

Noble candies -a start-up project

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Abstract

There are many line of products available in the sweet industry which serves the need for a sweet snack for the consumers. But there is a lack of healthy and quality sweet snack in the market. This become a problem for sweet lovers who gets exploited to the different sweet products in the industry. The peanut candy sales in the market is a business which is going on for many years in the sweets segment of market, but not as an organized form of business. This business has a greater scope if it can be carried on in a formal manner. The manufacturing and trading of Peanut candy is heavily depend upon the agricultural produce of ground nuts and jaggery. The peanut candy sales in the market is a business which is going on for many years in the sweets segment of market, but not as an organized form of business. This business has a greater scope if it can be carried on in a formal manner. The traditional native Peanut candy can be produced as it is with modified and differentiated varieties and shapes of peanut candies which would become the unique value proposition for the product in the market in comparison with other players. The unique nutritional value serves as a UVP for our product thus creating demand and scope for our product.

Keywords: Sweet Snack, Traditional native peanut candy, Unique Nutritional Value, Demand and scope.

Introduction

The business idea is to manufacture and trade peanut candies with the top class traditional taste and quality with the added differentiated product design covering all the geographical segment of Tamil Nadu market. This snack can replace the other branded snacks which has a bad effect on health that people are unaware about. The Peanut candy is the key product of our business which needs to be nurtured and delivered to the customers with a value in it. The business does not end with manufacturing of peanut candies alone. Creating distribution network and brand value for the product is one of the business start-up idea. The Product is also going to be sold across Tamil Nadu first to see its movement and will be extended to others states of the country and to the rest of the world with all professional marketing strategy. The UVP (Unique Value proposition) of the product is its differentiated structure with a theme for each structure which will attract kids and youngsters towards buying the product. The uniqueness also lies in producing peanut candies with different flavors which can attract all the customer segment. To meet out its market demand the manufacturing unit will be expanded when the scope of business develops according to the need. Reasons for choosing this start-up Idea is Lack of Branding, Huge market, Be Indian Produce Indian product, Giving health snack and Innovation. The Indian food industry had crossed borders and grown beyond the expectation of the market. In India, food sector is one of the premium sector in making high growth and high profit among the food processing industry. The Government of India has taken promoted the food processing industry to a greater extent. The government through the Ministry of Food Processing Industries (MoFPI) has taken all possible

efforts to attract investment into this sector. But the issue lies in their accumulation of pitham. With more intake of nuts our body pitham will start increasing which leads to imbalance in our body and cause various diseases. As jaggery or vellam (in Tamil) can suppress the pitham kadalai mittai becomes a perfect protein source with no side effects. Kadalaimittai or peanut candy from Tamil nadu are made of kadalai (peanut) and Jaggery. So with this combination Kadalai Mittai becomes a candy with high Protein, Iron and Selenium content. Also it did not have any bad fat at all. There is no other better snack than kadalai mittai for the kids. India is one large sugar bowl with every region offering its own delights. From now on to any box shop, our tongue will shake us in the glass container and let the sea tastes like a salad. The candy is not just for the taste of candy, but also the strength, the urge and the freshness of our body. We may have tasted a variety of sea marshmallows in this world, but the finest quality and flavour is the only one in this Kovilpatti which is the Hub for the Peanut Candy. Kovilpatti earned a name and fame for the unique taste of its candy since 1950 when Ponnambala Nadar started manufacturing peanut candy using the groundnut and jaggery available in the region. Soon, candy making picked up pace and a sizeable number of manufacturers came into the picture. The ground nut cultivated in and around Kovilpatti like Sankarankovil, Kazhugumalai, Sathankulam and Vilathikulam and water from the town provided a rich taste to the candy. The peanut candy sales in the market is a business which is going on for many years in the sweets segment of market, but not as an organised form of business. This business has a greater scope if it can be carried on in a formal manner. The Hub of this product is Kovilpatti mid-town which is the native for

Peanut candy and the same native product can be modified and differentiated by producing different varieties and shapes of peanut candies which would become the unique value proposition for our brand in comparison to other competitor in the market. All the traditional brands like V.V.R and L.R are the tough competitors in the Tamil Nadu market. There are also many local players in the market who do this business as a cottage industry in different geographical location. The major players in Peanut candy manufacturing and trading in Indian market is Rajaram's, Namo, Aram & Haldirams food international whose brands are well established.

