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Indian voddies in high spirits, top global charts

White Mischief, Romanov In World's Fastest-Growing Brand List

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BANGALORE

THIS is a first: mid-priced Indian brands White Mischief and Romanov pipped several pedigreed east European counterparts to figure in the list of the world's fastest growing vodkas in 2008. Indian whiskies, rums and brandies have topped the global growth charts previously. But, the locally distilled voddies never stood up to the plethora of brands tumbling out of the former Russian republics or the communist block.

That is changing now. According to UK-based research digest, The Spirits Business, both White Mischief and Romanov figured among the top-five fast growing vodka list. White Mischief came fourth with 25% rise in volume with Romanov following in the fifth slot with 19% jump in the last calendar year. The two local voddies were ahead of the emerging peers from East Europe like Russian Standard, Sobieski, Nemiroff and established players such as Absolut, Stolichnaya and Gorbatschow.

This has always been the land of promise for the white spirits. The largest pool of aspirational young consumers make the country a potentially big market. The Indian vodka story may be unfolding as it explores the hinterlands like never before.

Rapid urbanisation, increased consumerism and adoption of trendier lifestyles is driving vodka sales across the smaller towns and cities. Long considered a cosmopolitan drink in the Indian context, vodka is finding increasing acceptance among a large and growing number of youngsters and women in the in the tier II cities and towns.

Sales of the clear drink have soared in places such as Jaipur, Ajmer, in Rajasthan, Puttur in Karnataka, Jabalpur in Madhya Pradesh, Kochi in Kerala and Vizag in Andhra Pradesh triggered by the adoption of big-city trends and habits, marketers say. "These cities have, over the past few years, witnessed higher exposure and aspirations due to satellite media and more job opportunities, resulting in higher



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incomes. Consumers have now become more experimental and are turning to new world brands and flavours," Radico Khaitan's (RKL) managing director, Abhishek Khaitan, said.

An expanding list of mid-priced voddies, most of them launched in the past three years, are sweating it out in the upcountry markets. The new introductions like Magic Moments, Fuel and Shark Tooth are showing up with combined annualised sales of 1.2 million cases — almost 55% of their volume coming in from tier-II centres.

The annual vodka sales is still at 4.2 million cases in an overall spirits mar-

ket estimated at over 200 million cases. But, the consumer base of the drink is getting broadbased as marketers work hard on activating the upcountry to offset matured sales and slowdown in the metros. That regular-to-mid-priced voddies are driving the vodka growth is a clear indication that consuming class is now spread beyond the top-cities.

Also, Vodka is seen to be increasingly swaying new consumers from beer and probably rum or whisky flavours. India is traditionally a brown spirits market with whiskies alone accounting for over 60% of the overall consumption. Vodka's current share of throat is estimated at 4-5% and projected to go up to 7-8% in the next three years.

"There exists a nationwide phenomenon of small towns such as Jaipur, Indore, Jabalpur, Kochi, Vishakapatnam, Meerut and Agra growing almost three times as fast as metros. The vodka growth in these cities was 35% compared to the 13% registered by metros in the calendar year 2008," business head of United Spirits (USL), Debashish Shyam, said.

"The educated youth are moving to these flavours after experimenting with beer. They believe that they can create a desirable profile for themselves by consuming vodka," partner of Chamundi Distilleries, a distributor for Diageo's Smirnoff and Shark Tooth vodkas in Karnataka, K Rajendra, said. Besides basic vodka, it is the flavoured variety such as strawberry, apple, orange and vanilla that is drawing numbers in interior towns such as Puttur in Karnataka.

In India's small towns, where alcohol consumption still does not have the same level of social acceptability as in cities, the perception that vodka has lower alcohol content as compared with whisky and the colourless and odourless nature of the liquid has helped increase traction. "The drinking audience in smaller cities is taking up vodka as their preferred start-up drink. Moreover, as group activities increase, vodka is seen as an acceptable flavour of consumption by both sexes," Mr Shyam, added.

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