PROJECT REPORT

“TO STUDY MARKETING STRATEGIES OF BRITANNIA COMPANY”

A PROJECT REPORT SUBMITTED TO UNIVERSITY OF MUMBAI IN
PARTIAL FULFILLMENT OF THE REQUIREMENT FOR M.COM
SEMESTER 1
IN SUBJECT OF STRATEGIC MANAGEMENT

BY

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DECLARATION BY STUDENT

I GAURAV BHAURAM JADHAV, ROLL NO.14-7280, The student of M.Com (Accountancy) Semester1(2014), K.V.PNDHARKAR COLLEGE, Affiliated to University of Mumbai, hereby declare that the project for the

Subject of STRATEGIC MANAGEMENT

“TO STUDY MARKETING STRATEGIES OF BRITANNIA COMPANY”

Submitted by me to University of Mumbai, for Semester - I examination is based on actual work carried by me.

I further state that this work is original and not submitted anywhere else for any examination.

Place : Dombivli                     Signature Of The Student
Date : 25TH October,2014
Roll No : 14-7280                  Name : Gaurav B Jadhav
ACKNOWLEDGEMENT

AT BEGINNING I WOULD LIKE TO THANK GOD FOR HIS BLESSING. I AM VERY MUCH THANKFUL TO MY TEACHER DR. RAJESHRI DESHPANDE AND MY PRINCIPAL FOR THEIR GUIDANCE, SUPPORT & ENCOURAGEMENT.

I ALSO LIKE TO THANK MY FAMILY MEMBERS AND FRIENDS FOR THEIR CO-OPERATION & HELP AND ALSO WOULD EXPRESS MY GRATITUDE TO ALL THOSE WHO HELPED ME DIRECTLY OR INDIRECTLY TO COMPLETE MY PROJECT.

I ALSO TAKE THE OPPORTUNITY TO SHOW MY SINCERE GRATITUDE TO MY PARENTS.

Gaurav B. Jadhav

INTRODUCTION

• MARKETING STRATEGY
Marketing strategy is the goal of increasing sales and achieving a sustainable competitive advantage. Marketing strategy includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives.

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed a multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned. See strategy dynamics. Marketing strategy needs to take a long term view, and tools such as customer lifetime value models can be very powerful in helping to simulate the effects of strategy on acquisition, revenue per customer and churn rate.

This project has been undertaken by me to study how marketing strategy is implemented on Britannia products. To analyze whether marketing schemes adopted by Britannia are beneficial or not, To analyze customer satisfaction about Britannia products, To analyze how to face the competitors by Britannia in market etc.

The objectives of our project is -
✓ To study the marketing strategies of Britannia Company.
✓ To study the awareness of products among the consumers.
✓ To know about the status of the competitors.
✓ To analyze the financial performance of the company.
✓ To analyze strengths and weakness of the company.
The study is an exercise involving estimation of parameters as regard to organizational requirements- research was designed so as to get relevant information that can be used for various organizational purposes.

**Data sources**

Primary data

Secondary data

Primary Data is the first hand information collected from respondents with the help of questioner, schedules and interviews. In this project a structured questioner is prepared and data of thirty respondents is collected, tabulated and analyzed on percentage basis.

Secondary Data is an information collected through published data, various reference books, journals, magazines, bullient, weeklings, papers, articles and internet are referred.
Data is collected on questionnaire basis.

The questionnaire includes a set of 10 questions.

Data collected is limited to only Thirty respondents.

The information provided by respondents proved to be sufficient to analyze the accuracy of study.
PROFILE

• CONCEPT

• Marketing Strategy

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Time horizons covered by the marketing plan vary by company, by industry, and by nation, however, time horizons are becoming shorter as the speed of change in the environment increases. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned. See strategy dynamics. Marketing strategy needs to take a long term view, and tools such as customer lifetime value models can be very powerful in helping to simulate the effects of strategy on acquisition, revenue per customer and churn rate.

Marketing strategy involves careful and precise scanning of the internal and external environments. Internal environmental factors include the marketing mix and marketing mix modeling, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement.
Once a thorough environmental scan is complete, a strategic plan can be constructed to identify business alternatives, establish challenging goals, determine the optimal marketing mix to attain these goals, and detail implementation. A final step in developing a marketing strategy is to create a plan to monitor progress and a set of contingencies if problems arise in the implementation of the plan.

