

Case 2B

Type: Market Entry



Problem Statement:

Client is an India-based edible oil manufacturer. They are strong in the Southern part of India with ~98% market share. They want to enter new markets- you need to draft GTM strategies for the same.

SCRIPT KEY	
Interviewee/Candidate	
Interviewer	

Client is an India-based edible oil manufacturer. They are strong in the Southern part of India with ~98% market share. They want to enter new markets – you need to draft GTM strategies for the same.

Okay. Can you tell me more about the client? Is edible oil their only business or they have any other source of revenue as well? What is their product mix? Do they manufacture the products in house? How do they distribute it? Does the client want to enter new markets because the market has saturated in South since they already have a high market share, or is there any other reason as well?

Edible oil is their only business. They have 2 types of oils – sunflower oil or vegetable oil, and health-based oils (soybean, coconut, mustard, etc.). They manufacture it inhouse, and distribute it through third party distributors. They want to enter new markets because the current market is saturated.

Okay, thank you. Are there any particular markets that are being considered? Is it restricted to India or can we explore international markets as well? When is the client looking to enter these markets?

The aim if revenue growth since the south Indian market is saturated. We are currently considering the north, east, west and central India. We are open to international markets as well, but for this case consider India only. You need to figure out which market to target first.

Is the demand of both products similar to South India in each of these regions? Can you tell me if the market is growing for each of these products?

No, the demands and growth rates are different. This is the data available, you can recommend basis these numbers.

Growth	North	West	East	Central
Sunflower Oil	-4%	0%	2%	15%
Health Based Oil	12%	5%	25%	50%
Demand	North	West	East	Central
Sunflower Oil	80%	80%	10%	95%
Health Based Oil	20%	20%	90%	5%

North	West	East	Central
85%- 3 Players	85%- 2 Players	25%- 2 Players	35%- 3 Players
15%- 10 Players	15%- Fragmented	75%- Fragmented	65%- Fragmented

As per this data, firstly I will not target North because 3 players have dominated the market and it would be tough penetrating the market. Additionally, in sunflower oil even though there is high demand right now it is declining. Next, I would also not target West because majority of the market is of sunflower oil but it is stagnant. When I look at the other two markets, I would target health-based oil segment in East region, because it has a high demand and is also growing at a high rate. In Central even though health based oil segment has a very high growth rate, the market size is not attractive. I can look at expanding into sunflower oils in the central region after entering the East region.

That sounds good. Thank you

MARKET ENTRY CASE STRUCTURE

Client is an India-based edible oil manufacturer. They are strong in the Southern part of India with ~98% market share. They want to enter new markets- you need to draft GTM strategies for the same.

QUALITATIVE INFORMATION

Case background:

An edible oil manufacturer wants to enter new markets and needs go-to-market strategies for the same.

Case facts:

- India-based edible oil manufacturer
- Strong in the Southern part of India
- approximately 98% market share
- Edible oil is their only business
- Two types of oil- (i) sunflower oil or vegetable oil, and (ii) health based-oils (soybean, coconut, mustard, etc.)
- Oil is manufactured in-house
- Distribution of oil is through third party distributors
- Current market is saturated; therefore the client wishes to enter new markets
- Considering the north, east, west and central India
- Demand and growth rates for the products is different in all regions

RECOMMENDATIONS

The Client is recommended to target health-based oil segment in East region, because it has a high demand and is also growing at a high rate. After that, the Client can look at expanding into sunflower oils in the Central Region.