on the North America executive team, reporting to **Larry Schwartz**, president Diageo US.

UK company First Drinks has appointed **Una McCullough** as marketing director.

McCullough joined First Drinks as interim marketing director in June. Prior to joining First Drinks, McCullough



was responsible for regional marketing within Kimberly Clark and has also held senior marketing positions at Imperial Tobacco and Diageo. First Drinks has a portfolio of 29 brands, including William Grant & Sons brands and Rémy Cointreau brands.

**Una McCullough**

## DIARY

### TFWA World Exhibition

**October 17-20**  
Cannes, France  
tfwa.com

### SIAL

**October 17-21**  
Paris, France  
sial.fr

### Mondial de la Bière

**October 22-24**  
Strasbourg, Alsace  
festivalmondialbiere.qc.ca

### Megavino & Megaspirts

**October 22-25**  
Brussels, Belgium  
megavino.be

### Wine for Asia

**October 28-29**  
Singapore, Sands Expo Center  
wineforasia.com

### Hong Kong Int. W&S Fair

**November 4-6**  
HK Convention Centre  
hkwinefair.hktdc.com

### Wine4Trade

**November 8**  
Cologne, Germany  
wine4trade.fr

### Brau Beviale

**November 10-12**  
Nuremberg, Germany  
brau-beviale.de

### Forum Vini

**November 12-14**  
Munich, Germany  
forum-vini.de

### Enoexpo

**November 17-19**  
Krakow, Poland  
enoexpo.krakow.pl

### Middle East Duty Free Conference

**November 28-29**  
Cairo  
tfwa.com

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HANDCRAFTED

## BOTRAN RESERVA

**BRAND OWNER** Ronés de Guatemala

**PRICE** US\$24.99, €19

**MARKETS** US and Europe

**CONTACT** Mario Navarra, regional director Europe: +34 6099 00669

Industrias Licoreras de Guatemala, part of the Ronés de Guatemala group, says Botran rums are handcrafted and the family has been making rum for some six decades.

Botran Reserva and Solera 1893 – the former is new, the latter has been repackaged – are said to be made from the first press of virgin sugar cane honey. The rums are distilled and taken to the mountains for ageing where they are blended according to the company's "unique adaptation" of the old 'Sistema Solera'.

Botran Reserva is a blend of rums aged between five and 14 years. Solera 1893's blend ranges from five to 18 years.

## BEEFEATER LIMITED EDITION WINTER GIN

**BRAND OWNER** Pernod Ricard

**PRICE** £17.99, US\$28, €21

**MARKETS** At least 15 key markets, including US, Spain, UK, Japan and travel retail in a special edition bottle and gift carton for a limited period

**CONTACT** Chivas Brothers +44 (0)20 8250 1000

Beefeater master distiller Desmond Payne has come up with a limited edition 'winter' Beefeater which has cinnamon, nutmeg and pine shoots as additional botanicals, which, along with extra orange peel, give a spiced, warming gin for the northern hemisphere winter.

Payne said: "I wanted to create a gin that would enhance the traditional Beefeater recipe and complement hot punches and other popular winter cocktails. Beefeater Winter Edition captures the familiar aromas of the season using a balanced combination of botanicals that are synonymous with that particular time of year."

With an abv of 40%, it comes in a litre bottle for travel retail.



CHILLED



## CHAIRMAN'S RESERVE SPICED RUM

**BRAND OWNER** St Lucia Distillers

**PRICE** £18.95, US\$28, €23

**MARKETS** US, with Australia, Spain, France, Italy and Scandinavia in the 4th quarter of 2010

**CONTACT** saintluciarums.com

St Lucia Distillers has unveiled Chairman's Reserve Spiced Rum, which contains local spices and fruits including cinnamon, clove, nutmeg, vanilla, coconut, allspice, lemon and orange.

It has also added *richeria grandis* – known locally as Bois Bande – a bark renowned in the Caribbean as a potent aphrodisiac to give an added kick to the rum. These spices and fruits are added to rums distilled in copper alembic pots and continuous stills then aged in Kentucky bourbon barrels to give a complex and balanced spiced rum.

It is said to be good with cranberry juice or ginger beer on ice with a grating of fresh nutmeg.

The rum is described as: "A deep mahogany colour with reddish tinges. Nose of bitter orange, nutmeg, cinnamon and sweet raisin. On the palate a rich, sweet mouthfeel with exotic spice – nutmeg, vanilla, clove and balanced by a crisp citrus orange peel character.

"A hedonistic but complex spiced rum."

TOUCH OF SPICE

## WAGON TREE

**BRAND OWNER** Treasury Wine Estates

**PRICE** £5

**MARKETS** UK

**CONTACT** rachel.hawes@treasurywineestates.com



Wagon Tree, a new South African wine brand, is being introduced into the UK by Treasury Wine Estates EMEA, formerly known as Foster's EMEA.

Wagon Tree is an attempt to capitalise on the growth of South African wines in the UK – latest figures show the South African category is growing above the overall market at 7% in value and 5% in volume.

The new brand takes its name from a South African tree called the Waboom, the wood of which was used by early settlers for the wheel rims of wagons. The tree has also historically been used to indicate the most fertile soils for growing vines.

WAGON ROLL

## GLENFARCLAS FAMILY CASK

**BRAND OWNER** J&G Grant

**PRICE** £80-£2,500, €100-€2,800

**MARKETS** Global except US and South Africa

**CONTACT** Pol Roger Portfolio polroger.co.uk

The repackaged Family Cask collection is now in 100% recycled material. According to Pol Roger, this is to cut the cost of packaging to make the product more accessible to the retailer and consumer. The 1995 is the latest release, launched in September 2010. The Family Casks were launched in 2007 – a collection of single casks all at natural strength and colour. Vintages currently date from 1952 to 1995.



RECYCLED

## REDBREAST 15 YEAR OLD

**BRAND OWNER** Pernod Ricard (Irish Distillers)

**PRICE** €75 Ireland, €70 in most European markets, US\$90

**MARKETS** Ireland, US, France, Germany

**CONTACT** Irish Distillers

Irish Distillers is to introduce its Redbreast pure pot still whiskey into some key international markets.

Originally it was a limited edition but, with an annual compound growth rate of 21% since 2000, Irish Distillers has decided to unleash Redbreast on more international whisk(e)y drinkers.



FLYING

## OLD FORESTER BIRTHDAY BOURBON

**BRAND OWNER** Brown-Forman

**PRICE** US\$49.99

**MARKETS** US only

**CONTACT** svend\_jansen@b-f.com

Brown-Forman has released the 2010 expression of its Old Forester vintage-dated Birthday Bourbon in honour of George Garvin Brown, founder of Louisville-based Brown-Forman and Old Forester.

Launched eight years ago to commemorate Brown's birthday on September 2, Old Forester Birthday Bourbon is said to be a limited-edition, award-winning bourbon which is released annually.

Unlike the standard Old Forester, which is a batch of whisky from several different years, Birthday Bourbon is a vintage-dated bourbon, selected by B-F master distiller Chris Morris from one specific day of production.



SPECIAL

## ONE OF A KIND

### BOWMORE 40 YEAR OLD

**BRAND OWNER** Morrison Bowmore

**PRICE** £6,500, US\$10,200, €7,670

**MARKETS** Global, but strictly on allocation

**CONTACT** enquiries@cellartrends.co.uk

Morrison Bowmore has just 53 bottles of this Bowmore 40 Year Old Islay single malt. It has been maturing since March 29 1969 in the specially selected American bourbon cask (cask number 2161 to be precise). The scotch is 44.8% abv.

The bottle has been designed by two of Scotland's foremost glass-blowers Brodie Nairn and Nichola Burns. Each is hand-blown and sculpted using molten glass and stones collected from the Islay shore - no two bottles are the same.

Hamilton & Inches jewellers added the finishing touches to the bottle with a hand-engraved solid silver collar. Finally the whisky is perched on a polished slab of natural slate.



## VODKA O/TEQUILA BLU/KINKYLUX RUM

**BRAND OWNER** Aussie Spirits

**PRICE** £15.99, AU\$34; £18.99, AU\$42; £16.99, AU\$38

**MARKETS** UK, Australia and Asia

**CONTACT** Australia and Asia: Simon Sibia, ASM Liquor, +61 2969 20008, simon@asmliquor.com. UK: simon.porter@aussiespirits.com

Aussie Spirits says Vodka O is a super-smooth vodka made from a combination of Australia's purest water and whey. It is aimed at brand-savvy individuals, aged 25-45, who look for "spirits for our generation".

Tequila Blu is described as a premium-quality blue agave tequila from Mexico. AS says it is made from

mature agave plants and distilled by a master distiller in a process that takes up to 10 years.

Kinkylux white rum is described as a light-bodied white rum made from the finest Caribbean sugar cane. Aged in oak barrels for two years, it is said to have a smooth, mellow and refreshing taste.

AUSSIE TRIO

## GLENMORANGIE FINEALTA

**BRAND OWNER** LVMH

**MARKETS** Europe, Far East and global travel retail

**PRICE** £55, US\$86, €64

**CONTACT** claire.li@mhuk.co.uk +44 (0) 20 7245 4253

The Glenmorangie Company has added Finealta to its Private Collection range.

Scottish Gaelic for 'elegant', it is said to be based on a recipe dating back to 1903, which was uncovered in the distillery's archives.

Finealta was bottled at 46% abv and is non chill-filtered to impart a full body and texture. It is now available to global travel retail.

Dr Bill Lumsden, head of distilling and whisky creation, said: "We followed the recipe meticulously, which included marrying whiskies of different ages and from different cask types."

The records showed that during the early 1900s this Glenmorangie dram was served in the American Bar of The Savoy, London's most prestigious hotel, during La Belle Époque and at the height of Art Nouveau.



ELEGANT

## INFORMATION

Products launched within the past two months are eligible for inclusion within this section. Please submit your products for consideration to: christian.davis@drinksint.com



## What's New

# Martini goes for gold

Bacardi Global Travel Retail reveals its new brand – Martini Gold by Dolce & Gabbana – to a star-studded audience. **Lucy Britner** was there

Joining the likes of *Vogue*, *Cosmopolitan* and *OK* magazine, *Drinks International* attended one of the biggest drinks launches of the year.

Journalists, fashionistas and famous faces gathered in fashion capital Milan for Bacardi Global Travel Retail's launch of Martini Gold by Dolce & Gabbana.

The new expression of Martini vermouth was created in partnership with the famous Italian design duo. If that isn't glamorous enough, add "world's most beautiful woman", Monica Bellucci, to the mix.

The model and actress is the star of the Martini ad campaign, which was directed by music video director Jonas Åkerlund.

The campaign features Bellucci walking through the streets of Rome, attracting men as she goes. She heads into a bar where the ad ends with her having a drink with Dolce & Gabbana themselves.

The designer duo came up with the packaging, which features an opaque gold bottle inside a black gift box, adorned with the Martini ball and bar logo and the gold plaque framing the Dolce & Gabbana boutique sign.

### The drink

On to the drink itself, Bacardi describes it as "a contrast between the aromatic flavours of the Mediterranean world with the exoticism of the spice bazaar".

The blend includes ingredients such as saffron from Spain, myrrh from Ethiopia, ginger from India, and bergamot from Calabria, Italy.

Trent Russell, global marketing director for Bacardi Global Travel Retail, says: "The exact composition of the Martini Gold recipe



Monica Bellucci with Domenico Dolce (left) and Stefano Gabbana

Photo: SGP - Stefano Guindani

### How to serve

In a short tumbler with ice. Garnish with two blackberries and a slice of root ginger.

Garnish with a large black Italian olive.

#### Gold Finger

1 part Martini Gold  
1 part Grey Goose vodka

Stir all ingredients gently in a mixing glass with ice and strain in a classic Martini cocktail glass.

#### Gold Royale (pictured)

1 part Martini Gold  
1 part Champagne or Martini Prosecco

Dash of Crème de Cassis  
Pour ingredients over ice in a large wine glass. Garnish with blackberry.

is a secret only known to the artisans who crafted it." In terms of travel retail, Martini Gold will be available across Europe, Russia and Turkey.

There will also be airport tastings and marketing activities in CDG, Paris, ADR Rome, AMS Schiphol, Bangkok Airport and Tel Aviv. The global domestic launch is already happening across Europe and other select markets, such as Brazil.

Russell says of the 18-month Martini Gold project: "Martini is a timeless brand that aims to continue to provide premium products to the target consumer. Martini Gold is the natural evolution of the partnership with D&G over many years – a mutually beneficial partnership that is equally important to both parties."

The product retails for €23 in duty free and Russell said there are no current plans for more expressions in travel retail.





# Meet the FIXER

**He's the man who rebuilds businesses, making them leaner and keener. Lucy Britner sits down with Chris Heath, chief executive of Stock Spirits**

**YOU'RE CREATING SOMETHING IN A BOTTLE BUT IT'S MUCH MORE THAN THE LIQUID, IT'S THE IMAGE AROUND IT, THE ROUTE TO MARKET, THE INTERACTION**

**T**he suited and booted man you see in the photograph used to front a punk band called A Levels. In fact, Stock Spirits chief executive Chris Heath says he would've loved a career in music.

"I can't sing a note. I would've loved to have been in the music business but with no talent, it's a bit of a drawback."

Luckily for Stock, Heath carved out his career in the drinks industry and in 2009 was responsible for the fastest growing vodka brand in the world, Czysta de Luxe. The vodka now sells 5 million cases, from its inception in 2007.

Heath says: "I've been in the industry for 20-odd years and to get to 5 million cases is a miracle, frankly. I think it took Bailey's a number of years to get to a million cases."

Stock released its annual results in June and the figures showed 61% profit growth over two years. According to Heath, the business has gone from number three to number one in its Polish heartland in two years.

Heath adds: "Two-thirds of profit in Poland comes from products that didn't exist two years ago."

So where does such rapid growth come from?

Heath will tell you it's about understanding consumers and giving them what they want, as well as "a little bit of something extra special that they didn't even know they wanted."

He uses Poland as an example.

"The bulk consumption is neat so they really understand vodka and the flavours they get out of it and people might've said in the past what more can you do? We've taken individual segments and consumer preferences and identified what they want and at what price point/flavour profile. Every time they look at it, it's probably better than they were expecting."

Yes, rapid growth has come from knowing the

consumer but it's only when Heath talks about his career history that you begin to understand his mechanical knack for restructuring and improving businesses. Like a boy taking apart a toy car to see how it works, Heath has built a career out of deconstructing businesses, cleaning all the parts and putting them back together more efficiently.

Heath started his career at Allied Breweries in 1987 as financial planning manager. He became finance director of one of its regional pub companies and implemented a strategy for 1,800 pubs that included selling 1,100 of them, buying another 100 and, with the 800 remaining pubs, he doubled profitability.

## **Dramatic changes**

In 1995, Allied Spirits, whose brands included Ballantine's, Beefeater and Tia Maria, reorganised the company into regions and Heath took the finance director job in Europe.

He says: "That's when I fell in love with the spirits industry. You're creating something in a bottle but it's much more than the liquid, it's the image around it, the route to market and the interaction with customers."

In 1999, he became managing director of the UK business and made some dramatic changes.

"Up until then, it was a bit stuffy, a bit old fashioned. I got rid of the oak-panelled board room and I put a bar in there so you could see our brands."

"We went on to introduce Maker's Mark in the UK, which became its fourth most important market after two years."

In 2002, Heath embarked on what he calls one of the biggest challenges of his career. He moved his wife and children to Spain to tackle problems with the business in Allied's biggest market.

"The trade had decided to reduce stock holding levels so sales slowed down suddenly and, if we're honest, the management didn't know how





to cope. The customers stopped talking to us.”

Heath began his strategic review, taking the business apart, polishing the pieces, replacing broken bits and putting it back together again.

