

A STUDY ON PROS AND CONS OF OATS MARKETING WITH SPECIAL REFERENCE TO PRODUCT LIFE CYCLE

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INTRODUCTION

Oats is a whole grain like wheat, barley, corn. Oats is a natural source of superior soluble fibre. It is a heart friendly health food; containing zero cholesterol and zero trans fatty acids. Oats has entered fast growing Ready to Eat (RTE) packed food market in India. The total breakfast cereal market in India is estimated to be around Rs 500 crore, comprising cornflakes, oats and muesli. Oats constitute 30 per cent of the breakfast cereals in volumes and 18 per cent in value terms of the category. The various marketing strategies that are or can be adopted, factors conducive to acceptance of oats and the challenges in oats marketing are discussed.

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MARKETING STRATEGIES ADOPTED

1. Brand Extension:

Brand extension or brand stretching is a marketing strategy in which a firm marketing a product with a well-developed image uses the same brand name in a different product category. The Oats market in growth stage is attracting new entrants in to the market. Brands like Lion, Saffola, Horlicks are leveraging their brand equity to enter in to Oats market.

2. Trial Pack:

In order to penetrate in to the new market segments the companies put a great effort to a consumer try their product. In context with Oats, a single serve pack at Rs 5 to Rs 15 has been introduced by various brands. This will help to increase the penetration of the product into the market and even to a price sensitive consumer. However free trial packs on purchase of other product is yet to be tested as we see ACT II popcorns comes with SUN DROP vegetable oil.

3. Different Flavors/Dishes:

Oats when it was introduced it was just to make porridge. In the growth scenario a variety of flavors are introduced in the market. Saffola oats are available in pepper and curry flavor and every brand is trying to extend its product depth with different flavors. Also in order to woo the customer to repeat purchase of oats various dishes that can be prepared with oats are also published in the company's website. The traditional breakfast like Utapam, Idli, Upma with a proportion of oats in its ingredients of making these recipes are suggested to attract the health conscious traditional customer to use oats insisting on the health benefits of oats.

4. Pricing Strategy:

In the growing competition the companies has to use a clever pricing strategy to promote its product in to the mass market. The Oats was introduced only in Tier I (Metro) cities established brands such as Kellogg, Quakers are extending their foot prints in to Tier II cities. With the acceptance of Oats increasing, a suitable pricing strategy has to be devised by every promoter of oats so as to gain the acceptance of their brand. An intense competition will rise between international brands and domestic brands.

FACTORS CONTRIBUTING FOR ACCEPTANCE OF OATS/RTE FOOD

1. Time Starved Consumers

The Indian consumers are becoming more time starved and are not in a mood to spend an hour in the kitchen to cook the breakfast. Estimates indicate that 20% of urban Indians miss breakfast while another 15% have an inadequate breakfast. This has contributed to the acceptance of the Ready to Eat food on the breakfast table. The Indian home makers are stocking up on packaged and branded cereals, ready-to-eat/cook products that not only serve the purpose of a sumptuous breakfast, but also save time.

2. Life Style Diseases

The resultant chronic diseases of an Urban Indian life style are heart disease, stroke, cancer, diabetes and respiratory infections. Beta glucan, found only in oats, helps lower cholesterol and blood pressure. It helps diabetics by lowering post-lunch glucose levels. India today the world's coronary disease and diabetic capital, oats is gaining its acceptance among the educated youths and customers whose health consciousness is growing.

3. Changing Life Style

In the changing life style of Indian youth where both Husband and Wife earns has increased the purchasing power of the Indian house hold which has also contributed to the success factor of acceptance of for RTE foods while neighbors and friends are keen on converting to a similar lifestyle. This has contributed to a number of consumers to accept RTE foods on the account of the changing life style.

4. Increasing Nutrition Consciousness

Breakfast is the important meal of the day and contributes to 1/3 of the nutrition of a day's requirement. Breakfast may help in control increasing problem with overweight and obesity. What one chooses to eat for breakfast makes a big difference for your health. This consciousness along with the nutrition consciousness of parents towards their children and home maker towards her family has gained acceptance of oats.

CHALLENGES

1. Imported Food Grains

Oats is an imported food grain and it is mainly imported from Australia, England and Canada. Hence the product becomes vulnerable to the tariff and non-tariff barriers that may be imposed upon it such as tax, duties and import limits that may be set by the government.

2. Positioning of Oats

For a brand to be successful, the value proposition is a vital factor. Oats has various benefits such as nutritious value, controlling diabetics, blood pressure. However a clear positioning strategy has to be formulated by the brands. Horlicks Oats positioned as one that goes beyond just that, with a “three-way advantage” – capable of helping users to manage weight, blood pressure and reduce cholesterol. Some brands position it focusing on reducing heart disease. There is a risk of accepting oats as a nutrition drink along with their breakfast instead of accepting oats to their entire breakfast.

3. Treats of Private Label

Oats being a product that has its distribution network through retail stores is under the treat of the private label of the established retailers such as Spencers, Reliance Fresh, Future group etc. This will erode the brand equity and the pricing power of the brands which heavily invests on promoting their brand in the growing market. The companies must clearly evaluate the potential treat from the private label and carefully build its brand image.

4. Taste of OATS

The taste of the meal is a very important aspect and children are very eager in consuming food that is tasty. However the taste of oats is not very appealing to children. Also the taste of oats (porridge) is not appealed to all segments. Hence a variety of dishes, flavors has to be introduced in order to gain acceptance among all segments of the market. It will be a tough task to enter in to the children market.

CONCLUSION

Oats has got its favorable or significant acceptance among the customer and growing at a health rate of 30%. In the Union Budget 2012 it was highlighted that availability and consumption of the home grown nutri-cereal such as bajra, jowar, ragi is low and has been steadily declining over recent year and allocated Rs 300 crore to promote higher production of these cereals,

upgrade their processing technologies and create awareness regarding their health benefits. The brands promoting oats should be given a sales target that a brand must sell oats and these home grown nutri cereals in the proposition i.e. certain tariff and non-tariff barriers can be imposed on oats.