

NEW KIDS ON THE BLOCK

WORLD WHISKIES ARE VYING FOR SPACE IN THE LARGER SPIRITS CATEGORY

BY SALLY KRAL



The entire whisk(e)y category is a force to be reckoned with. Bourbon's rapid growth shows no signs of slowing, with the super-premium end alone rising 10.5% to 5 million 9-liter cases in the U.S. market last year, according to Impact Databank. Scotch whisky, too, is faring well, with export sales reaching an all-time high of around \$6 billion in 2017 and shipments to the United States growing 7.4% to 9.9 million cases.

"Whisk(e)y on the whole is booming," says Jose Barrios III, who manages the Miami-based retail chain Vintage Liquor with his father, Jose Barrios II. "We're seeing more and more new whisk(e)y drinkers and I don't expect that to stop anytime soon."

While whiskies from the traditional producer countries, including the United States, Scotland, Ireland, and Canada, are undoubtedly leading the charge, world whiskies—from countries like Japan, India, France, and Australia—are in the midst of their own upswing. "It's really a global phenomenon," says Michael Boccanfuso, marketing manager for Baron Francois, Ltd., importer of Rozelieures and Meyer's French whiskies. "Consumers today are open and willing to

World whiskies are booming at Binny's Beverage Depot in Chicago (shelf pictured top). The chain sells more than 30 world whiskey brands, including selections from Japan (Suntory Toki whisky highball cocktail top right) and India (Paul John Distillery barrels right).

PHOTO BY (BOTTOM) CORY GOLDBERG



discover new tastes and step aside from the larger brands. They're looking for new stories, origins, and interpretations of a product that they already know."

In addition to gaining more fans each year, world whiskies are earning top industry accolades. Of Whisky Advocate's Top 20 Whiskies of 2017, two are world whiskies: Rampur Select from India ranked No. 5 with a 93 score and Fukano 2017 Edition, a Japanese whisky, came in at No. 20 with a 90. "Consumers are venturing out to try whiskies from other countries and learning about the quality that's coming from nontraditional markets," notes Raj Sabharwal, founding partner and managing director at Glass Revolution Imports. The company handles several international single malts, including Amrut from India, Sullivans Cove from Australia, The English Whisky Co. from England, and Hammerhead from the Czech Republic. "Consumers are also more willing than ever to move toward the premium and super-premium end, which has been a boon to world whisky brands like ours, which range from \$55 to upwards of \$650," Sabharwal adds.

As long as the quality is there, today's consumers don't shy away from spending more, Boccanfuso says. "Price isn't really an issue—it's about getting the customer to taste the product."

Education And Exploration

Boccanfuso notes that although sales of whiskies from nontraditional countries are rising, this is still a key time for education. "In New York alone we sold 1,200 bottles across our French whiskies within the first two months of launching, and since then our brands are slowly but consistently



French single malt whisky Brenne (founder Allison Parc pictured) is part of a French whisky category that as a whole shipped 108,000 proof gallons to the U.S. last year, a growth of 36.6%.

growing," he says. "For now, it's about building awareness on the French whisky category." According to Impact Databank, French whisky shipments to the U.S. market were up 36.6% in 2017 to 108,000 proof gallons.

Allison Parc launched the single malt French whisky Brenne in October 2012 and the brand has grown steadily, with a current year-over-year growth of 42%, she notes. "Brenne is a truly unique brand, and we're keeping our growth strategy laser-focused," Parc says. As of last year, Brenne is part of craft spirits specialist Samson & Surrey's portfolio, a partnership Parc says will help bring the brand to the next level of success and consumer awareness.

A large part of Brenne's marketing focus is on exposure and education. "Giving people the opportunity to taste

Brenne allows them to experience what makes us stand out," Parc explains. "We're also working hard to create experiences that are both relevant and authentic to who we are as a brand and to the daily lives of our consumers." For example, this year the brand is launching the "Brenne French Salon," an event series designed to foster conversations among women around culture, community, and entrepreneurship, while also learning about Brenne.

The key to success in any category is to engage directly with consumers, according to Morgan Robbat, CMO of Hotaling & Co., which imports Nikka Japanese whisky, Kavalan from Taiwan, and The New Zealand Whisky Collection. "This is a time of exploration and discovery, and we believe in a bedrock marketing foundation built on education and storytelling," Robbat says, noting that Hotaling & Co. hosts such events as seminars that challenge the perception and norms of world whiskies. "As the world becomes more global, the interest in locality has grown, leading to the discovery of high-quality whiskies from a diverse range of countries."

