CODEX ENERGY DRINK: MARKET ANALYSIS & ENTRY RECOMMENDATIONS FOR INDIA

By Akif Fazal

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CODEX

- **CodeX**, a German beverage company, has launched its energy drink in the dynamic Indian market.
- Initial launch spanned across 10 cities in India, marking the beginning of its market strategy.
- Market research conducted by the marketing team garnered insights from 10,000 responds in these cities.

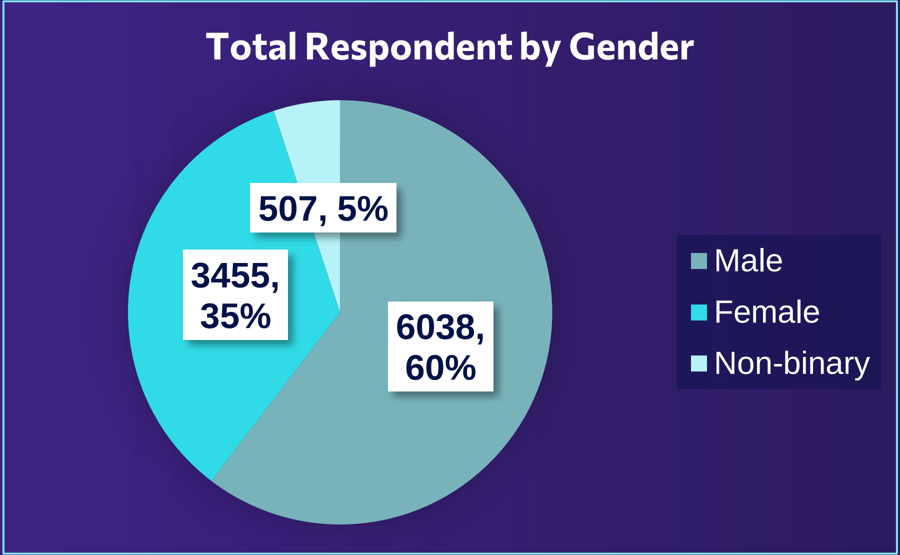
OBJECTIVES

- Assess the level of awareness and familiarity with **CodeX's** energy drink among consumers in the Indian market.
- Explore consumer perceptions, preferences, and behaviors related to **CodeX's** energy drink to gain insights into market reception.
- Identify potential areas for market expansion and strategic initiatives to increase market share and brand visibility in India.

MARKET INSIGHTS

1. DEMOGRAPHIC INSIGHTS

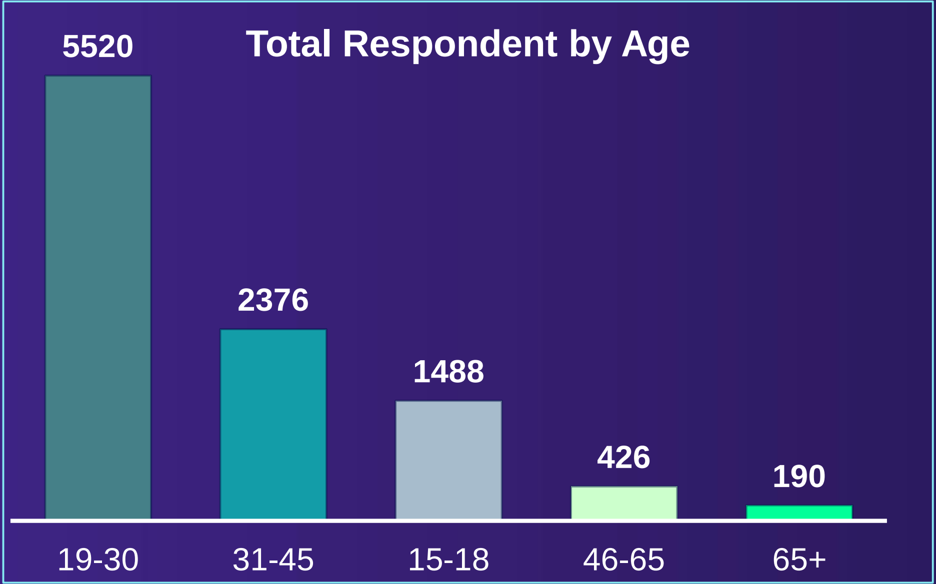
a. Who prefers energy drink more? (male/female/non-binary?)



Males exhibit a stronger preference for energy drinks compared to females and non-binary individuals, with 6038 males reporting consumption compared to **3455** females and **507** non-binary individuals.

This indicates a potential gender-based disparity in energy drink consumption habits, highlighting the need for targeted marketing strategies tailored to different demographic segments.

