

# [Study of on premise trade and consumer behaviour with focus on fuel vodka essay](https://assignbuster.com/study-of-on-premise-trade-and-consumer-behaviour-with-focus-on-fuel-vodka-essay/)

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[pic] REPORT ON STUDY OF ON PREMISE TRADE AND CONSUMER BEHAVIOUR WITH FOCUS ON FUEL VODKA PREPARED BY: VARUN NAYYAR ROLL NO. – 100 JAGANNATH INTERNATIONAL MANAGEMENT SCHOOL Acknowledgement Completion of project and writing of the report is a satisfying and the pleasant part of the opportunity for those who contributed towards it. While doing my project I was guided in a way that not only showed me the right direction but also made me grow more rational in my thinking and approach. Those who helped me in this endeavor are none other than our esteemed teachers.

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Biswas who helped me in every step of the project. I also thank the customers to whom I surveyed for lending their valuable time and support. TABLE OF CONTENTS EXECUTIVE SUMMARY4 INTRODUCTION6 OBJECTIVES OF THE STUDY8 METHODOLOGY9 FINDINGS FROM THE STUDY OF ON PREMISE TRADE10 Availability of vodka in Gurgoan10 Pouring brand11 Price per peg12 Rating of outlets (A, B, C)14 Average sales per month of vodka14 Promotional activities done in South Delhi and Gurgoan16 Conclusion from the study of on premise trade17 FINDINGS FROM THE STUDY OF CONSUMER BEHAVIOR18 Study of consumer behavior18 Consumption of various drinks19 Brands that are tried by the consumers21 Vodka brands that are most often consumed22Reason of consumption of vodka24 Time period of the consumption of vodka25 Consumption pattern of vodka26 Flavored vodka vs. white vodka28 Bars vs Retail outlets29 Supplements with vodka30 Promotional activities32 Fuel vodka33 Price of the vodka34 Factors which the consumers like about their most often consumed brand34 CONCLUSIONS36 RECOMMENDATIONS38 ANNEXURES39 EXECUTIVE SUMMARY In 1857, a distillery was founded in Waterloo, Ontario. Joseph E. Seagram became a partner in 1869 and sole owner in 1883, and the company became known as Joseph E. Seagram & Sons.

Many decades later, Samuel Bronfman founded Distillers Corporation Limited, in Montreal, which enjoyed substantial growth in the 1920s, in part due to Prohibition in the United States. In the year 2001, group Pernod Ricard acquired a significant part of Seagram world. The acquisition also brought Seagram’s India into its fold making GROUPE PERNOD RICARD, headquartered in Paris, the biggest MNC in the spirits business in India.

The group has a strong widely and diversified range in terms of products and markets. Some of the brands that are available are Chivas Regal, 100 pipers, Royal Stag, 9 Hills, Fling, Fuel vodka, Jacobs Creek, Oaken Glow, Imperial Blue, Blenders Pride, Seagram’s extra Dry Gin. The study of on premise trade in South Delhi and Gurgoan has been done covering the aspects such as availability of vodka, average sales, pouring brand used in cocktails, the price per peg charged in restaurants, hotels and clubs and the promotional activities that are carried in respect of vodka at these outlets .

It has been found that Smirnoff vodka has the highest market share in domestic vodka. The pouring brand which is widely used in South Delhi is Romanov because of its easy availability and the cheap price whereas in Gurgoan it is Fuel vodka which is because of the tie up by the company with the outlets. The price per peg is generally same for all the vodka with a small difference of Rs. 10 to Rs. 15 among the various brands. The consumer behavior has also been studied through the Questionnaire. The study reveals that vodka is drank by people of all the age group and 100% of the people within the age group of 31 years to 35 years drink vodka. Smirnoff is highly preferred by people because of its recall name and the taste of it liked by the consumers.

It has been concluded from the study that Fuel has a good sales in on premise trade especially in Gurgaon and is widely used as a pouring brand. Promotional activities carried out at regular intervals and good relation with outlets initiates the outlets to sell that particular brand the most. Fuel vodka with its reasonable prices has acquired a brand image of being vodka catering to the prestige and deluxe brand only because most of the people consider Smirnoff to be the only premium brand in the domestic market. The recommendations that have been given is that the company can supplement its product by introducing flavored vodka in that particular brand Fuel or by introducing new product competitive to Romanov Diet. The company should also increase the awareness of its brand by carrying out promotional activities at regular intervals so that the outlets can contribute to increase the sales of that particular brand of vodka. The company should lay more emphasis on ‘ A’ category outlets to increase its market share. INTRODUCTION Seagram is a liquor company which was founded in Waterloo, Ontario by Joesph.

E. Seagram in 1857 and later was associated with Bronf Man family. In 1994, Edgar Bronfman Jr. was named the CEO, under his supervision; Seagram branched out into entertainment business. Due to lack of funds in 2000, controlling interest in Seagram’s entertainment division was acquired by Vivendi group and the beverage division by PERNOD RICARD. Seagram India Taking a cue from the liberalization of the economic environment, Seagram set shop in India in the year 1994, after assessing the market potential in the country. Production commenced in India in the year 1995 with the scotch and then moved on to the development and production of Royal Stag. Seagram India Private Limited has its main office in Gurgoan.

In the year 2001, group Pernod Ricard acquired a significant part of Seagram world. The acquisition also brought Seagram’s India into its fold making GROUPE PERNOD RICARD, headquartered in Paris, the biggest MNC in the spirits business in India. The group has a strong widely and diversified range in terms of products and markets. Some of the brands that are available are Chivas Regal, 100 pipers, Royal Stag, 9 Hills, Fling, Fuel vodka, Jacobs Creek, Oaken Glow, Imperial Blue, Blenders Pride, Seagram’s extra Dry Gin. Seagram India sells a total of four million cases of liquor per annum in India, while the parent company sells over 80 million cases worldwide, making it the second-largest spirits manufacturer. As regards exports, there are no immediate plans, but may materialize in the future. Seagram India has entered the vodka market with its new brand ‘ Fling’ which is positioned in the premium segment.

