

Summer Special Issue

Indigenous Brands in India

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About *IMI Konnect*

IMI Konnect is an open access Scholarly Management Magazine published from International Management Institute Kolkata. It started its journey in December, 2012 and publishes original research articles by scholars in the field of management and firsthand perspectives from business thinkers and practitioners on contemporary issues. *IMI Konnect* provides an intellectual platform for the national and international scholars and the industry experts to discuss and debate their opinions and thus contribute to the knowledge of management. It also publishes interviews with eminent personalities in the field of business.

Students/scholars pursuing Masters, M.Phil or Ph.D. are also encouraged to send articles on the aforementioned areas. The articles will go through a review process before publication. The issues are themed on Marketing, Finance, Organisational Behaviour & Human Resources (OB & HR), Information Technology & Operations (IT & Operations), Strategy, Economics and Management. The publication caters to academicians and practitioners in corporate and government organizations and departments.

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Manuscript Submission Guidelines

The article should be non-technical and should be within 1600 words. It should be typed in MS Word in Times New Roman 12 with paragraph spacing 1.5. Figures and simple, small tables can be incorporated. There should not be any notation or equation. Full forms of each abbreviation should be mentioned at first instance. Upto eight references can be included in the article. Limited number of short footnotes may also be included if necessary. Send your manuscript along with your name, designation, institutional affiliation, email ID and contact number to the editorial office at imikconnect@imi-k.edu.in mentioning the area viz. Marketing, Finance, OB & HR, Economics, Strategy, IT & Operations, Management Education and Others.

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Indigenous Brands in India: How Are They Doing?

In today's marketplace, an interesting trend has been the dominance of indigenous brands over global brands in several countries across the world. While building a brand is a long term process, winning over foreign brands in the globalised world is by no means an easy task in the competitive environment. In India too, some brands are familiar throughout generations. While some have a national presence, others are more known regionally, but they all have survived and retained their prominent position even after two decades of globalisation.

This special issue of *IMI Konnect* focuses on some of these Indian brands that we have grown up with. It is not denying the fact that some of these brands are integral parts of our lives while some are remembered for their advertisements as well. For example, I fondly remember the festive season advertisement of *Shalimar* showing family bonding and reunion. *Priya* biscuits is also a household name in this part of the country. And as a Bengalee, no one will ever refuse having a couple of rossogollas of *K.C. Das*! In this issue, an endeavour is made to focus on the story of survival of these brands. In conversation with Team *IMI Konnect*, the representatives from these three organisations have been quite candid in explaining what kind of challenges they have faced and which strategies they have undertaken to fight the odds.

Mr. Somenath Bhattacharjee, Joint Managing Director, Shalimar Chemical Works, has elaborated on how quality conscious they are, which is the mantra for their survival. **Mr. Vikram Agrawal**, Director, Priya Biscuits, have nicely taken us through the journey of the organisation and how the brand was created, the hiccups and achievements and has shared the future road map as well! **Mr. Sanjoy Das**, Director and **Mr. Deepak Kumar Mukherjee**, Executive Director - Operation at KC Das, have shared with us the insights of running such a business when people are becoming more and more health conscious!

In this summer special issue, we are also introducing a regular section called '**Classroom Konnect**', where we would like to present some basic ideas about some concept related to any aspect of business, viz. marketing, operations, finance, HR or the economy. This is meant for everyone to learn the basic terminologies and concepts which we often use, but do not understand properly. I feel, the regular readers will be really happy to have this section on a regular basis!

I hope the articles on a less discussed topic will be of interest to the readers of *IMI Konnect*. I am also hopeful that the articles will make researchers and practitioners think more about it. We are also inviting articles on various areas of business for future issues of *IMI Konnect*.

Paramita Mukherjee
Editor, IMI Konnect

Indian Indigenous Brands – A Note

Prepared by **Rajashri Chatterjee**
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India is characterized by the presence of diverse cultures and strong cultural mooring. There is also a rising inclination among Indian youths to adopt western lifestyles. All these factors offer both opportunities and challenges for marketers. In the context of the evolving complexities in the markets, globalization and rapid change in technology, brand differentiation is crucial for companies to make a successful transition in to the future and sustain.

