

Local Solutions for Global Problems: Pro Nature Organic Foods Private Limited, Bangalore: An Experimental Study

Manjeera Vutukuri
Research Scholar
Institute of Management
CHRIST (Deemed to be University), Bengaluru
manjeera.vutukuri@mba.christuniversity.in

Dr Vedha Balaji
Associate Professor
Institute of Management
CHRIST (Deemed to be University), Bengaluru
vedha.balaji@christuniversity.in

Dr Sreedhara Raman
Associate Professor
Institute of Management
CHRIST (Deemed to be University), Bengaluru
raman.sreedhara@christuniversity.in

Article Info

Volume 82

Page Number: 508 - 524

Publication Issue:

January-February 2020

Article History

Article Received: 14 March 2019

Revised: 27 May 2019

Accepted: 16 October 2019

Publication: 04 January 2020

Abstract

Organic agriculture and organic food have gained greater importance in recent times.. Due to the tremendous amount of information available with consumers, they now have a choice to choose the kind of food they want to buy. Increasing awareness of health, increasing disposable income and availability of organic food consumers to choose what's best for them according to their perceptions. There are many players in the Indian market who have ventured into marketing of organic food. One such company is Pro Nature organic Foods Pvt Ltd. Despite having secured profits while earning loyal customers, the company is struggling to penetrate and attract new consumers. In this study an attempt has been made to identify consumer attitude and opinions on organic industry in the city of Bengaluru. This paper is based on qualitative research various marketing activities that dealt with interaction and sampling events. This study was carried out in Organic World and Metro Cash and Carry, which sell more than 40 different organic brands in each of its five retail outlets. The weak ability of the consumers in identifying the right organic product and knowledge of the organic products has been affecting the brand sustainability of the trust worthy companies.

I. INTRODUCTION

Agribusiness has been practiced for quite a long time and it has experienced many changes to keep up with the opportunities, prerequisites and difficulties of the evolving world. Since many years, agriculture was practiced without the

utilization of artificial substances. The increased utilisation of synthetic substances met with fierce criticism brought forth by numerous organic farming movements across the world. It is always helpful that we follow practices that are eco-friendly, do not deplete the nutrients and sustain

the quality of the soil. Organic farming gives solutions to most of the problems. The organic products imply two main things: first, it is free from pesticides, synthetic fertilizers, growth hormones and antibiotics or genetically modified organisms (GMOs) and second, organic cultivation standards are strictly followed, with respect to impact on soil, water and air. Consumers are making efforts to learn more about food safety issues and environmental issues due to the increased concern regarding their health and global implications. Many of the consumers have already shifted towards organic food due to the presence of chemicals and pesticide usage in the production methods of non-organic food. Many of the farmers look at it as an advantage to start or shift themselves to organic farming due to increasing demand in the market and public policy support from government. Few of the top organic food brands in India are Pro nature organic, 24 mantra, Grain stories, Organic India, Organic harvest, Just organics, Conscious Foods etc.

GLOBAL SCENARIO

FiBL is an Institute of Organic Agricultural, the leading global bio-agriculture information and research centre, according to the Organic Agriculture Worldwide 2016 Research Institute for Biological Agriculture (FiBL)-IFOAM Report. There has been a remarkable development of the market for organic products since the 1990s. It is said that the market for organic products globally is rising at CAGR 16% quicker than that of standard goods, which only grows at a pace of CAGR 10%. The increasing awareness about organic food and changing patterns of food habits, the concern for health, multiplication of diseases, increase of income levels and standard of living, along with government initiatives has created a diverse market growth for product related to organic. It also showed a favourable rise in organic farming since 1999, from 77 nations to 172 by 2014.

ORGANIC MARKET IN INDIA

As stated in the Forschungsinstitut für biologischen Landbau (FiBL)- IFOAM Report, India has the highest number of natural makers all around with 9,20,000 natural ranchers with 1.49 million ha, positioning ninth regarding region under natural development on the planet. The present Indian natural market is assessed at INR 40,000 million and is probably going to increase to INR 100,000 – 120,000 million by 2020. Indian organic market has been expanding with CAGR of 25% when compared with 17% worldwide development rates and is expected to develop to 25.89% from 2015-2020.

Organic foods have higher demand than any other organic industry in India. It primarily targets high income urbanites segmenting particularly into niche market. The ASSOCHAM – Ernst and Young study showed the total market size of organic market to be about 4000 crore rupees which includes food and beverages, health and wellness, beauty & personal care and textile industries where food and beverages accounts for about 53.3 crores and is expected to grow to 87.1 crore by 2020. It was found that Pro Nature Organic Foods accounts for 12% market share of the total organic food market in India and 6% of market share in Bangalore. The Organic land expanded considerably and the quantity of Organic producers and Organic retail sales additionally proceeded to grow. The spending limit of the Indian middle class is projected to be double by 2025. With the increase in disposable income and access to credit, the purchasing power and the basket value of the Indian consumer of Organic foods will therefore increase. The Government has taken few initiatives like advancing Organic Farming in India. Paramparagat Krishi Vikas Yojana (PKVY), under which 2 lakh hectares have been made reasonable for Organic Farming helping 5 lakh farmers. One of the serious issues in the Organic food market is

the mismanagement in the supply chain of Organic foods.