He adds: “I didn’t speak the language, the industry was in turmoil, the customers weren’t talking to us, the workforce was threatening to strike and, within 12 months, working with the senior management team, we’d relaunched the business and got it back in to growth. It really taught me that working through the people who are with you rather than trying to do everything yourself is really, really important.”

Heath returned to the UK to redesign the company’s finance function across the world. Then, in 2005, Allied was bought by Pernod Ricard.

“As is often the case with a fairly hostile takeover, the board left on day one, the next level of management, which I was in, all left in the next few months.”

After that Heath joined a restaurant business called Gondola (its brands included Pizza Express and Zizzi) for the rest of 2005 and 2006 as chief executive and commercial director.

The team floated the business on the UK stock exchange for £800 million. The following year, a private equity firm bought the business off the stock market for £900 million.

“So that was OK,” Heath laughs.

### Taking stock

He joined Stock in November 2007 having spent 11 months “having a bit of a rest, walking the dog a lot and buying a new house”.

“I’d done OK out of the previous year,” he adds.

Heath says it was clear that Oaktree, Stock’s main shareholder, wasn’t just going to run a small company in Poland.

“It recruited people who had run much larger businesses. Ian Croxford, operations director,

had worked for Diageo and Allied and a number of people had worked for the big international spirits companies, the idea being that we can buy a local business, improve it and use the cash to buy another one. I really picked that strategy up when I was working in the pub business.”

And when everyone else seemed to be looking to China and India as the sexy places to invest, Stock made central Europe its heartland.

“We set out to

conquer central Europe, if you like – become a leading business in central Europe. We could see potential within businesses, within markets and within strategies that currently wasn’t filled. Our strategy is to go to a market and either acquire a business or develop our own business with the view to becoming the leading spirits business in that market within two to three years.

“If we take Poland for example, we invested in the business from top to bottom. In (Stock’s vodka plant at) Lublin it was about new production facilities, warehouse facilities, fast bottling lines and training the staff.”

The company now has businesses in Poland, Czech Republic, Italy, Slovakia, Bosnia and Croatia.

### Places of interest

As for places of interest, Heath points to a map of Europe and says: “Everything else on there is of interest – including Russia, Ukraine, Belarus and Hungary, Lithuania, Latvia and Estonia. Central and eastern Europe is so full of opportunity.

“In the past it has been difficult, with too many different languages, political instability and low GDP. As more of those countries have been wanting to be part of the bigger Europe, they’ve sorted out business practices, the way they run the countries and some of their GDPs are growing faster than western Europe and North America.

“There is also a history of drinking spirits in those markets but it has tended to be lower quality local spirits and they are beginning to open up to the gap below super-premium. We’ve got that sweet spot in the middle.”

That doesn’t mean Heath isn’t interested in places such as India. In fact, the company is trialling a brandy product there at the moment.

Another of its brandies – Brandy XO from Italy – has just achieved a listing in Tesco in the UK, as has the company’s limoncello, Lemoncé.

Stock has recently launched a 21 Year Old single malt Czech whisky.

The company believes it to be the only Bohemian single malt in the world and it’s now on sale in duty free.

Heath says initially there is no quota for launches but, after a review of brands and markets, the company identified 100-plus opportunities and currently launches an average of 12 products a year.

“That feels about right,” Heath adds.

One ‘new product’ that won’t be hitting the shelves is Heath’s specially made 50th birthday bottle of Wodka Gorzka Zolodkawa.

“Hard to believe, I know,” laughs Heath.

The 50-year-old has just completed a charity bike ride from London to Paris, loaded with 13,000 songs on his iPod. Sadly none were hits by punk band A Levels.

DI



**T**he organisers of this year's Tax Free World Association (TFWA) World Exhibition (October 17-23) are anxious to start the new decade in an upbeat fashion. And who could blame them? The past couple of years have been ones to forget for global travel retail – overall travel retail wine and spirit sales plummeted by more than 9% last year to 22.7m cases, according to International Wine & Spirit Research (IWSR).

But with air traffic and consumer confidence returning, the time is right to look to the future. TFWA certainly thinks so – the theme of the opening conference at the Palais on Monday October 18 is: A New Era – Reinventing Duty Free & Travel Retail. This year's high-profile speakers have been asked to "challenge traditional concepts of airport, airline, marine and border retailing".

As in past years, exhibition organiser TFWA has attracted a powerful line-up of conference speakers, most notably keynote speaker Jean-Paul Agon, chief executive of beauty house L'Oréal, whose company represents an astonishing 7.2% of global travel retail revenue. He will be joined by Sir Alan Watson, chairman of Havas Media UK, who will explore how consumers perceive brands and businesses as they try to be more eco-conscious.

Two industry workshops will be held later in the week. On October 19 (08.00-09.00) at the Riviera Beach tent the annual Airline Workshop will investigate the in-flight retail potential of the growing low-cost carrier business market. The following day (same time and venue) the Asia Pacific workshop will analyse the latest purchasing trends among Asian consumers.

Despite the difficult market conditions, demand for space at Cannes continues to be high – some 650sq m of exhibition space has been added this year in a new area on Level 3 of the Palais. Some 450 exhibitors will be attending the show, more than 20% of them wine and spirit suppliers. Among the new and returning liquor exhibitors are Carlsberg, Diageo-owned wine division Barton & Guestier, Islay single malt brand Bruichladdich and La Martiniquaise rum.

The show will be packed with launch cocktails and dinners too numerous to mention here. One must-attend event close to our heart, however, is the *Drinks International* Travel Retail Awards, now in its fourth year. Winners of all 13 of the

# The good times return

**As confidence in global travel grows, the organisers of the annual duty free exhibition are feeling upbeat. Joe Bates reports**



**The TFWA World Exhibition is held in Cannes from Sunday October 17 until Friday 23. Keynote speaker is Jean-Paul Agon**

the picturesque Ile Sainte-Marguerite in the Bay of Cannes, tennis at the Club Sportif de Montfleury, and a new cookery class at the Les Apprentis Gourmets cookery school.

The opening cocktail party at the famous Carlton Hotel and a firework display will round off Sunday's pre-show social events.

At Riviera Beach, the popular after-show nightclub, The Scene, will be open on Monday, Tuesday and Wednesday evenings from 22.00 to 02.00, and on Thursday from 23.00 to 02.00.

The Scene will also be the location for a quick and reasonably priced lunch. An alternative eatery is the Bay Restaurant next to Bay Village.

The social finale will be Thursday's Le Premium Evening at the Riviera Beach marquee adjacent to the Palais. International pop star Mika will be this year's star turn.

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highly coveted awards will be announced on the evening of Tuesday October 19 at the Le Privé private club.

The social and networking side of Cannes will be as busy as ever. A wide range of sporting and cultural activities will take place on the Sunday before the show starts, with golf at the Mandelieu Golf Club, jogging on



# Travel retail liquor A-Z guide

Economic turmoil, swine flu, thwarted terrorist attacks and volcanic ash clouds – it has been a tumultuous year since the duty free trade last gathered in Cannes. **Joe Bates** reviews the key brands and charts important sales and industry developments in our invaluable guide to the travel retail liquor business.

## A is for Absolut

The best-selling white spirit brand in travel retail reports itself “fully recovered” from the effects of the global downturn. “Our outlook for the near and long-term future is very confident,” says Anders Olsson, director, global travel retail,



The Absolut Company. Much of the confidence springs from two well-received flavour launches in 2010. Absolut Flavor of the Tropics, created exclusively for travel retail, exceeded the company's high expectations, according to Olsson, while Absolut Berri Açai is set to receive a global travel retail rollout after launching at Stockholm and Copenhagen airports in May.

## B is for Brazileros

Buoyed by a booming economy and strong currency, and with a long-held preference for luxury brands, Brazilian travellers are creating a dynamic Latin American duty free business. According to Rio de Janeiro airport duty free concessionaire Dufry do Brasil, for instance, liquor sales have been “amazingly good” this year, growing faster than any other product category. Deluxe blended Scotch whiskies, premium vodkas and sparkling wines are the sub-categories most in demand.

## C is for Crisis

It is worth remembering quite how tough the past two years have been for the global travel retail business. Airlines racked up losses of nearly \$10 billion last year, according the International Air Transport Association and the profit and loss sheets of the major duty free retailers made depressing reading. The global duty free wine and spirits business wasn't spared either. Spirit sales nosedived 10.6%, while wine fared little better, shrinking



**Hendrick's Gin continues to provide eccentric promotional ideas, while Martell concentrates on educating consumers through experience**

6.3%. Things have improved in 2010, but Asia, Latin America and the Middle East are recovering far quicker than either Europe or North America.

## D is for Dubai Duty Free

The world's biggest single-location duty free retailer continues to reach new heights, despite the well-publicised economic problems plaguing the ambitious Emirate it serves. Last year Dubai Duty Free notched up record annual sales of Dhs4.1 billion (\$1.4 billion), a 3.76% increase over 2008. Liquor sales rose 7% to more than \$154 million, becoming the second largest product category after fragrances. The upward trend at DDF has accelerated during 2010 with liquor sales increasing 14% in value during the period from January to July.

## E is for 'Experiential'

There was a time when buying a bottle of duty free liquor was a simple enough process. You grabbed your chosen bottle, handed it to checkout, paid your money, and that was that. Today, however, suppliers increasingly want to take travellers on a journey of discovery before they part with their



hard-earned cash. In March this year, for instance, Martell opened the Martell Experience Boutique at Hong Kong airport in an effort to educate Chinese travellers about the brand's history, heritage and the taste profiles of its high-end marques. Back in Europe, Beam Global was doing something similar with its Le Nez activations at European hubs such as Paris Charles de Gaulle and Amsterdam Schiphol.

## F is for Ferry

The ferry sector suffered worse than any other duty free sales channel last year, according to industry analyst Generation. Overall sales for the year declined by some 15.5%. Baltic

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Delhi Duty Free has 14 stores at the new Terminal 3



Ever innovative, Diageo GTME set up a soundproofed tasting pod at Dubai

ferry operators such as Tallink and Viking Line (see profile, page 24) fared considerably better than cross-Channel operators such as SeaFrance and P&O Ferries.

## G is for Gin

Gin accounts for little more than 5% of overall travel retail spirit sales, but leading premium and super-premium brands have been doing a good job of raising the category's profile. For instance, Bacardi has been active with a Bombay Sapphire Collins cocktail sampling programme across the North American travel retail market, which has led to sales increases of up to 70% at US/Canadian border outlets. Meanwhile, Chivas Brothers has been stressing the London origins of Beefeater using iconic symbols such as the red telephone box and Routemaster bus in promotions and merchandising and UK and Spanish airports. And Scottish gin Hendrick's continues to devise quirky promotional ideas, including the use of a bathtub and a Victorian birdcage in-store in conjunction with sampling activity. William Grant & Sons marketing manager, travel retail, Ian Taylor says: "We are seeing more bottles of Hendrick's hop off the shelves in travel retail than we have ever seen before."

## H is for Humphreys

Jane Ewing, the recently appointed managing director of Diageo Global Travel and Middle East, has a big pair of boots to fill. Phil Humphreys, her energetic predecessor, who announced his shock departure from the multinational earlier in the summer, made his mark on the duty free business in a way few senior executives have. In his short two-year stint in the job Humphreys pledged to double the size of the travel retail liquor category by 2013, and managed to get airport authorities and retailers working together on high-profile promotions in a way not seen before. Previously heading up Diageo's Middle East and North Africa division, Ewing has 18 years of experience at the company to draw on as she aims to build on Humphrey's achievements.

## I is for India and Indira Gandhi International Terminal 3

With the help of international players such as DFS Group and the Nuance Group, Indian travel retail is finally starting to live up to its undoubted potential. This summer saw the most exciting development for Indian travel retail to date with the opening of Delhi International's long-awaited Terminal 3, which makes the airport the sixth largest in the world with an annual passenger capacity of 34m. Delhi Duty Free Services, a joint venture between Irish travel retailer Aer Rianta International, the airport owner and local retailer Indian Duty Free Services, is running 14 stores covering some 4,380sq m. More than 1,000sq m have been allocated to liquor, including a Uisge Beatha malt whisky store, which ARI first introduced at Larnaka airport in Cyprus.

## J is for Japanese whisky

Whether because of a consumer appetite for something new or their undoubted quality, Japanese whiskies have arguably been the surprise travel retail hit of 2010. Volumes are, of course, still very small, but with Japanese drinks giant Suntory investing in market-leading brand Yamazaki, distribution has spread from World Duty Free in the UK to operators such as Aldeasa in Spain and Gebr Heinemann in Germany. "Our spirits customers have flocked to Japanese malts driven by quality and value, as well as their desire to build their collections with something less commercial," says Ben Odgers, operations manager of Dubai airport wine and spirit store Le Clos, which stocks Japanese whisky brands such as Nikka, Hanyu, Yoichi and Yamazaki.

## K is for Korean Air

The Korean flag carrier remains easily the world's largest in-flight duty free retailer. The airline is reportedly forecasting sales of \$200m for 2010, more than a 17% increase on 2009. Liquor is the airline's second largest product category after cosmetics, accounting for more than 34% of total annual sales. Aged Ballantine's whiskies, Johnnie Walker Blue Label and XO cognacs are particularly popular.

## L is for Las Vegas

US airports are strapped for cash and some are controversially looking to overhaul liquor trading regulations in an effort to boost revenue streams. For instance, in March this year Las Vegas McCarran international airport announced plans to open the country's first duty-paid liquor arrivals shop in the baggage claim area. The airport believes the store could turn over \$3-\$5m in annual sales.

## M is for Mentorship

Diageo GTME continues to push back the barriers of what is possible when it comes to travel retail liquor promotions. In August the company staged a major industry coup with its first alcohol-sampling event at Dubai airport, installing a futuristic black, soundproofed "pod" in Terminal 3. The Diageo Mentorship Experience invited travellers inside the pod to sample the company's Reserve brands in the presence of brand ambassadors. "It has been an amazing adventure into the unknown and has enabled us to think completely differently about how we will grow our business in the future," says Diageo GTME Gulf regional director Hugo Mills.

## N is for New stores

It is a sign that things are recovering when one of the world's largest duty free retailers, Swiss-based Dufry, announces further store openings. In August this year chief executive Julián Diaz announced the company planned to open nearly 20,000sq m of new retail space during the rest of the year. Over the first half of the year the company saw turnover increase by close to 16% and liquor was one of the best-forming product categories.

## O is for O'Hare

City council-owned Chicago O' Hare, the world's fourth busiest airport, decided to liberalise its liquor licensing regulations earlier this summer in an effort to boost income. Licences for push carts to sell beer and wine to waiting passengers are to be issued and the airport's bars and restaurants are to be allowed to sell alcohol around the clock.

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## P is for Premiumisation

Is there still an appetite among the travelling public for rare and extremely pricey bottles of wine and spirits? Well, during 2010 there have been some record-breaking purchases. For instance, in June a Chinese couple bought a rare 1.5-litre bottle of Rémy Martin Martin Louis XIII Black Pearl cognac for C\$34,000 at Vancouver airport. And in late August a customer spent an astonishing \$107,000 on eight bottles of vintage French wine at Le Clos' outlets at Dubai airport.



## Q is for Qatar Airways

If you want to know why the Middle East is proving one of the most robust travel retail liquor markets, look no further than Qatar Airways (above). Despite the still uncertain global economic climate, the airline intends to stick to its ambitious expansion plans. It has \$35bn-worth of planes from Airbus and Boeing on order and announced earlier this summer it was adding 15 new destinations to its route network, including Brussels, Budapest, Nice, Phuket and Hanoi.

