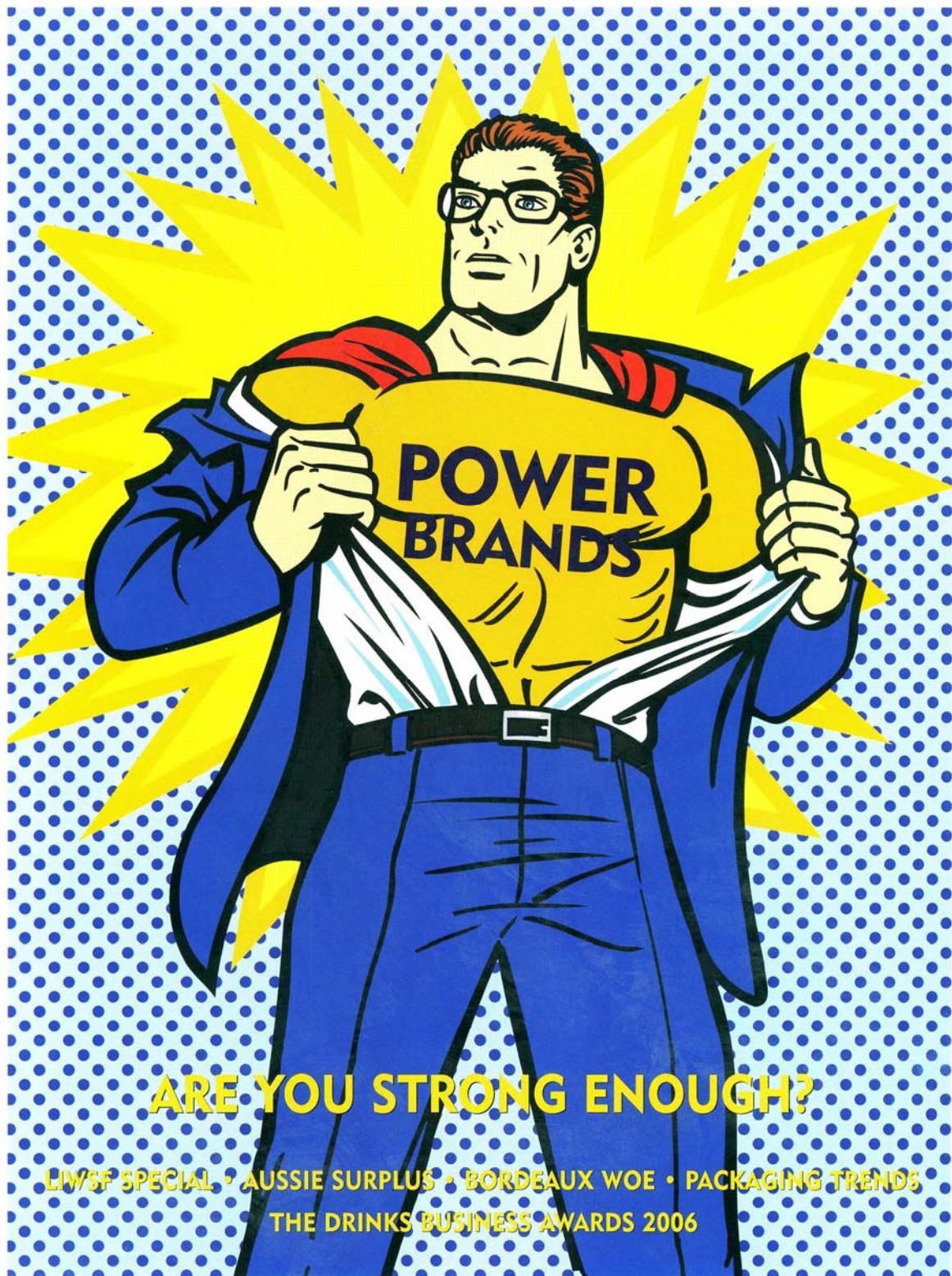


# the drinks business

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**ARE YOU STRONG ENOUGH?**

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THE DRINKS BUSINESS AWARDS 2006**

# EDITORIAL

hey



charlotte

**HAVE A LOOK** in a standard copy of the OED and you'll see that the word "power" has about 14 different definitions. Come to think of it, "power" is a word the explanation of which seems obvious – but you try putting it into words. When it comes to describing what a brand is, especially if you work in the wine trade, you could argue that the concept is even harder.

So, never one to shy away from a challenge, we have had a go at not only defining power, but also compiling the world's first (we think so, at least) list of the top-100 drinks power brands (see p.22).

In the business of marketing it is often difficult to define and measure the reach, or even the power, of a brand. Power is not just defined by your brand's position in the volume and value tables in a particular country – it's so many other things. Share of market and category are important, of course, but what about the brand's heritage, its potential for growth, price positioning and market scope? Then add to the mix more subjective concepts, such as

aspirational value or brand relevancy across the consumer demographic, and you begin to see the complexity of the issue. No matter what tools or systems you might create, the issue remains that the power of your brand is hard to define.

There are a few surprises in our top-100 power brands list, as you would expect. Diageo might be the number-one global drinks company, but Pernod Ricard has more power brands in our chart. What's the most powerful sector? Vodka? No, it's whisk(e)y, with 21 brands in the top 100. Vodka only has 10. And the most powerful wine company? Constellation, of course, but the only wine brand to make it into the top 20 (just), alongside all of those spirits giants Smirnoff, Absolut and Johnnie Walker, is Gallo.

