

A STUDY ON BUYING BEHAVIOR TOWARDS ITC PRODUCTS IN BANGALORE CITY

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ABSTRACT

Retailing is evolving into a global, high-tech industry that is playing a major role in the global economy and my study included me to understand the retailers buying pattern., which was based on ITC's Bingo which is one of the major players in snacks segment after lays and over the years it has gained much popularity and brand positioning compared to other brands in the consumers' minds. The company need to only maintain its' connect and strength it's brand associations with the retailers to sustain & maintain the growth trajectory to become the leader in the snack markets. Analyzing, understanding and assessing the existence of different buying factors are the purpose of this study.

INTRODUCTION

Understanding Buying behavior of retailer is very much importance it helps to know the availability and visibility of product as well as how the process of distribution is going will be get to know with concentrated purchasing associations, development in market inclusion and turnover, retailers have become entryways to the buyer markets. In this manner, information about retailers' and exchange purchasers' purchasing conduct has become essential to makers. We survey the writing on retailer purchasing conduct and find that exploration discoveries seem dissipated and inconsequential. The greater part of the past examination has been worried about creating arrangements of rules utilized by retailers while choosing whether or not to acknowledge another item. Different regions that have gotten the interest of specialists are: the job of purchasing councils, the relationship with makers, European purchasing unions, the utilization of data, retail purchaser task, deals staff impacts, acknowledgments of economic agreements, nation or beginning impacts and new data innovation.

India has undergone a major transformation witnessing some tremendous growth in the past 10 years. In recent years the Retail Industry of India has emerged itself to be the most dynamic and fastest industry due to the entry of new players. The total consumption expenditure is expected to reach 3,600 billion dollars by the year 2020 from 1,824 billion dollars in the year 2017 which accounts for nearly 10% of the country's Gross Domestic Product and around 8% of the employment.

According to a recent report, India holds the fifth position as a global destination for the retail space, it also ranked 73 in the United Nations Conference on Trade and Development business to consumer E-Commerce index 2019.

The market size of India’s retail sector was estimated to be 833 billion US dollars with groceries retail accounting for 608 billion dollars and it is projected to reach 1.3 million dollars by the year 2024. India's offline retailer’s revenue is expected to increase by 10,000 to 12,000 crores in the financial year 2022 as per the Retailers Association of India.

The Fast-moving consumer goods sector is said to be India’s 4th largest sector with household and personal care almost accounting for 50% of FMCG sales in India. The retail market is set to cross the \$1.75 trillion mark by 2026 from \$795 billion in 2017.

Fast Moving Consumer Goods (FMCG), also known as Packaged Mass Consumer Goods, include all non-durable consumer goods which are used daily or regularly and purchased at least once a month. Which include detergents, toilet soaps, shampoos, pastries, creams, toothpaste, powders, food goods, beverages, and cigarettes.

The FMCG industry's major sub-segments include household goods (fabric wash, hair care, household care, oral care, and personal washing). Argo products (food processing, dairy, edible fats/oil, tea & sugar). Branded items in beverages & food (bakery products, soft drinks, chocolates, ice cream, chips, snacks, and culinary products), Tobacco (including cigarettes), and related products.

ITC is one of India’s foremost private sector companies with a gross sales value of Rs 76,097 crores and a net profit of Rs 15,136 crores with a presence in FMCG, Hotels, Packaging, Paperboards, and Specialty Papers, Agri and IT businesses. Facing competition is natural to any business and competitors for ITC are no different.

ITC came into existence on August 24, 1910, with the name imperial tobacco company of India limited. With the company's ownership Indianized the name was changed to an Indian Tobacco company in the year 1970 and then to ITC limited in the year 1974.

