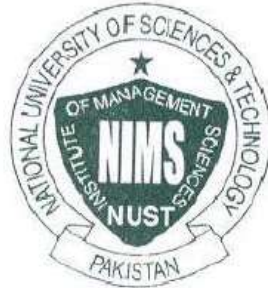




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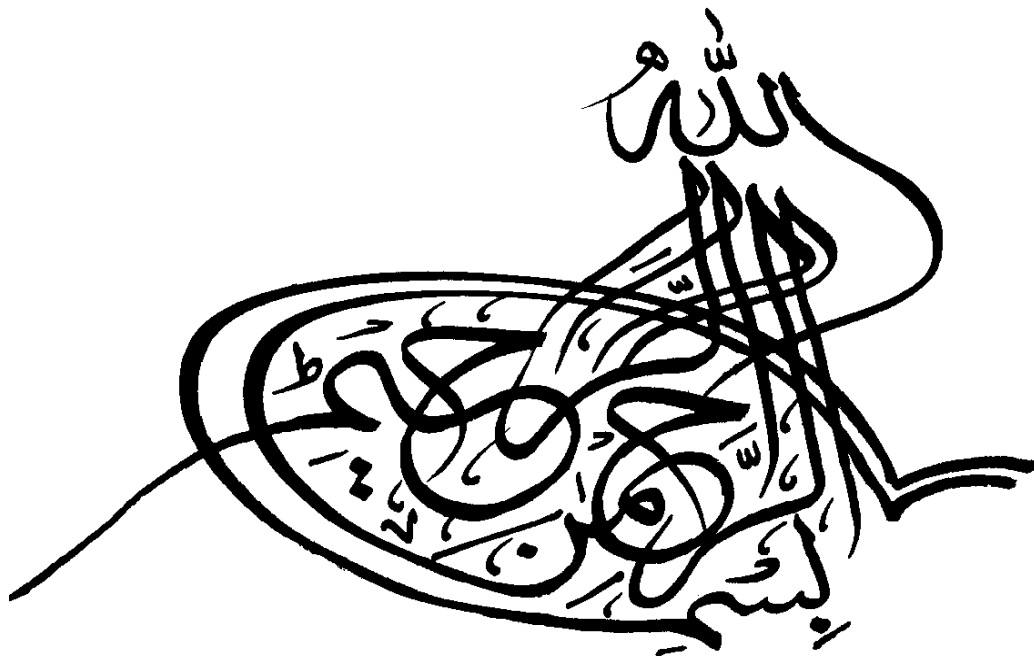
Branding Aspects of Tapal

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In the Name of Allah

*Most Merciful and Compassionate, the Most Gracious and
Beneficent, Whose help and guidance I always solicit at
every step, at every moment.*

Abstract

Brands play a critical role in a firm's marketing strategy. A coherent brand analysis is a key component of the firm's overall marketing strategy as it provides a framework to leverage strong brands into other markets, assimilate acquired brands, and rationalize the firm's branding strategy. This research looks at the various components of brand analysis found among Tapal's and a sample of large international competitors.

Tapal enjoys a healthy image in the market. Unlike other companies, who believe in promoting the products with the company's name, Tapal believes in creating strong brand names and a unique image for each product.

A unique combination of high-grown Kenya leaf and dust tea, Tapal is the pride of Tapal. Developed in 1947, it created a completely new category in the tea market. It gives a refreshing aroma of leaf and the strong taste of dust- together in one cup. It is the blend that started the Tapal success story and many other companies followed Tapal in introducing similar blends.

There is a plethora of companies on the market hammering out Tea for different segments everyday. Tapal alone has eight sub brands catering to different needs of the customers. Product choice is vast and customer switching cost is low; consumers are frequently seen changing their tea and experimenting with different brands. Product of Tapal have high market share in their product categories and are consider being market leaders in some category.

Acknowledgements

First of all, I would like to thank ALMIGHTY who gave me the abilities to work on this report and complete it.

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CHAPTER NO. 1
INTRODUCTION

Branding Aspects of Tapal



1.1 Aim of the study

The basic aim of the study is to critically analyze Tapal as a brand, and evaluate its competitive position in the market as compared to its direct competitors. This entails a complete assessment of the Tapal brand and its competitors.

The topic of brands and branding has generated enormous interest in the business community in recent years. While brands have been with us since the dawn of commercial history, and are believed to have been the engine driving the marketing train throughout much of this century, little formal attention has been paid to the question of how organizations build, maintain, and evaluate strong brands.

A fundamental assumption of this study is that a strong brand is far more than a recognizable name, a memorable mark or logo, or a catchy tag line. In fact, a brand is also more than a distinguishable product with practical physical advantages for the purchaser. While a brand is crafted in part from these basic building blocks, it is the customer who attaches meaning to these visible cues based on his or her own experience and perceptions. Ultimately, it is the customer who determines the true value of the brand. This value is derived from his or her knowledge of the brand's functional and emotional attributes from the associations he or she makes about the product, its category, and its parent organization

1.2 Specific Objectives

The specific objectives of this study with reference to the Tapal brand are the following;

- To identify direct competitors and critically analyze them
- To analyze company's macro and micro environment
- To study the company's brand with customer's perspective
- To access customer's preference for this brand through a market research
- To identify brand personality of Tea
- To analyze the marketing process with respect to 4 P's of the brand
- To analyze the gap between actual and ideal brand foot printing
- To analyze the perception in the minds of the customers about the brand
- To conduct the customer's analysis with respect to brands segmentation, target market and positioning
- To identify the graveyard brands
- To analyze brands with respect to its Strength and Stature
- To conduct a market share analysis

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1.3 Context of Study

This study focuses on branding in the packed tea sector of Pakistan and is important in a variety of dimensions. Branding has now become an integral part of promotion of consumer goods, especially in the tea sector. A plethora of products and non differentiated offerings have made branding an essential toll in this sector.

The Beverages industry consists of both hot and cold beverages. Hot and cold drinks do not really compete with each other but there is a seasonal effect on hot beverages sales. In fact the beverages industry is divided into cold drinks and hot drinks. The difference between these two is that the cold drink market is an expanding one while there is no growth in hot beverages. As one of the big emerging markets; Pakistan's enormous population and rapid increase in consumer spending have attracted many multinational corporations (MNCs) into the Tea industry. Meanwhile, the misconception of Pakistan as a homogeneous market often leads to difficulties in assessing market demand and enacting effective strategies. Data from a national survey suggest that consumers from various regions are significantly different from one another in terms of purchasing power, attitudes, lifestyles, media use, and consumption patterns. MNCs as well as Local companies need to take a cautionary approach when expanding into the inland regions, and must adapt to the local market conditions and devise sustainable strategies.

Rural Pakistan accounts for over 60 per cent of the country's population. With urban markets saturated for most categories, it has become very important for all players to increase their penetration levels in rural markets. There has been a rapid expansion of the consumer majors' distribution networks into the rural regions. Because of all these factors new companies are seeing Pakistani market as an attractive one and are entering in this sector.

Pakistan is the third largest tea importer after Russia and Britain. The country imported 105 million kg worth \$163 million in the fiscal year 2002-03. The importers buy black tea from 17 countries, including Bangladesh, Burundi, China, Congo, India, Indonesia, Kenya, Malawi, Mozambique, Madagascar, Rwanda, Sri Lanka, Uganda, Zaire and Zimbabwe. The tea market here is dominated by UPL, Tapal and the most recent entrant is Tetley Pvt. Nationally, branded tea dominates the market with its user ship in two thirds of the tea-drinking households. Punjab and Sindh are the main branded tea using provinces (irrespective of urban/rural).

Loose tea is popularly consumed in NWFP/Balochistan provinces having easy access to smuggling across the border. The advantages loose tea has over branded tea are:

- It is stronger
- It provides flexibility in purchase quantity
- Cheaper to branded tea
- Economical in use

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Usage of loose tea in Punjab and Sindh is relatively low. However, its impact on the tea market is high, as these two provinces comprise approximately 79% of the national population. On a national basis, Supreme emerges as the leading Brand mainly due to its appeal in rural areas in the lower strata towns in Punjab. Lipton is more of an urban Brand - strong in Islamabad and Lahore and also in the rural areas of Punjab. In other provinces, this Brand has low usage. Tapal Danedar is clearly the leader in Sindh, particularly in Karachi. Its user base in strata 2 and 3 is also notable. The Brand is a major threat for Lipton and Supreme in Lahore and Punjab with a commendable usership. In Sindh, other Brands with a notable usage are the rural Brands of Pearl Dust with Kenya Mixture and Tapal in the urban.

These factors make this study to be an exceptionally important research project.

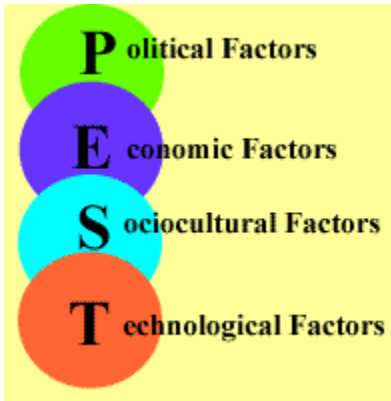
CHAPTER NO. 2
LITERATURE REVIEW

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2.1 PEST Analysis

PEST analysis is very important that an organization considers its environment before beginning the marketing process. In fact, environmental analysis should be continuous and feed all aspects of planning.



2.1.1 Political Factors

The political arena has a huge influence upon the regulation of businesses, and the spending power of consumers and other businesses. You must consider issues such as:

1. How stable is the political environment?
2. Will government policy influence laws that regulate or tax your business?
3. What is the government's position on marketing ethics?
4. What is the government's policy on the economy?
5. Does the government have a view on culture and religion?
6. Is the government involved in trading agreements such as EU, NAFTA, ASEAN, or others?

2.1.2 Economic Factors

Marketers need to consider the state of a trading economy in the short and long-terms. This is especially true when planning for international marketing. You need to look at:

1. Interest rates
2. The level of inflation Employment level per capita
3. Long-term prospects for the economy Gross Domestic Product (GDP) per capita, and so on

2.1.3 Sociocultural Factors

The social and cultural influences on business vary from country to country. It is very important that such factors are considered. Factors include:

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1. What is the dominant religion?
2. What are attitudes to foreign products and services?
3. Does language impact upon the diffusion of products onto markets?
4. How much time do consumers have for leisure?
5. What are the roles of men and women within society?
6. How long are the population living? Are the older generations wealthy?
7. Do the population have a strong/weak opinion on green issues?

2.1.4 Technological Factors

Technology is vital for competitive advantage, and is a major driver of globalization. Consider the following points:

1. Does technology allow for products and services to be made more cheaply and to a better standard of quality?
2. Do the technologies offer consumers and businesses more innovative products and services such as Internet banking, new generation mobile telephones, etc?
3. How is distribution changed by new technologies e.g. books via the Internet, flight tickets, auctions, etc?
4. Does technology offer companies a new way to communicate with consumers e.g. banners, Customer Relationship Management (CRM), etc?

Source: Marketing Teacher; Date 18 August 2005

2.2 Analyzing the environment - Five Forces Analysis



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Five forces analysis helps the marketer to contrast a competitive environment. It has similarities with other tools for environmental audit, such as PEST analysis, but tends to focus on the single, stand alone, business or SBU (Strategic Business Unit) rather than a single product or range of products. For example, Dell would analyze the market for Business Computers i.e. one of its SBUs. Five forces analysis looks at five key areas namely the threat of entry, the power of buyers, the power of suppliers, the threat of substitutes, and competitive rivalry.

2.2.1 The threat of entry

- Economies of scale e.g. the benefits associated with bulk purchasing.
- The high or low costs of entry e.g. how much will it cost for the latest technology?
- Ease of access to distribution channels e.g. Do our competitors have the distribution channels sewn up?
- Cost advantages not related to the size of the company e.g. personal contacts or knowledge that larger companies do not own or learning curve effects.
- Will competitors retaliate?
- Government action e.g. will new laws be introduced that will weaken our competitive position?
- How important is differentiation? e.g. The Champagne brand cannot be copied. This desensitizes the influence of the environment.

2.2.2 The power of buyers

- This is high where there a few, large players in a market e.g. the large grocery chains.
- If there are a large number of undifferentiated, small suppliers e.g. small farming businesses supplying the large grocery chains.
- The cost of switching between suppliers is low e.g. from one fleet supplier of trucks to another.

2.2.3 The power of suppliers

- The power of suppliers tends to be a reversal of the power of buyers.
- Where the switching costs are high e.g. Switching from one software supplier to another.
- Power is high where the brand is powerful e.g. Cadillac, Pizza Hut, Microsoft.
- There is a possibility of the supplier integrating forward e.g. Brewers buying bars.
- Customers are fragmented (not in clusters) so that they have little bargaining power e.g. Gas/Petrol stations in remote places.

2.2.4 The threat of substitutes

- Where there is product-for-product substitution e.g. email for fax where there is substitution of need e.g. better toothpaste reduces the need for dentists.

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- Where there is generic substitution (competing for the currency in your pocket) e.g. Video suppliers compete with travel companies.
- We could always do without e.g. cigarettes.

2.2.5 Competitive Rivalry

- This is most likely to be high where entry is likely; there is the threat of substitute products, and suppliers and buyers in the market attempt to control. This is why it is always seen in the center of the diagram.

Source: Marketing Teacher; Date 18 August 2005

2.3 SWOT



Strengths and weaknesses are **internal** factors. For example:

A **strength** could be:

- Your specialist marketing expertise.
- a new, innovative product or service
- location of your business
- quality processes and procedures
- Any other aspect of your business that adds value to your product or service.

A **weakness** could be:

- lack of marketing expertise
- undifferentiated products or services (i.e. in relation to your competitors)
- location of your business
- poor quality goods or services
- damaged reputation

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Opportunities and threats are **external** factors. For example:

An **opportunity** could be:

- A developing market such as the Internet.
- mergers, joint ventures or strategic alliances
- moving into new market segments that offer improved profits
- a new international market
- a market vacated by an ineffective competitor

A **threat** could be:

- a new competitor in your home market
- price wars with competitors
- a competitor has a new, innovative product or service
- competitors have superior access to channels of distribution
- taxation is introduced on your product or service

Source: Marketing Teacher; Date 18 August 2005

2.4 Ansoff's Matrix - Planning for Growth

This well known marketing tool was first published in the Harvard Business Review (1957) in an article called 'Strategies for Diversification'. It is used by marketers who have objectives for growth. Ansoff's matrix offers strategic choices to achieve the objectives. There are four main categories for selection.

Product \ Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

Market Penetration

Here we market our existing products to our existing customers. This means increasing our revenue by, for example, promoting the product, repositioning the brand, and so on. However, the product is not altered and we do not seek any new customers.

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Market Development

Here we market our existing product range in a new market. This means that the product remains the same, but it is marketed to a new audience. Exporting the product, or marketing it in a new region, are examples of market development.

Product Development

This is a new product to be marketed to our existing customers. Here we develop and innovate new product offerings to replace existing ones. Such products are then marketed to our existing customers. This often happens with the auto markets where existing models are updated or replaced and then marketed to existing customers.

Diversification

This is where we market completely new products to new customers. There are two types of diversification, namely related and unrelated diversification. Related diversification means that we remain in a market or industry with which we are familiar. For example, a soup manufacturer diversifies into cake manufacture (i.e. the food industry). Unrelated diversification is where we have no previous industry nor market experience. For example a soup manufacturer invests in the rail business.

Source: Marketing Teacher ; Date 18 August 2005

2.5 Boston Consultancy Group (BCG Matrix)

This product portfolio matrix classifies product lines into four categories. The BCG model suggests that organisations should have a healthy balance of products within their range. The Boston Consultancy Group classified these products as following:

Dogs

These are products which have low market shares and low market growth rates. The options for many companies is to phase these products out, however some organization do go for the strategy of re-inventing and injecting new life into the product. (see Heinz Case Study)

Question Mark/Problem Child

These are products with low market share but operate in high market growth rates. The company puts a lot of resources in this product in the hope that it will eventually increase market share and generate cash returns in the future.

Star

Stars have high market shares that operate in growing markets. The product at this stage should be generating positive returns for the company.

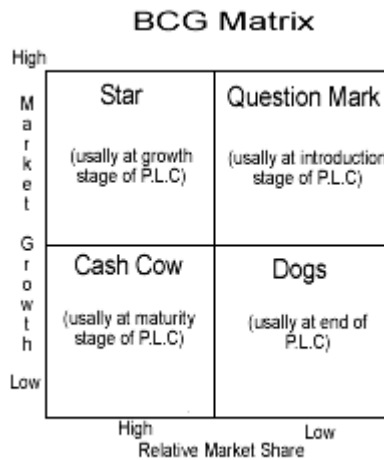
Cash Cow

Cash Cow are products at the mature stage of the lifecycle, they generate high amounts of cash for the company, but growth rate is slowing. There are chances that the product may

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slip into decline; appropriate marketing mix strategies should be employed to try to prevent this from happening.



Source: www.learnmarketing.net

Source: Learn Marketing ; Date 18th August 2005

Problems with the Boston Matrix

1. There is an assumption that higher rates of profit are directly related to high rates of market share. This may not always be the case. When Boeing launches a new jet, it may gain a high market share quickly but it still has to cover very high development costs.
2. It is normally applied to Strategic Business Units (SBUs). These are areas of the business rather than products. For example, Ford own Landrover in the UK. This is an SBU not a single product.
3. There is another assumption that SBUs will cooperate. This is not always the case.
4. The main problem is that it oversimplifies a complex set of decision. Be careful. Use the Matrix as a planning tool and always rely on your gut feeling.

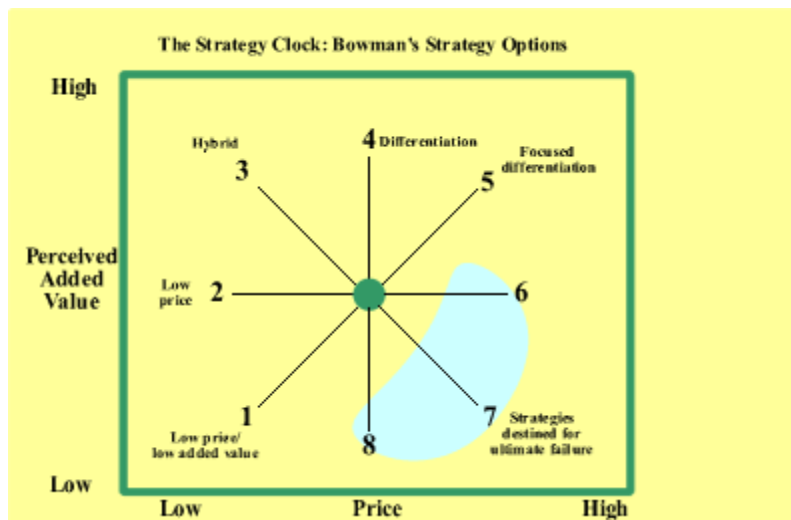
Source: Marketing Teacher; Date 18 August 2005

2.6 Bowman's Strategy Clock

The Strategy Clock: Bowman's Competitive Strategy Options

The 'Strategy Clock' is based upon the work of Cliff Bowman (see C. Bowman and D. Faulkner 'Competitive and Corporate Strategy - Irwin - 1996). It's another suitable way to analyze a company's competitive position in comparison to the offerings of competitors. As with Porter's Generic Strategies, Bowman considers competitive advantage in relation to cost advantage or differentiation advantage. There are six core strategic options:

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Option one - low price/low added value

- likely to be segment specific

Option two - low price

- risk of price war and low margins/need to be a 'cost leader'.

Option three - Hybrid

- low cost base and reinvestment in low price and differentiation

Option four - Differentiation (a) without a price premium

- perceived added value by user, yielding market share benefits

(b) with a price premium

- perceived added value sufficient to bear price premium

Option five - focused differentiation

- perceived added value to a 'particular segment' warranting a premium price

Option six - increased price/standard

- Higher margins if competitors do not value follow/risk of losing market share.

Option seven - increased price/low values

- only feasible in a monopoly situation

Option eight - low value/standard price

- loss of market share

Source: Marketing Teacher ; Date 18 August 2005

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2.7 Marketing Mix

The **marketing mix** is probably the most famous phrase in marketing. The elements are the marketing 'tactics'. Also known as the '**four Ps**', the marketing mix elements are price, place, product, and promotion.



The **marketing mix** is probably the most famous phrase in marketing. The elements are the marketing 'tactics'. Also known as the '**four Ps**', the marketing mix elements are price, place, product, and promotion. The concept is simple. Think about another common mix - a cake mix. All cakes contain eggs, milk, flour, and sugar. However, you can alter the final cake by altering the amounts of mix elements contained in it. So for a sweet cake add more sugar! It is the same with the marketing mix. The offer you make to you customer can be altered by varying the mix elements. So for a high profile brand increase the focus on promotion and desensitize the weight given to price.

Another way to think about the marketing mix is to use the image of an artist's palette. The marketer mixes the prime colours (mix elements) in different quantities to deliver a particular final colour. Every hand painted picture is original in some way, as is every marketing mix. Some commentators will increase the marketing mix to the '**five Ps**', to include people. Others will increase the mix to '**Seven Ps**', to include **physical evidence** (such as uniforms, facilities, or livery) and **process** (i.e. the whole customer experience e.g. a visit the Disney World).



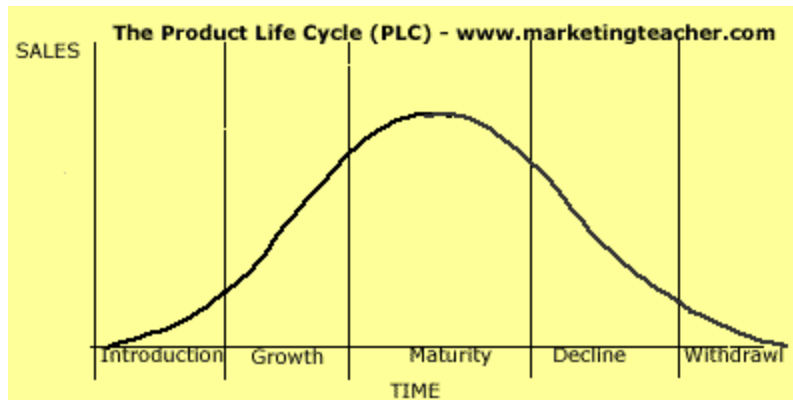
Source: Marketing Teacher; Date 18 August 2005



2.8 The Product Life Cycle (PLC)

The Product Life Cycle (PLC) is based upon the biological life cycle. For example, a seed is planted (introduction); it begins to sprout (growth); it shoots out leaves and puts down roots as it becomes an adult (maturity); after a long period as an adult the plant begins to shrink and die out (decline).