The challenge that most of the Organic companies are facing today is the expense and logistics related issues. The shelf life of fruits and vegetables compared to other organic foods is very less. The need to counter the issues related to supply chain management is very important since the Organic market is rising at a very high rate. Organic food market is highly unorganised in India. Even though the Organic producers and land under Organic cultivation increasing every year, the farm size in India is very small. According to the census, Business Standard updated on October 2018, which says that the Indian farm size shrank further by 6% in just 5 years.

II. REVIEW OF LITERATURE

Magistris and Garcia (2008) identified that the study of food choice is a complex phenomenon that represents one of the most important parts of consumer buying behaviour, where several cognitive and behavioural factors can vary sharply between individuals. Magnusson, Arvola, Hursti, Aberg & Sjoden (2001) identified in their study that behaviours, goals & outcomes are not entirely under the control of an individual. Chinnici, D'amico and Pecorino (2002) stated in their study that the term "organic" refers to the types of organic produce most frequently consumed in the form of fresh fruits and vegetables, cereals and cereal products, milk and dairy products and meat.

INTRODUCTION OF PRO NATURE

Pro Nature Organic Pvt. Ltd. is a certified Organic brand present all over PAN India which is headquartered in Whitefield, Bangalore. Mr. Varun Gupta, who is the Co-Founder and CEO of Pro Nature Organic along with his wife started this company in the year 2006. Pro Nature Organic Foods Pvt Ltd (Pro Nature) is a Bangalore based marketer of organic foods in

India with a vision to provide consumers with healthier food options and at the same time benefiting the producers and supporting sustainability. Pro Nature has additionally taken many initiatives to help farmers produce and go Organic thereby promoting a sustainable environment. Pro nature constantly strives to create a market for organic produce at a fair premium. Pro Nature is committed to promoting women entrepreneurs and they are powered by women. Recently they integrated with women on wings operating in the growth of women entrepreneurs including female farmers and female employees.

Besides this, Pro Nature's mission is to make Organic products a better choice of food for every health-conscious and environment-conscious consumer by making it effectively accessible at every distribution point. Some of their products are Breakfast Products, Dry Fruits and Snacks, Flour and Grains, Pulses, Rice, Spices (Whole and Powdered) and Sweeteners. They have around 140+ products with one among the few, running in profits and the only company which is not backed up by any investors or loans.

Pro nature besides having so many unique products and for its cost-effective strategies, Pro Nature hasn't been able to penetrate well into Indian homes and increase its basket value like its competitors and its new entrants. Because Pro Nature is one of the very few organic brands which have been certified to keep 100% organic on its logo and being the oldest key players in south India. It is having a tough time increasing its market share from its new entrants and competitors. Pro Nature has no pesticides, no chemicals, no artificial colors, no genetic modification, no artificial flavors. It is certified by USDA Organic, India Organic, Jaivik Bharat and IMO.

Market Share: Pro Nature occupies 6.2 % of market share in Indian organic market and in

Bangalore it occupies 12% of market share. Table 1 depicts approximate market share of Organic foods market in India. The remaining percentage of the other category in the table represent more than 200 small organic brands with few product lines and includes unorganized sector too. The second highest revenue in India organic food market is the southern part of India. There has been always a high demand for organic products especially in Bangalore, Hyderabad and Chennai and Pondicherry. Bangalore being the IT hub of India, which has the maximum number of organic food retail stores in the country.

Table 1: Market Share (%) in Revenue

Organic Brands	Market Share(%)
24 Mantra	4
Down to Earth	5
Pro nature Organics Foods Pvt. Ltd.	6.2
Organic Tattva	6.7
Arya	7.8
Conscious Foods Pvt. Ltd.	7.9
Organic India Pvt. Ltd.	9
Others	53.4
Total	100

Source: Secondary Data

Some of the top competitors for pro-nature in Bangalore and their Indian market share is depicted above. Pro Nature has around 140 products and competes mostly in processed and packaged foods with Arya and 24 Mantra. Pro Nature most of the revenue comes from its processed food and packaging foods. It is trying to gain market share through its specialty products since there is less competition. Products like Cumin, Peanuts, Poha, Whole Wheat Atta, Moong yellow dal, Turmeric powder, jaggery powder, Sunflower oil, Himalayan pink salt, Dry fruits are few of the fast-moving products. Apple cider vinegar, A2 cow ghee, and Virgin coconut oil are

medium selling but those are the premium products. Organic India and conscious foods who occupied the maximum market share do a lot of endorsements and into exports. They spend a lot of money on advertisements and promotions too, where pro-nature does not have much visibility on online since they don't invest in a lot of digital advertisements, they mostly rely on word of mouth.

Introduction of Organic World Outlets

Organic world is one of the Bangalore's premium retail outlet which sells wide range of branded organic products which includes fruits & vegetables, dairy, bread and eggs, staples, packaged foods, health & wellness, baby infants, beauty and personal waste, clothing, home care, home furnishing and zero waste staples varying about more than 35 brands. One entire day, a particular task involved just observing the entire store in all the 5 outlets and their footfalls, the behaviour of customers, what products are picked up more often and the average basket value in a day. The store also sells different brands of different categories of Organic foods. Each brand is so different in its packaging, price, quantity, quality. So, with these products which look similar to customers while it comes to substituting products especially in this category because of premium products. Pro Nature being one among the 30 brands which will be competing with its processed and packaging foods category with at least 15 other brands in the Organic world is quite a task. It's been a year and a half since Pro Nature has successfully placed their products in Organic world and it's been 3 years since Organic world started. So, there were already a few brands competing with each other even before Pro nature came into the Organic world.

