

A Study on Consumer Preference towards Britannia Biscuits

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Abstract

This research aims to conduct an in-depth study on consumer preferences regarding Britannia Biscuits, a prominent brand in the food and snack industry. Britannia has been a longstanding player, offering a diverse range of biscuits that cater to the varying tastes of consumers. Utilizing a mixed-methods research design, including surveys, interviews, and focus group discussions, this study seeks to unravel the factors influencing consumer preferences for Britannia Biscuits. Key objectives include analyzing consumer perceptions of product quality, taste, packaging, and brand loyalty. The study aims to identify the most popular biscuit variants and the reasons behind their popularity among consumers. Additionally, it seeks to understand the impact of marketing strategies and consumer demographics on the preferences for Britannia Biscuits. The findings of this research are anticipated to provide valuable insights for Britannia and other players in the food industry, assisting them in refining their product offerings and marketing approaches to better align with consumer preferences.

Keywords: Consumer Preference, Britannia Biscuits, Food and Snack Industry, Product Quality, Taste, Brand Loyalty, Marketing Strategies, Consumer Demographics.

1. Introduction

The study of consumer preference also include an analysis of factor that influence purchase decision and products use understanding how consumer make purchase decision marketing manager in several ways consumer are satisfied when they get what they want factors consumer purchase are influence strongly by social cultural, personal and psychological marketing cannot control such factors but they take them to the account consumer respondent to various marketing efforts the company might use the company understanding how to consumer will responds to the difference product features and prices.

1.1 Definition of Consumer Preference

Consumer preference are defined as the subjective individual tastes, as measured by utility, of various bundles of goods. They permit the consumer to rank bundles goods according to level of utility they give

the consumer. Note that preferences are income and price. Ability to purchase goods does not determine a consumer's like or dislikes. One can have preference for Britannia's over fords but only have the financial means to drive a ford. Consumer preference is a marketing term meaning a consumer like one thing over another. A trend may indicate consumer prefer using debit cards over credit card for good. It is general term applied to all facets of marketing products and services. A consumer preference explains how a consumer rank collection of good's and service of prefer one collection over another. This definition assumes that consumer rank goods or services by the amount of satisfaction or utility, afforded. Consumer preference theory does not take consumer income good and services price or the consumer's ability to purchase the product or service. A consumer preference assumes that consumer can choose consistently between or among goods and services over others or treat all as equally beneficial. Consistency is an issue when the consumer must consider more than

alternatives.

2. Literature Review

Renuka and Hirekenchanagoudar (2008) in their study on “Consume Buying Behavior of Ready to Eat Food Products”. To determine the market penetration of Britannia Marie biscuits by retailers. The data were collected from 150 respondents. The tools used in are simple percentage and correlation coefficient. It is concluded that the main factors influencing brand preference for biscuits, chips, fruit juice and ice creams were quality, taste and reasonable price. Thus, the study revealed that the younger generation preferred more ready to eat food products than the other age group. The consumer behavior also varies from product to product [1].

F. Mohamed Sabura, and Dr. T. Vijayakumar (2009) made a “study on retailer attitude towards Britannia biscuits with special reference to rural areas of Coimbatore city”. To analyse the customer satisfaction about Britannia biscuits. The total sample respondents were fixed at judgment random basis [2].

Dr. M. Arutselvi (2012), “A study on consumer’s preference towards various type of Britannia Biscuits in Kanchipuram towns”. The topic deals with the study of consumer behavior towards Britannia Biscuits. The consumer behavior varies from brand to brand on the basis of quality, quantity, price, taste, advertisement etc., it is concluded that the market study on biscuits at Kanchipuram town as helped to know the status of biscuits. It has revealed the requirements of the taste of the consumer of biscuits. Britannia Biscuits are having a good market share in Kanchipuram town [3].

According to Moye & Kin Cade consumer’s express preference or lack of preference for stores, brands, advertisements and other marketing stimuli by reflecting a favorable or unfavorable attitude. In this sense, consumers with a favorable attitude toward a store will most likely select the store and buy its products. But consumers with unfavorable attitudes will not select the store and not purchase the products there [4].

Brose Khan Abdul et. al., the study explores that the importance of various factors including lifestyle and its Impact on the consumer buying behavior. It describes the dominant, positivistic consumer perspectives. This discussion surrounds the issues of fundamental assumptions and techniques of analysis of various alternative modes of enquiry [5].

3. Company Profile of Britannia

3.1 Introduction of Britannia

Britannia Industries Limited is an Indian food-products corporation. Founded in 1892 and headquartered in Kolkata, it is one of India's oldest existing companies. It is now part of the Wadia Group headed by Nusli Wadia. The company sells its Britannia and Tiger brands of biscuits, breads and dairy products throughout India and in more than 60 countries across the world. Beginning with the circumstances of its takeover by the Wadia group in the early 1990s, the company has been mired in several controversies connected to its management. However, it enjoys a large market share and is exceedingly profitable. Table 1 shows the company profile of Britannia.