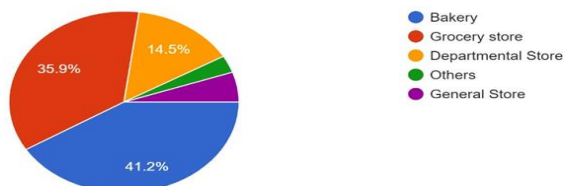
Over the years ITC has established a vibrant portfolio of more than 25 world-class Indian brands that create and retain value in India. Which includes Ashirwad, SunFest, Yippee, Bingo, B Natural, ITC Master Chef, Fabelle, Sunbean, Fiamma, Engage, Vivel, Savlon, Classmate, Papercraft, Mangaldeep, Aim, and while several of these brands are market leaders in their segments, others are making appreciable progress.

OBJECTIVES OF THE STUDY

- To study the purchasing pattern of potato chips by retailers.
- To study the Visibility and availability of Bingo Chips and other brands.
- To assess the preference factors of Bingo over other brands by retailers

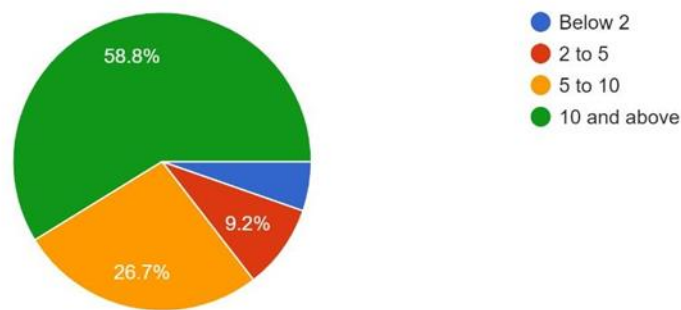
RESULTS & DISCUSSIONS

Type of outlet?
131 responses



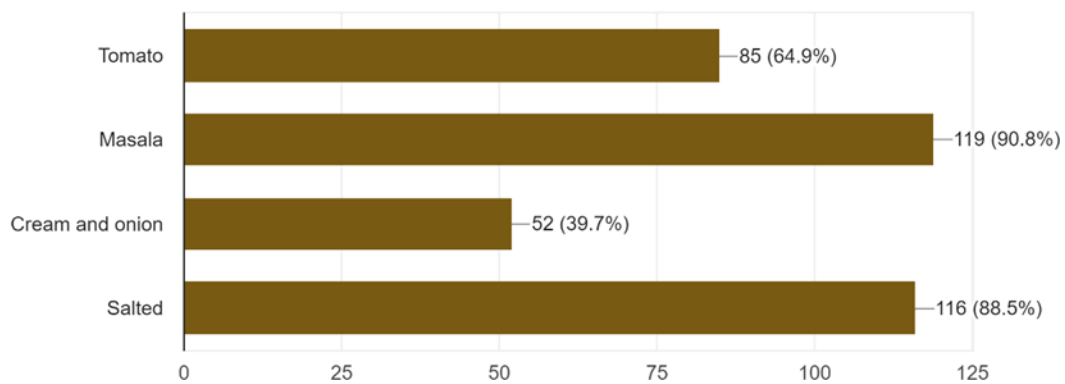
For how long are you running your store ? (In years)

131 responses



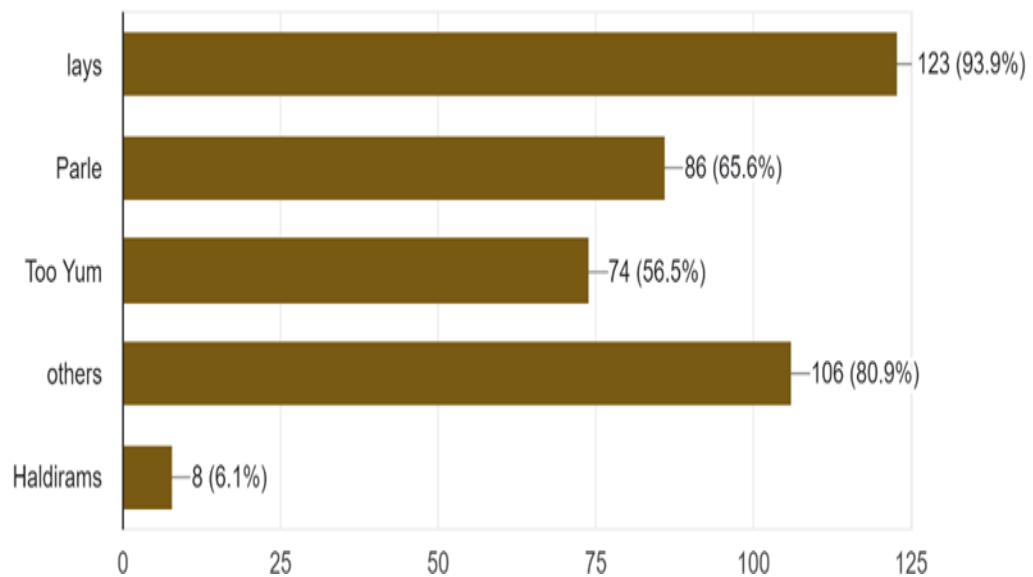
Which flavors of BINGO do you purchase regularly

