CHAPTER – II
REVIEW OF LITERATURE

Alcoholic beverages have been used in human societies since time immemorial. Many writings on alcohol emphasize this long history and soothe the reader implicitly. Alcoholic beverages occupy a prominent place among branded consumer goods. Alcohol market generates huge profits through increase in production, distribution and sale in one hand but consumption of various alcoholic beverages causes huge loss and harm to the society on the other. It generates substantial profits to producers, distributors and retailers and it also increases revenue of the national and state governments. A handful of large companies control the market and their numbers have steadily shrunk during last two decades of corporate world. Producers have dominant power within the alcohol market. In general, retailers face more regulation, particularly at the state level, and are more directly accountable to consumers and communities. Yet retailers and distributors are largely dictated by the producers’ marketing programs. The leading alcohol providers are national, international and regional conglomerates pursuing ambitious growth strategies. Marketing deals with identifying and meeting human and social needs. Alcohol marketing activities are designed to maximize regional, national, international sales turnover and gross contribution.

Change in alcohol marketing is observed at an accelerating rate. The globalization, technological advances and deregulation spell endless opportunities. Global forces continue to affect everyone’s business and personal life. Technology continues to advance and amazes us and there will be a continuing push towards deregulation of the economic sector. Most people overestimate the levels of alcohol consumption in our society. A small percentage of drinkers consume most of the alcohol sold. The heaviest 5 per cent of the drinkers (averaging more than four drinks per day) consume 42 per cent of the alcohol sold. Hazardous drinking, defined as 5 drinks or more per day, accounts for more than half the alcohol industry’s market and 76 per cent of the beer market. (Rogers, J. & Greenfield, T; 1999). Young people who consume hazardous quantities of beer are of the most important customers in the alcohol industry.
Multiple methods and media are currently used to promote alcohol products to different segments of the population in economically developed countries. Many advertising campaigns try to increase consumption, brand and loyalty. According to Federal Trade Commission, (1999), young people are bombarded with $4 billion of alcohol marketing each year. The full form advertisements promise excitement, sex, glamour, and sophistication, themes particularly important to young people (Kilbourne, J; 1999). They often use child-friendly images such as cartoon characters, animals, and fast-paced animation (Mosher, J, 1997). Alcohol advertising is common on television shows with a majority of underage viewers. Marketing strategies on internet sites attracting young people, magazines tempting large youth readerships, and billboards and retail outlets frequented by young people taken together, communicate a powerful message about alcohol’s role in society.

Over the years, scientists have documented the effects of alcohol on many of the body’s organ systems and its role in the development of a variety of medical problems, including cardiovascular diseases, liver cirrhosis, and fetal abnormalities. Alcohol use and abuse also contribute to injuries, automobile collisions, and violence. Alcohol can markedly affect workers productivity and absenteeism, family interactions, and school performance. On the strength of this evidence, the United States and other countries have expended considerable effort throughout this century to develop and refine effective strategies to limit the negative impact of alcohol (Bruun et al, 1975; Edwards et al, 1994).

In India today, alcohol is a topic of concern to the government, media, and academics too. Though direct literature on the said topic is scanty, yet a good number of research studies are available on types of alcohol, marketing of alcohol and alcohol related research. There are numerous researches on alcohol marketing in the developed world. While much of the existing research on alcoholic beverages, price, consumption, marketing and promotion originates in the United States, Canada and Australia, Europe also has an important tradition of alcohol research. All studies and researches are classified into five different subcategories: overall reviews, studies on alcohol policy, studies on economic availability, studies on physical availability and studies on consumption and related consequences or harms. The studies on “alcohol policy” includes studies on price elasticity, studies on demand, and studies on challenges for alcohol policy brought out by Europeanization in the Nordic countries.
Studies on the physical availability deals with alcohol monopolies and licensing on retail sales of alcohol as well as a few studies looking at rationing or ban on selling alcohol. Some studies are conducted on consumption and related consequences. In this category we find studies on alcohol-related harm, brought along by changes in alcohol availability as well as large sample studies.

The present study includes peer reviewed and ‘grey’ literature from international, national and local studies on alcohol. A number of sources are used to identify relevant literature and some formidable literatures on alcohol are cited and discussed in following sections. The alcohol industry’s marketing practices promote an alcohol environment and alcohol policies that support and normalize the very drinking patterns and practices that social norms purport to prevent. In order to place this study on the basis of our own data analysis in context, we conducted a review of literature, focusing primarily on existing research on the links between the four P’s of marketing (product, price, place and promotion) which is a helpful typology for understanding the industry’s marketing strategies. These variables are used by marketers generally to create social environments that encourage consumers to purchase their products (Mosher, J. & Cowan, R., 1985). The fifth P’ (people) for this review is the protection of individuals and society from the negative consequences of alcohol use, abuse and alcohol-related harm. The research questions have been conceived in five separate and yet connected parts. These reviews are conceived as five separate analyses each requiring a different type of evidence base.

