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THE DEMAND AND SUPPLY CONUNDRUM ON THE CONSUMERS OF IMPORTED ALCOHOLIC BEVERAGES IN NIGERIA

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ABSTRACT

Background: There are inconsistencies in the imported alcoholic beverages market in Nigeria which has led to a conundrum. When these alcoholic beverages penetrate the market, it goes scarce and most time disappears from the market. These inconsistencies are what prompted the research of this nature.

Objectives: to explore consumers' experiences as affected by the changes in the price of imported alcoholic beverages and the effect of irregular importation of alcoholic beverages on the consumers of these alcoholic brands.

Design: A qualitatively designed focus group discussion using thematic analysis.

Methods: Data were extracted from a focus group discussion conducted with 75 participants, including male and female, from various works of like who consume imported alcoholic beverages. Participants discussed and answered semi-structured, open-ended questions about their experiences related to drinking imported alcoholic drinks. Categories, subcategories and themes were created. The researcher compiled the study with the Standards for Reporting Qualitative Research.

Results: The research identified two themes; "managing the prices of imported alcoholic beverages" and "managing the inconsistency in the importation of alcoholic beverages"

KEYWORDS: alcohol, import, beverage, wine, demand

INTRODUCTION

The consumption of edible liquids (like water, soft drinks, alcohol or liquid medical solutions etc.) are vital for the existence of human-kind and a necessity for the human body. The intake of edible liquids by different people depends on different factors like location, (Euromonitor International, 2017) environment, culture etc. In some environments water is most commonly consumed while in some

other environments (like Finland) people consume coffee (Smith, 2017) or even beer more often (Colen & Swinnen, 2011). Edible liquids have attracted many studies due to its rate of consumption, like studies on non-alcoholic drinks (Pofahl, Capps Jr., & Clauson, 2005), alcoholic drinks. Most of these studies try to show what people stand to gain or lose in the consumption of these drinks and even the policies that guide against the use of alcohol by underaged (Wolfson, et al., 1996; Euromonitor International, 2017).

The World Health Organisation (WHO), (2014) reported that alcohol consumption in Africa is high and is thriving strongly with Nigeria estimated to have highest annual alcohol consumption in Africa (Rondon & Nzeka, 2011). The average Nigerian consumer of alcohol consumes about 12.28 litres of alcohol per annum. These consumption by people can be influenced by various factors like taste, price, (Guoqiang & Feng, 2011) while the level of alcoholic content affect people's choice of alcohol purchase and consumption (Lariviere, Larue, & Chalfant, 2000). Also, some other people look at the source of the wine believing that beverages from specific countries are better than the others (Wang, Gao, Wailes, & Cramer, 1996; Chonviharpan & Lewis, 2015). Thus, the best sparkling wines (champagnes) are known to come from the Champagne of France, the best brandys (Cogniac) also come from the Cogniac of France. Also, red and white wines are sourced from European countries like Spain (Anguloa, Gilb, & Graciab, 2001; Business List, 2018), Italy and South Africa of late (Euromonitor International, 2017).

Statement of the Problem

There are various types and brands of alcoholic beverages available in the market today, but the common challenge encountered in the market is that of consistence of these brands of alcohol (Fogarty, 2010). Most of the well known imported alcoholic beverages are no longer found in the Nigerian market, instead they are replaced by newer brands. The rate at which the imported alcoholic drinks flow into the Nigerian drinks market has increased over the years (Rondon & Nzeka, 2011). Therefore, consumers run into a situation were they drink a beverage for the first time and like it but by the time they get used to the drink they find out that it is no longer available. The confusion here keeps consumers coming up with many questions like; why is this quality wine no longer available, is it just scarce in one location or in all the wine shops around? How do I start getting used to a new type of wine? Did the beverage get costly or the importer just stopped importing it?

This study set out to answer these questions and find out why this abnormally occurs in the market of imported alcoholic beverages in Nigerian and their causes.

Research Objectives

In the course of this study, there is a quest to find out the cause of the conundrum that occurs in the

demand and supply of imported alcoholic beverages in Nigeria. The following objectives were put to course to:

1. to explore consumers' experiences as affected by the changes in the price of imported alcoholic beverages
2. to explore the effect of irregular importation of alcoholic beverages on the consumers of these alcoholic brands

Significance of this Study

Most of the alcohol consumed in Nigeria are imported (WHO, 2014) from European countries, America and South Africa lately. One of the main factors that determines the consumption of these beverages in developing countries like Nigeria is the price (Guoqiang & Feng, 2011). The prices of these imported alcoholic beverages keep fluctuating most times in line with the changes in the forex market. Thereby posing challenges to the importers of these beverages on the prices to tag on the drinks to be able to maximise sales and turn over. Thus, this study will provide an insight to the importers of the impact of price variation of alcohol over the years.

This research work looked through the existing literature on alcoholic beverages in line with the available data on alcoholic beverages in Nigeria from 2009 to 2019. This intensive survey will inform the reader on the importation of alcoholic beverages. It will also inform the reader on the Nigerian alcohol market, the way these products flow into the country and how its distributed from one point to the other. This research work will help entrepreneurs access competitive intelligence about the leaders in the market. It will also inform them on how to track key industry trends, opportunities and threats. Prospective importers will also be informed on their marketing, brand, sales and supply functions, strategy and market development of alcoholic beverages. Finally, this study will empower the business owners in the alcoholic business industry towards making informed profitable decisions.

Literature Review

There are various literatures on alcoholic beverages comprising of the studies on different subjects relating to sales of alcohol, its price, consumption etc. These different factors involved in the subject of alcoholic beverages are perceived by different researchers in different views. The literatures reviewed in the course of this study looked at alcohol consumption, demand, sales and types of alcohol. The distribution flow and the different types of alcohol found in Nigeria were also reviewed.