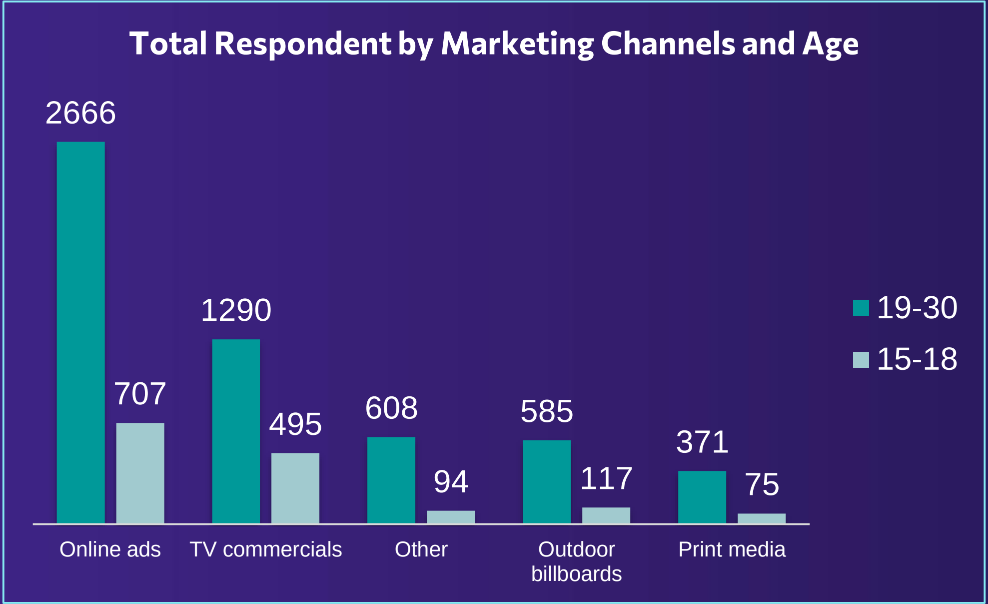
b. Which age group prefers energy drinks more?



The age group of **19-30** displays the highest preference for energy drinks, with **5520** respondents reporting consumption, indicating a strong affinity among young adults.

Conversely, older age groups show lower consumption rates, with only **426** respondents aged **46-65** and **190** aged **65+** reporting consumption, suggesting a decline in consumption with increasing age.

c. Which type of marketing reaches the most Youth (15-30)?

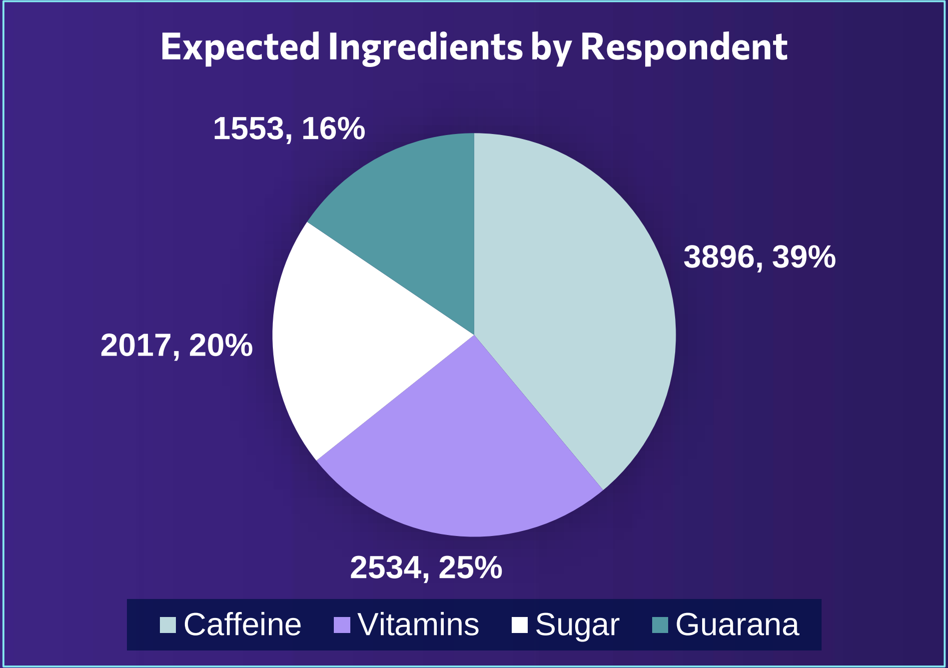


Online ads are the most effective marketing channel among youth aged **15-30**, with **2666** respondents aged **19-30** and **707** respondents aged 15-18 reporting exposure to them.

