

# **INTERNSHIP TRAINING ATR.R.FOODS (Wholesale for ITC)**

Internship Training Report submitted to Madurai Kamaraj University  
in partial fulfillment of the requirements  
for the award of the Degree of  
**MASTER OF BUSINESS ADMINISTRATION**

**Submitted By**

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MADURAI – 625 002**

**May 2022**



**Department of Management Studies**  
**Madurai Kamaraj University College**  
**Madurai – 625 002**

## **CERTIFICATE**

This is to certify that the Report titled “Internship Training at **R.R.FOODS (Wholesale for ITC) MADURAI** submitted by **M.VIGNESH (C1P10460)** under my guidance for partial fulfillment of the requirements for the award of the Degree of Master of Business Administration, is his/her original work and that it has not previously formed the basis for the award of any degree, diploma, associate ship, fellowship or other similar titles.

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## **DECLARATION**

I hereby state that the Report titled “Internship Training at **R.R.FOODS (Wholesale for ITC)** submitted for the award of the Degree of Master of Business Administration is my original work and that it has not previously formed the basis for the award of any degree, diploma, associate ship, fellowship or other similar titles.

Place: Madurai

Date:

**M.VIGNESH**

## ACKNOWLEDGEMENT

At first I would like to express my heart-felt thanks to Almighty God for his kind Blessing for completing the Internship successfully as well as industrial Training.

My deep gratitude and sincere thanks to the honorable principal **Dr. B. GEORGE, i/c Madurai Kamaraj University College, Madurai- 2**

I would like to take the opportunity to thank and express my deep sense of gratitude to **Dr. KAMALA.A, Head of the Department of Management Studies, Madurai Kamaraj University College, Madurai**, for her scholastic guidance, constructive criticism, painstaking help, constant inspiration and advice from the very beginning till the completion of this work for giving us the opportunity to accomplish the attachment.

I would also like to thank my Internal guide **Dr. . N. RAMACHANDRAN,, Department of MBA** without his help it would not have been possible to complete the training report successfully and valuable guidance, suggestion, encouragement and constructive criticism throughout the Industrial training.

I would also like to give thanks to my friends shared my day-to-day experience and received lots of suggestions that improved my quality of work. The encouragement as a continued source of inspiration provided by our parents is fully appreciated.

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# **CHAPTER - 1**

## **INTRODUCTIONS:**

ITC is one of India's foremost private sectors companies with a market capitalization of nearly US \$15 billion and a turnover of over US \$ 4.75 billion. ITC is rated among the World's Best Big Companies, Asia's Fab 50 and the World's most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today, ITC also ranks among India's top 10 Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times.

ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, and Information Technology. Branded Apparel, Greeting Cards, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel and Greeting Cards

ITC's wholly owned Information Technology subsidiary, ITC InfoTech India Limited, is aggressively pursuing emerging opportunities in providing end-to-end IT solutions, including e-enabled services and business process outsourcing.

ITC's production facilities and hotels have won numerous national and international awards for quality, productivity, safety and environment management systems. ITC was the first company in India to voluntarily seek a corporate governance rating.

**Objectives of the study:**

- To study the organization structure.
- To study the organization function in ITC.
- To understand the function of the marketing, sales and distribution department in ITC.
- To understand the responsibilities and duties carried out by each departments
- To enable us to gain an insight in to the corporate world
- To know the product and other details

## **CHAPTER - 2**

### **INDUSTRY PROFILE**

- ❖ ITC was formed on 24 August 1910 under the name of Imperial Tobacco Company of India Limited.
- ❖ The earlier decades of the company's activities centered mainly on the manufacture of tobacco products and their sales.
- ❖ In the 1970s, it began making a foray into select non-tobacco businesses.
- ❖ The company was rechristened as the Indian Tobacco Company Limited in 1970 and further to I.T.C. Limited in 1974. Finally, the periods in the name were removed in September 2001 for the company to be renamed as ITC Ltd.
- ❖ As of 2012-13, had an annual turnover of US\$ 8.31 billion and a market capitalisation of US\$ 45 billion.
- ❖ It employs over 26,000 people at more than 60 locations across India and is part of Forbes 2000 list.

### **ITC's Vision**

- Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders.

### **ITC's Mission**

- To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value.

### **ITC's Core Values**



- ITC's Core Values are aimed at developing a customer-focused, high-performance organization which creates values for all its stakeholders.

### **Trusteeship**

- As professional managers, we are conscious that ITC has been given to us in 'trust' by all our stakeholders.
- We will actualize stakeholder value and interest on a long term sustainable basis.

### **Customer Focus**

- We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction.

### **Respect for People**

- We are result oriented, setting high performance standards for ourselves as individuals and teams. We will simultaneously respect and value people and uphold humanness and human dignity.
- We acknowledge that every individual brings different perspectives and capabilities to the team and that a strong team is founded on a variety of perspectives.
- We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork.

### **Excellence**

- We do what is right, do it well and win. We will strive for excellence in whatever we do.

### **Innovation**

- We will constantly pursue newer and better processes, products, services and management practices.

## **Nation Orientation**

- We are aware of our responsibility to generate economic value for the Nation. In pursuit of our goals, we will make no compromise in complying with applicable laws and regulations at all levels.

## **Network of ITC**

ITC Networks is a technology company with expertise in software development for telecommunications and embedded systems. It also provide services in many other domains, such as system and application development, business applications, Web and e-business applications, software re-engineering, software testing and test automation, maintenance and support.

## **CHAPTER - 3**

### **COMPANYPROFILE**

#### **Vision:**

Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for Indian economy and Company's stake holders.

#### **Mission:**

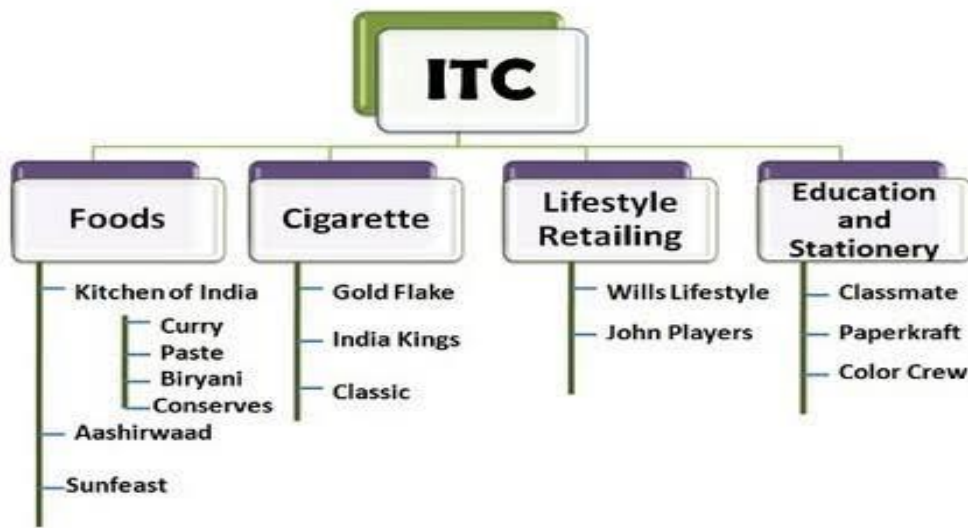
To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value

