

“A STUDY ON THE CHANNELS OF DISTRIBUTION & SALES ANALYSIS OF DABUR FOODS IN BANGALORE CITY”

Executive Summary

Dabur India is into business of manufacturing and selling of ayurvedic medicines, ayurvedic, natural and herbal personal & health products and processed foods either directly or indirectly through its subsidiaries. The company is among top 5 FMCGs companies in the country. Its presence in the Indian market is for the past 115 years. Most of its ayurvedic brands are the market leaders in their respective segments. Dabur has developed considerable expertise in these traditional areas and has well understood the consumer preferences for the traditional ayurvedic remedial measures as well as the consumer preferences in other food divisions too.

The company has restructured its business to meet the growing competition by focussing on its core competencies. It has discontinued its low margin businesses like merchant exports, generic drugs and herbal intermediaries. The company has also exited from a few of their joint ventures to achieve the above. And for the sole purpose the company had hived its food division into a separate subsidiary that today stands as a separate entity which makes huge profits.

Dabur Foods is focused on adding value to the food shelf of every Indian household. Today, they lead with winning brands like Real and Hommade, epitomizing natural goodness and unbeatable taste. Dabur Foods set up in 1996 and has achieved market leader status with flagship brand of Real. It recently crossed turnover of \$ 8 million.

Real Fruit Juice preferred by over 50% consumers as compared to 39% for other competing brands (Research conducted by Blackstone Market Facts). The ‘Real’ brand recognized as the fastest growing brand for 2001-02 in the first ever beverage industry seminar in India.

Dabur Foods Mission is **“To be the leader in the Natural Foods & Beverages Industry.”**

They strive to deliver this by:

- Consistently delighting the consumer through quality products
- Being the company of choice for our business partners
- Delivering higher returns to our stakeholders.

Their Guiding Principles are Ownership, Passion for winning, People Development, Consumer focus, Teamwork and Innovation.

The study carried out was to identify the market potential for Dabur Foods products in Bangalore. To study whether there is an opportunity to increase the current coverage of Dabur Foods products and increase the turnover of the business in Mass, FMCG and Food products of Dabur.

The integral part of the study includes, interacting with the Dabur Distributors, Existing Dabur Retailers, Territory Sales Incharge and sales officers, Exclusive Field Forces that is the salespersons and Dabur Customers and finding out the New Outlets/Retailers where Dabur products can be sold. Also to identify the profile of the dealers, the range of products stocked by them, part of their supply chain, order replenishment system and the problems they face from the distributor and from the customers.

Further, it has been brought out that poor distribution service performance in some areas, skipping the outlets by the EFF's, lower margins to the retailers, under sales problem and lack of credit terms have been the key issues.

At the end of the study, potential outlets/retailers were identified for Dabur products and suitable promotional measures were recommended. A proposal to enter into the Dabur business can be made to these potential outlets/retailers which in turn if successful will increase the current coverage of Dabur products and increase the turnover of the business in Mass, FMCG and Food products of The Dabur Company.

Introduction

Founding Thoughts

"What is that life worth which cannot bring comfort to others?"

The doorstep 'Daktar'

The story of Dabur began with a small, but visionary endeavor by Dr. S. K. Burman, a physician tucked away in Bengal. His mission was to provide effective and affordable cure for ordinary people in far-flung villages. With missionary zeal and fervour, Dr. Burman undertook the task of preparing natural cures for the killer diseases of those days, like cholera, malaria and plague.



The mission continues...

Soon the news of his medicines traveled, and he came to be known as the trusted 'Daktar' or Doctor who came up with effective cures. And that is how his venture Dabur got its name - derived from the Devanagari rendition of Daktar Burman. Dr. Burman set up Dabur in 1884 to produce and dispense Ayurvedic medicines. Reaching out to a wide mass of people who had no access to proper treatment. Dr. S. K. Burman's commitment and ceaseless efforts resulted in the company growing from a fledgling medicine manufacturer in a small Calcutta house, to a household name that at once evokes trust and reliability.

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VISION

"Dedicated to the health and well being of every household"

PRINCIPLES

OWNERSHIP

This is our company. We accept personal responsibility, and accountability to meet business needs.

PASSION FOR WINNING

We all are leaders in our area of responsibility, with a deep commitment to deliver results. We are determined to be the best at doing what matters most.

PEOPLE DEVELOPMENT

People are our most important asset. We add value through result driven training, and we encourage & reward excellence.

CONSUMER FOCUS

We have superior understanding of consumer needs and develop products to fulfill them better.

TEAM WORK

We work together on the principle of mutual trust & transparency in a boundary-less organization. We are intellectually honest in advocating proposals, including recognizing risks.

INNOVATION

Continuous innovation in products & processes is the basis of our success.

INTEGRITY

We are committed to the achievement of business success with integrity. We are honest with consumers, with business partners and with each other.

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Industry Profile – FMCG

The Indian **FMCG** sector has been through a lean period over the past couple of years. Fast moving consumer goods (FMCG) industry has a long history. However, the Indian FMCG industry began to take shape only during the last fifty-odd years. To-date, the Indian FMCG industry continues to suffer from a definitional dilemma. In fact, the industry is yet to crystallize in terms of definition and market size, among others.

The definitional confusion that has marked the Indian FMCG industry is getting confounded. Some call it the FMCG industry, some others call it the CPG industry and some even call it the PMCG (processed mass consumption goods) industry. The Indian FMCG industry has suffered because of this confusion.

After all, it is an industry, which touches every aspect of human life, from looks to hygiene to palate. Perhaps, defining an industry whose scope is so vast is not easy.

The FMCG sector is a cornerstone of the Indian economy. This sector can drive growth, enhance quality of life, create jobs and support penetration of technology.

A vibrant FMCG sector can boost agricultural produce and exports. It can contribute to the exchequer significantly, disperse technology across the value chain and usher in product innovations. These innovations can improve Indian health standards.

The FMCG industry is a low-margin business. Volumes hold the key to success in this industry. That is why the industry places so much emphasis on marketing. FMCG majors fight out in the marketplace to reach out to the masses and compete with brands in similar product categories. Brand perception influences purchase decisions here and so building that perception is critical.

Little surprising then that FMCG majors opt for high-decibel advertising in a bid to build and reinforce the notion of perceived superiority, and convert that notion finally into sales volumes. For new brands, spending more on advertising is all the more crucial. Product launches entail large initial investments in advertising and sales promotion. Launch costs are known to climb as high as 100 per cent of sales revenue during the first year of the launch.

Then why are the FMCGs clamoring for more advertising space and time? Advertising creates a two-dimensional awareness: about the **brand name** and about the **product category**. Then there are functional advertisements, which talk about the value of innovation that has gone into the product. Advertisements are also used to induce changes in consumer behaviour. It is not surprising that companies spend fortunes on building a brand through high-decibel advertising.

What is **brand building** all about? It is a name, term, sign, symbol or design or a combination of all these which is intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of the competitors. Brand building is very crucial for FMCG companies. For, the consumers are reluctant to try out unknown brands. And brand loyalty is fickle. FMCG blue chips know this tenet which is why they work relentlessly towards brand building through high-power advertising. True, most commercial breaks are hogged by FMCG brands. Wooing a consumer is an ongoing process and the show must go on i.e. ad spend needs to be kept up.

The arithmetic is simple and straight. FMCG majors are already spending anything between five and 12 per cent of their sales revenue on advertising and brand building. Though average sales of most leading MNC's and Indian companies in the FMCG industry have grown in only single digits over the years, their adspend have been moving up in double digits. Hikes in adspend in some cases have been as high as 200 per cent.

What is vital is an FMCG company's ability to keep its operating margins high enough to sustain that rise in adspend. Put differently, FMCG companies should be able to prune their costs. That is why almost all FMCG players in India are constantly working on ways to trim their costs. Some have been able to show heartwarming results.

How the FMCG sector benefits the Indian economy

- The sector is a core component of the Indian economy
- Meets the everyday needs of the masses
- Is a key component of India's GDP
- Is a critical contributor to the exchequer, and a master of value creation and capital utilization
- Growth of the sector will benefit all stakeholders

- Growth will transform agriculture
- Growth will also vastly increase employment
- It will drive exports and contribute more to the exchequer
- Technology will be dispersed across the value chain
- The sector will also be a key driver of national connectivity
- The government and industry should collaborate to expedite growth
- Innovate for acceptance
- Increase affordability
- Improve availability

Indian FMCG players are not scared of MNC's. But, one must appreciate that the MNC's have an edge over the domestic FMCG players in R&D and they have global brands.

Rural Marketing

Rural India has tremendous potential. The question here however is how to tap that potential. Reaching out to the vast rural masses is an expensive proposition. The key here is to have a critical mass in terms of product depth. That is going to be the biggest handicap. So, FMCG companies need to develop sizable product portfolios. We propose to address this issue by finding out rural-fits of our existing products or develop new ones.

India's agrarian economy is fundamentally strong. Rural India accounts for as much as 70 per cent of the nation's population. That means rural India can bring in the much-needed

volumes and help FMCG companies to log in volume-driven growth. That should be music to FMCGs who have already hit saturation points in urban India.

Certainly, rural marketing holds the key to success of FMCG companies that are desperate to find ways out to gain deeper penetration.

Not just the rural population is numerically large, it is growing richer by the day. Of late, there has been a phenomenal improvement in rural incomes and rural spending power. Successive good monsoon has led to dramatic boost in crop yields. Consider this statistics: Food grain production touched 200 million tones during fiscal 1999 against 176 million tones logged during fiscal 1991. Not just improved crop yields, tax-exemption on rural income too has been responsible for this enhanced rural purchasing power.

And the future is expected to be more promising. Consider this statistics from a National Council of Applied Research (NCAER) survey: lower income group is expected to shrink from over 60 per cent (1996) to 20 per cent by 2007 and the higher income group is expected to rise by more than 100 per cent. And most FMCG segments are expected to log in double-digit growth.

Fast moving consumer goods companies need to rationalize costs, invest in brand building and offer more value-added products. That is the recipe for success in the

competitive domestic FMCG industry. So, the key to success in the Indian FMCG industry lies in: cutting costs, investing in brand building in the form of marketing, advertisements and promos, providing good price points and aggressive pricing, offering products such as packaged atta and milk that add value and convenience and protecting their human talents from poachers.

Alongside, FMCG players need to go in for new initiatives. Consider HLL for instance. The company has made it clear that Internet is going to be its key delivery vehicle, which would expedite its distribution and sales efforts. Sure, Internet is going to change the way FMCG companies strategize and do business. Internet presents vast opportunities to FMCG companies in the areas of logistics interface with consumers and value chain.

Consider Internet's role in logistics. FMCG players can leverage Internet to extend their logistics network beyond the traditional expensive EDI-based solutions. It is a huge value-driver for an industry with such a wide reach and a huge SKU complexity.

This would start from connections between the factory and C&F and then move on to more complex networks reaching out to key urban distributors and wholesalers. And over time, even to rural wholesalers and retailers.

As far as interface with consumers is concerned, Internet can work wonders here. Over time, successful e-marketers can leverage the Internet to develop user-communities, which are invaluable in creating loyalty and in testing products. What more, FMCG companies can come together to form e-purchasing portals and increase their purchasing power and ability to find smaller suppliers.

