SPARK

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Contents

Executive Summary

Brand Name: SPARK

Mission Statement

At Spark, we're redefining the beer experience by crafting a brew that delivers bold satisfaction with a smoother taste. With less bitterness and higher alcohol content, Spark is made for those who seek quality, enjoyment, and something refreshingly different in every sip.

The "Why" behind the product

We believe in offering something different that resonates with the modern drinker's preference for variety, flavor, and convenience. We understand that today's consumers want options that fit their pace of life. Our beers respond to this, providing a unique drinking experience that satisfies both the palate and the need for immediate, enjoyable effects. The Indian beer market is classified into lager, ale, and craft beer.

Lager dominates the market, but there is growing demand for craft and flavored beers, particularly among younger consumers. Growth factors like changing consumer preferences, introducing innovative beer flavors, and expanding modern retail channels drive growth. Also, the Indian beer market is projected to grow significantly, with a CAGR of around 7.2% from 2023 to 2032, which provides a great opportunity.

Market Trends Report: Beer Industry in India

This report examines the current market trends within the Indian beer industry, highlighting key drivers of growth, consumer preferences, competitive landscape, and potential challenges.

Introduction

The Indian beer market has thrived over the past decade, driven by a young population, increasing disposable incomes, urbanization, and shifting consumer preferences toward branded and premium alcoholic beverages. This report delves into the specifics of these trends, offering a comprehensive overview of the industry's trajectory.

1. Detailed Market Trends

Growth of Craft and Premium Beer with the Rise of Microbreweries:

- Trend Insight: There is a growing trend of premiumization in the beer industry, particularly among millennials and Gen Z consumers. These groups are increasingly gravitating toward craft and premium beers, which are seen as offering superior quality and distinct flavors compared to mainstream lagers.

The craft beer movement is gaining significant momentum across India, as urban, middle-class consumers show a heightened interest in artisanal, locally brewed beers. This shift is driven by a desire for greater diversity in flavor and enhanced quality.

- Market Impact: The surge in demand for craft beers has fueled the growth of numerous microbreweries and craft brands in major Indian cities such as Bengaluru, Mumbai, Delhi, Pune, and Hyderabad. Brands like Bira 91 have gained significant popularity and are expanding their presence in these key urban markets.

- The Indian craft beer market, projected to grow at a 25% CAGR from 2020 to 2025, is led by brands like Bira 91 and Simba, known for their distinct flavors and innovative branding. Bira 91 offers a range of beers like Blonde Lager, White, IPA, and Light, and uses playful, youthful branding to appeal to urban consumers. Simba stands out with bold offerings like Stout, Strong, and Wit, and positions itself with edgy, rebellious branding. Both brands have successfully tapped into the growing demand for craft and premium beers with their unique flavor profiles and targeted strategies.

2. Expansion of Flavored and Non-Alcoholic Beer Options

- Trend Insight: Flavored and non-alcoholic beers are gaining popularity among health-conscious consumers who are looking for lighter, less intoxicating, and more diverse flavor profiles.
- Market Impact: Major players and new entrants are expanding their product lines to include a variety of flavors such as citrus, berries, and spices, as well as non-alcoholic versions, to cater to this growing segment.

3. Health-Conscious Consumer Base

- Trend Insight: There is a growing segment of health-conscious consumers in India who are mindful of the alcohol content and calorie count in their beverages. This shift is influencing product offerings in the beer market.
- Market Impact: This trend has led to an increase in the demand for low-alcohol and non-alcoholic beers. Companies are responding by introducing light beer options and highlighting health benefits in their marketing campaigns.

- Example: Kingfisher launched its 'Radler' range, which is a non-alcoholic malt drink available in multiple flavours, catering to health-conscious consumers looking for alternatives to traditional beers.

4. Experience-Driven Consumption

- Trend Insight: Modern consumers are looking for more than just a product; they seek an immersive experience. This is particularly evident in the rise of beer cafés and microbreweries where consumers can enjoy freshly brewed beer in a convivial setting.

- Market Impact: The proliferation of microbreweries and experiential pubs across major cities like Bangalore, Mumbai, and Delhi highlights the demand for venues that offer a unique drinking experience.

Example: Brewpubs like Toit in Bangalore and Doolally in Mumbai are popular not just for their beer but also for the experience they offer, including brewery tours and craft beer tastings.

5. Sustainability and Ethical Consumption

- Trend Insight: Consumers are becoming more environmentally aware and are increasingly considering the sustainability practices of the brands they support.

- Impact: This has prompted beer companies to adopt more sustainable production, packaging, and distribution practices. Eco-friendly packaging, water conservation, and waste reduction are becoming important factors in consumer choices.

Example: Simba, a craft beer brand, has taken significant steps towards sustainability by optimizing water usage and reducing carbon footprint in its brewing process.

6.Digital Engagement and E-commerce Adoption

- Trend Insight: The digital savviness of consumers, especially among the younger demographics, is leading to increased engagement with brands through social media and digital platforms. Additionally, the convenience of e-commerce for alcohol purchases has gained traction.

- Market Impact: Beer brands are increasingly enhancing their online presence by utilizing platforms such as Amazon, BigBasket, Swiggy Instamart, and Zepto to sell their products. They are also partnering with delivery services like Dunzo and Swiggy to ensure efficient and convenient home delivery. In terms of digital marketing, these brands are launching targeted campaigns across social media platforms like Instagram, Facebook, and YouTube, often collaborating with influencers and leveraging user-generated content.

Example: Bira 91 actively engages consumers through its vibrant social media presence and partnerships with online delivery platforms to enhance accessibility and brand visibility.

7. Rise of Female Consumers

- Trend Insight: Traditionally dominated by male consumers, the Indian beer market is witnessing a significant increase in female drinkers. This shift is attributed to changing social norms and the growing financial independence of women.

- Market Impact: Beer brands are now crafting marketing strategies and product offerings that appeal to female consumers, including lighter, fruit-infused beers and more inclusive advertising campaigns.

Example: Brands like Heineken with their "Cheers to All" campaign, promote gender-neutral marketing, appealing to a broader audience and breaking traditional stereotypes.

