

HAMDARD LABORATORIES: LAUNCH OF ROOH AFZA FUSION INTO THE READY-TO-DRINK SEGMENT

Dr. Gargi Sharma, Associate Professor, International School of Informatics and Management, Jaipur
Dr. Kavya Saini, Associate Professor, International School of Informatics and Management, Jaipur

"Our teams have done a tremendous job in finding an expression of the flavour with tropical Indian fruits. It is a truly magical combination, made with Hamdard's reputed quality standards and crafted with passion."

Hammad Ahmed, Chief Mutawalli, Hamdard Laboratories India

Abstract:

Hamdard, a 100 years old brand of India, has decided to enter into ready-to-drink fruit juice by creating a brand extension of Rooh Afaza, with the name Rooh Afaza Fusion, in June 2020 Indian market. The company test-marketed the product in 2016 and launched the product in five flavours after understanding the consumers' preferences. The company is trying to influence the consumers with its brand name. Still, the competitors like Dabur with Real Juices, PepsiCo with Tropicana, and Coca-Cola with Minute Maid are posing a strong threat before Hamdard. The Case Study presents a picture of the unique proposition offered by Hamdard for the product-Rooh Afaza Fusion and an analysis of the factors shaping the industry's new rules. The consumers in India for this product category are also very demanding and diverse in their choices and preferences. Therefore, the company needs to address the issues for the newly launched product.

Keywords: Brand Extension, Ready-to-drink, Brand, Consumers.

About Hamdard

Hakeem Hafiz Abdul Majeed, an unworldly man who was determined, resolute, created Hamdard Dawakhana in undivided India's capital, Delhi, in 1906. Since its humble origins as a little Unani clinic in one of historic old Delhi's back lanes, Hamdard has been associated with honesty and good quality in the arena of extremely inexpensive Unani medications. Hakeem Abdul Majeed died early, but his better half, Rabia Begum, built the business and managed to live overall odds with the backing of her son, Hakeem Abdul Hameed. Hakeem Abdul Hameed grew up and assumed full responsibility. He helped his mother with his younger brother's upbringing and education. He also enlisted the help of his younger brother in running the company. Hakeem Abdul Hameed and Hakim Mohammed Said, both brothers, rose above all things by helping others.

Hamdard was transformed from an Unani pharmaceutical company to a welfare organisation and then into a trust committed to the health of the nation. With renowned items like Sharbat Rooh Afza, Safi, Roghan Badam Shirin, and more, this Made-in-India brand based in New Delhi has become a household name across India. Abdul Majeed, the current chairman of Hamdard Laboratories (Medicine Division), and his father Abdul Mueed set out to modernise the century-old family business in 2006, a century after it was founded. Abdul Mueed's objective was to preserve Hamdard's Unani system of medicine and keep the relevance of family business in a new period of modernity marked the Internet's arrival, allopathy's development, and the expansion of manufacturing capabilities in

healthcare and pharmaceuticals. The company offers a range of 450 products across its different verticals and has a presence in pan India. The company operates under 'Classical Medicines,' 'OTC Products,' 'Patented Medicines,' and 'Wellness Centres.' (Businesses - About, n.d.) **(Exhibit 1)**

Launch of Juices under its Brand-Rooh Afza

In June 2020, Hamdard Laboratories India, having an inheritance of over 100 years, announced its entry into the ready-to-drink segment with the launch of natural product juice tastes and milkshakes under its well-known Rooh Afza umbrella brand. In addition, the brand has created an extension of its existing brand Rooh Afza into two innovative extensions— Rooh Afza fusion and Rooh Afza Milkshake.