All these call for a productive partnership between the FMCG industry and the government. Experts see this as an emerging opportunity. A partnership between the government, which wants to drive Internet penetration into smaller towns, and FMCG companies who want to ride off a shared infrastructural network to enable superior logistics and drive product communications. Such a partnership can jointly drive the Internet network deeper into the Indian heartland.

So far, it has been a checkered graph for the MNC's operating in the Indian FMCG industry. Domestic companies are only beginning to make their presence felt in the industry. It has taken tremendous consumer insight and market savviness for the FMCG players to reach where they are today. But, the journey has only begun.

It seems the excitement is just beginning in the Indian FMCG industry.

CHAPTER -2

RESEARCH METHODOLOGY

TITLE:

“A study on the **CHANNELS OF DISTRIBUTION & SALES ANALYSIS OF DABUR FOODS IN BANGALORE CITY**”

INTRODUCTION

Dabur India is into business of manufacturing and selling of ayurvedic medicines, ayurvedic, natural and herbal personal & health products and processed foods either directly or indirectly through its subsidiaries. The company is among top 5 FMCGs companies in the country. Its presence in the Indian market is for the past 115 years. Most of its ayurvedic brands are the market leaders in their respective segments. Dabur has

developed considerable expertise in these traditional areas and has well understood the consumer preferences for the traditional ayurvedic remedial measures as well as the consumer preferences in other food divisions too.

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STATEMENT OF THE PROBLEM

In general the statement of problem refers to identify reasons for customer defections.

Distributors of Dabur Foods products are not working efficiently and hence the distribution channel has weakened and sales are not up to the target.

This study highlights what changes are required in the distribution channel of the Dabur foods in order to increase the sales.

MEANING OF RESEARCH

RESEARCH is a parlance refers to the search of knowledge. Research and scientific and systematic study for pertaining information on a specific topic. It is an art of scientific information.

Advance Learner's Dictionary of Current English lays down the meaning of researches "A careful investigation or inquiry especially through search for new facts in any branch of knowledge". Redman and Mary define research as "systematic effort to gain new knowledge".

Some people consider research as a movement, a movement from the known to the unknown. It is actually a voyage of discovery. We all possess the vital instinct of

inquisitive for, when the unknown confronts us probe and attain full knowledge and full understanding of the unknown. Thus inquisitiveness is the mother of all knowledge and the method which man employs for obtaining the knowledge of the unknown can be termed as research.

DESCRIPTION OF THE RESEARCH DESIGN:

A research design is the determining and statement of the general research approach or strategies accepted for a particular project.

"A research design is the arrangement of condition for collection and analysis of data in manner that aims at combine relevance to the research purpose with economy in procedure".

In fact, the research design is the conceptual structure within research is conducted;

It constitutes the blue print for the collection, measurement and analysis of data. As such the design includes an outline of what the research will do from writing the hypothesis and its operational implementation to the final analysis of data.

NEED FOR RESEARCH STUDY:

Research design is needed because it facilitates the smooth sailing of various research operation and thereby making research as efficient as possible yield maximum information with minimum expenditure of effort, time and money. Preparation of the research should be done with great care as any error in it may upset the entire project. Research design, has a greater bearing on the reliability of result arrived at and analysis is considered a good design. A research appropriate for a particular research problem usually involves the consideration of the following factors.

- The means of obtaining information.
- The availability and skill of the research and his staff.
- The objectives of the problem to the studies.
- The nature of the problems to be studied.
- The availability of time and money for the research.

DIFFERENT RESEARCH DESIGN:

The different design can be broadly classified under the following heads:

- Exploratory research design.
- Description research studies.

Under the categories various designs comes into picture which are illustrated in the table.

TABLE SHOWING THE VARIOUS DESIGNS OF RESEARCH

Research Design	Types of study	
	Exploratory of formulation	Descriptive of Diagnostic
Overall	Flexible design (design must provide opportunity for covering different aspects of the problem)	Rigid design (design must make enough provision for protection against bias and must reliability)
Sampling	Non-probability sampling design (purposive or judgment sampling)	Probability sampling design (random sampling)
Statistical	No pre-planned design for analysis	Pre-planned design for analysis

Observatory	Unstructured instrument for collection of data	Structured or well thought out instrument for collection of data
Operational	No fixed decision about the operational procedure	Advance decision about operational procedure

Source: research methodology by C.R.Kothari

As seen from the above table, how a good research design is often characterized by adjectives like flexible, appropriate, efficient, economical etc, and how these adjectives make the work of a research easy. Thus by taking all these into consideration, a descriptive type of research design is selected, because the main purpose of this project is to analyze the state of affair as it exists at present.

OBJECTIVE OF THE STUDY

Primary objective:

The primary objective is to benchmark Dabur Foods products so as to make it available to the end consumer at the store next door.

Secondary objective:

- To analyze the efficiency level of the distributor.
- To work out an efficient beat plan for the salesmen.
- To make effective road mapping for the distributor.
- To increase sales by increasing distribution.
- To analyze the market of the competitors

SCOPE OF THE STUDY

The study aims to cover the spectrum of understanding of how customer behaves, what influence their choice is clearly of vital importance to marketing success.

The study deals with how the distribution channels works to maximize the sales of Dabur foods keeping in mind the every day changing needs of the customers and the study is restricted to Bangalore south only.

SAMPLING TECHNIQUE

Sampling size has taken as 100 have been questioned using questionnaire by visiting customers about Dabur Foods products.

Sampling area:

The area covered for market research was Bangalore:

South: Jayanagar, Basavanagudi, Gandhinagar, Shantinagar, Ashoknagar, Viveknagar.

RESEARCH DESIGN OF THE STUDY

SOURCES OF DATA

Primary data

Primary data are those, which are originated currently with exploration, carried out within the stipulated period of time. These are fresh data collected in tune with the objectives of the study.

Structured questionnaire comprising of open ended and multiple-choice questions are used as a tool.

The data collected is total primary data, which was collected first hand by visiting customers in selected retail stores in above stated territory.

Secondary data:

These are the data, which was already collected by other agency or researcher for the company or its own use. The source of secondary data being companies' records, company databases intended to discern the customer response.

This data will be collected from the following source mentioned:

- ☞ Documents of the company
- ☞ Company web site
- ☞ Other books and magazines

METHODOLOGY

Data Collection:

Questionnaire method

Questionnaire method: A questionnaire used for data collection is open ended, dichotomous and multiple choice questions. This is purely based on their own personal view; it may be called as data and not as a fact.

PLAN OF ANALYSIS

ANALYSIS AND INTERPRETATION

A research method used to determine the increase in sales of the FMCG products of Dabur foods in relation with the effective distribution channel.

Parametric techniques such as averages, percentages, correlation and regression wherever possible to make presentation, tables, charts, diagrams and graphs will be used.

LIMITATIONS OF THE STUDY

- The study is restricted to Bangalore South only.
- The out come of the study depends entirely on the factual information provided by the respondents.
- Time and cost constraints.
- Limited numbers of respondents were used for the study in research.

CHAPTER SCHEME

CHPTER1:

INTRODUCTION

This chapter deals with a brief introduction to the study and explains the theoretical background of the problem selected for the study.

CHAPTER 2:

DESIGN OF THE STUDY

This chapter deals with the

- ❖ Statement of the problem
- ❖ Scope of the study
- ❖ Objectives of the study
- ❖ Methodology
- ❖ Sampling
- ❖ Tools of data collection
- ❖ plan of analysis
- ❖ Limitations of the study.

CHAPTER 3:

PROFILE OF THE INDUSTRY/ ORGANIZATION

This chapter gives an

- ❖ Overview of the industrial background of the study
- ❖ Introduction of the company
- ❖ Organizational structure
- ❖ SWOT analysis

CHAPTER4:

ANALYSIS AND INTERPRETATION OF DATA

Discusses the analysis and interpretation of data collected from the respondents.

CHAPTER 5:

FINDINGS, SUGGESTIONS, CONCLUSION, ANNEXURE,
BIBLOGRAPHY

CHAPTER 3:

PROFILE OF THE INDUSTRY/ ORGANIZATION



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Dabur at a Glance

Dabur India Limited is the fourth largest FMCG Company in India with interests in ~~Health-care, Personal-care and Food~~ products. Building on a legacy of quality and experience for over 100 years, today Dabur has a turnover of Rs.1232 crore with powerful brands like ~~Dabur—Amla, Dabur—Chyawanprash, Vatika, Hajmola & Real.~~

Dabur India Limited is a leading Indian consumer goods company with interests in ~~health-care, personal-care~~ and foods. Over more than 100 years they have been dedicated to providing nature-based solutions for a healthy and holistic lifestyle.

Through their comprehensive range of products they touch the lives of all consumers, in all age groups, across all social boundaries. And this legacy has helped them develop a bond of trust with their consumers. That guarantees you the best in all products carrying the Dabur name.

Dabur India Limited has marked its presence with some very significant achievements and today commands a market leadership status. The story of their success is based on dedication to nature, corporate and process hygiene, dynamic leadership and commitment to their partners and stakeholders. The results of their policies and initiatives speak for themselves.

- Leading consumer goods company in India with **4th largest** turnover of Rs.1899.2 Crore (FY02)
- 3 major strategic business units (SBU) - **Family Products Division (FPD), Health Care Products Division (HCPD)** and **Dabur Ayurvedic Specialities (DASL)**
- 5 Subsidiary Group companies - **Dabur Foods, Dabur Nepal, Dabur Oncology, Dabur Pharma** and **Dabur Egypt.**
- 13 **ultra-modern manufacturing units** spread across 4 countries
- Products marketed in over **50 countries**
- Wide and deep market penetration with **47 C&F agents**, more than **5000 distributors** and over **1.5 million** retail outlets all over India.

FPD, dealing with **personal-care**, the largest SBU contributing to 45% sales of Dabur

- Products related to Hair Care, Skin Care, Oral Care and Foods.
- 3 leading brands - Vatika, Amla Hair Oil and Lal Dant Manjan with Rs.100 crore turnovers each.
- Vatika Hair Oil & Shampoo the high growth brand.
- Strategic positioning of Honey as food product, leading to market leadership (over 40%) in branded honey market.

HCPD, dealing with daily **health-care**, 2nd largest SBU with 28% share in sales

- Products related to Health Supplements, Digestives, Baby Care and Natural Cures
- Leadership in Ayurvedic and herbal products market with highly popular brands.
- ~~Dabur Chyawanprash~~ the largest selling Ayurvedic medicine with 65% (Rs.127 crore) market share.
- Charted high growth with 15% in 2001.
- ~~Dabur Chyawanprash~~ and Hajmola account for sales of over Rs.100 crore each.
- Leader in herbal digestives with 90% market share.
- Hajmola tablets in command with 75% market share of digestive tablets category.
- Dabur Lal Tail tops baby massage oil market with 35% of total share.

DASL, dealing with classical **Ayurvedic medicines**

- Has more than 250 products sold through prescriptions as well as over the counter
- Major categories in traditional formulations include:
 - AsvArishtas
 - RasRasayanas
 - Churnas
 - Medicated Oils
- Proprietary Ayurvedic medicines developed by Dabur include:
 - Nature Care Isabgol

- Madhuvaani
- Trifgol
- Division also works for promotion of Ayurveda through organized community of traditional practitioners and developing fresh batches of students.

