

NUTRINE: CAN THE BUNNY HOP?

MARKETING ANALYTICS CASE ANALYSIS



EXECUTIVE SUMMARY

Nutrine was developed as the umbrella brand (sometimes called the “parent” or “family” brand) for all confectionery products produced by the Nutrine Confectionery Company (NCC). All the products it launched initially carried only the name Nutrine on their wrappers. To attract its target group of children between the ages of 6 and 13 years, Nutrine used a bunny brand character; this bunny quickly became part of Nutrine’s identity. Many middle-aged Indian consumers still reminisce about the Nutrine Bunny of their childhood—the Bunny advertisements, the Bunny teeth they received when they purchased a package of confectionaries, such as Kokanaka Cookies. But modern kids are different: more individualistic, more exposed to global media, and highly brand and image conscious. They understand brands through visual representations.

As competition intensified in the confectionery industry in the early part of the twenty-first century, Nutrine found itself falling behind the competition. After intensive negotiations with both Cadbury and Nestlé, Nutrine finally sold to Godrej Beverages and Foods (GBFL) in June 2006. In April 2007, GBFL entered into a joint venture with Hershey’s. But the lack of focus in Nutrine’s brand investments between 2003 and 2006 continued to affect the business and its brands. The Nutrine portfolio² contains products in various confectionery categories,³ but its major brands dominate in three: hard-boiled candy, éclairs, and toffee. Two key brands accounted for a whopping 70% of Nutrine’s revenues: Nutrine MahaLacto (hard-boiled candy) and Nutrine Éclairs.

Nutrine, like other confectionery brands, operates in a highly competitive market. Some companies have an overarching brand strategy, while others choose individual brands for different confectionery segments. The major competitors are parle, nestle, Cadbury, Candyman and Perfetti in the Indian confectionary industry. Impulsive buying nature of candies purchase, consumer packaged goods offering a little scope for differentiation, intense competition, distribution network form a part of major industry-related challenges.

Analyzing the current business situation of Nutrine, the below problems were identified:

- 1) Need for Recreating the Umbrella Brand-Nutrine or leverage on the brand strength of its Market Leader Maha Lacto.
- 2) Declining sales and reducing market share of Nutrine’s confectionaries.
- 3) Defining a brand Roadmap.
- 4) Making the best use of potential business opportunities of foraying into the segments of mints and gums.
- 5) Identifying key customer segments and accordingly position the brand and its offerings to the targets.

Three models are going to be explored to consider possible alternatives that might benefit the company and generate solutions to the above problem statements. The first analysis would represent the perpetual model considering a position where the company situates Nutrine and Mahalacto in the market to perceive their location compared to other existing brands. Two perspectives would be tackled, one for the mint and the other for the gum without the ideal of both. A second model would depict the joint-space analysis by combining perpetual and perceptual customers’ data, with the ideal of both mint and gum. Forward, the third analysis would relate to the external analysis involving segment ideals for both categories and

potential target segments. Applying these models could help our market team to make a reliable decision, beneficial to the company. Below each analysis will be interpreted.

The FGD research conducted by Nutrine focused only on the age group of 8-14 years, leaving great room for other target markets. Intense competition can be a limitation due to which it is difficult for the organization to differentiate and even if it does it is highly possible and easy for competitors to easily grab the attention of the current consumers with small changes. To build a brand from scratch is a risky and costly business. Intense competition, distribution of resources and maintaining a large number of different brands under Nutrine, becomes even more difficult when we enter into the new market segment with product developments. Considering the financial situation of the organization we need to be more financially-conscious about the marketing measures we will be taking to reposition and brand the entire product range of Nutrine.

After a detailed analysis of Nutrine's business situation, positioning analysis conducted using different methods and considering the potential opportunities it can capture we majorly recommend the two key actions 1) Retaining the established brand identity of Nutrine that is the bunny and use it for targeting customer segments of students, adults/working professionals in a better way 2) Launch of brand extensions Maha Mint in the segment of mints and Maha Chew in the segment of gums, leveraging the brand popularity of its star player Maha Lacto.

In order to achieve the ultimate objectives of repositioning the brand and launching the brand extensions, we would recommend the company to implement its marketing actionable in the format prescribed by the Ansoff Matrix of product and market development. We recommended actions that would promote the brand leveraging its existing customers and existing segments, leveraging its existing products and tapping new markets for them, making little product innovations and launch of new products and also on a very high scale we recommend Nutrine to diversify into the theme park industry , leveraging its partnership with Hershey's.

COMPANY PROFILE

Nutrine Confectionery Company (NCC) is a leading player in the Indian confectionery market with a rich history and a story worth sharing.

Historical Significance: Nutrine was founded as an umbrella brand for a variety of confectionery products in 1952 by Shri B.Venkatarama Reddy. Since 1980, the company is the single biggest producer of toffees and confectionery in India. What made this truly iconic was the clever use of Bunny's trademarks. This quirky bunny quickly became a timeless symbol of Nutrine and a fond memory for many middle-aged Indian consumers. They fondly remember the Nutrine bunny ads and the adorable "rabbit teeth" they received with sweets such as Cocana biscuits.

