

A Study on Promotion of Alcoholic Beverages

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ABSTRACT

India is one of the leading countries in consuming and manufacturing alcoholic beverages in the last few years. Alcohol is one of the major players in contributing an important role in India's economy. Individuals are aware of the fact that advertisement of tobacco, cigarettes, and alcohol is banned in our country, but the leverage has been granted of promoting the brand through surrogate marketing. There are many traditional methods that are still successful in the promotion of alcohol like hoardings and banner, but some modern ways are promotion through social media, ladies' night, etc. This study aims to explore the various promotional practices performed by alcohol companies and analyze the customer attitude towards it. A questionnaire survey was used to collect the customers' primary data by visiting various clubs and bars. The total number of questionnaires that were analyzed is 200 using Statistical Package for the Social Sciences (SPSS). The result of SPSS was reviewed based on the hypothesis formed and the relationship is determined between various variables. With the help of results, we connected it to a research model related to consumer attitude. This study concluded that promotional activities play an important role and mostly impact brand awareness. Despite surrogate marketing, the entire liquor brands can target their customer through some memorable promotional strategies and successfully understand the consumer's attitude towards them.

Keywords: Alcohol, Consumer attitude, Promotion, Surrogate marketing.

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INTRODUCTION

India is one of the leading countries in consuming and manufacturing alcoholic beverages in the last few years. Alcohol is one of the major players in contributing an important role in India's economy. India is the third-largest country in the alcohol industry, just after two major countries, i.e., China and Russia. In the Southeast Asia region, India contributes 65% of alcohol production. In India, there is a growth rate of 10 to 15% for alcohol consumption every year for the past few decades, with a greater enlargement in southern parts of India. Rising demands for alcoholic beverages are the result of the growing youth population in the country and the growing disposable income of consumers, which adds to this industry. Around 32% of Indians are regular consumers of alcohol, and around 13% of Indians are consuming alcohol daily, out of which 30–35% of consumers are men, and around 5% are women. In 2007, the average age of beginning alcohol consumption was reduced to 17, from 28 years in the 1980s.

Liquor is one of the highest consumed beverages across the globe in all age groups. Many parties feel empty without the consumption of liquor, which is creating fuzz in marketing strategies that liquor promotion is the way to promote the product in the market to make its significance among the customers.

Earlier, there were many traditional ways by which brand industry use to promote their product, but nowadays, things have changed with modernity, and new ways have been introduced in promoting the liquor in reference to promotional strategies. Common social methods are now old and do not catch the attention of many consumers. That is why the liquor industry has put some focused on different ways that can help consumers know the product in detailed and this helps increase the market value of the product at the same time.

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PROMOTION STRATEGIES

Advertising

Advertising is one of the most common methods that help to promote any brand or product. When we go on highways or roam around even in the city, sometimes we see advertisements in different modes: the company strategy to promote their product or brand. All sorts of advertisements we see are focused on the product, which gives consumers insight into the product coming in the market or already there in the market.

Social Media Posts

Social media is one of the things that are so common these days. But even if we talk about past times, social media has always been a platform for promoting the brand or product. This is something that everyone is addicted to. That is why we see so many social media campaigns going on every day. The liquor industry is aware of this successful way too, so they also create social media campaigns before launching any new brand or product in the market.

The addicted generation cannot resist social media, so it gives the business a great chance that many consumers will know about it through social media promotion, and many new consumers will

join the family. Liquor promotion is common on social media, and that is why people get to know about new products so easily and try when they reach out to them.

Liquor Tasting

This is the most common method of all. Whenever a beverage or some drink is launched, we see their free promotional tasting booths. That is how a consumer knows what it tastes like though liquor is not something that can be tasted in public, so the brand owners always create an event for liquor tasting that helps consumers to get the taste and gives valuable feedback to the business that what changes can be made and what is better. These are some of the common ways the liquor industry promotes its brands or products in the market.

Happy Hours

Nowadays, clubs have started the discounted beverage drinking hours, which gives people offers, like discounts on alcohol or one on one free drink. To promote an alcohol brand or product, the club put happy hours on the drink they wish to promote, and it is the promotional activity of a brand to get new consumers in for their business in the market. People with reference to discounts and free drinks opt for these happy hours, which increases the promotion of new brands or products amongst the consumers.

