

Dissertation

Exploring the wider impact of Geographical
Indication Products, with a focus on Single Malt
Welsh Whisky.

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ABSTRACT

The overall aim of this dissertation is to explore the effects that origin labelling has on consumer perception. This research also aims to identify opportunities for The Welsh Whisky Company to develop brand image and marketing opportunities for their products following the approval of geographical indication for Single Malt Welsh Whisky.

Geographical indication of products is closely investigated within this report, with a focus on Single Malt Welsh Whisky. The preferences of whisky consumers in three different countries (Wales, France and Germany) were analysed, to evaluate the country-of-origin effect in their purchasing decisions. The data was collected via a survey conducted by The Welsh Whisky Company Limited, utilising a conjoint analysis technique, in a range of whisky fayres, visitor centres and shops specialising in the sale of spirits across all three countries. The study explores preferred whisky characteristics such as origin, flavour profile, age, cask type and price and investigates the demand for geographical indication products and their potential to develop brand image and increased market potential. The overall results show that the price of the whisky is the attribute most valued by consumers, closely followed by flavour profile. The data presents that 75% of respondents believe origin labelling is an indicator of quality, suggesting that the recent geographical indication status has the potential to improve consumer quality perception of Single Malt Welsh Whisky.

ABOUT THE AUTHOR

For the last 7 years the author of this research has been employed by The Welsh Whisky Company Limited (Penderyn Distillery), initially starting with the company as a Trainee Distiller and currently employed as their Distillery and Visitor Centre Manager for the newly opened Swansea Copperworks Site. A core function of this role over the years has been to manage the production of new make spirit and oversee the milling, mashing, fermentation and distillation processes within the distillery. This element of the role requires research and development within the spirits industry to introduce innovative practices to the production processes. Upon receiving a promotion of their current role, the author has been heavily involved in the marketing of products and services within the visitor centre leading to a keen interest in developing skills and knowledge in this area of the business. The author was involved with the development of the product specification for geographical indication of Single Malt Welsh Whisky and was responsible for representing The Welsh Whisky Company on national television for the announcement of the geographical indication approval.

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DECLARATION STATEMENT

This work has not previously been accepted in substance for any other degree and is not being concurrently submitted in candidature for any other degree.

Signed  (candidate)

Date 07/03/2024.....

This work is the result of my own investigations, except where otherwise stated. Where correction services have been used, the extent and nature of the correction is clearly marked in a footnote.

Other sources are acknowledged by footnotes giving explicit references.

Signed  (candidate)

Date 07/03/2024.....

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LIST OF ABBREVIATIONS

ABV – Alcohol by volume

COE – Country of origin effect

DEFRA - The Department for the Environment, Food and Rural Affairs

EU – European Union

FMI – Future Market Insights

GE – Geographical indication

NPD – New Product Development

OPs – Origin based products

SS – Shops specialising in spirit sales

SMWW – Single malt Welsh whisky

SWA – The Scotch Whisky Association

TWWC – The Welsh Whisky Company Limited

WID – Whisky Invest Direct

WIPO – World Intellectual Property Organisation

INTRODUCTION

Background

In recent years, the use of GIs within the spirits industry has become increasingly popular, with Brandy de Jerez, Cognac, Grappa, Polish Vodka and Scotch Whisky being just some examples of spirits with GI status. GIs are a form of intellectual property rights, intended to protect, strengthen and maintain the reputation and the quality of a product from a particular geographical region. Natural, human and process factors are among the elements that help to create distinctive GI products. Origin-based products (OPs) have overtime had their identity formed by the interconnection between their quality attributes and the region in which it's been produced (Belletti et al, 2017). Scotch Whisky (whisky produced in Scotland), is protected by GI and UK legislation - The Scotch Whisky Regulations, 2009. However, Whisky produced in other UK countries is currently regulated by the European Union (EU) regulations – Spirits Regulation (EU) 2019/787 (transferred into UK law verbatim). Due to the lack of distilleries and GI for Whiskies produced in Wales, The Welsh Whisky Company (TWWC) have been required to comply with the EU regulations since reintroducing whisky distilling to Wales in 2000.

TWWC were the first legal distillery to produce SMWW in Wales in over 100 years and have therefore committed themselves to establishing the reputation for SMWW over the past 23 years. With four other whisky distilleries opening in Wales in recent years, it was in TWWC's interest to inaugurate a GI for SMWW produced in Wales. TWWC have recently (July 2023) had the GI for SMWW approved by the GI Team at The Department for the Environment, Food and Rural Affairs (DEFRA). The application was developed by TWWC and agreed with other SMWW producing distilleries.

Single Malt Welsh Whisky Geographical Indication Application

The GI application submitted by TWWC in 2022 stated that 'the link between 'Single Malt Welsh Whisky's' specificity to Wales, is a combination of both natural factors and human factors'. With the Natural factors describing how Wales's climate, soils and geology influence some of the raw ingredients used to make SMWW. The document also refers to the high rainfall in Wales and how its naturally filtered by the nature and structure of mineral rich local bedrock and layers of rock strata, contributing to the naturally occurring mineral composition (hard or soft water) of Welsh water (Morgans, 2022). TWWC have skilfully introduced their USPs to the GI application and justified their contribution to the whisky's quality. This is evidenced further where the document references human factors. The GI application (2022) also states that 'Wales's talented distilling workforce has been largely trained from the ground up and at Penderyn, each cask of 'Single Malt Welsh Whisky' is currently nosed and tasted by an all-female team'. The natural and human factors discussed in the GI application describes SMWW as a unique article. Uniqueness is thought

to raise competition with larger producers and in-turn, facilitate the insertion of small and medium producers by means of introduction of GI (Medeiros et al, 2016).

Moreover, SMWW makes a significant contribution to the food and drink economy of Wales and is now one of Wales's most influential exports, currently being exported to over 45 countries (Davies, 2022). As well as contributing to the food and drink economy, the production of SMWW is also important for tourism with all Welsh distilleries having visitor centres as a secondary operations within their business. Pre-pandemic, TWWC welcomed more than 40,000 visitors to the distillery in the Brecon Beacons, this number was significantly reduced during the pandemic and is expected to take a number of years to reach pre-pandemic figures again. TWWC opened their second distillery and visitor centre in North Wales during the pandemic in 2021 and their third state-of-the-art visitor centre and distillery in Swansea in 2023. With the GI application being approved during the opening of the new Swansea Distillery, TWWC received a great deal of publicity during this time. The production of GIs can be considered as multi-functionality as it can also result in rural development and economic sustainability, particularly leading to the development of tourism and hospitality (Medeiros et al, 2016), which may play a part in the increasing visitor numbers across all distilleries in Wales.

AIMS AND OBJECTIVES

Aims

The aim of the project is to identify whether the country of origin effect (COE) has a positive influence on the purchasing decision of whisky consumers. The aim is based on the theory that products with an established geographical indication (GI) status improve the consumer's perception of quality, therefore improving brand awareness and opportunities to drive sales.

The survey questionnaire, which was formulated using The Scotch Whisky Regulations (2009) along with the Spirits Regulation – EU 2019/787 criteria as a foundation to the questionnaire, explores the characteristics of the product which influence consumer quality perception.

The project aims to address the following questions:

1. Do consumers show preference to products with geographical indication?
2. Is there a demand for products with geographical indication in the global market?
3. Are consumers in Wales more likely to purchase Single Malt Welsh Whisky than consumers in other countries?
4. What whisky characteristics are most likely to influence consumer perception of quality?

Objectives

The objectives for the project include:

1. To identify the relative importance placed on the different attributes of whisky by the consumers (origin, organoleptic, production, packaging).
2. To explore whether these attributes have varying importance for consumers in different countries.
3. To analyse consumer perception trends of whisky quality.
4. To understand the geographical indication regulations for Single Malt Welsh Whisky and the impacts they have on quality perception and marketing opportunities.
5. To critically and objectively analyse the research findings and formulate recommendations for The Welsh Whisky Company with a focus on product quality and brand awareness in relation to geographical indication.
6. To understand the wider impact of geographical indication on consumer perception.
7. To gain understanding of the influence that geographical indication has on the spirits industry.

Justification

The project explores whisky attributes and the consumer perception of geographical indication, in order to identify whether TWWC's application for GI status will improve consumer's perception of quality for their SMWW products. The project will explore the potential influence that applying for GI for SMWW would have on consumer's perception of quality and its capacity to improve marketing opportunities and potential sales volumes for TWWC. For a company to survive and progress within the competitive landscape of the spirits industry, they must demonstrate unique ways of adapting to consumer trends. Market and consumer perception research is a useful tool to assist companies with developing and marketing products effectively, giving them a competitive advantage over other companies within the industry. Products with geographical indication status have qualities, reputations and characteristics due to their place of origin which has the potential to be used as a marketing tool, thus the justification of said project.

RESEARCH DESIGN & METHODOLOGY

Survey Techniques Data Collection Methods

A search of the university online library database was performed in order to discover the scope of available material on the research topic. The search strategy was to utilise the online library database and perform a literature search with the key topics being; geographical indication, country of origin effect, consumer perception, and whisky quality and characteristics. The results were filtered by narrowing the publication date range and sorting by relevance. Manual assessment of each piece of literature was completed by the researcher to determine relevance. The searches returned more articles for consumer perception and geographical indication searches and relating to market research studies. However, the return for whisky related searches were vast with low relevance to the subject matter. The findings of the literature are discussed within the literature review.

Data sourced internally by TWWC from recent market research was utilised. Making use of this already available data is the most economical way of gathering data for this research. TWWC deployed a descriptive survey technique for their market research conducted in 2022, prior to the introduction of the GI for internal purposes. Descriptive research sets out to seek accurate and adequate descriptions of activities, objects, processes and persons (Allison et al, 1996). This appropriate design will help identify accurate and adequate descriptions of demographics and public opinion of products.