8. Increased Seasonal and Limited-Edition Releases

- Trend Insight: Seasonal and limited-edition beers are becoming more popular, driven by consumer curiosity and the desire for novelty. These offerings keep the product lineup fresh and engaging for consumers.

- Market Impact: Breweries leverage seasonal ingredients and festive periods to release limited-edition products, which helps in maintaining consumer interest and boosting sales during specific times of the year.

Example: Bira 91's seasonal releases like the 'Bira 91 Hot Stuff', a limited-edition winter brew, cater to seasonal consumer preferences and offer novelty.

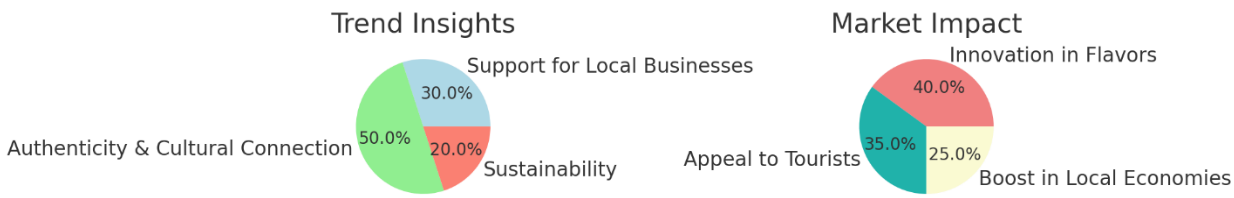
9. Demand for Local and Indigenous Ingredients

- Trend Insight: There is a growing consumer interest in products that incorporate local or indigenous ingredients, driven by a desire to support local businesses and a preference for 'authentic' experiences.
- Market Impact: This trend is encouraging breweries to experiment with local flavours and ingredients, creating beers that offer a taste of the local culture, which appeals to both local consumers and tourists.

Example: Goa Brewing Co. uses local Goan cashews in some of their brews, adding a local twist to their products and highlighting regional flavours.

Examples of Breweries Using Local Ingredients in India:

Brewery	Location	Local Ingredients Used	Impact and Appeal
Goa Brewing Co.	Goa	Cashews	Highlights regional flavors, appeals to tourists seeking authentic Goan experiences.
Arbor Brewing Co.	Bangalore	Local fruits, spices (e.g., coriander, mango)	Enhances the flavor profile with indigenous ingredients that reflect Karnataka's culture.
Simba	Multiple Cities	Sorghum, millet	Appeals to health-conscious consumers and supports local farmers growing ancient grains.
Bira 91	Delhi	Himalayan juniper berries	Adds an exotic twist, marketing to premium consumers and craft beer enthusiasts.



10. Integration of Technology in Consumption Experience

- Trend Insight: The integration of technology in the beer consumption experience, from augmented reality (AR) labels to apps that help consumers choose and review beers, is enhancing consumer engagement.

- Market Impact: Technology is not only being used to improve the consumer experience but also to gather valuable consumer data, which can be used to tailor marketing efforts and product development.

Example: Simba Stout bottles come with AR-enabled labels that, when scanned with a smartphone, provide a unique digital experience related to the brand story and product details.

11. Industry Attractiveness Report Indian Beer Market

- Trend Insight: The Indian beer industry is experiencing robust growth due to a young demographic, rising urbanization, and changing consumer preferences. With increasing disposable incomes and shifting social norms, beer consumption is becoming more socially accepted, even among women.

- Market Impact: The beer market in India is projected to grow at a CAGR of 7.5% over the next five years, driven by lifestyle changes and expanding consumer base. However, regulatory challenges and high logistical costs (10-15% of total product cost) present barriers that require optimization.

Example:

India consumes approximately 300 million cases of beer annually. Despite this strong demand, state-specific regulatory complexities and intense competition challenge the supply chain, making market entry and expansion both attractive and challenging for businesses.

Growth Potential:
- Market Growth Rate: The Indian beer market is expected to grow at a CAGR of 7.5% from 2021 to 2026.
- Segment-Specific Growth: The craft and premium beer segment, although smaller in volume, is experiencing a rapid CAGR of 20%, highlighting a shift towards higher-quality products.

Competitive Landscape:

- Market Concentration: Dominated by a few key players—United Breweries (52% market share), AB InBev (20%), and Carlsberg (15%)—with emerging craft breweries capturing niche markets.
- Barriers to Entry: High, due to stringent regulations, significant capital requirements, and established brand dominance.

Consumer Behaviour and Preferences:

- Premium Preferences: Over 60% of urban consumers prefer premium or craft beers, a trend driven by rising disposable incomes and changing lifestyle preferences.
- Health Trends: There is a notable increase in demand for low-alcohol and non-alcoholic beers, growing at 30% over the past three years.

PESTEL Analysis of the Indian Beer Industry

Political

Excise Duty and VAT Variability: Tax rates on beer range from 20% to 70% across different Indian states, impacting pricing, margins, and distribution strategies.

Policy Evolution: The recent legalization of alcohol home delivery in certain states has led to a 15% increase in sales, highlighting the influence of regulatory changes.

Alcohol Advertising Bans: Direct advertising of alcohol is banned, requiring companies to use surrogate advertising or brand extensions to maintain brand visibility and engagement.

Economic

GDP Growth: India has experienced an average GDP growth of 6% over the past five years, supporting consumer spending on discretionary items like beer.

Currency Fluctuations: The weakening of the Indian Rupee has increased the cost of imported raw materials by approximately 10%, adding to production costs for breweries.

Social

Changing Social Norms: Urban youth and women are increasingly accepting alcohol consumption, expanding the potential consumer base for beer brands.

Cultural Preferences: Beer consumption is influenced by regional taste preferences, requiring breweries to adapt products for localized markets.

Technological

Production Innovations: About 40% of breweries are investing in automation and energy efficiency to reduce costs and improve sustainability.

Digital Marketing Growth: Beer companies have increased their digital marketing spend by 50% year-over-year, reflecting a shift toward online consumer engagement.

Environmental

Sustainability Concerns: Breweries are focusing on eco-friendly production processes, including energy-efficient brewing and reducing water usage, to align with growing environmental concerns.