2.1. Product

Alcoholic beverages starting from communally-produced traditional beverages to mass consumer branded products, take many forms. In commercial marketing, product considerations include the actual product or service as well as the brand name, reputation, packaging and so on. All over the world, civilizations have developed their own styles of living, eating, entertaining and of course, the all-time favorite drinking. Alcoholic beverages have been part of human culture and development, while there is tremendous diversity in the kinds of alcoholic beverages available throughout the world. The patterns of alcohol intake around the world are constantly evolving, and alcohol is ubiquitous today. There are, however, very few societies where alcohol beverages have not been enjoyed as part of local
culture, as part of family and village life, or as part of religious and spiritual life, since before written history (Heath, 2000). They are, of their essence, marketed products, and as such are often the most visible manifestation of alcoholic beverages in a society. In this sense they lead the market for alcoholic beverages, providing an affordable badge of participation in western culture. As socioeconomic status rises in a developing nation, the likelihood of using these products tends to increase, along with western cultural orientation (Eide, Acuda, & Roysamb, 1998).

Published research on alcohol availability and consumption typically categorises alcoholic beverages in to five categories: beer, wine, fortified wine, ciders and distilled spirits. Most international sources limit these to beer, distilled spirits and wine. Distilled spirits can be classified into two categories namely brown goods and white goods. Brown goods include all whiskies, bourbons, rum, brandy and scotches. White goods include vodka, gin, and tequila. These alcoholic beverages are called “cosmopolitan beverages” mean European style beer, wine, and brandy, whiskey, gin, vodka and other distilled spirits distributed far and wide, in many cases globally and are produced through localized and globalised industrial production centers (Room R et al., 2002).

According to ESPAD (European School Project on Alcohol and Other Drugs) Report (Hibell et al., 2000) the beer is clearly the dominant beverage of choice among the 15-year-olds in all most all countries with the exception of one country Hungary. The percentage of beer drinkers out numbers the percentage of wine drinkers. Similarly, beer drinkers outnumbered drinkers of distilled spirits in all but three countries (i.e., Hungary, Norway, and Portugal). Moreover, initial findings indicated that when beer drinking was common, so was consumption of distilled spirits. In fact, distilled spirits, rather than wine, are the second most common beverage of choice. According to (www. Britannica.com.) the worldwide per capita consumption of distilled spirits, beer, and wine has generally increased since 1950, and beer consumption rate is higher than those of the consumption of either spirits or wine. Beer actually remains the world’s most popular drink, currently averaging 17.5 liters of consumption per person per year. Beer is followed by wine about 3 liters per person per year and then spirits 2.2 liters per person per year (www. Britannica.com.).
The liquor industry is constantly creating and recreating new alcoholic products. Alcohol producers have pursued product differentiation through variations such as ice beer and dry beer, line extensions such as flavored vodkas, creation of new categories such as “malternatives” and expansion of existing categories, such as premixed drinks. As these new products enter the market they offer an ever increasing choice in terms of taste, price, alcohol content, status and packaging. New alcohol products target youthful consumers and may promote abusive drinking practices. New development of alcoholic beverages has been particularly active since the 1990s (Jackson et al., 2000), and it started with designer drinks characterised by brightly coloured and innovative packaging, delivering the product benefits of strength, flavour and portability, such as bottled ciders and fortified fruit wines. The boom in designer drinks lasted until the mid-1990s, when a new range of alcoholic soft drinks, known as ‘alcopops’, emerged. Alcopops are highly sweetened, pre-mixed spirit-based drinks, typically designed and marketed for adolescents and young adults (Metzner and Kraus, 2007). The combination of packaging, taste and alcoholic content gives little appeal to older drinkers”* (Euromonitor, 2004).

Over the second half of the 1990s, alcopops and designer drinks (ready-made, pre-mixed spirit-based beverages) enjoyed increasing popularity in Scotland, Wales, and England (Hughes et al., 1997). A further expansion of the ‘alcopops’ category has been the pre-mix drinks containing a blend of spirits, soft drinks and other flavorings, called ready-to-drink (RTD) products. These ‘new drinks’ rapidly spreaded to Scandinavian and continental European, as well as Mediterranean countries, where wine is traditionally preferred. These newer beverages such as ready to drinks, ice lollies, alcohol flavored spring water and alcoholic energy drinks are increasingly common in non-Western countries including India, China and Malaysia. The new sweet, fruity alcoholic beverages received considerable attention because it is popular with teenagers who blur the line between alcohol and soft drinks. It was argued that the taste and flavor, the trendy design, the specific advertisement and marketing strategies, and the image of the drinks specifically appeal youngsters, who consequently begin consuming alcohol at a younger age. The sweet flavor entices girls to embark on the use of alcohol, who otherwise do not drink. Through both sweetness and flavor of the alcoholic content of alcopops is masked to such an extent
that teenagers find them easily drinkable and non-alcoholic in taste (McKibben, 1996).