Descriptive research is a popular research design used within market research and is regularly utilised by the marketing and new product development team (NPD) within TWWC. Information gathered in this way typically focuses on demographics and details on buying patterns of different cohorts. The data utilised in this project will allow the researcher to analyse quantitative data and descriptions of demographics which can be analysed. Use of the descriptive research method allows the researcher to successfully analyse what consumers think about the product and what advertising strategies work to increase the positive perceptions of the product. In this case, GI status would be considered the advertising strategy. Understanding the demographics is not essential to answer the research question for the proposed study. However, having an understanding of the demographic will not only act as a basic market research tool but will also determine whether the use of GI status as an advertising strategy, has varying success within different cohorts, as well as providing across country comparisons.

The market research conducted by TWWC gathered information on demography, preferred production characteristics and the perception of quality and origin. Demography related questions include the age, gender and nationality of the individual. The production characteristics cover aspects relating to The Scotch Whisky Act and EU Spirit Regulations and considered cask types used for maturing the whisky as well as grain and still types used in the production process. The questions regarding quality and origin were designed to gather information on various attributes of whisky which influence quality perception such as flavour profile, age of the whisky, origin, packaging and price.

The data was collected via a survey questionnaire, and a survey is a system for collecting information to describe, compare, or explain practices (Fink, 1995) and is therefore a suitable method to describe the consumer's perception of quality and compare this across different demographics. A questionnaire was the selected survey tool used to collect the data, as it is designed to ensure that the questions are expressed in such a way to elicit answers that are meaningful and relevant (Allison et al, 1996). The data accumulated by TWWC, throughout their market research was selected to be used as the questions forming the survey were relevant to this research.

The design of the proposed research has many practicalities, as large amounts of information can be collected from a large number of people, in a short period of time and in a relatively cost-effective way (Ackroyd and Hughes, 1981), which is why TWWC use this form of data collection for their market research.

Participants or Sample

The market research conducted by TWWC, selected the sample purposively through convenience sampling. As well as having around 90 employees working in Wales, TWWC also have employees based at Germany and France. TWWC utilise brand ambassadors based in Wales, France and Germany who recruited participants that they come into contact with throughout their day-to-day job roles. Settings where participants took part were whisky shows and fayres and spirit retailers throughout Wales, Germany and France. Although the countries selected were chosen through convenience sampling, the individual participants were selected via non-probabilistic/accidental sampling.

With whisky being the most consumed spirit in France (Businesscoot.com, 2022), and France being the biggest export market for TWWC (Phillips, 2022), France is an appropriate country to collect data from as it is a sophisticated whisky drinking nation making the consumer's perception of quality more valid. Germany is also an important market for whisky producers in general, with the German's being the fifth largest importer of whisky in the world (Allen, 2022). With Wales being the home ground of TWWC, market research is always completed here. Having data from multiple countries will help identify if GI status will only influence consumer perception in Wales or whether it will have a bigger impact, influencing consumers throughout Europe. The market research completed by TWWC across all three countries will provide ideal, representative data as they are all whisky consuming nations but provide a variety of demographics for comparison for the researcher.

Random sampling is known to provide more valid data as it is more representative of the whole population. However, as the countries selected are more practical and accessible to TWWC and the data has been collected for internal purposes prior to this project, convenience sampling was the most appropriate approach in this study. The settings where data collection was carried out were typically at whisky shows or spirit retailers, meaning the interviews were conducted with experienced whisky/spirit drinkers who typically attend these venues. Having data from participants who drink whisky is important as it improves the validity of the research. It also means that any technical questions relating to cask type

and production types are understood by the individual and their perception of quality will be more credible than a non-whisky drinker.

Research Limitations

The below list has been identified as possible challenges or limitations during the research:

- Qualitative data or information can occasionally be bias as it is heavily based on the opinions of respondents.
- The researchers were occasionally required to generalise some information provided by respondents due to the language barrier.
- Data collection was conducted by 3 separate TWWC employees which may have caused lack of consistency with responses if different interview approaches were used.
- Data collection in Wales also took place in TWWC visitor centres, which caused lack of consistency with setting types between across the three countries.
- The survey questionnaire focussed on Whisky related questions; therefore the data does not represent the wider spirits industry.

Data Collection

Primary data was obtained via verbal communication between the interviewers and the representative sample of participants from the target population, that is – whisky consumers in Wales, Germany and France. The questionnaire was formulated using the The Scotch Whisky Act and EU Spirit Regulations which will be expressed in a quantitative manner to ensure statistical analysis can be completed (Allison et al, 1996). However, according to Ackroyd and Hughes (1981) it is evident that questionnaires also have their disadvantages. One of these being survey fatigue, where the respondent lacks motivation to complete the survey questionnaire. TWWC advised that in order to overcome this, care was taken when designing the questionnaire, in order to avoid survey fatigue and poor response rate.

An interview approach was used by the employees in order to achieve accurate and in-depth answers. TWWC employees based in Germany and France completed data collection due to being more accessible and to ensure effective communication skills are used throughout the interview, preventing language barriers.

LITERATURE REVIEW

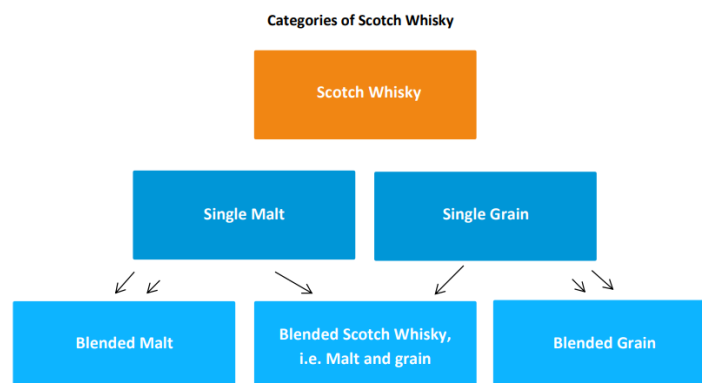
This literature review will encompass a researched based view of whisky quality and characteristics as well as the demand for GI products and will consider previous research conducted within this topic area. The research will utilise data derived from market research conducted by TWWC to determine customer base to predict areas for brand growth.

Whisky Characteristics

Whisky is a complex spirit and there are a wide range of characteristics that can be influenced by factors such as raw materials, ageing processes, distillation techniques and cask type. The below discusses these factors in more detail.

Grain Type

The type of grain used when producing a whisky plays an important role when it comes to labelling and marketing every bottle. Both Scotch and European whisky have two main types of whisky; malt and grain whisky. Initially all whisky is produced at a single distillery, meaning it is a 'single malt' or single grain' whisky, with single malt being the more traditional and premium style (The Whisky Exchange, 2024). Another category of whisky is 'Blended Malt', which is produced by mixing two or more single malt whiskies. Blended malt whiskies are every bit as good as single malts in terms of richness of flavour and quality, but because of the meld, the flavour characteristics of each distillery are not as easily identifiable (Mitchell, 2015).



(The Scotch Malt Whisky Regulations, 2009)

Unlike single malt, which is produced only using malted barley, single grain can be produced from a variety of different grains or cereal types, typically, corn, wheat, rye, or barley, and can be malted or unmalted. 'Blended Whisky' is a further category and consists of malt and grain whiskies mixed together and makes up 90% of all Scotch made and sold worldwide (The Whisky Exchange, 2024). Although malt whiskies were the most common types of whisky in the early years of whisky production and are considered richer and more flavoursome, they are also the most expensive to produce. This led to a change in the Spirit Act of 1860 which introduced cheaper production techniques used for grain whisky production, resulting in blended whisky being regarded a softer, more palatable and more affordable whisky. Although there is a further category of 'Blended Grain', where two or

more single grain whiskies are mixed together, blended whisky remains the most common type of whisky produced and sold worldwide (SWA, 2024).

Still Type

Malt whisky must be distilled in distinctive copper pot stills and is usually distilled twice, starting its initial distillation in a larger 'wash still', and the second in a slightly smaller 'low-wines' or spirit still (The Scotch Malt Whisky Regulations, 2009). The initial distillation which is of a lower alcohol by volume (abv) and called the 'low wines' is transferred to a second slightly smaller copper pot still for its second distillation. This distillation is accurately controlled, and the spirit cut which is usually below 76% abv is then used for maturation. Unlike malt whisky, grain whisky is typically produced in continuous column stills to a much higher abv (cannot exceed 94.8%abv) and to an industrial scale. This method typically produces an output purer in alcohol but with much less flavour and character than spirit distilled in pot stills (Whisky Invest Direct (WID), 2024). TWWC utilise a unique distillation technique in a unique still type called the Faraday still. The still was designed by Dr David Faraday, a relative of the ground-breaking Victorian scientist, Michael Faraday and is a single copper pot system, which produces flavourful spirit at an industry high for single malt whisky at 92% abv (Penderyn Distillery, 2024). Unlike Scottish or Irish distillers, who will typically have a two or three pot system, TWWC utilise the single pot system producing a light and fruity spirit. The Faraday still is unique to TWWC and not to Wales, however, TWWC carefully incorporated their distillation technique into the production specification within the GI application, with the specification stating that SMWW 'can be distilled in single pots (with or without a column) or in pairs of pot stills' (DEFRA, 2024). This addition to the product specification protects the whisky produced by TWWC but also by other Welsh whisky producers who are currently using two pot systems.

Cask Type

Wood plays a huge part when producing a quality whisky. Its durable, it adds to the character of whisky after it's been charred or toasted, it removes undesirable compounds from the whisky such as sulphur, its porous so allows the whisky to breath but tight grain woods also prevent leakage (Leach, 2019). The Scotch Malt Whisky Regulations (2009) state that scotch must be 'matured in an excise warehouse in Scotland in oak casks of a capacity not exceeding 700 litres, the period of that maturation being not less than three years'. Whereas regulations applying to Welsh whisky state that 'maturation of the final distillate for at least three years in wooden casks not exceeding 700 litres capacity'. Welsh distilleries benefit from more flexible regulations and less weight of tradition than distilleries in Scotland, giving them the freedom to experiment (Aswani, 2021). Therefore, TWWC regularly experiment with different wood types, influencing the flavour profile of the finished product.

