

MARCH 2011

# Vodka



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## Vodka: eyes wide shut?

**V**odka never sleeps. But occasionally it gets a bit drowsy. It seems Russia is in a bit of a daze, following the economic crisis and the Russian government's plan to clean up the country's drinking habits, following shocking statistics about alcohol-related deaths. A report published in medical journal *The Lancet* said alcohol addiction accounted for more than half of all deaths among 15 to 54-year-old Russians.

As Euromonitor's Jeremy Cunnington and Spiros Malandrakis explain on page 6, the country set a minimum retail price per half-litre of vodka, which is set to rise to RUB200 (about €5 at the time of going to press) by 2013. Sales of vodka in kiosks are now banned between 10pm and 10am in many Russian cities.

Poland seems to be faring well and the mighty Stock Spirits is still dining out big time on the success of its Czysta de Luxe vodka brand.

But, Ian Wisniewski reports, among other things, that both Russia and Poland have been influenced by western tipples and Absolut talks about "growing volume", while Finlandia talks about "an appreciation of Finland as a source of top-quality vodka" in the region.

When it comes to launches, Skyy and Absolut seem to be relative insomniacs on the innovations front – expect flavours and a surprise super-premium...

Lucy Britner  
*Supplement Editor*



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# **Euromonitor International alcoholic drinks analysts Spiros Malandrakis and Jeremy Cunnington investigate vodka's continued resilience in the face of global challenges**

## Vodka's new horizons

**A** tippie for tsars and peasants alike, filtered through diamonds or packaged in PET bottles, the Holy Grail of a young urbanite's big night out and a sophisticated drink for cocooning aficionados – if there is one common denominator to vodka's unprecedented reach, it can be briefly summarised in one, all-encompassing word: versatility.

At the same time as draconian measures deal a massive blow to the category's sales in its Russian homeland – negatively skewing global growth figures in the process – vodka continues to transcend class, occasion and cultural limitations while reaffirming its resilience in the face of severe economic volatility.

According to Euromonitor International's latest findings, the spirits industry's most spoilt poster child witnessed a sobering 0.4% total volume decline in 2010. Hardly surprising, one might think, considering the lingering harsh economic headwinds still blowing around the globe during the year.

Nevertheless, the category's seemingly uninspiring global performance is, in effect, only masking fundamental discrepancies in its fortunes in individual regions. Critically, eastern Europe, the category's traditional bastion, saw a virtual collapse in sales, registering more than a 3% decline in total volume terms in 2010. The reason?



making sense of global markets

The Russian factor.

In January 2010, a minimum retail price of RUB89 per half-litre of vodka was set in the country, while staggered tax increases will be used to raise that figure to RUB200 by 2013. As if this was not enough to drive the point home, from September 1 it became illegal for all off-trade outlets such as kiosks and supermarkets to sell vodka between 10pm and 10am in most regions, including Moscow.

It was the same month that Russia's head of public health chose to step forward, calling for a blanket ban on all advertising of alcoholic drinks in the country – a proposal that had not yet come to pass at the time of writing.

Proposals include a plan to limit the size of beer cans and bottles while extending a night-time sales ban on alcohol across the country following successful trials in Moscow. Alcohol could also be banned from sporting events, a move that may jeopardise distillers' ability to profit from the FIFA World Cup in 2018. Vodka, the dominant segment in spirits by a long way, saw a volume decline of 4.6% in 2010, signalling an acceleration of

the downward trend witnessed over 2005-2010. And brought global vodka volumes down with it.

However, eastern Europe aside, all other regions saw vodka's volumes demonstrating signs of admirable resilience. Ranging from Australasia's stratospheric 8% total volume growth for the year to the relatively more moderate 3% posted by western Europe – still a figure practically unattainable for most major spirits categories in such a mature market – vodka appears to consistently prove its naysayers and critics wrong. And innovation remains its primary vehicle for growth.

Organic offerings, 'green' propositions and the never-ending spate of flavoured varietals (ranging from the aptly-named Chase Vodka Distillery's Marmalade Vodka to UV's Sweet Green Tea inspired launch) spearheaded innovative activity over 2010 and will prove to be game-changers moving forward.

At the same time, Diageo is surfacing as the category's de facto guardian. Following successful legal action against Vodkat, which made

vodka a protected term like scotch whisky or champagne, Diageo said any further "misleading" brands would also be taken to court. Considering that, according to Euromonitor International, the category is expected to essentially flatline over the 2010-2015 period, this does not seem to make much sense. Digging a bit deeper, however, and stripping eastern Europe's massive gravitational pull out of the picture, the category appears to still be in rude health, expected to register relatively buoyant 3% total volume growth over 2010-2015. Manufacturers should take heed.

### **Vodka remains unchanged**

The global vodka market remains one of the most fragmented of all spirits categories. The leading five vodka producers accounted for only 22% of global sales in 2010, compared with 73% for the top five producers in blended scotch. This is in part due to the size of the vodka category, but





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Khlebny Dar brand) was ranked 48th in global vodka in 2006. Fourth-placed Russian-based Synergy has had nearly as rapid a rise as Bayadera. Both companies, however, are still primarily focused on their local markets.

These eastern European companies can fall as quickly as they can rise. Ukrainian-based Olimp Corp, which was the fifth-biggest global vodka producer in 2007, ranked only 12th in 2010.

### Trading down in 'western' markets

As we have seen, both leading international companies were also hit by the trading down trend in 'western' markets, especially the US. This has meant the rapid rise of local producers there with economy brands at the expense of international brands such as Smirnoff and Absolut. The company with the biggest rise has been Constellation Brands, which saw its ranking improve from 27th to 20th between 2009 and 2010, and has been driven by its Svedka brand in the US.

Other US companies have also benefited, with McCormick Distilling and Heaven Hill Distilleries rising up three places to 26th and 27th, respectively.

### UB Group on the rise

The rapid growth of vodka outside the traditional eastern European markets has also meant the swift rise of some companies from outside the region. Chief among them has been the Indian-focused UB Group. The company, which dominates the Indian spirits market, has benefited from the rapid growth of vodka in India, and was the world's 16th biggest producer in 2010 (41st in 2005), a ranking that is only going to rise as the vodka category is expected to more than double between 2010 and 2015.

While consolidation in vodka should continue through acquisition and, equally importantly, though organic growth as companies expand into growing markets such as India, it will remain a relatively fragmented category for the foreseeable future, primarily due to the fragmented nature of the largest vodka market, Russia, combined with the broadening geographic popularity of the category, making it difficult for major brands to gain a large share. **DI**

mainly because most of the world's largest vodka markets in eastern Europe have little history of branded products and have been highly fragmented.

In 2010, Diageo managed to hold on to its global leadership with a 6.9% volume share, despite CEDC's acquisition of Russian Alcohol Group during the year. This was due to Diageo managing to maintain its volumes in core markets with heavy price and promotional activities in key markets such as the US and the UK, as well as growth in emerging markets such as Brazil for its main brand Smirnoff. This, in turn, meant a withdrawal of its local economy brands such as Popov and Gordon's.

