

A Comparative Analysis of ITC Ltd. Bingo Snacks v/s Frito - Lays & Analysis of Retailer Buying Behavior

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Abstract: *This study presents a comparative analysis between ITC Ltd. 's Bingo snacks and Frito - Lay's offerings, focusing on retailer buying behavior within the snacks industry. The research aims to evaluate key factors influencing retailers' decisions, such as product assortment, pricing strategies, promotional activities, and distribution efficiency. Through qualitative and quantitative methods, including interviews and surveys with retailers, the study explores how these factors impact retailer preferences and purchasing patterns. Findings reveal insights into competitive dynamics, market positioning strategies, and consumer demand influences, offering valuable implications for both companies and the broader snacks market landscape.*

Keywords: ITC Ltd., Bingo snacks, Frito - Lay, comparative analysis, retailer buying behavior, snacks industry, product assortment, pricing strategies, promotional activities, distribution efficiency

1. Introduction

Since its launch period in March, 2007, BINGO as a brand has been through a lots of ups and downs. Both Branding and Sales and Distribution aspects of marketing for BINGO have been explored and matured to a large extent. Though the product itself is considered to be in a growth stage, with a market share of 16% in the branded snacks food category, it has been successful to a large extent in creating the required Brand recall for the category.

This project aims to study about ITC Bingo snacks and its competitor Frito - Lays. The project provides information about the various procedures followed by ITC with respect to distribution chain function, and client management.

With the fast growing retail industry in India, competition has increased between the major market players. Companies are continually trying to engage and construct innovate ideas to service this market.

The project includes a mix of observation, interview and questionnaires with scales. Initially a period of 2 weeks was dedicated to fieldwork under the guidance of area executives of ITC limited. An effort was made to understand the various servicing procedure, the typical areas/locality and classes of customers.

Regular interaction was done with retailers and distributors about the response and flow of product respectively. Through this it makes easy to understand the process of accessing the competitor's response in that outlet.

1 week was dedicated to collect information of Frito - Lays regarding their marketing strategy, Distribution Network and Other Useful Information from the company officials.

This project also includes my observation at retail outlets. I concluded my project with some of my recommendation, questionnaire and additional contribution towards my recommendation.

2. Project Objective

- To do comparative study of Bingo and lays and analyze their prices, sales and method of marketing and distribution
- To check and achieve visibility, availability and quality distribution across the identified target outlet and the response of retailer about the product.

Company Profile

ITC is one of India's foremost private sector companies with a market capitalisation of nearly US \$ 18 billion and a turnover of over US \$ 5.1 Billion. ITC is rated among the World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today. ITC also ranks among India's top 10 'Most Valuable (Company) Brands', in a study conducted by Brand Finance and published by the Economic Times.

ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri - Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products.

While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri - Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery.

As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation - oriented. Chairman Y C Deveshwar calls this source of inspiration "a commitment beyond the market". In his own words: "ITC believes that its aspiration to create enduring value for the nation provides the motive force to sustain growing shareholder value. ITC practices this philosophy by not only driving each of its businesses towards international competitiveness but by also consciously contributing to

enhancing the competitiveness of the larger value chain of which it is a part. "

ITC's diversified status originates from its corporate strategy aimed at creating multiple drivers of growth anchored on its time - tested core competencies: unmatched distribution reach, superior brand - building capabilities, effective supply chain management and acknowledged service skills in hoteliering. Over time, the strategic forays into new businesses are expected to garner a significant share of these emerging high - growth markets in India.

ITC's Agri - Business is one of India's largest exporters of agricultural products. ITC is one of the country's biggest foreign exchange earners (US \$ 3.2 billion in the last decade). The Company's 'e - Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet. This transformational strategy, which has already become the subject matter of a case study at Harvard Business School, is expected to progressively create for ITC a huge rural distribution infrastructure, significantly enhancing the Company's marketing reach.

ITC's wholly owned Information Technology subsidiary, ITC InfoTech India Limited, is aggressively pursuing emerging opportunities in providing end - to - end IT solutions, including e - enabled services and business process outsourcing.

ITC's production facilities and hotels have won numerous national and international awards for quality, productivity, safety and environment management systems. ITC was the first company in India to voluntarily seek corporate governance rating.

ITC employs over 24, 000 people at more than 60 locations across India. The Company continuously endeavors to enhance its wealth generating capabilities in a globalising environment to consistently reward more than 3, 83, 000 shareholders, fulfill the aspirations of its stakeholders and meet societal expectations. This over - arching vision of the company is expressively captured in its corporate positioning statement: "Enduring Value. For the nation. For the Shareholder. "

ITC Ltd is one of India's premier private sector companies with diversified presence in businesses such as Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, AgriBusiness, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Greeting Cards, Safety Matches and other FMCG products. Presently, ITC has a market capitalisation of nearly US \$ 15 billion and a turnover of over US \$ 4.75 billion. It employs over 21, 000 people at more than 60 locations across India. ITC has been rated among the World's Best Big Companies, Asia's 'Fab 50' and the World's Most Reputable Companies by Forbes magazine, among India's Most Respected Companies by Business World and among India's Most Valuable Companies by Business Today.

ITC was incorporated on August 24, 1910 under the name of 'Imperial Tobacco Company of India Limited'. ITC had a

humble beginning and in the initial days it used to operate from a leased office on Radha Bazar Lane, Kolkata. On its 16th birthday on August 24, 1926, ITC purchased the plot of land situated at 37, Chowringhee, (now renamed J. L. Nehru Road) Kolkata. Two years later companies headquarter building; 'Virginia House' came on that plot. Progressively the ownership of the company Indianised and the name of the Company were changed to I. T. C. Limited in 1974. In recognition of the Company's multi - business portfolio encompassing a wide range of businesses, the full stops in the Company's name were removed effective September 18, 2001 and the Company was rechristened as 'ITC Limited'.

ITC is involved in following businesses:

Cigarettes: ITC is the market leader in cigarettes in India and has a wide range of popular brands such as Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake in its portfolio.

Packaging: ITC's Packaging & Printing Business is the country's largest convertor of paperboard into packaging. It was set up in 1925 as a strategic backward integration for ITC's Cigarettes business. It offers a variety of value - added packaging solutions for the food & beverage, personal products, cigarette, liquor, cellular phone and IT packaging industries.

Hotels: ITC entered the hotels business in 1975 with the acquisition of a hotel in Chennai, which was rechristened Hotel Chola. Today ITC - Welcomgroup with over 70 hotels is one of the foremost hotel chains in India.

Paperboards: In 1979, ITC entered the Paperboards business by promoting ITC Bhadrachalam Paperboards. ITC's Paperboards business has a manufacturing capacity of over 360, 000 tonnes per year and is a market leader in India across all carton - consuming segments.

Greeting, Gifting & Stationery: ITC's stationery brands "Paper Kraft" & "Classmate" are widely distributed brands across India. The Paperkraft designer stationery range consists of notepads & multi subject notebooks in hard, soft covers & multiple binding formats including spirals, wire etc. ITC's Greeting & Gifting products include Expressions range of greeting cards and gifting products.

Safety Matches: ITC's brands of safety matches include iKno, Mangaldeep, VaxLit, Delite and Aim. The Aim is the largest selling brand of Safety Matches in India. ITC also exports premium brands to markets such as Europe, Africa and the USA. ss

Aggarbattis: ITC has launched Mangaldeep brand of Aggarbattis with a wide range of fragrances like Rose, Jasmine, Bouquet, Sandalwood, Madhur, Durbar, Tarangini, Anushri, Ananth and Mogra. Mangaldeep is also being exported to USA, UAE, Bahrain, Nepal, Singapore, Malaysia, Oman and South Africa.

Lifestyle Retailing: ITC entered the Lifestyle Retailing business with the Wills Sport range of international quality relaxed wear for men and women in 2000. The Wills Lifestyle

chain of exclusive stores later expanded its range to include Wills Classic formal wear (2002) and Wills Clublife evening wear (2003). In 2002, ITC entered into the popular segment with its men's wear brand, John Players. In 2005, ITC introduced Essenza Di Wills, an exclusive line of prestige fragrance products.

Food: ITC made its entry into the branded & packaged Foods business in August 2001 with the launch of the "Kitchens of India" brand. In 2002 it expanded into Confectionery, Staples and Snack Foods segments. ITC's brand in Food category includes: Kitchens of India, Aashirvaad, Sunfeast, Mint - O, Candyman, and Bingo!

Agri Exports: ITC's International Business Division (IBD) is the country's second largest exporter of agri - products. ITC exports Feed Ingredients (Soyameal), Food grains (Rice, Wheat, and Pulses), Coffee & Spices, Edible Nuts, Marine Products, and Processed Fruits.