Need Analysis

The global functional, allergen-free, organic and other healthy foods market will push through the \$1 trillion (€770m) in 2017, as consumer interest in preventing illness via foods snowballs, says Euro monitor International. Ewa Hudson, global head of health and wellness research, presented the data recently at conference and told us better tasting foods, recession-driven concerns to avoid public healthcare costs, and increasing knowledge about foodstuffs, was driving the growth. The start-up idea has been formulated by analyzing the food and confectionery industry as a whole and by seeing the scope for healthy snack create awareness in the market. Products line available in the sweet industry which serves the need for a sweet snack for the consumers. But there is a lack of healthy and quality sweet snack in the market. This become a problem for sweet lovers who gets exploited to the different sweet products in the market. This business serves the need of the people by providing a healthy traditional native snack with good quality and taste. The product also serves good nutrition to the sweet lovers by maintaining the composition of nutritional value preposition.

Review of Literature

Starling (2012) Netherlands Cohort Study data infer

that people of age from 55- to 69-year-old men and women take measured nut intake by asking about portion size and the frequency at which the participants ate tree nuts, peanuts, and peanut butter.

Thirumal (2014) Manufacturing of the famous Kovilpatti 'kadalai mittai' or groundnut sweet are gearing up to seek the geographical demand tag for the traditional sweet, which is believed to keep people healthy.

S. Ganesan (2015) the sales is growing in an efficient manner for the native sweets

Alagappan (2016) had said the native sweet peanut candies is very famous in South India. This comfort snack can be found in any petty shop in Tamil Nadu, but nothing can beat the taste straight away from the place Kovilpatti, Tamil Nadu.

Materials and Method

There are many snacks available in the market which is not good for health or appropriate for all the age groups as a snack. So there is a problem for the society as a whole to get a healthy snack from the market. Our peanut candy business can give health snack to all the age group people and has a huge potential for giving nutritional value to the consumers. The traditional method of preparing the candies and selling it with unique differentiated size will also attract the young peoples. The title of the start-up is "Noble Candies" which is the name for the start-up business. The Business is all about providing quality traditional healthy snack to the consumers. So the business is basically dealt in such a way that it does not compromise on the quality and it has product which consist unique nutritional value and proportion which no other peanut candy has. The method of producing the peanut candy is also going to be in a traditional method which involves full manual work than usage of machineries. This will yield the unique nutritional value with a superior taste and quality that can be used as a snack for all the age group people.

Table 1: Unique nutritional value in Peanut Candies per 50gm

Calories	185	Sodium	50mg
Total Fat	5g	Potassium	0mg
Saturated	3g	Total Carbs	23mg
Polyunsaturated	0g	Dietary Fiber	3g
Monounsaturated	0g	Sugars	8g
Trans	0g	Protein	12g
Cholestrol	0mg		
Vitamin A	1%	Calcium	2%
Vitamin C	0%	Iron	1%

Research design

The research design refers to the overall strategy that has been choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring us to effectively address the research

problem; it constitutes the blueprint for the collection, measurement, and analysis of data. The research design is the "Descriptive research". The population for the research start-up project is confined within the peanut candy manufacturers within Tamil Nadu where they are