OBJECTIVES

1. To assess the pre and post sales of Pro Nature Premiere League in organic world and metro cash and carry;

2. To facilitate marketing events along with sampling activities during weekends in the months of April and May 2019 for Organic World.

III. METHODOLOGY: EXPERIMENTAL STUDY

This qualitative research indicates various marketing and sampling activities that involved consumers from the organic world and also combined consumers from different other collaborative events. These activities were conducted to analyze and understand the buying behavior of consumers in the Organic World. There were 4 activities which were explored to achieve the objectives of the study. The experiment is restricted to the Organic World and Metro Cash & Carry. One of the most experienced organic brands, Pro nature is taken as the field of research along with its direct and indirect consumers. As a part of this research, in-store campaigns were conducted in Organic World especially for the front-line store staff on behalf of Pro nature. This also revealed the impact of sales in the Organic world. The references of findings were merely based on the sales reports of Metro Cash & Carry, Organic World, Consumer

interactions and Observations; through Pro-nature premiere league (PPL) event, marketing and sampling activities in Organic World & Metro cash and Carry and Event Collaborations.

Following are the detailed process across four different activities:

Pro nature Premiere League campaign of Pro Nature in Organic world

Pro nature Premiere League is an in-store campaign which is specially designed for the front floor staff involving a strategic incentive system and to simultaneously motivate the front floor staff to push Pro Nature products. The primary objective of this campaign is to find out whether such campaigns allow the frontline floor staff to influence the buying behaviour of the consumers. The scores, target and the SKUs are different in organic world which are as follows and the same was followed in Metro Cash and Carry as well with additional discounts and combo offers. This campaign was done in order to interpret the impact of PPL on front line floor staff and therefore the intensity of the influence of this campaign on consumers.

Image1: Organic World SKU

S.No	Focus Sku	Score /Unit
1	Cow Ghee (A-2) 500 ml (PET Jar)	6
2	Apple Cider Vinegar 500ml (PET)	6
3	Sunflower Oil 1 litre	6
4	Groundnut Oil 1 litre	6
5	Whole Wheat Flour 5 Kg	6
6	Quinoa 500g	6
7	Apple Cider Vinegar 100ml (Glass)	6
8	Sonamasoori Rice 5 Kg	4
9	Ugadi Combo	4
10	Honey 500g (Glass Jar)	4

S.No	Focus Sku	Score /Unit
11	Tur Dal 1Kg	4
12	Sonamasoori Rice (Hand Pound) 5Kg	4
13	Walnuts 200g	4
14	Virgin Coconut Oil 200ml	4
15	Puffed Rice 500g	4
16	Black Pepper (Whole) 100g	4
17	Cumin (Whole) 100g	2
18	Moong Yellow 500g	2
19	Turmeric Powder 100g	1
20	Brown Sugar 1 Kg	1

Source: Primary Data

Image 2: Pro Nature Premier League (PPL) Campaign

PRO NATURE PREMIER LEAGUE (PPL)		SLAB 1		SLAB 2	
Store	Staff per store	Score req	Reward	Score req	Reward
JP Nagar Warriors	5	2000	RS 1000/person	1800	RS 500 per Person
HSR Challengers	8	2000	RS 1000/person	1800	RS 500 per Person
Bellandur Raisers	5	1500	RS 1000/person	1300	RS 500 per Person
Kormangla Kings	6	1200	RS 1000/person	1000	RS 500 per Person
Cunningham Capitals	5	1200	RS 1000/person	1000	RS 500 per Person

Source: Primary Data

Targets were set accordingly by considering the previous 2 months sales of each store. J.P. Nagar Warriors and HSR Challengers are given 2000 as target since most sales of pro nature happens in these stores. J.P. Nagar has more phone call orders so they have 5 staff members only and only 4 work in a day as one staff member takes a day off. Whereas the HSR store has incredibly more walk Ins than any other store. Bellandur Raisers is given 1500 as target since the store does moderately well in terms of revenue compared to the top ones. Cunningham store was recently opened, so the target was the least compared to the other stores and Koramangala store also was given 1200 because the store is under performing.

The permanent journey plan was given a day prior for both organic world and metro cash and carry. the plan includes taking care of at least 2 stores Per day, which included multiple tasks like checking the month to date sales report, Calculating the daily score of Pro nature Premiere League and update the Area Sales Manager, National Sales Manager and also updating the front floor staff with scores to keep them up with the zeal and excitement. This also included taking care of the product related queries regarding stock out, product visibility, expiry issues, quality issues and coordinate between the distributor and the area sales manager and make sure it is addressed

soon. Create a friendly atmosphere, talking to the staff was my regular on-going process which will make them feel positive and happy

Pro nature Premiere League campaign of Pro nature in Metro Cash and Carry

Metro cash and carry operates in a very different way. It is an international B2B market leader that sells goods to whole sellers and retailers for a very economical price. To enter the store and to buy goods, one must apply for access cards linked with their TIN. Metro cash and carry has more than 200+ small brands to bigger brands, from food to non-food, from organic to non-organic. Since it's not an exclusive organic product outlet there are more than 200 non-organic brands but only 8 organic brands so technically only 7 competitors in metro cash and carry. In the product line of processed foods and packaged foods, Pro Nature was competed by Fine Life which does spend a lot of money on advertisements, store visibility, banners inside the store.

