

Market analysis of sunfeast cookies



The main objective of the report is to comply to the various marketing theories that has been prevailing in the market and get a proper understanding of the real market.

With the help of the ITC Sunfeast various functions and strategies were being discussed and discussed in respect to policies and path they have followed since they have been a successful player in the market.

The consumer insight is studied to get a sense of various needs, demands and mind set of them. This is done with the help of questioning people at different places so that there is a glimpse of their buying pattern. The people interviewed were from different places of Gurgaon.

COMPANY'S OVERVIEW

ITC stands for Imperial Tobacco Company of India Limited is an Indian Conglomerate whose market capitalization is of US \$14 billion and turnover of over US \$ 51 billion.

ITC is a largest private cigarette company with a diversified portfolio which comprises of hotels and paperboards, packaging, agri- business, packaged foods, confectionary, branded apparels, greeting cards and FMCG products.

ITC group is the latest diversified form of FOOD DIVISIONS. The entry in beverage market was just to implement a new strategical decision to increase the market values. The core values of company lies in understanding the customer needs, reinventing brands and to establish the expertise brand.

ITC's 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.

SUNFEAST

In July 2003, ITC entered in Biscuits market with the Sunfeast it was Glucose, Marie and cream biscuits. The brand connotes to happiness, contentment, satisfaction and pleasure since its mascot Sunny and slogan spread the smile. In 6 years Sunfeast has launched many new varieties and has it launched almost all types of biscuit categories.

At that time, Britannia and Parle held. The rest too was firmly held by smaller players like Priya Gold which had a strong presence in the north. Things have lot changed after three year. The growth has been increased upto 12% and the overall pricing was Rs 4, 000 crore

ITC's Sunfeast is a different story to tell so far. The strategist looks at the game plan of a late entrant and how the biscuits industry has responded.

MARKETING ENVIORMENT

MACRO ENVIORMENT

Developments and implementing marketing plans requires number of decisions. Making those decisions is both an art and science. To provide insight into and inspirations for marketing decision making, companies monitor customer needs and update themselves so that they can continuously adapt to the environment.

In 2003 when ITC entered the market there was a organized sector of biscuits which was estimated to be 0.8 million tons with a value of Rs 45 billion and Britannia and Parle were the major competitors. But the company realized that urban India comprising 27% of the population accounts for 44% of biscuit composition that consumers are looking for innovation, variety and fun in the entire biscuit category which other biscuit companies lack.

DEMOGRAPHIC ENVIRONMENT

Since India is diversified and demographically vivid, hence the need is therefore very different. So the company catered the need of every life cycle as there is a product for children and even for elders and also for older people. Hence there is something for everyone and by this ITC dominated the market completely.

ECONOMIC ENVIRONMENT

The available purchasing power in an economy depends on current income, price, saving, debt and credit availability. The company realized the buying potential of the Indian market and accordingly price the biscuits in a way so that it does not push the consumer and the price corresponds to the price of the competitors. So this way the customers will have a value for money as in the same price they will have a new and a better product. Moreover the focus was on the urban population hence the price was not such a matter of importance as the people of this category has high purchasing power.

SOCIO-CULTURAL ENVIRONMENT

The society shapes the beliefs, values and norms that largely define consumer tastes and preferences. People absorb, almost unconsciously, a

world view that defines their relationship to themselves, to other, to other organizations and to society. So ITC launched a product which was in accordance with the beliefs of India as the ingredients contained in the product are those which were generally used by the people and moreover satisfied them and it was in also tune with the changing taste and preferences of the consumers.

ENVIORNMENTAL

ITC's operation result mainly concern on three areas: (a) release of greenhouse gases for global warming; (b) consumption of water, both from surface and sub-surface sources,

Global Warming: strategy used by company to lower the global effect are (a) Lower the energy used by improving technology and implementing it with new products. (b) greenhouse gases, especially carbon dioxide, through a large-scale forestry programme.

Water Conservation: ITC is know about the fact that freshwater in the country is increasingly becoming a valuable resource given that India accounts for 18% of the world's population but has only 4% of global freshwater resources.

MICRO ENVIORNMENT

ITC's employment practices are based on attracting and retaining talent only on merit. The Company leadership 'walking the talk' and focusing on implementing the policy underlines the Company's approach to employment practices and creating a decent work environment. ITC's takes care of all human rights and employee satisfaction along with maintaining dignity. High

standards of employment and EHS practices judge the Company's performance, help in the attraction and retention of quality talent, and enhance the equity of the Company as a responsible employer. The primary objective is to nurture a culture of meritocracy amongst a committed and enthusiastic workforce from diverse backgrounds.

