Impact of innovative marketing strategy behind Balaji wafers brand profitability in Pune city

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Abstract

Balaji Wafers’ success attributed to its innovative marketing strategies, which include word-of-mouth advertising, quality control checks, and a dedication to sustainability. The company’s regional focus and distribution strategy may be responsible for its leadership in Gujarat and Maharashtra. Balaji has succeeded in growing its market share by offering a greater selection of goods and services at competitive prices. Current trends should be included, social media platforms should be used actively, and sustainable practices should be used. The Innovation Adoption Curve clearly shows Balaji’s astute product strategies. Future growth is possible if local as well as International presence is maximised, undiscovered markets are investigated, and corporate social responsibility is given top priority. The importance of consumer-centric marketing as a crucial element in establishing long-term success in fiercely competitive industries is highlighted by this case study.

Keywords: Marketing strategy; Segmentation; Pune; FMCG; Brand

1. Introduction

The execution of a marketing strategy is critical in developing brand recognition and producing revenue, especially in today’s highly competitive corporate climate. It not only broadens the audience, but it also builds brand loyalty and ensures long-term financial sustainability. Balaji Wafers’ success is inextricably tied to its distinct marketing approach, emphasising its critical contribution to increased profitability. The major goal of this case study is to assess the effectiveness of Balaji Wafers’ marketing tactics, with a particular emphasis on the Pune city market. This report is to undertake a detailed analysis in order to uncover the major factors of Balaji Wafers’ success. The goal is to give crucial insights that may be exploited by enterprises in the snack sector.

2. Overview of the Organization

Chandubhai Virani is credited with the establishment of Balaji Wafers, a prosperous regional food enterprise. The company is well-recognised for its assortment of snacks derived from grains and potatoes (Bhushan et al., 2013). In the year 1972, at a period of severe agricultural challenges, Chandubhai and his siblings together invested a little amount of capital to establish the firm. Following early challenges in the fertiliser industry, the company successfully obtained a contract to operate a restaurant, where they sold wafers produced inside the local region.

Acknowledging the potential, Chandubhai made an investment in a small-scale wafer enterprise. The brand ‘Balaji’ was launched in 1984 and saw consistent growth afterwards. Despite limited promotional efforts, the success of Balaji is

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contingent upon its commitment to quality, affordability, and robust corporate social responsibility (CSR) endeavours. The company offers its goods at a price that is 50% lower than its competitors.

![Figure 1 Balaji's Wafers revenue in 2020](Source: Singh, 2021; forbesindia, 2021)

In the Indian market, the firm had a revenue of 2374 crores in the year 2020. The Economic Times has bestowed to Balaji the honorary title of "Sultan of Wafers" because to their extensive distribution network and unwavering commitment to trust, passion, and diligent efforts. According to Minhas (2023), Balaji and Bikaji accounted for around nine percent each of the market share in the ethnic snacks market in India during the fiscal year 2022.

3. Innovative Marketing Strategies Implemented

3.1. Word-of-Mouth Marketing: Leveraging Customer Advocacy

According to an article by Mehta (2009) in Economictimes.india, the success of Balaji Wafers is enhanced by the active participation of customers in referring the product to others. Satisfied customers often engage in the practise of recommending their preferred tastes to their acquaintances and relatives, so establishing a strong network of word-of-mouth communication. The use of organic marketing has been crucial in cultivating trust and augmenting the brand's market penetration within the snack sector.

3.2. Quality Assurance and Affordability: Core Value Propositions

Balaji Wafers adheres to stringent quality control measures to ensure that every batch produced aligns with their elevated standards. The act of demonstrating devotion fosters the development of trust and loyalty. Balaji Wafers is notable for its ability to deliver high-quality snacks at affordable costs, catering to a wide range of consumers. This combination of excellence and accessibility is a distinguishing characteristic of the company.

3.3. Sustainable Practices and hygiene

ChanduBhai Virani, the Managing Director of Balaji Wafers, emphasises the use of modern mechanisation and automation inside their two extensive manufacturing facilities located in Rajkot and Balsar (Cleanindiajournal, 2014). The firm places a high emphasis on quality and cleanliness, drawing upon its extensive four-decade history in the industry. The Rajkot facility, which has the distinction of being the biggest in India, possesses a commendable processing capacity for both potatoes and chips.