Metro cash and carry have their in-house brand which occupies the majority of the storage space. Most of the brands fight for store space. The 6 stores of metro cash and carry are situated in Electronic city, Yashwantpur, Mahadevapura, Binnypet, Mysore road, Kanakapura road. Along

with the PPL, there were 3 combos offers and 25% discount on A2 Cow Ghee, which was introduced in the month of April.

Sampling in Organic World

In this activity, few sets of products are kept in front of them and the customers were asked to taste each product and immediately give a rating out of 5 and another set of products A2 Ghee and Honey which were kept along with one generic brand with no labels written product 1 and product 2. Where Product 1 contained pro-nature and product 2 had a normal Ghee and normal Honey. The customers were asked to choose one product in which they feel more natural and organic and were asked to share a few differentiating factors between both the products. Every customer who took part in this activity was given a free sample of one Poha packet and one Organic chikki to try out. 5 attributes were chosen and the sampling was done accordingly. Apple cider vinegar is a product which is soar and a pungent odor drink but has a lot of health benefits which has multipurpose which can be used in cooking as well instead of normal vinegar. This is purely done to know how customers feel about the product. The rating was immediately taken after they were sampled. This was followed for A2 ghee and virgin coconut oil as well, most of them didn't want to taste the virgin coconut oil so the taste attribute was not considered during the experiment.

Blind Test conducted for Specialty products of Pro Nature in Organic World

Blind test was done in order to make the consumer feel and experience the difference between the quality of pro nature with another brand. In this test, there were two products which are considered during this experiment. One is honey and another one is A2 ghee. Pro nature honey was poured into a jar which has labelled as product 1 and another brand as product 2. The customers were asked to

close their eyes taste the honey and immediately tell the probable attributes that they found different and tick the product which they overall felt trustworthy. In this process a distinction between the subjective and objective attributes were drawn. Brand equity is defined in different ways by different people. The results were purely consumer based which has considered the consumers attitudes. So, the entire process of experiment was done through online google forms and through consumer interactions. This experiment was done twice a week during the peak time where the store has maximum foot fall. The sample contained 82 respondents.

FINDINGS

Findings from the study of organic outlets:The minimum time spent by a consumer in the Organic world was estimated to be 20 - 30 minutes. These stores have promoters exclusively for personal and wellness category. The organic world does a lot of in-house customer engagement events every weekend which will be an opportunity for Pro Nature to further collaborate, interact and build relations with their consumers. The average basket value of Pro nature during the month of April was around 560 Rupees in HSR layout, which was calculated by arranging amount in the sales report in ascending order and taking the average of the mid-value. This was done individually for every store. J.P. Nagar's store was around 640, Bellandur's store was around 380, Cunningham store was around 150, Koramangala was around 250. Few outlets in these stores additionally have a small organic cafe and a play arena for kids to retain their customers and feel more than a store when they walk in. The interior colors and the odour in the store keep their customers engaged.

Findings from the Pro nature Premiere League campaign of Pro Nature in Organic world:

Table 2: Entire sales report of J.P. Nagar outlet

Product Type	Size	Qty	Total amt
Apple Cider Vinegar	100 ML	2.00	268.20
Apple Cider Vinegar	500 ML	1.00	448.00
Honey	250 G	1.00	166.50
Honey	500G	3.00	826.00
Vermicelli	180GM	12.00	444.00
Sooji Vermicelli	500G	1.00	70.20
Tamarind	500G	1.00	185.00
Poha White	250 G	2.00	60.80
Poha White	500G	4.00	261.00
Red Poha	500G	3.00	197.20
Idly Rice	500gG	3.00	278.40
Sonamasoori Rice Handpound	5KG	2.00	864.50
Sonamasoori Rice	1KG	2.00	184.20
Sonamasoori Rice	5KG	9.00	2910.00
Sonamasoori Brown Rice	1KG	4.00	344.10
Dallya	500G	2.00	104.00
Channa Dal	500G	9.00	788.70
Masoor Dal	500G	2.00	210.00
Moong Yellow Dal	500G	10.00	931.00
Tur Dal	1KG	9.00	940.80
Tur Dal	2KG	3.00	962.80
Tur Dal	500G	3.00	237.40
Moong Whole	500G	3.00	259.80
Panchratna Dal	500G	2.00	212.80
Almonds	100 G	1.00	216.00
Raisins	100 G	5.00	437.00
Walnuts Snacks	100 G	7.00	1513.00
Walnuts Snacks	200 G	6.00	2520.00
Cashew	100 G	2.00	480.00
Raw Peanuts	1KG	6.00	1288.00
Raw Peanuts	500G	4.00	444.00
Jowar Flour	500G	2.00	100.00
Maida	500G	2.00	96.00
Rice Flour	500G	3.00	168.00
Whole Wheat Atta	1KG	7.00	248.00
Whole Wheat Atta	5KG	6.00	788.80
Gram Flour	500G	1.00	124.00
Little Millets	500G	1.00	110.00