131 responses



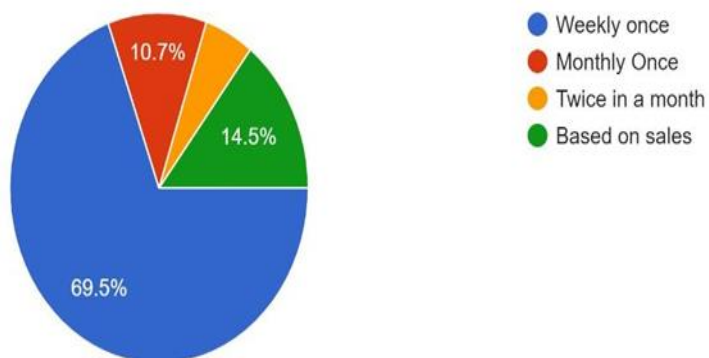
Which other potato chips brands are available at your store?

131 responses



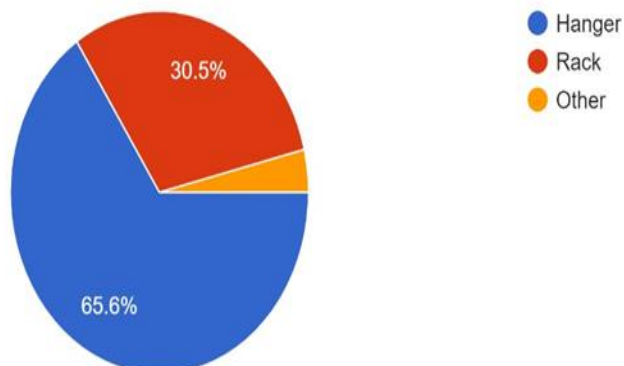
How often do you stock BINGO at your store?

131 responses



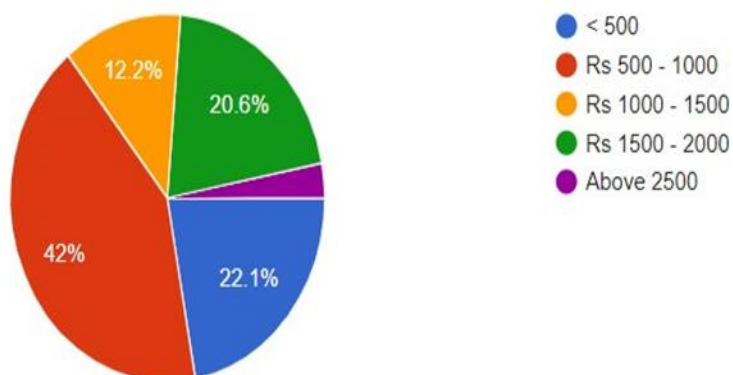
Where is the placement of BINGO at your stores?

