

# Competitive Strategy and Its Impact on ITC Portfolio

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## Abstract

The objective of the study is to find out the competition strategy adopted by ITC.ltd (biscuit division) and the impact of it on ITC portfolio and to find out the problem related to the sales and service activity of ITC and the ways to overcome it. Through this survey in market the market position of ITC is determined and what effect does it have on the sales activity. The steps to overcome the problem are determined through this survey and how to develop the sales and distribution are also suggested through this paper.

## Keywords

Competitive Strategy, Sales and Service, ITC Portfolio

## I. Introduction: History and Evolution

### A. ITC.ltd

ITC .Ltd was incorporated at Kolkata, India on Aug 24 1910 under the name of “Imperial Tobacco Company limited”. The name change from Imperial Tobacco Company limited to Indian Tobacco Company limited in the year 1970. Which then change to I.T.C. limited in 1974. Finally, the dots present in between ITC were removed in 18th Sep 2001 since then it is known as ITC limited.

The company’s principal product was cigarette. As the time pass the company started growing and become a reputed brand in the cigarette division. Slowly with the pass of time the company diversifies its business to other sector like FMCG, Hotels, Paper boards and packaging, Agri business, and IT.

Working Sector of ITC.ltd:

#### 1. FMCG

- Foods
- Personal Care
- Cigarette
- Branded Apparels
- Incense sticks and Safety matches

#### 2. Hotels

#### 3. Paper board and Specialty papers

#### 4. Packaging

#### 5. Agri – business

#### 6. Information Technology

Initially there sole product was cigarette, in the year 1925 the company started its packaging unit which now considered to be the most sophisticated packaging house. In 1975 a welcome move was taken by ITC as they were into hotel business in the name its was there first move towards hospitality sector.

In the year 1979 the company started its paperboards and specialty papers unit.

In the year of 1990 the company involves itself in the Agri-Business the basic purpose of the business is the export of agricultural commodities. This Agri- Business division is today one of India's largest exporters. In the year 2000 the company started its lifestyle business i.e. they were into garment business, with the brand name of wills it started and in 2002 John player was introduced in the lifestyle segment.

In the same year i.e. on the year 2000 the company get involved in the business friendly solution as a result they were into information

Technology business.

ITC get them involved in the food business in the year of 2001, with the introduction of Kitchen of India, then in the year 2002 ITC entered the confectionery and staples segments with the launch of the brands mint-o and Candyman confectionery and Aashirvaad atta (wheat flour). The company in 2003 entered to biscuit segment by the name of Sunfeast. In 2007 they entered into the snacks category Bingoo. In 2010 ITC launched SunfeastYipee! and thereby they were into noodles segment.

In 2002 the company was into incense sticks and safety matches business.

In the year 2002 ITC came over with educational and Stationary business. ITC is presently India’s largest notebook brand known by the name of classmate.

In 2005 the company added another segment to its business Personal care products Vivel, Superia , Fiana DI wills are the product under this portfolio recently the company added ‘engage ‘ one of the India’s first range of couple deodorants. The company is into FMCG since last 10 years, with the introduction of foods, personal care, Branded apparels, Incense Sticks and safety matches in its portfolio the company then become a leading players in different segment and a tough competitor of HUL,P&G, Britannia, Parle, Peter England, Levies and Godfrey Phillip India Ltd., VST and Nestle’ like companies.

With number of products under its umbrella ITC is now standing as a rank one Indian FMCG company.

ITC added biscuit to its portfolio in the year of 2003 it was launched in the name of Sunfeast. Today more than 15 brands of Sunfeast biscuits are available in the market all over India.

## B. Competitive Strategy

Long-term action plan that is devised to help a company gain a competitive advantage over its rival. This type of strategy is often used in advertising campaigns by somehow discrediting the competitors product or service. Competitive strategies are essential to companies competing in markets that are heavily saturated with alternatives for consumer.

### 1. Competition Strategy as Stated by Various Authors

Author	Focus Area	Findings
J.H Dyer(1996)	Relationship between interfirm assets specify and performance in auto industry.	Positive relationship of supplier and automaker specialization and performance
Tone.A.Ostagurd and Sue Briley(1994)	Personal networks and firms competitive strategy	Attention to consumer understanding of the business market orientation or stress
Jay Barney	Understanding the source of sustained competitive advertisement	Examining implication of this firm resource model of sustained competitive advantage for other business disciplines.

Julio 'o' de castroandjames J Chris man(1995)	Examine the Order of market entry competitive and financial performance	It indicate that there is a significant relationship between entry order and competitive strategy. Furthermore, these relationships have a significant influence on a firm's financial performance.
Kathryn RudieHarrigan 2006	Strategy for joint ventures	The finding relate the requirement of co-operative strategy for joint ventures.
Jay Weeracoandena 2003	The role of marketing capability in innovation based competitive strategy	The marketing capability influence both the innovation intensity and sustained competitive advantage of the firm.
Peter T Ward and Rebeccsdarey (2000)	Manufacturing strategy in context: environment ,competitive strategy and manufacturing strategy	The effect of competitive strategy in manufacturing and its relation with environment/

## 2. Objectives

The basic objective of the project is to

- Find out the competition strategy of ITC and its impact on the port-folio of ITC.
- To find out the problems related with the sales and service activity of ITC and the ways to overcome it.

