Together

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2024 EGS TRENDS
Driving Responsible Business
Special Issue

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THIS ISSUE

2. THE EDIT PAGE
Issues & Insights

3. MANAGEMENT QUIZ NO.- 62
Task Ahead

4. 3 PILLARS OF ESG
AN OVERVIEW

6. VALUE CREATION THROUGH ESG

7. ESG INVESTMENT
ESG REPORTING

9. FINANCIAL & ECONOMIC NEWS

13. MARKETING NEWS

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ESG
Investing in Inclusive, Sustainable & Ethical Business Practices

THE EDIT PAGE
Issues & Insights

*The importance of ESG (Environmental, Social, and Governance) criteria continues to rise across industries. ESG criteria help assess how well organizations, both private and public, integrate sustainability & ethical practices into their operations. This extra-financial analysis includes: Environmental**:** Focuses on reducing a company's carbon footprint. Social**:** Addresses key issues such as access to employment, wage inequality & respect for workers' rights. Governance**:** Ensures businesses operate in compliance with laws and stakeholder needs. As consumers, investors & regulators place emphasis on corporate social responsibility, businesses must incorporate ESG practices into their overall strategies and take more focused action.*

With Focus on ensuring clear, measurable & actionable pathways to net zero, what can corporates do to navigate as the world experiences increasingly environmental degradation?

Around the globe, there is a heightened need for corporates to show clear& measurable decarbonization pathways, including how they plan to meet climate targets, manage climate risks & a low-carbon economy. Geopolitical tensions & economic shifts are now shaping the global ESG landscape. With dominant global players – such as the EU, the US & China – all developing strategies to improve resilience of critical raw materials supply chains. In the US, for example, the Biden administration's Inflation Reduction Act (IRA), signed into law in Aug. 2022, will help deploying capital towards clean energy and cleaner industries.

Corporates aiming to make progress in 2024 are keeping abreast of new trends, such as the growing uses of artificial intelligence (AI), circularity (whereby a product, service, or resource is renewed or regenerated, rather than wasted) & more frequent extreme weather events. Each can be expected to play a larger role in 2024 than before & adapting to them effectively will be critical.

One shift to mandatory disclosures that corporates should be aware of in 2024 that, criteria for additional environmental & climate objectives are applicable like, Sustainable use & protection of water, marine resources, Prevention and control of pollution & Protection of biodiversity and ecosystems.

While technical skills remain important, human skills like emotional intelligence, critical thinking, and collaboration are becoming indispensable in the future of work. As automation & AI take over repetitive tasks, the human abilities will distinguish top performers. Environmental, Social, and Governance (ESG) reporting is moving beyond mere compliance. Modern talents prioritize organizations that showcase sustainable & ethical practices. By expanding their ESG reporting, companies can attract forward-thinking talents who value responsibility.

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MANANAGEMENT QUIZ- 62

1. ***Name the celebrity who endorses Fast track, Flying Machine jeans, Herbalife, Fair and Lovely for men, Sangam suitings etc.***

2. ***Tiger Woods created history by winning the Majors after 11 years. Which Indian company has been associated with Tiger Woods since 2014 & continues to be ?***

3. ***Which 2 brands of Pepsico are being promoted under a single slogan "I feel UP"?***

4. ***The men's hair cream brand Brylcreem changed hands in India recently. Who is the new owner of this brand?***

5. ***Google has broken the tradition of naming versions of Android.after desserts like Marshmallow,.Nougat, Pie ..Instead of naming it after a dessert starting with the letter Q ,what will it be called ?***

6. ***Name this sneaker &sportswear brand that provides outfit to Man City and has a strategy of sponsoring upcoming stars with high potential rather than current celebrity champions.***

7. ***Name this online brand that sells luxury products like bags, jackets manufactured in the factories that make for Gucci, Burberry etc but without the luxury name at affordable prices.***

8. ***Which major drinking water marketer has decided to try out water in aluminium cans to improve recycling and reduce plastic usage?***

9. ***Bill Gates and Warren Buffett spent a shift working together in a fast-food joint. Where did they work?***

10. ***In the marketplace Domino's, Pizza Hut and Papa John's compete in the US but their mozzarella cheese supplier is the same. Name this Denver based co that has an over 80 % share of the pizza cheese market.***

Send answers of Management Quiz No. 62
latest by 8th Jan. 2025 to the Email id: usha@imis.ac.in.

ANSWERS TO MANAGEMENT QUIZ No. 61

(Together, Sept. – Oct. 2024, Vol.12, No. 122)

1. EPS – Electronic Payment & Services **2.** Amazon Mini TV **3.** Europastry **4.** Baramati Agro **5.** Norway **6.** Data Centre **7.** Carrefour **8.** Alphabet 9. Toyota **10.** Poor product-market fit

3 PILLARS OF ESG
An Overview

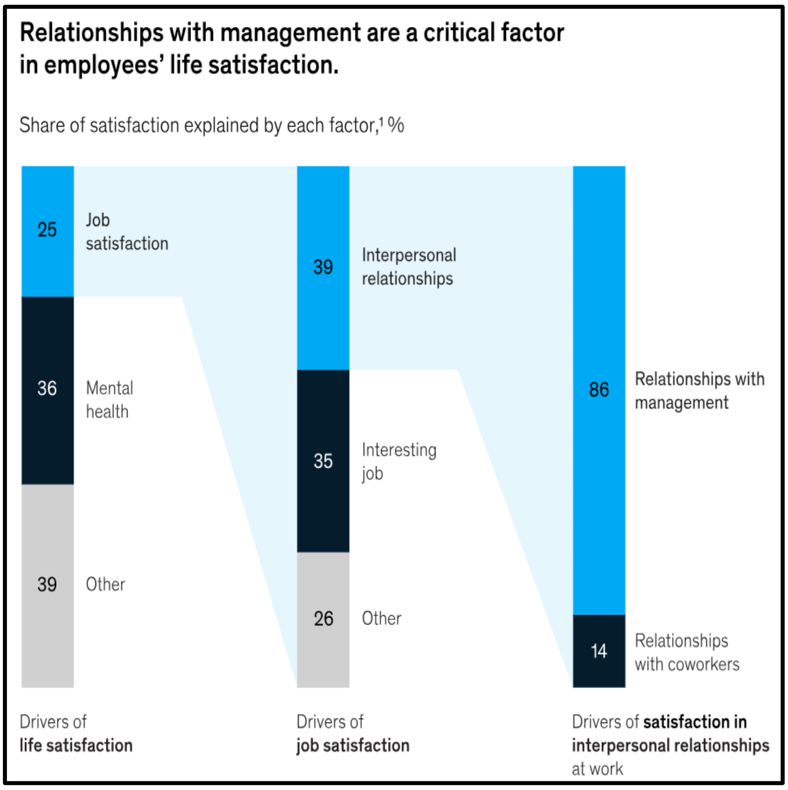
ESG refers to the environmental, social, governance factors that investors measures while analyzing a company's sustainability efforts from a holistic view. Aligning with the ESG reporting framework, standard and regulations, companies publish their ESG reports. This gives a transparency and disclose the environmental, social, governance factors that contribute to the overall risks and opportunities involve in a company's operations.

