

## TEAM 3 BISCUITEERS

**MONDELEZ  
MAESTROS**  
**#MAKEITSENSATIONAL**



Maanik  
Narayanan



Dhanishtha  
Dhingra



Udit  
Karwasra

# RESEARCH INSIGHTS

## CONSUMPTION | PURCHASE | CHANNELS

\*Consumer Sample: N=98, Tier-1, Survey(98), FGD (15), Interviews(21), Age:18-40, Tier-1, Digitally Literate, Mid-Income



### SHOPPER MISSIONS

- A** Long-Term Restock | Monthly |
- B** Short-Term Restock | Weekly |
- C** Urgent Home Supply Needs
- D** Impulse Craving Satisfaction
- E** Organized Events (Gatherings)
- F** Impromptu Events (Movie Nights)

### SHOPPER JOURNEYS – FACTORS OF INFLUENCE



### FESTIVALS TOGETHER

- Exchanging sweets during festivals like Durga Puja/Diwali is a long-standing ritual
- High demand for premium SKUs in large volumes
- High involvement product, medium price sensitivity

- A leading shopper mission for MT is a recurring household purchase
- Chocolates/biscuits are also consumed in family gatherings and parties



### PLANNED CONSUMPTION

#### PLANNED GROCERY RUNS

- Planned grocery shopping in a family has become an outing
- Trips to supermarkets/MT stores are planned beforehand.
- Bulk purchases for future consumption
- Customers expect discounts

- Urgent cravings usually demands a specific product
- Many instances of stock-outs/non availability
- Need for knowing what the customer wants, at the right time

### IMPULSE URGES

- Consumption driven by sudden triggers for craving
- Late night indulgence/craving creates demand for certain SKUs
- Availability of assortment in lowest time to fulfil urge
  - Low price sensitivity
  - Low selectivity of product
  - Consumers want to fulfill that desire with bare minimum of that product
- Brand doesn't matter as much as availability of type of product

### URGENT REALISED NEEDS

#### DISCOVERY

- Leading source of snack discovery was through shelves(48%) in MT
- On digital channels, category listing is the top influencer(37%) followed by banner ads(29%)



- Gifting sweets as a gesture while going to gatherings
- Satisfying hunger pangs and sweet-tooths
- Interesting after-lunch snack for kids in school

### URGENT ASSORTMENT DEMAND

### SOLUTION TO USE CASES

# CHANNEL MAPPING

## CHANNEL CHARACTERISTICS – SLICE OF LIFE FIT

### QUICK COMMERCE

#### KEY PLAYERS



- No. of Listed Products: 86 | Mid Breadth
- Portfolio Val: Mean=INR 75 | Median= 68
- Regions in Sample: 7 | 30min delivery



- No. of Listed Products: 79 | Mid Breadth
- Portfolio Val: Mean=INR 225 | Median= 130
- Regions in Sample: 6 | 30min delivery

### E-GROCERY

#### KEY PLAYERS



- No. of Listed Prod.: 300+ | Wide Breadth
- Portfolio Val: Mean=INR 145 | Median= 90
- Regions in Sample: 3 | D/D+1 Delivery



- No. of Listed Prod.: 200+ | Wide Breadth
- Portfolio Val: Mean=INR 130 | Median= 70
- Regions in Sample: 4 | D+2 Delivery

### Key Inference

Low-Mid Ticket Chocolate Marketplace

High Ticket Niche Marketplace

### Key Inference

Mid Ticket Mass Marketplace

Mid Ticket Discount Marketplace

### MODERN TRADE RETAIL

#### DISCOUNT

#### MORE

Driver : Promotions

- Operates in Hyper & Super format

#### D-MART

Driver : Promotions

- Wide Assortment
- Bulk Procurement
- Hyperlocal accessibility through D-Mart Ready
- Strong Omnichannel

#### BALANCED

#### RELIANCE

Driver: Visibility+Promo

- Mid-Tkt Retail
- Heavy visibility investments
- Hyperlocal SMART Points

#### SPENCERS

Extensive Visibility investment by MDLZ



\*Cadbury FSU

#### PREMIUM

#### SPAR

Driver : Visibility

- Premium wide assortment

#### LULU

Driver : Visibility

- Retailing international brands
- Hyper format
- Bulk shoppers

**SLICE-OF-LIFE FIT:** Each slice of life is now mapped to relevant channels. Relevant **assortment** needs to be made **available** in each channel

#### SL1



#### Instant Delivery

SKU availability required in Juhu



#### Impromptu Gathering

"Your office gang suddenly shows up at your Juhu flat to hangout at your place. You'd like to serve a sweet, they're rich & consume premium"

#### SL2



#### Bulk Buy

Planned Purchase SKUs Required



#### Mom in the Market

"Your kid wants sweet after coming from evening abacus class. You want monthly stock which can be given daily in small amounts."

