



# VODKA: STILL THE CLEAR CHOICE

**VODKA IS THE LIFEBLOOD OF THE SPIRITS WORLD  
– AT EVERY PRICE POINT AND LEVEL OF QUALITY.  
NO MATTER WHAT FORM IT TAKES, IT NEVER  
GOES OUT OF STYLE.**

As a retailer, restaurateur or mixologist, you probably have been pitched on “the next great vodka.” Though other categories such as brown spirits, rums, gins and tequilas are gaining momentum, vodka is still the #1 consumed spirit worldwide. There is good reason, even if some beverage industry professionals may be fatigued with the sheer volume of vodka product hitting shelves and some trend-setting mixologists may pooh-pooh vodka drinks in favor of an all brown-spirits or all-gin-based cocktail menus. Nevertheless, in an industry where the customer is always right, much of the time he or she will request a vodka-based cocktail even if a high-concept bar menu is painstakingly put together.

To live ultimately, drink responsibly.

© 2008 The Patron Spirits Company, Las Vegas, NV 40% Alc/Vol.

Good: wheat

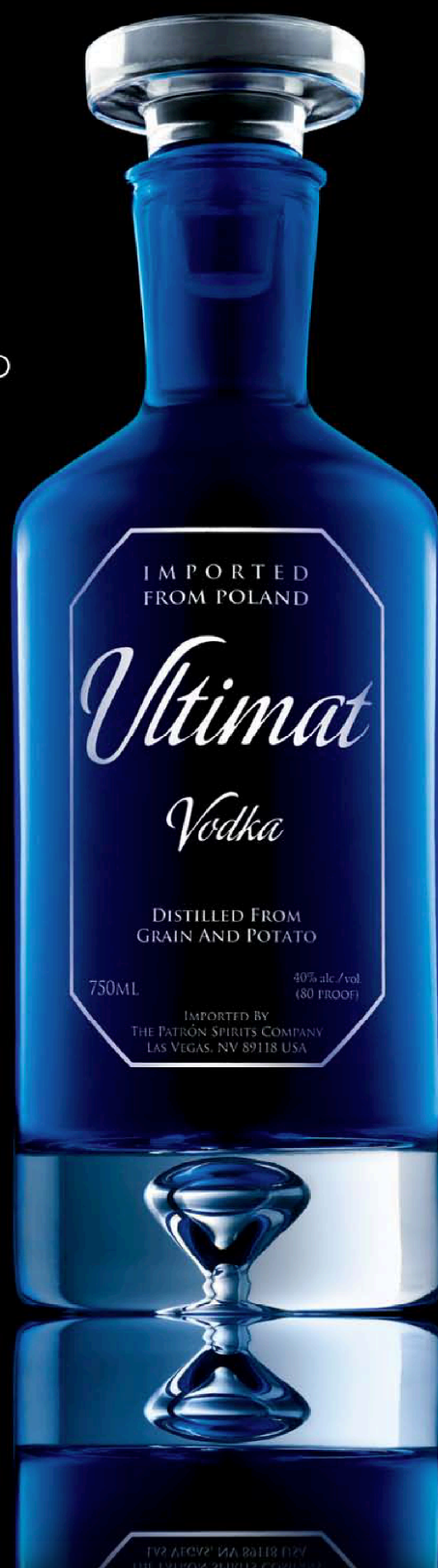
Better: wheat and rye

Ultimat: wheat, rye, and potato

This brilliant handblown crystal decanter holds the only ultra-premium vodka masterfully distilled from wheat, rye, and potato for richness, smoothness, and distinct complexity.

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Vodka's continued relevance is such an important issue in the industry that professional mixologists, even with their personal pet spirits, acknowledge that a good bartender, manager or owner needs several vodkas in his or her arsenal. Vodka is the key component to the cocktail culture that is continuing to blossom and evolve around the world. It is therefore important for anybody owning or connected with a bar to distinguish one vodka from another, as every brand featured in our list has its own personality. Consequently, once palates detect the differences between potato, corn, rice or grape-based vodkas, it becomes clear that when you change the vodka, you change the entire recipe.

"It is a pet peeve of mine, encountering the bartender who says, 'everybody's drinking vodka, therefore, I refuse to use it.'" quips Steve Olson, a mixologist of national recognition. "That's the very reason why (bartenders) have to need to know how to make vodka cocktails... everybody is drinking it. If you don't put vodka on your bar because you want to make some kind of statement, the only statement you will be making is that you are some kind of loser."

Olson presents a good food analogy of this core bar belief. If one opened a steakhouse and only served meat, he would be doing himself a disservice. Most of the most successful steakhouses, after all, include seafood and vegetarian selections. Though a bar isn't and shouldn't be all things to all people, vodka is an essential part of the bartender's repertoire. However, what's key is that you know what to do with it, how to talk about it and how to recommend different brands.

Balance and texture are the keys to a recipe's success, so instead of just looking for aromatic profiles, mixologists should explore texture, body and proof. The bartenders' job is ultimately to be service and entertainment providers for clients. Rather than making what he or she may think is the best cocktail, the real challenge is to ensure customers will have the best experience possible and will be happy and enjoy themselves.

Speaking of which, nothing verifies this fact better than a newly launched vodka-based and guarana-infused energy cooler, Mojo, aimed at young, trendy and female consumers. The Montreal-based product

(produced by Blue Spike Beverages) hosted launch promotions at high profile food festivals such as the Taste of Calgary and (according to the spokespeople conducting the tastings) the company is already setting its sites on U.S. distributors, especially in California.

