

External factors affecting itc marketing essay



**ASSIGN
BUSTER**

In today's world due to globalization there is immense competition in the market. To sustain their position and value in the market companies not only have to take care of the functions happening internally but externally as well. The function of company is divided into internal and external factors.

ITC was incorporated on August 24, 1910 with the name Imperial Tobacco Company Limited. As the ownership of the company got more Indianised the name of the company was changed from Imperial Tobacco Company Ltd to Indian Tobacco Company Ltd in the year 1970 and then later it changed to I. T. C LIMITED IN 1974. It is a public conglomerate company which has its headquarters in Kolkata. The headquarters name was Virginia House which was formed in the year 1928 is today's Kolkata most venerated landmark. Although the company started its business with manufacturing cigarettes it's later ventured into the business of packaging and printing in the year 1925. In 1975 the company launched its hotel business. In 1979 ITC entered paperboard business. ITC's paperboard technology, productivity, quality, and manufacturing process are comparable to the best in the world. In the year 1990 ITC set up the agri business division for export of agri commodities. Then in the year 2000 ITC initiated the e-choupal scheme with soya farmers in Madhya Pradesh. The turnover of this company is \$6 billion and it has a market capitalization of \$22 billion. It is now a fully independent company but it has its ancestry with Imperial Tobacco of United Kingdom. It was registered as by this name in 1974.

It has diversified its business in many sectors such as cigarettes, hotels, paperboards, packaging, agribusiness, packaged food, confectionaries and many other sectors. Although it's a much diversified company it is the only

company in the world which has managed to be carbon positive, water positive and solid waste recycle positive.

CARBON POSITIVE CORPORATION

Due to global warming we are noticing climate changes in the environment. These are the result of large- scale emission of gases such as carbon-dioxide. This can result too many harsh consequences.

Itc has been a company which has worked for reducing green house gas emission. All ITC businesses work towards minimizing energy consumption and where ever possible use environmental friendly products. ITC has implemented several CDM projects under the Kyoto protocol and ensured that there is proper sequestration of carbon dioxide through large scale social and farm forestry initiatives. All this is done through a properly established technique to reduce the total carbon dioxide in the atmosphere.

Energy efficiency practices of ITC have helped the company to achieve a world class standard of energy utilization in many units. 30. 9% of the energy consumption of this company is from renewable resources. Itc has chosen wind energy as a focus area for optimizing its positive environmental foot prints. The company has already invested in wind generation plants in Tamil nadu to meet its energy requirements for their plant in Chennai.

The company has already registered 8 CDM projects with the clean development mechanism – executive board.

WATER POSITIVE CORPORATION.

India has a very troubled water future. It has access to less than 4% to fresh water supply and the condition is likely to be worsening in the near future.

Itc sustainability initiative focuses on the following:

Itc has been able to achieve the lowest specific water consumption through benchmarking, conservation and audit.

Itc recycles all waste water, hence they not only reduce fresh water intake but they also prevent pollution of fresh water resources.

Itc has managed to create a positive foot print through rain water harvesting between their own units and watershed areas.

Itc has managed to achieve the lowest specific water consumption [water used per unit for production]; they have the zero effluent discharge by treating and recycling all waste water. The rain harvesting project has been consolidated by ITC for 8 consecutive years. They not only follow it in the company premises but also do that for other water shed areas around their company. The total rain water harvesting potential so far developed by ITC is 3 times the total water consumed by the company.

WASTE RECYCLING POSSITIVE.

There is a significant amount of waste being disposed through land filling and dumping, hence waste management is an area of serious concern in India.

Most of the landfills and dumping sites are serious health hazards to people living in the neighbourhood of these areas. This not only causes health problems but also causes soil and water contamination.

All the factories of itc such as the cigarette plant at bengaluru, Saharanpur, munger and Kolkata, the ITC green centre at gurgaon, surya nepal cigrate factory at simla, and also the ITC hotels- maurya, maratha, grand central, sonar , windsor, mughal, etc, all recycle almost the entire waste generated , i. e , more than 99 % out of their operations.

OTHER COMMITMENTS.

ITC has a history of collaborations with communities and government institutions. It enhances farm productivity and rural resource base. ITC commitment in these areas has lead new aspects in competition and new farm practices.