the total population for our research. The sample that we have selected for the research is 6 manufacturers across different geographical location within Tamil Nadu with the convenience of our reach to do an in-depth analysis of the peanut candy manufacturers and distributors. The sampling procedure that we have followed is simple random convenient sampling which fits in for our start-up research project within the given timeframe for the project. We have collected the primary data from the manufacturers and distributors of the peanut candies which serves as a fresh raw data about this industry and about the peanut candy as a whole as a snack in the market. To get details related to the project the data is from secondary sources like newspaper articles, journals, periodicals, magazines and many authorized private websites. Most of the secondary source of data is from the information provided in the internet from different manufacturers, consumers and dealers of the peanut candies. The tool which we choose to collect the primary source of data is through "Focus group Interview". In Tamil Nadu Kovilpatti is famous for manufacturing peanut candy and all other local candies. Especially word "Kovilpatti Kadalammittai" this word started buzzing because of agriculture origin in Kovilpatti and Sathur region. Raw material for manufacturing peanut candy is available mostly in between the month of JUNE-NOVEMBER. Most of the manufacturers find it's hard to find a raw material seller due to the stipulated time of cultivation and also maintaining it in warehouse. Because of that warehousing reason only it costs high in procurement and maintaining. Every manufacturer uses approx. for giving sweet taste for peanut candy. NOBLE CANDIES is going to use karupatti vellam which has medicinal values. Karupatti vellam also acts as crisp adding agent in peanut candy. Taste of the Noble Candies would be different from all other peanut candy. For variation in taste we are adding special ingredients like glucose and special syrup to rise up the attraction of taste. As so far all other manufacturers packing is not attractive. So NOBLE CANDIES going have a good packing in the sense adding color wrappers to pack it. Branding the product with logo and tagline which will create impact in customer's mind to long for NOBLE CANDIES.

Financial Highlights

For starting this business it requires Rs.2500000 for buying machinery and all other preliminary expenses. Once we start we further loan amount of Rs.1000000 to setup a perfect distribution channel and branding process. As peanut candy business much familiar in nature so it yields return of minimum 12% - 15%. Investments which we made during the initial stage all become assets so there won't be problem of loss in investment.

Market Analysis

Peanut candy is snack which can be intake by anyone irrespective of all demographic classifications like age, gender, income, health condition, ethnic background and status. Basically people who are hungry would tend to have a snack to radish away their hunger. In view of that our peanut cake will provide a good relief from that and also give some sense of sweet in it. People with diabetics are not advised to intake our product. But who are having diabetic type-b can intake our peanut candy. Peanut candy is loved by all geographic condition people. So it can be marketed easily anywhere. The main ingredient for the manufacturing peanut candy is groundnut. Groundnut can be cultivated only in the certain geographical areas. If peanut candy is exposed to moisture. It would not be crispy it can be radish away by tight packing. Tamil Nadu is first place to start our business because here it's easy to reach out the customers with peanut candy. After reaching out next phase of sales would be taking up to north India which needs varieties and also rich in nuts. Now a day's people are tending to go with their country products to add value to their country's heritage. People who having more patriotic would tend to buy our product much better that others. The report also suggests that India may have benefitted from the presence of foreign businesses in the food supply chain. "Several foreign companies have invested in manufacturing in India, leading to employment creation," the report observed. "Some of the foreign firms have successfully established backward linkages and are working with farmers and contract manufacturers. These firms have contributed substantially to government revenues," it added. There are also some additional benefits from the presence of international businesses, such as implementation of waste management, environment-friendly technologies, product innovation and exports from India, the report said. Food and beverage manufacturers have long since understood the importance of packaging. A high-quality item in poorly designed packaging most likely is not going to sell well. And in an increasingly busy age, food and beverage marketers have begun to realize the importance of convenience in packaging. Mobile marketing is increasingly popular, as people spend more time away from home and on their cell phones and other mobile devices. Otherwise known as "viral marketing," buzz marketing is about creating a conversation among an influential group and then using that group to spread the word. Social networking is becoming increasingly inevitable for marketing professionals who want to reach the widest audience possible. For instance, social media sites have become places where well-known companies establish a presence to reach out to consumers. Television advertising might almost seem out of date in a digital age, but food and beverage marketers still understand the power of television.