The brand is targeted at the urban youth. The main purpose behind launching this brand is to move towards a complete liquor portfolio. Seagram has been primarily into whiskey and subsequently introduced the Extra White gin. The liquor industry in India is growing at 10 per cent per annum, while the vodka (a white spirit) market is growing at around 25 per cent.

It is further classified into regular (priced below Rs 250 per bottle) and premium segments. The existing vodka brands (both, premium and regular) in India include Smirnoff from UDV, Romanov from UB and Vladivar from Shaw Wallace. The vodka is bottled in the Nashik bottling plant of Seagram.

The raw material is procured, both domestically and from abroad, through an established chain of suppliers. After a long teaser campaign, Seagram India finally launched Fuel, their new mid-market segment vodka. Priced at Rs. 270/- in Gurgaon (where we picked up a bottle), it bridges the gap between the regular segment vodkas such as Romanov and White Mischief and premium vodkas such as Smirnoff. Fuel is basically a smooth vodka with that non alcoholic vapour after taste which Smirnoff is known for as compared to low end brands like White Mischief, Romanov, Alcazar, etc. It also costs only about (Rs. 270) i. e.

0% of the cost of Smirnoff which is a killer selling proposition. The Fuel vodka is positioned as a brand for the age group of between 21 to 28 years of age, who have an income of approx. Rs. 12000p. m and a high disposable proportion. The company has targeted the urban andEnglishspeakingyouth The domestic vodka market is about three million cases, of which brands from the UB stable, Romanov and White Mischief, control 70%. The domestic behemoth’s vodka offensive would also spill over to the mid-priced segment where Diageo’s recently launched Shark Tooth Vodka has seen reasonable traction across the metros.

USL is expected to launch a new brand A2O in this segment, which also features other competing brands such as Seagram’s Fuel and Radico Khaitan’s Magic Moments. OBJECTIVES AND SCOPE OF THE STUDY Objectives 1) To study the on premise trade (which includes Hotels, clubs and restaurants) of domestic vodka covering Smirnoff, Fuel, Fling, White Mischief, Romanov and Magic Moments. a) To conduct a comparative study of the different vodka available and identifying the reason for the non availability of Fuel vodka. ) To study the promotional activities that are done for the customers as well as for the bar tenders conducted by various companies marketing vodka at the outlets in Gurgaon and South Delhi. c) Rating of the outlets into (A, B, C) according to : i.

volume sales of vodka ii. Image of the outlet. d) To see which is the mostly use pouring brand (i. e the vodka) which is consumed in cocktails and identifying the reason for it. e) To analyze the pricing per peg done of vodka in the outlets and how the prices differ in restaurants, hotels and clubs. ) To study and discuss the consumer behavior regarding the consumption of vodka on the basis of SEC classification and the general consuming patterns.

3) To give necessary recommendation as to how a company can increase the consumption of Fuel vodka after studying the consumer behavior. Scope The scope of the project involves studying the on premise trade of vodka such as in hotels/clubs/restaurants. The study will cover the areas of South Delhi and Gurgoan. South Delhi and Gurgoan are chosen as areas of study as these places have large number of on premise trade. People also have a lot of young crowd that are generally the target customers for vodka. METHODOLOGY The study on vodka market requires an in depth analysis of the restaurants, clubs and hotels as well as studying and analyzing of the customer responses. To conduct or carry out an unbiased research and study, the following methodology has been adopted: ? The whole project was conducted by gathering the primary data.

o Primary data about the outlets will be collected by talking to restaurant manager and bar tenders o Customer responses will be obtained through the questionnaire. The on premise outlets were studied by visiting them covering South Delhi and Gurgaon (approximately 90 outlets) ? The consumer behavior was studied through constructing a Questionnaire taking sample size of 150. ? Consumption and other factors regarding Fuel were also studied through Questionnaire only. ? The data was analyzed using the statistical tools. ? Coming to a conclusion and accordingly giving necessary suggestions and recommendations. FINDINGS FROM THE STUDY OF ON PREMISE TRADE Availability of vodka in GurgoanThe availability of the following Domestic vodkas namely Smirnoff, Fuel, Fling, Romanov, Magic Moments, White Mischief and Shark tooth have been covered in Gurgaon. The availability has been studied by covering Hotels, Clubs and Restaurants. HOTELS Four hotels have been studied to see the availability of vodkas.

Fuel vodka and Smirnoff vodka are available in three hotels each; fling vodka and Magic moments are there in Bristol hotel. The availability of Fuel vodka is due to the tie up between the Hotels and the Company. Most of the hotels have good relationship with the company because of the other liquor brands of the company are kept by them . Fuel vodka was earlier kept by Bristol Hotel, but because people didn’t like the taste it was withdrawn by the hotel.

The Park Plaza hotel is not keeping Smirnoff vodka basically due to tie up with the company Seagram and the management problem that is going between the hotel and the Company. It has also been seen that hotels do not want to keep more than two brand of domestic vodka as they keep one premium brand and the other either a deluxe brand or prestige brand. CLUBS Smirnoff vodka is readily available in all the clubs that are covered, while Fuel and Fling vodka are available in three clubs. DLF City Club earlier used to keep Fuel vodka but because it was not liked by the members of the club, the club has started consuming Romanov Diet vodka. The clubs have tie up with Seagram. The rest of the clubs such as Unitech Club, Huda Gymkhana club and Palms club are having Fuel vodka and Smirnoff vodka.

Peg price being lower in these clubs of Fuel vodka, it is preferred by the members of the club. RESTAURANTSAvailability of vodka has been seen in 30 restaurants. Smirnoff vodka is available in all the 30 restaurants, Fuel vodka in 21 restaurants, Fling vodka in 20, Magic moments and Shark tooth in two restaurants. Crave restaurant is not keeping any of the vodkas of Seagram as it does not have good relations with the company. Last Chance and Mojos earlier used to keep Fuel vodka but now it is keeping Romanov Diet vodka due to the promotional activities carried out by them and taste preferred by the people. Mojos also have tie up with UB group . TGIF prefer to keep only Smirnoff vodka. K2 being a Korean restaurant generally has 90%of their customers as foreigners who prefer international brands of vodka.