#### **INDIAN SCENARIO:**

##### **A. EVOLUTION OF THE INDIAN FMCG SECTOR:**

1. FMCG is the 4<sup>th</sup> largest sector in the Indian economy
2. Household and Personal care is the leading segment accounting, accounting for 50% of the overall market. Hair care (23%) & Food & Beverages (19%) comes next in terms of market share
3. Growing awareness, easier access & changing lifestyles have been the key growth drivers for the sector
4. Retail market in India is estimated to reach USD1 trillion by 2020 from USD600 billion in 2015, with modern trade expected to grow at 20 per cent per annum, which is likely to boost revenues of FMCG companies

5. People are gracefully embracing Ayurveda products, which has resulted in growth of FMCG major, Patanjali Ayurveda, with a m-cap of USD 14.94 billion. The company aims to expand globally in the next 5 to 10 years.



### **STRATEGIES ADOPTED:**

#### **Promotions and Offers:**

FMCG companies are trying to influence consumers with intelligent deals. Firms like ITC offers combo deals to the consumers. For example, in the case of soaps & cosmetics; 4 soap cases are offered at the price of 3, selling the range of deodorants for men & women at a discounted price.

**Research Online and Purchase Offline:** The internet enables consumers to make their own research on the kind of products or commodities they want to purchase. 1 in 3 FMCG shoppers goes online 1st & then to the stores. Almost half of the automobile consumers follow Research Online Purchase Offline (ROPO) method.

**Product Innovation:**

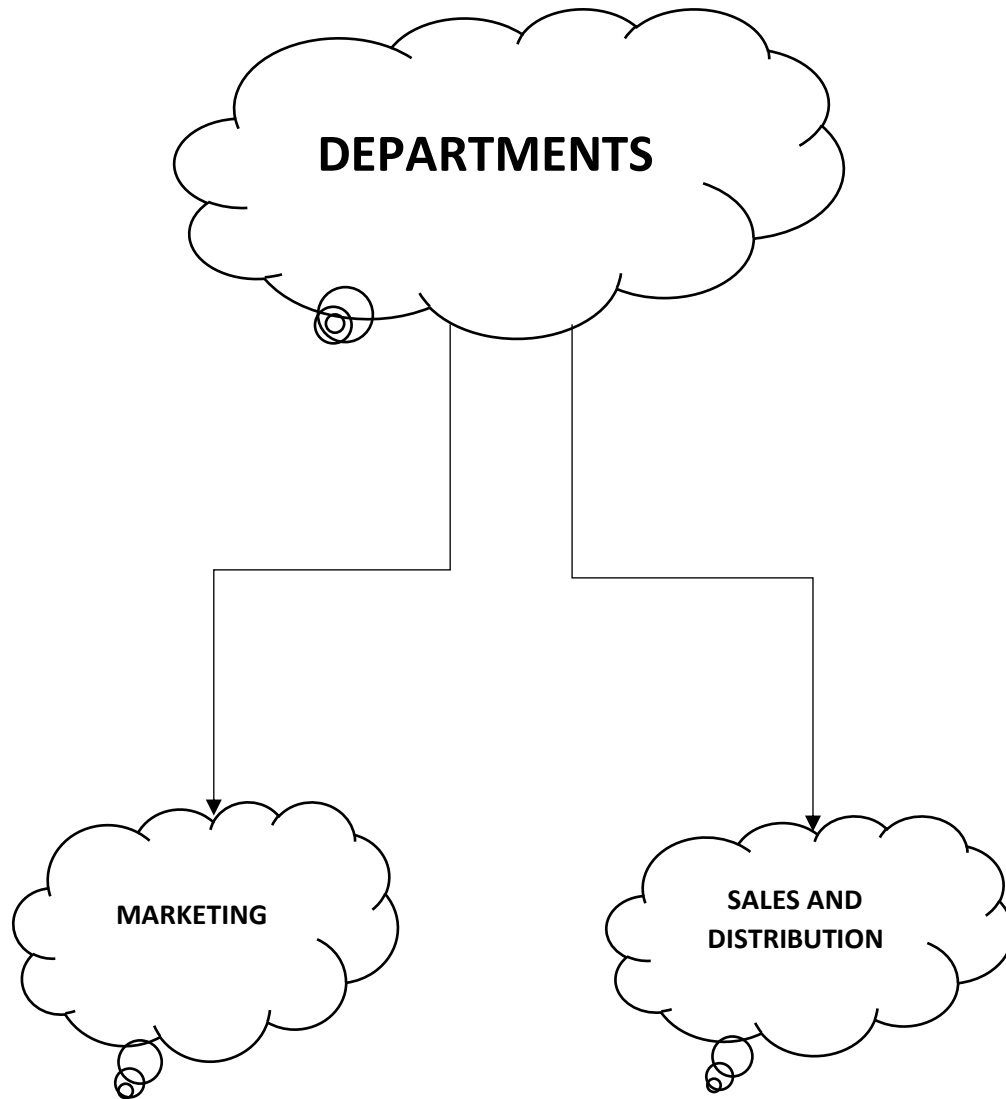
Indian consumers have become choosy & are less likely to stay loyal to a brand. Colgate-Palmolive has launched a toothpaste for the inflammatory gum problem of pyorrhea. ITC is coming up with new multigrain Bingo. Dabur has launched its sugar free variant for Chyawanprash in India. As of March 2017, ITC, which ventured in coffee & chocolates segment under the Flabella and Sun bean brands is planning to launch another premium range of items. By doing so, the company is planning to compete with brands like Nestle & Cadburys.

**Customization:**

Product Flanking: Introduction of different combinations of products at different prices, to cover as many market segments as possible. Different types of same product for different users' population. For example: Calcium Sandoz & Calcium Sandoz Women & Horlicks for older women, Junior Horlicks. Emmy, with a presence in over 60 countries across the world, has decided to rework on its overseas strategy by planning manufacturing and acquisitions in overseas markets. The company plans to re-work on its product portfolio by getting into new categories with higher buying preference and revamp its distribution networks.

