

Strategic Intervention in Baxol India Limited (BIL) for Accelerating Growth

Subhamay Chatterjee & Prof A. Sahay

Abstract: India's FMCG manufactory is enormous and extensive. In the year 2013, nearly 8.4 million outlets furnished to 1.26 billion customers and estimated 2405 billion INR in the sales. It is recorded that in the past 3 years, a stable and energetic correlation of consumer's confidence in FMCG sales that has immersed. Nonetheless, notices to be revived, the sector turns out to be one with apparent clues of uninterrupted restoration. FMCG sector is supposed to flourish and grow from 12% - 17%. It refers that it could reach a market range in between 4,000 – 6,200 billions in INR by the year 2020. Baxol India Limited (BIL) that has prepared to come up as one of the prominent FMCG firm with turnover of 25000 Million (INR) by March 2019. There are definite vital decisions of growth that can go after by the firm and among that it has to opt and introduce one. The rise in market competition in the field of hair and skin care, Baxol India Limited (BIL) is awestruck with which policy and strategy to opt to comprehend the growth conceived.

Index Terms: Strategy, Growth, Organization, India

INTRODUCTION

A Fast-Moving Consumer Goods (FMCG) are the rapid sold and at comparatively less price products, for example non reliable house hold goods that include food, beverages, toiletries, over-the-counter drugs etc. Most of the FMCG consumables posses a short shelf life and this could happen because of either its quick degradation period or huge consumer demand. There are several easily spoiled FMCG goods such as fruits, meat, baked goods, vegetables etc.

In spite of this, other products like pre-packed goods that include soft drinks, candies, toiletries etc that posses high and good turnover rate. Moreover, other food items like E-packaged foods, candies, soft-drink, and toiletries have an extensive turn-over rates. Sometimes these products are affected immensely due to seasonal gaps, discount offers and holidays. To reach to mark of excellence in FMCG segments, companies consider packaging and product promotion techniques, apart from familiarization of consumers, branding and logistics. In order to pack products, two aspects are taken into considerations, one is hygiene packaging and the other one is attractive look that attracts consumers by appearance. Sometimes logistics and distribution system required unimportant and tertiary packing to attain high efficiency.

The aggregate profit on these products can be hefty and extraordinary, because on FMCG products the profit margin is comparatively low and generally sold in huge quantities. A report of BASES says that the 84% official personals working in FMCG departments are bearing much pressure to produce products on urgent basis with respect to market demand, unlike the situation used to be 5 or 10 years ago. And among them, 47% examined that product testing suffers more when the deadlines rose up. The rise in the internet and brand community phenomenon has shared to the demand for FMCGs to the maximum extent. For instance, based on AGOFs internet facts, about 73% of Germans are online, moreover 83.7% of net users are searching in web for data and 68.3% online shopping. Generally most of fast moving consumable goods are not booked or online orders because customers prefer to go to nearby shops to get the most of it with handpicked quality.

CHARACTERISTICS

The main characteristics of FMCGs are given below:

Perspective - Consumers

- Regularly purchases

- Small engagement (low or no exertion to select the item)
- Low cost
- Tiny life
- Quick consumption
- Price Assessment over online purchase by customer.

Perspective - Marketer

- Volumes - High
- Contribution margins - Low
- Wide ranging distribution networks
- High portfolio turnover



Source: https://www.researchgate.net/figure/Logic-flow-of-the-FMCG-business-process_fig3_296671774

Artificial intelligence (AI) and machine learning (ML) has been emerging since the last decade as well as the deep learning (DL) that's a comparatively new machine language technique since last 10 years. The above terms have been used to reveal the magic of technological world by means of developing self-driving car, intelligent robots, or simply "did you mean", algorithm by Google search engine, voice activated assistant and many more of these types.

Having a glimpse on the impacts of artificial intelligence and big data that in the forecasting of FMCG industries.

INTELLIGENT DEMAND FORECASTING IN FMCG

FMCG means the industries or manufacturing firms producing goods with low profit margin but in huge quantities. These products have a short shelf life and are changeable. But the drawback is, they get influenced by the holidays and seasonal gaps, as they have a short shelf life or a relatively limited validity. Therefore the compelling number of transactions that leads to the rise of large complexities and big data transaction generated by the FMCG industries. Because of these complexities in industries, the ongoing challenging activities for forecasting become much difficult for the FMCG industry. FMCG industries started collecting data since many years. Usually the data from demography, geography, user preferences, discount cards and free internet connection acquired big data for these companies, and in order to understand the user demand and its related information, these companies interpret this big data for more profitable business operations and policies and strategies. Many companies have started using machine learning (ML) technology and deep learning (DL) techniques to predict/forecast the market demand and to meet its measures. Let's have a glance on how these companies are getting profit by using machine learning and deep learning methods in order to forecast the demands and introducing successful strategies.