History of Dabur

1884	Birth of Dabur
1896 -	Setting up a manufacturing plant
Early 1900s	Ayurvedic Medicines
1919	Establishment of research laboratories
1920	Expands further
1936	Dabur India (S.K.Burman) Pvt. Ltd.
1972	Shift to Delhi
1979	Sahibabad factory/Dabur Research Foundation
1986	Public Limited Company
1992	Joint Venture with Agrolimen of Spain

——	1993	Cancer Treatment
——	1994	Public Issue
——	1995	Joint Ventures
——	1996	3 Separate Divisions
——	1997	Foods Division/STARS Project
——	1998	Professionals to manage the Company
——	2000	Turnover of Rs.1000 Crores
——	2001	Super Speciality drug
——	2003	Dabur demerges Pharmaceuticals business
——	2005	Dabur acquiris balsara
——	2006	Dabur announces bonus after 12 years
——	2006	Dabur crosses\$ 2 Bin market cap, adopts US GAAP

Milestones to Success

Dabur India Ltd. made its beginnings with a small pharmacy, but has continued to learn and grow to a commanding status in the industry. The Company has gone a long way in popularizing and making easily available a whole range of products based on the traditional science of Ayurveda. And it has set very high standards in developing products and processes that meet stringent quality norms. As it grows even further, Dabur will continue to mark up on major milestones along the way, setting the road for others to follow.

- ❑ **1884** - The birth of Dabur is a small Calcutta pharmacy, where Dr.Burman launches his mission of making health care products.
- ❑ **1896** - With growing popularity of Dabur product Dr Burman expands his operation by setting up a manufacturing plant for mass production of formulation.
- ❑ **Early 1900's** - Dabur enters the specialized area of nature based ayurvedic medicines for which standardized drugs are not available in the market.

- ❑ **1919** - The need to develop scientific process and quality checks for mass production of traditional ayurvedic medicines leads to establishment of research laboratories.
 - ❑ **1920** - Dabur expands further with new manufacturing units at Naridrapur and Daburgram. The distribution of Dabur products spreads to other states like Bihar and Northeast.
 - ❑ **1936** - Dabur becomes a full-fledged company Dabur India(S.K.Burman)Pvt. Ltd.
 - ❑ **1972** -Dabur operations shifts to Delhi. A new manufacturing plant is set up in temporary premises in Faridabad on the outskirts of Delhi.
 - ❑ **1979** - Commercial production started in the new shifted factory of Dabur. One of the largest and best-equipped production facilities for Ayurvedic medicines. Launch of full-fledged research operations in pioneering areas of health care with establishment of the Dabur Research Foundation
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- ❑ **1986** - Dabur becomes public limited. Dabur India Ltd. comes into being after reverse merger with Vidogum Ltd.
 - ❑ **1992** - Beginning of a new chapter of strategic partnership with international businesses. Dabur enters into a joint venture with Agroliner of Spain. This new venture is to manufacture and market confectionery items in India.
 - ❑ **1993** - Dabur enters the specialized healthcare area of cancer treatment with its oncology formulation plant at Baddi in Himachal Pradesh.
 - ❑ **1994** - Dabur India Ltd. has its first public issue. Due to market confidence in the company, shares are issued at a high premium price and are oversubscribed 21 times.
 - ❑ **1995** - Extending its global partnership, Dabur enters into joint venture with Osem of Israel for food and Bongrain of France for cheese and other dairy products.
 - ❑ **1996** - For better operation and Management 3 separate divisions were created according to their product mix- Health care products, Family product division and Dabur Ayurvedic Specialized division

- ❑ **1997** - Dabur enters full scale in the nascent processed food market with the creation of food division project STARS (Strive To Achieve Record Success) is intended to give a jump-start to the company and accelerate its growth performance
- ❑ **1998** - With changing demand of businesses and to inculcate the spirit of corporate Governance, the Burman Family inducts professionals to manage the company. For the first time in the history of Dabur, a non-family professional CEO sits at the helm of the company.
- ❑ **2000** - Dabur establishes its market leadership status by staging a turnover of Rs.1, 000 Crores. Across a span of over 100 years, Dabur has grown from a small beginning based on traditional health care. To a commanding position amongst an August league of large corporate businesses.

- ❑ **2001** - With the setting up of Dabur Oncology's sterile cytotoxic facility, the Company gains entry into the highly specialized area of cancer therapy. The state-of-the-art plant and laboratory in the UK have approval from the MCA of UK. They follow FDA guidelines for production of drugs specifically for European and American markets.
- ❑ **2003** - Dabur demerges Pharmaceuticals business.
- ❑ **Maintaining global standards**
- ❑ As a reflection of its constant efforts at achieving superior quality standards, Dabur became the **first Ayurvedic products company** to get **ISO 9002 certification**.
- ❑ **Science for nature**
- ❑ Reinforcing its commitment to nature and its conservation, Dabur Nepal, a subsidiary of Dabur India, has set up **fully automated greenhouses in Nepal**. This scientific landmark helps to produce saplings of rare medicinal plants that are under threat of extinction due to ecological degradation.
- ❑ 2005 - Dabur acquires Balsara
- ❑ 2006 - Dabur announces bonus after 12 years
- ❑ 2006 - Dabur crosses \$2 bn market cap, adopts US GAAP.

Vision & Mission

Vision of Dabur

“Dedicated to the health and well being of every household”

Dabur Foods Mission

“To be the leader in the Natural Foods & Beverages Industry.”

Core Values

Ownership: This is our company. We accept personal responsibility, and accountability to meet business needs.

Passion for Winning: We all are leaders in our area of responsibility, with a deep commitment to deliver results. We are determined to be the best at doing what matters most.

People Development: People are our most important asset. We add value through result driven training, and we encourage & reward excellence.

Consumer Focus: We have superior understanding of consumer needs and develop products to fulfill them better.

Team Work: We work together on the principle of mutual trust & transparency in a boundary-less organization. We are intellectually honest in advocating proposals, including recognizing risks.

Innovation: Continuous innovation in products & processes is the basis of our success.

Integrity: We are committed to the achievement of business success with integrity. We are honest with consumers, with business partners and with each other.

Corporate Governance

Good corporate governance and transparency in actions of the management is key to a strong bond of trust with the Company's stakeholders. Dabur understands the importance of good governance and has constantly avoided an arbitrary decision-making process. Our initiatives towards this end include:

- Professionalisation of the board
- Lean and active Board(reduced from 16 to 10 members)
- Less number of promoters on the Board
- More professionals and independent Directors for better management

- Governed through Board committees for Audit, Remuneration, Shareholder Grievances, Compensation and Nominations
- Meets all Corporate Governance Code requirements of SEBI

Corporate Citizenship

When our Founder Dr. S. K. Burman first established Dabur, he had a vision that saw beyond the profit motive. In his words, "What is that life worth which cannot bring comfort to others?" This ideal of a humane and equitable society led to initiatives taken to give back some part of what Dabur has gained from the community.

Our major initiatives in the Social sector include:

- Establishment of the Sustainable Development Society, or ~~Sundesh~~, in 1993 - a non-profit organization to promote research and welfare activities in rural areas;
- Promoting health and hygiene amongst the underprivileged through the ~~Chunni Lal Medical Trust~~; and Organizing the ~~Plant for Life programme~~ for **schoolchildren** - to create environmental awareness amongst young minds.

Strategic Intent

We intend to significantly accelerate profitable growth. To do this, we will:

- Focus on growing our core brands across categories, reaching out to new geographies, within and outside India, and improve operational efficiencies by leveraging technology
- Be the preferred company to meet the health and personal grooming needs of our target consumers with safe, efficacious, natural solutions by synthesizing our deep knowledge of ayurveda and herbs with modern science
- Provide our consumers with innovative products within easy reach
- Build a platform to enable Dabur to become a global ayurvedic leader
- Be a professionally managed employer of choice, attracting, developing and retaining quality personnel
- Be responsible citizens with a commitment to environmental protection
- Provide superior returns, relative to our peer group, to our shareholders

Commitment to Environment

Ancient wisdom of conservation

From times immemorial, Indian sages and men of wisdom have understood and appreciated the value of nature and its conservation. Our ancestors recognised that if we grabbed from nature beyond what was healthy, it would lead to all round degradation, and even the extinction of humanity. That is why nature was sanctified and worshipped in the form of gods and goddesses.

Dabur upholds the tradition

Today, we at Dabur also value nature's bounty. Without the fruits of nature, the vision of Dabur would never have been fulfilled. And that is the reason for our unfailing commitment to ecological conservation and regeneration. We would like to follow the principles of our ancient texts, which say:

Back to Nature

Rare herbs and medicinal plants are our most valuable resource, from which all our products are derived. Due to overexploitation of these resources and unsustainable practices, these plants and herbs are fast reaching the point of extinction. In view of this critical situation, Dabur has initiated some significant programmes for ecological regeneration and protection of endangered plant species.

Plants for Life

We have set up the "Plants for Life" project in the mountainous regions of the Himalayas. Under the project, a high-tech greenhouse facility has been set up for developing saplings of rare and endangered medicinal plants. Fully computer-controlled and monitored, this

greenhouse maintains the highly critical environmental parameters required for their survival. We are also developing quality saplings of more than 20 herbs, 8 of them endangered, through micro propagation.

In addition, satellite nurseries spread across mountain villages and contract cultivation of medicinal herbs helps in maintaining the ecological balance. These measures have also helped provide local cultivators the scientific knowledge for harvesting herbs and a steady source of income, so that they are not forced to exploit the environment to earn a livelihood.

Living a Green Heritage

These are significant steps that can contribute to a better world for coming generations. To whom we would like to bequeath a world not bereft of nature. But full of flowering and fruit bearing trees, animals, birds and humans living in good health and complete harmony.

I.T. Initiatives

In Dabur India Limited knowledge and technology are key resources. Which have helped the Company achieve higher levels of excellence and efficiency. Towards this overall goal of technology-driven performance, Dabur is utilising Information Technology in a big way. This will help in integrating a vast distribution system spread all over India and across the world. It will also cut down costs and increase profitability.

Our major IT Initiatives

- Implementation of Manufacturing Process ERP for frontend operations;
- Supply chain and working capital management to control manufacturing, distribution planning, invoicing, receivables, banking and schemes;
- Integration with Baan (backend ERP) initiated last year in production units and head office;
- Intranet based Employee Management System for payroll and HRIS;

Future Challenges

- Forward Integration of SAP with Distributors and Stockists.
- Backward Integration of SAP with Suppliers.
- Implementation of new POS system at Stockists point and integration with SAP-ERP.
- Implementation of SAP HR and payroll.
- SAP Roll-out to DNPL and other new businesses

Accolades

2005-2006



Dabur CEO amongst 25 Best of the Best India's truly world class managers



Dabur CFO amongst India's top three CFOs



Dabur wins ICSI National Award for Excellence in Corporate Governance



Dabur amongst top 'HOT FMCG' Companies



The second annual listing of the smartest chief financial officers in India Inc.



