
Brexit: “Scots need to drink more Scotch”

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A leading figure in global spirits branding has issued some advice to ensure the future prosperity of the [Scotch whisky industry in a post-referendum market](#) – to drink more Scotch domestically.

“50% of Champagne is consumed domestically in France and the figures are around the same for Bourbon in America,” said David Moritz CEO of [Viceroy Creative](#) and a branding guru in the spirits industry.

“They are great export products but a lot of it is consumed in its place of origin. 90% of Scotch however, is exported which puts the category at disadvantage. Consumers investing and buying products domestically gives industries a lot of protection, which is what Scotch needs right now. It should be a point of national pride, do your bit and drink more Scotch!”

Americian Moritz has worked with predominantly premium brands like Moët Hennessy and Glenmorangie and says his mission is to help spirits grow.

Apart from drinking more Scotch, he says that Scotch brands need to work on developing a premiumisation strategy – even at the low end of the market.

He believes that sterling taking a tumble will exacerbate the trend where consumers are drinking less but better, especially in the Scotch market, which – he says – “sits naturally” in the premium sector.

“Scotch isn’t vodka. It can only be made in one place and has to comply with a lot of regulation, even at the low end; and it has a naturally high-end production process,” he said.

“At the moment, huge volumes of low-end scotch are being produced and this is probably moving away from the core identity of category as a whole.

“I think potentially what we’re going to see going forward is brands even at the low end becoming more premium, either by putting their prices up or improving their image – or both.”

Amid uncertainty over the Scotch export market, Moritz believes that the value of premium Scotch sales will continue to increase.

It is “insulated” against the threat of duty rises at the top end of the market, he says, quite simply because those buying at the top-end are likely to be unperturbed by price hikes.

Seizing on that growing up-market trend, he suggests, “Why not take Scotch to the level of Champagne? That might be where it belongs.”

If [Brexit](#) does take its toll on Scotch exports to Europe, however, America is willing to fill in the gap.

“I feel confident that a good trade agreement is going to be worked out at least with the US. Obama made it pretty clear straight away that our special relationship wouldn’t be going away any time soon and that the government won’t be putting huge duty hikes on imports. Europe might be more vindictive, but we’ll have to wait and see,” Moritz said.