

“An evaluation of Sales and Distribution of ATTA in PUNE and level of penetration of other brands apart ITC product”

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ABSTRACT

A sale is an act of selling a product or services in return for money or other compensation. It is an act of completion of commercial activities. The seller or sales person, the provider of the goods or services completes a sale in response to an acquisition or to a request. There follows the passing of title (property or Ownership) in the item and the application and due settlement of price, obligation for which arises due to the seller's requirement to pass ownership. Ideally a seller agrees upon a price at which he willingly parts with ownership of or any claim upon the item. The purchaser, though a party to the sale does not execute the sale, only the seller does that. To be precise the seller completes prior to the payment and given rights to the obligation of payment. IF the seller completes the first two above stages (Consent and Passing ownership) of the sale prior to settlement of the price the seller remains valid and gives rights to an obligation to pay. Product distribution (Or place) is one of the four elements of the marketing mix. An organisation and set of organisations involved in the process of making a product or services available for the consumption by a consumer or business user. The other three parts of marketing mix are product, Pricing and Promotion. The research paper is a

study on retailer attitude towards on ASHIRWAD ATTA (ITC) in PUNE District, Maharashtra.

KEYWORDS: Sales, Distribution, ITC, Aashirvad Atta, Retailer.

Introduction

The channel decision is very important. In theory at least, there is a form of trade-off: the cost of using intermediaries to achieve wider distribution is supposedly lower. Indeed, most consumers' goods manufacturers could never justify the cost of selling direct to their consumers, except by mail order. Many suppliers seem to assume that once their product has been sold into the channel, into the beginning of the distribution chain, their job is finished. Yet that distribution chain is merely assuming a part of the supplier's responsibility; and, if they have any aspirations to be market-oriented, their job should really be extended to managing all the processes involved in that chain, until the product or service arrives with the end-user. This may involve a number of decisions on the part of the supplier.

Types of marketing Channels

Intensive distribution - Where the majority of reseller's stock the 'product' with convenient products, for example, the brand leaders in consumer goods markets (price competition may be evident).

Selective distribution - This is the normal pattern (in both consumer and industrial markets) where 'suitable' resellers' stock the product. In this case retailers can keep the competitors products in their outlets E.g. furniture etc.

Exclusive distribution - Only the specially selected resellers or authorized dealers (typically only one per geographical area) are allowed to sell the 'product'. In this retailer are restricted to keep only one manufacturer's products, e.g. exclusive outlets of cars, apparels and jewelry, etc.

Channel motivation

It's difficult to motivate direct employees to provide the necessary sales and service support. Motivating the owners and employees of the independent organizations in a distribution chain requires even greater effort. There are many devices for achieving such motivation. Perhaps the most usual is 'incentive': the supplier offers a better margin, to tempt the owners in the channel to push the product rather than its competitors; or compensation is offered to the distributors' sales personnel, so that they are tempted to push the product.

Monitoring and Managing Channels

The organization's own sales and distribution activities need to be monitored and managed, so will those of the distribution chain. In practice, many organizations use a mix of different channels; in particular, they may complement a direct sales-force, calling on the larger accounts, with agents, covering the smaller customers and prospects. These channels show marketing strategies of an organization. Effective management of distribution channels requires making and implementing decisions in these areas.

ITC Limited

ITC is an Indian public Conglomerate Company headquartered in Kolkata, West Bengal, India. Its diversified business includes four segments: Fast Moving Consumer Goods (FMCG), Hotels, Paperboards, Paper & Packaging and Agri Business. ITC's annual turnover stood at \$7 billion and market capitalization of over \$33 billion. The company has its registered office in Kolkata. It started off as the Imperial Tobacco Company, and shares ancestry with Imperial Tobacco of the United Kingdom, but it is now fully independent, and was rechristened to Indian Tobacco

Company in 1970 and then to I.T.C. Limited in 1974. The company is currently headed by Mr. Yogesh Chander Deveshwar. It employs over 26,000 people at more than 60 locations across India and is listed on Forbes 2000. ITC Limited completed 100 years on 24 August 2010. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paper- boards, Packaging and Agri-Exports, it is rapidly gaining market share even in its emerging businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery.

