

INTERNSHIP REPORT- 2022-2023

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Under The Guidance Of

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Declaration

I, Saiesh Naik the student of M.B.A Part 1 of Goa Business School, Goa University hereby declare that the following summer internship project entitled “M/s Devki Beverages Pvt. Ltd.” has been prepared by me towards partial fulfilment of the degree of Masters of Business Administration. This project is neither in full nor in part has previously formed the basis for the award of any other degree of either this University or any other University.

Naik Saiesh Sanjeev

MBA PART 1

2148

Acknowledgement

The internship opportunity I had with Devki Ventures (Aqua Spice) an amazing experience. I got to learn about a lot of different things that will surely help me in my career ahead. Therefore, I consider myself a very lucky individual as I had the provided with the opportunity to be a part of it.

I want to thank Mr. M.S. Dayanand for his valuable guidance and support I required to finish my internship

I am extremely grateful to Mr. Prashant Fadte the owner of Devki Beverages (Aqua Spice) who allowed me to conduct my research program and Mr. Sanjeev Naik for helping me complete my research program.

I would also like to thank all the heads of the departments for providing me with the necessary information. It wouldn't have been possible for me to complete the internship without their help.

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Date: 06.07.2022

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. Saiesh Naik has completed his internship in our organization in all departments from 16th May 2022 to 5th July 2022.

During his tenure he was found to be hardworking and honest in the discharge of his duties and responsibilities.

We wish him all the best in his future endeavours.

For, M/s DEVKI BEVERAGES



Authorized Signatory

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EXECUTIVE SUMMARY

I had an amazing opportunity to conduct my research project at Devki ventures (Aqua Spice). It was an amazing experience I gained a ton of knowledge during this period.

Keeping in mind the market structure point of view, I conducted a small survey in the sales and distribution team and those who sell the product in the market which are the retailers, I got to know how sales of mineral water work on the ground level, what are the strategies being used to capture the market. I also wanted to see the strategies which we have learned in our college how they are being used practically. Which would help me know what a consumer expects from a product they are purchasing, what type of service do they want, how much they are ready to pay to buy the particular product. This research will also help me understand what attracts a distributor to sell the product of a particular company or brand. It also helped me understand how pricing plays the product plays a crucial role when the product is being sold not only to the consumers but the retailers as well. Every product has a place or an area where it gets sold the most from, this research helped me understand which places does mineral water get sold the most what are its target customers as well.

Interning at Devki Ventures (Aqua Spice) I was also got the opportunity to see how the production process works in the factory as well. Which gave me a better understanding of the mineral water industry.

INTRODUCTION TO THE INDUSTRY

The packaged drinking water industry in India is evolving with overwhelming pace. A series of water purification, drinking water treatment, mineral water bottling and packaged water industries is actively functioning to meet continuously rising market demand.

Bottled water is now available in a wide range of sizes, including 200 mL pouches and glasses, 330 mL bottles, 500 mL bottles, one-liter bottles, and even 20- to 50-liter bulk water packs. The bottled water industry in India can be split into three categories based on price: premium natural mineral water, natural mineral water, and packaged drinking water. It is obvious to find bottled water manufacturers in metro cities, who may be operating in a single room or shop, but it is surprising to learn that manufacturers of bottled water and local brands of bottled water can now be found on the same shelf as well-known brands in many medium and small villages, and even in some prosperous rural areas.

Almost every major international and national brand water bottle has made its way into the Indian market, and can be found everywhere from malls to railway stations to bus stations to multiplexes to grocery stores and even panwala's shops. It has permeated so thoroughly into the market that it is now fairly usual to drink bottled water, when it was once considered a wealthy person's choice and trend to drink bottled water. Because of the corporations' aggressive marketing methods and low price. According to certain studies, truck drivers on highways account for a significant portion of bottled water drinkers. Another important aspect that will likely play a role in the growth of the bottled water industry is penetration in rural areas.

The Indian market is worth around Rs 1,000 crore and is increasing at a staggering 40% each year. According to a national research, India has over 200 bottled water companies, with industry in the United States.

COMPANY PROFILE



Devki Ventures is one of the most well-known Mineral Water Dealers in Goa. Mineral Water Dealers, Beverage Manufacturers, Beverage Retailers, Mineral Water Bottle Dealers, Beverage Can Manufacturers, and a variety of other businesses are also found here.