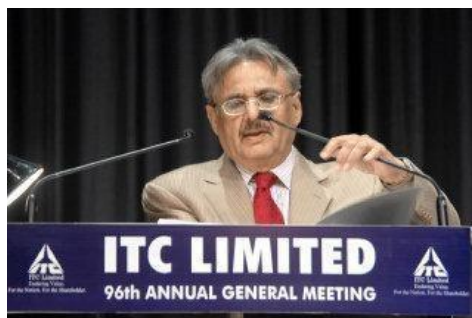
E- choupal: The e - Choupal model of ITC has been very effective in tackling the challenges posed by the unique features of Indian agriculture, characterized by fragmented farms, weak infrastructure and the involvement of numerous intermediaries.

Board of Director

Chairman's Statement

ITC's Vision and Strategy

"Envisioning a larger societal purpose ('a commitment beyond the market') has always been a hallmark of ITC. The Company sees no conflict between the twin goals of shareholder value enhancement and societal value creation. The challenge lies in fashioning a corporate strategy that enables realization of these goals in a mutually reinforcing and synergistic manner"



Y. C. Deveshwar (Chairman)

Executive Director



Anup Singh



k. Vaidyanath

Non - Executive Director

Anil Baijal

R K Kaul

S H Khan

S B Mathur

D K Mehrotra

H G Powell

P B Ramanujam

Anthony Ruys

Basudeb SenB Vijayraghvan

Awards

ITC constantly endeavors to benchmark its products, services and processes to global standards. The Company's pursuit of excellence has earned it national and international honors. ITC is one of the eight Indian companies to figure in Forbes A - List for 2004, featuring 400 of "the world's best big companies". Forbes has also named ITC among Asia's 'Fab 50' and the World's Most Reputable Companies. ITC has several firsts to its credit:

ITC is the first from India and among the first 10 companies in the world to publish its Sustainability Report in compliance (at the highest A+ level) with the latest G3 guidelines of the Netherlands - based Global Reporting Initiative (GRI), a UN - backed, multistakeholder international initiative to develop and disseminate globally applicable Sustainability Reporting Guidelines.

ITC is the first Indian company and the second in the world to win the prestigious Development Gateway Award. It won the \$100,000 Award for the year 2005 for its trailblazing ITC e - Choupal initiative which has achieved the scale of a movement in rural India. The Development Gateway Award recognizes ITC's e - Choupal as the most exemplary contribution in the field of Information and Communication Technologies (ICT) for development during the last 10 years. ITC e - Choupal won the Award for the importance of its **contribution to development priorities like poverty reduction**, its scale and replicability, sustainability and transparency.

ITC has won the inaugural '**World Business Award**', the worldwide business award recognizing companies who have made significant efforts to create sustainable livelihood opportunities and enduring wealth in developing countries. The award has been instituted jointly by the **United Nations Development Programme (UNDP)**, **International Chamber of Commerce (ICC)** and the **HRH Prince of Wales International Business Leaders**

Forum (IBLF). ITC is the first Corporate to receive the **Annual FICCI Outstanding Vision Corporate Triple Impact Award in 2007** for its invaluable contribution capital for the nation.

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ITC has won the Golden Peacock Awards for 'Corporate Social

Responsibility (Asia) ' in 2007, the Award for 'CSR in Emerging

Economies 2005' and 'Excellence in Corporate Governance' in the same year. These Awards have been instituted by the Institute of Directors, New Delhi, in association with the World Council for Corporate Governance and Centre for Corporate Governance.

The Company's Green Leaf Threshing plants at Chirala and Anaparti in Andhra Pradesh are the first units of their kind in the world to get ISO 14001 - environment management systems certification.

ITC's cigarette factory in Kolkata is the first such unit in India to get ISO 9000 quality certification and the first among cigarette factories in the world to be awarded the ISO 14001 certification

ITC Maurya in New Delhi is the **first hotel in India to get the coveted ISO 14001** Environment Management Systems certification.

ITC Filtrona is the first cigarette filter company in the world to obtain ISO 14001 ITC Infotech finds pride of place among a select group of SEI CMM Level 5 companies in the world.

ITC's Green Leaf Threshing plant in Chirala is the first in India and among the first 10 units in the world to bag the Social Accountability (SA 8000) certification

ITC Chairman Y C Deveshwar has received several honors over the years. Notable among them are:

Year Award

2007 SAM/SPG Sustainability Leadership Award conferred at the International Sustainability Leadership Symposium, Zurich.

2006 Business Person of the Year from UK Trade & Investment, the UK Government organisation that supports overseas businesses in that country.

2006 Inducted into the 'Hall of Pride' by the 93rd Indian Science Congress

2005 Honored with the Teacher's Lifetime Achievement Award

2001 Manager Entrepreneur of the Year from Ernst & Young Retail Visionary of the Year from Images, India's only fashion and retail trade magazine

1998 Honorary Fellowship from the All-India Management Association

1996 Distinguished Alumni Award from IIT, Delhi

1994 Marketing Man of the Year from A&M, the leading marketing magazine

1986 Meridian Hotelier of the Year

Some of the other notable recognitions are:

The Stockholm Challenge 2006 for the e - Choupal initiative. This award is for using **Information Technology for the economic development of rural communities.**

The Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest for its distinguished work carried out in the water sector in India. ITC also received the National Award for Excellence in Water Management 2007 in the 'beyond the fence' category from the CII Sohrabji Godrej Green Business Centre for its leadership role in implementing water and watershed management practices. The watershed programme also won the **Asian CSR Award 2007 for Environmental**

Excellence given by the **Asian Institute of Management.** The Award recognizes and honors Asian companies for outstanding, innovative and world - class projects. The Company also received the **Ryutaro Hashimoto Incentive Prize 2007** for Environment & Development from the **Asia Pacific Forum.** This Award aims at promoting information dissemination of good practices towards sustainable development in the Asia - Pacific region.

The **Readers' Digest Pegasus Award** for corporate social responsibility, recognizing outstanding work done by socially conscious companies.

The **Corporate Award for Social Responsibility 2008** from The Energy and Resources Institute (TERI) in recognition of its exemplary initiatives in implementing integrated watershed development programmes across 7 states in India. The company also won the award in 2004 for its e - Choupal initiative. The Award provides impetus to sustainable development and encourages ongoing social responsibility processes within the corporate sector.



The 'Enterprise Business Transformation Award' for Asia Pacific (Apac), instituted by Infosys Technologies and

Wharton School of the University of Pennsylvania for its celebrated e - Choupal initiative.

The Business Today Award for the Best Managed Company in recognition of its outstanding initiatives in the consumer products segment.

The only Indian FMCG company to have featured in the Forbes 2000 list. The Forbes 2000 is a comprehensive ranking of the world's biggest companies, measured by a composite of sales, profits, assets and market value. The list spans 51 countries and 27 industries.

The NDTV Profit Business Leadership Award for being the Best Food Company of 2007. The Award has been instituted to recognize organizational excellence. The CNBC - TV18's International Trade Award 2008 for Outstanding Exporter of the Year in the FMCG & Food category.

ITC continues its dominance of **The Economic Times' Brand Equity** listing of **India's 100 Biggest FMCG Brands**, with three brands from its stable making it to the **top five**. **Gold Flake** remains **India's biggest FMCG brand** in terms of sales. **Navy Cut** ranks at **No.4**. **ITC's Scissors brand** ranks at **No 5** and is the only new entrant into the top 10.

Restaurant magazine has chosen **Bukhara** at the **ITC Maurya, New Delhi** as the **best Indian restaurant in the world** and the **best restaurant in Asia**. **Bukhara** has also been adjudged one of the **top 50 restaurants in the world** by the London based magazine **'The Good Food Guide'**. **Bukhara** is the **only South Asian restaurant to figure in the list**.

The "Best Supply Chain Practices Award" for time - effective and cost - efficient Logistics

Management in Organized Retail to ITC's Lifestyle Retailing Business Division (LRBD)

ITC Limited - SWOT Analysis

Strength - - - - -	Brand & Management
Weakness - - - - -	Unrelated diversification.
Opportunity - - - - -	Rural market and e - choupal.
Threats - - - - -	1) Increasing tax in cigarettes 2) Health hazard

Our ITC Limited Company Profile is the essential source for top - level company data and information. The report examines the company's key business structure and operations, history and products, and provides summary analysis of its key revenue lines and strategy.

ITC Limited (ITC) is engaged in diversified businesses including cigarettes, hotels, paperboards and specialty papers, packaging, agri - business, packaged foods and confectionery, branded apparel, greeting cards and other fast moving consumer good products. The company primarily operates in India. It is headquartered in Kolkata, India and employs about 20, 000 people. The company recorded revenues of INR1, 95, 050.5 million (approximately \$4, 492 million) during the fiscal year ended March 2007, an increase of 20.2% over 2006. . The operating profit of the company was INR39, 267 million (approximately \$904.3 million) during fiscal year 2007, an increase of 20.1% over 2006. The net profit was INR26, 999.7 million (approximately \$621.8 million) in fiscal year 2007, an increase of 20.8% over 2006.