Table 1 Britannia Company Profile

Britannia Industries Limited



Formerly	Britannia Biscuit Company Limited
Type	Public
Traded as	BSE: 500825 NSE: BRITANNIA
Industry	Food processing
Founded	1892; 128 years ago in Calcutta 1918; 102 years ago as Britannia Biscuit Company Limited
Headquarters	West Bengal, Kolkata, India
Area served	Worldwide
Key people	Nusli Wadia (Chairman)
Products	Bakery products, including biscuits, bread, cakes and rusk, and dairy products, including milk, butter, cheese, ghee and dahi.
Revenue	▲ ₹8,684.39 crore (US\$1.2 billion) (2017)
Operating income	▲ ₹1,251.16 crore (US\$180 million) (2017)
Net income	▲ ₹843.69 crore (US\$120 million) (2017)
Total assets	▲ ₹3,696.14 crore (US\$520 million) (2017)
Number of employees	3,206 (as on 31 March 2017)
Parent	Wadia Group
Website	www.britannia.co.in

3.2 History

The company was established in 1892 by a group of British businessmen with an investment of ₹295. Initially, biscuits were manufactured in a small house in central Kolkata. Later, the enterprise was acquired by the Gupta brothers, mainly Nalin Chandra Gupta, an attorney, and operated under the name "V.S. Brothers." In 1918, C.H. Holmes, an English businessman based in Kolkata, was taken on as a partner and The Britannia Biscuit Company Limited (BBCo) was launched The Mumbai

factory was set up in 1924 and Peek Freans UK, acquired a controlling interest in BBCo. Biscuits were in high demand during World War II, which gave a boost to the company's sales. The company name was changed to the current "Britannia Industries Limited" in 1979. In 1982, the American company Nabisco Brands, Inc. acquired the parent of Peek Freans and became a major foreign shareholder. A few years later, control moved through a complicated process, which is still not fully understood to Rajan Pillai, a Kerala-based businessman and a crony of Nusli Wadia. The two cronies fell out with each other and an uproarious corporate drama unfolded. It ended after the death of Rajan Pillai in police custody and the confirmed takeover of control by Nusli Wadia. Its subsequent corporate history has also had a full share of controversies.

3.3 Businesses

The company's principal activity is the manufacture and sale of biscuits, bread, rusk, cakes and dairy products. Figure 1 shows the Britannia Little hearts.



Figure 1 Britannia Little Hearts

3.4 Biscuits

Biscuits account for 90% of Britannia's annual revenue. The company's factories have an annual capacity of 433,000 tonnes. The brand names of Britannia's biscuits include Vita Marie Gold, Tiger, Nutri choice, Good day, 50 50, Treat, Pure Magic, Milk Bar, Bourbon, Nice Time and Little Hearts among others. In 2006, Tiger, the mass market brand, realized \$150.75 million in sales, including exports to the U.S. and Australia. This amounts to 20% of Britannia revenues for that year.

3.5 Dairy Products

Dairy products contribute close to 10% to Britannia's revenue. The company not only markets dairy products to the public but also trades dairy commodities business-to-business. Its dairy portfolio grew to 47% in 2000-01 and by 30% in 2001-02. Its main competitors are Nestlé India, the National Dairy Development Board (NDDB), and Amul (GCMF). Britannia holds an equity stake in Dynamix Dairy and outsources the bulk of its dairy products from its associate. On 27 October 2001, Britannia announced a joint venture with Fonterra Co-operative Group of New Zealand, an integrated dairy company which handles all aspects of the value chain from procurement of milk to making value-added products such as cheese and buttermilk. Britannia intends to source most of the products from New Zealand, which they would market in India. The joint venture will allow technology transfer to Britannia. Britannia and New Zealand Dairy each hold 49% of the JV, and the remaining 2 percent will be held by a strategic investor. Britannia has also tentatively announced that its dairy business (probably including Dynamix) would be transferred to the joint venture. However, the authorities' approval to the joint venture obliged the company to start manufacturing facilities of its own. It would not be allowed to trade, except at the wholesale level, thus pitching it in competition with Danone, which had recently established its own dairy business.

4. Performance and Profitability

Between 1998 and 2001, the company's sales grew at a compound annual rate of 16% against the market, and operating profits reached 18%. More recently, the company has been growing at 27% a year, compared to the industry's growth rate of 20%. At present, 90% of Britannia's annual revenue

of Rs 22 billion comes from biscuits. Britannia is one of India's 100 Most Trusted brands listed in the brand trust report. Britannia has an estimated market share of 38%.