Most of the restaurants have tie up with Seagram and the various promotional activities carried out by it which leads to availability of vodkas. Pouring brand GURGAON The pouring brand used in the cocktails is mostly fuel vodka which is because of the low price of vodka and promotional activities done by Seagram. The hotels/clubs/restaurants in Gurgaon want to maintain a standard below which they do not want to keep other vodka as a pouring brand.

Approximately 42% of all the hotels/clubs/restaurants are using Fuel as their pouring brand, 18% Fling, 24% Smirnoff, 5% Romanov diet, 5%are using fling and fuel as their pouring brand and the rest 6% are using Magic moments. Restaurant like Park Balluchi use magic moments and fuel alternatively as its pouring brand so as to maintain the balance between the two. The restaurants, hotels which are not keeping Fuel vodka are using Smirnoff as its pouring brand Restaurants like Rodeos, Charcoal, Moets, Pind Balluchi which were using Fling in cocktails are now wanting to finish of their tocks since company is stopping the manufacture of Fling vodka. SOUTH DELHI The pouring brand that is mostly used in Delhi’s restaurants / clubs / hotels is Smirnoff. 55%of the restaurants in Delhi use Smirnoff, 8% Fuel, 17% Romanov, 4% Blue Moon, 4% Red Riband and 1% use White Mischief as their pouring brand. Restaurants which using Smirnoff as their pouring brand want to maintain a particular standard and also because of lot promotion done of Smirnoff such as reimbursement of the cases that are used in cocktails, buy one get one free and other activities that are carried on by it. Restaurants that are using Romanov are consuming it because of the low price at which it is available and wants to maintain its profitability through it. Fuel is only used in those restaurants which have tie up with Seagram’s.

All the Hotels use Smirnoff as their pouring brand as it is considered premium brand by them and the hotels does not want to keep any other brand below the premium ones. Hotels experience crowd which is of high class and so price being not their consideration, it’s the taste and quality that matters. The hotels sometimes use other international brands in their cocktails as per the requirement of the consumers.

0% clubs are using Smirnoff and 40% are using Romanov as their pouring brand. Members of the club do not want to consume any other brand apart from Smirnoff in their drinks and those that are using Romanov do not have any restrictions from the members and also because of its cheap price they are using it. Note: see the annexure Price per peg GURGOAN The peg price is decided keeping in mind the price per bottle at which they are getting, the incentives given by the company, the area in which restaurant is set up and the minimum standard that restaurant wants to maintain. In Gurgaon, since most of the restaurants are in malls and inter competition between make them charge prices between ranges of 125 to 150 per peg for Smirnoff vodka and for fuel vodka is 105 to 135. It can be inferred from the data of price per peg that most of the outlets charged price approximately 1/3rd the price of bottle. The price per peg of vodka is comparatively low in clubs as compared to hotels and restaurants because clubs are formed for members so prices are charged accordingly and keeping profit margin in consideration. As far as hotels are considered they keep prices of all the vodkas same so as to keep all domestic brands of vodka at one level and people when go to hotels they are aware of the brand and price is not their prime consideration.

Restaurants generally have variation in the prices of domestic vodkas according to the price per bottle at which they get. Some of the restaurants are keeping same prices for Smirnoff and Fuel Vodka which means that the restaurant is earning more profit margins on the price per peg sold of Fuel vodka. DELHIThe price per peg charged in South Delhi of Smirnoff varies from Rs.

100 to Rs. 150 since most of the restaurants in Delhi are located in the market and prices are kept according to the competition from the nearby restaurants. Since Fuel vodka is available in very few restaurants the price of it is kept Rs. 10 to Rs. 15 lower than that of Smirnoff and at some places where only two brands of domestic vodka are kept, the price charged is same as that of Smirnoff. In clubs price charged per peg is comparatively very less from the restaurants as they clubs are only for the members. The Hotels covered in South Delhi are five star and they like to keep only one domestic premium brand which is Smirnoff, so the price per peg that they charge for it is double the price of the restaurants.

Rating of outlets (A, B, C) The rating of the outlets have been done so that the company when targeting its brand can look for the outlets which have good sales of vodka as well as the outlets which are good in standard, so that it can position its brand correctly in the mind of consumers and will also help in identifying and competing with the other brands also in these A category outlets. The outlets have been rated according to: 1) Volume sales of all vodkas 2) Image of the outlet The ‘ A’ rating in case of volume sales of vodkas is given to restaurants/hotel/clubs which consume vodka greater than 3 cases , ‘ B’ rating is given to those which consume 3 cases of vodka and ‘ C’ rating is for those which consume less than 3 cases of vodka each in a month. This table throws an insight about the outlets which have good consumption of vodkas. In case of the image of outlets rating has been done according to own observation and according to people choice of the outlet. A’ rating is giving to outlets which have good ambience, location, interiors, service, sitting arrangement, etc; ‘ B’ rating is given to outlets which are mediocre in either of the mentioned criteria and ‘ C’ rating is given to those which have does not satisfy all these criterion mentioned above. Note: see the annexure Average sales per month of vodka GURGAON The average sale of Fuel Vodka is 60 cases which is half of that of Smirnoff.

