

Kristal Spirits India Pvt. Ltd



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About Kristal Spirits



Kristal Spirits India Pvt Ltd (KSIPL) is engaged in the marketing and manufacturing of International liquor brands in India. A company, set up by liquor industry professionals, it aims to bring world class, premium quality spirits for consumers in India. It markets brands in various categories through its distribution network, operating in various states across the country.



About Kristal Spirits



Kristal Spirits India Pvt. Ltd. is in business of Manufacturing, Sales, Distribution and marketing of International liquor brands in India. Kristal Spirits is formed by 1st generation entrepreneur having 22 years plus of experience in handling premium brands in the industry.

Values

- Provide highest quality and service to our customers.
- Commitment to maintain the quality and integrity of products.
- Be a great place to work with positive working environment.
- Aim for continuous improvement in what we do.
- Encourage individual contribution and responsibility.

About Kristal Spirits



Kristal Spirits India Private Ltd., the company launched in 2013. The Company, with a strong sales & marketing experience of its two promoters, backed by manufacturing tie-ups, creation of distribution network, agile sales & marketing team, has in a very short time already launched 02 brands to-date. The pride of the company being the launch of Fashion Vodka from the house of FashionTV.

Successfully launched “OAKWOOD CREEK” whisky in NOV’16 in premium segment, having won THREE awards for Best Packaging, Best Bottle by “SPIRITZ” Magazine and in Tasting award category won best Canister award from ‘AMBROSIA” magazine, is not only being well appreciated by Industry, customer but also by consumer of Punjab, CG and Delhi in its first phase.

Kristal Spirits further plans to extend these brands to 16-17 states in India and launch ONE more brand—Red Code WHISY IN DELUXE category, One Vodka in Deluxe category with one Whisky & one Rum in prestige category. The Company is looking for a strategic partner as distributors / sales promoters.

Vision & Mission



Vision

Kristal Spirits aims to become a respected midsize spirits company in India, providing qualitative products to Consumers.

Mission

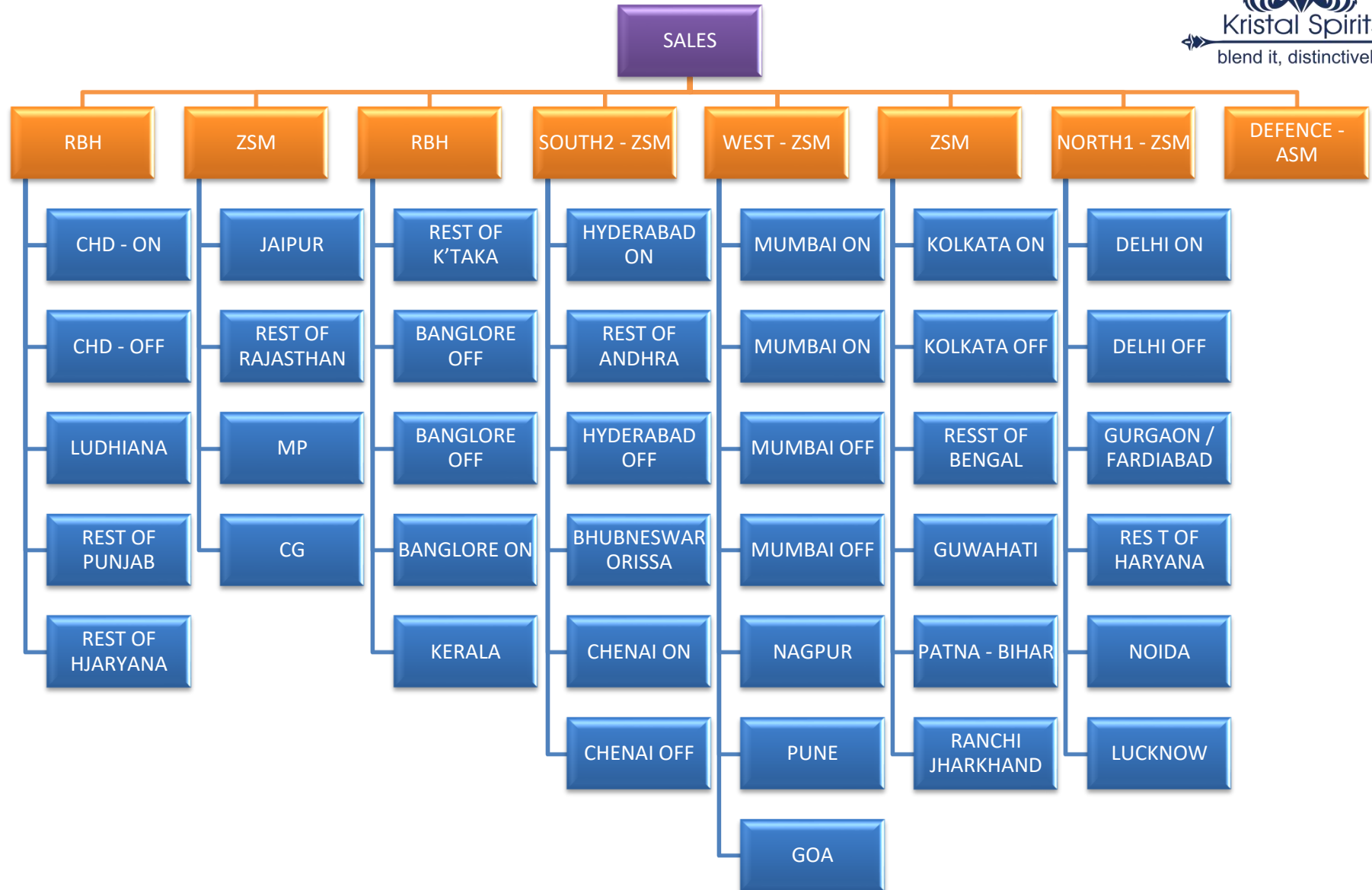
Kristal spirits mission to deliver the world class alcoholic products to customers and consumer with quality & pace through a strong dedicated team of professionals

