A study on Consumer's Brand Preference for Liquor Products at Diu-Daman-Union Territory

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Abstract:
Gujarat generally is considered a dry state, drinking practices differ considerably between people living in the Southern area or costal area of Gujarat (as very near to Div-Daman union territory) and even among members of different ages, income group and even based on occupation although residing in the same region. Alcoholic beverage consumption patterns vary considerably among different groups within one country. These variations in drinking patterns include, for example, the types of beverages consumed, preference to brands for these different typed beverages occasions on which consumption typically occurs, drinking levels that are considered normal, and population subgroups for whom drinking is considered acceptable. This paper also identifies the parameter a consumer use to select a brand in Beer and Whisky consumption.

Keywords: *Liquor brand, brand preference, beverages, Gujarat*

1. Introduction
One of the most competitive markets in the world at present is the liquor beverage market in which crores of rupees on advertisement (Surrogate) and other promotional activities are being spent. Things have never looked better for the Indian liquor industry, thanks to the new, happening and variety seeking consumer, it is one of the many sectors registering heavy growth over a hundred of years throughout the world. In India, the alcohol beverage industry is flourishing well with a variety of brands comprising both the local-national and international brands. In the present investigation, the impact of globalization on brand preference of liquor and the factors determining the brand preference of Beer and Whisky are studied.

2. Alcohol Beverage Market
The alcoholic drinks market in India registered strong double-digit volume growth for the second year in succession in 2007. Favourable demographics in the form of a strong economy, improving lifestyles and higher disposable incomes encouraged consumer expenditure on alcoholic drinks over the review period. Increasing deregulation in the form of lower taxes and greater retailing opportunities for beer and wine through supermarkets/hypermarkets in certain states such as Maharashtra, West Bengal and Chandigarh further increased the affordability and accessibility of alcoholic drinks.

Even as international players set their sights on developing markets such as India for the next phase of growth, Indian manufacturers increased their global footprint in 2007. Indian manufacturers stepped up the aggression by not just expanding their product offerings in the domestic market but also entering into joint ventures, increasingly tapping into international markets and exhibiting a greater appetite for expanding overseas through the inorganic route. For example, United Spirits completed the acquisition

of major Scotch whisky player Whyte & Mackay in 2007 and wine manufacturer Bouvet Ladubay in August 2006. Champagne Indage acquired Australian wine company Tandou Wines, while Radico Khaitan has been building up its exports in the Middle East and Africa by establishing a joint venture in the UK and United Spirits has been exporting its brands to China.

UB Group, the parent company of United Spirits and United Breweries, further established a firm footing in the Indian alcoholic drinks market in 2006. A number of new product launches, product relaunches and packaging changes as well as promotional activity surrounding its key brands, Kingfisher and McDowell' s, ensured yet another good year for the alcoholic drinks behemoth. Meanwhile, multinationals such as Diageo, Beam Global and Anheuser-Busch rolled out affordably priced made-in-India products to challenge the position held by UB Group.

3. Objectives
The present study is made to fulfill the following objectives.
  1. To study the profile of alcohol consumers.
  2. To determine brand preference of Beer and Whisky in the global environment.
  3. To find out factors influencing brand preference.

4. Hypothesis
Personal factors like age, occupation status and monthly income of consumers influence the brand preference and associations exist between the variables.

5. Design of the study
Daman is a union territory of India near Vapi (South Gujarat). Using Judgment sampling technique three restaurants-bars (one was economic, other was moderate in prices and third was costly) were selected. Total 275 respondents (Male consuming alcohol) were taken as sample after contacting 300 males using convenient sampling method. Data was collected during October-November 2007. Enough care was taken to include all type of consumers (mostly visitors of Daman). The data collected were analyzed statistically. Based on the results suggestion and conclusion were made.

6. Result and Discussion
The liquor market till early 1990s was in the hand of domestic players like UB group, Kanekar, Meakin's etc, but with the opening up of multi national companies Anheuser-Busch, Diageo Smirnoff, Heineken, Scottish & Newcastle etc. enter in to the market.