Devki Ventures, based in Kundaim, Goa, is a leading player in the Goa sector of Mineral Water Manufacturers. This well-known company serves consumers both locally and from other regions of Goa as a one-stop shop. This company has built a strong presence in its field during the course of its existence. The concept that client pleasure is just as vital as their products and services has helped this company build a large customer base that is growing by the day.

This business employs individuals that are dedicated towards their respective roles and put in a lot of effort to achieve the common vision and larger goals of the company. In the near future, this business aims to expand its line of products and services and cater to a larger client base. In Goa, this establishment occupies a prominent location in Kundaim. It is an effortless task in commuting to this establishment as there are various modes of transport readily available. It is known to provide top service in the following categories: Mineral Water Dealers, Beverage Manufacturers, Beverage Retailers, Mineral Water Bottle Dealers. This organisation hires people that are passionate about their jobs and put forth a lot of effort to fulfil the company's overall vision and objectives. This company plans to extend its product and service offerings

in the near future in order to serve a broader clientele. Devki Beverages in Kundaim offers a diverse range of packaged drinking water and services to meet the needs of its consumers.

INDUSTRY ANALYSIS

Porters five forces for Bottled water industry-

1. Bargaining power of suppliers-

Suppliers are essentially a company's contribution. Provision of equipment, bottles, and raw materials to businesses. Because the suppliers are not solely dependent on the water sector for their material needs, they have more negotiating power and may exert pressure on industry profitability.

2. Bargaining power of consumers-

The public is well-informed and brand-conscious. These two elements may cause customers to be very price aware and seek for high-quality goods, which may have an impact on profitability.

3. Rivalry among competitors-

Like every other industry, bottled water industry also got some competitors in the market .The major problem is product differentiation, the quality, pricing which can effect the industry

4. Entry of new competitors-

Small businesses can enter the market rapidly by reducing their production activities, and the industry should stay current with all new technologies and competitors, both present and emerging, because the new entrants have the potential to damage the position and reduce profitability.

5. Development of substitute product-

Bottled water industry-water which is easily available anywhere in malls, stations etc. can have a threat by its substitutes like soda, coke, juices in future.

PESTEL analysis for the bottled water industry

1. Political factors-

Industry for bottled water is regulated by FDA. The government is crucial because it establishes the laws and regulations that apply to manufacturing organisations. The industry must abide by the guidelines in order to avoid fines. The bottled water industry may experience variations in its earnings or performance due to the following causes

2. Economic factors-

Different nations have different economic reasons that influence the global water business. The amount of money that people can afford to spend depends on the state of

the economy. People won't have much money to spend on luxury goods like bottled water if the economy is struggling (bottled water is luxury in many societies). As a result, bottled water can cost less. Water prices are likely to rise as supplies become more limited. Numerous businesses have been charged with wasting water and contributing to its scarcity. So it's crucial to use water in a sustainable manner.

3. Social factors-

Everyone desires to live a long and healthy life. People are now becoming more aware of their nutrition. Due to consumers drinking more water and Coca-Cola than beer and alcoholic beverages, this had an impact on the alcoholic beverage industry. As people get older, they take their health more seriously, which will keep the industry company in demand and enable it to continue operating.

4. Technological factors-

The bottled water sector needs to do proper marketing and advertising, including elegant television and internet advertisements. Different bottle forms are being produced by the industry, making them considerably easier to carry and dispose away after use. As new technology is released, the industry must employ it for massive production because the businesses are expanding incredibly and can provide a high-quality, quick delivery service.

5. Environmental factors-

The water business may be significantly impacted by environmental variables. For instance, climate changes like rising temperatures and increased rainfall can have an impact on the quantity and quality of freshwater supplies. Also change in the environment and climate also affects one's consumption of water. Around the world, access to clean water is frequently threatened by droughts, storms, flooding, and pollution. The environment is also harmed by water providers as the usage of plastic bottles is high.

6. Legal factors-

The water industry is a heavily regulated industry. This means that it is subject to several rules and regulations which may have local, national or international implications.

