

Select Studies on the Impact of Pandemic and Product Pricing: A Case Study on Parle-G Brand

Mithun Nandy^{1*}, Soma S. Roy²

¹Department of Management (Alumnus), Vidyasagar University, Midnapore, West Bengal, India.

²Department of Management, J.D.Birla Institute (Affiliated to Jadavpur University, Kolkata), Kolkata, West Bengal, India

ABSTRACT

The selling of Parle-G biscuit recorded the highest sales among all biscuit companies operating in the Indian FMCG market during the lockdown period of India. The 1st quarter (April-June) audited sales of Parle-G of the financial year 2020-2021 broke all the records of past 9 decades sales i.e. for the period of 1929 to 2020 since from the inception of the company: 'Parle Products' followed by selling Parle-G biscuit brand having a maximum retail price of INR ₹5 & INR ₹2 in the biscuit category products. This proposed teaching case searches for answers like how come Parle-G had set the record by selling even extremely low-priced biscuit pack sizes like INR ₹5 & INR ₹2 in spite of the pandemic and lockdown time? An attempt has also been provided in this case study to underline how the poor people had been impacted by the Parle-G biscuit product during the unprecedented pandemic. This case also highlights the crucial factors which had enabled Parle-G for setting the sales record and enjoying a substantial market share in the biscuit segment in India during the aforesaid period.

Keywords: Consumer, FMCG, Pandemic, Selling.

Adhyayan: A Journal of Management Sciences (2022); DOI: 10.21567/adhyayan.v12i1.6

INTRODUCTION

Parle's Philosophy: Parle launched its first product – Parle Gluco – with an aim to provide nutrition to the masses mainly for the poor people.

"The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself." ~ Peter F. Drucker

Fast-moving consumer goods (FMCG) sector is India's fourth (4th) largest sector with household and personal care accounting for 50% of FMCG sales in India. For last few years India's FMCG industry has been growing in a significant manner and there are some factors are responsible for this incremental growth (India Brand Equity Foundation, 2020; Federation of Indian Chamber of Commerce & Industry, 2020).

Key Growth Drivers of India's FMCG industry

- Growing awareness
 - Easier access to FMCG product portfolio
 - Change in lifestyle
 - Changing in consumption pattern
 - Increase in literacy rate
 - Penetration of internet and digital literacy
- India's FMCG market is being divided in multiple

Corresponding Author: Mithun Nandy, Department of Management (Alumnus), Vidyasagar University, Midnapore, West Bengal, India., e-mail: mba.mithun@gmail.com

How to cite this article: Nandy, M., & Roy, S.S. (2022). Select Studies on the Impact of Pandemic and Product Pricing: A Case Study on Parle-G Brand. *Adhyayan: A Journal of Management Sciences*, 12(1):41-50.

Source of support: Nil

Conflict of interest: None

segments and hence revenue sharing model of India's FMCG sector also solely depends on the types of these markets. The urban segment accounts for a revenue share of around 55% of the total market is the largest contributor to the overall revenue generated by the FMCG sector in India, so remaining 45% is being contributed by the rural market. However, in the last few years, a different picture & perspective is being observed. It is very surprising to note that the FMCG market of India has grown at a significant faster speed in rural India compared to its counterpart urban India (India Brand Equity Foundation, 2020; Federation of Indian Chamber of Commerce & Industry, 2020). So in the light of the current context, both semi-urban and rural segments are contributing equally, i.e., 50% each and

hence penetration in the rural market with is of utmost importance of every FMCG marketers of India with right product-market fit. India’s FMCG market was valued at 68.40 billion U.S. dollars in 2018. This was expected to increase to 220 billion dollars by 2025. One of the main reasons for the double digit incremental growth over the last few years is basically the growth in rural consumption pattern in the length and breadth of India (Jaganmohan, 2020).

Profile of Indian Biscuit Market: History and Current Scenario

In past, biscuits in India were made by using ‘desi’ or ‘swadeshi’ (items indigenously available in India) ingredients like ordinary flour, sugar and saturated oil and used to undergo industrial procedures of molding, baking and cooling. However, an increase in the disposable income as well as changing tastes and preference of the Indian customers forced the biscuit manufacturing units to come up with a innovative range of biscuits. This challenge was met well with the innovation of salted biscuits by reducing the amount of sugar put in the batter by adding more salt. Other changes made in the production of biscuits were thinner crusts and addition of digestive ingredients to make them more nutritious. In current context, India is one of the largest biscuit manufacturing countries after the US and China. While the country is one of the largest biscuit

consuming nations, per capita consumption is still very low at 2.1 kg – compared to Ireland, which is the highest at 21.76 kg. The market for biscuits and cookies in India has come a long way accounting for about 72% of the sales in the bakery industry (Singh, 2020).

Factors Responsible for Growth in India’s Biscuit Selling

There are some crucial factors which influence on the significant growth of India’s biscuit selling.

