INTRODUCTION

Man, ever since the inception of life on the earth had subsisted on vegetation and animal flesh. The food habits and nutritional values are the basic factors of human struggle in developing the food industry. The concept of balanced diet has engaged the attention of international agencies and social organisations the world over as large proportion of the world population is suffering from malnutrition.

In our country the state began to realise the enormity of the problems of malnutrition by the end of First Plan. It led to the establishment of Modern Bakeries in Public Sector to manufacture nutritive breads and biscuits for every home. The Industrial policy Resolution has also been given emphasis to the development of bakery industry. The post independence period is thus marked by fast development of bakery industry specially with the growth of industrial towns and big cities. Simultaneously, with rapid advancement in food technology baking is not just an art but has become an act of modern technology. Bread, buns, biscuits, pastries etc. are wheat-based products lines of the bakery industry which are considered as a means of providing supplementary nutrition. These products are consumed by
masses at all times on every occasion. Inspite of its vital role in economic development of the country and its contribution towards the fulfilment of State commitment for raising the level of nutritional and the improvement of Public health by producing nutritonal products, the bakery industry has not received top priority in the development programmes of the country. It has been left to fend for itself. There is every need to make the industry competitive in both domestic and foreign markets. It is therefore, necessary to take care of its marketing functions with serious consideration so that the industry may go in for quality products through improved manufacturing processes and market the same at an affordable price.

REVIEW OF LITERATURE

A review of literature was undertaken for the research study that is discussed below. In the course of the review it was found that not many references of an academic nature are available. Bakery, being a low profile industry, does not attract much attention both in popular business magazines and also serious academic journals. As an alternative, reliance has been placed on various publications of industry association and federations; proceedings of seminars and conferences and the only journal available, viz; The Indian Baker. The review has been presented in the sequence of various important issues that have a direct or
indirect bearing on the problems and prospects of marketing of bakery products in India.

The role that the bakery industry and the products provided by it play in nutrition and balanced diet is acknowledged by several authorities. (For instance: Society of Indian Bakers, 1976). The significance of bakery products is, similarly, traced back to prehistoric times (Institute of Economic and Market Research, 1974). Many such references highlight the genesis and evolution of bakery manufacturing through the different periods of history.

The importance and significance of bakery industry is accepted today as being an integral component of a country's effort to provide a wholesome nutritive diet (Yadav, 1979) and a wider spread of activities related to bakery industry are recommended (Ahuja, 1972). Several authors highlight the different and varied nature of problems faced by the bakery industry in India. For instance, lack of experienced qualified bakers, competition, high excise duties, etc. are mentioned as problems faced by smaller units (Kisnadvala, 1979) while, in general, all types of bakery units face problems of inconsistent quality of raw materials, high input costs, low level technology, untrained personnel, etc. (Kale, 1974). The prospects of
bakery industry in India are rated as bright by almost all authors who have commented on it. An analysis of statistics related to the statewise distribution of bakery units registered under the Factories Act, producers and retailers of bakery products in India, classification of bakery units in different sectors conclude that the industry is growing and, in terms of the low per capita consumption in India as compared to that in developed countries, there is ample scope for further expansion (Institute of Economic & Market Research, 1974). The same source, further, relying on the analysis of consumption pattern and population statistics concludes that there is an increasing trend in consumption and adequate opportunities for development and new investments. A Ten-year perspective plan (1975-84) for the bakery industry in India highlights interesting features of the growth and prospects such as investment and employment opportunities. A revised ten-year perspective plan (1981-90) broadly supported the conclusions and recommendations made by the earlier plan. (Institute of Economic & Market Research, 1974 & 1980). Several other authors also point out the good prospects (For instance, Kandhari; 1987; Mutbandar, 1979).

Among other aspects of bakery industry, finance attracts some attention where references are made to the availability of loan facilities (Shah, 1969) and the
problems of the availability of working capital, especially for small scale units (Mutbandar, 1979).