India is not different, around the country, people of different states have their own local alcohols that differ in name and in taste, but are usually simple variations of the same grain/plant extract and fermentation process. Besides these, home production for self-consumption is also common in some parts of India. Home fermentation and distillation is also common in several tribal areas, especially the north-eastern region of the country (Chakraverti S., 2004). Toddy is brewed all along the coast as rice beers like handia and chhung in the hills and the tribal belts. The area of Arunachal Pradesh boasts a rice wine called apong. Distillates, however, are also common– from arrack to desi to the mahua used in the tribal belts. Toddy is an alcoholic drink made by fermenting the sap of a coconut palm is available in India which is white and sweet with a characteristic and is popular among the lower socioeconomic groups in south India. (Lal JJ et al., 2001). Contrary to toddy and the rice brews which are not considered harmful to health – being natural brews, the lightly fermented distillates are strong alcoholic drinks (Chakraverti S., 2004). Brewing was practiced all over the country, and contemporary references in 600 AD note that there was extensive drinking in Kashmir and in Assam where tribals brewed a rice beer called laopani. Jack-fruit wine is an alcoholic beverage made by ethnic groups in the eastern hilly areas of India. As its name suggests, it is produced from the pulp of jack-fruit (Artocarpus heterophyllus) and its alcohol content is about 7 per cent to 8 per cent within a fortnight (Batcock M and Azam-Ali S., 2004). Zu and Rohi are also locally brewed alcoholic beverages found in Nagaland (10 per cent to 20 per cent ethanol content).

A study made by Bennett LA et al., (1998) in Bangalore showed that the following three types of alcoholic beverages were consumed most often “(i). Arrack, a traditional drink produced (both legally and illegally) by distilling fermented molasses, raw brown sugar, palm wine, rice or palm sugar. It has an alcohol content ranging from 20 per cent to 40 per cent. (ii). Palm wine, another traditional beverage produced from either the coconut tree or other palm trees, has an alcohol content ranging from 20 per cent to 40 per cent. (iii). Imported liquors such as whisky, brandy and rum”. Studies among the Rajputs of northwestern India identified three preferred
types of alcoholic beverages (Dorschner J., 1983). “(1). Daru, a drink distilled from the flowers of the mahwa tree, has an alcohol content ranging from 20 per cent to 40 per cent. (2). Spirit produced from solvents, which varies greatly in alcohol content and, at the time of the study, was drunk only by ‘untouchables’ and members of other lower castes. (3). ‘English alcohol,’ a distilled liquor-usually whisky or gin-associated with the British rule”.

According to Impact Databank (2005), a leading market research firm serving the alcoholic beverage industry, globalized (branded) spirits account for approximately 30 per cent of the total spirits products available around the world (Zwiebach P, 2005). The alcohol industry-funded International Center for Alcohol Policies reports that branded beer accounts for at least 38 per cent of globally-available beer, and branded wine makes up at least 27 per cent of the global wine supply (International Center for Alcohol Policies, 2006). The spirits industry in India is divided into three segments: ‘India-made foreign liquor’ (IMFL: whisky, gin, rum, brandy, liqueurs, vodka); ‘India-made country liquor’ (licensed distilled spirits, made locally); and the illicit liquor sectors. (WHO Report, 1999). The common varieties of ‘country liquor’ are arrack, desi sharab and tari. An estimated 1.5 million people are employed in the production and sale of alcoholic beverages (WHO Report, 1999). Country liquor and IMFL-whisky accounted for 91.5 per cent of the drinks consumed. Country liquor is the most frequently consumed alcoholic beverage, due to the extensive network of outlets and its low price. Among IMFL, whisky is the most widely consumed alcoholic beverage (Gupta PC et al., 2003).

2.2. Price

Price normally refers to the currencies (Indian Rupees, American dollars etc.) outlaid for the product or service. However, it includes other costs associated with ‘buying’ the product, such as transport time and foregone opportunities. Alcoholic beverages are commercial products and subject to the same economic principles as other consumer products. Alcohol prices are determined by a range of factors including cost to the producer and retailer, strategic decisions about profit margins, total sales level, levels of taxation (excise duty and value added tax), and the balance between supply and demand. There is substantial research evidence to demonstrate that the sale of alcohol is price responsive. That is, a rise in the price –
due to increase in production costs, profits, and/or taxation – results in reduced per capita alcohol consumption. Conversely, a reduction in price results in an increase in consumption. Since the early 1980s, a growing number of economists have been studying the impact of the price of alcoholic beverages on alcohol consumption.