*ESG has 3 pillars namely "**Environment**", "**Social**" and "**Governance**" on which the entire report is dependent. ESG has evolved from other historical movements that focused on health and safety issues, pollution reduction, and corporate philanthropy. An emerging class of ESG specialists is stepping into the industry and supporting both net zero and carbon neutrality goals.*

Pillar 1 : Environment

The "E" in ESG means Environmental responsibility a company have. This includes how they deal with their energy and energy resources. Companies are focused in reducing their carbon footprints, reducing the amount of waste produced during a production cycle and other damages to the environment.

For an example, Walmart's initiative on packing through its zero-waste methodology. This pushed for less packaging throughout its supply chain and more of that packaging is to be created from recycled or reused materials. Businesses often overlook the hidden costs and their environmental impacts, like pollution and waste management, leaving others to bear the burden. Benchmarking helps by measuring and tracking these impacts, ensuring accountability and progress.



Pillar 2: Social

Imagine a company as our compassionate friend who is always ready to help. It treats its employees with empathy and equality. Encouraging a positive environment. Here each and every one with their ideas is valued. Providing platforms for the betterment and development of their employees. Playing a vital role in securing the health of employ and fostering all kinds of human and privacy rights. On an employee's perspective, business can focus on retention and engagement strategy. This could enhance the maternity and family benefits, education and development opportunities and flexible scheduling. In the global scenario a business needs to be aware of its supply chain function. Is any child labor involved in production? Are the people being paid fairly?

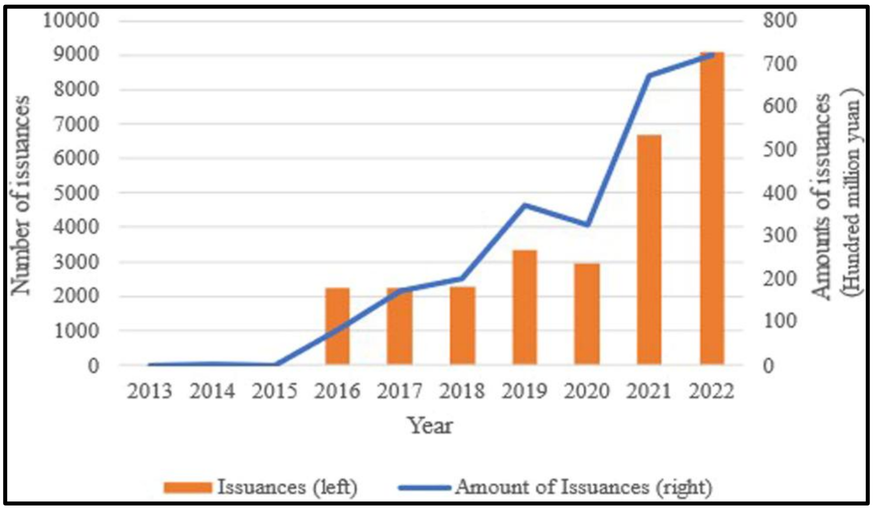
Pillar 3: Governance

This reflects the company's corporate governance factor. This pillar plays a critical role in assessing how a company operates internally and adheres to its corporate responsibilities. This gives a detailed framework of policies and its practices that helps in decision making. Fair and equal pay for employees and executives is the strong foundation of this pillar. Transparent tax and practices give a robust accounting standard which demonstrates the company's commitment to financial responsibility. Preventing bribery, corruption and frauds. Companies must operate with a clear set of ethics and values. As well as respecting and protecting the rights of shareholders is a key governance principle.

For Example, Patagonia exemplifies good governance in the supply chain management, ethics and integrity components of governance, in part by pursuing the company mission beyond just regulatory compliance.

Emerging ESG Trends:

- ***Climate Change Mitigation:*** *Companies are focusing on strategies to reduce their carbon footprint, including renewable energy adoption, energy efficiency measures, and carbon offsetting.*
- ***Supply Chain Sustainability:*** *Greater scrutiny on the environmental and social practices of suppliers throughout the entire supply chain.*
- ***Data-driven ESG Analysis:*** *Utilizing advanced data analytics tools to measure and assess ESG performance with greater accuracy.*
- ***Integrative Thinking:*** *Incorporating ESG considerations into core business strategy, not just as a separate sustainability initiative.*
- ***Social Impact Investing:*** *Investing in companies that actively address social issues like poverty, inequality, and access to healthcare.*
- ***Regulatory Landscape:*** *Increasing government regulations and mandatory ESG reporting requirements are driving corporate action.*



Green bond issuance and corporate ESG performance

*Indian companies are increasingly adopting environmental, social and governance (**ESG**) standards, and it is leading to the emergence of many new consultancies and firms in this space.*

