

A STUDY OF THE DETERMINANTS OF BUSINESS SUCCESS FOR HOME BAKERS IN PUNE.

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Abstract: This paper gives a focus on home bakers in and around Pune region, about who they are; for whom they are baking; their work style as well as their ambition; the challenges they are facing such as total expenditure for business, time spent by the home baker in their business operations, is the information and communication technology useful for their business process and does baking from home upsets the new upcoming bakers.

The paper also focuses on the increasing consciousness about the availability of generating income from the hobby or skilled possessed from the technical education. Nowadays, there is a significant number of consumers in Pune who wants to eat quality and are trying to make better and healthier choices. With rapid growth in population, affordable prices and varying eating patterns of the local people, bakery products have gained popularity in the Pune region. Many bakery products such cakes, breads, cookies and theme cakes have emerged as consumption items during the normal days or special events in Pune. In fact changing life style and eating habits have shown that customized cakes, cookies chocolates are replacing traditional Indian mithai as gifts for various festivals like Diwali and Christmas.

1. Key words

Home bakers
Bakery products
Entrepreneurs

2. Introduction

Home bakers comprises of a small and disorganized portion of the larger baking industry. Many women have moved in the field of cooking and baking and have taken steps to establish themselves fruitfully as prominent home bakers. These bakers are baking from their homes and baking not just cakes and breads but also cupcakes and cookies that are customized to meet the customers' requirements and demands.

Home bakers usually start their operation on a very small scale. They begin with limited resources and shape their trade through personal effort. At the end of the day, their success will depend on their capability to manage and grow the organization.

The main motto of these enthusiastic talents is they want to

1. Be their own boss
2. To achieve financial independence
3. To enjoy creative freedom
4. To use your skills and knowledge

Baking industry is been recognised as a competitive industry and those who got started earlier have the first mover's advantage but there is also a place for many in this industry to get started at a minor level with limited orders. In general, innovative and creative bakers sometimes achieve amazing popularity because of their passion for baking. They are risk-taking idealists who commit themselves to working long hours to reach desired goals. Home bakers also take pride in what they're doing and achieve satisfaction from doing something they enjoy. These young bakers also have the flexibility to alter to varying situations in order to achieve their goals.

3. Scope of the study

The scope of the study is primarily targeted at the home bakers in pune this study tries to study the background of the home bakers, there reasons to opt for home baking, the challenges faced by them, there source of information and what scope they see in doing the business in this way.

4. Objectives

The intention of the study is to progress and produce data as an example how home bakers mounts the ladder of their business success. Precisely, the study looked into the following:

1. The personal and business profile:
Whether these new breed of entrepreneurs who have started their home baking profession had received technical skill and knowledge based education, industrial training and experience to give their operation a professional touch, or only passion and hobby can fulfil the needs for the home bakers.
2. Does home baking set ups require invest plans, the types of products been baked, whether they bake occasionally or regularly, the sales reaches to achieve profits.

3. Strategies applies to different challenges and risk :

To understand the new challenges and risks bound with day to day home baking operations. As the business nurtures, different challenges mandate diverse solutions—what worked in the past might not be as operative and reasonable now. So what strategies the entrepreneur adopts to manage different challenges.

5. Research methodology

The following research methodology was adopted to conduct the present research study:

5.1 Selection of area: for the purpose of the study Pune region was surveyed as this region has lots of potential in relation to manpower, infrastructure as well as the changing standard of living and disposable income of the people.

5.2 Selection of sample units: 50 home bakers, manufacturing different types of products in and around Pune region were surveyed.

5.3 Period of study: minimum period for the research work was 2 months as the research was conducted at micro level.

Collection of data and information: the primary data was used in this research study. For primary data a detailed questionnaire was prepared for the home bakers.

5.4 Tabulation, analysis and interpretation of data and information: the collected data were arranged in tabular form and were analysed using required statistical tools. After completing analysis work the results were interpreted in a systematic manner.

6. Review of literature

In the article “the rise of home bakers” published on women’s web dated 29 January 2013 by Melanie lobo who had interviewed some home bakers and her interpretations are as follows- Bhayiravi Mani a resident of Gurgaon who was working for an event management company admits that she had no interests neither in cooking nor baking and she had never baked a single product any time before 2011. She also admits that there is no family history of baking. Bhayiravi started taking interest in baking after she visited her friend and after reading recipe books and she realized that ingredients used for baking are the most common and are readily available. So she purchased the oven and started baking from home since November 2011. She strongly agrees that home bakers has to work hard as there are no helpers to help her and she has to start from the scrap for producing a baked product. The major challenge faced by her was the delivery of the baked products as people were ready to purchase but after looking at the delivery distance they need to travel for the purchase, used to deny the orders. But as her business and her reputation reached the peak the problem faced was habitually decreased as people started taking efforts of travelling for the required baked products baked by her. At the end the satisfaction gained by the efforts added in the home baking operations is fruitful. Another home baker Monika Manchanda who is from technological background left her job due to her small baby son. As baking was her hobby she started she started writing a blog and slowly she became passionate to start a small home based business. As her business grew, she stopped baking from her home based kitchen and converted one of the room in the house as baking unit. In the article “the rise of home bakers” published on women’s web she mentions that set cost is the hurdle and is a necessary investment so one must plan this investment carefully before starting any business. Another major challenge for her was procuring raw material especially food colouring agents which she found it’s better to source from us. As competition among home bakers nurtured she adopted a strategy -to produce lot of breads and savoury products which not all the home bakers bakes. Lynette Dias who is 37-year-old, operates her home baking business in NIBM, Pune. Dias, was a hr professional in the it industry, and now she takes four orders a week. She mentions in the article oven fresh published in Pune mirror on Sep 28, 2014, that home baking business has boomed 200 per cent in last two years and has started reshaping as an enterprise it is daily source for cash. The orders for home bakers have increased drastically from one or two orders a week to even three orders a day. In recent years clients taste and preference have also changed from regular cakes to customised cakes. She also focuses how home bakers are different from professional bakers. Home bakers bakes fresh products as per the order which is not always a case with commercial bakeries. Also most of the bakeries have baked products with common typical flavours on the other hand the home bakers are always on their foot to bake as per the customization. Also according to many home bakers they suggests that clients can rely on them for better quality and hygiene standards as it’s a one man show right from greasing, mixing, baking and packaging.

