

**Case Study:**

**GEF**

**Group 7**



## **About GEF India Private Ltd**

- Founded in 2009 in Andhra Pradesh
- Edible oil company
- GEF had planned to manufacture and market refined oils and fats across India with a focus on south India.
- Started by Mr Pradeep Kumar Chowdhry
- Launched their Sunflower Oil Brand Freedom in February 2010
- GEF established two oil refineries which was worth a total investment of 150Cr INR

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## **Why Edible Oils Industry?**

- First-generation professional turned entrepreneur Pradeep. K Chowdhry
- Worked in ITC Agro Tech(Sundrop), ICI, Britannia, etc
- 30+ years of Work Experience in Edible oils Industry
- Developed keen interest for edible oils business.

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## **Edible Oil Industry**

- Edible oil market is a commodity market.
- Low profit margins
- Popular oils : Palmolein, Groundnut, Sunflower.



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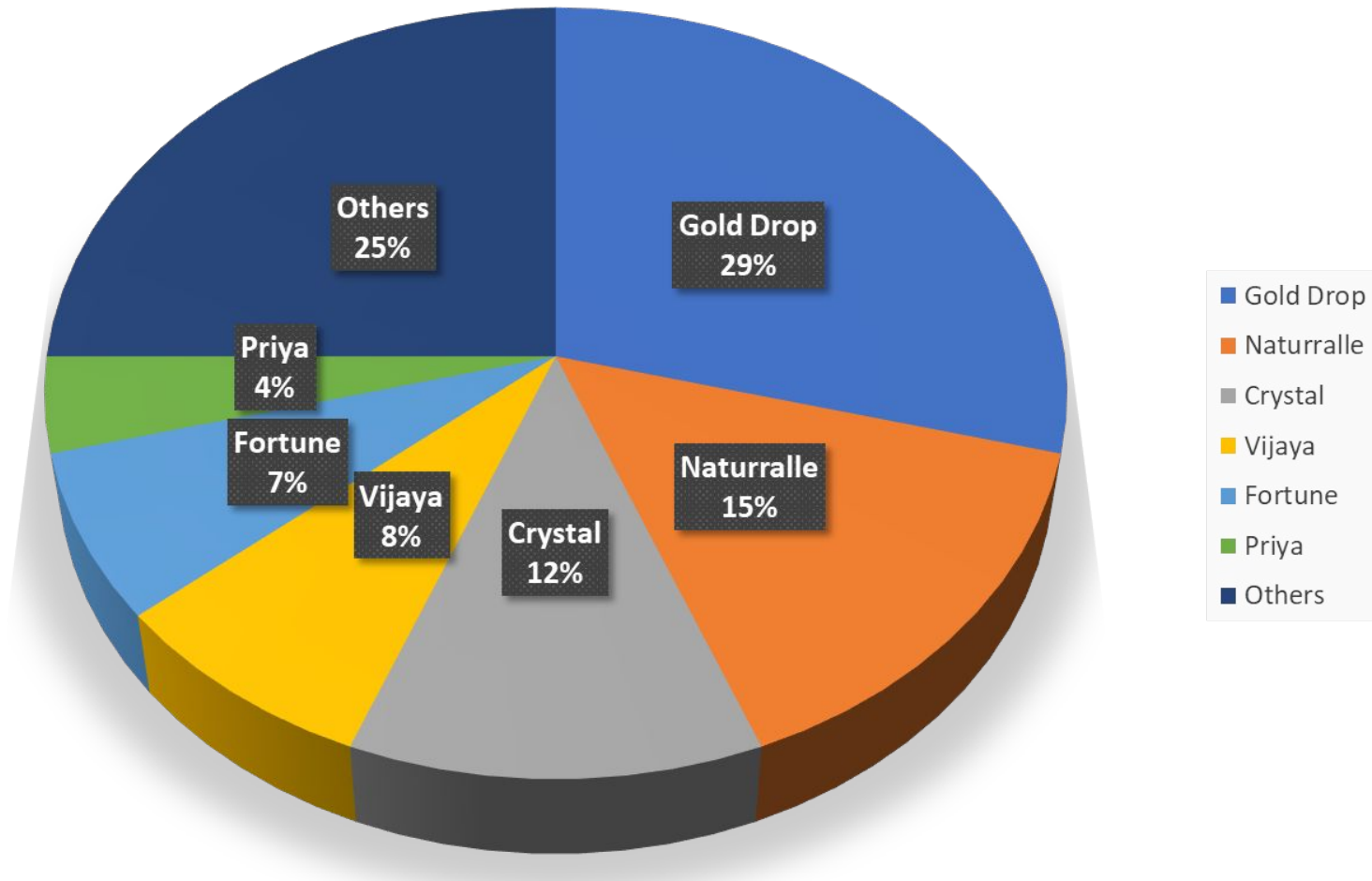
Edible Oil	Estimated Consumption in AP(MT Per Month)	Distribution of Oil Consumption in South India
Palm Oil	33,000	70 %
Ground Nut Oil	4,000	Included in other oils
Sunflower Oil	12,500	18%
Soyabean Oil	2,000	5%
Other Oils	5,500	(Incl. Ground Nut Oil)7%
Total 57,000		100%