Demand and Supply Conundrum

It is most boring and unfounded that a good brand of alcohol that has been accepted by consumers suddenly disappears from the market all to the decision of the importer or manufacturer. Drinks like 'Snapp' and 'African Special' that were distributed by Guinness Nigeria Plc have all disappeared from

the market with the consumers left to look for other alternatives.

In their work on alcoholic beverages Wang, et al. (1996) stated that alcoholic beverages consumption is important in social and economic issues. Thus, while the society tries to control alcohol consumption the government generates revenue from alcohol via taxes (Kaplan, et al., 2017). They also noted that all reliable information on the demand for alcoholic beverages will be necessary for those in the business (Wang, Gao, Wailes, & Cramer, 1996; Chonviharpan & Lewis, 2015).

To ascertain the consumption of vodka, Movsisyan, (2016) used estimations based on linear and double-log regression models to identify the factors influencing the average vodka demand per capita in Armenia. Using quarterly timeseries data on vodka per capita consumption, price of various alcoholic beverages and disposal income for the period 1996-2016. The estimates made it clear that the real prices of beer and champagne were statistically significant determinants of the average demand of vodka per capita in Armenia and an inelastic demand for vodka (Movsisyan, 2016).

Fogarty, (2010) in his study on the demand for alcoholic beverages opined that the alcoholic beverages demand has been inelastic since the mid-1950s and was on a decline to the 1960s (when the sell or use of alcohol was a crime) after which it picked up again. The study also supported the idea that alcohol is a necessity with consumers always responding to a discount in price (Guoqiang & Feng, 2011) with behaviour in inventory rather than real substitution behaviour. Thus, Fogarty, (2010) slightly appreciates the idea that alcoholic beverages demand varies fundamentally across most countries with wine as an exception.

Considering drinking durations at bars, Kaplan, et al., (2017) on their own research argued that the duration of drinking affects the demand of alcohol in ways that are not expected, stating that the longer the duration the more alcohol consumed. Thus, assessing the duration effects on alcohol demand will inform the entities in the business (Fogarty, 2010). Their study examined the level of impact on hypothetical alcohol consumption event duration by relative consumption of alcoholic drinks in commonly used purchase tasks (Kaplan, et al., 2017).

Lariviere, Larue, & Chalfant, (2000) in their study on the demand for beer, wine, spirits and non-alcoholic drinks in Ontario modeled the work in two parts using an equation specified to endogenize expenditures of groups and set up a demand system to allocate budgeted group expenditures across types of beverages. Advertising is allowed to influence both the level of group expenditures and its allocation. They found that advertising has very subtle effects on expenditures on alcoholic beverages (group and individual beverages). Thus, advertising is not effective in enlarging markets and this suggests that firms (especially breweries) use advertising to compete in zero-sum market share games (Lariviere, Larue, & Chalfant, 2000).

Sales of Imported Alcohol in Nigeria

Alcoholic drinks and beverages are almost a compulsory edible liquid or refreshment expected of most ceremonies in the world (WHO, 2014) and its consumption is a way of life for people in various parts of Nigeria owing to the culture we copied from the Europeans and Americans just like drinking of tea and coffee (Dumbili, 2013). These alcoholic beverages when imported into the country are distributed and sold at various retail points and parts of the country where consumers access them (Rondon & Nzeka, 2011).

Table 1: Recorded alcohol per capita consumption, from 2010

Beverage Types	2015	2014	2013	2012	2011	2010
All types	9.62	9.64	9.63	9.90	10.13	10.31
Beer	0.76	0.76	0.76	0.75	0.75	0.70
Wine	0.04	0.05	0.05	0.05	0.04	0.03
Spirits	0.06	0.06	0.06	0.06	0.06	0.08
Other alcoholic beverages	8.76	8.76	8.76	9.04	9.28	9.50

Source: Consumer Price Index (CPI) report.

According to the report on Table 1, there is a continuous drop in the consumption of other alcoholic beverages while the imported ones like beer, wines and spirits increased from 2010 to 2015.

The consumption of alcoholic beverages in Nigeria has interestingly increased over the years in line with the sales (Okafor, 2017), thereby increasing its rate of importation (Rondon & Nzeka, 2011), the chart below shows the sources of imported alcoholic beverages in Nigeria as at 2011.

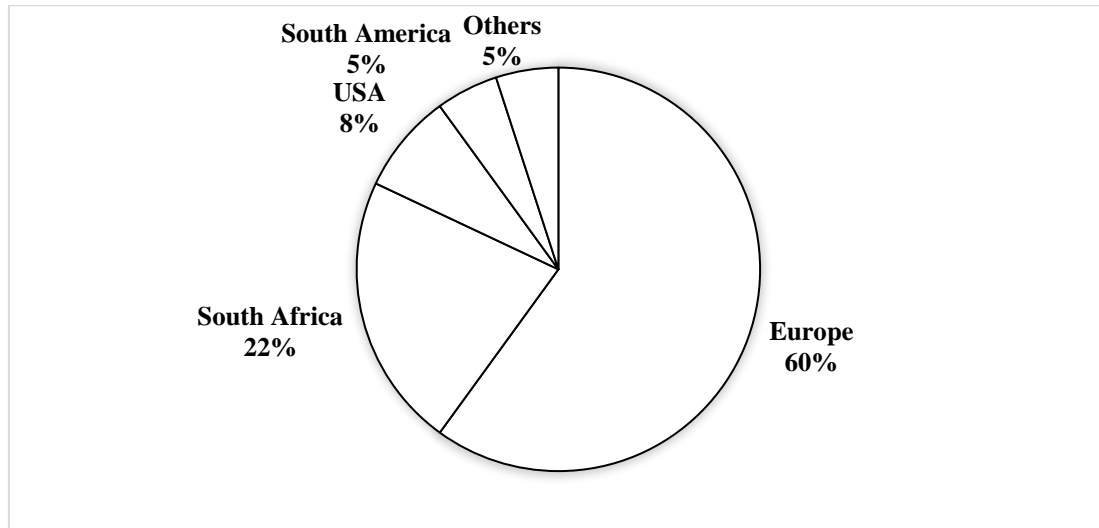


Figure 1: Origin of Imported Wine Products to Nigeria, 2010

Source: (Rondon & Nzeka, 2011)