These are some of the guidelines set by FSSAI in India:

- a. Water collected from any kind of source should go through a proper treatment process.
- b. Packaged water should be completely harmless by ensuring that water is fully disinfected.
- c. Water collected from the sea should go through a desalinization process.
- d. The water should be filled and sealed in bottles.
- e. Only approved minerals should be used in water that is food grade/pharma quality.

COMPANY ANALYSIS

SWOT analysis of Aqua Spice

1. Strength

- Brand recall: Aqua Spice's product is well-known throughout the state. As a result, it has a very high brand recall in the eyes of buyers. The product has become synonymous with mineral water due to its widespread popularity. The brand's ideals and ideologies have clearly resonated with customers, making this a huge success.
- Quality Standard : Aqua Spice has always prioritised product quality and has never compromised on it. To set themselves apart from the competition, they stated that their bottled water was completely safe. They created the breakaway seal to ensure that they keep their word.
- Innovation: They've always aimed for new ideas in their products. PET bottles are 100 percent recyclable, which helps to protect the environment. To guarantee purity, they created the breakaway seal. They also introduced hexagonal bottles, which are easier to handle, balance, and use. They made the 20 gallon cans available for use in homes and offices.
- Point of purchase marketing - When it comes to point-of-purchase marketing, Aqua Spice is known for being highly forceful and aggressive. The colours used are bright enough to be seen even on roads where cars are speeding. As a result of the branding activities, there is a solid overall turnover.

2. Weakness

- Reuse of Bottles by Locals: Lot of local people collect the Aqua Spice bottles and refill it using the local unclean water and then mix it with the original batch. This reduces the brand image of Aqua Spice and may prove harmful during consumption.

- **Faults in Production:** It is frequently scrutinised due to quality issues. This has a negative impact on their brand's value and reputation.
- **Unmet market Potential:** It is unable to match the market potential of certain areas of Goa, as well as various villages. Because demand is so high, production is not as high as it should be.

3. Opportunities

- **Expansion:** It has the ability to expand in various locations around the surrounding area in order to generate market revenues and profits. Maharashtra and Karnataka are both viable options for this.
- **Expected Growth Rate:** Packaged water increased by 23-25 percent year over year, about double the growth rate of carbonated beverages. This demonstrates that the state and country still have a lot of potential.
- **Premium Segment:** A premium bottled water for 5-star hotels and high-end clients could be launched. It can broaden its target market and profit from this section as well.
- **Matching demand and supply:** Demand and supply must be matched – The regular supply and refill capacity of Aqua Spice is a big barrier to any shop switching to a brand other than Aqua Spice. The more output Aqua Spice has, the more market share it will get and the more demand it will be able to meet. Its revenue will skyrocket as a result of this.

4. Threats

- **Competition:** In this product category, Goan markets are becoming increasingly congested. Packaged mineral water has been introduced in the state by brands such as Real, Golden Goa, and other Beverages. This may reduce the company's market share and, as a result, profits and sales.
- **New big players are eyeing the market:** Aside from these, there are a number of other brands that are interested in the lucrative mineral water market in Goa. This market is

being eyed by Nestle, Tata, HUL, and the DS group. This would push the rivalry to new heights.

- **RO and Filters:** The rise in sales of water filters and ROs in the country is also affecting Aqua Spice sales. When travelling, people prefer to bring their own water rather than buying bottled water from a store. And as the number of such filters decreases, the threat grows.
- **Changing Government Policies:** For every drop of water packed, some must be returned to the soil to ensure environmental sustainability. Aqua Spice would have to adjust its production methods to comply with government regulations. This would raise their production costs, making their products more expensive or lowering their earnings.

VRIN analysis of Aqua Spice

1. Valuable

The company must have some resources or strategies that can exploit opportunities and defend the company from major threats. And the biggest valuable resource that Devki beverages have is water which is extracted from bore wells which makes it valuable as compared to the big competitors like Bisleri, Kinley, etc. Resources are also important if they boost client value and satisfaction. And Devki Beverages have been able to achieve that from their distributors as they personally meet their clients which are the retailers and understand what the retailers truly want also when it comes to product pricing. This way value is produced by making the packaged drinking water bottles by lowering its cost.

2. Rare

The resources of the company that are not used by any other company are known as rare. The committed distributors that Aqua Spice has are rare to find who make sure they keep healthy relation with its clients. Which other big companies have not been able to fulfil. Also borewell has naturally added minerals which is rare and difficult to find in other packaged drinking water bottles.

