

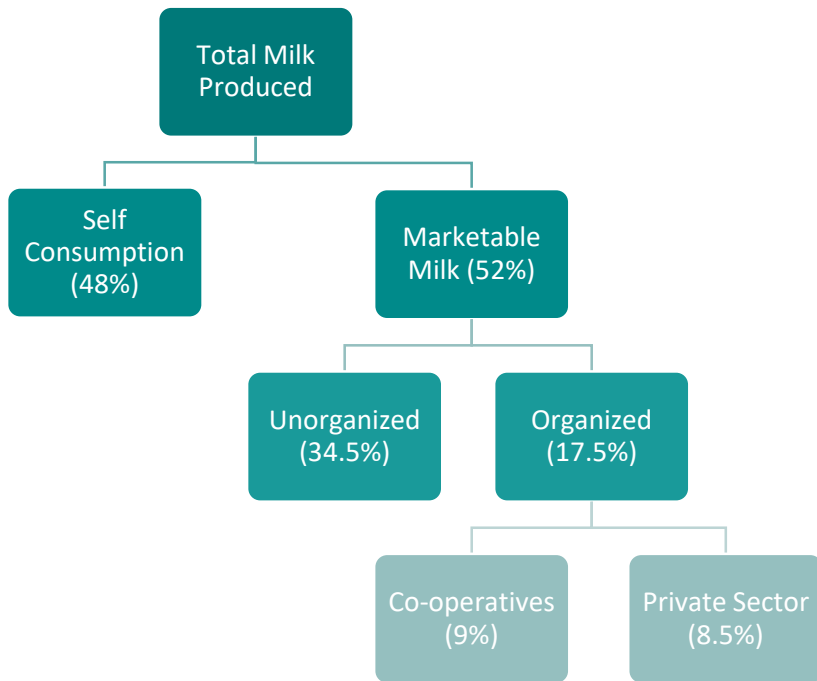


TAPPING INTO THE GHEE MARKET OF INDIA

A Case Study by **Team Intelliqo**



DAIRY MARKET - HIGHLY UNORGANIZED



Unorganized Market

- Dominates the market share (cheaper)
- Unprocessed, fake and spurious quality
- Retailers gain higher margins



Organized Market

- The share of organized segment gradually inched up from **16.7%** in FY10 to **22%** in FY16.
- Lucrative for investors:
 - Rising disposable incomes
 - Rising consumer preference for brand
 - Rising consumerism
 - Increasing nuclearization of families and growing urbanization

GO-TO MARKETING STRATEGY - **OVERVIEW**

Competitive Edge of Players

Strong Procurement
Infrastructure

Tapping the right Region

Focusing on Trade Chain

Strong branding

FROM FARM TO HOMES



“TO ENTER GHEE MARKET, WE NEED TO
TARGET THE ENTIRE DAIRY SEGMENT!”

Let's see what our Competitors did.

GO REGIONAL!

Competitive Edge of Players

Strong Procurement Infrastructure


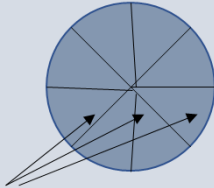

Tapping the right Region

Focusing on Trade Chain


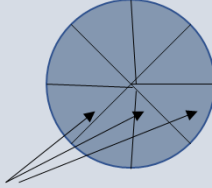

Strong branding

- Raw milk procurement is one **most critical requirement** in the dairy eco-system.
- Milk procured must reach the consumers in less than 30 hours (**highly perishable**)
- The segment is **dominated by regional private dairies or cooperative dairy companies** and faces lesser threat from **national players even with pan-India distribution.** (Edelweiss Research – Appendix 1)
- The VADP products can use the **same existing supply-chain** of pouch milk supply.

NICHE MARKETING

Undifferentiated (mass) marketing	Differentiated (segmented) marketing	Concentrated (niche) marketing
		
<ul style="list-style-type: none">• Whole market with one offer.• Ignores segments• May not capture the exact sentiments in a diverse market.	<ul style="list-style-type: none">• Decide to target different market segments.• Separate offers for each• Not manageable for initial stages.	<ul style="list-style-type: none">• Concentrate on one or few segments or niches.• Can be manageable at initial stages.• Can also capture exact sentiments.

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WHO ALL STARTED WITH REGIONAL?

ALMOST ALL MAJOR PLAYERS



"REGIONAL...
BUT WHERE?"

WHERE TO MARKET?

Competitive Edge of Players

Strong Procurement
Infrastructure

Tapping the right Region

Focusing on Trade Chain

Strong branding

MARKET IN SOUTH!