Consumers nowadays are well-informed and urbane and the marketplace is teeming with different kinds of offerings. The potential of the rural markets is largely lying untapped offering tremendous growth prospects to companies and their brands. An effective and comprehensive branding strategy may lead to leveraging brand equity to the fullest extent possible to maximize brand value. Positive brand experiences build a strong and long-term brand and customer relationship with brand trust and loyalty. Creating such trust is an arduous task and it depends on the manner a brand is advertised and marketed.

In marketing literature, brand has been defined in various ways. Kapferer (2008) asserts that a brand is not the name of a product. It is the vision that drives the creation of products and services under that name. That vision, the key belief of the brands and its core values is called identity. Brands serve numerous functions (Keller and Lehmann, 2006). Brands serve as markers for the offerings of a firm. Brands can simplify choice, promise a particular quality level, reduce risk, and/or engender trust. They reflect the whole experience that customers have with the products and also play a key role in determining the effectiveness of marketing efforts.

The term 'indigenous brand' may be interpreted from different perspectives. Indian indigenous brand simply means a brand originating in the nation itself. Again the natives of a particular country may have a particular notion or preference for an indigenous brand of another country. For instance, Japanese indigenous brands like Toyota, Honda, Sony or Canon are recognized globally for their quality and innovation. Again Italy is home to the world's most famous fashion brands or labels viz. Gucci, Diesel, Fendi and the like. Researchers across the world admit that a brand's country-of-origin is an important influencing factor in consumer decision-making (Knight, 1999; Badri et al., 1995). The "Made in" tag therefore means a lot to the consumers for their purchase decision-making.

Numerous brands have come up in India over time, evolved and managed to sustain in the dynamic environment capturing hearts of millions. Brand resonance is characterized by strong association between the consumer and the brand. This resonance and loyalty relationships in turn create brand value or equity. All successful Indian brands have thus been able to create such strong resonance connection with the consumers.

The top 10 Indian brands 2016 put forth by the global brand consultancy firm *Interbrand* is provided in Table 1¹.

Table 1: Brand Value² of Top 10 Brands (in INR billion)

Tata Group	742.18
Airtel	350.44
Reliance Industries	349.24
HDFC Bank	240.06
Life Insurance Company of India	236.05
State Bank of India	232.21
Infosys	230.64
ICICI	166.59
Mahindra	156.78
Godrej	153.88

Source: *Interbrand Report 2016*

Interestingly the Kantar Worldpanel's Brand Footprint study for the past few years has highlighted the rise of local brands worldwide³. The top 50 Indian brands (based on Consumer Reach Points) for the year 2015 had 35 local and only 15 multinational brands out of which again just 3 were in the top 10. There may be various explanations for consumers' preference for the local brands. Consumers in India continue to focus on 'value for money' and the local brands better understand this value proposition. Moreover, such brands have a better understanding of the cultural beliefs and local tastes and possess the ability to go deep into the untapped rural markets which help them gain supremacy over the global giants. Brands like *Ghari*, *Parle*, *Amul* were all able to create a niche in the market through their ability to decipher the Indian cultural tenets and the specific consumer needs. Focusing on specific geographical expanse the local brands are also able to access numerous shop shelves within a very short time.

¹Best Indian Brands 2016: And the top 10 winners are...(2016), *ET Brand Equity*, August 31, 2016 <http://brandequity.economictimes.indiatimes.com/news/business-of-brands/best-indian-brands-2016-and-the-top-10-winners-are-/53929554>

²Brand value - The brand-specific discount rate is used to discount brand earnings back to a present value that reflect the likelihood the brand will be able to withstand challenges and deliver the expected earnings into the future.

³Mehta, H. (2016). Local Vs. Global Brands: For India, from India, *Business Standard*, December 28, 2016 http://www.business-standard.com/article/specials/local-vs-global-brands-for-india-from-india-116122801251_1.html

The Indian brands have really come a long way. They are in an advantageous position from the perspective of the price points and the 'value for money' offered by them. Consumers in India now strongly believe that indigenous brands have the power to compete with their global counterparts. Customization and innovation is essential for brands to survive, compete and sustain. Prime Minister Narendra Modi's *Make in India* drive aiming at encouraging domestic companies to increase production within the country and create millions of jobs is expected to develop the Indian indigenous brands further.