3. Inimitable

The more costly and difficult it is for competitors to duplicate, the greater the probability that it will provide a sustainable competitive advantage. Goa being a tourist hub there is plenty of demand for water not only from tourists but also from the Goans. Which the company and distributors have been able to identify. The distributors assigned in specific locations are the ones who reside in that locality. Which makes them easy to identify where the product will make more sales and they target accordingly. Which has been able to steadily capture the growing market and displaying inimitable success.

4. Non-substitutable

Resources which can substitute the firm resources that are the basis of the firm's competitive advantage, it suggests that those firm resources are not unique and may not create value, hence they cannot be a source of sustained competitive advantage for the firm.

Department analysis

of Devki Ventures (Aqua Spice)

For the home segment, the Aqua Spice bottled water collection includes 500 ml, one litre, five litre, and 20 litre jars, as well as smaller pack sizes of 250 ml cups and 330 ml bottles, though in very limited quantities for present. The one-litre non-returnable bottles, priced at Rs 20 each, and the 20-litre jars, priced at Rs 60, are the most popular pack sizes for the brand. While one litre bottles contribute for roughly 40% of overall Aqua spice sales, 500 ml bottles contribute for around 35% of brand sales, and 20 litre bottles account for 25% of sales. Bore wells are the primary source of water for the community. PET, or poly ethylene terephthalable, is the next essential raw material for the bottle. Aqua Spice uses batch production as a method of manufacture. Empty PET bottles are supplied from a variety of sources. The production process starts at 5 a.m. and lasts until 9 p.m. It takes roughly 5 minutes to fill one bottle. The workforce is divided into three shifts, each with 20-30 people. Every month, the machines are serviced and cleaned, and every 45 days, the machines are sanitised and cleaned to ensure that the clients receive pure water.

Production process

1. Quality management of water

The raw water collected from the wells is stored in a tank with a storage capacity of 1 lakh gallons. The water is then chlorinated to remove any microorganisms before being put through 20 micro arcal filters. The water is next put through a carbon filter, which removes activated carbon and odour as well as acting as a chlorine remover. After that, it goes through a 10-micron filter. The water next passes through the REVERSE AUSMOSES PLANT, which has a semi-pomitable membrane that filters out dissolved particles and microorganisms with a size of less than 0.001 micron. It is filtered at 1 micron and 0.5 micron levels. The water is then ozonated and filtered using an SS 316 MACHINE. Water is stored in 10000 litre tanks.

2. Blowing of bottles



Blowing devices are used to give the bottles the desired shape in this plant. The temperature of these machines is 300 degrees Celsius. The AOKI MACHINE is the name of the machine that is used for blowing. This machine has a 10 bottle per minute blowing capacity.

3. Filling of bottles



For the purpose of filling, there are three types of filling machines. Bottles of 500ml, 1liter, 250ml are among the sizes that have been filed. When the bottle is first run through JET MACHINES, it is ozonized. This involves integrating and disintegrating the bottle, rinsing it, and then filling the bottles with water.

4. Filling of jars



Jars come in two sizes: 5liters and 20liters. The jars are manually cleaned with soap and water. Then disinfectors sodium hypochloride and virosin are used to clean it. When jars go through the washing machine, they are first rinsed with hot water, disinfected, and then ozonated. The jars are then transferred on to jar fillers to be filled, and the sealed jars are hand packed into boxes.

5. Laboratory testing



Every hour, water samples are taken from the bottles and numerous tests are carried out. It is first tested for odour, alkalinity, chlorine, and calcium, if present. PH METER, TDS (TOTAL DISSOLVE SOLIDS) METER, NEPHLOMETER, SPECTROPHOTOMETER, AND TURBIDITY MEASUREMENT are all used to test the water. They also perform pathogen tests and aerobic microbial counts.

Marketing

Marketing plays a major role in the success of any company. Aqua Spice does the promotion of its products through local marketing. Which is by sponsoring for different events in the state. Some of them are sports events, religious events where by providing the products for free more people know more about the products. Aqua Spice also supplied their bottles for the International Film Festival of India (IFFI). Here the Aqua Spice bottles were provided were of glass in order to ensure that there is less amount of plastic being used during the event. Which also helped in promoting and marketing the product in the market as it was positioned next to Mr. Amitabh Bachan.