REASON 1

- South Market has the **least competitive barrier** in both – Private and Co-operative society.
- South has the second-highest milk capacity in India.

States	Number of Competitors	Milk Produced (000' tonnes) (2017-18)
Bihar	12	9242
Karnataka	24	7137
Kerela	25	2576
Gujarat	33	13569
Tamil Nadu	37	7742
Harayana	37	9809
Rajasthan	38	22427
Madhya Pradesh	40	14713
Andhra pradesh	48	13725
Punjab	77	11855
Uttar Pradesh	251	29052
Maharashtra	395	11102

■ Low figure

■ Medium figure

■ High figure

Ideal Case:

- Competitors: ■
- Milk produced: ■

Source: Research Gate (Appendix 2) & NDDB

MARKET IN SOUTH!

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■ Low figure

■ Medium figure

■ High figure

Ideal Case:

- Competitors: ■
- Milk produced: ■

MP not chosen: Surrounded by high competition (Gujarat, Rajasthan and UP)

PRIMARY RESEARCH - SURVEY

CONSUMER DEMOGRAPHICS

- Gender
- Age
- State
- Number of adults in family (above 12 years)
- Number of children in family (below 12 years)
- Food habits (veg/non-veg)

CONSUMER MOTIVATION

- What motivates you to purchase ghee?
- What demotivates you to not purchase ghee?

CONSUMPTION PREFERENCES

- The average consumption of ghee per month in the family?
- What is your preferred packet size?
- What packaging would you prefer?
- What brand ghee do you prefer to use?
- Will you switch to a new brand offering similar price & Quality?

Questions: bit.ly/Ghee_Ques
Responses: bit.ly/Ghee_Ans

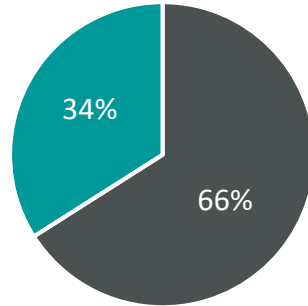
*Survey conducted by our team from **20th to 21st December, 2019**
(More than 500 respondents)*

MARKET IN SOUTH!

REASON 2

- More number of people are ready to **switch their brands** in South!
- South spends the highest on FMCG products.

Will you switch to a new Ghee brand with a similar price and quantity?

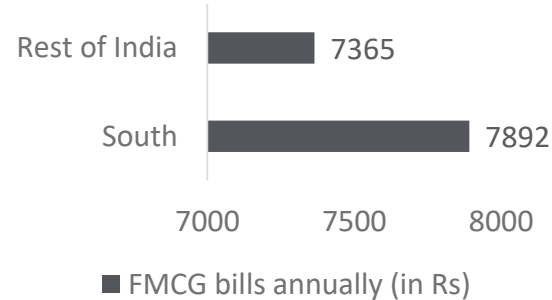


■ Yes ■ No

According to the survey conducted by our team from 20th to 21st December, 2019 (More than 500 respondents)

Southern Edge:

The Grocery bills of Southern states are higher than the rest of India.



Small pack sizes, higher grocery bills rule FMCG purchases in south: Survey

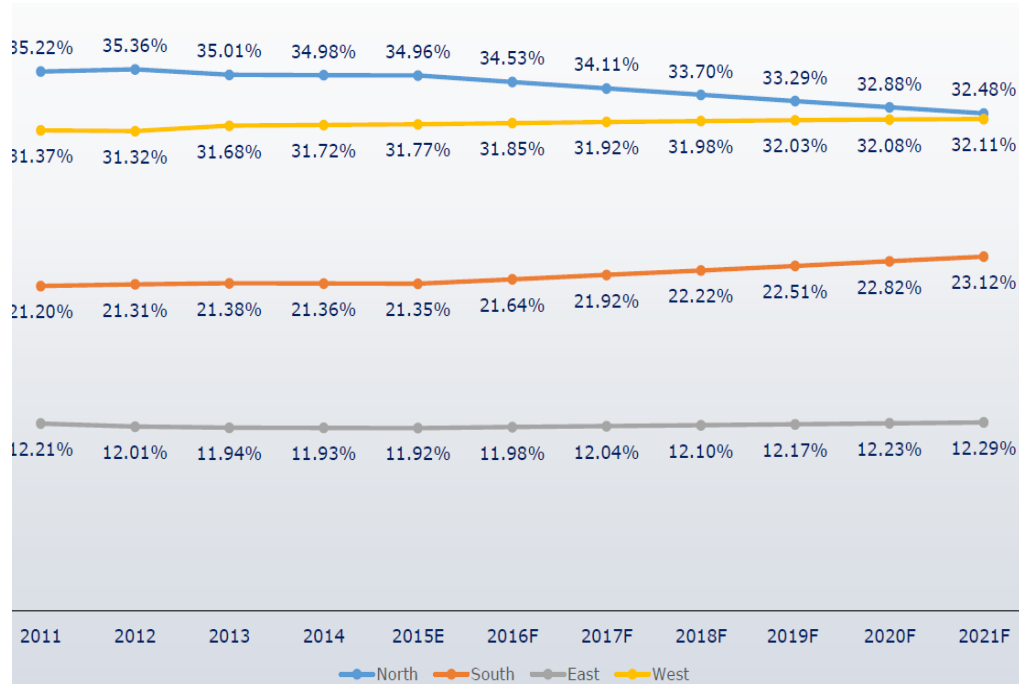
2 min read . Updated: 17 Apr 2019, 06:23 AM IST