### The impact of the rise of Stock Spirits

Second-placed CEDC, which held a 6.8% share, saw its volumes suffer through a combination of slowing sales in Russia as well as falling sales

in its domestic Polish market due to the rise of Stock Spirits' brands impacting the volumes of its own brands, such as Absolwent. Most of the latter problems took place in 2009 with the dramatic rise of Stock Spirits, yet in 2010 CEDC was able to do little more than keep the status quo.

Pernod Ricard was the third largest player in vodka globally in 2010 with a 4% volume share. Pernod Ricard's main focus in vodka is obviously the Absolut brand but it also has a range of local brands. The company saw its volumes and share recover slightly in 2010 following a poor 2009. A number of its local vodkas from Poland suffered, like CEDC's, from the rise of Stock Spirits, but also a fall in volumes for the Absolut brand was caused primarily by trading down in the US. The company's 2010 recovery was primarily due to a recovery for the Absolut brand thanks to some price discounts in the US and strong growth internationally as the brand benefits

from its strong global distribution.

Stock Spirits, whose growth has hit two of the world's three top players in the category, has seen the company rise from being the world's 40th biggest vodka producer in 2007 to seventh in 2009, a place it maintained in 2010 with a 2% volume share. The company's success has primarily been due to the rapid growth of its Czysa de Luxe brand in Poland, which was achieved through a combination of competitive pricing and strong marketing.

### Eastern European companies rise and fall

All the rest of the leading vodka companies are focused on eastern Europe. Many of these companies have seen rapid rises in volumes as they successfully manage to tap into the large and fragmented markets of eastern Europe, especially Russia and Ukraine. Fifth-placed Ukrainian-based Bayadera (producer of the

# High-end vodka sees US volumes increase

Super-premium vodka is making a comeback in the US, according to the Distilled Spirits Council of the United States (Discus).

The economic data report, based on figures from 2010, shows vodka, which accounts for 31% of industry volume, up 6.1% to 59 million 9-litre cases. The super-premium category was up nearly 18% and revenue was up approximately 14%.

But Discus CEO Peter Cressy warned that the industry is not out of the woods yet.

He said: "In 2010, the industry improved its performance over the previous year, but this recovery remains fragile, and we are not yet out of the woods.

"Consumers did begin to trade back up to premium spirits products, but the hospitality industry is still far from its average pre-recession performance."

Ultimat vodka producer Patron Spirits International said this news was "encouraging".

Patron COO John McDonnell said: "It's encouraging to see that the spirits industry in the US is starting to make a comeback. Super-premium brands, the sector where our



company focuses, have done a particularly good job of attracting consumers.

"Take vodka for instance. It's clear that people are trading up to high quality brands like Ultimat – the sector was up almost 18% last year, double and triple the growth of the lower-end vodka categories."

## Pinky gets new handler

Whyte & Mackay has struck an agreement with Liquidity to manage Pinky vodka in North America.

The super-premium flavoured vodka has joined a stable that includes The Dalmore and Isle of Jura single malt whiskies, Whyte & Mackay and Cluny blended scotch whiskies, and Glayva liqueur.

Whisky specialist Whyte & Mackay already represents Pinky in 35 international markets, including the recent addition of Russia.

Pinky's existing Californian-based brand team will join Whyte & Mackay's US operation.

Whyte & Mackay's vice president of the Americas, Jorge Gutierrez, said: "Whyte & Mackay will inherit a proven sales management team in California that will help drive all of our brands forward, while we look to take Pinky into new markets across the US, working with our importer."



## Iceberg vodka lays claim to unbeatable purity

Canadian vodka made from icebergs is to launch in the UK. The aptly named Iceberg vodka is said to be produced "from the pure water found inside the smaller icebergs after being detached from the main glacier".

According to the company,

"while tap water, which many spirits are made with, typically contains 200-300ppm of impurities the water from icebergs contains just 0.04ppm".

The brand is owned by Ali Samli and Goran Svilar, who worked with drink experts Douglas Ankrah (LAB,

Townhouse) and Darren Sum (The Old School Venue Cocktail Bar).

So far, confirmed listings include the Nobu Group, Zuma and Roka. Iceberg is also to be involved with Harper's Bazaar's Women for Women International charity event this summer.



## Belvedere joins fight against diseases

Belvedere has announced a partnership with fundraising outfit Red. Fifty percent of profits from the sales of a special edition Red bottle will go to fight AIDS, tuberculosis and malaria in Africa.

The bottle will be launched in late summer 2011 and the Red-inspired packaging will contain the same Belvedere vodka. The vodka will be available in more than 50 countries in a range of off-trade and on-trade outlets.

The bottle was unveiled at a pre-Grammy party in LA with the support of R'n'B star Usher. The multi-platinum recording artist has teamed up with Belvedere to raise awareness around HIV/AIDS.

Charles Gibb, president of Belvedere and Millennium Imports, said: "As one of the world's leading spirit brands, we are in a unique position to harness the power of our customers to benefit the millions of people who are at risk of, or are living with, HIV.

"We want to raise consumer awareness and incite more global action to eliminate AIDS in Africa."

## First brand to gain US certification

Tito's Handmade Vodka is the first spirits brand to be certified Made in USA.

Nicole Portwood, brand manager, said: "By becoming officially 'Made in USA' certified we are able to assure our customers that when they support Tito's Handmade Vodka, they are supporting a 100% American company as well as the economy here at home."

The vodka is available in all 50 states and it is distilled and bottled in Austin, Texas.



## Cocktail World Cup anticipation

**V**odka 42 Below has announced the line-up of international judges for its seventh annual Cocktail World Cup.

The week-long competition takes place in Queenstown, New Zealand, and attracts bartenders from around the world.

Judges include US drinks writer and cocktail guru David Wondrich, legendary bartender Salvatore Calabrese and vodka 'professor' Jacob Briars.

Calabrese said: "It is a true celebration of talent and challenges not only our finest bartending skills but also the bartender's ability to work as team players, displaying the brotherhood that exists in our industry of which I am so proud to be a part."

The 42 Below Carnival of the Cocktail is to launch on March 14 in Queenstown. The week-long competition includes challenges such as Modern Mocktail and 21st Century Punch and will culminate in a grand final event on March 18 under a big top marquee.

# Competition takes toll on Smirnoff

**D**iageo has reported a tough second half of 2010 for its Smirnoff vodka in Europe and the US. Economic problems in Spain and Greece led to net sales being down by 1% on the previous year.

The company's annual results said of the number one vodka brand: "Although there was strong growth in international, the vodka category remained intensely competitive in Europe, which led to negative price/mix and net sales down 1%.

