

# Marketing Strategies of MTR Foods Private Limited with Special Reference to Ramanagara District, Karnataka

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**Abstract:** Marketing is the single point of accountability for growth, identifying & developing new customers, new offerings & new market profitable growth. Marketing strategy should focus on products & services which meet customers' needs & developing long term relationship with them. This paper aims to analyze the impact of marketing strategies adopted by MTR FOODS Pvt. LTD to the consumers in this area. Sample of 100 consumers was randomly selected & data was collected by pre structured questionnaire & analyzed. The study reveals the fact that selling of food products at affordable prices attracts more consumer & stress the need of implementing additional marketing strategy to increase the sale.

**Keywords:** Processed food, Strategy, Respondents, MTR.

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## 1. INTRODUCTION

**Marketing** is the conversation between a company or brand and a consumer that ultimately leads to brand recall, preference or a transaction. In today's socially networked world that conversation is being disintermediated by word of mouth referrals. Traditional marketers will have to work harder to get ahead of and to influence this trend. Marketing is ultimately responsible to create enterprise value via the brand, the face of the business strategy. To do so, marketing identifies the target, attractive high growth segments. Marketing drives the organization to define the single minded, differentiated brand value proposition and deliver on it every single day across every touch point. Marketing ensures the delivery of a compelling, differentiated offer to that target and proposition and, marketing measures and improves the consumers/businesses/partner satisfaction, and the brand health and strength.

A **marketing strategy** is a process or model to allow a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve a sustainable competitive advantage. A marketing strategy will help you tailor your messages and put the right mix of marketing approaches in place so that you bring your sales and marketing activities together effectively in an effective marketing plan. A good marketing strategy helps you define your vision, mission and business goals, and outlines the steps you need to take to achieve these goals. One of the key elements of a successful marketing strategy is the acknowledgement that you're existing and potential customers will fall into particular groups or segments, characterized by their "needs". Identifying these groups and their needs through market research, and then addressing them more successfully than your competitors, should be the focus of your strategy.

**Food processing** is the transformation of raw ingredients, by physical or chemical means into food, or of food into other forms. Food processing combines raw food ingredients to produce marketable food products that can be easily prepared and served by the consumer. Modern food processing technology developed in the 19th and 20th centuries was developed in a large part to serve military needs.

Rapid increase in disposable income in India coupled with changed attitudes towards health and hygiene is driving growth of processed food in India. Today there is higher affordability and greater willingness amongst consumers to pay for various needs originating from modern living. Increasing urbanization, hectic lifestyles, rising number of nuclear families and increasing proportion of working women is leading to an increased demand for convenience. Indian consumers in larger numbers are opting for greater brought-into-home food consumption. Simultaneously, growing brand consciousness, exposure to Western products, introduction of food categories that are new to the Indian palate and new product variants catering to diversified tastes are ensuring higher acceptability of processed food products. All these factors create a strong case for the accelerated growth of processed foods.

**MTR** was founded as a restaurant by Yagnanarayana Maiya and his brothers in the year 1924. A Food Control Act was introduced which mandated that food was to be sold at very low prices. This move made it difficult for MTR to maintain high standards in its restaurant business and forced it to diversify into the instant food business, selling ready-to-eat snacks such as **chutneys and rasams**. Since the 1970s, MTR has expanded and diversified, with MTR Department Stores opened next to the restaurant, and an outlet opened in Chennai. Currently the MTR brand represents two separate entities; the *MTR restaurant* business and *MTR Foods*, the pre-packaged food business. The company manufactures a range of packaged foods including breakfast mixes, ready to eat meals, masalas and spices, snacks and beverages.

In 2007 MTR was sold to Norway based company i.e ORKLA., to 400 crores . After that the company is expanding its business throughout the world.

## 2. REVIEW OF LITERATURE

Comprehensive study with research orientation on marketing strategies of processed food industry in general and Mayas Food and Beverage industry, in particular is highly inadequate. An attempt is made to present the review of available literature on the topic.