In terms of what's here, meanwhile, consumers and industry people alike know that when it comes to finding their favorite vodka products, they will be navigating through a complex global village of flavor, function and versatility.

"The U.S. has been a tremendous vodka market for generations," reflects Chester Brandes, President and CEO, Imperial Brands, Inc. (which includes Sobieski Vodka). "Premium vodkas have always been part of the classic cocktail repertoire. Since the beginning, vodka cocktails like the Vodka Martini, Bloody Mary, the Bull Shot, the Greyhound, the Harvey Wallbanger and the Sea Breeze have been cocktail cornerstones."

## VODKA: CLEARLY A CLASSIC

Even if many brands in BIN's listing have come to market within this decade, the term "instant classic" could apply to many new brands either capitalizing on centuries-old distillation techniques and selection methods of ingredients, or selling trade and consumers on the concept of merging the old and the new together in distillation to create the ultimate product. More established brands in the Stolichnaya family, meanwhile, are banking on the brand's familiarity and iconic status.

As one-in-three drinks consumed today are made with vodka, Gary Clayton, Director of the North American Stolichnaya Brand Organization, observes sales for the category are growing at a higher rate than most other spirits, even during difficult economic times. "It is a spirit that created the cocktail culture and one that continues to be an important component of new drink development," he muses. "From icons James Bond to Sex & the City, and from 'shaken not stirred' to 'Make mine a Cosmo,' vodka will never go out of style."



# BLUE ICE

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BLUE ICE VODKA AND DAVINCI PUMPKIN PIE SYRUP

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## CATEGORY FOCUS: VODKA

**“There is no substitute for vodka's purity and versatility, making it the ultimate canvas on which to create great cocktails. Vodka is a perfect flavor delivery vehicle for natural and fresh-ingredient cocktails. Like in fresh, seasonal cooking, the base supports the ingredients.”**

— Melkon Khosrovian  
Co-Founder and Spirits Maker  
Tru Vodka



Melkon Khosrovian, co-founder and spirits maker at Tru Vodka, says there is no substitute for vodka's purity and versatility, making it the ultimate canvas on which to create great cocktails. “Vodka is a perfect flavor delivery vehicle for natural and fresh-ingredient cocktails. Like in fresh, seasonal cooking, the base supports the ingredients,” he affirms.

“The versatility of vodka is unparalleled in the spirits world,” agrees David Mandell, President & CEO of The p.i.n.k. Spirits Company. “Even as trends shift, vodka will most likely remain a staple in the creative cocktail culture. It is for this reason, that we launched p.i.n.k. vodka as the first in our portfolio of ultra-premium caffeine and guarana infused spirits.”

While many of the niche brands are coming into their own as modern classics, SKYY is uniting its past history and current trends to exemplify vodka's continued importance and dominance. Jason Daniel, Senior Brand Manager, SKYY Vodka, observes vodka also serves as the perfect entry point into spirits for those arriving at legal drinking age, who might be turned off by the stronger flavor profile of brown spirits.

“Vodka has solidified its place in the cocktail lexicon,” stresses Daniel. “Bartenders appreciate the versatility that allows them to create truly original cocktails that go beyond convention. Vodka's smooth, clean profile gives them the opportunity to concoct truly memorable cocktails that can appeal to a very wide demographic.”

“Mixology may be leaning towards brown goods, but Vodka sales continue to grow faster,” adds Marguerite Provandie, Associate Marketing Director of White Rock Distilleries (maker of Pinnacle Vodka). “Europe is seeing large growth in Vodka sales, even at the expense of Scotch and Gin. It also helps that consumers have a natural curiosity about new and different vodkas hitting the market.”

“In Russia, vodka is traditionally consumed straight with national cuisine. In the west there is another tradition-mixture of spirits, and the creation of cocktails. Now these traditions are merging,” notes Arsine Nazaryan, General Manager of Imperial

Collection. “In contrast to other spirits that maintain the ideals of the past, modern vodkas are aimed at the future...and it is approaching the status of being the world's ideal of a spirit. Over the years, vodka has played a prominent role in the success of bars, night clubs, restaurants and parties as the alcohol of choice.”

Perhaps the most to-the-point assessment comes from John Glover, Senior Vice President of Marketing at Castle Brands, Inc. (Boru Vodka). “It will get a lot larger,” he predicts. “There are still millions of cases of old style whiskeys being sold but that will continue to decline. Vodka is the most versatile category, and the category of choice for younger consumers.”

### ALWAYS ROOM FOR ONE MORE

“While the number of brands may eventually stabilize, there's no denying that customers all over the world like to drink vodka,” states Khosrovian matter-of-factly, “That's why the volume is as large as it is.”

Certainly, the question on every beverage person's mind these days seems to be, “What? Another vodka?” That said, Brandes points out American consumers tend to welcome new arrivals with open arms, hearts and glasses. Moreover, because its flavors are subtle, it doesn't wear out its welcome.

Clayton has observed that outside today's economic conditions, a key challenge for any brand is creating a relevant connection to its target audience. While consumers are presented with an ever-increasing array of choices, the arrival of new brands and spirits introduced complicates the market further. This past year alone, over 50 new vodka brands were introduced, according to Nielsen.

