

Development of Swadeshi Brand in Pune City – ‘Sujata Mastani’

Paper by

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Abstract

Sujata Mastani a well known brand in Pune and a Ice cream parlor which was introduced in 1967. The owner’s Kondhalkars introduced a new concept of ‘Mastani’ thus establishing their monopoly and created a niche in the market. Sujata Mastani has completed almost 50 years without compromising the taste, quality of the Product. This research paper focuses on how Sujata Mastani was introduced in the market, how the Kondhalkars passionately expanded the brand. We also learn about entrepreneurship, qualities of entrepreneur, steps in becoming an entrepreneur and impact on the economy of entrepreneurship.

Keywords

Entrepreneurship, Entrepreneur, Sujata Mastani, Businessman

Introduction

Definition of Entrepreneurship

An Entrepreneur is the process of designing, launching and running a new business which is often initially a small business. (Wikipedia) It can be described as the willingness and capacity to develop, manage and organize a business venture considering the risks with it to make profit.

Entrepreneurship is an act of being an entrepreneur (Wikiedia).The definition mentioned above concentrates more on launching, managing, running of business because of the risks, uncertainty involved in the startup or firm however the reason behind significant proportion of closures of startups is due to bad business decisions, economic crisis, lack of funds, less of market demand etc. Many entrepreneurs fail to do a proper research of the market, product, competitor's strategies and hence they never reach the next level but have shut down.

In terms of economics, French economist Jean Baptist Say mentioned a definition of entrepreneurship stating 'shifts economic resources out of an area of lower and into an area of higher productivity and and greater yield.

Who is an Entrepreneur?

Entrepreneur is an individual who oversees the launch and growth of the firm or enterprise. They are people who create something new, unique and regardless of how big or small their firm is they take part in entrepreneurship opportunities.

To become an entrepreneur he or she must get opportunities or situations to combine required sources to generate profit as well as income. They should have ability to recognize information about opportunities and understanding that taking a risk is their necessity. It also is a process of organizing , managing people, resources and funds effectively. 'An entrepreneur is who is willing and is able to convert a new idea or invention into a successful innovation' says Schumpeter.

Impact on the Economy

They also play a key role in any economy, as they use their skills, ideas to get something new in the market. An entrepreneur acts as a coordinating agent in a capitalist economy (Investopedia.com) Since they create business, invent goods and services which results in employment and often we see a ripple effect that helps in development of society.

Entrepreneurs also add to the gross national income. Established, existing businesses remain stagnant to their market and they eventually hit an income ceiling. With new products, advancement in technology creates new market and greater wealth.

Many entrepreneurs break tradition with unique inventions that reduce dependence on existing methods and system, sometimes rendering them obsolete (Investopedia.com) For example in case of Sujata Mastani the kondhalkars created a new Mastani by breaking the tradition of

adding ice cubes to the Mastani. Many businessmen have imitated the same concept of Mastani after the Kondhalkars.

The process of becoming an Entrepreneur

Every individual should have these following questions in mind before setting up any business:-

- If the business meets local regulations and laws.
- How much time and funds are required to get the permissions or licenses.
- If the individual has the ambiance, resources and time for the venture.
- Who are the primary customers.
- What kind of technical Infrastructure is needed?
- A concrete 'B' plan in case of any challenges.
- If the individual has a network to seek advice from.
- If the individual has identified his target customer.
- What are the marketing strategies for creating awareness among people about the product?

Considering the above points, there are many entrepreneurs who have proved themselves with their proper decision making skills, marketing strategies or have set a trend through their creativity.

One such Business is Sujata Mastani, a brand which is in Pune city for almost 50 years and is still extremely popular in the city.

In 1967 Raoji Mama Kondhalkar great grandfather of Mr. Sachin Kondhalkar (currently owner of Sujata Mastani) migrated from Wai, Satara to Pune. He came from a very modest background and had least education but had the passion to work and be successful in life by doing something different. He got a job at an Incense production unit where he earned as much to buy a Tonga for a living. After few years he progressed to start a Pan shop at Sadashiv Peth. Later on Mr. Sachin Kondhalkar's father started working at the Pan shop after office hours. He wished to start a new business and hence found a vacant commercial property near the Pan shop. Since he was loved to experiment with food he decided to start an Ice-cream shop .

Objectives

- To understand qualities of entrepreneur and steps in becoming an entrepreneur
- To study how Mastani was revolutionized by the Kondhalkars.
- To understand how the Kondhalkars established Sujata Mastani and how they expanded their Business.

