

Gordon & MacPhail

A Future for the Brand and Portfolio



Executive Summary

In February 2016, the year after partnering on the successful launch of the (then) world's oldest whisky, Gordon & MacPhail approached us with an exciting proposition: to redesign the packaging of its flagship brand – Gordon & MacPhail Whiskies.

Gordon & MacPhail recognised it was sitting on decades of valuable maturing stock with an opportunity to take advantage of the growing demand for premium Scotch whiskies and general growth of the luxury sector. As the company has always done with whisky, this design program invested in the future of the Gordon & MacPhail Whiskies brand. But unlike single malt whisky, the returns on the design investment were seen almost immediately, as evidenced in volume-to-value figures.

**71%
increase
in revenue selling
18% less
whisky***

**109%
increase
in average
case price***



*2016-17 (year of the project brief) v 2021-22 (latest)

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Executive Summary continued

Between 2017/18 and 2018/19, the year of the project realisation, the Gordon & MacPhail Whiskies saw its sales value increase by 25%, more than doubling the average rise in value across the sector.* Their flagship Elgin shop saw a staggering step change. The ratio of Gordon & MacPhail Whiskies to third-party sales shifted from the consistently near 1:1 level of the previous ten years to 3.6:1 in favour of the owned brand: an increase of 350% in comparison to static third-party sales.

By defining its brand position in the Scotch whisky category and creating a clear consumer pathway, we helped Gordon & MacPhail Whiskies to maximise on the opportunity within a buoyant sector. All in all, the success of the Gordon & MacPhail Whiskies relaunch provided revenue and confidence for the parent company to embrace a new phase of its fourth-generation history.

Designed to guide and ascend consumers through the brand's offerings, Gordon & MacPhail

began phasing in the new strategically streamlined portfolio and packaging in 2018, taking it from an underestimated and misunderstood brand to the 5th premium/luxury brand UK consumers would most like to try - a massive jump of 10 ten ranking positions (Annual brand tracker survey 2021). The same consumer feedback cited that "33% of UK consumers now believe Gordon & MacPhail Whiskies is unique", a sharp increase of 14% led by the implemented strategy. With the impressive shift in volume-to-value consistently over the

past 4 years, we can see that the revised portfolio and redesigned packaging has undoubtedly achieved its objectives.



**(The value of whisky manufactured in the UK increased by 9.6% during the same period, Statista 2022)*

Outline of the Project Brief

In 2016 interest in premium and luxury whisky was flourishing and so was competition. On the back of the success of the release of Generations Mortlach 75-Year-Old in 2015 the opportunity arose to consider how to realise the true value of their maturing and unique stocks.

Gordon & MacPhail Whiskies was having to fight for market share from not only distillery brands, but independent bottlers too. The complicated portfolio, that had grown for good reason over decades, was now proving to be a barrier for new consumers. Moreover, it discouraged existing consumers from exploring more valuable ranges.

With a vast range of over 300 whiskies, Gordon & MacPhail Whiskies showcased their strength and passion across the decades. However, this was the core of the problem. From distilleries throughout Scotland, bottled at various ages, strengths, and vintages from 1936 to recent times, the portfolio was scattered across eleven different ranges – to many the brand story was confusing and the portfolio overwhelming.

Gordon & MacPhail Whiskies was neither a whisky distiller nor an independent bottler – and this was a difficult concept to grasp. We needed a strategy that didn't over-complicate nor over-emphasise it. We had to help Gordon & MacPhail Whiskies be perceived as a highly respected world-renowned maturation expert with exceptional whiskies. Working with distilleries' new make (virgin) spirit and maturing it into their own casks means Gordon & MacPhail Whiskies complement rather than compete with proprietary

bottlings. Their creation of tastes and flavour profiles are unique, and this is what we had to bring forward through design.

Upon design audit, it was apparent that the existing packaging had limited stand out and no defining USPs (*Stakeholder and trade customer interviews 2016*), the footprint of the logo was unwieldy for packaging and the stag, as the dominant feature, attracted frequent comparison to Glenfiddich and Dalmore. However, it was clear that Gordon & MacPhail Whiskies should not be tempted to ride the wave of craft and artisan drinks branding with its tendency to adopt highly striking packaging. There was also an overreliance on the Distillery Label range, signifying low brand saliency. The lack of internal brand confidence meant the brand's incredible stock wasn't realising its true value.

