

# MOJO BARS

Authors

Affiliation

Acknowledgement

## **Setting:**

Snacking is an official pastime of the world. How about doing it for some energy and healthy living? That's how it all began for Maulik Mistry, from Mumbai, in 2014. This lanky and cherubic founder of Pure Snacks Limited is busy for 18 hours a day. "There is a need for new brands in the country that can connect with the lifestyle element of the young India," says Maulik, founder of Pure Snacks Ltd, which manufactures Mojo Bars.

The idea was born in the US, while Maulik was working for the FMCG giant Nestle. He finished his engineering in India in 2008 and his MSc in Industrial Engineering at the University of Southern California in 2010. For three years, he worked with Nestle and understood what it meant to set up processes that can scale up operations. That's when the entrepreneurship bug bit him. He returned to India in January 2014 and immediately went ahead and met people who could help him set up operations to manufacture a snacking bar. He befriended Chirag Bhatia, an operations expert, and Kunjan Parekh, a food scientist, to help him in

his endeavour. He also brought in Vishal Keni, a senior sales executive, to help him with distribution and to expand the company pan-India.

“I began questioning people on the kind of snacking bar that they would like and what kind of ingredients they would like in it. At an outsourced lab, we began to experiment with fibres and protein that made sense,” he says. The company had invested Rs25 lakhs by then. Till June 2014, they spent all their time getting the licenses for setting up a company and manufacturing the product. They spent a good 18 months on the R&D of the product before hitting the market.

The initial task of finding a manufacturer took centre stage for Maulik, Chiraj and Kunjan. They met over eight manufacturers and finally homed in on one in Pune. The manufacturer in Pune understood the processes that this young team needed. By January 2016, Maulik and team began working with around 75 kirana stores in Andheri, Mumbai, to test the market.

Around the same time, a large retail chain in the city championed the young company by stocking their products in their store in South Mumbai. In the early part of 2016, the company began to rapidly develop their network. They signed up 15 distributors who could give them a national footprint. Around 80 percent of their business comes from retail outlets. Impressively, while being a young company, it has achieved a turnover of more than Rs1crore. The company also hopes to raise over \$500,000 to expand operations beyond Bengaluru and Mumbai. Energy bars are known

to be a bar-shaped food which contain almost all minimal nutrition that the body requires to produce and boost up energy. It is made with whole grains, nuts, and seeds. These comprise carbs which breaks down into sugar providing energy to the body. India's energy bar market is segmented by distribution channels such as supermarkets/hypermarkets, convenience stores, pharmacies & drug stores, online retail stores, and other distribution channels. The other distribution channels include specialty stores and vending machines.

### **Dilemma:**

For a product mix that are healthy snacks, targeting the entire lot of population doesn't make sense. Mojo Bars needs to play the niche segment game to target the millennial population (Anyone born between 1981 and 1996 (ages 23 to 38 in 2019) is considered a Millennial, and anyone born from 1997 onward is part of a new generation – Digital Natives or Minimalists) Micro Marketing and D2C marketing will be the best possible solution for the company. This segment of population would always be on Digital Marketing 24/7. Precision targeting would be the key to enter into the minds of the millennials. This population believes in organizing micro parties and celebrate success in small measures. Gifting can be an ideal way forward. But how to target this population on gifting aspects will be the real challenge for Maulik and his team at Mojo Bars. There are not many specialized agencies addressing the needs of the start-ups and other big companies on how to come up with the Gifting ideas.

Although, India has some excellent Direct Marketing companies, they don't invest much in the Gifting Ideas segment. How can Mojo Bars leverage the gifting options in corporate gifting solutions and also target the millennials who celebrate micro parties - will be a difficult task for the Mojo Bars to create a market for themselves. With the advent of Covid-19 pandemic, many employees in the companies are concerned about health consciousness and boost their immunity. Mojo Bars can target on the protein supplement and provide instant energy and immunity as a gratification for the employees. The corporates should gift Mojo Bars as a healthy option, instead of the *Soan Papdi*, that they offer to the employees regularly at festivals like Diwali etc. Mojo Bars should customize their gifting options to each corporate as per their requirements.

Digital Marketing plays a significant role in targeting the millennial segments, as it is very precise and can hit the right target, but it is a different ball game altogether. Unfortunately, the digital agencies that are operating in India, tend to recruit MBA's who are fed with the Harvard case studies and cases of large companies. No B-School teaches the problems faced by start-ups in the form of Case Studies. Hence, there seems to be disconnect between the client needs and the agency delivery. It becomes a big headache for companies like Pure Snacks Limited to convince these agencies to come up with catchy promotions on digital mediums with minimum budgets.

Mojo Bars now wants to venture into the D2C segment, which many FMCG brands (800 brands already have presence in D2C segment in India) are doing these days, as the new channel for marketing.