Daman is near to vapi, on the border of South Gujarat area. Residents of Daman as well as visitors from nearby area frequently visit the bar-restaurants. Consumption of Whisky is very high compared to other liquor categories. Out of 275 respondents around 98% consumers consume Whisky, 93% consumes Beer. Vodka is very popular among youngsters as 89% consumers consume Vodka. Visitors consume Wine occasionally. Most of the respondents influences through reference group and considers it strong media to know about new Category as well as new Brands. New entrants in the market offer sales promotion to the consumers as well as retailers.

7. Profile of the Respondents
275 respondents were consuming alcohol liquor products. The age group of the respondents (in years) between 20-30 is 155 (56%), 30-40 are 79 (29%) and above 40 are (15%). Their occupations are government employee, private employee, professional and business. Nearly half of the respondents (153, 53%) earn up to Rs. 20,000 p.m. the detail profile of the respondents given in the table-1 and table-2.

Table 1: Respondents Profile

Location	Respondents	Alcoholic	Respondents
Daman	122	Yes	275
Outside	153	No	25
Total	275	Total	300

Table 2: Respondents Profile

Age	Respondents	Income	Respondents	Occupation	Respondents
20-30	155	Below 10000	84	Service	98
30-40	79	10000-20000	114	Business	104
Above 40	41	20000-30000	39	Professional	18
Total	275	Above 30000	38	Government	55
		Total	275	Total	275

8. Categories in Liquor products

Liquor industry is one of the most unfamiliar industries, which is affected by the globalization process to a great extent. Due to the impact of Globalization, many international brands have entered in to the Indian market. In Daman, also the impact of Globalization on different brands of liquor categories is expected to be very high and deserves to be studied. Ban on direct advertising through mass media creates this competition more interesting as each marketer have to promote his products and brands. Among the few growing liquor markets globally, India's IMFL (Indian-made foreign liquor; liquor manufactured in India that is not native, like gin, brandy, whisky or rum) market is growing at around 9.7 per cent CAGR, up from about 6.7 per cent in 2002-05. Importantly, this growth has been at the cost of country liquor, which is down from 7.2 per cent in 2002-05 to 6.5 per cent, according to SSKI.

UB (United Breweries Ltd.) is the market leader in the Indian beer market with a 40% market share. Its flagship Kingfisher brand alone commands 25% market share. The company has however been focusing on strong beer, which has driven growth. The company introduced its strong beer, Kingfisher Strong during the year 2000 in the selected market of Maharashtra and Karnataka. The move came as a reactive move following increasing shift of consumers towards strong beer, a trend started by Shaw Wallace. While the overall market grew marginally by 2%, the strong beer market grew at 8-10% during the year at the expense of lager beer. The market is now skewed towards strong beer with more than 60% of the market being strong beer market.

Beer mix today is approximately 60 percent lager beer and 40 percent strong beer. This ratio was very different 4 years ago. Over the last four years strong beer has been the fastest growing segment. This was completely usurped by Shaw Wallace. As of today, while Shaw Wallace has approximately 28 to 30 percent of the strong beer market, UB already has achieved 14 to 15 percent of that strong beer market and is growing very fast. It launched Kingfisher Strong only in May of 2001. And once it is able to take Kingfisher Strong national, it will try to match Shaw Wallace's market share over the next few years. Apart from Kingfisher, and Foster's Beer, the other brands in the Indian market are Carling Black Label, Carlsberg, Dansberg, Golden Eagle, Guru, Maharaja Premium Lager, Haake Beck, Haywards 2000 Beer, Haywards 5000, Haywards skol, Flying Horse Royal Lager, Taj Mahal, Heinekin, Hi-Five, Ice, Kingfisher Diet, Kingfisher Strong, Kirin, KnockOut, Legend, London Diet, London Draft, London Pilsner, Royal Challenge, San Miguel Lager, Sand Piper, Strohs and Zingaro.

