



# Toasting India

Sharad Sethia, Director, Marketing & Sales, Continental Sales Emporium Pvt. Ltd. has come a long way since owning a bar in the Caribbean. A self-confessed vodkaaholic, who knows the finer nuances of the world of spirits, talks about the wide bouquet of drinks his company offers, an exciting new vodka launch, and of course, the India story.

*Interviewed by Nisha Samson*

**Continental Sales Emporium was established as far back as 1969, can you take us through your journey, please?**

CSE was a partnership company owned by the Marwah's. In 2003, we bought the company and converted it into a Private Limited Company. The company was previously involved in duty-free sales to embassies in Delhi. We have reduced that part of the business to almost nil and are now concentrating on sales to restaurants, hotels, bars, etc. — increasing both the size of our market and increasing sales.

We are distributing in Delhi, Maharashtra, Haryana, Chandigarh and Goa. We plan to start sales in the south and the east of India very shortly.

**Please tell us about your products, including the best selling ones from your bouquet.**

We specialise in Old World wines and champagnes—i.e. wines from

Italy, France and Spain. Though, almost every country in the world produces some alcohol, we decided to concentrate on Old World wines/ alcohol for now, given their expertise over many centuries.

We are now promoting a few specialised items (e.g. vodkas etc.) and are looking to increase our portfolio with exclusive items—this is a direct consequence of our understanding that the Indian consumer, whether buying cars, watches or liquor—remains one of the world's most discerning.

**Do you think the Indian social laws regarding alcohol are conducive to the industry's growth?**

In March 2010, US-based Nielsen Company concluded consumer sentiment towards wine was highest in India globally (Indonesia came second). It would appear that our social situation is undoubtedly conducive towards responsible consumption of alcoholic beverages.



Dan Aylkroyd, well-known actor, musician, entrepreneur and spiritualist, co-created Crystal Head Vodka with renowned artist John Alexander.

**To what extent do Indian government policies affect the growth of this industry? Please tell us how, why and what policy change can increase growth.**

Like any business anywhere in the world, government policies have a strong effect on the growth of the Indian alcohol industry. Continental Sales Emporium Pvt. Ltd. is delighted to note that the governments of Maharashtra, Karnataka and Himachal Pradesh have given part of the industry (wines) preferential treatment with a more conducive excise structure and reduced excise duties. This has definitely helped the consumption of wines by making them more affordable relative to other alcohol.

However, we believe that a similarly liberalised regime and lower duties across the industry, specifically spirits and hard liquor (which haven't benefited from



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similar concessions) will bring down prices even further for the end user, eliminating the grey market, increasing government revenue and boosting the growth of the industry as a whole.

Our company also believes that were the government to allow advertising (as opposed to surrogate marketing); this would drive both the alcohol and the advertising industry in this country. India is a world power and through improving connectivity the world is shrinking. More and more people are and will visit India for leisure and work. The world—especially the West has a culture of consumption of alcohol.

The alcohol available in India is far more expensive than the same alcohol available abroad. This is due to extremely high duties prevalent here. This must and will change, which will lead to higher consumption of alcohol.

The segment that should see the highest increase in sales will be wines and champagne as this segment is associated with affluence. The government will have to rationalise and reduce duties governing import and sales of liquor. Things are changing and will continue to do so for the better.

**Tier I cities have been up to speed with what's new, but please tell us how Tier II cities are faring.**

Tier II cities face their own logistical and supply challenges. However, it is our belief that aspirational levels are often higher in these cities than in Tier I cities and we believe that Tier II cities are markets with tremendous potential.

**Is it possible to divide favoured drinks according to age? For example: what do most 25 and 35-year-old Indians drink?**

We believe this is possible. The younger (25 to 30-year-old) group

are traditionally beer drinkers, and enjoy premixes. However, the recent increase in beer prices (in Maharashtra, for example), due to an increase in taxes, will mean that younger people will find it cheaper to move to vodka from beer—vodka can be easily mixed, it's quicker to drink, and it has a higher alcohol content. Now that it's relatively cheaper, it becomes even more attractive.

Further, social acceptance for alcohol consumption for women has grown. This has increased both wine and vodka consumption. In the case of vodka, women prefer a neutral spirit which is a lot easier to mix with juices and other beverages and so becomes more palatable for new drinkers.

Although vodka is prominent across all age groups, above 35 we see a demand for premium vodkas—largely because this segment is more affluent. In addition, this age group looks for more premium wines, champagnes and the like. It's clear that social affluence has a direct bearing on the choice of alcohol, as well as the age of the consumer. 45-year olds and above tend to demonstrate a preference for single malts.