"In the United States, Smirnoff lost share as the reduction in the level of off-trade price promotion increased its relative price. In Europe, net sales declined due to the economic difficulties in Spain and Greece, along with lower volume and negative channel mix in Great Britain."

In the US, Smirnoff returned to volume growth on the performance of Smirnoff Red, up 3%, partially offset by the decline in Smirnoff Flavours and Smirnoff Blue. Net sales declined 1% as price/mix was negative across all variants.

Promotional activity in the premium vodka segment remained high. However,

promotions on Smirnoff were reduced, resulting in a share loss of one percentage point.

But the company reported strong growth in India and Latin America. Diageo said of these regions: "Smirnoff's strategy of building the brand by positioning it to the emerging middle-class consumer continued to be successful, delivering strong net sales growth.

"Marketing spend increased 16% as the Smirnoff Nightlife Exchange Project was launched globally."

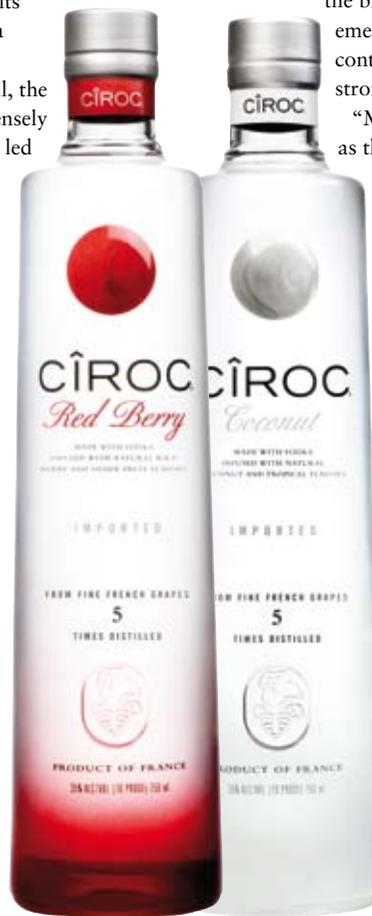
Diageo said Ketel One vodka sales were down 1% in the US, "reflecting the competitive pressures in the super-premium vodka segment".

However, the company said volume continued to grow behind its Gentlemen, This is Vodka campaign.

"The roll out of the brand into other markets led to double-digit net sales growth in all regions outside North America."

Cîroc continued its momentum in the US, "significantly growing volume and net sales, as well as gaining share in the ultra premium vodka segment".

The new coconut and red berry flavours drove overall brand growth and comprised more than 50% of total brand volume.



## Agent 90-60-90 trademarks name

**F**ormer Russian spy Anna Chapman has registered her name as a trademark. Several products are involved and the world could see an Anna Chapman vodka on the back bar.

The 28-year-old, nicknamed Agent 90-60-90 by the Russian press in a reference to supposed measurements, was a member of a 10-person spy ring arrested in the US in 2010.

## Nemiroff sale talks continue

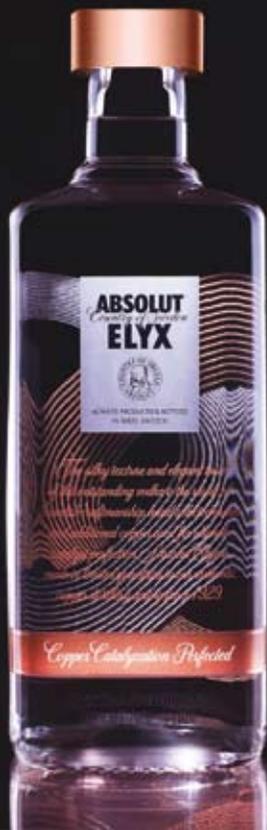
**R**ussian Standard is still in talks to buy Ukrainian vodka Nemiroff, according to reports.

Russian Standard brand owner Roustam Tariko told Bloomberg he was "still optimistic about completing the deal". When asked how much the deal was worth, he said "in the hundreds of millions of dollars".

Both companies filed positive results for 2010. Russian Standard said global sales rose from 2.2

million nine-litre cases in 2009, to 2.5 million in 2010. More than 65% of the product is exported and, says Russian Standard, the brand also holds a 50% share of the premium vodka segment in its home market.

Nemiroff has also reported strong growth in 2010. The Ukrainian brand said sales volumes rose to \$473.6 million – \$56.8 million (+13.6%) up on the previous year. The company said the largest growth areas were Ukraine and Poland.



**SOFT & SILKY**

**ABSOLUT ELYX**

**BRAND OWNER** Pernod Ricard

**PRICE** To be confirmed

**MARKETS** Canada, Greece, Korea and Mexico, with more to follow

**CONTACT** absolut.com

This product is at test launch stage and Absolut says it has spent the past decade inventing a new vodka. According to the company, the vodka is "crafted from hand-selected estate wheat and blended with soft and naturally filtered water". It is a small-batch vodka, produced in a 1929 copper rectification still. Absolut says this is a super-premium product.

Krister Asplund, master distiller at The Absolut Company, says: "Aroma and flavour are the obvious and most immediately striking characteristics of vodka. Absolut Elyx goes beyond that. It has a clean and fresh taste with subtle floral and fruity tones, but its most defining quality lies in the texture... incredibly soft, and leaves you with a silky feeling in your mouth."

OUT OF THE ORDINARY

**SKYY INFUSIONS  
DRAGON FRUIT/  
SKYY INFUSIONS  
BLOOD ORANGE**

**BRAND OWNER** Gruppo Campari

**PRICE** 5cl rrp \$1.99, 75cl rrp \$18.49, and 1-litre rrp \$26.49

**MARKETS** US

**CONTACT** skyy.com

The new flavours join pineapple, ginger, cherry, grape, citrus, raspberry and passion fruit. The dragon fruit hails from South America and Asia and has a dark pink rind with green and yellow tendrils and a white or pink fleshy interior. Andrea Conzonato, chief marketing officer for Skyy Spirits, says of the Blood Orange vodka: "Orange is the third most popular vodka flavour in the US, but when Skyy does an orange, it is anything but ordinary."



**SUSTAINABILITY**

**PURE GREEN ORGANIC  
WHEAT VODKA**

**BRAND OWNER** The Pure Green Vodka Company

**PRICE** £47.50, €39.90-€44.90

**MARKETS** Hong Kong, UK, Netherlands.

Israel from summer

**CONTACT** lars@puregreenvodka.com



Pure Green is made from organically grown winter wheat in the Charante region of south western France, a region that is well known for cognac production. The wheat is grown in the small village of Breville just north of the city of Cognac, a few kilometers from Château Bonbonnet where Pure Green is distilled. The wheat is distilled six times in a column still to create a smooth distillate. The distillate is then blended with filtered spring water to ensure a "smooth and rich taste". Everything from bottle to label is made locally and with environmentally sustainable methods.

