ONLINE LIQUOR DELIVERY SYSTEM: DISRUPTIVE TECHNOLOGY IN THE BEVERAGE INDUSTRY IN BENGALURU

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ABSTRACT

Internet-based delivery systems which deliver alcohol to consumers' homes have thrown open a new pathway for marketing alcohol and dramatically changed the alcohol-sales landscape in Bengaluru. Although traditional retail stores exist in every nook and corner of the city, consumers and retailers are ready to connect through online applications. This effects the operations and volume of sales at retail outlets. Despite stiff resistance from the Karnataka State Excise Department, there is a growing interest in online delivery systems of alcohol by local concierge applications. The research conducted examined liquor delivery systems in Bengaluru and the acceptance of this disruptive technology by consumers and retailers.

A survey conducted revealed that majority of the consumers between 21 and 30 years, with an average spending capacity of Rs 1,500/- prefer online purchasing of alcohol since they have a perception that there is good value for money, a diverse range of products available and easy accessibility. In addition, online purchasing helps to overcome barriers of women accessing liquor from retail stores and gives them privacy. There is evidence that 75% of retailers in alcohol are interested in tying up with online delivery systems because it would cater to the needs of present generation consumers, would earn higher profit margins and they can market their products more easily.

While this trend could be a boon for the retailers who embrace online delivery systems it could be a cause for concern for retail outlets. It can reduce the incidents of accidents due to drunken driving; however, it would be a challenge to address the problem of alcohol sales and service to underage patrons.

Keywords: Internet-based, online delivery systems, online purchasing, consumers, retailers

INTRODUCTION

E - Commerce offers Indian tech-savvy consumers a convenient shopping experience. Today's liquor consumers belong to the new age digital world and are happy to reach out to hyperlocal delivery networks offering a wider choice of brands using their smartphones or computers. Online vendors mainly focus on satisfying their consumers' needs, are constantly evolving and have adopted unified commerce. Thanks to consumers' addiction to using technology, marketers have access to the behaviour and preferences of consumers. Digital marketing plays a major role in influencing purchase decisions of unhealthy products like alcohol. ((Limin*et al.,* 2018) Liquor consumers in Bengaluru prefer convenient purchasing without the hassles of parking, being judged by onlookers and the comfort of ordering from their own homes. Consumers are always in search of 'best deals', time savers, privacy and are

particular about their preferred brands. Existing retail outlets often fail to match their expectations.

Retailers can optimise their profits by converting physical shelf space into digital shelves. They can introduce on-brand experiences that will enable alcohol consumers to view their preferred brands. Since 2016, digital delivery has influenced customers in the US to consume food and beverages at home. Consumers' satisfaction levels increase with the ability to track orders absorbed shipping costs, omnichannel customer support and transiency. (Absolutnet, 2018)

Alcohol brands use psychology in their marketing tactics. The themes used in their advertisements are casual, user generated and subtle and they never fail to attract young people.(Limin*et al.,* 2018) (Tim *et al.,* 2016) When compared to other forms of marketing, Alcohol Branded Merchandise has the longest shelf life.(Jones 2016) Alcohol marketing awareness and ownership of branded merchandise raises the risk of increased drinking in young people who live independently and in close-friend consumption.(Critchlow, *et al.*, 2019)(Jones 2016) Most teenagers drink either in their own homes or in friends' homes. Youth change their strategies to obtain alcohol as needed. (Friese,2013)

In the US in 2016, there was a surge in internet delivery of food and beverage through Think of Amazon Prime, UberEATS and Google eats. Almost 80% of the consumers were 'at home' drinkers who are in search of unique customised experiences. In 2017, Veuve Cliquot made a smart move by partnering with Deliveroo thereby increasing their reach without any investment on app development. Consumers in London could use Deliveroo's food delivery app to order champagne from their homes. Liquor companies have a long way to go in making use of digital technology to drive sales and not just to create brand experiences. (Return, 2018)

In the US, the alcohol industry is likely to get disrupted by the steady shift from traditional vending through retail outlets to online retailing. E-commerce is extremely popular with millennial tech-savvy consumers and they expect to purchase alcohol using this concept. Age restrictions and stringent laws governing alcohol delivery are challenges faced by this sector. Frequent users of online delivery systems are around 38 years old, married, live within city limits, are employed and are males. With increasing consumer demands, alcohol brands will progressively improve their online sales models and meet the evolving needs of their customers. (Keith, 2017)

