

Drinks

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INTERNATIONAL

Volume 40 Issue 1

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JANUARY 2012

**INSIDE
THIS MONTH**



HOT BAR BRANDS

BARTENDERS VOTE
FOR THEIR TOP
PRODUCTS



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TO WIDER MARKETS



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Where do we go from here?

Well, it's over. The festivities are finished for another year. Now it's time to count

the number of cases that have gone out of the warehouse and reconcile those numbers with the invoices and payments coming in. Basically, it's pretty quiet as everyone counts the cost and, hopefully, is calculating the margin and the profits.

Looking ahead, the big event for this year has to be the Olympic Games in London. Any major sporting event is an opportunity for the hospitality industry and the alcoholic drinks sector in particular. Even people who are not particularly interested in sport will use it as an occasion to meet up, socialise, discuss, argue and inevitably have a drink and something to eat.

The fact that the games are happening in London should help, given that it is a mature market with strong traditions in enjoying beer, wine and spirits. To use the terminology of the former US secretary of defence, Donald Rumsfeld, the UK and London are "known knowns".

So virtually every participant in the alcoholic beverages sector should now be drawing up plans as to how they can exploit this 'once-in-four-years' opportunity.

Regardless of whether you are in the business of exporting or not. People in virtually every country in the world will be sitting down to watch who gets the medals.

So if you have not yet considered the opportunity then now is time to do so. After all, why make life even more difficult for yourself?

Have a good year.

Christian Davis *Editor*



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New Rémy cognac style for Europe

Rémy Martin is to introduce a new expression of its VSOP cognac for the European market. VSOP Mature Cask Finish is to replace VSOP in Europe, while the rest of the world will continue to receive the original VSOP cognac.

The new expression comes from the finishing period of the eaux-de-vie following the final blending process. The eaux-de-vie for Mature Cask Finish, which makes up 20% of Rémy's VSOP output, is left to marry in mature casks, while the remaining 80% is finished in large oak vats.

The mature Limousin oak casks – which are at least 20 years old – are said to 'enhance fruity notes'. The new expression is packaged in a clear bottle – a departure from the signature black bottle used for its VSOP.

Rémy claims to sell 5,000 bottles of its VSOP every day and the new expression will not differ in price from the original (£30/€35).

Rémy Martin CEO Patrick Piana told *Drinks International*: "To remain the same, we have to reinvent but be true to ourselves. We see it as a responsibility to continue to invest and innovate in Europe. We will probably invest more in the next decade than the previous one."

"It's important to be successful in the UK, Germany and France – our 'own area'."

"We want to bring VSOP back into young adults' drinking repertoire."

Piana talked about cognac culture in the US and Asia and its association with music and music stars.

"We are going to start looking at Europe in the same way as Asia and the US – in terms of cities rather than countries."

The company will also focus on cocktails in the UK market and has introduced four key serves – a Sour, a Sidecar, a French Mojito and a more simple serve with iced tea.



Irish Distillers Pernod Ricard has confirmed it will spend €100 million on the 2012 expansion of its Midleton Single Distillery, the site where Jameson is produced. The 15-month project, which begins this year, will see pot still capacity go from 10 million litres to 22 million litres and grain from 20-21 million litres to 40 million litres. The expansion is intended to relieve pressure on the Cork-based distillery, which is currently running at capacity.

Super-premium Teacher's

Billed as its super-premium expressions, Beam has announced the release of Teacher's 25 Year Old and Teacher's Highland Single Malt to global markets, starting with India.

In India the 25 Year Old is priced at INR26,230-33,225, depending on the market, while it will be available in duty free for US\$250. The Highland Single Malt ranges from INR3,900-5,000 and will be priced \$40 in duty free.

Speaking at the global launch of the two expressions in India, Harish Moolchandani, CEO and managing director of Beam India and the Indian sub-continent, said: "Teacher's as a brand outperformed the market and expectations and its elevation to the numero uno position in India has reaffirmed our belief in the understanding we have of the Indian consumer and their requirements."

Half-year profits up for two major drinks groups

Brown-Forman has reported double-digit half-year net sales growth after a strong performance from its Jack Daniel's brand.

Net sales increased by 12% to US\$1.9 billion for the half-year ended October 31, 2011.

According to the group, the uplift in sales was due to a solid performance by its brands in the US and strong growth in developed and emerging markets overseas – notably Germany, Mexico, Russia, the UK, Turkey, France, Brazil, Australia and Canada.

Rémy Cointreau has attributed its positive half-year profits to "remarkable" growth in Asia and "strong" performances in the US and Europe.

The group, which controls Rémy Martin cognac, Cointreau liqueur, Mount Gay rum and Greek spirit Metaxa, saw operating profits reach €106.2 million for the six months leading to September 30 2011, representing organic growth of 30.7% year on year.

Turnover for the period stood at €474.9, an organic increase of 18.1%.

News In Brief

Industry stories from around the globe

Californian wine company Yao Family Wines, created by the ex-NBA star Yao Ming, has signed-up Pernod Ricard China to exclusively import and distribute its wines to mainland China.

Diageo has opened a £10 million cooperage near Alloa in Scotland. It will turn out approximately 250,000 casks each year – all of which will be used to mature scotch whisky for Diageo's brands.

La Martiniquaise, the French spirits group, has announced that Russian Alcohol Group, the Russian subsidiary of CEDC, will be the exclusive distributor of Label 5 scotch whisky in Russia from January.

Treasury Wine Estates has announced the appointment of Gary Burnand as managing director of Penfolds, effective from March 2012. He will be responsible for setting and driving the strategic direction of the Penfolds brand.



Beam to buy Cooley Distillery

Beam has announced an agreement to buy Irish whiskey producer Cooley Distillery.

The purchase price of the industry's only remaining independent Irish whiskey distillery, was US\$95 million on a debt-free basis.

Cooley owns and produces the Kilbeggan, Connemara, Tyrconnell and Greenore brands.

According to Beam, the whisky company sells approximately 250,000 9-litre cases a year, divided among its brands, own-label products and bulk sales to third-party customers.

The US group added that Cooley has the production capacity to support

“substantial future growth”.

Matt Shattock, president and chief executive officer of Beam, said: “Cooley is one of only three sources for Irish whiskey, and the only independent player, so this transaction is a unique and compelling high-return opportunity to enter one of the industry's highest growth categories.

“We see the opportunity to leverage our combination of scale with agility to further build consumer demand for Cooley's award-winning brands, and to expand distribution off a relatively small base in key export markets for Irish whiskey across North America and Europe.”

Heineken to up share in Haiti brewery

Heineken has declared an intention to increase its share in a brewery in Haiti to 95%.

The company plans to up its share of Brasserie Nationale d'Haiti (Branan) from 22.5% to 95%. The shares are currently owned by Branan's management and private shareholders. Financial details were not disclosed.

Heineken has also announced a global partnership with Facebook, which will see the two companies collaborate on digital campaigns for Heineken's brands around the world.

The Himalayan Edition is latest from Stolichnaya vodka

Stolichnaya vodka has launched The Himalayan Edition, the first release of its new Pristine Water Series.

The new line, which is an offshoot from Stolichnaya's ultra-premium Elit vodka, is priced at US\$3,000 and numbers only 300 bottles globally.

According to Stolichnaya, the Himalayan Edition uses water of “unparalleled quality”, sourced from the Langtang National Park, in the Himalayan Mountains.

The water is combined with the wheat harvested from the Tambov region in Russia before undergoing freeze-filtration to “ensure no imperfections remain”.

Russian Standard for alliance with CEDC

Russian Standard Corporation has proposed the additional acquisition of nearly 20% of Central European Distribution Corporation's shares as part of a “strategic alliance”.

The deal for “approximately 19.9%” of CEDC shares would see Russian Standard owner Roustam Tariko exchange assets in Roust, his distribution company, and assist CEDC in restructuring its debt.

The move follows the news last month that Russian Standard has acquired 9.9% of CEDC's shares for US\$25.35 million.

CEDC, which claims to be the largest producer of vodka in the world, has said its board of directors will evaluate the proposal to “act in the best interest of the company's shareholders”.

Meanwhile, RSC has acquired a 70% stake in Italian wine company Gancia, known for its sparkling wines and vermouth.

Tariko said: “Our strategic long-term investment will provide Russian Standard with a unique opportunity to become one of the dominant players in sparkling wine and vermouth.”



Guinness push in Africa

Diageo is aiming to make Guinness the biggest beer brand by value in Africa with the launch of a pan-market ad campaign.

Titled The Ticket, the new promotion will be broadcast across West and East Africa through television, Facebook, radio and

promoted using outdoor marketing from this month.

Jeremy Kanter, regional marketing director of Guinness Africa, said: “This pan-African campaign aims to portray the iconic status of Guinness, which is embedded in local culture and African hearts and minds.”

Global retailer Tesco has launched its first light-weight champagne bottles as part of a pledge that will see a 7.2% weight reduction in standard 75cl champagne bottles within two years.

The rise of craft beer in the US could benefit Peroni Nastro Azzurro, says the lager's global brand director, Andrew Walker. Craft has caused an “appetite for European lagers in the US”, he said.

US consumer goods company Rok Stars has struck a deal with Castle Trade Services to launch its recently acquired Oval vodka in the UK. The deal is “worth a minimum of €3.5m” across three years.

Volume wine sales in the UK are continuing to fall and the pace of decline has increased over the past 12 weeks (leading to December 2011), according to the latest market report from the Wine & Spirit Trade Association.

TOP 5 STORIES ON DRINKSINT.COM

- 1 World's 50 Best Bars 2011 announced
- 2 Direct Wines reshapes team
- 3 Russian Standard moves into wine
- 4 Stolichnaya launches The Himalayan Edition
5. Label 5 to be distributed by CEDC



Dynamically biodynamic

The winegrowers of Chablis are increasingly turning to natural methods, moving to organic and beyond, as **Lucy Britner** reports

The number of officially organic hectares of vineyard in Chablis is set to triple. According to Service d'Ecodéveloppement Agrobiologique et Rural de Bourgogne (SEDARB), 115ha in the Chablis vineyard are organic with another 231 in the process of conversion. This equates to 21 domaines.

Only one domaine of these 21 has the official biodynamic status, and this represents 10.6ha. It is the Boissonneuse vineyard which makes up part of the 200ha Jean-Marc Brocard estate.

Brocard's Europe export manager, Albane Beaunieux, says: "We have 80ha which are officially biodynamic or organic, that is to say either certified or in conversion (for three years) by Ecocert (Ecocert is the French organisation which gives the certifications for AB (Agriculture Biologique) or Demeter).

"The other 20ha are organically or biodynamically farmed but not registered yet because we always test a few years before to be sure that the vines answer well to the organic or biodynamic message." Beaunieux says the winery hopes to become totally organic or biodynamic eventually, but due to the level of rainfall in the area, it'll take time.

So what's driving the growth of organic and biodynamic farming in this area? SEDARB says growth in Chablis follows the trend shown in the Côte d'Or.

Environmental and health issues are becoming stronger reasons for wine producers to adopt organic means of production. The respect for the land, the planet and the terroir which goes hand in hand with this method of production are



all important for many wine producers. In addition, the Chablis producers are responding to an increased desire among their customers and society at large to reduce the use of pesticides in farming in general.

There are many producers who practice some of the methods associated with biodynamic production.

Romain Bouchard, who has just over three hectares of organic vineyard, says: "My approach to the viticulture is now based only on observations, a lot of manual work and a non-stop thinking of 'how I can improve the quality of my harvest year after year'.

"I can say that this permanent reflection never stops. For example, I am more and more interested in 'biodynamie'. At the moment I try to understand the theoretical aspects of this and I am thinking of trying it soon. I think that I am very open-minded so for me it is natural to study and experiment with a new process. The job is much more interesting like this."

Bouchard maintains that there is little reason to be sceptical about organic and biodynamic farming.

He adds: "The organic and biodynamic boom is explained by the choice of our generation to produce in a proper and fair way. It corresponds to a new era in agriculture and business. It is only a question of 'good sense'."

William Fevre director Didier Segulier says progression from organic to biodynamic is a natural evolution. Fevre has 42ha that he farms organically and two hectares that he has begun farming according to biodynamic principals. He says the results are good and he hopes one day to be 100% biodynamic. **DI**

Horns of plenty

Two of the 'mysteries' of biodynamic viticulture explained by Albane Beaunieux

The horn manure (or '500') Cow manure is buried in cow horns in the soil over winter, because winter has a down movement and helps the preparation to get into the soil. The horn is then dug up and its contents (called horn manure or '500') are stirred in water and sprayed on the soil in the afternoon. It favours the microbial activity and the formation of humus and stimulates the vertical growth of roots towards the depth.

