

India Beer Market- Industry Size, Share, Trends, Analysis and Forecasts (Upto 2017)

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The market research report titled 'India Beer Market- Industry Size, Share, Trends, Analysis and Forecasts (2013-17)' released by Niir Project Consultancy Services, provides a comprehensive analysis on Indian Beer Market. The report starts with a brief on the global scenario of the beer industry and then proceeds to analyze the Indian scenario. The report gives a snapshot of the manufacturing process of the beer starting from malting till the end of process at bottling. Indian beer market is dominated by United Breweries capturing over 50% of the market followed by SABMiller with around 25% and Carlsberg with under 10% of the market share. Similarly in brands, Kingfisher dominates the market followed by Haywards 5000, Knock Out and Tuborg.

The report analyzes the beer market in profundity by covering data points like industry growth drivers, emerging trends coupled with SWOT analysis of the market and the regulatory framework. The report captures the market share of key players with the help of HHI or better known as market concentration index. Although Indian Alcohol Industry has been dominated by stronger spirits (IMFL), but over the years beer has made a mark in the industry and has been able to make its presence felt. Surveys show that beer is the preferred alcohol of the 21st century Indian. Nowadays consumers are looking for choices away from whisky and it is not just the male populace that is enamored by beer but female population equally enjoys the drink. The industry today boasts of an array of high quality varieties that were not even thought about 7-8 years ago. The players are leaving no stone unturned for wooing the Indian consumer; from fruit flavors to spice infusions to fancy names like Basmati Blonde. The latest addition in the fancy beers is the Indus pride, India's first beer brewed with authentic Indian spices, launched by SABMiller India. Also, rising acceptability of social drinking is a major contributor to the industry's growth and such acceptability of alcohol has opened the market to new consumers like women and youth who earlier comprised only a small proportion of alcohol consumers in the country. To attract the new found consumers companies undertake promotional activities like pubs arrange 'Ladies Night' where drinks are served free for ladies. The beer scenario has changed drastically with mushrooming of beer café's and microbreweries. The microbrewery boom started in 2008 with two brew pubs — Howzatt and Rockman's Beer Island — opening within a month of each other in Delhi NCR and today all major Indian cities are experiencing the presence of microbreweries. Recently, The Pint Room and The Beer Café have opened their outlets in the National capital. Microbreweries offer a huge variety of bottled as well as in-house brewed beers and it is estimated that there would be around 75-100 new microbreweries coming up in metros and tier-II cities across India over the next two years. The rising awareness of health benefits that beer offers will further aid the growth. Beer has more health benefits than generally known and is perfect for moderate drinking because of its lower alcohol content and larger volume compared with wine or spirits.

High growth rates and relaxation of rules on foreign direct investment in the last decade has attracted foreign investment in the beer sector. Indian beer consumption patterns have changed radically in the last few years,

most of it attributed to the advent of foreign brands in Indian beer market. Not only have foreign brands entered the beer picture but are gaining popularity at an astounding rate. Some foreign brands that are available in the Indian market are Corona, Budweiser, Fosters, Carlsberg, Heineken, Shepherd Neame and Carling. Bubbling with enthusiasm and high on growth wave, Indian Beer Industry has been a magnet for many international players. These days craft beer, with the arrival of microbreweries, is creating quite a buzz in the industry. A craft beer is a beer hand crafted and brewed freshly by a brewmaster. Indians are now seeking a wider choice and better quality of beer that only craft brewers can offer. Hence the emergence of craft beer as a category is gaining popularity in the Indian market. Also, owing to a ban on direct advertising of alcoholic beverages in India, companies nowadays are using innovative concepts to market their products. Indian market players have been forced to be more innovative in their approach to engage the consumers, branching out into concepts such as non-alcoholic brand extensions and surrogate advertising coupled with alignment with sport. Example Kingfisher Premium has associated itself with five teams of the IPL as the 'Good Times Partner', resulting in huge brand awareness among its target audience. Another trend catching up in the industry is the advent of online liquor stores. There has been a rapid increase in the number of websites offering liquor on sale. The USP, like all other online sites, is the convenience of customers and the availability of huge variety at one place and discounts that online portals can manage are an added advantage for the consumers. Websites like www.letsbuydrink.com and boozr.com offer liquor online for sale. The beer market is all set to ride on e-tailing wave in India.

Indian alcohol distribution structure is complex and generally varies from state to state. Liquor is a state subject in India and consequently, the liquor industry is subjected to very strict distribution controls by the state governments. The distribution structure consist three types of market- Government controlled, open market and auction market. States like Assam, West Bengal and Pondicherry are states with open market; States like Tamil Nadu and Kerala fall under the complete regulation of government whereas states like Haryana, Chandigarh and Punjab fall under the auction market structure. The Indian alcohol industry is characterized by high entry barriers due to government regulations.

The report further scrutinizes the Indian beer industry with the help of SWOT Analysis. The report elucidates the strengths of the industry in being recession proof in view of the fact that the Indian alcohol consumption generally remains unfazed by the economic downturn in the nation. Also growing Indian population serves as a ready available market for the beer producers and favorable distribution of Indian population towards the young age augurs well for the industry. The industry also does not face any shortages of the main raw material i.e. barley. Barley in India comes just after rice, wheat & maize production in terms of importance and the nation produces sufficient quantities of the raw material for the industry.

However the industry faces challenges in the form of ban on direct advertising and derisory state of market infrastructure. The industry is also highly taxed and regulated and struggles with multiplicity of taxes and lack of uniformity in the regulations varying from state to state. The industry is also burdened with unjustified pricing of its products. Beer, although contains less alcohol, is taxed in the same manner as strong spirits which in turn makes beer expensive for the end user. The industry also faces moral restrictions due to religious influence. Some groups, particularly of a religious nature, have tried to ban alcohol altogether and have made its consumption into a sin. Despite such challenges Indian market is a sea of opportunities with its extremely low per capita consumption of beer when compared to other countries in the world. India consumes mere 1.64 litres beer per person which is like peanuts when compared to countries like China and US which consumes 37 litres and 78 litres of beer per person respectively. Favorable demographics, rising disposable incomes, urbanization and rising acceptability of drinking have brought the winds of change for the industry. Urbanization has helped in giving much needed acceptance to the concept of social drinking in the nation.

Indian populace in 2012 consumed ~20 million hectolitres of beer which translates to 1.6 litres of consumption per person. Per capita consumption of beer has grown at a CAGR of ~9% during the period 2008-12 and beer consumption rose to 256 million cases in 2012 from 170 million cases in 2008, thus registering a CAGR of ~11%. Indian beer exported stood at INR 383.1 million in 2008 and has escalated to INR 1777.8 million in 2013, showcasing a robust CAGR of 36% whereas imports registered a CAGR of 19% over the same period and stood at INR 281.6 million in 2013. Favorable demographics coupled with increasing focus of foreign brewers on product range and rising social acceptance of alcohol are expected to enable beer demand to grow swiftly in years to come. We estimate beer industry to register a growth of 12%

y-o-y and reach a size of 452 million cases by 2017E. The growth rate of 12% is a conservative estimate; the industry has all triggers in place for exceeding the projected growth rate.

Reasons for Buying this Report:

- This research report helps you get a detail picture of the industry by providing overview of the industry along with the market structure and classification
- The report provides market analysis covering major growth driving factors for the industry, latest market trends and insights on regulatory framework in the industry
- This report helps to understand the present status of the industry by elucidating a comprehensive SWOT analysis and scrutiny of the demand supply situation
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Our Approach:

- Our research reports broadly cover Indian markets, present analysis, outlook and forecast for a period of five years.
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