Pricing strategy of Aqua Spice

Aqua Spice aims at producing safe and affordable products and make it available to the people. The price of Aqua Spice packaged water is comparable with its competitors. The different pricing strategy has been used for the package of larger volume, which means, the larger the volume the lesser the price. Considering a specific region, if the price of the 1-litre bottle is Rs 20.

Inventory

Aqua Spice doesn't store much of its good in its inventory as they produce goods depending on the order that they have received from their distributors. Which remains in the factories inventory for minimum of 6 to 12 hours after which gets delivered after to the distributors. And the distributor delivers in small quantities from its inventory where most of the times it is stored in a goddown.

Supplies

The most important members in the supply chain are the distributors as once the good is delivered to them they have to ensure that it is available as per the needs of the retailers and other consumers in the market. Also, timely supply of the raw materials for packaging of water is very important in the supply chain.

LEARNINGS

Understanding the marketing mix: P's of Aqua Spice

1. Product

The company formerly used non-returnable PVC bottles, but now the bottles are available in pet containers that customers can take home. The major item in the brand's product line is mineral water, which is marketed as "Aqua Spice Mineral water." Because bottling mineral water was an initial plan for Aqua Spice in Goa, the brand has become synonymous with mineral water users in India. The brand's biggest difficulty is that there is limited room for innovation in this product, therefore it comes up with a variety of alternative strategies to combat it. The company has produced product varieties to fulfil the varying wants of consumers, allowing it to reach different segments of society. Aqua Spice bottles come in half-litre, one-litre, five-litre, fifty millilitre, and twenty-litre sizes.

2. Place

Aqua Spice has discovered that availability is the key to success, and the distribution channel must be up to par for this concept to succeed. The brand strategy has been to ensure that distributor requests are satisfied on schedule and that there is sufficient supply in the market. Because of its robust network of absolute distribution strength, Aqua Spice is one of the industry's front-runners today. The corporation has opted to expand its distribution channels in the southern region in order to penetrate more deeply.

3. Price

Because the majority of people in Goa are from the middle class, the brand has adopted a moderate pricing policy. Water is readily available everywhere, and in order to sell and advertise it, one must keep the pricing policy as low as possible. The brand understands that the main goal is to generate as much sales volume as possible, as this would immediately result in higher profits. It will not reach every part of society until and unless consumers can acquire the product in a convenient location and at a reasonable price. Aqua Spice has kept pricing practises basic and straightforward in

order to satisfy consumer expectations. Because all of its competitors were selling their items in the same price range, it recently boosted its rates to a minimum increase under its competitive and reasonable pricing strategy.

To understand and learn the operations of Aqua Spice and the effects the product has once it is out in the market, I carried out a research survey.

RESEARCH OBJECTIVE

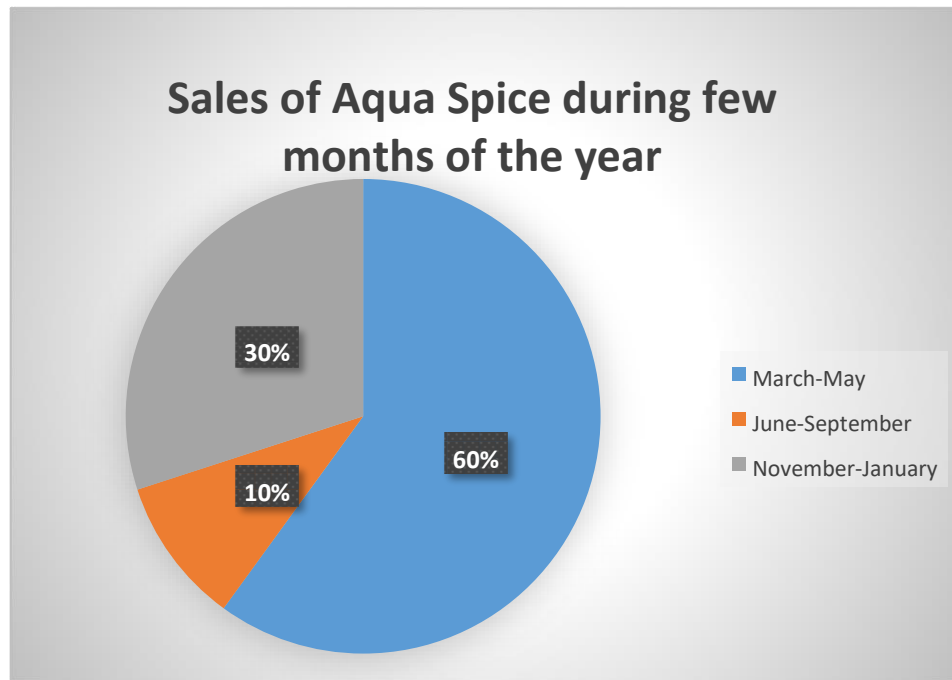
- To find out how sales are conducted mainly by the distributors.
- To understand the pricing strategy of the products.
- To learn how sales are affected by different months and seasons.
- How has the pandemic affected the business?