The horn silica (or '501') The silica is a mineral buried in cow horns in the soil over summer. The horn is dug up and its contents (horn silica or '501') are stirred in water and sprayed over the vines at daybreak. This has an action on the air part during the vegetative period, and works in polarity with the horn manure. We also call it "pulverising of light" because it brings a bright quality, limits the tendencies to diseases and allows a better relation with the cosmos.



A month in travel retail



There aren't many companies that would break out the champagne to celebrate their 28th anniversary. It is hardly the most memorable corporate milestone after all, but Dubai Duty Free (DDF), the world's single largest duty free retailer, planned to do just that in December as the United Arab Emirates-based airport store operator closed in on record annual sales of more than US\$1.45bn (£930m).

With its heady mix of wealthy Asian and European transit passengers and ambitious expansion plans, DDF is a hot ticket for liquor companies at present. The retailer was Jack Daniel's single highest-selling duty free location in 2011, for instance, which perhaps goes part way to explaining why drinks companies have been falling over themselves in recent years to join DDF's birthday celebrations.

This year Rémy Cointreau Global Travel Retail (GTR) decided

it was its turn to join in the festivities by releasing Cointreau Midnight in Dubai – a limited-edition bottle design of the iconic liqueur apparently inspired by Dubai's night skyline. With a US\$30.55 (£19.55) price tag – 10% higher than the classic square-shaped Cointreau bottle – Midnight in Dubai features an amber-gold bottle that is decorated with a constellation of diamond stars.

Now, how many other retailers – domestic or duty free – around the world have suppliers queuing up to release exclusives in their honour? Not many, that's for sure, and it's testament to the growing importance of DDF as a duty free operator.

Dubai was also in the travel retail news over the past month for the record number of delegates that attended the annual Middle Eastern Duty Free Association (MEDFA) conference held there at the Al Marooj hotel. It's traditionally the industry's last important get-together of the working year and the prelude to a popular golf tournament hosted by DDF. Celebrating its 10th anniversary, this year's MEDFA conference could have been a downbeat affair given the Arab revolutions that have rocked many Middle East and North African countries this year, but instead there was a defiantly positive, even upbeat, mood among those who attended.

The conference's opening speaker, Gary Chapman, president of Middle East travel agency DNATA Emirates Group, was certainly clear in his mind why the region should be optimistic about the future as he outlined the huge amount of regional airport infrastructure expansion projects in the pipeline, from the booming Gulf hubs of Abu Dhabi and Dubai, to airports such as Cairo and Bahrain international that have been directly caught up in the Arab Spring revolutions.

Bahrain Duty Free managing director Garrett Coogan later

With Drinks International's specialist correspondent, Joe Bates



explained how badly the company had been affected by the kingdom's political unrest this year, but his presentation finished on a positive note with his firm belief that 2012 would see a strong recovery in sales. Sherif Toulan, business development manager at IDF Cairo, one of Egypt's largest duty free distributors, struck a similar note of cautious

optimism, as did speakers from World Duty Free Group (Jordan's Queen Alia airport) and Kuwait Duty Free.

Shannon revamp

If the Middle East, along with Asia and Latin America, herald the future direction of the duty free business, western Europe with its debt-ridden economies, tottering currency and unremarkable passenger growth statistics can often seem like it is bound for inexorable decline. It was refreshing, then, to see Shannon airport make the headlines for all the right reasons earlier this month when it opened a new Irish whiskey store as part of a €1m (£850,000) revamp of its commercial offer.

Irish whiskey is booming at present and Dublin Airport Authority's (DAA)

Irish Whiskey Collection outlet, which first opened at Dublin airport back in 2009, has been a big hit, winning rave reviews and awards from around the world and increasing Irish whiskey sales there by more than 30%. DAA has rolled out a scaled-down version of the concept at Shannon, introducing around 20 new whiskeys, including exclusives such as Greenore 19 Year Old Single Grain, Middleton Single Cask 1991 and the incredibly rare Knappogue 1951, priced at a hefty €997 (£850).

Back in the 1940s, before the jumbo jet was even dreamed of, transatlantic flights used to stop off at Shannon to refuel. Canny airport managers saw a commercial opportunity to target weary travellers with a basic selection of duty free goods, including, of course, Irish whiskey. Shannon has fallen on hard times since then with Ryanair, the bogeyman of so many aviation stories these days, recently axing many flights. Let's hope the terminal revamp with Irish whiskey in the vanguard signals better days ahead for this historic airport.

In Brief

Aéroports de Paris (AdP) reported another record vintage wine sale at its Paris Charles De Gaulle airport Terminal 2E store last month. The single €49,905 (£41,860) transaction included a 1995 Romanée Conti, a Château Margaux 2003, two bottles of Château Lafite 1982 and two bottles of Château Pétrus 1980.

Accolade Wines has announced several important travel-retail listings for its South African wine portfolio, which includes Kumala, Flagstone and Fish Hoek. Finnish ferry operator Viking Line has taken Kumala Chenin/Chardonnay, Flagstone Dragon Tree and Flagstone Free Run Sauvignon Blanc, while German flag carrier Lufthansa has listed Flagstone Longitude on the airline's business class flights.

The Nuance Group has opened two new walk-through shops at Zürich airport, adding more than 2,000sq m of retail space at the Swiss airport. The new outlets include in-store boutiques dedicated to premium scotch whisky, vodka and cognac.

Chivas Regal master blender Colin Scott made a personal appearance at World Duty Free Group's London Heathrow Terminal Five store last month. Scott was on hand to talk to customers and sign bottles of Chivas Regal whisky.

Campari International has launched a limited edition 25-year-old Glen Grant single malt whisky into Asian duty free. Priced at €300 (£250) per bottle, the whisky was matured in Spanish sherry oak casks. Quantities of Glen Grant Limited Edition 25 Year Old are limited to 800 bottles.

Blue Label targets wealthy men with gift



Diageo Global Travel and Middle East has joined forces with Porsche Design Studio to roll out a collection of Johnnie Walker Blue Label-related luxury gifts for men at 11 major international airports worldwide.

The highlight of the four-piece collection is a £100,000 private bar, 2m tall and made of brushed stainless steel, natural leather and Australian lace wood. The bar uses motion sensors to open automatically to reveal a magnum of cask-strength Johnnie Walker Blue Label, four branded crystal glasses and a chiller compartment containing an ice bucket, stainless steel tongs, a crystal jug of iced water and four more glasses.

The bar is currently on sale at DFS Group's landside store at Los Angeles airport's Tom Bradley international terminal.

The other three pieces of the collection are a Johnnie Walker Blue Label Cube, which separates at the same angle as the brand's bottle label to reveal a bottle of Johnnie Walker Blue Label, an ice-chiller, stainless steel tongs, and four branded crystal glasses.

The smaller Johnnie Walker Blue Label Mini Cube contains all of the elements of the larger Cube minus two branded glasses.

The last item of the collection is a Johnnie Walker Blue Label Chiller, which just contains a bottle of whisky.

The collection rolled out last month to 11 international airports: Paris Charles de Gaulle, Moscow, Amsterdam, Singapore Changi, Tokyo Narita, Bangkok, Hong Kong, Auckland, Sydney, Los Angeles and Dallas Fort Worth.



First person

Diageo Global Travel and Middle East marketing director Steve White



In a couple of sentences what does your job involve?

I am responsible for customer marketing, consumer marketing and innovation for Diageo Global Travel & Middle East. My role is to ensure Diageo's portfolio is brilliantly presented in all travel retail channels and in domestic markets in the Middle East and North Africa.

What do you like most about your job?

It's a dynamic, exciting channel with the most fantastic growth potential. I love how travel retail brings immediate results – the shopper base is second to none in its richness and diversity and it's a marketer's dream to put consumer insight to the test and get pretty much instant feedback on innovation, new brands and initiatives, compared with the longer lifecycles of domestic market dynamics.

What achievement in your career are you proudest of?

In my previous role I was global marketing director of Johnnie Walker – brand opportunities don't come much better than that. I led the relaunch of Johnnie Walker over a two-year period with phenomenal results: the redesign of Johnnie Walker Black Label; the innovation behind the travel retail exclusive of Johnnie Walker Double Black which, reflecting my point in the earlier question, quickly accelerated to become a leading brand in its own right within a year of launch; and

the development of Johnnie Walker Platinum, now launching in Asia and rolling out across travel retail. **What was the most useful piece of advice you have been given in your career so far?** Never be frightened to put yourself at risk in the work environment. It's too easy to be restricted by hierarchy and bureaucracy and difficult decision-making, but it's incredibly liberating to put that all to one side and allow free thinking and innovation to lead the way in delivering for the customer, and deal with any consequences later.

What's your favourite airport to fly from and why?

Geneva as it means I'm very close to our holiday home in Switzerland. I guess this shows the importance of emotion in our sector. We should never forget or underestimate the power of why someone is travelling through a particular airport and how that impacts the experience, the airport reputation and the retail opportunity.

What are some of the key challenges facing the travel retail business?

Clearly the economic uncertainty pervading out of Europe is a macro-concern for the health of the industry. Such uncertainty reaches right around the globe in this increasingly social era and, in particular, we must keep Asia confident and healthy, as we're all reliant on the growth and

wealth in the region. With regard to the challenges for alcohol as a category, we must relish the challenge and collectively step up the luxury drivers to shape a bright future, in the way the perfume and cosmetics sectors have always done, and still continue to do.

What is the most memorable thing you have ever drunk?

Zacapa with ice in a large cognac glass at the distillery in Guatemala, above the clouds. The richness of that experience changed forever the perception I had of rum. It is the epitome of a luxury spirit.

What book is on your bedside table?

My wife's novel. I am proofreading it and she knows she can rely on me to be heartily dispassionate about her work.

If you weren't working in travel retail, what would you like to be?

An entrepreneur playing to my motivators of freedom and risk. I'm not entirely sure what sector – probably retail, but I wouldn't want to restrict myself.

If you could choose, what would you be doing 10 years from now?

In a fantasy world: sailing, skiing and not much else. In reality, I would relish the challenge of guiding Diageo to even greater heights as the general manager for one of the most important parts of our business anywhere in the world.

Chivas Regal rolls out hosting campaign

Pernod Ricard Travel Retail has launched a new limited-edition Chivas Regal gift pack and a hosting-at-home-themed promotion at major airports across Europe.

The Chivas Regal 12 Year Old Le Baron gift pack is a collaboration between the whisky brand and the Parisian Le Baron nightclub. The pack contains a card, which allows travellers to download exclusive music tracks mixed by Le Baron DJs, and short films about how to mix cocktails at home.

Purchasers also get the chance to enter a draw to win a trunk bar created by luxury French trunk manufacturer Pinel & Pinel, which contains a bottle of Chivas Regal, four branded glasses, a music docking station and an iPad 2.





AGE STATEMENTS

LES GRANDS ASSEMBLAGES

BRAND OWNER Bas-Armagnac Francis Darroze
PRICE From £35/€31.50/\$45 to £490/€440/\$620
MARKETS Global
CONTACT Marc Darroze, contact@darroze-armagnacs.com

According to the Darroze family, which sources eaux-de-vie from Bas-Armagnac estates in the west of the French region, the range is a response to demand for high quality expressions that provide value for money.

The age statement on Les Grands Assemblages indicates the age of the youngest armagnac in the blend and abvs range from 42% in the 50 and 60-year-olds to 43% in the other expressions. The whole Les Grands Assemblages range is available in 70cl bottles, while the eight-year-old, 12-year-old and 20-year-old also come in magnums (150cl).

RAW SPIRIT

BOWMORE TEMPEST SMALL BATCH RELEASE NO 3

BRAND OWNER Morrison Bowmore
PRICE £49.99
MARKETS Global
CONTACT inner-core@bowmore.com



Bowmore Tempest Small Batch Release No 3 is a non chill-filtered 10-year-old, matured in first-fill bourbon casks. 1,850 cases have been released worldwide.

Cara Laing, Bowmore brand manager, said: "We've released a small batch of Bowmore Tempest annually since 2010 to great response. Every batch is slightly different but always reflects Bowmore's raw spirit. We recommend enjoying it with a little rich, dark chocolate to release the sweetness and depth of the spirit."

WAIPARA WEST

BRAND OWNER Tutton Sienko & Hill (family-owned vineyard)
PRICE £18.00/€18-22
MARKETS Global
CONTACT Paul Tutton, paul@waterloowine.co.uk

According to the wine's tasting notes: "The 2010 Pinot Noir is ruby red in colour. It displays sweet dark cherries with hints of plum, pencil shavings and toasty oak. It is an elegant, medium-bodied wine with well-rounded tannins and a balanced persistent finish. The wine has potential to develop further complexity with careful cellaring."



