

# Marketing and Operational

## Strategy for College Mate

GEN V CONSULTING  
BUSINESS CASE STUDY  
CHALLENGE

PRESENTED BY  
TEAM IPO-STERS



# Market Potential

**Fragmentation:** 70% of the market is unorganized, giving College Mate a chance to establish itself as a premium, organized player.

**Cultural Gap:** Other brands lack a focus on cultural relevance, providing College Mate with a unique selling point (USP) through Assam-inspired artwork

Size of the Indian Stationery Market

Estimated at around ₹10,000 crores, growing at a CAGR of 8-10%.

According to current trends, consumers, particularly younger generations and educational institutions, are becoming increasingly concerned about sustainability.

Offering eco-friendly products could attract a growing audience that values environmentally responsible choices.

The notebook segment comprises about 30% of the total stationery market.  
i.e. **30% of ₹10,000 crores = ₹3,000 crores**

**NOTEBOOK SEGMENT**

**FRAGMENTED MARKET**

The market is highly fragmented, with **70%** dominated by unorganized players

In Northeast India, the stationery market is largely underserved by major national players, creating an opportunity for regional brands like College Mate to dominate by focusing on cultural relevance and local identity.

**REGIONAL OPPORTUNITIES**

College Mate has to address its key challenges while positioning itself as a culturally relevant, high quality brand while utilising the plausible potential for growth in a fragmented market.

Price Point	Inclination to Buy	Willingness to Pay:	Adoption Factors:	Brand Recognition
₹35-₹140; premium pricing for notebooks. In a price-sensitive market, convincing customers to pay (a premium for notebooks) requires communicating the value clearly (cultural relevance, quality, sustainability).	Higher among urban, middle-income customers who value quality and cultural relevance. Cultural Appeal adds an emotional component to the purchasing decision.	Stronger in households with annual income over ₹10 lakh, especially if the product is positioned as a premium, culturally significant item.	Brand recognition and local cultural appeal will be key; initial barriers can be overcome with promotions and educational partnerships.	As College Mate is a relatively new player, the willingness to adopt the brand will depend heavily on awareness-building efforts. Customers from the region may be more inclined to support a local brand.

### KEY INSIGHTS OUTLINED

1. The market is **highly unorganized** (70%), and local brands have room to establish themselves with better margins and cultural connections.
2. **Sustainability** is becoming a key differentiator, and eco-friendly practices can attract a wider customer base.
3. Major competitors ITC (Classmate), Camlin, Navneet Youva, and Dom's have strong national presence but limited focus on local cultural relevance.

Leverage unique cultural positioning

College Mate has the potential to carve out a niche in the premium notebook segment if it leverages its unique cultural positioning and focuses on building brand awareness.

# Challenges to Overcome ...

1. Cash Flow Issues; Distributors demand longer credit periods (up to 45 days), but manufacturers require payments within 7 days, creating liquidity problems.
2. Low Brand Awareness: Limited marketing reach compared to competitors like Classmate and Camlin, making it difficult to gain recognition.
3. Small Distribution Network: Struggles to expand due to distributors favoring bigger brands with longer credit terms.
4. Operational Inefficiencies: Poor inventory management leads to over/under-stocking, increasing costs and hurting cash flow.
5. Supply Chain Constraints: Dependence on distant manufacturers results in higher logistics costs and potential delays.

