

Interview

With

Mr. Chandru Kalro
Executive VP – Marketing
TTK Prestige Limited



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TTK Prestige, offering the most comprehensive range of cookers in the world, is the largest manufacturer of pressure cookers in India. TTK's pioneered pressure cooking in the country, first importing **Prestige** cookers in 1948. Setting up a manufacturing facility in Bangalore in 1959, it took the first step to where it is today: selling more than a million **Prestige** cookers a year in India through 12,000 outlets. TTK Prestige is now set to emerge as the country's biggest kitchenware company. Let us find out more about the company's operations in India in the interview with **Mr. Chandru Kalro, Executive VP-Marketing**, TTK Prestige Limited.



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Q: Can you give us a brief about the evolution of TTK Prestige Ltd.?

A: This success saga had its beginning half a century back when Prestige pioneered the pressure-cooking concept in India.

In the 1950s, the pressure cooker was looked upon with fear and suspicion. But that was before Prestige launched the safest cooker. Allaying all fears and inspiring confidence in consumers, Prestige soon became a household name and kick-started the category.

Long before 'live product demonstration' became a well tested promotion concept, Prestige undertook house-to-house demonstrations for promoting pressure cooking as a safe way of preparing food. As the cooker became the norm rather than the exception in Indian households due to these efforts, it also attracted numerous unbranded players. But Prestige has always managed to stave off these players through constant product innovations and improvements.

For Prestige, launching and redefining the pressure-cooking concept in India and resting on its laurels was not enough. Soon it started looking for other ways to make a woman's time in the kitchen more pleasurable.

The Pressure Pan was introduced in 1980. A multi-utility utensil that could fry, sauté and pressure cook, it became a huge rage across the country.

Next was the turn of Prestige Omega and Omega Select., India's first Metal spoon friendly non-stick cookware. Another breakthrough and an unrivalled success, this product firmly established Prestige as the innovation leader and trendsetter in this industry.

In 2003, Prestige launched the Deluxe range of premium pressure cookers. Deluxe was India's first pressure cooker with the unique Pressure Indicator that serves as a visual confirmation for the user to lift the weight valve and open the cooker lid.

Recent feathers in the much-crowded Prestige cap include the Duplex range of two level gas stoves, the non-stick range of Pressure cookers in the shape of a Handi and the Pressure Kadai that can be used both as Kadai and as a pressure cooker.

The latest in this series is the launch of the Prestige Nakshatra, the Inner-lid pressure cooker with four safety features, unlike other players in this category who only have three safety features. The Nakshatra pressure cooker is uniquely shaped in the form of a Handi to cater to specific needs of consumers in this category.

Q: How difficult was it in the initial stages to make families switch over to cookers from traditional cooking pans?

A: There were several issues. There were concerns on nutrients being destroyed, safety of the product and of course the normal inertia to change cooking methods. All of these were handled through a process of demos, and extensive consumer education. It was proved that not only does the pressure cooker save time and fuel, but also was actually a more healthy form of cooking since there was indeed no destruction of the nutrients in the food. Added to this was the unique concept of separator cooking that was introduced by us. It was actually incredible to women that they could cook different foods that take different cooking times together. For example, Channa takes 40 minutes to cook. Rice only 3 minutes. Yet using separators, once could cook both together, the rice after getting cooked was really just kept warm and moist while Channa was cooking.

Q: Prestige made a revolution in bringing out the Pressure Pan. Can you give any other instances of unconventional marketing that made Prestige what it is today?

A: Prestige has been known to innovate. All the safety systems that one sees today in a pressure cooker were invented by Prestige. To quote a few, the Gasket release system(GRS), the gasket offset device(GOD), the re-settable safety device (RSD), etc.,

Apart from safety, Prestige has also segmented the category. The pressure pan being a classic example. More recently Prestige has launched the Pressure Handi and the Pressure Kadai, both shapes that are very Indian and part of any Kitchen in any part of the country.

Q: Can you brief us about the Prestige Strategic model?

A: The vision is to extend the Prestige brand towards Total Kitchen solutions. Brand extensions require more than just products. It requires a holistic strategy that includes innovation in distribution, pricing and of course promotions. We attempt to differentiate on every element of the Prestige marketing mix. This is why the brand set up its own retail under the name Prestige Smart Kitchen – giving it a very unique competitive edge in the market, an ability to constantly launch products successfully, and above all have a direct contact with the end consumer without a dealer in between to color consumer feedback. The other benefit is that it helps in ensuring that the objective of being present in all retail

formats is met, since the trade is forced to stock Prestige now that business could go away from them to Prestige Smart Kitchens.

Q: How would you define the role played by the retailers and distributors in the success of Prestige? Can you elaborate on “Prestige Smart Kitchens”?

A: The dealers and distributors played a very important role in the success of Prestige. The relationship has grown leaps and bounds and today we at prestige can really boost of having such good relationship with the trade. There have been many instances where the dealer/distributor is dealing with Prestige products alone, despite having a choice to keep other brands at his outlet.