Laws for shipping wines are not as strict as laws for spirits and beers. (Chrum, 2018) Although online delivery of liquor has not matured, from Jan. 1, 2016 to Jan. 31, 2018, 65% of online delivery of wines, 21.2% of sprits and 13.8% of beer was sold online in the US. 55.7% of the buyers were women. Drizly, a liquor delivery service operates without a licence and without its own inventory. That is possible because it has partnered with local retailers, who use Drizly to deliver their products. (Melwin, 2018)

While retail outlets are still a major part of this sector, the future of the alcohol industry lies in online delivery of liquor. Online specialty retailers like Drizly and Minibar who deliver only alcohol are growing significantly in spite of strict state regulations. (Chrum, 2018)

In the US wineries use e-marketing for 'Direct to Customers' deliveries and they are able to reach out to customers all over the world using digital marketing. They use technology to assess the needs of potential customers and then generate data bases with the profile of each

of their customers. Using this data, they are able to customise offers for each customer. (Hinmen, 2019)

There is evidence that most road accidents due to drunken driving increase after midnight. The law that permits breath tests as legal evidence of drunken driving was enforced more than twenty years ago and has become even more important in modern times. (Stockwell, 1997) The author gives a holistic view on the road accidents which are caused by the consumption of alcohol. OLDS can be initiated in regions where road crashes are high. There are laws enforced to prevent service of alcohol to under-age persons. (Stockwell, 2001) The promotion of the idea of online delivery of alcohol is mainly focused on reducing road accidents and crimes that are caused due to liquor consumption. In 2018, the government of Maharashtra proposed online liquor delivery systems (OLDS)to reduce road accidents due to the incidence of drunken driving. They planned to deliver liquor using platforms similar to e-commerce websites delivering food and non-alcoholic beverages. It could be a boon for individuals who do not have time to visit retail outlets and provide a livelihood for delivery boys. (Ganjapure, 2018)

Use of technology in OLDS could be a challenge because of the risk of technology being misused. Various online liquor stores adopt different method). s to regulate and prohibit the consumption of alcohol by teenagers. The government can step-in to regulate the online liquor services. (Reznikov Boris, 2007

In Bengaluru, retail outlets need to obtain a CL-2 Licence, which is issued by the Karnataka State Excise Department to retail shops for vending of IML or Foreign Liquors.(Citizen Charter, 2016) The Karnataka Excise Department had submitted a proposal to the Finance Department in 2018 to permit online sale of liquor, however there has been stiff opposition by The Federation of Wine Merchants Association, Karnataka. This was based on the likelihood of decreased revenue for retail outlets holding CL-2 licences, clubs holding CL-4 licences, hotels and boarding houses holding CL-7 licences. It could also initiate underage drinking. (The News Minute, 2018)

In Bengaluru, HipBar, Dunzo and Madhuloka had started internet-based home delivery for alcohol without approval from The Karnataka State Excise Department. HipBar founded a 'cloud service' for alcohol consumption in 2015 and their payment gateway did not just provide the facility of on line payment but also reserving and gifting bottles of alcohol. According to Mr. Prasanna Natarajan, the founder of this organisation there is potential to deliver 20,000 to 25,000 orders a day in Karnataka alone. HipBar proved this in 2017, by delivering 75,000 orders to almost 100 pin codes in Bengaluru in 15 months. Although these online vendors answered all the needs of the customers, they were forced to stop services because the Karnataka government has not legalised online liquor delivery. HipBar claims that if the e-commerce protocol is transparent and systematic verification of customers is carried out, it would help customers to track orders and drink responsibly. (Sannith, 2019) (Bhat, 2018)

In spite of policy changes in 2017, which included highway liquor sales bans and inclusion of GST there has been a stupendous growth in Bengaluru's liquor industry. Although liquor companies are concentrating on improving their brand portfolios, (Govind, 2017) consumers do not necessarily have access to these brands in one retail store or warehouse. Owners of retail liquor outlets that have sprung up all over Bengaluru have to cope with escalating rentals and high labour costs. Digital audiences can view information on new products

launched and available brands on company websites, which is otherwise not easily available because of the ban on liquor advertisements. (Jangid, 2018).