TV commercials also have significant reach among this demographic, with **1290** respondents aged **19-30** and 495 respondents aged **15-18** reporting exposure to them.

2. CONSUMER PREFERENCES

a. What are the preferred ingredients of energy drinks among respondents?

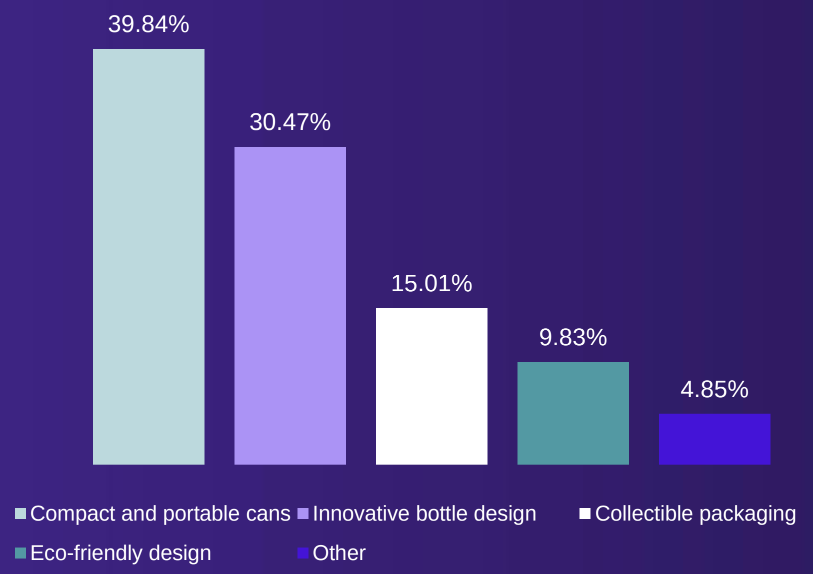


Caffeine is the top preferred ingredient among respondents, with 3896 individuals indicating its importance, reflecting a strong demand for its stimulating effects in energy drinks.

Vitamins rank second, with 2534 respondents expressing interest, suggesting a significant portion of consumers value energy drinks for both their energizing properties and potential health benefits associated with added vitamins.

b. What packaging preferences do respondents have for energy drinks?

Packaging Preference By Respondents

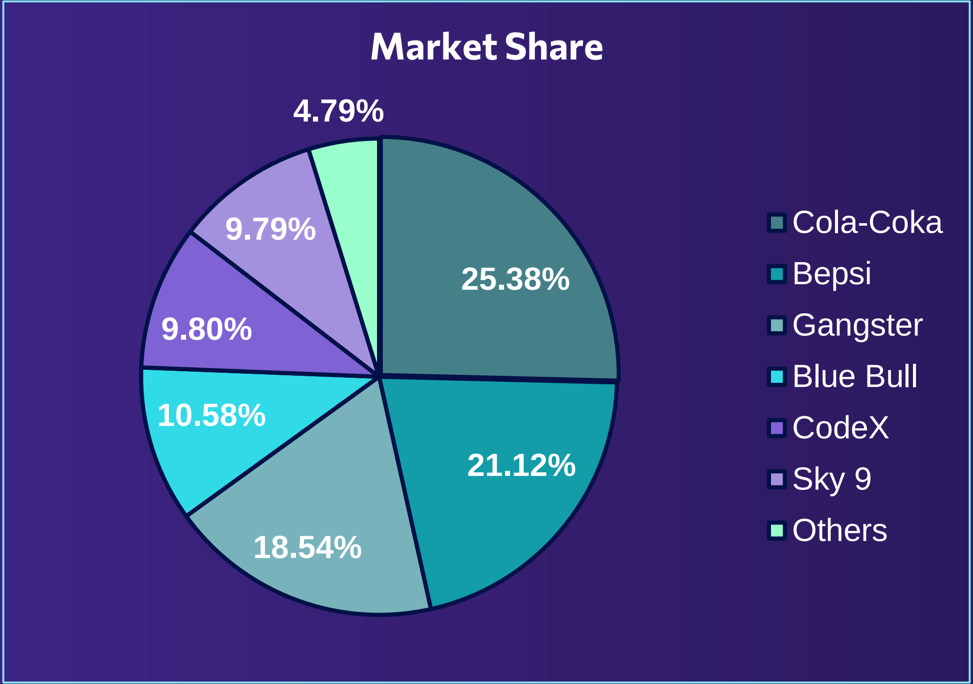


Compact and portable cans emerge as the most preferred packaging option among respondents, accounting for **39.84%** of preferences. This indicates a strong preference for convenience and mobility in energy drink packaging.