131 responses



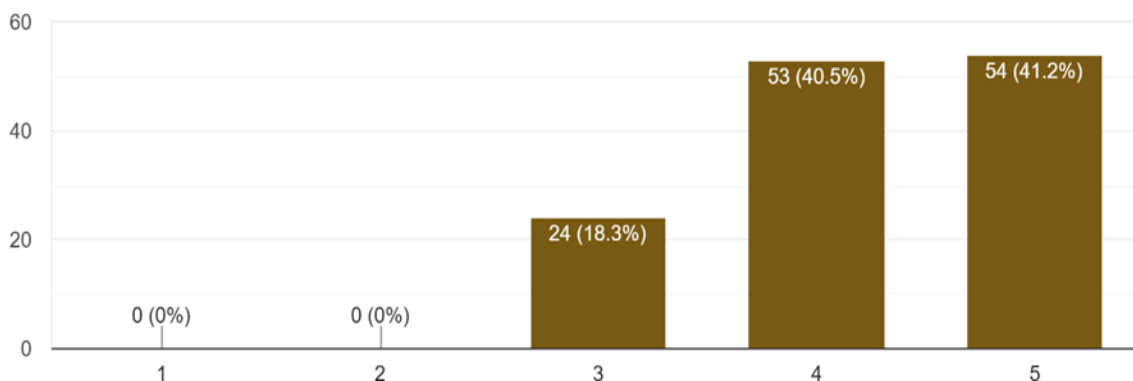
What is the sales value of BINGO for each week (only potato range)

131 responses

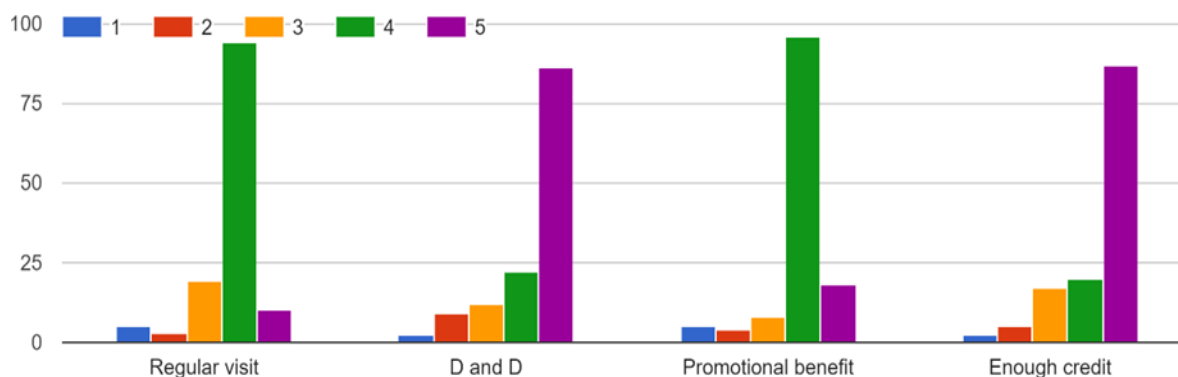


How do you rate BINGO over other brands?

131 responses

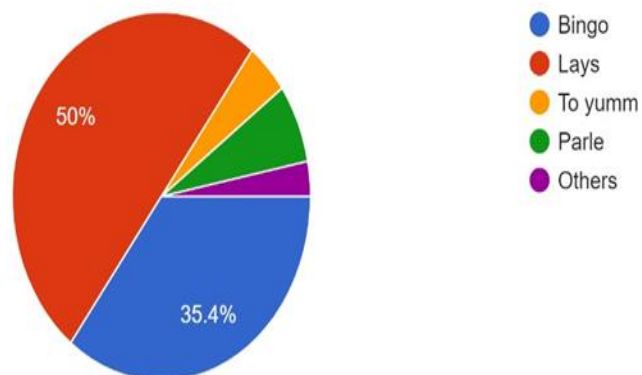


Why Do you prefer BINGO over other brands?