UB group also leading in Whisky markets as it dominating it with their brands in each category. Presently in India around hundreds of brand available from national as well as international players in

liquor industry. Brands like Mcdowell no.1, Royal Stag, Royal challenge, Red and White, Black lable, Green lable, Singnature, Jhony walker, Bagpiper and Director's special are leading the market.

Table 3: Category Consumption

Category	Responses	% Responses
Beer	255	93
Whiskey	270	98
Rum	156	57
Vodka	245	89
Wine	186	68
Brandi	210	76

9. Factors influencing on Brand preference

Today the business world is characterized by heavy competition. Many firms are manufacturing the same products with different brand names and at same time the same firm is producing different brands of the same products. Brand preference among the male consumers may be related to the personal attributes like age, occupational status and monthly income.

10. Age wise classification

Different age groups have different physiological and psychological characteristics and have quite dissimilar social cultural roles. So to identify their behavior, the age of the respondents need due consideration. The researchers have made an attempt to find out the relationship between the respondent's age group and their brand preference. The relevant data are given in table -4 and table-5.

Table 4: Age wise Classification of Beer Consumption

Age	Kingfisher	Haywards	Foster's	Cobra	Zingaro	Total
20-30	36	66	27	10	7	146
30-40	23	37	4	7	3	74
Above 40	17	15	0	1	2	35
Total	76	118	31	18	12	255

Table 5: Age wise Classification of Whisky Consumption

Age	McDowell	Signature	Royal Stag	Royal Challenge	Jhony walker	Bagpiper	Total
20-30	29	30	37	24	18	15	153
30-40	21	19	14	17	4	3	78
Above 40	10	6	13	5	3	2	39
	60	55	64	46	25	20	270

Beer

To test hypothesis, that 'there is no association between age group and brand preference for Beer'; two-way analysis of variance (Anova) is used.

The table value of F for v1=4, v2=8, at 5% level of significance is 3.84. the calculated value (7.63) is more than the table value. The researchers have concluded that between the brands there is difference. The critical value of F for v1=2, v2=8, at 5% level of significance is 4.46. The calculated value (7.14) is more than the table value. The researchers have concluded that the brand is affected by the age group of the consumers.

Thus, the F-test shows that there is some association between age of the respondents and their brand preference for Beer.

Whisky

To test hypothesis, that 'there is no association between age group and brand preference for Whisky'; two-way analysis of variance (Anova) is used.

The table value of F for v1=5, v2=10, at 5% level of significance is 3.33. The calculated value (7.60) is more than the table value. The researchers have concluded that between the brands there is difference. The critical value of F for v1=2, v2=10, at 5% level of significance is 4.10. The calculated value (37.21) is more than the table value. The researchers have concluded that the brand is affected by the age group of the consumers.

Thus, the F-test shows that there is some association between age of the respondents and their brand preference for whisky.

11.Occupation wise Classification

The consumer behavior is often influenced in the occupational status of the consumers. Occupation of consumer influences brand preference and tends to place consumers in cultural and social background categories at important times during their lives. The Researchers have made an attempt to find out relationship between occupation wise classification of the respondents and their preferred brand in Beer and Whisky. The relevant data are given in table -6 and table-7.

Table 6: Occupation wise Classification of Beer Consumption

Occupation	Kingfisher	Hayward's	Foster's	Cobra	Zingaro	Total
Service	22	50	7	3	2	84
Business	34	44	10	10	4	102
Professional	4	10	4	0	0	18
Government employee	16	14	10	5	6	51
Total	76	118	31	18	12	255

Table 7: Occupation wise Classification of Whisky Consumption

Occupation	McDowell	Signature	Royal Stag	Royal Challenge	Jhony walker	Bagpiper	Total
Service	17	21	26	20	6	6	96
Business	22	26	24	16	8	6	102
Professional	2	4	2	3	2	5	18
Government employee	19	4	12	7	9	3	54
Total	60	55	64	46	25	20	270

Beer

To test hypothesis, that 'there is no association between occupation and brand preference for Beer'; two-way analysis of variance (Anova) is used.

