

Bingo vs lays essay



**ASSIGN
BUSTER**

Project Report On I. T. C – Bingo V/S Frito-Lays V/S Submitted By: Under the guidance of Submitted to: Harpratap Singh- Prof. Santosh Dhar J. K.

Lakshmi Pat M. B. A II Semester (Professor MBA Dept) University, – Mr. Sachin

Kadam Jaipur (Area Executive ITC Mumbai) Declaration I hereby declare that

my Project Report entitled “ I. T. C – Bingo V/S Frito-Lays” is an authentic

work done by me. The Project was undertaken as a part of the course

curriculum of MBA of J. K. Lakshmi Pat University, Jaipur, Rajasthan. This has

not been submitted to any other examination body earlier. Date: Signature

Place: Jaipur Harpratap Singh MBA II Semester Acknowledgement I would like

to express my sincere gratitude to Prof. Santosh Dhar my project guide from

Institute of Management, J. K. Lakshmi Pat University, Jaipur, Rajasthan and

my company Guide; Area Executive Mr. Sachin Kadam for the successful

completion of my project – I. T. C Bingo v/s Frito-Lays. I sincerely thank them

for their extended support and encouragement from the initial to the final

stages enabling me to develop a better understanding and provided me

proper and correct direction for the completion of the Project work.

Date: Harpratap Singh Place: Jaipur MBA II Semester Content S. No. | Title|

Page No. | 1. | Title| 1| 2. | Declaration & Acknowledgement| 2-3| 3. |

Executive Summary| 5| 4. | Company Profile| 6-15| 5. | Industry Overview|

16-17| 6. | Project Objectives| 18| 7. | Research Methodology| 19-20| 8. |

About Bingo & Lays| 21-34| 9. | Observations and Findings| 35-37| 10. | Data

Collection, Representation & Interpretation| 38-48| 11. | Recommendations|

49-50| 12. | Conclusion| 51| 13. | Annexure| 52-53| 4. | References| 54|

Executive Summary Since its launch period in March, 2007, BINGO as a

brand has been through a lots of ups and downs. Both Branding and Sales

and Distribution aspects of marketing for BINGO have been explored and matured to a large extent. Though the product itself is considered to be in a growth stage, with a market share of 16% in the branded snacks food category, it has been successful to a large extent in creating the required Brand recall for the category. With the fast growing retail industry in India, competition has increased between the major market players.

Companies are continually trying to engage and construct innovate ideas to service this market. This project aims to study about ITC Bingo snacks and its competitor Frito-Lays. The project provides information about the various procedures followed by ITC with respect to distribution chain function, and client management and the comparison and interpretation of data collected in regard with the project topic. The project includes a mix of observation, interview and questionnaires. Initially a period of 45 days was dedicated to fieldwork under the guidance of Area Executive Mr.

Sachin Kadam of ITC limited. An effort was made to understand the various servicing procedure, the typical areas/localities, and kinds of retailers, classes of customers and the sales and distribution process and the retailers' point of view for Bingo and Lays Regular interaction was done with retailers and distributors about the response and flow of product and variants respectively along with the competitor Lays'. Through this it makes easy to understand the process of accessing the competitor's response in that outlet. week was dedicated to collect information of Frito-Lays regarding their marketing strategy, distribution and sales network and other useful information from the company officials. This project also includes the various tasks given to me by my AE and then my observation at retail outlets, the

routes/areas/localities and the sales and distribution process. I concluded my project with some of my suggestion and recommendations, and the questionnaire that I had used to collect the primary data. The findings and recommendations help in better understanding the shortcomings in the sales and distribution process of Bingo. As observed) Company Profile ITC is one of India's foremost private sector companies with a market capitalization of over US \$ 33 billion and a turnover of US \$ 7 billion. ITC is rated among the World's Best Big Companies, Asia's ' Fab 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today. ITC also ranks among India's top 10 `Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times.

ITC also ranks among Asia's 50 best performing companies compiled by Business Week. ITC has a diversified presence in Cigarettes, Hotels, Paperboards ; Specialty Papers, Packaging, Agri-Business, Packaged Foods ; Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods ; Confectionery, Branded Apparel, Personal Care and Stationery.

As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented. Chairman Y C Deveshwar calls this source of inspiration “ a commitment beyond the market”. In his own

words: “ ITC believes that its aspiration to create enduring value for the nation provides the motive force to sustain growing shareholder value. ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to enhancing the competitiveness of the larger value chain of which it is a part.

ITC's diversified status originates from its corporate strategy aimed at creating multiple drivers of growth anchored on its time-tested core competencies: unmatched distribution reach, superior brand-building capabilities, effective supply chain management and acknowledged service skills in hoteliering. Over time, the strategic forays into new businesses are expected to garner a significant share of these emerging high-growth markets in India. ITC's Agri-Business is one of India's largest exporters of agricultural products.

ITC is one of the country's biggest foreign exchange earners (US \$ 3. 2 billion in the last decade). The Company's ' e-Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet. This transformational strategy, which has already become the subject matter of a case study at Harvard Business School, is expected to progressively create for ITC a huge rural distribution infrastructure, significantly enhancing the Company's marketing reach.

ITC's wholly owned Information Technology subsidiary, ITC InfoTech India Ltd, provides IT services and solutions to leading global customers. ITC InfoTech has carved a niche for itself by addressing customer challenges

through innovative IT solutions. ITC's production facilities and hotels have won numerous national and international awards for quality, productivity, safety and environment management systems. ITC was the first company in India to voluntarily seek a corporate governance rating. ITC employs over 26,000 people at more than 60 locations across India.

The Company continuously endeavours to enhance its wealth generating capabilities in a globalising environment to consistently reward more than 4,14,000 shareholders, fulfil the aspirations of its stakeholders and meet societal expectations. This over-arching vision of the company is expressively captured in its corporate positioning statement: "Enduring Value. For the Nation. For the Shareholder." ITC was incorporated on August 24, 1910 under the name of 'Imperial Tobacco Company of India Limited'. ITC had a humble beginning and in the initial days it used to operate from a leased office on Radha Bazar Lane, Kolkata.