Objectives

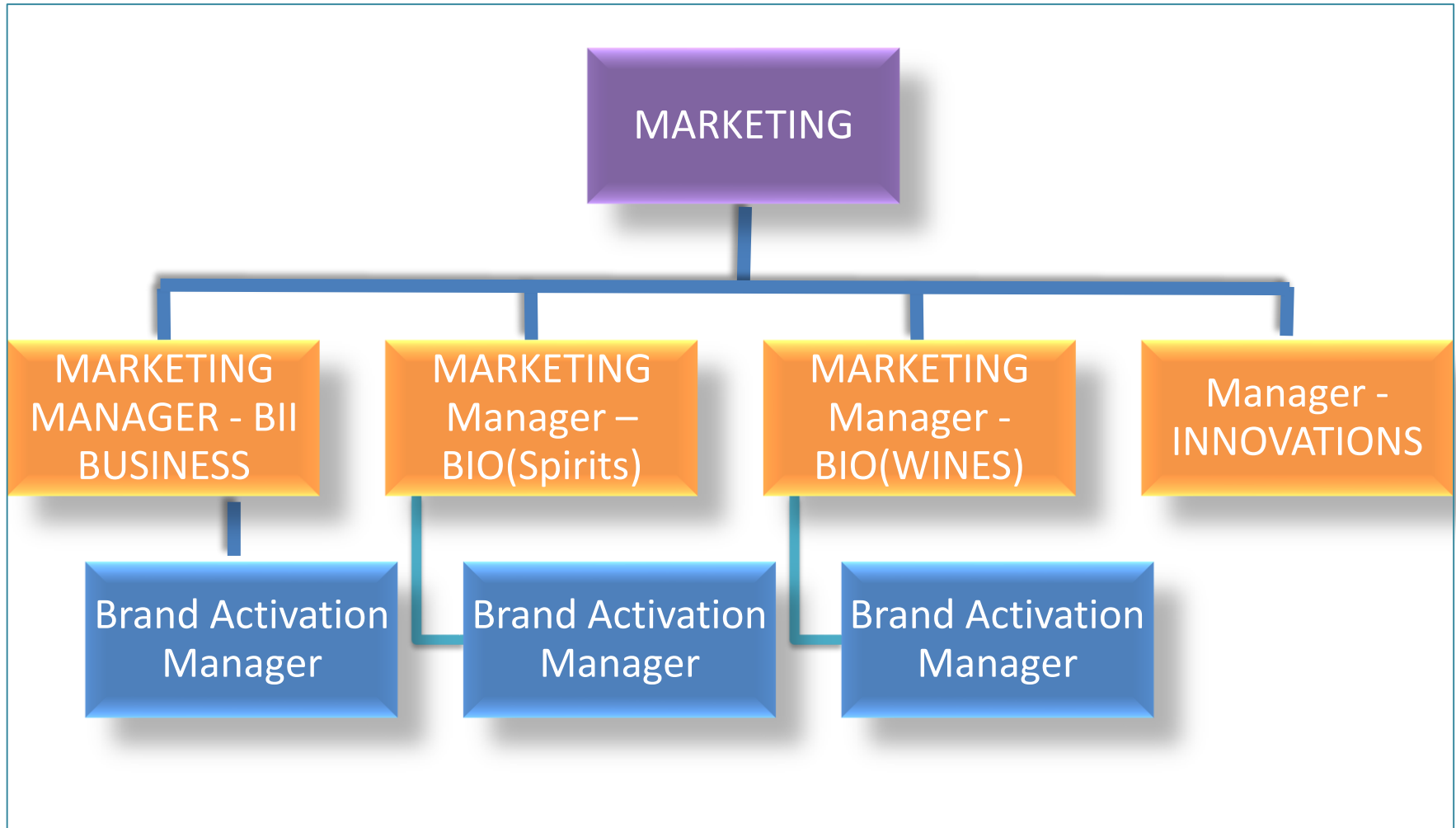


- To achieve a valuation of Rs 1000 cr in next 5 years.
- To be in the top 10 of alcoholic companies in midsize category within the next five years.
- To promote a profitable and sustainable business.
- To provide excellent customer service.
- To gain 5% market share Industry.
- To gain the competitive edge.