## R is for Rémy Martin

As the official supplier to the Cannes Film Festival Rémy Cointreau brought out a commemorative edition of Rémy Martin VSOP Cognac to celebrate the 63rd Cannes Film Festival earlier this year. French airport retailer Aelia was the first travel retailer to get hold of the product, showcasing it at Paris airport in April before a wider rollout to some of the world's largest airports, including Dubai, Munich, Moscow and Los Angeles.

## S is for Sydney airport

One of the most impressive airport store openings of the year was at Sydney's upgraded Terminal 1 in January when The Nuance Group opened what it claimed was the largest duty free store in the southern hemisphere (below). The 4,000sq m store



featured a white spirits-oriented cocktail bar, an extensive selection of fine Australian wines and single malt Scotch whiskies.

## T is for Trinity

No, not a reference to the Father, Son and Holy Spirit, but a marketing strategy espoused by Diageo GTME which aims to get airport authorities, brand owners and duty free retailers working together to maximise the commercial potential of promotions. In practice, this has meant getting promotions out of the stores and on to the airport concourse as happened at New York JFK Terminal 4 in May and June this year when Diageo, terminal operator IAT and duty free operator DFS staged a Tanqueray sampling and educational installation called the Exploratorium.

## U is for U'Luvka

Building a presence in travel retail with a limited marketing budget is never easy for small suppliers, but ultra-premium Polish vodka brand U'Luvka has shown it can be done. Since the brand's launch into travel retail in 2006 it has increased its distribution to cover more than 30 different duty free markets worldwide. Says brand founder Mark Holmes: "I would like to be in all the major duty free operators by 2012 and at current forecasts I believe this is possible."

## V is for Volcano

April 2010 brought with it the full impact from the spectacular eruption of the Icelandic volcano, paralysing many northern European airports for the best part of a week and causing disruption to thousands of air travellers all over the world. Although thankfully short lived, the ash cloud crisis left its mark on the European travel retail business. Trade body the European Travel Retail Council estimated that the European travel retail industry lost €25m for every day of the crisis.

## W is for World Health Organisation

Alarm bells rang in December last year when the WHO inserted a proposal to tax duty free liquor sales in a draft strategy paper aimed at reducing harmful alcohol consumption. It took a concerted effort by industry trade associations to get the proposal removed. They successfully argued that existing customer allowances effectively limited the amount of duty free alcohol travellers can purchase.

## X is for X-ray scanner

Security continues to be a major headache for the aviation and travel retail industries. As shown by last year's foiled Christmas Day bomb attack on a US-bound Delta Airlines flight, the threat of further 9/11-style terrorist attempts is highly likely. The US Transport Security Administration is leading the way in combating this by installing state-of-the-art full-body scanners at 23 US airports, which can detect a



David Karná

wide range of concealed weapons. Other countries are following the TSA's lead.

## Y is for Yen

The Japanese duty free market has been in decline over the past decade, but 2010 has seen a modest recovery for this once key nation of travel retail shoppers. Outbound Japanese travel grew by nearly 11% over the first half of the year, driven primarily by the strengthening yen, which reached a 15-year high against the dollar last month. With the money in their pockets going further, Japanese duty free shoppers have been spending more in locations such as Hawaii, helping Asia's largest duty free retailer DFS Group to record strong sales growth over the first quarter of 2010.

## Z is for Zacapa

According to IWSR, rum was the only major spirits category to show any growth in travel retail last year. And, within the sector, premium rums are leading the way – exemplified by the progress of Diageo-owned and distributed rum Zacapa. "Zacapa saw significant growth in volume over the past year thanks to increased distribution," confirms Diageo GTME marketing manager for scotch, reserve brands & single malts Kenton Elliot. "It is a beautiful liquid and consumers respond to it immediately when they sample it with brand ambassadors."



# Viking debunks myth

**Joe Bates gets the  
lowdown on the  
continued success  
of one Scandinavian  
ferry operator**

**S**candinavian cruise and ferry operator Viking Line dispels the myth that the ferry sector has to play second fiddle to the larger airport travel retail business. The line operates seven cruise ship-style ferries on routes between Sweden and Finland and Estonia, which all boast modern, spacious tax-free stores. With their extensive selection of fine wines and super-premium spirits, these well-stocked stores would not seem out of place in a major international airport anywhere in the world.

The truth is tax-free shopping is still big business in this part of northern Europe, even though duty free inside the European Union (EU) was axed as long ago as 1999. Viking Line racks up annual tax-free sales of €170m (£140m), largely thanks to the fact the majority of its routes call at the picturesque Åland Islands, between Sweden and Finland. Much to the annoyance of Brussels, the Åland Islands continue to enjoy the same tax-free status as other (EU) tax havens such as the Channel Islands and Andorra.

"Of course, it has an enormous impact on our passenger volumes that we can continue to sell tax-free," admits Kim Engblom, Viking Line tax free manager, sales & purchasing. Indeed, business remains good despite the lingering economic recession. Last year, while Scandinavian airports were shedding thousands of passengers, Viking Line's annual numbers increase by nearly 7% to 6.3 million.

Liquor is a major draw for Viking Line's predominantly Swedish customers – sale of wines and spirits in both Sweden and Finland are strictly controlled by state-run monopolies and are taxed heavily. Liquor generates 40% of Viking's tax-free

(and duty-paid) sales and takes up as much as a third of its 5,500sq m of retail space.

But it would be unfair to say price savings are the only reason passengers flock to Viking Line's onboard shops. The ferry line has invested in a major store refurbishment programme on all its ships in recent years and has added depth and quality to key sub-categories such as wine, cognac and, most notably, single malt scotch whisky. Viking also runs an in-house product knowledge training school and encourages suppliers to assist with brand education for its sales staff.

Viking Line's scotch whisky offer is particularly impressive, as befits its largest spirits category. Popular blends such as The Famous Grouse, Grant's and Johnnie Walker Black Label rub shoulders with a large selection of Scottish single malts. Peaty island malts such as Laphroaig, Talisker, Caol Ila and Bowmore are particularly popular with Scandinavians. But Japanese whiskies make an appearance, along with Sweden's own single malt brand, Mackmyra.

As for regional spirits, Viking Line stocks a wide range of akvavits, such as Aalborg and Lysholm Linie, and Engblom says Finnish vodka Koskenkorva is another strong performer.

Wine is another key category for Viking Line, especially on duty-paid routes such as Helsinki-Tallinn, where the personal allowance for passengers is unlimited as long as it is considered for personal use (the tax-free allowance is 4 litres). Consequently, 3-litre bag-in-boxes of predominantly New World wine brands such as Gallo, Cono Sur and Kumala are increasingly popular.

The importance of scotch whisky to Viking Line is underlined by the fact it runs regular monthly whisky cruises (apart from during the peak summer period), where suppliers display some of their latest and rarest bottlings. Engblom says: "We have a big advantage compared with the domestic [whisky] fairs as we can sell the bottles at the tax-free prices."

The largest whisky-oriented moneyspinner for Viking Line is its annual Whisky Fair, which has been held in mid-January on its largest ship, M/S Cinderella, for the past three years. Last year the two-day event attracted around 3,500 aficionados (the majority from Sweden), who took part in masterclasses, auctions and tastings organised by suppliers from Scotland, Ireland, the US, Canada and Japan.

Unsurprisingly, suppliers are enthusiastic about the Whisky Fair. Maxxium Travel Retail Europe North sales director Torbjorn Norrud, who represents brands such as Highland Park, The Macallan and Laphroaig, says: "Working on the whisky cruise concept with Viking Line gave Maxxium Travel Retail and Viking Line the opportunity to establish something extraordinary for both consumers and brands."

Viking Line's Whisky Fair and its commitment to high retailing standards has given it access to many of the new ultra-premium spirit releases. For instance, last year Viking was the only ferry or cruise line to receive one of the 10 bottles of Glenfiddich 50 Year Old allocated to travel retail in the first year of release. It sold in November to a Swedish customer for a jaw-dropping €11,000 (£9,040).

Viking Line's insistence on maintaining the quality of its products and high customer services standards should hold it in good stead in the years to come.

# Exhibitor round-up

## Mähler-Besse to present Beluga vodka

In pride of place on French family-owned wine merchant Mähler-Besse's stand will be two Siberian vodkas, Beluga and Beluga Gold (Blue Village AA2).

Produced by JSC Synergy at a remote distillery in Siberia, Beluga vodka is made from a base of oats, rice and a little honey. Beluga Gold – containing extract of golden root, which is claimed to have a mood-enhancing effect, features a more complicated and lengthy production process, which involves three months "ripening" in a vat before bottling. Its cork is sealed with wax and a hammer is supplied to remove the wax.

Beluga vodka has a recommended travel retail price of €45 (£37), while Beluga Gold is priced considerably higher at €145 (£120).

Established in Bordeaux in 1982, Mähler-Besse is better known as a distributor for many Grand Cru Classé wines. The company has been supplying rare French wines to travel retailers such as Aelia and The Nuance Group in Europe, and King Power in Asia since the turn of the century.

## Drambuie steps up focus on travel retail with new exclusive

First there was the ultra-premium The Royal Legacy of 1745. Now Drambuie has followed up last year's travel retail exclusive launch with Drambuie 15 (Riviera Village RF9).

Drambuie 15 is targeted at malt whisky drinkers and is made from a selection of 15 Year Old Speyside malts. A 1-litre bottle (43% abv) will be priced at about £36, considerably cheaper than The Royal Legacy of 1745 at £125.

Drambuie senior brand manager William Birkin said: "Drambuie's duty free strategy aims to establish the brand as a credible scotch

alternative for whisky drinkers. Developing fresh and innovative premium products with a real point of difference such as Drambuie 15, allows us to strengthen our position as a scotch whisky liqueur not a liqueur made with whiskies."



## Cannes launch for Dobbé XO cognac

Family-owned cognac house Dobbé will be unveiling an XO cognac (Marine Village R5).

Dobbé Cognac Grand Century contains rare eaux-de-vie from the family's cellars, aged up to 50 years and presented in a 70cl crystal decanter. Described by the company as "warm, harmonious and highly complex", 40% abv XO Grand Century will be priced in travel retail and duty free at about €149 (£123).

## Stock Spirits to show rare Czech single malt

Stock Spirits International will be launching one of the rarest and most unusual spirits in Hammerhead 20 Year Old, a Czech single malt whisky (Green Village M48).

The state-owned Pradlo Distillery on the outskirts of the famous beer-producing town of Pilsen created the whisky on the eve of the 1989 Velvet Revolution, which saw the Communist regime swept from power. Only Czech ingredients were used – even the wooden casks used to mature the new-make spirit were made from local oak trees.

But the whisky never made it to market and lay forgotten until the new owner of the distillery, Stock Spirits, discovered it last year

and decided to launch it, giving it the distillery's local nickname. Hammerhead is already on sale at Prague international airport priced at €42 (£34.64).

Arguably the highest profile brands on the eastern European spirit and liqueur supplier's stand will be Czysa de Luxe, the biggest-selling clear vodka brand in Poland, and the quadruple-distilled 1906.

Stock Spirits is also releasing a new flavour from Keglevich, Italy's best-selling vodka brand. A 1-litre bottle of Keglevich Arancia Rossa (blood orange) has a recommended travel retail price of €9.90 (£8.17). The company will also be introducing a herbal liqueur, Pelin 27 (€12.90/£10.64 for a 1-litre bottle), which is being targeted at the former Yugoslavian Republics, the Baltic States, Slovenia, Germany, Bulgaria and Macedonia.

## Brown-Forman gets experimental with Woodford Reserve

Brown-Forman is helping to raise the profile of the US whiskey sector in travel retail with the introduction of a Woodford Reserve small-batch bourbon (Green Village M70).

The US company will also be showcasing new Chambord vodka; a new Jack Daniel's Scenes from Lynchburg collector's bottle, and a travel retail-exclusive Southern Comfort line extension, Southern Comfort Reserve.

Woodford Reserve Maplewood Finish is the latest in the bourbon's experimental, limited-edition Masters Collection, which in previous years has featured finishes in Sonoma-Cutrer wine barrels and seasoned oak casks. Packaged in the distinctive, tall-necked Masters Collection bottle, Woodford Reserve Maplewood Finish will be available in travel retail from next month.

The company will also be unveiling this year's Jack Daniel's Scenes from Lynchburg collectors' bottle, the 11th in the series. The travel retail-exclusive bottles depict everyday scenes from the brand's sleepy, small-town Tennessee home of Lynchburg. The 2010 edition features Cave Spring, the water source used by the Jack Daniel's distillery.

According to Brown-Forman vice-president and managing





director, travel retail, Jim Perry, the company has been battling the effects of the economic downturn by trying to make Jack Daniel's, its flagship brand, more accessible to travelling consumers. "One thing we did was put Jack Daniel's with other Brown-Forman brands in order to offer the consumer a valuable brand proposition. This activity was very successful for us. While it was not easy, and some of our partners did not support our position, we held fast and continued to resist deep single-bottle discounts."

Well-established in the US domestic market for several years, Southern Comfort Special Reserve will be launched into the global travel retail channel at Cannes. Blended from a base of six-year-old bourbon and bottled at 40% abv, this product has a considerably higher strength than the standard 35% abv Southern Comfort.

Chambord vodka will also get its moment in the travel retail spotlight after its US launch earlier in the year. Flavoured with the famous French blackberry liqueur, Chambord vodka is bottled at 37.5% abv and priced in the US domestic market at about \$25.

## Constellation to broaden travel retail focus

The world's largest wine group, Constellation Wines, is aiming to raise its profile in travel retail by focusing on its premium portfolio (Yellow Village D26).

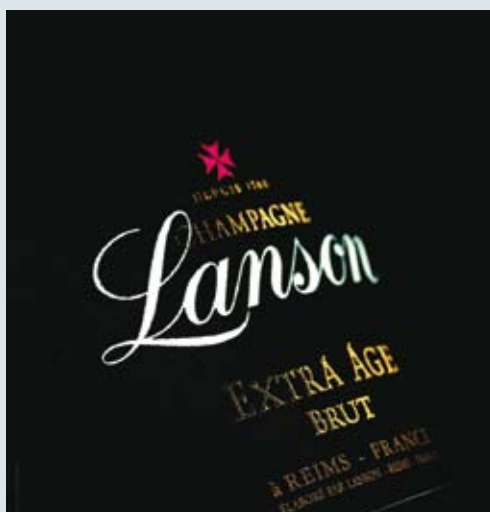
In previous years the focus has been squarely on the company's successful Canadian icewine brand Inniskillin, which remains the most widely distributed wine brand in duty free. This year, however, the company is highlighting the latest vintages from Robert Mondavi, Ravenswood, Nobile and Kim Crawford.

These include Robert Mondavi Cabernet Sauvignon Reserve 2006, priced €76 (£63), which was rated highly by both *Wine Spectator* and *Wine Advocate* magazines, and Nobile Icon Marlborough Sauvignon Blanc 2009 (€10.99-€12.99/£9-£10.70), which won a trophy at the 2010 Decanter World Wine Awards.

Constellation Wines will also be exhibiting new packaging formats such as FreshCase, which it describes as the "next generation" bag-in-box. FreshCase can hold 2.25 litres of wine, keeping it fresh for six weeks after being opened.

Also new for 2010 is an 18.7cl, recyclable PET wine bottle, which is being targeted at the in-flight channel.

Vice-president for sales Scandinavia, southern Europe and travel retail Rupert Firbank said: "Constellation Wines has a dedicated team working on travel retail that is expanding and we are looking to work even closer with operators in 2011 to enhance promotions programmes and support in their shops."



## Lanson cuvée marks 250th birthday

Lanson Champagne is celebrating its 250th anniversary with the launch of Extra Age cuvée (Blue Village G24).

Extra Age is a blend of 40% Chardonnay and 60% Pinot Noir taken from only grand cru and premier cru vineyards. The wine has been matured for at least five years and is presented in a bottle featuring gold lettering and the brand's traditional red Maltese cross.

