

A Study on Market Penetration Strategies of Dinshaw's Ice Cream: Case Study Approach

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Abstract

Dinshaw's is mainly focus on its innovation, presentation and improvement in the product quality. These brands mostly focus on the children as ice cream is mostly liked by them. The major markets of its dairy products are Central India and North India to some extent. The main market of Dinshaw's are Maharashtra, Goa, Gujrat, and Andhra Pradesh, UP, Rajasthan, MP, Chhattisgarh, Orissa and Jharkhand. The brand focuses on keeping employees happy; thus, they can help getting happy customers. The mission statement of Dinshaw's company – The ultimate aim is to find individual and collective happiness. The brand established a huge dairy plant in the year 2012. Dinshaw's today considered to be one of the most trusted and leading ice cream brands. By the end of if fiscal year 2018, the firm's sales stood at 579 crore INR and losses at 2 crore INR as reported by Crisil. The scale of operations with revenue of 480-580 crore INR in the year 2018. The most important issues for Dinshaw's company is that how they can penetrate the market as there are already very strong competitors like Amul, Kwality Walls, Mother Dairy etc. Due to globalization and liberalization even, the foreign players were entering into the market such as Baskin & Robinns. The customers are having varied option in India and customers are price sensitive in India. As the market is open for all so there is a tough competition between the local and international players.

Key words: Distribution, Marketplace, Market penetration, Marketing strategies

Introduction

A well known Ice-cream and dairy products brand in India and its major market are Central India and North India. The brand value of Dinshaw is to produce and sell products which are healthy and safe for consumption. And If we look at Dinshaw's brand evolution then we can see that Dinshaw has been evolved from a small handcrafted Ice-cream parlor to a large dairy farm. As Dinshaw has a significant market presence in Maharashtra mainly and other states too. So, the

thing which is not working in favor of Dinshaw is the brand loyalty. There is no brand loyalty towards Dinshaw's products from the customers because every now and then new entrants are coming in the dairy/ice-cream industry and as Customer is the king of the market and they have many available options in the market and customers don't mind trying new options are available so to conclude that we can say that Dinshaw have the brand image in the market but they don't have the brand power to keep the customers loyal towards their industry.

Growing a business is the process of improving some measure of a company's success. A business can grow in terms of employees, customer base, international coverage, profits, but growth is most often determined in terms of revenues. There are different ways of growing a business. Igor Ansoff identified four strategies for growth and summarized them in the so called Ansoff Matrix. The Ansoff Matrix (also known as the Product/Market Expansion Grid) allows managers to quickly summarize these potential growth strategies and compare them to the risk associated with each one. The idea is that each time you move into a new quadrant (horizontally or vertically), risk increases. Dinshaw's adopted an effective strategy to sustain its growth in the market. There are various strategy models available in the market. After meticulous evaluation of the nature of challenges and the need of the market, Dinshaw's decided to adopt The Ansoff Matrix, as Product Quality, Product, Innovation and Product Presentation were the major considerations of Dinshaw's brand mission.

Ansoff Matrix is essential for strategic marketing planning where it can be applied to look at opportunities to grow revenue for a business through developing new products and services or "tapping into" new markets. So it's sometimes known as the "Product-Market Matrix" instead of the 'Ansoff Matrix'. This focus on growth means that it's one of the most widely used marketing models. It is used to evaluate opportunities for companies to increase their sales through showing alternative combinations for new markets.

This company is a supplier of a range of MRO (maintenance, repair and operations) items, found a new online market when they launched their site, with 10% of their web based sales to individual consumer rather than traditional business customer. it is also uses the website to offer additional facilities for customers placing large orders online.

The ice – cream industry can be divided in to the branded market and the unbranded market. The branded market at present is 100 million liters per annum valued at Rs 800 crores. The per capita

consumption of ice creams in India is just 300 ml per annum compared to 22 liters in US, 18 liters in Australia, 14 liters in Sweden. here is a list of the most popular ice-cream brands in the country .during the researched it is founded that Dinshaw's ice – cream have not achieved 100% success in adverting of their product. So there is need for heavy advertising expenditure company can advertise on hoarding wall painting and newspapers.