On its 16th birthday on August 24, 1926, ITC purchased the plot of land situated at 37, Chowringhee, (now renamed J. L. Nehru Road) Kolkata. Two years later companies headquarter building; 'Virginia House' came on that plot. Progressively the ownership of the company Indianised and the name of the Company were changed to I. T. C. Limited in 1974. In recognition of the Company's multi-business portfolio encompassing a wide range of businesses, the full stops in the Company's name were removed effective September 18, 2001 and the Company was rechristened as 'ITC Limited'.

ITC is a board-managed professional company, committed to creating enduring value for the shareholder and for the nation. It has a rich

organisational culture rooted in its core values of respect for people and belief in empowerment. Its philosophy of all-round value creation is backed by strong corporate governance policies and systems. ITC's corporate strategies are:

- * Create multiple drivers of growth by developing a portfolio of world class businesses that best matches organisational capability with opportunities in domestic and export markets. Continue to focus on the chosen portfolio of FMCG, Hotels, Paper, Paperboards & Packaging, Agri Business and Information Technology.
- * Benchmark the health of each business comprehensively across the criteria of Market Standing, Profitability and Internal Vitality.
- * Ensure that each of its businesses is world class and internationally competitive.
- * Enhance the competitive power of the portfolio through synergies derived by blending the diverse skills and capabilities residing in ITC are various businesses. Create distributed leadership within the organisation by nurturing talented and focused top management teams for each of the businesses.
- * Continuously strengthen and refine Corporate Governance processes and systems to catalyse the entrepreneurial energies of management by striking the golden balance between executive freedom and the need for effective control and accountability.

I. T. C and its diversified businesses:

Cigarettes: ITC is the market leader in cigarettes in India and has a wide range of popular brands such as Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake in its portfolio.

Packaging: ITC's Packaging ; Printing Business is the country's largest convertor of paperboard into packaging. It was set up in 1925 as a strategic backward integration for ITC's Cigarettes business. It offers a variety of value-added packaging solutions for the food ; beverage, personal products, cigarette, liquor, cellular phone and IT packaging

industries. Hotels: ITC entered the hotels business in 1975 with the acquisition of a hotel in Chennai, which was rechristened Hotel Chola. Today ITC-Welcomgroup with over 70 hotels is one of the foremost hotel chains in India.

Paperboards: In 1979, ITC entered the Paperboards business by promoting ITC Bhadrachalam Paperboards. ITC's Paperboards business has a manufacturing capacity of over 360, 000 tonnes per year and is a market leader in India across all carton-consuming segments. Greeting, Gifting & Stationery: ITC's stationery brands " Paper Kraft" ; " Classmate" are widely distributed brands across India. The Paperkraft designer stationery range consists of notepads ; multi subject notebooks in hard, soft covers ; multiple binding formats including spirals, wiros etc.

ITC's Greeting & Gifting products include Expressions range of greeting cards and gifting products. Safety Matches: ITC's brands of safety matches include iKno, Mangaldeep, VaxLit, Delite and Aim. The Aim is the largest selling brand of Safety Matches in India. ITC also exports premium brands to markets such as Europe, Africa and the USA. Aggarbattis: ITC has launched Mangaldeep brand of Aggarbattis with a wide range of fragrances like Rose, Jasmine, Bouquet, Sandalwood, Madhur, Durbar, Tarangini, Anushri, Ananth and Mogra.

Mangaldeep is also being exported to USA, UAE, Bahrain, Nepal, Singapore, Malaysia, Oman and South Africa. Lifestyle Retailing: ITC entered the Lifestyle Retailing business with the Wills Sport range of international quality relaxed wear for men and women in 2000. The Wills Lifestyle chain of

exclusive stores later expanded its range to include Wills Classic formal wear (2002) and Wills Clublife evening wear (2003). In 2002, ITC entered into the popular segment with its men's wear brand, John Players.

In 2005, ITC introduced Essenza Di Wills, an exclusive line of prestige fragrance products. Food: ITC made its entry into the branded & packaged Foods business in August 2001 with the launch of the “ Kitchens of India” brand. In 2002 it expanded into Confectionery, Staples and Snack Foods segments. ITC's brand in Food category includes: Kitchens of India, Aashirvaad, Sunfeast, Mint-O, Candyman, and Bingo! Agri Exports: ITC's International Business Division (IBD) is the country's second largest exporter of agri-products.

ITC exports Feed Ingredients (Soyameal), Food grains (Rice, Wheat, and Pulses), Coffee ; Spices, Edible Nuts, Marine Products, and Processed Fruits. E-choupal: The e-Choupal model of ITC has been very effective in tackling the challenges posed by the unique features of Indian agriculture, characterized by fragmented farms, weak infrastructure and the involvement of numerous intermediaries. Board of Directors | Y. C. Deveshwar (Chairman) Executive Director Nakul Anand P. V. Dhobale K. N. Grant Non-Executive Directors A Baijal S.

Banarjee AV Girija Kumar S H Khan S B Mathur D K Mehrotra H G Powell P B Ramanujam Anthony Ruys Basudeb Sen K. Vaidyanath B Vijayraghavan Award Winning ITC ITC constantly endeavours to benchmark its products, services and processes to global standards. The Company's pursuit of excellence has earned it national and international honours. ITC is one of the eight Indian

companies to figure in Forbes A-List for 2004, featuring 400 of “ the world’s best big companies”. Forbes has also named ITC among Asia’s Fab 50’ and the World’s Most Reputable Companies.

ITC has several firsts to its credit: ITC is the first from India and among the first 10 companies in the world to publish its Sustainability Report in compliance (at the highest A+ level) with the latest G3 guidelines of the Netherlands-based Global Reporting Initiative (GRI), a UN-backed, multitask holder international initiative to develop and disseminate globally applicable Sustainability Reporting Guidelines. ITC is the first Indian company and the second in the world to win the prestigious Development Gateway Award.