- Increasing consumption of packaged and convenience foods
- The availability of a variety of biscuits
- An increase in disposable incomes
- Change in consumers taste and preference
- Increasing concern & awareness for health & wellness
- Shift towards premium biscuits such as sugar free for end users or consumers having diabetes, oats, and wheat & multi-grain biscuits.
- Glucose biscuit as nutritional supplement product

The above important factor mainly provides a major boost in the sales of India’s biscuit segment.

Market Size of India’s Biscuit Market

India’s biscuit market stood at \$3.9 billion in 2016, and is projected to grow at a compound annual growth rate (CAGR) of 11.27%, in value terms, between 2017 and 2022, to reach \$7.25 billion by 2022 (Singh, 2020; Research and Markets, 2018).

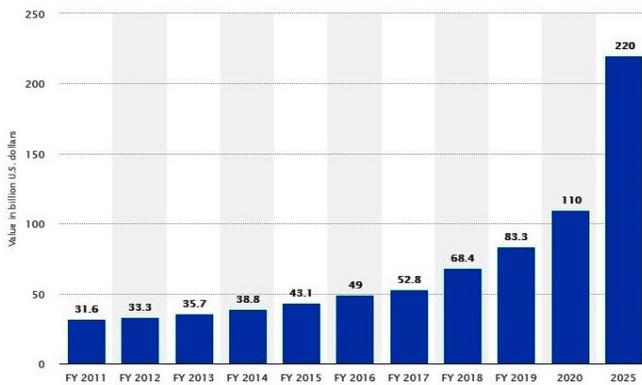


Figure I: India’s FMCG Market (Period FY 2011 to FY 2025)
 Source: www.statista.com

PARLE-G COMPANY PROFILE: BRIEF OVERVIEW

Way back in 1929, Mohanlal Dayal, a Mumbai-based family of silk traders purchased an old dilapidated factory for the purpose of manufacturing boiled confectionery. His profound influence by the Swadeshi movement had provoked him to travel all the way to Germany to gain expertise on the art of confectionery-making a few years prior. He returned to India in 1929, acquiring the requisite skills and the machinery-imported from Germany for Rs 60,000/-. The small factory set-up

Table I: Evolution of Parle G (Period: 1929-2020)

Initial Investment ₹60000	Product Range 150+
Employee Strength-12	Popular Brands 36
Product range: Production started with confectionary items.	Export Destinations 21+
Parle-G (introduced in 1938 as Parle Gluco)	India’s leading manufacturer of biscuits and confectionery.
1929	Makers of the world’s largest selling biscuit, Parle-G
	Parle brand name symbolizes quality, nutrition and superior taste.
	2020

Source: The Authors



was located in the villages of Irla & Parla. The factory started its operation with a mere 12 employees, with family members themselves-serving in the capacity of engineers, managers at confectionery markets. Much to surprise of any business entity, it is reported with that the founders were so deeply engaged with the manufacturing operation that they overlooked the nomenclature of the factory. Eventually, the first Indian brand of confectionery manufacturer was named after its place of birth. Hence it was called Parle (FinMedium, 2020).

Parle's first product was an orange candy and thereafter it started manufacturing various other candies and toffees. The first biscuit manufacturing commenced in the year 1939 when World War II broke out. The market then had British players like Britannia, Glaxo, United Biscuits etc. However these companies mainly targeted the elite class with expensive biscuits. In the face of intense competition against these established British players, Parle launched its first product – Parle Gluco – with an aim to provide nutrition to the masses mainly for the poor people. Through the beginning was humble, Parle Gluco biscuits quickly found a place in the hearts of homes of Indian, primarily because it was cheap & it satisfied the Indian palate. Gradually the demand stretched beyond the households and started getting acceptance amongst the British-Indian army during World War II (Coursehero, 2020; Study Mode Research, 2020).

THEORETICAL OVERVIEW AND FOUNDATION OF THE CASE

The present case has been conceptualized on two fundamental management concepts and a brief discussion about these two concepts is illustrated below.

C.K. Prahalad's marketing at the Bottom of the pyramid (BoP): Meaning & Concept

The bottom of the pyramid (BoP) is basically bottom of the wealth pyramid or the bottom of the income pyramid is the largest, but poorest socio-economic group. In global perspective, this is the 2.7 billion people who live on less than \$2.50 a day. Management scholar C.K. Prahalad popularised the concept of this demographic as a profitable consumer base to describe the poor and the underserved section of the market in his 2004 book entitled 'The Fortune at the Bottom of the Pyramid', written alongside Stuart Hart (Prahalad, 2019).

In Figure II, we can see that as we move higher and higher up in pyramid we find fewer and fewer

people having that wealth and if we lower down in the pyramid we find large number of people. The base of the economic pyramid or bottom of the pyramid (BoP) in India representing the masses is an over \$1.2-trillion market, making up the biggest chunk of the global \$5-trillion BoP market excluding China, as per the study conducted by the International Finance Corporation (IFC) and World Resources Institute (WRI). The BOP market in India is about \$1.205 trillion, in purchasing power parity terms, makes up 84.8% of the total \$1.42-trillion national household market of India (The Economic Times, 27th April 2007).

