

WHISKY, A TASTY BUSINESS

Professor, Ph.D., Sorin-George TOMA

Faculty of Administration and Business,
University of Bucharest, Romania
E-mail: sorin.toma@faa.unibuc.ro

Abstract: *The fall of the former communist regimes from Central and Eastern Europe led to the widespread liberalization and globalization of markets. Today's business world is still highly influenced by the expansion of the globalization process worldwide. As a consequence, the business world has become increasingly integrated and the relationships among business organizations have developed exponentially in all domains of activity. Globalization has made available numerous different products and/or services to people from various countries around the world. In this respect, whisky has proved to be a valuable product that fulfils a basic human need and, therefore, has expanded at a global scale. The goals of the paper are to define the concepts of whisky and business and briefly present the evolution of the top ten world's largest export destinations for scotch whisky in the period 2020-2022. In this respect, the author used a qualitative research method. The results shows that the United States of America was the largest market for scotch whisky in the period 2020-2022. The countries from of Asia-Pacific region dominated the top of the world's largest export destinations for scotch whisky by value.*

Keywords: *whisky, scotch whisky, business, export destination, country, United States of America.*

JEL Classification: *F1, F19, M16.*

1. Introduction

The fall of the former communist regimes from Central and Eastern Europe led to the widespread liberalization and globalization of markets. However, the connections among national governments, globalization and businesses vary between countries in correlation to their stages of development or size (Dunning, 2003).

Today's business world is still highly influenced by the expansion of the globalization process worldwide. As a consequence, the business world has become increasingly integrated and the relationships among business organizations have developed exponentially in all domains of activity. It is much more difficult for a company, irrespective of its size and industry, to remain isolated in a deeply globalized business world (Johnson and Turner, 2010) that is in a close connection with an integrated global market (Toma, 2005; Passaris, 2006).

As an "accelerated interdependence of economic and business activities across national boundaries" (Shenkar and Luo, 2008, p.3) and "more closely integrated economies worldwide, with products, people and money moving more easily and in greater volume and value throughout the world" (Wall et al., 2010, p.13), globalization has made available numerous different products and/or services to people from various countries around the world. In this respect, whisky has proved to be a valuable product that fulfils a basic human need and, therefore, has expanded at a global scale.

The global whisky market is dominated by five leading exporters as follows: the United Kingdom of Great Britain and Northern Ireland (Britain, Scotland, Wales, Northern Ireland), the United States of America (USA), Ireland, Singapore, and Japan (Cheema, 2023). These countries produce renowned brands such as Johnnie Walker, Chivas Regal, Jack Daniel's or Suntory. Scottish Whisky is by far the best whisky in the world due to its impressive yearly export volumes (Cheema, 2023).

The goals of the paper are to define the concepts of whisky and business and briefly present the evolution of the top ten world's largest export destinations for scotch whisky in the period 2020-2022. In this respect, the author used a qualitative research method. The paper is structured as follows. The literature review is presented in the next section. The third section displays the research methodology. Results and discussion are illustrated in the following section. The last part of the paper ends with conclusions.

2. Literature review

During the time, the business concept has gained prominence and become one of the most important in the literature. It gained attention from both researchers and practitioners all over the world as any company has, more or less, a theory of its business (Drucker, 1994). Despite the lack of an universal definition, a business is:

- “a commercial company” (Collin, 2007, p.47).
- “an organization that produces and sells goods or that provides a service” (Brookes, 2011, p.66).
- “any activity that seeks to provide goods and services to others while operating a profit” (Nickels et al., 2012, p.4).
- “any organization that is engaged in making a product or providing a service for a profit” (Lawrence and Weber, 2017, p.4).
- “all profit-seeking activities and enterprises that provide goods and services necessary to an economic system” (Kurtz and Berston, 2019, p.2).
- “an organization or enterprising entity engaged in commercial, industrial, or professional activities” (Hayes, 2022, p.1).
- “a commercial or sometimes an industrial enterprise” (Merriam-Webster Dictionary, 2023, p.1).

In sum, the term “business” is defined differently by various authors. Based on the definitions mentioned above, some of its features may be highlighted as follows:

- A business makes products and/or provides services.
- A business may represent either an organization or an activity.
- Obtaining profit constitutes the aim of any business.
- A business may operate in the commercial or industrial sector.

In its turn, whisky appeared as a potable drink “in the search for the elixir of life (known by many as *usque beatha*)” (Stewart et al., 2014, p.1). Thus, the etymology of the word whisky comes from the Gaelic words *uisge* (water) and *uisge beatha/usquebaugh* (water of life).

The late medieval times witnessed the emergence of the oldest reference to whisky: “The Scottish Exchequer Rolls for 1494 had an entry of ‘eight bolls of malt to Friar John Cor wherewith to make aquavitae’ (a boll was an old Scottish measure)” (Skipworth, 1992, p.12). Whisky is:

- “a spirit obtained by distillation from a mash of cereal grains saccharified by the diastase of malt” (Davidson et al., 1994, p.1141).
- “a distilled alcoholic beverage produced from fermented grain mash where various grains are used for different varieties (e.g., barley, corn, rye, and wheat)” (Power et al., 2020, p.1).