VINTAGE



DOM PÉRIGNON 2003

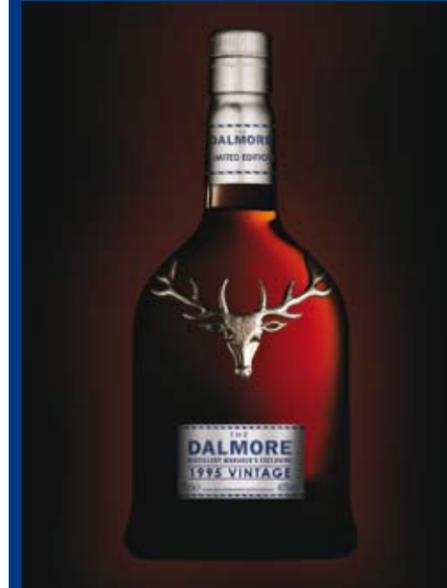
BRAND OWNER Louis Vuitton Moët Hennessy
PRICE £120/US\$187/€141
MARKETS Global January-February depending on the market
CONTACT MHUK, +44 20 7235 9411

Dom Pérignon has launched its 2003 vintage following on from the champagne house's 2010 release of the 2002 vintage.

Dom Pérignon chef de cave Richard Geoffroy said the decision to make a vintage from 2003 grapes had been taken almost immediately and in spite of challenging growing conditions. "The 2003 was a real challenge to overcome but Dom Pérignon was committed to the vintage," he said. "There was never any doubt that it would be produced."

According to the company, 2003 saw an exceptionally cold and dry winter, frost and a heatwave in spring and the hottest summer for 53 years. Geoffroy said the 2003 drew comparison with the 1976 vintage, especially in terms of dosage and ageing potential.

LIMITED EXPRESSION



THE DALMORE DISTILLERY MANAGER'S EXCLUSIVE

BRAND OWNER Whyte & Mackay
PRICE £84.99
MARKETS UK and online (whiskyshop.com)
CONTACT (trade) neil@whiskyshop.com

Named The Distillery Manager's Exclusive, the 1995 vintage single malt was selected by distillery manager Ian Mackay and his team, exclusively for The Whisky Shop. The expression has been limited to 1,800 bottles and has undergone maturation in Matusalem sherry and American white oak casks. It has an ABV of 40%. Dalmore distillery manager Ian Mackay said: "With the balance of sherry wood outweighing the American white oak, it gives the whisky a rich orange and dark berry flavour, which is my own favourite style of Dalmore."

CHOCOLATEY

CAFÉ CABERNET 2011

BRAND OWNER Linton Park
PRICE £9.99/€11.99/US\$16.99
MARKETS Global
CONTACT Neil Kelsall, neil.kelsall@lintonparkwines.co.za

Linton Park's Café Cabernet 2011 is a Cabernet Sauvignon with a "pronounced coffee flavour". The 13.5% abv wine has been matured in new French and American oak to "accentuate the natural coffee, chocolate and truffle flavours" of the variety.

Created by cellar master Hennie Huskisson and winemaker JG Auret from fruit grown in the vineyards on Groenberg Mountain, Café Cabernet is available from Linton Park's UK agent Chalié Richards.

Huskisson said: "At Linton Park we are trying hard to come up with something different to offer the UK market. The Café Cabernet makes a great accompaniment to roasted venison, rack of lamb or dark chocolates and chocolate pudding."

FINESSE

YEALANDS ESTATE GRÜNER VELTLINER 2011

BRAND OWNER Yealands Estate
PRICE £12.99/NZ\$25
MARKETS UK, New Zealand
CONTACT Simon Kelly, simon.kelly@yealands.co.nz

Yealands Estate is a sustainable winemaker, awarded for its practices, which include the introduction of wetlands on the estate, the introduction of Babydoll sheep for grass and weed management and use of wind and solar power.

The wine is 100% tank fermented and left on the lees for three months, giving it complexity and finesse. Winemaker Tamra Washington said the variety was well suited to the Awatere Valley and specifically to the terroir of Yealands Estate's Seaview vineyard, which is on the coast of the Pacific Ocean.



HISTORICAL

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 in a name?

If the name's Grant and the place is Scotland, the chances are the game's whisky. **Lucy Britner** meets a Grant at Glenfarclas

WE RELEASED A 40 YEAR OLD AS PART OF OUR STANDARD RANGE. WE WANTED IT TO BE DRUNK, NOT SIT AND LOOK PRETTY



cab." As he approached the door, a bouncer emerged with a punter in arms and turfed him on to the pavement. George entered cautiously, to find pictures of naked women on the wall. "I later found out they were part of a constantly changing exhibition," he says. As Grant approached the bar, eager to get the hell out of there, a familiar old face looked up from the stool next to him.

"It was Wild Turkey's master distiller Jimmy Russell."

The pair enjoyed a few drams from the bar's 400-strong whisk(e)y collection and Grant doesn't mind revealing that Delilah's was one of his votes in the World's 50 Best Bars survey.

Bordeaux education

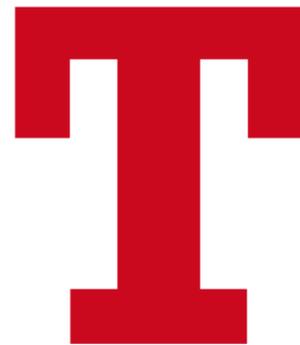
Enough tales. We take up Grant's story again and, after Inver House, he makes his way to Bordeaux to learn about wine with Mähler-Besse, before jetting off to Hong Kong to sell the stuff. This was in 1998 and he says: "We were mainly doing wine, vodka and gin sales. There was very little whisky."

On the subject of Hong Kong itself, Grant says that when he was there, people were leaving. He says: "There were fewer ex-pats and big salaries so it was a tough sell. To a degree, it wasn't so important. Shanghai and Singapore were much more important." He adds that, when it comes to breaking the Asian market, Macau is important as a gateway. "Hong Kong is coming back now," he adds. So does Glenfarclas sell in China? "We've sent three or four orders there," Grant says. And he's cautiously optimistic about India, too, though the 150% tax levy is an obvious barrier. "It means a bottle of 12 year old is £100." (UK-based Master of Malt sells it for £34.45).

Now based in Speyside with his wife and two daughters, aged five and three months, Grant can say that, for Glenfarclas, the real growth markets have been in Europe – France, Germany and the UK in particular.

"The brand is becoming much more well known in the UK," he says. "The Family Cask range was grasped by press and consumers and it won awards."

The brand also celebrated its 175th birthday in 2011 and



The Grant name carries some heft in Scotland. It's a pretty common surname – but when you're a Grant in the whisky business, that's something else. No relation to William Grant, George Grant is the sixth generation of his family to work at Glenfarclas. You'd expect me to introduce him as master distiller, right? Wrong. George Grant is director of sales.

"I like the distilling side enough but I like people and doing tastings and presentations. I suppose you could say I get a buzz off a deal, too – whether it's selling £20,000 worth of whisky to one person or a miniature to someone who has never tried whisky before."

Though the family-owned company doesn't talk numbers, it seems Grant's not bad at sales. "We had a record year in 2010 and in 2011 we had reached 2010's total by October."

Like many a tale told by a member of "the family", Grant cut his teeth at a different distillery.

"It's an unwritten rule that you work for another distiller – my father spent three years at Teacher's." Then he jokes: "Better to make your mistakes somewhere else." In fact The Glenlivet master distiller Alan Winchester started at Glenfarclas as a tour guide, aged 16.

Although Grant's father, John – currently Glenfarclas company chairman – organised his son's tenure at Inver House Distillers, Grant maintains there wasn't any pressure to go into the family business.

"There was never any expectation from parents," he says. "But from the outside world, there was." There isn't a hint of drama in the way Grant says this and when I ask what he would be doing for a living if his surname wasn't Grant, he playfully says: "Being a journalist on *Drinks International* looks like fun."

He's not a bad storyteller, either. When I ask him about bars, he smiles and regales me with a tale about a bar he'd heard about in Chicago. "It's called Delilahs and the taxi took about \$40 to get there." The cab sped off, leaving Grant in a neighbourhood he wasn't sure about.

"I thought, well, I'll have to go in the bar to call another



whisky writer Ian Buxton penned a book to commemorate the occasion. Buxton says of 35-year-old George Grant and the future of the distillery: "There is a young team at Glenfarclas, poised for the next 20 to 30 years. George Grant symbolises that: content in introducing the name Glenfarclas to new audiences and continuing to build sales for the future."

And what can we expect from Grant in the future? Well in 2012, he will set about selling a Glenfarclas 43 year old, matured in cognac casks. There will be 150 bottles and they will go to the UK market. There will also be a new expression of the 105 brand – a 20 year old. Grant says the plan is to release a different 105 expression every two to three years.

When it comes to new expressions, limited editions, special bottlings and fancy packaging, Grant has a strong view – and so does his father, who has just joined us at the dinner table.

"We released a 40 year old as part of our standard range. There were 1,500-1,600 cases of it and we sold it for £350 a bottle.

"We wanted it to be drunk, not sit and look pretty."

Grant Sr adds: "We understand the collectors' market is important but consumers buy something again."

He also suggests that the industry should take a leaf out of the wine trade's book and he called upon the Scotch Whisky Association to get rid of secondary packaging and cut the industry's carbon footprint.

"You don't see Bordeaux bottles in boxes," he says.

Grant's father has joined him in London to celebrate his son's inauguration into the Worshipful Company of Distillers and Grant tells me that, in 2013, Glenfarclas is to launch a 60 year old whisky. The Grants haven't yet decided on a price but George and John are quick to say: "It'll be affordable. We make whisky to drink, not for collectors."

Although Grant's job title is director of sales, he's also a brand ambassador – the kind every brand dreams of, really. He was born into it, after all. And, though not on the production side, he tells me he did select the casks for the 60 year old. Well, his name is Grant, after all. [D.I.](#)

Pre-mixed Drinks Challenge

The pre-mixed drinks category continues to diversify. Hamish Smith, chair of this year's challenge, sums up the mood of the expert panel

Whether it be on a train, plane, ferry, at a festival or even at home ahead of a night out, occasions for consuming pre-mixed drinks seem to be multiplying, and so do the offerings.

The 2012 Pre-mixed Drinks Challenge was *Drinks International's* fourth examination of the category and our most wide-ranging yet.

This year's blind tasting attracted pre-mixed products from countries including New Zealand, Mexico, France, Holland, Germany, the US and the UK.

Drinks International assembled a panel of six judges for the event: Dave Broido, senior trainer, Shaker UK; Chris Kelly, WSET marketing manager; Andy Dennett, brand ambassador at Hi Spirits; Ian McLaren, head of product training and mixology at Bacardi Brown-Forman; Neil Garner, Bar Wizards co-owner; and Hamish Smith, *Drinks International* news editor.

The tasting, followed by the Design & Packaging round, was divided into four categories: Classic Alcoholic Drink/Mixer Combo (orange text in the list of winners), Contemporary Alcoholic Drink/Mixer Combo (green), Ready-Made Classic Cocktails, ie Mojito, Cosmopolitan, Margarita, Mai Tai, Daiquiri, Piña Colada and Others (black), and Classic Cocktails –

consumer adds alcohol (red).

Judges agreed a degree of compromise by the consumer is intrinsic to the nature of convenience consumption, so a pre-mixed drink shouldn't be judged against a top-notch cocktail. More, it should be a representation of the cocktail it is sold as and should have relevance to the consumer it is positioned to attract. With this in mind, judges found both reasons to be positive and areas for improvement in what is, after all, still a youthful category.

Drinks that scored highly tended to contain fresh fruit – not synthetic flavourings – discernible spirits and stuck to the traditional ingredients of the cocktail. Judges observed that aromas were not as prominent as they might have been but reasoned that manufacturers probably intended the drinks to be consumed in-can or bottle – not in a glass.

The overriding feeling was that the category is diversifying and increasingly ambitious in what it will take on – and while mistakes are made along the way, this is part of its evolution.

Certainly, an encouraging number of the 2012 class were headed in the right direction – towards fresh, unprocessed ingredients, complementary alcohol and sophisticated, relevant packaging design.