Alcohol companies upload a lot of information regarding their brands online and are supposed to filter viewers based on their age in an attempt to restrict underage viewers from accessing information about alcohol. However, in most cases, the verification fails since it depends largely on the information provided by the viewer. There is a need for alcohol manufacturers to work closely with policy makers and public health experts to develop procedures for online verification of age. (Chester *et al.,* 2010). (Tim *et al.,* 2016)

Customers prefer to order all their requirements from one source, so it makes sense for delivery service operators to integrate alcohol with their other offerings. Retailers offering online delivery have to cope with excise laws as well as regulations related to delivery logistics and product assortment. The need for an omnichannel shopping experience creates an opportunity for online alcohol delivery systems, (Dumont, 2019)

According to Anand Kripalu, CEO and Managing Director of Diageo India, Online Liquor Delivery Systems (OLDS)can disrupt the alcoholic beverage industry. OLDS operators can anticipate evolving needs of their customers and these leaders can become trendsetters. (Tandon, 2018)

Disruptive technology is capable of shaking or displacing an existing successful industry or market. Digital disruption in the food industry has been extremely beneficial for customers and vendors. Online delivery systems can snatch away business from existing retail outlets. It gives customers a wider choice and convenience. Vendors get more business without any extra investment. This disrupter gives the consumer the perception that he has control on what he is ordering. (Ohan, 2017).

Based on the review of literature the paper identifies the need for a study to be conducted on a liquor delivery application (app) in Bengaluru and the pros and cons of the online liquor delivery systems. There is evidence that tech savvy consumers are on the lookout for hassle free systems where they can order liquor online, get a wider choice of brands of liquor and access information regarding availability with a click of a button. In addition, in the interest of preventing road accidents due to drunken driving, the purpose of this research was to identify the acceptance of OLDS by both retailers, as well as consumers. The success of food apps in Bengaluru had motivated the research team to study the potential of introducing OLDS in the city.

METHODOLOGY

Table 1: Design and Sample

Statement of the Objective	Method/ Methodology
To identify the need for a liquor delivery applications (app) in Bangalore	Descriptive: Questionnaires, Data analysis
To determine the pros and cons of the	Descriptive: Questionnaires, Data analysis

liquor delivery systems	

A systematic literature search was conducted using papers in reputed journals, white papers, government notifications and news articles published after 2016, with a focus on information published in 2018 and 2019. It examined procedures, opportunities and challenges of global online delivery systems. In addition, it gave an insight into the Online Liquor Delivery Systems (OLDS) proposed in Karnataka and Maharashtra. The review also investigated the reasons why online services were forced to shut down in Bengaluru.

This cross-sectional study was conducted in Bengaluru urban areas. Owners and managers of alcohol retail outlets and consumers were the population for this study. Pre-designed questionnaires were prepared for consumers and retail outlet owners separately and validated by subject matter experts of Ramaiah University of Applied Sciences. The questionnaires consisted of 13 questions for consumers and 11 for retailers. They were designed to examine the awareness and acceptance of OLDS in Bengaluru. The first questionnaire focussed on customers' preferences for sourcing alcohol and whether they would prefer OLDS. It also addressed reasons for using OLDS and their rating of OLDS. The second questionnaire assessed the awareness of retail owners or managers with regard to OLDS, their interest in setting up OLDS and tying up with existing delivery channels.

Subjects were divided into two sample groups. The first sample group included 50 alcohol consumers above 21 years and the second sample group included 50 alcohol retails owners or managers. Stratified random sampling method was adopted. Data was collected by conducting in-person interviews using the questionnaires which acted as a structured focussed interview checklist.

The responses were rated on a Likert Scale. Data analysis was conducted on gender, age group, customers' preferences for sourcing alcohol and rating of online applications using SPSS Software V. 23. The results are expressed in terms of frequency and proportions.

RESULTS AND DISCUSSIONS

H_0: There is no need of OLDS in Bangalore.

H_1: There is a need for OLDS in Bangalore.

