

# An Exploratory Study of Consumer's Preference for Consumption of Beer - Bottled Beer versus Craft Beer with Reference to Pune City

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## Abstract

Beer is defined as brewed and fermented alcoholic beverage made from malted barley. Types of beers like Ale, Lager, Draught and Craft are sold by the bars, restaurants in the city. This paper aims to investigate consumer's preference towards bottled beer versus craft beer. The analysis was carried out in Pune by administering a structured questionnaire to 60 consumers, as the city of Pune have 12 microbreweries and is still in the growing phase. This study also features promotional activities carried out by the microbreweries to boost the sales of craft beers.

**Keywords:** Beer, Craft Beer, Choice, Microbrewery

## INTRODUCTION

Pune is the second largest city in Maharashtra, and ninth largest in the country with estimated population of 3.99 million. 62% of the population is under 30 with a larger- than-average share of people in the 25-34 age group.

With the increasing youth crowd, there is growth in night life of the city and visiting various food and beverage outlets is part of life for college students and corporate employees. The same is evident especially on weekend's popular locations like Koregaon Park, NIBM, Balewadi High Street and Baner. Few names of party places in the city include outlets like 2BHK Diner and Club, Swig, House of Medici, Social, Culture, Effingut Brew, Independence Brewing Company and so on. Today customers are well – travelled, can spend disposable

income and have adventure for taste and this attitude has bloomed idea of Japanese, European, Mediterranean cuisine restaurants in the city. Socializing with colleagues, friends or family especially on weekends has become like ritual for many and alcohol in any form (beer, wine, liquor, cocktails) has become one of the significant part of socializing and has led to various restaurants and bar to come up.

The purpose of the study was to explore current consumer's preference about beer, as beer is the third most popular beverage after water and tea in the world (Drink, n.d.). Beer is made from malted barley and is flavored with hops. Main types of beer include – Ale and Lager. Ale is top fermented beer manufactured using *Saccharomyces cerevisiae* yeast for fermentation and is usually dark in color and bitter in flavor, whereas lager is bottom fermented beer manufactured using *Saccharomyces carlsbergensis* yeast for fermentation.

Other styles of ale and lager beer include examples like Porter, Stout, Indian Pale Ale, Hefeweizen, Pilsner (Singaravelan, 2016).

## AIM OF THE RESEARCH

To explore the consumer's preference for consumption of beer – bottled beer versus craftbeer in Pune city.

## OBJECTIVES OF THE RESEARCH

- To define lager beer and craft beer.
- To understand the difference between bottled beer and craft beer.

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## SIGNIFICANCE OF THE RESEARCH

Majority of the research papers published on beer have covered factors influencing choice of beer, nutritional aspects of beer, beer aging and consumer's preferences on draught beer and bottled beer. Very few research papers describe about craft beer and in the study is based in Italy. The findings of this study emphasize the scenario of craft beer and bottled beer in Pune city, Maharashtra, India. Consumers are aware of commercial beer or bottled beer as it is dominant in market, however past three years, microbreweries are gaining attention for manufacturing and selling different styles of beers along with the food. City of Pune is also the birthplace of first microbrewery and the revolution started with more than 100 microbreweries spread across the country (The Journey Less Explored: Craft Beers in India, n.d.). According to the article published in Hindustan Times, Santosh Zagade, superintendent, state excise department, said, "Beer of all kinds, mild, strong, and craft included, has experienced an 18 percent growth with 2021-22 at 13,093,284 liters compared to 11,070,957 liters in 2020-21" (Bari, 2021).

## LITERATURE REVIEW

In contrast to large-scale corporate brewers also known as macro brewers dominate the market whereas craft beer refers to a brewery that produces small volumes of beer and is independently owned. This type of brewery is noted for prioritizing quality, flavor, and brewing procedure. Innovation is a hallmark of craft beer and craft brewers. Craft brewers put their own spin on classic styles and create new ones that haven't been done before. Craft beer is often prepared using traditional ingredients such as malted barley; however, interesting and occasionally non-traditional ingredients are frequently added for flavor (Craft Brewer Definition, n.d.).