## 3. Scope

Scope of the project is linked with the competition strategy, service level or the service being provided, opportunities, and for the development in the areas lacking behind.

## 4. Limitation

The project was limited only up to the biscuit division of ITC. The entire research was done on the positioning, current state in the market and the competition policy.

## C. Manifesto for Growth

### 1. Mission

To enhance wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stake holder value.

### 2. Vision

Sustain ITC position as one of the India's most valuable corporation through world class performance, creating growing values for the Indian economy and company's stake holder.

### D. Core values of ITC:

ITC core values are aimed at developing a customer focused, high performance organization, which creates value for its stake holders.

Core value of ITC is based upon following factors:

Trusteeship, Customer focus, Respect for people, excellence, innovation, and nation orientation.

## 1. Trusteeship

As professional managers, we are conscious that ITC has been given to us in "trust" by all our stakeholders. We will actualize stakeholder value and interest on a long term sustainable basis.

## 2. Customer Focus

We are always customer focused and will deliver what the customer needs in terms of value, quality and satisfaction.

## 3. Respect for People

We are result oriented, setting high performance standards for ourselves as individuals and teams.

We will simultaneously respect and value people and uphold humanness and human dignity.

We acknowledge that every individual brings different perspectives and capabilities to the team and that a strong team is founded on a variety of perspectives.

We want individuals to dream, value differences, create and experiment in pursuit of opportunities and achieve leadership through teamwork.

## 4. Excellence

We do what is right, do it well and win. We will strive for excellence in whatever we do.

## 5. Innovation

We will constantly pursue newer and better processes, products, services and management practices.

## 6. Nation Orientation

We are aware of our responsibility to generate economic value for the Nation. In pursuit of our goals, we will make no compromise in complying with applicable laws and regulations at all levels.

## D. Corporate Strategies

ITC is a board-managed professional company, committed to creating enduring value for the nation and the shareholder. 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's 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 catalyze the entrepreneurial energies

of management by striking the golden balance between executive freedom and the need for effective control and accountability.

## II. Literature Review

### A. ITC Product Profile

Winning brands are the badge of a country's economic competitiveness. Brands capture value for the nation in numerous ways – creating intellectual capital, boosting R&D and innovation, creating large-scale livelihoods by empowering value chains, investing in physical infrastructure and expanding markets. ITC is today proud to have created over 50 energetic and popular brands across categories that delight millions of households and support and sustain over 5 million livelihoods across India. Within a relatively short span of time, ITC has established vital brands across diverse businesses that include branded packaged foods, personal care, education & stationery products, incense sticks and safety matches, lifestyle apparel and hotels. Each of ITC's brands has today garnered significant market standing in the global Indian marketplace. ITC Hotels, with its credo of "Responsible Luxury", stands apart not only for its exquisite signature properties, cuisine and service excellence but also for being the greenest luxury hotel chain in the world. ITC's hotels business also contributes to the country's tourism landscape and livelihood creation through its other high quality offerings embodied in the Welcome Hotels, Fortune and Welcome Heritage brands. ITC's hotels have pioneered the concept of branded cuisine in India with globally acclaimed restaurants including Bukhara, Dum Pukht and Dakshin

#### 1. Branded Packaged Foods

##### (i). Atta, Salt, Spices, Instant Mixes, Ready Meals

Offering nothing but the best for the Indian household, ingredients for Aashirvaad products are carefully hand-picked and processed with love and care. Aashirvaad offers superior products in the categories of atta, salt, spices, instant mixes and ready meals.

##### (ii). Biscuits, Gourmet Cookies

Straddling all segments in the biscuit category, Sunfeast offers high quality products in exciting and innovative formats, reinforcing ITC's commitment to delivering a world-class product experience to the discerning consumer.

##### (iii). Instant Noodles, Instant Pasta

Sunfeast Yippee! Continues to wow consumers across the country. Its unique round block and long, slurpy and non-sticky noodles have created consumer delight. The range is available in 3 flavors of Magic, Classic and the newly launched Chinese Masala. Sunfeast Pasta Treat continues to offer a delicious and nutritious range of Pasta products in 4 different flavors.

##### (iv). Ready-to-eat Gourmet Cuisine, Masala Mixes, Chutneys, Conserves

Kitchens of India offers authentic gourmet Indian dishes from across the country, crafted by the Master Chefs of ITC Hotels, which enable consumers to recreate an exclusive fine-dining experience in their own homes. The delectable range spans vegetarian and non-vegetarian ready to- eat dishes, masala mixes, chutneys and conserves. The entire range is made with 100% natural ingredients and is free of preservatives.

##### (v). Potato Chips, Indian Finger Snacks

Associated with youth, fun and excitement, Bingo! offers multiple variants of potato chips and finger snacks to fulfill the Indian consumer's need for variety and novelty with innovative formats and 'irresistible combinations' in flavours.

##### (vi). Confectionery

Associated with youth, fun and excitement, A mouth-watering range of toffees, candies and mints, in a wide variety of formats and flavours which delight consumers of all ages.