The business of importation of wine has exploded and become one of the trades run mainly by businessmen in the southern part of Nigeria (Euromonitor International, 2017). Trading on imported wines is now run by some Nigerian business men and women who travel outside to do business and has astronomically increased the rate of imported beverages from USA in Nigeria from \$120,000.00 in 2008 to \$2.7m in 2010 (Rondon & Nzeka, 2011) showing a persistent growth in Nigeria’s alcoholic beverage market.

The Nigerian population and its consumption of alcoholic beverage have been studied at different levels with the World Health Organisation (WHO) coming up with their own in 2014. The WHO research came up with the indices that as at 2010, Nigeria has a total population of 160 million with 56% of this population aged 15 years and older (15+) while 50% of this population live in urban areas. The statistics shows that the imported alcoholic beverages are mainly consumed in these urban areas (WHO, 2014).

Recorded Alcohol per capita (15+) Consumption (in litres of pure alcohol) by type of alcoholic beverage, 2010

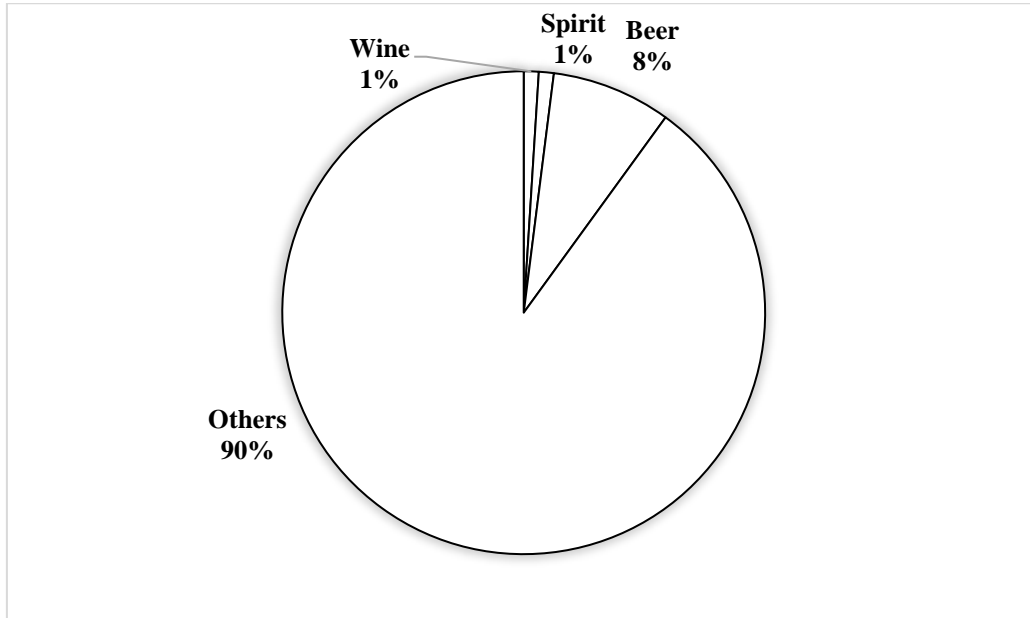


Fig. 2: Consumption of Edible liquids per capita per year

Source: World Health Organisation, 2014

As at 2010 only 2% of the Nigerian population consumes imported wines and spirits while 8% consumes beer and 90% consumes other types of locally made alcohols like palm wine etc. (WHO, 2014). The WHO¹ projects that the numbers in Figure 2 for alcohol consumption will increase to 29.3% in 2019. In line with this projection we have noticed an anomaly in the demand and supply of alcoholic beverages in Nigeria with regards to the flow of imported alcohol as shown in figure 3. The anomaly in the demand and supply of alcohol could be attributed to these flow.

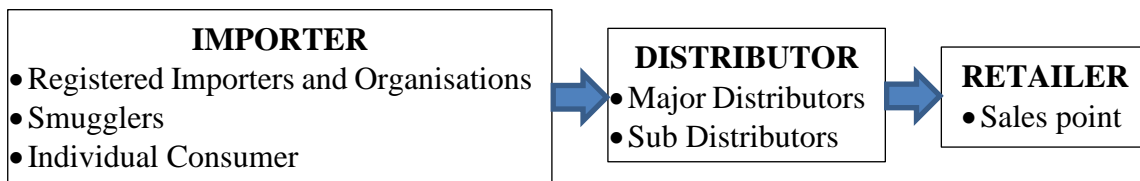


Figure 3: Flow of Imported Alcohol

Source: (Euromonitor International, 2017)

Euromonitor in their 2017 report explained that imported alcoholic beverages flow into Nigeria

¹ Appendix 1: Pure alcohol consumption among persons (age 15+) in litres per capita per year, 2010

through various kinds of importers viz; the registered importers, smugglers (Nigerian Customs Service, 2006) and individuals who purchase these alcohol in small quantities for their personal consumption. Figure 4 shows the distribution of alcoholic beverages imported into Nigeria from the United States (Trading Economics, 2021).