It makes very interesting reading. Enjoy.

**Charlotte Hey**  
editorial director & publisher

## SUPER POWERS

Which wine and spirits brands are the real heroes of the drinks industry? *Patrick Schmitt* reveals the top 100



**POWER.** It's a subjective concept and, therefore, difficult to calculate – unless you're talking about engines and the archaic use of horses to gauge output – but that didn't stop *the drinks business* in its aim to put together a brands "power" list, a ranking

of the 100 most powerful wines and spirits in the world, which has been timed to coincide with the 2006 London International Wine & Spirits Fair.

The list is the first of its kind. Sure, there have been many drinks lists, mostly based on

measures such as volume or value, but none has ever rated wines and spirits according to the criteria outlined below, to provide, if you like, a close approximation of true brand worth – and on a global scale as well.

### Selection process

So how was this achieved? A panel of experienced drinks-industry figures, mostly from the brand-valuation company Intangible Business (see p.27 for brief biographies), researched nearly 10,000 wines and spirits to derive a core of 100 brands. This initial 100 was decided according to volume sales and international presence. Local mono-market brands were excluded – for instance, no shochu features – while some brands with low volumes did make it because of their super-premium status, notably the more famous of the Champagne brands.

You will also notice that there are no beer brands. This list was stripped of these because beer was perceived as a more FMCG category.

Then, having decided on 100 brands, a series of measures was drawn up to rank them. Eight were used – four "hard" and four "soft". These were picked because "they are the ones we would use for valuing a brand," explains joint managing director of Intangible Business, Stuart Whitwell, who has recently worked with Fortune Brands on valuing the company's portfolio of drinks. For each measure, every member of the panel scored the brand from 0 to 10, with 10 being the highest score.

### Four hard measures

The first of the hard measures was "share of market". This was a figure based on a brand's volume share of its category, of