#### 2. Personal Care Products

A range of bath and grooming products that have redefined

##### (i). Fine Fragrances, Hair & Body Shampoos, Bathing Bars, Deodorants, After Shave Lotion

Essenza Di Wills personifies innate style with its exclusive range of fine fragrances and personal care products. The brand unites distinct craftsmanship and passion and is an embodiment of fine living.

##### (ii). Shower Gels, Bathing Bars, Face Washes, Shampoos, Conditioners, Serum, Talc

Fiama Di Wills offers a range of expert solutions designed to make consumers look and feel young. With innovation at its core, Fiama Di Wills offers an enviable portfolio of products developed through years of scientific research at Laboratories Naturel.

##### (iii). Soaps, Body Washes, Face Washes, Shampoos, Moisturizer, Body Lotion, Creams

Adjudged as one of the most exciting brands in the Personal Care segment in India, Vivel has built a strong consumer franchise with its portfolio of bath care and skin care products. With a range of innovative products that offer differentiated benefits, Vivel instills confidence in consumers to fulfill their dreams.

##### (iv). Deodorants

ITC's latest addition in Personal Care Products, Engage is one of India's first ranges of couple deodorants. This range of paired deodorants for men and women is crafted to enhance personal grooming and confidence with 24-hour freshness.

#### 3. Lifestyle Apparel

##### (i). Wills Life Style- Formal Wear, Casual Wear, Evening Wear, Designer Wear

Wills lifestyle present a premium fashion wardrobe for men and women. With tempting choice of wills classic formal wear, Wills sports relaxed wear, wills clublife evening wear, wills signature and wills designer wear wills lifestyle offers a truly delightful shopping experience.

##### (ii). John Player- Jeans, Formals Casual, Accessories

John player embodies the spirit of modern youth that is play full, fashionable and cool. John player present a complete wardrobe incorporating the most contemporary trends in exciting mix of colours, styling and fits.

#### 4. Education and Stationary Products

##### (i). Premium Notebooks and Pens

Paper Kraft is the leading provider of premium executive and office

paper stationary including notebook ranges of green impression and signature series as well as assortment of premium pens.

## (ii). Notebooks, Writing Instruments, Precision Instruments

India's No.1 notebook brands built on meticulous understanding of customer needs, classmates expanding portfolios include pen, wood cased and mechanical pencils, geometry box sets, erasers, sharpeners and scales.

It also manufactures wax crayons, non-toxic pencil colors, and sketch pens.

## 5. Incense Stick and Safety Matches

### (i). Incense Sticks

With diverse range of enchanting fragrances, mangaldeepagarbattis, are sourced from small scale and cottage units, thereby providing livelihood opportunities for more than 14000 rural women.

### (ii). Safety Matches

A range of safety matches that includes popular brands like aim, aim premium, aim special and i know to effectively address the needs of different customer segments.

## B. Biscuit Industry in India

India Biscuits Industry came into major existence and started gaining a sound status in the bakery industry in the later part of 20th century.

States that have the larger intake of biscuits are Maharashtra, West Bengal, Andhra Pradesh, Karnataka, and Uttar Pradesh.

Maharashtra and West Bengal are the most industrially developed states; hold the maximum amount of consumption of biscuits. Even, the rural sector consumes around 55 % of the biscuits in the bakery products.

Indian Biscuits Industry seems to be the largest among all the food industries and has a turnover of around Rs.3000 cores.

Indian subcontinent is known to be the third largest manufacturer of biscuits, the first being USA and second China. The industry is classified under two sectors: organized and unorganized.

Today the total production of biscuits in India is estimated to be around 30 lakh MT, the organized sector accounts for 65% and the unorganized sector accounts for 35% of the total industry volume and the organized sector is valued at above Rs 8000 cores.

While the biscuit industry is estimated to grow over 15-17% in the next few years. The biscuits per capita consumption in India is 2.0 kg. India is ranked 3rd after US and China amongst the global biscuits producers.

The penetration of biscuits in India among the urban and rural market is 85% and 55% respectively. The annual turnover for the organized sector of the biscuit manufacturers at 2001-02 is Rs. 4,350 cores.

### 1. Size of the Biscuit Industry

The production capacity of wafer biscuits is 60 MT and the cost is Rs.56,78,400 with a motive power of 25 K.W.

The Indian biscuit industry has occupied around 55-60% of the entire bakery production.

Indian Biscuit industry for the organized sector produces around 60% of the total production, the balance 40% being contributed by the unorganized bakeries.

Biscuit industry contribute Rs 8,000 core to the FMCG industry today, provides vast opportunity for growth, as the per capita

consumption of biscuits is less than 2.1 kg in our country.

Indian biscuit industry consist of some of the leading biscuit company like Parle', Britannia, Sunfeast, Anmol, Biskfarm, Duke, Priya gold, Oreo, Horlicks, Sobisco.

## C. ITC biscuit product profile:

In July 2003, ITC made a foray into the biscuits market by launching the Sunfeast range of biscuits. Since then, Sunfeast biscuits have always stood for quality and are known for offering innovative and wholesome biscuits. Sunfeast connotes happiness, contentment, satisfaction and pleasure. Within a span of 12 years, Sunfeast has well-established presence in almost all categories of biscuits.