Innovative bottle design follows, with **30.47%** of respondents expressing a preference for this option, suggesting an appreciation for unique and visually appealing packaging concepts.

3. COMPETITION ANALYSIS

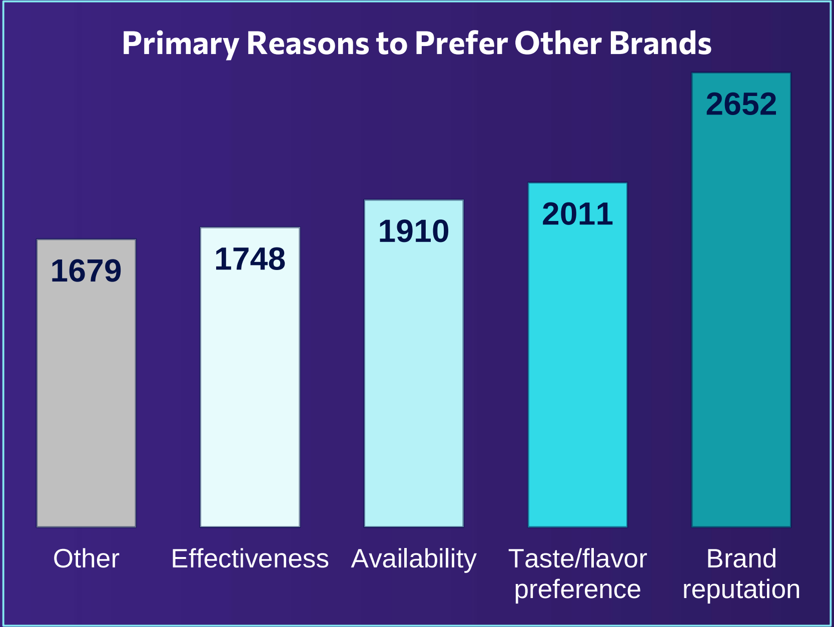
a. Who are the current market leaders?



Cola-Coka emerges as the current market leader with a share of **25.38%**, indicating a significant presence and strong brand recognition in the energy drink market.

Following closely, **Bepsi** holds a substantial market share of **21.12%**, positioning it as a key competitor in the energy drink segment.

b. What are the primary reasons consumers prefer those brands over ours?

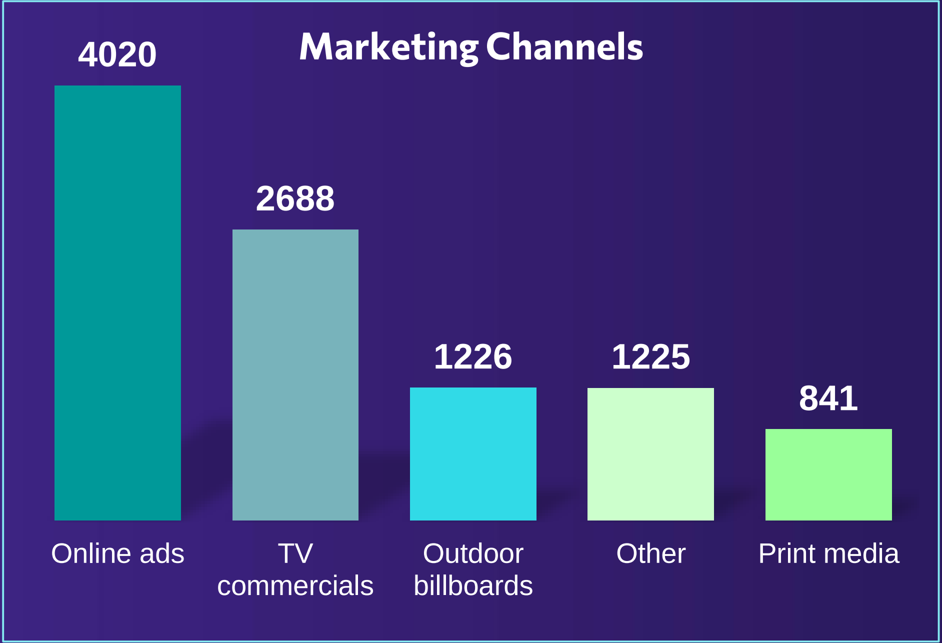


Brand reputation is the top reason consumers prefer other brands over ours, cited by **2652** respondents, indicating strong competitor identities and perceived trustworthiness.

Taste/flavor preference closely follows, with **2011** respondents highlighting the importance of flavor profiles in their brand selection.