Table 2: Hypothesised

Development	Yes	No
Mean	21.5	0.5
Variance	0.5	0.5
Observation	2	2
Hypothesized Mean Difference	0	
Df	2	
T stat	23.666998	
P(t<=t) one –tail	0.0002455	
T critical one-tail	2.9123545	

P(T<=t) two-tail	0.00013255	
T critical two-tail	5.3021477	

Demographics

1. Gender

Table 3: Types of Gender

Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	Male	23.1	23.1	23.1	38
	Female	76.9	76.9	100.0	12
	Total	100.0	100.0		50

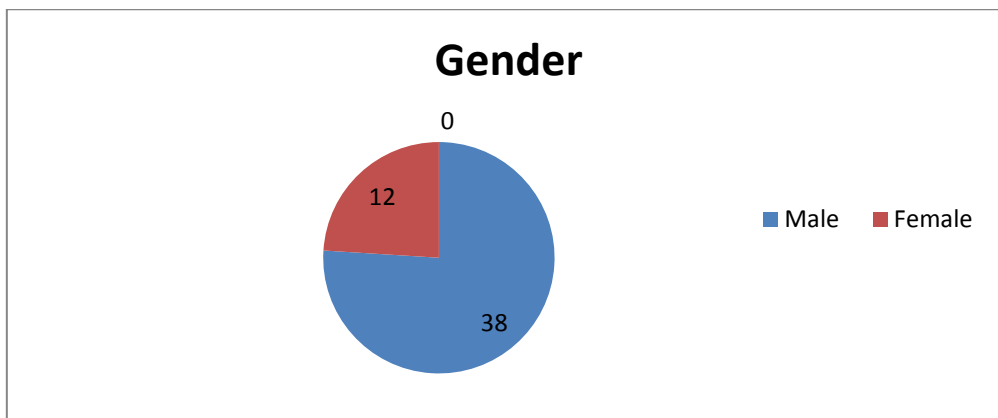**Figure1: Gender**

Table 3 and Figure 1 shows that the survey was conducted for 50 consumers, 24% are female and 76% are male.

2. Age group

Table 4: Age Groups Studied

Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	21 to 30 y	15.4	15.4	15.4	27
	30 to 40 y	23.1	23.1	38.5	16

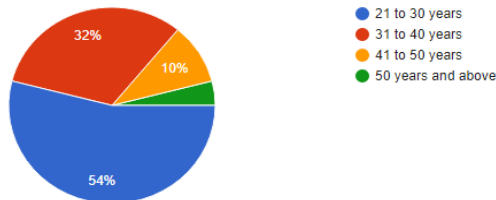|					
	40 to 50 y	38.5	38.5	76.9	5
	50 years and above	23.1	23.1	100.0	2
	Total	100.0	100.0		50

Figure 2: Age Groups Studied

Table 4 and Figure 2 shows that the survey focused on youth, since this age group has an increased dependency and interest in using technology. The sample population included 32% which fell under the age group of 31 to 40years, 10% were between 41 to 50 years and4% were above 50 years

Period of Consumption of Liquor

Table 5: Period of Consumption of Liquor

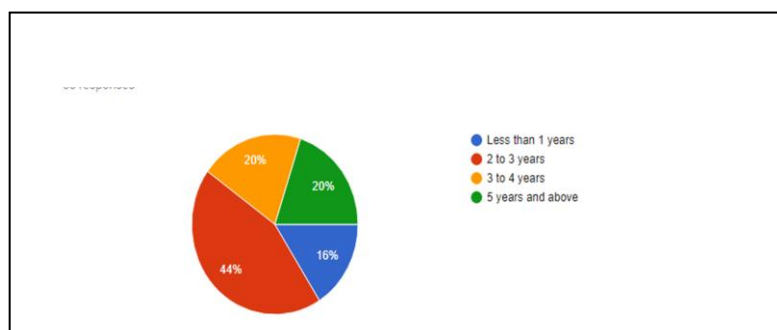| Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	Less than 1 years	15.4	15.4	15.4	8
	2 to 3 years	23.1	23.1	38.5	22
	3 to 4 years	38.5	38.5	76.9	10
	5 years and above	23.1	23.1	100.0	10
	Total	100.0	100.0		50

Figure 3: Period of Consumption of Liquor

Table 5 and Figure 3 shows that 44% respondents out of 50 have been consuming liquor from 2 to 3 years, 10% have been consuming liquor since 3 to 4 years and another 10% have been consuming for 5 years and above. 16% members have started consuming liquor since less than a year. Since they have sufficient experience in ordering liquor, they were in a position to assess the benefits of OLDS and the need for OLDS.

