

Power of Retail Advertising in Breads

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Abstract

The case highlights the retail advertising in breads and the impact it creates on the consumer.

Breads is one of the essential products of consumers, it is very difficult to advertise a bread as brands generally doesn't matter while making purchase decision as cost is almost same and it hardly matters which brand one picks. Hence to make customers pick the particular pack, marketers use different techniques to gauge the attention of the consumers.

The case revolves around the advertising tools used by the top bread brands for making people influence their purchase decision. All that matters in breads is the point of purchase. Therefore all the reasons which impact the purchase decision of the customers are analyzed.

Keywords: Breads, Consumers, Advertising, Retail

INTRODUCTION

According to Wheeler, Advertising is any paid form of non-personal communication about any company or its product to a specific audience through a mass/program medium by an identified sponsor. It can be perceived that for any promotional activity to be called advertisement it must be paid for. In the real sense, it is the method used by companies for creating responsiveness of their products, as well as making new products known to the new and potential consumers. Breads are an essential product as they are used almost by everyone in one or the other ways. People are not very loyal towards bread brands; they easily switch to other variants because of availability. To make them stick to a brand is a very difficult task as it's a routine product and people do not really search for a particular brand. As the competition is very high, companies are trying hard to make people purchase their brand through different methods of advertisements. Bread is a daily product, a necessity which people will buy and cannot really ignore. Different variants, taste, packaging etc., impacts the point of purchase. The thing which affects the sale of the bread is the point of purchase of the customer. This includes various factors like availability, packaging, price, offers and many others. In Delhi NCR, Britannia, Harvest, English Oven, Bonn and Perfect have high sales. These brands have majorly acquired the market share of bread industry. The main objective of the study is to analyze the advertising methods of bread making companies and its impact on customers.

Background of the organization

Britannia¹

Britannia Industries Limited (Wadia

¹ <http://britannia.co.in/>

Enterprise) is a FMCG company established in 1892 and is popular for biscuits. It has a market share of 38%. It is serving customers with various products. Products offered by Britannia include biscuits, breads, dairy, cakes and rusks.

They provide best ingredients, goodness and fresh range of products. Britannia is recognized as the most trusted valuable and popular brands among Indian consumers.

Harvest²

Harvest is a FMCG company with a unique story. Harvest was established when the promoters were not satisfied with the poor quality of breads and decided to bake bread for themselves. They then turned out to be a successful company.

Their essence is good quality bread. They eventually came to dominate the NCR market. They have a passion for excellence. Their loaf is softer, fresher, tastier and more nutritious.

English Oven³

A simple, young and dedicated housewife from Ludhiana won the heart with her love for bakery. Today, Mrs. Rajni Bector's English Oven has transformed into a leading brand across the country. English oven is known for its unmatched product range, innovative flavors and fillings, and the best-in-class, internationally certified manufacturing facilities. She emphasized on the importance of breakfast and the need for it to be made with the finest, freshest of ingredients.

² <http://www.harvestgold.in/>

³ <http://www.englishoven.com/>

Bonn⁴

Bonn was established in 1985 providing a variety of food products like breads, biscuits, cakes and cookies that are not only sold in India but also in International markets. They are passionate about breads and biscuits. Founded by Mr. Manjit Singh, Bonn caters best healthy food products to consumers.

Bonn is on the verge of becoming a leading premium bread and biscuit manufacturer and will continue making 'everyday more of a treat' for years to come.

Perfect⁵

Perfect Bread Company aims to create a brand 'Perfect' as a synonym of best quality in bread and bakery and sustain its success through dynamic procedures and business practices. They started with a small plant in Faridabad and now they have become a successful company.

They provide world class quality bread and other products to customers and provide them customer delight. They have become a leading name in bread manufacturing industry as they worked relentlessly in pursuit of excellence in every domain.

BACKGROUND OF THE STUDY

Advertising as a promotional tool also tends to repeat, reassure and influence the decisions of the consumers because an advertisement itself informs, educates, and persuades consumers on their appropriateness of the product offering.

People focus generally on the best date before

⁴ <http://www.bonn.in/>

⁵ <http://perfectbread.com/>

and the variant they are buying. To make their mind think and making them try other variants, companies are trying hard to advertise themselves through different techniques.