RESEARCH DESIGN

The method of personal survey was used. As I personally spoke to the distributors as well as retailers who sell the product in order to have a better understanding of the way sales function on the ground level. I used the questionnaire method to do this research and this were the questions that were asked during the personal survey.

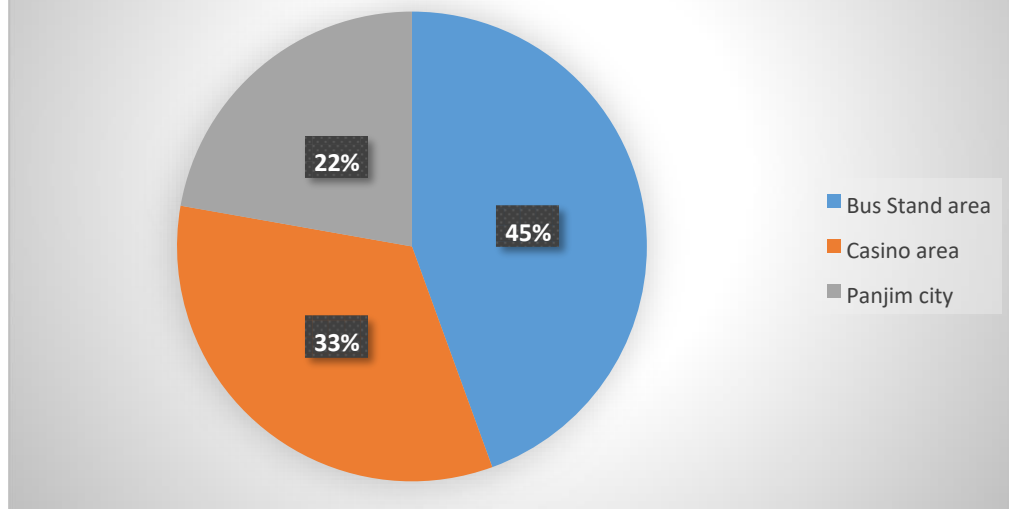
1. What are the months/seasons where most of the profit is incurred?
2. What is the target market of Aqua Spice?
3. How much percent and which area of the Panjim market is captured by Aqua Spice?
4. What is the pricing strategy of Aqua Spice?
5. Which are months that Aqua Spice incur the lowest number of sales?
6. In what price range do costumers prefer to buy the product?
7. How has the pandemic affected the mineral water industry?

