

# Retail Prices of Whiskies in the USA, European Union and Switzerland

Last year, I published a report on the price of single malt whiskies in the USA, European Union and Switzerland (see ). During the last 12 months, several polls on some whisky dedicated web sites indicated that the general public had the impression that the prices of whiskies have increased during the last 12 months. To check if the prices have indeed increased, I decided to reconduct the same type of analysis and here are presented the results:

## Methodology:

The prices of some selected single malts (Table 1) were obtained from 6 UK, 3 US, 1 French, 1 Austrian, 3 Germans and 4 Swiss on-line whisky retailers between February 9 and 11, 2006. The same retailers were evaluated again in 2007, between March 04 and 06 and one retailer from Belgium and from the Netherlands was also added. The names of the whisky retailers have been blinded to avoid any legal issues.

The whiskies have been selected to represent most Scotch whisky companies.

Canada was initially planned to be included, but since it is a market where the state has a monopoly on alcohol, as in Sweden, it has not been included in this study.

Between US and Europe (EU and Switzerland), there are two major differences: 1) the volume of the bottles is 750 ml (75 cl) in the US vs 700 ml (70 cl) in Europe and 2) European retail prices included Value Added Tax (VAT) but not in the US (State Tax; the US equivalent of VAT). The difference of volume is roughly equivalent to the taxes. Therefore I haven't done any correction to the US prices.

<b>Standards (Original Bottling, 70 cl)</b>	
Aberlour 10	Laphroaig 10
Ardbeg Ten	Littlemil 8
Bowmore 12	Macallan 18 Fine Oak
Bruichladdich Fifteen 2nd	Mortlach 16 F&F
Bunnahabhain 12	Springbank 10
Dalmore 12 (70 cl)	Talisker 10
Edradour 10	The Glenlivet 12
Glenfarclas 10	Tobermory
Glenfiddich 12 Special Reserve	Tomintoul 10
Glenmorangie 10	Tullibardine 1993

Table 1: List of Standards and Premiums single Scotch whiskies.

## Currency conversion:

To compare all these prices, prices in the local currencies have been converted to British Pounds (£) using the exchange currency rate on [www.xe.com](http://www.xe.com) on February 16, 2006 or March 07, 2007.

For 2006, the conversion rate was as follows:

£1= US\$ 0.5745= € 0.685 = CHF 0.438

For 2007, the conversion rate was as follows:

£1= US\$ 0.518= € 0.681 = CHF 0.424

## Results:

### Changes between 2006 and 2007

	2006			2007		
	Av. Price	Min	max	av.	min	max.
Aberlour 10	20.24	15.51	24.50	19.85	15.51	24.19
Ardbeg Ten	26.87	20.54	31.73	26.30	20.54	31.59
Bowmore 12	23.11	13.98	27.53	23.25	14.36	26.99
Bruichladdich Fifteen 2nd	36.42	30.76	43.52	36.41	30.76	42.51
Bunnahabhain 12	25.68	20.99	30.22	25.69	20.99	30.22
Dalmore 12	23.30	15.54	28.50	24.04	17.12	26.75
Edradour 10	29.34	24.48	32.88	29.75	26.65	32.88
Glenfarclas 10	22.30	18.43	25.84	21.41	15.77	25.84
Glenfiddich 12	21.43	16.43	26.99	21.47	16.43	26.99
Glenmorangie 10	23.59	14.89	28.53	23.24	14.89	28.47
Laphroaig 10	22.65	17.12	29.43	22.51	17.12	29.43
Littlemil 8	28.06	20.48	30.41	27.68	20.48	30.41
Macallan 18 Fine Oak	64.63	49.67	78.30	65.74	54.73	74.67
Mortlach 16 F&F	36.61	31.99	44.94	36.32	31.99	44.53
Springbank 10	29.56	24.99	38.98	29.35	24.99	38.98
Talisker 10	27.21	19.03	38.61	27.60	21.23	38.61
The Glenlivet 12	21.47	15.75	28.99	21.52	15.75	27.00
Tobermory	22.39	16.57	30.22	22.39	18.38	30.22
Tomintoul 10	24.28	19.11	28.47	24.00	19.11	28.47
Tullibardine 1993	26.10	22.40	29.39	26.72	24.90	29.39
mean	27.76			27.76		

**Table 1: Price for 2006 vs 2007 in GBP (£) for each standard single malt.**

Based on the data illustrated in Table 1, the mean price (£27.76) of a standard whisky bottle has not changed from a penny between 2006 and 2007. If you compare the prices between the different countries (see Figure 1; only United Kingdom (UK), USA (US), Germany (DE) and Switzerland (CH) listed since only one shop was retained for the other countries), there is not much variability, although Germany tends to be always cheaper than the other countries.

Otherwise, if you look at the retailer level and in its own currency (data not shown), the mean prices have increased of 5.24% in the US, 2.3% in France, 1.3% in Austria, 2% in Germany, 0.8% in Switzerland and have not changed at all in UK.

The British currency was very strong in March 2007 in comparison to the other currencies, the mean price expressed in £ has not changed.