The market share of Smirnoff is 45% which is almost equal to the combined market share of Fling and Fuel vodka. White mischief has nil market shares because outlets want to maintain a benchmark in respect of the quality and the price of the vodka. Seagram has kept two brands of vodka in the market to increase its market coverage but still the market is dominated by Smirnoff because of the promotional activities carried out by them on large scale. In some of the restaurants like Staying alive, Mojo and DLF city club, Romanov Diet has replaced Fuel because of the incentives given by the company and the taste of Fuel vodka not liked by the regulars. Since company is stopping with its production of Fling vodka some of the restaurants have increased their demand for Fuel vodka, but in future Fuel will not only face competition from the brands in its same price segment but also from Romanov Diet. SOUTH DELHI The market share in South Delhi has been found out after considering 42 restaurants, 6 clubs and 7 hotels. Smirnoff has the highest market share of 71%, backed by Romanov which has a share of 13%, Fuel 5%, Fling 3%, Magic moments 3%, White mischief 2% And Shark Tooth has share of approximately of 1%. Smirnoff has greater market share as its awareness is much more among the consumers than that of any other brand, also most of the restaurants like Near East, Mezz, Nudeli, Ruby Tuesday, Essex Farms, Oriental Bloom, Stone, Shack etc.

are not interested keeping any other brand of vodka because of the good sales of Smirnoff vodka and they are keeping other imported brands. Restaurants such as TGIF, Bacchus have tie up with Diego. Romanov also has good sales because it is mostly used as a pouring brand in cocktails. RPM (Defence colony) and Defence colony club has a tie up with Magic Moments which has increased its share in the market . Fling vodka is going out of the market so its market share is decreasing. Restaurants in Ansal Plaza (Geofferys, Mirchi’s, Pizza express), Flavour’s restaurant have tie up with Seagram and therefore are promoting Fuel vodka. The reason for the lack of sale of Fuel Vodka is low promotional activities that are carried out in South Delhi by the company, the taste of the vodka is not liked by many people and also it is not demanded by the people in the restaurants. Some of the restaurants such as RPM (Defence colony), Reels the Nostalgia, Opus, Stone and Chungwaha are interested in keeping Fuel Vodka if some good proposals come from the company.

Note: see the annexure Promotional activities done in South Delhi and Gurgoan ? Sponsorship done by Seagram’s like Rain Dance, May Queen and various other club events sponsored by it. ? Free cases are given on the purchase of specified number of cases. ? 2 pegs +1free peg promotional activity is done by the outlets of Fuel and Smirnoff vodka. ? World cup promotional activity was done in Crave restaurant by Smirnoff ? Cigar cases, pens, short glasses free with 1 peg, CD’s, T-shirts are some of the gift items that are given on regular basis to customers who consume Smirnoff. ? Rs. 5 to Rs.

0 per peg is given to bar tenders who promote Smirnoff by the company. ? Happy hours activity is there in almost all the restaurants which influence people to consume more drink. ? Glasses, key chains , wallets, bags, lighters, openers, ash trays, paper napkin holders, coasters, stirrers, trays etc.

are some of the gift items that are given in the outlets to the bar tenders as well as to the customers carried out by Seagram’s in respect of vodkas ? Reimbursement of the vodkas is done both of Smirnoff and Fuel vodka. ? Pop nights and DJ’s done by Smirnoff at regular intervals in restaurants where there are pubs and dance floor. A weekly event such as Fuel Friday night is done by Seagram’s where people can buy unlimited drinks on a specified amount. ? Buy a drink and spin a wheel is done by Smirnoff. ? Boards, Hoardings and signages are being put by Smirnoff to promote its product. ? Regular incentives like in monetary terms, free gifts items are given to bar tenders to motivate and to maintain good relation with restaurants/hotels/clubs so as to promote the company’s product is being carried out by Smirnoff.

Conclusion from the study of on premise tradeThe on premise trade though does not contribute much to the revenue of industry but remains a significant part of the liquor industry as it not only provides information about the various drinks that are available but also helps the industry in establishing their brand by developing taste and image of the product. 1) Although most of the vodka brands are available in the various outlets, Smirnoff remains the market leader both in South Delhi and Gurgaon because of the reason that it already had a well established market as it was launched long time back and the rest of the vodka are comparatively new. ) In the deluxe brand of vodka, Fuel has a good sales in on premise trade especially in Gurgaon and is widely used as a pouring brand because of its reasonable price and the company is maintaining healthy relation with the restaurants/clubs and hotels, whereas in Delhi, Smirnoff and Romanov have dominated the market because of low price at which Romanov is available as well as high liquidity which is maintained of both the brands in terms of cases. ) Promotional activities carried out at regular intervals and good relation with outlets initiates the outlets to sell that particular brand the most, as this aspect have been seen in case of Smirnoff which do various activities regularly in the outlets at South Delhi as well as in Gurgaon so as to keep its name in the market and maintain its market share. ) The study of on premise trade had also thrown light on the aspect that Fuel vodka has not been able to capture whole market because of less initiative taken by the company in covering some of the restaurants in South Delhi which has led to the lack of awareness of the brand in the outlets such as Opus, Diva, Reels the Nostalgia, K2 in Gurgaon which if covered can increase the market size of the consumers of Fuel vodka. 5) The price per peg of the different domestic vodka is almost same at the outlets which show that pricing is not one of the prime factors for the increase in sales of the vodka. FINDINGS FROM THE STUDY OF CONSUMER BEHAVIOR Study of consumer behavior The consumer behavior has been studied by taking a sample size of 150 respondents. The target customers have been identified and selected according to demographics characteristics.

The user behavior that is being studied is from where they prefer to buy drinks from, the quantity and value of purchase, frequency of consumption, and sensitivity to the other factors such as taste, price, etc. Sample size consist of people from all the age groups where consumers who belong to age group of 20 to 25 years are 74 in number, those who are between 26 to 30 years are 27 , from 31 to 35 years are 27 and consumers who are 35 years and above are 20 in number. Out of the total of 150 people 42 respondents are females and 108 are males, and consumers who consume vodka consist of 37 females and 94 males. The respondents have also been classified according to Socio Economic classification in which people are classified into A1, A2, B1, B2 and C category on the basis of data collected. The number of consumers in A1 is 26; A2 is 39; B1 has 24; B2 is 28 and C consists of 33 people. Most of the consumers are from service class which is 62 in number, then the students doing graduation and post graduation are 40 , those who are self employed are 35 and the rest are others which are 12 in number.