Across India the community of home brewers is growing and there are at least 100 members across Bengaluru, Mumbai, Pune and NCR (National Capital Region) who pursued the home brewing hobby to microbrewers (Agarwal, 2018). With changes in standard of living, enough disposable income hanging out with friends, family etc. is a ritual for many to grow as part of community and is also beneficial to one's mental health.

According to a recent study undertaken by the beer advocacy group Campaign for Real.

Ale (CAMRA), having a regular drinking establishment improves social skills, which in turn promotes overall life happiness. People who patronized a local or community-type pub or bar had a larger support system of close friends, according to the study, which also meant they were more trusting of others and more involved in the community than those who did not (non-drinking patrons can find community in social spaces such as a place of worship or a gym). Friendship and community are significant elements in health and well-being, with several studies demonstrating clear links between strong social bonds and improved health. The evolutionary psychologist who led the study, Oxford University professor emeritus Robin Dunbar, said, "Making and sustaining friendships is something that has to be done face-to-face; the digital world is just no replacement" (Mifsud, 2018).

Despite its potential, the craft beer market is currently a small part of the commercial sector, owing to the absence of large-scale producers. Breweries may need to look at new beer consumers (e.g., female and younger people) to maintain this increase. Younger people are drawn to diverse flavours) or target present commercial beer drinkers (Donadini et al., 2016; Donadini and Porretta 2017, as cited in Lerro, Marotta & Nazzaro, 2020). However, in order to attract new customers, breweries must strike a balance between the unique aspects of craft brews and the preferences of customers' expectations. It's critical to unlock these expectations in order to establish a widely shared vision (Heidkamp, 2020).

In the absence of bottling rights, microbrewers from the city and state are campaigning for the introduction of growlers so that patrons can drink craft beer in the comfort of their own homes. Craft beer drinkers have been inquiring about possibilities for transporting beer back to their homes for consumption. Craft beer demand has been gradually increasing in the city over the previous three years, with an increasing number of individuals preferring unusual flavours and brews than ordinary bottled beer. The city presently includes 12 microbreweries, including some brew pubs and some primarily distribution breweries, up from one in 2009. Along with the growing demand for craft beer at brew pubs and restaurants, there is also a steady increase in demand for craft beer consumption at home (Parekh, 2020).

Maharashtra, according to Bhosale, is the only state in the country that allows for keg- based distribution. “As a result, craftbrews are now available in nearly 50 restaurants and bars around the city, as opposed to exclusively brew pubs. Pune was the first city in the country to open a microbrewery a decade ago, but growth slowed quickly after that. Only in the last three years has demand been continuously increasing,” he noted (Parekh, R., 2020).

## RESEARCH METHODOLOGY

Primary data for the study was conducted with the help of structured questionnaire using Google forms. Questionnaire is the most economic and accessible tool for data collection. To understand about craft beers in depth, the researcher also visited two microbreweries namely – Effingut, Baner and Babylon Craft Brews, Erandwane, Pune. The researchers met the master brewer of the microbreweries to understand about the beer. Total 60 questionnaires were sent, out of which 50 responses were completely filled and used for data analysis of the study.

Secondary data was collected with the help of books, E-paper articles, journal articles from Google Scholar, Academia.Edu, Magazine Articles.