## The world's most powerful wine and spirits brands

Rank	Brand	Sector	Owner	Country of origin	Total score	Brand score	Market share	Future growth	Price position	Market Awareness scope	Relevancy	Heritage	Brand perception	
1	SMIRNOFF	Vodka	Diageo	Russia	90.0%	73%	7.6	5.8	5.4	8.6	9.2	6.8	7.0	7.6
2	BACARDI	Rum	Bacardi Martini	Cuba	73.2%	73%	8.8	3.8	5.6	8.8	9.2	7.0	7.0	7.8
3	JOHNNIE WALKER	Whisk(e)y	Diageo	Scotland	53.8%	77%	8.2	4.2	7.0	9.0	9.2	8.0	7.8	8.2
4	MARTINI	Light aperitif	Bacardi Martini	Italy	47.9%	60%	9.2	3.4	4.6	7.2	7.8	4.2	5.8	5.8
5	STOLICHNAYA	Vodka	SPI	Russia	47.1%	67%	5.2	4.8	6.2	6.8	7.6	7.4	7.6	7.6
6	HENNESSY	Cognac	LVMH	France	30.8%	79%	9.2	6.6	7.4	8.6	7.8	7.4	8.2	8.2
7	JACK DANIEL'S	Whisk(e)y	Brown-Forman	US	28.2%	73%	5.8	6.2	6.6	8.6	8.6	7.8	7.0	8.0
8	ABSOLUT	Vodka	Vin & Spirit	Sweden	27.2%	66%	3.8	5.8	6.4	6.8	7.6	7.2	7.0	7.8
9	BALLANTINE'S	Whisk(e)y	Pernod Ricard	Scotland	23.7%	65%	4.8	3.8	6.2	7.6	7.4	7.2	7.6	7.2
10	BAILEYS	Flav spirits	Diageo	Ireland	22.8%	71%	7.2	7.4	6.4	8.0	8.2	6.4	5.8	7.4
11	CHIVAS REGAL	Whisk(e)y	Pernod Ricard	Scotland	21.3%	64%	3.8	4.4	6.2	7.4	8.0	6.8	7.4	7.4
12	CAPTAIN MORGAN	Rum	Diageo	Dom Rep	18.1%	61%	4.8	6.8	5.4	6.0	6.6	6.0	6.6	6.6
13	DEWARS	Whisk(e)y	Bacardi Martini	Scotland	17.2%	51%	3.8	4.0	5.4	5.0	5.6	4.8	6.6	5.4
14	CUERVO	Tequila	Diageo	Mexico	16.5%	64%	9.0	4.4	5.8	7.2	7.0	5.8	5.6	6.6
15	GORDON'S	Gin	Diageo	England	16.1%	66%	7.8	3.6	5.2	7.6	8.2	6.2	6.8	7.0
16	J & B	Whisk(e)y	Diageo	Scotland	15.9%	59%	4.8	3.0	5.4	6.6	6.8	6.6	7.4	6.8
17	JIM BEAM	Whisk(e)y	Fortune Brands	US	15.8%	56%	4.4	3.4	5.2	6.4	6.6	6.4	6.2	6.0
18	MOET & CHANDON	Champagne	LVMH	France	14.8%	72%	8.4	4.4	5.6	8.2	8.4	7.2	7.6	7.6
19	SEAGRAM	Whisk(e)y/Gin	Pernod Ricard	US	13.3%	37%	3.5	2.6	3.6	3.5	4.3	3.5	4.5	4.1
20	GALLO	Wine	Gallo	US	12.4%	45%	4.8	4.4	3.8	5.4	5.0	4.2	4.0	4.2
21	RICARD	Flav spirits	Pernod Ricard	France	10.8%	38%	6.0	2.6	3.6	1.8	4.0	2.6	5.6	3.8
22	JAEGERMEISTER	Flav spirits	Mast-Jaegermeister	Germany	10.7%	49%	5.2	6.6	6.0	4.0	4.0	3.6	4.8	4.8
23	HARDY'S	Wine	Constellation	US	10.5%	45%	4.4	5.0	4.0	4.8	4.8	4.8	4.2	4.2
24	CONCHA Y TORO	Wine	Concha y Toro	Chile	10.2%	51%	4.0	5.4	5.2	5.4	5.0	5.8	5.0	5.0
25	CROWN ROYAL	Whisk(e)y	Diageo	Canada	10.2%	50%	3.8	5.0	6.2	4.2	5.2	4.4	5.8	5.6
26	VEUVE CLICQUOT	Champagne	LVMH	France	10.1%	71%	6.2	6.8	6.4	7.8	7.2	7.0	7.8	7.6
27	GRANT'S	Whisk(e)y	Edrington Group	Scotland	9.5%	51%	3.8	4.2	4.8	5.4	6.0	4.8	6.4	5.2
28	SAUZA	Tequila	Fortune Brands	Mexico	9.0%	63%	7.0	6.6	5.6	6.6	6.4	5.8	5.6	6.4
29	MALIBU	Flav spirits	Pernod Ricard	US	8.7%	61%	4.4	7.4	5.6	7.0	7.0	6.0	4.8	6.4
30	MOSKOVSKAYA	Vodka	SPI	Russia	7.8%	39%	2.6	2.4	4.6	3.8	4.0	3.8	5.8	4.2
31	MARTELL	Cognac	Pernod Ricard	France	7.6%	63%	5.8	3.8	5.6	7.6	7.0	6.4	7.8	6.4
32	FAMOUS GROUSE	Whisk(e)y	Edrington Group	Scotland	6.8%	52%	2.8	4.6	5.2	5.6	6.0	5.4	5.6	6.0
33	BEEFEATER	Gin	Pernod Ricard	England	6.7%	62%	4.4	4.4	5.8	7.0	7.0	6.6	7.4	6.8
34	ROBERT MONDAVI	Wine	Constellation	US	6.5%	47%	3.2	3.6	5.0	5.0	5.2	5.6	5.2	5.0
35	DE KUYPER LIQUEURS	Flav spirits	De Kuyper	Belgium	6.4%	40%	4.4	4.6	4.2	4.4	3.2	3.2	4.4	3.8
36	100 PIPERS	Whisk(e)y	Pernod Ricard	Scotland	6.2%	41%	3.2	5.8	3.4	3.8	4.8	3.8	4.4	3.8
37	HAVANA CLUB	Rum	Pernod Ricard	Scotland	6.2%	59%	2.2	7.6	6.0	6.2	6.0	6.4	6.0	6.6
38	FREIXENET	Sparkling wine	Freixenet	Spain	6.0%	52%	5.8	3.6	5.0	5.8	5.8	4.8	5.6	5.2
39	TANQUERAY	Gin	Diageo	England	5.7%	59%	4.0	5.0	6.6	6.0	5.6	6.4	6.4	7.0
40	SOUTHERN COMFORT	Flav spirits	Brown-Forman	US	5.5%	51%	3.4	3.8	5.6	5.6	5.8	4.8	5.6	6.0
41	DREHER	Other brandy	Diageo	Germany	5.3%	31%	5.2	3.2	3.2	2.0	2.6	2.6	3.2	3.0
42	CANADIAN CLUB	Whisk(e)y	Fortune Brands	Canada	5.2%	48%	2.6	2.8	5.4	6.0	6.4	4.4	5.6	5.4
43	REMY MARTIN	Cognac	Remy Martin	France	5.1%	67%	6.4	5.0	6.6	7.4	6.8	6.4	7.6	7.0
44	KAHLUA	Flav spirits	Pernod Ricard	Mexico	5.1%	48%	3.4	3.2	5.6	5.0	5.8	4.8	5.0	5.8
45	JACOB'S CREEK	Wine	Pernod Ricard	Australia	5.0%	53%	2.6	5.6	4.8	6.4	6.8	5.4	4.8	5.8
46	JAMESON	Whisk(e)y	Pernod Ricard	Ireland	4.8%	56%	2.4	5.4	5.4	6.6	6.4	5.2	6.4	6.6
47	GREY GOOSE	Vodka	Bacardi Martini	France	4.7%	53%	2.0	7.4	6.8	4.8	4.6	5.8	3.8	6.8
48	BOMBAY	Gin	Bacardi Martini	England	4.5%	61%	3.4	6.6	6.8	6.0	6.2	6.4	5.8	7.2
49	FINLANDIA	Vodka	Alko	Finland	4.3%	49%	2.0	4.6	5.2	5.6	5.8	5.2	5.4	5.6
50	E & J BRANDY	Other brandy	Gallo	US	4.3%	35%	4.4	4.0	4.4	2.2	3.2	3.0	3.4	3.6

use that knowledge to check relativity with these results."

He also picks out a few brands that have failed to feature as prominently as they could. Kahlúa is one. "For all its international potential, Kahlúa has stayed very much a three-market brand: it is big in the US, Australia and Japan," Whitwell explains. Likewise, Canadian Club (number 42) may be well

known, but it "doesn't have a big market presence outside Canada, the US and Japan". Tia Maria is another brand that Whitwell considers is being held back. At number 82, Whitwell wonders what Pernod will do with it now that it is in the company's stable, along with Kahlúa.

