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Distribution Model for Bottled Water and Functional Beverage

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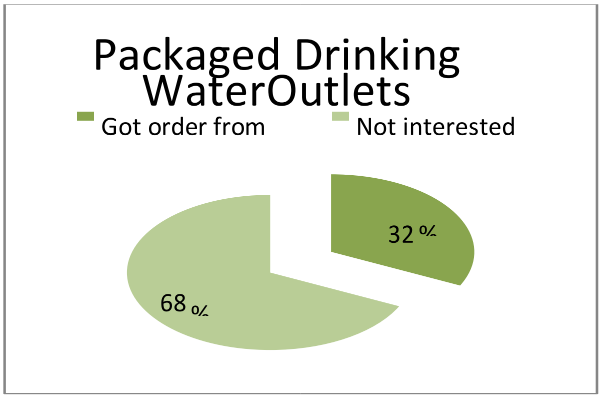
ABSTRACT:
The main objective of this research paper is to understand their interest in dealing with Sahara Q shop with new introduced product, to provide proper knowledge about the packaged drinking water Industry and the processes to start a business with Sahara Q Shop and to do a qualitative analysis of the opportunities in the market.
The company profiles also need to be studied to be able to cross-compare and make deductions as to what are the best practices existing. In broad terms, the major tasks in the project are to study the packaged drinking water industry, which would include the following – • Study the market size • Study the major players, their market shares, and distribution networks. • Study the emerging trends (in products, packaging, pricing and promotion). And also know how to increase market share of Sahara Q Shop in market place.

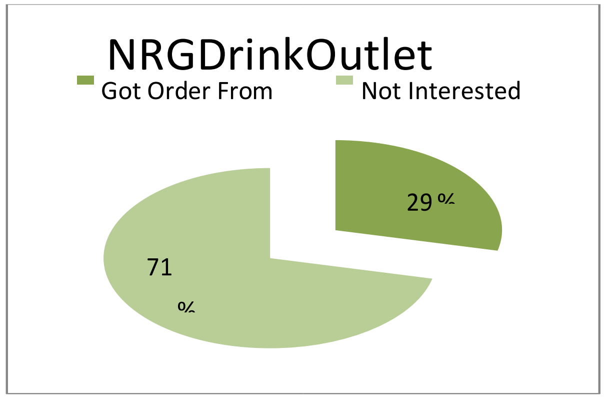
LITERATURE REVIEW:
Distribution is one of the four elements of marketing mix. An organization or set of organizations involved in the process of making a product or service available for use or consumption by a consumer or business user. The chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer is called Distribution Channel. A distribution channel can include wholesalers, retailers, distributors and even the internet. Channels are broken into direct and indirect forms, with a "direct" channel allowing the consumer to buy the good from the manufacturer and an "indirect" channel allowing the consumer to buy the good from a wholesaler. Direct channels are considered "shorter" than "indirect" ones. In distribution two things are important. One is market coverage and second is availability.

COMPANY PROFILE:
Sahara India Pariwar Is an Indian conglomerate company headquartered in Lucknow, India. Its diversified business has interest in finance, infrastructure & housing, media & entertainment, consumer merchandise retail venture, manufacturing and information technology. The group is a major promoter of sports in India. Sahara is the main sponsor of the Indian cricket Team. They own 42.5% stake in Formula One's Force India Formula 1 Team and also sponsors India national field hockey team. The Brand Trust Report listed Sahara in the top 100 most trusted brands of India.

Analysis and Presentation of Data:

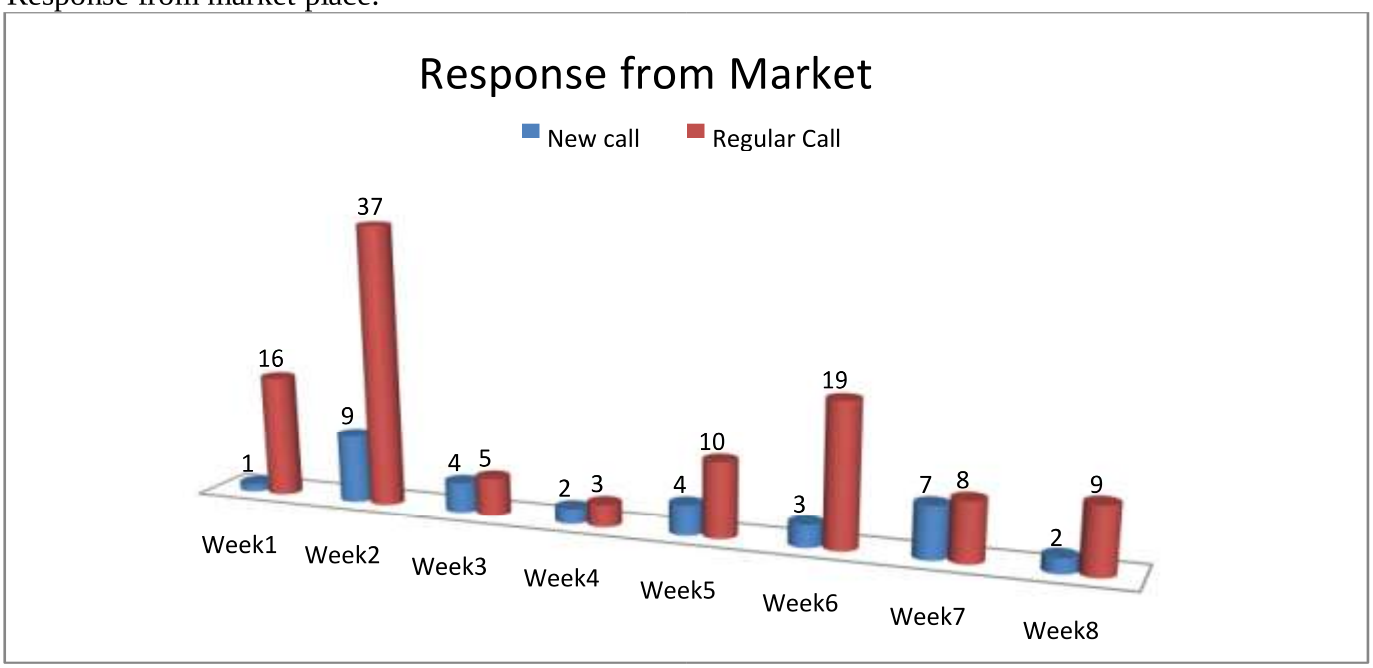
COMPARATIVE STUDY OF INTERESTED AND NOT INTERESTED RETAILERS:





In case of packaged drinking water I visited 255 shops. Out of 255 Shops I have got order from 82 shops and remaining was not interested in dealing with Sahara Q shop. As Sahara Packaged Drinking Water is new in the market so it will time to cover the market and increase its market share in market place. Due to rain they are giving less order of packaged drinking water as its demand is less in this season. They are not interested in giving order for many reasons like some get free water with cold drink; some has got monopoly of Pepsi and Coke.

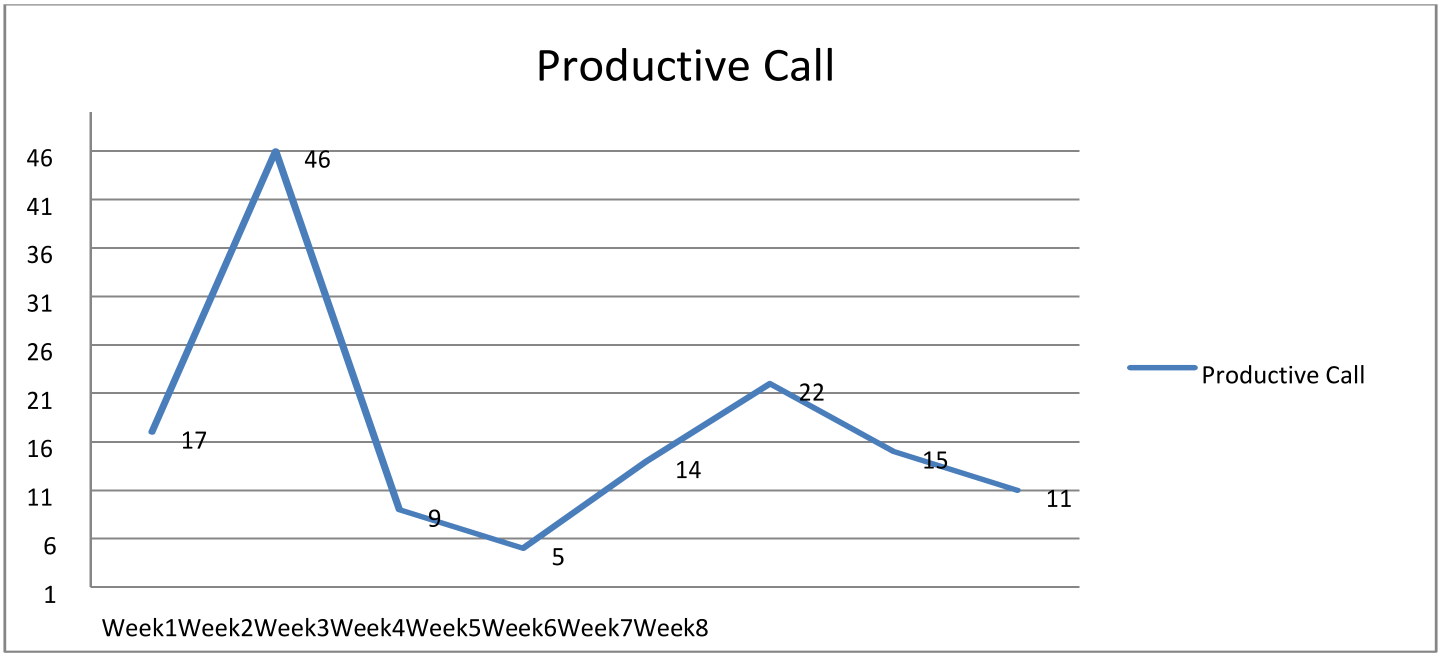
Response from market place:



This Column Chart Shows the Response from market place.

When I joined Sahara Q Shop as an Intern before that packaged drinking water has launched in the market but some markets are there yet to cover we started with those untapped area and covered area also for repeat order. When I get order from any shop who first time dealing with Sahara Q Shop that is called as new call. And when I get order from that new shop again then it became regular call. Here I have the week wise classification. There are many new shops who did not give any repeat order due to season change and late delivery issue. There are some shops who have become loyal purchaser.

GROWTH RATE OF PRODUCTIVE CALL:



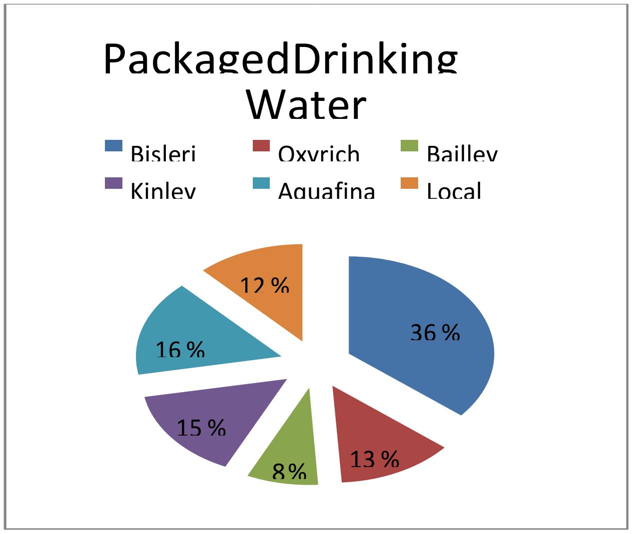
Productive call means when we get order from any shop. Growth line is going down because wherever we have delivered packaged drinking water and NRG, at first they want to dispatch that old stock then they want to order for the next lot. After 3 to 4 days we visit again the old area and old shops for getting repeat order. So it is quite impossible to dispatch the old stock in 3 to 4 days.

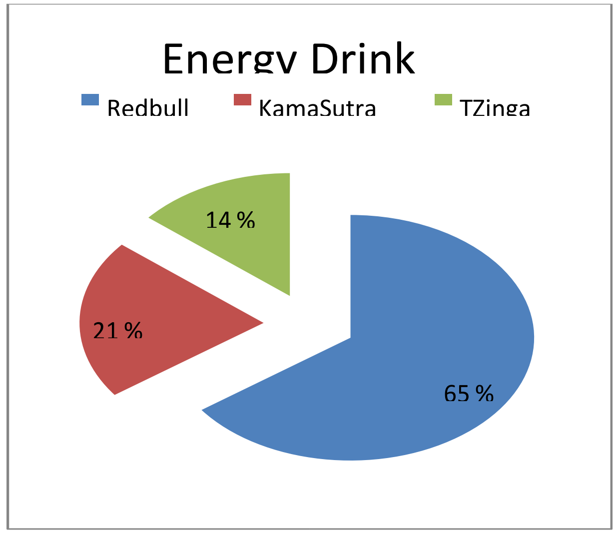
MARKET OPPORTUNITY AS PER AREA:

This doughnut chart shows the market opportunity for packaged drink water and NRG in the market place. Above mentioned areas was my route of work. So I can analyze data on the basis of that only.

Every route has possibilities to get more orders but among them Kothrud Depot to Paud Road is the high potential market. If sales executive visits regularly in Warje and Karve Nagar area then it will also become a potential market. Company needs to create more awareness about the product to get more orders. Promotion, Regular visit, free sample, schemes are needed to crack the market and to increase its market share.