Source: Kantar Wordpanel

MARKET IN SOUTH!

REASON 3

- Demand for Ghee in South is rising much more than other parts of India.

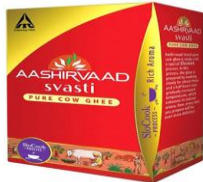


- Weather and Adequate Fodder in Andhra Pradesh is also a major factor as there will be a scarcity of fodder in nearby future.
- NOTE:
Karnataka state government gives subsidy to farmers for supplying milk to the cooperatives => Disadvantage for Private Players

Source: Appendix 5

MARKET IN SOUTH!

Major Player ITC also starts Regional...from South!



ITC Svasti



ITC follows the Aashirvaad trail

Business Standard - 27-Dec-2015

Way back in 2002, when **ITC** launched Aashirvaad packaged wheat flour, ...

Aashirvaad **Svasti Ghee** currently in **Karnataka** will be expanded in ...

HOW TO SELL **MORE**?

Competitive Edge of Players

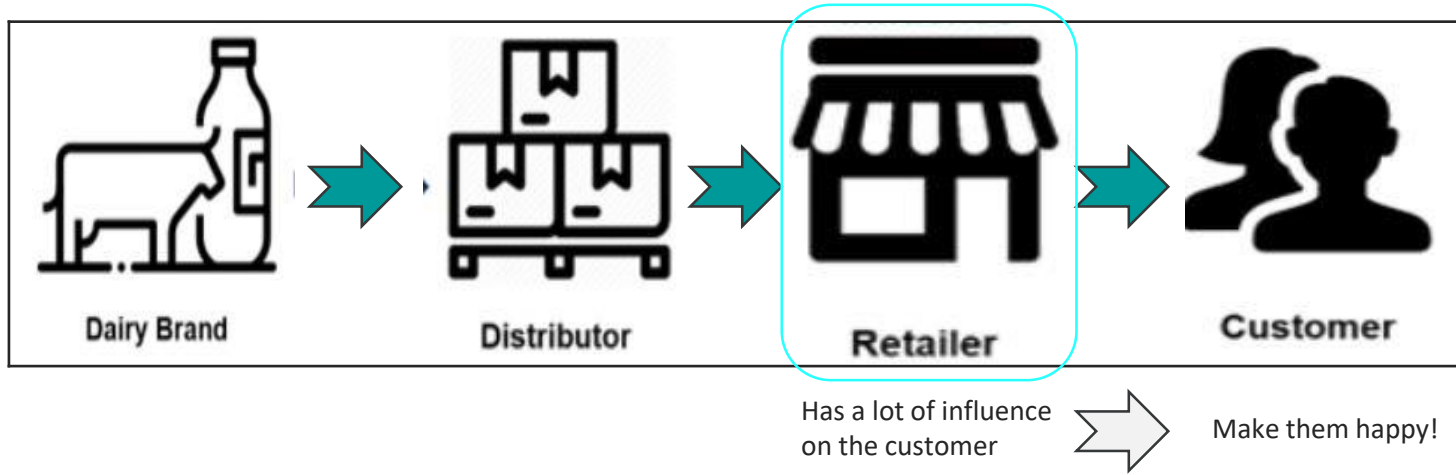
Strong Procurement
Infrastructure

Tapping the right Region

Focusing on Trade Chain

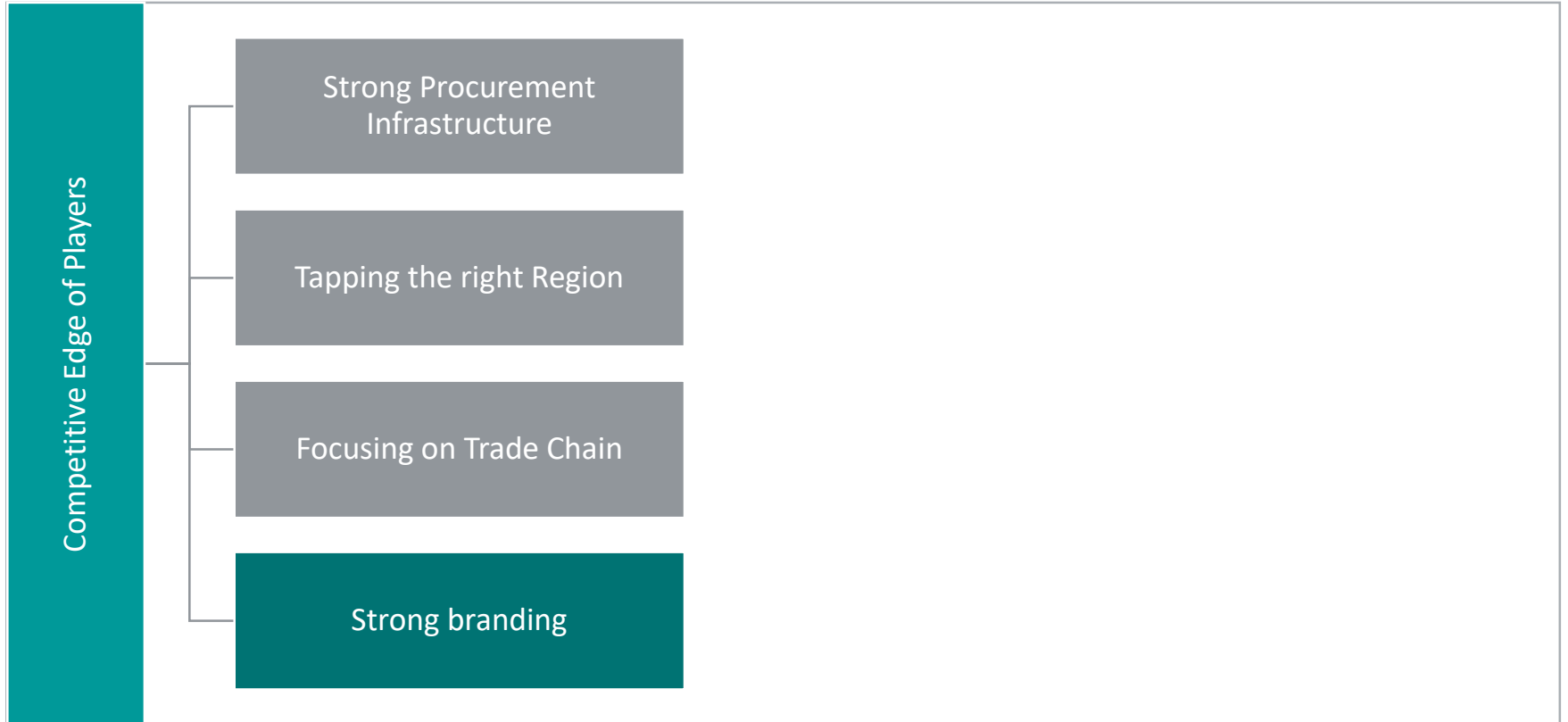
Strong branding

KEEP THE RETAILER HAPPY!



Refer & Earn	Add-On profit margin	Retailer's Fair
<ul style="list-style-type: none">Referring 5 other retailers (and their signing up with us) then he will receive an incentive	<ul style="list-style-type: none">Having a sales of 2.5 lakh multiples in intervals of 6 months will benefit retailers by providing them increased profit margin.	<ul style="list-style-type: none">We will conduct a annual retailer fair where retailers can setup up their stall to showcase their product & price offering to end customers.

ARE WE COMPLETE YET?



“BUT WAIT...BEFORE **BRANDING**,
WE NEED TO KNOW OUR CUSTOMERS”

Let's understand the Consumer Psychology
of buying Ghee in India

HEALTH IS TRENDING IN THE MARKET!

Declining Growth rate of AMUL

Declined from **30% to 26%** due to inclination of youth towards **health**. Primary reason is lack of knowledge about health benefits of ghee & AMUL is not able to reflect the same in its branding campaign.

