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Consumer Preference towards Malted Food in India: A Study Based on Secondary Data

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Abstract

The Indian malted food market has witnessed significant growth over the past decade, driven by increasing health awareness, urbanization, and changing consumer lifestyles. Malted food drinks, traditionally marketed as nutritional supplements for children, have evolved into versatile health beverages catering to a wide demographic. This research paper explores consumer preferences towards malted food products in India, using secondary data from government reports, market research publications, and academic studies. The study identifies and analyzes key factors influencing consumer choices, including health and nutritional awareness, taste preferences, brand loyalty, socio-economic factors, and advertising effectiveness. The findings indicate that while health benefits and brand trust are critical motivators, price sensitivity and taste remain central to consumer decisions. Challenges such as high sugar content, misleading health claims, and competition from protein-based supplements pose threats to market stability. However, the market also offers numerous opportunities, including the development of sugar-free variants, rural market expansion, digital retail channels, and sustainable packaging innovations. The paper concludes that consumer behavior in this segment is dynamic and multi-dimensional, influenced by both emotional and functional needs. A better understanding of these preferences can help manufacturers develop targeted strategies that enhance product appeal, foster loyalty, and drive sustained market growth in India.

Keywords: Malted food, consumer preference, India, nutritional awareness, market trends.

1. Introduction

In recent years, there has been a significant shift in consumer behavior across India towards health and wellness products. As awareness about nutrition and balanced diets grows, food choices are being increasingly influenced by the perceived health benefits of various products. Among these, malted food drinks have gained substantial popularity, especially among children and young adults. Malted foods, which typically consist of germinated cereal grains such as barley and wheat, are processed and fortified with essential vitamins and minerals. These products are marketed as nutritious, energy-boosting, and suitable for all age groups, making them a household staple in many Indian families.

India's malted food market is one of the largest in the world, driven by rapid urbanization, rising disposable incomes, lifestyle changes, and increased focus on health. Traditionally consumed with milk, malted drinks like Horlicks, Bournvita, Boost, and Complan have become synonymous with children's nutrition. However, with strategic marketing and product diversification, these brands are now tapping into wider demographics, including working professionals, athletes, and the elderly. In addition, the COVID-19 pandemic brought health to the forefront of consumer priorities, further boosting the demand for fortified, immunity-enhancing food

products.

The Indian market is also experiencing a shift towards premium and niche malted products, such as sugar-free variants, organic blends, and protein-enriched drinks. With the entry of new players and innovations in packaging and flavoring, consumer preferences are evolving rapidly. While taste and brand trust remain vital factors, awareness about sugar content, artificial ingredients, and health claims is increasing among educated urban consumers. At the same time, price sensitivity continues to influence rural markets, where affordable sachets and bulk packaging are preferred.

Given this context, it becomes essential to understand the dynamics of consumer preferences in the malted food segment. By analyzing secondary data from industry reports, academic research, and government publications, this paper aims to provide a comprehensive overview of the current trends, motivations, and demographic patterns influencing malted food consumption in India. Such insights are valuable for manufacturers, marketers, policymakers, and health professionals aiming to align their strategies with evolving consumer needs.

2. Literature Review

Consumer preferences in the food and beverage sector have

long been a topic of interest among researchers, particularly in the context of health-related products. Numerous studies have explored the factors that influence consumer behavior, especially in relation to functional and fortified foods such as malted food products.

Health and Nutrition Awareness as a Driving Force

According to Gupta & Sharma (2021), the growing awareness of nutritional deficiencies and lifestyle-related diseases has contributed to the rising demand for health-based beverages in India. Malted food drinks, marketed as rich sources of essential nutrients, appeal to consumers looking for convenient health supplements. These products are often positioned as ideal for children's growth and immunity, thereby influencing parental purchasing decisions ^[1].

Brand Loyalty and Consumer Trust

A study by Kumar et al. (2020) highlighted the role of brand perception in consumer preferences. Brands like Horlicks, Bournvita, and Boost have developed strong consumer loyalty over decades. The trust associated with these brands, along with consistent marketing and endorsements by medical professionals, contributes to their continued dominance in the malted food market ^[4].