GOLD WINNERS

Sierra Margarita – Borco International
Coppa Cocktails Strawberry Daiquiri – Toorank
Strawberry Daiquiri – Funkin
Piña Colada – Funkin

SILVER WINNERS

Vodka Mojito – VnC Cocktails
Viking Fjord Cosmo – Arcus
Light Margarita – Jose Cuervo
Coppa Margarita – Toorank
Piña Colada – Sainsbury's
Coppa Cocktails Sex on the Beach – Toorank
Bloody Mary – Sainsbury's
Raspberry Flirtini – Dirty Blonde Cocktails
Mojito – Funkin
VK Cheeky Mixed Fruit – Global Brands
Gin & Pick Grapefruit Juice – G&J Greenall
Gin Sin – G&J Greenall

BRONZE WINNERS

Gin & Tonic – Greenall's Gin & Tonic
Gin & Diet Tonic – Greenall's Gin & Diet Tonic
The Authentic Cocktail Company Mojito – Manchester Drinks Company
Coppa Cocktails Mojito – Toorank
Ginger Mojito – Sainsbury's
Viking Fjord Mojito – Arcus
Viking Fjord Raspberry Mojito – Arcus
Cosmopolitan – Manchester Drinks Company
Coppa Cocktails Cosmopolitan – Toorank
Pomegranate Cosmopolitan – VnC Cocktails
Mango Daiquiri – VnC Cocktails
Strawberry Daiquiri – VnC Cocktails
Coppa Cocktails Piña Colada – Toorank
The Authentic Cocktail Company On The Beach – Manchester Drinks Company
After Dark Martini – Sainsbury's
Blood Orange Mimosa – Dirty Blonde Cocktails
Passion Fruit Caprioska – VnC Cocktails
Vodka Apple – Cell Drinks
Vodka Caffeine & Taurine Reverb – Cell Drinks
Gin Fizz – G&J Greenall

DESIGN & PACKAGING

GOLD WINNERS

My Cocktail Mojito – Manchester Drinks

SILVER WINNERS

Dirty Blonde Cocktails Raspberry Flirtini – Kristen Raskopf

BRONZE WINNERS

The Authentic Cocktail Company On The Beach – Manchester Drinks
Coppa Cocktails Mojito – Toorank
Coppa Cocktails Margarita – Toorank
Pacific Mai Tai – VnC Cocktails



Just the tonic

It's not just about the spirit when it comes to making great cocktails. Jaq Bayles celebrates the other essential elements

A good cocktail is only equal to the sum of its parts – and, although that sum is often a matter of simple addition, there are times when a complex equation is called for.

While some bars seek an edge to help them deal with volume turnover, for others it's about the theatre of the cocktail and the alchemy of the finest ingredients.

Some of those ingredients are naturally

showy – plumes of basil or mint leaves, twirls of fruit zest, shining berries – but then there are those unsung heroes of the long drink. Mixers.

Any good bartender knows there is little point using a super-premium spirit brand only to dilute it with an inferior quality mixer. And mixer company Fever-Tree has benefited from responding to the fact that more and more bar professionals are waking up to the importance of provenance throughout all ingredients.

► p18



Petrosian launched the Caviarcube earlier this year along with recipes for its use in cocktails, including the Caviar-tini, using Russian Vodka and a hint of Vermouth.

The Caviar2 [squared] features two different styles of caviar, being accompanied by a Caviarcube, a cocktail onion and an olive stuffed with caviar.

The Russian Tradition, pictured above, adds a lemon twist into a Caviar-tini, with a Caviarcube or two pierced with a cocktail stick to rest on the side of the glass.

Cocktail Ingredients & Mixers

“It’s a category that’s been so long forgotten,” says Fever-Tree marketing manager, Saskia Stoop. “Mixers are often out of sight on the bottom shelf in any bar and nothing is made on that bar of the long drinks.” She maintains that Fever-Tree – which, in the space of six years, has grown to an 18 million-bottle company exporting to more than 30 countries – has succeeded in “elevating fairly straightforward cocktails to having a bit of theatre to them”.

Stoop continues: “The products are fairly subtle so you can taste the spirit. People are becoming more interested in and more excited about premium mixers that look nicer and taste better and allow them to gain a better cash margin.”

A bit of celebrity endorsement doesn’t go amiss either – Fever-Tree products are served in the world’s top restaurants, with the chef at El Bulli in Spain using the tonic water to create a sorbet.

Indeed, Spain is considered one of Fever-Tree’s most important markets,

says Stoop. “They drink a huge amount of G&T and have hit a trend in premiumisation and people going out to bars. If they are going to pay more for a spirit they need a good quality mixer.”

The latest launch in the Fever-Tree stable has been a Mediterranean Tonic Water, described by Stoop as “slightly more aromatic and designed for vodka and light gins”. Containing the same type of quinine and water as the classic version, it has the additions of lemon thyme and rosemary from Provence along with Sicilian lemons.

Another great innovator in the sector is the Funkin company, which produces natural mixers and fruit purées and has just introduced a one-litre pack for its five-flavour mixers range – Strawberry Woo Woo, Strawberry Daiquiri, Cosmopolitan, Mojito and Sour Mix.

Company CEO Andrew King says of the innovation: “We launched our mixers two and a half years ago really for bars that perhaps didn’t have the level of skills



or did infrequent cocktails or were hotel bars. It was important to us to get across to people how to make a simple serve cocktail.

“Miniature bottles have a place but as you step up the market and serve volume speed is important and margin is important. Our customers were saying they wanted bigger packs, particularly around pitchers.”

King’s company has adopted the phrase “democratising the cocktail” to explain its range – it wants to make cocktails available to everyone.

And this is happening across the globe. Funkin has a base in Los Angeles as well as the UK and King reports strong growth in France with the market opening up in Australia and India as well as mainland Europe. Funkin also sees the BRIC countries as “exciting”, but there are cost issues to be addressed.

King says: “It’s a tough environment out there and the cost of ingredients is hitting bars. The price of fruit has gone up this year. We use a little sugar cane syrup and the cost of that has gone up this year too. Looking at new markets is part of where we can grow the business and keep costs down.”

Keeping an eye on trends is all-important and the past year has been the year of the berry, according to King. “For Funkin this has been the year of the strawberry. There’s definitely a trend around red berries on the high street and we are definitely seeing a trend around ‘skinnies’ – that’s been going on for a couple of years in the US, and has hit the UK in the past year. Lot of bars are looking at the likes of agave so they can have a skinny offering.”

And the next big thing? Both King and Stoop agree there’s a trend in rum that’s looking strong for the coming year. With that in mind, Funkin launched a Mai Tai mixer globally earlier in 2011. **DI**



1883 de Philibert Routin Peppermint and Agave Syrups are new from the stable. The company suggests spicing up your cocktail card with a Peppermint Mojito or a fresh Peppermint vodka cocktail. It says of the Agave variant: “This Perfect vegan alternative to honey is also more diabetic friendly thanks to its low glycemic index.”

Cherishing cherries

Following research suggesting that cherry juice can boost levels of melatonin – the hormone that regulates sleep – Cherrygood has reported sales of its juice doubling.

Researchers at Northumbria University in the UK revealed the health benefits of Montmorency cherries.

As well as being a drink in its own right, Cherrygood is used in a number of cocktails and was a major component of a cocktail designed by Christian Laboutin for the Elton John AIDS Foundation. The drink comprises: a handful of fresh raspberries; 15ml fresh lemon juice; a splash of Himalayan gogi berry liqueur; a teaspoon of freshly grated ginger; 70ml Cherrygood; 35ml Grey Goose Citron and crushed ice.

There’s more from the world of cherries with Luxardo’s Maraschino Cherries, which are touted as being especially good as a garnish to bring out the flavours of especially gin or bourbon-based cocktails.

The cherries were recently launched in the UK having been available in the US for some months.

Luxardo says it harvests the native Marasca cherries from its own orchards in Torreglia northern Italy and adds sugar syrup and a small amount of Luxardo Maraschino liqueur.



HOT BAR BRANDS



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Drinks
INTERNATIONAL



Paul Prescott/Shutterstock.com

Big brands make the grade

Last year, I made mention of the dreaded global recession – the artist formally known as ‘the credit crunch’. It seems the poor old credit crunch is still being stomped on by the recession monster and when it comes to drinks brands, the trusted bastions of booze still reign supreme.

If your brand is hot in this year’s Hot Bar Brands list, then it has emerged from the battle victorious. Though in recession terms, the battle seems part of an ongoing war.

Perhaps in this time of austerity it’s not only the customers but also the bartenders who look to brands they feel they can trust.

On the other hand, most of these brands are owned by huge multinational companies, which have the marketing budget and business acumen to do battle behind the bar.

And if you happen to work in the bar du jour, chances are you will be bombarded with bottles, displays and glassware if you promise to get into bed with a brand.

For all the talk of mainstream, premium, super-premium, ultra-premium and – if you need to go one better – über-premium, the big premium mainstays are getting the bar calls.

There is a certain logic to this – successful bars need volume and the

multinationals are able to deliver. In 2010 for example, Smirnoff shifted 24.3 million 9-litre cases.

We might all love sampling a small-batch vodka that has been filtered dozens – maybe even hundreds – of times, but the boutique bottles aren’t going to go far on a busy Saturday night.

About the survey

Bar professionals are at the heart of this survey. They handle the brands on a daily basis and we consider them best placed to vote for successful brands.

In order to achieve a representative sample of this group, a sample frame was created, comprising mainly those who manage or work in the World’s 50 Best Bars from 2010.

Research was conducted by Leslie Henry

Marketing Research and the Hill Taylor partnership operating under the Market Research Society (UK) code of conduct.

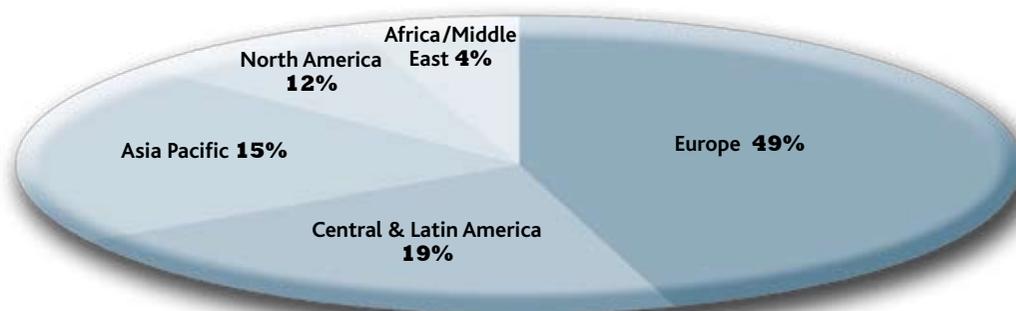
List-building involved more than 120 different data sources: websites, guide books and *Drinks International* lists. To qualify for inclusion in the sample frame, bars had to be mentioned as among the best in their region by at least two reputable sources.

Bar respondents were asked, category by category, which brand in their opinion was ‘hot’ – that is, increasing in sales or popularity/brand call at the bar.

They were then asked, again by category, which brand was their bestselling product.

Lucy Britner

REGIONAL BREAKDOWN OF SURVEY RESPONDENTS





HOT BAR BRANDS



Commercial gains

TV advertising helps new additions to the list

BEST SELLING VODKA

1	Smirnoff
2	Absolut
3	Russian Standard
4	Skyy
5	Grey Goose
6	Stolichnaya
7	Wyborowa
8	Sobieski
9	Finlandia
10	Eristoff

Grey Goose has returned to the top spot after losing out to Absolut in 2011.

The core of the list has remained the same this year, with the addition of Svedka and Beluga.

Of course, that means two brands have dropped from the list – 42 Below and Wyborowa. Svedka could be reaping the rewards of its first ever US TV commercial in 2010 – Are You Bot or Not, featuring a 70s robot

and the brand's 'spokeswoman' Svedka_Grl.

In the best-selling stakes, Smirnoff keeps its position at number one and Absolut hangs on to number two. Russian Standard rose a point to number three but the success in both lists is Skyy. The brand has climbed from number nine to number five in the hot list and from number six to number four among the best sellers. Skyy's the limit.

HOT VODKA BRANDS

1	Grey Goose
2	Absolut
3	Belvedere
4	Smirnoff
5	Skyy
6	Stolichnaya
7	Ketel One
8	Svedka
9	Russian Standard
10	Beluga

Gin sings

A category gaining in popularity sees big brands and lesser-known gins rubbing shoulders in the lists

Bombay took the top spot in both ranks last year but not in the 2012 list. Beefeater has made a steady rise to number one in the best selling list – having been at number four in 2010 and number two in 2011. This could be down to Chivas Bros' work

on the Forever London campaign and the launch of Beefeater 24 as well as special editions including Summer, Winter and London Market.