Legal

Interstate Trade Barriers: Different states impose unique rules on alcohol trade, which complicates distribution and increases operational costs. Overcoming these barriers is essential for breweries operating at a national level.

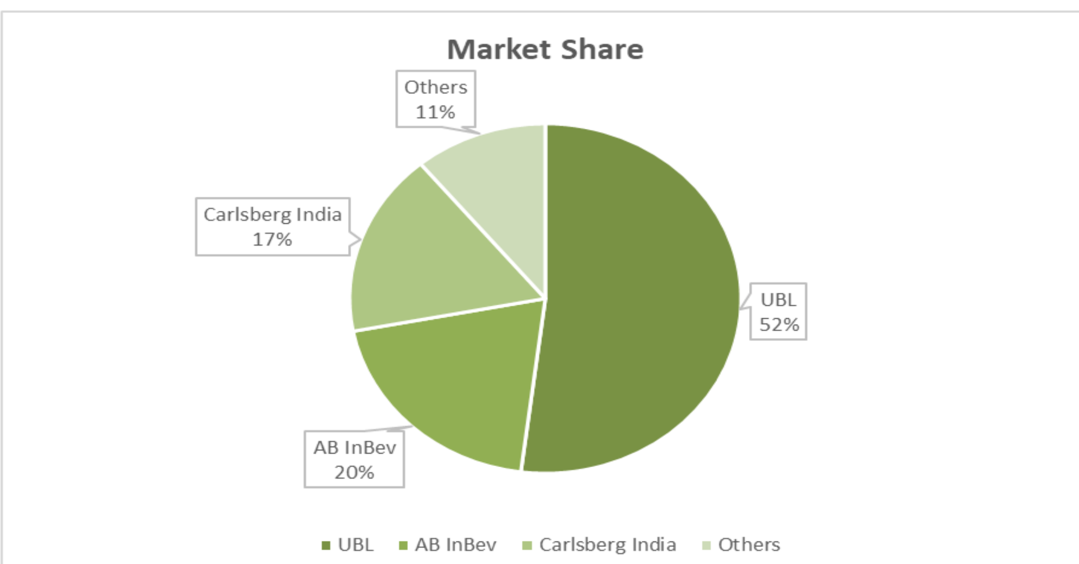
This analysis captures the multi-faceted external factors affecting the beer industry in India, particularly the complex regulatory environment and evolving consumer trends.

Conclusion

The Indian beer industry offers a blend of opportunities and challenges. The rising demand for premium products, increasing consumption levels, and favorable economic indicators indicate substantial market potential. However, factors like intense competition, regulatory complexities, and economic vulnerabilities necessitate strategic planning and operational flexibility. Although the industry, especially in the premium and craft segments, appears appealing, achieving success will depend on effectively navigating regulatory landscapes and leveraging technological innovations.

Competitor Analysis

Brewery	Key Brands	IBU Range	Flavored Beers	Market Share
United Breweries Limited (UBL)	• Kingfisher (Premium, Strong, Ultra) • Kalyani Black Label • Zingaro	• Low to Moderate	Limited	~52%
Anheuser-Busch InBev (AB InBev)	• Budweiser • Corona • Hoegaarden • Stella Artois	• Low (Corona) • Moderate • (Budweiser) • High (Hoegaarden)	Hoegaarden (Rosée - Raspberry)	~20% (Urban Markets)
Carlsberg India	• Carlsberg • Tuborg	• Low to Moderate	Limited	~17%
Bira 91	• Bira Blonde • Bira White • Bira Strong • Bira Boom	• Moderate to High (except Bira White)	Limited Editions (e.g., Mango Lassi)	Rapidly Growing (Metro Areas)
Molson Coors India	• Cobra • King Cobra	• Low to Moderate	Minimal Presence	Niche Market Player



Porter's Five Forces Analysis of the Indian Beer Market

Threat of New Entrants

- Analysis: Initial capital investment is high, stringent regulations, and established brand loyalty make entry challenging. However, craft breweries are emerging in urban areas.

The threat is moderate. While the market entry requires significant capital and compliance with regulatory norms, the growing popularity of craft and premium beers offers opportunities for new entrants.

Bargaining Power of Suppliers

- Analysis: Critical raw materials like barley and hops are imported, giving suppliers some power. However, large breweries have long-term contracts mitigating this.

The power of suppliers is relatively low, as raw materials like barley and hops are widely available. However, specialized ingredients for flavored beers could give some suppliers more leverage.

Bargaining Power of Buyers

- Analysis: Consumers have various choices, especially in urban markets, increasing their bargaining power.

Buyers have moderate power due to the wide availability of beer options. However, strong brand loyalty in the Indian market can reduce this power, especially for established brands.

Threat of Substitute Products

- Analysis: Alternatives like spirits, wines, and non-alcoholic beverages are readily available. The rise of health consciousness also pushes consumers towards non-alcoholic options.

The threat is moderate, with spirits, wine, and non-alcoholic beverages being viable substitutes. However, the unique appeal of beer, particularly flavoured and craft varieties, can mitigate this threat.

Competitive Rivalry

- Analysis: High. Dominated by a few large players with intense competition in pricing, marketing, and product differentiation.

The conclusion from Porter’s five-force analysis

Established players in the premium and flavored beer market are locked in a fierce battle for market share, often resorting to price wars and aggressive marketing tactics.

Market Research

Management Dilemma

Launching a new beer brand in India involves navigating regulatory complexities, creating a strong market identity, and managing distribution across diverse regions. Key dilemmas include managing compliance, costs, profitability, choosing the right market segment, and setting a competitive price in a price-sensitive market. Understanding consumer preferences, addressing cultural sensitivities, and dealing with advertising restrictions are crucial. The challenge of competing with established brands, maintaining quality, and incorporating sustainability while keeping costs in check further complicates the venture, requiring strategic decision-making at every step.

Research Objectives

Primary Objective

The primary goal is to comprehend various perspectives on different beer brands regarding quality, price, packaging, demographics, and target audience.

Elaboration

Brand quality – to know how the quality of a beer caters to the customer and how important it is branding to build customer loyalty to the brand.

Pricing and Packaging – Pricing is one of the crucial elements for any product and it is essential to understand how much customers are willing to pay for a beer and to know whether they are satisfied with the current costing. Likewise packaging is also another important aspect to investigate.