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K.C. Das: A Journey of Vigor and Sheer Perseverance

Sanjoy Das and Deepak Kumar Mukherjee

Director and Executive Director

K.C. Das

*Satisfying the Bengali palate was a challenge one of a kind. After years and years of toiling in obscurity, Mr. Nobin Chandra Das managed to deliver an exceptional sweetmeat which came to be known by the name of 'Rossogolla'. Who knew that a mere experiment made with small balls of casein boiled in hot sugar syrup would result in a delicacy so fondly treasured! In a market place struggling to adapt to the changing environment, the intriguing part was that this product was served in an industry that demanded the preservation of the original taste of Rossogolla. In order to thrive in the area of business, it is important to constantly innovate and upgrade. **K.C. Das** presents us with one such enriching journey setting an example of how the master mind has paved way for all his generations to come who will be more than willing to carry forward the legacy.*

Technology based Industry with Innovation

K.C. Das belongs to a high technology based industry of today with a gift of innovation that dates back to the 1860s. In a company where the age-old tradition is being followed since time immemorial, it is certain to face some repercussions because when we talk of innovation, we are most likely to take the research aspect of it into consideration. Looking into the future and predicting the market scenario requires intensive research. Mr. Nobin Chandra Das was far ahead of his time in this respect. Back in the 1930s tinned sardines and baked beans used to come to India via ship all the way from the UK. Mr. **K.C. Das**, son of Mr. Nobin Chandra Das, came up with the idea of manufacturing canned 'Rossogollas' for Bengalis travelling to UK on a three months long voyage. So a product with a shelf life of only 24 hours was innovated through smart packaging in such a way that extended its shelf life up to six months. At that point of time, it was the only canned product available in India.

Today, the **K.C. Das** venture owes it all to Mr. Sarada Charan Das for his ingenuity and far sightedness as a result of which this company has always managed to be a step ahead in the game. A simple observation picked up from the functioning of a steam boiler at Chittaranjan Locomotives inspired this man to experiment with this technology in generating heat for the sweets. Steam is a clean source of energy used to distribute heat evenly. In 1957, **K.C. Das** totally revolutionised the technology for generating heat to concoct sweets. It is the only sweet making company that has a full-fledged laboratory. Quality has always been the top most priority to the point that heavy investments are made to get the water used in the manufacturing process tested in government approved laboratories.

In an Era of Health Awareness

Sweets and health never go hand in hand. Keeping up with the shooting health conscious population calls for unrelenting efforts on part of the company. Consuming too many sweets at one go is more often than not quite discomfiting. **K.C. Das** ensures moderation in the sugar content of its products. In fact, this company has been the pioneer of sweets customised for diabetics since the 1970s under the leadership of Mr. Sarada Charan Das. So far as health is concerned, this is not where it ends. Due importance is given to the purity of milk and water used in the process of making sweets. From the time the milk is sourced, it is sent immediately to the laboratories where a string of tests are conducted validating whether the milk is good enough for the purpose of production. It is pumped into food grade pipes where it gets pasteurised ensuring that it is 100% free of all the germs. A daily routine test is conducted for making an analysis of the milk to be used. It is tested across two parameters viz. chemical and microbiological. Under the chemical parameter, tests are done to determine the pH content, acidity, fat content, SNF (Solids Not Fat) content, TS (Total Solids) content and the LR content of milk. An MBRT (Methylene Blue Reduction Test) is carried out under the microbiological parameter. Weekly tests include a microbiological analysis of water, canned *Rossogollas* and loose product along with a swab test.

Where health is concerned, it is important to note that at K.C. Das, all the raw materials are thoroughly scientifically tested before manufacture. Even when it comes to the fried products such as the *samosas*, *gulabjamuns* and *kachoris*, it is ensured that ghee is used in place of the local substandard oil. Research points out that ghee is a healthier replacement for oil and **K.C. Das** has made this implementation functional. Interestingly, they have their own maintenance section for minimalistic repair work. They practise extreme caution during the process of welding pipes keeping in mind that the insides of the pipes are clear of any residue that remains after the repair work. The consumers are usually unaware of that fact that many companies ignore this aspect that while pumping the milk inside, it takes along with it the residue which tampers with the quality of milk. At K.C. Das there is no compromise on quality!