A major factor informing the positioning of the Gordon & MacPhail Whiskies brand was the real potential to play more consistently in the luxury sector. *The Telegraph (2016)* forecast the British luxury market to be worth up to £54bn by 2017 (a rise of almost 170% in four years). However, previously only the Generations range could be perceived as sitting comfortably in that sector and with only one release every couple of years this left a rather large gap that was overlooked.

With thorough market and competitor analysis the key objectives of the challenge were defined: address product portfolio complexity; map out a clear strategic direction for the brand and place the end-consumer of Gordon & MacPhail Whiskies at the heart of all thinking.

Five measurable objectives would determine the success of the project:

Transform Gordon & MacPhail Whiskies into a world-renowned luxury/unique whisky brand

Increase gross profit through higher margins not additional volume

Retain loyal consumers and increase spend

Attract new consumers

Expand sales in luxury market

Scope of Work & Design Fees

Our brief was to present the Gordon & MacPhail brand and proposition in such a way that both trade and consumer can navigate a well-signposted journey through the newly proposed portfolio. The goal was to articulate what makes Gordon & MacPhail Whiskies unique in the market and make it the ‘go to’ brand for whisky enthusiasts through a defined proposition.

Within each range in the portfolio, the intention was to create a Gordon & MacPhail Whiskies style that allowed each range to be distinctive but consistently and identifiably part of the same family.

To do this, the requirement was to:

- Clearly articulate the role and positioning of each range in the portfolio
- Create identifiable collections that have distinctive, engaging and illuminating descriptions of what lies in each bottle
- Illustrate the value of each range in the portfolio, as well as the different price points within each range through packaging cues

To do this, it was necessary to address the full proposed portfolio in the following stages:

- Illustrate personas and cues for each range in the proposed new portfolio
- Address nomenclature and develop wireframes across all ranges
- Demonstrate how the Distillery Labels range would sit within the new portfolio

- Present packaging visuals, concepts and approved wireframes
- Test with consumer audience and trade customers
- Finalise packaging development and production

A clear brand strategy would aim to identify where Gordon & MacPhail sits, and research was crucial to identify the brand positioning and story. Desk research, a situational analysis audit and the agreement of KPIs had to be undertaken at the initial phase to understand the market in both Scotland and overseas. Research was conducted with stakeholders, consumers, and distributors across Scotland, London, Paris and Chicago. Flowing from a clear brand strategy and backed with sound strategic insight, the Gordon & MacPhail Whiskies portfolio was considered and reviewed. Design recommendations were made for the development of the revised portfolio, including brand marque, bottle design, outer packaging, labels and closures.

A phased introduction across the course of the year was set up to release each range on its individual merit, commencing April 2018.

Fees:

Brand & Portfolio Strategy

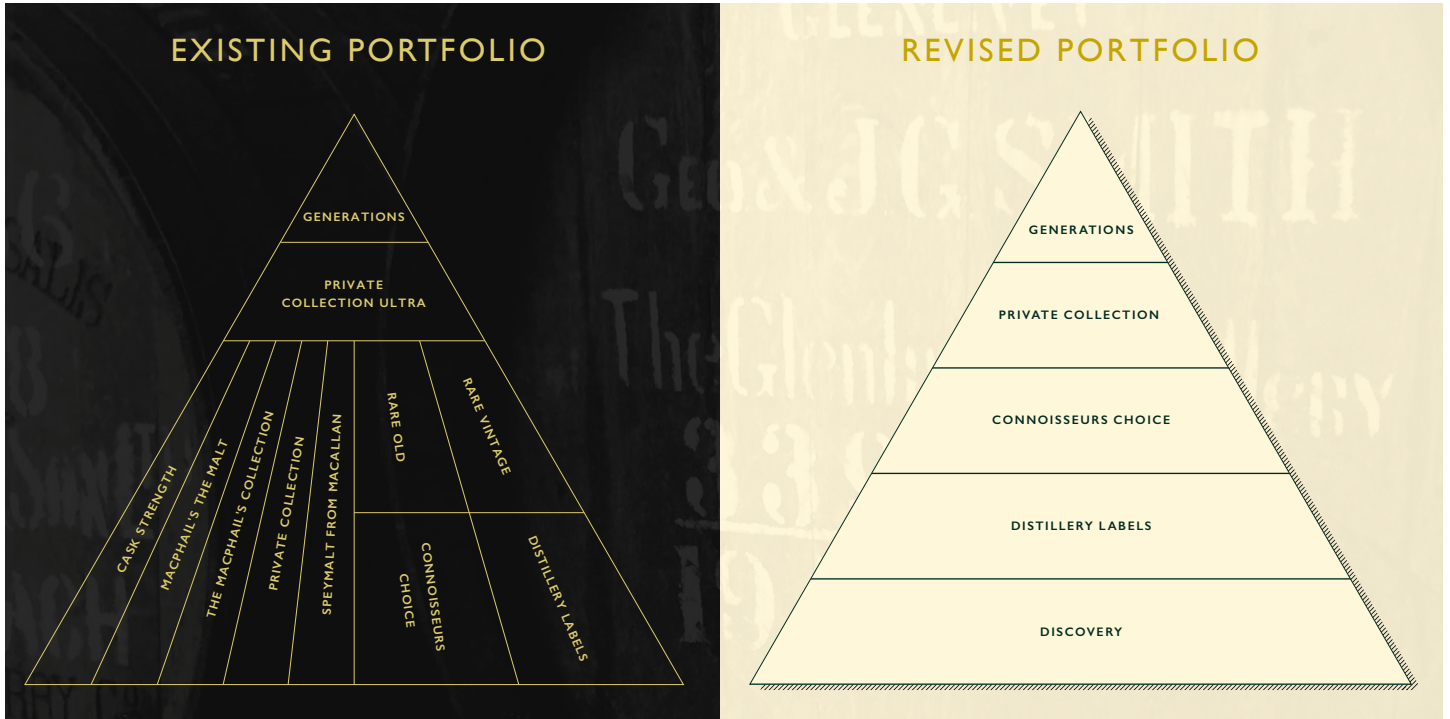
REDACTED CONFIDENTIAL DATA

Design (not including Generations range)

REDACTED CONFIDENTIAL DATA

Design Solution

The original undefined structure of 11 ranges was reconstructed to an accessible 5 with clearer marketing strategies.



It was clear, following initial research amongst stakeholders, trade partners and consumers that this was not a rebranding brief as such.

Essentially the logo and its three constituent parts – the stag, the established date, and the name – needed to remain. We commenced with investing in the re-drawing of the stag and typeface, applying it with new scale to create balance. This clarified the Gordon & MacPhail Whiskies proposition on pack and through all communication channels, which increased visibility and created consistency across the ranges within the portfolio; creating a more ownable, impactful, and memorable brand marque whilst retaining all the powerful authenticity signals of the original.

The next stage of the process was to initially wireframe the packaging

in each of the consolidated ranges to develop a flow through the portfolio – as the value of each product increases the semiotics reflect more exclusivity and luxury. We crafted the proposition into the bottle silhouette and used slightly heavier glass in the top ranges to reflect the more premium/luxury quality. The consumer market research insight indicated that for this audience, the ability to see the colour of the liquid is especially important, leading to the specification of open frame boxes for the Connoisseur's Choice range. Meanwhile, the more exclusive products, often purchased as gifts, investments

or collectables, required enhanced crafted detail to create a coveted unboxing experience.

We introduced an appropriate level of detail and storytelling on pack, varying to suit the level of single malt whisky knowledge, thus ensuring a clear consumer marketing pathway.

We retained the well-respected and recognisable cues that the brand had already established and by introducing different cues for discerning audiences we created an accessible, indelible portfolio which demonstrates clear respect and appreciation of consumer knowledge.

Design Solution continued

156%
increase
in volume*

157%
increase
in revenue*



Discovery (new range created)

Distinct point of entry to capture new consumers – colourful, accessible – both in the illustration and level of information in the tasting notes. We used tubes to enhance the colour volume, providing alluring shelf stand-out and attract a younger demographic.