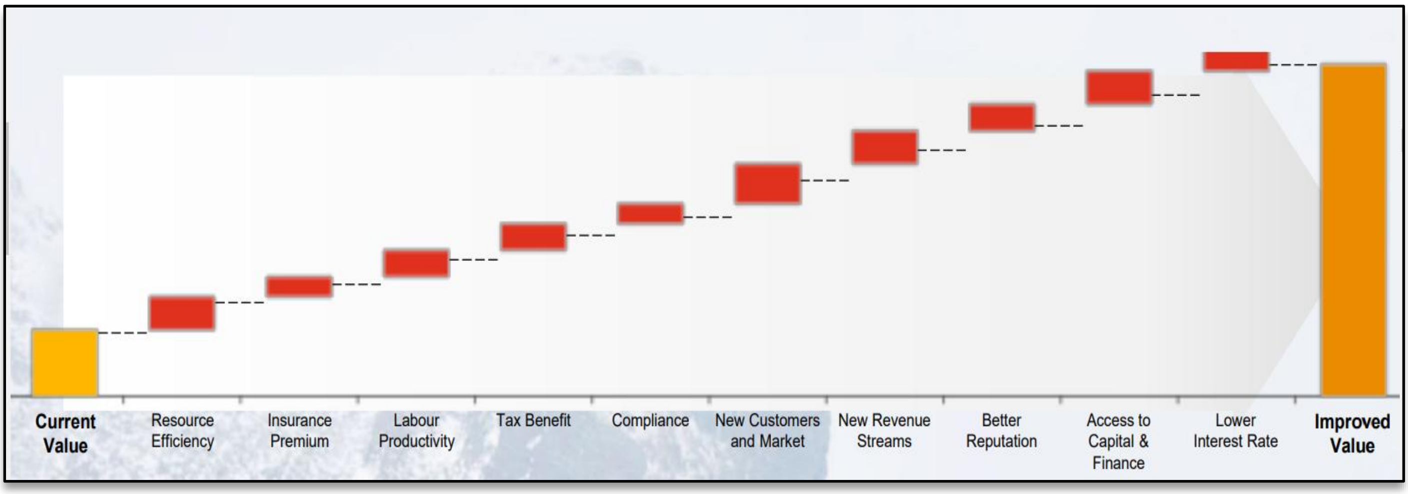
According to Noida-based market researcher Univ-Datos Market Insights, the country's sustainability consulting and ESG market was valued at $255.21 million in 2021. This number is projected to grow at a CAGR of 7.42% from 2022-2030.

VALUE CREATION THROUGH ESG

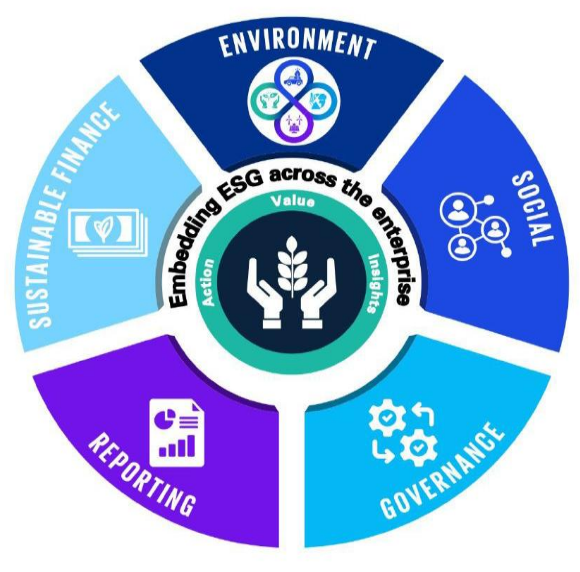
Environmental, social and governance (ESG) is a framework used to assess an organization's business practices and performance on various sustainability and ethical issues. ESG can create financial value for companies in the long-term from cost reduction, productivity, new revenue and access to finance. MSCI study indicates that higher ESG scores can reduce the cost of capital by up to 1.14 per cent while other studies indicated that it could be as much as 10 per cent. Focusing on ESG is about value preservation (at a minimum) and value creation by optimizing the use of key business drivers and capitals in your company. Inaction can therefore lead to value destruction. Here is why:

Unlocking significant value creation is possible through ESG-led investment strategies and sustainable transformation of the business model and existing assets for business to transform its operations and revenue streams, it needs to:

- ***Align value proposition with ESG through a review of the company's vision and mission;***
- ***Re-evaluate business model and revenue streams and identify possible transformation strategies which incorporate ESG risks and opportunities;***
- ***Develop a comprehensive public relations and communications strategy which can directly communicate the company's sustainability vision and mission with its consumer base and the broader public***
- ***Define targets, KPIs and a roadmap to drive ESG performance***



A case study on how Belgian companies used ESG to create value which bought significant opportunities for growth –
Of 29 Belgian executives interviewed on ESG, 62% have quantified their ESG ambitions, and 95% believe they can or should do more. 86% see ESG as creating commercial and societal value beyond reinforcing their license to operate, with benefits like cost reduction, increased sales and prices, talent retention, and higher company value. More than half (54%) view ESG as a way to expand beyond their core business, whether by reinventing the core or launching new products. Bain suggests ESG can add 3-5 percentage points to EBITDA, and 86% of respondents see further value-creation opportunities.

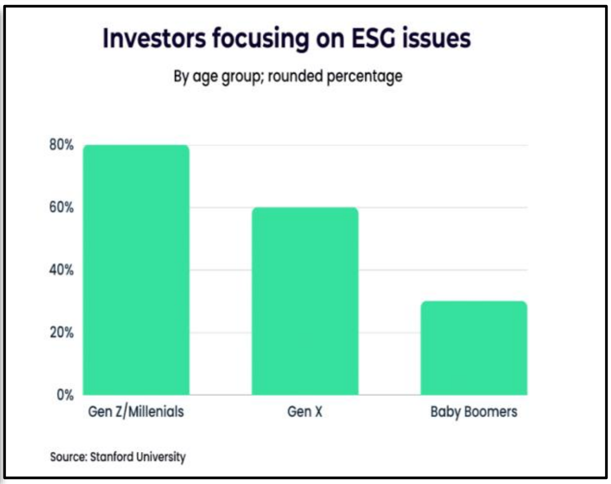


ESG INVESTING

***ESG Investing** (also known as “**socially responsible investing**,” “**impact investing**,” and “**sustainable investing**”) refers to investing which prioritizes optimal environmental, social, and governance (ESG) factors or outcomes. ESG investing is widely seen as a way of investing “sustainably”—where investments are made with consideration of the environment and human wellbeing, as well as the economy.*[1] *It is based upon the growing assumption that the financial performance of organizations is increasingly affected by environmental and social factors.*

Investors can employ a variety of analytical approaches to address ESG considerations. Understanding the relative merits and limitations of ESG information and approaches can help to form a more complete picture of ESG risks and opportunities.