**CHOPIN RYE**

**BRAND OWNER** Chopin

**PRICE** \$31.99 750ml

**MARKETS** Poland, US

**CONTACT** Chopin Imports in Manhasset, NY, chopinvodka.com

Chopin is to launch a rye vodka to accompany its potato vodka in the US. The product is already available in its home market of Poland but March sees the launch of the product in the States.

The company said the 1997 introduction of Chopin Potato Vodka to the US market "changed the way the world thinks about, and drinks, vodka".

Now, the distinctive black-labeled potato spirit will be joined by red-labeled Chopin Rye on the shelves of select US retailers.

Tad Dorda, owner of the Chopin brand, said: "The choice of base ingredient, whether potato or rye or another grain; the age and quality of that ingredient; and the region in which it is grown - all of these factors produce differences in taste and quality of the final product."

"With the introduction of Chopin Rye alongside Chopin Potato, vodka enthusiasts in the US can experience and appreciate some of these distinctive qualities for themselves."

**DISTINCTIVE**

**BURNETT'S LIMEADE/BURNETT'S  
ORANGE CREAM**

**BRAND OWNER** Heaven Hill Distilleries

**PRICE** \$9.99 for 75cl

**MARKETS** US

**CONTACT** burnettsvodka.com

Burnett's flavoured vodkas brand manager Reid Hafer says: "There are plenty of new flavours in the category but we concentrate on quality, utility and taste." The new additions bring Burnett's portfolio of flavours to 23. The range includes blueberry, cherry, citrus, coconut, espresso and watermelon. The new products are available in 1.75-litre, 1-litre, 75cl and 5cl sizes, bottled at 35% abv (70 proof).



**TASTE OF SUMMER**

# Richard Brown assesses the opportunities and challenges posed by China and the Far East

## The next step

**W**ith their burgeoning populations and seemingly limitless growth prospects, China and the Far East are on everyone's mind right now. But should international vodka brands be focusing on penetrating the vast, and often difficult, Chinese market?

Currently international spirits brands are still tiny players in the overall Chinese market, due to the domestic players having high levels of brand awareness and seemingly impenetrable distribution networks.

In 2010 we started to see some multinational players in the spirits arena benefiting from the premiumisation trend, but this is yet to gain real traction in the vodka category.

The international vodka brands will need to decide whether they are going to target the premium end of the market for the longer term or chase

standard volumes in the shorter term.

For imported spirits as a whole, at present China is emerging as a brown spirits market: whisky and cognac volumes are both rising rapidly – it's a two-horse race.

Vodka may be leading the white spirits category and has achieved solid growth in the past decade as a whole, but in China that isn't saying much – it is one of the world's fastest growing spirits markets and if the data is to be believed vodka has suffered a decline in the past three years.

### Flavour innovation

Most vodka consumed in China is in the original taste without flavour addition. According to trade sources, 80% of vodka is consumed in the on-trade, mostly as a base for cocktails.

Absolut and Smirnoff account for just over 50% of the sector, with Sky in third place.

However, in common with their western counterparts younger affluent Chinese drinkers like to experience new things and may be experimenting more with citrus and lemon flavours for their fresh taste.

Given the emerging trend towards individualism, novelty and self-expression we expect flavoured vodka to grow over the coming years.

The novelty value of flavoured vodkas would also suggest they are well suited to the markets of the Far East beyond China.

### Pricing

The premiumisation trend in China is attracting the attention of both spirits manufacturers and distributors and, in 2010, premium products have been launched continuously in other sectors, but few currently in the vodka category.

Can we expect vodka brands to make an attack on the premium and

super-premium category any time soon? The standard segment accounts for some 80% of volume – but interest in premium/super-premium vodkas is starting to emerge in some of the more exclusive bars in trend-leading cities.

The recent growth in premium and super-premium vodka has been led by Smirnoff Black and Grey Goose but we expect this to change as other premium brands, such as Ketel One, Belvedere and Ciroc, start to gain footholds.

Currently Grey Goose is operating at twice the price of competitors. Standard cognac operates at the highest price points and international whisky brands are choosing China as the market to launch their super-premium brands and limited edition products.

Is this the next obvious step for vodka?

*Richard Brown is managing partner at Cognosis Consulting*

**V**odka is such an established international phenomenon that it's easy to forget how recently this has happened.

The start date was the mid-1990s, with the launchpads being the UK and US. It was a case of being in the right markets at the right time, with a cocktail revival helping to establish vodka as the most fashionable spirit. Vodka catered for every preference, being able to offer more cocktails than any other spirit, while also inspiring more new cocktails than any other spirit. A growing choice also saw western brands such as Grey Goose and Ketel One gaining a devoted following.

Meanwhile, profound changes of a different nature were unfolding in vodka's historic homelands of Poland and Russia. The transition from state to private ownership saw (arguably) more changes in the past 20 years than in the past 500, with a new era of innovation and commercialisation.

In Poland the process began in 1991. "Privatisation energised the whole industry, bringing in new products and new technology. Poland has become a dynamic market that's all about brands, and this is also improving the image of vodka," says Iain Grist, export director, CEDC.

Vodka continues to account for the vast majority of spirits sales in Poland and, while the rest of the EU kept repeating words such as recession and austerity, Poland had a different vocabulary.

"Poland was the only member of the EU to avoid recession – not only is there confidence in the market, there is also growing affluence. This has allowed for an increasing level of trading up and premiumisation. There's huge confidence that this will continue," says John Moreira, business development director, Belvedere Vodka.

Needless to say, the Polish vodka market is saturated, comprising an extensive choice of brands at various price points.

"Standard and value brands account for the vast majority of the market, but these sectors show signs of decline. Premium brands and super-premiums are much smaller sectors, but are showing marked growth," says Moreira.

Guirec Danno, regional director, north & east Europe, brand development, The Absolut Company, adds: "In Poland the premium segment had a compound annual growth rate of 25% between 1990 and 2008, whereas the rest of

## Ian Wisniewski reports on how eastern and central European countries are moving on their vodka consumption

# Warsaw CONV



the vodka market grew by only 1%. Consumers are showing increased interest in the category."

In spite of the market being crowded and competitive, there are still opportunities for newcomers.

Tomasz Berszterda, marketing & innovation manager, Diageo Eastern Europe, says: "There is still room to bring in new products with strong brand equity or a completely new brand. However, both kinds of brands will require consistent and strong support for one to two years to gain tangible market share."



Ian Wisniewski

The market continues to be dominated by domestic brands, but imports are also making an impact.

Absolut's Danno says: "We are growing volume and gaining market share. In the second half of 2010 we started a new creative collaboration with local artists via Absolut Project Pokolenie (Next Generation). These initiatives, coupled with our on-trade activation and the success of the Absolut Glimmer limited-edition bottle, have been instrumental to this performance."

Meanwhile, it's not just the economy

# ventions



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or degree of competition that influence brand building, as marketing strategies are also determined by various regulations.