Ragi Millet	500G	2.00	80.00
Cow Ghee	500 ML	5.00	3577.50
Groundnut Oil	1LTR	1.00	385.00
Groundnut Oil	500 ML	1.00	210.00
Mustard Oil	1LTR	4.00	1292.00
Mustard Oil	500 ML	2.00	360.00
Sunflower Oil	1LTR	2.00	636.50
Sunflower Oil	500 ML	3.00	540.00
Kabuli Channa	500G	2.00	248.40
Kala Channa	500G	2.00	155.80
Cowpea White	500G	1.00	86.00
Moong Split	500G	1.00	77.40
RajmaChitra	500G	1.00	108.00
Urad Black Whole	500G	2.00	172.80
Urad White Whole	1KG	5.00	950.40
Urad White Whole	500G	1.00	102.00
Rock Salt	500G	8.00	387.10
Garam Masala	100 G	1.00	85.00
Turmeric Powder	100 G	4.00	156.00
Coriander	100 G	3.00	162.40
Bay Leaf	10G	10.00	194.00
Cinnamon Bark	50G	1.00	50.00
Fennel	100 G	1.00	54.00
Mustard	200 G	5.00	297.60
Red Chilli	100 G	3.00	168.00
Cumin	100 G	4.00	281.20
Cumin	250 G	2.00	351.50
Sesame	200 G	1.00	92.00
Jaggery Powder	500G	5.00	374.40
Jaggery Tub	400G	10.00	584.80
Brown Sugar	1KG	1.00	134.10
Brown Sugar	500G	1.00	70.20
Sesame Bar	30GM	2.00	38.00
Sesame Peanut Bar	30G	7.00	134.00
Sesame Flaxseeds	30G	8.00	160.00
Idly Rawa	500G	6.00	318.00
Total		264.00	33762.30

Source: Primary Data

From the above table, we can analyse and interpret that from the target of 2000 given to the J.P. Nagar has only achieved 225 points. By considering the entire sales report of this store, 38% (12879.40/-) of the total sales (33762.30/-)

came from the top 20 SKUs that were listed. Almonds are the most usually consumed dry fruits by the Organic consumers and a fast-moving product to one of the competitors Arya, but it's a slow-moving product since the product price is

more expensive than the other brands. It is found out that Premium Consumers are also sometimes price-sensitive when it comes to few products when they are closely related in terms of packaging, size, and features. Each store of Organic World works very differently in terms of their planogram, store layout, basket value, footfall, and consumer choices. Arya is the biggest competitor in the majority of the processed and packaged food products of the Organic Industry and they came up with this 10% discount on all

the products on 365 days which captured most of the Organic World customers since the very beginning. A2 Cow Ghee and Apple Cider Vinegar, Vermicelli are few specialty products where most of the competitors don't have. Pro nature gives tough competition in a few fast-moving products like Tur Dal, Sonamasoori Rice, Turmeric, Puffed rice Etc.

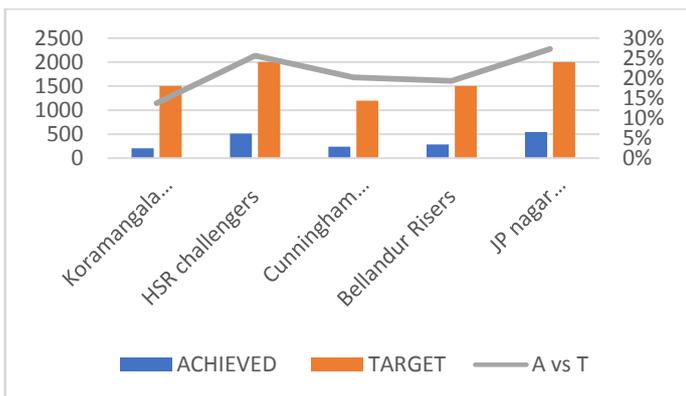
Effectiveness of The PPL Campaign in Organic World

Table 3: Achievement Vs Target of PPL in Organic World

ORAGNIC WORLD	ACHIEVED	TARGET	A Vs T
Koramangala kings	206	1500	14%
HSR challengers	512	2000	26%
Cunningham Capitals	242	1200	20%
Bellandur Risers	289	1500	19%
J.P Nagar warriors	545	2000	27%

Source: Primary Data

Graph 1: Graphical Representation of Achievement Vs Target of PPL in Organic World



Source: Primary Data

HSR store and J.P. Nagar store scores are almost the same but the achievement Vs target as J.P. Nagar is 27% and HSR store is 26%. But the

efficiency is very low and then followed by Cunningham with 20%, Bellandur and Koramangala stores. The reason behind the low scores was that the SKUs which were set to all the 5 stores were designed on the same basis. As I mentioned in the observations, each store works very differently in terms of their fast-moving products, footfall, type of Customers, area they are situated, the kind of consumer traffic they pull. The stores would have done better if the SKUs are given according to the store strengths since the primary motive of the PPL campaign is to encourage the front floor staff to push pro-nature products on a positive note.

Table 4:Pre and Post sales of PPL event in Organic World

Store name	March	April	May	% Increase
Bellandur	19397	45961	43059	137%
Cunningham Road	4277	33978	35059	694%
HSR layout	31399	73786	94710	135%
JP Nagar 2nd phase	41455	68248	75166	65%
Koramangala	16853	26016	24915	54%
<i>Total</i>	<i>113382</i>	<i>147990</i>	<i>272912</i>	<i>31%</i>

Source: Primary Data

We can interpret from the above graph that the PPL has been more effective in the HSR store and J.P. Nagar store. The sales of the organic world in the month of March was around 1.13 lakhs before PPL was introduced after PPL was introduced it was 271222 by the end of May. There has been a drastic increase in sales in each store. In the HSR store, there were sampling activities were done every weekend which boosted sales to 135%. The sampling continued till May, due to which there was a continuous increase in which the overall sales increased to 94K in HSR.

