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## **Parle Products: Dominating the Indian Biscuit Market**

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### **Abstract**

Parle Products, a part of the Parle Group, is one of the most iconic and leading biscuit manufacturers in India. Known for its flagship brand *Parle-G*, the company has played a pivotal role in shaping the Indian biscuit market for decades. Parle's biscuits have become a household name across India, especially in rural areas, where the brand enjoys unmatched penetration. Established in 1929, Parle Products has a rich legacy and continues to dominate the Indian biscuit market with a variety of products catering to diverse tastes, budgets, and preferences.

The following case study delves into Parle Products' journey, key strategies, challenges, and its path to becoming the leading biscuit manufacturer in India. We will explore its flagship products, growth trajectory, and discuss its key success factors. We also present an analysis of the company's response to market changes, as well as some strategic recommendations for sustaining its market leadership.

### **Company Overview**

#### **A. Historical Overview**

Parle Products started its journey in 1929, initially manufacturing candies. The company expanded into biscuit production in the 1950s, with *Parle-G* (formerly known as *Parle Gluco*) becoming its flagship product. *Parle-G* quickly captured the hearts of Indian consumers with its affordability and taste. Over the years, the brand has diversified its biscuit portfolio to include various flavors and types, but *Parle-G* remains a dominant player in the Indian biscuit market.

Today, Parle Products operates out of several manufacturing plants across India and has expanded its product range to include snacks, confectionery, and

beverages. The company has established a strong presence not just in India but also in international markets, especially in the Middle East, Africa, and parts of Asia.

## **B. The Indian Biscuit Market**

India's biscuit market is one of the largest in the world, valued at billions of dollars, with rapid growth in both urban and rural areas. The market is segmented into premium, mid-range, and economy categories, with products catering to different tastes and price points. Parle Products is a key player in each of these categories, offering products across various price ranges to capture a broad consumer base.

Key competitors to Parle include Britannia Industries, ITC (Sunfeast), Mondelez (Oreo), and local regional brands. Parle-G is often seen as a direct competitor to Britannia's *Tiger* biscuits and ITC's *Sunfeast* range. Despite intense competition, Parle has managed to maintain its leadership in the Indian market through strategic pricing, product innovation, and an extensive distribution network.

## **Key Strategies for Success**

### **A. Brand Portfolio and Product Diversification**

Parle has successfully built a strong portfolio of biscuit brands that cater to different consumer segments, ensuring that it has something for everyone:

- **Parle-G:** Parle-G is the most recognized biscuit brand in India and the world. Originally marketed as a nutritious biscuit, it is widely consumed across urban and rural India. *Parle-G* became synonymous with affordable, good-quality biscuits, making it the go-to snack for millions of consumers, especially in smaller towns and villages.
- **Treat:** Targeting the premium segment, *Treat* is positioned as a higher-end biscuit with a more indulgent taste. Treat comes in several variants such as *Treat Choco Chips*, appealing to the growing demand for chocolate-flavored products.
- **Hide & Seek:** This premium brand caters to urban, affluent consumers looking for sophisticated snacking options. *Hide & Seek* offers chocolate-filled biscuits and has a presence in both urban and premium markets.
- **Marie:** Parle also produces a variety of Marie biscuits, which are lighter, healthier options often consumed with tea.

Parle's ability to offer a wide range of products allows it to target every market segment, from value-conscious buyers to premium customers.

## **B. Focus on Quality and Affordability**

Parle has managed to maintain its position as a leader in the Indian biscuit market by emphasizing the quality and affordability of its products. Its flagship product, *Parle-G*, was originally marketed as an affordable and nutritious biscuit for the masses. Over the years, it has retained its affordable pricing while maintaining consistent quality. This balance has helped the brand reach consumers across income levels, including those in rural and semi-urban areas, where affordability is key.

Despite being in a highly competitive market, Parle has not compromised on the quality of its products. The brand's commitment to quality has allowed it to maintain customer loyalty and build trust over the years.

## **C. Extensive Distribution Network**

One of the key factors contributing to Parle's success is its strong distribution network. The company's biscuits are available in over 6 million outlets across India. Parle has developed an extensive reach, ensuring that its products are available in urban, semi-urban, and rural areas. The brand's distribution channels range from local kirana stores to large modern trade outlets, ensuring that *Parle-G* and other products are easily accessible to all segments of the population.

