

## **2 CHAPTER 2- THEORY AND LITERARY REVIEWS**

---

The story of Dabur is long enough to describe it began with a small, but visionary endeavour by Dr. SK Burman, a physician tucked away in Bengal. His mission was to provide effective and affordable cure for ordinary people in far-flung villages. With missionary zeal and fervour, Dr. Burman undertook the task of preparing natural cures for the killer diseases of those days, like cholera, malaria and plague.

Soon the news of his medicine traveled, and he came to be known as the trusted 'Daktar' or Doctor who came up with effective cures. And that is how his venture Dabur got its name - derived from the Devanagri rendition of Daktar Burman.

### **1.1 MAIN THEORY, LITERARY REVIEW**

Dabur is very well known company in India and worldwide. So, it's easy to collect information about the company and it could be found on the company website. Before discussing related research about consumers' motivations to buy product, the first part of the chapter will instead sum of some provable facts about Dabur India ltd. and Dabur Honey.

#### **1.1.1 DABUR INDIA LTD. - COMPANY PROFILE**

Set up in 1884 by Dr S K Burman as a proprietary firm for the manufacture of Ayurvedic drugs, the Company was incorporated later by his descendants in the name of Dabur (Dr S K Burman) Pvt. Ltd. In the late '70s, Dabur Pvt. Ltd promoted a company to manufacture high-grade guar gum and a plant was set up at Alwar. But poor performance resulted in losses and with a view to rehabilitating the company, Dabur Pvt. Ltd was reverse

merged with it and the new company was named Dabur India Ltd. at Alwar, production of guar gum was curtailed and Dabur's products were introduced.

Dabur manufactures over 450 products, mainly Ayurvedic, covering a wide range of health and personal care and has manufacturing plants located at 6 different places in the country. Dabur went public in Nov '93, raising Rs541.5m (at Rs95/share) and the issue was oversubscribed 21 times. Dabur Research Foundation, a group company, handles research, product development/improvement for increasing consumer satisfaction.

Dabur has come a long way to become a multi-facet, multi-locational and multi-product modern Indian corporation with a global presence. It now enjoys the distinction of being the largest Indian F.M.C.G. Company and poised to become a true Indian multinational.

#### **1.1.1.1 VISION**

“Dedicated to the health and well being of every household”

#### **1.1.1.2 MISSION OF THE COMPANY**

Dabur India Limited is one of the leading consumer goods companies of India with interests in healthcare, personal care and foods. We work in active collaboration with nature to provide the best of herbal health and personal care products to its consumers.

#### **1.1.1.3 PRINCIPLES**

**Ownership-** This is the company where personal responsibility and accountability are accepted to meet business needs.

**Passion for Winning-** All leaders in the area of responsibility with a deep commitment to deliver results

**People Development-** People are the most important asset. The value is added through result driven training and the encouragement is through reward and excellence.

**Consumer Focus-** Superior understanding of consumer needs and develop products to fulfill then better.

**Team Work-** Working together on the principle of mutual trust and transparency in a boundary less organization.

**Innovation-** Continuous innovation in products and processes is the basis of the success.

**Integrity-** Committed to the achievement of business success with integrity.

#### **1.1.1.4 BRAND AMBASSADORS**

- Amitabh Bachchan
- Mahender Singh Dhoni
- Karishma Kapoor
- Mandira Bedi
- Sunil Shetty

#### **1.1.1.5 PLANT LOCATIONS**

It has 10 manufacturing plants across the country with 2 in UP at Sahibabad and Noida , 3 in West Bengal at Kharia, Narendrapura & Kalyani, 1 in Bihar at Dabur gram, 1 in

Haryana at Faridabad, 1 in Rajasthan at Alwar, 1 in Himachal Pradesh at Baddi and 1 in Madhya Pradesh at Katni and 2 abroad , 1 in Egypt and other in Nepal.

#### **1.1.1.6 DABUR'S SUBSIDIARIES**

The company has 7 subsidiaries in its fold.

**Dabur International Limited:**It has a 50-50 joint venture with Bongrain of France for manufacturing dairy products. The company has 20% market share in processed cheese market. The company sells its cheese under Dabur brand name.

**General De Confiteria Limited:**the Company's joint venture with Agrolimen of Spain for manufacture of confectionery products. The company divested its stake in the venture as a part of its restructuring programme. The company sold off its stake for a consideration of Rs352mn during the year.

**Dabur Foods Limited:**The Company hived off the foods division into a separate 100% subsidiary during the year. The company has Real Fruit Juice, Homemade range of condiments, Lemoneez and other brands in its portfolio. The company launched its Coconut Milk to its portfolio during the year.