Tanqueray is hot, hot, hot, rising to the top of the pops for 2012. This is probably down to Tanqueray 10's presence in World Class – the

Oscars of the bartending world. Or it could be the launch of the Tonight We Tanqueray marketing campaign. Newcomers to the gin world Gin Mare and No 3 both feature in the list and, with the amount of gin launches we've seen in the past few years, this is a great achievement.



HOT GIN BRANDS

1	Tanqueray
2	Hendrick's
3	Bombay Sapphire
4	Beefeater
5	Plymouth
6	Gordon's
7	Sipsmith
8	Gin Mare
9	No 3
10	Seagrams



BEST SELLING GIN

1	Beefeater
2	Bombay Sapphire
3	Gordon's
4	Tanqueray
5	Plymouth
6	Hendrick's
7	Blue Ribbon
8	Seagrams
9	Gilbey's
10	Seagers

Chivas breaks the mould

First time in the top scotch spot for Pernod Ricard brand

Chivas Regal and Johnnie Walker are old sparring partners in the Hot Brands list. However, this is the first time in the survey's three-year history that Chivas has trumped JW to the top spot.

Glenfiddich has worked its way up the hot list but seems to be missing from this year's best sellers.

Glenmorangie returns to the hot list after a year of absence in 2011. But the bar world seems to have fallen out of love with peaty Islays as both Laphroig and Ardbeg are missing from the 2012 list.

New to the Best Sellers list is BNJ – Bailie Nicol Jarvie. This is a blended malt and the success of the Johnnie Walker and Chivas Regal blends are testament to the importance of blends in the scotch whisky world.



HOT SCOTCH BRANDS

- 1 Chivas Regal
- 2 Johnnie Walker Black
- 3 Glenfiddich
- 4 Glenmorangie
- 5 The Macallan
- 6 Johnnie Walker Red
- 7 Ballantines
- 8 Cutty Sark
- 9 Famous Grouse
- 10 Monkey Shoulder

BEST SELLING SCOTCH

- 1 Johnnie Walker Black
- 2 Chivas Regal
- 3 Famous Grouse
- 4 Johnnie Walker Red
- 5 Ballantines
- 6 Dewars
- 7 BNJ
- 8 J&B
- 9 Monkey Shoulder
- 10 The Macallan

Lighting up liqueurs

Chambord leaps into contendership out of nowhere

Baileys continues to go like a train and it hasn't moved from the top since the survey began. 2011 saw the release of Baileys Biscotti – following on from the success of 2010's Baileys Hazelnut.

But the real one to watch here

is that famous rotund bottle that appears on every backbar – Chambord.

The raspberry liqueur didn't even appear on the 2011 list and, although it made the grade in 2010, it was in the bottom three.

So what's changed? Well in 2010, brand owner Brown-Forman decided to

redesign the bottle. And, in the UK, the company also hosted a Rendezvous Party – which included a cocktail and culinary competition as well as, er, a party.

Patron's XO Café is another big hitter and most recently the company hosted a pop-up bar in London.

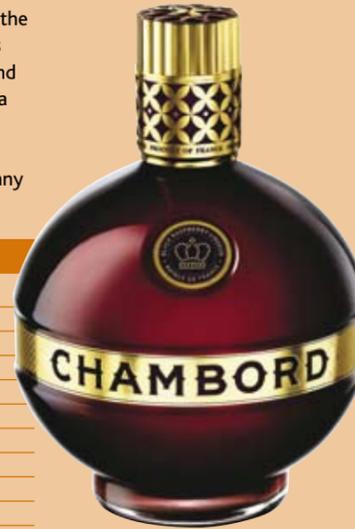


HOT LIQUEURS BRANDS

- 1 Baileys
- 2 Chambord
- 3 Grand Marnier
- 4 Jägermeister
- 5 Cointreau
- 6 Amaretto Disaronno
- 7 Patron XO Café
- 8 Licor 43
- 9 Amarula
- 10 Luxardo Sambuca

BEST SELLING LIQUEURS

- 1 Baileys
- 2 Chambord
- 3 Cointreau
- 4 Jägermeister
- 5 Amaretto Disaronno
- 6 Luxardo Sambuca
- 7 Grand Marnier
- 8 De Kuyper
- 9 St Germain
- 10 Bols



JD holds on to its crown

Jameson looked good for the top but may need another year

We really thought Jameson might knock Jack Daniel's off its perch this year but perhaps the Irish giant's new expression and marketing campaign need a few months to creep into the

bartender psyche. So the 2013 list is 'one to watch'. That's assuming, of course, that Jack Daniel's doesn't pull something spectacular out of the bag in the meantime.

Tullamore Dew has crept on to the hot list for the first time. Perhaps this

is down to new owner William Grant & Sons, which announced a multi-million dollar investment programme for the brand earlier this year.

Suntory's Hibiki is the only Japanese whisky on the best sellers list, but Yamazaki has risen on the hot list. American whiskey still rules the roost but for how much longer?



HOT OTHER WHISKIES BRANDS

- 1 Jack Daniel's
- 2 Jameson
- 3 Maker's Mark
- 4 Jim Beam
- 5 Wild Turkey
- 6 Yamazaki
- 7 Buffalo Trace
- 8 Bushmills
- 9 Canadian Club
- 10 Tullamore Dew

BEST SELLING OTHER WHISKIES

- 1 Jack Daniel's
- 2 Jameson
- 3 Jim Beam
- 4 Maker's Mark
- 5 Buffalo Trace
- 6 Bushmills
- 7 Canadian Club
- 8 Wild Turkey
- 9 Bulleit
- 10 Hibiki

Rum diaries

The top two continue to lock horns as Havana Club moves into pole position for the first time

HOT RUM BRANDS

- 1 Havana Club
- 2 Bacardi
- 3 Mount Gay
- 4 Captain Morgan
- 5 Appleton
- 6 Zacapa
- 7 Santa Teresa
- 8 El Dorado
- 9 Captain Morgan Spiced
- 10 Chairman's Reserve

BEST SELLING RUM

- 1 Bacardi
- 2 Havana Club
- 3 Mount Gay
- 4 Appleton
- 5 Captain Morgan
- 6 Angostura
- 7 Santa Teresa
- 8 Zacapa
- 9 Sailor Jerry's
- 10 Bundaberg

Much like Johnnie Walker and Chivas Regal in the scotch category, Bacardi and Havana Club are used to doing battle on the rum ground.

But, for the first time since the survey launched, Havana Club has been named hottest rum brand, with Bacardi relegated to second place.

Cuba does a lot of the work for Havana Club – the island oozes cool and Pernod Ricard captured an element of this in its Nothing Compares to Havana campaign with stunning pictures of Cuba's capital.

Only 12% of this survey's respondents are from North America – a market impenetrable for Havana Club due to the trade embargo. However, Bacardi does produce a brand called Havana Club in this sector. There are ongoing trademark battles between the two companies and there will doubtless be a bigger battle if the embargo is ever lifted.

Santa Teresa has made a healthy return to both lists, after being absent in 2011.



HOT BAR BRANDS



Hot shots

Old favourite tops the ranking but agave champion Altos is making waves

Tequila super-brand Jose Cuervo, which is distributed by Diageo, takes the top spot in both polls again this year.

Olmeca is creeping up the best selling ranks, undoubtedly for the work its marketing team has been doing with Altos, the brand's 100% agave tequila.

It was launched in November 2009 and parent company Pernod Ricard has

been pushing the brand in high-end tequila joints in London and Paris – including Tomas Estes' Café Pacifico in London and La Perla in Paris, where the menus feature Altos cocktails.

Diageo's premium Don Julio has risen up the ranks in both lists – our view is that the brand is enjoying being part of the big D's Reserve portfolio and therefore Diageo's World Class cocktail competition.

HOT TEQUILA BRANDS

- 1 Jose Cuervo
- 2 Patron
- 3 Don Julio
- 4 Olmeca
- 5 Corralejo
- 6 Sauza
- 7 Hornitos
- 8 Arette
- 9 Cazadores
- 10 Herradura

BEST SELLING TEQUILA

- 1 Jose Cuervo
- 2 Olmeca
- 3 Sauza
- 4 Don Julio
- 5 Arette
- 6 El Jimador
- 7 Patron
- 8 Corralejo
- 9 Hornitos
- 10 Camino Real

In the limelight

All change at the top of the table

HOT BRANDY/COGNAC BRANDS

- 1 Hennessy
- 2 Remy Martin
- 3 Courvoisier
- 4 Martell
- 5 Delamain
- 6 Hine
- 7 KWV
- 8 Bardinet
- 9 Camus
- 10 Suntory

BEST SELLING BRANDY/COGNAC

- 1 Hennessy
- 2 Courvoisier
- 3 Martell
- 4 Remy Martin
- 5 Klipdrift
- 6 Honey bee
- 7 KWV
- 8 Torres
- 9 Camus
- 10 Fundador



The Big Four top both ranks again this year but, for the first time since the poll started in 2010, they are not in the same order.

Last year and 2010 saw the ranking as Hennessy, Rémy Martin, Martell, Courvoisier. But, as you can see, Beam Global's Courvoisier has jumped two places in the best selling ranks and one place in the hot list.

Courvoisier was also hailed in December's DI Dozen round up for being a stand-out brand in 2011. It looks like it didn't just catch our attention.

From punch promotions, age statements and even a rosé, the big brand is moving the category forward.



Craft doesn't dent beer giants

It's still the big boys who feature high in the charts

HOT BEER BRANDS

- 1 Corona
- 2 Peroni
- 3 Heineken
- 4 Asahi
- 5 Kingfisher
- 6 Bohemia
- 7 Carlsberg
- 8 Tiger
- 9 Amstell
- 10 Tsingtao

BEST SELLING BEER

- 1 Heineken
- 2 Corona
- 3 Asahi
- 4 Kingfisher
- 5 Becks
- 6 Peroni
- 7 Bohemia
- 8 Carlsberg
- 9 San Miguel
- 10 Fosters

Although the media is awash with stories about the rise of craft lager and consumers' lack of enthusiasm for beer behemoths, the list features some of the giants – Heineken, Carlsberg and Fosters to name a few.

Corona Extra is no small fish and its ongoing association with the beach, DJs and generally having a good time Mexican style, are probably all notions as refreshing as the beer when it comes to living through financial meltdown.



Stirred by the shakers

HOT COCKTAIL BRANDS

- | | | |
|----|----------------------|---------------|
| 1 | Mojito | 1 (1) |
| 2 | Martini | 2 (2) |
| 3 | Long Island Iced Tea | 3 (6) |
| 4 | Cosmopolitan | 4 (3) |
| 5 | Old Fashioned | 5 (9) |
| 6 | Margarita | 6 (4) |
| 7 | Caipirinha | 7 (5) |
| 8 | Singapore Sling | 8 (New entry) |
| 9 | Daiquiri | 9 (10) |
| 10 | Bloody Mary | 10 (8) |

(Last year's placings in brackets)

The cocktail list features just one new entry as the classic calls hold their own

The Mojito is still a cocktail giant, sipped the world over. From minty, sugary goodness to number two – the daddy of cocktails – with a serious hit of booze. Whether you like it shaken, stirred, dirty or with a

twist, you're not alone in the Martini fan club.

The Old Fashioned has crept up the list – a testament to the classic cocktail renaissance. The Cosmo might hit the top spot if Carrie et al ever do a third *Sex & the City* movie.



Skyy Ultimate Martini

Hot shots part deux

Vodka rules the roost

So here we are, then. The hottest and best selling across all categories. These lists show which brands received the most votes overall, across all categories.

There's A LOT of vodka to get through here and Absolut, with its endless stream of limited editions and new flavours, has got the attention of the trade.

Smirnoff is the workhorse of the category – selling 24.3 million cases in 2011 (Millionaires) – so it's no wonder its nearly everyone's best seller.

It has also been making waves with its Be There campaign.



HOT BRANDS OVERALL

- 1 Absolut
- 2 Grey Goose
- 3 Belvedere
- 4 Patron
- 5 Chivas Regal
- 6 Havana Club
- 7 Skyy
- 8 Bombay Sapphire
- 9 Hendrick's
- 10 Ketel One

BEST SELLING BRANDS OVERALL

- 1 Smirnoff
- 2 Absolut
- 3 Russian Standard
- 4 Beefeater
- 5 Skyy
- 6 Bacardi
- 7 Havana Club
- 8 Bombay Sapphire
- 9 Chivas Regal
- 10 Grey Goose

Hot bar none

The usual suspects take to the floor in the bartenders' hot list

This is the top 10 according to the bartenders we surveyed. Whereas the hot list is what they perceived as being currently most desired by the customer, this is THE list according to the bartender. And what a line-up it is – we bet there aren't many back bars

without this role call.