“It seems there's a new vodka being announced almost daily in the US,” says Clayton. “A successful vodka's marketing plan must effectively reflect the desires, motivations, values, and consumption habits of these changing consumer dynamics in a way that stands above the clutter. For many years, price was a driving force. Though it continues to be important, values

# Snow Queen

VODKA



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such as authenticity, heritage, and origin are playing a much more critical role in brand choice. This is something that Stolichnaya has recognized and one that we are capitalizing on."

Matt Carroll, Chief Marketing Officer at The Patrón Spirits Company, says in the case of the ultra-premium level (which includes their newly-acquired brand Ultimat), there are not that many brands competing. He is confident Ultimat will nicely fill this more upscale niche with "endless cocktail possibilities." While mixologists continue to amaze Carroll with astonishing cocktail recipes, as he sees it, the only place to start is with the best vodka available. James W. Todd, Vice-President of Sales Marsalle Company, meanwhile, credits the resurgence of the Martini and its many permutations as the reason why the market is still open for ultra and super-premium vodkas.

"Forty years ago, there wasn't even 1% of the number of mixed drinks available at your local bar that there are today," states James Goldstein, CEO of Wingard Importers, which introduced V2 Vodka. "Just ask any bartender what spirit s/he uses the most for mixed drinks. In particular to V2, other suppliers have seen the light with the potential of a premium spirit infused with caffeine, taurine or similar exciting addition." Goldstein adds, Wingard aims to keep the quality high, marketing fun and advertising responsible when carving a niche for V2. "As the category of Energy

Infused consumer products like "Pepsi MAX" and "Snickers Extreme" become more popular, so will the consumer base for V2," he concludes. "We are not trying to be all things to all consumers. There are enough Vodka-Redbull fans to satisfy our consumer base."

"In the last few years we have seen a proliferation of new vodkas from all over the world, and it has become increasingly more difficult to promote our brand," says Ronné Bonder, President & Owner of the The Hamptons Spirit Company. "We stay competitive by maintaining and expanding a strong niche as the best and most decorated brand in the marketplace with a combined 4 Medal Awards by the San Francisco World Spirits Competition."

All told, the proliferation of vodkas is still very much a marketing challenge for all brands. Currently, a retailer has access to more than 160 vodka brands in the United States. To keep its place in the vodka world, SKYY relies on the clear identity in the market established many years ago that helps to lift them above the fray. "We were able to build upon that identity in the past year through innovative marketing campaigns such as our partnership with New Line Cinema for *Sex and the City*, for which SKYY served as the official spirits sponsor," says Daniel. "We were able to take that sponsorship all the way through the line with compelling off-premise and on-premise programs that drove interest in

the SKYY brand, and more importantly, lifted sales for SKYY Core, as well as the new SKYY Infusions."

"While some companies may be cutting back on their marketing because of the slowing economy, we aren't doing that," adds Carroll. "We will continue to spend on advertising and P.O.s to support Ultimat through this economy."

Rob Bailey, CEO of Lotus Vodka, says the reason why they are competitive in a crowded field is simple: Consumers love vodka. "There is no other spirit that provides such a wide range of different cocktail menu options," he explains.

"Additionally, I think health conscious drinkers are gravitating towards vodka because there is the perception that the lower level of congeners gives rise to a lower likelihood of a hangover. Vodka also has fewer calories than some of the brown spirits, which has made it very popular with image conscious drinkers."

"Vodka is a spirit category that is being re-defined," says Marcus Bender, CEO and founder of Kai Vodka, who has noticed it is becoming as diverse as the wine category, encouraging consumers to educate themselves about the differences in each vodka and to find the one that best suits their palette. "There is strong consumer demand for old things made new again. Because of Kai's many paradoxes (potato vs. rice, tasteless vs. tasty, European vs. Asian), we have encountered many questions as to why we are considered vodka. Though 90% of vodkas are distilled from grain, most consumers still believe that vodka is made primarily from potatoes. Introducing a rice vodka requires that we not only educate them about our brand, but the category in general."

As Andrew Pfeffer, Sr. V. P. Western Division for Ice Cap Enterprises SRL, has noticed, every new entry to the category seems to have an angle necessary to set them apart from the others. It might be organic, ancient water source, or environmentally-appropriate. In the case of their Siku Glacier Ice Vodka, it is the only vodka that utilizes a unique process called Ice-Blending, in which glacier ice is combined with five-times distilled, ultra-premium

Żubrówka Bison Grass Flavored Vodka. Product of Poland. 40% alcohol by volume (80 proof). ©2007 Polmos Białystok. Imported by Marsalle Co., Franklin Park, IL.

kiss your grass goodbye



When word gets around that Żubrówka (ZOO-BROV-KA) is now available in the U.S., there'll be no keeping it around. Yes, the original bison grass flavored vodka is now available in the U.S. Considering the uniqueness of Żubrówka and the marketing efforts that the Marsalle Company is putting behind its U.S. launch, this is a brand you'll want to keep in stock, if you can.

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seductive by nature

Please drink responsibly





grain alcohol.

"Distilled in The Netherlands, Siku becomes liquid at -25°C, creating the only vodka that transforms ice directly into vodka without ever becoming water," he details. "This creates a superior product, and there is always room, even in a busy market, for a superior product. Competing with the big corporate vodka companies and their deep advertising pockets will always be a challenge for us. Also, the challenge of getting retailers/restaurants to add another item in an already saturated market that presents its own set of hurdles. Our response is working closely with retailers and restaurateurs to create custom programming and marketing "Spy on Vegas" that works for them, all the while maintaining our ultra-premium image."