“In Poland, for example, we are not allowed TV or outdoor advertising, or an open site on the internet. This places challenges on marketing a premium vodka brand, where the brand equity and brand image play an important role. Such restrictions are always a challenge and cause us to think creatively about how to reach our target consumers. In Poland a couple of examples bringing excitement

to communication are innovative in-store displays and use of in-store TV screens,” says Neil Punwani, managing director, Finlandia Vodka.

Diageo’s Berszterda adds: “Not being able to build brands through above-the-line communications creates higher pressure (and expectations) on below-the-line activations. The desired result is more difficult to identify short term and on a wide group of people, thus the marketing programmes have to be more consistent and long term to make the proper impact on consumers.”

The marketing equation also takes in other factors, such as purchasing and consumption patterns. Most vodka in Poland is sold in the off-trade for home consumption. Whether, and to what extent, retail sales are affected by a rise in VAT – up by 1% to 23% since the beginning of the year – remains to be seen. Meanwhile, the VAT hike isn’t expected to significantly impact sales in restaurants and bars. But then that’s just as well, because the on-trade already has plenty to contend with.

“In 2010 there was a drop of ▶ p17

around 30% in overall revenue in the restaurant and bar business in Poland. You have to work a lot harder to promote the venue and get people in, and pricing is also a crucial factor,” says Richard Winkler, a leading bar operator based in Warsaw.

Recent regulations mean the on-trade has also had to contend with a smoking ban, introduced late last year.

“Regulations allow venues comprising 100sq m and above to have a smoking room, which must be completely enclosed and properly ventilated. Installing a smoking room can of course be expensive, so some venues have become smoking clubs instead, charging customers a nominal fee to be a member, and then lighting up is legal,” says Winkler.

Consumption patterns are also beginning to evolve beyond the tradition of serving vodka neat, with cocktail culture being promoted by a new generation of on-trade venues. However, cocktail culture remains in an early stage of development in Poland, restricted to cities such as Warsaw and Krakow. Warsaw is, of course, established as cocktail HQ, and is the source of new trends, but influences and inspirations are also coming from further afield.

### Bartender influence

Belvedere's Moreira says Polish bartenders who have worked abroad are returning to Poland with more knowledge. “This migration means that new ideas are entering and invigorating the Polish bar scene. Germany has become a hot cocktail market, and there's a lot of interest in what's happening in Berlin especially, with a large number of bartenders visiting from Poland. They want to do innovative things, and I think the on-premise will become more experimental and exciting.”

Cocktail culture may be gathering momentum in Poland, but consumption patterns in the on-trade are primarily the same as when serving vodka at home.

“The most popular way to drink vodka is as a shot, although younger consumers generally prefer to drink a shot of flavoured vodka, and this has increased interest in flavoured vodka. Drinking shots of lemon vodka, for example, became very popular last year and this trend is still going strong,” says Winkler.

Although vodka's reign as Poland's national spirit continues unchallenged, a changing mind-set could at least see



**Punwani: 'In Poland we are not allowed TV or outdoor advertising'**



Polish consumers developing a broader repertoire.

“As Poland has become more open to the west, there's also a growing interest in drinking products from other countries – wines and spirits other than vodka,” says CEDC's Grist.

### Affluent visitors

There's a similar situation in Russia, with significant numbers of affluent consumers frequently visiting other countries.

“Russian people are travelling a lot, and if they see Russian brands abroad that's going to add to the credibility of the brand when they get back home. If they're going to buy vodka they want to drink their own (ie Russian). There are now more Russian vodkas in export markets than you used to see, but still very few. Additionally, as Russians travel more they're exposed to a lot more international brands, so they're also more interested in trying other spirits and wines,” says Grist.

Consumption patterns are already showing signs of change, but tradition continues to dominate.

“Despite the fact that the consumption of wine, cognac, whisky and other alcoholic drinks is tending to increase, vodka is still the Russian national drink. Imports of vodka to Russia are still only 5% of the whole market,” says Leonid Gelibterman, president of the International Centre of Wine and Gastronomy.

### Impacting imports

With imports beginning to make an impact on the market, what are the challenges and opportunities of being an imported brand in Russia? That depends

partly on the associations consumers have with the country of origin.

“While the logistics and regulations can be challenging, there is an appreciation of Finland as a source of top-quality vodka – so being an imported vodka, if you have the quality and taste to back it up that can also be a strong positive. There is an acceptance of Finland as a source of high-quality vodka based on exacting quality standards, great natural ingredients and the pure, natural environment of the country,” says Finlandia's Punwani.

As the world's largest vodka market, Russia represents great opportunities for brands to succeed, and current trends are encouraging.

“We have seen a rebound in the premium vodka category and expect close to double-digit growth in this segment in the coming years,” says Absolut's Danno.

However, capitalising on opportunities also means negotiating various challenges.

“The Russian vodka market is extremely competitive – there are many more players, new brands and new packaging. Companies are putting all the marketing tools and capitalist ways into the business,” says Grist.

### Focal points

One key factor is the importance of Moscow and St Petersburg to any brand plan. But in such a vast market there are also other significant areas to focus on.

“Moscow and St Petersburg are extremely important for a premium brand as they account for the vast majority of premium spirits consumers. However, we can see many brands and operators focusing more in regions as the core 11 Russian cities develop further,”

**MIGRATION MEANS THAT NEW IDEAS ARE ENTERING AND INVIGORATING THE POLISH BAR SCENE**

JOHN MOREIRA  
BELVEDERE

says Neil Punwani.

Needless to say, Moscow plays a leading role in various ways, including setting trends.

“Cocktail culture has been growing for the past two years and is just starting to become big, but this is essentially in Moscow, and to a certain extent St Petersburg, which follows trends established in Moscow, such as the popularity of fruity cocktails, while Moscow follows what’s happening in the UK,” says Bek Narzibekov, creative director, Russian Cocktail Club, which operates bars in Moscow and St Petersburg.

## Consumption patterns

Cocktail bars also provide an insight into the consumption patterns of different consumer groups.

“Moscow’s fashion-conscious, 25 to 30-year-old consumers prefer whisky, rum and tequila to vodka, as they’re interested in trying what is being drunk in the west. These consumers only drink vodka in a cocktail because it’s the international way of drinking vodka, which makes it cool, so cocktails are bringing them into vodka and other younger consumers will also copy this. The trend is different among consumers over 30, who still prefer vodka to every other option, and drink it neat,” says Narzibekov.

That’s the picture in Moscow. But like most capital cities, Moscow isn’t necessarily representative of what’s happening elsewhere.

“Moscow is like a different country from Russia. Outside Moscow the mentality is still traditional and people drink neat vodka rather than any other spirits or cocktails,” says Narzibekov.