Focus is also given why most of them are driving towards home baking operations. Independence, creative freedom, control on work load, freedom for creativeness all such factors have given birth to most of home bakers. According to Dias independence is a major reason why most of the home bakers do not want to expand their home based operations into business operations. In the era of competition these home bakers knew they have to be different all the time for creating new market at the same time not losing their mental piece. Internet has proved one of successful weapon to reach out a huge unknown market. Home bakers are making use of social networking sites such Facebook, What’s up, Instagram to spread their business apart from good word of mouth communication. Most of the home bakers are part of the forum on social networking site called Pune home bakers guild a social networking site creates a platform for most of the home bakers to share information related to their business.

According to chef Rishabh Anand, of the Leela Palace Delhi, in the article “home baked goods” in bakery review (Feb – March 2019) home bakers take lot of efforts to bake their orders up to the customer’s standardization. As well as they do not compromise for the quality of ingredients used for baking as most of the clients are regular. Several bakery and pastry academies are operating in major metro cities who are providing vocational and technical qualification to most of the upcoming home bakers. They also provide training facilities to such candidates which can further help them in starting their own home banking unit. These home bakers have started making use of the social media like Facebook, Instagram, Twitter and related sites to promote their business. They keep posting regularly on their own websites and such sites regarding their products and their day to day activities related to baking. As home bakers create customised products for special occasions to create special effect the pricing of the products go little high which seems a challenge for the home bakers according to him.

Further in the article “home baked goods” in bakery review (Feb – March 2019) chef Balendra Singh, founder Institute of Bakery and Pastry Arts (IBPA) says that home bakers have their own identity as there products are unique and different from the regular bakeries. One can easily order products and rely on home bakers as they are make less use of artificial flavours, colours, and minimum use of preservatives. Quality product as per customisation, better coordination and ease of delivery are some of the factors why people order to home bakers. These home bakers are not only baking as per the clients but they have started creating and developing new recipes which is replacing the traditional festive mithai. A fusion of bakery and Indian mithai is a trend coming up during the festivals and attracting the clients around the city. They also produce very exotic products like cakes in jars, sugar free

home bakeries. Some of the special products that are produced from this some special breads like brioche, croissants, pain de mie, etc. According to him friends, relatives and neighbours are the targeted market for the home bakeries. The home bakeries also offer a wide range of products which adds new to their business.

According to the study of the home bakers he states that these bakers gain technical knowledge by joining short term bakery courses and attending the classes which keep them well updated with the recent trends. According to him home baking is a hobby which is affecting your family life and baking profession but still it has some hurdles such as Limited capital: they are not able to compete with standard bakers as they have less capital and therefore less investments opportunities for machinery and tools. Lack of space: as the operation has to be carried out from home they have to balance the space and equipment needed. Lack of marketing: cannot do on a large scale and has rely on close ones and good word of mouth. Limited range of products: produces few more varied and customised products so the menu is shorter as compared to bakeries. Low shelf life: most of the times products are made to order so sometimes if the order is cancelled cannot be sold to other customers. Pricing: they put lot of efforts in packaging, designing and presentation as per requirement which indirectly increases the cost of the product, the clients always compare the cost with retail bakeries. Time constraint: most of the times last minutes orders have to be processed in a short span of time.

Further in the same article "home baked goods" in bakery review (Feb – March 2019) director of Delta Nutritives Pvt Ltd Mr. Prakash Sangvi comments that home bakers are very particular in buying ingredients they look for the quality products which have longer shelf life and within their price constraints. To gain knowledge about the recent happenings in the baking world these home bakers also attend workshops conducted by well-known chefs and also visit the bakery expos.

Mrs Jyotismita Sharma in her article- bakery in age of social media in bakery review (Jun – July 2019) focuses on the study by Microsoft owned professional networking platform LinkedIn which states that 94% sales professional's uses technology to upgrade sales. Media marketing is equally important to those who depend on mostly online orders for their sales, as one cannot only rely on recommendations as these do not always spread through communication. Therefore, social media offers an opportunity for small and medium bakers to reach their targeted markets. While doing so one has to maintain the regularity in their posts and making use of high quality images. The social media marketing should also generate new baking ideas from the target market so it increases the engagement levels of the clients.

In the article lazy door -the complete door to door pick up & delivery services for your home baking business the firm lazy door is a firm which provides logistic solution to home bakers and people who runs operations from home in the city of Pune. The organisation has enough trained and expert staff ready to work in case of emergency. They charge the home bakers according to the kilometres and not as per the weight of the delivery product. Customised delivery options such timings as per the client, utmost care taken against delicate products, they do collect cash on delivery if required. They suggests after getting acquainted with their services the home bakers have a scope to expand the business all around Pune and PCMC area. They have special delivery systems according to weather conditions to protect the delivery products. And in short one does not has to invest on the delivery person. The most important is that they feature the clients on their website and social media which is indirectly helps in promoting the business of home bakers.