## THE KINGS OF COCKTAIL CULTURE

The appeal of vodka is as clear as the spirit: versatility, which enables it overall to be all things to all people. "Mixology is all about creating great tasting drinks, and traces its routes back to the growth of vodka," says Andrea Sengara, Senior Brand Manager of

CÎROC Vodka. "Consumers first began mixing drinks as a result of the introduction of Vodka into Western Society. Cocktail culture ensued as vodka became more popular, because it was the most versatile and mixable of the spirits. That hasn't changed today, as vodka allows for unlimited creation of exciting and delightful drinks, sure to please any palette. As time passes, mixologists will always create alternatives to what is popular, but at the end of the day, all everybody is looking for is a great tasting drink, and there is still no more versatile spirit as vodka, to deliver this experience."

Consumers are not boxed into one-dimensional cocktails, but in fact exposed to an ever-increasing array of cocktails—from the very dry to the very indulgent. Notes Clayton, "it has the ability to appeal to a broad audience unlike any other category in the industry."

"It's important to remember that while sophisticated mixologists may not love vodka, drinkers still do," Bailey says emphatically. "While it's fun to make ever more sophisticated cocktails using new craft gins and bourbons, it's important that we not forget what consumers actually want. I

think it's also important to remember that at the end of the day, while mixology is an art, it also needs to be a sustainable business. We all need to learn how to make sophisticated drinks that don't put a bar or restaurant out of business."

Hamptons Vodkas are clearly tailor made for mixology. While the American vodka's original formula (100% Corn) is differentiated by the fact that it is the first product from the distillation process and is colorless and odorless, it is the perfect neutral platform for purist mixologists. The dessert-y flavors (Banana, ChocoRaspberry and CherryVanilla), meanwhile, enable truly adventurous to raise the bar, so to speak. "Word of mouth has been our greatest tool to get the word out," says Bonder. "Once the public tastes our products they become instant fans, especially as they can be transformed into a myriad of wonderful concoctions."

The same can be said about Pearl Vodka, according to director of marketing Todd Nickodym, thanks to its own mixology-friendly range of flavors. "From a line extension perspective, our strategy has been to not simply introduce new flavors, but rather to introduce new flavors that are unique, on-trend, mixable and great-tasting," he says. "Pearl was first to market with a Pomegranate flavored vodka, and we have recently extended the Pearl family to include a totally unique Plum flavored Vodka."

Todd also notes without hesitation that vodka can be enjoyed straight or mixed with practically anything, from juices to water, appealing to young and old alike. He acknowledges that when Grey Goose burst on the scene a few years ago, one would hear the young adult crowd ordering everything from "Goose on the rocks," to "Goose and cranberry," to a "Goose Martini up." However, for different reasons, his brands (Snow Queen and Zubrowka Bison Grass Vodka) are getting ready for their time in the spotlight.

"Because Snow Queen (made with organic wheat, and Artesian spring water from the Himalayas) mixes with anything, this vodka is a great entry-level spirit," says Todd. "Consumers of all ages can come up

KAI VODKA

KAI LYCHEE



# KAI VODKA

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## CATEGORY FOCUS: VODKA

**"Look at the menus in restaurants all over the U.S. and what do you see? Vodka, vodka and more vodka-based cocktails. Classic-style cocktails have been built around vodka, and vodka has replaced gin in the classics. The 'new' classics are all vodka-based."**

— Kevin Egan  
V.P. Director of Sales and Marketing  
Blue Ice Vodka.



with a drink they like mixed with vodka.

SKYY Vodka's Daniel, however, adds historic context to the vodka phenomenon, as it has not always been the cocktail culture's foundation of choice. In different eras, the honor probably went to gin, rum or whiskey.

"Vodka didn't truly gain its huge popularity until the 1980s, when the first premium and super-premium vodkas started showing up in the market," he says. "From there, the category simply exploded. Today, vodka is the foundation for cocktail culture, in terms of the sheer volume of cocktails made with it. Vodka has a universal appeal that is truly timeless. In addition, with the appearance of premium vodka products, such as SKYY Vodka, it is being enjoyed more and more straight up or on the rocks. It is the versatility that makes vodka so dominant on a global level."

"Look at the menus in restaurants all over the U.S. and what do you see? Vodka, vodka and more vodka-based cocktails," affirms Kevin Egan, V.P. Director of Sales and Marketing for Blue Ice Vodka. "Classic-style cocktails have been built around vodka, and vodka has replaced gin in the classics. The 'new' classics are all vodka-based. With that in mind, our strategy for 2008 is to increase the number of markets, maintain pricing, increase advertising and promotional spend, extend the line with an organic product and continue creative seasonal and holiday programs like our Halloween Pumpkin Pie Martini program. Many of the new arrivals in the market have a story to tell and they seem to find a niche if they are supported by the brand owners."

### AN "ELECTION YEAR" FOR VODKA

Just as this year's presidential candidates have put much of their resources to finding followings, various vodka companies are putting as much thought into steering their products toward event-based campaigns that will attract key "voters" to elect their brand.

