

India's alcohol beverage market to grow at 6.8%: ICRIER report

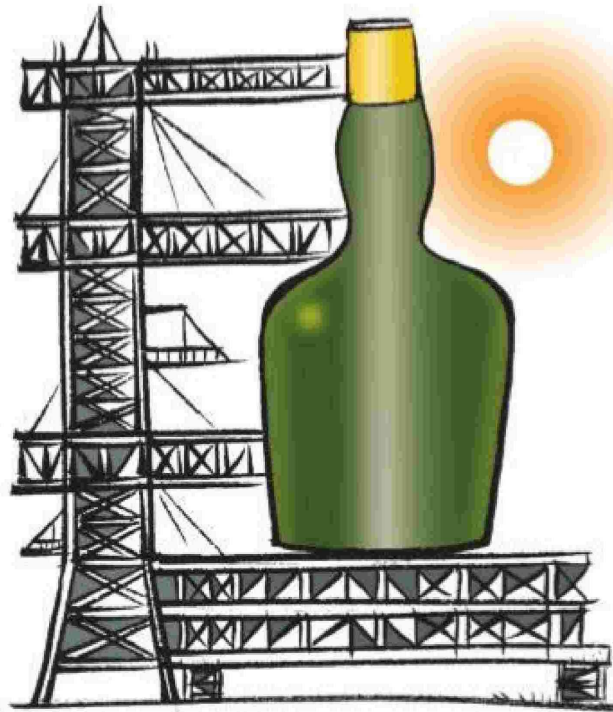


ILLUSTRATION: ROHNIT PHORE

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COVID-19 PANDEMIC AND in-home consumption have hastened premiumisation in the alcoholic beverage (alco bev) sector and companies are moving in to cash in on the ready-to-drink (RTD) segment with a spate of launches.

India is one of the fastest-growing alcoholic beverages markets globally, with an estimated market size of \$52.5 billion in 2020 and the market is expected to grow at a CAGR of 6.8% between 2020 and 2023,

according to the Indian Council for Research on International Economic Relations (ICRIER).

Vinod Giri, director general of Confederation of Indian Alcoholic Beverage Companies (India), the representative

body of Indian alcohol beverage companies, said that premium launches in the RTD segment are a healthy sign of market progression.

"We are witnessing a spate of innovations in the Indian alcoholic beverage market. We saw the emergence of Indian craft gin earlier and now the RTD segment is witnessing brand launches with diversified offerings. Consumers are experimenting with experiences beyond the pure functional benefit of alcohol which, besides adding new consumers to the alcohol category, accelerates social acceptance of alcoholic beverages as a normal consumer product," he added.

American whiskey major, Jack Daniel's recently launched its RTD brand Jack & Cola in India. According to the company, Jack & Cola is often cited as the world's most popular

branded bar calls and with convenience being the main driver, the RTD format has been growing at an exceptional rate globally and was the fastest-growing brand for Brown-Forman during the last financial year.

Siddharth Wadia, general manager — India, Middle East, and North Africa, Brown-Forman Worldwide LLC, said that the Jack & Cola RTD was introduced after considerable consumer research by the company, in which they saw encouraging consumer trends concerning the accelerated growth in the cocktail culture, enhanced consumer repertoire

to try new formats and whiskey-based drinks.

"With alcohol-based RTD format growing rapidly, we believe it is the right time to bring this to consumers here. Jack Daniel's RTDs enable

affordability and makes the trademark more accessible by making it relevant to newer occasions where the full-strength whiskey may not be most relevant," Wadia added.

Amar Sinha, chief operating officer, Radico Khaitan added that RTD beverages products offer consumers a hassle-free and on-the-go drinking experience. Liquor maker Radico is set to tap into this category this summer with a vodka-based RTD in several flavours.

"RTD beverages have been in the market for a few years now and continue to gain popularity in India. The proliferation of cocktail culture birthed the concept of RTDs. The ease of drinking straight out of the pack and the innovative flavours makes them popular among day-drinkers and youth.

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