CHAPTER 5: CASE STUDY: BETEL LEAF FAMILY BUSINESS

HISTORICAL ACCOUNT OF BETEL LEAF OF INDIA

Betel Leaf habit in India originated in 1300 B.C (see, Latinis, (2000); Fitzpatrick et al., (2003); Blench, (2004) 34). Another study claims that probably it has its origin during the break up of the Proto-South Dravidian era (Southworth, 2005), which is estimated to have occurred around 1500 B.C.

The first textual evidence of Betel leaf in Northern India is found in the Sri Lankan chronicles; Dipavaṃsa (Chronicle of the Island, after the third century C.E.) and Mahāvaṃsa (Great Chronicle, ca. fifth century C.E.). Ayurveda began using betel leaf and areca nuts (see, Meulenbeld; 1999). during Ashoka’s consecration in 2000 B.C. (Guruge, 1989).

In India, betel leaf is cultivated through traditional methods by poor farmers over generations on about 55,000 ha, with an annual production worth about 9000 million INR. Popularly known as Paan, some of the other colloquial terminologies for betel leaf are Nagaballi, Nagurvel, Saptaseera, Sompatra, Tamalapaku, Tambul, Tambuli, Vaksha Patra, Vettalai, Voojangalata etc (CSIR, 1969; Guha & Jain, 1997).

The most common varieties of Paan are Desi, Banarasi, Calcutta, Magahi, Banarasi, Pune Kali, Venmony, Tirur etc. Paan is cultivated throughout India, except for the dry Northwestern parts. Desi and Banarasi paan is cultivated in various parts of Orissa, Calcutta and in West Bengal, Magahi in Bihar and Uttar Pradesh, Pune Kali in Maharashtra, Venmony and Tirur paan in various parts of Kerala. The best betel leaf is the "Magahi" variety (literally from the Magadha region), grown near Patna in Bihar.

The scientific name of the betel vine is Piper Betle L. It belongs to the Piperaceae family, i.e. the Black Pepper family (Gunther, 1952). The vine is a dioecious (male and female plants are different). There are about 100 varieties of betel vine in the world, of which about 40 are found in India (Guha, 1997; Maity, 1989; Samanta, 1994).

The vine is grown by vegetative propagation from cuttings, under partially shaded and humid environment inside the Boroj, which is a small hut like structure of approximately two meters in height constructed with locally available materials such as bamboo stems, jute sticks, paddy straw, petals and leaves of the banana tree.

The leaves mature within 15-30 days (Jana, 1995) therefore; they can be harvested 1-4 times each month (Guha & Jain, 1997), and can continue to grow up to thirty years. Table 5-1 shows the production of betel leaf in India in the last three years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Betel Leaves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>276451 (Lac Leaves)*</td>
</tr>
<tr>
<td></td>
<td>70552 (MT)**</td>
</tr>
<tr>
<td>2010-2011</td>
<td>277993 (Lac Leaves)</td>
</tr>
<tr>
<td></td>
<td>96622 (MT)</td>
</tr>
<tr>
<td>2011-2012</td>
<td>149142 (Lac Leaves)</td>
</tr>
<tr>
<td></td>
<td>79244 (MT)</td>
</tr>
</tbody>
</table>

TABLE 5-1: PRODUCTION OF BETEL LEAVES IN INDIA
About 66% of the total production is contributed by the State of West Bengal where it is cultivated on about 20,000 hectares of land encompassing about 4-5 lac Boroj, employing about the same number of agricultural families (Guha & Jain, 1997; ICAR, 1997; Jana, 1996; Maity, 1996).

About 15-20 million people consume betel leaves in India on a regular basis, (Jana, 1996) and there are over 2 billion consumers from other countries (Jeng et al., 2002). It provides employment opportunity to 20 million people of the country, who are engaged in producing, processing, handling, transporting and marketing of betel leaves in India, contributing to about 6000-7000 million INR to the national income every year. Further, they are exported to countries where they are not cultivated or where the demand is more than supply. Table 5-2 shows the country-wise export of betel leaf in 2007-08 and 2008-09.