1. Porter says that, the strategy is based on the dimensions of strategic scope and strategic strength. The generic strategy framework contains of two alternative scopes. They are – (a) Product differentiation (b) market segmentation.
2. Baker considers that, a marketing strategy is a process that can allow an organization to concentrate the limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. The market strategy determines the choice of target market segment, positioning, marketing mix and allocation of resources.
3. According to Fraser, innovation is the only best way which brings differentiation between themselves and their competitors. The creation of an innovative product can potentially provide marketers with a suitable competitive advantage.
4. Scitovsky considered price as an important index of quality in his view, the word ‘cheap’ usually means inferior quality.
5. In their final conclusion Erickson and Johansson stated that, price becomes a less important indicator of quality in the presence of other product quality indicators such as brand name or some image.
6. According to Kotler, sales promotion includes a various collection of incentive tools, mostly short-term designed to stimulate quicker and greater purchase of particular products or services by consumers or the trade.
7. Schultz argues in his studies that, over dependence on promotions can degrade the consumer’s price value equation.
8. According to the suggestion of Mariola and Elena, the monetary and non monetary promotions are useful to brand equity because of their positive effect on brand knowledge structure.
9. D.M. More in his article on “processing the Jamun and karonda for beverages”, he put forward some strategies for the food processing units which are engaged in manufacturing beverage from jamun and karonda. He has carried out the detailed study on effect of different process on percent juice recovery chemical composition and sensory qualities of unfermented beverages prepared from ripe jamun and karonda fruits.
10. Indrajeet Chatterjee, in his report on “Food processing industry, has opined that it has bright prospects in India”,. The Indian food processing industry is expected to touch Rs. 5, 00,000crore as more and more opportunities begin to emerge

in the sector. The CII – McKinsey report has identified five key opportunities emerging in the Indian food marketing requiring targeted strategies with strong focus on achieving the right balance of efficiency and innovation.

**Statement of research problem:**

Consumer retention is the most important challenges faced by the processed food industry. The food processing industry is consumer centric. The promotion strategy helps the industry to understand consumer needs better than their competitors. The focus of the study is to investigate the impact of marketing strategy implemented by MTR pvt Ltd., in Ramanagara district, Karnataka. The impacts of different marketing strategies are taken into consideration while examining the relationship between various marketing strategy & the consumers.

**Objectives:**

1. To know the marketing strategy adopted by MTR in Ramanagara district.
2. To analyze the perceptions of consumers towards the marketing strategies of MTR in Ramanagara district.
3. To make suggestion to the company in the light finding of the study, for the enhancement of effectiveness in formation & implementation of marketing strategies.

**Limitations of the study:**

1. This study was based on primary data collected from sample consumers by survey method.
2. As many of the consumers furnished the required information from their memory and experience, the collected data would be subjected to recall bias.
3. The study area was restricted to Ramanagara district & its surroundings and the findings may not be applicable to other markets, as vast difference exists among the consumers with regard to demographic and psychographic characteristics.
4. Hence, the findings of the study may be considered appropriate for the situations similar to study area and extra care should be taken while generalizing the results.

**Scope of the study:**

Although MTR Ltd produces and markets beverages & food products, the present study is confined to the evaluation of strategies adopted by MTR food product only. As far as collection of primary data from consumers is concerned, the study is confined to Ramanagara district and surrounding rural areas. The perceptions have been collected from respondents selected on convenience sampling basis.

### 3. METHODOLOGY

An empirical investigation has been done to study the Marketing Strategies of MTR pvt Ltd, in Ramanagara district, Karnataka.

**This chapter covers the following aspects:**

1. Description of study area
2. Sampling design and data collection
3. Analytical tools employed in the study

**Description of Study Area:**

1. Ramanagara district, Karnataka state.
2. The population is heterogeneous with diverse cultural, religious and economic background.
3. Preliminary discussions were held with the local consumers and the marketers about the consumption of processed vegetarian food products as well as consumer attitude towards marketing strategies in the study area.