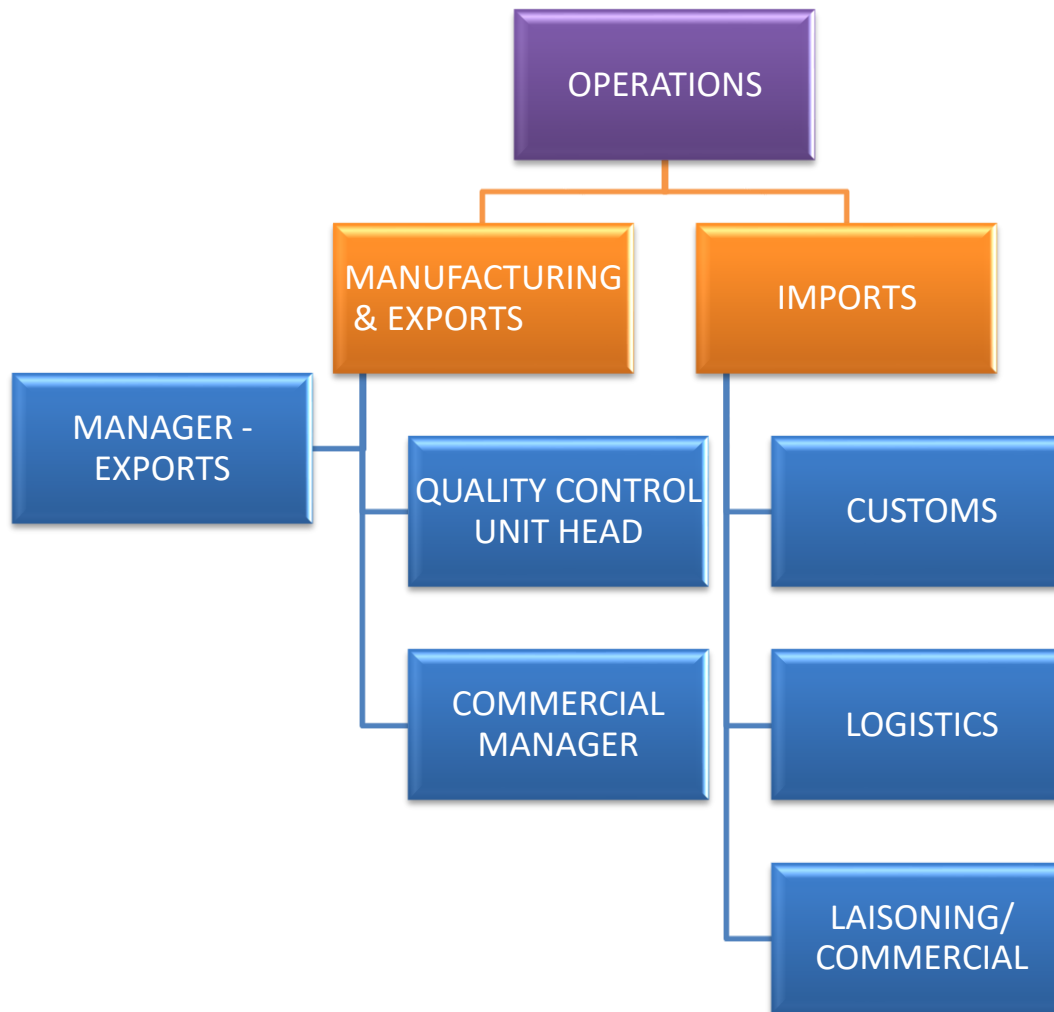
Structure of the Sales Team



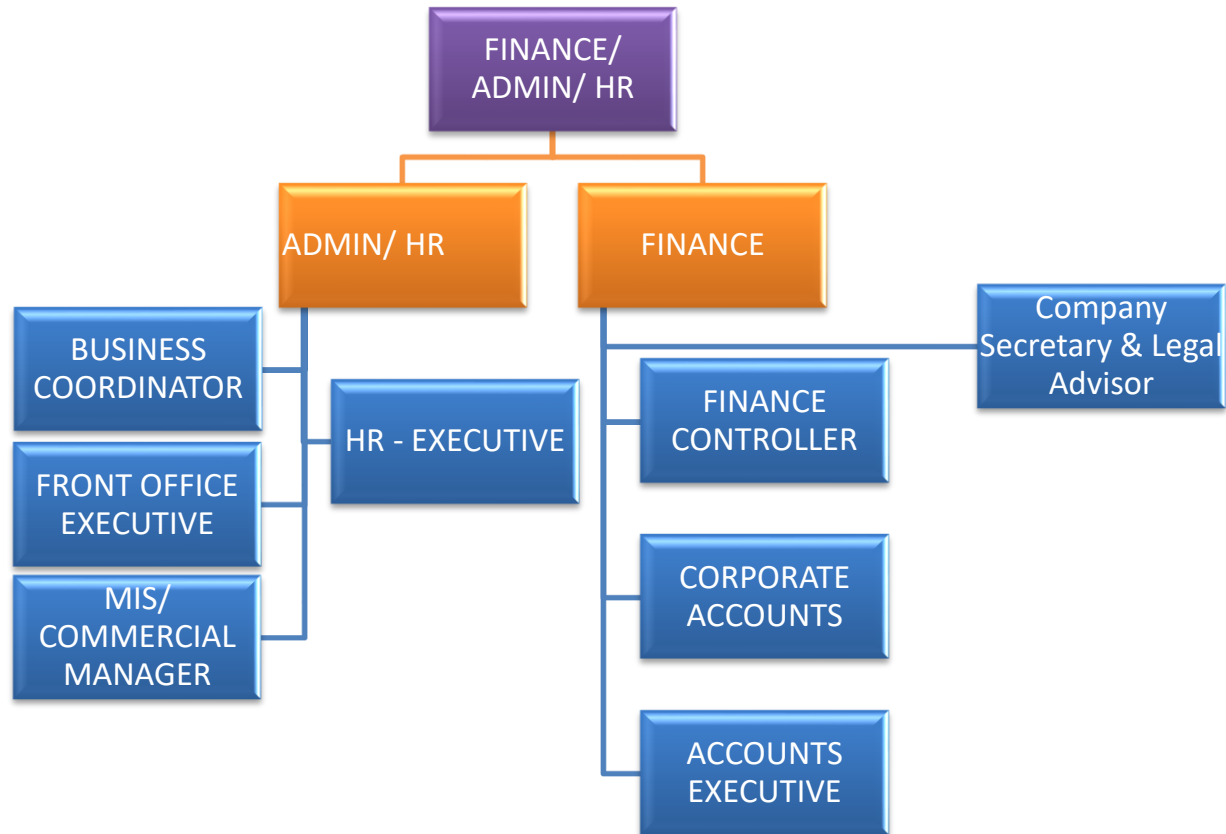
Structure of the Marketing Team



Structure of the Operations Team



Structure of the Finance / Admin / HR Team



India- a land of Opportunities for the alcohol



- India is rapidly growing as the middle class is becoming affluent and aspirational.
- We also have an enormous population that is growing rapidly and becoming increasingly wealthy.
- It is estimated that more than 100 million consumers will enter the legal drinking age in the next 5 years, creating tremendous opportunity.
- We're in a unique position to capitalize on with right selection of premium brands to satisfy our customers and consumers.

