



# Biju Patnaik Institute of Information Technology & Management Studies



## SUMMER INTERNSHIP REPORT-2021

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# Biju Patnaik Institute of Information Technology & Management Studies

**A project report on**

*“Study of ITC’s Consumer Products and its  
work practices in the Marketplace.”*



**Enduring Value**

Nation First: Sab Saath Badhein

**Submitted By**  
**Sudhansu Sekhar Patra**

UNDER THE GUIDANCE OF  
**Mr. Vivek Mishra (Asst. Prof. Marketing)**

**BIJU PATNAIK INSTITUTE OF IT & MANAGEMENT  
STUDIES**

**YEAR 2020-2022,  
BHUBANESWAR –751021, ODISHA**



**Estd. 1999**

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*of Information Technology & Management Studies*

## INTERNAL GUIDE CERTIFICATE

This is to certify that **Mr. Sudhansu Sekhar Patra**, pursuing MBA (2020 – 2022) from BIITM, Bhubaneswar bearing **Regd. No. 2006258222** has successfully completed his dissertation report on **“Study of ITC’s Consumer Products and its work practices in the marketplace”** under my guidance for partial fulfillment of his Master in Business Administration for the session (2020-2022).

Date-

Mr. Vivek Mishra

Place-

(Asst. Professor- Marketing)



**ITC Limited**  
**TRADE MARKETING & DISTRIBUTION DIVISION**  
Door No. 24-1-16, Thompson Road.  
P.B. No. 12, Visakhapatnam - 530 001  
Telephone 0891-2566545/2508638

## TO WHOMSOEVER IT MAY CONCERN

Date: 16.08.21

This is to certify that Mr. Sudhansu Sekhar Patra from Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar has completed summer internship in ITC Limited, Orissa Marketing Branch from 16<sup>th</sup> June 2021 – 16<sup>th</sup> August 2021. His Project title was "Study on ITC infra and their market work practices".

During the internship his performance was found good.

I wish him good luck and great future ahead.

Thanking You

ITC Limited, Orissa Branch



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## DECLARATION

This is to certify that Research study entitled “**Study of ITC’s Consumer Products and its work practices in the marketplace**” is prepared by **Mr. Sudhansu Sekhar Patra** under guidance and supervision of **Mr. Vivek Mishra** during Academic session of 2020-2022 as partial fulfillment of M.B.A from **BIJU PATTNAIK UNIVERSITY OF TECHNOLOGY** Bhubaneswar, Odisha. This thesis has not formed before the basis for the award of any degree, diploma or any other similar titles.

NAME- SUDHANSU SEKHAR PATRA

BPUT REGD. NO – 2006258222



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## **ACKNOWLEDGEMENT**

I take this opportunity to express my sincere gratitude to the following people without whose help and guidance the successful completion of my project work would have not been possible.

I extend my heartfelt thanks to our Corporate Guide **Mr. Debasis Mohanty (AE)** for the constant and valuable guidance throughout the entire internship.

I would also like to thank the **Mr. Gorli Vara Prasad (AM)** to make me part of some interesting and valuable projects and providing me with such an interesting topic to work with.

I would like to take the pleasure of this opportunity to express my heartfelt gratitude to my guide **Asst. Prof. Vivek Mishra** who gave his valuable suggestions throughout my project.

Finally, I thank all my faculty members, my parents and friends for moral support and good wishes who have directly or indirectly have contributed towards my project, I am very much indebted to them.



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## Executive Summary

The project was carried out in one of the most diverse conglomerate of the county having an array of portfolio namely ITC Limited. The company is highly ambitious and it's aiming to boost up its revenue by the year 2030 and to do so the company is extensively launching variety of FMCG products in the recent times. The company also has a very extended distribution channel yet to become a forerunner in the FMCG sector the company is keep on adding feather to its cap by reinforcing its grip in the retail distribution network.

The title of this project is on **“Study of ITC’s Consumer Products and its work practices in the marketplace”** aimed to understanding the work practices of front end and back end team, along with ITC and competition product knowledge. This entire project aimed in understanding the diversified portfolio of the company in the PCP division and also know what all market practices are being carried out by the company to attract the customers.

During this internship the task was to collect data from 9 DS of Rourkela regarding the sales, problems faced during the sales, and then conveying it to the Area Executive. The task also includes calling the DS and knowing what all promotional activities are being carried out for a particular product and their knowledge on that particular product.

Visiting the market with a particular DS once a week and gaining knowledge about the work practices of them as well as the customer and competitors analysis from the retail outlets.

Main challenge that arises in the due course of the internship was the current COVID 19 scenario dissatisfaction of the convenience store regarding the delivery of their stocks i.e. the distribution channel was completely twisted up due to the ongoing corona crisis in the area that has led to dissatisfaction among the retailer.

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# *Chapter- 1*

## *Introduction*



## SAB SAATH BADHEIN

### Background of the company:

ITC Limited is one of the biggest conglomerate having its headquartering in Kolkata, West Bengal. The company's current Chairperson and MD is Mr. Sanjiv Puri, the current market capitalization of the company stands at 3.14 lakh crore. Around 60% of the net revenue is generated from non-Tobacco Segments. The company employs over 30000 people at more than 60 locations across the Indian subcontinent. ITC has evolved from single product company to multi Business Corporation. Under the umbrella of ITC, it includes FMCG, hotels, paperboard, paper & packaging and agro business. The company is leading and is the market leader in paperboard & packaging industry, an all-inclusive recognized pioneer in rancher strengthening through its wide-coming to Agro Business and a pioneer in green hoteling. ITC InfoTech, an entirely claimed auxiliary, is one of India's quickly developing IT organizations in the mid-level portion. Its differentiated business incorporates five fragments: Fast Moving Consumer Goods (FMCG), Hotels, Paperboards and Packaging, and Agro Business and Information Technology.

The company was incorporated in the year 1910 as "imperial tobacco company of India Limited" then it was renamed as the "Indian Tobacco Company limited" in the year 1970. The company was converted to public limited company in 27 October 1954. Further in the year 2001 it was renamed into ITC Limited. ITC has completed centenary in the year 2010 and is a part of Forbes 2000 list. It is the only company in the world having carbon positive, water positive and solid waste recycling positive.

### ITC Vision:

Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders.

### ITC Mission:

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



Fig- 1 Achievements of ITC



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## **PROJECT TITLE**

Study on ITC Infra and their work practices.

## **SCOPE**

The present study mainly focuses on the work profile of the front and back end team of ITC infra, with the market study of the GR2 category as well as their competitor's analysis.

Further the study is only confined to ITC, Rourkela.

## **OBJECTIVES**

- To have a brief understanding of the work practices of the front and back end team of ITC.
- To gain ITC and competitor's product knowledge.
- To understand the marketing mix of ITC.

## **RESEARCH METHODOLOGY**

- **Primary data:** It was collected by the means of structured questionnaire from the employees and the store keepers. Some of the data was also collected by the means of interviewing method with the help of unstructured questions.
- **Secondary data:** The data was gathered through sources like articles, company website and other websites.
- **Universe:** Universe of this research is people of Rourkela.
- **Sampling Technique:** Random sampling was used to take the responses of the employees and store keepers without any bias like gender, age, income etc.
- **Sampling Size:** 9 DS and around 232 store keepers have been selected size for research.

- **Tool used for analysis:** The tool used for analyzing the project report was simple percentage analysis.
- **Data Representation Technique and tool:** Pie chart and graph charts have been used for the representation of the data.

## **RESEARCH LIMITATIONS**

- Limited time duration for the internship.
- The research and the data are restricted to ITC, Rourkela.
- Due to the pandemic there was a restriction of visiting the market once in a week.
- Some of the store keepers were uncomfortable sharing their personal details as well as the reviews on the products.

# *Chapter- 2*

## *Industry Analysis*



## Business Categories of ITC

### CIGARETTES:

ITC is the market leader in cigarettes in India. With its wide range of invaluable brands, it has a leadership position in every segment of the market. Its highly popular portfolio of brands includes Insignia, India King, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake.



### FOOD:

ITC made its entry into the branded and packaged Foods business in August 2001 with the launch of the Kitchens of India brand. A more brand based entry has been made since June 2002 with brand launches in the Confectionery, Staples and snack Foods segments. The Food business carries forward this proud tradition to deliver quality food products to the consumer. All products of ITC's Foods business available in the market today have been



crafted based on consumer insights developed through extensive market research.



### PERSONAL CARE:

In line with ITC's aspiration to be India's premier FMCG company, recognized for its world-class quality and enduring customer trust, ITC forayed into the Personal Care business in July 2005. In the short period since its entry, ITC has already launched an array of brand, each of which offer a unique and superior value proposition to discerning consumers. Anchored on extensive consumer search and product development, ITC's Personal Care portfolio under the 'Essenza Di Wills', 'Fiama Di Wills', 'Vivel UltraPro', 'Vivel', 'Savlon' and 'Superia' brand has received encouraging consumer response and is being progressively extended nationally.



### EDUCATION AND STATIONARY PRODUCTS:

ITC made its entry into the stationery business in the year 2002 with its premium range of notebooks, followed in the year 2003 with the more popular range to augment its offering. Today, ITC continues to blend its core capabilities to market a growing range of education and stationery products. These capabilities include.

- a.** Manufacturer of India's first Ozone treated environment friendly Elemental Chlorine Free (ECF) pulp. paper and paperboard.
- b.** Knowledge of image processing, printing & conversion garnered from its Packaging & Printing Business
- c.** Brand Building & Trade Marketing & Distribution strengths resident in its FMCG Business. ITC's stationery Brands are marketed as "Classmate" and "Paperkraft", with Classmate addressing the needs of students and Paperkraft targeted towards college students and executives.

### SAFETY MATCHES:

As part of its strategic initiative to create multiple drivers of growth in the FMCG sector. ITC commenced marketing safety matches sourced from the small-scale sector. The Matches business leverages the core strengths of ITC in marketing and distribution, brand building. supply chain management and paperboard & packaging to offer Indian consumers high quality safety matches. ITC's range of Safety matches include popular brands like i Kno, Mangaldeep. Aim, Aim Mega and Aim Metro.