ITC Product Line

1. India Tobacco
2. Food Division
3. Lifestyle Retailing Business
4. Personal Care Product Strategic Business Unit
5. Educationary and Stationary Product Strategic Business Unit
6. Safety Matches Strategic Business Unit
7. Agarbattis Strategic Business Unit
8. Hotel Division
9. Paper Board and Specialty Paper Division
10. Packaging and Printing Strategic Business Unit
11. Agri Business Division

Aashirvad Atta

ITC entered the branded Atta market with the launch of Aashirvad Atta in Jaipur and Chandigarh on 26 May 2002. The product is now available all over India. The Aashirvad package is PET Poly, with the design showcasing the farming process undertaken in the rural heartland of India in the form of a Madhubani painting. Aashirvad Atta has further built on its leadership position among the National Branded Players with a market share of 56%.' Aashirvad' promises the Indian house wife the joy of providing her family with the most delightful homemade rotis, made from the finest quality Atta. ITC uses the sourcing strength of its **e-Choupals** to buy wheat directly from the farmers to deliver happiness to the Indian consumer – **Khushiyaan Chun Chunke!** (Happiness handpicked). Aashirvad' is made from finest quality wheat that ITC has the unique capability to source through its e- Choupal network. Premium quality Atta, made from 100% MP 'sharbati'

wheat is also available as Aashirvad Select Atta. The wheat for Aashirvad Superior MP Wheat Atta comes from the lush, fertile soil of Madhya Pradesh and then blended using the traditional 'chakki-grinding' method to give the superior, discerning taste. ITC Foods also aims to delight the consumer through superior and innovative packaging. Aashirvad select Atta (5 kg pack) was awarded the World Star Award for Excellence in Packaging in the Consumer Pack Category. This is one of the most prestigious awards in the world for Packaging. The latest offering is Aashirvad Atta with Multigrains. This new and improved variant is designed to provide nourishment for people of all ages and an integrated mix of six different grains wheat, soya, channa, oat, maize & psyllium husk which gives a better and healthier option for the consumers. Aashirvad Atta with Multigrains is an excellent source of vitamins, which is vital in strengthening immunity, and extra protein content improves body strength. The extra fiber makes food easier to digest and low content of saturated fat keeps the heart smiling all through the day and above all, still retaining the same great taste. This product is available in selected cities.

Scope of the Study

The study is conducted to know the retailers' brand preference, reason for preference and retailer's satisfaction towards the promotional activities by the manufacturers.

Profile of the study area

Pune is the seventh most populous city in India and the second-largest city in the state of Maharashtra, with an estimated population of 7.4 million as of 2020. It has been ranked as "the most livable city in India" several times. Along with the municipal corporation limits of PCMC and the three cantonment towns of Camp, Khadki and Dehu Road, Pune forms the urban core of the eponymous Pune Metropolitan Region (PMR). In the 18th century, the city was the seat of the Peshwas, the prime ministers of the Maratha Empire and one of the most important political centres on the Indian subcontinent. The city was also ruled by the Ahmadnagar Sultanate, the Mughals and the Adil Shahi dynasty. Historical landmarks include Lal Mahal, the Kasba Ganapati temple and Shaniwar Wada. Major historical events involving the city include the Mughal–Maratha Wars and the Anglo-Maratha Wars.

Pune is widely regarded as the second major "IT hub of India" and the top "automobile and manufacturing hub of India". It is known as the Oxford of the East with the presence of a wide range of educational institutions. India's first indigenously run girls' school was started in Pune by Savitribai Phule. The city has emerged as a major educational hub in recent decades, with nearly half of the total number of international students in the country studying in Pune. Research institutes of information technology, education, management and training attract students and professionals from India and overseas.

Objectives of the Study

1. To analyze the sales of Aashirvad Atta
2. To study the distribution channel of Aashirvad Atta
3. To study the customer's satisfaction of Aashirvad Atta
4. To analyze the market position of Aashirvad Atta

Hypothesis

1. The sales and distribution of Aashirvad Atta is comparatively lower than other brands of Atta.
2. Customers are satisfied with the Aashirvad Atta.
3. Fortune Chakki Fresh Atta and Shakti Bhog Atta are giving tough competition to Aashirvad Atta.

Limitations of the Study

The scope of study was very vast but it was limited due to time constraints.

1. The sample size has to be reduced.
2. Visiting all the outlets is not possible.
3. Study will be focused only Pune District and not the whole part in India.
4. Inadequate data disclosure by the retailer.

