Trends of Premix and Flavoured Alcoholic Drinks in India

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Abstract— Most of the research is carried out in the context of existing trends in premixed alcoholic beverages available in the market and its growing popularity in India. The alcoholic beverage industry includes producers, wholesalers and distributors and hospitality providers such as hotels and cafes. Premix drinks market is growing at rapid speed. The paper discusses the positive approaches of brands in this field and future possibilities of its expansion. Globalization of these industries has many advantage as the products become more standardized globally, which may contribute to an increase in the overall quality of alcoholic beverages available. This industry in India gives a lot of revenue to the government. This research will highlight the possibilities and obstructions to this new rising trend in the Indian Scenario.

Keywords— premix drinks, flavours, beverages, alcohol, marketing, promote

I. INTRODUCTION

Current trends suggest that premix drinks have a wide acceptance all over the world and its market is growing every year. Premix alcoholic drinks are the mixing of flavours with low percentage of alcohol. The increase in demand is due to the convenience and customer preferences. The consumers are provided with new taste and will refresh their views about alcohol.

A. There seems to be two reasons which are influencing the popularity of premix drinks in India

1) Impact of Globalization: The increasing urbanization of Indian population has led to westernization of Indian culture [6]. Indian population is exposed to western lifestyles, through travels and media and that changes their attitude towards alcohol.

2) Growing youth population: The youth population of India has different needs and demands. They try new things and wish to live luxury life. They have different taste and preferences as compared to traditional Indian culture.

Flavoured alcoholic beverages initially introduced into the market in the early 1980s in the form of wine coolers [9]. Flavoured alcoholic beverages are generally low alcohol content beverages that are designed for "entry-level" drinkers. This industry has introduced new products and methods for the expansion of its popularity. Research suggests that they are popular with underage drinkers, particularly teenage girls, and that the industry uses marketing practices that appear to target youth. And now these premix drinks are marketed globally, and their production and marketing vary by country based on national regulatory restraints.

B. Variety of premix drinks shown tremendous success overseas and gaining popularity in India are

1) Cocktails in Can: Of course these cans do not carry the freshness of other ingredients used in the making of cocktails but yes they are far more convenient and cheaper and one do not need to be an expert in the field of mixing. It reduces the overall spending on buying bottles of non-alcoholic ingredients and mixers and equipment required in the producing the desired product.

2) Fruit flavoured Beer: Addition of flavoured beers like strawberry, cherry beers are new fastest growing market in the beer world. There is still lot to be experimented in terms of flavours. The Tuborg Booster Strong [10] was the first fruit flavoured beer in the Indian market.

3) Spirit flavoured Beer: They are probably not everyone’s taste but they have an advantage of bringing in a little sweetness to something which is often bitter [8]. Use of these flavours may reduce the natural barrier of the often strong and unpleasant flavour of alcohol to early experimentation and regular and heavy use. For example, Rum flavoured Beer, Cubanisto.

4) Ready to serve Spirits: Market has shown a positive response on high strength premix spirits which allow consumers to enjoy drink at home without needing to mix themselves at a more affordable price than purchasing an entire bottle of spirit and other alcoholic and non-alcoholic
ingredients. For example, Cans of Jack Daniel’s with Cola.

II. SCOPE OF PREMIX AND FLAVOURED ALCOHOLIC BEVERAGES

A. In order to anticipate the sustainability of this new trend, there are certain assumptions from now.

1) Increase in the variety and production of pre-mix drinks: Now the organization will invest more in introducing varieties of flavours and different mix for the market. Also it will provide the flexibility for the consumers to buy the premix drink directly at the shop rather than purchasing the flavours individually as they normally do.

2) High Taxes: Because of the growing demand of these drinks, the government will impose high tax on the pre-mix drinks and the foreign brands will incur high import duties because of the intense competition in the market. The government policies will affect the growth of these products in the Indian market.

3) A changed perception towards these drinks: The consumers will consider it as a substitute of pure alcohol consumption. They will prefer to drink the premix alcohol mixers which are low in alcohol content and served as soft drinks [1]. Their low consumption will avoid intoxication.

4) Cheap prices: Availability of premix drinks at reasonable prices will encourage the price concerned Indian customers to buy more of pre-mix drinks rather than pure alcohol. This may lead to increase in the demand of premix drinks as compared to whisky, rum, to mention a few.

5) Encouragement to drink: Earlier consumption of alcoholic beverages is considered to be on weekend but now the industries promoting and encouraging the consumption with weekdays as well. One of the Smirnoff tweet read “Sunday fun day but not that any other day is not fun day”. The ready to serve drinks will promote the consumption on weekdays.

B. Recent Marketing Strategies

The table below shows the leading UK alcohol brands social media presence as per the November 2011 Brand Category Rank Facebook

With the use of these marketing trends [3] the sales of the premix and flavoured alcoholic beverages will positively increase in India as the analysis reveal clear patterns in brand strategies.

C. CAGR: Compound Annual Growth Rate

As per data collection [6], survey of United Breweries Group, in 2009 the production reached 2.5 billion litre’s with the growth rate of 9.1%. The alcoholic drink market increases due to high growth in sales of beer, cider and flavoured alcoholic beverages, spirits and wine. The spirits holds the largest space in alcoholic industry. It generated total revenue of $9.7 billion, which almost covers 70 % of the overall market value. The sales of beer etc. have generated revenue of $ 3.9 billion in 2009 which stands for 28.2% of overall market value.

In general, the policies of Indian government were not in favor of the consumption of alcoholic beverages. As alcoholic beverages are banned in many states of India but raised after time period but still banned in two states Gujarat and Mizoram. Still heavy tax burden is imposed on alcoholic drinks as this is the major source of revenue for state governments. The production is majorly across all over the India but mainly in all metro cities and Haryana, Punjab, Uttar Pradesh, Kerala and Andhra Pradesh. The consumption in southern region of India and Andhra Pradesh, Punjab and few more cities is high for alcoholic drinks. Moreover the consumption in youth is recorded more in Delhi, Mumbai and other metro cities of India while women tends to drink more in Assam, Arunachal Pradesh and Sikkim in north east India and Madhya Pradesh, Goa etc. in rest of the country.

III. CONCLUSION

At the end, it can be stated that with an array of premix drinks and marketing in the right direction can explore a range of new products and markets. Possibilities are quite high that the consumers get used to these tastes and encourage brands to come with new innovations in this field. This level of globalization and revenue generation will invite more and more brands to invest. Brands making alcoholic beverages have responded to the rise of social media by repositioning their marketing focus. Currently,
researchers have stated that digital marketing, is ‘critically important and we should understand the dimensions and implications of new marketing paradigm’ [3].

India is one of the largest producers of alcohol in the world and there is a constant increase in the production and consumption. There will no surprise if India come up as the major player in innovating and exporting quality premix drinks and gain its popularity among developed countries. Here comes the major task which is doing the 4p’s of marketing [1] which includes all the concepts of marketing i.e., product, price, place and promotion. In totality, I concluded my research with all the information that we found and our views about the future of the market.

The only concern is that public health research on the impact of alcohol marketing has not kept up with the pace of innovation [5]. The responsibility should be a combined effort of the producers, distributors and consumers so that it does not affect the society norms [2].

REFERENCES

TABLE I

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WEBSITE REFERENCES