#### SL3

#### The Delhi Diwali

"You get a call in the morning from your friend who invites you home in the evening. You need a gesture gift to take along."



#### D0 Delivery

#### Mid Assort.

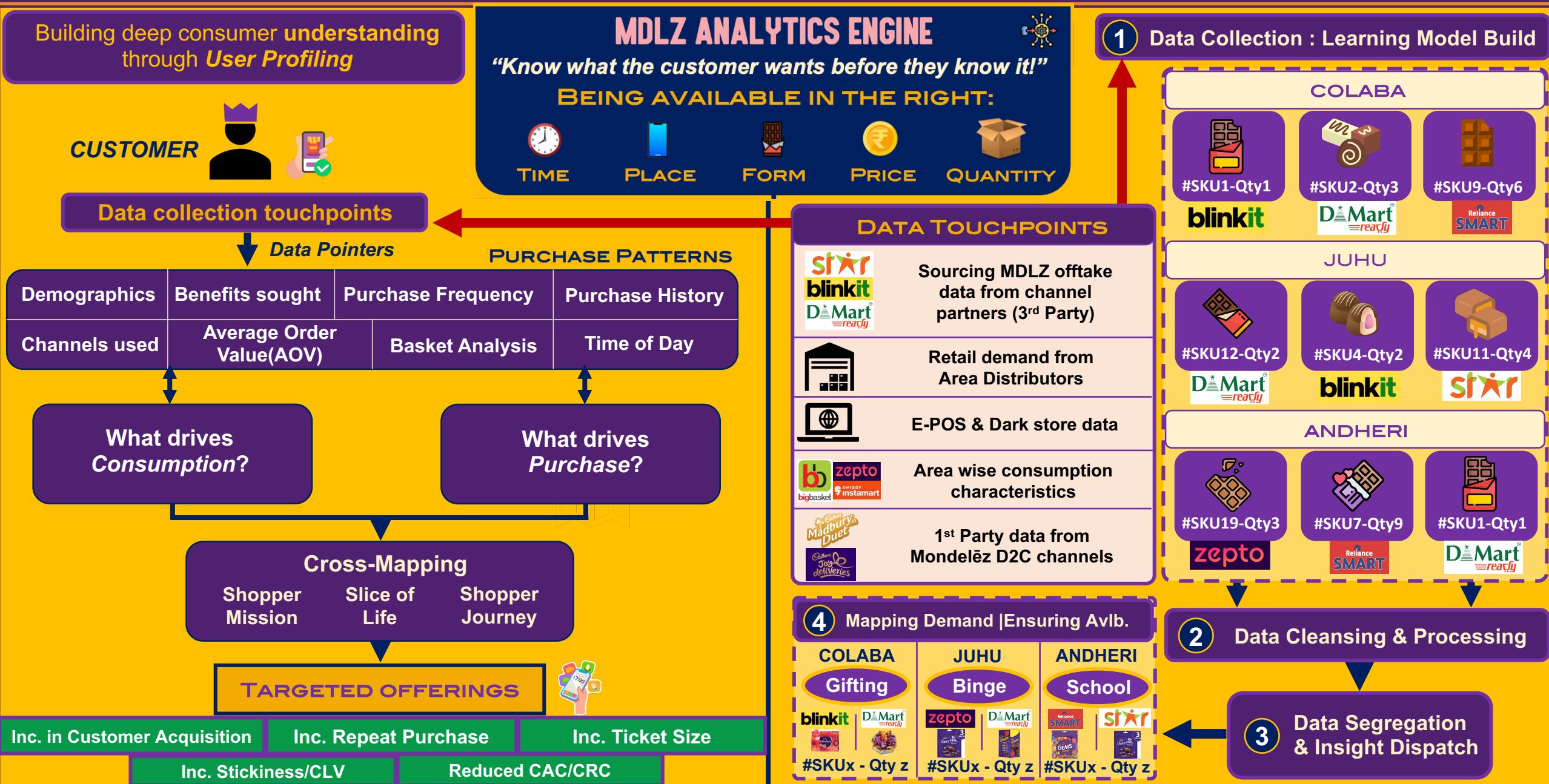


SKUs Required

And 2000+ more correlations  
Slice of Life X SKU X Channel

# HERE'S HOW TO WIN!

## BUILDING OMNICHANNEL SALIENCE THROUGH DATA



# MT RETAIL PARTNERSHIPS

FORWARD INTEGRATION OF DATA | ENSURING AVAILABILITY

## Tier-1 Cities

Leveraging hyperlocal penetration of "D-Mart Ready" & "Reliance Smart Points" to maintain last-mile exclusive stock. D0 delivery with targeted assortment in area