# **CHAPTER – 4**

## **Department visit:**



# **DEPARTMENTS**

## **MARKETING DEPARTMENT**

### **Marketing Communications**

FMCG - Cigarettes business has an internal code for advertising/ promotions, which is reviewed every year, and whenever any new law/rules are introduced. The internal code is more stringent than other codes. It not only comprehensively covers all aspects of other codes but also encompasses areas not covered by them. The requirements under Advertising Standards Council of India (ASCI) code of conduct, which is now the Government of India's governing code, are applied across the business.

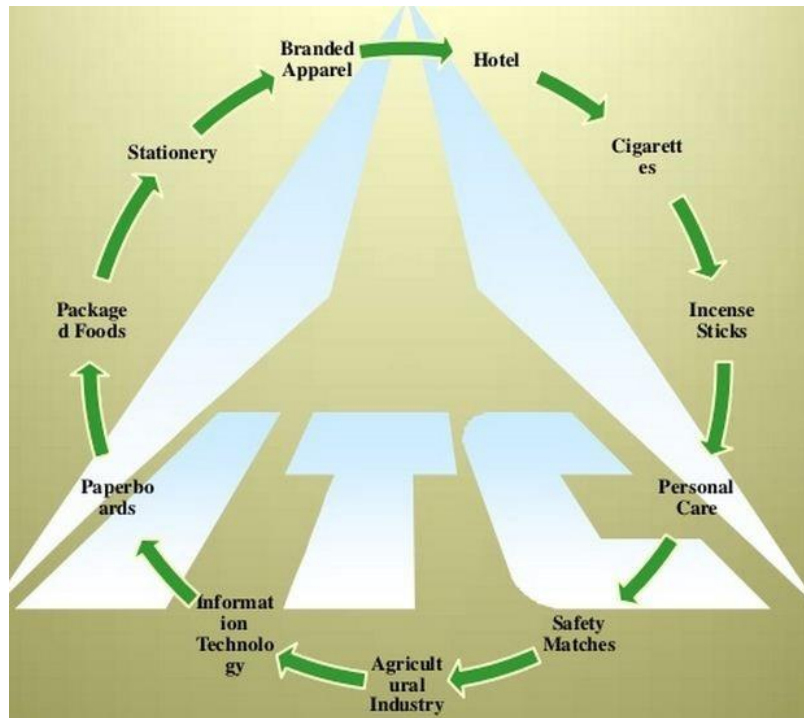
All laws related to the product category such as The Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975, The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003, The Cable Television Networks (Regulation) Act, 1995, and The Cinematography Act, 1952, which have provisions for regulations of advertising/promotions in India are strictly followed.

Any State Government laws on advertising/promotion for ITC's products are completely adhered to. There is on-going review of these codes to ensure compliance.

The FMCG Cigarettes business sells a legal product, which is not banned in any market where it sells. Tobacco products are often a subject of public debate. Stringent quality standards/systems are established to respond to queries/ concerns and are known to all stakeholders.

The Foods business voluntarily follows the ASCI (Advertising Standards Council of India) Code for all Marketing Communication.

Every time a new Marketing Communication is created, it is checked for compliance with the ASCI Code. In addition, a monthly compliance validation is done by respective managers.



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Every time a new Marketing Communication is created, it is checked for compliance with the ASCI Code. In addition, a monthly compliance validation is done by respective managers.

The Foods business does not sell any product which is 'banned in certain markets' or is 'the subject of stakeholder questions or public debate'.

In the Paperboards & Specialty Papers, Packaging & Printing and Greeting, Gifting and Stationery businesses, all codes/ standards relating to Standard Weights & Measures Rules are followed. These requirements are reviewed on a monthly basis for compliance. None of the products from these businesses is 'banned in certain markets' or subject of stakeholder concern or public debate.

In the Hotels business, marketing communication is governed by self-regulation and guided by Indian Society of Advertisers (ISA) Rules and guidelines.

It is reviewed quarterly to ensure compliance with relevant rules and internal guidelines.

The Hotels business does not sell any product banned in the market nor is the subject of stakeholder questions or public debate.

The business is in the process of establishing a voluntary code, as it has recently initiated advertising its retail business.

The Leaf Tobacco business provides Corporate Advertisements (e.g. 'With best compliments from ITC Ltd'. etc.) to souvenirs published by certain organisations. This is in accordance with the provisions of Cigarettes and Other Tobacco Products Act (Prohibition of Advertising and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003. However, the business does advertise its Organic Agri-inputs. The business also publishes Corporate Advertisements (stating that ITC-ILTD is India's leading tobacco exporter and providing contact details) in reputed International Tobacco Journals.

No product advertisement relating to tobacco is published by the business.

## SALES AND DISTRIBUTION DEPARTMENT

### PRODUCTS & SERVICES OFFERED BY THE COMPANY:

#### FMCG:

#### AASHIRVAAD:

Atta, Salt, spices, ready to eat meals and Instant mixes

#### AASHIRVAAD SUGAR RELEASE CONTROL ATTA:

Commanding an annual consumer spend of over Rs 3,000 crores, brand Aashirvaad cuts across a range of product categories. With Aashirvaad atta having garnered the No.1 slot in the country's branded atta market, its salt, spices, instant mixes and ready to eat meals are fast moving towards making Aashirvaad the 'most trusted food products provider' to Indian households. Offering top-quality products made with carefully chosen ingredients in state-of-the-art processing units benchmarked to the highest international standards – the focus in all Aashirvaad products is on maximising nutrition, health and wellness with robust flavour.



#### AASHIRVAAD READY MEALS:



#### Aashirvaad Sugar Release Control Atta

Adding a whole new dimension in the health and wellness space, ITC has recently launched Aashirvaad Sugar Release Control Atta – an atta with low Glycemic Index (GI). With a unique natural grain mix consisting of a blend of whole wheat and pulse/legume flours, it lets one enjoy tasty rotis while lowering the amount of sugar released in the blood as compared to regular atta.

Aashirvaad Ready Meals – a range of ten of the most popular Indian dishes in a ready to eat format. A unique food processing technology and a 4-layer international pouch, combine to provide a wholesome dish, carefully preserved. This unique technology ensures freshness and taste is maintained without the use of preservatives - 100 % natural! Just heat and eat.