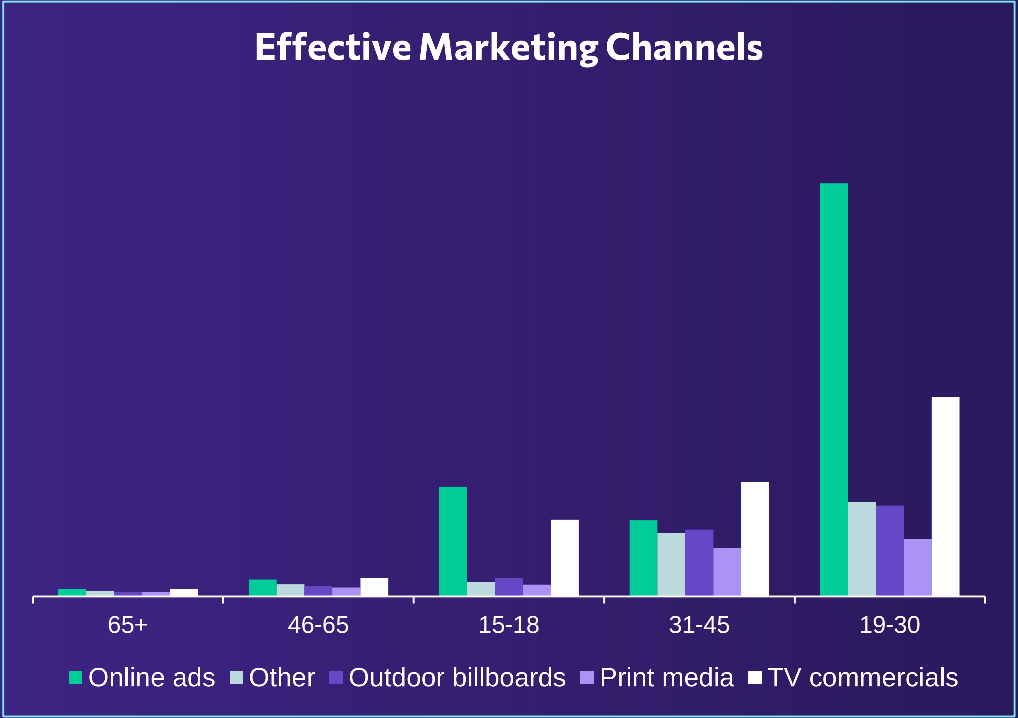
4. MARKETING CHANNELS AND BRAND AWARENESS

a. Which marketing channel can be used to reach more customers?



Online ads emerge as the most effective marketing channel for reaching customers, with **4020** respondents indicating exposure to them. This suggests the potential for a wide-reaching online advertising strategy to maximize brand visibility and engagement.

b. How effective are different marketing strategies and channels in reaching our customers?

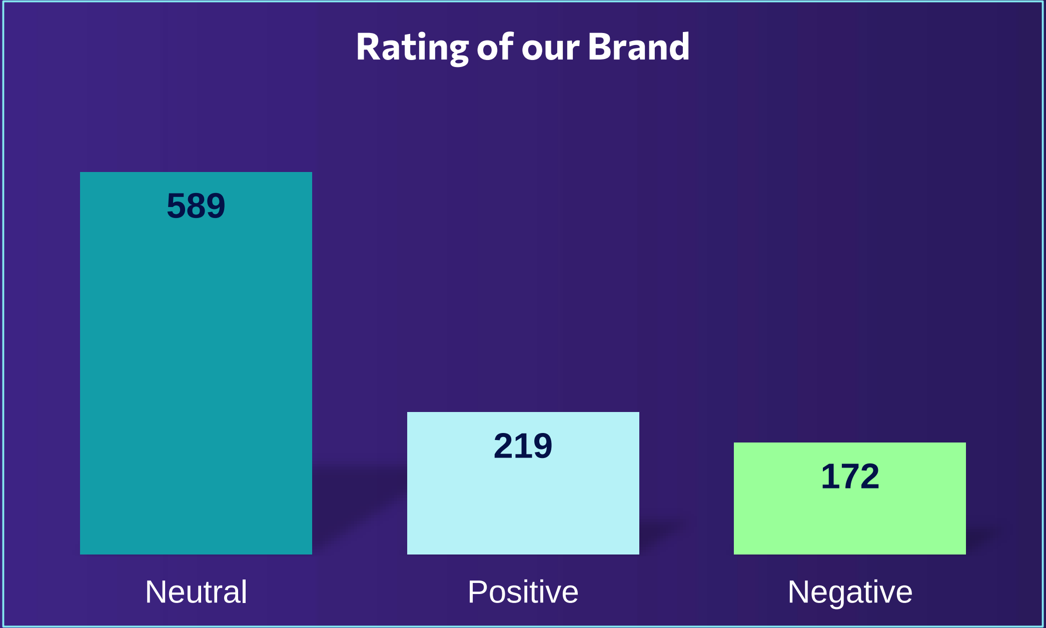


TV commercials demonstrate broad effectiveness in reaching customers across all age groups, indicating their significant reach and impact in engaging our target audience.

