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A Study on Sales and Distribution of Aashirvad Atta in Thoothukudi District

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ABSTRACT

A sale is the act of selling a product or service in return for money or other compensation. It is an act of completion of a commercial activity. The seller or salesperson, 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 a price, the 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 sale completes prior to the payment and gives rise 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 sale remains valid and gives rise to an obligation to pay. Product distribution (or place) is one of the four elements of the marketing mix. An organization or set of organizations (go-between) involved in the process of making a product or service available for the consumption by a consumer or business user. The other three parts of the marketing Mix are product, pricing, and promotion. This research paper is a study on retailer attitude towards on Aashirvad Atta (ITC) in Thoothukudi District.

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 consumer 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 is 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 a 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 in1974.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, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods &Confectionery, Branded Apparel, Personal Care and Stationery.

ITC Product Line

- India Tobacco
- Food Division
- Lifestyle Retailing Business
- Personal Care Product Strategic Business Unit
- Educationary and Stationary Product Strategic Business Unit
- Safety Matches Strategic Business Unit
- Agarbattis Strategic Business Unit
- Hotel Division
- Paper Board and Speciality Paper Division
- Packaging and Printing Strategic Business Unit
- 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 – Khush iyaan 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 plush, 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 fibre 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

Traditionally known as Pearl City on account of the prevailing pearl fish in the past. Thoothukudi district is situated in the extreme South-Eastern corner of Tamil Nadu. The district of Thoothukudi was carved out as a separate district on 20 October 1986 as a result of bifurcation of the Tirunelveli district of Tamil Nadu State Thoothukudi is one of the major seaports in India with its history dating back to the 6th century A.D. The Thoothukudi district has given India many great freedom fighters, like the great poet Subramanya Bharathi, V.O.Chidambaram Pillai, Veerapandiya Kattabomman, Veeran Algumuthu Yadav, Vellaiyathevan etc. According to the 2011 census Thoothukudi district has a population of 1,738,376.

Objectives of the Study

- To analyze the sales of Aashirvad Atta
- To study the distribution channel of Aashirvad Atta
- To study the customer's satisfaction of Aashirvad Atta
- To analyze the market position of Aashirvad Atta

Hypothesis

- The sales and distribution of Aashirvad Atta is comparatively lower than other brands of Atta.
- Customers are satisfied with the Aashirvad Atta.
- Kuthuvilakku Atta and Ramalinga 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.
- The sample size has to be reduced.
- Visiting all the outlets is not possible.
- Study will be focused only Thoothukudi District and not the whole part in India.
- 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	Percentage
Yes	46	61.33
No	29	45.31
Total	75	100.00

Source: Primary Data

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

Table- 2 Duration of selling of Aashirvad Atta brand

Duration of Selling	No of Respondents	Percentage
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

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	Percentage
Kuthuvilakku Atta	31	41.33
Ramalinga Atta	23	30.67
Aashirvad Atta	15	20.00
Unbranded Atta	6	8.00
Total	75	100.00

Source: Primary Data

Chart-1

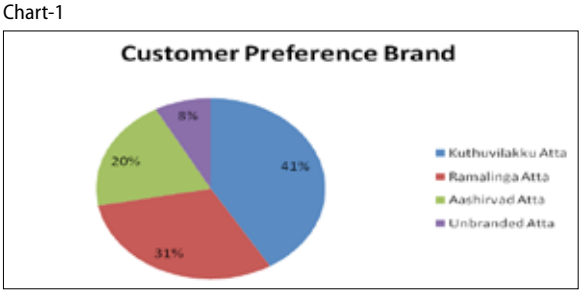


Table 3 and chart1 indicates that the most preferred brand by the customer is Kuthuvilakku Atta because it is extend in market from last 49 years and it is readily available to distribute.

Table-4 Preference of Aashirvad Atta.

