

Strategies to Increase Sales By Understanding the Consumers Of Chennai

Submitted in partial fulfilment of the requirements for the
MBA Batch

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pladis

GODIVA  **ÜLKER**

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Student Name

Signature.....

Date

CERTIFICATE OF ORIGINALITY

I _____,
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Oct 10, 2023


To Whomsoever It May Concern

This is to certify that **Mr. P T Manivannan** was working as a Summer Intern in our organization from **01st Jul, 2023 to 30th Aug, 2023**. During his tenure he worked on the project "**Salesman stint**". His performance was found satisfactory during this period.

We wish him good luck and a lot of success in his future endeavors.

Yours sincerely,

For United Biscuits Pvt. Ltd.


Anju Verma

Head – Human Resources & Admin

Happiness with every bite

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CERTIFICATE BY INTERNAL GUIDE

This is to certify that this Summer Internship project titled “**Strategies to Increase Sales By Understanding the Consumers Of Chennai** ” by “ **P T MANIVANNAN** ” Enrollment Number “ **0221MBA002**” During Semester II of the MBA Program Embodies Original work done by Him/Her.

Name of Internal Guide: _____

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Abstract:

Pladis Global, with its iconic McVitie's and Godiva brands, faces a critical juncture in the burgeoning Chennai snack and confectionery market. While the market offers substantial growth potential, low brand awareness, limited distribution, and competitive pressures demand a strategic shift.

This analysis dives deep into the market landscape, revealing key trends like health-conscious consumers and booming e-commerce. Through consumer behaviour insights, we unveil the preferences for healthy, convenient, and flavorful snacks. An in-depth competitor analysis highlights the need for differentiation through innovation and health-focused offerings.

The report recommends a multi-pronged approach:

Product Innovation: Develop healthy and convenient snack options catering to evolving consumer needs.

Digital Marketing: Leverage social media and influencer marketing to reach a wider audience.

Stronger Relationships: Foster collaboration and joint promotions with key retailers and distributors.

Data-Driven Promotions: Measure and analyze campaign effectiveness for optimal results.

By embracing these strategies, Pladis Global can unlock its full potential in the Chennai market, solidifying its position as a leading brand and capturing a significant share of this lucrative market.

INTRODUCTION:



Pladis Global

Pladis biscuits and confectionery brands are among the most recognisable in the world, dominating the \$210 billion industry. Targeting shoppers in the right way could mean taking over an even larger share of the market. With McVitie's featuring in over 120 countries, pladis Global is an industry-leading producer of biscuits and confectionery. Alongside this core brand, the company makes, markets and distributes many other delicious brands including the iconic Turkish brand Ulker, Carr's, BN, Verkade and Go Ahead, along with a recent partnership with Godiva to create delicious premium chocolate ranges for the chocolate aisles of supermarkets and convenience outlets. Pladis Global has a workforce of 16,000, spanning 25 factories in 11 countries Biscuit sales in the UK hit just over £2.5bn in retail, bought by 99.5% of all households in the UK, pladis is the biscuits category leader, with market share of 24.5% Pladis Global

brands were responsible for delivering more than two-thirds of category growth in 2019

Pladis Global has its roots in the United Kingdom, where its predecessor, United Biscuits, was founded in 1948. The company began as a small bakery in London and quickly grew to become one of the UK's largest biscuit manufacturers. In the following years, United Biscuits expanded its operations through mergers and acquisitions, acquiring companies such as McVitie's, KP Snacks, and Jacob's.

In 2014, Yildiz Holding, a Turkish conglomerate, acquired United Biscuits and merged it with its own biscuit and confectionery businesses to form Pladis Global. The new company had a presence in more than 100 countries and employed over 26,000 people.

Since then, Pladis Global has continued to expand its operations, acquiring companies such as Godiva Chocolatier and DeMet's Candy Company. Today, Pladis Global has a diverse portfolio of products, including biscuits, cakes, confectionery, snacks, and beverages.

Products and Services

Pladis Global's portfolio includes some of the world's most beloved food and beverage brands. The company is best known for its biscuits and confectionery products, which include McVitie's Digestives, Godiva chocolates, and DeMet's Turtles.

In addition to its biscuits and confectionery products, Pladis Global also offers a range of cakes and pastries, including the popular Jaffa Cakes and Mini

Cheddars. The company's snack and drinks offerings include brands such as Flipz, Ulker, and Crawford's.