It won the \$100, 000 Award for the year 2005 for its trailblazing ITC e-Choupal initiative which has achieved the scale of a movement in rural India. The Development Gateway Award recognizes ITC’s e-Choupal as the most exemplary contribution in the field of Information and Communication Technologies (ICT) for development during the last 10 years. ITC e-Choupal won the Award for the importance of its contribution to development priorities like poverty reduction, its scale and reliability, sustainability and transparency.

ITC has won the inaugural ‘ World Business Award’, the worldwide business award recognizing companies who have made significant efforts to create sustainable livelihood opportunities and enduring wealth in developing countries. The award has been instituted jointly by the United Nations Development Programme (UNDP), International Chamber of Commerce (ICC) and the HRH Prince of Wales International Business Leaders Forum (IBLF).

ITC is the first Corporate to receive the Annual FICCI Outstanding Vision Corporate Triple Impact Award in 2007 for its invaluable contribution capital for the nation.

ITC has won the Golden Peacock Awards for ‘ Corporate Social Responsibility (Asia)’ in 2007, the Award for ‘ CSR in Emerging Economies 2005’ and ‘ Excellence in Corporate Governance’ in the same year. These Awards have been instituted by the Institute of Directors, New Delhi, in association with the World Council for Corporate Governance and Centre for Corporate Governance. The Company’s Green Leaf Threshing plants at Chirala and Anaparti in Andhra Pradesh are the first units of their kind in the world to get ISO 14001-environment management systems certification.

ITC’s cigarette factory in Kolkata is the first such unit in India to get ISO 9000 quality certification and the first among cigarette factories in the world to be awarded the ISO 14001 certification ITC Maurya in New Delhi is the first hotel in India to get the coveted ISO 14001 Environment Management Systems certification. ITC Filtrona is the first cigarette filter company in the world to obtain ISO 14001 ITC InfoTech finds pride of place among a select group of SEI CMM Level 5 companies in the world.

ITC’s Green Leaf Threshing plant in Chirala is the first in India and among the first 10 units in the world to bag the Social Accountability (SA 8000) certification ITC Chairman Y C Deveshwar has received several honors over the years. Notable among them are: Year| Award| | | 2007| SAM/SPG Sustainability Leadership Award conferred at the International Sustainability Leadership Symposium, Zurich. | 2006| Business Person of the Year from UK

Trade & Investment, the UK Government organisation that supports overseas businesses in that country. 2006| Inducted into the `Hall of Pride' by the 93rd Indian Science Congress| 2005| Honoured with the Teacher's Lifetime Achievement Award| 2001| Manager Entrepreneur of the Year from Ernst & Young Retail Visionary of the Year from Images, India's only fashion and retail trade magazine| 1998| Honorary Fellowship from the All India Management Association| 1996| Distinguished Alumni Award from IIT, Delhi | 1994| Marketing Man of the Year from A&M, the leading marketing magazine| 1986| Meridian Hotelier of the Year| Some of the other notable recognitions are:

The Stockholm Challenge 2006 for the e-Choupal initiative. This award is for using Information Technology for the economic development of rural communities. The Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest for its distinguished work carried out in the water sector in India. ITC also received the National Award for Excellence in Water Management 2007 in the 'beyond the fence' category from the CII Sohrabji Godrej Green Business Centre for its leadership role in implementing water and watershed management practices.

The watershed programme also won the Asian CSR Award 2007 for Environmental Excellence given by the Asian Institute of Management. The Award recognizes and honours Asian companies for outstanding, innovative and world-class projects. The Company also received the Ryutaro Hashimoto Incentive Prize 2007 for Environment & Development from the Asia Pacific Forum. This Award aims at promoting information dissemination of good practices towards sustainable development in the Asia-Pacific region.

The Readers' Digest Pegasus Award for corporate social responsibility, recognizing outstanding work done by socially conscious companies. The Corporate Award for Social Responsibility 2008 from The Energy and Resources Institute (TERI) in recognition of its exemplary initiatives in implementing integrated watershed development programmes across 7 states in India. The company also won the award in 2004 for its e-Choupal initiative. The Award provides impetus to sustainable development and encourages ongoing social responsibility processes within the corporate sector.

The 'Enterprise Business Transformation Award' for Asia Pacific (Apac), instituted by Infosys Technologies and Wharton School of the University of Pennsylvania for its celebrated e-Choupal initiative. The Business Today Award for the Best Managed Company in recognition of its outstanding initiatives in the consumer products segment. The only Indian FMCG company to have featured in the Forbes 2000 list. The Forbes 2000 is a comprehensive ranking of the world's biggest companies, measured by a composite of sales, profits, assets and market value. The list spans 51 countries and 27 industries.

The NDTV Profit Business Leadership Award for being the Best Food Company of 2007. The Award has been instituted to recognize organizational excellence. The CNBC-TV18's International Trade Award 2008 for Outstanding Exporter of the Year in the FMCG & Food category. ITC continues its dominance of The Economic Times' Brand Equity listing of India's 100 Biggest FMCG Brands, with three brands from its stable making it to the top five. Gold Flake remains India's biggest FMCG brand in terms of

sales. Navy Cut ranks at No. 4. ITC's Scissors brand ranks at No 5 and is the only new entrant into the top 10.

Restaurant magazine has chosen Bukhara at the ITC Maurya, New Delhi as the best Indian restaurant in the world and the best restaurant in Asia. Bukhara has also been adjudged one of the top 50 restaurants in the world by the London based magazine ' The Good Food Guide'. Bukhara is the only South Asian restaurant to figure in the list. The “ Best Supply Chain Practices Award” for time-effective and cost-efficient Logistics Management in Organized Retail to ITC's Lifestyle Retailing Business Division (LRBD) Indian Snack Industry Snacks are a part of Consumer Convenience/ Packaged Foods segment.

Snack is described as a small quantity of food eaten between meals or in place of a meal. Snack food generally comprises bakery products, ready-to-eat mixes, chips, namkeen and other light processed foods According to the ministry of food processing, the snack food industry is worth Rs 100 billion in value and over 4, 00, 000 tonnes in terms of volume. Though very large and diverse, the snacks industry is dominated by the unorganized sector.

According to an Apeda survey almost 1, 000 snack items and 300 types of savories are sold across India. The branded snacks are sold at least 25% higher than the unbranded products.