Dabur India in Forbes "Best under a Billion"



Dabur amongst top 10 Great Place to Work



Dabur India ranks 53rd Most Valuable Indian Company



Dabur India rated India's most dynamic FMCG company



India's most valuable companies



LDM into Limca Book of records 2005

- **2003:** Dabur India Limited gets CRISIL **Corporate Governance** and Value Creation (GVC) rating.
- **2003:** Manufacturing facilities and systems of Dabur Nepal Pvt Ltd get certified in January 2003 for having met the requirements of Codex Alimentarius Commission Guidelines, Recommended International Code of Practices, and General Principles of Food Hygiene.
- **2002:** Dabur Nepal Pvt Ltd gets Certificate of Hazard Analysis & Critical Control Point (**HACCP**) plan verification for manufacturing of fruit juices & Tomato puree.
- **2001:** Dabur gets **Certificate of Good Manufacturing Practices** to manufacture Ayurveda, Siddha or Unani Drugs.
- **2001:** Dabur Foods gets **HACCP** and **GMP** Certification in compliance with the US Food & Drug Administration regulation.
- **1995:** Dabur becomes the first Ayurvedic products company in India to get **ISO 9002** certification.

Message from the CIO

In many of our past issues, we've discussed the pros and cons of ERP (Enterprise Resource Planning) implementations. We've also published some extraordinary case

studies on successful ERP implementations across various industry segments. For the India, an FMCG (Fast Moving Consumer Goods) company that specializes in nature care products. The company has put its money on two suites, MFG/PRO and BaaN.

MFG/PRO can run in an offline mode using local database and it first time we showcase a company that's leveraging the benefits of not one, but two ERP systems, by streamlining its primary distribution system and outbound logistics. We're talking about Dabur is network independent.

Dabur India's CIO (Chief Information Officer), Mr. Gopal Shukla, points out that his company has three key strengths based on which it has grown to where it is today. One, it has a very strong brand image: Dabur is synonymous with nature care for more than hundred years. Two, is its products portfolio, with products that are always in high demand. Dabur's third strength is its distribution system that helps its products reach 47 stocking points, 10,000 Stockists and 1.2 million retailers. Shukla says the company is now reinventing itself so it can position IT as the fourth key strength by streamlining its complete distribution system. He believes that Dabur can leverage IT to make its schemes and promotions more effective and profitable. "In the long run, people will say Dabur has four key strengths, IT being the fourth one," Shukla hopes.

A network that works Dabur's network has a star topology with six DAMA (Demand Assigned Multiple Access) links from HECL (Hughes Escorts Communications Limited). There are around 40-50 TDMA (Time Division Multiple Access) VSATs (Very Small Aperture Terminals), which are used for connecting the distribution network. Then there's VPN (Virtual Private Network) connectivity between Dabur's offices in Delhi and Mumbai, and the corporate office. This link will soon be extended to other locations, too.

There are some RF (Radio Frequency) links for connecting the local offices within the city. The network runs on multiple media, the choice depending on the location and the feasibility. The company uses IDSN connectivity as a backup for its primary connectivity. Surprisingly, contrary to the current trend, Dabur doesn't have too many leased lines to support its datacom network. Says Shukla: "As of now, the dependence on

terrestrial links is less, but in **Integrating marketing** Dabur is a very old FMCG company. Its main revenue is typically generated by the outbound logistics. Dabur's outbound logistics is very extensive: There are 29 factories where different products are manufactured and delivered to various parts of the country. The finished products are stored in six major warehouses. Dabur also has 47 C&F (Carrying & Forwarding) Agents. The scale of operations is such that the company dispatches 100 truckloads of goods every day from the 29 factories. These products reach to more than 750 large distributors all over the country through the C&F agents. Explains Shukla: "For an operation of this magnitude, we can't work with just manual controls on the outbound logistics. We carry a huge inventory over a very wide footprint, in terms of reach, within the country."

Product Overview

Dabur Worldwide



Our products World Wide

We have spread ourselves wide and deep to be in close touch with our overseas consumers.

- Offices and representatives in **Europe, America** and **Africa** ;
- A special herbal **health care** and **personal care** range successfully selling in markets of the **Middle East, Far East** and several **European countries**.
- Inroads into European and American markets that have good potential due to resurgence of the **back-to-nature movement**.

- Export of **Active Pharmaceutical Ingredients** (APIs), manufactured under strict international quality benchmarks, to **Europe, Latin America, Africa**, and other **Asian countries**.
- Export of food and textile grade **natural gums**, extracted from traditional plant sources.

Partnerships and Production

- **Strategic partnerships** with leading multinational food and health care companies to introduce innovations in products and services.

Manufacturing facilities spread across 3 overseas locations to optimize production by utilising local resources and the most **modern technology** available.



Product Profile of Dabur Foods

The product profile mentioned below deals with only one division of Dabur that is Dabur Foods Division.

The Foods category includes products from Dabur Foods and the Family Products Division of Dabur India Limited. Dabur Foods, set up in 1996 as a 100% subsidiary, introduced Indian consumers to the concept of freshness and convenience in processed foods. It is one of the growth drivers of Dabur, with leading brands like ~~Real Juices~~ and

~~Homemade~~ cooking pastes. ~~Dabur Honey~~ of the Family Products Division is the largest branded honey with over 40% of the market share.



Real Fruit Juices

Real Fruit juices are available in 9 variants and 3 sizes that is 1 litre, 200ml and 125ml. Real Juices are brought to you in a Tetra Pak with a double seal spill proof cap, which retains the freshness of the juice. Real is a natural fruit juice with no added preservatives, no artificial flavours or colours. Depending on the fruit flavour, it is reinforced with additional minerals and vitamins that add extra energy. There is also a dash of added sugar for better taste, just like we add sugar to a fresh fruit juice made at home.

The special technology used in the packaging keeps the juice fresher for a longer period of time with no added preservatives. On opening, the pack has to be refrigerated and consumed within 5 days.

RealActiv

RealActiv is a 100% pure and natural juice with NO added color, flavour and preservatives. RealActiv has no added sugar thereby helping you to keep fit without adding extra calories.

RealActiv Juices are brought to you in hygienic packaging with added nutrients. They are processed and packed in state-of-the-art plants, absolutely untouched by hands to maintain hygiene and quality. They have the goodness of juice from a freshly plucked fruit. RealActiv juices bring the true taste of fruits you can enjoy all year long, without waiting for the right season for fresh fruits. It is the most convenient way of getting balanced nutrition for a person with a busy & hectic life style.



Coolers

Coolers were recently launched range of thirst quenchers that were introduced to the market in the month of May 2004. These are available in 3 flavours namely Ammpanna, Pomegranate and Watermelon which are traditionally known for bring coolness to one's body.

The Hommade Umbrella

Hommade Ginger & Garlic Pastes

With **Hommade Ginger & Garlic pastes** you can experience the same strong, distinctive flavour and aroma of freshly ground ginger and garlic. Ground slowly over stones, it brings a delicious silbatta-fresh flavour to your cooking. Besides, it comes with the Dabur assurance of quality and purity.

Hommade Tamarind paste is prepared after careful soaking and pulping of the choicest tamarind. Giving you fresh and tangy flavour and saving you from elaborate preparation. Use Hommade tamarind paste for finger-licking delicious meals. These pastes are available in varied sizes of 40gms pouches, 100gms and 200gms packs.

Hommade Tomato Puree

Hommade Tomato puree is prepared from the pulp of handpicked, juicy, ripe tomatoes. Free from skin and seeds, it adds the delicious tang of tomatoes to your gravy. Making it thick, rich and appetizing. So your food becomes truly hard to resist. It is the perfect ingredients for tasty, wholesome meals. 2 tablespoons of Hommade tomato puree is equivalent to one medium sized tomato. Hommade Tomato Puree is available in Tetra Pak of 200gms and 125gms.

Hommade Coconut Milk

Hommade Coconut milk is the first pressing extract of superior coconut, which makes it rich and loaded with goodness. Dip your finger and feel a thick coat of coconut milk on

your finger which would refuse to drip. It has no preservatives and no added color or sugar. Available in 200gms tetrapak.

Hommade Imli Saunth Chutney has the khatta – meetha, chatpata taste with which we can enjoy the taste of various snacks. This is because only Hommade Imli Saunth Chutney has the flavour of all masalas, imlis and sugar added in the right proportion and comes with Dabur's assurance of quality. Hommade Imli Saunth Chutney is available in 230gms of bottles only.



Hommade Tomato Soup

Hommade Tomato Soup is one of the most recent launches and serves the purpose of ready to drink tomato soup for the yuppies. They are made from fresh tomatoes and carry the assurance of Dabur. Hommade Tomato Soup is available in 200gms tetrapak.

Lemoneez

Lemoneez lemon juice brings the goodness of fresh picked lemons, in convenient drop and trickle packs. Use it to fix a refreshing glass of lemonade, or add a dash to your food for that extra zing. Lemoneez is a substitute for lemon to quench your thirst anytime, anywhere. It is available in 250ml bottles.



Capsico

Capsico comes in 2 variants namely Red Pepper Sauce and Green Pepper Sauce that makes your food tangier and fierier. To make sure you get only the best, this sauce is prepared from the choicest farm fresh peppers. It is processed within 24 hours of plucking so as to maintain the equilibrium of the fruit, the chilies are then patiently cured in wooden barrels for seasons.

Functional Classification of food:

- **Energy giving foods (carbohydrates and fats)** - are responsible for providing energy for various activities.
- **Body building foods (proteins and minerals)** - are responsible for tissue building, growth, repair and maintenance of the body.
- **Protective foods (vitamins and minerals)** - play an important role in protecting the body against diseases.
- **Regulatory foods (water and fiber)** - are responsible for regulating body processes like digestion, excretion and maintenance of the body temperature and the electrolyte balance.

