



Analysis of non-alcoholic beverage market in India

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Abstract

Indian Nonalcoholic beverage market, which comprises of hot and cold beverage products. The market has highly competitive with other divisional market in India. Thanks to the market leaders like Hindustan unilever limited, ITC companies etc for this situation this paper endures the details information on non-alcoholic beverage market in India.

Keywords: Nonalcoholic beverage market, growth Nonalcoholic beverage market

Introduction

The nonalcoholic beverages market currently stands at approximately about US \$1.2 bn in the year 2011. The market is likely to reach the Rs.11,000 crore-mark by the year 2015. Growing at a Compounded annual growth rate of about 20 percent, the non-alcoholic beverages sector is currently work about Rs. 6,000 crore, according to a study on 'Opportunities in the Indian Non-Alcoholic Beverages Market' by the Associated Chambers of Commerce and Industry of India (Assocham). More over the Carbonated or aerated drinks account for about 30 percent share of the total non-alcoholic beverages market in India. Coca-Cola, Pepsico, Parle Agro Pvt Ltd, Dabur and Godrej are among the leading players in the domestic non-alcoholic beverage circuit. The Domestic consumption of non-alcoholic beverage currently stands at about 17,500 crore litres and is likely to cross the 35,000 crore liters mark by 2015".

Objectives

- To study about the non-alcoholic beverage market India
- To analysis the growth of non-alcoholic beverage market in In

Data Collection and Methodology

The study has been done purely on secondary data only. The growth rate analysis was carried out to assess the growth of non-alcoholic Beverage market in India. The data related to various aspects of the non-alcoholic Beverage Market from 2003-2004 to 2011-2012. The annual growth rate was computed by $y = a + b_1x_1 + e$ [1] 9

Where y = Growth variable

x_1 = period (year)

b_1 = regression coefficient

a = intercept and

e = error term

To compute the compound growth rate, the exponential function of the form mentioned below was used

$$Y_t = AB^t V_t \text{-----} \quad (1)$$

Where,

Y_t = Growth variable

t = time

v_t = error term

A = Y in the base of year

$B^t = 1+g$

g - being the constant rate of growth to be estimated.

The annual growth rate was computed by $y = a + b_1x_1 + e$ [2]

Where y = Growth variable

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Growth of Non-Alcoholic Beverage Market in India

The Indian beverage market has observed strong growth over the past few years especially the non-alcoholic beverage market has witnessed rapid growth over the past few years in India. The market reported a growth of nearly 21% in the 2008 on the back of growing economy and it touch US \$ 2.3 billion in the year 2015. Emerging wellness trends, higher expenditure for healthy lifestyle by India's rising middle class, overall strong domestic economy,

¹. B. Chinnappa, and T.R. Keshava Reddy (1999), "An Empirical Analysis of Growth of Instability in Sugar Industry", Agricultural Banker, 23(2), April-June, p.27.

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increasing middle class population, rapid urbanization increasing income level, changing lifestyle and increasing concerns over health and wellness and rising disposable income are certain key factors driving the non-alcoholic beverage market in India. Moreover, liberalization in trade policies has attracted large investments into the country and transformed into rapid growth of nonalcoholic beverage market in India. The following table shows the sales of beverage market in India for the period 2002-2003 to 2011-2012.

Table 1: Non-alcoholic Beverage Market Sales in India

Year	Non-alcoholic Beverage Sales (Rs.)	Percentage of Growth Rate
2002-03	198	-
2003-04	212	7.07
2004-05	309	45.75
2005-06	373	20.71
2006-07	518	38.87
2007-08	670	29.34
2008-09	810	20.9
2009-10	950	17.28
2010-11	1100	15.79
2011-12	1800	63.64
CGR		24.7

Source: CSO

From the above table 1, it can be inferred that there was just 7.07 percent increase in the beverage market in 2003-04 and in the year 2004-05, there was a big spurt in sales with the increase being 45.75 percent. Though the subsequent years witnessed increase in the sales of the beverages, the growth rate did not show optimistic trend with the year 2010-11, recording just 15.79 percent. However, the year 2011-12 witnessed a rosy picture with the sales recording 63.64 percent increase over 2010-11. The compound growth rate during the period was 24.7 percentage. Food and beverage, of late are found to occupy a significant portion of sales of a retail organization. Any disregard to the food and beverages market will affect the basic survival of the retail.

Findings

This study has been carried out to evaluate the performance of beverage market In India. After the detailed analysis and interpretation of data we came to following findings

- Looking at the Non-alcoholic beverage market during the year 2011-2012 there is an increase in sales percentage compare to 2010-2011. 2011-12 witnessed a rosy picture with the sales recording 63.64 percent increase over 2010-11. The compound growth rate during the period was 24.7.
- There was a just 7.07 increase in Non-alcoholic beverage market in 2003-04 and in the year 2004-05, there was a big spurt in sales with the increase being 45.75 percent. Though the subsequent years witnessed increase in sales of Non-alcoholic beverages, the growth rate did not show optimistic trend with the year 2010-11, recording just 15.79 percent
- There was a low sale in beverage market in the year 2003-2004 sales rate of 7.07 percentage compare to all other years
- The overall beverage sales is 1800 billion in the year 2011-2012 compare to the sales of 1100 billion in the year 2010-2011

Suggestion

1. Quality of package material is important for non-alcoholic beverages products. The retailers have to ensure the quality.
2. The uniform pricing policy should be followed for non-alcoholic beverages products by the retailers.
3. Expiry date should be mentioned in the label fixed on the packing materials of the non-alcoholic beverage products.
4. The retailers have to ensure the quality of the non-alcoholic beverage products.
5. Consumer relationship management needs to be paid attention, necessitating getting feedback from the consumers regularly, only to establish and maintain strong consumer base for the retailer especially for beverage Products.

Conclusion

The growth in non-alcoholic beverage market in India is larger than too specifically with respect to non-alcoholic beverage market has an study growth over the years. It is clear evidence with the help of Coca-Cola, PepsiCo, Parle Agro Pvt Ltd, Dabur and Godrej the leading players in the domestic non-alcoholic beverage supported largely for the growth of beverage market by large sales. Few years back Pepsi-co company found some problem on pesticide content in coke but the head indra nooi took a great step to come back from that problem and had a great sale in the nonalcoholic beverage market.

References

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