Club Nights

Club nights also offer the best promotional activities for different alcohol brands. In club nights, they specifically choose a brand that they need to promote and create offers, mostly purchased by the consumers. So, in the care of getting the offer and having free drinks, people choose that brand, and this way, the industry promotes that brand or product.

LITERATURE REVIEW

It has been seen that the alcohol industry is growing at a very high speed due to the growing urbanization and technological advancements. Many people overestimate the number of people consuming alcohol in our society. There is only a small proportion of the population who are drinking alcohol regularly. Only 5% of the drinkers are the heaviest drinkers, which means they drink almost 40% of the liquor sold in the market. The study has mentioned that alcohol is only dangerous if the consumption is five drinks and more. Mostly youth consume alcohol at an inappropriate level, which becomes hazardous for their health (Rogers, J. & Greenfield, T., 1999).

Companies use advertisements to create their positive outlook on the product, connecting with people's personal traits and activities. Advertisements achieve success in convincing the customers because it can make customers see, read, listen, and then remember it, believing in it and then finally acting on it positively. The advertisements' positive side clearly covers the product's negative impact, and the customer does not remember the negative aspect. Thus, such advertisements attract new customers and make it difficult for them to give up this

habit (CAMY, 2001; Advertising Age, 1999). Out of the top 20 alcoholic producers, six at the least are the world's 100 largest advertisers (Endicott R. C., 2005). More advertising exposure has increased alcohol consumption and changed the consumer's attitude towards alcohol (Aitken and Brock, 1989).

Marketers make sure that through their promotion, product information reaches the target customer, its price, and the product's availability in the market. Publicity, sales promotion, public relations, advertising is all part of the promotional mix. Market reforms increased the consumption of alcohol in the world and further, which increased alcohol production. The biggest challenge for any alcohol company is to sell its product in the market. In the modern market, promotional activities completely focus on the core product, whereas in the earlier market, marketers used to focus on the quality and price as well, but now the brand name is the key component for any company (Jernigan, 2001).

Multiple numbers of media and methods are being used nowadays to promote various alcohol products to target different segments in the population. The latest key component developed by the marketers is to promote their brand in their consumers' minds and lives. One of the leading marketing theorists wrote that the brand name attached to a customer defines the respect of the customer, and that is how one brand becomes an integral part of their lives (Aaker, 1996).

In recent times, multiple media types are being used to promote alcohol products for the population's targeted segment. It has been observed that many advertising campaigns have actually increased the consumption of brands and lead to loyalty (Federal State Commission, 1999).

Advertisers attack youth with almost \$4 billion advertisements every year. Young people are attracted to advertisements promising sex, glamour, and sophistication (Kilbourne, J., 1999).

Alcohol advertisement is very common in television shows, and the majority of viewers are underage. Internet marketing is attracting a large number of youngsters along with tempting advertisements shown in magazines. They generally use youth-friendly images, such as, trending cartoons, heroes, characters, and fast-paced animations (Mosher, J., 1997).

In western countries, product placement has been found a very common strategy used by marketers in order to reach a large number of target customers (Federal State Commission, 1999). Federal state commission states that 8 out of 10 marketers have placed their product in PG-rated films and 8 out of 15 product placement in famous television shows, most popular amongst youth and teenagers.

RESEARCH METHODOLOGY

Study was done with potential customers who visit clubs and bars in Delhi. NCR and a sample of 200 respondents were selected to study further consumer attitudes towards the promotional activities performed by alcohol brands. Secondary data was taken from various journals, research papers, books, and websites. Objectives of the research are written below:

- To explore the various promotional practices performed by alcohol companies.
- To analyze consumer's attitudes towards alcohol promotional activities and advertisement.

The primary data was further analyzed through a statistical tool that is SPSS. The result of this study is based on a few hypotheses.

Ho: There is no relationship between the drinking number of units and promotional activities.

H1: There is a relationship between the drinking number of units and promotional activities.

Ho: There is no relationship between how often customers consume alcohol and responsible drinking awareness.

H2: There is a relationship between how often customers consume alcohol and responsible drinking awareness.

Ho: There is no relationship between how often customers consume alcohol and promotion through celebrity endorsement.

H3: There is a relationship between how often customers consume alcohol and promotion through celebrity endorsement.

RESULT AND DISCUSSION

Hypothesis 1

Ho: There is no relationship between drinking number of units and promotional activities.

