



INDIA: RAJIV SINGHAL CHAMPAGNE CULTURAL REVOLUTION

India has seen a spirited journey in the past few years when it comes to the alcohol and beverages industry. A more stylised and informed customer base is growing with pace and luxury spirits are slowly making their mark in the country. *Nikhil Merchant* uncorks the bubbling trend of the world famous beverage with *BRIC Magazine's* nominated Autumn Person of India, champagne ambassador, Rajiv Singhal.

Many years ago, my first association with champagne came when I took along a bottle of Moët & Chandon to a private party at a millionaire's residence in the city of Mumbai. The invite was fancy, arriving in a velvet envelope delivered by a liveried chauffeur and the dinner itself was to be a seven-course affair. Going empty-handed would have been a complete no-no in my book. It was difficult to choose a gift for someone who had nearly everything but I finally narrowed in on a bottle of champagne, which turned out to be the perfect gift as it denoted celebration for someone with fine tastes.

A Bubbling Proposition

Many years later, sipping on a glass of Krug with Rajiv Singhal, the Champagne Ambassador to India, and engaging him in a tête-à-tête, I learnt the finer nuances about champagne and its hold on current markets with an in-depth view from Rajiv himself. Wine and Champagne became a part of Rajiv's life during his student days at Yale University. His story ran similar to mine: as a student Rajiv would carry a bottle of wine whenever he was invited by his friends for a meal, a ritual he indulged in regularly since he did not know how to cook. He got lucky when he made friends with a New Haven storekeeper who taught him the basics of wine. Little did he know then that wine would become a part of his profession in the years to come.

Rajiv's history and journey into the wine world is speckled with opportunities and dream chasing, which he passionately chose to embrace. His journey started in 1996 when he became one of the founding members and secretary of 'Table de France', a wine society set up by the French Embassy. In the mid-90s, when it was a lesser known drink in India, he started to building wine culture in the scotch guzzling society and created some very unique brand neutral initiatives around wine and food, especially from France. He says: "I conceived wine education in [the style of] a proper formal classroom, delivered by decorated sommeliers who trained the first set of wine knowledgeable professionals in the country." He went on to train almost 3,000 people across wine drinking cities in India between 2001 and 2008.

Within a few years, he had created the landscape for Champagne to run rampant in the niche market of India. The Comité Champagne noted his efforts and asked him to establish the Champagne program in India. He states: "Champagne is a statement.

Over the years Champagne has built a solid notoriety in India and, within wine, Champagne has the largest share." During this time the Champagne Classroom has been the platform for the training. These classrooms were typically not commercially inclined to bring various Champagne brands into India. They were exercises in popularising wine from the Champagne region in India. "The Champagne houses look after themselves and want us to lay the groundwork for the Champagne region," explains Rajiv. "We focus on brand neutral training and communication and building loyalty to Champagne. The houses support us in what we do because it's for a common cause".

Rajiv was bestowed with the title of Ambassador of Champagne to India by the Comité Interprofessionnel du Vin de Champagne (CIVC). He went on to set up the Bureau du Champagne in India in 2008 and is quite straightforward in saying: "The mandate of the Bureau is simple – it is to inform and educate decision makers in India about Champagne and to protect the appellation.

Being the only such ambassador in India, my job is to plan promotion activities and sensitisation programs for the target market. I've created very enjoyable activities around this mandate. I enjoy Champagne, and love to share it with others."

More recently the President of the French Republic has appointed him a Chevalier de l'Ordre National du Mérite, the second highest civilian role in France that can be awarded to foreigners, in recognition of his significant role in developing the French wines (particularly Champagne) market in India.

The Fluted Elixir

Rajiv not only holds the coveted title of Champagne Ambassador, but has his fingers dipped in many other pies as well; he is also at the forefront of a private equity fund as Managing Director of Morpheus Capital Advisors, India, a INR 400 crore (£40 million, \$68 million) independent private equity fund. Extending his passion for imparting knowledge on wine and Champagne, he is also the Editor and Publisher of *Five Wine & Champagne India* magazine, which is India's first and only officially registered magazine for wine. Business commentators in *Forbes*, while since 1993 he's also been a partner at Ritu Overseas, an international trading and consulting firm. "This company is the platform for my entrepreneurial actions. I identified

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opportunities over the years and translated their potential at Ritu Overseas." In this way he has been successfully introducing luxury lifestyle brands since 1997. His recent and most unique invention has been an ice-maker called 'The Rock' which moulds 2.5 inch spheres of ice. This, he feels, "will change the way whisky buffs and other spirit aficionados will consume their drinks."

"It is this demanding consumption pattern which makes it a difficult sector to service," says Rajiv. Most Champagne houses have evolved over time, Champagne has to be made in the traditional way by ageing it for 15 months at bare minimum and, even though the makers of Champagne are loyal to the age old practices and churn out bottle after bottle of the most famous vintages loved by connoisseurs everywhere, they are not infinite. The Indian market is not very large and yet it is still not high on the to-do list of the Champenois, though it is interesting to note that the Indian market is dominated by Moët Hennessy and there are about thirty brands of Champagne that sell in India, with the latest entrants being Drappier and Cattier.

Champagne Pops into the Indian Markets

The Bureau du Champagne's records show a marked increase in the consumption and the popularity of Champagne in India, however. In 2005, around 115,000 bottles were shipped to India while in 2013 it was around 370,000 bottles. "Champagne is a celebratory drink and it does not preclude its enjoyment elsewhere, today Champagne is far more approachable than it was a few years ago". The bureau pegs the prestige 'cuvée' Champagnes with a share of around 8% in India, higher than many other countries, including the mature markets. "Our buyers need to first understand the drink to enjoy it, otherwise they will not spend the obnoxious amounts on bottles just to show off," says Rajiv, adhering to the trends set by the F&B establishments around the country for their diners. He starts with brunch, India's best sales avenue: "The brunch broke the myth of Champagne being an aperitif not to be enjoyed with food," he says. These newer trends are set to be the game changers in the consumption of Champagne in India.

Penetrating Indian markets is still a difficult task. Firstly, the markets explored are only a miniscule percentage of the Champagne markets worldwide. Secondly, the Bureau has to deal with government rules, tight regulations and customs. This brings about the spread of fly-by-night use or black marketeers, which are highly frequent and require rules to bring them under control. "India's biggest disadvantage for the spirit sector is the ban on advertising which makes it difficult for Champagne to penetrate the country's burgeoning market and, to add to



this, every state has an entry cost thus making cost the biggest obstacle." This results in low or non-availability in most states making it difficult for the Bureau to penetrate the markets to its full potential. Wine and Champagne in India usually costs lower than international export markets, making it beneficial for this nascent market and metropolitan cities. Mumbai and Delhi NCR (National Capital Region), the two largest markets today, are slowly catching on to the wine and Champagne phenomenon.

So, should we expect India's future generations to be enjoying more Champagne than today's? Well, apart from government reforms, there is no control over ownership in Champagne. As long as Champagne growers have access to the precious Champagne grapes, they can receive permission to register a brand of champagne. "We have access to more than 12,000 brands today, even if one starts to appreciate all these brands, you would need more than a few generations to exhaust the list and India has an open booming market for them".

What Champagne makers say when in conversation with Rajiv Singhal

- It is a market that has tremendous potential, but is not going to give any returns in the short run. They are investing heavily in brand building.

- India can never be a market unless the tax regime is dismantled. The customer is there, but tax comes in the way