The previous contents of the casks used are also an important factor for whisky making. Ex-bourbon casks are by far the most frequently used in the industry and this is because after just one use they can no longer be used in the US, so these are then sold on to the whisky industry for further use, adding flavours of caramel, vanilla and spices to the whisky. Another major cask utilised in the whisky industry is the sherry cask adding rich notes of

dark, ripe fruits, nuts, cloves, spices and hints of chocolate and ginger. Fortified wine casks such as casks which have previously held Madeira wine or Port are also used within the industry. In recent years there seems to be more of a demand for whiskies with unique flavour profiles and one way for distillers to achieve this is by experimenting with unusual casks. This is a technique that has been adopted by TWWC and their Master Blender regularly experiments with unique wood types and cask types, which attracts a lot of attention from consumers.

Age

As well as heavily influencing the flavour profile and overall characteristics of a whisky, the age of a whisky is a key factor that can influence consumer perception of quality. Aged whiskey is highly sought after by whiskey enthusiasts and collectors around the world (Sipdark, 2024) leading to an increased demand for whiskies with a higher age statement. The complex interaction between the whisky and the wood during the maturation process allows the whisky to extract flavours, aromas and colours from the wood, contributing to the development of the whisky's character and complexity. Although younger whiskies tend to have more prominent raw grain flavours and less complexity and depth, many whiskies are well crafted at a younger age with many distilleries producing non-age statement (NAS) whiskies, focussing on the art of blending to achieve desired flavour profiles, with TWWC being one of these. Many whisky collectors believe the maturation process adds value to the whisky as it takes time and patience to produce quality whisky (Sipdark, 2024). For this reason, demand for aged whisky continues to grow, particularly for rare and limited-edition releases with a high age statement. This market demand drives up prices, making aged whiskey a valuable commodity in the spirits industry.

Price

This characteristic is closely linked to the age of the whisky, with there being a higher demand for older whiskies, the price tag is often increased. Also, many distilleries will hike the prices of a bottle if it is bottled at a higher strength abv. The higher the strength the less bottles produced per barrel, meaning each bottle becomes more expensive and often even more sought after. Limited editions such as single casks, small batches and even those with unique packaging carry a higher price tag which can often attract whisky collectors. Many collectors or whisky drinkers will purchase a whisky with a high price tag as they often associate the price with an indication of quality. Certain types and brands of whisky have the potential to increase in value overtime, leading to an investment purchasing culture amongst many whisky enthusiasts. Market trends and shifts in consumer preferences can influence the value of certain whiskies (Saw, 2022), which can be influenced by the brand's reputation. Well-established and prestigious brands tend to have an increased chance of seeing value appreciation and brands with a strong reputation for quality and consistency are more attractive to collectors (Saw, 2022). Unlike the supermarkets where the average bottle of whisky would cost £15, the Master of Malt website typically has two price brackets, the initial being £35-40 and the second bracket of whiskies sitting at £70-80 (Wisniewski, 2019), which is also representative of the entry level whiskies produced by TWWC, although some are retailed north of £150. Many auction sites will see bottles which

are initially purchased costing within these price ranges, being sold for thousands of pounds and many whiskies are initially retailed at much higher than this. For example, a 40-year-old Macallan was initially retailed at £5-6000 and was auctioned two weeks later at £15,000. Specialist dealers and auction houses have played an important role in developing an investment culture and increased demand in many limited release whiskies. There is a clear link between consumer perception, brand image and reputation and perceived value, but prices can regularly fluctuate and investment potential is never guaranteed (Wisniewski, 2019).

Flavour Profile

Scotch has been produced since the 15th century (Scotch Whisky Association (SWA), 2024) and Scotland now has five whisky regions, each offering a different perspective on Scotch. The Speyside region is the most densely populated whisky region and is famous for the water from the river Spey. Whiskies produced in this region are known to be full of fruit with apple, pear, honey, vanilla and spice notes influencing the flavour profile of the whisky which is traditionally finished in Sherry casks. The Lowland region typically produces soft and smooth whiskies with a gentle and elegant palate. These whiskies are often lighter in character and are typically offered as a pre-dinner drink with typical notes being grass, honeysuckle, cream, ginger, toffee, toast and cinnamon (SWA, 2024). Highland origin whisky offers huge diversity and offers a range of flavours and characteristics, from lighter whiskies all the way through to salty coastal malts. Similarly, Campbeltown whiskies are varied but are full of flavour with salt, smoke, fruit, vanilla and toffee notes making the whiskies robust and rich in character (SWA, 2024). Unlike the other regions, Islay is famous for producing fiery, heavily peated whiskies.

The flavour profile of Welsh whisky often includes notes of fruit, vanilla, and spice, with a smooth and well-rounded finish. The use of different types of cask finishing, such as Madeira, bourbon, sherry, and port casks, imparts additional layers of flavour and complexity to the whisky (Master of Malt, 2024).

Link to Next Section

This section highlighted the various production techniques used within whisky production and the range of characteristics found within varying whisky types. The way a whisky is produced can determine the future labelling and marketing of the product based on the category it falls within. It can also affect the product placement due to the effect that grain type has on production costs or the influence the age of the whisky has on the value. The Scotch Malt Whisky Regulations (2009) have helped form the industry as it is known today by introducing a range of whisky categories and regulating them, with European regulation following suit but with varying degrees of flexibility. It is evident that several regions around the world are known for their distinct styles and production methods but it is important to acknowledge that adherence to specific regulations and standards set by each region is crucial for whisky to carry the geographical indication associated with that region. These regulations will cover aspects such as production methods, ingredients and ageing

processes, which all have the potential to add unique characteristics to each whisky. With increasing demand for whisky as a whole, there is also a healthy appetite for whisky knowledge similar to that experienced by the wine industry, whisky drinkers are now making more educated enquiries on the distilleries' use of barrels, filtration and distillation techniques (Mitchell, 2015), with the technicalities of distillation being more appreciated, these elements of consumer demand are discussed within the next section.

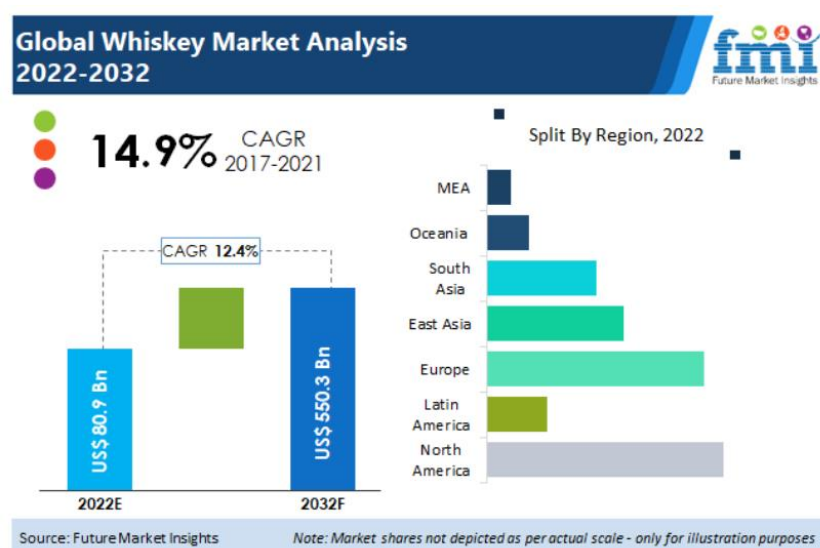
Consumer Demand

Demand for GI Products

According to a recent study by the EU, the annual sales figure of GI products stands close to €75 billion (Southey, 2020). There is also a global demand for GI spirits, with the EU database registering 250 GIs for spirit products, representing more than 65% of exports outside of Europe (Spirits Europe, 2023). Over the past twenty years, Wales has seen a significant uptake in the GI for its food and drink products and now has 19 products with protected GI status (Welsh Government, 2024). Similarly, Ireland has 15 food and drink products currently protected by the UKGI programme (O'sullivan, 2023). Following Brexit, the demand for GI increased across the UK nations as they felt the need to prove their exports were of a superior quality compared to competitors' and utilised the GI programme as a method of formally distinguishing their products (O'sullivan, 2023). The UK has 109 GI products registered, compared with Italy's 891 protections, France with 767, and Spain with 394 (O'sullivan, 2023).

Demand for Whisky

Research conducted by Future Market Insights (FMI) (2022) estimated the value of the global whisky market at \$80.9 billion in 2022, with a future predicted value of \$550.3 billion in 2032.



(FMI, 2022)

Although millennials account for only 29% of the drinking age population, they are the prime consumers of all major types of alcohol, with whiskies alone accounting for 32% of total consumption (FMI, 2022). It is apparent that millennials place a premium on quality, originality and provenance and are willing to pay more for these attributes (FMI, 2022), making them a major contributor to the growth of the whisky market. Their tendency to experiment with alcoholic beverages has developed a growing 'cocktail culture,' heightening the global whisky market. It is clear that there is a growing demand for product provenance in the whisky market, supporting the theory that there is an economic benefit for producers in terms of marketing and increase in sales due to the high quality and reputation of the product and the willingness of consumers to pay increased prices for an authentic product.

Changing Whisky Culture

Whisky has an established rich history with diverse production methods and has gained a reputation which varies amongst different regions and individual distilleries. Emerging craft distilleries have developed a reputation for their innovative approaches to whisky production and the global whisky scene is becoming increasingly diverse. Although new distilleries have learned their craft from original whisky pioneers, they are exploring the innovation of new spirits to produce artisan distilled spirits by adapting traditional blending and distillation techniques, whilst respecting local traditions, culture and heritage. New producers have an exciting opportunity to capture the imagination of consumers seeking new experiences and unique flavours and styles, through unique storytelling (Distil Ventures, 2020). Despite there being a demand for consumers to try something new and innovative, 30% of consumers claim they would not purchase a bottle of whisky that they had never tried before (Distil Ventures, 2020), leading to try at home kits and virtual tastings being the main avenue to attract new customers. The discovery and purchasing of new whisky brands has shifted to an online and digital experience, with the covid-19 pandemic being the main cause for this growing trend. However, the latest Distil Ventures report (2020) identified that only 2% of all global spirit sales were made online, with 62% of whisky drinking UK respondents claiming they purchase new whiskies following bartender recommendations.