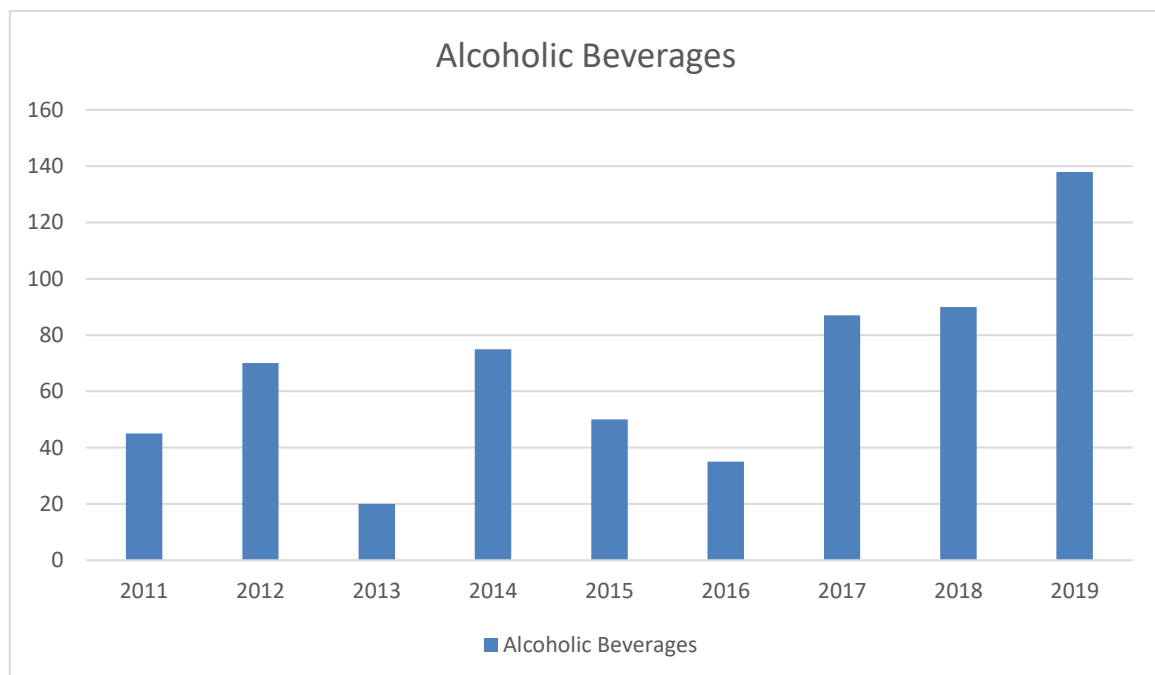


Figure 4: Alcoholic beverages imported from United States of America

Source: (Trading Economics, 2021)

From figure 4, 2019 is the year with the most importation of alcoholic beverages to the tune of 136.61 million USD, while 2013 is the year with the lowest amount of imported alcohol.

Importers of Alcoholic Beverages

The importers of alcohol are the entities that bring in the foreign alcoholic beverages through different mediums, they are classified thus:

Registered Importers and Organisations: these are business entities that are registered and deal in the business of importation of alcohol. Some importers equally take charge of distributing their products by establishing a distribution network across the country with major presence in Abuja, Lagos and Rivers State. Some of the importers and organisations studied are Heineken NV (Nigeria Breweries Plc), Diageo (Guinness Plc), Sabmiller (importers of Hero beer).

Smugglers: these are entities that smuggle alcohol into the country (without declaring it at the

border) by hiding it in containers or locking them up in imported vehicles. Although the importation of alcohol is not contraband the Nigerian Customs in their media report stated that these smugglers of alcohol try to avoid paying duties for the smuggled alcoholic drinks, when they succeed in this smuggling they sell the products off to dealers and retailers in bulk (Nigerian Customs Service, 2006). The smugglers are mostly do not do volumes and are not consistent due to the problems they encounter at the boarder but they have a major characteristic of not importing new brands because they normally try to smuggle in the best selling brands of wine in the market (Euromonitor International, 2017).

Individual Consumers: are people that purchase alcoholic beverages when they travel outside Nigeria for their own consumption or small scale sales.

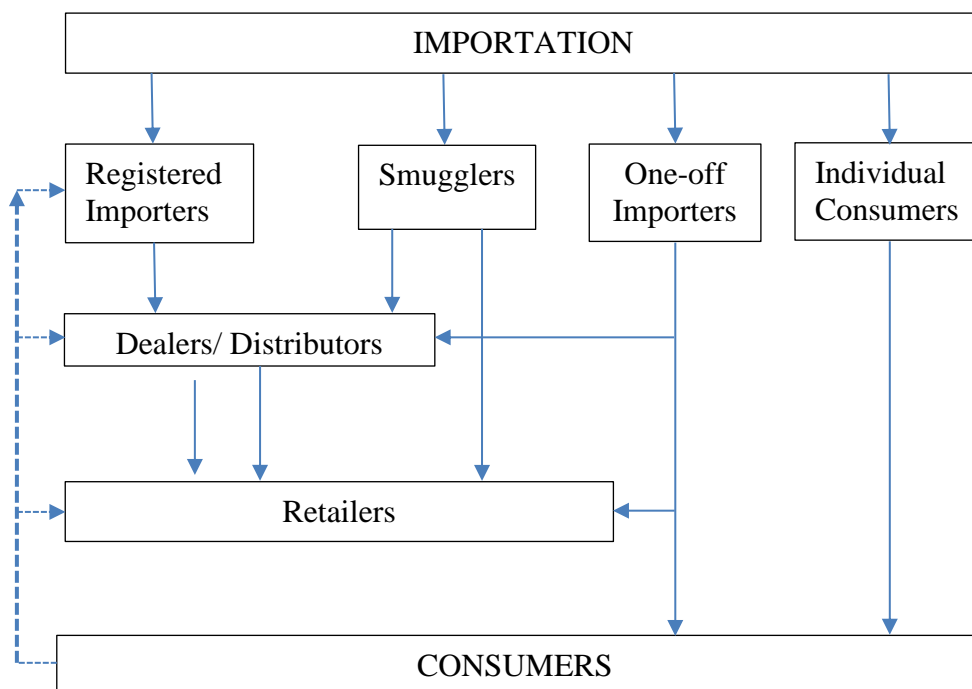


Figure 5: Flow Model of Importation and distribution of alcohol in Nigeria

Figure 5 shows the flow from importation to the consumers, at the importation point there is the registered importers, the smugglers, the one-off importers (repatriators) and the individual consumers. The new addition to the model are the *one-off importers*, these are the entities who import wine as a means to repatriate funds in to the country with some of them hoping that if the sales go well they might want to continue with business.