The range comprises of the following dishes:

- Aloo Mutter
  - PavBhaji
  - Mutter Paneer
  - Navratan Korma
  - PalakPaneer
  - Dal Makhani
  - PindiChana
1. Rajma Masala
  2. Yellow Dal Tadka
  3. Pongal

## **AASHIRVAAD INSTANT MIXES:**

Convenience and authentic taste now has a new name with the Aashirvaad Instant Mix range. This range, launched in March '06, now includes GulabJamun, Rava Idly, Rice idly and Rice Dosa. Aashirvaad Instant Mixes promise the discerning Indian homemaker perfect tasting dishes, consistently. The Rava idly Mix is available in

## **AASHIRVAAD SPICES:**

ITC forayed into the branded spices market with the launch of Aashirvaad Spices in May 2005. The offering currently consists of Chilli, Turmeric and Coriander powder in SKUs of 50g, 100g, 200g and 500g each.



## **SUNFEAST: -**

Different products under Sunfeast are as below

### RICE DOSA



- Sun feast farm lite Digestive
  - Sunfeast Farm lite
  - Sunfeast Dark Fantasy
  - Sunfeast Dark Fantasy
  - SunfeastDelishus Expressions
  - SunfeastDelishus Nuts and Raisins
  - Sunfeast Mom's Magic Rich butter
  - SunfeastSnackyoSunfeast Sweet and Salt
  - Sunfeast Milk Magic
  - Choco Fills Luxuria
  - Choco Fills



## **BINGO:**

1. Bingo! Yumitos
2. Bingo! Yumitos Original Style  
– Salt and Chilli Sprinkled
3. Bingo! Mad Angles
4. Bingo! TedheMedhe
5. Bingo! Tangles



## **KITCHENS OF INDIA:**

1. Vegetarian Curries
2. Non-Vegetarian Biryanis





3. Halwas curries
4. Kitchens of India Masala Mixes

### **YIPPEE! NOODLES AND PASTAS:**

1. Yippee! Noodles
2. Tricolor Pastas
3. Sunfeast Pastas



### **B NATURAL:**

1. Mixed Fruit Merry
2. Guava Gush
3. Litchi Luscious
4. Orange Oomph
5. Pineapple Poise
6. Mango Magic
7. Apple Awe
8. Kinnow
9. Jamun Joy



Other FMCG products like Mint-o, Candyman, GumOn, and Fabelle



## **CIGARETTES:**

ITC's highly popular portfolio of brands includes

1. Insignia,
2. India Kings
3. Classic
4. Gold Flake
5. Navy Cut
6. Scissors
7. Berkeley
8. Bristol
9. Flake



## **Life style Retailing:**

1. Wills Lifestyle
2. John Players



## **PERSONALCARE PRODUCTS:**

1. Essenza DI Wills
2. Vivel
3. Fiama
4. Engage
5. Superia
6. Vivel Cell Renew
7. Savlon
8. Shower to Shower



## **EDUCATION AND STATIONARY, AGARBATTIS & SAFETY**

### **MATCHES:**

1. Classmate
2. Paper kraft
3. Mangaldeep Agarbattis
4. AIM Safety Matchsticks



### **ITC HOTELS:**



- ITC Grand Bharat in Gurgaon
- ITC Grand Chola in Chennai
- ITC Maurya in Delhi
- ITC Maratha in Mumbai
- ITC Sonar in Kolkata
- ITC Grand Central in Mumbai
- ITC Windsor & ITC Gardenia in Bengaluru
- ITC Kakatiya in Hyderabad
- ITC Mughal in Agra
- ITC Rajputana in Jaipur

## **AGRI BUSINESS:**

1. **Feed Ingredients** - Soya meal
2. **Food Grains** - Wheat & Wheat Flour, Rice, Pulses, Barley & Maize
3. **Marine Products** - Shrimps and Prawns
4. **Processed Fruits** - Fruit Purees/Concentrates, IQF/Frozen Fruits, Organic Fruit Products
5. **Coffee**

## **INFORMATION TECHNOLOGY:**



In today's age of digital disruption, ITC InfoTech has adopted a '5D' framework of excellence to serve its clients better:

1. **DOMAIN Led:** ITC InfoTech's solutions & services are powered by deep Domain understanding and practitioner's expertise in focus industries
2. **DATA:** Data Infra to Interventions, ITC InfoTech enables clients to leverage the power of Data with actionable insights and prescriptive analytics
3. **DIGITAL ready:** ITC InfoTech provides Digital solutions to help clients transform their business and enhance customer engagements
4. **DESIGN expert:** ITC InfoTech provides UI/UX, high-end engineering design solutions and services to market-leading engineering organizations worldwide

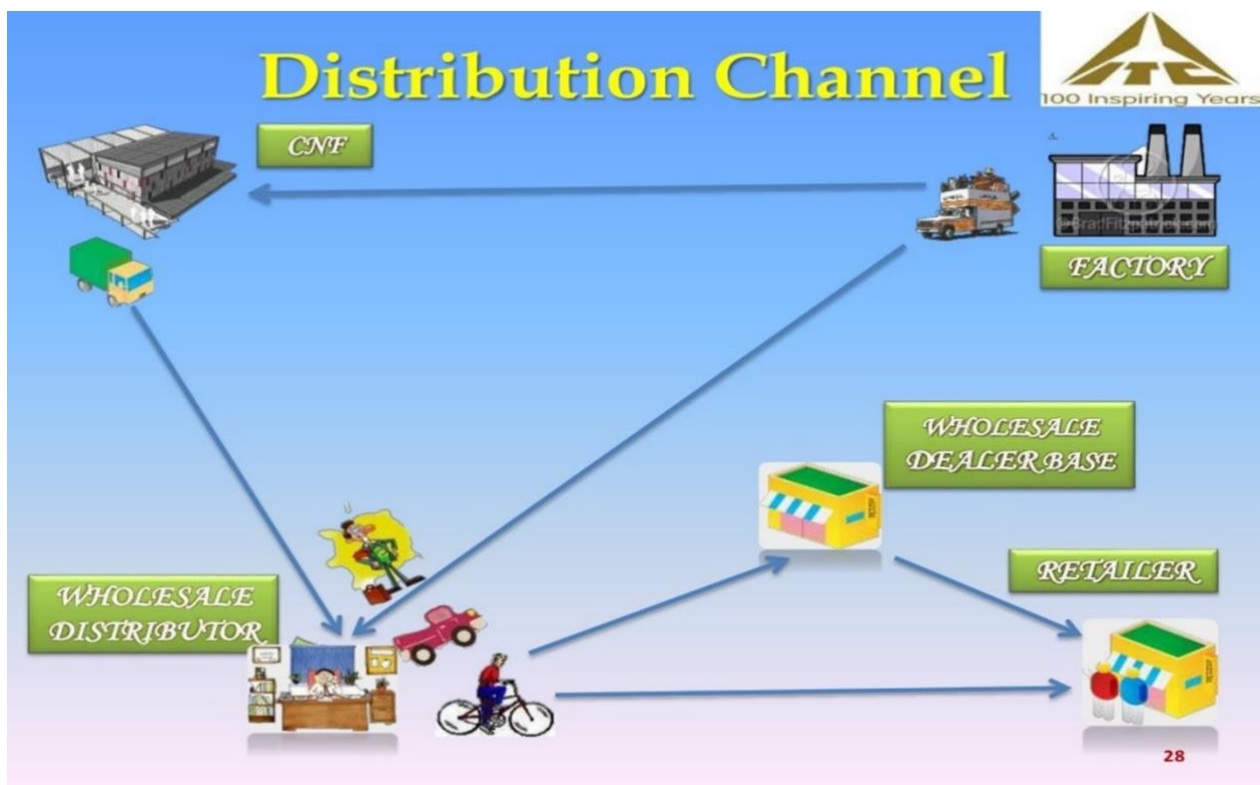
5. **DIFFERENTIATED DELIVERY**: With excellence forming the corner stone of each engagement, ITC InfoTech is committed to customized Delivery: Outcome-based, BOT, JVs, As-a-service and Subscription models.

