

IPL Co-Branding Cost-Benefit Analysis Case Study

Project Overview

This case study evaluates PureVibe Co.'s IPL co-branding campaign for its two flagship products: PowerSip (300 ml) and HappyGrow (200 ml). The analysis compares the Old Plan vs the New IPL Plan over a six-month period (January–June), covering pricing, sales, raw material consumption, contribution margins, and incremental profitability.

Objectives

- Assess financial impact of IPL pricing strategy.
- Calculate contribution margins for both plans.
- Analyse raw material usage and variable costs.
- Evaluate incremental advertising and design costs.
- Determine net profit generated by the IPL campaign.

Key Findings

1. Revenue Growth

Under the IPL Plan:

- PowerSip increased from ₹135 to ₹140 per unit.
- HappyGrow increased from ₹60 to ₹70 per unit.
- Total revenue increased significantly month-over-month across all four cities: Chennai, Mumbai, Bengaluru, and Delhi.

2. Contribution Margin Comparison

- Old Plan CM (Jan–Jun): ₹255.1M
- New Plan CM (Jan–Jun): ₹341.7M
- Incremental CM: ₹86.6M

3. Incremental Profit

After adjusting for:

- Ads preparation (₹10M)
- New design (₹10k)
- Monthly advertising (₹5M per month)

****Final Incremental Profit:** ₹46,603,477**

4. Raw Material Insights

PowerSip requires:

- Water 35%, Milk 35%
- Pea protein 10%, Coffee extract 10%
- Dates extract 5%, Monk fruit extract 2%
- Others 3%

HappyGrow requires:

- Water 42%, Oats 20%
- Ragi 15%, Jowar 7%, Bajra 7%
- Dates 6%, Others 3%

Consumption increased proportionally with unit sales, confirming efficient scaling.

5. Operational Observations

- New packaging increased packing cost from ₹2 to ₹3 per unit.
- Processing cost remained constant at ₹8 per unit.
- Despite higher variable costs, increased demand and pricing boosted overall margins.

Conclusion

The IPL co-branding campaign proved financially successful. The pricing strategy, combined with strong marketing and themed packaging, drove higher revenue, better contribution margins, and substantial incremental profit. The analysis supports continued investment in seasonal or event-based promotional strategies.

Tools Used

- Google Sheets (data modeling & dashboards)
- Spreadsheet formulas, pivot tables, charts
- PDF reporting