REGULATIONS



Regulatory environment in India

Indian liquor industry is one of the highest regulated industry in the world with a number of restrictions such as absolute ban on advertising of liquor products, complicated tax structure which varies from state to state.

The key raw material for spirits, ENA (Extra Neutral Alcohol) also incur high tax on interstate movement which makes it difficult to centralize production for Indian liquor manufacturers. Selling liquor across state also attracts high import duty and there exists a “quota” system which restricts the quantity allowed for interstate transfer.

Manufacturing is also burdened with licensing hurdles. The capacity of production is restricted through license and the licenses for production and bottling are scarce.

All these factors combined has resulted in contract manufacturing and bottling becoming a standard marketing entry strategy

Price hikes for retail liquor are also based on state discretion. Price hikes are restricted to maximum once per year and hikes are based on consideration of significant input costs like spirit, glass etc.

CHALLENGE & ADVANTAGE



Barrier to Entry for new entrants

Liquor Industry in India is a tough segment to penetrate for a new comer and, therefore, company like Kristal provide a solid platform for these newcomers. Kristal with a strong business knowledge and distribution network provides additional benefits, which can be exploited by newcomers with distribution partnerships. The success of distribution is governed by :

Regulatory - Working Relationships with government authorities for getting regulatory approvals. Deep understanding of India's complex Route-to-Market and regulations

Credibility - Kristal has gained credibility with its network partners through its existing business which is very difficult for new comer

Infrastructure - Kristal Spirits has established a successful distribution network and custom bond facilities in Delhi, Mumbai and Bangalore

Marketing - Advertising of liquor products is banned. Kristal team has establish its brand through working relationship in both OFF and ON trade thru brand promotions and other activities.

DISTRIBUTION – CHALLENGES AND ADVANTAGE WITH KRISTAL



Setting up right Route to Market as per local excise policies, is the biggest challenge. Kristal team has experience in trade over over two decades thru experience promoters and sales & Marketing team. Different type of market requires different approach to establish business and brands.

CORPORATION MARKETS

(FACTORY TO CORPORATION WAREHOUSE TO RETAIL)

Karnataka, Andhra, Rajasthan, Orissa, Chhattisgarh and MP.

- The expertise require to develop these markets, two tier. One liaison with State excise and corporations and secondly, brand building at the retail level, encourage retail to pick the stock from corporation depot and ensure depletions.

RETAIL MARKETS

(FACTORY TO WAREHOUSE TO RETAIL)

Delhi & Chandigarh

- Brand building at the retail level, relationship with retailers, extensive working at retail end to ensure depletions and collections from individual parties.

WHOLESALE MARKETS

(FACTORY TO WAREHOUSE TO WHOLESALE TO RETAIL)

Punjab, Haryana, Uttar Pradesh

- These are purely relationship driven markets, where wholesalers and retailers are driven by same individuals. Price negotiations and ensuring availability is key to success.

DISTRIBUTOR MARKETS

(FACTORY TO DISTRIBUTOR TO RETAIL)

Maharashtra, West Bengal, Assam & Goa

- These are typical distributor markets like any other business. Coordination, brand building, retailing, ensuring supplies and depletions, services to outlets are key area of focus.

Industry Size



INDUSTRY OVERVIEW				Vol '000 (9 Litre cases)		
Category	Market Size—2007	Market Size—2012	Market Size—2015	Market Size—2016	CAGR-2015-16 Segment	salience
Whisky	80,177	170732	190670	193122	1.3%	61.5%
Brandy	22,766	75,560	70,210	68,856	-1.9%	21.9%
Rum	28,698	47,638	43,774	41,310	-5.6%	13.2%
Vodka	4047	8,001	7,756	7,670	-1.1%	2.4%
Gin	3,680	4,200	3,240	2,802	-13.5%	0.9%
Tequila	10	33	33	42	27.3%	0.0%
Liqueurs	16	78	35	40	14.3%	0.0%
SPIRITS INDUSTRY	139,394	306,242	315,718	313,842	-0.6%	

WHISKY DATA



WHISKY OVERVIEW						Vol '000 (9 Litre cases)	
Leading Brand	Segment	Market Size—2007	Market Size—2012	Market Size—2015	Market Size—2016	CAGR-2015-16 Segment	salience
Johnnie walker	Imported Blended Scotch	452	690	786	974	23.9%	0.5%
100 Pipers	BII Scotch	549	1545	2,211	2,448	10.7%	1.3%
Amrut Premium	Super Premium Whisky			11	34	209.1%	0.0%
Blender's pride	Premium Whisky	2,095	6,130	8,049	8,796	9.3%	4.6%
Royal Stag	Prestige Whisky	7,274	18,300	22,735	23,975	5.5%	12.4%
McDowell's No.1	Deluxe Whisky	14,690	33,695	56,225	57,245	1.8%	29.6%
Officers' choice	Regular Whisky	45,410	79,885	75,335	73,450	-2.5%	38.0%
Hayward's	Medium Whisky	5,175	12,540	13,600	14,950	9.9%	7.7%
	Low Price Whisky	4,500	17,885	11,625	11,250	-3.2%	5.8%
Whisky total		80,145	170,670	190,577	193,122	1.3%	