Abraham Maslow's Hierarchy of Needs Theory

This proposed case is based on the 'Hierarchy of Needs Theory' as first introduced in Abraham Maslow's 1943 research paper, "A Theory of Human Motivation". Maslow later refined this theory in 1954 with his book

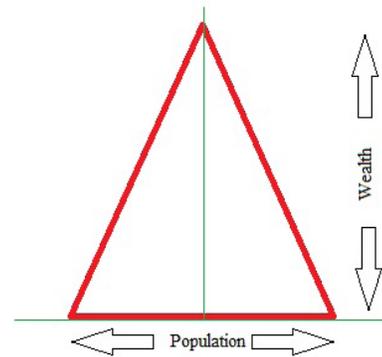


Figure II: Bottom of the Pyramid
Source: The Authors based on the concept

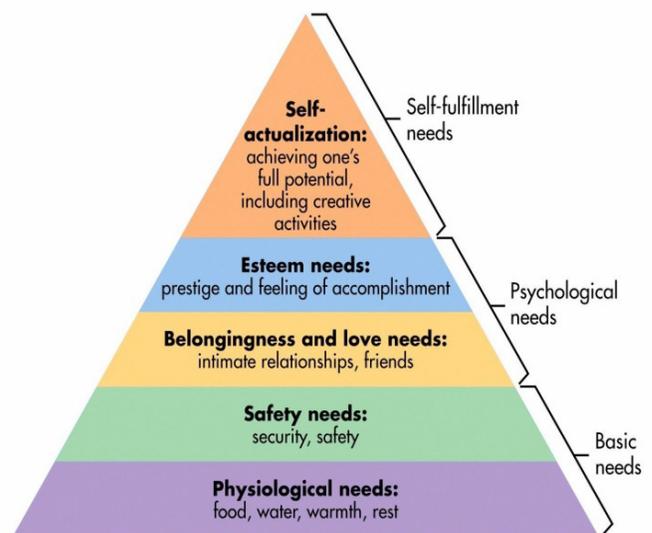


Figure III: Maslow's hierarchy of needs theory
Source: <https://www.simplypsychology.org/maslow.html>

entitled "Motivation and Personality". Since then, this theory has remained a popular subject in sociology, management training, and psychology classes across the globe (Corporate Finance Institute, 2020). In his exemplary work, Maslow (1943, 1954) stated that people are motivated to achieve certain needs and that some needs take precedence over others. As per the theory goes human's basic need is for physical survival, and this will be the very first & foremost thing that motivates & drives human behavior. Once that level is fulfilled the next level up is what motivates human to fulfill the order needs in a hierarchical manner. The proposed case study is having the link with respect to 'Physiological needs' as these are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep. If these needs are not satisfied the human body cannot function properly. Maslow considered physiological needs the most important as all the other needs become secondary until these needs are met (Simplify Psychology, 2020).

The proposed case basically deals with the 'biscuit' as food item for the fulfilling of basic needs of human life.

METHODOLOGY, LEARNING OBJECTIVES AND NOVELTY IN THE CASE

Methodology

This case has been developed based on the concept of C.K. Prahalad's Marketing at the Bottom of the pyramid (BoP) and Abraham Maslow's Hierarchy of Needs Theory. On one hand this case focuses on the low-price factor which basically allows a large number of people who are living in the bottom of the pyramid (BoP) areas inclusive of rural and micro interiors to consume product with an affordable price as suggested by distinguished management scholar C.K. Prahalad. On the other hand this case deals with the product which basically satisfies the physiological need of human being i.e. food item. Parle G biscuit product followed by glucose and nutritional value has been considered for this case. So this case is the blend of two management concepts as expressed above. Different publicly available sources have been used as listed below for developing this case.

- Corporate database extract of Parle-G
- Different websites

The case has been positioned as a teaching case. More specifically secondary information which had been published in the reputable corporate media as business news articles have been taken for developing this case study. To cross-check the authenticity of the information

published in the online sources, the authors also have referred Parle-G's website, annual reports and corporate brochures for the cross validation purpose.

Learning Objectives

This case study is a good prospect for students to get an insight into the biscuit marketing strategies in the emerging economies like India. The fast moving consumer goods (FMCG) marketing strategies with respect to biscuit product have been segregated on the basis of the 4 P's of Marketing Mix which will enable management students to gain an in-depth insight into the existing marketing concepts and amalgamate with modern concepts. Students will have an understanding of the management concepts and its corresponding application in the biscuit business in the context of Indian scenario.