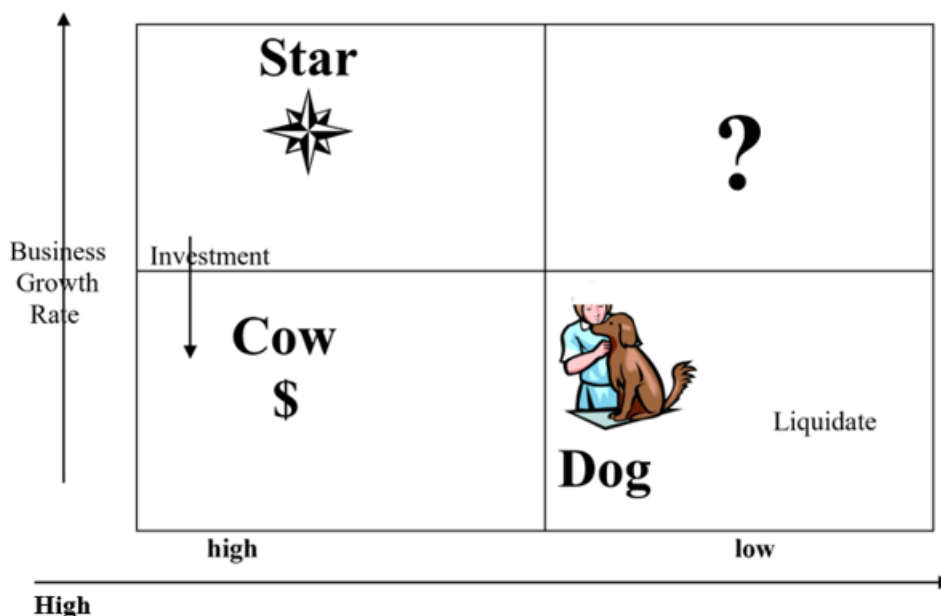
Scope of the Report

- Provides all the crucial company information required for business and competitor intelligence needs.
- Data is supplemented with details on the company's history, key executives, business description, locations and subsidiaries as well as a list of products and services and the latest available company statement.

Reasons to Purchase

- Support sales activities by understanding your customers' businesses better.
- Qualify prospective partners and suppliers
- Keep fully up to date on your competitors' business structure, strategy and prospects - Obtain the most up to date company information available.

BCG Matrix



Limitation:

- 1) Assume market growth rate. A firm may grow the market.
- 2) A 'dog' may be helping other product.
- 3) High market share/growth is not the only success factor.
- 4) Linkage between market share and profitability is questionable.

- ITC Infotech; etc.

Fast Moving Consumer Goods (FMCG)?

Products which have a quick turnover, and relatively low cost are known as Fast Moving Consumer Goods (FMCG). FMCG products are those that get replaced within a year. Examples of FMCG generally include a wide range of frequently purchased consumer products such as toiletries, soap, cosmetics, tooth cleaning products, shaving products and detergents, as well as other non - durables such as glassware, bulbs, batteries, paper products, and plastic goods. FMCG may also include pharmaceuticals, consumer electronics, packaged food products, soft drinks, tissue paper, and chocolate bars.

A subset of FMCGs is Fast Moving Consumer Electronics, which include innovative electronic products such as mobile phones, MP3 players, digital cameras, GPS Systems and Laptops. These are replaced more frequently than other electronic products. White goods in FMCG refer to household electronic items such as Refrigerators, T. Vs, Music Systems, etc.

In 2005, the Rs.48, 000 - crore FMCG segment was one of the fast growing industries in India. According to the AC Nielsen India study, the industry grew 5.3% in value between 2004 and 2005.

BCG Matrix for ITC Limited:

<p>Stars</p> <ol style="list-style-type: none"> 1. Hotels 2. Paper boards 3. Packaging 4. Agriculture 	<p>?</p> <p>FMCG - Personal care product & others</p>
<p>Cows</p> <p>FMCG - Cigarette</p>	<p>Dogs</p>

Business Mix of ITC LTD.

FMCG

- Cigarettes
- Food
- Life style retailing
- Greeting, Gifting and Stationary
- Safety matches
- Agarbattis

Paperboard and Packaging

- Paperboards and specialty papers
- Packaging

Agri - Business

- Agri - Export
- e - choupal
- Leaf Tobacco

Hotels

Group Companies

Indian FMCG Sector

The Indian FMCG sector is the fourth largest in the economy and has a market size of US\$13.1 billion. Well - established distribution networks, as well as intense competition between the organized and unorganized segments are the characteristics of this sector. FMCG in India has a strong and competitive MNC presence across the entire value chain. It has been predicted that the FMCG market will reach to US\$ 33.4 billion in 2015 from US \$ billion 11.6 in 2003. The middle class and the rural segments of the Indian population are the most promising market for FMCG, and give brand makers the opportunity to convert them to branded products. Most of the product categories like jams, toothpaste, skin care, shampoos, etc, in India, have low per capita

consumption as well as low penetration level, but the potential for growth is huge.

The Indian Economy is surging ahead by leaps and bounds, keeping pace with rapid urbanization, increased literacy levels, and rising per capita income.

The big firms are growing bigger and small - time companies are catching up as well. According to the study conducted by AC Nielsen, 62 of the top 100 brands are owned by MNCs, and the balance by Indian companies. Fifteen companies own these 62 brands, and 27 of these are owned by Hindustan Lever. Pepsi is at number three followed by Thums Up. Britannia takes the fifth place, followed by Colgate (6), Nirma (7), Coca - Cola (8) and Parle (9). These are figures the soft drink and cigarette companies have always shied away from revealing. Personal care, cigarettes, and soft drinks are the three biggest categories in FMCG. Between them, they account for 35 of the top 100 brands.

Exhibit I

The Top 10 Companies in FMCG Sector

S. NO.	Companies
1	Hindustan Unilever Ltd.
2	ITC (Indian Tobacco Company)
3	Nestlé India
4	GCMMF (AMUL)
5	Dabur India
6	Asian Paints (India)
7	Cadbury India
8	Britannia Industries
9	Procter & Gamble
10	Marico Industries

The companies mentioned in **Exhibit I**, are the leaders in their respective sectors. The personal care category has the largest number of brands, i. e., 21, inclusive of Lux, Lifebuoy, Fair and Lovely, Vicks, and Ponds. There are 11 HLL brands in the 21, aggregating Rs.3, 799 crore or 54% of the personal care category. Cigarettes account for 17% of the top 100 FMCG sales, and just below the personal care category. ITC alone accounts for 60% volume market share and 70% by value of all filter cigarettes in India.

The foods category in FMCG is gaining popularity with a swing of launches by HLL, ITC, Godrej, and others. This category has 18 major brands, aggregating Rs.4, 637 crore. Nestle and Amul slug it out in the powders segment. The food category has also seen innovations like softies in ice creams, chapattis by HLL, ready to eat rice by HLL and pizzas by both GCMMF and Godrej Pillsbury. This category seems to have faster development than the stagnating personal care category. Amul, India's largest foods company has a good presence in the food category with its ice - creams, curd, milk, butter, cheese, and so on. Britannia also ranks in the top 100 FMCG brands, dominates the biscuits category and has launched a series of products at various prices.

In the household care category (like mosquito repellents), Godrej and Reckitt are two players. Goodknight from Godrej is worth above Rs 217 crore, followed by Reckitt's Mortein at Rs 149 crore.

Outlook

There is a huge growth potential for all the FMCG companies as the per capita consumption of almost all products in the country is amongst the lowest in the world. Again the demand or prospect could be increased further if these companies can change the consumer's mindset and offer new generation products. Earlier, Indian consumers were using non - branded apparel, but today, clothes of different brands are available and the same consumers are willing to pay more for branded quality clothes. It's the quality, promotion and innovation of products, which can drive many sectors.

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. It's highly popular portfolio of brands includes Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake.

The Company has been able to build on its leadership position because of its single minded focus on value creation for the consumer through significant investments in product design, innovation, manufacturing technology, quality, marketing and distribution.

All initiatives are therefore worked upon with the intent to fortify market standing in the long term. This in turns aids in designing products, which are contemporary and relevant to the changing attitudes and evolving socio economic profile of the country. This strategic focus on the consumer has paid ITC handsome dividends.

ITC's pursuit of international competitiveness is reflected in its initiatives in the overseas markets. In the extremely competitive US market, ITC offers high - quality, value - priced cigarettes and Roll - your - own solutions. In West Asia, ITC has become a key player in the GCC markets through growing volumes of its brands.

