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Producers push 'localness' in bid to leave vodka's origins behind

The war in Ukraine could have been ruinous for the vodka category, but brands are working hard to dispel the myth that it is a Russian-only spirit. *Jaq Bayles reports*

With many countries having placed sanctions on the import of Russian vodka, some brands have taken steps to assure consumers of their point of origin, while others have been trading on their 'localness' for a long time, helping to dispel the myth that vodka is a Russian-only spirit.

A year on from the start of Russia's invasion of Ukraine, the effects of sanctions have made little dent in the country's sales as some 95% of consumption is on home soil. But they have highlighted the fact that most vodka brands consumed in European countries and beyond are already made outside Russia.

Smirnoff, for example, had its beginnings in Russia, but, according to brand owner Diageo: "Vladimir Smirnoff fled the country during the Revolution and re-established the brand in Europe more than a century ago. Smirnoff has been in America since 1934 and today, is proudly made in the US, Canada, Great Britain, Italy, Australia, Jamaica, Brazil, Argentina, India, Indonesia and Kenya."



Tito's Handmade Vodka plays on its American heritage with red/white/blue bottle bags (left) for Independence Day and builds a feeling of community through its 'Vodka for Dog People' initiatives

Selling Americana to Americans

There is plenty of cachet in promoting a brand for its provenance, as is fully evidenced by the huge success of Tito's Handmade Vodka, credited by Allan Latts, co-president of Heaven Hill Brands, with its ability to "sell Americana to Americans" (*Global Drinks Intel*, Dec 2022/Jan 2023, p25).

John McDonnell, Tito's Handmade Vodka managing director, international, confirms that consumers are drawn to the messaging. "The message that Tito's is 'America's Original Craft Vodka' is featured in our advertising and promotion — we also prominently highlight 'Austin, Texas' on every bottle of Tito's sold around the world," he says. "And, during the July 4th period, around America's Independence Day, we offer an annual commemorative red/white/blue bottle bag."

Tito's was founded by sixth-generation Texan Bert 'Tito' Beveridge. "In the mid-nineties, on a plot of land in rural Austin, Texas, he built a 998sq ft shack, rigged a pot still with spare parts and created Tito's Handmade Vodka," says McDonnell. "To this day, Tito's is still produced there."

The sense of patriotism felt by Tito's homegrown consumers is carried with them when they visit other countries, in turn extending brand awareness.

"We have a loyal following in the US,

and when Americans travel abroad, they're excited to be able to find and enjoy their favourite vodka when they're away from home," explains McDonnell. "At the same time, word of mouth plays a large role too, so increasingly people from other countries are discovering Tito's also, and making it their vodka of choice."

"An important hallmark of our brand is supporting community organisations and charities, especially those that focus on pet welfare through our 'Vodka for Dog People' initiatives — that resonates with people across the globe, consumers appreciate and are loyal to companies and brands that give back."

Cutting historical ties with Russia

While vodkas made in English-speaking countries may have names that don't cause any confusion as to their place of origin, others have felt the need to make their positioning very clear following the Russia-Ukraine war.

"We took steps, in the immediate aftermath of the Russian invasion of Ukraine, to notify trade and consumers, that Moskovskaya Vodka is a 100% European Union sourced and made product," says Claire Li, global brand director vodkas at Amber Beverage Group which owns Moskovskaya. "Because of >>



Moskovskaya Vodka was quick to reassure that it is made in Latvia when Russia invaded Ukraine

» the brand name, it was especially important for us to explain that we are distanced from Russia.”

The group sent letters to customers and issued public statements making it clear that the vodka is produced in Latvia, using EU sourced ingredients and materials. “As a result,” says Li, “people quickly understood the message that Moskovskaya Vodka, despite its historical link to Russia, is European through and through.

“Amber Beverage Group was one of the first global businesses to announce and offer support to the people of Ukraine,” she adds. “We made a public statement about our support for our neighbours, the people of Ukraine, condemning the attempted invasion, by making donations to humanitarian organisations.

“In spring 2022, we launched a limited-edition bottle in all three Baltic countries – 100% of the profits were donated to the Ukrainian people. The initiative was part of the group’s call for peace and freedom following Russia’s invasion of Ukraine. Moskovskaya’s bottle label featured the message calling for peace and freedom.”

