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KUTCHINA: IN SEARCH OF A MARKETING STRATEGY

*“My father had asked me to visit our factory in Ranchi after my board exams. But I told my father that I wanted to do something on my own. Though he had agreed, but my father still wanted me to get some experience, so I had worked for a few firms before starting my own venture”.*¹

Namit Bajoria, Director, Kutchina

Mr. Namit Bajoria, Director, Kutchina, was pondering about the future of his organization in his fourth floor chamber at Bajoria Tower, next to Chinar Park, in the north-eastern suburbs of Kolkata. He has been a dynamic young person from a traditional Marwari family with a humble behavior. His aim was to make Kutchina the leading kitchen appliances brand among the Indian households. However, eastern India is the main market for Kutchina. The brand has presence across 1,700 dealers and 130 distributors across India of which most of them are in West Bengal. One of his challenges was to grow this business outside West Bengal.

¹ Vikay.C.Roy, Charting new territory is their success mantra, http://www.business-standard.com/article/companies/charting-new-territory-is-their-success-mantra-115072700600_1.html, accessed March 2016

This case was written by Ramendra Singh and D.P.Ghosh at the Indian Institute of Management Calcutta, and Siddhartha Paul. The case was prepared solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation.

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His journey started in 2000, when he formed Bajoria Appliances Pvt Ltd. to sell kitchen appliances under the brand name Kutchina with a vision to build brand “Kutchina”, and make it synonymous with all that makes a contemporary kitchen. He attended the world’s number one Kitchen Exhibition – “EuroCucina”, and named his brand in admiration of the exhibition. The company started its operations in 2003. Since then Kutchina’s turnover has increased from Rs. 49.4 Crores (2010-11) to Rs. 130 Crores (2014-15).² However, there has been a decrease in the rate of sales growth over the same time from 72% to 22%.³ On the other hand, the modular kitchen business has shown a steady increase from Rs. 1 Crore (2010-11) to Rs. 14 Crores (2014-15).⁴

Kutchina had started its business story with retail model of operations. However, the retail model did not prove profitable, and the company has adopted the Direct Marketing mode of selling. This has opened the scope for an innovative extension to the Direct Marketing method, which was the Direct Marketing Franchisee model, wherein distributors adopted Direct Marketing method. This has multiplied the sales force in the market and the personal reach to number of homes, thus helping the product gain ground much faster and reach more households. Today, in West Bengal and north-east of India, all the three forms of sales, i.e. Direct Marketing, Direct Marketing Franchisee, and Retail Market co-exist. This has eliminated channel conflict and the difference in margin distribution. However, the question is, would the Direct Marketing method work outside West Bengal (as it was not considered to be a widely used technique outside the state)?

Kutchina’s growth has continued with its sale of Kitchen Appliances and Kitchen Modular products. The company’s revenue has increased by 20.5%, from Rs. 111.53 Crores (31st March, 2015) to Rs. 134.45 Crores (31st March, 2016), as depicted in Exhibit 1.

² Company Sources, accessed March 2016

³ Company Sources, accessed March 2016

⁴ Company Sources, accessed March 2016