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**Faculty of Economics and Management**

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**Extended Summary of the Bachelor Thesis**

**Factors influencing consumption of Beer in Russia**

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## **1. Summary**

This bachelor thesis consists of 2 parts. The first part is the literature review. In the literature review there is an observation of Russian alcohol market, especially the beer. There is a brief review of the previous years of Russia's beer consumption, production and sales of beer. The theoretical part also investigates the main concepts of consumer behaviour, decision-making processes in accordance with the consumption of beer in Russia.

The second part is the practical. It is the analytical part consists of the data, which was prepared by the author of this thesis. It contains the author's investigation of which factors influence the consumption of beer in Russia.

**2. Keywords:** Russia, beer, beer consumption, alcohol, Russian beer market, consumption theories.

## **3. Objectives of the thesis**

The aim of the investigation is to find the factors influencing the consumption of beer in Russia. The processes of comparing beer consumption with other alcohol consumption and proposing measures to enhance competition of beer vs. wine can be considered as very important and actual for future predictions and forecasts of development of alcohol beverages industry.

This research can be necessary for economical investigators, who want to expand their business in the country with highly fast growing market.

## **4. Methodology**

To fully analyze and deeply understand the roots of the economical growth of beverages industry in Russia the mixture of two oppositely different research methodologies - qualitative and quantitative - should be used. Qualitative research is connected with examination and interpretation of observations for the purpose of discovering underlying unknown meanings and relationships between diverse aspects, without using or involving mathematical models. Quantitative approach contains systematic computational and statistical study of some hypotheses.

There are plenty of various techniques that can be practiced such as selection, deduction, induction, synthesis, and extraction.

Inductive reasoning begins with observations that form a theory, which can be counted as a conclusion of investigation. The concept that "inductive reasoning is often referred to as a

“bottom-up” approach to knowing, in which the researcher uses observations to build an abstraction or to describe a picture of the phenomenon that is being studied” was offered by Lodico and co-writers in 2006.

Synthesis is an opposite type of approach method to analysis. While the last tries to divide an object into parts and investigate its characteristics, structure and features, synthesis gathers different traits of the object into common one.

Extraction is a process of retrieving needed information from the source for further storage, analysis, process. This act is very basic and ordinary between researchers, because as the first step it’s necessary to allocate required material in every held study.

The Chi-Square test of independence is used to determine, whether there is dependence between two variables.

## **5. Main findings**

The theoretical part of this thesis starts with the general ideas about the consumer behaviour. It was defined, what motivates people to consume some particular good or service rather than another one. Also there is an literature overview of social and economic factors, affecting the purchasing decision.

This part of the thesis ends with the observation of the alcohol market in Russia. The brief review with graphs and numbers shows the condition of the market on the basis of sales, production, and consumption of beer, wine and vodka. Especially this work might be useful for marketing specialists. Using this research they can use it as an example in order to find the most profitable area for their product.

The practical part begins with the formation of the main hypothesis, that there is a relationship between social factors, affecting consumer behavior (which were mentioned and described in theoretical part) and consumption of beer. Within the main hypothesis, the additional ones were created.

This part of the thesis, is the author’s research. It is dedicated to prove the hypotheses. To achieve that, the author has created the unique questionnaire and asked lots of people. The collected data was carefully processed. It was also tested with the statistical Chi-Square test.

## **6. Conclusion**

In the beginning of the conclusion, it is good to mention again the aims of the thesis. The goals were to investigate the Russian beer market in order to find factors, that influence the consumption of beer. During the observation, it is turned out, that the Russian beer market is young, fast growing and very perspective in order to join the market. However, the unstable Russian economy and strained relationships on political arena make it really challengeable for the foreign beer producers in order of importing their beer on Russian market. Within these excise policies, market regulations and attempts of government to reduce the alcohol consumption make the market also challengeable even for local producers.

According to the different reports from the different years it is set, that the consumption of beer in Russia depends on economical factors, such as production of beer, and sales. It is clearly shown at the practical part of this thesis. However, according to the theoretical part, where the consumption behavior of people observed, the consumption of beer can be affected by some social factors. It was proved in the practical part of this thesis as well as the economical factors. It turned out that factors like the monthly income of people, gender, and marital status affect the consumption of beer in Russia.

In the end, it is possible to say, that this work could be useful for those, who is interested in Russian beer market. For those, who do not know anything, it is a good start of studying it. After it, there will be easier involvement into more serious works about this topic. Especially this work might be useful for marketing specialists. Using this research they can use it as an example in order to find the most profitable area for their product.

## **7. Bibliography**

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