



Consumer behav

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Manufacturers of personal care, skin care and cosmetics products, VI-John, announced their foray into the liquor business, recently. Harshit Kochar, Director, VI-John, says that the impetus of inorganic growth has driven this decision. And, this is only to facilitate a diversification from the steady and successful FMCG business with which it has gathered significant credibility for quality and affordability.

In a 50-50 Joint Venture with Mahou San Miguel, Spain's beer major, VI-John announced two of its three brands namely, Dare Devil 10000 Premium Strong Beer and Mahou Cinco Estrallas. Previously having catered to urban and rural masses alike, is VI-John yet again following the strategy of bridging the gap between the urban and rural markets? To this Kochar says, "In India there are two huge categories of quantity consumption, for beer, at the bottom of the pyramid. Simultaneously, with Mahou San Miguel, we're bringing a European standard. Founded in 1890, they are sixth largest in the world and are number one in Europe. We want to use the benefits of their brand and cover the elite class as well." And Alberto Rodriguez-Toquero, Managing Director of Mahou San Miguel is only pleased that Mahou's expertise in the beer segment has aptly intersected with VI-John's understanding of consumers in India.

Going by this broad based catering, Daredevil is priced between Rs 90-Rs 100 for the 650 ml bottle and Rs 40-Rs 50 for the 330 ml. Mahou is priced a notch higher with the 330 ml quantity variant costing anywhere between Rs 130-Rs 150. VI-John is benchmarking the lager variant amongst premium brands like, Corona while the Strong variant is slated to ace the category that currently comprises of brands like Kingfisher Strong, Haywards and the

Bullet brand under Kingfisher, amongst others.

They have also clearly segmented the target audience for both the brands. "Dare Devil will be purely bottom of the pyramid. While Mahou is meant to cater to SEC A+ and A," says Kochar.

Harshit Kochar, Director, VI-John

In this first business plan for this venture, VI

John is looking at making the brands available in North India across the states of Bihar, Rajasthan, Uttarakhand, Haryana and Uttar Pradesh. "The plan for the second year comprises of a pan India approach; this, along with opening up more breweries. Right now, we're looking at Silvassa and Andhra Pradesh amongst other locations." The heavy transportation cost, especially for beer, explains Harshit, is driving the decision to multiply the number of breweries, which can ultimately cater to the surrounding markets. Currently, VI John runs Arian Breweries as a subsidiary. And, with the current joint venture (JV) with Mahou San Miguel, the company owns a brewery located in the Alwar district of Rajasthan. "Spread over 21 acres, the plant is fully automised and has a capacity of 250 hectalitres," details Kochar. As far as distribution is concerned, he confirms that Mahou will be available for distribution within seven days in the capital while for Dare Devil, they are yet to procure a license for distribution in the capital.

VI John has tactically marketed and done well in the past by riding safely on star power. Shah Rukh Khan and Sonali Bendre have been able to garner a high degree of visibility and popularity for the brand. Refraining from naming the prospective faces for its liquor business, Kochar says, "We are talking to a few people and are looking at freezing this soon. We did finalize, but because of the controversies surrounding their backgrounds, we've had to pull ourselves back. But, we're going to seal this very soon." Currently, VI John has five brand ambassadors tucked in their kitty.

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