**Positioning:** Marketing students - MBA, International Business

### **Learning Objectives**

- To critically evaluate the existing marketing strategy
- Provide alternative strategy to achieve higher market share in branded snacks market

### **Opening Paragraph**

The branded snacks market is worth \$3 billion, according to PWC, and it's an opportunity for many new brands to enter the market. India's nutritional bars market stood at \$ 9.4 million in 2018 and is projected to grow at a CAGR of over 30%, to reach \$ 46.2 million by 2024. The snacks market is worth more than Rs.21, 000 crore. It is dominated by the likes of Unilever, ITC, Pepsi, Coca-Cola, Parle Industries and Parle Agro. There are eight other start-ups competing in this space, Yoga Bars, Green Snack Company and Valencia Nutrition are among them. While each one works hard to build a distribution network and reach a new audience, it is important that they keep the taste and messaging consistent with the brand ethos. Mojo Bars

has taken the health route, with antioxidants, fibres and proteins as the core message for its value proposition.

“There are several start-ups in India that can build brands thanks to the internet, which has created new age customers. It allows experiments to happen on a wide scale with new brands. It is here that new brands can succeed,” says Prem Kumar, founder of Snap Bizz, a retail technology company.

Maulik believes that in the initial days of building the company, an entrepreneur must do the maximum with the least amount of money. “I can take care of building the distribution now that Chirag takes care of the operations and Kunjan takes care of new products,” he says, happy that he has good partners sharing the burden of building a company.

Now in Mumbai, Maulik and team don’t rest. They are constantly tasting new flavours and working out on a new set of products to be launched by next year. They have recently launched a block buster brand “**Protein Bombs**” which has become one of their best sellers. The success depends on the Mojo, they have as a young team. They have the right snack to do so.

## **Milestones and data**

Mojo Bars seeks professional expertise to increase their Sales. The company is already close to getting 10,000 orders per day, but in the FMCG space,

volumes play an important role for the success of a company. The company wants to achieve the target of 20,000 orders per day by the end of 2022. It needs to make its digital marketing, D2C push and also enter into the gifting space to succeed in this endeavour. The team at PSL (Pure Snacks Limited) is now working on this initiative. Customer focus would be the key to their success. In order to achieve this target, the company has signed up DigiMark the leading Management Consulting Company based in Mumbai for executing these strategies.

## **Way Forward**

India boasts of youngest population in the World. It is estimated there are around 350 million Indians in the age group of 18-35 years. This huge pool of Indians are getting health conscious, earning big pay packets and are very focussed on their fitness and well-being. This can be a huge potential market for companies like Mojo Bars. Consumer demand for convenient and healthy on-the-go snack options has by far been the primary attribute for sales of energy bars in the country. Increasing health-consciousness, active lifestyles, and awareness about the benefits of consumption of smaller meals are further leading to the increased consumption of snacks, which is expected to drive the demand for energy bars. Increasing sports participation and the increasing gym-going population are expected to further propel the growth of energy bars. However, energy bars in India are perceived to be high-priced in comparison with regular snack bars. This has provided an opportunity for

Indian players such as Patanjali to come up with energy bars that are offered at a lower price.

Energy bars have found high levels of popularity in the sports nutrition market as sports activities involve lots of energy breakdown, and energy bars are a convenient and efficient option for the supply of instant energy to athletes. In recent years health clubs and fitness centres have witnessed consistent growth due to an increase in health concerns and lifestyle changes. A surge in the number of the middle-aged and geriatric population engaged in sports activities has further fuelled sales of the energy bar market, The increasing number of health and fitness centre has been positively influencing the growth of the energy bar market as these centres have been involved in the endorsement of sports and fitness nutrition products to their respective consumers. The demand for energy bars is also increasing due to linked convenience of consumption which is aided by disposable packaging that prevents the bar from touching hands directly, thus keeping the bar and the hand both clean.

***Discussion Case Questions:***

***Q1. Write a Brief Synopsis of the Case Study?***

***Q2. If you are a part of the Management Consulting team at DigiMark, how would you plan a Marketing Strategy for getting more orders***



*(increasing sales for Mojo Bars?) Suggest any 3 strategies that can be successful for Mojo Bars?*

*Q3.Prepare a better interactive digital marketing push for the brand Mojo Bars (Estimated Budget 8 Lakhs per annum – includes internet marketing, social media marketing and content creation) Suggest any two social media tools for making Protein Bombs which is their new product successful in the future? Why do you think these two tools can make the Protein Bombs product have more appeal?*

*Q4.Do you think Influencer Marketing will work for Mojo bars? Suggest any two influencers who can make the brand famous in the digital space?*

*Q5. Do you think Mojo Bars should diversify into related areas to achieve more organic growth in the long run? What is your opinion?*

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