On the other hand, brands showing impressive power levels include, for example, Hennessy.

"Hennessy has 33% of the Cognac market and it is mostly sourced from the Fine Champagne region, there is no VS," he says. "And in many markets Cognac and Hennessy are the same word. Also, it is number one in Asia and growing in the US." Similarly, Jack Daniel's, just beneath Hennessy at number seven, scores highly because, as noted above, it is

showing 5% growth from a massive base, as well as because "it has redefined US whisk(e)y", according to Whitwell.

Interestingly, E & J Brandy appears just above Courvoisier, but that's because it's more than twice the size of Courvoisier points out Whitwell. Champagne Alfred Rothschild was another brand that surprised. Again, its result, just above category rival ▶

## The world's most powerful wine and spirits brands (cont.)

Rank	Brand	Sector	Owner	Country of origin	Total score	Brand score	Market share	Future growth	Price position	Market Awareness scope	Relevancy	Heritage	Brand perception	
51	COURVOISIER	Cognac	Fortune Brands	US	4.2%	63%	5.0	5.2	5.2	7.4	6.8	6.4	8.0	6.4
52	SKYY VODKA	Vodka	Campari	Italy	4.0%	40%	2.0	6.0	6.0	4.2	2.2	3.6	2.8	4.8
53	BELL'S	Whisk(e)y	Diageo	Scotland	4.0%	43%	2.4	2.6	4.6	4.4	5.4	4.4	6.0	4.6
54	TEACHER'S	Whisk(e)y	Fortune Brands	US	3.8%	46%	2.4	4.0	4.4	4.6	5.4	5.0	6.0	5.0
55	CAMPARI	Flav spirits	Campari	Italy	3.7%	49%	4.0	3.0	5.0	6.2	5.6	4.4	5.6	5.6
56	BLACK VELVET	Whisk(e)y	Brown-Forman	US	3.5%	34%	2.6	2.8	4.0	2.8	3.2	3.6	4.2	3.6
57	BLOSSOM HILL	Wine	Gallo	US	3.4%	45%	2.4	6.0	4.4	5.0	5.2	4.6	4.0	4.4
58	CANADIAN MIST	Whisk(e)y	Brown-Forman	US	3.3%	32%	2.6	2.4	3.6	2.8	3.4	3.4	3.6	3.6
59	COINTREAU	Flav spirits	Remy Martin	France	3.1%	56%	2.6	3.8	6.4	7.0	6.6	5.6	6.6	6.2
60	FERNET BRANCA	Flav spirits	Fratelli Branca	Italy	3.0%	38%	3.0	3.6	5.2	3.8	3.0	2.8	4.6	4.6
61	KETEL ONE	Vodka	Carol Nolet	Holland	2.8%	39%	1.6	5.8	7.0	3.4	2.4	4.2	2.6	4.2
62	GRAND MARNIER	Flav spirits	Marnier-Lapostolle	France	2.8%	56%	2.4	3.6	6.6	6.6	6.6	5.8	6.8	6.4
63	CASTILLO	Rum	Bacardi Martini	Cuba	2.8%	36%	2.2	4.0	4.0	3.4	3.2	3.6	4.2	4.2
64	GLENFIDDICH	Whisk(e)y	Grants	Scotland	2.8%	62%	1.6	4.2	6.8	7.4	7.6	7.4	7.2	7.4
65	ROSEMOUNT	Wine	Southcorp	Australia	2.7%	46%	2.0	3.8	4.8	5.4	5.2	5.6	5.2	4.8
66	LAURENT PERRIER	Champagne	Bernard de Nonancourt	France	2.6%	51%	4.0	3.8	5.0	6.0	4.8	5.2	5.8	5.8
67	CINZANO	Light aperitif	Campari	Italy	2.6%	44%	3.2	2.2	4.2	5.8	6.4	3.8	5.2	4.6
68	PASTIS 51	Flav spirits	Pernod Ricard	France	2.6%	31%	3.0	2.0	3.2	1.8	3.6	2.6	4.8	3.6
69	MUMM	Champagne	Pernod Ricard	France	2.5%	52%	4.0	5.0	4.4	6.2	5.2	5.4	5.6	5.4
