

Beer market assignment

[Food & Diet](#)



For this economy of business group assignment, we have decided to analyse beer market data and we also choose tiger brand as main research product. The reason we decided to analyse beer market data are because of its history and market growth. Beer was the first alcoholic beverage known to civilization; however, drinker of the first beer is unknown. Historians theorize that humankind's fondness for beer and other alcoholic beverages was a factor in our evolution away from a society of nomadic hunters and gathers into an agrarian society that would settle down to grow crops (and apparently drink).

The first product humans made from grain ; water before learning to make bread was beer (Bellies). Many such beers come with their own history. For instance, porter was the first one produced on an industrial scale, and the wood vats it matured in were so large I-IJ breweries christened them by holding dinner parties for hundreds within their confines (Hieronymus). Nearly every culture developed their own version of beer using different grains. Africans used millet, maize and cassava. The Chinese used wheat. The Japanese used rice. The Egyptians used barley.

However, hops the main ingredient in modern beer beverages was not used in brewing until 1000 AD. The modern era of brewing beer could not begin until the invention of commercial refrigeration, methods of automatic bottling, and bastardization. History of Tiger Beer The origin of Singapore award-winning Tiger Beer goes back to 1931, when Asia Pacific Breweries (APP), then known as Malay Breweries Limited, opened its first brewery. A year later, Singapore first locally brewed beer, Tiger was launched. The secret of Tiger Beer's success comes from its unique recipe and taste.

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Only the finest trial ingredients are used; no artificial additives are added. A lot goes into making a bottle of Tiger beer. Using only the finest ingredients from around the world, every bottle of Tiger goes through a strict brewing process. The Tiger Beer brewing process includes taste testing over 10 different water samples a day for the freshest water available incorporates and no less than 250 quality control checks – 50 more than most other beers – to ensure the smooth and consistent flavor which Tiger drinkers have come to expect. These make up part of a brewing process which takes over 500 hours.

It's little wonder that Tiger has won over 40 international awards and accolades and counting. Tiger Beer has won admirers from around the world. From New York to London, Vietnam to Shanghai, the brews popularity now spans the globe, encompassing more than 70 countries. The fresh flavor and mild aftertaste of Tiger Beer make it the perfect remedy to hot and humid weather, as of that in its homeland, South East Asia. When served chilled, the silky texture of Tiger Beer turns crisp, providing a refreshing contrast to the spicier dishes of Thailand and Malaysia, while the malt and honey tones in the body of the beer are light enough to

Beer Market By alienation since 1932, Tiger beer is backed by a tradition of excellence. Indeed, it is a story of one beer's quest to become the very best in the world. This is little wonder Tiger's award-winning taste has picked up over 40 international accolades and awards to date, including a Gold Medal at the 2004 World Beer Cup, organized by The Association of Brewers. Loyal to our relentless pursuit in being the finest premium brew in the world. Our look reflects vigor, brilliance and commitment. Now, whenever and wherever

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Tiger is enjoyed, you can be assured of its international acknowledgement of quality.

Product fixture color Blue = purest/most refreshing water used Amber = quality ingredients Gold = quality and medals Tiger has won over the years
Objective The objectives are to identify the differences in price at different locations for beer product. Apart from that, is to found out the determinant of demand that would affect the prices of beer. Finally, is to analyses the Strength, Weakness, Opportunity and Thread of beer products in Northern Malaysia market. Location of the study For this study, we have done our survey in three different locations such as Penman Island, Penman Mainland and Wasted of Asked State.

We are also choose the cities with high population and low population to determine and differentiate the effect of population, demand and supply to price of the products. Besides that, we have decided to do our survey on retailer where the consumers always look to buy the beers product for example hypermarket (Giant, Careful), supermarket (Tests, Book Slang), and Marketing (eleven, Happy Mart, and etc.)