While imported brands face various challenges in Russia and Poland, Polish and Russian vodkas are continually



**Narzibekov: ‘Moscow follows what’s happening in the UK’**

developing their profile in export markets. With various western brands also having a significant following, the future can only become more competitive for everyone. But a more competitive market can also yield significant benefits for the category. More brands being more active, talking about ingredients and the production process, and conducting tastings to explore the differences between brands will result in consumers being more informed. And more informed consumers are more discerning, and so more interested in listening to brand stories and discovering the differences between brands.

## Brand story

An integral element of any brand story, and the most accessible for any consumer, is always country of origin. Meanwhile, as the choice of brands continues to grow in key markets such as the UK and US, consumers are faced with brands from an array of different countries.

“Country of origin still has a great deal of relevance to consumers if your brand is from a country with a history of making vodka, and having heritage behind a brand always helps. Branding is really important for modern consumers and country of origin is always going to be an important component of a brand story,” says Iain Grist.

One current ‘case study’ for the importance of country of origin is Zorokovich 1917, a Ukrainian brand which recently launched in the UK.

Dan Edelstyn, creator of Zorokovich 1917 (see DI March, Profile, page 22),

## The privatisation process

**The route to privatisation in Poland and Russia included several key dates and stages.**

Privatisation of Russian distilleries was phased in between 1991 and 1995, with the state monopoly for the production and retail of alcoholic beverages abolished in 1992. Initially, distillery employees were able to buy shares at a fixed, inexpensive price or, in some cases, given free shares.

A secondary public share offering also allowed distillery employees to either sell or buy additional shares. Additional reforms in 1998 prevented any further trading in shares. Moreover, the government established a new regulatory authority, Rosspirom, in the summer of 2000. Ownership of the government’s remaining shares in distilleries was also transferred to Rosspirom.

In Poland the government initially granted autonomy to the 25 Polmos distilleries in 1991 (which remained state-owned). Each Polmos was allowed to continue producing ‘classic’ brands, such as Wyborowa and Zubrowka, on the basis of a licence for which no fee was required (the name of the distillery appeared on every bottle). Autonomy also enabled each distillery to develop new brands, which were owned by that distillery.

The Polish Treasury set the price of ‘classic’ vodka brands, and therefore the margin, though each Polmos distillery was able to establish the price of its own brands (subject to Treasury approval). As many new brands were premium or super-premium, with added-value packaging, this typically meant higher margins. It also meant a whole new look. Whereas ‘classic’ brands were traditionally sold in standard 0.5-litre bottles, which were returnable and recycled, designer packaging yielded a new genre: taller, slimmer bottles featuring a ‘window’ on the front, through which a decorative feature could be viewed on the back of the bottle.

Rationalising ownership of ‘classic’ vodka brands was the next stage of the privatisation process. In 1999 each Polmos was invited to bid for specific brands at an auction, which was structured to prevent any single distillery from acquiring a monopoly of classic brands. The results included Polmos Poznan acquiring Wyborowa, Polmos Bialystok gained Zubrowka, while Polmos Zielona Gora purchased Luksusowa. Following the auction there was a one-year ‘phase out period’, during which each distillery wound down production of any ‘classic’ brands it did not own.

Several distilleries were subsequently privatised, while a series of acquisitions included Pernod Ricard taking over Polmos Poznan, which brought Wyborowa, among other brands, into its portfolio.



**Moreira: ‘I think the on-premise will become more experimental and exciting’**

says: “We’re getting a great response to the history and authenticity of the brand story, over and above the country of origin, though when people get into the brand story they also want to know all about where it comes from in Ukraine.

“People love the story that I was tracing my family history and stumbled upon my great grandfather’s distillery, as well as the social enterprise element – that 20% of profits from the brand will go back to rejuvenating the village in Ukraine where the brand is produced. We’re trying to connect the village to a marketplace, while also connecting people who drink the vodka to the village.” **DI**



**Winkler: ‘Pricing is also a crucial factor’**

# The love/hate divide

**Tom Sandham** asks the industry's vodka players if the spirit has finally had its day



Shutterstock: Jim Barber

**E**ven as a child I was somewhat suspicious of transparent liquids on the dinner table. For me, water was a punishment in the face of Ribena, Robinsons Orange Squash or, on special occasions, Coca-Cola.

Anything with a bit of colour promised my tender tongue sweeter characteristics and this possibly goes down as my first memory of palate appreciation.

These days I know better, always searching for the next glass of water so I can hit my two-litre daily requirement. My body is a temple, that's why the shoes are on the outside. Meanwhile, Coca-Cola is only really approached the day after I've sampled too much whisky.

But for many alcohol enthusiasts, vodka has similar undertones, and the neutral and transparent spirit is often

denigrated when compared to something aged and characterful.

Any sneering is mostly reserved for the trade, of course, and is not reflected among consumers – indeed, vodka remains the number-one seller across the planet.

Last year's report from International Wine & Spirit Research backs this up, indicating in its forecast report that, between 2010 and 2015, the global vodka market will grow at a compound annual growth rate of 0.7%. The market dipped very slightly between 2004 and 2009 but, looking at markets such as Germany and India, it's certainly on the rise again.

The IWSR also revealed: "Despite repeated claims to the contrary, the vodka market in the US continues to develop well and growth is expected to be strong

in the future. By 2015, more than every third bottle (35.1%) of spirits sold in the US will be vodka."

Those who work in vodka obviously celebrate such statistics, it's their job to after all, but the passion many display has seen some willing to put their necks on the line for the category.

The determination of Claire Smith, head of spirit creation and mixology for Belvedere Vodka, is a good example.

At Tales of the Cocktail last year – one of the gala events for the spirits and cocktail community – she hosted an I Hate/Love Vodka seminar with some of the industry's biggest-hitting bar professionals.

"I suggested this seminar back in January last year," says Smith. "I'd had yet another conversation with a bartender in Brooklyn, who explained that ► p22

he just didn't 'need' a vodka behind his bar because he was perfectly adept at making cocktails with other, more 'flavourful' spirits.

"While we sat at the bar, sipping our bacon-infused Manhattans, at least three people came to the bar and ordered a vodka-based drink. This provoked much eyebrow waggling from me, and an uncomfortable exchange with said bartender, but only confused and slightly bewildered looks on the faces of the customer who just wanted a Vodka Cranberry and no, they would not prefer it with gin, thank you very much indeed. It made we wonder, is it a mixologist's job to open the public's eyes to gin and other spirits, or is the vodka-loving customer always right?"

"In the seminar we looked at vodka from both sides of the fence, in an attempt to understand both its lure and its limitations."

On the hate side were the likes of Ian 'Rum Ambassador' Burrell, John 'Mr Sagatiba' Gukuru and tequila lover Henry 'Agave' Besant, while cocktail expert Anastasia Miller, bartender Jeremy Thompson and Tanqueray brand ambassador Angus Winchester opposed.

### Tricky to dismiss

It's difficult to pick a winner in something of this nature, but vodka fared well and, as Smith impresses, even the connoisseur cannot easily dismiss the category.

