

The Branding of Sugarcane Juice in India

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Abstract

Sugarcane juice is traditionally sold in India by roadside vendors, often in unhygienic conditions. That's why a few entrepreneurs have taken the initiative venturing into the marketing of branded sugarcane juice through a chain of franchised outlets. Initial indications are that this model is headed for success. Pune, Kolhapur, more known for its leather chappals, has also been blessed with an abundance of milk, water and sugar, which has made the region the nation's kitchen for many years. The Warana milk producers' cooperative located here has lived up to this reputation. It has been a contract manufacturer for products such as Cadbury's Bournvita, butter for Britannia Industries and Soya milk for Ruchi Soya. Now, the cooperative is preparing to assert its own identity through the launch of Warana Joy, its national brand. Among its new products is sugarcane juice in aseptic packs (Tetra Pak).

This article outlines the development of this business; the opportunities and threats faced and also offer suggestions for the growth in this market.

Keywords: sugarcane juice, sugarcane production, marketing strategies, sugarcane juice market, cane fresh companies, sugarcane farmers

Introduction

India is the world's second largest producer of sugar, while sugarcane is cultivated in more than 175 countries. In India, most of the sugarcane crop comes from three states: Maharashtra, Uttarpradesh and

Punjab. According to the ministry of agriculture, the country's sugarcane production in year 2012 was 300 million tones.

Sugarcane juice is a traditional and popular drink in India. It is predominantly sold on the streets by local vendors and is served with a few drops of lemon juice and salt for added taste. The sugarcane juice business is carried out by thousands of small vendors along the roadside in various cities and towns across India. This is a highly unorganized and fragmented industry.

However, in recent years, a few entrepreneurs have established branded sugarcane juice outlets in major city of south India, like Bangalore and Chennai. This has created a new unexplored market. Branding a commodity in a large country like India is a difficult exercise and no marketer can ignore this fact. Though several essential commodities including portable water, milk, vegetables, fruits, food grains, salt, edible oil and sugar, which have been branded by several companies, the unbranded equivalents continues to dominate the market in most of these product categories.

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"We are the first to bring sugarcane juice in this kind of packaging. The sugarcane juice will initially have a shelf life of six months, which we will later extend to nine months without using any preservatives," said Vinay Kore, chairman of Warana cooperative.

The cooperative is in the process of applying for a patent for this product, a product shifting from roadside crushing stalls to shelves, in malls.

Fig. no. 1. Cut sugarcane

The primary concern regarding sugarcane juice was health and hygiene. Sugarcane juice extracted in the open attracts flies and most of the traditional sugarcane juice vending outlets is unhygienic. Many potential consumers avoided to consume sugarcane juice because of the unhealthy conditions under which it was being traditionally sold.

The branded sugarcane juice vendors were able to provide a distinct alternative, which avoid this negative dimension [5], [6]. Branded sugarcane juice also provides an alternative to carbonated soft drinks, which is considered unhealthy by many consumers. The market for many other food products is cluttered with various national and international brands fighting for a market share. But as far as branded sugarcane juices are concerned, there are a few brands available presently, primarily in south India; at the same time, it is no competition for global brands [1], [2].

Objectives of the study

The present study focused on branding of sugarcane juice and current marketing practices of companies engaged in this venture. The main objectives of this study are:

- To identify strategic reasons for the entry of organized retailers into the branded sugarcane juice category.
- To analyze the marketing strategies of the branded sugarcane juice companies in Bangalore.
- To identify the new opportunities provided by branded sugarcane juice companies to farmers, customers and other major stake holders.

- To suggest new marketing strategies to branded sugarcane juice makers, for the purpose of increasing their market share.

Methodology

This is a descriptive research and a major part of the information is collected through the secondary sources of information, like news papers, published interviews and company websites. Unstructured interview was used to collect primary data for this study from the managers of three branded sugarcane juice outlets and thirteen unorganized or unbranded outlets which included street vendors. The information from both - primary and secondary sources - was gathered during the December 2011 to April 2012 period. Three leading brands in Bangalore have been covered in this study, i.e. Cane-O-La, Cane Fresh and Real Cane.