In theory it's the same for a product. After a period of development it is introduced or launched into the market; it gains more and more customers as it grows; eventually the market stabilizes and the product becomes mature; then after a period of time the product is overtaken by development and the introduction of superior competitors, it goes into decline and is eventually withdrawn. However, most products fail in the introduction phase. Others have very cyclical maturity phases where declines see the product promoted to regain customers.



Introduction

The need for immediate profit is not a pressure. The product is promoted to create awareness. If the product has no or few competitors, a skimming price strategy is employed. Limited numbers of product are available in few channels of distribution.

Growth

Competitors are attracted into the market with very similar offerings. Products become more profitable and companies form alliances, joint ventures and take each other over. Advertising spend is high and focuses upon building brand. Market share tends to stabilize.

Maturity

Those products that survive the earlier stages tend to spend longest in this phase. Sales grow at a decreasing rate and then stabilize. Producers attempt to differentiate products and brands are key to this. Price wars and intense competition occur. At this point the market reaches saturation. Producers begin to leave the market due to poor margins. Promotion becomes more widespread and use a greater variety of media.

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Decline

At this point there is a downturn in the market. For example more innovative products are introduced or consumer tastes have changed. There is intense price-cutting and many more products are withdrawn from the market. Profits can be improved by reducing marketing spend and cost cutting.

Problems with Product Life Cycle

In reality very few products follow such a prescriptive cycle. The length of each stage varies enormously. The decisions of marketers can change the stage, for example from maturity to decline by price-cutting. Not all products go through each stage. Some go from introduction to decline. It is not easy to tell which stage the product is in. Remember that PLC is like all other tools. Use it to inform your gut feeling.

Source: Marketing Teacher; Date 18 August 2005

2.9 SEGMENTATION

Market Segmentation

An organization cannot satisfy the needs and wants of all consumers. To do so may result in a massive drain in company resources. Segmentation is simply the process of dividing a particular market into sections, which display similar characteristics or behavior. There are a number of segmentation variables that allow an organization to divide their market into homogenous groups. Consumer markets can be segmented on the basis of following customer characteristics

- Geographic
- Demographic
- Psychographic
- Behavioralistic

2.10 TARGETING

Targeting

After the process of segmentation the next step is for the organization to decide how it is going to target these particular group(s). There are three targeting options an organization can adopt.

Option 1.

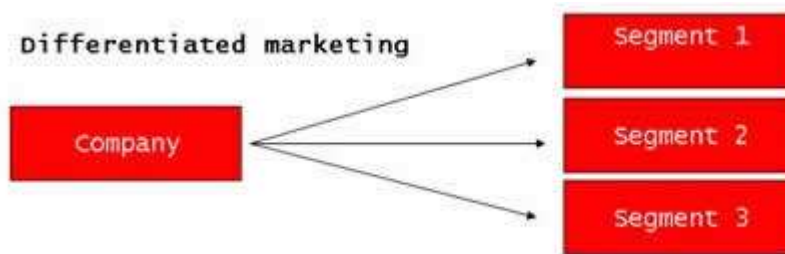
Undifferentiated marketing - Sometimes referred to as mass marketing the firm may decide to aim its resources at the entire market with one particular product. Coca Colas original marketing strategy was based on this form. One product aimed at the mass market in the hope that a sufficient amount of buyers would be attracted., although there are now changes in their product line to cater for growing dietary and caffeine free needs of consumers.

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Option 2

Differentiated marketing strategy - Where the firm decides to target several segments and develops distinct products/services with separate marketing mix strategies aimed at the varying groups. An example of this would be airline companies offering first, business (segment 1) or economy class tickets (segment 2) , with separate marketing programs to attract the different groups.



Option 3

Concentrated Marketing: Where the organization concentrates its marketing effort on one particular segment. The firm will develop a product that caters for the needs of that particular group. For example Rolls Royce cars aim its vehicles at the premium segment, same as Harrods within the UK.



Source: Learn Marketing; Date 18 August 2005

Branding Aspects of Tapal



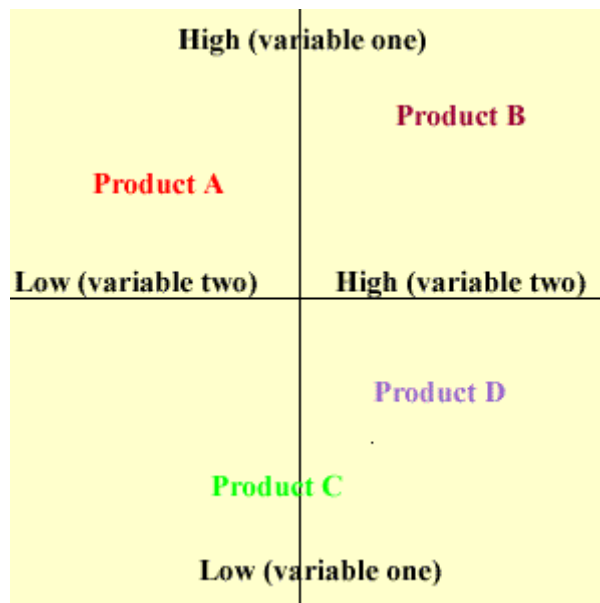
2.11 POSITIONING

The third and final part of the SEGMENT - TARGET - POSITION process is 'positioning.' Positioning is undoubtedly one of the simplest and most useful tools to marketers. After segmenting a market and then targeting a consumer, you would proceed to position a product within that market.

Remember this important point. Positioning is all about 'perception'. As perception differs from person to person, so do the results of the positioning map e.g what you perceive as quality, value for money, etc, is different to my perception. However, there will be similarities.

Products or services are 'mapped' together on a '**positioning map**'. This allows them to be compared and contrasted in relation to each other. This is the main strength of this tool. Marketers decide upon a competitive position which enables them to distinguish their own products from the offerings of their competition (hence the term '**positioning strategy**').

Take a look at the basic **positioning map** template below.



The marketer would draw out the map and decide upon a label for each axis. They could be price (variable one) and quality (variable two), or Comfort (variable one) and price (variable two). The individual products are then mapped out next to each other Any gaps could be regarded as possible areas for new products.

The term 'positioning' refers to the consumer's perception of a product or service in relation to its competitors. You need to ask yourself, **what is the position of the product in the mind of the consumer?**

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Trout and Ries suggest a six-step question framework for successful positioning:

1. What position do you currently own?
2. What position do you want to own?
3. Whom you have to defeat to own the position you want.
4. Do you have the resources to do it?
5. Can you persist until you get there?
6. Are your tactics supporting the positioning objective you set?

Source: Marketing Teacher; Date 18 August 2005

2.12 Reference Group

Reference groups are classed as primary or secondary. A primary reference group is one with which the individual has frequent face-to-face contact and in which members are close-knit. Families, households, study groups, work teams, roommates are all primary groups. Members exert significant influence on each other, including marketplace influence, simply because they are significant in each other's lives.

A secondary reference group is one in which interaction with other members is less frequent. Professional organizations, church congregations, large social clubs, and alumni associations are examples. The power to influence is far less than with primary groups. Secondary groups are often made up, however, of several smaller primary groups.

Reference groups are either formal or informal. A formal group is one in which there is some sort of structure and, in some cases, for which there are specific membership requirements. To join a civic club you may have to make a formal application, be voted in, and pay dues. To join a professional club, you may have to meet educational requirements. If the club runs regularly scheduled luncheons each month, you are likely to be obligated to attend, particularly if the club is both formal and primary. Informal clubs are those that have no special membership or attendance requirements, other than common interests. Walking clubs, reading groups, and mother-and-toddler playgroups are typical examples. Though they may be primary, the groups do not have rigid schedules or rules.

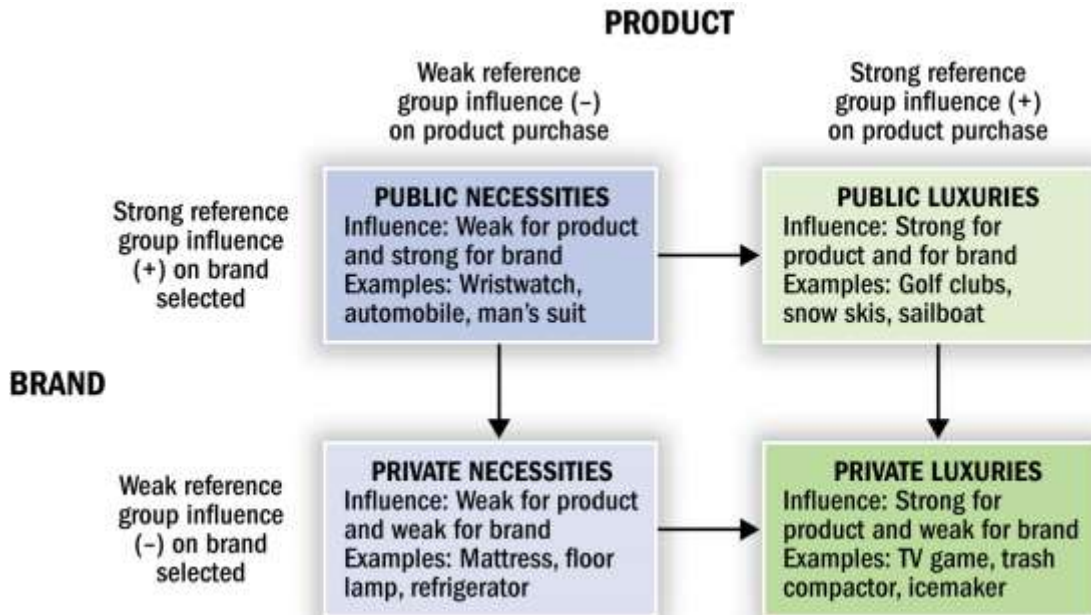
A group to which an individual does not currently belong or may never belong is known as an inspirational group. Here, individuals may attempt to emulate group members by taking on the "cloak of membership," that is, by dressing, acting, and even thinking the way they perceive members do. Classifying consumers according to inspirational groups allows marketers to create special appeals.

Some reference groups are dissociative. These are groups that individuals avoid or deny connections with. Hence, clothing, music, and entertainment options associated with the group are avoided by people who do not wish to be identified with it. Marketers should take care to avoid identification of their products with groups considered dissociative among target audiences.

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Source: Berkman, Lindquist, Joseph, 1997

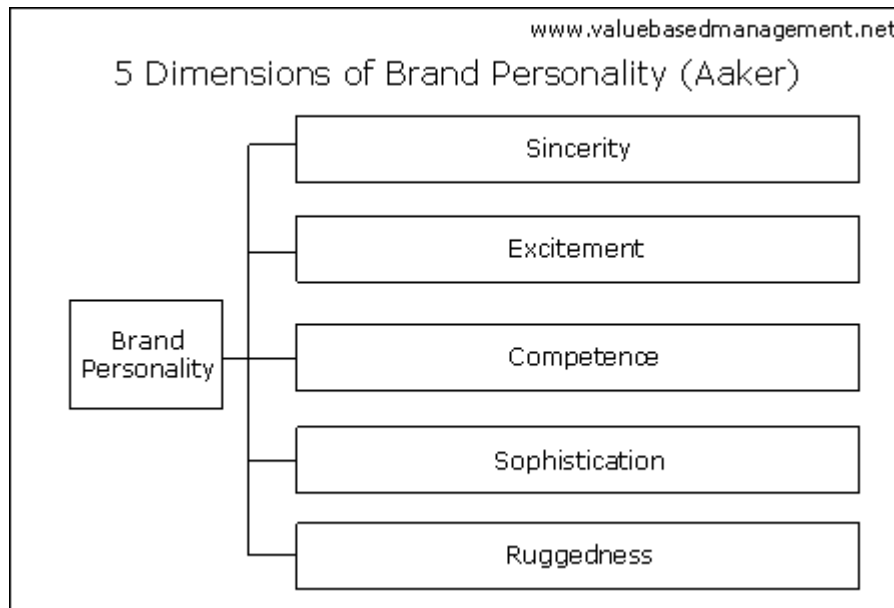




2.13 Brand

In marketing, a brand is the symbolic embodiment of all the information connected with a product or service. A brand typically includes a name, logo, and other visual elements such as images or symbols. It also encompasses the set of expectations associated with a product or service which typically arise in the minds of people.

2.13.1 Brand Personality



The **Brand Personality Dimensions** of **Jennifer Aaker** is a framework to describe and measure the 'personality' of a brand in five core dimensions, each divided into a set of facets.

It is an easy to understand model to describe the profile of a brand using an analogy with a human being.

The **five core dimensions and their facets** are:

- **Sincerity** (down-to-earth, honest, wholesome, cheerful)
- **Excitement** (daring, spirited, imaginative, up-to-date)
- **Competence** (reliable, intelligent, successful)
- **Sophistication** (upper class, charming)
- **Ruggedness** (outdoorsy, tough)

Each facet is in turn measured by a set of traits. The trait measures are taken using a five-point scale (1= not at all descriptive, 5=extremely descriptive) rating the extent to which each trait describes the specific brand of interest.

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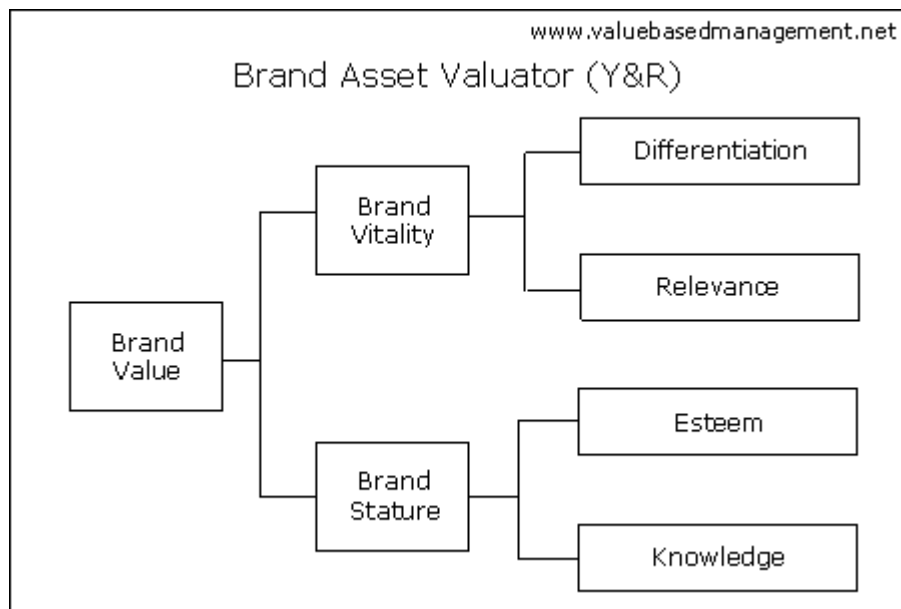


The **traits belonging to each of the facets** are:

- Down-to-earth (down-to-earth, family-oriented, small-town)
- Honest (honest, sincere, real)
- Wholesome (wholesome, original)
- Cheerful (cheerful, sentimental, friendly)
- Daring (daring, trendy, exciting)
- Spirited (spirited, cool, young)
- Imaginative (imaginative, unique)
- Up-to-date (up-to-date, independent, contemporary)
- Reliable (reliable, hard working, secure)
- Intelligent (intelligent, technical, corporate)
- Successful (successful, leader, confident)
- Upper class (upper class, glamorous, good looking)
- Charming (charming, feminine, smooth)
- Outdoorsy (outdoorsy, masculine, Western)
- Tough (tough, rugged)

Source: Value Based Management; Date 18th August 2005

2.13.2 Brand Asset Valuator



The **Brand Asset Valuator** of advertising agency **Young & Rubicam** measures Brand Value by applying four broad factors:

1. Differentiation – Differentiation is the ability for a brand to stand apart from its competitors. A brand

Branding Aspects of Tapal



should be as unique as possible. Brand health is built and maintained by offering a set of differentiating promises to consumers and delivering those promises to leverage value.

2. Relevance – Relevance is the actual and perceived importance of the brand to a large consumer market segment. This gauges the personal appropriateness of a brand to consumers and is strongly tied to household penetration (the percentage of households that purchase the brand).

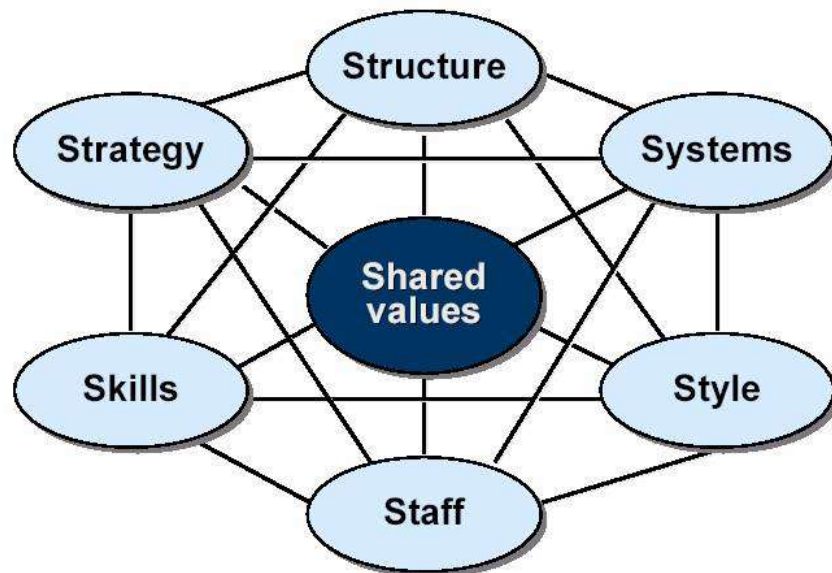
3. Esteem - Esteem is the perceived quality and consumer perceptions about the growing or declining popularity of a brand. Does the brand keep its promises? The consumer's response to a marketer's brand-building activity is driven by his perception of two factors: quality and popularity, both of which vary by country and culture.

4. Knowledge – Knowledge is the extent of the consumer's awareness of the brand and understanding of its identity. The awareness levels about the brand and what it stands for shows the intimacy that consumers share with the brand. True knowledge of the brand comes through brand-building.

Differentiation and Relevance taken together say a lot about its growth potential ("**Brand Vitality**"), while Esteem and Knowledge determine the current power of a brand ("**Brand Stature**").

Source: Value Based Management; Date 18th August 2005

2.14 McKinsey 7-S model



The **7-S framework** of McKinsey is a **Value Based Management (VBM) model** that describes how one can *holistically and effectively organize a company*. Together these factors determine the way in which a corporation operates.

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Shared Value

The interconnecting center of McKinsey's model is: Shared Values. What does the organization stand for and what it believes in central beliefs and attitudes.

Strategy

Plans for the allocation of firms scarce resources, over time, to reach identified goals. Environment, competition, customers.

Structure

The way the organization's units relate to each other: centralized, functional divisions (top-down); decentralized (the trend in larger organizations); matrix, network, holding, etc.

System

The procedures, processes and routines that characterize how important work is to be done: financial systems; hiring, promotion and performance appraisal systems; information systems.

Staff

Numbers and types of personnel within the organization.

Style

Cultural style of the organization and how key managers behave in achieving the organization's goals.

Skill

Distinctive capabilities of personnel or of the organization as a whole.

Source: Value Based Management; Date 18th August 2005

CHAPTER NO. 3
METHODOLOGY

Branding Aspects of Tapal



3.1 Research Approach

This branding study has based upon qualitative research conducted from various sources and backed by supporting quantitative data.

A brand is a set of perceptions about a particular product that people have. As this study is a branding study, it contains a lot of qualitative data about the attributes of a particular brand and why customers prefer it.

Quantitative data in this thesis relates to statistical calculations of market shares and brand perceptions that the researcher has computed himself.

Secondary sources of information divided into two categories: internal sources and external sources.

3.2 Sources of Data

Internal Sources include Brand analysis conducted by the company, competitors data company have. Sales data, Financial data, Storage data etc. in case of conducting this study the researcher had faced many problems in collecting data through internal sources. The researcher had a great concern about the data which Tapal uses to deal within its files on the cost of producing, storing, transporting and marketing each of its products and product lines. Such data has many uses in marketing research including allowing measurement of the efficiency of marketing operations. The researcher was unable to get the exact figure from the company regarding all these factors, but he was able to get a rough idea from internal source rest he relied on the external source.

External sources include

(1) Government Statistics; through it researcher got the following information: Population censuses, Social surveys, family expenditure surveys, Import/export statistics, and Production statistics

(2) Commercial services: Published market research reports and other publications are available from a wide range of organizations which charge for their information. Typically, researcher was interested in media statistics and consumer information which has been obtained from large scale consumer, the basic source used by the researcher is the Aurora Magazine.

(3) National and international institutions; university research reports, journals and articles were found to be a useful source.



3.3 Methods

Data was collected for this research by using different sources and techniques

3.3.1 Primary Sources

3.3.1.1 Questionnaires

Questionnaires have been widely used for this research thesis project. This is because this research project is a branding study; a brand is people's perceptions about a particular product. These questionnaires are most appropriate to find out these perceptions, what people think about tea products.

However, as the questionnaires were very comprehensive and large, people found it inconvenient to fill it. This was a problem, convincing people to accurately fill the whole form

There were eight steps followed by the researcher in the development of a questionnaire:

1. Decide the information required.

In this step the researcher identified things needed to know from the respondent in order to meet the survey's objectives. In respect of secondary data, the researcher analyzed what work has been done on the same or similar problems in the past, what factors have not yet been examined, and how the present survey can build on what has already been discovered.

2. Define the target respondents.

The researcher defined the population about which he wanted to obtain data. In this case, Tea's target audience was identified and subsequent input through questionnaires and interviews were taken from them.

3. Decide on question content.

Questions were included after critically evaluating their contribution towards the achievement of the research objectives. No redundant or confusing questions were asked from the respondents.