Source: <https://ctb.ku.edu/en/table-of-contents/structure/strategic-planning/develop-strategies/main>

REAL-TIME ANALYSIS & DATA INTERPRETATION

FMCG companies are now able to act quickly and forecast the market demand with fine accuracy because of the machine learning and deep learning frameworks, as they help the companies to analyze the big databases that in general a big task to execute with traditional methods. That's how ML and DL is beneficial to the FMCG companies in forecasting the demand and in real time even. Moreover, the structured data can be analyzed and interpreted easily by machine learning and deep learning and convert that data in any format like image, text, video, audio, Electronic Point of Sale data (EPOS) etc. This way, the FMCG companies can collect this

- **EFPM Scholar**, Executive Fellow Programme in Management (EFPM) – Centre for research studies University/Institution: Birla Institute of Management Technology, Greater Noida, Uttar Pradesh, India.
- **Professor and Dean** Research Centre for Research Studies, University/Institution: Birla Institute of Management Technology, Greater Noida, Uttar Pradesh, India

interpreted data in a single pool that in turn allows the companies to accurately plan ahead in forecasting and in making strategies with the help of ML applications. After all, the FMCG companies are easily affected by the seasonal gaps, holidays and promotional activities that may have an immense influence on demand and sale. Apart from this, the behavior of customers is highly complicated to understand with the old traditional techniques of forecasting the market demand but whereas with machine learning and deep learning frameworks, it is easy to simplify and read the complex data. A few popular companies in the FMCG segment sector have already equipped with big data analysis. In fact, the Unilever Company's chief marketing and communication officer "Keith Weed" encapsulated the power of data analysis using ML and DL in such a way that "we are already able to tell a customer when he's walking in the park (we know his location) on a sunny day (we know what the climate is like there) where the nearby place is to buy a Magnum and send him a code for a discount.

SHELF MANAGEMENT

The most important aspect of FMCG industries is Speed. Products from this category are short shelf life and sensitive to time gaps. So, to meet the customers demand, companies should follow a fast processing technique and that is only possible through machine learning concepts. Image based shelf management system can enable a new page here. Despite this task is presently done by human interference but soon likely to be deploying ML products on behalf of shelf management systems.

SUPPLY CHAIN AND PRODUCTION

Customer demand on the time in order to meet FMCG companies for need fully integrated the production lines and spread chains which fulfill all that from forecasting to delivery. AI (Artificial Intelligence) integrated systems could be beneficial to the organizations too; in such away

- The production and purchasing worth reduce
- An Inefficiency in production and the misuse reduce
- To minimize the peril of Supply more or less
- Raise lead times
- expand margins in profits
- develop engagement in customers

Some of the companies didn't want to invest money on AI technologies, where most FMCG companies want to deploy AI for the long run. Consideration is taken by them that however they should using AI isn't a luxury anymore and the technology is not only enhances the force of forecasting work, and deduct the whole operational costs, by minimize the risk, to have loyalty of the customers and insights from customers. Soon, as users, we will bystander for artificial intelligent systems enabling us what we wish (even if we don't ask), Disseminating our requires with companies and delivered it without our involvement even. Likewise, companies may begin soon for advertising to artificial assistants instead of us.

OVERVIEW OF INDIAN FMCG SECTOR HISTORY

From last 50 years the Indian FMCG industry had started to shape, in between the 1950 years to 1980's the FMCG industry growth was not up to the mark. The FMCG industry recently wasn't delightfully form in-vector point of view by cause of buying capacity and the government's benefits to the

small-scale industries. FMCG's success story more continuous following the deregulation economy of India in early 1990s. With comparatively low capital & technological supplies, for the newly arrived brands emerged locally as well, while the relaxed FDI situation led to admission of many global players in the segment. FMCG was very competitive & one of the greatest key donor for the economic contribution in India. In middle of 90's, the promoter of the Segment was rapid and was refused very fast at the end of the era. The penetration of the products and the levels of the consumption were responsible for the early rise in growth. Economy rapidly growing on a riding, increasing per capital income, and expecting for further reach to 100 billion dollars by 2025

COMPANY PROFILE -BAXOL INDIA LIMITED (BIL):

The Company Established in 1942, today's BAXOL is one of India's leading FMCG companies with major brands in Hair Care category. They are a part of Larger Group of companies, one of the oldest business houses in the country which has business interests in varied industries. BIL is known for creating widely respected brands in Hair Oil category and generating loyal base of consumers. Under the inspiring leadership of their Chairman, the company is scaling great heights every year. They are an INR 7.9 Billion company, listed on BSE and NSE and have employee strength of 1500+.