Table 2: Some of the known importers of alcohol and beer

S/N	ORGANISATION	PRODUCTS IMPORTED
1.	Heineken NV	Importers of Heineken through Nigeria Breweries.
2.	Diageo	Importers of beers and spirits through Guinness Nigeria.
3.	Sabmiller	Hero and Trophy brands.
4.	Blue Arrow	Carlo Rossi and Andre Brands.
5.	Josien Holdings	Hennessy brands, Remy Martin brands, Don Perignon, Moet brands
6.	Next International	Amarula, 4th Street, Drostdy Hoff brands etc.
7.	Henkel AG & Co	Henkel Brands
8.	Uturu Country Club	Adonis
9.	Master Plc	Wilsons

Source: <http://www.euromonitor.com/alcoholic-drinks-in-nigeria/report>

Distributors/ Dealers

These are the business entities that buy off these foreign alcoholic beverages from the importers and sell with a markup to make their own profit. They are normally characterised by the turnover volume they can do on a weekly or monthly basis (Business List, 2018). In the distributorship of alcoholic beverages there are:

Major Distributors: the major distributors do bulk buys of imported beverages from the importers in large volumes to sell.

Sub Distributors: these are business entities that buy from the major distributors at a lower scale. These entities most times do not have enough capital to deal as a major distributor however could always access some credit from the dealers.

Table 3: List of verified dealers of alcohol

S/no.	Dealer	Location
1.	Trendyshade Nigeria Ltd	Lagos
2.	Drinks Atelier	Lagos
3.	Winehouse Nigeria	Lagos

4.	Nkem Brothers Company Ltd	Imo
5.	Deebee Company Ltd	Lagos
6.	Mosconi and Gordiana Wines	Lagos
7.	Petlove International	Plateau
8.	Myshayo.com	Lagos
9.	Dare to Dream Household World	Abuja
10.	Kevgar Global Venture Wine Place	Abuja
11.	The Exclusive Drinks	Oyo
12.	Wines et al	Lagos
13.	Lynice Services Ltd	Lagos
14.	Classiccocktail 4 ClassicYou	Lagos
15.	GrandOak Ltd	Lagos
16.	Mosconi and Gordiana Wines	Lagos

Source: www.businesslist.com

Alcoholic Beverages

Alcoholic beverages are basically those beverages that contain alcohol, the ones found in Nigeria basically fall into three categories namely; beer, wine and Liquor/ spirits (Watch Mojo, 2013). Although there is a distinction between beer, wine and liquor as well as other lesser know alcoholic beverages, they share one thing in common. They are the fermentation products of yeasts, mostly *Saccharomyces cerevisiae*² (Fogarty, 2010). Also, there are broad classifications of alcoholic drinks in its various forms, kinds and brands with regards to the manufacturing process involved in the producing the drink, the location, taste, colour and alcoholic content. Rondon & Nzeka, (2011) listed the alcoholic drinks found in Nigeria as mainly beer, wines, spirits and liquers;

Beer: is the most common type of alcoholic beverage found in Nigeria. It is cheaper than other forms of alcohol and comes with lower percentage of alcohol than wines and spirits (Okafor, 2017). The most common types of beers are lager, wheat and friut beer.

Wines: these could either be sparkling wine or table wine (Chonviharnpan & Lewis, 2015). The sparkling wines are the ones that sparkles with bubbles while its poured into glass.

Sparkling wines: come in various effervescent wines, such as champagne, produced by a process involving fermentation in the bottle (Anguloa, Gilb, & Graciab, 2001). It comes in the basic form of Rose (sweetened pink) wine, brut (straight taste shimmering) wine and demi-sec (sweetened brut) (Rondon & Nzeka, 2011).

² *Saccharomyces cerevisiae* is a yeast specie that has been instrumental to winemaking, baking, and brewing since ancient times.

Champagne: a sparkling wine made from a blend of grapes, especially chardonnay³ and pinot⁴. The champagne sparkling wines are produced in the champagne of France (Euromonitor International, 2017).

Vermouth: a sweet or dry fortified wine flavoured with aromatic herbs and used chiefly in mixed drinks (Okafor, 2017).

Table wines are mostly named by its colours namely; Red wine, White (colourless) wine and Rose (pink) wines (Anguloa, Gilb, & Graciab, 2001).

Red wines: come in red colour derived from skins of dark colour grapes. Red wines are recommended for eating red meat and helps with food digestion (Anguloa, Gilb, & Graciab, 2001).

White wines: come in clear transparent colours, bordering on white, as madeira, sherry, lisbon, etc. distinguished from wines of a deep red colour, as port and burgundy. It is recommended for eating white meat.

Rose wines: pinkish table wine from red grapes with its skins removed after fermentation.

