

**Study of the Britannia Bread Category and its
Current Positioning Strategy with the Objective of
Revitalizing the Brand 'Britannia Bread'**

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Comments by the Faculty

Opening up of the Indian economy in the last two decades has caused dimensional shift in the lifestyles of average Indians. One of the constituents of this shift is the changes seen in the habits and patterns of food consumption. Traditionally, Indian food was identified only as South Indian or North Indian or by any other provincial identity such as Maharashtrian, Gujarati, Malabar etc. The other 'types' of food universally available were deep fried variety, the bakery stuff such as bread, buns, rusk biscuits, patties etc all of which used to form the light snack category. However, with the awareness of availability of several types, the consumption of bakery food has increased and the good old bread now is available in several forms with varied constituents.

Nearly a century old Britannia, a market leader in the baked food products category in India with a large product portfolio in biscuits and bakery products commissioned this internship with the aim of gaining insight into the bread market, consumer opinions in the NCR Delhi region where it is a distant No.2 in market share and local players catching up fast from behind.

The objectives of the internship state the intent as finding the market construct, preferences and buying behaviour of consumers and the discerning ability of the consumers on brand perception while buying different products of the same brand.

The scope of this research survey covered the NCR Delhi region as per the objectives, studied the consumer preferences for the identified products of Britannia as well as that of the competitors, analysed the dealer and retailer behavior and their perception of the brand, endeavoured to identify the gaps in the sales and marketing strategies of Britannia for the identified products and recommended maximization strategies for increasing the market shares for the identified products.

The intern has followed the approach of conducting this market survey research with stating the problem, preparing questionnaire and calculating the apt sample size based on the concerned consumer, dealer and retailer population and then stating the limitations of the survey scope and results.

The project started with covering the primary routes of the sales men, where the intern became the salesman and actively performed the duties of a salesman independently for several days. In the process, he could collect and collate primary data from the customers, dealers and retailers not only in terms of formal answers to a prepared questionnaire but also observe their behavior informally. This dual approach of gathering information has made the data as near to the reality as possible.

In addition to the physical participation of the sales process, the intern has studied the trade loads, the distribution network logistics, policies on the return of unsold goods in vogue at Britannia and the available information about the interplay of the sales and marketing activities of Britannia vis a vis the competitors.

In doing the above, the intern also could physically observe the activities of the competitors where their market shares are on the up move at a faster rate as compared to Britannia in the identified product categories. Thus, the observations made by the intern now have become the primary source of information for the internship organization, Britannia.

An overview of the recommendations made by the intern at the end of the project after analyzing the gathered data include the following aspects

- Importance of distinct visual identity of the product
- Shelf life and return policy for unsold goods especially to gain the support of retailers and dealers
- Overhauling the distribution network
- Packaging and quality
- Need for creation of niche product categories within the broader category of breads and how competitors are gaining because of this aspect
- Need for reinforcing cart sales in residential areas and the commission rates for the cart boys
- Importance given by regular consumers for freshness or expiry date
- Importance of tapping the route of sales through departmental store chains

The above recommendations have been made duly supported by primary data where the intern was physically involved in the data collection process.

It is seen through the project report that the generally intended objectives of the Summer Internship Project have been met in terms of Exposure to the target market, Exposure to the work culture of the internship organization, Contribution to own learning and Application of theory into practice.

The internship objectives have been met with stating the gaps in the system thus providing solution to the problem while establishing a relationship between the class room theory and concepts and the practical aspects in business situations.

In doing so, the intern has given a picture of professional conduct, approach in this study.

Based on the project report and the formal presentation given by the intern for the faculty guide, it is seen that this project which largely is a market survey can be considered as a valuable source of information for the internship organization, Britannia. While the intern was extensively quizzed by the faculty guide on the relevant aspects of learning, it was felt that this internship project deserves appreciation for the nature involvement of the intern in the process, the methodology of information gathering and the usefulness of the recommendations made.