VODKA - DATA



VODKA OVERVIEW						Vol '000 (9 Litre cases)	
Leading Brand	Segment	Market Size—2007	Market Size—2012	Market Size—2015	Market Size—2016	CAGR-2015-16 Segment	salience
Grey Goose	Imported Vodka -Trad.	73	131	189	206	9.0%	2.7%
	Flavoured	-	17	17	24	41.2%	0.3%
Smirnoff	Premium Vodka - Trad.	455	631	615	612	-0.5%	8.0%
	Flavoured	100	274	360	399	10.8%	5.2%
Magic Moments	Prestige Vodka - Trad.	3365	5,447	4,780	4,673	-2.2%	60.9%
	Flavoured	-	1325	1690	1671	-1.1%	21.8%
	Low price vodka	55	175	105	85	-19.0%	1.1%
Vodka Total		4,048	8,000	7,756	7,670	-1.1%	

RUM DATA



RUM OVERVIEW						Vol '000 (9 Litre cases)	
Leading Brand	Segment	Market Size—2007	Market Size—2012	Market Size—2015	Market Size—2016	CAGR-2015-16 Segment	salience
Bacardi	White Rum	983	1,133	1,006	1,030	2.4%	2.5%
Mcd1 Celebration/ Old Monk	Dark Regular Rum	23,612	34,288	34,045	31,332	-8.0%	75.8%
Khoday's Dark	Dark Medium Rum	4,085	11,993	8,200	8,350	1.8%	20.2%
Bacardi	Flavoured Rum	18	223	523	598	14.3%	1.4%
Rum total		28,698	47,637	43,774	41,310	-5.6%	



Product Portfolio

Fashion Vodka

FASHION VODKA

Party Collection

A Polish brand from **F Beverages**, an affiliate company of **Fashion TV**, founded and owned by **Michel Adam Lisowski**.



FASHION
PARTY COLLECTION
VODKA

ΛΟΔΚΥ
LORDKY
LORDKY



Product Details



- Authentic Polish recipe to deliver a noble, special – tasting mixture.
- Distilled & filtered four times and mixed with the purest, “live” water, strained through a series of micro – filters before bottling. This ensures soft, harmonious, well-rounded taste.
- Most Glamour, Young, fashionable, social party drink in bars and clubs
- Enjoyed Fashionably & responsibly.

Vodka's chief components in themselves are actually very simple: grain and water. The quality and careful selection of these components define the outcome.

Oakwood Creek



**OAKWOOD
CREEK**

A Signature blend of
Exceptional scotch,
Imported malts & finest
Indian grain Spirits.



*Turn back time, embark on a journey into the British empire. with vintage woody accents ,our handpicked , quality scotch , aged in traditional oak barrels, has been masterfully blended to create the intense whiskey experience called **OAKWOOD CREEK**. Travelling over a winding and picturesque voyage to arrive at your table , every drop promises a new beginning .*

The interaction between the oak wood and the spirit is what crafts the character and colour of the whisky. In honour of the Scottish art of whisky-making, It has got selected blend to be aged in Oakwood, as an exclusive tribute to this legendary country

This is for those who loves to feel the vintage smoky taste of **Oakwood** and get rejuvenate the charismatic feeling which is miles away from ordinary.



Brand Credentials



Oakwood creek is the proud winner of The Best Packaging Award and Best Bottle Award at SPIRITZ 2016



Proud Winner of the '**Best Packaging award**' and '**Best Bottle award**' at **SPIRITZ 2016**



Proud winner of
'AMBROSIA' award 2017
for Excellence in **Tasting** awards
Cannister Gold.

**Proud winner of Ambrosia Award
for Excellence
in Tasting Awards Cannister Gold**

Manufacturing



- **Infrastructure set up** : **Kristal Spirits** has world class infrastructure facility/ manufacturing Unit at Derabassi, Mohali, in Punjab State.
- **Distillers Unit** :

Abir Distillers & Bottlers India Pvt. Ltd

Village-Behra, Derabassi,

District-SAS Nagar (Mohali),

Punjab-140507



Availability



- Delhi
- Punjab
- Chattisgarh
- Telangana



- Delhi
- Punjab

Red Code

A Rare Premium whisky



The Story

- Red Code is a rich and rare premium blended Scotch whisky loaded with exceptional characters. It is blended to perfection with a plenitude of malt spirits chosen from the speyside region of Scotland.
- Distilled from the purest of grains . A great combination of precision and liveliness. World-class and fantastically expressive, it's ideal for a neat sip to experience an intricate interplay of your senses. Perfect to set your mood ablaze and liberate the passions to soar high



White Flame

Pure Grain Vodka

Rise High

Story

- Crafted from the purest grain spirits and passed through a unique filtration process, presenting a special creation “White Flame Vodka” .
- Every drop inspires new passions ; every sip reignites your soul like that of the immortal phoenix rising high from the ashes of the ordinary .



Kattappa Rum



Kattappa Black is a prestige dark rum. Rich, smooth and full-bodied, this is perfect with cola or fruit juices.

Rum is a distilled alcoholic beverage made from sugarcane by products, such as molasses, or directly from sugarcane juice, by a process of fermentation and distillation. The distillate, a clear liquid, is then usually aged in oak barrels.

