

# Indian tobacco company



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BUSTER**

Indian Tobacco Company BY harun1302 Indian Tobacco

Company/Corporation (Imperial Tobacco Company of India Limited) ITC was set up in 1910 by the name of 'Imperial Tobacco Company of India Limited'.

The company is now known as Indian Tobacco Company Ltd. ITC has its presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Greeting Cards, Safety Matches and other FMCG products.

ITC is a market leader in the businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri- Exports. It is gaining its market share very rapidly in the businesses of Packaged Foods & Confectionery, Branded Apparel and Greeting Cards & Stationery. SWOT Analysts ITC ITC is one of India's biggest and best-known private sector companies. In fact it is one of the World's most high profile consumer operations.

Its businesses and brands are focused almost entirely on the Indian markets, and despite being most well-known for its tobacco brands such as Gold Flake, the business is now diversifying into new FMCG (Fast Moving Consumer Goods) brands in a number of market sectors - ncluding cigarettes, hotels, paper, agriculture, packaged foods and confectionary, branded apparel, personal care, greetings cards, Information Technology, safety matches, incense sticks and stationery. Examples of its successful new FMCG products include: Aashirvaad - India's most popular atta brand with over 50% market share.

It is also present in spices and instant mixes. Mint-o - Mint-O Fresh is the largest cough lozenge brand in India. Bingo! - a new introduction of finger

snacks. Kitchens of India - pre-prepared foods designed by ITC's master chefs. Sunfeast - is ITC's biscuit brand (and the sub-brand is also used on some pasta products). Strengths ITC leveraged its traditional businesses to develop new brands for new segments. For example, ITC used its experience of transporting and distributing tobacco products to remote and distant parts of India to the advantage of its FMCG products.

ITC master chefs from its hotel chain are often asked to develop new food concepts for its FMCG business. ITC is a diversified company trading in a number of business sectors Weaknesses The company's original business was traded in tobacco. ITC stands for Imperial Tobacco Company of India Limited. It is interesting that a business that is now so involved in branding continues to use its original name, despite the negative connection of tobacco with poor health and premature death. To fund its cash guzzling FMCG start-up, the company is still dependant upon its tobacco revenues.

Cigarettes account for 47 per cent of the company's turnover, and that in itself is responsible for 80% of its profits. So there is an argument that ITC's move into FMCG (Fast Moving Consumer Goods) is being subsidised by its tobacco operations. Its Gold Flake tobacco brand is the largest FMCG brand in India - and this single brand alone holds 70% of the tobacco market.

Opportunities Core brands such as Aashirvaad, Mint-o, Bingo! And Sun Feast (and others) can be developed using strategies of market development, product development and marketing penetration.

ITC is moving into new and emerging sectors including Information Technology, supporting business solutions. e-Choupal is a community of

practice that links rural Indian farmers using the Internet. This is an original and well thought of initiative that could be used in other sectors in many other parts of the world. It is also an ambitious project that has a goal of reaching 10 million farmers in 100, 000 villages. Take a look at e-Choupal here [http://www.itcportal.com/agri\\_exports/e-choupal\\_new.htm](http://www.itcportal.com/agri_exports/e-choupal_new.htm) ITC leverages e-Choupal in a novel way.

The company researched the tastes of consumers in the North, West and East of India of atta (a popular type of wheat flour), then used the network to source and create the raw materials from farmers and then blend them for consumers under purposeful brand names such as Aashirvaad Select in the Northern market, Aashirvaad MP Chakki in the Western market and Aashirvaad in the Eastern market. This concept is tremendously difficult for competitors to emulate. Chairman Yogi Deveshwar's strategic vision is to turn his Indian conglomerate into the country's premier FMCG business.

Per capita consumption of personal care products in India is the lowest in the world offering an opportunity for ITC's soaps, shampoos and fragrances under their Wills brand. Threats The obvious threat is from competition, both domestic and international. The laws of economics dictate that if competitors see that there is a solid profit to be made in an emerging consumer society that ultimately new products and services will be made available. Western companies will see India as an exciting opportunity for themselves to find new market segments for their own offerings.