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# **A STUDY ON CONSUMER BEHAVIOR IN THE PURCHASE OF SUGAR.**

SUMMER PROJECT REPORT  
Submitted to the  
Faculty of Management Science, Anna University  
in partial fulfillment of the requirement  
for the award of the degree of  
MASTER OF BUSINESS ADMINISTRATION



by

**R.ILAYARAJA**

71205631018

October 2006  
DEPARTMENT OF MANAGEMENT STUDIES  
KUMARAGURU COLLEGE OF TECHNOLOGY  
COIMBATORE- 641006



DEPARTMENT OF MANAGEMENT STUDIES  
**KUMARAGURU COLLEGE OF TECHNOLOGY**  
COIMBATORE- 641006

**BONAFIDE CERTIFICATE**

Certified that this project titled "A Study on Consumer Behavior in the Purchase of Sugar" is a bonafide work of R.ILAYARAJA. (71205631018) who carried out this research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

**Prof. Mrs.K.Chitra,**  
Faculty guide

**Prof. Dr. S. GANESAN**  
Director

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Evaluated and viva- voce conducted on 13-11-2006

Examiner 1

Examiner 2

*DECLARATION*

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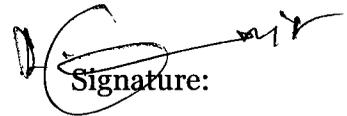
## DECLARATION

I, hereby declare that this project report entitled as "A Study On Consumer Behavior in the Purchase of Sugar" has been undertaken for academic purpose submitted to Anna University in partial fulfillment of the requirements for the degree of Master of Business Administration. The project report is the record of original work done by me under the guidance of Prof. Mrs.K.Chitra, KCT Business School during the academic year October 2006.

I also declare hereby, that the information given in this report is correct to the best of my knowledge and belief.

Place: Coimbatore

Name:R.ILAYARAJA.

  
Signature:

# ACKNOWLEDGEMENT

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# ACKNOWLEDGEMENT

I express my sincere gratitude to our beloved correspondent **Prof.Dr.K. Arumugam**, the prime guiding sprit of Kumaraguru College of technology.

I extend my heartfelt thanks to Principal **Dr.Joseph V.Thanikal**, Kumaraguru College of Technology, Coimbatore for providing facilities to do this project.

I express my sincere gratitude and thanks to our Director **Dr.S.Ganeshan** for permitting me to carry out the project.

I endeavor my sincere gratitude towards my guiding spirit **Prof.K.Chitra**, who has extended her guidance throughout this project.

I take this opportunity to thank my organizational guide **Mr. Saraswath Saha, General Manager (Sales) PARRY SUGARS INDIA, Pvt, Ltd.** for his encouragement to fulfill the requirements of the project.

# *EXECUTIVE SUMMARY*

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## **Executive Summary**

This project is done for PARRY SUGARS PVT LTD, in order to identify the purchase behavior of consumers with respect to the food item Sugar. The study findings is based on a specially designed questionnaire collected from a sample of 300 respondents identified on the basis of convenience. The study focuses on identifying the purchase behavior, purchase pattern, storage pattern, consumption pattern and the factors influencing the purchase behavior.

From the analysis it is found that customers prefer pure, white and medium sized sugar. Price and quality are the main factors affecting purchase decision of prospective customers. Further according to the result customers make their storage mostly in silver containers, the consumer do not prefer to switch to branded sugar.

*CERTIFICATE*

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## E.I.D PARRY (INDIA) LIMITED

'DARE HOUSE', PARRY'S CORNER, CHENNAI-600001.INDIA

9<sup>th</sup> AUGUST 2006

### TO WHOMSOEVER IT MAY CONCERN

This is to certify that, Mr. Ilaya Raja. R, 2<sup>nd</sup> year student of MBA, Reg. No 71205631018, From K C T Business School, Coimbatore has successfully completed his project work titled "A Study on consumer behavior in the purchase of sugar", during 26/06/06 to 02/08/06.

During the project period, he has shown keen interest to learn new things.

We wish him all the best, in future endeavors.

Thanking You,

For E.I.D PARRY (INDIA) LTD.,

SARASWATH SAHA  
GENERAL MANAGER – MARKETING

---

E.I.D PARRY DARE HOUSE, 234, NSC BOSE ROAD, CHENNAI-600001



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*CHAPTER 1*

*INTRODUCTION*

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# **CHAPTER 1**

## **INTRODUCTION**

### **1.1. BACKGROUND**

Sugar market has its competitiveness with regard to the area, where in now companies are forming different techniques to catch up the market by segmenting the consumers. In this scenario E.I.D PARRY (INDIA) LTD, which has existence of about 50yrs and a great market potential wanted to know the consumers expectation in the current sugar available with their evaluation techniques to judge quality so that the company can formulate marketing and production strategy by which it can serve the customers better and simultaneously strengthen their presence in the market.

### **1.2. OBJECTIVES**

#### **OBJECTIVES OF THE STUDY**

1. To study the Factors influencing the purchase decision of Sugar.
2. To measure the satisfaction level of the users.
3. Consumers' concern towards Purity of Sugar.
4. To understand the post purchase behavior of the customer.
5. To give a conclusion and inference from the study done.

### **1.3. SCOPE OF THE STUDY**

Even though, sugar is an essential commodity in daily usage of every individual and family, this study is to know what steps a customer takes to evaluate the quality of sugar, and their post purchase behavior such as storage used and major usage of sugar.

## **1.4. RESEARCH METHODOLOGY**

### **1.4.1 TYPE OF STUDY**

The research is descriptive in nature as the study was done to find out the awareness level of the general customer and researcher has no control over the variables and is independent of the state of affairs.

### **1.4.2 DATA COLLECTION**

#### **4.2.1 Primary Data:**

The primary data was collected us with the aid of structured questionnaire prepared with respect to the objective of the project.

#### **4.2.2 Secondary Data:**

Secondary data regarding the industry, company and products were obtained from

- Internet
- Company personnel
- Books

#### **4.2.3 Tools of study**

- Frequency Analysis
- Simple Percentage Analysis
- Cross Tabulation

## **1.5. LIMITATIONS**

- ❖ The sample size is limited to 300 respondents.
- ❖ Due to time constraints the study is limited to Chennai region.
- ❖ The respondents are limited to house hold consumers only.

## CHAPTER 2

# ORGANIZATION PROFILE

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## CHAPTER 2

### ORGANIZATION PROFILE

#### 2.1 HISTORY OF THE ORGANIZATION

Established in the year 1788, Parry is presently engaged in a wide galaxy of diversified activities. It became a member of the *Murugappa group* in the year 1981 and thereafter the story has been one of turnaround and of steady growth.

Currently, E. I. D. Parry has evolved into one of the largest business groups in the country. It is engaged in the manufacture and marketing of a wide-range of products, which can be broadly divided into the following two groups:

The company has been a pioneer in many fields, including setting up of India's first chemical fertiliser plant - at Ennore, Sugar plant - at Nellikuppam and Sanitary ware plant - at Ranipet.

A strong sense of *commitment* and adherence to business ethics has helped E.I.D. Parry succeeds in bringing to life the larger picture and to '*Go Beyond*' in all their ventures.

#### 2.2 BOARD OF DIRECTORS

##### **Mr. A. Vellayan, Chairman**

Mr. A. Vellayan holds a diploma in Industrial Administration from Aston University, Birmingham, U.K. and Masters in Business Studies from the University of Warwick Business School, U.K. He has industrial experience of about 26 years. He joined the Board in November 1999. Mr. Vellayan is a whole time director of Coromandel Fertilisers Limited and also in the Boards of several reputed companies. He is the Chairman of Southern Region of Federation of Indian Chamber of Commerce and Industry and Southern Regional Chairman of Federation of Indian Export Organisation.

### **Mr. P. Rama Babu, Managing Director**

Mr. P. Rama Babu holds a Masters degree in Social Work and Labour Welfare. He joined E.I.D.Parrry in February 1983. He has played a key role in the turnaround of the company and in its expansion and acquisitions. He is presently looking after the operations relating to the sugar and chemical divisions. He joined the Board as an Executive Director in February 2000 and re-designated as Managing Director with effect from 19th January 2004. He is also on the Boards of several companies like E-Commodities Ltd. Trichy Distilleries and Chemicals Ltd. etc.