Situation Analysis

Company lacks competitiveness - In the modern era of the world competition is something which can't be ignored and also isn't ignored by any company which desires to expand its business across the globe. Dinshaw hesitated to compete with other brands even though they were manufacturing good quality ice-creams. Competition in the market plays is good for consumer as well as for business. When firms compete with each other, consumer get the best possible prizes, quantity and quality of goods and services.

Top level management lacks professionalism –We all know that top level management (CEO, Directors, president) are responsible for controlling and overseeing the entire organisation. They develop goals, strategic plans, companies policies and make decisions on the direction of the business and in case of Dinshaw it is clearly visible that top level management couldn't perform their duties effectively just because professionalism lacks somewhere and which can also be seen in the performance of the company.

Lacks hugely on promotional strategies – One of the most important analysis that we could analyse is that Dinshaw never focused on its promotion which led them to a lesser known company among the other competitors in the business. From a small survey conducted by the team for the case study we came across that only a pinch of people is aware of the company or have consumed any product from Dinshaw's. Highlighting the problems we found in the promotional strategies are as:

Marketing strategies – Understanding the importance of marketing strategies is very imperative and it's a plan to sell services or products in a way that renders long term profitable growth for any organisation. It is like a road map for any brand, which guides it where to go and what's the best route to get there. Successful companies use marketing strategy to deliver their offerings to the costumers to create meaningful impact but Dinshaw's couldn't be successful just because

their marketing strategies were weak and didn't had enough potential so that the company could reach heights.

Segmentation, Targeting and Positioning – Choosing audience for the products is also as important as providing quality goods and services. The company only focused on a segmented target audience i.e. children. This is one of the major drawbacks of the company which didn't let it grow into a renowned brand.

Product portfolio – In comparison to any FMCG company, and it must have a wide product portfolio. It has a wide range of dairy food products such as cheese, butter, milk, lassi, Ghee and ice creams.

No opinion of foremen and employees in management decisions – Gathering from the case study “The front-line executives were expected to come up with the challenges faced and the solutions to overcome those, in line with the ideology & mission of the company”, the company only depended on the front line executives for ideas whereas opening from a professional level perspective the views of foremen and employees are also really very important. As foremen provides progress reports, estimated timelines and budget updates and they are the people to link between the upper level management the employees and their opinion stands of utmost importance.

Unknown to the potential customer base – It's important to find out the potential of your business to generate revenues and profits in a chosen market sector. That's what thorough market research is designed to determine. The better the data you have about your market, the better equipped you'll be to make informed decisions about your business. Before you can estimate the share of the market you want to attain, you first need to research the overall size of the market. Dinshaw failed to target ideal customer market as it focused its main market on children and it did not take the advantage of its existing and potential customers.

A lot of areas stand unexplored PAN India – Business expansion has the potential to expose your products and services to a broader audience. Increasing your customer base will help you convert more customers and improve your sales. This leads to higher profits. Just like your team members, customers are important to the success of any business. In the case of Dinshaw customer base is not that wide.

Weak physical and digital marketing strategies – Digital Marketing is one of the most exciting tools a marketer can use to increase its presence online. Inbound Marketing, Interactive

Marketing, and online Customer Relationships are all efforts that fall under the umbrella term “Digital Marketing”. The internet has brought to marketers’ hands tools such as videos, podcasts and email campaigns to help them reach more people. In our research we found that Dinshaw’s has less than 2,000 and 4,000 subscribers/followers on YouTube, Instagram and twitter respectively. It is clear from the above research that Dinshaw’s never looked as an option to market themselves. We never saw an outlet, hoarding, advertisement in print media or any renowned local vendor selling Dinshaw’s Ice-creams.

They are looking for global expansion but lacks brand awareness among the country itself – Expanding your business globally can put it in a positive position for gaining necessary funds. This funding can be a lifeline for the business during the process of expansion, and once the expansion has happened, you can fall back on it. A business with a firm financial position and improved market share can generally receive finance with little trouble. When expanding, it is important that the business is successful not only on sales growth level but also on a profitability level. As expansion can cause many problems for business that’s why Dinshaw’s is not yet prepared for the upcoming challenges of growth.

SWOT analysis

To evaluate the case of Dinshaw’s we decided to do a SWOT analysis. It helps evaluate where a company stands in a competitive market and what steps need to be taken for further strategic planning, helping decision makers draw a future roadmap for the company. SWOT Analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture and identifying the internal and external factors that are favourable and unfavourable to achieving that objective.