WINE INDUSTRY DATA



WINE OVERVIEW						
Segment	Market Size— 2007	Market Size— 2012	Market Size— 2015	Market Size— 2016	Vol '000 (9 Litre cases)	
					CAGR-2015- 16 Segment	salience
Imported Wines						
Australian	45	66	98	126	29.2%	34.1%
Chilean	14	36	46	49	4.9%	13.1%
French	74	51	45	48	6.7%	13.0%
Italian	16	30	43	48	12.4%	12.9%
South	8	16	20	22	11.4%	5.9%
US	30	22	29	22	-24.1%	5.9%
Spanish	4	9	15	20	27.9%	5.3%
Argentinian	6	7	12	15	26.1%	3.9%
New	1	5	7	9	24.1%	2.4%
German	6	4	6	6	13.6%	1.7%
International	2	5	3	3	18.2%	0.9%
Portuguese	1	2	3	3	10.0%	0.7%
Austrian	-	Min	0	1	100.0%	0.1%
Total	205	250	325	370	13.8%	

Imported Portfolio



Kristal spirits engages in exclusive distribution rights for top international liquor brands. Key brands like

- Champagne from Cattier
- Wines from South Africa (KWV Wines)
- Chile (Terra Mater)
- Spain (Bodegas Castano)
- France (St. Jacques d'Albas)
- Wild Africa Cream Liqueur
- Scotch from Angus Dundee (Parker, Highland Reserve)
- Single Malts from Angus Dundee (Glen Parker, Tomintoul)
- Vodka from Australia (666 Vodka) and Poland (Fashion Luxury Collection)

Imported Portfolio contributes although 10% in turnover, but also helps to create company image a uniquely place boutique spirit company of international brands.

IMPORTED PORTFOLIO COLLECTION



Proposal for Business Partner



- Liquor business is a High Volume business with turnover 10000 crores in a Year per state and if Company along with the Business Partner are able to get 2-3 % share which will come with international standard brands, once we start Business , It facilitates good return to Company and Distributor both.
- To operate a state, Business partner needs to invest in Ex Factory Price, excise duties and other local levies
- License fee & Label registration cost will be reimburse by company on actuals, plus company will bear all Salaries of Staff , Marketing & Promotion Expenses, Warehouse Expenses and market rebates as per industry standard.
- As due to state excise policies, collections from state Govt / Distributors, will be in the name of company, to ensure safety on Business partner investments, Company will open a bank account in his name, which will be operated by Business Partner with a Power of Attorney for operations.
- Market Credit at Company's Responsibility giving zero risks for Investments by Investor, as Bad debt on company account.
- Company will pay 10% commission on sales value which will turn around 24% plus return to the distributor
- Company will ensure for a minimum ROI of 18% as commitment.

Role of Business Partner



Excise Work

For every sale there will be Permits from Excise . Regional Partner will do all correspondence for day to day activities and lessoning required at excise office for Issuance f permits , release of Payments by Excise and any other government correspondence required at that area . Company will provide the Power of attorney for regional government correspondence.

Payments

All Payments collections follow-up will be done by Business Partner , Companies employees will visit to Track and collect payments and this whole process of collection , depositing and following up of payments will be tracked by Business Partner. Giving credit after checking the credentials of the Purchaser will be under the profile of Business Partner.

Operations

Daily Sales Teams follow-ups , Planning following day visits and scrutinizing previous day of Market visit will be done by the Business Partner . Daily planning for visit and strict follow up of team will be done on daily basis by regional Office

Investments

Business partner will investment in the business as per agreed terms, and as per market requirement, which will different for different state based on turnover and market structure.

Kristal Marketing initiatives

Distribution Channel ON- PREMISE



25% of the industry Vodka volume comes from On Premise outlets, and the brand building driven by On Premise

Hotels:

The major chains of hotels present are - The Taj Group, ITC - Sheraton, Oberoi, Leela, Hyatt, Intercontinental

- There are a total of 30,000 hotels in India.
- Almost 500 luxury properties.
- Chains like the Hyatt, Four Seasons & the Shangri-La are planning major expansion in the coming years.

Pubs:

Confined largely to metropolitan cities of Mumbai, Delhi, Gurgaon, Bangalore, Pune, Chandigarh along with Goa which is a hot tourist destination.

Restaurants:

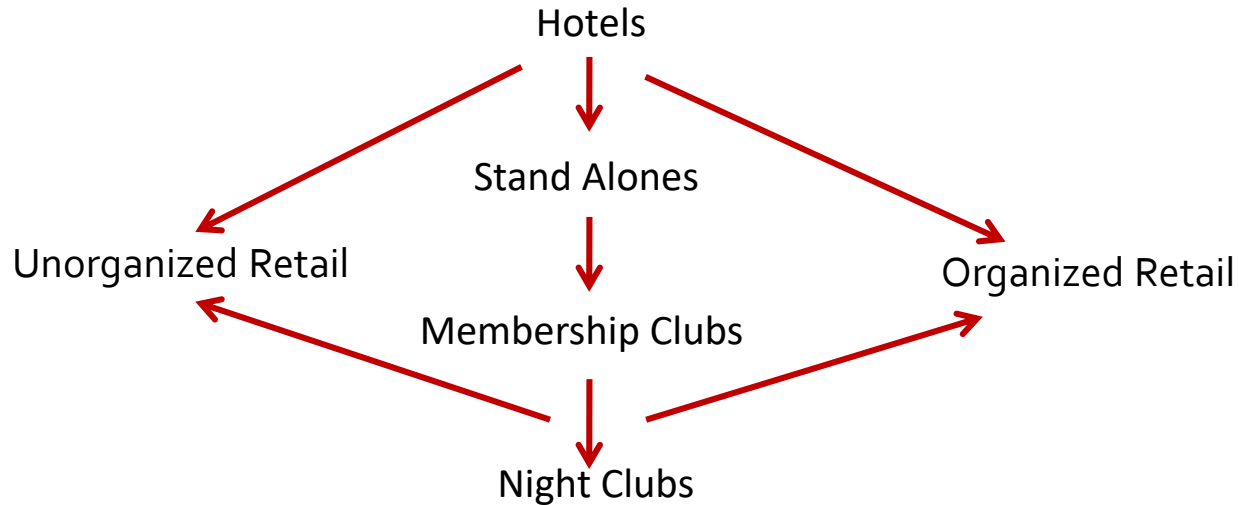
- An annual growth of 7-8% results from the rising disposable income of the Indian population.
- India's largest population segment (20-34 years) create opportunities for this segment to multiply