Target audience and demography – To understand who the potential customers of the product are and what their preferred brand is. Also, to know the demography where the more demand is and which are the booming cities in India for beer.

Secondary Objective

The market research would help us to know how people perceive the IBU (International bitterness unit) of different brands, the alcohol content they prefer, whether they are satisfied with the current beers available in the market, and whether they are willing to try new products, which are factor in deciding the drink, how branding fosters an emotional bond between the consumer and the brand, which can be a strong driver of loyalty.

Methodology: Qualitative Market Research

1. Sample

Age Groups:

- 20-26 years
- 40-46 years

Backgrounds:

Individuals from diverse backgrounds and varied alcohol consumption habits were interviewed to capture a broad range of consumer insights.

The research aimed to understand beer preferences, brand loyalty, and attitudes toward flavored beers.

2. Technique

Interview Type:

Semi-structured interviews allowed respondents to share their views freely while focusing on specific aspects of their beer preferences and consumption patterns.

Laddering Technique:

The laddering technique was employed to explore the underlying motivations and values influencing participants' beer preferences. This method involved asking respondents a series of probing questions to uncover the reasons behind their choices and to connect attributes of beer with personal values and beliefs.

3. Interview Guide

The interview guide was designed to explore several key areas:

a. General Alcohol Preferences:

What types of alcohol do you generally prefer?

How often do you consume beer compared to other types of alcohol?

b. Preferences in Beer Types and Brands:

What types of beers do you prefer (light, strong, wheat, flavored, etc.)?

Which brands do you consume most often, and why?

c. Attitudes Toward Flavored Beers:

Have you tried flavored beers?

Which flavors do you enjoy or dislike? Are you open to trying more flavors?

d. Bitterness and Alcohol Content:

How important are bitterness (IBU) and alcohol content in your beer preference?

What is your ideal balance between alcohol strength and flavor?

e. Price and Availability:

How much do price and availability influence your purchase decisions?

4. Analysis from the Interviews

General Alcohol Preferences:

The 45-year-old respondent prefers whiskey but occasionally drinks beer, suggesting a more selective approach influenced by factors like climate.

The 25-year-old shows a stronger preference for beer as a casual drink, indicating more frequent consumption compared to the older demographic.

Preferences in Beer Types and Brands:

Common Trends:

Across all age groups, there was a preference for light beers with lower alcohol content and moderate bitterness.

Popular brands include Budweiser, Carlsberg, and Heineken, reflecting a taste for well-known, reliable quality.

Individual Preferences:

The 45-year-old favors Heineken for its classic flavor and international standards.

The 25-year-old prefers wheat beers and brands like Corona and Bira, indicating a taste for refreshing, slightly sweeter beers with nuanced flavors.

Attitudes Toward Flavored Beers:

The 45-year-old is open to trying flavored beers but generally prefers traditional flavors, showing some curiosity for flavors like Kiwi, Blueberry, Honey Ginger, and Coffee.

The 25-year-old is enthusiastic about flavored beers, with strong preferences for Coffee, Kiwi, Mango, and Honey Ginger, suggesting an adventurous approach to beer flavors.

Insights from Additional Interviews (Aged 20-26):

This age group favored vodka and whiskey over beer for quicker effects and premium experiences, but they still enjoy light to medium beers.

There was a preference for brands like Budweiser, Kingfisher, Heineken, and Carlsberg, which are known for moderate bitterness and consistent quality.

Attitudes toward flavored beers were mixed: some respondents disliked the flavors they tried but remained open to new options, while others were more eager to explore.

Bitterness and Alcohol Content:

Across all respondents, low bitterness was preferred, with an openness to slight bitterness in beers with higher alcohol content.

Male Interviewee (20-26 years) preferred a low IBU beer (around 5 IBU) with some bitterness, as long as the bitterness doesn’t increase with higher alcohol content.

Female Interviewee (20-26 years) preferred minimal bitterness and was interested in flavored beers, though she emphasized that price and availability play a significant role in her purchasing decisions.

Strategic Implications for Product Launch

1. Marketing Strategies

- Highlight Quality: Emphasize high-quality brewing standards and unique flavor profiles to appeal to both traditional and innovative beer drinkers.
- Dynamic Marketing: Utilize social media and event sponsorships to engage younger, flavor-curious consumers, while also highlighting premium aspects for older demographics.

2. Brand Positioning

- Inclusivity: Position the beer as versatile and inclusive, offering a range of flavors to cater to diverse tastes, embodying the "Beer for All" ethos.
- Flavor Variety: Offer a selection of flavors that cater to both adventurous and traditional palates. Focus on maintaining low bitterness and moderate to high alcohol content.

3. Product Development

- Low Bitterness: Develop beers with low IBU levels, ensuring some options have a slight bitterness to cater to different preferences.
- Flavor Options: Introduce a range of flavored beers, ensuring quality and affordability. Test flavors that align with consumer interests, such as Coffee, Kiwi, Mango, and Honey Ginger.

4. Pricing and Availability

- Competitive Pricing: Price the beer between 140 – 200 to ensure accessibility while maintaining a premium feel.
- Packaging and Distribution: Focus on widespread availability and convenient packaging to make flavored beers accessible beyond microbreweries and pubs.

SPSS Analysis

1. Rotated Component Matrix

Rotated Component Matrix[a]

Double-click to activate

	Component 1	2
What is your age group?	.678	.522
What is your gender?	-.108	.923
What is your profession?	.824	-.267
Would you be willing to try out a new beer brand?	-.506	-.015

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Component Transformation Matrix

Component	1	2
1	.982	.188
2	-.188	.982

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

- Age Group and Profession load highly on Component 1 (0.678 and 0.824, respectively). This suggests that these two variables contribute more strongly to the first component.
- Gender loads highly on Component 2 (0.923), indicating that this variable is primarily related to the second component.
- The variable Willingness to try a new beer brand negatively loads on Component 1 (-0.506), which might indicate that this variable is somewhat inversely related to the factors associated with age and profession.

In summary, two components seem to emerge:

Component 1: Defined mainly by age group and profession.

Component 2: Defined primarily by gender.

