

INFILTRATION OF IDLI-DOSA BATTER IN SOUTH INDIA

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DOI: 10.46609/IJSSER.2022.v07i11.021 URL: <https://doi.org/10.46609/IJSSER.2022.v07i11.021>

Received: 8 November 2022 / Accepted: 20 November 2022 / Published: 2 December 2022

ABSTRACT

A lot of market knowledge is required when a firm tries to enter a new market with an existing product. This research paper focuses on the same- when Rishta (food products manufacturer) tried to enter the South Indian market with their existing Idli-Dosa batter. South Indians are very particular with the taste of their Idli Dosa so the company had spent years perfecting the taste of their product. As latecomers to the market, already existing competition was a big problem, this research paper talks about how could the company tackle them. Finally, with the help of Porter's 5 force analysis, there are suggestions as to how the company could market its product.

Keywords- Marketing, consumers, idli-dosa batter, competition, and advertising.

1.0 Research Proposal:

Research Question: To what extent can marketing strategies be effectively used to increase the consumer base for Rishta batter in South India?

2.0 Rationale

The idea of running a business always excited me but what excited me, even more, was the marketing strategies used by different companies to sell their products. The thought of understanding the customer psyche and adapting strategies accordingly always brought out a sense of curiosity in me and hence, I have always wanted to have an in-depth understanding of marketing. Rishta was founded in 1924 under the JRG group and has been evolving since then as suggested by its tagline. It strongly believes in the 'quality first' motto and lives by the 'feeding what it eats' ideal, i.e. it sells to the consumers what they eat at home themselves. Such ideals as well as its transparency in operations have made it a reliable and well-known name in the food industry. After interacting with the Managing Director of Rishta Food- Mr. Harsh Mohan Gupta, I understood that Rishta does not spend well on advertising its products. This research paper is aimed at analyzing the possible effects of advertising for the company as well as its competitors.

3.0. Theoretical Framework:

The competition in the market can be analyzed by using Porter's 5 forces analysis. Therefore, to summarize:

Key areas of the syllabus:

1. Marketing Planning
2. Market Research
3. Porter's 5 forces

4.0 Methodology:

The research will be carried out using secondary as well as primary sources. On a secondary level, the Business Studies textbook will provide the necessary business tools to analyze the collected data; Business magazines and various articles will also be referred to gain a deeper understanding of the role of marketing and advertising in selling a product.

The Primary data will be collected by directly interacting with the Chairman and the Managing Director of the company. By communicating with the marketing team of the company, data for the current advertising and marketing strategies will be acquired. Questionnaires answered by various consumers will also provide necessary information about the quality and popularity of the product.

Executive Summary:

Rishta is an Indian company that operates in the FMCG sector of the market.

Recently, it added an Idli-Dosa batter to its product portfolio. This paper focuses on marketing strategies that could be adopted by the company to increase consumer awareness about its product and therefore, its market share. Thus, this investigation aims to answer the following question:

To what extent can marketing strategies be effectively used to increase the consumer base for Rishta batter in South India?

The analysis in this paper is based on interviews with key staff, primary data as well as researched secondary data. The paper uses business tools such as Porter's 5 forces to analyze the effects of possible strategies that could be used by the company.

From such an analysis, it was understood that the company's primary focus should be to increase

its customer base. To do this, it could use above-the-line promotional techniques such as advertising through cinema, radio, television, etc. It could also sell its batter through food trucks which would allow for better distribution of the product. It is also believed that the company should focus on market penetration strategies such as lowering its price to drive out competition and market development strategies such as expanding into new markets.

Introduction:

The JRG Group consists of four key businesses: Gupta Power Infrastructure Limited, Radhakrishnan Institute of Technology, Engineering, Realty Business, and Rishta.

‘Rishta’ was first launched in 2001. With a brand philosophy of combining taste with health, Rishta Food has managed to establish a strong share in the flour mill industry in the city of Orissa, India. JRG, the mother group of the company, is very well-reputed, not just in Odisha but also in India.

Rishta Foods stems from the 'Sahuwala Group' who are pioneers of the Roller Flour milling industry in India. Ranked amongst the market leaders in ‘Premium Quality’ wheat products, the flour milling division of the company has 8 units across India.

The customer base of Rishta includes some very reputed companies such as Britannia Industries Ltd, GlaxoSmithKline, ITC Ltd, Parle, Cremica Group (Bector Foods), Anmol Biscuits, CP Aqua, Surya Foods (Priya Gold), and Krown Biscuits.¹

Since Rishta operates in the FMCG sector, marketing is an essential aspect of the Business. The wide range of products offered by the company has contributed significantly to its success.