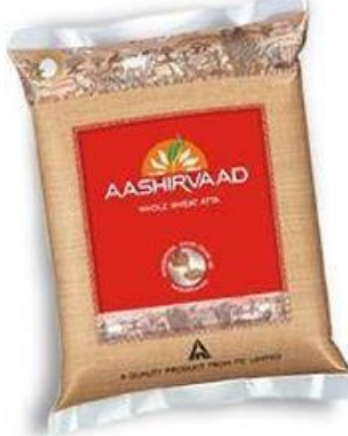
ITC's cigarettes are produced in its state - of - the - art factories at Bengaluru, Munger, Saharanpur and Kolkata. These factories are known for their high levels of quality, contemporary technology and work environment.

Food:

The launch of **Bingo!** In March 2007 marked ITC's foray into the fast growing branded snack foods segment. Bingo's portfolio includes an array of products in both **Potato Chips** & **Finger Snacks** segment.

Bingo! Is positioned as a youthful and innovative snack, offering the consumers with choice in terms of both formats and flavors.

ITC entered the branded Atta market with the launch of Aashirvaad Atta in Jaipur and Chandigarh on 26th May 2002. The product is now available all over India. 'Aashirvaad' promises the Indian housewife the joy of providing her family with the most delightful home - made rotis, made from the finest quality atta. ITC uses the sourcing strength of its e - Choupalsto buy wheat directly from the farmers to deliver happiness to the Indian consumer – Khushiyaan Chun Chun ke (Happiness handpicked). 'Aashirvaad' is made from finest quality wheat that ITC has the unique capability to source through its e - Choupal network. Premium quality atta, made from 100% MP 'sharbati' wheat is also available as Aashirvaad Select Atta. The wheat for Aashirvaad MP Blend Chakki Atta comes from the plush, fertile soil of Madhya Pradesh and then blended using the traditional 'chakki - grinding' method to give the superior, discerning taste.



ITC Foods also aims to delight the consumer through superior and innovative packaging. The Aashirvaad package is PET Poly, with the design showcasing the farming process undertaken in the rural heartland of India in the form of a Madhubani painting. 'Aashirvaad Select' Atta (5 kg pack) was awarded the World Star Award for Excellence in Packaging in the Consumer Pack Category. This is one of the most prestigious awards in the world for Packaging.

Aashirvaad Salt

ITC launched branded packaged salt under the brand name 'Aashirvaad Salt' on 26th March, 2003. The product is available in grocery stores around the country.

ITC forayed into the branded spices market with the launch of Aashirvaad Spices in Northern India in May 2005. The offering currently consists of Chilli, Turmeric and Coriander powder in SKUs of 50g, 100g, 200g and 500g each.



The company entered organic foods retailing in July 2007 with the launch of Aashirvaad Select Organic Spices. Aashirvaad Select will initially offer chilli, turmeric and coriander powders. The organic spices are available in all major metros across all modern trade outlets and food retail chains in packs of 100 grams.

Aashirvaad Pickle Mirch Powder

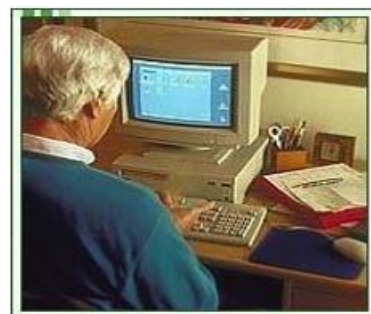
Aashirvaad added a unique variant to its Spices range by introducing Pickle Mirch Powder. Ensuring perfect balance in color and taste, the Pickle Mirch Powder is one of its kinds in India.



This range, launched in March '06, includes Gulab Jamun, Rava Idli, Rice Idli, Rice Dosa, Khaman Dhokla, Rasmalai and Vada mix. Aashirvaad Instant Mixes promise the discerning Indian homemaker perfect tasting dishes, consistently. The Rava idli Mix is available in 500g pack and rests of the products are available in 200g packs. The latest entrants to the portfolio include Rasmalai and Vada mixes. Rasmalai mix is available in 126g pack and Vada mix in 200g pack.

Agri - Business: -

ITC's Agri Business Division is the country's second largest exporter of **agri - products** with exports of over **Rs.1000 Crores (Rs.10 billion)**. Its domestic sales of agriproducts are in excess of Rs.1500 Crores (Rs.15 billion). It currently focuses on exports of:



- Feed Ingredients - Soya meal
- Food grains - Rice (Basmati & Non Basmati), Wheat, Pulses
- Edible Nuts - Sesame Seeds, HPS Groundnuts, Castor oil
- Marine Products - Shrimps and Prawns
- Processed Fruits - Fruit Purees/Concentrates, IQF/Frozen Fruits, Organic Fruit Products, Fresh Fruits
- Coffee & Spices - Coffee, Black Pepper, Chilly, Turmeric, Ginger, Celery and other Seed Spices

Although one of the relatively younger business divisions of ITC, it has, in a short span established itself as a first - choice supply chain partner of several leading international customers. Its major customers include Cargill, Marubeni, Toepfer, among others, who source agriculture commodities and food products from India. Its customer relationship management has enabled it to achieve a very high reputation for quality, reliability and value added services. ITC's website, www.itcibd.com is a trend setting customer care intervention in commodity trading. ITC's unique strength in this business is the extensive backward linkages it has established with the farmers. This networking with the farming community has enabled ITC to build a highly cost effective procurement system. ITC has made significant investments in web - enabling the Indian farmer. Christened 'e - Choupal', ITC's web plan for the farmer centers around providing Internet kiosks in villages.

Farmers use this technology infrastructure to access on - line information from ITC's farmer - friendly website. Data accessed by the farmers relate to the weather, crop conditions, best practices in farming, ruling international prices and a host of other relevant information. Currently, the 'e - Choupal' website - provides information to farmers across the nine States of Madhya Pradesh, Haryana, Uttaranchal, Uttar Pradesh, Rajasthan, Karnataka, Maharashtra, Andhra Pradesh and Kerala. ITC plans to extend the 'e - Choupal' to cover 10 million farmers across 100, 000 villages covering 15 Indian states.



Information Technology

ITC InfoTech offers IT services and solutions across five key industry verticals: Banking,



Financial Services & Insurance (BFSI), Consumer Packaged Goods (CPG) & 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. Retail, Manufacturing & Engineering Services, Travel, Hospitality & Transportation and Media & Entertainment.

ITC Infotech enjoys the rare advantage of having a practitioner's expertise in some of these industry verticals, which has in part been bequeathed by parent ITC Limited, which runs market - leading businesses in these verticals. While an enterprise range of technology capabilities and world class quality processes form the foundation of ITC

Infotech's cutting - edge IT service strength, a sharp domain focus ensures that IT and ITes delivery always places business needs ahead of technology.



ITC Infotech has carved a niche for itself as a leading global IT solutions provider by addressing customer pain points through innovative solutions. ITC Infotech's leadership capabilities also accrue from business critical engagements

with leading organizations across five continents, and a service delivery footprint spanning over 140 countries.

Hotels:

ITC Limited entered the hotels business in 1975 with the acquisition of a hotel in Chennai, which was rechristened Hotel Chola. Since then the ITC - Welcome group brand has become synonymous with Indian hospitality. Today amongst India's finest and fastest growing hotel chains, it consists of over 90 hotels across 77 destinations in India. These include super deluxe and five star hotels, heritage palaces, havelis and resorts and full service budget hotels.

The 442 rooms **ITC Maurya** at New Delhi is not only amongst the leading business hotel in the country, but is in a class by itself. Complete with the '**ITC One**', the hotel has played host to a galaxy of world dignitaries, including **Bill Clinton** and **Bill Gates**. In fact, even as he was leaving the White House. The former US President nostalgically recalled the memories of a **fabulous Indian meal** he and his family had at the **Bukhara** restaurant in the hotel. **Bukhara** to 2007. The 386 - room ITC Maratha, opened in February 2001, is perceived as amongst the leading and the finest properties in Mumbai, designed in a grandiose classic style, the hotel pays tribute to Mumbai's colonial roots and the spirit of the Great Marathas.



In keeping with its plan to have a presence in every major business destination in India, ITC - Welcomgroup unveiled one of Asia's finest business resort, the 238 - room **ITC Sonar** in Kolkata on December 31, 2002.



Another landmark hotel - the ITC Grand Central in Parel, Mumbai was formally inaugurated in January 2005. This five star deluxe property with 242 suites and rooms offers international standards of service, state of the art amenities and culinary excellence.

ITC Mughal at Agra, a proud recipient of Asia's first Aga Khan Award for Architecture, is an outstanding resort hotel, lavishly spreading across 35 acres of beautifully landscaped Mughal gardens.



ITC - Welcomgroup also pioneered a holistic concept of "branded accommodation" in the hospitality industry. It was the first to launch the powerful idea of a '**Hotel within a Hotel**' by segmenting and branding the hotel services. It created the exclusive '**ITC One**', '**The Towers**' and the '**Executive Club**' each catering to the needs of the global business traveler with unmatched quality and a range of services.