Strength

i. It’s the oldest company in the country - Established in 1932, Dinshaw’s is the oldest company in this market which produced handcrafted premium Ice-cream in India and later shifted to the modern methods of fast production but maintaining the same quality.

ii. Food Safety System Certificate – Dinshaw’s is certified by FSSC 22000 from Bureau Veritas Certifications Co (food safety certification). The Food Safety System Certification (FSSC 22000) for food and feed safety/quality management is an internationally recognized scheme for food safety certification applicable to all organizations in the food chain, regardless of size and complexity. This scheme sets out requirements to develop, implement and operate a food safety management system.

Weakness

i. Inefficient Management – Efficiency in the workplace is something that is always on the mind of management, stockholders, and other interested parties. Understanding why efficiency is so important in the workplace, and how it can benefit both managers and front-line employees, will help to get everyone on the same page. No matter which of the many different efficiency improvement strategies that are followed, a facility will be able to enjoy all the great benefits but in case of Dinshaw we realised that efficiency improvement strategies were not followed correctly in the right direction.

ii. Competitive vulnerability – Competitors provides an excellent opportunity for those companies who are willing to make the effort to develop as a key strategic variable in the marketing mix. Now a days the competition in this sector is so stiff that any company seeking to make a market presence will hardly survive.

iii. Market position – Market positioning is a critically important part of marketing strategy since it determines to a large extent what customers perceive is being offered to them. In this sector companies like Amul and Mother Dairy have flagged their positions which Dinshaw comparatively failed to do.

iv. Lesser company outlets –Retail outlets allow customers to see what they are buying up close also a friendly and helpful staff also helps to build customer loyalty, ensuring that customers return again and again.

v. For around 40 years duration they were operating with a single store–While researching for the case study on the website we came across that the company was operating on single store outlets in the cities in which they were doing business.

Opportunity

i. Expansion –Since Dinshaw’s isn’t having its market presence across India there is a golden opportunity to explore the whole of Indian market alsoexpanding businessin North East,some

parts of east India, and rest of southern states of India as their markets are still unexplored. Internationally we have a huge market but first we need to expand the business PAN India.

ii. Market Positioning – Well established position with a well-defined market niche is a must for a business in the long run. This industry already has market leaders like Amul and Mother Dairy, and making way among them is a task in itself. This will strengthen the market value of the company.

iii. Exploring new Customers – India is one of the most populated country and stands 2nd in terms of population in the whole which is 17.5% of the population of the world. It's obvious that there are a plenty of opportunities to grow one's business that fact is that one needs to identify its own customer base.

iv. Dynamic Customer Needs – Different customers have different needs and also the mood of a person depends that what he wants to consume. If a person is not in a mood to consume unhealthy, definitely ice-cream is not the best option for him at that moment but introducing products like organic and non-chemical ice-creams, there is a change that he will consume it. Adding to the example a health-conscious body builder person will never look towards ice-creams as favourable but if an ice-cream which does not restricts him to the from getting his desired body he will defiantly grab it and wants to fulfil his cravings.

Threats

i. Prevailing companies have a strong hold of the market – The ice-cream companies in the India market are already having a strong hold of the market. Companies like Amul and mother dairy hold are the market and are spread already, so if the company wants to expand the business it will face a huge load of negligence but its all about how you face your challenges and overcome them. And from the survey they we conducted for this research it is evident from that a lot of people are hearing the name of Dinshaw's for the very first time.

ii. Local vendors (kirana stores) – India is a diversified country with a huge geographical area spread. A major part of its population still lives in the rural areas where the large and renowned companies are not able to convert them into the market. Looking into them as potential customers they prefer to have ice-creams from the local vendors itself, so if Dinshaw's really wants to spread roots in the country they should defiantly take the rural population into consideration which will make the local vendors stand to their competition.

iii. Health conscious people refraining from sweets - Due to this pandemic situation everyone wants to refrain from consuming anything which lowers their immunity. Although ice-creams are dairy products and they and consuming ice-creams at regular times can cause to cough and could which reset the body's immune which leaves a person vulnerable to this pandemic.