Savory snacks have been a part of Indian food habit, since almost ages. Though there is no particular time for snacks, normally they are consumed at teatime. The variety is almost mind-boggling with specialties from all regions, which have gained national acceptance. The industry has been

growing around 10% for the last three years, while the branded segment is growing around 25% per annum to stand at Rs 5, 000-Rs 5, 500 crore, due to various reasons like Multiplex culture, snacking at home while watching TV, pubs and bars (where they are served free).

AC Nielsen's retail audit shows that the large sales volumes are due to a marked preference for ethnic foods, regional bias towards indigenous snacks and good value-for-money perception. Of course the branded segment is much smaller at Rs 2, 200 crore, which is what makes it so attractive to food Companies that are looking at bigger shares. In the branded snacks market, to get down to basics, Frito Lay commands a share of 45%, followed by Haldiram's at 27% and ITC at 16%. The rest is divided between a handful of new entrants, wannabes and many regional players.

Of the wide range of snacks available, potato chips constitute a sizeable segment of the Indian snack food industry, according to India Infoline. The potato chip market is generally an unorganized industry. Nearly all potato chip snack products are manufactured and sold locally. There is also no uniform standard for packaging, as there is in Europe, the United States and other more developed regions. Many snack foods are sold loose or packaged in poly-pouches, which may only be folded, or in some cases, stapled closed.

As the Indian economy continues to grow, and production standards improve, many snack food companies are making significant investments into plant equipment and packaging machinery. Potato-based snacks, and in particular potato chips, are the largest product segment, holding an 85%-share of the salty snack market Pepsi Foods Ltd. , now known as Frito-Lay

India Ltd. , produces India's largest snack food manufacturers' brands, including Ruffles, Hostess, Cheetos and Uncle Chips. Frito Lay's story is an example of how American recipes were adjusted to satisfy local tastes.

Procter & Gamble's Pringles brand of potato crisp was launched in Delhi in 1999. Pringles is also a baked potato crisp, unlike many other potato based Indian snack foods that are fried. P&G currently imports the Pringles product and therefore the product has been priced at a premium and is marketed to a micro-niche. Also to be kept in mind, organized sector is growing at 15 -20 per cent a year, and unorganized sector is growing at 7-8 per cent. Project Objectives 1. Find and know everything on Bingo 2. Find out about the competitor Lays . To find out the key points of difference in the process of Distribution & selling, and of Bingo and Lays. 4. To understand the workings of DS (Distributor Salesman) 5. To understand the workings of Supervisor 6. To check and achieve visibility, availability and quality distribution across the identified target outlet. 7. To know and evaluate the response of retailer about the product. 8. To understand the details of Order Booking and Ready stocking. 9. To find out the key points where Lays has the edge over Bingo 10.

To identify the areas, methods, ideas that can help in increasing Bingo's sales. Research Methodology It includes the response of Bingo Snacks from retailers at retail outlets with respect to its competitors. It also includes the responses of competitor Frito-Lays from various sources. Work at retail outlets: 1) To check the availability of products. 2) To check visibility of products. 3) SWOT analysis of products. 4) To check how old the product is.

5) To trace the complaints regarding the product. 6) Identifying what would be the factor to increase sale.

Data collection technique: – 1) Interview with retailers, customers, distributors, and company officials of ITC. 2) Interview with distributors and company officials of Frito-Lays 3) Primary data via 1) Questionnaire, 2) Observation, 3) Interview 4) Secondary data from, 1) Newspaper, 2) Internet
 Sampling Plan: – Sample size 100 Retailers Sample Segmentation On the basis Location, & Type of Outlet. Sampling Area Andheri (includes Andheri East and West, Jogeshwari East & West, Juhu, Irla, J.

P. Road, Lalubhai, A. K. Road, Sahar Road, Sher e Punjab, Mahakali, Chakala, Takshila, Lokhandwala, Shastri Nagar, Veera Desai Road, Bhawani Nagar, Marol Military Road, Vile Parle East & West) BINGO! No Confusion Great Combination About Bingo The Bingo brand of chips was launched by ITC on 14th March 2007 with an aim to capture at least 25 percent market share of the Rs 2000 crore branded snack market within five yrs.

The launch is symbolic of ITC Foods' distinct approach of introducing innovative and differentiated products in a largely undifferentiated market place. Bingo's launch was strategically timed around the World Cup. The idea was to get the consumer to take that first bite. This was an extremely ambitious target according to observers as the market was dominated by the Frito Lay group (owned by Pepsi Co) with a slew of brands like Lays, Kurkure and Uncle Chipps holding 50 per cent of the market share. The other was the Haldiram group with 25 percent of the market share.

Bingo's portfolio includes an array of products in both Potato Chips & Finger Snacks segment. Bingo! is positioned as a youthful and innovative snack, offering the consumers a choice of flavours that are fast becoming popular. Bingo used combination of leveraging synergies, building on consumer insights and high decibel advertising can win the game. The company leveraged its existing distribution network and relationship established with farmers. Its earlier foray into categories like atta and biscuits had already given it access to the supply chain.

ITC Food's salted snack brand Bingo continues to tickle consumer taste buds with new variants. The latest to hit the shelves is Tangles, the fourth in its portfolio, after Bingo potato chips, Bingo Tedhe Medhe and Bingo Mad Angles. The product, which took two years to develop, will be launched in select markets in north and south India, before being scaled up nationally. The market for 'western' format of snacking is fairly nascent in India, and the addition of variants, the company hopes, will help create "new pegs of loyalty". In snack food, consumers are always looking for change, and as a brand we strive to provide this through a unique mix of taste, bite and shapes," says Chittaranjan Dar, CEO, ITC Foods. To begin with, Tangles will be available in a unique pillow pack shape, in two flavours, Masala and Tomato. Subsequently, Tangles will be extended to regional flavours. Bingo, which is estimated to be worth Rs 650-700 crore, is expected to break even this year, say analysts. Since its launch in 2007, the brand has given stiff competition to market leader Pepsi.