The company has launched Rooh Afza Combination, a drinkable blend of real natural product juices in five flavours: pineapple, litchi, orange, lemon, and mango, in a convenient Tetra pack container for the Indian market. Rooh Afza fusion juices are prepared with the intent of promising wellbeing and refreshment with an exciting flavour. (Hamdard Laboratories India Forays into 'Ready-to-Drink' Segment with RoohAfza Fusion and RoohAfza Milkshake, 2020) **(Exhibit 2).**

The company has banked upon its 100 years old iconic brand name intentionally to foray into the Ready-to-Drink juice market to increase the Rooh Afza offering and develop bridges with younger consumers for whom the priority is convenience. The offering is designed to leverage legendary brand-Rooh Afza blended with quality natural juices that have unparalleled potential to match the taste of Indian consumers. While launching these flavors, the company applied the principle of test marketing to understand the market's response. They initially launched their product to Delhi and Uttar Pradesh in September 2016 and worked upon the consumer's feedback collected from the cities to improve the product. Finally, in June 2020, the company launched its product across the nation. (Hamdard Enters Ready-to-Drink Segment with Rooh Afza Fusion, 2016)

Due to its wide acceptance in Indian Market, Rooh Afza fusion has also been reasonably priced, and the company has decided to maintain low margins in this competitive market. For a pack of 180 ml, the company is charging Rs. 20. Pricing can be considered pocket-friendly for Indian consumers and enables the company to create its space in the market with a reckoning brand name.

For distribution of the product, the company has decided to take the help of the existing network to reach pan India. The company has agreed to collaborate with major e-commerce players and even with the Paan shops (Small Kiosks) to make the product widely available. It also sells the product directly to the customer through its website to capture a significant market.

Hamdard has designed a special digital ad campaign for the Rooh Afza Fusion and Rooh Afza Milkshake that were launched together aimed more to influence youngsters of the country. The digital campaign was launched with the message 'Freshness and Taste Ka Double Dose' to commemorate the 'double dose' of these pairings. (All New RoohAfza Fusion - Freshness Ka #DoubleDose - YouTube, 2020) **(Exhibit 3)**

Ready to Drink Market in India

In India, the beverage market is apportioned into non-alcoholic and alcoholic beverages. The non-alcoholic beverage market is further divided into carbonated and non-carbonated beverages in India. The primary groups that are monitored are juices, bottled water, energy drinks, ready-to-drink tea

and coffee, flavoured milk, malted beverages, and other non-carbonated non-alcoholic beverages.

According to "India Juice Market Outlook, 2021," the Indian juice market has grown at a CAGR of over 18% during the past six years. The primary segmentation in the juice market is based on the amount of fruit in each section. The numerous parts offered are nectar drinks, fruit juices, and fruit drinks. Fruit drinks, amongst all dominate the market and more than half of all sales are made in this category. However, health-conscious people are also switching from fruit drinks to fruit juice because it is healthier and does not contain extra preservatives or fake flavours like fruit drinks do. (India Juice Market Outlook, 2021 - Research and Markets, n.d.)

Fruit juices rule the market, occupying more than half of all deals. India's customers are cost-sensitive but are looking for alternatives that offer enormous perceived benefits drawn by the price paid. In addition, health-conscious individuals are shifting to fruit juice since it is more advantageous and does not contain additional additives or added flavours. Companies such as Dabur, Parle Agro, Paper Boat, PepsiCo, Coca-Cola, and others have illustrated their nearness within the Indian showcase. By creating everyday items in each assortment, most players illustrate their nearness in each portion. (Beverages Category to Grow 20-25% This Year: Rising Demand for Better-for-You, Functional & Nutritional Drinks - Indiaretailing.Com, n.d.)

Evolving Indian Consumer

The packaged beverage sector in India has various growth drivers. People's lifestyle is changing; they are now cash-rich but time-poor due to improved affordability. Citizens are looking for healthier choices that can provide sufficient nourishment while satisfying their appetites. In addition, people want hygienic products with adequate safety measures taken by businesses to ensure vitality in packaging.

The packed category of juices has a high level of acceptance among the general public. People are no longer interested in buying sweetened juices and have turned their focus entirely to packaged drinks. Indian consumers buy in quantity for their domestic consumption, and packaged juices are frequently purchased. Rather than being driven by necessity, purchases are made regularly and impulsive. As a result, the market's potential is enormous.

