

Traditional Giants vs. New-Age Disruptors: A Comparative Business Analysis of ITC Foods, BN Group, and Skippi Ice Pops

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Abstract

This research paper presents a comparative analysis of three Indian food and beverage companies operating at distinct scales: ITC Foods, BN Group, and Skippi Ice Pops. Covering the period from 2020 to 2025, the study examines how firm size and organizational maturity influence strategic choices related to supply-chain integration, product innovation, branding, and financial performance. Using qualitative analysis of secondary data, the paper demonstrates that large FMCG incumbents leverage vertical integration and acquisitions to defend scale advantages, mid-sized firms pursue operational efficiency and niche differentiation under commodity constraints, and startups rely on innovation-led branding and rapid distribution expansion to overcome resource limitations. The findings contribute to understanding heterogeneous growth pathways in India's evolving F&B sector and offer insights into how firms across scales respond to changing consumer preferences, cost pressures, and competitive intensity.

Keywords: Indian FMCG, Food and Beverage Industry, Comparative Business Analysis, Supply Chain Strategy, Brand Differentiation, Startup Growth, Edible Oils

Chapter 1. Introduction

India's food and beverage (F&B) market has undergone rapid expansion over the last decade, driven by rising incomes, urbanization, health consciousness, and the growth of modern retail and e-commerce. Companies operating in this domain vary significantly in scale, strategy, and maturity, from conglomerates with nationwide distribution networks to niche brands targeting specific consumer segments.

This paper compares three distinct players in the Indian F&B landscape:

1. **ITC Foods** – A pan-India, diversified FMCG leader with deep agricultural integration.
 2. **BN Group** – A mid-sized edible oil and wellness-foods business scaling rapidly through manufacturing capabilities.
 3. **Skippi Ice Pops** – A startup redefining the ice-pop category with natural, preservative-free offerings.
- The objective is to provide a structured, multi-dimensional analysis of their operations, challenges, and future pathways.

Chapter 2. Methodology

This study employs a qualitative research design, drawing on publicly available corporate reports, financial disclosures, industry analyses, market estimates, business news sources, and strategic documents provided in the internal dataset. The collected information was examined holistically to understand each company's trajectory and competitive positioning within the Indian food and beverage sector. The analysis

focuses on several core dimensions essential for evaluating business performance and strategic direction, including corporate history and evolution, manufacturing and supply chain structures, product portfolio development and innovation patterns, marketing and branding practices, and financial performance from 2020 to 2025. Further attention is given to identifying competitive strengths and weaknesses, assessing both internal growth drivers and external challenges, and conducting a comparative cross-company evaluation to highlight differences in scale, strategy, and market behavior. This multi-layered methodological approach allows for a comprehensive understanding of how ITC Foods, BN Group, and Skippi Ice Pops have navigated market dynamics during the period under review.

Chapter 3. ITC Foods Ltd.

ITC Foods is a division of ITC Ltd., one of India’s largest conglomerates. Between 2020 and 2025, the Foods business expanded aggressively, leveraging backward integration through ITC’s Life Sciences & Technology Centre, agri-sourcing networks, and hotel culinary expertise. More than 90% of raw materials are domestically sourced, supported by 200+ manufacturing units.

3.1 Manufacturing and Distribution

- Fully integrated supply chain across grains, dairy, spices, and packaging
- New biscuit and atta plants in West Bengal, Assam, and Punjab under the PLI scheme
- UNNATI B2B platform connects 700,000+ retailers
- ITC products are available in 75% of Indian kirana stores
- D2C expansion through six brand websites and partnerships with e-grocery platforms

By 2024, ITC Foods products reached **250 million households** domestically and were exported to **70+ countries**.

3.2 Growth Strategy (2020–2025)

Key acquisitions:

- **Sunrise Foods (2020)** – spices
- **Yoga Bar (2023)** – nutrition-focused snacks
- **24 Mantra Organic** – organic foods and export markets
- **Prasuma (2024)** – frozen snacks and ready-to-eat

ITC launched **300+ products in three years**, mainly in health-oriented and convenience categories.