In keeping with the nature of the bakery industry and its peculiar characteristics the most important concern is expressed for the different aspects of raw materials. The criticality of raw materials is emphasised by several authors (For instance, Thakker, 1969 and Sathyanarayan, 1969). The future progress of the industry is considered to be dependent on adequate supply of raw materials of desirable quality (Rao, 1969) which could be fortified with vitamins, proteins, and minerals to meet nutritional deficiency (Menon, 1969). Since raw materials constitute between 60 to 80 per cent of the manufacturing costs, maintaining adequate supply of the right quality raw materials available at economic prices is considered to be the major problem faced by the bakery industry (Rao, 1969). Pointing to a truism, it is said that the bakery products can be only as good as the raw materials that go into making them (Mukherjee, 1969). It need not be overemphasised that various quality-related aspects of raw materials need close attention (Krihsnakumar Ghosh, 1983). Among the raw materials both essential ingredients such as flour, yeast, etc. and the non-essentials such as malt, emulsifying agents are necessary to improve the bread quality (Rahim, 1992). This is so because the various attributes of finished bakery
products are critically dependent on the quality of inputs (Dutta, 1969).

Among the different types of raw materials, wheat and flour, is considered to be the most important. Most authors and industry experts, therefore, have focussed their attention on the various aspects of wheat and flour. Grading (Mendonca, 1979), the presence of gluten (Kauser, 1979), uniformity (Mutbander, 1979), impact of differing climatic conditions (Rao, 1969), the inconsistency in flour milling (Khanna, 1972), varying quality standards (Institute of Economic and Marketing Research, 1974), mixing in improper quantities (Rao, 1992), etc. are considered to be the determining factors. Further, the genetic components of wheat and the agricultural conditions under which grown (Rahim, 1992), procedure for milling it into flour (Ramdher, 1969), proper blending in milling (Setty, 1969), the conditions imposed by the Prevention of Food Adulteration Act (Pillai, 1969), the erratic supply by the Food Corporation of India (Tambe, 1969). The need for wheat conditioning (Murthy, Mehra & Agarwal, 1972) and desirable dough characteristics (Austin and Singh, 1972), and parameters deciding the suitability of wheat for proper milling (Ramprasad, 1989) are the other factors. The proliferation of references as can be seen above, are an indication of the importance attached to raw materials, in
general, and wheat, in particular. The raw materials have an undeniable impact on the quantity of the finished bakery products and have important implications for marketing as will be seen later.

Besides wheat, other raw materials and inputs such as yeast (Ghatak, 1969, Muthusani, 1969, Kambli, 1979, Talwar, 1979 & D'Souza, 1989); shortening (Agarwal, 1979) and leavening agents (Dubey, 1972 and Patel, 1992); Salt (Chaturvedi, 1974); and additives, flavours and colours (Nagaraj, 1989 & Rahim, 1992) have also attracted the attention of authors and industry experts.

Production methods, problems etc. have a direct bearing on marketing. Bakery industry, being production-oriented has been the focus of attention of many experts. The use of proper production techniques has been emphasized (Gonzalez, 1969) and the usage of newer methods to reduce processing time, etc. are encouraged (Rao, 1992). Several benefits arise from the application of modernisation in bakery production (Goel & Mishra, 1979) and introducing recent technological developments (Rao & Shurpalekar, 1979). The production and usage of new, improved equipments and machinery is suggested for better quality output (Shah, 1969; Arjundas, 1969; Mutbandar, 1979, & Krishna, 1979). The categorisation of machinery is done into essential and auxiliary ones (Kapoor, 1987). The scope of modernisation,
usage of equipment and machinery, material handling etc. is indicated as quite appreciable (Naik, 1989).

The role of trained personnel and the significance of schools and institutes for foodcraft are assessed, emphasized, and highlighted by several experts (Dubey, 1969; Gaur, 1969; Khanna, 1969; & Shah, 1969). Besides basic foodcraft training, development of managerial and technical skills is also recommended (Mutbander, 1979), a wholistic approach covering different managerial levels is suggested (Dubey, 1979) and the usage of different types of training methods is advocated (Ghatak, 1989).