**Sample Selection:**

1. The total samples selected for the study was 100 respondents.
2. In the phase 100 sample consumers each from Ramanagara district and surrounding areas were selected randomly irrespective of age, sex, qualification.

**Collection of Data:**

To study the objectives, required data were collected from primary as well as secondary sources.

**Primary data:**

The data required for the study were collected from the respondents by personal interview method with the help of pre-structured questionnaire. The respondents were interviewed at retail outlets, departmental stores, bakeries and even at the homes.

**Secondary Data:**

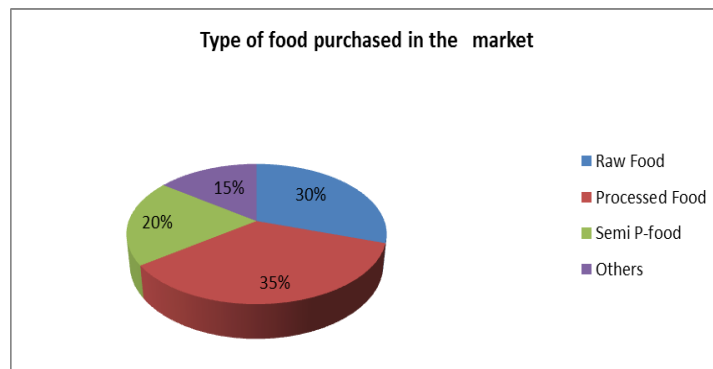
The secondary data on location, demography and regarding population of the study

**Analytical Tools Used:**

The data collected for the study was processed and analyzed by using simple Percentage method.

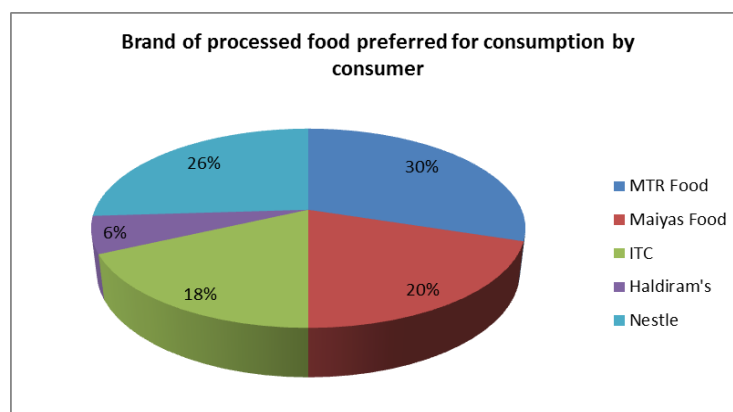
**4. RESEARCH FINDINGS AND DISCUSSIONS**

**1. Chart 1- Type of food purchased by the consumers in the market**



The above pie chart shows the types of food purchased by the consumers in Ramanagara district. In the study 100 participants were selected in Ramanagara district. The study reveals that 30% of the people consume raw food, 35% of the people consume processed food, 20% of the people consume semi-processed food and 15% of the people consume other food.