<b>Oil category</b>	<b>Household Penetration</b>
Palmolein Oil	64.8 %
Groundnut Oil	38.4 %
Sunflower Oil	11.9 %
Cottonseed Oil	2.2 %
Soyabean Oil	0.1 %

## **Market Research by GEF Management**

- Market was divided into three categories Premium, Popular and Price Driven.
- Premium Segment : Saffola and Sundrop
- Value for Money : Gold Drop, Vijaya, Priya, Crystal, Fortune(National)
- Gold Drop was dominant in the Telangana and around Hyderabad.
- Crystal was strong in other places in AP.

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**Market Research by GEF  
management**

```
graph TD; A[Market Research by GEF management] --> B((Competitive activities by brands)); A --> C((Communication by competitive brands));
```

**Competitive activities  
by brands**

**Communication by  
competitive brands**

## **Media Presence of Competitors**

- Gold drop brand advertised moderately in regional mass media
- Priya was part of the Eenadu group, advertised mainly on ETV and Eenadu newspaper.
- Fortune, another Adani Wilmar trademark, is promoted nationwide. In 2009, Fortune state media spending were low.

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## **Distribution by Competitors**

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graph TD; A[Distribution by Competitors] --> B[Distribution Led]; A --> C[Trading Led];
```

**Distribution  
Led**

**Trading Led**

# SWOT Analysis

## Strength

- Pradeep Kumar's extensive 30 years of industry experience in the Edible Oil Industry, including at ITC Agro.
- Distribution targets were customized to suit the distinct market of diverse towns and regions.
- Set competitive pricing below market leader can attract price - sensitive consumers.
- Prioritizing retailer engagement, the company utilized indirect customer outreach channels to enhance brand promotion.

# Weakness

- Insufficient market research conducted only on product name and packaging before launch.
- 10 days credit with 1:3 BG/SD
- Lower pricing
- Strict cooking oil regulations limited scope for product differentiation.



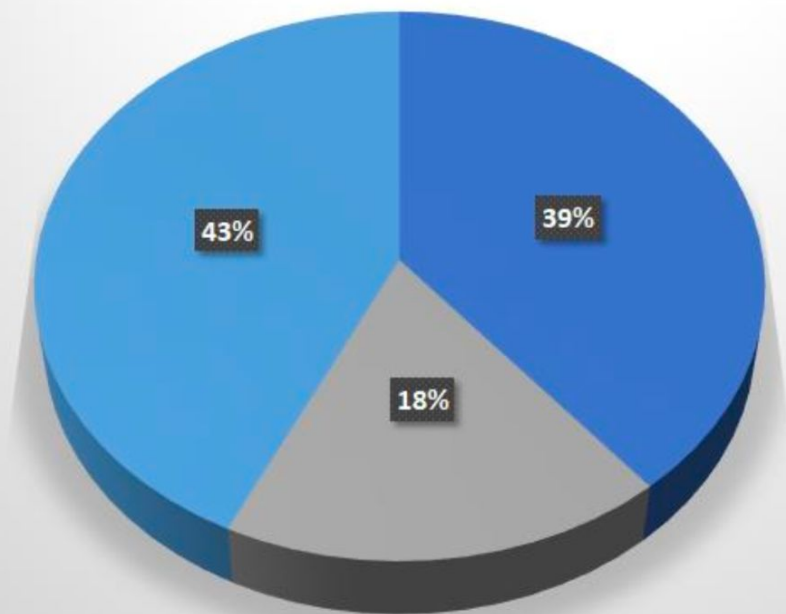
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# Opportunities

- Focus on pan-India expansion of brand
- Consider diversifying into mustard oil, rice bran oil, and coconut oil to expand product offerings.