Novelty in the Case: Why this case is Unique

This case might encourage practitioners and entrepreneurs operating in the fast moving consumer goods (FMCG) space to design the low-priced product for poor people. This case might also help companies to understand how the business sustainability can be attained by serving the low-priced products to the people living in the bottom of the pyramid (BoP) area. This case serves two specific perspectives, one way this case deals with the low priced Indian product in biscuit category to serve a large number of Indian people and the other way this case addresses how the large quantum of revenue can be generated by marketing low-priced biscuit product followed by setting record in selling biscuits even in pandemic time which was never witnessed before in an organization's experience curve enriched with almost 9 decades. From the point of social contribution this case may act as a catalyst to introduce low-priced products in FMCG as well as in non-FMCG segments to serve a large scale of beneficiaries towards bringing societal change in the emerging economies like India.

MARKETING MIX STRATEGIES OF PARLE-G

Parle embraces mass marketing for Parle G. There is a single marketing plan for the entire market, thus warding off any differential approaches to different sections of the target audience. Hence it is mass production, mass distribution & mass promotion of Parle G for all buyers.

Product

Parle G was initially sold in market as Parle Gluco until the 1980's. The "G" in the name Parle G ideated from



“Glucose” & the brand slogan also stated “G” for Genius. Parle G has been a very popular & strong household name for decades. It is a cream coloured yellow stripped wrapper, with a cute baby photo containing 10-12 biscuits with the company’s name printed on it in red. Being an age old name, that had encountered severe setback during post-independence, Parle G is associated with honesty (referring to its honest confession regarding shortage of wheat supply as an aftermath of partition). The brand is synonymous to energy & nutrition. This brand enjoys sentimental value throughout the length & breadth of India, thus making it iconic. Be it big cities, small towns or villages, Parle G symbolizes quality, health and taste.

Price

Since its point of inception, Parle G has followed a market penetration strategy, while portraying value for money. Ideally, the pricing strategies – thus attaining an image of a pocket- friendly, nutritious & delicious alternative to snacks or any meal. This has enabled the brand to generate large volumes of sale. Parle G is available for Re 1, Rs. 2, Rs. 4, & Rs. 25 packet. The margin of Parle G is 4% for the distributors & 10-12% for the retailers. Parle G has maintained its price at INR ₹ 4 (US \$ 0.05) for long period & the variation of price was for a mere 50 paise (INR ₹ 0.50 < INR 1 rupee)

Place

Parle G has extensive distribution system, thus making the biscuits available to the customers through both organized and unorganized retailers. There are approximately 1500 wholesalers distributing to about 4,50,000 retailers. Additionally, there are more than 30 depots and clearing and forwarding (C and F) agents supplying to a wide distribution network. Besides, there are manufacturing units in the bottom of the pyramid (BoP) areas also.

The Figure IV explains the supply chain management (SCM) of fast moving consumer goods (FMCG) which basically deals with the multiple day to day households products & brands which are being consumed by a large section of customers on daily basis (Manders

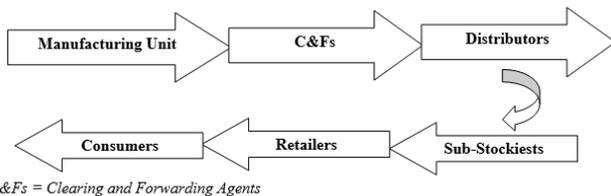
et al., 2016; Hesol, 2020). For example: biscuits, cooking oil, toothpaste, soaps, cosmetic items like shampoo, hair oil etc. In FMCG business operation SCM plays very important role and it’s most complex and exciting in nature. The FMCG marketers always try their level best to fulfil the top line and bottom line business objective by serving every nook and corners of the entire country through their seamless and robust distribution channel. There are so many stakeholders are involved in the supply chain process which are: Manufacturing Units, Clearing and Forwarding Agents (C and Fs), Distributors, Sub-Stockists, Retailers and Consumers or End Users. A zero defects FMCG supply chain always ensures the delivery of right product at the right place and at the right time. It can be said that because of robust supply chain of Parle-G a large section of rural customers including the migrant laborers could able to take the access of nutritious Parle-G products since the same was available in the length and breadth of the country during the pandemic & lockdown time. This perhaps one of the factors which resulted adequate sales of Parle-G biscuits as well as setting record of producing highest sales.

Promotion

Parle G undertook an array of promotion initiatives to promote the brand nationally. The primary medium of communication was through print ads. The USP of the brand was that of nutritional benefits. Parle G advertising journey has been quite iconic & has evoked nostalgia across generations the past 80 years. The first TV ad of Parle G was aired in 1982, for Doordarshan, with the slogan SWAD BHARE, SHAKT BHARE. The advertisement featured Dadaji along with his grandchildren. The message did not restrict its target audience to any specific age group wise thus aimed at children as well as adults. 1998 witnessed the wave of popularity of the Indian Superhero Shaktimaan Parle G in the actor as the brand endorser, to leverage upon the popularity of the actor. By sponsoring the popular TV soap ‘Shaktimaan’, Parle G etched an impactful position in the minds of the children, thus building its preference base amongst kids.