The effective distribution network established by Balaji assures the timely delivery of fresh food to customers. In order to maintain cleanliness standards, a specialised staff is responsible for overseeing cleaning and maintenance operations, using ride-on sweepers and high-pressure jet cleaning equipment. Waste materials, such as water and defective chips, are effectively controlled by established procedures, such as wastewater treatment and the manufacture of bio-gas
Windmills play a significant role in promoting sustainability and adopting an environmentally friendly approach by effectively mitigating carbon emissions (Cleanindiajournal, 2014).

3.4. Distribution-only model

Despite lofty aspirations, Balaji Wafers maintains a regional emphasis, with over 70% market domination in Gujarat and 60% in Maharashtra (Shashidhar, 2014). Unlike industry behemoths like PepsiCo, who invest heavily in advertising, Balaji depends on a vast distribution network of 600 dealers spread over both states (Shashidhar, 2014). As a success formula, Chandubhai emphasises understanding client demands and producing excellent goods. This strategy not only ensured Balaji’s supremacy in Gujarat, but also pushed PepsiCo’s Lays out of the market leader position in Maharashtra (Shashidhar, 2014). Balaji, under the distribution-centric strategy, delivers more chips for the same price as rivals like Lays or Bingo. However, rising potato costs may force a decrease in grammage. Furthermore, the firm is moving its attention to snacks, with wafers’ proportion to overall sales declining from 70% to 40%, in line with industry trends favouring the burgeoning namkeen sector (Shashidhar, 2014).

3.5. Porter’s Generic Strategies

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Description</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Leadership</td>
<td>Offering quality products at competitive prices by optimizing production processes and supply chain efficiencies.</td>
<td>Balaji Wafers offers its products at prices that are 50% less than some popular competing brands.</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Setting Balaji Wafers apart from competitors through unique spices and flavors, contributing to brand loyalty and a dedicated customer base.</td>
<td>Balaji Wafers’ ‘Hing Jeera’ flavored wafers provide a distinct taste that sets them apart in the market.</td>
</tr>
<tr>
<td>Focus</td>
<td>Initially focusing on the Rajkot market to establish a strong foothold, and strategically expanding into markets with demand for their products.</td>
<td>Balaji Wafers expanded to Pune, strategically targeting a market where there was demand for their products.</td>
</tr>
</tbody>
</table>

(Source: Self-Created)
4. Market Research and Consumer Behavior Analysis

4.1. Understanding Pune's Consumer Preferences in Snack Consumption

Consumer preferences in snack consumption in Pune exhibit a propensity for a wide array of flavours, including both conventional and regional alternatives. The prevalence of health-conscious options and the increasing popularity of snacks that provide nutritional advantages are on the rise. Furthermore, there exists a predilection for snacks that possess the attribute of being easily consumed when engaged in activities outside of a stationary location. Consumers in Pune exhibit a preference for companies that place a high priority on sustainability and use eco-friendly practices. Balaji Wafers, due to its distinctive range of flavours, emphasis on quality, and commitment to sustainable practises, exhibits a strong compatibility with the prevailing consumer tastes in the Pune market.

4.2. Target Demographics and Psychographics in Pune

- **Demographics**: Balaji Wafers serves a diverse range of individuals in Pune, including students, employed individuals, and households. The cost-effective price and handy packaging of the product have garnered popularity among customers that prioritise financial considerations.

- **Psychographics**: Balaji Wafers attracts consumers in Pune who possess a preference for regional flavours and have a proclivity towards environmentally aware choices. The distinctive assortment of spices and environmentally conscious methods used by the company appeal to those who prioritise genuineness and ecological stewardship.

4.3. Analyzing Market Trends, Competitor Strategies, and Consumer Perceptions

Market trends in Pune demonstrate a preference for regional flavours, an increase in health-conscious alternatives, and a desire for convenient, eco-friendly solutions. Balaji Wafers skilfully responds to these trends by producing products such as ‘Hing Jeera’ flavoured wafers, providing baked alternatives, and using eco-friendly packaging. This corresponds to Pune's customer preferences. Frito-Lay, Haldiram’s, Prataap Snacks, Lays India, and Bikanervala use a variety of market-sustaining techniques. Balaji Wafers distinguishes itself via its constant devotion to quality, making it a dependable snack source. Their emphasis on diverse regional flavours and ecologically friendly practises appeals to environmentally aware customers. Balaji Wafers' accessible packaging appeals to many people's fast-paced lives, establishing the brand as a preferred snack option.