3.3 Marketing and Brand Strategy

- Mass-market focus with niche targeting
- Launch of **Right Shift (2024)** for consumers above 45 years
- “**Help India Eat Better**” campaign promoting nutrition
- Collaborations with Blinkit, Swiggy, Instamart, and influencers for new launches

3.4 Technology and Innovation

- AI for demand forecasting, supply-chain optimization
- Sustainable packaging (OxyBlock, bio-coatings)
- Fortified and functional food innovations
- Organic supply-chain development linking 27,500 farmers

Fiscal Year	Revenue (₹ Cr, Foods)	YoY Growth	Key Brand Sales
FY2023	~15,800	~14–15%	Aashirvaad: ~8,000; Sunfeast: ~5,000

FY2024	17,194	+9.6%	Same as above
FY2025	~22 000 (est.)	+4–5%	Same as above

Table 1: Financial Performance - Margins improved to 11–13% EBITDA, driven by premiumization.

3.7 Strengths and Weaknesses

Strengths

- Massive distribution network
- Strong cash flows from cigarettes fuel the FMCG
- R&D depth and quick innovation cycles
- Vertical integration enables cost efficiency

Weaknesses

- Late entry in several categories
- Premium competitors in urban markets
- Margins still below top FMCG benchmarks
- Commodity and regulatory vulnerability

Chapter 4. BN Group

Established in 1910 and rebranded in the 1990s, BN Group has evolved into a leading edible-oil manufacturer and wellness-foods player. It significantly scaled operations after 2006 with modern refining facilities.

4.1 Manufacturing and Supply Chain

- 1,000+ TPD refining capacity across Gujarat, UP, and MP
- Cold-press mustard oil facility (125 TPD)
- Palm oil sourcing, domestic oilseed procurement
- Sustainability-focused processes, including biofuels and renewable energy

4.2 Product Portfolio

Brands include:

- **Simply Fresh** (mass oils)
- **Healthy Value** (cold-pressed mustard)
- **Nutrica** (premium fortified oils for kids)
- **R Mark, Sakar Lite** (regional brands)

Nutrica represents BN’s attempt to move into branded wellness products.

4.3 Marketing Strategy

- Regional TV, print, and outdoor campaigns
- Health-focused messaging for Nutrica (“first kid-friendly edible oil”)
- Strong presence in North India and expanding into Africa
- Influencer and digital outreach for newer brands

4.4 Innovation

- Investments in advanced refining and oleochemical technologies
- Plans for high-value specialty oil ingredients
- Data analytics for supply-chain optimization

Metric	FY2021–22	FY2022–23
Operating Income	₹1,857.97 Cr	₹2,354.57 Cr
EBITDA	₹67.73 Cr	₹91.21 Cr
EBITDA Margin	3.65%	3.87%
PAT	₹20.05 Cr	₹27.05 Cr

Table 2: Financial Performance - Group-level revenue target for FY2025: ₹8,000 crore.

4.7 Strengths & Weaknesses

Strengths

- Vertically integrated refining system
- Strong regional presence
- Rapid capacity expansion
- Niche positioning through Nutrica

Weaknesses

- Thin commodity margins (~1% PAT)
- Regional concentration
- Dependence on global edible oil cycles
- High working-capital requirements

Chapter 5. Skippi Ice Pops

Founded in 2021, Skippi became India’s first branded ice-pop company and gained visibility through **Shark Tank India**, securing investment from all judges.

5.1 Manufacturing & Distribution

- Production at Hyderabad (Shamshabad)
- Patented concentrate-based ambient transport
- 20,000+ retail outlets nationwide
- Exports to 9+ countries
- 200+ distributors

5.2 Product Portfolio

- Natural ice pops with real fruit extracts
- Desi flavours: imli, kala khatta, chilli guava
- New products: Crazy Corn, Cornsticks, Cream Rolls
- Monthly innovation cycle planned

5.3 Marketing Strategy

- Digital-first campaigns
- Strong recall through Shark Tank
- Freezer bikes for last-mile delivery
- ₹10–30 price range for mass affordability

Fiscal Year	Revenue (₹ Cr)	Net Profit/Loss	Notes
FY2022–23	15.6	-1.5	Growth phase
FY2023–24	20.18	-12.92	Expansion costs
FY2024–25	65–90 (proj.)	NA	Expected 300–400% growth