In 2007, ITC - Welcomgroup entered a new phase in its collaboration with Starwood Hotels & Resorts. ITC - Welcomgroup now has an exclusive tie - up with Starwood in bringing its premium brand, the '**Luxury Collection**', to India. The seven hotels which are part of this collection are: ITC Maurya in Delhi, ITC Maratha in Mumbai, ITC Sonar in Kolkata, ITC Grand Central in Mumbai, ITC Windsor in Bengaluru, ITC Kakatiya in Hyderabad and ITC Mughal in Agra. The agreement also includes the rebranding of WelcomHotel New Delhi as a Sheraton, while the Chola and the Park in Chennai, and the Rajputana in Jaipur retain their Sheraton connections.

ITC - Welcomgroup was also the first to brand its cuisine. The **Bukhara**, the **Dakshin** and the **Dum Pukht** are today powerful cuisine brands, which delight connoisseurs in restaurants in several ITC Welcomgroup hotels. Others included Dublin, West View and the Pan Asian.



Fortune hotels are a part of the well thought - out growth strategy for mid - level business and leisure travelers under the ITC - Welcomgroup umbrella, offering full service, first class properties without compromising on quality. Fortune Hotels have a strong presence at Headband, Thiruvananthapuram, Calicut, Darjeeling, Jamshedpur, Vapi, Hyderabad, Gurgaon, Indore, Ootacamund, Madurai, Jodhpur, Vijayawada, Chennai, Visakhapatnam, Mahabalipuram, Kolkata, Bengaluru, Navi Mumbai, Tirupati and Port Blair, while several more hotels are expected to be commissioned soon in other key locations in India



Personal care product:

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.

The latest addition to the **Essenza Di Wills** portfolio is the Aqua range for men (**Aqua Home**) 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.



In September 2007, ITC launched **Fama 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 **Fama 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.

Fama Di Wills Shampoos developed in collaboration with Cosmetech Labs Inc., USA, offers a range of four variants. Each variant is designed to deliver a specific hair benefit to the consumer

The Fama Di Wills range of soaps has been launched under the sub - brand **Skin Sense**. The first variant to be introduced in this range is **Soft Green**. This is a gentle caring soap, which helps enhance retention of skin proteins making skin look beautiful and youthful. Following the successful launch of Fama Di Wills Shampoos and Shower Gels, ITC has now introduced **Fama Di Wills Soaps**, which offer the benefit of gentle and effective care by combining elements of nature and science.



Organization Level and its Activities:

Corporate office undertakes the following activities:

- Planning of business growth (New stores, regions, formats)
- Setting of policies in various functions.
- Controlling, monitoring and advising on operational activities.
- Audit of operational activities.
- Interaction with national/ multinational FMCG companies.
- T. systems development.
- Financial consolidation.
- Capital Expenditure sanction and monitoring.
- Fixed Asset accounting.

Regional Offices undertake the following activities:

- Planning
- Purchasing
- Creditors Management.
- Sales consolidation and analysis
- Financial Accounts.
- T. administration.
- H. R administration.
- Customer care

Warehouses undertake the following: a) Receiving of materials.

- Stocking and inventory management.
- Repacking.
- Allocating of goods to stores.
- Distribution.

Stores: The activities here are as follows:

- a) Receiving from Warehouse/Direct Supply Vendors.
- b) Stacking and displaying of goods
- c) Selling
- d) Reconciling and banking of collections.
- e) Indenting for goods requirements

Observation at Distribution Point

Wholesale Dealer Operations

ITC has various distributors as per area/regions who follow the chain of transferring the products to their clients. These distributors are independent proprietors/ partners who are the mediators between the company and the customer. Apart from the basic relation of a mediator, the distributor plays a very important role as it passes consistent raw information as to which product is performing in the market. Following are the important functions followed by distributors:

Order taking process

The order taking process starts from the customer point from where a Purchase Order (P. O.) is sent directly to the distributor of ITC via salesman. Further, the P. O. is manually transferred into an Order Booking Report by the accounts head, further it's classified as per the availability of the products and then Load Slip is prepared. The Load slip is send to the stores head that dispatches the products as per specification and order.

Delivery process

The Delivery process starts after the goods are been loaded in trucks and are ready to move towards clients' stores. One copy of received P. O. is taken along with original and duplicate copies for reference. At the clients store the foods need to be arranged as per the P. O., which is inspected by an official with the help of the Good Inspection Note (G. I. N.). Further after the inspection the official sings on the duplicate copy

and provides a Goods Receipt Note (G. R. N), which is filed for reference and proof.

Warehousing & Inventory management:

Warehousing and inventory management is the prime duty of a distributor. The distributor has to maintain all the inventories monthly; he does this by following a system of Estimated Consumer Demand (ECD). Estimating average three months sale of various products individually and thin keeping additional stock of 7 days per product develop this process. Warehousing id done very systematically as per the direction mentioned on the product box i. e.: -

a) Stacking

Stacking includes the maximum capacity at which the product could be kept on one another i. e. a limited amount of boxes/cases only can be kept vertically over another.

b) Handling

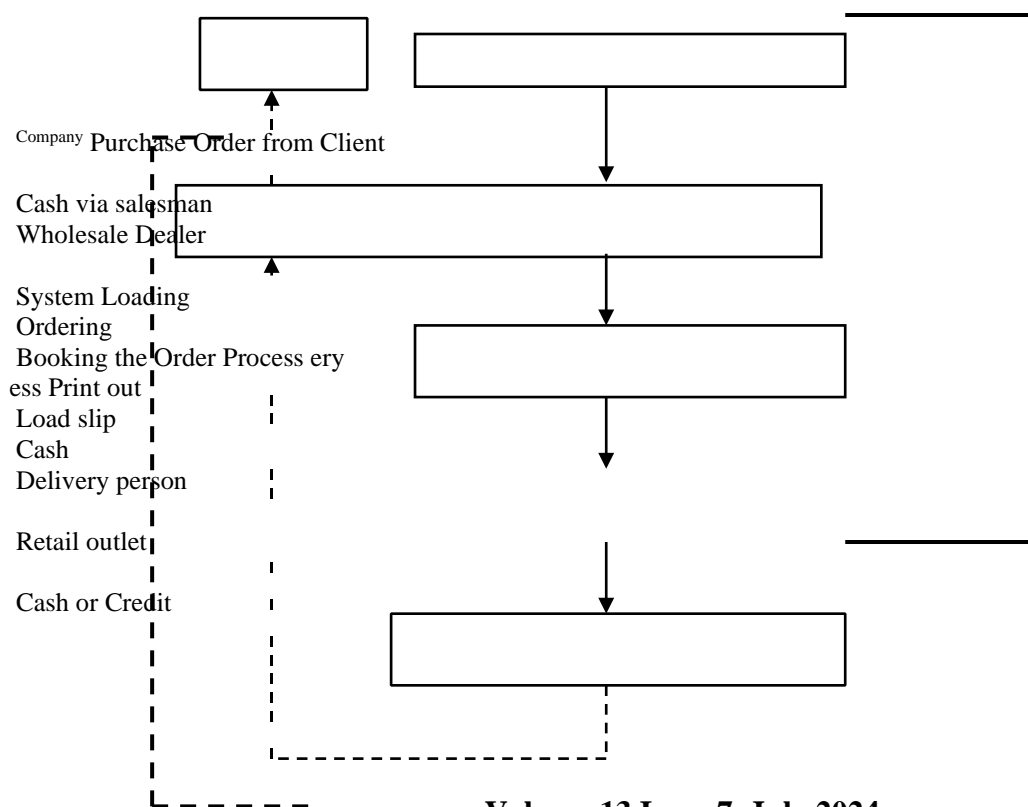
Handling includes the ease of using the product. Example: Glass products have to be used very carefully to avoid damages. Whereas non - breakable products could be used with more ease as chance of damages are low.

c) Flooring

Flooring includes the type storage required for particular products. Example: products like atta, salt etc require a wooden or carpeted flooring to avoid it catching moisture.

d) Storing

Storing includes the product placement in warehouse. Example: if products like atta, salt, biscuits etc are kept next to products like agarbatti, soaps, perfumes etc it may catch the fragrance of those products leading to unhealthy outcomes. Care is taken to control Pest and other mishaps in the warehouse and proper ventilation and hygiene system is desire for better storage.



Stock rotation / damaged policy

Stock rotation is the blood of this business. If there is no regular stock rotation than the company / product cannot survive for long in the market. Stock rotation is followed by the FIFO method i. e. First - in First - out. The products that come in first in the store those are the ones that go out first. This has to be done to avoid wastage of products and to have a control over the "best before use" policy and expiry. The company accepts manufacturing defects and damaged goods. These damaged goods are returned to the company after the inspection done by the distributor.