LEARNING AND ANALYSIS FROM THE SURVEY

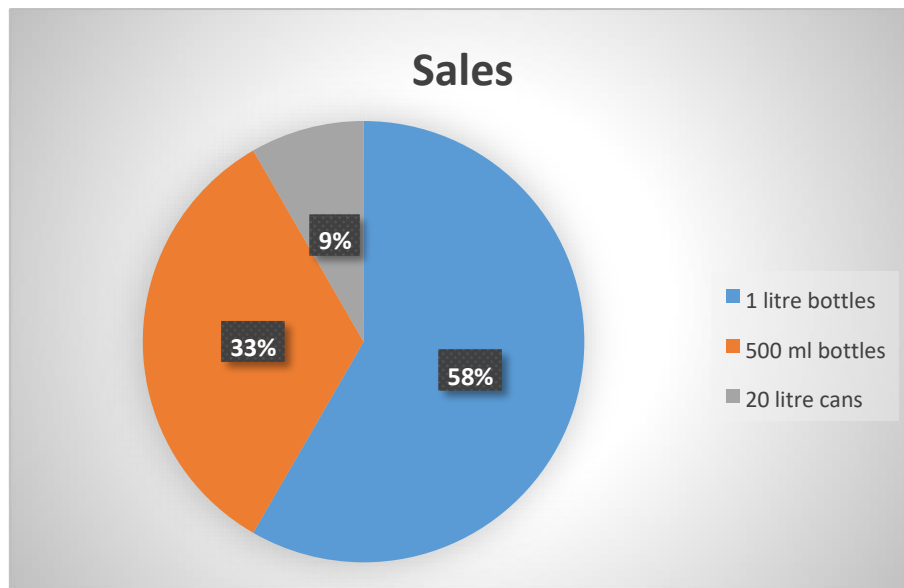


As per my research I spoke to different Aqua Spice distributors in the state. Like many other products Mineral water has seasons in the year where most of the sales are affected. The summer season is where sales of Aqua Spice is at its peak. With temperature where the temperature can go up to 33 degrees Celsius in Goa people tend to drink more water. Summers is also the time where many tourists from all around the globe enter Goa with demand for water getting even higher. And to but this demand the distributors are all stocked up before the season starts. The most of the tourists are attracted towards the beach side. Some of them Calangute, Anjuna, Vagator, Miramar, etc. where most of the mineral water bottles are sold. The monsoon season is where the mineral water industry is affected the most. With only 10,000 mineral water boxes being produced in the factory and where the distributors also have hard time to make sales this goes up to September as the tourists entering the state are also very low as compared to the other times during the year. The month of December to January is where lots of tourist come to Goa for Christmas and New Year is also when lots of sale goes up and this up to the first week of January.

Percentage of Aqua Spice sales in Panaji as compared to other brands



For the Panaji distributor the shops around casinos play a big role as many tourists and staff members from those casinos look around for shops to buy water bottles. The Panaji bus stand is where Aqua Spice has captured 80% of its market as compared to its competitors in the area. As there are hundreds of people who come to the bus stand everyday which makes it a hotspot for mineral water. In Calangute tourism plays a big role. And it is one of the places in Goa where there are tourists throughout the year. Making it one of the biggest hotspots in Goa for mineral water.



Many locals choose to keep Aqua Spice in their hotels or shops because of the margin that they get on every bottle which is much more than any other of its competing brands. The 1 litre bottle costs 20 Rs. in which the retailer buys it for 7.50 rupees so his margin on each bottle sold is 12.50 rupees. It is also of the most sold bottles Having a market of 70% as compared to other brands. The retailers sell one 500 ml bottle for 10 rupees each on which he has a margin of 6 rupees as per bottle costs him 4 rupees. The number of sales that 500 ml bottles incur is 40% as compared to other brands. Whereas the 20 litre cans are sold directly by the distributor for 60 rupees each which has a margin of 20 rupees making it the highest in the group. Aqua Spice 20 litre cans have the lowest number of sales which is only 10% as compared to other brands.

From the distributors I was also told that Pandemic has made them incur huge losses. With the pandemic starting in March 2020 which is the peak season for the first time they didn't earn a penny as everything was completely which also resulted a huge loss in the mineral water industry. And from that time onwards the industry has not been able to have a comeback.

CONCLUSION

Aqua Spice (Devki ventures) have come a long way from being a start-up to one of the leading mineral water brands in Goa. Though there are many setbacks existing as they do not concentrate much on marketing the product as compared to their which if done will take the company to new heights.

The packaging quality of the products makes them stand out as compared to its competitors in the local Goan market. The distributors of Aqua Spice play a big role when it comes to sales. By giving delivery of the products at the right time and also have managed to capture a large portion of the assigned area. At the same the production capacity of the factory has grown over time in order to meet the demand of the market. Aqua Spice is still growing and has not been able to compete with the big brands like Bisleri which target the luxurious hotels in the state. Which makes Aqua Spice a competitor with Goan local brands like Real, Golden Goa, etc.

Over the years to come Aqua Spice is set to capture the Goan market completely and even expand its market in neighbouring states which will increase their sales if they work harder in marketing the product and appointing committed distributors across the state.

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