The study of consumer behavior has been done taking into consideration the age, sex and socio economic classification of the consumers. The study also incorporates the comparative analysis done in between the domestic vodka belonging to different companies on the basis of parameters covered in the questionnaire. Consumption of various drinks a) Gender [pic] According to the data collected vodka is preferred most in comparison to other drinks both by both the male and female gender, followed by Beer. Whiskey and Rum are consumed more by males as compared to females whereas females drink more Wine and Gin than males. Brandy is consumed equally by both of them. b) Age group [pic] Vodka is taken by all the consumers in the age group of 35 years and above, beer and wine is consumed most by the people belonging to the age group of 26 to 30 years. Same percentage of people in all the age groups drinks whiskey. ) SEC Classification [pic] Vodka has the highest consumption in all the segments of SEC Classification.

People in the A1 category have high preference for whiskey, whereas people in A2, B1, and B2 category prefer to have Beer after vodka may be because of the low price at which it is available. As compared to other categories A1 has the highest consumption of wine whereas Gin and Brandy has nil demand. Gin is consumed most by B2 category. A2, C and B2 are the segments where all the drinks are demanded by the people.

Brandy is equally consumed by the people belonging to A2, B1and B2 category. Note: see the annexure for the basis of SEC classification. Brands that are tried by the consumers a) Gender [pic] Approximately 98% of the females have tried Smirnoff which means that when females want to try for any brand of vodka most of them go for Smirnoff and Romanov, whereas in the case of males though Smirnoff occupies a high percentage, but the rest of the brands of vodka is equally tried by them.

b) Age group [pic] Most of the people in all the age groups have tried Smirnoff, white mischief and Romanov is tried mostly by the people belonging to the age group of 26 to 30 years. Fuel vodka is tried mostly by consumers who are 35 years and above and those between 26 to 30 years. People in 31 to 35 years like to try Smirnoff as compared to other brands of vodka. Vodka brands that are most often consumed a) Age group [pic] Smirnoff is equally consumed by consumers of all the age groups, 36% of the people within the age group of 26 to 30 years consume Fuel while it is consumed least by the age group of 31 to 35 years.

All the drinkers of Magic Moments fall are between 20 to 25 years of age according to the sample. Gender [pic] 00% of the females most often consumed brand is Smirnoff, which is all the women want to go for Smirnoff while consuming vodka. In case of Fuel, although more men have tried it as compared to women as shown in the above graphs, but it is more often consumed by females. For the other brands of vodka, few percentages of people have white mischief, Romanov and Magic moments as their often consumed brand. Magic moments is only taken by males although approximately 18% of females have tried it out, and 22% of males have taken it , but only 4% of males consumed it often. Reason of consumption of vodka [pic] Factors which have contributed the most for consumption of fuel vodka is taste, peer group and the urge to try new vodka; in case of Smirnoff all the factors have contributed with taste factor having the higher percentage, in case of white mischief its urge to try new vodka, Romanov its peer group that has influence consumers to taste it and for Magic Moments its party, which made people consumed it. From the above graph it can be make out that taste and the peer group has greater impact on the consumers to either try or consume particular vodka.

Advertising and promotional activities although have contributed in case of Fuel and Smirnoff but in other vodkas they do not have any influence on the people as per the study and data collected. [pic] Peer group and taste has greater impact on the people in the consumption of the vodka. Consumers in the age group of 20 to 25 years have more urge to try new vodka than to the people in the other age groups. According to the survey done people are not much influenced by the advertising or the promotional activities done of vodka. Consumers who are of 35 and above go or taste rather than any other activity and those who is of 26 to 30 years of age advertising plays a nil role in regard the consumption of vodka. Time period of the consumption of vodka [pic] The above graph shows the link between the time period since when people started drinking vodka and the various vodka that are being consumed by them.

100% of the people who have started consuming vodka since 3 months started with Smirnoff, And people who have been consuming vodka for much longer time are consuming other vodkas also apart from Smirnoff. 2% of the people who are drinking Fuel are from that segment of consumers who are taking vodka since 1year and more or 3 years and more each, Magic moments is taken up by people who are consuming vodka since 6 months and 1 yr plus, white mischief by people over 3 years and Romanov by people who are consuming since 6 months, 1yr plus and 3 year plus. This shows that as the time duration of consuming liquor increases, people start trying and consuming other brands also but initially all the people who started drinking vodka and other drinks go for Smirnoff in case they want to try vodka. Consumption pattern of vodka | | 1peg | 2-4peg | 5-8peg |> 8peg | | 1session | 12 | 40 | 25 | 2 | | 2-3session | 2 | 24 | 12 | 2 | | 4-5session |  |  | 4 | 1 | | daily |  | 1 | 2 |  | The above table shows the number of pegs consumed in one session and the number of sessions of vodka a person has in a week. The table has been divided into three parts according to the color, where orange is denoted for consumers who are mild drinkers denoted by (L); green color is for medium drinkers (M) and purple color for heavy drinkers (H). Most of the people as per the table are medium drinkers approximately 64 in number out of the total of 131 drinkers of vodka. According to the sample people have good consumption of vodka.

|  | consumption |  | | SEC Classification | vodka | H | L | M | | A1 | magic moments |  |  |  | |  | romanov |  | 1 | 1 | |  | white mischief |  | 2 | 1 | |  | smirnoff | 6 | 4 | 12 | |  | fuel | 3 | | 3 | |  | SEC Classification. 6 | 5 | 14 | | A2 | magic moments |  |  |  | |  | romanov |  | | 5 | |  | white mischief | 3 | | 3 | |  | smirnoff | 6 | 3 | 18 | |  | fuel | 4 | | 8 | |  | SEC Classification | 10 | 4 | 21 | | B1 | magic moments |  |  | 2 | |  | romanov | 2 | | 2 | |  | white mischief |  | | | |  | smirnoff | 3 | 2 | 11 | |  | fuel |  | | | |  | SEC Classification | 6 | 2 | 12 | | B2 | magic moments | 2 |  |  | |  | romanov |  | 1 | 3 | |  | white mischief | 4 | | 2 | |  | smirnoff | 4 7 | 8 | |  | fuel | 5 | 1 | 1 | |  | SEC Classification | 13 | 7 | 8 | | C | magic moments | 2 |  |  | |  | romanov |  | | 1 | |  | white mischief |  | | | |  | smirnoff | 13 | 4 | 10 | |  | fuel | 4 | | 4 | |  | SEC Classification | 16 | 4 | 13 | The above table shows that how many people belonging to various categories according to SEC Classification are mild, medium and heavy drinkers. Consumers in the A1, A2 and B category are mostly medium drinkers, and those who are in B and C category most of them are heavy drinkers.