The product portfolio of the company includes:

1. Flour
2. Edible Oil
3. Long Grain Rice
4. Gram Flour
5. Idli-Dosa Batter
6. Gir Cow A2 Milk Products



Source: "Rishita Food Products | Rishita Maida | Rishita Atta | Rishita Oil". *Idlidosabatter*, 2022, <http://rishtaidlidos.com/products/>.

Out of these products, the I-D batter is the latest addition to the company's portfolio. The batter was first launched in Orissa, India. Then, it was launched in Delhi, India. However, the product was designed for the South Indian market (since Idli-Dosa is a staple in South India). The chairman of the company believed that the South Indian market would not allow space for mistakes and hence, decided to try out the product in various parts of the country before launching it in Bangalore, in South India.

My research is focused on the I-D batter

6.0 Procedure and Method:

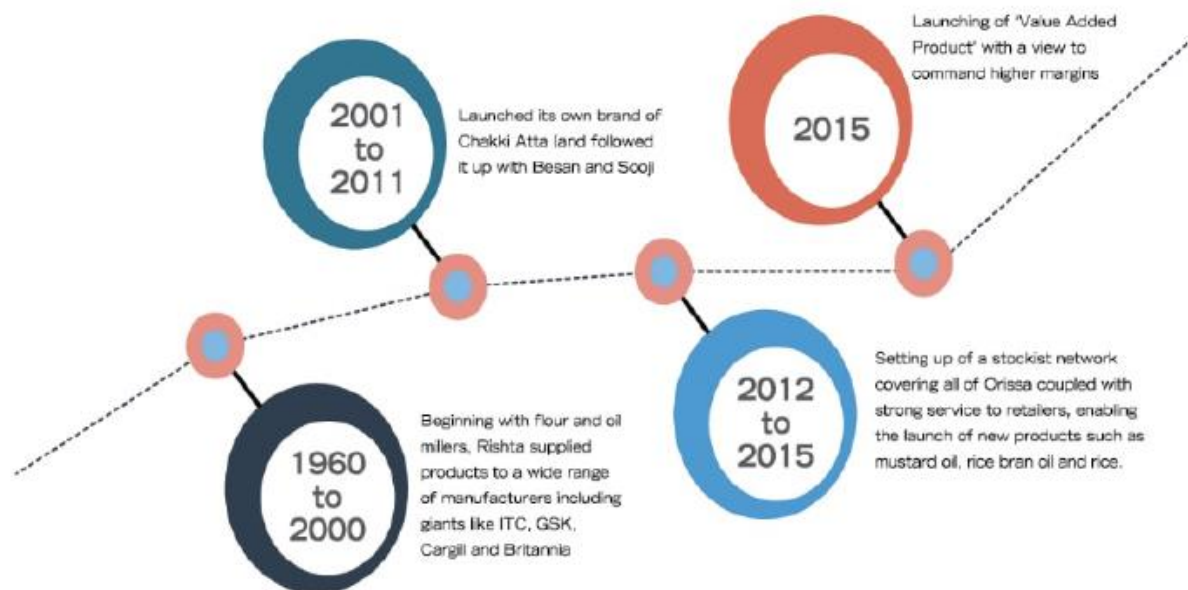
This paper is focused on primary as well as secondary research. The primary data will be generated by referring to the company's official website, interviews with senior executives, and the chairman. Data will also be collected by direct interaction with the current marketing team of

Rishta Foods. To prevent the use of biased information, questionnaires filled out by consumers will also be used.

To understand the demand for the product, secondary research will be carried out. Various sources such as business journals and company websites will be used to understand the competition faced by the company.

To analyze the collected data, various business tools will be used. Porter's 5 forces analysis will help in understanding the level of competition faced by the company.