Online ads show particular effectiveness among younger demographics **(15-30)**, highlighting the importance of digital marketing strategies in engaging tech-savvy consumers.

5. BRAND PENETRATION

a. What do people think about our brand? (overall rating)

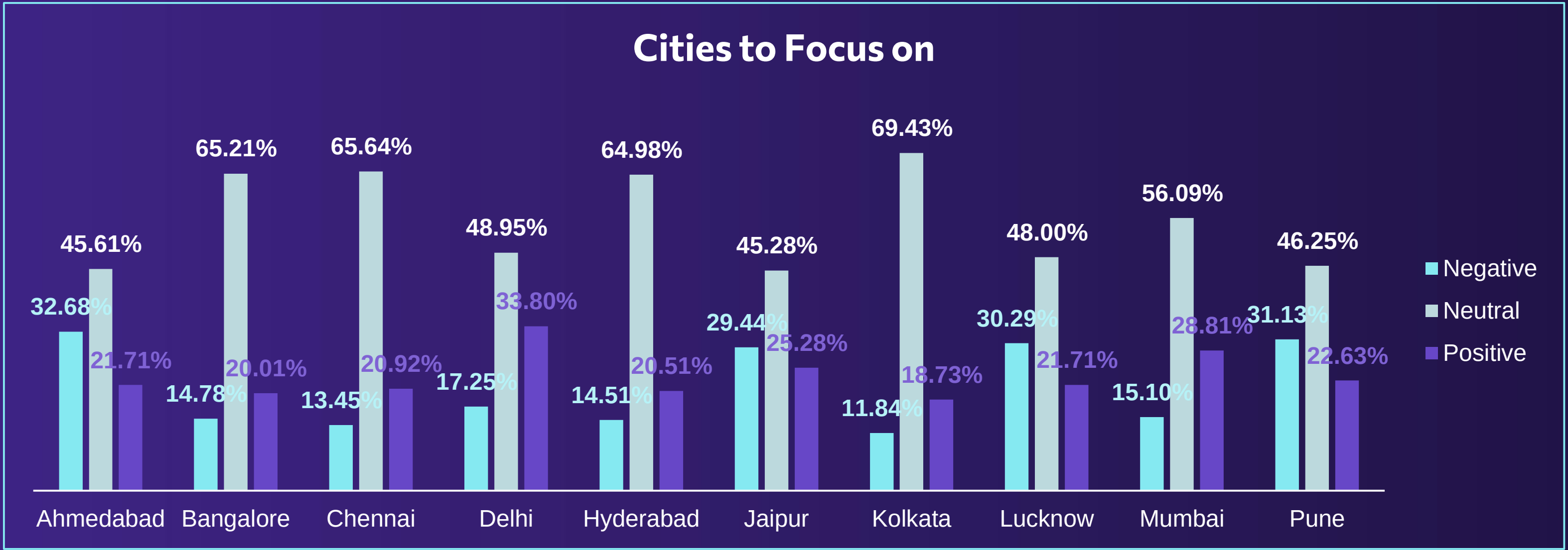


3.27

Average Taste Rating

CodeX

b. Which cities do we need to focus more on?