4. Develop the question wording.

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The researcher has classified the survey on the basis of close ended questions. The reason for this is that, it provides the respondent with an easy method of indicating his answer - he does not have to think about how to articulate his answer. It 'prompts' the respondent so that the respondent has to rely less on memory in answering a question. Responses can be easily classified, making analysis very straightforward.

5. Put questions into a meaningful order and format.

Researcher defined a clear order of the questionnaire so that questions should flow in some kind of psychological order, so that respondent leads easily and naturally to the next. The first question is crucial because it is the respondent's first exposure to the questionnaire and sets the tone. It is natural for a respondent to become increasingly indifferent to the questionnaire as it nears the end. Because of impatience or fatigue, he may give careless answers to the later questions. Those questions, therefore, that are of special importance included in the earlier part of the questionnaire. Potentially sensitive questions left to the end.

6. Check the length of the questionnaire.

Researcher gave a special attention to appearance of the layout because data quality can also be affected by the physical appearance of the questionnaire with unnecessarily confusing layouts making it more difficult for respondents to complete this task accurately.

7. Pre-test the questionnaire.

Researcher pretest the questionnaire in order to determine whether the questions as they are worded will achieve the desired results, whether the questions have been placed in the best order, whether the questions are understood by all classes of respondent .

8. Develop the final survey form.

In this final step researcher made sequencing questions into an appropriate order, numbering questions, and inserting instructions for the respondent.

3.3.1.2 Direct Interviews

Interviews from brand managers of various Tea manufacturers was also an imperative part of the research as these people gave great insight to their organization's marketing strategies and competitive positioning in the market.

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However, conducting such interviews was a big problem. None of the big tea manufacturers (Tapal, Lipton, etc) have their offices in Islamabad. These conglomerates only have offices in Karachi and distribution centers in Lahore. Securing an interview through telephonic conversation was not a reliable alternative, as it had its own constraints.

Researcher found telephonic interviews speedy and efficient source of data and researcher found it easy to provide clarification on unclear questions, respondents were found to be more relaxed with a stranger by telephone than face to face, researcher found it easy to conduct a telephonic interview by reading questions from script and take notes without concern of distracting respondents, respondents was unable to read interviewer's body language.

But researcher also faced many problems which include searching of telephones numbers of appropriate persons, questions were needed to be simple and easy to understand. Some times respondents feel interview is an invasion of privacy, researcher was unable to read respondent's body language

3.3.2 Secondary Sources:

3.3.2.1 Internet

- Company's Website
- Competitors Websites
- Internet Search Engines

Internet was mainly used for material pertaining to the literature review and findings. This included information about the attributes of the brand, general information about the company and its direct competitors in the Tea industry, previous research conducted on this topic.

The main problem faced in collecting data from the internet was the lack of local data available. No real information was available about Lipton current marketing strategies in Pakistan, what market shares different brands have and any other related information about the tea sector.

3.3.2.2 Publications

Publications regarding various marketing theories were used by the researcher for application of relevant marketing tools and models.

CHAPTER NO. 4
COMPANY ANALYSIS



4.0 TAPAL

4.1 History:

The journey of Tapal's remarkable success is the combined efforts of three dynamic generations of the Tapal Family. In 1947, Tapal started out as a family concern under the personal supervision of its founder, Adam Ali Tapal.

Against tough competition Adam Ali's unique blend, later named Family Mixture, became a hot favourite and eventually the largest selling brand in the unorganized tea market. From this auspicious beginning, Tapal moved from success to success introducing tea brands to suit every taste and pocket, sold from its retail outlet in Jodia Bazar, Karachi. The quality of Tapal teas soon became legendary and people from all parts of Karachi started lining up at the outlet to purchase tea. For their convenience, tea distribution was initiated to retail outlets around the city. The company continued to grow under the management of the founder's son, Faizullah A. Tapal.

Today Tapal Tea is managed by the founder's grandson, Aftab F. Tapal. After studying abroad, Aftab Tapal returned to Pakistan to introduce professional management and unique production ideas to the business. A well trained tea taster and tea connoisseur himself, Aftab Tapal introduced new tea concepts and developed a wide range of tea blends catering specifically to the tastes of people throughout Pakistan. His progressive outlook resulted in giving further strength to the foundation of quality laid by his family.

Making a modest beginning over half a century back, today Tapal has become the largest, 100% Pakistani owned Tea Company in the country. It has modern tea blending and packaging factories, warehouses equipped with state-of-the-art equipment and a team of highly dynamic professionals headed by Aftab Tapal himself.

4.2 Brands from the house of Tapal:

A unique combination of high- grown Kenya tea leaves and dust, that gives a refreshing aroma of leaf and strong taste of dust all together in one cup. Tapal Chai Family Mixture is the pride of Tapal developed by the forefathers in 1947 and thus creating a new category of Mixture in the tea market

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are following Tapal's footsteps by entering the market with similar blends. Danedar Leaf Blend Pioneer of the Danedar category in Pakistan, Tapal's Danedar remains a firm favourite around the country with its grape-nutty appearances, rich golden colour and a strong refreshing taste. In fact its popularity is such that several multinationals have launched their own versions, but Tapal's remains the original and ultimate Danedar because of its unique colour and taste.

Tapal danedar:

Pioneer of the Danedar category in Pakistan, Tapal Danedar remains a favourite around the country with its grape-nutty appearance, rich golden colour and strong refreshing taste. In fact its popularity is such that other companies have launched their own versions of this blend, but Tapal's remains the original and ultimate Danedar because of its unique colour, aroma and taste. Also available in double chamber tea bags, today Tapal Danedar enjoys the position of the "No.1 Tea Brand" in Pakistan.



Tapal family mixture:

A unique combination of high-grown Kenya leaf and dust tea, Tapal Family Mixture is the pride of Tapal. Developed in 1947, it created a completely new category in the tea market. It gives a refreshing aroma of leaf and the strong taste of dust- together in one cup. It is the blend that started the Tapal success story and many other companies followed Tapal in introducing similar blends.



Tapal safari chai:

Tapal Safari is made from the finest Kenya leaf teas and provides extra cuppage of great tasting tea to the consumer. Tapal Safari chai, with a safari theme, is aimed at adventurous people.



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Mezban premier dust:

A full-flavoured dust that delivers high quality at a very economical price, Mezban Premier Dust is the blend for consumers who prefer tea with a strong flavour & taste. Originally developed for hot tea shops, Mezban has become a favourite amongst household consumers as well. It is the most popular brand of tea in Sindh. The name of the brand itself is a characterization of the typical hospitality that is inherent to and a matter of pride for the people of Sindh.



Chenak dust:

Highly popular in Sindh, Chenak is known for its extra strong flavour, colour and taste. As a result of these features and high quality of tea it is No.1 in its category.



Tapal special Teabags:

The unique flavour of high grown leaves especially selected from the finest tea gardens in the world make Tapal Special Teabags a treat at any time. The combination of an extra strong blend with the convenience of environmental friendly metal-free tea bags has made Tapal Special an instant hit with consumers.



Tapal Jasmine Green Tea:

Tapal Jasmine Green Tea is the most recent addition to Tapal Brands. Tapal Jasmine Green Tea is blended to perfection using the finest tea leaves and specially selected Jasmine to give a refreshing experience of light taste and soothing aroma. It is available in metal-free tea bags specially enveloped for extra freshness.



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Gulbahar green tea:

Green tea lovers around Pakistan regard Gulbahar as a special treat. Perfect as an after dinner option, Gulbahar remains a perennial favourite due to its refreshing flavour



Tapal Tezdum:

The latest addition to Tapal's successful brands is Tezdum tea. The biggest attribute of Tapal Tezdum is its extra strong taste, which is making it popular amongst the people who like their tea strong. Tapal Tezdum is the first tea brand in Pakistan to be introduced in attractive silver-foil, moisture-proof sachets. They maintain the freshness, aroma and taste of the tea and the consumer gets the product in the best condition possible.



Tapal special round Teabags:

Tapal earned a unique distinction in 2003 as it became the first tea company to introduce hassle-free, extra strong round teabags in Pakistan. With no strings attached, these teabags are easy to use and their shape guarantees an ideal infusion of taste and aroma for a refreshing, strong cup of tea.



4.3 Management:

Tapal's management philosophy is based on the traditional values of the Tapal family; values that were based on good business sense such as establishing a tea-shop in the business area of Jodia Bazaar. This mix of tradition and innovation has become the hallmark of the winning Tapal strategy.

The company is managed by a dedicated team of highly qualified and experienced professionals with diverse experience. Some of the key features of the management philosophy are:

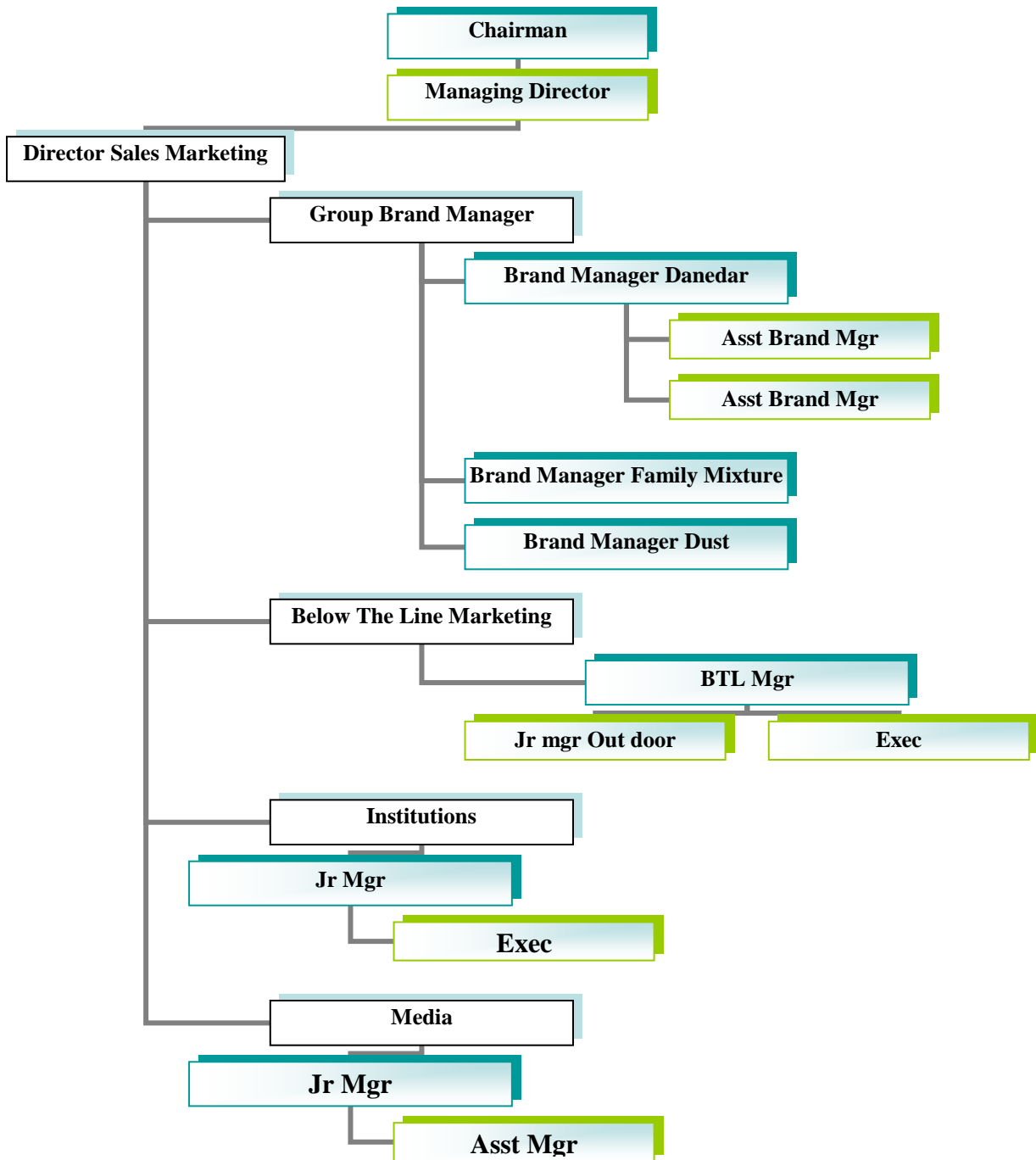
- Accessibility-Open Door Policy
- On-Going Training & Development

Branding Aspects of Tapal



- Discipline & Respect at every level
- Participative Management Style
- Performance Appraisal System
- Excellent Employee Compensation

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CHAPTER NO. 5
FINDING AND
ANALYSIS

Branding Aspects of Tapal



Background

This study focuses on branding in the packed tea sector of Pakistan and is important in a variety of dimensions. Branding has now become an integral part of promotion of consumer goods, especially in the Tea sector. A plethora of products and non differentiated offerings have made branding an essential toll in this sector.

The Beverages industry consists of both hot and cold beverages. Hot and cold drinks do not really compete with each other but there is a seasonal effect on hot beverages sales. In fact the beverages industry is divided into cold drinks and hot drinks. The difference between these two is that the cold drink market is an expanding one while there is no growth in hot beverages. As one of the big emerging markets; Pakistan's enormous population and rapid increase in consumer spending have attracted many multinational corporations (MNCs) into the Tea industry. Meanwhile, the misconception of Pakistan as a homogeneous market often leads to difficulties in assessing market demand and enacting effective strategies. Data from a national survey suggest that consumers from various regions are significantly different from one another in terms of purchasing power, attitudes, lifestyles, media use, and consumption patterns. MNCs as well as Local companies need to take a cautionary approach when expanding into the inland regions, and must adapt to the local market conditions and devise sustainable strategies.

Rural Pakistan accounts for over 60 per cent of the country's population. With urban markets saturated for most categories, it has become very important for all players to increase their penetration levels in rural markets. There has been a rapid expansion of the consumer majors' distribution networks into the rural regions. Because of all these factors new companies are seeing Pakistani market as an attractive one and are entering in this sector.

Pakistan is the third largest tea importer after Russia and Britain. The country imported 105 million kg worth \$163 million in the fiscal year 2002-03. The importers buy black tea from 17 countries, including Bangladesh, Burundi, China, Congo, India, Indonesia, Kenya, Malawi, Mozambique, Madagascar, Rwanda, Sri Lanka, Uganda, Zaire and Zimbabwe. The tea market here is dominated by UPL, Tapal and the most recent entrant is Tetley Pvt. Nationally, branded tea dominates the market with its user ship in two thirds of the tea-drinking households. Punjab and Sindh are the main branded tea using provinces (irrespective of urban/rural).



5.1 INDUSTRY ANALYSIS

5.1.1 The Macro Environment

The consumer industry faces significant threats from a number of areas, including (i) illegal trade practices, (ii) government taxes and regulations, and (iii) a depreciating rupee. As a result of these threats, the consumer companies find that they have to compete with products that are cheaper than their own and which as a result are able to capture market share from them. Furthermore, these cheaper goods place an effective price cap on the products produced by the registered companies. In fact, it is estimated that these non-registered companies have a market share of 20-50%. The net result is that the registered companies' sales and margins suffer. While the government and the CBR have begun to actively deal with these problems, they remain significant threats to the companies' revenues and profits in the medium term.

The macro environment consists of elements that affect all firms in the market. The factors affecting the operations of Tapal have been discussed as follows.

5.1.1.1 Political and legal forces

The political and legal forces operating in our environment also affect consumer market. Tapal tries to maintain an active link with agencies such as, Monopoly Control Authority, and Securities and Exchange Commission. Similarly regulations by the tax authorities and Customs are closely followed. New legislations, especially those concerning import duties are closely observed. Tapal also supplies products to various government agencies, so that government policy regarding expenditure has a direct impact on sales.

Smuggled goods have a significant effect on both the top and bottom lines of the consumer companies, since the same product produced overseas may be made available locally at a lower price than that charged for the locally produced version. It has been historically noticed that the quantity of goods smuggled into Pakistan has a close relationship to the level of taxes applied to the product locally. The Home and Personal Care segment is especially defenseless to smuggled products, especially in an environment of rising prices since the company is unable to pass on cost increases to the end consumer for fear of losing further market share. Government reduces Central Excise Duty (CED) on certain products to combat smuggling, but still smuggling remains high.

A large portion of the raw materials used by the consumer companies are locally manufactured but few are imported and are thus affected by the prevailing duty rates.

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The political environment of Pakistan is unstable at the moment with general elections due to take place in October' 2002 people are quite skeptical about the political future of the country. However, the present government has succeeded in controlling the political as well as economic situation of the country.

5.1.1.2 Economic Conditions

The overall economic environment has a major effect on firms, especially those that have maximum consumer interaction, Tapal being a prime example. An overall economic boom brings in increased sales for Tapal.

Theoretically, growth in the consumer goods industry is directly linked to the country's economic performance. As a country's economy grows the population feels richer and thus spends more on consumer goods.

With Pakistan's GDP growth expected to continue accelerating to 7-8% by 2007, we can expect to see the total revenues of the consumer goods companies also accelerate by at least as much during this period.

Prior to Sept 11 attacks on World Trade Centre, Pakistan's economy was in a very weak. The country was under the burden of heavy foreign debts, the industrial production and agricultural output was constantly declining, the balance of payments account and the budget deficit all were indicative of a ruined economy. However, with Pakistan taking the stance of supporting US led war against terrorism and the current operation in Afghanistan the international community and western nations have realized the problems Pakistan is facing. On the economic front the country now is on the right track and the economy is showing signs of recovery. With the rescheduling of Pakistan's external debts of around \$38 billion and some countries converting their debts into social sector reforms the country is slowly recovering. Exports targets have almost been achieved in 2001-02 despite the slump in the overall world trade. Pakistan's credit rating has also been improved and the continuously rising dollar exchange rate is also brought down to Rs 59/dollar

A country's population determines the maximum size of the domestic market for a company's products. In the case of branded products, like those sold by Unilever, P&G, Tapal etc. the degree of urbanization also matters, since these companies tend to focus on urban populations, who are more likely to pay a premium for their products rather than the more price sensitive rural population, who are more likely to purchase unbranded products.

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The sheer size of Pakistan's growing population, its high degree of urbanization and its high tendency to consume defines the market size of the consumer companies. With real growth in the Pakistani economy expected to continue accelerating over the next few years, the market for consumer products is also expected to continue expanding at a rapid rate and thus offers a great deal of attraction to potential investors.

Rising inflation is also another area considered while marketing the products. Marketing of Tea in cheap sachet packs and introduction of Tapal safari chai, Tapal special round Teabags were some steps taken by Tapal to provide affordable products with value to customers.

5.1.1.3 Social and Cultural Factors

Changing gender roles have also affected the company's marketing plans. For example the tea being marketed by the company includes female perspectives in their advertising campaigns.

Pakistan's social environment is conducive for the business, specially of tea related businesses. The people at large are in habit of taking tea. These social and cultural heritage dates back to British era, as the britishers were the first people to introduce tea to the sub continent. After its introduction, this new refreshing tea soon became very popular among the masses. Since then tea has become the part of everyday life of a common man.

The advertisements aired on behalf of the company, reflect this change, such as a more casual atmosphere, and often two income households, shown in its ads.

A very important concept of our social setup is the joint family system. The relationships within this system are given high importance in our society, which Tapal and other Tea companies keeps in mind for implementation in the local market.

5.1.1.4 Technology:

The recent technological developments in the field of information technology and industrial equipments have brought a revolution in traditional ways of doing business. Now almost every company, no matter which sector it is operating in is struggling to cope up with the rapid pace of technological advancement.

Pakistan is a developing country its industrial base is also developing. With more than 70% of the industries in the textile sector the country. However, the stiff competition in the international market has forced the industrialists to invest in the new technology. The companies are now in the process of acquiring ISO certification to gain quality assurance for the products they are manufacturing. This has resulted in a healthy competitive environment not only at home but also internationally.

5.1.1.5 Demographic Environment

Changes in characteristics regarding human population, affect all companies, especially marketing firms. Tea being a consumer product marketing organization has also not

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TAPAL®

remained unaffected. Rapid urbanization has greatly influenced its marketing mix. Its products are more focused on the urban market. Similarly it has also successfully blended the change in the occupational priorities of our social setup (from small-owned businesses to professional jobs in its promotional campaigns, laying more emphasis on the working class.

Similarly, while promoting Tea, the company has focused on statistics of the population. The information regarding population taste was efficiently used in Tapal advertising campaigns.

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5.1.2 THE MICRO ENVIRONMENT

A firm is particularly impacted by its microenvironment in a variety of ways. The microenvironment can itself be further divided into two. These include the external and internal environments.

5.1.2.1 The External Environment

The Market

The total market according to the definition includes people with needs to satisfy, possessing purchasing power, and the willingness to spend. Tapal has the middle class as its main customers. In order to meet the consumer taste by providing the best of expensive tea in lower priced packaging and unique blending targeted to different consumer taste segments increased the sales volume tremendously. Tapal rapport and relationship with its customers are based on trust. The philosophy of low overheads and lower profit margin is the key of having brand loyal customers. Tapal also keeps in constant touch with its customers by conducting surveys and inquiring about the changes/improvements in their products.

Suppliers

Pakistan is the third largest tea importer after Russia and Britain. The country imported 105 million kg worth \$163 million in the fiscal year 2002-03. The importers buy black tea from 17 countries, including Bangladesh, Burundi, China, Congo, India, Indonesia, Kenya, Malawi, Mozambique, Madagascar, Rwanda, Sri Lanka, Uganda, Zaire and Zimbabwe. That is way Tapal have to rely on the import of the tea as it is not grown locally at Pakistan The Company has not formed any formal alliances with any of its suppliers. Tapal has two main kind of suppliers one that provides tea and the other that provides packaging material. Tapal tea has the practice of buying tea through open bids from the London commodity market through its agents. However, packaging material is purchased from local suppliers

The Purchase Process of tapal Involve the following steps:

- Selection of best quality tea leaves.
- Purchasing of selected tea through bidding from London Commodity exchange
- Standardise the process of merchandise ordering and receiving for local and imported items. Develop and maintain an effective mix of suppliers.
- Monitoring of inventory plan and quality control reporting for identification of material requirements
- Periodic assessment and review of existing suppliers, in respect of price, delivery, service and quality, to ascertain whether they are feasible to the company
- Maintenance of alternate sources of supplies
- Exploring the new suppliers for better pricing and quality

Branding Aspects of Tapal



Marketing Intermediaries

Tapal has a distribution network spread across Pakistan, from Karachi to Khyber with over 400 distributors. Extensive training programs are provided for the devoted sales personnel. The popularity of its fine brands is unabated, making it the No 1 national tea company in Pakistan. Tapal has an efficient market intermediation setup. Good relations with whole sellers, and retailers, are ensured. This network is maintained through both professional and personal ties. It is due to this strong distribution; Tapal has a very strong presence in the market, even in small rural areas where other multinationals have failed to penetrate.