Cash/Credit Management

One of the most important decisions a distributor has to take is about cash /credit management. Cash management includes effectively managing working capital. The use of Working is the highest in distribution when it comes to any form of business. There is high amount of money blocked in working capital throughout the year, which is very risky. The basic way at which this distributor managements the cash is by regularly following up accounts receivable.

Credit management is the sole of this business as all clients / customers demand for longer credit days as even there working capital is blocked till the end users do not purchase the goods. Credit policy is designed as per the trade of terms policy of ITC. This policy is designed categories wise.

3. Research Methodology

It includes the response of Bingo Snacks from retailers and customer at retail outlets and in Modern trade with respect to it competitors.

It also includes the responses of competitor Frito - Lays from various sources.

Work at retail outlets:

- 1) To check the availability of products.
- 2) To check visibility of products.
- 3) SWOT analysis of products.
- 4) To check how old the product is.
- 5) To trace the complaints regarding the product.
- 6) Identifying what would the factor to increase sale.

Data collection technique: -

- 1) Interview with retailers, customers, distributors, and company officials of ITC.
- 2) Interview with distributors and company officials of Frito - Lays.
- 3) Questionnaire.
- 3) Observation.
- 4) Secondary data from, newspaper, Internet and textbooks.

Research instrument:

Research approach direct contact with people.

Sampling Plan:

Sample size 50 prospectus
 Sample segmentation On the basis of Shop name, location & gender.
 Sampling Method Simple Random
 Sampling Area JALANDHAR (PUNJAB)

Comparative Analysis of ITC BINGO V/S FRITO - LAYS

ITC BINGO Snacks Product Profile

CHIPS



International Cream & Onion



Bridges Mad Angle



Hatke - Jhatke



Surprise Element about Bingo

Mad Angles is not made of potato, it's a unique concoction of rice meal, gram meal and corn meal.

Bingo has a unique musical sound that is loved by everyone. It is one of the properties that is remembered by everyone and it is used to recall the brand by every age group.

Frito lays



Company profile of Frito - Lays

Frito - Lay is the world's largest manufacturer and distributor of snack foods and is a wholly owned subsidiary of PepsiCo. Since its entry in India in 1989, PepsiCo's snack foods division Frito Lay India (FLI) has become the clear leader in branded salty snack segment with popular brands like lay's, Kurkure, Uncle Chipps Cheetos and Lehar Namkeens.

Frito Lay India produces its snacks at its state - of - the - art plants in Channo (Punjab), Pune (Maharashtra) and Sankrail (West Bengal). The company operates over 40 distribution centers that serve more than 2, 500 active stockists, reaching approximately 1 million retail outlets that in turn make the product available at an arms length. Last year in October 2009 Frito Lay India launched India's first of its kind large scale ten month long consumer engagement program Give Us Your Delicious Flavor (GUYDF).

Frito - Lay India Ltd. produces India's largest snack food manufacturer's brands, including Ruffles, Hostess, Cheetos and Uncle Chips. Frito Lay's story is an example of how American recipes were adjusted to satisfy local tastes.

Winning Flavour

Lay's, the world and India's No 1 potato chips brand from Frito - Lay India, is all set to provide some new lip smacking tastes to its consumers. The four short listed flavors from a whopping 1.3 million ideas came from four winning consumers, each of whom gets Rs 5 lakh for their dillogical flavor ideas. Cheesy Mexicana, Tangy Twist, Mastana Mango and Hip Hop Honey & Chilly from a threemonth long Give Us Your Delicious Flavor (GUYDF) campaign.

The four flavors will be sold in the market across India for the next two months with the theme bachega sirf tastiast (survival of the tastiast). The flavor that elicits the maximum consumer votes will not only continue to stay in the market as the mega winner, but its ideator would be awarded a grand prize of Rs 50 lakh and 1% of sales revenue.

Variants of FRITO LAYS



About Bingo!

The launch of Bingo! On 14th March 2007 marked ITC's foray into the fast growing branded snack foods segment. Bingo's portfolio includes an array of products in both Potato Chips & Finger Snacks segment. Bingo! is positioned as a youthful and innovative snack, offering the consumers with choice in terms of both formats and flavors.

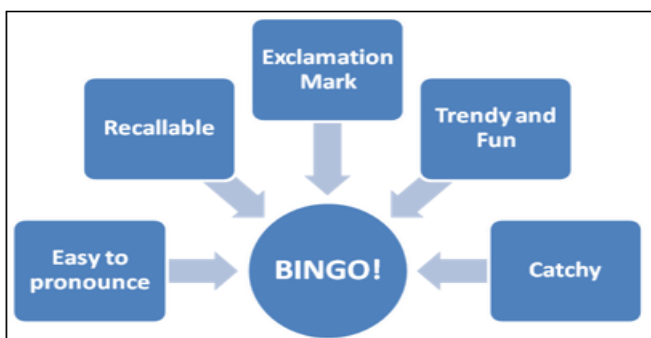
The launch is symbolic of ITC Foods' distinct approach of introducing innovative and differentiated products in a largely undifferentiated market place. Bingo's launch was strategically timed around the World Cup. The idea was to get the consumer to take that first bite. The company has positioned this brand as a fun brand targeting at the youth.

Brand Identity

A brand which is for the whole country by providing the customers with tastes (flavors) from all around India. Bingo identifies itself as a brand which is youthful, fun and colorful.

The unique shapes in which it comes, which makes it easily recognizable amongst the consumers.

What's in the Name Bingo!



CHIPS	Kurkure	Uncle chips	Aliva
1. Spanish tangy tomato	1. Masala munch	1. Spicy treat	1. Special
2. American cream and onion	2. Chili chatka	2. Chatpata Masala	2. Special tomato
3. Classic salted	3. Funjabi (rajma)		3. Special salted
4. Magic Masala	4. Rajhasthani		4. Special mint
Winning flavors	5. Hyderabadi		
5. Hip hop honey	6. Solid masti twist		
6. Cheesy Mexicana	7. Solid masti khatta- mittha		
7. Tangy twist	8. Dewana tomato desi beat		
8. Mastana mango	9. Flirty lime		
	10. Naughty tomato		

Competition among Variants



Chips	
1. Spicy Masala remix	Chilly Mexicana
2. International cream onion	American cream and onion
3. Juicy tomato ketchup	Spanish tangy tomato
4. Red chili bingo	Magic Masala
5. Premium salted	Classic salted
Bridges	
6. Mad angle tomato	Kurkure Dewana tomato
7. Mad angle chili	Kurkure chili chatka
8. Mad angle achari	Kurkure Rajhasthani
9. Hatke - Jhatke Funky	Kurkure Funjabi
10. Hatke - Jhatke Tomato	Kurkure Naughty Tomato
11. Tedhe - Medhe	Kurkure Masala Munch

Calculation of Price to Retailer (PTR)

$$PTR = \frac{\text{MAXIMUM RETAIL PRICE (MRP)}}{100 + \% \text{ MARGIN}}$$

(KEYWORDS (MARK UP & MARK DOWN))

ITC BINGO V/S FRITOLAYS

BASIS	ITC	LAYS
BILL PRODUCTIVITY	55%	75%
UNIT BILL OUTLET (UBO)	90%	90%
AVERAGE LINE (PCP)	5	12
CREDIT POLICY	7 DAYS	7 DAYS
MARGIN DISTRIBUTOR	3%	5.5%
MARGIN RETAILER	12%	10%
MARGIN WHOLESALER	12%	10%

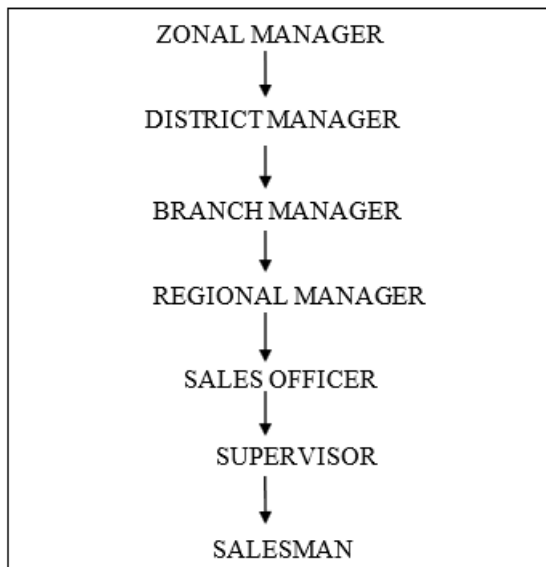
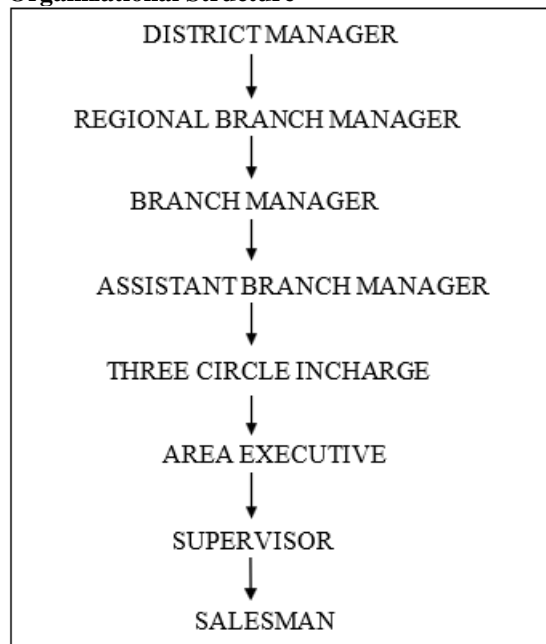
Basic terms