The GI Battle

With an on-going battle between Odisha and West Bengal where both have staked claims over the iconic snack *Rossogolla*, **K.C. Das** has confirmed that the process of seeking the Geographical Indications (GI) tag is on the verge of being signed and sealed.

The Bengal Government has requested **K.C. Das** to spearhead the process of seeking the GI tag firmly believing that they are the true manufacturers of the historically acclaimed *Rossogolla*. It was even argued that the '*channa*' (cottage cheese) used for preparing the sweetmeat also has its roots in West Bengal.

The Human Assets

People are treated as valuable resources at K.C. Das. The workers sweating it out at the factories are very well paid and all the benefits such as Provident Fund (PF), leave encashments, retirement and the likes are taken care of. **K.C. Das** follows a corporate structure for compensating their employees.

The Mantra to Sustain

A brand is a brand and it stays alive as a brand as long as you maintain what it started as, or you make it better!

On a normal day, the average Bengali will probably look for a local sweet shop nearby and purchase a small packet of sweets costing about ₹6-7 per piece. But on the days of special occasions, the demand for **K.C. Das** sweets shoots up. Beyond a point it is not possible to keep the factories running to meet this excess demand. Gradually, they started receiving orders for other varieties of sweets like *Cham Chams* and *GulabJamuns*. At K.C. Das, it is not possible to launch a new product right away because they believe in proper diligent research, adherence to quality and subsequent experimentation to come out with the new product in all its uniqueness. Such is the policy at K.C. Das that even the ketchups served with the burgers, sandwiches or samosas are branded ketchups poured into small packets instead of the local ones. This strategy may hurt the bottomline but they do not prefer making a compromise.

Tinned Rossogollas of **K.C. Das** are an exotic treat in the USA. Such is the comparison zone in the international market that people are actually willing to buy these cans for as high as \$20 per can. At France and Italy, chefs have considered the famous *Channar Payesh* of **K.C. Das** of superior quality comparable to any of the desserts served at the five-star hotels there.

K.C. Das shares a particular experience at its famous outlet at Esplanade with an elderly couple who had visited Kolkata all the way from Tamil Nadu, a strong client base. They ordered for a single *Rossogolla* and cut it into 2 pieces and even shared the *Ras*. The counter attendant was so touched that he gave them extra *Ras*. The look in their eyes said it all. They had come to the **K.C. Das** outlet straight from the Kalighat Temple. Their journey to far away Kolkata was now complete.

K.C. Das thrives on customer satisfaction and these incidents motivate them to keep innovating in order to keep up with the expectations of its customers.

The Priya Story

Vikram Agrawal

Director

Priya Food Products Ltd.

*From a small proprietorship business to a recognisable brand today, **Priya Food Products Limited** shares with us the journey of how the great visionary Shri Ganesh Prasad Agrawal led a dynamic workforce and established a solid foundation that has made Priya a success story.*

IMI Konnect: *How has the journey started?*

VA: My father, Shri Ganesh Prasad Agrawal, Chairman of **Priya Food Products Limited** (PFPL), was born in Panihati municipality in North 24 Parganas district of West Bengal where my grandfather used to run a small grocery shop. It had been quite difficult for him to support his family with the income generated from the business. Still he emphasized the importance of education and motivated his children to study hard. It is only after completing graduation from the City college in North Kolkata in 1972 that my father started assisting him in his business. However, my father was always inclined to do something different. He came up with several business propositions but lack of funds and the fear of facing loss held him back. Thus, he continued to assist my grandfather at the grocery shop along with his elder brother for more than a decade.

Eventually, weary of hardships, my father thought of embarking on a new journey. He had learnt from his involvement in the grocery shop that demand for food items is almost consistent and usually does not face a recession. Hence after contemplating for many years in 1986 he established a biscuit factory that would make similar kind of biscuits that are sold in their grocery shop. He mortgaged his share of land that was given to him by his father and borrowed money from the moneylenders and friends to finance this initiative. A plant for biscuit manufacture was thus set up in Panihati on two acres land and with only 50 employees. The office was at Burrabazar in Kolkata.