- Should focus on lower middle urban class and rural India.
- Explore acquiring smaller brands to expand market presence strategically.
- Benefit from rising sales of pre-packaged oil as health-conscious customers prioritize healthier choices.

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## Penetration In Urban Homes(Percentage)



- Target Audience
- SEC D/E
- Rural Audience

<b>Purchase Particulars</b>	<b>Household Penetration</b>
Loose Oil	44.9 %
Pre - Packaged	34.6 %
Both	20.3 %
Did not purchase oil	0.2 %



# Threat

- Lower Pricing compared to competitions may imply lower product quality.
- As population prioritizes health, they may prefer healthier alternatives like ghee or air fry.



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# Ask the expert: ghee or sunflower oil?

Sunflower oil is not healthier than ghee

Published: June 13, 2016 14:57

**Rashi Chowdhary**



I've high cholesterol and started the ghee therapy two weeks ago. But another health expert told me to use sunflower oil. I'd like to lose some weight around my belly.

Sunflower oil is not healthier than ghee. It is refined, has too much omega 6 and is stripped of all of its nutrients. Ghee has good-quality fats that are healthy because of how your liver processes them. They get used up very quickly for energy in your body and do not get stored like fats in refined cooking oils and trans fats in junk food.

If your cholesterol levels are high, chances are you're eating too many trans fats or ingesting fast carbs from refined sugar, fruit juices and rice at the wrong time of day.

## **4 P's Analysis**

### **Product**

- Sunflower oil - value for money category.
- Brand name - Freedom
- Focus on quality, naturalness of oil and health
- Tagline “your right to happiness”
- Three type of packaging - pouches(500 ml and 1lt), jar(5lts), tin(15lts)

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## 4 P's Analysis

### Price

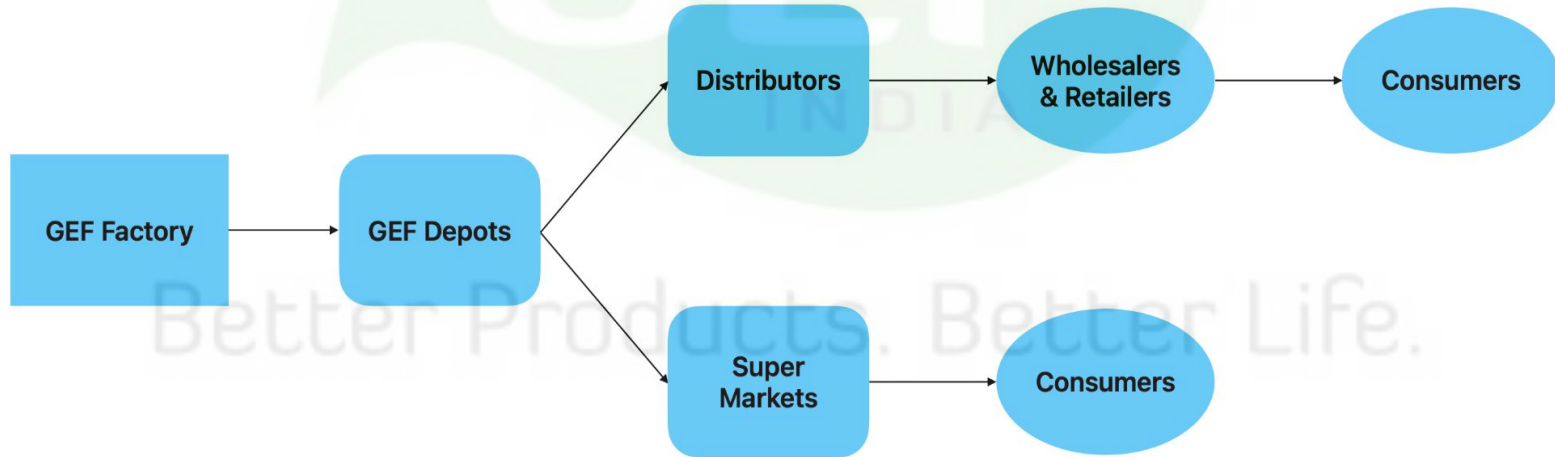
- Price was kept below that of Brand Leaders.
- Sales scheme for retailers was introduced.

Brand	Price to Distributor (PTD)	Price to Retailers (PTD)	Price to Consumers (PTC)
Gold Drop	50.00	52.00	55.00
Vijaya	50.00	51.50	54.50
Fortune	50.00	51.50	54.50
Freedom	48.00	49.25 to 49.80	

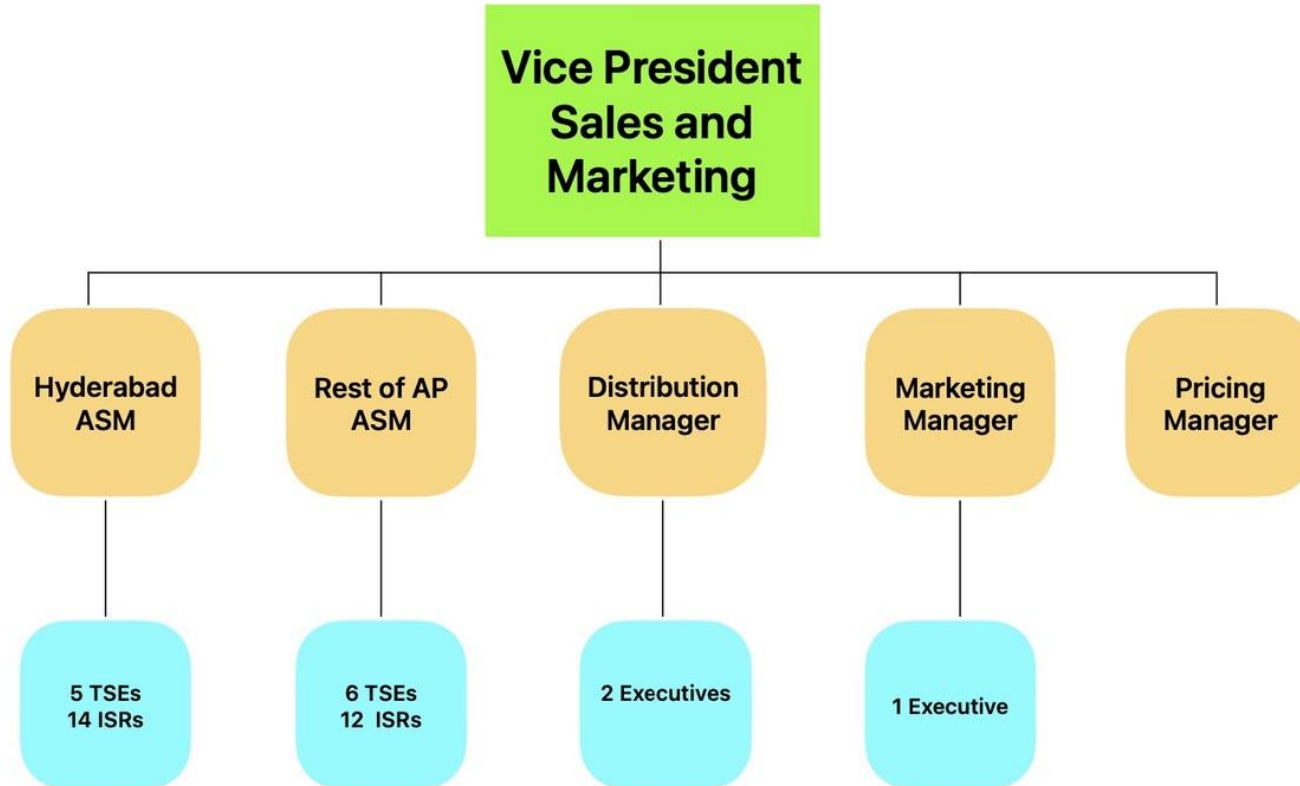