### AGARBATTIS:

As part of ITC's business strategy of creating multiple drivers of growth in the FMCG sector, the Company commenced marketing Agarbattis (incense sticks) sourced from small-scale and cottage units in 2003. This business leverages the core strengths of ITC in nation-wide distribution and marketing,

brand building, supply chain management, manufacture of high quality paperboards and the creation of innovative packaging solutions to offer Indian consumers high quality Agarbattis. With its participation in the business, ITC aims to enhance the competitiveness of the small and medium scale sectors through its implementer R&D based product development and strengths in trade marketing and distribution.



### HOTELS:

ITC entered the hotels business in 1975 with the acquisition of a hotel in Chennai, which was then rechristened ITC Chola. Since then the ITC Welcom group brand has become synonymous with Indian hospitality. With over 100 hotels in more than 75 destinations, ITC-Welcom group has set new standards: of excellence in the hotel industry in Accommodation, Cuisine, Environment and Guest Safety. ITC's Hotels business is one of India's finest and fastest growing hospitality chains. ITC Hotels' commitment to delivering globally benchmarked services, embedded in a culture deeply rooted in India's rich tradition of hospitality, gives it a unique and distinct identity.





## PAPERBOARDS AND SPECIALTY PAPERS

ITC's Paperboards and Specialty Papers Division is India's largest and most technologically advanced paper and paperboards business. ITC caters to a wide spectrum of packaging, graphic, communication, writing, printing and specialty paper requirements through its four world-class mills in India. Having pioneered many specialty applications like cigarette tissues, packaging boards, aseptic cartons and gypsum liners, ITC's Paperboards and Specialty papers business enjoys market leadership in the value-added paperboards segment, and also has a significant share of the Indian paperboards market. It is also the largest Indian exporter of coated boards.



## AGRI BUSINESS:

ITC's pre-eminent position as one of India's leading corporates in the agricultural sector is based on strong and enduring farmer partnerships, that has revolutionized and transformed the rural agricultural sector. A unique rural digital infrastructure network, coupled with deep understanding of agricultural practices and intensive research, has built a competitive and efficient supply chain that creates and delivers immense value across the agricultural value chain. One of the largest exporters of agri products from the country, ITC sources the finest of Indian Feed Ingredients, Food Grains, Edible Nuts, Marine Products, Processed Fruits, Coffee & Spices.

## INFORMATION TECHNOLOGY

ITC InfoTech, a global IT services company, is today one of India's fastest growing IT services and solutions providers.

Based out of a picturesque 35-acre campus in the heart of Bangalore city, ITC InfoTech, through wholly-owned subsidiaries in the UK and US, provides outsourced IT services and solutions to leading global customers.

ITC InfoTech offers IT services and solutions across five key industry verticals: Banking, Financial Services & Insurance (BFSI), Consumer Packaged Goods (CPG) & Retail, Manufacturing & Engineering Services, Travel, Hospitality & Transportation and Media & Entertainment.



**Business-friendly Solutions**

### LIFESTYLE RETAILING:

ITC's Lifestyle Retailing Business Division has established a nationwide retailing presence through its Wills Lifestyle chain of exclusive specialty stores. Wills Lifestyle, the fashion destination, offers a tempting choice of Wills Classic work wear, Wills Sport relaxed wear, Wills Clublife evening wear, fashion accessories and Essenza Di Wills an exclusive range of fine fragrances and bath & body care products and Fiamma Di Wills a range premium shampoos and shower gels. Wills Lifestyle has also introduced Wills Signature designer wear, designed by the leading designers of the country.



**Fig-2 Business Segments of ITC**

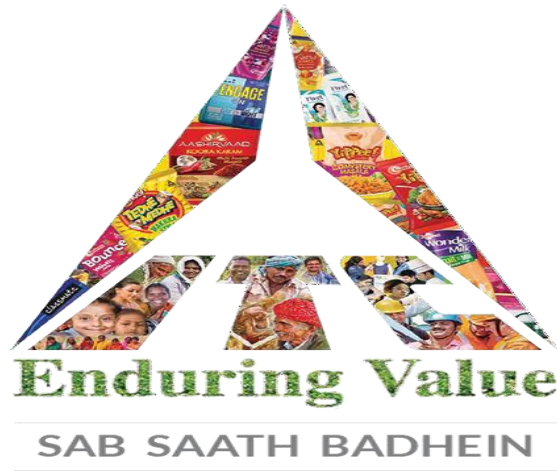


## Categories of ITC products and Division of different groups

- GR 1 (Food)- Aashirvaad, Sunfeast, Kitchens of India, Yippee, B-Natural, Candyman, Sunbean, Sunrise etc.
- GR 2 (PAM)- (P) stands for Personal Care Products (PCP)- Fama, Vivel, Engage, Supria, Nimyle, Savlon  
 (A) stands for Agarbatti and Dhoop- Mangaldeep  
 (M) stands for Safety Matches- AIM, Homelight
- GR 3 (Cigarettes and Cigars)- Classic, Gold Flake, Flake, Players, Scissors, Duke etc.
- GR 4- Bingo
- GR 5 (Paperboards and Specialty Papers)- Classmate, Paperkraft



**Fig-3 Brand Categories of ITC**



## THE GOVERNANCE STRUCTURE:

The practice of Corporate Governance in ITC takes place at three interlinked levels

|                       |   |
|-----------------------|---|
| Strategic supervision | by the Board of Directors   |
| Strategic management  | by the Corporate Management Committee   |
| Executive management  | by the Divisional Chief Executive assisted by the Divisional Management Committee |

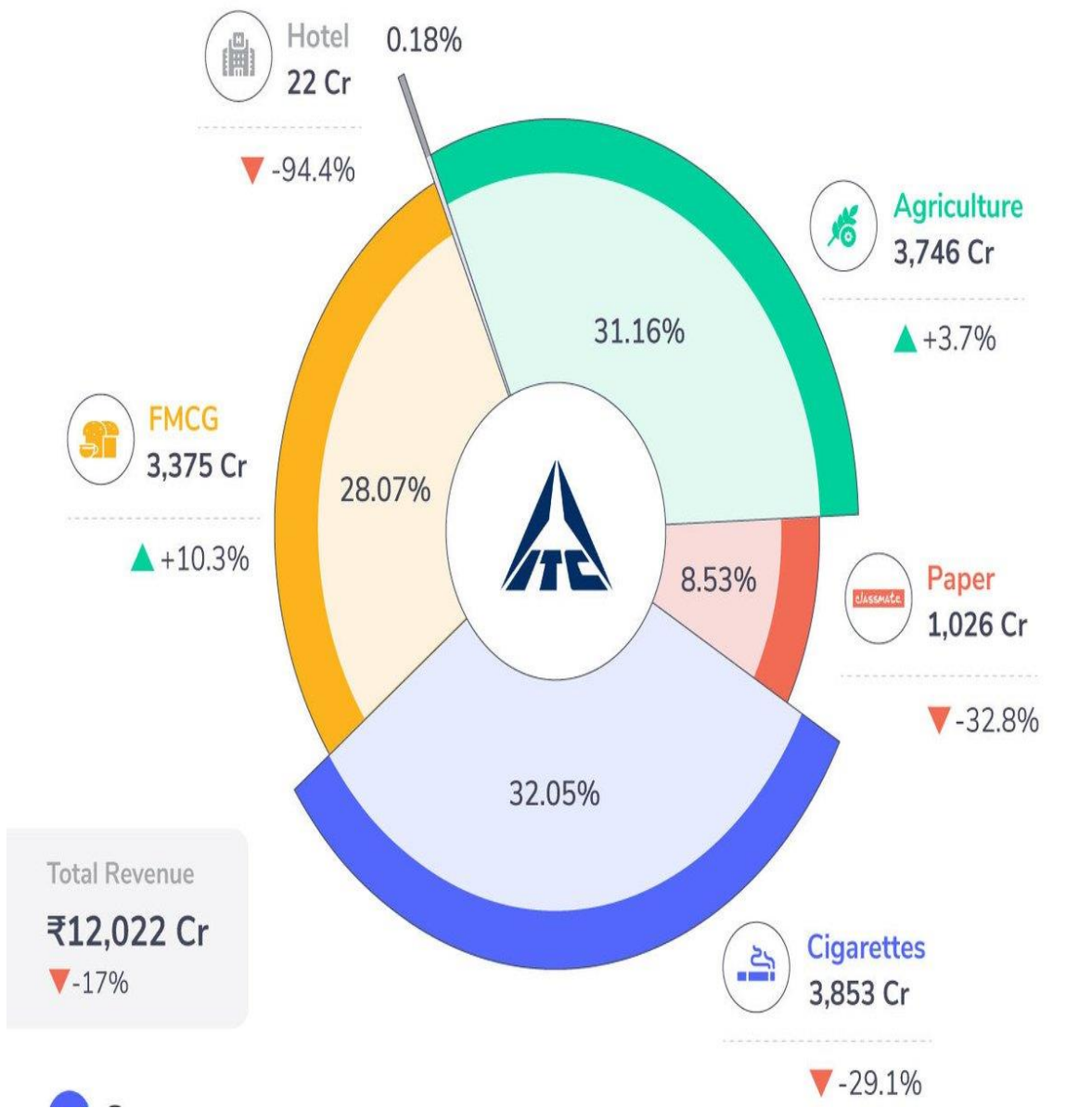
The three-tier governance structure ensures that:

- Strategic supervision (on behalf of the Shareholders), being free from involvement in the task of strategic management of the Company, can be conducted by the Board with objectivity, thereby sharpening accountability of management;
- Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energized; and
- Executive management of the divisional business free from collective strategic responsibilities for ITC as a whole remains focused on enhancing the quality, efficiency and effectiveness of the business to achieve best-in-class performance.