Recent years have seen a significant expansion of ESG investing around the globe as organizations and individuals increasingly recognize the interdependencies between social, environmental, and economic issues. The COVID-19 pandemic encouraged this trend notably. Market disruption and uncertainty caused by the pandemic in 2020 led many investors to turn to ESG funds for increased resiliency. In fact, the first three months of 2020 saw $45.6 billion USD flow into these funds globally. $30.7 trillion currently sits in sustainable investment funds worldwide, and it is predicted this could rise to around $50 trillion in the next two decades.



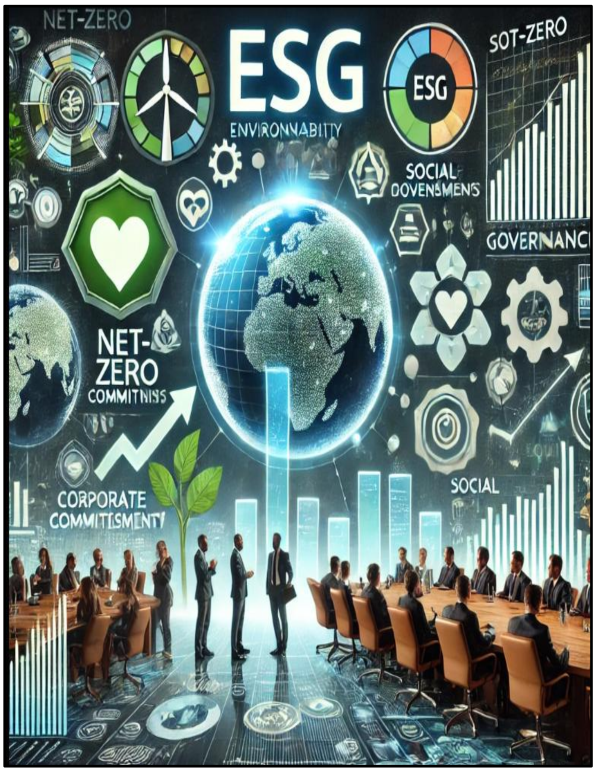
The following statistics underscores the growing importance of ESG Investment:

- *A staggering 76% of consumers would cease buying from firms that neglect environmental, employee, or community well-being, highlighting the direct impact of ESG practices on consumer behavior.*
- *At present, 53% of the income for the top 500 U.S. corporations and 49% of the earnings for the largest 1,200 companies worldwide are derived from business operations that contribute to the Sustainable Development Goals (SDGs).*
- *A notable 88% of consumers demonstrate increased loyalty to businesses that advocate for social or environmental issues.*
- *By the year 2026, it is expected that climate-related weather events will cost suppliers a staggering $1.3 trillion.*
- *Companies that excel in employee satisfaction often have ESG ratings that are 14% higher than the global average, likely due to their impressive environmental initiatives.*
- *Companies with higher ESG scores experience lower capital costs according to 50.1% of investors.*

*For Example, HUL, a leading FMCG company in India, has made significant progress in ESG through its **‘Unilever Sustainable Living Plan.’** HUL has achieved **100% water abstraction reduction** in its manufacturing processes by **2021** and has committed to reducing its greenhouse gas emissions by **100%** in the same period. Furthermore, HUL has pledged to improve the health and well-being of over **1 billion** people by 2025.*

ESG REPORTING

ESG reporting is the disclosure of environmental, social, and corporate governance data. This comprehensive approach allows companies to communicate their commitment to sustainability and responsible business practices to stakeholders, including investors, customers, and regulators. ESG reporting goes beyond financial metrics, providing insight into a company's broader impact on society and the environment. By disclosing ESG performance metrics, companies demonstrate their dedication to transparent and responsible business practices, fostering trust and credibility with stakeholders. Investors are looking for both qualitative and quantitative information to help them screen investment opportunities according to the ESG factors.

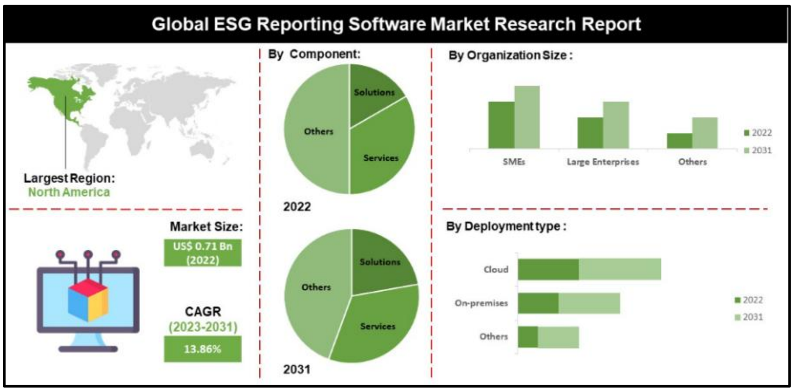


Key components of an ESG report may include:

- ***Environmental performance*** *metrics, such as greenhouse gas emissions, energy consumption, water usage, biodiversity loss, waste generation, etc.*
- ***Social performance metrics****, including diversity, equity and inclusion data, employee engagement scores, health and safety statistics and human rights due diligence.*
- ***Sustainability strategy and goals*** *outline the company's long-term vision for sustainability, key objectives, and targets for improvement.*
- ***Performance data and benchmarks****, comparing current performance metrics to historical data, industry benchmarks, and peer group averages.*
- ***Risk management and mitigation strategies****, identifying ESG-related risks and vulnerabilities, and outlining strategies to mitigate risks, enhance resilience, and capitalize on opportunities.*

The benefits of ESG reporting:

- *Complying with regulatory disclosure*
- *Enhancing decision-making*
- *Attracting investors*
- *Strengthening brand reputation*
- *Mitigating risk*
- *Driving innovation*



As we know Automobile industry is a one of the biggest contributors of GHG emissions across the globe and hence there has been a conscious effort from automobile manufacturers to mend their ways and go sustainable. Such as

Tesla Impact Report: *Tesla is built on the foundation of sustainability, fuel conservation. They have pioneered electric vehicles, Tesla's "Impact Report" is a transparent and engaging read. The report provides the details of emissions reduction, renewable energy integration, and responsible sourcing. Their report clearly gives detailed data visualizations and storytelling that highlights their mission.*

What is MuleHunter.AI?