**Dabur Nepal Private Limited:**The company 80% subsidiary of Dabur India Limited. In FY00 it set up manufacturing facility for manufacturing PET bottles for hair oils. The company has also set up new tetra pack unit for packaging Real Fruit Juices. It is also into manufacturing Beehives and Bee Frames.

**Dabur Egypt Limited:**The Company is a 76% subsidiary of Dabur Overseas Limited. The company is into business of manufacturing hair oils, vinegar, rose water, and glucose. The company is planning to source goods for other African countries from this unit.

**Dabur Finance Limited:**The company is a 100% subsidiary of Dabur India Limited and is into business of making financial investments. It raises deposits from public and invests in various investment schemes. The company is expected to be shut down by 2002-2003 under the restructuring program it is currently implementing.

**Dabur overseas Limited:**This company is a 100% subsidiary of Dabur India Limited and is into trading activities. It acts as an investment holding company. This company is based in Hong Kong. The company didn't perform any business during the year.

**Dabur International Limited:**This Company is a 100% subsidiary of Dabur India Limited. The company is into business of carrying out trading activities. This company is based in Hong Kong. During FY00 the company didn't perform any business

**“What is that life worth which cannot bring comfort to others”.**

**Dr. S.K. Burman (1856-1907)**

(The founder of Dabur)

### **1.1.1.7 BOARD OF DIECTOR**

Dabur has an illustrious Board of Directors who is committed to take the company onto newer levels of corporate governance.

The Board comprises of:



Chairman  
Dr. Anand Burman



Voice- Chairman  
Mr. Amit Burman

## Whole Time Directors



Mr. P.D. Narang Mr. Sunil Duggal

### 1.1.1.8 MILESTONES OF DABUR INDIA LTD

Dabur India Ltd. made its beginnings with a small pharmacy, but has continued to learn and grow to a commanding status in the industry. The Company has gone a long way in popularizing and making easily available a whole range of products based on the traditional science of Ayurvedic. And it has set very high standards in developing products and processes that meet stringent quality norms. As it grows even further, Dabur will continue to mark up on major milestones along the way, setting the road for others to follow.

The phenomenal progress has been many milestones, some of which are mentioned below

- f* 1884 – Established by Dr. S K Burman at Kolkata
- f*
- f* 1896 – First production unit established at Garhia
  
- f* 1919 – Early 1900s – Production of Ayurvedic medicines
  
- f* Dabur identifies nature-based Ayurvedic medicines as its area of specialization. It is the first Company to provide health care through scientifically tested and automated production of formulations based on our traditional science.
  
- f* 1930 – Automation and up gradation of Ayurvedic products manufacturing initiated

- f* 1936 – Dabur (Dr. S K Burman) Pvt. Ltd. Incorporated
- f* 1940 – Personal care through Ayurveda
- f* Dabur introduces Indian consumers to personal care through Ayurveda, with the launch of Dabur Amla Hair Oil. So popular is the product that it becomes the largest selling hair oil brand in India.
  
- f* 1949 – Launched Dabur Chyawanprash in tin pack
- f* Widening the popularity and usage of traditional Ayurvedic products continues. The ancient restorative Chyawanprash is launched in packaged form, and becomes the first branded Chyawanprash in India.
  
- f* 1957 – Computerizations of operations initiated
  
- f* 1970 – Entered Oral care & Digestive Segment
- f* Addressing rural markets where homemade oral care is more popular than multinational brands, Dabur introduces ‘Lal Dant Manjan’. With this a conveniently packaged herbal toothpowder is made available at affordable costs to the masses.
  
- f* 1972 – Shifts base to Delhi from Calcutta
  
- f* 1978 – Launches Hajmola tablet
- f* Dabur continues to make innovative products based on traditional formulations that can provide holistic care in our daily life. An Ayurvedic medicine used as a digestive aid is branded and launched as the popular Hajmola tablet.
  
- f* 1979 – Dabur Research & Development Centre (DRDC) set up
  
- f* 1979 – Commercial production starts at Sahibabad, the most modern herbal medicines plant at that time.
  
- f* 1984 – Dabur completes 100 years
  
- f* 1988 – Launches pharmaceutical medicines

- f* 1989 – Care with fun
- f* The Ayurvedic digestive formulation is converted into a children’s fun product with the launch of Hajmola Candy. In an innovative move, a curative product is converted to a confectionary item for wider usage.
- f*
- f* 1994 – Comes out with first public issue
  
- f* 1994 – Enters oncology segment
  
- f* 1994 – Leadership in Health care
- f* Dabur establishes its leadership in health care as one of only two companies worldwide to launch the anti-cancer drug Intaxel (Paclitaxel). Dabur Research & Development Centre (DRDC) develops an eco-friendly process to extract the drug from its plant source.
  