Product Portfolio: Nutrine's product portfolio is a testament to its versatility, covering a wide range of confectionery categories. Of particular note are the hard-boiled candies Nutrine Mahalacto and Nutrine Eclairs, both of which were once considered top performers in their respective categories.

Challenges: But the business journey is not without its challenges. As the candy market became more competitive in the early 2000s, Nutrine faced challenges. The company's flagship brands lost significant market share, and the lack of targeted brand investment hurt the company.

Nutrine: Can the Bunny hop?

Ownership Change: To address these challenges, Nutrine has undergone a significant ownership change. In 2006, it was acquired by Godrej Beverages and Foods (GBFL). Then, GBFL signed a joint venture with the famous Hershey's brand in his 2007.

Nostalgia: It is worth noting that Nutrine holds a special place in the hearts of many consumers. The brand's bunny character and catchy advertising have left an indelible mark on the collective memory of those who grew up with Nutrine products.

INDUSTRY PROFILE

Nutrine, like other confectionery brands, operates in a highly competitive market. Some companies have an overarching brand strategy, while others choose individual brands for different confectionery segments. The major competitors are:

- **Parle:** Parle Products was founded in India in 1929 by the Chauhan family of Vile Parle, Mumbai. Parle was originally founded by Mohanlal Chauhan, which he later split into three separate entities. Parle Agro Products was run by Vijay, Sharad, and Raj Chauhan in the 1950s and manufactured a wide range of products including Magix, Milkshakti, Melody, Mango Bite, Poppins, Londonderry, and Kismi Toffee Bar.
- **Ravalgaon:** Established in 1933, Ravalgaon Sugar Farm Limited used a portion of its sugar production to manufacture Ravalgaon brand confectionery products in the 1940s. This agricultural model was recreated in 1934 at Kalam near Pune. Products such as CoffeeBreak and PaanPasand were created.
- **Nestlé:** Nestlé's history dates back to 1866 with the founding of the Anglo-Swiss Condensed Milk Company. In 1867, Henri Nestlé developed a revolutionary baby food. In 1905, the company merged with Anglo-Swiss to form the Nestlé Group. Nestlé is known for its wide range of products such as KitKat, Millibar and Classic Chocolate.
- **Cadbury:** Cadbury is headquartered in Greater London and operates in more than 50 countries around the world. The company is considered the No. 2 confectionery brand and is known for its milk chocolate, crème eggs, Roses selection boxes, and a variety of other confectionery products.
- **Wrigley's:** A wholly owned subsidiary of Mars, Inc., Wrigley's is part of Mars Wrigley Confectionery and is recognized as the world's leading manufacturer and distributor of chewing gum. Their standout product is Boomer.
- **Perfetti Van Melle:** Founded in 2001, Perfetti Van Melle is a global confectionery company specializing in the production of delicious, sweet products. We offer a variety of candies, lollipops, gum, and chews to suit different taste preferences. Major products include Alpenliebe, Chupa Chups, and Mentos.

SITUATION ANALYSIS

SWOT Analysis

SWOT Analysis and Porter's Five Forces are situation analysis that are going to give us insight on the current position of Nutrine's business to help develop strategic goals. SWOT Analysis is a method that analyzes and identifies internal strengths and weaknesses as well as external opportunities and threats. Regarding Nutrine, strengths include a variety of key brands in diverse categories such as hard-boiled candy, eclairs, or modified toffee. Two of these categories have a high market contribution, the eclairs segment with 12.3%, the brand that represents it is Nutrine and 27.8% for the hard-boiled candy that is characterized by Nutrine Mahalacto. Additionally, their products are manufactured by the company. Moreover, Nutrine has a stronger knowledge of the Indian market than international competitors and has an established brand name. It also represents nostalgia for the young adults and adults that grew up with these confectioneries. Furthermore, the company was recently bought by Godrej Beverages and Foods (GBFL), then GBFL entered a joint venture with Hershey's, increasing the value of Nutrine.

One weakness of Nutrine is that 70% of the company's revenues were accounted for by only 2 of the company's dominant brands: Nutrine Mahalacto and Nutrine eclairs. Additionally, at the beginning of the 2000s, investments in Nutrine's brands decreased leading to a decline of appeal from the public. Another weakness of Nutrine that necessitated this marketing analysis was the sample size of the focus group discussion. According to appendix 6, which represents the focus group (FGD) discussion plan, there is a total of 18 FGD with a number of children ranging from 10-12 giving us a total of a minimum 180 samples. A research of this size may not be accurate to the Indian population, the sample should be larger. Furthermore, the company has only focused on only one target segment since the establishment of Nutrine. Additionally, perspectives and interests of this target segment might have drifted from the original appeals.

Nutrine's potential opportunities include a vast set of new data from the joint venture with Hershey's and possibly externalize the brand internationally. Moreover, the differentiation of the company's products from the other competitors in the market by expanding in further confectionary categories. Moreover, Nutrine could improve their differentiation and profits through marketing analytics obtained from the joint venture and the focus group research that Nutrine is working on. Furthermore, the formation of partnerships with local modern celebrities or influentials could attract the targeted audience and create more value for the product and brand name. Another opportunity may relate to enlarging the branch of segments to focus on such as older children or adults.