J.P. Nagar store had stock out issues from pro-nature, the store couldn't sell much of pro-nature products during the first week of April due to the delay in reaching the products to the store which resulted in losing customers. HSR layout also had problems with few of the SKUs that are mentioned in the PPL campaign. One was to replace Mustard oil with groundnut oil since pro-nature mustard oil is the least selling item. Puffed rice is one of the fast-moving products in HSR layout which was not supplied to the store until the second week. That was a lost sale to the store and an opportunity cost for the company. Ugadi combo couldn't get sold since the customers weren't happy with the combination of products. Since the Cunningham store is the news outlet, the footfall of the customers was very less. It was

observed that the highest number of sales came from a particular kind of product like flaxseeds, whole wheat Atta, honey and apple cider vinegar. But most of the customers visited the store for the first time, they picked up the smaller quantity products and pro-nature has standardized packaging for specific products. Bragg - Apple Cider Vinegar is the market leader in the world and it's the fast-moving product in this category especially in Cunningham. Most of the customers choose Bragg because it's also priced less than Pro Nature Apple cider vinegar. Customers who purchase from J.P Nagar organic store are very much price sensitive regarding pro-nature. Most of the products are 10 to 15% more price than the other brands. The sampling that has done in HSR layout in Organic World, many of them could tell me what the other brand was by tasting it as they are so used to Dabur, it was difficult to convince them the distinguishing factors of the natural and organic Honey.

Findings from the Pro nature Premiere League (PPL) in Metro Cash and Carry: Metro cash and carry operates in a very different way. It is an international B2B market leader which sells goods to whole sellers and retailers for a very economical price. To enter into the store and to buy goods, one must apply for access card linked with their TIN number. Metro cash and carry has

more than 200+ small brands to bigger brands, from food to non-food, from organic to non-organic. Since it's not an exclusive organic product outlet there are more than 200 non organic brands but only 8 organic brands so technically only 7 competitors in metro cash and carry. In the product line of processed foods and packaged foods Pro Nature was competed by Fine Life which does spend a lot of money on advertisements, store visibility, banners inside the store.

Metro cash and carry have its own in-house brand which occupy majority of the store space. Most of the brands fight for store space. The 6 stores of metro cash and carry are situated in Electronic city, Yashwantpur, Mahadevapura, Binnypet, Mysore road, Kanakapura road. Along with the PPL, there were 3 combos offer which were introduced in the month of April. 50% of pro nature revenue comes from metro cash and carry. There is 1 supervisor, 2 visual

merchandisers and 14 promoters in all the 6-metro cash and carry stores. The following tasks are taken care by me in Metro Cash and Carry along with Pro nature Premiere League are mentioned below:

A2 Ghee strategic discount and placement: Pro nature sales in A2 Cow ghee has been decreasing drastically. A2 cow ghee is one of the most premium products and the customers in metro cash and carry are very price sensitive. 70% of the customers consisting of small scare sellers buy non-organic products in bulk and 30% purchase organic and branded. If we could try and covert at least 15% of the non-organic buyers the past month sales of metro cash and carry would be crossed. A 25% discount on A2 cow ghee was given in the month of April. Promoters did sample of ghee, went to customers made them taste smell compare it with the other brands and there was low conversion ratio because of poor sales pitch

Table 5: No. of units sold pre and post discount in Metro Cash and Carry

2018			2019			
October	November	December	January	February	March	April
61	52	39	23	26	33	52

Source: Primary Data

AMUL Ghee is the fast-moving product in metro cash and carry and is priced at 425/-. The A2 ghee was reduced to 598/- and strategically placed near AMUL ghee. Since A2 cow ghee is a new SKU, sampling is done in such a way that the promoter goes to the customer and pitches about the product and one competitive advantage of the product is none of the ghee brands available there have A2 protein in them. AMUL: gave only 20 rupees offer whereas pro nature gave 182 rupees off which will convince the customer to purchase the product. This resulted in the increased in number of units sold.

Feedback on combo sales: There were different combo offers already running in few of the metro and cash and carry outlets and new ones are

introduced. The combo is designed in such a way that it consists of 2 fast moving products and 1 slow moving product the objective is to increase the slow-moving products out of the shelf. This experiment is considered to check the responses regarding the perception of these offers from the customers point of view whether this is the primary reason to increase the sales or not. A proper analysis of pre and post sales with and without combo are done. The combo offer started in march itself, collected every detail regarding the customer responses and interaction regarding the combo sales.