In the article by Tanmaya Vyas - meet the home bakers who are redefining the world of desserts in the city on 12 June 2015 she states that Mrs Trupil Daye who started baking as a hobby and later turned into a full time baking profession. Mrs Daye highlights by saying that she started baking for her family which further brought her end numbers of orders through in house publicity. She had never done any technical course to upgrade her skills but had put large amount of efforts to achieve the necessary skills. And she is ready to spent long hours to complete the target. According to her fondant is too sugary so she prefers modelling chocolate for the art work required on the cake. Another home baker Mrs Varsha Barve-Oak, who was an occasional baker, quitted her comfortable job for getting tuned with baking. She admits that if one has creative ideas her she can create better products and keeping the charm of the life going at the same time. If family members can be made engaged in the activity of baking which will give more confidence to the home bakers. She agree that proper training and guidance is necessary when it comes to the application of fondant which is recent trend in cake decoration.

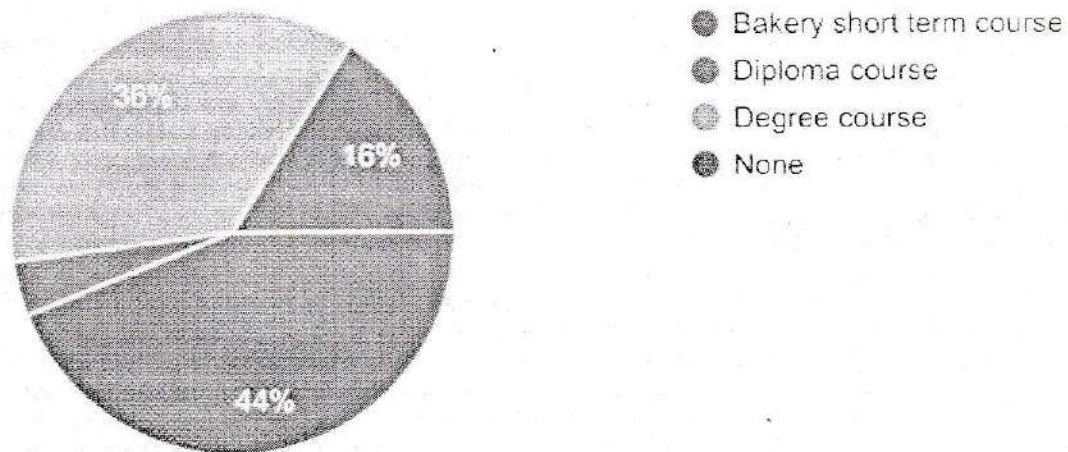
In the case paper, a business start-up case study custom cake design business (in good taste by craft factory) Ms. Aditi Ghosh, director – craft factory published in IOSR journal of business and management (IOSR-JBM) e-issn: 2278-487x, p-issn: 2319-7668. Pp 01-08 she admits that she had a hobby and passion for baking right from the childhood and she fulfilled it by doing the same for her friends and family members. At one stage of life she decided to put her ideas into profession which was backed by her friends and family members. She first started home baking profession in october 2013, and as the word of mouth spread her business grew and she realized there was quite a demand for decorated cake as per the requirement of the clients. to pursue skill in the art of decorating cakes she started reading and practicing the same in her free hours. She also attended skill building workshops organised by the well-known chefs. As the load of work increased her skills were also enhanced. She started earning more from the newly started work with her house hold appliances and she invested her new earnings in purchasing new baking appliance which will help her as well as will give a more professional look to her operations. From the business safety point of view she realised that trade licence and food safety licence is the must to keep her business going and she got it done from the respective departments. She admits that personal communication with clients, marketing, branding, use of social media multi-tasking are all the basic inputs for the running up the home business but if one man looking into all these aspects might affect the product quality output.

7. Method and procedures

This research details are of people who started a home bakery business, the reasons for starting a home business of bakery, the size of business and there growth plans, problems faced in opening a business and running it. It is a field research where the questioner was circulated and 62 responses were received and an analysis was done on the data collected about the home baking business.

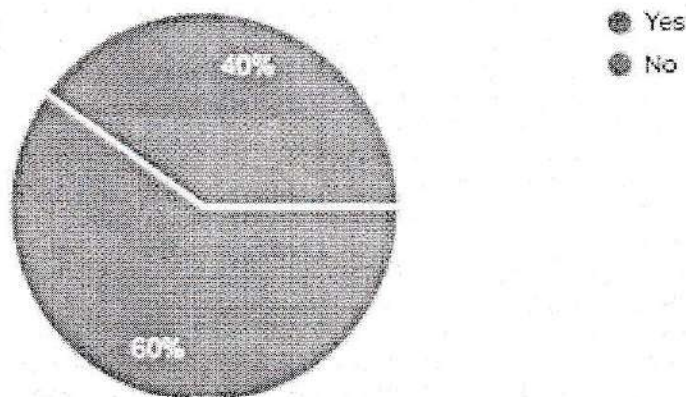
8. Data presentation, analysis and interpretation of data

Q. Do you have a professional qualification in bakery and confectionery if yes at which level specify?



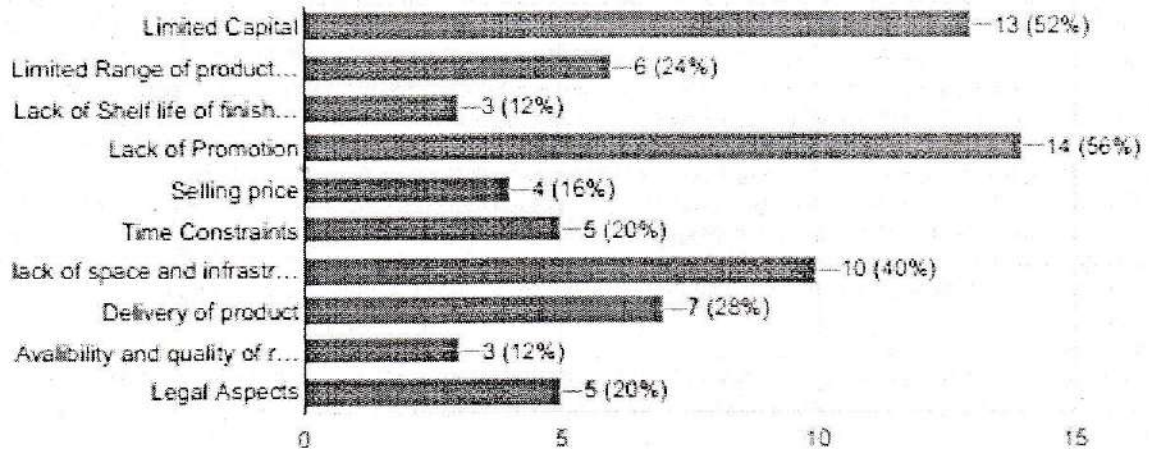
A large section of respondents (60 %) don't have a degree / diploma in hotel management or a professional degree in culinary or bakery

Q. Do you have a professional mentor, to whom do you look up to in this industry?



Though a large section of respondents don't have a professional degree in hotel management culinary or bakery they have a professional mentor who can help them.