4.1 Disputes and Controversies

Wadia and Rajan Pillai: Kerala businessman Rajan Pillai secured control of the group in the late 1980s, becoming known in India as the 'Biscuit Raja'. In 1993, the Wadia group acquired a stake in Associated Biscuits International (ABIL), and became an equal partner with Groupe Danone in Britannia Industries Limited. In what the economic times referred to as one of [India's] most dramatic corporate sagas, Pillai ceded control to Wadia and Danone after a bitter boardroom struggle, then fled his Singapore base to India in 1995 after accusations of defrauding Britannia, and died the same year in Tihar jail.

Wadia and Danone: The Wadias' Kalabakan Investments and Group Danone had two equal joint venture companies, Wadia BSN and United Kingdom registered Associated Biscuits International Holdings Ltd., which together held a 51 percent stake in Britannia. The ABIH tranche was acquired in 1992, while the controlling stake held by Wadia BSN was acquired in 1995. It was agreed that, in case of a deadlock between the partners, Danone was obliged to buy the Wadia BSN stake at a "fair market value". ABIH had a separate agreement signed in 1992 and was subject to British law. Wadia was to be Danone's wife's partner in the food and dairy business, and product launches from Groupe Danone's were expected but never materialized despite the JV being in existence for over 11 years in India. Under the 1995 joint venture agreement, Danone is prohibited from launching food brands within India without the consent of the Wadias. In addition, the partners agreed there would be the right of first refusal to buy out the remaining partner in the event of the other wishing to sell its holding.

4.2 Intellectual Property Dispute

In a separate dispute from the shareholder matters, the company alleged in 2006 that Danone had violated its intellectual property rights in the Tiger brand by registering and using Tiger in several countries without its consent. Britannia claimed the company found out that Danone had launched the Tiger brand in Indonesia in 1998, and later in Malaysia, Singapore, Pakistan and Egypt when it attempted to register the Tiger trademark in some these countries in 2004. Whilst it was initially reported in December 2006 that agreement had been reached, it was reported in September 2007 that a solution remained elusive. In mean time since Danone's biscuit business has been taken over by Kraft, the Tiger brand biscuits in Malaysia was renamed Kraft Tiger Biscuits in September 2008. Britannia initiated legal action against Danone in Singapore in September 2007. The dispute was resolved in 2009 with Britannia securing rights to the Tiger brand worldwide, and Danone paying Rs220 million to utilize the brand.

5. Definition of Consumer Preference

Consumer are preference are defined as the subjective (individual) tastes, as a measured by utility, of various bundles of goods. They permit the consumer to rank bundles of goods according to level utility they give the consumer. Note that preferences are income and price. Ability to purchase goods does not determine a consumer's like of dislikes. One can have a preference for Britannia over fords but only have the financial means to drive a ford. A consumer preferences theory assumes that "more is batter" this Monotonicity from of preference as varying levels of strength. Consumer preference is becoming increasingly known through online sources according to Maritz younger people expect components to communicate online through forums and social media companies also attempt to lesson consumers' needs through online sources as well. A revealed preference is also subset of consumer in that companies determined consumption behavior based upon sales number the theory is that companies can change strategies if consumers buy one product over another. The revealed preference theory was first promulgated in 1938. In an upcoming post, we will present research on the measurement of consumer loyalty that will help clarity this definition. This research help shed light on the meaning of consumer loyalty and how business can benefit by taking more rigorous approach to measuring consumer loyalty.

5.1 Consumer Choice

Given the price of different commodities consumer decide on the quantities of these commodities according to their paying capacity and tastes and preference.

Consumer choice's testes and preference on the following consumption.

- **Completeness:** A consumer would be able to state own preference or indifference between tow district baskets of goods.
- **Transitivity:** An individual consumer's preference is always consistent.
- **Non – satiation:** A consumer is never satiated permanently. More is always wanted, If “some” is good, more of the good is better.

5.2 Consumer Satisfaction

Consumer satisfaction and acceptance are often considered in literature to be closely linked yet these are district concepts. Satisfaction is the fulfillment and gratification of the need for a stated goods or services.

- **Phillip Kotler**

Marketing is a social managerial process by which individual and group obtain what they need and want through creating and exchanging product and value with others.

- **Marketing and marketing**

Marketing is so basically that it cannot be considered a separate function. It is wholesale business seen from the point view of it finals result.

- **Consumer acceptance**

Acceptance describes consumer willingness to receive and/or to tolerate consumer satisfaction can be enhanced when their needs are met (in terms of both quality and quantity) and accord with their preferences.

