Executive Briefing



Wines that curry favour

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FROM SAID BUSINESS SCHOOL, UNIVERSITY OF OXFORD

Sarah Barrell finds out how two Oxford MBA alumni have brought traditional Indian wines to British curry-lovers.

Southern India is one of the subcontinent's most fertile regions, an agricultural heartland that produces everything from tea to palm oil. Few people, however, associate the area with viticulture. But in the last decade, grapes grown in the hills of the southern Indian state of Maharashtra are being made into reputable wines that are finding their way onto the tables of certain hotels, restaurants and family homes across the country. And with the recent launch of Soul Tree Wine, set up by Saïd Business School alumni Alok Mathur and Melvin D'Souza, these Asian vintages are now available in the UK.

Unsurprisingly, Alok and Melvin came up with the idea for their company over a curry. While having dinner in an Indian restaurant in Oxford, the pair realised that British curry-lovers were only offered Indian beer or European and New World wines – there were no Indian wines served in Indian restaurants. The pair was also aware that the burgeoning Indian wine industry was finally coming of age. As recent MBAs they were quick to spot the business opportunity this presented. 'There were few, if any, Indian wines available in the market, and certainly none outside of London,' says Alok. 'We worked out that some 10,000 Indian restaurants in the UK sold wine worth £180 million every year – and almost none of it came from India!'

Although the UK wine market is mature and overcrowded the pair could see a significant niche for Indian wine. Viticulture in India has a long history, dating back millennia, but it's only in the last decade or so that its wine has found a significant market on the subcontinent and has begun to compete with the major wine-producing regions of the world. With their Indian upbringing and British education, the pair loved the fact that their business bridged the two nations they call home. It took them over a year to put everything into place: finding the right winery and the best wines, setting up sourcing from India, doing primary market research into the habits and tastes of British wine consumers and developing branding and operations in the IIK

'So far the project remains completely self-funded,' says Alok. 'We will look to scale up in a few months' time, when we seek external funding, and this will be a combination of debt and equity.' Soul Tree wines come from Nasik, India's wine-producing hub (and Melvin's hometown), responsible for around 80 per cent of India's wine production. Situated in the state of Maharashtra, Nasik is some 200 kilometres north-east of Mumbai, situated on a plateau around 2,000 feet above mean sea level. Its proximity to the Tropic of Cancer gives it a tropical climate, and its altitude provides the warm days and cool nights that produce wines with plenty of character.

In June 2010, the company imported an initial batch of wine and held pilot sales in the West Midlands. 'The market was very challenging, with dining out badly hit by the recession, but the response was much better than we expected and 25 restaurants signed up to sell Soul Tree wines. They believed that their customers would appreciate the idea of an Indian wine in an Indian restaurant.'

In the first six months of business, Soul Tree wines have become available online and in 50 restaurants across six UK counties plus London. With the business fast gaining momentum, this should increase monthly from here on. In addition, distributorship arrangements are set to begin in Germany, France, and in India itself.

The pair see Soul Tree as very much an Oxford University start-up. 'In fact the company's name IGNISIS combines the root word 'Ignis', symbolising fire, and the major river flowing through Oxford, the Isis,' says Alok. 'In other words, we have set out to achieve the impossible: to set fire to water.'

www.soultreewine.co.uk

Saïd Business School, University of Oxford

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