<table>
<thead>
<tr>
<th>Country</th>
<th>2007-08 Quantity</th>
<th>2007-08 Value</th>
<th>2008-09 Quantity</th>
<th>2008-09 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>692.74</td>
<td>616.80</td>
<td>275.39</td>
<td>217.81</td>
</tr>
<tr>
<td>Yemen Republic</td>
<td>40.15</td>
<td>21.30</td>
<td>63.67</td>
<td>33.16</td>
</tr>
<tr>
<td>Canada</td>
<td>28.00</td>
<td>8.97</td>
<td>45.46</td>
<td>10.71</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>19.86</td>
<td>17.54</td>
<td>14.84</td>
<td>16.13</td>
</tr>
<tr>
<td>Nepal</td>
<td>18.23</td>
<td>3.94</td>
<td>3.57</td>
<td>2.27</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>15.92</td>
<td>16.36</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Kenya</td>
<td>10.75</td>
<td>7.35</td>
<td>22.95</td>
<td>11.02</td>
</tr>
<tr>
<td>Unspecified</td>
<td>10.21</td>
<td>8.10</td>
<td>0.5</td>
<td>0.42</td>
</tr>
<tr>
<td>Germany</td>
<td>5.47</td>
<td>5.88</td>
<td>2.86</td>
<td>1.89</td>
</tr>
<tr>
<td>Norway</td>
<td>2.69</td>
<td>2.39</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>2.08</td>
<td>1.50</td>
<td>15.02</td>
<td>4.47</td>
</tr>
<tr>
<td>India</td>
<td>846.10</td>
<td>710.13</td>
<td>444.26</td>
<td>297.88</td>
</tr>
</tbody>
</table>

**TABLE 5-2: SELECTED COUNTRY-WISE EXPORT OF BETEL LEAVES FROM INDIA**

**SOURCE: LOK SABHA UNSTARRED QUESTION NO. 3262, DATED ON 28.07.2009.**

**MEDICINAL VALUES OF THE BETEL LEAF**

The leaf of the plant is used to treat various diseases such as bad breath, boils and abscesses, conjunctivitis, constipation, headache, hysteria, itches, mastitis, mastoiditis, leucorrhoea, otorrhoea, ringworm, swelling of the gums, rheumatism, abrasion, cuts and injuries while the root is known for its female contraceptive effects (Chopra et al., 1956;
Khanra, 1997). It also provides the essential antidote that inhibits the growth of dreadful bacteria causing typhoid, cholera, tuberculosis diseases (CSIR, 1969).

It can be used as an appetizer, and helps combat indigestion. It is also believed to increase physical and mental performance capability (Chu, 2001; Garg & Jain, 1996). The leaves also contain enzymes such as diastase and catalase besides a significant amount of all the essential amino acids except for lysine, histidine and arginine, which are found only in traces (CSIR, 1969; Gopalan, 1984; Guha and Jain, 1997).

THE PRESENT STUDY

The essence of this study contributed to the generational presence of the Family Business. But more importantly this study also allowed us to look at Family Business in the unorganized sector.

The present study is on the retail business of Paan in the city of Mumbai, which has transitioned to the 3rd and 4th generation of families, spread over six different zones of the Mumbai city. The economics of this business is not well researched, or if researched is still limited. The Paan business has seen several family generations. However, this business reflects a different dimension of Family Business, where through different business elements such as competition, political control, social networking, market earnings, expenditure control, and supply chain is devised by the business.

There are approximately 30 families engaged in the retail distribution chain in the city of Mumbai. There are 68 first generation shops that are non-family oriented. The average age of the Family Business shop at the same location is 42 Years and 13 years for other locations. Presently the families are not natives of Maharashtra, and 90% of these 30 families have their own homes in Mumbai and 69% have their own shops. In the first generation category 30% have their own homes and 40% their own shops (Department of Economics, University of Mumbai).

From the knowledge management perspective, we examined the Family Business in three stages:

1. Start up phase
2. Consolidation phase
3. Growth phase

Our focus was to examine the case of sustainability evolving through transition, and selected six prominent families in the cluster for detailed investigation. The enclosed table shows the development of the case study in each phase and across every generation. The turnover is evidence that this business has been profitable, and has sustained.

<table>
<thead>
<tr>
<th></th>
<th>Family Business Shops</th>
<th>Non Family Business Shops</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Transactions</td>
<td>4886</td>
<td>3083</td>
</tr>
<tr>
<td>Earnings</td>
<td>338</td>
<td>215</td>
</tr>
<tr>
<td>Expenditure</td>
<td>96</td>
<td>101</td>
</tr>
<tr>
<td>Savings</td>
<td>237</td>
<td>99</td>
</tr>
</tbody>
</table>

TABLE 5-3: BETEL LEAF FAMILY BUSINESS VERSUS NON FAMILY BUSINESS TURNOVER
Arithmetic difference is quite visible for all the variables between these two different groups. Here the author intends to test whether the difference is statistically significant or not. The given data is not normally distributed i.e. the nature of data is non-parametric. Hence the Wilcoxon test to validate the statistically significant differences was the appropriate choice.