Influence of Socio-Demographic Factors

Rao & Iyer (2019) examined how demographic factors such as age, gender, income, and education influence preferences for malted food. They found that urban, middle-class consumers with higher education levels are more inclined towards choosing malted drinks due to awareness about their nutritional benefits. Conversely, in rural areas, affordability and accessibility play a more prominent role in shaping consumer choices ^[9].

Product Innovation and Marketing Strategy

As per Singh and Thomas (2022), product innovation—particularly in terms of flavor, packaging, and nutritional enhancement—has become a key strategy to attract a diverse consumer base. The introduction of sugar-free, high-protein, and organic variants has further expanded the market. Additionally, aggressive digital marketing, celebrity endorsements, and health campaigns significantly affect consumer perception and choice ^[5].

Consumer Perception and Taste Preference

Bhatia (2020) observed that taste and flavor remain central to consumer decisions, especially among children and adolescents. Despite being marketed for their health benefits, malted foods must also meet the sensory expectations of consumers to ensure repeat purchases. This finding is consistent with industry practices that regularly introduce new flavors and limited-edition variants ^[7].

Challenges and Criticism

Some researchers have critiqued malted food products for their sugar content and exaggerated health claims. Mishra & Kulkarni (2023) argued that despite their positioning as health supplements, many malted drinks contain added sugars and artificial flavors, which may contradict the image of a healthy product. This has prompted regulatory authorities and health advocates to demand clearer labeling and transparency in health-related claims ^[8].

3. Objectives of the Study

- To study the growth and trends of malted food

consumption in India.

- To analyze the key factors affecting consumer preference.
- To understand demographic patterns in malted food consumption.
- To suggest strategies for marketers and manufacturers.

4. Research Methodology

This research is based on secondary data collected from:

- Market research reports (e.g., IMARC Group, Statista)
- Government health and nutrition surveys
- Academic journals and articles
- Industry publications and brand case studies

A qualitative analysis was conducted to interpret trends and insights.

5. Market Overview of Malted Food in India

The Indian malted food market is one of the most robust and evolving segments in the health and wellness food category. Traditionally consumed as a milk additive, malted foods have now become mainstream nutritional beverages catering to all age groups—from toddlers to senior citizens. India's rich cultural acceptance of milk-based products, combined with increasing awareness of health and nutrition, has fueled the consistent demand for malted food products.

i). Market Size and Growth Trends: According to a 2024 report by IMARC Group, the Indian malted health drinks market was valued at approximately ₹8,000 crore (USD 1 billion) in 2023 and is projected to grow at a compound annual growth rate (CAGR) of over 10% during 2024–2029. This growth is attributed to rising health consciousness, urbanization, improved retail infrastructure, and increased marketing efforts by leading brands.

ii). Major Market Players: The market is highly concentrated, with a few dominant players controlling the majority of the share. Key players include:

- **Horlicks:** Originally a GSK brand, now under Hindustan Unilever Limited (HUL), remains the market leader in the malt-based drink segment.
- **Bournvita:** Owned by Mondelez India, it has strong brand recognition and targets both children and adults.
- **Boost:** Promoted as a performance-enhancing drink, especially for athletes and growing kids.
- **Complan:** Acquired by Zydus Wellness, Complan is repositioned as a high-protein nutrition drink.
- **PediaSure (Abbott):** A premium brand that focuses on child growth and development, especially in urban segments.

