

market is gradually changing. India is moving towards consuming fine drink, but only in very small circles and very slowly. In markets abroad, it isn't considered luxury when someone drinks Single Malt or orders a glass of Champagne, but here in India it is. I think one way to look at the difference is like this. Perhaps we look at Champagne as luxury but in developed countries more people have access to Champagne and for them luxury is a higher category brand within the Champagne category.

Our perception of luxury drink is a little skewed here in India when it is entirely possible that ordinary brands get pushed into the luxury segment because of the high duties prevalent. Even in different markets within India, what defines luxury differs. Gurgaon is cheaper than Delhi and Delhi is cheaper than Mumbai, for example.



In certain circles, the finest brands are consumed at homes and parties, whether it is whisky, vodka or wine. Most of the time, these brands are not sourced from regular retail but from the grey market or from airport duty-free stores. The people who understand and drink luxury are the ones not necessarily paying what the Indian government wants them to pay. Why would anyone pay more for the same brand through legal channels if they have the ability to buy a bottle or two every time they travel?

We also have our fair share of people who opt for luxury not because of refined taste but perhaps because of a couple of other factors.

One, the money isn't theirs. Corporate expense



Luxury brands are setting up shop in India to cater to buyers

accounts allow for people to spend far higher than their regular budget. The other day, and this is a true story, I watched two men order a bottle of Dom Perignon Vintage Rose at the Harbour Bar at The Taj in Mumbai because one was entertaining the other. Both worked for companies, clearly had expense accounts and neither could pronounce the name correctly or even understand what vintage meant. They bought it because it was expensive and because of the salesmanship of their server. I wondered if they were to spend their own money, what would they have ordered.

Two, social status and perception. In India we take this to whole other levels. Hosts of weddings and parties have an image to maintain and will order and serve the finest. I am often in the company of people who make their choices purely based on price. The more expensive it is, the better it is. Trust me, brand managers at beverage companies thrive on this attitude and are even more eager to wrap the term luxury around everything. Of course we do have a lot of consumers who actually value the taste and history of a well-made drink.

The one industry seriously benefiting from India's quench for luxury is the grey market. On one hand, India's excise departments want to make more money from excise collections, but on the other, they make it so expensive that people look for other means to source the products.

So where are the real centres for luxury drink consumption? Hotels, of course, but I think that's more driven by the business and leisure tourist. I think most people drink very well at home and move on to a cheaper option when out. Private membership clubs are also another fantastic center for consumption where prices are kept very low.

The psychology of the Indian consumer also needs to be looked at. We will spend lavishly on weddings, birthdays, jewellery and watches, but when it comes to alcohol, we are not so open handed. But everything's changing – you can see it unravel in front of our eyes. Bars are getting slicker, restaurants fancier and more and more brands are being launched into the country. Luxury brands are setting up shop to cater to buyers now, but more importantly, also to the buyers of the future.

I think we're poised. We're on our way. I have always dreamt of a day when the pleasure of great drink and divine food is not for the privileged few but for anyone looking for a great time. ●●

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