From the years stated in the case, we could consider that there was an economical threat due to the global recession that happened around 2008. We could conclude that one external threat is the increased price, therefore the implementation of new marketing strategies could have been costly. Another external threat is how the only targeted segment of Nutrine was becoming highly brand and image conscious, it could have decreased the attractiveness of the 'Bunny' that Nutrine has as a logo. In the early 21st century, an emergence of new competitors in the Indian market was noticed impacting the image of Nutrine in the market. Once highly influential, Nutrine found itself falling behind competition. Furthermore, the confectionery categories market contribution growth and preferences have shifted. Customers still highly appreciate eclairs and hard-boiled candy; however, they also savor chewing gum and mints.

Porter's Five Forces Analysis

Porter's five forces analyzes the key sources of competitive pressure within an industry. The model identifies 5 sources, the threat of new entry, buyer power, supplier power, threat of substitution and competitive rivalry. Usually, the threat of new entrants in the confectionery industry is low due to high initial capital requirements or regulations of the food industry. However, the beginning of the 21st century's global recession has weakened those barriers and allowed a large range of new competitors. Coming along, the threat of new substitutes was high with these new competitors and multinational corporations, a lot of potential substitutes emerged in the industry. Suppliers could be considered with a moderate rate of power. The entrance of multiple competitors has also increased the number of suppliers in the market. Moreover, the confectionery industry works with undifferentiated raw material decreasing the supplier's power. The only attribute that matters for the supplier is the price, with a global recession prices of raw materials and production have increased, strengthening the suppliers' power. Consumers have a lot of power and with the emergence of technology the targeted segment became aware and individualistic about marketing imagery or brands, decreasing their appeal to some products. Lack of differentiation and innovation have dispatched the customer from main brands. These pressures have led to an industry with many emerging competitors and possibly increasing prices.

BCG Matrix Analysis

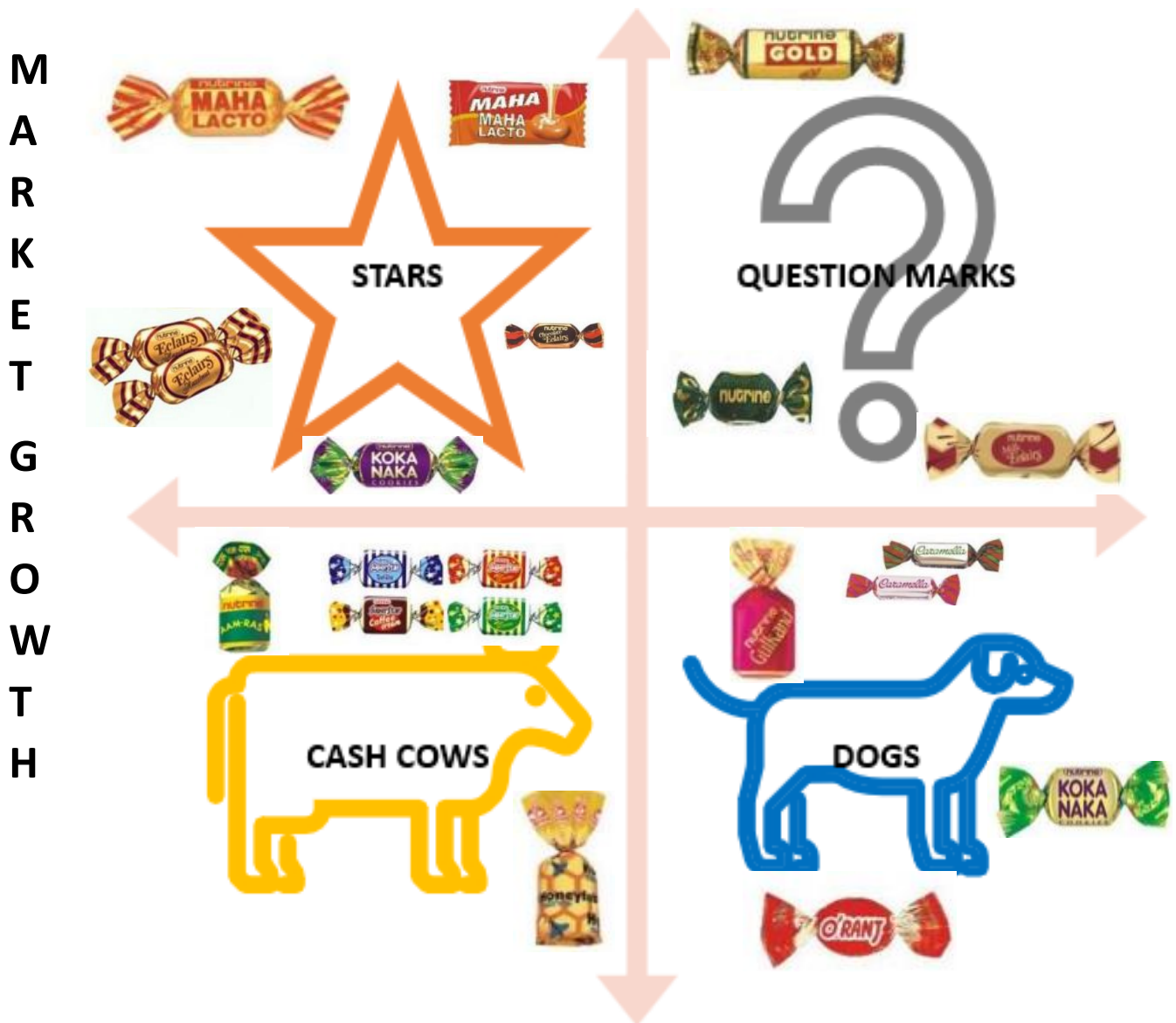
The Boston Consulting group's product portfolio matrix (BCG matrix) is designed to help with long-term strategic planning, to help a business consider growth opportunities by reviewing its portfolio of products to decide where to invest, to discontinue, or develop products. It's also known as the Growth/Share Matrix. The Matrix is divided into 4 quadrants based on an analysis of market growth and relative market share, as shown in the picture below.