While Pepsi brands Lays and Kurkure lead by a huge margin, their shares have taken a hit in recent months. According to Nielsen 2010 data, Lays

potato wafers reported a drop in share from 48 to 45 per cent, and Kurkure witnessed a 3 per cent decline in market share between January-December 2009 to January-December 2010. On the other hand, Bingo's potato chips have notched a 1 per cent increase in share, whereas its sub-brands in the bridge category like Tedhe Medhe and Mad Angles have seen a small rise in market share.

Other players in the snack food arena are mostly Indian players such as Parle Products, Haldiram and Balaji Namkin, besides a host of local and regional brands. The launch of Tangles is in line with the company's strategy to focus on the 'bridge segment'. Dar explains, "Today, potato chips represent almost 70 per cent of snack food consumption, with the bridge category still small. In the next few years, we expect the numbers to reverse. That's because Indians are used to snacking alternatives as each region in India has its own snack options. With Tangles, ITC will adopt a similar route to communication and distribution as it did for the other Bingo variants. The new television commercial for Tangles, slated to be on air in a month, will continue to flog the 'youth' plank. On the distribution front, the company will invest in sampling and providing innovative racks to trade. Dar admits that unlike biscuits, sales of chips in rural areas is still a very small part of the market. Bingo currently reaches 5.5 lakh outlets and it aims to increase it by 2 lakh every year. So is a health variant on Dar's wishlist?

He is not blind to the opportunity, but notes in a category like snacks, where consumption happens in small quantities, the health proposition needs to be weaved in with taste. Variants/Flavours Bingo! Potato Chips | Potato Chips – Variants | | Product Description | | Premium Salted | | Salted crunchy potato

chips| | International Cream N Onion| | Unique combination of cheese, cream and spring onion on potato Chips| | Red Chilli Bijli| | Potato chips spiced up with red-hot chillies| | Spicy Masala Remix| | A mix of spicy masalas on potato chips. | Juicy Tomato Ketchup| | Succulent, ripe tomatoes on crisp and crunchy potato chips| | Pickle Tickle| | Tongue-tickling combination of achaari lemons and potato chips| | Fiery Red Tomato| | Potato Chips smeared with dry red chillies and juicy red tomatoes| | Oye Pudina| | Combination of crunchy potato chips and sprinkling of fresh Pudina leaves| | Bingo! Mad Angles –" har angles se Mmmm..." One of the biggest successes from the Bingo! portfolio, Bingo! Mad Angles has carved a niche for itself in the consumers mind and is synonymous with the perfect triangular snack.

A combination of innovative flavours on a traditional khakra base, Mad Angles is a snack that is true to taste and perfect flavour delivery as well as shape, making it a snack that's truly " har angles se Mmmm..." What's new? Bingo! brings you the chaat flavour that you can savour without having to stop by the " gali ka chaatwala". Let your fingers dive in to the perfect combination of the taste of fresh pudina, tangy tamarind, creamy yogurt and of course, the crunchiness of khakra triangles. Available in packs of Rs. 5, Rs. 10 and Rs. 20, the new Bingo!

Mad Angles Masti Chaat now adds to the excitement of Mad Angles range from Bingo! Bingo! Mad Angles| | Mad Angles Variants| | Product Description| | Mad Angles Tomato Mischief| | A combination of khakra-like crunchy triangles with tangy tomato flavour| | Mad Angles Chilli Dhamaka| | Crunchy triangles with a taste of chillies| | Mad Angles Achaari Masti| | Mouth-watering combination of Mad Angles and sweet-sour mango pickle| | <https://assignbuster.com/bingo-vs-lays-essay/>

Mad Angles Masti Chaat| | A chaat flavor that you can savour without having to stop by the galli ka chaatwaala.

The perfect combination of fresh pudina, tangy tamarind, creamy yogurt and of course, the perfection of khakra triangles. | | | | Bingo! TanglesThe latest addition to the Bingo! portfolio is Bingo! Tangles in masala and tomato flavours. Each piece of this innovative crunchy snack is made out of strands loaded with lip smacking masala or tantalizing tomato flavours. Once bitten, they break into many more delicious strands in the mouth. | ' Be A Little Dillogical' About Lay's Brand History

Lay's, the world's largest and favourite snack food brand, has steadily established itself as an indispensable part of India's snacking culture since its launch in 1995. With its irresistible taste, international and Indian flavours and youth-centric imagery, Lay's has established itself as a youth brand and continues to grow in the hearts and mind of its consumers. Over the years, Lay's has become known for its engaging and innovative promotions and campaigns. The brand known for its ' No one can eat just one' campaign has moved its positioning to ' What's the programme? making Lay's ' the main food of every programme'! Frito-Lay India Ltd. produces India's largest snack food manufacturer's brands, including Ruffles, Hostess, Cheetos and Uncle Chips. Frito Lay's story is an example of how American recipes were adjusted to satisfy local tastes. Saif Ali Khan has been the face of the brand for over five years, and has recently been joined by the captain of the Indian cricket team M. S. Dhoni. Both embody the youthful energy and appeal of the brand.

In 2008, Lay's launched the never-before 'Fight for Your Flavour' allowing consumers to vote for the flavour of their choice. The flavour with the maximum votes would continue in the market. The flavours have been selected by the Lay's brand ambassadors Saif Ali Khan and M. S. Dhoni with each celebrity rooting for the flavour of their choice. In November 2008, Lay's made yet another innovative breakthrough – the Chip-n-Sauce pack. This first-to-market pack has been launched for cricket lovers as they settle in their seats to savour the best sporting action of the season.

The Lay's Chip-n-Sauce large pack comes in two unique flavours – Chilli Chinese with a Schezwan Sauce sachet and Chatpata Indian with a Tamarind Sauce sachet inside the pack. In June 2009, Lay's launched its new positioning platform: 'Lay's – Be a Little Dillogical'. The new Dillogical concept makes an instant connect with youth caught between the desire to succeed and the desire to remain engaged with certain moments that offer a deep emotional fulfilment. This friction is like a game between the heart and the head, a struggle between what you want to do and what you have to do.