Proper training could be expected to lead to for instance, better quality control (Langer, 1989) an aspect which merits close attention. Even from the viewpoint of marketing, quality is an extremely important aspect. Several authors and experts have commented on matters related to quality of bakery products. The consumer needs, wheat flour, processing methods, and consumer perception are viewed as important for quality of bakery products (Sullivan, 1987) in a market that is increasingly becoming competitive (Javalgalkar, 1989). Consistency in bread and other bakery products quality is essential (Rao, 1992) as quality control is integral to manufacturing technology of bakery products (Langer, 1989). This is thought to be important as
consumers as well as the industry have become quite quantity-conscious (Krishnamurthy, Girish & Jaisani, 1972).

Marketing and its related aspects has attracted precious little attention from authors and industry experts. A few of them have commented on these aspects the references of which are available in scattered sources. It is argued that since a sizeable market for bakery products exists, marketing operation should be evolved to meet consumer needs, develop varieties under different brands, sell branded products as against unbranded ones, have sales promotion programmes and avoid selling at a price lower than production cost (Ahuja, 1979). Importantly, the same experts suggest that it would be useful to create a balance between the attention given to technological and manpower problems and that given to the marketing problems of the bakery industry. Unhealthy competition and price cutting are disapproved of (Kumar, 1987). The same expert describes the various factors affecting demand of bread mainly owing to the rapid industrial development in India and the perceptible changes taking place in the socio-economic pattern of living. Continuing, the expert also lists a wide range of constraints causing impediments in the marketing of bread. The segments affecting the demand of bakery products are considered as defence, railways, government, exports, import substitution, local markets and markets for ancillary
products (Krishna, 1977). Interestingly, a survey conducted by the National Council For Applied Economic Research, New Delhi, in 1986 reveals that the biscuit consuming households in rural areas are 38 per cent more than that in urban areas, a fact which apparently seems to be contradictory to popular perception. This also shows that the prospects of marketing bakery products in rural areas is certainly better than those in urban areas.

Other factors in the marketing mix such as distribution, promotion, etc, have elicited a lukewarm response from authors and industry expert. For instance, packaging— which is a significant aspect of a perishable product like bakery items— is considered critical and suggestions are made to have packaging materials that are resistant to seepage can retain moisture and flavour and provide adequate protection from dust, bacteria and other germs. Further, these materials should be sensitive to light and ultraviolet radiations (Dotivala, 1969). The safe delivery of bakery products in factory-fresh conditions can be ensured by having packaging that is suitable from the point of view of product characteristics, type of protection required, economy, taste, odour, non-toxicity, ability to withstand pressure and high temperature, resistance to grease and oil and whether it is physiologically harmless (Rao, 1979). Different types of packaging materials for
baked products are also suggested which may not only help in protecting and maintaining quality but also help in creating brand differentiation that can help in better marketing and dealing with increased competition (Khorakiwala, 1989).

For distribution, that is quite critical to effective marketing of bakery products, it is suggested that small and tiny units should evolve a distribution system different from that for large units. Besides, these units can evolve a cooperative marketing management system (Mutbandar, 1979).

Promotion attracts the rare attention of an expert who is of the view that though modern means of advertisement are available small units are either unwilling or unable to promote their products. The middleman's attitude to promotion of bakery product is also doubtful (Shastri, 1987).

Finally, the opinion expressed in the guidelines for preparation of projects reports for bakery units merits attention. According to these, marketing occupies an important facet of bakery business. Marketing aspects for bakery products that need consideration are: demand estimation, market segmentation, product planning, pricing,
distribution, promotion, marketing personnel requirements and marketing costs (US Wheat Associates, 1992).

From the above review of literature it can safely be concluded that, apart from the industry experts views and opinion, almost no work of a worthwhile academic value has been attempted in India as yet and the problems and prospects of bakery products in India need a serious consideration.

