

Time: 2 Hours
MM: 40 Marks

Course: Idea to Business Model
Course Code: ED1102

Instructions: It is compulsory to attempt all questions.

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| Q.1 | Parents of teenagers are facing a critical issue of overuse of social media by their children and its adverse impact on their lives. In this context, discuss why and how you are going to use the design thinking process. How do you summarize your findings in the problem statement canvas and problem statement? | Marks (5+5)
(LO 1) |
| Q.2 | Discuss segmentation and targeting to identify the customer persona of Old Age Home. How do you use TAM, SOM and SAM to identify the size of the market? Craft the Value Proposition Canvas on the same idea. | Marks (2+3+5)
(LO 2, 3, 6) |
| Q.3 | How do you identify your competitors for building a differentiable and sustainable competitive advantage? Provide an example to illustrate the purpose of the Blue Ocean Canvas and its four-action framework. | Marks (4+6)
(LO 4) |
| Q.4 | Discuss the following case-study | Marks (5+5)
(LO 5, 8) |

Case Study: iD Fresh Food – Innovation, Simplicity, and Trust in the Indian Kitchen

The inventor of iD Fresh Food, Musthafa P.C., comes from a tough upbringing and had to overcome several obstacles in his early years, such as failing class six and almost quitting school. He went back to school after being encouraged by his parents and maths teacher, finally graduating from NIT Calicut with a degree and IIM Bangalore with an MBA. Through his path, he developed a distinct attitude that emphasizes breaking down difficult issues and coming up with creative, resourceful solutions.

When his cousins, who ran a small grocery store in Bangalore, began selling locally produced idly and dosa batter in loose plastic bags in 2005, Musthafa saw a market need. These goods lacked quality control, consistency, and hygiene. Musthafa co-founded iD Fresh Food with the intention of providing Indian households with fresh, natural, and preservative-free batter after realizing the potential in this disorganized market. iD pledged to use only natural ingredients and techniques, such fermentation, to retain authenticity and taste, as opposed to the conventional FMCG strategy of utilizing preservatives to extend shelf life.

From the start, iD placed a strong emphasis on innovation, both in the product and the packaging. The company unveiled a distinctive flat-bottomed zip-lock bag that makes it simple and hygienic for customers to keep batter. The packaging itself turned out to be a crucial distinction. This similar design-led methodology was used in later products. For instance, iD's vada batter pack included a special spout that made it simple to form ideal vadas, resolving a frequent issue for home cooks. Similar to this, iD's filter coffee decoction was packaged in a pouch that resembled a conventional tumbler, which immediately established cultural resonance and made a laborious process easier.

iD's business model was as innovative as its goods. The company was unable to rely on conventional FMCG distribution techniques because its products required refrigeration and had a limited shelf life. It created a novel Direct Store Delivery (DSD) concept in which Driver-Cum-Salespersons (DCS) made daily deliveries of fresh goods straight to retail locations. In order to minimize waste and operate a system with almost zero inventory, the model included geotagging and data-driven forecasting, enabling iD to preserve freshness and cut expenses.

A key component of iD's brand philosophy was trust. The company introduced iD Trust Shops in 2016, which are unattended vending machines in residential neighborhoods and IT parks where customers can take goods and pay for them independently. This audacious action demonstrated the company's faith in its customers, which increased those customers' faith in the brand. To emphasize cleanliness and openness and to reaffirm the brand's commitment to quality and freshness, iD live-streamed the making of idly-dosa batter as part of another campaign dubbed "TransparenSee."

At first, iD's marketing was subtle and focused more on customer referrals and product performance. The company eventually embraced a narrative strategy that highlighted the cultural and emotional significance of food in Indian households. A major component of the brand's identity, Musthafa's personal story of rising from poverty to success as an entrepreneur, garnered a lot of media attention and positive public sentiment.

With aspirations to expand to the US, UK, and Singapore, iD has had remarkable development, hitting ₹412 crore in sales by FY22 and entering overseas markets including the UAE. Additionally, its product line has expanded beyond batters to include bread, parottas, chapatis, curd and paneer.

But iD is facing more and more difficulties. With the arrival of both agile startups and established FMCG companies, the ready-to-cook market is becoming more competitive. Furthermore, local fresh batter sales by home cooks could reduce iD's market share in some regions. As iD enters new markets like paneer and curd, it will face competition from powerful incumbents who currently assert comparable qualities like freshness and lack of preservatives. Additionally, the brand may not be as appealing in non-Southern areas due to its strong South Indian identity.

Despite these obstacles, iD has a strong foundation to tackle future difficulties because of its history of combining innovation, consumer intelligence, and operational excellence. One of India's most exciting culinary success stories, the brand still exemplifies startup-like agility, a thorough comprehension of consumer demands, and a dedication to providing high-quality, natural products.

Discussion Questions:

Q1. Design a Lean Business Model of iD Fresh Food.

Q2. Discuss the value pyramid, golden circle and positioning statement of iD Fresh Food. Could you suggest a new catchy tagline for the company.