H1: There is a relationship between drinking number of units and promotional activities.

p Value

Level of significance = 0.05

Here, the p value 0.4 is greater than the level of significance 0.05, which indicates that there is insufficient evidence in this sample to conclude there is a non-zero correlation.

Thus, the null hypothesis is accepted. This concludes that there is no relationship between the drinking number of units and promotional activities.

Changes in the independent variable will not lead to the changes in the dependent variable.

Correlation

The value of the correlation lies between -1 to 1, where 0 to 1 is a positive correlation, and 0 to -1 is a negative correlation, and 0 means no correlation.

A positive correlation indicates that with the increase in the value of the independent variable, the dependent variable's value also increases. Whereas in negative correlation, an increase in the value of the independent variable leads to a decrease in the dependent variable's value.

Here, in this output, the linear relationship is fairly strong as the value is near 1.

Hypothesis 2

Ho: There is no relationship between how often customers consume alcohol and responsible drinking awareness.

H2: There is a relationship between how often customers consume alcohol and responsible drinking awareness.

p Value

Level of significance = 0.05

Here, in this output, p values are smaller than the level of significance 0.05. There is sufficient evidence in this sample to conclude that there is a non-zero correlation. There is a significant linear relationship between the independent and dependent variables.

Thus, the null hypothesis is rejected, which means there is a relationship between how often customers consume alcohol and responsible drinking awareness.

Correlation

The value of the correlation lies between -1 to 1, where 0 to 1 is a positive correlation, and 0 to -1 is a negative correlation, and 0 means no correlation. A positive correlation indicates that with the increase in the independent variable's value, the value of the dependent variable also increases. Whereas in negative correlation, an increase in the value of the independent variable leads to a decrease in the dependent variable's value. Here, the linear relationship is weak downhill in this output as the value lies between 0 to -1. It means that higher responsible drinking awareness leads to lower opportunities that customers will consume less often.

This is the actual motive of companies behind bringing awareness of responsible drinking.

Hypothesis 3

Ho: There is no relationship between how often customers consume alcohol and promotion through celebrity endorsement.

H3: There is a relationship between how often customers consume alcohol and promotion through celebrity endorsement.

p Value

Level of significance = 0.05

Here, the p value is greater than the level of significance 0.05, which indicates insufficient evidence in this sample to conclude there is a non-zero correlation. Thus, the null hypothesis is accepted. It concludes that there is no relationship between how often customers consume alcohol and promotion through celebrity endorsement. Changes in the independent variable will not lead to changes in the dependent variable.

Correlation

The value of the correlation lies between -1 to 1, where 0 to 1 is a positive correlation, and 0 to -1 is a negative correlation, and 0 means no correlation. A positive correlation indicates that with the increase in the value of the independent variable, the dependent variable's value also increases. Whereas in negative correlation, an increase in the value of the independent variable leads to a decrease in the dependent variable value. Here, in this output, the linear relationship is fairly strong as the value is near 1.

Thus, marketers use surrogate marketing, and very few celebrities perform alcohol marketing.

Consumer Attitude Model-ABC Model

H2: There is a relationship between how often customers consume alcohol and responsible drinking awareness (Table 1).



Table 1: Consumer attitude : ABC model

<i>Affect (Feeling/Emotion)</i>	<i>Behavior (Response/Action)</i>	<i>Cognition (Belief)</i>
Mr./Ms. Narang strongly feels that all the liquor companies should promote responsible drinking.	Mr./Ms. Narang will drink responsibly after seeing the promotion of responsible drinking.	Mr./Ms. Narang believes that it is very important to drink responsibly to avoid personal and societal mishappening from high alcohol consumption.

Table 2: Alcohol consumption and gender

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymptotic significance (2-sided)</i>
Pearson chi-square	67.995 ^a	8	.000
Likelihood ratio	77.513	8	.000
Number of valid cases	200		

^a5 cells (33.3%) have an expected count of less than 5. The minimum expected count is 0.16.

Table 3: Promotion through celebrity endorsement and gender

<i>Chi-square tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymptotic significance (2-sided)</i>
Pearson chi-square	74.786 ^a	8	.000
Likelihood ratio	91.400	8	.000
Number of valid cases	200		

^a5 cells (33.3%) have an expected count of less than 5. The minimum expected count is 0.11.