BIL'S TARGET - TO ACCELERATE GROWTH

In the Annual General Meeting of Baxol India Ltd (BIL) on July 07, 2015 ;Chairman, Mr Ajay Rajput announced the results which revealed revenue of INR 9000 Million and PAT of INR 2570 Million. Investors raised questions during the AGM but went back satisfied that the company had not only achieved the targets but exceeded them even despite the acquisition of new skin care brand. AGM over, Chairman wanted BIL to be in the league of the top notch FMCG multinational like HUL, ITC, Colgate-Palmolive and P&G. Looking at the CAGR for the last 6 years, he was convinced that the company could enter the coveted INR 25000 Million league by March 2019. He asked Y V Singh, Managing Director of the organization, "how can we reach there and what needs to be done to achieve this goal?" Next day, right in the morning at 11 am, Y V as popularly known, called an urgent meeting of his direct reports, and put forth before them the challenge of achieving sales revenue of INR 25000 Million by March, 2019.

OBJECTIVES

- To present an examination of Indian FMCG sector
- To providing competitive scenario and growth prospects
- To Create sustainable acceleration of Growth strategy

METHODOLOGY

Examining study project is used for attending this study. The aim of this study is to suggest a workable sustainable but accelerating growth strategy by apprising summary of the sector , analyze the existing scenario , the growth what has happened to the organization and examining the different methods what has adapted by the organization so far . Secondary data collected from reports, book, journals, periodicals and news papers and financial results published .

OBSERVATIONS

Key FMCG segments can be differentiated into:-

- a) Personal care: Hair care; skin care; paper products (tissues, diapers, sanitary); personal wash (soaps); cosmetics and toiletries; shoe care, Oral care; deodorants; perfumes; etc.
- b) Household Care: laundry utensil cleaners, toilet cleaners, floor cleaners, insecticides and mosquito repellants , air fresheners, furniture polish and metal polish; household cleaners etc.
- c) Branded and Packaged Food and Beverages: Well-being drinks; soft drinks; staples/cornflakes; products of bakery (cakes, biscuits, bread,); snacks ; chocolates; ice cream; coffee; tea; dairy products, treated fruits, meat and vegetables ; branded water; sugar, flour, rice; juices etc.
- d) Alcoholic products and Tobacco related products like cigarettes, Pan Masala etc.

BIL – THE GROWTH AND CHANGES ADAPTED

1. Strategic Thinking and Planning:

In last 5 years, the company shifted its focus from a single product to multiproduct necessitating change in sales infrastructure, quality of sales and business hygiene. Formulation of a Management Committee comprising of the senior leadership team members have taken place which discusses further strategic initiatives in pursuance of organizational vision.

2. Organizational Structure:

After enforcement of the continuous decentralization practices of Roles, Responsibilities, authorities and accountabilities over a period of more than 5 years, the current Organizational System & Structure starts with the Top Position which is Chairman to whom the Managing Director and Head of Internal Audit reports. MD has 9 direct reports for various functions.

3. Supply Chain Management (SCM):

The Supply Chain department now do better forecasting of market trends to optimise purchases, involved in Market monitoring, Technical analysis and hedging of commodities, drive the Cost Innovation with inputs from suppliers and market teams. They are incorporating next generation techniques like E-Procurement to execute online markets. They have been able to set out supply chain system for uninterrupted supplies and Safeguard against hindrances from competitors.

4. Manufacturing and Procurement

In 2015, the Company is feeding up their manufacturing mandates with the service of their Own 5 MUs' and Six 3rd party MU's with the one Central Ware-House. Now the three own manufacturing units have a total of 70 permanent workmen and more than 400 contractual workmen. The combined production capacity for all company barred third-party operated production facilities are more than 22 million liters per annum.

5. Sales and Distribution Structure:

With a Redistribution stockists of around 1949 and retail outlets of around 1million in the urban sector and with around 215 Super stockists, 5900 sub stockists and 1.5 million rural

outlets, BIL have been able to put a strong foothold in introducing products PAN India by 2015.

6. Information

They are trying to look at Data which are a) accurate and timely, b) aligned to the objective c) focused and organized d) presented within the shortest time e) relevant and f) looks into enhancement in understanding and reduce uncertainty.

7. Research and Development (R&D)

The company is yet to achieve the benchmark as per the existing practices by the top FMCGs by unceasingly developing innovative, commercially viable process at R&D and also for improving shelf life, stability, quality, convenience and meeting regulatory compliances.

