

# Chinese Baijiu brands overtake whiskey as most valuable spirit

This year, the Chinese Baijiu brands have overtaken whiskey in the Brand Finance Spirits 50. Baijiu, meaning 'white alcohol', is a Chinese distilled spirit made from grain, at between 40-60% alcohol by volume.



Moutai is the most valuable spirits brand, according to Brand Finance. Image credit: [Food Republic](#)

Brand Finance values the brands of thousands of the world's biggest companies every year, with the 50 most valuable spirits brands included in the Brand Finance Spirits 50 and the top 25 beer brands in the Brand Finance Beers 25.

In 2016, Baijiu accounted for 23% of the total brand value of the Brand Finance Drinks 50 behind whiskey on 37%. However this year, the tables have turned. Whiskey's share has dropped to 28%, while Baijiu's has surged to 37.5%. The world's top Baijiu brands have a combined value of over \$22 billion.

## Top Baijiu brands

Moutai maintains its position as the world's most valuable spirits brand with an outstanding 60% increase in brand value to \$11.5 billion. Fifty percent of all sales in 2012 were to government entities, so its brand value and future success appeared to have been seriously threatened by a government crackdown on excess and gift giving that might be construed as bribery. However, individual consumers and private enterprise have filled the gap. Demand is now stronger than ever, with the price of a bottle recently rising to 1,200 yuan.

Moutai is even tentatively expanding outside China, celebrating the one-year anniversary of Moutai Day in San Francisco in 2016, as well as launching in Germany.

Other Baijiu brands are performing extremely well too. Gujing Gong Jiu is the fastest growing brand this year, nearly doubling its brand value to \$1.1 billion. Wuliangye, Luzhou Laojiao and Yanghe follow suit, with 86%, 73% and 50% increases respectively.

Brand Finance's CEO David Haigh comments, "These rates of growth support existing evidence to suggest that consumers are trading up to more premium Baijius. The Baijiu market is resurgent but some have suggested this may only be temporary and that Chinese consumers' tastes will diversify without corresponding growth internationally to compensate. In such a situation, strong brands will be essential to maintain market share."

## **Other spirits**

Johnnie Walker remains the world's most valuable whiskey brand by a considerable margin despite a 2% brand value drop this year. Its US \$4.5 billion brand value keeps it in second place within the sector as a whole.

Malibu has fallen more than any brand this year, mainly because of falling sales. Brand value is down 17% to US \$273 million. A perennial problem for owners Pernod Ricard has been Malibu's seasonality, with sales spiking in July and again in September/October. To counter this, Malibu black has been introduced. With a less sweet taste and packaging more akin to traditional dark rum, it is hoped that it will help to keep the brand top of mind and maintain market share through the winter months.

## **Beer brands**

The world's most valuable beer brand is Bud Light. It is also the fastest growing major beer brand this year, up 34% to \$ 6.6 billion. Sister brand Budweiser is in second place at \$5.9 billion. Anheuser Busch courted controversy with its Superbowl ad, 'Born the Hard Way'. The cinematic spot emphasised Budweiser's heritage and the perseverance of its founder, but drew the ire of Trump supporters who called for a boycott of the brand for what they saw as thinly veiled pro-immigrant propaganda. This does not appear to have had any lasting damage however, with brand value up 30%.

Heineken is in third place again, with a brand value growth of 22% to \$5.2 billion. It is a major global sponsor, particularly of sports. It has a longstanding relationship with the UEFA Champions League, however Heineken is slowly shifting its focus away from football, which it sees as 'totally overcrowded' with competitors brands making differentiation difficult. It is instead developing its involvement with F1 and has renewed its association with rugby by announcing that it will be the headline sponsor of the 2019 Rugby World Cup.

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