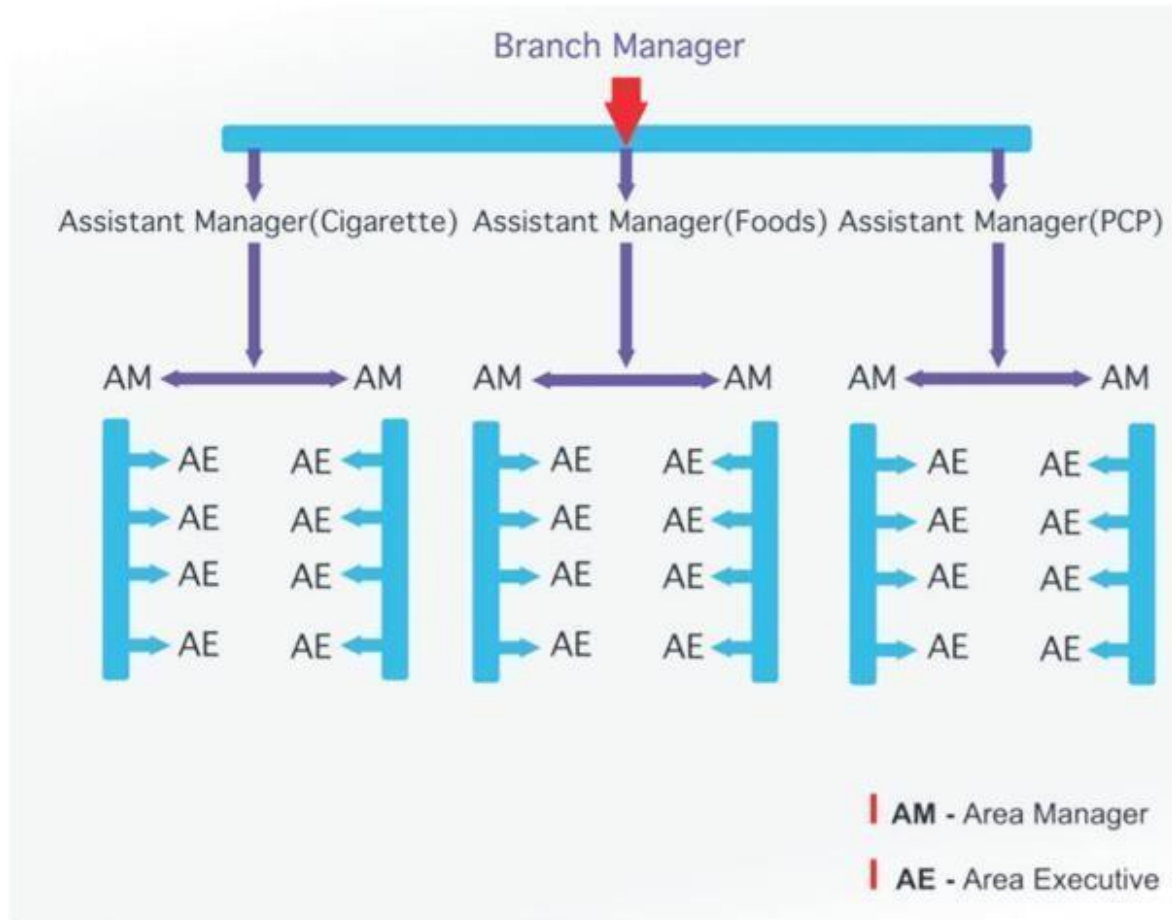
# ITC Revenue Breakup

For Q1F21



**Fig-4 Revenue of ITC**

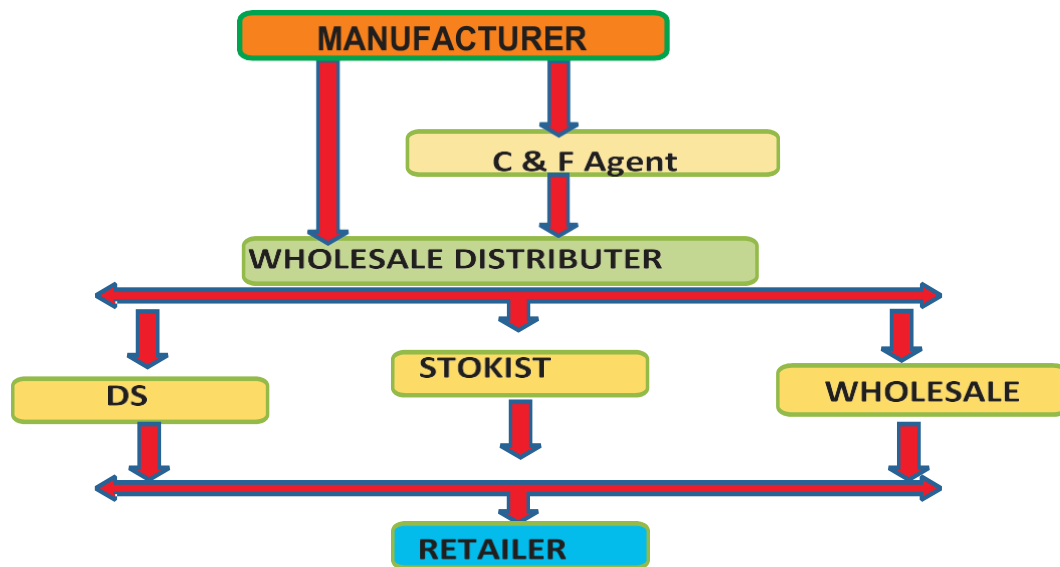
## ITC's ORGANIZATIONAL STRUCTURE (ODISHA)



**Fig- 5 Organizational Structure of ITC**

The organizational structure is such one AE operate in three districts. And further under each AE there are TL and under TL distributor Salesman operates.

## DISTRIBUTION CHANNEL OF ITC LIMITED



**Fig- 6 Distribution channel of ITC**

### WHOLESALE DEALER (WD):

- Each WD firm has a constitution, which is an authoritative report that approves the proprietor to complete the ITC's circulation business under determine undertakings name, accompanied with a specimen signature of the proprietor and manager.

### CARRY & FORWARD AGENT:

- The C&F operator basically go about as medium between the organization and distributors and move the stocks from organization to merchants.

### DISTRIBUTER'S SALESMAN(DS):

- A DS might be a free sales person or utilized by the WD by and large for profound inland business sectors. the cigarettes explicit DS's work is to gather the item from WD according to the need and sale on the regular schedule. Each category has their separate DS and each DS has their own areas to visit.

### STOKIST:

- A stockist is the one who embrace to keep up supplies of a particular item at or over a specific least level as an end-result of great purchasing terms conceded by the manufacturer of the item. A stockist area of operation is confined to a very small and restricted area of market of WD.

### WHOLESALE:

- A wholesaler buys the product from WD in a much larger quantity in comparison to a regular retailer, in return the wholesaler backed by better scheme provided by the company many a times and the scheme are called QPS Quantity Purchase Scheme. the more the purchase the better is the discount avail by the wholesaler from the company.

### RETAILER:

- A retailer is an entity that straightforwardly deals to the customer with an objective of essentially procuring benefits. ITC has a solid system of convenience stores and it is likewise attempting to fortify its retail arrange further by broadening the system.

## **Targeted Audience of ITC**

ITC targets almost every group of people as it has a diversified product line. The company targets every age and gender. The majority target audience of the company is young and adult people all over the country from urban or rural areas. In products also it has different types in terms of cost of the product for the upper-middle class and middle class.

ITC has expanded itself so much that it's almost there in the majority of the industries and manufactures every kind of product.

Now that we have a brief about the company and its target audience, let us descend into the marketing mix of the company.

## Marketing Mix of ITC

The marketing mix is one of the various marketing techniques that are used by companies.

Companies use it to promote their product or brand in a market that reaches out to a targeted audience. The main focuses of the marketing mix are 4Ps, i.e. product, price, promotion, and place. By using this technique business can expand their name and products in the market.



**Fig-7          Marketing MIX**

### **1. Price Strategy of ITC**

ITC being a multi-industry company has a variety of products in the market. Therefore, a different pricing strategy is followed for each product.

Keeping in consideration that India is home to many middle-class families ITC uses a reasonable pricing policy for consumer products so that by selling products at reasonable rates the company can generate maximum profit. ITC being a multi-industry company also owns hotels, for that, it has adopted a premium pricing policy.

For example, the company launched yippee with basic pricing which is affordable, hence it became an alternative to Maggie. This shows how smartly the company has set reasonable prices to deliver it to a larger segment.

## **2. Product Strategy of ITC**

ITC has a dynamic portfolio with numerous products in the market which contributes most to its business.

Here's a list of the brands with various products offered by ITC in different industries.

- In the food industry: Products offered by ITC includes FMCG i.e. (Fast Moving Consumer Goods) such as biscuits, cakes, noodles, candies, spices, juice, etc.
- In personal care: ITC also offers personal and hygiene care products such as soaps, shower gels, perfumes, shampoos, and much more.
- In the education industry: ITC is also a well-established brand when it comes to stationery
- products such as pens, pencils, notebooks, erasers, math instruments, art, pencil sharpeners, etc.
- Apart from the above-mentioned products and brands, ITC is a market-leading company in cigarettes and cigars, some of its major brands are India Kings, Classic, Gold Flake, Capstan, Berkely, Bristol, etc. it also manufactures safety matches and sells them to name them AIM, Homelite, etc.
- They also have a lifestyle, InfoTech, and luxury hotels in India.

ITC is a well-established company with a diversified product and brand ranging from consumer goods to luxury hotels, above mentioned are the products and services offered by the company.

## **3. Place Strategy of ITC**

ITC has a strong and diverse distribution channel so that its product is accessible in every retail shop and remote area in India. Their product is available in more than 4 million retail stores in India. It has a strong

distribution network and logistics facility. The company has around 60 dealers and several manufacturing units in India. Their network has expanded to almost 60 places across India. Its products are sold in various countries worldwide, such as Australia, North America, Africa, and the Middle East.