It's a fairly even spread across all categories – rum, vodka, scotch whisky, American whiskey, tequila. No brandies this year but who knows what will happen in 2012 to shape the 2013 list? 2013. Phew, let's not think about that yet.

BARTENDERS' TOP 10

- 1 Havana Club
- 2 Grey Goose
- 3 Jack Daniel's
- 4 Absolut
- 5 Belvedere
- 6 Tanqueray
- 7 Canadian Club
- 8 Johnnie Walker Black
- 9 Jose Cuervo
- 10 Patrón



Although vodka can be mixed with anything and everything, producers in eastern and central Europe prefer the light touch when it comes to cocktails. Patience Gould checks out the action

Just keep it simple

Vodka has a very easy association with cocktails – think the Bloody Mary, the Martini, more recently the ubiquitous Cosmopolitan and, further back, the Gypsy Queen – but unlike other spirits there is not a rich repertoire of classic cocktails to draw on. That said, in terms of the mixing firmament vodka stands on its own.

Put simply it is without doubt the most versatile spirit in the world, but this very mixability is now proving a double-edged sword. On the one hand it can be mixed with literally anything but on the other, arguably little skill is required to conjure up a voddy cocktail. The gauntlet for the mixologist may be thrown down but currently there is a noticeable ‘ennui’ when it comes to picking it up.

“It’s a funny spirit – it means so much to people in eastern Europe,” says Belvedere’s Claire Smith. “In the west though, we have a strange relationship with it – it’s lauded in nightclubs and it’s very popular obviously, but mixologists have become a bit cynical because of its huge spectrum of diversity.”

It’s this very diversity that has aided and abetted the notion that vodka is a spirit “devoid of personality”, and that it has no taste. Indeed there are vodkas

– particularly those produced in the west – which are distilled to be neutral, while vodkas produced in Poland or Russia from rye or potatoes are more distinctive, with both earthy and spicy notes.

Of course, in central and eastern Europe vodka was a way of life and it was traditionally consumed with food, so had to be stronger tasting to stand up to the likes of pickles and smoked meats.

“These vodkas from central and eastern Europe are produced to retain an echo of the raw material they are distilled from,” says Smith, “and as a result are more fascinating to use in cocktails. There is a reason why the Vodka Martini is an iconic classic cocktail since a special type of magic occurs when great vodka and vermouth are combined in a shaker.”

The general rule with vodka is to “keep it simple” and arguably there is no classic cocktail more simple than a Martini. That said, the Martini would instantly expose a poorly made vodka or a below par vermouth. Ergo the more complex and multifaceted types of vodkas will shine in the likes of the Martini and other cocktails, particularly those that combine rye or potato vodka with bitters, other tinctures or vermouths.

“Someone once asked me if there was anything you couldn’t do to vodka, and I

only argue that the more you do to it, the less it will give you back in return,” says Smith. “It’s best to apply a ‘less is more’ approach.”

International flavour

Keeping it simple is something close to the heart of operations at Russian Standard – a brand which has burst on to the international stage in the past five years. The producer is very keen that the vodka should be consumed neat, or taken in conjunction with fruit juice, which is traditional in Russia.

“Superstitions and rituals are part of everyday Russian life and vodka is not excluded from these traditions, either,” the company says in its website cocktail guide. “Always remember to leave your glass on the table when your drink is poured, to raise it while a toast is being proposed, and to keep it in the air until you’ve drained the glass. Between glasses of Russian Standard, try following another Russian custom – sipping a fresh juice. This is not to ‘chase’ the vodka, but rather to give it a new intensity, to bring out its natural depth and spice with your choice of refreshing juices, be it cranberry or grapefruit, pineapple or redcurrant.”

This flavour enhancing is another key facet which vodka brings to



Vodka Cocktails

cocktails as it brings out the flavours of the other ingredients in the concoction. This can be seen from one of the earliest vodka cocktails, the Gypsy Queen, thought to have been introduced in the late 1920s. This is a straightforward combination of vodka, Benedictine and orange bitters – and it's evident that vodka's role in this drink is to lengthen the taste of Benedictine.

Bloody Mary

Of course the cocktail with which vodka is most associated – some might say is synonymous with – is the Bloody Mary. This tomato juice and vodka confection is unique in that it's so easy to make at home and to your own taste, and bars around the world often boast their own bespoke Bloody Mary. While it's a shame that the Bloody Mary is associated with a hangover cure – and it is a marvellous one – it is nonetheless an excellent 'brew' in its own right.

To this end Belvedere has launched its Bloody Mary product – a vodka infused with the seven essential ingredients: horseradish, black pepper, bell pepper, chilli, vinegar distillate, tomato and lemon. This is a genuine first and it's a good move as, to date, the lion's share of the action around the Bloody Mary has been in the tomato mix and not the vodka.

"This is the first real savoury vodka – and it's exactly like a Bloody Mary. It has a wonderful complex savoury base," says Smith. "You can add tomato juice, or serve it straight over ice and it's delicious with pineapple juice."

This move is significant within the vodka flavoured category which has been dominated by fruit-flavoured vodkas – some of dubious quality it has to said – and other producers are now hot on the trail in order to maintain the mixologist's interest.

Aside from Absolut, a brand that paved the way to the vodka explosion of the past 20 years, Stolichnaya, which needs no introduction, was the first vodka to bring flavour to the arena and is maintaining its cutting edge with the launch of its Premyr Mixology Collection this year.



This was developed by master distillers at Stolichnaya Premium vodka alongside leading mixologists to create "an inspired collection of vodkas", including Blood Orange & Basil, Lychee & Rose and Ginger Root. "The flavour infusions help to create a range of unparalleled vodkas which elevate the cocktail experience and redefine flavoured vodka," the company says.

Preserving the traditional production method Stolichnaya is known for, the brand uses a premium quadruple-distillation method and a four-stage filtration process to yield the highest quality vodka, which boasts "complex layers of aroma and flavour" – all very typical of central and eastern European-produced vodkas.

Bartender competitions

While the flavours dimension is undoubtedly a good route to getting vodkas noticed and behind the bar, other activities are also ongoing. Not surprisingly, vodka cocktail competitions abound, all pitched to ensure the ongoing interest of the international bartending fraternity.

The Finnish vodka Finlandia has been staging its competition on home turf for 14 years now and regularly attracts top bartenders from more than 30 countries around the world.

This year, in order to update the competition and make it more consumer-friendly, social media was involved in the judging.

These competitions are good because, aside from engaging bartenders, they throw up trends in the mixing world, and this is the case with Finlandia's Vodka Cup. "If I look back two years it was all herbs – basil, rosemary et

Cocktail recipes

Belvedere Summer Mary

(This is a batch recipe)
10oz Belvedere Bloody Mary
15oz orange juice
6oz red pepper juice
3oz tomato juice

Pour all ingredients into a glass jug. Orange slice and basil leaf garnish.

Bloody Ceasar

(Variation on a Bloody Mary and popular in Canada)
1½oz vodka
6oz Clamato Juice
Celery salt for rim

Rim glass with lime and celery salt. Put ice in glass, add vodka and clamato juice and stir.

Moscow Mule

2 parts vodka
2 parts lime juice
Top up ginger beer
1 lime slice
4 ice cubes (crushed)
1 orange slice

Put the ice cubes into a cocktail shaker. Add the vodka and lime juice and shake. Pour into a hurricane glass, top up with ginger beer and stir. Decorate with the slices.

al – while today's 'in' flavours are ginger and honey," says Finlandia's master taster Markku Raittinen. "Egg white is back, it featured a lot in the Long Drinks category – to make the drinks look nice and foamy – it used to be old school though."

Great invention

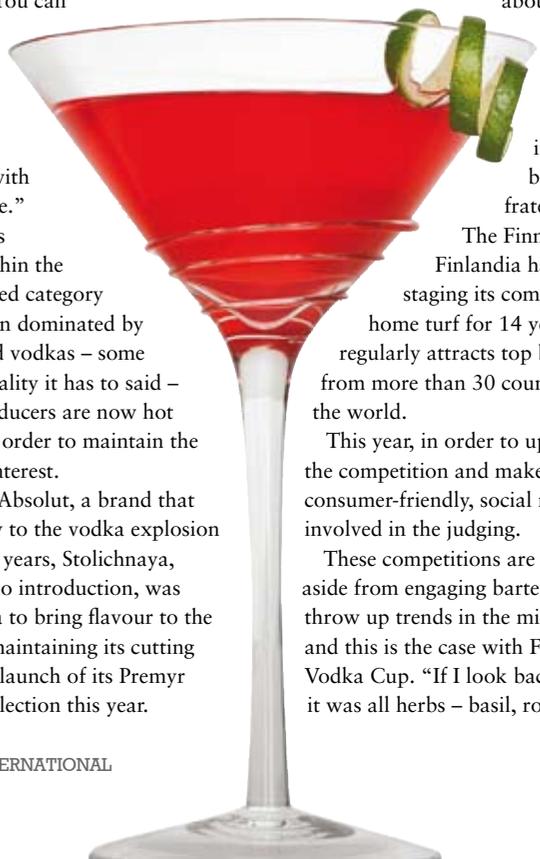
Without a great classic cocktail repertoire, vodka's position in the mixing arena has to be constantly underlined and updated, but – and it's a big one – it is the only spirit of late to have found a cocktail for itself in the 1990s.

That is, of course, the Cosmopolitan (below left), an easy-drinking mix of vodka, Cointreau and cranberry juice. Its popularity was fuelled by the cult TV series *Sex & the City*, and its position in the vodka cocktail pantheon is assured – but it has already become somewhat passé.

Why is this? Well it's all to do with fashionability. Vodka is big on image – and who is seen drinking a brand is critical for certain vodkas. Indeed, celebrity and 'bling' are positively courted – all of which is very transient and expensive.

Vodka's most enduring and famous 'backer' is undoubtedly James Bond, who always ordered his vodka Martinis to be "shaken, not stirred" which, for the supposedly suave government agent, is somewhat surprising – but there you go.

At the end of the day, as Finlandia's Raittinen puts it: "Vodka doesn't bring taste – it works as a booster – it gives the kick that makes it more palatable. It's a platform for flavours to shine." And the trick for a good viddy cocktail is to find that platform. **DI**



Cachaça is a hulking heavyweight of a category. At about a billion nine-litre case sales a year it dwarfs the likes of gin, tequila and cognac (Euromonitor International). And, contrary to popular belief, Brazil's national spirit more than keeps pace with production of rum in the whole of Latin America. Yet, despite its almighty scale, cachaça is mainly a domestic deity. A lopsided 99% of consumption of the sugarcane spirit happens under the sunny skies of Brazil. Where cachaça is concerned, international markets remain largely in the dark.

Global enlightenment has long been on the agenda, though. There has been talk of cachaça's enormous potential, its diversity of styles, the delicious and marketable Caipirinha cocktail and the current cult popularity of everything Brazilian. But meaningful actions from the category's prominent players have yet to follow words. Historically the category's biggest barrier to global domination has also been one of its strengths. Cachaça is the treasured drink of a country that is a provincial town away from numbering 200 million people. While there have been enough thirsty mouths, cachaça brands have been content within their own borders.