Table 4: Responsible drinking and age

<i>Chi-square tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymptotic significance (2-sided)</i>
Pearson chi-square	180.297 ^a	12	.000
Likelihood ratio	182.876	12	.000
Number of valid cases	200		

^a6 cells (30.0%) have an expected count of less than 5. The minimum expected count is 1.73.

Cross Tabulation

Interpretation 1

Ho: How often consumers consume alcohol is independent of gender.

H1: How often consumers consume alcohol is related to gender.

The value of Pearson chi-square is 67.995.

p value here is 0.00 (asymptotic significance column). Here, p value is less than the significance level, which is 0.05. Thus, the null hypothesis is rejected, which means “how often consumers consume alcohol is related to gender.” (Table 2)

Interpretation 2

Ho: Promotion through celebrity endorsement is independent of gender.

H2: Promotion through celebrity endorsement is related to gender.

The value of Pearson chi-square is 74.786.

p value here is 0.00 (asymptotic significance column). Here, p value is less than the significance level, which is .05. Thus, the null hypothesis is rejected, which means “promotion through celebrity endorsement is related to gender.” (Table 3)

Interpretation 3

Ho: Promoting responsible drinking is independent of age.

H3: Promoting responsible drinking is related to age.

The value of Pearson chi-square is 180.297.

p value here is 0.00 (asymptotic significance column). Here, p value is less than the significance level, which is 0.05. Thus, the null hypothesis is rejected, which means “promoting responsible drinking is related to age.” (Table 4)

Key Findings

- Majority of the respondents visiting clubs and bars and consuming alcohol lie in the age group of 20–30 years.
- Most of the respondents consume alcohol a maximum of once or twice a week.
- The majority of respondents are consuming a number of units ranging between 6–13 unit per week.
- 86% of respondents have been exposed to alcohol promotion.
- Respondents feel that the right promotional activities give companies/brands a competitive advantage.
- Respondents mentioned that companies are not promoting responsible drinking much, and it does not have a major effect on people’s drinking habits.
- Respondents feel that there should be fewer restrictions on alcohol promotion.
- Respondents do not favor the promotions near educational institutes.

Recommendations

- In this changing era, there should be fewer restrictions on alcohol promotion because now India has so much western influence that even the school going children are aware of alcohol. Thus, the right placement of advertisements with the right message has become necessary.
- Promoting responsible drinking is a very important aspect of alcohol promotion. The research has shown that a very less percentage of consumers agree that companies are giving equal importance to promote responsible drinking. They feel that they should spend some good amount of money and time along with other promotional activities to let people understand the importance of drinking responsibly.
- Advertisements like “happy hours” or “free offers on drinks” and “discounted price” should be controlled and limited to avoid irresponsible or excessive drinking, e.g., ladies’ night.
- The advertisement should also convey the health-related effects with excessive alcohol intake as shown in cigarette advertisements.

CONCLUSION

It is evident from the research that promotion has some impact on alcohol consumption, and it is less due to surrogate marketing. The government has imposed a lot of rules and regulations on alcohol advertisements. However, companies still have a lot of media and communication sources to reach targeted customers, whether it is a YouTube video or sponsoring the events. The ongoing demand for social media has strongly changed alcohol promotion dynamics and reaches wide targeted customers.

This study has aimed to understand the amount of exposure customers have towards the alcohol promotions performed by companies through various means of communication and to assess their attitude towards the various promotional activities. This research aimed to find out whether the consumption of alcohol is affected by the various means of promotional activities. However, there is a need to do more work to understand this relationship better.

This report has revealed that companies are spending very less money and time in promoting responsible drinking. Respondents have hardly seen any campaign that gives them the feel of the negative impacts of alcohol drinking, which further reduces the blind/binge drinking. It has been perceived that an equal amount of money should be invested in responsible drinking campaigns and other alcohol advertisements that promote healthy drinking.

Through the survey statistics, there is no relationship between the number of units consumed by consumers and the promotion of alcohol. Thus, it can be concluded that the motive behind the promotion is simply to create an awareness of the brand and product, which is the main motive of any marketing team.

This study has provided a few new insights into the customer’s attitude because of the various promotional activities. Young people of the population are more exposed to various promotional activities and are highly affected. Furthermore, new research can develop various relationships between promotional activities and targeted customers. The limitation was eliminating a few

respondents from the study as they were drunk, and their response could be biased. Also, further studies can be done on word of mouth by peers/friends and social media. Ultimately, this study does not show how advertising affects consumers.

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