

MANGALORE GANESH BEEDI WORKS - A CASE STUDY

Ganesh Beedies are the single largest manufacturers of "beedies" (Hand Rolled Indian Cigarettes) in India. The daily production is upwards of 3.5 million small packets. 25 "beedies" are packed into a small wrapper. A company label is put on the top of each small packet. 20 such packets are packed in a bigger wrapper. The bigger packet consists of 500 "beedies". The wrappers are made of 50 gsm MG White poster paper. The tobacco is bought from various locations in India, blended and then special leaves are hand rolled with the tobacco inside, to produce a "beedi". The work is carried out by thousands of workers across the countryside. The "beedi" is smoked mostly by the labour class who are usually uneducated. Each smaller packet sells at approximately 13 US cents in the market. (Rs 5.50 each packet)

Over the years the company had been steadily losing sales (@ 3-4% every year) as well as market share, partially due to the anti-tobacco campaigns by the Government, but primarily due to massive counterfeiting. There was no way to know the extent of counterfeiting but rough estimates indicated this to be to the extent of 40%! . The price of the end product and the profile of the end user demanded that the counterfeit solution be affordable and verifiable without having to communicate any complex message or to have the need of any interrogating device. (Advertising of tobacco products is banned in India).



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This is when the company came in contact with Jupiter Technologies Private Limited. Based on its wide experience of over 10 years, Jupiter suggested the use of "Hot Stamped Holographic Foil" to deter counterfeiting. Due to the daunting task of hot stamping such a large number of labels every day, Ganesh Beedies entrusted this task, as well, to Jupiter. Using high quality of holographic hot stamping foils supplied by our principals API Security Foils, Salford, U.K. Jupiter set up the entire factory and was able to deliver the finished label with the hologram hot stamped to the customer. Counterfeiting has come down to a trickle. The only ones found in the market are cheap imitation stickers. The company has also been able to communicate to the end user, how to identify the hologram and differentiate between a hot stamped hologram and an imitation sticker.

In the first year of operation the company's sales stabilized with no increase or decrease. In the second year the sales have registered an increase of 6%. 6 months into the 3rd year of operation sales have showed an increase of 10% over the corresponding figures last year. To make it even more difficult for counterfeit stickers products, Jupiter has now added a two colour foil in the hologram with a 1mm gap in the centre of the hologram.

Jupiter regularly surveys the market along with the customer to keep a check on counterfeiting activity.