Limitations of the study

More than 90% of the sugarcane juice market continues to be in the unorganized sector and therefore, the information and feedback collected from this study do not represent the industry as a whole. Several respondents hesitated to share information, as they feared that it might be used by competitors. This study focused more on the Cane-O-La brand [3], [4].

Growth of branded sugarcane juice

Although there is a huge demand for fresh sugarcane juice, it is available predominantly in unhygienic conditions from pavement vendors and juice parlors. The gaps therefore are felt in terms of good ambience and reasonable price. The first branded sugarcane was launched by Enkey Texofoods in the year 1999 in the Mumbai and Pune markets, but this venture was not very successful. A few smart entrepreneurs saw an untapped opportunity and started marketing branded sugarcane juice in Karnataka, especially in various parts of Bangalore. The two major brands of sugarcane juice sold in Bangalore are Cane-O-La and Cane Fresh. There are also other less known brands such as Real Cane, Coolsip, Green Cane etc. An overview of Cane-O-La and Cane Fresh is given below.

Cane-O-La is the fresh sugarcane juice brand of Cane-O-La Foods Pvt.Ltd., Bangalore which was established in year 2006.

Fig. no. 2. Cane-O-La Foods Pvt.Ltd.

Cane-O-La claims to bring together the right mix of traditional drink and modern marketing. The sugarcane juice is offered in seven flavors: plain, Mint, Ginger, Lemonade and Pepper, sweet and salt. Though the price is with a couple of rupees higher than that charged by the roadside vendors, this is offset by the advantages of hygiene and value addition, even the ice is prepared from purified water through the reverse osmosis process. The managing director of the company states that Cane-O-La has managed to change the perception of customers towards sugarcane juice. The sugarcane is harvested, peeled and transported in refrigerated vans. Cane-O-La has entered into an arrangement with selected farmers recommended by the Coimbatore based sugarcane breeding institute, to grow the sugarcane required by the company.

The business operates on a franchise model. There are twenty outlets in Bangalore; each outlet provides employment to around 20 persons, including both, direct and indirect employment. The company receives revenue in the form of royalty from the franchisees. The main target market comprises of individuals and families-office goers, shoppers, travelers in bus stands and railway stations, etc. Some time ago, Cane-O-La launched its mobile outlet mounted on an electric golf cart at the Bangalore city railway station.

Cane-O-La is planning to expand its business across India through the franchise business model by appointing master franchisees at state level, who in turn would appoint local franchisees to operate individual outlets.

Cane Fresh was established in 2006 with the objective of offering hygienic sugarcane juice using advanced machines, to vend chilled juice without ice.

Fig. no. 3. Cane Fresh



CANE FRESH
Life is great. Make it sweet!

Vision

- To improve the Socio-Economic condition of the sugarcane Growers / Farmers.
- To provide the consumers of the world alternate sources of natural drink for the welfare of his and his family's health.
- To provide a business opportunity to the franchisees, to promote his happiness and the society's happiness.

Nutritional Values In 250ML

Water	72%	Sodium	30mg
Sucrose	17%	calcium	80mg
Glucose	1%	Magnesium	175mg
Ash	1%	Sulphur	75mg
Nitrogen	75mg	Chloride	75mg
Protein	1500mg	Amino Acids	250mg
Phosphorous	50mg	phelic Acid	500mg

Quality Policy

Storage Of Sugar Cane

- Sugarcane must be stored only in the set temperature of 6° to 9° centigrade
- Sugarcane must be consumed within 3 days of supply

Washing Instructions

- Glass mugs must be rinsed in cold water
- Use lemon peel to clean the rim of the glass mugs
- Rinse the mugs in warm water mixed with salt & vinegar
- Tumble dry in the provided plastic crate

It operates more than 25 outlets in three cities – Bangalore, Chennai and Mysore. Cane Fresh offers sugarcane juice in five flavors: Lemon, Ginger, Mint, Chat Masla and Pineapple. Cane Fresh also follows the franchise model and is looking to expand in Hyderabad, Pune, Mumbai, Delhi and other major cities in Andhra Pradesh, Karnataka and Kerala.

Companies such as Cane-O-La and Cane Fresh are adding a new dimension to the marketing of sugarcane juice, which falls broadly under the fresh juice category.

For every individual who wants a 100% natural product that offers rejuvenation and freshness, Cane-O-Cool is a packaged drink that provides energy and refreshment at affordable prices, best quality and value for the money spent by the consumers.