### **Mr. Anand Bhatia, Director**

Mr. Anand Bhatia was educated at Delhi University and Cambridge where he graduated with degrees in Economics. He joined Hindustan Lever (HLL) in 1970 as a Management Trainee and worked in both Brand and Sales Management at several levels till 1980 when he was seconded to Unilever Colombia (South America) as Marketing Manager Detergents. On his return to HLL in 1983 he served as Marketing Controller Detergents and in 1984 was transferred to Lipton India Limited (LIL) as V.P. Foods, handling the Edible Fats and Dairy business which had been moved to LIL from HLL. He was appointed as Director of Foods and Beverages on the Board of LIL in 1990. In 1992 he assumed charge as Managing Director of Lipton. During his stewardship Lipton experienced high growth in both volumes and profits and market cap growth in Lipton was amongst the highest in India. In 1994 he was seconded to Unilever once more and worked in the Latin America and Central Asia Regional office in London. He was appointed Chairman Unilever Carribean with the task of establishing a Unilever business in the Carribean which was done successfully through both acquisition and organic growth. Mr. Anand Bhatia opted for an early retirement from Unilever and moved back to India. He is stationed at Delhi and is an adviser and non executive Director in several Companies. He was appointed as Additional Director on 19th January, 2004.

### **Mr. V. Thyagarajan, Director**

Mr. V. Thyagarajan, holds a B.Tech in Electrical Engineering and a Masters in business Administration. He is a British National. He has been with the Glaxo

SmithKline Group of Companies for 32 years. His experience includes stints in India, Europe, Africa, Middle East and Asia Pacific. He is currently based in Singapore and as Senior Vice President and Area Director for Glaxo Smithkline operations in Asia Pacific, he is responsible for Korea, Philippines, Taiwan, Malaysia, Singapore, Indonesia, Thailand, Vietnam/Indochina, Myanmar, India, Sri Lanka and Bangladesh. He was appointed as Additional Director with effect from 29th March, 2004.

**Mr. S. Viswanathan, Director**

Mr. S. Viswanathan is a Science Graduate and an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He joined the EID Board in March 1998. He retired from the Murugappa Group as Group President (Finance) and has served various group Companies at the higher management level. He is the Chairman of Shareholders/Investors Grievance Committee and member of Audit Committee and Remuneration & Nomination Committee of the Company.

**Mr. S. B. Mathur**

Mr.S.B.Mathur is a Commerce Graduate and a Fellow Member of the Institute of Chartered Accountants of India and also a Member of the Institute of Cost and Works Accountants of London. He took over as Chairman of Life Insurance Corporation of India in August 2002 and retired in October 2004. He took charge in an era of rapidly falling interest rates and when the insurance sector had been opened up and private sector competition began to make inroads. During the challenging and stressful period he managed to set right a lot of uncertainties and tackled issues that were critical to LIC's future. He is presently on the Boards of National Stock Exchange of India Ltd. and ICICI Bank Ltd.He was appointed as an Additional Director of EID Parry with effect from 24th November 2004

**Mr. M. M. Venkatachalam**

M.M.Venkatachalam (46) is a graduate in agriculture and is an MBA from Washington University, USA. He is the Managing Director of Laserwords Private Ltd. He was associated with Parry Agro Industries Ltd. as Executive Director for several years

till September 1999 and is presently the Chairman of the Board of Directors of the Company. He is also on the Boards of various Companies like Cholamandalam Factoring Ltd., Coromandel Bathware Ltd., Parry Engineering & Exports Ltd. Polutech Ltd., 2005.

## **2.3 ABOUT PARRY SUGARS INDIA PVT LIMITED**

The *Murugappa Group* is today an industry leader in many fields and enjoys a high degree of credibility in the market place. Started 100 years ago as a small family run business in indigenous financing, the group is currently INR 52,000 million (USD 1 billion) corporate with diversified interests in abrasives, engineering, farm inputs, plantations, sugar, bio-products, chemicals, nutraceuticals.

The group is also the *first* and only business group in Asia to have been awarded the *'IMD Distinguished Family Business Award'* by the internationally famous Management Development Institute located in Lausanne, Switzerland. With a current turnover of 1 billion dollars, their presence is spread across 12 states in India in the form of 42 manufacturing units out of which 21 are recipients of the ISO 9000 Certification.

Right through its one hundred years of evolution, the group has maintained transparency in all its activities and enjoys an *excellent reputation* for high ethical standards in whatever business it is in. with nearly half its turnover from agro-based products, the group is also known to be very environment conscious and eco friendly.

The Group's values and beliefs are firmly rooted in the philosophy enunciated by the *Arthashastra*, the ancient Indian treatise on economic and political wisdom, which states:

“ The fundamental principle of economic activity is that, no man you transact with will lose, then you shall not”

EID Parry has always been a pioneer- be it in developing and introducing quality products in the market or conforming to environmental standards even before they become mandatory.

## 2.4 AWARDS

*Nellikuppam* has been recognized as a **Zero-waste plant** with a strict adherence to quality and high productivity. They have been the recipients of several awards and certifications with the course of time. Some of the most significant **achievements** by the company are:  
ISO 14001 certification in Pudukottai & Nellikuppam

The recipients of the Green Tech Award on Safety

Instrumental in organizing a SHE event at the Murugappa Group level

### **PARRYWARE:**

ISO14001-1996

Adding to its long list of firsts, Parryware, India's number one Sanitaryware brand has become the first and only Indian company in the Sanitaryware industry to be conferred '**Superbrand of India**' status for the year 2003.

All **Parryware** manufacturing plants at **Ranipet, Alwar & Dewas** have been accorded **ISO14001: 1996** Environmental Management system certifications by **British Standards Institute (BSI)** an internationally renowned certification agency incorporated in UK by Royal Charter.

With this certification, the entire **Parryware & Johnson Pedder** ranges of sanitary ware manufactured by EID Parry (India) Limited are to be manufactured in plants that follow environmentally responsible practices.

Parry ware's environmental management system policy commits the business to prevention of pollution, optimal utilization of resources and reduction in generation of wastes.

The quality management system certification is an assertive statement of their intent to become a more customer focused, responsive & learning organization.

## **2.5 PRODUCT PROFILE:**

### **Sugar**

Parry set up its first sugar factory in 1842. It now has four plants, at Nellikuppam, Pugalur, Pudukottai and Pettavaithallai. The combined crushing capacity of the four plants is 13,800 metric tonnes of cane per day (TCD). The zero-waste, integrated sugar complex in Nellikuppam has a crushing capacity of 5,000 TCD, making it one of the largest and cleanest sugar plants in India. Thirty-one per cent of the total sugar production was exported in 2003-04.

The company has a dedicated R&D centre for the sugar division, which also develops new varieties for improving cane yield. The Nellikuppam and Pettavaithalai factories have been accredited with ISO 9001:2000 certification. The Pudukottai factory has been accorded ISO 14001:1996 certification.

The company is taking up the manufacture of ethanol, a sugar by-product, for blending with petrol. At Pugalur, the company is setting up a 22-MW co-generation power plant, which is partly funded by Tamil Nadu Newsprint Limited.

### **Bio-products**

Environment friendly bio-products are the farm inputs of the future. EID Parry has set up a bio-products division based on its own research and development, and developed in-house technology for extraction of azadirachtin from neem seeds. Located at Thyagavalli, its state-of-the-art plant produces and exports nearly 2,000 kilograms of azadirachtin (sold as 'Neemazal') every year.