5.1.2.2 The Internal Environment

Tapal's marketing program is also greatly affected by certain internal forces. These forces make up the internal environment, which is controllable by the management of the enterprise.

These factors include:

Production Facilities

It has two factories operating in Karachi, The Company has also established a factory in Raiwand, besides a regional office at Lahore in order to focus on the Northern areas markets of Pakistan. Tapal production units have clean, hygienic, and friendly atmosphere

Location

Tapal has its head office in Karachi. The Lahore office and the Raiwand factory cater for the requirements of Lahore, Faisalabad, Multan, Bahawalpur and Peshawar. These zonal offices take care of their specific allotted areas. Thus, for a company with such a wide consumer base, Tapal is ideally located.

Research and Development

Tea blending and tasting is both an art and a science and Tapal prides itself on having mastered both the aspects. Tapal has adroitly judged the olfactory senses and keenness of the taste buds of their patrons, resulting in the creation of various well-known brands. Aftab F. Tapal is a well-trained and highly experienced tea taster of the country and is recognized as a qualified tea specialist worldwide. Tapal's tea managers have been trained at home and abroad in this very rigorous and specialized discipline, and have frequently traveled to leading tea-producing countries searching for better teas.

Branding Aspects of Tapal



Tapal is a research-oriented company. It subscribes to and conducts various researches in the area of retail audits, consumer behavior, media planning and product development. This research is used for continuous improvement in product quality, brand positioning and communication according to the changing requirements of the consumers. Consistency and quality are the two keystones of Tapal's production policy, and the Quality Control Department at Tapal ensures that flavor and freshness is never compromised. That's why all the brands, whether Danedar, Tapal Special or Tapal Family Mixture, always taste exactly as expected; retaining aroma and freshness till the last sip.

Company Image

According to a survey conducted on Brand image in 1997, Image of Supreme is the strongest as a Brand in a sealed pack. On the other aspects, levels of associations are more or less similar to those for Lipton except on sign of good taste. Tapal is perceived to be an aromatic tea which removes fatigue, a tea for family get together and is everybody's choice.

Porter's Five-Forces Analysis

Forces and relevance to the client.	
Forces	Relevance to the client
Threat of new entrants.	
Presence of cheaper imported or smuggled goods from neighboring countries.	This may adversely effect Tapal's sales. Tapal's main market for its products is Local. The effect of smuggled goods from neighboring countries has resulted in decreased sales. This may reduce the Tapal's market share, as the smuggled goods are relatively cheaper. Also, the fact that Iran has also a big tea industry due to which people coming from Iran bring large stocks of tea and sell it in the whole sale market.
Quality products at compatible price by other vendors	The market of Pakistan is maily dominated by two major companies i.e Tapal and Lever. However, Lever's aggressive marketing strategy is making its brand popular among the Tapal brand loyalists. Also, the quality of Lever is comparable to that of Tapal making it an alternative choice for the customers.
Bargaining power of the Suppliers	
Selection of suppliers and price fixation.	Tapal Tea does not have any fixed suppliers for its raw material and packaging material. Tea is purchased from the London Commodity Exchange through bidding and packaging material is purchased from Local suppliers.

Branding Aspects of Tapal



Bargaining power of the buyers	
Customer's brand loyalty and availability of other choices	Tapal Tea enjoys customer loyalty to some extent, due to the brand name of Tapal products, especially among low income groups but in other products competitors also have strong brand loyalty on the part of customers. Customers are now aware of the choices available to them enabling them to shop around and are reluctant to tolerate price increase although cost of production or import cost for Tapal increased due to various economic factors like import duties and the imposition of General Sales Tax.

Forces and relevance to the client.	
Forces	Relevance to the client
Substitute products and services.	
Availability of similar products	The local market is at present mostly dominated by two brands Tapal and Lipton. However, the Tapal has managed to establish its market among the low income groups due to its low cost as compared to Lipton. Tapal has also managed to develop its brand loyalists which insist on Tapal even when other similar tea of other companies is present.
Rivalry amongst existing competitors.	
Operating in a tough competition	Tapal has survived the aggressive marketing strategy of Lipton which is Lerver's brand. This is possible only through a commitment to provide the customer with the best tea blend at lowest possible price. Tapal, is also pursuing its marketing strategy and every year a substantial amount is allocated for marketing to counter the competitor's marketing campaign.

Branding Aspects of Tapal



5.2 COMPANY ANALYSIS

5.2.1 SWOT ANALYSIS

Strength	Weakness
Opportunity	Threat

5.2.1.1 STRENGTH

- Strong National brands such as Tapal as Tapal is a national Company.
- Value Based Pricing, TAPAL aims at providing greater value at a lower price than that of competitors
- Tapal's investment in research & development of new products.
- Tapal's strong brand name in the market
- Vast experience in the market
- Strong Brand equity
- Tapal have high market share in their product categories and are consider being market leaders.

5.2.1.2 WEAKNESS

- TAPAL's sales, especially outside Karachi, get affected by the change of prices by the Multinational Giants like Unilever's Lipton and Supreme.
- Lipton due to its extensive distribution and network has a greater command over the retailers nationally.

5.2.1.3 OPPORTUNITIES

- TAPAL is lately trying to find a solution to the problem of marketing soft pack and the hard pack as both differ in their tastes and color and even cater to different target sectors of Pakistan.
- Aside from that, Tapal is also looking to market and sell its products out Pakistan. Efforts have already been made with relative success.
- Unbranded tea dominates 50% of the tea market currently. The advantages that unbranded tea has over branded tea have already been discussed earlier. Tapal seeks to capture this market by promoting the hygiene of packed tea and by introducing different SKUs to suit the needs of the buyers.

Branding Aspects of Tapal



5.2.1.4 THREATS

- Increasing competition from other brands
- The effect of smuggled goods from neighboring countries has resulted in decreased sales. This may reduce the Tapal's market share, as the smuggled goods are relatively cheaper.
- Iran has also a big tea industry due to which people coming from Iran bring large stocks of tea and sell it in the whole sale market.

REFERENCE GROUP INFLUENCE

After the SWOT it is vital to understand how the product is perceived in the context of necessity and luxury.

Product	Weak Reference Group Influence	Strong Reference Group Influence
Brand	Public Necessities	Public Luxuries
Strong Reference Group Influence	Public Necessities	Public Luxuries
Weak Reference Group Influence	Private Necessities <i>TEA</i>	Private Luxuries

In the Reference Group matrix Tea have been placed in the Private Necessity quadrant.

It would have been hard to imagine Tea as a necessity 15-20 years ago in Pakistan. However, media and the radically changing social trends have made tea a consumer product that is desired by everyone regardless of their age, race or income group.

Branding Aspects of Tapal



5.3 MARKETING

Tapal's success has astounded many. However no magic formula lies behind its growth other than hard work, dedication and of course unique tea blends. As a result, Tapal has won the hearts of countless tea drinkers across the country.

Tapal's deep rooted culture and core values differentiates it from its competitors. It is built on sound principles and practices; not dominated by a group of individuals. Its greatest asset is its people; and the consistency of principle and policy give the direction.

The marketing process of Tapal is divided into a strategic and a tactical phase. The strategic phase has three components—segmentation, targeting, and positioning (STP). The organization must distinguish among different groups of customers in the market (segmentation), choose which group it can serve effectively (targeting), and communicate the central benefit it offers to that group (positioning).

The marketing process includes designing and implementing various tactics, commonly referred to as the “marketing mix,” or the “4 Ps”: product, price, place (or distribution), and promotion. The marketing mix is followed by evaluating, controlling, and revising the marketing process to achieve the organization’s objectives that is to introduce the new and improved tea.

The managerial philosophy of Tapal puts central emphasis on customer satisfaction as the means for gaining and keeping loyal customers. Marketers of Tapal are always trying to match target customers’ expectations and to consistently meet or exceed these expectations.

Tapal focuses on to relationship-driven marketing, which emphasizes serving the customer over the long term. Simply getting new customers and losing old ones will not help the organization achieve its objectives.

Here Tapal have local competitors as well as multinationals. Hence there are more goods and services than consumers need or want, Tapal must work harder to convince customers to exchange with them.

Branding Aspects of Tapal



THE MARKETING PROCESS:

The marketing process consists of four elements: strategic marketing analysis, marketing-mix planning, marketing implementation, and marketing control.

Strategic marketing analysis

The aim of marketing in Tapal is to meet needs profitably. Tapal must therefore first define which needs, and whose needs, they can satisfy. A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly establishes the company or brand in relation to competitors.

Marketing-mix planning

Having developed a strategy, a company must then decide which tactics will be most effective in achieving strategy goals. Tactical marketing involves creating a marketing mix of four components—product, price, place, promotion—that fulfills the strategy for the targeted set of customer needs.

Marketing implementation

Tapal by integrating the marketing elements can more efficiently utilize its resources. Instead of individually managing four or five different promotion processes, the company manages only one. In addition, promotion expenditures are likely to be better allocated, because differences among promotion tools become more explicit. This reasoning has led to integrated marketing communications, in which all promotional tools are considered to be part of the same effort, and each tool receives full consideration in terms of its cost and effectiveness.

Branding Aspects of Tapal



5.4 ANALYSIS OF 4 P'S

5.4.1 PRODUCT

The company is basically a manufacturing concern with tea as its main product. Tapal has currently eight brands which are targeted to different consumer taste segments. These brands are

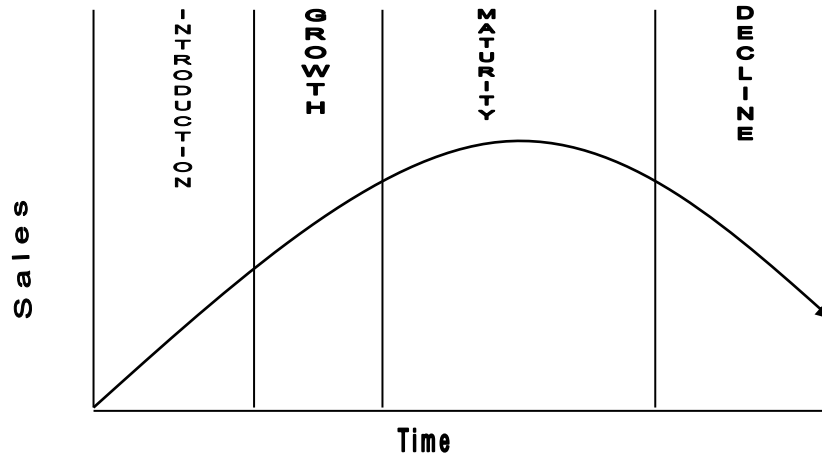
- Tapal Danedar
- Tapal Family Mixture
- Safari PF 1
- Mezban Super Dust
- Chenak Kenya Dust
- Gulbahar
- Jasmine
- Tapal Special Tea bags

Tapal Tea has a history of introducing innovative ideas in the tea industry. It is committed to providing the new blends of tea to its customers at the same time adhering to its commitment of no compromise on quality at the standard market rates. Tapal is also the pioneer of soft packs in Pakistan, packing its different brands in soft packs on automatic machines ensures the utmost economy at comparatively less expensive soft packaging.

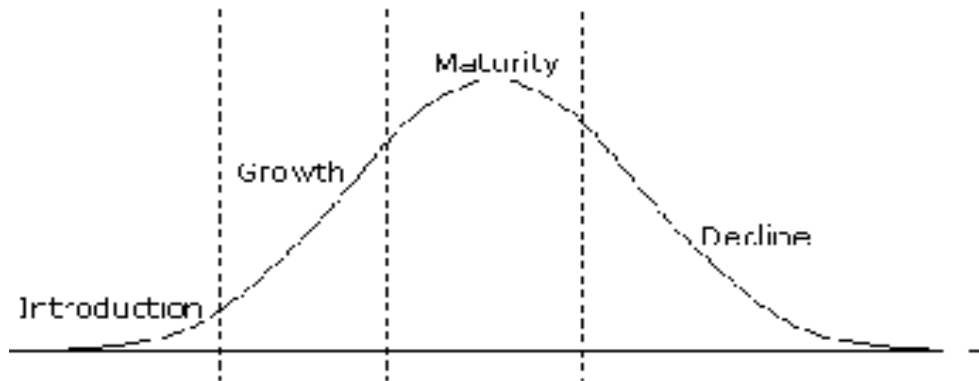
The Product Life Cycle

The life of a product is regarded as the length of time which it appeals to customers. People may turn to other products because of a variety of different reasons e.g. taste, fashion, technological developments. The introductory phase is when customers are first becoming aware of the product. The growth phase is when sales are rising quickly as more customers become aware of the product. The maturity stage is when the product is fully established, as competitors join the market some brands will be forced out of the market as their popularity declines. All products go through this cycle, although some have a short period of time, while some last much longer. Tea industry in Pakistan is currently in the growth stage. Increased media exposure and change in social trends has dramatically boosted the tea industry, which was non-existent a few decades back.

Branding Aspects of Tapal



STAGE IN BRAND LIFE CYCLE



The brand life-cycle considers the individual brand and not the industry as a whole. Thus, Tapal is a brand, which is in the growth stage of the brand Life Cycle.

With the view that the younger generation will be Tapal's future customers, Tapal is actively supporting the fast developing music industry in Pakistan. It has sponsored the leading singers in Pakistan and actively participates in music concerts.

Branding Aspects of Tapal



5.4.2 PLACE

Distribution Strategy:

Tapal tea (Pvt.) Ltd is has a huge local market for its various brands. The country is divided into 3 major zones Karachi Zone, South Zone and North Zone. Karachi Zone is the largest zone in terms of revenue generation and distributors. The company is by far the largest tea selling company in the Karachi city with brand loyal customers. It has two factories opertaing in Karachi besides 10 distributors which cover the entire Karachi region. In the Southern region come the areas of interior Sindh and Lower Punjab. The company has 2 warehouses located in Hyderabad and Sukkar which cater for the distribution requirements of areas of interior Sindh like Hyderabad, Badin, Tando jam, Larkana, and Nawabshah. The company has also established a factory in Raiwand, besides a regional office at Lahore in order to focus on the Northern areas markets of Pakistan. The Lahore office and the Raiwand factory cater for the requirements of Lahore, Faisalabad, Multan, Bahawalpur and Peshawar.

Tapal has a distribution network spread across Pakistan, from Karachi to Khyber with over 400 distributors. Extensive training programs are provided for the devoted sales personnel. The popularity of its fine brands is unabated, making it the No 1 national tea company in Pakistan.

Tapal normally follows two types of Distribution Channels, which are as Follow:

- Tapal – Distributors – Retailers
- Tapal – Distributors – Wholesalers – Retailers

Since Tapal Tea is a consumer product, the management at Tapal wants it to be available to every retailer, the market where consumer might reasonably look for it.

5.4.3 PRICE

Value Based Pricing, TAPAL aims at providing greater value at a lower price than that of competitors. Tapal has the middle class as its main cutomers. In order to meet the consumer taste by providing the best of expensive tea in lower priced packaging and unique blending targeted to different consumer taste segments increased the sales volume tremendously. Tapal rapport and relationship with its customers are based on trust. The philosophy of low overheads and lower profit margin is the key of having brand loyal customers. Tapal also keeps in constant touch with its customers by conducting surveys and inquiring about the changes/improvements in their products



5.4.4 PROMOTION

Promotion is the most important element of the marketing of any consumer good item especially if it's a convenience good. The Law of Advertising says that once born, a brand needs advertising to stay healthy. A company might have an extremely good quality brand but unless the customer knows about it, it is useless and no profits are made as no sales are made. In the highly-competitive tea market, it is always good to keep on reminding your customers that your brand is the topmost quality and the cheapest. Tapal too makes use of a variety of communication tools in order to convey its brand's positioning to its customers. As we learnt earlier, Tapal is an umbrella brand which has many extensions thus it needs to use the right tools to reach the right target market so that customers do not get confused.

Tapal has **two** types of communications strategies:

1. Thematic

This is a long term strategy making use of different Medias to communicate to the target market. The objective of this strategy is to boost brand equity. Tapal has a lot of brands and thus corporate advertising must be done to remind the target market and the competitors that Tapal is growing and successful brand. This type of advertising is not quantifiable in the short run since it does not focus on a particular brand but just the corporate logo of Tapal.

A good example of this is the Eye-opener ad campaign in which Tapal thanked its customers for consuming a rather large amount of Tapal tea every day and ever year. Billboards of this ad were seen in several cities across the nation and the ad was often viewed on national television.

2. Schematic

This is more of a short term strategy making use of different Medias to communicate to the target market a relatively short term message from a specific brand of Tapal. The objective of this strategy is simply to boost sales and make profits. Such strategies are more quantifiable since they are based on a specific product for a specific period of time. This strategy is often used for trade and sales promotion to the retailers through posters, trade letters, banners, road shows, POS, Mobile Units etc. It is also effectively used for consumer promotions like *Family kee jeet*. The Medias used are usually billboards, television, print media, radio channels, banners etc.

Branding Aspects of Tapal



ADVERTISING

Tapal is spending huge amounts in advertising let it be electronic or print electronic media. Recently they have started extensive advertising of their product in print & media and road side hoarding. Tapal does a large amount of advertising for family Mixture in the form of Print ads (newspapers and magazines), TV advertisements, Radio, Billboards. It makes extremely effective use of this communication tool especially when competition threatens to increase. For example, when Tetley was expected to launch, Tapal, along with Unilever, increased advertising of their consumer promotions practically blocking the media so that Tetley could not advertise. The result was the launch of Tetley was severely negatively impacted since it got no media coverage thus no brand awareness was created.

When choosing where and when to advertise, Tapal makes sure that the target market that they will be reaching is kept in mind thus all ads are strategically placed. For example, Family Mixture sponsored Alim Online because it knew that its viewers were mostly family-oriented, simple and fairly religious people. This fit Family Mixture's target market description perfectly thus was effective.

5.4.5 SALES PROMOTION

After advertising, sales promotion is the most effective tool used at Tapal. Some of the common sales promotional techniques used by the brand management team include:

Since Tapal as a brand is family-oriented, it makes sure whatever consumer a promotion it does is in line with its positioning. For example, the new *Family kee jeet* consumer promotion involves the whole family thus emphasizing on the values of harmony and togetherness as a family. In this consumer promotion, customers are asked to send their address, NIC no etc and the people in there family by writing it on an empty pack of Family Mixture and giving it to the nearest shopkeeper. A lucky draw will then be conducted and the winning entry will get many different useful home appliances etc along with gifts for the whole family.

Another consumer promotion of Family Mixture was on Tapal's Golden Jubilee in which customers not only got a discount on the tea pack, but also if a customer got a pack which had a coupon and a five rupee note, he would win a 10 Gms gold coin. Such consumer promotions go a long way in increasing sales for Tapal as customer buy more than the usual number of packs to increase their chances of winning

Tapal has endeavoured to make its marketing activities as attractive and interactive as possible, forging a direct link with the consumers. The recently introduced Tapal Road Show has given rural marketing a whole new feel.

Branding Aspects of Tapal



Public Relations, Event Marketing and Sponsorships

Over the years Tapal has not only provided quality products, but has also fulfilled its social responsibility of being a good corporate citizen by actively participating in community service activities. The company has continuously sponsored the arts, social welfare projects and sports within Pakistan.

The Tapal Cricket Club, started in 1988 has become one of the most popular and reputable sports clubs in Karachi and has many cricketers and professionals as its members. Tapal has also sponsored fund-raising events for the Pakistan Medical Association such as marathons, walks etc.

As part of its rural marketing program, Tapal conducts various welfare activities in towns on an on-going basis such as providing fans and furniture for schools, installation of litterbins for a cleaner environment and providing street lights to municipal committees of small towns where such infrastructure is not available. Tapal has provided support to communities at the time of crisis due to natural calamity such as the drought that hit Thar in the year 2000 during which the company distributed free tea to the affected people.

Tapal has also recently completed the restoration of the 100 year old Jampur Gate in the town of Jampur in Punjab. This project is a symbol of Tapal's active participation in the country's development and preservation of its rich cultural heritage. This spirit is also evident on national days such as 14th August and 6th September when Tapal celebrates with the nation by taking out a cavalcade.

Tapal has a huge fleet of beautifully decorated trucks conducting the road shows. These trucks are fabricated with a kitchen, a state of the art sound system and a side door which converts into a stage. Vans are used for conducting merchandising activities and POS splash. Mobile Video Units are used for projecting promotional and entertainment films. Tapal's philosophy has always been "be as unique and innovative as possible in what ever we do"...and this is just one of the many.

Trade and sales promotion

Tapal has been very active in trade and sales promotions since it realizes that building relations with its retailers is the key to building channel power and successfully selling its brand. Therefore, Tapal holds several promotions like having lucky draws for retailers and giving them a chance to win a whole assortment of prizes.

Every time there is a trade promotion, it is advertised by sending trade letters and posters to all the retailers informing them of what the trade promotion is about. Often a consumer promotion is followed by a trade promotion at the back to make it more

Branding Aspects of Tapal



successful. *The Family kee jeet* consumer promotion also involves a trade promotion for retailers. Trade promotions often include good margins for the retailers on selling a certain amount of tea. Another trade promotion is financing the name boards of shops at their entrance. Family Mixture's ad is also placed on them thus creating brand awareness and visibility.

Another important trade promotion involves having shop display contests among shopkeepers. In this, all shops are required to put up creative displays of tapal SKUs on their shelves and rods which is then judged by a panel through market visits. The shop which is most abundant and well-decorated with Tapal SKUs is given the top prize. One such display competition held recently was the “*Tapal kay rung, inaamaat kay sung.*” Such promotions make the retailers feel important and also results in high visibility of Tapal brands in the shops.

Direct Marketing

Tapal being an FMCG indulges more in mass advertising than on direct marketing. However, its stall operations can more or less be viewed as direct marketing techniques since they are directly reaching out to the consumer and getting him to try your brand and thus create awareness. Therefore, Tapal is extremely active when it comes to stall operations. They can also be viewed at airports, offices and some institutions. Tapal often sponsors corporate events like industrial fairs and trade fairs to reach out to different markets of tea drinkers.

