



Market

Baileys is the single, most successful, new spirit to be introduced anywhere in the world in the last 30 years. Its launch in Ireland, 25 years ago, created a whole new category of drink, the cream liqueur, never before tasted by consumers. A truly remarkable success story, Baileys was the creation of visionary Irish people who identified the potential for a drink that was low in alcohol, easy-to-drink and satisfied a consumer need, all over the world, for an experience of pleasure.

Since then, Baileys has had many imitators yet still accounts for 50% of the total Cream Liqueur Market worldwide, outselling its nearest rival by nearly 16 million bottles per year. (Source: Impact, February 2000).

Currently, total consumer spend on the brand amounts to £1 billion and overall 1,600 glasses are drunk every minute of every day. Over 50% of those consumers reside in Europe. By market, the USA leads the pack, still offering the greatest potential for growth; closely followed by the United Kingdom and Spain. Baileys native home, Ireland, retains the largest consumption per capita of any country.

Achievements

Since its launch, Baileys has become not only the world's No. 1 selling cream liqueur, but also the top selling liqueur brand in the world. By sales volume it is the 4th largest Duty Free spirits brand, and now accounts for over 50% of all spirits exported from Ireland.

Baileys is now ranked 12th in the international league table of top spirits brands (Source: Impact, February 2000). That's some achievement for a relatively "young" brand,



considering that most of the spirits ranked in the table, have been around for generations.

Baileys sales pattern since its launch can only be described as "eye-brow raising", and shows no sign of abating. Double-digit growth has been the signature of Baileys throughout its markets.

The brand grew by 1 million cases during the 1990s and has always been remarkably consistent in its growth across core markets, which prompted one of the world's leading spirits trade journals to comment recently that this "is highly unusual for a spirits brand." (Source: Impact International, February 2000).

That track record can be attributed to excellent Irish marketing talent, working with the backing of the world's biggest and most profitable spirits company, UDV.

History

Baileys is a child of the 70s. It entered the Irish drinks scene against a gloomy backdrop of economic recession. Yet in spite of this, and maybe because of it, from the outset Baileys won friends. You only had to taste it once to be immediately captured by the "moreishness" of its creamy taste and distinctive mouth-feel... a taste of indulgence which stood out amidst the rather conservative and static drinks market at the time.

The individual recognised as the "father" of Baileys is the late David Dand, and the then Managing Director of Gilbeys of Ireland. David and his team had been watching consumer trends and saw the growing importance of women in the consumption patterns of alcohol. They also spotted the opportunity for a drink, which would appeal to consumers who weren't happy with the brands of an older generation. Health issues were becoming increasingly important and so a brief was developed for a new drink that was low in alcohol, good tasting and unique. The result exceeded the expectations of even David and his team. They opened scores of new markets, appointing distributors as well as availing of the then IDV international network (later to become UDV, and part of Diageo plc). Baileys established itself as a premium international liqueur brand in Ireland, Western Europe, the UK and other markets while in Australia its "Irishness" was accentuated with very positive results.

Within five years of its launch, one million cases of Baileys was being sold around the

world and it added another 700,000 cases by the time it celebrated its tenth birthday.

Then something really exciting happened.

Up to that point, liqueurs had not grown to the level of truly global drink brands and even in Europe there was no great consumer relevance

beyond speciality use. Baileys however was different and had been helped by its Irish heritage, with connotations of green land, and a people who enjoyed good fun and easy sociability.

In the early 80s the company noticed that many consumers, particularly in the USA, were drinking Baileys over ice. And if they were, could it be that Baileys had something more to offer than a liqueur?

This discovery resulted in a most significant repositioning of the brand as a great tasting, low alcohol drink called Baileys and it was enjoyed at its best when poured over ice.

The result was spectacular, in the five years to 1989, Baileys added another 1.6 million cases per year.

No longer was Baileys just for a "me on my own moment". It was for socialising with friends and could therefore stand up alongside any of the leading spirits brands in the world.

Product

Consumers cite the unique taste of Baileys as the fundamental reason for its appeal and the attribute, which distinguishes it from all other spirits.

From Sydney to Skerries, Baileys is renowned for its smooth, creamy, original taste which rewards the senses as no other drink can.

That taste is derived from a marriage of premium quality ingredients: fresh Irish dairy cream, Irish Whiskey, finest Irish spirit, vanilla, cocoa and sugar.