At Cannes Lanson will also be presenting a new set of pouches for the brand's classic cuvées, Black Label and Rosé Label.

Commenting on current market opportunities for Lanson in travel retail, Lanson International director Olivier de La Giraudière said: "We clearly see a growth potential coming from Asia in the coming months. Nevertheless, we feel that Europe can benefit from the dynamism of a market such as Turkey, as well as from the enhancement of the format of its stores and a higher creativity in the promotions of the channel."

## Newcomer Bruichladdich plans to seize Cannes opportunity

Securing stand space at the TFWA World Exhibition is never easy and one newcomer eager to capitalise on finally becoming an official exhibitor is scotch single malt brand Bruichladdich (Yellow Village, E35).

Famous for producing some of the peatiest whiskies on Islay, Bruichladdich has been growing at around 25% per annum since the independent company restarted production at the distillery in 2000 after purchasing it from Jim Beam.

Ranked the 23rd-largest single malt worldwide in terms



of volume, Bruichladdich is available in 55 domestic markets worldwide. However, its travel retail distribution is limited to a few regional UK airports and Scandinavian ferry operators, as well as airport listings in Cyprus and Malaysia.

"Now we are finally exhibiting at Cannes we want to grab a foothold in duty free and develop it thereafter," said sales director Andrew Gray. "We have done very well in domestic markets by focusing on retail. Our packaging is generally acknowledged as being the most avant-garde, innovative and eye-catching of any in the single-malt industry, which is perfect for duty free."

One of the products Bruichladdich will be showing buyers is a 1-litre version of the latest release from the company's limited-edition Links series, which showcases the work of leading golf artist Graeme Baxter on the bottle label and gift carton. The St. Andrews release is a multi-vintage whisky bottled at 46% abv.



## Santa Margherita introduces new labelling

Italian winery Santa Margherita will be displaying new labelling for many of its Prosecco wines, which will show its recently awarded DOCG (Denominazione di Origine Controllata e Garantita) status (Riviera Village RE3).

Following a ruling last year, Prosecco wines made in the Valdobbiene region of Italy will have DOCG status from the 2009 vintage onwards. Santa Margherita's DOCG line includes the award-winning Prosecco Superiore 52, which was voted Italy's Best Prosecco by *Il Vino* magazine.

The company will also be showing a new Prosecco DOC line featuring extra dry and frizzante styles.

## Tequila Corralejo to celebrate Mexican bicentenary

Mexico is celebrating the bicentenary of its independence and one native company well placed to capitalise on its commercial potential is Fraternity Spirits. The company will be releasing a special edition of its Corralejo Extra Añejo tequila, featuring the flag of Mexico's colours on the bottle (Blue Village E1).

The company can hardly be blamed for cashing in as Tequila Corralejo is produced at the historic Hacienda Corralejo in the state of Guanajuato, where the priest and leader of the Mexican War of Independence, Miguel Hidalgo, was born in 1753.

Company chief executive Raffaele Berardi said the brand



was enjoying increasing duty free sales overseas and that distribution now included markets such as Malaysia, India, the Maldives, Sri Lanka and Spain.

## Beam to unveil new look for Teacher's

On the Maxxium Travel Retail stand Beam Global Spirits & Wine will be showing off the latest look for its Teacher's scotch (Green Village M53).

The new bottle features a smaller label, a new logo and the blended whisky's high 45% malt content is highlighted for the first time. The bottle is also embossed with the brand crest, with a bolder plinth effect at the base and more defined shoulders.

Beam will also be showing buyers new exclusive gift packs for Maker's Mark small-batch bourbon. The packs will see the brand's square-shaped, red wax-dipped bottles featured prominently within the skylines of 15 cities worldwide, including Paris, London, Sydney, Los Angeles, New York and Dubai.

The company will also be displaying the new super-premium travel retail exclusive Jim Beam bourbon launched with German operator Gebr Heinemann earlier this year. Jim Beam Signature is aged six years in white oak barrels and bottled at 44.5% abv. It has a recommended travel retail price point of €29.99 (£24.66).

## Moutai key to unlocking Chinese spend, says Camus

Camus Wines & Spirits will be highlighting the potential of super-premium Chinese spirit Kweichow Moutai at Cannes after releasing promising duty free sales results for the brand (Blue Village F11).

Camus has been the exclusive duty free distributor of Moutai since 2005 and, in the past three years, sales of the brand in Asia Pacific duty free outlets have increased at nearly 90% per year. Camus believes this growth is largely attributable to the massive increase in the numbers of Chinese mainlanders travelling abroad.

The China Tourism Academy estimates around 47 million trips were made by mainland travellers to overseas destinations in 2010. The World Trade Organization predicts China will be the fourth largest source of outbound tourists by 2020 with an estimated 100 million travellers per year.

Camus points to research undertaken by *Chief Executive China* magazine in 2005, which revealed that, while Chinese travellers prefer international fragrance, fashion and cosmetic brands, they have a marked preference for Chinese brands when buying premium liquor.



## Underberg unveils colourful portfolio

As always Underberg will be displaying a raft of colourful and diverse new products and packaging across its brand portfolio (Red Village, K19).

This year's collector's Underberg gift tin pays homage to Austria with colourful scenes not only of the country's mountainous scenery, but the capital Vienna and the birthplace of Mozart, Salzburg. Each gift tin contains 12 bottles.

Silla El Fuerte is a very different type of product, a 19% abv tequila-based liqueur flavoured with Mexican Habañero chillies. Available in 70cl bottles, it is best drunk as a shot at room temperature or ice-cold to reduce its spiciness.

Still within the liqueur category famous kirsch brand Arnold Dettling will be launching DuChalet Chocolate and Coffee liqueurs at the show.

The latest offering from Austrian sparkling wine Schlumberger is Schlumberger Gold, a dry sparkling wine with a fruity fragrance presented in a gold-coloured sleeve.

Finally, South African cream liqueur Amarula will be making an appearance on the Underberg stand. The brand was an official sponsor of this year's FIFA World Cup and a special limited-edition Amarula FIFA bottle produced to mark the event has performed well in travel retail. At Cannes Amarula will also be unveiling a new gift pack for the winter season.



## Havana Club Seleccion de Maestros to showcase blenders' skills

No fewer than six Maestros Roneros played a hand in the creation of Havana Club Seleccion de Maestros, which will be among the products

featured on the Pernod Ricard Travel Retail stand (Bay Village, Bay 4).

The 45% abv premium rum is aged in barrels chosen by the blenders, led by Don José Navarro, for the aromatic potential of their wood. It is then bottled straight from the barrel. Seleccion de Maestros was previously sold in travel retail as Havana Club Cuban Barrel Proof.

The new bottle incorporates a thick base, debossed and embossed



labelling and cork stopper. It is packaged in a wooden Cuban cigar-style box and will retail in travel retail at about €45 (£37).

## Diageo shines the spotlight on Johnnie Walker and Smirnoff

Diageo Global Travel & Middle East has selected the Johnnie Walker line extension Double Black and Smirnoff vodka for special attention at this year's show (Red Village M38/39).

Johnnie Walker Double Black, a smokier version of Johnnie Walker Black Label, was test-launched in travel retail in January this year. Supported by high-visibility sampling and hostess support, Diageo GTME reports the whisky has been a "phenomenal success". It will remain a duty free exclusive until the end of the year.

As for Smirnoff, Diageo GTME is to unveil a limited-edition bottle, Smirnoff 21, intended as an extension of the brand's global Be There marketing campaign. When consumers hold the bottle in front of a specially created computer screen in the travel retail store, a webcam will read the digital symbol of the bottle and the screen will show the bottle with an animated party scene appearing to come out of it.



## Glencadam unveils trio of new expressions

Angus Dundee is launching three Glencadam single malt whiskies (Green Village L55).

The new Glencadam variants are a 12 Year Old finished in port wood, a 14 Year Old finished in oloroso sherry wood, and a 21 Year Old. They join the existing range, which features a 10 and a 15 Year Old.

Quantities of the new Glencadam whiskies will be limited and initially priority will be given to travel retail and the European and US domestic markets.

In travel retail the 12 Year Old port wood will retail at £31.99 a bottle; the 14 Year Old sherry wood will be around £34.94 and the 21 Year Old will be £44.79.





## Travel Retail Awards

### GOLD

**Best Drinks Launch at TFWA Cannes 2010**

**Drambuie 15** – Drambuie

**Best Luxury Drinks Brand of the Year**

**Dalmore – New Packaging** – Whyte & Mackay

**L'Essence de Courvoisier** – Beam  
Global Spirits & Wine

**Best Drinks Launch of the Year**

**Louis XIII Rare Cask** – Rémy Cointreau  
**Drambuie 15** – Drambuie

**Best Exclusive Gift Set**

**Hendrick's Gin** – William Grant & Sons

**Most Creative Marketing Concept/  
Travel Retail in Store Promotion**

**Martell Boutique** – Martell/Pernod  
Ricard Asia

# High flyers

**The winners of Drinks International's Travel Retail Excellence Awards are honoured here. Trophy winners will be announced at the awards evening on October 19 at Le Privé club, Cannes**

### The judges

**Neil Towns**, head of buying, P&O Ferries

**Peter Ayling**, travel retail consultant

**Joe Bates**, *Drinks International's* travel  
retail correspondent

**Liz Woodland**, travel retail consultant

**Christian Davis**, editor, *Drinks  
International*





Sponsors:



## SILVER

### Best Luxury Drinks Brand of the Year

Patrón Tequila - Patrón Spirits

Martini Gold - Bacardi Global Travel Retail

### Best Drinks Launch of the Year

Mozart Dry Chocolate Spirit - Mozart Distillerie

Bottega Diamond - Distilleria Bottega

### Best Packaging/Repackaging of a Drinks Brand

Glenmorangie Finealta - The Glenmorangie Company

Hardys Freshcase Chardonnay - Constellation Wines Europe

Old Pulteney WK 499 - International Beverage

Ballantine's - Nude Brand Creation/Chivas Brothers

Dalmore - New Packaging - Whyte & Mackay

### Best Presentation Box

Sagatiba Caipirinha Kit - Sagatiba BV

### Best Exclusive Gift Set

Drambuie Cocktail Case - Drambuie

U'luvka Mini - The Brand Distillery

### Most Creative Marketing Concept/Travel Retail in Store Promotion

Jack Daniel's - Brown-Forman

Mentorship Experience - Diageo

Tanqueray London Dry Gin - Diageo

Louis XIII Kingdom Project - Rémy Cointreau



Blended scotch has been battered by the world recession – but, as **Dominic Roskrow** reports, its strong foundations have made it remarkably resilient

# After the storm

Photo: Shutterstock/Chris Sargent

A rainbow forms over the Isle of Skye, home to Ian MacLeod's whiskies of the same name

**W**alk into any specialist whisky shop just about anywhere in the world, or pick up a magazine with a feature on scotch, and you could be forgiven for thinking blended whisky an insignificant afterthought for an industry focused on selling single malts.

Scottish distilleries and the malt they produce are the only show in town when it comes to writing about the country's whisky, and single malts hog 80% or more of shop shelf space. But more than nine out of 10 glasses of scotch consumed across the world are blends and you ignore the sector at your peril.

The whisky producers recognise this of course, and never take the sector for granted. But the economic downturn of the past two years has not only served to remind the drinks trade in general of the importance of the enduring appeal of blended whisky, it's also provided evidence to suggest that value for money scotch blends are an increasingly essential part of whisky's future.

"If you view blends from the perspective of territories such as the UK then blends come with quite a lot of baggage," says Peter Moore, international brands director for Ballantine's. "It's perceived as an older person's drink and has a negative image. But in many of the newer markets that isn't the case at all. There is a demand for scotch blends among younger drinkers. It's been a difficult period for everybody but we've started to see a return to growth and there are reasons to be optimistic."

"And blends are very much part of that, not just in developing markets such as China, but new markets such as Poland. New drinkers want blends and when they move up to a more premium drink it's often not to single malts but to better blends and blends with an age statement. Blends remain very important."

Undoubtedly we've been through trying times. Indeed, keeping track of the scotch whisky industry over the past two years has been a little like watching the rise and fall of a hurricane.

**THERE IS DEMAND FOR SCOTCH BLENDS AMONG YOUNGER DRINKERS**

PETER MOORE

BALLANTINE'S

In early 2008 whisky companies were not only making hay while the sun shone, they were extolling a harvest which many of them saw as endless. There were claims that scotch had seen the end of boom and bust, that the large number of emerging markets meant the future was secured. One or two suggested that, with a whole new world of whisky potential to explore and not enough spirit to go round, they might turn their backs on old discount-pocked, flatlining territories such as the UK. The talk was all about premiums, super-premiums and luxury brands.

But should it have been? In 2007 the volume of export sales not only passed 300 million litres for the first time, it touched 320 million litres – a sizeable increase on the previous year of about 8%.

Although volumes fell back in 2008, the value of the scotch whisky market would pass £3 billion for the first time. What's more, the blended whisky sector, the industry's bread and butter, performed robustly. Although attention focused mainly on single

► p38

# Scotch Blends

malts and the “sexy” premium end of the whisky market, blends continued to account for 90%-93% of scotch whisky sales.

Unsurprising, perhaps, that at least some pointed to demand and the natural supply deficit caused by the long maturation times of scotch whisky, and predicted a never-ending summer.

Not only did such bullishness not last, it didn't last the year. By late 2008 dark, broody clouds had gathered over the world's economies, and when the hurricane broke the drinks industry was forced to batten down the hatches just like everyone else. And it was just about the perfect storm: high raw material costs, unpredictable trading conditions, stalling economic growth and stodgy cashflows meant it was every whisky producer for themselves.

Nobody needs reminding how fierce the ensuing economic storm was. Inevitably, with so many essential markets thrown into chaos, scotch whisky producers faced the same challenges as every other sector. Some markets – most notably scotch's third biggest market by both value and volume, Spain – were particularly badly hit.

Remarkably, though, as we reach the end of 2010, Scotch whisky in general and blended whisky in particular seem to have emerged from the economic downturn in relatively good shape. To stretch the hurricane analogy to its limit, the damage caused was widespread and extensive, but it varied substantially from territory to territory.

## Regional variations

You could fill a book analysing just how scotch blended whisky has performed over the past 18 months, such as the regional variations. Suffice to say, though, that despite the drama of 2008 and 2009, the cold overall figures barely seem to note a glitch.

Figures for 2009 show the value of scotch whisky reached a new record high, rising by 3% to £3.13 billion. Volumes were up worldwide 4%

to about 1.1 billion bottles. Blended scotch whisky was up 3.3% in value to about £2.5 billion, and volume was up by 4.2% to about 885 million bottles. Blends continued to account for about 92%-93% of the overall market.

So can we conclude from the headline figures that the rise and rise of scotch whisky continues uninterrupted? Not quite. Closer inspection reveals they only tell part of the story – and for several reasons.

Firstly, the seemingly smooth progress from 2008 to 2009 indicated by the figures masks the fact that the second part of 2008 and the first part of 2009 – about a year – was when the recession was raging and scotch, like everyone else, suffered. The strong performance in the first part of 2008 and in the second half of 2009 offset the downturn.

Secondly, a harder look at the figures reveals that, while general progress has been steady, there has been some shuffling in the ranks. Blends performed slightly better than the rest of the scotch market last year, for instance, and volumes rose more than value in the sector. On the face of it this would suggest that people traded down because of the recession.

But that's not necessarily the case.

The figures aren't broken down into sub groups such as cheap and generic blends, standard blends and premium blends.