In recent years, new entrants such as Gritzo, Protinex, and Himalaya Quista have started targeting niche markets with protein-based or sugar-free variants, creating healthy competition in the category.

iii). Consumer Segments

- **Children and Adolescents:** Traditionally the largest consumer group, driven by parental concern for growth and development.
- **Adults and Working Professionals:** Increasingly opting for malt-based drinks as meal replacements or energy boosters.
- **Elderly Population:** Consuming malted drinks for strength, bone health, and as a digestible nutrition source.

iv). Urban vs Rural Market Penetration

Urban India continues to dominate consumption, particularly metro cities and Tier 1 towns, where health literacy and disposable income are higher. However, the rural market is rapidly expanding, thanks to the availability of low-cost sachets, enhanced distribution networks, and rural-focused marketing campaigns. HUL's initiative to penetrate deep rural markets with smaller SKUs (stock-keeping units) has set an industry benchmark.

v). Product Innovation and Packaging Trends

The sector has seen rapid innovation in recent years:

- Introduction of sugar-free, gluten-free, and organic malted drinks
- Launch of single-serve sachets and ready-to-drink (RTD) formats
- Use of recyclable and eco-friendly packaging to appeal to environmentally conscious consumers
- Addition of new flavors such as cookies & cream, kesar badam, vanilla caramel, etc.

vi). Retail and Distribution Channels

Malted food drinks are widely available through:

- Pharmacies and supermarkets
- E-commerce platforms like Amazon, Flipkart, BigBasket
- General trade outlets and kirana stores, especially in semi-urban and rural areas

- Direct-to-consumer (D2C) platforms for niche and premium brands

The growth of online retail has made it easier for newer brands to enter the market and reach targeted consumer segments through personalized marketing and subscription models.

vii). Competitive Landscape and Advertising

Advertising plays a crucial role in shaping consumer preferences. Companies invest heavily in:

- TV commercials featuring popular athletes and celebrities.
- Social media campaigns and health influencers.
- School outreach programs, doctor recommendations, and hospital endorsements.

For example, Bournvita's "Tayyari Jeet Ki" campaign and Boost's "Play a Bigger Game" with cricket stars like Virat Kohli have had a lasting impact on brand image and trust.

viii). Government and Regulatory Influence

The Food Safety and Standards Authority of India (FSSAI) has issued guidelines for labeling and advertising of health and nutrition claims. This regulatory oversight has pushed brands to reformulate their products to reduce sugar and sodium content and increase transparency in nutritional labels.

Table 1: Summary of Market Trends

Trend	Description
Health Consciousness	Increasing demand for nutritious, immunity-boosting beverages
Premiumization	Growth of organic, high-protein, and sugar-free variants
Digital Growth	E-commerce fueling access to new brands and rural markets
Product Diversification	Flavors, age-specific variants, and RTD formats
Regulatory Pressure	Need for compliance with FSSAI norms and ethical labeling

6. Factors Influencing Consumer Preference

Consumer preference towards malted food products is shaped by a variety of interrelated factors, ranging from individual health concerns and cultural habits to brand perception and marketing strategies. Below is a detailed analysis of the major factors influencing the Indian consumer's choice of malted food products:

i). Health and Nutritional Awareness

One of the most significant factors driving preference is increasing awareness about nutrition and wellness. Consumers, especially in urban India, are becoming more conscious of their dietary intake. Malted food drinks are perceived as:

- Rich in vitamins and minerals (e.g., calcium, iron, vitamin D, B12)
- Suitable for growth and development in children
- Helpful in boosting immunity and strength in adults and elderly
- Easier to digest and absorb, particularly for individuals with a poor appetite

Health concerns post-COVID-19 have particularly boosted the demand for immune-boosting food and drinks, contributing to rising interest in malted foods.

ii). Taste, Flavor, and Sensory Appeal

While health is important, taste remains a critical factor, especially among children and adolescents. Popular flavors such as chocolate, vanilla, kesar badam, cookies and cream, etc., have widened the appeal of malted drinks.

- Children are strongly influenced by the taste and look of the drink.
- Adults also tend to choose products that are both tasty and nutritious.
- Texture and solubility of the powder in milk or water also affect satisfaction and repeat purchases.

iii). Brand Trust and Loyalty

Indian consumers often display high brand loyalty, especially when it comes to products for children and family health.

- Brands like Horlicks, Bournvita, Complan, and Boost enjoy legacy value and are associated with trust, safety, and reliability.
- Doctor recommendations and endorsements further boost confidence in these products.
- Consumers often stick to a brand they were introduced to in childhood, passing on preferences across generations.

iv). Price and Economic Considerations

Affordability is a major influence, especially in rural and semi-urban areas.