It's all about making things that matter to the heart, happen. The new platform has been launched with a series of ads built around the universal consumer struggle between what the mind asks one to do and what the heart desires. A powerful 360 degree approach supports the new TVC, and has indeed prompted consumers to be a little Dillogical. **WINNING FLAVOUR** Lay's, the world and India's No 1 potato chips brand from Frito-Lay India, is all set to provide some new lip smacking tastes to its consumers. The four short listed flavors from a whopping 1. million ideas came from four winning consumers, each of whom gets Rs 5 lakh for their dillogical flavor ideas.

Cheesy Mexicana, Tangy Twist, Mastana Mango and Hip Hop Honey & Chilly from a three-month long Give Us Your Delicious Flavor (GUYDF) campaign. The four flavors will be sold in the market across India for the next two months with the theme bachega sirf tastiest (survival of the tastiest). The flavor that elicits the maximum consumer votes will not only continue to stay in the market as the mega winner, but its ideator would be awarded a grand prize of Rs 50 lakh and 1% of sales revenue.

KurKure Brand History: Launched in 1999, this perfect ‘namkeen’ snack, developed entirely in India, has come to be identified with fun and lovable human quirks. It developed an even stronger identity through associations with celebrities like Juhi Chawla (2003) and Kareena Kapoor (2008), well-known Indian actors. **Brand Promise:** Kurkure is a crunchy new-age namkeen snack brand which symbolizes light-hearted fun. Embodying the spirit of India, Kurkure has found a home in millions of hearts and minds and enjoys the position of a strong Lovemark brand in India.

Juhi’s vibrant and fun-loving personality complements and embodies the essence of Kurkure. Over the years, Kurkure has journeyed effortlessly from being a snack with a twist to becoming an integral part of India’s teatime menu and an embodiment of endearing human ‘imperfections’ or ‘tedhapan’. Innovations Kurkure has constantly re-invented itself to sustain its relevance to Indian culture and the Indian ethos. Not only does Kurkure provide an inimitable taste and superior quality, it has also brought fame and happiness to many through its ‘Chai-time-achievers’ face on pack initiative.

Kurkure Desi Beats: Kurkure Desi Beats is an exciting new range of crunchy triangular snacks in irresistible Indian flavours. This newly launched youth-oriented sub-brand personifies our inherent ‘Desi’ spirit and gives one the license to be Desi. Desi Beats celebrates the contemporary Indian youth who straddles both tradition and modernity and is confident of his Indian identity.

VARIANTS OF FRITO LAYS CHIPS| Kurkure| Uncle chips| Aliva| 1. Spanish tangy tomato| 1. Masala munch| 1. Spicy treat| 1. Special | 2. American cream and onion| 2. Chili chatka| 2. Chatpata Masala| 2.

Special tomato| 3. Classic salted| 3. Funjabi(rajma)| Others | 3. Special salted| 4. Magic Masala| 4. Rajhasthani| Desi beats| 4. Special mint| Winning flavours| 5. Hyderabad| | New| 5. Hip hop honey| 6. Solid masti twist| | 5. Cream & herb| 6. Cheesy Mexicana| 7. Solid masti khatta-mittha| | 6. Pizza Blast| 7. Tangy twist| 8. Dewana tomato desi beat| | 7. Sweet Chilly| 8.

Mastana mango| 9. Flirty lime| | 8. Apple Delight| | 10. Naughty tomato| | 9.

Milk Minis Sugar Vanilla| Competition among the variants of Bingo and Lays Chips| | 1. Spicy Masala remix| Chilly Mexicana| . International cream onion|

American cream and onion| 3. Juicy tomato ketchup| Spanish tangy tomato|

4. Red chili bingo| Magic Masala| 5. Premium salted| Classic salted| Bridges |

| 6. Mad angle tomato| Kurkure Dewana tomato| 7. Mad angle chilli| Kurkure

chili chatka| 8. Mad angle achari| Kurkure Rajhasthani| 9. Hatke-Jhatke

Funky| Kurkure Funjabi| 10. Hatke-Jhatke Tomato| Kurkure Naughty Tomato|

11. Tedhe-Medhe| Kurkure Masala Munch| Market Pattern (India) S. W. O. T

Analysis of Bingo Strengths 1. Excellent branding and advertising on TVCs and print ads 2.

Great variety of flavours gives customers options
 3. Reasonable pricing ensures spontaneous purchase
 4. Strong backing of ITC Limited brand name
 Weakness
 1. A slight gap in demand and supply on bingo
 2. Lacking in infrastructure as compared to Lays
 3. Shallow penetration
 4. Not well trained and inexperienced salesman
 Opportunity
 1. Leverage successful brand ITC, especially Atta and biscuits
 2. Advertise more to attract target group
 3. Buy out smaller competition and tie-ups with resort, food chains
 Threat
 1. Threat from local substitute snacks
 2.

Balaji's strategy – winner in terms of quantity
 Observation at W. D. Point
 a. The WD point is very well connected to all the nearby areas/locality/potential
 b. ITC use software that is called SIFY to prepare bills and detail information product wise, variant wise, summarize sales reports are made in the help of this software. Format of sales report code of the goods are in this.
 c. ITC gives 3. 5% margin to his distributors and
 d. ITC bears vehicle cost.
 e. CALCULATION OF PRICE TO RETAILER (PTR) = f. MAXIMUM RETAIL PRICE (MRP) 100 + % MARGIN
 g. Basic terms LC: Line cut

BC: Bill Cut UBO: Unique Bill Outlet ABV: Average bill value CFC: Collaret Fibre Container
 ABC: Average Bill Cut ALC: Average Line Cut TDP: Temporary Dispatch Time
 h. The salesman here lack the competent skills and they are not so knowledgeable about the product and the variants
 i. They lack persuasion and convincing technique
 j. Majority are inexperienced because they are new
 k. It has been observed that a lot of time is wasted in loading the stock in the vehicles and getting the stocks billed
 l. Salesman turnover ratio is high.
 Findings
 l. Works assigned were

To check the availability, visibility and DND (if any) of Bingo at retail outlet. While doing this, I understood about distribution and stocking process at WD (Wholesale Distributor) point which are as follows: A) Ordering Booking Process B) Ready Stock Process. From the above mentioned works assigned and the objectives given, the Retailer point of view was clear II. To collect information of Frito-Lays and analyze the data thereafter. For that I have interviewed Frito-Lays distributors and company official i. e. Chetna Traders III. In order to overcome weakness, my recommendations and contributions.

