



Research Article

An analysis of promotional strategies of popular brands of wine in Bengaluru city, Karnataka

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SUMMARY : The wine market is in a formative stage in India when compared to other countries of the world. However, wine consumption is growing at an impressive rate of 25-30 per cent per year. Karnataka is the second largest producer of grapes in India next only to Maharashtra and has adopted a wine policy to increase the consumption of wine in the state. An attempt has been made to study the top Indian brands of wine in the domestic market and promotional strategies to popularise wine has been suggested. Results of the study revealed that Chateau Indage, Sula and Grover vineyards are the major wine producers accounting for 75 per cent of total wine production in the country. The study captured the awareness level of sample respondents who were wine consumers and non-consumers as well. The study revealed that a whopping 97 per cent of the respondents were not aware of the state's new wine policy. The study suggests that the existing law on advertising of wine has to be altered to popularize wine and also the wine policy has to be properly implemented so that wine production and consumption increases.

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BACKGROUND AND OBJECTIVES

India has forever remained a land of dichotomies. It has always perceived a notion in almost two totally paradoxical perspectives. And wine or liquor is no exception to this rule. When on one hand it was a drink of festivities, it was also considered a forbidden affair for the society at large. Since, the very inception Indians had the native familiarity with wine. This becomes apparent with the artifacts found at the sites of Harappan civilization. During the Vedic period, wine was often referred to as somarasa, it was believed to be associated with Indra, and was a part of religious festivals.

But, drinking has always remained a social taboo and therefore no culture of social drinking could ever develop in India. Even Constitution of India puts a proscription for liquors in India by Section 47 of the Directive Principle of State Policy declaring that "the State shall endeavour to bring about prohibition of the consumption - except for medicinal purposes - of intoxicating drinks". India

has predominantly remained a non- drinking country. Now, it is high time to revive the notion of social drinking and responsible drinking habit with proper regulatory affairs of the state.

Presently Indian wine industry is in a nascent stage, though it has kick started only from Maharashtra much remains to be seen at the national level. India has emerged as one of the fastest growing markets for wine on the global map. It is found that various policies by the state governments are encouraging domestic wine producers to set up their own wineries in the country, giving a boost to the domestic industry. Efforts by the Maharashtra and Karnataka governments remain far-fetched in this regard. The new wine policy has been passed with a view of increasing wine consumption in India and to meet the huge potential for wine in India. This study has been taken up with the objective of analysing the major Indian players in the domestic wine market, the top red and white Indian wines available in the market and to suggest various promotional strategies and government policies.

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RESOURCES AND METHODS

Bengaluru city was selected as the study area to study the consumer preference for wine. Bengaluru city is one of the top five cities in India where more wine is sold and the hub of wine retail revolution. Various factors such as favorable government policies, increasing disposable Income, amplified wine marketing and influence of western culture are helping to drive Bengaluru's wine consumption. The new wine policy by the Karnataka government has been passed realising the huge potential for growth in the wine industry.

In order to analyze the different brands of wine available, secondary data on the major players in the domestic wine market was collected from various published sources and websites. Since data on market share was not available, secondary data was collected regarding the most popular Indian red wine and white wine.

OBSERVATIONS AND ANALYSIS

There are around 60 wineries in India but only a few are bottling wine under their own label. Around 85 per cent of total wine production in India is by 3 major players. They are Chateau Indage, Sula vineyards and Grover vineyards (Table 1).

Chateau Indage is the largest Indian winery by volume and value. They have achieved great success with their wide range of wines and their popularity among the Indian population. Sula wines success is mainly because of its simple strategy of offering high quality wines at multiple price points and Grover wines which is a Bangalore based company focus on delivering quality wines. Grover Vineyards has a successful French collaboration and exports 25 per cent of its annual production.