IMI Konnect: *You must have faced challenging times in building your brand. Will you mention a few of those?*

VA: Shri Ganesh Agrawal himself did most of the work at the office during the initial days. He supervised all activities in the factory and office every day. It was a tough time. His day started early in the morning and he toiled till late at night as it was not easy to grab an impressive market share with big brands like Britannia and Parle dominating the sector. Building and retaining customer loyalty towards the new brand was an arduous task in such a competitive scenario.

The challenge I would like to mention is that the MNCs and the big companies in the business could spend huge amounts on advertisement which we could never afford. But, we targeted middle and lower middle class people and could gradually convince customers about the good quality of our products which were sold at a reasonable price, even today.

IMI Konnect: *What exactly helped you in sustaining the brand?*

VA: A strong marketing team was needed to popularize the brand at the initial stage. People were recruited to visit homes and shops to familiarize them with the brand **Priya**. They convinced people about the quality of the biscuits. The aim has been to target the middle class and lower middle ones with quality products at a low price. The efforts were awarded. The company witnessed impressive growth in terms of turnover in 1995 which helped the company to expand. **Priya foods** got transformed into **Priya Food Products Ltd.** Subsequently six plants were set up in Panihati.

We have also initiated some diversification recently. In 2005, a plant was set up in Dankuni for manufacturing potato chips and snacks. In 2012, a soya nuggets plant was set up in Dhulagarh while in 2016 we came up with another biscuit plant on a sprawling six acres land in Serampore. The business that started off with only three varieties of biscuits viz. coconut, orange and milk variants, has now over 24 varieties. We have diversified to confectionaries, candies and lollipops as well and are trying to venture in to the pasta market.

Now **Priya** has one of the largest Marketing and Distribution network in the biscuit industry. We have about 300 distributors and 30,000 retailers selling our products in West Bengal. We believe that only advertising will not assure sales. A combination of various aspects enables a product to connect and click. You need to target the right audience and the right distribution system. Everything needs to blend well to succeed.

Since 2010 we have also started exporting to other countries as well like Australia, USA, Canada, New Zealand, China, Singapore and Korea. The biscuits we sell there are different, suited to the customer taste overseas. The packaging is also different and the product is sold in bigger packs.

IMI Konnect: *Owing to competition, introducing new varieties on a regular basis has become the norm in the sector. How much importance do you attach to R&D in this industry?*

VA: It is absolutely necessary. **PFPL** has an exceptional Research and Development wing with state-of-the-art laboratory and experienced and competent personnel who try to assess the needs of the customers on a regular basis to address the same with innovative ideas. We keep changing the production techniques from time to time for betterment and provide training to the personnel engaged in the business. Our USP may be defined by our quality, variety and reasonable price.

The brand adheres to strict quality standards, too. The plants have been awarded ISO 9001 and HACCP certifications. **PFPL** offers the best value for money for its products to suit the consumer's taste, health and their pockets.

IMI Konnect: *Would you like to share any future plans?*

VA: The company had started off with Kolkata and its suburbs and gradually extended its reach to other parts of Eastern India. We are trying to move to the North-eastern market at present. My brother and I are actively involved in the business at present with my father.

We are trying to increase the company's share in the overseas market too and have also forayed in to the hospitality industry.

It's about Oil and Spices – The Journey of Shalimar

Somenath Bhattacharjee

Joint Managing Director

Shalimar Chemical Works Private Ltd.

Striving over seven decades in the context of an ever changing environment, Shalimar managed to position itself as a recognizable brand in industry for edible oils and spices. In 1941, Late Prakritinath Bhattacharjee laid the foundation for Shalimar Chemical Works Private Ltd. About a year later he partnered with Late Panchanan Mondal and by 1945, Shalimar Chemical Works Private Limited was finally incorporated. The company's first manufacturing unit was near Narkeldanga main road in the northern part of Kolkata. Through these years the brand has established supremacy over its competitors in the market, in coconut oil. It has been possible due to the sheer perseverance of owners, their ability to learn from failure and a diligent labour force.

IMI Konnect: *How has the journey of **Shalimar** been till date?*

SB: My father set up a flour mill with a meagre investment of ₹65. The factory was engaged in packaging wheat and supplying it to the target customers. During the Second World War, owing to the stringent restrictions imposed by the government, my father eventually had to shut the business down. Nevertheless, he was a man of perseverance. Sometime later he established a small hardware shop which too was taken over. Subsequently he started manufacturing perfume and hair oil locally. The import of perfumes from Paris continued for a while after which this business too suffered a setback causing a shift towards scented Bath Talcs which started doing well in the market competing with a popular brand in those times called Cuticura.