Parle's reach in rural India is particularly notable. The company has developed an efficient supply chain to ensure that even remote areas have access to its products. This focus on rural markets has allowed Parle to build a loyal customer base in these areas, where other brands may not have as strong a presence.

## **D. Effective Advertising and Marketing**

Parle has consistently invested in marketing and advertising to strengthen its brand position. The company's advertisements often focus on the affordability, taste, and reliability of its products. *Parle-G*, for example, is often marketed as a nutritious and affordable snack for the whole family, making it a product that is suitable for both children and adults.

- **Celebrity Endorsements:** Parle uses popular celebrity endorsements to promote its products and build brand awareness. For instance, *Parle-G* has been endorsed by famous personalities like cricketer Sachin Tendulkar, which helps the brand connect with the target audience.
- **Jingles and Slogans:** Parle has utilized catchy jingles and slogans to build emotional appeal. For example, *Parle-G's* jingle "*Parle-G, the biscuit of India*" has become ingrained in the minds of Indian consumers, making it instantly recognizable.
- **Digital Marketing:** As digital consumption has risen, Parle has also adapted its marketing strategies to include digital platforms like social

media and online video ads. This shift helps the brand reach a younger, tech-savvy audience.

### **E. Innovation and Adaptation**

Innovation has been a key strategy for Parle Products to stay relevant in an evolving market. The company continuously experiments with new product formats, flavors, and packaging to meet changing consumer preferences.

- **New Flavors and Variants:** Parle frequently introduces new variants of its biscuits to keep the product line fresh. For example, the introduction of *Parle-G* variants such as *Parle-G Munch* and *Parle-G Milk* targets different taste preferences.
- **Health-focused Biscuits:** Parle has ventured into health-focused segments by launching products like *Parle NutriChoice*, which are low in sugar and high in fiber, targeting health-conscious consumers.

### **F. Corporate Social Responsibility (CSR)**

Parle also focuses on its corporate social responsibility initiatives. The company has invested in rural development, education, and health programs. Parle's CSR initiatives help build goodwill and foster positive brand associations, particularly in rural markets where social impact can make a significant difference.

## **Challenges Faced by Parle Products**

### **A. Intense Competition**

Parle operates in a highly competitive market with several formidable players like Britannia, Mondelez (Oreo), ITC (Sunfeast), and other regional brands. The competition is particularly intense in the premium segment, where Parle faces strong pressure from global brands like Oreo and local brands like Britannia's *Good Day*. In the mass-market segment, Parle must contend with local biscuit makers that offer similar products at lower prices.

### **B. Rising Raw Material Costs**

Like other food manufacturers, Parle faces challenges related to the rising costs of raw materials, particularly wheat, sugar, and edible oils. These fluctuations can lead to higher production costs, affecting the profit margins of companies in the food industry.

### **C. Health and Wellness Trends**

As Indian consumers become more health-conscious, there is increasing demand for low-sugar, gluten-free, and high-fiber products. Parle must continually innovate its product offerings to cater to this growing trend, especially as traditional biscuits are often seen as unhealthy.

### **D. Changing Consumer Preferences**

Consumer preferences are constantly evolving, and the younger generation is more inclined toward snacking on healthier options or products with international appeal. The challenge for Parle is to maintain its leadership position while adapting to the new demands of modern consumers.

## **5. Strategic Recommendations**

### **A. Embrace Health and Wellness Trends**

Parle should continue to innovate by introducing more health-conscious products, such as high-protein biscuits, gluten-free options, and low-sugar biscuits. Focusing on wellness can help Parle tap into the growing segment of health-conscious consumers.

### **B. Enhance Digital Marketing Efforts**

As online shopping and digital media consumption grow, Parle should increase its presence on digital platforms. The company can invest in targeted social media campaigns, influencer partnerships, and online ads to engage with the younger demographic.

### **C. Strengthen Rural Penetration**

Parle should continue to focus on strengthening its presence in rural India. This can be achieved by offering smaller, affordable packaging sizes and focusing on local advertising strategies to connect with rural consumers.

## **Questions**

1. What are the key factors that have contributed to Parle's success in the Indian biscuit market?
2. How can Parle adapt to the increasing demand for health-conscious products in the biscuit segment?
3. What strategies can Parle implement to strengthen its position in rural markets?
4. How can Parle manage the challenges posed by rising raw material costs?
5. Discuss the potential for Parle to diversify its product offerings beyond biscuits.