Source of alcohol - to purchase

Table 6: Source for purchase of alcohol

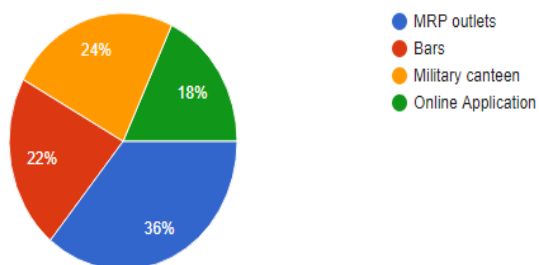| Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	MRP outlet	3.8	3.8	3.8	18
	Bars	61.5	61.5	65.4	9
	Military canteen	26.9	26.9	92.3	22
	Online application	7.7	7.7	100.0	11
	Total	100.0	100.0		50

Figure 5: Source of alcohol - to purchase

As shown in Table 6 and Figure 5, out of 50 consumers, 36% of consumers bought alcohol from bars, 24% bought from military canteens, 22% bought from MRP outlets and 18% made online purchases. As mentioned in the studies published by Critchlow et al in 2019, Jones in 2016 and Friese in 2013 most young consumers enjoy drinking with friends in the privacy of their homes; this study conducted on consumers in Bengaluru also has evidence that 64% consumers consume alcohol either in their homes or in a location other than bars and pubs.

A study by Holmes et al in 2014 mentions that online retailers deliver alcohol along with groceries ordered. Although alcohol could be ordered using the internet it was not been given much attention, In Bengaluru only 18% prefer OLSD and this maybe because of legal restrictions imposed. Way back in 2001, Christie et al published findings that beverage promotion activities can influence consumers of alcohol to visit bars and similarly that could be the reason why 36% consumers studied in Bengaluru prefer sourcing alcohol from bars. Owing to stiff competition in Bengaluru, most bars operators innovate promotional strategies which not only helps them to beat the competition and gives them an upper edge over the rest of the bars but also wins more business. Customers love to frequent bars which offer promotional activities. However, OLDS can take a cue from stand-alone bars and existing online food aggregators which constantly offer discounts and have turned consumers into online discount addicts.

Since these studies give evidence that 64% of Bengaluru's consumers do not drink in bars, there is scope for online delivery if it legalised.

Place of consumption

Table 7: Place of consumption

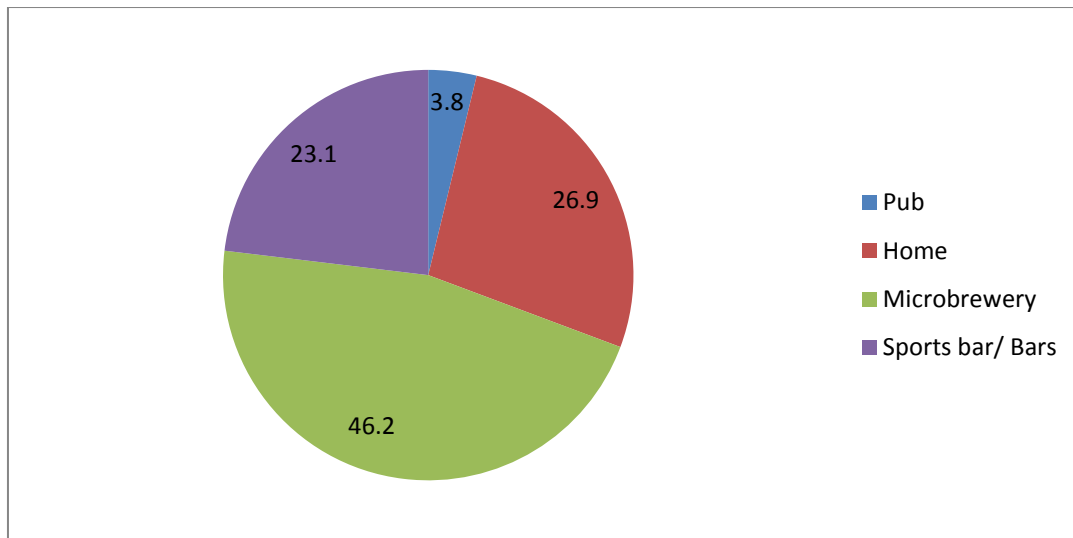| Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	Pub	3.8	3.8	3.8	18
	Resto bar	26.9	26.9	30.8	13
	Microbrewery	46.2	46.2	76.9	8
	Sports bar	23.1	23.1	100.0	11
	Total	100.0	100.0		50

Figure 6: Place of consumption

As shown in Table No.7 and Figure 6, 46.2 % prefer frequenting microbreweries, 23.1% drink at Sports Bars / Public Bars, 26.9 % prefer drinking in the privacy of homes and 3.8% visit pubs.