Table 6: sales with and without combo in DC11

COMBO 1	DC10			
	no combo	combo	no combo	no combo
	February	March	April	May
CUMIN 100G	987	1434	1365	1014
FENUGREEK 200G	191	875	681	884
MUSTARD SEEDS 200G	453	1321	1002	1234

Source: Primary Data

Table 7: sales with and without combo in DC11

COMBO 1	DC11			
	no combo	combo	no combo	no combo
	February	March	April	May
CUMIN 100G	1271	1845	1634	1509
FENUGREEK 200G	390	941	884	551
MUSTARD SEEDS 200G	645	1476	1234	1056

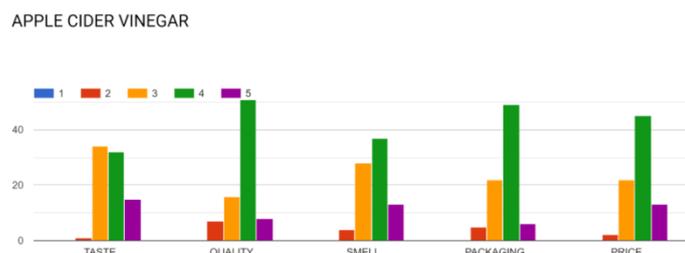
Source: Primary Data

We can interpret from the above numbers that combo offer affected the sales on a positive note. Cumin when not included in combo, only 987 units were sold but cumin included in a combo offer, 1434 units were sold. This was the same case in both the outlets DC 10 and DC 11. In case of mustard seeds, it was decreased because the customers who bought it in march did not purchase again in April because it's a slow-moving product.

Trolley sampling in DC18: It is important to know what works practically in influencing the customers who buy inorganic products and change them into organic customers. The planogram of the store is in such a way that the last section contains fruits and vegetables that is near the cash counter and right opposite is the Pro nature products, through observation, most of the customers in Metro Cash and Carry would take a turn towards the cash counter without visiting the last lane. Even if they come near since it's the last

counter and by then they would have purchased a lot of products which are non-organic, now it's a task to convince them considering the fact that organic products are so costly and also there would be another 2 promoters each in 2 brands competing with the Pro nature promoters influencing the customers to buy. The trolley experiment was a small aggressive selling done inside the store by keeping few products in one trolley, going to customers and sell them to check how customers respond to these kinds of products.

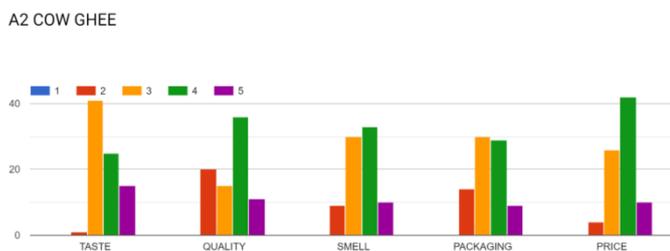
Graph Results in ACV



Source: Primary Data

During this experiment, the average of the ratings was taken into consideration to see what attributes are most importantly the influential attributes from the consumer point. The opinions were collected through the ratings given by the consumers and also through interaction. The taste attribute was given a least rating that was given. This tells us that for some consumer taste of the product is an important factor that they consider while they buy a product. Few customers have told that the odour of the product which makes them not to pick up the product and rest all attributes were the reason why most of them bought the product. This sampling was done in HSR layout Organic world, they sold only 1 Apple cider vinegar during the first 2 weeks and they sold 4 apple cider vinegar in the next 2 weeks, through this we can interpret that the sampling surely impacted on the sale of this product.

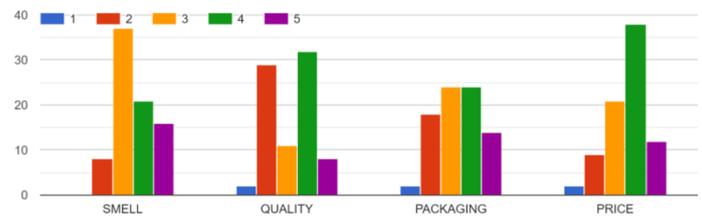
Graph Results in A2 Cow Ghee



Source: Primary Data

A2 cow ghee is one of the premium brands and the only brand in Organic world which has A2 protein in it, so it was quite easy in differentiating the product while sampling with its competitor to all the customers and customers really liked the product in terms of the quality, smell and price, but most of the customers were unhappy with the quantity packaged. Since they wanted to try it, they asked for smaller quantity with glass bottles. Most of the customers said that the price is expensive but since it's a premium product. The customers were convinced.

VIRGIN COCONUT OIL



Source: Primary Data

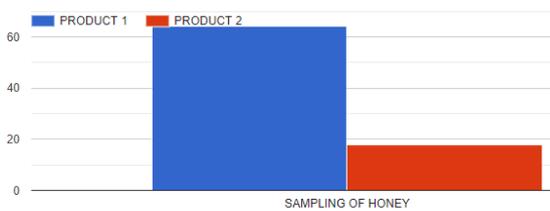
This product is the premium cold pressed Virgin coconut oil, the differentiating factors used while sampling this product were the techniques used to extract the oil from the coconuts. Most of the customers said that the texture and the quality of the product is so good and this product can be used on baby's skin as well. This multipurpose usage is one thing most of the customers were attracted to. Unlike the normal coconut oil which has a different odour, the customers like the smell of this product. The product was tested by applying to their skin if requested. There were 12 bottles sold during the month of April in 3 samplings.

Results from Blind Test

Blind test was done in order to make the consumer feel and experience the difference between the quality of pro nature with another brand. In this test, there were two products which are considered during this experiment. One is honey and another one is A2 ghee. Pro nature honey was poured into a jar which has labelled as product 1 and another brand as product 2. The customers were asked to close their eyes taste the honey and immediately tell me the probable attributes that they found different and tick the product which they overall felt trustworthy. In this process a distinction between the subjective and objective attributes were drawn. Brand equity is defined in different ways by different people. The results were purely consumer based which has considered the consumers attitudes.