### Photos of the Visit to Microbrewery



**Photo 1: Ingredients used in Manufacturing Craft Beer – Babylon Craft Brews, Erandwane, Pune**

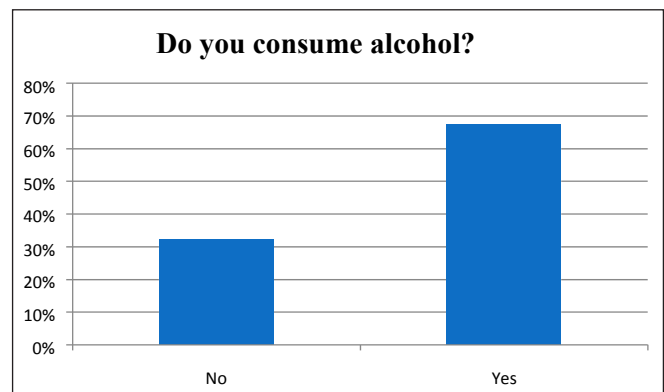


**Photo 2: Master Brewer, Mr. Ankur Pawar explaining the Manufacturing Process at Babylon Craft Brews**



## DATA ANALYSIS AND FINDINGS

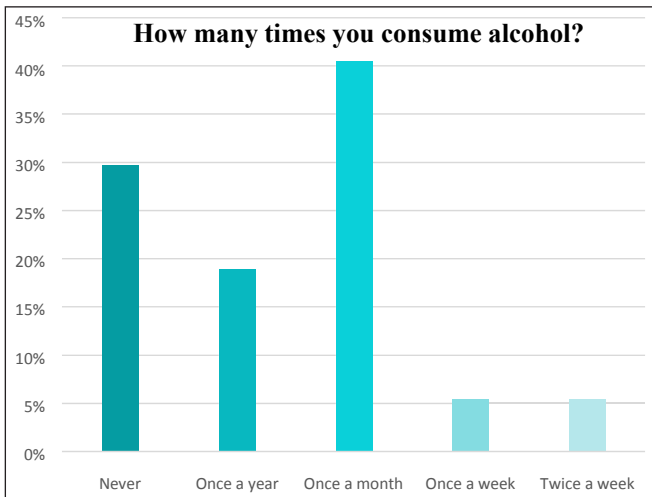
### Do You Consume Alcohol?



The above graph, denotes around 70% of the respondents consume alcohol which includes beer, spirits, wines.

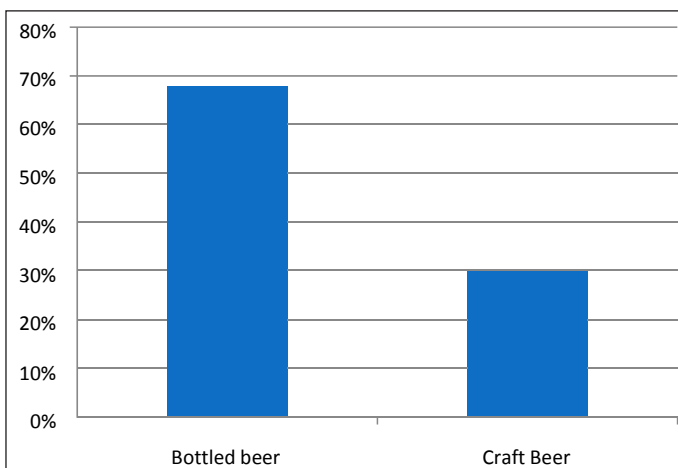
### Frequency of Consumption of Alcohol

Above graphical presentation denotes frequency of consumption of alcohol among respondents. 41% of respondents consume alcohol once a month, whereas 19% of respondents consume alcohol once a year.



