**Final Case Submission**

**Assignment Taken:** Develop an International Market Expansion Plan

**Case Facts**

Ramalingam Foods, a popular fast-food restaurant in Bombay, was known for its authentic fresh South Indian bakes and filtered coffees. During the emergency, they discovered another way to diversify their business portfolio: they began selling authentic Dosa-idli batter and readymade chutneys with reasonable profit margins. When Mr Venkatesh Ramalingam's son took over in the 1990s, he wanted to expand the company. Because wet idli batters have a short shelf life and are perishable, he came up with a ready-to-use powdered Dosa-idli batter, which was an instant hit because it solved the perishability problem. When the management realised that some people were purchasing the mixes and exporting them to other countries, they began to consider how they could take the brand to the next level. As a result, they enlisted our help in expanding into international emerging markets.

**BCS Solution Summary**

Focusing on emerging markets in Southeast Asia, where there is a higher concentration of Indians, can be a viable international expansion strategy. Thailand, Singapore, Malaysia, Indonesia, and Myanmar were identified as potential countries for the company to expand in the first phase after a study of the packaged food industry in Southeast Asian countries.

We plan to expand through partnerships and strategic alliances in the first phase of our expansion, as we have set aside 50 crores for international expansion.

Ramalingam Foods' main competitors in these countries are Mavalli Tiffin Foods (MTR), an Indian competitor and a subsidiary of Orkla ASA, a Norwegian conglomerate with operations in the Nordics, Eastern Europe, Asia, and Europe, and Indofoods Sukses Makmur in Indonesia.

Ramalingam Foods currently only has a few mixes and SKUs, including North Indian, South Indian, Chutney Powder, dessert mixes, and instant coffee mixes. The proposed strategy is to use existing SKUs to expand into a few Southeast Asian markets while also introducing a few new products.

Printing instructions in native languages on the packets also helps to reach a wider consumer base and attracts local customers.

**Why Southeast Asia?**

**Trade Facilitation:** Free trade agreements have been signed with the countries of Southeast Asia.

**Easy Supply Chain and Transportation Facilities:** Supply chain and transportation costs are lower because the planned expansion is primarily based on a franchise model.

**Higher Indian population in SEA countries:** The presence of Indians in these countries is also a significant factor. The following are the population statistics for the countries targeted:

29 lakhs in Myanmar (5.3 %)

5.1 lakh in Singapore (9.1 %)

2.3 lakh Indonesians (0.1%)

Thailand has 2.5 million people (0.5 %)

20 lakhs in Malaysia (7 %)

**Myanmar Expansion Proposed**

Myanmar's population is growing, providing a sizable market for businesses looking to expand into the country with the highest Indian population of the five countries considered.

**Increase in daily wage**: In 2018, a 33 percent increase in daily wage meant that the country's minimum daily wage was $4.80, or roughly Rs 300-350 - this is the ideal price range for the company to launch its products because they are reasonably priced.

**Logistics:** The majority of imported goods arrive by sea through Yangon Port (around 60 percent of the total imports). The construction of logistics hubs in Thilawa and Dawei ports is already underway, and this will greatly improve supply chain and logistics issues.

**Demand for processed foods:** There has already been a demand for processed foods from the United Kingdom. Furthermore, there are no local F&B processing brands. As a result, this clearly indicates that people are interested in processed foods, and that breaking into the market will not be difficult.

**Government regulations:** As FDI becomes more important, the government has clarified its position on overseas imports. Free trade agreements with ASEAN countries are a plus, as they will reduce tax burdens**.**

**Mix of Products for Expansion**

Ramalingam Foods can enter the Burmese market with a more diverse range of SKUs that include both Indian and Burmese cuisine. In terms of Indian cuisine, it can use existing products, whereas in Burmese cuisine, it can introduce new products.

Mohinga: A well-known rice noodle dish served with a fish-based soup. The rice noodles and powdered fish mix can be packed together for transportation and shelf life.

Burmese Indian Dosa Batter: The Burmese dosa batter, like its Indian counterpart, is well-known in the country. As a result, the presence of the Burmese version of the Indian Dosa strengthens the ties between the two countries.

**Expansion Method**

Ramalingam Foods expects to form a partnership with Pahtama Group, a local Burmese distribution behemoth. Ramalingam Foods can reduce SC & Logistics costs because of its established logistics base and strong supply chain network. Pahtama Group is a household name in Myanmar, with over 1000 employees.

**Singapore's Proposed Expansion**

Singapore is known around the world for its insatiable appetite for food. Singaporeans spend about $7.7 billion on food and beverage. As a result, if the company wants to accelerate its revenue growth, it must enter the Singaporean markets.

Imports are high: Singapore exports nearly 90% of the food it consumes. As a result, packaged food imports have a great opportunity to dominate the Singaporean market.

Increase in monthly household income: For a long time, household monthly income has been steadily increasing.

Busy schedules: People's busy schedules have forced them to rely on ready-to-eat meals. As a result, Singaporeans are more accepting of ready-to-eat meals and processed foods that save them time.

India Singapore Trade Relations: In terms of revenue, Singapore is India's second most preferred ASEAN trade partner, accounting for 38 percent of its total trade with ASEAN counterparts.