TIGER BEER	Place/Location	Price per unit(RIM)
2	Penman Island	4.95
3	Banyan Barb	7.00
4	Sunshine city, Georgetown	4.9
5	Gamma Penman	5.70
6	Cisco Queen bay	5.99
7	Tests Eclogue	6.99
1	Sunshine Affair	5.45
1	Penman Mainland	6.50
1	Cisco Banana Paper	6.50
1	Billion Penman	6.50
1	Asked kopi Jiao How Understands, Buttonholer.	700
1	Restorer Cia Axing Buick Tambala	6.50
1	Alma tests	6.45
1	Alarm setae Mall	6.50
2	Alarm setae -roses	6.29
3	Fretters pub, Skull	7.50
4	Skull tests	6.55

pence (RIM) price (RIM) Factors that will

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influence the same product sell in different price in different places are:

Difference segments of targeted customer.

The hyper markets sell tiger beer in low price compare with grocery store, pub and mini market because their target market is all the people include grocery store, pub and mini market. Besides that, the hyper market able get the lowest price from dealer because of this they able sell in low price. On the other hand, the price of tiger beer sell in pub more high because their target market is who are able pay more for entertainment and the purchasing power is high so they able buy in high price and pub take this opportunities sell in high price. Transportation.

The supplier of tiger beer will provide delivery service to the retainer. The transportation fees based on the locations and the order of the products. For example the tiger beer supplier will charge more for the coffee shop and the grocery shop compare to pub and hypermarket because normally hyper market and pub, they order with many quantity compare with the coffee and grocery shop. Besides that, the tiger beer supplier will charge more base on the distance to the delivery the goods. More far they will charge more high because they need to spend more time to deliver the goods to retainer.

So the retainer need to bear the transport fee so they will increase the price of tiger beer. Demographic If a town with much population, the demand of tiger beer will increase so the price will drop because the buyer will chose the cheaper price and purchase it. On the other hand, if a town with low population, the demand of tiger beer not very good so the price normally is high compare with the town with high population. Consumer lifestyle. The

younger people prefer have a relax and enjoying lifestyle so they will drink beer to relax themselves.

If city prefer this lifestyle the price of tiger beer will lower compare with the city prefer with health lifestyle because the purchasing power and emend more high compare with a city prefer health lifestyle. Promotion. Every hyper market have their own strategy marketing planning so they will give promotion to the customer for some selected item. Besides that, some item, the price will increase and some will drop. So this will cause same product but different price in different place 3. 3 Market Structure. I Answer.

I Number of buyer I Many People I Type of Product I Differentiated Product I Barrier to entry I High because of license Number of Sellers. There are five sellers in the market which are tiger, Scrabbles, Heinlein, Anchor, Guinness. But they in large in size because they seller in many places and almost every where such as coffee shop, pub, mini market, hyper market and grocery shop. Number of buyer. Many people because the product not very expensive, they still afford to buy this product. Besides that, they have many size such as mall, mall and mall and the product easily to get.

They can get it in every hyper market and most of the coffee shop and most of the customer are around age of group 25 to 40 years because in this age they will purchase more because they enjoy their life. Type of Product. The tiger, Scrabbles, Heinlein, Anchor, Guinness is an oligopoly because a small number of firms control a large majority of the market. The product is differentiated because of their taste is different and other company come out

with different recipe. Besides that, their brand name also different. Barrier to entry.

There are high barrier to entry because to enter the industry, large fixed costs are required (nicely, 2009) and the license very hard to get because there are many rule are required and the machine all normally are import from other country and this will cost very high cost to start this oligopoly market. Besides that, this item is under control by government and the governments only give several license to the company. Advertisement Every company has their own advertisement strategy and their costing of advertisement is different so this will affect the price of sell the product.

For example, tests always does the advertisement on every product so they will increase the price to cover the costing of advertisement. Cost of Rental Different places have different price of rental. For example the price of rental in city is more expensive compare rural area. If the rental are more expensive due to this he price of tiger beer will increase because the seller need to cover the cost of rental. On the other hand, if the rentals in low of cause the price of tiger beer are low because they might lower the price so they able sell in large quantity to earn more profit. Labor Cost.