Methodology

The research was completed with the help of primary data and secondary data.

Primary data includes interview with the relatives of Kondhalkar family as they provided some inputs on how Kondhalkars progressed and their struggle.

Secondary data includes references taken from interview taken by Times of India which is available from the internet.

Questionnaire

1. Who and how Sujata Mastani was started?
2. How did Mr. Sharadrao Kondhalkar start the business?
3. Why the outlet was named 'Sujata Mastani'?

(Since the owners of Sujata Mastani were not available for the interview the relatives of the Kondhalkars only answered few questions and the owners at the outlet did not provide any data.)

The Opening of first shop 'Sujata'

Back in 1967, it was impossible to store ice-cream due to lack of technological advancements. Ice-cream was served immediately to the customers once prepared in the ice-cream pot. Considering this fact the Kondhalkars served Mastani and ice-cream only during summer season and served snack items during the rest of the month. This small outlet was named after their daughter 's name '**Sujata**'.

Selling of Mastani

Mastani is a drink made up of milk, ice cubes, ice cream and rose milk which was already a popular. It can be said that the drink was named after the Princess of Bundelkhand and second wife of Shreemanta Bajirao Peshwa. The Kondhalkars revolutionized the way Mastani was prepared, they replaced the ice cubes with ice cream, blended it with milk, topped with another scoop of ice cream and added the rose syrup. This thickened the drink and enhanced its taste thus this preparation became extremely popular in Pune and every ice cream parlour started their own version of Mastani. But Kondhalkars were the first in the market to come up with new innovative ideas. During this time they named the Mastani as 'Sujata Mastani'. The mango flavoured mastani has been the best seller in past 50 years because of its taste, quality and consistency. Till now no brand has been able to compete with the Mango flavored Sujata Mastani, thus established monopoly over this dessert for several years.

Automation for a definite change

Mr. Sachin Kondhalkar great grandson of Raoji Mama Kondhalkar realised that to stay in the market and beat the growing competition they needed a concrete plan on storing of ice-cream and its preparation in larger quantity. He installed a freezer through which they were able to sell Mastani in any season plus they created their own manufacturing unit which can make ice cream thus their business does not rely on any one else. He automated the manufacturing process without compromising its taste, transitioning to automation. During the process of installing a manufacturing unit they risked a thought which was if the customers would notice the difference or transition from hand made/ pot ice cream to a machine made ice cream. To test this they served handmade ice cream along with the machine made ice cream. The customers did not notice any change in the quality, taste and consistency. Today, they have a manufacturing unit at Nanded Phata which has 12 machines to prepare the ice cream, then the same is sent to Manik baug. The Milk shakes are made at Manik baug after which the final product is distributed to all Sujata Mastani stores.

Market Research and Segmentation

Market is full of uncertainty, an entrepreneur is only an individual who can clear up uncertainty by proper judgement and assuming risks. Entrepreneurs drive efficient discovery and consistently reveal knowledge. Established brands and firms always have to face competition, challenges, situations from entrepreneurs which makes them turn towards research and development efforts.

While going through a difficult phase Mr. Sachin Kondhalkar gathered information on his own on market, technology. He did a research on pricing, marketing strategies and what his competitors are doing. It is important for a businessman to understand the 'wants' of the customers, hence Sujata Mastani's menu has the all time favourite Kesar Mango Mastani,

similarly we can say for the senior citizens they introduced Kesar Pista Mastani and for the younger brigade they introduced Chocolate almond Mastani. They also introduced seasonal flavours such as Sitaphal ice cream during winter season which help them garner lot of good feedbacks, reviews from customers.

Expansion of business

Growth or expansion of business is very important it may be by introducing a new product range, taking over a new company or opening one more branch, franchise in other part of city or state. The Kondhalkars opened 2 outlets one at Fergusson college road and one at Vithal wadi Sinhagad road. The outlet at FC road didn't have enough parking space which led to few customers and eventually the outlet was closed. The 2nd outlet at Vithal wadi had lot of customer visits but people questioned the originality of the products initially. Later on they opened few more branches starting from Kothrud to Bibvewadi wherein the outlets had a uniformity between them example the menu card, colouring scheme of the outlet, seating area, service style every important part was standardized of the outlets. Here we can say that the Sujata Mastani was developing into a brand as people were convinced with the taste, quality of the milkshakes and ice creams, all outlets received good number of new customers which turned into repeat customers as well. By 2009 they had 8 outlets in Pune and a manufacturing unit at Nanded Phata which had production capacity to expand till 10 outlets. People also approached Mr. Sachin Kondhalkar for Sujata Mastani's franchise.