Indian Wine and Indian Wine Brands are making waves and gaining recognition not only domestically but internationally as well. The best wines in India are produced in the top wineries on the country. Grover vineyards in Bengaluru produces the best red wine in the country (Table 2),

Grover La Reserve which was awarded 'Best New World Red 2005' by the Decanter magazine, world's most prestigious wine magazine. It is the best red wine in India and perfectly matches with Indian food like mutton biryani. The La Reserve wine is also being exported and is acclaimed the world over. The other popular red wines in India are Chateau d' Ori Cabernet Merlot 2007, Nine Hills Cabernet Sauvignon 2007, Reveilo - Syrah Reserve 2005, Sula Dindori Reserve Shiraz 2007 etc. India.

The White wines are also quite a hit in India, especially those from the top 5 Indian Vineyards and Wineries which Includes the three large players in the Indian Wine industry- Grover Vineyards, Indage (Chateau Indage) and Sula Wines. The top Indian white wines are selected purely based on reviews, research articles and discussions. Nine Hills Chenin Blanc 2007, from Seagram winery is considered the best white wine in India (Table 3). It is popular because of its distinct taste.

Consumer awareness about the new wine policy is very low. 97 per cent of the respondents did not know anything about the wine policy. People should be made aware of the wine policy so that more number of people gets into the wine business. The license fee for opening a wine tavern and boutique has been reduced making it easier for entrepreneurs to start their own business. This will help boost sales and bring in wine drinking culture amongst the people of the state. This will be possible only if people are aware of the wine policy.

Some of the plausible promotional strategies to promote wine consumption are:

- Organizing a wine mela or an exhibition is one of the best ways of popularizing wine. Wine producers can also participate in an exhibition and promote their wine. Exhibition can be effectively conducted by having other activities that attract a large crowd to the event. The Karnataka government has effectively conducted a wine mela and an exhibition. Proper advertising about the exhibition is also important so that people attend it. It is one of the most effective platforms to bring in a wine drinking culture amongst people.

Table 1: The major Indian players in domestic wine mark (In lakh litres)

Sr. No.	Name of the wine	Winery	Grape variety
1.	Grover La Reserve	Grover Vineyards	Cabernet Sauvignon, Shiraz
2.	Chateau d' Ori Cabernet Merlot 2007	Chateau d' Ori	Cabernet Sauvignon, Merlot
3.	Nine Hills Cabernet Sauvignon 2007	Seagram	Cabernet Sauvignon
4.	Reveilo - Syrah Reserve 2005	Vintage Wines	Syrah
5.	Sula Dindori Reserve Shiraz 2007	Sula Vineyards	Shiraz
6.	Chantilli Cabernet Sauvignon	Indage Wines	Cabernet Sauvignon
7.	Ivy Shiraz	Indage Wines	Shiraz
8.	Grover Vineyards Cabernet Shiraz	Grover Vineyards	Cabernet Sauvignon, Shiraz
9.	Sula Red Zinfandel	Sula Vineyards	Zinfandel
10.	N. D. Syrah	N.D Wines	Syrah / Shiraz

Table 2 : The top ten red wine brands in India

Sr. No.	Name of the manufacturer	2008	Percentages
1.	Chateau Indage	36.00	43.48
2.	Sula	27.00	32.61
3.	Grover Vineyards	9.00	10.87
4.	Vinsura	2.25	2.72
5.	Vintage Brands (Reveilo)	0.90	1.09
6.	All Other	7.65	9.24
	Total	82.8	100

Source: www.indiamarks.com

– Research across the globe has proven the health benefits of wine. Stressing on the health benefits of wine can help boost the consumption of wine. Drinking wine in moderation is said to have heart health benefits and is also said to kill cancer cells. People who are health conscious or hard liquor drinkers who are trying to shift to a lighter drink can be targeted by promoting wine as a healthy drink and stressing on its health benefits.

– Smaller bottles of wine in order to attract younger consumers and to increase number of drinking occasions. Younger consumers are more used to new and smaller packaging formats. Personal size wine in smaller pack sizes, typically 180 ml, is now the fastest growing trend in the US wine market.