5. Impact Assessment: Marketing Strategies on Profitability

5.1. Revenue Growth

The company Balaji Wafers has seen significant increase in its revenue over time, which suggests the efficacy of its marketing techniques. By using strategies such as product diversification, market development, and targeted promotions, the firm has continually achieved growth in its sales and income numbers. During the previous fiscal year, Balaji Wafers had a notable growth in revenue, with a 25% rise seen in comparison to the preceding year (VORA,2021). The observed expansion may be ascribed to the effective introduction of new product categories, such as baked snacks, which garnered significant appeal among consumers with a strong inclination towards health-conscious choices.

5.2. Market Share Expansion

The brand has successfully attained a substantial portion of the market in the highly competitive snack business. This accomplishment serves as evidence of the effectiveness of its marketing strategies in attracting and gaining the favour of consumers. Currently, Balaji Wafers has a significant market share of 30% in the potato wafer area within the Pune region. The high prevalence seen may be attributed to deliberate endeavours in strategic market penetration, including extensive distribution growth and focused advertising campaigns.

5.3. Return on Investment (ROI)

The marketing strategies undertaken by Balaji Wafers have yielded a favourable return on investment (ROI). This implies that the allocation of resources towards marketing endeavours has resulted in favourable financial outcomes. The allocation of resources towards advertising, marketing, and product development by the corporation has resulted in a notable upswing in both sales and profitability. Balaji Wafers’ latest ad campaign with Ayushmann Khurrana “Kam Hawa/ZadaHawa” allocated a budget of Rs. 2,00,000 for a targeted digital advertising campaign on social media.
platforms and search engines. According to a report by EconomicTimes (2019), the implemented campaign yielded a notable 35% surge in online sales, hence producing a revenue of Rs. 3,00,000.

6. Evidenced Success Factors Attributed to Innovative Marketing Strategies

6.1. Consumer-Centric Product Diversification

Balaji Wafers debuted a line of regionally flavoured wafers, such as 'Hing Jeera' and 'Pudina,' that were suited to local taste preferences. This move not only broadened the brand’s appeal, but also positioned it as a pioneer in providing various, culturally inspired snack alternatives. Balaji Wafers displayed an intimate awareness of its target market by actively listening to customer preferences and adjusting product offers appropriately. This consumer-centric strategy resulted in greater brand loyalty and market share.

6.2. Regional Branding and Cultural Resonance

Balaji Wafers effectively used a strategic approach by capitalising on regional pride via the inclusion of important landmarks and cultural features into its advertising efforts. As an example, an advertising campaign was launched to promote the 'Gujarati Tadka' line of snacks, which included prominent sites from Gujarat, so cultivating a feeling of regional pride. Through leveraging regional emotions, Balaji Wafers effectively forged an emotional connection with customers and strategically capitalised on the pervasive sense of regional identity that is deeply ingrained throughout Indian society. The distinctive strategy used in this case fostered customer loyalty and played a significant role in establishing a strong market position (Li, et al., 2021).

6.3. Agile Response to Market Trends

In response to the increasing consumer demand for healthy snack alternatives, Balaji Wafers swiftly launched a range of baked snacks crafted from high-quality ingredients. The brand’s reputation for innovation and flexibility was strengthened by its proactive reaction to health-conscious customer trends. Balaji Wafers shown a high degree of adaptability by promptly adjusting to the changing needs of the market. The brand’s capacity to remain attentive to customer preferences and promptly provide relevant items established its status as a frontrunner in the industry for its ability to anticipate and address market trends.
6.4. Engaging Social Media and Television Presence

Social media platforms vary in size and functionality, making it a rich and diversified environment (Kietzmann et al., 2011). In reality, social media marketing is typically seen as a one-size-fits-all method, crossposting the same content across platforms (Pelletier, et al., 2020). Balaji Wafers effectively cultivate an interactive and captivating online presence via the use of popular social media platforms such as Instagram and Facebook. Consistent publications showcasing imaginative material, such as recipe suggestions and complementary snack combinations, established a committed virtual community of individuals passionate about snacks. Instead than using brand advocates, the firm focuses on quality and consistency. Interestingly, the TV show "Kyunki Saas Bhi Kabhi Bahu Thi" featured a similar Gujarati family called Virani, matching the success of the enterprise (SRIRAM, M, 2018).