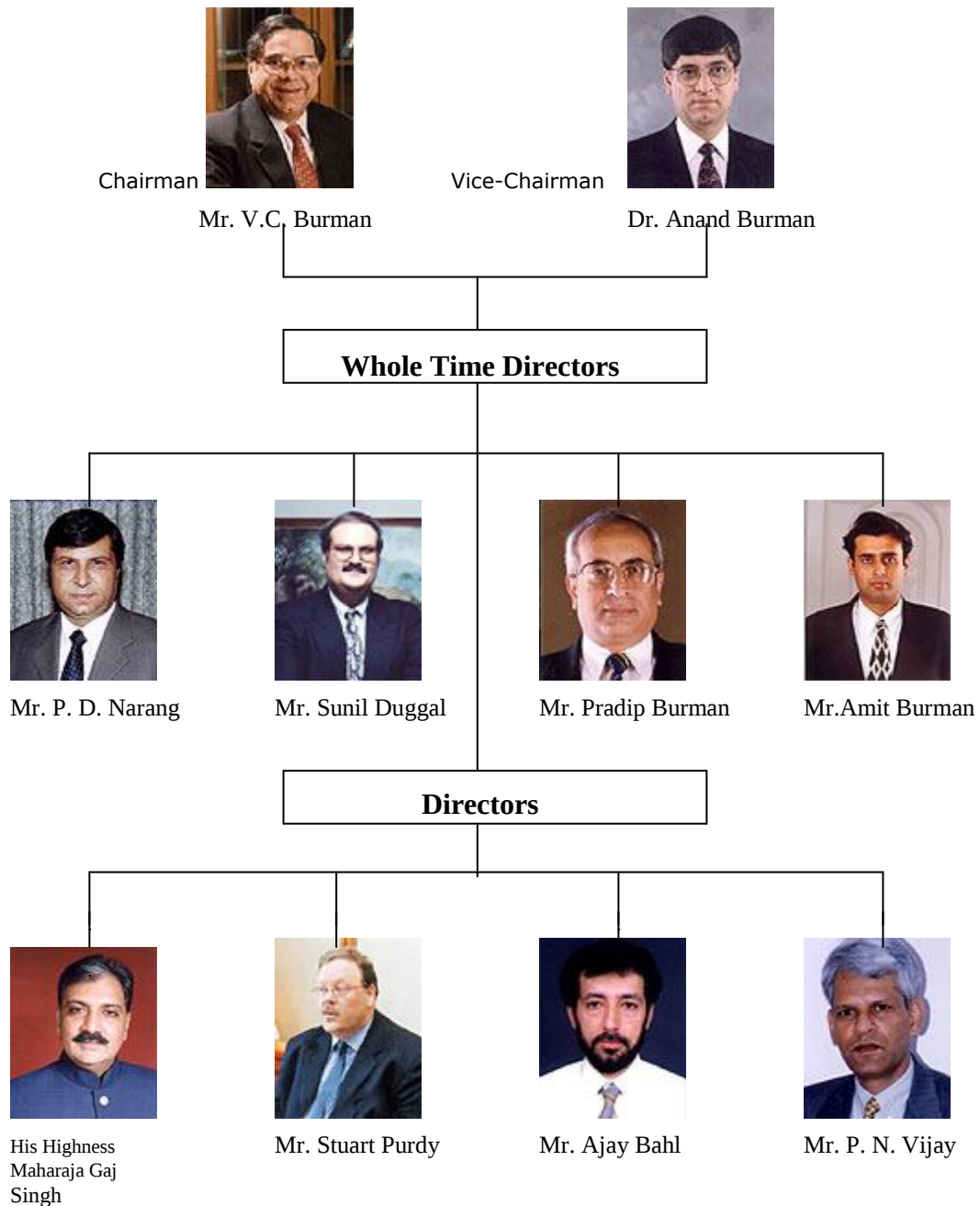
Dabur Manufacturing Facilities in India



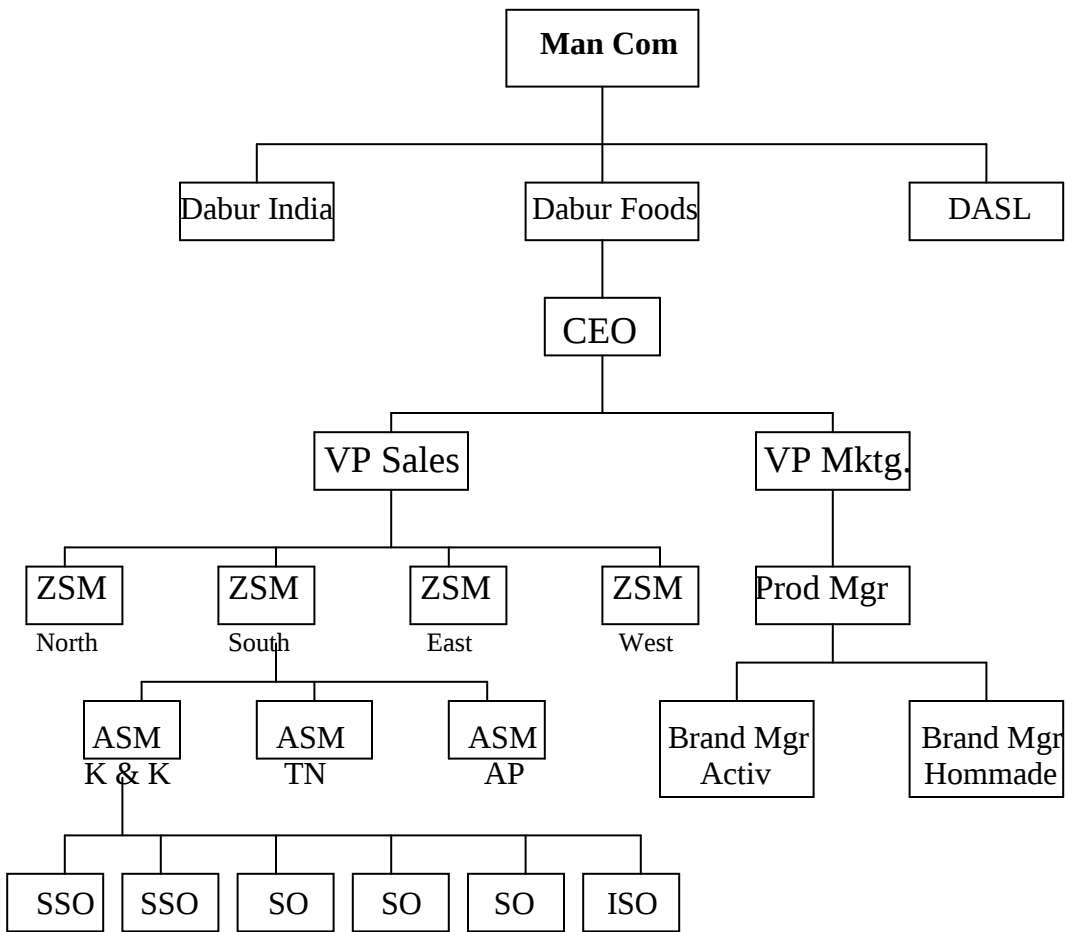
ORGANISATIONAL STRUCTURE

Board of Directors

Dabur has an illustrious Board of Directors who are committed to take the company onto newer levels of human endeavor in the service of mankind. The Board comprises of:



Sales Team Organizational Structure



ZSM - Zonal Sales Manager

ASM – Area Sales Manger

SSO – Senior Sales Officer

SO- Sales Officer

ISO – Interim Sales Officer

K & K – Karnataka & Kerala

TN – Tamil Nadu

AP – Andhra Pradesh

The Organizational Structure Chart above clearly depicts the posts that the officials hold at the Dabur Foods Division.

The Man Com Committee comprises of 7 to 9 members from the Board of Directors who are involved with all the divisions of Dabur and take collective responsibility of the smooth running of all operations.

The CEO holds the highest authority and is the key decision-maker. All the Zonal Managers as well as the vice-president report to him directly in all regards.

Followed by the CEO, are the 2 vice-president, head of Sales and Marketing Departments. The marketing department is small comprising one strategic and production manager under whom both brand managers fall.

The vice-president of Sales holds the most crucial position, as he is accountable for the sales of the whole country. All the Zonal Managers report to the VP who is also known as the National Sales Manager.

Coming down the chart, every zone has respective Area Sales Manager depending on the geographical location. South India has been divided into 3 zones and 3 Area Sales Managers are accountable for the sales of South Zone. They directly report to the Zonal Manager.

The job of an Area Sales Manager is to keep track of both the retail as well as the institutional sales. For this purpose, he appoints sales officers for institutional sales and for retail sales. He needs to set clear-cut targets for sales officers and make sure they achieve it.

The sales officer in turn keeps track with the distributors and their respective salesperson and makes sure that the set targets are achieved.

The brief analysis of the main departments of Dabur is as follows:

Marketing Department

In this world of immense competition, rapid changing tastes and preference of consumers and rapid changing economy, the success of the company lies in the success of the marketing activities there in.

Marketing is a branch of total management that is concerned with the direction of those activities towards the attainment of marketing goals i.e. satisfaction of customer needs, increase in sales volume and increase in organizations profits. All activities directed towards attainment of these marketing goals may be characterized as marketing management. Thus with the change in the concept of marketing, the activities start even before the production is started such as activities of market survey and market research etc.

Export Marketing

It is the area in which companies outsource their product to other countries that gain companies a good reputation and also gain good foreign exchange to the country. The home companies invite orders/opportunities to produce goods and market those goods abroad. Export market can get growth and improvement in the economy; thereby export marketing is very essential for a developing country like India.

Finance Department

Finance is backbone of any organisation without which no organisation can undertake any activities concerning the organisation. It is a fascinating subject that deals with end result and these end results are measurable in terms of money. It is dynamic and changing.

It deals with all the facts of Business-production, sales, purchasing, personnel etc. This has to be managed actually to yield long term results. Finance necessary is accumulated for the starting of company and then they are at a later stage allocated to all the facts of business as mentioned above as per requirements specified in the financial policy.

No organisation can function without capital. It is one of the most important resources of an organisation but these financial resources are scarce thus each organisation must make the optimum use of it. The finance department has an important and vital task of arranging funds and putting them to the best use so as to achieve maximum return and improve the profitability of the organisation.

FUNCTIONS OF FINANCE DEPARTMENT:

- Financial budgeting, timely allocation of funds.
- Liaison with financial institution and other bodies.
- Payment of wages and salaries.
- Payments of bills.
- Preparation of balance sheet and annual reports.
- Financial projection for expansion and diversification.

Personnel Department

Human Resource Management is a process of creating and providing opportunities to the members of a company for developing and optimally utilizing their potentials in various productive works. It is also the management of human resources in an organisation and is concerned with the creation of harmonious working relationship and bringing about their

utmost individual development. The main objectives of personnel function are to create attitude that motivates a group to achieve its goal economically and speedily.

Human resource management policies are vital for organizations that are serious about resolving personnel issues and finding hr solutions. Individuals and organizations that are serious about human resources understand the bottom-line importance of job evaluation, job descriptions and effective policies.

Every organization requires sound, straightforward HR policies and clear and concise job descriptions. Failure to do so leaves your employment-related practices vulnerable to challenges, grievances and possibly lawsuits, particularly if you are inconsistent in how you apply your policies and your pay structure/system. Grievances and lawsuits mean THREE things:

- Increased costs that impact your bottom line
- Increased turnover
- Negative morale

It is so easy to avoid these potential problems if your organization has established policies, procedures and job descriptions.

The main reason an organization should have policies and procedures, relevant job descriptions and a job evaluation system is to ensure that your staff is treated equally across a variety of employment issues. In addition, written policies help if legal situations arise. Chances are very good that your organization is required by law to provide written policy information to your employees.

Salary structure of the employees include the following

Gross

Basic

+

HRA

+

Gratuity

+

Bonus

+

Conveyance Allowance

+

Special Allowance

+

Entertainment Allowance

SWOT ANALYSIS

Strengths

- The name “Dabur”.
- Product Quality.
- Market leaders and innovators.
- Specialized Packaging.
- Well established company.
- Well-trained and smart sales force.
- Cooperative Distributors.

- Unique Product Range.
- Value for money products.
- Loyal customers.
- Effective Managers.
- Wide ranges of products.
- Cooperative management.
- Well established R & D centre.
- Financially strong.
- Attractive Promotional Activities.
- Catchy Advertisements.

Weaknesses

- Poor Coverage in rural areas.
- Limited Product range.
- Irregular Distribution.
- Short Shelf life.
- Lower profit margin to retailers when compared to competitor's profit margin.
- Shortfall of stock when required.
- Limited Credit facilities.
- Limited offers and schemes.
- Extensive pricing.

- No proper claims and damages clearance.
- Presence of all the products are not aware to the end users.
- Large gaps in semi-urban areas.
- Absence of a motivation tool for the sales persons.
- Time loss due to transportation of products from manufacturing unit to stockist.

Opportunities

- Huge demand in the semi-urban areas.
- Entering others variants of the same product mix.
- Setting up a new manufacturing unit down south.
- Huge demand for the smaller pouches of GGP in the smaller uncovered outlets.
- To extend more credit facilities to retailers so as to pump in higher stocks in the market.
- Tap new markets for export of traditional Hommade pastes.
- More Visibility of the products required.
- Tap the corporate world by having more institutional sales.
- Rotation of offers and schemes which are beneficial to both consumer and retailer.
- Target medical outlets for Real Activ.