Spirits: are alcoholic beverages made from fermentation of various fruits and grains, commonly known for its high alcoholic content which could be up to 85% (Lariviere, Larue, & Chalfant, 2000). It comes in different names depending on the part of the where it is produced and consumed. Some commonly known spirits are the likes of:

Vodka: originally distilled from fermented wheat mash but now also made from a mash of rye, corn, or potatoes (Movsisyan, 2016). Popularly known as Russian spirit.

Whiskey: it is distilled from grain, potatoes, etc. especially in Scotland, Ireland and the United States. In the United States, whiskey is generally distilled from maize, rye, or wheat but in Scotland and Ireland it is often made from malted barley.

Brandy: is alcoholic liquor distilled from wine or fermented fruit (grape) juice. Brandy produced in the Cogniac of France are known as Cogniac Brandy.

Rum: an alcoholic distillate extracted from the fermented sugar cane juice, sugar cane molasses, syrup or other by-products of sugarcane, it is produced mainly in North America (Wang, Gao, Wailes, & Cramer, 1996). Rum can also be made from the scummings of the boiled juice, or from treacle, or from the lees of former distillations. Also, sometimes used colloquially as a generic or a collective name for intoxicating liquor.

Tequilla: named after the Tequilla of Mexico is an alcoholic liquor distilled from the fermented juice of the Central American century plant Agave Tequilla (Wang, Gao, Wailes, & Cramer, 1996).

Gin: a colourless alcoholic beverage made by distilling or redistilling rye or other grain spirits

³ *Chardonnay* is a green-skinned grape variety used in the production of white wine.

⁴ *Pinot* is a Burgundian grape family.

and adding juniper berries or aromatics such as anise, caraway seeds, or angelica root as flavouring (Fogarty, 2010).

Liquers: flavoured spirits prepared by infusing certain woods, fruits, or flowers in either water or alcohol and adding sugar, etc. others are distilled from aromatic or flavouring agents. Herbs, citrus peels, nuts and seeds are also used for making liquers (Okafor, 2017).

Theory of Demand and Supply

The theory of demand states that the quantity demanded of a commodity reduces when the price of the commodity increases other things being equal (Jinghan, 2013). Implying this theories to the alcoholic beverage market means that the price and quantity demanded of the beverages are negatively related and the quantity of alcohol demanded is that amount which the buyers are willing to purchase. The quantity demanded can be determined by income of the consumers, prices of related (local) alcohols (like beer, palmwine etc), taste, expectations, number of buyers etc. The market demand for alcoholic beverages is the sum of all individual demands for these alcoholic beverages (Fogarty, 2010). It is derived from the demands of the individual consumers and thus depends on all those factor that determine individual demand like income, expenses etc.

In line with the relationship between income and demand of alcoholic beverages. Chonviharpan & Lewis (2015) examined the factors affecting the amount spent on and the likelihood of consuming alcoholic beverages in Thailand. They found out that occupation, household size and tenure all impact on both the probability of alcohol consumption and spending levels significantly. Income also plays a key role in explaining the amount spent on alcoholic beverages. Also, the alcoholic beverages demand by Thai consumers was found to be inelastic (Chonviharpan & Lewis, 2015).

The theory of supply states that other things being equal, the quantity supplied of a commodity rises when the price of the good rises (Jinghan, 2013). Thus the quantity supplied of alcoholic beverages is positively related to the price of the beverage and the quantity supplied of any alcohol is the amount that sellers are able to sell in the market (Wang, Gao, Wailes, & Cramer, 1996; Jinghan, 2013). The supply of alcoholic beverages can be determined by price, technology etc.

The theories of demand and supply is expressed thus; an increase in demand leads to an increase in supply (Jinghan, 2013). However, in the Nigerian imported alcoholic beverages market we are looking at possible situations were an increase in demand for alcoholic wines leads to scarcity of these beverages instead. An abnormal situation like this comes as a blow to all the entities involved in the supply chain. While the manufacturers are hit with the sudden disappointment of the dealers who buy bulk alcoholic beverages to import to Nigeria, the consumers are hit with that of knowing that the

drink they tasted and liked is no longer available.

METHODOLOGY

Research Design

A study on the imported alcoholic beverages market in Nigeria will obviously be concentrated more on the Southern parts of Nigeria because of culture and religion. Above all, that is where the dealers are more concentrated except for few breweries in Kaduna State, Plateau State and the likes. Some of the distributors and dealers equally have their shops in the Federal Capital Territory, Abuja.

We used eight focus group discussions (FGD) at different locations to conduct a qualitative study. The FGDs held at the different according to our schedule in various bars and lounge in selected states in Southern Nigeria. The choice of FGD is to use it as a qualitative approach to gain data and an in-depth understanding of the subject matter (which is on alcohol) from a purposefully selected group of persons, rather than from a statistical representation of samples from a broader population. An FGD can generate meaningful discussions or argument about the subject since it requires collective perceptions and identifies the meanings that lie behind those perceptions (Nyumba, Wilson, Derrick, & Mukherjee, 2018). Therefore, to collect the required information in our FGD, we focused on the regular consumers of these alcoholic beverages who come to the bars and lounges regularly. It is worthy to mention that most of the participants were willingly to discuss the topic because it was a good way to relax and unwind on a Friday evening which ushers them into the weekend.

Sampling Technique

A total of eight FGD comprising of 75 persons (50 men and 25 women) where carried out in seven States in Southern Nigeria. The choice of individuals were those who cosumed alcohol and were willing to participate in the discussion at the location at that particular time. The FDG occured according to the schedule in Table 3. Most of the participants that participated were willing to discuss and share their experiences in the course of the discussion.