# 4 P's Analysis

## Place

- Distribution targets were set differently for different markets.(Coastal AP, Telangana)
- Large distributors bought directly from the factory



- Structured organization of Sales and Marketing



## **4 P's Analysis**

### **Promotion**

- TV only (cheapest)
- Target consumer: woman, 25+ years, SEC A, B, and C class
- Two phases: Intensive first phase (5-week launch campaigns), Consumer phase cycle (last week and first week of the month)
- Sponsoring "Maa Voori Vanta" cookery show
- Two retailer promotion schemes for the first 6 months
- Budget: INR 1.50 crores from May to December 2010

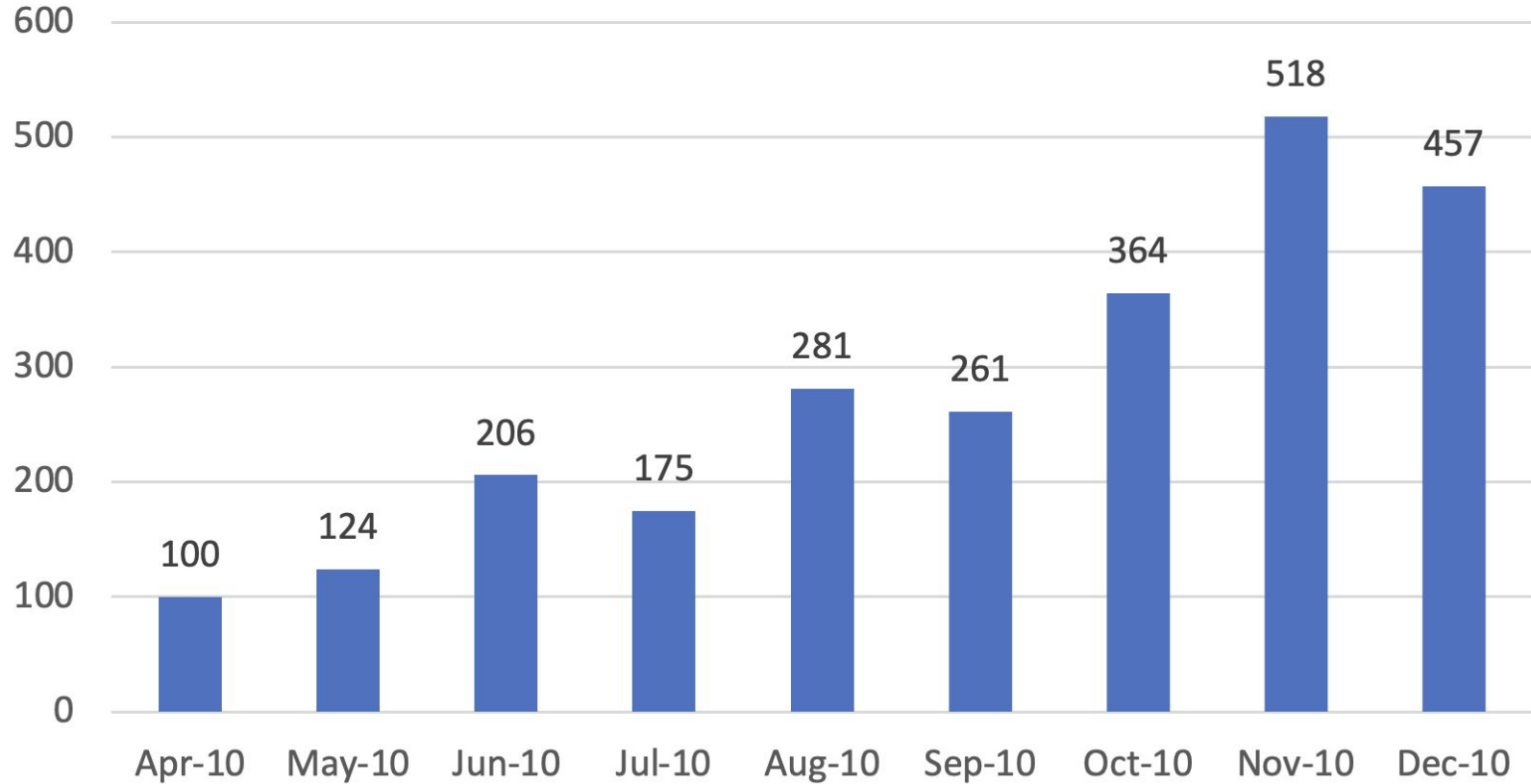
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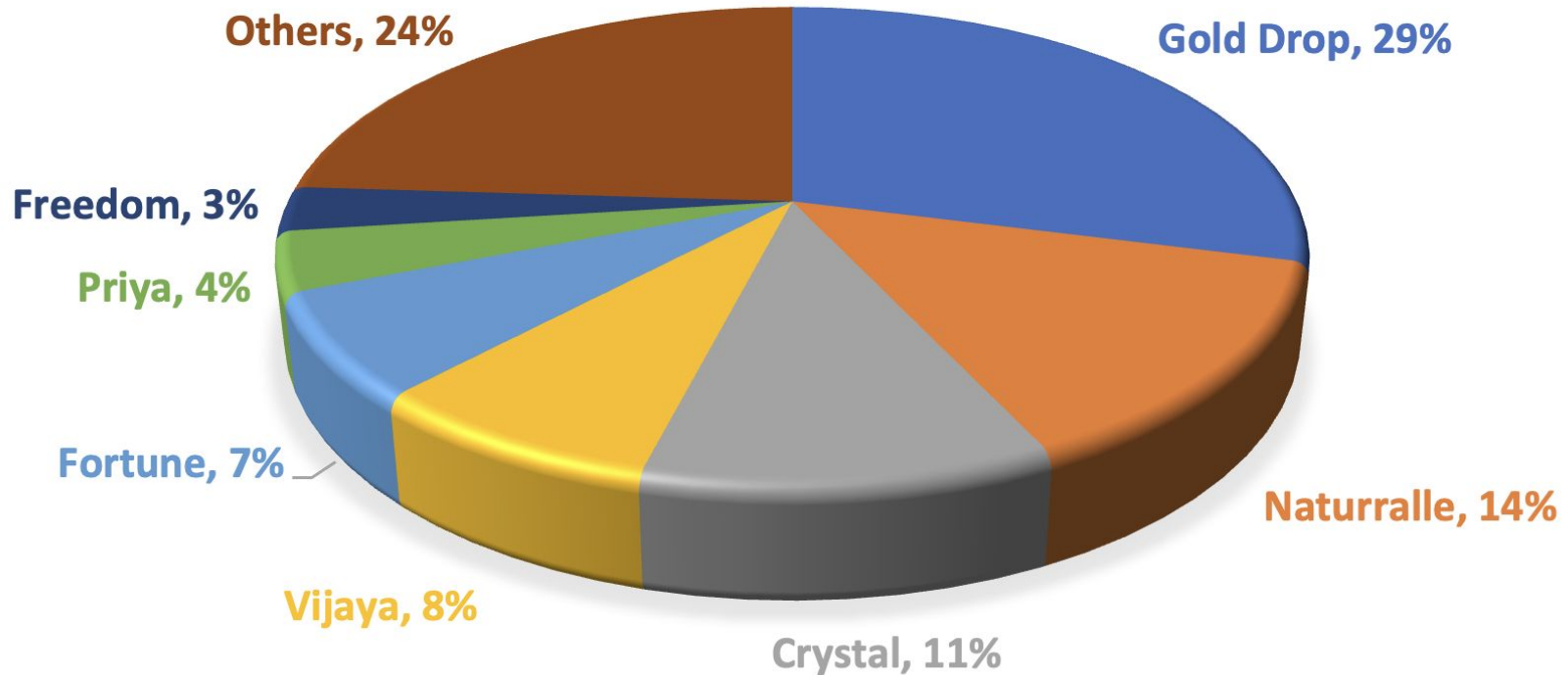
<https://www.youtube.com/watch?v=NoZMaWRCVmg>



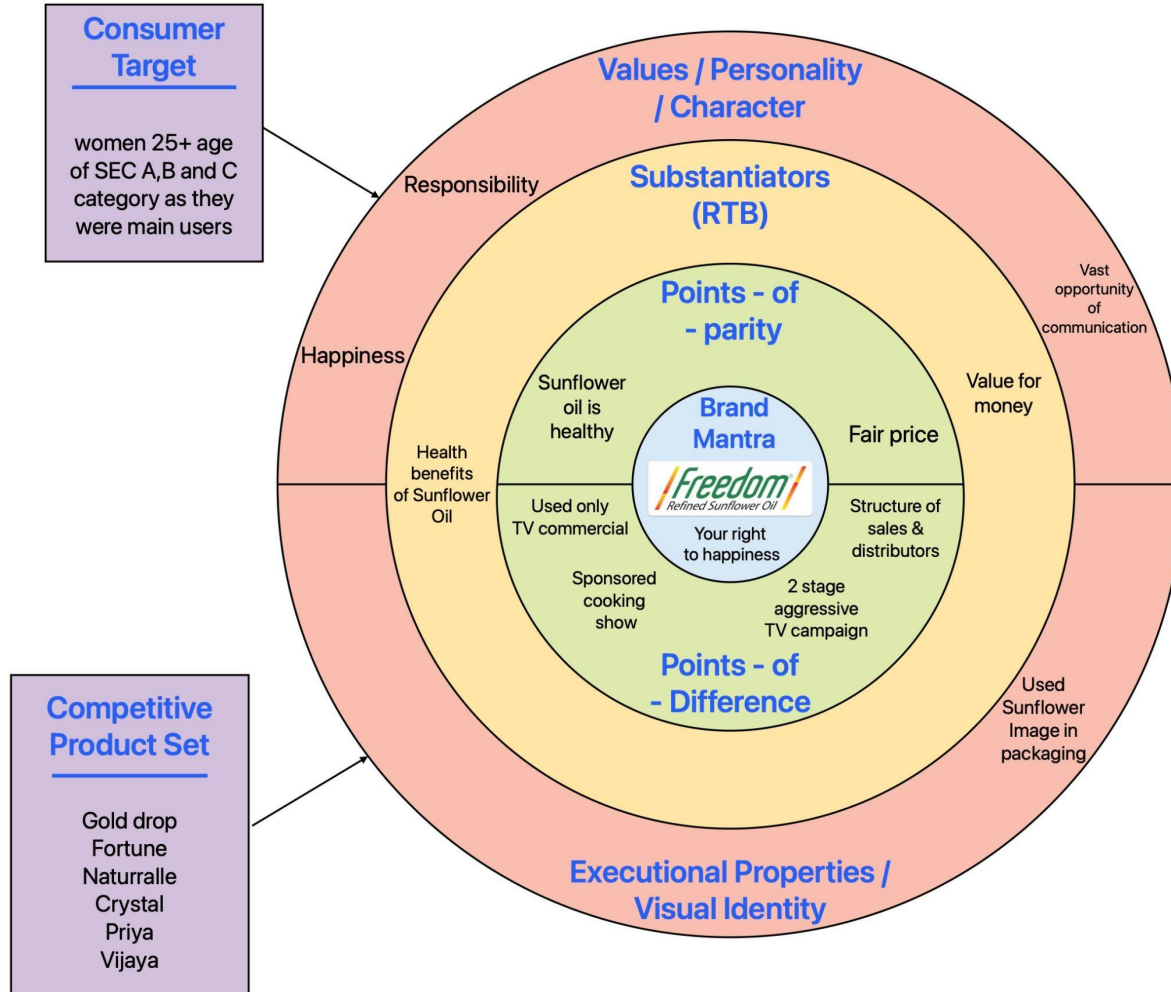
## Monthly Sales of Freedom



# MARKET SHARE BY VOLUME



# Marketing Positioning



# **Freedom Sunflower Oil: Creating a Value**

- Freedom achieved 3% market share, indicating customer satisfaction.
- Product positioned as healthy, value-for-money for upper and middle class.
- Success of sunflower oil led to brand diversification in other oil businesses.
- Customer loyalty fostered through retail schemes during initial 6 months of launch.

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<https://www.exchange4media.com/marketing-news/we-have-been-growing-at-35-cagr-while-the-market-has-been-at-over-10-127405.html>

## **Brand Growth at Present**

- The largest sunflower oil brand in India
- Currently a market leader in four Indian states
- Plants have the latest technology
- Met the increased demand with low processing and packaging costs.
- The size and scale of manufacturing capacity give the edge.



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Regions	Market Share
Andhra Pradesh	60 %
Telangana	35 %
Orissa	71.9 %
Chhattisgarh	5 %
Karnataka	6 %
India	19.8 %

## **Brand Promotion at present**

1. Currently using the digital platform.
2. Partnered with Google and shared data.
3. Spent a lot on YouTube and other mediums.
4. Collaborating with cookery shows on the OTT platforms.



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<https://www.youtube.com/watch?v=yrBGdgSVjHU>



Thank you....

Have the FREEDOM to pursue your happiness....