Few people belonging to B2 classification are heavy drinkers of fuel vodka. The table also shows that Smirnoff vodka is consumed mostly in medium quantity. This shows that generally people in the higher strata of SEC does not drink much whereas as we come down the strata people are more of heavy drinkers and therefore spends more on their consumption. Flavored vodka vs. white vodka [pic]According to the survey conducted people are ore inclined towards having white vodka than flavored ones.

The graph shows that 93 vodka drinkers prefer to have white vodka and 42 people prefer to go for flavored vodka. Although some of the people prefer to have both. As per the data analysis done there was no such trend found between the males and females regarding the preference of vodka as both of them preferred white vodka more. [pic] The younger age group that is between 20 to 25 year go more for flavored vodka while the people in the age group of 35 years and more have more consumption of plain white vodka. The people in the age group of 26 years to 35 years have almost equal preference for both kinds of vodka. Bars vs Retail outlets [pic]Consumer’s preferences for vodka in bars and retail outlets have been studied considering SEC Classification. This graph throws light on the aspects such as which consumer wants to spend more on the drinks keeping in mind their education and occupation.

The consumers who are in the A1 and B1 category purchase their drinks more from bar then the retail outlets whereas in A2 category a higher percentage of people purchase from the retail outlets. Rests of the consumers in B2 and C category have equal preference for the consumption of their drinks. The consumer behavior regarding the consumption of vodka from retail outlets and bar is studied keeping in mind the age group of the consumers. More people in the age group of 26 to 30 years like to buy their drinks from the retail outlets and people in the age group of 20 to 25 years and those greater than 35 years are more inclined towards the bar for the purchase of their drinks.

Supplements with vodka [pic] 45% of the people consuming vodka likes to have it with soft drinks. Majority of them give the reason that it taste better with soft drinks and makes the drink lively. The next choice of the consumers is with juices that are 35% of the people saying it.

Only 18% of the consumers prefer to have neat vodka that means they have the capacity to consume more pegs because it is not supplemented with anything. The least share of the pie is occupied by onsumers who want to consume vodka with water which is hardly 2%. [pic] This graph shows the comparative analysis of different vodka and with what liquid they are supplemented with. People who consume magic moments either like to have their vodka with soft drinks or soda. About 20% of the consumers drinking Fuel like to have it neat and it is the only drink among the five drinks which is consumed with water by 2% of the people. Less people consume vodka with soda in case of Smirnoff and Romanov.

According to customers responses white mischief and magic moments is always consumed with some other liquid and never taken neat by them. Promotional activities [pic]The promotional activity which mostly influence people to consume drinks is unlimited drinks on fixed amount because by shelling out some price they can go as many drinks as they want, one drink on the consumption of two drinks also increase their demand for vodka. Free gifts do not have that much influence on the people. [pic] This graph shows which age group likes to go for a particular promotional activity. Unlimited drinks on fixed amount are influential to all the age groups.

Age group of between 31-35 years goes for 2+1 free drink. The weekly events have greater impact on the age group of people between 26 to 30 years of age. Fuel vodka [pic] Majority of the people consuming vodka is aware that the Fuel vodka belongs to Seagram’s and considers it to be affordable.

While only 13% of consumers say that it is good for mixed drinks in cocktails. Out of the total of 33 consumers who drink fuel vodka, 22 of them knows that Fuel vodka is from Seagram’s, which means that consumers are quite aware of the company product and give importance to the company’s name, 19 people consider Fuel to be an affordable drink and 15 consumers say that it is a smooth drink. Price of the vodka [pic] 85% of the people belonging to A1 category consume Smirnoff which means that 56% of the people in the above graph which consider Smirnoff to be affordable belong to that particular category. Price of Fuel is considered affordable to consumers who are in A2 category.

The rest of the brands are affordable to consumers as most of those who are consuming it either belong to B1, B2 or C category of the Social Economic Classification. Factors which the consumers like about their most often consumed brand [pic]The above graph shows link between the brands of vodka and parameters that are liked by the consumers of those brand 80% to 85% of the people who consume Fuel goes for taste and brand name, while hangover and price does not bother so much to the people, in case of Romanov it’s the smoothness of the drink and the taste and to an extent hangover also have influence on people consuming it ; out of the people who drink Magic Moments 100% of them gives more preference to taste and the brand name of the vodka and none of the consumers of it are bothered about the hangover effect. Those who take Smirnoff give least importance to price factor as compared with the other brands of vodka. CONCLUSIONS Keeping in mind the current position and the present status of the entire vodka industry, particularly the domestic vodka some of which are also the major competitors of Fuel and simultaneously looking at the analysis that has resulted from data collected from the consumers of vodka, one can come to the following conclusions: 1) Although the vodka industry has a robust domestic market of 3 million cases, Fuel vodka has not yet been able to capture a substantial market share in the domestic liquor industry. Fuel vodka from Seagram’s has a long way to go ahead to maintain a stronger foothold in the market and overtaking its major competitors like Magic Moments, Shark Tooth which are developing a market for themselves. 2) Fuel with its reasonable prices has acquired a brand image of being vodka catering to the prestige and deluxe brand only because most of the people consider Smirnoff to be the only premium brand in the domestic market. 3) After the analysis of data it has been concluded that Fuel vodka is not completely able to cross the awareness stage of customer adoption process as 77 people out of 126 consumers of vodka are aware of the product. Although some of the people have reached the trial stage i.

