

# INCREASING PUB CULTURE IN INDIA

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## ABSTRACT

*The present paper based on review of existing literature and primary data collected through observational methods attempts to explore the factors driving the growth of pub culture in India, some common perceptions and implications of the culture on the economy and the society. Rising income levels and occupational structure, promotion and ambience of the resto bars, policies of the governments at the Center and various state governments contributed to the phenomenal growth of pub culture in India, particularly over last two decades. The Trend is expected to continue in the time to come which will have a huge positive impact on the economy with higher revenue to the exchequer, more employment in the domain, but all at the cost of deteriorating values and inviting health hazards.*

**Keywords:** Pub culture, Restro Bars, Government Policy and Cultural Impact.

## INTRODUCTION

A high growth rate of alcohol and beer industry indicates a huge potential for breweries, pub culture and resto bars in India. We focus on finding the reasons behind increasing trend in pub culture and resto bars in India. We also try to find out the reasons for such a trend visible in only selected states. It is common to see more of pubs and breweries than any other business in Bangalore which made us think in this direction. From the review of literature, several points which we think are responsible for such an increasing trend. They include the following.

1. People belonging to age group 20 to 40 years mainly find pubs and night life as a stress buster so as to de-stress themselves from regular hectic worklife.
2. Alcohol is one of the major source of revenue for state governments in India and hence alcohol consumption can't be denied.
3. People are setting up more and more pubs and resto bars because of their profitable business nature intum provoking pub culture. People eventually get emotionally attached towards the place.
4. More tourism gets attracted towards places with pubs and resto bars offering good ambience and night life which aligns to the needs of the western culture.
5. While reviewing various articles related to our topic of research, we came across a common negative perception of people towards drinking habits in India as it leads to health problems in the long run. Also, it goes against the belief systems and values of various religious communities and societies.

## **Size of the Market**

Going as per the estimates of Euromonitor, the Indian alcohol market is considered to be the 3rd largest and one of the fastest growing in the world. It is further expected to grow by 25% to US\$41 billion by 2022. Basically, alcohol is a subject which is administered by states in India. Indian states like Nagaland, Gujarat, Bihar, Manipur and Mizoram have imposed a ban on alcohol while other states such as Maharashtra, Punjab, Tamil Nadu, Goa, Karnataka and Telangana have allowed setting up of microbreweries. This boils down to our research problem where we are trying to find out the reasons for increasing pub culture along with the reasons for such a trend in only few states.

## **Key Drivers of Pub Culture & Enhanced Alcohol Consumption**

Around 30% of India's population is living in the urban regions that have witnessed steady growth in restaurants, pubs and the brewpubs. Growth for the same is mainly driven by millennials who find craft beer more authentic and premium as compared to regular lagers. People who are engaging in the business of running breweries, pubs and retro bars are making profits due to high demand for their products. So, it can be said that a person now a days finds it profitable to open a pub or a resto bar which could ensure regular inflows and profits after some fixed amount of investment.

Liquor has been kept outside the scope of GST in India where the rate of applicable tax is decided by the states or the Union Territory. This forms a significant portion of the total revenue of most states. Young generation including employees find pub culture as a way to escape from their work stress and a good way to socialize with new people. As a result, one feels energized after their routine hectic schedules by interacting and enjoying themselves in the given ambience.

## **Alcohol – Nothing New Rather Something that have always been In Existence**

There are several alcoholic drinks that have prevailed since ancient times in India. It is interesting to know that the earliest mention of alcohol is found in records made about the Harappan civilization in 3,000 B.C. Alcohol says as much about Indian culture and customs as Indian costumes, food, or rituals. Rice beer made by tribes in Assam known as Apong. Drink of rice and herbs made in Jharkhand known as Handia. Drink made of cereals in Himachal Pradesh known as Lugdi. Drink made from a flower named mahua in Madhya Pradesh. Drink made with saffron in Rajasthan known as Kesar Kasturi. Drink made from grapevines in Ladakh known as Arak.

## **Some more Facts Relating to Drinking Culture**

The increase in number of IT companies has contributed to a lot of disposable income among the younger generation which has ultimately led to increasing demand for pubs & bar culture in India. Today, most of the customers prefer to go to those places which provide them both food and

alcohol. The ambience of a resto bars is attracting the people to come again and again which provide easier platform for guests to socialize.

Reinstating the same fact as mentioned above, it helps one to leave behind all stress and share feelings with your dear ones in a comfortable setting. It is not just about having drinks and food, it has gone beyond that level where the customers' satisfaction is being boosted by music performance, standup comedy and gaming night shows. It has turned into more of a leisure activity where one can party, have a good time with their friends and make new ones.