"Even the 'haters' had to acknowledge (pretty quickly actually) that they only hated 'commodity' vodka," says Smith. "Brands that advertise purity as a byword for neutrality, or aggressively market their brand as 'world's best'. However, those brands that represented provenance – centuries of distilling expertise combined with incredible raw materials – deserve a place on any back bar.

"The result was that, of the 180 people in the room, all agreed the real issue for vodka is marketing. It has become a victim of overexposure and subsequently it would have been more accurate to call the seminar I Hate Marketing.

"The majority agreed that, for the key influencers and gatekeepers, the marketing of vodka had led to a prescribed approach to the treatment of the spirit and had ensured that vodka became a spirit that wasn't interesting to them anymore."

The Love/Hate seminar is sure to return at a later date – people like to have a say on the contentious category – but this



**Smith: 'Is it a mixologist's job to open the public's eyes to gin and other spirits, or is the vodka-loving customer always right?'**

alone is evidence there is space for vodka behind the back bar.

Which might explain why so many spirit makers launch into the market. Indeed, with more than 1,000 brands out there, it's a saturated playing field and trying to make a success out of something new is more of a challenge than convincing people to try it.

Robert Zajaczkowski runs the bar at Baltic in London, a venue dedicated to vodka, and he is perfectly positioned to consider the new brands on the market. That he is also brand ambassador of the Polish vodka Potocki reminds us all that having the right individuals presenting the brand is key.

### Authenticity

Potocki has launched with the background that seems to tick the authenticity boxes – Polish and made with rye, there's a castle involved in the history which was home to the second-oldest distillery in the country.

"The state took it back under Communism but it has recently been relaunched according to the traditional methods," says Robert. "This is important as a story for the vodka. But every market is different and, even with this heritage, vodka in Poland is viewed separately to other countries.

"In Poland it's seen as a commodity and the aim is to make it premium because even the newest, most expensive will face challenges. In other European markets such as London we look to release it very



slowly into the premium outlets, this is what is required here. So there's no one approach that works for all markets."

Perhaps more important when trying to find success in the vodka market, though, is money. Alex Kammerling is currently launching a ginseng spirit called Kammerling's and knows all about the challenge of making a noise with a brand. But prior to this he was brand ambassador for Grey Goose, so can also relate to the necessity of deep pockets when pushing a brand forward.

"The story and quality are obviously key these days," says Kammerling. "People want artisanal. Look at





something like SipSmith with a beautiful little still in a residential area of west London that produces a great spirit. It has a great story, but what's interesting is looking at how these and other distillers deal with demand. If they exceed capacity and have to distil somewhere else, do you lose a bit of the romanticism?

"Flavoured vodkas have made an impact but, again, it's down to quality of the flavour. The best deliver true length and variety of sweet and bitter profiles. Flavours are about line extension of course, but it has the name of the brand on it so quality is essential.

"Even with all this in place though, you



still need a marketing budget to keep you at the top of the game."

Ben Carlotto agrees but feels style is also important. As an award-winning bartender and manager and now product and mixology manager for Bacardi Brown-Forman Brands, he works closely with all brands, but particularly Grey Goose, Finlandia and 42 Below in the portfolio.

"Traditional Polish vodkas remain more popular – they are generally a softer, more full-bodied product due to the cultural way they drink it there. They tend to sip not shoot so we've seen a lot of new vodkas arriving on the market in the past 10 years made to take advantage of these qualities. Grey Goose and 42 Below are perfect examples, creating that soft, smooth character with butter-like viscosity and that actually have a flavour to them with a finish. The modern palate has had 10 years of it and wants more.

### Style with substance

"Whatever style is en vogue though, vodka will always be strong in the marketplace because everybody, old or young, knows what to expect instinctively – something not too challenging, something not too overpowering or offensive but that will deliver alcohol. It's a default call like beer or wine."

How the brands interact with bar professionals is also crucial in the battle for the back bar. Brands such as 42 Below and Finlandia have been proactive in this respect and the Finlandia World Cup remains the biggest cocktail competition in the world. Chris White has recently taken on brand management responsibilities and presided over the latest UK final, which selected Nottingham's Christian Tirel from Coco Tang to go forward and represent his country in Lapland.

Last year it was Anton Velich who took the grand final prize, a bartender from Slovakian bar Rio Grande.

"It's an important category," says Velich, "but we don't only have the standard vodkas to play with. In the Finlandia Vodka Cup competition I could use the flavoured varieties, which adds to the opportunities in mixing.

"It's a great competition to win because vodka is still the number-one spirit in our country. If it's what customers want then I'm trying to make the best drinks I can with it."

Vodka loyalty earned then, which is important if you're trying to stay ahead

of the bunch.

But perhaps the best evidence of how serious the major players still are about vodka came through Pernod Ricard's €5.6bn acquisition of Absolut in 2008.

### Positive vibes

Matt Pomeroy, a seasoned bar professional who has worked with a number of vodkas, has taken on brand responsibilities for Absolut vodka and remains positive for the future.

"It's such a dynamic and varied category that there is usually something exciting going on, but here at Absolut innovation is key," says Pomeroy. "We have always been that way and will always continue to push boundaries, be different and constantly look to add something exciting and creative to the market.

"The recent arrivals of limited editions such as Absolut Glimmer and Watkins (spiced coffee and almond) showcase our variety and creative vision and with our new super-premium vodka Elyx now being launched in test markets, it's indeed exciting times.

"A focus that I see standing out right now is an increase in the popularity of small-batch, hand-crafted vodkas (see Craft Vodka, page 25). These styles of vodka are fast becoming iconic boutique brands which have real integrity and respect. Products such as Tito's in the US spring to mind. Made from yellow corn in Austin, Texas, it's said to be microdistilled using a traditional pot still and gained industry credibility due to its discreet word-of-mouth marketing."

### Pushing boundaries

Pomeroy adds: "Another which has gained similar kudos is Chase potato vodka in the UK. What makes these brands interesting is their focus on ingredients and production.

"Vodka is still the number-one spirit on the planet, so it has to be constantly developing and pushing boundaries to stay ahead of the competition."

Of course, the numbers clearly speak for themselves; we consume roughly 6.5 billion bottles of vodka every year – one for every person on planet Earth – so it's not as if vodka is going to struggle any time soon. Even so, there is still a lot of love for the spirit from areas of the bar community and to simply dismiss it as neutral and bland is not only senseless when dealing with consumers but those who stand behind the stick as well. **DI**





**Vodka is a poisoned chalice for designers, says Stranger & Stranger's Kevin Shaw. How do you make ethanol, water and impurities an alluring proposition?**



# Impure artistry

I Googled vodka. At the top Wikipedia informs us that vodka is “water and ethanol with traces of impurities”. Underneath that: “Smirnoff, the world’s #1 vodka, invites you to be restless, to be inventive, to be extraordinary, to be able to say I Was There.” And underneath that the Shopping Results has Smirnoff Red 75cl for £12.95 at The Whisky Exchange and a Grey Goose 1.5-litre at drinkshop.com for a whopping £102.08.