2. Correlation Matrix

Correlation Matrix[a]

		What is your age group?	What is your gender?	What is your profession?	Would you be willing to try out a new beer brand?
Correlation	What is your age group?	1.000	.234	.324	-.110
	What is your gender?	.234	1.000	-.206	-.011
	What is your profession?	.324	-.206	1.000	-.161
	Would you be willing to try out a new beer brand?	-.110	-.011	-.161	1.000
Sig. (1-tailed)	What is your age group?		<.001	<.001	.012
	What is your gender?	.000		.000	.411
	What is your profession?	.000	.000		.000
	Would you be willing to try out a new beer brand?	.012	.411	.000	

a. Determinant = .743

- There is a weak positive correlation between age group and gender (0.234), and a stronger correlation between age group and profession (0.324).
- The correlation between gender and profession is slightly negative (-0.206), suggesting a mild inverse relationship between these variables.
- The correlation between willingness to try a new beer brand and other variables is quite low (between -0.110 and -0.161), implying that this variable is relatively independent of age, gender, or profession.

Significant values are provided in the bottom half of the matrix, with most of the relationships being statistically significant at the 0.001 or 0.012 level, indicating that the observed correlations are unlikely to have occurred by chance.

3. KMO and Bartlett’s Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.397
Bartlett's Test of Sphericity	Approx. Chi-Square	124.857
	df	6
	Sig.	<.001

Communalities

	Initial	Extraction
What is your age group?	1.000	.732
What is your gender?	1.000	.864
What is your profession?	1.000	.751
Would you be willing to try out a new beer brand?	1.000	.256

Extraction Method: Principal Component Analysis.

KMO (Kaiser-Meyer-Olkin Measure of Sampling Adequacy) is 0.397, which is considered low. A value below 0.5 suggests that the sample may not be adequate for factor analysis. This could be a warning that the factor structure may not be well-defined.

Bartlett's Test of Sphericity is significant ($p < 0.001$), which means that the correlation matrix is not an identity matrix, and thus, factor analysis is appropriate despite the low KMO.

4. Component matrix

Component Matrix[a]

	Component	
	1	2
What is your age group?	.764	.385
What is your gender?	.068	.927
What is your profession?	.759	-.418
Would you be willing to try out a new beer brand?	-.500	.080

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

Insights:

1. Component 1

Age group: Strongly positively correlated with Component 1.

Profession: Also strongly positively correlated with Component 1.

Gender and Willingness to try a new beer brand: Have relatively low loadings on Component 1.

2. Component 2

Gender: Strongly positively correlated with Component 2.

Willingness to try a new beer brand: Has a slight positive correlation with Component 2.

Age group and profession: Have relatively low loadings on Component 2.

Conclusions

Based on the analysis, you can conclude that:

Component 1 seems to be related to demographic factors like age and profession. Individuals who are older and in certain professions might be more likely to have similar preferences or behaviors. Component 2 appears to be related to gender and, to a lesser extent, willingness to try a new beer brand. This suggests that gender might play a role in influencing beer preferences or openness to new products.

5. Total variance explained

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.414	35.362	35.362	1.414	35.362	35.362	1.406	35.162	35.162
2	1.189	29.719	65.081	1.189	29.719	65.081	1.197	29.919	65.081
3	.912	22.803	87.885						
4	.485	12.115	100.000						

Extraction Method: Principal Component Analysis.

Insights:

- In your PCA, **two key components** (with eigenvalues >1) explain most of the variability in your data, suggesting that the dimensionality of your data can effectively be reduced to two main factors.
- You might interpret these components by examining the factor loadings to determine which variables heavily load on each component. These could represent underlying factors or themes that explain the relationships between variables in your dataset.

6. Chi-Square tests

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.296[a]	4	<.001
Likelihood Ratio	30.847	4	<.001
Linear-by-Linear Association	29.980	1	<.001
N of Valid Cases	513		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.28.

Insights:
A significant Pearson Chi-Square value ($p < 0.001$) indicates that there is a statistically significant association between the variables tested.
The Likelihood Ratio confirms this association, suggesting that the observed relationship is not due to random chance.
The Linear-by-Linear Association statistic further supports a strong trend or linear association between the variables.

7. Crosstab Analysis

Crosstab

Double-click to activate

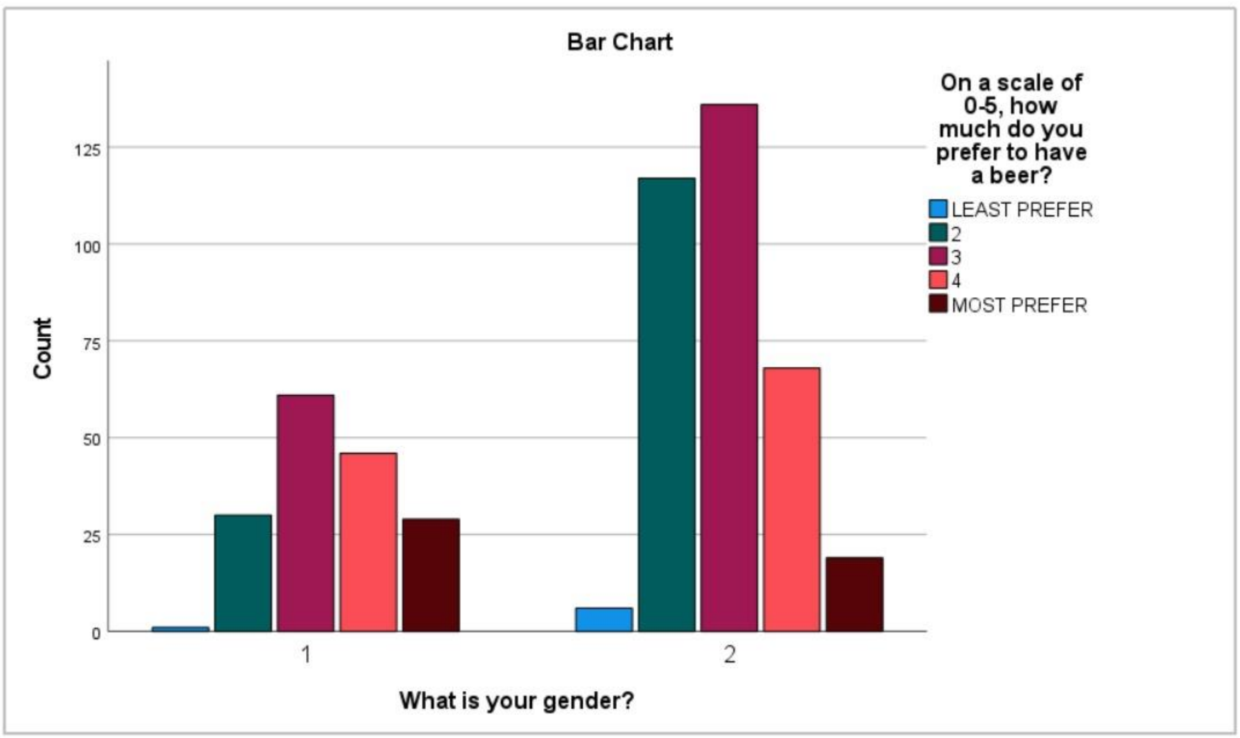
		On a scale of 0-5, how much do you prefer to have a beer?					
		LEAST PREFER	2	3	4	MOST PREFER	Total
What is your gender?	1	1	30	61	46	29	167
	2	6	117	136	68	19	346
Total		7	147	197	114	48	513