- Distribution Channel to be widened.
- To inculcate retailer programs so as to create awareness of the products to the salesperson of these outlets.

Threats

- Strong distribution of competitors products in the uncovered areas.
- Long term credit facilities by competitors.
- Lower pricing strategies of competitors.
- Duplication of products in the market.
- New entrant in the market.
- No Brand Loyalty in consumers.
- Higher taxation and government regulations.
- Well established FMCGs entering the foods division.
- Availability of substitutes.
- Shortfall in the supply of raw material.
- Better schemes by competitors.

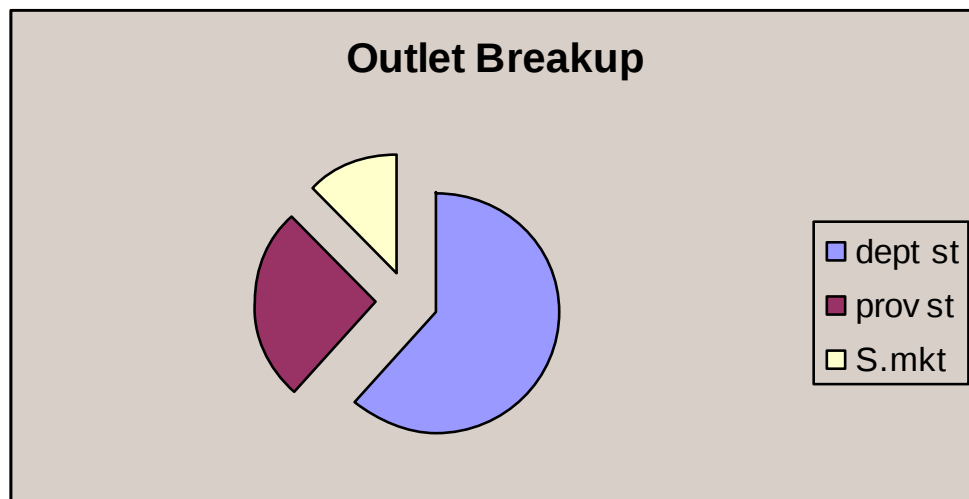
CHAPTER 4: ANALYSIS AND INTREPRETATION

Outlet Category

Table showing the existing types of outlets in Bangalore South.

<i>Particulars</i>	No. of Outlets	Percentage
Departmental Stores	432	61.1%
Provisional Stores	189	26.7%
Supermarkets	86	12.2%
Total	707	100%

Graph depicts table showing the existing types of outlets in Bangalore South.



Interpretation:

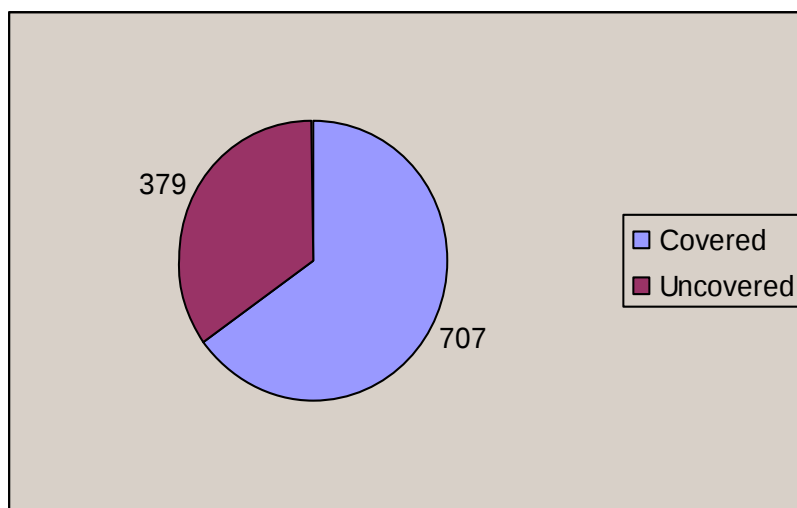
The study shows that close to 62% of the outlets in the south region of Bangalore are departmental stores, 26% are provisional stores and the rest 12% are supermarkets.

Present Market Share

5.2 Table showing the existing market share of Dabur Foods products for Bangalore South

Particulars	No. of outlets	Percentage
No. of outlets covered by the distributor	707	65.1%
No. of outlets uncovered by the distributor	379	34.9%
Total	1086	100%

A Graph depicts table showing the existing market share of Dabur Foods products for Bangalore South



Interpretation:

The study included all the retail outlets in Bangalore South and it was found out that out of the total population of 1086 outlets in Bangalore South only 707 outlets were covered by the distributor and the remaining 379 were not covered which resulted in loss of sales.

Dabur Foods Product Portfolio

Table showing the Portfolio of Dabur Foods products.

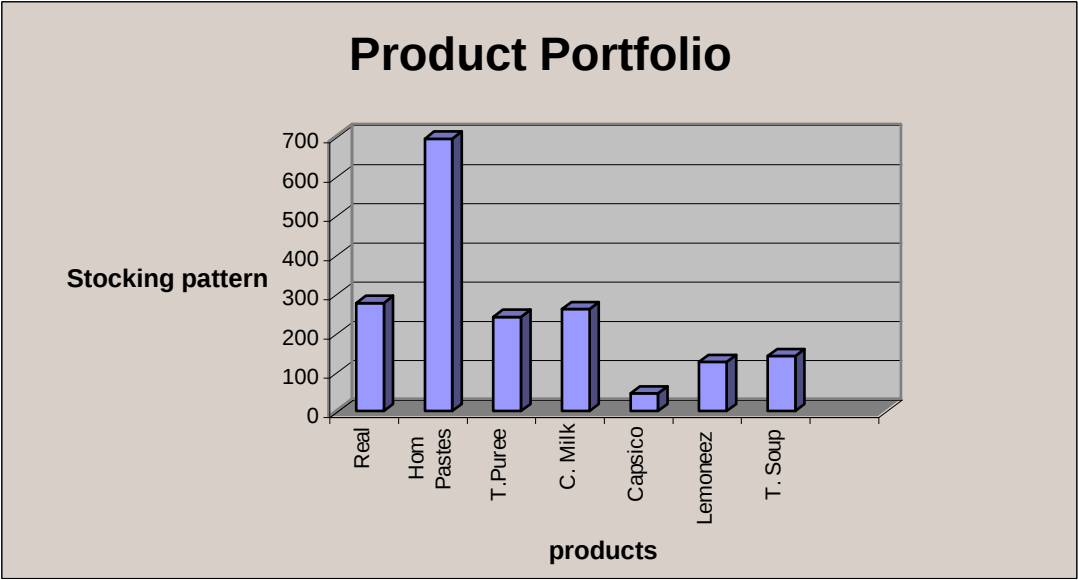
Product Type	No. of Outlets	Percentage
Real Fruit Juices	275	38.8%
Hommade Pastes	694	98.2%
Tomato Puree	240	33.9%
Coconut Milk	260	38.2%
Capsico	45	6.3%
Lemoneez	125	17.7%
Tomato Soup	140	19.8%

Interpretation:

From the data we can conclude that the fastest moving product Dabur Foods Ltd. is the range of Hommade pastes with a 98.2% of outlets stocking the product. Next come Real Fruit juices, Hommade Coconut milk and Tomato Puree with a percentage of approx. 38% of the outlets stocking it. The stocking pattern of Capsico mainly falls in the institutional segment and hence sales of Capsico constitute only to 6% of the outlets.

Lemoneez is a seasonal product and therefore a mere 18% of the outlets stocks the product. Tomato Soup is a relatively new product and hence the consumers aren't aware of the product, hence the stocking patterns constitute only 19.8%. Also, there is a big share of competitors in the Tomato Soup market.

A Graph depicting table showing the Portfolio of Dabur Foods products.



Reasons for Better Competitor’s Sale

Table showing various attributes due to which the competitor’s

Sales are higher

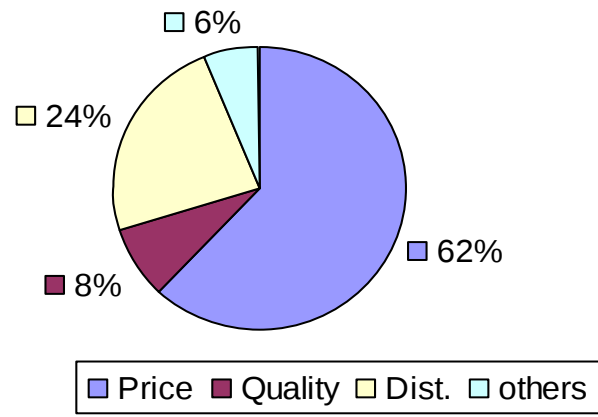
Attribute	No of outlets	Percentage
Price	50	50
Quality	20	20
Regular Distribution	20	20
Others	10	10

Interpretation:

Out of the 100 outlets visited, 100 outlets responded with higher competitor's sale on the above 3 parameters. 50% of the retailers feel that price factor accounts the most for higher sales of competitor's sale. Other parameters like quality and distribution constitute 20% and 20% respectively.

A Graph depicting table showing various attributes due to which the Competitor's sales are higher

Why Competitor's sale is higher



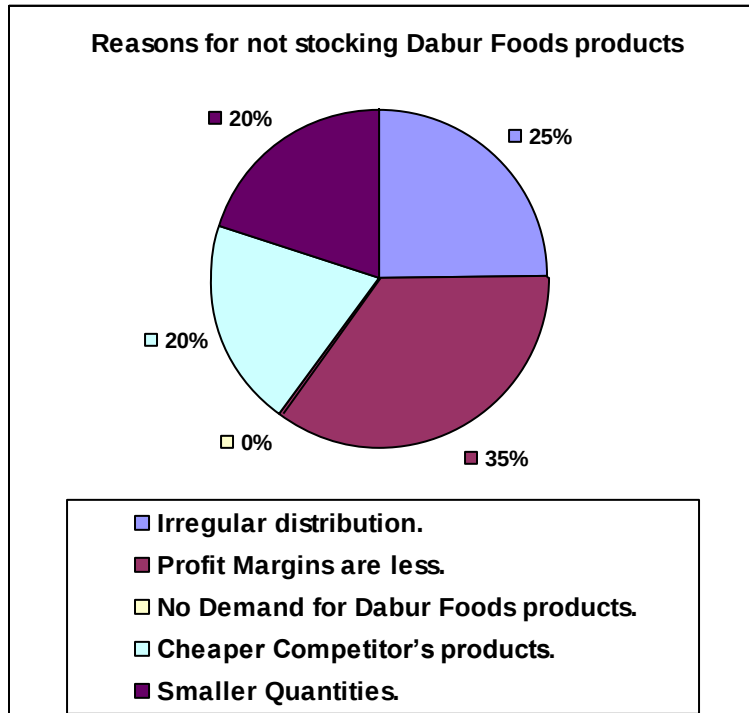
Reasons for not stocking Dabur Foods products

Particulars	Percentage
Irregular distribution	25
Profit Margins are less.	35
No Demand for Dabur Foods products	0
Cheaper Competitor's products	20
Smaller Quantities	20

INTERPRETATION:

From the table it was found that Reasons for not stocking Dabur Foods products mainly because of profit margin is less 35% of retailers feel that profit margin is less ,25% irregular distribution,20% Cheaper Competitor's products,20% Smaller Quantities.