62 consumers have tried it but only 33 people have adopted the brand. The reason for this is probably the taste of it not much liked by the people and the consumers like to for the premium brand because of the very less price difference in restaurants at which they are available. 4) Fuel vodka has not been able to scale heights in a growing vodka (liquor) market thereby assuming the position of question mark in the BCG Matrix as according to secondary data vodka market has the market growth rate of 25% and its market share is relatively less. 5) Fuel is able to develop the family brand name, as 47% of consumers consuming vodka are aware of the fact that brand belongs to Seagram’s. Everything being in place, the question that pops up is that what is going wrong and where that this brand Fuel is not able to accumulate profits in the fast growing industry and with a multiple fold increase in the liquor market? The possible reasons can be as follows: ? The consumers generally associate recall brand with Smirnoff, this have been analyzed through the data which shows that those who are drinking from past 3 months like to for Smirnoff. ? Lack of awareness of the brand is another important reason for it. ? Promotional activities that are carried on large scale of Smirnoff.

(details of promotional activities is given above) 6) The company will be losing its market share because Fling vodka is going out of the market. RECOMMENDATIONS ) As the brand is in the growth phase of the product life cycle, and the competition is hotting up with the coming of new brands of vodka in the same price segment, the company can supplement its product by introducing flavored vodka in that particular brand Fuel or by introducing new product competitive to Romanov Diet. 2) It has been seen that Smirnoff is already a market leader and company cannot rely only on price to compete with its competitors, so company can probably introduce another brand of vodka with specific USP e. g.

special vodka to target women. This will increase the shelf space in restaurants, hotels and clubs as well as increase market share. 3) The company should try to increase the awareness of the brand among the consumers by carrying out promotional activities and increasing the visibility of the brand. It can be done by keeping tent cards or hoardings in the restaurants. ) Company should maintain good relations with hotels, clubs and restaurants as most of the outlets in South Delhi are Iron customers in concern with vodka which the company should try to convert them into Platinum customers by giving them attractive deals in the form of liquidity, incentives to restaurants and bar men and doing promotions at regular intervals so that good customer relations are maintained.

5) Company should regularly give training or update the bar men about their brand of vodka and tell them the USP of the brand. 6) 34% of the outlets in Gurgoan and 45% in South Delhi are ranked ‘ A’ considering both the Image as well as the Volume sales, so the company should give more importance to them and try to increase the shelf space in that particular outlets. ANNEXURES Annexure1 Pouring Brand in Gurgoan CLUBS | POURING BRAND | |  | | | UNITECH COUNTRY CLUB | Fuel | | DLF CITY CLUB | Fling | | HUDA GYMKHANA CLUB | Fuel | | PALMS CLUB | Fuel | |  | | | HOTELS | | | LEMON TREE | Fuel | | BRISTOL HOTEL | Magic moments | | FORTUNE HOTEL | Fuel | | PARK PLAZA | Fuel | |  | | | RESTAURANTS | | | CORIANDER LEAF | Fuel | | ODYSSEY | Smirnoff | | CHINA CLUB | Smirnoff | | PIND BALLUCHI | Fling | | PARK BALLUCHI | Fuel/ magic moments | | SOLA TOPI | Fling | | CHOR BIZARRE | Smirnoff | | ADMAKER | Fuel/Fling | | STAYING ALIVE | Fuel | | OZ | Smirnoff | | THE DECK | Smirnoff | | LOVELY OBSESSIONS | Fuel | | CRAVE | Smirnoff | | LAST CHANCE | Romanov | EAST 101 | Fuel | | CHINESE & THAI CAFE | Fuel | | ADDICTION | Fuel | | SUBURBIA | Fuel | | BUZZ | Fuel | | K2 | Smirnoff | | MOJO | Romanov | | FILMI MASALA | Fuel | | FIZZ | Smirnoff | | GOLDEN DRAGON | Fuel/Fling | | MOETS DLF | Fling | | RODEOS | Fling | | CHARCOAL | Fling | | TGIF | Smirnoff | | RUBY TUESDAY | Fuel | | THE CHOWK | Fling | Annexure2 Pouring Brand in South Delhi | RESTAURANTS | POURING BRAND | | Azzurro Restt [Saket] | Smirnoff | | Buzz Restt. [saket] | Smirnoff | | Diva Restt.

| Smirnoff | | Essex Forms Golden Restt[near IIT]. | Smirnoff | | Friends Club | Smirnoff | | Golden Dragon Restt. Vasant Vihar] | Smirnoff | | IVY Restaurant | Smirnoff | | Italic restaurant | Smirnoff | | Lee Restaurant | Smirnoff | | Moet’s Restt. | Smirnoff | | Mystique Height Restaurant | Smirnoff | | Nothing authentic Restaurant | Smirnoff | | Nudeli Restaurant | Smirnoff | | Near east | Smirnoff | | Odd Binn Restt. [G. K-II] | Smirnoff | | Opus Restt. Basant Lok] | Smirnoff | | RPM Max Restt.

[Vasant Vihar] | Smirnoff | | Smoke n Grill restaurant | Smirnoff | | TGIF(vasant vihar) | Smirnoff | | T’zers Restt. [saket] | Smirnoff | | Bacchus Restt. [Vasant Vihar] | Fuel | | Flavors Restaurant | Fuel | | Geoffery’s Restt.

Fuel | | Hookah lounge | Fuel | | Oriental bloom restaurant | Fuel | | Chungawa | Blue moon | | Ruby Tuesday Restt. [G. Kailash] | Blue moon | | Mirchi Restaurant | Romanov | | Moksha Restaurant | Romanov | | Pebble Street Restt. | Romanov | | Reels The Nostalgia [E. O. K] | Romanov | | Ruby Tuesday Restt. Saket] | Romanov | | Stone | Romanov | | Shack | Romanov | | Mezz restaurant | Red riband | | Pizza express | Red riband | | New Minar Restaurant [G. K-I] | White mischief | | RPM Max Restt.

[Defence colony] | Magic moments | | Aura Restt. [Def. Colony] | Romanov | | Flames Restt.

[G. KII] | Smirnoff | | Leons Restt. [G.