Reason for Preference of Aashirvad Atta	No of Respondents	Percentage
Quality	45	60.00
Price	11	14.67
Packaging	14	18.67
Availability	5	6.67
Total	75	100.00

Source: Primary Data

Chart-2

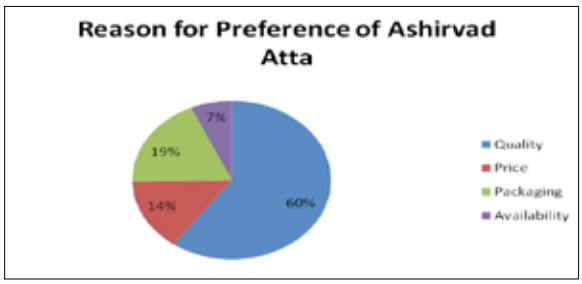


Table 4 and chart 2 reveals that, 60 percentage customers have preferred Aashirvad Atta as per as quality is concerned. 15% percentage customers have preferred Aashirvad Atta because of its price. Packaging of Aashirvad Atta attracted 18 percentage customers and 7 percentage customer's preferred Aashirvad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

Table-5 Recommendation given to customer for Aashirvaad Atta by Retailers

Reason for Recommendations	No of Respondents	Percentage
Quality	40	53.33
Profit margin	16	21.33
Availability	7	9.33
Promotion and offers	12	16.00
Total	75	100.00

Source: Primary Data

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

Table-6 Encouragements for point of purchase by ITC

Encouragements for Point of Purchase	No of Respondents	Percentage
Satisfied	54	72.00
Not Satisfied	21	28.00
Total	75	100.00

Source: Primary Data

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	Percentage
Kuthuvilakku Atta	32	42.67
Ramalinga Atta	23	30.67
Aashirvad Atta	15	20.00
Unbranded Atta	5	6.67
Total	75	100.00

Source: Primary Data

Table 7 shows that 20 percentage of market share is captured by Aashirvad Atta and 42 percentage of market share is captured by Kuthuvilakku Atta. 31 percentage of market share is captured by Ramalinga Atta and remaining 7 percentage of market share is captured by unbranded Atta. Kuthuvilakku Atta and Ramalinga 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	Percentage
Kuthuvilakku Atta	27	36.00
Ramalinga Atta	25	33.33
Aashirvad Atta	16	21.33
Unbranded Atta	7	9.33
Total	75	100.00

Source: Primary Data

As per the above table, Kuthuvilakku Atta place a leading role in its consumption. Second position is captured by Ramalinga Atta. Aashirvad Atta is ranked third because of its availability. Unbranded Atta is capturing the 4th positions. As per as the availability factor is concerned Kuthuvilakku Atta and Ramalinga 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	Percentage
Offers & Discounts	30	40.00
Nutrient	27	36.00
small pack	18	24.00
Total	75	100.00

Source: Primary Data

Table 9 shows that, 40 percentages of the respondents have recommended ITC to provide new offers and discounts. 36 percentage 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	Percentage
Highly Satisfied	37	49.33
Satisfied	23	30.67
Not Satisfied	9	12.00
Disappointed	6	8.00
Total	75	100.00

Source: Primary Data

Table 10 indicates that 49 percentage retailers are highly satisfied with the brand promotion.31 percentage retailers are just satisfied the promotional activities by ITC. 12 percentage retailers are not satisfied with the product advertisements and remaining 8 percentages 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	Percentage
Highly Satisfied	35	46.67
Satisfied	27	36.00
Not Satisfied	8	10.67
Disappointed	5	6.67
Total	75	100.00

Source: Primary Data

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

Table 12 Brand providing proper sales and distribution service

	Brand Providing proper sales & Distribution	No of Respondents	Percentage
	Kuthuvilakku Atta	28	37.33
	Ramalinga Atta	23	30.67
	Aashirvad Atta	21	28.00
	Unbranded Atta	3	4.00
	Total	75	100.00

Source: Primary Data

Table 12 shows that 37 percentage of the respondents are saying that they are satisfied with the sales and distribution of Kuthuvilakku Atta. 31 percentage retailers are saying that they are satisfied with the sales and distribution of Ramalinga Atta. 28 percentage retailers are saying that they are satisfied with the sales and distribution of Aashirvad Atta and remaining 4 percentage retailers are satisfied with the services provided by unbranded Atta. Kuthuvilakku Atta and Ramalinga 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 increases 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 with leaflets highlighting nutrient value of the product at the retailers' point.

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