Rise in Women Whisky Drinkers

The number of women whisky drinkers is on the rise and women currently account for 36% of whisky drinkers (Weatherall, 2023). Many campaigners like Becky Paskin – the founder and CEO of Our Whisky, have been responsible for bringing major whisky brands under the spotlight for their lack of gender equality in their social media marketing. The World's leading whisky brands posted 228% more images featuring men than women in their social media posts in 2020. This was released by Our Whisky in their "Women & Whisky: Female Representation in Social Media Marketing" report in 2020. On the back of this, they created a free image library to tackle gender bias and misrepresentation in the industry. The Our Whisky Foundation is a non-profit organisation aimed to champion inclusion and diversity amongst both whisky makers and drinkers. Over recent years, many market research studies have been focused on understanding purchasing habits of women, especially when it comes to alcohol. This research shows that when shopping for spirits, women are more sensitive to

branding, more loyal to their brand choices (even in economic downturns) and are willing to pay substantially more for higher quality, whilst accounting for 70% of the alcohol purchasing decisions in the household (Svobada, 2021). Therefore, the research and campaigning performed by Becky Paskin has not only changed the marketing strategies of many leading whisky brands but also has the potential to influence the purchasing habits of women as they start to feel that whisky brands reflect their own personal identity through storytelling, packaging and more representative marketing.

Demand for Single Malt Welsh Whisky

TWWC have seen an increase in consumer demand for SMWW globally, reporting a 32% year-on-year market growth in bottle sales in France (Phillips, 2022). Until recently, France had been TWWC's biggest export market, exporting roughly 40,000 bottles of whisky to the country every year. However, the recent signing of a multi-million pound deal with China, has given TWWC a new major export (Neish, 2022). Prior to the signing of the Chinese export deal, TWWC had been brand building in France for a number of years, which is responsible for the real acceleration of growth in the last two to three years, resulting in them employing a full-time brand ambassador based in France (Phillips, 2022). Although the major stockists of TWWC's products are UK supermarkets, in France, the company sells into independent shops via French whisky distributor La Maison du Whisky. The sale of product in independent French shops is thought to have been the main driver of sales, as professionals in the spirits industry take time to inform customers of the brand story and attributes of the whisky, providing consumers with a more personal and informed buying experience compared to supermarkets (Phillips, 2022). The project will identify the key demographics responsible for the increased demand of SMWW, and can be utilised by the TWWC's marketing team to accurately target consumers.

Link to Next Section

This section discussed the increase in demand, primarily by millennials for products with quality, originality and provenance. It is evident that there is an increased global demand for SMWW products as well as whisky in general, with the predicted growth of the whisky market being mirrored by the recent growth experienced by TWWC with their increase in global sales. There has been an obvious shift in the whisky market recently and there is a clear demand for more innovative and new techniques, not only within the production departments but also within marketing of the products. Consumers have also developed a 'try before you buy' culture with a demand for virtual tasting experiences. A personal purchasing experience is preferred by whisky consumers, with most consumers purchasing as a result of bartender recommendations. With there being a growing demand for GI products as a whole and in particular a global demand for GI spirits, the place of origin of products has a clear influence on purchasing decisions of consumers, leading to the country of origin effect, the next section discusses this in more detail.

Consumer Research

Country of Origin Effect

Purchasing decisions of certain foods are highly influenced by the place of origin, making the origin of that product a key element in not only the purchasing decisions of consumers but also the marketing strategies utilised by producers (Chamorro-Mera et al, 2020).

Geographical indication indirectly informs consumers about the quality and intrinsic characteristics of products, whilst reducing the perceived risk of the purchase, especially where the production of the product is closely linked to the environmental conditions of the place where it is produced. Therefore, the country-of-origin effect is considered to be the 'extent to which the provenance of a product affects the behaviour of the consumer in the purchasing processes' (Bilkey and Nes, 1982). In recent years, extensive research has been conducted, focussing on customer perception of agro-foods. However, it was concluded by García-Gallego and Chamorro-Mera (2017) that COE is not universal, justifying the need to carry out further studies focused on other product categories, further justifying this research.

Adina et al (2015), also argues that COE can offer brands a significant competitive advantage in offering a favourable brand image. However, they highlight the related issue of unsuccessful associations of 'product images and country images, due to incongruent positions detained by each in consumers' minds', emphasising the multidimensional nature of the COE. Socio-economic, cultural and political factors can impact consumer perception both positively and negatively. For example, consumers tend to have a positive bias towards products manufactured in developed countries and a negative bias towards those produced in underdeveloped countries (Adina et al, 2015), with negative bias potentially leading to product avoidance. COE can be associated with greater brand recall as consumers tend to associate the brand with the country, therefore, marketers should utilise the country of origin with caution to avoid any negative associations. TWWC's marketing strategy has intentionally associated the brand with Wales for many years, with the main brand 'Penderyn Distillery' being named after the village of 'Penderyn', where the first distillery opened, they have also launched an 'Icons Range' which releases limited bottlings to celebrate Welsh history. Wales is culturally rich with aesthetic landscape, historic landmarks and its own language and traditions, it is therefore unlikely that its global image would have any negative impacts on product positioning for TWWC, but is something that should be considered.

Geographical Indication

In recent years, several researchers have studied the consumer perception of GI products, but these studies have tended to focus on food products rather than alcohol products. Therefore, there is limited research investigating the influence of GI on consumer perception of whisky. However, the commercial potential of GIs was explored by Medeiros et al (2016), which concluded that GIs can be utilised as an instrument to promote products commercially, whilst generating wealth and protecting the producing region. Research such as that conducted by Medeiros et al (2016) suggests that GI products also have the potential to strengthen the domestic market by promoting their products and cultural heritage, supporting the theory that GI status has the potential to improve marketing opportunities and increase sales for TWWC.

Whisky from Scotland is one example of a product category which is stereotypically associated with origins because of the history, size, traditions and reputation of the industry within the country (Speilman, 2015). With the current whisky market being dominated by Scottish whisky (Scotch), gaining a well-established reputation for quality is of crucial importance to TWWC, which could impact the future title of Wales as a 'distilling nation'. GI protection guarantees a product's characteristics or reputation, authenticity and origin. It protects the product name from misuse or imitation (GOV.UK, 2022). However, it is essential that high quality products are produced by all Welsh distilleries in order to improve consumer perception of quality of SMWW as a whole and to develop a strong reputation going forward.

The promotion of GIs for Welsh food and beverage manufacturers will contribute to putting Wales on the map and ensure pride of place for the Welsh food and drink industry. Following the UK's exit from the EU, the UK Government have introduced a UK Geographical Indication Scheme, providing advice and guidance to UK businesses when applying for UK GI status as well as being a stepping stone for those wanting to apply for EU GI status. However, the Welsh Government have been providing this support to Welsh businesses since 2009, allowing products to benefit from protected status and continual promotional activity both online and at events within the UK and abroad. All product names protected in the EU on 31 December 2020 following successful applications to the EU GI schemes are protected under the UK and EU GI schemes. Meaning that many spirits with GI status that were registered on the EU GI scheme register have now been automatically registered on the UK Protected Spirit Drink Names Scheme Register. Although TWWC are the business who applied for GI status for SMWW, an individual or business does not own a GI and therefore any producer can make and sell a product under a registered product name if they follow the product specification and are verified to do so (GOV.UK, 2022).

Consumer Perception

Consumers purchase a product or service on the basis of satisfying their recognised needs (Agyekum et al, 2015). A range of variables are used by consumers to determine the quality of a product and according to Agyekum et al (2015), the decision to purchase a product is highly influenced by the producer's marketing capabilities, and their potential to utilise promotional techniques such as advertising, packing, manufacturing and country of origin as a means of promoting product quality.

In a study investigating the consumer quality perception of Parmigiano Reggiano Cheese, Silvestri et al (2019), concluded that consumer perceptions can be better shaped by the addition of origin information on the packaging. This study considered how including information such as protected geographical indications (PGIs) and protected designation of origins (PDOs) on the packaging, has the potential to strengthen brand awareness.

Another similar study is the study conducted by Olesen and Giacalone (2018), which investigated the influence of packaging on consumer's quality perception of carrots. This study focuses on varying packaging types and label colour. Olesen and Giacalone (2018) concluded that apart from the customer being able to visually see the carrots through the packaging to observe the freshness of them, the most important determinant when choosing which product to purchase was the origin of the produce, supporting the theory that GI indication influences consumer perception of quality.

On the contrary, the study of quality perception conducted by Agyekum et al (2015), identified that consumers use price and brand name more than any other element or criteria on determining the quality of a product, with GI and the product itself having minimal effect on consumer perception of quality. Research conducted by Takeuchi and Quelch (2014) suggests that marketers have been too passive in managing quality and must play an active contribution to improving perceptions of quality. Consequently, responsibility for quality cannot rest exclusively with the production department and marketing techniques contribute to the planning, designing and the overall implementation of quality strategies which influence consumer perception. Takeuchi and Quelch (2014) also propose that for companies to understand customers' perspectives of quality, they should conduct customer surveys, interview potential customers via focus groups and have strong customer service programmes. This is also supported by the research conducted by Grunet et al (2004), which implies that new products are more successful when originating from consumer-led product development. This study argues that products have more potential, where the development of new product ideas is based on input from consumers, and where the screening of ideas, their development into product concepts, the development and testing of prototypes, the development of the overall marketing mix and finally the launch on the market all are consumer-led. By conducting this research, TWWC will better understand their customer's perception of quality and as a result can incorporate the survey results into future consumer-led product development.

Link to Next Section

Geographical indication status is something that is being actively promoted by the Welsh Government with the hope of improving recognition for Welsh produce with unique qualities. It is evident that consumer perception of quality has the ability to play a crucial role in shaping consumer preferences, purchasing decisions and overall satisfaction with products or services. Although consumer perception is a subjective assessment that individuals make based on their experiences, expectations, and the information available to them. Several factors can influence these decisions. It is important for businesses to understand and manage consumer perception of quality in order for them to build and maintain their brand image, differentiate themselves in the marketplace and retain and attract customers. The next section will discuss the economic impacts of geographical indicators and their ability to attract consumers through quality assurance whilst enhancing market value of products.