- UBO:** Unique bill out let
- ABV:** Average bill value
- CFC:** collaret fiber container
- ABL:** Above the land
- BBL:** Below the land

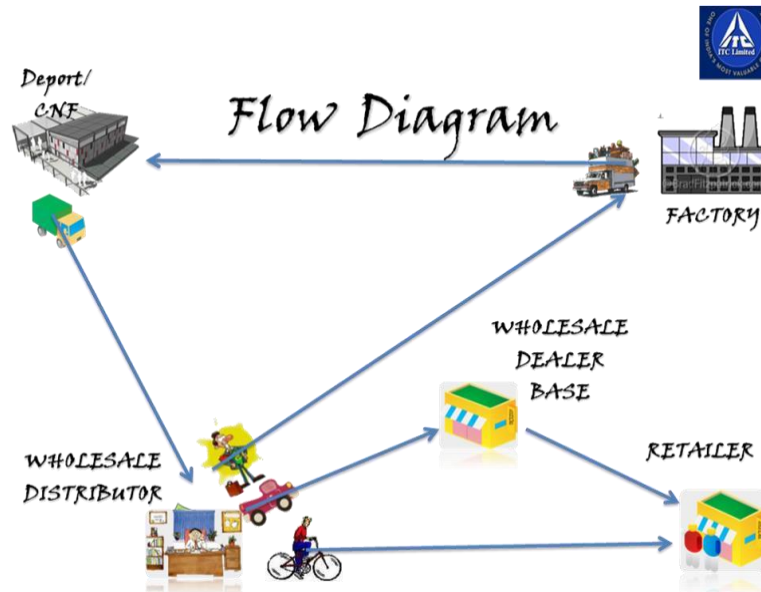
TDP: Temporary dispatch time

PCP: Average Line

ITC Organizational Structure



ITC & FRITOLAYS DISTRIBUTION CHANNEL



ITC & Frito lays follow the same distribution channel. The distribution channel starts from the factory from where the goods are transferred to the wholesale dealer with the approval of Clearing and Forwarding Agent transferred to the wholesale dealer with the approval of clearing and Forwarding Agent. Further the goods are supplied to the Key Accounts Distribution Center from where they are redistributed to the Outlets. The flow of this distribution channel is a two way process as the demand for the products arises from different retail outlets, which are ordered to the Distribution Center and further coming up the flow the demand reaches the factory.

In the ITC JALANDHAR they are working on the primary and secondary sale both. In ITC DS use VAJRA Machine for booking the order and show the products adds upcoming products, price, margin, size in this machine. VAJRA look like a big mobile phone under this all information related to products are in the machine. Order which is taken by the machine sinks to the data to branch office. WD system operator makes the invoice and sends goods to market next day. ITC give the K 4 to the WD and also give the salary of sales man and salary of supervisor distribution cost per vehicle and give the supply cost of e - choupal. In ITC Branch Manager Quarterly, Area Manager monthly, Area Executive weekly visited in the market communicates with customer directly. They interact with customer and if customers have any problem related to goods and services which are provided by company they try to solve. They check stock is properly in the market or not displays and ads are properly done or not.

ITC use software that is called SIFY. All the bills and detail information product wise, variant wise, summarize sales reports are made in the help of this software. Format of sales report code of the goods are in this. ITC give 3% margin to his distributors and bear vehicle cost 380 Rs per vehicle.

ITC give training to his sales man for selling the goods in the market and give the training how to use sales tools in the market how to communicate with customer.

What is primary and secondary sale?

PRIMARY SALES MEANS WHEN THE ORGANISATION SELLS OR MAKE FLOW OF PRODUCT OR SERVICES TO THE CHANNEL PARTNERS.

EX: IN FMCG: C&F AGENTS, DISTRIBUTORS, And DEALERS

EX: IN FINANCIAL SERVICE: BUSINESS PARTNERS, FRANCHISEES,

SECONDARY SALES MEANS WHEN THE ORGANISATION SELLS OR MAKE FLOW OF PRODUCT OR SERVICES TO END USERS.

EX: IN FMCG: RETAILERS, TRADE FAIRS, And PROMOTIONAL SALES

EX: FINANCIAL SERVICES: SALES DIRECTLY BY COMPANY EMPLOYEES

What is the distribution infrastructure?

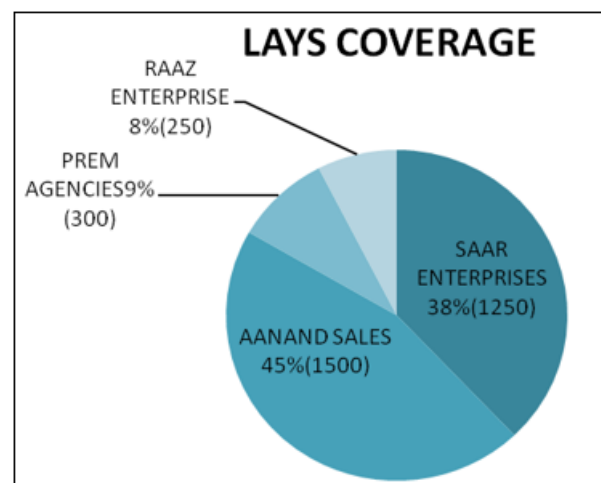
Man power, salesman, relation in the market, market knowledge etc

What is the sales tool?

Schemes and offer are sales tools.

ITC BINGO V/S FRITO LAYS

Coverage of FRITO - LAYS



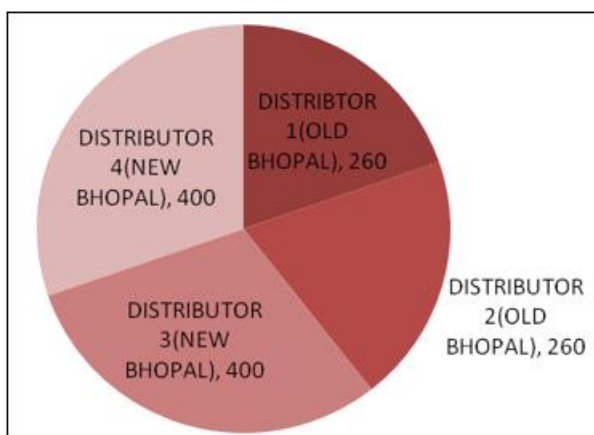
Frito - lays have 4 distributors in JALANDHAR city employee 30 salesmen. JALANDHAR is sub divided into 4 parts

- 1) Distributor (SAAR ENTERPRISE) looks for old JALANDHAR and has a unique coverage of 1250 outlets.
- 2) Distributor (AANAND SALES) looks for new JALANDHAR and has a unique coverage of 1500 outlets.
- 3) Distributor (PREM AGENCIES) looks for picnic spots around JALANDHAR and cover around 250 outlets.
- 4) Distributor (RAAZ ENTERPRISES) looks for wholesale in old JALANDHAR and has a unique coverage of around 300 outlets.

Total outlets covered by Frito - Lays distributors in JALANDHAR is 3300 (APPROX).

Frito - Lays uses pre sale or order booking process for taking order in urban areas and uses ready stock process for rural or deep up country.