This table breaks down the preference for beer based on gender, providing a clearer comparison.

Females: Most participants (61) are at preference level 3, followed by level 2 (30), and least preference is seen in levels 1 and 5. This shows a moderate tendency toward beer consumption in this group.

Males: The majority prefer levels 2 and 3 (117 and 136, respectively), indicating a stronger inclination toward beer in this group. Preference 5 (most prefer) has fewer participants (19), which is relatively low. Overall, more participants in Males prefer beer compared to Females across all levels.

8. Bar Chart Analysis



The bar chart depicts the preference for drinking beer based on gender. The x-axis represents gender (labelled as 1 (Females) and 2 (Males)), and the y-axis shows the count of participants. The colour coding refers to the scale of preference for beer (0-5), where 0 is the least preference and 5 is the most.

- Males has a higher count across all preference levels compared to Females.

- The most significant difference is observed in the preference level 2, where Males has the highest count (around 120), while Females has much lower participation.

A higher proportion of Females prefers beer at levels 3 and 4 compared to other levels.

9. Chi-Square Test Results

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.296[a]	4	<.001
Likelihood Ratio	30.847	4	<.001
Linear-by-Linear Association	29.980	1	<.001
N of Valid Cases	513		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.28.

The chi-square table helps to determine if there is a statistically significant association between gender and beer preference.

● Pearson Chi-Square: The value is 31.296 with a degree of freedom (df) of 4, and a p-value less than 0.001, indicating that the association between gender and beer preference is highly significant.

● Likelihood Ratio: Similar results with a value of 30.847 and $p < 0.001$, reinforcing the association.

● Linear-by-Linear Association: With a value of 29.980 and $p < 0.001$, this suggests a linear relationship between the variables.
Given that 2 cells have expected counts less than 5, the assumptions of the test may have slight violations, but it is still reliable due to the strong significance values.

Conclusion

Based on the market research conducted, Spark Beer is well-positioned to cater to a growing segment of young consumers, including students and working professionals, who value a social beer-drinking experience with friends. The survey results indicate that these consumers prefer light to moderate alcohol levels in their beer, with a taste profile that includes very little to mild bitterness. Additionally, there is a strong openness toward flavored beers, presenting a valuable opportunity for product diversification.

With these insights, Spark Beer can confidently target this demographic by offering a range of beers that align with their preferences. By introducing light, mildly bitter beers, along with flavored variants, Spark Beer can capture a significant share of the youth market, particularly in popular outlets like liquor shops, cafes, and pubs. This strategy not only caters to the current demands but also ensures that Spark Beer remains an exciting, go-to choice for young and enthusiastic beer consumers.

References

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12. Market Share Analysis of Indian Beer Industry

Appendices

Questionnaire Survey

We sent the following survey to our potential consumers; the survey can be accessed using the link: https://forms.gle/9PdTTQxvrQRFQ39X9. We received more than 100 responses for the same.

Section 1

1. Are you of Legal Drinking Age in your territory, and do you consume alcohol?

   Yes (If a respondent chooses this, they will be moved to the next section)
   No (If a respondent chooses this, they will be dropped out of the survey)

   Explanation: First filtering question to weed out those respondents who are not eligible for this survey.

Section 2

2. What is your age group?

   18-23
   24-29
   30-35
   36-41
   42-47
   48-53
   54+

   Explanation: This question will help us identify our target customers.

3. What is your gender?

   Male
   Female
   Non-Binary
   Prefer not to say

Explanation: This question will help us identify our target customers.

4. What is your profession?

   Salaried
   Self-Employed (Business, Freelancer, Working Professional)
   Student
   Others

   Explanation: This question will help us identify our target customers.

5. On a scale of 0-5, how much do you prefer to have a beer?
   (0 being not preferred at all and 5 being the most preferred over any other liquors.)

   0 (Doesn't drink/like beer at all)
   1
   2
   3
   4
   5 (Beer is the first choice of liquor)

   Explanation: To understand the affinity for beer among alcohol consumers. This is also a filtering question as it will drop out those respondents who don’t drink or like beer. Choosing 0 option will drop out the respondents from the survey, any other options will take the respondents to the next section.

<u>Section 3</u>

6. On what occasions do you usually consume beer?

   With Friends
   Office Parties
   Family Functions
   Festivals
   To Celebrate an Achievement
   Other: ________________

Explanation: This question will help us to understand how to promote and place our products in the market.

7. From where do you buy your beer?

   Liquor Shops
   Supermarkets
   Cafes and Pubs
   Online
   Other: _________________

   Explanation: This will help us to identify the channels where we can sell our products.

8. How often do you consume beer?

   Almost every day (more than 4 days in a week)
   About once or twice a week
   About three to four days a week
   Once or twice a month
   Very Occasionally

   Explanation: This will help us to identify our potential market volume.