The evidences indicate that, the way drinkers respond to changes in the price of alcohol is similar to the law of demand for other consumer products. An extensive body of research demonstrates that consumers respond to changes in alcohol prices in much the same way as they respond to changes in the price of other commodities (Anderson et al., 2009). European studies also find that alcohol consumption is responsive to changes in prices (Heeb et al., 2003). Wagenaar and his colleagues conclude their meta-analysis, and "Results confirm previous reviews of this literature, but extend results in important ways... Price affects drinking in all types of beverages and across the population of drinkers from light drinkers to heavy drinkers" (Wagenaar et al., 2009) and "Consumers of alcoholic beverages respond to changes in alcohol prices, and heavy or problem drinkers appear to be no exception to this rule" (Babor et al., 2003).

The evidences show that young people’s consumption is particularly sensitive to price (Chaloupka FJ., 2004). Studies have found that increases in the price of alcohol reduce the alcohol consumption of young people, with a greater impact on more frequent and heavier drinkers than on less frequent and lighter drinkers (Grossman et al., 1987). Beyond levels of drinking, price has also been found to influence drinking to intoxication. One large survey in the US found that a 10 per cent increase in price would decrease the number of intoxication episodes per month by 8 per cent (defined as consuming 5+ drinks on one occasion) (Sloan et al., 1995).

Alcohol is a legal product regulated by law. Therefore, there are many mechanisms that can be used to control its price and the way it is promoted and made available for sale or consumption. In many countries, alcohol is an important source of revenue for governments, and therefore, an established target of taxation. In eras where few options are available for broad-based taxes like those on income and sales, alcohol taxes is a key source of revenue for many governments and also is a key driver of the price of alcoholic beverages. Alcohol taxation is not only used to increase the price of alcohol, it has an added benefit of increasing fiscal revenue for
government (Sheron et al., 2008). Retail prices of alcoholic beverages are composed of the wholesale price plus profit and other costs. Individual countries and sometimes provincial or state governments set their own alcohol taxation policies with specific aims. The ongoing process of liberalization, privatization and globalization in the restructuring economies of the country has seen the liquor industry is becoming stronger with rationalization of taxes. Natural experiments that have occurred recently in Europe as part of changes required as consequences of economic treaties have shown that as alcohol taxes and prices have been lowered, so sales and alcohol consumption have increased (Heeb JL et al., 2003). A comprehensive systematic review has demonstrated a clear association between price/tax increase and reduction in consumers demand for alcohol (Booth et al., 2008).

Fogarty (2006) makes a more general interpretation by relating the price elasticity values to the level of per capita alcohol consumption and the relative share of beer, wine and spirits of total alcohol consumption. He found an inverse relationship between the market share of a beverage and own-price elasticity and in his words "Alcoholic beverages with a large market share tend to have a more inelastic demand than alcoholic beverages with a small market share". He further, noted that the dominant beverage tends to be the least responsive to changes in price, in countries such as New Zealand and Australia where beer is relatively inelastic, and in countries such as France or Italy wine is relatively inelastic.

Changes in alcohol consumption are not only determined by changes in price, but also by changes in income. Blake and Nield, (1997) and Nelson (1997) found that beer consumption is income inelastic in the long run in UK and USA, with values very close to 1 (0.8 and 0.7 in UK and USA, respectively). A study by Adrian & Ferguson (1986) found that when income falls so does alcohol consumption. Gallet, (2007) in his meta-analysis found that income-elasticity for all alcoholic beverages was 0.50, meaning that a one per cent increase in consumer income led to a 0.5 per cent increase in alcohol consumption. The latest innovation in the alcohol field regarding economic determinants of alcohol consumption is to speak of alcohol affordability encompassing alcohol price and consumer income. The evidence on the price responsiveness of low-income people is much less extensive, that is, decreases in the affordability of alcoholic beverages lead to greater decreases in consumption among these groups than among others (Sutton and Godfrey, 2006). A recent study in
UK concluded by Ludbrook, (2010) finds that all income groups, and not just the lowest income group, purchase low price alcohol in the off-trade sector.

