

‘OPPORTUNITY FOR OUR PREMIUM BRANDS IN URBAN INDIA’



Mahou India is the first subsidiary of Spain’s largest brewer, Mahou San Miguel, to be established outside Spain. The company’s Chief Executive Officer, Erik d’Auchamp, is “quite optimistic about a healthy growth rate of the beer category in India in the years to come.”

Explaining the basis of his optimism, Erik says, “We are comparatively new and we have just launched our brands Mahou 5 Star and Dare Devil in India. As per our source (Canadean Global Beverage Forecast Feb 2015), Beer recorded a growth of 15% in 2014, 14% in 2013 and it is forecast to grow by 17% in 2015. With the social acceptance of beer amongst the younger generations, demand for beer is expected to increase in the coming years. Strong beer grew by 40% while mild variants grew by 7–8% in 2014.”

Erik sees good prospects in strong beer in India, as he says, “India is considered a potential strong market for beer in spite of lower per capita consumption in the country as compared to Western countries. The category registered a CAGR of 13% from 2009-2014 and a CAGR of about 24% is expected for 2015-2020 with further strong positive growth a possibility.”

Talking about the varying beer preferences of Indians, Erik says, “Draught beer has high

consumption rates in metropolitan areas, while in rural areas consumers like strong beers (8% + Abv).”

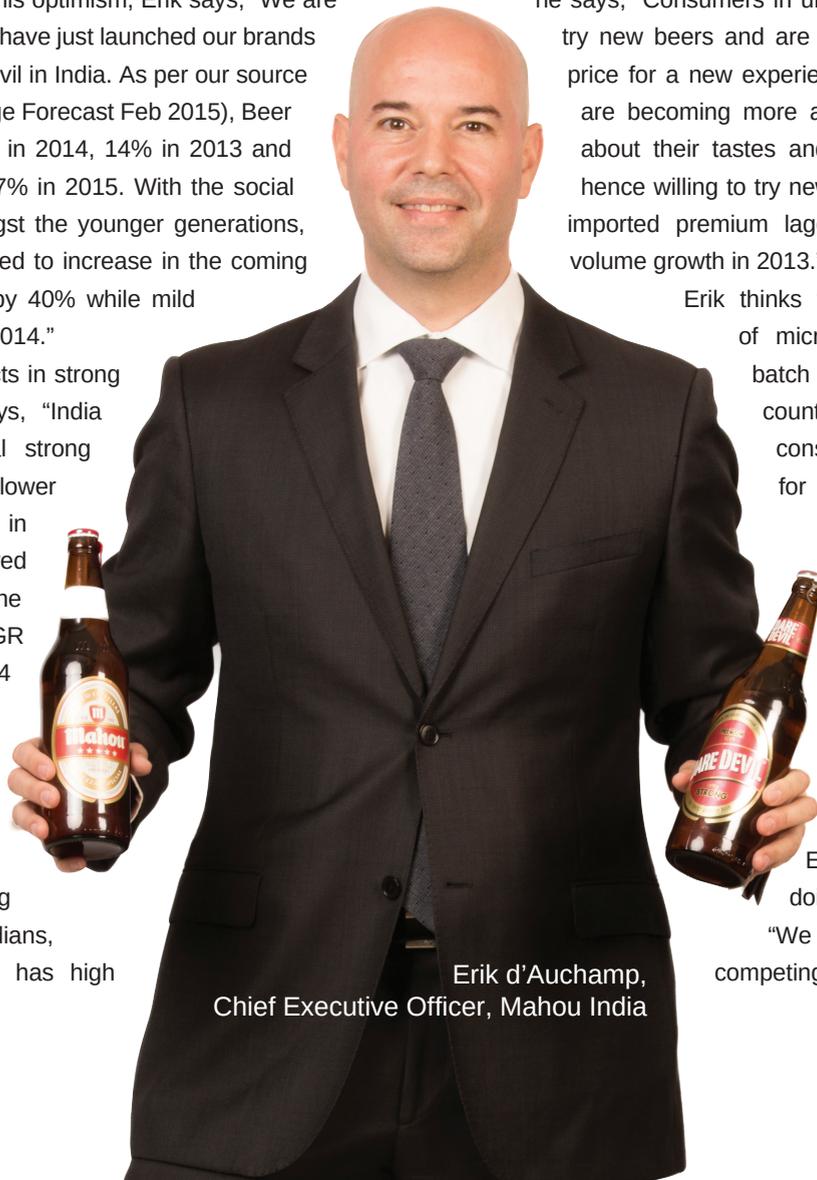
Erik also sees “a huge opportunity for our premium brand portfolio (Mahou 5 Star, Mahou Clásica and Dare Devil) amongst our target audience in India in urban middle and upper middle class.” Citing a Euromonitor report of July 2014, he says, “Consumers in urban India are willing to try new beers and are willing to pay a higher price for a new experience. These consumers are becoming more and more sophisticated about their tastes and preferences and are hence willing to try newer brands. As a proof, imported premium lager showed a stronger volume growth in 2013.”

Erik thinks the growing popularity of microbreweries and small batch beers “across the country speaks of the Indian consumers’ increasing taste for variety and curiosity to try something new.

Building on the global consumer trend of greater choice, flavoured beverages in general will likely grow over the coming years.”

And, this trend gives Erik hope of Mahou India doing good, as he says,

“We feel very comfortable competing in that space.”



Erik d’Auchamp,
Chief Executive Officer, Mahou India