K-I] | Smirnoff | | Moti Mahal Dlx. [Defence Colony] | Smirnoff | | Swagath Restt. Smirnoff | | CLUBS | | | Dca’s Jco Club | smirnoff | | South Delhi Club | Smirnoff | | Vasant vihar club | Smirnoff | | Defence Colony Club | Romanov | | Saket Cultural Club | Romanov | | New Friends Colony Club | Smirnoff | | HOTELS | | | ITC Welcome Group – Port Lounge | Smirnoff | | Ashoka Hotel[ chankypuri] | Smirnoff | | Crown Plaza(the Surya) Hotel | Smirnoff | | Hyatt Regency Hotel[near chankya] | Smirnoff | | Park Hotel [L-5] | Smirnoff | | Itc Welcome Group Execu. Loung | Smirnoff | | Maurya Sheraton Hotel [L-5] | Smirnoff | Annexure3 [pic] [pic] Annexure 4 Price per peg in Gurgoan | | Smirnoff | Fling | Fuel | Romanov diet | Magic moments | white mischief | shark tooth | | Aura Restt. [Def.

Colony] | 125 | 0 | 0 | 0 | 0 | 0 | 0 | | Azzurro Restt [Saket] | 150 | 0 | 0 | 0 | 0 | 0 | 0 | | Bacchus Restt. Vasant Vihar] | 130 | 0 | 124 | 0 | 0 | 124 | 0 | | Buzz Restt. [saket] | 165 | 0 | 0 | 0 | 0 | 0 | 0 | | Chungawa | 80 | 0 | 0 | 0 | 0 | 0 | 0 | | Diva Restt. [G.

K II] | 150 | 0 | 0 | 0 | 0 | 0 | 0 | | Essex Farms Golden Restt[near IIT]. 165 | 0 | 0 | 0 | 0 | 0 | 0 | | Flames Restt. [G. KII] | 75 | 0 | 0 | 0 | 0 | 0 | 0 | | Flavors Restaurant | 150 | 0 | 140 | 0 | 0 | 0 | 0 | | Geoffery’s Restt.

[Ansal Plaza] | 0 | 0 | 95 | 0 | 0 | 0 | 0 | | Golden Dragon Restt. Vasant Vihar] | 100 | 0 | 0 | 0 | 0 | 0 | 0 | | Hookah lounge | 150 | 0 | 150 | 0 | 0 | 0 | 0 | | IVY Restaurant[New friends colony] | 125 | 0 | 0 | 0 | 0 | 0 | 0 | | Italic restaurant | 175 | 0 | 0 | 0 | 0 | 0 | 0 | | Leons Restt. [G. K-I] | 70 | 0 | 0 | 0 | 0 | 0 | 0 | | Lee Restaurant[G.

K-1] | 115 | 0 | 0 | 0 | 0 | 0 | 0 | | Mirchi Restaurant | 100 | 0 | 75 | 75 | 0 | 0 | 0 | | Moet’s Restt. | 65 | 0 | 0 | 50 | 0 | 0 | 0 | | Moksha Restaurant | 125 | 120 | 0 | 120 | 0 | 0 | 0 | | Moti Mahal Dlx. Defence Colony] | 135 | 0 | 0 | 0 | 0 | 0 | 0 | | Mystique Height Restaurant | 125 | 125 | 125 | 0 | 0 | 0 | 0 | | Mezz restaurant | 75 | 0 | 0 | 0 | 60 | 0 | 0 | | Nothing authentic Restaurant | 125 | 0 | 0 | 0 | 0 | 125 | 125 | | Nudeli Restaurant | 175 | 0 | 0 | 0 | 0 | 0 | 0 | | New Minar Restaurant [G. K-I] | 55 | 0 | 0 | 0 | 45 | 0 | 0 | | Near east | 115 | 0 | 0 | 0 | 0 | 0 | 0 | | Odd Binn Restt.

[G. K-II] | 65 | 0 | 0 | 0 | 0 | 0 | 0 | | Oriental bloom restaurant | 150 | 0 | 0 | 0 | 0 | 0 | 0 | | Opus Restt. [Basant Lok] | 130 | 130 | 0 | 0 | 0 | 130 | 0 | | Pizza express | 105 | 0 | 0 | 0 | 0 | 0 | 0 | | Pebble Street Restt. | 125 | 120 | 0 | 120 | 0 | 0 | 0 | | Reels The Nostalgia [E. O. K] | 80 | 0 | 0 | 70 | 70 | 0 | 0 | | RPM Max Restt. [Vasant Vihar] | 100 | 0 | 0 | 0 | 0 | 0 | 0 | | RPM Max Restt. [Defence colony] | 110 | 0 | 0 | 0 | 0 | 100 | 0 | | Ruby Tuesday Restt.

[G. Kailash] | 125 | 0 | 0 | 0 | 0 | 0 | 0 | | Ruby Tuesday Restt. Saket] | 150 | 0 | 0 | 125 | 0 | 0 | 0 | | Stone | 140 | 0 | 0 | 0 | 0 | 0 | 0 | | Smoke n Grill restaurant | 165 | 0 | 0 | 0 | 0 | 0 | 0 | | Shack | 150 | 0 | 0 | 100 | 0 | 0 | 0 | | Swagath Restt.

| 125 | 0 | 0 | 0 | 0 | 0 | 0 | | TGIF(vasant vihar) | 175 | 0 | 0 | 0 | 0 | 0 | 0 | | T’zers Restt. saket] | 130 | 130 | 130 | 0 | 130 | 0 | 0 | | CLUBS | | | | | | | | | Dca’s Jco Club | 35(60ml) | 35(60ml) | 35(60ml) | 0 | 0 | 0 | 0 | | Defence Colony Club | 30 | 0 | 0 | 15 | 0 | 15 | 15 | | Friends Club | 53(60ML) | 53(60ML) | 0 | 0 | 0 | 0 | 0 | | New Friends Colony Club | 35 | 0 | 0 | 0 | 0 | 0 | 0 | | Saket Cultural Club | 32 | 32 | 0 | 18 0 | 22 | 0 | | South Delhi Club | 30 | 25 | 25 | 0 | 0 | 0 | 0 | | Vasant vihar club | 80 | 0 | 0 | 0 | 0 | 0 | 0