2.3. Place

Place refers to the distribution channels used to make the product available to target customers. 'Place' includes locations or channels that provide opportunities to try and practise the behavior or to experience the service/product. Alcohol is one of the most readily available consumer products, often sold in retail venues frequented by young people. Many communities are saturated with alcohol outlets, particularly in college and low-income areas. College campuses may be surrounded by bars and liquor stores that are primary locations for entertainment and socializing and often offer drinking games and other marketing schemes that encourage heavy drinking. Research findings show that people are consuming less alcohol, the less available and affordable alcohol. A number of studies have shown that policies regulating the availability of alcohol are amongst the most effective and cost effective measures (Anderson, 2009; Babor et al., 2010). There is a vast research literature on the effects of legislative and regulative controls on alcohol availability, consumption and related harms and the relationship between them in recent years (Heather & Stockwell 2003).

Availability of alcohol can include several dimensions: economic (real price, floor prices); physical – number of places that sale of alcohol on a per capita or sq km basis; temporal – hours and days of sale; demographic – minimum legal drinking age; and cultural – promotion and advertising of alcohol, normalization of drinking, tolerance of heavy drinking and so on. Availability of alcohol is causally associated with high risk drinking, overall consumption and drinking related health and social problems (Edwards et al., 1994; Babor et al., 2003; Babor et al., 2010). The physical availability of alcohol relates to the ease with which individuals can obtain or come into contact with alcohol in their local environments. In most countries where alcohol consumption is permitted, its physical availability is controlled through the formal regulation of retail alcohol monopolies, licensing systems, specific restrictions on sales-hours and days, numbers and types of licensed premises, numbers of outlets (i.e. outlet density) and their location. Age limits and personal control, for example refusing sales to intoxicated persons or applying a maximum size or numbers
of drinks that can be purchased in one go, are also measures of this kind (Osterberg, 2012a).

In addition to increasing beverage taxes or prices as a means to reduce alcohol accessibility, policymakers also may limit alcohol availability through laws and regulations that (1) proscribe sales to underage youth; (2) allow the monopoly of production, distribution, or sales of alcohol; and (3) reduce physical access to alcohol by reducing number of outlets or limiting hours and days of sale. These restrictions on availability have been declared effective for reducing alcohol abuse and related problems in major policy reviews (Anderson et al., 2009; Campbell et al., 2009; Popova et al., 2009) and often are the focus of community based prevention programs (Guide to Community Preventive Services, 2011).

Reviews of the research on the effect of privatization of alcohol sales show that such policies are related to higher outlet density, increased price and consumption (Stockwell, T. et al., 2009). Experiences in other jurisdictions demonstrate that a privatised system with little government regulation and open competition among private retailers typically leads to an increased number of outlets, longer opening hours, and increased consumption (Smart, 1986). Privatization of alcohol retailing typically involves several significant changes, including a dramatic increase in the number of outlets where alcohol is sold, longer hours of sale and an enhanced strong profit driven interest in the alcohol market (Her et al., 1999, Babor et al., 2003). Privatization policies typically result in significant increases in sales and consumption of alcoholic beverages, a result found in Europe (Osterberg, 1979) and North America (MacDonald, 1986).

In general, the number of alcohol outlets is related to the level of alcohol consumption; consumption tends to increase when the number of outlets increases. The relationship seems strongest when there is a major change in number or types of such outlets. It also seems that there are special problems when outlets are tightly clustered, with a particular relationship between outlet density and the extent of underage drinking (Anderson P, Baumberg B. 2006). A good number of researches are done on the associations between outlets density and student and underage drinking population. Outlets density has been found to be closely related to heavy drinking and drinking-related problems among college students (Weitzman et al.,
other associations are also found for the number of commercial sources of alcohol and binge drinking and drinking in inappropriate places for students age 16 to 17 years (Dent et al. 2005).

The studies made by Chikritzhs & Stockwell, (2002) have demonstrated increased drinking or increased rate of alcohol-related harm with increased number of hours or days of sale and vice versa. The reduction in the hours and days of sale, and number of outlets are associated with a reduction in alcohol consumption and related problems (Babor, 2002). The effect of restricting the days and hours of alcohol sales is the reduction of consumption and alcohol-related problems, although significant effects have not always been found. Finally, it has also been observed that restrictions on the day and hours of alcohol sales can influence the purchase of alcohol from bordering states where restrictions might be different (Carpenter, C. S. & Eisenberg, D., 2009).