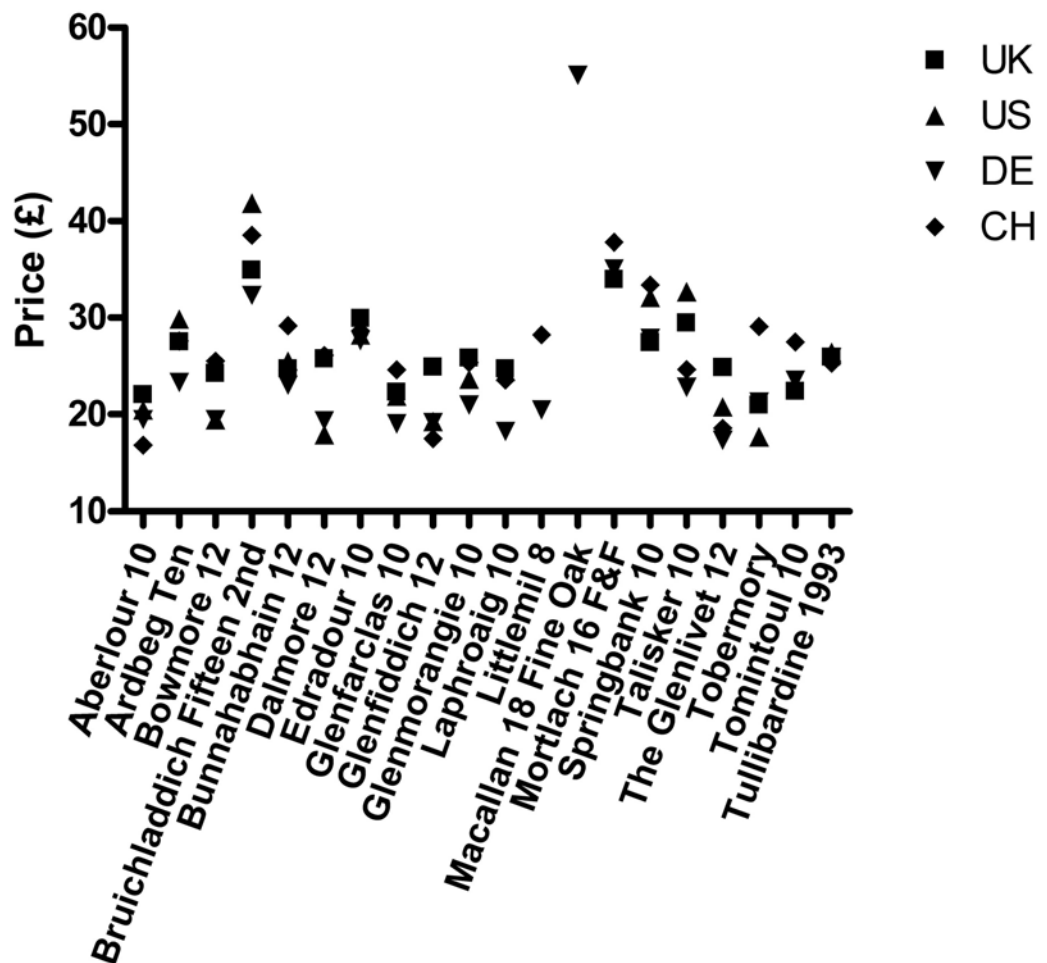


Figure 1: Distribution of the mean price per country in £.

Since these single malts are produced and bottled in UK, the trade currency in £. In order to compensate for a weaker US\$, the US retailers had to increase their prices in order. Considering that the value added tax (VAT) in Germany has increased of 3% since January 2007, the retailers have not fully reported this increase in VAT on their customers. This might be due to the very competitive environment in the German whisky market.

An interesting observation is the change of prices between the retailer GB1 and GB5 (see report 2006 for the details) between 2006 and 2007. While GB5 has increased its mean price of 4% between 2006 and 2007, the retailer GB1 has decreased its prices of 3.3%!

I would not be surprised to learn that retailer GB1 is keeping its prices low on the standard bottlings to attract the client, with the objective to increase its market share and to hope that the client will also be interested other exclusive bottlings price at a higher price.

Concerning the premiums and super-premiums bottlings, no results are presented in this edition of the report for 2 reasons. The main one being that many of these bottles were not any more available in 2007 and the second one is that the prices have not changed.

### **Conclusion:**

At the exception of some individual variations, the mean prices for the selected standard single malts have not changed between mid-February 2006 and March 2007. However, in some countries, the prices have increased in the local currency in order to compensate for the devaluation of their currency versus the British pound, the reference currency for the whisky trade.

### **Discussion:**

There is a few polls on the [whiskymag.com](http://whiskymag.com) forum and other whisky dedicated forums and there was a general feeling about a price increase in single malt whiskies during the last 12 months. Why does these results diverge from that perception?

As mentioned, the prices were only given for the standard bottlings. More and more often, distillers are producing new limited editions (one-off) single malt whiskies. Since these whiskies are unique, they can price it as they wish, as long as the consumer is ready to pay for it. During the last part of 2006, a certain number of very young whiskies (3-7 years old) were sold for over £30, with some for around £60, which is more than the price for a bottle of Macallan 18 YO fine oak. Another example is the Bruichladdich 1970. This bottle was available until last year for £135 while the Bruichladdich 125th anniversary, distilled in the same year is now sold for £199. There are many more example, such as some Bowmore 1968 from Duncan Taylor, with the first batches sold for £125-150 and the last batches £200+.

Even if the mean price for a standard bottle of single malt whisky has not changed, the distillers are producing more varieties of their whiskies (limited edition, finishes, etc) Which are priced higher and that will attract the client and give him this impression. However, with the prices of malt going up at the end of 2006, sales volumes are increasing, the stocks of old single malts decreasing quickly and the wish of many producers to promote their product as luxury or Premium products, the prices will very likely increase during 2007.

Wait and see that will happen until the next version of this report in spring 2008!