During that period, coconut oil was imported from Srilanka at first and later from Kerala. After a chain of experiments, it was found that coconut oil lacked suitable packaging. Therefore, military cans were imported from other parts of the country and abroad, cleaned, cut and welded into desirable shapes. Paper labels were then pasted on these cans to market the coconut oil with attractive packaging. But it was difficult to sustain for long as we lacked the necessary equipment required for smooth functioning of the business initially. However, quality is always our top most priority and no compromise is made in delivering the right quality. With our unwavering commitment towards this end, we subsequently adopted various strategies to sustain in the changing market place.

IMI Konnect: *The beginning was really interesting. So, after that what were the obstacles that you faced?*

SB: Stringent government regulations, lack of adequate equipment and labour related issues to name a few. We tried to diversify. We had a separate engineering division in the name of **Shalimar** tools. We supplied pressure gauges, pumps and latches which had a huge export market. **Shalimar** also ventured in to the ghee

industry. Our business in aluminum and plastics is functioning till date. However, the unit for *ghee* could not deal with the constraints imposed due to the lack of proper cold storage facilities and the *ghee* which was then imported from Punjab would rot in transit.

My father had to struggle a lot during 1967-77 due to the non-cooperation of the workers at the plant level. Despite being the first ever company in West Bengal to have introduced Group Gratuity Insurance and other benefits like Provident Fund and free canteen facilities, *Shalimar* failed in its efforts in retaining its workforce. The company encountered a massive *gherao* by the labourers who demanded an amount of salary that was impossible to fulfil at that point of time. With such issues related to the controlling authority and power, fund inadequacy and severe labour problems, there came a time when we thought we might have to sell off the business.

But we didn't give up. Considering the severity of the labour situation in Kolkata, we started exploring the southern states of India and finally found a place in Hyderabad in 1978 to set up a small mill for the production of coconut oil which had been the only product that stood strong in the midst of the adverse forces. *Shalimar* coconut oil is well known for its remarkable quality. Gradually, we developed branches of *Shalimar* across the country. In 1982, we took up a land for the construction of a factory and by 1984, the packaging had begun.

Unfortunately in 1988, I lost my father to cancer. However, we have continued his legacy till date with great pride.

IMI Konnect: *Who do you think is your biggest competitor in the market for coconut oil?*

SB: Our competition varies from region to region. We stand 1st in Eastern India and 3rd across southern India. Among the big brands that we recognize all over India, our biggest competitor in the market has so far been *Parachute*. Other than that small brands come up often, do well in the market for some time, gradually start saturating and finally disappear.

IMI Konnect: *How rewarding is the market for Shalimar Spices?*

SB: In 1996, we entered the market for masalas. We started with a turnover of just ₹10 lakhs in the first year. In the second year, it shot up to ₹20 lakhs and in the 3rd year to about ₹1 crore. Every year these figures kept improving. As of today, our turnover is more than ₹150 crores. We are 3rd in the market for spices in southern India. We have set up a factory in Hyderabad specifically for spices along with a cold storage spread across 50-60 thousand square feet in order to store about 1000-2000 tonnes of chillies.

IMI Konnect: *Have you developed a niche target for an existing brand? What are the marketing strategies that you have adopted in retaining the market share?*

SB: There is no such specific group of audience that our product is targeted to. We focus on the entire market. In southern India, the brands compete over price as the consumers there are very price sensitive. They purchase the brand which has the lowest price. So if the market situation calls for a reduction in price, we will have to adopt that strategy in order to retain our share in the market. The competition is always intense. We

think *Shalimar* coconut oil is by far the best and has no “close” competitor when it comes to quality. Therefore, we do not entirely rely on advertisements for sustenance. However, it is necessary to keep fuelling the business through advertisements and sales promotional tools in order to have a wider reach and develop brand loyalty among the consumers or else it will become very difficult to survive in the market.