Table 4: FGD in the seven States in Southern Nigeria

State	Lounge/ Bar/ Hotel	Male	Female	Total	Date
Enugu	Skyy Box Lounge, Enugu	5	2	7	9/4/2021
Enugu	All Wines and Berries, Enugu	7	3	10	18/12/2020
Imo	Newton Hotel, Owerri	5	2	7	19/2/2021
Rivers	247 Lounge	6	4	10	14/5/2021
Abia	Laomies Hotel, Uturu	5	1	6	11/12/2020
Abia	Burj Li Hotel, Umuahia	7	5	12	27/11/2020
Lagos	De Palms Hotel	3	2	5	28/5/2021

Anambra	Amala Obalende Lounge, Awka	7	4	11	21/5/2021
Delta	Royal Park Hotel, Asaba	5	2	7	26/3/2021
Total		50	25	75	

Source: field work

Data Collection

The FGD mainly afforded the participants a forum to discuss their past alcohol consumption experiences as we all sat at comfortable partitions in the location. The time was not the same for all discussions as some groups had longer discussions than others. We always had at least one member of the research team involve in the discussion to moderate the questions and discussion. All the discussions were recorded with permission of the participants using a recording device. The researchers involved in each discussion also made brief notes about the comments of the participants as they answered the open-ended questions. The discussion involved the following questions:

1. What type of imported alcohol do you prefer drinking
2. How do see the prices of alcoholic beverages recently?
3. Does the price of alcohol affect your brand choice?
4. How do you feel when your brand of alcohol is not available in a shop?
5. How do you feel when your brand choice disappears in the markets?

Method of Analysis

The recorded discussions were transcribed to English as some participants spoke in Igbo and Pidgeon English. Using the Graneheim and Lundman's (2004) method, we followed these steps:

1. We transcribed and read the discussions to gain more understanding
2. We divided the text into meaningful units.
3. We extracted these meaningful units into codes.
4. We then classified the codes into sub categories based on the differences and similarities.
5. Then we sorted the subcategories and reintegrated into categories.
6. Finally, we created themes to link the underlying meanings together.

During the open coding stage we thoroughly read all transcripts and the participants' experiences regarding the inconsistency of some alcoholic brands were carefully noted. We compared the main codes obtained with all extracted data to identify existing similarities and differences. Subsequently, we created all the categories, subcategories and themes.

We also used checks by members of the research theme, peer questioning and cross-examination to ensure the dependability, trustworthiness and credibility of the data. This involved playing the recorded discussion after the discuss to let them listen and confirm what was recorded. Also, we sent

copies of the coded interview to members via WhatsApp chat for them to confirm that the codes matched their experiences. Finally, participation was strictly out of free will.

RESULTS

The details of participants is shown in Table 5.1 while the distribution by brands are shown in Table 5.2

Table 5.1: Details of Participants.

Gender	Number of Participants	Distribution
Male	50	67%
Female	25	33%
Total	75	100%

Source: field work

We extracted a total of two themes and four categories from the data on the participants experiences of consumption of imported alcoholic beverages. The two themes we got from the data are “managing the prices of imported alcoholic beverages” and “managing the inconsistency in the importation of alcoholic beverages” (Table 5.3).

Table 5.2: Distribution of Participants by Brand Choice

Brands	Number of consumers	Distribution
Hot drinks/ Spirits	7	9%
Wines	11	15%
Beer	43	57%
Ale	9	12%
Cider	5	7%
Total	75	100

Source: field work

Table 5.3: Experience by Consumers of Imported Alcoholic Beverages

Theme	Category	Subcategory
Managing the increases in prices of imported alcoholic beverages.	Establishing the causes of rapid changes in price of imported alcoholic beverages.	Hike in foreign exchange rates that keeps on being unstable.
		Increase in taxes like import duty of imported alcoholic beverages.
	Varying the differences in the increases in prices of	The prices of hot drinks, spirits and wines have by over 100%.

	beer and prices of other alcoholic beverages.	The prices of beer have increase marginally.
Managing the inconsistency in the importation alcoholic beverages.	Establishing the causes of these inconsistencies.	Failure by importers to meet targets given to them by the alcohol manufacturers.
		‘One off’ importers who use alcohol importation as a way to repatriate their funds back to Nigeria.
		Inexperienced importers who rush into alcohol importation business.
		Unstable foreign exchange policies
	Discussing the importers, distributors and consumers of these alcoholic beverages to get more information on preferable brands.	Understanding the process flow of the importers.
		Understanding why brands of alcoholic beverages are disappearing in the market.
Getting to know other existing brands that can be used as substitutes.		

Source: field work

The theme “managing the prices of imported alcoholic beverages” included two categories;

- a. Establishing the causes of rapid changes in price of imported alcoholic beverages.
- b. Varying the differences in the increases in prices of beer and prices of other alcoholic beverages.

All the participants take alcohol although some preferred beer to hot drinks/ spirit or wine so they deemed it necessary to discuss the increases in the prices of the imported alcoholic beverages. Their understanding aided them in appreciating the role played by the importers and distributors of these alcoholic beverages.

During the discussion at SkyyBox Lounge in Enugu the researcher engaged the participants in a discussion on their preference of imported alcohol:

“I enjoy taking Brandy but due to the consistent hike in the prices of brandy since late 2015 I now drink more of ale (guinness stout), the prices of Henessey VS has increased from 4,500.00 NGN to about 19,500.00 NGN (Shoprites, Enugu).

Conversely the researcher tried to enquire the perception of the participants on their preference of

Beer to wines and spirits due to price. Trying to enquire if beer brands equally increased in price like the wines and spirits.

“the prices of beer per bottle can no were be compared to the prices of other wines and and spirits, the prices of a bottle of beer ranges from 250.00 NGN to 500.00 NGN in a bar while the cheapest bottle of wine or spirit drink goes for at least 1,000.00 NGN.

Also, the increase in prices of beer is marginal compared to the increase in price of wines and spirit. A bottle of Hero beer sold initially for 150.00 NGN (when it was first launched) and now it is sold for 200.00 NGN or 250.00 NGN.