One important form of direct marketing Tapal does is free sampling. A sample of households is selected from a particular region or locality and Tapal delivers free samples of Family Mixtures to them. This not only creates trial generations but, more importantly, it results in effective word of mouth advertising. If someone likes the tea, they will go and tell their neighbours, friends or relatives who will then be tempted to go and buy the brand to try it out. This is an extremely good form of marketing that a lot of companies make use of effectively.

Internal employee communication

In order to create a brand-based culture and remind all the employees that they are working towards a common goal, every time a product is to be relaunched in the market, a proper product launch event is held. In such events special invitation cards are designed to inform employees about the reintroduction of the brand and what it's about. In such events the invitees are mostly all employees, sales teams, distributors, suppliers etc. Such events are important to make everyone feel like they are part of a team. Plus in case people external to the company inquire about the relaunch or launch then all the employees will have the answer if questioned individually.

Branding Aspects of Tapal



5.4.6 PACKAGING

The primary concern regarding packaging is that it should be easy to store, possess attractive packaging to attract customer, possess self explanatory labels and finally the product should possess a high turnover.

Tapal keeps these concerns in mind and has designed a suitable packaging. The Tapal is designed in an easy to store packaging design and sizes. The labeling is self explanatory, since the tapal is the most popular and largest selling tea in Pakistan; the turnover rate is also very high.

Tapal is available in following packages as shown in figure

The design team knew it would take a significant change to address these issues and, at the same time, strengthen Tapal's leadership position. They needed to understand where we could take the brand from equity, positioning, product, and design standpoint-and preserve the affection and trust hundreds of millions of consumers had for Tapal.

Tapal is a research-oriented company. It subscribes to and conducts various researches in the area of retail audits, consumer behavior, media planning and product development. This research is used for continuous improvement in product quality, brand positioning and communication according to the changing requirements of the consumers. Consistency and quality are the two keystones of Tapal's production policy, and the Quality Control Department at Tapal ensures that flavor and freshness is never compromised. That's why all the brands, whether Danedar, Tapal Special or Tapal Family Mixture, always taste exactly as expected; retaining aroma and freshness till the last sip.

Design Problem:

Consumers had difficulty finding the right Tapal tea for their needs. As the brand's product offerings had expanded, the lineup had become messy and confusing. Products were not always clearly versioned, and consumers were not always able to determine which of the many products were best for their individual hair needs.

Modern Classic:

Technology is also harnessed at Tapal to benefit the consumer. From the very beginning, Tapal realized the importance of importing innovative technologies such as the soft packing process. A fully automatic facility was established where soft packs were produced for the first time in Pakistan. At highly experienced tea taster of the country and is recognized as a qualified tea specialist worldwide. Tapal's tea managers have been trained at home and abroad in this very rigorous and specialized discipline, and have frequently traveled to leading tea-producing countries searching for better teas.

Branding Aspects of Tapal



5.5 BRAND ANALYSIS

Brands play a critical role in a firm's marketing strategy. Coherent brand architecture is a key component of the firm's overall marketing strategy as it provides a framework to leverage strong brands into markets, assimilate acquired brands, and rationalize the firm's branding strategy.

Brand Name:

Consumers are asked to identify the brand in various ways and this indicates the strength of the brand. Tracking reports are created which identify the awareness of Tapal along with consumption of the tea. This is mostly done by the research agencies such as **MRL, OASIS, GALLOP** and **AC NIELSON** but **TAPAL's** own sales team is also involved to a certain extent.

Logo:

Tapal's Logo is unique, easily reproducible, and is suitable for your market. The word Tapal is written in white capital letters on a Red rectangular background.

Color:

Tapal is an Umbrella brand and the colours Used in the Logo are White & Red. However the different packaging colours are used for Different Brand of Tapal.

Overall Analysis

The logo overall is simple yet meaningful as it gives a clear vision to its users that it is a credible brand and you can be sure its unique formula would prove beneficial for you.

BRAND RECOGNITION:

The brand recognition of Tapal is high because it has been there since 1947 in Pakistan and as of today it has introduced Eight different Brands It spends considerable amount of budget on advertising campaigns and promotions in newspaper and outdoor.

Tapal has become the largest, 100% Pakistani owned Tea Company in the country. It has modern tea blending and packaging factories, warehouses equipped with state-of-the-art equipment and a team of highly dynamic professionals.

Brand recognition tells about the consumers' ability to confirm prior exposure to the brand when given the brand as a cue. Recognition reflects familiarity gained from past exposure. Recognition does not necessarily involve remembering where the brand was encountered before, why it differs from other brands, or even what the brand's product class is. It is simply remembering that there was a past exposure to the brand.

Branding Aspects of Tapal



In other words, brand recognition requires that consumer can correctly discriminate the brand as having been seen or heard. For example, when consumers go to the store, will they be able to recognize the brand as one, which they had already been exposed.

The familiarity factor can be especially important to the brand that has a familiarity handicap with respect to move visible and established competitors. In such case, awareness building may be necessary to reduce this liability.

BRAND RECALL:

The Brand recall for Tapal is high. A brand is recalled, if it comes to consumers' mind when its product class is mentioned. Brand recall relates to consumers' ability to retrieve the brand from memory when given the product category, the need fulfilled by the category, or a purchase or usage situation as a signal. In other words, brand recall requires that consumers correctly generate the brand from memory when given a relevant probe. Customer recalls brand can be the deciding factor in getting on a shopping list or receiving a chance to bid on a contract.

TAPAL BRAND IMAGE

Brand and Image Association

The researcher has found the following image dimensions that users associate with their brand:

- Best you can use
- Pure, Mild, and gentle
- For people like me
- Trusted brand
- Knowledgeable
- Good value
- Offering a full line

Tapal is:

• Gentle	• Mild	• Trustworthy
• Pure	• Charming	• Caring
• Young	• Stylish	• Easy going
• Soft	• Gentle	• Beautiful
• Attractive	• Reliable	• Intelligent
• Healthy	• Energetic	

Branding Aspects of Tapal



5.5.1 BRAND PERSONALITY SCALE

SINCERITY

<u>SINCERITY</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Down-to-Earth	0.25	2	0.5
Honest	0.25	4	1
Wholesome	0.25	3	0.75
Cheerful	0.25	4	1
			3.25

EXCITEMENT

<u>EXCITEMENT</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Daring	0.2	2	0.4
Spirited	0.1	3	0.3
Up-to-date	0.4	3	1.2
Imaginative	0.3	4	1.2
			3.1

COMPETENCE

<u>COMPETENCE</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Reliable	0.3	3	0.9
Intelligent	0.3	3	0.9
Successful	0.4	4	1.6
			3.4

SOPHISTICATION

<u>SOPHISTICATION</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Upper class	0.6	4	2.4
Charming	0.4	3	1.2
			3.6

RUGGEDNESS

<u>SOPHISTICATION</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Outdoorsy	0.5	3	1.5
Tough	0.5	3	1.5
			3.0

Branding Aspects of Tapal



5.5.2 Actual vs. Ideal Brand Foot Printing

Tapal– Actual Brand Foot Printing

Attributes	Weights	Scale 1-5	Total
Awareness of Brand	0.25	4	1
Positive Feeling towards Brand	0.25	4	1
Uniqueness or Differentiation of Brand	0.25	4	1
Relevance to key decision or Purchase Intent	0.25	4	1
	1		4

Tapal – Ideal Brand Foot Printing

Attributes	Weights	Scale 1-5	Total
Awareness of Brand	0.25	5	1.25
Positive Feeling towards Brand	0.25	5	1.25
Uniqueness or Differentiation of Brand	0.25	5	1.25
Relevance to key decision or Purchase Intent	0.25	5	1.25
	1		5.0

Gap Analysis for Foot Printing

There is not much gap in the actual and ideal foot printing. Tapal have a high brand image in the eyes of the customer and enjoying the high market share in the market. There is a visibility in brand awareness is high due to effective continual adverts run on most media channels.

Branding Aspects of Tapal



5.5.3 BRAND PERCEPTION INDEX

For the Brand Perceptual Index Calculation, the researcher has taken the following competitors:

- ξ Tapal
- ξ Lipton
- ξ Supreme
- ξ Tetley

Tapal

VISUALS

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
PRICING	0.142	4	0.568
LABELING	0.142	4	0.568
PACKAGING	0.142	4	0.568
TAG LINE	0.142	4	0.568
MESSAGE CONTENT	0.142	4	0.568
AESTHETICS	0.142	4	0.568
LOGO	0.142	4	0.568
TOTAL	1.00		3.408

Verbal

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
TV ADVERTS	0.25	4	1.0
PRINT ADVERTS	0.25	4	1.0
WEBSITE	0.25	4	1.0
WORD-OF-MOUTH	0.25	4	1.0
TOTAL	1.00		4.0

Experiential

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
QUALITY	0.4	4	1.6
PERCEPTION	0.3	4	1.2
USAGE	0.3	4	1.2
TOTAL	1.00		4.0

In the above mentioned table quality attribute has given relatively high weight because it's the quality factor which really matters. Quality is the major factor which creates perception in the minds of the consumer.

BP Index= Visual + Verbal + Experiential

Branding Aspects of Tapal



$$=3.408 + 4 + 4$$

$$=11.408$$

BRAND PERCEPTION INDEX

Lipton

VISUALS

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
PRICING	0.142	4	0.568
LABELING	0.142	4	0.568
PACKAGING	0.142	4	0.568
TAG LINE	0.142	4	0.568
MESSAGE CONTENT	0.142	4	0.568
AESTHETICS	0.142	4	0.568
LOGO	0.142	4	0.568
TOTAL	1.00		3.408

Verbal

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
TV ADVERTS	0.25	3	0.75
PRINT ADVERTS	0.25	3	0.75
WEBSITE	0.25	1	0.25
WORD-OF-MOUTH	0.25	4	1
TOTAL	1.00		2.75

Experiential

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
QUALITY	0.4	3	1.2
PERCEPTION	0.3	4	1.2
USAGE	0.3	4	1.2
TOTAL	1.00		3.6

$$\text{BP Index} = \text{Visual} + \text{Verbal} + \text{Experiential}$$

$$=3.408 + 2.75 + 3.6$$

$$=9.758$$

Branding Aspects of Tapal



BRAND PERCEPTION INDEX

Supreme

VISUALS

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
PRICING	0.142	3	0.426
LABELING	0.142	2	0.284
PACKAGING	0.142	3	0.426
TAG LINE	0.142	3	0.426
MESSAGE CONTENT	0.142	4	0.568
AESTHETICS	0.142	3	0.426
LOGO	0.142	4	0.568
TOTAL	1.00		2.556

Verbal

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
TV ADVERTS	0.25	4	1
PRINT ADVERTS	0.25	4	1
WEBSITE	0.25	2	0.5
WORD-OF-MOUTH	0.25	2	0.5
TOTAL	1.00		3

Experiential

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
QUALITY	0.4	3	1.2
PERCEPTION	0.3	2	0.6
USAGE	0.3	3	0.9
TOTAL	1.00		2.7

BP Index= Visual + Verbal + Experiential
=2.556 + 3 + 2.7
=8.256

Branding Aspects of Tapal



BRAND PERCEPTION INDEX

TETLEY

VISUALS

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
PRICING	0.142	3	0.426
LABELING	0.142	3	0.426
PACKAGING	0.142	3	0.426
TAG LINE	0.142	3	0.426
MESSAGE CONTENT	0.142	2	0.284
AESTHETICS	0.142	3	0.426
LOGO	0.142	4	0.568
TOTAL	1.00		2.414

Verbal

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
TV ADVERTS	0.25	1	0.25
PRINT ADVERTS	0.25	1	0.25
WEBSITE	0.25	4	1
WORD-OF-MOUTH	0.25	3	0.75
TOTAL	1.00		2.25

Experiential

ATTRIBUTES	WEIGHT	RANKING (1-5)	WEIGHTED INDEX
QUALITY	0.4	3	1.2
PERCEPTION	0.3	2	0.6
USAGE	0.3	2	0.6
TOTAL	1.00		2.4

$$\begin{aligned}
 \text{BP Index} &= \text{Visual} + \text{Verbal} + \text{Experiential} \\
 &= 2.4 + 2.25 + 2.414 \\
 &= \mathbf{7.064}
 \end{aligned}$$

Branding Aspects of Tapal



BRAND NAME	BPI
Tapal	11.408
Lipton	9.758
Supreme	8.256
Tetley	7.064

EXPLANATION

Analyzing the BP Index for these Players in the Tea Industry of Pakistan the researcher is able to analyze that According to the calculations Tapal is leading the industry with the highest BPI of 11.408 second to Tapal is Lipton then Supreme.

Tapal management is always focusing on creating brand awareness in the eyes of the customer. Its price is well align with the attributes which this product gives to its valuable customer who are willing to pay for these attributes such as quality, reliability, effectiveness etc. Because of its massive advertisement initially they are able to create its high recognition in the market regarding its logo. Tapal is used as the brand label that is applied to its package. The descriptive label gives the information about the product use. Labeling is done to provide information about the care, performance and other pertinent features of the product.

During the last decade Tapal came up with massive advertisement campaign giving their adverts on print media, electronic media, billboards because of this massive advertisement they created a huge impact on the minds of the customer.

Branding Aspects of Tapal



5.6 BRAND EQUITY

The Tapal's equity is comparatively strong versus other brands in Rich Taste, Strong Aroma segment with regard to:

- Knowing their customers needs
- Trust
- High Quality
- Refreshing
- Relaxing
- Making Healthful Products

The strength of Tapal's equity fit well with the Customers emotional and identity needs, which provides a differential advantage over other competing brands.

The best communication focus is at the emotional and identity level of the Cutomers, rather than the physical and functional characteristics.

The market can be segmented in demographic and psychographic segments. Through these segments the target market's attitude towards products and the brands can be predicted reliably.

Here are four types of strategic distinctiveness:

1. Product Benefit
2. Emotional or Extended Benefit
3. Reason-Why Benefit
4. Brand Character Benefit

Any area of strategic distinctiveness, done well over time, becomes brand equity. For example, ask consumers:

- Which brand gives you "Rich Taste, Strong Aroma"
More will say Tapal ... Tapal has benefit equity.

Branding Aspects of Tapal



Product-level brands facilitate differentiation from competing products, but may be less cost efficient and result in loss of potential synergies. The number of brands at each level of the organization and the range of product lines across which a brand is used, must also be considered. Parsimony in the number of brands helps to achieve cost efficiencies but may weaken brand strength if used across highly diverse product lines. Multiplicity of brands facilitates responsiveness to specific customer or segment needs and clear product differentiation, but may be cost inefficient and hamper building of a strong position in the marketplace.

Often the nature and cohesiveness of a firm's international brand architecture depends on how it has expanded internationally, and how its international operations are organized. Firms, such as P&G, have expanded through leveraging strong domestic brands in international markets. Consequently, as they seek to expand further, they have to consider whether to develop brands geared to specific regional or national preferences.

Others such as Unilever have traditionally adopted country-centered strategies, building or acquiring a mix of national and international brands. Such companies have to decide whether to move towards greater harmonization of brands and integration of their brand architecture across countries, and if so, how to do so. Furthermore, if the company expands through acquisition or strategic alliances, the question of whether and how brand architectures of different firms are merged, arises. In particular, how far and in what way branding structures are integrated or harmonized across countries has to be determined.

A Framework for Examining International Brand Architecture

Firm's international brand architecture can be categorized based on three key dimensions:

1. Level of brand within the organization
2. Geographic scope of the brand (i.e. the number of countries in which the brand is marketed)
3. Product scope (i.e. number of products on which the brand was used)

(Source: Schmitt and Simonon, 1997).

Branding Aspects of Tapal



5.7 TAPAL -V: ANSOFF MODEL

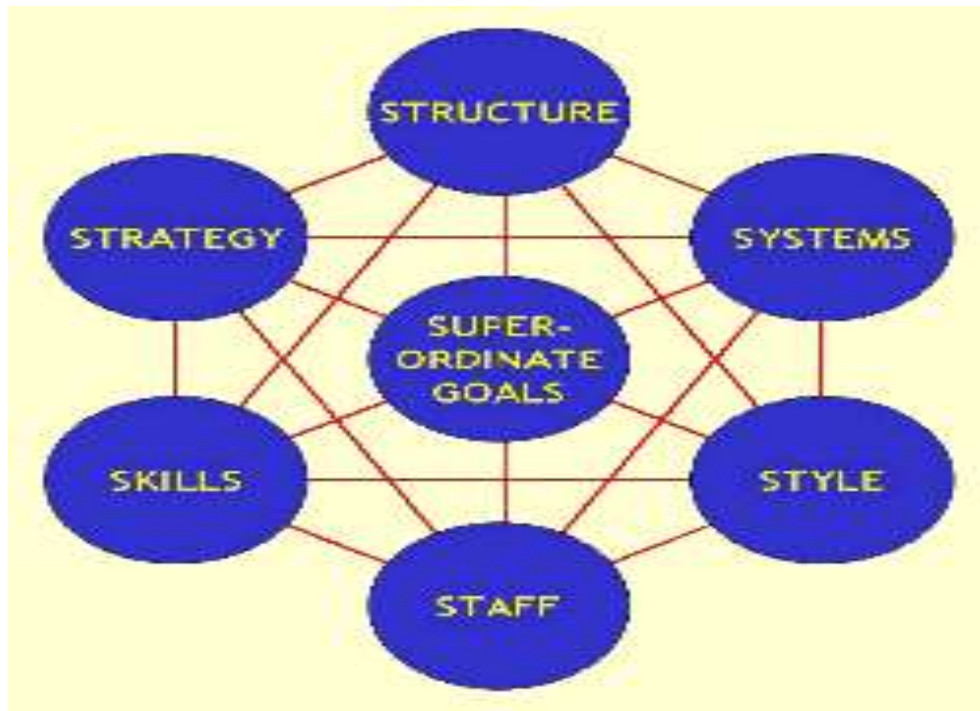
The researcher believes that tapal is following both Market Penetration and Product

Product \ Market	Present	New
Present	Market Penetration	Product Development
New	Market Development	Diversification

Development strategies in the Pakistani Market. By pursuing aggressive advertising amongst it's already established line of businesses it is following a market penetration strategy and by focusing on R& D it is coming up with newer and newer product variants and thus following product development strategy



5.8 MCKINSEY '7S FRAMEWORK



STAFF:

Tapal is a well-trained and highly experienced tea taster of the country and is recognized as a qualified tea specialist worldwide. Tapal's tea managers have been trained at home and abroad in this very rigorous and specialized discipline, and have frequently traveled to leading tea-producing countries searching for better teas. Tapal's management philosophy is based on the traditional values of the Tapal family; values that were based on good business sense such as establishing a tea-shop in the business area of Jodia Bazaar. This mix of tradition and innovation has become the hallmark of the winning Tapal strategy.

The company is managed by a dedicated team of highly qualified and experienced professionals with diverse experience. Some of the key features of the management philosophy are:

- On-Going Training & Development
- Discipline & Respect at every level
- Participative Management Style

Branding Aspects of Tapal



- Performance Appraisal System
- Excellent Employee Compensation

STRUCTURE:

Management of the company is run by the Managing Director Mr. Aftab A Tapal. The Chairman of the company is Mr. Faizullah A Tapal.

Managing Director Mr. Aftab A Tapal and Executive Director Y. H Tahra are well experienced about the tea industry in Pakistan.

Day to day business is carried by the administrative staff. Job descriptions for individual staff have been prepared and communicated. Targets fixed for the whole department ensures responsibility and full commitment on behalf of the staff. The management has adopted a policy of segregation of duties at different staff levels, thus setting out clearly defined objectives and tasks for every staff.

Following are the divisions of the company at present:

- Accounting and finance department
- Tea & Blend department
- Material management department
- Quality assurance department
- Technical and Maintenance department
- Production department
- Administration and Human Resource department
- Sales and marketing department
- Internal audit department
- Information technology department

Tapal Organizational Structure displays clear lines of delegating reporting responsibilities and levels of authority. Within the company there are defined units of authority with respect to making payments to third parties and committing an entity to fulfill a transaction.

STYLE:

Operating style is informal. Every month meetings of Managing Director with Departmental heads are held to discuss tactical and operational policies, counteracting procedures against major business obstacles, layout of future policies, evaluation of performance and other important matters. For enhancing interaction among managers of different departments, meetings are also held between them as and when necessary.

Branding Aspects of Tapal



Job descriptions for individual staff has been prepared and communicated. Targets fixed for the whole department ensures responsibility and full commitment on behalf of the staff.

SYSTEM:

In Tapal there is no defined pattern for increments rather it is given on the basis of performance. This performance appraisal is done once a year in which the employee is given a performance appraisal from to fill. In this form he evaluates his own performance and give ranking. After this his relevant departmental head makes a second evaluation, which is final and recommend that person for promotion incase of satisfactory performance.

Company operates a Workers Profit Participation fund scheme in which contribution is made @7.5% and also a Wokers Welfare fund scheme in which contribution is made @2% for its staff.

In addition, the company also operates a provident fund scheme for all its regular permanent employees and workers. Contributions are made to the fund equally by the company and the employees @ 10% of basic salary.

STRATEGY:

Strategic Management Process

The overall objectives of the client are set by the Senior management, which includes the Chairman Mr. Faiz ullah Tapal, Managing Director Mr. Aftab Tapal and the Eecutive Directors Mr. V.P Dhara.

Monitoring Performance

Tapal Tea (Pvt.) Ltd does not have a formal process for monitoring the external environment, however, the sales filed force is assigned with the task of gathering data regarding the activities and schemes being launched by the rivals. These people when identify any major change in the market trend or in the competitors strategy immediately report it to their respective Assistant Zonal Managers (AZM) who in turn informs the Regional Sales Manager (RSM), the RSM then reports the matter to the Managing Director. The M.D is the sole authority to decide whether to take any counter action against the opportunity or threat identified. If he considers the thrae to be serious or the opportunity to be worthwhile then he calls the meeting of his Senior Marketing Manager and decides the relevant course of action to be taken.