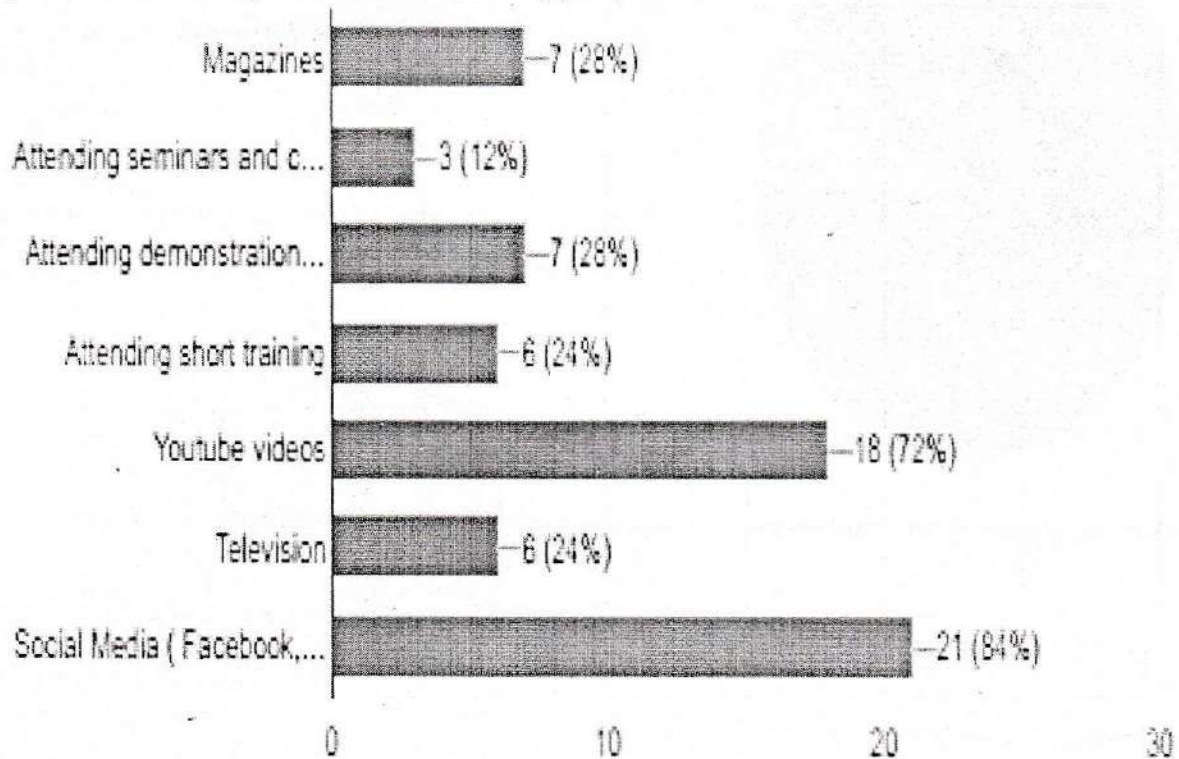
Q. What was the biggest challenge in starting your bakery/baking business?



The major problems faced by home bakery business are lack of promotion and limited capital and home bakers have come out with some solutions like :

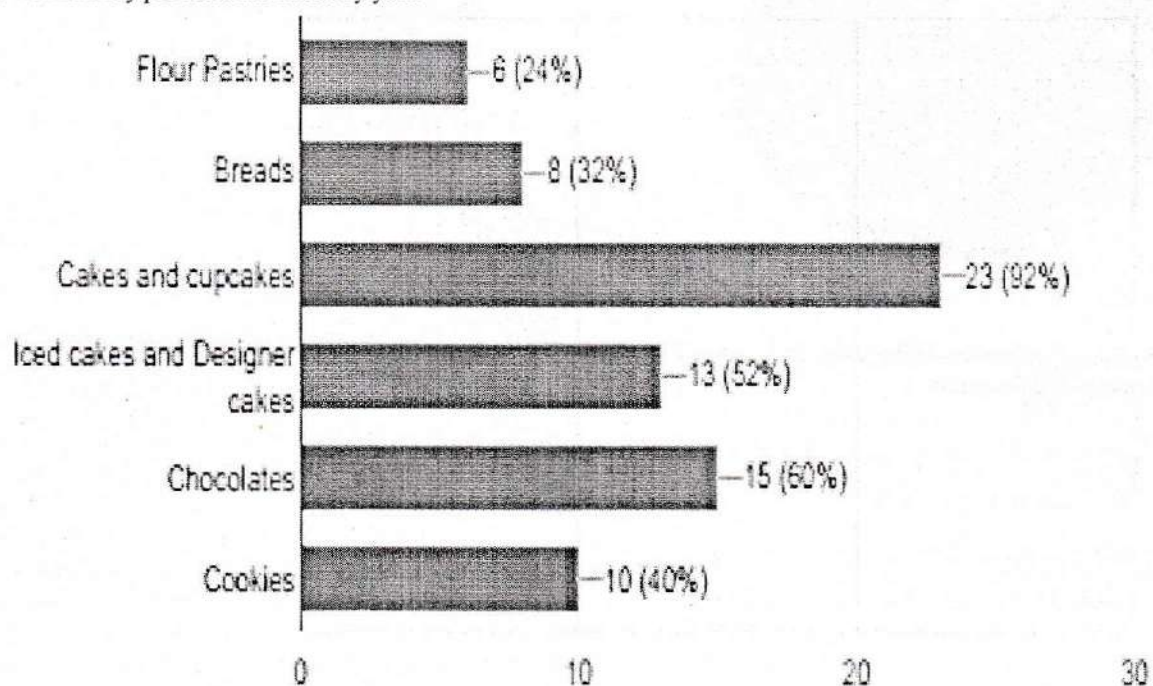
- Application of some promotional or advertising techniques like visiting card.
- Getting in touch with finance company or sponsors who are willing to sponsor
- Social media was stressed by many as major tool for promotion and using it effectively can increase the promotion for business
- Explaining the uniqueness of the product to the customer
- Studying how to process loans and find various schemes for financing.
- To find a suitable market for specialised products like gluten free, sugar free reduced fat contain products etc.