The Reserve Bank of India (RBI) announced the creation of an AI-powered model named MuleHunter.AI to tackle the growing issue of digital fraud involving "mule" bank accounts. Developed by the Reserve Bank Innovation Hub (RBIH) in Bengaluru, the model aims to assist banks in identifying and managing fraudulent accounts effectively.

Background

- *Evaluation of Current Systems: The Reserve Bank Innovation Hub (RBIH) worked with banks to assess existing methods for identifying and reporting mule accounts.*
- *Limitations of Rule-Based Detection: Traditional systems often face high false-positive rates and slow processing, leading to undetected mule accounts.*

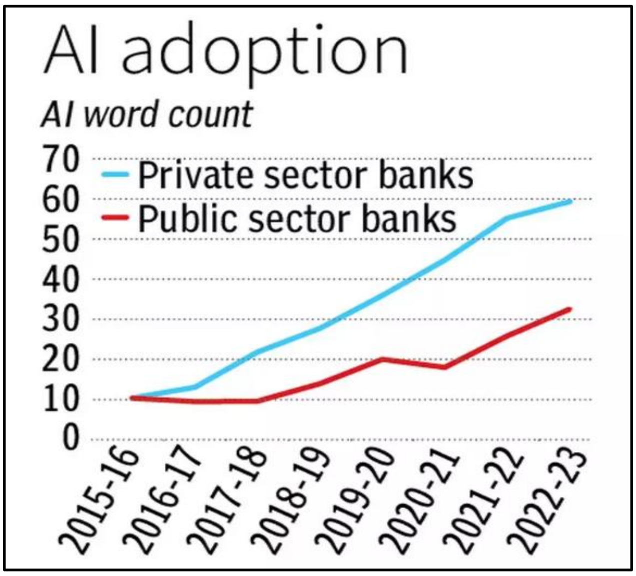
About

- *The RBI has developed MuleHunter.AI, an AI-powered tool to efficiently detect mule bank accounts.*
- *A pilot test conducted with two large public sector banks showed promising results. The tool was created after analyzing 19 different mule account behavior patterns with banks.*

The RBI has urged banks to collaborate with its Innovation Hub to enhance the MuleHunter.AI model and address financial frauds effectively

How MuleHunter.AI Works

AI/ML-Powered Solution: Utilizes machine learning algorithms to process transaction data and account details, predicting mule accounts more precisely and quickly.
Focus on Illicit Fund Flows: The platform targets the identification of illicit fund movements into mule accounts, aiding banks in detecting fraud effectively.

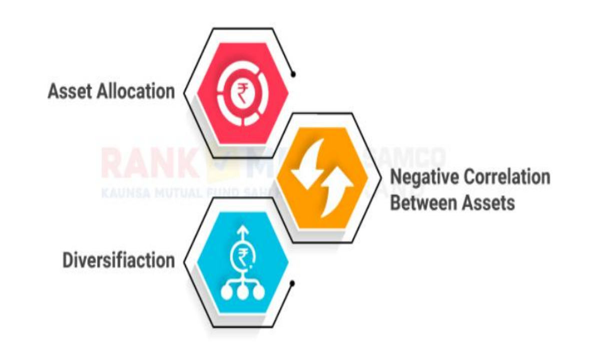


Advantages:

- ***Advantages over Traditional Systems****: High false positives and slow processing times, leading to missed detections.*
- ***Improved Accuracy and Speed****: The AI/ML model is capable of predicting suspected mule accounts with greater precision and faster than conventional systems. This enables banks to identify mule accounts more effectively, thereby reducing digital frauds.*
- ***Wider Detection Capabilities****: The system can analyze transaction and account details, leading to the identification of more mule accounts within a bank's system.*

What is Hybrid Mutual Fund?

A hybrid mutual fund is a type of mutual fund that invests in multiple asset classes, such as equity, debt, and gold, to provide a balance of risk and return. Hybrid funds are also known as asset allocation funds. They can be a good option for investors who want to: diversify their portfolio, reduce volatility, and get exposure to other asset classes. These are safer than pure equity funds but are riskier than debt funds. Hence, they're apt for moderately aggressive investors. The ratio of equity to debt can vary, with some funds being more equity-focused (aggressive hybrids) and others being more debt-focused (conservative hybrids).



Where Does Hybrid Mutual Fund Invest?

- *Equity shares of large-cap, mid-cap and small-cap companies.*
- *Debt instruments like corporate bonds, sovereign papers, commercial papers, zero coupon bonds, certificates of deposits, etc.*
- *Commodities like gold, silver, crude oil, etc*

How Does a Hybrid Mutual Fund Work?