In the year 2000 ITC launched e-choupal , it was a knowledge portal that provided farmers with a range of information and services. It was designed in such a way that the farmers could bargain collectively and enhance their transitive power. Today over 4 million farmers are part of this scheme .

Itc then launched a program called as sunhera kal which was a rural capacity building program which made the local initiative to develop water and forest resources, it helped in opening up new non-farm livelyhood, empower women economically and expand primary education.

The mission has now embressed a community of thousands of villages in 11 states. By linking technology and knowledge transfer to the creation of social

and economic capacity, this company has brought a new dynamic to rural development.

E-CHOUPAL

Its an initiative of ITC which links millions of farmers via the internet to procure the agriculture and agricultural product like soya bean, wheat, coffe, prawns, etc. E-chaupal was formulated to tackle the problems of indian farmers such as fragmented farms, weak infrastructure and the involvment of various intermediaries. The program involves instalation of internet facilities in all the villages so that the farmers can get up to date information about agriculture and agricultural products.

But ITC had to face many external problems too which can be divided into political, economical, social and technological .

POLITICAL PROBLEM : The agriculture produce marketing act required to create mandis so that there is an equitable distribution of gains among producers, consumers and traders.

Due to its inefficiency the mandis were not able to serve the requirment of the farmers as well to a company like ITC.

ITC had to face a fundamenel regulatory barrier which prohibited pocurment outside the mandis.

ITC had to pursue the government that the company would operate according to the nature and requirment of the act. It had to convince the commission that e-chopal would benefit both market and farmers.

Later on the government waived off the mandi tax which the company decided to pay in order to maintain good relation with the government.

Economic issues : ITC e-chopal has considered all poverty, farming , poor livelihood as inter connected issues.

ITC has quickly impacted whole agricultural chain from seed to money in the bank. It views rural poverty as the result of how rural society and rural economy has structured.

Due to the ITC initiative of e-chopal there is a 10 % rise in the income of the farmers and incomes from farming and support services has risen by over 38%in 2000.

This movement is reaching 6, 50, 000 farmers of 6000 villages and the company has big plans of expanding by establishing more 20 choupals in the country.

Socio-cultural issues : Computers brought a big change in the farmers attitude towards agriculture as it was supported by high income and technology.

The companys sustainable livelihood initiative works hard to create alternative employment schemes for extra labor and reduce pressure on arable land by promoting non farm incomes.

ITC company has tried to improve the standard of living of the people of villages through its e-chopal movement and many other welfare schemes for the villages and farmers.

The main aspect where the company has the social- cultural investment is on natural resource management which includes watershed, wastlands, agricultural development and improving the livelihood consisting genetic improvement in livestock and empowering the women economically and developing the community by paying attention on sanitation , health and giving lot of attention on primary education.

TECHNOLOGICAL ISSUES : the ITC e-chopal is a great example of how this company has used e-commerce to expand its business.

The company has established a network of 5100 kiosks computers in many indian villages. Through this network millions of farmers can get usefull information that increases their ability to take proper dicisions.

The e-choupal initiative of the ITC company acts as an advantage tothe small scale and poor farmers who have previously marketed in uninvolved markets.

It provides access to the market where buyers pay the highest possible price to the farmers and also provide the farmers with weather information.

The ITC group through its e-choupal program provide training, internet access, and computers. they help the small farmers by providing them information to attain better prices for their agricultural product.

CONCLUSION.

From the above given explanation we can understand that ITC is a group of company which has a very diversified business. It is also among the first

companies which has worked towards building a brighter future for the poor people of the country.

ITC through its many social and cultural ventures has benefitted allot to the population of this country. Apart from agriculture ITC ventured into the hotel industry so that it could bring foreign exchange and also increase tourism in the country.

ITC has tried to fight competition in the market by diversifying into different product manufacturing.

Due to the large scale of this company it has a great influence on the policies made by the government as this company provides employment to millions of people in the country.

ITCs foray into the food business is an outstanding example of successfully blending multiple internal competencies to create a new driver of business growth.

It's a rapidly growing company which fights its external factors by adopting new and innovative techniques. E-chopal is a very good example to explain this quality of the company.