

# Diageo shares a lesson in achieving cultural relevance



Anna MacDonald, Marketing & Innovation Director - GTR, Diageo, reveals the secret to evolving as a brand; clue: it starts with innovation

Looking back on a general year in review, Diageo highlighted the shining lights of its diverse brand portfolio, identified innovation as a strong component of its DNA and touched on the importance of cultural relevance within the industry. Speaking with Anna MacDonald, Marketing & Innovation Director - GTR, Diageo, it's evident that the company's global strategies (within travel retail) focus on expanding customer recruitment and targeting the new generation. Described as a non-binary concept, MacDonald states recruitment is achieved through the combining of core business relevancy and innovation as a dynamic tool. Diageo implements innovation that is strategic, scalable and sustainable.

Although Diageo is experiencing strong performance and growth across its portfolio, MacDonald notes Johnnie Walker, single-malt whiskies, its popular Game of Thrones collection and Baileys as standout stars. Partly powered by Diageo's core range and partly powered by its ongoing innovations, the first on the list - particularly, White Walker by Johnnie Walker, Johnnie Walker Black Label Triple Cask Edition, Johnnie Walker Blue Label Scotch Whisky Chinese New Year Edition - taps into the general gifting mission, which is a big part of the travel retail business.

Heading into its 200<sup>th</sup> year in 2020, Johnnie Walker is "unapologetically" relevant - effectively finding the balance between keeping consistent and evolving as a brand. Coming soon: a global advertising campaign that will mark a 360° transformation for the oldie, but goodie. Led by Diageo's agency partner, Anomaly, the ad campaign will launch a gender-neutral redesign, improve permanent visibility in-store and navigate the shopping angle by de-mystifying the traditional old-fashioned and masculine image that can be intimidating for potential consumers. Inspired by the founder's original grocery store, the contemporary redesign adds color to craft a sense of dynamism.

The campaign will also introduce shoppers to the brand in the context of a highball to offer an

effervescent look and make Johnnie Walker more accessible as a mixed drink. Having examined the international spirits landscape, Diageo is reframing the brand to match the evolution of Scotch's current status and consumption occasion.



Embracing innovation: The limited edition Game of Thrones Single Malt Scotch Whisky collection played out as a major success

As one of the fastest growing categories in the world of whisky, single malt Scotch whisky is experiencing a shift in look - on and off the bottle. As a response, Diageo is continuing to focus on its three strategic brands: Singleton, Talisker and Mortlach, all three of which are embracing growth. Plus, one of the company's greatest hits of the year: its limited edition Game of Thrones (GOT) Single<sub>2</sub>

Malt Scotch Whisky collection. Along with Johnnie Walker White Walker, the GOT collection is an excellent example of marrying cultural relevance and consumer idea to recruit new customers into the whisky category. Creative cultural partnerships and recruitment techniques are not only good news for the brands, but also the retailers. In addition to the drawing of passengers into travel retail locations, the impact is the influencing of browsers to make a purchase within a high value segment.

#### **A side note of good to knows:**

- With no signs of slowing down, it's no secret gin is experiencing a boom that is globalizing and spilling over into the travel retail channel
- The steady growth combination of core brands and line extensions such as Diageo's Gordon's Pink adds to the conversation
- Shaping public interest to experiment and encouraging a dual narrative, there is room in the category for both the continued growth of trademark gins and the introduction of craft gins
- A brand with a large global footprint in travel retail, Diageo reframed Baileys as a yummy adult treat and established brand experiences under the banner of "Treat Bar" to drive recruitment
- The reframing speaks to a real motivation of the traveling consumer: a time when people are open to treating themselves (and others)
- Shout out to Baileys Strawberries and Cream; a significant contributor to brand growth and market share



Shout out to Baileys Strawberries and Cream; a significant contributor to brand growth and market share

When asked about the challenges Diageo faced in 2019, MacDonald discussed the fact there is reduced growth in legacy airports as per Air4cast data, 2018. Referred to as “the biggest country in the world”, the global travel retail channel accommodates 1.8B passengers per year (greater than the population of India or China) and experiences a change in population every day. When numbers in key locations decline, the team needs to respond by offsetting this loss elsewhere. Luckily, Diageo has a diverse brand portfolio with a large geographic footprint.