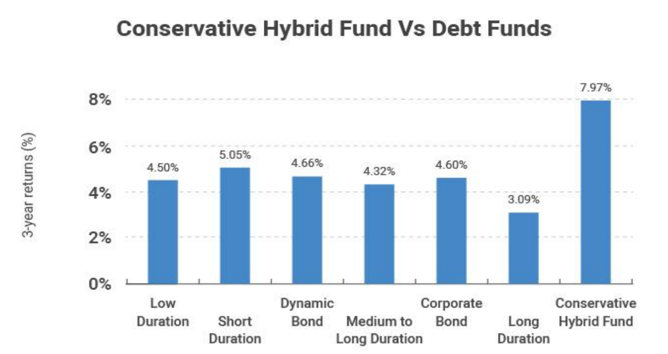
There are three major principles of Hybrid Mutual Funds:

- ***Asset allocation:** It is the process of deciding how much to invest in which asset class. If the stock market is declining, fund managers will shift to debt instruments for stability. And when the interest rates increase, they will shift to equity shares.*
- ***Correlation:** An ideal portfolio has assets that are inversely proportional. This means if one asset goes up, the other will go down. So, your profit and loss are balanced. Notice that when the equity markets fell, gold prices went up. Now if you had invested only in equity funds, you would have missed the rally in gold. But with hybrid funds, you can capture the ups and downs of all asset classes.*
- ***Diversification:** Here, you split and spread your investment amount across multiple asset classes. This increases your overall return while reducing the risk. This is exactly what a hybrid mutual fund does. The fund manager divides the collected corpus into various asset classes.*

Advantages of Hybrid Mutual Funds

There are six reasons as to why Hybrid Funds are a good option:

1. Single Point Access to Different Asset Classes
2. Lower Expense Ratio
3. Automatic Re-balancing
4. Adequate Diversification
5. Excellent Source of
6. Suitable for Different Risk Profiles



Who should invest in hybrid mutual funds?

Hybrid mutual funds are perfect for conservative investors as they have the debt component to balance the risk of equities. Beginners who do not want to expose themselves 100% to stock market should invest in hybrid mutual funds. Retirees and senior citizens can also invest in hybrid mutual funds giving consistent dividends.

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[Equity-oriented hybrid mutual funds offer up to 2% return in November.]

Dec 01, 2024, Economic Times

Equity-oriented mutual funds have offered upto 22% return in November. There were around 115 equity-oriented hybrid funds in the market in the said period. PGIM India Hybrid Equity Fund offered the highest return of around 2.20% in November. The next two schemes in the list were from HSBC Mutual Fund. HSBC Equity Savings Fund and HSBC Aggressive Hybrid Fund offered 1.90% and 1.87% returns respectively in the mentioned period.

[UPI reigns supreme in digital payments kingdom]

Dec 01, 2024, Economic Times

Unified Payments Interface (UPI) surpassed 10 billion merchant transactions in October, recording a 53% year-on-year surge at the peak of the festive season sales, eclipsing cards and mobile wallets as the home-grown payment system continued to be the most preferred merchant-focused digital payments mode in the country.

[Over 70% MSMEs use biz loans for immediate financial needs: Study]

Dec 05, 2024, Business Standard

Over 70 per cent of MSMEs and self-employed consumers needed a business loan to meet immediate financial needs like working capital expenses, purchasing raw materials, consolidating debt, etc," the company's analysis showed. Meanwhile, less than 30 per cent of these businesses applied for loans based on future growth prospects and initiatives like marketing and brand building, upgrading machinery, or acquiring additional office space for expansion.

[Key investment destination: FDI inflows in India cross $1 trillion]

Dec 08, 2024, Business standard

Foreign direct investment (FDI) inflows into India have crossed the $ one trillion milestone in the April 2000-September 2024 period, firmly establishing the country's reputation as a safe and key investment destination globally. According to data from the Department for Promotion of Industry and Internal Trade (DPIIT), the cumulative amount of FDI, including equity, reinvested earnings and other capital, stood at $ 1,033.40 billion during the said period.

[Asset quality pressures intensifying in India, emerging markets: Fitch]

Dec 10, 2024, Business Standards

Global rating agency Fitch today said that rapid credit growth and historical risk-taking have intensified asset quality pressures in emerging markets like India and Vietnam. However, robust economic conditions and lower interest rates are expected to bolster near-term asset quality. There is anticipation of an improvement in non-performing loan (NPL) ratios in India and Vietnam, the rating agency said in a commentary on Asia-Pacific (APAC) banks' risk appetite and asset quality.

[India's outward FDI halves to $2.28 billion in November, shows RBI data]

Dec 12, 2024, Economic times

India's outward foreign direct investment (FDI) commitments almost halved to $2.28 billion in November 2024, from $4.17 billion in November 2023. Sequentially, it also declined from $3.43 billion in October 2024, according to data from the Reserve Bank of India (RBI). Outbound FDI, expressed as a financial commitment, comprises three components: equity, loans, and guarantees.

Rupee falls to an all-time low, RBI intervention counters bearish tilt

Dec 12, 2024, Business standard

The Indian rupee fell to an all-time low on Thursday, pressured by a lingering depreciation bias and heightened demand for the US dollar in the non-deliverable forwards (NDF) market, while the central bank's intervention helped prevent sharp losses. The rupee hit a low of 84.88 against the dollar before closing at 84.8575, down slightly on the day.

RBI guv signs in, says focus to be on economic growth, policy stability

Dec 12, 2024, Business Standard

Sanjay Malhotra, who assumed office as the twenty-sixth Reserve Bank of India (RBI) governor on Wednesday, said in his first media interaction that fostering economic growth, ensuring stability in policy making, and expanding financial inclusion would be among his key priorities moving forward. While significant progress has been made in financial inclusion, much more remains to be done, said Malhotra, stressing the importance of collaborating with all stakeholders in the financial system to further advance these efforts.

Sebi extends deadline to Dec 31 for comments on clearing corps' ownership

Dec 13, 2024, Business Standard

Markets regulator Sebi on Friday extended the timeline till December 31 to submit public comments on a proposal of diversifying ownership of clearing corporations, which are at present fully owned by stock exchanges. Sebi floated a consultation paper on the review of ownership and economic structure of clearing corporations (CCs) on November 22 and sought comments on the same by December 13.

Global stock index falls, bond yields rise ahead of rate decisions

Dec 14, 2024, LiveMint.com

MSCI's global equity gauge fell on Friday while bond yields climbed as investors waited for clues about the future path for interest rates from next week's U.S. Federal Reserve meeting. In U.S. Treasuries, benchmark 10-year yields rose to a three-week high and were on track for their fifth-straight daily gain as investors bet that Fed Chair Jerome Powell will signal a pause in policy easing after a widely expected 25-basis-point rate cut next Wednesday.