Prospect brand

Cool Cane is expected to introduce the consumer into a delicious drink of freshly squeezed sugar cane juice. Fresh sugar cane juice is one of the most popular drinks. Cool Cane describes its qualities as:



“Sugar cane is a tropical grass packed full of nutrients including antioxidants, Vitamins B2, B3, folate, potassium, carbohydrates and fiber. It contains complex natural sugars and has a low GI. Fresh sugar cane juice has an average of 11% to

13% total sugar and fewer calories than regular milk, orange juice and apple juice. Sugar cane juice is delicious and sweet while still providing beneficial nutrients.”

“Once you taste fresh sugar cane juice you’ll agree it’s the most refreshing drink you have tasted. If you can’t buy freshly squeezed Cool Cane juice at your local shopping centre then you are missing out.”

Opportunities and threats of branding sugarcane juice

Branding of sugarcane juice provides plenty of opportunities to marketers and other stakeholders, but with a potential threat to the sugar industry. Some of the important opportunities and benefits are discussed below.

- Sugarcane farmers can hope to get more income from their produce as they would get higher prices from the marketers of sugarcane juice. The overall demand for sugarcane trends to increase.
- The farmers who grow sugarcane especially for the cane juice vendors receive support for increasing the quality and yield of their crops from the sugarcane juice companies.
- The growth of branded sugarcane juice industry provides new employment opportunities to people in both: urban and rural areas, as the manpower requirement for this business is high.
- More variety and flavors have been added to the fresh fruit juice category, with the introduction of branded sugarcane juice.
- The successful branding sugarcane juice can also encourage the branding of other commodity and food products.

However, the possible divergence of sugarcane towards the production of juice on large scale is perceived as a threat for the production of sugarcane. This could in turn lead to increase in sugar prices. But in the business model used by Cane-O-La, the company has opted for contract farming, supported by its own research and development.

Another threat is that if the branded sugarcane juice catches on in a big way, it could throw thousands of traditional sugarcane juice vendors out of their jobs and livelihood.

Though branded sugarcane juice offers a healthy and hygienic alternative to the sugarcane juice sold by traditional roadside vendors, few customers feel that these new marketers are overcharging the consumers.

The success of branded sugarcane juice business has also provided inspiration for many small juice shop owners in Bangalore, to sell juice fruits in hygienic conditions, by using their own trade names.

Suggested marketing strategies

Fresh sugarcane juice re-hydrates the body quickly, especially after exposure to prolonged heat and physical activity. This drink can be targeted at athletes, and its ideal for mass consumption. Sugarcane juice has no side effects except, if consumers are diabetic or otherwise allergic to it. According to experts, sugarcane juice represses and energizes the human body instantly, as it is rich in carbohydrates and iron. It can therefore be marketed as a healthy alternative to artificial drinks and colas, with no side effects.

As per Ayurveda, sugarcane juice has various medicinal properties and major benefits: it can normalize vitiation of blood and bile and rejuvenate the liver; pure sugar cane juice devoid of microorganism is widely used in treating jaundice; acts as an aphrodisiac and increases libido, quality and quantity of semen; helps in the treatment of cough; acts as a diuretic and helps in detoxifying the body.

Nowadays, most customers treat sugarcane juice merely as a refreshing drink similar to any other fruit juice or soft drink. The marketers of branded sugarcane juice can target health conscious consumers by propagating its medicinal benefits. This can be done through advertisements and point of purchase display boards about the health benefits of sugarcane juice as advocated by Ayurveda. Marketers can also promote their brands of sugarcane juice through Ayurvedic institutes, yoga institutes, health clubs and beauty parlors. They can also tie up with hoteliers and owners of convention halls to enhance business opportunities.

Conclusion

Sugarcane juice is India's traditional drink which has a great potential for instant rejuvenation and its inclusion among branded products has given a new business dimension to the fresh fruit juice category. The success of branding sugarcane juice has been a true eye-opener to many marketing strategists and brand managers. It has opened a potential market for many other juice variants such as lemon juice. As a result of branding, the positive perception towards this product has

increased, leading to higher level of acceptance and consumption. Can branded sugarcane juice overtake the unbranded or roadside vendors?

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