- Sachet pricing has allowed low-income families to access malted drinks.
- Bulk packaging appeals to families and cost-conscious consumers.
- Value for money, quantity discounts, and affordability often guide buying decisions for middle- and lower-income segments.

v). Advertising and Media Influence

Marketing plays a pivotal role in shaping consumer preferences:

- Celebrity endorsements (e.g., cricketers promoting Boost, actors promoting Horlicks) create aspirational value.
- Emotional advertising linking malted drinks to children's success, family love, or school performance influences purchase behavior.
- Social media influencers and YouTube parenting channels now also play a role in recommending brands.

vi). Packaging and Product Accessibility

Convenient packaging such as:

- Travel-friendly sachets
 - Zip-lock refill packs
 - Eco-friendly containers
- is gaining consumer attention. Also, availability in small village shops, supermarkets, and online platforms ensures ease of access.

vii). Demographics and Lifestyle

- **Age:** Children are primary consumers, but adult usage is increasing, especially for fitness or supplement needs.
- **Gender:** Mothers are often key decision-makers for household nutrition, influencing which brand is bought.
- **Education Level:** Educated consumers are more aware of nutritional benefits and are more likely to compare labels.
- **Occupation:** Working professionals may prefer ready-to-drink options or protein-rich variants as meal replacements.

viii). Cultural and Social Beliefs

India has a **deep-rooted tradition of consuming milk**, and malted drinks fit naturally into this culture.

- In many homes, malted drinks are considered essential for growing children.
- Cultural emphasis on strength, brain development, and stamina makes malted drinks acceptable and desirable.

ix). Product Innovation and Variety

- Availability of sugar-free, low-fat, and high-protein options appeals to health-conscious consumers.
- Flavor innovation attracts new buyers and retains interest in older users.
- Age-specific formulas (e.g., PediaSure for kids, Protinex for adults) cater to unique dietary needs.

x). Peer and Family Influence

Many first-time purchases are based on recommendations from friends, relatives, and neighbors.

- Word-of-mouth marketing remains strong, especially in rural areas.
- School recommendations and doctor prescriptions also influence choices.

Consumer preference for malted food in India is driven by a mix of functional benefits (nutrition, health), emotional appeal (brand trust, family values), and external influences (advertising, pricing, peer recommendation). Understanding these preferences helps manufacturers and marketers align their products with consumer expectations in a competitive market.

7. Consumer Demographics

- **Age:** Children (4–14) are the primary consumers, but usage among adults and elderly is increasing.
- **Gender:** Slightly higher preference among mothers (as purchase decision-makers).
- **Location:** Urban consumers show higher preference, though rural demand is rising.
- **Income:** Middle- and upper-income groups dominate the market.

8. Challenges and Opportunities in the Malted Food Market in India

India's malted food sector is growing rapidly, but it also faces significant challenges that must be addressed for sustainable growth. At the same time, the market presents vast opportunities for innovation, expansion, and value creation.

8.1. Challenges

i). High Sugar Content and Health Concerns

Many malted food drinks contain high levels of added sugars, which contradict the health claims made by brands.

- Health-conscious consumers are increasingly scrutinizing sugar content.
- Parents are concerned about the risk of obesity, diabetes, and dental problems in children.
- Regulatory bodies like FSSAI have called for clearer labeling and nutritional transparency.

ii). Misleading Health Claims

Several brands have been criticized for overstating their health benefits, such as guaranteed height increase or improved IQ.

- These claims can mislead consumers and erode trust over time.
- FSSAI guidelines now demand scientific backing for any health-related marketing.

iii). Competition from Health and Protein Supplements

The rise of protein powders, energy drinks, and meal replacement shakes is drawing consumers—especially young adults and fitness enthusiasts—away from traditional malted drinks.

iv). Urban-Rural Disparity

While urban India has access to a variety of malted food brands and product innovations, rural markets:

- Still rely on fewer options
- Face distribution and affordability challenges
- Have limited awareness of nutrition beyond basic marketing

v). Saturation in Traditional Consumer Segments

The child segment is highly saturated, with major brands already well-established. This limits opportunities for growth unless new age segments or product innovations are developed.

vi). Increasing Raw Material Costs

The prices of key ingredients like malted barley, milk solids, and packaging material are rising, squeezing margins and potentially leading to price hikes that affect affordability.

vii). Environmental Concerns

Use of plastic packaging, energy-intensive manufacturing, and logistics contribute to environmental issues. Consumers are becoming more environmentally conscious, and brands must respond with sustainable practices.