The model is mainly made to attract the crowd of 20-40 age groups who are looking to relax and have good time at the bar. The industry is offering a lot of opportunities for both new entrepreneurs and larger beverage brands. Currently people are inclining more towards the western culture and showing greater interest in night life concept.

There is substantial difference in alcoholic beverage consumption among different countries and even among different ethnic or cultural group within one country.

One reason for the specific drinking patterns in India or less amount of alcoholic consumption in few states may be due to the strong advocacy of abstinence by Indian religious groups. Among Hindus, Brahmins and other upper-caste groups who are strict vegetarians are forbidden from consuming alcohol. Muslims also are not supposed to drink, and alcohol consumption is forbidden by their religion.

Finally, Buddhists and Jains, who are strict vegetarians, are not permitted to drink. In addition, the political prohibition policies or ban on alcohol consumption in certain states may contribute to Indian drinking patterns.

Now our country is experiencing changes in the traditional family structure, a weakening of informal cultural and religious controls on alcoholic beverage consumption and increasing contact with drinking practices of western culture.

## **Ambience**

Atmospheres are constituted by a blend of different components, both tangible (e.g. sound, smell, vision, texture and taste) and intangible (e.g. discourse, memory and anticipation).

## **Promotional Tools**

For the sake of clarity, we would like to distinguish between three categories of techniques: First technique revolves around doing lots of alcohol advertisements and giving special offers which attracts customers.

Second technique pertaining to bartenders through which they attract and influence the customers using verbal and nonverbal efforts. They try to communicate and serve the customers in a much pleasing way making them consume more alcohol.

The third technique involving architectural and logistical devices which were not used in the same way, different places use their own techniques for increasing sales. In particular, high-cost venues especially for branded pubs, wine bars and craft beer bars that catered for patrons above

the age of 25 years did not market alcohol as insistently as the comparatively cheap venues (e.g. themed chain pubs) that catered for younger patron.

Creating emotional attachment using music which creates nostalgia. Café culture displays a sense of place connectedness, through habitual and regular usage. This suggests that attachment develops within, among other things, a sense of familiarity and comfort associated with habitual, regular behaviour.

### **Some Common Perceptions**

Of all the different articles that we had reviewed so far for the purpose of carrying out our research, we came to know that everybody shared a common negative perception about drinking habits specially in India unlike most of the western culture-oriented nations who are open minded in their approach reflecting their personal choices which depicts their lifestyles.

So, we thought of highlighting the positive aspects or the positive side to the increasing pub culture and a shift towards western drinking culture, trying to locate the reasons for high number of pubs being concentrated in certain specific cities as compared to other places with less or no pubs.

We are aiming to find out the reasons for increasing trend in pub culture and resto bars in India along with the reasons for its concentration only in few cities or locations.

1. What are the reasons for increasing pub culture in India?
2. Why some states have more pubs and resto bars/ pub culture as compared to other states?
3. What are the benefits arising out of enhanced pub culture in India?

### **Scope of the Study**

Alcohol has historically, and continues to hold an important role in social engagement and bonding for many. Social drinking or moderate alcohol consumption for many is pleasurable. Our research therefore revolves around the increasing pub culture in India.

It is because of the city of Bangalore where we live and which is known for its breweries and pub culture that we thought of researching about such an increasing trend. We have identified during our research the major reasons behind an increasing familiarity and liking towards such set ups where people could come and enjoy themselves.

We also try to locate reasons for such trends visible in only selected locations/ states in comparison to other states in India. We got to know that such a business always fetch good support from government being a good source of revenue.

So, in a nutshell, we are focusing on Bangalore to frame our opinion on an upward trend in pub cultures and retro bars along with reasons behind an unequal trend seen in different states of India.

### **Analysis of the Factors Driving the Growth of Pub Culture**

We have relied upon observational data taking into consideration various articles relating to pub culture in India. We thought of comparing pub cultures across different countries which also shows a positive trend for India. We could find latest comparable data between 2010 and 2018 according to which India's annual alcohol intake increased by 38 percent with total volume of alcohol consumption globally rising by 70 percent since 1990. Between 2010 and 2018, alcohol consumption in India increased by 38 per cent -- from 4.3 to 5.9 litres per adult per year as per the researchers from TU Dresden in Germany.

Over the same timescale, consumption increased slightly in the US (9.3-9.8 litres) with China's increase in alcohol consumption approximately falling between 7.1-7.4 litres.

As a result of increased alcohol consumption and population growth, total volume of alcohol consumed globally has increased by 70 percent from 20,999 million litres in 1990 to around 36000 million litres in 2018.