8. Manpower (Total Head-Count)

The company could maintain an effective control on permanent manpower whereas continued the cost effective approach by increasing the off role number from 650 to 900 and contractual employee number from 150 to 400. The overall current strength of the organization is 1520.

9. Corporate Structure and Governance

The scattered structure of the corporate is still a problem in BIL. Their Sales and HR verticals were based at a place nearer to the capital of India, their Finance and Commercial function were based at Upper North of India and Marketing, IT, procurement and General Management functions were based at western part of India.

10. Human Resource Management

The Talent Acquisitions is made much more process oriented, The orientation Programme started and gained momentum to give the new inductees a platform to know the organization, Training and Development for the Sales employees began to happen, Performance Management process (PMS) was strengthened and a half yearly PMS process also started, Exit Management procedure was given a shape, much more focus was given to the Grievance handling procedure. Succession Planning, Career path of the employees and the Reward and recognition programmes are yet to take a prominent shape in the organization.

11. Organizational Culture

The shift in cultural change took a long time and People dependence to process dependence, Shift from departmental and regional silos to open communication and best practice sharing, top down approach for instilling culture and values, accessibility and open communication between departments and functions, Employee connect and engagement; Empowerment of line managers; Recognition and reinforcement of positive behaviors and actions are being implemented in the organization with a lot of conflict of interests are generated to be resolved.

12. Branding

Hiring of celebrities for advertising, using different means for marketing activities, taking part in different management seminars by its employees, creating awareness among the students in different management institutions by doing company presentations are being exercised continuously with the company's selected brand ambassadors for product and

employer branding.

13. Product Range:

The 2010 Product Range comprised of Hair oils (4 brands) and one oral care brand. In 2015 Product Range includes The Hair care brands with addition of one new category and one with different value proposition, cream and facewash in the skin care and the oral care brands.

14. Organizational innovation:

Sales force automation, Distributor Management System, HR automation, Formulation of strategic business units and Setting up of manufacturing units and warehouses at strategic places post GST roll out are currently being considered, New product development to introduce variants of established products, Use of social media in terms of HR practices and employer branding.

15. Legal Compliance, Fiscal Management and Public Accountability

The organization is accountable to ethical standards in accordance with the values of the organization. BIL operates within policies for conflicts of interest, report to funders with openness and honesty. They take seriously their public accountability.

16. IT Resource Development

Sales Force Automation, Distributor Management System and Factory Management System are being deployed in the organization.

17. The Effects of Government Regulations on Business

Trade regulations, the minimum wage, and the requirements for permits or licenses had considerable effects on the business of BIL. Key Factors which majorly affected the Business were Pricing Norms, Tax Structures, Import/Export Duty, Norms of Manufacturing Set-Up and Employment Norms.

18. Statutory Obligations and IR

In 2015 BIL decentralized the things and things those were compromised previously now on appropriate track and are being properly addressed by different functional heads of different functions within the same organization.

THE DILEMMA

Y V was instrumental to have the views, there were ample examples cited and panacea suggested by the leadership team which were contradictory in nature:-

Mayank Dutta, CFO, opined that Supply chain was much stretched and currently are far behind the benchmark standards. The rural markets had been primary drivers of the growth. But BIL was yet to be sufficiently able to increase the scale. He also opined that India having highest population of youth and it is a question whether urban youth would use Hair Oils in the time to come. Kaushal Pandey (Head of Operations) and Dhruv Patial (Head SCM) objected the views of Mayank Dutta and opined that lot of Bureaucracy and getting approvals from different levels takes lot of time & slows down many things. They expressed their concerns on Supplies which were quiet Skewed towards the month end because of no proper inputs, or packaging issues of breakdown. The Sales Head, Mr. Sunil Jain, who joined the

organization two years back stated that the system were in place to deliver results of next 1 to 2 years but not for 5 years. Pradeep Khaitan, HR Head felt that there were limited opportunities within the organization that facilitates open and cross functional communication. He also expressed his concern on trust, empowerment and Change readiness. The Marketing Head Sailaja Parekh took a dig at the HR head and said that HR Processes were average and top-down. She was clear in her dialogue while saying, BIL was not considered a major Brand in FMCG, Competitors were much ahead of BIL in terms of IT infra. The International Business head Mr. Abhirup Sanyal stated that in international Business, BIL was not doing any direct marketing or any direct brand building exercises and pointed that Product Variants were less - Threats from other new categories. The Marketing head also stated that differentiation & classification of market(s) were yet to be done in terms of product portfolio, packaging, SKU, Age, Gender, Region etc. The HR Head pointed out that 28% of the Hair Care sector was still with unbranded products. Based on the developments and introduction of GST, Kaushal Pandey, stated about closure of one of the units and no new units to be introduced. He cited that no more benefits in those terms could be derived. Dhruv Patial, while pressing for reducing the number of CFAs across India, urged for establishing a better state of the art unit at one of the logistically viable and employee friendly places. Mayank Dutta, in addition, tried to draw attention of Y V and elaborated about introduction of a two sided market strategy along with a platform business model.