Prestige strongly believes in its trade partners and is committed to strengthen them and prepare them for their challenges ahead. With the current trend of organized retail growing, we at Prestige believe that as leaders in the segment, we have to educate and instigate change in the trade partners and help them get to the next level.

Prestige Smart Kitchens have been one the most innovative marketing moves by Prestige. Prestige Smart kitchen (PSK) was conceptualized to do three things for us. To improve our visibility in terms of display for our entire range of products, to improve our distribution of our new products and to offer the customer a right ambience to shop and educate and communicate the right things about prestige, which she deserved.

After 3 years of successful operation and over 100 stores, PSK today offers that edge over the competition, which can not be replicated. Besides the three benefits that PSK offered to us, today it contributes to more than 12% of our revenue. It has prepared us to take on the challenges of organized retail, given us the comfort of launching newer categories in the kitchen, and helped us realize our ambition of Total Kitchen solutions.

Other interesting trend we have noticed that PSK has instigated the nearby traders to keep the entire range of Prestige. The same traders were not ready to stock and sell our entire range. This has actually resulted in prestige increasing its market share for its entire range in that area dramatically.

Thanks to PSK, we are able to get the customer feed back and analyse the trend much faster than earlier.

We have aggressive plans to expanding these stores across the country. The concentration would be on the tier 11 cities in South India and Tier 1 in the non south markets. By the end of this fiscal we shall be 200 in numbers with over 80000 sq.ft of retail space.

Q: How do you view the transition from a pressure cooker company to a total kitchen appliance company? What were the challenges that had to be faced along the path of this transition?

A: The transition from the Pressure cooker Company to total kitchen solutions is the need of the hour for maintaining the edge over the competition. With a brand that commands respect in the kitchen domain, this was a natural process. You might term it as out of the box thinking. The categories like Pressure Cookers, which is the lead product has got saturated in the urban markets, for growth we need to look at products that compliments your brand very well. Hence, this move towards total kitchen solutions, as we at prestige we can value add to the kitchen.

The challenges were basically to change the mindset of the traders and the market. The challenge was to gain acceptance in the new categories. The challenge was to get that distribution needed for the new products. The challenge was in sourcing the right product. To term it shortly, the challenge to transform the company from a manufacturing company to marketing company. We at prestige are proud today to have done that successfully so far and we intend to increase the pace in the coming 2 years.

Q: Prestige's major competitor is Hawkins and the other local brands. Prestige is in a situation wherein it has to overcome the challenge of both the major competitor and the local players. How do you view this warfare?

A: With low entry barriers in pressure cooker manufacturing, we have been facing these kinds of competition for ages. We have managed the business by constant innovation be it terms of product, marketing or promotion. Many of the product innovation in the industry

is by us. Apart from the product innovation the marketing and promotional innovations like Exchange offers, display contests, attractive consumer promotions have helped us sail through successfully.

We recognize Hawkins as the only national competition for our Pressure cookers. Regarding the others they are regional players, mostly unorganized, we play them out tactically from time to time. We have also observed that these regional players die a natural death as they will not be able to scale up their activity and sustain the growth with zero innovation on the product.

Since we now operate in many categories no single company can be called us as our competition as we are competing with all of the leading kitchen brands for some or the other product of ours. The strength lies in the fact that we are the only one to operate in all the categories!

Q: There is a distinct shift in the eating habits in cities – working women would prefer to save time by using packaged food - how is TTK ready to face the competition?

A: The trend that is being indicated is an urban trend. We have taken note of these and are promoting some of our product as fun and lifestyle by nature. Even if we assume that 2 days in the week the family eats outside, the balance 5 days are very critical. As regard to the packaged food, we are sure that the taste buds in our country are really different and they prefer home/self cooked food to the packaged ones.

We have launched several products to promote traditional cooking, Pressure handi and Kadai is one such example. In lifestyle and community cooking we have launched barbeques which makes it very ideal; for parties and get togethers.

Q: What are your predictions with respect to the growth of the kitchen industry in the next two years? How do you plan to diversify?

A: The next two years I believe that the kitchen ware industry will grow at a faster rate. With people paying more attention to the kitchen and with high disposable incomes in the urban markets, new product innovation and brand consciousness improving, we see that clearly.

With improved communication and infrastructure in the tier 3 cities and rural markets, the kitchen ware segment will see the growth there as well.

As for as we are concerned, total kitchen solutions will be our mantra. We shall provide everything in the kitchen at an affordable price and great quality. And we shall ensure right shopping experience for the consumers through our Prestige Smart Kitchens across the country.

Q: What is your advice to the corporate/brand managers of tomorrow?

A: Any manager's job is to optimize all resources to meet set objectives. Any situation is also full of constraints. A manager succeeds only when he over comes the constraints and achieves objectives. For this, one has to think out of the box, document learnings and never lose sight of the facts. A thorough knowledge of the battleground in its entirety is a must to be able to choose ones weapons and the battlefield. The simple old adages are applicable all the time. **If you do the same things, you are likely to see diminishing results**

This interview was taken by Aadarsh Himmatramka and Dimpi Tejani of PGP - II