FROM SKEPTICISM TO SUCCESS: THE UNFORGETTABLE JOURNEY OF JOHNNY & JUGNU'S REMARKABLE COMEBACK

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Amid a routine brainstorming session about future endeavors, the concept of reviving Johnny & Jugnu emerged unexpectedly, catching Gohar Iqbal, the Co-Founder, by surprise. The genesis of this idea was born from casual discussions, devoid of meticulously gathered data or a safety net of past successes. What made this decision special was its boldness—it was like taking a big risk into unknown territory.

The history of Johnny & Jugnu was not one of triumph; rather, it was marred by a previous venture that failed. Despite the absence of reassuring data points and the looming specter of past setbacks, the team chose to defy conventional wisdom and breathe new life into the venture.

The decision to revive Johnny & Jugnu epitomized the spirit of resilience and innovation. It reflected a willingness to learn from past failures, adapt, and forge ahead into unexplored terrain. A year before graduation, Gohar Iqbal decided to start his own businesses instead of working for a big company. He began a marketing agency and a food delivery service. Dr. Adnan, his mentor, helped and guided him. Together, they started a restaurant called Johnny & Jugnu when they saw an opportunity. Due to financial restraints, they opened the first branch in Krishan Nigar and focused on selling burgers. Unfortunately, this initial period did not prove financially viable, leading to monthly losses and the challenging decision to close down Johnny & Jugnu in early 2015 (Exhibit 1, Figure 1).

But, the challenges and lessons from their first try taught them a lot. They didn't give up. A year later, they came back stronger and more determined. This experience changed the way they did business, and they found success.

This case study delves into the circumstances surrounding this pivotal decision, exploring the intangible factors that propelled the team forward. By choosing to move beyond the constraints of past disappointments, the team embarked on a journey that would ultimately redefine the narrative of Johnny & Jugnu—a tale of tenacity, daring decisions, and the triumph of unwavering determination over the shadow of previous failures.

Strategic Implications

This time, the budget stretched to Rs300,000 to $Rs400,000^1$ as they geared up for a fresh start. Utilizing some of their existing equipment and investing in an additional fryer, they secured a small outlet in DHA Phase 4^2 (Exhibit 2, Figure 2), a location they continue to operate from today. The notable shift in our approach this time around was a heightened emphasis on marketing.

Rather than solely focusing on the culinary aspect, Gohar delved into creative marketing strategies. He was adamant to make this venture a success this time, hence, he exerted all his efforts towards persuading prospects to associate with Johnny and Jugnu. Gohar, very tactfully incorporated guerrilla marketing in the business practice by distributing visually

1

¹ \$1050 - \$1400

² **DHA Phase 4** is an upscale sector positioned near Ghazi Road. It also sits close to other phases of DHA like DHA Phase 3

appealing burger boxes to individuals, specifically targeting those actively engaged in various food forums and showcasing a particular interest in burgers. This wasn't just a casual effort; it constituted a bona fide marketing initiative. This proved to be a game-changer for them. By strategically distributing those eye-catching burger boxes to the very heart of the foodie community—enthusiasts actively discussing and relishing burgers in online forums, they not only captured attention but ignited a buzz. The visual appeal and uniqueness of their approach sparked curiosity, transforming each burger box into a delectable conversation starter.

Another impactful marketing approach was Influencer Marketing. Gohar along with his team meticulously sifted through numerous food forums, curating a list of individuals who, while not necessarily influencers, were passionate about discussing and enjoying burgers.

This approach sparked a buzz and garnered attention. In the late 2015, when influencer marketing was not as prevalent as it is today, the few influencers in existence felt a sense of exclusion. This feeling arose because they exclusively served their burgers by invitation only, creating a sense of anticipation and generating pre-launch excitement around the offerings. This blend of strategic marketing and an element of exclusivity played a crucial role in setting the stage for the successful re-launch of J&J's burgers.

Yet another strategic decision made by Gohar was to play with Reverse Marketing. In the ever-evolving landscape of marketing, some strategies defy convention, and such was the case for Johnny & Jugnu. Embracing the daring world of reverse marketing, they intentionally crafted what many would deem as the '*worst*' ads, challenging the norms of conventional advertising. Little did they know that this bold move would turn into a stroke of marketing genius, propelling their brand to unprecedented heights. The deliberate cringe-worthy approach not only defied expectations but also became the talk of the town, transforming a potential failure into a resounding success. This is the remarkable tale of how reverse marketing worked wonders for Johnny & Jugnu, rewriting the rules of advertising and capturing the attention of audiences far and wide.

Gohar's original plan was to advertise their burgers, but the realization dawned that the budget wouldn't stretch to create a high-quality ad. Opting for a daring move, they took a considerable risk. Instead of crafting the best ad within the budget, they intentionally chose to produce what some might label as the 'worst' ad.

Their unique concept aimed to attract maximum attention by creating an intentionally cringe-worthy ad. Despite initial reservations, even from Dr. Adnan, who harbored doubts, they moved forward with this distinctive approach. With the fear of failure, no longer a concern, they embraced this unconventional strategy to garner views and attention.

The results exceeded expectations, with over 200,000 views and 60,000 comments flooding in on Facebook within just 2-3 hours of posting the ad. People began tagging others, and messages poured in from across the country and even internationally. Launching with this ad initially might have spelled disaster, but given their already operational status with daily sales hitting Rs80,000³, the unconventional ad strategy proved triumphant. It became the talk of the town, significantly boosting the number of patron's eager to try their burgers.