The alcohol in Baileys preserves the cream in a wholly natural way and guarantees its freshness over long periods. There are no additives to preserve the brand's freshness.

The process by which the cream and whiskey in Baileys mix completely is a closely guarded secret. Normally spirits and cream would not mix, but Baileys has managed to achieve a perfect fusion.

The sourcing of ingredients and packaging of Baileys is based on a stringent quality system, with over 80% sourced in Ireland. Every drop of Baileys enjoyed around the world is made in Ireland.





Recent Developments

By listening carefully to consumers and responding with brand communications which have real relevance and lifestyle appeal, Baileys has been able to retain the loyalty of core drinkers and attract new consumers to the brand, year on year. One such initiative has led to the repositioning of the Baileys brand image with a much younger consumer as its target — the 25 to 35 year old. A vibrant new brand identity has been developed to reflect a modern and dynamic image of the drink.

Baileys "straight-up" is only one way that consumers can enjoy this unique taste. New and exciting ways of offering the Baileys experience

are being explored. One recent innovation has been the introduction of Baileys Truffles, as a result of a joint initiative with Irish chocolate house, Lir. These are available at premium supermarket outlets in Ireland and are a top-seller at Duty-Free. Tapping into the growing appeal of the Internet, an interactive experience with Baileys is offered on-line at www.Baileys.com. The versatility of Baileys has prompted major usage of its recipe bank, from Baileys frappes to Baileys desserts and even Baileys mashed potato. In response to the interest, a hard-back recipe book is being launched also.

Promotion

Brand communications are a reflection of

Baileys sensual personality. In the 80s the "Ice Man" commercial was created to firmly establish Baileys Over Ice in the minds of consumers through the catchy "You want Ice . . . You got Ice" strapline. More recently the "Thief" commercial, which runs in major European markets, is based on a playfully sensual Baileys experience with a group of friends.

In the UK alone, this campaign reached over 90% of its target audience and together with a sampling programme reaching 1.2 million people across the UK, made Baileys the No. 1 selling brand at off-licenses during the pre-millennium Christmas period. Here in Ireland, this commercial also reached over 90% of its target audience. A drip media strategy was implemented (i.e. airing



the commercial regularly over a long period) with a view to driving recency and keeping the brand top of consumers mind. This top of mind awareness is evident in the strong prompted advertising awareness scores which moved from 55% to 57%. Meanwhile, sponsorship plays a pivotal and complimentary role below-the-line. Baileys endorsement of RTE's television of "Friends" has maintained strong "top-of-mind" presence for the brand with millions of viewers and continues to build positive brand associations for consumers in the target profile.

Corporately the brand plays an integral role in the Irish social and cultural scene through involvement in high profile events such as the St Patrick's Day Festival where its Baileys Festival Breakfast has become one of the highlights of the Dublin social calendar attended by politicians, journalists, celebrities, captains of industry and Festival patrons.

Innovative trade ambassador programmes, have been driving Baileys dominance as the authentic Irish cream liqueur experience for visitors and tourists to Ireland and a "Perfect Serve" blitz team have taken to the roads to educate publicans on the benefits to them and to consumers of offering Baileys in a 50cl on-the-rocks measure. More recently, Baileys have given full expression to the brand experience with the opening of ICON at the Bailey Centre. Based on the outskirts of South Dublin, it is a unique food, bar and entertainment destination for both locals and tourists alike.

Brand Values

Baileys values are derived from the functional and emotional benefits that are provided to consumers world-wide. Sensuality, Pleasure and Connections are at the core of the brand's personality. The brand successfully marries its brand heritage as the Original Irish Cream with a modern consumer appeal. It is a real brand rooted in a real place and for consumers today, whether in Ireland or further afield, Baileys is a brand that makes them feel indulged, relaxed and sensual, whether enjoyed at home or in the company of friends.



Things you didn't know about Baileys

Baileys is sold in 130 countries

Over 56,400,000 bottles are sold every year

50 million gallons of milk per year go into the making of Baileys

40,000 dairy cows belonging to 1630 Irish farms produce the daily cream requirement for Baileys

Almost IR£100 million is put back into the Irish economy in the form of purchases of goods and services to make Baileys

In the first year of production 1974/75, Baileys produced 8,000 cases. Almost twice that figure is produced in one day now

Over 500 million consumers are aware of Baileys

