

iD FRESH FOOD: A COMPLIMENT TO HEALTHY HOMEMADE COOKING

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CASE DESCRIPTION

INSTRUCTORS' NOTE

The case discusses the unique ideas and various marketing strategies adopted by the first mover iD Fresh Food on its journey to gain huge customer base in the Indian market. The case study examines the thought-provoking factors that have contributed to the victory of iD Fresh in gaining a remarkable success. The underlying issue of the case is to examine how far the close-knit management style is going to sustain its market leadership position in future. The case is aimed at students studying MBA and other related business management courses such as Entrepreneurship Development, Strategic Management, Brand Management, Marketing Communication and Marketing Management curriculum.

CASE SYNOPSIS

Indian households are increasingly moving from cooking fresh meals at home to buying ready to cook packaged food. From sourcing *the* right ingredients like rice, split black gram and fenugreek seeds to make a perfect batter for fluffy idly and crispy dosa is a matter of the past now. In the wake of such a situation, an IIM alumnus P.C. Musthafa's idea was positioned well to tap into the \$50 billion market. The idea was ready-to-cook idli dosa batter, which is a healthier option without artificial flavors and preservatives in comparison to ready to eat food. 'Idli' is a rice and lentil savoury cake traditionally served for breakfast in Indian households, which is made by steaming the batter and 'dosa' can be made with the same batter in the form of a pancake. Started barely a decade ago by a close knit family of five cousins with one-product and a meager initial investment the one-city company, iD Fresh Food (India) Private Limited attained a market leadership position in its home market (Bengaluru) with current annual turnover of over Rs.1500 million. Today, iD fresh foods have expanded its presence to other cities such as Chennai, Hyderabad, Mumbai, Pune, Mysore and Mangalore and in UAE, with each city having its own local factory. The present case study has been developed with an intention to analyse how *iD fresh food* has built a brand out of an unbranded commodity.

Keywords: iD Fresh, P.C. Mustafa, Marketing strategies, Branding, Entrepreneurship, Strategic Management, Marketing Communication, Ready-To-Cook (RTC), Ready-To-Eat (RTE).

METHODOLOGY

1. Students should be briefed on the theoretical concepts such as marketing mix, critical success factors and key performance indicators, first mover advantage, strategic planning model etc to apply the concepts to solve the case.
2. The facilitator can conduct a brainstorming session to identify the constructive strategies adopted by the company to make its mark in RTC category.

3. The instructor should motivate the students to prepare a gist of milestones achieved by the company since its inception.
4. The students can also be encouraged to draw a product life cycle based on the given case facts.
5. The facilitators can also support students to analyse and prepare a SWOT for iD Fresh.
6. The instructor can simulate a role-play to indulge the students in resolving the future sustainability of the company.
7. Students should be encouraged to prepare a business plan for Ready-To-Cook (RTC) product category based on their own assumptions.

TEACHING OBJECTIVES

The case study analysis gives insight on converting a viable business idea into a business enterprise and it facilitates the students to come out with a comprehensive action plan for establishing a brand identity for a generic product. From the case, the participants can demonstrate the importance of selecting the right marketing mix to pave the way for successfully launching a traditional Ready-to-Cook Indian breakfast.

The case expounds the importance of being a first mover and illustrates how the first movers can make use of their potential to leave a long-lasting impression in the market. The participants will be able to evolve the strategies required for the long-term survival of a close-knit family owned business. The participants will be exposed to the concepts like ‘continuous innovation’, ‘incremental innovation’ and thus they could evaluate the importance of the same while scaling up the business operations of a start-up company. The case discusses how the strategic decisions can guide the company in turbulent times and make a way for sustained profit.

The case is structured to understand and analyse

1. How marketing strategies helps the startup companies to create an identity for itself in the market.
2. Building a brand around an unbranded commodity.
3. The significance of quality management in scaling up a business.
4. The strategic decisions taken by an entrepreneur to create a sustainable business.
5. The opportunities and advantages available for the first mover in the market.
6. How a company’s core competencies can help to build a competitive advantage.

TEACHING METHODS

1. The class can be divided into groups depending upon the number of students/participants comprising of 4-5 members for pre-class preparation by sharing the case study.
2. The teaching case requires nearly 3 h of pre class-preparation by groups to come out with some realistic explanations.
3. The case could then be examined in class by soliciting inputs from groups evolved during the discussion. This would require approximately 2 h.
4. The instructor should highlight the crux of the case and encourage group members to understand the underlying issues in the case.
5. Finally, the instructor should analyse the case, evaluate alternatives and provide suitable recommendations.

DISCUSSION QUESTIONS

1. Identify the critical success factors for iD fresh.
2. What are the potential opportunities available for iD fresh in further establishing its brand identity?
3. Critically examine the various marketing mix adopted by iD fresh and evaluate which elements have contributed more for the success of iD fresh.
4. Do a SWOT analysis for iD Fresh Company.
5. In the face of growing competition, what strategies would you like to suggest to iD Fresh to sustain its market position with the existing marketing efforts.