Different places have different labor cost. Labor cost can affect price of every product of a company sell to customer. If the labor cost is high automatically the price of product will more high compare with a company have low cost of labor such as Tests, Tests hiring local employees of course the labor cost is high compare. 3. 0 Discussion . 1 Demand of the product the demand of the beer through festival. Festivals in our country Malaysia will have Chinese

New Year, Dependable, Christmas and etc. In these festivals, the quantity demanded of the beer will increase and this may also cause an increase in the quantity of supply.

In that moment, all sellers will try to have some promotion or big sale for the beer. It is because many people will buy the beer for their celebration. While in the normal day, the quantity demanded for the beer will be decrease. It is because there is no festival for celebrate so there will have a decreasing number of annuity supply in the market. Factor of income may also affect the demand of the beer. It is because some of the worker groups with high income, their cost entertainment like go to the club, pub or launch will also be high.

They think that this is the way for them to release their stress after working for a whole day work. By that, the quantity demanded for beer will be increase in those club or pub. While for the low income groups, they will not always go to those places. It is because there will be a high expenditure cost in those places. They could not afford for those costs. So, the emend for beer in the low income groups will be less. Rather than that, taste and preference may also a factor that can affect the beer. Taste and preference of the beer will depend on each other or based on the drinker.

For an example, many people like the taste of Scrabbles than Tiger. It is because they feel that the taste for Scrabbles will more smooth than Tiger when they drink for it. If there are many people prefer to drink Scrabbles than Tiger, then the demand for Scrabbles in the market will increase and more if compare with Tiger that are not much people prefer to drink it.

Besides that, factor of occupation may also affect the demand of the beer. For an example, occupation of bar tender may cause an increasing quantity demanded for beer.

It is because bar tender need more alcohol in their career. While the occupation for doctor may cause a decreasing quantity demanded for beer. It is because a doctor does not need a lot of alcohol in their job. By that, we can see that with different occupation may affect the demanded of the beer. Factor of age will also affect the demand of the beer. It is because above the age of 18 will be categories to adult stage. Most of the adult like to have alcohol drink with their friends and this may affect the demand and cause an increasing quantity demanded for the beer.

On the other hand, the age above 55 will be categories as senior citizen. Most of the senior citizens are less in taking alcohol drink. They are more preferred to have healthy drinks such as Online and Oats. This may cause a decreasing quantity demanded for the beer. They should have more healthy drink rather than alcohol.

Sellers | Scrabbles | Price (RIM) per unit / Type of product | Tiger | Anchors Guinness | Heinlein | Cisco Banana appear 6. 5 | 6. | 5. 9 | 7. 5 | 8. 5 | Gamma Penman | 5. 45 | 5. 7 | 5. 9 | 6. 8 | 7. 95 | Banyan Barb sunshine | 4. 39 | 4. 95 | 5. 85 | 5. 89 | 6. 9 | Alarm setae Mall 17. 5 1 6. 5 | 5. 9 | 7. 5 | 8. 2 | AS -roses | 6. 29 | 6. 29 | 5. 32 | 7. 29 | 7. 29 | 3. 2

The competitors prices for beer in 5 selected locations: The above table shows 5 selected places with the prices of tiger compare to its competitors which are Scrabbles, Anchor, Guinness and Heinlein. At Cisco Banana Paper, the price for Tiger is RIM. 5 and it is the same with the price of Scrabbles. While the lowest price of beer is Anchor with RIM. 9. While the prices for Guinness and

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Heinlein is RIM. 5 and RIM. 5. Second is Gamma Penman, the price for Tiger is RIM. And it is higher than the price of Scrabbles with RIM. 45. While the price for Anchor, Guinness, and Heinlein are RIM. 9, RIM. 8 and RIM. 95 and there are expensive than the price of Tiger. Third will be the Banyan Barb Sunshine which is located at Penman. The price for Tiger is RIM. 95 and it is higher than Scrabbles with ROOM. 56. While the price for Anchor, Guinness and Heinlein are almost the same with RIM. 85, RIM. 89 and RIM. 49. Fourth place for the survey is Alarm Setae Mall. The price or Tiger RIM. 5 is slightly higher than Anchor about ROOM. 60.