Economic Impact of Geographical Indication

Rural Development and Employment Opportunities

GI status has the potential to have significant economic impacts on many industries and regions associated with protected products. Over the past two decades, agrifood systems have experienced a significant move towards market differentiation and product proliferation in many parts of the world (Bramley et al, 2009). One main example of this is origin-labelled products, as trends over the past decade in the food sector indicate that consumers are placing increasing value on products they can associate with a certain place and/or special means of production. The growing trend towards products with a distinct quality and a strong cultural link, provides producers with a strong link to a particular geographical origin, with the opportunity to move away from commodity markets into more lucrative niche markets through differentiation (Bramley et al, 2009). Products with GI status are often associated with the products originated from rural or less developed areas. In these particular areas, GI status is of greater impact as the protection of these products has the capacity to generate opportunities for local producers by providing income through the economic development of rural communities.

The tradition and quality of GI products gives them a higher profit potential, therefore producers can obtain quality premium due to the reputation of these differentiated products (Dogan and Gokovali, 2012). The differentiation of these products creates a demand with a willingness to pay which encourages producers to charge a premium price for their quality products. As a result, GI protection provides significant income flows to rural areas by creating employment opportunities. GI products do not typically require large or advanced technological infrastructure or a requirement for large investment for the marketing of them, which allows local producers to increase their income and create employment without undertaking big costs.

Market Value Enhancement

A higher market value is associated with products with GI status due to the perceived quality, authenticity and unique characteristics connected to their origin. This can lead to a premium in pricing and an increased profitability for producers. A study conducted by the European Commission in 2020 identified a higher sales premium for protected products. Geographical indications and traditional specialities guaranteed all together accounted for an estimated sales value of €77.15 billion in 2017, 7% of the total sales value of the European food and drink sector. The sales value of the products covered by the study was on average double than the sales value for similar products without a certification. The value premium rate stood at 2.85 for wines, 2.52 for spirits and 1.5 for agricultural products and foodstuffs. Products with GI status have increasingly become sought after commodities in international markets with GI products representing 15.5% of the total EU agri-food exports, with approximately half of all EU exported GI products being sent to US, China and Singapore (Southey, 2020). Consumers around the world are willing to pay a premium for authentic and high-quality goods which in turn has facilitated export growth for many GI product producing regions. Evidently, there is a clear economic benefit for producers in terms of marketing and increased sales due to the high quality and reputation of GI products with an increased consumer demand for authentic products.

Quality Assurance

The establishment of GIs involves stringent quality standards and regulations, ensuring authenticity of the products and guaranteeing a certain level of quality. As a form of intellectual property, GIs are governed by regulatory framework. Typically, countries establish legal frameworks to regulate and protect GIs, setting out a criteria and defined standards that products must meet to carry a label with a specific GI. For example, The Department for Environment, Food and Rural Affairs (DEFRA) are the UK authority responsible for managing the UK scheme, maintaining the register for protected names and processing new applications (Welsh Government, 2023). Regulatory framework such as that set out by DEFRA protects the products' use from misuse and imitations and guarantees the authenticity and origin of that product. A GI label has the potential to communicate a range of information to consumers, such as the physical location of where it was produced and the production methods that have been used to produce it (World Intellectual Property Organisation (WIPO), 2024). Therefore, giving consumers a better idea of the quality, characteristics, and the origin of the products they are buying as well as providing a taste of the traditions surrounding them. Thus, allowing producers to build consumer confidence by providing quality assurance to their products and securing a good return on their investments.

Further Benefits of Geographical Indications

A further benefit of GI protection is its ability to serve as a valuable tool in safeguarding products against reduced imitation and fraud. GIs provide a distinctive origin identification, clearly identifying the geographical origin of a product, establishing a direct link between the unique qualities of a product and its specific origin. This distinctiveness limits the potential for producers outside of the designated origin to imitate or counterfeit the product.

The additional monitoring of GI products often improves the traceability systems implemented by producers. This helps monitor the production and supply chain and ensures that GI labelled products, genuinely originate from the designated region, reducing and preventing fraudulent claims by producers outside the area.

Fraudulent cases can further be prevented by the increased collaboration with authorities. The active monitoring and enforcement of GI regulations can result in governments and regulatory bodies collaborating with local authorities, industry associations and stakeholders which contributes to the detection and prevention of fraudulent cases. The stringent enforcement measures such as legal actions and penalties, further reduces imitation activities, contributing to the overall effectiveness of GI protection.

Link to Next Section

It is clear that GI protection helps with preventing cases of imitation and fraud. Consumers often associate GIs with specific production methods, traditional practices and quality standards. These standards must be adhered to by producers to ensure their products meet a certain criterion, introducing more challenges for imitators to replicate the same level of quality. The legal consequences and active enforcement further discourage producers from attempting to fraudulently label products. These benefits of GI protection have helped develop a positive association between GI and authentic, high-quality products, leading to consumers being more likely to trust and choose products with a GI label, advancing consumer confidence. The benefits discussed within this section can drive producers to introduce GI protection to their products, the next section discusses the main drivers for GI status for TWWC.

Drivers for GI Status

Reputation

The GI status ensures SMWW is produced in line with the product specification which was developed by TWWC in collaboration with other Welsh distilleries, guaranteeing the high-quality reputation of SMWW is well protected and maintained, which was a principal driver for the application. In an article by Belletti et al, (2017) they describe how the successful validation of an origin-based product can establish a collective geographical name that will be recognised by consumers over time, rather than a private trademark. This could potentially provide a way for TWWC to not only leverage the quality of their geographically

unique whisky but also inform and attract consumers. A further driver for GI approval was also driven by marketing, with the hope of Wales becoming a recognised distilling nation, improving TWWC status and presence in the Whisky industry. A discussion with TWWC's Chief Executive, Stephen Davies (2022), revealed that the main objective when applying for GI was to increase commercial potential. Davies (2022) stated that he saw an 'opportunity for marketing which would give SMWW a definition in law and its own category whilst building publicity'. It also offers SMWW producers protection from others who are producing outside of Wales and ensuring the integrity of SMWW. The commercial potential of GIs was explored by Medeiros et al (2016) and he concluded that GIs can be utilised as an instrument to promote products commercially whilst generating wealth, protecting the producing region and strengthening the domestic market by promoting their products and cultural heritage, supporting Davies' decision to introduce a GI status for SMWW.

Categorisation

Prior to the introduction of GI status, SMWW was categorised under 'European Whisky' and this is how TWWC were represented at the many shows and whisky festivals that they attend around the World. The European Whisky category has hundreds of brands and distilleries which fall under this bracket from all over Europe. Due to this, TWWC felt that it can be difficult to be identified as a SMWW or a British whisky due to poor categorisation amongst the European whisky category. Achieving UK GI status, will also be a stepping stone when applying for EU GI status. Again, this relates back to the idea of improving TWWC's presence in the whisky industry, resulting in Welsh whisky being more easily recognised and established with a GI status.

Competitive Landscape

A further driver which navigated the GI application for SMWW was the pressure and competitive streak within the spirits industry. 'It was evident that distilleries in England were making moves with GI applications' (Davies, 2022). Davies (2022) felt that it was something that was expected from TWWC, due to being the biggest SMWW producers in Wales, it was important for TWWC to take ownership of the application on behalf of other Welsh distilleries. Established brands with a strong history and brand recognition typically dominate the market, and brand reputation and heritage can play a significant role in consumer preferences and purchasing decisions (Medeiros et al, 2016). Brand recognition has the potential to be grown by whisky awards, as awards can contribute to attracting customer attention, enhancing credibility, and building overall recognition for the brand, further promoting the competitive environment within the spirits industry. Majority of the awards for whisky are assessed and determined via a blind nosing and tasting by qualified judges, making these awards highly sought after by distillers. TWWC have won many prestigious awards, validating the quality and craftsmanship of their whisky, which in turn has led to increased visibility and consumer trust over the years. Winning or being nominated for awards provides distilleries and the wider spirits industry with opportunities for marketing and promotion. Companies can leverage these accolades in advertising,

packaging, and promotional materials to enhance brand credibility and attract the attention of consumers and distributors. Due to the increased potential for marketing and promotional opportunities, GI, similar to awards has the potential to contribute to the overall prestige of a brand within the competitive whisky industry.

RESULTS

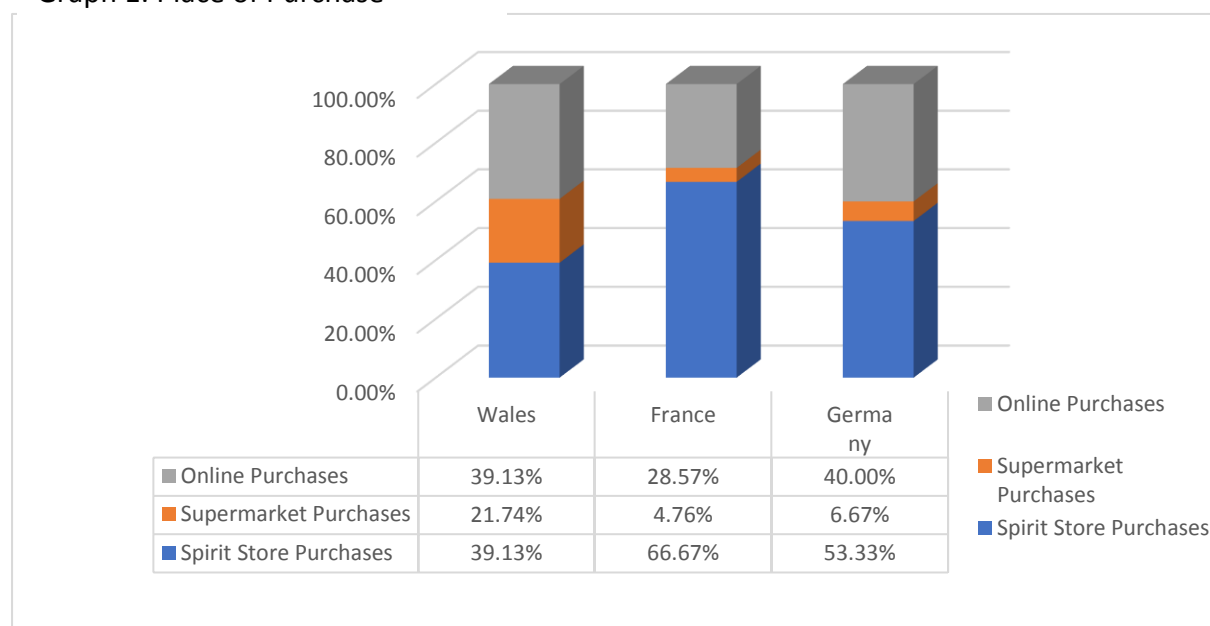
Analysis of Demographics

Table 1: Details of Respondents

Country	Number of Respondents	Number of Male Respondents	Number of Female Respondents	Number of 'Whisky Drinking' Respondents
Wales	37	25	12	23
France	23	19	4	22
Germany	20	17	3	15
Total Respondents	80	61	19	60

Table 1 shows that majority of respondents participated in Wales. More than 76% of respondents were Male and 24% female. More than 75% of respondents considered themselves to be 'whisky drinkers' of which 90% were male and 10% were female. 25% of female respondents were whisky drinkers.

