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WHEN HIPPO USED TWITTER TO MANAGE ITS SUPPLY CHAIN

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The Indian snack brand inspired its customers to be advocates

It's been described as an unusually passionate case of brand love – Indian-style. It was also one of the world's cleverest marketing campaigns. But the real groundbreaking frontier set by India's popular Hippo brand of snacking chips was in re-inventing Twitter as an inventory tool to re-stock shelves at low cost.

In a marketing first, this innovative Indian consumer brand got customers so excited about its product that they willingly volunteered to send tweets to the company when stocks ran out at local stores.

In a country of more than 1.2 billion people, where snacking chips are stocked by 400,000 mostly small vendors, supply chain management was the brand's biggest problem. Until they thought of using Twitter as the low-cost solution.

It began in 2010 when 'Hippo Baked Munchies' were launched in India by Parle Agro, a \$US366 million company that is a leading player in India's snack and drinks market and has a presence in 50 countries.

Using 'return on tweet' as a new measure to track the success of its unique social media campaign, the company was able to extend the use of Twitter beyond marketing and publicity into previously unknown supply chain territory.

"They were able to monetise the financial value of the 'return on tweets', so there's a new type of return on investment model that underpins their social media campaign," says Adrian Payne, a professor of marketing at UNSW Business School.

For the Hippo brand, tweets poured in from 59 cities across the length and breadth of India, making this social media initiative a big success. To this day, the brand has about 109,000 followers on Twitter.

INVENTORY TRACKERS

While food-maker Parle Agro keeps most of the details of its innovative campaign close to its chest, Payne says the Hippo Twitter Trackers team at the company's headquarters checked every tweet and replenished the supply in each store accordingly. Each hour, each day, and week after week, in a country where 94% of retailing occurs through small kiosks and the like.

"All this has been achieved by the Hippo team and its consumers at a surprisingly low cost," Payne says.

As a result, Hippo sales shot up by 76% within a few months. Using Twitter in an integrated advertising and social media campaign that bordered at times on evangelism, the brand converted hundreds of thousands of fans into inventory trackers who became stakeholders in the brand's distribution chain.

In effect, it invented an alternative inventory tracking system. At zero cost, Hippo had 400 extra people helping with sales and distribution over Twitter – equivalent to almost 50% of the strength of its own internal network.

"This to me was a really novel case and certainly the first example of Twitter that I've come across used in this sort of way," says Payne.

"It shows that we're only at the really early stages of the evolution of social media. People traditionally think of Twitter as having an important role in marketing. But the really novel part for me was how Hippo used Twitter as a way to improve distribution and sales management."

LOW-COST INTEGRATED STRATEGY

With a marketing budget that was one-tenth that of competitors, Parle Agro succeeded in launching the new Hippo line of products on to the market and later retaining customers it gained through brand loyalty.

According to Payne, competing against fast-moving consumer goods "gorillas" in the food industry is difficult in India's crowded food market.

"Marketing is about integration for me. About bringing all elements of the marketing mix together and addressing them in a creative and innovative way. I think that's exactly what Parle did with the Hippo brand," Payne says.

"Companies can be successful with very small marketing budgets if they are sufficiently innovative in their approach and they have a differentiated product."

Using a loveable brand mascot, Hippo, whose mission and message is to fight hunger, the brand stood apart in a busy market and took on a life of its own.

But it didn't happen by accident. Backed by clever positioning and a highly creative integrated communications strategy created by leading Indian agency Creativeland Asia, the multi-channel approach paid off.

HUNGER IS THE ROOT OF ALL EVIL

Parle Agro's integrated communications strategy worked across radio, TV, print, a website, point-of sale materials and social media. Hippo used a simple message in the diverse Indian market of rich and poor: "Hunger is the root of all evil. So, don't go hungry."

The Hippo brand stood for a cause, which was engaging to consumers who willingly acted as "hunger fighters".

Hippo spoke to consumers as a friend. Satirical TV commercials featured groups such as terrorists and hostile rioters who were rendered docile, friendly and happy as a result of eating Hippo snacking chips.

A radio campaign built on its positioning of "Fight Hunger, Fight Evil", by using famous speeches from history by evil dictators including Adolf Hitler, Saddam Hussein and Joseph Stalin.

"There was a great sense of humour in their campaigns and I think humour can be very effective in advertising if it's used [well]," says Payne.

The result of the integrated campaign was that customers engaged better with the brand, improving Hippo's online brand presence. Amid relentless pressure in the business market to better channel customers, Parle Agro's use of Twitter stands out as a textbook case in business schools to cut costs, says Payne.

In fact, the Hippo case study authored by Payne and Pennie Frow, a professor of marketing at the University of Sydney Business School, features in their textbook, *Strategic Customer Management*.

"The cost factor for Parle Agro was an amazing advantage," says Payne. "The cost to serve customers is going up dramatically in many industries and that's why whenever we can migrate the channel to a web-based or low-cost digital environment, the better."

ADVOCATES AMONG THE CUSTOMER BASE

What was distinctive about the Hippo campaign was the intense way it engaged consumers and generated brand buzz. Customers essentially became the sales force, in a way comparable to companies such as Tupperware and Mary Kay Cosmetics, says Payne.

Parle Agro is a modern-day version using technology and social media instead of expensive company sales visits.

Payne says the Hippo case also creates a "virtuous circle" when analysed against the metrics of acquisition, cross-sell, upsell, retention and advocacy. "Some companies are very good at acquisition but very poor at retention," he says.

"With Hippo, I think in terms of these elements they've been very successful at driving acquisition through a very creative and novel advertising campaign. To me it's a question of understanding how to maximise all those elements in the context of the situation that you're in, the product life cycle and the competitive context.

"So it's not just about selling – Hippo actually developed and engaged to retain and create advocates among the customer base.

"Obviously Hippo retained customers by getting them involved in the product and also assuring them the product is there, so they can repeat purchase. In terms of advocacy, some customers became absolute advocates for this product resulting in their extensive tweeting of out-of-stock items and they were rewarded by the company with huge hampers of the Hippo product and Hunger Fighter certificates," Payne says.