Todd details the many events Zubrowka and Snow Queen have been involved with are often high-profile happenings involving celebrities and charities. However, he is very specific about the fact that each brand

has its own niche, and events are selected based on what type of vodka the presumed audience will be open to. Snow Queen has sponsored events and parties at the Super Bowl, Kentucky Derby, Mariah Carey's New Year's Eve bash and the Latin Grammys—all events that reach large and diverse audiences. Zubrowka sponsors more sophisticated events such as New York Fashion Week receptions, a Washington, DC-based party for the Polish Cultural Center and various black tie benefits around the country. Zubrowka has enlisted the likes of The Pro Concept Marketing Group to help them secure sponsorships with the most appropriate events matched to the vodka.

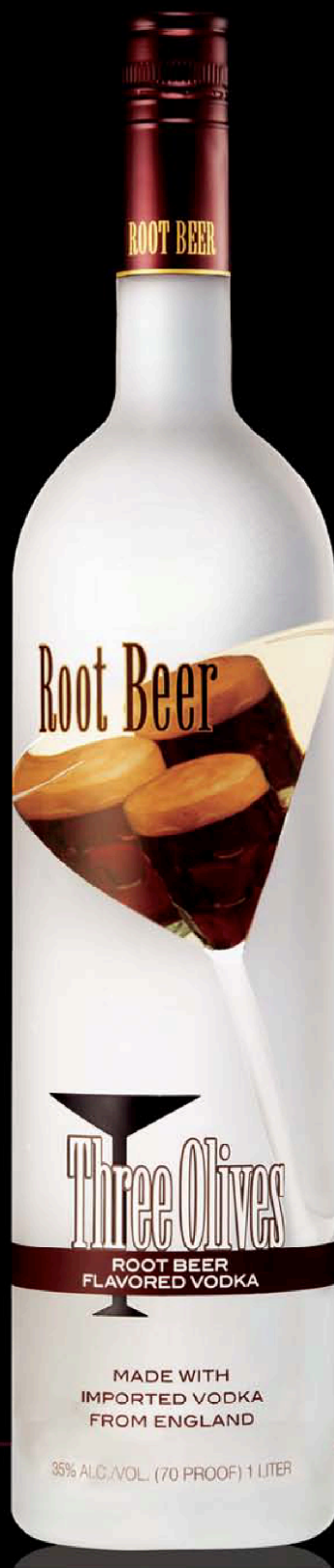
"With these two brands, it's all about being a force," says Todd. "Although right now we are happy to find our niches, we have found both brands have a tremendous budget. We are positioning Zubrowka around the country to help gain support and the cult following it has in other markets around the world. Snow Queen, meanwhile, is taking markets by storm!"

Prairie Organic Vodka, like Zubrowka, has gotten word to its targeted audience by aligning with organizations that support some of our brand attributes such as certified organic, eco-friendly and giving back to the community. Examples of this include the Fresh Taste Festival in Minneapolis and Slow Food Nation in San Francisco. In order to survive and sustain our new ground, they have deliberately looked beyond traditional advertising.

Pinnacle Vodka has adopted a similar tactic—blending aggressiveness, focus and outreach. "You've got to do what you can to be noticed in a crowded market," mentions Provandie. "Being a dominant force in the spirits industry is what we are striving for. White Rock Distilleries is the 'Vodka King' - so we are a force to be reckoned with. Aside from traditional advertising in consumer and limited trade books, we are also engaging in sponsorship opportunities, on-premise promotional parties, and 'Wild Posting' (grass root guerilla marketing) in select urban markets."

While Pinnacle's advertising efforts are prolific, with a national and very targeted

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**"A successful vodka's marketing plan must effectively reflect the desires, motivations, values, and consumption habits of these changing consumer dynamics in a way that stands above the clutter. For many years, price was a driving force. Though it continues to be important, values such as authenticity, heritage, and origin are playing a much more critical role in brand choice..."**

— Gary Clayton  
Director of the North American  
Stolichnaya Brand Organization



campaign in leading publications such as Sports Illustrated, Playboy, Time, Money, Golf, Vibe, King and Rolling Stone, Provandie says marketing and P.R. efforts play upon "the affordable luxury vodka's" distinctions—that it is an imported French vodka, offers a variety of unusual signature flavors (Kiwi Strawberry, Espresso XX, Butterscotch, Root Beer, and the newly popular Grape and Cherry), incorporates beautiful packaging and affordable pricing, and on the trade end, boasts a motivated team of distributors and a distribution network focused on the brand's long term success.

p.i.n.k. vodka, meanwhile, was chosen by Donna Karan to be the official cocktail of the launch of her new fragrance "Delicious Night." Mandel notes the recipe for the 'Delicious Night Blackberry Martini' featuring p.i.n.k., is being co-promoted on a national basis both on-and off-premise. SKYY Vodka, engaged in a campaign that tapped right into some of popular culture's current embrace of the cocktail—the sponsorship of Sex and the City. The company created a 360-degree marketing campaign that included custom co-branded advertising, a national sweepstakes, premiere parties and on-premise promotions. In another, they tapped into nostalgia and nature.

"One of the coolest aspects of the program was our signature cocktails which were themed after each of the characters in the movie," describes Daniel. "These were sold into thousands of accounts across the country and let consumers experience the glamorous cocktail culture of the movie. For the launch of our new SKYY Infusions this past spring, we rolled out our custom 25 foot SKYY Infusions Airstream RV that toured the country, introducing people to the innovative true-to-fruit taste of our newest product. Off-premise, where we couldn't sample the product, we utilized flavor strips that gave consumers a real taste of SKYY Infusions, which generated great sales in those accounts."