STATEMENT OF THE PROBLEM

Mental and physical wellbeing of its people has always been considered essential for the overall development of any nation. In order to keep himself robust and boisterous man derives energy from a number of nutrients available in different food groups viz., milk, meat, fruit and vegetable and cereals. Amongst all cereals, wheat is considered as a staple food in tropical nations where it contributes as much as 27% of the caloric requirements and, moreover, in the world market it is one of the lowest in cost. (Adsule, 1987). What is unique to wheat among cereals is its protein "gluten" which renders it suitable for preparation of a variety of baked products as well as traditional chapati or roti which can be supplemented and consumed along with other food groups.
However, the behaviour of man towards food consumption in different part of the world is variable. Frequently the consumption pattern diet does not follow the pattern suggested by dieticians leading to over and under-nutrition. (Gopalan, 1981). The sheer ignorance of knowledge of Balance diet due to prevalence of customs, traditions and usage and in some cases the lack of economic prosperity, are the major factors responsible for developing such behaviour of man with regard to food intake. Both over and under-nutrition are harmful resulting into ill-health and mental weaknesses.

With the advent of modern food and baking technologies together with improved and effective means of communication the bakery industry can lay a vital role in bringing a change in the behaviour of food intake if wheat based nutritious products in combination with other food groups having regional tastes and flavours are made available to the consumers at large. The use of mass production technology will result in bringing down the average price of these convenience food items and would induce the population to adopt healthier consumption pattern. Though the development of such products cannot provide a wholesome meal in itself but steps in these directions will enhance the concept of a balanced diet and also contribute in marketing baked products of "therapeutic nature" at lower cost of production.
In pursuance of these objectives the bakery industry is, however, facing a number of problems in the area of marketing. In view of this it has been considered essential to undertake a study of Problems and Prospects of marketing of bakery products with special reference to Modern Food Industries (India) Ltd. (Formerly known as Modern Bakeries (India) Ltd.

SCOPE OF STUDY

Bakery industry is one of food processing industry. It manufactures and markets wheat-based convenience food items such as bread, biscuit, buns, pastries, cakes etc. The products of the industry are well received and consumed by masses as they provide an adequate amount of nutritive value along with a variety of tastes and flavours.

The industry, in fact, possesses a lot of potential to respond to the national call for raising nutritional status by stepping up its production of nutrition food and contribute towards economic and industrial development of the country in a befitting manner. However, in pursuance of its objectives the bakery industry like other industries, is also confronted with several constraints of multifarious nature in its operational areas comprising production, personnel, financing, marketing etc.
It, therefore, necessitates the need to study and analyse in a logical manner the problems of different functional areas of the industry and suggest ways and means to overcome them so that the industry may grow and prosper in future.

With this in view, the present study has been undertaken. However, the area of bakery industry requiring study is quite wide therefore the scope of the study is defined within the limits as outlined below.

1. A descriptive study of the issue of food habits and nutrition purely for the purpose of providing the context within which the bakery industry operates has been undertaken.

2. A profile of bakery industry in India from the viewpoint of its development and prospects has been prepared with a view to impart a completeness to further presentation and provide the background for the study. The profile is limited to the bakery industry only, with special emphasis on the major products, bread and biscuit, and does not include allied and auxiliary industries such as bakery equipment etc.

3. Only the functional area of marketing is considered. But other functional areas such as production, finance,
personnel, materials etc. are referred only to the extent that issues in these areas have a direct or an indirect bearing on the marketing function.

4. For marketing, the approach adopted is a selective emphasis on issues that highlight the problems and prospects of marketing of bakery products. The study is not intended to be a comprehensive coverage of all possible aspects of the marketing function.

5. From the industry's viewpoint, the focus in this study is on large, medium and small bakery units in public and private or organised or unorganised sector. However, for a detailed analysis the study focusses on the problems and prospects of marketing as it operates in Modern Food Industries Ltd.

OBJECTIVES OF THE STUDY

The objectives stated below, have been set for the present study.

1. To make a descriptive presentation of food habits and nutrition to provide the background for the study of bakery industry.

2. To prepare a profile of bakery industry to highlight its development and prospects with a view to provide the context for the study of the problem and prospects of the marketing function.
3. To examine, discuss, and analyse the problem and prospects of marketing of bakery products in India.

4. To prepare, analyse, and derive conclusions from a specific case study of Modern Food Industries Ltd.

5. To highlight the need and importance of the marketing function in bakery industry in India and to suggest the ways and means to make it effective.