There have same prices for Scrabbles and Guinness about RIM. 5. While the highest price for the survey is Heinlein with RIM. 2. The last will be AS Tests and the price for Anchor is RIM. 32. Tiger and Scrabbles have the same prices about RIM. 29. Guinness and Heinlein have also the same prices with RIM. 29 and there are the highest prices. In conclusion, Banyan Barb Sunshine is the cheaper price compare from 5 selected prices. The prices for Tiger at most of the places are at the middle rate and people can afford to buy it. Soot Analysts Strength: I . Strong market positions.

Global presences. Strong brand identity(loyalty)4. Geography capital stability. Laundry leader I Weaknesses: 1 . Competitive priced. Old fashioned Beer. Government intervention-Tax. Availability of the products. Beer spoilage-fragility I Opportunity: I . Lancer's of Demands. Lancer's of distributors. Various ways for advertising 4. SEAN Free Trade Zone (AFT)5. Merging of the company I Threat: I . Competition from competitive brands. Lancer's of drunk- driving. Brand shifting-foreign beer. Booming trade of counterfeit alcohols. Growing Societal Pressure I

Strength: Strong market position Tiger's beer is largest craft brewer in the south East Asia, Tiger's beer strong market position is also strengthened by its robust brand recognition in Malaysia market. Tiger has won over 40 international awards and accolades and counting. Tiger brand are always available to shop who are selling an alcoholic beverages. A strong brand portfolio therefore, enables the company to retain a strong bargaining position with retailers. Furthermore, a strong market position provides Tiger's Beer with significant competitive advantage as well as stabilizes the company's financial Roth.

Global presence Tiger Beer has won admirers from around the world. From New York to London, than 70 countries. The fresh flavor and mild aftertaste of Tiger Beer make it the perfect remedy to hot and humid weather, as of that in its homeland, South East Asia. It was first start at the World War 2, when the British army retreating brought along the Tiger's brand to their homeland since that Tiger beer started to export their brew to European countries. Strong brand identity (Loyalty) Brewed with passion in Asia since 1932, Tiger beer is backed by a tradition of excellence.

Indeed, it is a story of one beer's quest to become the very best in the world. This is little wonder Tiger's award-winning taste has picked up over 40 international accolades and awards to date, including a Gold Medal at the 2004 World Beer Cup, organized by The Association of Brewers. Loyal to our relentless pursuit in being the finest premium brew in the world. Our look reflects vigor, brilliance and commitment. Now, whenever and wherever Tiger is enjoyed, you can be assured of its international acknowledgement of quality.

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Geography capital stability The strategic location at the centre between east and west trading zone makes the Singapore the pit stop for the traders to refuel their ship, or to get supply for their journey. As the Tiger's beer is the famous local beer, the traders might want to get some piece of the local brand. But Tiger's beer isn't only at South East Asia, Tiger's brand are always available everywhere. As foreigner who drank Tiger's beer would say to the bartender " give me hart-hair AMA" which refer to Tiger's beer. Industry leader Tiger beer is well established brand in the South East Asia and most for western countries.

With encompassing more than 70 countries worldwide those are more than any other South East Asia beer brewer competitors such as Anchor beer (Malaysia) and Change Beer (Thailand). Weakness: Competitive Price With increases of the competition from Tiger's fierce rival Scramblers in Malaysia beer market started when Scramblers decided to open their own brewery factory in Malaysia which price matches the local beer price. Besides that, Scramblers factory is also tendered contract to brew or to distribute from imported beer such as from Belgium/German (Koenig Ludwig Hell, Frankincense, Wiser, and etc. And Japan (Assai Beer). This will make the price for imported beers relatively affordable as Scramblers looks to penetrate the local Market. Old fashioned beer For young generation they didn't know how to appreciate the Asian flavors beer which Tiger's brand represents. The silky texture of Tiger Beer turns crisp, providing a refreshing contrast to the spicier dishes of Thailand and Malaysia, while the malt and honey tones in the body of the beer are light enough to compliment even the most delicate Asian flavors.