THE QUESTION:

While scrutinizing the statements of his direct reports, Y V could notice the anomalies, different thought process, different panacea suggested and egos playing a prominent role. Y V was looking for an answer for INR 25000 Million.

Annexure - I

FMCG Market Size in India (Year Wise)
(Figures in INR Million)

	2011	2012	2013	2014	2015
FMCG Market Size	1161000	1670640	1994010	2205940	2380160
Hair Care	92000	128150	1514140	159940	171020
Perfumed Oil	29000	34600	42830	47140	49960
Coconut Based Oil	21000	32040	35870	33860	37680

Source:

WHAT'S IN STORE FOR INDIA'S FMCG MARKET? - www.nielsen.com/in/en/insights/reports/.../whats-in-store-for-indias-fmCG-market.html; Nov 25, 2014. FMCG January 2016 -INDIA-OPPORTUNITIES,

www.indiaopportunities.es/archivos/publicaciones/FMCG-January-2016.pdf

Jan 16, 2016 - Retail market in India -<https://www.statista.com/Industries/Retail&Trade/InternationalTrade>

Conversion Rate: 1 USD = 66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016

Annexure - II

Market Share of Different Hair Oil Categories Vs. Total Hair Oil

Year	AMLA based Oils	Light Hair Oils	Cooling Oils	Others
2011	15%	14%	12%	8%
2012	15%	15%	12%	10%
2013	15%	16%	11%	12%
2014	18%	17%	10%	13%
2015	17%	17%	10%	13%

Source:

Hair oil market in India - www.mbarendezvous.com/general-awareness/hair-oil-market-in-india/ (Accessed on 23/11/2016)
www.businesswire.com/news/.../Research-Markets-India-Hair-Care-Market-Outlook. Hair Oil Market -www.business-standard.com/search?type=news&q=Hair+Oil+Market (Accessed on 23/11/2016)

www.researchandmarkets.com/reports/.../hair-care-market-in-india-forecast-to-2020

Conversion Rate: 1 USD = 66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016

Annexure - IIA

Hair Care Projection in India: Tech Navio's examiner forecast the value-added Hair Oils market in India to rise at a CAGR of 19.90 percent over the period 2014-2019. **Market Driver:** Consumer consideration **Market Challenge:** Increased Accessibility of reproduction Products **Market Trend:** Advancements in R&D for Product betterment
Source: www.technavio.com>Consumer and Retail.

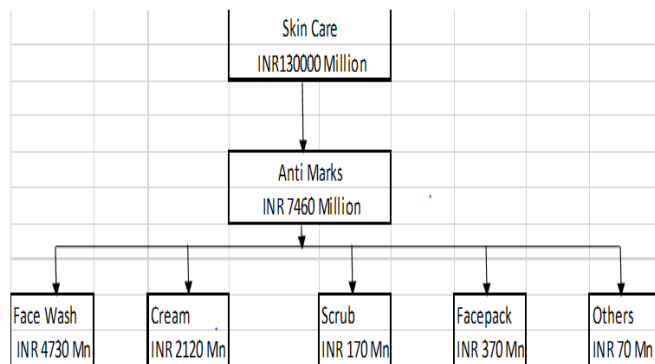
Annexure - III

Healthy skin Market Analysis Global: Open Market Research has announced the diary of another market assessment on the worldwide individual consideration bundling market, getting it to achieve an estimation of 1675 INR billion by 2019 at a CAGR of 4.3 percent between 2013 and 2019. The report additionally shows the authentic estimation of the market, decisive it to be last esteemed at INR 1251 billion toward the part of the arrangement. The worldwide healthy skin market is assessed at 7280 INR billion of 2015 and is anticipated to increment to 10270 INR billion by 2022. Estee Lauder's offer in this market is around 8%. Healthy skin incomes represent over 40% of Estee Lauder's all out incomes with an EBITDA edge of 26%. L'Oréal, which directions almost 15% of the healthy skin advertise, and has a nearness in all the part from premium beautifying agents to the drugstore types, can create an EBITDA of 23%. Improved piece of the pie in this part, without settling on edges, can significantly affect productivity, and inorganic development might be the correct technique.

