

J'noon for wine

Fratelli's premium wine is expected to put India on the global wine map



Right from inception almost a decade ago, Fratelli Wines has set itself an ambitious target -- to create a product of truly international standard but one that was made in India using centuries-long Italian wine-making traditions. And, oenophiles in India's rapidly growing wine culture would readily agree that the target has already been met.

Fratelli is India's second-most widely distributed wine. In 2016-17, its sales stood at 172,000 nine-litre cases in terms of volume and 65 crore in terms of value. In the current year, the target is to grow 40 per cent in volume and 50 per cent in value from the last fiscal.

Right now, however, Fratelli is in the news for other reasons. In 2015, it forged a partnership with premium French winemaker Jean-Charles Boisset, or JCB (a second-generation winemaker and president of Boisset Collection, one of the biggest French winemaking groups, and one of the most influential voices in the sector), to import some of its labels into

India. It also imports about 40 other brands, including Fortant and Mullineux. 'We feel Indian consumers do not have the attachment yet to just one brand,' says Boisset. "The key is to get India to drink wine. I believe India is absolutely ready for it, because it has one of the most sophisticated palates. People are used to a sense of aroma." As for Indians shifting from the popular brown spirits, he says, "I really believe people will want to go up to the pyramid of flavours."

More significantly, Fratelli and JCB have collaborated together on launching J'noon brand of wines, one that is expected to considerably raise the profile of Indian wines globally. "It is truly a first testimony of the potential Indian terroir holds on world stage," says Kapil Sekhri, managing director, Fratelli Vineyards. "JCB, with its wines present in over 60 countries, is known for quality. The target is to

truly put India as a country in the radar of wine aficionados!"

J'noon has been launched in red, white and sparkling (JCB No: 47 -- the number is a tribute to the year of India's independence) varieties, each with just 2,400 bottles, priced ₹4,000, ₹2,500 and ₹3,500, considerably above the average price points for wine in India. Yes, it will retail in select outlets, largely in top hotels. "We have done it because it's the first luxury wine brand that we are trying to make," says Sekhri. "When we say luxury wine brand -- it's ultra-premium in quality, packaging and positioning. We do not want to flood the market with the brand. We want to go to select outlets, where we know the temperature control is being done which not every retail shop in India can respect, you know, how the wine has to be stored."

Sekhri is open to collaborations with hotels for J'noon.



“We are open for partnerships in the right touch points, where the brand gets amplified, but we are also trying to create a more direct way that we would like to encourage the direct consumers who taste the wine. We have a marketing plan to come up with the J’noon experiences. As more and more people come, they can start reserving what we are making so that we come directly to homes. It’s not that we’re restricting any or saying ‘no’ to a channel, we are just restricting the supply control.”

Boisset is unfazed by the fact that India is still not largely a wine-drinking country. “Choosing wine to come to India would probably be the last thing most of the people would do. They would come for fabric, for texture, for fashion, for high technology -- they would come for everything but wine, because wine is the longest return you can possibly imagine on your emotions, senses and time, but I felt wine is what we do. I think, in India, it’s only going to be the beginning. I feel Kapil and his team and all our team is engaged on India, which is important as well.”

A remarkable journey

Fratelli was set up in 2007 with an initial investment of 35 crore. The company was formed when three sets of brothers — Kapil and Gaurav Sekhri; Ranjitsinh and Arjunsinh Mohite-Patil; Andrea and Alessio Secci -- and Tuscan winemaker Piero Masi came together in this venture, delving into rather uncharted territory.

In 2010, the first vintage year, Fratelli (which translates to brothers in Italian) produced 30,000 litres of wine. Looking back, Sekhri says he would not have entered the wine business, if he had known what it entailed. “It’s just so difficult, requires too much patience and a lot of capital.” They stuck to it, however, and the results are today there for everyone to see.

Fratelli employs about 500 people directly in the company and the vineyard, which is spread across 240 acres in Akluj, about 300 km south-east of Mumbai. It has more than 20 different kinds of wines and sells in 16 states.



Kapil Sekhri, Co-founder of Fratelli wines with Jean Charles Boisset of Boisset Collection

Fratelli is also available in the UK, Japan, Italy, Denmark, South Africa, Australia and Hong Kong. For now, the founders’ idea is to continue working without thinking too much about margins and growth plans.

Fratelli’s current Indian investments stand at \$10 million. According to Sekhri, three-fourths of Indian consumption is skewed in favour of red wine, followed by white wine. While Fratelli’s domestic wines are sold at 700 to 2,000, international brands start at 1,500 and go up to 5,000.

Wine production in India is expected to reach 18 million litres this year and 21 million litres by 2018, according to an Associated Chambers of Commerce & Industry of India study. “Clocking a CAGR of about 20 per cent, wine consumption in India is likely to reach 22 million litres this year and about 37 million litres by 2018...,” the study said.

Euromonitor show that sales of spirits will grow at slower than 2 per cent CAGR in India during 2015-20, with beer moving at 5.7 per cent. Wine is expected to outpace both at about 15 per cent.

International wine traders are increasingly eyeing India as an explosive high value market, says the India

Wine Market Outlook-2021 report. Indians traditionally prefer liquor with a higher percentage of alcohol, such as whisky, when compared with consumers in western countries. “But changing habits of Indians in drinking have altered fortunes of the wine industry.

The prospect of wine consumption in the country is positive,” it said. “If the things go the way they’re going, I see that the consumption of wine will continue to grow, which is growing at about a 15-20 per cent CAGR,” says Sekhri. “But I think it’s really going to probably take another 10 years for it to really explode.” Fratelli sells about 60 per cent for retail and rest in distributions, on a par with the sector in India, he points out.

Sekhri feels it will take five years for Fratelli to become comfortable with free cash flows, when it can invest more freely in projects that need to grow inorganically. Given the rapid growth, in value and perception, Fratelli is on course to make the best wine, not just in India, but possibly the world. And Boisset is nothing if not a great ambassador and skilled marketer for wine. “Wine is culture, wine is tradition, wine is heritage, wine is history, wine brings the world together.” With such an ambassador, J’noon should expect considerable attention, once it is launched in the US in summer this year.

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