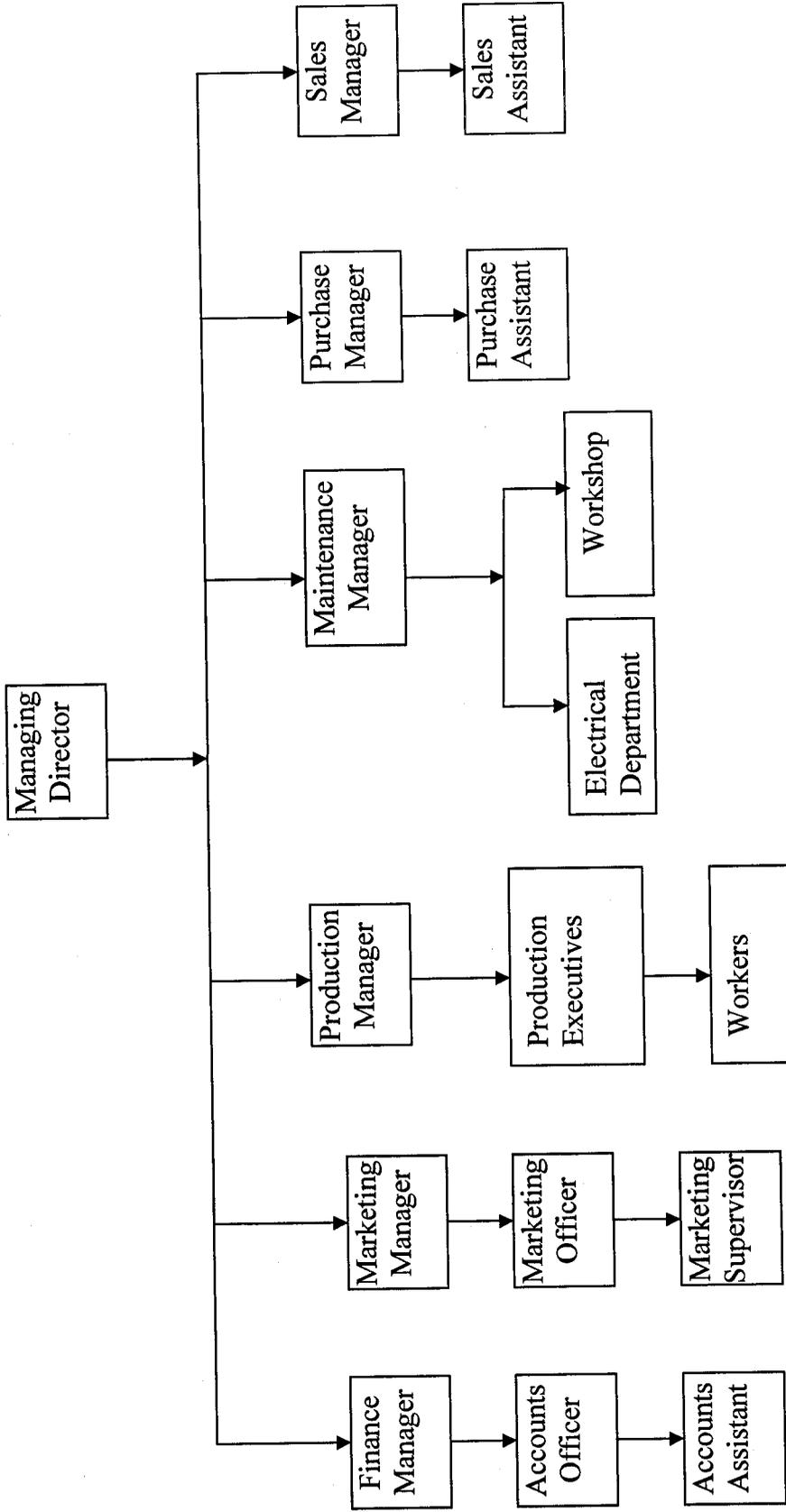
The bio-fertilisers unit at Nellikuppam produces eco-friendly organic fertilisers under the brand names, Farm Boon and Garden Bloom. The Thyagavalli plant is accredited by IMO-IFOAM, Switzerland for organic agriculture, and Neemazal is approved in more than 20 countries as a safe and environmentally-friendly pesticide.

Product quality, innovation and eco-friendliness are a hallmark of all of Parry's divisions.

**Other business**

The other businesses of the company comprise Netlon, general marketing and travel. Netlon, at Palej, Gujarat, contributed a turnover of Rs 13 crore and manufactures insect screens, knitted fabrics and geosynthetics. The general marketing division is a consignment agent and markets food colours and flavours. The IATA recognised travel agency handles ticketing and guided tours for both domestic and international travel. These are to be divested to concentrate on core sectors.

## 2.6 ORGANIZATIONAL STRUCTURE



CHAPTER 3  
MICRO-MACRO ANALYSIS

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# CHAPTER – 3

## MICRO AND MACRO ANALYSIS

### DEVELOPMENT OF INDIAN SUGAR INDUSTRY

#### 3.1 Historical

India is reported to be the country of origin of sugarcane; references to “Sweet Grass” - Sugarcane- exist in ancient epics of India dating 3000 BC. North eastern India was regarded as the center of origin, from where sugarcane seems to have been carried to China and other places by early traveler and nomads, sometime between 1800 and 1700 BC. Later, it spread to Philippines, Java and other places including Caribbean islands by explorers. The same established growth of sugarcane in many countries. Production of sweetening materials like sugar from sugarcane is the greatest contribution that India and China have given to the world. Sugar is referred to as Sharkara in Sanskrit, an ancient primary Aryan Language in India; Chini is another word for sugar derived from China in which country the manufacture of sugar in different food forms, was originally practiced.

India, the mother country of sugarcane, occupies even today a very pride place in the world. India is the foremost among the sugarcane producing countries in the world (Fig.1) it produces annually about 200 million tones of cane. This is utilized for production of different sweetening agents including crystal sugar, which alone forms the base for world’s sugar statistics. From the stage of production of less than 0.1 million; tones of crystal sugar in early 1930’s, India has become the foremost of crystal sugar producing country in the world, with 18.4 millions tones of production in 2002 - 2003

The commendable achievement to Indian sugar industry over the last 5 decades is due to careful planning and development by the Central and State Governments and by all concerned with sugar industry. This chapter presents an account of the historical development of the Indian sugar industry.



### **3.2. General**

The sub-continent, India being situated in tropical and sub-tropical areas is ideally suited for sugarcane cultivation. Nearly 1/3<sup>rd</sup> of the soil in the gangetic plains in the North is alluvial, with vast stretches of red soils in the peninsular India, black cotton soils in the Deccan belt, etc., The climate is of tropical monsoon type. The sub-tropical region experiences monsoon in June to Septemeber and also in the winter months, January and February. The tropical region has rains both by the south-west and south-east monsoons in May-September and in October – December. The mighty rivers, the Ganga and Yamuna in the northern India, and the Godavari, Krishna and Cauvery in the South, provide adequate irrigation facilities. Irrigation is also supplemented from tanks and wells. The total irrigated area in India is about 40 million hectares, as against 175 million hectares of cropped area. Sugarcane occupies about 2.5% of the total cropped area in India, Sugarcane is grown in almost all parts of India except in the colder regions of the extreme North like Jammu and Kashmir, Himachal Pradesh, etc.

### **3.3. Hybrid Varieties of Cane-Commercial Cultivation**

The varieties of cane being grown from centuries in India have been of *saccharum officinarum* type which are also referred to as noble or garden canes; though these have high sugar content, they are highly susceptible for diseases because of the soft nature of the rind; they are prone to attack by jackals and other animals. However, the soft canes have not been found suitable for efficient milling operations. The development of hybrid varieties by crossing *saccharum*, *robustum*, etc. in early 1920's by late Sir T.S.Venkatraman and his colleagues at the Sugarcane Breeding Institute, Coimbatore, led to a revolution in the sugarcane cultivation and in the sugar industry. The hybrid varieties were less prone to diseases and to attacks by animals. The crop became an assured or sustenance one and enabled the farmer to grow sugarcane crop on commercial scale. Because of their hard rind nature, the hybrid varieties facilitated efficient milling operations. Because of this important property, the hybrid varieties developed at Coimbatore, known as 'Co' varieties, have led to establishment of sugar industry on a firm basis not only in India but also in many countries in the world. The following is

given an account of 'Co' varieties of sugarcane being cultivated even today in other countries.

- a). Egypt – Co 413
- b). Sudan – Co 281, Co 453, Co 527
- c). Malawi – co 617, Co 6722
- d). Zimbabwe – Co 421, Co 622
- e). Nigeria – Co 421, Co 462
- f). Thailand – Co 281, Co 419, Co 421
- g) Brazil – Co 331, Co 419, Co 421, Co 740, Co 775
- h). Burma – Co 419
- i) Argentina – Co 290, Co 421
- j). Sri Lanka – Co 527
- k) Mexico – Co 213, Co 290
- l) Morocco – Co 290
- m). Mozambique – Co 421
- n). Pakistan – Co 312, co 313
- o). Bangladesh – Co 421, Co 453
- p). Uganda – Co 421
- q) Venezuela – Co 421

Table 1 State – wise Yield of Sugarcane in India.

S. No.	State	(Tonnes / hectare)		
		2000-2001	2001 - 2002	20002 – 2003
1.	Andhra Pradesh	75.9	83.3	74.2
2.	Andaman & Nicobar Islands	3.0	3.0	3.0
3.	Assam	35.8	43.6	42.0
4.	Bihar	28.2	33.8	33.0
5.	Delhi	1.5	1.0	1.0
6.	Gujarat	59.2	59.6	70.3
7.	Haryana	40.5	39.7	37.4
8.	Himachal Pradesh	15.7	14.4	9.3
9.	Jammu & Kashmir	37.1	28.5	27.6

10.	Karnataka	79.4	81.5	79.9
11.	Kerala	59.3	59.9	59.4
12.	Madhya Pradesh	27.4	28.4	28.4
13.	Maharashtra	92.3	96.9	96.3
14.	Manipur	33.0	33.9	35.3
15.	Meghalaya	46.5	45.	45.0
16.	Mizoram	4.6	4.6	4.6
17.	Nagaland	29.9	31.8	45.0
18.	Orissa	63.0	64.4	61.9
19.	Punjab	55.2	57.7	61.0
20.	Pondicherry	76.5	83.5	86.9
21.	Goa, Daman & Diu	48.4	49.8	49.8
22.	Rajasthan	39.5	38.7	37.6
23.	Tamil Nadu	101.5	100.4	88.9
24.	Tripura	38.2	39.6	39.6
25.	Uttar Pradesh	47.1	46.3	45.6
26.	West Bengal	60.7	61.3	51.4
	ALL INDIA	57.8	55.4	56.2

### 3.4 Development of Indian Sugar Industry

In the early part of the century, up to 1920s there were a few sugar mills in U.P. and Bihar, set up in areas where sugarcane was being grown traditionally. There were about 30 factories of small capacities producing hardly 1.0-1.5 lakh tones of sugar in the country. The production of sugar was not sufficient to meet the demand of domestic consumption; so sugar was being imported, which was commanding the Indian market. At the request of the local sugar industry, the case was referred, by the Union Government, to the Tariff Board, the Sugar Industry Protection Act was passed in 1932/ Under this Act, protection was granted to the indigenous sugar industry; the Act provided powers by which the Union Government levied duties on imported sugar, so that indigenous industry could compete and survive.