Declining consumption of COCA-COLA

Coca-Cola brands declined **2% by volume** because bottled water companies managed to convince people that buying is a **healthier choice than sugary soda**.

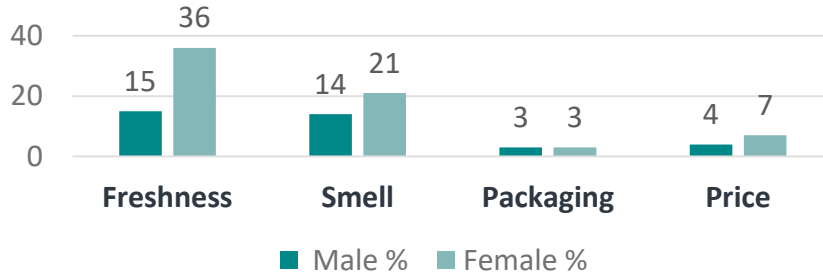
Increasing in PATANJALI market Share

Patanjali is spreading awareness about benefits of ghee, this has lead to a increase in the market share of VADP products despite of huge competition.

Ghee is really healthy...But consumers don't know about this

CONSUMER SATISFACTION & LOYALTY

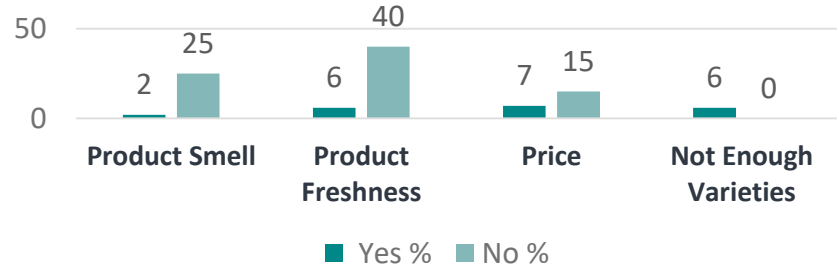
Reason for Satisfaction & their rank of Importance



- There is significant linear relationship of **product freshness** to the **satisfaction of purchase**.
- While price is an important factor in purchase of a dairy product, yet we cannot overlook the fact that this cannot compensate for the lack of freshness in the product.

$$Y_{\text{Satisfaction}} = 0.311 - 0.119X_{\text{PackagingAttractiveness}} + 0.119X_{\text{ProductSmell}} + 0.855X_{\text{ProductCodeDate}}$$

Effect of Dissatisfaction on willingness to shift



- **Freshness** bends consumer's willingness to shift their brands and subsequently their loyalties if found foul.
- Competition also determines the visibility of one's product in the marketplace.

$$Y_{\text{LoyaltyShift}} = -0.341 + 0.097X_{\text{Packaging}} - 0.141X_{\text{Brand}} - 0.300X_{\text{Location}} + 0.372X_{\text{SatisfactionStatus}} + 0.380X_{\text{ReasonforSatisfaction}} + 0.123X_{\text{Dissatisfaction}} + 0.829X_{\text{Competition}}$$

PACKAGING PREFERENCES

SUSTAINABILITY MATTERS TO CONSUMERS

- **Unilever:** 1 in 3 consumers buying from brands based on social and environmental impact (2017 study).
- According to a survey by **INSITES Research 2018: (Appendix 4)**

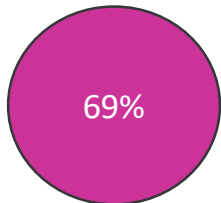
Millennials **truly care** about this issue



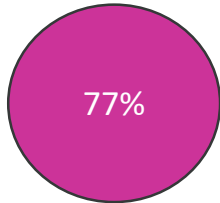
GLASS IS THE NEW PREMIUM

SUSTAINABILITY MATTERS TO CONSUMERS

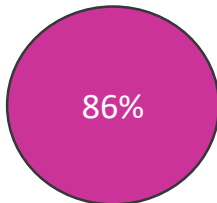
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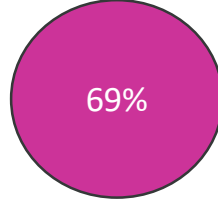
See glass as most recyclable & ocean friendly packaging