Volume down

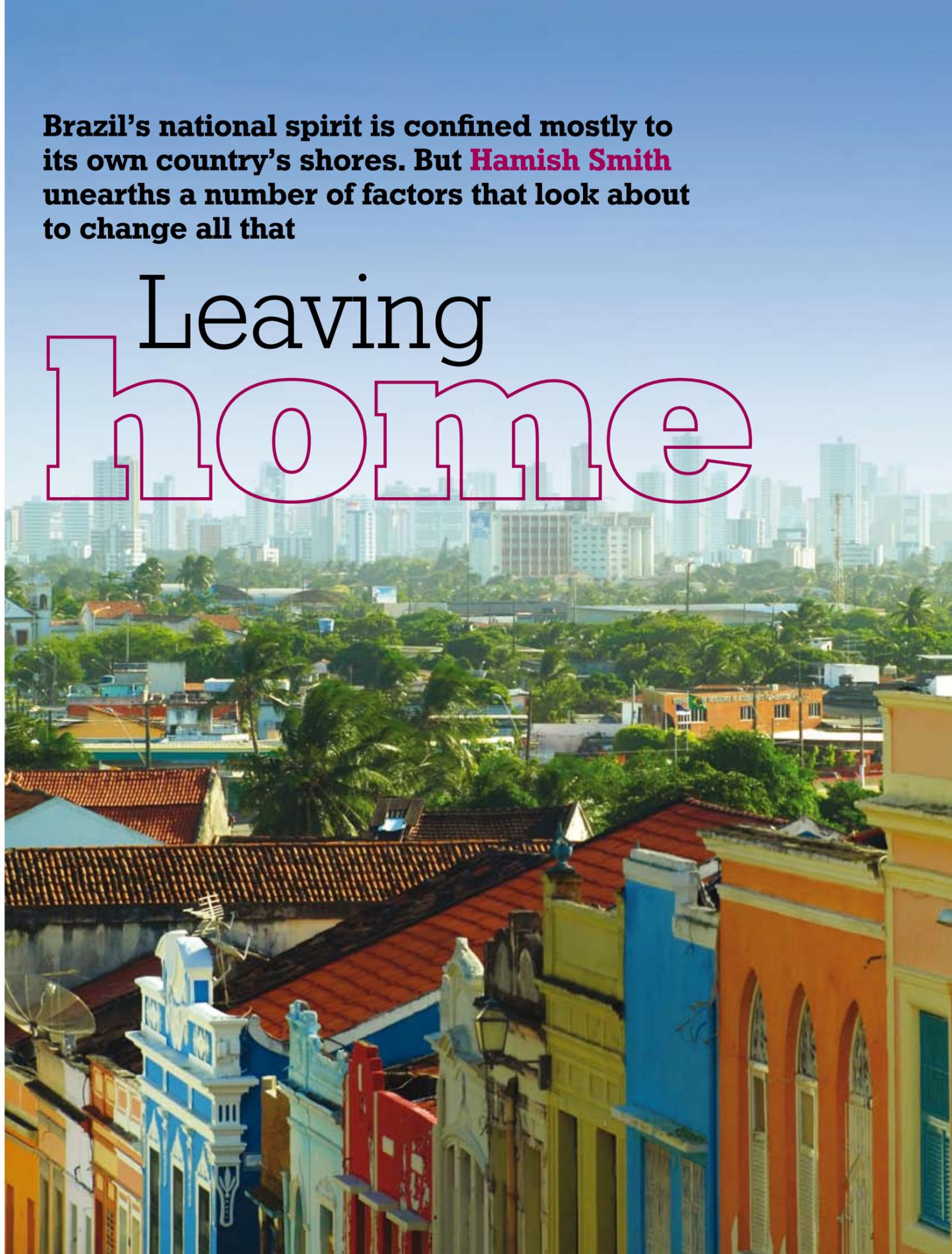
But with domestic volume sales having dipped by about 1% – the fifth consecutive year of decline (Euromonitor) – there is a growing acceptance that future growth will not come from cachaça in its traditional, commodity form. There is an increasing embracement, theoretically at least, that international markets may finally have a role to play – though probably now more out of necessity than adventure.

“The Brazilian cachaça industry shouldn't rest on its laurels in Brazil and continue to wait for the world to come and invite it to the major league of world spirits,” says Cosme Gomes, head of business development for super-premium cachaça brand Bossa. “Brazilian producers should be more present abroad – investing, refining its messaging, innovating, acquiring brands and forming partnerships.”

And what better time to take product to market than when the culture and back-story of the category is about to be projected into the living rooms and

Brazil's national spirit is confined mostly to its own country's shores. But Hamish Smith unearths a number of factors that look about to change all that

Leaving home



Shutterstock/Paulo Williams



Pitú sees exports as key to boosting home market consumption

bars of the world? For international-facing super-premium brand Cabana Cachaça, the opportunities of the 2014 World Cup and 2016 Olympics don't confine themselves to the sporting period. “Important in my opinion is how any momentum from those events can be leverage for long-term, sustainable success,” says brand founder and CEO Matti Antilla.

Premium exports

For most of the heavyweight cachaças, exports appear an afterthought. It is brands at the premium end of the business that are asking all the questions of the category's international suitability. As a potential growth export market, the US is increasingly looking like the answer. Estimates vary as to the size of the US cachaça market – possibly due to the confusion caused by its classification as Brazilian Rum – but according to Gomes the US is set to surpass Portugal as cachaça's second export market, behind Germany at somewhere around 160,000 cases.

One of the most active brands in the market has been the self-styled ultra-premium Leblon, which is finished in XO cognac casks. Part-owned by Bacardi, the brand has attracted attention with the ongoing Legalise Cachaça campaign – a marketing stunt aimed at raising awareness by sniping at US drinks regulators.

Bossa, another front-runner of the

American movement, claims to be growing in double digits every year. “It's exciting to be part of this first generation to break out of Brazil,” says Gomes. “The US market is in some ways one of the most open markets in the globe because American consumers have no issues falling in love with a foreign brand – and that's not the case everywhere. Most new major brands have been born or became famous in the US before hitting the world markets – Patrón, Hendrick's, Skyy, Absolut, Smirnoff even.”

But without an international generic body to homogenise brands and message, and to coordinate campaigns, the likes of Leblon and Bossa blaze lone trails in the market.

Cabana Cachaça is another in this vein and, albeit with small volume, it has achieved what has traditionally been seen as unattainable – 70% of its sales come from the US. “It's the most important market for Cabana right now, as it's the most receptive to the premium end of the category,” says the brand's Antilla. “If the premium end of the



market can gain traction here then the opportunity globally is significant. One only needs to look at the history of the tequila category as an analogy.”

For Cabana, the development of cachaça's reputation as a premium product overseas will not only serve the brands with international pretensions. “The growth internationally of the category, driven by more premium brands, is helping to grow demand at the premium end of the market in Brazil,” says Antilla.

The category's second in command (behind Pirassununga 51) is Pitú, which sold 10.2 million cases in 2010 (Millionaires 2011). Its sales split is 97% domestic and 3% international, but Pitú also has outward ambitions. “Export is surely the answer”, says Andrea Baumgartner, international marketing director of Pitú. “The demand for the category in strong international markets will increase the wish to develop cachaça in the home market.” For Baumgartner it is cachaça's diversity of range – aged and un-aged, gold and silver styles – that will foster interest overseas. “Perhaps we will see some bars having a diverse range of cachaça as their USP, in the same way as some have embraced tequila.”

So, counterintuitive as it may sound, the remedy for cachaça's domestic malaise in volume sales could be found elsewhere. “It may seem like a contradiction but the key to cachaça's success in this newly affluent Brazil is the international markets, not the other way around,” says Bossa's Gomes. “Like most countries, Brazil is susceptible to the attraction of the exotic, the foreign. You could say that ‘the spirit is always more premium over the border’. Just look at how the Swedes became proud of Absolut vodka, a previously stodgy government-owned company that later became a cool international brand. Likewise, a similar process will occur in Brazil – when the right cachaça brand reaches a critical mass and gains that ‘coolness factor’ internationally.”

Domestic dedication

That cachaça will probably not be the fourth biggest brand, Ypióca. The fifth-generation, family-owned, 165-year old producer seems content with the domestic market and, with sales of more than 6 million cases this year, it has reason to

be. Despite having made an early debut in the US during the 70s and collecting sales invoices from as many as 40 world markets, the brand may just have concluded that the Brazilian market is plentiful enough.

“Our international sales are still very tiny and not relevant compared with the domestic sales,” says Ypióca export manager Guilherme Coelho. “Our strategy has been built aiming at the Brazilian market as we see the potential for growth in the premium segment and innovative products for quality brands.” Though, with a full spectrum of cachaças, which include the super-premium Cachaça Rio and anniversary expression Ypióca 160, the brand, like many others, is developing products that would suit more discerning palates.

Certainly the category leader Pirassununga 51, which sold a Bacardi-bettering 19.5 million cases in 2010 and offers the gamut of styles, isn’t perturbed by the gradual drop in domestic volumes. “The cachaça market is shrinking at a historical rate of about 1-2%,” says the brand’s CEO, Ricardo Gonçalves. “What is important is that the trend is mostly towards increasing value and sophistication of the category.”

Upgraded offering

So perhaps the continuous volume decline in Brazil isn’t actually as dramatic as it sounds. With new wealth among consumers, domestically focused brands have started to evolve and innovate to meet more discerning tastes.

Gomes picks up the thread: “The cachaça industry, which until recently was viewed as large but unsophisticated, is now upgrading its offerings, renovating packaging and launching different concepts. What’s new is that a lower-income population is now maxing out the first new credit cards to splurge on anything viewed as previously reserved for wealthy Brazilians.”

In the maelstrom of a rapidly changing marketplace arises the opportunity for newcomers. Diageo’s presence is old news – it’s been testing the water with Nega Fulo for a decade and remains poised, but Pernod Ricard is also lurking with Sao Francisco and Janeiro.

Perhaps more significant though are the moves into the burgeoning premium end of cachaça. Rum giant Bacardi’s Leblon and Campari with Sagatiba have the distribution networks, marketing budgets and knowhow to break international



markets. The Italian group’s acquisition, which came in August, was described as the “market leader in the premium cachaça”. Campari had already dipped its toes into the market in 2010, when it distributed the brand, but seemed assured enough to pay US\$26m for Sagatiba and says it sold 112,000 cases in 2010 – two-thirds of which was in Brazil. “Sagatiba enables us to tap into the largest segment of the Brazilian spirits market as well as leverage the premiumisation trend being

Cane reaction: new wealth among consumers is seeing increased demand for better quality cachaça

The headquarters of Ypióca – a company that remains domestically focused



driven by socio-economic improvement,” says Bob Kunze-Concewitz, chief executive officer of Campari.

Since Sagatiba was founded by Brazilian entrepreneur Marcos de Moraes in 2004, the company has expanded to offer a portfolio including aged expressions Velha and Preciosa – aimed at an older demographic who drink the spirit neat – and its un-aged Pura, marketed towards younger drinkers.

Bossa’s Gomes fears that one day the added competition from the world’s heavyweight drinks groups could spell trouble for brands that rely too heavily on the domestic market. “For now Brazil is big enough for any of the large cachaça manufactures, but the future could be totally different.

“New players will certainly enter Brazil and threaten their control of that market, especially if they are allowed to grow unchecked internationally.”

Talking from opposite ends of the cachaça philosophy, unsurprisingly 51’s Gonçalves disagrees: “We welcome new companies, especially of the size and shape of Diageo, Bacardi and Campari, because they will work to build the market.”

The docking of international drinks groups into port Brazil, whether to trade at the premium end of the domestic market or as a platform for overseas offensives, is surely a compass point in the right direction. Whether the current leaders of the category ever charter a voyage of world exploration of their own remains to be seen. Certainly, with their new premium products on board the journey will be a much smoother one. **DI**

Consumers in Australia's top two export markets are abandoning its wines for cheaper alternatives, according to Wine Intelligence, leaving producers wondering if Asia will grow big enough to compensate for US and UK declines. By Graham Holter

Is the sun setting on Australia?



A poor 2011 vintage, a rising dollar and stronger competition from rival countries: it all adds up to a recipe for crisis for Australia's winemakers.

"This is absolutely the hardest time that you could ever imagine the industry could be in," Alister Purbrick, chief executive of central Victoria's Tahbilk Wines, told the Sydney Morning Herald recently. "There is nothing else that could go wrong in our industry that's not already wrong at the moment."

Purbrick's pessimism seems to be well founded. New data from Wine Intelligence suggests that mainstream consumers in established markets are drifting away from Australian wines. Sales volumes are still high, and the clean, fruit-driven styles Australia is known for

will probably never go out of fashion. There's also evidence that Australia is making progress in the super-premium space, though from a very small base.

The latest Wine Intelligence consumer behaviour data on the US and UK reveals that the proportion of regular wine drinkers who say they've consumed Australian wines in the past six months has fallen significantly since 2008.

In the UK, traditionally Australia's biggest export market, 59% of the monthly wine-drinking population say they have drunk Australian wine, down from 73% in 2008; in the US the decline is even more dramatic, from a high of 48% of the monthly wine-drinking population in 2009 to 28% in 2011.

"The most serious problem for Australian producers in the UK is there is growing evidence that the everyday

Sunset over Leasingham vineyards

consumer is disconnecting from Australia," says Wine Intelligence chief operating officer Richard Halstead. "In the UK alone there are 4 million people who used to buy Australian wine and now say they don't. If you ask them, they may well say they still like Australian wine – it's simply a case of not having a reason to buy it, or perhaps more accurately a better reason to buy wine from elsewhere."

Why should this be happening? Halstead argues that rising prices of Australian wine, thanks mainly to a strongly appreciating Aussie dollar, has hampered the country's value for money proposition among mainstream consumers. At the same time, a surge in demand for lighter white wines has dented the traditional Aussie Chardonnay trade and benefited New Zealand, whose

consumer base has grown from 21% of the UK wine-drinking population in 2008 to 25% now. "And in reds, a number of other countries – Chile, Argentina, South Africa, and Spain – have successfully emulated the fruit-centric, low-tannin style that made Australia famous," Halstead adds.