*Customer Analytics derived SKU recommendations*

Targeted SKUs



Wide assortment  
D+2 delivery



# QUICK-COMM TARGETING



Name: Kinnari Kumari  
Age: 25 years  
Occupation: Working professional  
Location: Vile Parle, Mumbai

DATA SOURCE



MOST ORDERED



Cadbury Dairy Milk Silk



Oreo Classic



Bournvita Biscuits

CONSUMER PROFILE

- Extrovert, chirpy personality
- Has a hectic work schedule
- Values loyalty and efficiency
- Impulse craving satisfaction is the leading cause for order

- Orders daily
- Usually makes purchases between 6:00-8:00 PM
- Pain Points are stock-out and shallow assortment

Swiggy • 7 minutes

Work targets are important

But meet your happiness targets too.

Order your favourite Cadbury Dairy Milk Silk now!

Zepto • 49 minutes

It's weekend, celebrate it with something sweet

Your favourite Dairy Milk Silk Oreo is waiting for you..

THE 10X FACTOR

Minimizing channel stockouts in each area. Personalized targeting increases stickiness and reduces Customer Retention costs(CRC)

- Repeat Orders
- Impulse Purchase Frequency

# DOMINANCE IN MT

"Category Dressing, Brand Messaging, Assortment & Shelf positioning according to dominant shopper profiles in area"



"Floor Standing Unit(FSU) design based on dominant shopper interest in each area"

## CATEGORY PLANNING

Area: Andheri West



Dominant Area Characteristics:

- Family concentration with children in elementary school
- Working parents seeking quick solutions for kids school and their office lunch



## FSU TARGETING

Area: Bandra Kurla Complex (BKC)

Dominant Area Characteristics:

- Bachelor Population, Male concentration, visits spencer's in area
- Cricket Enthusiasts, World-Cup month
- Stock-up for night matches
- Digitally Savvy, seeks engagement



FSU with high area resonance to maximize off-take

THE 10X FACTOR

Achieving maximum salience with customers. Targeting helps develop customer affinity by staying relevant to the local context

- New Customer Acquisition
- Increase in Ticket Size

# IMPLEMENTATION PLAN

## PATH | RESOURCES



## RESOURCE REQUIREMENTS

Infrastructure Requirements	
Computation Capability and Data Centre	1,00,00,000
Data Acquisition rights & setting up Pan-India touchpoints with channel partners(Quick Comm, E-Groc, MT)(75L x 8 channel partners)	6,00,00,000
<b>TOTAL FIXED COST(INR)</b>	<b>7,00,00,000</b>

Human Resource (Recurring Annually)	
Developers & Data Engineers(7LPA x 30)	2,10,00,000
Administrative Team(10LPA x5)	50,00,000
<b>TOTAL HR COST P.A.</b>	<b>2,60,00,000</b>

Channel Requirements	
RETAIL PARTNERSHIP COST (Recurring Annually)	
D-Mart & Reliance Exclusive Stocking contract 3000 touchpoints x 20000 INR	6,00,00,000
Contracts with Glassdoor retailers 2500 touchpoints x 10000 INR	2,50,00,000
QUICK COMMERCE PROMOTIONS (Recurring Annually)	
Targeted Banner Ads, Notifications, Category page ads	50,00,000
<b>TOTAL CHANNEL COSTS P.A.</b>	<b>9,00,00,000</b>

Total Fixed Cost:  
**7.0 Cr**

Total Yearly Recurring Cost:

**11.6 Cr**

# QUANTIFYING SUCCESS !

## THE 17.8X FACTOR | COST-BENEFIT

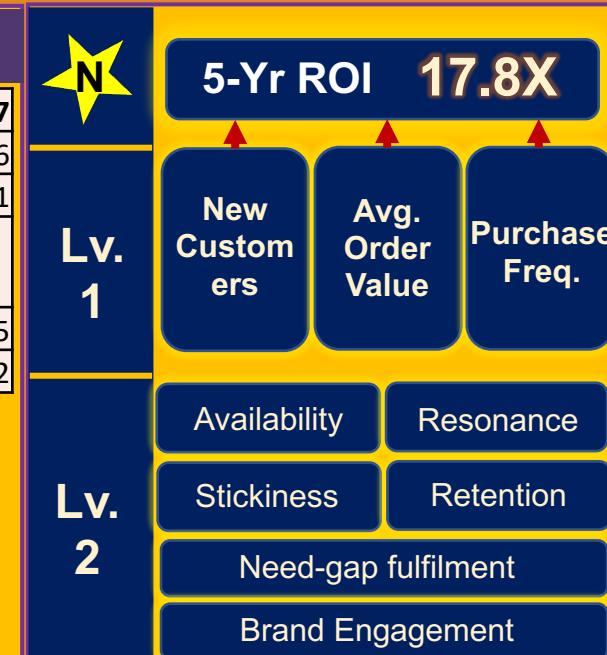
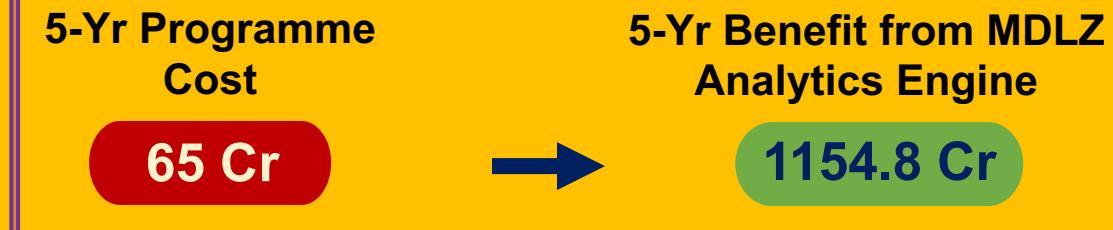
\*Detailed Calculations  
in Appendix



REVENUE BENEFIT	
<b>Q-COMM</b>	
MDLZ Share of Q-Comm Deliveries(8%)	1,15,20,000
AOV INR	100
Current GMV	115 Cr
<b>After effective targeting</b>	
MDLZ Share of Deliveries(Acq.+Ret)(+4%)	17280000
AOV(+10%)	110
Exp. Q-Comm Revenue	190 Cr
5-Yr Full Capability Benefit/Yr	+74.8 Cr
<b>E-GROCERY</b>	
MDLZ Share of E-Groc Deliveries(4%)	64,80,000
AOV INR	150
Current GMV	97.2 Cr
<b>After effective targeting</b>	
MDLZ Share of Deliveries(Acq.+Ret)(+1%)	17280000
AOV(+13%)	170
Exp. E-Grocery Revenue	137.7 Cr
5-Yr Full Capability Benefit/Yr	+40.5 Cr
<b>MODERN TRADE</b>	
MDLZ Share of Bill(3%)	90,72,000
AOV INR	300
Current GMV	272.1 Cr
<b>After effective targeting</b>	
MDLZ Share of Bill(Acq.+Ret)(+1%)	1,20,96,000
AOV(+16%)	350
Exp. E-Grocery Revenue	423.3 Cr
5-Yr Full Capability Benefit/Yr	+151.2 Cr

COST SAVINGS	CAC- QCOMM+EGROC	CRC QCOMM+EGROC	STOCK AVAILABILITY	REVERSE LOGISTICS
Existing CAC INR	16.5	Impressions to repeat purchase	7	% unavailability of stock
New CAC INR	8.5	Avg. Cost per impression (INR) (banner/notification)	0.5	Avg. Ticket Size
Reduction in ad impressions to conversion	33 to 17 = 48%	CRC	3.5	Quick Comm. Annual GMV (INR Cr)
MDLZ spend on promotions(10% rev.)	21.2 Cr	% Cost reduction to induce repeat purchase		Backorder GMV
Cost Savings on Promotions in 5 Years	+54.6 Cr	79%	Expected benefit from stock availability in 5Yrs	Expected reduction
			+86.3 Cr	Logistics cost reduction
				Total Backorder reduction benefit 5-Yr +20.3 Cr

5-YR COST BENEFIT ANALYSIS						
		2023	2024	2025	2026	2027
Cost Incurred(Cr)		18.6	11.6	11.6	11.6	11.6
Maturity Coefficient		0	0.3	0.7	0.9	1
Full Capability Revenue Benefit(MT+Ecom+Qcom)	266.3 Cr					
Expected Revenue Benefit		0	53.3	159.9	239.9	266.5
Full Capability Cost Saving	161.2 Cr+	0	32.2	96.7	145.1	161.2





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# THANK YOU!

