

## Cases of Innovating Companies -Assignment

### CASE STUDY

#### Case 2: ITC — Portfolio-Led Indian Innovation

Background: ITC (Indian Tobacco Company, now simply ITC) started as a cigarette company in 1910 and today is one of India's most diversified companies across FMCG (Aashirvaad, Sunfeast, Bingo, Yippee), premium hotels (ITC Hotels), paperboards and packaging, agribusiness, and information technology. Revenue FY2024: Rs. 75,000+ crore.

Innovation strategy: ITC used the profits from its highly profitable (but declining due to health awareness and regulation) tobacco business to fund innovation in new FMCG categories. This is portfolio-led innovation using BCG Matrix thinking — the tobacco business is a classic 'cash cow' (high profit, low growth) funding the FMCG 'stars' (high growth, still building profit). Every rupee ITC earns from cigarettes is being reinvested in building the next generation of Indian consumer brands.

Product innovations with detail: Aashirvaad Atta (2002) — developed after extensive consumer research across Indian states on preferred wheat type, coarseness, and chapati-making quality. ITC discovered Indians in different states have radically different chapati preferences. Today it is India's No.1 branded atta. Bingo chips — entered the highly competitive snacks market against Lay's and Kurkure with unique, intensely Indian flavours and quirky advertising. Sunfeast biscuits — entered the premium gifting biscuit segment with Italian cream biscuits and Dark Fantasy.

e-Choupal platform: ITC's e-Choupal (launched 2000) is a platform innovation in agriculture — building internet kiosks in rural India to connect farmers directly to markets, bypassing middlemen. Covers 4 million farmers across 40,000 villages. This is classic platform strategy: ITC built the infrastructure, and farmers and buyers transact on it. Farmers get better prices; ITC gets a direct, cost-efficient procurement channel.

Packaging innovation: ITC's Paperboards division supplies sustainable, eco-friendly packaging to ITC's own brands and hundreds of other FMCG companies. Their paper-based packaging for premium biscuits replaces plastic entirely — a competitive advantage as plastic bans increase globally.

#### Discussion Questions:

1. Which Booz-Allen category is Aashirvaad Atta for ITC? Justify your answer.
2. Explain ITC's portfolio strategy using PLC concepts — which products are cash cows, stars, and question marks?
3. How does e-Choupal exemplify platform strategy? Who are the different 'users' on this platform?
4. What is ITC's positioning for Bingo chips? Classify it using the six positioning strategies from Chapter 5.

### CASE STUDY

### Case 3: Reliance Jio — Disrupting India's Telecom

**Background:** Reliance Jio launched on September 5, 2016 with completely free voice calls and nearly free 4G data (Rs. 1-2 per GB vs Rs. 250-300 per GB before Jio). Within 6 months it had 100 million subscribers — the fastest growth in telecom history globally. India transformed from 155th in the world in mobile data consumption to No. 1 within 2 years.

**Type of innovation:** Classic disruptive innovation (Christensen model). Jio did not invent 4G technology — it existed globally. But by dramatically lowering the cost to near-zero, it disrupted the entire Indian telecom industry. The consequences were devastating for competitors: Aircel went bankrupt. Videocon Telecom shut. Telenor India exited. Reliance Communications (Anil Ambani's company) collapsed. Vodafone and Idea were forced to merge to survive. India went from 12+ telecom operators to 3.

**Technology strategy:** Jio invested Rs. 1.5 lakh crore (approximately \$20 billion) building its 4G network entirely on fibre-based infrastructure with no legacy 2G or 3G equipment. This 'greenfield' build approach meant lower operating costs in the long run. All technology was built internally — no licensing or major acquisitions. Now being extended to 5G (launched 2022) and Jio Platforms (AI, cloud computing, and enterprise services).

**Platform evolution:** Jio is now a platform business built on its telecom backbone. JioPhone (affordable smartphone), JioTV, JioCinema (streaming — broadcast IPL for free in 2023), JioFiber (home broadband), JioMart (grocery), JioHealth, JioMeet (video conferencing), and Jio Cloud all form an interconnected ecosystem. The free IPL streaming was both a platform play to lock in JioCinema users and a positioning decision to dominate India's digital entertainment market.

**Key strategic insight:** Jio's success demonstrates that cost reduction (Booz-Allen type 6) is not just about incremental price adjustment — when executed at massive scale with a completely new infrastructure, cost reduction can be the most powerful weapon in any market. Jio's Rs. 1.5 lakh crore investment created an asset that produces profits for decades.

#### Discussion Questions:

1. Map Jio's 4G launch on the Technology S-Curve from Chapter 3. What phase was 4G in when Jio launched?
2. Was Jio a first mover in Indian 4G? What advantages and disadvantages did its timing create?
3. How has Jio evolved from a product company to a platform company? Apply the platform strategy concept.
4. What does Jio's success teach us about cost-reduction (type 6) as an innovation strategy? When is it most powerful?

**CASE STUDY****Case 5: Amul — Consistent Innovation at Scale**

Background: Amul (Anand Milk Union Limited) is India's largest food brand, owned by a cooperative of 3.6 million dairy farmers through the Gujarat Cooperative Milk Marketing Federation (GCMMF). Annual revenue FY2024: Rs. 80,000+ crore. Amul proves that cooperatives can innovate as effectively as — and sometimes more sustainably than — private companies.

Innovation through line extension: Amul's growth story is almost entirely driven by additions to existing product lines (Booz-Allen type 3). Starting with butter in 1946, Amul has methodically extended into cheese, ice cream, chocolates, paneer, flavoured milk (Amul Kool), ghee, dahi, UHT milk, cream, butter milk, and even whey protein supplements. Each extension leverages the same critical asset: India's most trusted dairy brand combined with a massive cold-chain distribution network reaching every corner of India, including villages of 5,000 people.

The Amul Girl — a positioning masterclass: The Amul Butter girl was created by DaCunha Communications in 1966 and is the world's longest-running advertising campaign (60 years and counting). The format — a round-faced girl commenting with witty, topical butter puns on current events — has kept the brand relevant and beloved across six decades and multiple generations. Each hoarding is released within days of a major news event. In 2020, the Amul girl commented on COVID lockdowns, cricket matches, political events, and Bollywood releases — creating enormous organic social media sharing.

Cooperative advantage: Amul's cooperative structure means it must balance the interests of 3.6 million farmers with the interests of urban consumers. This limits aggressive pricing and rapid pivoting, but creates extraordinary stability and farmer loyalty. Farmers have no incentive to switch suppliers, giving Amul an unshakeable supply chain advantage. No private company can easily replicate this trust architecture.

**Discussion Questions:**

1. What is the risk of Amul's heavy reliance on line extensions (type 3) as its primary innovation strategy?
2. How does the cooperative structure affect Amul's innovation decisions compared to a private company like HUL?
3. Amul has entered the whey protein market. What Booz-Allen type is this? Who is the target market and what risks does it face?
4. What positioning strategy does Amul use? How has it maintained consistent positioning over 60+ years?