4. BACKGROUND TO CASES

4.1 Surya Foods (Pty) Limited

Surya Foods (Pty) Limited (Surya) was incorporated in 1992 and commenced its commercial operations of the manufacturing and selling of biscuits under the brand name Priyagold in 1993. Over time, Surya established further manufacturing capabilities and invested in developing consumer preferences for its products. Its trademarks/brands Haq Se Maango and Priyagold were among the most powerful brands in the FMCG sector. The firm's website was http://www.priyagold.co.in.

Surya had three plants geographically spread across the country in the cities of Greater Noida, Lucknow and Surat. Surya also outsourced some of its requirements to another plant located in Hyderabad. In 2009, its production capacity reached 150,000 metric tons per annum, which, along with strong brand building and distribution capabilities, enabled the organisation to command a sizable market share in the biscuit market, despite competition from the well-established players in the industry.

After establishing its foothold in the biscuit industry, Surya diversified into the manufacturing of fruit juices through its wholly owned subsidiary, Surya Fresh Foods Ltd, in 2006. The manufacturing facility was located at Greater Noida in the state of Uttar Pradesh. Surya consciously invested in creating markets for fruit juices and established brands such as Fresh Gold and Treat.

Both these brands became well established and penetrated the fruit juice market aggressively by commanding considerable market share. Surya also branched out into the aerated fruit drink segment with the launch of the Fresh Fizzy brand.

Surya also aggressively marketed its products to other organisations. In 2009, its products such as biscuits and fruit juices were supplied to airlines, hotels, railways, canteens stores departments and organised retail outlets.

Surya also diversified into the manufacturing of chocolates, toffees and sweets through its wholly owned subsidiary Surya Processed Food Pvt. Ltd. at Haridwar in the state of Uttarakhand, where various financial benefits were available.

Surya's strategy of strengthening its brands, especially the umbrella brand Priyagold, resulted in the creation of immense brand recall value and the growth of its customer base and price premium.

The major competitors to Surya were Britannia and Parle Products.

4.2 Dabur India (Pty) Limited

Dabur India (Pty) Limited (Dabur) was the fourth largest FMCG firm in India with interests in health care, personal care and food products. Building on a legacy of quality and experience of over 100 years, in 2009, Dabur reached a turnover of 23 billion Indian rupees (INR) with powerful brands like Dabur Amla, Dabur Chyawanprash, Vatika, Hajmola and Real. Its website was http://www.dabur.co.in.

Dabur set up subsidiary group firms across the world that could manage its businesses more efficiently. Given the vast range of products, sourcing, production and marketing were divested to five leading group firms that conducted their operations independently.

Figure 4-1: Group firms of Dabur
Source: Dabur website (www.dabur.co.in)

Dabur presented its range of herbal personal care products, created to make its customers look and "feel good deep down" by "bringing together the gentle touch of nature and Ayurveda's wisdom, backed by the unfailing quality of Dabur Products" (some of which are shown in figure 4-2).

Dabur's main competitors were Hamdard, Vaidyanath, Marico, Unilever, Procter & Gamble and Colgate Palmolive.

Figure 4-2: Personal care product range of Dabur
Source: Dabur website (www.dabur.co.in)

Dabur was a leader in manufacturing and marketing herbal, nature-based products, "marked with quality and trust gained through more than 100 years of experience". In 2009, Dabur's products were available in more than 50 countries across the world and were marketed in the Middle East, South-East Asia (SEA), Africa, the EU and the US. Figure 4-3 depicts Dabur's historical growth.