## **PACKAGING:**

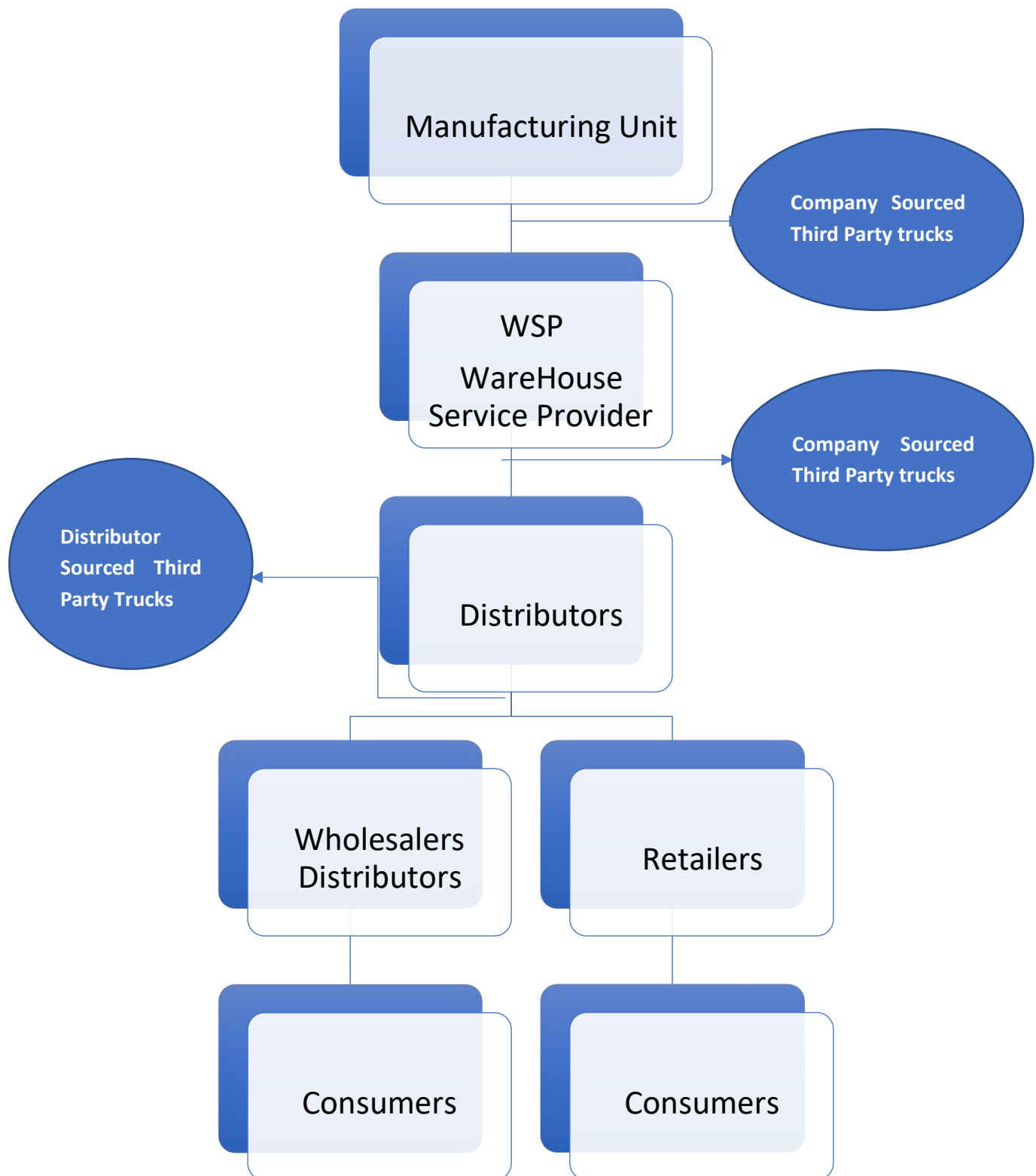
ITC's Packaging Business has 3 major product lines

- i. Carton Board Packaging
  - a. Printed Cartons
  - b. Fluted Cartons
- ii. Flexible Packaging
- iii. Tobacco Packaging

## **DISTRIBUTION CHANNEL:**



## CHANNEL DESIGN – TRANSPORTATION OF ITC.



## **MANUFACTURING FIRMS**

The module in the distribution network of ITC cigarettes are the manufacturing units located at Bengaluru, Muner, Kolkata, and Saharanpur. These manufacturing units use the raw materials and other available resources to manufacture the various brands of cigarettes.

## **ZONAL OFFICES AND WAREHOUSES**

The second level of distribution channel are the zonal offices. Each of the zonal office is situated in different regions like North, South, West, East, North-west region etc. that are like the branch of organization opened for the smooth functioning of the supply chain management of the product in the market. Main task performed by these offices are acting as an intermediate between the manufacturing firm and local distributors who are involved in actual distribution of products to the different selling points in the market. They invigilate the storage point for the company, i.e. warehouse where large amount of stock is stored depending upon the sales in that particular region.

## **WHOLESALE DISTRIBUTORS**

The next level of the channel constitutes of distributors. It mainly refers to the agency holders of the company who act as the company representative in the market and supplies the product to the different selling points in the market. They are the most important module in the distribution channel of Cigarettes as on the one hand they are representing company in the market and on the other hand they are involved in promotional activities of the product (due to restriction on advertising and promotion of the Cigarettes using media types). The distributors are available in almost each city and other important areas of the market to increase the availability of the brand in the market and compete against the competitors.