Over a hundred quid for a Grey Goose magnum and I’m not even being invited to say ‘I was there’? I did the maths. Given that the water and ethanol are common to both vodkas the impurities in Grey Goose are worth about £50 per litre more than the impurities in Smirnoff.

Triple distillation removes everything but about 0.8 milligrams so Grey Goose impurities are worth more than £62,000 per kilo. That’s around twice the price of gold. More than the price of platinum. I’m in.

I checked the markets but couldn’t find the correlation between Grey Goose and runs on precious metals, so maybe it wasn’t the impurities after all. I checked the marketing but both brands are equally exciting. Smirnoff invites me to say I Was There, whereas Grey Goose is The World’s Best Tasting Vodka. No doubt thanks to the powdered platinum. No, hang on; we’ve already ruled that one out, so it must be something else.

What about the packaging? Researchers at Stanford and Caltech have

demonstrated conclusively that people’s brains experience more pleasure when they drink from bottles with higher-quality packaging. That’s common knowledge now, but does Grey Goose really look, and hence taste, that much better than Smirnoff?

When the Smirnoff redesign came out a few years ago we all sat in stunned silence for a few seconds before we jumped to our feet and gave it a standing ovation. The sharp shoulder. The embossing. The proud foot. All that red. The balance between impact and quality detailing layers. And only 12 quid! The shoulder alone was worth the price of admission and has been ripped off by every major brand on the shelves ever since.

Have a look around. There’s a ▶ p30

**Smirnoff's Be There campaign is a celebration of the 'restless, inventive and extraordinary'**



'Beckham' of sharp shoulders out there now but back then it was a classic move. Grey Goose, on the other hand, seemed to succeed despite itself. The typography is comparatively crude and there's no mention of the heritage, triple distillation and filtration that the Smirnoff label heralds.

There's no signature, batch numbers or special embossing, just some incongruous images and some tricky frosting. You could be forgiven for thinking that it wasn't designed at all, yet it's a hugely successful brand.

So is the trick to say less and ask for more? Well it can be but not in this instance. Grey Goose was one of the pioneers of the frosted bottle mask, along with Belvedere, Chopin and a mixed case of cod-frozen imitators. The trick was to be among the first.

Grey Goose made its mark with one of the great bottle decoration innovations and deserves all the respect in the world for standing out. I asked the studio what they thought and almost in chorus they saluted the Swedes. Absolut's designs were so way ahead of their time that they almost killed the flavoured sector for everyone else before they'd even had a chance to pick their berries.

These days you have to do flavours like Breadfruit or Defiance just to get a USP. Absolut had all the icon ideas on shelf before we'd even got the briefs. The orange base on the bottom of the bottle is so sublimely simple and I so wish I'd done it. Every morning I think today might be the day that I do something better than Absolut Mandrin.

Yet all these brands have been around for a while so where's the next hero coming from? We've seen the

premiumisation of Soviet graphics with Stolichnaya. We've seen Dutch old school on Ketel One and the American Skyy is, well, just blue. We've seen real diamonds in the oligarch's Diva bottle and we can see Glen's basic blend going for as little as £9. We've seen vodka from as far afield as New Zealand with 42 Below and we know we can also get grain, potato, grape and even apple variants of ethanol. There are thousands out there.

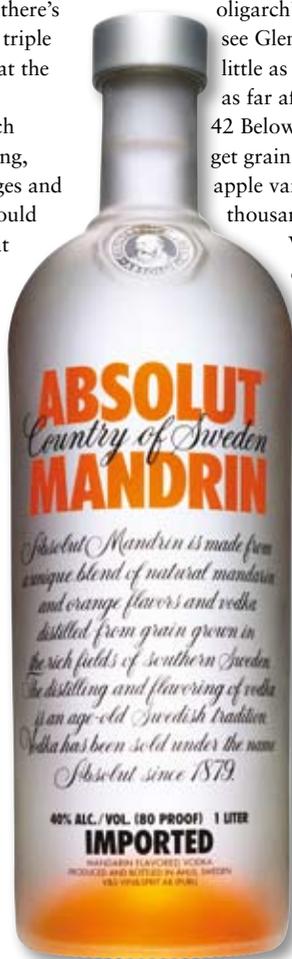
We've put every type of vodka into every conceivable shape of bottle at every price point, so is there any real innovation left in the vodka market? Without making it from swamp grass because that's a really hard sell. Or maybe not...

We get new briefs at Stranger & Stranger every week but a vodka brief is such an endangered species these days that our ears immediately prick up then, unless it's private label, our eyes narrow in suspicion. Supermarkets can push their own brands but who, in their right mind, thinks the world needs another independent vodka?

We saw Smirnoff on sale in a New Jersey Costco for \$19.95 for a 1.75-litre bottle. I know its impurities are from the wrong side of the tracks but who can compete with that price?

You see vodka, for a designer, is a poisoned chalice. It is ethanol, added water and a pinprick's worth of impurities. That's it. No oak from petrified forests. No hummingbird tears. Ethanol. Water. Grain of sand. Everyone does multiple distillations so it's increasingly difficult to find something to say in a brand that's real, different and, more importantly, inviting.

When we did Reyka we were told it



Reyka's USP was being based on the purest water in the world

Shaw wakes up every day hoping it's the day he can better Absolut Mandrin

Grey Goose was one of the pioneers of the frosted bottle mask

was the purest water in the world because it came from a deep, almost frozen, Icelandic meltwater lake. That's really cool – very cold in fact – and it's a great proposition. You can do stuff with that. We had a similar angle for some Siberian vodkas. Siberia is proper wilderness which alludes to the pureness everyone expects from a vodka. Plus it's the motherland. Nowadays there's very little cold wilderness left where you're even allowed to build a distillery, so are we just left with who has the sexiest glass?

These days the new briefs are often for French vodkas and I do blame Grey Goose for that. It's as if France has become the new standard. The not-quite-as-far Eastern Bloc. And why not? You can produce vodka pretty much anywhere and pretty much everyone does produce a white spirit of some description.

I'm waiting for the Arctic Vodka brief. An icebreaker anchored off the 79th parallel making spirit on board in clean air from molten icebergs and polar bear carcasses. And I'm waiting for the vodka pouch brief so I use less glass. And the half-gallon party drum brief for the same reason.

And, given the shame I feel whenever I see Fiji water in the supermarket – do we really need to ship in water from half way around the world? – I'm waiting for regional local vodka briefs. Made from Suffolk Winter Wheat or Kent Barley. Provenance is the new white.

But more than anything I'm waiting for one of those tabletop stills that John Glaser (Compass Box whisky distiller) has so I can just make it at home. **DI**