Reasons for not stocking Dabur Foods products



Service Level of Distributors

This question basically finds out whether the service level of the distributor satisfies the retailer.

Various reasons that the retailers aren't happy about

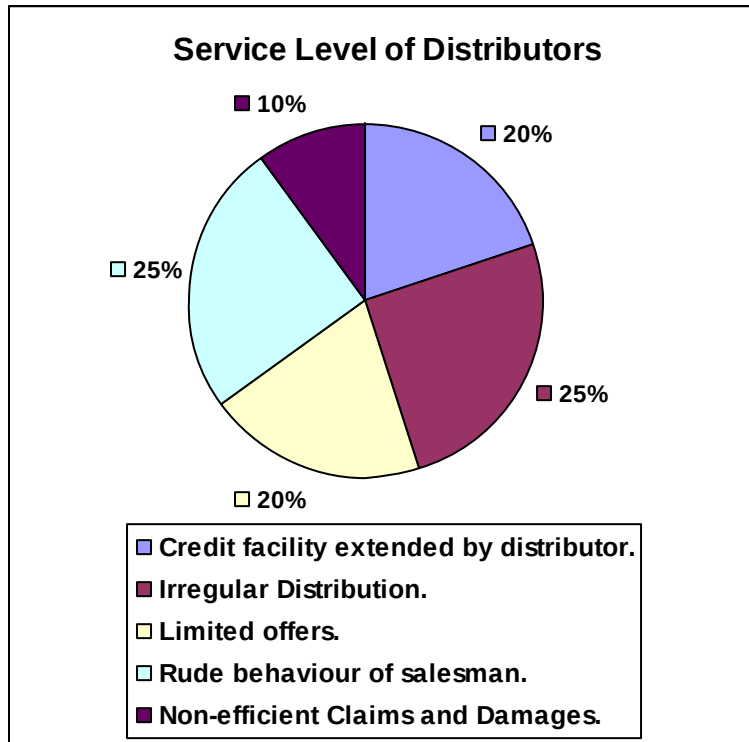
Particulars	percentge
Credit facility extended	20

by distributor	
Irregular Distribution	25
Limited offers	20
Rude behavior of salesman	25
Non-efficient Claims and Damages	10

INTERPRETATION:

From the table it was found that the retailers aren't happy about Service Level of Distributors because of Irregular Distribution, Rude behavior of salesman etc.

Service Level of Distributors



INTERPRETATION:

ORDERING MODE

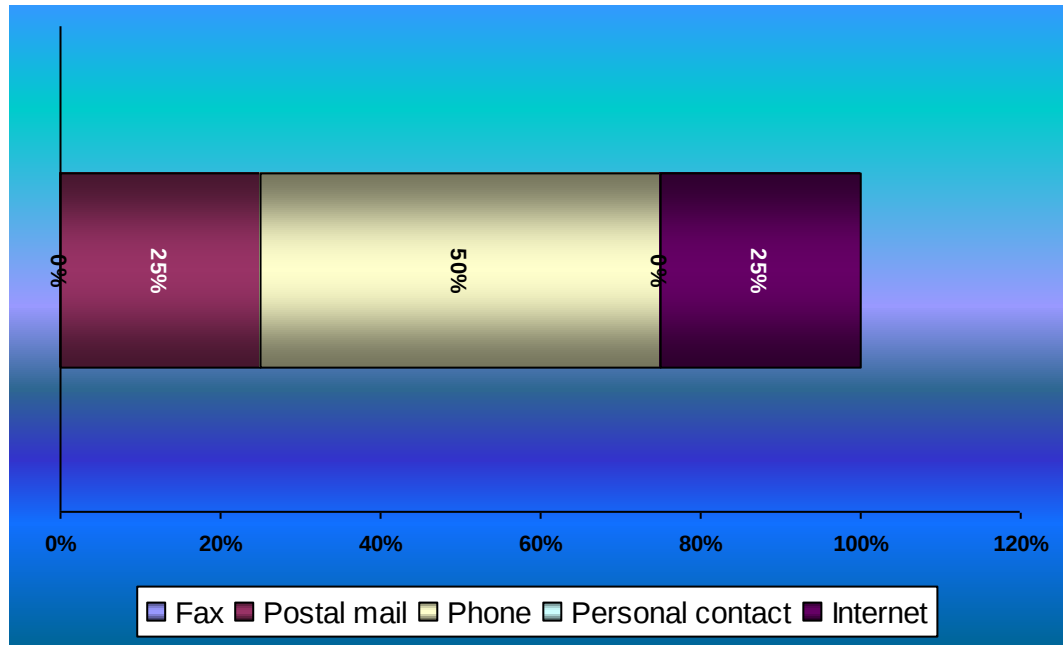
S.No.	Mode of communication	No. of respondents	Percentage
1	Fax	0	0%
2	Postal mail	25	25%
3	Phone	50	50%

4	Personal contact	0	0%
5	Internet	25	25%
Total		100	100

INTERPRETATION:

Among the total respondents of 4 distributors, 25% of respondents are going for postal mail, 25 % of the respondents used the internet for booking orders and remaining 50% preferred use of phone.

ORDERING MODE



INTERPRETATION:

Based on the above table and graph it can be inferred that the respondents preferred to book their order through telephone and where few of the respondents still preferred postal mail for booking orders and the internet new way of communication has also stepped in with few of the respondents using the same for the purpose of booking orders.

Time taken for delivery of order

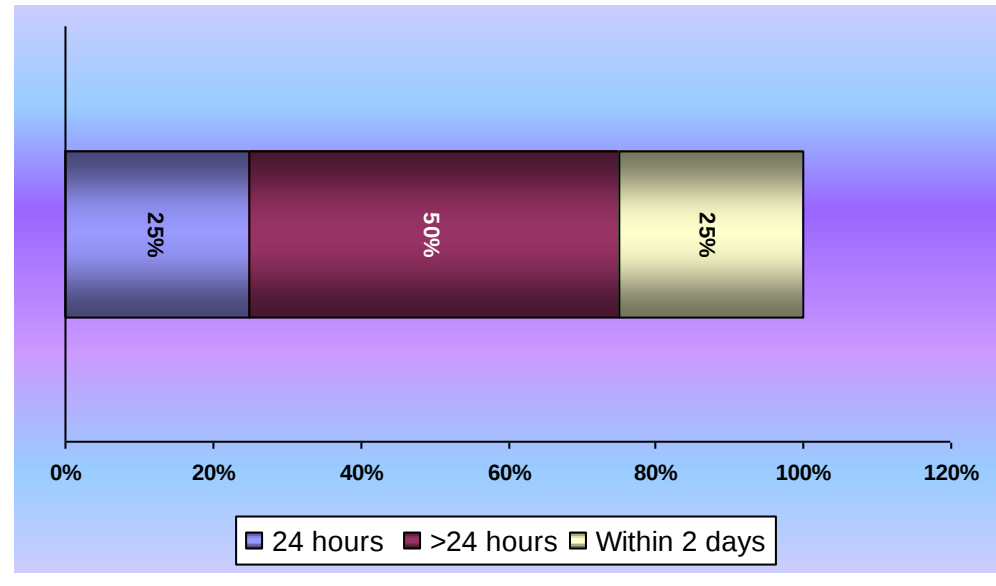
S.No.	Time	No. of respondents	percentage
-------	------	--------------------	------------

1	24 hours	25	25%
2	>24 hours	50	50%
3	Within 2 days	25	25%
Total		100	100

INTERPRETATION:

On questioning the respondents it was found that 50% of respondents received their order after 24 hours and 25 % within a day and the rest within 2 days of order.

TIMING MODE



INTERPRETATION:

Based on the table and graph it can be inferred that the delivery period varied from a minimum of 24 hours and a maximum of 48 hours.

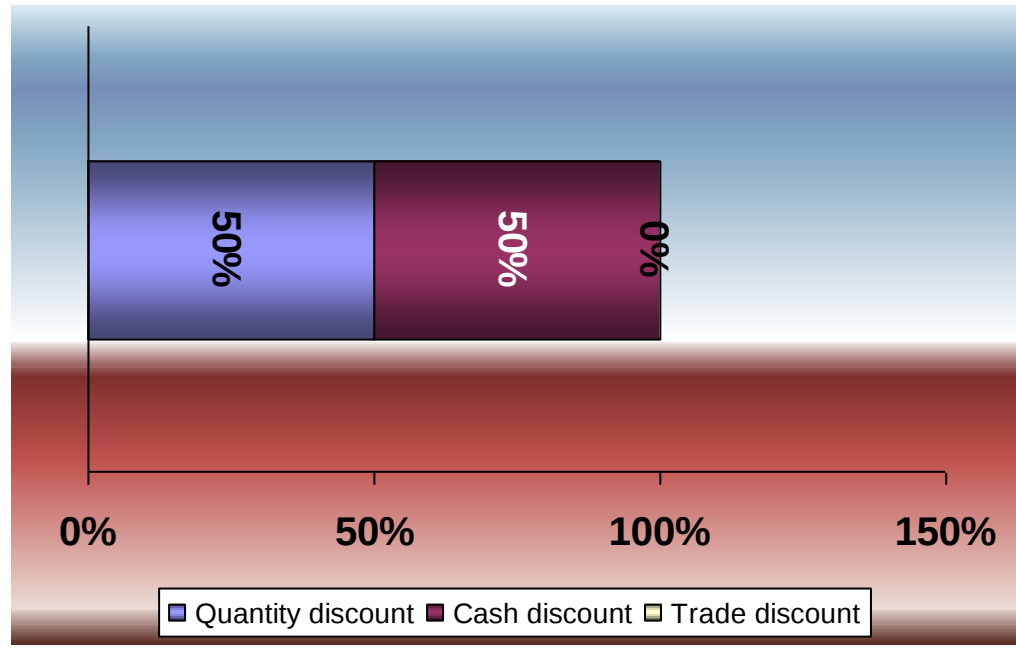
DISCOUNT AVAILABILITY TO RETAILERSFROM THE DISTRIBUTORS

S.No.	Discount availability	No. of respondents	Percentage
1	Quantity discount	50	50%
2	Cash discount	50	50%
3	Trade discount	0	0%
Total		100	100

INTERPRETATION:

From the table it was found retailers are getting both quantity discount as well as cash discount and hence these factors obtained the ratings of 50% of the respondents.

DISCOUNT GIVEN



INTERPRETATION:

Keeping in mind the above table and the graph it can be concluded that the retailers availed the facility of quantity discount and cash discount from the manufacturers of various Dabur food products.