Coverage of ITC Bingo



ITC - Bingo has 4 distributors in JALANDHAR city which employee 5 DS. JALANDHAR is sub divided into 4 parts

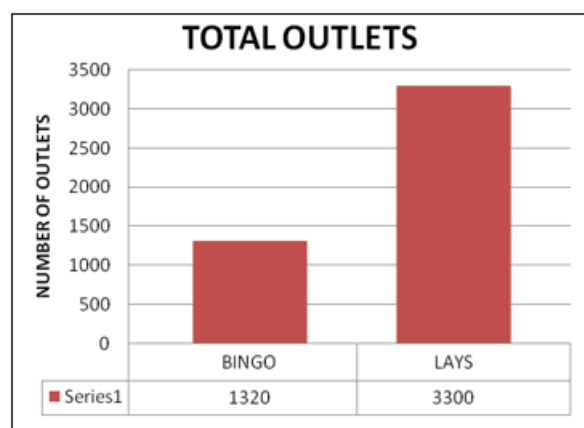
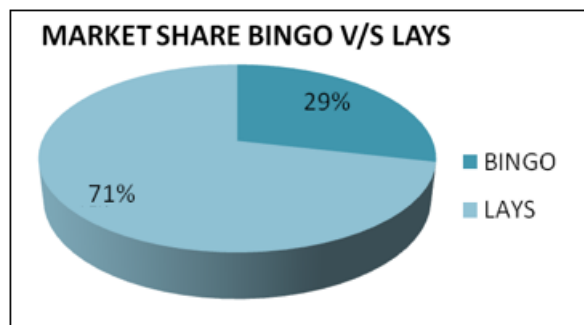
First distributor looks for old JALANDHAR (BOMBAY STORE) and has a unique coverage of around 260 outlets of Bingo. Second distributor also looks for old JALANDHAR (BOMBAY DISTRIBUTOR) and has a unique coverage of 260 outlets Bingo.

Third distributor looks for new JALANDHAR (MA ASSOCIATES) and covers around 520 outlets Bingo. Fourth

distributor looks for new JALANDHAR (AAKASH) and has a unique coverage of around 520 outlets Bingo.

A total outlet covered by ITC Bingo in JALANDHAR is around 1320 (APPROX).

Total coverage of ITC BINGO V/S FRITO - LAYS

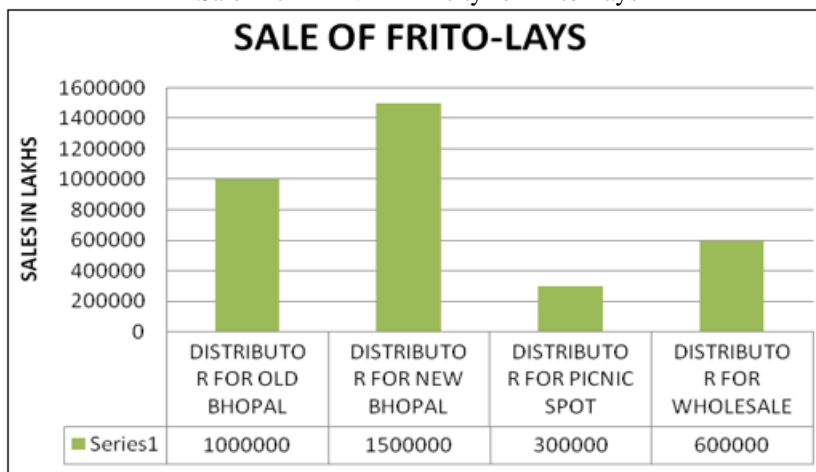


Interpretation

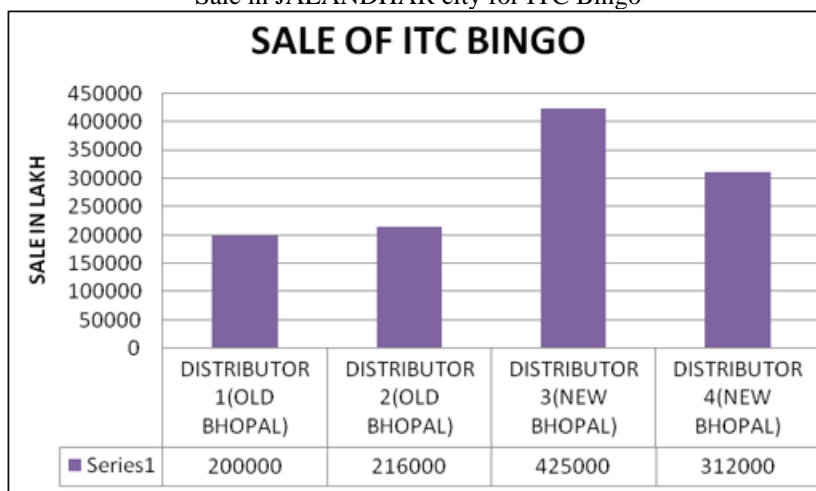
In JALANDHAR city the total outlets covered by ITC Bingo are 1320 (APPROX) whereas its main competitor covers around 3300 (APPROX) outlets. Overall market share of Bingo in JALANDHAR is 29% as compare to Frito - Lays 71%. There is a need to increase the total coverage of ITC Bingo in order to increase its market share in JALANDHAR city. Lays is having a upper hand over Bingo but Bingo is able to make its place in the market in a short span of time. The market is growing for Bingo and efforts should be made to capture the rural and deep upcountry in order to increase total coverage.

Sales Report of ITC Bingo v/s Frito - Lays in JALANDHAR city

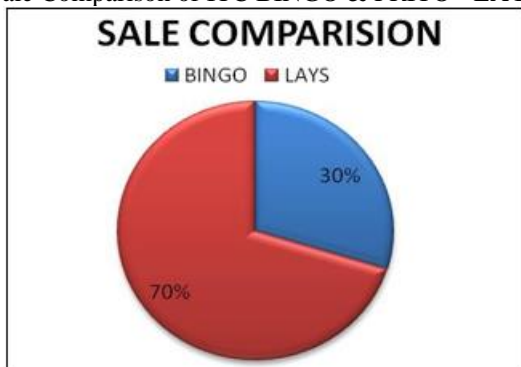
Sale in JALANDHAR city for Frito Lays



Sale in JALANDHAR city for ITC Bingo



Sale Comparison of ITC BINGO & FRITO - LAYS



Interpretation

The total sales of Frito - Lays in JALANDHAR city is around 31 Lakhs (approx) and ITC Bingo has approx sale of 11.5 Lakhs (approx) in this way Bingo has 30% share as compare to Lays 70% sale. The foremost important concept of sale is growth and since Bingo has launch it has witnessed a constant growth in its segment.

4. Findings

1) Work assigned to me To check the availability, visibility and DND (if any) of Bingo at retail outlet. While doing this, I understood about

distribution and stocking process at WD (Wholesale Distributor) point is as follows:

- a) Ordering process
- b) Billing process.
- c) Delivery process.

From the above research and operation, Retailers and distributors point of view was cleared.

- 2) To collect information of Frito - Lays and analyze the data thereafter. For that I have interviewed Frito - Lays distributors and company official.
- 3) In order to overcome weakness, my recommendations and contributions.

In the duration of my project I use to visit the market daily with DS (distributor salesmen) and analyze the market of ITC Bingo and Frito - Lays. ITC provide 2% extra margin to retailer as compare to its competitor Frito - Lays.

While checking availability and visibility of Bingo snacks at Retail Outlets I came across following observations:

- a) ITC has a good mix of traditional and modern type of distribution channel.
- b) The response of customer towards Bingo is positive.
- c) At some outlets the sale was good.
- d) Offer packs or consumer offer packs mostly sales.

- e) The total coverage of ITC Bingo snacks falls very short in comparison to FritoLays.
- f) Sometime there was demand but no supply.

The problem is the lack of coverage and promotion activities & proper advertisement. So, for promotion activities there are some point recommended by me in the next page.

5. Recommendations

- 1) There is vast distribution gap between ITC Bingo snacks and Frito - Lays which has to be filled up in order to increase the sales for that ITC should consider:
 - a) *Width of Distribution*: total number of outlets covered should be increase in order to bridge the distribution gap. For that ITC should
 - b) *Increase the number of DS*.
 - c) *Ready Stock*: there are many areas around the city where supply through loading auto is not possible for that ready - stock should be made available.
- 2) We can give advertisement at television, if we talk with cable operators for our advertisement. They can show our ad. in their local channels in between their movies shows.
- 3) We can increase the total margin given to retailers.
- 4) We can introduce new schemes for:
 - a) Wholesaler scheme?
Wholesaler is totally interested in margin or demand which has high demand in the market. At present ITC Bingo is in its growing stage if we provide comparatively high margin to wholesaler then it will influence the sale.
- 5) We can introduce new consumer offer packs.
- 6) To some of posh area we can provide free sample of Bingo so that the people get aware of the product quality.

6. Conclusion

After survey at retail outlet and doing a comparative analysis I found a contradiction that

- 1) Lays has been around for a longer time and has its loyalists. Lays scores on flavor while Bingo is crunchier. Right now Lays has the upper hand but Bingo has a good thing going with new and innovative products like 'Mad Angles'.
- 2) There is a need to put the image of our product Bingo in the mind of customers before they come to purchase at shop. So from above points and according to my other observation SWOT analysis of product is:

Strength: - A good sales force is the strong point of ITC.
Weakness – Limited penetration in rural market
Opportunity – Leverage successful brand ITC, tie - ups with resorts, food chains
Threats - Local substitute snacks, reduced consumption by health conscious people