Research Methodology

For the present study, a questionnaire was used to collect data. The researcher has prepared well structured questionnaire for collecting the primary data from the retailers. Questionnaires were received from retailers 75 only out of 100 retailers after which were filled by them. In collection of secondary data we used ITC

website, newspaper ITC report, market trend, magazine article & other related information's to complete the objective of research Journals.

Data Interpretation:

Table -1 Retailer Dealing with Aashirvad Atta

Dealing with Aashirvad Atta	No of Respondents	Percent
Yes	46	61.33
No	29	45.31
Total	75	100

Source: Primary Data



From table 1 clearly indicates that, at present 61 percent of the retailer's are dealing with ITC Aashirvad Atta.

Table - 2 Duration of selling of Aashirvad Atta brand

Duration of Selling	No of Respondents	Percent
Less than 1 Year	6	8.00
More than 1-2 Year	13	17.33
More than 3-5 Year	24	32.00
More than 5 Year	32	42.67
Total	75	100.00

Source: Primary Data

Duration of selling of Aashirvad Atta brand



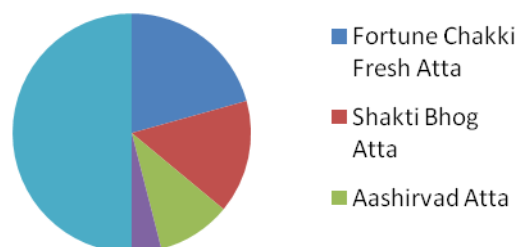
Table 2 shows that majority of the retailers are dealing with Aashirvad Atta for more than four years.

Table- 3 Brand Preference given by customer

Preference Brand	No of Respondents	Percent
<i>Fortune Chakki Fresh Atta</i>	31	41.33
<i>Shakti Bhog Atta</i>	23	30.67
<i>Aashirvad Atta</i>	15	20
<i>Patanjali Atta.</i>	6	8
Total	75	100

Source: Primary Data

Brand Preference given by customer



Source: Primary Data Chart-1

Table 3 and chart1 indicates that the most preferred brand by the customer is Fortune Chakki Fresh Atta because it is extend in market from last 49 years and it is readily available to distribute.

Table - 4 Preference of Aashirvad Atta.

Reason for Preference of Aashirvad Atta	No of Respondents	Percent
Quality	45	60
Price	11	14.67
Packaging	14	18.67
Availability	5	6.67
Total	75	100

Source: Primary Data

Reason for Recommendations

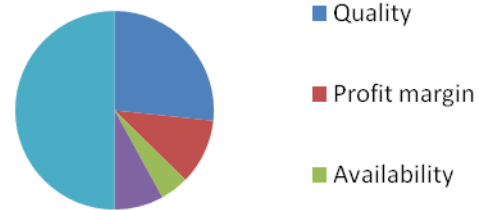


Table 5 shows that, most of the retailers (53 Percent) recommend Aashirvad Atta because of its quality. 21 percent retailers recommend Aashirvad Atta for their margin and 9 percent retailers recommend Aashirvad Atta because of its availability. Remaining 15 percent retailers recommend Aashirvad Atta because of its promotions and offers.

Preference of Aashirvad Atta

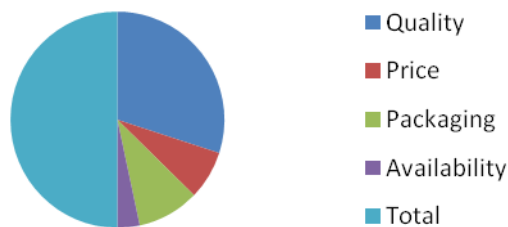


Table 4 and chart 2 reveals that, 60 percent customers have preferred Aashirvad Atta as per as quality is concerned. 15% percent customers have preferred Aashirvad Atta because of its price. Packaging of Aashirvad Atta attracted 18 percent customers and 7 percentage customer's preferred Aashirvad Atta as per its availability.