ADVERTISING AND BRAND BUILDING EXERCISES OF PARLE-G

The literacy challenges of the rural populace led Parle G to focus on TV advertisements to penetrate deeper into the rural market. The brand was repositioned on the emotional value attached to itself. A brief period of research, revealed the inclination of parents to encourage their wards in extra-curricular activities. In



C&Fs = Clearing and Forwarding Agents

Figure IV: FMCG Supply Chain
Source: The Authors

2002 Parle G undertook a six months duration campaign – ‘Mera Sapna Sach Hoga’. National level promotions were run that enabled kids to earn free scholarships and trips to Disneyland in Paris & Singapore. Having gained an insight into the parental psychology, Parle G decided to tap on the sentiment & in 2004 came up with the tagline ‘G mane Genius’. The advertisement campaigns comprised of ad stories/ films depicting the bravery, creativity & multi talents of children & the silent encouragement & support of their family members/ guardians. “G mane Genius” was promoted in various forms & roped in Amir Khan as the endorser, thus reinforcing ‘Do Genius - EK TALENT’ proposition.

The next wave of change came in 2006 when Parle G was considered as “Hindustan ki Taakat” – thus amalgamating the biscuit brand with the pride of India associating it energy, strength & intellect. In 2013, Ogilvy & Mather conceptualized “Kal Ka Genius” with the jingle ‘Roko Mat Toko Mat’. The heritage brand then decided to expand its foray & move beyond the emphasized on nostalgia benefits. Parle G emphasized on nostalgia, with ‘Wahi Pehli Wali Baat’ in 2014.

This campaign comprised of a series of & five-second TV commercials highlighting on the fact that there has been a sea of changes over the years, Parle G has retained its originality ever since its launch in the market. The brand was repositioned in 2017 as ‘Bharat Ka Apna Biscuit’ The TV commercials highlighted upon the popularity of homegrown brand. The ad sequence was that of young Indians, through their innovative contributions in various fields, made India to progress globally.

The nearer to accuracy translation (Hindi to English language) has been made by the authors on the basis of the actual Hindi texts incorporated in the Parle-G commercials.

Digital Connect & Brand Building Initiatives

2018 has witnessed a sea-change in the overall communication of India. With “Digital India”, getting a stronger foothold, it become mandatory for marketers to abreast themselves with the technological up gradation in their communication method. Parle G was no exception to this. While keeping ‘Genius’ at the core, the brand made a minor shift in communication form ‘Kal Ka Genius’ to ‘Genius Badal Rahi Hai’. The brand collaborated with Taproot Dentsu & enhanced its digital activity. ‘Aap Ke Digital Geniuses Ke Liya’ was one such attempts in the direction. The campaign comprised of 3 parts, each of which emphasized on the evolution of Parle G over time & has been the choice of every child even today. The brand moved on to rejuvenate the concept of #You Are My Parle G on various occasions like Raksha Bhandhan & Independence Day, launching digital films. The brand requested consumers to write about whom they associated with Parle-G in their personal circle. There were 5 digital films that were inspired by real life portrayal of consumers. These stories were short listed from several entries that they had received during the launch of campaign, back in May 2018. Parle G has significant presence in social media with 26,000 followers in Instagram, more than 36.2k on Twitter & 609k likes on Facebook page. Besides the advertisement strategies undertaken by Parle G, it has also initiated sales promotion techniques as a tactic to engage its customers. These initiatives have been modified over time to address various social, political or economic issues that prevailed in the market. Real or imaginary market had been an integral part of the brand & has been used in all promotional campaigns undertaken by Parle G.

Table II: Slogans used in TV Commercials for promoting Parle-G

Year	Slogan used during TV commercials (In India's National Language-Hindi)	English Translation (Nearer to accuracy)
1980	“Swad Bhare, Shakt Bhare”	“Taste Fills, Energy Fills”
2002	“Mera Sapna Sach Hoga”	“My dream will come true”
2004	“G mane Genius”	“G means Genius”
2006	“Hindustan ki Taakat”	“Power of Hindusthan”
2013	“Kal Ka Genius”	“Genius of Tomorrow”
2014	“Wahi Pehli Wali Baat”	“That’s the first word”
2017	“Bharat Ka Apna Biscuit”	“India’s own biscuit”
2018	“Genius Badal Rahi Hai”	“Genius are changing”
	“Aap Ke Digital Geniuses Ke Liya”	“For your digital genius”
	“You Are My Parle G”	

Source: The Authors



Challenges and Crisis: Period 1947 to 2019

In 1947 the company witnessed severe crisis of wheat as only 63% of the land for wheat cultivation was apportioned for India during partition. This scarcity led the company to urge its consumers to accept barley biscuits till the scarcity of wheat were overcome. The request was communicated through ad campaigns that depicted salutation to India martyrs of the freedom fight. Till 1991, Parle G was the undisputed leader the sector and occupied 70% of the biscuit market & in 2001, 80% of the Glucose biscuit category was dominated by the brand.