# APPENDIX -1 – Revenue Benefit

## Quick Commerce

Q-Comm Annual Deliveries	144000000	
MDLZ Share of Deliveries(8%)	11520000	
AOV INR	100	
Current GMV	1,15,20,00,000.00	115Cr
After Effective Targeting		
Qcomm Daily Deliveries	144000000	
MDLZ Share of Deliveries(Accounting for retention)	17280000	
AOV	110	
New Quick Comm Revenue	1,90,08,00,000.00	397Cr
Differential Gain	74,88,00,000.00	

## E-Grocery

E-Groc Annual Deliveries	162000000
MDLZ Share of Delivery	6480000
AOV	150
Current Revenue	97,20,00,000.00
After Idea Implementation	
E-Groc Daily Deliveries	162000000
MDLZ Share of Delivery	8100000
AOV	170
New E-Groc Revenue	1,37,70,00,000.00
Difference	40,50,00,000.00

## Modern Trade

MT Annual Footfall	302400000
MDLZ Share of Bill	9072000
AOV	300
Current Revenue	2,72,16,00,000.00
After Idea Implementation	
MT Annual Footfall	302400000
MDLZ Share of Bill	12096000
AOV	350
New MT Revenue	4,23,36,00,000.00
Differential Gain	1,51,20,00,000.00

# APPENDIX -2 – CAC/CRC

<b>Customer Acquisition Cost</b>				
QuickComm/E-Comm				
Avg. Impressions to conversion(Untargeted notifications/banner ads) - Product shown to irrelevant people	33	Research Method: Swiggy Ads of 10 people monitored. When an irrelevant product was shown, it took ~33 ads for a person to buy that product		
Avg. Cost per impression (banner/notification)(INR)	0.5			
CAC	16.5			
Avg. Impressions to conversion(Targeted Ads)	17			
Avg. Cost per impression (banner/notification)(INR)	0.5			
CAC	8.5			
%Reduction in CAC	48%			
Current Q-Comm+ E-Groc Revenue	2,12,40,00,000.00			
% spend on promotions	10%			
Spend on Promotions	21.2Cr			
Cost Savings on Promotions/yr	10.9Cr			
Cost Savings on Promotions(5Yr)	54.61Cr			

<b>Customer Retention Cost</b>	
QuickComm/E-Comm	
Impressions to repeat purchase	7
Avg. Cost per impression (banner/notification)(INR)	0.5
CRC	3.5
% cost reduction to induce repeat purchase	79%

# APPENDIX -3 – Stock & Reverse Logistics

Opportunity Benefit from optimized stock availability		
% unavailability of stock per week(Quick Comm)	23%	
Avg. Ticket Size	100	
Quick Comm. Annual GMV	115 Cr	
Opportunity Loss	26.45 Cr	
Expected unavailability	8%	
Expected benefit from stock availability	17.25 Cr	
Expected 5Yr Benefit	86.25 Cr	

Reduction in Reverse Logistics	
% backorders from OT	2%
Backorder GMV	9,69,12,000.00
Expected reduction in Backorders	30%
	2,90,73,600.00
Backorder Logistics cost	1,16,29,440.00
Total Benefit/Yr	4,07,03,040.00
Total Benefit(5Yr)	20,35,15,200.00
	20.3 Cr

# APPENDIX -4 UNDERSTANDING KEY OT PLAYERS

## Quick Commerce:



### Hero Shopper Missions

- Impulse Satisfaction
- Urgent Home Needs
- Impromptu Event Requirements

- No. of Listed Products: 86 | Mid Breadth
- Min SKU Value: INR 16
- Max SKU Value: INR 728
- Portfolio Value: Mean=INR 75 | Median= 68

### Key Inference

Low-Mid Ticket Chocolate Marketplace



- No. of Listed Products: 79 | Mid Breadth
- Min SKU Value: INR 32
- Max SKU Value: INR 928
- Portfolio Value: Mean=INR 225 | Median= 130

### Key Inference

High Ticket Niche Market Place

## E Grocery:



### Hero Shopper Missions

- Long Term Restocking (Monthly)
- Short Term Restocking (Weekly)
- Organized Event Needs