7.0 Main Research and Findings:



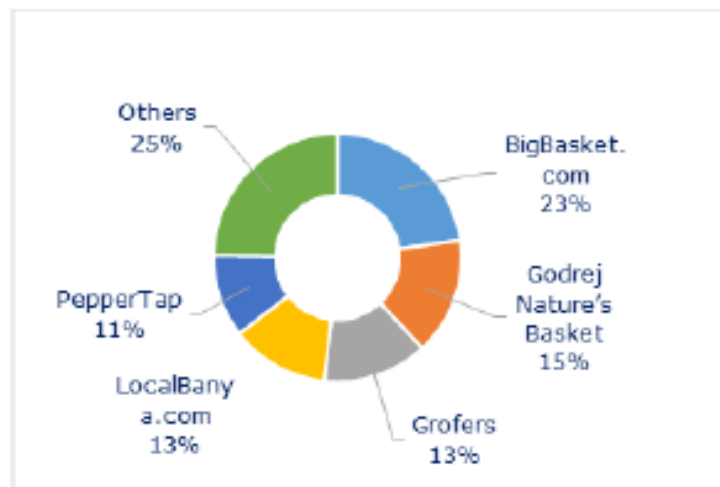
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Rishta was started in the year 1960. It began by selling flour and oil millers and eventually launched newer products such as Gram Flour and Edible oil. Over the years it has evolved. In an interview with the Managing Director of Rishta, it was found that from 2000 to 2012 the company was not focused on marketing. The products were not sold in Indian supermarkets such as Reliance Fresh, or Grains. It was sold in small, generally, family-owned shops called kiranas. Since it was a well- established company in Odisha, it knew most such shop owners. These shop owners were close to their customers and therefore acted as salesmen for Rishta products. Hence Rishta never felt the need to invest in marketing or advertising. However, as Odisha developed

¹ "Rishta Food Products | Rishta Maida | Rishta Atta | Rishta Oil". *Idlidosabatter*, 2022, <http://rishtaidlidoso.com/products/>.

and the company faced competition from MNCs such as Aashirvad, it began advertising and marketing its products. It also began selling its products in supermarkets.

Eventually, as the company grew more and began selling in other, relatively more developed places such as Hyderabad and Delhi, it began to sell its products online as well through a portal called Grofers.

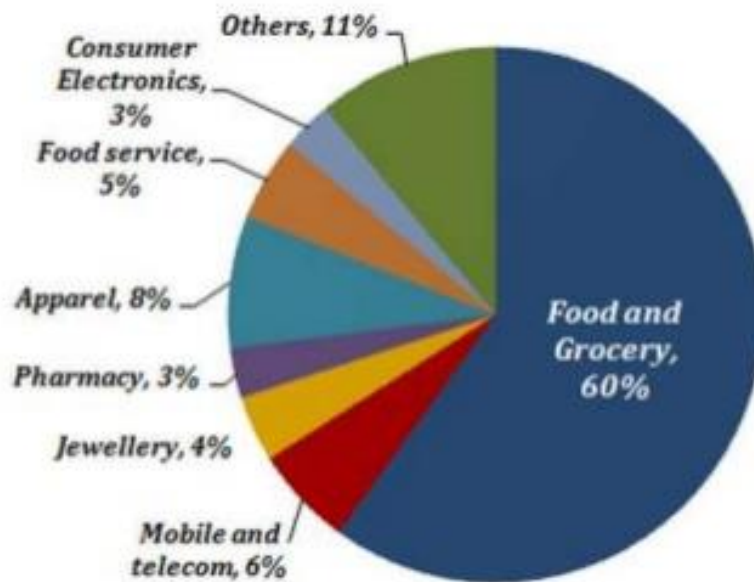


²"Smart Shoppers Shop Their Rishta Food Products At Grofers. | Rishta Idli Dosa Batter | Pinterest | Food, Food Industry And Shopping". *Pinterest*, 2019, <https://www.pinterest.com/pin/306737424617288869/>.

³ "Bigbasket.Com Is India's #1 Online Grocery Shopping Brand.". *Forpressrelease.Com*, 2022, <https://www.forpressrelease.com/forpressrelease-219059-bigbasketcom-is-indias-1-online-grocery-shopping-brand.html>.

From the graph, it is understood that in India, a few players dominate the market for online retail of FMCG. Grofers is one of the few dominant players.

RETAIL MARKET IN INDIA



Source: Deloitte Indian Retail Market - Opening More Doors (January 2013)

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The retail market in India is mostly dominated by Food and Grocery with it consuming 60% of the market.

⁴"Bigbasket.Com Is India's #1 Online Grocery Shopping Brand.". *Forpressrelease.Com*, 2022, <https://www.forpressrelease.com/forpressrelease-219059-bigbasketcom-is-indias-1-online-grocery-shopping-brand.html>.