In 2017, the GST (Goods & Services Tax) Bill was passed in the Lok Sabha and Rajya Sabha. On 1st July 2017, the GST Law came into force. With the introduction of GST in India the sub-below Rs100 per kilogram (kg) biscuits was taxed of at 12% under the previous tax regime. The biscuit manufacturing companies expected 12% GST on premium brands & 5% on the low priced items. However after the imposition of GST all biscuits were brought under the 18% tax structure as per the uniform policy, thus forcing companies for price hikes. This had an adverse impact on sales and Parle too had to increase the selling Price of biscuits by 5% with majority of the sales coming from the rural market, a 5% increase in price highly impacted sales negatively (Economic Times, 2019; Karvy, 2020).

The demand for Parle products fell by 7-8% as a result of economic slowdown & rise in the price of biscuits. In August 2019, it was reported that Parle G declared a tentative layoff of 8000-10,000 employees as a result of slowdown in the biscuit consumption. According to the press report of category head of Parle products, Mr. Mayank Shah. "We have sought reduction in the goods of services tax (GST) on biscuits priced at Rs100 per Kg or below, which are typically sold in packs of Rs.5 & below, but if the government doesn't provide that stimulus then we have no choice but to let go off 8,000 – 10,000 people from our workforce across factories as slowing sales are severely impacting us" (The Quint, 2019; Inventiva, 2019).

However, the news of job cuts was denied by Mayank Shah. According to his opinion as stated to media in August 2019, "the news about 8000 to 10,000 job losses at Parle G is not a factual story". The category head stated that "The facts have been hyped by the media. The condition of job loss is actually an eventuality if our demand for lesser tax rates is not met", he told ANI.

Shah Said "It is not a fact that people have lost their jobs by now. The fact is that we cannot continue with

the same number of manpower if we are not having the same production volume as earlier (Ravikumar, 2019; News18, 2019).

Parle G enjoys an immense popularity across all age groups as the chai (English meaning: tea) staple. The consumers have an emotional connection to the brand, since they have grown up with it. To add to the sentiment, Parle G has remained unaltered in its product, packaging, taste of nutrition value of the brand effortlessly. This has led PARLE G to surpass all other brands and move to sustain its leadership position in the market for decades.

WHY PARLE-G HAD BROKEN ITS PAST EIGHT DECADE'S RECORD OF BISCUIT SALES DURING LOCKDOWN PERIOD OF INDIA? SEARING ANSWERS WITH RESPECT TO 1ST QUARTER PARLE-G SALES OF FY 2020-2021

On 24 March 2020, the Government of India (GoI) declared a nationwide lockdown for 21 days, limiting movement of the entire 1.3 billion population of India as a preventive measure against the COVID-19 pandemic in India. It was ordered after a 14 hours voluntary public curfew on 22 March 2020, followed by enforcement of a series of regulations in the country's COVID-19 affected regions. The lockdown was placed when the number of confirmed positive coronavirus cases in India was approximately 500 (The Hindu, 31st May 2020).

Parle Products recorded a surge in sales of its Parle-G biscuits during the lockdown period happened owing to the spread of corona virus in India, backed by strong demand for the INR ₹ 5 packs during March 2020 to May 2020. The demand for Parle-G was boosted as the biscuits came handy for people working from home as well as migrant workers returning to their homes during the nationwide lockdown which began on 25th March 2020.

Migrant workers usually do not have the inclination to stay permanently in the country or region in which

Table III: Lockdown period in India

Phase	Date duration	Days count
I	25 th March 2020 to 14 th April 2020	21 Days
II	15 th April 2020 to 3 rd May 2020	19 Days
III	4 th May to 17 th May 2020	14 Days
IV	18 th May to 31 st May 2020	14 Days
Total no. of days		68 Days

Source: The Authors

they work. In the financial year FY 2019-2020 Parle-G was taking a call to trim production as well as workforce amid slowing economic growth and falling demand as India (Asia's one of the largest economy) was suffering with sales of everything from cars to clothing, forcing companies to curtail production. In first quarter of financial year FY 2020 – 2021, significant increase in the Parle-G's sales became the good news for the country's largest biscuit maker and this jump in sales reported & recorded as highest sales (1st quarter-wise) in last eight decades during the journey of Parle-G. With this phenomenal record-breaking sale, the company gained a market share of around 5% in the highly competitive biscuit segment, with an unprecedented 80 to 90% of growth coming from the Parle-G sales as addressed by Mayank Shah, senior category head, Parle Products. Since the Parle-G biscuits, priced as astronomic low price as INR ₹ 5 per pack, were also much in demand among government agencies and non-government organizations (NGOs) working to distribute food relief packages to people during the pandemic time due to Covid-19.

The statements and sentiments as expressed by Mayank Shah, senior category head; Parle Products in the different press releases are stated in the following at a glance.