In the duration of my project I used to visit the market daily, in the initial 7 days as a DS (distributor salesmen) and from the 8th day onwards as a supervisor with DS and analyze the market of ITC Bingo and Frito-Lays. While checking availability and visibility of Bingo snacks at Retail Outlets I came across following observations: 1) ITC has a good mix of traditional and modern type of distribution channel. 2) The response of customer towards Bingo is positive. 3) At major outlets the sale is good. 4) At big retailers there is a huge demand 5) Like Bingo there is only one Distributor for Lays in Andheri – Chetna Traders) Small ‘ Kirana’ shops and retailer get confused among the variants of Bingo! 7) All the shops where Lay’s and Bingo are not present, Balaji has dominated. 8) Shopkeepers ask for more credit even if they have and are already on credit 9) The total coverage of ITC Bingo snacks falls very short in comparison to Frito-Lays. 10) The problem is the lack of coverage and infrastructure 11) Lack of competent advertisement. 12) Bingo Lacking the Infrastructure 13) Balaji is also a cut throat competitor 14) Lays have fixed PTRs 15) Balaji who who hardly spends on rack and nets also has PTRs and schemes 6) Parts of Jogeshwari, IRLA, lalubhai, Marol

Military road are dominated by Balaji and then Lays 17) Unlike Lays and Balaji, Bingo faces a gap in demand and supply. 18) All the variants are never available at the W. D. point Analysis & Interpretation Demand of Bingo

Interpretation: 1. The demand for Bingo is good and increasing because - Bingo! Is positioned as a youthful and innovative snack, offering the consumers with choice in terms of both formats and flavors including Local tastes. 2. Also because the name is catchy, easy to pronounce, recallable, trendy. 3. Bingo identifies itself as a brand which is youthful, fun and colorful

Criteria kept in mind when Retailers sell Bingo Interpretation: 1. After having a face to face communication with the retailers it was observed that the major influence they see in the buying pattern of the consumers is that the consumers go for quality first then the size. 2. Similarly the criteria that the retailers keep in mind is at first the quality then the size but also the margin, because there a lot stiffness among the competitors and their schemes and offers. 3. In low income areas/slum areas retailers prefer to go for Balaji to any other because the consumers there go for the size/ quantity 4.

The big and organized retailer go for the quality and Margin 5. Giving competition to Lays Interpretation: 1. Lays has revamped its branding strategy with new promotions featuring actress like Juhi Chawla, Kareena Kapoor etc. 2. About 35 AC BEST buses in Mumbai and metro in Kolkata are now branded by Kurkure 3. But Bingo has managed to do a dent in Lays market share. Is the fact that ITC spend close to 3 years researching, finding and analyzing the Finger snack segment to come up with its own indigenous variety responsible for Bingo's success. Problems faced to sell ITC Bingo

Interpretation: 1. Brand Loyalty of Lays customer is posing threat to Bingo 2. Stagnant Market Share 3. Unawareness of the variety of flavours introduced by Bingo 4. Threats of local players like Balaji, Haldiram and Diamond Effect on sales by improving infrastructure Interpretation: 1. ITC was the first one to introduce racks which has helped them to achieve a considerable increase in terms of sales and visibility and availability. 2. Lays has heavier promotional activities, better infrastructure as it has modified racks which gives the advantage of keeping more stock 3.

It is noted that Lays keeps on bringing in new packet ranges which Bingo does not. For e. g. the Rs 15 packets, Rs 30 packet and combo offer of 4 packets of Rs 20 each for Rs 60 4. Lays has more racks than Bingo

Convincing the customer to purchase Bingo Interpretation: 1. The convincing is not required because Bingo has maintained the quality throughout since its launch 2. It is in good competition with Lays 3. Consumers can easily recall the brand and the product Rating Bingo and Lays Interpretation: 1. It can be seen from the data that at some stages Bingo is at par with the market leader Lays 2.

Lays has a better and deeper penetration. 3. Lays has more salesman as compared to Bingo's 4. Consumer's point of view – Lays has many and clearly distinguished flavours Rack availability of Bingo as compared to Lays Comparing Bingo! To Lay's 1. It is difficult to make out the flavour from seeing the colour of the packing which is not the case with Lays 2. Lays penetration is deep, and they have done it by reducing the demand supply gap and arranging better visibility by providing racks more than competitors. 3. Lays also gets the upper hand because it keeps on coming with new

schemes, for e. g. they give 4 Rs20 packet for Rs 60, we have no such schemes 4. Lays even has modified racks, customized to hold/contain more packets, this is some good strategy keeping in mind that it was ITC who had come up with the rack system. 5. Lays has a higher demand as compared to Bingo because of its promotion, they have characters in their advertisement which public/consumers can recollect even at a later stage e. g. Saif Ali Khan, M. S Dhoni whereas in Bingo we do not have such concept. Although it is noticeable but after having a considerable interaction with the retailer this is the most common topic they had put up. 6.

The major difference between Lays and Bingo is that Lay's as a brand has related itself to cricket. Relating to cricket is the promotion strategy in which the brand relates itself to the events and experience, and in Mumbai or in Maharashtra or in whole of India cricket mean mass, this way Lays already has a strong grip than Bingo. 7. Lays have a better, stronger and an efficient distribution system, talking in terms of availability of product then Lays is always available where Bingo falls short here as the stock is sometimes available and sometimes not causing inconsistency in the availability of the product. 8.