5.3 Consumer Satisfaction and Loyalty

As satisfaction increase loyalty also increase in highly competitive marketing there is a slight difference between the loyalty of less satisfied consumer and those who are merely satisfied however there is tremendous difference between the loyalty of satisfied consumer and completely satisfied consumer

5.4 Factors Effecting Consumer Preference

Consumer preference describes the reasons for the choices people make selecting products and services. Analyzing the factor that determines consumer preference helps business target their products towards specific consumer groups develop new products and identify why some products are more successful than others.

5.4.1 Advertising

Advertising plays an important role in consumer preference, especially for non-durable goods such as food or magazines advertising informs consumer of available goods and services and also shapes their impressions of these products. Advertising can also create demand for example a consumer may not have wanted new soft drink until he saw flashy new soft drink on television.

5.4.2 Social Institutions

Social institution parents, friends, school, religion, and television shows also influence consumer's preference for example, kid might want to have the same toys as they school mate have while young adults may purchase the same product as they parent use to buy.

5.4.3 Cost

Consumers usually chosen to purchase more of good if the price falls. For example, a sale or reduce prices may increase consumption of goods on other hand an increase in price may cause reduce consumption especially if goods have available substitute.

5.4.4 Consumer Income

Consumer often desire more expensive goods and services when their income increase. If the suffer a decrease in income, they are more likely to choose less expensive goods and services, for example, a business selling luxurious goods such as jeweler will probably be more useful in a high area than a

local income area.

5.4.5 Available Substitute

If a product has several substitute alternative products that consumer pay chose instead a particular brand of a product consumer will be more sensitive to change in price if consumer do not think cake and Pepsi are equal delicious there will be less likely to swatch ta a substitutes based on price. This concept is called the price elasticity of demand.

The Values Britannia Promises and How Does It Deliver?

- Customer perceived value is signifying the difference between the perspectives customer's evaluation of all the benefits and all the cost of an offering and the perceived alternatives.
- Economic functional and psychological benefits customer expect from a given market offering because of the product, service, people and image.
- Total customer cost is the perceived costs customers expect incur in evaluating obtaining, using and disposing of the given market offering, including monitory, time energy and psychological costs.

Customer Perceived Value of Britannia Biscuits

1. Availability and Accessibility

Britannia has a fairly goods distribution channel. About 33 lack retails outlets across India are covered by it.

2. Cost

Britannia provides a various option to the customer to suit his/her pocket size.

3. Quality and Compliance

Britannia always prides itself and uses 100% purity and quality motto for promotion.

4. Delivery

Britannia has a strong and must innovative distribution network which makes sure product is available to the customers on time.

5. Variety

It provides variants in the form of Britannia biscuits.

6. Suggestion of the Study

- They should bring about some change in their packing and labelling.
- Mostly respondents suggested in reduction of price.
- They may also use innovative packing methods for covering the biscuits.

Conclusion

- From the study it can be concluded that most of the respondents are female and they are in the age group of 21-30 years.
- From the study it can be concluded that majority of the sample respondents are unmarried.
- From the study it can be concluded that maximum of the sample respondents is post graduates.
- From the study it can be concluded that most of the respondents are private Employed and their monthly income ranges between Rs 15000 – Rs 30000.
- From the study it can be concluded that majority of the sample respondents are from joint family.
- From the study it can be concluded the maximum of the sample respondents have 4-6 members in their family.
- From the study it can be concluded that all the sample respondents are eating Britannia biscuits.
- From the study it can be concluded that majority of the sample respondents have different types of Britannia biscuits.
- From the study it can be concluded that majority of the sample respondents are Preferring biscuits with tea.
- From the study it can be concluded that majority of the sample respondents are having sweet biscuits.
- From the study it can be concluded that majority of the sample respondents are purchase Britannia

biscuits on weekly basis.

- From the study it can be concluded that majority of the sample respondents are aware about brand through tv advertisements.
- From the study it can be concluded that most of the respondents are using Britannia biscuits and they prefer Britannia biscuits for its taste.
- From the study it can be concluded that majority of the sample respondents are satisfied with quality of product.
- From the study it can be concluded that majority of the sample respondents are don't want to change their consumption.
- From the study it can be concluded that all the respondents express that the Britannia biscuits is easily available in market.
- From the study it can be concluded that majority of the sample respondents rate the brand is good.
- From the study it can be concluded that majority of the sample respondents opined that Britannia biscuits as they get in the Kirana store.
- From the study it can be concluded that majority of the sample respondents opined that price of Britannia biscuits is reasonable.
- From the study it can be concluded that most of the respondents seen the advertisement of Britannia biscuits and have a positive impact of advertisement.
- From the study it can be concluded that majority of the sample respondents are satisfied with present brand.
- From the study it can be concluded that majority of the sample respondents are want to shift some other brand.
- From the study it can be concluded that majority of the sample respondents are wants to recommend their brand to others.
- From the study it can be concluded that majority of the sample respondents rate the brand is good.

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