Prasad S N

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Introduction

India is the world's second largest producer of food next to China, and has the potential of being the biggest with the food and agricultural sector. The food processing industry is one of the largest industries in India – it is ranked fifth in terms of production, consumption, export and expected growth. The food industry is on a high as Indians continue to have a feast. Fuelled by what can be termed as a perfect ingredient for an industry – large disposable incomes – the food sector has been witnessing a marked change in consumption patterns. The food processing industry contributes 9% to the manufacturing sector.

Britannia Industries Limited (BIL) is a major player in the Indian Foods market with leadership position in Bakery category. Its brand portfolio includes Tiger, Marie Gold, Good Day, 50:50 and Treat. The Company was born in 21st March of the year 1918 as a public limited company. The Company's plants are situated in Kolkata in East India, Delhi, Uttarakhand and Bihar in North India, and Orissa. The presence of Britannia's manufacturing bases is skewed towards the eastern and northern regions of the country.

Britannia Bread launched Health Breads in Delhi on Nov 14, 2011. This new range of breads consists of Honey & Oats Bread, Multi-Grain Bread, 100% Whole Wheat Bread and Multi-Fiber Bread. Up to the year 1958, there were no consumption of bread and there was only one unit in Delhi. Further in the year 1963, Britannia was the first branded sector in the bread market which offers 400 grams and 700 grams plain white sliced bread. The main reason of introducing quality bread was to bring to the consumers about the concept of bread i.e. "Eat Healthy and Think Better".

Company Profile

123 years ago, in a small house in central Calcutta (now Kolkata) an intrepid baker made a batch of delicious, golden brown biscuits meant for officers of the British Raj and their families, customers used to the exacting standards of English tea-time snacking. This was the 'Britannia' in making. Today, Britannia is a leading food company in India with over Rs.6000 Crores in revenues, delivering products in over 5 categories through 3.5 million retail outlets to more than half the Indian population. Emphasis across portfolios is on healthy, fresh and delicious food and we are the First Zero Trans-fat Company in India. 50% of our product portfolio is enriched with micro-nutrients. Our products are also delivered through the Britannia Nutrition Foundation to combat malnutrition among under-privileged children.

Britannia Dairy, mainly in the business of milk products had its beginnings in 1997. Britannia was one of the first companies in India to pioneer category defining innovations like Cream

Cheese and introducing a host of international flavors for its cubes & spreads in India. Today Britannia Dairy products contribute close to 10% of the company's revenue. Britannia markets its dairy portfolio on the back of a well-integrated cold chain logistics network and reaches 3 million outlets across the length & breadth of this country.

Bread Industry in India

Bread is a hygienically manufactured and packed snack food product available at comparatively cheap prices. Major consumers of bread are people from the lower middle class and economically weaker segments consuming more than 90 per cent of the bread industry's total production. Bread is low margin-high volume based processed food and bread making is a labor intensive process. Bread is the cheapest and basic instant food available for consumption. Though bread is not a staple food in the country, its consumption has increased over the years. In India it is still a secondary staple food when compared to chapatti, puri or rice.

Research Objectives

1. What is the current market construct for the bread category in Delhi and NCR region? What is market construct for Britannia Bread in specific vis-à-vis competitors?
2. What is the Brand Preference and Buying Behavior of consumers?
3. Study buying behavior/brand perception change if any while buying biscuits & breads of same brand?

Scope

1. Study of market construct of Bread Category at Delhi & NCR in general and of Britannia Bread in specific.
2. Analyzing Competitor's market share vis-à-vis Britannia Bread and identifying their strategy.
3. Map Britannia's current brand positioning strategy.
4. Analyzing Consumer Behavior and their Brand Preference for buying bread.
5. Analyzing Dealer & Retailer behavior and stocking and selling bread & if and how it impacts the consumer buying behavior.
6. To identify need gaps if any in the current Sales & Marketing strategy of Britannia.
7. To recommend how to improve upon current strategies to maximize extraction of mother brand values to establish itself as an icon brand in the category.