Graph 1: Place of Purchase

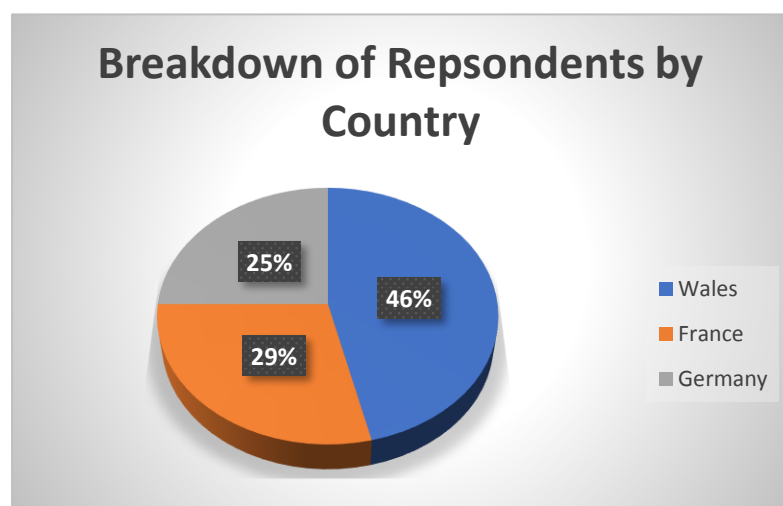


28.75% of respondents in Wales considered themselves to be whisky drinkers. This is significantly lower than respondents in France, where 95.6% of respondents consumed

whisky and 75% in Germany. 52.5% of whisky drinkers were captured in SS and 38.7% claimed to purchase whisky from SS, suggesting whisky consumers are more likely to attend a SS for a more personal and quality experience where they can sample the whisky before purchasing. Thus, supporting the idea that the sale of product in independent shops is a driver of sales as a result of professional recommendations providing consumers with a more personal and informed buying experience compared to supermarkets (Phillips, 2022).

Overall, Wales had a much lower whisky consuming population and as highlighted in graph 1, purchases of whisky made in supermarkets was significantly higher in Wales (21.7% compared to 4.6% in France and 6.6% in Germany), indicating a less sophisticated whisky drinking culture than in France or Germany. However, as majority of respondents were captured in the visitor centre, the results may also indicate that customers visiting the distillery visitor centre may be more interested in other products produced by TWWC such as gins, vodkas or rums. The results may be more relative if they had only been recruiting respondents in SS or whisky fayres.

Chart 1: Percentage Breakdown of Respondents by



Analysis of Setting Types

Table 2: Settings where Respondents were Recruited.

Country	Distillery Visitor Centres	Shops Specialising in Spirit Sales	Whisky Fayres
Wales	18	13	6
France	0	18	5
Germany	0	11	9
Total Respondents	18	42	20

Table 2 shows that majority of respondents in Wales were recruited within Distillery Visitor Centres, which was again, this setting was most accessible to TWWC when conducting the

research. However, more than 52.5% of total respondents completed the survey within shops specialising in sale of spirits (SS). France was the highest contributor to this with more than 78% of surveys taking place in SS. Consumers in SS were more engaging with brand ambassadors, showing more interest in the product in general, leading to an overall higher response rate in this setting type. Data collection took place before peak season for whisky fayres, which impacted the response rate in these settings. Had the research been conducted when more whisky fayres were taking place, more respondents in these settings would have been captured.

Analysis of Whisky Consumers

Table 3: Average Whisky Bottles Purchases/Month Categorised by Age

	Age Category					
	18-24	25-34	35-44	45-54	55-64	65+
Average Bottles Purchased/Month	1.8	1.2	1.6	1.9	1.6	2.0

The overall highest whisky purchasing age category was 65+, purchasing an average of 2 bottles per month, with Wales being the biggest contributor to this age category. France's highest purchasing age category was 35-44 and Germany's, 44-54. The consumers who purchased the most bottles/month typically made purchases within SS. Although data presented in the literature review suggests that millennials are responsible for 32% of whisky sales, only 22.4% of total bottles purchased per month were by 18-35 year olds.

Table 4: Whisky Bottle Purchases Categorised by Country

	Wales	France	Germany
Total Number of Respondents purchasing 0 Bottles/Month	14	2	5
Total Number of Respondents Purchasing 1-3 Bottles/Month	20	18	12
Total Number of Respondents Purchasing >3 Bottles/Month	3	3	3

Table 4 indicates that Wales had the highest number of respondents that typically do not purchase any whisky bottles during the month, and the responses from those who do purchase whisky were similar of those who responded in France. All three countries had three respondents purchasing more than three bottles of whisky per month, with the highest number being six bottles/month.

Analysis of Whisky Characteristics

Table 5: Preferred Whisky Characteristics by Country

		Respondent's Preferred Whisky Characteristics							
		Age	Single Malt	Origin	Wood Type	Packaging	Price	ABV	Flavour Profile
Percentage of Respondents (%)	Wales	0.0	18.9	2.7	0.0	18.9	32.4	0.0	27.0
	France	4.3	13.0	17.3	0.0	13.0	26.0	4.3	21.7
	Germany	10.0	15.0	10.0	0.0	10.0	25.0	0.0	30
Overall Percentage (%)		3.7	16.2	8.7	0.0	15.0	28.7	1.2	26.2

The price of the whisky was the most important characteristic for consumers across all three countries, with slightly more significance in Wales. Flavour profile was a close second, with this having more significance to respondents in Germany than respondents in Wales and France. Not one single respondent selected wood type as a priority to them, with age and ABV strength playing minimal influence in purchasing decisions. 8.7% of respondents selected origin as a preferred characteristic, this could be associated with the idea of scotch whisky. Only 16.2% of respondents select whisky based on it being a single malt, which is the more traditional and premium style of whisky. The affordability and availability of blended malt and grains as an alternative to single malt is thought to have played a major role in this. Only 3.7% of respondents selected age as their preferred characteristic, this is surprisingly low, (refer to literature review).

Analysis of Qualitative Responses

Origin Related Food and Drink Purchases

Q – Have you ever purchased a food or drink product due to the origin of its production? If so, why?

Theme 1 – Quality

76.25% of respondents confirmed they had purchased a food or drink product due to the origin of its production. There were 7 common themes amongst the responses for this question, with the most common theme responding yes and referring to quality.

“Yes, you can tell if something is of a better quality if you know where it is made.” (ID F-6)

More than 30% of respondents had purchased a food or drink product due to associating the product’s origin with better quality.

Theme 2 - No

The second most common theme was a response of ‘no’, more than 23% of respondents confirmed they had never purchased a food or drink product due to the origin of its production.

“Not really, if I like the look of something then I buy it, it doesn’t matter where it is made.” (ID W-20)

Theme 3 – Scotch

The third most popular response referred to Scotch whisky.

“Yes, I regularly buy scotch whisky.” (ID G-12)

Other Themes

Other responses made reference to gift purchasing, champagne and also other French products such as cheese and wine. Whilst, 7 responses also claimed to purchase products when in a foreign country as a way of exploring the local culture.

“Yes, I like to send my family in Australia products from Wales, a little bit of home.” (ID W-7)

“Yes, I regularly buy scotch whisky for myself and champagne for my wife.” (ID W-13)

“Yes, I buy cheese and wine from France because it’s the best quality.”

(ID F-3)

“Yes, if I am in a foreign country, I like to explore the local culture and try local produce.”

(ID G-14)

Origin Related Whisky Purchases

Q – Have you ever purchased a bottle of whisky due to the origin of its production? If so, why?

Theme 1 – Scotch

The responses for this question were filtered into 5 categories of themes, more than 72% of respondents claimed they had purchased a bottle of whisky due to the origin of its production. The most popular theme was Scotch, with more than 37% of respondents claiming to regularly purchase Scotch whisky.

“Yes, I regularly purchase Scotch whisky.” (ID G-17)

Theme 2 - No

More than 27% of respondents claimed they had never purchased a bottle of whisky due to the origin of its production.

“No, I do not purchase whisky.” (ID W-3)

Theme 3 – Wales

22% of respondents claimed they had purchased a bottle of whisky due to the origin of its production being Wales.

“Yes, I buy Penderyn because it’s a Welsh brand.” (ID W-1)

Other Themes

8 respondents made reference to the quality of Scotch whisky and 3 respondents referred to the origin being a point of difference.

“Yes, I always buy Scotch whisky because it’s the best quality.” (ID G-9)

“Yes, I like to try new whiskies, so I purchase whiskies from unusual countries.” (ID F-11)

Origin Labelled Packaging

Q – Do you actively look for the origin of products on their packaging? If so, why?

More than 58% of respondents confirmed that they actively look for the origin of products on their packaging. The responses have been categorised into 5 themes.

Theme 1 – No

35% of respondents explained that they do not look at where products are made.

“No, I don’t look at where things are made.” (ID W-5)

Theme 2 – Food

35% of respondents verified that they do look for the origin on the label but only when it comes to food products.