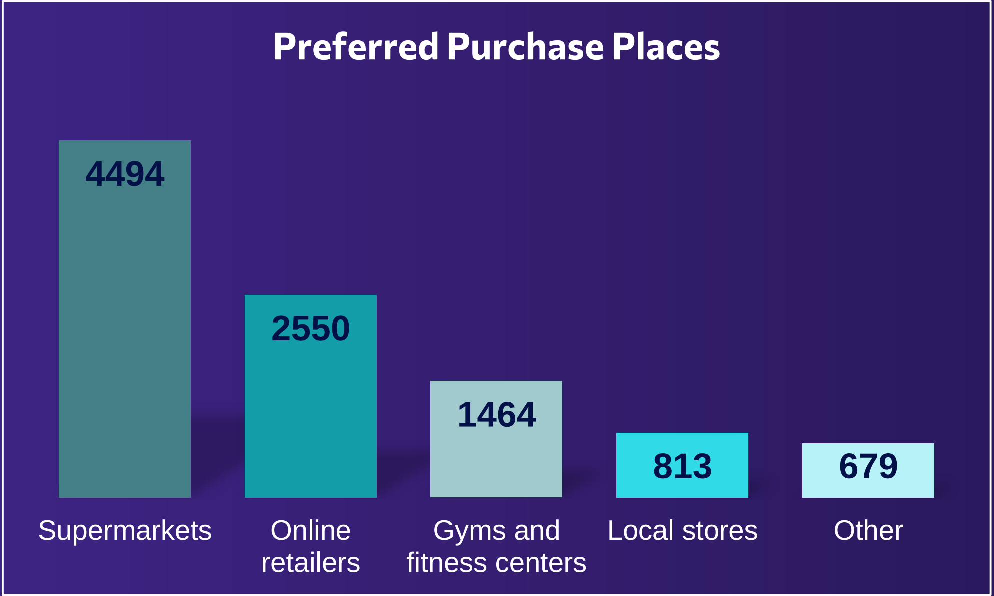


Ahmedabad, Jaipur, Lucknow, and **Pune** exhibit higher proportions of negative brand perception compared to other cities. These cities require focused attention to address negative perceptions and improve brand sentiment.

Bangalore, Chennai, Delhi, Hyderabad, Kolkata, and **Mumbai** demonstrate more balanced perceptions, yet targeted efforts to enhance brand awareness and positivity can still be valuable in solidifying market presence.

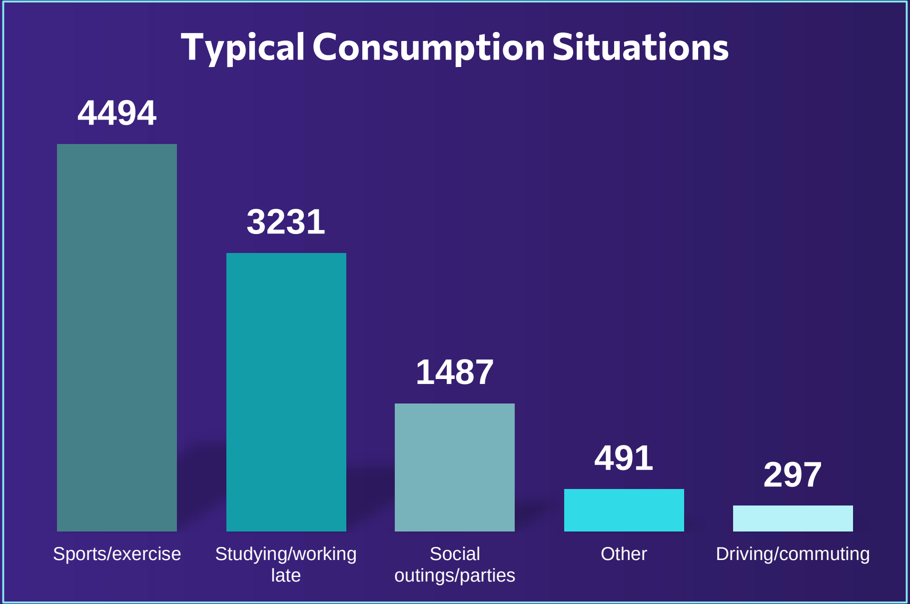
6. PURCHASE BEHAVIOR

a. Where do respondents prefer to purchase energy drinks?



Respondents predominantly prefer to purchase energy drinks from **supermarkets**, with **4494** individuals indicating this as their preferred purchase location. This suggests that supermarkets serve as the primary retail channel for energy drink sales, offering convenience and accessibility to a wide consumer base.

b. What are the typical consumption situations for energy drinks among respondents?



Sports/exercise is the most common consumption situation for energy drinks among respondents, with **4494** individuals indicating it as their primary context, highlighting their association with physical performance enhancement.

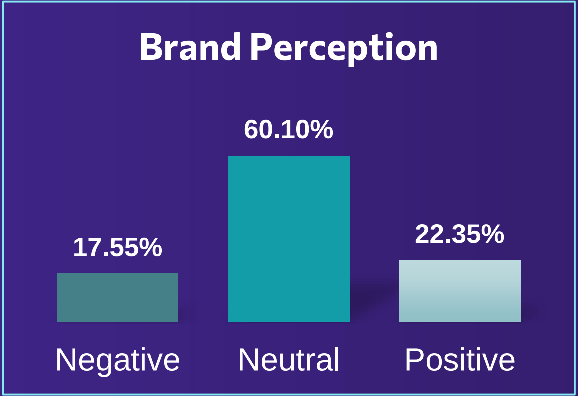
Studying/working late follows closely, with **3231** respondents citing this as a common consumption situation, indicating the use of energy drinks for cognitive function and alertness during periods of extended mental activity.