Boru's primary campaign, targeted to men 21-30, meanwhile is Defend the Bar Band. This indie-music based, viral marketing program speaks directly to this target audience. Last year's winner, Lloyd Dobler Effect, in turn, emerged a wonderful brand ambassador. "Boru has financially support-

ed their tour and as a result LDE travels the country in a Boru branded trailer and performs in front of a Boru-branded backdrop," affirms Glover. "We also coordinate on-premise promotions everywhere they play, where legal. With over 200 gigs this year, that's a lot of promotions. During this fall's contest, we'll hold 500 bar band on-premise promotions across the country."

In the case of Ultimat Vodka, Carroll says that the company decided on a slow build strategy, launching it in select markets (including California) and using many of the same approaches that worked for Patron Tequila. The message is clear and enticing—"Live Ultimately"—and based on the principle that in life, when one seeks out the ultimate experience, it changes his or her frame of reference, and no other experience will compare. "We're supporting the launch with on- and off- premise point of sale materials beyond most new brand launches, and have allocated for each market a separate events budget to build brand awareness in the right places," says Carroll. "We're taking advantage of every opportunity to make this one of the most successful brand launches in the industry."

In the Stoli camp, meanwhile, they have stirred things up with a new advertising campaign, "Choose Authenticity," which Clayton says is the foundation of their communication strategy, with iconography and typography inspired by Russian Constructivist art, a witty and engaging tone and attitude that reinforces Stolichnaya's authenticity and pioneering spirit.

"In 2007, we launched Stoli Hotel, which has traveled to such major metro markets as New York, Chicago, Los Angeles and Miami," affirms Clayton. It is a traveling pop-up entertainment venue, which was inspired by the historic Moskova Hotel in Moscow. With a combined attendance of over 50,000 consumers, it has garnered incredible press, major awards, but most importantly delivered a unique brand experience."

Then there are brands like Lotus, where less can be more when getting the word out on a new product, according to Bailey. "We don't think about the future too much," he states. "We just want to make an amazing product that consumers feel passionate



• Ed Phillips & Sons •

**PRAIRIE**

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VODKA

*F*rom a fifth-generation family of spirit makers in partnership with a co-op of over 900 Minnesota farmers, comes Prairie Organic Vodka.

Certified both organic and kosher, Prairie is meticulously crafted from organic #2 yellow corn that is grown near the distillery; a natural journey from the earth to the bottle. Even leftover corncobs are converted to biogas for powering the stills, and distillers grains, a coproduct of distillation, is returned to farms for reuse as feed.

All of this to craft  
beautifully smooth vodka.



— *Just Released* —

ENJOY IN MODERATION © 2008 Prairie Organic Vodka, 40% alc./vol. (80 proof). Distilled in Benson, MN. Bottled by Ed Phillips & Sons Co., Princeton, MN USA.



## CATEGORY FOCUS: VODKA

### KELLY Y GONZALEZ BLOODY MARY MIX



Internationally known for its outstanding Bloody Mary mix, Kelly y Gonzalez began providing a high quality line of cocktail mixes to businesses in the Las Vegas and surrounding Rocky Mountain states in 1973. In response to requests from several famous hotels and restaurants wanting a superior Bloody Mary mix that would be consistently excellent with each pour, our founder, Chuck Kelly, soon developed what is now the company's signature mix, Kelly y Gonzalez Bloody Mary mix. Made from a very special recipe, they use only top quality herbs, spices, tomato paste and whole peppers to produce their unique Bloody Mary mix. It is packaged "hot" off the bottling line in glass bottles to preserve the fresh taste of the ingredients.

In addition to delivering an unbeatable Bloody Mary every time, many customers use the Bloody Mary mix as the main ingredient in several of their menu items, including soups, chili's and Italian dishes. "We have one customer in Milwaukee that goes through cases of our mix, without ever serving a drink," remarks Mike Kelly, President and CEO of Kelly y Gonzalez.

A family owned business now well into their second generation, Kelly y Gonzalez's marketing strategy has always been to focus primarily on on-premise accounts, as well as smaller off premise accounts serving cocktails. This strategy has resulted in superior brand recognition. "We have a strong following of customers whose clients will accept nothing but Kelly y Gonzalez, a fact we are very proud of," explains Mike Kelly.

For more information, email [kellygonzalez@hotmail.com](mailto:kellygonzalez@hotmail.com). ■



about. Our goal is to grow the brand while being true to our ideals and what we are doing. If we just focus on doing good, everything else will take care of itself. While not necessarily innovative, we also do extensive work with charities. They have provided a great opportunity for us to reach a cool, tastemaker crowd while also giving back."

Despite Bailey's modesty, Lotus has made serious headway via internet social networks in reaching younger consumers. They recently completed a campaign with a company called AdNectar, where we enabled fans of Lotus to give "virtual" cocktails to each other. In a few short weeks we had more than 250,000 people in more than 15 countries that gave each other virtual cocktails like the Lotus mojito.

Sengara feels that CÎROC will land on top of the category by focusing its exceptional "liquid credentials" and continuing their efforts with Sean "Diddy" Combs, whom the company feels "optimizes the art of celebration." While the economic situation is a factor, the industry allows consumers an "affordable" luxury. The dream vacation and vehicle may be on hold, but consumers can still continue to celebrate life with CÎROC.

"By ensuring consumers a luxury experience, both when they are out for the evening or enjoying CÎROC at home, we will continue to add value to all of their experiences," Sengara says. "As we are re-launching this brand, it is still important to drive trial where and when possible."

