

Percolation of Data – An In Depth Analysis of UNIBIC Sales Dump

Author 1

Dr. Vinod. N. Sambrani
Professor
Kousali Institute of Management Studies
Karnatak University
Dharwad - 580003

Author 2

Naveen Pol
Research Scholar
Kousali Institute of Management Studies
Karnatak University
Dharwad – 580003

Introduction

The Indian consumer behaviour pertaining to snack is taking its own shape. In recent past it is observed that, consumers are being health conscious as they are substituting biscuits in comparison to chips, wafers, namkeens and the likes. Indians taste is unique to other countries as we prefer pinch of spice and flavours in every available food products (Market, 2016). This has made the biscuit manufactures to introduce unconventional flavours of biscuits in the country. Cookies on other hand are one of the fastest growing categories over overall industrial growth. Indian consumers spending habits is taking paradigm shift as are likely to loosen their pockets on quality and premium products. Likewise biscuit market in India is one of the most promising sectors in fast moving consumer goods (FMCG) industry (Foundation, 2018).

Some of the key highlights of Indian Biscuit market

- Third largest market after United States of America and China
- Indian Biscuit Market is about Rs 25200 Crore
- Annual percapita consumption of biscuits in India is 2.1 Kg/annum
- Biscuits have 94 percent outlet presence in Indian urban markets
- 85 percent of outlets in Indian rural markets have presence of biscuits
- Premium biscuits constitute to 60 percent (Rs 15120 Crore) of overall biscuit market share
- Parle G as a brand comprises to a turnover of Rs 5040 Crore
- Parle and Britannia Company together accumulate to 70 percent (Rs 17640 Crore) of total biscuit market share (Shinde, 2017).

UNIBIC Foods India Pvt. Ltd is one of the premium cookies manufacturing company in the country. The company is subsidiary of UNIBIC Australia which is a niche player in Australia with forty plus brands. The USP (Unique selling proposition) of the organization is its premium quality as the company has never competed with its counterparts when it comes to the aspect of pricing. UNIBIC made its Indian debut in 2004 wherein it is present in more than one lakh retail outlets. The company generated trials by making its presence in the outlets of café coffee day through a strong strategic alliance. Back stage in its production department at Bangalore, UNIBIC is equipped with Italian machines having “wire cutting technology”. In entire India this is the only company to possess such unique technology, which is said to be most proficient in manufacturing biscuits with fine quality (Criteria, Companies, & Ratios, 2013).

Statement of Problem

Indian biscuit market is growing at a rapid pace; however the overall market share is fragmented amidst two companies being Parle and Britannia. UNIBIC in recent past has projected phenomenal growth wherein is still buffeted with its own impediments. As the company is notching ahead is head winded with competition and has its footholds in southern parts of India. The company can only perceive sustainability through strong analysis of the available data wherein inferences can be drawn and cascaded downstream. It is sited that the market presence in some of the predominant locations is uneven, due to incompetents of the sales force in percolating the loopholes. In order to sustain in the current highly competitive environment, the company can only strive growths through efficiently managing its distribution system driven through data.