Interest in Online Purchase of Alcohol

Table 8: Interest in Online Purchase of Alcohol

Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	No	34.6	34.6	34.6	9
	Yes	65.4	65.4	100.0	41
	Total	100.0	100.0		50

As shown in Table 7, 82% of consumers have shown interest in online purchase of alcohol. Dumont's findings that were published in 2019 show that consumers prefer buying all their needs from one source. This study has similar findings where consumers in Bengaluru are extremely open to the already successful online food delivery systems being opened up to alcohol also. This interest in OLDS is also because consumers in Bengaluru have hectic schedules and a system like this will be extremely beneficial as mentioned by Ganjapure in 2018. Online purchasing is preferred because the customers get access to detailed information about the products and their availability as rightly mentioned by Jangid in 2018. Consumers in Benagluru are tech-savvy and that could be a reason for them opting for OLDs as seen in the studies by Keith in 2017.

Reason for preferring OLDS

Table 9: Reason for preferring OLDS

Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	Convenience	3.8	3.8	3.8	13
	Easy accessibility	15.4	15.4	19.2	23
	No gender discrimination	34.6	34.6	53.8	25
	Wide range of option	38.5	38.5	92.3	30
	Discount and promo code	7.7	7.7	100.0	28
	Total	100.0	100.0		44
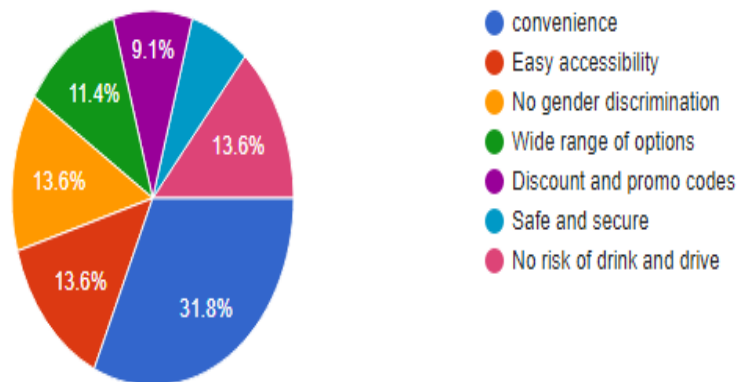
Figure 7: Reason for preference of online liquor service

As seen in Table 9 and Figure 7, out of 50 customers, 12% found OLDS convenient. In Bengaluru, most areas are congested and it is difficult to find parking space. Traffic congestion is on the rise. Stress levels are high and OLDS will make it possible to get liquor delivered without any of these issues.

As of now, the government in Karnataka had not finalised any fool proof procedure to verify the identity of the consumers who order alcohol using OLDS. That is the main reason why 28% felt that OLDS will make it easier for all age groups to access liquor. As published by Williams in 2017, attempts on age verification of online purchasers of alcohol in the U.S. fail half the time and there is a need to scrutinise website content when viewers can access information about available alcohol and procedures used by OLDS staff for verification of identity and age.

12% felt that its minimised gender discrimination. Statista published in 2019 that in 2016, in India women consumed 1.9 litres alcohol per capita as against men consuming 9.4 litres alcohol per capita. That could be because in 2016, in most places in India, women need to

purchase alcohol either in traditional retail outlets or go to public bars. Women will be more comfortable using OLDS (Mitra, 2014), as there is a perception that purchasing alcohol openly in local retail shops is still considered a taboo for women in Bengaluru.

8% consumers were of the opinion that they will get a better choice of liquor available on a website or through a vendor who offers OLDS than what is available in most local retail shops. Most of the local food aggregators in Bengaluru offer discounts to customers' and12% customers hope that they would get similar offers if they use OLDS.

Many a time, there are instances wherein consumers get into drunken brawls when they go to buy alcohol at local retail outlets. 10% of the consumers were sure that they could avoid these brawls and drink in a safe environment if they used OLDS. Accidents due to drunken driving also could be avoided and 6% felt that they would opt for OLDS to avoid road accidents.

The results of the survey show reasons which are similar to the reasons quoted by Ganjapure in Times of India dated October 18, 2018. The Government of Maharashtra had also proposed introducing OLDS for the same reasons.

If the Government of Karnataka legalises OLDS, it would answer the needs of alcohol consumers in Bengaluru.