#### **4. Promotion Strategy of ITC**

ITC Uses different platforms such as television, radio, and print to promote its product as a part of the marketing mix. As it has so many different sub-brands, different brand ambassadors are required by ITC to promote each brand. Kartik Aryan and Tara Sutaria are brand ambassadors of ITC's "Engage". To advertise its products, ITC has used a variety of promotional activities, such as ad campaigns shown on well-known television channels, and hoardings are also used to promote its brand. Keeping Indian farmers in consideration ITC has launched an e-choupal program which has solved various problems faced by the farmers, the company is planning to expand the program to 15 states across India, over the following years.

## Porter's five forces model in ITC's context:

Porter's five forces model was developed by Michael E. Porter in 1979. Porter's five forces include three forces from horizontal competition: threat of substitute products, the threat of established rivals, and the threat of new entrants; and two forces from 'vertical competition: the bargaining power of suppliers, bargaining power of customers.



Fig-8 Porter's Five Force Model

### The threat of substitute products:

Toilet soaps in India are mostly used in the bar form. The other form that could act as a substitute is Shower form. Showers are a distant dream for 70% of India's population, who live in the villages where there is not even a regular supply of drinking water. In the urban areas, people bathe by using a bucket of water, mug, and a bar of soap. Although most of the urban houses have a shower facility, showers are seldom used because of the scarcity of water. Thus there isn't much threat to ITC from the substitute products for soaps in the personal care segments.



**The threat of the entry of new competitors:**

The Indian FMCG sector is a highly profitable market that yields high returns. This has resulted in the entry of many new competitors like Anchor that has forayed into the soap segment for mass market; Sales from a single distributor for Dyna have reportedly risen from two to eight lakhs approximately in the last two years in Jaipur. This has indeed decreased the profitability of ITC in the mentioned segment.

**The intensity of competitive rivalry:**

This is the major determinant of the competitiveness of the company. Certain rivals compete aggressively and some rivals compete in non-price dimensions such as innovation, marketing, etc. There are a number of competitors who have their soaps in the same price segment as ITC does. Further, there also exist companies who launch soaps with a medicinal value or liquid hand wash soaps who add to the fierce competition.

**The bargaining power of customers:**

Indian consumers are quite price-sensitive. They have an ability to put the firm under pressure. With a number of competitors present in the same price-strata, a company's decision to revise its prices could backfire strongly. There are many factors that could affect the bargaining power of customers. These are:

- Buyer concentration to firm concentration ratio.
- Degree of dependency upon existing channels of distribution.
- Bargaining leverage buyer volume
- Differential advantage of industry products

**The bargaining power of suppliers:**

Suppliers of raw materials, components, labor, and services to the firm can be a source of power over the firm. Depending upon the degree of differentiation in the products the suppliers could charge excessively high prices for unique resources.

## BCG Matrix of ITC

A close study of the expected growth rate and the subsequent market rate will give us the preliminary information for our BCG matrix. As the number of brands is numerous, for simplicity's sake, we will take into consideration the ITC's businesses and will make the BCG matrix of ITC.

Let's have a look at our ITC BCG Matrix.



**Fig-9 BCG Matrix**

The BCG matrix of ITC Ltd has divided its key business units into four broad categories. Let's have a look at them one by one.

### Star Products

**ITC Ltd has three stars:** Paperboards, Specialty Paper and Packaging; Hotels and Agri-Business.

Let's find out why first.

The Paperboards and Specialty paper business are India's largest in sales among the paper and paperboards businesses. The industry is slated to grow by 7.8 % CAGR by 2024.

ITC hotels are one of the fastest-growing hospitality chains in India. The hospitality business's growth rate places it in the Star category.

ITC Agri business is among the largest integrated Agri business units and is the country's largest exporter. The Agri business is expected to grow by 10.70% by 2040.

All three businesses have a high growth rate and also has a high market share. This places them in the star category.

They are the fast-growing market leader. They generally have the largest profits but needs a lot of cash to finance rapidly. This means that marketers have to reinvest all their earnings from the stars into promoting the stars.

### **Cash Cow Products**

ITC **Cigarette and Cigar business** is the market leader in India with its wide range of brands available. It is the leader in every segment of cigarettes and Cigars sold in India. The growth in this sector is expected to be only 3% by 2021 in India. The Cigarettes and Cigars in the FMCG sector have a high market share. Still, the industry's growth is slow, which means that the product is in a low growth market but has a dominant market share.

Marketers will have to maintain their market share. The excess cash generated can be used by other products in the portfolio where large investments are required. The extra money is usually pumped into brands in question mark category, which has the potential to be a star.

### **Question Mark Products**

ITC foods come under the question mark category, the **food industry in the FMCG sector** is expected to grow by 23.15% CAGR by 2021. ITC FMCG products, particularly foods, is growing but the growth rate is only 7.3 %.

The product is in a high growth market, but the market share is low. Hence, it's a question mark which means it shows rapid growth but lower profit margins. It needs a great deal of cash to increase market share.

The marketers can either use the cash to invest heavily in gaining market share, acquire competitors or drop the SBU at all. They will need to make a lot of efforts to make the question mark progress to a star.

### **Dog Products**

**ITC Information Technology** under the brand name ITC InfoTech faces immense pressure by competitors like Infosys, TCS, Accenture, HCL. With the entry of international players, the market share is declining.

ITC InfoTech has a low market share in a low growth market. As most dogs eventually leave the marketplace, ITC InfoTech future existence is questionable here.

The marketers can either divest or harvest the business. Divesting is the practice of shutting down the SBU. In contrast, harvesting is the practice of cutting back all the investment to maximize profits, even if it loses all market shares.

## **Strategies to go for after BCG matrix**

After classifying the ITC's SBUs in the Matrix, and obtaining the BCG matrix of ITC, the next step is to allocate future resources to these SBUs to ensure the long-term growth of ITC. Let take a look at how it is done.

The marketers either go with one of the four strategies: -

### **Build**

If the firm has a question mark SBU, and it has the potential to be a star, the marketers will build the question mark. The firm leaves its short-term profits and uses financial resources to achieve its goal.

ITC FMCG Products mainly, food is a question mark. At this time, the firm may want to build the foods sector by investing heavily in marketing activities. This will ensure that the food category market share increases and one day, it can be a star for ITC Ltd.

### **Hold**

If an SBU is a very successful Cash Cow, the firm will hold the market share and look for ways to improve it. The BCG matrix of ITC has cigarettes and cigars in the Cash Cow category, ITC will hold onto the market share or make technological advances or strengthen its distribution channel to further increase the market share.

### **Harvest**

The strategy is applicable for all SBUs except the ones classified as Stars. The firm focuses on the short term goal by increasing the cash return without too much concern for the future return. It is more favorable for those Cash Cows where the future prospects are not favorable.

ITC can use this strategy for either Cigarettes or InfoTech if focusing on the short term goals will help the firm to increase its present cash return.

### **Divest**

Divesting is getting rid of the SBUs with low shares of the low-growth market. This strategy is most suitable for question marks and dogs.

ITC may want to get rid of ITC InfoTech at all as it is in a low growth market and faces immense competition from the competitors.

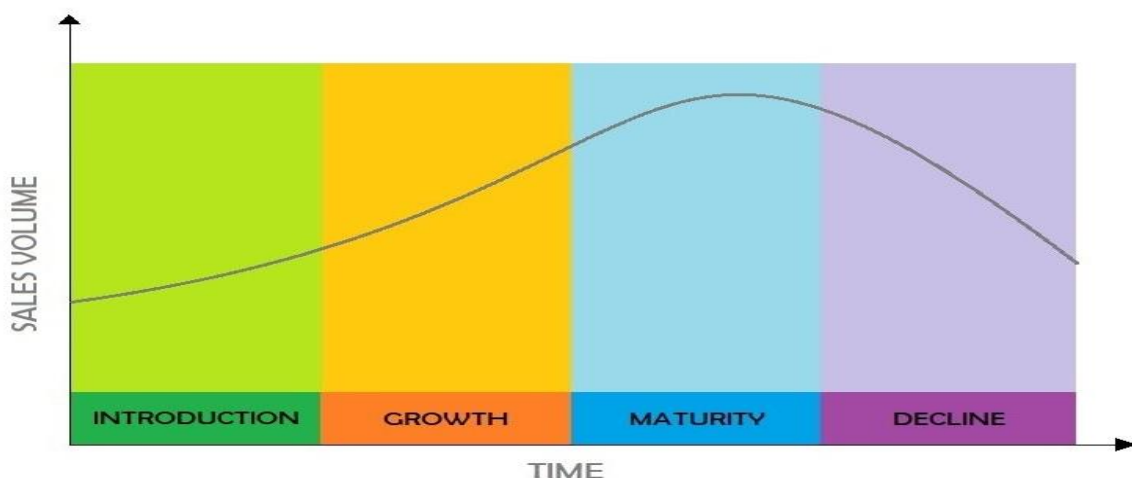
All strategic decisions are taken on the portfolio mix or the BCG matrix. Still, the decision making is not exclusively based on this. Sometimes disruptive innovations in the field can severely affect the marketer's decisions.

## Product Life Cycle (PCL) of ITC

The product life cycle goes through many phases, involves many professional disciplines & requires many skills, tools and processes.

To say that a product has a life cycle is to assert 4 things:

- Product has a limited life.
- Product pass through distinct stages, each posing different challenges, opportunities & problems to the seller.
- Profit sires and fall at different stages of PLC.
- Products require different marketing, financial, manufacturing, purchasing & human resource strategies in each life cycle.



**Fig-10 Product Life Cycle**

### DIFFERENT STAGES OF PLC

#### Market Introduction Stage:

- No or little competition.
- Customers have to be promoted to try the product.
- Low sales volume: The product had to instigate the tobacco users to use cigarettes instead of hookah, cigar & beedi. It also had to induce the non-smokers to try out smoking. It was the new concept so initially the sales volume was low.

### **Growth Stages:**

- Prices to maximize market share: ITC kept a close demand watch on the price demand patterns and increased the price in small doses. The price strategy continued as part of the penetration strategy. The ratio of promotion cost to sales declined
- Competition begins to increase with a few new players in established market
- Sales volume increases significantly: During 1920's 1930's and the major part of 1940's was the growth stage of scissor's life cycle.