## **WHOLESALESALEERS**

The next level of the channel in the distribution is the wholesalers. They help in “bulk breaking” from the local distributors and also supplies to the retailers in the in and around its

periphery. They also help in promoting the company and other promotional activities through various visual merchandising.

## **RETAILERS**

The last intermediate that is available before the Cigarette reaches to the customer are the retail outlets. With reference to the Indian perspective, different retail outlets are present in different forms in the market like:

### **a) Pubs/ Bars:**

These are not basically the retail outlets of Cigarette but are included under this category because few of the super-premium brands are available in each Pub for the facility of the customers coming to that particular place. Also, these places act as point of promotion and launch of new brands.

### **b) Convenience stores (Kirana shops):**

Small and big shops present in every locality providing the basic & necessary products to the nearby people or the locality in which it is located.

### **c) Pan shops:**

Small corner shops that are known with the name of Pan Shops but contributes large share in total sales of Cigarettes in the market.

### **d) Kiosks:**

Small outlets in big Malls like Forum, which only sells Cigarettes of different brands of the same company like ITC. Kiosks are being used by the companies to increase the visibility of the brands.

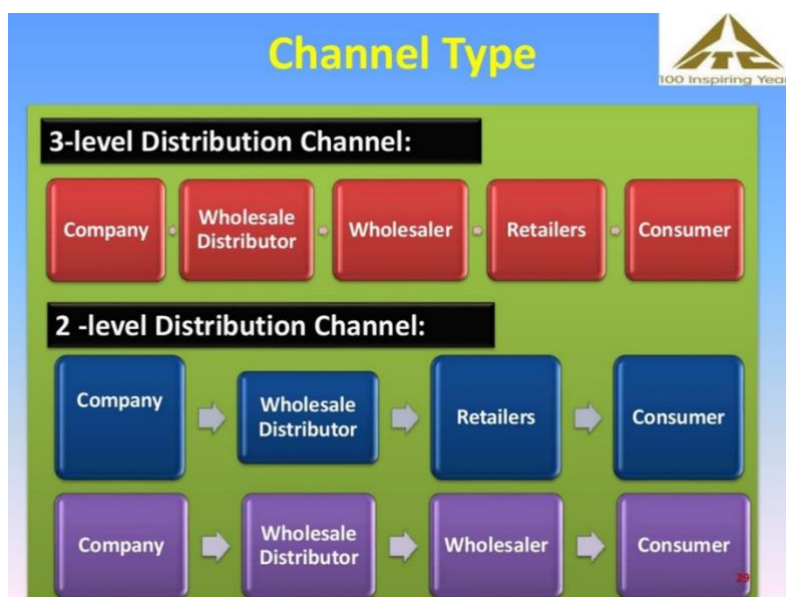
### **e) Large format stores (LFS):**

It refers to the big retail outlets that are available in the local markets selling the daily need goods and other middle range of products that are required by the customers for the fulfilment of basic needs like vegetables, grocery, kitchen appliances etc. Ex. Spencer's, C3 etc.

### **f) Multi Branding Outlets (MBO's):**

The outlets opened in the Malls and other shopping areas, which are similar to the “Kiosks” but the only with a difference that products from different companies are also available at one place with addition to different brands.

## **CHANNEL TYPE**



## **WD employees: Recruitment and Compensation:**

### **Recruitment:**

The salespersons of distributors are appointed by the distributor himself in consultation with ITC officials

### **Compensation:**

Their fixed salary is paid by the distributor but is reimbursed by the company. The variable salary of salesmen is decided on his meeting of sales target

Salesmen Evaluation and Compensation:

- The compensation received by salesmen depends upon the target achieved by them
- Targets under consideration:
  1. Monthly sales target
  2. Product wise sales target
  3. Category wise

### **Control mechanism:**

- ❖ The performance and work of WD employees is evaluated by company's officials weekly
- ❖ Their daily sales order is monitored by Area Executive
- ❖ The salesmen is given a geographical territory which doesn't consider sales potential
- ❖ Salesmen has to cover 30 outlets each day

They are given a beat plan for each day

If a WD employee is not performing then the company can sack him

Role of Salesmen:

- Prospecting Searching for new outlets Targeting. Visiting potential outlets



- Communicating- Informing about products and offers.

An order taker as per requirement in retail and convenience outlet tin. Selling to retailers and convenience outlet

- Servicing-Removal of damaged/expired (DND) products
- Information gathering- About needs/preferences of customers
- Allocating-Fixed time to each outlets Cash collection

### **PROBLEMS IN SALES AND DISTRIBUTION SYSTEM AT ITC:**

- Lack of proper training to distributor's salesmen
- Territory allotted to salesmen doesn't consider the sales potential of the areas.
- Salesmen hides offers from retailers in ready stock sale model
- Problem of product recall by salesmen
- Salesmen focuses more on large outlets which purchase in large volume Billing of new outlets done on the name of other existing outlets
- All the SKU of a product are not brought in the market at a time
- TPS (Sify software) is not updated regularly