Monitoring the implementation of strategy

The management and those charged with governance of the entity are the people who set the overall strategy of the company. These people then oversee that the strategy is implemented and any variations and changes are properly accounted for. Incase there is

Branding Aspects of Tapal



some conflict regarding the any aspect of the implementation of the strategy between the various departments a coordination manager Mr. Khalid Aziz helps resolve matters of professional dispute.

Monitoring the capabilities and strategies of the company's major competitors

Tapal Tea's major rival is Lever Brothers. The Marketing manager and the Managing Director are involved in monitoring the rivals strategies and introducing counter strategies.

Analyzing client's strenghts and weaknesses

There is stiff competiton between the brands of the two companies as both are very popular among the general public. However, with the low cost of Tapal soft pack and the quality of tea it is more popular among the middle and lower class. But an advantage which Lever has over Tapal is its wide range of products which give it a broad base incase of a slump in the market of any product. Hence Lever Brothers alternative lines of business gives it an edge over Tapal.

Allocating resources

The higher mangement is responsible for allocating resources based on the requirement submitted by each department. Annual Operating Plan (AOP) is prepared at the start of every financial year. In this plan sale and production targets are set based on which every department makes its own budget plan. This plan serves as a control document as all departments will make expenditure with in the parameter of the budget cost allowed to them.

Process objectives Vs Strategic objectives

During the planning for the next financial year all depatmental heads meet, by this time the AOP has been made by the higher management. After analyzing the AOP every departmental head is allowed to give his suggestions and reservations. A coordination manager, usually General Manager Operations helps to coordinate the various activities relating to variuos departments.

SKILLS:

Tapal Tea's staff from time to time undergo various training programs conducted by the parent company to sharpen their skills and update their knowledge. company also financially assists staff members desirous of procuring professional qualifications.

5.8.1 CUSTOMERS ANALYSIS

Market Segmentation

The market segmentation for Tapal is done on the basis of consumer characteristic by taking into account their demographic, psychographic and behavioral characteristics.

Branding Aspects of Tapal



Demographic Segmentation

The two most important variables in the demographic segmentation are:

- **Age and Life Cycle Stage**

Youngsters are the primary users groups of the Tapal.

- **Gender**

As regard to gender Girls are the main target for purchasing and using these products.

Pakistan's demographic environment offers a lot of opportunities for feminine products, because of the following reasons.

- Female population is almost equal to the male population.
- Increasing literacy rate and income levels

Psychographic Segmentation

The variables affecting the target audience's psychographics are lifestyle, personality, and attitude of the youngsters. Male-Female association has been the main theme for communicating with the target market.

Brand equity

Tapal Tea enjoys very strong brand equity in the local markets. Regular market surveys conducted by research consultants hired reveal that Tapal's brand equity has been increasing at a rapid pace. More and more people now have a favorable image of Tapal tea and more people place as a first choice now against the previous trend.

5.9 TARGET MARKET

The market targeted for Tapal products and is divided into two broad categories namely the primary market and the secondary market. The primary markets consist of the heaviest users of the tea products, comprising of the youngsters and middle aged people. The secondary markets consist of mothers who purchase the product for their children.

Analysis of the Target Market

The youngsters can be segmented on the basis of lifestyle as working and non-working.

1. The major categories of working youngsters are

- ξ Harassed Youngsters
- ξ Have it all Youngsters

2. The non-working youngsters' category can also be divided into two groups

- ξ Traditional Youngsters
- ξ Students

Branding Aspects of Tapal



Working Youngsters

- **Harassed Youngsters**

This is “*can’t find enough time*” segment. This segment doesn’t have much time to spend on them. They are too much busy in their work they just want the caring brand who look for their health without spending much time.

- **Have it all Youngsters**

Youngsters in this category seem to get every thing done fairly easily. They are able to manage work, home and they have time to spend on themselves without much difficulty and complain. They show the highest desire for information on being the prettiest.

Non- Working Youngsters

- **Traditional Youngsters**

Youngsters belonging to this group are least likely to work and they are always looking for the source of becoming pretty in order to attract others.

- **Student**

This segment is the main target market for Tapal as this is the segment that is willing to spend on their health, to get energy and is image and brand conscious. They are most committed to Tapal both in image and attitude.



5.10 AIOD

Segment	Need	Activities	Interests	Opinions	Demographics
Energetic	Need to remove fatigue	<u>Work:</u> Salaried employees, teachers, students <u>Hobbies:</u> Traveling, shopping, Parties	<u>Fashion:</u> Trendy, hip <u>Recreation:</u> Traveling, <u>Media:</u> Internet, TV, Radio, Magazines	<u>Themselves:</u> Image Conscious <u>Products:</u> Branded Products	<u>Age:</u> 15-40 <u>Gender:</u> Male/Female <u>Income:</u> Rs8,000 & above
Flamboyant	Need of dieting	<u>Work:</u> Business executives, Students, bachelors Salaried employees, <u>Hobbies:</u> Movies, Parties	<u>Fashion:</u> Casual <u>Recreation:</u> Traveling, friend get-togethers <u>Media:</u> Internet, TV, Magazines	<u>Themselves:</u> Socially active <u>Products:</u> Proven products	<u>Age:</u> 18 – 45 <u>Gender:</u> Male/Female
Stimulant	Refreshment	<u>Work:</u> Business executives, Students, Bachelors, Salaried employees <u>Hobbies:</u> Movies, Music, Parties	<u>Fashion:</u> Hip, trendy <u>Recreation:</u> Friends and family get-togethers <u>Media:</u> Internet, TV, Magazines	<u>Themselves:</u> Strivers, Image Conscious <u>Products:</u> Branded products	<u>Age:</u> 18 – 35 <u>Gender:</u> Male/Female
Medicine	Treatment	<u>Work:</u> Salaried employees, teachers, students <u>Hobbies:</u> Traveling, shopping, Parties	<u>Fashion:</u> Trendy, hip <u>Recreation:</u> Traveling, <u>Media:</u> Internet, TV, Radio, Magazines	<u>Themselves:</u> Image Conscious <u>Products:</u> Branded Products	<u>Age:</u> 20-40 <u>Gender:</u> Male/Female <u>Income:</u> Rs8,000 & above

Branding Aspects of Tapal



5.11 PRODUCTS-MIX STRATEGIES

POSITIONING

A key step in marketing strategy, known as positioning, involves creating and communicating a message that clearly establishes the company or brand in relation to competitors. The needs of the target market are always considered and that is why Tapal is introduced to satisfy target market. The positioning of Tapal is done on the basis of product attribute that is “Nutrition”.

The Positioning Statement

Tapal is a premium brand in care-giving and personal care segment; with a target market of Middle Aged People belonging to the middle income segment.

Tapal is positioned as a caring, high quality, reliable and gentle product that has been clinically proven. It is currently seen as having very strong existing equities in

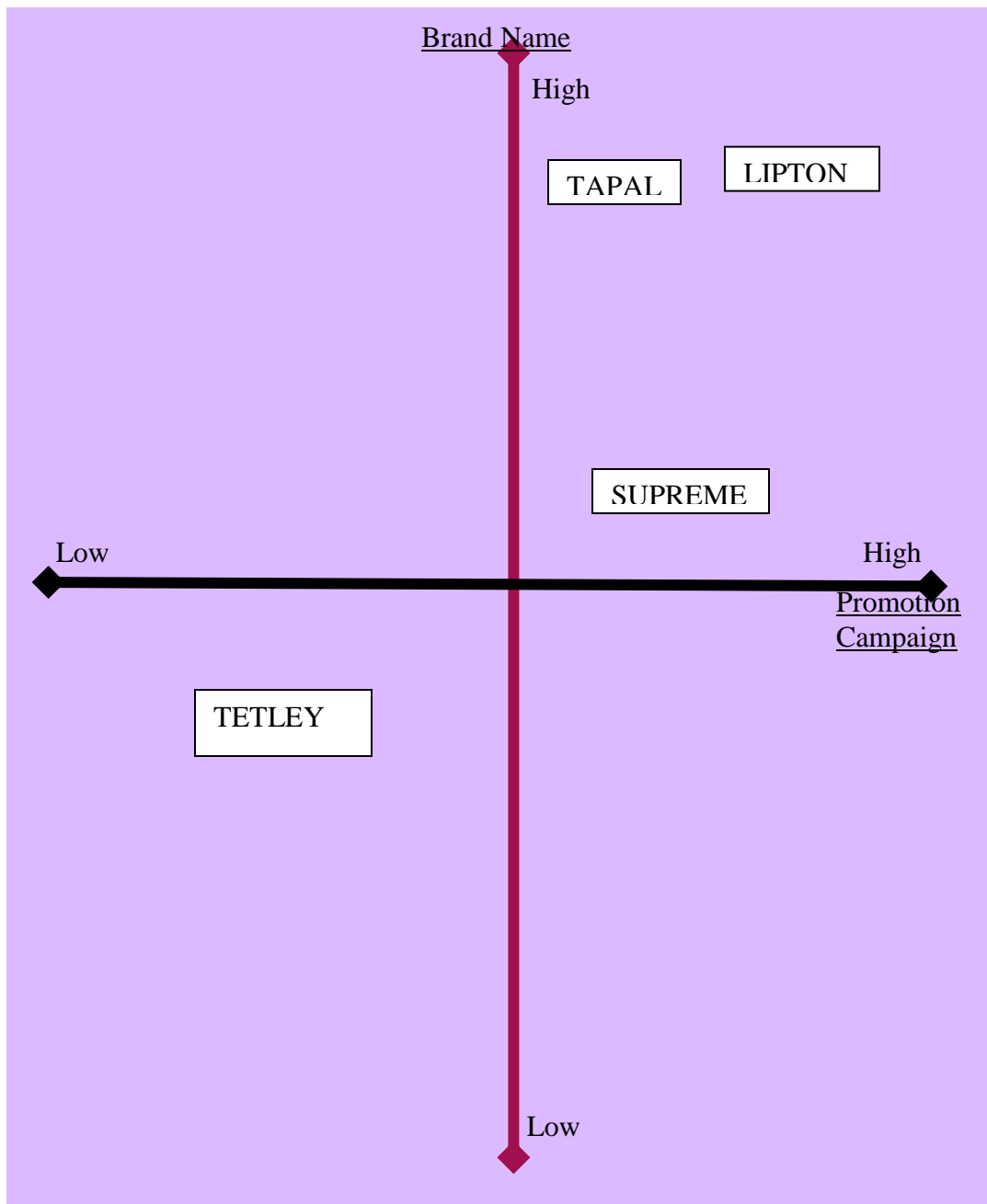
- Trusted
- Research backed
- The leader

The Tapal Tea has competitive edge over its competitors because of its Innovative ideas and its image in the eyes of the customer.

Branding Aspects of Tapal



PERCEPTUAL MAP 1



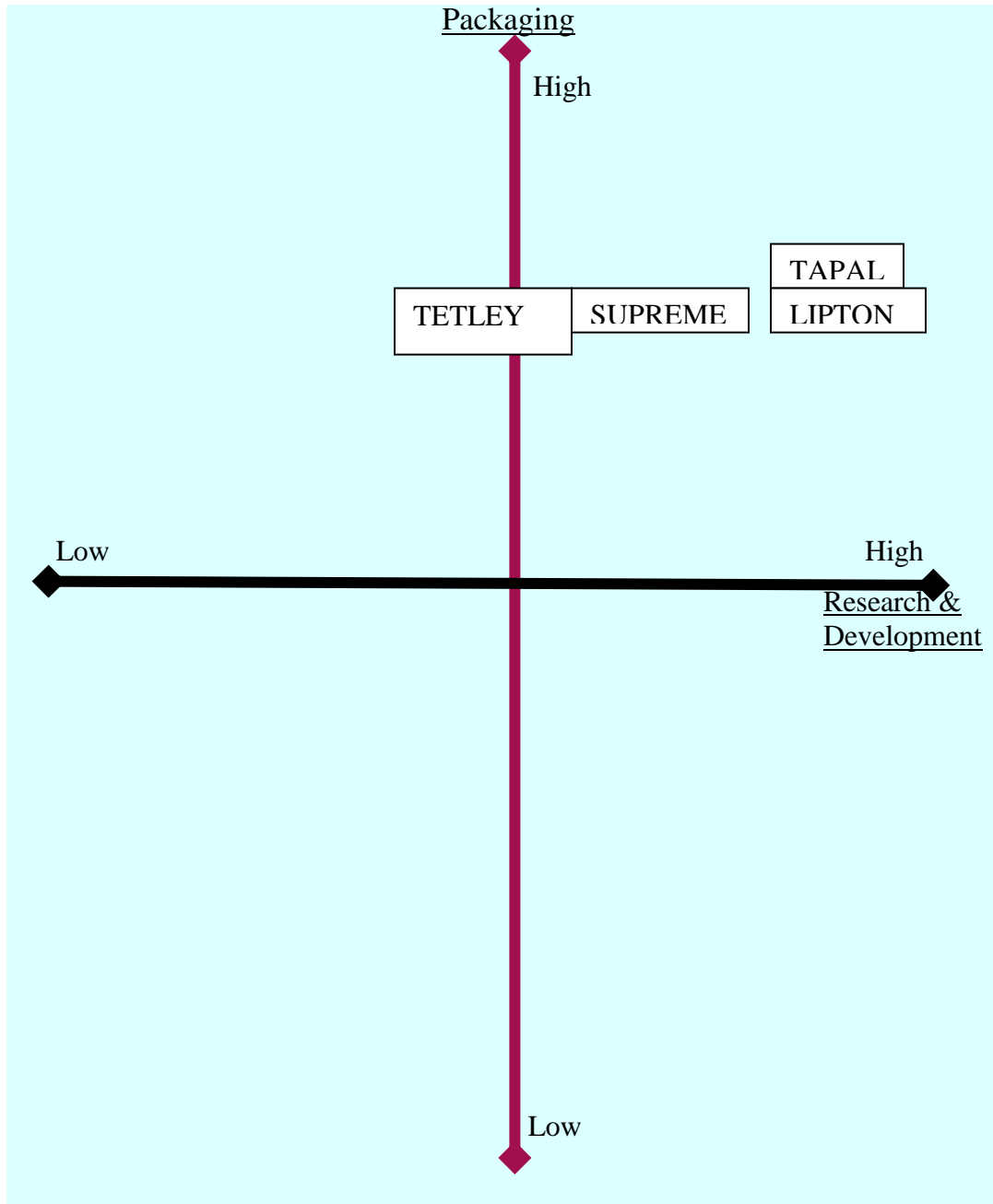
The researcher has placed Tapal and Lipton because of its high brand name establish in the market. These two have strong brand names because of its presence in the media. These brands are not only recognized nationally but are also internationally renowned for the functionality they provide to their consumer. They have high research and development budgets which they use in order to came up with new innovative ideas, new

Branding Aspects of Tapal



segment to cater; usually these are the brands which is creating need in the consumers mind.

PERCEPTUAL MAP 2



Branding Aspects of Tapal

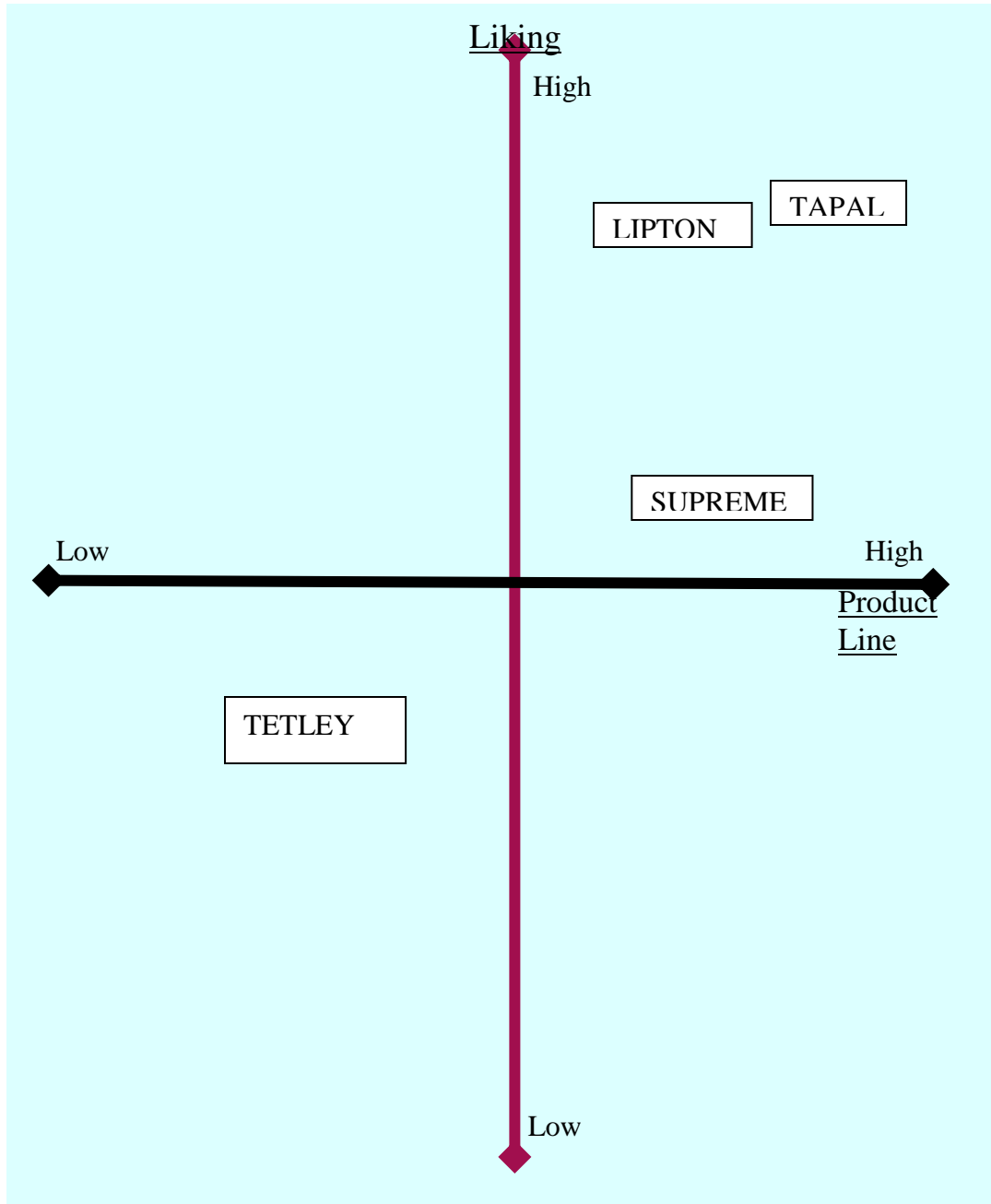


TAPAL®

Researcher placed Tapal and Lipton is leading the industry in terms of Packaging an high Research and development they are doing in Pakistan in order to came up with new innovative ideas, new needs to create in the minds of consumer. Tapal is currently selling in four different kinds of packaging to cater different segment, different need. Labeling of Tapal is done in a wonderful fashion. Tapal is used as the brand label that is applied to its package. The descriptive label gives the information about the product use. Labeling is done to provide information about the care, performance and other pertinent features of the product. Packaging aspect of Tapal is strengthen Tapal's leadership position. They needed to understand where we could take the brand from an equity, positioning, product, and design standpoint-and preserve the affection and trust hundreds of millions of consumers had for Tapal



PERCEPTUAL MAP 3



In terms of liking, Tapal is leading the industry second to it is the Lipton brand. There is a perception in the minds of the consumer that these two brands really care about their consumer.

In terms of Product line Tapal is operating with eight sub brands in its product line. 'Tetley' is lacking behind in the industry in terms of both the attributes.

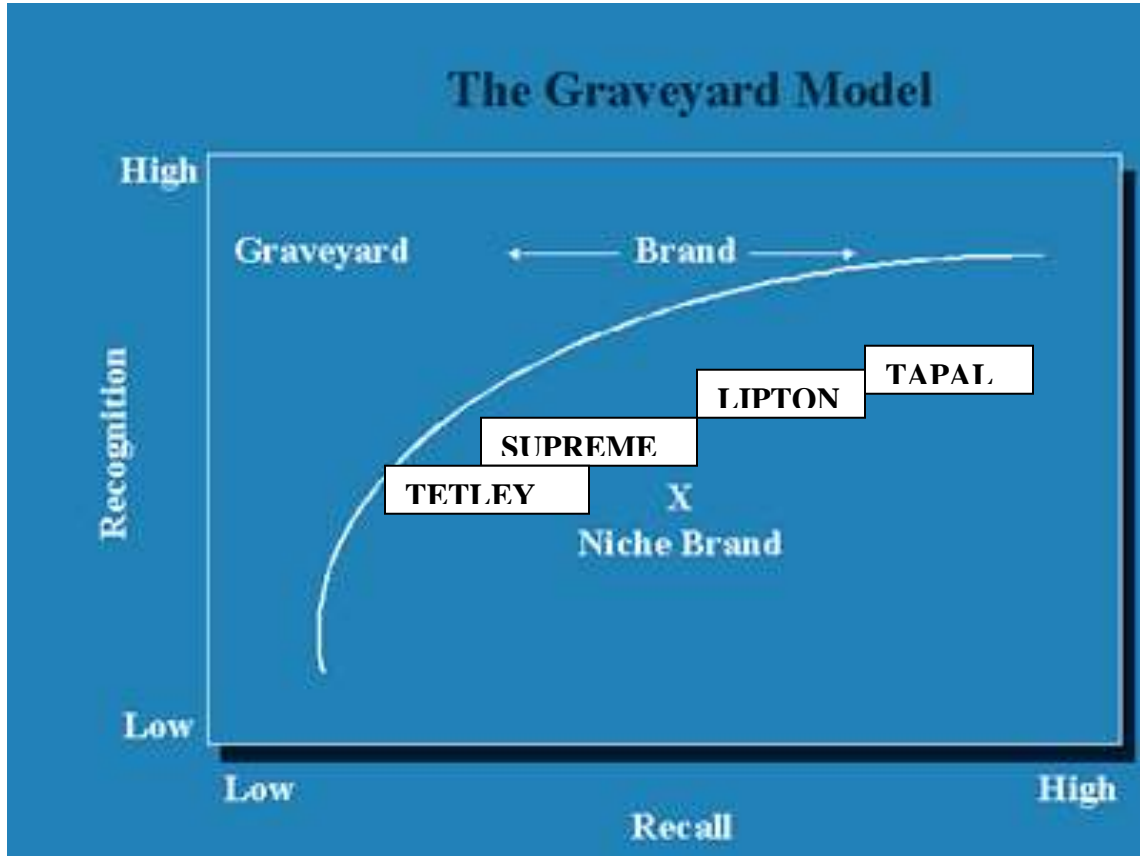
Branding Aspects of Tapal



Tapal rely strictly on their sub brands since it is very large, well financed and well managed organization. It has broad product lines as well as well-established distribution systems and large shares of market. The packaging is done in a bottle shape, hard boxes , sachet and tea bags. Hence packaging is designed to facilitate the use of the product. Labeling of Tapal is done in a similar fashion. Tapal is used as the brand label that is applied to its package.