“Yes, but only with particular foods, cheeses and meats etc.” (ID F-19)

Other Themes

The third most common theme made reference to local produce, whilst 5 respondents claiming they do not notice the origin on the packaging unless it stands out to them, whilst 3 further respondents made reference to the origin on the packaging being a source of information.

“Yes, when I am doing a food shop, I like to buy local produce.” (ID W-36)

“No, I don’t notice unless it stands out to me.” (ID G-20)

“Yes, when I buy my whisky I always check where its from and I always read the full label to understand the brand story and type of finish of the whisky etc.” (ID W-16)

Origin as an Indicator of Quality

Q – Do you think the origin of a product is an indicator of its quality? If so, why?

More than 75% of respondents believe that origin is an indicator of a product’s quality. The responses have been categorised into 4 common themes.

Theme 1 – Welsh Products

More than 28% of respondents confirmed that they thought origin is an indicator of product quality and made reference to Welsh products, 100% of these respondents were Welsh.

“Yes, you won’t beat Welsh lamb.” (ID W-15)

Theme 2 – Definitely

More than 27% of respondents claim that origin is definitely an indicator of quality.

“Yes, definitely, certain foods are better quality from different countries.” (ID F-13)

Theme 3 – No

25% of respondents confirmed that they do not believe origin is an indicator of quality.

“Not particularly, I think you can have good and bad products produced anywhere.” (ID G-3)

Theme 4 – To a certain extent

More than 18% of respondents believe that origin can occasionally be an indicator of quality.

“Sometimes, it depends on what the product is.” (ID W-9)

Whisky Packaging Preference

Q – What do you like to see on the packaging for a bottle of whisky?

The responses to this question were categorised into 6 common themes, with the most common theme referring to a unique design on the packaging.

Theme 1 - Design

More than 27% of respondents referred to packaging design.

“Colourful packaging or a unique design.” (ID F-16)

Theme 2 – Grain Type

More than 18% of respondents like to see the description of the whisky on the packaging.

“I like to see the type of whisky and whether it’s a single malt or not.” (ID F-6)

Theme 3 – Flavour Profile

At least 18% of respondents also liked to see the description of the flavour profile on the packaging.

“I like to see a description of the flavours and tasting notes.” (ID G-8)

Other Themes

11 respondents commented on their preference to see the age statement on the packaging, whilst 9 respondents commented on their desire to read the company history or the brand story on the packaging. 8 further respondents confirmed that they do not purchase whisky.

“The age of the whisky.” (ID F-14)

“I don’t really buy whisky but I like history so I would like to see the history of the company.” (ID G-10)

“I don’t purchase whisky so I wouldn’t really know.” (ID W-1)

Further Discussion

The quantitative data collected by TWWC indicates that France and Germany have a significantly higher whisky drinking population than Wales, confirming the statistics within the literature review. It is evident from the data that whisky drinkers prefer the purchasing experience offered by SS, which provides consumers with a more personal and informed buying experience compared to supermarkets (Phillips, 2022) as previously mentioned in the literature review. The higher number of respondents purchasing whisky from supermarkets in Wales, suggests that Wales has a less sophisticated drinking culture than France and Germany, even though the UK is TWWC's biggest market. The price of the whisky was the most important characteristic, which was more prominent for respondents in Wales, suggesting there is a higher market potential for premium single malt whiskies such as single casks and limited editions in France and Germany than in Wales. There was an overall reduced demand for single malt whiskies, with only 16% preferring this characteristic. As previously discussed, single malt whiskies are the most expensive to produce, and cheaper alternatives are in higher demand which had contributed to the decreased demand for single malts. The increased popularity of non-age statement whiskies was also supported by the data, with the preferred characteristic of age being low.

The qualitative data collected within the survey shows that GI has a potential to improve brand image, with more than 76% of respondents confirming they have purchased food and drink products due to its origin. The association of TWWC with Wales has resulted in a gift purchasing culture for Welsh locals. Although respondents confirmed that they purchase origin-based products for a variety of reasons, gift purchasing has the potential to develop TWWC's brand image locally, making them the forefront of minds for gift purchasing and developing their image as a major Welsh brand.

Scotch whisky purchases were a common theme amongst respondents, Penderyn purchases were also a common theme but mainly amongst respondents in TWWC visitor centres. Respondents pay particular attention to origin on labels of food products rather than drinks or any other products, suggesting that GI has a bigger potential with food products than whisky. Some respondents also claimed that they don't actively look for the origin on labels but will pay attention to it if it stands out to them. Therefore, brands should be careful with designing their packaging, as origin labels that stand out on packaging may have more of an impact on consumer perception.

There was a high response for participants wanting to try local produce when travelling, and for locals wanting to purchase local produce, indicating that origin labelling may have more of an impact at a local level rather than international. This was further supported by the fact that respondents in Wales were referring to the high quality of Welsh produce. Overall, there was a high response of 75% who believed origin is an indicator of quality, which is a promising insight for TWWC for their recent GI approval. With many claiming that 'unique design' is an important preference for whisky packaging, brands should tactfully introduce

the origin statement to packaging, whilst incorporating the grain type and tasting notes as these were also of high importance to respondents.

CONCLUSION AND RECOMMENDATIONS

The literature review within this research aimed to explore the recent and continued growth of the whisky industry and the demand by consumers for GI products. The several characteristics of whisky, which have the potential to influence consumer preference were discussed as well as the contemporary movements within the industry. Overall, the reputation of whisky is deeply intertwined with the varying production methods, traditions and distinctive characteristics associated with each region. It is evident that the appreciation of whisky can often extend beyond its taste, encompassing the historical and cultural significance of the whisky. The reputation of individual distilleries also plays an important role in forming the overall perception of whisky. The production methods of not only whisky but other types of spiritous beverages can determine their future categorisation, which in turn can affect the way in which the product is labelled, packaged, and marketed, having an early influence on its potential perception by consumers.

Formal regulations within the spirits industry are essential for establishing standards, ensuring product integrity, and protecting consumers. These regulations are responsible for the multiple classifications and requirements for whisky production which dictates how distillers can market their products. GI is an extended layer of regulation offering more protection to producers and consumers and providing opportunity to build brand image and differentiation within the market.

The competitive landscape within the whisky industry is highly influenced by geographical location, consumer preferences, brand positioning and the production techniques utilised by the distillery. It is evident that the competitive landscape within the industry has evolved overtime with consumer preferences, regulatory developments and global economic factors being major contributors as well as new emerging trends.

Quality perception of whisky is a subjective measure that takes into account various factors, including the production process, ingredients, maturation conditions, and the expertise of the distiller. The data analysis within this report identifies an association between consumer perception of quality and origin and the potential for GI to improve brand image locally.

In summary, consumer perceptions of quality in general are shaped by a combination of brand reputation, packaging and design, country of origin, pricing, and personal experiences. TWWC should continue to conduct and analyse market research to methodically understand the true potential of GI as a marketing tool. The below section highlights the recommendations identified within this research to draw on the new opportunities that GI approval has established for TWWC.

Recommendations

The below recommendations have been made for TWWC, in order to improve brand image and product placement and marketing opportunities.

1. Focus marketing strategies to France and Germany due to its higher whisky drinking population.
2. Deploy brand ambassadors to spirit stores to provide training to staff. Introduce the tasting notes and brand story into the sales technique to provide a more personal purchasing experience.
3. Position brand ambassadors in supermarkets for sample tasting. To improve chances of sales with the 'try before you buy' culture whilst also providing a more personal purchasing experience in supermarkets where alcohol is more frequently purchased in the UK.
4. Conduct market research focussing on the preferred characteristic of price, to understand whether a higher price is preferred to do its association with higher quality to have a better understanding of product placement internationally.
5. Due to the higher market potential in Germany and France, it is recommended that sales to these countries focus on the premium bottlings.
6. Consider introducing a blended malt into the Penderyn range to introduce an entry level product, since there is now less demand for single malt whiskies.
7. Continue to promote TWWC's unique selling points and unique production methods into the brand story. These are in keeping with emerging trends and could attract new customers.
8. Introduce a bottling to celebrate the GI approval as part of the premium 'Icons of Wales' range, to celebrate this achievement as part of Welsh history.
9. Link up with gift shops in local tourism facilities and visitor centres to promote Penderyn as a local Welsh product suitable for gift purchasing.
10. Utilise TWWC's brand ambassadors to train bar tenders within the UK. Build relationships with local bars and hotels to encourage bar tender recommendations.
11. Link up with other Welsh GI food products to improve association with GI and local produce.
12. Introduce GI labelling to products which stands out to consumers. The new design should be consumer led through the use of focus groups.
13. Build relationships with Welsh hotels, encourage them to stock miniature products in mini bars to encourage travellers to try local produce.

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APPENDIX

Appendix 1 – TTWC Market Research Survey Questionnaire



Market Research Tool – Questionnaire

Background Information

1. In which Country is this questionnaire taking place?

- 1)Wales 2)France 3) Germany

2. In which type of setting is this questionnaire taking place?

- 1) - Shop specialising in sale of spirits
2) - Whisky Fayre
3) – Visitor Centre

3. What is your age group?

- 1) – 18-24
2) – 25-34
3) – 35-44
4) – 45-54
5)– 55-64
6) – 65 or over

4. What is your gender?

- 1) Male
2) Female
3) Prefer not to say

5. Would you consider yourself to be a whisky drinker?

- 1)YES 2)NO

6. How many bottles of whisky do you purchase per month?

7. Where do you purchase your whisky from?

- 1) – Store specialising in sale of spirits



- 2) – Supermarket
- 3) – Online
- 4) – N/a

8. Of the below, select the whisky characteristics which is most important to you

- | | | | |
|-------------|---------------|----------------|-------------------|
| 1)Age | 2)Single Malt | 3)Origin | 4)Wood Type |
| 5)Packaging | 6)Price | 7)ABV strength | 8)Flavour Profile |