Different Tests:

1. **Wilcoxon.test (tdtp, tdto)**
   
   H0: Mean of total daily transactions of those whose father's occupation was the Paan Business $(\mu_1)=$Mean of total daily transactions of those whose father's occupation was other than the Paan Business $(\mu_2)$.
   
   H1: $\mu_1 \neq \mu_2$
   
   Here, actual $\mu_1 = 4886.50$ and actual $\mu_2 = 3083.48$
   
   Result: Wilcoxon on the rank sum test with continuity correction
   
   $W = 1608$, $p$-value $= 0.003137$.

2. **Wilcoxon.test (tdep, tdeo)**
   
   H0: Mean of the total daily earning of those whose father's occupation was the Paan Business $(\mu_5)=$Mean of the total daily earning of those whose father's occupation was other than the Paan Business $(\mu_6)$.
   
   H1: $\mu_5 \neq \mu_6$
   
   Here, actual $\mu_5 = 338.79$ and actual $\mu_6 = 214.82$
   
   Wilcoxon on rank sum test with continuity correction
   
   $W = 1617$, $p$-value $= 0.002548$

3. **Wilcoxon.test (tdexp, tdexo)**
   
   H0: Mean of the total daily expenditures of those whose father's occupation was the Paan Business $(\mu_3)=$Mean of the total daily expenditure of those whose father's occupation was other than the Paan Business $(\mu_4)$.
   
   H1: $\mu_3 \neq \mu_4$
   
   Here, actual $\mu_3 = 96.40$ and actual $\mu_4 = 100.53$
   
   Wilcoxon on rank sum test with continuity correction
   
   $W = 1192$, $p$-value $= 0.9887$

4. **Wilcoxon.test (tdsp, tdso)**
   
   H0: Mean of the total daily savings of those whose father's occupation was the Paan Business $(\mu_7)=$Mean of total daily savings of those whose father's occupation was other than the Paan Business $(\mu_8)$.
   
   H1: $\mu_7 \neq \mu_8$
   
   Here, actual $\mu_7 = 236.62$ and actual $\mu_8 = 98.58$
   
   $W = 1780$, $p$-value $= 3.053e-05$. 


The test results showed higher number of transactions, higher income and higher savings for family business owners in comparison to non-family businesses and are statistically significant (as p values suggest). While, for expenditure variable the higher mean expenditure of non-family businesses are statistically insignificant. The results again emphasize higher sustainability with reference to the transactions, income and savings of family businesses over non-family businesses. Family businesses are able to generate more wealth in the market not only because of knowledge that has been transferred from previous generation to the next generation, but also the transference of social network, which also plays a significant role in this market.

Out of the 30 families oriented towards the Family Business, we examined the following six families for reflection of sustainability and the role played by knowledge in sustaining the family business. The intention was to understand how the family related to the family business to ensure sustainability, and how knowledge was factored in to play a pivotal role in sustaining the business. There can be a parallel comparison to non Family Business.

Most of the Paan shop owners were mill workers in the past and shifted to the business because they had either been retrenched or laid off. They began working in the shops in the off duty hours during the initial phase.

1. Shyam Narayan Tiwari
2. Surendra Kumar Yadav
3. Kashinath Chaurasia
4. Ashok Dubey
5. Subhash Yadav
6. Jamil Ahmad Allahabadi

| Case 1 | Kashinath Chaurasia (Grandfather) | Ram Prasad Chaurasia (Son) | Sambandh Chaurasia (Nephew) | 1990 | 3 lacs per month | 3 |
| Case 2 | Ashok Kumar (Bycullaawale) | Harsh Kumar (Nephew) | Pradeep Kumar (Son) | 1971 | 4.5 lacs per month | 3 |
| Case 3 | Shyam Narayan Tiwari (Jaunpurwale) | Bal Mukand Tiwari (Cousin brother) | Shankar Singh (Son) | 1965 | 6 lacs per month | 3 |
| Case 4 | Surinder Kumar Yadav | Jana Singh (Sister’s son) | Sukdev Pal (Villager) | 1987 | 3 lacs per month | 3 |
| Case 5 | Lakhan Tiwari (Faizabadi) | Ankesh Mishra (Bhaduri) | Shasnath Bara | 1974 | 4 lacs per month | 2 |
| Case 6 | Ezaz Ahmad | Jamil Ahmad | Shamshad Ahmed | 1979 | 5.5 lacs per month | 3 |

**TABLE 5-4: LIST OF FAMILY STUDIES**
“The intention was never there to start a Paan shop. The basic issue was to see what is required and where”, (S C Tiwari Muchhad Paanwala). “We began as fruit vendors to prevent unwanted elements from coming near the compound.”