Marketing Mix Modeling is often used to help determine the optimal marketing budget and how to allocate across the marketing mix to achieve these strategic goals. Moreover, such models can help allocate spend across a portfolio of brands and manage brands to create value.

• Types of strategies

Marketing strategies may differ depending on the unique situation of the individual business. However there are a number of ways of categorizing some generic strategies. A brief description of the most common categorizing schemes is presented below:

Following strategies adopted by the organisation

✔ A strong quality of the product and customer satisfaction:
Customer always believe in good quality of the product. in my survey I found that in percentage term more people is quality conscious and not price conscious.customer satisfaction is very important part of the organisation that at any cost they have to fulfill.

✔ A growing relationship with customer and customer retention:
Nowadays a good relation with customer is very important for organization. Sale is totally depending on the relation with the customers. Customers retention is also major aspect for growing business. It means keep the old customers and try make new customers.

✓ **Focus on competitors activity**:
Every organisation should must be careful about it’s competitors step, because they can disturb the growing sales process of the organisation.
BRITANNIA INDUSTRIES LTD, Company Established in 1918 as a small bakery in Kolkata with an initial investment of RS. 295. The Company was incorporated on 21st March, as a public limited company under the Indian Companies Act, of 1913. A new factory was established at Kasara Pier Road in Mumbai. Britannia Industries Limited (BIL) is a major player in the Indian Foods market with leadership position in Bakery category. Product ranging from the healthy and economical tiger biscuits to the more lifestyle-oriented milkman cheese. Britannia is the first bakery company in India to remove transfers from its biscuits Britannia innovates for strong presence in health and nutrition space living up to its credo “eat healthy think better” The Company's plants are situated in Kolkata, Delhi, Chennai, Mumbai and Uttarakhand. During the year 1978, the company made Public issue, in that Indian shareholding crossed 60%. BIL was ranked 27th
place in the list of India's Fastest Growing Large Companies by Business Today.

Britannia products are exported to several countries worldwide including Nepal, Singapore, Pakistan, Malaysia, Indonesia and Egypt England, New Zealand, their products are sold in U.S supermarkets in the foreign foods section. It is also believed to be adding capacities at its contract manufacturing units at West Bengal, Assam, Pondicherry, Kanpur and Nagpur Bangladesh, Gujarat, Bangalore, Karnataka, Kolkata, Britannia was acquiring a reputation for quality and value. Britannia is an Indian company, which holds larger share in the Indian Biscuit Market. Its brand portfolio includes Tiger, Marie Gold, Good Day, 50:50 and Treat.

1. 1986 - Good Day
2. 1889 – Circuit & Pure Magic
3. 1990 – Elaichi Cream, Petit Beure, Milk Bikis & Fruit Bread
4. 1992 – Little Heart
5. 1993 – Fifty-Fifty
6. 1994 – Bakers Choice, Thin Lite
7. 1995 – Pure Magic
8. 1996 – Marie Gold
10. 1999 – Flavored Milk Brand “Zip-Sip”
STRENGTHS

• Contract manufacturing model

What makes Britannia unique amongst its peers is its contract manufacturing model. The company outsources the entire production of bread, cakes & Rusk sold by it. Around 76 percent of its biscuits are also produced by third-party units. This strategy has helped the Tiger brand in creating to growing market needs quickly and at the lowest price possible.

• Strong brand positioning as a health force biscuit

Tiger as a brand has been a roaring success. Within a year of launch, Tiger glucose and tiger cashew have, together, achieved a turnover of Rs 100 crore and a market share of 30 percent in the glucose biscuits segment. At the low end price points targeting the mass market, tiger glucose (Rs 5 for a 100 gm pack) and tiger cashew badam (Rs 6 for 75 gm) are positioned as healthforce biscuits.

• Quality accreditations

Other than Cremica ‘priya gold’ and ‘Britannia tiger’, none of the other brands carry the ISI mark. In a comparative test study done in 2003 by ‘voice’s voluntary organization in interest of consumer education, it was revealed that only the claim of Britannia tiger as a health product matched the actual content of the biscuit.

• Various tigers
Britannia has gained market share for its Tiger brand by introducing different variants catering to all segments of society viz. glucose, cream (Orange, Elaichi, Chocolate, Rose Milk and Kesar), coconut, Chota-Tiger and recently-launched banana variant. Enhancing the portfolio of varieties under the Tiger brand is intended to give consumers more reasons to buy.