Inventory Management

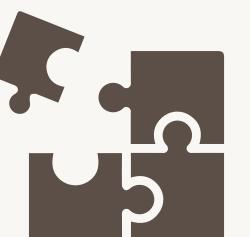
Cash Flow Problems

Distributor Challenges

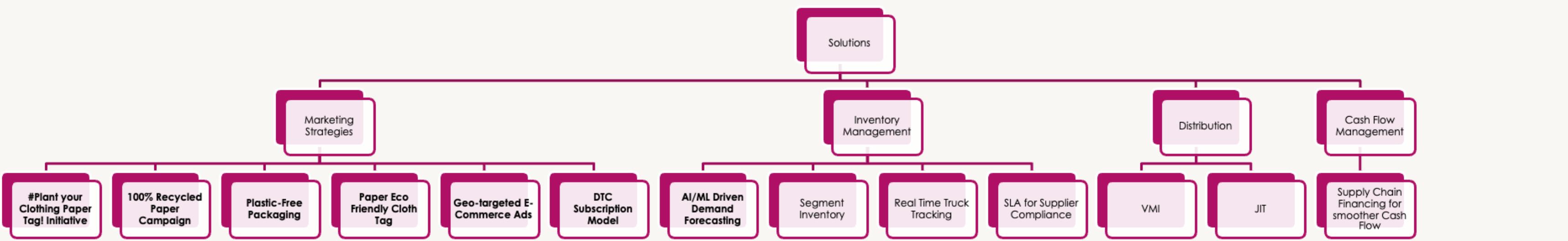
Operational Problems

Brand Positioning

Addressing these challenges will require a mix of financial optimization, operational improvements, strategic marketing, and targeted distribution expansion to secure the brand's position in the market.



# Proposed Solutions



## Hyper-Localized Cultural Customization of Products

The Assam Heritage Collection:

- Offer **hyper-localized notebooks** that resonate with students' pride in their culture
- Partner with local Assamese **artists, historians, and schools** to co-create these designs
- Launch **limited-edition collections** during major cultural festivals (e.g., Bihu, Rongali), creating urgency and exclusivity.

Collaborative School Initiatives:

- Offer schools the option to **customize their notebooks** with school logos and local cultural designs.
- Run **local art competitions** for students with creative incentives.

### Data-Backed Statistic

- A McKinsey report on Indian consumer sentiment indicates that 62% of Indian consumers prefer brands that reflect their local culture and identity. Additionally, regional brands have shown higher growth in localized markets, as consumers increasingly seek authenticity and cultural resonance in products **【McKinsey, 2021】**
- A BCG study suggests that local cultural relevance in branding improves customer loyalty by 20-30%, especially in Tier 2 and Tier 3 cities **【BCG, 2020】**

Similar to Classmate's strategy; but with a **regional focus**.

## #Plant your Clothing Paper Tag! Initiative

The "Plant Your Clothing Tag!" initiative would use **biodegradable paper tags embedded with tiny seeds**, such as wildflowers or herbs.

**Mutually beneficial solution** for partner brands while providing an environmental friendly experience while promoting sustainability and reducing waste. Win-Win !

## 100% Recycled Paper Campaign

- Launch a collection of notebooks made from 100% recycled paper, certified by FSC (Forest Stewardship Council).
- Market these as the most eco-friendly notebooks in India, with a focus on reducing deforestation and preserving Assam's natural beauty.

## Paper Eco-Friendly Clothes Hang Tag

- The eco cloth tags, made from biodegradable, non-recyclable paper, promote sustainability while enhancing the brand's image.
- By adopting these innovative tags, brands can engage environmentally conscious consumers, creating a quid pro quo relationship where **consumers support eco-friendly practices in exchange for unique, sustainable products.**

## Plastic-Free Packaging

- Introduce plastic-free, biodegradable packaging for all products.
- Promote this as part of College Mate's commitment to zero-waste solutions, setting a benchmark in the market where **no competitor has yet offered completely plastic-free product.**

- According to the India Brand Equity Foundation (IBEF), the sustainable products market in India is expected to grow by 18% annually, driven by demand from environmentally conscious consumers **(IBEF, 2020)**.

- A Bain & Company report on consumer goods in India shows that 72% of millennials are willing to pay a premium for products that come from sustainable sources **(Bain, 2021)**.

# Build a Stronger E-Commerce Presence with Data-Driven Targeting

## Geo-Targeted E-Commerce Ads

- Leverage Google Ads, Amazon, and Flipkart to create **Geo-targeted ads** for customers in Assam and Northeast India.

Use localized keywords (e.g., “Assamese notebook,” “eco-friendly stationery”) to capture attention from customers searching for school supplies with regional relevance.

- Implement **AI-powered product recommendations on e-commerce platforms**, using browsing history and geographic location to suggest products that are culturally relevant or eco-friendly.