We are using BCG matrix to analyze the product portfolio of Nutrine and accordingly suggest the company, to further invest, divest, diversify and/or develop its products based on their business growth potential. The major product categories of Nutrine's confectionaries include Hard-boiled candy, toffees, and eclairs. Mints and gums, digestive candies, fruit rolls, chocolate candy and jelly cubes are potential opportunities that Nutrine can explore as one of the leading confectionary brands.

STARS- Stars refers to those products whose market growth potential and market share is high. These brands/products can be leveraged to promote other products and can yield good returns. Investments in these products would promote their image in the market. Nutrine's Mahalacto and Eclairs fall into this category.

QUESTION MARKS- As the name suggests, these are products that have equal chances to succeed and fail, they have a high growth rate but low market share. Nutrine leads the market in the categories of hard-boiled candy and eclairs- question marks show the least purchased variants of Nutrine's stars. These products require significant investments to turn into stars, hence should be chosen wisely if we want to convert them to stars or let them move to dogs and eventually divest from them.

MARKET SHARE-Cash Generation



CASH COWS- Cash cows signify low growth but high market share, the idea is to milk the profits as much as you can and not kill the cow. They can continue and still give us some profits without the need for further investments. Nutrine's Honey candy, Aam ras mango candy or variants of toffees can be termed as cash cows.

DOGS- Dogs are those products that are low in market share and growth potential. It is always advisable to divest these products and invest the funds for more productive purposes. Nutrine's digestive candy, gold toffee, orange candy and milk variant of its coconut candy can be termed as Dogs.

PROBLEM STATEMENTS

The main problems that will be tackled in this analysis are:

- ➔ Recreating an Umbrella Brand - Nutrine as an umbrella brand still effective? If yes, should Nutrine still retain the Bunny or not?
- ➔ Decide on whether to extend Nutrine across other categories, including mints and gum, or leverage Mahalacto due to its growing equity as an umbrella brand for other brand extensions.
- ➔ Should the company launch a new brand for the mint and gum category or expand the existing ones?
- ➔ How many key segments should the company focus on, and how should they do it?
- ➔ Define a brand roadmap - Only 3 performing segments - Hard-boiled candy/Eclairs/Toffee, and out of which 2 are losing their market share. To address declining revenues and enhance sales.

ALTERNATIVE ANALYSIS

Three models are going to be explored to consider possible alternatives that might benefit the company and generate solutions to the above problem statements. The first analysis would represent the perceptual model that would show us the position of Nutrine and Mahalacto in the confectionery market of mint and gum. A second model would depict the joint-space analysis by combining the perceptual data with the ideal mint and gum columns. Forward, the third analysis would relate to the external analysis considering target segments. Applying these models could help our market team to make a reliable decision, beneficial to the company. Below each analysis will be interpreted.

Perceptual model: without ideal

➔ *Mints perceptual model*

It is only going to tackle the perceptual data of the mint product without considering the ideal point. This analysis will let us visualize the competing offerings in the markets as viewed by the clients, however; it won't deliver us with the most attractive brand to the customer. From the given data we could conclude that the strategy that could be used with the given attributes is tactical positioning because we focus on the attributes that can be manipulated directly.

After implementing the positioning analysis on the perceptual data of mint, the result gives us an overview of how a customer segment views the mint confectionary market. Three dimensions were decided with a 96.1% explained variance. We notice that Mahalacto is the most popular for being hard, compared to mentos with its freshness. Also, we notice that Mint-O-Fresh and Chlormint are closer to each compared with the other brands resulting in high competition. Finally, Nutrine seems to have no particular standout attribute.

Table 1 shows the different dimensions that could be found in the perceptual model of the mint product. The attribute that has the smallest standard error is Chewy in dimension 2.

Table 1: Display of attributes by dimensions for mints perceptual.