William Berkoff, beverage director for BevMax, a retail chain based in Stamford, Connecticut, has noticed that today's consumers seem more sophisticated in general. "Our guests are traveling and tasting their way through countries, which has fueled their thirst for new and different products," he says. The chain carries 36 different world whisky brands, which Berkoff notes is "practically every world whisky brand that's available in Connecticut." He adds that BevMax is one of the largest U.S. retailers of Bastille 1789 blended French whisky (\$31 a 750-ml.), but Japanese whiskies outpace all other world whiskies in sales, with Suntory's Hibiki Japanese Harmony blended whisky (\$70) leading the pack.

Chicago-based chain Binny's Beverage Depot carries more than 30 world whisky brands, representing over a dozen countries. "They garner a modest percentage of sales but they're growing rapidly—enough to warrant a 'World Whisky' section on our shelves," says Brett Pontoni, specialty spirits



Increasingly popular Japanese brands such as Nikka (Yoichi distillery exterior top; barrels above), which grew 28% in 2017, have redefined what it means to be a single malt whisky.

buyer. He adds that the retailer's top-selling world whisky is Hibiki Japanese Harmony (\$65 a 750-ml.). "Japan is on fire right now, as are India and France," Pontoni notes. "Much of the drive seems to be toward malt-based whiskies, and consumers are shedding preconceived ideas of what countries 'should' produce whisky." Other brands outside of Japan that are selling well at Binny's include Amrut (\$70-\$180 a 750-ml.) and Paul John (\$55-\$290) from India, and Armorik (\$45-\$120), Brenne (\$60-\$100), and Bastille (\$32-\$80) from France.

Pontoni doesn't see demand for these nontraditional whiskies waning. "We take instruction from our customers, and right now they're asking for these items," he says. "We'll continue to satisfy those requests by exploring the

WORLD WHISKY IMPORTS INTO THE U.S.—2010-2017

(thousands of proof gallon shipments)

Origin ¹	2010	2011	2012	2013	2014	2015	2016	2017	Percent Change ² 2016-2017
Japan	13	15	31	139	77	127	298	401	34.7%
France	47	50	50	69	60	86	79	108	36.6
Netherlands	12	15	16	29	20	18	67	45	-33.3
Other Origins	17	23	38	26	47	57	117	73	-38.2
Total World Whisky^{3,4}	89	103	134	262	203	288	561	626	11.6%

¹ Excludes Canada, United Kingdom, and Ireland

² Based on unrounded data

³ One 9-liter case = 1.9 proof gallons at 80 proof

⁴ Addition of columns may not agree due to rounding.

Sources: U.S. Department of Commerce and IMPACT DATABANK ©2018

PHOTO BY (BOTTOM) ONOHIRO OHSUMI/BLOOMBERG VIA GETTY IMAGES

category and adding to our selection accordingly.”

Bobby Garg, president and CEO of SG Worldwide—which imports Rampur Indian whisky (\$70 a 750-ml.)—notes that this is just the beginning for the category. “Though there have been great, traditional whisky producers offering fantastic products for decades, it’s only in the last few years that the rest of the world took notice of these brands,” he says, adding that emerging brands like Rampur are challenging the long dominance of Scotch, Bourbon, and Canadian whiskies on the U.S. market. “This is true globalization.”

Japan Holds Strong

There’s no question that Japan has cornered the world whisky market: According to Impact Databank, Japanese whisky shipments to the U.S. were up 34.7% in 2017 to 401,000 proof gallons. “The growth figures that we’re seeing don’t even begin to represent the true unconstrained demand in the market today,” says Lucas Erickson, senior marketing director for Beam Suntory. He adds that the Suntory portfolio—which includes Yamazaki and Hakushu single malts and Hibiki and Toki



Japan’s whiskies are booming on-premise. New Jersey-based Ani Ramen House offers 50 different Japanese brands including Yamazaki 18-year-old.

way for new brands to enter the market each year. “The discovery of Japanese whiskies like Nikka by U.S. enthusiasts has really helped redefine what it means to be a single malt whisky,” Hotaling & Co.’s Robbat says. In 2017 the Nikka portfolio reached 45,000 cases sold in the United States, up 28% from the previous year, according to Impact Databank.

The booming popularity of Japanese whiskies has reached the on-premise in a big way. As the availability of Japanese whiskies in the U.S. market continues to grow, all types of on-premise venues—though particularly Asian-focused ones—are collecting top brands to fill their backbars. Ani Ramen House in Jersey City, New Jersey boasts an impressive 50 different Japanese whiskies, including rare and limited offerings such as Suntory’s Yamazaki Mizunara Cask 2017 Vintage for \$150 a 1-ounce pour. Though American whiskies dominate the menu at the Houston whisk(e)y bar Reserve 101, it also features 16 different Japanese whiskies, ranging from Toki (\$10 a 1½-ounce pour) to Hakushu 18-year-old (\$75). The bar also offers whiskies from England, France, Taiwan, Tasmania, Spain, and Wales.