“We had to provide all the incidental requirements along with the Paan as a one-stop-shop. Hence, we had to provide for cigarettes, gutka. and also chewing gum”. (Kashinath Chaurasia). “We had to be more versatile”.

Social capital, reciprocal trust based knowledge sharing is of high importance during the start-up phase. “We had customers who apart from having Paan also shared information to be passed on”. (Lakhan Tiwari)

There was sufficient motivation for us to be on illegal trafficking. They had agents coming for drugs and other illegal works but they stood together as a consortium and supported each other, (Ashok Dubey).

This business does not require much codified knowledge, and majority of the Paanwalas are educated till high school. Capital investment is very low and the money required for the business is either self-arranged, or borrowed from family members or friends. But the business does require a high amount of tacit knowledge.

According to Parshuraman (2007) migration to the city between 1961-2000 has been from outside the state rather than from within the state, and majority of the migrants were absorbed in Navi Mumbai, Thane, Kalyan and the Mira-Bhayander localities.

Most of the first generation Paanwalas of Mumbai were brought into the business by their close relatives who had been running the business successfully for some years. The knowledge of the business involves: how the paans are to be served to the customers, the type and kinds of ingredients that accompany the serving, understanding of the market demand and supply.

“I worked in my uncle’s shop for six months to learn the art of serving paan before opening up this shop in 2000.”

“Once I came to the city, the idea of starting a PAAN shop here struck me. I had to make a living and I had good exposure to paan eating habits back home in Tiwaripur (a village in Hadia district of Allahabad) where it was a popular pastime amongst fellow villagers. Hence, I decided to jump into the paan business with a mere investment of 500 INR.” Muchhad Paanwala, 1st generation.

“We improved our variety by bringing in the famous Benarasi Paan grown in Orissa. We reduced the cost by learning to heat the Paan and reduce its bitterness. Some of us went to Orissa, and learned this art of heating and started doing it ourselves.” Chaurasia, Orissa.
Parents may not be directly involved in the business, but they play a significant role by being the role models and displaying leadership qualities. The parent can also transfer tacit knowledge of the business acumen and skill required.

Most of these Paanwallas are migrant communities. They were required to adjust to urban life, living in slums in abject poverty, poor sanitation and water supply. The other threats they face are as targets of harassment by the BMC and local residents of the Mumbai city (Anjaria, 2006), getting a license for owning/running the business. Licensed hawkers account for less than 10 per cent of the total number of hawkers in the city.

The unlicensed hawkers, on a daily basis have to deal with a wide range of representatives of the state, like police constables, the Brihanmumbai Municipal Corporation (BMC) staff and the regional transport office (RTO) authorities. They face threats of extortion, confiscation of goods, and detention by corrupt officials of the government (Sundaram, 2008).

“We pay a monthly license fee for my shop to BMC officials.”

Migrants’ social network (i.e., social capital) facilitates migration through dissemination of information from prior migrants to potential migrants. The survival of these establishments depends on the social network of the migrants who provide them knowledge about how to start the business, where to get the money and where to stay etc. Thus, information asymmetry is reduced, and the industry becomes self sustaining (Massey, 1990).

The locality of the paan shops plays a significant role in the sustainability of the business. As most of these establishments are opened under an informal setting and are illegal, the rent of the shops is not controlled and depends entirely on the locality. Caste, religion, and local customs and traditions play a significant role in the choice of paan, their consumption, and their control in rural/semi-urban population (Sharma, 1986). Hindus and Muslims consume paan as a habit, serve as an honour to guests or serve it during marriages. But it is prohibited in the Christian and Sikh faiths. So, in localities where most of the inhabitants are Christians or Sikhs, the shops do not do too well.

The supply chain involved in the business includes the farmers who sell the paans to agents. These agents sell some of the paans in the local markets and wholesalers of other markets. Paan sellers directly purchase the paans from Null Bazar and, paans are also supplied to sellers and retailers in different parts of Mumbai through salespersons.

