



The Seal of
Genuineness

CASE STUDY ON MODERN BIDI FACTORY

Holostik secures Modern Bidi Factory from counterfeiting



While doing research for a case study on one of its clients 'Modern Bidi Factory', Holostik came to know that the bidi manufacturing company was mentioned in an old gazette of Ministry of Labour and Employment published in the year 1958.

The company dates back to the era of British India and was established in the year 1914 in Katni, Jabalpur, Madhya Pradesh.

» With an annual turnover of approx. ₹ 0.5 billion, the company has a strength of 100+ employees on payroll and provides indirect employment to 10000+ people who supply bidis to the company, made from their homes.

Besides Madhya Pradesh, the company supplies its product in around seven to eight states of India.



Over the years, the company has created an unabated legacy of its kind. The bidis manufactured by the company have become a household name among the large rural population located in different parts of the country. The bidis are unique due to their high-quality tobacco, aroma, packaging and affordable prices.



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Defining the problem

Holostik has an association with Modern Bidi Factory for the last 20 years and has been securing its product against duplication with its customised security holograms.

Holostik is one of the largest manufacturers of security holograms in the world and caters a wide range of anti-counterfeiting products and IT enabled solutions.

The company has more than 10,000 clients in 75+ countries along with plethora of awards and certifications. Holostik not just secures products and brands against duplication, but also provides feasible IT-enabled solutions for securing, tracking and managing entire supply chains.

Aamir Ahmed, is the owner of Modern Bidi Factory, is a third-generation entrepreneur who started to witness duplication of his products in the late 90's. Confused and stressed, he sought the help of Holostik and felt relieved and satisfied.

Aamir says, "The decade of 90's was a period of liberalisation. During this era companies were investing heavily in branding. They were making investments in packaging and product promotions. As consumers became highly interested in purchasing branded products, counterfeiters took it as an opportunity for duplication. Though counterfeiting is an old phenomena, rampant counterfeiting started in India during the 90s."



Aamir further explains, "One of the main reasons behind the rise of counterfeiting of bidis is an increase in taxes on tobacco and tobacco-based products. Counterfeiters do not have to pay taxes and they save around 30% on the production costs. They are able to outplay us in the market by selling their products at half of our cost. Retailers and wholesalers also find counterfeit bidis to be more lucrative as they provide high profit margins. In addition, the main agenda of forgers is to dupe the consumer using our brand name and sell them cheap grade products."

Counterfeiters evades

30%

taxes



Counterfeiters sell
their products @

50%

of the original
product's price



price of
original
product

price of
counterfeit
product

Wholesaler & retailer
buy counterfeit
products due to
high profit margins

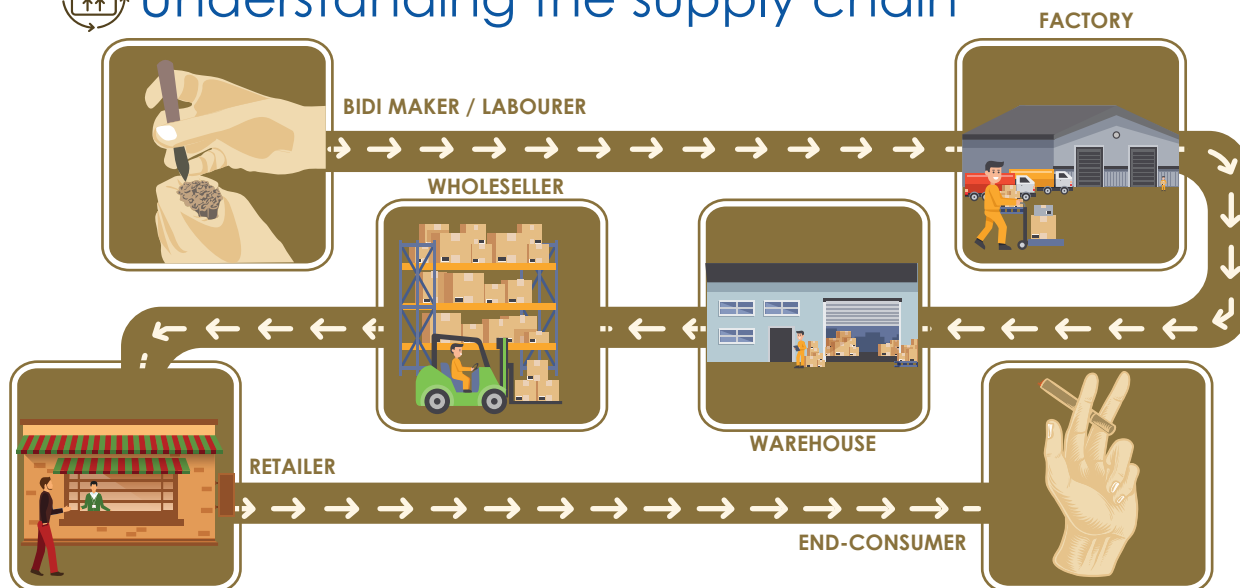




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Understanding the supply chain