### **Matured Stage:**

- Scissor's reached the maturity by the end of 1940's.
- The market welcomed the new low priced product.
- Increased competition offerings: Panama emerges as a competent product posed a challenge to scissors.
- Costs are very low as they are well established in market and no need for publicity.
- Panama was slow in growth initially but through aggressive marketing strategy and sustained market inputs. It started growing in early 1950's.

### **Saturation and Decline**

- Costs become counter optimal
- Sales volume decline or stabilize
- Prices, profitability diminish
- Profit becomes more a challenge of production/distribution efficiency than increased sale.

### **Lessons of PLC**

It is claimed that every product has a life cycle. it is launched; it grows and at



some point may die. A fair comment is that at short term- not all products die. Jeans may die, but clothes probably will not. Even though its validity is questionable, it can offer a useful model for managers to keep at back of their mind. Indeed, if their product is in the introductory /growth phase/ decline, it perhaps should be at the front of their mind; for predominant features of these phases may be those revolving around such life and death. Between these two extremes, it is salutary for them to have that vision of mortality in front of them.

# *Chapter- 3*

## *Competitors Analysis*



## Competitors Analysis

Any person or entity which is a rival against another in business, a company in the same industry or a similar industry which offers a similar product or service. The presence of one or more competitors can reduce the prices of goods and services as the companies attempt to gain a larger market share. Competition also requires companies to become more efficient in order to reduce costs.

Competitor's analysis in this report is only done for the soap, hand wash and ASL (Antiseptic Liquid). This analysis was done by asking each of the store keepers' questions regarding the customers demand on the above mentioned portfolio. I used to ask the store keepers to name the top three brands which the customers demand for in soap, hand wash and ASL segment.

The total sample is taken to be 232 outlets.



**Fig-11 Competitors of ITC**

## 1. Hindustan Unilever Limited (HUL)



Hindustan Unilever Limited (HUL) is the largest Fast Moving Consumer Goods Company located in India. It has a rich 80 years of legacy in this field. Almost, nine out of ten Indian households make use of the products of HUL. The company works daily for a better future to make people feel and look good with their various brands and services. The main product includes cleaning agents, food products, personal care products, and water purifiers. It has about 35 brands which span across 20 distinct categories like detergents, soaps, skin care, deodorants, tea, coffee, ice cream, packaged food, and many more. The main strength of this company is its innovation. The company's research center continuously works and develops innovative products which make HUL lead the consumer goods market. As HUL is considered as a market leader in consumer goods, it is indeed a top ITC competitor.

## **2. Procter & Gamble (P&G)**



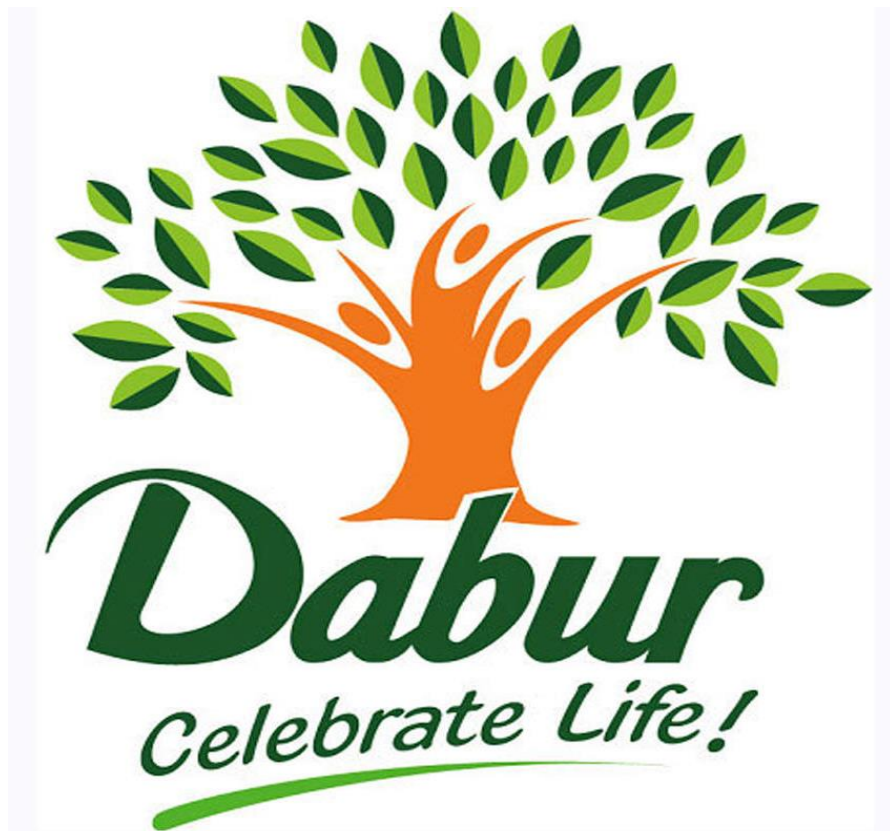
A popular American multinational consumer goods corporation, P&G is headquartered in Ohio, United States. It manufactures a wide range of consumer goods. The company has its business operations in five main segments, Grooming, Health Care, Fabric & Home Care, Beauty, and Baby, Feminine & Family Care. The company sells their products in about 180 countries and territories mainly through grocery stores, department stores, merchandisers, membership club stores, baby stores, online store and through many other channels. It is one of the major providers of hygiene and healthcare consumables. One of the main strength of P&G is that it has its own brands which are valued by them and customers. It has a huge product portfolio and due to which the economy of the sales increases. Due to their excellent R&D and brand value, P&G is considered a top ITC competitor.

### **3. Godrej Consumer Product Limited (GCPL)**



Indian Consumer Goods, Godrej Consumer Products Limited (GCPL) is based out in Mumbai. It is engaged in manufacturing of various products which includes hair colorants, soap, liquid detergents, and toiletries. The company has many brands which include, Godrej Fair Glow, Cinthol, Godrej No.1, and many more. At present, the Group has about 1.1 billion consumers worldwide and across various businesses. The company is ranked the largest in household insecticide and hair care players. The company is also at the top in producing the hair care needs of the consumers. GCPL creates own strong brands in various business segments. It focuses on innovation and expands their product portfolio by introducing many new products. Due to their strong market position in many categories, GCPL is considered a top ITC competitor.

#### 4. Dabur



A popular Ayurveda medicine and natural consumer products manufacturer, Dabur is an Indian company. The portfolio of Dabur's FMCG includes five leading brands. Their brands are well known by the name Dabur for healthcare products, Vatika for personal care, Hajmola for digestives, Fem for skin care products, and Real for fruit juices.

The products of Dabur have a huge presence in the international markets and are available in about 120 countries. The revenue from the international market is about 30% of the total turnover. It is well placed among its customers. Dabur is considered as the fourth largest company in FMCG segment. It has a great distribution network worldwide. Due to their brand and the quality of products, Dabur is considered a top ITC competitor.



# **ITC Competitors and Analysis**

It is a multinational conglomerate company and thus they face huge competition in the market. They have competition from all sides, we have shortlisted some of the main competitors in all these distinct fields that it faces. Let us take a look here.

## **ITC Competitors in FMCG segment**

- 1) HUL
- 2) P&G
- 3) Nestle
- 4) Godrej Consumer Products
- 5) Dabur

As we see ITC has major competition in all segments of the market and thus they boost their market share they come up with various marketing strategies.

## **The competitive advantage of ITC**

### **1. Vast experience**

As the company has a long market presence it has developed a strong base. This has allowed the business to recognize the customer's needs and expectations to make it financially strong and competitive ahead of its peers.

### **2. The X- Factor**

Through the social initiative, ITC's E-Choupal initiative aimed at making the internet accessible to Indian farmers and their families in the rural part of the country, thus increasing brand presence to the business.

### **3. Big Conglomerate**

Over the years, they have become a massive conglomerate providing a wide range of goods and services in the FMCG market, IT solutions, from agri-products to food products. Experience in such a diverse range of products and services has enabled the business to emerge in the market.

Thus, the competitive advantage of the company has been achieved by the consistent work of ITC which helps them to stand out in the market.

# *Chapter-4*

## *Customer Analysis*

## **Customer Analysis**

Customer segmentation is the process of classifying customers into specific groups based on shared characteristics. This allows companies to refine their messaging, sales strategies, and products to target, advertise, and sell to those audiences more effectively.

This approach is used for both Business-to-Consumer (B2C) and Business-to-Business (B2B) marketing. B2C consumer segments are generally based on things like demographics, lifestyle, values, and needs. B2B marketers, on the other hand, tend to segment customers by industry, location, payment terms, or the specific products a company previously purchased.

Customer segmentation involves dividing people into groups according to common traits. To accomplish that, marketers use customer segmentation models that define which criteria best describes the ideal audiences who will buy their products.

Companies gather customer data, market research survey results, purchase transactions, current trends, competitor analysis, and other information that will help them categorize buyers into distinct groups. Automation has made collecting data about their existing customer base and potential customers easier to collect and analyze.

The segmentation model used will depend on the products and services sold. These models are used for both B2C and B2B customers as well as for other segmentation purposes like public opinions and employee perceptions. Customer segmentation types include demographic, geographic, psychographic, technographic, behavioral, needs-based, and values-based approaches.

Methods to be carried for doing Customer Segmentation: -

Market research surveys are frequently used to collect detailed data on customer motivations and behaviors. These typically cover questions like:

1. How likely is it that you would recommend this product to a friend or colleague?
2. What do you like most about the product?
3. What do you like most about competing products on the market?

4. What reasons do you have for choosing the product?
5. What are the reasons why you might not purchase the product?

## **Customer Segmentation of ITC**

- Demographic segmentation
- Psychographic segmentation

### **Demographic segmentation**

Demographic customer segmentation is frequently used to divide people into groups based on their personal and lifestyle characteristics. This may include:

- 1) Age
- 2) Gender identity
- 3) Income
- 4) Ethnicity
- 5) Occupation
- 6) Religious affiliation
- 7) Household structure
- 8) Education

Demographics are commonly used for audience targeting, especially for market research surveys. Audiences with similar preferences or identities represent potential customers, making it easier to perform concept testing, check pricing sensitivity, and evaluate marketing messaging

### **Psychographic segmentation**

Psychographic segmentation focuses on psychological characteristics like personality, attitudes, social status, lifestyle, and opinions. Creating customer segments based on these characteristics helps shed light on what consumers really think about your products or services.