This Act was followed by another legislation enabling the Provincial (State) governments to enforce the minimum price to be paid by sugar factories to cane-growers in respect of the cane supplied by them as per sugar Cane Act of 1934 (Vide supra). These two actions of the Union Government gave significant impetus and encouragement to entrepreneurs to set up sugar factories in various parts of the country. Many of them with a capital of Rs. 3-4 lakhs had imported and set up in different parts of the country, many of the old sugar factories from Java. The number of factories operating in India sprung up from 31 in 1931 – 32 to 111 in 1933-34 and 137 in 1936- 37. By 1938-39, the production of sugar in India touched 12.7 lakh tones. During the subsequent years, the industry suffered due to various reasons and the output remained between 9-11 lakh tones mainly on account of the instability of cane supplies.

With the advent of the institution of the 5 year plan programmes for the general national development, the sugar industry too received considerable amount to support. As a part of the programme, the development and regulation of the sugar industry came under the control of Government of India, while before 1952 the State Governments exercised control over the sugar industry. As a first step towards rationalization of the development of sugar industry. The licensing policy was stipulated under the Industries (Development & Regulation) Act, 1951. The policy towards the issue of licences for establishment of new sugar factories, as announced by Government of India indicated the following:

- i. Preference should be given for establishment of new sugar factories in the co-operative public sector; in areas where proposals from the co-operative / public sector are not received, proposals from the private sector would be considered.
- ii. A new sugar factory can be installed where there is abundant sugarcane already existing or good potential for the development of sugar cane exists in a compact area around the site of the proposed factory.
- iii. To ensure supply of adequate quantity of sugarcane of the existing unit as well as further expansion, license should not be granted for establishment of new sugar factory within a distance of 30 km of the existing units.

iv. Where there are a large number of sugar factories located in one district, State government should make proper zoning of sugarcane areas for each existing sugar factory or installation of new sugar factories in the district.

-- order to process applications for new license the Government of India had set up a Licensing Committee in the Ministry of Industrial Development of Food, Works and grant additional capacity on the basis of the following principles.

- a) Availability of sugarcane and facilities for transporting raw materials to the factory.
- b) Possibility of developing sugar cane cultivation in the area having regard to availability of irrigation facilities, weather conditions and other relevant factors.
- c) Technical feasibility and economic viability of the project.
- d) Capacity of the entrepreneurs to complete the proposed project in time.

For the additional capacity to be installed, the planning Commission gives guidelines to the Licensing Committee about the targets of sugar production to be achieved by the end of each Five Year Plan these targets are initially worked out by the working Group / Task force constituted for the purpose in the Department of Food. The Working Group / Task Force take into consideration. While making its recommendations, various aspects as outlined below:

- i. Internal consumption
- ii. Export of sugar
- iii. Buffer stock requirements.

The internal consumption is computed by taking into consideration (a) population and the rate of increase thereof; and (b) the per capita consumption and the increase thereof based on G.N.P. the population figures and obtained from the general census.

### 3.5 WORLD OF SUGAR

More than 100 countries produce sugar, 74% of which is made from sugar cane grown primarily in the tropical and sub-tropical zones of the southern hemisphere, and the balance from sugar beet which is grown mainly in the temperate zones of the northern Hemisphere. Prior to 1990, about 40% of sugar was made from beet but this has decreased to current levels as cane sugar producers have made considerable gains in expanding their sugar markets due to the lower costs of cane sugar production. Currently 70% of the world's sugar is consumed in the country of origin whilst the balance is traded on world markets.

#### USA

Production	7,362
Exports (14)	0,173
Population	297
Per capita consumption	29

#### MEXICO

Production	5,762
Exports (19)	0,054
Population	105
Per capita consumption	52

#### BRAZIL

Production	29,151
Exports (1)	17,757
Population	181
Per capita consumption	51

#### EU

Production	21,381
Exports (2)	6,210
Population	461
Per capita consumption	39

#### PAKISTAN

Production	1,429
Exports (17)	0,109
Population	154
Per capita consumption	23

#### INDIA

Production	13,587
Exports (-)	0
Population	1,006
Per capita consumption	17

#### CHINA

Production	10,652
Exports (17)	0,109
Population	1,324
Per capita consumption	9

#### SADC

Production	5,173
Exports (17)	1,148
Population	163
Per capita consumption	21

#### AUSTRALIA

Production	5,516
Exports (1)	4,465
Population	20
Per capita consumption	46

#### THAILAND

Production	5,326
Exports (9)	3,361
Population	64
Per capita consumption	35

CHAPTER 4

ANALYSIS AND  
INTERPRETATION

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## CHAPTER 4

### ANALYSIS AND INTERPRETATION.

#### 4.1 AVERAGE CONSUMPTION OF SUGAR.

**Table 1: The following table shows the average consumption of sugar.**

Average consumption per month.		
No: of family members	No: of respondents	Percentage
0 to 2	84	28
3 to 5	185	62
6 to 8	21	7
Above 8	10	3

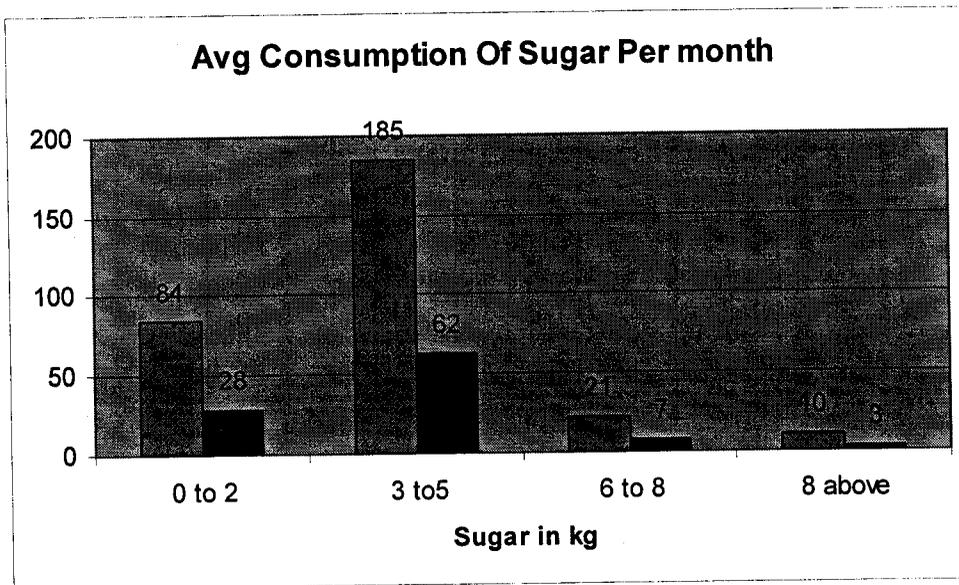


Chart 1

**FINDINGS:** From the table1 and chart1 it is inferred that the 62% of the sample size uses 3 to 5 kgs of sugar per month.