Worrying US picture

"Perhaps the more worrying picture is in the US. The data suggests that one in five American wine drinkers – around 15 million consumers – have stopped drinking Australian wine in the past two years. Again, I would caution against thinking these people have actively abandoned the Australian category – they may just be substituting their regular Aussie Shiraz purchase for an Argentinian Malbec."



McGuigan is a household name in UK markets

Nielsen statistics for the US off-trade market show that Australia is still the second most successful exporting nation, after Italy. But in the year to September 2011, sales value crashed by 9% and volumes by 4%.

Tim Boydell, director of sales and marketing at Angove Family Winemakers, says Australia's main problems in the US are the strong Australian dollar, changing fashions, oversupply and the discounting this encourages, and "the Yellow Tail factor – it became so successful it was no longer cool".

"Our run as the flavour of the month as the New World wine of choice has been halted," he says. "However, it had to, let's face it. Wine is like fashion and food: trends change and consumers move with the trends."

"We have had to modify our offer and ensure that we take on board feedback, and review research from our expert partners, to ensure our offer is relevant to the marketplace and fashion of the time. We have done so and are growing in sales."

Price sensitive

Boydell believes that the problems in the UK market are slightly different. "The UK market has always been incredibly price sensitive," he says. "If the deals do not work the buyers will find a supply country which will make them work."

The challenge is made harder by the small number of buyers who control the bulk of sales, and the cosmopolitan nature of the market. "They have made sure that Australia is interchangeable with other New World wines," Boydell says.

"Fashion has also moved on in the UK. Importantly this is driven more by our

inability to hit price points. The consumer likes our wine at a price, according to the buyer.

"We have seen a decline in the UK market over the past five years to the point where we have little in the way of branded sales and the sales we do have are buyers' own brands, exclusive brand or bulk. The volume is substantially reduced from where it was when it was a standout number one export market for us."

Stephanie Duboudin, Wine Intelligence's country manager for Australia and New Zealand, agrees that currency has been a major headache for exporters. "The high Australian dollar has crucified profits for producers in export markets, with many producers selling at a loss just to keep the channels of distribution open in the hope that the dollar will recede again," she says. "It's very common for producers to be pulling out of export markets at the moment."

She also suggests that Australia has become a victim of its own laudable attempts at diversification and regionalism. "Australia has more than 60 wine regions across a range of areas and climatic conditions. This leads to a complicated message to communicate about brand Australia and what styles of wine we produce."

"We were originally known for good quality fighting varietal wines in these key export markets. That message has been broadened to include more premium wines, which has, in turn, made it more complicated for the average consumer in the UK or US to understand what we do best."

Not surprisingly, many Australian producers are turning their gaze to emerging markets closer to home. "Asia is certainly the focus region at

Australian Wine

the moment for Australian producers,” says Duboudin. “There is a very positive association between Australia and many Asian countries. We are near neighbours and it has been the one region with the shining light of growth in sales for Australian wine.

“It is very likely that, for many producers, Asia will become more important than some of the traditional export markets – but it’s unlikely to be the case for everyone. Asia is a complex operating environment and the pay-off is there for those that get it right with the right product offering, packaging and, the most important factor, good distribution. But it’s certainly not going to be the case for everybody.”

Potential growth

Lucy Anderson, director of Asia for Wine Australia, says Asia offers a mixture of opportunities. “Currently, mainland China offers the biggest growth potential for Australian wineries due to the population and growing number of wine drinkers in the market,” she says.

“There are a number of other countries where we are seeing steady increases in Australian exports. However, all of these markets are off a relatively small base – such as Vietnam – or are relatively mature markets such as Hong Kong and Singapore and don’t necessarily have the same potential number of wine consumers.”

Already the Asian markets offer a better price per litre for Australian wines than the US or UK. But isn’t China a problematic market in that consumers only seem to be buying at the top and bottom ends of the price spectrum?

“I do not think Chinese consumers ‘want’ wines at the top end or bottom end – rather, I think this reflects the



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current reality,” says Anderson. “In my opinion it is the middle ground that will end up being the winner – wines that offer quality, are trusted and known brands and appeal to local tastes. Australia is well positioned to deliver these wines.”

Understanding Chinese consumers is tricky, not just because the country is so vast and cultural differences exist between major cities, but because the market is evolving so quickly. For instance, Wine Intelligence focuses its consumer research on four cities – Beijing, Shanghai, Wuhan and Guangzhou – and on the upper-middle class wine drinkers who live there.

The big question is whether this expanding urban population, with its fixation with western drinking habits, will grow big enough to compensate for

Australia is looking to emerging Asian markets to fill the gap being left by the UK and US

the downward trends in the US and UK.

Says Boydell: “China is massive. They have an incredible thirst for knowledge and the fashion is very much in our favour – it is cool to drink wine. We are seeing potential across the board but the top and bottom get the most focus from the Chinese.

“China will be our number one export market in the next four years if it keeps the current rate of growth.”

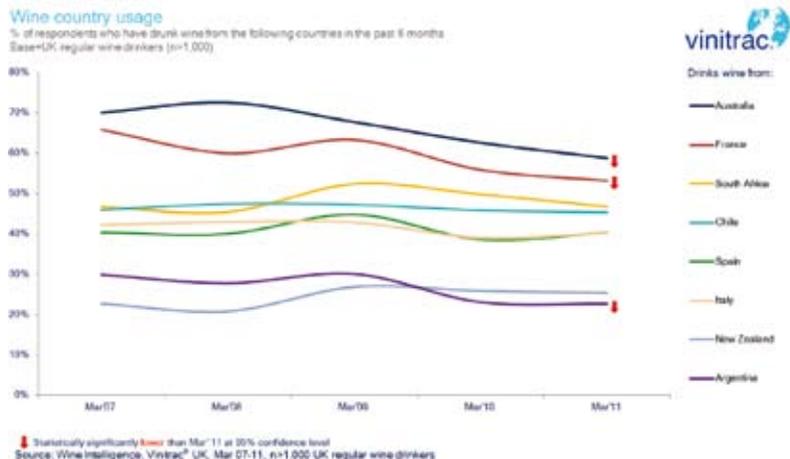
Anderson at Asia Wine Australia hopes exporters will take an intelligent approach to China. “I think the metrics for measurement are changing and we should not just look at volume growth or market share,” she says.

Sustainable pricing

“There is no point in Australia exporting larger volumes to Asia if the price points or volumes are not sustainable. If we look at current figures, China and Hong Kong make up 7% of export volume but 13% of total export value. This demonstrates a sustainable position.

“However, there is still a lot we do not know about China which makes it difficult to predict the future.

“I think, and hope, that Asia – China in particular – can provide Australian wineries with an opportunity to get things right. By this I mean ensuring price points and volumes are sustainable, building loyalty to brands/region/country, not to price-points, and planning for the long term instead of being satisfied with short-term results.” **DI**





From our own correspondent



David Wrigley, the WSET's international development director, reports this month from New York on the work of the organisation throughout last year

Here's a quotation I've always liked: "Physicists and astronomers see their own implications in the world being round, but to me it means that only one-third of the world is asleep at any given time and the other two-thirds is up to something." (Dean Rusk, US Secretary of State 1961-1969).

The quote turned up in my desk diary for the first week in January last year, and if you interpret "up to something" to mean involvement in WSET programmes, it turned out to be a fair prediction of WSET's world in 2011.

We certainly hit the ground running – the first week of the new year had not ended before international development manager Jude Mullins and WSET's research & development director Antony Moss had left for California to run the first WSET Educator Training Programme of the year and further training for the two new diploma providers in southern California.

The Educator Training Programme – our 'train the trainer' package – is a key element of WSET's quality system, ensuring that any student of a WSET course anywhere in the world is going to have a positive and consistent experience.

Over the course of the year we delivered this training in Los Angeles, New York, Adelaide, Tokyo, Istanbul, Charlotte (North Carolina) and Hong Kong, as well as numerous times in London.

And to the Educator Training Programme we have now started to add training for local assessors of the new Level 1 Wine Service qualification.

At the heart of this qualification are the practical skills of wine – and customer – service, and a multiple choice examination is not going to test these 'live' skills enough. So the candidates are observed in a wine service setting, which means we need to recruit and train local assessors to observe on our behalf.

All this we do alongside visits to our current and potential Approved Programme Providers, our network of independent schools, colleges



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The WSET had some 35,500 examination candidates around the world in 2011

and training departments. We see our current providers as often as we can given the scale of the task: WSET now has 440 providers in 55 countries.

Between them they have defied the climate of economic gloom and, by the end of the academic year in summer 2011, had seen more than 35,500 examination candidates, 70% of them in countries outside the UK.

This represents a growth in WSET's international business of a remarkable 40%.

The major growth has come in China, where our investment in translation has paid off, and also in India, where a major multinational has taken on our Level 1 spirits programme. But

these and the numerous other countries also showing growth have more than made up for those who have had a tough year either through economic circumstances, particularly in Europe, or natural disasters such as the Great East Japan Earthquake.

But overall – and especially when you add the new possibilities afforded by our online learning programmes into the mix – it really does seem as though, at any given time, in that two-thirds of the world that is awake and "up to something", someone is studying for a WSET qualification.

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PURE GOULD

Former Drinks International editor Patience Gould takes issue with packaging ploys



What I'm asking myself is, what is the point of Christmas packaging? Well aside from the obvious - increased on-shelf visibility and capturing the opportune gift-giving possibility - it is deeply festering and the more so in this recycling age, particularly when it's your standard weekly purchase that gets a Christmas makeover. So imagine my frustration - I was shopping in UK supermarket Waitrose and could not find Beefeater anywhere on the gin aisle.

In desperation I summoned one of the staff. He too was baffled and called another colleague over. He immediately located it, as it transpired he'd actually loaded the shelves that morning. So why could I not find it? It was on the correct drinks shelf but not in its usual position (next to its super-premium sister Beefeater 24), and it was totally disguised in a festive carton. Furthermore it was back to front so even the Beefeater logo was obscured.

Far more interested in the contents, I'm afraid my first carton was summarily jettisoned into the recycling paper bin. It was only on the third Beefeater purchase, and I might say the third time that it failed the scanner at the check-out, that I decided to take a closer look. It is indeed a wondrous piece of packaging, which becomes instantly understandable, particularly when one gets hold of the press release.

This explains that: "The white carton features an outline of the Beefeater Dry bottle, filled with a collage of icons and words to inspire consumers when creating their Beefeater Gin cocktail.

"The pack also includes cues to Beefeater's London heritage, while the addition of winter images, such as snowflakes, and a metallic finish deliver a festive touch. A QR code on the side of the pack, once scanned, directs consumers to an exclusive Beefeater Winter Punch cocktail on the new drinking occasion website, ginandtales.com."

So it's probably the QR code that is generating the problems at the check-out. But I'm afraid it's all way, way too much to take in, even at home with a G&T in hand, let alone at the point

of purchase. The consumer definitely needs more of a helping hand on this one.

That said though, there has been much talk lately that, while the lion's share of the gin marketing action is geared to the on-trade, not enough has been done to engage the consumer. As one industry pundit put it: "Bartenders totally get gin now - but I'm not sure the consumer does." So to this end, due applause must be given to Beefeater for taking this consumer initiative in the first place.

But this does beg the question of whether consumers actually read the information which producers these days have to put on their products. Compared to the food industry, the drinks industry gets off relatively lightly. But after years of trumpeting the fact that Gordon's is a 37.5% abv gin and watching the looks of confusion and amazement flash across many faces, I am not convinced that consumers even bother checking the actual strength of the alcohol they are buying, which is there for all to see.

However, there is this ludicrous piece of labelling piffle pending on the European Commission's books which could well require nutritional details on bottles of alcohol in the future. Oh, please. I can just about take on units of alcohol, but nutritional and calorific details is a step too far.

Mind you, warning labels aimed at pregnant women, which already exist in the US, will be added to all alcohol products in New Zealand and Australia in two years' time and there's a big campaign underway in Europe to do just the same. And what do they say? That drinking alcohol while pregnant is not advisable - ho, hum...



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Drinks International (ISSN 0012 - 625X) is published monthly by Agile Media Ltd and distributed in the USA by Mail Right International, 1637 Stelton Road B4, Piscataway, NJ 08854. Periodicals Postage Paid at New Brunswick, NJ. POSTMASTER: Send address changes to Drinks International, 1637 Stelton Road, B-4, Piscataway NJ 08854. Published under licence from William Reed Business Media, Broadfield Park, Crawley, West Sussex RH11 9RT 01293 613400