Table-6 Encouragements for point of purchase by ITC

Encouragements for Point of Purchase	No of Respondents	Percent
Satisfied	54	72
Not Satisfied	21	28
Total	75	100

Source: Primary Data

Table-5 Recommendation given to customer for Aashirvad Atta by Retailers:--

Reason for Recommendations	No of Respondents	Percent
Quality	40	53.33
Profit margin	16	21.33
Availability	7	9.33
Promotion and offers	12	16
Total	75	100

Source: Primary Data

Encouragements for Point of Purchase

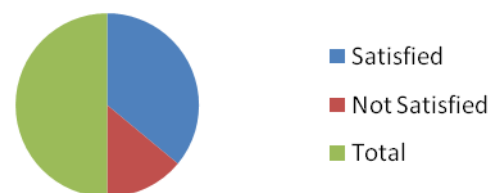


Table 6 indicates that the majority of retailers are satisfied with encouragement by ITC.

Table-7 Leading brands in terms of sales.

Leading Brands in Terms of Sales	No of Respondents	Percent
Fortune Chakki Fresh Atta	32	42.67
Shakti Bhog Atta	23	30.67
Aashirvad Atta	15	20
Patanjali Atta.	5	6.67
Total	75	100

Source: Primary Data

Leading Brands in Terms of Sales



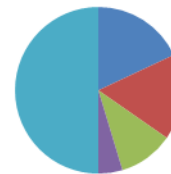
■ Fortune Chakki Fresh Atta
■ Shakti Bhog Atta

Table 7 shows that 20 percent of market share is captured by Aashirvad Atta and 42 percent of market share is captured by *Fortune Chakki Fresh Atta*. 31 percent of market share is captured by *Shakti Bhog Atta* and remaining 7 percent of market share is captured by *Patanjali Atta*. *Fortune Chakki Fresh Atta* and *Shakti Bhog Atta* are giving tough competition to Aashirvad Atta in terms of sales; price and availability are also the major factors, which are affecting the sales of the product.

Table -8 Brand ranking as per availability

Leading Brands in Terms of Availability	No of Respondents	Percent
Fortune Chakki Fresh Atta	27	36
Shakti Bhog Atta	25	33.33
Aashirvad Atta	16	21.33
Patanjali Atta.	7	9.33
Total	75	100

Leading Brands in Terms of Availability



■ Fortune Chakki Fresh Atta
■ Shakti Bhog Atta

Source: Primary Data

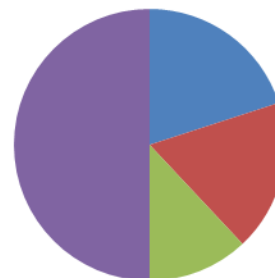
As per the above table, Fortune Chakki Fresh Atta place a leading role in its consumption. Second position is captured by Shakti Bhog Atta. Aashirvad Atta is ranked third because of its availability. Patanjali Atta. is capturing the 4th positions. As per as the availability factor is concerned Fortune Chakki Fresh Atta and Shakti Bhog Atta are leading the market. Retailers feel that our product should be easily available and should be easily approached by the customers.

Table -9 Additional features recommend by Retailers

Additional Features	No of Respondents	Percent
Offers & Discounts	30	40
Nutrient	27	36
small pack	18	24
Total	75	100

Source: Primary Data

No of Respondents



■ Offers & Discounts
■ Nutrient
■ small pack
■ Total

Table 9 shows that, 40 percents of the respondents have recommended ITC to provide new offers and discounts. 36 percent retailers asked ITC to add some nutrient value to their product. Remaining 24% of retailers suggested ITC

should come up with small pack. ITC should provide interesting offers and discount so as to maximize the sales. It should also add some nutrition value to their product at competitive price. And come up with smaller packing as the customers want low purchase in lesser quantity.

Table -10 Retailers satisfaction towards promotional campaign by ITC for Aashirvad Atta.

Promotional Campaign	No of Respondents	Percent
Highly Satisfied	37	49.33
Satisfied	23	30.67
Not Satisfied	9	12
Disappointed	6	8
Total	75	100

Source: Primary Data

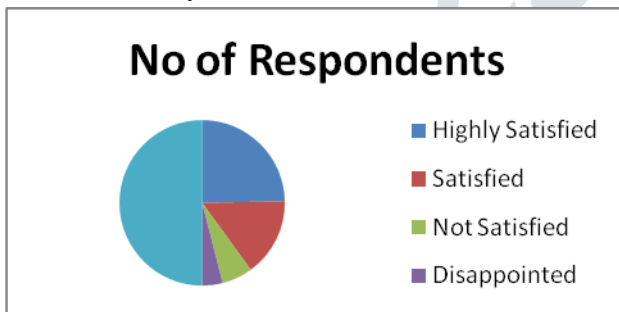


Table 10 indicates that 49 percent retailers are highly satisfied with the brand promotion. 31 percent retailers are just satisfied the promotional activities by ITC. 12 percent retailers are not satisfied with the product advertisements and remaining 8 percents are totally disappointed with the product promotion. ITC is having effective and impressive brand promotion; it should encourage retailers time to time by providing various offers and discounts.