## 4.2 NUMBER OF FAMILY MEMBERS AND THEIR FREQUENCY OF PURCHASE.

**Table 2:** The following table shows the frequency of purchase of consumers.

Frequency of purchase of sugar				
No: of family members	weekly	monthly	fortnightly	based on demand
<=2	3	41	1	3
3 to 6	9	175	23	30
>6		13	1	1

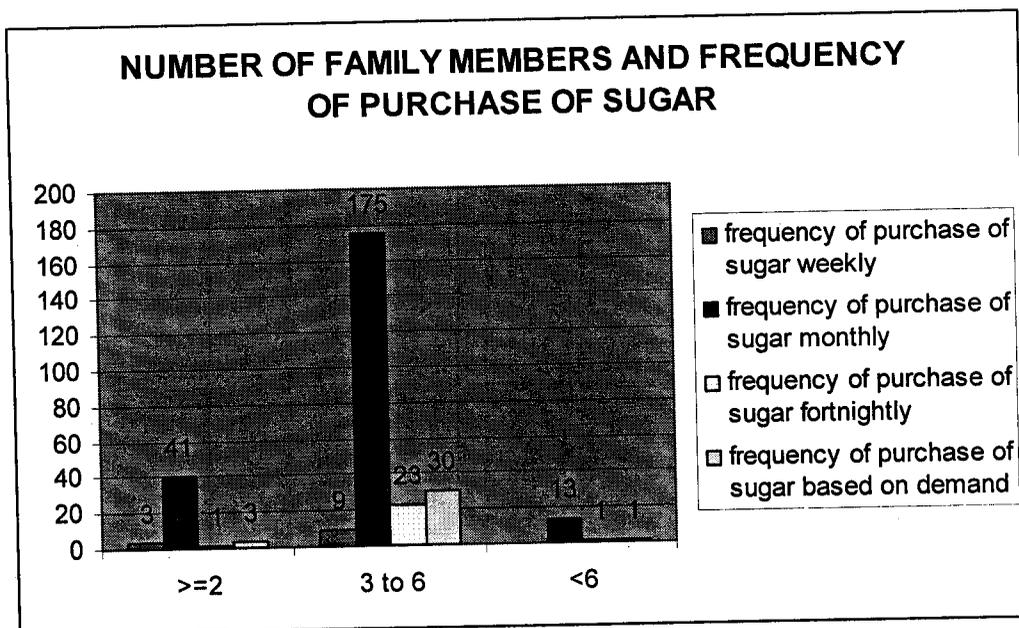


Chart 2

**FINDINGS:** From the table2 and chart2 it is inferred that 175 members of the total population belonging to the family size 3 to 6 purchase sugar on monthly basis.

### 4.3 FACTORS INFLUENCING THE PURCHASE OF SUGAR.

**Table 3: The following table shows the factors that influence the purchase of sugar.**

Factors that influence		
Factors	No: of respondents	Percentage
price	17	6
quality	118	39
brand	18	6
seller	147	49
Total	300	100

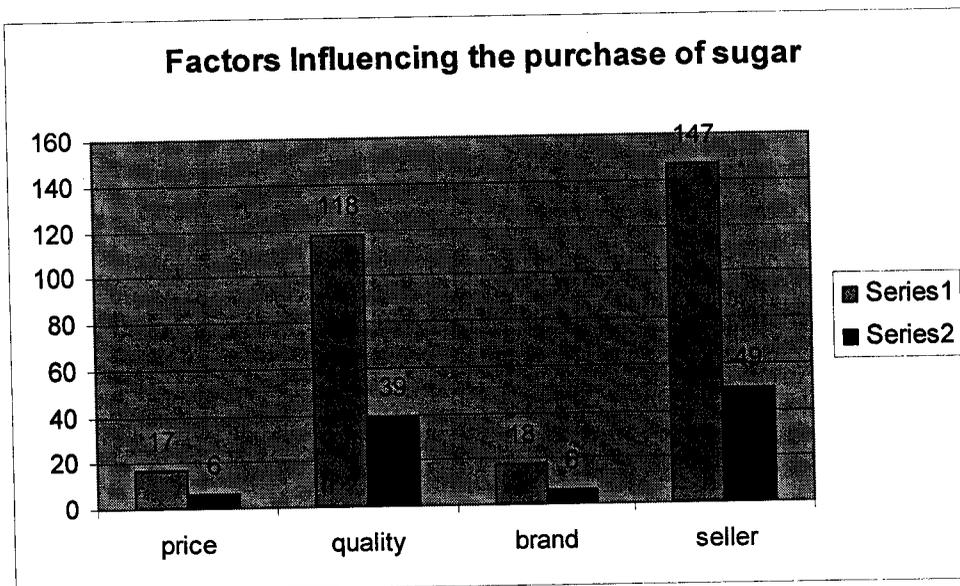


Chart 3

**FINDINGS:** From the table3 and chart3 it is inferred that 118 members of the population size make their purchase based on quality.

#### 4.4 POINT OF PURCHASE:

**Table 4:** The following table shows the point of purchase chosen by the consumers.

Place where purchase is made		
Point Of Purchase	No: of respondents	Percentage
Super Market	112	37
Grocery	73	25
Ration Shop	109	36
Kidana	6	2

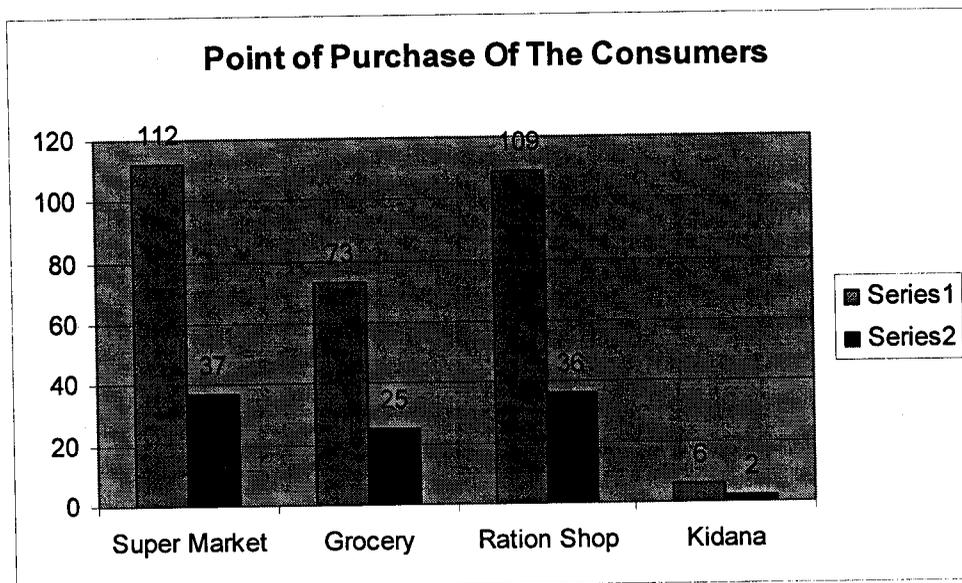


Chart 4

**FINDINGS:** From the table4 and chart4 it is inferred that 112 of the total sample size make their purchase in Super Market and the next maximum purchase is made in Ration Shop.

#### 4.5 MAXIMUM USAGE OF SUGAR:

**Table 5:** The following table shows the maximum usage of sugar in which food items.

Usage Of Sugar		
Items	No: of respondents	Percentage
Drinks	275	92
Foods	4	1
Sweets	21	7

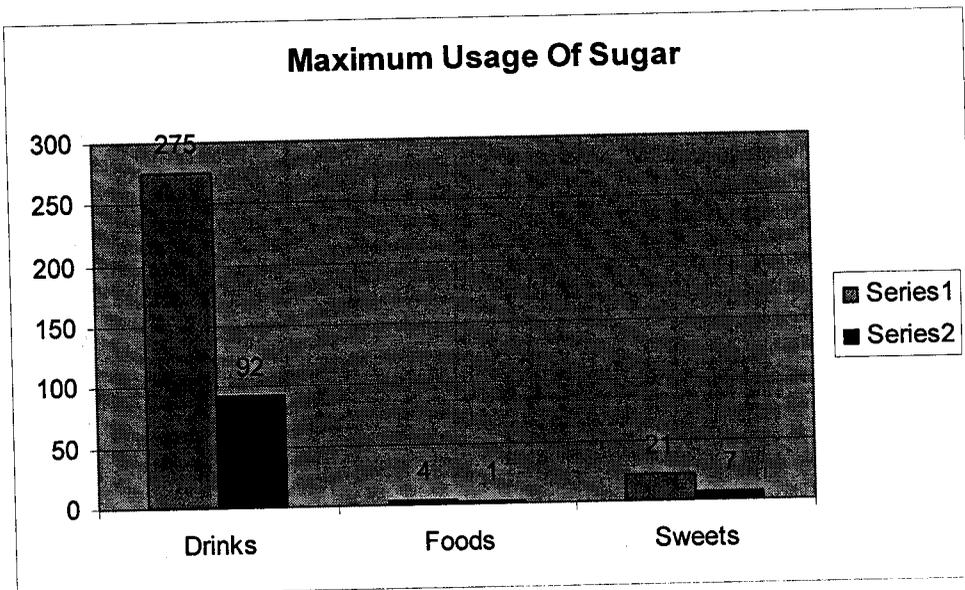


Chart 5

**FINDINGS:** From the table5 and chart5 it is inferred that 92% of the total population uses sugar mainly in Drinks.

#### 4.6 NATURE OF PURCHASE MADE BY CONSUMERS:

**Table 6:** The following table shows how the consumer makes the purchase.

Nature of purchase		
Purchased	No: of respondents	Percentage
directly	31	10
any members	188	63
provide list	38	13
phone	28	9
servant	15	5
Total	300	100

