



## THE MARKET

The Australian spirit market has steadily grown at a modest rate over the past 10 years. This counters the decline in per capita beer and wine consumption.

More than ever, consumers have a huge array of choice with consumer trends causing different spirit categories to become more or less popular.

Bundaberg Rum has remained the most popular Australian spirit, accounting for one in every ten spirits consumed today. In a market swamped with imported spirit brands, Bundaberg Rum is one of the few that is locally produced. And while the overall alcohol market has been declining, sales of Bundaberg Rum continue to grow.

The Bundaberg Rum brand including the ready-to-drink cans is worth over \$230 million in retail sales a year in a total spirit market worth over \$1.9 billion dollars.

## ACHIEVEMENTS

If you ask an Australian about rum, then chances are they will tell you about the famous golden rum from the north, Bundaberg Rum. Known affectionately as 'Bundy', the brand has become a national icon over the last 110 years and is one of the best known and best loved brands in the country.

The Bundaberg Distilling company first produced the "Famous Bundaberg Rum" in 1889. In those days, the company produced around 5,500 cases compared to the some 600,000 cases of Bundaberg Rum produced annually today.

## HISTORY

Australians are very proud of Bundaberg Rum. Deeply rooted in the history of Queensland and regional Australia, Bundaberg Rum has become an important part of Australian folklore. Bearing the name of the town where it is made, this extremely popular drink dates back over 100 years to when the Bundaberg Distilling Company was first formed by a consortium of



local sugar millers.

In the early days of Australia's history, Bundaberg Rum was popular amongst drovers and the people on the land because it was portable and didn't have to be chilled to be enjoyed at the end of a long hard day.

Australian diggers also loved the spirit. In the First and Second World Wars, the manufacture of rum was a preferred industry, viewed as essential to the war effort. Almost the entire Bundaberg Rum production was commandeered by the armed services.

Back in those days, Queensland's favourite drink was recognised more by its taste than by its packaging. Bottled by agents all over Australia, it was the full bodied, rich and distinctive flavour of Bundaberg Rum that distinguished it from any other. To gain more control of their precious product, in 1961 the Bundaberg Distilling Company decided to award the sole rights for the marketing of Bundaberg Rum outside Queensland to

Australian Rum Distillers Pty Ltd.

Australian Rum Distillers Pty Ltd was owned 54% by Millaquin Sugar Company (of Bundaberg) and 46% by Samuel McMahon. This proved to be an excellent move and the present day look of Bundaberg Rum owes a great deal to Sam McMahon, the brother of former Prime Minister Billy McMahon. Sam designed the distinctive square bottle and the memorable three-piece label. The polar bear, which is featured on the top label, was also Sam's idea.

To many, the polar bear seemed a strange choice for a product from tropical Bundaberg, but Sam McMahon believed it implied that Bundaberg Rum could ward off even the wickedest chill! It has stood the test of time and the Bundaberg Rum polar bear is one of Australia's most recognisable trademarks.

Although originating from Queensland, Bundaberg Rum has been embraced by all Australians. It receives passionate support from "yachties" across the country, jackaroos in the Victorian Highland Country, miners in Kalgoorlie, Barramundi fishermen in the Northern Territory and university students, to name a few.

Since 1991, United Distillers Australia (now United Distillers & Vintners following the worldwide merger of Grand Metropolitan PLC and Guinness PLC in December 1997), has marketed and distributed Bundaberg Rum along with ready-to-drink cans of Bundaberg Rum & Cola and Dark & Stormy.

Today, the popularity of Bundaberg Rum continues to grow with people all over Australia travelling to Bundaberg to visit the famous distillery and sample some of its product.

## THE PRODUCT

Most Bundaberg Rum drinkers credit the popularity of their drink to its full, rich and distinctive taste. Nothing else tastes like it.

Born out of the burning sugar cane fields of tropical Queensland it is a product determined by climatic and maturation factors. Master Distiller at the Bundaberg Distilling Company, Dr Lou Muller, attributes Bundaberg Rums' success to the quality of the ingredients and the





craftsmanship used in the distilling process.

Only the finest sugar cane, grown in Queensland's rich and volcanic soil, is used to give Bundaberg Rum its unique flavour. Matured in American white oak vats for between two and three years, the taste and aroma are regularly checked to ensure that they are developing to produce quality rum worthy of the Bundaberg name. Many people proudly refer to it as the 'spirit of Australia'.

At the numerous B & S (Bachelor & Spinster) Balls attended by thousands of young adults throughout regional Australia each year, more Bundaberg Rum is consumed than any other spirit.