Distribution Channel OFF- PREMISE



- The retail sector in India is contributing around 75% of the volume.
- There are three types of retail markets.
 - Government controlled markets.
 - Open retail markets
 - Syndicate / monopoly vends
- In urban cities Organized retail coming up in hypermarkets, supermarkets and convenience stores.
- Currently the organized sector represents only 1 per cent of the market, however it is expanding at a growth rate of 30-35 %.

Channel wise distribution phases



Distribution in the trade channels will have an overall thrust, however, there has to be a strategic approach to the different channels to drive sampling , desire to buy and finally the purchase.

Hotels: To be the first point of availability. This is where brands are built and opinion leaders thrive . They influence desirability of the brand for any consumer. Brand gets attention here.

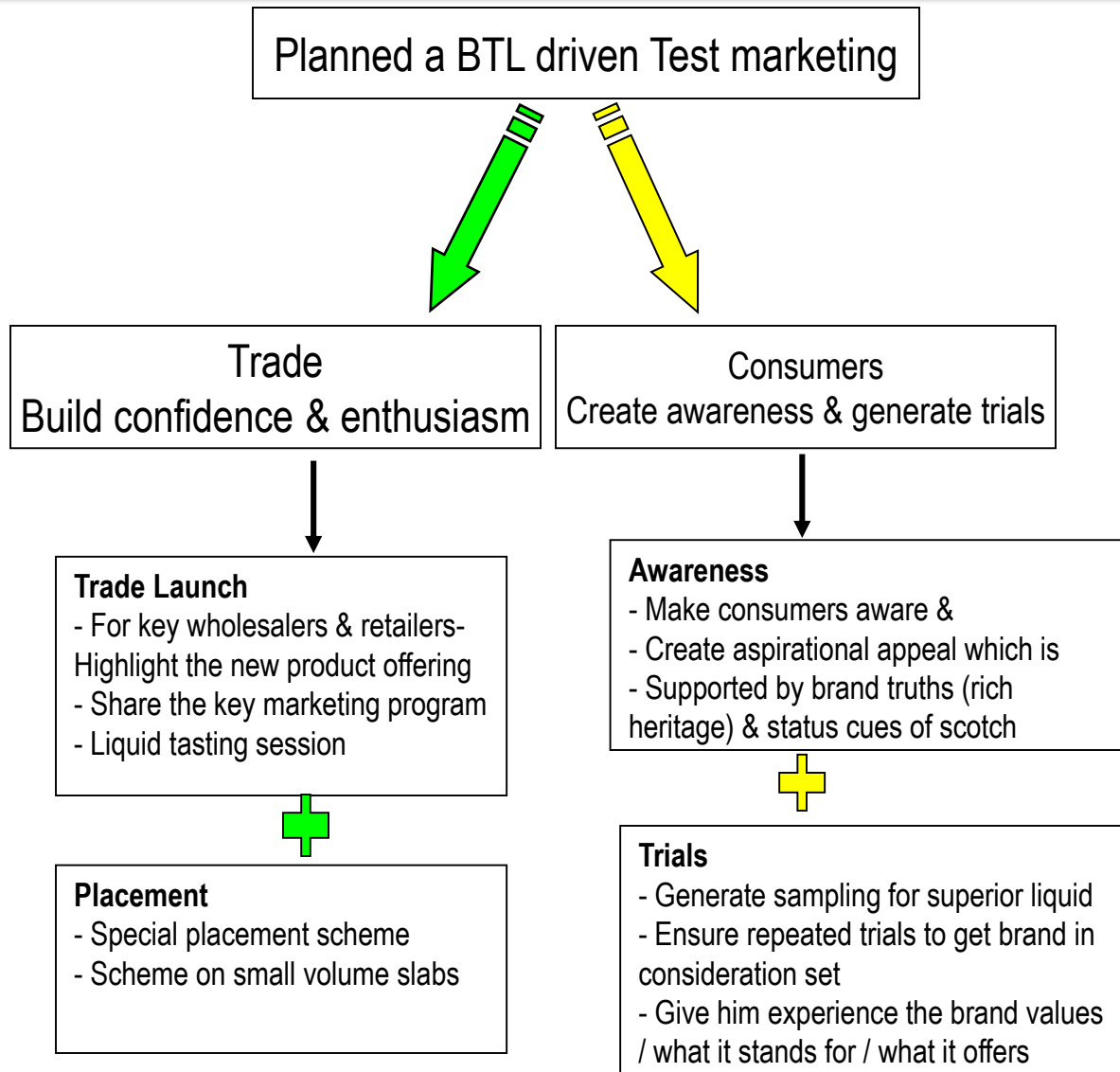
Stand Alones: Numerous stand alones (restaurants, pubs, lounges) play a major role in driving the desire to consume a brand and have high volumes of cognacs too. May here are a style statement with the HNIs.