Distillery Labels (historic relationships with older distilleries, existing range)

The distillery label is historically important for this range but the G&M brand required more prominence for clarity and awareness. We standardised how the original distillery labels integrate with the G&M brand marque across this range.

over 2000%
increase
in revenue selling
35% less
whisky**

over 3000%
increase
in average
case price**



Connoisseurs Choice

The mainstay of the portfolio consisting of a wide pricing range. Leading the aesthetic is the increased level of information: typically cask type, dates, to appeal to a more “connoisseur” level of consumer. The design starts to incur a more crafted detailing, a change in quality and materials to the roundel brand marque. Window boxes allow the connoisseur to expertly choose their selection based on colour and detailed description of the liquid.



Private Collection (luxury range)

This range was split into 3 tiers with the design elements reflecting the value – with a price range of £1000-10,000 it required distinct nuanced enhanced crafting to reflect each tier. These are luxury purchases so the devil is in the detail – handcrafted wooden boxes using traditional marquetry to create a contemporary aesthetic. Bespoke bottle silhouettes moving away from the more standard bottle shapes of the other ranges, and finely tuned points on labelling and seals.

*Discovery Range 2018-19 (year of launch) v 2021-22 (latest)

** Private Collection Range 2016-17 (year of the project brief) v 2021-22 (latest)

Results

Making headway in the luxury market & increased sales/value

Gordon & MacPhail Whiskies experienced an incredible 61% growth in the value of sales of its luxury products, from 2018/19 to 2019/20 when they were launched as the Private Collection. For comparison Bain & Company (2020) reported the global luxury market grew by 4% over that same period of time.

Gordon & MacPhail Whiskies was clearly aligning in the luxury market sector, as intended - to meet the 'more value less volume' objective of our brief. A Forbes lifestyle feature in 2019 gave Gordon & MacPhail top listing in "The 5 Best Independent Scotch Whisky Bottlers", and the Private Collection featured in Walpole's 2021 Book of British Luxury for the first time. By 2021, 22% of PR coverage

was placed in luxury consumer titles, an increase of a steady 4% YOY (Internal annual audit 2021) and 25% of consumers now view Gordon & MacPhail Whiskies as a luxury brand, 12% YOY growth (Annual brand tracker survey 2021).

As a result of the new strategic portfolio architecture and clearer map of progression from premium to more luxury ranges, the position Director of Prestige was created to

reflect the new brand proposition for 4th generation family member Stephen Rankin, just before the launch of the new portfolio in 2018. In December 2020 Stephen was recognised by Walpole and enrolled in their Power List of the most 50 influential people in British Luxury – this sees a dynamic shift in brand recognition for Gordon & MacPhail Whiskies in the UK luxury sector.

"This project has very much been the catalyst to help Gordon & MacPhail Whiskies unlock the value of the unique stock we have?"

Ian Chapman,
Brands Director,
Gordon & MacPhail

Year of launch saw all ranges achieve **25% more value for 36% less whisky**

average price per case (all ranges)

almost doubled in just 1 year
(2017/18-2018/19)



Results continued

The most recent wave of Gordon & MacPhail Whiskies brand tracking research conducted by research partner Taylor McKenzie* was completed in December 2021, comparing benchmarks from 2018 – all key metrics show significant progress across the five key markets, taking the brand from negligible awareness in 2018 to a brand that is readily recognised in the luxury sector and considered for future purchase.

Luxury perception increase

YEAR	UK	TAIWAN	GERMANY	FRANCE	US
2018/19	19%	5%	–	19%	–
2020/21	25%	34%	31%	30%	26%



**1887 interviews with premium single malt whisky consumers across 5 key markets between 2018 and 2021 using an online static metric questionnaire.*