5.12 GRAVE YARD MODEL



Tapal is a well-reputed brand name in the Pakistani tea industry. The target market of Tapal is a niche, those people who are too much conscious about quality and for quality they are willing to pay premium.. It targets consumers from upper middle class.

Few decades back a new need was created by the consumer industry which is "TEA" and people started moving from milk to tea. By seeing this trend many companies entered in this manufacturing of tea. A lot of tea brands have mushroomed in the market after the demand of tea increased in Pakistan. But the quality of tea provided by these companies does not even come to the minimum standard required. Most of these tea brands have a moderate recognition rate but they don't have high recall rate, due to the sub-standard provided by them.

Branding Aspects of Tapal



5.13 BRAND ASSET VALUATOR OF TEA

The Brand Asset Valuator (BAV) helps to measure the brand's strength and stature in the market. It was developed by the advertising agency Young & Rubicam. The BAV measures Brand value by applying four broad factors

ξ **Differentiation**

ξ **Relevance**

ξ **Esteem**

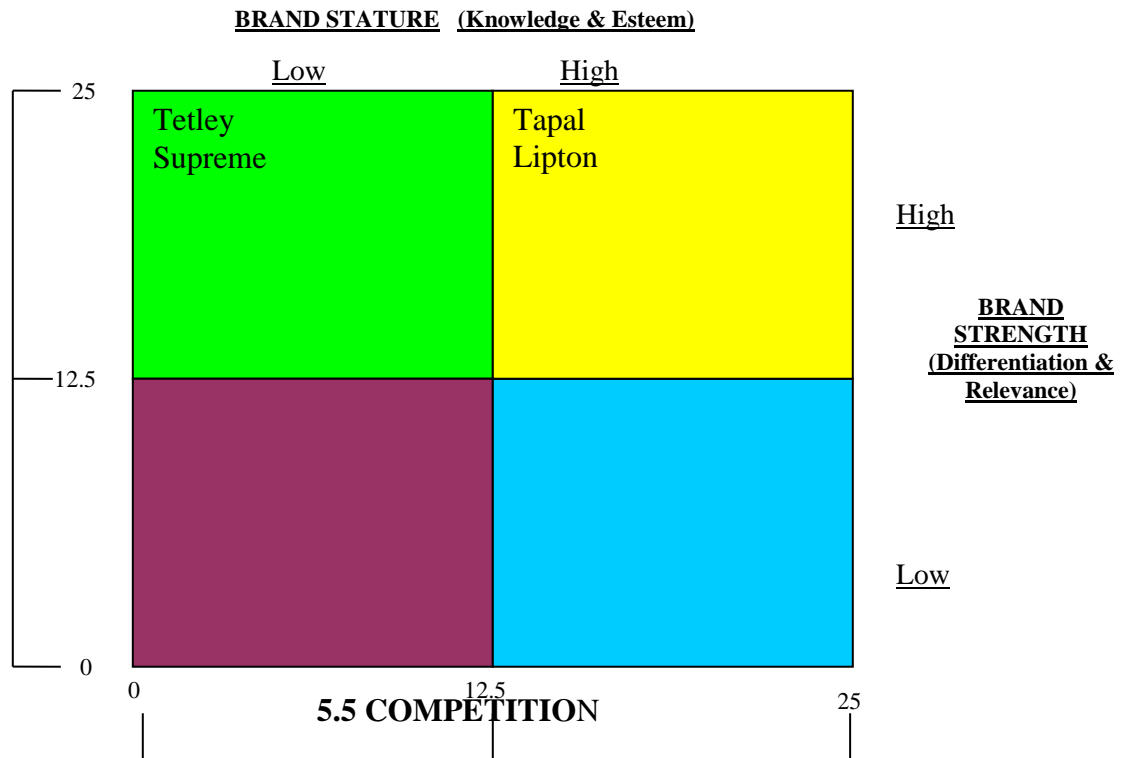
ξ **Knowledge**

Brand Name	Differentiation	Relevance	<u>Brand Strength</u>	Esteem	Knowledge	<u>Brand Stature</u>
TAPAL	5	5	25	5	5	25
LIPTON	5	5	25	5	5	25
TETLEY	5	5	25	3	4	12
SUPREME	5	5	25	4	3	12

Branding Aspects of Tapal



5.14 POWER GRID



The competitive environment also has a big influence on Tapal marketing programs. Tapal mainly competes with many tea product lines offered mainly by Unilever and different national companies. The brand war between these fast moving consumer goods (FMCGs) marketing is especially tough in the tea market. A careful analysis by researcher about the competitive environment among these FMCGs reveals three types of competition, namely: Brand competition, Substitute competition, and General competition.

Brand Competition

The brand competition exists between similar products. For example, in the case of tea with Lipton, Supreme, Tetley and some local Brands.

Substitute Competition

This competition exists between products that satisfy the same needs.

General Competition

In a more general sense, Tapal competes with every other company for a share in the consumer's budget.

Branding Aspects of Tapal



5.15 PRODUCT COMPETITION

The competitions in the consumer products category especially in the tea market are very intense. For nearly a decade, a cutthroat battle has been going on between brands belonging to established FMCG companies. Tapal has captured a huge chunk of the market and its share is increasing day by day.

LIPTON Tea:

LIPTON® Tea, the world's leading tea brand, is available in more than 180 countries worldwide. With more than 100 years of tasting, buying, and blending expertise, Lipton Tea provides today's health-conscious consumer with a variety of convenient, great-tasting, healthy tea products across several beverage formats. Lipton Tea employs expert tea-tasters, mastered in the harvesting, production, purchase, transport and blending of the more than 3,000 types of tea, sourcing its teas from as many as 25-35 countries to ensure tea leaf integrity, quality and freshness. Lipton Tea is one of the only brands to operate its own tea estates and research facilities, which are located around the globe. In 2006, the brand will introduce several new innovative products including: *Lipton Premium Pyramid Teas* in revolutionary pyramid-shaped tea bags; *Lipton Premium Tea Pods* formulated for the Home Café Brewing System; and *Lipton To Go Iced Tea Mix-Pitcher Size*. Lipton Tea also is extending two of its popular product lines, including: two new flavors of *Lipton Flavored Green Leaf Tea* and three new flavors of *Lipton To Go Iced Tea Mix-Individual Size*. In the Ready-To-Drink format, the brand will introduce two new flavors of *Lipton Original Iced Tea*, the only leading national bottled iced-tea brand made with fresh brewed tea, not from powders or concentrate, and three new flavors of *Lipton Iced Tea*. All Lipton Teas are made from real tea leaves, and most feature the brand's proprietary AOXTM Seal, indicating the product contains a substantial level of falconoid antioxidants. Dietary antioxidants are thought to help protect the body from the damaging effects of free radicals. Lipton Tea is owned by Unilever [NYSE: UL, UN], one of the world's largest consumer products companies featuring a portfolio of brands that makes people feel good, look good and get more out of life every day.

TETLEY Tea:

It all began in 1837...

In 1837, two brothers, Joseph and Edward Tetley started to sell tea and became such a success that they set up as tea merchants. In 1856, in partnership with Joseph Auckland, they set up "Joseph Tetley & Company, Wholesale Tea Dealers".

Joseph Tetley and Co tastes success...

Business was good and the company grew. As well as selling tea, Joseph Tetley & Co also began to blend and package it. In the 1880s they began to sell tea to the United States of America, and started to bring ideas back; one of these was the tea bag.

Branding Aspects of Tapal



The Tea Bag hits Britain

Tea was rationed during World War II, it was not until 1953, just after rationing finished, that Tetley launched the tea bag to the UK and it was an immediate success. The rest, as they say, is history. The tea bag had captured the public's imagination and desire for convenience. Within 10 years it revolutionized how Britons drank their tea and the old fashioned tea pot had given way to making tea in a cup using a tea bag.

More innovations followed...

Since the 60s, Tetley has continued to develop people's love of tea drinking by introducing innovative and exciting ideas in many different countries. In 1989 we launched the round tea bag, latching on to the fashion to drink tea in a mug, rather than a cup. Next came the Drawstring 'No drip, no mess' tea bag.

Tetley owners through the years

1974 Tetley Tea Company was bought by J Lyons who merged it with the Lyons tea business to form Lyons Tetley. 1978 Allied Breweries acquired J Lyons' Businesses then as Allied Domecq sold them in the 1990s. The Tetley Group was created in July 1995, when a group of investors bought what was then the world-wide beverage business from Allied Domecq. On 10th March 2000, The Tetley Group was sold to Tata Tea Limited, one of the world's largest integrated tea businesses.

Today at Tetley...

Every day, our focus is on developing new, exciting and different ways of making tea. Recently in the UK, Canada and Australia, we've launched new blends of green teas and fruit and herbal infusions, some delicious new ready to drink iced teas and spicy chai latte teas (just add a shot of steamed milk and away you go..). And there's lots more on the way!

Nearly 1,000 people world wide work for Tetley, at its headquarters in Greenford, UK and in Australia, Canada, Poland, Russia, the USA, Pakistan, Bangladesh, India and South Africa. Tetley also includes Good Earth Teas, one of the USA's most exciting specialty tea brands and JEMČA, the market leading tea company in the Czech Republic selling a range of black, green and fruit and herbal teas.

5.16 MARKET SHARE ANALYSIS

Market research analysis

Tapal believes in not only building its differential advantage over the competitors but also in maintaining it through constant research and development. The research efforts of Tapal are channeled towards constant improvement of its product, coming up with new innovative formulas, finding out new and improved ways of reducing its costs, and exploring new opportunities for promoting its products as compared to its rival products.

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In view of the ever-increasing importance of the R&D function in its organization, Tapal has increased its research and development budgets over the last few years.

Why Tapal invests in research and development?

- Competitive Pressure

Tapal needs to develop and market new products more quickly than ever before, since new products are being launched by rivals, as well as new brands in the existing product market are flooding the market. Thus research is required to find out what current and potential competitors are doing.

- Expanding Market

Tapal realizes the importance of broadening its market; previously, operating in urban areas only, it broadened its market in Pakistan by bringing in various rural and semi-urban areas under its sales operations

- Making a mistake can be very costly

Marketing is expensive and a failed marketing campaign can be very costly to Tapal brand name. So research is vital for effective implementation of marketing operations.

- Growing customer expectations

With the vast array of new products in the market from Companies Like Lipton, Supreme, Tetley etc. customers have plenty of variety to choose from and thus, customer expectations are higher than ever before. There is thus a need to quickly identify any problems that the customers are facing with regard to the product.

Tapal has a well-established marketing research network to rely upon. Not only does it utilize information from secondary sources such as published reports on FMCG companies, but also has its own Marketing Information System within the organization, and frequently, Marketing research projects are undertaken.

How Tapal collects data for marketing research

Tapal uses both *primary*, as well as *secondary* data while conducting research. Primary data primarily consists of forms filled out by the customers at the retailer end, as well as retailer feedback on customer preferences. Usually both of these are utilized whenever Tapal conducts a formal research, such as for the launching of a new product. While launching of new product at Tapal the both of these forms of primary data collection were made use of.

Important information regarding competitor performance can also be obtained through primary and secondary research. Such a practice of collecting information about competitors in the case of secondary information is called as *Competitive Intelligence*. Tapal likes to collect fortnightly data about the sales of its own product as well as those

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of competitors by geographical location, in order to keep up with customer preferences and make any necessary changes in its marketing mix. Important sources for acquiring secondary data for Tapal are the published journals on 'Fast Moving Consumer Goods Companies (FMCGs).

Tapal			
<u>ATTRIBUTE</u>	<u>WEIGHT</u>	<u>SCALE</u> <u>(1-5)</u>	<u>WEIGHTED INDEX</u>
Brand Name	0.1	5	0.5
Promotion Campaign	0.1	4	0.4
Research & Development	0.1	5	0.5
Packaging	0.1	5	0.5
Product Line	0.1	4	0.4
Liking	0.1	5	0.5
Usage	0.1	5	0.5
Availability	0.1	5	0.5
Quality	0.1	5	0.5
Affordability	0.1	5	0.5
	1.00		Total = 4.8

Lipton			
<u>ATTRIBUTE</u>	<u>WEIGHT</u>	<u>SCALE</u> <u>(1-5)</u>	<u>WEIGHTED INDEX</u>
Brand Name	0.1	5	0.5
Promotion Campaign	0.1	5	0.5
Research & Development	0.1	5	0.5
Packaging	0.1	4	0.4
Product Line	0.1	5	0.5
Liking	0.1	5	0.5
Usage	0.1	4	0.4
Availability	0.1	5	0.5
Quality	0.1	5	0.5
Affordability	0.1	5	0.5
	1.00		Total = 4.8

Supreme			
<u>ATTRIBUTE</u>	<u>WEIGHT</u>	<u>SCALE</u> <u>(1-5)</u>	<u>WEIGHTED INDEX</u>
Brand Name	0.1	3	0.3

Branding Aspects of Tapal



Promotion Campaign	0.1	4	0.4
Research & Development	0.1	4	0.4
Packaging	0.1	3	0.3
Product Line	0.1	3	0.3
Liking	0.1	3	0.3
Usage	0.1	4	0.4
Availability	0.1	4	0.4
Quality	0.1	3	0.3
Affordability	0.1	3	0.3
	1.00		Total = 3.4

Tetley			
<u>ATTRIBUTE</u>	<u>WEIGHT</u>	<u>SCALE (1-5)</u>	<u>WEIGHTED INDEX</u>
Brand Name	0.1	2	0.2
Promotion Campaign	0.1	2	0.2
Research & Development	0.1	2	0.2
Packaging	0.1	3	0.3
Product Line	0.1	3	0.3
Liking	0.1	2	0.2
Usage	0.1	2	0.2
Availability	0.1	3	0.3
Quality	0.1	2	0.2
Affordability	0.1	3	0.3
	1.00		Total = 2.4



5.17 BCG MATRIX

BCG Growth Share Matrix

It is a portfolio-planning model developed by Bruce Henderson of the Boston Consulting Group in early 1970's. It is based on the observation that a company's business units can be classified into four categories based on combinations of market growth and market share relative to the largest competitor, hence the name "growth-share". Market growth serves as a proxy for industry attractiveness, and relative market share serves as a proxy for competitive advantage. The growth-share matrix thus maps the business unit positions within these two important determinants of profitability.

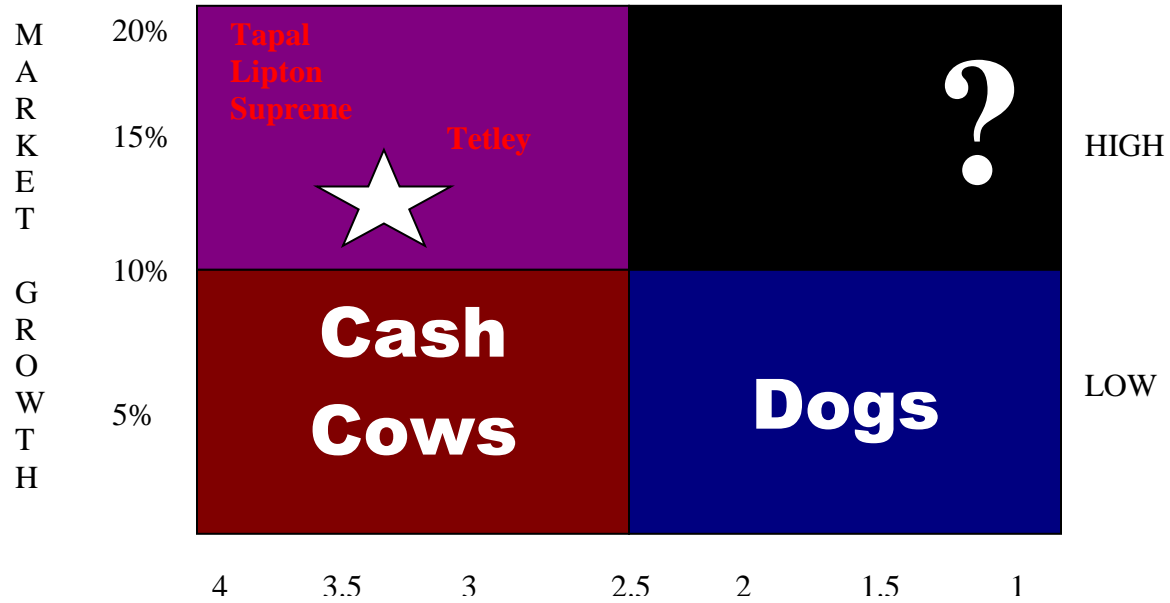
(Source: "Marketing Management" by Harper w. Boyd page 41&42)

The BCG Growth Model is divided into four Quadrants of Star, Question Mark, Cash Cows and Dog. Below the researcher has analyzed the automobile growth industry and the market share of specific cars based on the attributes selected on the perceptual maps.

Tea Industry Growth Rate:

The market growth rate, which in this case is the tea industry, growth rate of Tea industry in Pakistan is highly growing. The growth rate of Pakistan's Tea industry is increasing at an increasing rate. This is evident from the fact that new and new companies are coming on the domestic scenario. Also already established companies are coming up with new sub brands in the Tea category.

Branding Aspects of Tapal



Product Analysis

Tapal tea is a star product of the company. With high growth rate and an equally high market share it is one of the most popular products.

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5.18 Customer Survey

The researcher conducted a survey in order to study the opinions about the perception of Tapal and its competitor's brands in the mind of customers. At the same time, the purpose of the questionnaire is to know the currently owned brands and the satisfaction level with the existing brands.

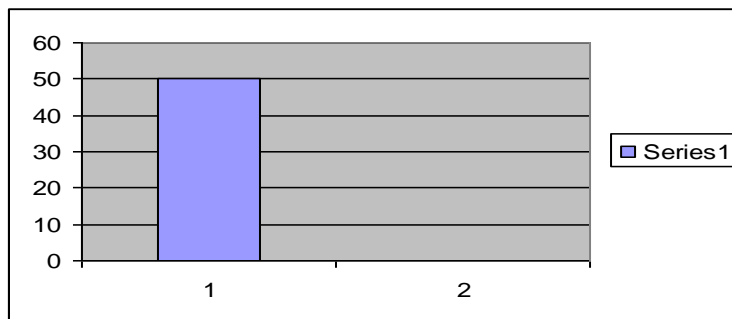
Secondly, the survey was meant to analyze the brand analysis of Tapal brand in the Pakistani market. The population for the survey is 50 customers.

The questionnaire is attached in the appendix (see Appendix 1).

Survey Analysis

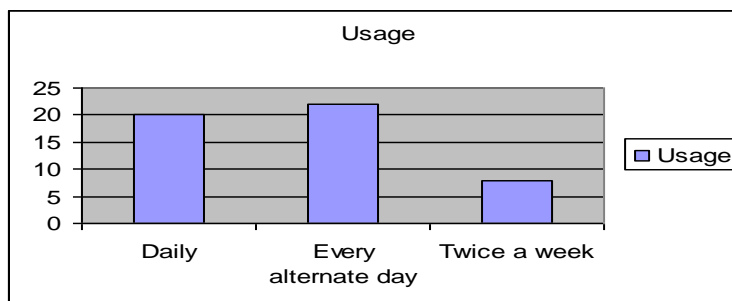
FIRST PART

Do you think tea is a basic necessity of an individual's life? This question was to analyze the reference group matrix for tea product either it is a necessity or luxury.



The above graph shows that all 50 customers consider tea as a necessity.

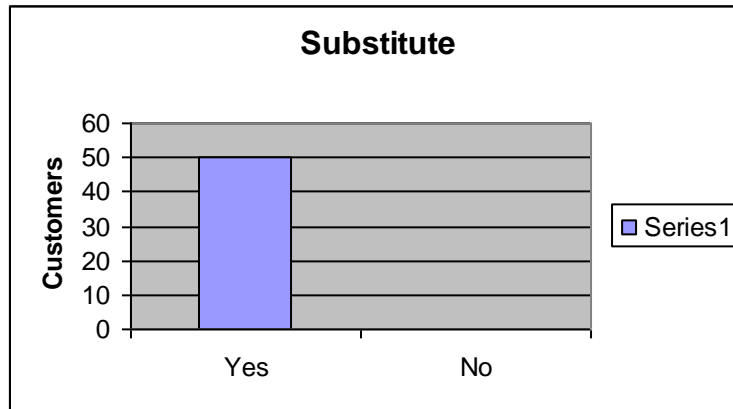
To what extent do you use tea? This question was to analyze the usage of the tea product. The following graph shows that 20 customers use tea daily, 22 customer use tea every alternate day and 8 customers use tea every alternate day.



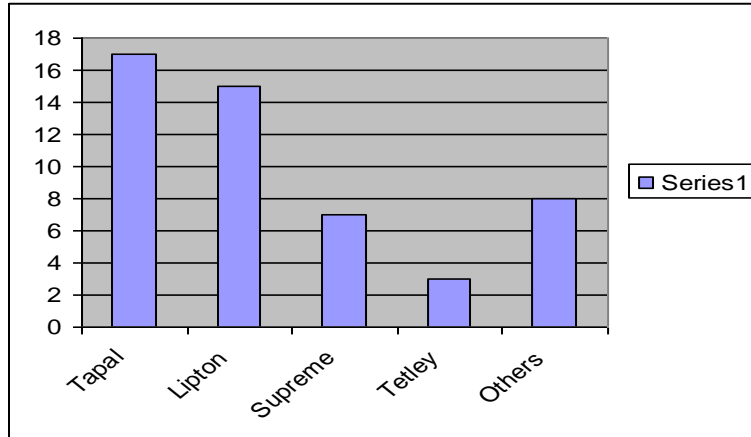
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Have you ever used any alternatives to tea? With this question the researcher analyzed the substitutes for tea. All customers answered this question in “Yes” which shows that there are substitutes for tea product.