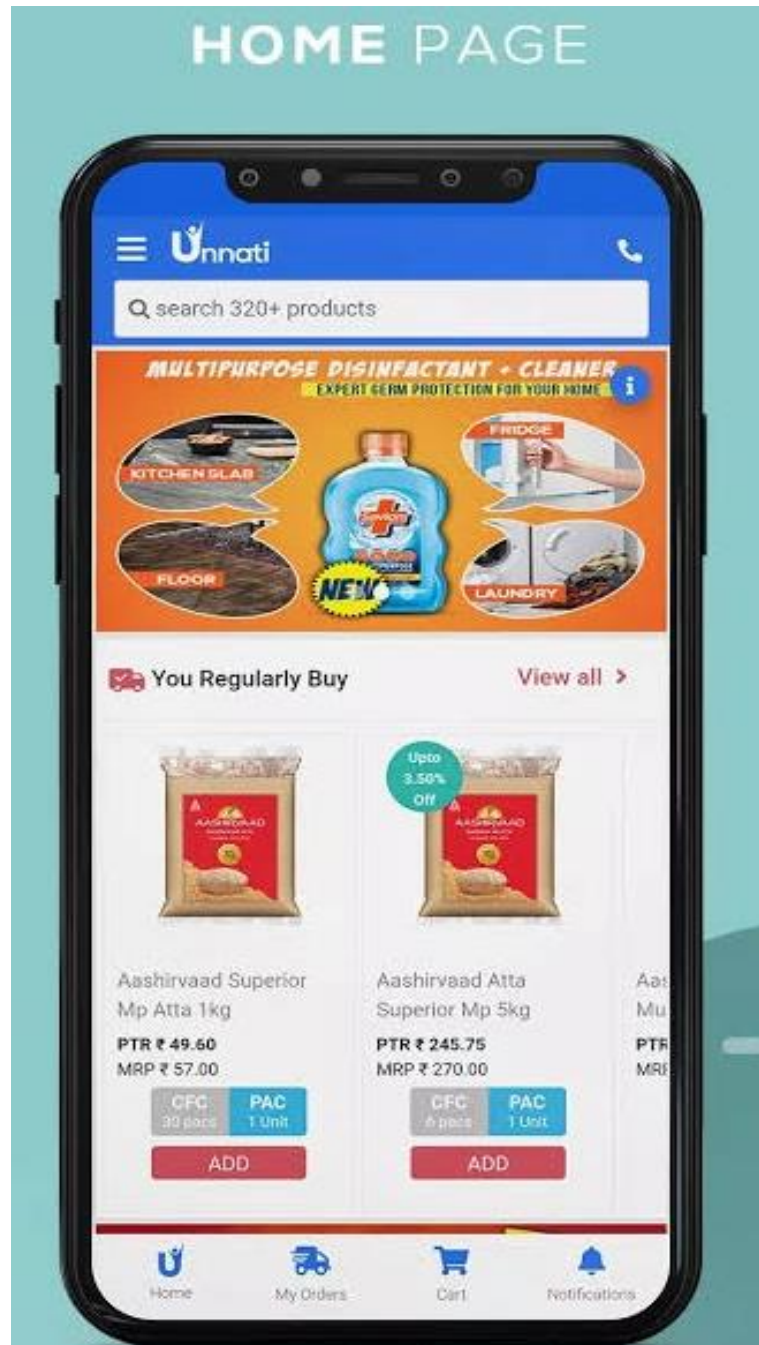
## **SOLUTIONS**

- Proper training should be provided to salesmen
- Salesmen should be regularly informed about the changing offers and schemes on the products
- An apparel containing detail of offers should be given to salesman for ready stock sales
- Apparel should be provided to salesmen to enhance brand awareness
- Territory allotted to salesmen should consider the sales potential and concentration of outlets in that area
- Salesmen should be provided incentive for adding new outlets
- TPS should be updated regularly to show current stock details
- The incentive of the salesmen should be based on the number of outlets served by them too rather than merely on sales volume

## COMPANY APP DETAILS



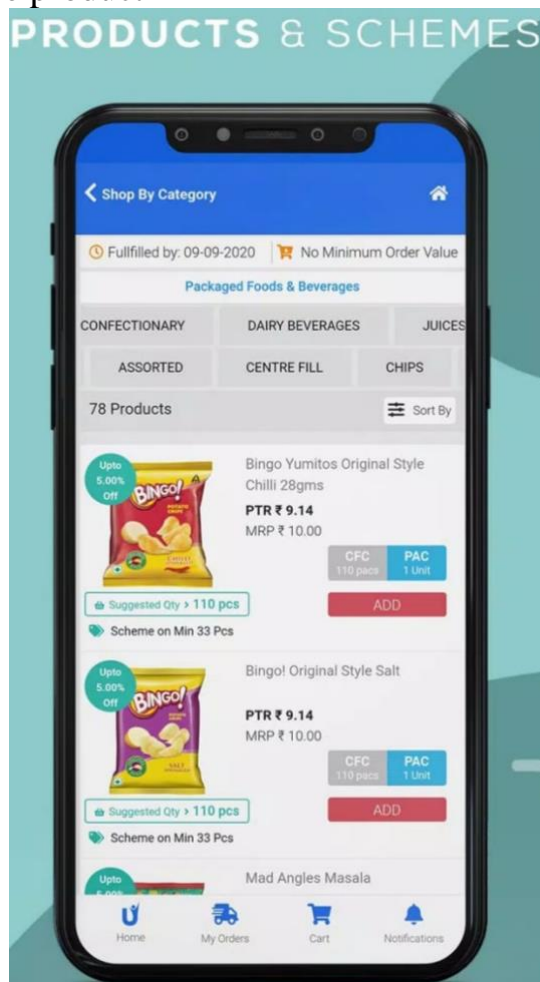
- It is provide for company.
- This is private app for company.
- Only use for salesman billing and ordering. Everyday update for this app. It is easy to use.
- This app register for all shop details.
- Register for shop location



It is a free online self-ordering platform for Retailers through which they can now order anytime anywhere. Retailers can also redeem their earned points through Unnati.

## Ordering Benefits of the App

- Browse through a vast range of Products & see latest schemes & offer.
- Save the hassle of searching & adding Products to the cart. Order your readymade basket of items just through a single click.
- Product buckets- Extensive range of products clubbed in buckets for easier search
- Application of ongoing schemes on orders & estimated invoice value
- Get information on new launches, latest promo offers & discounts through banners, notifications & smart triggers.
- Get suggested orders based on your order history
- Search any product through the smart search option based on name, price & even gram mase of the product



- Check Order history & order status
- Get notified automatically on order status update

This light & user-friendly platform provides easy access & visibility to Retailers of their

- Targets & achievements for current as well as previous months/quarter
- Available points & detailed score breakdown for current & previous months
- In App redemption request of earned points
- Current redemption request status & redemption history. Salesman information
- Scores refresh & status update of redemption request through smart triggers

## **CHAPTER - 5**

### **SWOT ANALYSIS OF ITC**

SWOT analysis is a process that identifies an organization's strengths, weaknesses, opportunities and threats.

SWOT is a basic, analytical framework that assesses what an entity can and cannot do, for factors both internal as well as external. Using environmental data to evaluate the position of a company, a SWOT analysis determines what assists the firm in accomplishing its objectives, and what obstacles must be overcome or minimized to achieve desired results: where the organization is today, and where it may be positioned in the future



ITC is one of India's biggest and best-known private sector companies. In fact it is one of the World's most high profile consumer operations. This SWOT analysis is about ITC. Its businesses and brands are focused almost entirely on the Indian markets, and despite being most well-known for its tobacco brands such as Gold Flake, the business is now diversifying into new FMCG (Fast Moving Consumer Goods) brands in a number of market sectors including cigarettes, hotels, paper, agriculture, packaged foods and confectionary, branded apparel, personal care, greetings cards, Information Technology, safety matches, incense sticks and stationery. Examples of its successful new FMCG products include:

- Aashirvaad - India's most popular Atta brand with over 50% market share.
- It is also present in spices and instant mixes.
- Mint-o - Mint-O Fresh is the largest cough lozenge brand in India.
- Bingo! - A new introduction of finger snacks.
- Kitchens of India - pre-prepared foods designed by ITC's master chefs.
- Sun feast - is ITC's biscuit brand (and the sub-brand is also used on some pasta products).