- f* 1996 – Real Blitzkrieg
- f* Dabur captures the imagination of young Indian consumers with the launch of Real Fruit Juices – a new concept in the Indian foods market. The first local brand of 100% pure natural fruit juices made to international standards, real becomes the fastest growing and largest selling brand in the country.
  
- 1998 – Burman family hands over management of the company to professionals
  
- f* 2000 – The 1,000 crore mark
- f* Dabur establishes its market leadership status by staging a turnover of Rs.1,000 crores. Across a span of over 100 years, Dabur has grown from a small beginning based on traditional health care. To commanding position amongst an august league of large corporate businesses.
  
- f* 2001 – Super specialty drugs
- f* With the setting up of Dabur Oncology’s sterile cytotoxic facility, the Company gains entry into the highly specialized area of cancer therapy. The state-of-the-art plant and

laboratory in the UK have approval from the MCA of UK. They follow FDA guidelines for production of drugs specifically for European and American markets.

*f* 2002 – Dabur record sales of Rs 1163.19 crore on a net profit of Rs 64.4 crore.

*f* 2003 – Dabur demerges pharmaceuticals Business

*f* Dabur India approved the demerger of its pharmaceuticals business from the FMCG business into a separate company as part of plans to provide greater focus to both the businesses. With this, Dabur India now largely comprises of the FMCG business that include personal care products, healthcare products and Ayurvedic Specialties, while the Pharmaceuticals business would include Allopathic, Oncology formulations and Bulk Drugs. Dabur Oncology Plc, a subsidiary of Dabur India, would also be part of the Pharmaceutical business.

*f*

*f* Maintaining global standards- As a reflection of its constant efforts at achieving superior standards, Dabur become the first Ayurvedic products company to get ISO 9002 certification.

*f*

*f* Science for nature- Reinforcing its commitment to nature and its conservation, Dabur Nepal, a subsidiary of Dabur India, has set up fully automated greenhouse in Nepal. This scientific landmark helps to produce saplings of rare medicinal plants that are under threat of extinction due to ecological degradation.

*f* 2005 – Dabur acquires Balsara

*f* As part of its inorganic growth strategy, Dabur India acquires Balsara's Hygiene and Home products businesses, a leading provider of Oral Care and Household Care products in the Indian market, in a Rs 143-crore all-cash deal.

*f*

*f* 2005 – Dabur announces bonus after 12 years

*f* Dabur India announced issue of 1:1 Bonus share to the shareholders of the company, i.e. one share for every one share held. The Board also proposed an increase in the authorized share capital of the company from existing Rs 50 crore to Rs 125 crore.

- f* 2006 – Dabur crosses \$2 bln market cap, adopts US GAAP.
- f* Dabur India crosses the \$2-billion mark in market capitalization. The company also adopted US GAAP in line with its commitment to follow global best practices and adopt highest standards of transparency and governance.
- f*
- f* 2006 – Approves FCCB/GDR/ADR up to \$200 million
- f* Moving forward on the inorganic growth path, Dabur India decides to raise up to \$200 million from the international market through Bonds, FCCBs, GDR, ADR, QIPs or any other securities. The capital raised will be used to fund Dabur’s aggressive growth ambitions and acquisition plans in India and abroad.
- f* 2007 – Celebrating 10 years of Real  
Dabur Foods unveiled the new packaging and design for Real at the completion of 10 years of the brand. The new refined modern look depicts the natural goodness of the juice from freshly plucked fruits.
- f* 2007- Foray into organised retail
- f* Dabur India announced its foray into the organized retail business through a wholly-owned subsidiary; H&B Stores Ltd. Dabur will invest Rs 140 crores by 2010 to establish its presence in the retail market in India with a chain of stores on the Health & Beauty format.
- f* 2007 – Dabur Foods merged with Dabur India
- f* Dabur India decides to merge its wholly-owned subsidiary Dabur Foods Limited with itself to extract synergies and unlock operational efficiencies. The integration will also help Dabur sharpen focus on the high growth business of foods and beverages, and enter newer product categories in this space.
- f* 2008 – Acquires fem Care Pharma
- f* Dabur India acquires Fem Care Pharma, a leading player in the women’s skin care market. Besides an entry into the high-growth skin care market with an established brand name FEM, this transaction also offers Dabur a strong platform to enter newer product categories and markets.
- f*

