



Tequila

sunrise over India

The national drink of Mexico and its now making big inroads into India. Tequila is the in-thing with India's growing population of young drinkers and it's only recently that the consumer is getting a taste of the range of a product which has metamorphosed from an 'outlaw beverage' to a premium prince.

Over the last few years, sales of ultra-premium and super-premium tequilas have skyrocketed, increasing by close to 30% worldwide. Amitabh Joshi takes a look at India's 'tequila sunrise'.

It's a hard-hitting drink. While there are close to 900 tequila brands worldwide with an estimated 10 million-plus case consumption, in India there are only a handful which have made their entry. These include Tequila Corralejo, Sauza, Jose Cuervo, Casa Noble XXX, Voodoo Tiki Tequila, Camino, Sierra etc.

India may have consumed close to 15,000 cases last year, but the market is growing rapidly and set for a boom.

However, as Sanil Manocha, Joint CEO

of Two Friends, leading marketers of niche products, puts it: "The tequila market in India is too fledgling and undefined to really put in any reliable numbers. There are only third party assessments."

Manocha's Two Friends company is a pioneer of sorts, having brought in the Corralejo tequila way back in 2004 when the market was nascent.

Corralejo found its way into select outlets, premium night clubs and five star premises and is today a well-known brand

among tequila aficionados in India.

"We were successful in segmenting a market which hadn't yet formed in essence", says Manocha. Across the country, Corralejo heralded awareness in the trade and among consumers as a premium tequila. It sells in variants for between Rs 4,000 to Rs 6,500.

The specialisation within the brand category is impressive and indicative of the seriousness with which tequila has entered the Indian market. Corralejo offers Blanco (unaged silver tequila), Reposado (six month

aged pale gold tequila), Triple Distilled (Aged gold tequila distilled three times) and Corralejo Anejo (one year aged pure gold tequila).

Another popular premium brand with them is Viva Mojo tequila, which has proved quite a hit with night-clubbers. Viva Mojo is an “Oro” Gold Tequila priced very reasonably for cocktails, especially frozen Margaritas. It is a Blanco tequila mellowed by the addition of colourants and flavourings like caramel.

It's not about numbers and volumes right now in India's tequila business. What's significant is that the advent of tequila, particularly premium tequila, has heralded the new face of Indian drinking culture.

From a time a couple of decades ago when consumers fawned over anything called Scotch and had seen tequila only in Hollywood movies, India's drinking generation has come of age.

This is thanks mainly to globalisation and the emergence of a savvy, cash-rich younger generation of working Indians and not to forget, the eternal elite population. Which is why the price range for some of the more sought after tequilas now ranges between Rs 1,500 up to Rs 7,000.

The market for Tequila is growing at 25 per cent annually, and is projected to grow by at least ten times over the next ten years

According to some industry experts the market for tequila in India could 'potentially' be 250,000 cases. But this could be a far cry from actual numbers. However, as this article pointed out earlier, the numbers are nebulous. What is for certain is that the market for Tequila is growing at 25 per cent annually, and is projected to grow by at least ten times in India over the next ten years.

Considering that tequila has been the only category to make sales gains worldwide, this trend is not surprising. According to a website, in its first 18 months of marketing in India, Jose Cuervo saw sales jump from 1,500 cases to 10,000. It then set itself to sell 50,000 cases by 2010. (Tequila: In Search of the Blue Agave)

Tequila, as the name suggests, is a hard-nosed spirit which often gives rise to associations of machismo, fun and flair. The very rawness of the liquor is its appeal and as premium tequilas have developed over time - a fan following has emerged. No wonder then, given India's rapidly expanding population of young people with drive, ambition and a zest for life, tequila is hitting the spot.



“Over the past five years, Tequila has been growing with the younger generation taking to it rapidly. But I believe that people in India still just want tequila and do not usually check on the brand. For them, tequila is a brand”, says Puneet Ralhan of Agnetta International India, which imports Casa Noble and xxx Silver and Gold tequilas. Among the tequilas, xxx Gold, priced at app Rs 2,000 plus in Delhi, xxx Reposado & xxx Silver Tequilas are bottled in Mexico. There are also a class of Premium tequilas in xxx Casa Noble Anejo, priced at app Rs 7,000, xxx Casa Noble Reposado, priced at app Rs 6,000 & xxx Casa Noble Crystal, priced at app Rs. 4,000.