70	KENDALL JACKSON	Wine	Brown-Forman	US	2.5%	45%	2.0	4.4	5.4	4.0	3.8	5.6	5.4	5.0
71	RAMAZZOTTI AMARI	Flav spirits	Pernod Ricard	Italy	2.4%	38%	2.8	6.2	5.2	3.0	2.4	2.6	3.6	4.2
72	MAKER'S MARK	Whisk(e)y	Fortune Brands	US	2.4%	56%	1.4	6.4	7.2	4.8	4.4	6.6	6.4	7.2
73	CUTTY SARK	Whisk(e)y	Berry Bros & Rudd	Scotland	2.2%	42%	1.5	2.0	5.0	5.0	4.5	4.5	5.5	5.5
74	DISARONNO	Flav spirits	Ilva Saronno	Italy	2.2%	45%	2.4	3.6	5.6	5.4	4.8	4.4	5.0	5.0
75	INGLENOOK	Wine	Robert Mondavi	US	2.2%	38%	2.0	2.4	4.0	4.0	3.8	5.2	4.4	4.2
76	GILBEY'S	Gin	Diageo	England	2.2%	37%	2.8	2.0	3.6	3.8	4.6	3.2	5.2	4.0
77	TAITTINGER	Champagne	Starwood	France	2.1%	54%	3.2	4.4	6.2	5.6	5.2	5.6	6.6	6.6
78	CHANTRE	Other brandy	Eckes Stock	France	1.9%	30%	3.0	2.0	3.4	2.2	3.0	3.0	3.6	3.4
79	LANSON	Champagne	Lanson Int.	France	1.9%	46%	3.2	3.6	3.6	5.6	5.8	5.2	4.6	4.8
80	DOM PERIGNON	Champagne	LVMH	France	1.9%	63%	1.4	4.2	7.8	6.2	7.2	6.6	8.6	8.6
81	WKD	Small unit drinks	Diageo	England	1.9%	36%	2.8	4.6	4.2	3.8	4.2	3.0	2.0	4.0
82	TIA MARIA	Flav spirits	Pernod Ricard	Jamaica	1.8%	51%	2.0	3.8	6.0	4.8	6.0	5.4	6.2	6.2
83	WILD TURKEY	Whisk(e)y	Pernod Ricard	US	1.7%	44%	1.6	3.0	5.4	4.8	5.2	4.6	5.4	5.0
84	CHRISTIAN BROTHERS	Other brandy	Heaven Hill Distilleries	US	1.6%	29%	2.6	2.4	3.8	2.4	2.4	2.6	3.6	3.2
85	FUNDADOR	Other brandy	Fortune Brands	US	1.6%	42%	3.0	4.6	4.6	3.4	4.2	3.8	5.2	4.6
86	ERISTOFF VODKA	Vodka	Bacardi Martini	Poland	1.6%	39%	1.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0
87	BOLS LIQUEURS	Flav spirits	Remy Cointreau	Holland	1.5%	42%	2.0	3.0	3.5	5.5	5.5	5.0	4.5	4.5
88	BOLS VODKA	Vodka	Remy Cointreau	Holland	1.5%	29%	1.5	2.5	3.5	4.0	3.0	3.0	3.0	3.0
89	HARVEYS SHERRY	Fortified wine	Fortune Brands	England	1.3%	48%	5.2	2.6	5.0	4.8	6.8	4.0	5.8	4.2
90	VETERANO	Other brandy	Osborne	Spain	1.3%	32%	3.0	2.2	3.4	2.4	3.4	2.8	5.0	3.2
91	LAMBS RUM	Rum	Pernod Ricard	England	1.2%	40%	1.4	3.4	4.4	3.6	4.4	4.2	5.4	5.0
92	POMMERY	Champagne	Vranken Pommery	France	1.2%	41%	2.2	1.8	4.2	4.8	4.6	4.8	5.4	5.2
93	BOLLINGER	Champagne	LVMH	France	1.0%	55%	1.6	4.4	7.0	5.4	6.6	5.6	6.4	7.2
94	DRAMBUIE	Flav spirits	Private	Scotland	1.0%	53%	1.6	2.6	6.4	6.2	6.0	5.6	7.2	6.8
95	MYERS'S	Rum	Diageo	Caribbean	0.9%	39%	1.4	3.6	4.6	3.8	3.6	4.2	5.0	4.6
96	KRUG	Champagne	LVMH	France	0.9%	59%	1.6	5.0	7.8	5.6	6.0	6.0	7.0	8.0
97	ALFRED ROTHSCHILD	Champagne	Caisse de'Epargne	France	0.8%	30%	1.6	3.2	3.6	3.0	3.0	3.2	3.0	3.6
98	PERRIER JOUET	Champagne	Pernod Ricard	France	0.8%	42%	1.6	3.8	5.4	4.2	4.0	4.2	4.6	5.4
99	TAYLOR'S	Fortified wine	Taylor Fladgate	Portugal	0.6%	53%	3.4	5.2	6.2	4.6	5.2	5.0	6.6	5.8
100	COCKBURN'S	Fortified wine	Fortune Brands	Portugal	0.5%	45%	3.2	3.0	4.8	4.2	6.0	4.6	5.8	4.6