A minimum age for purchasing or drinking alcohol is, in fact, one of the most widely distributed alcohol control measures. Until 1984, individual states had established different minimum age at which alcohol could be purchased from retail outlets. Among states that allowed alcohol sales, some established the “Minimum Legal Drinking Age (MLDA)” at age 18; others at age 21, some at age 18 for beer and age 21 for liquor, and so forth. In a landmark series of studies, Wagenaar and colleagues (O’Malley and Wagenaar, 1991; Wagenaar and Holder, H.D, 1993; Wagenaar and Wolfson, 1995) demonstrated that when states switched to a higher (or lower) MLDA, use and problems decreased (or increased) among underage drinkers. Minimum ages of purchase affect both the frequency and the circumstances of drinking, although they seem to have less influence on the age of drinking initiation. Despite this evidence, some countries still have low MLDA, such as Germany at age 16, and other countries have lowered the MLDA in recent years. New Zealand lowered its minimum purchase age from 20 to 18 in 1999. This was accompanied by modest increase in use among first timer youths aged 18 and 19 and, as a matter of some concern, larger increases among underage youth aged 16 and 17 (Huckle et al., 2010), with indications that older youth were providing alcohol to underage drinkers (Huckle et al., 2008).
2.4. Promotion

Promotion encompasses all the marketers’ efforts to ensure that the target customer is aware of the product, its benefit, its price and where it is available. The promotional mix includes publicity, public relations, advertising, sales promotions and sponsorship. Since market reforms, the amount of alcoholic beverages produced and consumed around the world is increasing rapidly. The biggest challenge that alcohol producers face is not production, but sale. Promotion refers to all activities that are designed to increase sales. In modern alcohol markets, the advertising and promotion of alcohol are central to the product itself. In earlier period, alcohol might have been marketed based on the quality, purity, and price of the product, but now the identity of the brand is paramount (Jernigan, 2001). Multiple methods and media are currently used to promote alcohol products to different segments of the population. Now the latest developments in marketing technology are designed to embed the brand in the lives and minds of the target consumers. As branded products, alcoholic beverages build their identities with a complex mix of marketing technologies. A leading marketing theorist has written, “The presence of a brand (or even the attitudes held towards it) can serve to define a person with respect to others” so that the “brand becomes an extension or an integral part of the self” (Aaker, 1996). Marketers accomplish this extension of the self by embedding brands in the lives and lifestyles of the target consumers, positioning them as an integral part of cultural and sporting events, as well as cultures, lifestyles and even value systems (Fleming and Zwiebach, 1999).

Advertising is a specific type of promotion that utilizes media to create positive product imagery or positive product associations to connect the product with desirable personal traits, activities, or outcomes. The advertising succeeds in persuading and shaping behavior because it is able to move a consumer from reading or seeing or listening to an advertisement to believing it, remembering it, and to finally act on it. However, advertising tends to focus on only the positive aspects of a product, and ignores the negatives. Alcohol advertising recruits new drinkers, encourages greater consumption in current drinkers, and makes it more difficult for those who want to give up. This is evident in the alcohol industry where the advertising to-sales ratio is about 9 per cent, while the average in other industries is about 3 per cent (CAMY, 2001; Advertising Age, 1999). Six of the top 20 alcoholic
beverage producers are among the world's 100 largest advertisers (Endicott RC., 2005). Exposure to advertising increases the frequency of drinking and reinforces pro-drinking attitudes (Aitken and Brock., 1989).

In traditional or "measured" advertising activity alcohol marketing gains enormous exposure to the population, both that of legal drinking ages and below that age. The traditional or "measured" advertising activity includes TV, outdoor, press, internet, cinema and direct mail advertising. Growth in measured alcohol advertising has outstripped inflation by 20 per cent since 1975 (Impact Databank, 2002a). Television portrayal of alcohol use has been given a lot of attention. Television characters who drink tend to be "high status" characters who are wealthy, successful, attractive, and in senior-level occupations. Their drinking is often associated with happiness, social achievement, relaxation, and camaraderie (Hundley, 1995). According to (Madden and Grube, 1994) the content analyses of the appeals used in alcohol advertisements suggest that drinking is portrayed as being an important part of sociability, physical attractiveness, masculinity, romance, relaxation and adventure. Alcohol advertising glamorizes and normalises drinking and drinking is portrayed as part of attractive lifestyles which appear within the reach of normal aspirations. Many alcohol advertisements use rock music, animation, image appeals, and celebrity endorsers, which increase their popularity with underage television viewers (Jones and Donovan, 2001).

