

Example of product strategy

Business



ITC was incorporated on August 24, 1910 under the name of ‘ Imperial Tobacco Company of India Limited’. Its beginnings were humble.

A leased office on Radha Bazar Lane, Kolkata, was the centre of the Company’s existence. The Company celebrated its 16th birthday on August 24, 1926, by purchasing the plot of land situated at 37, Chowringhee, (now renamed J. L. Nehru Road) Kolkata, for the sum of Rs 310, 000. This decision of the Company was historic in more ways than one.

It was to mark the beginning of a long and eventful journey into India’s future.

The Company’s headquarter building, ‘ Virginia House’, which came up on that plot of land two years later, would go on to become one of Kolkata’s most venerated landmarks. The Company’s ownership progressively Indianised, and the name of the Company was changed to I. T. C.

Limited in 1974. In recognition of the Company’s multi-business portfolio encompassing a wide range of businesses – Cigarettes & Tobacco, Hotels, Information Technology, Packaging, Paperboards & Specialty Papers, Agri-Exports, Foods, Lifestyle Retailing and Greeting Gifting & Stationery – the full stops in the Company’s name were removed effective September 18, 2001.

The Company now stands rechristened ‘ ITC Limited’. Though the first six decades of the Company’s existence were primarily devoted to the growth and consolidation of the Cigarettes and Leaf Tobacco businesses, the Seventies witnessed the beginnings of a corporate transformation that would usher in momentous changes in the life of the Company. ITC’s Packaging ;

Printing Business was set up in 1925 as a strategic backward integration for ITC's Cigarettes business. It is today India's most sophisticated packaging house.

In 1975 the Company launched its Hotels business with the acquisition of a hotel in Chennai which was rechristened ' ITC-Welcomegroup Hotel Chola'. The objective of ITC's entry into the hotels business was rooted in the concept of creating value for the nation. ITC chose the hotels business for its potential to earn high levels of foreign exchange, create tourism infrastructure and generate large scale direct and indirect employment. Since then ITC's Hotels business has grown to occupy a position of leadership, with over 90 owned and managed properties spread across India.

In 1979, ITC entered the Paperboards business by promoting ITC Bhadrachalam Paperboards Limited, which today has become the market leader in India. Bhadrachalam Paperboards amalgamated with the Company effective March 13, 2002 and became a Division of the Company, Bhadrachalam Paperboards Division In 1985, ITC set up Surya Tobacco Co.

in Nepal as an Indo-Nepal and British joint venture. Since inception, its shares have been held by ITC, British American Tobacco and various independent shareholders in Nepal. In August 2002, Surya Tobacco became a subsidiary of ITC Limited and its name was changed to Surya Nepal Private Limited (Surya Nepal).

In 1990, ITC acquired Tribeni Tissues Limited, a Specialty paper manufacturing company and a major supplier of tissue paper to the cigarette industry. The merged entity was named the Tribeni Tissues Division (TTD).

<https://assignbuster.com/example-of-product-strategy/>

To harness strategic and operational synergies, TTD was merged with the Bhadrachalam Paperboards Division to form the Paperboards ; Specialty Papers Division in November 2002.

In November 2002, this division merged with the Company's Tribeni Tissues Division to form the Paperboards & Specialty Papers Division.