Distribution network

Wide distribution network in a wide urban as well as rural parts of the country - The question arises that's why rural areas, as already discussed above that the country's mass population resides in the rural areas. Even in small towns and villages your present must be there. The company can improve the margins for distributors and retailers, which would act as an incentive to improve and develop the market.

Sponsor Parties to Get Your Name Out There -

- If there is a big community event, such as a concert, fair, or other production, offer to sponsor the event. Not only will this help you get your name out there, but it will also give you an exciting opportunity to sell your products.
- Your branding will be marked all over the event, which will spur curiosity from the attendees. They will be more willing to buy your products and even purchase merchandise from your brand.
- But be careful. Ensure that the event you are sponsoring meshes well with the brand's identity. If not, you can tarnish your reputation.

Influencer marketing – Working with influencers has a separate branch in marketing called influencer marketing – promotion of a product through the interaction of a brand with an influencer. The most popular influencer marketing channels are YouTube and Instagram.

Influencer Marketing is more delicate and less intrusive than traditional advertising. Influencers do not persuade their audience to buy a certain product – they rather recommend it from their personal experience. Thus, modern companies often appeal to the trust and favour of potential consumers to certain people and cooperate with influencers.

The preferred influencer for this would be Gaurav Taneja known as FLYINGBEAST who is a well renowned digital influencer on over the social platforms and moreover he is a genuine personality and his fan base is the most loyal. One more on the list is Nikhil Sharma well known as MUMBAIKAR NIKHIL and he also has a huge influence over his followers. Both of them are budding vloggers and they are the leading the vlog community in the country. Choosing them for this the best for this case.

Establishing presence in the market

Create a Tasting Bar at Your Local Grocery Store - As a wholesale ice cream company, you count on local grocery stores to sell your products. To help encourage sales of your ice cream, try creating a tasting bar during slow seasons. As a business owner, you can operate the tasting bar yourself, or encourage your best team to help. Rather than just handing out samples of ice-creams, you can make positive, personal connections to those tasting your ice cream, further encouraging sales of your products. This can also be a great marketing strategy to test out new products in a smaller, target demographic. Introducing new flavours or products to a smaller demographic can provide your ice-cream with the feedback it needs to decide whether or not the product is good enough to sell permanently.

Motivating staff for efficient performance - Imagine having an employee who is not motivated at work. They will probably use the time at their desk surfing the internet for personal pleasure or even looking for another job. This is a waste of your time and resources. Employee motivation is a critical aspect at the workplace which leads to the performance of the department and even the company. Motivating your employees needs to be a regular routine. There are several reasons why employee motivation is important. Mainly because it allows management to meet the company's goals. Without a motivated workplace, companies could be placed in a very risky position.

Motivated employees can lead to increased productivity and allow an organisation to achieve higher levels of output.

Product variety - The variety a brand offers can influence brand quality perceptions, and consequently, affect brand choice, even when the available option set is held constant. Specifically, brands that offer greater variety of compatible options are expected to be perceived as having greater commitment and expertise. Companies are continuously trying to increase market share and profits by increasing customer satisfaction through the variety in the products they offer. To add in to the products, we have certain following mentioned ideas that could be worked upon for better product folio -

Sugar free ice-creams– According to the data from WHO (World Health Organisation) About 422 million people worldwide have diabetes, introducing sugar free ice-creams can attract those who crave for ice-creams but have to kill it due to diabetes.

Ice-Creams for Health conscious - People are getting health conscious there days and due to the pandemic situation as building to immunity are the major factors which will keep them on a safer form the virus. Consuming toxic and chemical flavoured products reduces their immunity also a lot people are body continues and look forward to have a good physique. Consuming ice-creams slows the process as building a good physique takes a lot to time, so intruding protein ice-creams is a solution to attract this market audience.

Conclusion

It is very important to market our product in our country first and then we will proceed to the world because if we are not getting success in our own country what is the possibility of getting success in the other country is very low. It's better that we should have a sound financial position in the country and it is only possible when the product is successful in its own country. It is very important to venture with other company and try to compete with other brands. Every citizen prefers to purchase their own nation's company products in the market. We all know that Turkey is very famous for its ice-cream as the dealer used various tactics to impress their customers like this play tricks with the customers to engage with them. People come from different parts of the world just to purchase ice-cream from those dealers in Turkey because it's fascinating.

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