Imported by Hotaling & Co., Kavalan single malt (stills pictured) has put Taiwan on the map as a whisky-producing nation. Hotaling imports whiskies from Japan and New Zealand as well.

blends—has nearly doubled its business over the past two years.

“Japanese whiskies continue to do well for us,” says Sasha Staskiewicz, spirits director at Union Square Wines & Spirits in New York City. “Nikka’s lineup of products (\$70-\$400 a 750-ml.) has been very popular. Rice-based Japanese whiskies like Ohishi (\$90) and Fukano (\$100) have also been generating a lot of buzz.”

Today’s top Japanese whiskies have paved the way for new brands to enter the market each year. “The discovery of Japanese whiskies like Nikka by U.S. enthusiasts has really helped redefine what it means to be a single malt whisky,” Hotaling & Co.’s Robbat says. In 2017 the Nikka portfolio reached 45,000 cases sold in the United States, up 28% from the previous year, according to Impact Databank.

The booming popularity of Japanese whiskies has reached the on-premise in a big way. As the availability of Japanese whiskies in the U.S. market continues to grow, all types of on-premise venues—though particularly Asian-focused ones—are collecting top brands to fill their backbars. Ani Ramen House in Jersey City, New Jersey boasts an impressive 50 different Japanese whiskies, including rare and limited offerings such as Suntory’s Yamazaki Mizunara Cask 2017 Vintage for \$150 a 1-ounce pour. Though American whiskies dominate the menu at the Houston whisk(e)y bar Reserve 101, it also features 16 different Japanese whiskies, ranging from Toki (\$10 a 1½-ounce pour) to Hakushu 18-year-old (\$75). The bar also offers whiskies from England, France, Taiwan, Tasmania, Spain, and Wales.

Erickson notes that Suntory’s Toki blended whisky label (\$40 a 750-ml.) has been performing especially well since its introduction in July 2016, thanks largely to its natural mixability. “Toki was created to be the ideal base for the Japanese Whisky Highball and

to be used in cocktails,” he explains. “It has become one of our most popular whiskies, readily found at bars and restaurants and at retail.”

The Japanese Highball has indeed taken the bar scene by storm, especially as Asian restaurants continue to be popular nationwide. At the upscale Chinese restaurant Imperial Lamian in Chicago, the Toki Highball (\$11) is a simple blend of Toki and soda water with a lemon twist. The venue carries ten different Japanese whiskies ranging from Toki (\$10 a 2-ounce pour) to Yamazaki 18-year-old (\$55). At the Portland, Oregon-based Asian fusion venue Departure, The Story of the Treasure Ships (\$18) is a twist on the Highball, featuring Toki, house-made hibiscus-jasmine tea soda, house-made bamboo syrup, and lemon juice.

Further capitalizing on the popularity of the Japanese Highball, Beam Suntory launched a proprietary Toki Highball machine last year, which dispenses the ready-mixed cocktail and can now be found in select bars across the country. “Alongside the Highball machine, we’re also offering bars special Toki Highball mugs, and our two U.S. ambassadors are presenting Toki Highball classes to bars across the country,” Erickson says. “Our sales force on the ground is doing the same.”

A Whole New World

With Japanese brands leading the way, whiskies from all around the world are gaining credence in the U.S. “As the world whisky category continues to grow, we expect our brands to grow 10%-15% this year, bolstered by expansion into new markets and distribution channels,” Glass Revolution’s Sabharwal says. “There are now three Indian single malt brands available in the U.S. market; the Japanese whisky category continues to expand; and we’re seeing new brands from such countries as Sweden, France, Belgium, South Africa, England, and Denmark.”

Sabharwal adds that Amrut Indian whisky alone has seen 10%-15% growth year over year, and the brand is now available in 45 states, up from just three when Glass Revolution first began importing it. The company plans to launch a Japanese whisky in 2020 and is also finalizing the details of adding whiskies from Germany and Denmark to its portfolio.

“The world whisky category is still in its nascent stage, but there’s some healthy competition happening as more brands are introduced,” SG Worldwide’s Garg says. “The response to Rampur has been exceptional. We’re now present in more than 20 states in key retail chains and premium outlets like Costco and Total Wine & More.” He adds that the company plans to launch new Rampur expressions in the future, and will release limited-edition packaging to commemorate the 75th anniversary of Rampur Distillery in select markets by the end of the year.



Three Indian single malts are now available in the U.S., including Amrut Indian whisky (bottles top; stills above), which grew over 10% last year.

Brenne’s Parc notes that though the world whisky category is only just now starting to form, its long-term growth potential is huge. “My plan is for French whisky to become as recognizable as Japanese whisky is today,” she says. “I believe that a rising tide raises all ships: The more awareness we can generate together, the more we can all benefit as individual companies.”