It's quite possible there was some movement from standard to cheap blends but, if Peter Moore's experience at Ballantine's is repeated elsewhere, it may be that premium blends thrived at the expense of single malt whisky as people traded up to quality blended scotch rather than single malts. Indeed that would seem to be the case at Diageo, where some financial analysts cited the strong performance of Johnnie Walker for the company's steady financial performance this year. It may have been in anticipation of the brand's potential future success that the company changed Bell's from being an eight-year-old



## GEOGRAPHY HAS BEEN THE STRONGEST INFLUENCE ON SUCCESS

GERRY O'DONNELL  
THE FAMOUS GROUSE

blend to one without an age statement, not to “dumb it down” but to free up stocks of older whisky for inclusion in the Johnnie Walker blends aged 12 years and upwards.

And finally, the headline figures do not reflect the wide variations from country to country. There have been huge variances between different countries, and not all of them entirely down to the recession.

“Geography has been the strongest influence on success,” says Gerry O'Donnell, director for The Famous Grouse. “Countries where the economic problems have been the most severe have been the most difficult – Spain and Greece for instance. But countries in Asia have barely missed a beat. The world market is not in a steady state. Structural changes – for instance the migration of scotch drinkers to golden rum in Spain and the influx of new scotch drinkers in India – show the momentum underneath the headline figures. The strong and emerging markets for blends closely reflect the large scale countries making the fastest economic progress. It's impossible to avoid the cliché about the BRIC countries (Brazil, Russia, India and China).”

A detailed report on how scotch whisky performed in 2009 by the Scotch Whisky Association isn't expected for some weeks yet, but the indications are that blended whisky in particular has been performing

Above: Whyte & Mackay's Richard Paterson blending  
Right: The Scotch Whisky Association's Gavin Hewitt





well and may be in the driving seat on the journey back into growth.

## Global disparity

What is abundantly clear, too, is that there are huge disparities between different countries and continents, and that how scotch in general and blended whisky in particular performed is linked to a number of interacting factors including how hard the recession hit, how big the whisky market already was before the downturn, and how amenable local drinkers are to imported spirits. O'Donnell might be right to say that Asia barely missed a beat, for instance, but the beats it missed were big, loud ones and the continent's failure to hit them was akin to Mick Jagger missing "Jumpin'" and "Jack" before "Flash". South Korea, for instance, lost nearly a quarter of its value in 2009 while, somewhat contrarily, Japan reversed an eight-year trend to grow modestly in value.

Elsewhere Europe dropped slightly but within the eurozone there were large disparities between the continued growth in France, which is now on the heels of North America, the world's biggest export market for Scotch, and Spain. But the star performers were in Central and South America, where Mexico, Brazil and Venezuela all grew substantially.

Overall blended whisky had much to be pleased about.



"Blended scotch whisky shipments were particularly strong in the US, despite the challenging economic conditions," says Scotch Whisky Association chief executive Gavin Hewitt. "Brazil is fast emerging as a major export market for blended scotch whisky. Total scotch whisky shipments rose by 44% to £60 million, more than double export levels in 2000."

Key to much of the SWA's work is tax, and import tariffs and the battle to ensure a level playing field for scotch whisky. So Brazil will be of particular interest to it and the rest of the industry. The country has a two-tier tax system for spirits, with brands bottled within the country paying less than bottles imported.

Teacher's has been in Brazil since 1951 and has about 40% of the blended market. According to Robert Hicks, master blender and brand ambassador for Teacher's, there has for this reason always been a significant gap between the price of Brazil-bottled whisky and imported bottles.

"But I have just come back from there and one of the most noticeable developments is that the

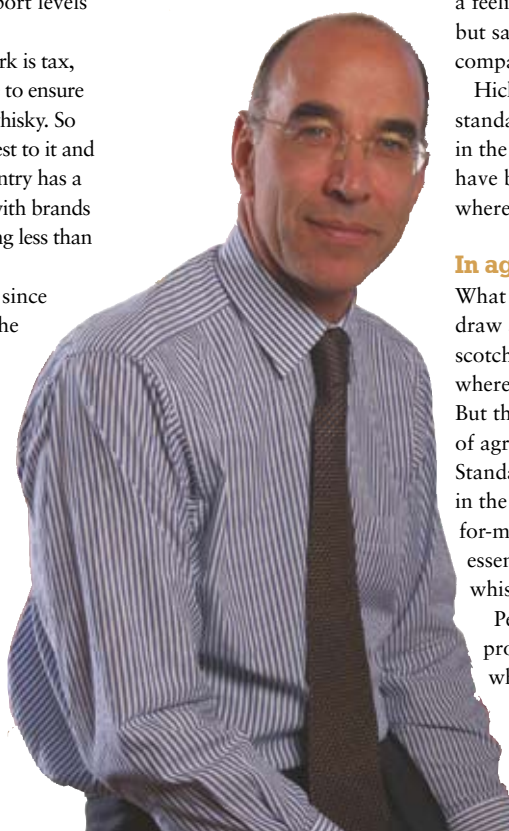
price of scotch whisky bottled in Scotland has come down markedly, perhaps as much as 20%," he says. "We bottle in Brazil and can sell 700,000 cases but that has been the case for many years. What we're seeing now is other companies selling whisky at a much lower price despite the high tax they pay. There's a feeling that it's an important market but sales have yet to reach the levels companies think they should reach."

Hicks' comments suggest that quality standard blends may be starting to engage in the sort of discounting wars which have blighted markets such as the UK's, where supermarkets all but dictate price.

## In agreement

What general conclusions you try to draw about the state of standard blended scotch then, very much depends on where you're looking and who you ask. But there are a couple of general points of agreement between the producers. Standard blends are certainly not dead in the water, and well-made, value-for-money blended whisky still has an essential role to play in the world of whisky.

Perhaps unsurprisingly, all Scottish producers believe that even a blend which might somewhat



## Scotch Blends

haughtily be dismissed as “bog standard” and unexciting in its home market is still an aspirational status in many territories where the domestic spirits are of poor quality. Furthermore, many smaller name blends not particularly well known in the UK achieve success in other markets.

Iain Weir, marketing director for Ian MacLeod Distillers, says that the company relies on its blends as its bread and butter, even though they are relatively small.

“We are a medium-sized family business and blends are still very important for us,” he says. “We have blends such as King Robert and Langs which simply don’t have the financial support of the big companies but they still do well for us.

“We are able to continue to evolve and grow because we have the right combination of good quality blends and the right distribution and access to markets in some territories. It is still possible to achieve sales in a developing market, even for smaller companies.

“But if we’re honest the likes of Chivas and Johnnie Walker are important to the rest of the industry because they spend money developing markets and educating people. From that scotch has a special reputation, and people aspire to drink it, so we can all benefit from that.

“I am a very proud Scot and believe we make the best whisky in the world. Drinkers recognise that. But we must never take that for granted and, as a result, we must look to premiumisation, to innovation and packaging.”

That trio of objectives would pretty much sum up where Richard Paterson, master blender for Whyte & Mackay, is coming from. He believes that standard blends have a great opportunity to win a loyal base of customers in new markets, and returns to the theme raised by Peter Moore of Ballantine’s.

“People worldwide love blends for a

**SCOTCH  
BLENDS ARE  
DOING WELL  
BUT WE MUST  
NEVER GET  
COMPLACENT**

RICHARD PATERSON  
WHYTE &  
MACKAY



large number of different reasons,” he says. “It’s just not the case that younger drinkers can’t enjoy whisky – they do in many countries. But in others the marketing people decided that blended whisky was an old man’s drink and in markets such as the UK we lost a whole generation.

“Scotch blends are doing well but we must never get complacent. We must find new ways of engaging the consumer, make sure our packaging and marketing is right, continue to invest. And for smaller companies such as us it’s important to engage by supporting local clubs, local communities. Loyalty does still exist and it’s something which is much harder for the big boys. That’s our opportunity.”

### Fulfilling potential

With the storm clouds passing over and the signs good for the future, there is a general agreement that even scotch blends which are considered pretty standard in developed and/or traditional markets have enormous potential as quality drinks and, if whisky drinkers begin to understand what constitutes a good blend, it’s possible their repertoire may be expanded to include premium and deluxe blends as well as single malts.

“There’s no doubt malts have secured a great position by majoring on quality,” says Famous Grouse’s Gerry O’Donnell.

“However, blend drinkers have a very wide range of motivations for drinking blended scotch, including flexibility, consistency, ease of drinking, enjoyability and affordability. Most brands of blends are powerfully appealing to blended drinkers on one of these dimensions.”

The whisky bar at the top of London’s landmark “gherkin” building includes some top name malts but you’ll also find Teacher’s in the selection. Michelin-starred restaurant Quilon in St James, London, includes blends Scottish Leader and Black Bottle on its whisky list.

These people know what they’re doing. Maybe some celebrated whisky retailers should take note.

DI





Added value is the name of the game as Champagne struggles to regain its price footing.

**Richard Woodard** looks at the initiatives various houses are adopting



Another kind of pop: these bottles were created by Central St Martin's College of Art & Design in London as a tribute to Andy Warhol

**A**s the crucial Christmas trading period approaches, champagne producers are putting the accent firmly on adding value after a difficult couple of years of recession-fuelled revenue declines.

After a dismal 2009, in which export shipments slumped 20% by volume and 28% by value – and it would have been worse but for a discount-driven sales boom during the festive period – 2010 has been a year of volume recovery for the sector.

“Last year was not an *annus horribilis*, but very, very difficult,” says Ghislain de Montgolfier, president of the Union des Maisons de Champagne. “The crisis hit everybody in all parts, and the importers stopped buying because they wanted to sell their own stock.”

However, by the end of June 2010, total shipment volumes (including France and exports) had surged back up by nearly 40%, boosted by a weakening euro. “We are very happy with the euro,”

# The art of poise

reports de Montgolfier. “That, and the fact that the economy overseas is going well – China, the US, even Japan.”

He pinpoints the value question as the key to champagne’s long-term recovery. “Last year, we drank more than our sales, but the mix was different. There was more brut non-vintage – and you could forget vintage and prestige cuvée.”

Prices have been as low as sub-€9 in French hypermarkets, while deals in the UK have plumbed the depths of below £10 a bottle – hardly ideal when many of the wines in question come from the most expensive champagne harvests in history.

**LAST YEAR WAS NOT AN ANNUS HORRIBILIS BUT VERY, VERY DIFFICULT**

GHISLAIN DE MONTGOLFIER

Retail buyers in key markets such as the UK, Germany and Belgium will be on the lookout for more cut-price deals for Christmas 2010 – and, in many cases, they’re likely to find them. Too many producers are still keen to unload surplus stocks and generate much-needed cashflow.

As champagne houses struggle to inject value back into the market – and many believe that it could be three years before prices return to their pre-recession levels – added-value initiatives become ever more important, as our round-up of current brand activity shows.

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### Added glamour

There's nothing like a couple of Dom Pérignon launches to bring a little extra glamour to proceedings, especially when the wines in question come from two of the finest vintages of recent times.

The simultaneous releases are of Dom Pérignon 2002 and Dom Pérignon Oenothèque 1996, the former hailed as arguably the best vintage since the millennium, and the latter a beautiful balance between rich, ripe fruit and crisp acidity. Originally released in 2003, the '96 has gained intensity and complexity from extended ageing on the lees.

The prestige cuvée has also gone into an eye-catching partnership with Central St Martin's College of Art & Design in London, releasing a collection of pop art design bottles as a tribute to Andy Warhol, available in the UK through Harrods, Harvey Nichols and Selfridges.

Meanwhile, stablemate Moët et Chandon has finally released its delayed 2002 Grand Vintage after an unusually long ageing period of seven years. In fact, the house reversed convention by releasing its faster-maturing and distinctive 2003 vintage before the 2002.



### Festive treats

Pommery, owned by champagne-to-port producer Vranken Pommery Monopole, will be highlighting a number of Christmas



product launches during TFWA Cannes.

Following a successful tie-in between sub-brand Pommery Pop and contemporary artist Federica Matta, part of the Pop Collector series, the house is now rolling out a series of Matta-designed special edition cartons for the Christmas period.

The three cartons for the core Pommery brut non-vintage expression, featuring winged hearts, stars and moons, are designed to be a collectible limited edition.

Also slated for a Christmas release is the latest vintage of Cuvée Louise, Pommery's flagship prestige cuvée. The 1999, described by cellar master Thierry Gasco as "off the beaten track" and coming from a year "full of contrasts", will also be offered in three- and six-bottle wooden presentation boxes, wrapped in silk paper and including Gasco's personal notes on parchment.

Finally, Pommery has chosen to extend its eco-friendly Pop Earth range with the addition of Pop Earth Rosé



to the portfolio. The range, produced from sustainably managed vineyards, is packaged in a lighter bottle, with a recycled paper label printed using water-soluble inks.

### Repositioning

Few houses have been hit as hard by the recession as Laurent-Perrier, coinciding as it did with the repositioning of the company's product range at higher prices.

The house has indicated a closer focus for the moment on brut non-vintage and its ever-popular rosé, the latter benefiting from the presence of an ice bucket gift set in retail, and which can also be used as a POS device in the on-trade.

There are gift packaging options for the core non-vintage in the off-trade, plus wooden gift boxes for the company's new Ultra Brut 2000 vintage – which hopes to tap into the potential for

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serving low-dosage champagnes alongside food.

Meanwhile, Laurent-Perrier will this Christmas continue to promote its Grand Siècle by Laurent-Perrier Champagne Cradle in both the on-trade and retail, following its launch last year.

The cradle, crafted by pewtersmiths in the Loire Valley, serves as a champagne pourer and also contains an ingenious cooling mat designed to keep the champagne at its ideal temperature of 10°C.

### Everything's rosé

Co-operative-produced Nicolas Feuillatte is aiming to capitalise on the enduring consumer love affair with rosé by unveiling a new cooler jacket for its core non-vintage expression, as well as for its 2004 vintage Blanc de Blancs and its small-format One Fo(u)r bottling.

There's also gift packaging for the brand's distinctive, barrel-fermented duo,

**Pommery's Matta-designed special edition cartons for Christmas; Nicolas Feuillatte's rosé cooler jacket; Laurent Perrier's ice bucket gift set; and Mumm's "Georges" ice bucket**



This includes "Georges", a Champagne ice bucket designed as a tribute to Georges Hermann, founder of Mumm, and unveiled at an exhibition at the Pompidou Centre in Paris.

In travel retail, Mumm has again used its Grand Prix associations with a Formula 1 promotional campaign at Sydney and Melbourne airports during the Australian Grand Prix in March this year.

The campaign included displays as well as tasting bars within the airports and in Qantas business lounges. A similar promotion was scheduled to coincide with the Singapore Grand Prix during September.

Sister brand Perrier-Jouët has also been working with a French designer – in its case, Noé Duchaufour-Lawrance – as well as three-star Michelin chef Anne-Sophie Pic.

The artistic pair have created a Champagne tasting table, the Perrier-Jouët Flower Table, which combines a practical application, allowing consumers to try the various cuvées alongside food matches, with a design aimed at evoking the brand's elegance.

**DI**



Cuvée 225 vintage 2003 and Cuvée 225 Rosé vintage 2004 – the latter generally an on-trade exclusive with limited retail distribution.

Pernod Ricard's Mumm Champagne has been celebrating 10 years as the official champagne partner to Formula 1 during 2010, including a gala event at the Hermitage palace during the Monaco Grand Prix.

The event coincided with the 60th birthday of the Formula 1 World Championship, attracting a host of former champions, including Sir Jackie Stewart and Nigel Mansell. The Mumm contract with Formula 1 has now been renewed until 2012.

Meanwhile, the brand has also been working with French designer Patrick Jouin to create a range of eye-catching Champagne service accessories inspired by the trademark Mumm red sash, or cordon rouge.