- f* 2009 – Dabur Red Toothpaste joins ‘Billion Rupee Brands’ club
- f* Dabur Red Toothpaste becomes the Dabur’s ninth Billion Rupee brand. Dabur red Toothpaste crosses the billion rupee turnover mark within five years of its launch.
- f*
- f* 2010 – Dabur’s makes its first overseas acquisition
- f* Dabur makes its first overseas acquisition, buying Hobi Kozmetik Kozmetik Group, a leading personal care products company in Turkey, for \$69 million.
- f*
- f* 2010 – Dabur acquired 100% equity in Namaste Lab
- f* Dabur acquired 100% equity in Namasté Laboratories LLC of the US for \$100 million. This marks Dabur’s entry into the fast-growing ethnic hair care products market in U.S., Europe and Africa.
- f*
- f* 2010 – Dabur Chawanprash launched orange & Mango Flavours
- f* Dabur launches India’s first fruit-flavoured Chyawanprash. Dabur Chyawanprash was launched in Orange and Mango flavoured variants.
- f*
- f* 2010 – Dabur Amla hair Oils enters Limca Book of Records
- f* Dabur Amla Hair Oils enters Limca Book of Records for achieving a record feat of hosting the longest ever non-stop head massage marathon.
- f*
- f* 2011 – Dabur enters professional skin care market
- f* Dabur enters professional skin care market with the launch of OxyLife Professional Facial Kit, created exclusively for professional use.
- f*
- f*
- f* 2011 – Dabur launches its first-ever online shopping portal
- f* Dabur India Ltd. launches its first-ever online shopping portal [www.daburuveda.com](http://www.daburuveda.com) with this; Dabur is the first Indian FMCG company to launch a dedicated online shopping portal for its beauty products range. The portal will be the online gateway for consumers to know, understand, buy and gift the exclusive Dabur Uveda range of skincare products.
- f*

- f* 2011 – Dabur India acquires 30-Plus Ajanta Pharma
- f* Dabur India Ltd acquired Ajanta Pharma’s over-the-counter energizer brand ‘30-Plus’.
- f* 2011 – Dabur to enter Sri Lanka
- f* Dabur India Ltd. sets up new subsidiary in Sri Lanka – Dabur Lanka (Pvt.) Ltd. The company will establish a new export-oriented manufacturing facility for producing a range of fruit-based beverages in Gampaha, north of Colombo.
- f*
- f* 2011 – Dabur enters Almond hair Oil market
- f* Dabur India Ltd launches Dabur Almond Hair Oil, a one-of-its-kind product that offers superior nourishment for 100% damage-free hair.
- f*
- f* 2012 – Dabur crosses Billion-Dollar turnover mark
- f* Dabur India Ltd surpassed the Billion-Dollar Turnover mark during the 2011-12 fiscal to end the year with Net Sales of Rs 5,283.17 Crore.

### 1.1.1.9 DABUR WORLDWIDE

**Figure 2.1: Dabur International Footprint**



Source: <http://www.dabur.com/About%20Dabur-Dabur%20World%20Wide>

Dabur's mission of popularizing a natural lifestyle transcends national boundaries. Today, there is growing global awareness on alternative medicine, nature-based and holistic lifestyles and an interest in herbal products. **Dabur has been in the forefront of popularizing this alternative way of life, marketing its products in more than 60 countries all over the world.**

Over the years, Dabur's overseas business has successfully transformed from being a small operation into **a multi-location business spreading through the Middle East, North Africa, West Africa and South Asia.**

#### **2.1.1.9.1 OUR PRODUCTS WORLDWIDE**

We have spread ourselves wide and deep to be close to our overseas consumers. Our overseas product portfolio is tailor-made to suit the needs and aspirations of our growing consumer base in the international markets.

- Offices and representatives in **Europe, UK, America and Africa.**
- AA special herbal [health care](#) and [personal care](#) range successfully selling in markets ranging from the **Middle East, Far East, North Africa and Europe.**
- Inroads into several European and American markets that have good potential due to resurgence of the **back-to-nature movement.**
- Export of **Active Pharmaceutical Ingredients (APIs)**, manufactured under strict international quality benchmarks, to **Europe, Latin America, Africa, and other Asian countries.**
- Export of food and textile grade [natural gums](#), extracted from traditional plant sources.

### **2.1.1.9.2 PARTNERSHIPS & PRODUCTION**

- **Strategic partnerships** with leading multinational food and health care companies to introduce innovations in products and services.
- **Six modern manufacturing facilities** spread across **South Asia, Middle East and Africa** to optimise production by utilising local resources and the most modern technology available.

