

# USL bets big on vodka segment

URVASHI JHA

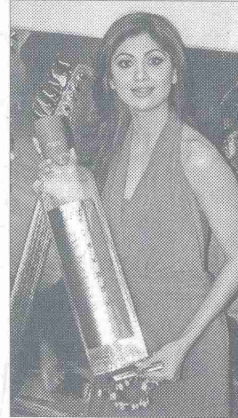
Bangalore

UNITED Spirits (USL) is betting on the growing domestic vodka market, which is estimated at 4.3 million cases, to drive their business. The vodka market has been registering a compound annual growth rate (CAGR) of 38 per cent over the last three years.

In fact, USL is eyeing greater presence in the regular, premium and prestige vodka segments. The company is yet to enter the prestige vodka segment where brands such as Smirnoff and Absolut are present. However, it said more vodka brands and variants are in the pipeline, but declined to provide details.

At present, USL offers Romanov and White Mischief in the regular segment. In the premium segment, it offers Romanov Red. Romanov and White Mischief have a combined market share of 80 per cent in the vodka market. Both are millionaire brands (selling in excess of one million cases each every year). However, the company declined to share volume targets for the two brands this year.

Debashish Shyam, business head of USL, said, "The overall vodka category is a promising segment for us. Having established our supremacy in the regular segment, we are now aggressively focusing on gaining share in the premium and prestige segment. Launch of Romanov Red and Pinky Vodka endorse United



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Spirits' gameplan to provide a comprehensive portfolio across price points in the vodka market."

On prospects in the prestige segment, Shyam said, "The prestige segment presents yet another opportunity to increase our vodka footprint. We launched Romanov Red mid-last year to cater to people wanting to upgrade to the premium segment."

USL's vodka brands compete with Diageo's Shark Tooth, Seagram's Fuel and Radico Khaitan's Magic Moments. Shyam said, "Given the profitability of the regular and prestige vodka segments, our focus and investment on the bottom end of the market has given us a large foothold and has almost created an entry barrier for any other brand at that price point. Hence, we don't see challenges for USL brands."

urvashijha@mydigitalfc.com