Say glass is best packaging for beauty, fragrance and pharma



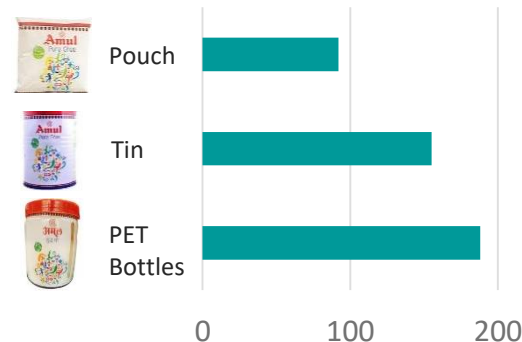
See glass as most premium packaging



Feel that glass packaging preserves quality & scent

- Transparency in glass is attractive for many.
- BV Glass is 90%+ recyclable
- Glass is an incentive to buy a product

PREFERRED PACKAGING



- Consumers preferred **PET and Tin packaging** over pouch pack.
- Reason behind this could be the **handiness of bottle or jar**.

HOW WOULD OUR PRODUCT LOOK?

PRODUCT REVEAL – JEETE RAHO

Air tight packaging to preserve aroma

Glass Packaging

- Feels Premium
- Transparency

Minimalistic & Royal feel through the cover.

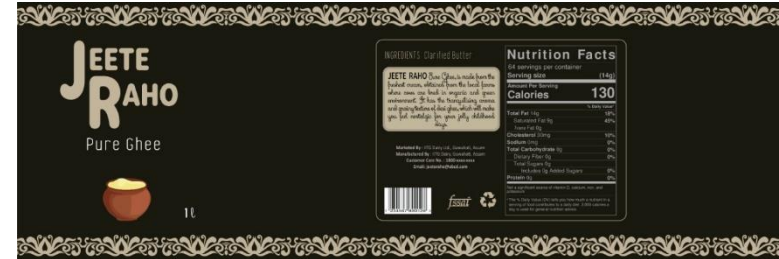
Sleek design for handiness



POSITIONING

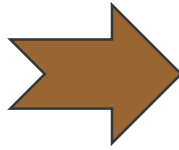
- **Theme:** Natural & Fresh
 - Traditional Values
 - Nostalgia (like Paper Boat)
 - Healthy
- **Target Audience:** Tier 1, 2
 - Millennials
 - Mid-aged
- **Messages/Tag lines:**
 - Kuch yaadein bas apno se boli jaati hain..
 - Hum karte hain aapki health se pyaar

MORE PACKAGING OPTIONS



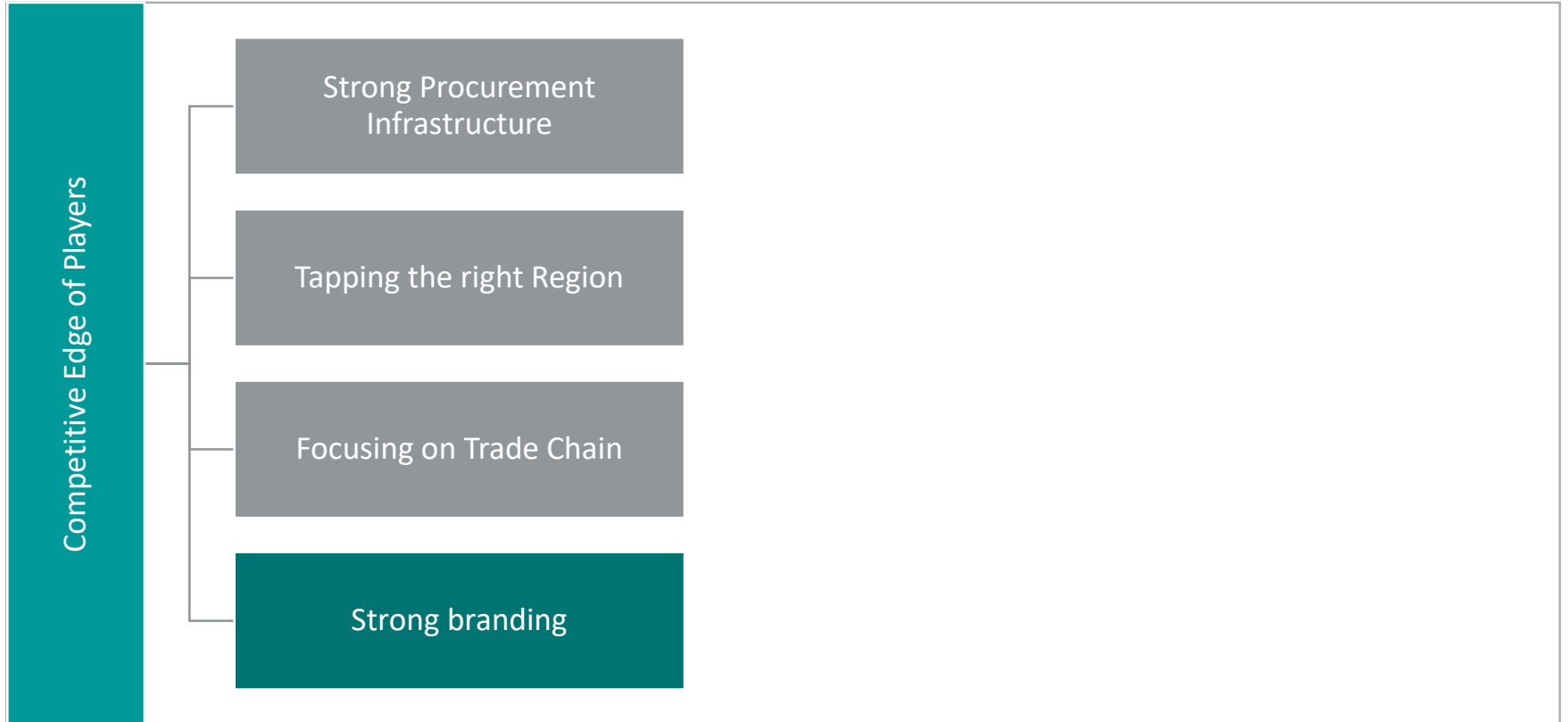
- PET unique shaped bottle to differentiate from market.
- For 200 ml and 5 kg packs