With a variation in eating habits and preferences of consumers, the bread industry is coming up with innovative varieties and flavors, and a variation of breads. Bread is a daily product, a necessity which people will buy and cannot really ignore. Different variants, taste, packaging etc., impacts the point of purchase. The thing which affects the sale of the bread is the point of purchase of the customer. This includes various factors like availability, packaging, price, offers and many others.

OBJECTIVES OF THE STUDY

The objective of this study is to understand the impact of the new strategies adopted by bread companies in terms of advertisements on customers and retailers.

- To identify the tools used by the company for advertising
- To study customer preferences among variety of bread brands
- To find out the problems faced by the channels of distribution in the market
- To gather information about the customer preferences, factors affecting point of purchase

METHODOLOGY

The study was conducted in 67 retail outlets in Delhi –NCR. People who were purchasing breads from these retail outlets were selected as a sample. Out of 215 respondents, 157 responded have filled the questionnaire correctly. Survey method has been used to collect the data.

FINDINGS OF THE STUDY

The case reflects the advertising tools used by the companies to influence their purchasing decision of consumer. Survey results shows negative results about the impact of advertising in bread industry as the customers didn't recognize the advertising materials, packaging change or the schemes. Also the execution of advertisement material was not successful from the retailer.

The findings also reveal that availability of the particular bread at the right time is necessary as people switch easily to any other brand. Also linemen should make retailers properly execute the advertising material to gauge the attention of the consumer.

Objective 1: To identify the tools used by the company for advertising

Companies are using various tools as a medium of advertising. These include Front Standing Units, posters, dealer boards, etc. Front Standing Unit is the most used medium as it gives a special space for the particular brand and also helps in advertising.

Tools used by companies for advertising

A. FSUs (Front Standing Units)

This is the most adopted tool given by the companies to the retail stores so that they could keep the breads of the particular brand in that unit. This provides different space for that brand of bread and helps in attracting customers. They are long having 2-3 shelves and can be kept outside the store so that customers can pick the bread themselves.

B. Dealer Boards

Dealer boards are type of advertisements

which are generally on the top of the dealer's shop. This creates a benchmark and, also a product availability recognition and endorsement. These boards can be put-up at a number of locations within a calculated distance giving more mileage to the brands and indicating its availability. Dealer's availability in remote areas helps to tap new audience leading to growth, development and progress in business.

C. Posters

Small posters are pasted in the shops to gauge the attention of the customers. They are generally used at the time of offers or new change that is brought up in the breads.

Objective 2: To study customer preferences among variety of bread brands

Customers are not particular about a certain brand, still they prefer buying a known brand but all that matters above this is the availability and quality of the bread. They don't go to another shop for certain bread if the preferred is not available at a nearby shop. 90% of the customers prefer the breads available in the nearby store and Britannia and Harvest are highly preferred.

Objective 3: To find out the problems faced by the channels of distribution in the market

The problem faced by the distribution channel is that they cannot reach at all the places at the same time. There are some places they deliver the bread in the morning whereas at other places it comes at afternoon or sometimes evening. The place where the bread is delivered late is takeover by competitors as consumers buy the brand which is available.

Objective 4: To gather information about the factors affecting point of purchase

There are many factors which affect the point of purchase. It may be quality, availability, price, brand etc. Out of 157 customers, 70% of them think that availability and brand plays very important role as it is a daily product and people generally choose from what is available and a well-known brand ensures quality.

For customers it is the brand and the availability of the bread which is one of the important factors in making purchase decision as around 40 people preferred them as factors considered while purchasing bread. On the other hand, POSM and MRP are least considered factors. 90% of the people buy other substitute of bread when a particular brand is not available which shows that people are not loyal towards the brands.

CONCLUSION OF THE STUDY

After visiting nearly 67 outlets it was found out that Britannia is doing a good job in Delhi NCR. It is available at the farthest corners in Delhi where no other bread brand is available; fulfilling its job of mass reach. At this time it solely depends on the customer which brand of bread he or she picks.

It was also found that the schemes that are brought up in the market by bread brands are not making any net effect on the sale of breads. (Said by retailers at 45 stores)

It was also found out that the packaging change has not impacted the customers as nearly 60% people have not noticed the change. The FSUs given to the retailers are also not very effectively used as no retailer is keeping the breads in the desired order (at 25 stores FSUs were not kept and nearly 15 are not keeping breads in the FSU). Also the linemen are not taking care whether the retailer is using the FSU properly or not.

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