- No. of Listed Products: 300+ | Wide Breadth
- Min SKU Value: INR 20
- Max SKU Value: INR 725
- Portfolio Value: Mean=INR 145 | Median= 90

### Key Inference

Mid Ticket Mass Marketplace



- No. of Listed Products: 85 | Mid Breadth
- Min SKU Value: INR 24
- Max SKU Value: INR 345
- Portfolio Value: Mean=INR 75 | Median= 80

### Key Inference

Mid Ticket Mass Marketplace



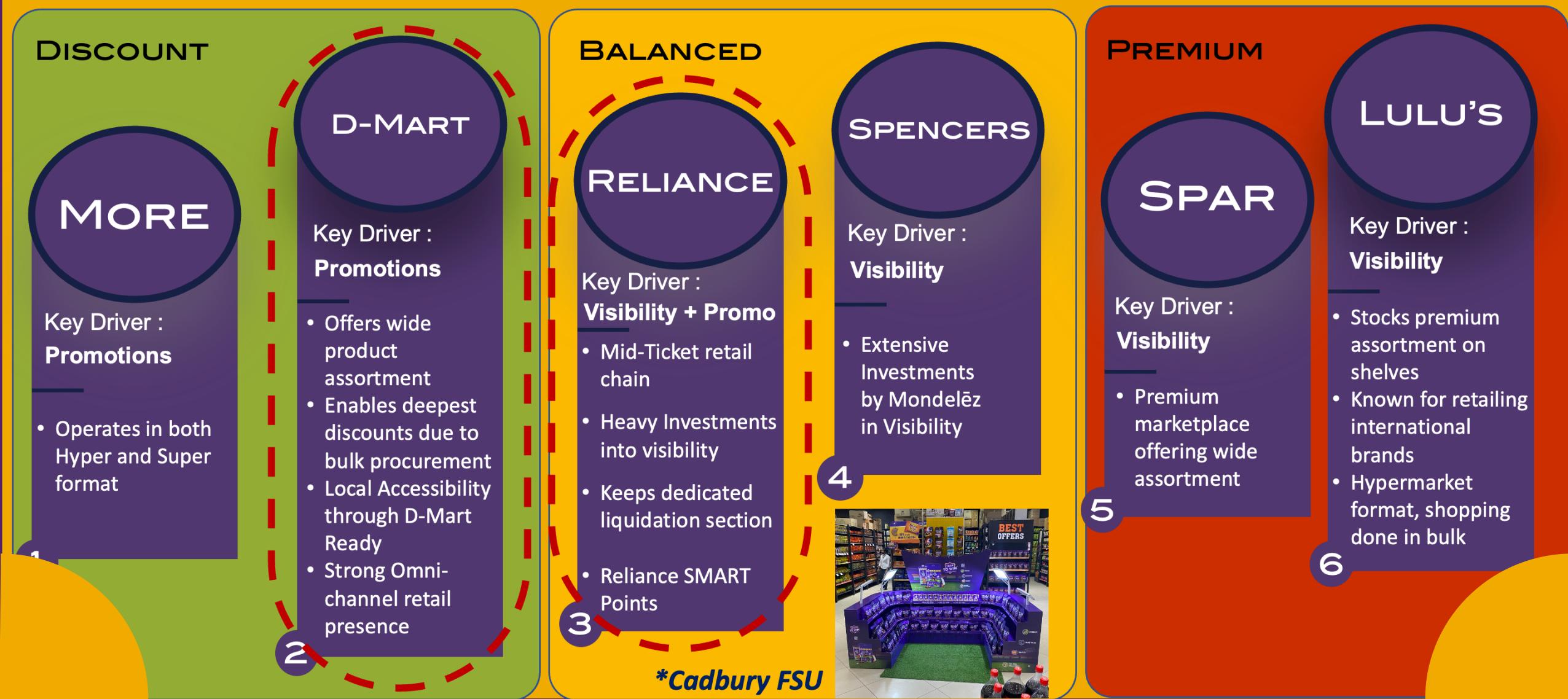
- No. of Listed Products: 200+ | Wide Breadth
- Portfolio Value: Mean=INR 145 | Median= 90

### Key Inference

Mid Ticket Mass Marketplace

# APPENDIX-5 UNDERSTANDING KEY OT PLAYERS - MT

## Modern Trade Retail:



# APPENDIX-6 – PRIMARY RESEARCH

## 1 on 1 Interviews



## Retail Visits



## Focus Group Discussions