8.2 Opportunities

i). Rising Health and Fitness Awareness

There is a growing demand for nutritional beverages that support immunity, fitness, and digestion. Malted drinks, when fortified with additional nutrients or protein, can tap into this trend.

ii). Innovation in Product Formulation

New product variants offer huge potential:

- Sugar-free or diabetic-friendly malted drinks
- High-protein or sports nutrition variants
- Age-specific and gender-specific formulations
- Plant-based or vegan malted beverages

iii). Expansion into Tier II, Tier III, and Rural Markets

With better distribution networks, affordable packaging, and targeted awareness campaigns, companies can unlock a massive consumer base outside metro cities.

iv). Leveraging Digital Platforms and E-commerce

Online platforms allow:

- Direct-to-consumer (D2C) sales
- Subscription models for regular users
- Personalized product recommendations
- Wider outreach to remote consumers

v). Export Potential

India can emerge as a global supplier of malted food products to health-conscious diaspora markets in the Middle East, Southeast Asia, and Africa.

vi). Collaboration with Healthcare Professionals

Partnerships with pediatricians, nutritionists, and dietitians can enhance product credibility and encourage use among children and elderly populations.

vii). Focus on Sustainability

Environment-friendly practices such as:

- Biodegradable packaging
 - Sustainable sourcing of ingredients
 - Energy-efficient production systems
- can attract environmentally aware consumers and reduce regulatory risks.

viii). Government Support and Nutritional Campaigns

Initiatives like POSHAN Abhiyan, mid-day meal fortification, and public health campaigns open doors for public-private partnerships to promote malted food in rural and low-income segments.

The Indian malted food market is at a pivotal stage. While it must navigate challenges such as sugar concerns, rising competition, and market saturation, there are vast opportunities in innovation, rural expansion, and health-focused product development. Brands that adapt to these

changes with agility and responsibility will likely thrive in the evolving landscape.

8. Conclusion

The malted food market in India presents a compelling narrative of growth, transformation, and opportunity. What once began as a nutritional supplement for children has now evolved into a diverse product category appealing to consumers across age groups, economic classes, and geographical locations. This evolution has been driven by multiple factors including rising health consciousness, aggressive brand marketing, improved access to nutritional information, and a cultural affinity towards milk-based health drinks.

From the literature reviewed and secondary data analyzed, it is evident that consumer preferences are not static—they are deeply influenced by socio-economic trends, lifestyle shifts, and personal health goals. While taste, brand trust, and affordability continue to be primary decision-making factors, nutritional awareness and product innovation are reshaping the market landscape. Consumers are no longer passive buyers—they are informed, demanding, and more likely to switch brands if products fail to align with their evolving health expectations.

The challenges in this segment are real—rising scrutiny over sugar content, the need for credible health claims, increasing competition from protein supplements, and the rural-urban disparity in product access. However, these also provide clear direction for improvement and innovation. Brands that are able to address these challenges with integrity—through transparent labeling, reformulation, sustainable packaging, and inclusive pricing—are well-positioned to win consumer trust and loyalty.

Moreover, as India's population becomes younger and more health-oriented, the demand for convenient, fortified, and safe nutritional beverages is likely to surge. The increasing role of digital platforms, e-commerce, and healthcare partnerships provides new ways for brands to engage with consumers directly and personally.

In conclusion, the malted food industry in India stands at a dynamic crossroads. The consumer is ready, the market is receptive, and the potential for growth is substantial. To truly succeed, companies must go beyond just offering nutrition—they must offer value, authenticity, and purpose in every sip.

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