Research Approach

After studying the Delhi NCR Bread market, key markets were identified for conducting Retailer/ Dealer and Consumer Survey. Questionnaires for the same were constructed to address all aspects mentioned in the scope for the project.

Primary Research conducted to understand Market Construct

Sampling Design

Retailers

Mode of Market Study	:	Survey of Retailers
No. of Markets Studied in Delhi & NCR	:	28
Sample Size of retail outlets per Market	:	6
No. of retail outlets covered by me	:	168
Total no. of Markets Studied in Delhi & NCR	:	92
Total retail outlets covered (4 trainees)	:	552

Consumers

No. of Markets Studied in Delhi & NCR	:	28
Total no. of Consumer interviewed	:	132



Sampling Technique

Simple random sampling was used for this survey.

For this I went to various retail outlets, bakery shops, general stores, supermarkets, etc. in different areas & asked questions about bread to the retailer as well as consumers.

Data Collection

Data is collected with the help of a questionnaire which had both open ended and closed ended questions. Personal interviews/informal talks were used as the survey method for data collection. Findings and analysis are based majorly on the primary data which was collected using the questionnaire and a little bit secondary data.

Key Results/Learnings

Trade Loads

	Britannia	Harvest
Schemes offered	Britannia offers schemes like One day free bread, Trade Discounts of 1-2% or fixed monthly amount like Rs.400 or Rs.800 depending on Sales (Average sales amount is generally given)	Harvest Gold offers day free bread or monthly sale basis- Daily Sale Rs.3000-5000-7000 Daily Sale Rs.5000-7000-9000 Daily Sale Rs.8000-9000-10000
	Source: 32 out of 552 shops Areas: Tilak Nagar, Mayur Vihar, Model Town, Greater Kailash, Karol Bagh, Vasant Kunj, Chawri Bazar.	Source : 16 out of 552 shops Areas like Hauz Khas, Connaught Place, Karol Bagh, Chandni Chowk, Paharganj, Gurgaon
Reward for 'Exclusivity'		Harvest offers Rs.15000 to 20000 to shopkeepers agree to be the closest competitor to Harvest or Britannia from their respective areas.
		Source: 14 out of 552 shops Areas: Hauz Khas, Paharganj, Gurgaon.

Distribution Network

Britannia

- Third party Distribution Network
AW → Dealer → Retailer
- Good Service
Source: 48 out of 552 retailers
- Special delivery on different occasion on advance 1 day notice
Source: 65/552 shopkeepers

Harvest Gold

- Own Distribution Network
- Good Service (Delivers twice a day to shops having high sale)
Source: 74 out of 552 retailers
- Special delivery vehicles on different occasion.
Source: 77/552 shopkeepers told that Harvest stocks them on a phone call

English Oven

- Third party Distribution Network
- Good Service
Source: 51 out of 552 retailers
- Special delivery on different occasion on advance 1 day notice
Source: 67/552 shopkeepers

Return Policy

Britannia

- Breads that are cut by rats are not accepted
- There is a return target given to dealers beyond which the returns are not accepted
- The breads that are to expire on the same date are also not accepted

(Source: 552 shops surveyed, talk to Britannia distributor)

Harvest Gold

- 100% Return policy
- Breads that are cut by Rats also accepted
- There is no return target

(Source: 552 shops surveyed, Harvest distributor)

Factors Affecting Purchase

When consumers are asked about the factors d consumers pointed out the quality of the produc product, different consumers define quality in