Interestingly, wine, like vodka, seems to be universally accepted across all age groups.

**Is there a major change in Indian drinking habits over the last five years?**

Up until 2009, the wine industry in India, despite the high import tariffs, grew at 25% to 30% annually. Wine consumption is estimated at 2 million cases this year and 4 million by 2015. So yes, we are seeing changes in drinking habits—the growing demand for softer liquor such as wine, and an increasing

awareness of that product.

While the industry as a whole is also growing, we find that consumers of conventional favourites such as whisky and vodka are changing, somewhat. India has been traditionally a spirit consumption country, particularly whisky, but we are now seeing a strong growth in white spirits, and vodka in particular and a slight reduction in the relative consumption of whisky.

In addition, we have observed that wine is becoming less of a drink for special occasions and is now consumed more as an everyday beverage, which means its recreational use and consumption is increasing. The European culture of pairing wines with food, even Indian food, is also being readily adopted, which means wine is no longer a simple party drink, which again means higher consumption.

**How do you see India positioned on the international map in terms of accepting new drinks?**

Well, let's put it this way. We are aware of companies that have passed over conventionally large markets for a foothold in India. Even though sales are low at this time, relative to global consumption, all major companies believe, and rightly so, that this is a market with some of the highest untapped potential. We are very much a part of the international map for new alcoholic beverages.

**You are launching Crystal Head vodka in the near future. This vodka is known to be the purest of the pure among vodkas because of its quadruple distillation process. Can you give us a little insight into this, please?**

The entire process of creating Crystal Head Vodka is resoundingly



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**“CRYSTAL HEAD VODKA IS QUADRUPLE DISTILLED, THEN TRIPLE-CHARCOAL FILTERED.”**

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pure at heart. From the high quality grains used, to the integral avoidance of using any additives at all throughout the entire process. Hidden deep in the Newfoundland, Canada countryside is an aquifer which slowly releases the perfectly pure water that forms the heart of Crystal Head. It is quadruple distilled, then triple-charcoal filtered. It is then filtered three times through a cone of semi-precious crystals know as Herkimer Diamonds. There is no glycerine, no citrus oil and no sugar added to Crystal Head Vodka.

**It's safe to say that Crystal Head is blue-blood vodka. Can you give us details regarding its birth? Its inspiration, etc. is known, but what is that one thing that pushed the founders to create a pure vodka?**

An archaeological mystery, 13 crystal heads have been found in regions around the world dated between 5,000 and 35,000 years old. They were supposedly carved over a period of several hundred years, yet bear no visible tool marks. The heads are thought to offer spiritual power and enlightenment to those who

possess them, and as such stand not as symbols of death, but of life. Dan Aykroyd, well-known actor, musician, entrepreneur and spiritualist, together with partner John Alexander, renowned artist, were avid researchers of the legend of the 13 crystal heads. It was from this inspiration, an idea was born.

**So, is it safe to say that Crystal Head is the purest of the pure so far? Please give us details.**

It is triple crystal filtered, using Herkimer Diamonds, it has no additives, and it is a “Pure Spirit”, no glycerine, no citrus oil and no sugar. It's made with Newfoundland glacial aquifer water, some of the purest waters in the world, free of manmade pollutants, 1,000 miles from the closest city; the raw alcohol is sourced from local Ontario grown grains and is produced in Chatham, Ontario.

**You are launching Crystal Head vodka in the near future; can you give us details about this launch?**

Crystal Head Vodka will be launched in three states—Delhi, Maharashtra and Goa, within the next few months. We plan an event for the media, as well as an event

for the industry, and of course, a great big party!

This is an aspirational drink in India with only specific hotels, bars and restaurants serving it.

**Please give us details regarding the positioning of Crystal Head Vodka in India.**

Crystal Head Vodka is a luxury product, and by definition exclusive. However, exclusivity does not necessarily mean using price as a barrier—Crystal Head Vodka will remain well priced and value for money, but will be available only at select outlets—no more than say 65 venues across three states. These 65 will comprise of hand-picked hotels, stand-alone restaurants, nightclubs and high street retail outlets.

**What can India expect out of this vodka?**

We believe the purest vodka available globally will now be domestically available to discerning customers. This is vodka that has won the double gold medal at the San Francisco Spirit Awards this year (2011) against hundreds of globally renowned vodkas. Comparative sales figures show Crystal Head Vodka sold a million bottles faster in the international markets than Belvedere, Grey Goose and Chopin, and we are delighted to bring this truly exceptional and refined spirit to a country that has been thirsting for quality produce. 🍷