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Results continued

OBJECTIVE	CHALLENGE	SOLUTION	RESULT
Transform Gordon & MacPhail Whiskies into a world renowned unique/luxury brand	Recessive brand on all packs Confusing proposition Original distillery focused Distillery Label range unsustainable Looked like an independent bottler	Clarified proposition and messaging Increased appreciation of Gordon & MacPhail Whiskies brand on packs & communication Increased investment & stock allocation to Gordon & MacPhail Whiskies branded products Reduced reliance on Distillery Label range	Increased sales – REDACTED CONFIDENTIAL DATA An actual 71% increase in revenue from 18% less whisky in 5 years
Increase gross profit through higher value to volume ratio	Sales focused rather than true potential of stock Too many low margin ranges Lack of confidence in brand Low appreciation of stock	Developed a high-value proposition Built internal confidence in brand	109% increase in average case price over 5 years
Retain loyal consumers and increase spend	Complicated vast portfolio Difficult to navigate ranges Discouraged exploration and further spend	Developed accessible portfolio Clear packaging cues Consumer friendly communication ascending through ranges Differentiated range propositions and consumer profiles	2020/21 <ul style="list-style-type: none"> • Own brand outselling third party brands since 2018 for first time in 14 years in Elgin shop • Brand salience risen 12% since 2019/20 (UK) • Purchase intention risen 8% since 2019/20 (UK) Feedback* the new Private Collection packaging sending strong premium cues and Connoisseurs Choice is a clear ‘level up’ from Discovery, expectations of a more unique and rare whisky.
Attract new consumers to the Gordon & MacPhail Whiskies brand	Losing/missing out on new consumers to other whisky brands Existing consumer base stagnant Required new consumers to refresh and grow market	Development of Discovery Range based on easy-to-understand introduction to whisky Accessible and easy to navigate portfolio	Increased number of cases sold of introduction range 2018/19 to 2021/22 156% increase in 3 years Feedback* younger audience see as good entry point to build trust in the brand and give confidence to make higher value purchases.
Expand sales in premium/luxury market	Price gap at top end of portfolio Not enough saliency in this range	Introduced higher value products Enable wider selection of higher value whiskies Enable more frequent releases	Increased sales of Private Collection premium/luxury range – REDACTED CONFIDENTIAL DATA Over 2000% increase in revenue in 5 years

*Feedback from the internal consumer and distributor packaging survey (February 2022)

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Other Influencing Factors

Gordon & MacPhail Whiskies would undoubtedly have benefitted from the recent increase in demand for Scotch malt whisky, but not to the same extent had it still been operating within the constraints of the lower margin, less premium model and wouldn't have benefitted from the much higher volumes currently in play.

It would have faced much stiffer competition from the independent bottling sector without the needs of the brief being met. The potential of benefitting from the luxury sector growth would have also been significantly reduced without the re-organisation of the portfolio, allowing more stock to be released at a higher value. Without the increased brand awareness achieved by the re-design, Gordon & MacPhail Whiskies would have had a greater chance of been overlooked for brands with greater saliency.

Aligning the quality of the packaging with positioning and proposition was also essential to attract the ever-increasingly discerning consumer.

The introduction of the new role as Director of Prestige could be seen to influence the increase in luxury sales and brand awareness, however, without the restructured portfolio and new range designs to support this there would not have been a product available to take to market in this sector.

The introduction by press release of the new designs range by range during 2018 was not aligned with any other marketing campaigns or price promotions.



Conclusion

At the outset of this project Gordon & MacPhail once described its portfolio as “a riddle wrapped in a mystery inside an enigma”.

With the outstanding and self-explanatory evidence in the results we have looked at from 2016 to 2021 and beyond, we have unravelled this conundrum and the remarkable growth in confidence has prompted the business to test price elasticity by releasing Milton 1949 at an RSP of £50k. This progress is supported by the Private Collection Showcase, sold at £100k. Neither would have been entertained four years ago.

From being labelled ‘confusing’ and ‘for collectors’ Gordon & MacPhail is now a brand that is accessible to all, easier to navigate for consumer and simplified for distribution. We have put heritage, authenticity, and provenance at

the heart of each range to take malt whisky enthusiasts on a journey that encourages them to go beyond their usual choices. With a strategically re-designed portfolio and brand positioning, Gordon & MacPhail is now realising the true value of their precious stocks whilst meeting the demands of today’s market – putting this pioneering, rich tapestry of a historic Speyside business in a prime position to meet and gain from the demands of future malt whisky trends.

***25%**

of UK consumers view Gordon & MacPhail Whiskies as a luxury brand compared to 19% in 2018

***ranked no.5**

as the whisky brand ‘premium/luxury’ UK consumers would most like to try (behind only Macallan, Laphroaig, Lagavulin and The Dalmore)

****a clear increase in understanding entry level ranges and progression to premium and luxury level**

****clearer brand story and perception**

*(Feedback from *annual brand tracker survey December 2021 and **internal consumer and distributor packaging survey February 2022)*

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