

FREEWHEEL QUALITY OF LOCALLY-BREWED HEINEKEN WON'T BE COMPROMISED: UB

Ultra creating premium space



WITH a 30% growth in beer sales during April-July, volumes are clearly not a problem for India's largest producer of beer, United Breweries. The maker of beer brands such as Kingfisher Premium, Kalyani Black Label, Sand Piper and Bullet has till now been an undisputed ruler in the mass segment. Now its premium mild beer, Kingfisher Ultra, is the first step in the company's strategy to dominate the premium space, says company's senior vice-president, marketing, Samar Singh Shekhawat in an interview with Amit Sharma. The Vijay Mallya-led company, with over 50% market share in the country's beer business, is also set to locally brew Dutch beer Heineken and position it at the super premium end of the market in early 2011. The quality of the product would be in line with the brand's flavour and richness, said Mr Shekhawat, who was vice-president (marketing) at Spencer's Retail before joining UB. Excerpt:

Tell us about the challenges in marketing alcoholic beverages in India?

We have a media blackout, so we have gone into advertising around key events such as IPL and the FIFA World Cup. The key is to think differently on marketing and come up with out-of-the-box ideas. A marketer of alcoholic products needs to be nimble, learn quickly. We also realise that the government of India controls 65% of liquor retail in the country. Alcohol is also an excisable product, which is a state subject. So, every state has its own law and we have to function under different confines in different markets. It is like dealing with 25 different states. That is why we have breweries in every state; in some states we have more than one brewery. It is a complex business. Managing the environment is a real challenge in this business. For promoting our beer brands, we have so far utilised four platforms—sports, fashion, food and music. We have formula one Force India team, the IPL sponsorship and Royal Challengers team; we own the East Bengal football club. We actively organise football and rugby leagues in different

in Delhi, Mumbai, Chennai, Hyderabad, Chandigarh and Kolkata.

Our promotions around food include fine dining restaurants, with a presence in pubs in over 100 cities. The result is that our brands enjoy high awareness within their specific target audiences.

Kingfisher straddles many product categories. Does it affect the brand?

While Kingfisher Airlines is an aspirational airline, we have beer and packaged drinking water under the brand. The beer is a big success and Kingfisher packaged drinking water is the fourth-largest selling brand in India. So, the brand extends distinctly in all these categories. While all our advertising is for packaged drinking water, Kingfisher is among the few brands that has managed to successfully straddle across many product categories. And it does help us a great deal in increasing awareness and maintaining top-of-the-mind recall in consumers' minds.

While UB rules in the mass segment, it's the high-margin, premium end that poses challenge. Will the new Kingfisher Ultra change this?

This is a perception. Our new product Kingfisher Ultra is the first step in the direction of trying to come up with good brands in the premium space. In a matter of months, this brand has overtaken the likes of Carlsberg wherever it has been launched—Mumbai, Pune, Bangalore and Pondicherry.

We are also promising consumers experiences that no other brand can promise. This is apart from launching Tiger Beer and Heineken brands in the premium segment. So, we have two challenges—to continue to grow the mass, and to appeal to a greater deal to the premium consumer.



Kingfisher Ultra is the first step in the direction of trying to come up with good brands in the premium space... We have twin challenges—to continue to grow in the mass segment, and increase our appeal among the premium consumers

SAMAR SINGH SHEKHAWAT
SENIOR VICE-PRESIDENT, MARKETING, UB

states and partner all the marathons in Delhi, Mumbai and Pune. Then there are the ATP-level tournaments like the Chennai Open that we partner. We are also associated with all fashion weeks

You have decided to brew Heineken beer locally. Will impact the brand?

We have some award winning, state-of-the-art breweries in the country and the quality of the product will not be compromised. It will be at par with the international product and will be in line with the brand's flavour and richness.