INTRODUCTION

'Speciality Products' is an all-embracing term that can be used to cover a wide variety of alcoholic drinks, cocktails and aperitifs etc. Any spirit-based product, which is not itself a legally-defined spirit or liqueur, and which cannot be categorised otherwise, could easily be classified as a 'speciality'.

Liqueurs are undoubtedly the most common type of speciality product. The word liqueur is thought to derive from the Latin phrase *lique facere* meaning 'to melt' or 'to dissolve' (Hallingarten, 1983). Liqueurs are normally produced by dissolving or blending several components together. The number and style of such products is legion, varying from high strength 'traditional' liqueurs through to lower strength 'speciality' brands, cream liqueurs, aperitifs, and mixed drinks. Most of the traditional liqueurs contain 35–45% alcohol by volume, but many of the newer brands are less strong. Cream liqueurs—an important sector—are often regarded as self-indulgent products and most liqueurs are still perceived by many consumers as 'luxury goods'. Aperitifs without alcohol and *no-alcohol* 'liqueurs' are also now being developed. Brands such as *Funny Light* from Belgium contain 0% alcohol, as do UDV's North American no-alcohol 'Arrow' cocktail range extensions. But their success is somewhat erratic. Aromatic Bitters are popular in Central and Eastern Europe and some brands sell significant quantities (e.g. Campari: 2.90 m cases; Jägermeister: 2.47 m cases; Fernet Branca: 2.00 m cases in 1998).

The more traditional liqueurs are often consumed after dinner or at specific times of year (e.g. Christmas) and the principal sales period for many liqueurs is still during the months of November and December. However, consumers are now becoming much more adventurous in their drinking habits and the range and mixability of many liqueurs now leads to a broader spectrum of consumption patterns. However, in order to develop market share, many of the traditional liqueurs still need to be 'deseasonalized'. This remains the key objective of many marketers in the industry. Typical liqueur consumers are female, single, 25–45, and ABC1 socio-economic status.

Speciality products is essentially the category of *brands*. It is also a term often applied to liqueurs or other products which are intended or
designed to be flexible in usage pattern, to help improve their image of versatility i.e. ‘more than a liqueur’. The market positioning of Liqueurs and Speciality Products (LSPs) is extremely important if they are not to become staid and ‘too serious’. Indeed some of the lower-strength ‘ready to drink’ (RTD) products, which may be based on branded liqueurs or spirits, are specifically marketed to contain a fun element. LSPs are extremely versatile, usually have pleasant taste characteristics and are easily consumed by most people, unlike some of the more traditional spirits (e.g. whisky) which might be considered, by some, to be an ‘acquired taste’.

The LSP sector is, at times, extremely fickle in nature. Many products fail after a very short lifespan. Brands such as Monterrez, Misty, Bezique, Greensleeves, and Topaz all existed somewhat transiently, but are no more. There are innumerable and many extremely imaginative ideas for liqueurs which never find their way to market, let alone succeed. All brands need a unique selling proposition (USP) to ‘add value’ for the consumer and to become successful. It is facile to mix together alcohol, sugar, flavoring and coloring and add a ‘fantastic’ brand name. Such a product is unlikely to be a winner without a unique point of difference that can be identified and recognized by the consumer. Heritage and a credible ‘storyline’ are paramount for success. But persuading customers to try new brands may at times be difficult. Most consumers simply do not know what they want from a product. This is why effective Marketing is the key to real success.

The life-cycle of some LSP brands may realistically be no more than 3–4 years. Others which have achieved greater success (e.g. Bailey’s Original Irish Cream) flourish and become, in some sense, ‘traditional’ although this evolutionary process must be very carefully monitored and manipulated by the marketers. Generally speaking, the first product in a specific market sector usually holds on to the lion’s share. The vogue for novel styles of liqueur (e.g. clear/colorless spirits without caramel coloring) can also be somewhat fickle since many consumers are not genuinely concerned about ‘purity/no additives’; they might claim to believe the philosophy, but many seldom live it out in the real world.

Innovative design and packaging undoubtedly play an increasingly important role in the success of new LSP brands. Unique bottle designs are very prevalent in the LSP sector. Good, well-established examples are Malibu and Sheridan’s. However, increasing environmental pressures are now leading to revised thinking during the packaging design process. Weight of bottles, recyclability and improved tamper-evidence in particular are all vital considerations for any new brand. Sponsorship in the advertising of LSPs is common and advertising budgets are often significant. The rules governing advertising vary widely from country to country. For example, use of TV advertising in the UK was, until very recently, not permitted. Cinema and cable/satellite TV advertising is developing significantly, particularly with the growth in digital channel television.

**STATISTICS**

Global consumption of LSPs is enormous. In 1998 some 70+ million equivalent cases (based on 12 × 0.75 litres i.e. 9 litres per case) were sold. The world’s top selling brands are listed in Table 14–1.

Bailey’s Original Irish Cream dominates the global liqueur sector with annual sales of 4.2 million cases. This is the world’s largest-selling single brand of liqueur. The world market for cream liqueurs has been estimated (Euromonitor) to be around 150 million litres which certainly keeps the cows extremely busy!

The preference for specific LSPs is market-dependent. Thankfully, not all countries have the same taste preferences and this presents an exciting challenge for the marketers and product development professionals. ‘Duty-free’ sales at ports and airports have traditionally been an important sector, but with the demise of duty-free in the European Union, this modified sector presents a new marketing challenge.