## GOLD

### Sweet Cider - Super-premium

**Neige Premiere, Ice Cider** - La Face Cachee de la Pomme

### Medium Cider - Premium

**Gaymer's Stewley** - Gaymer Cider Company

**Merrydown Medium Cider** - Merrydown

### Dry Cider - Premium

**Waitrose Organic Vintage Cider** - Waitrose

### Organic, Fruit Cider & Specialities - Super-premium

**Domaine Pinnacle Ice Cider** - Camus Wines & Spirits

## SILVER

### Sweet Cider - Premium

**Maddens Mellow Armagh Cider** - Armagh Cider Company

**Westons Oak Conditioned Medium Sweet** - H Weston & Sons

### Medium - Mainstream

**Mercury Artisan** - Carlton & United Breweries

### Medium - Premium

**The Orchard Pig Medium (6.5%abv)** - The Orchard Pig

**Gaymer's Newton Vale** - Gaymer Cider Company

**Henry Weston Vintage 2009 Cider** - H Weston & Sons

### Dry - Mainstream

**Strongbow Clear** - Carlton & United Breweries

**Woodgate Dry Amber Cider** - Lidl

### Dry - Super-premium

**Sainsbury's Taste The Difference Suffolk Cyder** - Sainsbury's

### Organic, fruit, specialist - Premium

**Hogan's Vintage Perry 2009** - Hogan's Cider

### Organic, Fruit Cider & Specialities - Super-premium

**Autumn Harvest Perry** - Newton Court Cidery

**Aspall Organic Suffolk Cyder** - Aspall

# Cider insider

## First International Cider Challenge proves global appeal of fruity beverage

**T**he results of the International Cider Challenge 2010 are in. This is the first year of the competition and it attracted more than 100 entries. *Drinks International* recruited a panel of cider experts to blind-taste the ciders, which were then awarded trophies and medals.

The overall trophy winner was Merrydown Medium Cider. Judges were: Simon Russell who represents the National Association of Cider Makers; Helen Thomas from Westons Cider; David Sheppy from Sheppy's Cider; drinks journalist Guy Thornton; cider historian James Crowden; and drinks professional and cider consumer Deborah Collinson.

Chairman of the judges and *Drinks International* editor Christian Davis said: "We had cider from all over the world, including Czech Republic, US, South Africa and Canada.

"We were really pleased to have such a good response - especially from an international perspective. People think cider is an English drink but the competition demonstrates that it's truly international.

"There's a real sense of community in the cider industry and there is a need for this sort of competition. Judges regarded competitors' products in a very positive way and I think the competition was appreciated by the cider community."



Christian Davis



James Crowden



David Sheppy



Simon Russell



# Cider Challenge



**TROPHY**  
Merrydown  
Medium Cider



**NEIGE**  
CIDER DE GLACE - ICE CIDER  
PREMIERE



Waitrose  
Organic

**VINTAGE  
CIDER**

Alc 5% Vol



**Pinnacle**  
Cider de glace - Ice Cider

RECEIVED  
2005

DOMAINE PINNACLE  
Piquetteurs (Quebec)



**SUFFOLK  
CYDER**  
HALL FARM  
ASPELL



**HOGAN'S  
VINTAGE  
CIDER**  
PERRY 2009

100%  
FRESH  
PRESSED  
ENGLISH  
FRUIT



## BRONZE -

### Sweet - Premium

**Kopparberg with mixed fruit**  
**Kopparberg with elderflower and Lime**  
- Ciders of Sweden  
**Churchwards Original Cider** - Lidl

### Medium - Mainstream

**Strongbow Original** - Carlton & United  
Breweries  
**Mercury Draught** - Carlton & United  
Breweries  
**Brothers Bittersweet Apple Cider** -  
Brothers Drinks

### Medium - Premium

**Carsons Crisp Armagh Cider** - Armagh  
Cider  
**Addlestones** - Gaymer Cider Company  
**Mad Apple** - Mad Apple  
**Autumn Harvest Cider** - Newton Court  
Cidery

### Medium - Super-premium

**Sainsbury's Taste the Difference**  
**French Sparkling Cider** - Sainsbury's  
**Aspall Draught Suffolk Cyder** - Aspall  
**Stassen Excellence** - Stassen

### Dry - Premium

**Tillington Hill** - The Co-operative  
Farms  
**Waitrose Leckford Vintage Cider**  
**Westons Oak Conditioned Medium Dry**  
- H Weston & Sons  
**M&S Vintage 2009 Cider** - Marks &  
Spencer/Thatcher's Cider Company  
**Merrydown Dry Cider** - Merrydown

### Dry - Super-premium

**L'aunay Cidre 3 Year Old Brut**  
**Sparkling Champagne style** - L'aunay  
**Aspall Premier Cru** - Aspall

### Perry/pear - Mainstream

**Bulmers Pear** - Carlton & United  
Breweries

### Perry/Pear - Premium

**M&S Vintage Pear Cider** - Marks &  
Spencer

### Single variety - Premium

**Katy Rose** - Thatchers

### Organic, Fruit Cider & Specialities - Super-premium

**Aspall Peronelle's Blush** - Aspall  
**Biddenden Special Reserve** -  
Biddenden Vineyards



Guy Thornton



Debbie Collinson



Helen Thomas



# Cider Challenge

## COMMENDED

### Medium mainstream

**Bulmers Original** - Carlton & United Breweries

### Medium Premium

**The Orchard Pig Medium (4.2%abv)** - The Orchard Pig

**Thatchers Gold** - Thatchers

**Friels** - Cool Apple

**Gaymer's Devon** - Gaymer Cider Co

**Gaymer's Somerset** - Gaymer Cider Co

**Morrisons The Best Vintage** - Morrisons/H Weston & Sons

### Dry - premium

**Westons Oak Conditioned Extra Dry** - H Weston & Sons

### Pear/Perry - premium

**Orchard Hills Pear Cider** - Aldi

**Stassen Cider-Pear** - Stassen

### Organic/Fruit/Specialist

**Biddenden Monks Delight** - Biddenden Vineyards

## BEST IN CATEGORY

### Sweet Cider - Premium

**Westons Oak Conditioned Medium Sweet** - H Weston & Sons

### Medium Cider - Mainstream

**Mercury Artisan Cider** - Carlton & United Brewery

### Medium Cider - Premium

**Merrydown Medium Cider** - Merrydown

### Medium Cider - Super-premium

**Stassen Excellence** - Stassen

### Dry Cider - Premium

**Waitrose Organic Vintage Cider** - Waitrose

### Perry/Pear Cider - Premium

**Hogan's Vintage Perry 2009** - Hogan's Cider

### Organic, Fruit Cider & Specialities - Premium

**M&S Cider with Raspberry** - Marks & Spencer

### Organic, Fruit Cider & Specialities - Super-premium

**Domaine Pinnacle Ice Cider** - Camus Wines & Spirits



## DESIGN & PACKAGING

## GOLD

### New

**Domaine Pinnacle Ice Cider** - Camus Wines & Spirits

### Repackaged

**Carsons Crisp Armagh Cider** - Armagh Cider Company

**Thatchers Gold** - Thatchers

## SILVER

### New

**Hogan's Vintage Perry 2009** - Hogan's Cider

**Tillington Hill** - The Co-operative Farms  
**Autumn Harvest Cider** - Newton Court Cidery

**Maddens Mellow Armagh Cider** - Armagh Cider Company

### Repackaged

**Green Goblin** - Thatchers

## BRONZE -

### Established

**Stassen Excellence** - Stassen

### New

**Brothers Bittersweet Apple Cider** - Brothers Drinks

**Stassen Cider-Apple, Stassen Cider-Pear** - Stassen

**Brothers Tutti Frutti Cider** - Brothers Drinks

**Friels** - Camus Wines & Spirits

### Repackaged

**Strongbow Original, Strongbow Clear** - Carlton & United Breweries

**Merrydown Medium Cider, Merrydown Dry Cider** - Merrydown





# From here to modernity

**From pink port to traditional producers also making table wines, the world-famous fortified wine from Portugal is having to keep abreast of trends. Christian Davis reports**

**T**here is no doubt that the Douro valley is one of the most beautiful, most distinctive and the oldest designated vineyard region in the world. The fortified wine that comes from this unique region in northern Portugal is one of the world's most famous wines.

Yet these days nothing can be taken for granted. It does not matter how well the product is made or how old and venerated it is, if you are not up to date you are in danger of not being relevant and there are plenty of alternative products to sway consumers.

Different producers have different approaches to the evolving market. Adrian Bridge of the Fladgate group, which owns Taylor Fonseca and Croft, has no

interest in table wines but pioneered pink or rosé wine utilising his Croft brand. On the other hand, the other premium port producer, Symington, was early into table wines, but it fails to think pink.

Bridge says: "I think it's important to remain focused on port. We are all competing to get the best grapes. The challenge in the Douro is that there are not enough good grapes."

There is an irony which Bridge acknowledges. The Douro is now a World Heritage site and the opportunity to develop and exploit tourism is immense. Bridge saw it early and built a boutique hotel called The Vintage House on the shores of the river in the centre of the region at Pinhao. He quickly sold it, but, if he burnt his fingers, it has not stopped him seizing a huge plot of land

above Villa Nova de Gaia – where all the producers traditionally have their lodges for ageing port – and building an 82-bedroom hotel with a wellbeing spa and 60-cover gourmet restaurant.

He says wryly: "I am in the slightly odd position that we are not making table wine but with the new hotel we are the largest promoter of Portuguese table wines."

Bridge's plan is for the Yeatman (see *Drinks International*, August 2010, p50) to be a showcase for Portuguese produce – everything from meat and vegetables to wine. Some 57 of the suites are sponsored by wine companies, including many of Fladgate's fiercest rivals. "The irony is not lost on me," admits Bridge. "We also have a wholesaling company and we sell a large amount of table wine."

So, while table wines are not for Bridge and Fladgate, he spent three years getting regulatory clearance for a pink or rosé port. "This was a personal project and the category is well established with eight producers making pink," says Bridge.

As always there are sceptics, but Bridge sees pink as a "new consumption moment for port" and therefore providing potential incremental business. ► p54





# Port



He saw Croft Pink mixed in a burger bar called Little Bigs in Texas and, spotting a good idea, brought the idea back to the homeland. There are now Croft Pink slush machines in bars on some Portuguese beaches.

While Symington Family Estates has invested heavily in table wines, it has not taken its eye off port. Joint managing director Paul Symington points out that its 2007 vintage Dow's got 100 *Wine Spectator* points – something no champagne and only a few Burgundies have managed to attain. With the recent economic downturn, the declared 2007 vintage has been good news for port. Both Symington and Bridge have seen recovery and growth in the key US market.

Far from being risk-averse, Symington broke new ground some years ago with its Otima tawny port brand in a modern, clear-glass bottle and the fact that it still holds a place on supermarket shelves is a testament to its success.

## New audiences

Christian Seely of AXA Millesimes, the fine wine division of the French insurance giant, looks after – if not personally tends – the iconic port house Quinta do Noval. Along with Taylor's, Noval with its Nacional from a few terraces at the quinta probably commands the greatest prices at auction.

It would be easy for Seely to sit back and enjoy the view – the quinta sits high on a bend above the river, facing a Taylor's vineyard – but not him. Just coming on to the market is Noval Black. It's in a black bottle, for sure, but not the usual squat port bottle. No, Noval Black is a Bordeaux-shaped bottle and recommends chilling like a tawny.

"The deliberate intention with the packaging and presentation is to appeal to a new audience, specifically a younger audience," Seely says. "Port was developed by 19th-century Anglo Saxon men and the (traditional) packaging



The terraced vineyards of Quinta do Noval

reflects that. This is intended more for back bars and clubs. It has been vinified and blended to be pure, concentrated, sexy and easy to drink," says Seely.

Noval is also releasing a new LBV (late bottled vintage), which is unfiltered, the grapes trodden in lagares and now from a single quinta. Seely is critical of producers who undermine the important LBV category by deep discounting to the major multiple retailers. "LBVs should be sublime, not something for bogofs (buy-one-get-one-free). We remain resolutely upmarket and resist temptations to do deals. We see LBVs as a 'baby vintage' that could easily age for years."

Noval does not have to do anything other than what it is already doing. But that is not for a restless spirit such as Seely. Apart from a private project not far from Noval, which involves a small boutique hotel in the middle of a new vineyard overlooking the river, he has also been experimenting, planting table grapes. Syrah has done well but Seely describes the Cabernet Sauvignon as "an



Christian Seely: "Red wines draw attention to terroir"



Paul Symington: seeing recovery in US markets

ugly tourist". Already some of it has been grafted to Tinta Francesca, a traditional Douro variety. He thinks Petit Verdot could be "very interesting" and he hasn't given up on Mourvèdre.

Seely adores Noval and is passionate about port, despite also looking after some top Bordeaux chateaux for AXA. Based in the most famous wine region in the world, given the chance one suspects he would up sticks with his French winemaker wife and small boys and live in the Douro. But he is an outsider in terms of the port establishment and arguably sees things in a wider perspective. Noval is an iconic wine but he has marched it into table wine.

"Port is the day job," says Seely, "but 20% of sales are now red table wine (his wife has made a fresh, crisp white from Douro grapes). I believe making high quality reds has helped distribution of port. Each helps the other.

"Red wines draw attention to the Douro as a great vineyard terroir – one of the things port has failed

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to do. Not only does it make one of the great wines of the world, but it is one of the great terroirs, not just a great drink,” says Seely, hitting his stride. “The major brands and all at Villa Nova de Gaia have not helped at entry level in establishing that port is a wine and a great wine. So table wines have been useful in expanding the discourse about the Douro. More and more with port, it is to accentuate quality and terroir of the Douro valley,” he concludes.

## Changing fortunes

Port was developed by the British for the British and at the premium end it remains dominated by the likes of Fladgate and Symington. As some of the giant drinks companies have come out of port because it is expensive to produce and they cannot make enough profit, so some great but neglected brands have come up for grabs.

Diageo sold Croft to Fladgate and the vineyards and production facilities of Cockburn's (not the brand itself though) were sold to the Symington group. Also significantly, the long-neglected Sandeman brand fell into the hands of Portuguese wine producer Sogrape. The company is now a major player in the region. Its president, Salvador Guedes, told *Drinks International* that Sogrape bought Ferreira in 1987, took Offley off Bacardi Martini in 1996 then got Sandeman, offloaded by Diageo and Pernod Ricard as they carved up Seagram.

“Port is now 40% of our business,” says Guedes. The old Ferreira winery at Pinhao has undergone massive investment and the building sports a Disney-esque visitor centre with fancy AV and guides who go round in monks' cloaks. The hospitality area has a view of the valley Christian Seely would enjoy.

Here is a brand just waiting for some attention and you sense the considered, quietly spoken man from Sogrape is going to provide it. Unfortunately, there does not appear to be much in the cellars

– hardly surprising with companies more interested in short-term gain and a quick sale – so Guedes has a long-term project to build up stocks, upweight blends and lay foundations for fine vintages.

Guedes approves of pink and port with ice and tonic. Sandeman has been promoted with cheese and with chocolate in the all-important US market. He also sees the development of the Douro as a tourist destination as key to raising awareness of port. Sandeman has 80% of Italy's port market with Sandeman and Offley. Sandeman is number one in Belgium (Offley number two) and number three in the high-volume, low-profile French market.

Another Portuguese company that has set up shop, or hotel, in the Douro, is Amorim. The world's largest producer of traditional cork wine stoppers took over the old Burmeister quinta, renaming it Quinta Nova. It is early days – the winery has a 600,000-litre capacity but is only using a third of it. It does a ruby, LBV and there is a vintage, but 80% of production is given over to table wines. This autumn it unveils a 2008 Reserva, 2008 Touriga Nacional, 2007 Gran Reserva and a €30-Tinta Roriz-based super-premium wine called Referencia.