It's fair to say that India's packaged juices sector is still developing. However, because many local, national, and international brands are on the edge of success and expansion, new entrants can profit from this opportunity by positioning and promoting packaged and bottled fruit juices as part of the consumer's daily diet. Simultaneously, it is vital to assure consumer affordability while maintaining hygienic characteristics and product quality throughout the year.

Competitive Landscape

According to the research conducted by Goldstein's research, the major players in the market include big brand names. The market is dominated by Dabur India, followed by PepsiCo, Coca-Cola India, ITC Limited, Surya Food, and Agro Ltd. The competition is tough and severe among the rivals.

The players have devised a robust competitive strategy to outperform their rivals. Real Juices from Dabur has been able to position itself as the household brand of India since 1997. Tropicana Juice range has created its impact by using only natural fruits without sugar and preservatives since 2004. Minute Maid from Coca-Cola, launched in 2011, has offered an array of products to the Indian

consumer. Other players have also positioned them in the market, challenging new players. The incumbents have worked very hard to prepare products that can suit the consumer's needs well while addressing the affordability of Indian consumers. Companies have also worked well on more miniature packs to make purchasing convenient. The incumbents realize the importance of creating an intense network to reach the deep parts of India. The focus of the companies is on offering natural fruit juices without preservatives. The rivalry among the players is intense. Rooh Afza fusion by Hamdard needs to carve its strategy to compete with existing players.

Opportunities for Hamdard Rooh Afza Fusion Juices

The company has leveraged its 100 years of connection with the Indian market by offering a product that has bright chances to pick up in the market. Indian Consumers are looking for healthy products with good taste and hygienic packaging. They want out-of-home alternatives that can be carried and consumed with ease and comfort. India currently has maximum youngsters who are fitness freaks and looking for healthy options. The market is growing at a tremendous pace due to the increased purchasing power of people. Blending Rooh Afza with flavours widely accepted by the consumer of India creates a great business opportunity for the company. The fruit juices offered on Rooh Afza is a 'Brand Extension Fit' catering to a broader consumer base with a different product category. (Hamdard to Blend RoohAfza with Fruit Juices - The Hindu BusinessLine, 2016)

Challenges for Hamdard Rooh Afza Fusion Juices

The market is already in the grip of big brands that are well-established names in the fruit juice market. Brands like Real from Dabur, Tropicana from PepsiCo, Minute Maid from Coca-Cola have captured a significant pie of the market of India and have been present in the market for quite along.

The Indian young consumers are also looking for products that match their needs and aspirations. For Hamdard, having fruit juices in the category might not be sufficient as people are looking for alternative juices with fruit pulp and fruit juices with no added sweetener. The incumbents have also created a great acceptance in the consumer's minds regarding the consumer's perceived benefits against the prices offered. Tapping rural India was also a challenge before the company. (Top 10 Best Fruit Juice Brands in India | Brandyuva, n.d.)

Road Ahead

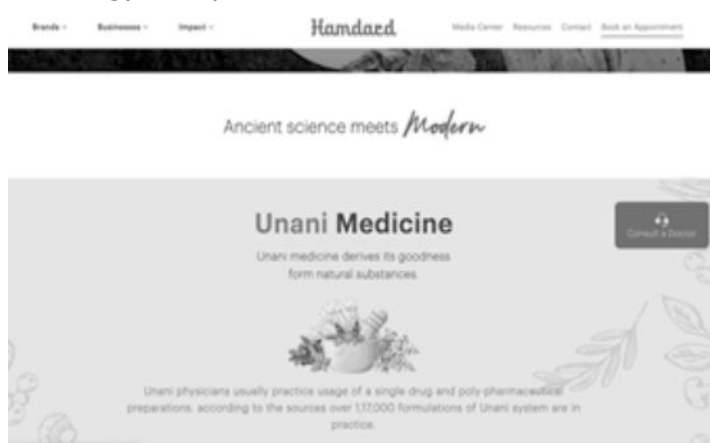
Rooh Afza fusion is a good brand extension in the existing portfolio of Hamdard. Still, the company needs to address a few challenges to leverage the old brand's iconic legacy.