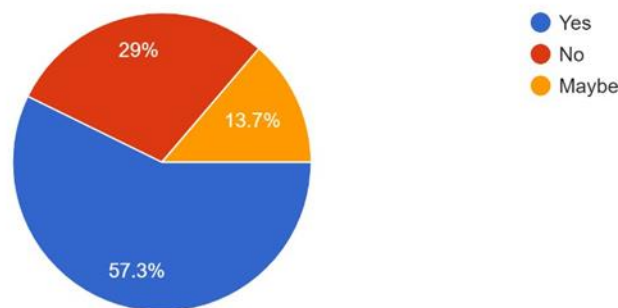
Which brand of potato chips does customer prefer?

130 responses

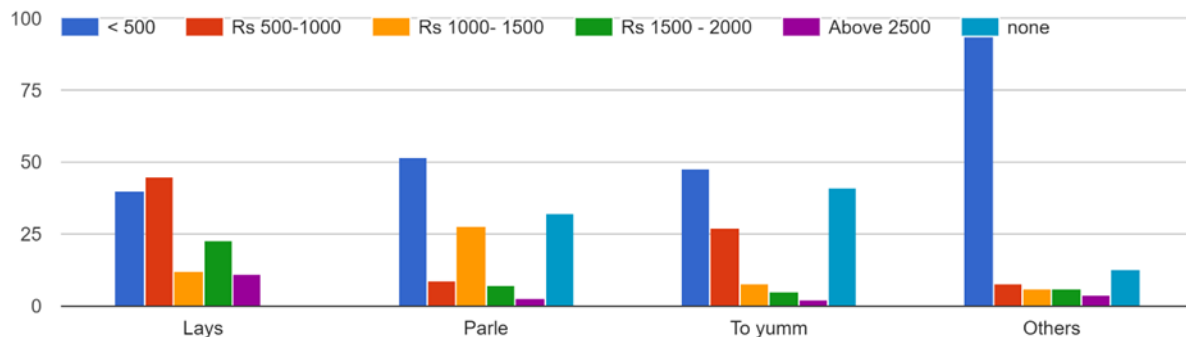


Do you see BINGO having more value compared to other brands?

131 responses



What is the sales value for other brands in a week?



FINDINGS

- In this survey Grocery store and Bakery has more outlets.
- Majority of outlet are 10 years old outlet and 5- to 10-year-old outlet majority of outlet are long-term shops and good number of businesses is going on.
- Bingo and better purchasing compare to sales value other it has more sales vale compare to market leader Lays
- about Lays has good number and highest number of availabilities of product and also other products has a greater number of availabilities compare to Parle or Too Yum
- Parle and Too Yum Brands are providing better margin compare to Lays and Bingo.
- Majority of Retailor are choosing Bingo is giving a better value compare to other Brand this talks about they have a better brand value in Market
- Most of the Retailors are preferring racks and they are expecting promotional benefit for it.
- Lays has better selling in the market compare to peers and it has 0 outlet not available and freshness of product is high and Parle and to yum has more unsold stock in the outlet other brands are performed better more compilation is given to Parle and to yum
- The Preference factor of Bingo over other Enough credit has highest rating the support from distributor is very good and they are taking good number of risk and needed a greater number of promotional benefits.

- Above this given data talks about Retailors has good opinion about availability and Accessibility of Bingo Chips because a greater number of Respondents of 82 given Rating 4 this clearly says Bingo has more availability in the store.
- It is clearly evident lays have more customer preference about 50% over other brands available in the market and remaining share holds with other brands and also Bingo has taken second place and rest Parle and Too yumm had taken below 10% their brand recall is very low compare to Bingo and Lays and also Brand value is very less compare Bingo and Lays in potato chips.
- Most of the retailors are ordering goods though Distribution sales man and preference of wholesaler is low.

CONCLUSION

With such potential, ITC needs to focus on increasing its' market share in the market. The company focus of an unprecedented distribution network reaching every nook and corner of the country. This strength can be leveraged to gain a competitive advantage over the competitors in the market. Bingo is fast approaching to be the leader of the segment which can also be seen in the responses of the survey. Increase in adverting in ads plays a major role in customer preference in its development The company need only maintain its' connect and strength of brand associations with the retailors to sustain & maintain the growth trajectory in the snack market.

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