



Chotukool from Godrej a case study

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Beginning of Chotukool

- In 2005, Sunder Raman Gopalan, Innovator and Vice President of Corporate Development at Godrej and Boyce Mfg Co. Ltd, decided to do something new.
- He then started pursuing his dream of doing something to the rural people to quench their thirst, in 2008 he unveiled, the working prototype of a mini-fridge, by including inputs of many rural women.
- The project was completed in 2009, thus Chotukool a mini-fridge for the poor was born.
- Chotukool was launched in March 2010, leveraging the distribution strength of Department of Post office (DoP), Microfinance institutions (MFIs) and Self help groups (SHGs).



Features of Chotukool

- Chotukool (Little cool in Hindi) is an affordable, portable, low-energy consuming refrigerator, that can work with a battery, an inverter, Solar energy 12V DC or 230 V, 50 Hz main line AC voltage.
- It is compact, has a capacity of 30-40 litre, is light weight of 7.8 Kg and comes in vibrant colours such as Candy Red.
- Chotukool was launched at an end price of Rs. 3790. It boasted of being cheapest refrigerator ever made and working without any compressor, instead it has a cooling chip and a fan. It works on a principle of solid state cooling (Peltier effect), which has no refrigerant gas.
- It has a switch to go into sleep mode to conserve energy. It opens at the top to conserve cold air.
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Product Positioning

- Executives from the company and some villagers who were working with them interacted with all kinds of people, educated, uneducated, semi-urbanites before the launch.
- The usage is very simple and it is applicable to uneducated rural people to sophisticated urbanite.
- Training was given to entrepreneurs, and exhibition was conducted in villages.
- The company also uses a micro entrepreneurship model, whereby villagers earn money for distributing Chotukool.



Target Market

- Bop (Bottom of pyramid) consumers who do not use or even know about refrigerator.
- The company targets two categories in rural India- rural households and rural shopkeepers.
- Company is facilitating loans and easy finance schemes through micro-finance firms.



Utility

- Very useful for local vendors at street corners to store cold drinks, water packets and bottles.
- To keep flowers and garlands fresh. The florist can save 3.5 kg per day by using Chotukool.
- Mumbai Dabbawalas can use it to distribute cold water and soft drinks to their daily customers.
- Source of income for distributors (postman & Sakhi) and mediators between Godrej and Consumers.
- It can be used as second fridge at home to drink cold water especially in the night.
- It can be used for picnic and transported to cars.
- The operational cost is low as it consumes fraction of power, in case of power shutdown it can be run on batteries or invertors.



Pros and Cons

Competition

- HUL and BP energy also sell their products in Bop market, but they sell different products such as Purit water (HUL) purifier and Oorja stove (BP energy). They might also become a competitor in the future.

Challenges

- Chotukool mainly targets rural market, many of their customers are illiterate, customers can understand simple pictures, hence they face the problem of market place literacy.

Opportunity

- In a country where one third of food wasted due to spoilage and refrigerator has penetrated just 18%, Godrej is in a better place.



Conclusion

- Godrej identified their major market segment which is rural area.
- They developed appropriate market strategy to enter into rural market.
- Since internet and TV are now available in rural villages, Godrej should start advertising in these channels to further boost their market .
- They positioned the product by addressing unmet need of rural market, and they are away from the competitors by providing cheap and efficient product, moreover a different technology which no other competitors have ever tried so far.
- They penetrated Urban markets also, hence market expansion is also efficiently done. On the whole Chotukool is a successful product of Godrej.