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**The market for energy and sports drinks in India is still in its infancy. While there are clear brand leaders, there are also numerous opportunities for competitors to strengthen their positions, e.g., by addressing the three greatest obstacles to greater consumption: lack of availability, high price and unappealing taste. Interestingly, despite the category name, the ability “to boost one’s energy” is not among the top 10 criteria used to select between brands in this category as noted in Boston Analytics’ study of 8300 Indian consumers across 15 different cities.**

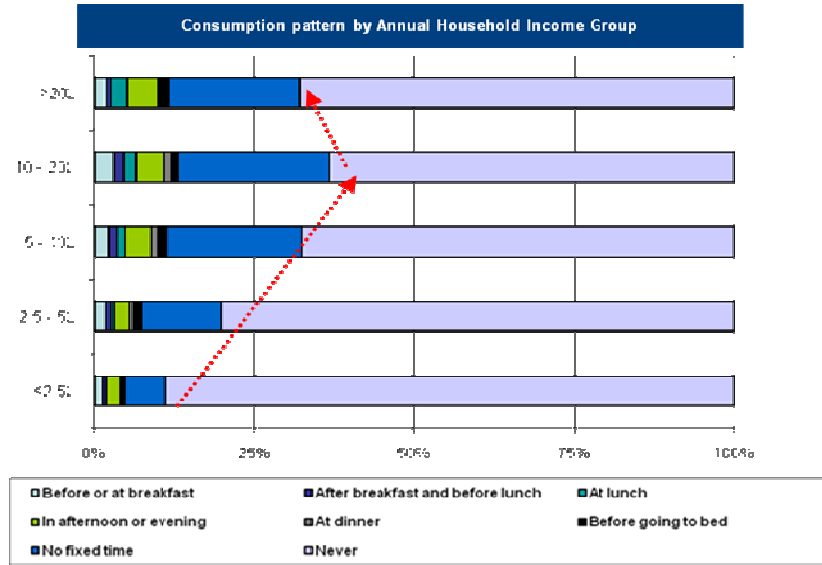
June 1, 2009: The INR 500 crores (US \$100 million) Indian energy and sports drink market is expected to double within the next two years. This market in India is still in its infancy with only 26% of those who have ever consumed a store bought non-alcoholic beverage having tried a sports or energy drink and only 9% drink energy and/or sports drinks regularly at the same time of day according to Boston Analytics’ study of 8300 Indians across 15 cities. Mumbai, Delhi and Hyderabad are the largest centers of consumption for this segment, while Delhi has one of the lowest consumption rates.

The consumption of energy and sports drink varies inversely with age and directly with the income group (except for household incomes greater than 20 lacs). The “income effect” or the strength of the correlation between household income and consumption is stronger with energy/sports drinks however than with carbonated beverages. Availability, followed by affordability and taste are the three primary reasons for non-consumption of the energy and sports drinks in India, however the reasons vary significantly by city.

There are clear brand leaders in this category, although even they have room for improvement according to consumers’ ratings of their products on over 13 different product attributes.

Boston Analytics’ report on energy and sports drinks has implications for those hoping to capitalize on the growth of this market and distinguish themselves in the increasingly crowded market place. Boston Analytics’s study highlights the opportunities and challenges associated in this market with a particular look at differences by city, age and household income.

**'Appointment consumption' of energy or sports drinks increases significantly with income with the exception of the top-most income strata**



Boston Analytics' data is derived from a monthly survey targeting 8,000 respondents across 14 cities across fifteen Indian cities: Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, Chandigarh, Nagpur, Kochi, Jaipur, Lucknow, Bhubaneswar, and Vishakhapatnam. A stratified sampling process was adopted for this survey, with the strata based on the socio-economic conditions of the respondents in order to ensure a proper representation of the consumer population. All data is collected via face-to-face interviews.