### **1.1.1.10 PRODUCT LINE OF DIL**

Dabur India Ltd. (DIL) is the largest player in the Ayurvedic pharmaceuticals sector. The company has interests in sectors like Healthcare, Personal care, Ayurvedic pharmaceuticals and Food Products. The company enjoys strong brand equity in most of the segments where it has a presence with brands like, Chyawanprash, Hajmola, Pudina Hara, Vatika, to name a few. The company is focusing on ayurvedic and herbal care products. Currently, the company's product stable includes around 450 products. Dabur enjoys an excellent distribution network of over 5500 distributors reaching out to nearly 15,00,000 outlets. Interestingly, all the drugs under its stable are outside the purview of The Drug Price Control Authority (DPCO).

#### **2.1.1.10.1 HEALTHCARE SEGMENT**

Healthcare segment is one of the major revenue contributors for DIL. Brands such as Chyawanprash, Hajmola, Pudina Hara, Hingoli, Janam Gutti, Lal Tail, and Madhuvanni fall under this table. For the 250 Core- Chyawanprash markets, the company is facing tough competition from Zandu, Hamdard and Baidyanath. However, as per ORG data the market for chawanprash is expected to double in a couple of years. In the pediatric segment the company has products like Janam Gutti, Lal Tail gripe waters, and Madhuvanni cough

syrup.

#### **2.1.1.10.2 HAIR CARE SEGMENT**

DIL is a major player in the hair oil segment with extended brand equity in Vatika. The range of products includes Dabur Amla, Dabur Special, Vatika, Vatika Shampoo, the newly introduced Vatika anti-dandruff shampoo and Vatika Heena Cream Conditioning Shampoo. Dabur Amla enjoys a 28% market share in the perfumed oil market. The company has undertaken the repositioning of Dabur Amla hair oil and Dabur Vatika Oil. The hair oil segment contributes 21% to the company's turnover as on 31<sup>st</sup> March 2000. In the hair Care segment the company is poised to have a strong growth of 10% predominantly on account of strong brand image.

#### **2.1.1.10.3 ORAL CARE SEGMENT**

Seeing the future market move, DIL has purchased the BINACA brand for Rs.3 cr. The move was on account of the company-identifying shift in market preferences. The total sales for the segment were 116 cr. with a marginal growth of 3%. The company views the growth through the Binaca brand. DIL is also repositioning the Lal Dant Manjan in shrink sleeves wrap. We expect the segmental growth to be around 5% henceforth. Just now DABUR has introduced 'Dabur Red Toothpaste' & 'Dabur Red Gel Toothpaste'.

#### **2.1.1.10.4 OTHER SEGMENTS**

Other segments include *Food products division*, which has been restructured into a 100% subsidiary company. The division has brands like Honey, Lemoneez lemon Juice, Real fruit juices, homemade pastas and sauces. The subsidiary netted a loss of 11.55 cr on sales of 29.67 cr. This was on account of stiff competition faced by the company and wafer thin margins on trading goods. The company however has a strong nationwide distribution

network. The skin care division with brands like Gulabari and Samara also grew by 19% during the year.

The company has entered into a 50:50 JV with Bongrain of France for manufacture and marketing of Cheese and speciality dairy products. The brands launched by the company include Delicieux and Le Bon.

#### **2.1.1.10.5 PHARMACEUTICALS SEGMENT**

Dabur has around 300 Ayurvedic medicines sold through Ayurvedic practitioners. The company has 80% market share in this segment. All the products are outside the purview of the DPCO. The company is majorly into Oncology and branded formulations. The company launched Topotel (Topotecan), the first camptothecin derivative for ovarian and lung cancer in India and Amiphos (Amiphostin) for various anti-cancer regimens in India. DIL is only the second in the world to manufacture anti-cancer drugs Paclitaxel and Docetaxel acquired from Pfizer in 1996. The company has established a subsidiary in UK namely Axol Labs., for manufacture of generic oncology products. However, global acceptance is a major sensitivity factor.

With an effect to stress upon core competence the company has decided to put offplans for foray into the newly opened Insurance sector for which it had entered into a JV with Allstate of Finland. The promoters hold 70% of the paid up capital of the company. Hence, to increase the liquidity of the stock in the market the company has introduced a stock split of 1/10<sup>th</sup> at Re.1/- per share paid up.

#### **2.1.1.10.6 DABUR RESEARCH FOUNDATION**

Dabur research foundation (DRF), incorporated in 1979, is a premier research organization recognized by department of science and industrial research, government of

India. Situated at Sahibabad, DRF is today a known name for its path breaking research in the field of health care and personal care. The foundation is at the forefront of oncology research, and is in the process of developing many new molecules to fight this dreaded disease. In fact, DRF was the first organization in the world to develop a process for extraction of Paclitaxel, a drug for cancer, without harming the source tree. The process is now followed worldwide. It is possibly the only one of its kind in the country carrying out research in divergent fields like Ayurvedic and herbal products, plant derived medicines, allopathic, bulk drugs, foods, cosmetics, oils and fats as well as basic research in the field of pharmaceuticals. Today, more than 125 scientists are constantly engaged in research to move towards the vision of Dabur research foundation.