For them they are not looking for the unique taste of the beers as they prefer foreigner beer because it will look more exclusive compare to the local beer as they said local beer is old fashioned beer. The beer and stout industry plays an important role in generating tax revenue for the Government. Each year, about RIM 1 billion is collected in excise duty from sales of beer and stout. In addition, approximately 500, 000 people work directly or indirectly in the industry, making a massive contribution to the economy and paying income taxes.

A significant proportion of Malaysia's alcohol market is comprised of beer and stout products, of which 95 per cent is locally produced by the COMB members. Over the past decade, the Malaysian Government has significantly increased the excise rate on beer and stout, making it the highest in Asia and the second highest in the world after Norway. Within the alcohol category, based on a Liter of Pure Alcohol (LAP), beer and stout compared with other alcoholic products is taxed at a higher rate than anywhere else in the world.

Between 1991 and 2006, there has been an increase of 169 per cent in the Beer and Stout excise rate. This figure does not include the 15 per cent ad valor duty imposed in 2005. This has resulted in unexpected repercussions with COMB data showing that the excise rate hikes have caused tax paid beer and stout volumes to fall as consumers witch to consumption of other forms of alcohol. This includes higher strength alcohol content products like wine and spirits and an increase in the consumption of low priced compounded hard liquor as well as excise free “ home brew’ and other non-tax paid products.

Since 2004, the consumption of tax paid beer and stout has fallen by 14 per cent whereas wine and spirits volumes have increased by 12 per cent and 3 per cent respectively over the same period. The significant fall in tax paid beer and stout volumes has caused the total alcohol market to fall by 13 per cent during this period. The consumer price for beer and stout in Malaysia is now beyond the threshold price for the low and moderate income groups. This will threaten the livelihood of more than 26, 000 outlets selling beer and stout.

Any further increase in excise duty will contract the market further, having far-reaching consequences, according to COMB. (Pearson, 2011) Government policies Malaysia has a secular legal system based on the British legal system for non- Muslims and for crimes. However, family, sexual and dietary facets are based on Muslim Shari Law. They also have a “ Morality’ police that raid bars looking for Muslims and hide in dark dating sites for “ close proximity’ events by Muslim couples.

It is because, Malaysia is a small country, but its people have big-time thirsts: it’s the nearly 11 elites of beer per year, in part because alcohol is easily available, aggressively advertised and widely promoted. These factors have led to a set of policies to attempt to control a rising tide of alcoholism in the country. Beer spoilage-fragility Microbial contamination can originate from a variety of sources in the brewing process. Raw materials, air, brewing water, additives, and even pitching yeast can act as a constant supply of contaminants.

Residues remaining in brew house tanks, pipelines, valves, heat exchangers, and packaging equipment harbor microorganisms too represent a potential source of recontamination. Some of the effects of contamination range from comparatively minor changes in beer flavor and fermentation performance to gross flavor and aroma defects, turbidity problems, abnormal attenuation rates, and reduced yeast crops. A number of microorganisms have been reported to be beer spoilage microorganisms, among which bacteria, as well as so-called wild yeast and molds. ([Http://www. Beer-brewing. Com/](http://www.Beer-brewing.Com/))

Opportunity: Increase of Demand Building on growth witnessed in 2010, imported premium lager continued to enjoy healthy growth in 2011, up 5% in total volume terms, compared with 3% in 2010, and by 7% in 2011 (5% in 2010) in on-trade establishments, which account for 66% of overall. Tiger with the growth rate of 20% a year. So is Heineken. Put together, these two GAB (Guinness Anchor Bertha) brands are outselling Scrabbles Green Label now. GAB posted a 47% increase in net profit to ARMS. Emil from the same quarter a year ago.

