

A Case of Establishing Brand: Faridabad Heena

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Abstract

This case talks about the journey of Faridabad Heena to be established as retail brand in Faridabad region. The Faridabad Heena started as a retail Brand in the Delhi NCR market. Faridabad Heena is struggling with the tuff market competition at national level. This is a case of small scale business with 10 to 15 million annual turnover and 4 to 5 million per unit. The second generation entrepreneur Mr. Suresh Gupta and Mahesh Gupta both are commerce graduates and inherited this business from their father who started it in year 1982 with the name S. M. Gupta. They pursued that business as supplier of Heena. They used to provide the basic product to large players dealing into cosmetic and beautification products. The supply was done in sacks of relatively larger quantity like 40 kg, 10 kg, 5 kg etc. At that time cultivation of Heena was based at Faridabad. This case is a real example of how a second generation entrepreneur thought of branding its normal product and taking it to the heights of established retail brand. This case also highlights that most of the times, entering a new international markets is not a subject of preference but of necessity to remain competitive in new or established markets. Our case is going to analyze the possibilities that a company has when entering a foreign market. It is learning to all Business managers, entrepreneurs and management students who want to start their business in domestic market and are exploring their career in international market.

Keywords: Branding, Opportunities, Competition, International marketing and Marketing strategies

A New Journey Started

They entered in retail business in 2006 with the registration of Partnership firm. Two brothers Suresh and Mahesh run this business. Elder brother Suresh handles production and Mahesh looks after marketing part. Both are energetic and innovative. Their major buyers are Nature Essence, Shehnaz, Ayur and small dealers. Their major operational and supply area revolves around Delhi and NCR, Himachal Pradesh and Uttrakhand. Now their raw material comes from Rajasthan where the cultivation of Heena takes place. Their main line of business is processing and packaging of Heena. Two of their plants do the processing and one in packaging.

Existing Products Range

Presently they are dealing various product ranges in order to cater the need of different customers. Their journey of products in the year of 2006 started with Rachnee Menhadi that used to come in cloth packaging. Thereafter, they introduced herbal Heena in small packs of 30 gm 40 gm, 50 gm. Menhadi cone and Black Heena (hair dye) were new additions to their existing product line.

Domestic Market Scenario

The market is shared by many strong competitors like Neha Menhadi, Mayuri Menhadi and Black Rose Menhadi. In view of the changing market preferences from artificial to natural herbal products there are few who maintain the originality. Real herbal takes pride in

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offering their high quality herbal products at competitive price. They have been successful in maintaining their quality standards which has motivated them to shift from being a wholesale supplier to a retail brand of their own.

Strategies for Survival

1) Diversification Strategies

- **Market expansion:** Presently they are working through a mediator in International market as a bulk supplier. The growth prospects in the international markets; particularly in foreign countries like Dubai, Bangladesh and Turkey are very good. They first want to establish a brand in domestic market and want to spread it internationally in a time span of three to five years.
- **Product expansion:** In order to cater to the needs of customers they are planning to introduce heena paste for hair coloring and black heena.
- **New Distribution channels:** Faridabad Heena also plans to widen the distribution network through increase in the number of dealers and distributors in Delhi NCR.

2) Promotional Strategies

- Branding is one of the strategies by which Faridabad Heena will distinguish their product offerings from competitors. The purpose of branding they think will create a distinct offering that is superior to those offered by their competitors. The products that they plan to put forward will be meant for a well-defined set of customers, and provide them with a compelling reason to buy.
- Repositioning of the existing products by creating a new set of usages of their existing range of products. They want to transform their market position by change in consumer's tastes. This is required in case of their products that have become exhausted, perhaps because it's original market has matured or has decline.
- Innovative packaging that gives a fresh look and will be suited for common man in media like FM radio and newspapers.

Challenges Ahead

- **Need to adopt aggressive marketing strategies:** They have to reach the customers through wider marketing tactics.
- **Pricing strategies:** They are charging very nominal price for their existing product range which ultimately hamper their aggressive growth.

Future Prospects

They want to span the business in International market and NCR Delhi region. They know that Herbal Heena has a very attractive market in Gulf countries, Bangladesh, Turkey and other Asian countries. Venturing beyond their own borders will provide potential for numerous benefits as they will enter the global marketplace. According to Mr. Gupta, global trade and international business holds numerous opportunities for their company and they are willing to take the time to learn how to adequately prepare for and then enter foreign markets. This stands true considering the fact that many of the barriers to these international opportunities have been declining in recent years, as evidenced by the number of major companies in this sector have gone international.

Objective of The Case Study

1. To understand the domestic market scenario of herbal heena.
2. To evaluate the diversification and promotional strategies adopted by Faridabad Heena.
3. To understand the expansion method adopted by the company for international market.

Teaching Notes

This case can be used in the classroom for discussion as an outside project work and as an examination case. The case is best used as a team assignment. This can be of help in teaching of marketing strategies adopted by a company for domestic market and venturing in international market.

Case Study Issues

This case addresses the following issues:

- 1) Strategies to survive in domestic market
- 2) Problem faced while branding a product
- 3) Venturing into international market

Questions

- Q1. Is Mr. Gupta going on the right track? What are the probable changes that would have to be made to their existing marketing strategies?
- Q2. What kind of problems that they are facing in branding their products in Heena and cosmetic segments?
- Q3. Emphasize the need of Branding for survival and the strategies they can adopt?

- Q4. Identify potential areas that may create risks or impact their efforts in entering and succeeding overseas market.

References

The information used in this case was majorly compiled from an interview with Mr. Suresh Gupta, Faridabad Heena.

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