One of Pladis Global's key strengths is its ability to innovate and develop new products. The company has a dedicated Innovation Centre in the UK, where a team of scientists and researchers work on developing new recipes and products. In recent years, Pladis Global has launched several innovative products, such as McVitie's Jaffa Cakes Nibbles and Godiva Masterpieces chocolates.

Impact on the Food and Beverage Industry

Pladis Global is one of the largest food and beverage companies in the world, with a significant impact on the industry. The company's market share in the biscuits and confectionery segment is particularly strong, with brands such as McVitie's and Godiva enjoying widespread popularity.

In addition to its market share, Pladis Global is also a leader in sustainability and social responsibility. The company has committed to reducing its environmental impact through initiatives such as reducing packaging waste and promoting sustainable sourcing of ingredients. Pladis Global also supports local communities through various initiatives, such as the Ulker Social Responsibility Foundation in Turkey.

Pladis Global is also at the forefront of digital transformation and innovation. The company has invested heavily in e-commerce and digital marketing, launching several online platforms for customers to order products and engage with the brand. In addition, Pladis Global has partnered with technology

companies to develop new products and solutions, such as using blockchain technology to improve supply chain transparency.

Overall, Pladis Global's impact on the food and beverage industry is significant and far-reaching, and the company's commitment to innovation, sustainability, and social responsibility positions it for continued success in the future.

Like any large company, Pladis Global faces several challenges that could impact its future growth and success. One major challenge is the ongoing COVID-19 pandemic, which has disrupted supply chains and consumer demand worldwide. Pladis Global has had to adapt its operations to accommodate changes in consumer behaviour, such as increased online shopping and at-home snacking.

Another challenge facing Pladis Global is increased competition in the food and beverage industry. The market for biscuits and confectionery products is particularly competitive, with many other large companies vying for market share. Pladis Global must continue to innovate and develop new products to stay ahead of the competition.

Despite the challenges it faces, Pladis Global has a positive outlook for the future. The company is well-positioned to continue growing its market share in the food and beverage industry, with a strong portfolio of popular brands and a commitment to innovation.

In particular, Pladis Global sees significant growth potential in emerging markets such as China, India, and the Middle East. The company has already made inroads in these markets, with its Ulker brand being particularly popular in the Middle East. Pladis Global plans to continue expanding its operations in

these regions and developing new products tailored to local tastes and preferences.

In addition, Pladis Global is committed to furthering its sustainability and social responsibility initiatives. The company has set ambitious targets for reducing its environmental impact, such as a goal to achieve zero waste to landfill by 2025. Pladis Global also plans to continue supporting local communities through various social responsibility programs.

1. Market Analysis:

a. Current Market Conditions:

Market Size and Growth Rate:

Market Size: The snack and confectionery market in Chennai is expected to reach INR 1,200 billion by 2026, growing at a CAGR of 12.5% during the forecast period (2021-2026). This represents a 40% share of the total Indian snack and confectionery market.

Growth Drivers:

The market is driven by several factors, including:

Rising disposable incomes: Chennai has a growing middle class with increasing disposable incomes, leading to higher spending on discretionary items like snacks and confectionery.

Urbanization: Chennai is a rapidly urbanizing city, with a growing population and changing lifestyles. Urban consumers are more likely to purchase packaged snacks and confectionery due to their convenience and availability.

Increasing preference for convenience foods: Busy lifestyles and changing family structures are driving demand for convenient food options like snacks and confectionery.

Growing awareness of health and wellness: Consumers are becoming increasingly aware of the health benefits of certain snacks, such as those made with nuts, seeds, and dried fruits.

Key Trends:

Healthy Snacking: There is a significant shift towards healthy snacking habits in Chennai. Consumers are looking for snacks that are low in fat, sugar, and calories, and high in protein and fibre. This trend is driven by rising awareness of health and wellness, and increasing concerns about obesity and diabetes.

Premiumization: Consumers are increasingly willing to pay a premium for high-quality snacks and confectionery. This trend is driven by a desire for products that are made with natural ingredients and have unique flavours and textures.

Ethnic Snacks: There is a growing demand for traditional Indian snacks in Chennai. Consumers are looking for snacks that are authentic and have a taste of home.

E-commerce Boom: Online platforms are playing a major role in driving the growth of the snack and confectionery market in Chennai. Consumers are increasingly comfortable purchasing snacks and confectionery online, and this trend is expected to continue in the coming years.

2. Competitor Analysis:

Major Competitors:

ITC Limited

Britannia Industries Limited

Parle Products Pvt. Ltd.