Q. Which of the following sources of latest trends keep you update?



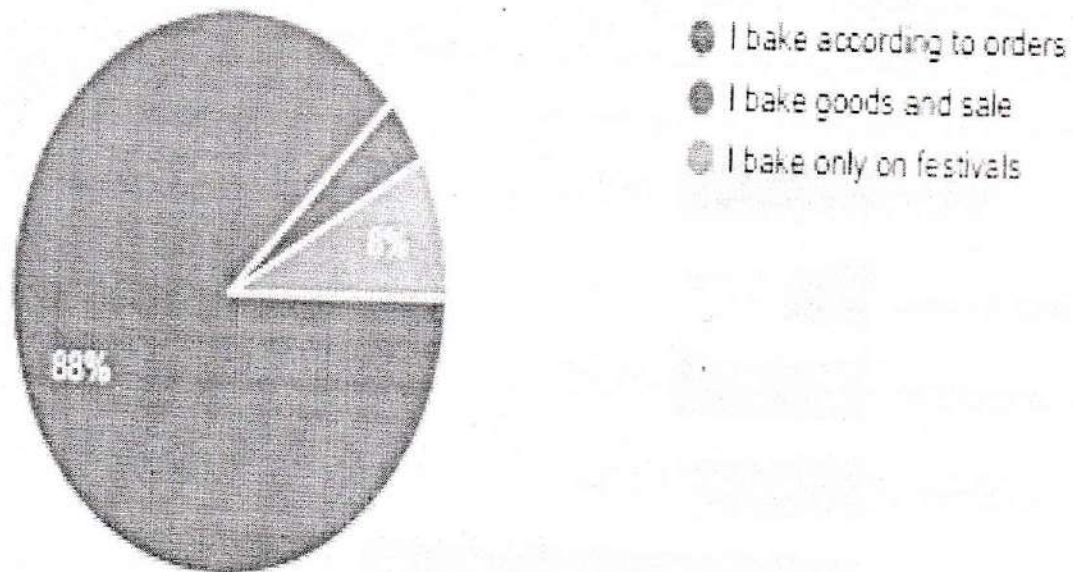
As in solution to problems social media and YouTube is also a major source to find latest trends.

Q. What bakery products are baked by you?



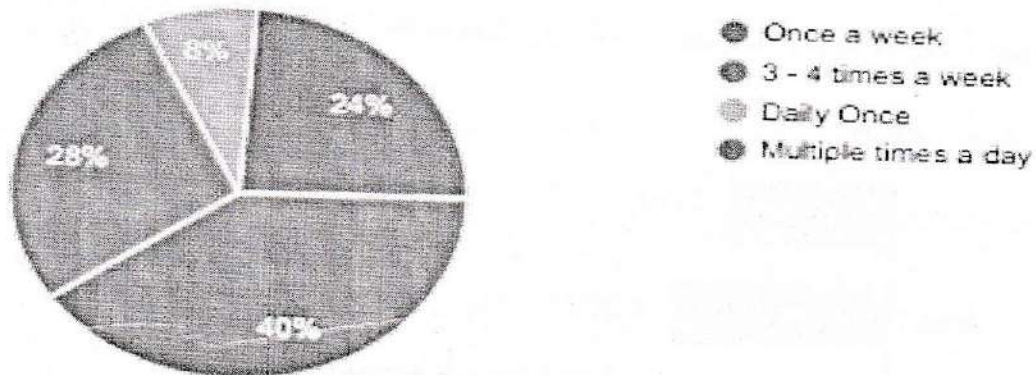
Major product baked and sold are cakes and cupcakes and chocolates. Flour pastries and breads are not produced and sold by home bakers at large.

Q. What is your business pattern?



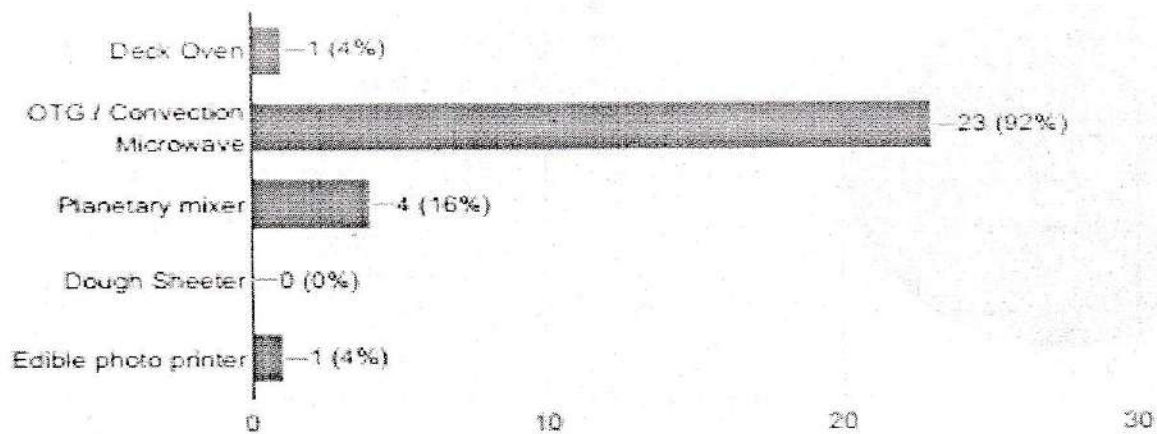
Nearly all (88%) of the respondents bake according to orders. This is to control cost and reduce uncertainties.