METHODOLOGY OF RESEARCH

The review of literature has revealed that no academic work has been done on the problems and prospects of marketing of bakery products in India. In line with this, the design of the present study is exploratory in nature. The approach adopted is to attempt an analytical and descriptive study.

The bakery industry in India is a low-profile industry and, therefore, data collection has proved to be a difficult task. A detailed questionnaire was earlier designed covering all the aspects of the marketing function to be sent to various bakery manufacturers in different sectors. However, this exercise proved to be futile as there was inadequate response. This approach was abandoned in favour for a more concise checklist for interviews to be conducted at the premise of bakery manufacturers. The
earlier approach was to send the questionnaire by mail. Through a personal approach it was thought that the response would be better. This exercise proved to be partially successful as several of the manufacturers declined to part with information and instead provided the annual reports, wherever available, or directed the researcher to other sources.

For the purpose of data collection, an interview checklist was prepared that is provided in Appendix No.7. Through this checklist, it was possible to contact and collect information from bakery manufacturers situated at Aligarh and nearby towns. The researcher also contacted bakery units situated in and round Delhi to have a wider access to more varied informational sources. Apart from the primary data collection, reliance was also placed on tapping the secondary sources of information. These sources are as under:

1. Federation of Biscuits Manufacturers of India (FBMI)
2. All India Bakery Manufacturers Association (AIBMA)
3. United States Wheat Associates, New Delhi
4. National Association of Bakery Industry (NABI)
5. Society of Indian Bakers.

Besides these, the researcher also approached the different libraries and resources centres situated at
Aligarh and Delhi. These proved to be a highly fertile source of secondary information. The industry association and federations provided valuable support by access to the industry publications, statistics, etc. related to the bakery industry in India.

The following documents proved to be of significance and have been extensively referred to in the study:

5. Various issues of the journal: The Indian Baker
6. Proceedings of Industry Clinic on Bakery Products

For the purpose of the detailed study of the Modern Food Industries Ltd., an interview checklist was
prepared covering various aspects of the marketing function. This checklist (given in Appendix-7 proved to be handy in conducting semi-structured interviews of the top management of MFIL, and the marketing personnel at different units of the MFIL. Extensive use has been made of the documents, mainly annual reports, of MFIL in preparing a case study of the MFIL marketing functions.

ANALYSIS AND PRESENTATION

The data and information collected from the various sources, as mentioned in the previous section, was logically ordered and analysed with a view to prepare a profile of the bakery industry in India and a case study of the marketing functions at Modern Food Industries Ltd. For preparing profile of the bakery industry in India stress was given to development and prospects of the industry so that the problems faced by this industry could be presented in an analytical and descriptive fashion. The information collected from MFIL was arranged in an order to facilitate an orderly presentation and logical analysis of the various aspects of the marketing function as it operates at the Company. All along, the effort in the profile, as well as in the case study, has been to highlight the problems and prospects of marketing of bakery products in India. Earlier, a descriptive presentation has been made of the issues
concerning food habits and nutrition as these form the background for the research study. A full chapter has been devoted to summarising the main findings of the study and to point out the problems and prospects of marketing of bakery products from the viewpoint of the bakery industry in general and of HFIL in particular.

LIMITATIONS OF THE STUDY

Despite the best efforts put in, it is understandable that several lacunae and shortcomings remain in the study which have to be pointed out. Several of these shortcomings could be traced to problems that every researcher faces while conducting research in India. The difficulty in obtaining information, the inadequacy of data sources, the timeliness and completeness of the information contained in these data sources, etc. have negatively affected the quality of research work to a certain extent. The paucity of time, money and other resources was felt acutely due to several reasons. The personal commitments and other family responsibilities of the researcher, the absence of any funding agency, lack of support from the various institutions, etc. have created shortcomings that have proved to be difficult to surmount. Despite these, a sincere and serious attempt has been made so that a modest contribution could be made to the study of the one of the most important industries in India which, unfortunately, does
not attract much attention from the Government and other agencies inspite of its seminal contribution to the health and nutrition for the large population of India.
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