6.5. Sustainable and Eco-Friendly Practices

The corporation has implemented many environmentally conscious initiatives, including the installation of effluent treatment facilities to clean wastewater. This treated water is then used for agricultural purposes or provided to chemical manufacturers. The organic waste generated by manufacturers is used for the production of bio-fuel in bio-gas plants, while wind turbines installed at each factory create environmentally friendly electricity (SRIRAM, M, 2018). The industrial premises located in Rajkot include around 2,000 plants and trees (SRIRAM, M, 2018).

In partnership with the Rajkot Municipal Corporation, they have also constructed a public utility centre called ‘Kotecha Chowk’ in Rajkot as part of the ‘Green City Clean City’ campaign (SRIRAM, M, 2018). Balaji Wafers, an esteemed member of the Snacks Food Association, has entered into a strategic collaboration with Iscon Group and SP Chips Potato Pvt Ltd to manufacture frozen delicacies under the brand name Iscon Balaji Foods (SRIRAM, M, 2018).

6.6. Distribution Excellence: Balaji Wafers’ Strategic Edge

Balaji’s collaboration with prominent retail chains like Big Bazaar and Reliance Fresh expands its market presence to urban customers (Bali, 2017). Concurrently, an efficiently structured network of regional distributors guarantees accessibility in less populated municipalities and remote regions. The implementation of a complete distribution plan by Balaji Wafers facilitates the company in effectively catering to a wide range of client preferences, hence strengthening its position within the market. Balaji Wafers demonstrates the significance of a well-designed distribution channel as a crucial determinant of success in the snack business via its strategic collaborations with both national and local merchants.

6.7. Innovation Adoption Curve: Balaji Wafers’ Product Strategies

The Innovation Adoption Curve illustrates the process through which customers accept new goods or ideas, including a spectrum of individuals ranging from innovators to laggards (Gonera, et al. 2021).

Balaji Wafers effectively manoeuvres across the Innovation Adoption Curve by using astute product strategies. The first group of customers, known as early adopters, enthusiastically welcomed Balaji’s distinctive flavours’ wafers, so paving the way for broader popularity. The bulk of consumers, who constitute the central market segment, quickly adopted a similar approach, attracted by the unique flavour and high quality. Even those who are generally resistant to change gradually yielded to Balaji’s services, attracted by the brand’s unwavering quality and price. Balaji Wafers demonstrates the strategic use of product innovation to appeal to a wide range of customer demands, hence achieving long-term success in the market.

7. Recommendations for Future Growth

- Balaji Wafers should sponsor events, promote locally, and work with local leaders to increase brand exposure in Pune. Social media and loyalty programmes in Pune may improve consumer connections.
- Exploring additional Markets: Market research might reveal unexplored markets or developing trends that could provide additional income. Strategic choices include health-conscious snacking and regional growth.
- Sustainable Growth CSR: Sustainable and corporate social responsibility practises show environmental commitment and appeal to eco-conscious customers. This improves society, brand image, and consumer trust.
8. Forecast upcoming 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Marketing Strategies</th>
<th>Brand Initiatives</th>
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<tbody>
<tr>
<td>2024</td>
<td>Digital marketing on social media platforms</td>
<td>Online customer engagement initiatives</td>
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<tr>
<td>2025</td>
<td>New product launches</td>
<td>Product diversification</td>
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<tr>
<td></td>
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<td>Strengthening sustainability practices</td>
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<tr>
<td>2026</td>
<td>Collaborations with local businesses</td>
<td>Community involvement</td>
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<tr>
<td>2027</td>
<td>Consumer feedback programs</td>
<td>Loyalty programs</td>
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<tr>
<td>2028</td>
<td>Competitive analysis and response strategies</td>
<td>Partnerships with established brands</td>
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<td>Regional branding</td>
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<td></td>
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<td>International Branding</td>
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(Source: Self-Created)

9. Conclusion

The rise of Balaji Wafers from humble beginnings to become a prominent regional snack brand highlights the significant impact of creative marketing methods on enhancing profitability. By implementing a strategy centred on consumer-centric diversification, regional branding, and agile responsiveness to market developments, Balaji Wafers has successfully attained a significant portion of the market and fostered long-lasting client loyalty. The brand’s dedication to ensuring high standards of quality, affordability, and sustainable practices has garnered significant resonance, hence contributing to its continued success. Moreover, the proficient use of social media by Balaji Wafers, along with a meticulously organised distribution network, has played a pivotal role in sustaining its market leadership. This case study highlights the significance of using successful marketing strategies that are grounded on a deep knowledge of consumers and the capacity to react to changing market conditions. These factors are crucial for achieving long-term success in highly competitive marketplaces.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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