Q. If you bake according to order, how often you bake?



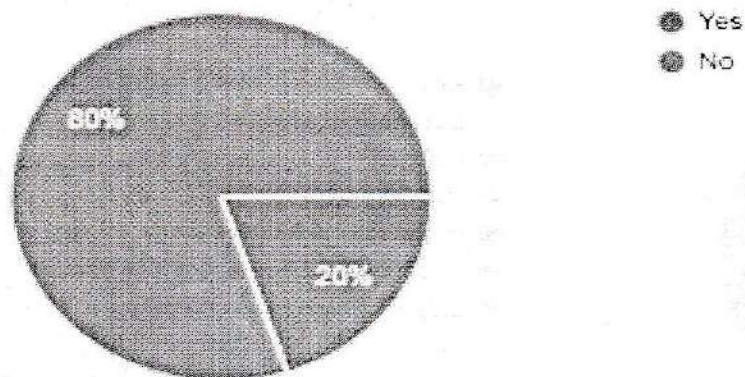
Very little portion of respondents bake daily. This shows the irregularities in flow of business. Bakers need to find a market where they will get a continues business.

What equipment do you use for the manufacturing of product?



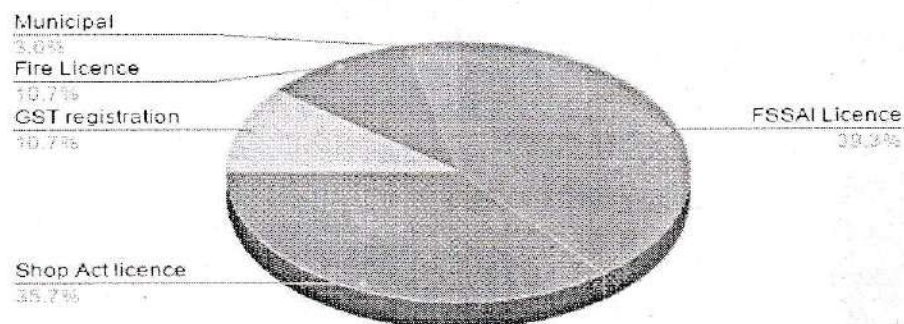
Large section of respondents bake in otg and convection microwave as they have limit of investing in business

Do you use imported tools?



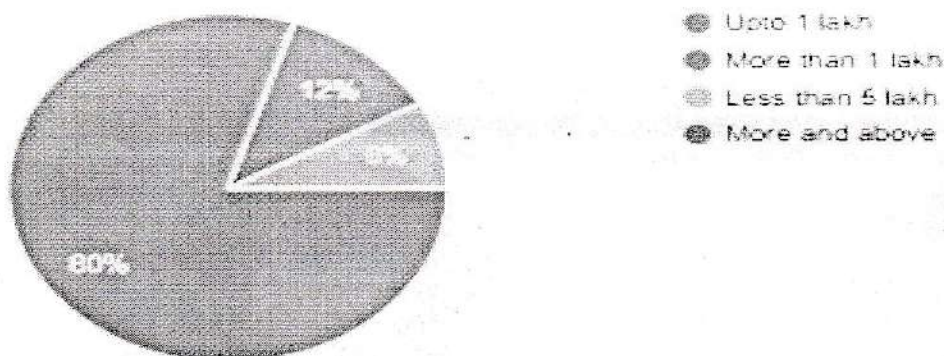
As most of the home bakers have investment problems they cannot use the imported tools.

Q. Have you procured following license?



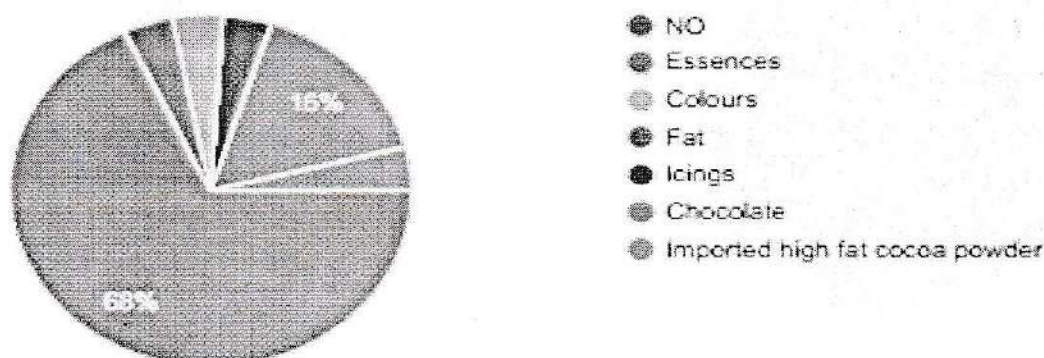
Only around 40 % of home bakers have done fssai licence which is a requirement for anyone who does food related business. There were also some home bakers who have not responded to the question as they don't have any licensing done.