– Wine is also known to be healthy to women. It decreases ovarian cancer risks and also makes the bones stronger. Wine is also less intoxicating than most hard liquor. Rose wines could be promoted as it contains less alcohol than other type of wine and are not very different from some of the RTDs.

– Optimizing Production and lowering costs as more and more international brands turn towards India, the alcohol drinks industry is bound to become more and more competitive. As the excise duties have been reduced from 400 per cent to 150 per cent, the foreign brands have become even more affordable for the Indian consumers. As these brands come into India, price points will be a key element in the buying

behaviour of the consumers. In order to compete on the prices, the domestic firms need to optimize their production facilities so as to cut production and manufacturing costs. In fact, it is very important for the domestic players to completely modernize their plants to eliminate wastage and inefficiencies.

– Wine producers can tie up with restaurants and promote wine. Restaurants can help consumers by suggesting the best wine based on the food they have ordered. This will also help in developing wine culture and consumers will learn to enjoy wine with their food.

Advertising:

Prior to 2002, the industry was banned from advertising on the state-run terrestrial network for TV and radio. Since then, the government has banned advertising on private cable and satellite channels as well. The companies are therefore left with four relatively less effective choices for advertising their products:

Outdoor advertising:

Here companies use bill boards of company brands indicating unique characters of their brand. In metropolitan cities these bill boards are displayed on the road sides to reach maximum number of people.

Direct advertising at point of sale:

The appeal of point of sale advertising lies in the fact that numerous studies show that in many product categories consumers make the bulk of their brand decisions in the retail outlet. Store advertising is designed to increase the number of spontaneous buying decision

Promotions and promotional events:

The promotions are distinguished into company promotions and retailer promotion. Company promotions include corporate gift packs, wine gift packs and wine tourism. Retailer promotions include retailer coupons, retailer contests or premiums.

Table 3: Top ten white wine brands in India

Sr. No.	Name of the wine	Winery	Grape variety
1.	Nine Hills Chenin Blanc 2007	Seagram	Chenin Blanc
2.	Riviera Blanc de Blanc	Indage	Ugni Blanc / Chardonnay
3.	Grover Vineyards Viognier (Clairette)	Grover Vineyards	Viognier, Clairette
4.	Sula Sauvignon Blanc	Sula Vineyards	Sauvignon Blanc
5.	Reveilo Late Harvest Chenin Blanc	Vintage Wines	Chenin Blanc (late harvest)
6.	Chateau d'Ori Sauvignon Blanc	Chateau D'Ori	Sauvignon Blanc
7.	N.D. Wines Chenin Blanc	N.D Wines	Chenin Blanc
8.	Ivy Sauvignon Semillion	Indage	Sauvignon Blanc/ Semillion
9.	Indage Vineyards Gold Series, Chardonnay Semillon	Indage	Chardonnay Semillon
10.	Tiger Hill Vineyards Chardonna	Indage	Chardonnay

Source: www.indiamarks.com

– Various innovative tools and options can be utilized in today's scenario in order to connect to the customer in a much better manner and thus gain a loyal customer. In fact, in many countries, companies have tried experimenting with the packaging and the size of the bottles to make them more convenient for the consumers to buy according to the occasion they need to be consumed for. Being a first mover in using certain innovative tool, the domestic players can definitely make a huge impact on the consumer's mind which would be really helpful in the long run.

Conclusion:

The study has revealed that the major players in Indian wine market are Chateau Indage, Sula and Grover vineyards, which accounts for 75 per cent of total wine production in the country. Grover La Reserve is the best red wine in the country. Promotional strategies like organising wine mela, promoting wine as a health drink or a womens drink, launching smaller bottles of wine to increase the number of drinking occasions and also advertisements by the manufacturer can be adopted to popularise wine.

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