Though it can be stated that because Lays has been in the market for a much longer period than Bingo so it has the brand advantage but Bingo still lags way behind in the a competent distribution process 9. Lays has 30% more rack installed than Bingo, making it the prime reason for the retailer to buy the product Porters 5 forces Model Threat of new entry: * As the market is growing at 30 percent annually, new entrants may consider it a profitable venture * As branded players are priced similarly, new players might

penetrate by adopting a lower price or by offering more quantity at the same price (Balaji-strategy) New players with a distinct USP and marketing strategy may find it easier to enter the market (Bingo Strategy) *

Unorganized players still account for half of the total wafer segment, thereby discouraging market entry * Veteran players such as Fritolay, Haldiram etc enjoy economies of scale, well-established distribution and good distributor relations. Competitive Rivalry: * High Competition – Branded Players involved in cut-throat competition to increase market share, entice new consumers, find new markets * Low Quality differences among branded players. Quality difference between branded and unbranded offerings is offset by low price offered by unbranded players * Cost of switching is low as all players have a similar pricing strategy * Brand Loyalty is high for branded players

Bargaining power of suppliers * Suppliers provide raw materials such as potatoes, spices and other ingredients. * Their ability to raise input costs is high. * Higher cost of input commodities leads to lower margins, making the market unattractive for distributors and retailers (in an already low-margin, high-volume market) Shortage of any input material may also affect production and thereby impact distribution. * Veteran players like Fritolay and ITC already have a well- established network of suppliers. ITC's e-choupal venture permits a steady supply of raw materials at the lowest price. Bargaining power of Buyers * Frito-Lay enjoys a healthy lead with a 45 percent market share for its portfolio of products * Competitor differentiation is in terms of variants and communication. * Ability to substitute is high as brands are priced similarly and distribution problems for one brand promote sales for the other. Price Sensitivity is high. An increase in the price of Lays may promote a switch to Bingo for most buyers (except for loyalists) * Threat

of substitutes: * Indian Snack Segment is high-volume, low-involvement driven (thrives on impulse buy) * All snacks are considered to be substitutes of each other * Biscuits, Wafers and local snacks like Chakli, banana chips, Farsan etc are all substitutes of one another Recommendations/Suggestions

1. For distribution different vehicles should be used which has opening from 3 sides because a lot of time is wasted in the unloading the particular order

2.

The market report should be prepared more thoroughly 3. The routes should be predefined and the salesman should not mix up the routes 4. Some routes are very small to be covered for order booking for Bingo like IRLA Market so it can be combined with Lalubhai market 5. There should be less variations in giving different schemes to multiple shopkeepers as they eventually come to know about the schemes given to other shopkeepers and then they raise their demand to either reduce net rates or give additional schemes 6.

Bingo can come up with different shapes of packaging in small areas where there is more sale of Rs 5 packet e. g. triangular packs, as they do not need racks to be put in because different packaging always attracts consumers. 7. Should increase the size of Rs 5 packets, because this is the main reason for less sale of Bingo, on the other hand Balaji is also tough competitor in terms of quantity 8. Company can opt for seasonal promotions because the sales in the month of May-June are very low because the schools are closed. 9.

Gift packs or combos with 4-5 flavours can be introduced in this period only

10. Posters on buses and trains can be done for e. g. the way Fanta has

utilized the opportunity on local trains of Mumbai 11. Brand ambassadors

should be introduced because Bingo has almost completed 5 years in the market, brand ambassadors because people can then relate to the brand and or the product 12. Also because Lay's our prime competitor has quite some good brand ambassadors like Saif Ali Khan, M. S. Dhoni 13. Relating Bingo to current burning topics, the same way AMUL does in print ads. 4. Having too many flavours is causing some problem because the customers and even the retailer are not able to differentiate between different variants. 15. Even though it's a good strategy as people are forced to try each flavour, the ones which are not going good in the market should be removed from the company's portfolio. 16. This would reduce the problem of confusion amongst the consumers. Conclusion From the survey of the retailers and the market comparison following conclusions can be drawn 1. Bingo's sale has noticeably increased by providing good infrastructure . Retailers put Bingo next to Lays which is a market leader 3. Such an brand image has to created which creates a lasting image, which can be done by introducing a couple of brand ambassadors 4. Lays still has the upper hand because it has been in the market for a longer time as compared to Bingo 5. Improving the distribution level to meet up the competition given by lays is the only way to cover up the demand supply gap 6. Though Bingo is of good quality as noticed but it is yet to meet International Standards to give more stiff competition to Lays 7.

In small localities Balaji is preferred 8. A lot of time is wasted during the unloading of the order/stock during the ready stock. It is not the case with Lays because the order for Lays are in bulk and as per the CFC boxes.

Annexure QUESTIONNAIRE (RETAIL OUTLET) Outlet Name: – Outlet Type: –

Route: - 1. How is the demand of Bingo? a) Very good ___ b) good ___ c) average ___ d) below average __

2. Stock availability of various brands a) Lays ___ b) Bingo ___ c) Haldiram ___ d) Balaji ___ e) Parle ___

3. What criteria you keep in mind when you sell your product?) Focus on Quality ___ b) Focus on Price ___ c) Focus on Size ___ d) Focus on Margin ___

4. How far do you think ITC Bingo has captured market over Lays? a) On a Small Scale ___ b) On a Large Scale ___

5. What problem you face to sale ITC Bingo!? a) Size ___ b) Brand Loyalty for other Brand ___ c) Lack of Awareness ___ d) Any Other

6. Has the sale increased by improving the infrastructure by Bingo? a) Highly Increased ___ b) Increased ___ c) Somewhat Increased ___ d) Not at all increased

7. Do you have to convince customer to purchase Bingo?) Yes ___ b) No ___

8. Please assign a value from 1-5 to BINGO & LAYS a) For Excellent 5 b) For Very Good 4 c) For Good 3 d) For Average 2 e) For Bad 1

9. Do you have a rack of Lays? a) Yes ___ b) No ___

10. Do you have a rack of Bingo? a) Yes ___ b) No ___

References

1. <http://www.itcportal.com>
2. <http://www.nowthatsnifty.com/2012/01/204-lays-potato-chip-flavors-from.html#.T9zOwCEggUg>
3. <http://www.the-top-tens.com/lists/best-flavour-lays-india.asp>
4. <http://pepsicoindia.co.in/media/fact-sheet.html>