The objective is to become the leading research organization of the country, developing safe, effective consumer friendly health care products.

#### **1.1.1.11 OFFICES**

##### **2.1.1.11.1 CORPORATE OFFICE**

Dabur India Limited,  
Dabur Towers,  
Kaushambi, Sahibabad,  
Ghaziabad–201010, UP, India.  
Tel: +91–120–3982000, 3001000  
Fax: +91–120–2779048  
www. dabur.com  
[investors@dabur.com](mailto:investors@dabur.com)

##### **2.1.1.11.2 REGISTERED OFFICE**

8/3, Asaf Ali Road,  
New Delhi–110002, India.

Tel: +91-11-23253488, 23276739

#### **2.1.1.11.3 ZONAL HEADQUARTERS**

North Zone: New Delhi

South Zone: Hyderabad

East: Calcutta

West: Mumbai

#### **2.1.1.11.4 BRANCH OFFICES**

Ahmedabad

Bangalore

Chandigarh

Chennai

Cuttack

Guwahati

Indore

Jaipur

Kanpur

Kochi

Patna

Kathmandu

Russia

United Kingdom

#### **1.1.1.12 QUALITY POLICY**

At Dabur, Quality is a relentless commitment to continuous improvements in product, process and systems to provide consistent quality products to meet our consumer's requirement worldwide. The management is fully committed to quality and ensures all resources to accomplish this task.

### 1.1.1.13 QUALITY OBJECTIVES

1. To focus on its consumers and successfully meet their needs and requirements.
2. To manufacture effective health care products at competitive prices and to improve the quality of life of the common masses.
3. To implement systems to ensure prevention of errors rather than detection of errors.
4. To ensure global competitiveness by striving to achieve current good manufacturer practices (GMP).
5. To ensure safety in all operations by working according to the system in all areas of operation.
6. To provide appropriate training to the people to improve their skills and expertise, thus building their commitment to the quality process.

### 1.1.1.14 PRODUCT PUNCH LINE

**Dabur**  
**Honey**  
**Khaake**  
**Dekho**  
**Jee**

#### **1.1.1.15 PRODUCT PROFILE**

In its generic form, honey is a wonder product. If in western homes it is a term of endearment, in India, honey is traditionally seen as health syrup.

No company in the organized sector had seen business opportunity in honey, till the Dabur India Limited decided to source honey in large volumes from apiculturists (bee -hive farmers) and market it, the company introduced branded honey in glass jars to the Indian market about a decade ago.

The only big organisation selling honey at that time was Khadi Gram Udyog that too unbranded produce from villages to the urban markets.

Dabur found that the demand is low. Honey's usage was restricted to the world of therapy; used as a cough palliative, a skin conditioner or alternately as a base ingredient for other ayurvedic formulations.

Dabur made a start of mass marketing its honey. By flowing honey through its distribution stream, all that the company had achieved was placing the product within the urban consumer's reach.

By the late 1980's, small regional brands had started getting stronger, although they were confined to small pockets by their lack of a wide distribution mechanism. This posed a danger.

Other brands- Natural way (Golden Meadows), Allied's and Mehson's among them had started gaining recognition in the branded honey market. And some more were on their way in, some with fancy packaging to target the upmarket buyer. The small marketers were selling on price, which meant trouble for Dabur.

In the year 1991, Dabur Honey took to national level advertising for the first time, placing the brand on the purity platform. Growth came, at about 20 per cent that was not satisfactory.

In the year 1994, Dabur gave the brand's ad account to enterprise. At that time Dabur's ad spend for honey was a piffling Rs. 10-15 lakhs a year. It changed the traditional perception of Indian consumer about honey as a medicine to tasty, nutritious food on the breakfast table.

#### **1.1.1.16 DABUR HONEY COMPETITORS**

##### **INDIAN BRANDS**

- Mehsons
- Baidyanath
- Natural Way
- Himani
- Zandu
- Charakh
- Himalayan
- Himflora
- Kashmiri Honey

##### **FOREIGN BRANDS**

- Capilano (Australian)
- Lagneese (German)
- Fragata

## LOCAL BRANDS

- Parag
- Ankur (Khadi Gram Udyog)
- Dadi's (Hoshiarpur)
- Kabliwala
- Tripta
- Hadrass (U.P.)

### 1.1.2 RELATED RESEARCHES

The author spend a lot of time trying to find related researches which could be useful to conduct the Conceptual Framework. There are lot of related researches available. There are researches about consumers' perception of value, researches about Branded Honey sold in India, consumers' perception of price, and many more.