The organizational structure is as follows:-

DISTRICT MANAGER

REGIONAL BRANCH MANAGER

BRANCH MANAGER

ASSISTANT BRANCH MANAGER

3 CIRCLE INCHARGE (CITY, METRO & UP COUNTRY)

AREA EXECUTIVE

SUPERVISOR

SALES MAN

MARKETING STRATEGY

ITC is a nation company that is most valued because of its corporate culture. Chairman Y C Deveshwar considers the company as commitment beyond the market.

The company seem to be committed with developing India and contributing in its own way not only to succeed in at a smaller level but making a difference at a global level in an international w

STRATEGY

With it's one of its product which is Sunfeast the company is determined to give happiness, contentment, satisfaction and pleasure since its mascot is Sunny and slogan spread the smile which stood true to its name.

The product Sunfeast was launched in the midst when the biscuit market in India was estimated to be about a value of Rs 45 billion and out of that Britannia and Parle held more than 80% of the organized sector in value terms. ITC therefore decided to enter the branded biscuits market with products that would reinforce the gratifying aspects of the brand as well as offer great taste and quality to customers.

The ITC can be a classical example of study as a tobacco company who deals in various products can be successful in promoting in marketing biscuits? The core competencies on which ITC relies on the depth of distribution, brand building capability and ability of quality outsourcing which made it successful.

Sunfeast which was launched in 2003 was one of its diversified arrays apart from a tobacco product leader to a FMCG player. IT has a well developed system of distribution which can only be compared only to HLL. As ITC was one company who has it's intervene in all major fields so this establishes Sunfeast among all over India and as well outside India.

The biscuit market is to be estimated about 4500-5000 crore with Parle and Britannia being the major players. The biscuit market has now moved to value added biscuits and key markets were U. P., Maharashtra and Tamil Nadu. While the rural market prefers Glucose biscuits and Urban market is fond of cream biscuits.

The establishment of brand was never easy as the market is already having lead biscuit companies which were satisfying the needs of people. Sunfeast monitored the market demand and carefully handled promotion and brand building which made the brand to gain 10% market share. The product was made exciting by launching a series of convenience goods, new tastes and flavours which lead to an interest in the brand. The company continued a series of launching of products like Milky magic, coconut, strawberry, pineapple, butterscotch and cream and it also entered the premium biscuit category with Dark Fantasy.

Moreover market research revealed that consumers were looking for innovation, variety, and fun in all the biscuits categories. A mascot, Sunny was chosen to convey these aspects of ITC's biscuit brands. Initial offerings included the Sunfeast Glucose biscuits, targeting children and their mothers; Sunfeast Orange Marie, targeting housewives and families; and Sunfeast Orange cream, Butterscotch cream and Bourbon Cream, targeting children.

Over the last few years, the Sunfeast range has expanded with the introduction of the Sunfeast Dark Fantasy range in the premium segment; the Sunfeast Milky Magic in the milk biscuit category; the Snacky in salted crackers and cookies category. In addition, ITC entered the nutritional biscuit

segment with launch of Sachin's Fit Kit- a range of healthy products co-created with the cricket icon. In 2007 the brand has a value of Rs 5 billion and is growing at 15% per year.

CONSUMER ANALYSIS

The analyses showed that majorly people consumed Biscuits and are not fond of having the Sunfeast Pastas.

About 63% of people prefer having Sunfeast Marie and Sunfeast Dream Cream is being preferred by only 25% of the consumers.

The products like Sunfeast Special, Sweet n Salt, and Golden Bakery are not that much appreciated as only 13% of people prefer them.

In dream Cream Butterscotch, Orange and Bourbon were equally appreciated.

Classic Snacky was more liked as compared to Chilli flakes in Snacky brand.

90% people prefer having Marie lite over Orange Marie and the product is not just consumed by Old but almost people of every age group.

In Golden Bakery choco nut was mostly liked while there was no interest in the rest of the choices.

Coconut and Butter were equally liked in Special category.

63% prefer Sunfeast because of its Taste and Flavour while 25% likes them because of price, packaging, quality.

People also appreciated it because of availability of large variety.

It was also observed from the survey, that the products were regularly by the customers, most of them going for weekly and fortnightly purchase of the product.

The major competitors for the product are Parle and Britannia which were even a threat when the product was launched.

The brand loyalty seems to very weak as when consumers were asked that would they continue to consume Sunfeast even if other products were at a discount, the answer came as No. The people were specific in the categories but not with the brand Sunfeast.

The television seems to be most effective form of advertisement as it spread awareness in almost every age group and was the major promotional tool.

The brand was easily available to people and even remotest to smallest shops have Sunfeast for sale.

The people seem to be assured of quality and said that they would recommend their friends and relatives the product.