The new entrants in the market, contact the agents from Orissa over the phone and reach an informal price agreement. He is required to pay some advance to the agents in the initial transactions to mitigate the risk of the remote agents. After a few transactions when the seller gains some reputation in the market and a bonding of trust is built between the agent and the paan seller, bulk transactions take place on credit basis.

Risk taking ability, understanding of the socio-economic environment, knowledge of success stories associated with the business are the intrinsic motivating factors for individuals, and critical thinking ability helps in sustainability of the business at this juncture.

Points emerging from the above
Family businesses have higher transactions, higher number and repeat customers, and have seen sustainability even in this unorganized sector.

Joint living has enabled greater savings and bigger investments in their native villages.

Managing risks and taking them, sustains the business and settles them.

**CONSOLIDATION PHASE**

In this monopolistically competitive market, wherein there is not much entry barrier as initial investment, cost is low, prices are set above marginal costs, and entry occurs until profits are driven to zero, or equivalently until prices are equal to average costs (Spence, 1996).

There are various strategies adapted by the paanwalas for product differentiation. The established Paanwalas who have created a brand value, leveraging on the brand name can be one of the strategies.

“Whenever you are trying to build a brand, customers need something to identify it with. In our case, our long moustaches became our identity. My father had a moustache that was so thick and long that it touched his ears on both sides of the face. This served as a recognition mark for customers, who today come looking for the paanwala with a long moustache.” Muchhad Paanwala

Established Paanwalas have well established quality levels. They move into lateral integration and make the Zarda themselves.

“I decided that integrity and quality were the most important factors. The quality of the ingredients would keep the customers coming back. By 1985, my investment had grown 100 times and I had approximately Rs.50,000 at my disposal. Today, Gujaratis and Marwaris comprise almost 80 percent of our customer base. And they enjoy paan like it’s a special dish you go to a restaurant for.”

“Our specialty is right cut for the paan leaves. We specialize in 125 varieties of paan, including a Chocolate and Chappan Bhog Paan.”

Paan serving consists of betel leaf (piper betel), slaked lime [Ca(OH)2], areca nut (areca catechu), and leaf tobacco (Vadakan or Jafna variety). Some of the Paanwalas have now diversified the business by selling soft drinks, biscuits and chocolate besides cigarettes and mouth freshener.

“Profit margin was around 50% per paan in 2005-06 which has come down to 25% due to the increase in the price of tobacco. The Profit margin on cigarettes is 10% and on Gutkha it is around 15%”

Raman Kumar (2001) has also pointed out in his study, the importance of diversification in the industry.

“According to a paanwala near Churchgate (Mumbai), his major profit comes from selling gutka. He retails 200 gutka packets a day. On an average, a metro like Mumbai with its
29,000 registered paan-beedi shops and other shops may sell approximately 100,000 packets per day."

The official statistics, monthly wholesale price index of Tobacco industries confirms the increase in the wholesale price index of tobacco products:

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>103.6</td>
<td>104</td>
<td>103.9</td>
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<td>103.6</td>
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<td>2005</td>
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<td>106.5</td>
<td>108.7</td>
<td>109.1</td>
<td>109.2</td>
<td>109.6</td>
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<td>109.9</td>
<td>110.5</td>
<td>110.6</td>
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<td>2006</td>
<td>110.5</td>
<td>110.3</td>
<td>111.5</td>
<td>112.5</td>
<td>114.6</td>
<td>114.8</td>
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<td>115.5</td>
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<td>117.5</td>
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<td>144.5</td>
<td>144.5</td>
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<td>151.5</td>
<td>154.5</td>
<td>155.1</td>
<td>157.7</td>
<td>161.9</td>
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<td>2011</td>
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<td>168.3</td>
<td>169.7</td>
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<td></td>
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</tbody>
</table>

**TABLE 5-5: WPI OF TOBACCO PRODUCTS IN INDIA**

Salop (1979) discussed the three regions of the representative brand’s demand curve: the "monopoly," "competitive" and "super competitive" in a monopolistic-competitive market.

The "monopoly" would imply prices for which the brand's entire market consists of consumers for whom the surplus of no other brand exceeds the surplus of the homogeneous outside good. The new entrants would want to cover their marginal cost. Their strategy is therefore 'high margin, low volume’

Most of these paanwalas, however, sell the paans on credit to local residents who frequent the shop regularly and ritually.