Q. How much cost is incurred in setting up your kitchen?



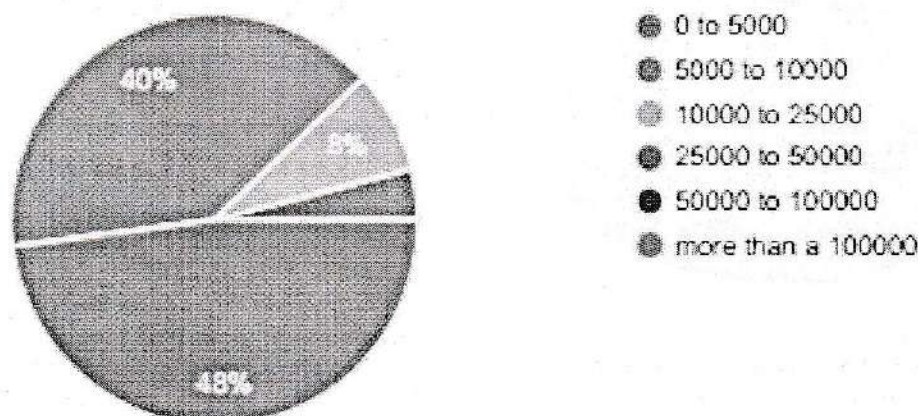
Most of the home bakers invest less in the initial stage of business hence a large number of respondents have invested less than 1 lakh rupees in setting of the kitchen (bakery).

Q. Do you make use of imported food materials for the manufacturing of the bakery products? If yes which of the following



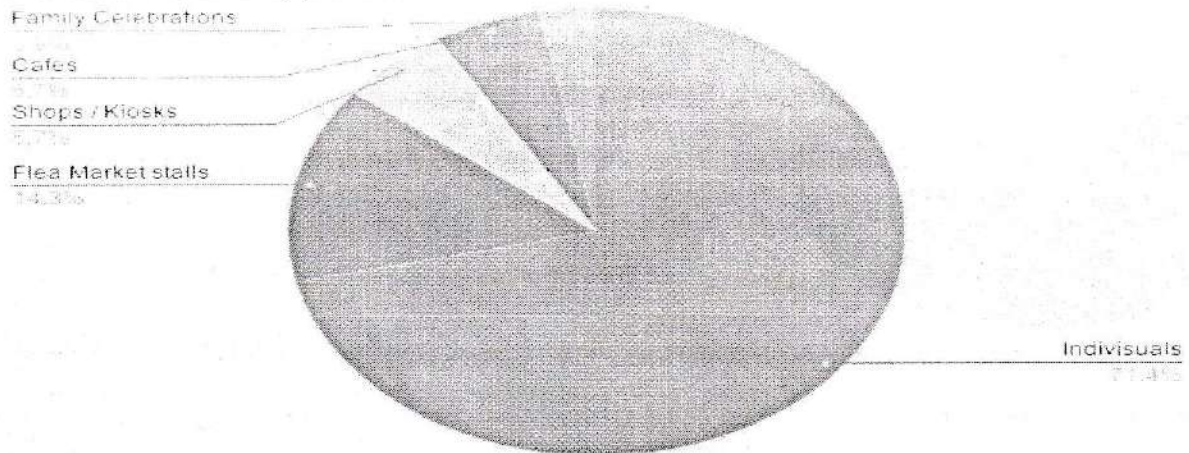
Large number (68%) don't use imported food materials and those who dose use mainly chocolates .

Q. What is your monthly raw material cost?



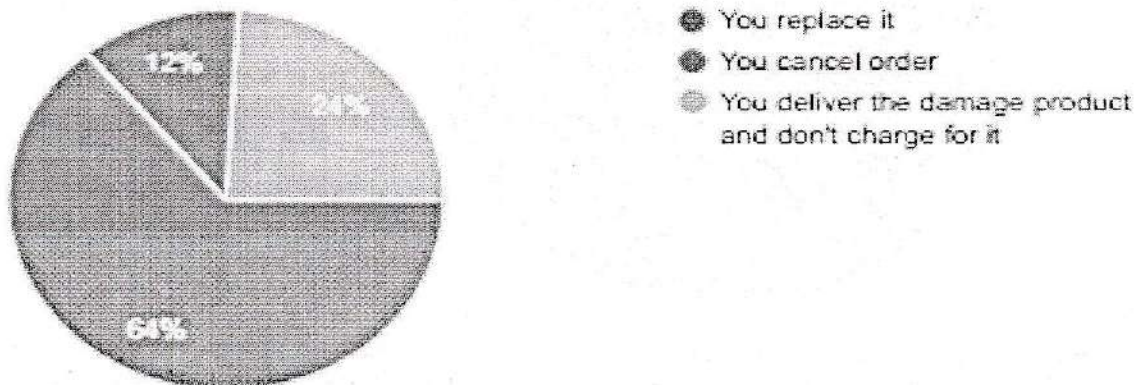
Most of the bakers have a very less material cost monthly below 10000 rs. This also show a relevance with the number of times they bake and why the home bakers relay on bake according to orders. As the material cost requirements are low that shows that the business is also a low profile business where bakers need to take precautionary measures to reduce losses.