ITC has around 11.5% of market share as for a survey conducted by business today in the year 2012(source google) ,of around 11000 core biscuit industry. Under the brand name of Sunfeast ITC has segmented its biscuit into sweet, cookies, cream, salty, marie and health biscuits.

An article was published on 4th Dec 2013 Times of India (source google) which has mentioned that ITC leads the market in cream biscuits segment by around 25% of around 4 600 cr cream biscuit market, Where as the market share of Parle and Britannia are almost same and under 20%.

Sunfeast Biscuits straddle all segments of the market led by Dark Fantasy at the premium end. High quality married with exciting innovations has helped drive this category. Dark Fantasy Choco Fills has wowed the Indian consumer with its innovative centre-filled format and high-quality packaging.

In addition, the launch of the Dream Cream range of biscuits in two exciting and innovative dual cream formats further reinforces ITC's commitment to continuously delight the consumer.

ITC has brands like:

Sunfeast Dark fantasy(chocofills,chocofilsluxuria, chocomeltz, chocolate and vanilla)

SunfeastDelisihus( Nuts biscotti, Nuts& Raisins)

Sunfeast Dream cream (Chocolate, strawberry and orange)

Sunfeast Farm lite (Oats and Raisins, Oats and almonds)

SunfeastSnacky( Classic salted and chilly flakes)

Sunfeast Special cookies

Sunfeast Special creams( orange, chocolate, pineapple and elaichi)

Sunfeast Marie light

SunfeastSweet'n' salt

With above brands under its umbrella ITC has emerged as a strong player in the Indian biscuit industry.

ITC has categorized its biscuit into 4 segments

Health Biscuits- Marie light, Glucose and Farm light.

Light'n' fun- Snacky, Sweet'n'salt ,Nice

Cream light- Dark fantasy, Dream cream, Special Cream

Cookies- Special cookies, Delishus

## D. Food Product Policy of ITC

It is ITC's policy that its food products should provide nutritious, tasty, hygienic and convenient options to the consuming public.

ITC will offer food products across multiple categories, price points, delivery formats and segments as dictated by the needs of the consumer.

ITC's portfolio of food products will be continuously improved and modified to:

1. offer new products that meet the aspiration of the changing consumer,
2. offer food products with affordable and appropriate

- nutrition,
- 3. offer food products with micronutrient fortification,
- 4. drive reduction of sodium, sugar and fat in Products,
- 5. offer trans-fat free products,
- 6. offer functional food products with focus on India specific metabolic disorders,
- 7. follow a strict code for making product functional claims,
- 8. follow the highest standards in nutrition labeling and reporting,
- 9. follow responsible marketing and consumer communications practices,
- 10. create and sustain R&D focus in development of new products and processes,
- 11. follow the highest standards of hygiene and manufacturing practices in all delivery formats,
- 12. collaborate with experts and institutions and
- 13. ensure widespread accessibility to healthy products through appropriate pricing and wide distribution

**E. . Marketing Strategy of ITC:**

Goods are transferred from WSP(whole sale point) to WD(whole sale distributor) from there the distributor who is in charge of carrying and placing order takes the goods to outlet from where it will be open up for sale.

ITC market its product on the basis of three things

- Availability
- Visibility
- Freshness

**1. Availability**

It means every product should be available in the outlet selling the product of ITC at all time.

**2. Visibility**

It means the product should be placed at such a place in the outlet, from where it will be easier for the customer to notice.

**3. Freshness**

Delivery of fresh product or goods at outlet there by ensuring that the customer gets the fresh products.

**III. Section**

**A. Research Methodology**

In order to achieve the objectives a research was adopted by me and that is survey.

In the survey I had collected the samples and adopted the scale like liker scale, nominal scale and ordinal scale to determine the objectives.

**B. Procedure of Working**

I had to visit the outlet present in these areas on every working day and collect the information regarding the project. My work start from 9.30am in the morning till 4.30pm in afternoon. I had to collect the information according to the designed questionnaires.

With the collected data I designed the performance of ITC in Cuttack.

**C. Learning from the project:**

During the project work I was able to learn lot many ways of marketing techniques:

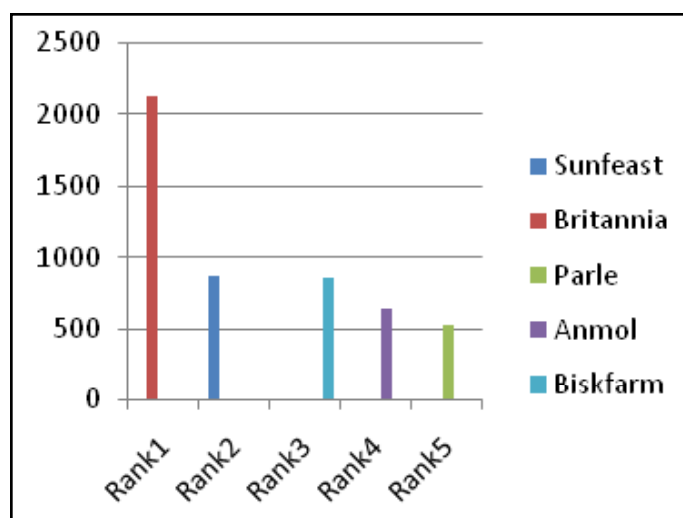
- 1. Competitive strategy and its impact on the sale of products

