

Bacardi High on Premiumisation of Portfolio in India

India a standout market where 1 in 2 buyers are leaning towards premium spirits: Country MD

Ratna.Bhushan
@timesgroup.com

New Delhi: One in two Indians are leaning towards premium spirits, Bacardi India managing director Vinay Golikeri said, citing Bacardi Cocktail Trends Report 2024. "Premiumisation has endured, and we are into the golden age of spirits as the cocktail culture revolution is flourishing in India," Golikeri said in an interview.

The maker of Bacardi rum, Bombay Sapphire gin, Grey Goose vodka and Dewar's Scotch is accelerating premiumisation across its portfolio in sync with demand trends, he added.

Golikeri termed India as a "standout" market for the multinational alcobev maker. He declined to comment on how much the Indian arm contributes to Bacardi's global sales. Bacardi India reported revenue of more than ₹500 crore for the financial year ended March 31, 2023, according to the latest available data from business intelligence platform Tofler.

Similar to other consumer facing sectors, spirits makers such as Diageo, United Spirits, Radico Khaitan and Jagatjit Industries, too have been premiumising to tap this growing demand for higher profitability.

According to industry body Confederation of Indian Alcoholic Beverage Companies, alcobev drinks priced over ₹1,000 have grown four times faster than those under ₹500 in calendar 2023. CIABC director general Vinod Giri attributed the increasing trend of premiumisation to a combination of factors. "Consumers are willing to experiment with alcohol, and more importantly, the perception of spirits is changing from one of functionality, to more a lifestyle proposition or make a statement," he said.

A March report by credit ratings agency ICRA estimated the Indian alcobev sector to grow by 8-10% this financial year, which it said would be supported by consumer preference for premium products with volumes growing by 3-5% on a high base.

Vijay Dev, category lead, whiskies at Bacardi, said Scotch sales in India have nearly doubled in the past three-four years. "Dewar's has been growing ahead of



Premiumisation has endured... we are into the golden age of spirits as the cocktail culture revolution is flourishing in India

VINAY GOLIKERI
MD, Bacardi India

COMPANY PHOTO

industry in India's Scotch whisky segment, growing 44.2% in volume over the last five years," he said. "India presents a tremendous growth opportunity for us keeping in mind the growing trends towards premium Scotch whisky," he added.

The Bacardi India executives declined to comment on the impact of the government's recent directive to alcohol makers to submit a list of products sold as surrogate extensions such as water, soda and music festivals.

Spirits makers sell and advertise categories such as water, music festivals, music CDs and soda, to circumvent restrictions on advertising spirits. The CIABC has urged the government to review the clampdown. Similar to other alcobev companies, Bacardi also bets heavily on events and other platforms such as NH7 Weekender and Xperiences for bringing in consumers.

The Central Consumer Protection Authority (CCPA) has directed spirits makers to declare lists of products marketed under the same brand, or surrogates to alcoholic drinks, over the past three years. The authority has in addition, directed these companies to give information about revenues earned from the sale of surrogate brand extensions over the three-year period.