	Dimension I	Dimension II	Dimension III
1 Most positive	Chewy		
2 ...			
3	Long Lasting		
4	Cooling Effect		Exciting
5 Most negative	Fresh	Hard	Flavours

Attributes' coordinates positions. Displays the names of the attributes depending of their position along each dimension.

Table 2 interprets the perception values in the market towards each brand, yet it does not show preferences. We notice that in the mint industry Mahalacto is seen as a hard type of candy and disbelieve that Nutrine has any mint type attributes such as fresh scent or flavors.

Table 2: Perception values of each attributes by brands for mints perceptual.

	Mahalacto	Nutrine	Mentos	Mint-O-Fresh	Chlormint
Exciting	7.3	6.8	4.4	6.0	7.0
Cooling Effect	4.0	4.2	7.7	6.5	6.4
Chewy	5.0	7.6	6.3	8.0	8.5
Hard	8.1	7.1	6.9	7.2	6.0
Long Lasting	6.0	3.0	7.0	6.2	6.1
Fresh	4.0	3.3	5.5	4.0	4.8
Flavours	7.0	3.0	5.3	6.5	8.0

Perceptual data overview. Perception values for each attribute are shown in red if they are significantly (1 standard deviation) less than average perception of all brands. Perception values are shown in green if they are significantly more than average perception of all brands.

→ Gums perceptual model

A similar analysis was performed on the perceptual gum data excluding the ideal gum. Two dimensions were decided to display with a 95.7% variance explained. It can be observed that the customer in terms of chewing gum is mostly attracted to the Boomer brand. Boomer seems to satisfy most attributes compared to Nutrine or Mahalacto. It proves that Boomer is established in the gum market.

Table 3 illustrates that the center filled attribute in dimension 1 and bubble in dimension 2 are the most accurate compared to soft that expresses the largest standard deviation error in dimension 2.

Table 3: Display of attributes by dimensions for gum perceptual.

	Dimension I	Dimension II
1 Most positive	Center Filled	Bubble
2 ...		
3 Most negative		Soft

Table 4 portrays a high perception of Boomer as a gum brand, in contrast to Mahalacto. Nutrine has a neutral view from the customers.

Table 4: Perception values of each attributes by brands for gum perceptual.

	Nutrine	Mahalacto	Boomer
Flavours	7.3	6.8	8.0
Bubble	6.9	4.3	8.3
Fun	6.2	4.2	8.0
Center Filled	5.9	5.2	7.0
Soft	3.6	3.0	8.8
Colours	4.0	3.3	7.6

Perception: joint space

➔ *Mint joint space*

In this analysis, we are considering the ‘ideal mint’ that the customer has rated as the most attractive of all. We would consider it as a benchmark in the market, from it we would track which brands could be comparable to it. A three-dimension display was decided for a total of 85.9% of the explained variance. As expected, the ‘ideal mint’ resides mostly at the top of each attributes. Between Mahalacto and Nutrine, the brand that is more likely to correspond to the benchmark is Mahalacto by being the closest. Nutrine seems to be off balance. In the case of mints, people would perceive Mahalacto as a potential mint brand.

Table 5 informs us that Chewy and Exciting are less subject to high errors, respectively is dimension 2 and 3 than fresh or cooling effect in dimension 1.

Table 5: Display of attributes by dimensions for mint joint space.

	Dimension I	Dimension II	Dimension III
1 Most positive		Chewy	Exciting
2 ...			
3	Flavours		
4	Long Lasting		
5	Cooling Effect		
6 Most negative	Fresh	Hard	

Table 6 demonstrates which of our two brands is closer to the ‘ideal mint’ that customers prefer. From all the attributes Mahalacto seems to be the closest.

Table 6: Perception values of each attributes by brands for mint joint space.

	Mahalacto	Nutrine	Mentos	Mint-O-Fresh	Chlormint	Ideal Mint
Exciting	7.3	6.8	4.4	6.0	7.0	8.1
Cooling Effect	4.0	4.2	7.7	6.5	6.4	8.4
Chewy	5.0	7.6	6.3	8.0	8.5	7.2
Hard	8.1	7.1	6.9	7.2	6.0	7.6
Long Lasting	6.0	3.0	7.0	6.2	6.1	7.0
Fresh	4.0	3.3	5.5	4.0	4.8	8.0
Flavours	7.0	3.0	5.3	6.5	8.0	7.0

→ Gum joint space

Now, the same study as the above is going to be implemented however with the benchmark ‘ideal gum’. A dimension of two will be presented, it accounts for a total of 98.3% of the explained variance in the model. According to our findings, the gum market seems to be monopolized by Boomer, this brand is akin to our benchmark. However, our study focuses on Mahalacto and Nutrine. The brand that is mostly comparable to the ‘ideal gum’ between both is Nutrine. Yet, to get there the marketing team has to invest a lot of work. In the case of gums people would possibly perceive Nutrine as a gum brand.

Table 7 notifies that bubble in dimension 2 delivers a smaller standard error than colours or center filled in dimension 1.

Table 7: Display of attributes by dimensions for gum joint space.