- 2. The way of implementing and executing competitive strategy
- 3. The art of dealing with the competitors strategy
- 4. Art of maintaining good relation with its wholesaler, retailers through various exclusive offers, thereby making them loyal towards ITC.
- 5. The marketing channel of selling a product to customer
- 6. The effective service system and its effect on sale
- 7. The policy of availability, visibility and freshness of products and its effect on sale.
- 8. The importance of timely delivery of goods.

**D. Workings**

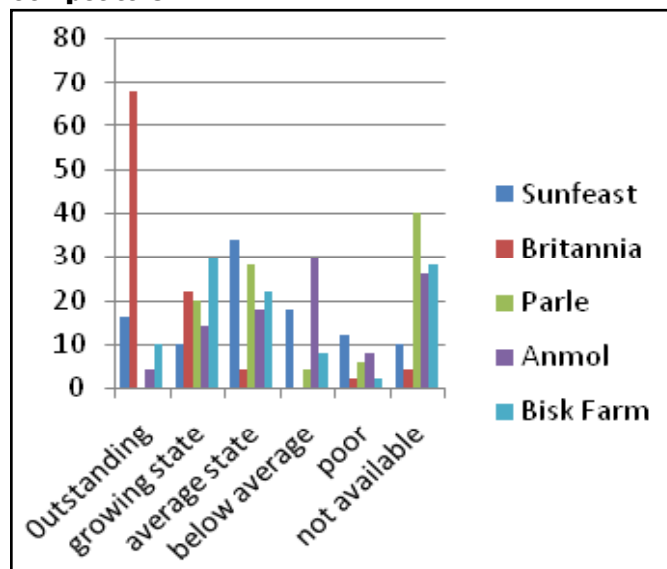
**1. Rank of ITC among the top 5 leading biscuit companies in Cuttack**

The Following graph shows the biscuit company which is leading the market in Cuttack



Rank1	Rank2	Rank3	Rank4	Rank5
Britannia	Sunfeast	Biskfarm	Anmol	Parle
2130.83	880.83	688.33	652.5	538.33

**2. Comparative Performance of ITC With Its Competitors**



	SF	Bri	Parle	Anmol	BF
O	16	68	0	4	10
GS	10	22	20	14	30
AS	34	4	28	18	22
BA	18	0	4	13	8
P	12	2	6	8	2
NA	10	4	40	26	28

Where

O-Outstanding

AS-Average State

BA-Below Average

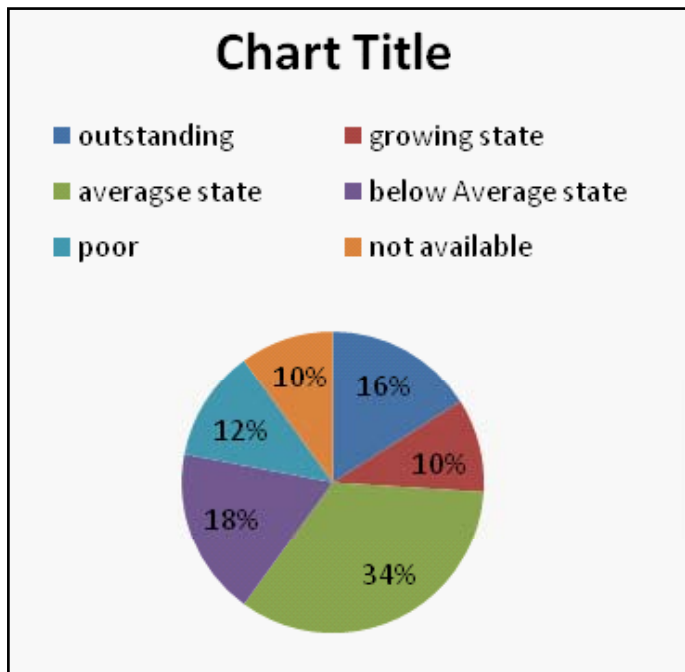
P-Poor

NA-Not Available

And

SF-Sunfeast,B-Britannia, BF-Bisk Farm

**3. Overall performance of ITC in Cuttack**



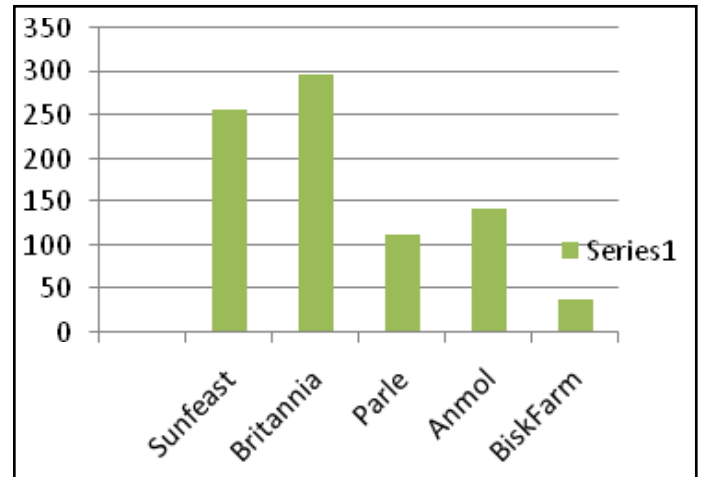
**Competition Strategy for overall sale:**

