

Pernod Ricard's Paul Scanlon on adapting to change in the liquor business

Meet Paul Scanlon, Pernod Ricard South Africa's managing director for the past four years. Here, Scanlon shares his professional journey with the drinks giant and his thoughts on the key challenges and opportunities facing the liquor industry at present.



1. Tell us a bit about yourself and your career.

I joined Pernod Ricard in 1995 as an export manager working on Jameson followed by various roles in Ireland and then in the UK where I was international commercial director for Pernod Ricard Scotch and gin brands.

I moved to South Africa in 2015 as managing director Pernod Ricard South Africa.

2. How did you end up as managing director of Pernod Ricard South Africa?

I worked throughout my career in various commercial and marketing roles and when my predecessor was promoted to HQ I was delighted to be offered the role to manage our South African and Namibian affiliates.

3. What is it about this position that makes you passionate?

The authentic brands and authentic people. We have a broad range of genuine brands with incredible origins going back centuries – in the case of Jameson (1780), Chivas Regal (1801) and The Glenlivet (1824). Our people are passionate about growing with our brands and business. Our culture is special – relaxed, fun and focused on our corporate purpose of being 'Creators of Conviviality', creating moments to connect, share and celebrate with others.



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24 Jun 2019



4. Please explain in 'layman's terms' what Pernod Ricard is and the nature of its business?

Pernod Ricard is the world's leading premium spirits and champagne company providing world-class brands such as Jameson, Absolut, Ballantine's, G H Mumm, Martell, Chivas Regal, The Glenlivet and, more recently, leading gins such as Monkey 47 and Malfy.

Based in France, the company has a de-centralised business model which allows us, as an affiliate market, to adopt a truly consumer-centric approach to marketing and doing business in South Africa. We have been growing brands and creating conviviality in South Africa for 25+ years.

5. What are the challenges in your sector and how do you (plan to) deal with it?

Times are tough economically and consumers are trading down and being more selective about where and how they consume spirits. We need to find the right balance between building long-term equity for our brands and being successful at the point where the consumer purchases the drink or bottle.

Another challenge is ensuring that legislation governing alcohol remains balanced and fair. I am a board member of Aware.org, the body representing all the leading spirits, wine and beer industry players in our focus on reducing the negative effects of alcohol abuse. The 'Code of Communication' is strictly adhered to by members and has been openly shared with Government.



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6. Africa is set to be a key global economic player in 2030 as it will have a vastly young population. How is Pernod Ricard adapting its approach to appeal more to this consumer segment and to widen its footprint on the continent?

Pernod Ricard has 12 affiliates across sub-Sahara Africa and the continent has become a major area of expansion for the Group. Wherever we operate in the world, we put the consumer at the heart of everything we do, whether it be meeting the needs of standard whisky consumers in Ghana or of champagne consumers in Nigeria.

7. Sustainability sits high on the agenda for many corporates, but your sector has especially come under pressure over the last few years from regulators. How then does Pernod Ricard South Africa plan to remain sustainable and do business responsibly?

Pernod Ricard has just globally launched our new Sustainability and Responsibility roadmap to 2030 – a springboard for a more convivial world, a world without excess. 'Good Times from a Good Place' involves 8 commitments based on the Sustainable Development Goals (SDGs).

As examples, our 'Circular Making' pledge is to remove all plastic straws in our business, address packaging and waste and reduce our carbon footprint by 50%, and our focus on 'Valuing People' encompasses re-imagining the world of tomorrow and promoting equality in future leadership.

'Responsible Hosting' is about promoting responsible alcohol consumption which we are already doing in South Africa through our 1-4-1 initiative launched last December, encouraging people to drink one glass of water for every alcohol drink consumed. This year on 'Responsib'All' Day, in June, all 300 of our employees in South Africa and 18,000 employees globally worked with local communities in a variety of different sustainability and responsibility programmes.



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8. Despite an economic downturn, the township economy has embraced local outlets – which are hugely popular – that cater to the middle class who consume premium brands. What can this boom be attributed to?

We see from research that consumers are moving back into bars and clubs in the townships to be closer to home and their friends and families. During economically challenging times these outlets are more accessible and reasonably priced. Some of these outlets are really best in class.

9. What are some of the trends you have seen in the consumption of premium spirits locally?

Gin, gin and more gin! This category has really taken off and it is encouraging to see both local craft gins, as well as international brands, succeeding. This is mainly due to the enormous versatility of gin and its appeal for all ages and genders.

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