COMPETITION FROM MAJOR PLAYERS IN MARKET:





In case of Packaged Drinking Water Bisleri has the highest market share. Kinley, Aquafina, Bailley, Oxyrich also doing well in the market. Kinley and Aquafina give free packaged drinking water with cold drink so retailers every time have enough stock of water due to that scheme. So, retailers want to finish that stock first and then they want to order. As customers are known to these brands they specifically want those brand so it hard to make good perception in customer mind about Q water. Some brand has monopoly in some shops.

In case of energy drink there is only one name in market that's Redbull. Redbull has captured the entire market. There are some other players too like Kama Sutra and T Zinga who are trying to get fit in the market place. Sahara Q shop NRG needs time to get response from the customer due to strong demand and mind set for Redbull. Young gen only believes in Red bull. They have their specific Brand loyalty. NRG need to work more on their promotion.

LIMITATIONS:

- Only 255 shops for packaged drinking water and 150 shops for NRG have been visited, which comprises a very small sample.
- Survey area was confined to some specified area in Pune.
- Some dealers were not interested in giving any information and dealing with Sahara Q Shop.
- During the high selling time like summer it was hardly promoted, NRG was launched during Rainy season. During Rainy Season demand for soft drink is very low.
- Another limitation was the language. Many retailers were only comfortable in Marathi.
- Time span was limited to 2 months.

OBSERVATIONS:

The survey has been conducted on 255 shops for packaged drinking water and 150 shops for NRG. In this survey it is tried to cover some specified areas to get the real picture. After processing the gather information I can draw the findings in two parts:

- **FOR PACKAGED DRINKING WATER :**
  - Maximum of Retailers prefer keeping Bisleri, Kinley and Aquafina, because of high demand and good distribution.
  - Retailers who are working with Sahara Q Shop, they want better and fast distribution.
  - Most of the dealer agreed that customer do not usually switch to competitors products due to Supply shortage and lengthen delivery system. Customers want known brand because they are health conscious.
  - It was found that maximum of the retailers keep local water. In 60% of General shops, Rest, Wine Shop local water was visible.
  - Local water like Orus is getting popularity in outskirt area.
  - There were two pricing for 1 litre bottle one is Rs. 18 for general stores, bakery, wines shop etc. and another one is Rs. 20 for restaurants. Sometime due to stock shortage distributor delivered Rs 20 MRP stock to general stores which create confusion among retailers and customers also.
  - Sometime due to late delivery orders get cancelled.

- **FOR NRG:**
  - Redbull has covered the entire market with huge promotion. Retailers were very confident in selling Redbull so they keep Redbull.
  - They showed less interest in keeping new brand. oIn case of energy drink every time retailer asked for fridge.

SUGGESTIONS:

There are some fields that are yet to be more emphasized which can improve the sales volume in the near future are stated as follows :-

- Every Packaged Drinking water have name but Sahara Packaged Drinking Water has no name except Q. one should be there to identify the Product.
- Maximum retailers said that there are not many interactions from the company. So sales officers should be more in touch with the retailers. Regular interactions are necessary to increase the interest among the retailers.
- Company should more emphasis on Ground Level Advertisement. So that rural people get more aware.
- I found that retailers' buying process is affected by the consumer demand. So there should be campaigning and activities to aware customers. It'll help the company to speed up their sales.
- Stalls should be given in front of the main general stores, so that when people come to the shop they can see the promotion, there must be one sales person who can demonstrate about the product. These prospects can be easily converted into successful sale.
- Many people are not aware of the Q packaged drinking water and Q NRG. So, there should be some promotion of the Q packaged drinking water and Q NRG
- Company should provide free samples to the retailers so that they get more profit by selling those and start dealing with Sahara Q Shop.
- Company can introduce new SKU of 3 ltr which is not the SKU of any company. It can cover the entire market because there is no competitor.

CONCLUSION:

The packaged drinking water industry and Functional Beverages Industry is in the growth stage. A number of leading players have emerged such as Bisleri, Aquafina, Bailey, and Kinley. There are other significant players like Yes, Ganga, Himalayan and many others. Foreign players in the local market such as Evian and Perrier also characterize the industry. Beside those major players SAHARA Q SHOP is also trying to place them into the crowd with their new packaged drinking water, mineral water and NRG drink. At present, the Indian market is also less organized and not much branded. In this context, the industry needs to be studied to find the structure in terms of players, substitutes and others factors governing the success of leading players. This report we came to know about the following: Market Study Packaged drinking water market in terms of major players, market size, growth, and market shares of players, segmentation statements and positioning of the various products available. Consumer Study: the consumer segments and their habits and practices also have been studied along with packaging technologies available and the importance of distribution and logistics networks. Strategies: to analyze the reasons for success and make a set of best practices and strategies for the players.

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