

## Building Sobieski

An Interview with Chester Brandes,  
President and Chief Executive Officer, Imperial Brands, Inc.

**EDITORS' NOTE** Chester Brandes is a wine and spirits industry veteran with 34 years of experience in both the U.S. domestic and international markets. Before joining Imperial Brands in January 2007, Brandes was Vice President, International Markets, at Cruzan, where he conceived and executed the strategic plan for launching Cruzan Rum internationally. From 1988 to 2000, Brandes worked for the Altia Group, and was appointed President and CEO of Finlandia Vodka Americas (Altia's U.S. subsidiary) in 1989. Previously, Brandes was Managing Director of Sempe USA and Western Division Vice President for Glenmore Distilleries Co. Before he joined Glenmore, Brandes worked at Monsieur Henri Wines (PepsiCo) where he helped in the launch of Stolichnaya Vodka in the Midwest. Brandes received his BA from Boston University.



Chester Brandes

**COMPANY BRIEF** An importer and marketer of premium spirits and wines, Imperial Brands, Inc. ([www.ibrandsinc.com](http://www.ibrandsinc.com)), is a wholly owned U.S. subsidiary of Belvédère S.A., one of Europe's largest producers and distributors of white spirits and wines. Its key imports include Sobieski vodka ([www.vodkasobieski.com](http://www.vodkasobieski.com)), Poland's number-one premium vodka and the world's number-seven best selling vodka, with sales of 2.6 million cases annually, making it the fastest-growing international vodka brand in the world. Headquartered in Palm Beach Gardens, Florida, Imperial Brands also owns Florida Distillers Co., which has two production facilities located in Florida.

### How did the development of Imperial Brands come about?

We started our company in January 2007 with three people, basically no Sobieski vodka brand awareness, and no distribution. When we started shipping Sobieski vodka in August 2007, we didn't think we'd be in a position to get first-tier distributors, but we ended up being approached by one of the leading distribution companies. We now have representation in 48 states. Our goal is to be the fastest vodka brand to reach sales of one million cases and we continue to move closer to achieving it. Sobieski sales in the first five months broke all records for a new spirit introduction in the industry.

### Are your current efforts focused solely on Sobieski vodka?

Sobieski is certainly the number-one priority, but we've got a lot of other things in the pipeline.

### In a crowded market with new brands and new flavors, and a lot of marketing dollars behind many of them, how can you differentiate and get your message out?

We're debunking a lot of myths, such as "my vodka is filtered through diamonds," "we're using water from underground wells that are 6,000 feet deep," etc. Our message is simple: "You don't have to pay astronomical prices to get great vodka." Sobieski is a real brand with tradition and authenticity. It is made from 100 percent Dankowski rye in a distillery dating from 1846. Recently, Sobieski was ranked the number-one premium vodka in a blind tasting of 108 vodka brands – the largest in U.S. history – by the Beverage Testing Institute. It was also ranked number two overall and the only other brand to score marginally higher in the tasting was an ultra-premium vodka selling at more than five times the retail price of Sobieski. So it reinforces our entire positioning. Sobieski has also earned a Gold Medal and "Best Buy" award for its exceptional smoothness and incredible value.

### Do distributors get that message? Is there an understanding that price doesn't necessarily mean quality?

Yes. Our distributors and sales force find it extremely refreshing that this brand offers not only premium quality and great value, but also marketing support. That's what differentiates us from many other brands. We come in at reasonable price points and we give the distributors good margins.

### With a worldwide brand, is there close coordination of messaging?

The U.S. vodka market is much more segmented than in Europe, for example. We've got standard, premium, super premium, and ultra premium. In Europe, it doesn't get any higher than Absolut. Brands like Grey Goose and Ketel One aren't factors there. So the segmentation message that we're using here would not necessarily resonate, because nobody is spending an equivalent of \$30 for a bottle for vodka.

### Does your market range from people looking for the finest in taste all the way to those looking for a good price?

Sobieski vodka can go head-to-head on taste against competitors that charge double or triple the price for vodka. I think we'll get some people trading down and a fair number of people trading up. For instance, we might have a person who is fed up with paying a lot of money for vodka, who realizes price doesn't always reflect quality, and we might get a Smirnoff drinker trading up to an import.

### Many brands, such as Grey Goose and Absolut, have large marketing campaigns. Are you doing advertising around the brand or is it really more about personal selling?

We have launched an integrated marketing campaign, which includes advertising, public relations, and promotions. There's been a lot of below-the-line spending to motivate our distributors and salespeople to get the brand out. We did a fairly large outdoor campaign in November and December 2007 – that was our first major consumer exposure, but this year we are launching a multi-million dollar advertising campaign. On the public relations side, we launched a "Truth in Vodka" campaign that asks consumers to look at what's inside the bottle rather than at the price, which resulted in a multi-year partnership with Madison Square Garden and other entities.

### After many years in the spirits business with numerous high-end, quality brands, what excited you about this opportunity?

I love building brands. It becomes uninteresting once a brand is big; getting it to the first million cases is exciting. The challenge to differentiate the brand in this category was just too great for me not to jump at.

### Looking a year to two into the future, what are you most focused on, to continue the impact and growth?

A huge focus for us this year is chain authorizations, getting Sobieski vodka into big markets like California and Florida and having chain-store operators fall in love with the brand, the profit they can make on it, and the value they can offer to their customers. There's definitely a financial element that needs to be addressed in order to motivate retailers and we've done that. While Sobieski vodka will remain a critical component of our portfolio, importing Marie Brizard liqueurs and the upcoming launch of our wine portfolio in 2008 will also be key for us moving forward. ●

*Sobieski vodka*