	Dimension I	Dimension II
1 Most positive		Bubble
2 ...		
3	Fun	
4 Most negative	Center Filled	Colours

Table 8 shows us that Nutrine is near to the ‘ideal gum’ different than Mahalacto.

Table 8: Perception values of each attributes by brands for gum joint space.

	Nutrine	Mahalacto	Boomer	Ideal Gum
Flavours	7.3	6.8	8.0	9.0
Bubble	6.9	4.3	8.3	8.7
Fun	6.2	4.2	8.0	8.5
Center Filled	5.9	5.2	7.0	7.2
Soft	3.6	3.0	8.8	9.0
Colours	4.0	3.3	7.6	8.8

External Analysis: with segment ideals

This method refers to a mapping model that considers respondents who have the same perceptions yet different preferences over the alternative products. Along with the perceptual data and the ideal brand variable, we are going to incorporate segments. These segments are retrieved from the segmentation analysis based on segmentation data that were provided in the case.

➔ *Mints external analysis*

First, the external analysis of the mints category will be implemented. A segmentation analysis was applied and resulted in the formation of two distinct segments the ‘Oldies’ representing segment 1 that would prefer a hard type mint (they mostly have dry mouth due to medications, so a hard candy would help keep the tissues moist) and the ‘Adults’ describing segment 2 that would be more interested in the cooling effect, freshness, long lasting or flavor.

Table 9 displays the resulting segments from the segmentation analysis. The ‘Oldies’ and ‘Adults’ described above.

Table 9: Average preference of attributes by segment for mint external analysis.

	Population	Segment 1	Segment 2
Exciting	8.14	8.16	8.12
Cooling Effect	8.38	7.59	9.18
Chewy	7.17	6.13	8.21
Hard	7.64	8.94	6.34
Long Lasting	6.95	6.68	7.22
Fresh	8.01	6.31	9.71
Flavours	6.96	6.57	7.35

Table 10 presents that the flavours/fresh/cooling effect attributes are subject to errors in dimension 1 along with hard in dimension 2. However, the attribute chewy in dimension 2 and exciting in 3 are low in errors.

Table 10: Display of attributes by dimensions for mint external analysis.

	Dimension I	Dimension II	Dimension III
1 Most positive		Chewy	Exciting
2 ...			
3	Cooling Effect		
4	Fresh		
5 Most negative	Flavours	Hard	

Final results of the positioning analysis display both the ‘Oldies’ and ‘Adults’ to have a preference orbiting the ‘ideal mint’. Moreover, the ‘Oldies’ have a high interest in a hard type of mint that is already established in Mahalacto. We notice that the ‘Oldies’ appreciate both brands with a higher preference on Mahalacto. Yet, ‘Adults’ appear to be reluctant regarding Nutrine and Mahalacto.

Table 11 explains the ‘Oldies’ and ‘Adults’ ‘s favors over each brand as explained above.

Table 11: Preference values of each brands by the segments for mint external analysis.

	Average preference	Segment 1	Segment 2
Segment 2 Ideal	8.02	7.45	9.46
Ideal Mint	7.61	7.37	8.22
Segment 1 Ideal	7.20	7.30	6.95
Chlormint	6.69	7.12	5.60
Mint-O-Fresh	6.34	6.78	5.25
Mentos	6.16	5.98	6.60
Mahalacto	5.91	6.68	4.00
Nutrine	5.00	5.50	3.75

The marketing team should try to reshape Mahalctose image towards the ‘The Adults’. They could do so by considering modifying Mahalacto’s characteristics such as freshness, flavors or long lasting sent that ‘The Adults’ favor.

→ Gum external analysis

As the above, a similar analysis will be implemented. Starting with a segmentation analysis then the external analysis. By letting the module choose the number of segment, 7 groups were discovered. However, it was decided to narrow it down to 3, it seemed to be a bit logical. From the outcome, segment 1 appears to represent ‘children’ they like the softness, fun chewing gum and they don’t know yet how to create bubbles. Segment 2 are interested in the flavors, blowing bubbles, having extra taste and colors we could consider them ‘teenager’. Finally, segment 3 is the ‘mature’ group that already went through all the fun and the chewing.

Table 12 shows the resulting segments from the segmentation analysis. The ‘children’, ‘teenagers’ and ‘matures’ described above.

Table 12: Average preference of attributes by segment for gum external analysis.

	Population	Segment 1	Segment 2	Segment 3
Flavours	9.07	8.76	9.38	8.78
Bubble	8.56	7.85	8.83	8.73
Fun	8.54	8.94	8.18	8.78
Center Filled	7.18	7.09	7.55	6.62
Soft	9.03	9.65	9.18	8.19
Colours	8.79	8.53	9.09	8.51

Now let us look at the positioning analysis, after adding the segment data. We notice that all three segments rotate around the ‘ideal gum’ and Boomer. ‘Children’ appear to appreciate all brands but mostly Nutrine, ‘Matures’ on the other hand neither favors Nutrine nor Mahalacto. Furthermore, the ‘teenagers’ favor Nutrine over Mahalacto but do not mind Mahalacto. Additionally, the ‘teenagers’ represents 48% of the relative size.