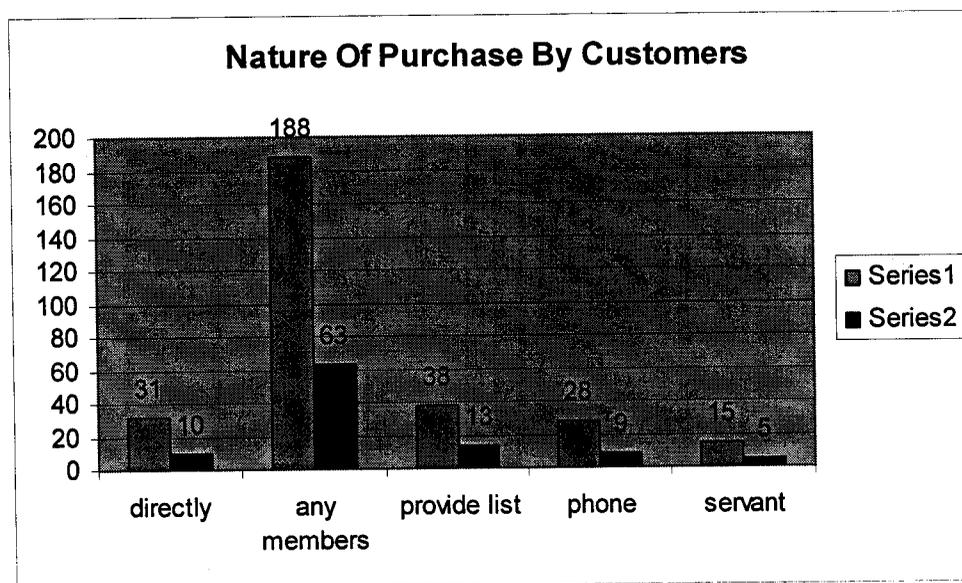


Chart 6

**FINDINGS:** From the table6 and chart6 it is inferred that in the total sample size 63% of the customers make their purchase through any of the family members.

## 4.7 SUBSTITUTES USED

**Table 7: The following table shows the percentage of substitutes used by consumers.**

Substitutes	No: of respondents	Percentage
sugar free	36	12
honey	21	7
jaggery	20	7
others	223	74
Total	300	100

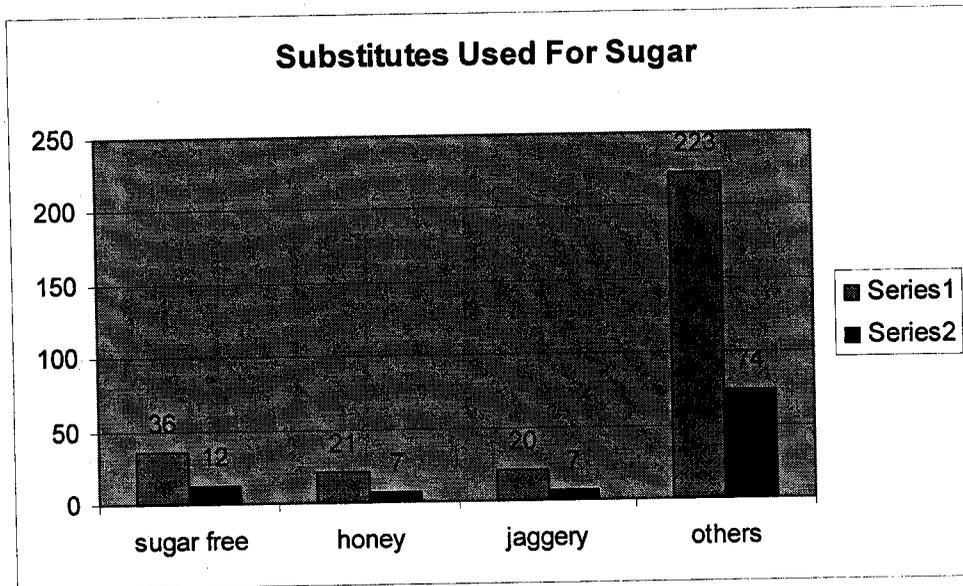


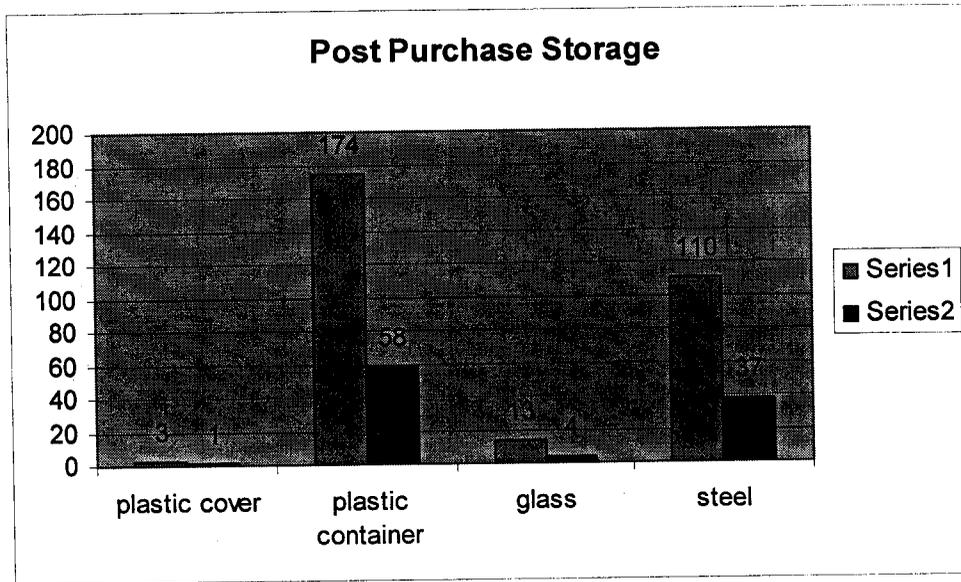
Chart 7

**FINDINGS:** From the table7 and chart7 it is inferred that 74% of the total sample size other substitutes such as Equal, Splendid etc.

#### 4.8 KIND OF STORAGE:

**Table 8: The following table shows the storage made by consumers.**

Different storage used by consumers		
Kind of storage	No: of respondents	Percentage
plastic cover	3	1
plastic container	174	58
glass	13	4
steel	110	37
Total	300	100



**Chart 8**

**FINDINGS:** From the table8 and chart8 it is inferred that 58% of the total sample size use plastic container for their post purchase storage.

#### 4.9 PERCEPTION WITH PACKED SUGAR:

**Table 9:** The following table shows the perception level of consumers with respect to packed sugar.

Perception level of consumers		
Perception	No: of respondents	Percentage
very good	131	44
good	144	48
normal	25	8
Total	300	100

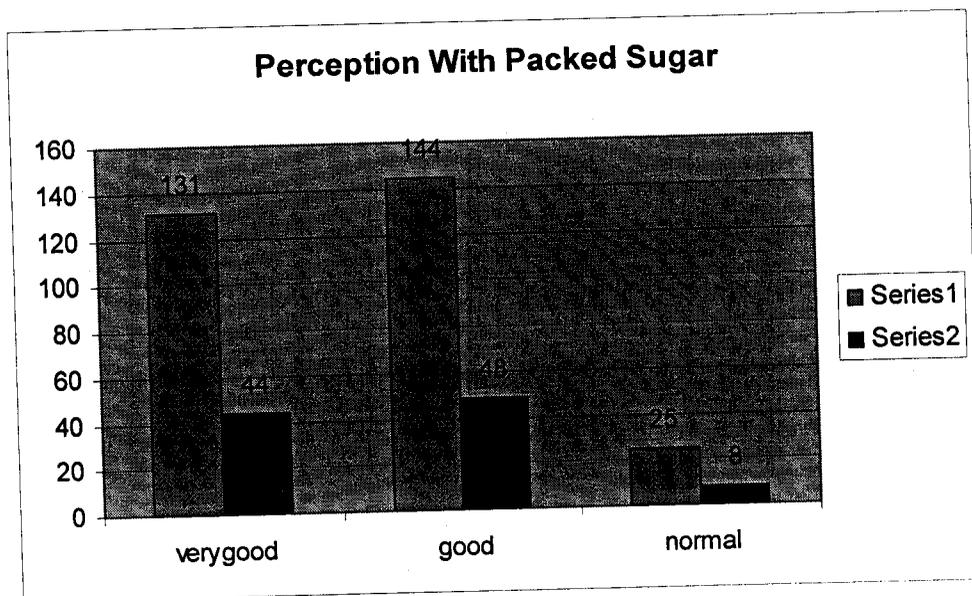


Chart 9

**FINDINGS:** From the table9 and chart9 it is inferred that 48% of the sample population feels that packed sugar is good.