9. Which is your favourite beer brand?

   Budweiser
   Carlsberg
   Hoegaarden
   Kingfisher
   Bira
   Heineken
   Tuborg
   Corona
   Seven Rivers
   Other: _________________

   Explanation: To get an idea about what the consumers are preferring from the existing options in the market.

10. How much alcohol content (%) would you prefer in your beer?

Less than 3%
3-5%
6-8%
9-12%
13-16%
17-20%

Explanation: To help us develop our products according to the consumer needs.

11. How much bitterness (IBU level) would you prefer in your beer?
    For ref: KF Ultra Max has an IBU level of around 15, and KF Ultra has an IBU level of around 10.

    Less than 5 IBU
    5-10 IBU
    11-15 IBU
    16-20 IBU
    21-30 IBU
    31-40 IBU
    Explanation: To help us develop our products according to the consumer needs.

12. What are your thoughts about flavoured beer?

    Tried, liked it
    Tried, but didn't like it
    Willing to try
    Not willing to try at all

    Explanation: To explore whether there can be a market for flavoured beer or not.

13. Which flavours of beers do you like or want to try?

    Apple Cider
    Mango
    Cranberry
    Ginger Ale
    Don't want to try flavoured beer
    Other: ________________

Explanation: To help us develop our products according to the consumer's wants.

14. What characteristics do you want in your beer?

Refreshing
Flavour
Original beer-taste
Low calories
Packaging
Aroma
Aftertaste

Explanation: To help us develop our products according to the consumer's wants.

15. What types of beer do you prefer?

Normal/Lager beer (Barley or Rice)
Wheat Beer
Stout (Coffee)

Explanation: To help us develop our products according to the consumer's wants.

16. How much do you want to spend for a 650 ml beer bottle?

101-150
151-200
201-250
251-300
More than 300

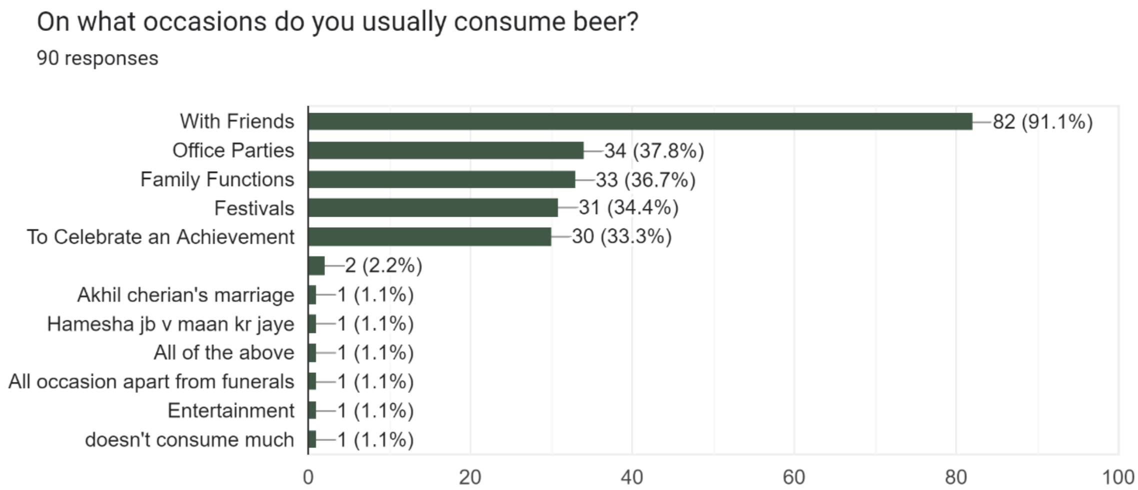
Explanation: To understand the pricing of our products.

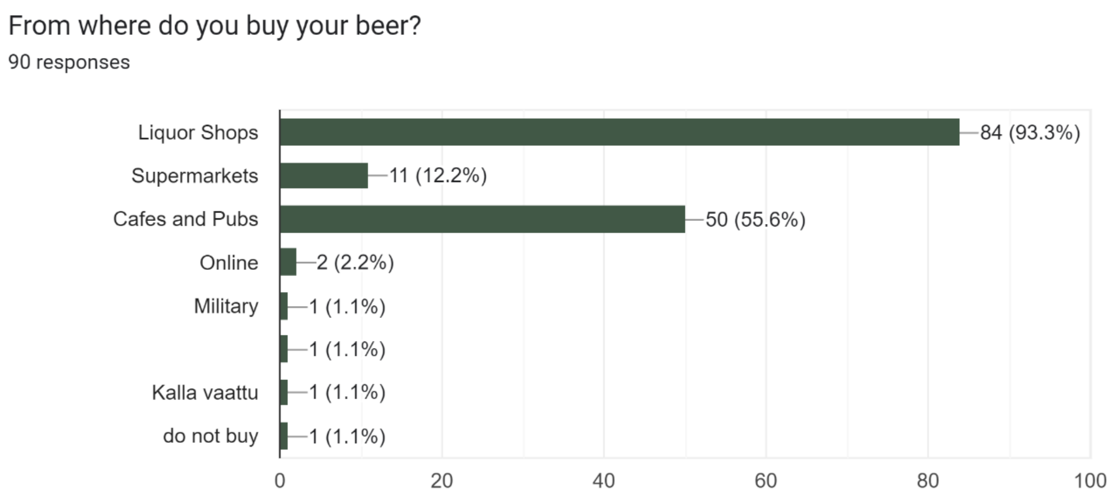
17. Would you be willing to try out a new beer brand?

Yes
No
Maybe

Explanation: To have an idea if we start a new beer brand or not.