Today they are keen to start stores outside Pune City and reach maximum people in Pune. The city has grown manifold hence there is lot of potential in the city. They wish to expand to other metro cities and then explore the International market.

Key to Success

It is not easy to run a business especially the one which has history of 50 years, but Kondhalkars are a passion driven family, they make it possible to deliver the best to its customers and continuous improvement is their key to success. A businessman can be 100% successful when he is backed by his family and finances. Considering this fact each and every member of the Kondhalkar family contributes something to the business. Mrs Manisha Kondhalkar wife of Mr. Sachin Kondhalkar has been part of the business since many years who has always been passionate about her work at Sujata Mastani and serving the best quality products to customers. She looks after the food processing and quality control.

One is able to climb the ladder of success when he/she participates in research and development and when it comes to research on food products one needs to have experience in preparing the said recipe. He or she should be able to identify their mistakes, which will help themselves to understand what they exactly want to sell. Mr. Kondhalkar uses his creativity, ideas to come out with different ice cream flavors as he makes over 100 flavours at home for testing purpose.

Nowadays customers demand dessert which are sugar free or has less sugar, a same kind of milkshake is prepared on such request. A customer searches other options if he does not receives the right product so it is extremely important for a businessman or entrepreneur to check with the choice and preference of customers. Best way to know what customers exactly is through a feedback form, comment card or a market survey, consumer behaviour survey.

Pricing

Sujata Mastani has adopted affordable pricing to maintain its loyal customer base. The ice cream which is manufactured is of premium quality but the Mr. Kondhalkar took a decision to make the prices reasonable.

Quality Assurance

Sujata Mastani started back 1968 and the journey is still an ongoing process. It is extremely difficult to have organized, uniformity in each and every part of the business. It also took time to expand the business due to unwavering focus on achieving and maintaining quality of the product. Today the brand has 33 flavors and 23 outlets.

Managing Investments, Loans and Credit.

A major chunk or investment is required to start and run the business efficiently. That does not necessarily mean an entrepreneur has to always opt for massive amount of loan on a business which runs on credit basis. When the profit covers the rate of investment we come to a conclusion that pricing strategy, products, marketing strategy are in the right direction. Mr. Kondhalkar never decided to take up loans from Banks or even relatives. Profit earned was always invested back into the business, even the suppliers, vendors are paid regularly and thus they are supplying raw materials to Sujata Mastani from last 20 years. It has been observed that many entrepreneurs do their business on credit basis or don't have enough knowledge with regards to investing in market. Making proper financial decision, staffing issues. Important decisions are taken in haste which create lot of problems later in future. One should approach an expert if they do not have any knowledge on managing their business finances. He/she should be able to think how the resources and funds should be used together without much of loss while starting the business and taking the business to the next level.

Principles and Values

Every Businessman should have own set of principles, value, mission to have a successful business. Mr. Sachin Kondhalkar and his team follows values such as ‘Delivering the best and never letting the customer down. He says a smile on a customer’s face makes him happy and gives him more courage to innovate. Sujata Mastani is a brand that stands for quality and trust which was built brick by brick through dedication and passion of Mr. Sachin Kondhalkar and his family.

Limitations while conducting the research.

The initial primary data was to directly interview Mr. Sachin and Mrs. Manisha Kondhalkar and collect the data, but failed to conduct the interview as the owner were not in Pune at that point of time.

Conclusion

The research was conducted keeping in mind Lokmanya’s vision of Swadeshi wherein Bal Gangadhar Tilak focused on boycotting of British or foreign products with revival of domestic products to improve the economic growth and business in India. The aim of Swadeshi is that the Indian citizens should start their own firms, businesses in India without taking any help from foreigners. Considering this aim the owners Kondhalkars have proved to be an innovative entrepreneurs as they were the first to revolutionize the ‘Mastani’. Raoji Mama Kondhalkar had little knowledge about business but had a vision of an entrepreneur. His son Mr. Sharadrao Kondhalkar managed the business in the evening hours after coming back from job. He had the vision to expand the business by opening ‘Sujata Cold Drinks’. After Mr. Sharadrao his son Mr. Sachin Kondhalkar managed Sujata Mastani dedicatedly and also automated ice cream manufacturing process without help from companies abroad, even the equipments used for manufacturing were made by an Indian businessman. Further he envisioned that to survive in the market he has to open outlets at different places.

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