Table 13 interprets that center filled and colours in dimension 1 are low in error along with bubble in dimension 2.

Table 13: Display of attributes by dimensions for gum external analysis.

	Dimension I	Dimension II
1	Center Filled	Bubble
2	Colours	

Table 14 points out that ‘children’ prefer all brands, whereas ‘teenagers’ do not mind Nutrine or Mahalacto. In contrast, the ‘Mature’ group is not convinced that Nutrine or Mahalacto could be considered as a gum brand.

Table 14: Perception values of each attributes by brands for gum external analysis.

	Average preference	Segment 1	Segment 2	Segment 3
Segment 2	8.70	8.80	7.55	9.14
Ideal Gum	8.53	8.73	7.20	8.90
Segment 1	8.47	8.52	7.09	9.09
Segment 3	8.27	8.76	6.62	8.35
Boomer	7.95	8.10	7.00	8.20
Nutrine	5.65	6.80	5.90	3.80
Mahalacto	4.47	5.10	5.20	3.15

Maybe with some changes from the marketing team, there could be an increase in appreciation for these products. Here, we could put aside the ‘Mature’ and converge the ‘children’ and ‘teenagers’ relative to the Mahalacto brand.

CONSTRAINTS

There are several constraints that Nutrine Confectionery Company (NCC) should consider that will limit some of the potential company's options going forward.

Financial

→ *Cost*

Two key brands account for almost 70% of Nutrine's revenue (Nutrine MahaLacto (hard-boiled candy) and Nutrine Éclairs). Due to this, Executive Financial Management may favor opportunities for improvement in these two categories compared to financial investments in new brands related to mint and/or gum confectionary categories. This can limit the options of the Marketing Team when considering the brand creation (Marketing Material, Advertisements) towards mint or gum.

Another major constraint is the brand building cost. It will be tough to convince the management into allocating roughly \$ 1.25 million in brand creation to either enter the mint and/or gum confectionery markets. The lack of data fails to support the success of the brand's initiation and the possible recoup cost of investing in this new brand.

→ *Resources:*

Nutrine's portfolio includes products in 5 out of 9 confectionary categories, additionally to 15 key brands for the dominating three confectionery categories. Allocating additional resources to further expand the product portfolio in untapped confectionary categories, such as mint and/or gum may result in a pushback from management and executives in charge of operations.

Strategic

→ *Time:*

Because Nutrine is already positioned in three key confectionary categories with almost 15 key brands to manage, entering new confectionary categories will require a significant amount of time and costs consumptions. Additional brands would lead to further hires and allocation costs on all aspects of Product Management, Financial Management and Marketing Strategies.

→ *Quality:*

The quality of Focus Group Research is lackluster. Since the focus group research targeted only 8- to 14-year-old consumers, it excluded a whole range of young children (Age 5 to 7 years), teenagers (Age 15 to 19 years), adults (Age 20+ years) from considerations. Adults are major consumers of mint, excluding them from the focus group studies may result in biased data. The attribute in the perceptual data only relates to one targeted group.

The focus group experience's information was not representative of the whole population the company wanted to potentially target. Based on the flawed research, designed marketing campaigns' successes could significantly be hindered.

→*Scope:*

Due to the existence of two types of ideal mints, and several types of preferences for ideal gums by potential customers, it is difficult to only target a specific group of customers. This could lead to an overlap in the attributes of the brands or products that potential customers may favor.

→*Risk:*

There is always a risk for any company when entering a new product category with several target customers (Example: Adults in Mint/Gum categories). Compared to competitive players that are already known and positioned in this specific market. Due to the biased focus study research, there is a risk of failure if the product creation and marketing strategies are crafted based on it. There may be unforeseen competitions or product innovations that are missed from the study. Accordingly, affecting the growth of the Mint and Gum categories for Nutrine.

RECOMMENDATIONS

RETAINING THE BUNNY

Based on our research, it was found that confectionary is one of the consumers packaged goods where there is very little room for differentiating from the competitors. Hence, it is not a great idea to lose the established brand identity of Nutrine.

We believe, Bunny cannot just hop, but bunny can work, play, perform, study, travel and spend time with friends and family.

Bunny helps in establishing a nostalgic connection with those consumers who grew up eating Nutrine's candies. It is very rare that brands have a personal identity or mascots in this segment of consumer goods and hence it can be a great differentiator, offering a great competitive advantage.

Lastly, but more importantly we are planning to utilize bunny to better position Nutrine and its sub-brands in the minds of consumers, and to better target the segments of young adults, working professionals and others in the adult consumer market. This brings us to our recommendation on Segment-wise positioning, where the ascot will be utilized in different ways for each segment of customer.

LAUNCH OF MAHA MINT AND MAHA CHEW

Based on preferences, joint-space mapping analysis identified that there could be a market opportunity for mints and gums. According to the analysis of ideal product features, we believe that it could be ideal to leverage the brand strength of Maha Lacto. By expanding in the mint segment with the new brand avatar of *Maha Mint* and foray into the gums segment with a new brand extension *Maha Chew*.