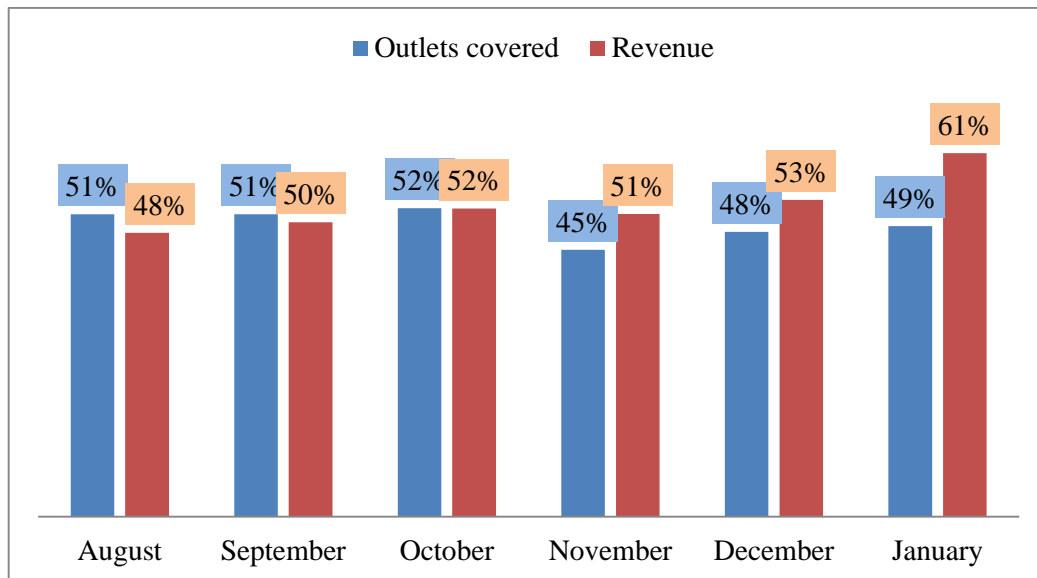
Research methodology

The study is empirical in nature however considers quantitative analysis computed through the six months data obtained. To assess the data, various descriptive statistics is been formulated through cross tabulation, pivot tables, vlookup and the likes using Ms Excel and SPSS Version 23. The data is confined to southern region of India being Karnataka and Goa, wherein sales data is considered between period of August 2018 to January 2019. The analysis is been carried out with an intent to facilitate the feet on ground with a clear understanding on the key focus areas while caring the activities of order booking (Field, Miles, & Field, 2013).

Data analysis

The tables are assessed post computing pivot table and vlookup, wherein the regions are cross tabulated against the monthly average outlets covered. The average outlets covered is derived from the outlets billed list at least once in six months. The total number of outlets covered is 2906 and the average monthly turnover of the region is 37 lakh. Table 1 is computed to understand the trend of revenue in relation to the percent of outlets covered.

Table no 1: Percent of outlets covered and percent of revenue



Interpretation: There is variation in outlets covered however the trend of revenue is progressive. The data projects that there is a possibility of shift in dependency on indirect distribution than direct reach. However, area wise trend is also require to be assessed before computing outlet category wise sales figures.

Table no 2: Area wise percent of outlets covered in six months

Area	August	September	October	November	December	January
BIJAPUR	60%	52%	58%	61%	77%	69%
BIJAPUR-Upcountry	33%	32%	27%	30%	37%	25%
DAVANAGERE	80%	80%	80%	50%	47%	52%
DAVANAGERE-Upcountry	57%	56%	56%	47%	48%	53%
Hubli-EAST	38%	45%	37%	50%	52%	51%
Hubli-WEST	34%	37%	42%	37%	31%	41%
MAPUSA	54%	55%	71%	60%	65%	63%
MARGAO	57%	50%	47%	31%	39%	47%
Grand Total	52%	51%	52%	45%	48%	49%

Interpretation: Table 2 indicates that Bijapur upcountry and Hubli west are the areas which have issues in outlets coverage. Hubli east is progressed after October however Margao is indicating issues after September. Sudden drop is observed in Davangere after october.

Table no 3: Area wise percent of revenue in six months

Area	August	September	October	November	December	January
BIJAPUR	66%	59%	67%	70%	89%	97%
BIJAPUR-Upcountry	23%	46%	37%	35%	31%	39%
DAVANAGERE	65%	62%	65%	76%	68%	77%
DAVANAGERE-Upcountry	57%	49%	52%	49%	54%	59%
Hubli-EAST	43%	53%	40%	55%	60%	60%
Hubli-WEST	27%	47%	40%	37%	29%	47%
MAPUSA	62%	52%	81%	76%	81%	93%
MARGAO	59%	44%	44%	37%	47%	49%

Interpretation: Similar trend is been observed in revenue figures too. Bijapur local area is progressive. Davangere local indicated issues in outlet coverage but is consistent in revenue. Bijapur upcountry and Hubli west continue to project overall issues, however Margao is depleting since September. Going ahead the market of Davangere is to be assessed by evaluating the trend in category of outlets.