Top 10 Global Markets for Classic Vodka

Country	Volume 2020	Volume 2021	% Market Share 2021	% Chg Vol 2020-21	Vol Chg 2020-21
1 Russia	106,291.2	101,874.0	29.3	-4.2	-4,417.2
2 United States	67,806.7	67,883.6	19.5	0.1	76.9
3 Ukraine	27,541.3	26,653.6	7.7	-3.2	-887.7
4 Poland	24,448.0	24,846.5	7.1	1.6	398.5
5 Uzbekistan	16,432.8	15,008.0	4.3	-8.7	-1,424.7
6 Belarus	13,486.8	12,716.9	3.7	-5.7	-769.9
7 Brazil	8,175.5	8,973.1	2.6	9.8	797.6
8 United Kingdom	8,074.5	8,616.6	2.5	6.7	542.1
9 Kazakhstan	8,670.6	8,485.4	2.4	-2.1	-185.1
10 Germany	7,756.0	7,491.0	2.2	-3.4	-265.0
Rest of World	60,021.8	65,532.3	18.8	9.2	5,510.5
Global Total	348,705.1	348,080.9	100.0	-0.2	-624.1

'000s of nine-litre cases; volume figures exclude flavoured vodka

Source: IWSR Drinks Market Analysis

National brands continue focus on domestic market

But what of Russian vodka brands and their current positioning? For at least one brand, there is a strong sense that the idea of provenance remains very important within the spirit’s home nation.

Marc Torterat, marketing director for Marussia Beverages which owns Mamont,

points out that 95% of the brand was consumed in Russia in 2022 – in line with fellow national brands. “This is obviously linked to the war in Ukraine that has led to a ban on Russian vodkas in some Western markets. However, Russia was already 85% before the war as a result of a focus and investment.

“Our strategy for the first ten years »



AMERICA'S ORIGINAL CRAFT VODKA®

» of existence, has been to build a success story in the domestic market of the brand and, with 8% market share, we have achieved our ambition.”

Despite the backlash against Russian brands, Mamont continues to champion its provenance. “At the origin of Mamont vodka, we placed the provenance, Siberia in our case, at the heart of our positioning versus other Russian super-premium vodka competitors,” explains Torterat. “We believe provenance is part of consumers’ decision-making process along with other criteria, especially in markets like Russia and the East European markets where we used to focus.

“This is even more relevant for vodka that has historically speaking a birthplace, namely Russia. Hence, the decision to write the words Siberia and Russia on our bottle from the very beginning. Recently, we became more specific and now put forward the Altai region where our distillery is located within the vast Siberian region. This location does not only make sense from a production point of view, it is also consistent and appealing.”

‘Consumers want to know where and how products are made’

Becky Davies, head of commercial at UK ‘ethical and sustainable’ drinks business Ten Locks – which has Belgian vodka Mary White in its portfolio and has just launched its own brand, Pod Pea Vodka, in the UK – also believes that “provenance is so important, shoppers, just like with their food, want to know exactly what they’re purchasing and consuming”.



Edwards 1902 Vodka champions its roots as a ‘soil-to-spirit’ vodka made in England

But she is coming from a different viewpoint to that of Torterat: “This was recently highlighted by the backlash against Russian vodka brands, as it gave further proof consumers want to know where and how their products are made in order to make more informed purchasing decisions. Their purchasing decisions send a message about who they are, and they want to understand what they’re supporting.

Edwards 1902 Vodka was only launched two years ago, but its premise from the beginning has been to champion its British roots. “A big part of our story – our heritage – is that we are a British distillery, producing ‘soil-to-spirit’ vodka right here in England, with potatoes grown in fields across Yorkshire and Lincolnshire,” explains co-founder Emma Hamilton.

“We’re really proud to be producing premium vodka here on UK soil. It’s important to take people on a journey with us, ‘from soil to spirit’, educating along the way. Our bespoke bottle, made locally in the UK, does a great job of telling our story, from the moment someone picks up a bottle. The union flag plays a prominent part on the bottle itself, something that carries across our entire portfolio and is a great indication of origin, as well as telling a story on the back of the bottle.”

Being ‘locally made’ feeds into sustainability concerns

Hamilton’s point about being made locally feeds into current consumer concerns about sustainability and carbon footprints.

Poliakov, another brand with a name that could be misleading but which is

produced in France, its main market, says it “favours proximity in its distribution”. Constance Descamps, international marketing manager of brand owner La Martiniquaise, says: “The grain alcohol used in its manufacture comes 80% from French factories with wheat of French origin, the rest coming from factories based in neighbouring countries, such as Italy, Netherlands and the UK. The carbon footprint, therefore, is excellent.

“Numerous good practices are also implemented at the bottling site to limit waste, such as the recovery of rinsing water, a low ratio of material loss, and the reduction of heating consumption. Finally, work has also been done on the glassware to make it lighter.”

This is an area that’s important too for Hamilton at Edwards, who says that sustainability plays a huge part in the future of the brand. “While there are many things we’ve been doing from the start – working with local suppliers wherever possible, offsetting our carbon footprint by using solar power produced on site – there is still more we can all do to reduce our footprint further, and this is a big part of our journey for 2023 and beyond.

“The rising cost of living, and higher cost of many UK-made products can cause challenges, but these are challenges not barriers, and something we’re looking to work towards in the future.”

It would seem, then, that a sense of being ‘local’ is important in many ways to how consumers see a vodka, and a useful marketing and educational tool when it comes to appealing to current sensibilities. **GDI**



Mary White celebrates a female bootlegger who made waves in male-dominated distilling during Prohibition