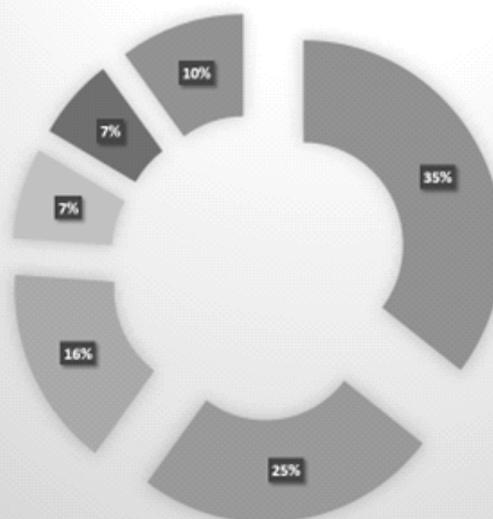
1. 59% consumers perceives quality in terms
2. 22% consumers perceives quality in terms
3. 19% consumers perceives quality in terms

Apart from this, 30% buys bread on retailer' consumers taste is the most important factor.

Live Project Done on Fresh Cart

- A cart (also known as handcart) is a sma wheels and pulled or pushed by hands.
- The salesman drives the cart & sells brea society blocks.
- Apart from Britannia breads, it keeps other Namkeen, etc.
- At present Britannia carts are in service only at Vasant Kunj & Dwarka area.

Consumption Pattern (Breads)



Based on the Consumer survey
Sample size: 132 Consumers.

- The researchers has done the live project in Vasant Kunj area, there are total 9 carts in service at present.
- Worked with the salesmen for all the 9 carts.
- Understood the commercials entirely.
- Calculated the breakeven from the company & salesmen perspective.
- Hence, increased its Viability.

GTM Strategy for Fresh Carts

Product

- Britannia Breads, Biscuits, Eggs & Dairy Products.
- At present we are focusing only on breads & the cart is selling only few Britannia biscuits, while selling few competition biscuits too (Parle, ITC, Bonn, Mcvities, Bakery biscuits, etc.)
- To make the cart Britannia exclusive, more number of Britannia breads & biscuits could be sold, removing the competition products.
- Further a small freezer can be installed in the cart so that Britannia cheese slices, butter & other dairy products could be sold.

Price

- At present, the salesmen keeps the stock of Britannia breads of Rs.1, 307 per day (highest selling cart) out of which his total sales is of Rs.1, 200 per day.
- His earnings (per day) by selling breads is Rs.120, selling eggs (3 trays) is Rs.75 & by selling other products like Biscuits, Namkeen, etc. is Rs.105. Therefore his total earnings is Rs.300 per day.
- In order to increase the viability & make the cart Britannia Exclusive, he should keep additional stock of breads of Rs.586 per day, i.e. total bread stock of Rs.1, 893 per day. By doing so, his earnings by selling breads will become Rs.189 per day.
- Since the profit margin in eggs is 20.83%, he is allowed to sell eggs & should sell more eggs (4 trays) then, his earnings by selling eggs will become Rs.100 per day. Also, since the profit margin in bakery biscuits is highest i.e. 40%. He is allowed to keep bakery biscuits, along with Britannia biscuits & rusk, removing the other competition products.
- Doing so, his earnings by selling Britannia biscuits, rusk & bakery biscuits will be Rs.80 per day. Now, his total earnings will become Rs.363 per day, which is anyway more than what he earns at present.

Place

- At present Britannia's modern cart is in service at very few places like Vasant Kunj (total 9 carts) & Dwarka. There are no carts present in North, East, Central Delhi & NCR.
- More number of carts can be started in prime locations like Karol Bagh, Model Town, Green Park, Hauz Khas (as calculated, the breakeven of the carts for the company is only 6 month)
- Carts can also be introduced in the places where very few shops are present & Britannia bread is hardly available in those shops (Gurgaon, Faridabad)

Promotion

- More number of carts can be introduced in the market, to increase its reach for the consumers.
- After serving the society in the morning, the carts can be placed at one place in the market to increase its visibility.

Recommendations

After the prolonged understanding of the market in Delhi & NCR for two months and after doing a detailed study about the competitors in the Market, I recommend the following points for the improvement of sales of Britannia's Bread in Delhi & NCR.

