



Glamour in a glass

With old favourites being increasingly challenged by newer and more exotic counterparts, just what is the future for the liqueurs category? **Samuel Spurr** reports.

New, exotic liqueurs are claiming valuable shelf space in high-end bars, looking for opportunities to challenge established brands' domination of off-premise trade. Are the established, recognisable liqueur brands losing their lustre off-premise? Perhaps not just yet, but packaged liquor data reveals stagnant value growth. Liqueurs in the off-premise sector declined by 4.7 per cent in value growth (Quarter to March 2010 versus

a year ago Nielsen National Packaged Liquor Performance MAT to March 2010) meaning trade leading up to Christmas is crucial. The premium and super-premium liqueur segment, holding 17.4 per cent of total spirits value share (Nielsen National Packaged Liquor Performance MAT to March 2010) presents opportunities for premium brands to challenge for market share.

Exotic brands that challenge bartenders' innovation and experimentation are continually pushing for space in up-market bars. Philip Gandevia, bartender at Sydney's Eau de Vie, gives an indication of these new exotics' impact on traditional liqueurs. "Neither Baileys or Midori are popular these days in high-end venues - some don't even stock them," he said. "There are places where Toblerones and Midori Splice cocktails are still de-rigueur, but I think the general standard of beverages is higher now as people are looking for less sweet cocktails with more complexity."



Liqueurs' off-premise trade issues lie primarily in the segment's approachability. Liqueurs are an important off-premise category, but according to Bacardi Lion brand manager Demetrius Giouzelis, the segment is very fragmented and difficult for consumers to understand. "Although the category is in decline, consumers are looking for new experiences. The challenge for liqueurs is that consumers aren't sure what to do with them," he said. "There is an opportunity to educate consumers on how to enjoy liqueurs and how to try them in different ways." It has been a challenging market place for liqueurs although Giouzelis notes that Bacardi Lion's brands Amarula, Grand Marnier and De Kuyper have all experienced healthy growth in the same period.

Revitalising liqueur's performance will take disciplined strategy and astute activation. Brown Forman is doing just that with Tuaca and Chambord, with both demonstrating sizeable gains. Chambord in 200ml size variants were



Philip Gandevia at Sydney's Eau de Vie believes people are looking for more complex cocktails when they go out.

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Blazing a new trail

Australia's boutique producer Tamborine Mountain Distillery continues to go from strength to strength. In the last decade, the family-run Queensland distillery has been awarded over 115 international awards. The Distillery's products are carried by small privately-owned retailers, and are increasingly becoming an integral part of a bartender's arsenal and can be found in over a hundred on-premise establishments around the country. "We are passionate about using a wide variety of native Australian botanicals which make our products unique to the industry," said Alla Ward, master distiller at Tamborine Mountain Distillery. And the on-premise arena are lapping it up, head Bartender at Sydney's Victoria Room Lee Potter Cavanagh stating his approval of Tamborine Mountain's offering. "The only liqueurs we are stocking are generally flavoured with flowers, nuts, or are very traditional liqueurs with intricate flavour profiles," he said. "One place that we look to for many of these is Tamborine Mountain Distillery."

introduced in November 2009 and this year bottle designs across all size variants for both Chambord and Tuaca will be updated. Although small, these brands are experiencing solid growth: Chambord has shown +40 per cent growth, while Tuaca is growing steadily at +30 per cent growth on PY MAT (May 2010). This year, Chambord will continue to broaden consumer access in through programming that supports the fashion platform, something Brown Forman brand manager Kate Mansour says is important to the brand's image. "We'll continue to strengthen our association with fashion through the Chambord Shine Awards and large scale fashion events," she said. Diageo have also begun offering Baileys in 200ml variants in an attempt to remain relevant. Diageo claims that the 200ml format has proven successful - at \$10 RRP per bottle, the 200ml drives impulse point-of-sale and incremental purchases.

Also making an impact behind Australia's best bars is St Germain. Launched locally in late 2008 through Vanguard Luxury Brand, St Germain is the world's first, handcrafted elderflower liqueur. Its versatility is what attracts bartenders to the liqueur says Vanguard Luxury Brand's director James France. "It can be used in cocktails, added to white wine spritzers, enjoyed straight up with ice, or used in margaritas instead of orange liqueur," he said. Like many other new liqueurs, St Germain is very much taste-driven so France is encouraging on-premise promotions and off-premise tastings.