At the other end of the scale is Quinta do Crasto, which virtually overlooks Quinta Nova. Miguel Roquette is one of the Douro's ‘family’. A distant cousin of Salvador Guedes, he has worked for Sogrape and for Noval when it was owned by Christiano van Zeller, pre-AXA. Crasto claims to be one of the first to make table wines, although he is quick to say it is first and foremost a port estate.

Crasto was a fulfilled dream for his father. He describes him as a “visionary”, but he fled to Brazil in the early 1980s because of the political regime in Portugal. Crasto has some of the first vertical terraces in the Douro and David Baverstock, a well known Australian winemaker who married and settled in Portugal, was called in to help make table wines around 1994.

## Price wars

Roquette looks askance from his Douro eyrie at what is happening to port. “We are not in crisis but we have been going through some bad moments,” he tells *Drinks International*. “One of the things that has caused this has been LBV prices in the UK. It has backfired on us in other markets. Port is complicated. We go to wine fairs and visit accounts and we get asked what is the difference between

**Miguel Roquette at Quinta do Crasto believes Douro table wines have a good future**

**(Below): Schist – the stuff vines have to grapple with**

**innovative Otima, Dow's 100-pointer '07 vintage and Noval Black**



ruby and vintage? Then they ask what is ‘crusted’? Vintage is important, like classic Bordeaux, but the volume business is 85-97%. The true war is over shelf prices,” says Roquette.

“We have no influence over that. That is for the big players. The global crisis has helped to ‘clean’ the market. It has been the law of the jungle. The weak and old will die. In some cases, this is good.”

Roquette sees a good future for Douro table wines. “Table wine is easier to sell and Crasto has had good results. It has opened doors but we will always keep port. I think every single port house will be involved with table wine. There is enormous potential,” he says. But he is anxious to stress he does not feel port needs “saving”. He wants to improve Crasto's vintage port. “It is not important to business but it is important to Crasto's prestige and history,” he finishes.

## Challenging markets

So, port remains on course. It has the luxury option of well-regarded, world-class table wines to fall back on should the world really fall out of favour with high-strength fortified wines – something the sherry producers would probably love as a fall-back option.

Nevertheless, the burgeoning markets of Asia remain a challenge. The likes of Fladgate and Symington and Seely with Noval are all there. But they all admit to a daunting learning curve for drinkers in these markets as to what port, with its various styles, is all about. Most are convinced that the Chinese in particular will take to the sweet, strong, dark wine once they get a handle on it.

Bridge, still slightly out of step with his main competitors, sees eastern Europe and Russia as more fertile fields to till. He cites countries such as Poland as having acquired a taste for port before the days of communist rule and the Iron Curtain.

It has been tough. But, as they say, any port in a storm.

**DI**



**The gifting season is the time when drinks packaging really comes into its own, but it's about getting more right than just the look. Lucy Britner reports**

# Present and correct

Photo: Shutterstock/Olga Miltsova

**O**ctober means Christmas is well and truly on its way for the drinks trade. Not only that, the month plays host to the biggest event in travel retail, TFWA Cannes.

Christmas and travel retail spell luxury when it comes to packaging design.

What's in fashion? Is the environment an issue for gift-hunting consumers? What exactly do they want?

Design agency Dragon Rouge describes gifting and travel retail as an opportunity for the drinks industry to "show their knickers."

Creative director David Jenkins says: "To the drinks industry, duty free and gifting is their haute couture of packaging. A chance for booze brands to show their knickers."

And they are bound to be tasteful, expensive undergarments because general insight suggests consumers are willing

to spend 30% more on gifts than they would on themselves.

The Absolut Company director of global travel retail Anders Olsson says travel retail shoppers are often trendsetters.

He adds: "Global travellers are an extremely interesting and challenging target group of early adapters and trendsetters. These consumers are constantly on the lookout for something new and exciting – something that can't be found back home.

"To be successful in the cut-throat competition of the duty free/travel retail market, we must not only meet but exceed the high demands and expectations of this discerning target group, constantly presenting them with something new and unexpected they never even knew they needed or desired."

When designing something the customer desires, exploring what else is



going on in their lives is a must. Since 2008, this has included paying attention to recessionary doom and gloom.

Diageo's global design director, Jeremy Lindley, says it's not all about trends: "We're not in a pure fashion/trend arena. Consumers are looking out for products they can trust. Often when brands team up with designers, they look to emphasise something of the brand's heritage.

"Consumers seek brands they can trust as well as new offers and innovations with that brand. Consumers are increasingly thinking: 'What if I don't like it?'"

This cautious feeling is referred to by Dragon Rouge's Jenkins as a "sense of sobriety" and both he and Stranger & Stranger's creative director, Kevin Shaw, say this has been reflected in designs themselves.

Jenkins says: "Packaging design can follow fashion trends and

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# Packaging

fashion follows social culture. There seems to be a sense of sobriety. To varying degrees consumers have reappraised their lives and attitude to consumerism."

Responding to a question about what the next trend in packaging design will be, Shaw says: "Innovation I hope. Safe has been around for way too long."

## Christmas and duty free launches to look out for:

Chivas Brothers has launched a winter version of its Beefeater gin brand.

Beefeater Winter Edition will be available in 15 "key markets", including US, Spain, UK, Japan and travel retail in a special edition bottle and gift carton for a limited period.

Developed by Beefeater's master distiller, Desmond Payne, Beefeater Winter Edition includes the additional botanicals cinnamon, nutmeg and pine shoots. According to Chivas, Payne added these botanicals, along with extra Seville orange peel, to the original Beefeater London Dry recipe. The gin is priced £17.99.

Chivas Regal has teamed up with graphic designer and illustrator Alex



## Green light

### Is the environment a priority for consumers seeking gifts?

Anders Olsson says: "Yes, we do indeed see a constantly increasing environmental and moral consciousness from our consumers. While these consumers are always on the lookout for exciting and spectacular new products, they expect these products to be produced and distributed in sound manners."

Diageo's Lindley says it's all about the reusability of the packaging – like a bottle that comes in a box or a tin that can be used again. "People love to have a keepsake," he adds.

But Shaw isn't so convinced. He says when it comes to buying gifts, consumers want packages to pack a punch. He says: "They'll (consumers) say they are buying more 'ethically' but don't believe a word. A few people might be happy giving gifts in tofu carrier bags but gifts, especially where drinks are concerned, are about a bit of overpackaging and a touch of bling. "It's showtime and saving the manatees can wait until tomorrow."



Trochut to launch a limited edition gift tin for its 12 Year Old expression. The gift tin will be available globally and, according to Chivas, it is "inspired by the Chivas Regal heraldry and label crest, and incorporates a contemporary, bold monogram based on the twists and movements of a steel ribbon".

Trochut says: "Chivalry to me is something you trust, something you respect, a good relationship like you would have with your brother... it's a good rhythm of living. With this project, it was important for me to capture this feeling in a modern image that could then be applied to a 3D object. The ribbon swirling into the abstract heraldic shapes, along with the letters C and R knotting with each other form the perfect monogram."

Chivas Regal has previously partnered with high profile names such as Christian Lacroix, Alexander McQueen and Evan Douglas.

## Famous names

Diageo's Smirnoff 21 is debuting an "augmented reality" pack in travel retail. The customer holds up the bottle to a computer to reveal an animated party scene. (See TFWA preview, page 31, for more.)

Diageo has also partnered its Johnnie Walker Blue Label brand with golfer Greg Norman to create the Johnnie Walker Blue Label 'Venturer' bag.

Made by Bill Amberg Studio from calfskin, this limited-edition bag – only 331 available worldwide in recognition of the number of weeks Greg Norman reigned as World Number One – contains a suit compartment, shirt pocket and three bespoke accessories designed for the professional "at the top of his game". A bottle

of Johnnie Walker Blue Label is stowed in a detachable leather carrier. This is accompanied by a Blue Label hip flask with leather trim and four stainless steel cups in a leather holder. The 'Venturer' also contains a travel hold with three silver-plated golf tees, which can double to store golf balls or cufflinks.

## Chilling out

Veuve Clicquot is rolling out a mini fridge cooler between now and Christmas. The little yellow fridge is capable of keeping a bottle of Veuve at the correct drinking temperature for two hours.

The product is available in duty free as well as in high-end retail outlets such as Selfridges and Harvey Nichols for £45.

Along the theme of chilling out, Moët & Chandon has launched a Moët chill box. The cooler is sold with a bottle of Moët Brut Imperial enclosed in the "pristinely designed gold concave which is capable of keeping your champagne at optimum temperature for two hours". The Moët chill box is available at Waitrose, Odbins, Selfridges, Harrods, Fortnum & Mason and Harvey Nichols, starting price from £28.99.

Or you could design your own bottle. Moët & Chandon is offering a bespoke bottle personalisation service for a limited time at Selfridges in London. For six weeks over the festive season, customers will have the opportunity to buy a bottle or magnum of Moët & Chandon Brut Imperial that has been personalised with Swarovski crystals with a name, date or event of their choice (letters or numbers only). This service will be available starting at £50 for Moët & Chandon Brut Imperial 75cl.





# Russia & Ukraine

**R**ussia, and specifically Moscow, is on the drinking up. There was a time when the only queues Muscovites experienced were out of bread shops, but increasingly it seems they weave away from decent bars. And, while there may still be some way to go, the leading bar professionals have confidence in the scope for sophisticated sipping.

Indeed, drinks industry eyes are now prying into the key cities in Russia, and there's as much confidence in the potential exuding from the travelling bartenders who have been back and forth over the past decade.

The truth is though, that at this stage it is Moscow setting trends, with its more traditional cousin city St Petersburg not quite busting the boundaries of discerning drinking.

And, while things have changed in Moscow, even the local bartending talent here admits it is still tough to find a place that has it all. When you do find a great bar it's invariably a small venue hidden off the beaten track. Discover one, though, and you'll learn how the bartenders are formidable and the drinks high quality with a crowd oozing cool.

There is certainly passion for professionalism in Russia and the once-small bartending community is growing quickly – there are now a number of bartending schools and folks like Vladimir Alexeev and Vladimir Zharavlev, who created the Bartender Brother, are examples of how things have changed.

And, with the likes of Roman Milostivy, who at the time of writing was flying to Volgograd to set up a Rematch Beeyatch – the now global cocktail competition for bartenders, run by bartenders – it's clear the sense of enjoyment is very much alive here. This undoubtedly transfers to the customer, which makes it a vibrant and crucial market for cocktails going forward.

It's an interesting time for the country emerging as a financial powerhouse and there's a lot more going on here than vodka, so check it out.

A big *Drinks International* thanks must go to the bartending community there, who proved a fantastic guide to Moscow, most notably Bek Narzi who gives his views on page 67.

Tom Sandham, World's Best Bars editor

## World bars: quest for the best

In the fifth of Drinks International's in-depth surveys, owners and managers of 50 elite bars throughout Russia and Ukraine were contacted directly by Leslie Henry Research Ltd to learn their choice of top bars and spirits.

This month's report covers the best bars within this area, as selected by this group of industry insiders.

Shutterstock/Vasily Smirnov

## CITY SPACE

Swissotel Krasnye Holmy, 52 Kosmodamiansky Embankment, Moscow

**S**wanky and high, the City Space bar follows the city trend of a room with a view to excellent effect and can be found on the 34th floor of Swissotel Krasnye Holmy. Benefiting from the touch of class Bek Narzi brings to proceedings, it is proudly offering some of the best drinks in town, with a set of classics to sample along with innovative twists on the themes.

Narzi has introduced western European expertise and Ideas, making this one a trendsetter for the past two years, according to local media and critics.

Indeed, in recent months there have been visits from global bartending elite with the likes of Ago Perrone, Ian Burrell and Andy Pearson all making an appearance for training sessions. So, while you'll pay a bit more than the average, the view combined with excellent drinks is well worth the extra roubles.

## Touch of class





## FOCUS ON RUSSIA & UKRAINE



### TOMMY D

1 Tretyakovsky Proyezd, Teatralnaya, Lubyanka, Moscow

A sign of the serious Russian commitment to a drinks revolution, the menu here was put together by Russian drinks guru Bek Narzi. Found in the more upmarket Tretyakovsky Passazh, prices reflect the status of real estate, but it's more notable for its excellent bar team which, along with those commenting in this feature, also includes the talented Igor Zernov. Tommy D is setting the trends and standards that many other Russian bars will need to follow.

### O2 LOUNGE

Ritz Carlton, Moscow

Opened by another talented drinksmith, Roman Milostivy, this high-rise imbibing icon can be found on the 11th floor of the Ritz Carlton Hotel. A revolutionary's stone throw away from the Kremlin, the building harks back to an elegant era of the Tsars but mixes it with some modern chic. Head bartender Mikhail Kalachev is stirring hearts and minds with his mixing skills here and, framed as he is by a magnificent glass dome for views, he can't fail but to impress the customers.

### SKY BAR

Leninsky Prospekt 32a, Moscow

Another up and up, this bar sits on the 22nd floor on top of the Academy of Sciences. There's an outdoor area although Russia's harsh winter means this is possibly best enjoyed during only the very warm summer months.

### SIMACHEV

Stoleshnikov Pereulok Dom 12/2, Moscow

A more quirky stab at the drinking experience, this place operates as a snack gaff during the day and converts into a high-end drinking establishment for the beautiful people in the evening.

### TIKI BAR

3a Sadovaya-Kudrinskaya Ul., Moscow

Tiki style arrived in Moscow to mixed reviews but there's no doubt that this place ticks the boxes in terms of the theme with a vast selection of rums and a host of Tiki cocktails to boot. Rowboats around the bar double up as seating and Hawaiian tiger shrimp and tuna steak with fruit salsa make it on to the menu.

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## FOCUS ON RUSSIA & UKRAINE



### CRISTAL YARD BAR

**1 Tret'yakovskiy Proyezd Teatralnaya, Lubyanka, Moscow**

This is part of the Tommy D set-up but a separate bar and more exclusive – so one for those in the know. Among the team members is Vasily Roganin, who has also been raising eyebrows with his bartending skills more recently.

### GQ

**Ulitsa Baltshug Dom 5, Moscow**

A massive space, this is very much about the entire evening experience, so add food and music to the drinks mix. But it remains one of the more popular and certainly fashionable spaces in the city.

### DREAM BAR

**17 Myasnitskaya Ul., Bldg. 1, Moscow**

Bar mogul Dmitry Sokolov is a bit of a name in these parts and this is part of his growing empire. It's a serious drinking den and nicely located within walking distance of the Chistiye Prudy metro.

### FREE BAR

**21-23/25 Pokrovka Ul., Bldg. 1, Moscow**

Another offering from Dmitry Sokolov, Free Bar exhibits unusual levels of Americana, not to mention a Pornstar

Martini on the menu. There are also 30 bourbons and breakfast from 5am, so you can't argue with that.

### HELP BAR

**27 1-ya Tverskaya-Yamskaya Ul., Bldg., Moscow**

Dmitry Sokolov opened this place in 2004, around about the time Moscow was considering its cocktail revolution. Open all day every day, the speciality on the menus seems to be a hangover cure so perhaps this is one to save for the second day in town.

### ST PETERSBURG (THE CITY)

Often found struggling to extend beyond the English and Irish pubs, St Petersburg is slowly changing and, thanks to the likes of the talented Vasily Melnikov, co-owner and mixologist of the dotfix bar school, the city has turned the corner.

## The bar professionals

Bek Narzi has been in the industry for 10 years and worked at such illustrious London venues as the Avenue Bar at St. James's street, the Met bar, Milk & Honey and the Harvey Nichols 5th-floor bar. He returned to Russia after extensive training with the Match Group and now works at Moscow City Space Bar at Swissotel Krasnye Holmy. Through his Russian Cocktail Club consultancy he influences many trends in the cocktail scene

Russian bar owners have ambitions to become world recognised. At the moment the trends are similar to London's Lab bar in its early days, so we are a little behind, but through the Russian Cocktail Club we are trying to follow the latest bar trends in Europe, US and Japan.