"This is one of the highest in the recent (time). At least in last 30 to 40 years, we have not seen this kind of growth".

"In my 20 years of working with the biscuits major, I hadn't witnessed a performance like this."

"Parle-G was comfort food for most Indians and that during times of uncertainty, it was consumed a lot. Even during earlier crises like tsunami and earthquakes, sales of Parle-G biscuits had gone up".

"That is the kind of trust people deposite in the Parle-G brand"

"Parle-G's long shelf life as another reason for the preference."

"Value package of ₹ INR 2 besides being considered a good source of glucose."

"The company had announced that it would donate three crore packs of Parle-G biscuits when the corona virus pandemic intensified in India. There were many other organizations as well as individuals, who were also helping people by distributing Parle-G biscuits."

"Parle-G" had the highest growth rate among all the biscuit companies during the lockdown."

IMPACT AND WAY FORWARD

FMCG major's sales performance and the brand appeal of Parle-G Products, founded in 1929 even highly contemporary and impactful. In today's context Parle-G employs about one lakh people (1,00,000) across 10 company-owned facilities and 125 contract manufacturing plants across the country. The hike in Parle-G packets comes at a time when demand for biscuits - from the likes of Britannia's Good Day and Bourbon to Parle's Krackjack, Monaco and Hide & Seek - have seen a massive surge in sales volumes in the past three months (August 2020 to October 2020). Leading food company Parle Products logged record sales of its Parle-G biscuits in April 2020 to June 2020 during the lockdown period. During the announcement of lockdown period the world has seen how a large number of migrant people made a serious attempt to return to their natives from where they actually belong. As the situation rose like 'no work no pay', the people living in the bottom of the pyramid (BoP) were struggling to sustain their lives with bare minimum food with nutrition. Since the Parle-G ₹ INR 5 pack is an excellent nutritional biscuit product with extreme low price; so a large number of people could able to

Table IV: Factors responsible for record in sales of Parle-G biscuit during pandemic period

<i>Price</i>	<i>Seamless supply chain</i>
Affordable price of INR ₹ 5 pack (around 0.06 US \$). 1 USD = 73.7507 INR. The Dollar to Rupee exchange rate (USD INR) as of 26 Oct 2020 at 4:49 AM.	Robust and seamless supply chain across India.
<i>BoP Presence</i>	<i>B2B Business</i>
Product availability across India's retail counters including small villages and micro interiors in the bottom of the pyramid (BoP) areas.	Institutional procurement as business to business (B2B) business category as so many Government Agencies and Non Governmental Organizations (NGOs) came forward to procure and purchase bulk Parle-G biscuit products for providing to the poor people living in the bottom of the pyramid (BoP) areas as relief items during lockdown time due to Covid-19.

Source: The Authors





Exhibit I. Parle G: G for genius biscuit
Image Source: Parle corporate database extract



Exhibit III: Parle gluco biscuit black and white advertisement during initial days
Source: Parle corporate database extract



Exhibit II: Parle gluco biscuit
Source: Parle corporate database extract



Exhibit IV: Parle-G biscuit consumption during pandemic
Source: <https://en.gaoonconnection.com/parle-g-biscuits-were-the-preferred-choice-of-migrants-labourers-during-the-lockdown-parle-sales-have-touched-a-record-80-year-high/>



Exhibit V: Parle-G biscuit distribution for philanthropic activities
Source: <https://www.femina.in/trending/parle-g-sees-highest-sales-in-82-years-during-lockdown-160796.html>

afford and purchased plenty of Parle-G packets to feed themselves as well as their family.

If we go by the principles & philosophies by which Parle-G had been built during 1929 is to cater the high quality nutritional biscuit products with low price. This fundamental line of thought changed the landscape of India's biscuit segment. During the pandemic time by serving poor people and the people living in the bottom of the pyramid (BoP), Parle-G gained a substantial market share of around 5% in the highly competitive biscuit segment, mostly preferred by the people stocking up their pantries during the pandemic. Apart

from pandemic Parle-G also gained importance during the earlier crises like tsunami and earthquakes and sales of Parle-G biscuits had gone up. So we can address that