We have expanded within and beyond India. We have tie ups with companies that take up the entire responsibility of manufacturing, we only provide them with the necessary materials and the product is marketed under our brand name. This was also the case for mustard oil and perfumed hair oil which *Shalimar* came up with much later. In total we have three factories, two in Hyderabad and one in Jaipur. We are slowly expanding and collaborating with others to make the process more convenient.

IMI Konnect: *What about your advertisements? Are they focused on your main product only?*

SB: We usually don't focus on a specific product. Our budget for advertisements is kept low and our focus is to advertise at a reasonable rate but on a wider scale to have a higher reach. When it comes to the content of advertisements, we must be very specific. For instance, in case of coconut oil we focus solely on its purity. Knowing the several benefits of coconut oil such as 'good for skin', 'good for hair' or 'good for heart' we cannot afford to be vague. But for spices, we make sure the content is more elaborate with regard to its taste, colour, ingredients and how it can be used.

IMI Konnect: *How is the export scenario for *Shalimar* products?*

SB: We do have a reasonable share in the markets in the Middle East. However, the market for our spices there is shrinking. They want cheaper imports from India even if they need to compromise in quality. We also export to Malaysia, Srilanka, Bangladesh and USA. The issue that we face in case of coconut oil exports is that some of these countries have incompatible standards in terms of the acid value content, the water to oil ratio and the percentage of refinement. In the American market, we are facing competition on account of changing preferences of the consumers towards virgin oil. Malaysia is one of the few countries that supply virgin oil. This is quite different as compared to the one that we market domestically. In USA, people mostly purchase virgin coconut oil which has a higher water content. In a span of 2-3 months this oil loses its stability. Some people even consume this oil.

However there are issues that are highly debated. Some research studies suggest that coconut oil in spite of its high content in saturated fats, if consumed in small amounts, is actually good for the heart as against some other studies which suggest just the opposite. Same is the case for mustard oil.

Marketing Myopia

Prepared by **Ahaana Mahanti**
Research Officer
IMI Kolkata

What is Marketing Myopia?

The term Marketing Myopia was first proposed by Theodore Levitt in the 1960 July-August issue of Harvard Business Review where he put forward the drawbacks of the short-sighted marketing approach of a company which focuses entirely on the needs of the company (the seller) instead of making an attempt to understand the consumer needs and the needs of the market as a whole. Marketing Myopia is basically the inability of a company to look far beyond just selling its products. It highlights the importance of the industry in which the company operates instead of narrowing down the focus to the company's business only in order to take advantage of the underlying business opportunities.

Such a limited market view can be found in case of the railroad business. This particular industry started declining because it concentrated so much on the presumed longevity of the product that it failed to understand the fact that it was serving the transportation industry as a whole. It was more product-oriented than customer-oriented, i.e., more railroad-oriented than transportation-oriented. This calls for a reconstruction in the company's corporate vision.

What is the relevance of myopia in marketing?

Nokia, once ruling the market for cellphones failed to envision the competition coming its way. Its symbian Operating System (OS) could not keep up to the revolutionary iPhone series introduced by Apple. As the last nail in the coffin, Google introduced the Android OS and entered into tie-ups with many mobile manufacturers thus making it difficult for Nokia to counteract the move. As a strategy to combat this, Nokia collaborated with Microsoft and came up with the new Nokia Lumia series with a Windows OS which too didn't work well for the company. Eventually, Nokia had to sell its business off to Microsoft on account of its failure to predict the radical innovations within the cellphone industry. This puts forward the myopic approach in the marketing strategy of Nokia who at that point of time concentrated all its efforts into renovating its own product without taking account of the changing consumer needs and the intense competition from other mobile manufacturers within the industry.

Most of the companies pay a lot of attention to what they are currently doing rather than exploring the possibilities that open up in the industry they function. This causes them to lose sight of the "big picture" which in turn leads to a dwindling market share. It is unwise to be entirely product-oriented where the form of delivery is given due importance over the value of the experience the product actually delivers.