Perrier Jouët can be explained by Rothschild's massive volumes. It sells almost 300,000 cases according to Whitwell.

Gallo, the highest-scoring wine brand, comes in at 20. "It is a standard bearer," believes Whitwell, "and sells at a range of price points." Jacob's Creek, on the other hand, can be found in 45th place. This is because "its only real presence is in the UK," begins Whitwell. "It is imported to

the US, but it is not strong there yet. It is also only mid-range when it comes to price positioning, having been discounted regularly, although Pernod Ricard has tried to put in a more premium range. On the other hand, it does have good potential for future growth, and Pernod Ricard will make sure it has distribution."

Wine brands such as Torres or Campo Viejo didn't make the top 100 because, although "they are

great brands, their distribution is not wide enough," explains Whitwell. Likewise, Mouton Cadet didn't make the list because "it hasn't got enough volume, even though it is a great brand name and one of the few international brands that is a wine."

Overall, there are only 10 wine brands in the power list, mainly because "individual wine-brand growth is restricted because of its agricultural base. Wine is at the

mercy of the elements, and much more part of the cultural make-up of a country, than a spirit is." Hence, for example, the lack of presence for a brand like Jacob's Creek in wine-producing countries such as France, despite being owned by Pernod Ricard.

Champagne brands, on the other hand, do feature prominently in a wide range of markets, wine-producing or not, although some, like Duval-Leroy, ▶

which there were 12: whisk(e)y, vodka, rum, Cognac, other brandy, gin, still light wine, fortified wine, Champagne, sparkling wine, light aperitif (eg Martini) and flavoured spirits, which included digestives such as Jägermeister and cream liqueurs like Baileys. The volume figure was adjusted on wines and certain fortified wines (for example, Cockburn's) to spirits value levels. Champagne was not adjusted because its price is equivalent or above that of most spirits. As Whitwell explains, "This was important so the start point of volume has some meaningful relation to value."

Following this, brands were rated on their projected growth, based on 10 years' worth of historical data as well as future category trends. Jack Daniel's, for instance, scores seven for future growth, "it is approaching the eight million case mark and growing at 5%," says Whitwell. "It is not strong in places like the Far East, and it isn't as widely distributed as Johnnie Walker, but it has the potential to be."

Then came price positioning, which was basically a figure representing a brand's ability to command a premium. For example, Whitwell compares Ballantine's and Johnnie Walker whiskies. "Ballantine's comes top in the standard category, but it

DESPITE THE FACT THAT SMIRNOFF IS THE MOST POWERFUL BRAND AND THAT THREE VODKAS FEATURE IN THE TOP 10 ALONE, WHISK(E)Y IS, IN FACT, THE MOST POWERFUL SECTOR

doesn't really have a 12-year-old offer and, while its 17-year-old does stand out in the Far East, there is no real 21-year-old offer. Johnnie Walker, on the other hand, has the Red, Black, Green and Blue labels, and it covers the bases on everything. For this reason, Ballantine's has a lower mark than Johnnie Walker."

The final "hard" measure was market scope. This measures the number of markets a brand has a significant presence in – for instance Cutty Sark is the number-one standard whisk(e)y in Greece and Portugal. However, if a brand has small volumes in lots of markets, it would not score highly, as is the case with Laphroaig, which has tens of cases in hundreds of markets.

#### Now for the soft stuff...

The soft measures were based purely on the opinions of the panel. Firstly, brand awareness reflected "our view of how naturally aware of a brand a population, not just its users, is" explains Whitwell. "For example, even if you don't drink Johnnie Walker Black Label, you probably know about it."

The second soft measure, brand relevancy, was defined as the "capacity to relate to the brand and a propensity to purchase". In other words a population's regard for a brand, not just whether they

know about it, but whether they would actually want to buy it.

Third was brand heritage, which was rated on both the length of time a brand has existed and how strongly embedded that brand is in local culture. Lastly, brand perception involves rating the likes of consumer loyalty to a product and whether or not a brand is aspirational.

Once each member of the panel had scored every measure, the results were aggregated and averaged. A brand score was then produced from the eight measures of brand strength. Finally, a total score was calculated by multiplying the brand score by the brand's weighted volume.

#### Smirnoff rules

Listed below are the results. Should one be surprised that Smirnoff comes out top? Whitwell doesn't think so. "Vodka is a phenomenal category, and Smirnoff is the talisman of vodka." Not only that, but Smirnoff now has several brand extensions, although Whitwell does note that its image has been slightly "cheapened" in the US.

For Whitwell, the order is a reliable indicator of "power". He makes the point that he knows "the values of these brands in transactions and the value of them in current use, and we can ▶

## The world's top 10 most powerful wine and spirit brands

Rank	Brand	Owner	Country of origin	Sector	Total score	Brand score
1	SMIRNOFF	Diageo	Russia	Vodka	90.0%	73%
2	BACARDI	Bacardi Martini	Cuba	Rum	73.2%	73%
3	JOHNNIE WALKER	Diageo	Scotland	Whisk(e)y	53.8%	77%
4	MARTINI	Bacardi Martini	Italy	Light Aperitif	47.9%	60%
5	STOLICHNAYA	SPI	Russia	Vodka	47.1%	67%
6	HENNESSY	LVMH	France	Cognac	30.8%	79%
7	JACK DANIEL'S	Brown-Forman	US	Whisk(e)y	28.2%	73%
8	ABSOLUT	Vin & Spirit	Sweden	Vodka	27.2%	66%
9	BALLANTINE'S	Pernod Ricard	Scotland	Whisk(e)y	23.7%	65%
10	BAILEYS	Diageo	Ireland	Flavoured Spirits	22.8%	71%

# POWER BRANDS

## Most powerful sectors

Rank	Sector	Total score	Brands in top 100	Average rank	Average total score	Average brand score
1	Whisk(e)y	242%	21	38	12%	52%
2	Vodka	191%	10	43	19%	49%
3	Rum	102%	6	50	17%	51%
4	Flav spirits	94%	17	54	6%	48%
5	Wine	55%	9	46	6%	46%
6	Light aperitif	51%	2	36	25%	52%
7	Cognac	48%	4	33	12%	68%
8	Champagne	41%	12	74	3%	53%
9	Gin	35%	5	42	7%	57%
10	Tequila	25%	2	21	13%	63%
11	Other brandy	16%	6	71	3%	33%
12	Other spirits	13%	1	19	13%	37%
13	Sparkling wine	6%	1	38	6%	52%
14	Fortified wine	2%	3	96	1%	49%
15	Small drinks unit	2%	1	81	2%	36%

Despite the fact that Smirnoff is the most powerful brand and that three vodkas feature in the top 10 alone, whisk(e)y is, in fact, the most powerful sector. This is because whisk(e)y has the largest number and greatest breadth of brands of any spirits sector listed. Interestingly, wine comes in above both Cognac and Champagne, both heavily branded sectors.