Table no 4: Area wise percent of revenue in six months

Category of outlet	August	September	October	November	December	January
Kirana (O)	109	93	94	60	62	63
Kirana (R)	64464	55618	53871	107604	51140	68395
Wholesale (O)	9	12	14	7	7	9
Wholesale (R)	3882	3287	7233	6186	5653	6536

Interpretation: Post assessing category of outlet wise billing it is indicated that from November there is reduction in total outlet coverage across categories. However from October it is observed that there is surge in Kirana outlets revenue and wholesale revenue. The rise in wholesale revenue is one of the indications of inefficient distribution as the stocks will be further sold to retailers for higher prices.

As the wholesale and Kirana sales are inconsistent, there is possibility of disruption in distribution system at Davangere Area. The Davangere area is segregated in two divisions being Davangere local and Ranebennur. Table 5 depicts the beat wise sales percent.

Table 5: Beat wise sales

Beat wise Sales	August	September	October	November	December	January
Davanagere						
BIET & Shamnoor road	83%	66%	48%	67%	75%	96%
Clock Tower Aralimara & RTO road	44%	38%	46%	187%	62%	90%
Hadahi Vidyanagar Saraswathi Badavane	57%	57%	68%	42%	90%	75%
Lokiker Hitech DCM Road	99%	102%	47%	40%	82%	84%
PB Road & HKR Circle	92%	48%	69%	55%	109%	94%
PJ Ext Ring Rd & Vinobanagar	78%	47%	53%	71%	65%	78%
RANEBENNUR						
HAVERI & HANGAL MAIN ROAD	22%	88%	95%	116%	0%	0%
MAIN ROAD-RANEBENNUR	45%	88%	99%	33%	28%	59%
RANEBENNUR RURAL TOWN	0%	44%	116%	58%	27%	0%

The beat wise sales indicate that the sales of P B Road in Davangere are visa versa all the three beats of Ranebennur. The reason can be derived that the orders of Ranebennur outlets are been addressed by outlets in Davangere. The distributors or the sales representatives are not covering the outlets of Rabebennur directly. This situation will hamper long term relationship and will also hamper distribution system of either of the markets.

Findings and Suggestions

- The outlet reach of the company is contradicting to the trend of revenue as the outlet coverage is hindered and the revenue is depicting progress. This situation clearly signifies flaws in the distribution set up as it indicates dependency on indirect distribution than on direct. The schemes and tradeoffs percolated by the company will be misused by the distribution team towards sanction of additional margins to wholesalers or super markets. As a result strong analysis is to be carried out in spotting the loopholes in the system.
- Bijapur local is projecting constant growth however upcountry is not. Similar analysis as carried out in the instance of Davangere and Ranebennur can be carried out to identify if the Bijapur local sales is been leveraged on lacuna of Bijapur upcountry. Likewise even Hubli east and Hubli west sales are to be assessed closely.
- UNIBIC is one of the predominant player in manufacturing of cookie biscuits, however the company needs more emphasize on the aspects of distribution. The activities of distribution primarily function on tradeoffs to its middlemen or channel partners. Company needs to incorporate unique system of return on investments (ROI) or needs to leverage its distribution system by entering into agreement with its non competing FMCG

giants like Hindustan Unilevers Limited. Under the umbrella of HUL the company can surely reach to remotest destinations as the products of HUL are the widest distributed products in India.

Conclusion

The research work acts as a facilitator to the distribution in charge on behalf of the company like the Area sales manager, Territory manager, or Sales officers as to how the sales dump is to be utilized in understanding the loop holes in the system of distribution. The research can be leveraged to next level, wherein the ground realities can be connected to the assessed data. Reasons can be ascertained to identify as to why the outlets are not been serviced regularly. The reasons like appropriate tradeoffs from the company side, in efficiency of the distribution managing authorities, or the non competent attitude of sales executives are hampering the entire system is to be looked closely. The research is niche in nature as it is just an attempt that can enable in understanding how the data acts as one of the powerful tool in assessing the issues of frontline distribution management system. In order to ensure sustainable development it is need of the hour for the company to strengthen the aspects of distribution substantiated through data.

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