Top cryptos to explore for considerable gains in 2025

Dec 15, 2024, Economic times

Cryptocurrencies are a volatile asset. However, like all assets, they require some holding out until the middle to long term. This is evident gauging from the price histories of cryptocurrencies such as Bitcoin and Ethereum. Investors who bought these assets early on and held on booked the highest returns. Pepe Unchained focuses on Layer-2 blockchain for meme coins, Crypto All-Stars offers multichain staking, and Shiba Shootout combines play-to-earn gaming with meme coin appeal.

FD interest rates up to 8.75%: This bank revises interest rates on FDs

Dec 16, 2024, Economic times

RBL Bank has revised the interest rates on fixed deposits (FD) for amounts less than Rs 3 crore. The revised FD interest rates are effective from December 15, 2024, according to the bank's website. After the revision, the bank is offering interest rates between 3.50% and 8% on FDs for general citizens and 8.50% interest rates on FDs for senior citizens. The bank is offering interest rates up to 8.75% on FDs for super senior citizens for senior citizens who are aged 80 or more has been ruled.

RELIANCE'S BIG PLAY:
Can Campa Cola Compete with Coca-Cola & PepsiCo in India?

The cola war in India is getting more intense, but now it's not just Coca-Cola and Pepsi. Reliance, India's biggest business group, has brought back Campa Cola, a brand from the past. Reliance believes Campa Cola can compete with Coca-Cola and Pepsi, the leaders in the Indian soft drink market.

The Return of Campa Cola!

Launched in 1977, Campa Cola was popular in the 1980s but faded away when Coca-Cola and Pepsi returned in the 1990s. In August 2022, Reliance bought the brand for ₹22 crores and is reviving it. The company plans to use a similar strategy that made its telecom brand, Jio, successful. Reliance has hired experienced leaders, like T. Krishnamurthy, former Chairman of Coca-Cola, to lead the charge.

Consumer Impact:

In the short term, consumers will benefit from lower prices as the Cola war heats up. For example, a ₹20 Pepsi bottle might drop to ₹10 due to Campa Cola's entry.

However, in the long term, prices could rise again as the competition settles. One company may win and raise prices, or the three competitors might join forces, leading to higher costs for consumers.

Can Campa Cola Succeed?

Campa Cola's return could mark a big change in India's cola market. With Reliance's support, aggressive pricing, and strong distribution, it has a chance to compete with Coca-Cola and Pepsi. However, challenges like rural distribution and shifting consumer tastes will test its strategies. The next few years will show whether Campa Cola can make a successful comeback or if Coca-Cola and Pepsi will remain unchallenged in the Cola war.

How Campa Cola Plans to Win:

- ***Lower Prices:*** *Campa Cola is being priced cheaper than Coca-Cola and Pepsi. For example, a 250 ml bottle is priced below the usual ₹20. This forces competitors to either lower their prices or risk losing customers.*
- ***Strong Distribution Network:*** *Reliance is using its massive retail network, including Reliance Fresh, Jio Mart, and Smart Bazaar, to make Campa Cola available everywhere.*

However, reaching rural areas could be tough. Small shops in villages often lack refrigerators, and Coca-Cola and Pepsi already provide coolers to these shops.

Speed vs. Variety
How Quick Commerce Challenges E-Commerce Giants

The competition between big e-commerce companies like Amazon and Flipkart and fast-delivery platforms like Blinkit, Instamart, and Zepto is changing how people shop. Both aim to serve modern customers, but their approaches are very different.

What Is Quick Commerce?

Quick commerce is the latest trend in shopping. Platforms like Blinkit, Instamart, and Zepto focus on delivering products in 10 to 30 minutes. They started by delivering groceries and daily items but now also sell things like electronics and event-based items, such as Cricket World Cup merchandise.

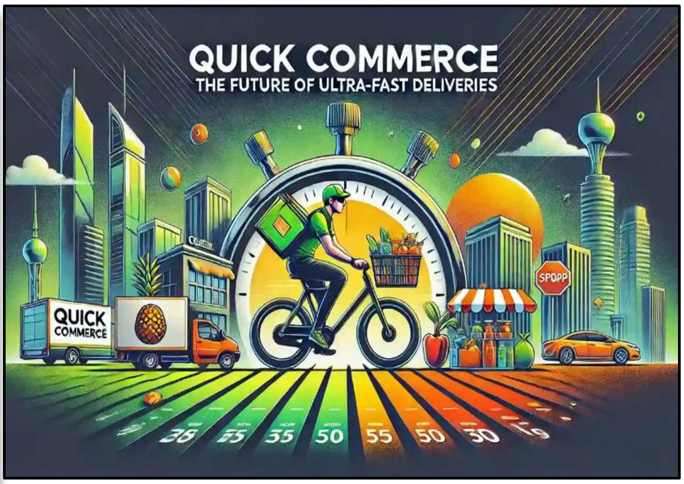
How Quick Commerce and E-Commerce Are Different:

Quick Commerce

- *Focuses on groceries, snacks, and daily essentials.*
- *Delivers in just 10-30 minutes.*
- *Uses small warehouses, called dark stores, located close to customers.*

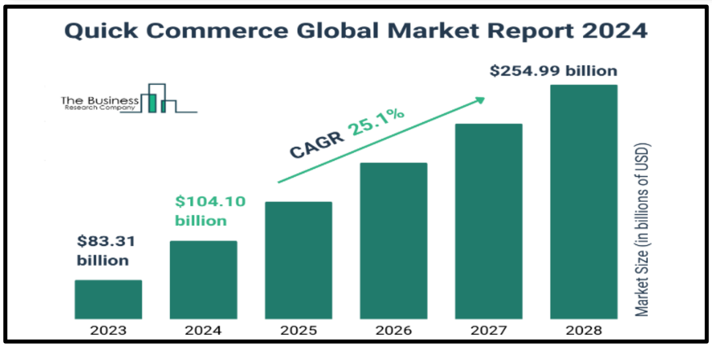
E-Commerce

- *Offers a wide variety of items, like clothing, gadgets, and home appliances.*
- *Takes 2-3 days for delivery.*
- *Works as a marketplace where sellers and buyers connect.*



Why Customers Like Quick Commerce?