We have relied on various articles written on pub culture and drinking habits to frame an outlay for our research. We have based our research on increasing drinking trends in Bangalore to further our research in different areas in India.

For our target variable to be increasing trend in pub culture/ resto bar themes, we have taken predictor variables to be high disposable income, higher government revenues, stress buster, emotional attachment and social needs and moderating variable to be customs and value sets.

Similarly, for our target variable to be presence of pubs in few states, we have taken predictor variables to be no issuance of license by the government, presence of pubs in youth centric areas, imposition of ban on alcohol by government in states like Nagaland, Gujarat, Bihar, Lakshadweep and Mizoram with Intervening variable being set perceptions, stereotypes, customs and moderating variable as availability of disposable income and health concerns.

Interviews mainly help us analyzing the problem. Here interviewing bartenders, managers and customers helps a lot in understanding the current trend in pub culture. Customers are people of different age groups, religion, customs etc. Thus, it could help to find the correlation of different variables in the problem.

Journals and News articles are also major sources of information which can be used as references to understand more about the growing culture. Secondary data which includes alcohol consumption rate in different states and numbers of pubs in different states in India also helps to understand more about the culture. Thus, internet is a major source for collecting secondary data for the research.

Pubs mainly focus on youth as their target audience, trying to attract youth through their advertisements and offers. Thus, interviews and surveys can be done in colleges across major cities which can be helpful source of analysis.

## **RESULTS AND DISCUSSION**

To begin our discussion, let's take current situation driven by COVID -19 as the basis. In recent news, there has been a demand for the removal of ban on sale of alcohol and liquor all across India during the existing prolonged lockdown. There can be 2 reasons mainly held responsible for it. First, people want to consume alcohol. Second, sale of alcohol has always been a good source of revenue for the government.

One can witness a steady growth in restaurants, pubs and brewpubs. A major reason behind it can be attributed to a large population who are millennial and job oriented people and are greatly influenced by such a culture.

People who are engaged in operating breweries, pubs and resto bars can simply make profits due to an increased demand for such business. So, it can be said that a person now a days finds it profitable to open a pub or a resto bar which could ensure regular inflows and profits after some fixed amount of investment.

Relaxing and enjoying in pubs and resto bars after a hectic work schedule is a trend now and drives a lot of young generation towards this culture where they get a chance to meet new people and break down their mundane routine.

Also, since people have always been fond of drinking, even though it is harmful to their health (as mentioned earlier), we can't say that it is anything new to the people of our society or is bringing any immediate negative impact to them. People take drinking as a way to enjoy themselves and have fun among their close ones.

Moreover, our research aims at a growing business which revolves around providing drinking habits an edge with a better ambience where people come, enjoy and entertain themselves. After all, Life is meant to be enjoyed whenever given a chance!

## CONCLUSION

Due to Covid-19 lockdown, pub industry in Bangalore has faced a high financial loss which contributed about 20-40% of state's revenue according to The Confederation of Indian Alcoholic Beverage Companies (CIABC).

The Central Government earns Rs.2.48 trillion annually from excise duty revenues on alcohol across India and most part of it comes from Maharashtra.

Due to ban on sale of liquor across the country due to Covid 19 lockdown, the government is facing a revenue loss of 700 crores a day according to industry representatives. Reports says people of Delhi consumed liquor worth around Rs.1000 crores during the month December, 2019. Beer cafe, India's largest Alco-beverage chain having 36 outlets in various parts of the country has posted a 12% increase in its revenues during FY19 to cross the Rs. 100-crore sales mark about seven years after it opened its first outlet. Kerala government earned a record revenue of Rs. 14,505 crore during the financial year 2018-2019. According to reports the revenue from liquor sales has risen by 16% in Tamil nadu to cross 30000 crore during the financial year 2018-2019.

The government is earning a lot of money from excise duty where a litre of beer attracts duty of Rs.10 and 150% of additional excise duty (AED) on declared price and a litre of Indian made liquor attracts Rs 50 and AED ranging between Rs 144 and Rs 2246 on declared price.

One of the shortcomings associated with the increasing trend in pub culture and resto bars in India is that it faces a threat from a stereotype section of our society who believes that drinking is not ethical. Drinking goes against the very core values and belief system of the society's cultures and traditions. It promotes a negative habit amongst people which does not serve in their interests at all.

Also, even though running an alcohol business is profitable, we cannot deny the negative effects that drinking alcohol has on the health of those individuals who consume it. Consumption of alcohol beyond a level can be fatal too.

While doing this research, we got to know that no matter how favorable this drinking culture looks to more and more people in terms of pleasure and profitability, there will always be people on the other side who would connect drinking with an activity lacking morals and ethics.

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