When performing market research, psychographic surveys are used to gather data to understand not just buying behaviors, but the motivation behind those behaviors.

Psychographics are often included in buyer personas, providing information about what consumers want, how they view your products, and what gaps you need to address in order to improve your messaging, products, or customer experience.

# *Chapter-5*

## *Actual Work Done*

## **ITC's PERSONAL CARE DIVISION**

ITC launched an exclusive line of prestige fine fragrances under the Essenza Di Wills brand in mid-2005. The Essenza Di Wills range of perfumes reinforces ITC's tradition of bringing world class products to Indian consumers to enrich the quality of their lives.

Essenza Di Wills embodies a fine balance between the classic and the contemporary. The brand personifies exclusivity, innate style, sophistication and magnetism. The Essenza Di Wills line has been developed with the assistance of French perfumery experts to give it the mystique and premium luxury quality that go with the best of international brands.

Inizio, the signature range under Essenza Di Wills captures the very essence of attraction between a man and a woman with its two distinct lines Inizio Femme (for women) and Inizio Homme (for men). The women's fine fragrance revolves around 'Floral Fruity Musky' notes while the men's fine fragrance is centered on 'Oriental Woody Fruity' notes. The bath and body care products share the same olfactory signature of the fine fragrances, to offer a harmonized grooming experience. The latest addition to the Essenza Di Wills portfolio is the Aqua range for men (Aqua Homme) that offers a distinctive and fresh aquatic fragrance. The Aqua range includes an After-Shave Lotion, a Deodorant, a Hair & Body Shampoo and a Bathing Bar.

Essenza Di Wills has significantly enhanced its brand salience in the lifestyle space by being the associate sponsors of the Wills Lifestyle India Fashion Week, the country's most premier fashion event that brings together the leading designers of the The Essenza Di Wills fashion line, specially designed for the brand by one country. India's leading designers, Varun Bahl, received high appreciation at the Spring-Summer show in September 2007. Essenza Di Wills is available at Wills Lifestyle stores, select John Players stores and select premium outlets.

In September 2007, ITC launched Fiama Di Wills, a premium range of personal care products comprising shampoos, conditioner, shower gels and soap. This premium range is a unique blend of nature and science that

promises gentle effective care. It is an outcome of 4 years of extensive research and development by experts at ITC R&D Centre. The packaging for all Fiama Di Wills products has been developed by a leading European design firm and the fragrances have been developed by an international fragrance house in France.

Fiama Di Wills Shampoos developed in collaboration with Cosmetics Labs Inc., USA, offers a range of five variants. Each - these is designed to deliver a specific hair benefit to the consumer.



**Fig- 12**

**Personal Care Division of ITC**



## **Understanding of the Front and Back end working of ITC:**

### **Front End Team of ITC**

The front end team is composed of DS, TL, Delivery Boy and Driver.

1. **DS (Daily Salesperson)-** Person who take the orders from individual stores on a daily basis and also prepare the billing on the same day. They also collect the money from the stores after the products are being delivered. They also look after the damaged and expired products which are being delivered to the stores.

#### **Daily work of the DS:**

They visit the WD in the morning and collect the outstanding bills of the stores in their area. Each DS is providing with 6 different roots which they have to visit in an entire week.

They start their visit after collecting the bills and they are not allowed to do double billing in a single store i.e. if the previous bill of a particular store is not payed then then cannot take the order again till the outstanding bill is paid.

They visit each store explain about all the products and note down the order in the Vajra device provided to them.

They also ask the stores to pay the bills if any outstanding bill is pending and collect that as well.

In an entire day they visit a total of 15-25 outlets and take the orders.

In the end of the visit they go back to the WD and do the billing of the orders.

They also visit the market in the evening time to collect the money from the stores whose dues are pending.

**List of DS I worked with and their areas they visit weekly:**

| Ds Name       | Ds Type    | Monday        | Tuesday      | Wednesday      | Thursday       | Friday         | Saturday     |
|---------------|------------|---------------|--------------|----------------|----------------|----------------|--------------|
| Sanjiv        | Gr2 DS     | Kalinga Vihar | BSNL market  | Chhend VSS     | Sec-13,14      | Sec-15         | Sec-4,3,21   |
| NAVIN SAHOO   | Gr2 DS     | Jagda         | Jhilpani     | Koel Nagar NAC | Sec-5,20       | Sec-2, NIT     | Shakti Nagar |
| R.DEY         | Gr2 DS     | Sec-7,8,9     | Sec-6        | Ispat Market   | Sec-19         | Sec-18         | Bondamunda   |
| BIJAY MURMU   | Gr2 DS     | Modern India  | Baljhudi     | Jolda          | Fertiliser     | Basanty 1      | Basanty 2    |
| SUKLENDU SHAW | Gr2 DS     | Traffic gate  | Bus Stand    | Main Road      | Daily Market   | Udit Nagar     | Power House  |
| SIDDHARTH     | Gr2 DS     | NAC           | Panpos Basti | Railway Colony | timber Colony  | Civil township | STI          |
| DIWAKAR       | Chemist Ds | Jolda         | Panpos       | Panpos Market  | Basanti Colony | STI            | Fertiliser   |
| Akhilesh      | Gr2 DS     | Kahalnsba     | Birmitrapur  | Kalunga        | Vedvyas Market | Kansbahal      | Kuarmunda    |
| Umesh         | ROC Ds     | Lahunipada    | Bonai-2      | Bisra          | Bonai-1        | Lathikata      | Hatibari     |

**Fig13: List of DS and their areas of visit**

**Types of DS: -**

**GR1 DS-** They only deals with the grocery stores and takes order of the food portfolio of ITC.

**GR2 DS-** An exclusive types of DS because they deal with all the outlets and they take the order of all the Personal Care Products, Agarbatti and Matches.

**Chemist DS-** DS who deal with the pharmaceutical outlets i.e. the medicine stores and take order of the Personal Care Products.

**ROC DS (Rural Order Capture)** – A special type of DS who visit the rural markets and the take order of PCP, Agarbatti, Matches and Noodles.

**Wholesale DS-** DS who deal with the limited wholesale outlets and take order of PCP, Agarbatti, and Matches.

## **2. TL (Team leader)**

For every group of 6-8 DS there is a supervisor known as the Team Leader. They also work as a DS and apart from that they also keep the report of their team members.

The TL looks after the completion of the sales target of all the DS and motivates them to work.

If the DS is not visiting an area for a long time, then it is the work of the TL to take orders from that area.

If the DS is facing any type of problem or his targets are not being completed, then it is the work of the TL to visit the area with the DS and solve the problem and also help him complete his targets.

## **3. Delivery boy**

After the orders are being taken by the DS now the products are being segregated according to the orders and loaded in the delivery vehicle. The person who visits the stores in the vehicle and distributes the products is known as the Delivery boy. The delivery of the products is tried to be done within 2-3 working days.

## **4. Driver**

The person who drives the delivery vehicle to different stores with the delivery boy is known as the driver. He visits the stores with the delivery boy at the time of delivery.

## **Back End Team of ITC**

### **Operator (system)**

- Operator the person who carries out all the billing and computer related works like keeping the data of the stocks.

### **Go down keeper**

- Maintains the stocks as per the company's norms at the go down as well as looks after the delivery part to the outlets. He also maintains the D&D stocks.

**Accountant**

- Keeps the record of all the monetary related data and also provide the Credit statement by outlet wise every 15 days.

**Go down Staff**

- Cooperates the go down keeper in his activities and makes the work fast.

These were some of the front and back end staffs of ITC with whom I got a chance to interact and know about their work practices and the tasks they are provided on a daily basis as well as their targets they are being provided by the company. This entire report is being written by interacting with each individual and observing their work practices throughout the day. I also asked them many questions and got clarified with my doubts.

## My Working on a daily basis

I was assigned with the task of collecting the daily report from 9 of the DS working in three different WD. The report just contained the data of the number of outlets which gave order of some specific products provided by the Area Executive to me. This report was maintained by me on an excel sheet and was sent through mail to the Area Executive as well as to the Area Manager.

From the report of the previous week I would select a DS for the market visit for the present week. In the market visit I prepared the questions for the DS as well as the store keepers.

|                |                |                               |                    |  |                                     |                                 |
|----------------|----------------|-------------------------------|--------------------|--|-------------------------------------|---------------------------------|
|                | <b>Total</b>   | 34                            | 17                 | 22                                     | 9                                   | 15                              |
|                |                | <b>UOB ( Total Bills Cut)</b> |                    |  |                                     |                                 |
| <b>Ds Name</b> | <b>Ds Type</b> | <b>Handwash</b>               | <b>Savlon Soap</b> | <b>Engage<br/>( Deodrant +Perfume)</b> | <b>Engage<br/>( Pocket Perfume)</b> | <b>Agarbatti<br/>(Marigold)</b> |
| DILIP          | Gr2 DS         | 6                             | 2                  | 3                                      | 1                                   | 2                               |
| NAVIN SAHOO    | Gr2 DS         | 3                             | 2                  | 0                                      | 2                                   | 0                               |
| R.DEY          | Gr2 DS         | 7                             | 6                  | 9                                      | 3                                   | 5                               |
| BIJAY MURML    | Gr2 DS         | 4                             | 2                  | 5                                      | 0                                   | 1                               |
| SUKLENDU SHAW  | Gr2 DS         | 4                             | 1                  | 0                                      | 2                                   | 3                               |
| SIDDHARTH      | Gr2 DS         | 1                             | 3                  | 2                                      | 0                                   | 2                               |
| DIWAKAR        | Chemist Ds     | 2                             | 1                  | 0                                      | 0                                   | 0                               |
| Akhilesh       | Gr2 DS         | 3                             | 0                  | 0                                      | 0                                   | 1                               |
| Umesh          | ROC Ds         | 4                             | 0                  | 3                                      | 1                                   | 1                               |

**Fig-14 Data collected on a daily basis from the DS**

This is an example of the kind of report I used to collect from the 9 DS on a daily basis for an entire duration of four months starting from 2<sup>nd</sup> of July to 28<sup>th</sup> of October. This product change as per the requirement of the Area Executive I collect the data.