Ralhan has a case in point. The variety and quality of tequila is still a mystery to many. The fact that it's no longer confined to a drink of shots anymore but has become as dynamic as scotch is for the most part missed. You now have aged spirits which are

priced accordingly.

“On the high end we are selling luxury tequila with Casa which is a sipping tequila; But we’re still in the process of educating people with regards to this”, Ralhan says.

The company is pushing the tequilas with promotions, pairing it with Mexican food festivals, cocktails and various other promotions.

“We try and run to introduce XXX to people, since it’s a young product and the name is also catchy, which helps”, says Ralhan. So far, he reports, who ever has tried it has given an excellent response.

Even then, it’s a specialised and long-haul field. In one year, the outfit passed on 500 cases due mainly to the fact they were operating only in a very few states.

The promotional aspect of pushing tequila cannot be underscored. With India being swept by a pub culture and image-savvy consumers, some of the top companies are focusing heavily on event based marketing.

Take Beam Global, for example, whose Sauza tequilas have hit the market with a bang. Neeraj Kumar, Director, Marketing at Beam Global India, says that tequila as a product is mostly seen as a celebration drink - something to be enjoyed in groups. “It’s like a one round of tequila in between your drinking idea”, he says.

The Agave Mystique

Tequila is an agave-based (a succulent cactus-like plant) spirit made primarily in the area surrounding the city of Tequila, 65 kilometres northwest of Guadalajara, and in the highlands of the western Mexican state of Jalisco.

The volcanic soil in the region surrounding Tequila is particularly well suited to the growing of the blue agave, and more than 300 million of the plants are harvested there each year. Mexican laws state that tequila can be produced only in the state of Jalisco and limited regions in the states of Guanajuato, Michoacán, Nayarit, and Tamaulipas.

Tequila is most often made at a 38–40% alcohol content (76–80 proof), but can be produced between 35–55% alcohol content (70–110 proof).

Tequila is usually bottled in one of five categories - Blanco (“white”) or plata (“silver”); white spirit, un-aged and bottled or stored immediately after distillation, or aged less than two months in oak barrels;

Joven (“young”) or oro (“gold”): un-aged “blanco” tequila, blended with rested or aged tequilas, and often with caramel colouring, sugar-based syrup, glycerin, and/or oak extract added so as to resemble aged tequila;

Reposado (“rested”): aged a minimum of two months, but less than a year in oak barrels

Anejo (“aged” or “vintage”): aged a minimum of one year, but less than 3 years in oak barrels;

In March 2006, another category was established called Extra Anejo (“extra aged” or “ultra aged”) which is aged a minimum of three years in oak barrels.

“Tequila as a product is mostly seen as a celebration drink - something to be enjoyed in groups.” - Neeraj Kumar

While the shot concept in India is gaining popularity, cocktails like Margarita are evolving. In fact, the Margarita is overtaking vodka-based cocktails. (The margarita is said to be the most ordered cocktail in the world, with more than twice as many orders as the next closest drink, the martini)

Beam has also been organising Sauza tequila festivals all over the country, also in conjunction with Hard Rock Café. The product is doing well in metros and it’s yet to penetrate non-metro markets but its picking up. It’s particularly favoured in the East and north east markets.

The sense of fun, adventure and even danger associated with tequila has really pulled in the young drinkers and die-hard rockers. The bartenders at these shows are dishing out signature Sauza Tequila shots like tequila shots with a dark chocolate, tequila shot with chilled grape etc.

“What sets it apart from other white spirits in taste and effect is that it’s refreshing, unexpected and not stuffy, says Neeraj Kumar.

Beam is now looking at other Variants- Frozen shots for India. Margarita mixes are on the anvil.” We see our tequila as a good source of growth in India for Beam”, remarks Kumar.

To cap the present campaign, Beam has even introduced limited edition packs for



Sauza, which it says is the world's fastest growing premium tequila brand. The offering comes with special tequila glasses and innovative shots and cocktail recipes.

The packs will be available across key states in India and are priced at around Rs 1800.