DISCUSSION QUESTIONS ANSWERS

1. Identify the critical success factors for iD fresh.

Critical Success Factors (CSF) is the essential variables, which direct the company towards achieving its goals & objectives. It is also used as a tool for quality improvement. CSF in the case is: Preservative-free batter, Ready-To-Cook instead of Ready-To-Eat thereby giving consumers the satisfaction of making their own meal. Traditional way of batter preparation, quality ingredients, convenient packaging, robust distribution network in order to retain freshness, IT enabled real time information based replenishment policy following JIT model, self-managed distribution channel, strict adherence to quality management are also key determinants for its success (Table 1).

Table 1			
CRITICALLY EXAMINE THE VARIOUS MARKETING MIX ADOPTED BY ID FRESH AND EVALUATE WHICH ELEMENTS HAVE CONTRIBUTED MORE FOR THE SUCCESS OF ID FRESH.			
Product	Price	Place	Promotion
<ul style="list-style-type: none"> • The extensive product line includes just heat whole wheat parota, just heat whole wheat chappathi, just heat malabar parota, just heat whole wheat parota junior, just heat mini parota, besides udupi style idly dosa batter, natural paneer - a cottage cheese and natural curd. • Providing a customized touch to each product to give the exact taste of the homemade items • Product is naturally fermented. • Boat shaped convenient packaging which can withstand different climatic conditions • USP: RO water, conventional ratio maintained for making batter, preservative free without artificial flavours & chemicals • Dishing out two recipes from the same batter • ISO certification 	<ul style="list-style-type: none"> • Value based pricing strategy • The price of the products is on par with the competitors (local vendors) • 'Trust Shop' that allows customers to pick the product and pay the total price at the cash box or in instalments. 	<ul style="list-style-type: none"> • Self-managed distribution channel • Presence of both consumer as well as business channel network • Maintains strong direct relationship with channel partners • Local manufacturing units across different locations for a centralized distribution • Follows intensive distribution instead of selective distribution • Partnership with e-commerce grocery websites like big basket and grofers • Installation of vending machine called as 'Trust Shop' to reach offices & apartments • Delivering to restaurants, hotels and airlines kitchen • Implementation of JIT inventory model and IT enabled distribution to track accurate sales, returns & inventory. 	<ul style="list-style-type: none"> • Product differentiation based on its positioning as RTC instead of RTE food • Sales promotion tools used like tie-up with paytm & freecharge • Installation of 'Trust Shops' in housing complexes and offices • Packaging aesthetics to attract consumers • Follow both ATL (billboards, hoardings etc) & BTL (TV, radio, social media, newspaper, magazines) advertising.

2. What are the potential opportunities available for iD fresh in further establishing its brand identity?

Changing family lifestyles, rising disposable income, change in family structure, more women in workforce and their urge to save time and labour and being a first-mover in the segment serves as an opportunity for the company. Besides, the fact that consumers are more open in experimenting newer cuisines and Indian cuisine being the second most popular across the globe leads the company to expand globally can be discussed (Table 2).

<p>Strengths</p> <ul style="list-style-type: none"> • Company is led by a qualified management graduate from IIM • First mover in RTC category of idli dosa batter • Quality in terms of ingredients, freshness and preservative free • Ensuring quality through efficient distribution and delivery model and with unique packaging • Self managed distribution system to replenish orders. • The viable business model can be replicated in the newer markets 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Closed knit management style may be a reason for concern considering the growth trajectory. • Centralized decision making • Perishable nature of the product/short shelf life • The cold storage chain is crucial to maintain the shelf life of the product.
<p>Opportunities</p> <ul style="list-style-type: none"> • Scope for venturing into new markets in different geography • Scope for proliferation of new products • Growing number of dual income groups looking for convenient food items to cook. • Transition in family-life-cycle • More growth opportunities due to interested investors. 	<p>Threats</p> <ul style="list-style-type: none"> • Competition from local vendors in Indian market/unorganized sector. • Shift in eating habits from traditional food.

3. In the face of growing competition, what strategies would you like to suggest to iD Fresh to sustain its market position with the existing marketing efforts.

Apart from the regional market, iD fresh food has to follow aggressive marketing strategies in order to tap their untapped potential in national and international market. With a growing concern for health among consumers, iD Fresh can emphasize on various health benefits of consuming RTC instead of RTE food options available in the market. They should also plan for smaller SKUs (Stock Keeping Units) for its products for one-time usage. For International market, complementary recipe books can be provided to aid international consumers to try new Indian recipes. Apart from present target segments such as working women and bachelors, the company can also target students staying away from home who wish to prepare their own meals. iD fresh can also come out with new product variants, which cater to the needs of the health-conscious elderly. The company can introduce more combo packs for consumers to try new variants and thus they can follow price bundling strategy.

Note: Above are the probable suggestions for the company. Apart from this, students can recommend more strategies based on the case facts.