### LIQUID ASSETS

For some vodkas, less is more when it comes to building brand and image. Companies like Stockholm Krystal, for example, put emphasis on their name and reputation as a good company, even though selling cases is as important a goal.

"Stockholm Krystal is a family-owned and operated company," stresses marketing director Erika Ingbrightsens. "As such, we're more focused on demonstrating our commitment to providing the highest quality handcrafted vodka in the market. As a family company, we further define ourselves

through the support of local causes and activities, and doing our part to make a difference. We have aligned with and championed numerous charities across the country that are close to our hearts and reflect our core values as a family company."

"Consumers are looking for new experiences, and many of the "mega" brands like Grey Goose have...become rather mainstream," observes Elwyn Gladstone, VP, Marketing for Proximo Spirits, whose portfolio includes the Three Olives family of vodkas. "Our goal has been to innovate with advertising, promotions and new products that make Three Olives the most innovative, fun and exciting brand of super-premium vodka on the market. The opportunities are endless, and I personally feel the vodka category will come to an end only when we run out of flavors in the world."

V2 importer Goldstein, likewise, emphasizes innovation – this brand strives to push the envelope with their marketing and focuses on content toward and audience that will embrace it.

"If it's shocking and memorable, it's worthwhile," Goldstein states. "Once people are aware of V2's attributes, we have devout consumers. We don't want to do what all the other brands are doing. As there are dozens of citrus vodkas on the market, we launched the first Mint Vodka this year, made with real fresh mint leaves. If you haven't tried our Naughty Girl Scout with V2 mint and Godiva Chocolate liqueur, you're in for a treat! The V2 signature custom '39 Zephyr is another tool for raising awareness for the brand. We also embrace many of the marketing opportunities that other premium spirits avoid such as extreme sports. We would much rather lead than follow."

According to Marsalle Imports' Todd, Zubrowka takes a grass roots approach, combined with promotions that have fun with the zu (zoo) theme. For example, they have done parties where each bar is themed around different zoo animals with drinks that coincide. Efforts like this, have enabled Zubrowka to emerge the #2 imported vodka in Japan, #3 in France and a must for many of the best back-bars in London. While the



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brand has been marketed by Pernod-Ricard in Europe, the re-positioning of Zubrowka has opened the eyes of American drinkers to the joys of Bison Grass Vodka. In contrast, Carroll says a brand can have it both ways, with a marketing goal for Ultimat to achieve high volumes in the ultra-premium sub category and still enjoy the niche of boutique brands.

No matter what the focus, Mandell argues that the consumer, bartender, server and retailers are key aspects of marketing p.i.n.k. "The customer must understand the unique properties of the product that will enable them to have their favorite cocktail while experiencing the benefits of caffeine and guarana," he says. "We've developed award-winning marketing and promotions materials that enable us to convey the most important aspects of the brand that resonate with the consumer."

Though SKYY Vodka is currently the fourth largest brand in the market, and the number-one premium domestic vodka in the U.S., Daniel explains that good marketing is a balancing act of expanding their volumes without sacrificing the core values of what the brand was built around: quality, innovation and style. "If we lose sight of any one of those key attributes, then we will lose



Top selling vodkas at East L.A. Wholesale Beverages

what makes us special to the consumer, which we simply won't do," he declares.

For other vodkas, combining messages of value and quality in just the right way to opens door for new markets. Recently, Sobieski Vodka announced that it broke all records for a newly-introduced spirit to attain its 200,000-case sales milestone. "Critics, spirits industry players and now consumers are responding to Sobieski Vodka's proposition of excellent quality, crisp clean taste and affordable price," says Brandes. "Our message is "Truth in Vodka." We educate consumers that they don't have to pay a king's ransom for a premium vodka. We encourage them to focus on what's in the bottle--namely authenticity, tradition, heritage and taste--rather than be distracted by flashy marketing campaigns and pricey packaging. Our approach is distinctly anti-hype."

## FROM THE FIELDS TO THE BOTTLE TO TOP SHELF

Sobieski Vodka also plays with other messages that convey that what's inside the bottle is what matters most. Their trade advertising and billboards targeting consumers are generating interest and excitement with provocative taglines that exemplify the "Truth in Vodka" campaign. They include: "We Designed a Bottle to Suit the Spirit Inside," "Notice the Lack of La-Di-Da." "Sex May Sell, But It Has Nothing to Do with the Making of Great Vodka," "Who Needs Superdelegates? We've Got a Whole Country Behind Us. The #1

Premium Vodka in Poland," and "The #1 Premium Vodka in Poland. Finally, an Endorsement that Matters."

While image (or lack thereof, when appropriate) and versatility play leading roles in the showcases vodka producers and importers put on to win fans, drawing attention to what's inside a bottle is just as critical.

Ingbrightsen notes Stockholm Krystal Vodka is produced by a family-owned operation, and is the result of old-world craftsmanship enhanced by the refinements of modern technology. "The original family recipe is over 100 years old," she says. "It is made in Sweden from the finest premium wheat, and distilled three times through high-rise column stills through our unique "center-cut" distilling process. We describe the "spirit" in its purest form as "crystalline essence." The essence is then filtered twice through charcoal, which "polishes" the product and imbues it with the clarity and sparkle seen in the bottle. Finally, the product is married with the pristine waters for which the region in Sweden is so renowned."