There are different types of whisky around the world. Some authors consider that thirteen principal categories may be identified as follows (Offringa, 2017):

- single grain whisky;
- single malt whisky;
- blended grain whisky;
- blended malt whisky;
- blended whisky;
- bourbon whisky;
- rye whisky;
- Tennessee whisky;

- wheat whisky;
- corn whisky;
- Irish whisky;
- Canadian whisky;
- Japanese whisky.

Malt whisky is „simply a distillation of unhopped beer” whereas grain whisky is based on „an adjunct mash containing 90% of unmalted grain” (Bathgate, 2016, p.197). As the most marketed whisky in the world, Scotch whisky represents the whisky that is „produced and matured in Scotland in oak casks for a minimum of three years, from distilleries located in the five designated regions”: Lowland, Highland, Speyside, Islay, and Campbeltown (Bower, 2016, p.3).

The production process comprises the following five stages: brewing, fermentation, distillation, maturation, and bottling. The main raw materials in this process are maize, barley, wheat and rye as all of them are traditionally used for producing whisky (Pigott et al., 1989). Inspired by vivid entrepreneurialism (Grădinaru et al., 2017; Catană et al., 2020; Zainea et al., 2020) and characterized by strong leadership (Cornescu et al., 2004), deep strategic thinking (Toma, 2013; Toma and Grădinaru, 2016; Toma and Tohănean, 2019), modern management techniques (Marinescu and Toma, 2008; Toma, 2008a; Catană and Toma, 2021), real social responsibility and authentic consumer care (Toma, 2006; Toma, 2008b; Toma and Naruo, 2009; Toma et al., 2011; Imbrișcă and Toma, 2020), the whisky industry has flourished in the last decades (Gupta, 2023), and, consequently, the global whisky market has significantly expanded. The evolution of the world’s largest export destinations for scotch whisky in the period 2020-2022 is presented in this paper.

3. Research methodology

In order to achieve the goals of the paper, the author deployed a qualitative research method through desk research. First, he collected and analysed several information from various secondary sources of data, especially books and articles. Second, the author synthesized this information, structured the paper and wrote it.

4. Results and discussion

This section of the research presents the evolution of the world’s ten largest export destinations for scotch whisky in the period 2020-2022. In 2020, the USA dominated the top, followed by France and Singapore (Table no. 1). From a geographic point of view, five countries were from and Asia-Pacific region (Singapore, Taiwan, Japan, Australia, China), four countries were from Europe (France, Latvia, Germany, Spain), and one country from North America (USA).

Table no. 1. The ten largest export destinations for scotch whisky by value in 2020

No.	Country	Value (£m)
1	USA	729
2	France	375
3	Singapore	274
4	Taiwan	182
5	Latvia	176
6	Germany	139
7	Japan	114
8	Australia	113
9	Spain	109
10	China	107

Source: Scotch Whisky Association, 2021

In 2021, the USA remained the leader, followed by France and Taiwan (Table no. 2). From a geographic point of view, five countries were from and Asia-Pacific region (Taiwan, Singapore, China, India, Japan), three countries were from Europe (France, Germany, Spain), one country from North America (USA), and one country from Central America (Panama).

Table no. 2. The ten largest export destinations for scotch whisky by value in 2021

No.	Country	Value (£m)
1	USA	790
2	France	387
3	Taiwan	226
4	Singapore	212
5	China	198
6	Panama	177
7	Germany	148
8	India	146
9	Japan	133
10	Spain	118

Source: Scotch Whisky Association, 2023

The year 2022 witnessed the same hierarchy as in 2020 with the USA as a leader, followed by France and Singapore (Table no. 3). From a geographic point of view, five countries were from and Asia-Pacific region (Singapore, Taiwan, India, China, Japan), three countries were from Europe (France, Germany, Spain), one country from North America (USA), and one country from Central America (Panama).

Table no. 3. The ten largest export destinations for scotch whisky by value in 2022

No.	Country	Value (£m)
1	USA	1,053
2	France	488
3	Singapore	316
4	Taiwan	315
5	India	282
6	China	233
7	Panama	203
8	Germany	202
9	Japan	175
10	Spain	173

Source: Scotch Whisky Association, 2023

In short, the analysis of the evolution of the world's ten largest export destinations for scotch whisky in the period 2020-2022 conducts to the following main outcomes:

- The USA remained the largest market for scotch whisky in the whole period.
- The countries from Asia-Pacific region clearly dominated the hierarchy in that period.
- After the COVID-19 pandemic the world's consumption of scotch whisky soared significantly. In this sense, scotch whisky exports surpassed £6bn for the first time in 2022 (Scotch Whisky Association, 2023).

5. Conclusions

Since the rapid expansion of globalization after the failure of the communist regimes from Central and Eastern Europe, the business world has become more connected and, therefore, boosted the consumption of commodities at a global level. As a tasty and flavoured drink, scotch whisky constitutes a distilled alcoholic beverage favourite of many people from different continents.

The paper demonstrates that the USA was the largest market for scotch whisky in the period 2020-2022. The countries from of Asia-Pacific region dominated the top of the world's largest export destinations for scotch whisky by value. Also, the paper shows that in the post-COVID-pandemic period, scotch whisky exports registered the highest values in their history.

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