Financial Plan

Table 2: Revenue/Sales Forecast

Kgs	Grams Per piece/pocket	Pcs	MRP	SP	Sales
250	10	25000	2	1.5	37500
250	30	8334	5	3.5	29169
250	70	3600	10	6	21600
250	150	1667	20	14	23338
Total sales per day					111607

Graph 1: Estimated Sales

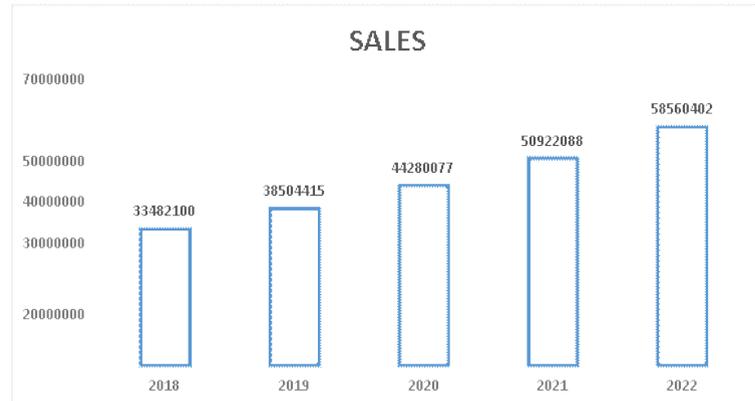


Table 3: Cost Sheet

Particulars	Daily	Monthly	Yearly
Direct Materials			
Groundnut	50000	1250000	15000000
Jaggery	22000	550000	6600000
Water	400	10000	120000
Glucose	145	3625	43500
Cardamom	400	10000	120000
Total:	72945	1823625	21883500
Direct Wages (Labour)			
Chief (1*400/Per day)	400	10000	120000
Helpers(3*225)	675	16875	202500
Total:	1075	26875	322500
Direct Charges			
Electricity	160	4000	48000
Fuel(Firewood)	600	15000	180000
Factory Rent	1000	25000	300000
Total:	1760	44000	528000
Administration Over Heads			
General Charges	150	3750	45000
Telephone & Internet charges	-	750	9000
Salary	-	8000	96000
Total:	150	12500	150000
Selling and Distribution OH			
Sales man salary	12000	300000	3600000
Traveling Expenses	15000	375000	4500000
Advertisement	-	-	500000
Packing charges	2500	62500	750000
Total:	29500	737500	9350000

Table 4: Projected income and expenditure

Income & Expense Statement					
Expenditure	2018 Rs.	2019 Rs.	2020 Rs.	2021 Rs.	2022 Rs.
Direct material	21883500	22977675	24815889	26304842.34	28935326.57
Direct wages	322500	338625	365715	387657.9	426423.69
Electricity	48000	50400	54432	57697.92	63467.712
Fuel(Firewood)	180000	189000	204120	216367.2	238003.92
Factory Rent	300000	315000	340200	360612	396673.2
Interes on capital	360000	360000	360000	360000	360000
Interest on loan	360000	360000	360000	360000	360000
Administrative Expenses	150000	165000	214500	278850	390390
Selling and Distribution expenses	9350000	11220000	14025000	19635000	25525500
Revenue	-	528100	2528715	3540221.25	2961061.47
Expenditure (Balance)					
Sales	33482100	38504415	44280077.25	50922088.84	58560402.16

Conclusion

The peanut candy sales in the market is a business which is going on for many years in the sweets segment of market, but not as an organized form of business. This business has a greater scope if it can be carried on in a formal manner. The Hub of this product is Kovilpatti mid-town which is the native for Peanut candy and the same native product can be modified and differentiated by producing different varieties and shapes of peanut candies which would become the unique value proposition for our product in the market when compared to other players in the market. This study described about a feasibility of the business. It will explore Starting up in business is an exciting challenge. However, it is necessary to have a good idea, a clear understanding of the market and financial knowledge and skills to support the business' development. This study described about start-up idea, need analysis for start-up, problem identification, studies related to the start-up, research formulation of a feasibility study, market analysis, financial analysis, manpower analysis, scalability of the idea.

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