Table 3: Financial Performance

5.5 Strengths and Weaknesses

Strengths

- First-mover advantage
- Hygienic & preservative-free positioning
- Strong distribution through kiranas
- Unique concentrate technology

Weaknesses

- Seasonal sales cycles
- Price-sensitive competition
- Cold-chain challenges at scale
- High expansion costs

Aspect	ITC Foods	BN Group	Skippi Ice Pops
Scale	National, top 2 FMCG foods	Large regional, growing	Startup-level
Core Products	Packaged foods	Edible oils	Ice pops/snacks
Innovation Model	R&D + acquisitions	Specialty oils/oleochemicals	Patented concentrate tech
Financial Stability	High, diversified	Moderate, commodity exposure	Low but improving
Marketing	Mass + digital	Regional health-focused	Digital-first + nostalgia
Key Challenge	Competition & inflation	Thin margins	Seasonality & logistics

Table 4: Comparative Analysis

Chapter 6. Challenges and Strategic Recommendations

This chapter examines the major challenges faced by ITC Foods, BN Group, and Skippi Ice Pops between 2020 and 2025 and provides strategic recommendations using a problem–solution framework. Each

company operates at a different scale and maturity level, which shapes the nature of pressures it encounters and the strategic responses required to maintain resilience and growth.

6.1 ITC Foods

ITC Foods faces rising input costs due to inflation in essential commodities such as wheat, edible oils, and cocoa, along with increased packaging expenses. These pressures threaten margins in a business heavily reliant on volume and competitive pricing. To address this, ITC can strengthen long-term sourcing contracts, expand local procurement, and use AI-driven supply-chain forecasting to anticipate volatility and optimize inventory planning. Continued premiumization, especially in fortified and value-added categories, allows selective price increases without alienating consumers.

A second challenge is the weak demand environment caused by a cautious urban consumer base and only gradual recovery in rural markets. ITC's growth in this period depends on stimulating consumption through deeper rural penetration, offering affordable pack sizes, and designing value-driven product variants for price-sensitive buyers. Additionally, expanding export markets through processed and health-oriented foods gives ITC a buffer against domestic slowdowns and enables balanced, multi-market growth. The third challenge involves increasing competitive pressure from legacy FMCG players, regional brands, and aggressive startups, especially in health foods and snacking categories. To maintain leadership, ITC must continue accelerating product innovation, strengthening direct-to-consumer channels, and pursuing selective mergers and acquisitions aligned with emerging consumer trends. This dual strategy of internal innovation and inorganic expansion can help retain market share in a crowded landscape.

6.2 BN Group

BN Group's operations are heavily influenced by commodity price volatility in global and domestic edible oil markets. Fluctuations in soybean, palm, and mustard prices directly affect cost structures and margins, given the group's reliance on refining. To reduce exposure, BN can adopt AI-based commodity forecasting models, diversify procurement sources, and use hedging mechanisms where feasible. Strengthening backward linkages and cultivating long-term supplier relationships further stabilizes costs and supply.

Competition in the edible oils segment is intense, driven by established FMCG players, private labels, and unbranded oils. Meanwhile, consumers increasingly seek healthier, fortified cooking oils, adding pressure to innovate. BN Group can respond by expanding its Nutrica wellness line, fortifying oils with vitamins, and using compliance and safety certifications as credibility-building tools. Its marketing strategy should emphasize nutrition, purity, and lifestyle benefits, complemented by regional influencer campaigns and clearer labeling standards.

A third challenge lies in scaling distribution beyond North India while simultaneously expanding into global growth markets such as Africa. Scaling requires robust logistics, capital investment, and local partnerships. BN's multi-channel approach, working with modern retail, traditional kirana stores, and digital platforms, should be strengthened with predictive analytics to identify promising new territories. Establishing local manufacturing partnerships in Africa can reduce logistical barriers, build cost advantages, and secure the group's long-term international footprint.

6.3 Skippi Ice Pops

Skippi Ice Pops faces inherent seasonality, as demand for frozen treats drops significantly during colder months. This leads to revenue volatility and limits year-round scalability. To offset this, Skippi should continue diversifying into complementary snack categories such as corn-based snacks, cream rolls, and freeze-dried products; items that are not climate-dependent. This ensures more stable revenues and keeps consumers engaged beyond summer.