## Strongest brands

Rank	Brand	Sector	Owner	Country of Origin	Overall rank	Total score	Brand score
1	HENNESSY	Cognac	LVMH	France	6	30.8%	79%
2	JOHNNIE WALKER	Whisk(e)y	Diageo	Scotland	3	53.8%	77%
3	JACK DANIEL'S	Whisk(e)y	Brown-Forman	US	7	28.2%	73%
4	SMIRNOFF	Vodka	Diageo	Russia	1	90.0%	73%
5	BACARDI	Rum	Bacardi Martini	Cuba	2	73.2%	73%
6	MOET ET CHANDON	Champagne	LVMH	France	18	14.8%	72%
7	BAILEYS	Flav Spirits	Diageo	Ireland	10	22.8%	71%
8	VEUVE CLICQUOT	Champagne	LVMH	France	26	10.1%	71%
9	STOLICHNAYA	Vodka	SPI	Russia	5	47.1%	67%
10	REMY MARTIN	Cognac	Remy Martin	France	43	5.1%	67%
11	ABSOLUT	Vodka	Vin & Spirit	Sweden	8	27.2%	66%
12	GORDON'S	Gin	Diageo	England	15	16.1%	66%
13	BALLANTINE'S	Whisk(e)y	Pernod Ricard	Scotland	9	23.7%	65%
14	CHIVAS REGAL	Whisk(e)y	Pernod Ricard	Scotland	11	21.3%	64%
15	CUERVO	Tequila	Diageo	Mexico	14	16.5%	64%
16	DOM PERIGNON	Champagne	LVMH	France	80	1.9%	63%
17	MARTELL	Cognac	Pernod Ricard	France	31	7.6%	63%
18	COURVOISIER	Cognac	Fortune Brands	US	51	4.2%	63%
19	SAUZA	Tequila	Fortune Brands	Mexico	28	9.0%	63%
20	GLENFIDDICH	Whisk(e)y	Grants	Scotland	64	2.8%	62%

This chart lists the leading brands according to the aggregated scores from the eight measures, but without multiplying that result by each brand's weighted volume to give you brand "power". The results are close, but Hennessy just beats Johnnie Walker as the strongest brand. Smirnoff drops to fourth place without factoring in volume sales, while Champagne brands feature much higher up the list.

## By country of origin

Rank	Country of origin	Number in top 100
1	France	21
2	US	20
3	Scotland	13
4	England	8
5	Italy	7
6	Holland	3
7	Mexico	3
8	Russia	3
9	Australia	2
10	Canada	2

The French are highly adept at producing luxury brands, as France's position above proves. The US, consumer of almost half of all the world's premium spirits brands is also a major producer of power brands. However, if we grouped Scotland and England as one, the UK would surpass the US and join France in first place.

## By brand owner

Rank	Country of origin	Number in top 100
1	Pernod Ricard	19
2	Diageo	14
3	Fortune Brands	9
4	Bacardi Martini	7
5	LVMH	6
6	Brown-Forman	5
7	Campari	3
8	Gallo	3
9	Constellation	2
10	Edrington Group	2
11	Marnier-Lapostolle	2
12	Remy Cointreau	2
13	Remy Martin	2
14	SPI	2
15	Alko	1
16	Bernard de Nonancourt	1
17	Berry Brothers and Rudd	1
18	Caisse de'Epargne	1
19	Carol Nolet	1
20	Concha y Toro	1
21	De Kuyper	1
22	Eckes Stock	1
23	Frantelli Branca	1
24	Freixenet	1
25	Grants	1
26	Heaven Hill Distilleries	1
27	Ilva Saronno	1
28	Lanson Int.	1
29	Osborne	1
30	Private	1
31	Robert Mondavi	1
32	Southcorp	1
33	Starwood	1
34	Taylor Fladgate	1
35	Vin & Spirit	1
36	Vranken Pommery	1

Following Pernod Ricard's acquisition of Allied, the French company comfortably holds top position, ahead of Diageo, which has 14 of the top-100 power brands, compared to Pernod's 19. These two companies stand out as being the biggest by some margin, however. Fortune is in third place with nine power brands, then Bacardi Martini with seven, LVMH with six and Brown-Forman with five. It is interesting to note that only 36 companies account for the top-100 brands.

### METHODOLOGY

Nearly 10,000 brands in the wine, spirits, beer and cider industries were researched to derive a list of the 100 most powerful alcoholic drinks brands in the world. Power is defined by a brand's ability to generate value for its owner. Value is classified by a series of measures as identified below. The population for the research is all current and potential users of alcoholic drinks.

### Hard measures

- Share of market: volume-based measure of market share
- Brand growth: projected growth based on 10 years' historical data and future trends
- Price positioning: a measure of a brand's ability to command a premium
- Market scope: number of markets in which the brand has a significant presence

### Soft measures

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

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

## Most powerful brands by share of market

Rank	Brand	Owner	Overall rank	Total score	Brand score	Share of market
1	MARTINI	Bacardi Martini	4	47.9%	60%	9.2
2	HENNESSY	LVMH	6	30.8%	79%	9.2
3	CUERVO	Diageo	14	16.5%	64%	9.0
4	BACARDI	Bacardi Martini	2	73.2%	73%	8.8
5	MOET ET CHANDON	LVMH	18	14.8%	72%	8.4
6	JOHNNIE WALKER	Diageo	3	53.8%	77%	8.2
7	GORDON'S	Diageo	15	16.1%	66%	7.8
8	SMIRNOFF	Diageo	1	90.0%	73%	7.6
9	BAILEYS	Diageo	10	22.8%	71%	7.2
10	SAUZA	Fortune Brands	28	9.0%	63%	7.0