Bar consulting is something new and most of the owners do not believe in trying to do everything by themselves. But it changes when they get results.

Depending on the bar, a new generation of young and progressive customers do not drink vodka, they tend to drink softer cocktails.

The majority of cocktails in Russia contain fruits, purées, sugar and syrups and cream and it's fair to say the Russian palate prefers sweeter and softer rather than dryer – for instance, a Dry Martini would not be appreciated by an average drinker.



But in terms of the biggest sellers you'd be looking at drinks such as whiskey and cola, Irish whiskey and clear apple juice, rum and cola and then Mojito, Long Island Iced Tea and fruity Daiquiris.

Vodka is preferred widely by government politicians and the older generation but there is huge potential for cocktails – and the success all

depends on the passion of people who lead those bars. At the moment I can only name a dozen people who are truly determined to replace the fake and laid-back Soviet system of cocktail scenery with a progressive quality and creative industry. If I could change anything about the industry it would be to give bartenders the chance to prove cocktails are not created to get consumers hammered.



## FOCUS ON RUSSIA & UKRAINE

# The bar professionals

Xavier Padovini is currently the global brand ambassador for Hendrick's Gin and has been back and forth to Russia in recent years to test the market. In 2008 he was recognised with a Tales Of The Cocktails award for Best Brand Ambassador



I started to travel to Russia about three years ago when working on Hendrick's Gin, and returned three times to Moscow, once to St Petersburg.

These cities are very different, but the big change overall is that Russian bartenders are travelling more and exchanging more with their international colleagues. A few years ago it would have been very rare to meet Russian bartenders at Tales of the Cocktail, Paris Cocktails Spirits or Berlin BCB, but these days it's common practice. They've developed a set of networks such as the Russian Cocktail Club, the Bartender Brothers or the Russian Bartenders Association. In Moscow the bars quite often follow the same template – super-premium, nightclub,

hotel bars, small local bars or chains – but I enjoy the fact that some of them are on the same level as other top bars all around the world. I enjoy their friendly approach and warm welcome and very often the design is quite striking. Moscow bars could not be anywhere else in the world.

Both cities have fantastic bars but the scene is very different and Moscow may be slightly more up to date with industry trends. Most of the bigger operations are very luxurious and, if the back bar selection may possibly be reduced due to very complicated import regulations, most often the money is spent in the design – it has to be loud and strong. But this is only in Moscow. St Petersburg is big on European cuisine and restaurants are a priority, while most of the bars are pub-oriented where beer is heavily consumed.

Trends in drinks include classic cocktails and classics with a twist. If you go to Simachev the bartenders are amazing and you could compare it with one of London's top bars where regular classics will be served but where they also create their own concoctions – and even if vodka is very popular they are very comfortable mixing with gin.

We launched Hendrick's two years ago and we see some traction so, quite surprisingly, even in a strong vodka market consumers are interested in discovering gin.



Philip Duff has used his Irish charm to entertain customers in bars across the globe, including long stints in New York and London. He currently plies his trade with his consultancy, Liquid Solutions in Amsterdam

I recently visited Russia for only the second time, although this was 10 years after I was last there. It was quite a change, particularly as now there are bars – with bartenders. There used to be a lot of staff who tried to do everything, but now you have proper bars, speedrails, bartenders, bar tools, the whole nine yards. The general feeling is also a lot more relaxed and dynamic: a decade ago it felt quite dangerous and depressing.

A small number of people are changing things: the frontrunner is former Bacardi-Martini world bartending champion Dmitry Sokolov, very much the Jonathan Downey of the Moscow bar scene, owning six of Moscow's best bars, which influence national trends. He wisely has a range of places: a massive Tiki bar, a classic cocktail bar (Dream Bar) and a rock'n'roll cocktail bar reminiscent of Lab in the early days.

# The bartenders

Andrey Larin, head bartender, Tommy D bar

I t's a good time to start as a bartender now because we are reading and translating classic cocktail books, recipes and history. In my bar we give guests a classic cocktail and an infused classic (best seller is a whisky sour but replace sugar with passion fruit for a Tommy D sour).



Russian people like strong and long drinks and we could start to see molecular mixology. Essentially we

are trying to break the boundaries. Our bar is a little alcoholic education centre, because Russia and Russians need a drink culture very much.

Max Rokhman, head bartender City Space and member of Russian Cocktail Club

O ver four years I've seen the bar market change. Russia still has only a few very good bars, but those bartenders who really love this work started to create their own philosophy. They realise more and more that a bartender is not only a man who just



gives a drink to their customers. He is also architect, designer, artist, painter, poet, psychologist and best friend in one face. Most Russian customers like Mojito, Caipirinha, Long Island, mixed drinks. I mean very popular cocktails and well-known things. But bartenders play a very big part in the choice of customers' drinks.

Polina Sergeeva, bar manager at Tommy D and Russian Cocktail Club project manager

I've been working in the industry since 2002, but the main thing that has changed more recently is the fact that people

(customers and bartenders) will start developing their knowledge about bars and drinks.

A lot of young people want to become bartenders and we are absorbing information like a sponge. Party style bars will always be popular with music and dancing.

If we're talking about design, we can say Russian people like everything signature. I mean designer bars and new style designs, so everything fashionable.





## CRACKING...

### ESQUIRE MANHATTAN FEATURING WOODFORD RESERVE

→ 1½-2oz Woodford Reserve

→ 1oz Martini & Rossi red vermouth

→ ½oz Fernet Branca

Stir well with cracked ice. Strain into chilled cocktail glass and twist swatch of thin-cut orange peel over the top.



## IN A NEW YORK STATE OF MIND

Pre-Prohibition bourbon cocktails are all the rage in the US and the classic Manhattan is making a comeback. To celebrate, Woodford Reserve bourbon and *Esquire* magazine have teamed up to give eligible bartenders and at-home mixologists the chance to win a trip to New York City as part of the Craft the Ultimate Manhattan contest.

Entries are being taken until November 30 and eligible consumers can submit recipes online at [wellcraftedmanhattan.com](http://wellcraftedmanhattan.com). They will be judged in the categories of taste, name, ingredients, creativity and presentation, and recipes must include Woodford Reserve bourbon as the primary ingredient. One grand prize winner will receive a trip for two to Manhattan, while second and third place winners will receive prizes from Woodford Reserve and *Esquire*. Winners will be notified on or about December 20. Official rules are on the website.

In addition to the online consumer contest, Woodford Reserve and *Esquire* will host a series of bartender exhibition events in select US markets in October and November. Bartenders will showcase their own Manhattan cocktails during The Manhattan Experience events. Five finalists in every city will be chosen prior to each event from recipes submitted online and the bartenders' creations will be judged by a panel of experts. The regional winners will then show their Manhattans during an event New York City on January 10, 2011.

The Woodford Reserve Manhattan Experience bartender exhibition schedule is below:

- Monday, October 4: New York, NY
- Tuesday, October 12: Jersey City, NJ



- Monday, October 18: Seattle, WA
- Monday, November 8: Houston, TX
- Monday, November 15: Versailles, KY

In the spirit of crafting the ultimate cocktail, *Esquire* magazine's resident mixologist, David Wondrich, has developed the Esquire Manhattan featuring Woodford Reserve (see left).

## DECISION-MAKING MADE EASY

The Scotch Malt Whisky Society has launched a web tool to help whisky lovers select the right tippie for them. According to the blurb: "The Spirit Cellars ([smws.com/the-spirit-cellar](http://smws.com/the-spirit-cellar)) combines advanced algorithms with tasting notes to help customers identify their perfect SMWS malt whisky whatever the mood, place or occasion." The website features a Moodbot, a Palate Equaliser and a Phrenology Lab to assess frame of mind, palate preferences and personality to find the ideal dram for each individual. Kai Ivalo, sales and marketing director of the Scotch Malt Whisky Society, said: "Choosing the right whisky is a personal experience, with a myriad factors affecting the final decision. The Spirit Cellars whisky selection engine offers a guiding pathway through a minefield of choice, enabling us to pair whisky fans with the right single cask malt." *Drinks International* tried the gizmo, telling the Moodbot we were "happy", "excited" and "proud". Moodbot had 62 whisky recommendations (out of a possible 63...) to match our mood.

## ACE NEW VENUE ARRIVES



Aces and Eights is a new 160 capacity saloon bar and live music venue in Tufnell Park, North London. It is the latest venture from entrepreneurs Niall and Patrick Donnelly. Cocktails include Cherry Smash and Parma Violence.





## IPAD ROOTS FOR BISON GRASS VODKA

Like the iPad? Then you might enjoy bison grass vodka. Zubrowka's iPad app and tasting kit to guide consumers through the origin and taste of the vodka.

An animation guides the viewer through the steps of cultivating and cutting the grass, producing the rye vodka, combining the grass essence and vodka and the end product. During the four-minute presentation, the viewer smells the bison grass essence, tastes the rye vodka then tastes Zubrowka itself.

Visit [friskybison.com](http://friskybison.com) to find out about a local UK tasting.



## DECADENT DELIGHTS

Members of the bar industry gathered at Café de Paris in London for the inaugural Chambord Rendezvous in September – a celebration of the winners of the Chambord culinary and cocktail competition.

The menu on the night was made up of the winning dishes from each category, announcing from the beginning who had won the culinary sections. The dishes had to feature Chambord in some way and among the submissions was pan-fried halibut with green beans and a red pepper Chambord coulis.

On the cocktails front, Chambord received 94 international entries. All five winners were announced on the night by host Claudia Winkleman, a UK TV personality, and were given luxury bartender bags. Their cocktails were served throughout the party that followed the presentation.

The winners were: After Dinner – French Flip by Michael Nicolian; French Martini Twist – French Martini Twist by Lorenzo Miglietta; Long – Berry No 5 by Nuno Pires; Martini – Une Belle Poire by Gavin McGowan Madoo; Short – In The Meantime by Mark Scott.



## BRITNER'S BLOG

DI's Lucy Britner swaps spirits for Cristal

**Q**uestion: How can you get pretty much every top wine writer under one roof? Answer: Host an international wine writers' awards ceremony.

September saw the likes of Jancis Robinson, Nicolas Faith, Charles Metcalf and Tim Atkin gathered together for the Louis Roederer International Wine Writers' Awards. The venue – the 40th floor of London's relatively new landmark, the Gherkin building.

You might be wondering what I was doing there – you're right. I'm not a wine writer by any stretch of the imagination. If anything, I'm a spirits writer with an interest in wine. But it seems the generous folk at Roederer wanted to gather as many of us as they could to celebrate the contribution we make to the trade.

It was terrific to catch up with other journalists and wine writers. It was also pretty bloody brilliant to try the new Cristal 2004 vintage.

The champagne is a blend of 55% Pinot Noir and 45% Chardonnay, with 20% of wines matured in oak casks with weekly batonnage.

There is no malolactic fermentation. In terms of taste there's white fruit, minerality, white blossom and a touch of grapefruit, I thought.

I was sipping and savouring with fellow spirits enthusiast Neil from caskstrength.net (he likes whisky and whiskey) when we turned to each other and said: "Why isn't there a competition like this for spirits writers?"

All right, so we want to win awards, but it's about more than that. It's about recognising that being a spirits writer is just as important a job as being a wine writer. And that the spirits industry is grown up enough to recognise the contribution we make because, like the people making the spirits, we're in it for the love of the industry.

So who's up for it? Even if you're not that enthusiastic about giving out gongs, perhaps this is the best way to get everyone to turn up.



## INSPIRED

Amarula has launched a range of "sunset inspired" cocktails. Here's our favourite.

### AMARULA SUNSET PEAK

- 80ml Amarula
- 4 drops violet essence
- 30ml Bain's Cape Mountain Whisky
- Pinch freshly grated orange zest
- Violet flowers to garnish
- Twirl of orange zest to garnish
- Crushed ice

Pour all the ingredients into a champagne flute pre-filled with crushed ice. Swizzle with a spoon. Garnish with freshly picked violet flowers and/or a twirl of orange zest.





## Life's a beach, when you fly

You might be reading this on a plane, destined for another week of meetings in anonymous hotel conference rooms. If, like many, you can't resist the coffee and pastries and biscuits and sandwiches and more pastries, you might like this new iPhone app.

Fun Run Trainer claims to "change forever the way you use a treadmill".

Fun Run Trainer allows you to run, jog or walk anywhere in the world on any treadmill, as if you are there, with a realtime video map and precise inclination settings.

"We have tried hard to make our application appeal to all sorts of treadmills users. For those who want to go for a casual walk we have a number of world famous beaches for them to walk along. We have also included some of the world's most famous streets, like Wall Street, Fleet Street, Paseo de la Reforma and the Champs-Élysées Avenue," said Brett Galbraith, the inventor of Fun Run Trainer.

If you're really ambitious, you can even run the New York City marathon. All without leaving the gym.

So go on, have another pain au chocolat.

## That's a wrap

Italian beer Peroni Nastro Azzurro has been treating punters to a touch of Italian style.

Italian film director Gabriele Muccino and the brand have been touring the UK with Peroni Nastro Azzurro Accademia del Film Wrap Party Tour.

Party guests are invited to watch a

short film, *Senza Tempo* (Timeless), directed by Muccino in collaboration with Peroni Nastro Azzurro.

They can also view behind-the-scenes stills and walk among props from the film – all while enjoying a chilled Peroni Nastro Azzurro and aperitivo.

Visit [www.peronitaly.com](http://www.peronitaly.com) to find a party near you.



## 'FAT' BUNGLE WEIGHS HEAVY ON FERRY BOSS

The director of Stena Line's North Sea route was in trouble recently for calling British workers "fat" and "tattooed".

Director Pim de Lange said he was quoted out of context in an article in a Dutch newspaper. The British RMT (rail, maritime and transport) Union criticised De Lange, who was quoted as saying UK workers were "quite fat and covered in tattoos".

He also said it was hard to find Brits young and fit enough for the job. Stena Line's North Sea route runs between Harwich and the Hook of Holland.

Pim de Lange said in a statement: "I regret any offence caused and apologise." But union bosses called for a fuller apology. As long as it's not a fuller figured apology, everything should be all right.

THE LAST  
WORD

A FEW PEOPLE MIGHT BE HAPPY GIVING GIFTS IN TOFU CARRIER BAGS BUT GIFTS, ESPECIALLY WHERE DRINKS ARE CONCERNED, ARE ABOUT A BIT OF OVERPACKAGING AND A TOUCH OF BLING

KEVIN SHAW  
STRANGER & STRANGER

## BOOK SHELF

### Hugh Johnson's Pocket Wine Book

This book is now available as an app, described as the "key mobile reference for enthusiasts, investors and collectors, with up-to-date information on more than 4,000 wines, growers, and regions, plus invaluable vintage information compiled by experts around the world".

There is an introduction by Hugh Johnson and users can browse wines by country or region, search by wine colour and grape variety, add tasting notes and view Hugh's personal favourites. All for £4.99.

### The World Atlas of Whisky by Dave Broom

This book is described as "the only guide the connoisseur will ever need to understand everything there is to know about the international life and love of whisky".

It is claimed to be a "comprehensive journey through the history, process, distilleries, and expressions of world whiskies, featuring maps of the key whisky-producing regions."

**Published by:** Mitchell Beazley  
**Price:** £30



### Inside Burgundy

This is a 656-page book by one of the UK's experts on France's second most famous vineyard region (after Bordeaux).

Burgundy is the region most wine connoisseurs think about when discussing the concept of terroir.

Jasper Morris is a master of wine and his company, which he sold to Berry Bros & Rudd, was a Burgundy specialist. The book claims to cover 1,000 specific vineyards from grand crus to "obscure plots". A great Christmas present for a serious wine afficionado.



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William Reed  
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