Hamdard needs to carve out a strategy that allows them to create a large base of consumers. Today the enormous exposure of the consumer makes it compelling for the companies to make out the product that fits their priority. The thrust of consumers for quality products has increased without any doubt. The late entry in the fruit juice market of Hamdard, where existing market players already have a firm foothold, requires careful and robust strategies. The unique strategy to attract young consumers may not be a decisive move to capture India's market. The company needs a more comprehensive strategy to lure consumers of all ages.

For deep penetration in India, the company should create a different strategy to tap the Rural Market - which forms a larger market size of India. Tapping a market with significant and unique potential can work favoring the company.

Rooh Afza fusion needs a more effective communication strategy too, which should be beyond the confines of the digital marketing campaign to create an impact on youngsters of the nation and help the company reach a more extensive base of audience. Communicating value proposition suitable could help the company position its old brand with new and informed consumers.

The company needs to plan meticulously to combat the challenges posed by the external environment. In addition, Hamdard needs to leverage its unique experience of more than 100 years to devise a suitable strategy to outperform its rivals.



Exhibits 1 : About Company

Source: <https://www.hamdard.in/>



Exhibits 2 : Flavours of Juices

Source: <https://www.businessinsider.in/adverg/brands/news/hatisinmdard-laboratories-india-launches-ready-to-drink-Rooh-Afza-fusion-and-Rooh-Afza-milkshake/articleshow/76400705.cms>



Exhibit 3 : Digital Ad

Campaign Source: <https://www.youtube.com/watch?v=Ewxr-tb07vs>

tb07vs References:

- All new RoohAfza Fusion - Freshness ka #DoubleDose - YouTube. (2020). Retrieved February 12, 2022, from <https://www.youtube.com/watch?v=Ewxr-tb07vs>
- Beverages Category to grow 20-25% this year: Rising demand for better-for-you, functional & nutritional drinks - Indiaretailing.com. (2021). Retrieved February 8, 2022, from <https://www.indiaretailing.com/2021/04/24/food/food-grocery/beverages-category-to-grow-20-25-this-year-rising-demand-for-better-for-you-functional-nutritional-drinks/>
- Businesses - About. (n.d.). Retrieved January 31, 2022, from <https://www.hamdard.in/businesses/about/>
- Hamdard enters ready-to-drink segment with Rooh Afza Fusion. (2016). Retrieved February 9, 2022, from <https://www.livemint.com/Industry/U2daDk7nZCsnmAVNdKKjNO/Hamdard-enters-readytodrink-segment-with-Rooh-Afza-Fusion.html>
- Hamdard Laboratories India forays into 'ready-to-drink' segment with RoohAfza Fusion and RoohAfza Milkshake. (2020). Retrieved February 6, 2022, from <https://bestmediainfo.com/2020/06/hamdard-laboratories-india-forays-into-ready-to-drink-segment-with-roohafza-fusion-and-roohafza-milkshake/>
- Hamdard to blend RoohAfza with fruit juices - The Hindu BusinessLine. (2016). Retrieved February 10, 2022, from <https://www.thehindubusinessline.com/companies/hamdard-to-blend-roohafza-with-fruit-juices/article9081575.ece>
- India Juice Market Outlook, 2021 - Research and Markets. (n.d.). Retrieved February 8, 2022, from <https://www.researchandmarkets.com/reports/3625206/india-juice-market-outlook-2021>
- Top 10 Best Fruit Juice brands in India | brandyuva. (n.d.). Retrieved February 8, 2022, from <https://brandyuva.in/2018/10/best-fruit-juice-brands-in-india.html>