Few instances of myopic companies:

- Kodak invented the digital camera technology but instead of marketing this, they focused on retaining their lucrative film-making business which eventually died out.
- Hindustan Motors' (HM) popular Ambassador's fall from a leadership position to a marginal player. HM's failure in design upgradation as per consumer requirements led to its shrinking position in the taxi market. The company refused to bring down the cost of the Ambassador when it was possible to afford a sedan like Tata Indigo at more or less the same price. Gradually, Tata Indica took over the taxi market.
- Yahoo lacked clarity in what it was delivering. Was Yahoo adding value for its customers? Was it just a media vehicle for online advertising? What was Yahoo doing better than other companies of the like? Most importantly, Yahoo failed to identify the loopholes in its strategies and before it could take a step further, Google and Facebook had already taken over.

How can a company get rid of this myopic tendency?

Application of the concept of Marketing Myopia has enabled companies to reap benefits in the following ways:

- It provides a push to the companies to conduct intensive market research.
- It highlights the importance of being more customer-oriented.
- It encourages companies to capitalize on growth opportunities offered within the relevant industry.
- It urges companies to constantly innovate to live up to the consumer expectations.
- It teaches the companies to tailor their marketing strategies based on consumer response.

A few companies that championed over marketing myopia are:

- Pepsi Cola Inc., usually falling behind Coca Cola, the market leader in the carbonated drinks market, took the decision to diversify and enter into the market for chips and soft drinks. Hence, from being the long-lasting runner up in the aerated drinks market, today Pepsi Cola Inc. has emerged as the market leader in soft drinks and chips.
- Nike Inc. redefined its business and emerged as a market leader in the sports gear and apparels industry.
- Google Inc. is not just about search engine optimisation. Apart from serving answers to innumerable queries, Google has gained expertise in gauging what the consumers really need. From Google Maps and Google Translate to Youtube and the Android OS, Google has done excellent homework before coming up with such innovative products from time to time.

As rightly put by Theodore Levitt, Marketing Myopia causes companies to fall into the trap of a '*Self-deceiving cycle*'. The cycle has two states of existence, i.e., the state of 'bountiful expansion' and 'undetected decay'. How a company gets past this myopic view will define its growth and survival in the market.

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Deadline for Full Paper Submission
September 04, 2017

Intimation of Acceptance by
October 14, 2017

Date for Registration
October 16 - November 30, 2017

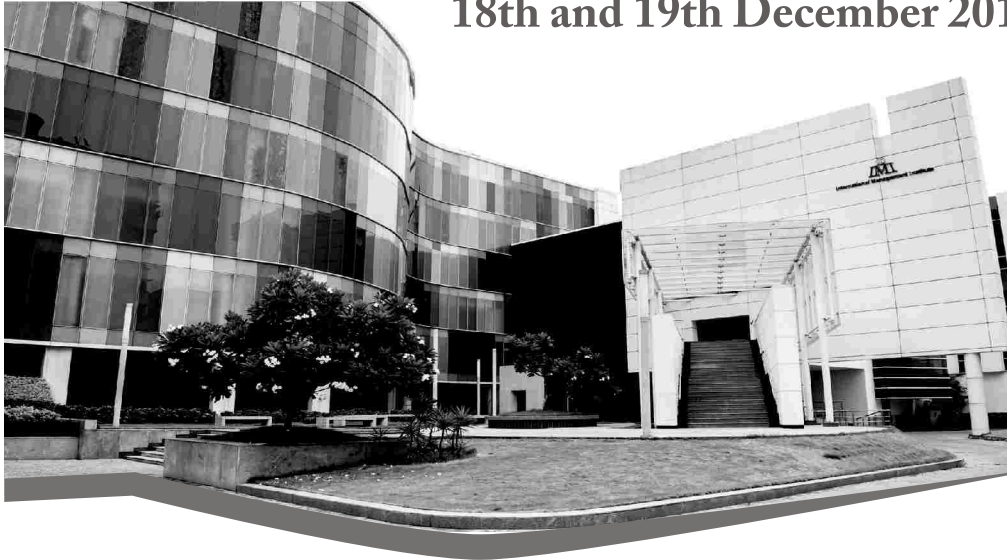
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- New-age Marketing Strategy
- Consumer Well-being
- Changing Notions of Brand Meanings
- Organisational Response and Marketing Strategy

IMPORTANT DATES

Submission Deadline for Full Paper/ Extended Abstracts	Intimation of Acceptance	Date of Registration
24 August, 2017	October 4, 2017	October 6 - November 20, 2017

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