Frequency of idli consumption	Idli	Dosa	Chappathi	Poori	Aapam	Pongal	Bread
Daily consumes	1314(44)	746(25)	298(10)	149(5)	149(5)	239(8)	60(2)
Once in a week	298(10)	716(24)	896(30)	1075(36)	1134(38)	358(12)	298(10)
Twice in a week	358(12)	657(22)	149(5)	358(12)	537(18)	687(23)	60(2)
Once in fortnight	537(18)	537(18)	298(10)	507(17)	448(15)	537(18)	89(3)
Once in a month	298(10)	179(6)	149(5)	418(14)	298(10)	507(17)	239(8)
Never consumes	179(6)	149(5)	1194(40)	478(16)	418(14)	657(22)	2239(75)
Total	2986(100)	2986(100)	2986(100)	2986(100)	2986(100)	2986(100)	2986(100)

(Numbers in parenthesis indicate percentage)

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In India, 44% of the average household consumes Idlis every day and 25% consume Dosas. Despite being a South Indian dish, Idli-Dosa is preferred by people around India. According to surveys, Dosa is the most favored breakfast in India.

The major competition faced by Rishta is from iD Fresh. It is a company that specializes in Idli-Dosa batter and manufactures 50,000 packets each day and has 1,300 employees under it. It might also have to face competition from companies such as Saguna, Fresho, and Amma’s Special.

However, these companies are not as well-established as iD. Therefore, the biggest threat to the Rishta batter comes from iD Fresh.

Analysis and Discussion:

The start of the Idli-Dosa batter:

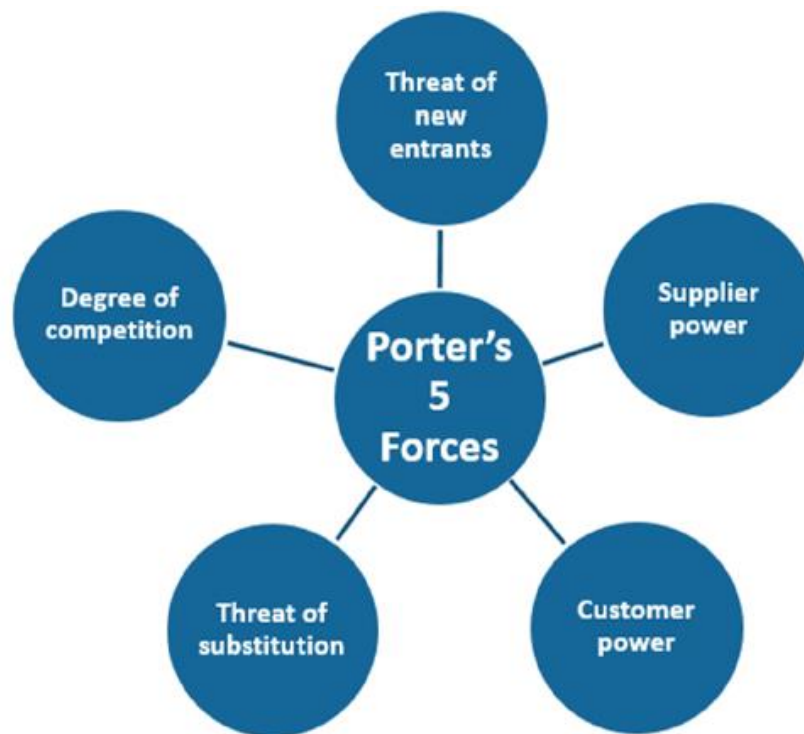
On interviewing the managing director of Rishta, it was found that the market for such a batter is relatively less competitive due to the limited number of players in the market and that was one of the major reasons why Rishta was attracted to this market. He also pointed out how vital idli-

⁵2022, http://shodhganga.inflibnet.ac.in/bitstream/10603/188864/10/10_chapter%202.pdf. Accessed 8 Mar2022.

dosa is in the South Indian diet as well as in an Indian diet in general. Another reason was that Rishta has gained expertise in the field of FMCG over the years and thus, has the advantage of having a strong and loyal consumer base in places such as Orissa, Delhi, and Hyderabad. Due to this, Rishta was in a place to be able to experiment with new products and carry out its market research directly based on the responses and the feedback of consumers. Also, due to the diverse product portfolio of Rishta and the vastness of its scale of operations, it was proficient in making use of economies of scale.

The director agreed also that the batter was mainly for the South Indian market but on carrying out market research, he realized that the market in South India is not forgiving. Therefore, he kept working on improving the quality of the product before finally launching it in Bangalore. He also believed that launching the product in places such as Orissa and Delhi would be easier since production units are already set up in those place.

8.0 Porter's 5 forces Analysis:



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⁶Market Realist. (2016). *Porter's 5 Forces: KSU's Position in the US Freight Rail Industry - Market Realist*. [online] Available at: <https://marketrealist.com/2016/02/porters-5-forces-ksu-position-in-the-us-freight-rail-industry> [Accessed 2022].

