

# Sultans of fine wines

Having made its mark as a distributor of UB Spirits, Sultania Trade Pvt. Ltd., is now seeking to make its mark in imports, warehousing and logistics. Vikas Gupta, Director, Sultania Trade Pvt. Ltd outlines their plans to Vincent Fernandes.



After having been in the business of distribution of IMFL products since 1991, the company moved on to importing of wines and spirits and is now ready to expand into warehousing and logistics. Having acquired new premises for its expansion plans, the company hopes to move in to their premises in the next eight months. We hope to take the company to the next level, says O. P. Sultania, Managing Director, Sultania Trade Private Ltd.

The company has grown steadily over the years attaining double digit growth consistently. But this has not come without a reason. Vikas Gupta, Director of the firm, attributes it to hard work beginning from the managing director which percolates down the line. This hard work has paid off and has underlined our commitment to our customers, he adds.

While the distribution of IMFL has been streamlined, Vikas focuses on the International business. We are always on the look out for unique products, exceptionally good ones with exceptional pricing keeping in mind the Indian palate, climate and food habits. Products like Asti Spumante, a white sparkling wine from Dezzani in Italy go well with spicy Indian food. It's not so dry as a Brut Champagne, he explains. For good wines at the entry level, with excellent prices, we have wines from J.J. & Cie. The cornerstone of our success has been our product strategy, distribution skills, correct interpretation of trends, indepth knowledge of markets, says Vikas. Some of their star products include Cantina di Soave, Asti Spumante, Sakes from Gekkeikan, Tequilas like Porfidion from Destileria Porfidio and El Caballo Estrella Gold & Silver. In the sparkling wines segment, the Grandials demi sec and Asti Spumante are sure winners.

But the success story is not based on right products at the right price only. The company also relies on effective distribution and more importantly on a number of initiatives it undertakes to reach out to the consumer. With the festival season around the

corner we have begun our promotions well in advance to educate the consumer, invite him to try the product and then regularly buy it, says A. M. David, Vice President of the International Division.

Most of their scotch brands from The Edrington Group which boasts of brands like The Famous Grouse and Macallan Single Malts are nearly sold out and fresh stocks are expected soon. For the Santa Carolina, Chilean wines we are offering a buy one get one free scheme at Godrej Nature's Basket, Nirmal Lifestyles and other premium stores. This promotion began well before the season and will continue till the end of the year, says David. The emphasis is on passing on the benefit to the end consumer, he points out. There are also special offers on their Pinot Noir Brut Rose, a pink sparkling wine from Duc de Raybaud and J.J. & Cie wines.

At the retail level, we are offering sake glasses on packs, champagne glasses for our French Sparkling Wine, Granddial Blanc d Blancs demi sec from the House of Les Grands Chais de France and the Pinot Noir Brut Rose. Says David, we are also offering special custom made imported French wine openers with our Amarone and glass stirrers with our Porfidio tequila. In order to connect with our consumers we are also disseminating product information and brochures.

To further enhance the spirit of drinking tequila, the company invited the owner of Porfidio, their star tequila brand, Mr. Martin Grasse to conduct special training sessions at 20 select on premise outlets. We have also conducted SAKE training sessions, chips in Vikas. The idea is to familiarise our customers with our products from the Gekkeikan Sake Company Ltd. and also update them with latest hospitality trends. For instance



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we are associating with The Institute of Hotel Management to provide theme Japanese dinners specially prepared by a Japanese Chef flown in to educate the students on some of the rudiments of Japanese cuisine and its pairing with Sake. Indian food also goes well with Sake, says Vikas.

Sultania Trade is also associating with Festa Italiana to promote its Italian wines from Cantina di Soave. These include a Soave DOC 2005 – white wine, Soave Classico DOC 2007 – white wine, Bardolino DOC 2007 – Red Wine, Bardolino Classico DOC 2007, Red Wine, Valpolicella DOC 2005 – red wine, Valpolicella Superiore DOC 2004 – red wine, Amarone della Valpolicella DOC 2005. They also have a Grappa Classica from Mazzetti Di Altavilla and sparkling wines from Dezzani.

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But all the company marketing efforts are not without their challenges. The company has grown exponentially and now has a 100 crore plus turnover. Its IMFL distribution division easily averages 50,000 cases per month. Once we move to our new premises and add new brands and beers to our portfolio, we should easily touch one million cases, says Vikas. But despite the growth our margins are getting eroded because of rising costs. We are unable to sustain the profitability vis-à-vis growth. The biggest challenge are government regulations and taxes. The dismal infrastructure is also trying our efficiency and effectiveness. Rising overheads are also adding to our concerns. However Vikas is also concerned about attrition. The call centre boom has weaned away their sales people, drivers and even labourers. I am now hoping the economic melt down will somewhat arrest this attrition, he says. Another challenge is also from the

trade which is not at all relationship based but need based. It is totally profit centric.

The high duties also mean that there little resources for promotion. Mumbai being the cynosure of all eyes, the government should rationalize duties which in turn could boost government revenues. The government should also offer a level playing field, opines Vikas. Horeca needs to have fair pricing. Hotels should not charge more than 100 per cent of retail price, he says. Hotels could be hurt by the melt down and right pricing could increase the consumer base and contribute to revenues. As the Indian consumer gets more and more adventurous he is no longer opting for tried and tested menus. The consumer is king. Let him decide, says Vikas.

The recent down turn and change in excise policy has hurt the industry. The government has lost revenues for nearly three months as all imports have been put on hold. If the government was not to rationalise duties then the winner would be alternative sources.

For Sultania Trade, the show however goes on. Its ambitious plans, sound product strategies, effective distribution, strong sampling and above all good fundamentals has enabled the company to grow and perhaps bring cheers all around.