9. Have you ever purchased a food or drink product due to the origin of its production?

10. Have you ever purchased a bottle of whisky due to the origin of its production, if so why?

11. Do you actively look for the origin of products on their packaging and if so why?

12. Do you think the origin of a product is an indicator of its quality?

13. What do you like to see on the packaging for a bottle of whisky?

Appendix 2 – Full set of Quantitative Results

ID	Response No.							
Wales	Country	Setting	Age_Group	Gender	w_drinker	Bottles	Purchase	w_char
W-1	1	3	1	2	2	0	4	6
W-2	1	3	1	1	1	1	2	8
W-3	1	3	1	1	2	0	4	8
W-4	1	3	1	1	2	0	4	8
W-5	1	3	2	2	2	0	4	6
W-6	1	3	2	1	1	1	3	2
W-7	1	3	3	1	1	2	3	8
W-8	1	1	3	1	1	2	2	2
W-9	1	1	3	1	1	3	3	6
W-10	1	1	4	1	1	1	1	6
W-11	1	1	4	1	2	0	4	8
W-12	1	3	4	1	2	1	1	2
W-13	1	3	3	2	2	0	4	5
W-14	1	3	3	2	1	1	2	6
W-15	1	3	4	1	1	4	3	5
W-16	1	3	1	1	1	6	3	5
W-17	1	3	2	1	1	1	2	6
W-18	1	3	5	2	2	0	4	5
W-19	1	2	5	1	1	2	3	2
W-20	1	2	5	1	1	4	3	2
W-21	1	2	5	1	1	2	2	2
W-22	1	2	5	1	2	0	4	6
W-23	1	1	5	1	1	1	1	6
W-24	1	1	6	2	2	0	4	5
W-25	1	1	5	2	1	2	1	8
W-26	1	1	5	2	2	0	4	6
W-27	1	1	6	1	1	3	1	8
W-28	1	1	6	1	1	3	3	2
W-29	1	1	6	1	1	2	1	8
W-30	1	1	2	1	1	1	1	8
W-31	1	1	3	1	1	0	4	6
W-32	1	3	6	2	1	3	1	8
W-33	1	3	6	2	2	0	4	6
W-34	1	3	5	2	2	0	4	5
W-35	1	3	5	2	2	0	4	6
W-36	1	2	6	1	1	3	1	3
W-37	1	2	5	1	1	3	3	5
France								
F-1	2	1	1	1	1	4	3	5
F-2	2	1	2	2	2	0	4	5
F-3	2	1	2	1	1	2	1	8

F-4	2	1	2	1	1	3	1	8
F-5	2	1	6	1	1	1	1	6
F-6	2	1	6	1	1	2	1	3
F-7	2	1	6	1	1	2	1	3
F-8	2	1	3	1	1	3	3	2
F-9	2	1	3	1	1	6	3	6
F-10	2	1	3	1	1	1	1	7
F-11	2	1	3	2	1	0	4	6
F-12	2	1	3	2	1	2	1	8
F-13	2	1	3	1	1	4	1	3
F-14	2	1	3	1	1	1	1	1
F-15	2	1	3	1	1	1	1	8
F-16	2	1	4	1	1	1	1	8
F-17	2	1	4	1	1	2	1	3
F-18	2	1	4	1	1	3	3	5
F-19	2	2	2	1	1	3	3	6
F-20	2	2	1	1	1	1	3	6
F-21	2	2	3	1	1	1	1	2
F-22	2	2	3	1	1	1	1	2
F-23	2	2	3	2	1	3	2	6
Germany								
G-1	3	2	5	1	1	3	3	8
G-2	3	2	5	1	1	4	3	8
G-3	3	2	4	1	1	2	3	6
G-4	3	2	6	1	1	2	1	8
G-5	3	2	6	1	1	2	1	2
G-6	3	2	1	1	1	1	1	3
G-7	3	2	1	1	1	1	1	1
G-8	3	2	1	1	1	3	1	1
G-9	3	2	1	1	1	3	1	8
G-10	3	1	2	1	2	0	4	6
G-11	3	1	3	2	2	0	4	5
G-12	3	1	3	2	2	0	4	5
G-13	3	1	4	1	1	3	3	2
G-14	3	1	4	1	1	4	1	3
G-15	3	1	4	1	1	1	3	6
G-16	3	1	4	2	2	0	4	6
G-17	3	1	4	1	1	2	1	8
G-18	3	1	4	1	1	2	2	6
G-19	3	1	4	1	1	4	3	2
G-20	3	1	4	1	2	0	4	8

Appendix 3 – Quantitative Data Analysis

	Wales	France	Germany	Total
Number of Respondents	37	23	20	80
Percentage	46.25%	28.75%	25.00%	
Respondents in VCs	18	0	0	18
% Total	48.65%	0	0	
Respondents in Spirit Shops	13	18	11	42
% Total	35.14%	78.26%	55.00%	
Respondents in Whisky Fayre	6	5	9	20
% Total	16.22%	21.74%	45.00%	
Male Respondents	25	19	17	61
% Total	67.57%	82.61%	85.00%	
Female Respondents	12	4	3	19
% Total	32.43%	17.39%	15.00%	
Female Whisky Drinkers	3	3	0	6
	25.00%	75.00%	0.00%	
Whisky Drinkers	23	22	15	60
% Total	62.16%	95.65%	75.00%	
Total Bottles Purchased/month by Respondents	52	47	37	
Average/Respondent	1.41	2.04	1.85	
Total No. Repondents purchasing >1 bottles/month	23	21	12	
Total No. Repondents purchasing >3 bottles/month	9	8	7	24
% Total	24.32%	34.78%	35.00%	
Spirit Store Purchases	9	14	8	31
% Total	39.13%	66.67%	66.67%	
Supermarket Purchases	5	1	1	7
% Total	21.74%	4.76%	8.33%	
Online Purchases	9	6	6	21
% Total	39.13%	28.57%	50.00%	
Whisky characterisitcs				
Age	0	1	2	3
	0.00%	4.35%	10.00%	
Single Malt	7	3	3	13
	18.92%	13.04%	15.00%	
Origin	1	4	2	7
	2.70%	17.39%	10.00%	
Packaging	7	3	2	12

	18.92%	13.04%	10.00%	
Price	12	6	5	23
	32.43%	26.09%	25.00%	
ABV	0	1	0	1
	0.00%	4.35%	0.00%	
Flavour	10	5	6	21
	27.03%	21.74%	30.00%	

Flavour Profile				
18-24	3	0	1	
25-34	1	2	0	
35-44	1	2	0	
45-54	1	1	2	
55-64	1	0	2	
65+	3	0	1	
Under 35	4	2	1	7
Over 35	6	3	5	14

Price				
18-24	1	1	0	
25-34	2	1	1	
35-44	3	3	0	
45-54	1	0	4	
55-64	4	0	0	
65+	1	1	0	
Under 35	3	2	1	6
Over 35	9	4	4	17

Origin				
18-24	0	0	1	
25-34	0	0	0	
35-44	0	1	0	
45-54	0	1	1	
55-64	0	0	0	
65+	1	2	0	
Under 35	0	0	1	1
Over 35	1	4	1	6

Bottles

18-24	7	5	8	20
25-34	3	8	0	11
35-44	8	23	0	31
45-54	7	6	18	31
55-64	14	0	7	21
65+	15	5	4	24

Under 35	10	13	8	31
Over 35	44	34	29	107

Respondents by Age category

18-24	5	2	4	11
25-34	4	4	1	9
35-44	6	11	2	19
45-54	4	3	9	16
55-64	11	0	2	13
65+	7	3	2	12
Under 35	9	6	5	20
Over 35	28	17	15	60

Appendix 4 – Qualitative Response Themes

Q- Have you ever purchased a food or drink product due to the origin of its production?

Quote	Response	Theme
1 Yes - I regularly buy scotch whisky	More than one person n=17	Scotch
2 Yes - You can tell if somethings of a better quality if you know where it's made	More than one person n=25	quality
3 Yes - I like to send my family in Australia products from Wales - a little bit of home.	More than one person n=4	Gifts
4 Not really, If I like the look of something then I buy it, it doesn't matter where its made	More than one person n=19	No
5 Yes - I regularly buy scotch whisky and champagne for the wife.	More than one person n=6	Champagne
6 Yes cheese and wine from France because it's the best quality	More than one person n=2	French Products
7 Yes if I am in a foreign country I like to explore the local culture	More than one person n=7	Culture

Q - Have you ever purchased a bottle of whisky due to the origin of its production? If so, why?

Quote	Response	Theme
1 Yes, I regularly purchase scotch whisky	More than one person n=30	Scotch

2	Yes I always buy scotch whisky because it's the best quality	More than one person n=8	Quality
3	No, I don't purchase whisky	More than one person n=22	No
4	Yes, I like to try new whiskies so I purchase whiskies from unusual countries	More than one person n=3	Point of difference
5	Yes I buy Penderyn because it's a Welsh brand	More than one person n=18	Wales

Q - Do you actively look for the origin of products on their packaging? If so, why?

Quote	Response	Theme
1 No, I don't look at where things are made	more than one person n=28	No
2 No, I don't notice unless it stands out to me	more than one person n=5	Not unless Obvious
3 Yes but only with particular foods, cheeses and meats etc.	more than one person n=28	Food
4 Yes, when I'm doing a food shop, I like to buy local produce	more than one person n=16	Local
5 Yes, when I buy my whisky I always check where its from and I always read the full label to understand the brand story and type of finish of the whisky etc.	more than one person n=3	Source of Information

Q - Do you think the origin of the products is an indicator of its quality?

Quote	Response	Theme
1 Yes definitely certain foods are better quality from different countries	more than one person n=22	Definitely
2 Yes, you won't beat Welsh lamb	more than one person n=23	Welsh products
3 Sometimes, it depends what the product is	more than one person n=15	To a certain extent

5	Not particularly, I think you can have good and bad products produced anywhere	more than one person n=20	Disagree
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Q - What do you like to see on the packaging for a bottle of whisky?

	Quote	Theme	Response
1	I like to see the type of whisky whether it's a single malt or not	Grain type	more than one person n=15
2	Colourful packaging or a unique design	unique design	more than one person n=22
3	The age of the whisky	age statement	more than one person n=11
4	I don't really buy whisky but I like history so I would like to see the history of the company	information/brand story	more than one person n=9
5	I don't purchase whisky so I wouldn't really know	Doesn't purchase whisky	More than one person N=8
6	I like to see a description of the flavours and tasting notes	Flavour profile	More than one person n=15