AIDA (Continued)



- **Membership Clubs:** This is the spill off effect of attention received at the hotels and stand alones. However, it is a two way process. Members ask for products that they observe being consumed in other channels. On the other hand, there is also a loyalty that members build at their clubs for the brands that they drink.
- **Night Clubs:** This is an important zone for the target audience of 21-30 years. Due to the high energy environment there is less thrust on the choice of brand. Brands here are driven by trade promotions, trainings and PRICE points. Voluminous consumption exists.
- At any given point simultaneous distribution has to be activated in **organized** (hypermarkets, supermarkets) and **unorganized** (stand alone wine shops, family owned shops) retail. This will ensure that the point of purchase is always ready for a consumer that puts his desire into action.

Brand Launch



Activities



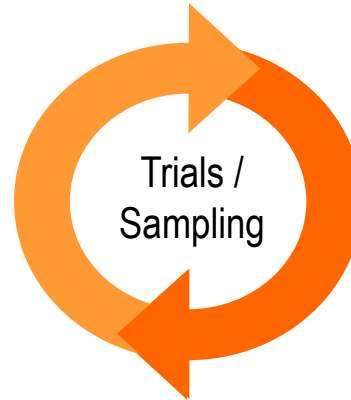
Kristal Spirits
blend it, distinctively!



- Trade Launch
- Placement scheme



- Retail signage's
- Bar branding
- Display drives



- Liquid sampling in Bars
- Knowledge promotions
- Persuasion selling
- CSM / waiters
- Consumer offers



Key Performance Indicators

- Distribution
 - Off trade: 50% & On-Trade: 50%
- ROS
- Trials
- Awareness scores
 - Brand Imagery scores
 - Consistently High quality brand

PR & Media Planning



1. Support marketing team on successful implementation of business plans
2. Create a 360 approach on go – to – market
3. Creating marketing calendar in alignment to business goals (Monthly/ Quarterly/ Annual)
4. Create a Brand road map
5. Customer communication intervention – ATL & BTL
 - a. Acquisition
 - b. Engagement
 - c. Retention
 - d. Relationship
6. Assist Media Strategy – Offline, Digital, Social & Electronic
7. Conceptualization & Assist activation for all brand promos (Offline & Digital)
8. Channel & Distribution marketing Programs

PR & Media Planning



- Most Media Coverage to be PR based.
- Print - Mainline dailies, lifestyle magazines & supplements, Trade magazines
- Online Websites
- Electronic – Relevant shows on lifestyle channels, Brand profile with news channels
- A media junket to the winery for key journalists / editors
- Advertorial Stories

Digital & Social Media



Online Marketing

Use effective tools of online marketing to promote product, which include PPC, Banner ads, Text advertising, Re-marketing based on the business needs.

SMM & Content Marketing

Work on social media marketing strategy to make our brand visible on social platforms.

We will chart special and customize activities to be performed on social websites to acquire, retain, engage and inform the consumer base. Focus platform for Social media will be:

- Facebook
- Twitter
- Instagram
- Youtube
- LinkedIn

Digital & Social Media



E-mail Marketing

We will focus on Bulk E-mail marketing services, which will help to reach target base and hence facilitate to communicate and literate and retain customer base, E-mail marketing is one of the highly effective tool of marketing.

Approach to Listings



- Listings have a standard procedure:
- Most listings are paid for, where price is charged per outlet. This is for Stand Alones that are important both in terms of consumption & brand building.
- Listings in 5 Stars is based upon CPC (Central Purchase Contracts). Central Purchase Contracts cover all properties within India under the particular hotel chain.
- Under the CPC contracts, Price to the hotel has to be discounted between 20-25%. It is imperative to be competitively priced here to land in the same category as competition in the menu.
- Relationship Marketing: however, we do need to support with regular promotions, menu revamp cost, visibility etc.
- QDVP3 contracts
- Retail: Listing fees at supermarkets, wine association fees, visibility.

Visibility



- Display Merchandising / In-store (Modern Trade & Tradition)
- Merchandising Approach & Strategy
- Sectional Branding
- Standee, Tent Cards Shelf Crowners & Product Stories
- In-store Promo
- Dangers, Wobblers, Gate, Boxes, Bags & Tags, In-store Display & Posters
- Ambient Branding
- Visibility apparatus required to initiate Impulse Buying and Drive Trial
- POS support
- Visibility tie ups for ON Trade & Off Trade will be strategically planned.
- A visibility tie up also brings with it volume commitment depending on the maximum capacity of the outlet as well as pouring status

QDVP₃



A QDVP₃ tie-up is a tie-up based on :

- ✓ Quality
- ✓ Distribution
- ✓ Visibility
- ✓ Persuasion
- ✓ Promotion
- ✓ Pricing

A QDVP₃ tie-up ensures:

- ✓ Menu Listing
- ✓ Pouring status
- ✓ Visibility (Bar, In room & Retail Theatre)
- ✓ Volume Commitment
- ✓ Events, High Energy DJ Nites
- ✓ Special Pricing

Training & Mentoring



- We believe personalized selling can be established only when the F&B staff builds relativity towards the particular brand.
- Interaction and association builds with the brand only when each member of the outlet staff is taken through a journey of experiencing the brand.



Visibility



Kristal Spirits

blend it, distinctively!





Visibility



Kristal Spirits

blend it, distinctively!





**WE SEE OUR CHANNEL PARTNERS
AS THE BUILDING BLOCKS IN
GROWTH**





..... GROW TOGETHER

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