People love quick commerce because it's fast and convenient. Small warehouses near their homes make it possible to deliver items like milk, bread, or snacks in minutes. This service is perfect for last-minute needs, and customers keep coming back because it saves them time.



Challenges for Big E-Commerce Companies:

E-commerce giants like Amazon and Flipkart are not designed for super-fast deliveries. Changing their systems to compete with quick commerce would cost a lot of money and effort. This puts them in a tough spot because urban customers now expect faster service.

How Small Shopkeepers Can Compete?

Small shopkeepers can still succeed by focusing on their strengths, like customer trust and personal relationships. Training staff to understand products better ensures excellent assistance. Using simple tools like apps to track customer preferences can improve service quality. Offering local delivery and flexible payment options, such as letting trusted customers pay later, provides convenience that big platforms may not offer. Building strong ties with the community by connecting with local groups or clubs can help grow a loyal customer base. By staying adaptable and focusing on personalized service, small retailers can remain competitive in a market dominated by e-commerce and quick-commerce platforms.

India Gate sets eyes beyond basmati, to foray into mixed spices, rice bran oil

Nov 25, 2024, Brand Equity.Com

KRBL, known for its 'India Gate' basmati rice, is expanding into mixed spices and rice bran edible oil. The company plans to launch a range of spices under the 'India Gate' brand, starting with biryani masala. KRBL will also introduce 'healthy' edible oil, leveraging its existing production of unrefined rice bran oil.

Reliance's FMCG arm bets on higher margins, cheaper pricing to gain ground

Nov 29 2024, Business-Standard.com

Reliance Consumer Products, the FMCG arm of Reliance Retail, offers distributors 6-8% margins, nearly double the industry norm, to promote stockpiling of its groceries and daily essentials under the Independence brand. Competing with giants like HUL and Nestle, its portfolio includes edible oils, staples, beauty soaps, snacks, and biscuits, marking an aggressive entry into the competitive FMCG market.

Weathering the storm: India Inc is adopting all-season sales strategies

Dec 2, 2024, Brand Equity.Com

India Inc is taking advantage of weather changes to push off-season sales and integrate new features in products. Companies like Dabur, Voltas and Blue Star are promoting products for all-year use. Efforts include new advertising campaigns, adding non-seasonal products, and expanding category opportunities to maintain steady revenue despite erratic weather patterns.

Swiggy is taking its rivalry with Zomato beyond biryanis, ration to this new category

Dec 4, 2024, Brand Equity.Com

Swiggy announced it will launch a wholly-owned subsidiary focused on sports team ownership, event organization, and broadcasting rights, competing directly with Zomato's District app and Bookmyshow. This new entity marks Swiggy's diversification beyond food delivery, with comprehensive objectives in the sports and entertainment market in India.

Learnings from Black Friday sales: Insights for Indian companies

Dec 05, 2024, Brand Equity.Com

Black Friday's deep discounts are becoming a year-round trend in India, impacting both consumer behavior and business strategies. While boosting sales, constant discounts raise concerns about long-term sustainability and brand value. The article explores how businesses, especially smaller ones, can shift from discount-driven growth to strategies focused on customer loyalty, operational efficiency, and strategic partnerships for sustained success.

On close watch: Titan bets on rising premiumization trend.

Dec 6, 2024, Brand Equity.Com

Titan Company is raising the base price of its watches to ₹3,000, driven by premiumization trends and rising income levels in India. Despite a profit dip in the September quarter due to customs duty cuts on jewelry, the company's watch and wearables division saw a 19% revenue increase. "Premiumization has now reached deep; customers are buying a ₹50,000 watch even in small markets like Satna or Katni. If you look at every research study, they point to a rising share of income classes in the country

CCI urged SC to consolidate cases against Amazon, Flipkart to expedite antitrust probe. - Dec 8, 2024, Brand Equity.Com

The Competition Commission of India (CCI) has approached the Supreme Court to consolidate multiple antitrust cases against Amazon and Flipkart, which have been filed by over 20 sellers across various high courts. This move aims to expedite the investigation, which has faced delays due to conflicting rulings and procedural challenges, potentially benefiting violators and harming market competition.

The dynamics of B2B branding vs consumer branding

Dec 9, 2024, Brand Equity.Com

B2B and B2C branding have different approaches. B2B focuses on trust and expertise. B2C targets emotions and lifestyle. B2B sales cycles are long. B2C sales cycles are short. B2B content uses facts. B2C content uses feelings. Branding agencies find both rewarding. B2B offers complex challenges. B2C provides visibility. Both aim for brand loyalty.

From Zara to Nike, H&M, and Levi's, garment makers feel the heat under EU sustainability laws YouTube Shorts.

Dec 9, 2024, Brand Equity.Com

Garment makers like Zara, Nike, H&M, and Levi's are facing challenges due to new EU sustainability laws aimed at reducing the environmental impact of the fashion industry. These regulations require brands to ensure that products are durable, repairable, and recyclable, effectively pushing for a shift away from fast fashion practices. Compliance will necessitate significant changes in production and supply chain management.

FMCG sector needs to reignite volume expansion, embrace distribution innovation, say experts.

Dec 12, 2024, Brand Equity.Com

Experts emphasize that the FMCG sector must reignite volume expansion and adopt distribution innovation to sustain growth. Current trends show rural demand significantly outpacing urban consumption, driven by a favorable monsoon and changing consumer behavior. Companies are urged to adapt their strategies to meet evolving market dynamics and consumer preferences effectively.

All cases should be transferred to Karnataka HC, says SC on Flipkart, Amazon antitrust cases. - Dec 16, 2024, Economic Times

The Supreme Court has directed that all cases related to alleged anti-competitive practices by e-commerce giants Amazon and Flipkart, pending in various High Courts, be transferred to the Karnataka High Court. The Competition Commission of India (CCI) had found merit in allegations of violations of the Competition Act, 2002 by the companies, including exclusive arrangements. The CCI ordered an investigation by the Director General and this was challenged by Amazon and Flipkart. In September, the Karnataka High Court stayed further proceedings against Amazon.