The table value of F for v1=4, v2=12, at 5% level of significance is 3.26, the calculated value (6.2) is more than the table value. The researchers have concluded that between the brands there is difference. The critical value of F for v1=3, v2=12, at 5% level of significance is 3.49. The calculated value (4.34) is more than the table value. The researchers have concluded that the brand is affected by the occupation of the consumers.

Thus, the F-test shows that there is some association between occupation of the respondents and their brand preference for Beer.

Whisky

To test hypothesis, that 'there is no association between Occupation and brand preference for Whisky'; two-way analysis of variance (Anova) is used.

The table value of F for v1=5, v2=15, at 5% level of significance is 2.9, the calculated value (3.0) is more than the table value. The researchers have concluded that between the brands there is difference.
The critical value of F for v1=3, v2=15, at 5% level of significance is 3.29, the calculated value (8.5) is more than the table value. The researchers have concluded that the brand is affected by the occupation of the consumers.
Thus, the F-test shows that there is some association between occupation of the respondents and their brand preference for whisky.

12. Income wise classification

The income level of the respondents is yet another factor which determines the brand preference. Change in the consumer behavior differs with the change in consumer income. The researchers have made an attempt to find out the relationship between the monthly income of the respondents and their preferred brands and the results are presented in table 8 and table 9.

Table 8: Income level wise Classification of Beer Consumption

Income	Kingfisher	Haywards	Foster's	Cobra	Zingaro	Total
Less than 10000	12	32	12	16	8	80
10000-20000	41	51	8	2	0	102
20000-30000	12	15	6	0	2	35
Above 30000	11	20	5	0	2	38
Total	76	118	31	18	12	255

Table 9: Income level wise Classification of Whisky Consumption

Income	McDowell	Signature	Royal Stag	Royal Challenge	Jhony walker	Bagpiper	Total
Less than 10000	44	6	18	8	2	4	82
10000-20000	14	28	38	20	7	6	113
20000-30000	2	9	2	10	7	7	37
Above 30000	0	12	6	8	9	3	38
Total	60	55	64	46	25	20	270

Beer
To test hypothesis, that 'there is no association between income level and brand preference for Beer'; two-way analysis of variance (Anova) is used.
The table value of F for v1=4, v2=12, at 5% level of significance is 3.26, the calculated value (6) is more than the table value. The researchers have concluded that between the brands there is difference.
The critical value of F for v1=3, v2=12, at 5% level of significance is 3.49, the calculated value (4.2) is more than the table value. The researchers have concluded that the brand preference is affected by the income level of the consumers.
Thus, the F-test shows that there is some association between occupation of the respondents and their brand preference for Beer.

Whisky
To test hypothesis, that 'there is no association between Occupation and brand preference for Whisky'; two-way analysis of variance (Anova) is used.
The table value of F for v1=5, v2=15, at 5% level of significance is 2.9, the calculated value (3.1) is more than the table value. The researchers have concluded that between the brands there is difference.

The critical value of F for v1=3, v2=15, at 5% level of significance is 3.29, the calculated value (4.4) is more than the table value. The researchers have concluded that the brand is affected by the income level of the consumers.

Thus, the F-test shows that there is some association between income of the respondents and their brand preference for whisky.

13. Conclusion

After globalization most of the respondents (270) like the Whisky, (255) likes Beer, (156) likes Rum, (245) likes Vodka, (186) likes wine and (210) likes Brandy.

Nearly 47% respondents prefer Haywards brand, 30% respondents prefer Kingfisher and 13% respondents prefer Foster's.

Signature brand in whisky preferred mostly young and high-income consumers as its consumption is about 25%. McDowell considered as brand for lower income group as about 55% consumers from lower income group preferred it.

The F test reveals that there is some association between age, occupation and income level of respondents on the choice of liquor brands.

To chose Beer consumer considers parameters like alcohol contents, price, bitterness level, promotional offers and strongness, whereas to chose Whisky consumer considers parameters like alcohol contents, price, proper color and packaging.

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