- **Alternative Distribution and Marketing strategies**

  Along with normal distribution, Tiger is also focusing on bulk supplies at railway platforms, canteens and BPO offices, thereby increasing its reach across regions. Also launched "Chota-Tiger" (smaller packs) with two to three biscuits to facilitate quick eating at consumption avenues. Separate market structure and sales force is devoted to handle these alternative distribution.

- **Excise duty holiday**

  The combined taxes, central-vat, excise & local taxes used to amount to 26% of total cost of Tiger biscuit. Recently government gave relief to biscuit industry by exempting the biscuit variants with cost below 100 per kg from excise duty. This measure has come as a great relief to Tiger as it falls under the privileged segment.

- **Value for Money**
Tiger biscuit is positioned at low-end price-points (RS 5/ RS10) targeting the mass market. Tiger biscuit has maintained quality at low prices, maximizing value for the customer. Tiger had maintained the same price for its flagship ‘glucose’ brand for several years to enhance customer satisfaction.

4.2 Weakness

1. Brand name tussle

- Fulfill one of our basic requirement among air, water, food, shelter
- Widely accepted in all generations
- Easily available in various forms
- Provide good instant remedy for hunger in the form of readymade food
- Preserves the non-seasonal food and makes it available all throughout the year

**WEAKNESSES**

- **Brand name tussle**

The relation between Britannia’s major stake holders -- Wadias and Danone, has turned sour since 2005-06 over the alleged unauthorized use of the Tiger brand by Danone in five countries; viz. Singapore, Pakistan, Malaysia, Indonesia and Egypt. Britannia has filed a case against Danone at Singapore court regarding the same.

- **Low profit margin**
After a drop in operating profit margins to 6% levels in 2006-07 from over 11% in the previous year. The current input prices are still significantly higher than previous year. Britannia will have to neutralize the adverse impact of the same through a combination of improved realization per pack, operating efficiencies and mix improvement.

- Low penetration in sub-urban and rural sector

Although Britannia has a large established distribution network, but still there is a huge unorganized sector (40% of total Indian biscuit market) operating in sub-urban and rural areas. These regional players mainly eat onto the potential market pie of Tiger biscuits, as it is the brand primarily into mass-market’s) Lion’s share (70%) of Britannia’s revenue comes from metros

Decrease nutritional value

Increases the cost of food product

Industry and technology requires high investment

**OPPORTUNITIES**
• **Cost-control**

Cost-cutting measures, especially in the areas of manufacturing, logistics and distribution, will pave the road for increased profit margins. Rising inflation and increased input prices have been pushing profit margins for last couple of years. So, employing various strategies to control cost will help in meeting financial objectives.

• **Untapped Market Potential**

Indies per capital biscuit consumption is still at about 1 kg, as against 2.5 to 3 kg in Sri Lanka, 5 kg of Europe and 7.5 kg of USA. So, in future we can expect per capita consumption to grow to at least 2.5 kg. This entails to a huge untapped potential market.

• **International Market**

Although Britannia exports its various products to countries including the US, Ghana, Seychelles, Singapore, Oman, Saudi Arabia, United Arab Emirates, Qatar, Bahrain, and Kuwait, but Tiger is exported to only Sri Lanka, US and AUS. So, the existing distribution network.

• **Growth Potential**

The company is investing RS.130 crores from its internal cash reserves towards capacity addition. It is also believed to be adding capacities at its contract manufacturing units at West Bengal, Assam, Pondicherry, Kanpur and Nagpur. The company has also been following the inorganic route of expansion quite actively in the recent past. It made its first
international acquisition in March 2007 by buying 70 per cent stake in Strategic Food International Co LLC, Dubai, a leading company in the biscuits and cookies segment in the GCC (Gulf Cooperation Council) markets. Biscuit industry in India in the organized sector produces around 60% of the total production, the balance 40% being contributed by the unorganized bakeries. With increased production capacities Tiger will be able to capture part of unorganized sector be leveraged to export in these countries.

- Increase economy of India
- Generate employment opportunity
- Good quality of Goods.
- Provide competition to foreign companies
- Improve standard of living
- Flow of foreign reserve and funds for the govt.(taxes)

**THREATS**

- Increasing Inflation

Food inflation is in excess of 10 per cent and input-cost inflation will be more severe in 2008-09. Inflation will remain the biggest challenge for the next year. Increasing prices of inputs - 20-25% increase in inputs in last 2 yes Prices of food grains are soaring wheat have increased from 650 to 980 per quintal.