Comeback Fuelled by Strategic Marketing Brilliance

When the doors were opened for everyone, a remarkable transformation unfolded. Contrary to the prevailing skepticism, daily sales began to climb steadily, defying expectations. The impact of their guerrilla marketing tactics, the strategic collaboration with influencers and reverse marketing became strikingly evident. The once skeptical atmosphere gave way to a sense of astonishment and triumph as the restaurant not only regained its footing but surged ahead, marking a dramatic turnaround from the challenges of the past. The combination of

³ \$280

2

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unconventional marketing approaches and a resilient business mindset had successfully laid the foundation for a remarkable comeback.

The strategic marketing brilliance of Johnny & Jugnu didn't just boost sales; it sparked a huge wave of customers, transforming the restaurant into a bustling hub. The surge in popularity, fuelled by clever marketing tactics, resulted in an overwhelming influx of people every day. The strategic efforts not only filled the tables but created a demand that surpassed initial expectations. The success, while thrilling, posed operational challenges, forcing the business to adapt quickly to meet the unexpectedly high demand. Johnny & Jugnu found themselves navigating a new landscape of success, managing shortages and ensuring that their newfound popularity didn't compromise the quality that had earned them acclaim in the first place.

However, a challenge arose as there was a shortage of people in the kitchen due to the unforeseen increase in response.

It became evident that the burgers were selling not solely because of marketing efforts but primarily due to the favorable taste experienced by returning customers. New customers visiting were mostly referred by their friends and family. Working in the kitchen themselves, they observed these trends. Consequently, about a month later, the decision was made to hire additional staff for the kitchen, leading to the retirement of friends and family who had been volunteering their assistance. This transition proved beneficial as they gained more traction and support.

Gohar's Strategic Leadership

As Johnny & Jugnu experienced an unprecedented surge in sales and an influx of customers due to their strategic marketing triumph, operational challenges began to surface. The overwhelming demand prompted Gohar to make strategic operational decisions to ensure the restaurant could handle the growing demand.

Recognizing the shortage of labor, resources, and other operational constraints, Gohar responded with ingenuity. From streamlining workflows to optimizing resource allocation, he implemented measures to enhance efficiency without compromising the quality that had made Johnny & Jugnu a crowd favorite. Gohar's operational acumen played a crucial role in navigating the challenges of success, ensuring that the restaurant not only met the surging demand but continued to deliver a delightful dining experience to its ever-expanding customer base.

In the face of unprecedented challenges, the strategic marketing triumphs and Gohar's operational acumen has propelled Johnny & Jugnu to new heights. The surge in sales and the influx of customers, triggered by our marketing strategies, tested the limits of our operational capabilities. However, Gohar's strategic decisions not only met the growing demand but also transformed these challenges into opportunities for improvement (Exhibit 3, Figure 3).

Recognizing the shortage of labor and resources, Gohar's ingenuity shone through. His swift response, from streamlining workflows to optimizing resource allocation, showcased a commitment to not just meet, but exceed customer expectations. The operational decisions made during this period of intense demand have not only bolstered our efficiency but have become the cornerstone of our commitment to quality.

As we reflect on this transformative journey, it is clear that the fusion of strategic marketing brilliance and operational excellence has not only improved the brand's financial standing but has defined the overall success of Johnny & Jugnu. Through the ebb and flow of challenges, Johnny and Jugnu emerged stronger, more resilient, and dedicated to delivering an exceptional dining experience to the ever-growing community of patrons. This journey is a testament to Gohar's ability to not just weather storms but to turn them into winds of

3

opportunity, shaping a future where Johnny & Jugnu continue to stand as a beacon of success in the culinary landscape.

Paving the Way Forward for Johnny & Jugnu as a Local Alternative Amidst Global Fast-Food Dynamics

In a world increasingly conscious of supporting local businesses, how do you see Johnny & Jugnu positioning itself as a compelling alternative to global fast-food chains like McDonald's, especially in the context of current movements encouraging the support of local establishments?

ANNEXURES

Exhibit 1

Exhibit 2

Initial Expenditure	per unit	total
Shop security deposit		100,000
Shop renovation		100,000
Freezer/refrigerator	36,000	36,000
Exhaust fans	4,000	8,000
Paint		40,000
Shutter design		6,000
Tiling		12,000
Lights		10,000
Front glass		20,000
Front door		7,000
Working table		13,000
Washing sink		10,000
Patty maker		8,000
Trademark registration		15,000
Fries maker		7,000
Gas cylinder	25,000	50,000
Regulators	1,800	3,600
Kitchen utensils		10,000
2nd hand kitchen equipment		55,000
Oil (48 litres)		10,000
Burger boxes (3500)		26,250
Plates		2,500
Cups (1500)		7,500
		556,850

FIGURE 1 JOHNNY & JUGNU'S INITIAL EXPENDITURES

Source: Company documents.



JOHNNY AND JUGNU DHA PHASE 4

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Exhibit 3

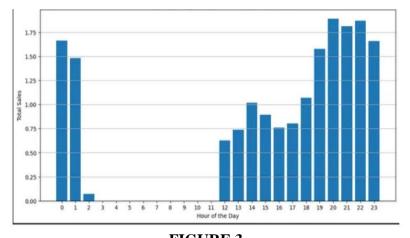


FIGURE 3 TOTAL SALES PER HOUR

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