### RECENT DEVELOPMENTS

Over the past years, the Bundaberg Rum product line has been extended with the launch of Bundaberg Rum's Dark & Stormy in 1994 and the premium Bundaberg Black in 1995.

Described as "the pride of the distillery", Bundaberg Black, an Australian premium quality rum, is the result of carefully selecting one vat of special Bundaberg Rum each year and leaving it to age. This unique spirit is a rich, smooth, mellow rum with a deep red glow reminiscent of the burning cane fields. So far four vats have been released with the fifth to be released in 1999. Each vat produces approximately 10,000 cases and each bottle is individually numbered, making it a true collector's item.

The evolutionary new Bundaberg Rum & Cola packaging was launched in May 1999, featuring a more modern representation of the brand's key attributes. A new feature of the overall design is the 'watermark bear'.

### PROMOTION

Exciting and innovative on-premise promotions in hundreds of pubs and clubs in conjunction with on-pack bonus offers, all supported by TV, radio and outdoor advertising, play an important role in promoting the Bundaberg Rum brand.

A recent campaign, "How Much Sport Can You Bear", was the most successful to date, increasing sales by 4.5% during the promotional period. This result is soon to be challenged by a major campaign featuring Gabrielle "The Pleasure Machine" Richens and Steve "Blocker" Roach, linking the brand with the NRL grand final series.

Radio played an important role in the launch of the ready-to-drink Bundaberg Rum & Cola advertising campaign. Advertisements



closed with the slogan, "you can solve anything with a Bundy & Cola".

The slogan "For Those Not Ruined By Success" was launched via a billboard campaign for the premium Bundaberg Black brand.

1999 sees a number of new promotions including a campaign to leverage the launch of The Bundaberg Rum Bull Riding Series in Queensland. Bundaberg Rum has long been involved with the famous Tamworth Country Music Festival and has an enormous presence in the town with the release of the annual commemorative can. The brand supports numerous rodeo events across the country.

Bundaberg Rum ran a national photographic competition and the twelve successful entries featured in the official 1999 Bundaberg Rum Calendar, which formed part of the prize base for the "Cap off your Summer" Christmas 98 promotion.

Other Bundaberg Rum sponsorships include the Geelong Festival of Sail, promotions in Hobart pubs and clubs following the Sydney to Hobart yacht race and the Stradbroke Fishing Classic. They reflect the traditional association between the sea and rum, and the huge support for the brand from Australian 'yachties' and fisherman.

The most recent sponsorship for Bundaberg Rum was "The Big Day Out", a national event that has acquired the status of 'the musical festival of the year' marketed specifically to the 18-24 year old market.

The Bundaberg Rum web site (<http://www.bundabergum.aust.com>) enables

Bundaberg Rum fans to access information on the coolest merchandise, promotions and bars; products and cocktail ideas; music streaming, audio and competitions; screen-savers and desktop themes.

The immensely successful Bundaberg Rum merchandise program allows Bundaberg Rum fans to order the very latest in branded Bundaberg Rum fashion, accessories and other fun items.



### BRAND VALUES

Bundaberg Rum is a contemporary Australian brand enjoyed by adults of all ages. It is known as a genuine and fun loving brand that is all about sharing a drink with your mates and enthusiastically embracing life. It embodies the spirit of Australia and the down-to-earth relaxed attitude for which Australians are renowned.

Bundaberg is one of the few national brand icons. Like a good mate, it has attracted many terms of endearment over its 110-year history and to that extent Bundaberg Rum is now a part of Australia's everyday vernacular.

Bundaberg Rum's tremendous popularity with young adults is testimony to the brand's relevance and authenticity.



### THINGS YOU DIDN'T KNOW ABOUT BUNDABERG

- 20,000 standard drinks of Bundaberg Rum are sold every hour in Australia.
- Molasses is used to produce both Bundaberg Rum and Russian vodka.
- Bundaberg Rum was rationed in the early 1980s and nearly ran out of stock in 1997 due to an increase in sales beyond expectations.
- One in every ten bottles of spirit sold in Australia is a 'Bundy'.
- Approximately 1,000 people visit the Bundaberg Rum Distillery each week.
- Dr Lou Muller, the Master Distiller, has worked at the Bundaberg Rum Distillery for 29 years. He has four degrees including a PhD in distilling.
- Boat crews, in the Sydney to Hobart yacht race, use jugs of Bundaberg Rum & Cola as currency in wagers on the race.