For better explanations of the marketing plan and the actionable formulated for achieving the above recommended actions, the Ansoff Matrix framework will be applied for structured formulation of marketing actions and the business objectives they aim to achieve.

RECOMMENDATIONS BASED ON ANSOFF MATRIX ANALYSIS:

Ansoff's framework of Market and Product development helps us in improving the current situation of the company such as declining market share, increase in sales, promoting the brand Nutrine and also helps in utilizing the opportunities in the form of new product developments and targeting new customer segments.



MARKET PENETRATION

This segment describes the actions we want to take to better target the existing targeted group and improve existing products of Nutrine.

- **Nutrine's Candy Vending Machines-** Launch of new Nutrine Candy Vending machines which would be the size of a small refrigerator with a small screen that enables customers to share their feedback and to advertise Nutrine's range of products. This promotes the Umbrella brand of Nutrine, and the ideal place would be big retail stores, schools, colleges, airports etc.

PRODUCT DEVELOPMENT STRATEGY

Changes in existing products like little innovations in packaging of the products can pivot the positioning of the product.

- **Launch of Mints and product innovations-** Maha mints will be launched in the form of candy mints it would mostly target young adults, adults, and older people. To differentiate the products from other very

close ones in competition we will be launching bunny face shaped mints showing different emotions and call them- *bunnymojis*.

- **Launch of Maha Chew-** We plan to innovate with the taste, flavor, consistency, and form of gums. Maha Chew will have candy gum balls, gums filled with popping candy and gums that come with flavors of mocktails such as pina colada, blue lagoon, pink lemonade etc.
- **Bunny Packaging Surprise Birthday Box for Kids-** A bunny box specially designed as the birthday box of chocolates for kids with a bunny plush toy.
- **Bunny box based on purchase occasion-** This is an approach to target the customer segments of students, adults and working professionals. Offering a box of Maha mints in packaging that looks like a bunny.

MARKET DEVELOPMENT STRATEGY

To attract the existing but not much targeted consumer groups of students and adults who are mostly working professionals. Below are a few initiatives that will help us in attracting the new market segments like never before.

- **Social Media Campaign Breaking the stereotype of Age-**Run a social media campaign/contests on promoting the purchase of Nutrine candies irrespective of age.
- **Bunny with everyone campaign-** Photoboosts at populated places showing Family bunnies, sibling bunnies and friendship bunnies.
- **Guerilla Marketing Initiatives-**Installing a Maha lacto shaped sleeping pod in Airports, corporate offices, installing a bunny chair at colleges, schools or public events and having a Nutrine candy vending machine by the side to promote brand and sales.
- *College marketing contests and Employer Branding Initiatives with Nutrine.*

DIVERSIFICATION STRATEGY

To utilize both new market and new product opportunities, leveraging the brand alliances of Godrej and Hershey's Nutrine can foray into amusement park industry by launching Nutrine's own **Candyland**. This can be a great profitable opportunity for the brand as this is one of the greatest unexplored opportunities in Indian market.

IMPLEMENTATION

The plan is to lay the recommended marketing actions in a way that helps us to reposition the brand Nutrine and also target the customers groups of young adults, adults/working professionals. The next step is to analyze the customer success and customer engagement rates these initiatives generated.

Step 1: Repositioning the Brand

The social media campaign will help us in repositioning the brand better to new customer segments and we are using bunny majorly to this job.

Innovative packaging of candy packs -Bunny box for every purchase occasion such as backpack candy packs for kids, briefcase pack for working professionals, Suitcase candy pack for travel and family pack of 3-4 different sizes bunny boxes together will also help in repositioning the candy brand.

Step 2: Launch of Brand Extensions

Now that the market is all ready to accept more of Nutrine, this will be the right time to launch the Nutrine Maha Lacto's extensions Maha Mint for mint candies and gums and Maha Chew in segment of gums. We are sure that our bunnymoji mint candies attract all our target markets and similarly gums that come in mocktail flavors and popping candy filling will be a flavorful surprise in the segment of gums.

Also, this is a great time to launch our path-breaking innovation of Nutrine candy vending machine, now that we have a greater product range, we should also look for a greater and newer way of reaching our targets.

Step 3: Customer Engagement Initiatives

Our Guerrilla marketing initiatives Maha Lacto sleeping pods, bunny chairs, photoboosts with family bunnies and our partnership initiatives and competitions with schools and corporates will engage all of our consumer groups very effectively. These initiatives will also continue to brand our products and build loyalty amongst the customers.

Step 4: Analyze Customer Response

Based on the data obtained from Nutrine candy vending machines, social media campaign and the response rate from all our customer engagement initiatives we need to evaluate the success and customer engagement rates of our branding and positioning efforts. Accordingly, we will be making decisions on continuing or not continuing to run the branding initiatives, look for new ones and develop the existing ones for better impact.

Step 5: Bigger, Better and Beyond

If the success from the above positioning efforts is achieved like never before, we would recommend Nutrine to exploit the market opportunity of a candy-themed amusement park, leveraging its alliance with Hershey's which was successful in operating its own theme park.

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