Example: Customers from Assam will see notebooks featuring Assamese designs, while customers searching for sustainable products will be shown ‘Recycled’

- According to a McKinsey report on India’s e-commerce market, **online sales of stationery are expected to grow by 30% annually** as students and parents increasingly look for convenience and variety [McKinsey, 2020].

## Direct-to-Consumer (DTC) Subscription Model

- Offer a subscription service on College Mate’s website where parents or students can **subscribe to receive customized notebooks** at the beginning of each school term.
- These notebooks could feature cultural designs related to Assamese festivals or personal interests, ensuring regular engagement with the brand.

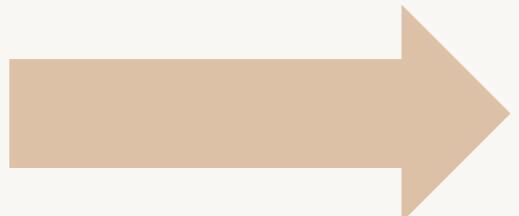
- The Indian Government’s National Digital Commerce Policy is expected to **drive digitization in small and medium-sized retail**, creating opportunities for brands like College Mate to expand their online reach [Government of India, 2021].

## Deploy an AI-powered demand forecasting tool

A McKinsey report suggests that AI-driven demand forecasting tools can **increase forecasting accuracy by 30-40%**, significantly reducing both **overstocking and understocking** [McKinsey, 2020].

e.g., **SAP Integrated Business Planning or Oracle NetSuite**) that analyzes:

- Historical sales data (especially around peak seasons like school admissions).
- Seasonal trends (e.g., high demand for A4 notebooks during the back-to-school period).
- Real-time distributor feedback to predict future demand more accurately.
- Integrate machine learning algorithms to continuously update and improve demand forecasts based on new data from sales and distributors.



Using AI-based tools will help optimize inventory levels by adjusting stock orders based on real-time insights, leading to reduced holding costs and improved stock availability during high-demand periods.

## Segment Inventory

### Fast-Moving Goods (FMGs):

Products like A4 notebooks, which have consistent, high demand.

Maintain a **safety stock level** for these items to cover 30 days of demand.

Set dynamic stock levels based on product segmentation, ensuring that fast-moving items always have adequate inventory while reducing the costs associated with slow-moving items.

### Slow-Moving Goods (SMGs):

Products like drawing books or specialty notebooks, which have lower demand.

Use a **make-to-order** or **JIT model\*** for these products, only stocking them when confirmed orders are received.

\*BCG's report highlights that segmenting products based on their demand variability allows businesses to prioritize fast-moving items while adopting a **just-in-time (JIT) approach for slower-moving products** [BCG, 2021]

By focusing on FMGs with continuous replenishment and using a JIT model for SMGs,

- **reduce excess inventory and,**
- **avoid stockouts,**
- **improving both cash flow**
- **and customer satisfaction.**

## IoT and GPS-Enabled Real-Time Tracking for Truck Deliveries

According to McKinsey, integrating IoT sensors and GPS tracking into the supply chain allows businesses to monitor shipments in real-time, improving delivery accuracy by 30-50% [McKinsey, 2020].

### IoT and GPS Integration:

- Equip trucks with GPS tracking systems that give College Mate and its manufacturer real-time visibility into delivery schedules and the contents of each shipment.
- Use IoT sensors to track when trucks leave the manufacturing facility, which products they carry, and estimated arrival times.
- Enlist high-value technical employees from intersecting disciplines to ensure seamless tech integration and cost efficiency.

### Centralized Supply Chain Dashboard:

- Create a centralized dashboard that tracks both Truck 1 and Truck 2, ensuring that shipments arrive in the correct order.
- This dashboard should send real-time alerts if Truck 2 is dispatched before Truck 1, allowing for immediate corrective action.

## Enforce Supplier Compliance via Service-Level Agreements (SLAs)

Deloitte reports that companies using Service-Level Agreements (SLAs) with clear penalties and rewards for delivery compliance experience a 20% reduction in delivery errors [Deloitte, 2020].