Source:

<https://globenewswire.com/.../Skin-Care-Products-Market-Size-Is-Projected-To-Reach...> To read along with www.pnewswire.com/.../skin-care-products-market---global-industry-analysis-size-sh...

Annexure - IV
Skin Care Market in India



Source: www.businesswire.com/news/home/.../Indian-Skin-Care-Market-Outlook-2016-2020-...

Source: www.businesswire.com/news/home/.../Indian-Skin-Care-Market-Outlook-2016-2020

Annexure - V
Skin Care Projection in India: A value CAGR of 8% is aimed for the period of forecast for period 2014-2019. The skin care product awareness rather than the facial moisturizers are supposed to drive this growth. For the forecast period of 2014-2019, the well known products related to hand care, facial cleansing, anti agers, anti cellulite body care products which were mostly meant for the urban India; are expected to change, and will be responsible for the overall growth of skin care segment in the country.
Source: www.nielsen.com/.../nielsen-global/.../india-breakthrough-innovation%20-report-niels...

Annexure – VIA

Year	INR Million
10-11	39,94.39
11-12	52,33.14
12-13	63,67.18
13-14	77,17.26
14-15	90,00.00

Interpretation: The Revenue is increasing 13-18% every year.
Source Annual Report Baxol India Limited; **Conversion Rate:** 1 USD = 66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016

Annexure - VIB

Year	INR Million
10-11	735.03
11-12	1,135.88
12-13	1,593.83
13-14	1,998.44
14-15	2,570.10

Source Annual Report Baxol India Limited; **Conversion Rate:** 1 USD = 66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016

Annexure - VII
Manpower Number and Cost of Bil

	As on					
	31-03-2010	31-03-2011	31-03-2012	31-03-2013	31-03-2014	31-03-2015
Manpower Numbers		334	354	362	422	462
Sales		275	285	285	309	323
Others		59	69	77	113	139
Manpower Cost (INR MILLION)	138.40	162.50	229.00	295.00	339.40	380.50

Source: Secondary Data – MIS - Baxol India Limited

Annexure – VIII
Market Capitalization of Baxol India Limited

S.No.	Particulars	31-03-2015	31-03-2014	Change over Previous year	% change
1	No.of Equity share (In Million)	197.50	197.50		
2	Market price per share(INR)	538.10	313.10		
3	Market capitalization (in INR Million)	1,06,274.75	61,837.25	44,437.50	71.86%

Source Annual Report Baxol India Limited
1 USD =66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016.

Interpretation: Number of equity shares remains standard but the share value increased drastically to 313.10 to 538.10. relate with recently year the total funding increased to 106274.75.

FINDINGS

SWOT Analysis for BIL:

Strength:

1. Low operational costs 2. Presence in both urban and rural areas 3. Solid brand esteem 4. Loyal customer base in urban and rural segment 5. Consistent product quality 6. Strong distribution structure.

Weakness:

1. R&D investment are low and non accomplishment of economies of scale 2. Trades levels are low 3. Market share and strong competition 4. Increasing Reach 5. Innovation 6. Support to Marketing

Opportunity:

1. Untapped market 2. Enhancement of buying intensity of consumers 3. Huge household advertise - for more than one billion population 4. Potential in export market 5. High buyer products spending 6. Can additionally dispatch cleanser and conditioner of same brand 7. Immense market potential 8. Launch product for men in skin care

Threats:

1. Expulsion of import limitations bringing about supplanting of local brands 2. Log jam in rural demand. 3. Tax and Regulatory structure 4. Plenty of contenders with new products 5. Oil+shampoo blend may supplant hair oils 8. Assessment system and GST

For BIL, brand loyalties or recommendations of reliable retailer/ dealer drive purchase decisions. Brand switching is often influenced by retailer recommendation or word of mouth and hefty advertisements.

STRUCTURAL ANALYSIS - HAIR AND SKIN CARE INDUSTRY

i) Manufacturing , Technology and Capital

1. Low Capital Intensity - Most item classes in hair care and healthy skin require generally require low capital for plant and machinery .Likewise, working capital power is low as transactions are mostly in cash 2. Technology – Easily accessible and steady R&D process and items. Adjustments and enhancements once in a while change the fundamental procedure 3. Third-party Manufacturing - Manufacturing of products by third party vendors is quite common. The activities head reviewed the Benefits related with outsider assembling incorporate (1) adaptability in arrangement of stocks (2) adaptability in having a control on the expenses related to work; and (3) coordination – sometimes it's better to get certain items produced at places nearer to the market.

