

Case Title: Eveready Industries- The Magic Lamp that Changed the Fortunes.

INTRODUCTION

Some time in the mid summer of 2008, Mr. Deepak Khaitan was feeling very restless sitting in his office in Kolkata. He was jolted by the fact that the demand for his battery business which once commanded a domestic market share of 60% was fast dwindling. Added to it the demand for its largest selling battery size fell from 600 million to 300 million in just one year mainly because of cheap Chinese imports.

Mr. Khaitan the Vice Chairman & Managing Director of Eveready Industries Ltd. felt that the company's problems was much deeper as on top of its falling domestic demand, the company did not have the license to sell Eveready batteries in many overseas markets as the brand was owned by Energizer in other markets. Mr. Khaitan's predicament was two fold. It was like being hit by a double whammy. He had to hit upon a brilliant yet radical way of bolstering the bread and butter business of Eveready Industries and most importantly he had to act fast. Deep inside his guts, he understood that it was the most disruptive phase since the Kolkata based B.M Khaitan Group Company took over Eveready Industries from Union Carbide in 1994.

Thus born out of sheer necessity of survival, Eveready Industries made its experimental foray of entering the LED Lantern(lamp) business, which on one hand would create a new growth opportunity for catering to the BOP customer in an emerging country like India, so long dependent on kerosene lanterns in many parts of power starved states like UP, Bihar, West Bengal, etc, while on the other end this lamps would need batteries to operate on, which would create a further traction for his existing battery business. Further if it could be provided at the right price points to be cheaper than traditional kerosene lamps, it would fill a significant void in the market. But he did not know how big the void that was. This experimental foray led to unprecedented success which changed the fortunes of the company in year 2009 and onwards. At the heart of LED lanterns business is Eveready's philosophy, "You can live in darkness, but once you are used to light, you will never go back to darkness", built on the philosophy of giving better light at a lower monthly cost than running kerosene lanterns. What then were the challenges and predicaments faced by Eveready Industries in taking an alternative growth path born out of adversity and what were the strategies adopted in revitalizing the Company.

Written by Prof. Swarup Kumar Dutta of Institute of Management, Nirma University.

Case researched without any research grant. The author is thankful to Mr. Partha Biswas, Vice President-CFL Division and Corporate Communication Cell at Eveready Industries Ltd. For sharing all that had happened in building this case. The case writer has also made use of his own notes of Eveready preserved including field visits in Jharkhand which were helpful in raising issues and conducting interviews with Eveready officials.

The case is prepared as a basis for class discussion. Cases are not designed to present illustrations of either correct or incorrect handling of administrative problems