**2. Chart 2- Brand of processed food preferred for consumption by consumer.**

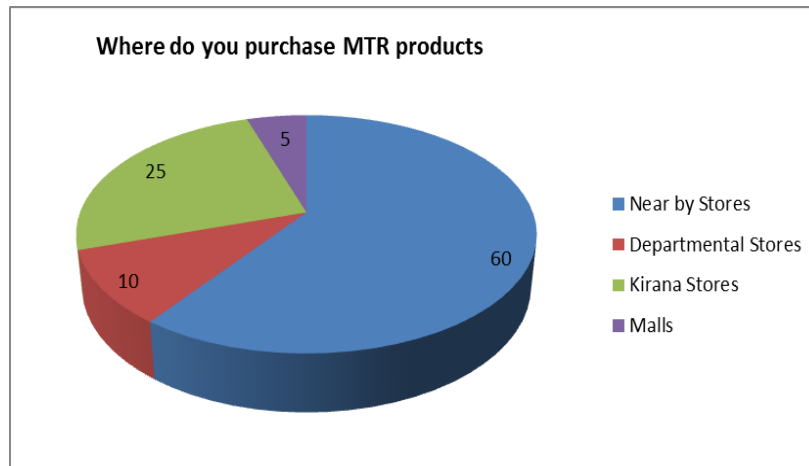


**International Journal of Novel Research in Marketing Management and Economics**

Vol. 4, Issue 3, pp: (1-8), Month: Sepetember- December 2017, Available at: [www.noveltyjournals.com](http://www.noveltyjournals.com)

The above chart reveals that 30% of the consumers preferred consumption of MTR food followed by Nestle products. The chart shows less preference given by consumers to other companies products i.e Maiyas followed by ITC and Haldiram.

**3. Chart 3- Where do you purchase MTR products?**

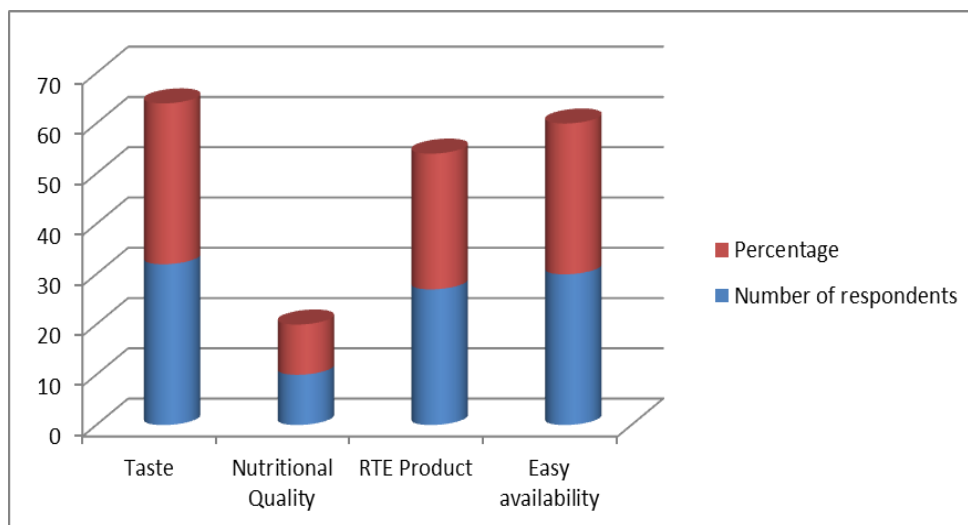


The above chart depicts the purchasing behavior of consumers in Ramanagara district.

It reveals that only 5 % of consumers purchase MTR products in Malls. 60% of the consumers purchase the MTR products in the nearby stores and 25% of the consumers purchase the MTR products in the Kirana stores and 10% of the consumers purchase the products in the departmental stores.

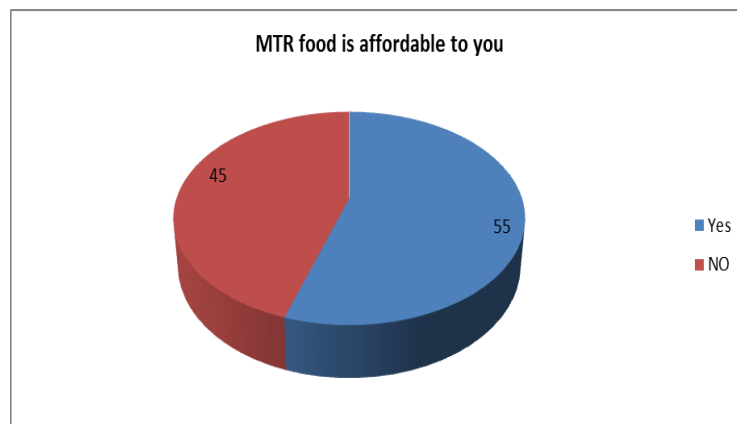
**4. Chart 4 - Reason for consumption of MTR products**