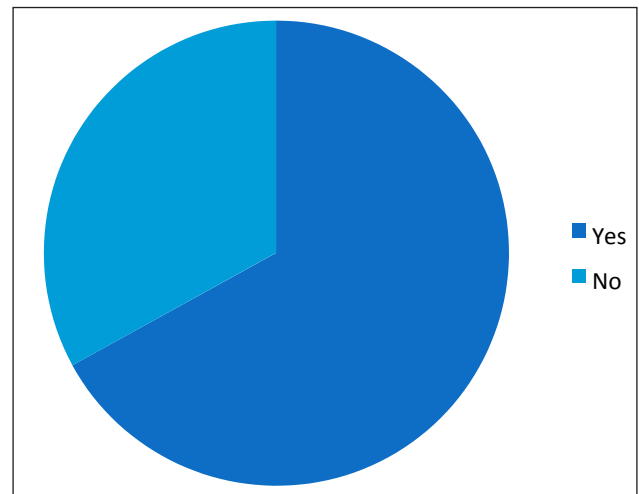
On further analysis it was seen that most of the people often consume alcohol in bars, pubs, restaurants and other outlets rather than home.

### Respondents That Prefer Craft Beer or Lager Beer



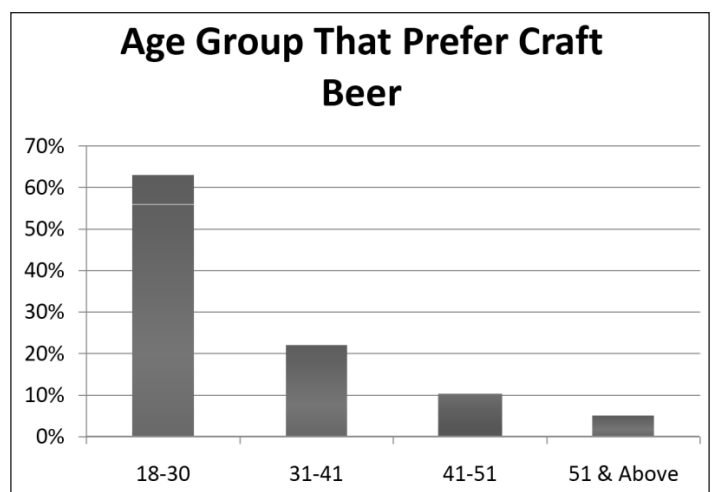
Big brand names of lager beer include Kingfisher, Budweiser, Tuborg, Heineken and many more dominate the market as majority of beers are sold and also available in almost all F&B outlets in the city. From the above graph, 70% of the respondents prefer Bottled beer over craft beer and 30% prefer craft beer. One of the reasons, bottled beers are preferred due to availability and pricing.

### Are You Aware About the Microbrewery in Pune?



Pune has around 12 micro-breweries and effective tools like Social media has certainly helped in gaining attention of customers. Approximately 70% of respondents are aware about micro-breweries whereas 30% of the respondents are not. Micro – breweries can use different promotional strategies like surrogate advertising as alcohol advertising is banned since the year 2000.

### Age Group That Prefer Craft Beer over Bottled Beer



The age group that prefers craft beer more than bottled beer is 21-31(62%). The preference starts decreasing as the age group rises 31-41 age group has 21% people that prefer craft beer over Bottled beer. 41-51 age group has 10% people and above that has approximately 5% of people that prefer craft beer.

## LIMITATIONS

- To understand the overall comparison of craft Beer and bottled beer, the period of few months is not enough.
- The data provided by the respondents can be influenced due to lack of knowledge and awareness about the craft beer.

## CONCLUSION

Beer is the third most popular beverage in the world. With knowledge, exploring different places and adventure to experiment with the taste awareness among youth is increasing the demand of craft beer day-by-day. Promotional activities like happy hours, brewery tours and tastings session with explanation is done by the micro-breweries. The demand for craft beer is increasing and will do so in future.

## SUGGESTIONS

- People should be educated about craft beer and the showcase of the huge variety of craft beer should be promoted.
- Discouraging the service of bottled beer in micro-breweries might help in increasing the consumption of craft beers.
- Social media can be used to widely increase the craft beer market and increase the popularity of it.
- Surrogate advertising can be used by the micro-breweries to promote the beer.
- Wassup Flea market is one of the opportunity to budding entrepreneurs to display the products to the crowd and micro-brewers can have one stall with permission and license to sell the same.

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