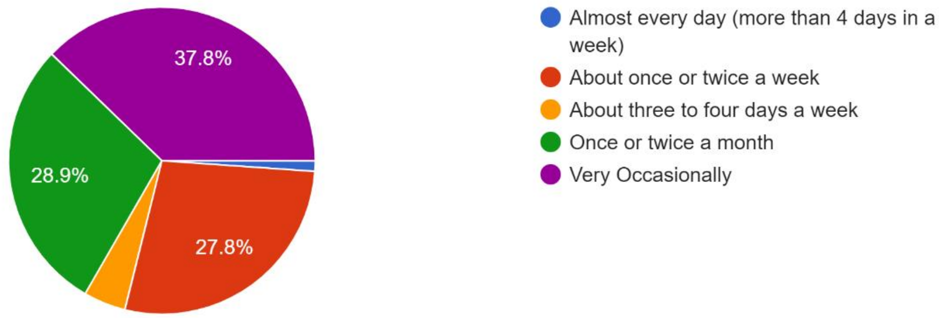
Survey Results





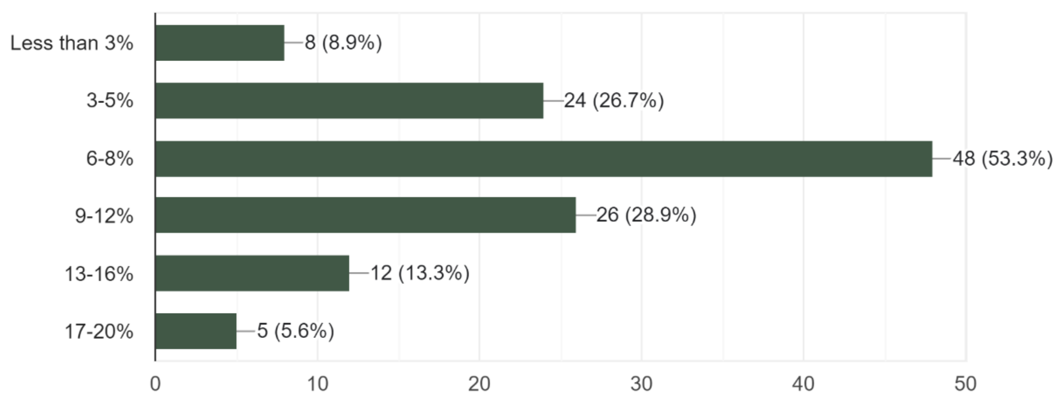
How often do you consume beer?

90 responses



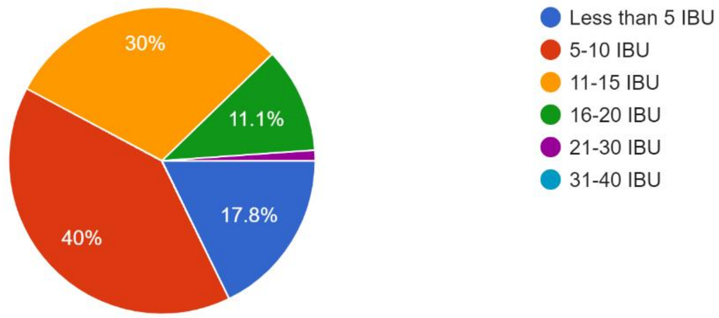
How much alcohol content (%) would you prefer in your beer?

90 responses



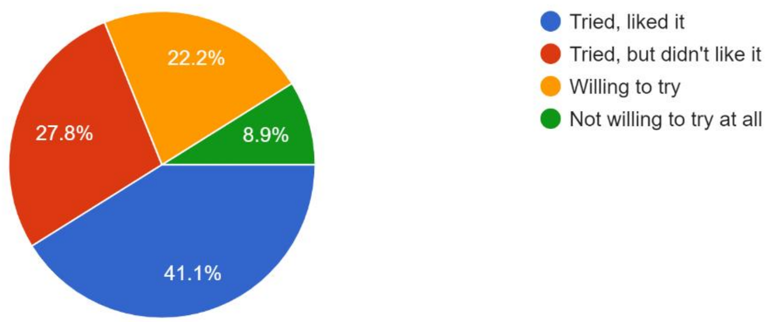
How much bitterness (IBU level) would you prefer in your beer?

90 responses



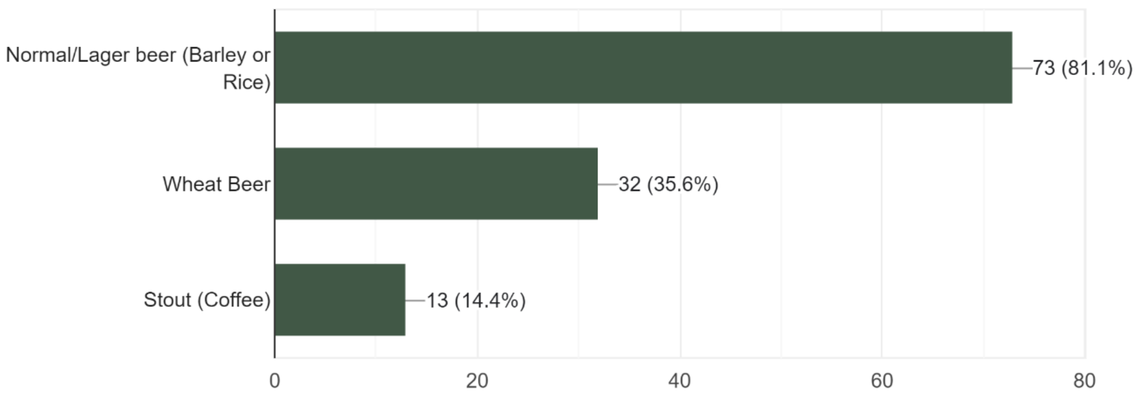
What are your thoughts about flavoured beer?

90 responses



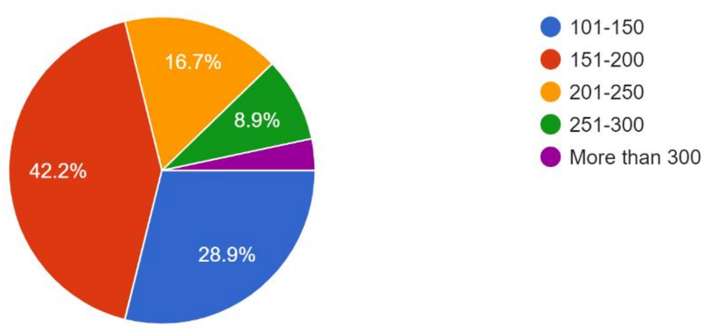
What types of beer do you prefer?

90 responses



How much do you want to spend for a 650 ml beer bottle?

90 responses



Would you be willing to try out a new beer brand?
90 responses