After a long search, the author found three researches and studies that can provide very useful information related to consumers motivation and satisfaction:

- A study about the consumer perceptions: *Consumer Perception of Price, Quality, and Value: A Mean-End Model and Synthesis of Evidence* by Valarie A.Z. (1988).
- A study towards attitude and satisfaction: *Attitude and satisfaction in a Traditional Food Products* by Sanzo M.J. (2003).
- A study about Honey: *Honey Provides Antibiotic Benifits and a Low Glycemic Sweetener* by Melanie G. (2011).

*Consumer Perception of Price, Quality, and Value: A Mean-End Model and Synthesis of Evidence* is the same opinion as the author in terms of quality; Valarie A. Z. (1988, p.

2-22) say that: Evidence from past research and insights from an exploratory investigation are combined in a conceptual model that defines and relates price, perceived quality, and perceived value. Propositions about the concepts and their relationships are presented in this study that is supported with evidence from the literature. Discussion centers on directions for research and implications for managing price, quality, and value.

*Attitude and satisfaction in a Traditional Food Products* is the same opinion as the author; Sanzo M.J. (2003, p. 771-790) say that: The aim of this work was to analyze the relationships between three types of variables: consumer attitude towards a generic product – honey; the perceived quality of the specific brand consumed; and the satisfaction with this brand. The paper first tests the effects the different perceived quality dimensions exercise on satisfaction. Second, the paper proceeds to the influence of attitudes, on the one hand, on the different quality dimensions and, on the other hand, on the effects of such dimensions on satisfaction.

*Honey Provides Antibiotic Benefits and a Low Glycemic Sweetener*; by Melanie G. (2011, p. 40-59) say that: Honey provides a natural sweetener that can be used instead of sugar. Honey is a whole food that comes from plant nectar and does not raise blood sugar as other simple sugars do. Honey also contains a variety of minerals and vitamins and has a long history as a healing food. Honey has been used as an antiseptic, antimicrobial, and antibiotic.

*Antibiotic Honey Kills Germs* Honey has long been used for its antibiotic properties and research has now demonstrated the mechanism. In an article published in the Journal of the Federation of American Society for Experimental Biology, scientists explain that a protein made by the bees called defensin-1 is the active germ-killing ingredient in honey. The researchers postulate that honey may even be able to treat diseases and infections that are antibiotic resistant such as MRSA (Methicillin-resistant *Staphylococcus aureus*).

Honey contains antioxidants. A study at the University of California demonstrated that consuming honey can raise antioxidant levels in the blood. The darker the honey, the more antioxidants it contains. Dark colored honey from Illinois buckwheat has been

shown to have 20 times the antioxidant value as sage honey from California. Skin Healing Properties of Honey because honey has antimicrobial and antiseptic properties, it can be used to heal skin conditions. Hundreds of cases have been published in medical journals demonstrating honey's ability to cure wounds and burns. Honey kills bacteria in the skin and speeds the healing of burns. It can be used to treat sunburns as well.

## 1.2 CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES

The second part of Chapter 2 introduces and discusses in detail the Conceptual Framework this research is based on. To analyse the drivers behind the consumers' motivation to buy Dabur Honey, the Conceptual Framework contains of four variables; two independent and two dependent ones. This research studies the influence of the independent variables on the dependent variables and finds the relationship between them. The Conceptual Framework is partly based on literature review; therefore it is a quantitative Conceptual Framework.

The independent variables are Y1 *Demographic Background*, which covers the consumers' Sex; Age; Living Area; Income and Educational Background, and Y2 *Dabur's Marketing*, which focuses on Information about the Dabur's Communication Channels to inform consumers about the Dabur Honey and the Communication Channels themselves.

The dependent variables are X1 *Consumers' Motivation*, which includes the indicators Information; Price; and Knowledge and X2 *Consumers' Satisfaction*, which focuses on Quality; Dabur packaging size; Price; Availability and Gift packs from Dabur honey.