ii) Marketing and Distribution

1. The cost related to the launch of the product initially is very high and almost 50-100% of revenue in the first year. On the other hand the expenditure on advertisement varies from 5 - 12% for the established brands. 2. Limited Mass Media Options - The reach of the TV is around 67% of urban consumers and 35% of rural consumers. Special packaging ,Van operations in relation to promotion of the products and other consumer promotions are expensive but inevitable. 3. Huge Distribution Network -2 million outlet in 5,160 towns and four million in 627,000 villages – total o f around Six million

retail outlets are there in India. Number of super markets are negligible in Indian context and hence the logistics is a painful are specifically to the new player.

iii) Competitive Strategy:

It is almost impossible to find a single strategy. When we come to Hair care and skin care sector main strategy layout gives rise to Five main competitive strategies based on market , cost and quality are:

1. Strategy on overall low cost leadership 2. Best Cost provider's strategy 3. Strategy on Broad differentiation 4. Focused strategy on low cost 5. Focused strategy on differentiation

DEVELOP THE GROWTH STRATEGY OF BIL

STRATEGY : GAINING MARKET SHARE FROM OTHER PLAYERS IN THE HAIR OIL

Action Steps: Convert coconut hair oil clients to light hair oil clients through testing, directed promoting efforts, new product development and create awareness for switching to light hair oil by product differentiation strategy.

Strategy: Exploring more the rural market and focused entry

Action Steps: A) Tap the expansion in discretionary cash-flow of rural India and convert rural purchaser from unbranded to branded items by furnishing them with an exciting offer B) Among its key rivals, BIL's oil is the main brand which is available in sachets – Marketing initiative is the key.

Strategy: Optimum utilization of the existing strength to launch new products

Action Steps: A) To make a solid distribution network over 1.6 Million Retail outlets which could have been ideally used by presenting new items B) To broaden stage created by its market leader light Hair Oil brand to other personal care items to use on the solid proposition of Vit E and healthy hair

Strategy: Pursue inorganic Opportunities

Action Steps: A) Inorganic growth opportunities in the FMCG and hair oil market as part of growth strategy and B) The inorganic growth opportunities will focus on targeting niche brands which can benefit from BIL's strong brand value.

Strategy e-commerce marketing:

Action Plan: a) Automated email marketing campaign b) product selling in more places, across channels c) Optimize checkout process d) Build a better mobile experience e) Expand presence across social media platforms f) Motivate customers to write product reviews g) Launch a loyalty program h) Word of mouth advertising.

Strategy : Deep Learning Framework:

With the help of Deep Learning Frameworks, BIL can estimate and predict about the stock that how much they need to produce on specific date or event like black Friday. In addition to this, historical, demographical, geographical, microeconomic and behavioral customer data and imitate or simulate the future models for predicting sales figure. This will also help BIL to recognize the demandable right product for right region/segment and less prominent products for less engaged customers accordingly.

Platform Business Strategy:

Action Plan: a) Accelerate early supply (with subsidies), b) Accelerate early demand (with subsidies) c) Attract high-value users (or celebrities),d) provide certainty through commitment.

BIL - SUSTAIN THE GROWTH

1. BIL should deliver an exceptional customer experience. The strategy should be wide-reaching and encompass the products and services, as well as marketing, channels, and sales and pricing strategies.

2. BIL should start Nurture their high-performing teams. The sustainable growth will come as talent are matured and help people develop skills to match the demands of growing business.

3. BIL should Expand CIO's role. Business Analytics, Big data , Artificial Intelligence , Business intelligence and Internet of Things present an important opportunity for the Chief Information Officer to play a more strategic role in the business. Apart from this, the old traditional forecasting methods need human interference and interpretation which may have full of errors whereas the (AI) Artificial Intelligence gives error free result because of the fully computerized and automated system. Further , as there are several cloud and server based applications are running in BIL , it is very important to implement the BI (Business Intelligence) tool and access proper , customized and real time data for the concerned stakeholders.

4. BIL should start analyzing the current operations strategy, operational excellence, and continuous improvement, and should create a resilient and sustainable supply chain.

5. BIL should frame and social media strategy and active social listening and should define content and encouraging engagement strategy. BIL should also deploy best practice approaches for the core social media platforms

6. BIL's communication strategy should integrate different digital channels including email marketing through a social media marketing hub is also a key issue here.

7. Based on the finding of a study , BIL face inside and outer weights to receive a computerized presence in internet based life through the social media .BIL's advanced engagement commitment can be looked in the lights of apparent advantages and computerized advertising utilization. To improve computerized based engagement , BIL must concentrate on relationship-based associations with their clients.