In Indian pubs, like in many other countries, a single shot of tequila is often served with salt and a slice of lemon. It's called 'tequila crude' or 'lipshoot-suck'. The drinker moistens the back of his or her hand below the index finger and sprinkles the salt. The salt is then licked off the hand, tequila is imbibed and the lemon quickly bitten.

The whole mystique behind this fashion of drinking has caught the imagination of the country's metro pubbers and it's even followed at private parties. The real challenge now is for tequila to surge forward and properly penetrate the upscale markets.

But availability and awareness are still a problem. In Mumbai, for example, Vikas Gupta, Director, Sultania Trade Pvt. Ltd, which sells Voodoo Tiki tequila, says the market is around 100-150 cases per month



The spirit of Tequila

Agave Spirits are made from the Agave plant, a perennial, xerophyte plant, which belongs to the family of agavaceae, same as the Aloe Vera and Century Plant. Its appearance is the same as the Aloe Vera plant, but is only 10 times bigger (50 kilos on average).

Long before Spain conquered its future American colonies, the native Indians in the Americas engaged in the production of fermented agave wine, known as pulque. The Spaniards brought with them to their colonies distillation technology, which they in turn had acquired from their former Arab conquerors.

Thus agave spirits were born in Mexico and Venezuela. In Mexico, agave spirits were initially known as "Vino de Mezcal" followed by the name of the region. The production of agave spirits was confined to semi-clandestinity until Mexico and Venezuela gained independence from Spain in the 19th century, due to Spain's export push of Spanish brandy into its colonies. Up to date, Spanish brandy is the spirit of choice of the upper class in Mexico.

After independence from Spain, the consumption of agave spirits in Latin America was socially confined to the Indian or black peasant farming community, as European products were still considered to possess more social cache than native agave spirits.

The biggest production explosion push period of the agave spirits industry in Mexico occurred during the Age of Prohibition in the United States, when Whiskey factories were closed down in the United States and consumption of whiskey substituted in the Southern and Western United States with agave spirits which was smuggled across the Rio Grande.

Dr. Weber, a German scientist, is historically credited with being the first person of having properly researched and classified most agaves plants in the Americas during the first decade of the 20th century, and is thus being considered the actual grandfather of today's modern agave spirits industry. In his honour, "Blue Agave" is actually known to botanists as "Agave Weber".

Tequila Cuervo, owned by the Beckmann family of German decent, is historically credited for having created the brand awareness for the tequila name after WW II in the United States and subsequently throughout the world.

Austrian Martin Grassl, owner of Destileria Porfidio, is historically credited for elevating the tequila category from a working class drink in Mexico and college firewater in the United States to a socially acceptable spirit with the same quality attributes and price level as the finest Single-Malt whiskies and Cognacs through the introduction to Mexico of new quality production techniques and their application to agave spirits in the 1990's. And thus the ultra premium Super-Jalisco agave spirits category was born.

The future and international dimension of agave spirits is unlimited in terms of the agave being one of the few industrial crops which do not require irrigation and water and is thus ideally suited for cultivation in most hot semi-desert environments anywhere in the world.

High quality agave spirits are naturally aged, just like any high quality spirits. These naturally aged agave spirits are identified on the label as ANEJO. Low quality "brown" agave spirits are not naturally aged and are defined on the label as GOLD. Tequilas like Porfidio Super-Jalisco Anejo is naturally aged in virgin oak barrels.

Most commercial, mass volume spirits are blended spirits. Blended Tequila, simply known as "Tequila", is always made, by legal imposition, by means of a "Warm Blend" of Blue Agave and molasses (and increasingly also corn syrup)

- Vincent Fernandes

but is improving. Earlier trends were almost entirely towards cheaper tequilas but now there is a 10 per cent shift to premium tequilas like Porfidio and Voodoo Tiki.

Cocktails are the favoured options with martini slushes being very popular. "But Price continues to have a slight say

in the sale of premium tequilas especially in these recessionary times", says Gupta. He, however, would like to urge connoisseurs to sing the words from the song "Pour me another tequila, Sheila".

And it looks like Sheila will do exactly that with economic recovery appearing on the horizon. 🍷