Reason for consumption of MTR products.	Number of respondents	Percentage %
Taste	32	32%
Nutritional Quality	10	10%
RTE product	27	27%
Easy availability	30	30%



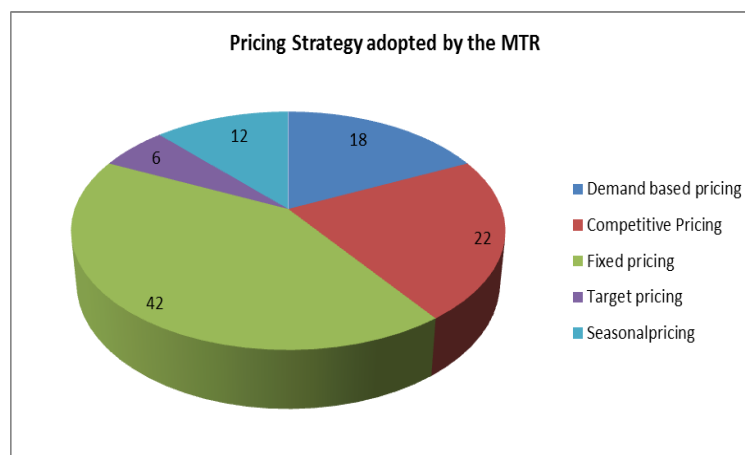
In Ramanagara district 32% of the consumers opined about the good taste about MTR food products, 10% of the respondents were influenced by the quality of the products, 27% of the respondents informed the need of MTR products for their daily food maintenance i.e RTE products, , 30% were influenced by the easy availability of MTR products.

5. Chart 5 - MTR Food is affordable to you?



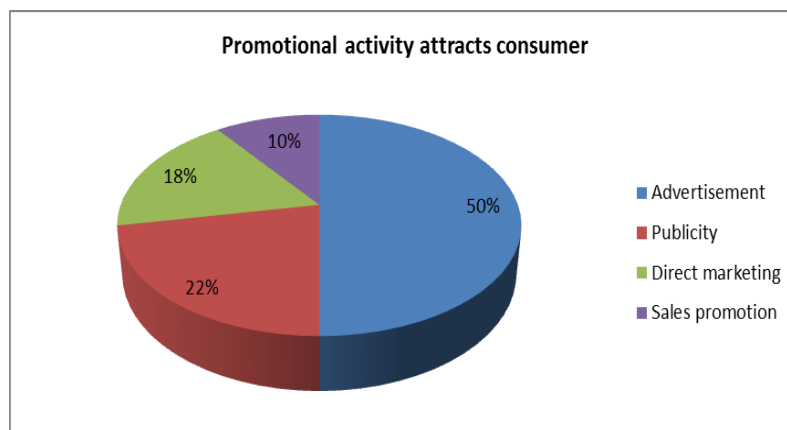
The above chart reveals that 55% of the consumers of Ramanagara district accepted the affordability of the processed MTR food products and only 45% Of the consumer opined about the less affordability of the products.

6. Chart 6- Types of pricing strategy adopted by the MTR (Consumer)



The above pie chart shows the response of consumers to various types of pricing strategy adopted by the MTR. In the study 100 participants were selected in Ramanagara district. The study reveals that 42% of the consumers opined the necessity of fixed pricing strategy for the food products, 22% of the consumers suggested the need of competitive pricing strategy, 18% of the consumers demanded the need of demand based pricing, only 12% of the consumers suggested seasonal pricing strategy and 6% of the consumer suggested target pricing strategy.

