

Premiumisation is the key for bulk business

What makes Loch Lomond different from others in Scotch bulk business is that it can sustain supplying bulk Scotch for years. “The companies can rely on us for the consistency in their spirit thanks to our inventory base of different profiles and different ages of spirit,” shares **Andy Calder, Sales Director, Loch Lomond Distillery**, while talking to **Shalini Kumar** on one of his recent visits.



Rukn Luthra, Advisor to the Loch Lomond Group with Andy Calder, Sales Director, Loch Lomond Group

Indian alco-beverage companies’ focus on developing premium brands give bulk Scotch suppliers an opportunity to flourish in India. As a result, some bulk Scotch suppliers have already entered the Indian market in the last seven-eight years and are doing good business. Loch Lomond is one such company, which has made its presence felt among Indian companies by providing them good quality bulk Scotch.

Andy Calder, Sales Director, Loch Lomond Distillery says presently there is a change the way the Indian companies are developing new brands by mixing Scotch and producing a premium product with a good blend. “And that’s good for us,” Andy opines. “A fair degree of premiumization is happening whether it is from existing brands or new brands. This requires not just a standard type of Scotch blended malt to mix, but also needs a customised approach from us with our partners,” he adds.

On how Indian companies are different in doing business with them, Andy says, “Doing business with

Indian companies requires a very different approach.”

The company wants to work closely with firms on their taste profiles, flavour profiles and the age of the Scotch they wish to have in their blends. According to Andy, the company needs to stand out from its competitors. He confidently says, “Thanks to our distillation techniques and different still types at Loch Lomond Distillery plus owning of one of the only seven grain distilleries in the industry, have made us able to offer a wide variety of ages and styles of bulk Scotch. And with so many different flavour profiles of spirit coming from one distillery and of our own make, if someone wants a brand matched or a certain flavour, I would argue that 9 times out of 10 we can match it and that’s a great selling point.”

Elaborating on the uniqueness of their inventory, Andy says, “We are one of the best innovators in Scotland. So, if you are looking for a particular taste, we are more than capable of that. If a customer is looking for light taste, medium body, some floral notes or heavier bodied, peated, more fruity notes, we can do that. There are all

sorts of ranges in our portfolio to supply and that is why our spirit profiles are very unique.”

THREE THRUST AREAS

Though Loch Lomond has a good Scotch portfolio, its focus has been on supplying bulk malt Scotch, grain Scotch and blended Scotch to India and across the globe over the years. Now, as the market trend is changing, their business strategy is also at par. Andy shares, “In India, we are now working in three different areas –the opportunities for Bottled in India (BII), a smaller scale business for our brands (BIO) and the bulk supply. In the short term, I see our scale coming from the bulk area but we also have growing BII and BIO foothold.”

As the Indian alcobev market is upgrading itself keeping in mind the demands of well-travelled consumers, the requirement of different cask-matured Scotch is increasing.

On how the company meets client’s demand, Andy remarks, “Some companies have started asking for a certain cask-finished Scotch and although there is naturally a cost to that, we work closely with our partners on capitalising on this demand, but they recognise the reality of increased MRPs. And India is an MRP driven market, so it’s a two way thing.”

Andy is very positive about the business potential his company has in India. “We are seeing a super year on year growth for our bulk Scotch business and that is coming from both existing customers and new customers. I think we are in a good position but we know there are many more opportunities to grow and I would like to think that with all our customers/partners, we have importantly been consistent with our message, our quality and our pricing – that’s a key attribute of the Loch Lomond Group.”

SUCCESS STRATEGY

The company’s success lies in its inventory, says Andy. “The Scotch industry is very cyclical where the supply can be low and demand high. So, we have got a steady inventory, which we can sustain for our Indian customers without changing the taste of the blend frequently.”

Giving the company a robust business in India is Fermentras India, founded by Rukn Luthra, a liquor industry veteran. He is advisor to the Loch Lomond Group for the Indian Subcontinent Region. Andy admires Rukn for his efforts. “We have a good presence in India with my own visits and through Rukn. We are working closely with our existing customers and targeting new customers because we feel we understand the business and the

LOCH LOMOND DISTILLERY

They are one of the largest fully integrated Scotch distillers in the industry. They are an independent business which is important, internationally speaking. And they have two malt distilleries and one of only 7 grain distilleries. The malt distillery in Loch Lomond is the largest of the two. That is where the grain distillery sits and produces 18 million liters of alcohol a year while the malt distillery produces around 5 million liters.

Loch Lomond is a little like Charlie and the Chocolate Factory where there is magic behind the walls. They are probably one of the most innovative distillers in Scotland and that is due to the distillation techniques, long fermentation, variety of stills and how they operate their distillation. And from that one distillery they produce 11 different spirit profiles that will then be matured in mainly American oak casks, which are maintained and managed by a dedicated team of coopers. They have one of only four cooperages in the Scotch industry.

The other malt distillery Glen Scotia is much more traditional, it comes from Campbeltown which is the fifth whisky region in Scotland. So you have the Highlands, the Speyside, the Islay, the Lowlands and the Campbeltown. The Campbeltown alone has three distilleries and it’s a very historical part of Scotch. It used to be seen as the Victorian capital of Scotch whisky when 35 distilleries were in operation and now there are only three players. Glen Scotia is fortunate to have been so resilient in continuing to produce Scotch whisky.

Each Scotch whisky region has different flavour profiles and Campbeltown is mainly known for its sea salt and its maritime influences. There have been huge changes in infrastructure since they started two centuries ago. More importantly, there have been significant changes in the last three years too.

A mixture of technology, innovation & experience has allowed Loch Lomond distillery to be shaped and structured the way that best fits how they want to take the brands to the market and how they want its spirit to be produced.

market,” Andy observes.

Talking about the advantages his company has over his competitors, Andy says, “The advantage we have is that for a new product, we can customise for the customers and develop a sustainable style for them. Hence you can say that more and more new brands getting launched are with us and they are more premium as well.” 