Some questions to the DS:

1. The areas that he visits throughout the week?
2. Total number of outlets showing in the Vajra Device and number of outlets he visits in that particular area?
3. The reason why he doesn't visit some outlets?
4. Any problem faced by him in that particular area?
5. Is he acquainted with the schemes and the products margin?

Some questions asked to the store keeper:

1. Store name and contact details?
2. The frequency for which the DS visits in a week?
3. The duration in which the products ordered get delivered?
4. Top three hand wash that the customers ask for?
5. Top three soap that customer ask for?
6. Antiseptic liquid that customers ask for the most?
7. Is there any damage complaint of any product?

Conclusion out of the questioner:

1. If the DS is visiting the stores frequently.
2. If the DS is having proper knowledge about the products and the number of products he is explaining to the store keepers.
3. If there are any problems like late delivery, wrong billing, wrong product delivery, damage issues etc.
4. If there is any launch of new product, then what is the response of that particular product.

In this entire internship I visited the market for a total of 15 times out of which 13 times with different DSs, once with the delivery boy and once with the TL (team leader). In this total duration I visited a total of 232 outlets of different locations of Rourkela and collected the above data. After every market visit I consult the collected data with the Area Executive and also convey the problems of store keepers as well as the DS if any.

## Data Analysis of ITC with its competitor's

Any person or entity which is a rival against another in business, a company in the same industry or a similar industry which offers a similar product or service. The presence of one or more competitors can reduce the prices of goods and services as the companies attempt to gain a larger market share. Competition also requires companies to become more efficient in order to reduce costs.

Competitor's analysis in this report is only done for the soap, hand wash and ASL (Antiseptic Liquid). This analysis was done by asking each of the store keepers' questions regarding the customers demand on the above mentioned portfolio. I used to ask the store keepers to name the top three brands which the customers demand for in soap, hand wash and ASL segment. The total sample is taken to be 232 outlets.

### Soap Market Analysis

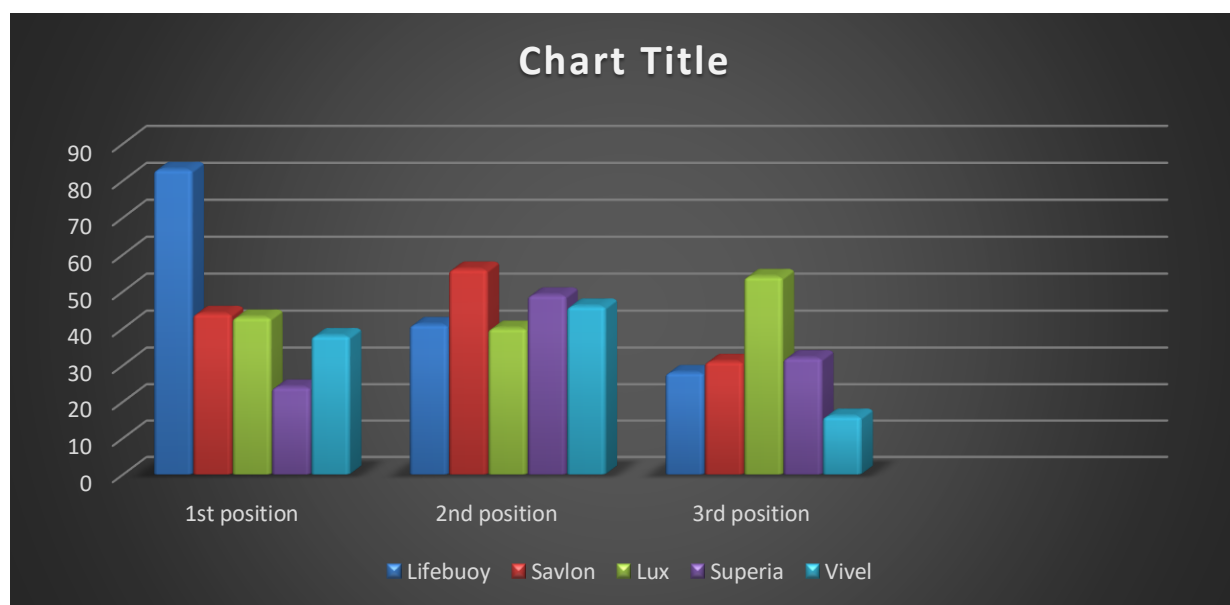


Fig-15 Soap data analysis



### Pictures of stocks of soap in stores: -



**Fig-16 Stocks of Soap**

## Hand Wash Market Analysis

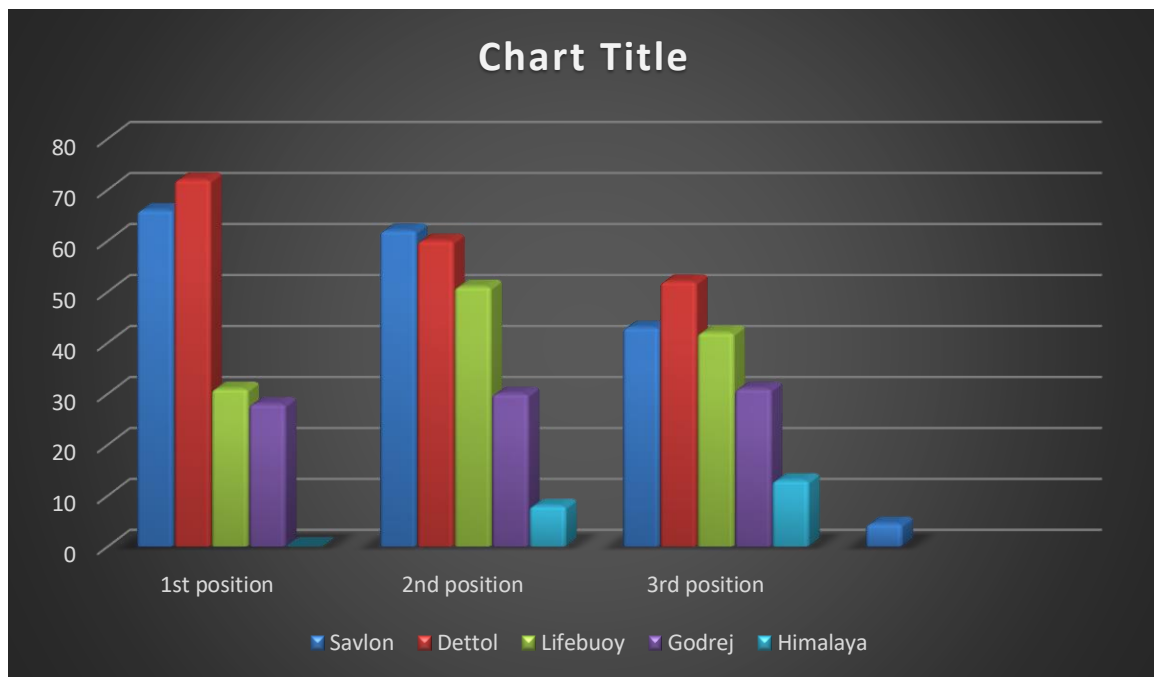


Fig-17 Hand wash data analysis



Fig-18 Stocks of Hand wash in store



## ASL (Antiseptic Liquid) Market Analysis

This category was not present in all the outlets and the competitors are also very limited. Mainly this product was placed in the chemist outlets (medicine stores) and a few of the grocery outlets.

Dettol being the market leader in this category has the monopoly in this segment. People recognize the anti-septic liquid as the Dettol liquid. Some stores were only keeping ASL of Dettol Company.

Out of the total of 232 outlets I visited during the internship only 126 outlets were keeping ASL. Out of 126 outlets 73 were chemist outlets which kept both Savlon as well as Dettol but out of the remaining outlets were mostly keeping Dettol ASL as the customer only asks for the Dettol product.

I interacted with them and convince to keep the ASL of Savlon along with the Dettol one. Some new competitors which I noticed along with Dettol were Dabar, Suthol, and Burnol etc.