The more "competitive" market is composed of those shops who can offer prices that attract customers who would otherwise purchase some other differentiated brand. These businesses survive on ‘word of mouth’ publicity. As Shaw (1997) has put it

“Friendships provide regular, inexpensive, and swift routes both to customers via referrals and to reliable marketing information, as ideas are "bounced off friendly contacts".
The regular customers are offered and sold paan at discounted prices than the new 
customers.

The "super competitive" offer competitive prices and capture all customers of the closest 
neighboring brand. “Ours is a high-volume, low-margin business. We treat all our 
customers like family”

These established Paanwalas can afford to use modern marketing techniques.

Muchahhad Paanwala was the first to offer services online. On their website they have 
displayed the historical, ethnic account of the betel leaf habit in the Indian society beginning 
with the Mughal period. They also describe on the website, the various ingredients required 
to serve Paan and the different types of Paan’s served.

“Our web presence has helped us to get customer orders from places like Mombasa”

Other strategies used for product differentiation are: keeping the shops open for longer 
hours, creating an ambience in the shop etc.

Points emerging from the above

- Family businesses are able to generate more wealth in the market not only 
because of knowledge that has been transferred from previous generations to the 
next generation but also the transference of social networks, which plays a 
significant role in the market.
- Multiple families in the same cluster have come together to share their 
experience and facilitate opening of new shops. Caste and village nexus facilitates it.
- Knowledge about the customer and determining his requirement is the 
knowledge gathering and sustaining business processes.
- Sharing information does not deprive someone of ideas or business 
opportunity. It provides knowledge to sustain the business.

**GROWTH AND SUCCESSION PHASE**

In this business, it was observed that shops which were greater than 20 years old were 
owned by the second or third generation entrepreneur. They had larger shops, more 
diversified products, higher earnings as they catered to a larger customer base and were 
placed in better locations. However their expenditure was also higher, as in most cases they 
were the owners of their shops and also had their own homes in Mumbai.

But surprisingly, the shops which were less than twenty years old belonged to first 
generation entrepreneurs, and most of their shops were rented. Since, the Paan sellers who 
had been in the business for a few generations were well off, they could give their children 
better education. The educated children chose different occupations. So, in our study we 
did not come across many young paanwalas who inherited their father’s business.

Conflicts in Family shifted to Business and led to closure of businesses and separation of 
partners.
Thus in a Family Business, dispute or disagreement between siblings or partners in familial issues should not be mixed up with business, otherwise business may be adversely affected.

The profitability of the business, the refusal for the educated next generation to get into this territory, has allowed the business to move away from the family to new incumbents who are not from the same caste or creed or state. Initially the business is given on rent but even this is slowly moving away. It is no more the traditional paan shop, but also dealership with sugar confectionary, chocolates, toothpaste, ice cream, beauty kits etc, which makes it the first level mom and pop store. Some of them are also real estate consultants.

They are also the source of recruitment for maid servants, and to many families in the neighbourhood they also serve an informant base on the place of residence and neighbourhood. Some of the Paan Shops are branded stores for personalities to come in at specific times and enjoy their choice of paan. “They are very loyal.” Muchhad Paanwala.

Many of them are authorized corporate distributors especially during lunch breaks and for parties and the next generation is capitalizing on this requirement.

Points emerging from the above
- Families coming together and sharing knowledge has enabled large discounts and commission in this business through lateral products like chewing gum, chocolates, hair oil, shampoo satchels. The business sustainability has improved.
- Some of them have enlarged formats like courier service within 2 KM radius, real estate consulting.
- Allowing one shop to heat the paan and distribute it to different family business has reduced wastage, improved taste and allowed use of space.

CONCLUSION

It was hard work all along in the business where entrepreneurs were textile mill workers and who worked overtime to get into this business. The subsequent downfall of these mills did not throw them out but gave them better chance. Some of the revealing points were
1. Status and ego was not a factor in business. The business owner in Falkland road where sex workers exist in abundance has bought a house in Bhayendar and has educated his children to graduate level.
2. There was greater ability to look at lateral expansion even in a 5x5 sq ft shop like taking risk of car parking and keys and negotiating with traffic police.
3. The thought process never restricted itself to one family but several families in the same cluster. However there was caste and village nexus.
4. It is surprising customers pay them for a month in advance and believe them when they give their bill. The working capital requirement has come down considerably.

While Gutkha trade has hit them, they have found out alternatives. At least three businesses do marriage supply and party supply which is becoming big trade in Mumbai. They are constantly evolving because they are under severe pressure and need to sustain the business.