**Product mix of expansion**

With the highest proportion of Indians among the Southeast Asian countries, it is safe to assume that all variants will be successful in Singaporean markets. Two variants with limited SKUs for the local flavour can be launched as part of the expansion's pilot phase.

Satay: Satay is a popular grilled meat that is ready to eat in Singapore. The fillets can be easily transported from Indian shores and have a long shelf life.

Bak Chor Mee (Minced Meat Noodles): Bak Chor Mee (Minced Meat Noodles) is another popular Singaporean delicacy that falls into the non-vegetarian noodles category, which has a large market potential and can generate a lot of revenue.

**Mode of Expansion**

Ramalingam Foods intends to form strategic partnerships with Hosen Group Ltd (Hock Seng Foods), a packaged food distribution company. Ramalingam Foods can tap into Hosen Group's global supply chain network, which includes a large consumer base.

**Proposed Expansion in Indonesia**

Customers' convenience: Processed food markets can take advantage of this trend, which is fueled by busy consumers and an increase in single-person households.

Indonesians are open to trying new flavours and experimenting with new combinations. As a result, if the company can focus on health and hygiene concerns, launching a new food product will not be a major undertaking.

**Product mix for Expansion:**

The other variants can be launched in their respective 200 gms, 500 gms, and 1000 gms variants, except for the coffee mix (which will not generate enough revenue for the company because Indonesia is the fourth largest producer of coffee). Apart from that, local mixes can include the following:

Sop Kambing: A popular soup made with celery, tomato, and meat that is popular in Indonesian households during the winter, Sop Kambing is a powdered mix of the ingredients.

Sambal: Popular in Indonesia, this chilli-based sauce is a surefire winner.

**Mode of expansion:**

In Indonesia, Ramalingam Foods will partner with Tigaraksa Satria, one of the largest independent distributors in the country. The expansion becomes easier to implement with a nationwide coverage.

**Proposed Expansion in Thailand**

Due to busier consumer lifestyles, Thailand's consumption of processed and ready-to-eat foods has steadily increased. As a result, there is a sizable untapped market with high growth potential.

**Product mix for expansion**

Pad Thai (Instant Noodles) is a stir-fried rice noodles dish popular in Thailand. Due to the lack of major local food processing brands, it has a large market potential, particularly among Thais.

Instant Massaman Curry Powder is primarily used in Thai kitchens to make Thai chicken dishes, but it is also a common household ingredient.

**Mode of expansion**

The company intends to work with Geeta Group distributors (Thailand), which specialises in transporting processed consumable foods to restaurants and retail supermarkets across the country. As a result, the company can benefit from the parent company's large consumer base in the country.

**Proposed Expansion in Malaysia**

Beverages, canned seafood, dairy products, noodles, and bakery products are among the main products produced by Malaysia's food processing industry. In the food sector, there are large trade deficits. Malaysia's government has been forced to invest in the food sector. As a result, Ramalingam Foods has a fantastic opportunity to enter the Malaysian market, as the domestic market is still developing. As a result, there is a lot of untapped potential for growth.

**Product mix for expansion:**

All 13 of the current products are expected to be released in Malaysia. Apart from that, two local products will be released in limited quantities as part of a pilot project to determine consumer preferences.

**Nasi Lemak Mix (Rice with Coconut Milk)** is a staple in many Malaysian households and is one of the country's most famous dishes (possibly the country's national dish).

**Roti Channai (Instant Mix):** Based on customer feedback, this mix is also very popular among Malaysians, so launching different versions of the product could help with branding and revenue generation.

**Mode of expansion**

Ramalingam Foods wants to partner with the iconic H.L. Young Group in Malaysia, which has been a leader in the F&B sector in Singapore for over 50 years and specialises in dry food distribution.

**Structure of the Organization**

Because the company is expected to grow primarily through partnerships and strategic alliances, each of the five proposed countries will have one corporate head. Because there are no plans to set up manufacturing units in the countries at this time, the organisation is expected to follow a functional organisational structure. The CEO oversees the company's functional and operational efficiency.

**Infrastructure for Information Technology**

The company is expected to use a Hadoop network to manage data distribution because it is inexpensive and based in India's south Bombay. As a result, data from around the world can be tracked efficiently from a central server.

**Expansion**

Aggressive expansion in the Middle East and the United Kingdom: When expanding in Southeast Asia, it is recommended that the company use a more conservative expansion model to gauge market value. Once it realises its true market potential outside of India, it can aggressively expand in the remaining two zones with a high proportion of Indians, namely the United Arab Emirates (27 percent) and England (2.3 percent)

**Conclusion**

Ramalingam Foods decided to enter Southeast Asia after weighing all the benefits and drawbacks, and chose five countries: Myanmar, Singapore, Indonesia, Thailand, and Malaysia, all of which have a significant Indian population. Furthermore, according to a thorough market analysis, these are the countries with local populations that are highly receptive to cuisine from other countries. Following that, the company can pursue aggressive expansion in the remaining two zones, namely the Middle East and the United Kingdom, with a more diverse product mix and SKUs to gain more global market share in the long run.