## Most powerful brands by price positioning

Rank	Brand	Owner	Overall rank	Total score	Brand score	Price positioning
1	DOM PERIGNON	LVMH	80	1.9%	63%	7.8
2	KRUG	LVMH	96	0.9%	59%	7.8
3	HENNESSY	LVMH	6	30.8%	79%	7.4
4	MAKERS MARK	Fortune Brands	72	2.4%	56%	7.2
5	JOHNNIE WALKER	Diageo	3	53.8%	77%	7.0
6	KETEL ONE	Carol Nolet	61	2.8%	39%	7.0
7	BOLLINGER	LVMH	93	1.0%	55%	7.0
8	GREY GOOSE	Bacardi Martini	47	4.7%	53%	6.8
9	BOMBAY	Bacardi Martini	48	4.5%	61%	6.8
10	GLENFIDDICH	Grants	64	2.8%	62%	6.8

## Most powerful brands with fastest growth prospects

Rank	Brand	Owner	Overall rank	Total score	Brand score	Future growth
1	HAVANA CLUB	Pernod Ricard	37	6.2%	59%	7.6
2	BAILEYS	Diageo	10	22.8%	71%	7.4
3	MALIBU	Pernod Ricard	29	8.7%	61%	7.4
4	GREY GOOSE	Bacardi Martini	47	4.7%	53%	7.4
5	CAPTAIN MORGAN	Diageo	26	10.1%	61%	6.8
6	VEUVE CLICQUOT	LVMH	12	18.1%	71%	6.8
7	HENNESSY	LVMH	6	30.8%	79%	6.6
8	JAEGERMEISTER	Mast-Jaegermeister	28	9.0%	49%	6.6
9	SAUZA	Fortune Brands	22	10.7%	63%	6.6
10	BOMBAY	Bacardi Martini	48	4.5%	61%	6.6

## Most powerful brands by market scope

Rank	Brand	Owner	Overall rank	Total score	Brand score	Market scope
1	JOHNNIE WALKER	Diageo	3	53.8%	77%	9.0
2	BACARDI	Bacardi Martini	2	73.2%	73%	8.8
3	SMIRNOFF	Diageo	1	90.0%	73%	8.6
4	HENNESSY	LVMH	6	30.8%	79%	8.6
5	JACK DANIEL'S	Brown-Forman	7	28.2%	73%	8.6
6	MOET & CHANDON	LVMH	18	14.8%	72%	8.2
7	BAILEYS	Diageo	10	22.8%	71%	8.0
8	VEUVE CLICQUOT	LVMH	26	10.1%	71%	7.8
9	BALLANTINE'S	Pernod Ricard	9	23.7%	65%	7.6
10	GORDON'S	Diageo	15	16.1%	66%	7.6

aren't in the top 100 because, "despite their high volumes, they are not so well known," points out Whitwell. On the other hand, Krug is tiny in terms of volume, but extremely valuable. It won't grow a great deal because it can't, but it is recognised as the pinnacle of its class."

And finally, as he says, "a lot of

these are extraordinary brands, with years of heritage. Some have even become more relevant in foreign markets, for example Cognac brands are drunk in much greater quantities in the US and Japan than they are in France". Even a brand like Malibu, created by committee, "is nearly 3m cases at a top price

and mostly sold through the on-trade; it is worth a fortune," admits Whitwell.

There are some brands, however, that Whitwell is disappointed not to see in the top 100. "Bushmills didn't make it. It is the top premium Irish whiskey and, although smaller than Jameson, it is still highly valuable.

A great brand like Macallan didn't make it either. But these brands are tiny relative to the whisk(e)y category."

"With this list," he concludes, "we are trying to represent the perceptions of a wider universe from our own perspective. It should invite scrutiny and opinion." **db**

## THE PANEL

The panel has more than 100 years' combined experience in the global drinks industry. Its members have been involved with all of the major drinks companies and held positions of responsibility in virtually every market. Between them, they hold detailed financial and marketing knowledge of every brand covered in this report.

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

**Allan Caldwell** has considerable international

experience and was most recently finance and commercial services director for Allied Domecq's duty-free division. He has since been heavily involved in the drinks industry through his work as a director of Intangible Business.

**Alan Craig** has dedicated his business life to the drinks industry and has worked for companies including Whitbread and Allied Domecq. He was head of customer services for Long John Whisky Distillers, and financial controller for brands such as Ballantine's and Teacher's. He was finance director for a number of spirits brands, including Beefeater Gin and Lambs Rum. He also works with Intangible Business.

**Malcolm Davis** has held many senior positions in international drinks management, notably in Asia Pacific markets. He has worked at Hiram

Walker and Allied Domecq and was a senior director at Harveys of Bristol, Suntory and Baskin Robbins. Malcolm is a director of Duval-Leroy Champagne and Intangible Business.

**Patrick Gillon's** specialist markets are Continental Europe and Latin America. His career spans senior marketing and management positions in UDV, Hiram Walker and Allied Domecq, with whom he was president of Latin America for four years. Patrick has recently been involved in valuing Allied Domecq's brands as part of its acquisition by Pernod Ricard and Fortune Brands.

**Intangible Business** is the world's largest independent brand valuation consultancy, specialising in valuing intangible assets, such as brands for financial, management and litigation purposes.