The alcohol industry regularly sponsors rock concerts, sporting events, and cultural and community celebrations with large youth audiences. Product placement has also become common in popular music, particularly rap and hip-hop which is popular genres among youth in general, is replete with references to alcohol products and imagery. A recent content analysis of the most popular rap songs from 1998 to 2009 found that from 2002 to 2005, 64 per cent of the songs contained alcohol references. (Herd D., 2011). This is significantly higher than the 44 per cent found with references from 1994 to 1997 in a previous analysis (Herd D., 2005). Another recent analysis of alcohol brand mentions in American popular music found that such mentions were most frequent in rap (63 per cent of songs with alcohol brand mentions) and R&B/hip-hop (24 per cent) (Primack BA et al., 2011).
Product placement in movies and television programmes has been identified as a common strategy in Sri Lanka, but there is also evidence that product placement has occurred in PG rated films and television programmes in Western countries (Federal Trade Commission, 1999). The Federal Trade Commission reported that eight of the largest alcohol companies had made product placements in “PG” and “PG-13” movies with youth-oriented themes and large youth audiences and on eight of the 15 television shows most popular with teenagers. The sponsorship is a huge area of activity, including sponsorship of sporting events, fashion shows and beauty contests on university campuses, university sporting events, musical segments of radio programs, radio call-in shows, and end of year carnivals at beaches or in parks (Jernigan and Obot, 2006). Carlsberg’s sponsorship of the Euro 2000 football included on site promotions, branded merchandise and sweepstakes-style games (Jernigan, 2001). College campuses are targets for aggressive, creative marketing campaigns by producers, distributors, and retailers (Erenberg, D. and Hacker, G., 1997).

The most recent published review of the research concluded that, “There is now sufficient evidence on the constituent elements of this [alcohol] marketing to say that the balance of probabilities now favors the conclusion that it is having an effect.” (Hastings, Anderson et al., 2005). Thus some or all forms of alcohol advertising are banned in some countries. Scientific research, health agencies and universities have, over decades, been able to demonstrate a correlation between alcohol beverage advertising and alcohol consumption. This finding was supported by primary research, conducted by (Snyder L et al., 2006). They concluded that alcohol advertising contributes to greater drinking among youths. Findings from the systematic review by (Smith and Foxcroft, 2007) demonstrate a consistent picture of the association of advertising with initiation, consumption and heavy drinking. A growing body of research has linked exposure to portrayals of alcohol use in the mass media with the development of positive drinking expectancies by children and adolescents (Austin and Knaus, 2000).

2.5. People

Alcohol consumption has often been described as a double-edged sword. On the one hand, it is deeply engrained in many cultures, as it contributes to pleasure
and positive well-being (Peele, S., Brodsky, A., 2000). On the other hand, it is a major risk factor for health harms, and it also contributes to a personal and social burden of disease and injury (Rehm, J.et al., 2009). Throughout history alcohol consumption has generated debate, controversy, and government responses. Government policy prescriptions have varied greatly. These include alcohol specific taxes; restrictions on, and prohibition of, the sale of alcohol; regulation of product labels; and limits on advertising. According to (WHO, 2004) about 15 per cent of countries have retail state monopolies, while 74 per cent have alcoholic beverage licensing requirements to sale or serve alcohol. For off-premises sales, many countries also have restrictions on places of sale (59 per cent) and hours of sale (46 per cent) and, to a lesser degree, on days of sale (27 per cent) and density of the outlets (19 per cent). Only 18 per cent of countries do not have any age requirements for the purchase and consumption of alcoholic beverages. In the majority of countries, the age limit is set at 18 years (61 per cent). Public health and safety messages are notably absent, except for the federally-mandated warning labels on the bottle, printed in barely legible small type (a concession to the alcohol industry when Congress enacted the warning label legislation) (Laforge, 1984).

Considering the harmful effects and revenue generation through use of alcohol H.J. Simpson says “Alcohol, the cause of and solution to all the world’s problems.” That excessive alcohol consumption causes heavy economic costs to the society is undeniable and on health grounds a case can also be made for limiting and regulating access to alcohol. The World Health Organization estimates that there are about two billion people worldwide who consume alcoholic beverages (WHO, 2004). Alcohol is a complex health and social issue. There is little doubt that considerable harm is done through its abuse - even the alcohol industry accepts this - but a moderate drinking is an acceptable convention. Generally, men are more likely than women to consume large quantities of alcoholic beverages or drink to intoxication (Babor et al., 2003). In many cultures, drinking to intoxication is particularly characteristic of adolescents and young adults, and young males are more likely to drink to intoxication than young females (Currie et al., 2004).

Most of the health harms related to alcohol are caused by heavy drinking. Alcohol is a major risk factor for burden of disease and social harm (WHO, 2009; Gmel and Rehm, 2003). Alcohol consumption is related to a wide variety of negative
health outcomes including morbidity, mortality, and disability (Rehm et al., 2003). Research on alcohol–related morbidity and mortality takes into account the varying effects of overall alcohol consumption and different drinking patterns. The majority of research indicates that alcohol use increases the risk of many chronic health consequences (e.g., diseases) and acute consequences (e.g., traffic crashes), but a certain pattern of regular light-to-moderate drinking may have beneficial effects on coronary heart disease. Most of the mortality or burden of disease attributable to alcohol was caused by heavy drinking. Almost 80 per cent of all male deaths attributable to alcohol, and about 67 per cent of all female alcohol- attributable deaths, were due to heavy drinking—defined as consuming at least 60g of pure alcohol per day for men and at least 40g for women (Rehm et al., 2012). Overall, morbidity and mortality from traumatic injury is by far the most important health consequence of alcohol use in developed countries such as Canada or the United States (Single et al., 1999).