7. Chart 7- Which promotional activity attracts consumer?



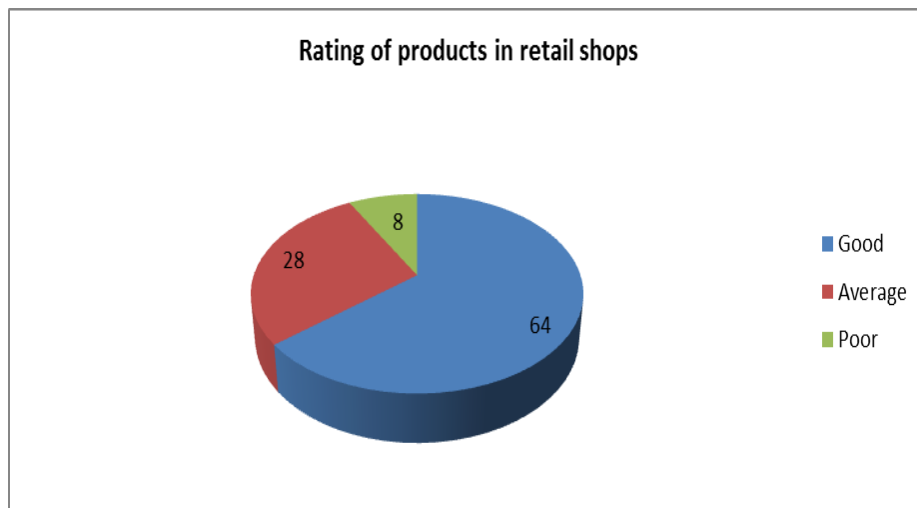
The above pie chart shows the types of promotional activity undertaken by the MTR. In the study 100 participants were selected in Ramanagara district. The study reveals that Advertisement attracts 50% of the people, Publicity attracts 22% of the people, Direct marketing attracts 18% of the people, Sales promotions attracts 10% of the people .

**8. Chart- 8 - Reasons for frequently purchase of MTR Product**

Reason for frequently purchase of MTR products.	Number of respondents	Percentage %
Discount offers	05	05%
Locations of stores	57	57%
Range of items	38	38%

The above table depicts that 5% respondents were influenced by discount offers, 38% of the respondent were influenced by range of items, 57% of the respondents were influenced by location of the shop.

**9. Chart 9- How do you rate the presentation of MTR products in retail shops?**



The above pie chart shows that only 64% of the consumers informed that the presentation of the MTR products in Retailer shops is good, 28% of the consumer opined that the presentation in retailer shop is average and 8% of the consumers opined the presentation as poor.

**10. Chart 10- Perception of consumers towards distribution network of MTR in Ramanagara District**



## International Journal of Novel Research in Marketing Management and Economics

Vol. 4, Issue 3, pp: (1-8), Month: September- December 2017, Available at: [www.noveltyjournals.com](http://www.noveltyjournals.com)

The above table shows the opinions of respondents regarding the distribution services of MTR. 22% of respondents and 40% of respondents have opined that distribution network of the company are good and excellent respectively. 20% of respondents have opined that distribution network of the company are average. 12% of the respondents and 6% of the respondents have opined the distribution networks of the company are not satisfactorily.

### 5. SUGGESTIONS

1. To increase the sale of processed food products more attention must be given on its distribution network.
2. To catch the eyes of the consumers in retailer shop the company needs to stress on attractive packaging and sales promotions.
3. More attention must be focused on the affordability of the MTR food products to the common person.
4. To increase the sale of the food product company must adopt flexible pricing strategy.
5. The frequency of purchase of MTR products can be increased by increasing the consumer awareness through further promotional activities and educating the consumers.
6. More discount offers has to be provided to increase the sales.
7. Adopt more publicity to increase company's brand image.
8. The company needs to expand the market in urban and semi-urban & rural areas in future.

### 6. CONCLUSIONS

The study reveals that the MTR processed food products has more demand in the market .Consumers buy such products if they are attractively packed and made more affordable to common person. Due to change in life style and long working hours, it is necessary to innovate new products to meet the requirement of the present scenario.

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