- ITC compete with leading biscuit companies by pricing strategies and variety of products.
- According to the view of retail owner in Cuttack the service provided by Britannia is better than the service provided by ITC.
- ITC in comparison with Britannia is that Britannia has more widely distributed network whereas ITC doesn't have that.
- Most of the biscuit of Britannia is accepted by all age group and all class groups, but in case of ITC it is accepted by all age group not by all class groups. Most of the class group considers ITC as their second option in Cuttack.

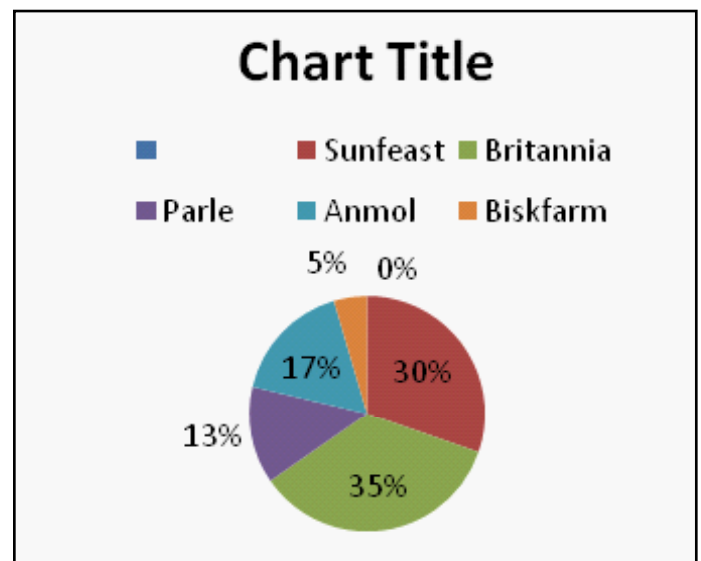
How ITC has position itself in the market in competition with Britannia, Parle, Anmol and Bisk farm like competitor segment wise?

**Competition in Sweet biscuit segment:**

Finalising Rank	
Sunfeast	256.6667
Britannia	296.6667
Parle	113.3333
Anmol	141.6667
BiskFarm	38.66667
<b>Total</b>	<b>847.0001</b>



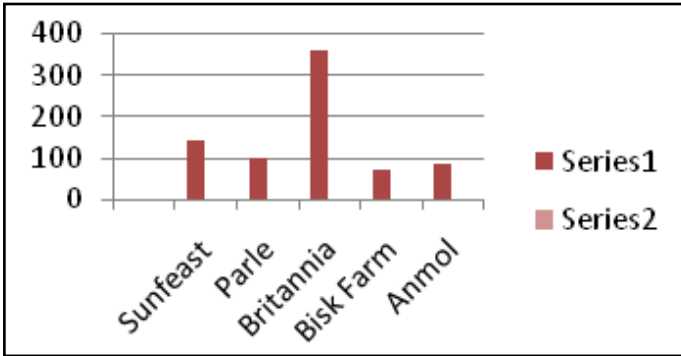
Performance of ITC in sweet biscuit sale in comparison to others



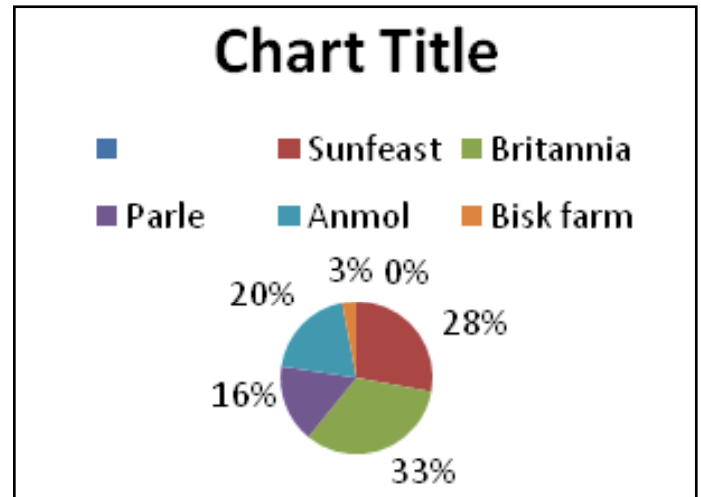
**Strategy adopted in Sweet biscuit sale:** Variety of biscuits and Price plays vital role in the selling of sweet biscuits