#### 4.10 PERCEPTION WITH THE CRYSTAL SIZE.

**Table 10:** The following table shows the perception level of consumers with respect to crystal size.

Perception level of consumers		
size	No: of respondents	Percentage
big	19	6
medium	141	47
small	140	47
Total	300	100

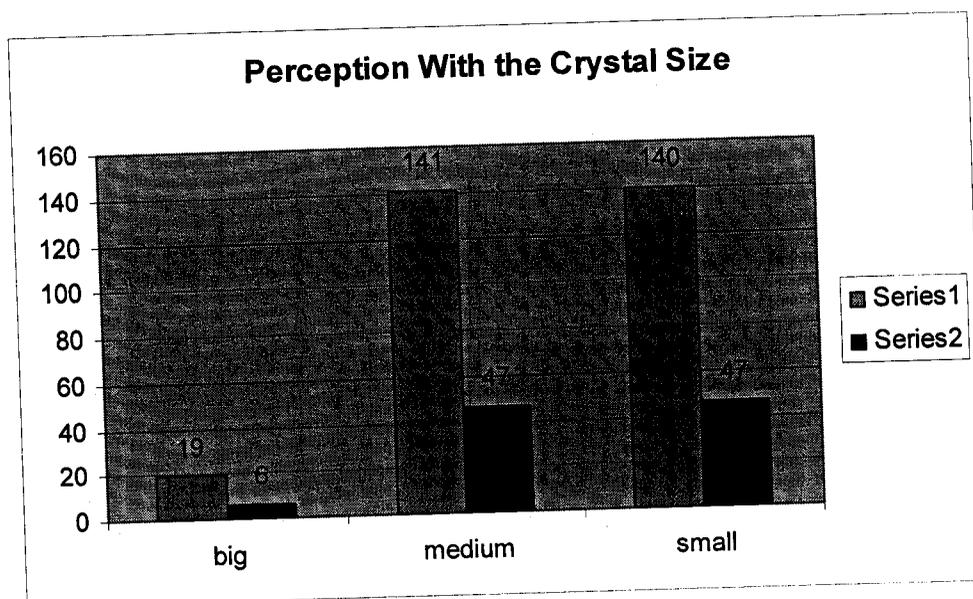


Chart 10

**FINDINGS:** From the table10 and chart10 it is inferred that 47% of the sample population feel that medium and small crystal is preferable.

#### 4.11 PERCEPTION WITH WHITENESS.

**Table 11:** The following table shows the perception level of consumers with respect to color.

Perception level of consumer		
Perception	No: of respondents	Percentage
very good	207	69
good	76	25
normal	17	6
Total	300	100

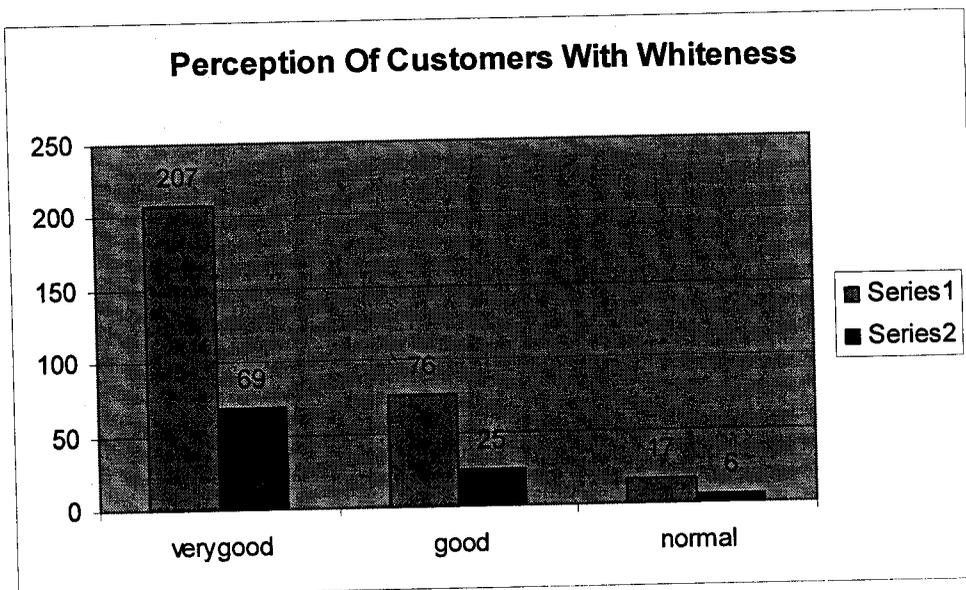


Chart 11

**FINDINGS:** From the table11 and chart11 it is inferred that 69% of the sample population prefers pure white sugar.

#### 4.12 SATISFACTION OF THE CUSTOMERS:

**Table 12:** The following table shows the satisfaction level of consumers with the available sugar.

Percentage satisfaction level		
Level of satisfaction	No: of respondents	Percentage
satisfied	253	84
partially satisfied	41	14
fully satisfied	3	1
not satisfied	3	1
Total	300	100

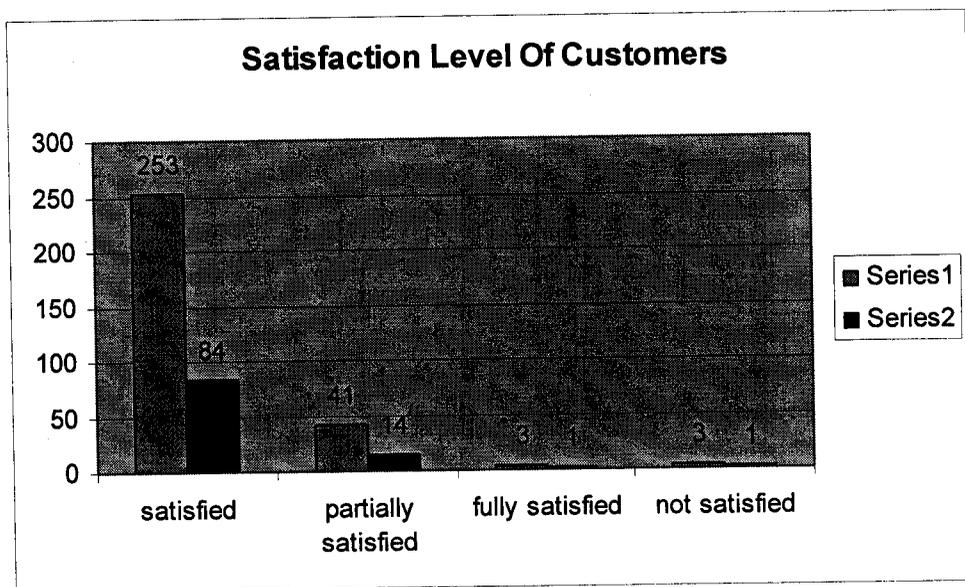


Chart 12

**FINDINGS:** From the table12 and chart12 it is inferred that 84% of the sample population feel satisfied with the sugar which they use now.

#### 4.13 IDEA OF SWITCHING TO BRANDED SUGAR:

**Table 13:** The following table shows the respondents idea of switching to branded sugar.

Percentage level of switching		
Idea	No: of respondents	Percentage
yes	143	48
no	157	52
Total	300	100

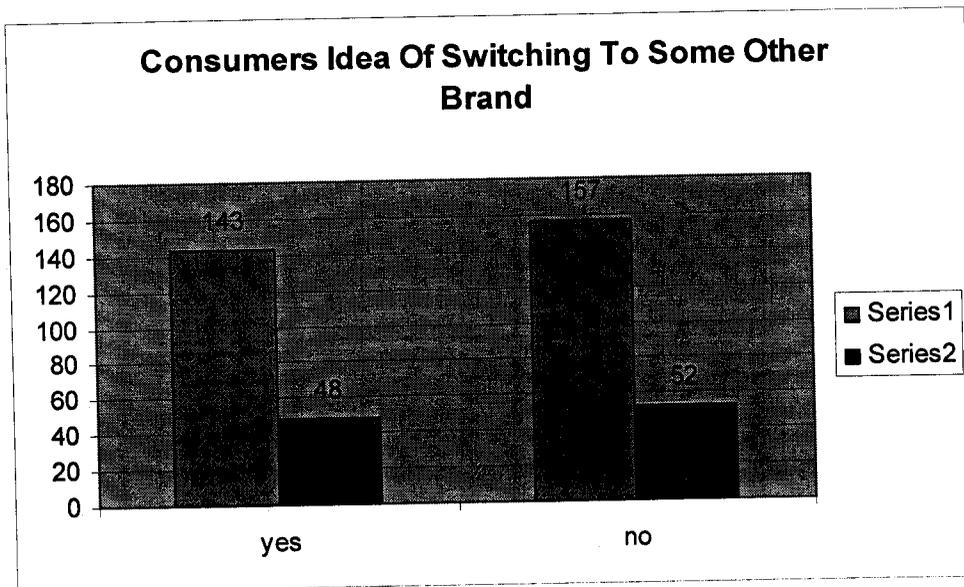


Chart 13

**FINDINGS:** From the table13 and chart13 it is inferred that 52% of the sample population is not having any idea of switching to any Branded sugar.