### **Strengths**

ITC leveraged its traditional businesses to develop new brands for new segments. For example, ITC used its experience of transporting and distributing tobacco products to remote and distant parts of India to the advantage of its FMCG products. ITC master chefs from its hotel chain are often asked to develop new food concepts for its FMCG business.



ITC is a diversified company trading in a number of business sectors including cigarettes, hotels, paper, agriculture, packaged foods and confectionary, branded apparel, personal care, greetings cards, Information Technology, safety matches, incense sticks and stationery.

### **Weaknesses**

The company's original business was traded in tobacco. ITC stands for Imperial Tobacco Company of India Limited. It is interesting that a business that is now so involved in branding continues to use its original name, despite the negative connection of tobacco with poor health and premature death.

To fund its cash guzzling FMCG start-up, the company is still dependent upon its tobacco revenues. Cigarettes account for 47 per cent of the company's turnover, and that in itself is responsible for 80% of its profits. So there is an argument that ITC's move into FMCG (Fast Moving Consumer Goods) is being subsidized by its tobacco operations. Its Gold Flake tobacco brand is the largest FMCG brand in India - and this single brand alone hold 70% of the tobacco market.

### **Opportunities**

Core brands such as Aashirvaad, Mint-o, and Bingo! And Sun Feast (and others) can be developed using strategies of market development, product development and marketing penetration. ITC is moving into new and emerging sectors including Information Technology, supporting business solutions.

e- Chou pal is a community of practice that links rural Indian farmers using the Internet. This is an original and well thought of initiative that could be used in other sectors in many other parts of the world. It is also an ambitious project that has a goal of reaching 10 million farmers in 100,000 villages.

ITC leverages e-Chou pal in a novel way. The company researched the tastes of consumers in the North, West and East of India of Atta (a popular type of wheat flour), then used the network to source and create the raw materials from farmers and then blend them for consumers under purposeful brand names such as Aashirvaad Select in the Northern market, Aashirvaad MP Chakki in the Western market and Aashirvaad in the Eastern market. This concept is tremendously difficult for competitors to emulate.

Chairman Yogi Deveshwar's strategic vision is to turn his Indian conglomerate into the country's premier FMCG business. Per capital consumption of personal care products in India is the lowest in the world offering an opportunity for ITC's soaps, shampoos and fragrances under their Wills brand?

### **Threats**

The obvious threat is from competition, both domestic and international. The laws of economics dictate that if competitors see that there is a solid profit to be made in an emerging consumer society that

ultimately new products and services will be made available. Western companies will see India as an exciting opportunity for themselves to find new market segments for their own offerings. ITC's opportunities are likely to be opportunities for other companies as well. Therefore the dynamic of competition will alter in the medium-term. Then ITC will need to decide whether being a diversified conglomerate is the most competitive strategic formation for a secure future.

## **CHAPTER - 6**

### **FINDINGS**

- The consumers of age group 21-30 years purchases more bathing soap than other age groups.
- Most of the time they go for brand having higher quality and those brands with good brand name.
- The respondents considered that the price of the products were acceptable and reasonable unlike other personal care products
- Most consumers in the survey use Dove, second come Pears and then other brands that were not mentioned in the survey questions.
- Most consumer buy bathing soap on a monthly basis, there is regular nage pattern of the bathing soup.
- Consumers buy mostly from 2SKU's every month.
- Most of the consumers ask or select a particular brand of bathing soup
- 8% of the customers who use bathing soup ask for the brand they regularly buy
- The 75% of the respondents said that offers provided by the companies have not influenced their purchase decision
- The respondents were aged mostly between 21-30 years

## **SUGGESTIONS**

1. To every WD point, WSP vehicle is reaching there on or before by 6:00AM, Almost all WD Point's Opens at 9:00AM. But unloading starts at around 11:30AM due to the loading process of retail vehicles will be taking care of in the morning, On an Average Unloading Operation time will be maximum to 2 to 3Hours. Due to this ITC vehicle is returning back to WSP by around 3:00PM, to overcome this, Retail vehicles should be managed to load at the night of before day and soon after the WD opens, they can start to the Market. With this process, they can save around 2 Hours, WSP vehicle can be managed to return to WSP by 1:00PM Maximum.
2. Increase in the Work units at the WD points. On an average Maximum number of Work units available at each WD points are 3, 4 which even include for both loading of retail vehicles and Unloading of retail vehicles.
3. Some WD Executives are expecting some workers from WSP for unloading operations, as there are only limited number of work units for both loading and unloading of operations. So, some workers should be allotted by the WSP with the vehicle for the unloading purpose
4. WD should make sure that all work Units were trained to complete the job in time without and delay.
5. Major Problem would be parking area, Stockings, because at some the WD points some stocks are stored at one go-down and some stocks at placed at other go-down. Like, ATTA and Chili at one go down, cigarette at

separate go-down. When there is a Mixed Order then it will a complete problem for the Vehicle and for the parking as well. So, Precisely Location Planning of WD should be taken Care of.

6. WD – Physical Infrastructure should be taken care of with minimum requirements i.e. for each WD with At least two dock areas would be helpful for the both loading and unloading operations. So, that they can be carried out on parallel.
7. Additionally, two operation executives taking care of, one for loading of retail vehicles and one for unloading of WSP vehicle at two separate docks. In case there are two or more WSP vehicles to be visited to WD on a day, then the WD operations won't be disturbed and equally Turnaround time for WSP vehicle will also be controlled and reduced.
8. To eradicate all these findings on single shot suggestion would be, till now WD's are maintained by third parties. If ITC take up the WD on their own distribution channel, then they can overcome the challenges and make it more flexible accordingly.
9. It's better to install GPS devices to WSP vehicles and GPS location identity for the WD point, which helps in getting the fastest and alternative routes to the destination during traffic jams, road constructions E.T.C.

## **CONCLUSIONS**

- There is need of more focus on the sales of Personal care products.
- From the study the various aspects of the consumers buying behaviour were found out
- Many reasons for consumers choosing bathing soap was found out and the purchasing pattern of the consumers were also find out
- Then the next reason is the shopkeepers, the shopkeepers sometimes give those brands which have higher margin, to the consumers who doesn't have much preference for a particular brand.