Choosing your cocktail ingredients should be easy, says Vanguard's James France.

Brand life stages

Old favourites may be waning in high-end bars, but they retain off-premise dominance. This depends on the 'life stage' of a brand according to Brown Forman's Kate Mansour. Established brands have completed their on-premise initiation, become well-known and have since become off-premise volume leaders. New up-and-comers such as St Germain and Southtrade International's Patron XO Café are influencing on-premise consumers, and over time will no doubt improve their off-premise performance. Mansour argues that the on-premise channel is where developing brands are built which is why it "is the most important channel for Brown Forman's liqueurs." Southtrade International's Julian Hartley agrees with this assessment saying, "Consumers that are drinking on-premise are seeking relatively new, trend and culture inspired liqueurs and spirits. This will translate eventually to off-premise, as we are already seeing evidence of this with brands like Alize and Patron XO Café."

It would appear that the established brands have an easy road in the off-premise retail market, however the competition for volume and value growth is fierce. Occasions such as Mother's Day and Christmas are times when sales spike and distributors work overtime. In the lead up to this year's Mother's Day, Diageo's sales teams dressed 30,000 bottles of Baileys with red bows, helping capture the 'gift for mum' impulse buy. Diageo's 'Baileys Café', activated during Christmas 2009, gave consumers the opportunity to experience the then new Baileys with a hint of Coffee. Diageo reveals that 50,000 consumers sampled the new liqueur through this activation. In June, the Baileys Café again proved successful at Melbourne's Good Food and Wine Show.

To maintain a presence, smaller distributors or those looking to introduce new brands to the market must thoroughly prepare timely event-based promotions. Valerie Blayac of Cerbaco Distributors said brands need the right aim for the right market. "Through targeted events, we've received very positive results," she said. "Our clients and guests are very surprised by our brands' extraordinary quality and once they're introduced to brands such as Belle de Brillet and the new Crème au Caramel, we retain both the public and trade as regular customers."

Re-creating the experience at home

The greatest opportunity for liqueurs to improve their off-premise performance is to make their use easier. "Many people are intimidated by what they see on-premise and it's our job to show they can easily make great drinks at home too," says Vanguard's James France. Communicating a simple mixed drink that can be re-created at home will help take liqueurs from the 'special occasion gift' to more regular consumption.

From Alla Ward's stand point, government intervention remains Tamborine Mountain Distillery's biggest challenge. "Our main objective is to maintain a high level of excellence with no fluctuating cost in the midst of never-ending federal and state government price rises and taxes," says Ward. On a positive note she acknowledges that the Australian liqueur market is growing steadily - evident by way of the many trend-setting cocktail bars throughout Australia. "There is a probing from bar staff who research liqueurs worldwide to feed their creative drive in making that 'special cocktail'."

Julian Hartley's optimistic, yet cautionary, outlook sums up the current liqueur category. "Old brands that have become complacent will be challenged by celebrity endorsed, new generation brands that speak to a new and emerging market. This is already happening on a larger scale internationally and is starting to impact Australian markets."

A DRINKS TRADE PROMOTION



Photo: Andrew Jarvie Photography

Thai Tonic

Glass: Highball

Garnish: Thai basil leaves

Method: Gently bruise Thai basil leaves and add to the highball glass. Build over ice and top with tonic.

Ingredients:

45ml gin

15ml pomegranate liqueur

4 Thai basil leaves

Schweppes Indian Tonic Water

For over 200 years, Schweppes has been the key to transforming the ordinary into the extraordinary. Schweppes Indian Tonic Water is no exception. It's a unique recipe containing quinine, an ingredient sourced from the bark of a Cinchona Tree, giving Schweppes Indian Tonic Water its distinctive flavour. Take the finest gin, add Schweppes classic Indian Tonic Water and build over crushed ice with a slice of lemon. The result - an extraordinary Schweppes mix for customers who demand the finest. Only Schweppes.

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