The various research studies examined the nature of possible causative links between consumption and harm. The risk of future liver disease increased significantly for men who consumed 28-41 drinks per week and for women who consumed 14-27 drinks per week, (Reynolds et al., 2003), consumption of more than 60 g/day associated with increased risk of total stroke, (Norström Ramstedt, 2005). One litre increase in per capita consumption is associated with a statistically significant 12 per cent increase in male cirrhosis and 8 per cent in female cirrhosis and alcohol dependence associated with increased risks of suicide (Cargiulo, 2007).

The findings of the studies made by a good number of researchers revealed that alcohol use has been associated with increased risk of injury in a wide variety of situations including motor vehicle crashes, bicycling accidents, incidents involving pedestrians, falls, fires, injuries in sports and recreational activities, interpersonal violence, and self-inflicted injuries. Some evidences of emergency room studies and police records also suggest that the presence of alcohol in the body at the time of injury may be associated with greater severity of injury and less positive outcomes (Fuller, 1995). The consistent and statistically significant effect of alcohol on violence and injury at even quite low levels (25g/day) of consumption has been established by (Schultz et al., 1991).
A national study of prisoners and parolees of South Africa in 1996 found that just under half had taken alcohol or other drugs just prior to the crime for which they were incarcerated (Rocha-Silva & Stahmer, 1996). A study of Parry et al., (2004) observed that many arrestees consumed alcohol or other drugs in order to give them courage to commit the crimes. The misuse of alcohol is increasingly being recognized as a key determinant of sexual risk behavior, and consequently, an indirect contributor to HIV transmission. According to Morejele et al., (2004) numerous cross-sectional investigations conducted among adults in Saharan countries have shown consistently that alcohol use is associated with HIV infection as well as with sexual risk behaviors, such as having multiple sexual partners.

Drinking impairs functioning as a parent, as a spouse and as a contributor to household functioning Mulaudzi et al., (2003). The impact of alcohol consumption and dependence on mortality and disease is substantial, there are also many social and economic burdens resulting from the effect of alcohol on individuals, families, workplaces, and society as a whole. Social costs are the negative economic impact of alcohol consumption on the material welfare of society (WHO, 2004). This means that alcohol consumption and dependence have sizable impacts on many people other than the drinker.

The research findings on benefits of alcohol consumption are moderate alcohol consumption associated with decreased incidence of diabetes and decreased incidence of heart disease in persons with diabetes (Howard et al., 2004). The initial hypothesis and evidence that moderate alcohol consumption reduces the overall mortality rate through its protective effect against cardiovascular disease are now broadly known and accepted (Camargo, 1999). That moderate alcohol consumption may be beneficial to mental health was initially suggested by Bell, Keeley and Buhl’s, (1977) and reduces stress (Sher, 1987). In addition, research has indicated that elderly drinkers enjoy psychosocial and therapeutic benefits due to drinking (Mishara & Kastenbaum, 1974).

2.6. Interest of Study

The American and European markets are saturated hence alcohol transnationals are looking towards Asia and other developing countries both to expand their sales and to set up production facilities. Asia has a higher percentage of
young population and economy is growing. The transnationals have already exploited
the Indian alcoholic beverage market by entering into joint ventures with Indian
companies or putting up their own facilities due to liberalization and consumerism.
The growing consumption of alcoholic beverages has encouraged various researchers
to undertake research activities on alcohol and its effect. In India household
expenditure on alcohol varies between 3–45 per cent of their income (WHO, 2004). A
National Institute of Mental Health and Neuro Sciences study conducted in 2004
concludes that up to 24 per cent of the income in rural households is spent on alcohol.
Liquor industry is the second highest revenue earner for various state governments,
generates employment and uses huge quantities of agricultural produce for their use.
All the studies mentioned in the preceding paragraphs are made in developed
countries. Even those researches have largely failed to keep up with developments in
alcohol marketing technologies. India being the third largest producer of alcohol in
the world its alcoholic beverages are as important as its economy from economic,
political, social and agricultural points of view. Since not much research have been
undertaken on the alcoholic beverages till date in the state the researcher intended to
take up a research work on alcohol use and its related effects in Assam. Therefore, the
present research on “A study on Indian made foreign liquor market in Assam and its
future prospects” is undertaken.

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