

The world's most precious whisky

Fraser Morrison, *The Macallan Distillers Limited*

It is late April. I turn my collar to the wind as tiny snowflakes blow horizontally across an otherwise serene landscape stretching towards the snow-capped peak of Ben Rinnes. This is Macallan country, on the banks of the River Spey deep in the heart of the Grampians. Yet this small part of Scotland is the aspiration of people all over the planet, home to 'The Macallan' brand and the foundation for sustained economic development over the past 25 years. 'The Macallan' is one of those precious few global brands still controlled from Scotland with a loyal and growing following, a desire to innovate, to achieve premium positioning and global reach, the aspiration in Melvyn Ingleston's 'Scotland the brave' article in the previous issue of *British Brands*. The Macallan. Wha's Like Us?... Nane. Let me explain.

The origins of the name are uncertain. Local legend has it that the distillery was built on the site of the church of the ancient parish of Macallan which withered after its unification with the parish of Knockando in the eighteenth century. However Scottish ecclesiastical records contain no references. Today, it is a well-known and highly regarded brand name and icon of success, style and luxury, rubbing shoulders with other illustrious icons of fashion across the world.

The Robb Report's Ultimate Gift Guide in 2000 offered 4 bottles of The Macallan 60 Years Old (1926), 52 Year Old (1946), 51 Years Old (1948) and 50 Years Old (1949) for a cool \$125,000. In 2003 a complete set of 37 bottles and 37 miniatures of The Macallan Fine & Rare collection, dating from between 1926 and 1972, was offered for just under \$200,000. A few years ago, Anglo-Turkish businessman Norman Shelley made a single purchase of old Macallans for close on £250,000. Norman commented that 'drinking The Macallan is, for me, an enormous pleasure – it's fun!' Fine and noble words from a distant

relative of Percy Bysshe Shelley, the famous poet.

In May 2004 the pre-eminent *Whisky Magazine* declared The Macallan 18 Years Old as the 'World's Best Whisky'. The Macallan has also been described as 'a Rolls-Royce amongst malts' (*Harrods Book of Whiskies*) and 'the Chateau Margaux of malts' (*Los Angeles Times*). So how has this Scottish brand achieved such fame and status?

For its first 150 years the Macallan Distillery was content to supply its single malt as an ingredient to the blending trade. Availability of the Macallan single malt was limited to local hostleries and traders. In the late 1970s The Macallan as a brand of any note did not exist outside Speyside. Those who were familiar with it were few and far between. It was, however, an exceptional single malt Scotch whisky waiting to be introduced to the world.

It was not until 1980 that The Macallan single malt brand was launched. In the early years, annual sales volumes reached 10,000 cases globally, virtually all in the UK. Gradually distributors and agents were appointed in the USA, Japan, Italy, Germany and Spain and by the early 1990s annual sales volumes had exceeded 100,000 cases. In 1996 The Macallan was acquired by its present owners, The Edrington Group, and a year later annual sales volumes exceeded 200,000 cases. Currently annual sales are close on 400,000 cases – a compound annual growth of nearly 15% since 1994.

The success of the brand worldwide led to The Macallan being awarded the Queen's Award for Enterprise – International Trade on no fewer than six occasions. In July 2003, it became the first Scotch Whisky to open a dedicated sales, marketing and customer relationships office in China. This office is pivotal to The Macallan's Asian strategy, being in the heart of one of the world's fastest growing economies and close to other key markets such as Japan, Korea and Taiwan. Jim

Wallace MSP, Scotland's Deputy First Minister, recognised this as an example of 'the Scottish Executive's Global Connections strategy leading to a Scottish company embracing globalisation and integrating into the world economy'. One year on, this local presence has contributed to rapid sales growth. In Taiwan in particular the increase in one year has been almost threefold, making The Macallan the country's leading single malt and making Taiwan The Macallan's second biggest market in the world after the United States. In 2003 global sales increased by more than 30% including double-digit growth in mature markets such as the USA, Japan, Italy and Spain.

'This is all demand-led growth' insists Ken Grier, The Macallan's Brand Director. 'We could sell much more, particularly the older, rarer expressions if we had sufficient available stocks! And that is it – high quality, delicious aroma and taste, luxury image, and it is genuinely rare. That is what makes The Macallan so desirable. The Macallan can only be made at the Macallan Distillery, nowhere else, and capacity is limited.

The Macallan is dedicated to its core values and long-established, more costly production – the use of Golden Promise barley, the combination of yeasts, small spirit stills, narrow spirit cut, the choice of wood. The Macallan is neither chill-filtered nor coloured with caramel. It is the uncompromising, obsessive attention to product quality, premium product presentation and brand innovation that helps The Macallan to be the superlative single malt Scotch whisky that it has always been.

The Macallan is designed, created, built, sculpted and lovingly reared in Scotland by Scots. It is underpinned by quality and meticulously presented. The result is understated and elegant... demand beyond supply... the world's most precious whisky... real brand equity.