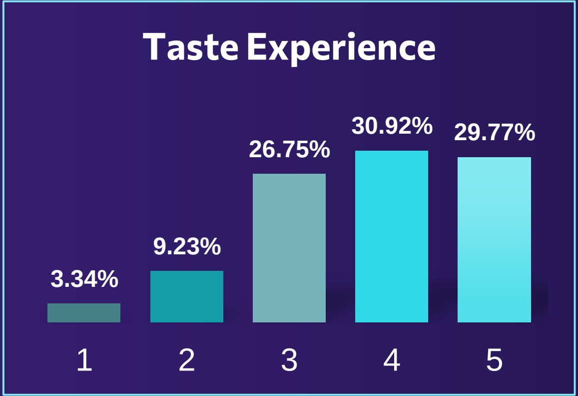
c. What factors influence respondents' purchase decisions, such as price range and limited edition packaging?

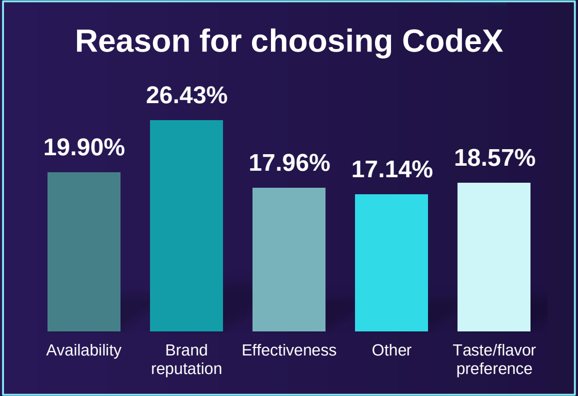
43% of respondents consume drinks when the price range is between 50–99 RS. Additionally, around 40% would buy the drink with limited edition packaging. This data emphasizes the importance of competitive pricing and limited edition packaging in influencing purchase decisions.

7. PRODUCT DEVELOPMENT

a. Which area of business should we focus more on our product development? (Branding/taste/availability)







Improving brand perception is crucial, with **60%** of respondents holding a **neutral** view. This presents an opportunity to enhance our market position through targeted initiatives that elevate brand awareness and foster positive associations.

Brand reputation is the most influential factor in choosing energy drink brands, cited by **26.43%** of respondents, followed closely by **availability** at **19.90%**. Taste/flavor preference, effectiveness, and other factors also play significant roles, each contributing around 18-19% to consumer preferences.

RECOMMENDATIONS FOR CODEX

1. AVAILABILITY

To enhance our market reach, we should expand our distribution network to make our products readily available in supermarkets, convenience stores, and local corner shops across major cities and rural areas. Additionally, we should leverage regional festivals, events, music festivals, gaming events, and sports tournaments to increase brand visibility. Furthermore, we can utilize e-commerce platforms like Amazon and Flipkart to reach a nationwide consumer base.

2. NATURAL INGREDIENTS AND REDUCED SUGAR CONTENT:

We can differentiate our product by utilizing natural ingredients like lemon, lime, ginger, and vanilla, as well as organic caffeine sourced from green tea extract and natural fruit flavors. By reducing sugar content and removing artificial additives, we can significantly improve the nutritional profile of our product, making it an attractive option for health-conscious consumers.

3. OPTIMIZE PRICING STRATEGY:

Majority of respondents **(74.30%)** prefer energy drinks priced between **50-150** units, CodeX should align its pricing strategy within this range to remain competitive and appeal to the broader market segment. Consider offering multiple price points within this range to cater to varying consumer budgets and preferences.

4. PREMIUM OFFERING:

While a smaller proportion of respondents prefer higher-priced energy drinks (above 150 units), CodeX could explore opportunities to introduce premium variants or limited-edition offerings targeted at discerning consumers seeking exclusive or specialized products. Ensure that the premium positioning is supported by enhanced product features, packaging, and branding to justify the higher price point.

5. TARGETED MARKETING

Utilize online advertising as the primary marketing channel to reach younger demographics aged 15-30, who show a strong preference for this medium. Develop engaging and relevant digital content tailored to their preferences and interests to maximize brand awareness and engagement.

6. DISTRIBUTION EXPANSION

Expand distribution channels to reach a wider audience, including supermarkets, online retailers, gyms, and local stores. Strengthen partnerships with key retailers to ensure prominent shelf placement and availability, especially in cities where brand penetration is lower.

THANKYOU!