The Pharma Innovation

Hanumantappa Jamanal
Department of Agribusiness
Management, College of
Agriculture Dharwad,
UAS Dharwad, Karnataka,
India

Dr. AD Naik
Professor, Department of
Agribusiness Management,
College of Agriculture Dharwad,
UAS Dharwad, Karnataka,
India

Marketing strategies and price spread involved in bakery products in twin cities of Hubballi-Dharwad

Hanumantappa Jamanal and Dr. AD Naik

Abstract
The present investigation made an attempt to analyze the marketing management of bakery products and buying behaviour of consumer in twin cities of Hubballi-Dharwad. A total sample of 200 respondents and 60 bakery units were selected for the study. For the study six bakery products selected which were Khari, Puffs, Bread, Cake, Biscuits and Toast because of these products were majorly sold by the bakery units. There were three marketing channels adopted by the bakery units which were channel-I, (Bakery unit–Wholesaler-Retailer-Consumer), channel-II (Bakery unit-Retailer- Consumers) and channel-III (Bakery unit-Consumer). The monthly average quantity sales of selected bakery products were more in channel-I (4214.58 kg/month) followed by channel-II (3548.25 kg/month) and channel-III (2231.15 kg/month). The study also found that majority of the product was bread and toast sold through the all channels. The cakes and puffs were not sold though the channels-I because of both the products were more perishable in nature. There was a more price spread in channel-I, compared to channel-II and channel-III. Channel-III there were no mediators to curb the margin entire profit was retained with the production firm only. The purchase price of consumer was more in channel-I. Because, in channel-I producer sold to wholesalers and wholesaler sold their produce to distant retailers and the number of market intermediaries present were more in this channel.

Keywords: price spread, bakery products, Hubballi-Dharwad

Introduction
In the olden days people were stuck to the simple food like chapattis, rice, pulses, corn, bajara etc. and there was no advancement in the food habits as there was no awareness about the advance methods of cooking food. But with the passage of time, man started thinking of some new items of food to change the taste with the same ingredients used in the traditional food. Food ingredients have commanded the food industry around the globe making people savor the food they eat. Food is no more about filling the hungry stomach but it is actually driving people into an obsession with the tastes it leaves behind. Ingredients are the issue of research and experimentation because it has an immense importance in developing the taste and appearance of food cooked using them.

Bakery products are the readymade food items made of various ingredients available anytime when demanded. The main bakery products are bread, biscuits, cakes, pastries and other milk and milk products. People due to shortage of time prefer these bakery products. The present day consumer looks for new bakery products, better appeal, taste and convenience from bakery foods. With a population of 1 billion plus, India has the largest middle-income consumers, who demand varieties in food, clothing, transport and improved living standards, also wish to eat out.

Many bakery products are nutritive and have become important part of diet of the people. Bread and biscuits have become most popular breakfast of most of the families not only in India but all over the world. India has a large market for the bakery products. It has become an important industry in India and is growing rapidly. In the present era growing demand for the bakery products has become one of the most important necessities in the life of the people.

Marketing is the vital link between production and consumption of a product involving various functions such as organization of its distribution, sale, pre-determination, promotion campaign etc. It includes various business activities in obtaining products or commodities of any kind from the hands of producers to the end consumers. It is easy to see that when demand for a particular product is less, producers are likely to restrain its production so as to avoid losses. On the contrary when market demand rises up; its production is enhanced to make profits. Moreover, marketing strategy particularly product promotion or launching campaigns may

Corresponding Author
Hanumantappa Jamanal
Department of Agribusiness
Management, College of
Agriculture Dharwad,
UAS Dharwad, Karnataka,
India

push up or push down the product demand in the market. Marketing, in this way, plays vital role in dividing the face to a product in the market and bakery products are no exception to it.

Research Methodology
A study conducted in the year 2018. A well-structured interview schedule was designed and test checked internally. The data and feedback obtained through purposive random sampling method. In Karnataka Dharwad district was selected. In Dharwad district two cities were selected purposively based on highest number of bakery were in Hubballi-Dharwad twin cities. From the Hubballi and Dharwad 30 each bakery units selected. . Primary data used for the study, the data was collected by researcher. Data obtained were analyzed using descriptive statistics such as percentage, frequency distribution. For the study six bakery products selected which were Khari, Puffs, Bread, Cake, Biscuits and Toast because of these products were majorly sold by the bakery units.

Table 1: Marketing channels used to sell the selected bakery products

N=60

Sl. No.	Channels/particular	Number of bakery units	Percentage	Quantity sold (kg/month)	Percentage
1	Channel-I	04	06.67	4214.58	42.29
2	Channel-II	14	23.33	3519.75	35.32
3	Channel-III	42	70.01	2231.15	22.39
	Total	60	100.00	9965.43	100.00

Channel-I: Bakery unit-Wholesaler-Retailer-Consumer.
Channel-II: Bakery unit-Retailer-Consumers.
Channel-III: Bakery unit-Consumer.