What tea are you currently using? This question was designed to explore the current preferences of customers. The purpose is to identify those brands which are most popular or those with which a customer is willing himself to associate with. The following graph shows the results:



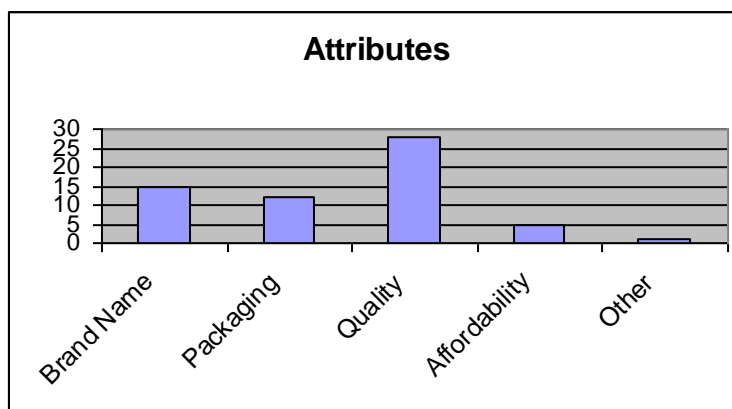
Branding Aspects of Tapal



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Which of the following attributes is important to you when purchasing a tea? This question is linked with the previous question. This shows why people want to switch to another brand or which attributes they give importance. The following options were provided to the customers to identify the reason for switching to new brand or why they are buying their current brand:

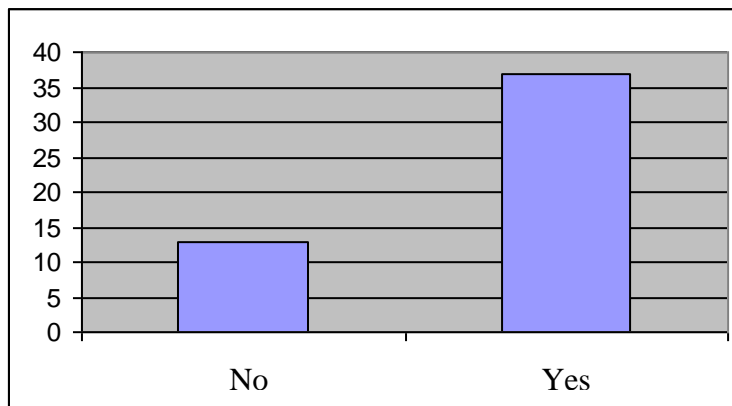
- Brand Name
- Packaging
- Quality
- Affordability
- Other _____



The above graph shows that the most important attribute is quality and then the brand name.

Have you always used this tea? (*If Yes skip next question*) (Graph I) If not then which brand did you use before switching to the current one? (Graph II) Do you switch between brands often? (Graph III) All these three questions and the previous two are interconnected with each other. In these three questions researcher was basically trying to find out about the switching between the brands.

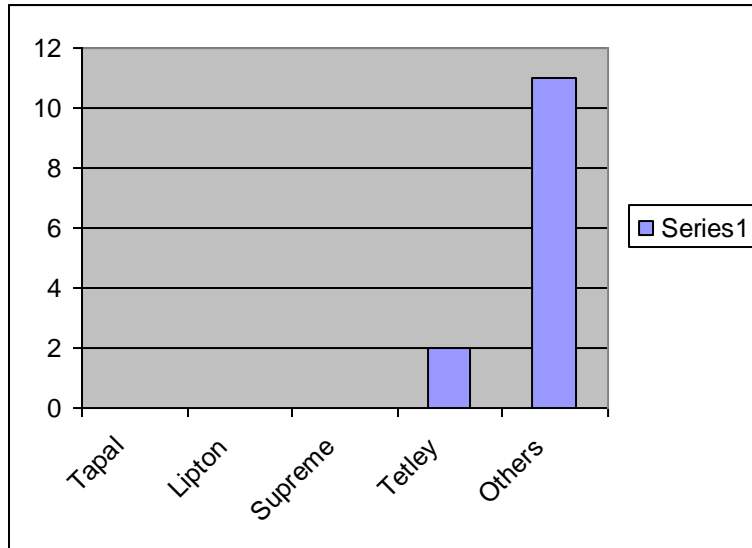
Graph I:



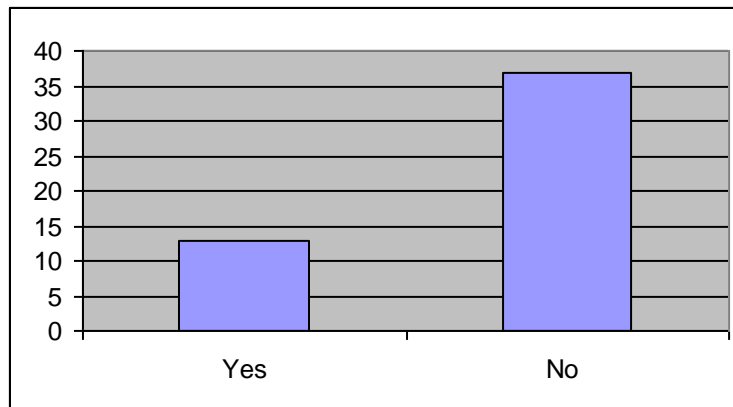
Branding Aspects of Tapal



Graph II: (Result of 37 consumers as in previous question 37 consumers said that they have not switched from other brands they are consistent with their brand.)



Graph III:



From the above results the researcher found that the switching cost is low and consumers easily switch from one brand to another and the reasons are as follows:

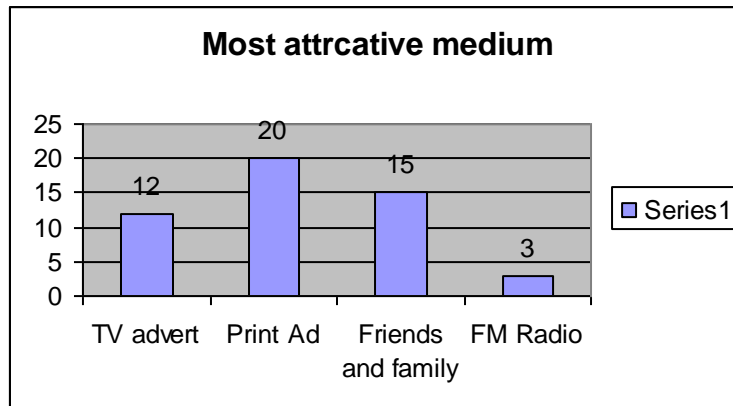
- Brand Name
- Packaging
- Quality
- Affordability

Branding Aspects of Tapal



How did you come to know about your current tea? From this question researcher wanted to find out the most attractive advertisement medium for consumers.

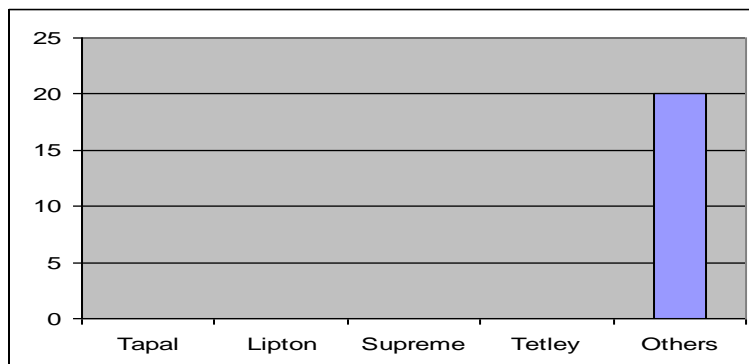
- TV advert
- Print Ad
- Friends and family
- FM Radio



The most attractive medium used by the tea manufacturers is the print medium then the word of mouth advertisements.

Rate the following brands on a scale of 1-5 according to the provided attributes (1 being the lowest and 5 being the highest) This question is basically used for finding out the positioning of different brands in the eye of the consumer. Its results are shown in the Perceptual Mapping part in the Analysis Chapter.

Which one of the following brands do you think have low brand recall and recognition? The researcher tried to find out the graveyard brands.



Results show that no brand which researcher have used in his research is a graveyard brands.

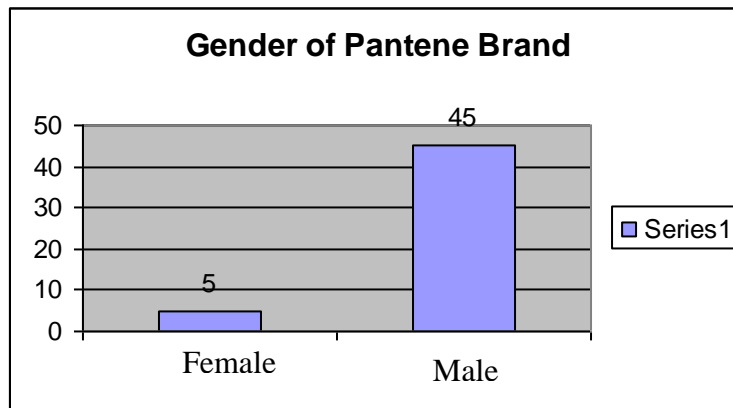
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SECOND PART

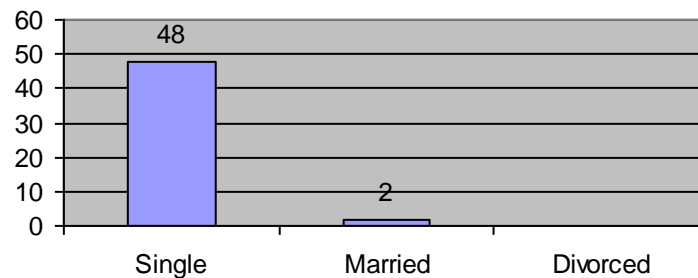
The second part of this questionnaire is related to the brand personality of Tapal brand.

How will you describe the gender of Tapal?



Reasons given by the consumers for Tapal is Male, as its hard in nature.

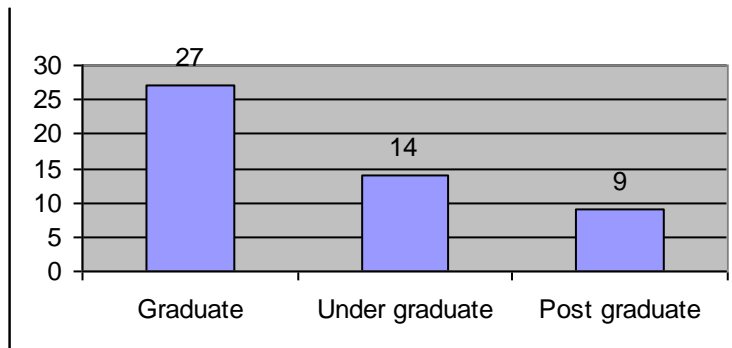
What do you think about the marital status of Tapal?



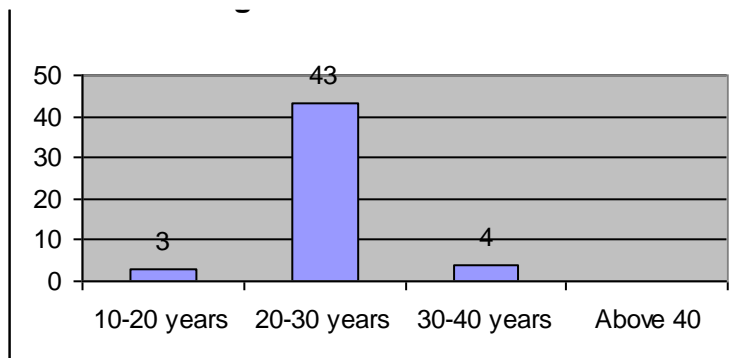
Branding Aspects of Tapal



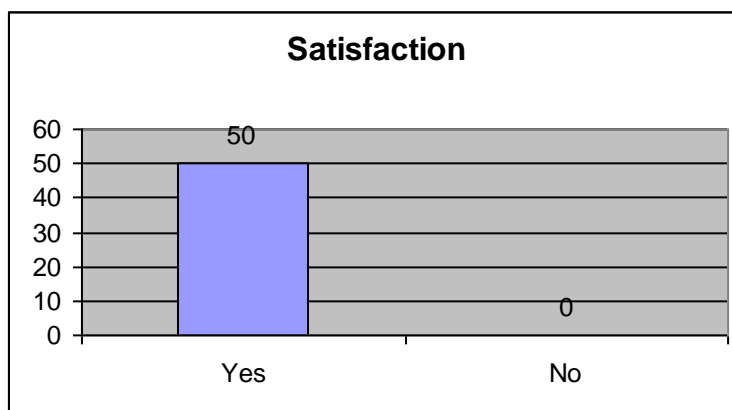
What is the qualification of Tapal?



What is the age of Tapal?



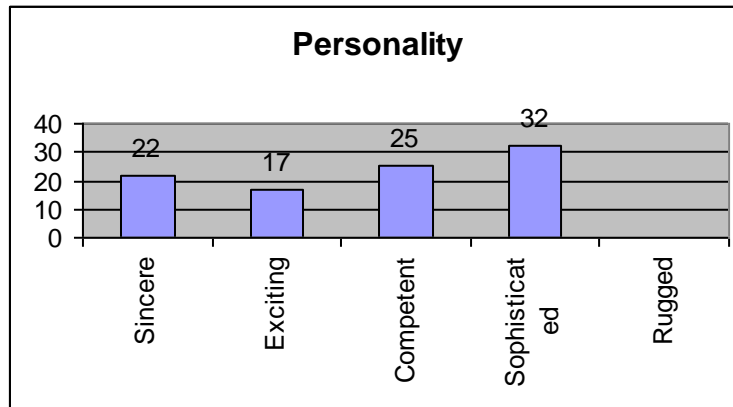
What is the nature of Tapal? Is it satisfying its consumer's needs?



Branding Aspects of Tapal



What is Tapal's personality in your opinion? (Choose all that are appropriate)



- *All the results of the survey are clearly applied / mentioned in the Analysis part.*

CHAPTER NO. 6
CONCLUSIONS /
RECOMMENDATIONS



CONCLUSIONS

Coming to the conclusion part of this research work Tapal is one the leading Company in Pakistan Tea Market, they don't just market brands, they communicate meaning. At the heart of their approach is their belief that consumer is boss, and that the consumer perspective must be explored in depth. They realize that despite their efforts to express and define brand identity and image, the intended meanings of brands ultimately need to be actualized by consumers.

The Law of Advertising says that once born, a brand needs advertising to stay healthy. A company might have an extremely good quality brand but unless the customer knows about it, it is useless and no profits are made as no sales are made. In the highly-competitive tea market, it is always good to keep on reminding your customers that your brand is the topmost quality and the cheapest. Tapal too makes use of a variety of communication tools in order to convey its brand's positioning to its customers. As we learnt earlier, Tapal is an umbrella brand which has many extensions thus it needs to use the right tools to reach the right target market so that customers do not get confused.

As far as consumers' perception of tea Brands are concerned, generally the three Brands have similar perceptions – except for a few variations. Image of Brands is significantly stronger among the respective users than among the nonusers. The image of Lipton is strong in the Urban as against of Supreme in the rural - more so in Punjab and Balochistan. Strength of Tapal is in Karachi and in Rural Sindh. The perception of Lipton is that of an International Brand available in a special sealed pack, containing tea of high quality, which removes fatigue. It is a sign of good taste, a tea for entertaining guests and family get-togethers. On the other image attributes association levels are relatively weaker – especially as value for money tea.

According to a survey conducted on Brand image in 1997, Image of Supreme is the strongest as a Brand in a sealed pack. On the other aspects, levels of associations are more or less similar to those for Lipton except on sign of good taste. Tapal is perceived to be an aromatic tea which removes fatigue, a tea for family get together and is everybody's choice.

Among the dust Brands in rural Sind, Pearl Dust clearly is the preferred Brand. It is seen as a Brand available in a sealed pack, with tea, which removes fatigue as it is strong and gives more enjoyment. Associations of this Brand are also notable with value for money, more number of cups, aromatic and bright-colored tea

Branding Aspects of Tapal



Tapal has the middle class as its main customers. In order to meet the consumer taste by providing the best of expensive tea in lower priced packaging and unique blending targeted to different consumer taste segments increased the sales volume tremendously. Tapal rapport and relationship with its customers are based on trust. The philosophy of low overheads and lower profit margin is the key of having brand loyal customers. Tapal also keeps in constant touch with its customers by conducting surveys and inquiring about the changes/improvements in their products.

Rural Pakistan accounts for over 60 per cent of the country's population. With urban markets saturated for most categories, it has become very important for all players to increase their penetration levels in rural markets. There has been a rapid expansion of the consumer majors' distribution networks into the rural regions. Because of all these factors new companies are seeing Pakistani market as an attractive one and are entering in this sector.

Pakistan is the third largest tea importer after Russia and Britain. The country imported 105 million kg worth \$163 million in the fiscal year 2002-03. The importers buy black tea from 17 countries, including Bangladesh, Burundi, China, Congo, India, Indonesia, Kenya, Malawi, Mozambique, Madagascar, Rwanda, Sri Lanka, Uganda, Zaire and Zimbabwe. The tea market here is dominated by UPL, Tapal and the most recent entrant is Tetley Pvt. Nationally, branded tea dominates the market with its user ship in two thirds of the tea-drinking households. Punjab and Sindh are the main branded tea using provinces (irrespective of urban/rural)

It is important for every brand enjoying a good market position to sustain its position in the market. Most brands fall victim to strategic myopia. Thus they are so overwhelmed by their current market standing that they feel as if they are invincible and are thus unable to sustain their market position. Tapal currently is enjoying a lead in the market. But it needs to sustain this position and this can only be done by following the right kind of strategies.



RECOMMENDATIONS

After analyzing several aspects of the marketing operations of Tapal the researcher would like to recommend the following.

1. Effective lobbying is required by the company to stop inflow of smuggled tea, especially from Iran. Since the present government is committed to scratch the menace of smuggling from Pakistan, Tapal should openly support their efforts. Therefore, these products are severely hurting the sale of the domestic products and should be stopped from entering Pakistan.
2. Tapal should attain self sufficiency in raw material which is at present imported from various countries around the world. By having its own agricultural land in areas whose climatic conditions are conducive for the growth of tea.
3. Tapal Tea should give top priority to customer satisfaction and to quality of its products. Due to the severe competition among the competitors in the tea market, Tapal should ensure that it maintains its traditional quality and taste without compromising on quality.
4. Tapal Tea should also plan to expand its distribution network to all the major cities of Pakistan as it will help them to work effectively. Further, it should also plan to increase the warehouse capacity. It will result in better storage capacity and avoidance of stock out situations.
5. The company should create more awareness about its entire product range available in Pakistan. As the consumers in Pakistan are well informed about them through the satellite channels and Internet. More awareness can also be created through previously untapped mediums that are fast becoming popular in the masses such as FM Radio.
6. The competition in the Pakistan tea industry is increasing day by day & new local companies are entering into the market. In such an increasing competitive environment, Tapal should also look to the market and sell its products out of Pakistan. As it has already had a strong brand name in Pakistan.
7. Unbranded tea dominates 50% of the tea market currently. The advantages that unbranded tea has over branded tea have already been discussed earlier. Tapal seeks to capture this market by promoting the hygiene of packed tea and by introducing different SKUs to suit the needs of the buyers.



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APPENDICES

Branding aspect of Tapal



I am a student of NUST Institute of Management Sciences, conducting a research on Tapal, from customers' perspective. Your true and honest answers will be appreciated.

Personal Information:

Gender

- ❖ Male
- ❖ Female

Age

- ❖ Below 20
- ❖ 20-30
- ❖ Above 30

Occupation

- ❖ Unemployed
- ❖ Student
- ❖ Government officer
- ❖ Self-business owner
- ❖ Other_____

Income level

- ❖ None
- ❖ 3000Rs – 5000RS
- ❖ 5000Rs – 10,000Rs
- ❖ 10,000Rs – 30,000Rs
- ❖ Above 30,000Rs

PART ONE

Q1. Do you think tea is a basic necessity of an individual's life?

- ❖ Yes
- ❖ No

Q2. To what extent do you use tea?

- ❖ Daily
- ❖ Every alternate day
- ❖ Twice a week
- ❖ Other_____

Q3. Have you ever used any alternatives to tea?

- ❖ Yes
- ❖ No

Q4. What tea are you currently using?

- Tapal Lipton Supreme Tetley
 Other_____

Branding aspect of Tapal



Q5. Which of the following attributes is important to you when purchasing a Tea?

- Brand Name
- Packaging
- Quality
- Affordability
- Other_____

Q6. Have you always used this tea? (Refer to Q4)

- ❖ Yes
- ❖ No

(If Yes skip Q7)

Q7. If not then which brand did you use before switching to the current one?

- Tapal Lipton Supreme Tetley
- Other_____

Q8. Do you switch between brands often?

- ❖ Yes
- ❖ No

Q9. How did you come to know about your current Tea?

- TV advert
- Print Ad
- Friends and family
- FM Radio

Q10. Rate the following brands on a scale of 1-5 according to the provided attributes (1 being the lowest and 5 being the highest)

Product Name	Brand Name	Packaging	Quality
Tapal			
Lipton			
Supreme			
Tetley			
Others: _____			

Branding aspect of Tapal



Q11. Which one of the following brands do you think have low brand recall and recognition?

- Tapal
- Lipton
- Supreme
- Tetley
- Others

SECOND PART

Q1. How will you describe the gender of Tapal?

- ❖ Male
- ❖ Female

Why? (Optional)

Q2. What do you think about the marital status of Tapal?

- ❖ Single
- ❖ Married
- ❖ Divorced

Q3. What is the qualification of Tapal?

- ❖ Graduate
- ❖ Under graduate
- ❖ Post graduate

Q4. What is the age of Tapal?

- ❖ 10-20 years
- ❖ 20-30 years
- ❖ 30-40 years
- ❖ Above 40

Q5. What is the nature of Tapal? Is it satisfying its consumer's needs?

- ❖ Yes
- ❖ No

Q6. What is Tapal's personality in your opinion? (Choose all that are appropriate)

- ❖ Sincere
- ❖ Exciting
- ❖ Competent
- ❖ Sophisticated
- ❖ Rugged

Thank you for your valuable opinion.