Holostik's anti-counterfeiting experts have been assessing the client's supply chain from time to time and the problem of counterfeiting has always been detected at the wholesale and retail level. Surprisingly, this time also, large quantities of

fake products were found stacked at the wholesale and retail level. Without revealing their identities, the retailers told to Holostik's anti-counterfeiting experts that they usually purchase fake products due to high profit margins.



Redefining the problem

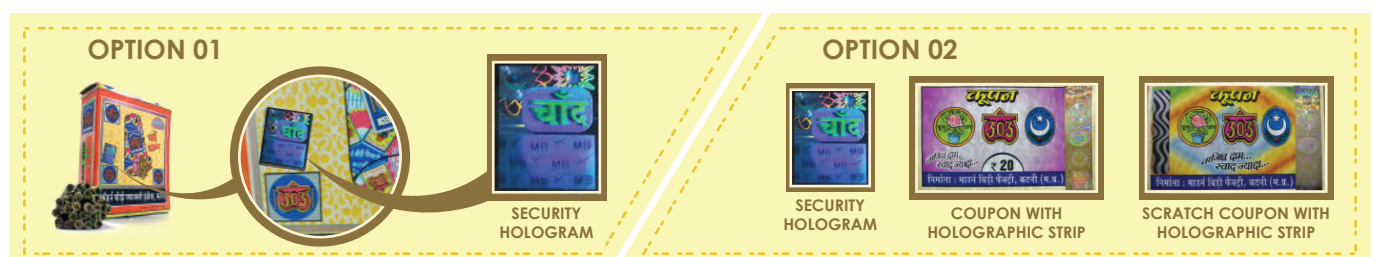
The experts analysed each stage of supply chain. Since, majority of the wholesalers and retailers were located in the rural areas, so it was challenging for the experts to get relevant figures and feedbacks related to duplication. However, they came up with a final draft of the problem along with a feasible solution.



Suggesting a potential solution

Holostik suggested two different solutions to Modern Bidi Factory. The first solution consisted of a security hologram with advanced features and another solution consisted of a security hologram with two different coupons meant for two different levels of packaging (normal coupon for secondary

packaging & scratch coupon for tertiary packaging). The idea behind suggesting coupon along with the security hologram was to earn & retain the consumer's loyalty, make the product more saleable and counter the threat of duplication more effectively.





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Implementing the solution

Out of the two proposed solutions, Modern Bidi Factory opted for the second option as it gave the product an edge over the competing products in terms of sales and security. Holostik also ensured a timely delivery of the product to its client.



OPTION 02



SECURITY
HOLOGRAM



SCRATCH COUPON WITH
HOLOGRAPHIC STRIP



COUPON WITH
HOLOGRAPHIC STRIP



Tracking results

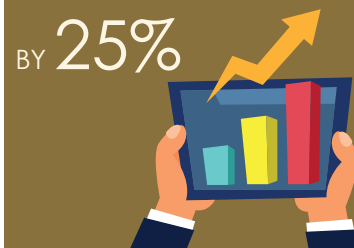
Holostik's effective anti-counterfeiting & loyalty solutions acted as a boon for the company. There was a 10% decrease in the level of counterfeiting. The inclusion of coupons in the solutions leveraged the company's sales by 25% & increased the number of clients whereas security

holograms enhanced the security of the product. Aamir feels quite satisfied with the implemented anti-counterfeiting & loyalty solutions and looks forward to new innovations in the company's packaging. Moreover, the consumers are also happy with the new anti-counterfeiting & loyalty solutions.

10% DECREASE IN
THE LEVEL OF COUNTERFEITING



COMPANY'S SALES INCREASED
BY 25%



HAPPY AND SATISFIED
CONSUMERS & MANAGEMENT



Suggesting improvement



Holostik provides regular suggestions to Morden Bidi Factory on creating awareness about the anti-counterfeiting products. This has helped client's uneducated consumers to authenticate the product with ease. Impressed by the positive changes and a dropdown in counterfeiting, Aamir plans to experiment with other range of anti-duplication products from Holostik in near future.

#holostik



Case Study on Modern Bidi Factory

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