Table-11 Effectiveness of sales and distributions by ITC for Aashirvad Atta.

Effectiveness of sales & Distribution	No of Respondents	Percent
Highly Satisfied	35	46.67
Satisfied	27	36
Not Satisfied	8	10.67
Disappointed	5	6.67
Total	75	100

Source: Primary Data

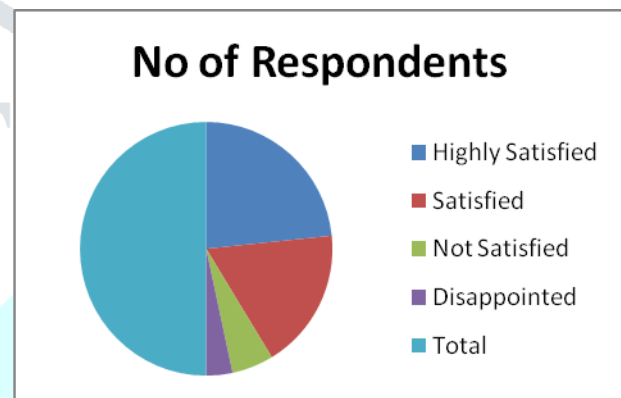
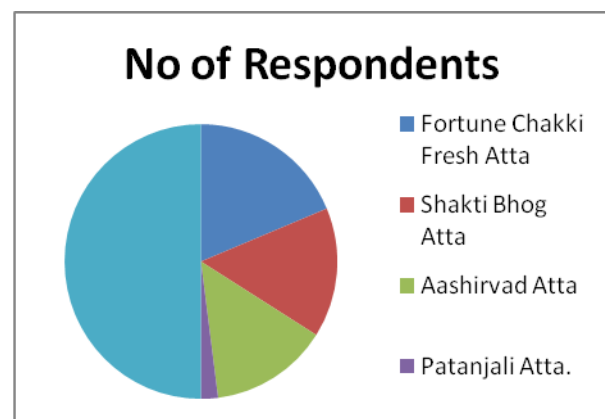


Table 11 reveals that 47 percents of retailers are highly satisfied with sales and distribution policy.36 percent of retailers were satisfied with the sales and distribution policy and 11percent of the respondents are not satisfied with ITC sales and distribution policy and remaining 7 percent of the retailers are totally disappointed for company’s sales and distribution policies.

Table 12 Brand providing proper sales and distribution service

Source: Primary Data



with leaflets highlighting nutrient value of the product at the retailers' point.

Table 12 shows that 37 percent of the respondents are saying that they are satisfied with the sales and distribution of Fortune Chakki Fresh Atta. 31 percent retailers are saying that they are satisfied with the sales and distribution of Shakti Bhog Atta. 28 percent retailers are saying that they are satisfied with the sales and distribution of Aashirvad Atta and remaining 4 percent retailers are satisfied with the services provided by Patanjali Atta.. Fortune Chakki Fresh Atta and Shakti Bhog Atta are providing better services to the retailers. Their products are easily available to the market. ITC should have to increase their product availability in the market for increasing the sales.

Recommendations and Suggestions:-

ITC should have to make sales and distribution channels much more effective.

ITC should have to do effective promotional activities and provide offers and discounts for the retailers and also for the consumers. This will increase our retailers and consumers.

ITC should add some nutrition values to their product. Which will increase the quality of the product and we can easily differentiate our product from others. This will attract more customers towards our products.

Company should do more work on advertising of Aashirvad Atta. They should target the house wives and increase the media advertisements.

Company should also analysis its competitor's strategy.

Conclusion

ITC is a much organized brand and it is felt that the sales could increase further and ITC can capture better market shares by following major: - Making the product easily available to the retailers. As the customer prefers to buy in smaller quantity it is suggested that ITC should come up with smaller packets of the products. Aggressive brand promotion targeting house wives by innovative methods like Cookery show, coupons schemes and increasing point of purchase display material ITC should also come up

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