#### 4.14 NATURE OF PURCHASE AND PERCEPTION WITH PACKED SUGAR.

**Table14:**The following table shows the Nature of purchase and their preference to Packed Sugar.

Purity with packed				Total
Nature of Purchase	very good	good	normal	
Directly	17	13	1	31
any members	79	92	17	188
provide list	20	16	2	38
phone	11	14	3	28
servant	4	9	2	15
<b>Total</b>	<b>131</b>	<b>144</b>	<b>25</b>	<b>300</b>

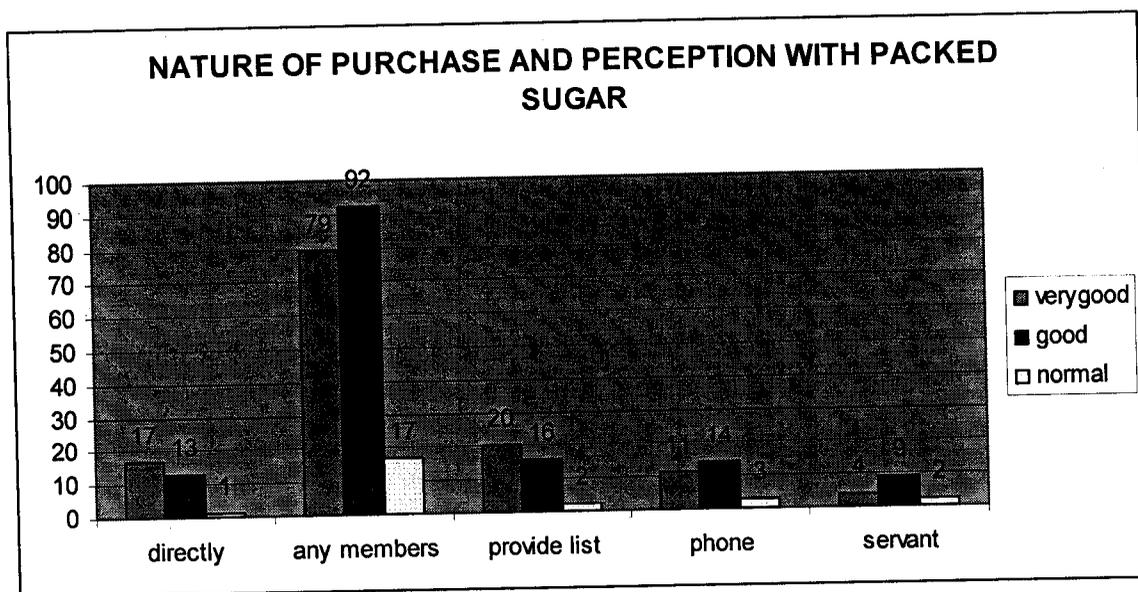


Chart 14

**FINDINGS:** From the table14 and chart14 it is inferred that 92 customers who feel Packed Sugar is very good and make their purchases through any of the family members.

#### 4.15 NATURE OF PURCHASE AND PERCEPTION WITH CRYSTAL SIZE.

**Table 15: The following table shows the Nature of Purchase made by the consumer and their preference with respect to crystal size.**

Purity with crystal size	Purity with crystal size			Total
	big	medium	small	
directly	5	14	12	31
any members	12	79	97	188
provide list	2	26	10	38
phone		18	10	28
servant		4	11	15
Total	19	141	140	300

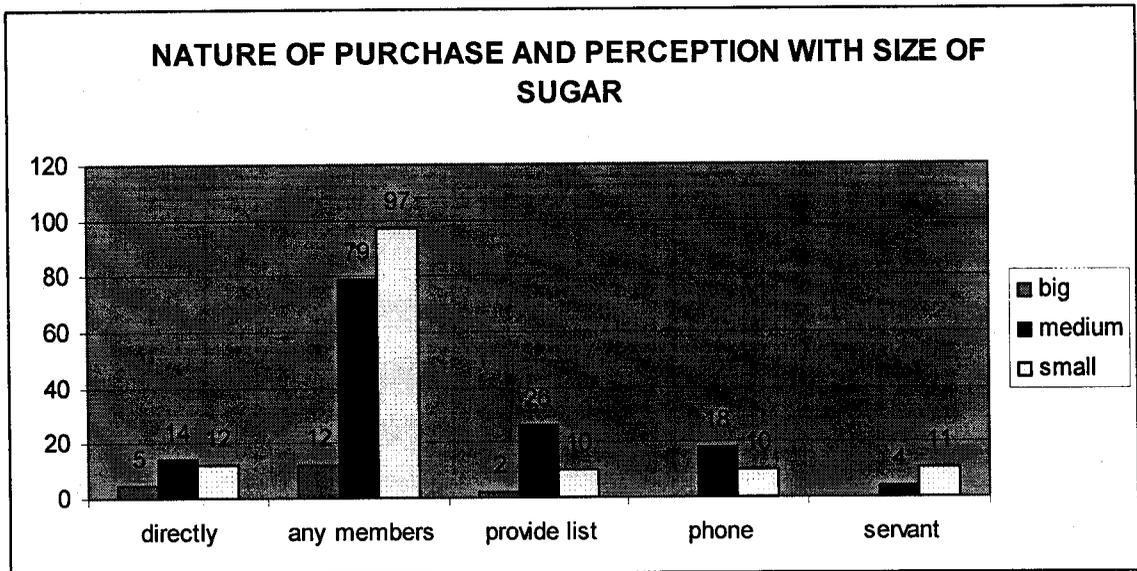


Chart 15

**FINDINGS:** From the table15 and chart15 it is inferred that 97 customers who prefer for small crystal size is good make their purchases through any of the family members.

## CHAPTER 5

# FINDINGS, SUGGESTIONS & CONCLUSION

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## CHAPTER 5

### 5. FINDINGS, RECOMMENDATIONS AND CONCLUSION.

#### 5.1 ANALYTICAL FINDINGS

1. The family with size of 3 to 5 members has the highest average consumption of sugar with 62%, and this is the group which makes frequent purchases.
2. The maximum purchase is made in Super Markets and Ration Shops respectively so the company should make their product available in all the super markets.
3. Consumers use maximum amount of sugar in drinks, so the company should concentrate in providing sugar which is easily soluble.
4. In the observed sample any member of the family make their purchase and they prefer mainly small sized sugar which is packed.
5. Maximum numbers in the observed group uses some other substitutes for sugar such as EQUAL; the company has great opportunity to perform excellently in the market, provided they produce low calorie sugar.
6. 67% of the observed group use plastic container for storage, so it will be good if the company provides sugar in Plastic containers.
7. 48% of the observed group feels purity of packed sugar is good, so the company can have good opportunity in the market if they provide sugar in Packs.
8. 47% of the observed group feels that medium and small sized crystals are good for use.
9. 69% of the observed group feels that white sugar is pure, so the company can provide sugar with pure white.
10. 52% of the consumers are not willing to switch the brand which they use, so the company can add values to the product to attract customers such as flavored and low calorie sugar.

## **5.2 STRATEGIES AND RECOMMENDATION**

### **POSSIBLE MARKETING STRATEGIES TO PENETRATE DEEPER**

1. As most of the consumer doesn't have a good idea about the purity of sugar, the company can educate the consumers about the purity through its advertisements.
2. As the consumers are not willing to switch their brand so the company should concentrate in providing adding values to the current sugar.
3. The company should make its packed products available in almost all the Super markets as the maximum number of customers prefers this point of purchase.
4. The consumers are more concerned about health so the company can launch its product with low calorie.
5. The company can provide easy soluble and pure white sugar with containers to attract more customers.

### **5.3 CONCLUSION**

The survey conducted clearly shows that more customers use Super markets and Ration shops to purchase sugar, as the company already has a good market share, it should concentrate in satisfying the consumer expectations as competition increases. Hence by adopting following Strategies would allow PARRY SUGARS to penetrate stronger and deeper, establishing a long term strong relationship with their customers will bring more profitability for the company.

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5. [WWW.WIKIPEDIA.COM](http://WWW.WIKIPEDIA.COM)

*APPENDIX*

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7. Do you buy two quality of sugar?

a) If yes Please specify the usage \_\_\_\_\_

b) No

8. What quantity do you purchase sugar?

9. What other substitutes you use as sweetener?

a) Sugar free

b) Honey

c) Jaggery

d)

10. What kind of storage do you make for sugar?

a) Tin

b) Plastic Container

c) Glass container

d) Plastic Cover

e) If others specify.

11. How do you use sugar?

a) With spoon

b) With hand

12. What brand comes in your mind while you purchase sugar?

a) Packed

b) Crystal Size

c) Price

d) Other than this

13. Are you satisfied with the present sugar which you use?

a) Satisfied

b) Partially Satisfied

c) Fully Satisfied

d) Not Satisfied

14. Would you like to switch on to any other branded sugar?

a) Yes

b) No

15. What do you expect in a current Sugar (Any suggestion to improve)