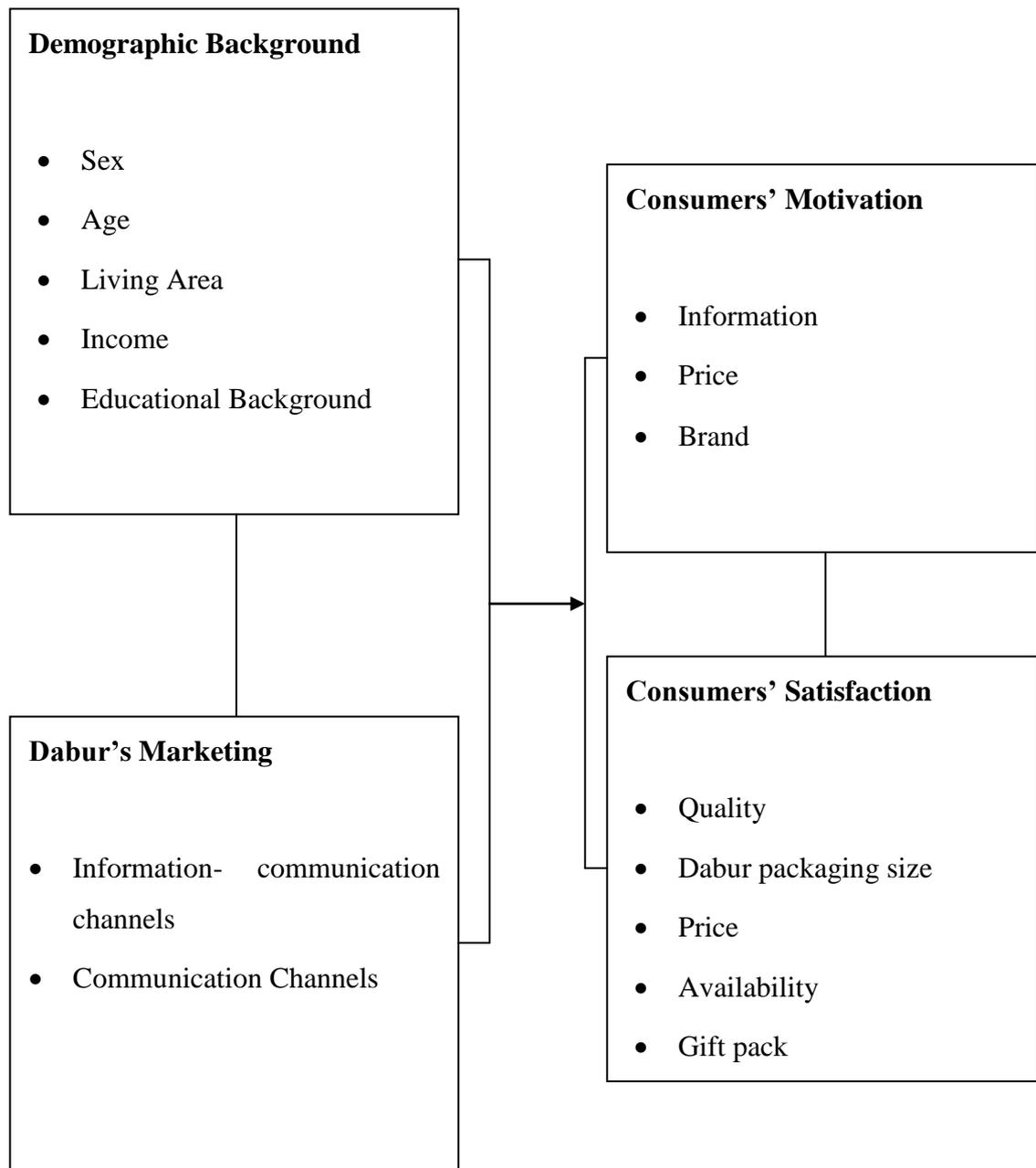
The indicators are describes in more detail in the *Operations Definitions*.

## 1.2.1 CONCEPTUAL FRAMEWORK

Figure 2.2: Conceptual Framework

### INDEPENDENT VARIABLES

### DEPENDENT VARIABLES



Source: author's own diagram

### **2.2.2 RESEARCH HYPOTHESES**

**H1:** Consumers with different Demographic Background have different motivations for buying Dabur honey.

**H2:** The difference in the Demographic Background causes a different level of Consumers' Satisfaction.

**H3:** The better the Dabur's Marketing, the higher is the Consumers' motivation to choose Dabur honey.

**H4:** The Dabur's Marketing has to hold what it promises to lead to a high level of Consumers' Satisfaction.

### **2.2.3 OPERATIONS DEFINITIONS**

As already described, the variables of the Conceptual Framework consist of various indicators, of which some need further explanation.

In *Demographic Background* Sex; Age; Area; Educational Background and Income need no further explanation.

In *Dabur's Marketing* the indicator 'Information about the Dabur's Communication Channels' seems to be clear enough, therefore only 'Communication Channels' needs further explanation.

- Communication Channel refers to the information about the Dabur honey provided on the T.V.; by Friends; and by the home place Departmental stores.

In *Consumers' Motivation* all three indicators, Information; Price and Brand require no further information.

Also the five indicators of *Consumers' Satisfaction*; Quality; Packaging size; Price; Availability and Gift packs require no further information.