CONCLUSION

Today, FMCG have turned into a necessary piece of human life. This segment has made colossal business opportunity in India, henceforth getting to be one of the key mainstays of the Indian economy. FMCG organizations ought to encash opportunities like enhancing the income of the consumers, changing the way of life of the people buying the products , yearning rural buyer, steady financial development by using its power and qualities. The challenge from disorganized companies may be countered with growth strategies both organic and inorganic. It is imperative to say that Big data , business analytics coupled with Artificial Intelligence and Internet of things are going to rule the strategies in years to come. BIL's congruent effort in coping with the above mentioned sustainable growth strategy shall help the company to achieve the desired milestone.

REFERENCES:

- [1] Booz and Company Research Data (www.tradeindia.com/Seller-3080104-BOOZ-CO-INDIA-PVT-LTD.)
- [2] www.nielsen.com/in/en/insights.html
- [3] WHAT'S IN STORE FOR INDIA'S FMCG MARKET? www.nielsen.com/in/en/insights/reports/.../whats-in-store-for-indias-fmcg-market.html; Nov 25, 2014
- [4] FMCG January 2016 - INDIA-OPPORTUNITIES www.india-opportunities.es/archivos/publicaciones/FMCG-January-2016.pdf Jan 16, 2016 - Retail market in India -<https://www.statista.com> › Industries › Retail & Trade › International Trade
- [5] Conversion Rate: 1 USD = 66.72 INR, usd.fx-exchange.com/inr/exchange-rates-history.html; 01/11/2016
- [6] www.mbarendezvous.com/general-awareness/hair-oil-market-in-india/ (Accessed on 23/11/2016)
- [7] www.businesswire.com/news/.../Research-Markets-India-Hair-Care-Market-Outlook
- [8] timesofindia.indiatimes.com › Business; Jan 12, 2016
- [9] Hair Oil Market -www.business-standard.com/search?type=news&q=Hair+Oil+Market (Accessed on 23/11/2016)
- [10] www.euromonitor.com/skin-care - <https://www.alliedmarketresearch.com> › Latest Ongoing Reports (accessed on 23/11/2016)
- [11] www.euromonitor.com › ... › Beauty and Personal Care › Skin Care (accessed on 23/11/2016)
- [12] www.nielsen.com/.../nielsen-global/.../india-breakthrough-innovation%20-report-niels...
- [13] <https://globenewswire.com/.../Skin-Care-Products-Market-Size-Is-Projected-To-Reach...> To read along with
- [14] www.prnewswire.com/.../skin-care-products-market---global-industry-analysis-size-sh...
- [15] www.researchandmarkets.com/reports/.../hair-care-market-in-india-forecast-to-2020
- [16] www.transparencymarketresearch.com › Consumer Goods › Hair Care Market
- [17] www.technavio.com › Consumer and Retail
- [18] <https://www.statista.com> › Industries › Retail & Trade › International Trade
- [19] The End of Competitive Advantage: How to Keep Your Strategy Moving as Fast as Your Business by Rita Gunther McGrath
- [20] Blueprint to a Billion: 7 Essentials to Achieve Exponential Growth by David Thomson
- [21] <https://www.marsdd.com/mars-library/defining-your-competitive-edge/>
- [22] <http://pestleanalysis.com/pestle-analysis-india/>
- [23] <https://www.trilegal.com/index.php/publications/analysis/gst-impact-manufacturing-sector>
- [24] <https://www.scribd.com/doc/18476103/Equity-research-on-FMCG>
- [25] <https://www.innovationtactics.com/platform-business-model-complete-guide/>
- [26] <http://pharmaleaders.tv/award-winning-cosmetic-dermatologist-dr-chytra-v-anand-led-kosmoderma-wins-at-india-leadership-conclave-power-brand-2014/>
- [27] <https://www.forbes.com/sites/ey/2014/12/01/4-ways-to-build-sustainable-growth/#2909d82a3848>

- [28] Care, H. (2017). Allied market research. Retrieved 11 25, 2017, from Allied market research: <https://www.alliedmarketresearch.com/latest-industry-reports>
- [29] Garg, G. (2015). Basic Concepts and Features of Good and Service Tax in India., Article
- [30] Kumar, N. (2015). Goods and Service Tax in India-A Way Forward. Global Journal of Multidisciplinary Studies
- [31] Manju. (2015). Significance of GST as tax reform in India. International Journal of Academic Research and Development .
- [32] Statista. (2009). Estimated retail sales of Fairtrade International products in selected countries from 2010 to 2014, by country (in million euros). Retrieved 11 12, 2017, from [statista: https://www.statista.com/statistics/247459/ estimated-sales-of-fairtrade-products-in-selected-countries.](https://www.statista.com/statistics/247459/estimated-sales-of-fairtrade-products-in-selected-countries)