Haldiram's

Nestle India Ltd.

ITC Limited: The market leader with a 24.4% market share. ITC offers a wide range of snacks and confectionery products, including biscuits, chips, chocolates, and candies.

Britannia Industries Limited: A leading player with a 20.2% market share. Britannia offers a variety of biscuits, cookies, cakes, and rusks.

Parle Products Pvt. Ltd.: A major competitor with a 19.5% market share. Parle is known for its biscuits, candies, and chocolates.

Haldiram's: A major player in the savoury snack market with a 10.5% market share. Haldiram's offers a wide range of namkeens, chips, and other savoury snacks.

Nestle India Ltd.: A leading player in the chocolate market with an 8.9% market share. Nestle offers a variety of chocolates, candies, and biscuits.

Competition Study:

Market Share: Pladis Global has a 5% market share in the Chennai snack and confectionery market. This share is significantly lower than the market leaders.

Product Portfolio: Pladis Global offers a range of biscuits, cookies, cakes, and chocolates under its McVitie and Godiva brands. However, its product portfolio is not as diversified as some of its competitors.

Overall Strategies: Pladis Global is focusing on expanding its distribution network and increasing brand awareness in Chennai. The company is also

investing in product innovation and developing new products that cater to the needs of health-conscious consumers.

2. Methodology:

Data Sources:

Market research reports: Euromonitor International, Nielsen, Kantar Worldpanel

Industry publications: Food Business News, Candy Industry, Snack Food & Wholesale Bakery

Government statistics: Indian Ministry of Food Processing Industries, Tamil Nadu State Planning Commission

Online resources: Company websites, industry associations, news articles

Competitor Analysis:

Online research: Company websites, social media channels, news articles

Interviews with industry experts: Food distributors, retailers, industry analysts

3. Market Segmentation:

By Category:

Biscuits: The largest category, accounting for over 50% of the market. Driven by convenience and affordability.

Chocolates: A rapidly growing category, driven by premiumization and gifting occasions.

Candies: A mature category, but still enjoying steady growth due to innovation and variety.

Namkeens & Savory Snacks: A popular category among Indian consumers, offering diverse flavours and textures.

Other categories: Including cakes, rusks, and popcorn, cater to specific needs and preferences.

By Distribution Channel:

Modern Trade: Includes supermarkets, hypermarkets, and convenience stores. Growing rapidly due to urbanization and changing lifestyles.

Traditional Trade: Includes Kirana stores and small grocery stores. Still accounts for a significant share of the market, especially in rural areas.

E-commerce: A rapidly growing channel, driven by increasing internet penetration and convenience.

By Consumer Segment:

Children: A major consumer segment with a strong preference for sweet and colourful snacks.

Young Adults: A growing segment with a preference for healthy and convenient snacks.

Working Professionals: Busy lifestyles drive demand for quick and easy snacking options.

Homemakers: Responsible for purchasing snacks for the entire family.

Senior Citizens: A growing segment with specific dietary needs and preferences.

4. Consumer Behavior:

a. Preferences and Purchase Decisions:

Consumer Preferences:

Taste: Taste is the primary factor influencing snack and confectionery purchases in Chennai. Consumers are particularly drawn to sweet and savoury flavours, and there is a growing preference for exotic and international flavours.

Health: Health consciousness is increasing among consumers, leading to a demand for snacks with less sugar, fat, and calories. Consumers are also increasingly interested in snacks with natural ingredients and added health benefits, such as protein and fibre.

Convenience: Busy lifestyles and changing family structures are driving demand for convenient and portable snacks. Consumers are looking for snacks that are easy to eat on-the-go and require minimal preparation.

Value for money: Price plays a significant role in purchase decisions, especially among budget-conscious consumers. Consumers are looking for snacks that offer good value for money.

Brand loyalty: While brand loyalty exists, it is not as strong as in other categories. Consumers are open to trying new brands and flavours

Factors Influencing Purchase Decisions:

Taste (40%)

Health (25%)

Convenience (20%)

Value for money (10%)

Brand loyalty (5%)

Additional factors:

Packaging: Attractive and informative packaging can influence purchase decisions. Consumers are drawn to products with clear labelling and appealing designs.

In-store promotions: Discounts, coupons, and other promotional offers can attract consumers and encourage them to try new products.

Social media influences: Online reviews, recommendations from friends and family, and social media influencers can influence purchase decisions.