**Competition in Salty Biscuit segment:**

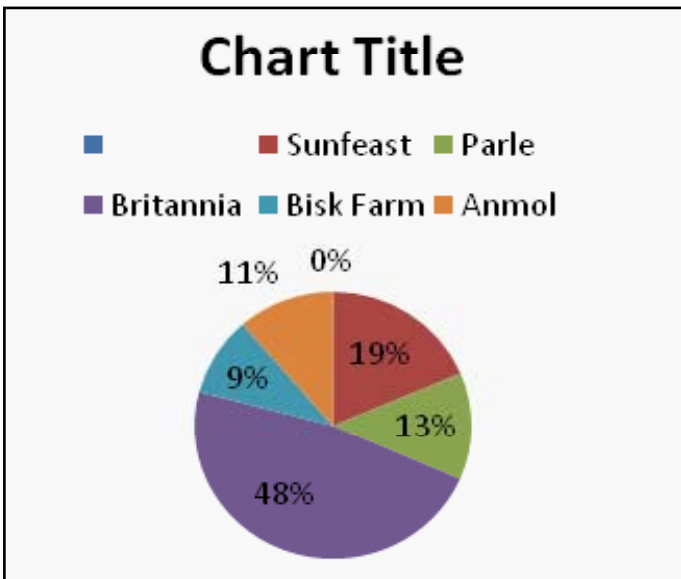
Assigning Rank	
Sunfeast	140.6667
Parle	98.33335
Britannia	360
Bisk Farm	72.33335
Anmol	85.66668
<b>Total</b>	<b>757.0001</b>



Performance of ITC in cream biscuit segment



Performance of ITC in salty Biscuit Segment



**Strategy in Cream Biscuit Sale**

Here the quality of biscuit provided by ITC plays a vital role in giving tough competition to Britannia. If the level of quality and service is continued by ITC they can snatch the rank one position from Britannia in coming few years.

**Competition in Marie Biscuit Segment**

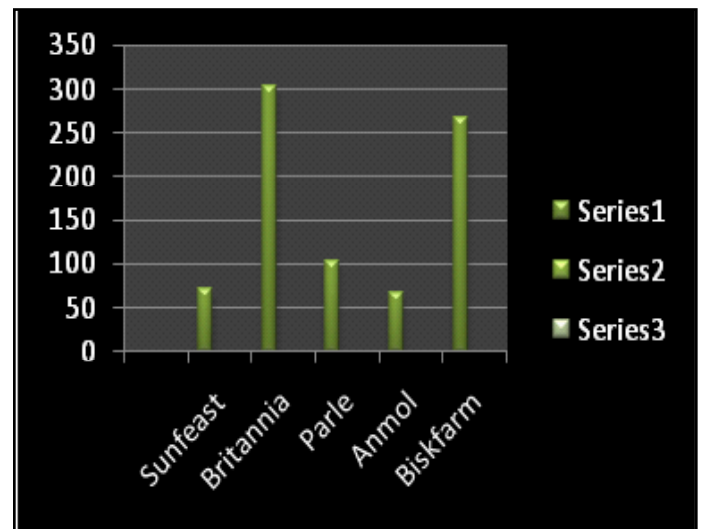
Assigning Ranks	
Sunfeast	71.33333
Britannia	303.3333
Parle	103.3333
Anmol	67
Biskfarm	266.6667
<b>Total</b>	<b>811.6667</b>

**Strategy adopted in the salty biscuit sale:**

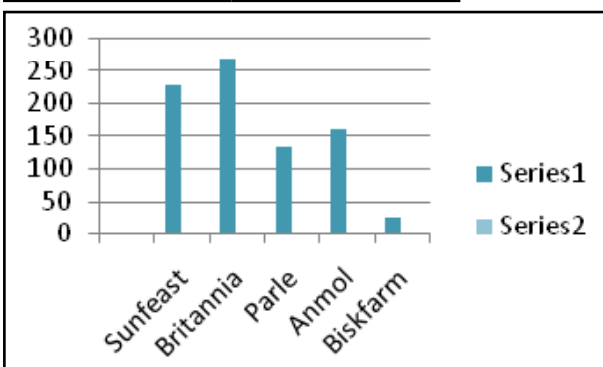
Impact of time, since Britannia is market from a longer period of time so its having its on sale. it will take time for Sunfeast to match the competition. More advertisement of the product i.e. Snacky is needed.

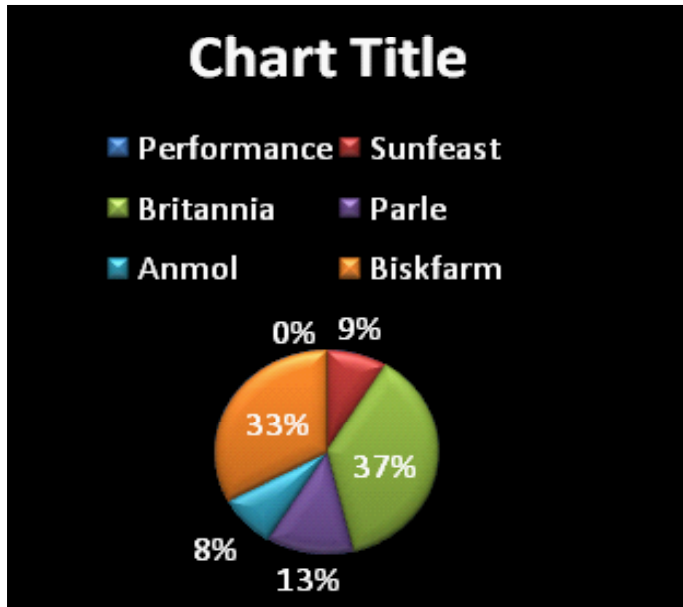
**Competition in Cream Biscuit Segment:**