The entire process of experiment was done through online google forms and through consumer interactions. This experiment was done twice a week during the peak time where the store has maximum foot fall. 10% of the consumers come twice a week. The sample contained 82 respondents.

BLIND TEST ON HONEY



Graph 5.7 Results of Blind test on Honey

Source: Primary Data

From the above bar graph, out of 82 customers, 18 customers have chosen product 2. The interpretation has done by analysing the differentiating factors mentioned by them which showed that most of the consumers are unaware of the product quality knowledge after the experiment the customers were revealed about the probable differences between the two products. This was also a part where the creating awareness about the basic attributes and differentiators of the

organic products. Raw honey doesn't crystallise, is the basic difference that the customers weren't aware of.

Other findings :DC26 and DC18 always had stock out issues, the time taken to reach the product is so high, there were also few quality issues with whole wheat Atta and Jaggery powder from the customer end in metro cash and carry. The recruitment method that the company follows to hire promoters in metro cash and carry was not effective compared to the promoters from their competitors. The sales of A2 ghee decreased in DC11 because of poor sales pitch and conversion rate in the store. The spices category is strongly competed by 24 Mantra. There was 3% decrease in sales of spice from January to April '19. Metro cash and carry has a mixed consumer based and 70% of them are small scale sellers and families who consume non-organic products. Remaining 30% of crowd buy organic. There is no proper supervision on the promoters to check on the efficiency since there is only 1 supervisor for all six metro cash and carry store.

Through the experiments done in the above the SWOT analysis of the base company was done in order to find out why the companies are not penetrating well in Indian market.

Swot Analysis of Pro Nature Organic Pvt. Ltd.

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> • Pro nature is the oldest brand. They are much experienced in the organic field. • They are present in more than 700+ outlets in Bangalore. • Visibility is very high • They are one among the few who are in profits. • It has 140+ SKU's. • They have speciality products like apple cider vinegar, A2 Cow ghee and virgin coconut oil. 	<p><u>WEAKNESS</u></p> <ul style="list-style-type: none"> • Pro Nature still struggles with stockout issues. • The marketing techniques are still very conventional. • They've very low online visibility in terms of their advertisement. • Very slow growth in terms of their market share. • Unorganised supply chain of pro nature.
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • New alternative channels like maternity hospitals, baby care centres are available to tap. • Markets in the Tier2 and Tier3 remain untapped. • Collaborating with exclusive organic events and create brand awareness. • Work closely with emerging startups to create more brand visibility online. • Increasing awareness of health and organic foods. • Export opportunities. 	<ul style="list-style-type: none"> • Existing competitors and new organic brands. • Emerging non-certified organic small-scale players. • High competition from international brands. • Lack of young employees in the company.

IV. DISCUSSIONS

These finding and information is through the observation of customers and interaction with various co participants in the event collaboration, farmers, small scale companies. In the early phases of development, organic food sector in India. Increased disposable income and awareness of the health have led to higher demand in the home for organic foods. In selling organic products, there is an enormous premium not only for export markets, but for wealthy national customers who are health aware. India is full of labour, and has a variety of Agro-climate regions, which are good for agriculture all through the year. The farming practice is still powerful and traditional. On the supply side, tiny and minor farmers are aware that even if organic farming yields are low there is a chance to achieve greater net earnings. Looking at the demand side of organic food markets, there are various variables influencing consumer choice such as product certification, perceived health advantages and organic food prices, which increase the demand for food ingredients such as health or environmental concerns and absence of chemicals. Other variables such as greater prices and absence of accessibility are demand barriers. It is hard for small and marginal farmers to have access to markets where their products earn

premiums. Most consumption is presently focused in a couple of towns but in rural areas manufacturing is far away. Retail companies can contribute to improving farmers ' market access. In India, most organic customers prefer branded products. Traditionally, Middle men have an active part to play in the sale to customers of most agricultural products. This type of procurement and sales generates revenues produced by intermediaries usually, resulting in far fewer profits for the farmer. But if the farmer practicing organic agriculture is linked to the organic cooperative society, making sure farmer gets the major benefit out of it.

Bibliography

- [1] Chechi, K., & Neha , T. (n.d.). study on market availability of organic produce. *Organic Agriculture Worldwide 2016, FiBL-IFOAM.*
- [2] Chinnici, G., D'Amico, M. and Pecorino, B. (2002). A multivariate statistical analysis on the consumers of organic products, *British Food Journal*,
- [3] Magistris, T. and Gracia, A. (2008). The decision to buy organic food products in Southern Italy, *British Food Journal, 110(9)*, 929-947.
- [4] Magnusson, M.K., Arvola, A., Koivisto Hursti U. K., Aberg, L., & Sjoden P.O. (2001). Attitudes towards organic foods among Swedish

consumers, British Food Journal, 103(3), 209-226.

[5] Young. (2018). the indian organic market. *Asoccham India*, 52.

[6] <https://www.ey.com/Publication/vwLUAssets/ey-the-indian-organic-market-report-online-version->

[21-march-2018/\\$File/ey-the-indian-organic-market-report-online-version-21-march-2018.pdf](21-march-2018/$File/ey-the-indian-organic-market-report-online-version-21-march-2018.pdf)

[7] <https://www.pronatureorganic.com/> the company website has provided the company information regarding the products and its details.

Annexure



Figure 3: A2 ghee in Metro cash and carry