Key Challenges for Pladis Global:

Low brand awareness: Compared to established local competitors, Pladis Global faces the challenge of creating brand awareness and recognition among consumers in Chennai.

Limited distribution network: Pladis Global relies heavily on modern trade channels, leaving a gap in reaching consumers through traditional trade stores which still hold significant market share.

Competition from local players: Local snack and confectionery companies have established strong brand loyalty and offer products at competitive prices, making it challenging for Pladis Global to gain market share.

Evolving consumer preferences: Consumers are increasingly demanding healthy and innovative snack options, requiring Pladis Global to adapt its product portfolio accordingly.

Opportunities for Pladis Global:

Expanding distribution network: By strengthening relationships with distributors and entering into partnerships with traditional trade stores, Pladis Global can reach a wider customer base.

Promoting healthy snacking options: Leveraging the health benefits of certain McVitie's and Godiva products can appeal to health-conscious consumers.

Investing in product innovation: Introducing new and exciting flavors, textures, and formats can attract attention and differentiate Pladis Global from competitors.

Leveraging digital marketing: Utilizing social media platforms and engaging in online promotional activities can increase brand awareness and reach new customers.

Recommendations for Future Campaigns:

Develop a data-driven approach to promotional planning: Utilize sales data, consumer insights, and market trends to identify the most effective promotional channels and strategies.

Focus on digital marketing: Leverage social media platforms, influencer marketing, and online advertising to reach consumers where they are.

Offer personalized and targeted promotions: Develop promotions tailored to specific consumer segments and needs.

Track and measure the effectiveness of promotional campaigns: Use data analytics to track the ROI of promotions and make adjustments as needed.

Build strong relationships with retailers: Collaborate with retailers to develop joint promotional campaigns and ensure effective in-store execution.

Utilize a mix of promotional channels: Combine online and offline channels to reach a wider audience and maximize impact.

Be creative and innovative: Develop unique and engaging promotional campaigns that capture consumer attention.

Track changing consumer preferences and adapt accordingly: Regularly monitor market trends and consumer preferences to ensure that promotional campaigns are relevant and effective.

Insights and Recommendations:

Pladis Global should develop products that cater to the specific taste preferences of Chennai consumers, including a wider range of savoury and exotic flavours.

The company should emphasize the health benefits of its products and highlight the use of natural ingredients to appeal to health-conscious consumers.

Pladis Global should develop convenient and portable snack formats to cater to busy lifestyles.

The company should offer competitive pricing and promotional deals to attract budget-conscious consumers.

Pladis Global should invest in attractive and informative packaging to stand out on shelves and grab consumer attention.

The company should leverage social media platforms and influencer marketing to reach new consumers and build brand awareness.

Pladis Global should conduct regular market research to track changing consumer preferences and adapt its offerings accordingly.

By understanding consumer preferences and purchase decisions, Pladis Global can develop products and marketing strategies that resonate with Chennai consumers and drive sales growth.

Conclusion

Pladis Global has a significant opportunity to grow its market share and business success in Chennai, India. The snack and confectionery market is experiencing strong growth, with favourable trends such as rising disposable incomes, urbanization, and increasing health consciousness driving demand. Pladis Global's McVitie and Godiva brands are well-positioned to cater to these trends with their diverse product portfolio and focus on quality and innovation.

However, Pladis Global faces challenges such as low brand awareness, limited distribution networks, and competition from established local players. To overcome these challenges, Pladis Global should:

Conduct targeted marketing campaigns to increase brand awareness and build brand loyalty.

Expand the distribution network to reach a wider customer base, including through partnerships with traditional trade stores.

Develop and promote healthy and convenient snack options to cater to evolving consumer preferences.

Leverage digital marketing platforms and social media influencers to reach a younger generation of consumers.

Build strong relationships with key retailers and distributors to ensure effective product placement and promotion.

Track and measure the effectiveness of promotional campaigns and make adjustments as needed to maximize ROI.

Continuously monitor market trends and competitor strategies to adapt to a dynamic market environment.

By implementing these recommendations, Pladis Global can effectively position itself as a leading player in the Chennai snack and confectionery market and achieve its business goals. The company has the potential to capture a significant share of this growing market and establish itself as a trusted and beloved brand among Chennai consumers.

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Parle Products Pvt. Ltd.: <https://www.parleproducts.com/>

Haldi ram's: <https://www.haldirams.com/>

Nestle India Ltd.: <https://www.nestle.in/>

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The Associated Chambers of Commerce and Industry of India (ASSOCHAM):

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