Table 10: Consumer rating of OLDS

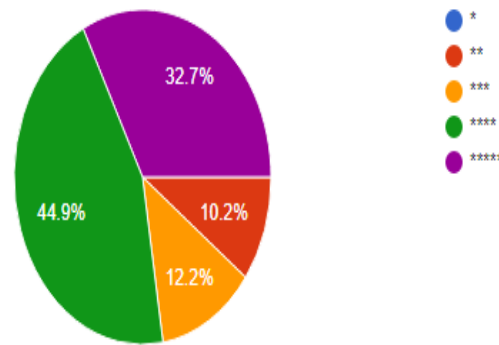| Particulars		Percent	Valid Percent	Cumulative Percent	Responses
Valid	*	3.8	3.8	3.8	0
	**	15.4	15.4	19.2	5
	***	34.6	34.6	53.8	6
	****	38.5	38.5	92.3	22
	*****	7.7	7.7	100.0	16
	Total	100.0	100.0		49

Figure 8: Rating of online delivery application

Out of 50 customers, as seen in Table 10, 44% have given OLDS a 4 Star Rating and 32% have given OLDS a 5 Star Rating, 12% a 3 Star Rating, 10% a 2 Star Rating and only 2% have given a 1 Star Rating. The rating is directly related to customers' opinion as shown Table 3, where all evidence points to easy accessibility, convenience, no gender discrimination, wide range of promotions and discounts and safety. Also as published by Singh *et al,* in 2018 customers would have the advantage of tracking their orders through a Tracking Interface. It would help administrators to control the delivery system.

As published by Tandon in 2018, there is a shift in the habits of urban customers. They prefer making online purchases. He has reported that being able to browse through information on a various styles and brands of alcohol is the trend. That is reflected in the rating by customers in this study.

Table 11: Retailers awareness of OLDS

Acceptances	Frequency	Percent
Yes	42	84.0
No	8	16.0
Total	50	100.0

Out of 50 retail outlets, 84% of retail outlets surveyed in Bengaluru were aware of OLDS as seen in Table 5. They had updated themselves on the concept of OLDS and were also aware that OLDS could be used as an opportunity to help their businesses flourish. They realised that while OLDS would disrupt their regular traditional retailing, the same platform could enhance their ability to reach out to their customers. It could fulfil the evolving needs of their customers who are hit by a wave of Technology Addiction. At the same time, they were fully aware that they were bound to face operational hurdles. They were clued up about the challenges faced by the operators who were forced to discontinue OLDS because the Karnataka Government had not issued any licence related to OLDS.

16% of the retailers did not feel the need to think about anything out of the box. These retailers are not tech-savvy and have not kept themselves abreast with the current trends. They were anyway able to attract enough customers and were able to get sufficient business

to meet their target. These retailers do not stock premium brands of alcohol, hence 'Tec intermediaries' (Thottam, 2017), who connect retailers and consumers may not have approached them. There is a general perception that some of these retailers who stock local brands may not stock of genuine products. So, tech intermediaries would not risk tarnishing their reputations and are hesitant to deliver products from these outlets.

Table 12: Interest in setting up OLDS

Acceptances	Frequency	Percent
Yes	25	50.0
No	25	50.0
Total	50	100.0

Out of 50 retail outlets, 50% were ready to start their own online liquor delivery system. These retailers were excited about the idea. They were in favour of introducing the concept of OLDS since they felt that this would increase their chances of maximising their revenue without unnecessary marketing expenses. In today's day and age, Bengaluru's consumers' first option is online purchases. Consumers' increased receptiveness to information at the fingertips and at the click of a button makes OLDS the need of the hour. They want easily accessible digital information on availability and details of alcoholic products, the best way to consume them, ideal combinations, prices or where it is available. Retailers are aware that only OLDS can answer these needs of their customers and introducing OLDS would definitely help to retain customers and attract new ones. The findings of this study are similar to the report by Keith in 2017 that introducing online delivery systems could meet the evolving needs of the customers. They also realise that there would be no additional operational costs incurred in terms of space. They could promote their products through food aggregators. They were of the opinion that it would be a boon for the retailers if the Karnataka Government recognises the benefits and legalises the concept.

