

# Raising The Bar

Homegrown Indian alcohol brands aren't just gaining acceptance and popularity locally. They are competing successfully with established players on the world stage, find **Mukta Lad** and **Glynda Alves**.

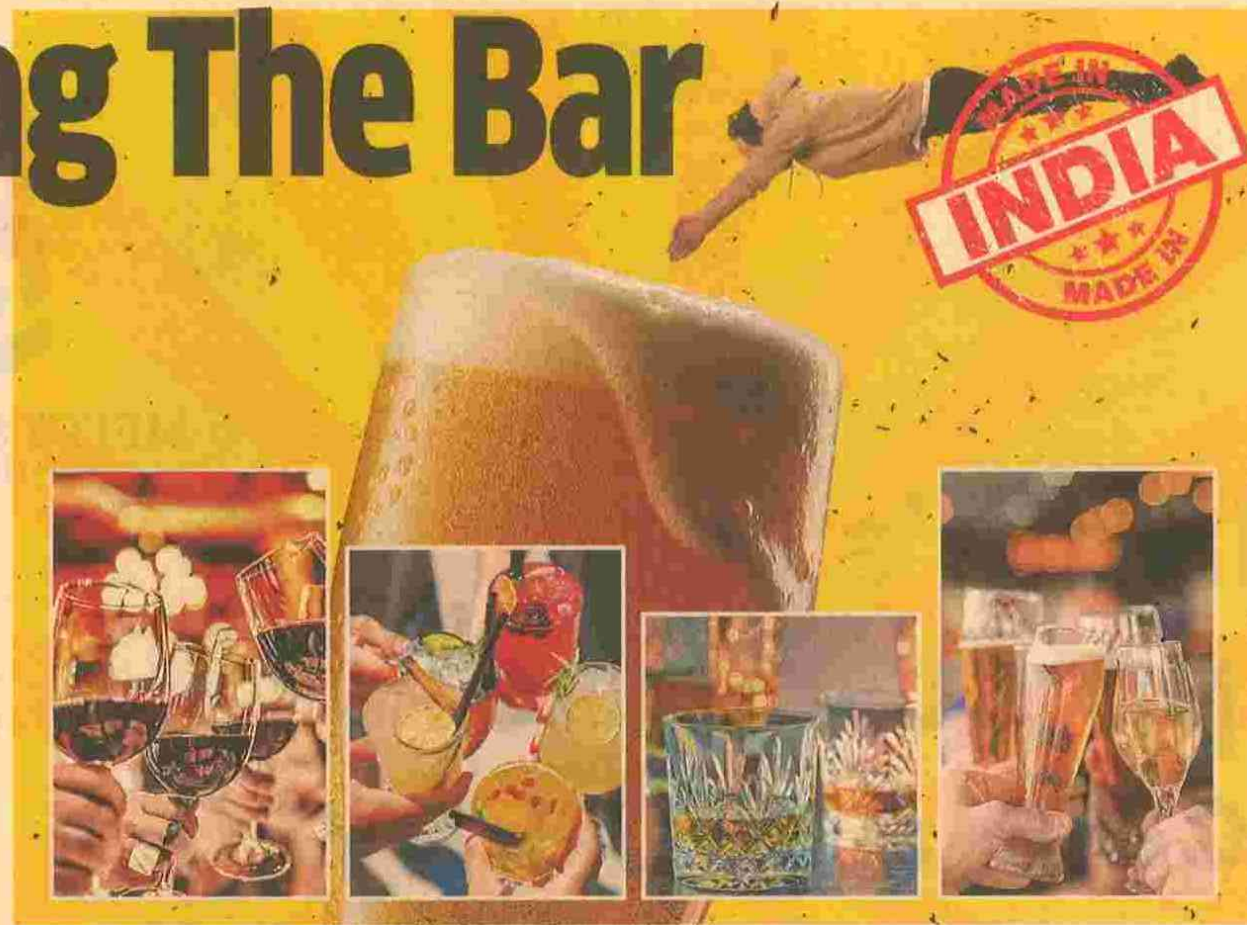
**"T**he whole world is three drinks behind. If everyone in the world would take three drinks, we would have no trouble," actor Humphrey Bogart famously said in 1950. This, as yet untested proposal, may or may not be a solution for world peace. But in India at least, people are enjoying their one drink... or three.