The results presented in the Table 1 that majority of the bakery units (70.01%) sold their produce through channel-III, 23.33 per cent sell through channel-II and only 6.67 per cent sell through channel-I. As per the quantity sold basis the channel-I is more with 42.29 per cent followed by channel-II (35.32%) and channel-III (22.39%). Even though the producer gets remunerative price when they sold their produce through channel-III. Majority of the bakery unit opted for channel-III because they can sell at a remunerative price and fresh products to the customer. In channel-II the movement of bakery products is between producers to retailer, hence price is less and production was high convenient to sell the producer to sell to the retailer. In channel-I, here the price is comparatively less with increased production of products (4214.58kg per month).

Table 2: Monthly average Quantity sales of selected Bakery products sold through different marketing channels

Products	Channel-I Quantity (kg)	Channel-II Quantity(kg)	Channel-III Quantity (kg)
Khari	1018.58 (24.17)	857.50 (24.16)	335.52 (15.03)
Bread	1450.00 (34.40)	1222.25 (34.45)	1038.00 (46.52)
Toast	1380.00 (32.75)	780.00 (21.99)	388.80 (17.42)
Cakes	-	28.50 (0.80)	215.00 (9.64)
Biscuits	366.00 (8.68)	380.00 (10.71)	145.09 (6.50)
Puffs	-	280.00 (7.89)	108.74 (4.88)
Total	4214.58 (100)	3548.25 (100)	2231.15 (100)

Note: Figures in parentheses indicate the percentage to the total number of respondents in the category.

Table 2 presents monthly average quantity sales of bakery products sold through different marketing channels. The average sales were maximum in channel-I in case of bread, followed by toast, khari and biscuits. Since the perishability of the cakes and puffs were more which need to be consumed within 24 to 26 hours of preparation which is the reason the sale of the product does not take place in this supply chain. In case of channel-II the maximum percentage of share in sale of the products was observed in case of bread, followed by khari, toast, biscuits and puffs. In case of channel III it was bread which was sold at the maximum quantity as the consumers have a direct approach to the identified production unit of bakery in order to get good quality and fresh products/bread. This was followed by toast, khari, biscuits and puffs. In case of total quantity sold maximum sale was in case of channel- I, followed by channel-II and channel-III.

Table 3: Price spread in marketing of bakery products sold through different marketing channels

(₹/kg)

Channels	Particulars	Khari	Bread	Toast	Biscuits	Puffs	Cakes
Channel I	Producer price	115	51	115	160	-	-
	Wholesaler's purchase price	115	51	115	160		
	Marketing costs & margin of wholesaler	20	9	23	30		
	Retailer's purchase price	135	60	138	190		
	Retailer costs and margin	25	15	22	30		
	Retailer's selling price	160	75	160	220		
	Total price spread	45	24	45	60		
Channel II	Producer price	119.57	50.71	119	184	272.36	254
	Retailer's purchased price	119.57	50.71	119	184	272.36	254
	Retailer costs and margin	47.21	22.09	25.50	38.68	59.54	48.24

	Retailer's selling price	166.78	72.80	144.50	222.68	331.90	302.24
	Total price spread	47.21	22.09	25.50	38.68	59.54	48.24
Channel III	Producer price	161.18	68.80	138.90	218.60	322.18	277.80
	Consumer price	161.18	68.80	138.90	218.60	322.18	277.80
	Total price spread	0.0	0.0	0.0	0.0	0.0	0.0

Table 3 presents price spread in marketing of bakery products sold through different identified channels. In case of channel-I the maximum price for the products was observed in case of biscuits, followed by toast, Khari and bread. Marketing margin that was retained by wholesaler was for the product biscuits (₹60) and negligible share was for bread (₹24). In case of retailer the margin and costs retained were more which was considerable more than the wholesaler. In case of channel-II, since it passes the retailer, the retailer gained maximum share with their high costs and margin for all the products and highest was for puffs (₹59.54) and least for bread (₹22.09). In case of channel-III there were no mediators to curb the margin entire profit was retained with the production firm only. The purchase price of consumer was more in channel-I. Because, in channel-I producer sold to wholesalers and wholesaler sold their produce to distant retailers and the number of market intermediaries present were more in this channel.

Conclusion
Many bakery products are nutritive and have become important part of diet of the people. Bread and biscuits have become most popular breakfast of most of the families not only in India but all over the world. Bakery products are impulse purchase products and generally fun eats foods. Consumer buys such products only if it catches his eye at the outlet. The cosmopolitan people of Hubballi-Dharwad were found more health and quality conscious while choosing bakery products. Bakery products are impulse purchase and funs eat products. Lower age groups, particularly children and teens consume bakery product the most. There were three marketing channels adopted by the bakery units which were channel-I, (Bakery unit-Wholesaler-Retailer-Consumer), channel-II (Bakery unit-Retailer-Consumers) and channel-III (Bakery unit-Consumer). Bakery products increases the total cost and reduces the profit margins of the bakers and marketing intermediaries. Bakery products are gaining popularity day by day. Young generation mostly prefer the bakery products. So there is huge demand for the bakery products in the study area.

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