Maintaining uniform product quality while scaling production across facilities is another challenge for the young brand. Skippi's positioning as a hygienic, preservative-free offering requires strict consistency. The company can address this by formalizing quality-control processes, developing standard operating procedures for all manufacturing partners, and conducting regular supplier audits. Introducing small-scale automation in its Hyderabad plant would further reduce variations and improve output stability.

Finally, Skippi must balance rapid growth with financial discipline. Expansion into new cities, categories, and channels increases operational complexity and capital requirements. A phased expansion strategy, prioritizing high-demand regions, strengthening the management team, and closely monitoring cash flow, can help the brand grow sustainably. Strong financial governance, combined with targeted investments in production and logistics, will ensure efficient use of funds and long-term viability.

Chapter 7. Conclusion

The period from 2020 to 2025 represents one of the most transformative phases for India's food and beverage sector, marked by shifting consumer behaviour, supply-chain disruptions, rapid digitalisation, and an intensified focus on health and sustainability. Within this landscape, the three companies examined in this study, ITC Foods, BN Group, and Skippi Ice Pops, demonstrate three distinct yet equally illustrative models of how Indian F&B businesses can grow, compete, and adapt.

ITC Foods exemplifies the scale and sophistication of a diversified FMCG giant operating in a dynamic market. Its success during this period was rooted in deep backward integration, a robust agricultural value chain, and substantial investments in R&D and technology. Through timely acquisitions and relentless innovation across staples, snacks, dairy, and health-oriented products, ITC strengthened its position as one of India's most influential packaged-food companies. Its ability to balance mass-market penetration with targeted, niche brand strategies reflects a mature understanding of India's diversified consumer base. ITC's trajectory shows how large enterprises can use structural advantages to expand rapidly while still responding to emerging consumer expectations for healthier and more convenient food choices.

BN Group illustrates the evolution of a regionally strong, manufacturing-led enterprise scaling toward national and international relevance. Its aggressive capacity expansion, technological upgrades, and entry into fortified, wellness-oriented edible oils mark its shift from a commodity-driven business to a differentiated FMCG contender. Despite working with thinner margins and greater exposure to global commodity cycles, BN leveraged operational efficiency, vertical integration, and targeted brand-building to strengthen its presence in North India and new overseas markets, including Africa. The group's experience underscores the importance of strategic diversification, manufacturing resilience, and product innovation for mid-sized firms navigating competitive and price-sensitive categories.

Skippi Ice Pops represents the agility and boldness characteristic of India's new-age consumer brands. Its rapid ascent, from a startup to a nationally recognized player, demonstrates the power of product novelty, strong storytelling, and innovative distribution. By reinventing the humble "chuski" through natural ingredients, hygienic processing, and patented concentrate technology, Skippi carved out an entirely new branded segment in frozen treats. Its expansion into new snacks and global markets highlights how nimble companies can leverage brand identity, modular product innovation, and digital-first marketing to achieve scale within a short span. The company also offers a compelling case study on the challenges of seasonality, operational scaling, and capital allocation for emerging FMCG disruptors.

Collectively, the performance and strategies of these three companies reveal several foundational principles shaping success in India's F&B ecosystem. Strong distribution networks remain critical in a

geographically diverse and retail-fragmented market. Strategic innovation, whether through new products, healthier formulations, advanced processing, or packaging breakthroughs, continues to influence consumer adoption across both urban and rural markets. Cost efficiency, supported by technology, supply-chain optimization, and procurement intelligence, determines long-term sustainability in an industry constantly shaped by commodity volatility. Brand differentiation, built through trust, recall, and relevance, separates leaders from followers in an increasingly crowded FMCG environment. Above all, resilience to fluctuations in demand, regulatory changes, and global supply cycles has become essential, reinforcing the need for diversified portfolios and adaptive strategies.

As the Indian consumer transitions toward healthier, convenience-driven, and environmentally responsible choices, the F&B sector will continue evolving at a rapid pace. ITC Foods, BN Group, and Skippi Ice Pops each enter the next decade with distinct strengths but a shared imperative: to innovate continuously while preserving operational discipline. Their ability to balance growth with agility, scale with sustainability, and tradition with modernity will determine not only their future competitiveness but also the trajectory of India's broader food and beverage industry.

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