Assigning	
Ranks	
Sunfeast	228.3334
Britannia	270
Parle	135
Anmol	160
Biskfarm	25
<b>Total</b>	<b>818.3334</b>



Performance of ITC in Marie biscuit Sale





#### Strategy adopted in Marie Biscuit sale:

The taste is one of the prime factor here the taste of marie biscuits of Britannia and Biskfarm is far more better than Marie light of sunfeast. According to customer preference marie light is ranked in such a way

**Biskfarm>**

**Britannia> Bisk Frarm> Parle>Sunfeast>Anmol**

#### Market leader value wise:

Sunfeast	88750
Britannia	164300
Parle	43200
Anmol	51500
Bisk farm	84900

#### Competition level at premium level:

The competition level at premium level of biscuit is between Sunfeast of ITC, Britannia and Parle.

Itc clearly lead the market at this segment by its premium biscuit brands like Dark fantasy, Delisushs, Dream cream and Farmlite

The competition level is in the ratio 5:3:1

#### Competition strategy of ITC:

With the launch of every new product company provides some offer in order to force its product into the market.

The offer can be two ways:

- Giving some price off on newly launch product either to retailer or to customer in order to compete with the competitor's product.
- Giving something on free with the newly launch product in order make it easier for the retailer to sell the product to the customer.

#### The Effect of Offers on the Sale

Offers always play a vital role in the process of selling.

During the time of survey I tried to know the effect of offer on the sale, what I had found out is , that at most of the outlet the preference goes to those biscuit companies who give them the best offer and for the customer if there is any free

## IV. Section

### A. Advantage

1. ITC has created a good image in the mind of customer for its quality.
2. The service is good where the communication is good, the service provided is fast and in time.
3. No competition with Dark Fantasy as it has emerged as a single market leader in Choco filled cookies biscuits.

### B. Drawbacks

1. Less and late response from DS team at some outlet.
2. No timely delivery of goods after accepting the order at some of the outlets
3. Less variety of brands in comparison to Britannia and Parle
4. ITC is known for quality and premium class biscuit but it should focus on the biscuit of lower range, which is lacking in case of ITC.
5. Delivery of old stock i.e. delivery of product after one or two months of its manufacturing date.
6. Some of the outlets which are in the interior of Cuttack town are not satisfied by the service of ITC.
7. At some place customer are shifting to other brands when they find the require brand of Sunfeast is unavailable at the outlet. This is putting a negative impact on the marketing strategy of ITC.

### C. Ways of Improving

1. Special attention should be given to those areas where the mode of communication is difficult, as a result of which the service get delayed there by leading to less sale and shifting to other brand.
2. Timely delivery of goods is very important in order to stop shifting of customer from Sunfeast of ITC to other.
3. Delivery of fresh good is very much essential as it helps to fasten the process of selling. At some outlet it was found the old stock (i.e. the goods which were manufactured before two months) were been delivered, it should be checked.
4. The market is requiring much more variety of biscuit at lower range and Sunfeast has very less variety of these category if ITC will focus on this then surely they will be acquiring more market share in comparison to that it has today.

According to the suggestion of retail owner a service percentage was been designed by me where the retail owner have to rate the level of service provided by ITC from 10 points. The rating was done by 50 retail owners and according to their ratings it was found that the service level of ITC at Cuttack is 60.5%.

- Dark Fantasy, Delisishus, and Dream cream like biscuits are leading the market at premium level.

If these biscuits can be made available in the market by ITC with different taste but with the same name and bit diversification in taste and quality then hopefully it is going to increase the sale in the lower range of biscuits.

### D. Challenges Infront of ITC

1. Increasing the number of outlet
2. Increasing the level of service
3. Delivery of fresh goods
4. Replacing damage goods in time
5. Fastening the delivery process in order to reach more outlets in less time

Reasons for which ITC is still not the market leader in Cuttack:



- Less widely distributed network
- Less variety of biscuits
- Service level is less in comparison to some of its competitors
- High price so not accepted by all class mostly preferred as their second option
- Most people demand is Dark fantasy and Delishius if these type of biscuits are available at lower cost than sale may goes up drastically.

Delivery of fresh product is extremely necessary at all retail outlets

## V. Conclusion

Competition is a part of marketing. Competition for market share, competition for more sale and competition to become eventually the market leader goes on among the companies. ITC being one of the leading companies in the sales of biscuits is facing competition from Britannia, Parle, Anmol, Biskfarm like companies. Although ITC is second in Cuttack market after Britannia, ITC is new but still then its giving a tough challenge to national market leader Parle. ITC has emerged as a strong biscuit company and is ready to give tough competition to its competitors.

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