PERSONALIZATION OF PRODUCT



LET'S GET BACK TO BRANDING

THE FINAL STROKE - **BRANDING**



JEETE RAHO- THREE STEP PLAN

No business model is complete without a good Marketing Strategy. It is important to tap the Indian customer base that not only gathers their **involvement** But also **creates an impact**.

1. Outdoor Visibility
2. Social Marketing
3. Collaborations

Marketing

For Jeete Raho to succeed in the vast dairy market, it has to make partnership with different sector businesses :

1. Caterers
2. Doctors
3. Retailers
4. Supermarkets
5. Online Stores

Strategic alliances

Customer Relations

1. Incentive Programs
2. Rewards & Membership
3. Personalized note

After strengthening the foundations of Jeete Raho, the next and foremost step is to build **trust, reliability and acceptance** amongst its customers.

REACHING TO PEOPLE DIRECTLY!

RECYCLE THE JARS



Empty jars
(1 liter)

x 5 =



Free 200 ml ghee pack

- Will **engage** the customers in buying our ghee packs again and again.
- Will project our eco-friendly image.
- Recycled glass can be used again => Cost saving

NEWSPAPER MANIA



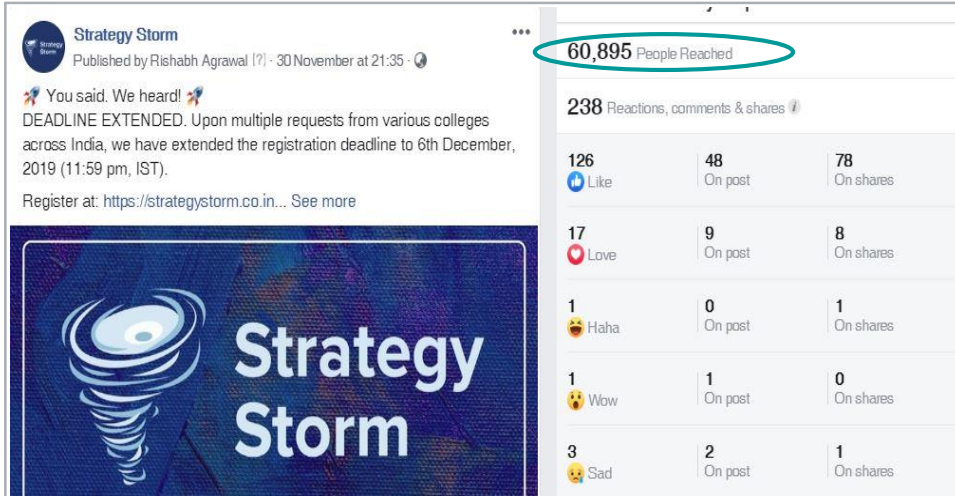
Coupon Code

Day 27
3



January						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

ONLINE MARKETING

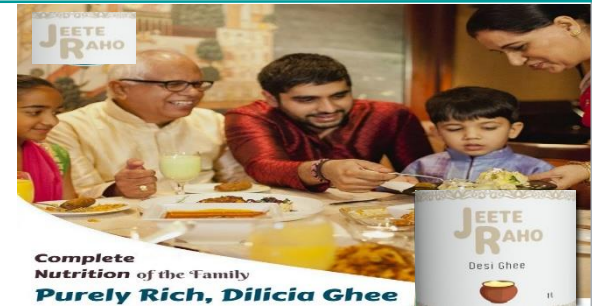


Jeete Raho should leverage the social media marketing space:

- Cheap but highly effective (This post was boosted by just paying Rs. 400/-)
- Personalized targeting
- Will attract Youth

#ShareYour
JeeteRaho
Experience

The Vlogs, Photos and Posts of people about their store experiences and cooking process can be shared via our Facebook and Instagram page for a greater emotional connect.



GUERILLA MARKETING

- **Street Presentation** : Capturing the busy streets and setting up a **Small Stall** to gather attention where we can tell people difference between *fake ghee and desi ghee*.
- **Auto Rickshaws** : Gathering a union of rickshaw drivers and painting “JEETE RAHO” mascot at the back of their rickshaw.
- **Radio** : Urban areas suffer from extremely slow traffic (Bengaluru traffic city third slowest) in India with average times in traffic upto **1h23 mins/day**.



What's the difference?



VS.



CONCLUSION

We come to the end of the journey here. After analysing the arrival of Jeete Raho in and all out, here are some takeaways:

1. Jeete Raho must target a Regional Market in the beginning.
 - The segment is **dominated by regional private dairies or cooperative dairy companies** and faces lesser threat from **national players even with pan-India distribution.**
2. Beginning from Andhra Pradesh, Jeete Raho should cover the Southern Region first.
 - **High market growth rate, low competition and high milk production** are one of the favouring reasons for South.
3. Sustainability, Freshness and Premium are the demand of the consumers.
 - Glass design package explored for Jeete Raho
4. A sustainable plan for Jeete Raho has been developed which covers its Business Model to its Marketing Strategy.
 - Strategic Alliances, Online Marketing and various effective Marketing strategies to connect to the people.
 - Retailer must be kept happy to enjoy a **great sales**

THANK YOU!

APPENDIX

- Appendix 1 - Market Dairy Edelweiss Report 2016 - <https://www.dsij.in/productAttachment/premarketreports/Market Dairy Edelweiss 12.12.17.pdf>
- Appendix 2 – Research Gate Market Research on Market Dairy - [https://www.researchgate.net/publication/314496958 India's Dairy Sector Structure Performance and Prospects/figures](https://www.researchgate.net/publication/314496958_India's_Dairy_Sector_Structure_Performance_and_Prospects/figures)
- Appendix 3 - Factors affecting Consumer Buying Behavior, Consumer Satisfaction and Consumer Loyalty in the Ghee Industry. “A Perspective of Bangalore Ghee Market”
<https://aijsh.com/shop/articlepdf/2017/02/14860398832.pdf>
- Appendix 4 - Glass packaging: The millennial kind of packaging - https://feve.org/wp-content/uploads/2019/01/EN_PCD-Press-Conference-INSITES-Research.pdf
- Appendix 5 – Indian Dairy Market Forecast & Opportunities - https://feve.org/wp-content/uploads/2019/01/EN_PCD-Press-Conference-INSITES-Research.pdf

APPENDIX 3 - SURVEY

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.311	0.104		3.003	0.003
Is Packaging Attractiveness the reason for Satisfaction	-0.119	0.049	-0.105	-2.414	0.017
Is Smell the reason for Satisfaction	0.119	0.066	0.09	1.805	0.073
Is Freshness or Code Date the reason for Satisfaction	0.855	0.057	0.855	14.876	0
Is Price the reason for Satisfaction	-0.035	0.031	-0.041	-1.12	0.264

Consumer Satisfaction



Consumer Loyalty



Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.341	0.030		-11.322	0.000
Do you have packaging difference	0.097	0.031	0.113	3.122	0.002
Do you have a brand preference	-0.141	0.035	-0.164	-3.987	0.000
Where do you purchase from	-0.300	0.027	-0.832	-11.038	0.000
Are you satisfied with your purchase	0.372	0.037	0.372	10.020	0.000
What is the reason for your Satisfaction	0.380	0.025	0.844	14.925	0.000
What is the reason for Dissatisfaction?	0.123	0.023	0.331	5.467	0.000
What is the level of Competitor Response?	0.829	0.052	0.621	15.986	0.000