REFERENCES

- Kashyaap, Sindhu. (2017). How the Swadeshi movement led to the birth of Parle G biscuits from a cattle shed. Retrieved from <https://yourstory.com/2017/08/parle-g-biscuits-swadeshi-movement>.
- About us. Retrieved from <https://www.parleproducts.com/>.
- Goods & Services Tax GST (India) - Indirect Tax Law. Retrieved from <https://cleartax.in/s/gst-law-goods-and-services-tax#:~:text=The%20GST%20journey%20began%20in,GST%20Law%20came%20into%20force>.
- Record Biscuit Sales Boost Parle Performance Amid Coronavirus Crisis. Retrieved from <https://www.ndtv.com/business/coronavirus-crisis-parle-g-registered-record-sales-during-covid-19-lockdown-as-demand-shot-up-2243841>.
- Live Dollar to Rupee Exchange Rate (USD/INR) Today. Retrieved from <https://www.exchangerates.org.uk/Dollars-to-Rupees-currency-conversion-page.html>.
- The migrant crisis has exposed how we truly treat our workers. Retrieved from <https://www.livemint.com/opinion/columns/the-migrant-crisis-has-exposed-how-we-truly-treat-our-workers-11590081702766.html>.
- India Brand Equity Foundation. (2020). FMCG Industry in India. Retrieved from <https://www.ibef.org/industry/fmccg.aspx>.
- Jaganmohan, M. (2020). Market size of fast moving consumer goods in India from financial year 2011 to 2018, with estimates until 2025. Retrieved from <https://www.statista.com/statistics/742463/india-fmccg-market-size/#statisticContainer>.
- Federation of Indian Chamber of Commerce & Industry. (2020). Sector Overview. Retrieved from <http://www.ficci.in/sector-details.asp?sectorid=73>.
- Singh, A. (2020). The Transformation of Indian Biscuits Industry. Retrieved from <https://www.indianretailer.com/article/sector-watch/food-and-grocery/the-transformation-of-indian-biscuits-industry.a6539/>.
- Research and Markets. (2018). India Biscuit Market Overview 2017-2023. Retrieved from <https://www.researchandmarkets.com/reports/4465660/india-biscuit-market-overview-2017-2023>.
- Prahalad, D. (2019). The new fortune at the bottom of the pyramid. Retrieved from <https://www.strategy-business.com/article/The-New-Fortune-at-the-Bottom-of-the-Pyramid?gko=c5f11>.
- The Hindu Net Desk. (2020). Coronavirus India lockdown Day 68 updates, May 31, 2020. Retrieved from <https://www.thehindu.com/news/national/india-coronavirus-lockdown-may-31-2020-live-updates/article31714194.ece>.
- The Economic Times. (2017). Bottom of the pyramid market stands at \$1.2 trillion. Retrieved from <https://economictimes.indiatimes.com/news/economy/indicators/bottom-of-the-pyramid-market-stands-at-1-2-trillion/articleshow/1962467.cms?from=mdr>.
- Corporate Finance Institute. (2020). Maslow's Hierarchy of Needs. Retrieved from <https://corporatefinanceinstitute.com/resources/knowledge/other/maslows-hierarchy-of-needs/>.
- Simplify Psychology. (2020). Maslow's Hierarchy of Needs. Retrieved from <https://www.simplypsychology.org/maslow.html>.
- Hesol. (2020). Is FMCG the Most exciting Supply Chain? Retrieved from <http://www.hesol.co.in/is-fmccg-the-most-exciting-supply-chain/>.
- Manders, J.H.M., Caniëls, M.C.J. & Ghijsenb, P.W.T. (2016). Exploring supply chain flexibility in a FMCG food supply chain. *Journal of Purchasing and Supply Management*. 22(3), 181-195, doi: <https://doi.org/10.1016/j.pursup.2016.06.001>.
- FinMedium. (2020). Parle-G Success Story: The Biscuit Of India. Retrieved from <https://finmedium.com/2020/08/parle-g-success-story/#:~:text=In%201929%2C%20Mohanlal%20Dayal%20Chauhan,and%20use%20of%20Indian%20goods>.
- Coursehero. (2020). Introduction of Parle. Retrieved from <https://www.coursehero.com/file/54336568/430924934-PARLE-Black-Bookdocx/>.
- Study Mode Research. (2020). Parle Project. Retrieved from <https://www.studymode.com/essays/Parle-Project-1946946.html>.
- Karvy. (2019). GST Full Form: What Is GST-Goods & Services Tax. Retrieved from karvy.com/growth-hub/gst/gst-full-form-what-is-gst-goods-services-tax/.
- Economic Times. (2019). Fitment panel rules out GST cut for auto, consumer durables or biscuits. Retrieved from <https://economictimes.indiatimes.com/news/economy/policy/fitment-panel-rules-out-gst-cut-for-auto-consumer-durables-or-biscuits/articleshow/71174278.cms>.
- The Quint. (2019). Parle Could Lay Off 10,000 Employees Amid Economic Slowdown. Retrieved from <https://www.thequint.com/news/business/biscuit-maker-parle-might-lay-off-10000-employees-amid-economic-slowdown>.
- Inventiva. (2019). Consumers are thinking twice about buying a product worth rupees 5 obviously there is some serious issue in the economy of the country. Retrieved from <https://www.inventiva.co.in/stories/inventiva/consumers-are-thinking-twice-about-buying-a-product-worth-rupees-5-obviously-there-is-some-serious-issue-in-the-economy-of-the-country/>.
- Ravikumar, S. (2019). Top Indian cookie maker may cut up to 10,000 jobs as slowdown bites. Retrieved from <https://www.reuters.com/article/us-parle-products-layoffs-idUSKCN1VB09S>.