Porter's 5 forces analysis is a business tool used to analyze the competitiveness of a business environment. Rivalry among existing competitors helps in analyzing the number and strengths of a company's competitors in the market. The bargaining power of suppliers looks at the power exercised by the supplier in terms of increasing the price of the product sold by them. The bargaining power of buyers refers to the extent to which the consumers can drive the price of a product according to their needs. The threat of substitution deals with the likeliness of consumers switching to an alternative product. The threat of new entrants is the threat faced by a business if more and more companies begin to enter the market that might be more technologically advanced or better equipped.

On using this tool to analyze Rishta's state of competition, it was found that:

Strong Force	Weak Force
Degree of competition	Customer Power
Threat of new entrants	Supplier Force
Threat of substitution	

A weak force is a force that does not affect the competitiveness of the firm very distinctively while a strong force is a force that needs to be tackled continually and needs more attention when building strategies.

The market in Bangalore is mainly dominated by iD. This company specializes in such batters. iD Fresh is present in over 30,000 stores and is set to close FY19 fiscal year with a turnover of Rs. 286 crores. This company started in the year 2005 and therefore has more experience in this field. The Rishta batter started relatively later, in the year 2014. Due to this, iD has had time to establish a strong customer base as well as work on its product. Before the iD batter, people did not buy packaged batter because they questioned its freshness. However, iD was able to cause a paradigm shift in the minds of consumers and therefore, it could be called one of the oldest players in this field. Although iD fresh is Rishta's strongest competitor, the market for idli-dosa batter is relatively less saturated; therefore, there is a chance for Rishta to establish a strong customer base as well.

However, for this to happen, it will have to effectively tackle competition. So, the degree of competition is a strong force for Rishta.

Since the market is relatively less saturated, there are not a lot of competitors. India is a developing country; therefore, the rate of working women is also increasing. Women in India were generally housewives and had the time to prepare meals. However, currently, due to the lack of time, they look for easy-to-cook healthy alternatives. Because of this, a lot of competitors might be attracted to this market and hence, the threat of new entrants is a strong force.

iD Fresh is a well-established brand and the iD batter is liked by consumers. Therefore, there are alternatives to the product and so the threat of substitution is a strong force. The presence of other, if not, well-established brands also contributes to strengthening this force.

Based on personal interaction with various consumers, it was found that the product is liked by most customers and that they are also happy with the way it's priced. Therefore, customer power could be called a weak force for this company.

Because Rishta has been in the FMCG sector of the market for a long time, it has contractual agreements with various sellers such as raw materials. Therefore, the sellers might not be in a position to price their goods at a higher price. Also, since the batter uses basic raw materials such as pulses, sugar, salt, etc., there are a lot of suppliers available in the market and hence, the degree of competition among such suppliers is quite high. Due to this, the suppliers might have to follow the strategy of competitive pricing, so the force is further weakened.

9.0 Conclusion:

Based on the answered questionnaires, it is understood that the batter is a success in terms of consumer response. However, to make more consumers aware of the batter, the company needs to advertise the product well. Under the leadership of Mr. Harsh Gupta, the company has had a shift in its paradigm and therefore, is more focused on marketing than before which is evident from the company's redesigning of its official website and a change in its packaging. This paper is positive that the trend will continue in the short and long run.

10.0 Recommendations:

This paper believes that the inclination of the company towards marketing will result in a positive outcome. However, marketing in terms of making the product more attractive and making the website more informative will do little if not coupled with advertising such that there is consumer awareness in the market. For this, the company has to promote its product through above-the-line methods such as cinema, radio, etc. It could also directly sell its product to

consumers through food trucks which are gaining popularity in India, although that could be costly. This might allow better access to the batter and more awareness.

The company could also use Guerrilla marketing to promote the batter. This could be a cheaper alternative.

Since Rishta also has to face competition from iD, it should carry out a thorough market analysis of the sales, popularity, and prices of iD products through accessible annual reports and the company's website. This will help Rishta formulate a game plan which can be used to tackle the competition.

This paper also believes that this product can be sold in foreign markets such as the USA, the UK, and Canada. This is because these places are popular choices for Indian students studying abroad who do not have much time to cook and therefore, would prefer such a batter. However, Rishta should carry out in-depth research of these markets by carrying out surveys, observing the market condition and the rate of Indian students studying abroad, interviewing such students, etc.

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