- Bleak near-
Future industry outlook The growth in the biscuit market in India has reflected a decline in the last fiscal. This can be attributed to increasing input prices and rising inflation. Also, oil prices have reached $144/barrel. All these factors indicate that in near-future industry has rough ride ahead.

- **Competition**

Strong competition from ITC, Parle, Sara Lee, United Biscuits, Kellogg, and Nestle India ensures that it does not take its leadership, in the domestic market, for granted. Specifically in Glucose biscuit segment, Tiger faces stiff competition from Parle Products Parle-G biscuits.

Price sensitive market Tiger biscuit operates in the low-price segment, which is catering to a very price sensitive customer. This leads to very low margins and hence very less space for innovation. Any increase in price can lead to substantial market-shift.

- **Customer behavior**

Shift Biscuit industry in low-price segment faces stiff competition from other foods category viz. nankeen, chips etc. These are also in the low price segment(RS 5-10category) and have the advantage of lower taxes. VAT on this food segment is 4% while Biscuit segment is levied a VAT of 12.5%. Lower taxes provide for higher profit margins and stiffer competition in supply chain.
1) Are you aware about Britannia Company?

<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28</td>
</tr>
<tr>
<td>No</td>
<td>02</td>
</tr>
</tbody>
</table>

2) For what Purpose Britannia company Known for?
3) How did you come to know about Britannia products?
No. of Consumers | 30
---|---
Through Advertisement | 12
Through Customers | 9
Through Internet | 6
Through others | 3

4) Are you used Britannia Products?
<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>26</td>
</tr>
<tr>
<td>No</td>
<td>04</td>
</tr>
</tbody>
</table>

5) Which Britannia’s product you used most?

<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biscuit</td>
<td>18</td>
</tr>
<tr>
<td>Bread</td>
<td>05</td>
</tr>
<tr>
<td>Milk</td>
<td>02</td>
</tr>
<tr>
<td>All of the above</td>
<td>05</td>
</tr>
</tbody>
</table>
6) Is Britannia Product price range affordable to common people?

<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>24</td>
</tr>
<tr>
<td>No</td>
<td>06</td>
</tr>
</tbody>
</table>
7) What do you think Britannia’s biscuit is preferable with?

<table>
<thead>
<tr>
<th></th>
<th>No. of Consumers</th>
</tr>
</thead>
<tbody>
<tr>
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<td>30</td>
</tr>
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<td>Biscuit</td>
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<tr>
<td>Bread</td>
<td>05</td>
</tr>
<tr>
<td>Milk</td>
<td>02</td>
</tr>
<tr>
<td>All of the Above</td>
<td>05</td>
</tr>
</tbody>
</table>
8) Which Biscuit you used mostly of Britannia?

<table>
<thead>
<tr>
<th>Biscuit</th>
<th>No. of Consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Day</td>
<td>14</td>
</tr>
<tr>
<td>Fifty Fifty</td>
<td>04</td>
</tr>
<tr>
<td>Little Hearts</td>
<td>03</td>
</tr>
<tr>
<td>Bourbon</td>
<td>09</td>
</tr>
<tr>
<td>No of Consumers</td>
<td>30</td>
</tr>
</tbody>
</table>
9) Which company is competing Britannia Products in the Indian market?

<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Parle</td>
<td>15</td>
</tr>
<tr>
<td>Priyagold</td>
<td>05</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
</tr>
</tbody>
</table>
10) Do you think offers and schemes on Parle product are good/satisfactory?

<table>
<thead>
<tr>
<th>No. of Consumers</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>22</td>
</tr>
<tr>
<td>No</td>
<td>08</td>
</tr>
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</table>
FINDINGS AND SUGGESTIONS

➢ Britannia Products Have Global Image.

➢ Customer trust on brand of product and name of company while purchasing the product.

➢ The Company always tries to deliver a good quality and taste products at reasonable and affordable prices.
➢ The Company should take necessary actions on Complaints made by customers in order to satisfy them.

➢ The Company should satisfy their employees by giving them Bonus, Incentives, Medical Allowances etc.

I have studied and analyzed the food products market of Britannia on different aspects of the market strategy and consumers.

According to me, a growth of any product is based on different aspects like manufacturing good quality products, it should be well packed, it should have different quantities, preparing goods with affordable price, publishes their products with the help of advertisement, internet, newspapers etc., maintaining good and healthy relations with their customers, analyzing market structures along with their competitors etc.