- Visual Identity at the retail point is extremely important to generate product offtake. Britannia's current packaging design for its range is not consistent (secondary research) and clutter breaking (primary research) to establish a strong retail visual identity. For a staple product like bread, timely distribution at retail counters is critical. Consumer offtake is extremely time driven for bread (morning and evening heavy).
- Visibility is also less due to less number of FSUs – Only 41/552 shops had Britannia FSUs, so Britannia bread is placed in competition FSUs.
- Need to increase the number of FSUs.
- The shelf life for staple food product is extremely important because consumer also asks for the fresh bread always, so that it can last longer, as most of the competitors have shelf life of 6 days while Britannia have shelf life of 5 days. So, Britannia can consider to increase the shelf life and deliver the bread as soon as possible, so that consumer will get the fresh bread.
- ***Need to improve Distribution network***
 - For a staple product like bread, timely distribution at retail counters is critical. Consumer offtake is extremely time driven for bread (especially morning and evening time)
 - 64 retailers said that the stock is not provided as per requirement when asked for replenishment & 198 retailers said that Britannia distributor arrives after 8am.

- In the prime locations, like Hauz Khas market, supply is done around 10am, where most of the people buy breads early in the morning while coming back from walk, jogging, etc. So, they don't get fresh Britannia bread. Hence, they buy competitor brand.

➤ **Packaging & Quality**

- Need to improve on packaging & quality of breads.
- 21 consumers said that the packaging could be improved & it can be more transparent, so that slices are visible from outside.
- 48 retailers said that packaging could be improved (especially Atta Bread)

➤ **Specialty Breads**

- There is huge market potential, when it comes to specialty breads, so Britannia can consider to increase its product line (as observed during the survey, local brands like daily fresh & Big Bake are selling the specialty breads at a very high price & consumers are also ready to pay the price)

➤ **Returns like Rat Bites can be accepted**

- Bread cut by the rats can be accepted as FSUs are not provided by Britannia at all the stores and such stores frequently face problems from rats. Competitors are also accepting it. (Only 41/552 shops had Britannia FSUs, on the other hand 198/552 shops had Harvest FSUs)
- Keep more Britannia stock on Fresh carts (Breads, biscuits, rusk)
- At present breads stock is of Rs.1, 307 (highest selling single cart).
- Recommended stock is of Rs.1, 900 (approx.) for each 9 carts.
- Can keep more Britannia biscuits & rusk, removing completion products.

➤ **More number of carts can be started**

- More number of modern carts can be introduced in different areas of Delhi & NCR (At present the carts are in service only in Vasant Kunj & Dwarka area)
- A small freezer can be installed in the cart, so that butter, cheese slices and other dairy products can also be sold in the cart.

➤ **Target based selling**

- The cart salesmen can be provided with the daily sales targets to achieve, doing so in return they will get incentives at the end of the month (at present Harvest Gold gives Rs.1500 at the end of each month to the salesmen who achieves the target of Rs.1000 per day sales)

- Monthly incentives will also motivate the salesmen to sale more Britannia bread, instead of selling other competition products.

➤ ***Tie up with Modern trade***

- Britannia is absent in Modern Trade and other channels. There is a need to tie up with Modern trade outlets (as observed during marketing research, most of the people buy breads from modern retail outlets like Reliance fresh, Easy day, Food bazaar, Safal, etc. where competition is present)

Conclusion

In general, to summarize, this project has given me a good understanding on the distribution of FMCG giant Britannia Industries Limited in the Bread category. It has helped me to understand the various players in the market and brands in the market, the trade margins and schemes provided for the retailers, and the channels which are the key for selling these breads. Finally and the most important, the feedback from the retailers regarding why a particular brand/ bread is sold more or preferred more, how does the brand image and distribution helps to make the products reach the customers was a very useful learning. Also, how the display and advertising of these products in various outlets play an influencing factor when it comes to the customer purchasing was observed.

Finally to say that, just the brand presence and quality is not just sufficient to boost the sales, but it is equally important that good packaging, good offers, schemes and discounts to the channel outlets is vital to promote and sell the products.

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