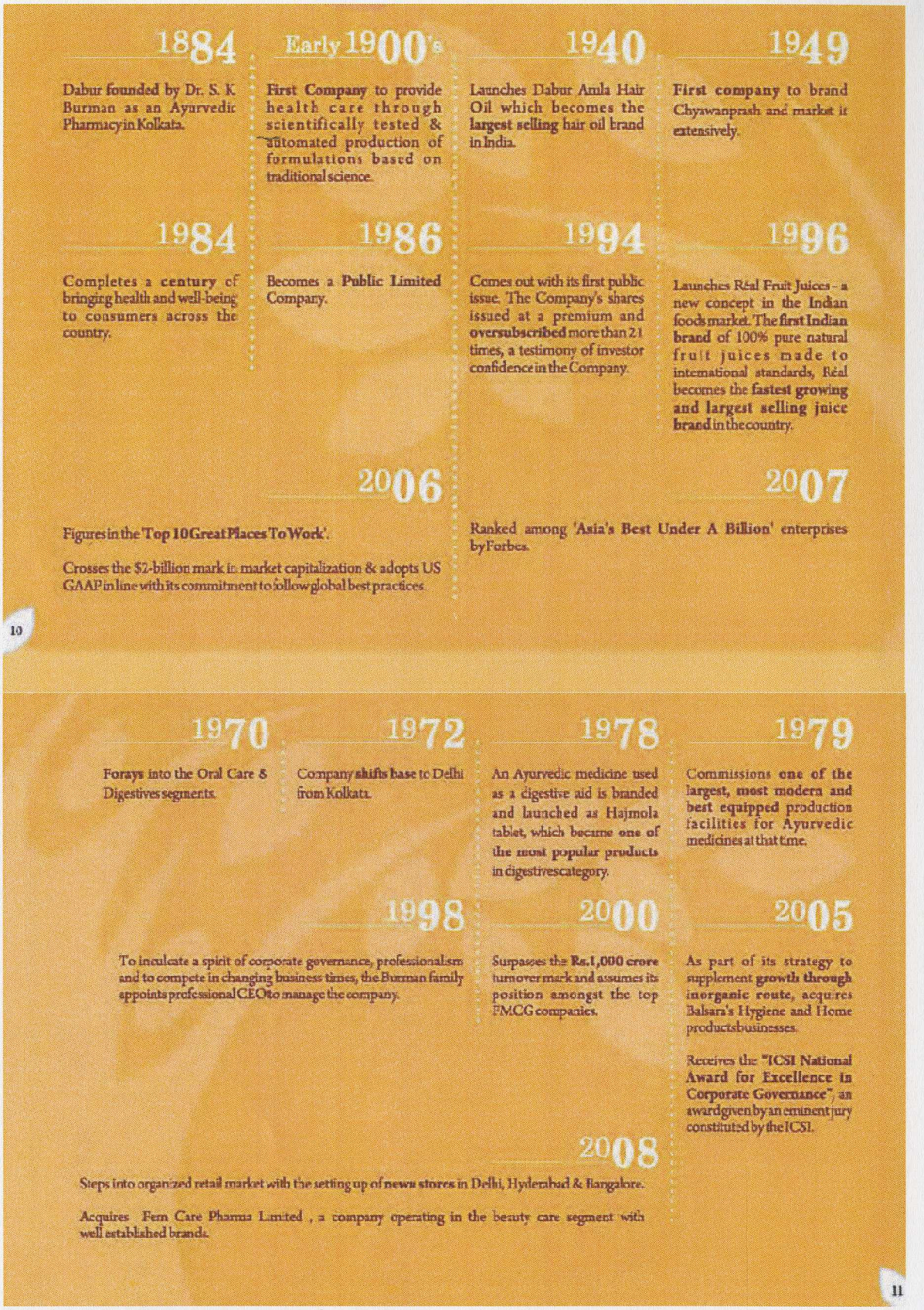

Figure 4-3: Historical growth for Dabur
Source: Dabur website (www.dabur.co.in)

4.3 Amka Products (Pty) Limited

Amka Products (Pty) Limited (Amka) was established by the Kalla family as a small trading operation near Pretoria, South Africa in the 1950s, focusing on unique needs and opportunities inherent to emerging markets in Africa. Its website was http://www.amka.co.za.

In 2009, Amka was a major manufacturing and marketing enterprise with specialised expertise in Africa. It had 1,000 employees, four manufacturing plants, 400 products and 20 leading brands sold in 35 African countries and in the EU and US. It had overseas manufacturing and sales organisations in the US, the United Kingdom (UK) and the Middle East.

Amka was consistently rated as one of the top ten empowerment firms in South Africa. Its main competitors were Unilever, Procter & Gamble, Reckitt Benckiser and Colgate.

Some of Amka's leading brands are shown in figure 4-4.

Figure 4-4: Leading brands of Amka
Source: Amka website (www.amka.co.za)