Table showing the mode of payment

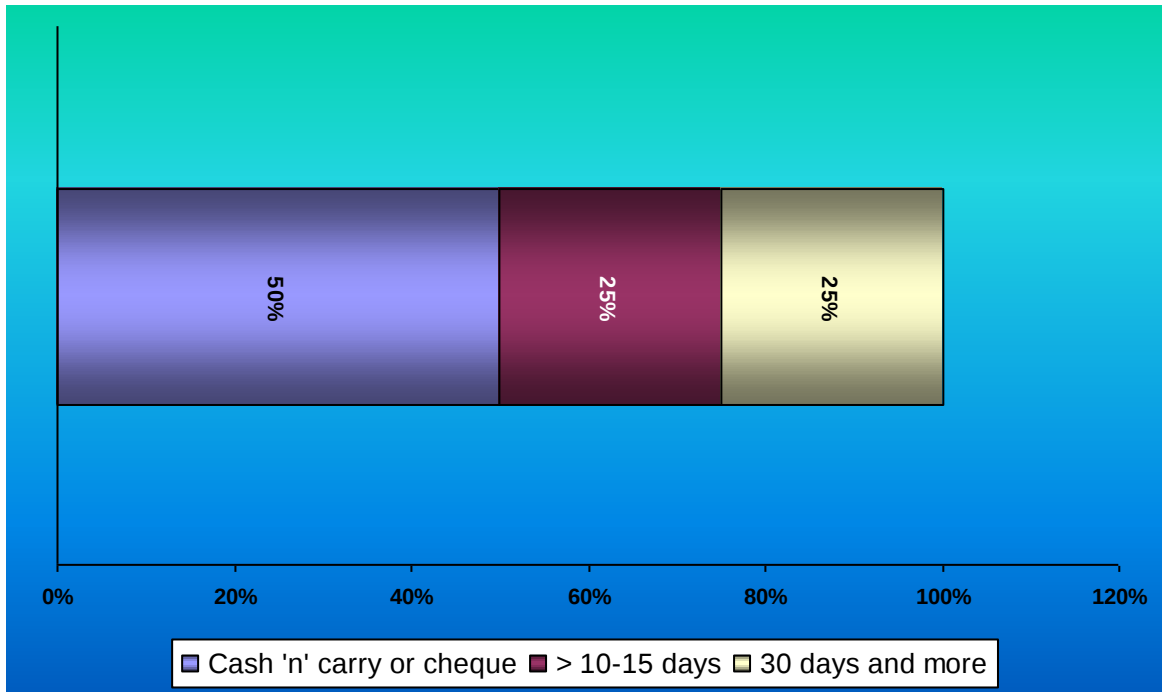
S.No.	Mode of payment	No. of respondents	Percentage
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1	Cash 'n' carry or cheque	50	50%
2	> 10-15 days	25	25%
3	30 days and more	25	25%
Total		100	100%

INTERPRETATION:

The above table gives the information that 50% of retailers pay their payment on cash 'n' carry basis or by cheque, 25% of retailers paid on 10 to 15 days credit basis and remaining 25% of retailers pay their payment after 30 days of receipt of goods ordered.

MODE OF PAYMENT



INTERPRETATION:

The above analysis it can be concluded that 50% of the respondents preferred cash and carry option, where as the rest opted for credit purchases.

CUSTOMERS Opinion About DABUR food Products

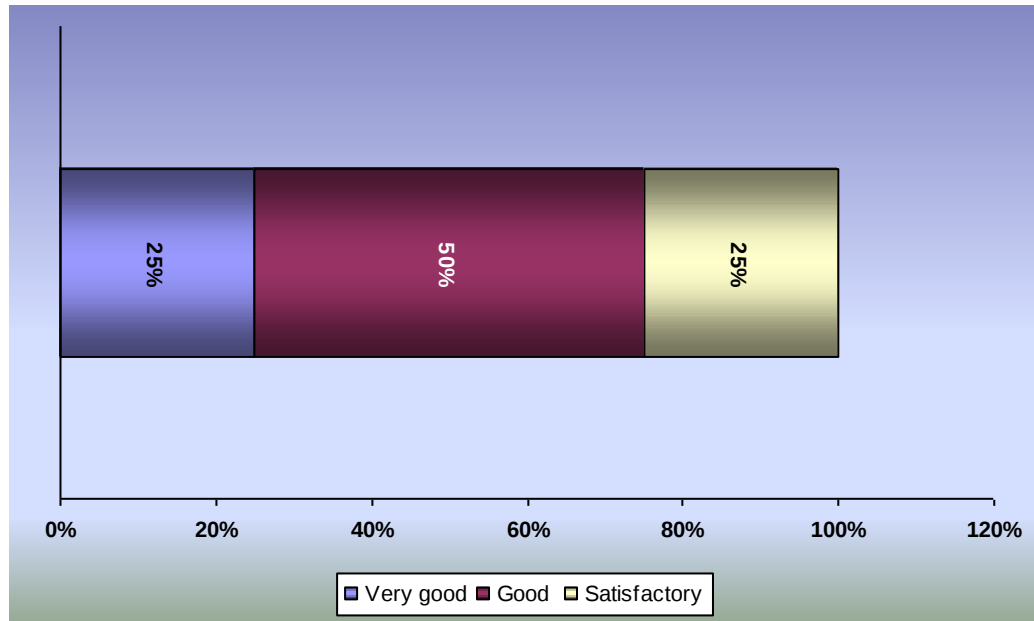
S.No.	Opinion	No. of respondents	Percentage
-------	---------	--------------------	------------

1	Very good	25	25%
2	Good	50	50%
4	Satisfactory	25	25%
	Total	100	100

INTERPRETATION:

Among 4 respondents 25% of respondents opined that DABUR products were very good where as 50% of the respondents thought that the products were good and the rest 25% thought that the products of DABUR was satisfactory

OPINION ABOUT DABUR FOOD PRODUCTS



INTERPRETATION:

The above analysis it can be inferred that the respondent's opinion regarding the products of DABUR food products was above satisfactory as 75% of the population thought that it was good and very good.

CUSTOMERS Opinion About Distributors service

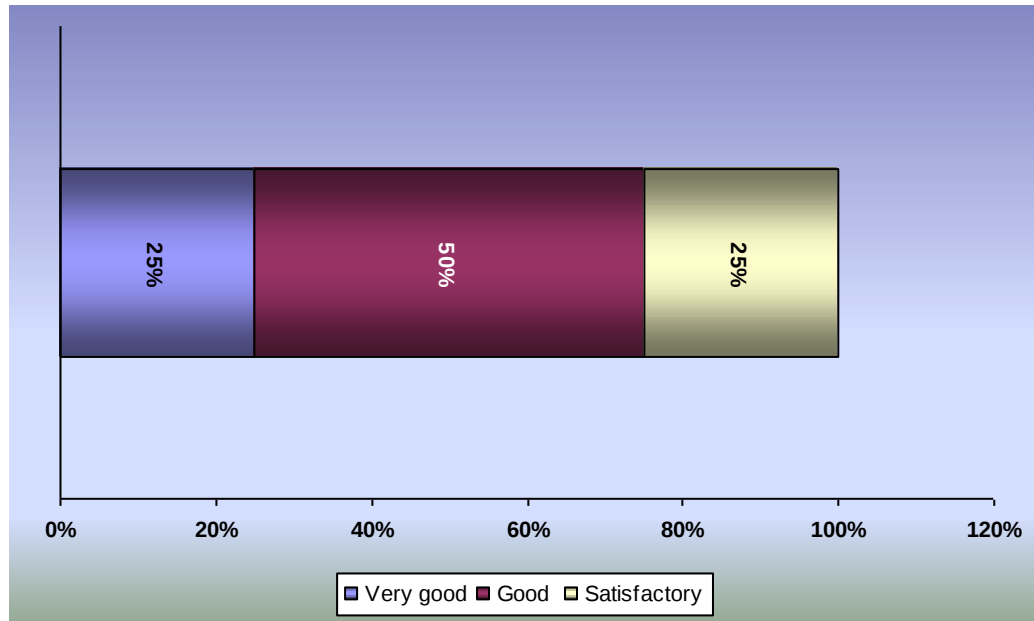
Sl.No.	Opinion	No. of respondents	Percentage
--------	---------	--------------------	------------

1	Very good	25	25%
2	Good	50	50%
4	Satisfactory	25	25%
	Total	100	100

INTERPRETATION:

Among 4 respondents 25% of respondents opined that Distributors service is very good where as 50% of the respondents thought that the service is good and the rest 25% thought that the Distributors service is satisfactory.

CUSTOMERS Opinion About Distributors service



INTERPRETATION:

The above analysis it can be inferred that the respondent's opinion regarding the service of distributors is above satisfactory as 75% of the population thought that it was good and very good.

Findings

- Dabur carries a good image in the consumer's mind.
- There is good demand for Dabur products throughout all the consumer classes.

- There is a huge distribution gap in the rural and semi-urban areas.
- Distributors are choosy about their distribution pattern and therefore prefer to work on cash and efficient retailers ignoring a mass of other small outlets.
- Concentration on top outlets.
- Ignorance of small provisional stores who have the potential to sell Dabur products.
- Advertisement plays an important role as it helps in stimulating demand for the product.
- Small competitors are giving Dabur a run for their money.
- Competitors are giving higher profit margins to retailers.
- The outlets having good sales are recording increasing sales.
- There is huge demand in the corporate world.
- Lack of advertisement of other smaller products.

- The level of awareness among the customers regarding the product, quality, range of products etc of Dabur Foods products is low.
- It is also noticed that the sales persons are reluctant to take small quantity orders.
- Dealers are concerned with the credit to great extent.
- Salespersons usually work as per their convenience.

- Dealers have some level of dissatisfaction with some front-end sales persons of Dabur Foods products
- The perceived quality of Dabur Foods products among the customers is high when compared to other products.
- As Dabur Foods products being the strongest brand in the industry, many customers prefer only Dabur Foods products even if the competitors offer products of equal or better quality.
- Most of the Top outlets have equivalent sales of competitor products too
- Good relationship ties between manager and sales people.
- Consumers are not totally aware of the product range of Dabur Foods products.
- Most of the Dabur Foods customers are satisfied with the quality and price of the products.
- Dabur products are having more coverage opportunity in the market.

Recommendations & Suggestions

- The Company should work on covering all the outlets by building an effective distribution channel.
- Attractive incentives to sales persons.
- Sufficient stock needs to be maintained at the C & F agents.
- Take the competition seriously.
- Improve the product range

- Advice salespersons to manage time so as to work efficiently.
 - Concentrate on semi-urban and rural market.
 - Cover each and every outlet possible.
 - If the Credit Terms can be little more liberalized more dealers will be willing to keep more Dabur Foods products.
 - Create awareness among consumers as to the benefits of the products.
 - Work efficiently on claims and damages.
 - Team of sales force should be maintained on a regular basis to negotiate with lost dealers, so that the company can expand its distribution network.
 - Feedback should be taken from the dealers on a regular basis to avoid dissatisfaction and frustration in dealers towards the company.
 - Tap new markets like institutions, corporate and medical stores.
-
- Decrease the cost by using latest technologies.
 - Increase shelf life by having an efficient supply chain management.
-
- If any production stock goes below the minimum stock level fresh stock should be supplied without any delay.
 - Top outlets should be in constant touch so as to keep the stock level always above minimum level.
 - A combo offer could be introduced as a promotional measure.
 - Avoid stock shortage.
 - Regional promotions need to be carried out so as to concentrate on a particular region rather than a country as a whole.

- Identify new Channels of Distribution so that the promotion offer reaches the retailer to the maximum extent.
- Monthly feedback should be collected from the retailers so that a personal touch is maintained and the market potential is collected.
- Make sure that the salesman visits each and every outlet without skipping any. As a measure of check sales officers should give surprise visits on daily routes.
- Make sure that all merchandise like stands are used for Dabur products only.
- Product visibility needs to be improved in all stores. If necessary, display charges need to be given to retailers.
- Introduce new trade schemes every now and then.
- Having hoarding and boarding at all stores can create awareness.

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WEBSITE

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