The remaining 50 % were hesitant to introduce OLDS. They felt that unless the Karnataka Government formally legalises OLDS and the Excise Department issues a separate licence for OLDS there would be no use of even considering it. They were also worried about the cost of the licence if they introduced it and whether there would be any hidden costs. They were also worried whether introducing OLDS as an operating platform would ruin their existing businesses. They were very comfortable running their retail businesses using traditional models and were unprepared for any radical changes.

Table 13: Interest in tying up with existing delivery channels

Acceptances	Frequency	Percent
Yes	38	76.0
No	12	24.0
Total	50	100.0

As seen in Table 7, out of 50 retail outlets, 76% of the surveyed retail outlets are ready to tie up with the existing delivery channels. Their keenness to tie with up with existing food aggregators is a manifestation of the success stories of similar partnerships in Bengaluru. Most restaurants in Bengaluru have recognised the benefits of partnering with existing online

delivery systems and have thereby increased their reach to consumers. The same models have been very successful globally as reported by Return in 2018. With minimum investment the retailers would be able to increase their sales. Maintaining a competitive edge in today's market in of paramount importance for the local alcohol retailer. Innovating new strategies to retain customers and creating positive food and beverage experiences becomes a necessity. Tying up with food aggregators to deliver customised combinations of preferred brands of liquor with food could revolutionise the food and beverage industry in Bengaluru. Retail outlets need not invest in additional manpower for delivery of their products that would be taken care of by the food aggregators.

The other 24% are not keen on tying up with existing delivery systems. They may not have understood the advantages of these partnerships. They are still insecure about OLDS overtaking their businesses and this is a prime reason for their apprehension. They are not sure about the integrity of the delivery operators and since this involves delivery of alcohol they are concerned about issues like pilferage and duplication, However, tagging and tracking of bottles could solve this issue but the retailers are not aware of such procedures.

RECOMMENDATIONS

Like the ecommerce models used by wineries in the US, OLDS in Bengaluru could create their own data banks with the profile of alcohol consumers, customise promotional offers and discounts and create educational information on the products with a section on Responsible Drinking.

The vendors offering OLDS should tie up with policy makers and introduce the concept of Know Your Customer (KYC). They should insist on complete details of customers including the Aadhar Card details to be uploaded on their website. Identity should be verified. Only customers who fall above the age limit should be sold alcohol. A One Time Password (OTP) should be issued and verification should be done for every purchase for the customer using the OTP number.

A purchase limit per day could be set for the quantity of liquor purchased by each customer to avoid misuse. All bottles should have a tag on the neck of the bottle and a bar code to ensure transparency and to avoid liquor frauds.

Alcohol retailers and food aggregators should partner so that liquor delivery can be linked to food delivery apps. The customers will get the advantage of ordering food and beverage from one app.

The Government could be presented with an OLDS model clearly showing that it could help to control sales of spurious liquor tracking of stock, ensure proper billing with taxes included and reduce road accidents due to drunken driving.

CONCLUSION

The use of disruptive technology in OLDS can change the entire face of alcohol business in Bengaluru. Based on the studies conducted, it is evident that OLDS will be accepted by consumers and retailers in Bengaluru. Customers could find it convenient to switch to internet purchasing of alcohol. They would have better access to information of brands, their availability and can avail of better rates. They can drink in the privacy of their own homes, can avoid being judged and can minimise the incidences of drunken driving. Busy Bengaluru

consumers who order online will have the advantage of saving time without having to jostle through heavy traffic and find parking space.

Even though the Karnataka Government has apprehensions about legalising OLDS, it could enhance the revenue generated through liquor sales and help to prevent malpractice with proper procedures, accountability and validation. It would help to document consumption, sales and taxes if they tie up with policy makers.

The alcoholic beverage industry in Bengaluru is witnessing a steady demand for 'digital experiences' in delivery systems. OLDS can throw open new opportunities for retail outlets to fulfil the demands of Bengaluru's new age technology addicted consumers. It can be a powerful tool to expand the selection of alcohol to appeal to a wider selection of tastes and preferences and blur the line between retailers and customers.

While the introduction of OLDS can be disruptive, it need not be the cause to ring the death knell for traditional alcohol retail outlets. It can be more of an evolution if traditional retail outlets move into supporting roles and OLDS move into the forefront. Retailers and existing delivery systems can form symbiotic relationships. Retailers adopting OLDS will be able to increases their sales and maximise profits if they tie up with existing delivery systems, while OLDS can save on exorbitant rents and inventory space. The rise of OLDS can create more opportunities to reach consumers than ever before.

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