While it is important for Gladstone that Three Olives emerges as dominant force in the market, he feels how they do it is even more important. They keep a pulse on the constantly changing consumer and vodka market, and build the brand from the inside out by listening and growing with our loyal consumer while recruiting new ones on the way.

Says Gladstone, "We try not to think like other vodkas, because if you think like

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## BLOODY WONDERFUL!

Hathaway's Mixers is not just a line of mixers, but a fully-rounded concept designed especially for the carefully selected accounts...and the accounts' particularly selective customers. Though Appleton Lane has created special gourmet Bloody Mary mixes for more than a decade, the product line, with its flavor profiles and unique marketing approaches have only been around for a year. Growth is intended to be steady and carefully planned.

The Original, a superb base for the traditional Bloody Mary, is made with fresh grated Horseradish, while their Robust Bloody Mary mix features the distinctive kick of fresh pureed Jalapenos. According to Bright, the brand leaders of competing Bloody Mary mixes make their products with aseptic methods, which in turn, makes it very difficult for the full flavor of the tomatoes and other components of a Bloody Mary to come through in a way that's true to the classic. Only a hands-on approach, the Hathaway way, can address this problem satisfactorily.

Elevating the Bloody Mary mix category to a new level is Hathaway's Energy-based Bloody Mary, incorporating B-12, Taurine, Inositol, Caffeine, Niacin and Glucuronolactone. The impetus to reinvent this continuously rolling wheel, according to Bright, came from a close examination of what the energy drink market did over the last five years, and noticing its annual growth at double digit rates among the 21-35 year-old market segment. However, as Bright and his colleagues were keenly aware energy drinks had a very specific taste, they approached their chemists and asked them if they could create an energy "mix" that appealed to the youth demographic but end up with a flavor profile free from the strong medicinal flavors often identified with energy drinks.

For more information, please visit [hathawaymixers.com](http://hathawaymixers.com). ■

## CATEGORY FOCUS: VODKA

everybody else, you look like everybody else, and consumers don't need more of the same. We do flavors that no one would think of (Root Beer, Tomato, Triple Espresso), and focus on quality that no one can come close to. Consumers tell us that we are the only flavored vodka whose flavor tastes like it says on the bottle. Finally, we have an upcoming promotional and advertising campaign that is going to set us apart from the competition as a truly unique, premium and differentiated brand."

Among p.i.n.k.'s many strategies, Mandell says they are capitalizing on its unique ingredients with an exciting marketing tool called the "p.i.n.k. Energy Cocktail Menu," a separate cocktail menu or feature on an existing cocktail menu that highlights the functional aspects of p.i.n.k. vodka. "This innovative cocktail menu not only educates consumers on multiple applications of p.i.n.k. vodka, but also generates additional revenue beyond the traditional cocktail menu," says Mandell. "Because no other product can create cocktails infused with flavorless caffeine and guarana, the account can sell each drink at a higher price."

In the perspective of Gary Clayton, consumers are increasingly looking towards brands with "heritage, authenticity and a strong product story." In this case, it's the fact that Stolichnaya's heritage goes back over 100 years and is truly the authentic Russian vodka. "We were the first premium-imported vodka in the U.S. and the first to introduce flavored vodkas into the market, which launched the 'flavored vodka revolution.' We continue to introduce new flavors into the market with our most recent introduction, Blakberi. Stolichnaya Elit was the first ultra-premium vodka to hit the market in 2004. Stolichnaya is the only vodka that has the depth of history and lineage. The cornerstone of our strategy is to build upon our pioneering spirit and authentic Russian heritage."

Kai Vodka, meanwhile, has the advantage of offering consumers the "first Ultra Premium Rice Vodka" and the first "Lychee Flavored Vodka." Therefore, Bender says the Kai team shoots for accounts embracing

the product's uniqueness. Their primary objective is to allow consumers to "taste the pleasure" in Kai Vodka and Kai Lychee Vodka. They have been part of many food and wine events and have sent representatives to participate in many on/off-premise tasting events. For top echelon consumers, they are collaborating with a travel company to begin a travel package to Vietnam in order to allow connoisseurs to experience the country of Kai's origins.

Other brands single out proprietary ingredients. Kai Vodka is handcrafted in small batches with Yellow-Blossom Rice, which imparts a distinct sweetness to the finish.

Sonnema vodkaHERB offers their product up as one that gives vodka a modern twist with a historic recipe of high quality herbs and gin, imparting an aromatic hint of rosemary, thyme, juniper, licorice and wormwood. CÍROC Vodka capitalizes on the smooth, lightly sweet and supple body imparted by the natural character of grapes, even though its flavor is citrus-y and crisp.

With Pearl, Nickodym says teams supporting the campaign determine its success or failure. "While we have enjoyed success with Pearl Vodka off-premise, we understand that super-premium brands are built on-premise," he says. "We have expanded our sales organization to include on-premise sales specialists focusing the majority of their efforts on promoting Pearl Vodka in the leading vodka bars, clubs and restaurants in major metro markets across the U.S. Our on-premise representatives are focusing their efforts on gaining targeted new distribution, securing signature Pearl drink features/menus and hosting unique promotional nights."

While everybody has different opinions about vodka, one thing we all can agree upon is that there are a spellbinding number of products on the market, and just as many ways to promote them. The fact that consumers worldwide are continuing to embrace the category's new arrivals and old standbys is testament to the fact vodka still matters...and matters to the extent that retailers and restaurateurs alike need to educate themselves so they can continue to meet the demand. ■