While the prices of sparkling wines like Andre Rose has increased from 1,200.00 NGN a bottle in 2015 to 2,800.00 NGN a bottle in 2021 and Carlo Rossi (Red wine) from 1,000.00 NGN to 2,200.00 NGN now.

The marginally increase in the prices of beer made it possible that we could still continue taking alcohol without having to pay so much from our pocket at the time.

During the discussions in other locations we noted other participants expressing their various experiences thus;

“I felt bad when African Special disappeared from the market, I so enjoyed the ale, funny enough when these new brands of beers like Snapp are launched into the market it comes adverts and promotions but when they want to remove them they do not recourse to the consumers.

Apart from beers and ale there are other sparkling wines like Balatore and Scavi and Ray which have equally disappeared from the market without any form of explanation from the distrubutors or retailers.

A participants we met during one of the discussions at Abia State narrated his experience when he was into the business of importing alcoholic beverages. He explained the following;

“I have had the experience of importing wine into Nigeria when I was importing Penascal, a lovely brand of wine from Spain. After shipping the first 20 feet container into the country I started distribution and retailing even advertisinng the wine through different advert medias. It was not really easy to come into to the Nigerian imported alcoholic beverages market because of the existing alcohol there.

The first thing that hit me was while I was still negotiating and agreeing with distributors on how to ensure that the wine enters the market my three months target time reached. My agreement with the manufacturers of these wine was that after three months I will pay and make a new order for my next supply but by then I have not even made enough sales to be able to send for my next order.

Finally, continuous hike in forex rates and increase in taxes by way of import exercise duties on alcohol did not help matters so I had to round up my sales of this wine and switch to another business since I could not cope.

Another one time importer of alcoholic beverages we discussed with equally narrated his ordeal as follows;

“I also imported alcoholic wine due to my prospect of owning and controlling a brand in Nigeria, I imported the penascal brand of wines. The problems I encountered were firstly from clearing my goods because the clearing agent I worked with made a mess of the who clearing and got me to pay a lot dumorage.

Then being a first timer in the market was not easy because entry was difficult and because I did not know the main distributors in the market I gave most of my goods to the wrong traders who claimed to be distributors.

Finally, the forex market made it more difficult because of the inflation of the Naira, changing the Naira to Dollars always got me short changed because the value of the Dollar was always on the increase. Thus making me believe that the Nigerian economy is very difficult to predict.

Other participants supported in the discussion stating their own experience thus;

“The other part of this inconsistency is in the distribution of imported alcoholic beverages. Some distributors purposely create artificial scarcity of these alcohol by hoarding their products to sell them costlier when it is festive seasons like during Easter or Christmas celebrations.

Also, the process flow of these alcohol is necessary to be considered because if the distributors do not push the drinks into the market through some aggressive marketing means the distribution might not flow well.

However, all brands of alcoholic beverages that disappeared from the market in the past had occurred do to the importers stopping to import this beverages. So there is little or nothing that the consumers can do about this situation but to find out existing brands which they can use as substitute for the missing brands.

DISCUSSION

We found the two themes we got from the data are “managing the prices of imported alcoholic beverages” and “managing the inconsistency in the importation of alcoholic beverages” regarding the experience of the participants in the consumption of alcohol.

The first theme “managing the prices of imported alcoholic beverages” discusses the prices of alcohol

and how it affects the consumers and importers at large. In line with the discussion we discovered that the prices of alcohol affects the consumers choice since the prices of wine and spirits beverages increased by more than two times the normal price. The discussion supports Guoqiang & Feng (2011) who opined that discounts in the prices of alcoholic beverages increased the rate of consumption of these alcohols. Movsisyan (2016) also found that the real prices of beer and champagne were statistically significant determinants of the average demand of vodka per capita. Thus, the marginal rate of increase in the prices of beer attracted more consumers to drink more of beer that other alcoholic beverages like wines and spirits.

Strengths and Limitations of the Study

The major strengths of this study is that the researchers obtained honest opinions from the participants owing to their free will and good relations with the researchers present. Also, a research of this kind on consumption of imported alcoholic beverages does not really need any qualifications from the participants as they made sure the participants are older than 18 years.

The limitations to the study are; there were only 75 participants in the dicussion which might not be a good number to represent a nation of over 200 million people so more data is required. Also, the peoples knowledge on the subject of imported alcoholic beverages were not considered as asking for such might demoralise the participants. The researchers discussed with the participants on a level plain irrespective of their gender, status or qualifications.

CONCLUSION

This study showed that there are many factors that can lead to the demand and supply conundrum of imported alcoholic beverages into Nigeria. These factors are:

1. Retraction of brands of alcoholic beverages by the manufacturers.
2. Discontinuation by importers of these alcoholic beverages due to inflation and other forex policies or failure to meet the manufacturers target.
3. One of importers who just import alcohol as a one-off way to make quick money.

RECOMMENDATIONS

The recommendations that can be drawn from this study are:

- i. The consumers of imported alcoholic beverages are to manage the prices of imported alcoholic beverages by finding the most cost effective best quality of wine for their consumption.
- ii. The consumers should also manage the inconsistencies in the importation of alcoholic beverages by going for the nearest best brands to replace the missing brands.

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APPENDIX I

The following are a list of wines that have disappeared in the market with the importers either out of business or now doing a new business.

Table I: List of alcoholic beverages that are no longer available after being in the market for some time.

S/No.	Importer	Brand
1.	ZX Bull Ltd	Scavi & Ray Brands
2.	Name withheld	Penascal
3.	Unknown	Crivcova Brands
4.	Unknown	Don Viktor and Morissa Brands
5.	Guinness Nigeria	Snapp, African Special