The total alcohol market in India is approximately worth \$48 billion. In terms of the distribution of cases (standardised to nine litres a case), it stands at approximately 560 million cases with 323 million spirits, 228 million beers and 2.8 million wines, as per the Confederation of Indian Alcoholic Beverage Companies (CIABC). Over the past few years, homegrown alcohol brands — across gin, beer, wine and single malt, to name a few categories — have gained popularity among Indian consumers.

Unlike 'revenge travel', consumers don't need to 'revenge party'. The lockdowns over the last two years taught them how to enjoy a drink indoors. In fact, Paul P John, chairman, John Distilleries — the makers of Paul John single malt whiskey — says that in-home consumption of alcohol is still on the rise. "The choice of quality over quantity trumps, which works to the benefit of brands in the luxury segment," he adds.

In short, customers are choosing to spend on better quality alcohol.

Consumer adoption begins with critics' endorsement, followed by trade acceptance. Increased income and a greater awareness around alcohol have enabled consumers to "upgrade", believes Vinod Giri, director general, CIABC. "Young consumers do not perceive any difference in quality between foreign and Indian products. For them, the



origin of the product is incidental; they are comfortable with Indianness," he says.

## THE PERCEPTION GAME

However, drinking 'foreign' expensive alcohol is still considered a status symbol. You often ask friends and family passing airport duty-free stores to pick up foreign liquor at cheaper prices. Fighting the perception that a foreign brand name equals better alcohol quality can't have been easy for Indian homegrown brands.

"That definitely used to be the case," says Anand Virmani, co-founder and CEO at NAO Spirits — the makers of Greater Than and Hapusa gins. "Local' was a bad word reserved for inferior products, but it's now sought after. The word is now associated with craftsmanship and authenticity."

While the 'imported is better' perception hasn't completely disappeared, Virmani says there's a noticeable shift in perception among consumers. They are now better informed. Gin makers in India also make their product with locally-sourced botanicals — the key ingredients that make or break a gin.

Perceptions are changing even for homegrown beer, believes Ishwaraj Bhatia, COO and co-founder, Simba Beer. "The

consumer is now evolved and well-travelled. They get to try homegrown beer at very competitive prices without compromising on taste and experience," he says.

## EXPORT QUALITY

In fact, Indian alcohol brands are increasingly exporting their wares. India-made whiskies are exported to over 70 countries. "Many experts publicly state that after Scotch, American and Japanese whiskies, it's the turn of Indian whiskies," says Giri.

Craft gin exports are picking up internationally while also doing well in the country — nearly 50% of homegrown gin brands above the ₹1,000 price bracket are sold in India, as per CIABC data. Giri adds, "We estimate that this year over 10,000 cases of Indian gin will get exported to the UK — considered the home of gin."

The story is similar with Indian wines, too. Brands like Sula are exporting to 60 countries.

## PRICING IT RIGHT

Most homegrown brands believe in giving consumers premium options at competitive price points. "India is a price-sensitive

market and has many spirit brands available at extremely accessible price points. Spirits beyond ₹1,500 generally draw the threshold between mass and premium," says Sakshi Saigal, director and co-founder, Third Eye Distillery — makers of Stranger & Sons gin.

Another important consideration is an individual state's excise regulations. Most brands have set up distilleries in Goa — India's party capital that also has relaxed excise norms as compared to other states. This affects each brand's pricing based on where in the country it's being sold.

The consumer's profile is a factor in deciding price points, especially when it comes to introducing new products or alcohol varieties. "Pricing strategy is adopted keeping in mind the target consumer and their needs, combined with the derived value by the consumer from the product. We want to make mead accessible and hence the competitive pricing," says Harsha Malik, head of marketing, Bored Beverages — the company behind No Label Mead.