Q. to whom you sell your bakery products?



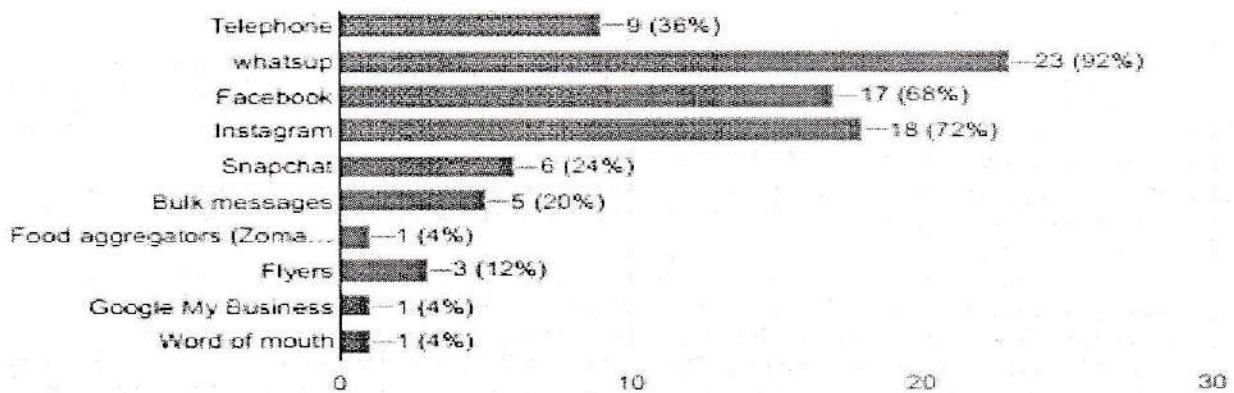
A very few home bakers are targeting the cafes, shops and kiosks as there potential markets which can give them a continuous business.

Q how do you deal with damages during delivery?



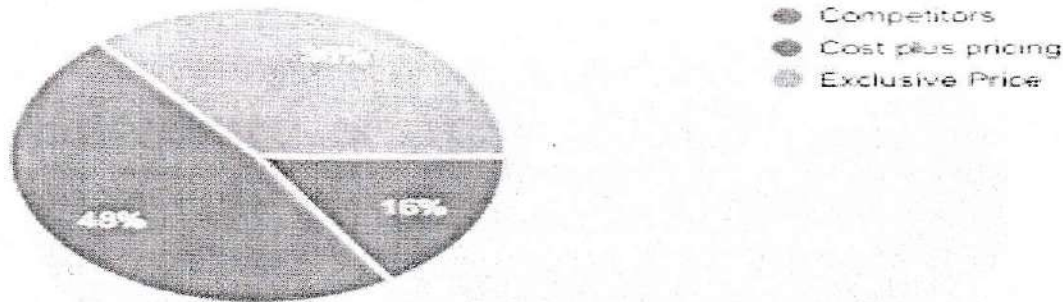
In case of such accident very few bakers cancel the order rather they replace it or deliver the same product without charging them, which is a good way to retain the business

Q. How do you market your products?



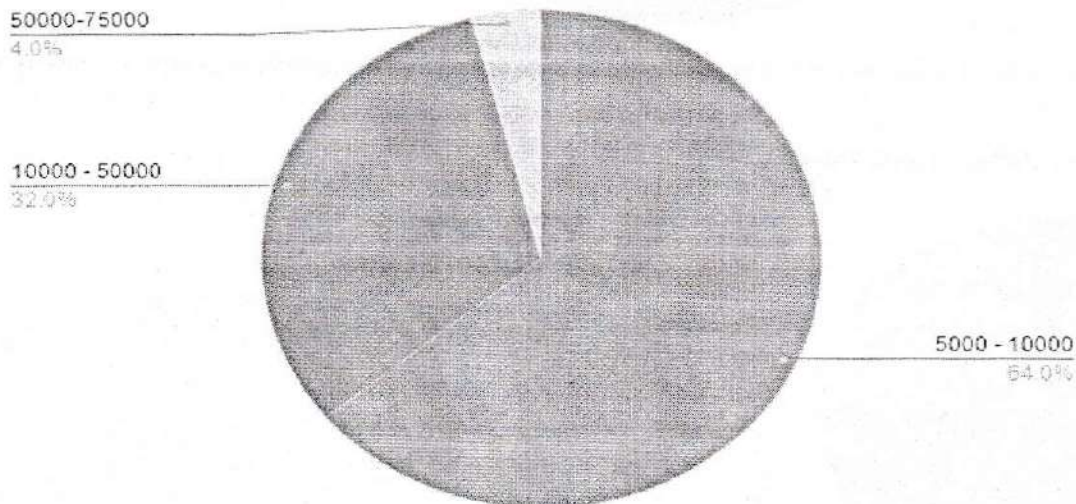
Whatsup, facebook and instagram looks to be the choice of media to market the products for home bakers

Q. How do you fix the price of your bakery products?



The pricing strategies for home bakers is cost plus or exclusive very little section of respondents relay on prices of competition.

Q. What is your monthly sales in rupees?



The largest section (64%) of respondents have monthly sales of 5000 to 10000 which is a reflection of the material cost they spend. The home bakers lack in promotion and initial investment which results in a low profile of business. The 4 % of respondents show more than 50000 rs of monthly sales which shows that there is a scope in the business and home bakers can do better if more efforts towards promotion are taken.

Q. What are your future plans for your bakery?

Most of the respondents want start there own cafes or bakeries on large scale. There is a small section of respondents who do home baking as hobby and don't have any intention to increase the scale of business.

9. Conclusion

1. A large section of home bakers don't have a professional degree in hotel management culinary or bakery but they take help from professional mentors. These new breed of entrepreneurs who have started their home baking profession do not have received technical skill and knowledge based education, industrial training and experience to give their operation a professional touch it is only passion and hobby that makes them to be the home bakers.
2. Lack of investments leading to insufficient promotion and marketing budgets and small space and simple equipment are the major concerns of home bakers. The home bakers are aware of their investment problem and have planned to grow the business through systematic investments from their earnings.
3. Social media is a boon for the home bakers as it not only have given a free platform for promotion of their business but it is also a source of information which home bakers relay on for information related to latest trends.
4. There are irregularities in flow of business for home bakers for which they need to find new market where they will get continues business like small cafes and restaurants. They also need to make different baked goods and advertise them to the market as most of them relay on cakes as there major product. Adding more items like pastry products, cookies and artisan breads can open new markets to them.
5. Awareness about fssai licence is lacking in the home bakers, which requires to be addressed as having this licence will help them to reach larger market.

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