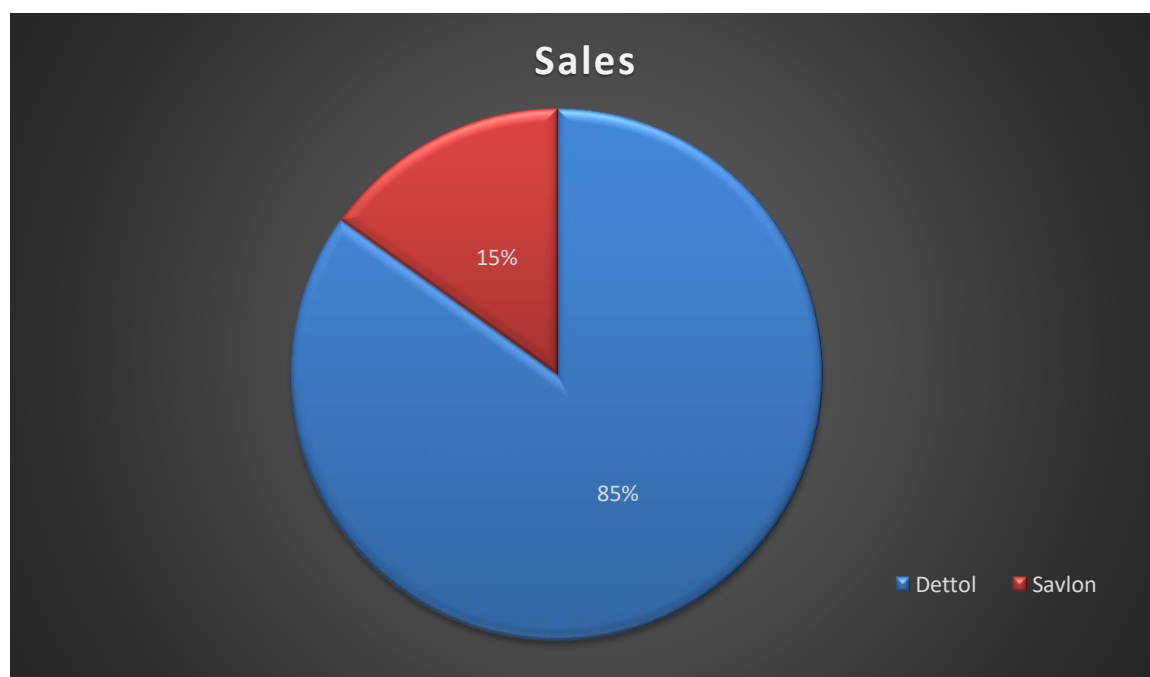


Fig-19 ASL data analysis



**Fig-20 Stocks of ASL in stores**

### Frequency of the DS Visiting the Store for taking Orders

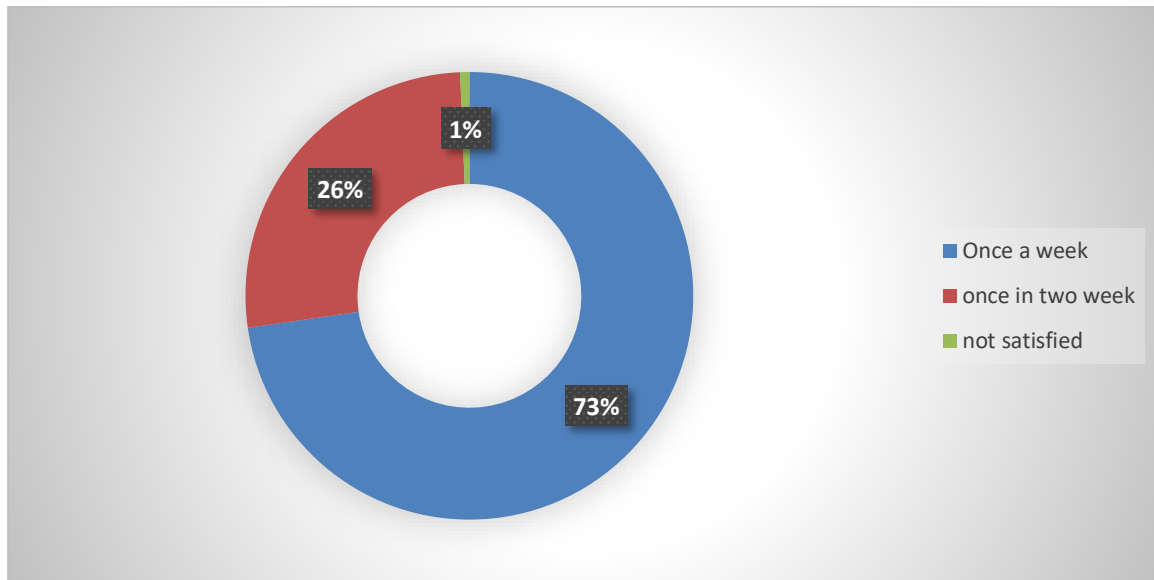


Fig-21 Frequency of taking orders

Out of the 232 number of outlets visited:

153 agreed that the DS visited the stores once a week.

56 said that sometimes the DS have a delay for the order i.e. once in two weeks.

23 stores were not at all satisfied with the DS.

### Time duration taken for the delivery

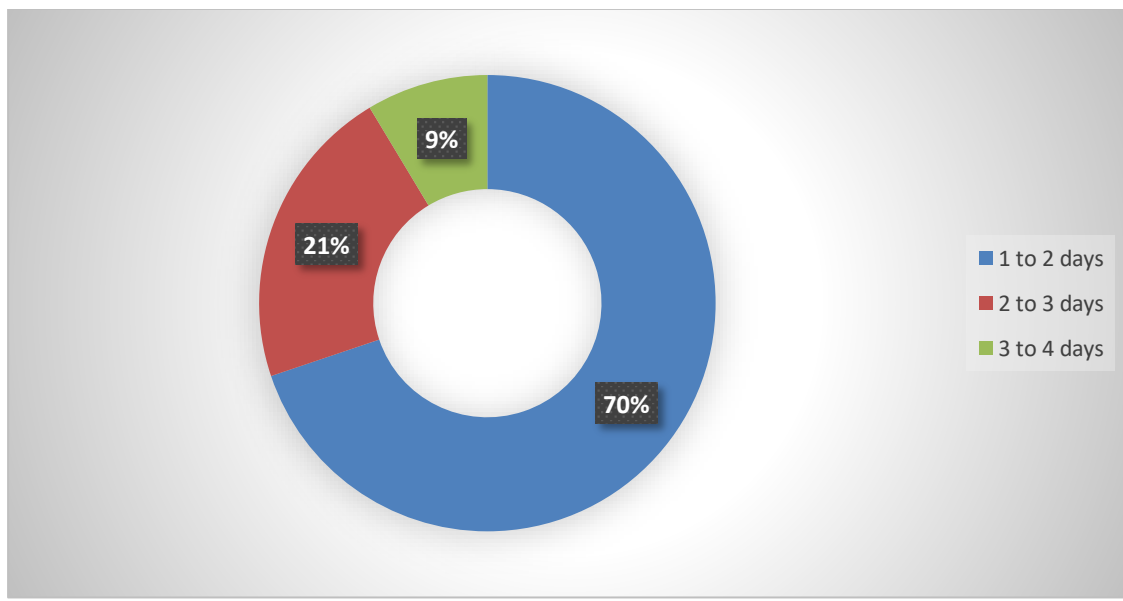


Fig-22 Time taken for the delivery

### **Reviews regarding ITC form the store keepers:**

1. The most positive review for ITC was the supply chain as they were able to deliver the ordered product within 1 to 2 days as mentioned by many of the customers.
2. The damage settlement of ITC was also remarkable as the customers always get refund of the damaged product they receive, which was not in the case of Unilever and P&G.
3. In case of Superia Soap, Aashirvaad atta and Engage deo few customers had the complain that when they purchased the same product from the whole seller they get it in a cheaper price compared to giving order through the DS.
4. The advertisement and availability of the products is not matching as a result when customers visit the stores and ask for the product there is unavailability of the product.
5. Many of the customers asked for sample products during the launch of a new product which the company is not able to provide.

## SWOT Analysis of ITC

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats, and so a SWOT analysis is a technique for assessing these four aspects of your business. SWOT Analysis is **a simple tool that can help you to analyze what your company does best right now, and to devise a successful strategy for the future.**



Fig-23 SWOT Analysis

### 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 number of business sectors including cigarettes, hotels, paper, agriculture, packaged foods and confectionary, branded apparel, personal care, greetings cards. Information Technology, safety matches, incense sticks and stationery.



## **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 FMCG start-up, the company is still dependent 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 subsidized by its tobacco operations. Its Gold Flake tobacco brand is the largest FMCG brand India and this single brand alone holds 70% of the tobacco market.

## **Opportunities:**

Core brands such as Aashirvaad, Mint-o, and 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.

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.

ITC's opportunities are likely to be opportunities for other companies as well. Therefore, the dynamic of competition will alter in the medium-term. Then ITC will need to decide whether being a diversified conglomerate is the most competitive strategic formation for a secure future.

# *Chapter-6*

## *Conclusion*

## **RECOMMENDATIONS**

1. ITC should do more promotions of its PCP range as it is new to the market to have at leading edge from its competitors. It needs to capture more market in rural and urban areas as well by evolving some USP.
2. The company should come up with more and more retailer schemes such as free gifts, scratch coupons movie tickets us the sales of soaps are influenced by the retailers.
3. ITC should come up with more variants and fragrance in its PCP division like lime, rose.
4. ITC should concentrate more on advertisements of its products on TV during the peak hours and it should put hoardings and bill boards in the major areas of the city. It should also send samples with newspaper and magazines in order to increase the awareness of the products.
5. As Indian customers are price sensitive ITC come up with different pricing strategy like penetration strategy to increase its market share.
6. The sales person of ITC should be given proper training and knowledge about the product and schemes offered by the company to improve its sales.
7. The sales person should be properly monitored and controlled to have a greater efficiency of work.
8. The sales person should also maintain good relation with the retailers as he is the only person who contacts the retailer more frequently and they should not be changed frequently.
9. The company can come up for schemes for customers like free pouch of shampoo with every bar of soap.
10. Constant feedback from the customers would be beneficial for the development of the products as 20% of the loyal customers bring 80% of the revenue to the company.

## **CONCLUSION**

The overall conclusion derived from this study is that the personal care industry enjoys a very good & strong position in Indian market; as such soap is one of most demanded & necessary goods of day to day use without which Indians will find it really difficult to clean their body. Rural people can survive without it, but when the hygiene use soap comes is advisable to be used.

Every section of the society whether it is middle, upper middle or higher segment uses soaps especially in urban areas. Basically as per the research it is found that the major section of the youth population uses one or the other soaps in which freshness, protection against germs and fragrance plays major role. Mid quality soaps have major market share in urban areas. The major aspect of consumer buying behavior in terms of promotional benefits which came into being after this research is that if the consumers are satisfied with the quality & other major aspects of the respective commodity, some small benefits or schemes are not going to distract them with their Brand loyalty.

As such in this study it is found that although consumers are not satisfied & not having proper knowledge about various promotional schemes of their soaps, but still they are satisfied, want to continue & recommend the same brand to others too. This over all study reveals the fact that it is the functionality in terms of efficiency, effectiveness of the product which overall affects the consumer purchase decision-making brand promotion, advertisements celebrity endorsement only cannot attract a consumer. So the marketer should use more effective tools to communicate the same to its target customers apart from attracting for additional benefits & offers.

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*Thank You*

