### Negotiate SLAs with Manufacturers:

- Establish service-level agreements (SLAs) with the manufacturer, detailing the order in which shipments (Truck 1 and Truck 2) must be sent. Specify penalties (e.g., financial deductions) for failure to comply with the agreed delivery sequence.
- Offer performance bonuses if deliveries are made on time and in the correct order, creating an incentive for the manufacturer to prioritize compliance.

### Monthly Supplier Performance Review:

- Conduct a monthly review of the manufacturer's performance against the SLA. Use data from the GPS tracking and real-time dashboard to evaluate whether deliveries are being made as agreed.

# Distribution Management Strategies: Vendor-Managed Inventory (VMI) and Just-in-Time (JIT) Coordination

Implement **Vendor-Managed Inventory (VMI)**, where manufacturers monitor stock levels and automatically ship products when stock drops below agreed thresholds.

## Data-Backed Insight

Vendor-Managed Inventory (VMI) programs allow manufacturers to take responsibility for inventory levels, leading to a 15-20% reduction in stockouts and lower carrying costs **【Deloitte, 2021】**.

VMI systems can reduce the administrative burden of managing inventory while improving supply chain efficiency.

This allows College Mate to focus on demand generation and sales without worrying about stock imbalances.

Use **JIT for high-demand products** like A4 notebooks, ensuring they are always produced and shipped in the correct sequence.

- Benefit: Reduces stockouts by 15-20% and lowers holding costs (PwC).

## Data-Backed Statistic

PwC's report highlights that businesses using a Just-in-Time (JIT) inventory management approach reduce inventory holding costs by 15-20% while minimizing the risk of overstocking or understocking **【PwC, 2021】**.

The JIT approach reduces excess inventory while ensuring critical products are available when needed.

PwC's data shows that this approach helps maintain optimal stock levels and eliminates inefficiencies in the supply chain.

# Cash Flow Management Strategies: Supply Chain Financing for Smoother Cash Flow

## Supply Chain Financing Partnership:

- Partner with a supply chain financing provider (e.g., KredX, Drip Capital) to create a solution that offers College Mate immediate working capital based on outstanding invoices from distributors.
- This will allow College Mate to pay its manufacturer on time, even if there are delays in product sales due to inventory mismanagement.

## Flexible Payment Terms for Manufacturers:

- Negotiate flexible payment terms with the manufacturer to ensure that College Mate only pays for shipments once they are delivered in the correct order and sold to distributors.
- This reduces financial pressure and ensures smooth cash flow.

Bain & Co.'s report on supply chain finance highlights that businesses using supply chain financing solutions experience 10-15% improvements in cash flow by smoothing out payment terms between suppliers and distributors [Bain, 2020] .

Bain's findings show that supply chain financing solutions help businesses maintain liquidity, even when there are operational disruptions.

By implementing this system, College Mate can ensure it meets its financial obligations without taking on expensive short-term loans.

# Break Even Analysis

- Weighted Average Selling Price: ₹87.50
- Variable Costs per Unit: ₹40 (assumed average)
- Contribution Margin: ₹47.50 per unit
- Fixed Costs: ₹35,00,000
- Contribution Margin per Unit: ₹47.50

## Strategic Levers to Achieve Break-Even:

- Targeted Marketing Campaigns for high-margin books.
- AI-Driven Demand Forecasting to match supply with demand.
- Optimized Inventory & Just-In-Time (JIT) strategies for reducing holding costs.

The business offers a variety of books with different price points. To determine break-even, we calculate a weighted average selling price (WASP) based on the proportion of sales across these categories

- Break-Even Units: 73,684 units
- Break-Even Revenue: ₹64,47,850

## Assumptions Based on Book Variety

### Low-Cost Books:

- Price: ₹50
- Estimated Sales Volume: 50%

### Mid-Range Books:

- Price: ₹100
- Estimated Sales Volume: 35%

### High-End Books:

- Price: ₹150
- Estimated Sales Volume: 15%

$$\text{WASP} = ₹87.50$$



Thank You!