## PACKAGING PERKS

One of the biggest draws of any alcohol brand is the packaging — right from label

graphics to the shape of the bottles to the logos. The more attractive the bottle, the higher the chance of it making it to a prime position in a bar. It's the brand's first touchpoint with the consumer.

For Kasturi Banerjee, founder and director, Stilldistilling Spirits — makers of Goa-based Maka Zai Rum — packaging and design play a huge role. "Rum has always been associated with a dark colonial spirit, one that's kept aside for cold months. We were eager to reinvent it as a versatile and modern spirit that appeals to everyone," she says.

John adds, "Packaging plays a strategic role in representing the quality of our liquid, price, positioning and communication. While there are category codes for bottle shapes, closures, labels, mono cartons, canisters, etc within the alcohol sector for wine, vodka, rum, gin, whiskies and malts, we focus on re-interpreting them."

Could following category codes also mean that the offerings start looking alike? Malik says that the similar aesthetic makes it easier for consumers to identify the product and category. "However, we believe that it's imperative to have a unique voice as a brand that differentiates us from our competitors."

## COMMUNICATION STRATEGIES

Marketing alcohol in India has always been tricky, more so thanks to the Indian government's new guidelines for surrogate advertising, aiming to tackle misleading ads. The guidelines completely ban surrogate ads, what used to be the alcohol and tobacco industry's go-to salve to market their offerings on mass media. However, homegrown brands are more niche and don't boast of massive marketing budgets.

TV and print aren't their preferred communication touchpoints in the first place. Instead, these brands rely heavily on digital and social media channels to reach customers. "For us, most of our marketing takes on a guerilla form which depends heavily on social media and events where we engage directly with the consumers," says Virmani.

Banerjee adds, "Traditional marketing strategies — merchandise like shirts, lapel pins and glassware — have worked well for us." What also works are "strategic associations and engagements through virtual activations, programming content associations, long-term influencer engagement, cross-brand promotions and like-minded partnerships", says Bhatia.

Most brands also work with branding agencies for their visual identities but manage their brand communication in-house.

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## Expert Speak



"With Indian consumers leaning towards more creative choices, a lot of them today are excited to try a quality, homegrown product without it feeling like a compromise."

**SAKSHI SAIGAL**,  
director and co-founder,  
Third Eye Distillery



"The last two years have led to strong, enduring trends — in-home consumption or remote working. These trends have built premiumisation, especially for the alcohol industry. Home bartending and man-caving, beginning with home-curated bars, are the new popular hobbies."

**PAUL P JOHN**,  
chairman, John Distilleries



"The good part about these Indian brands is that they proudly evoke their Indian provenance in their brand names, packaging and positioning. There is no hiding behind foreign-sounding names to convey quality."

**VINOD GIRI**,  
director general, CIABC



"More than 'revenge partying', consumers have become slightly more liberal in spending on leisure and lifestyle, post-Covid. They appreciate good experiences and are looking beyond the intrinsic value of the product."

**HARSHA MALIK**,  
head of marketing,  
Bored Beverages



"Experiments by home bartenders will never stop. People have invested considerably in their home bars, and they enjoy experimenting with new ingredients and mixers to create their own concoctions. Drinking trends don't truly go away — they just continue to evolve."

**KASTURI BANERJEE**,  
founder and director, Stilldistilling Spirits



"During the lockdown, consumers tried new brands at home. Owing to the home delivery of alcohol in certain regions at the time, the consumer didn't only experiment with brands, but it also led to a shift in brand preference."

**ISHWARAJ BHATIA**,  
COO and co-founder, Simba Beer



"A big part of being a craft spirit brand is telling your story along with its authenticity and originality. This needs to reflect in the design of the brand and the bottle."

**ANAND VIRMANI**,  
co-founder and CEO, NAO Spirits