It's the biggest first quarter it has ever produced in its history. Thanks mainly to its huge Storefront campaign. CB saw net profit climb 51.7% to ARMS. Emil. Its profit was dominated by the performance of Scrabbles Singapore (CB acquired it in late 2009). Excluding Scrabbles Singapore, net profit grew 2%. (Pearson, 2011) Increase of distributor Known as the three-tier system, a brewer can only sell beer to a state-licensed distributor, who in turn can only sell to a state-licensed retailer, who in turn can only sell to an adult consumer of legal drinking age.

But of the three tiers, none has been affected more, or seen the way they do businesses drastically altered over the past 30 years, than the beer distributor. Decades ago, the beer distribution business was somewhat of a cookie-cutter operation. Back then, there were fewer than 100 brewers pumping out suds in mostly standard-sized bottles and cans that were shipped by distributors in full pallet. Noon T. Phalanx) Various ways for advertising There are many ways to do advertising. If before the company advertised are not globally because of the high cost.

But now with the wireless technology such as internet, the company can advertise their product globally easily. The company can choose either to advertise their product by using the medium from social networking such as Faceable and Twitter. These social network are been used every minutes and have millions of user. This will help the company to get more consumers to know (AFT) SEAN countries' products gain access to a regional market that incorporates many substantial advantages, e. G. A population of more than 580 million, \$1. 5 trillion gross domestic product, convenient transport systems, huge international trade worth \$1. Trillion a year, and foreign investment of \$60 billion (<http://www. Business-in- Asia. Com>) – Consumers will benefit from cheaper prices of goods given lower tariffs on host of raw materials used by the region's producers. – Some of processing factories are expected to enjoy cheaper imported raw materials in the face of the tariff elimination, cutting their production costs – SEAN will be integrated into a single market which is an important point because the market will be stronger and larger with a high population Merging of the company Based on the pie chart above, it shows the market share for beer brewer in Malaysia.

If the GAB and CB decided to merge they can monopolize the beer market in Malaysia. As GAB claims 59% of market share and is obviously ahead of Scrabbles, which is estimated to be at 41%. (Pearson, 2011) Besides that, the benefits both can get are they can cut down their production costs. As the both the company can share their technologies and facilities (factory) with each other. Threat: Competition from competitive brand Tiger's fierce rival in beer industry is Scramblers as the Tiger beer brewer GAB claim 59% of market share compare to Scrabbles brewer CB 41%.

But, new brands that CB introduced over the past couple of years include Blackthorn (cider), Greensboro 1664 (lager), Outlets (bitter), Savannah (cider), Solo (lager), Assai (lager), Left (ale), Frankincense and Koenig (wispier aka whatever) with these new brands CB is making some headway with younger drinkers. Unlike Scrabbles Malaysia, GAB is however banking too heavily on lager and stout. This will be increase of competition among these two major brewers in Malaysia. (Pearson, 2011) Increase of drunk-driving A drunk driver or pedestrian is killed every 2 hours on AS roads. To put things into sharp perspective, a drunk driver or pedestrian is killed on South African roads every two hours (figures for 2004 – 2006), with the most victims claimed in the Sautéing roving, and closely followed by Zulu-Natal and the Western Cape. A good car accident lawyer will advise you to avoid the local taxis, especially at night, and for very good reason.

In 2005 the taxi industry cracked all records by becoming the most dangerous transportation sector, with 7.70% of drivers driving drunk at night. Interestingly enough, the drivers who are least likely to drive while inebriated are truck drivers. Brand shifting-foreign beer which Tiger's brand
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represents. With the new brands that CB introduced over the past couple of years include Blackthorn (cider), Greensboro 1664 (lager), Outlets